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Fubon Financial Holding Co., Ltd.

2024 Annual Report

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Spokesperson and Acting Spokesperson

Spokesperson

Name/Title: Jerry Harn/President

TEL: (02)6636-6636

E-mail: pr@fubon.com; ir@fubon.com

Acting Spokesperson

Name/Title: Chin-Wen Lo / Executive VP

Address, Phone Number and Website of the Financial Holding Company and Subsidiaries

Fubon Financial Holding Co., Ltd.

Address: 15F, 16F, No. 179, Liaoning St., Zhongshan Dist., Taipei City

TEL: (02)6636-6636 (main line)

Website: www.fubon.com

Fubon Life Insurance Co., Ltd.

Address: 8F, No. 77, Songgao Rd.,
Xinyi Dist., Taipei City

TEL: (02)8771-6699 (main line)

Website: www.fubon.com/life/

Taipei Fubon Commercial Bank Co., Ltd.

Address: Headquarter- No. 169, Section 4,
Renai Rd., Da'an Dist.,
Taipei City • Business
Department-1F, 2F, 3F, 5F, 8F
and 12F, No. 50, Section 2,
Zhongshan N. Rd., Zhongshan
Dist., Taipei City

TEL: (02)2771-6699 (main line)

Website: www.fubon.com/banking

Fubon Securities Co., Ltd.

Address: 3F, 4F, No. 169, Section 4,
Renai Rd., Da'an Dist., Taipei
City

TEL: (02)8771-6888 (main line)

Website: www.fubon.com/securities

Fubon Insurance Co., Ltd.

Address: 7F-14F, No. 179, Liaoning
St., Zhongshan Dist.,
Taipei City

TEL: (02)6636-7890 (main line)

Website: www.fubon.com/insurance

Fubon Bank (Hong Kong) Ltd.

Address: Fubon Bank Building,
No. 38 Des Voeux Road Central,
Hong Kong

TEL: (852)2842-6222 (main line)

Website: www.fubonbank.com.hk

Fubon Asset Management Co., Ltd.

Address: 8F, No. 108, Section 1, Dunhua
S. Rd., Songshan Dist., Taipei
City

TEL: (02)8771-6688 (main line)

Website: www.fubon.com/asset-management

Fubon Financial Holding Venture
Capital Co., Ltd

Address: 10F, No. 77, Songgao Rd.,
Xinyi Dist., Taipei City

TEL: (02)6606-9088 (main line)

Website: None

Fubon AMC, Ltd.

Address: 4F, No. 50, Section 2,
Zhongshan N. Rd., Zhongshan
Dist., Taipei City

TEL: (02)6618-0588 (main line)

Website: None

Fubon Insurance Agency Co., Ltd.

Address: 17F, No. 9, Xiangyang Rd.,
Zhongzheng Dist., Taipei City

TEL: (02)2370-5199 (main line)

Website: www.fubon.com/insuranceagency/home/index.htm

Share Administration Agency

Name: Fubon Securities Co., Ltd. Share Administration Department

Address: 11F, No. 17, Xuchang Street, Taipei City

TEL: (02)2361-1300 (main line); website: www.fubon.com/securities

Credit Rating Agency

Name: S&P Global Ratings

Address: Level 3 and 4, Three Exchange Square, 8 Connaught Place,
Central, Hong Kong

TEL: (852)2533-3500

Name: Moody's Investors Service Hong Kong Limited

Address: 24F, One Pacific Place, 88 Queensway Admiralty, Hong Kong

TEL: (852)3758-1300

Name: Taiwan Ratings Corp.

Address: 2F, No. 167, Dunhua North Road, Songshan Dist, Taipei City

TEL: (02)2175-6800

Financial Statements Auditors of the latest fiscal year

Name: Lee Feng-Hui and Wu Lin, CPA

Address: 68F, No. 7, Section 5, Xinyi Road, Xinyi Dist, Taipei City

Name of accounting firm: KPMG

TEL: (02)8101-6666; website: www.kpmg.com.tw

Name of Overseas Exchange Where Securities Are Listed and Method of Inquiry:

Name of overseas exchange where securities are listed: Bourse De Luxembourg

Method of inquiry for overseas securities: www.bourse.lu

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1. Letter to Shareholders

Dear Shareholders,

Looking back at the global economic situation in 2024, inflationary pressures have eased, leading to a moderate recovery in economic activity. However, the performance across various industries has been uneven, which has constrained the momentum of global economic growth and resulted in divergent trends in economic conditions and inflation rates among different countries. Taiwan benefits from an increase in export and production momentum, coupled with stable consumer activity, which has driven economic growth. The overall profitability of Taiwan's financial holding industry in 2024 has been impressive. Fubon Financial Holdings' net income reached a record high of NT\$150.82 billion, its earnings per share of NT\$10.77 led the sector for the 16th consecutive year and its consolidated total assets surpassed NT\$12 trillion.

Beyond deepening its presence in Taiwan, Fubon Financial Holdings has steadily forged a regional network and developed innovative financial models through cross-industry alliances. Based on the foundation of its own advantages, we strive to integrate peers and cross-industry resources to enhance our financial service strength so as to provide diversified financial services for new and existing customers. In the meantime, we are injecting innovative energy through FinTech, integrating financial holdings' resources, covering banking, insurance and asset management services, and creating a diversified financial service platform and extending our tentacles to other regions in Asia. We will continue to seek various cooperation opportunities in the future. In addition to improving the operating results of the existing overseas businesses and focusing on Asia, Fubon Financial Holdings will continue to evaluate M&A and investment opportunities as we move steadily closer to our vision of becoming one of "Asia's first-class financial institutions".

Financial Sector Leader in EPS 16 Years in a Row

Looking back to 2024, Taiwan has benefited from the wave of AI development, which has significantly boosted demand for electronics and ICT products and led to a notable recovery in overall exports. As the destocking of industrial inventories improved, emerging technologies are creating vibrant business opportunities that enhance corporate investment confidence, resulting in a rapid resurgence of private investment. In addition, the recovery in the manufacturing sector is encouraging companies to increase salaries, thereby supporting steady growth in private consumption. With both domestic and external demand expanding simultaneously, Taiwan's economy is demonstrating robust momentum.

In 2024, Taiwan experienced strong economic dynamics, alongside a vibrant stock market, which resulted in remarkable profitability for the financial industry. The subsidiaries of Fubon Financial Holdings continued to perform well. Fubon Financial Holdings' net income reached a record high of NT\$150.82 billion, with an earnings per share of NT\$10.77, leading all financial holdings companies in Taiwan for the 16th consecutive year! The profit contribution mainly came from Fubon Life and Taipei Fubon Bank. Fubon Financial Holdings' return on assets (ROA) and return on equity (ROE) were 1.30% and 17.20% respectively.

Fubon Financial Holdings has not only achieved a record high in profit but also maintained a growth momentum in its consolidated total assets which have surpassed NT\$12 trillion, reaching NT\$12,067.3 billion by the end of December 2024, an increase of 9% from the end of 2023, and remained Taiwan's second largest financial holding company. The subsidiaries Fubon Life, Taipei Fubon Bank, Fubon Securities, and Fubon Asset Management have all achieved a record high profit for 2024.

Fubon Life: Financially Sound, Operation Performance Continues to be Stellar

In 2024, interest rates were notably high for a significant period. However, beginning in the third quarter, the Federal Reserve launched a series of rate cuts, which is likely to favor life insurance companies. The competent authorities have enhanced their scrutiny of products, especially by refining the assessment of participating insurance products and ensuring adherence to indemnity principles for pay-as-you-go medical insurance products. Fubon Life maintains flexible product and diversified channel strategies, prioritizing the sale of protection-oriented and regular-paid products, while persistently rolling out various participating insurance products to sustain its outstanding performance. First-year premium was about NT\$110.08 billion in 2024, which ranked second in the industry. If excluding the investment-linked policies, first-year premium of about NT\$80.25 billion ranked first in the industry. Total premium of NT\$364.3 billion ranked second in the industry. Total assets grew stably to over NT\$6.2 trillion in 2024, which ranked second in the industry, and net income of about NT\$102.66 billion was an important profit engine for Fubon Financial Holdings.

In terms of customer service, Fubon Life is actively improving its application of insurance technology to foster digital solutions. The implementation of the “68999” corporate SMS sending code marks an important development that harnesses information and communication technology to fight against fraud and eliminate counterfeit SMS scams. In addition, Fubon Life is broadening its Mobile ID (MID) services with the new “Identity Courier” service, which permits policyholders to apply through various channels, thereby enhancing the overall digital financial experience.

Overseas, the Fubon Life’s Vietnam subsidiary focuses on localized operations and working alongside Fubon-affiliated businesses to cultivate the market of Taiwanese businessmen. Fubon Hyundai Life Insurance is committed to the sales of regular-paid and protection-oriented products, and strengthens capital management and boosts profitability. The Hong Kong subsidiary is adjusting its products to better satisfy market demands and is reinforcing partnerships with affiliated enterprises to achieve synergy.

Taipei Fubon Bank: Unleashes Core Competitiveness by Integrating Both Virtual and Physical Services and Leverages Synergies to Achieve a Record High Profit

In 2024, the world has experienced a decline in inflation rates alongside an expansion in trade. Nevertheless, the global political and economic environment was confronted with several challenges, influenced by factors such as the U.S. presidential election, the continuing Russia-Ukraine war, rising tensions in the Middle East, and a deceleration in China’s economic growth. Taipei Fubon Bank has effectively balanced risk and profitability through prudent management and consistently expanded its business scale while seizing investment market opportunities which has resulted in record high in annual revenue and net income.

In 2024, Taipei Fubon Bank has introduced a new mobile banking application named “Fubon+”, emphasizing three key features: simplicity, intuitiveness, and understanding the customer. This initiative aimed to improve customer experience and satisfaction. Given the increasing geopolitical risks and the reorganization of supply chains that have resulted in the relocation of production bases, the bank was committed to expanding its global footprint. Plans included upgrading the representative office in Australia to a branch and establishing branches in Japan and India, along with a representative office in South Korea, to cater to the financial service needs of Taiwanese and foreign enterprises. Taipei Fubon Bank was dedicated to advancing sustainable development in alignment with Environmental, Social, and Governance (ESG) criteria. The bank has made significant strides in launching sustainable financial products and was honored in 2024 as one of the top 20% of banks in the first-ever “Sustainable Finance Evaluation” conducted by the Financial Supervisory Commission. Furthermore, the bank has received the award of “Best ESG Bank in Taiwan” from “Euromoney” for the 3rd consecutive year. The bank also enhanced its financial technology initiatives to prevent financial fraud and foster a culture of financial friendliness, aiming to establish a standard for service excellence in the financial sector.

Taipei Fubon Bank continuously optimized its business operations and actively pursued innovation to strengthen its financial service capabilities. The bank has received numerous awards from both domestic and foreign professional institutions and media in the areas such as wealth management, digital finance, green credit, information security, and corporate sustainability.

Fubon Securities: Emphasizes the Balanced Development of Various Businesses; Expands the Scale of Wealth Management and Enhances Digital Management Practices

In 2024, the stock market experienced significant growth, primarily driven by the vigorous trading of weighted stocks within the AI and semiconductor sectors. This surge resulted in a marked increase in market prices and trading volumes. In 2024, the net income of Fubon Securities was NT\$10.02 billion, an increase of 42% from 2023. In 2024, Fubon Securities maintained its position among the top three in key business market rankings and profitability. The brokerage market share stood at 7.14%, securing the third position. In addition, the margin financing market share was 9.78%, along with a 21.89% market share in the emerging stock market, both placing Fubon Securities firmly at the second place. The securities lending market share reached 18.40%, and the underwriting market share for Taiwanese bonds increased to 15.14%, also achieving the second place.

In 2024, Fubon Securities achieved significant recognition for its successful transformation towards “digital” and “sustainable” practices. This includes receiving the “Intelligent Innovation Application Award-Gold Award” at the Taiwan Financial Award, the “Digital Inclusion Gold Award” at the Digital Financial Award, and the “Taiwan’s Top 100 Sustainable Model Enterprises Award for Overall Sustainable Performance” at the Taiwan Corporate Sustainability Awards. Additionally, it was included for the first time in the “Sustainable Finance Evaluation”, where it was ranked among the top 25% of outstanding securities firms by the Financial Supervisory Commission.

Looking ahead, Fubon Securities will continue to enhance its market share in brokerage services by attracting talented professionals and strengthening the development of new customers. In addition, Fubon Securities will implement tiered management for its sales personnel and focus on deepening customer segmentation management to promote a transformation in wealth management. The development of AI applications will be prioritized, along with the recruitment of digital talent to bolster digital innovation. In terms of proprietary trading, Fubon Securities aims to increase its position size while pursuing absolute returns. The underwriting business will focus on deepening customer segmentation to secure high-profile underwriting projects. Moving forward, Fubon Securities will maintain its commitment to strengthening inter-company collaboration within the group and expanding its cross-domain ecosystem to create synergistic effects.

Fubon Insurance: Market Share Reaches 23.9%, Ranking No. 1 in the Market for 43 Consecutive Years

In 2024, Fubon Insurance demonstrated a resurgence in both underwriting and investment performance and achieved a net income of NT\$3.02 billion. By leveraging the advantages of group resources and diverse distribution channels, Fubon Insurance maintained its position as the market leader in the non-life insurance market, with written premium of NT\$64.51 billion, an increase of 11%, and a market share of 23.9%.

In order to effectively implement digital transformation, Fubon Insurance has taken the initiative to collaborate with FinTech companies to innovate insurance services. This partnership has led to the development of scenario-based insurance, which provides a one-stop solution to meet consumer demands. In addition, Fubon Insurance is dedicated to crafting a comprehensive FinTech blueprint, positioning itself at the forefront of financial patents with a total of 13 invention patents and 27 new-type patents, making it a leader in the industry as of 2024.

Fubon Insurance effectively harnesses the cross-selling resources within its group to enhance operational synergies. Collaborating with Fubon Life, Fubon Insurance aims to elevate business quality and minimize the loss ratio in auto insurance. By leveraging the high traffic and customer behavior data from Taipei Fubon Bank’s internet banking, Fubon Insurance engages in precise marketing. The partnership with Fubon Securities is being strengthened to explore corporate insurance opportunities for underwriting customers. In addition, Fubon Insurance works with Fubon Insurance Agency to promote innovative health management policies that focus on preventive measures through health screenings. Furthermore, a collaboration with Taiwan Mobile has been established to create an insurance zone and utilized data mining to identify potential user needs for precise marketing.

In addition to its deep cultivation in Taiwan, Fubon Insurance has also continued to expand its overseas network, and now has subsidiaries in Mainland China and Vietnam, insurance brokers in Thailand and the Philippines, and representative offices in Beijing, Malaysia and Indonesia. Fubon Reinsurance Labuan has successfully started its operations in 2024, contributed to a more comprehensive Southeast Asian strategy for Fubon Insurance and established a new landmark achievement.

Fubon Bank (Hong Kong): Strives for excellence

Fubon Bank (China): Harnesses Collaborative Potential for Innovations

Despite facing challenges such as global economic uncertainty and changes in consumer behavior, Hong Kong's economy has been steadily recovering in 2024, supported by various stimulus measures implemented by the Hong Kong government. Fubon Bank (Hong Kong)'s double-digit growth in both annual revenue and net income reflected an expansion of interest-earning assets and the improved net interest margin underpinned by repricing owing to high market interest rates. On the customer side, the bank has not only increased the penetration rate among existing customers to strengthen relationships, but also established a cross-border banking division to strive for overseas customers seeking wealth management services. In addition, the bank was committed to optimizing its products and services to enhance customer experience. In terms of channel, the bank adopted a hybrid strategy, enhancing online financial services through continuous improvements to its mobile banking application, as well as offering premium offline wealth management services through its wealth management center. Moreover, our subsidiary Fubon Credit (Hong Kong) has also launched the "Boni" online loan platform to meet the financing needs of the younger generations.

Despite facing a slowdown in economic growth due to overall insufficient demand in 2024, Fubon Bank (China) remained committed to serving Taiwan-funded enterprises and the real economy. The bank aimed to deepen its market operations through a clear market positioning, distinctive business characteristics, high-quality service, comprehensive network layout, a full range of licenses, and innovative operational models. This approach was expected to foster new opportunities while ensuring steady growth in asset size and driving an increase in net income. In addition to actively enhancing new customer acquisition and deepening relationships with existing customers to boost competitiveness in corporate banking and market share among Taiwan-funded enterprises, the bank also developed both online and offline services. By refining customer management, it sought to optimize its retail banking business model and created a highly convenient financial platform through collaboration across various business sectors and cross-border initiatives, ultimately realizing its vision of becoming the most trusted strategic partner for Taiwan-funded enterprises and Taiwanese compatriots.

Fubon Asset Management: Provides Comprehensive Asset Allocation Solutions, and Focuses on Niche Markets while Enhancing Existing Sales Channels and Customer Base

In 2024, Fubon Asset Management faced various external environmental challenges but actively sought to expand its customer base and enhance product visibility for its existing niche offerings. By deepening established sales channels and strengthening customer loyalty, Fubon Asset Management has managed to maintain a steady growth in asset management scale. In terms of the asset management business, Fubon Asset Management continues to promote and re-market a diverse range of domestic and overseas equity and bond products, thereby providing investors with a more comprehensive investment portfolio. Additionally, efforts are being made to secure discretionary investment business from both internal and external institutional clients to further increase management scale. In terms of business investments, Founder Fubon Fund Management has expanded its sales channels and is cultivating internet financial platforms, while Fubon Fund Management (Hong Kong) is reinforcing the re-marketing of its core products to establish flagship-level funds.

Implement Risk Control, Maintain Strong Capital Structure

As its business has grown, Fubon Financial Holdings has put a premium on risk management, maintaining strong balance sheet strength and a level of asset quality that exceeds the market average. Those efforts resulted in a CAR of 141.05% in 2024, well above the minimum capital requirement of 100%.

At the end of 2024, Taipei Fubon Bank's BIS ratio reached 15.43%, demonstrating a strong capital structure. Asset quality was also maintained at an excellent level with its NPL ratio of 0.12% and coverage ratio of 1,083.9% at the end of 2024.

Moody's, S&P Global Ratings and Taiwan Ratings Corp. all gave Fubon Financial Holdings ratings that fully reflect its superior financial performance and leading market position over its peers.

The ratings of various rating agencies in 2024 are shown below:

Rating Type	Rating Agency	Credit Rating		Outlook	Effective Date
		Long-term	Short-term		
International	Moody's	Baa1	-	Stable	2024/6/6
	S&P Global Ratings	BBB+	A-2	Stable	2024/11/29
Domestic	Taiwan Ratings Corp.	twAA	twA-1+	Stable	2024/11/29

Leading Green Finance: Integrates with International Community to Expand Impact in Sustainability

Fubon Financial Holdings' ESG vision comprises four major strategies: Decarbonization, Digitalization, Empowerment and Connection. With the Decarbonization as our priority, Fubon Financial Holdings has launched the "Run For GreenTM" initiative, concentrating on leading development of green finance in Taiwan, and enabling the decarbonization transition of industries.

Fubon Financial Holdings proactively participates in international sustainability organizations, including Task Force on Climate-related Financial Disclosures (TCFD), Partnership for Carbon Accounting Financials (PCAF), Asia Investor Group on Climate Change (AIGCC) and the Taskforce on Nature-related Financial Disclosures (TNFD). In August 2024, the company became a member of the Partnership for Biodiversity Accounting Financials (PBAF), broadening its sustainability perspective to encompass natural capital and biodiversity, thereby aligning with global sustainability trends.

Fubon Financial Holdings commits to promoting low-carbon transformation within the industry. The company has been invited by the Ministry of Foreign Affairs, representing the first and the only financial institution in Taiwan, to participate in the 2024 WTO public forum on sustainable finance topic. This marks the first instance of Taiwan's financial sector participating in the WTO public forum, showcasing Fubon Financial Holdings and the Taiwanese financial industry's efforts in ESG and marking a significant milestone for sustainable finance in Taiwan.

In addition, to fulfill its commitment to use 100% green power in our domestic and overseas operational locations by 2040, Fubon Financial Holdings is actively expanding its initiatives. In 2024, the company, in collaboration with six subsidiaries, has signed a procurement contract for 4.39 million kilowatt-hours of green energy. Starting in June, this transition to green energy has been implemented across 76 office and operational locations, including Fubon Insurance office in Penghu, marking a pioneering effort in the Taiwanese financial sector to carry out green energy initiatives to offshore island!

Continuous Dedication to Sustainable Practices has Proven Highly Effective, and Leading to Repeated Selection on the Dow Jones Sustainability Rankings for Years

Fubon Financial Holdings applies international standards for its sustainable operational initiatives. The achievement has been recognized by the world. We have been selected as a constituent of the DJSI World Index for the 8th consecutive year and the total score performance continues to rank among the top 3% of the global insurance industry (i.e. PR97). We have also been selected as a constituent of the DJSI Emerging Markets Index for the 9th consecutive year. The company has been recognized as one of the inaugural "World's Most Sustainable Companies 2024" by "TIME" and has maintained its position for the 2nd consecutive year as one of the "Global 500 Most Sustainable Reputation Brands" by "Brand Finance".

In addition to the outstanding results in sustainable management, Fubon Financial Holdings also excels in corporate governance as we are the first financial holding company in Taiwan to introduce an independent director system. The independence and diversity of its board members are exemplary in the industry. Richard M. Tsai, Chairman of Fubon Financial Holdings, was selected as one of the "Top 100 CEOs in Taiwan" by "Harvard Business Review" for three times. Since 2022, Richard M. Tsai, Chairman of Fubon Financial Holdings, has been selected as the "Best CEO" by "Institutional Investor" for the 3rd consecutive year. He also received the "Influential People" from "Wealth Magazine," which acknowledges his significant leadership and contributions to corporate governance and sustainable operations.

Outstanding Performance of Subsidiaries Recognized by Numerous Awards

Fubon Financial Holdings collaborates with its subsidiaries to promote sustainable initiatives. Fubon Life hosted a “Sustainable Development Forum” to enhance discussions on sustainability. Taipei Fubon Bank underwrote the issuance of a sustainable development bond by the Taipei City Government, marking the first of its kind in the country. Fubon Securities signed an “Anti-fraud Memorandum of Understanding” with the Criminal Investigation Bureau to combat fraud, successfully preventing fraudulent remittances amounting to NT\$46 million in 2024. In addition, Fubon Insurance introduced Taiwan’s first infrared drone solar panel inspection service.

Fubon Life has been awarded the “Taiwan’s Best Life Insurance Company” by “World Finance” for thirteen times, selected as “Insurance 100 2024” by “Brand Finance” for the 8th consecutive year and selected as “Dragon and Phoenix Insurance Awards-Most Admired Insurance Company – 1st Place in the Back Office Support category and Field Representative Support category” for thirteen times.

Taipei Fubon Bank has been recognized by “Brand Finance” as one of the “Global 500 Banking Brands” for the 7th consecutive year. In addition, it has been selected by “Euromoney” as the “Taiwan's Best Bank for ESG” for the 3rd consecutive year and has earned a place on Forbes list of the “World’s Best Banks” for the 2nd consecutive year. Furthermore, the bank has consecutively ranked among the “top 25% of banks recognized for fair treatment of customers” by the Financial Supervisory Commission for the 2nd consecutive year.

Fubon Securities has received the “Best Wealth Management Award” for the 7th consecutive year and the “Best Customer Services Award” for the 6th consecutive year from “Wealth Magazine”. Fubon Securities has received the “Service Survey in Taiwan – Gold Award in Securities Industry” and the “Digital Information Security Award” for the 4th consecutive year from the “Commercial Times”. Fubon Securities also received the “Best ETF Market Maker – Highly Commended” from “The Asset”.

Fubon Insurance proudly announces its achievement of the “Dragon and Phoenix Insurance Awards 2024 – Most Admired Property Insurance Company –1st Place” awarded by “Risk Management, Insurance & Finance” for thirteen times. Fubon Insurance has also been recognized as a “Trusted Brand” by “Reader's Digest” for the 6th consecutive year and received the “Operational Continuity Management Excellence Award” from “SGS TAIWAN”. Fubon Insurance has also been recognized by the Financial Supervisory Commission’s Insurance Bureau with the “Outstanding Performer in the Insurance Industry Fair Treatment of Customer Principle Assessment”.

Foundations Continue to Expand Positive Influence through Holistic Public Welfare Platform

Fubon Financial Holdings regards itself as a social catalyst and has been working hard to build a holistic public welfare platform through its foundations for a long time. Guided by the brand spirit of “Be positive All possible” it aims to contribute to the common good of society.

Fubon Charity Foundation aims to help the disadvantaged. The “Making Friends with Love” campaign has donated more than NT\$100 million to help over 177,915 students person year. Nearly NT\$43.71 million was invested in projects such as “Emergency Relief Fund” and has helped 138,021 individuals. “Fubon Volunteer Association” has contributed a total of 6,405 persons with a total of near 23,000 service hours.

The Fubon Cultural and Educational Foundation has been diligently engaged in the creation of original children’s content in Taiwan and the cultivation of talent in recent years. Its initiatives have led to the production of several highly regarded works, which have received prestigious accolades such as the “Prix Jeunesse International – Global First Prize” and the “Golden Bell Awards”. Additionally, projects like “young voice”, “financial education”, and “momo mini Family Theater” address various educational themes to empower the younger generation with essential skills.

The Fubon Art Museum, which commenced operations in May 2024, has quickly established itself as a key landmark in the Xinyi District, drawing in over 300,000 visitors. The museum is focused on promoting art through a variety of educational initiatives aimed at diverse audiences. In collaboration with the Fubon Art Foundation, it endeavors to make art more accessible and fosters its integration into everyday life.

Taipei Fubon Bank Charity Foundation has been dedicated to the public welfare activities for a long time. In 2024, the foundation organized the “Fubon Jiazi Cup” for the elderly, featuring both go and table tennis competitions. In addition, it presented the “Fubon Artistic Achievement Awards for the Disabled”, which highlighted a collaborative exhibition of artwork and crafts produced by the award recipients. This reflects the foundation’s dedication to the principle of “giving back to society what one reaps from it” and fostering common good.

The Shanghai Fubon Charity Foundation focuses on the theme of “gathering strength and achieving the future” through various charitable initiatives. It is dedicated to providing physical and mental support to women and the elderly, offering educational assistance from kindergarten to higher education, and implementing targeted poverty alleviation efforts in remote areas, as well as responding to significant disasters.

Taiwan’s Economic Growth Momentum is Robust and Consistent Continue to Improve Customer Service, Product Diversification

Looking ahead to 2025, the robust demand for emerging technologies such as AI is prompting supply chain operators to actively expand their production capacities. This expansion is expected to bolster both exports and private investment. In addition, as corporate profits rise and salary adjustments in the public sector encourage businesses to follow suit, there will be a positive impact on moderate growth in private consumption. It is anticipated that Taiwan’s economy will continue to expand steadily, although actual performance will largely depend on how changes in U.S. trade policies affect global demand.

Furthermore, following Fubon Financial Holdings’ successful completion of the first “merger of two financial holding companies” in Taiwan during the first half of 2023, in the fourth quarter of 2024, Fubon Asset Management plans to merge with Jih Sun Securities Investment Trust, with an aim to complete the merger by 2025. This merger is anticipated to enhance the asset management scale of Fubon Asset Management, propelling it towards its goal of becoming “Asia’s first-class asset management company”. By leveraging the synergies from the “merger of two financial holding companies”, Fubon Financial Holdings aims to expand its customer base, balance its business development, and diversify its revenue sources, ultimately providing customers with superior and varied products and services.

The key strategies and goals for 2025 for Fubon Financial Holdings’ main subsidiaries are as follows:

(1) Fubon Life: In 2025, a cycle of interest rate cuts is anticipated, coinciding with geopolitical tensions that create uncertainty for economic growth. The competent authorities are progressively relaxing regulations to promote the establishment of the “Asian Asset Management Center”. Concurrently, efforts will be made to align with IFRS 17 and TW-ICS, facilitating measures to assist industry participants in this transition. Fubon Life will adapt its product strategies to market changes, strengthen its self-owned distribution channels, and solidify external partnerships to ensure sustainable operations.

(2) Taipei Fubon Bank: Our core priority will further develop the capabilities to expand business momentum through the development and deepening of customer segments, enhancing the financial platform with a comprehensive overseas presence, and improving operational efficiency by integrating corporate and personal banking services. In addition, the focus on cross-selling credit card holders aims to enhance customer acquisition. Digital expansion in products and services will contribute to seizing virtual market opportunities. These five operational pillars are designed to strengthen revenue while simultaneously refining risk management practices to bolster organizational capabilities and ultimately delivering maximum benefit to shareholders, customers, employees, and society.

(3) Fubon Securities: Fubon Securities is intent on increasing its brokerage market share, accelerating customer acquisition momentum, and driving a transformation in wealth management to elevate revenue. It is also focused on the development of AI applications to speed up digital transformation. The proprietary trading division is pursuing absolute returns, while the investment banking division is enhancing its approach to customer segmentation to secure premium underwriting cases. Moreover, there is a strong emphasis on reinforcing collaborative efforts among various companies within the group to leverage synergies.

(4) Fubon Insurance: The continuous exertion of positive influence by the insurance sector is essential for the promotion of social responsibility and sustainable development. This involves enhancing risk management practices to stabilize company profits, gaining insights into market trends, implementing digital transformation, and creating a comprehensive financial ecosystem. In terms of international expansion, it is crucial to maintain rigorous underwriting standards to ensure business quality, offer a diverse range of insurance products, and develop various sales channels to capitalize on opportunities for growth and profitability.

(5) Fubon Bank (Hong Kong): In addition to optimizing loan and investment portfolios to enhance asset yield, there is a proactive effort to expand the customer base for wealth management services and leverage cross-selling potential to enhance fee income. Furthermore, there is a rigorous approach to controlling operating expenses and improving risk management effectiveness, utilizing new customer segments, channels, and technologies to inject new growth momentum into the bank.

(6) Fubon Bank (China): Fubon Bank (China) aims to enhance its banking operations and improve customer coverage ratio through organization restructure and the optimization of resource allocation. In addition, it seeks to integrate physical and virtual services while advancing digital models to refine retail banking customer management. There is also a concerted effort to leverage synergies driven by the collaborations among channels, business lines and cross-borders to amplify profitability.

(7) Fubon Asset Management: In response to the emerging policy development opportunities from the “Asian Asset Management Center”, there is a strategic initiative aimed at developing products that are compliant with new regulatory frameworks. This includes the introduction of innovative products with significant market potential, as well as the ongoing enhancement of existing product lines and a focused re-marketing strategy for key products. Moreover, the strategy seeks to deepen market penetration in niche segments while expanding the variety of distribution channels and customer bases.

Looking forward to 2025, as it balances both risk management and stable business growth, Fubon Financial Holdings will continue to deepen its presence in Taiwan and expand in Asia, relying on acquisitions and equity participation opportunities to expand its financial services network. The pursuit of business success will be complemented by the injection of innovative energy and demonstrating sustainable competitiveness through FinTech as the company moves towards its vision of becoming one of “Asia’s first-class financial institutions”.

Richard M. Tsai
Chairman, Fubon Financial Holdings

2. Corporate Governance Report

2.1 Background information of Directors, the President, Executive VPs, First VPs, and heads of departments and branch offices

2.1.1 Information about directors

(1) Directors' information table

February 28, 2025
Unit: share; %

Title	Nationality or Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
Chairman	R.O.C.	Richard M. Tsai	Male 67	2023.06.09	to 2026.06.08	2001.12.19	390,926,989 *74,564	3.15 *0.00	430,997,004 *74,564	3.15 *0.00	38,831,925	0.28	-	-	- The Pontifical Order of Pope Saint Sylvester - D.B.A. honoris causa, Fu Jen Catholic University - Ph.D. honoris causa, Taipei Medical University - Ph.D. honoris causa, National Yang Ming Chiao Tung University - MBA, Stern School of Business, NYU - Bachelor of Commerce, National Taiwan University - Chairman of Fubon Life Insurance Co., Ltd. - Chairman of Fubon Securities Co., Ltd. - Vice Chairman of Fubon Insurance Co., Ltd. - Chairman of Taiwan Mobile Co., Ltd. - Chairman of Fubon Bank (Hong Kong) Ltd. - Chairman of Fubon Sports & Entertainment Co., Ltd. - Chairman of Fubon Financial Holding Venture Capital Corp.	- Chairman of Taipei Fubon Commercial Bank Co., Ltd. - Vice Chairman of Fubon Bank (Hong Kong) Ltd. - Director of Taiwan Mobile Co., Ltd. - Director of Ming Dong Co., Ltd. - Director of Dao Ying Co., Ltd. - Director of Tien Chien Co., Ltd. - Director of Ti Kun Co., Ltd. - Director of Hsi Po Lai Co., Ltd. - Director of Yi Fu So Co., Ltd. - Director of Chung Shing Development Co., Ltd. - Director of Fubon Direct Broker Consulting Co., Ltd. - Director of Kuo Chi Investment Co., Ltd. - Director of Taiwan Fixed Network Co., Ltd. - Director of TCCI Investment & Development Co., Ltd. - Director of CHO Pharma, Inc. - Director of Himalaya Venture Fund Corp. - Director of Everbright Biofind Investment Co., Ltd. - Chairman of Fubon Life Art Museum Foundation - Director of Taiwan Telecommunications Industry Development Association - Director of International Advisory Board of the New York Philharmonic - Director of Carnegie Hall	Director Director	Daniel M. Tsai Chris Tsai	Brothers Father and son	

Title	Nationality or Place of Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Rate of shareholding			Title	Name	Relation	
															- Chairman of Taiwan Fixed Network Co., Ltd. - Chairman of Taiwan Cellular Co., Ltd. - Vice Chairman of Taipei Fubon Commercial Bank Co., Ltd. - Chairman of Fubon Asset Management Co., Ltd.	- Corporation Director of Castle Lion Investments Limited - Director of Cosgrove Global Limited - Director of Eagle Legacy Limited - Director of Globotex International Limited - Director of Key Gain Limited - Director of Lucky Way Limited - Director of Oceana Glory Limited - Director of Orientland International Limited - Director of Rainbow Cheer Limited - Director of Ultimate Epoch Limited				
Vice Chairman (Note 2)	R.O.C.	Ming Dong Co., Ltd.	—	2023.06.09		2002.02.06	1,033,429,378	8.34	1,139,355,888	8.34					- Ph.D. in Business Administration, Taipei University - Legislator of Legislation Yuan - Commissioner of Financial Supervisory Commission - Political Deputy Minister, Ministry of Finance and Chairman of the Board of Directors of Taiwan Financial Holdings and Bank of Taiwan - Administrative Deputy Minister, Ministry of Finance and the Executive Secretary of the National Security Fund - Director General of Financial Examination Bureau, Financial Supervisory Commission - Deputy Director General of Banking Bureau, Financial Supervisory Commission - President of Taiwan Cooperative Bank	-	-	-		
		Representative: Ming-Chung Tseng	Male 66	2024.03.14	to 2026.06.08	2024.03.14	-	-	-	-	-	-	-	-						

Title	Nationality or Place of Birth	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Rate of shareholding			Title	Name	Relation	
															• Vice President of Taiwan Cooperative Bank					
Director	R.O.C.	Daniel M. Tsai	Male 68	2023.06.09	to 2026.06.08	2001.12.19	368,774,386 (including 100,000,000 shares entrusted for purposes yet to be determined) *2,500,000	2.98 *0.16	396,323,760 (including 100,000,000 shares entrusted for purposes yet to be determined) *2,500,000	2.90 *0.16	37,493,971	0.27	-	-	J. D. honoris causa, National Taiwan University J. D. honoris causa, Fu Jen Catholic University - D.B.A. honoris causa, Tungshai University - Master of Laws, Georgetown University - B.A. Legal Science, National Taiwan University - Chairman of Fubon Insurance Co., Ltd. - Chairman of Taipei Fubon Commercial Bank Co., Ltd. - Chairman of Fubon Financial Holding Co., Ltd. - President of Fubon Financial Holding Venture Capital Corp. - Chairman of Fubon Land Development Co., Ltd. - Chairman of Taipei New Horizon Co., Ltd. - Vice Chairman of Fubon Bank (Hong Kong) Ltd. - Chairman of Fubon Bank (China) Co., Ltd.	- Chairman of Fubon Bank (Hong Kong) Limited - Director of Fubon Life Insurance Co., Ltd. - Director of Fubon Bank (China) Co., Ltd. - Chairman of Taiwan Mobile Co., Ltd. - Chairman of Momo.com Inc. - Chairman of Ming Dong Co., Ltd. - Chairman of Dao Ying Co., Ltd. - Chairman of Tien Chien Co., Ltd. - Chairman of Ti Kun Co., Ltd. - Chairman of Hsi Po Lai Co., Ltd. - Chairman of Yi Fu So Co., Ltd. - Chairman of Chung Shing Development Co., Ltd. - Chairman of Fubon Direct Broker Consulting Co., Ltd. - Chairman of Kuo Chi Investment Co., Ltd. - Chairman of TCCI Investment & Development Co., Ltd - Chairman of TFN Media Co., Ltd. - Chairman of Taiwan Cellular Co., Ltd. - Director of Win TV Broadcasting Co., Ltd. - Chairman of Taiwan Fixed Network Co., Ltd. - Chairman of Wealth Media Technology Co., Ltd. - Director of Taiwan Digital Service Co., Ltd. - Director of Taiwan Teleservices & Technologies Co., Ltd. - Chairman of Tun Fu Co., Ltd. - Chairman of Fubon Sports & Entertainment Co., Ltd. - Chairman of Fubon Financial Holding Venture Capital Corp. - Chairman of the Taiwan Mobile Foundation - Chairman of the National Taiwan University Law Foundation - Chairman of the General Association of Friends of the	Chairman	Richard M. Tsai	Brothers	

Title	Nationality or Place of Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Ratio of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
																- Police of the Republic of China - Chairman of Taipei Cultural and Creative Foundation - Vice Chairman of Taiwan Telecommunications Industry Development Association - Executive Director of the Cross-Strait Entrepreneurs Summit - Director of University of Southern California, USA - Director of Cosgrove Global Limited - Director of Giver Concept limited - Director of Globotex International Limited - Director of Key Gain Limited - Director of Lucky Way Limited - Director of Orientland International Limited - Director of Rainbow Cheer Limited - Director of Centre for Asian Philanthropy and Society Limited - Director of Ultimate Epoch Limited				
Director	R.O.C.	Ming Dong Co., Ltd. Representative: Jerry Ham	— Male 63	2023.06.09 2023.06.09	to 2026.06.08	2002.02.06 2011.01.21	1,033,429,378 3,169,333 *188,671	8.34 0.03 *0.01	1,139,355,888 3,474,343 *188,671	8.34 0.03 *0.01	- - -			- M.B.A., The Ohio State University - Vice President, Citibank, Taipei Branch - Senior Executive VP, CTBC Bank - Standing Director & President of Taipei Fubon Bank Commercial Co., Ltd. - Chairman of Fubon Securities Co., Ltd.	- Vice Chairman of Taipei Fubon Commercial Bank Co., Ltd. - Director of Fubon Securities Co., Ltd. - Non-Executive Director of Fubon Bank (Hong Kong) Limited - Director of Fubon Bank (China) Co., Ltd. - Director of Fubon Futures Co., Ltd. - Director of Fubon Fund Management (Hong Kong) Limited - Director of TFB Capital Co., Ltd. - Director of Fubon Sports & Entertainment Co., Ltd. - Director of Fubon Stadium Co., Ltd. - President and Chief Financial Officer of Fubon Financial Holding Co., Ltd.	-	-			
Director	R.O.C.	Ming Dong Co., Ltd. Representative: Jerry Ham	— Male 63	2023.06.09 2023.06.09	to 2026.06.08	2002.02.06	1,033,429,378	8.34	1,139,355,888	8.34				- Ph.D., Chemical Engineering, Taiwan University - Vice Chairman of	- Chairman of Fubon Life Insurance Co., Ltd. - Director of Fubon Asset Management Co., Ltd.	-	-	-		

Title	Nationality or Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
		Howard Lin	70	2023.06.09		2016.10.12	336,042	0.00	370,486	0.00	-	-	-	-	Fubon Life Insurance Co., Ltd. Chairman of Fubon Financial Holding Venture Capital Corp. Chairman of Momo.com Inc. Chairman of Fubon Securities Investment Services Co., Ltd.	Director of Fubon Green Power Co., Ltd. Director of Dacian Precision Co., Ltd. Director of Probright Technology Inc.				
Director (Note 2)	R.O.C.	Ming Dong Co., Ltd. Representative: Chin-Chuan Hsu	— Male 64	2023.06.09 2023.06.09	to 2026.06.08	2002.02.06 2023.01.01	1,033,429,378 851	8.34 0.00	1,139,355,888 937	8.34 0.00	29,334 0.00	-	-	-	Master of Business Administration and Insurance, Chengchi University Bachelor of Business Administration, Chung Hsing University President of Fubon Property & Casualty Insurance Co., Ltd.	Chairman of Fubon Insurance Co., Ltd. Chairman of Fubon Property & Casualty Insurance Co., Ltd. Director of Fubon Insurance Agency Co., Ltd. Director of Shenzhen Tengfubo Investment Co., Ltd.	-	-	-	
Director	R.O.C.	Ming Dong Co., Ltd. Representative: Chris Tsai	— Male 38	2023.06.09 2023.06.09	to 2026.06.08	2002.02.06 2023.06.09	1,033,429,378 -	8.34 -	1,139,355,888 -	8.34 -	-	19,960,383	0.15	0.15	B.S., Economics, The Wharton School of the University of Pennsylvania Chairman of Fubon Sports & Entertainment Co., Ltd. Chairman of Fubon Stadium Co., Ltd. President of Fubon Financial Holding Venture Capital Co., Ltd. Director of Fubon Insurance Co., Ltd.	Vice Chairman of Fubon Life Insurance Co., Ltd. Vice Chairman of Fubon Sports & Entertainment Co., Ltd. Director of Fubon Asset Management Co., Ltd. Director of Eternal Hope Limited Director of Immanuel Investment Ltd. Director of Appworks Ventures Co., Ltd. Director of P League Co., Ltd. Director of REMA Inc. Director of Elan Microelectronics Corporation	Chairman	Richard M. Tsai	Father and son	
Director	R.O.C.	Taipei City Government Representative: Hsiao-Lan Hu	— Female 49	2023.06.09 2023.10.19	to 2026.06.08	2003.02.14 2023.10.19	1,619,904,447 -	13.07 -	1,785,944,652 -	13.07 -	-	-	-	-	Master's in Land Economics, Chengchi University Deputy Commissioner, Department of Finance, Taipei City Government Deputy Director, National Property Administration, Ministry of Finance Senior Executive Officer, National Property Administration.	Commissioner, Department of Finance, Taipei City Government Director, Taipei Rapid Transit Corporation	-	-	-	

Title	Nationality or Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Rate of shareholding			Title	Name	Relation	
Director	R.O.C.	Taipei City Government Representative: Tang-Kai Lien	— Male 39	2023.06.09 2023.06.09	to 2026.06.08	2003.02.14 2022.12.28	1,619,904,447 -	13.07 -	1,785,944,652 -	13.07 -	- -	- -	- -	-	Ministry of Finance • Division Chief, Department of Finance, Taipei City Government • Director of Century Development Corporation, CDC • Bachelor of Law, Chengchi University • Lead Attorney of Tuiho Law Firm • Supervisor of DKY Machinery Co., Ltd. • M.A., Department of Political Science National Taiwan University • Director-General, Department of Budget, Accounting and Statistics of New Taipei City Government • Controller of Directorate-General of Budget, Accounting and Statistics, Executive Yuan • Secretariat of Taoyuan County Government • Vice Convener of Liaison Between Government and Council, Taoyuan County Government • Director-General, Department of Budget, Accounting and Statistics of Taoyuan County Government • Deputy Commissioner, Department of Budget, Accounting and Statistics of Taipei City Government • Commissioner of Taipei City Government Department of	• Commissioner, Department of Legal Affairs, Taipei City Government	-	-	-	
Director (Note 2)	R.O.C.	Taipei City Government Representative: Ruey-Cherng Cheng	— Male 65	2023.06.09 2023.06.09	to 2026.06.08	2003.02.14 2005.01.13	1,619,904,447 -	13.07 -	1,785,944,652 -	13.07 -	- -	- -	- -	-		-	-	-	-	

Title	Nationality or Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Ratio of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
Director (Note 2)	R.O.C.	Taipei City Government Representative: Wen-Shu Su	Male 55	2023.06.09 2025.01.16	to 2026.06.08	2003.02.14 2025.01.16	1,619,904,447	13.07	1,785,944,652	13.07	-	-	-	-	• Master of Business Administration in Accounting, Tamkang University • Commissioner, Department of Accounting, Ministry of Agriculture • Director, Accounting Office, Council of Agriculture, Executive Yuan • Deputy Commissioner, Department of Education, Ministry of Education • Chief, Administrative Services Office, Directorate General of Budget, Accounting and Statistics, Executive Yuan • Commissioner, Department of Budget, Accounting and Statistics, Hsinchu City Government • Senior Specialist, Directorate General of Budget, Accounting and Statistics, Executive Yuan	• Commissioner, Department of Budget, Accounting and Statistics, Taipei City Government	-	-	-	
							-	-	-	-	-	-	-	-	-	-	-	-		
Independent Director	R.O.C.	Shin-Min Chen	Male 69	2023.06.09	to 2026.06.08	2017.06.16	-	-	-	-	-	-	-	• Ph.D. in Legal Science, (Dr. jur.), University of Munich, Germany • B.A. Legal Science, Taiwan University • The Honorable Justice of the Constitutional Court, Judicial Yuan • Advisory Committee Member, Mainland Affairs Council, Executive Yuan • Member of Central Committee Against	• Honorary Chair Professor of Fu Jen Catholic University School of Law	-	-	-		

Title	Nationality or Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks					
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Rate of shareholding			Title	Name	Relation						
															Corruption, Executive Yuan										
															• Member of Legal Affairs Committee, Executive Yuan – Member • Institutum Iurisprudentiae, Academia Sinica – Research Professor • Independent Director of Fubon Securities Co., Ltd. • National Taiwan Normal University – Research Fellow and Professor • Department of Law, Ming Chuan University – Adjunct Professor • Department of Law, Chinese Culture University – Adjunct Professor • Postdoctoral Fellow (Fulbright Scholarship), Harvard University, United States • Visiting Scholar, School of Asian and African studies, University of London. • Award of : Ten Outstanding Young Men of Taiwan(1985)										
Independent Director	R.O.C.	Shu-Hsing Li	Male 63	2023.06.09	to 2026.06.08	2020.06.12	-	-	-	-	-	-	-	-	• Ph.D., New York University • B.B.A., Chengchi University • President, Taiwan Accounting Association • Vice President for Financial Affairs, Taiwan University • Dean of College of Management, Taiwan University • Chairperson, Department of Accounting, Taiwan University • Professor, Department of Accounting,	• Chair Professor of Department of Digital Financial Technology and Dean of College of Management, Chang Gung University • Independent Director of Healthconn Corp. • Independent Director of Sharehope Medicine Co., Ltd. • Independent Director of Alpha Networks Inc. • Director of EY Cultural and Educational Foundation			-						

Title	Nationality or Place of Birth	Name	Gender	Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
								Shares held	Shareholding percentage	Shares held	Ratio of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
																- National Taiwan University - Assistant Professor, Department of Accounting, Rutgers University - Chair Professor of Accounting and Dean of College of Management, Tunghai University					
Independent Director (Note 2)	R.O.C.	Alan Wang	Male	69	2023.06.09	to 2024.04.25	2020.06.12	-	-	-	-	-	-	-	-	- M.B.A., University of Texas at Dallas - B.B.A., Fengjia University - Chairman and President, China Life Insurance Co., Ltd. - Director and President, China Development Financial Holding Corporation - Vice President and Chief Investment Officer, Ping An Insurance (Group) Company of China, Ltd. - Executive Vice President and Chief Investment Officer, Nan Shan Life Insurance Co., Ltd. - Executive Director, the Life Insurance Association of the Republic of China - Executive Director of China Development Industrial Bank Co., Ltd - Independent Directors, Jih Sun Financial Holding Co., Ltd. - Independent Director of Jih Sun Securities Co., Ltd. - Independent Director of Fubon Life Insurance Co., Ltd.	-	-	-	-	

Title	Nationality or Place of Birth Registration	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
Independent Director (Note 2)	R.O.C.	Li-Chuan Wang	Female 61	2024.06.14	to 2026.06.08	2024.06.14	-	-	-	-	-	-	-	-	- M.S., University of Illinois Urbana-Champaign - B.A.Business Administration, Taiwan University - Chief Auditor and Executive Vice President, Yang Ming Marine Transport Corp - Director-General and Deputy Director-General and Chief Secretary, Financial Examination Bureau, Financial Supervisory Commission - Director-General, Banking Bureau, Financial Supervisory Commission - Securities and Futures Bureau, Financial Supervisory Commission	Independent Director, Taipei Fubon Commercial Bank Co., Ltd.	-	-	-	
Independent Director	Canada	Paulus Siu- Hung Mok	Male 57	2023.06.09	to 2026.06.08	2023.06.09	-	-	-	-	-	-	-	-	- M.B.A., Queen's University B. Soc. Sc., University of Hong Kong - Chairman of Citibank Taiwan Limited and President of Citigroup Taiwan - Chairman of Citibank (HONG KONG) Limited - Director of Citibank (China) Co., Ltd. - Director of Citicorp International Limited - Director of Citicorp Financial Services Limited (HK) - Managing Director and Head of Greater China Financial Markets and Securities Services Business Group, Citibank N.A., Hong Kong - Managing Director and Head of Financial Markets Business	- Standing and Independent Director, Taipei Fubon Commercial Bank Co., Ltd. - Independent Director, Les enphants Co., Ltd.	-	-	-	

Title	Nationality or Place of Birth	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Rate of shareholding	Shares held	Shareholding percentage	Shares held	Rate of shareholding			Title	Name	Relation	
															- Group/ Korea Regional Treasurer, Citibank Korea Inc. - Managing Director and Head of Financial Markets Business Group/ China Regional Treasurer, Citibank China Co. Ltd. - Senior Trader and Vice President, Citibank N.A., Canada - Branch Acting Manager, HSBC Xiamen Branch					
Independent Director	R.O.C	Barry Chen	Male 60	2023.06.09	to 2026.06.08	2023.06.09	-	-	-	-	-	-	-	-	- M.S., Texas A&M University - General Manager, Hong Kong & Taiwan, Taiwan - VMware Information Technology LLC - President of East Asia Region, Micro Focus Taiwan Co., Ltd. - Senior Assistant Vice President, Institute for Information Industry	- Taiwan VMware Information Technology LLC./General Manager, Hong Kong & Taiwan, Broadcom Software - Chairperson of Cloud Computing IoT Association of Taiwan	-	-	-	
Independent Director	R.O.C	Kuang-Shih Yeh	Male 68	2023.06.09	to 2026.06.08	2023.06.09	11,950	0.00	13,174	0.00	6,585	0.00	-	-	- Ph.D., Carnegie Mellon University - M.A., University of Delaware - LL.B. and B.A., Taiwan University - Deputy Mayor, of Kaohsiung City Government - Professor of Graduate Institute of Technology, Innovation & Intellectual Property Management, National Chengchi University - Minister of Transportation and Communications R. O. C. - Professor of Department of Business Management, Sun	- Director, Xue Xue Institute Co., Ltd. - Independent Director, Clientron Corp. - Chairman of Asia Pacific Public Private Partnerships Association - Chairman of Taiwan Future Society - Supervisor of Taiwan Nano & Micro-Photonics Co., Ltd. - Director of Shanghai Everjoy Health Group Co., Ltd. - Chair Professor, Chung Hua University	-	-	-	

Title	Nationality or Residence	Name	Gender Age	On-Board Date	Term of Office	Date First Elected	Time Elected Shares Held		Current Shareholding		Shares Currently Held by Spouses and/or Children of Minor Age		Shares held in the Name of Others		Education and Major Past/Current Position	Position(s) Held Concurrently in the Company and/or in Any Other Company	Any Other Supervisor, Director, or Supervisor Who is a Spouse or a Relative Within the Second Degree of Kinship of This Person			Remarks
							Shares held	Shareholding percentage	Shares held	Ratio of shareholding	Shares held	Shareholding percentage	Shares held	Ratio of shareholding			Title	Name	Relation	
															Yat-sen University • Independent Director, Shanghai Orient Champion Healthcare Products Co., Ltd. • Vice Chairman, Shihlien Fine Chemicals Co., Ltd. • Independent Director, Synnex Technology International Corporation					

Note 1: “*” denotes Preferred Shares.

Note 2: Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

Table 1: Corporate shareholder's major owners

February 28, 2025

Name of corporate shareholder	Corporate shareholder's major owners
Taipei City Government	None
Ming Dong Co., Ltd.	Fubon Land Development Co., Ltd. - 16.38%, Fu Pen Construction Co., Ltd. - 13.91%, Fu Chi Investment Co., Ltd. - 12.65%, Ru Chi Investment Co., Ltd. - 12.65%, Dao Chi Investment Co., Ltd. - 12.65%, Chung Shing Development Co., Ltd. - 11.79%, Dao Ying Co., Ltd. - 9.61%, Fubon Charity Foundation - 3.33%, Fubon Cultural & Educational Foundation - 2.39%, Richard M. Tsai-1.82%

Table 2: Names of major shareholders of major owners listed in Table 1 above

February 28, 2025

Name	Corporate's major owners
Fubon Land Development Co., Ltd.	Ming Dong Co., Ltd. - 22.67%, Dao Ying Co., Ltd. - 16.80%, Daniel M. Tsai - 13.92%, Richard M. Tsai - 13.88%, Douglas Tsai - 10.90%, Chris Tsai - 10.90%, Ai-Lin Tsai Chen - 5.62%, Mei-Hui Tsai Ueng - 5.31%
Fu Pen Construction Co., Ltd.	Ming Dong Co., Ltd. - 48.61%, Dao Ying Co., Ltd. - 48.61%, Daniel M. Tsai - 0.97%, Richard M. Tsai - 0.97%, Fubon Land Development Co., Ltd. - 0.28% Douglas Tsai - 0.28%, Chris Tsai - 0.28%
Fu Chi Investment Co., Ltd.	Richard M. Tsai - 50.25%, Mei-Hui Tsai Ueng - 49.75%
Ru Chi Investment Co., Ltd.	Daniel M. Tsai - 24.98%, Richard M. Tsai - 24.97%, Chris Tsai - 25.04%, Douglas Tsai - 25.01%
Dao Chi Investment Co., Ltd.	Daniel M. Tsai - 50.20%, Ai-Lin Tsai Chen - 49.75%, Douglas Tsai - 0.05%
Chung Shing Development Co., Ltd	Ming Dong Co., Ltd. - 43.33%, Dao Ying Co., Ltd. - 43.33%, Douglas Tsai - 4.00%, Chris Tsai - 4.00%, Daniel M. Tsai - 2.67%, Richard M. Tsai - 2.67%
Dao Ying Co., Ltd.	Fubon Land Development Co., Ltd. - 17.68%, Fu Pen Construction Co., Ltd. - 17.68%, Fu Chi Investment Co., Ltd. - 13.13%, Ru Chi Investment Co., Ltd. - 13.13%, Dao Chi Investment Co., Ltd. - 13.13%, Ming Dong Co., Ltd. - 9.60%, Chung Shing Development Co., Ltd. - 8.84%, Daniel M. Tsai - 1.52%, Richard M. Tsai - 1.51%, Fubon Charity Foundation - 1.01%
Fubon Charity Foundation	Fubon Insurance Co., Ltd. - 33.33%, Dao Ying Co., Ltd. - 33.30%, Ming Dong Co., Ltd. - 33.30%
Fubon Cultural & Educational Foundation	Dao Ying Co., Ltd. - 44.00%, Ming Dong Co., Ltd. - 44.00%, Fubon Securities - 12.00%
Hung Fu Investment Co., Ltd. (Note)	Ming Dong Co., Ltd. - 40.00%, Dao Ying Co., Ltd. - 40.00%, Daniel M. Tsai - 6.25%, Richard M. Tsai - 6.25%, Ai-Lin Tsai Chen - 2.50%, Mei-Hui Tsai Ueng - 2.50%, Douglas Tsai - 1.25%, Chris Tsai - 1.25%

Note: The Company has voluntarily disclosed information on Hung Fu Investment Co., Ltd. for transparency and sound corporate governance.

(2) Directors' expertise and Independent Directors' independence

February 28, 2025

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Richard M. Tsai	Conforms with Article 9 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"; possesses professional qualification in financial holding, and securities; and has extensive experience in the financial industry. Currently the Chairman of Fubon Financial Holding Co., Ltd.	-	-
Ming-Chung Tseng (Note 3)	Conforms with Article 9 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"; possesses professional qualification in financial holding and banking; and has extensive experience in the financial industry. Currently the Vice Chairman of Fubon Financial Holding Co., Ltd.	-	-
Daniel M. Tsai	Conforms with Article 9 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"; possesses professional qualification in financial holding and banking; and has extensive experience in the financial industry. Currently the Director of Fubon Life Insurance Co., Ltd.	-	-
Jerry Harn (Note 1)	Conforms with Article 9 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"; possesses professional qualification in financial holding and banking; and has extensive experience in the financial industry. Currently the President of Fubon Financial Holding Co., Ltd.	-	-

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Howard Lin	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; and has extensive experience in the financial industry. Currently the Chairman of Fubon Life Insurance Co., Ltd.	-	-
Chin-Chuan Hsu (Note 3)	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; and has extensive experience in the financial industry. Currently the Chairman of Fubon Insurance Co., Ltd.	-	-
Chris Tsai	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; and has extensive experience in the financial industry. Currently the Vice Chairman of Fubon Life Insurance Co., Ltd.	-	-
Hsiao-Lan Hu	Professional competence in finance, legal affairs, risk management, operational management, e-commerce, and marketing. Currently the Commissioner of Taipei City Government Department of Finance.	-	-
Tang-Kai Lien	Professional competence in legal affairs, IT/cybersecurity, and risk management; a qualified lawyer with more than 5 years of work experience in legal affairs. Currently the Commissioner of Taipei City Government Department of Legal Affairs.	-	-

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Ruey-Cherng Cheng (Note 3)	Professional competence in accounting, finance, commerce, investment and acquisition, and risk management, and has experience in the financial industry; former head of the Department of Budget, Accounting and Statistics at Taoyuan County Government and New Taipei City Government, and the head of the Department of Budget, Accounting and Statistics at Taipei City Government; has more than 5 years of work experience in finance and accounting.	-	-
Wen-Shu Su (Note 3)	Possesses professional competence in finance. Former head of Accounting (Ministry of Agriculture), head of Accounting Office (Council of Agriculture, Executive Yuan), deputy head of Accounting (Ministry of Education), head of Secretariat (Directorate-General of Budget, Accounting and Statistics, Executive Yuan), head of Budget, Accounting and Statistics (Hsinchu City Government), and Senior Specialist (Directorate-General of Budget, Accounting and Statistics, Executive Yuan). Currently the head of the Department Budget, Accounting, and Statistics (Taipei City Government).	-	-
Shin-Min Chen (Independent Director)	Ph.D. in Law, LMU Munich; former instructor at Chinese Culture University, Ming Chuan University, and National Taiwan Normal University; former Honorable Justice of the Constitutional Court, Judicial Yuan; and has extensive knowledge and understanding of financial laws. Currently Honorary Chair Professor of Fu Jen Catholic University.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	0

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Shu-Hsing Li (Independent Director)	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding; Currently an instructor and Dean at Chang Gung University College of Management, Independent Director of Healthconn Corp., Independent Director of Sharehope Medicine Co., Ltd., and Independent Director of Alpha Networks Inc.; specialized in finance and accounting.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	3
Alan Wang (Independent Director) (Note 3)	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; former President and Chairman of China Life Insurance Co., Ltd.; former Director and President of China Development Financial Holding Corporation.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	1

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Li-Chuan Wang (Independent Director) (Note 3)	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; Master’s Degree in Commerce, University of Illinois Urbana-Champaign. Former Chief Internal Auditor and Vice President of YangMing Marine Transport Corp., Director General of Financial Examination Bureau (Financial Supervisory Commission), Director General of Banking Bureau (Financial Supervisory Commission), and Section Chief of Securities and Futures Bureau (Financial Supervisory Commission). Currently an Independent Director of Taipei Fubon Commercial Bank Co., Ltd.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	0
Paulus Siu-Hung Mok (Independent Director)	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and banking; MBA, Queen’s University Canada. former Regional Head of Taiwan, Citigroup. Currently a standing and Independent Director of Taipei Fubon Commercial Bank Co., Ltd. and an Independent Director of Les enphants Co., Ltd. Possesses abundant practical experience in global financial markets including Canada, China, Korea, and Hong Kong.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	1

Condition Name	Professional qualification and experience	Independent Director	
		Independence criteria	Number of public companies also serving as independent directors for
Barry Chen (Independent Director)	Master of Computer Science, Texas A&M Engineering. Formerly the General Manager of East Asia Region at Novell (Taiwan) Co., Ltd. and Senior Vice President at the Institute for Information Industry. Currently the General Manager, Hong Kong & Taiwan, Broadcom Software and Chairperson of Cloud Computing & IoT Association in Taiwan. Possesses practical experience in information technology and cybersecurity.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	0
Kuang-Shih Yeh (Independent Director)	Ph.D. in Organizational Theory, Carnegie Mellon University. Former Vice Chairperson of Shihlien Fine Chemicals Co., Ltd., Independent Director of Synnex Technology International Corporation, Deputy Mayor of Kaohsiung City Government, Minister and Political Deputy Minister of Transportation and Communication, Deputy Chairperson of Research, Development and Evaluation Commission, Executive Yuan, professor at National Chengchi University Graduate Institute of Technology, Innovation & Intellectual Property Management, and professor at National Sun Yat-sen University Department of Business Management. Currently an Independent Director at Clientron Corp. and Chairperson of the Taiwan Future Society.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2).	1

Note 1: Director Jerry Harn was the Company's manager.

Note 2: All independent directors have met all of the following criteria during active duty and in the two years prior to being elected:

- (1) Not employed by the Company or by any of its affiliated companies.
- (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with the Securities and Exchange Act or laws of the registered country).
- (3) The member is not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.

- (4) Not a spouse, relative within the 2nd degree of kinship, or lineal relative by blood within the 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).
- (5) Not a Director, Supervisor, or employee of any corporate shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 corporate shareholders of the Company, or the corporate shareholders who appoint their representatives to serve as the Director or Supervisor in the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the directors or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, which have been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with the Securities and Exchange Act or laws of the registered country).
- (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past 2 years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) The member does not meet any of the circumstances set forth in Article 30 of the Company Act. (Paragraph 6, Article 192 of the Company Act applies mutatis mutandis)
- (11) The elected member is not a government agency or a juristic person or its authorized representative as provided under Article 27 of the Company Act.

Note 3: Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

Note 4: None of the directors exhibited any of the conditions stated in Article 30 of the Company Act. (Paragraph 6, Article 192 of the Company Act applies mutatis mutandis)

(3) Diversity and independence of the Board of Directors:

a. Diversity of board members

The Company adopted a nomination system for director elections in 2014. The Company now has outside directors making up more than half of its board. To prevent Independent Directors' objectivity from being compromised after a prolonged period of service, no Independent Director serves more than nine years consecutively. In addition, Paragraphs 1 and 2, Article 3 of the Company's "Procedures for the Election of Directors" and Paragraphs 2 and 3, Article 29 of the "Corporate Governance Best Practice Principles" require diversity in terms of board composition, and the level of diversity is determined based on the operations and needs of the organization.

The Board of Directors passed the "Election Standards for the 9th Board of Directors" during the meeting held on March 15, 2023, which outlined professional criteria such as knowledge, skills, experience etc. and the following gender/background diversity goals for board members: (1) The board shall have at least one member from each of the banking, insurance, and securities professions; (2) there shall be at least two members with expertise in accounting, IT/cybersecurity, and e-commerce/marketing; and (3) there shall be at least three members with expertise in finance, legal affairs, commerce, financial technology, investment and M&A, risk management, and operational management. The Company held a total election for its 9th Board of Directors during the annual general meeting dated June 9, 2023. In addition, following the resignation of one independent director on 25 April 2024, Ms. Li-Chuan Wang was re-elected as an Independent Director by the shareholders at the general meeting on 14 June. All board members possess the knowledge, skills, and qualities needed to perform their duties, and offer individual expertise in areas such as banking, finance, commerce, law etc. as well as extensive industry experience. With regard to the diversity and complement of board members, the Company has met and exceeded the standards specified in Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies." One director has been assigned to concurrently assume management duties for better support of business growth and corporate governance.

The Board of Directors will continue making appropriate amendments to its diversity policy in the future to introduce additional criteria including but not limited to minimum conditions, values, professional knowledge, and skills depending on the board's performance, the state of current operations, and growth requirements so that the board as a whole possesses the knowledge, skills, and characters needed to carry out their duties.

The Company's board diversity policy has been disclosed on the Company's portal and the Market Observation Post System.

Fubon Financial Holdings currently has 2 female Directors who account for 13% of the 15 director seats. The Company will strive to increase representation of any gender to at least one-third of director seats as required for business development in 2026 when Directors are due for full re-election, and thereby enhance diversity of the Board.

Please refer to the below table for the diversity of the Board Members:

February 28, 2025

Name of director (Note 1)		Gender	Term of service (years)			Professional capabilities (name the main 5)									Professional qualifications (Note 2)				Industry experience	
			<3	3~6	>6	Accounting	Finance	Legal	Commerce	Investment and mergers	Financial technology	IT/cybersecurity	Risk management	Operational management	E-commerce/marketing	Financial holding	Banking	Insurance		Securities/others
Richard M. Tsai	Male				✓		✓		✓	✓		✓			✓				✓	Financials
Ming-Chung Tseng (Note 3)	Male	✓				✓				✓					✓		✓			Financials
Daniel M. Tsai	Male				✓				✓	✓		✓			✓		✓			Financials
Jerry Ham	Male				✓		✓		✓			✓			✓					Financials
Howard Lin	Male				✓		✓		✓			✓			✓		✓			Financials
Chin-Chuan Hsu (Note 3)	Male	✓				✓			✓			✓			✓			✓		Financials
Chris Tsai	Male	✓				✓			✓			✓			✓		✓			Financials, Information Technology, Communication Services
Hsiao-Lan Hu	Female	✓				✓		✓		✓				✓						Real Estate
Tang-Kai Lien	Male	✓						✓		✓				✓						Financials
Ruey-Cherng Cheng (Note 3)	Male			✓		✓			✓			✓								Financials
Wen-Shu Su (Note 3)	Male	✓				✓														Financials
*Shin-Min Chen	Male			✓				✓	✓	✓		✓								Financials, Real Estate
*Shu-Hsing	Male		✓			✓			✓			✓			✓					Healthcare, Financials, Information

Name of director (Note 1)	Gender	Term of service (years)			Professional capabilities (name the main 5)										Professional qualifications (Note 2)				Industry experience
		<3	3~6	>6	Accounting	Finance	Legal	Commerce	Investment and mergers	Financial technology	IT/cybersecurity	Risk management	Operational management	E-commerce/marketing	Financial holding	Banking	Insurance	Securities/others	
Li																			Global Industry Classification Standard (GICS Level 1) Industry experience
*Alan Wang (Note 3)	Male		✓			✓		✓	✓			✓	✓		✓		✓		Technology, Real Estate, Utilities
*Li-Chuan Wang (Note 3)	Female	✓			✓	✓	✓					✓	✓		✓			✓	Financials, Real Estate
*Paulus Siu- Hung Mok (Note 1)	Male	✓				✓			✓	✓		✓	✓		✓	✓			Financials
*Barry Chen	Male	✓						✓		✓	✓		✓	✓					Financials
*Kuang-Shih Yeh	Male	✓						✓		✓	✓		✓	✓					Information Technology
								✓			✓	✓	✓	✓					Material 、 Industrials 、 Information Technology 、 Communication Services 、 Utilities

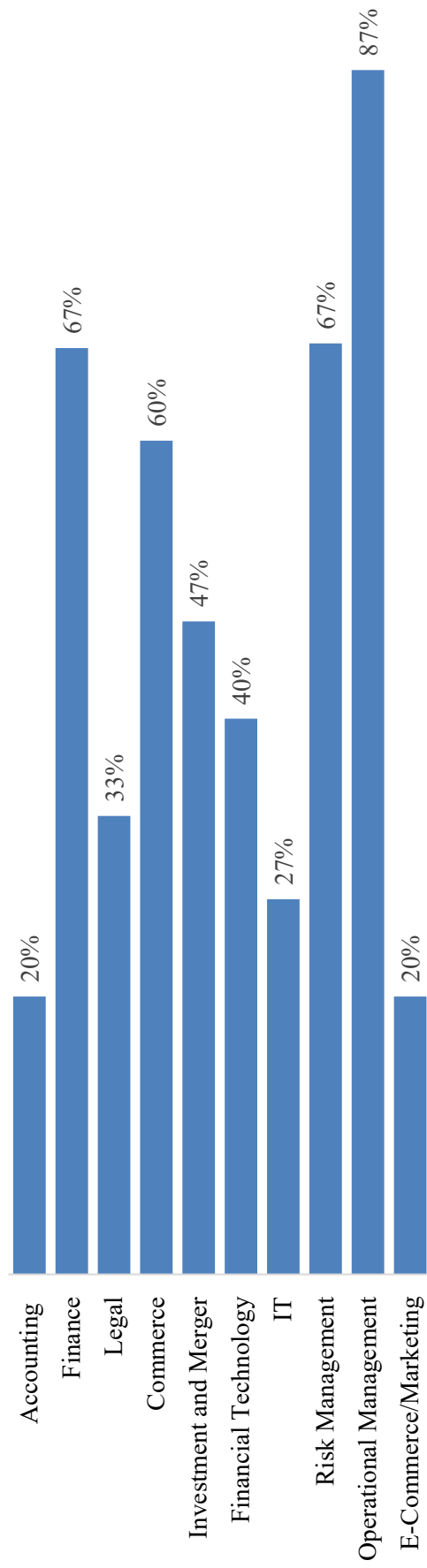
*Independent Director.

Note 1: Except for Paulus Mok who holds Canadian citizenship, all other directors are nationals of the Republic of China.

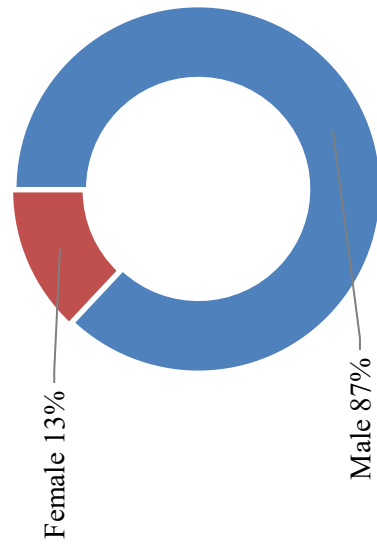
Note 2: Conform with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company.”

Note 3: Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

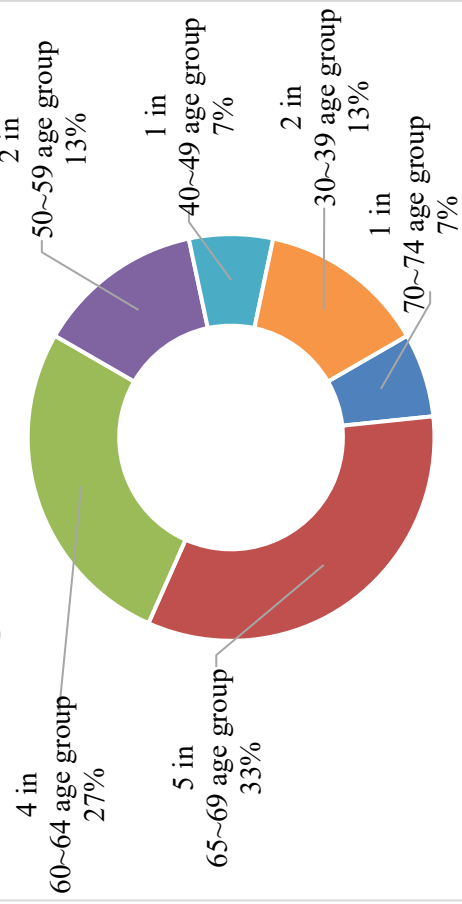
Professional background of Directors



Gender distribution of Directors



Age distribution of Directors



b. Independence of the Board of Directors

The Company has “Procedures for the Election of Directors” in place to serve as guidelines on director election, and has appointed independent directors according to the requirements and qualifying criteria outlined in “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” All independent director candidates are required to complete and submit an “Independent Director Nominee Statement” before nomination. See Chart 2.2.1 (2) for more details on independence of independent directors. Out of the 15 directors onboard, 6 are independent directors account for 40% of the entire board. According to the board independent definitions (Note) of Corporate Sustainability Assessment (CSA), there are 13 directors who meet the CSA director independence, account for 87% of the entire board.

The Company ensures that outside directors (including independent directors) account for more than half of total seats for the independence of the Board of Directors. Furthermore, to ensure that independent directors are able to exercise duties objectively while preventing compromise of independence after prolonged service, none of the elected independent directors have served consecutively for more than 9 years. Average duration of service across all existing directors is 6.2 years. Furthermore, only three of the directors are second-degree relatives or closer to each other, which is more ideal than what the laws require. Additionally, only three of the directors are second-degree relatives or closer to each other, which conforms with Paragraph 3, Article 26-3 of the Securities and Exchange Act.

Note: Board Independence Definitions of Corporate Sustainability Assessment (CSA): are non-executive directors that are independent by meeting at least 4 of the 9 criteria (of which at least 2 of the 3 first criteria) listed below:

- (1) The director must not have been employed by the company in an executive capacity within the last year.
- (2) The director must not accept or have a “Family Member who accepts any payments from the company or any parent or subsidiary of the company in excess of \$60,000 during the current fiscal year”, other than those permitted by SEC Rule 4200 Definitions, including i) payments arising solely from investments in the company's securities; or ii) payments under non-discretionary charitable contribution matching programs. Payments that do not meet these two criteria are disallowed.
- (3) The director must not be a “Family Member of an individual who is [...] employed by the company or by any parent or subsidiary of the company as an executive officer.”
- (4) The director must not be (and must not be affiliated with a company that is) an adviser or consultant to the company or a member of the company’s senior management.
- (5) The director must not be affiliated with a significant customer or supplier of the company.
- (6) The director must have no personal services contract(s) with the company or a member of the company’s senior management.
- (7) The director must not be affiliated with a not-for-profit entity that receives significant contributions from the company.
- (8) The director must not have been a partner or employee of the company’s outside auditor during the past year.
- (9) The director must not have any other conflict of interest that the board itself determines to mean they cannot be considered independent.

2.1.2 Background information of the President, Executive VPs, First VPs, and heads of departments and branch offices

February 28, 2025

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
President	R.O.C	Jerry Ham	Male	2017.10.06	3,474,343 *188,671	0.03 *0.01	-	-	-	-	M.B.A., The Ohio State University	Taipei Fubon Commercial Bank Co., Ltd.-Vice Chairman Fubon Securities Co., Ltd.- Director Fubon Bank (Hong Kong) Limited -Non-executive Director Fubon Bank (China) Co., Ltd.- Director Fubon Futures Co., Ltd.- Director TFB Capital Co., Ltd.- Director Fubon Sports & Entertainment Co., Ltd.-Director Fubon Stadium Co., Ltd.- Director Fubon Fund Management (Hong Kong) Limited - Director	None	None	None	None
Senior Executive VP	R.O.C	Wey-Chyng Yang	Female	2024.07.01	80,000 *11,000	0.00 *0.00	-	-	-	-	M.B.A., The University of Louisville	None	None	None	None	None
Senior Executive VP	R.O.C	Chung-Ping Liu	Male	2015.07.16	*35,520	0.00	-	-	-	-	LL.M., International Banking Studies, Boston University	None	None	None	None	None
Senior Executive VP	R.O.C	Chin-Yi Liu	Female	2020.02.01	138,300 *12,692	0.00 *0.00	-	-	-	-	Bachelor of Accounting, Soochow University	None	None	None	None	None
Senior Executive VP	R.O.C	Wei Lo	Male	2019.06.14	80,269 *49,668	0.00 *0.00	-	-	-	-	Ph.D., Economics, University of Pittsburgh	Fubon Securities Investment Services Co., Ltd. -Director	None	None	None	None
Executive VP	R.O.C	Jerry Hsu	Male	2019.06.14	92,363 *39,975	0.00 *0.00	-	-	-	-	Ph.D., Economics, Xiamen University	None	None	None	None	None
Executive VP	R.O.C	Ching-Chin Wang	Male	2025.01.01	5,264	0.00	-	-	-	-	Master of Computer Science and Information Engineering, National Taiwan University	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
Executive VP	R.O.C	Ching-Wei Su	Male	2019.05.07	51,200 *10,700	0.00 *0.00	-	-	-	-	Master of Information Management, Chiao Tung University	LINE Bank Taiwan Limited- Director	None	None	None	None
Executive VP	R.O.C	Chin-Wen Lo	Female	2020.08.20	65,725 *11,387	0.00 *0.00	-	-	-	-	Ph.D., Banking, Xiamen University	Fubon Securities Co., Ltd.- Director Fubon Financial Holding Venture Capital Co., Ltd- Director	None	None	None	None
Executive VP	R.O.C	Vincent Dem	Male	2022.06.22	124,852 *9,498	0.00 *0.00	-	-	-	-	Master of International Business Management, National Chengchi University	None	None	None	None	None
Managing Director	R.O.C	Wen-Yen Chen	Male	2024.05.01	36,851 *19,460	0.00 *0.00	-	-	-	-	M.B.A., Yokohama National University	Taipei Fubon Commercial Bank Co., Ltd. - Managing Director Taipei Forex Brokers Co., Ltd.-Director	None	None	None	None
Executive VP	R.O.C	Cindy Lin	Female	2021.06.29	61,122	0.00	-	-	-	-	Master of International Business Management, National Chengchi University	None	None	None	None	None
Executive VP	R.O.C	Pachsiu Su	Female	2022.11.11	-	-	-	-	-	-	M.B.A., National Taipei University	None	None	None	None	None
Executive VP	R.O.C	Tony Chen	Male	2024.05.22	13,385	0.00	-	-	-	-	M.B.A., City University of Seattle	None	None	None	None	None
Executive VP	R.O.C	Emily Wang	Female	2023.08.17	56,289 *10,000	0.00 *0.00	-	-	-	-	Bachelor of Laws, National Taiwan University	None	None	None	None	None
Executive VP	R.O.C	Ying-Ho Hsieh	Female	2021.09.08	63,900	0.00	-	-	-	-	Bachelor of Economics, National Taiwan University	Taipei Fubon Commercial Bank Co., Ltd. - Executive VP	None	None	None	None
Executive VP	R.O.C	Peiling Tsai	Female	2021.06.29	1,735	0.00	-	-	-	-	Master of Law, Chengchi University	Taipei Fubon Commercial Bank Co., Ltd. - Executive VP	None	None	None	None
Executive VP	R.O.C	Ming Ju Tsai	Female	2023.08.17	37,591	0.00	-	-	-	-	Bachelor of Business Administration, National Cheng Kung University	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
Senior VP	R.O.C	Douglas Tsai	Male	2024.05.01	135,166,011 *1,000,600	0.99 *0.06	-	-	-	-	Business Administration, University of Pennsylvania	Taipei Fubon Commercial Bank Co., Ltd. - Senior VP Fubon Insurance Co., Ltd. - Director Fubon Securities Co., Ltd.- Director Fubon Bank (Hong Kong) Limited- Non-executive Director Fubon Insurance Agency Co., Ltd.- Director Fubon Direct Marketing Consulting Co., Ltd.- Supervisor momo.com Inc. - Director Giver Concept Limited - Director Star Ilya Limited –Director Hyundai Card Co., Ltd. - Director Dun Fu Industrial Co., Ltd.- Director Epoch Foundation- Director	None	None	None	None
Senior VP	R.O.C	Ching Hui Lin	Female	2023.05.01	54,081 *2,329	0.00 *0.00	-	-	-	-	Bachelor of Laws, National Taiwan University	None	None	None	None	None
Senior VP	R.O.C	Chia-Hui Wang	Female	2011.06.01	78,281 *1,377	0.00 *0.00	-	-	-	-	M.S.,Economics and Finance, The University of Warwick	None	None	None	None	None
Senior VP	R.O.C	Po-Chun Chung	Female	2020.01.02	17,363	0.00	-	-	-	-	LL.M., University of Pennsylvania	None	None	None	None	None
Senior VP	R.O.C	Jing En Lin	Female	2023.02.01	-	-	-	-	-	-	Bachelor of Diplomacy and Journalism, National Chengchi University	None	None	None	None	None
Senior VP	R.O.C	Pei-Chi Liu	Female	2019.08.22	2,778 *1,500	0.00 *0.00	-	-	-	-	M.S., Finance, Drexel University	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
Senior VP	R.O.C	Ashley Liao	Female	2021.06.01	3,205 *7,700	0.00 *0.00	-	-	-	-	Master of Business Administration, National Taipei University	Taipei Fubon Commercial Bank Co., Ltd. -Senior VP	None	None	None	None
Senior VP	R.O.C	Huan-Chi Kuo	Male	2023.05.01	3,161	0.00	-	-	-	-	Master of Science in Pace University	Taipei Fubon Commercial Bank Co., Ltd.- Senior VP	None	None	None	None
Senior VP	R.O.C	Cheng-Chi Tien	Male	2022.11.07	-	-	-	-	-	-	Master of Business Automation and Management, Taipei Technological University	Taipei Fubon Commercial Bank Co., Ltd. -Senior VP	None	None	None	None
Senior VP	R.O.C	Wen-Ping Huang	Female	2022.05.05	2,778	0.00	-	-	-	-	EMBA, National Taiwan University	None	None	None	None	None
Senior VP	R.O.C	Wen Wen Chang	Female	2023.05.01	11,856 *1,300	0.00 *0.00	-	-	-	-	M.B.A., Montclair State University	None	None	None	None	None
Senior VP	R.O.C	David Fang	Male	2023.05.01	-	-	-	-	-	-	M.Sc., Actuarial Science & Statistics, City University, London	None	None	None	None	None
Senior VP	R.O.C	Wenwen Wu	Female	2015.07.01	90,714	0.00	-	-	-	-	Master of Journalism, National Chengchi University	None	None	None	None	None
Senior VP	R.O.C	Ya Yuan Yang	Female	2024.10.01	3,113 *1,654	0.00 *0.00	-	-	-	-	Master of Business Administration, National Central University	Taipei Fubon Commercial Bank Co., Ltd. -Senior VP	None	None	None	None
Senior VP	R.O.C	Chengfán Liao	Male	2023.05.01	73,097 *8,657	0.00 *0.00	-	-	-	-	Master of Management, Chiayi University	None	None	None	None	None
Senior VP	R.O.C	Chi Hung Lin	Male	2024.05.01	45,049	0.00	-	-	-	-	Bachelor of Finance and Taxation , National Taipei University	None	None	None	None	None
Senior VP	R.O.C	Chou Hsieh	Female	2020.07.01	576 *1,600	0.00 *0.00	55	0.00	-	-	Master's, Graduate Institute of Finance, National Taiwan University of Science and Technology	Taipei Fubon Commercial Bank Co., Ltd. -Senior VP	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
Senior VP	R.O.C	Cheng Chun Hsieh	Male	2021.06.29	-	-	-	-	-	-	Master's, Graduate Institute of Finance, National Taiwan University of Science and Technology	None	None	None	None	None
Senior VP	R.O.C	Kouan Hone	Male	2022.11.11	-	-	-	-	-	-	M.B.A., University of Missouri-Columbia Master of Hospital Administration, Yale University	None	None	None	None	None
First VP	R.O.C	Li Ping Lin	Female	2023.05.01	1,275 *7	0.00 *0.00	-	-	-	-	EMBA, National Chengchi University	None	None	None	None	None
First VP	R.O.C	Tung-Yuan Chen	Male	2018.06.01	3,300 *1,753	0.00 *0.00	9,663 *170	0.00 *0.00	-	-	M.S., San Francisco State University	None	None	None	None	None
First VP	R.O.C	Wei-Man Hsu	Female	2025.01.01	26,453 *2,286	0.00 *0.00	-	-	-	-	Master of Finance, National Taiwan University	None	None	None	None	None
First VP	R.O.C	Wan-Jung Hsieh	Female	2020.07.01	3,018	0.00	-	-	-	-	Master of Journalism, National Chengchi University	None	None	None	None	None
First VP	R.O.C	Hung-ling Chen	Female	2025.01.01	48,172 *2,000	0.00 *0.00	-	-	-	-	Bachelor of Money and Banking, National Chengchi University	None	None	None	None	None
First VP	R.O.C	Se-Huei Yang	Female	2020.07.01	44,852 *9,410	0.00 *0.00	5,516	0.00	-	-	Bachelor of Japanese Language and Literature, Chinese Culture University	None	None	None	None	None
First VP	R.O.C	Che Hung Su	Male	2024.05.01	*1,600	0.00	*3,044	0.00	-	-	Master of Actuarial Science, Temple University	None	None	None	None	None
First VP	R.O.C	Dennis Yang	Male	2025.01.01	57,758 *6,861	0.00 *0.00	8,900 *115	0.00 0.00	-	-	M.B.A., Drexel University	None	None	None	None	None
First VP	R.O.C	Winnie Chien	Female	2021.06.29	3,856 *8,925	0.00 0.00	-	-	-	-	M.B.A., University of Illinois at Chicago	None	None	None	None	None
First VP	R.O.C	Ya Chu Yang	Female	2024.05.01	510	0.00	-	-	-	-	Master of Banking and Finance, Tamkang University	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	On-Board Date	Current shareholdings		Shares held by spouse and underage children		Shares held in the Name of Others		Education and Major Past/Current Position	Concurrent positions in other companies	Spouse or relatives of second degree or closer acting as managers			Remarks (Note 2)
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Title	Name	Relation	
First VP	R.O.C	Pei-Hsin Chou	Female	2025.01.01	48,436	0.00	-	-	-	-	Bachelor of Finance and Banking,Shih Chen University	Taipei Fubon Commercial Bank Co., Ltd. - First VP	None	None	None	None
First VP	R.O.C	Mei Ling Lu	Female	2025.01.01	31,455 *7,185	0.00 0.00	-	-	-	-	Master of Management Science,Ming Chuan University EMBA ,The University of Texas at Arlington	None	None	None	None	None
First VP	R.O.C	Tzu-Chun Liu	Female	2025.01.01	40,580	0.00	-	-	-	-	Master of Information Technology Management, University of Sydney, Australia	None	None	None	None	None
First VP	R.O.C	Kai-Ping Lin	Female	2025.01.01	25,423	0.00	-	-	-	-	Bachelor of Journalism,Shih Hsin University	None	None	None	None	None
First VP	R.O.C	Chieh-Tang Wu	Male	2022.03.28	-	-	-	-	-	-	Master of Statistics, University of Auckland	None	None	None	None	None
First VP	R.O.C	Venus Lee	Female	2025.01.01	31,507	0.00	-	-	-	-	Master of Computer Science,National Chengchi University	None	None	None	None	None
First VP	R.O.C	Yen-Jui Huang	Male	2024.05.01	94,006	0.00	-	-	-	-	Bachelor of Civil and Construction Engineering,National Taiwan University of Science and Technology	Fubon Sports&Entertainment Co., Ltd.- First VP	None	None	None	None
First VP	R.O.C	Cheryl Wang	Female	2025.01.01	57,793	0.00	-	-	-	-	Associate Degree in Electronic Data Processing,St. John's University	None	None	None	None	None
First VP	R.O.C	Sabrina Chen	Female	2025.01.01	44,987	0.00	-	-	-	-	Bachelor of Business Administration,China University of Technology	None	None	None	None	None
First VP	R.O.C	Bih Hwa Chang	Female	2022.11.01	-	-	-	-	-	-	Bachelor of Economics, Tunghai University	None	None	None	None	None

Note 1: Include background information of the President, Executive VPs, First VPs, heads of various departments and branches (subject to the definition of responsible person stated in Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company), and anyone of equivalent authority to the above, regardless of their job titles.

Note 2: Where the relevant information of the President or person of an equivalent position (the highest-level manager) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directors, and more than half of the directors should not concurrently serve as employees or managers, etc.).

Note 3: “*” denotes Preferred Shares.

Note 4: Shareholding percentages that amount to less than 0.01 are presented as “0.00,” whereas “-” denotes no shareholding.

2.2.1 Remuneration to General Directors and Independent Directors

Unit: NT\$ thousand

[illegible]

1. Please explain the policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, the risks borne, and time committed:

Compensation to the Company's independent directors is paid in accordance with "Directors' Remuneration Policy of Fubon Financial Holding Co., Ltd." which consists of fees for services rendered, including reward, remuneration, transportation allowance, and attendance allowance as stated below:

(1) The Company's independent directors are paid fixed amounts of reward on a monthly basis, in addition to rewards for assuming concurrent independent directorship in subsidiaries, which are paid by the respective subsidiaries according to their policies (including bonus).

(2) Director remuneration

a. Sum of director remuneration: Director remuneration is allocated by the Remuneration and Nomination Committee based on the percentage stated in the Articles of Incorporation, after taking into consideration the Company's operating performance and earnings in that year, per the special resolution made by the Board of Directors and upon reporting in a shareholders' meeting.

b. Allocation principles for individual directors: compensation comprises performance bonuses for various positions assumed, such as director (Chairman and non-independent directors) and functional committee members. Compensation is reviewed by the Remuneration and Nomination Committee and the Board of Directors each year, and paid at the end of the next month after the shareholders' meeting. Remuneration to independent directors varies depending on their engagement in functional committees, e.g. whether they assume position as convener or member.

(3) Other fees for services rendered include transportation allowance paid at a fixed amount on a monthly basis and attendance allowance accrued on a per-attendance basis. Other expenses incurred for engaging in the Company's business operations, such as business travel allowance and entertainment expenses, may be claimed and reimbursed according to the domestic/overseas travel guidelines, expense claim and review guidelines, and relevant policies of the Company and subsidiaries. The Company's independent directors who concurrently serve as independent directors in subsidiaries, are paid attendance allowance by the respective subsidiaries according to their policies.

(4) Independent directors of the Company may not claim non-director compensation from the Company or from any of its investees.

2. Compensation received by director for providing service to all companies included in the financial statements (e.g. parent company / all companies included in the financial statements / all business investments consultancy service without the title of an employee) in the last year, except those disclosed in the above table: None

Note 1: Represents all directors' and supervisors' remuneration estimated in the year of financial statement.

Note 2: A sum of NT\$3,726 thousand was paid to drivers and A sum of NT\$19,263 thousand accumulated expenses for taking charter flights for business trips, but not included as remuneration.

Note 3: The above table shows active directors as at December 31, 2024 and the amount of compensation paid to them. Change of directors in 2024 and up until the publication date of annual report: Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024.

Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day.

Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024.

Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025.

Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

Note 4: According to the Regulations Governing Information Disclosed in Annual Reports, the Company is not required to disclose individual remunerations of its directors and managers, and hence has disclosed such information in defined ranges.

Directors' remuneration brackets table

December 31, 2024

Range of remuneration paid to the Company's directors	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NT\$1,000,000	Jerry Harn, Howard Lin, Chin-Chuan Hsu(resigned), Hsiao-Lan Hu, Tang-Kai Lien, Ruey-Cherng Cheng(resigned)	Hsiao-Lan Hu, Tang-Kai Lien, Ruey-Cherng Cheng(resigned)	Howard Lin, Chin-Chuan Hsu(resigned), Hsiao-Lan Hu, Tang-Kai Lien, Ruey-Cherng Cheng(resigned)	Hsiao-Lan Hu, Tang-Kai Lien, Ruey-Cherng Cheng(resigned)
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (not inclusive)				
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (not inclusive)	Chris Tsai		Chris Tsai	
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (not inclusive)	Alan Wang(resigned)	Chin-Chuan Hsu(resigned)	Alan Wang(resigned)	Chin-Chuan Hsu(resigned)
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (not inclusive)	Li-Chuan Wang	Alan Wang(resigned), Li-Chuan Wang	Li-Chuan Wang	Alan Wang(resigned), Li-Chuan Wang
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (not inclusive)	Shin-Min Chen, Shu-Hsing Li, Paulus Siu-Hung Mok, Barry Chen, Kuang Shih Yeh	Shin-Min Chen, Shu-Hsing Li, Paulus Siu-Hung Mok, Barry Chen, Kuang Shih Yeh	Shin-Min Chen, Shu-Hsing Li, Paulus Siu-Hung Mok, Barry Chen, Kuang Shih Yeh	Shin-Min Chen, Shu-Hsing Li, Paulus Siu-Hung Mok, Barry Chen, Kuang Shih Yeh
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (not inclusive)	Ming-Chung Tseng, Daniel M. Tsai, Ming Dong Co., Ltd., Taipei City Government	Ming-Chung Tseng, Ming Dong Co., Ltd., Taipei City Government	Ming-Chung Tseng, Daniel M. Tsai, Ming Dong Co., Ltd., Taipei City Government	Ming-Chung Tseng, Ming Dong Co., Ltd., Taipei City Government
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (not inclusive)		Daniel M. Tsai, Jerry Harn		Daniel M. Tsai
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (not inclusive)		Chris Tsai		Chris Tsai
NT\$100,000,000 and above	Richard M. Tsai	Richard M. Tsai, Howard Lin	Richard M. Tsai, Jerry Harn	Richard M. Tsai, Jerry Harn, Howard Lin
Total	19	19	19	19

2.2.2 Remuneration to President and Executive VP

December 31, 2024
Unit: NT\$ thousand

Title	Name	Salary (A)		Pension (B)		Bonus and Special Allowances, etc. (C)		Employee Compensation (D)				The sum of A, B, C and D along with the percentage of after-tax net income (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
President	Jerry Harn													
Senior Executive VP	Wey-Chyng Yang													
Senior Executive VP	Chung-Ping Liu													
Senior Executive VP	Chin-Yi Liu													
Senior Executive VP	Wei Lo													
Senior Executive VP	Yi-Teh Sun (retired)													
Senior Executive VP	Ming-Chou Lee (retired)													
Executive VP	Jerry Hsu													
Executive VP	Ching-Wei Su													
Executive VP	Chin-Wen Lo													
Executive VP	Vincent Dem													
Managing Director	Wen-Yen Chen													
Executive VP	Cindy Lin													
Executive VP	Paohsiu Su													
Executive VP	Tony Chen													
Executive VP	Emily Wang													
Executive VP	Ying-Ho Hsieh													
Executive VP	Peiling Tsai													
Executive VP	Ming Ju Tsai													
Executive VP	Nik Chang (resigned)													
		56,331	82,184	1,578	2,468	154,537	234,000	813	None	1,375	None	213,259 0.14%	320,027 0.21%	50

Note 1: A sum of NT\$1,190 thousand was paid to drivers, but not included as remuneration.

Note 2: Executive VP Tony Chen came onboard on May 22, 2024; Senior Executive VP Wey-Chyng Yang came onboard on Jul 1, 2024; Executive VP Nik Chang has been promoted as an Executive VP on May 22, 2024 and resigned on Jan 1, 2025.
Senior Executive VP Ming-Chou Lee retired on May 1, 2024; Senior Executive VP Yi-Teh Sun retired on Jul 1, 2024; Executive VP Ching-Chin Wang came onboard on Jan 1, 2025.

Remuneration brackets table for President and Executive VPs

December 31, 2024

Range of remuneration paid the President and Executive VPs	Names of President and Executive VPs	
	The Company	Parent company and all business investments
Less than NT\$1,000,000	Vincent Dern, Wen-Yen Chen, Ying-Ho Hsieh, Peiling Tsai	
NT\$1,000,000 (inclusive) ~ NT\$2,000,000 (not inclusive)	Ming-Chou Lee(retired)	Ming-Chou Lee(retired)
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (not inclusive)	Nik Chang(resigned)	Nik Chang(resigned)
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (not inclusive)	Yi-Teh Sun(retired), Tony Chen	Yi-Teh Sun(retired), Tony Chen
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (not inclusive)	Wey-Chyng Yang, Jerry Hsu, Ching-Wei Su, Cindy Lin, Paohsiu Su, Emily Wang, Ming Ju Tsai	Wey-Chyng Yang, Jerry Hsu, Ching-Wei Su, Cindy Lin, Paohsiu Su, Emily Wang, Ming Ju Tsai
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (not inclusive)	Chin-Yi Liu, Wei Lo, Chin-Wen Lo	Chin-Yi Liu, Wei Lo, Chin-Wen Lo, Vincent Dern, Ying-Ho Hsieh, Peiling Tsai
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (not inclusive)	Chung-Ping Liu	Chung-Ping Liu, Wen-Yen Chen
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (not inclusive)		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (not inclusive)		
NT\$100,000,000 and above	Jerry Harn	Jerry Harn
Total	20	20

2.2.3 Compensation for retired chairmen and presidents of the Company or related companies re-hired as consultants

Information of retired chairmen and presidents re-hired as consultants

December 31, 2024 Unit: NT\$ thousand; %										
Title	Nationality	Name	Gender	Position before retirement		Date hired as consultant	Purpose for hiring	Division of authority and responsibility	Compensation	Compensation as a percentage of after-tax net income
				Institution and title	Date of retirement					
Senior Consultant	R.O.C	Tsan-Ming Shih	Male	Chairman of subsidiary - Fubon Insurance	2013/09/30	2013/11/01 (expired on October 31, 2024)	1. Assisting in the maintenance of relationship with overseas insurance companies and key customers. 2. Assisting in the maintenance of relationship with key local customers. 3. Offering consultation and recommendation on business strategies.	The consultant is to provide consultation and recommendation on the Company's business activities, but does not have the authority to make substantive decisions.	NT\$1,540 thousand	0.001%
Business Consultant	R.O.C	Chien-Ming Lo	Male	President of subsidiary - Fubon Insurance	2021/12/31	2022/01/01 (expired on December 31, 2024)	1. Offering consultation and recommendation on insurtech strategies. 2. Assisting in the maintenance of relationship with key local customers.			

2.2.4 Names of managers entitled to employee compensation and amount entitled

Employee compensation totaling NT\$17,000 thousand was proposed by the Board of Directors for the latest year (2024).

December 31, 2024

Unit: NT\$ thousand

	Title	Name	Amount paid in shares	Amount paid in cash	Total	Total as a percentage to after-tax net income (%)
Managers	President	Jerry Harn	0	850	850	0.001%
	Senior Executive VP	Wey-Chyng Yang				
	Senior Executive VP	Chung-Ping Liu				
	Senior Executive VP	Chin-Yi Liu				
	Senior Executive VP	Wei Lo				
	Executive VP	Jerry Hsu				
	Executive VP	Ching-Wei Su				
	Executive VP	Chin-Wen Lo				
	Executive VP	Cindy Lin				
	Executive VP	Paohsiu Su				
	Executive VP	Tony Chen				
	Executive VP	Emily Wang				
	Executive VP	Ming Ju Tsai				
	Senior VP	Douglas Tsai				
	Executive VP	Nik Chang				

2.2.5 Directors', President's and Executive VPs' remuneration paid in the last two years total amount along with the percentage to after-tax net income, and association with business performance

- (1) Directors', President's and Executive VPs' remuneration paid in the last two years total amount along with the percentage to the Company's after-tax net income

Unit: NT\$ thousand; %

Item Title	The Company				All companies included in the financial statements			
	2023		2024		2023		2024	
	Total amount	As a percentage of after-tax net income	Total amount	As a percentage of after-tax net income	Total amount	As a percentage of after-tax net income	Total amount	As a percentage of after-tax net income
Remuneration to General Directors and Independent Directors	180,418	0.27%	655,788	0.43%	532,390	0.81%	1,167,821	0.77%
Remuneration to President and Executive VPs	150,180	0.23%	213,259	0.14%	447,777	0.68%	320,027	0.21%
after-tax net income	66,016,737	-	150,820,135	-	66,016,737	-	150,820,135	-

- (2) Remuneration policies, standards and combinations, determination procedures and association with business performance and future risks

a. The Company has adopted the “Director Remuneration Policy” (referred to as the Policy below) established in accordance with the Articles of Incorporation. The Policy has been reviewed by the Remuneration and Nomination Committee and approved by the Board of Directors; the Policy provides a clear outline to the scope of directors’ compensation, remuneration, travel allowance, and attendance fees.

(a) Compensation: Compensations of the Chairman and other Directors are determined by the Remuneration and Nomination Committee and the Board of Directors after taking into consideration their participation and contribution to the Company’s operations. Independent directors are paid fixed amounts of compensation on a monthly basis; the amount of which is specified in the Policy. Additional compensations are granted for assuming concurrent independent directorship in other subsidiaries, which are paid by the respective subsidiaries according to their policies.

(b) Remuneration:

©Directors’ remuneration is allocated according to the terms of the Articles of Incorporation, and is subject to a maximum of 0.3% of current year profit. The percentage and amount of directors’ remuneration is subject to special resolution by the Board of Directors, and final approval of shareholders in a shareholders’ meeting. The approved amounts are paid in cash based on the percentages outlined in the Policy.

©Directors of the Company are compensated not only in reference to peer levels, but also takes into account their individual participation and contribution to the Company’s operations. This is why director performance assessment has been designed to cover several aspects, namely: director’s awareness toward the Company’s goals and missions, awareness to duties, level of participation in the Company’s operations, maintenance of internal relations and communication, professionalism and ongoing education, and enforcement of internal control. Performance bonuses are allocated basis on various duties and positions assumed by individual directors, such as functional committee members. The final compensations are reviewed by the Remuneration and Nomination Committee on a

yearly basis and submitted for Board of Directors' resolution afterwards.

(c) Fees for services rendered:

©Travel allowances are paid to the respective directors on a monthly basis according to the Policy. Travel allowances of functional committees are paid based on the number of meetings attended.

©Other expenses incurred for engaging in the Company's business operations, such as business travel allowance and entertainment expenses, may be claimed and reimbursed according to the domestic/overseas travel guidelines, expense claim and review guidelines, and relevant policies of the Company and subsidiaries.

b. Compensations for subsidiaries' directors and supervisors are paid according to the "Director and Supervisor Compensation Guidelines" of the respective subsidiaries. As a principle, the Chairman, Vice Chairman, and any director that undertakes routine duties are entitled to receive compensation, subject to Board of Directors' resolution. Meanwhile, Independent Directors are paid fixed amounts of compensation. Directors and supervisors of subsidiaries are also entitled to receive fees for attending Board of Directors meetings and functional committee meetings according to rules.

c. The Company's managers

(a) The Company offers compensation packages that comprise salary, allowances, performance bonuses, etc. The Company has a "Manager Compensation Policy" in place and sets compensation at a reasonable level based on the individual's experience, the responsibilities assumed, and peer/market level. The Company adjusts employees' salaries according to annual performance, and in doing so ensures that the compensation package stays competitive for retaining talents.

(b) To ensure business continuity and growth, the Company has expanded its key business indicators to cover aspects such as development strategy, operating and financial performance, ESG efforts, compliance/risk management, and internal audit. Furthermore, links have been created to associate employees' compensation with various performance indicators. According to the Company's "Performance Evaluation Policy," managers' annual performance is assessed on two major aspects, namely: key business indicators (70%) and leadership characteristics (30%). For evaluation of "operating and financial performance," "ESG efforts," and "compliance/risk management and internal audit," the Company sets up "key business indicators" and assigns weight depending on the responsibilities of each manager. According to the "Manager Performance Evaluation and Compensation Payment Policy," managers are paid annual performance bonuses based on the Company's profit outcomes and individual performance. The Company also has a "Remuneration and Nomination Committee" available to regularly assess and examine the performance evaluation system, compensation system, compensation standards, salary package, and individual compensation levels for senior managers. Any recommendations made by the committee are presented for discussion among the "Board of Directors."

(c) To implement corporate governance and risk control, the Company has established a bonus deferral policy for managers, by specifying the bonus deferral percentage, years, methods and claw-back mechanism. This is to enhance the alignment between management's overall remuneration and the Company's operations and risks.

2.3 Corporate governance

2.3.1 Functionality of Board of Directors

(1) The 9th Board of Directors (term of service: 2023.06.09~2026.06.08; of which 2024.01.01~2024.12.31 was relevant to this report)

A total of 9 meetings (A) were held in the last year (2024); below are the attendance records:

Title	Name	Attendance in Person (B)	Attendance by proxy	Rate of attendance in person (%) (B/A)	Remarks
Chairman	Richard M. Tsai	9	0	100%	
Vice Chairman	Ming Dong Co., Ltd. Representative: Ming-Chung Tseng*	8	0	100%	Newly elected
Director	Daniel M. Tsai	9	0	100%	
Director	Ming Dong Co., Ltd. Representative: Jerry Harn	9	0	100%	
Director	Ming Dong Co., Ltd. Representative: Howard Lin	9	0	100%	
Director	Ming Dong Co., Ltd. Representative: Chin-Chuan Hsu*	1	0	100%	Resigned
Director	Ming Dong Co., Ltd. Representative: Chris Tsai	8	1	88.89%	
Director	Taipei City Government Representative: Hsiao-Lan Hu	7	2	77.78%	
Director	Taipei City Government Representative: Tang-Kai Lien	8	1	88.89%	
Director	Taipei City Government Representative: Ruey-Cherng, Cheng*	7	1	87.50%	Resigned
Independent Director	Shin-Min Chen	9	0	100%	
Independent Director	Shu-Hsing Li	9	0	100%	
Independent Director	Alan Wang*	3	0	100%	Resigned

Title	Name	Attendance in Person (B)	Attendance by proxy	Rate of attendance in person (%) (B/A)	Remarks
Independent Director	Li-Chuan Wang*	4	0	100%	Newly elected
Independent Director	Paulus Siu-Hung Mok	9	0	100%	
Independent Director	Barry Chen	9	0	100%	
Independent Director	Kuang-Shih Yeh	8	1	88.89%	

* Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

(2) Other matters that shall be recorded:

- a. For Board of Directors meeting that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company responded to such opinions:
 - (a.) Conditions described in Article 14-3 of the Securities and Exchange Act: The Company has assembled an Audit and Risk Management Committee, and is therefore subject to Article 14-5 of the Securities and Exchange Act.
 - (b.) Any other documented objections or qualified opinions raised by Independent Director against board resolution in relation to matters other than those described above: None.

- b. Disclosure regarding avoidance of motions involving conflict of interests, including the names of Directors concerned, the motions, the nature of conflicting interests, and the voting outcome: See the following chart.

No.	Board of Directors Date	Interested Directors	Subject Matter	Reason for Conflict of Interest Recusal	Participation in Deliberation
1	2024.01.18	Richard M. Tsai Daniel M. Tsai Chris Tsai	Appointment of directors for subsidiary – Fubon Bank (Hong Kong) Limited.	1. Director Daniel M. Tsai was a subject of this appointment. 2. Chairman Richard M. Tsai and Mr. Douglas Tsai are 2nd-degree direct relatives or closer to Director Daniel M. Tsai.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Jerry Harn Howard Lin Chin-Chuan Hsu Chris Tsai	Allocation of 2023 year-end bonus for senior managers of the Company and subsidiaries.	The director was a proposed payee for the bonus.	The interested directors left the room during discussion and voting.
2	2024.03.14	Ming-Chung Tseng	Fixed remuneration of directors of the Company.	The director was a proposed payee for the fixed remuneration.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Continue lease of right-of-use assets, namely 1F and 2F of Fubon Neihsu Building, from Fubon No. 2 Real Estate Investment Trust.	The transaction involved a company (that served as lessor's agent) in which the director was a major shareholder, therefore recusal was mandatory for the lessor's director and any 2nd-degree direct relative or closer.	The interested directors left the room during discussion and voting.
3	2024.04.25	Richard M. Tsai Daniel M. Tsai Chris Tsai	Nomination of directors for subsidiary – Fubon Bank (China) Co., Ltd.	1. Chairman Richard M. Tsai was a former director of this nomination. 2. Director Daniel M. Tsai and Director Chris Tsai are 2nd-degree direct relatives or closer to Chairman Richard M. Tsai.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Proposal to remove non-compete restrictions for the Company's 9th Board of Directors.	1. The motion involved removal of non-compete restriction for Chairman Richard M. Tsai, which concerned self-interest. 2. Director Daniel M. Tsai and Director Chris Tsai are 2nd-degree direct relatives or closer to Chairman Richard M. Tsai.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Proposal to have the Company discontinue lease of partial floor area on 8F of Fubon Life Building with	The transaction involved a company (that served as lessor's agent) in which the director was a major shareholder, therefore recusal	The interested directors left the room during discussion and voting.

No.	Board of Directors Date	Interested Directors	Subject Matter	Reason for Conflict of Interest Recusal	Participation in Deliberation
			Fubon No. 1 Real Estate Investment Trust, and to dispose of real estate right-of-use.	was mandatory for the lessor's director and any 2nd-degree direct relative or closer.	
		Richard M. Tsai Daniel M. Tsai Ming-Chung Tseng Jerry Harn Howard Lin Chris Tsai	Adjustment of 2024 fixed compensation for senior managers of the Company and subsidiaries.	The directors were either beneficiaries of the discussed compensation or 2nd-degree direct relatives or closer to such beneficiaries.	The interested directors left the room during discussion and voting.
4	2024.05.22	Richard M. Tsai Daniel M. Tsai Chris Tsai Ming-Chung Tseng Howard Lin	Appointment of person of acting duty and order of acting duty for the Chairman in the event that the Chairman is required to recuse himself due to conflict of interest.	The director in question served either as Chairman or person in acting duty and was considered to have self-interest; Director Daniel M. Tsai and Director Chris Tsai are 2nd-degree direct relatives or closer to the Chairman Richard M. Tsai.	The interested directors left the room during discussion and voting.
5	2024.06.14	Li-Chuan Wang	Appointment of members for the Company's "Remuneration and Nomination Committee" and "Corporate Governance and Sustainability Committee."	Director was a subject of this appointment.	The interested directors left the room during discussion and voting.
		Li-Chuan Wang	Appointment of independent directors for subsidiary – Taipei Fubon Commercial Bank Co., Ltd.	Director was a subject of this appointment.	The interested directors left the room during discussion and voting.
6	2024.08.22	Ming-Chung Tseng	Amendment to the Company's "Directors' Remuneration Policy."	This amendment concerned the calculation of bonuses paid to the Vice Chairman; the director was deemed to have a conflict of interest and had recused from discussion and voting.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Appointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd.	1. Director Daniel M. Tsai was a subject of this appointment. 2. Chairman Richard M. Tsai and Director Chris Tsai are 2nd-degree direct relatives to Director Daniel M. Tsai.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Re-election and appointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd. at the end of term.	1. Director Daniel M. Tsai was a subject of this appointment. 2. Chairman Richard M. Tsai and Director Chris Tsai are 2nd-degree direct relatives to Director Daniel M. Tsai.	The interested directors left the room during discussion and voting.

No.	Board of Directors Date	Interested Directors	Subject Matter	Reason for Conflict of Interest Recusal	Participation in Deliberation
		Richard M. Tsai Daniel M. Tsai Jerry Harn Chris Tsai	Proposal to have Fubon Bank (Hong Kong) Limited subscribe to the cash issue of another subsidiary – Fubon Credit (Hong Kong) Limited.	1. Chairman Richard M. Tsai, Director Daniel M. Tsai, and Director Jerry Harn were directors of the Board at Fubon Bank (Hong Kong); recusal was mandatory as they were subjects of the motion. 2. Director Chris Tsai is a 2nd-degree direct relative or closer to the Chairman Richard M. Tsai.	The interested directors left the room during discussion and voting.
7	2024.11.21	Jerry Harn	Establishment of the Company's 2025 audit work plan.	The manager assumed concurrent duty as the Company's director. The concerned director concurrently served as a manager of the Company, and recusal was deemed necessary as per the conclusion of the internal audit conference held in September 2019, during which the authority instructed all participating financial holding companies that annual audit plans must be submitted for discussion among the Board of Directors in conformity with internal control and internal audit systems of the respective financial profession, and that measures are to be taken to ensure confidentiality of audit plan details.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Chris Tsai	Fixed compensation for subsidiaries' senior managers	1. The director in question was a beneficiary of this compensation. 2. Beneficiary of the compensation is a 2nd-degree direct relative to Chairman Richard M. Tsai. 3. Director Chris Tsai is a 2nd-degree direct relative or closer to Chairman Richard M. Tsai.	The interested directors left the room during discussion and voting.
		Richard M. Tsai Daniel M. Tsai Howard Lin Jerry Harn Chris Tsai Paulus Siu-Hung Mok Li-Chuan Wang	Proposal to have the Company represent 100% directly and indirectly owned domestic subsidiaries in procurements.	Concurrent duty as independent director in a subsidiary or 2nd-tier subsidiary of the counterparty	The interested directors left the room during discussion and voting.

(3) The status of evaluation on the Board of Directors' self-performance evaluation, including the evaluation cycle and period, scope of evaluation, method and contents of evaluation about the Board of Directors' self-performance evaluation, is specified in the following Table:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation
Internal performance evaluation: Once per year.	From Saturday, January 1, 2024 to Saturday, December 31, 2024.	The scope of evaluation covers the performance evaluation on the Board of Directors, individual Board members and functional committees.	Board of Directors' internal self-assessment, Board members' self-assessment, and peer assessment.	a. The Company takes into account the Company's condition and needs when determining the scope of performance evaluation on the Board of Directors, which shall at least consist of the following six major elements: (a) Engagement in the Company's operations (b) Improvement of the Board's decision quality (c) Composition and structure of the Board of Directors (d) Election and continuing education of directors (e) Internal control (f) Engagement in sustainable operation (ESG) b. The performance evaluation (self) on the Board of Directors members shall at least consist of the following six elements: (a) Comprehension of the Company's targets and missions. (b) Directors' duty awareness (c) Engagement in the Company's operations (d) Management and communication of internal relations (e) Professionalism and continuing

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Contents of evaluation
				education of directors (f) Internal control c. The performance evaluation on the functional committees shall at least consist of the following five elements: (a) Engagement in the Company's operations (b) Awareness toward the functional committees' responsibilities and duties. (c) Improvement of the functional committees' decision quality. (d) Formation and election of functional committee members (e) Internal control

(4) The objectives of strengthening the functionality of the Board of Directors for the present year and the most recent year and assessment on the implementation:

a. Enforcement of sustainable operations:

(a) In 2015, Fubon Financial Holdings launched an ESG Visioning Project to help Fubon units manage the opportunities and challenges brought by the many risks they face and address issues of concern to stakeholders. The Board of Directors was made the top oversight unit responsible for promoting sustainability, and an ESG Task Force was set up under the board's Corporate Governance and Sustainability Committee, with the Sustainability Development Department as its secretarial unit. Headed by Fubon Financial Holdings' president, the ESG Task Force has six specialized teams headed by senior managers of related units to promote sustainability strategies. The six teams monitor the organization's ESG activities and plans and report their findings every six months to the Company's Corporate Governance and Sustainability Committee and then to the Board of Directors. Meanwhile, Fubon's five main subsidiaries – Fubon Life, Taipei Fubon Bank, Fubon Securities, Fubon Insurance and Fubon Asset Management – have also established their own ESG Task Forces to echo the financial holding company's sustainability blueprint and strategies through their own financial competencies and put them into practice.

(b) The ESG Task Force shall submit the annual execution plan and execution results for the previous year at the beginning of each year, follow up the execution results of various plans every six months, and report to the Corporate Governance and Sustainability Committee and Board of Directors to deepen the Company's ESG practices. The ESG Task Force submitted its 2023 progress report and 2024 work plan to the Corporate Governance and Sustainability Committee on January 18, 2024, and presented to the Board of Directors afterwards. Additionally, the ESG Task Force submitted its 2024 first-half progress report and second-half work plan to the Corporate Governance and Sustainability Committee on August 22, 2024, and presented to the Board of Directors after review.

(c) ESG Visioning Project – key milestones

- ◎ The Company launched “ESG Visioning Project” in 2015 as a proactive way to promote sustainability transformation and respond to the ESG actions of major sustainability organizations around the world.
- ◎ Signed commitment to the Equator Principles in 2017.
- ◎ Introduced Task Force on Climate-related Financial Disclosures framework at the end of 2018, and signed to become a TCFD Supporter in September 2019. Published TCFD reports for three consecutive years from 2021; the TCFD reports of Fubon Financial Holdings and Taipei Fubon Bank were awarded BSI Level 5+: Excellence, the highest rating in 2023. Fubon Financial Holdings published its 4th TCFD report in 2024, and was once again awarded TCFD Conformity “Level 5+: Excellence,” the highest rating, by British Standards Institution (BSI).
- ◎ Became a member of Partnership for Carbon Accounting Financials (PCAF), Asia Investor Group on Climate Change (AIGCC), Business Ambition for 1.5°C, and Race to Zero Campaign in 2022.
- ◎ The Company joined the Climate Action 100+ initiative and became a member of RE 100 in 2022. It made the commitments to fully transition into green power for all domestic and foreign office locations by 2040 and to pass review for Science-Based targets (SBT) .
- ◎ In 2022, Fubon Financial Holdings was the first financial institution to take part in the World Economic Forum (WEF); it signed a commitment to the Stakeholder Capitalism Matrix proposed by WEF in 2022.
- ◎ Joined The Taskforce on Nature-related Financial Disclosures (TNFD) in 2023 and adopted the TNFD framework as a show of determination for the green movement.
- ◎ Remained on the A List of CDP's climate change program for the 4th consecutive year.
- ◎ Dedicated to promoting low-carbon transformation across industries, Fubon Financial Holdings was invited by the Ministry of Foreign Affairs to attend the 2024 WTO Public Forum in Geneva, Switzerland, which made the Company the only representative from

Taiwan's financial industry in this event and marked the first attendance of a Taiwanese financial institution at WTO Public Forum. During the forum, the Company presented a keynote speech on "Utilizing Financial Tools: The "Financial Sector" Also Can Contribute To Greener "Production Sectors," and shared how financial institutions may use financial instruments to steer green transformation within industries, as well as the critical role they play in promoting net zero. Through this engagement, the Company brought the world's attention to the ESG efforts being made in Taiwan.

- ◎ Beyond the financial sector, Fubon Financial Holdings has continued to support the United Nations' "Sports for Climate Action" initiative. Since 2021, the company has launched the Run For Green program, pioneering the integration of sports and sustainability. Under this initiative, for every runner who accumulates 40 kilometers in the four major marathons and designated races, Fubon plants a tree on their behalf. To date, the program has engaged over 300,000 participants, with more than 100,000 trees planted—achieving Fubon's five-year goal of planting 100,000 trees in Taiwan ahead of schedule!
 - ◎ Fubon Financial Holdings received "ISO 20121 Event Sustainability Certification" in 2024. The 2024 Sustainable Ecosystem campaign made an unprecedented attempt to incorporate land and marine activities, and associated with five United States Sustainability Development Goals (SDGs) at the same time, including: "SDG4 – Quality Education," "SDG15 – Life on Land," "SDG11 – Sustainable cities and Communities," "SDG12 – Responsible Consumption and Production," and "SDG14 – Life below Water." Led by environmental friendliness lecturers, the participants visited Yangmingshan National Park where they measured the length and width of trees; with these measurements, the Company was able to make preliminary estimates on the carbon sink of each tree, establish a baseline of how trees contribute to carbon reduction, and value a company's attention to biodiversity and TNFD (Taskforce on Nature-related Financial Disclosures) efforts. Additionally, the participants visited Heping Island in Keelung where they removed waste along the coastline and helped maintain habitat for life in the intertidal zone. Together, they removed 774 pieces of garbage weighing a total of 249 kg and safeguarded Taiwan's coastlines through action.
- (d) ESG award history – In terms of ESG performance, Fubon Financial Holdings has been well-recognized throughout the world.
- ◎ Fubon Financial Holdings was awarded the titles of "Best Company Board of Directors" and "Best ESG" by Institutional Investor in 2024, indicating the extraordinary contributions that the board has made in regards to corporate governance. Meanwhile, Chairman Tsai of Fubon Financial Holdings was recognized by Institutional Investor as "Best CEO" for three consecutive years, and once again ranked among Harvard Business Review's "Taiwan Top 100 Best-Performing Business Leaders" after being selected for the first time in 2022 (the review is conducted once every two years). Also in 2024, Chairman Tsai was conferred the "Order of St. Sylvester" by Pope Francis, and received Presidential Medal from New York University (NYU). Chairman Tsai continues to lead Fubon Financial Holdings toward becoming a role model of the financial industry that delivers outstanding performance in both business and sustainability, with exceptional accomplishments that are widely recognized by the public.
 - ◎ In 2024, the Company will continue to receive awards from the international media "Corporate Governance Asia " magazine. The General Manager of Fubon Financial Holdings won the "Best Investor Relations in Asia – CEO Award" for seven consecutive years, Fubon Financial Holdings won the "Best Investor Relations Award" for 14 consecutive years, the "Best Corporate Social Responsibility Award in Asia" and the "Best Investor Relations Manager Award" for 11th consecutive years, and won the "Asia Sustainable Development Award" for the first time. It fully shows that Fubon Financial Holdings has been deeply engaged in sustainable operation for many years, and its commitment to environmental initiatives, continuous investment in ESG

management and various excellent performances have been highly recognized by the international community.

- ◎ Fubon Financial Holdings was chosen as a composition of "DJSI World" for the 8th consecutive years in 2024, ranking in the top 3% percentile among world's insurance companies while achieving the top score in 4 of the evaluation criteria. At the same time, Fubon Financial Holdings was selected a composition of "DJSI – Emerging Markets" for the 9th consecutive years, securing its stature as a top performer in world-class sustainable practices for another year. The Company even attained full score in 4 areas including: transparency of information disclosure, policy influence, tax policy, and human rights issues, and accumulated total score that ranked among the top 3% of world's insurance companies (i.e. PR97).
- ◎ The Company was selected as a composition of Morgan Stanley Capital International (MSCI) Global Sustainability Indexes for the 8th consecutive years in 2024.
- ◎ The Company ranked 471 among the world's top 500 in Brand Finance's "Sustainability Perceptions Index 2024."
- ◎ The Company received 2024 Corporate ESG Performance Prime Rank from Institutional Shareholder Services (ISS).
- ◎ Fubon Financial Holdings was awarded by The Asset for the 15th consecutive year and once again claimed "Excellence in ESG – Platinum Award," indicating strong recognition for its long-term commitment, sustainability philosophy, and progress.
- ◎ Ranked among the top 500 of TIME World's Most Sustainable Companies 2024 for the first time.
- ◎ Since Taiwan Stock Exchange Corporation first introduced "Taiwan Corporate Governance Top 100 Index" back in 2015, Fubon Financial Holdings has remained a composition for 10 years straight.
- ◎ In the 2nd 2024 Sustainable Finance ESG Evaluation of the FSC, Fubon Life, Taipei Fubon Bank, Fubon Securities and Fubon Insurance, the four subsidiaries were awarded the top 25% of outstanding financial institutions.
- ◎ The Company won Global Views Magazine's ESG Awards – Comprehensive Performance Finance and Insurance Industry Model Award for the 5th time and for the 3rd consecutive years in 2024.
- ◎ Fubon Financial Holdings won "CommonWealth Magazine Sustainable Citizenship Awards" for the 17th time in 2024, and ranked 2nd in the Large Corporation – Finance Division. The Company continued to refine its sustainability practices and lead peers in green finance; by inviting employees to build a sustainable corporate culture, the Company demonstrates its long-term commitment to sustainability and has been recognized for its exceptional progress.

b. Regular performance evaluation of the Board of Directors (internal assessment):

2024 Board of Directors' performance evaluation and progress

(a) Basis: "Performance Evaluation Policy for the Board of Directors and Its Functional Committees."

(b) Evaluation cycle and frequency

The Company's Board of Directors and functional committees are subject to internal performance evaluation at the end of each year.

(c) Evaluation indicators

- ◎ Board of Directors' performance is evaluated using 48 indicators across 6 different areas, including board engagement in the Company's operations, improving the quality of board decisions, the board's composition and structure, election and continuing education of board members, enforcement of internal control, and engagement in sustainable operation (ESG).
- ◎ Directors' (individual) performance is evaluated using 23 indicators across 6 different areas, including director awareness towards the Company's goals and missions, their respective duties, level of engagement in the Company's operations, maintenance of

internal relations and communication, continuing education, and enforcement of internal control system.

- ◎ Functional committees' performance is evaluated using 19–22 indicators across 5 different areas, including committee engagement in the Company's operations, awareness of committee duties, improvement of committees' decisions, the committee's composition and member selection, and enforcement of internal control.

(d) Evaluation procedures

- ◎ At the end of each year, the Company evaluates year's performance using various indicators. Results of internal and external performance assessments are presented for discussion by the Corporate Governance and Sustainability Committee and the Board of Directors within 3 months of the following financial year.
- ◎ 2024 performance of the Board of Directors and functional committee was reported and discussed during the Corporate Governance and Sustainability Committee meetings dated March 14, 2025.

(e) Assessment results

The Board of Directors and functional committees have performed in accordance with corporate governance principles. All committees have duly performed their duties and supported the board.

Item	Evaluation outcome
The Board of Directors' performance valuation	The evaluation covered six main aspects using a total of 48 evaluation indicators. Overall, performance improved in 22 indicators and remained unchanged in 21 indicators; all evaluation aspects averaged a score of 4.95 and above, up 0.01 from the previous year. Outcome of performance evaluation: Excellent.
Board member (self) performance assessment	The evaluation covered six main aspects using a total of 23 evaluation indicators. Overall, performance improved in 12 indicators and remained unchanged in 7 indicators; all evaluation aspects averaged a score of 4.96 and above, up 0.02 from the previous year. Outcome of performance evaluation: Excellent.
Performance evaluation for the Audit and Risk Management Committee	Overall, out of a total of 22 evaluation indicators, performance remained unchanged in 18 indicators and deteriorated in 2 indicators; all evaluation aspects averaged a score of 4.99 and above, which was comparable to the previous year. Outcome of performance evaluation: Excellent.
Performance evaluation for the Remuneration and Nomination Committee	Overall, out of a total of 21 evaluation indicators, performance improved in 2 indicators and remained unchanged in 17 indicators; all evaluation aspects averaged a score of 4.97 and above, up 0.01 from the previous year. Outcome of performance evaluation: Excellent.
Performance evaluation for the Corporate Governance and Sustainability Committee	Overall, out of a total of 19 evaluation indicators, performance improved in 1 indicator and remained unchanged in 18 indicators; in four evaluation aspects the committee averaged a full score of 5.00 and above, up 0.01 from the previous year. Outcome of performance evaluation: Excellent.

Note: Scores are assigned using a 5-scale system: "Outstanding (5), Excellent (4), Good (3), Fair (2), Improvement Required (1)." A perfect score is 5 for all assessments.

◎ Improvement measures:

- ① With regard to Board of Directors performance evaluation and director self-evaluation, below is an explanation to aspects that scored less than last year:

➤ The Board of Directors' performance valuation

Evaluation indicators	Current progress or other recommendations
A. Participation in company operations 2. Did the directors exhibit good attendance at shareholders' meetings? (3 points for an attendance rate of 1/2; 4 points for an attendance rate of 2/3; 5 points for an attendance rate of 3/4) (averaged 4 points; compared to the score of 5 in the previous year, the performance represented a 1-point deterioration)	After resolving the date and venue of the Shareholders' Meeting during the Board of Directors meeting held in January, the Board handed each director a Board Meeting schedule for 2025 (including the Shareholders' Meeting to be held on June 13 2025), so that Directors can make time for the Shareholders' Meeting.
F. Participation in ESG 46. Are board members aware of the ESG issues pertaining to the industry that the Company operates in? (Averaged 4.93 points; compared to the score of 5 in the previous year, the performance represented a 0.07-point deterioration) 47. Does the board hold discussions on the execution of the annual ESG plan and the outcome report on a regular basis? (Averaged 4.93 points; compared to the score of 5 in the previous year, the performance represented a 0.07-point deterioration)	In addition to the semiannual progress reports and execution plan reports for the second half of the year, the Board of Directors was briefed on the framework of the Company's sustainability report and on the identification of material topics during the Board Meeting held in April, followed by another briefing of the sustainability report later in May. These briefings enabled directors to fully participate and discuss international sustainability trends as well as the authority's efforts toward promoting sustainability. Each director was given an exquisitely printed copy of the sustainability report after it was published in July. Furthermore, the department shares quarterly ESG reports and e-newsletters and related news from time to time with outside directors; important information that is relevant to directors is also made available on the Company's website, whereas any progress updates to the four major ESG strategies and any awards and recognitions are conveyed during quarterly investor seminars.

➤ The Board and director (individual) performance assessment

Evaluation indicators	Current progress or other recommendations
A. Comprehension of the Company's goals and missions 2. Do the directors have a clear understanding of all strategic goals that the board has set for the Company? (Averaged 4.93 points; compared to the score of 5 in the previous year, the performance represented a 0.07-point deterioration)	Reports on business operations and major motions are presented to the Board on an ongoing and regular basis, so that directors may have a better understanding of all of the Company's strategic goals. Presidents of key subsidiaries are also invited to take part in budget meetings.
B. Directors' duty awareness 5. Are new directors aware of their duties and are they familiar with the Company's operations and environment? (Averaged 4.93 points; compared to the score of 5 in the previous year, the performance represented a 0.07-point deterioration)	In 2024, the Board had a change of directors in March, April, and June. To help new directors become familiar with the business, the Company provided them with brief introductions to the Company's history, the management team, the Board of Directors, and functional committees including their authority, members, and obligations, the recusal rules, and regulations to be complied with by directors. The Company also answers whatever queries the new directors may have from time to time, in order to familiarize them with the Company's operations.
D. Internal relationship management and communication 15. Do directors maintain good interaction with the management? (Averaged 4.93 points; compared to the score of 5 in the previous year, the performance represented a 0.07-point deterioration)	An internal unit has been charged with the responsibility of making regular arrangements for independent directors to communicate with the chief internal auditor and CPAs, and tracking the recommendations discussed in meetings. The unit also helps arrange meetings if outside directors have any specific issues that they would like to discuss with the management.

- ② With regard to the evaluation of functional committee performance, below are shown with explanations and suggestions that scored less than last year:

Evaluation indicators	Current progress or other recommendations
Audit and Risk Management Committee C. Improvements to the quality of decisions made by functional committees 15. Are functional committee resolutions tracked appropriately? (Averaged 4.83 points; compared to the score of 5 in the previous year, the performance represented a 0.17-point deterioration) 16. Do all functional committees conduct performance evaluations in a regular and efficient manner? (Averaged 4.83 points; compared to the score of 5 in the previous year, the performance represented a 0.17-point deterioration)	Resolutions or recommendations raised in functional committee meetings will be tracked afterwards, and any supplementary information would be distributed to directors along with the meeting minutes. Additionally, the Company examines its “Policy for Performance Appraisal on the Board of Directors and Functional Committees” (including the evaluation indicators and procedures) on a regular basis and conducts internal performance evaluation of the Board of Directors every year as required by policy. At the end of 2024, the Company engaged an external independent institution to conduct a triennial evaluation (external evaluation) of Board of Directors’ performance.
Remuneration Committee C. Improvements to the quality of decisions made by functional committees 12. The Company provides functional committees with complete and timely information of certain quality, so that they may duly perform their duties. Managers, internal auditors, CPAs, legal consultants, or other personnel of relevant expertise may be invited to meetings if necessary (Averaged 4.83 points; compared to the score of 5 in the previous year, the performance represented a 0.17-point deterioration)	The Company observes its “Remuneration and Nomination Committee Charter” by providing timely information to the Remuneration Committee,” and may have managers of relevant departments present at meetings to provide explanations on related motions if necessary. Where a meeting requires the human resources department to explain a proposal, the Company would invite its President to make supplementary explanations on the annual bonuses of the financial holding company and subsidiaries, as well as the attainment of performance targets by subsidiaries.

c.Evaluation of board performance by external professional institution (external evaluation)

The Company commissioned Taiwan Corporate Governance Association to evaluate the performance of its Board of Directors in December 2024. The external evaluation covered five aspects including: board composition and division of responsibilities, board guidance and supervision, board authorization and risk management, board communication and coordination, and self-discipline and improvement of the Board of Directors, and utilized a combination of questionnaires and field interviews to assess board performance. For this evaluation, Taiwan Corporate Governance Association assembled an assessment panel and designated Convener Sheng-Yuan Chen (Distinguished Professor at National Taipei University of Business School of Accounting and Finance), Committee Member Wen-Long Chang (General Secretary of Chinese National Association of Industry and Commerce), General Secretary Che-Sheng Wu (Vice Chairperson of Chinese Professional Management Association), Section Chief Yi-Fang Tsai, and Specialist I-Ching Sung to join the panel. By engaging a professional institution to review the

performance of the current Board and Functional Committees, the Company was able to benefit from the guidance, the exchange of knowledge, as well as a professional and objective checkup of the Company's health. The performance evaluation concluded by Taiwan Corporate Governance Association on the Company's Board of Directors was reported to the Corporate Governance and Sustainability Committee and the Board of Directors on March 14, 2025. (Taiwan Corporate Governance Association is an independent non-government/non-profit organization that specializes in the evaluation of corporate governance system and assessment of Board of Directors performance.) Taiwan Corporate Governance Association made the following comments and suggestions in its Board of Directors performance assessment report:

(a) Assessment outcome and suggestions:

The Association gave a highly favorable rating on directors' professional background, senior managers' compensation, and how the Company has associated long-term performance with sustainability. The Association recommended that the composition of the next Board of Directors should take into account gender equality for enhanced diversity.

(b) Subsequent follow-up:

Outcomes of this assessment will be taken into consideration when electing or nominating directors for the next board.

d. Director succession plan:

The Company has implemented a key role system. All chairmen and presidents of the financial holding company and the main subsidiaries and their subordinates are considered key roles whose annual performance and compensation are determined differently from other managerial positions. Each key role holder shall have their annual performance evaluated based on aspects including strategic direction, target accomplishment, corporate social responsibilities, and leadership quality, all of which are subject to approval by the Chairman of the financial holding company. Furthermore, year-end performance is evaluated individually and on a case-by-case basis by the Chairman of the respective subsidiaries. This system enables the organization to gain insight into the performance and leadership style of each individual, and uncover suitable talent for director succession. If there is a need to assign a new director to the board, the Company would first recommend one from the list of key role managers.

The Company has adopted a candidate nomination system for the election of directors since 2014. The Company currently has outside directors making up more than half of its board. To prevent Independent Directors' objectivity from being compromised after prolonged service, no Independent Director has served more than 9 years consecutively. In addition, Paragraphs 1 and 2, Article 3 of the Company's "Procedures for the Election of Directors" and Paragraphs 2 and 3, Article 29 of the "Corporate Governance Best-Practice Principles" require diversity in terms of board composition, and the level of diversity is determined based on the operations and needs of the organization. Board members offer a complete set of knowledge, skills, and qualities needed to perform their duties, including extensive expertise in banking, finance, commerce, law, and industry experience. Additionally, the Company evaluates Board of Directors' performance each year in accordance with its "Policy for Performance Appraisal on the Board of Directors and Functional Committees" to ensure that the Board remains functional. Outcomes of performance evaluation are taken into consideration when electing or nominating directors.

Each year, the Company provides tuition to directors and supervisors within the group on a variety of corporate governance-related topics such as finance, risk management, cybersecurity, business, and corporate social responsibilities in an attempt to support professional capacity of the Board for enhanced corporate governance. All of which have been considered essential courses for directors' education roadmap. The Company shares information about courses or conferences on topics such as ESG issues, compliance, financial reporting, and risk management, that are being held outside the organization as a means to improve board members' professional capacity and keep them up to date on the latest trends.

According to the scope of management responsibilities, the scale and complexity of business execution, the Company has different levels of basic level, mid-level and senior managers. According to the needs of business development, Talent Inventory Review is held regularly every year to discover management trainees at all levels. In addition, those who have an important influence on the organization's operation or have development potential are listed as key positions, and their annual performance goal, evaluation process, and bonus and remuneration management system are designed differently from other management positions. The annual performance goals of each key position include important strategic direction, key indicators, corporate social responsibility, and leadership characteristics, etc. The establishment of performance goals and performance inspections must be approved by the chairman. The key position performance evaluation meeting is held every year. The chairman of the financial holding company, the chairman and the president of the subsidiary of the key position holders will jointly review the annual performance achievement status and leadership control ability, and then discover suitable candidates for internal directors through the understanding of performance and leadership style, and also as an important basis for subsequent job arrangements.

In addition, report the performance evaluation results and annual development plan of the highest-level supervisors of financial holdings, the chairman of the Board of Directors and the president of the subsidiary at the beginning of each year, and submit them to the Board of Directors for approval. The Company has established "Performance Appraisal Policy" and "Manager Performance Appraisal and Remuneration Policy" and other systems. At the end of each year, the company's operating performance and individual performance are linked to distribute year-end bonuses, and individual performance would be an important reference for the selection and remuneration of senior executives. Among them, annual salary adjustments for middle to high level executives must be submitted to the remuneration and nomination committee and the Board of Directors for approval. In addition to reviewing the performance of important management teams, the remuneration conditions are also included in the review to achieve the purpose of retaining outstanding talents.

For the cultivation of important management levels, in addition to selecting and training high-level executives to serve as members of the Board of Directors of the subsidiaries/sub-subsidiaries of the financial holding company, it also plans the transfer of job positions of different functions and serve in other important positions concurrently to stimulate the improvement and inherit the cultivation, to shape the leadership echelon. Every year, courses on topics such as leadership training, work management, financial development trends, and compliance with laws and regulations are planned for managers at all levels. In 2024, there were 13,785 attendances and 23,652hours of training for mid to high level executives. In addition, in order to continuously cultivate international management talents, outstanding executives are regularly sent to participate in overseas leadership training programs to promote cross-border exchanges of talents, cultivate forward-looking thinking, and will be arranged important jobs after training, as a succession training plan for important management levels.

Changes of directors in 2024:

Director Ming-Chung Tseng , representative of corporate shareholder – Ming Dong Co., Ltd., succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024 . New Director Ming-Chung Tseng possesses professional qualification in financial holding and banking; conforms with Article 9 of “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; and has extensive experience in the financial industry. Currently the Vice Chairman of Fubon Financial Holding Co., Ltd.

Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the Shareholders' Meeting on June 14, 2024.

Note : Taipei City Government, a corporate shareholder, Reassignment Mr. Wen-Shu Su to replace Mr. Ruey-Cherng Cheng as director on January 16, 2025. The subject possesses professional competence in Accounting, and is currently the Commissioner of Taipei City Government Department of Budget, Accounting and Statistics.

e. Refinement of directors' professionalism:

To ensure the completeness of directors' education, the Company conducts annual assessments on prevailing risks, important local and foreign regulations, and current affairs including but not limited to risk management (including integration and legal risk), ESG, net zero emission, AI, cloud computing, cybersecurity, IFRS etc. Based on these findings, the Company is able to shortlist courses that are relevant to directors' duties and present them for the Chairman's approval. The shortlisted courses then provide the basis for directors' and supervisors' education throughout the group.

Each year, the Company provides tuition to directors and supervisors within the group on a variety of corporate governance-related topics such as finance, risk management, business and corporate social responsibilities. During the year, the Company invited Hsing-Juh Lin, Distinguished Professor from the Department of Life Sciences, National Chung Hsing University, to deliver a speech on “Blue Carbon – The New and Under-appreciated Means to Net Zero,” and General Manager Thomas Wan from Ernst & Young Management Consulting to host a course on “Cybersecurity Governance in FinTech.” Furthermore, the Company shares information about courses or conferences on topics such as ESG issues, compliance, financial reporting, risk management, corporate social responsibilities etc. that are being held outside the organization as a means to encourage continuing education among directors.

Additionally, the Company shares information with directors on courses organized by external financial training institutions, which also cover the above issues relating to risks, regulations, and current affairs, so that directors of the financial group may undergo training according to their own requirements. Examples of the above courses include: "Corporate Governance Seminar - FinTech Series - FinTech Development Roadmap 2.0, Corporate Governance and Integrity Culture for Financial Institutions, and Multi-risk Management" organized by Taiwan Academy of Banking and Finance, and "ESG and The Carbon Link - Carbon Fee, Carbon Tax, Carbon Credit, and Carbon Trading" organized by Taiwan Corporate Governance Association.

All of the Company's directors had completed their 6-hour minimum training in 2024. The Board as a whole completed 162.5 hours of training in total.

Directors' continuing education in 2024:

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
Chairman	Richard M. Tsai	2024.09.13	Independent Directors' Association Taiwan	Blue Carbon – The New and Under-appreciated Means to Net Zero	3.0
		2024.12.09	Independent Directors' Association Taiwan	Focus and Changes in AML Practices in Mainland China and Case Study of Singapore's Largest Money Laundering Crime in 2023	3.0
		2024.12.17	Taiwan Corporate Governance Association	The latest ESG Sustainable Information Law Regulations and Practices	3.0
		2024.12.17	Taiwan Corporate Governance Association	Exploring Fraud Risk and Prevention Strategies through Case Studies	3.0
Vice Chairman	Ming Dong Co., Ltd. Representative: Ming-Chung Tseng*	2024.05.14	Taiwan Corporate Governance Association	Analysis of the Renewable Energy Certification System and Green Power Trading	3.0
		2024.06.18	Taiwan Corporate Governance Association	Key Information for Interpreting Financial Statements	3.0
		2024.06.28	Taiwan Corporate Governance Association	The Post-pandemic Era – How Taiwanese Businesses Should Plan and Respond to the Challenges and Opportunities of Industry Upgrade and Transformation (Part 2)	3.0
		2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.11.29	Independent Directors' Association Taiwan	Cybersecurity Governance in FinTech	3.0
Director	Daniel M. Tsai	2024.03.08	Taiwan Insurance Institute	Keynote speech on corporate governance – Fair Customer Treatment and Advanced AML Course	1.5
		2024.08.20	Taiwan Insurance Institute	Keynote speech on corporate governance – Trends of Organizational Resilience: Digital Trust (Cybersecurity) X Sustainability	1.5
		2024.08.20	Taiwan Corporate Governance Association	Key Points of IFRS 17 Adoption, Correspondence Account Strategies, and Operating Strategies	3.0

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0
Director	Ming Dong Co., Ltd. Representative: Jerry Harn	2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0
		2024.10.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – AI and Financial Consumer Protection	3.0
		2024.11.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Dissecting the Latest Organized Scam	3.0
Director	Ming Dong Co., Ltd. Representative: Howard Lin	2024.03.08	Taiwan Insurance Institute	Keynote speech on corporate governance - Fair Customer Treatment and Advanced AML Course	1.5
		2024.08.20	Taiwan Insurance Institute	Keynote speech on corporate governance - Trends of Organizational Resilience: Digital Trust (Cybersecurity) X Sustainability	1.5
		2024.08.20	Taiwan Corporate Governance Association	Key Points of IFRS 17 Adoption, Correspondence Account Strategies, and Operating Strategies	3.0
Director	Ming Dong Co., Ltd. Representative: Chris Tsai	2024.03.08	Taiwan Insurance Institute	Keynote speech on corporate governance - Fair Customer Treatment and Advanced AML Course	1.5
		2024.08.20	Taiwan Insurance Institute	Keynote speech on corporate governance - Trends of Organizational Resilience: Digital Trust (Cybersecurity) X Sustainability	1.5

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
		2024.08.20	Taiwan Corporate Governance Association	Key Points of IFRS 17 Adoption, Correspondence Account Strategies, and Operating Strategies	3.0
Director	Taipei City Government Representative: Hsiao-Lan Hu	2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0
		2024.11.05	Taiwan Corporate Governance Association	Developing A Corporate Sustainability Roadmap	3.0
Director	Taipei City Government Representative: Tang-Kai Lien	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.12.09	Independent Directors' Association Taiwan	Focus and Changes in AML Practices in Mainland China and Case Study of Singapore's Largest Money Laundering Crime in 2023	3.0
Director	Taipei City Government Representative: Ruey-Cherng, Cheng	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
Independent Director	Shin-Min Chen	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
		2024.09.26	Independent Directors' Association Taiwan	2024 Independent Directors Academy – [Advance Session]	3.0
Independent Director	Shu-Hsing Li	2024.08.09	Taiwan Corporate Governance Association	Innovation, Digital Technologies, and Competitive Advantage	3.0
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0
		2024.11.08	Taiwan Corporate Governance Association	Board Supervision Over Integration and Establishment of Management System Post-merger	3.0
		2024.11.29	Independent Directors' Association Taiwan	Cybersecurity Governance in FinTech	3.0
Independent Director	Alan Wang*	2024.03.08	Taiwan Insurance Institute	Keynote speech on corporate governance - Fair Customer Treatment and Advanced AML Course	1.5
Independent Director	Li-Chuan Wang*	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.09.27	Taiwan Insurance Institute	Keynote speech on corporate governance (2024 session 9) – Transformation Opportunities in IFRS 17 Adoption – How Changes in Financial Performance Measurements Affect Insurance Companies	3.0

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
		2024.10.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum - AI and Financial Consumer Protection	3.0
		2024.11.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum - Dissecting the Latest Organized Scam	3.0
		2024.12.09	Independent Directors' Association Taiwan	Focus and Changes in AML Practices in Mainland China and Case Study of Singapore's Largest Money Laundering Crime in 2023	3.0
Independent Director	Paulus Siu-Hung Mok	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.08.14	Taiwan Academy of Banking and Finance (TABF)	AML/CFT Trends and Financial Security Technologies	2.0
		2024.10.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum - AI and Financial Consumer Protection	3.0
		2024.11.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum - Dissecting the Latest Organized Scam	3.0
Independent Director	Barry Chen	2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0
		2024.11.29	Independent Directors' Association Taiwan	Cybersecurity Governance in FinTech	3.0

Title	Name	Date for Attending Continuing Education	Hosted By	Course Title	Hours
Independent Director	Kuang-Shih Yeh	2024.06.19	Taiwan Institute of Directors	International Competitiveness of Taiwanese Businesses Under the Current Global Competitive Landscape	3.0
		2024.07.03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit - Part 1	3.0
		2024.09.13	Independent Directors' Association Taiwan	Blue Carbon - The New and Under-appreciated Means to Net Zero	3.0

* Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

2.3.2 Functionality of the Audit and Risk Management Committee

(1) Composition and Procedures of the Audit and Risk Management Committee

- The Company has assembled an Audit and Risk Management entirely of Independent Directors, which complies with Article 14-4 of the Securities and Exchange Act.
- The Committee meetings shall be convened at least once each quarter, and may be called at its discretion whenever necessary.

(2) Duties of the Audit and Risk Management Committee

Pursuant to Article 6 of the Company's "the Audit and Risk Management Committee Organizational Rules," the Audit and Risk Management Committee has the following Duties:

- To adopt or amend the Company's internal control policy pursuant to Article 14-1 of the Securities and Exchange Act.
- To conduct assessment on the effectiveness of the Company's internal control policy.
- To adopt or amend, pursuant to Article 36-1 of the Securities and Exchange Act, the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- To audit matters in which a director is an interested party.
- To audit matters of asset transactions or derivatives trading of a material nature.
- To audit matters of loans of funds, endorsements, or provision of guarantees of a material nature.
- To audit the offering or private placement of equity-type securities.
- To audit matters of hiring or dismissal of an auditor and their remuneration.
- To audit matters of appointment or discharge of a financial, accounting, or internal audit officer.
- To audit the annual and Q2 financial reports signed by Chairman, managers and accounting managers upon being audited and certified by the CPA.
- To audit the fairness and reasonableness of the Company's M&A projects and transactions.
- To audit matters of distribution of the interest of the special share.

- m. To audit the business report and motion for allocation of earnings or covering of losses.
- n. To audit the annual budget and business plan, and follow up the status thereof; to review the risk management policy and follow up thereof, and improvement on information security policy, strategy and significant information security incidents.
- o. To audit important accounting policies or changes in accounting estimates.
- p. To audit other material matters as may be required by the Company or competent authorities.

(3) Attendance at the Audit and Risk Management Committee meetings

The 6th the Audit and Risk Management Committee (term of service: 2023.06.09~2026.06.08; of which 2024.01.01 ~2024.12.31 was relevant to this report)

A total of 7 (A) meetings were held in the last year (2024); Independent Directors' attendance records are summarized below:

Title	Name	Attendance in Person (B)	Attendance by proxy (A)	Rate of attendance in person (%) [B/A]	Remarks
Independent Director (Convener)	Shu-Hsing Li	7	0	100%	
Independent Director	Shin-Min Chen	7	0	100%	
Independent Director	Alan Wang*	2	0	100%	Resigned
Independent Director	Li-Chuan Wang*	3	0	100%	Newly elected
Independent Director	Paulus Siu-Hung Mok	7	0	100%	
Independent Director	Barry Chen	7	0	100%	
Independent Director	Kuang Shih Yeh	7	0	100%	

* Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

(4) Other matters that shall be recorded:

- a. For the Audit and Risk Management Committee meetings that meet any of the following descriptions, details such as the date and session of the Audit and Risk Management Committee meeting held, the motions discussed, independent directors' objections, reservations, or key recommendations, the Audit and Risk Management Committee's resolution, and how the Company has responded to the Audit and Risk Management Committee's opinions are disclosed in the chart below:

- (a) Conditions described in Article 14-5 of the Securities and Exchange Act;
- (b) Other than the conditions described above, any resolutions unapproved by the Audit and Risk Management Committee but passed by more than two-thirds of directors.

Board meeting date and session (the nth board – yth meeting)	Agenda and subsequent actions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions unapproved by the Audit and Risk Management Committee but passed by more than two-thirds of directors
2024.01.18 9-4 regular	2023 financial statement auditor suitability evaluation for the Company and subsidiaries.	✓	-
	Amendments to the Information Security Policy of the Company and subsidiaries.	✓	-
	Amendments to the Company’s Whistleblower Policy.	✓	-
	Amendments to the Company’s Level of Authority and Appendix on Revision History.	✓	-
	Date of Audit and Risk Management Committee meeting and resolution (2024.01.18): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company’s response to the Audit and Risk Management Committee’s opinions: Agenda passed as proposed by all attending directors of the board.		
2024.03.14 9-5 regular	The Company’s 2023 business report.	✓	-
	The Company’s 2023 financial statements.	✓	-
	Assessment of independence for the Company’s financial statement auditors, and appointment and compensation of financial statement auditors in 2024.	✓	-
	Personnel arrangement of the Company.	✓	-
	The issuance of the Company’s 2023 “Statement of Declaration for Internal Control System.”	✓	-
	The proposal to continue lease of right-of-use assets, namely 1F and 2F of Fubon Neihu Building, from Fubon No. 2 Real Estate Investment Trust.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.03.07): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company’s response to the Audit and Risk Management Committee’s opinions: Agenda passed as proposed by all attending directors of the board.		
2024.04.25 9-6 regular	The Company’s 2023 earnings appropriation.	✓	-
	The proposal to issue new shares against capitalization of capital reserves.	✓	-
	The Company’s long-term funding plan.	✓	-
	Issuance of Unsecured Corporate Bonds.	✓	-
	Amendments to the Company’s Short-term Capital	✓	-

Board meeting date and session (the nth board – yth meeting)	Agenda and subsequent actions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions unapproved by the Audit and Risk Management Committee but passed by more than two-thirds of directors
	Utilization and Funding Policy.		
	Amendments to the Company's organizational chart and Level of Authority.	✓	-
	Personnel arrangement of the Company.	✓	-
	Remove non-compete restrictions on the Company's 9th board of directors.	✓	-
	Proposal to have the Company discontinue lease of partial floor area on 8F of Fubon Life Building with Fubon No. 1 Real Estate Investment Trust, and to dispose of real estate right-of-use.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.04.25): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company's response to the Audit and Risk Management Committee's opinions: Agenda passed as proposed by all attending directors of the board.		
2024.05.22 9-7 regular	The Company's 2024 Q1 financial statements.	✓	-
	The Company's 2023 sustainability report.	✓	-
	Appointment of person of acting duty and order of acting duty for the Chairman, in the event that the Chairman is required to recuse from duty due to conflicting interest.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.05.22): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company's response to the Audit and Risk Management Committee's opinions: Agenda passed as proposed by all attending directors of the board.		
2024.08.22 9-9 regular	The Company's 2024 first-half financial statements.	✓	-
	Amendments to Consultant Management Policy of the Company and subsidiaries.	✓	-
	Proposal to have Fubon Bank (Hong Kong) Limited subscribe to the cash issue of its subsidiary – Fubon Credit (Hong Kong) Limited.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.08.15): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company's response to the Audit and Risk Management Committee's opinions: Agenda passed as proposed by all attending directors of the board.		

Board meeting date and session (the nth board – yth meeting)	Agenda and subsequent actions	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions unapproved by the Audit and Risk Management Committee but passed by more than two-thirds of directors
2024.11.21 9-10 regular	The Company's 2024 Q3 financial statements.	✓	-
	Establishment of the Company's 2025 audit work plan.	✓	-
	Amendments to the AML and CFT policies of the Company and subsidiaries.	✓	-
	Amendments to the Company's organizational chart, Articles of Association, Level of Authority, Audit Committee Charter, Risk Management Committee Articles of Incorporation, and risk management policies of the Company and subsidiaries; passed amendments of the "Internal Control System" to incorporate sustainability information management as required by laws.	✓	-
	Amendments to Artwork Management Policy of the Company and subsidiaries.	✓	-
	The proposal to have the Company represent 100% directly and indirectly owned domestic subsidiaries in procurements.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.11.21): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company's response to the Audit and Risk Management Committee's opinions: Agenda passed as proposed by all attending directors of the board.		
2024.12.26 9-11 regular	The Company's 2025 budgets and operating plans.	✓	-
	Amendments to Principles on Chairman's Duties and Policy on Leave of Absence and Acting Duty for the Company and subsidiaries.	✓	-
	Amendments to the Company's Work Rules.	✓	-
	Amendments to the Company's organizational chart, Articles of Association, and Level of Authority.	✓	-
	Date of the Audit and Risk Management Committee meeting and resolution (2024.12.23): Motion passed as proposed by all attending members; referred to Board of Directors for final resolution.		
	Company's response to the Audit and Risk Management Committee's opinions: Agenda passed as proposed by all attending directors of the board.		

b. Regarding conflict-of-interest recusal by independent directors, the name of the independent director, subject matter of the motion, reason for recusal and the voting result:

No.	Date of committee meeting	Member requiring recusal	Subject Matter	Reason for Conflict of Interest Recusal	Participation in Deliberation
1	2024.11.21 The 6th board of the 9th regular Audit and Risk Management Committee	Li-Chuan Wang Paulus Siu-Hung Mok	Proposal to have the Company represent 100% directly and indirectly owned domestic subsidiaries in procurements.	Concurrent duty as director or independent director in a subsidiary or 2nd-tier subsidiary of the counterparty	The interested directors left the room during discussion and voting.

c. Communication between Independent Directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

(a) In addition to submitting various internal audit reports to the Board of Directors and the Audit and Risk Management Committee on a quarterly basis, the audit department of the Company periodically arranges seminars with Independent Directors (at least once a year), and the minutes of such are submitted to the Board of Directors.

(b) If necessary, audit officers and external auditors may communicate with Independent Directors via email, telephone, or in person.

(c) Periodic communication is summarized as follows:

Date	Communication Method	Parties Involved	Matters Discussed	Outcome
2024.01.18	the Audit and Risk Management Committee	The Company's Chief Internal Auditor	Report on the progress of the Company's 2023 Q4 audit.	Acknowledged.
2024.03.07	the Audit and Risk Management Committee	1. The Company's Chief Internal Auditor 2. The Company's Chief Internal Auditor 3. Heads of accounting and financial statements auditors of the Company and subsidiaries	1. Audit report of subsidiary - Fubon Insurance on controlled foreign insurance enterprises. 2. Issuance of 2023 "Statement of Declaration for Internal Control System." 3. The Company's 2023 financial statements.	1. Acknowledged. 2. Referred to Board of Directors for final resolution after review. 3. Referred to Board of Directors for final resolution after review.
2024.03.14	Audit symposium	The Company's Chief Auditor, Chief Auditor of subsidiary, and the Company's audit personnel	Audit progress report for Fubon Bank (Hong Kong).	Proceeded as recommended.

Date	Communication Method	Parties Involved	Matters Discussed	Outcome
2024.04.25	the Audit and Risk Management Committee	The Company's Chief Internal Auditor	Report on the progress of the Company's 2024Q1 audit.	Acknowledged.
2024.05.22	the Audit and Risk Management Committee	Head of accounting and financial statements auditors of the Company	The Company's 2024Q1 financial statements.	Referred to Board of Directors for final resolution after review.
2024.07.04	Meeting on key audit issues	Financial statements auditors of the Company	- Review on the 2024Q2 audit plan that the CPA had proposed for the Company and subsidiaries. 2024Q2 key audit issues of the Company.	- Agreed to the audit planning proposed by the CPA to conduct the audit on 2024Q2 financial statements. - Agreed to the Company's 2024Q2 Key Audit Matters proposed by the CPA.
2024.08.15	the Audit and Risk Management Committee	- The Company's Chief Internal Auditor - The Company's Chief Internal Auditor - The Company's Chief Internal Auditor - Heads of accounting and financial statements auditors of the Company and subsidiaries	- Report on the progress of the Company's 2024Q2 audit. - Audit report of subsidiary - Fubon Life on controlled foreign insurance enterprises. - Report that FSC had awarded the Company an "Excellent" rating on internal audit practices. - The Company's 2024 first-half financial statements.	- Acknowledged. - Acknowledged. - Acknowledged. - Referred to Board of Directors for final resolution after review.
2024.08.22	Audit symposium	The Company's Chief Auditor, Chief Auditor of subsidiary, and the Company's audit personnel	Progress on digital transformation of internal audit in key subsidiaries.	Proceeded as recommended.

Date	Communication Method	Parties Involved	Matters Discussed	Outcome
2024.11.21	the Audit and Risk Management Committee	1. The Company's Chief Internal Auditor	1. Report on the progress of the Company's 2024Q3 audit.	1. Acknowledged.
		2. The Company's Chief Internal Auditor	2. Audit report of subsidiary - Fubon Life on controlled foreign insurance enterprises.	2. Acknowledged.
		3. The Company's Chief Internal Auditor	3. Establishment of the Company's 2025 audit work plan.	3. Referred to Board of Directors for final resolution after review.
		4. Head of accounting and financial statements auditors of the Company	4. The Company's 2024Q3 financial statements.	4. Referred to Board of Directors for final resolution after review.
2024.12.23	the Audit and Risk Management Committee	The Company's Chief Internal Auditor	Report on "2024 Audit Performance Review" that the Company had conducted for all subsidiaries with internal audit units in place.	Acknowledged.
2024.12.26	Meeting on key audit issues	Financial statements auditors of the Company and subsidiaries	1. Review on the 2024 audit plan that the CPA had proposed for the Company and subsidiaries. 2. 2024 Key Audit Matters of the Company.	1. Agreed to the audit planning proposed by the CPA to conduct the audit on 2024 financial statements. 2. Agreed to the Company's 2024 Key Audit Matters proposed by the CPA.

d. The Audit Committee has renamed to the Audit and Risk Management Committee on December 1, 2024 by Board of Directors meeting on November 21, 2024.

(5) Performance of the Audit and Risk Management Committee

The Audit and Risk Management Committee held a total of 7 meetings in 2024. For details regarding the discussion of cases described in Article 14-5 of the Securities and Exchange Act, please refer to Section 2.3.2(3) – Attendance at Audit and Risk Management Committee Meetings – Other remarks of this annual report. Below is a list of other significant motions discussed by the Committee:

- a. January 18, 2024:
 - (a) Report on the progress of the Company's 2023Q4 audit.
 - (b) Report on the progress of the Company's 2023 second-half AML and CFT.
- b. March 7, 2024:
 - (a) Report on the Company's 2023 operational report .
 - (b) Report on the Company's 2023 risk management report .
 - (c) Audit report of subsidiary - Fubon Insurance Co., Ltd. on controlled foreign insurance enterprises.
 - (d) Report on the Company's 2023 cybersecurity protection and actions.
 - (e) Report on the Company's compliance progress in the second half of 2023.
 - (f) Report on the NT\$300-million loan loss provision that subsidiary - Taipei Fubon Commercial Bank Co., Ltd. had made on borrower – “HK Retail Holding II Ltd.”
- c. April 25, 2024:
 - (a) Report on the progress of the Company's 2024Q1 audit .
 - (b) Report on the impairment of loans to “Cheung Kei Center Ltd.” recognized by subsidiary - Fubon Bank (Hong Kong) Limited.
- d. May 22, 2024:
 - (a) Report on the Company's 2024Q1 operational report.
 - (b) Report on the Company's 2024Q1 risk management report.
- e. August 15, 2024:
 - (a) Report on the Company's 2024 first-half operational report.
 - (b) Report on the Company's 2024 first-half risk management report.
 - (c) Audit report of subsidiary - Fubon Life Insurance Co, Ltd. on controlled foreign insurance enterprises.
 - (d) Report on the progress of the Company's 2024Q2 audit.
 - (e) Report that FSC had awarded the Company an “Excellent” rating on internal audit practices.
 - (f) Report on the Company's cybersecurity tasks in the first half of 2024.
 - (g) Report on the Company's compliance progress in the first half of 2024.
 - (h) Report on the progress of the Company's 2024 first-half AML and CFT.
 - (i) Follow-up report on the omissions and defects concerning AML database update by subsidiary – Fubon Bank (Hong Kong) Limited.
- f. November 21, 2024:
 - (a) Report on the Company's 2024 Q1–Q3 operational reports.
 - (b) Report on the Company's 2024Q3 risk management report.
 - (c) Audit report of subsidiary - Fubon Life Insurance Co, Ltd. on controlled foreign insurance enterprises.
 - (d) Report on the progress of the Company's 2024Q3 audit.
 - (e) Report on the Company's 2023 money laundering and terrorism financing risk evaluation report.
- g. December 23, 2024:
 - (a) Report on the “2024 Audit Performance Review” that the Company had conducted for all subsidiaries with internal audit units in place.
 - (b) Report on the impairment of loans to “Cheung Kee Fung Cheung Group” recognized by subsidiary - Fubon Bank (Hong Kong) Limited.
 - (c) Report on major violations against AML and CFT Ordinance by subsidiary - Fubon Bank (Hong Kong) Limited and the improvements made.

2.3.3 Performance of the Corporate Governance and Sustainability Committee

(1) Composition and Procedures of Corporate Governance and Sustainability Committee

- a. The Company's Corporate Governance and Sustainability Committee has been assembled according to the charter, which requires at least 3 Directors, and more than half of whom must be Independent Directors. Appointment of committee members is subject to resolution by the Company's Board of Directors. Currently, the committee consists of all of the Company's Independent Directors plus 1 corporate director representative and 1 internal director.
- b. The meetings for the Committee shall be held at least twice each year, and called at any time as needed.

(2) Duties of the Corporate Governance and Sustainability Committee

Pursuant to Article 5 of the Company's "Corporate Governance and Sustainability Committee Articles of Incorporation," the Corporate Governance and Sustainability Committee has the following Duties:

- a. Supervise the implementation of corporate social responsibility and sustainability matters, and assess their implementation.
- b. Review, establishment and amendment of the Company's Corporate Social Responsibility Code of Conduct, Corporate Governance Code of Conduct, Business Integrity Code of Conduct, Business Integrity Procedures, Behavioral Guidelines and key policies for resolution by the Board of Directors.
- c. Review the Company's Articles of Incorporation, Parliamentary Rules for Shareholders' Meetings, Procedures for the Election of Directors and Parliamentary Rules for Directors' Meetings, as amended from time to time, and propose the same to the Board of Directors for resolution.
- d. Review the enactment and modification of the charters of functional committees, and proposed to the Board of Directors for resolution.
- e. Supervise and direct the results of the Company's participation in various corporate governance assessments and evaluations, and submission of the Board of Directors' performance assessment/evaluation results to the Board of Directors for discussion and improvement.
- f. Discuss the plan for the next year and evaluate the execution of the annual plan and proposal to the Board of Directors for resolution and reporting.
- g. Evaluate the information collection channel of the Board of Directors, as well as the quality and timeliness of the information.
- h. Review the corporate governance relationships among the Company and its subsidiaries and affiliates.
- i. Donation to a related party or a major donation to a non-related party, provided that a public-interest donation of disaster relief for a major natural disaster is submitted to the next board meeting for retroactive recognition.
- j. Any other material matter required by the Company or competent authorities.

(3) Attendance of Corporate Governance and Sustainability Committee meetings

The 8th Corporate Governance and Sustainability Committee (term of service: 2023.06.09 to 2026.06.08; of which 2024.01.01 to 2024.12.31 was relevant to this report)

The 8th Corporate Governance and Sustainability Committee convened a total of 6 meetings (A) in the current year (2024); Independent Directors'/Directors' attendance records are summarized below:

Title	Name	Attendance in Person (B)	Attendance by proxy	Rate of attendance in person (%) [B/A]	Remarks
Independent Director	Shin-Min Chen	6	0	100%	
Independent Director	Shu-Hsing Li	6	0	100%	
Independent Director	Alan Wang*	2	0	100%	Resigned
Independent Director	Li-Chuan Wang*	2	0	100%	Newly elected
Independent Director (Convener)	Paulus Siu-Hung Mok*	6	0	100%	
Independent Director	Barry Chen	6	0	100%	
Independent Director	Kuang-Shih Yeh	6	0	100%	
Director	Hsiao-Lan Hu	5	1	83.33%	
Director	Richard M. Tsai	6	0	100%	

*Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

* Independent Director Paulus Mok succeeded Independent Director Alan Wang as convener of Corporate Governance and Sustainability Committee on April 25, 2024.

(4) Performance of the Corporate Governance and Sustainability Committee

The following motions were discussed and executed during the 6 Corporate Governance and Sustainability Committee meetings held in 2024:

a. January 18, 2024:

- (a) Planning, execution, and progress of the 2023 greenhouse gas survey, validation, and disclosure for the Company and all subsidiaries included in the consolidated financial statements.
- (b) Evaluation on the execution of Board of Directors' 2023 annual plan.
- (c) 2023 action progress and 2024 action plans of the Company's ESG Task Force.
- (d) Amendments to the Company's Corporate Governance Code of Conduct.

b. March 14, 2024:

- (a) Report on donations made by the Company and subsidiaries in 2023.
- (b) The outcomes of the Company's 2023 Board of Directors performance evaluation.
- (c) Amendments to the Company's Rules Governing the Procedures for Shareholders Meetings.
- (d) Amendments to the Company's Board of Directors Conference Rules.

- (e) Amendments to the Company's Directors Ongoing Education Policy.
- (f) Amendments to the Company's Audit Committee Charter.

c. April 25, 2024:

- (a) Election of convener for the Company's 8th Corporate Governance and Sustainability Committee.
- (b) Planning, execution, and progress of the 2023 greenhouse gas survey, validation, and disclosure for the Company and all subsidiaries included in the consolidated financial statements.
- (c) Report on the Company's sustainability reporting framework and identification of material topics for 2023.

d. May 22, 2024:

Report on the Company's 2023 sustainability report.

e. August 22, 2024:

- (a) Planning, execution, and progress of greenhouse gas survey, validation, and disclosure for the financial holding company and all subsidiaries included in the consolidated financial statements.
- (b) Report on ESG Task Force's "2024 first-half action progress and second-half action plans."

f. November 21, 2024:

- (a) Planning, execution, and progress of greenhouse gas survey, validation, and disclosure for the financial holding company and all subsidiaries included in the consolidated financial statements.
- (b) Report on the Company's 2024 intellectual property management plan and execution.
- (c) Establishment of the Company's 2025 Board of Directors meeting schedule.
- (d) Amendments to the Company's Audit Committee Charter.

2.3.4 The disclosure items in accordance with the Corporate Governance Best-Practice Principles for Financial Holding Companies

Please refer to the Company's website: <https://www.fubon.com/financialholdings/home/index.html>

2.3.5 Corporate Governance Status and Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
I. Shareholding structure and shareholders' rights within the financial holding company			
(1) Has the financial holding company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes and litigations?	✓		(1) The Company has an "Investor Relations Policy," a "Shareholder Suggestion, Query, Dispute and Litigation Resolution Policy," an Investor Relations Department and a Board Affairs Department available to handle shareholders' suggestions, queries and disputes. Shareholders' rights to attend, nominate, propose, vote and complain during shareholders' meetings have been clearly outlined in the Company's "Rules Governing the Procedures for Shareholders' Meetings," "The Procedures for the Election of Directors," "Director Candidate Nomination and Shareholder Motion Proposal Rules" and in relevant laws.
(2) Does the financial holding company possess the list of major shareholders and the list of the ultimate controllers of the major shareholders?	✓		(2) The Company makes monthly reports of shareholding by individual parties and aggregate related parties, and is therefore continuously informed of the identities of its major shareholders and the ultimate controller.
(3) Has the financial holding company established and implemented risk management and firewalls on companies it is affiliated with?	✓		(3) The Company has a Risk Management Executive Committee assembled directly under the Chairman to monitor execution of risk management policies by the Company and its subsidiaries. The Company has robust risk management policies and management guidelines in place, and has an independent risk management unit responsible for monitoring risks within the group. The Company has implemented "Fubon Financial Holding Co., Ltd. and Subsidiaries Stakeholders Transaction Policy" and "Fubon Financial Holding Co., Ltd. and Subsidiaries Stakeholders Transaction Management Regulations" in accordance with Articles 44 and 45 of the Financial Holding Company Act to ensure consistent treatment of stakeholder transactions across the financial holding company and subsidiaries. Furthermore, the Company has established "Fubon Financial Holding Co., Ltd. Subsidiaries Firewall Management Policy" that governs firewalls for activities such as personnel management, sharing of resource, business transactions, and use of capital.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
II. Composition and Duties of the Board of Directors			
(1) Does the Board of Directors have a diversity policy and management goals in place?	✓		(1) The Company adopted a nomination system for director elections in 2014. To prevent Independent Directors' objectivity from being compromised after a prolonged period of service, no Independent Director serves more than nine years consecutively. In addition, Paragraphs 1 and 2, Article 3 of the Company's "Procedures for the Election of Directors" and Paragraphs 2 and 3, Article 29 of the "Corporate Governance Best-Practice Principles" require diversity in terms of board composition, and the level of diversity is determined based on the operations and needs of the organization. Current board members, for example, offer a set of knowledge, skills, and qualities needed to perform their duties, including expertise in banking, finance, commerce, law, and industry experiments. The Board of Directors' election standards was passed for the 9th board on March 15, 2023 to outline requirements such as professional knowledge, technical background, experience etc. that board members are expected to possess for optimal performance, efficiency, and growth support given the company's distinctive characteristics. The Board of Directors will continue making appropriate amendments to its diversity policy in the future to introduce additional criteria including but not limited to minimum conditions, values, professional knowledge, and skills depending on the board's performance, the state of current operations, and growth requirements so that the board as a whole possesses the knowledge, skills, and characters needed to carry out their duties. The Company re-elected the 9th Board of Directors on June 9, 2023. Ms. Li-Chuan Wang was by-elected as an independent director at the general shareholders' meeting on June 14, 2024.
(2) Apart from the Remuneration Committee and Audit Committee, has the financial holding company assembled other functional committees at its own discretion?	✓		(2) In addition to the "Audit and Risk Management Committee" and "Remuneration and Nomination Committee," the Company has also assembled a "Corporate Governance and Sustainability Committee" directly under the Board of Directors to support its management. The "Corporate Governance and Sustainability Committee" was established in order to assist the Board of Directors' development, and make recommendations that enhance the Board's functions and management to enhance the Board of Directors' functions, and enforce corporate social responsibility and sustainability actions in ways that enable the Board of Directors to fulfill its duties to the Company, the employees, the shareholders and stakeholders. The ESG Task Force organized under the Committee is responsible for executing sustainability affairs, divided into 6 teams dedicated to corporate governance & ethical management, responsible finance, innovative services, environmental sustainability, employee care, and social commitment.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
(3) Has the TWSE/TPEX-listed financial holding company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and submitted the performance evaluation result to the board and applied the same as reference for compensation to individual directors and nomination?	✓	(3) In order to build the directors' feedback mechanism to enhance the operational effectiveness of the Board of Directors, the Company has adopted the "Policy for Performance Evaluation on the Board of Directors and Functional Committees" as the basis for evaluation. The internal performance evaluation is performed at the end of each year. The external performance evaluation is conducted to external, independent and professional institutions, or experts or scholars, or otherwise conducted in an appropriate manner, at least once every three years. The internal and external performance evaluation results will be reported to the Corporate Governance and Sustainability Committee for discussion and improvement. The remark on results of the related board performance evaluation is posted on the Company's official website. The board performance evaluation results serve as the reference basis for the selection or nomination of directors. Meanwhile, the individual directors' performance evaluation results also serve as the reference basis for determination of the remuneration to the individual directors.	None
(4) Does the financial holding company conduct regular assessments regarding the independence of its financial statement auditors?	✓	(4) The Company has adopted the "Policy for assessment on independence and competence of the independent external auditor, and appointment and remuneration thereof." The Company shall evaluate the independence and competence of the CPAs retained by it periodically (at least once per year). Meanwhile, the appointment/dismissal of and remuneration to the independent external auditors shall be reported to the Audit Committee and Board of Directors for approval. Independence of the 2024 independent external auditors was reviewed by the Audit Committee and the Board of Directors on March 7, 2024 and March 14, 2024, respectively, during which a copy of the recommended CPA's personal background (including details of previous and current clients) and Audit quality indicators (AQIs, including five aspects: professionalism, quality control, independence, supervision and innovation capabilities), also include "Declaration of independence" (and compliance to Norm of Professional Ethics for Certified Public Accountants No. 10) were required to be submitted for assessment. Below are the independence criteria used during assessment: 1. The financial statement auditors had no direct or material indirect financial dealings with the Company that would compromise their independence. 2. Auditors have not, in the most recent 2 years, served as directors or supervisors of the Company, or in	None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
			Summaries
			any other position that could materially affect the audit. 3. There is no way in which the Company would defend the auditors' opinions or positions in a way that could affect their independence. 4. Auditors and their auditing teams have not provided the Company with non-audit services that could affect their independence. 5. There is no other circumstance as set out in the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China that could affect the auditors' independence.
III. Whether the financial holding company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, helping directors/supervisors with compliance, organization of the Board of Directors' meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, etc.)?	✓		(1) The Board Affairs Department is the internal department responsible for corporate governance affairs. During the meeting held on August 19, 2021, the Board of Directors passed the decision to appoint Vice President Ying-Ho Hsieh as the Company's Chief Corporate Governance Officer starting from September 8, 2021. The appointee has more than three years of professional background working as the head of compliance affairs in financial institutions and public companies. 1. Scope of authority/responsibility: The Board Affairs Department is responsible for handling matters relating to board meetings and shareholders' meetings according to law, commercial registration, overseeing equity ownership of major shareholders and insiders, assisting directors with duty, education, service, compliance and other corporate governance-related matters. 2. Highlight of duties performed during the year: See Section 2.3.3 Performance of the Corporate Governance and Sustainability Committee of this annual report for details. 3. Education: In 2024, the Corporate Governance Officer attended "2024 Cathay Sustainable Finance and Climate Change Summit" organized by Taiwan Stock Exchange Corporation, "Compliance Personnel Workshop – Digital Course" organized by Taipei Foundation Of Finance, "Compliance Tasks of Compliance Officer" and "Strategies and Corporate Governance Issues in Non-consensual Mergers" organized by Taiwan Corporate Governance Association, and "Blue Carbon – The New and Under-appreciated Means to Net Zero" and "Cybersecurity Governance in FinTech" organized by Independent Directors' Association Taiwan for a total of 33 hours. (2) Progress made by the specialized corporate governance unit in 2024 has been reported during the Corporate Governance and Sustainability Committee meeting dated January 18, 2024 and the Board of Directors' meeting dated August 22, 2024:
	✓		None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
			Summaries
	✓		1. The Company has introduced/amended the following policies concerning corporate governance in an attempt to protect shareholders' interest, improve board/functional committee duties, and enhance corporate governance capabilities: "Corporate Governance Best Practice Principles," "Rules Governing the Procedures for Shareholders' Meetings," "Audit and Risk Management Committee Articles of Incorporation" and "Remuneration and Nomination Committee Articles of Incorporation." 2. Directors were notified immediately of major announcements made by the Company, thereby ensuring that all board members were kept up to date on the Company's latest news. 3. Board members were notified regularly of the latest regulations concerning the Company's operations and corporate governance. 4. Courses were organized for board members for a minimum of 6 credits. The Company also provided related reference onboard information to new directors, and also took out suitable "Director, Supervisor and Key Staff Liabilities Insurance." All findings were reported to the Board of Directors. 5. Convened meetings from time to time to facilitate communication between CPAs, independent directors and Chief Auditor/Financial Manager/Accounting Manager for the purpose of enforcing the internal audit/control system. Proceedings were recorded in the minutes and reported to the Board of Directors. 6. A Board meeting agenda was prepared and issued to all directors at least 7 days before a meeting, and attendees were given relevant materials during meetings. Reminders were sent in advance for motions that involved conflicts of interest, and minutes were produced within 20 days after each meeting. 7. For sound corporate governance, the division arranged regular performance evaluations for the board and individual directors according to the Company's "Policy for Performance Evaluation on the Board of Directors and Functional Committees," including evaluation by external parties at least once every three years. 8. Completed the registration of shareholders' meeting details in compliance with law, and produced meeting notices, agenda handbooks and minutes, updated amendments to the Articles of Incorporation, and registered newly elected directors in a timely manner. (3) As a gesture of commitment to the duties of a corporate citizen and towards sustainability, the Company assembled an ESG Task Force under the Corporate Governance and Sustainability Committee that specializes in matters concerning corporate sustainability. The ESG Task Force is spearheaded by the President and is divided into 6 teams dedicated to corporate governance & ethical management, responsible finance, innovative services, environmental sustainability, employee care, and social commitment.
			None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
IV Has the financial holding company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers, and suppliers)?	✓ ✓ ✓	(1) The Company has a spokesperson and acting spokesperson in place to convey messages to the public. (2) The Company has an Investor Relations Division available to address shareholders' queries and suggestions. Contact information is disclosed on the website. In addition, other communication channels such as investor seminars, local/overseas investor conferences, and one-on-one investor meetings are arranged on a regular basis. The division organized quarterly investor meetings and participated in various investment forums in 2024. The team is in charge of maintaining investor relations, and has established several channels of communication with investors. (3) On the official website, Fubon has a "Sustainability – Stakeholder Engagement" section as an exclusive channel to respond to issues that specific stakeholders may concern in a timely manner. Key points of the communications are reported in board of directors meetings every six months. All issues of concern, methods and frequency of communication, and responses to major stakeholders have been disclosed on the website (Fubon Financial: Sustainability – Stakeholder Engagement – Communication Frequency). In 2024, Fubon Financial Holdings took the initiative to engage government authorities on various projects, such as: participating in Financial Supervisory Commission's "Trial Workshop on Improvement of Sustainable Economic Activities Reference Guide"; replying to the "2024 SDG and Corporate Sustainability Integration Project" by Ministry of Environment and Taiwan Institute of Economic Research; accepting invitation from the Ministry of Foreign Affairs to share how Fubon Financial Holdings helps industries with low-carbon transformation at "WTO public forum"; sharing "Influence through Green Finance" in Ministry of Environment's COP 29 Forum organized by Taipei Computer Association and Taiwan Climate Partnership; and replying to the "Sustainability Issues of Concern" survey of Taiwan Stock Exchange Corporation. Fubon Financial Holdings also actively takes part in sustainability workshops, seminars, and forums such as: BCSD's "ACT-D (Assess and Commit) Seminar," TIIA's "CSO Salon," TIIA's "International Forum on Taiwan Impact Investing" etc., and engages experts and scholars of different sustainability fields on a regular basis. In December 2024, the Company engaged a total of 13 sustainability experts/scholars and gathered suggestions to optimize sustainability practice. The Company held a supplier ESG conference in December 2024 to commend suppliers that delivered outstanding performance or demonstrated exceptional improvements with regards to ESG. Furthermore, top-performing businesses were invited to share experience on sustainability transformation, whereas green energy suppliers were invited to share how businesses can develop their own green energy supply and how renewable energy sources are important to boosting competitiveness.	None None None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
	✓		Summaries (8) The Company has created a "Procurement Section" on its website to disclose eligibility criteria and required documents for qualified suppliers, information on the latest tender, "Supplier Sustainable Development Code of Conduct (Chinese and English)," "Supplier Standard of Conduct Pledge (Chinese and English)," "Supplier Penalty, Discipline and Suspension Rules," and information of the contact window. The Company also organizes yearly events such as supplier ESG evaluation, supplier ESG training, and supplier ESG conference to facilitate bilateral communication. For detailed information, please refer to 2.3.7 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons. interests. None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
V. Information disclosure (1) Has the financial holding company established a website that discloses financial, business, and corporate governance-related information? (2) Has the financial holding company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the Company's website)? (3) Whether the financial holding company announces and reports the annual financial report within the time limit prescribed by the Financial Holding Company Act and Securities and Exchange Act at the end of each fiscal year, and the financial reports for Q1, Q2 and Q3 and the monthly operation overview before the prescribed time limit?	✓ ✓ ✓		None None None
			(1) The Company has a public portal (available in Chinese and English) dedicated to disclosing financial/business information and activities relevant to investors. Audited (auditor-reviewed) financial statements of the Company and subsidiaries are disclosed here on a quarterly basis. In addition, the portal has a Corporate Governance section that discloses the Company's corporate governance information and policies. (2) The Company has created an English version of its portal, and ensures the consistency of information presented in Chinese and English. Materials of investor conferences are kept in Chinese and English, in addition to audio records. These are available on the Company's website and on web pages specified by Taiwan Stock Exchange Corporation (TWSE). After each monthly unaudited earnings announcement, the Company summarizes key points and uploads them onto its website. In the event of a query, the Company addresses it through a spokesperson. (3) The Company announces and issues the annual financial report within the time limit prescribed by the Financial Holding Company Act and the Securities and Exchange Act at the end of each fiscal year, and the financial reports for Q1, Q2 and Q3 before the prescribed time limit. The Company also announces the monthly operation overview before the prescribed time limit, and announces monthly unaudited earnings voluntarily.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
VI. Does the financial holding company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, stakeholders' rights, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, of customer policy, insuring against liabilities of the Company's directors and supervisors, and donation to political parties, stakeholders and charity organizations)?	✓		(1) Employee rights and care The Company provides a broad diversity of benefits from festive cash, employees shareholding trust, subsidies (for wedding, funeral, childbirth, entertainment, children's education, birthday celebration, club activities, etc.), labor/health/group insurance coverage, pension, occupational hazard compensation, general accidental death benefit to shopping privileges to cater for employees' welfare, health, and safety. Other programs that aim to cater for employees' physical and mental health also include: 1. Four safety programs – Feminine Health Protection, Ergonomic Hazard Prevention, Anti-workplace Violation, and Stress-related Disease Prevention – for a safe and healthy workplace. 2. Childbirth, childcare, compassionate leave, and employee care programs that are more favorable than required by law: including 10 weeks of paid maternity leave, 8 days fully paid of prenatal screening accompaniment or paternity leave, NT\$100,000 of subsidy per birth, and NT\$24,000 of subsidy each year for children below the age of 6. Employees are entitled to more favorable leave days compared to peers, and the 12 days fully paid of leave days in the death of parent-in-law, adoptive parent-in-law, or step-parent-in-law is the same (12 days, fully paid) as the employee's parent, adoptive parent, or step parent. Other arrangements such as flexible attendance, discount daycare package, group insurance without a limited number of dependents, unpaid parental leave, prenatal screening leave, tocolysis leave, nursery room, wedding subsidy, inclusivity seminar, gender- and disability-friendly restroom, etc., have been made to foster an inclusive, healthy, and happy workplace. 3. Inclusivity seminars: To cater for employees' physical and mental health, and has installed gender-friendly restroom facilities as part of its efforts to create a diverse and inclusive work environment. 4. Ongoing health checks, seminars, and hiring of professional nurses: To help employees monitor their health and prevent disease, the Company offers complimentary "regular health checkup" benefits biannually that are more favorable (in terms of frequency and scope) than what the law requires. These checkups are organized in collaboration with reputable medical institutions, so that employees can preemptively monitor their health and make improvements to minimize or avoid disease. The Company has also negotiated with medical institutions to expand this arrangement to cover employees' dependents and retired employees as part of Fubon's health checkup package. The Company organizes annual employee health checkups and arranges medical service based on checkup results; the Company also organizes health seminars and invites experts from various fields to

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
			Summaries
			share new medical knowledge and offer consultation service. The company hires full-time caregivers and arranges regular visits by contributing physicians in accordance with regulations, inspect employees' health and address their basic medical requirements. Further, in order to provide more comprehensive medical care information, Taipei Fubon Bank continues to promote and expand onsite services and multi-disciplinary consulting services, and supports employees who have returned to work after an extended leave of absence. Subsidiaries including Taipei Fubon Bank and Fubon Life have obtained Healthy Workplace certifications from the Health Promotion Administration. 5. Ongoing complimentary stress relief, counseling and legal advice: The Company hires visually impaired persons to provide massages at office locations that have more employees. This is offered both as an employee benefit and as a means to promote health and relieve stress. Meanwhile, the Company works with "Taiwan Institute of Psychotherapy" to provide employees with complimentary mental counseling via online questionnaires or by phone, or face-to-face. Further, in order to help employees settle legal issues, free legal advice is available. 6. Health promotion programs: In addition to the regular activities of various clubs, Fubon has been hosting intra-group sports games, basketball games, Family Day, and hiking as a means to promote unity and good exercise habits among employees. 7. Employee Sports Center: The Company has set up "Employee Sport Centers" at busier office locations and has professional trainers on site to offer training and fitness advice. It also has space for yoga, aerobics and fitness programs, giving employees an opportunity to relax and relieve stress. (2) Investor relations To ensure consistency and accuracy in messages conveyed to the public, the Company has implemented the "Fubon Financial Holding Co., Ltd., Institutional Investor Relations Policy" that outlines rules regarding information disclosure, external communication, and investor/analyst conferences. (3) Rights of Stakeholders The Company has established a "Sustainability – Stakeholder Engagement" section on its website to disclose communication channels, practices, and responses to issues that are of concern to stakeholders. Stakeholders can raise queries using the means provided in the section. (Stakeholder Engagement section on official website: Sustainability – Stakeholder Engagement – Communication Channels Fubon Financial
	✓		None
	✓		None

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
	✓		None
			Summaries Holdings) (4) Directors' continuing education To ensure the completeness of directors' education, the Company conducts annual assessments on prevailing risks, important local and foreign regulations, and current affairs including but not limited to risk management (including integration and legal risk), ESG, net zero emission, AI, cloud computing, cybersecurity, IFRS etc. Based on these findings, the Company is able to shortlist courses that are relevant to directors' duties and present them for the Chairman's approval. The shortlisted courses then provide the basis for directors' and supervisors' education throughout the group. In 2024, the Company organized a series of "on-site tuition" courses for its directors as well as directors and supervisors of its subsidiaries. To further enhance training on the topic of sustainable finance, the Company invited Hsing-Juh Lin, Distinguished Professor from the Department of Life Sciences, National Chung Hsing University, to deliver a speech on "Blue Carbon – The New and Under-appreciated Means to Net Zero." and General Manager Thomas Wan from Ernst & Young Management Consulting to host a course on "Cybersecurity Governance in FinTech" during the year. Additionally, the Company shares information with directors on courses organized by external financial training institutions, which also cover the above issues relating to risks management, ESG, IFRS, AML, regulations, and current affairs, so that directors of the financial group may undergo training according to their own requirements. Examples of the above courses include: "White Collar Crime 2.0: AML/CTF Trends, Financial Security Technology, and Dissection of the Latest Organized Scam" organized by Taiwan Academy of Banking and Finance, "Developing A Corporate Sustainability Roadmap" organized by Taiwan Corporate Governance Association, and "Corporate Governance Keynote Speech – Transformation Opportunities in IFRS 17 Adoption – Financial Performance Measurements" organized by Taiwan Insurance Institute. See "Directors' education 2024" of this annual report for more details.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
			Summaries
	✓		(5) Risk management policies and risk assessment standards The Company has a comprehensive set of risk management policies in place, including credit risk, market risk, operational risk, insurance risk, liquidity risk, asset and liability risk, capital adequacy, reputation risk, subsidiaries sustainable finance policy, emerging risk and climate change management policies. All subsidiaries are required to comply with these policies so that risks can be identified, measured, responded to, monitored and reported in an effective manner. The Company also uses three lines of defense to ensure full-scale implementation of risk management. Risk limits, loss limits, and trade authorizations have been imposed based on risk attributes. Risk exposure is measured regularly to establish points of control, indicators and alerts. The Company uses a combination of quantitative and qualitative methods to monitor and manage various types of risk associated with its business activities.
	✓		(6) Protection of personal information To ensure proper protection and management of personal data, mitigation of business risks, and protection of data owners' interests, the Company has assembled a Personal Information Protection Supervision Committee that specializes in supervising personal information management, and implemented policies to support its purpose. The committee adopts a "Plan – Execute – Check – Act" approach to develop the Company's personal information protection system, and the process involved creating internal rules such as "Fubon Financial Holding Co., Ltd. and Subsidiaries Personal Information Protection Management Policies" and "Fubon Financial Holding Co., Ltd. and Subsidiaries Guidelines on Maintaining Personal Information File Security and Handling Information When Customer Relationships No Longer Exist." The Company devises personal information protection plans at the beginning of each year, and carries them out throughout the year.
	✓		(7) Adoption and execution of customer policy The Company has implemented the "Fubon Financial Holding Co., Ltd. And Subsidiaries Banking Consumers Protection Policy" to ensure the consistency of financial consumer protection practices adopted by subsidiaries. All subsidiaries must comply with the financial consumer protection requirements imposed by their respective authorities, accept them as part of their internal control and audit systems, and carry out financial consumer protection measures accordingly.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
	✓		(8) Purchase of Liability Insurance for Directors and Supervisors In order to complement the existing corporate governance system and effectively reduce the level of legal and financial risks that directors, supervisors and key staff present to the Company while performing their duties, the Company has made serious arrangements to acquire "Director, Supervisor and Key Staff Liabilities Insurance" coverage on a yearly basis for all directors, supervisors and key staff within the group.
	✓		(9) Donation to political parties, stakeholders and charity organizations 1. Sustainable development was one of the most important corporation cultures of Fubon. Fubon has established a set of "Fubon Financial Holding Co., Ltd. And Subsidiaries Donation Management Policy" that serves as guidance for driven by the motivation to draw positive influences from the society and duties as a corporate citizen. The Company also makes annual donations to the Fubon Charity Foundation, Fubon Cultural & Educational Foundation, Fubon Art Foundation, Fubon Art Museum and Taipei Fubon Bank Charity Foundation, thereby giving them the funding, they need to organize charity activities. These organizations provide the foundation for an all-round charity platform through which the Company may contribute to charity activities of various natures while encouraging employees to take part. By sponsoring art and cultural activities, we convey "Positive Energy" of the Fubon brand. 2. Overall, the Company and the subsidiaries specified in its business license donated a sum of NT\$498,005,829 in 2024. The Company and its five subsidiaries did not donate to any political party. See the "Donations" chapter of this annual report for details.
	✓		(10) Anti-money laundering and combating the financing of terrorism 1. Establishment of an independent, dedicated department: In order to enhance ML/TF risk management, Fubon Financial Holdings set up an AML Department subordinate to the Legal & Compliance Division, which is responsible for planning the Group's AML/CFT systems, managing and supervising the identification of ML/TF risks across subsidiaries, assessing and monitoring the planning and execution of policies and procedures, and reporting progress to the Group's Audit and Risk Management Committee and Board of Directors every six months. The department contributes to the progressive development of a group-wide AML/CFT compliance culture.

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
		2. Group AML/CFT policies and systems: Fubon Financial Holdings has adopted group-level policies including “Fubon Financial Holding Co., Ltd. Group Policy for Anti-Money Laundering and Countering the Financing of Terrorism,” “Fubon Financial Holding Co., Ltd. and Subsidiaries Anti-Money Laundering and Countering the Financing of Terrorism Program,” “Fubon Financial Holding Co., Ltd. Directions on Sharing of AML/CFT Information,” “Fubon Financial Holding Co., Ltd. and Subsidiaries Anti-money Laundering and Countering the Financing of Terrorism Name Screening Rules,” “Fubon Financial Holding Co., Ltd. Directions Governing Assessment of Country, Regional, Professional, Industry, Product, Service, and Customer Risks,” and “Fubon Financial Holding Co., Ltd. and Subsidiaries Rules on Inter-entity Customer Inquiry Platform” to promote ML/TF risk awareness and implement consistent AML/CFT practices within Fubon Financial Holdings and subsidiaries from a policy level. 3. Enhancement of risk-based control measures The Company and subsidiaries adopt a risk-based approach (RBA) toward ML/TF risk management and perform institutional risk assessment (IRA) on a yearly basis so that the senior management of subsidiaries may have a full understanding of their ML/TF risks, control measures, performance deficiencies, and the improvements to take. Outcomes of the assessment are reported to the board of directors of each subsidiary according to rules. The Group AML Department consolidates institutional risk assessment reports from subsidiaries and presents them to the group board of directors so that the management timely and comprehensively understands the risks of money laundering and terrorism financing that the group has been presented with, and thereby enables the development of appropriate systems and mitigation measures. 4. Group AML/ CFT culture: The Group AML Department is dedicated to creating an AML and CFT culture. Using the “Fubon Financial Holdings Roadmap for Digital Transformation of Financial Security” developed back in 2022 as the foundation, the department introduced a series of courses titled “Fubon AML Forum” that cover four main topics including financial technology, financial crime, international trends, and AML practices. In 2025, the department plans to introduce a new series of courses where it invites representatives from Taiwan After-care Association and experts on migrant workers or social issues to give insight on the predicate crimes of money laundering, such as kidnapping and drug trafficking. Furthermore, the department has been organizing “Digital Technology and Financial Security Forum” on a yearly basis since 2022; in 2024, it received invitations from the public sector including the Executive Yuan, Ministry of Digital Affairs, Financial Supervisory Commission, Taipei City Government, and the law enforcement	

Items of Evaluation	Implementation Status		Deviations from the Corporate Governance Best-Practice Principles for Financial Holding Companies and Reasons Thereof
	Yes	No	
			Summaries department as well as the private sector including the Financial Innovation Center, Taiwan Mobile, VISA, and technology firms to exchange knowledge and share experience on everything from financial security, digital technology to fraud prevention. Through these diverse courses, the department promotes AML awareness among group directors, supervisors, senior managers, employees, customers, and financial peers, and duly ensures the financial security of group customers as part of its ESG responsibilities.
VII. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required if the Company is not one of the evaluated subjects.) The Company observes the directions of TWSE's corporate governance evaluation, acts in line with Corporate Governance 3.0 – Sustainability Roadmap and major corporate governance and sustainability trends around the world, and takes the initiative to accomplish performance indicators that are newly added or deemed significant in a given year. Below is a summary of the progresses made in the previous year: 1. With regard to the new assessment criteria added in 2025, such as: "Has the Company implemented a personal data protection policy and disclosed policy details along with the implementation progress?" the Company has made open disclosures in the sustainability report, the annual report, and on the official website for the protection of customers' personal data. 2. With regards to the new assessment criteria relating to net zero emission added in 2024 and 2025, such as: "Does the Company disclose scope 3 greenhouse gas emission for the last year and yearly emission volume?" "Has the Company established and disclosed an energy management plan?" The company were disclosed them in annual report and ESG report, and emission volume continuously to target the goal "using 100% renewable electricity across its global operations by 2040." 3. In 2022 to 2024, the Company leading the industry to hosted its general shareholders' meeting in conjunction with a livestream, and created a platform that shareholders can log in to view the livestream, raise text queries, and vote on motions. In an attempt to enhance communication and promote sound interaction with shareholders, all important details about shareholders' queries and the Company's replies are being recorded in annual general meeting minutes, and ongoing efforts are being made to improve the transparency of shareholder meetings. For details, please refer to Fubon Financial Holdings' website/Corporate Governance/Shareholders' Meeting /Years.			

2.3.6 Operation of Remuneration and Nomination Committee

(1) Composition and Procedures of Remuneration and Nomination Committee

- a. The Company has assembled a Remuneration Committee in accordance with Article 14-6 of the Securities and Exchange Act. Meanwhile, according to the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter, and the Company's "Remuneration and Nomination Committee Articles of Incorporation," the Committee members are appointed by the Board of Directors and consists of no less than 3 persons, including the independent directors more than a majority of the Committee members. Currently, the Committee members consist entirely of the Company's Independent Directors.
- b. The Committee meetings shall be convened at least twice a year, and convened as needed.

(2) Responsibilities of the Remuneration and Nomination Committee

Pursuant to Article 4 of the Company's "Remuneration and Nomination Committee Articles of Incorporation," the Remuneration and Nomination Committee has the following responsibilities:

- a. Prescribing and periodically reviewing the policies, systems, standards, and structures for performance evaluation and remuneration of the Company's directors and managerial officers.
- b. Periodically evaluating and prescribing the remuneration of the Company's directors and managerial officers, and for their concurrent job positions at the Company's subsidiaries.
- c. Periodically evaluating and prescribing the remuneration of the subsidiaries' chairman, vice chairman and president, and for their concurrent positions in the Company and in other subsidiaries.
- d. Establishment of director election standards after taking into account the required experience, expertise, and independence, and seeking board of directors' final resolution.
- e. Nominating to the Board of Directors the candidates for Company's directors and the subsidiaries' directors and supervisors.
- f. Recommending to the Board of Directors the list of candidates for the membership of any functional committees of the Board of Directors other than this Committee. However, the composition of the Audit and Risk Management Committee is subject to compliance with laws. Members of each functional committee shall serve the same term as directors, renewable if re-elected.
- g. Adopting and periodically reviewing the policy for performance evaluation on the Board of Directors and functional committees, and the performance evaluation indicators.
- h. Listening to the performance evaluation and development plans prepared by the senior managers periodically.
- i. Any other material matter required by the Company or competent authorities.

(3) Information about Remuneration and Nomination Committee members

February 28, 2025

Name	Condition	Professional qualification and experience	Independence criteria	Number of positions as Remuneration Committee member in other public companies
	Identity			
Shin-Min Chen	Independent Director (Convener)	Ph.D. in Law, LMU Munich; former instructor at Chinese Culture University, Ming Chuan University, and National Taiwan Normal University; former Honorable Justice of the Constitutional Court, Judicial Yuan; and has extensive knowledge and understanding of financial laws. Currently Honorary Chair Professor of Fu Jen Catholic University.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	0
Shu-Hsing Li	Independent Director	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding; Currently an instructor and Dean at Chang Gung University College of Management, Independent Director of Healthconn Corp., Independent Director of Sharehope Medicine Co., Ltd., and Independent Director of Alpha Networks Inc.; specialized in finance and accounting.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	3
Alan Wang (Note 2)	Independent Director	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and insurance; former President and Chairman of China Life Insurance Co., Ltd.; former director and President of China Development Financial Holding Corporation.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	1

Name	Condition	Professional qualification and experience	Independence criteria	Number of positions as Remuneration Committee member in other public companies
	Identity			
Li-Chuan Wang (Note 2)	Independent Director	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and securities; Master’s Degree in Commerce, University of Illinois Urbana-Champaign. Former Chief Internal Auditor and Vice President of YangMing Marine Transport Corp., Director General of Financial Examination Bureau (Financial Supervisory Commission), Director General of Banking Bureau (Financial Supervisory Commission), and Section Chief of Securities and Futures Bureau (Financial Supervisory Commission). Currently an Independent Director of Taipei Fubon Commercial Bank Co., Ltd.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	0
Paulus Siu-Hung Mok	Independent Director	Conforms with Article 9 of the “Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company”; possesses professional qualification in financial holding and banking; MBA, Queen’s University Canada. former Regional Head of Taiwan, Citigroup. Currently a standing and independent director of Taipei Fubon Commercial Bank Co., Ltd. and an independent director of Les enphants Co., Ltd. Possesses abundant practical experience in global financial markets including Canada, China, Korea, and Hong Kong.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	1
Barry Chen	Independent Director	Master of Computer Science, Texas A&M Engineering. Formerly the General Manager of East Asia Region at Novell (Taiwan) Co., Ltd. and Senior Vice President at the Institute for Information Industry. Currently the General Manager, Hong Kong & Taiwan, Broadcom Software and Chairperson of Cloud Computing & IoT Association in Taiwan. Possesses practical experience in information technology and cybersecurity.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	0

Name	Condition	Professional qualification and experience	Independence criteria	Number of positions as Remuneration Committee member in other public companies
	Identity			
Kuang-Shih Yeh	Independent Director	Ph.D. in Organizational Theory, Carnegie Mellon University. Former Vice Chairperson of Shihlien Fine Chemicals Co., Ltd., Independent Director of Synnex Technology International Corporation, Deputy Mayor of Kaohsiung City Government, Minister and Political Deputy Minister of Transportation and Communication, Deputy Chairperson of Research, Development and Evaluation Commission, Executive Yuan, professor at National Chengchi University Graduate Institute of Technology, Innovation & Intellectual Property Management, and professor at National Sun Yat-sen University Department of Business Management. Currently an Independent Director at Clientron Corp. and Chairperson of the Taiwan Future Society.	Conforms with the independence requirements for independent directors stipulated in Paragraph 2, Article 2 and Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 1).	1

Note 1: All independent directors have met all of the following criteria during active duty and in the two years prior to being elected.

- (1) Not employed by the Company or by any of its affiliated companies.
- (2) Not a director or supervisor of the Company or any of its affiliated companies (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (3) Does not hold more than 1% of the Company's outstanding shares in their own names or under the name of a spouse, underage children, or proxy shareholder; nor is a top-10 natural-person shareholder of the Company.
- (4) Not a spouse, relative within 2nd degree of kinship, or lineal relative by blood within 3rd degree of kinship or closer to the managers described in Item (1) or persons described in the Item (2) and Item (3).
- (5) Not a Director, Supervisor, or employee of any corporate shareholder that has 5% or higher of the total shares issued by the Company, or of top-5 corporate shareholders of the Company, or the corporate shareholders who appoint their representatives to serve as the Director or Supervisor in the Company in accordance with Paragraph 1 or Paragraph 2 of Article 27 of the Company Act (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (6) Not a director, supervisor or employee of any company controlled by the same person that holds a majority of the directors or voting shares of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, which have been appointed in accordance with Securities and Exchange Act or laws of the registered country).
- (7) Not a director, supervisor or employee of any company who is the same person as, or the spouse of, Chairman and President or equivalent of the Company (this restriction does not apply to independent director positions in the Company, its parent company or subsidiary, or any subsidiary of the same parent company which have been appointed in accordance with the Securities and Exchange Act or laws of the registered country).
- (8) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any companies or institutions that have financial or business relationship with the Company (this restriction does not apply to any specific company or organization which holds more than 20% but less than 50% of the total shares issued by the Company that is an independent director in the Company, its parent company or subsidiary, or any subsidiary of the same parent company who has been appointed in accordance with Securities and Exchange Act or laws of the registered country).

- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the past 2 years has received cumulative compensation not exceeding NT\$500,000, or a spouse thereof, provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) The member does not meet any of the circumstances set forth in Article 30 of the Company Act.
- (11) The elected member is not a government agency or a juristic person or its authorized representative as provided under Article 27 of the Company Act.

Note 2: Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

(4) Attendance of the third Remuneration and Nomination Committee

There were a total of six members in the 5th Remuneration and Nomination Committee. (Term of service: 2023.06.09~2026.06.08; of which 2024.01.01~2024.12.31 was relevant to this report)

A total of 9 meetings (A) were held in the last year (2024); members' attendance records are summarized below:

Title	Name	Attendance in Person (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Independent Director (Convener)	Shin-Min Chen	9	0	100%	
Independent Director	Shu-Hsing Li	9	0	100%	
Independent Director	Alan Wang*	3	0	100%	resigned
Independent Director	Li-Chuan Wang*	3	0	100%	Newly elected
Independent Director	Paulus Siu-Hung Mok	9	0	100%	
Independent Director	Barry Chen	9	0	100%	
Independent Director	Kuang-Shih Yeh	8	1	88.9%	

*Independent Director Alan Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

Other matters that shall be recorded:

- If the Board of Directors does not adopt or decide to revise the recommendations of the Remuneration and Nomination Committee, the Board shall record the date and term, subject matter of motions, resolution, and measures taken concerning the recommendations of the Remuneration and Nomination Committee (for example, if the compensation passed by the Board of Directors is higher than that proposed by the Remuneration and Nomination Committee, the Board shall explain the differences and reasons thereof): None.
- In the resolutions of the Remuneration and Nomination Committee, if any member objects or has reservations, the Remuneration and Nomination Committee shall record the date, term, subject matter of motions, opinions of its members and the measures taken: None.

(5) The Remuneration and Nomination Committee's implementation results

The Remuneration and Nomination Committee held 9 meetings in 2024. The 8th meeting discussed and executed the following motions:

- a. January 18, 2024:
 - (a) Appointment of directors for subsidiary – Fubon Bank (Hong Kong) Limited.
 - (b) Allocation of 2023 year-end bonus for senior managers of the Company and subsidiaries.
- b. March 7, 2024:
 - (a) Allocation of 2023 employee remuneration.
 - (b) Allocation of 2023 additional bonus for senior managers of the Company.
 - (c) Fixed compensation for Directors of the Company.
 - (d) Fixed compensation for subsidiaries' senior managers.
 - (e) 2023 remuneration to directors of the Company and allocation standards.
 - (f) Reappointment of directors for subsidiary - Fubon Insurance Agency Co., Ltd.
- c. April 12, 2024:

By-election for the 9th board of independent directors and announced the time for accepting candidate nominations.
- d. April 25, 2024:
 - (a) Reappointment of directors for subsidiary – Fubon Securities Co., Ltd.
 - (b) Reappointment of directors for subsidiary - Fubon Financial Holding Venture Capital Co., Ltd.
 - (c) Nomination of directors for subsidiary - Fubon Bank (China) Co., Ltd.
 - (d) Nomination for the 9th board of independent directors and review of eligibility.
 - (e) Adjustment of 2024 fixed compensation for senior managers of the Company and subsidiaries.
- e. May 22, 2024:

Reappointment of directors for subsidiary - Fubon Life Insurance Co, Ltd.
- f. June 14, 2024:
 - (a) Recommendation of members for the Company's "Corporate Governance and Sustainability Committee."
 - (b) Appointment of independent directors for subsidiary – Taipei Fubon Commercial Bank Co., Ltd.
- g. August 15, 2024:
 - (a) Amendment to the Company's Directors' Remuneration Policy.
 - (b) Appointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd.
 - (c) Re-election and appointment of directors for subsidiary - Fubon Financial Holding Venture Capital Co., Ltd. at the end of term.
- h. November 21, 2024:
 - (a) Fixed compensation for subsidiaries' senior managers.
 - (b) Reappointment of directors for subsidiary - Fubon Asset Management Co., Ltd.
 - (c) Reappointment of directors for subsidiary - Fubon Financial Holding Venture Capital Co., Ltd.
 - (d) Reappointment of directors and supervisors for subsidiary - Fubon AMC, Ltd.
- i. December 23, 2024:

Fixed compensation for subsidiaries' senior managers.

2.3.7 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to take charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board? (The financial holding company shall report the status of implementation. This is not a comply-or-explain provision.)	✓		(1) The “Corporate Governance and Sustainability Committee” has been assembled under the board of directors to oversee sustainability-related issues. The committee comprises at least three directors, with more than half of whom being independent directors, and one of the independent directors was elected to serve as convener and chairman. The main purpose of the committee is to assist with the Board of Directors’ development, and make recommendations that improve the Board’s functions, management, and empowerment, and enforce corporate social responsibility and sustainability actions in ways that enable the Board of Directors to fulfill its duties to the Company, the employees, the shareholders, and stakeholders. (2) An ESG Task Force has been assembled under the committee, in which the Group President serves as CEO and the Sustainability Development Department serves as secretariat of the task force. The task force also has enforcement teams created to cater to various aspects such as Corporate Governance and Ethical Management, Employee Care, Responsible Finance, Innovative Services, Social Commitment, and environmental sustainability. Mid-level and senior managers from relevant departments are appointed as leaders of the enforcement teams. Each enforcement team may convene work meetings as deemed necessary to discuss work progress and the latest corporate sustainability issues. Each enforcement team is required to present an execution plan for the coming year at the beginning of the year and present progress reports every six months. Annual plans and progress reports are reviewed by the committee before presenting them to the board of directors. “2023 Progress and 2024 Plan Report of the ESG Task Force” was presented on January 18, 2024; “2024 First-half Progress and Second-half Plan Report of the ESG Task Force” was presented on August 22, 2024; and “2024 Progress and 2025 Plan Report of the ESG Task Force” was presented on January 16, 2025.

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
			(3) The board of directors' exercises supervision over "Half-yearly Plan and Progress Report on Four Major ESG Strategies," "Sustainability Information Disclosure," the approval of "Sustainability-related Policies," "Materiality Analysis of Sustainability Topics," and "The Structure and Whole Sustainability Report," etc. The reporting of plans and execution progress covers target attainment and stakeholder communication. (4) Furthermore, five main subsidiaries of the financial group, namely Fubon Life, Taipei Fubon Bank, Fubon Securities, Fubon Insurance, and Fubon Asset Management, have assembled their own ESG task forces in line with the financial group to carry out tasks that are relevant to their respective areas of expertise.
II. Does the company conduct risk assessments of environmental, social, and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (The financial holding company shall report the status of implementation. This is not a comply-or-explain provision.)	✓		(1) Risk assessment standards, processes, outcomes, and risk management policies or strategies on environmental, and governmental material issues : The Company conducts an annual materiality analysis of sustainability topics based on the GRI Standards and the AA 1000 Stakeholder Engagement Standard (AA 1000 SES). A three-phase "identify, analyze, confirm" process is used to identify material topics related to sustainability. The GRI Universal Standards 2021 and GRI Material Topics 2021 then help assess the impacts of the sustainability topics from economic, environmental and social perspectives, which serves as a reference for Fubon Financial Holdings in planning its sustainability strategy and compiling its Sustainability Report. During the materiality analysis, Fubon not only observes the level of concern of stakeholders over each issue, but also employs a double materiality approach to assess how topics' "impact on operations" affect enterprise value and the extent of those issues' "sustainability impact" on the economy, environment or society to determine which topics are truly material. The outcomes of the survey, analysis and the reporting framework were presented to the Corporate Governance and Sustainability Committee and the board of directors. Risks and opportunities identified through materiality analysis have been met with appropriate management practices. a. Environmental (a) The Company has established the "Sustainable Finance Policy" in accordance with the Principles for Responsible Investment (PRI), Principles for Sustainable Insurance

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
			(PSI), and Equator Principles (EPs) to guide the Company and the subsidiaries in incorporating ESG issues into their business development decisions. Through this policy, the Company contributes to a sustainable environment and promote co-prosperity in economic growth. (b) The Company has established “Climate Change Management Guideline” to identify and measure the potential opportunities and risks associated with climate change, and to incorporate climate change factors into strategic planning and decision-making process. Management procedures and mechanisms on climate change risk have also been incorporated into “Risk Management Policy.” To conform with international practices, the Company has adopted TCFD’s framework to disclose climate-related information on four thematic areas: governance, strategies, risk management, and metrics and targets. The Company continues to refine climate-related strategies and management practices in line with changes in the environment. (c) To transition into a low-carbon business model, the Company has outlined its sustainability visions, set sustainability targets, taken persistent efforts to reduce carbon emissions, the consumption of gray electricity and water, waste weight, and paper usage, made use of renewable electricity, and enforced green procurement practices. All suppliers are required to observe the Company’s “Supplier Sustainable Development Code of Conduct” and take part in the sustainability transformation. b. Corporate governance (a) The Company has formulated comprehensive risk management systems and policies approved by the Board of Directors, including market risk, credit risk, country risk, operational risk, asset and liability risk, liquidity risk, insurance risk, reputational risk, emerging risk, and climate change risk management mechanism. They are consistently followed by subsidiaries to ensure that various types of risk are effectively identified, measured, monitored, and managed. (b) To build a sound environment of corporate governance, the Company has stipulated “Corporate Governance Best Practice Principles” and “Ethical Corporate Management Best Practice Principles”, besides, the Company revise the internal rules periodically to align with the domestic/foreign companies’ corporate governance

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
			framework, laws and practical operation for amendments to the internal rules. Meanwhile, the Company also adopted the "Code of Ethical Conduct" to define the ethical standards to be followed by directors and managers, adopted the "Business Integrity Procedures and Behavioral Guidelines" to respond to the development of domestic/foreign ethical management regulations, taken preventive measures against business activities with higher risk of unethical conduct, and adopted the "Donation Management Policy," "Financial Consumer Protection Policy," and "Anti-Money Laundering and Countering the Financing of Terrorism Program." c. Social (a) The Company has implemented a set of "Sustainable Development Best Practice Principles" to manage the risks and impacts of its business activities on the economy, the environment, and society. By promoting corporate governance, sustainable environment, human rights and public welfare, and enhanced disclosure of sustainability information, the Company takes pragmatic steps toward fulfilling its mission as a sustainable business. (b) The Company complies with domestic labor laws, and adopts the spirit upheld by various international human rights conventions including "Universal Declaration of Human Rights," "The UN Global Compact," and "International Labor Organization Conventions," and has implemented "Human Rights Policy," "Human Rights Management Framework", as well as complaint and communication mechanisms to protect employees' rights.
III. Environmental issues (I). Has the Company set an environmental management system suited for its industry?	✓		The environmental management system of the Company has been established in accordance with the global trends and the government's policies about carbon reduction and environmental protection. The related tasks have been continuing as follows: (1) Formulating the "Climate Change Management Guideline" and announcing the "Environmental Policy Statement" in 2016. (2) Passed target validation of the Science-Based Targets (SBT) and joined RE100 in 2022. (3) Based on the abovementioned guidelines, statements, and principles, the Company outlined its sustainability vision and targets and continued execution of the following tasks in 2024: a. Continued seeking assurance for ISO 14064-1 GHG Inventories, certification for ISO 14001-Environmental Management System and ISO 50001-Energy Management System.

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
			b. Increased the purchased of renewable electricity, installed additional solar panels, replaced electricity and water equipments, promoted and enforced consumption management, organized energy conservation contests, and strengthened consensus within the organization. c. Promoted the paperless administrative procedures and processes; advocated garbage sorting; and reduced volume of general industrial waste.
(II). Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	✓		(1) The measures to improve energy efficiency: a. Policy and targets: Have become aware of environmental protection impact, the Company not only issued an “Energy Policy Statement” and took actions to lower energy consumption and improve energy efficiency, but also set targets according to SBT and RE100 initiatives to reduce use of gray electricity by 45.4% in 2030 and by 100% in 2040 from the 2020 baseline. The Company has taken progressive steps to accomplish the reduction targets through a combination of energy conservation, renewable creation, and renewable energy purchase. b. Replace lighting fixtures and energy-saving equipment: Plan the replacement schedule and sequence according to the service life and usability situation of lighting fixtures and various types of electrical equipment, and plan to gradually expand the introduction of energy management system. c. Implement management and publicity: (a) Power monitoring: Monitored and managed the abnormal power consumption of the electricity meters of each office building and branches that have been included in the energy management system to improve the overall power efficiency. (b) Air-conditioning management: Set indoor air conditioning temperature to 26–28°C during summer, operate on single compressor during winter. (c) Elevator management: Optimized the operating number of elevators and the floors they stop based on the demand between weekdays and holidays, and peak and off-peak hours on weekdays. (d) Other management: Activating energy-saving setting on MFPs and employee computers, turning off ice water function of water dispensers in winter. d. In 2024, the consumption of gray electricity was 84,646 thousand kWh, which was 24.8% decreased from the base year of 2020. (2) Use of products and services with low environmental impact: a. Continued purchasing environment-friendly and energy-efficient products/services and green building materials. Green procurement in 2024 totaled NT\$754,806 thousand. b. Stopping buying plastic cups, promoting using reusable tableware and lunch boxes to reduce

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations												
	Yes	No													
			waste.												
(III). Has the Company evaluated the potential risks and opportunities posed by climate change for its business and adopted relevant measures to address them?	✓		The Company continues to improve climate change management and strengthen the resilience, conducts significant climate risk identification and impact assessments annually, and responds to stakeholders' climate-related disclosure requests. Fubon evaluates physical risks annually to determine how extreme weathers may affect office buildings/business locations of the Company and subsidiaries. The Company has formulated emergency response measures to avoid financial losses. Additionally, to enhance the resilience of investment, lending, and insurance underwriting activities against climate change, the Company has established "Sustainable Finance Policy" and "Climate Change Management Guideline" and developed standards for allowing investment in or pulling investment out of industries that are prone to high carbon emission. Outcomes of scenario analysis are used as a reference for future strategy planning and investment/loan portfolio adjustment, which has proven helpful in lessening potential climate change risks and environmental impacts. While reallocating capital to reduce risks, we keep focusing on customers' appetite for sustainable products and services, as well as engaging with investees, financing and underwriting clients, to guide and support clients in the transition to a low-carbon economy and transformation opportunities.												
(IV). Did the company calculate the greenhouse gas emissions, water consumption, and the total weight of waste in the past 2 years, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	✓		(1) Emissions from operations: a. Emissions in the last two years: <table><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Scope 1</td><td>8,949</td><td>4,026</td></tr><tr><td>Scope 2</td><td>50,091</td><td>41,568</td></tr><tr><td>Total</td><td>59,040</td><td>45,594</td></tr></table> Note: For details of the coverage boundaries and calculations, please refer to the Note in section (9)-1-1-1 of Appendix 2.3.8 - Climate-related Disclosures of the Financial Holding Company. b. Operational emissions reduction target: Using 2020 total Scope 1 and Scope 2 emissions as baseline, the Company aims to reduce Scope 1 and Scope 2 emissions by 16.9% by 2024 (2% reduction in Scope 1 emissions and 18.2% reduction in Scope 2 emissions), and by 42% (5% reduction in Scope 1 emissions and 45.5% reduction in Scope 2 emissions) by 2030 compared to the baseline year of 2020 to achieve the SBT target, and then continue to reduce emissions in a scientific way until cutting them by 92.3% by 2040 (5% reduction in Scope 1	Year	2023	2024	Scope 1	8,949	4,026	Scope 2	50,091	41,568	Total	59,040	45,594
Year	2023	2024													
Scope 1	8,949	4,026													
Scope 2	50,091	41,568													
Total	59,040	45,594													

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations																							
	Yes	No																								
		Summary emissions and 100% reduction in Scope 2 emissions), the remaining 7.7% emissions are expected to be eliminated before 2050 using the tools or approaches recognized by related international standards to achieve net-zero emissions from own operations. c. Results: Due to the continuous purchase of renewable electricity, the replacement of lighting fixtures and energy-saving equipment, and the continuous implementation of power-saving management and publicity, the operating emissions in 2024 was 45,594 t/CO2e, a decrease of 29.6% compared with the base year of 2020. (2) Water consumption: a. General Water consumption in the past 2 year: <table><tr><th colspan="3">Unit: Cubic meters, cubic meters/person</th></tr><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>Water consumption</td><td>560,567</td><td>554,285</td></tr><tr><td>Water usage per employee</td><td>13.56</td><td>13.26</td></tr></table> Note: The coverage boundaries were identical to emissions from operations. b. Water conservation target: Using 2020 water consumption as baseline, the Company aims to reduce by 6% by 2024, reduce 7.5% by 2025 and 10% by 2030. c. Results: The Company has continued to replace water-saving devices, and recycle condensation water from air conditioning for watering of the garden, the water consumption in 2024 totaled 554,285 cubic meters, down 16.0% as compared to the base year of 2020. (3) Weight of waste: a. Weight of general industrial waste in the past 2 year: <table><tr><th colspan="3">Unit: Metric tons, metric tons/person</th></tr><tr><th>Year</th><th>2023</th><th>2024</th></tr><tr><td>General industrial waste</td><td>830</td><td>729</td></tr><tr><td>General industrial waste per person</td><td>0.022</td><td>0.019</td></tr></table> Note: The coverage boundaries were identical to the companies located in Taiwan covered in the emissions from operations. b. Waste reduction target: Using the per person weight of general industrial waste in 2021 as the baseline, the Company aims to reduce by 4% by 2024, reduce 5% by 2025 and reduce 7.5% by 2030. c. Results: The Company have continued to encourage use of reusable cutleries over disposable cutleries, advocate recycling over disposal, enforce garbage sorting and kitchen waste	Unit: Cubic meters, cubic meters/person			Year	2023	2024	Water consumption	560,567	554,285	Water usage per employee	13.56	13.26	Unit: Metric tons, metric tons/person			Year	2023	2024	General industrial waste	830	729	General industrial waste per person	0.022	0.019
Unit: Cubic meters, cubic meters/person																										
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Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations								
	Yes	No									
			recycling. The per person weight of general industrial waste in 2024 averaged 0.019 metric tons/person, down 26.5% as compared to the base year of 2021..								
IV. Social issues (I). Has the company formulated management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	✓		For the protection of basic human rights, Fubon Financial Holdings openly issues and supports its “Human Rights Policy” in accordance with United Nations Guiding Principles on Business and Human Rights, UN’s “Universal Declaration of Human Rights,” “The Global Compact,” “International Labor Organization Conventions,” “PRI,” “EP,” and local regulations. The “Human Rights Policy” represents the Company’s commitment to protect human rights of employees, suppliers, customers, and business partners on all levels, to prevent any violation of human rights, and to ensure that every person is treated fairly and with dignity. Fubon Financial Holdings enforces its “Human Rights Management Framework” with due diligence investigation, management practices, and remedial measures. The Company identifies risk for different parties, evaluates the severity of risks identified, and implements control and mitigation measures based on the outcome of evaluation to ensure that human rights are protected on all aspects in the utmost discretion. For example: internal policies such as “Employee Complaint and Handling Guidelines,” “Plan to Prevent Unlawful Harassment in the Workplace,” and “Guidelines for Investigating Sexual Harassment Complaints and Disciplining offenders” have all outlined grievance and resolution procedures as well as management measures for human rights risks and issues that employees are likely to encounter. Human rights management issues and mitigation measures relating to employees: <table><tr><th colspan="2">Mitigation measures</th></tr><tr><td>Issue</td><td></td></tr><tr><td>Forced labor (excessive work hours)</td><td>(1) Fubon’s “Work Rules” limit regular working hours to no more than 8 hours a day and no more than 40 hours a week in principle. (2) Overtime work of each department is examined monthly, and department managers assist to make appropriate workload adjustments for employees who work extended periods of time. (3) Employees must give their consent to work overtime, and any overtime request must meet legal requirements.</td></tr><tr><td>Harassment (including sexual and</td><td>(1) Grievance sections have been created on Intranet and Internet websites, thereby allowing employees and other parties to speak out using a variety of channels such as the grievance hotline, fax, and e-mail.</td></tr></table>	Mitigation measures		Issue		Forced labor (excessive work hours)	(1) Fubon’s “Work Rules” limit regular working hours to no more than 8 hours a day and no more than 40 hours a week in principle. (2) Overtime work of each department is examined monthly, and department managers assist to make appropriate workload adjustments for employees who work extended periods of time. (3) Employees must give their consent to work overtime, and any overtime request must meet legal requirements.	Harassment (including sexual and	(1) Grievance sections have been created on Intranet and Internet websites, thereby allowing employees and other parties to speak out using a variety of channels such as the grievance hotline, fax, and e-mail.
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	Yes	No	Summary						
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(II). Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately	✓		<u>Employees' salaries/compensation</u> Fubon Financial Holdings participates in annual market salary surveys and makes competitive salary adjustments. Compensation of employees is determined after taking into consideration the peer level, individual performance, and organizational performance. The Company also has a “The Remuneration and Nomination Committee” reviews the Company’s compensation policy and whether it is reasonable given the skills and experience required of each position regularly. <u>Employee welfare</u> Fubon Financial Holdings offers a wide range of welfare measures including: birth subsidies that are more favorable than what the laws require (NT\$100,000 of subsidy per birth, and NT\$24,000 of	None					

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
reflected in employee salary/compensation?			childcare subsidy each year per child below the age of 6); festive bonus; employee stock ownership trust (employer's contribution of up to NT\$8,000 is made based on employees' grades), awards for long-tenured employees, and various subsidies (such as getting married, traveling, the education of an employee's children, language and professional certification, birthday celebrations, social welfare events, labor, health and group insurance, pension, emergency aid, compassionate pay, and preferential group insurance for unlimited number of children). As for leave of absence, the Company offers 10 weeks of full paid maternity leave, 8 days of full paid prenatal screening accompaniment or paternity leave, 8 days of full paid prenatal screening leave, 12 days of full paid funeral leave, wedding leave, and unpaid parental leave that are more favorable than what the laws require. <u>Workplace diversity and equality</u> Fubon Financial Holdings employs the legally required number of people with disabilities and grants indigenous employees "Indigenous festival leave" out of respect for the minority. Foreign employees are assisted to adapt to the work environment according to the "Regulations on the Permission and Administration of the Employment of Foreign Workers." Gender distribution within Fubon Financial Holdings is considered balanced across various segments. For details on the percentage of females in individual segments, please refer to the "Empowerment" chapter of the Sustainability Report. Fubon Financial Holdings will continue building a diverse and inclusive work environment. <u>Business performance reflected in employees' salaries</u> All of Fubon Financial Holdings' employees set their personal goals and careers based on the "Performance Evaluation Policy" each year. Subject to the indicators related to operations set by the unit sales, if any, the Company helps employees, and their supervisors reach agreement on job goals via the mid-year interview and year-end performance appraisal and continues to review and improve the same. The results will be structured with personal year-end bonus, raise, promotion and training effectively. The year-end bonus is allocated in a fair, reasonable, and performance-oriented manner, subject to the annual operating performance, to encourage workers to continue growing with the Company's policies concretely and positively.

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(III). Does the Company provide employees with a safe and healthy working environment, implement regular safety and health education for employees?	✓	<u>Occupational safety and health management practices and progress</u> Fubon Financial Holdings takes the best efforts to build a safe and healthy working environment and implements the related training periodically, to reduce the factors causing hazard to the employees' safety and health. Subsidiaries have assembled their own "Occupational Safety & Health Committees" in accordance with laws; responsibilities of the committees are to implement occupational safety and health management measures and host "quarterly" committee meetings to discuss issues concerning health risks. Occupational safety and health goals have also been incorporated into annual performance evaluation of relevant personnel, and outcomes of performance evaluation are linked to individual bonuses under the "Performance Evaluation Policy," so that employees are encouraged to support the following various health and safety programs: <table><tr><th>Type</th><th>Item</th><th>Practices</th></tr><tr><td rowspan="5">Health and fitness</td><td>Sports center</td><td>Fubon Financial Holdings has set up a 330+ square meter Employee Sport Centers at the main office building with professional trainers stationed on site to provide fitness consultation and classes on aerobics, yoga, and spin bike.</td></tr><tr><td>Family Day event</td><td>Fubon Financial Holdings builds consensus and unity among employees through a variety of events including Family Day and Sports Day, and group activities such as hiking and cycling.</td></tr><tr><td>Brisk walking</td><td>Fubon Financial Holdings continues to advocate brisk walking and organizes competitions as a way of encouraging employees to walk for their health.</td></tr><tr><td>Group-wide basketball and table tennis tournament</td><td>The Group invites employees from Northern, Central, and Southern Taiwan to join the tournament, where they compete for the ultimate title while building morale and unity during the process.</td></tr><tr><td>Table tennis tournament</td><td>Fubon Securities organizes table tennis tournament as a way to encourage employees in developing multiple hobbies and engaging in activities that promote health.</td></tr></table>	Type	Item	Practices	Health and fitness	Sports center	Fubon Financial Holdings has set up a 330+ square meter Employee Sport Centers at the main office building with professional trainers stationed on site to provide fitness consultation and classes on aerobics, yoga, and spin bike.	Family Day event	Fubon Financial Holdings builds consensus and unity among employees through a variety of events including Family Day and Sports Day, and group activities such as hiking and cycling.	Brisk walking	Fubon Financial Holdings continues to advocate brisk walking and organizes competitions as a way of encouraging employees to walk for their health.	Group-wide basketball and table tennis tournament	The Group invites employees from Northern, Central, and Southern Taiwan to join the tournament, where they compete for the ultimate title while building morale and unity during the process.	Table tennis tournament	Fubon Securities organizes table tennis tournament as a way to encourage employees in developing multiple hobbies and engaging in activities that promote health.	None
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			<table><tr><td rowspan="5">Stress management measures</td><td>Stress management related tests (Health check and psychological consultation)</td><td>Fubon Financial Holdings organizes health checkups for all employees every two years and works with "Taiwan Institute of Psychotherapy" to provide complimentary mental consultation for employees. In doing so, the Company helps employees examine state of health both on a physical and a mental level.</td></tr><tr><td>Legal consultation</td><td>Fubon Financial Holdings provides complimentary legal consultation for employees and works with reputable law offices from outside the organization to give employees the professional legal consultation they need to deal with difficulties in life.</td></tr><tr><td>Massage station</td><td>Fubon Financial Holdings has been cooperating with "Suang Lien Foundation for the Visually Impaired" and other charity organizations for the establishment of "Massage station" that operated by licensed massage professionals with visual disability. First introduced in 2008, this service has since expanded to 10 office locations nationwide to benefit a broader number of employees and made Fubon the role model in the business world.</td></tr><tr><td>Club activities</td><td>Fubon Financial Holdings offers subsidies as a form of encouragement for employees to form clubs and engage in leisure activities such as dancing, photography, badminton, basketball etc. outside of work for stress relief.</td></tr><tr><td>Others</td><td>(1) Health station and maternity protection program: Fubon Financial Holdings hires full-time professional nurses to provide medical and health information, including virtual care for female employees during pregnancy and one year after giving birth. (2) Clinical services: Provided on office premises based on the outcome of health checkups, it now includes</td></tr></table>	Stress management measures	Stress management related tests (Health check and psychological consultation)	Fubon Financial Holdings organizes health checkups for all employees every two years and works with "Taiwan Institute of Psychotherapy" to provide complimentary mental consultation for employees. In doing so, the Company helps employees examine state of health both on a physical and a mental level.	Legal consultation	Fubon Financial Holdings provides complimentary legal consultation for employees and works with reputable law offices from outside the organization to give employees the professional legal consultation they need to deal with difficulties in life.	Massage station	Fubon Financial Holdings has been cooperating with "Suang Lien Foundation for the Visually Impaired" and other charity organizations for the establishment of "Massage station" that operated by licensed massage professionals with visual disability. First introduced in 2008, this service has since expanded to 10 office locations nationwide to benefit a broader number of employees and made Fubon the role model in the business world.	Club activities	Fubon Financial Holdings offers subsidies as a form of encouragement for employees to form clubs and engage in leisure activities such as dancing, photography, badminton, basketball etc. outside of work for stress relief.	Others	(1) Health station and maternity protection program: Fubon Financial Holdings hires full-time professional nurses to provide medical and health information, including virtual care for female employees during pregnancy and one year after giving birth. (2) Clinical services: Provided on office premises based on the outcome of health checkups, it now includes
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			<u>Occupational hazard and fire accident count</u> For disclosures fire accident, on the percentage of employees suffering from occupational injuries, please refer to the "Empowerment" chapter of the Sustainability Report. <u>Certifications obtained</u> Subsidiary - Fubon Life has obtained ISO 45001 certification and continues to work with Taipei Fubon Bank on maintaining "Healthy Workplace" certification from the Health Promotion Administration.
(IV). Has the Company established effective career development training programs for employees?	✓		None
			Fubon Financial Holdings places great emphasis on talent development and commits resources on all aspects to improve the professional capacity and competitiveness of its employees. These include a manager training program, a leadership enhancement program, and a management reserve program. For 16 years to support growth of the organization and its businesses. The Company has been organizing training programs on big data application and data analysis for the last 5 years to develop data skills among employees. Meanwhile, by offering rewards and subsidies for project management and data-related certifications, the Company encourages employees to obtain external certification for their skills. A broad variety of talent training programs has been introduced to support employees in their duties, business activities, and career development, whereas specialist courses have been made available to guide entry-level staff through various career paths. Furthermore, employees are given incentives to pursue continuing education, improve language skills, and obtain finance certification etc. At Fubon, employees have access to the resources they need to grow, improve, adapt, and become capable of providing more professional and high-quality financial services.
(V). Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	✓		None
			The Company has established "Financial Consumers Protection Policy" in accordance with the "Financial Consumers Protection Act" and related regulations applicable to the financial service industry and demanded compliance from all subsidiaries as a means of protecting consumers' interests. The Company's subsidiaries also have fair customer treatment principles, policies, and strategies to serve as the ultimate guidelines for provision of financial products and services. The Company tends to customers' needs, risk preference, and investment experience, practices KYC control, and provides customers with the optimal and safest products and services. Each subsidiary has its own customer service personnel available to address consumer queries and needs for the various products and services offered. Should disputes arise, consumers are able to raise their complaints through channels provided by the financial holding company and subsidiaries, and have them resolved in a reasonable, fair, and

Items	Status of Implementation			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
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			timely manner. With regard to product/service marketing and labeling, the Company has established the “Management Guidelines for Advertising Planning and Media Procurement Operations” in accordance with the “Regulations Governing Advertisement, Business Solicitation and Promotion by Financial Service Industry” and “Taiwan Securities Association Members’ Policy on Advertising, Business Solicitation and Promotion” to govern the quality of the Company’s promotional information disseminated to the public, as well as the operating procedures by which they are distributed. A dedicated unit has been empowered to ensure the authenticity of information conveyed while avoiding messages that may mislead financial consumers. Regarding the protection of customers’ privacy, the Company not only implements management policies but has also established the “Personal Information Protection Supervision Committee” under the Risk Management Executive Committee to supervise personal information protection management in various subsidiaries. Meanwhile, the Company adopts appropriate control measures, such as making personal data protection management plans at the beginning of each year and carrying out tasks according to plan, to protect and manage the personal data held in possession. Employees are trained regularly and reminded during their work routines to exercise proper personal data protection as part of their duties as managers.	
(VI). Has the company formulated management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	✓		The Company has continued to implement supplier management in accordance with the following policies and management mechanisms: (1) Supplier qualification and classification management: a. A set of the “Electronic Procurement and Vendor Management Regulations” has been established. It specifies that the Company only deals with the suppliers that are neither sanctioned under the “Counter-Terrorism Financing Act” of the R.O.C. nor the terrorists or the groups identified or traced by foreign governments or international organizations referred by the regulatory authority, and must be legally registered, normal operations, proper tax servicing records, good credit history, and no concern for default. Only those that meet the above requirements may be accepted as a qualified supplier of the Company’s electronic procurement system. (hereinafter referred to as the supplier, a total of 1,803 suppliers by the end of 2024) b. The suppliers are divided into six categories according to the products and services they provide. The suppliers who meet a specific threshold of the amount of business the Company	None

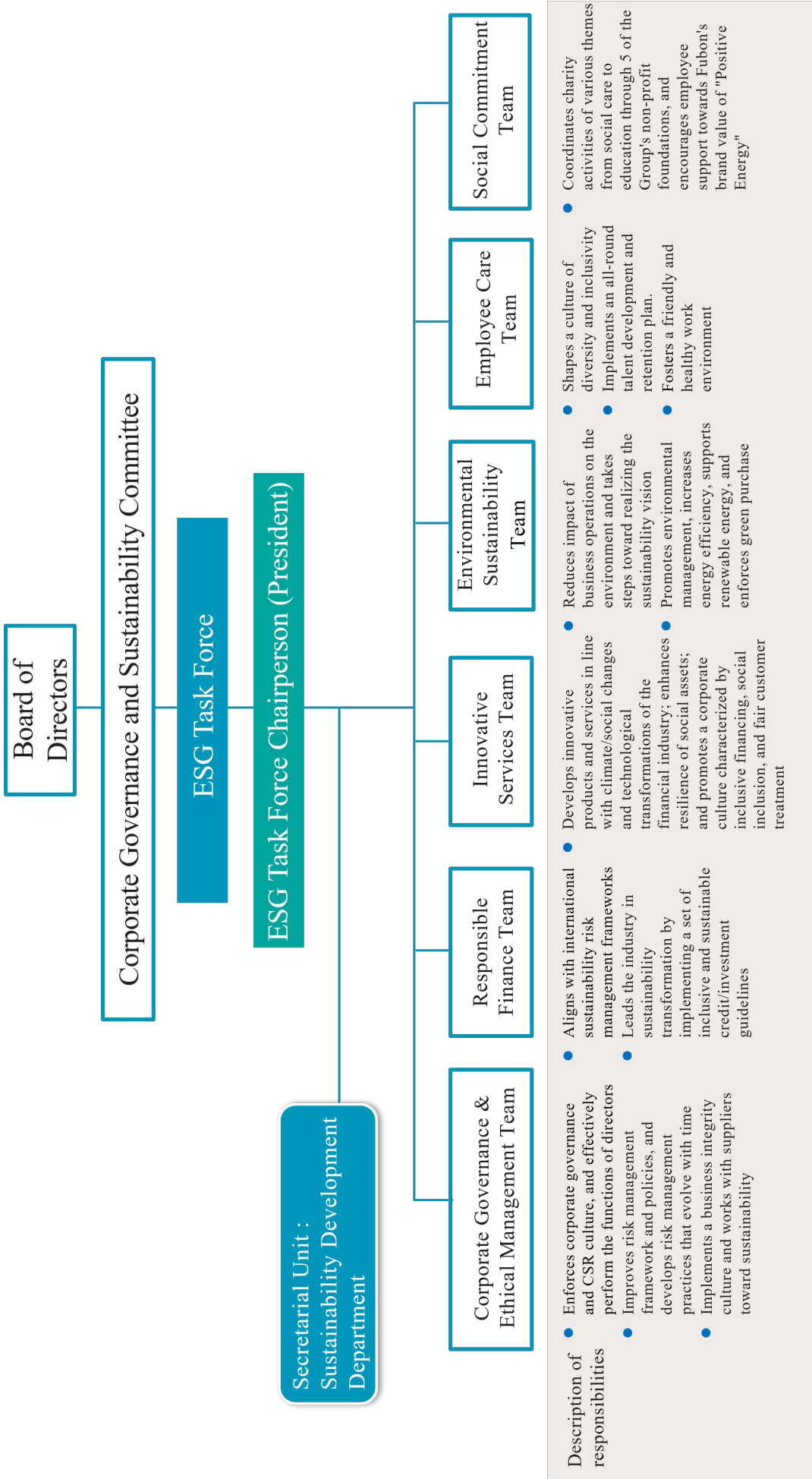
Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
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			does with them, have low substitution, and are important to the Company's operations are "key suppliers" (40 suppliers in total by the end of 2024) (2) Principle of Good Faith Clause: The contract signed between the Company and the Supplier stipulates the principle of good faith clause. The Supplier shall comply with the laws and regulations of financial institutions, and shall not pay commissions, rebates, or any benefits directly or indirectly, on demand or on request, or on a regular basis, for any reason. The Company may terminate or rescind the contract in case of violation. (3) Supplier Sustainability Management: a. Formulating the "Supplier Sustainable development Code of Conduct" (Covering: labor rights and human rights, labor health and safety, environmental protection, the prohibition of unethical behavior, and sustainable procurement). Requiring suppliers to sign the "Supplier Standard of Conduct Pledge" to commit to follow the requirements (signed by 100% of suppliers as of the end of 2024). The suppliers who violate the requirements seriously will have their ratings downgraded or be suspended, while the suppliers with outstanding performance will have their partnerships upgraded. Besides, the new supplier should fill out the "New Supplier Sustainability Risk Self-Assessment Form" for review their ESG implementation. (Relevant documents have been published on the e-procurement section of the Company's official website.) b. The "Fubon Supplier ESG Management Program" has been launched since 2018. The annual supplier ESG assessment, supplier ESG engagement, supplier ESG training, and supplier ESG conference have been held annually to guide suppliers to gradually improve their sustainable transformation actions, and provide education and training or related counseling assistance in a timely manner. The results for 2024 as follows: (a) Supplier ESG assessment: ◎ Questionnaires have been designed in accordance with relevant standards and guidelines such as PAS 7000, GRI Standards, CERES, and ISO 20400. the assessment questionnaire covers governance, social, and environmental aspects. The suppliers are invited to complete the questionnaire every year to understand their sustainability related actions. ◎ In July 2024, the suppliers whose business amount has reached the assessment threshold had been invited to fill in the assessment questionnaire online in Fubon

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
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			Financial Holdings e-procurement system (response rate of 98%) and conduct a review. (b) Supplier ESG engagement: ◎ During the annual supplier ESG assessment period, the Company has also continued to carry out supplier ESG engagement by conducting ESG on-site audits for key suppliers in batches year by year. In 2022, a total of 40 key suppliers have completed ESG engagement. ◎ In 2024, the Company has expand the scope of ESG engagement to non-key suppliers, and set a target for supplier engagement, which is based on 40 suppliers that had completed ESG engagement in 2022, increase by 10% every year from 2024 (i.e., 4 new suppliers engagement should be completed each year), and increase by 70% by 2030 (i.e., 28 new suppliers engagement will be completed in 2030 compared with the base year of 2022) ◎ In 2024, a total of 14 suppliers engagement had been completed, including 4 new non-key suppliers engagement and 10 key suppliers engagement which have been conduct in batches year by year. (c) Supplier ESG training: ◎ Topic: How to conducy business continuity management. ◎ Method: In June 2024, a digital training course had been launched in the Company's e-procurement system. The suppliers need to complete the course before submitting bids and other related work in the system. ◎ Contents: Explain how companies can assess their own business disruption risks, establish a contingency systems, and plan a backup mechanism. (d) Supplier ESG conference: In December 2024, the suppliers which participating in the Supplier ESG Assessment were invited to attend the Supplier ESG Conference. The day's activities were as follows: ◎ Commended 6 suppliers with excellent ESG performance and 1 supplier with excellent ESG improvement. ◎ Feedback on the assessment results and provide suggestions for improvement. ◎ Invite an supplier with excellent ESG prtformance to share its experience in sustainable transformation, and a renewable electricity suppliers to share the importance of enterprises developing renewable energy to enhance their competitiveness.

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V. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	✓		The Company composed “Fubon Financial Holdings 2023 Sustainability Report” based on the latest version of the Global Reporting Initiatives (GRI) Standards, published by the Sustainability Accounting Standards Board (SASB) for the insurance and commercial banking sectors, and the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. To ensure the reliability of information disclosed in this report, the Company had prepared data reference, and engaged the certifying institutions, as listed below: <table><tr><th>Data</th><th>Standard</th><th>Certifying institution</th></tr><tr><td>Sustainability</td><td>Taiwan Standard on Assurance Engagements 3000 (derived from International Standard on Assurance Engagements – ISAE 3000)</td><td>KPMG Taiwan</td></tr><tr><td>Finance</td><td>Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards</td><td>KPMG Taiwan</td></tr><tr><td>Environment</td><td>Environmental management system Organizational greenhouse gas inventory Occupational safety and health management system Energy management system ISO 14001 ISO 14064-1 ISO 45001 ISO 50001</td><td>British Standards Institution (BSI), etc.</td></tr></table> The assurance found that the contents of the report conformed with GRI Standards, and the insurance sector standards published by the Sustainability Accounting Standards Board (SASB), and KPMG Taiwan issued an independent limited assurance statement, which has been disclosed as part of this report.	Data	Standard	Certifying institution	Sustainability	Taiwan Standard on Assurance Engagements 3000 (derived from International Standard on Assurance Engagements – ISAE 3000)	KPMG Taiwan	Finance	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards	KPMG Taiwan	Environment	Environmental management system Organizational greenhouse gas inventory Occupational safety and health management system Energy management system ISO 14001 ISO 14064-1 ISO 45001 ISO 50001	British Standards Institution (BSI), etc.	None
Data	Standard	Certifying institution														
Sustainability	Taiwan Standard on Assurance Engagements 3000 (derived from International Standard on Assurance Engagements – ISAE 3000)	KPMG Taiwan														
Finance	Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards	KPMG Taiwan														
Environment	Environmental management system Organizational greenhouse gas inventory Occupational safety and health management system Energy management system ISO 14001 ISO 14064-1 ISO 45001 ISO 50001	British Standards Institution (BSI), etc.														

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
Summary			
VI. If the Company has adopted its own sustainable development best practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any deviation from the principles in the Company’s operations:			
The Company established its “Corporate Social Responsibility Best-Practice Principles” in 2011 and completed amendment in accordance with “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” in May 2022 while at the same time renaming the policy to “Sustainable Development Code of Conduct.” There was no deviation in the implementation of the code of conduct, and the progress of which is being disclosed in the sustainability report.			
VII. Other important information to facilitate better understanding of the company’s promotion of sustainable development:			
(1) Fubon Financial Holdings’ ESG Visioning Project, strategies, and goals: The “Fubon Financial Holdings ESG Visioning Project” was first introduced by Fubon Holding back in 2015 as a plan to enforce sustainability by tapping into the organization’s core business activities. In 2021, the Company revised its sustainability roadmap to introduce four main strategies including “Decarbonization, Digitalization, Empowerment and Connection,” and set goals for 2030. Performance indicators are being examined on a yearly basis with adjustments made to optimize performance. Also, Fubon continued to observe international trends. Aside from being a member of the WEF, Partnership for Carbon Accounting Financials (PCAF), Asia Investor Group on Climate Change (AIGCC), Climate Action 100+ (CA100+), 100% Renewable Energy Initiative (RE100), the program of Taiwan’s Innovative Green Economy Roadmap (TIGER) held by Epoch Foundation and MIT Energy Initiative, and the Taskforce on Nature-related Financial Forum and adopted the TNFD framework, the Company also signed a commitment to Business Agenda on Climate Change Adaptation, and passed SBT for carbon reduction. In August 2024, the company became a member of the Partnership for Biodiversity Accounting Financials (PBAF), broadening its sustainability perspective to encompass natural capital and biodiversity, thereby aligning with global sustainability trends. (2) “Fubon Sustainable Future Forum”: Fubon Financial Holdings co-hosts “Fubon Sustainable Future Forum” with the Risk Society and Policy Research Center of National Taiwan University on a yearly basis. The main emphasis of Fubon’s “sustainable finance” efforts throughout 2024 was to “collaborate with industry partners toward overcoming sustainability transformation.” Not only did Fubon examine the ESG implications that various global challenges and social impacts may have on financial institutions as well as the businesses and industries they have influence over, but also encouraged financial peers to take up responsibility in transformation by directing business’ attention to issues concerning climate change, biodiversity, fairness, and employee care. (3) “FUBON Talks”: Fubon Financial Holdings encourages employees to be creative and embrace sustainability as part of their DNA. The Company hosts annual Fubon Talks, an event where employees of the group are invited to present action plans and innovative ideas relating to ”Fubon’s four major strategies of ESG vision - decarbonization, digitalization, empowerment and connection.” Fubon also came up with several action plans and creative ideas during the year that aimed to incorporate ESG values into the daily lives of group employees, and thereby create a cycle of positivity within the group and for the society. Daniel M. Tsai, Chairman of Fubon Group and Richard M. Tsai, Chairman of Fubon Financial Holdings attend this event in person, and they take this opportunity to lead employees in developing an enterprise ESG culture that fully reflects innovation and sustainability of Fubon Group.			

Items	Status of Implementation		Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Explanations
	Yes	No	
(4) “Fubon ESG Club”: In 2024, Fubon moved ahead of financial peers with the establishment of “Fubon ESG Club,” an internal training gathering hosted by Sustainable Development Department to organize series of courses on globally common risks and issues such as environmental protection, biodiversity, fake news, etc. The course contents revolve around Fubon Financial Holdings’ four main sustainability strategies, namely “Decarbonization, Digitalization, Empowerment and Connection,” and are intended to align the sustainability language and mindset across departments while at the same time supporting the development of sustainability characters within the organization. Fubon ESG Club empowers group employees with the knowledge they need to bring sustainability into future business activities, and thereby maximizes the positive influence that financial institutions have on the society. (5) Outcomes and awards relating to Fubon Financial Holdings’ four main sustainability strategies in 2024 have been disclosed in the “Sustainability – ESG Visioning Project” and “About us – Glorious Achievements” sections of the official portal.			



2.3.8 Climate-Related Information of Financial Holding Company

Implementation of Climate-Related Information

Item	Implementation status (Note 1)
(1) Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has included climate change issues into board of directors meeting report. The risk management report addresses the risks and opportunities of major climate change, and is submitted to Risk Management Executive Committee, Audit and Risk Management Committee, and Board of Directors on a quarterly basis. Furthermore, the "ESG Task Force" reports climate change-related execution plans and results on a semi-annual basis to the "Corporate Governance and Sustainability Committee" subordinated to the Company's Board of Directors, and then to the Company's Board of Directors.
(2) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	The Company has identified acute and chronic climate physical risks as follows: "Acute increased severity of extreme weather events (floods and extreme rainfall)" and "Shifts in precipitation and increased variability in extremely weather patterns." Flooding is a disaster that has the potential to impact real estate collaterals, investment properties, non-life insurance businesses of the Company and subsidiaries, and business locations, whereas droughts may increase operating losses to Fubon Group and its customers. Furthermore, the major short-, medium- and long-term climate transition risks fall into the "legal and policy" aspect, including increase in operating costs caused by greenhouse gas emissions, increased financial risk from impairment of investments in carbon-sensitive industries, and additional duties to report emissions and increased pricing of GHG emission, as they may affect the costs or revenues of investees/borrowers and present potential risks to the Company. Major climate factors such as flooding, drought, and carbon emission/carbon price identified from the above are used in scenario analysis, and the outcomes of which will provide reference for strategy planning and investment/loan portfolio adjustment in the future. Meanwhile, the Company takes the initiative to search for climate-related opportunities, expand low-carbon and green lending/investments, sign sustainability-linked loans with customers, and plan a diverse range of insurance products for green energy projects.
(3) Describe the financial impact of extreme weathers and transitional actions.	The Company has conducted climate change scenario analysis on its own operations and investments, loans and property insurance: - Operation-related: All office buildings/business locations of the Company and subsidiaries have been subjected to flood and slope hazard analysis, which assessed the costs of repairing damage to the Company's assets from flooding and slope disasters, using three main factors: hazard, vulnerability, and exposure. - Investments, loans and property insurance: For business activities such as corporate lending, personal mortgage, equity/debt investment, investment property, and non-life insurance, the Company has developed and implemented climate scenario analyses that are appropriate for the assets involved. Outcomes of the scenario analysis will provide reference for strategy planning and investment/loan portfolio adjustment in the future. Through scenario analysis, the Company actively supports businesses in low-carbon transformation and reduces the potential impacts of climate change.

Item	Implementation status (Note 1)
(4) Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has established a set of “Climate Change Management Guideline” to direct more attention to and enforce proper management of climate risk, and to facilitate response to potential major impacts of climate change. A risk management system involving three lines of defense has been adopted for this purpose. In addition to identifying and evaluating the risks and opportunities associated with major climate change on a regular basis, the Company also takes climate change factors into consideration in daily routines, strategic planning, and decision-making and analyzes how these factors may potentially impact the Company and subsidiaries, so that proper responses and management measures can be formulated and executed accordingly.
(5) If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	a. Physical risks: The Company adopts the shared socioeconomic pathways (SSPs) scenarios, which are introduced by the Sixth Assessment Report (AR6) issued by the United Nations Intergovernmental Panel on Climate Change (IPCC), to conduct physical risk analysis on areas where its business locations, investment properties, and insured properties were located. b. Transition risks: Fubon Financial Holdings adopts the Net Zero 2050 and Delayed Transition scenarios along with the parameters (such as carbon price) released by Network of Central Banks and Supervisors for Greening the Financial System (NGFS) to perform impact assessment and analysis on suppliers and the investment portfolio. c. Physical/transition risks: After taking into consideration the possible physical risks and transition risks, the Company came up with three scenarios, namely: “Orderly transition” (AR6: SSP 1-2.6, NGFS: Net Zero 2050), “Disorderly transition” (AR6: SSP 1-2.6, NGFS: Delayed Transition), and “No policy” (AR6: SSP5-8.5, NGFS: Baseline). Personal mortgage and credit exposure to local businesses in Taiwan were analyzed using the three climate scenarios, and we found very limited impact on personal mortgage, whereas credit exposure to local businesses in Taiwan has the highest expected credit loss by 2050 under the “Disorderly transition” scenario.
(6) If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company’s main strategy to respond to climate-related risks and opportunities revolves around “decarbonization,” that focuses on two areas in particular – “low-carbon operations” and “green finance” – and on developing initiatives related to those issues. In terms of low-carbon operations, medium- and long-term carbon reduction targets have been set for Fubon operations based on the Company’s SBT and RE100 commitments, and a low-carbon business model has gradually taken shape by “saving energy,” “creating energy,” and “purchasing energy.” In terms of green finance, the Company has developed standards for allowing investment in or pulling investment out of industries that are prone to high carbon emission, which are continuously reviewed and modified in line with international development trends, and set SBT and 2030 green finance targets with the progress in achieving targets regularly tracked. Also, we channel capital flows to green uses, engage with investees and financing and underwriting clients, and support clients in the transition to a low-carbon economy.

Item	Implementation status (Note 1)
(7) If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	a. The assessment of the carbon reduction benefits of equipment procurement The Company launched an internal carbon pricing mechanism based on an implicit pricing model in 2021. It was done in response to expectations among international assessment organizations that enterprises adopt carbon pricing and also to improve its efficiency of low-carbon equipment investment and energy usage and change its internal behavior. Incorporate carbon reduction considerations into equipment purchasing decision-making process. Under the new program, designed to evaluate the carbon reduction benefits of new lighting fixtures and equipment purchases, the Company and its major subsidiaries (include Fubn Life Insurance, Taipei Fubon Commercial Bank, Fubon Securities and Fubon Insurance) use these guidelines to do their assessments. (a) Calculate the carbon reduction cost (carbon price) of the equipment under consideration, and compare the benefits with the average carbon reduction cost (average carbon price) for other models of the same type of equipment. (b) Carbon price = Net cost of equipment investment/estimated carbon reduction during the service life of the equipment. (c) Average carbon price = Sum of net costs of purchases of similar equipment in previous years/total estimated carbon reduction during the estimated service life of that equipment. (The average carbon price to be announced and updated every year) After the implementation of the mechanism, the carbon reduction benefits of the Company's purchases of lightings and electricity equipment have increased year by year. In 2024, the average carbon price of various types of equipment have ranged from -NT\$3,800/tCO₂e to NT\$50,200/tCO₂e, and the total average carbon price have been -NT\$600/tCO₂e (NT\$3,400/tCO₂e, NT\$700/tCO₂e, and NT\$400/tCO₂e from 2021 to 2023, the total average carbon price has decreased year by year, and the carbon reduction benefits have increased year by year). Overall, the estimated total amount of electricity expenses that could be saved during the service life of all procurement projects is greater than the total procurement amount since 2024. b. Simulation of carbon fee In order to respond to the international assessment institutions have increasingly paid attention to that enterprises link their internal carbon pricing mechanisms to their own carbon reduction, and to deepen the Company's awareness of "carbon emissions have to be paid, the Company has implemented a simulated carbon fee mechanism based on a shadow pricing model since 2023. Assuming that the Company would be the subject to collection of carbon fees by the Ministry of Environment, the Company simulated and calculated the total carbon fee of the Company in 2023 and the shared carbon fee of each subsidiary in Taiwan according to the following method with reference to the relevant planning content of the carbon fee collection mechanism of the Ministry of Environment.

Item	Implementation status (Note 1)
	(a) Calculate the simulated carbon fee according to the carbon fee formula set by the Ministry of Environment for "non-high carbon leakage risk" businesses that have not proposed the plan of voluntary emissions reduction (VER)", i.e., simulated carbon fee = (emissions - 25,000 tons of CO₂e) * general carbon fee rate. (b) The simulated carbon fee rate of the Company was adopted NT\$500/tCO₂e, which is the median value of six carbon fee scenarios (including: NT\$100/tCO₂e, NT\$150/tCO₂e, NT\$300/tCO₂e, NT\$ 500/tCO₂e, NT\$ 800/tCO₂e and NT\$ 1,000/tCO₂e) for assessing the impact of carbon fee collection on GDP and CPI in Taiwan in the fourth meeting of the carbon fee rate review meeting held by the Ministry of Environment on July 5, 2024. (c) The Company's simulated carbon fee in 2023 = (the total Scope1 and Scope2 emissions of the Company and its subsidiaries in Taiwan in 2023 - 25,000 tCO₂e)* NT\$500, and shared carbon fees according to the proportion of emissions of each subsidiary in Taiwan.
(8) If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	a. The Company passed SBT validation and joined RE100 in September 2022; and signed the SBT net zero commitment letter in July of the same year to commit achieving net zero emissions by no later than 2050. Based on the commitment targets, the Company set its medium- and long-term reduction targets of Scope 1 and Scope 2 emissions, which is using 2020 total Scope 1 and Scope 2 emissions as baseline, reduce Scope 1 and Scope 2 emissions by 42% (5% reduction in Scope 1 emissions and 45.5% reduction in Scope 2 emissions) by 2030 compared to the baseline year of 2020 to achieve the SBT target, and then continue to reduce emissions in scientific way until cutting them by 92.3% by 2040 (5% reduction in Scope 1 emissions and 100% reduction in Scope 2 emissions), the remaining (about 7.7%) emissions are expected to be eliminated before 2050 using the tools or approaches recognized by related international standards to achieve net-zero emissions from own operations. b. The Company and its subsidiaries have continued to increase the purchase and use of renewable electricity and RECs. In 2024, a total of 16.564 million kWh of that had been used, including: (a) Domestic: In 2024, a total of 15.129 million kWh (per year) of green electricity had been purchased, and 14.857 million kWh had been actually transferred in 2024. (b) Overseas: 1.613 million kWh of "Green Electricity Certificate Transaction Vouchers" had been purchased in Mainland China in 2024, and 1.496 million kWh had been actually used in 2024. (c) Self-generated solar photovoltaics: a total of 0.211 million kWh had been used in 2024. c. The Company and its subsidiaries plan to purchase at least 6.489 million kWh (per year) in Taiwan by 2025. It is estimated that the cumulative domestic renewable electricity purchases in 2025 will reach 21.618 million kWh (per year).
(9) GHG inventories and assurance, reduction goals, strategies, and actions (explained in Charts 1-1 and 1-2).	

1-1 GHG inventories and assurance in the last two years
1-1-1 GHG inventories information

Explain GHG emission (metric tons CO₂e) and intensity (metric tons CO₂e/NT\$1 million) in the last 2 years and data coverage.

Company profile		Minimum disclosure according to the sustainability development roadmap for TWSE/TPEx listed companies	
☒ Company with share capital ≥ NT\$10 billion; or participant of steel or cement industry ☐ Company with share capital ≥ NT\$5 billion but < NT\$10 billion ☐ Company with share capital < NT\$5 billion		☒ Parent-only inventories ☒ Inventories of consolidated subsidiaries ☒ Parent-only assurance ☐ Assurance of consolidated subsidiaries	
Year	2023		2024
Scope	Total emissions (metric tons)	Intensity (metric tons/million-dollar revenue)	Intensity (metric tons/million-dollar revenue)
Scope 1	8,949	0.012	0.004
Scope 2	50,091	0.065	0.042
Purchased Goods and Services	56		
Capital Goods	35		
Fuel-and-energy-related activities	9,639		
Waste generated in operations	297		
Business travel	400		
Employee commuting	23,881		
Use of sold products	4		
Total	34,312		33,029

Note A: Boundaries:

(a) The companies included in inventory and assurance of boundaries:

- I. The companies that have been included in the boundary before 2023 (inclusive): Fubon Financial Holdings, Fubon Life Insurance, Taipei Fubon Commercial Bank, Fubon Securities, Fubon Insurance, Fubon Bank (Hong Kong), Fubon Asset Management, Fubon Bank (China), Fubon Futures, Fubon Sports & Entertainment, Fubon Stadium, TFB Capital, Fubon Securities Investment Services, Fubon Private Equity, Fubon Property and Casualty Insurance (Xiamen).
- II. The new companies that added in the boundary in 2024: Fubon Financial Holding Venture Capital, Fubon AMC, Fubon Insurance Agency, Fubon Hyundai Life Insurance, and Fubon Fund Management (Hong Kong).
- III. The above companies' Scope 1, 2 emissions in 2024 accounted for approximately 99.2% of total Scope 1,2 emissions at the Company's consolidated financial reporting boundary.

(b) Other companies:

- I. Fubon Insurance (Vietnam), Fubon Insurance Broker (Thailand), Fubon Insurance Broker (Philippines), Fubon Reinsurance Labuan Co. Ltd., Fubon Life Insurance (Vietnam), Fubon Life Insurance (Hong Kong), Fubon Securities (Hong Kong), Fubon Green Power, Li Tong Management Consultant Co., LTD., Fubon Digital Music Asset Management, Fubon Securities Venture Capital, Fubon Minto Venture Capital, Canter Lane (Guernsey), Bow Bells House (Jersey) , Fubon MTL Property (Jersey) , Fubon Ellipse (Belgium) , Fubon Eurotower (Luxembourg) and Fubon Digital Music GP.

II. The Scope 1, 2 emissions of the companies in (b) I. in 2024 were calculated using the per capita method based on the average per capita emissions of all companies in (a) in 2024, and together account for approximately 0.8% of the total Scope1, 2 emissions at the Company’s consolidated financial reporting boundary. Note B: The emissions of all companies in Note A(a) in 2024 and the emissions of the companies in Note A(a)I. in 2023 are in accordance with ISO 14064-1:2018 standards, the GHG Protocol-Corporate Accounting and Reporting Standard, the GHG Emissions Inventory Practice Guidelines, and the 2021 IPCC AR6 GWP, and have been assured by the British Standards Institution (BSI) and other institutions. And the emissions of the companies in Note A(a)II. in 2023 uses the per capita regression method to estimate.	
1-1-2 Greenhouse gas assurance Explain any assurance obtained in last the two years, including the scope of assurance, the assurer, assurance standards, and assurance opinions. (1) 2023: Data had been assured by BSI, Hong Kong Quality Assurance Agency(HKQAA), and SGS-CSTC Standards Technical Services Co., Ltd.(SGS) according to ISO 14064-3 standards. Assurance opinions and levels of assurance are as follows: a. Scopes 1 and 2: The quality of inventories data conforms with ISO 14064-1:2018 standards, and botained reasonable assurance. b. Scope 3: The quality of inventories data conforms with ISO 14064-1:2018 standards. Fubon Bank (Hong Kong), Fubon Bank (China) and Fubon Property and Casualty Insurance (Xiamen) obtained reasonable assurance, whereas the remaining entities obtained agreed-upon procedures (AUP) (2) 2024: Data had been assured by BSI, Hong Kong Quality Assurance Agency (HKQAA), SGS-CSTC Standards Technical Services Co., Ltd.(SGS), Korea Management Registrar(KMR), and Riskory Consultancy Limited according to ISO 14064-3 standards. Assurance opinions and levels of assurance are as follows: a. Scopes 1 and 2: The quality of inventories data conforms with ISO 14064-1:2018 standards. Except for Fubon Fund Management (Hong Kong) which obtained limited assurance, all other companies obtained reasonable assurance. b. Scope 3: The quality of inventories data conforms with ISO 14064-1:2018 standards. Fubon Bank (Hong Kong), Fubon Bank (China) and Fubon Property and Casualty Insurance (Xiamen) obtained reasonable assurance, Fubon Hyundai Life Insurance obtained limited assurance, whereas the remaining entities adopted agreed-upon procedures (AUP).	
1-2 GHG reduction targets, strategies, and action plans Explain the base year for GHG reduction, the relevant data, reduction targets, strategies, action plans, and the attainment progress. (1) The Company’s carbon reduction targets (hereinafter referred to as Target A) is based on the 2020 Scope 1 and Scope 2 emissions of 64,747 t/CO2e, with a reduction of 16.9% reduction in 2024, a reduction of 42% in 2030, and a reduction of 92.3% in 2040. If the conversion is made in accordance with Note 2 based on the Scope 1 and Scope 2 emissions of 60,191 t/CO2e in 2022, the year in which the Company completed the consolidated financial report review ahead of schedule (hereinafter referred to as Target B), the emissions should be reduced by 10.5% in 2024, should be reduced by 37.7% in 2030, and should be reduced by 91.4% by 2040. (2) Due to the continuous purchase of renewable electricity, the replacement of lighting fixtures and energy-saving equipment, and the continuous implementation of power-saving management and publicity, the operating emissions in 2024 was 45,594 t/CO2e, 29.6% reduction from the base year of Target A, and 24.3% reduction from the base year of Target B.	

2.3.9 Performance of business integrity and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons Thereof
	Yes	No	Summaries	
I. Establish Ethical Operation Policies and Programs (I) Whether the Company adopts the ethical management policy approved by the Board of Directors, and expressly states the ethical corporate management policy and rules, and its fulfillment by the Board of Directors and senior management in its Articles of Incorporation and public documents?	✓		(I) The Company has adopted the “Ethical Corporate Management Best-Practice Principles,” “Codes of Insider Ethical Conduct,” and “Business Integrity Procedures and Behavioral Guidelines.” All of the above policies have been established and amended by the Corporate Governance and Sustainability Committee with the approval of the Board of Directors, and submitted for acknowledgment in a shareholders’ meeting before being published on the Market Observation Post System and disclosed on the Company’s website. These policies outline the integrity principles that directors, senior managers, managers, employees, agents and all parties possessing material control are bound to comply with, and prohibit them from being involved in dishonest conduct. These policies are fulfilled not only by the Board of Directors and the management, but are adopted in all aspects of internal management and external commercial activities as well.	None
(II) Whether the Company establishes an assessment mechanism for unethical conduct to analyze and assess operating activities with a higher risk of unethical conduct in the scope of business, and adopts an unethical conduct prevention program based on the mechanism, which shall at least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx-Listed Companies”?	✓		(II) All departments of the Company have identified risks (including risks of dishonest conduct) based on their respective business activities, risk characteristics, data loss, and operating procedures, and developed key risk indicators and systematic practices for assessing implementation of operational risk controls. Implementation of controls is being self-assessed regularly whereas key risk indicators are constantly monitored. By assessing and monitoring business activities of high integrity risks, the Company is able to identify existing or potential dishonest conducts through quantitative measurements, and take improvement measures in a timely manner. According to the assessments conducted in 2024, Risks are considered manageable.	None

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	Summaries	
			In addition to conducting self-assessments on existing controls and monitoring key risk indicators, the Company also developed a new methodology for assessing integrity risks in 2024 according to the Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”. This new methodology works by quantifying the probability of integrity risks and making an inventory of the effectiveness of risk mitigation measures, and using a risk matrix to determine the levels of inherent risk and residual risk and the overall risk assessment outcome. Any internal department that finds the assessment outcome having exceeded the “medium-low” residual risk tolerance will have to devise improvement measures. Based on the outcomes of the 2024 assessment, residual risks did not exceed the “medium-low” threshold, hence no improvement measure was required. The Company follows the principles and adopts internal control measures, as described below, for business activities that involve a higher risk of dishonesty: 1. The Company has stated in its “Business Integrity Procedures and Behavioral Guidelines” a number of preventive solutions and measures against misconduct, such as offering (acceptance) of bribes, inappropriate gains, illegal political donations, inappropriate donations or sponsorships, infringement of business secrets and intellectual property, unfair competition, and offering of products/services that go against customer or stakeholder interests. 2. The “Work Rules” outline employees’ duty of integrity, prohibiting them from competing for business using means such as bribery and kickbacks. Employees are also prohibited from exploiting their authority and asking vendors for special treatment or gifts, or accepting commissions, rewards or any other inappropriate gains.	

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	Summaries	
			3. The Company has implemented the “Fubon Financial Holding Co., Ltd. and Subsidiaries Donation Management Policy” that requires all donations to related parties or substantial donations to non-related parties to be approved by the Board of Directors and disclosed in the form of a major announcement. Before the end of the first quarter each year, the Company also reports the amount of donations made in the previous year to the Board of Directors and discloses such information in the annual report. Additionally, to ensure that each sum of fund donated by the Company and its subsidiaries are properly managed. The “Fubon Financial Holding Co., Ltd. and Subsidiaries Donation Management Policy” was adopted and enforced in January 2019, which introduced a well-defined system for checking donation procedures and tracking the purpose of donation. Relevant rules will be amended from time to time according to actual requirements. 4. The Company has specifically requested all of its contractors to refrain from carrying out service activities in the Company’s name, subject to the nature of the individual contract. Instead, contractors are required to present themselves as independent contractors commissioned by the Company for a specific purpose. Contractors are prohibited from displaying the Company’s name at their place of business so as to avoid causing any third party to mistake them for a Company subsidiary. For transactions that involve business secrets, trademarks, patents, copyrights or any other intellectual property rights, the Company would require guarantee from the transaction counterparty that there will be no infringement against the trademarks, patents, copyrights, business secrets or any other intellectual property rights when fulfilling contractual obligations. 5. Subsidiaries have adopted the following preventive measures	

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Summaries			
	Yes	No		
			in regard to products, services, and consumers’ rights: (1) To protect consumer interests, Fubon Life provides a variety of communication channels for customers to change their personal information and express their opinions. As for complaints, customers can use a 24-hour service hotline, portal, online services, email, grievance hotline and other convenient ways the Company has made available to have their product/service/consumption-related disputes resolved. The Company also has “Fair Customer Treatment Principles” in place, which requires employees to comply with relevant laws and treat customers fairly and reasonably when offering products and services. (2) Taipei Fubon Bank has clear customer complaint handling procedures and complaint channels in place to protect consumers’ interests and ensure that every complaint case is handled with the utmost discretion. The Bank values customers’ voices as a means to improve satisfaction. Through continuous opinion surveys, the Bank constantly strives to improve its policies and procedures to provide customers with better quality financial services that meet their needs. (3) Fubon Securities has implemented an 0800 toll-free customer service hotline and an opinion feedback system to protect consumers’ interests and address customers’ needs. Dedicated customer service personnel have been assigned to take customers’ calls, queries, and complaints and address them in a manner that complies with laws and maximizes customers’ interests. The subsidiary strictly enforces confidentiality over customers’ data and makes transparent disclosure of information for total improvement in customer service quality. The subsidiary has also implemented “Consumer Dispute Resolution Guidelines,”	

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	
			“Customer Complaint Management Guidelines,” “Fair Customer Treatment Principles Policy,” and “Notes on Fair Customer Treatment” in accordance with the Financial Consumer Protection Act and rules of the financial service industry, so that employees can resolve customer complaints or financial consumption disputes in a timely and compliant manner while ensuring fair and reasonable treatment of customers. Furthermore, in order to give persons with disabilities the basic right to fair and convenient insurance, the Company has introduced accessibility measures that aim to address their needs. Extensive efforts have been made to ensure that the Company’s environment, communication, products, services, and information are accessible and contribute to the creation of a friendly banking environment. (4) Fubon Insurance has assembled a Product Review Panel and a Product Management Panel in accordance with its articles of incorporation. Apart from assessing the appropriateness and legitimacy of products offered, the two panels are responsible for identifying product descriptions that could be construed as misstatement, fraudulent, or misleading to consumers. Existing insurance products are continually reviewed to ensure their compliance with laws, protection of consumer rights, and price rationality. Personal information protection measures have been implemented to ensure the security of consumers’ personal information. Communication channels & a timely feedback mechanism and customer complaint handling procedures have been established. Various units are assigned to resolve problems in a legal, reasonable, timely and pro-active manner. Furthermore, in order to ensure that persons with disabilities are given access to fair and convenient

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	
(III) Whether the Company expressly states the SOP, guidelines and reward and disciplinary & complaint systems in the unethical conduct prevention program, implements the same precisely, and reviews amendments to said program periodically?	✓	insurance service, the Company has adopted disabled-friendly service measures, and provided measures per the individual needs of the mentally and physically disabled. Efforts have been made to ensure that the Company’s environment, communication, products, services and information are free of discrimination, and thereby create a friendly banking environment. (III) The Company has adopted the “Business Integrity Procedures and Behavioral Guidelines” and employees’ “Work Rules.” Meanwhile, the Company will amend the same per the request from the competent authority and internal policy/work needs periodically, which expressly provides the requirements about reward and discipline and grievances. Those who violate business integrity will be subject to disciplinary action depending on the severity of the violation; details of their conduct and disciplinary actions are posted on the intranet.	None
II. Enforcing ethical management (I) Does the Company evaluate the integrity of its business relationships? Are there any integrity clauses in the agreements that are mandatory?	✓	(I) The Company only deals with suppliers that are neither sanctioned under the “Counter-Terrorism Financing Act” of the R.O.C. nor reported by foreign government institutions or international organizations as terrorist or terrorist organization. Suppliers have to undergo rigorous checks and must be legally registered and exhibit sound business performance, proper tax servicing records, good credit history, and no concern for default. Only after signing a “Supplier Standard of Conduct Pledge” and a “Sustainability Risk Self-assessment Checklist for New Suppliers” will the Company accept them as qualified suppliers. All contracts signed between the Company and suppliers contain an “integrity clause,” which requires that suppliers abide by the laws and regulations that the financial institution abides by, and shall not directly or indirectly, actively or upon request, agree to pay commissions, rebates or any other benefits for any reason. If	None

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	
(II) Whether the Company establishes a unit dedicated to promoting ethical corporate management under supervision by the Board of Directors, which shall be responsible for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, reporting the status thereof to the Board of Directors periodically (at least once per year)?	✓		there is a violation, the Company may terminate or cancel the contract with the supplier. (II) The Company has established a “Corporate Governance and Sustainability Committee” directly under the Board of Directors to supervise business integrity. Integrity-related tasks are executed by the corporate governance and ethical management team of the Committee’s ESG Task Force. Execution progress is reported to the Board of Directors every six months.
(III) Does the Company have any policy that prevents conflicts of interest, and channels that facilitate the reporting of such?	✓		(III) Avoidance of conflicts of interest has been explicitly regulated in the Company’s “Ethical Corporate Management Best-Practice Principles” and “Business Integrity Procedures and Behavioral Guidelines.” These policies outline the procedures that directors, managers and any stakeholders present at board meetings must follow with respect to an agenda discussed in board meetings that presents conflicts with themselves or entities they represent. In addition, there are procedures to guide employees in situations where they may accrue inappropriate gains for themselves, their spouse, parent, child or any related party that go against the Company’s interests. The “Codes of Insider Ethical Conduct” specifically prohibits directors and managers from exploiting their authority for personal gain (or for relatives). In addition, directors and managers must explain conflicts of interest if the Company or its subsidiaries are involved in transactions such as lending, guarantee, asset transfer, purchase or sale with any enterprises affiliated with the same directors or managers.
(IV) Whether the Company fulfills the ethical management by establishing an effective accounting system and internal control system, and has an internal audit unit research and	✓		(IV) The Company has implemented an accounting system in compliance with laws to more appropriately present its performance and financial position, and thereby facilitate analyses

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	
adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoints a CPA to conduct audits? (V) Does the Company organize internal or external training on a regular basis to maintain business integrity?	✓		and comparisons for decision/policy making. All accounting-related affairs are bound to comply with the system. The system is constantly reviewed to ensure that it remains effective. The Company has implemented effective internal control and makes timely reviews and adjustments to conform with the latest laws and requirements. The Audit Division will conduct audits in conformity with the above mentioned and the audit plan. The audit findings will be reported to the Board of directors regularly. (V) All new recruits are required to undergo corporate discipline and compliance training upon reporting for duty; all employees must complete courses on cybersecurity, personal data protection, and anti-money laundering each year, whereas managers are required to undergo regular training on internal control and management for enhanced internal control and compliance awareness. Furthermore, Fubon constantly reminds employees of its integrity and values, and organizes yearly events to develop employees’ understanding and commitment towards “Integrity Behavior Guidelines,” so that they can incorporate integrity values into their daily work activities. 1. 2024 course name: Promotion of business integrity and behavior guidelines. 2. 2024 course content: This training aims to enforce “Fubon Financial Holding Co., Ltd. Ethical Principles” and “Fubon Financial Holding Co., Ltd. Business Integrity Procedures and Behavioral Guidelines,” promote employees’ understanding of relevant rules, and ensure that the work environment and business practices comply with policies. The training not only emphasizes key points of the above rules, but also outlines the types of dishonest behaviors that are strictly prohibited within the Company and shares case studies

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	Summaries	
			local and abroad as ways to convey the importance of business integrity for individuals as well as the Company. Furthermore, the training explains to participants the various channels that can be used to report illegal conduct, the principles for handling misconduct reports, and protections for whistleblowers. 3. 2024 course content: (1) Rules and framework (2) Prohibition against dishonest conducts (3) Whistleblowing system (4) Conclusion 4. Training completion in 2024: The course received a total of 18,785 enrollments from the financial holding company and subsidiaries (excluding field representatives of the life insurance subsidiary), representing a 100% completion rate. 5. Total training hours for the 2024 course: 4,814 hours.	
III. Reporting of misconducts (1) Does the Company provide incentives and means for employees to report misconduct? Does the Company assign dedicated personnel to investigate the reported misconduct?	✓		(1) According to the Company’s “Whistleblowing Policy,” anyone who discovers a crime, fraud or regulatory violation involving any person-in-charge or employee of the Company, subsidiary or local/foreign branch may report their suspicions to the designated handling unit through reporting channels provided on the Company’s website. The Compliance Department of the Company’s Compliance and Legal Affairs Division has been designated as the handling unit for reported misconduct. If the reports are proven to be true and material, the Company may reward the whistleblower. All of the Company’s existing whistleblowing channels are functioning properly. The Company has implemented “Fubon Financial Holding Co., Ltd. and Subsidiaries Guidelines for Handling Employee Grievance” and created a grievance mailbox along with an	None

Items of Evaluation	Implementation Status			Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons Thereof
	Yes	No	Summaries	
(II) Whether the Company defines the standard operating procedure, follow-up measures to be taken upon completion of investigation, and nondisclosure mechanism toward the investigation of complaints as accepted?	✓		employee grievance section on the intranet, thereby allowing employees to speak out using a variety of channels such as the grievance hotline, fax, and email. The human resources unit would then assign dedicated personnel to rate the issue in question by severity and handle according to proper procedures. (II) According to the Company’s “Whistleblowing Policy,” a misconduct report of severe consequences has to be escalated to the Company’s Chairman and investigated by the Auditor Division, whereas misconduct reports of general severity are assigned by the Company’s President to the appropriate department or to an investigation panel comprising at least three independently authorized personnel for investigation, unless the report is rejected or transferred. During the investigation, the alleged violator and related personnel will be given the opportunity to state their case. Investigators are required to submit investigation reports within the designated due date; once approved by the authorized unit/personnel, the investigator will notify the whistleblower of the outcome, provided that the contact method is specified. Meanwhile, if, upon investigation, the Company finds that the case is a material contingency or legal violation, it will issue a report to the competent authority or judicial authority. From the moment a report of misconduct is received, any personnel involved or in possession of the details or identity of the person being reported or the whistleblower must maintain confidentiality over the information possessed, and refrain from revealing any data that could be used to identify the whistleblower, unless otherwise regulated by law or in situations where confidentiality is no longer required. Violators will be disciplined accordingly. The Company has established “Sexual Harassment Grievance, Investigation and Disciplinary Policy” and assembled a Sexual Harassment Grievance Committee to oversee sexual harassment	None

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons Thereof
	Yes	No	
(III) Has the Company provided proper whistleblower protection?	✓		complaints. Within 7 working days after receiving complaint, the lead committee member would assign committee members and relevant personnel to assemble a special panel team of at least 3 people (including a gender awareness professional from outside the organization) to conduct investigations. An investigation report is then prepared and submitted to the committee for review, and cases are closed within 2 months. All cases are handled by dedicated personnel in a confidential manner that conforms with rules to ensure credibility of the grievance channel. (III) According to the Company’s “Whistleblowing Policy,” the Company, subsidiaries and local/foreign offices shall protect whistleblowers from dismissal, relief of duty, demotion, salary reduction, loss of benefits, contracts or customary practices, or other adverse treatment because of their reports. Relevant personnel assisting in the investigation will be protect in accordance with the “Whistleblowing Policy”. None
IV. Strengthening Information Disclosure Has the Company disclosed its integrity principles and progress on its website and MOPS?	✓		Progress of the Company’s business integrity efforts have been disclosed in annual reports and on its website. Details of the “Codes of Insider Ethical Conduct,” “Ethical Corporate Management Best-Practice Principles” and “Business Integrity Procedures and Behavioral Guidelines” have also been made available on the Market Observation Post System and in the “Major Corporate Regulations” section of the Company’s website. None
V. If the Company has established “Ethical Corporate Management Best-Practice Principles” in accordance with “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies,” please described the current practices and any deviation from the principles: No major difference.			
VI. Additional important information that may assist in the understanding of ethical corporate management operations (e.g. the Company has reviewed and amended its own “Ethical Corporate Management Best-Practice Principles” (1) Led by the founder of Fubon Group, Mr. Wan-Tsai Tsai, Fubon has been growing in Taiwan for more than half a century, from an insurance company with 10 employees to the second largest financial group in Taiwan with one of the most comprehensive product lineups. Fubon’s growth relies on the three priorities of the founder, namely “Integrity, Diligence, Modesty.” The first priority, “Integrity,” has been part of the basic foundation of Fubon for more than six decades.			

Items of Evaluation	Implementation Status		Deviations from “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons Thereof
	Yes	No	
(II) The core values upheld by Fubon Financial Holding Co., Ltd. and its subsidiaries are “Integrity, Sincerity, Professionalism, and Innovation” (see https://www.fubon.com/financialholdings/about/business_philosophy.html). They are specifically defined as the following: “Integrity – Fubon upholds the law through the preservation of integrity and promotes business while fulfilling its corporate social responsibility.” “Sincerity – Fubon serves customers with sincerity and passion, and uses its best efforts to satisfy their needs.” “Professionalism – Fubon seeks excellence with professionalism, and provides high-quality services backed by corporate synergy.” “Innovation – Fubon always thinks out of the box, embraces challenges, researches and develops improvements, and creates great value for its customers.” (III) The Company considers “integrity” to be the primary value of the business and has therefore included it as part of the evaluation of the Board of Directors and members thereof, including the corporate core values and all employee performance evaluations, where personal goals include “internal audit/internal control indicators” to evaluate employee performance for “violations of internal audit/internal control, compliance and operational risk,” “annual compliance performance evaluation” and “annual audit.” The Company aims for sound ethical management in order to facilitate sustainable corporate development. (IV) In order to create an ethical management environment and fulfill CSR, the Company adopted the “Code of Ethical Conduct” in 2006 to regulate the ethical standards to be followed by directors and managers. In 2011, the Company adopted the “Ethical Corporate Management Best-Practice Principles” to govern the Company’s employees and subsidiaries and groups, as well as affiliated enterprises or organizations, which expressly state that before trading with others, the Company should consider suppliers’ or other trading counterparties’ record, and avoid trading with any person involved in unethical conduct; when executing contracts, the Company should also comply with the principles; where the trading counterparty is involved in unethical conduct, the Company may terminate or rescind the contract. Said Principles shall also be reported at shareholders’ meetings to signify the Company’s commitment to ethical management. (V) In response to domestic/foreign ethical management regulations, the Company not only has “Ethical Corporate Management Best-Practice Principles” in place, but has also established “Business Integrity Procedures and Behavioral Guidelines” that are constantly updated in line with prevailing laws, such as “Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies,” to address anti-corruption, anti-bribery, anti-monopoly, anti-trust, and prohibitions against political donations, inappropriate charitable donations or sponsorships, and insider trading. The Company also adopted disciplinary principles to deal with issues concerning conflict of interest, IPR and fair competition, which serve as guidelines to be followed by all employees.		Summaries	

2.3.10 Other information material to the understanding of corporate governance

- (1) Please visit the Company's website (<https://www.fubon.com/financialholdings/home/index.html>) or MOPS (<http://mops.twse.com.tw/mops/web/index>; Company code: 2881).
- (2) Material insider information procedures: The Company has published “Fubon Financial Holding Co., Ltd. Procedures for Handling Material Insider Information” on the intranet to outline the duty of confidentiality and procedures that directors, managers, employees and parties in possession of material inside information (whether through identity, job role, or controlling interests) must comply with. These procedures exist to prevent leakage and to ensure the consistency and correctness of the information disclosed.
- (3) The Company has published the “Fubon Financial Holding Co., Ltd. Insider and Employee Equity Management Policy” on its Intranet that outlines the reporting requirements, trading prohibitions, and allocation of short-term trade profits that insiders of the Company and subsidiaries must comply with.

2.3.11 Internal Control

(1) Internal Control System Statement

Fubon Financial Holding Co., Ltd. Internal Control System Statement

On behalf of Fubon Financial Holding Co., Ltd., we hereby declare that, between the period of January 1 and December 31, 2024, the Company duly implemented an internal control system and exercised risk management in accordance with the “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries”. These were inspected by an independent auditor that reported regularly to the Board of Directors and the Audit Committee. Following our assessment, we found all units within the Company were able to execute internal controls and compliance-related tasks during the year, except for those matters in the attachment. This statement forms an integral part of the Company's annual report and prospectus, and shall be made available to the public. Any misrepresentation or non-disclosure in the statement above is subject to the legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

To

Financial Supervisory Commission

Declarers

Chairman:



(Signature & seal)

President:



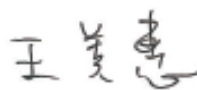
(Signature & seal)

Chief Auditor:



(Signature & seal)

Group Legal and Compliance
Officer:



(Signature & seal)

March 14, 2025

Fubon Financial Holding Co., Ltd.

Areas of Improvement and Rectification of the Internal Control System

(Record Date: December 31, 2024)

Areas of improvement required	Corrective Measures	Expected time of rectification
[Fubon Life] The following defects were found during Financial Supervisory Commission's (FSC) special inspection on the protection of elderly financial consumers: The subsidiary's "Internal Control System" requires the management to develop internal control standards in accordance with "Data Sharing Guidelines for Financial Institutions" and relevant laws, but the following deficiencies were found: 1. Prior to sharing data with stakeholders, the subsidiary did not perform an evaluation on the possible risks that may arise, the protection measures to take when sharing data, and whether the stakeholder is offered any terms that are more favorable compared to similar counterparties. Furthermore, the subsidiary did not develop or sign collaborative agreements with financial institutions with which it shares data. 2. There were instances where the subsidiary did not disclose the names of financial institutions that it shares data with for evaluating the suitability of life insurance products given customers' risk profiles and for tracking insurance applications. Furthermore, the policyholder's consent form did not fully disclose the list of data to be shared. FSC imposed a fine of NTS600,000 for the above on November 29, 2024.	The subsidiary has since evaluated the possible risks that may arise, the protection measures to take when sharing data, and whether the stakeholder is offered any terms that are more favorable compared to similar counterparties. A set of "Fubon Life Insurance Co, Ltd. and Fubon Securities Co., Ltd. Customer Insurance Policy Data Sharing Procedures" has also been established, and the two subsidiaries completed the signing of a data sharing agreement. The subsidiary has disclosed on the privacy policy webpage of its website the names of financial institutions to share data with, the purposes and scope of data sharing, the customer data protection measures taken, and matters that are relevant to customers' interests.	Improvements have been completed.
[Fubon Securities] 1. Taiwan Stock Exchange Corporation conducted an audit on the subsidiary's Nanking Branch	1. Disciplinary actions have been taken according to the disciplinary policy against the sales representative who	Improvements have been completed.

Areas of improvement required	Corrective Measures	Expected time of rectification
and found instances where sales representatives traded or subscribed securities on behalf of others, or had loan arrangements with customers. FSC issued an order of rectification and imposed a fine of NT\$300,000 for the above on May 28, 2024.	committed violation. 2. More rigorous training and awareness campaigns will be arranged for sales representatives.	
2. The following defects were found during Financial Examination Bureau's special inspection with respect to AML/ CFT, and anti-proliferation of arms: (1) With regard to the monitoring of high-risk customers, the subsidiary did not provide reasoning for the review outcome. (2) With regard to the review of suspicious transactions, the check for signs of insider trading did not take into consideration the insiders and material information that may be relevant to insider trading. (3) Parameters were inappropriately configured for system-assisted review of suspicious money laundering transactions. (4) With regard to control over online transactions, the subsidiary did not configure its information system to pick out trade instructions that are issued from the same IP to different branches. FSC issued an order of rectification and imposed a fine of NT\$500,000 for the above on June 27, 2024.	A program has been added to check transactions involving insiders of public companies (including high-risk customers). A program has been added to look for: trade instructions of the same IP and shares, trade instructions of the same address and shares, trade instructions of the same MAIL and shares, and share concentration. A program has been added to look for trade instructions of the same IP and shares. All above programs have been launched into production. Meanwhile, branches are being instructed to examine the data and evaluate whether to raise an official report or retain records of the checks performed.	Improvements have been completed.
3. The Financial Examination Bureau found the following defects during a general inspection on the Company: (1) With regard to the review of customers' trade limits and the acquisition of proof of wealth, the subsidiary did not duly control limits at the account level across	The subsidiary has implemented "Customer Account-level Credit Limit Control Guidelines" and "Brokerage Risk Control Policy and Level of Authority," and updated credit assessment for the	Improvements have been completed.

Areas of improvement required	Corrective Measures	Expected time of rectification
different branches. (2) With regard to credit assessment, the subsidiary did not update credit assessments on a yearly basis for customers that have been assigned a daily trade limit of NT\$10 million or higher. (3) Insider accounts were not clearly distinguished from accounts of other holders. (4) With regard to the reporting and profiling of stakeholders defined in Article 45 of the Financial Holding Company Act, one of the managers did not duly disclose the businesses in which the spouse has served as the person in charge. FSC issued an order of rectification and imposed a fine of NT\$300,000 for the above on October 14, 2024.	highlighted customers. Additionally, announcements were made with regard to the FSC's findings. The ordinary account mentioned in the finding was terminated, and a separate insider account was opened. Correction was made to the official filing.	
[Fubon Bank (Hong Kong)] 1. Key operational risk events (1) The policy of Fubon Bank (Hong Kong) states that, if the Fubon Business Online (FBO) account administrator and transaction approver are not concurrently the authorized signatory or beneficial owner of the customer, they are not considered persons purporting to act (PPTA) on behalf of the customer, and therefore no identity verification and name screening were performed on these individuals. (2) On December 28, 2023, Fubon Bank (Hong Kong) adopted the name screening logic of service partner – SAS for improved efficiency, but due to an error in extracting data, several names including customers' directors, shareholders, authorized signatories, and related parties were not extracted and submitted to the SAS system for daily name screening between December 28,	1. On September 7, 2024, the subsidiary uploaded the names of the FBO PPTA from case 1 and the omitted individuals from case 2 onto the SAS system so that name screening can be performed on a daily basis. The subsidiary has re-examined the account-opening documents of customers who were affected by the FBO PPTA rule, so that it may maintain records of FBO account administrator and transaction approver in the core system. 2. The subsidiary completed amendment of Prevention Money Laundering Guideline on December 5, 2024, and completed PPTA identification training for frontline employees in December. Later on December 31, 2024, the subsidiary completed amendment of IT Standard Operating Procedure, which states that all AML-related systems must complete Application Design Specification and data source checking. 3. Name screening was performed on the FBO account administrators, transaction	March 31, 2025 Improvements have been completed. March 31, 2025

Areas of improvement required	Corrective Measures	Expected time of rectification
2023 and September 6, 2024. Daily transaction monitoring was unaffected.	approvers, and related parties that were previously omitted in order to: (a) Determine if any of the names triggers an alert; and (b) Initiate in-depth review for the triggered alert.	
2. The 2022 Statement of Declaration for Internal Control System mentioned that the subsidiary had not monitored major transactions in the anti-money laundering transaction monitoring system (AMLTMS) for more than 3 years. Hong Kong Monetary Authority imposed a fine of HKD 4 million against the subsidiary on December 8, 2024.	Improvement measures and retrospective reviews have been completed as recommended by an independent third party. The independent third party conducted a review in November 2023 and mentioned no findings.	Improvements have been completed.

- (2) Those who entrusted CPA to conduct a special audit of the company's internal control systems shall disclose CPA's audit report

None.

2.3.12 Major Resolutions of Shareholders' Meetings and the Board of Directors for the most recent year up to the publication date of the annual report

(1) Significant shareholders' meeting resolutions: 2024

- a. Passed the Company's 2023 business report and financial statements.
Progress: Public notice has been made pursuant to laws and reported to the competent authority in writing.
- b. Passed the 2023 earnings appropriation proposal.
Progress: During the Company's 2024 Shareholders' Meetings, a resolution was passed to pay cash dividends at NT\$2.5 per common share for a total of NT\$32,537,433,108, and allocate stock dividends for the capitalization of capital reserves at NT\$0.5 per common share for a total of NT\$6,507,486,620; aggregate common share dividends were calculated at NT\$3.0 per share or NT\$39,044,919,728 in total. Class A preferred share dividends have been resolved at NT\$1,596,563,014 in total; Class B preferred share dividends have been resolved at NT\$1,439,985,600 in total; whereas Class C preferred share dividends have been resolved at NT\$599,994,000 in total. The cash dividend payment date has been set at Wednesday, August 21, 2024.
- c. Passed the proposal to issue new shares against capitalization of capital reserves.
Progress: Received approval from FSC, completed change of capital registration with the Ministry of Economic Affairs, and completed issuance of new shares.
- d. Passed the Company's long-term funding plan.
Progress: no long-term funding has been planned at the moment.
- e. Passed amendments to the Company's "Articles of Incorporation."
Progress: changes were later approved by and registered with the Ministry of Economic Affairs. The amended Articles of Incorporation has since been posted on the Company's website.
- f. Passed re-election for the Company's 9th Board of Directors.
Progress: The newly elected board was inaugurated on June 14, 2024 and serve from June 14, 2024 to June 8, 2026.
- g. Passed to remove non-compete restrictions on the Company's 9th Board of Directors.
Progress: a major announcement was made on June 14, 2024.

- (2) Significant board resolutions: 2024 and up until the publication date of annual report.
- a. 4th regular meeting of the 9th Board of Directors dated January 18, 2024
 - (a) Passed the date, venue, form, and details concerning acceptance of motions proposed for the 2024 annual general meeting.
 - (b) Passed amendments to the Information Security Policy of the Company and subsidiaries.
 - (c) Passed amendments to the Company's Whistleblower Policy.
 - (d) Passed amendments to the Company's Corporate Governance Code of Conduct.
 - (e) Passed amendments to the Company's Level of Authority and Appendix on Revision History."
 - (f) Passed appointment of directors for subsidiary – Fubon Bank (Hong Kong) Limited.
 - (g) Passed allocation of 2023 year-end bonus for senior managers of the Company and subsidiaries.
 - b. 5th regular meeting of the 9th Board of Directors dated March 14, 2024
 - (a) Passed election for the Company's 9th Vice Chairman.
 - (b) Passed the Company's 2023 business report.
 - (c) Passed the Company's 2023 financial statements.
 - (d) Passed assessment of independence for the Company's financial statement auditors, and appointment and compensation of financial statement auditors in 2024.
 - (e) Passed the issuance of the Company's 2023 "Statement of Declaration for Internal Control System."
 - (f) Passed the outcomes of the Company's 2023 Board of Directors performance evaluation.
 - (g) Passed change of chairman for Fubon Hyundai Life Insurance Co., Ltd., an investee of subsidiary – Fubon Life Insurance Co., Ltd.
 - (h) Passed the proposal to amend "Fubon Insurance Co., Ltd. Supervisory Policy for Insurance-related Businesses in Mainland China and Foreign Countries" for subsidiary – Fubon Insurance Co., Ltd.
 - (i) Passed amendments to the Company's Rules Governing the Procedures for Shareholders' Meetings.
 - (j) Passed amendments to the Company's Board of Directors Conference Rules.
 - (k) Passed amendments to the Company's Directors Ongoing Education Policy.
 - (l) Passed amendments to the Company's Audit Committee Charter.
 - (m) Passed the reappointment of directors for subsidiary – Fubon Insurance Agency Co., Ltd.
 - (n) Passed personnel arrangements.
 - (o) Passed allocation of 2023 employee remuneration.
 - (p) Passed allocation of 2023 additional bonus for senior managers of the Company.
 - (q) Passed fixed compensation for Directors of the Company.
 - (r) Passed fixed compensation for subsidiaries' senior managers.
 - (s) Passed 2023 remuneration for directors of the Company and allocation standards.
 - (t) Passed the proposal to continue lease of right-of-use assets, namely 1F and 2F of Fubon Neihu Building, from Fubon No. 2 Real Estate Investment Trust.
 - c. 3rd extraordinary meeting of the 9th Board of Directors dated April 12, 2024

Passed by-election for the 9th board of independent directors and announced the time for accepting candidate nominations.
 - d. 6th regular meeting of the 9th Board of Directors dated April 25, 2024
 - (a) Passed adjustment of members of the Company's Operational Committee.
 - (b) Passed the Company's 2023 earnings appropriation.
 - (c) Passed the proposal to issue new shares against capitalization of capital reserves.
 - (d) Passed the Company's long-term funding plan.
 - (e) Passed issuance of Unsecured Corporate Bonds.
 - (f) Passed shareholders' meeting report on the issuance of NT\$19.7 billion unsecured ordinary corporate bonds.
 - (g) Passed amendments to the Company's Short-term Capital Utilization and Funding Policy.

- (h) Passed amendments to the Company's organizational chart and Level of Authority.
- (i) Passed nomination for the 9th board of independent directors and review of eligibility.
- (j) Passed agenda for the Company's 2024 Shareholders' Meetings and details concerning use of video conference for Shareholders' Meeting.
- (k) Passed personnel arrangement within the Company.
- (l) Passed reappointment of directors for subsidiary – Fubon Securities Co., Ltd.
- (m) Passed reappointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd.
- (n) Passed nomination of directors for subsidiary – Fubon Bank (China) Co., Ltd.
- (o) Passed to remove non-compete restrictions on the Company's 9th board of directors.
- (p) Passed proposal to have the Company discontinue lease of partial floor area on 8F of Fubon Life Building with Fubon No. 1 Real Estate Investment Trust, and to dispose of real estate right-of-use.
- (q) Passed adjustment of 2024 fixed compensation for senior managers of the Company and subsidiaries.
- e. 7th regular meeting of the 9th Board of Directors dated May 22, 2024
 - (a) Passed 2024 first-quarter financial statements of the Company.
 - (b) Passed the Company's 2023 sustainability report.
 - (c) Passed change of chairman for Fubon Reinsurance Labuan Co., Ltd., an investee of subsidiary – Fubon Insurance Co., Ltd.
 - (d) Passed personnel arrangement within the Company.
 - (e) Passed reappointment of directors for subsidiary – Fubon Life Insurance Co, Ltd.
 - (f) Passed appointment of person of acting duty and order of acting duty for the Chairman, in the event that the Chairman is required to recuse from duty due to conflicting interest.
- f. 8th regular meeting of the 9th Board of Directors dated June 14, 2024
 - (a) Passed appointment of members for the Company's "Remuneration and Nomination Committee" and "Corporate Governance and Sustainability Committee."
 - (b) Passed appointment of independent directors for subsidiary – Taipei Fubon Commercial Bank Co., Ltd.
- g. 9th regular meeting of the 9th Board of Directors dated August 22, 2024
 - (a) Passed the Company's 2024 first-half financial statements.
 - (b) Passed the proposal to authorize the Company's Chairman for determining the baseline date of new shares issued against capitalized reserves.
 - (c) Passed the proposal to amend Management Guidelines on Foreign Insurance-related Businesses for subsidiary – Fubon Life Insurance Co., Ltd.
 - (d) Passed amendments to Consultant Management Policy of the Company and subsidiaries.
 - (e) Passed amendments to the Company's Directors' Remuneration Policy.
 - (f) Passed appointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd.
 - (g) Passed re-election and appointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd. at the end of term.
 - (h) Passed proposal to have Fubon Bank (Hong Kong) Limited subscribe to the cash issue of its subsidiary – Fubon Credit (Hong Kong) Limited.
- h. 10th regular meeting of the 9th Board of Directors dated November 21, 2024
 - (a) Passed 2024 Q3 financial statements of the Company.
 - (b) Passed establishment of the Company's 2025 Board of Directors meeting schedules.
 - (c) Passed establishment of the Company's 2025 audit work plan.
 - (d) Passed amendments to the AML and CFT policies of the Company and subsidiaries.
 - (e) Passed amendments to the Company's organizational chart, Articles of Association, Level of Authority, Audit Committee Charter, Risk Management Committee Articles of Incorporation, and risk management policies of the Company and subsidiaries; passed amendments of the "Internal Control System" to incorporate sustainability information management as required by laws.

- (f) Passed amendments to Artwork Management Policy of the Company and subsidiaries.
- (g) Passed reappointment of directors for subsidiary – Fubon Asset Management Co., Ltd.
- (h) Passed reappointment of directors for subsidiary – Fubon Financial Holding Venture Capital Co., Ltd.
- (i) Passed reappointment of directors for subsidiary – Fubon AMC, Ltd.
- (j) Passed fixed compensation for subsidiaries' senior managers.
- (k) Passed the proposal to have the Company represent 100% directly and indirectly owned domestic subsidiaries in procurements.
- i. 11th regular meeting of the 9th Board of Directors dated December 26, 2024
 - (a) Passed adjustment of members of the Company's Operational Committee.
 - (b) Passed the Company's 2025 budgets and operating plans.
 - (c) Passed the proposal to apply for short-term financing and guarantee-waiver commercial paper limits.
 - (d) Passed amendments to Principles on Chairman's Duties and Policy on Leave of Absence and Acting Duty for the Company and subsidiaries.
 - (e) Passed amendments to the Company's Work Rules.
 - (f) Passed amendments to the Company's organizational chart, Articles of Association, and Level of Authority.
 - (g) Passed personnel arrangement within the Company.
 - (h) Passed fixed compensation for subsidiaries' senior managers.
- j. 12th regular meeting of the 9th Board of Directors dated January 16, 2025
 - (a) Passed the date, venue, form, and details concerning acceptance of motions proposed for the 2025 annual general meeting.
 - (b) Passed amendments to the Company's Corporate Governance Code of Conduct.
 - (c) Passed personnel arrangement within the Company.
 - (d) Passed appointment of directors for subsidiary – Fubon Bank (Hong Kong) Limited.
 - (e) Passed allocation of 2024 year-end bonus for senior managers of the Company and subsidiaries.

2.3.13 Documented opinions or declarations made by directors (including independent directors) against the board's resolutions for the most recent year up to the publication date of the annual report

None.

2.4 Information on audit fees

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
KPMG	Lee Feng-Hui Wu Lin	2024.01.01 ~ 2024.12.31	10,412	3,504	13,916	Non-audit fees included: Tax service 、tax return compliance audit 、IFRS 17 consulting service fee and review opinion, etc.

Note : If there is any change of CPA or accounting firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column and disclose sequentially the audit and non-audit fees paid.

- (1) Replacement of accounting firm and the auditing fee for the replacement year decreases from the previous year which requires mandatory disclosure of the auditing fees of the two years and provision of reasons: None.
- (2) Any reduction in audit fees by more than 10% compared to the previous year; state the amount, the percentage and reason of such variation: None.

2.5 Change of certified public accountant

None.

2.6 The Company's Chairman, President, or managers in charge of finance or accounting affairs being employed by the accounting firm of its certified public accountant or affiliated enterprise of such accounting firm within the last year

None.

2.7 Transfer or pledge of shares owned by directors, managers, and all parties subject to reporting under Article 11 of the Regulations Governing the Ownership of Financial Holding Company By Single Individuals or Stakeholders for the most recent year up to the publication date of the annual report.

(1) Transfer and pledge of shares owned by directors:

February 28, 2025

Unit: share

Title	Name	2024		Year-to-date as at February 28	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Director (Chairman)	Richard M. Tsai	20,523,666	-	-	-
Director (Vice Chairman)	Ming-Chung Tseng (Note2)	-	-	-	-
Director	Daniel M. Tsai	14,110,655	-	-	-
Director	Ming Dong Co., Ltd.	54,255,042	-	-	-
Representative of corporate director	Jerry Harn	165,444	-	-	-
Representative of corporate director	Howard Lin	17,642	-	-	-
Representative of corporate director	Chris Tsai	950,494	-	-	-
Director	Taipei City Government	85,044,983	-	-	-
Representative of corporate director	Hsiao-Lan Hu	-	-	-	-
Representative of corporate director	Tang-Kai Lien	-	-	-	-
Representative of corporate director	Wen-Shu Su (Note2)	-	-	-	-
Independent Director	Shin-Min Chen	-	-	-	-
Independent Director	Shu-Hsing Li	-	-	-	-
Independent Director	Li-Chuan Wang (Note2)	-	-	-	-
Independent Director	Paulus Siu-Hung Mok	-	-	-	-
Independent Director	Barry Chen	-	-	-	-
Independent Director	Kuang Shih Yeh	627	-	-	-

Note 1: use “-” to denote no change.

Note 2: Corporate shareholder - Ming Dong Co., Ltd. reappointed Director Ming-Chung Tseng as its representative, who succeeded Mr. Chin-Chuan Hsu in director duties from March 14, 2024. Director Ming-Chung Tseng was also elected Vice Chairman of the Company during the Board of Directors meeting held on that day. Corporate shareholder director's representative of Taipei City Government, Ruey-Cherng Cheng resigned on December 16, 2024. Corporate shareholder - Taipei City Government reappointed Director Wen-Shu Su as its representative on January 16, 2025. Independent Director Alan

Wang resigned on April 25, 2024. Ms. Li-Chuan Wang was by-elected as an Independent Director of the Company by the shareholders' meeting on June 14, 2024.

(2) Transfer and pledge of shares owned by managers:

February 28, 2025

Unit: share

Title	Name	2024		Year-to-date as at February 28	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
President	Jerry Harn	165,444	-	-	-
Senior Executive VP	Wey-Chyng Yang	18,260	-	-	-
Senior Executive VP	Chung-Ping Liu	-57,014	-	-	-
Senior Executive VP	Chin-Yi, Liu	6,585	-	-	-
Senior Executive VP	Wei Lo	3,822	-	-	-
Executive VP	Jerry Hsu	4,398	-	-	-
Executive VP	Ching-Chin Wang	-	-	-	-
Executive VP	Ching-Wei, Su	2,438	-	-	-
Executive VP	Chin-Wen Lo	3,129	-	-	-
Executive VP	Vincent Dern	3,052	-	-	-
Managing Director	Wen-Yen Chen	1,754	-	-	-
Executive VP	Cindy Lin	2,910	-	-	-
Executive VP	Paohsiu Su	-	-	-	-
Executive VP	Tony Chen	13,385	-	-	-
Executive VP	Emily Wang	2,680	-	-	-
Executive VP	Ying-Ho Hsieh	3,042	-	-	-
Executive VP	Peiling Tsai	82	-	-	-
Executive VP	Ming Ju Tsai	1,790	-	-	-
Senior VP	Douglas Tsai	6,436,476	-	-	-
Senior VP	Ching Hui Lin	330	-	-	-

Note 1: use “-” to denote no change.

Note 2: The transfer and pledge of shares owned by directors beginning the election (job reporting) date were filled out.

(3) Transfer or pledge of shares owned by all parties subject to reporting under Article 11 of the Regulations Governing the Ownership of Financial Holding Company By Single Individuals or Stakeholders:

February 28, 2025

Unit: share

Title	Name	2024		Year-to-date as at February 28	
		Increase (Decrease) in current holding	Increase (Decrease) in shares collateralized	Increase (Decrease) in current holding	Increase (Decrease) in shares collateralized
Shareholder with 10% or higher ownership interest	Taipei City Government	85,044.983	-	-	-
Individual party or aggregate related parties	Richard M. Tsai	20,523.666	-	-	-
Individual party or aggregate related parties	Mei-Hui Tsai Ueng	1,849.139	-	-	-
Individual party or aggregate related parties	Daniel M. Tsai	14,110.655	-	-	-
Individual party or aggregate related parties	Ai-Lin Tsai Chen	1,785.427	-	-	-
Individual party or aggregate related parties	Shiang-Shun Tsai Yang	7,299.436	-	-	-
Individual party or aggregate related parties	Ming-Wen Tsai	3,564.076	-	-	-
Individual party or aggregate related parties	Ming-Tswn Tsai	3,478.454	-	-	-
Individual party or aggregate related parties	Douglas Tsai	6,436.476	-	-	-
Individual party or aggregate related parties	Fubon Shing Chi Investment Co., Ltd.	630.574	-	-	-
Individual party or aggregate related parties	Dao Chi Co., Ltd.	1,480.996	-	-	-
Individual party or aggregate related parties	Fu Chi Investment Co., Ltd.	1,823.928	-	-	-
Individual party or aggregate related parties	Ru Chi Investment Co., Ltd.	991.559	-	-	-
Individual party or aggregate related parties	Dao Chi Investment Co., Ltd.	849.621	-	-	-
Individual party or aggregate related parties	Ming Dong Co., Ltd.	54,255.042	-	-	-
Individual party or aggregate related parties	Dao Ying Co., Ltd.	49,606.179	-	-	-

Title	Name	2024		Year-to-date as at February 28	
		Increase (Decrease) in current holding	Increase (Decrease) in shares collateralized	Increase (Decrease) in current holding	Increase (Decrease) in shares collateralized
Individual party or aggregate related parties	Chung Shing Development Co., Ltd.	9,139.373	-	-	-
Individual party or aggregate related parties	Hung Fu Investment Co., Ltd.	16,886.630	-	-	-
Individual party or aggregate related parties	Immanuel Investment Ltd.	950.494	-	-	-

Note 1: use “-” to denote no change.

Note 2: Refer to the number of common shares.

(4) Disclosure of share transfer or collateralization where the counterpart is a related party: None.

2.8 Relationships among the top ten shareholders, including spouses and second degree relatives or closer

April 15, 2025

Unit: share; %

Name (Note)	Current shareholdings		Shares held by spouse and underage children		Shares held in the names of others		Spouse, relatives of second degree or closer, and relationships among top 10 shareholders		Remarks
	Shares held	Ratio of shareholding Percentage	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Name	Relation	
Taipei City Government Representative: Wan-An Chiang	1,785,944,652	13.07%	0	0	0	0	None	None	
Ming Dong Co., Ltd. Representative: Daniel M. Tsai	1,139,355,888	8.34%	0	0	0	0	Richard M. Tsai Ming-Tswn Tsai	Brother Brother and Sister	
Dao Ying Co., Ltd. Representative: Daniel M. Tsai	1,041,729,764	7.62%	0	0	0	0	Richard M. Tsai Ming-Tswn Tsai	Brother Brother and Sister	
Richard M. Tsai	430,997,004	3.15%	38,831,925	0.28%	0	0	Daniel M. Tsai Ming-Tswn Tsai	Brother Brother and Sister	
Daniel M. Tsai	396,573,760	2.90%	37,493,971	0.27%	0	0	Richard M. Tsai Ming-Tswn Tsai	Brother Brother and Sister	
Hung Fu Investment Co., Ltd. Representative: Ming-Tswn Tsai	354,619,245	2.59%	0	0	0	0	Daniel M. Tsai Richard M. Tsai	Brother and Sister Brother and Sister	
New Labor Pension Fund	320,364,841	2.34%	0	0	0	0	None	None	
Hope Fine investments Ltd. Representative: Chen Hai Lin	312,613,430	2.29%	0	0	0	0	None	None	
Citigroup Taiwan is entrusted with the custody of the Singapore government investment account	194,543,970	1.42%	0	0	0	0	None	None	
Chung Shing Development Co., Ltd. Representative: Daniel M. Tsai	191,926,844	1.40%	0	0	0	0	Richard M. Tsai Ming-Tswn Tsai	Brother Brother and Sister	

Note 1: 100,000,000 shares of the total number of shares held by Daniel M. Tsai have been entrusted for purposes yet to be determined.

Note 2: Calculated based on common shares held as of the latest book closure date (2025.04.15).

2.9 Shares jointly held by the Company, subsidiaries, the Company's directors, managers, and directly/indirectly controlled entities on any single investee. Calculate shareholding percentage in aggregate of the above parties

December 31, 2024

Unit: thousand shares; %

Invested businesses	Held by the Company		Held by Directors, Supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
Fubon Life Insurance Co., Ltd.	11,842,045	100	0	0	11,842,045	100
Taipei Fubon Commercial Bank Co., Ltd.	14,327,096	100	0	0	14,327,096	100
Fubon Securities Co., Ltd.	1,625,855	100	0	0	1,625,855	100
Fubon Insurance Co., Ltd.	300,000	100	0	0	300,000	100
Fubon Bank (Hong Kong) Limited (Note)	1,641,273	100	0	0	1,641,273	100
Fubon Asset Management Co., Ltd.	271,009	100	0	0	271,009	100
Fubon Financial Holding Venture Capital Co., Ltd.	679,019	53.8	583,201	46.2	1,262,220	100
Fubon AMC, Ltd.	250,000	100	0	0	250,000	100
Fubon Insurance Agency Co., Ltd.	11,105	100	0	0	11,105	100
Fubon Life Insurance (Vietnam) Co., Ltd.	0	0	NA	100	NA	100
Carter Lane (Guernsey) Limited	0	0	84,845	100	84,845	100
Bow Bells House (Jersey) Ltd.	0	0	208,081	100	208,081	100
Fubon Life Insurance (Hong Kong) Company Limited	0	0	3,275,000	100	3,275,000	100
Fubon MTL Property (Jersey) Limited	0	0	92,581	100	92,581	100
Fubon Ellipse (Belgium) S.A.	0	0	7,979	100	7,979	100
Fubon Eurotower (Luxembourg) S.à r.l.	0	0	220	100	220	100
Fubon Hyundai Life Insurance Co., Ltd.	0	0	253,834	83.22	253,834	83.22
Fubon Green Power Co., Ltd.	0	0	300,100	75.01	300,100	75.01
Li Tong Management Consultant Co., Ltd.	0	0	129,200	100	129,200	100
Fubon Bank (China) Co., Ltd.	NA	42.08	NA	57.92	NA	100
TFB Capital Co., Ltd.	0	0	206,856	100	206,856	100
Fubon Insurance Vietnam Co., Ltd.	0	0	NA	100	NA	100
Fubon Insurance Broker (Thailand) Co., Ltd.	0	0	49	48.97	49	48.97
Fubon Insurance Broker (Philippines) Co., Ltd.	0	0	200	99.99	200	99.99
Fubon Reinsurance Labuan Co., Ltd.	0	0	3,000	100	3,000	100
Fubon Property & Casualty Insurance Co., Ltd.	0	0	NA	80	NA	80
Fubon Futures Co., Ltd.	0	0	260,000	100	260,000	100
Fubon Securities Investment Services Co., Ltd.	0	0	9,000	100	9,000	100
Fubon Securities (Hong Kong) Limited	0	0	220,248	100	220,248	100
Fubon Securities Venture Capital Co., Ltd.	0	0	30,000	100	30,000	100
Fubon Mintou Venture Capital Co., Ltd.	0	0	13,400	67	13,400	67
JS CRESVALE Securities International Limited	0	0	96,000	100	96,000	100
JS CRESVALE Capital Limited	0	0	2,000	100	2,000	100
Fubon Credit (Hong Kong) Limited	0	0	145,000	100	145,000	100
Fubon Securities (Hong Kong) Limited	0	0	8,000	100	8,000	100

Invested businesses	Held by the Company		Held by Directors, Supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Shares held	Shareholding percentage	Shares held	Shareholding percentage	Shares held	Shareholding percentage
Fubon Nominees (Hong Kong) Ltd.	0	0	NA	100	NA	100
Fubon Insurance Brokers Limited	0	0	500	100	500	100
Fubon Fund Management (Hong Kong) Limited	0	0	1,360	100	1,360	100
Fubon Private Equity Co., Ltd.	0	0	8,000	100	8,000	100
Fubon Digital Music Asset Management Co., Ltd.	0	0	255	51	255	51
Fubon Digital Music GP Limited	0	0	110	100	110	100
Fubon Sports & Entertainment Co., Ltd.	0	0	10,227	100	10,227	100
Fubon Stadium Co., Ltd.	0	0	5,841	100	5,841	100

Note: Fubon Bank (HK) includes those of its major subsidiaries.

3. Funding

3.1 Capital and shares

3.1.1 Source of capital

Unit: thousand share; NT\$ thousand

Year/Month	Issuance price	Authorized capital		Paid in Capital		Remarks	
		Shares held	Amount	Shares held	Amount	Source of share capital	Others
December 2001	\$10	12,000,000	120,000,000	5,464,985	54,649,852	Incorporated via share conversion	
August 2002	\$10	-	-	5,612,147	56,121,475	Note 1	
December 2002	\$10	-	-	8,291,437	82,914,373	Note 2	
January 2003	\$10	-	-	8,254,119	82,541,193	Note 3	
May 2005	\$10	-	-	8,065,297	80,652,974	Note 4	
March 2006	\$10	-	-	7,719,093	77,190,934	Note 5	
February 2009	\$10	-	-	8,125,362	81,253,616	Note 6	
November 2009	\$10	-	-	8,126,187	81,261,866	Note 7	
March 2010	\$10	-	-	8,132,940	81,329,401	Note 8	
June 2010	\$10	-	-	8,138,552	81,385,520	Note 9	
August 2010	\$10	-	-	8,545,482	85,454,819	Note 10	
September 2010	\$10	-	-	8,546,725	85,467,249	Note 11	
November 2010	\$10	-	-	8,558,366	85,583,664	Note 12	
March 2011	\$10	-	-	8,564,039	85,640,394	Note 13	
May 2011	\$10	-	-	8,575,441	85,754,416	Note 14	
September 2011	\$10	-	-	9,004,025	90,040,257	Note 15	
September 2011	\$10	-	-	9,006,269	90,062,692	Note 16	
December 2011	\$10	-	-	9,013,737	90,137,379	Note 17	
March 2012	\$10	-	-	9,024,246	90,242,469	Note 18	
June 2012	\$10	-	-	9,044,706	90,447,067	Note 19	
June 2012	\$10	15,000,000	150,000,000	9,044,706	90,447,067	Articles of Incorporation amended	
August 2012	\$10	-	-	9,497,598	94,975,989	Note 20	
September 2012	\$10	-	-	9,517,154	95,171,547	Note 21	
November 2012	\$10	-	-	9,526,915	95,269,157	Note 22	
March 2013	\$10	-	-	9,535,165	95,351,652	Note 23	
August 2013	USD\$ 1.217	-	-	10,233,604	102,336,040	Note 24	

Year/Month	Issuance price	Authorized capital		Paid in Capital		Remarks	
		Shares held	Amount	Shares held	Amount	Source of share capital	Others
May 2016	\$60	-	-	10,833,604	108,336,040	Note 25	
April 2018	\$60	-	-	11,500,264	115,002,640	Note 26	
October 2021	\$10	-	-	12,523,624	125,236,244	Note 27	
November 2021	common shares \$58.9; preferred shares \$60	-	-	13,404,954	134,049,544	Note 28	
October 2022	\$10	-	-	13,995,203	139,952,026	Note 29	
July 2023	\$10	20,000,000	200,000,000	13,995,203	139,952,026	Articles of Incorporation amended	
October 2023	\$10	-	-	14,614,963	146,149,632	Note 30	
October 2024	\$10	-	-	15,265,712	152,657,119	Note 31	

Note 1: Approval sought from Letter No. (91)-Tai-Tsai-Cheng-(1)-0910146203 dated August 21, 2002 to issue 147,162 thousand new shares to be exchanged for the acquisition of Fubon Securities Investment.

Note 2: Approval sought from Letter No. (91)-Tai-Tsai-Cheng-(1)-0910164858 dated December 6, 2002 to issue 2,679,290 thousand new shares to be exchanged for the acquisition of Taipei Bank.

Note 3: Approval sought from Letter No. Jing-Shou-Shang-09201031230 dated January 30, 2003 to retire 37,318 thousand outstanding shares.

Note 4: Approval sought from Letter No. Jing-Shou-Shang-09401090710 dated May 23, 2005 to retire 188,822 thousand outstanding shares.

Note 5: Approval sought from Letter No. Jing-Shou-Shang-09501056890 dated March 31, 2006 to retire 346,204 thousand outstanding shares.

Note 6: Approval sought from Letter No. Jin-Guan-Zheng-1-0980001832 dated February 5, 2009 to issue 406,268 new shares to be exchanged for the acquisition of ING Life Insurance Co., Ltd.

Note 7: Approval sought from Letter No. Jing-Shou-Shang-09801266250 dated November 18, 2009 to convert 825 thousand common shares from the exercise of employee warrant.

Note 8: Approval sought from Letter No. Jing-Shou-Shang-09901041060 dated March 5, 2010 to convert 6,753.5 thousand common shares from the exercise of employee warrant.

Note 9: Approval sought from Letter No. Jing-Shou-Shang-0901113780 dated June 3, 2010 to convert 5,612 thousand common shares from the exercise of employee warrant.

Note 10: Approval sought from Letter No. Jin-Guan-Zheng-1-09901198240 dated August 30, 2010 to issue 406,930 thousand new shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-09901198240 dated September 2, 2010 to update registered capital.

Note 11: Approval sought from Letter No. Jing-Shou-Shang-09901208520 dated September 16, 2010 to convert 1,243 thousand common shares from the exercise of employee warrant.

Note 12: Approval sought from Letter No. Jing-Shou-Shang-09901266900 dated November 30, 2010 to convert 11,641.5 thousand common shares from the exercise of employee warrant.

Note 13: Approval sought from Letter No. Jing-Shou-Shang-10001043040 dated March 4, 2011 to convert 5,673 thousand common shares from the exercise of employee warrant.

Note 14: Approval sought from Letter No. Jing-Shou-Shang-10001108190 dated May 26, 2011 to convert 11,402.25 thousand common shares from the exercise of employee warrant.

- Note 15: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1000032789 dated July 22, 2011 to issue 428,584 thousand new shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-10001204930 dated September 9, 2011 to update registered capital.
- Note 16: Approval sought from Letter No. Jing-Shou-Shang-10001214970 dated September 15, 2011 to convert 2,243.5 thousand common shares from the exercise of employee warrant.
- Note 17: Approval sought from Letter No. Jing-Shou-Shang-10001274600 dated December 5, 2011 to convert 7,468.75 thousand common shares from the exercise of employee warrant.
- Note 18: Approval sought from Letter No. Jing-Shou-Shang-10101035120 dated March 2, 2012 to convert 10,509 thousand common shares from the exercise of employee warrant.
- Note 19: Approval sought from Letter No. Jing-Shou-Shang-10101099620 dated June 4, 2012 to convert 20,459.75 thousand common shares from the exercise of employee warrant.
- Note 20: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1010030742 dated July 18, 2012 to issue 452,892 thousand new shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-10101177550 dated August 29, 2012 to update registered capital.
- Note 21: Approval sought from Letter No. Jing-Shou-Shang-10101189160 dated September 11, 2012 to convert 19,557.5 thousand common shares from the exercise of employee warrant.
- Note 22: Approval sought from Letter No. Jing-Shou-Shang-10101247370 dated November 30, 2012 to convert 9,761 thousand common shares from the exercise of employee warrant.
- Note 23: Approval sought from Letter No. Jing-Shou-Shang-10201044480 dated March 12, 2013 to convert 8,249.5 thousand common shares from the exercise of employee warrant.
- Note 24: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1020016981 dated May 17, 2013 to issue 698,438.8 thousand new shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-10201148630 dated August 12, 2013 to update registered capital.
- Note 25: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1050006682 dated March 8, 2016 to issue 600,000 thousand preferred shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-10501087100 dated May 2, 2016 to update registered capital.
- Note 26: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1060051435 dated January 17, 2018 to issue 666,660 thousand preferred shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-10701033520 dated April 9, 2018 to update registered capital.
- Note 27: Obtained the effective registration from the FSC dated August 19, 2021 to issue 1,023,360 thousand new shares against capitalized capital reserves. Approval sought from Letter No. Jing-Shou-Shang-11001180710 dated October 13, 2021 to update registered capital.
- Note 28: Approval sought from Letter No. Jin-Guan-Zheng-Fa-1100350141 dated August 2, 2021 to issue 548,000 thousand common shares and 333,330 thousand preferred shares against capitalized retained earnings. Approval sought from Letter No. Jing-Shou-Shang-11001208850 dated November 29, 2021 to update registered capital.
- Note 29: Obtained the effective registration from the FSC dated September 6, 2022 to issue 590,248 thousand new shares against capitalized capital reserves. Approval sought from Letter No. Jing-Shou-Shang-11101194350 dated October 19, 2022 to update registered capital.
- Note 30: Obtained the effective registration from the FSC dated August 18, 2023 to issue 619,761 thousand new shares against capitalized capital reserves. Approval sought from Letter No. Jing-Shou-Shang-11230186820 dated October 3, 2023 to update registered capital.
- Note 31: Obtained the effective registration from the FSC dated August 22, 2024 to issue 650,749 thousand new shares against capitalized capital reserves. Approval sought from Letter No. Jing-Shou-Shang-11330176690 dated October 7, 2024 to update registered capital.

Unit:share

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued Shares	Total	
Common Shares	13,665,721,905	4,734,288,095	20,000,000,000	Public-listed shares
Preferred shares	1,599,990,000			

3.1.2 List of major shareholders

April 15, 2025

Unit: share; %

Name of shareholder	Shareholding position	
	Shareholding (Shares)	Percentage (%)
Taipei City Government	1,785,944,652	13.07%
Ming Dong Co., Ltd.	1,139,355,888	8.34%
Dao Ying Co., Ltd.	1,041,729,764	7.62%
Richard M. Tsai	430,997,004	3.15%
Daniel M. Tsai	396,573,760	2.90%
Hung Fu Investment Co., Ltd.	354,619,245	2.59%
New Labor Pension Fund	320,364,841	2.34%
Hope Fine Investments Ltd.	312,613,430	2.29%
Citigroup Taiwan is entrusted with the custody of the Singapore government investment account	194,543,970	1.42%
Chung Shing Development Co., Ltd.	191,926,844	1.40%

Note 1: 100,000,000 shares of the total number of shares held by Daniel M. Tsai have been entrusted for purposes yet to be determined.

Note2: The Table discloses shareholders ranking top 10 in percentage of common shares held.

3.1.3 Dividend policy and implementation

(1) Dividend policy

If after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the legal reserve in accordance with laws and regulations and appropriate the special reserve in accordance with laws and regulations or in light of practical need, and may distribute Preferred Share dividends. If the balance (distributable profits for the current year), together with the undistributed earnings in the previous year and the reversals of special reserves prescribed by laws, are available for distribution, the Board shall present a proposal on the allocation of profits as Preferred Share dividends and Common Share dividends, or retention at a Shareholders' meeting for resolution.

The Company will distribute dividends according to the principle of stability and balance taking into account shareholders' profits, accumulation of the Company's capital and impact on the company's operations. The distribution of dividends for Common Shares shall not be less than 20% of the distributable profits for the current year (the distributable profits for the current year, after the accumulated losses have been covered, shall exclude the legal reserves, special reserves, Preferred Share dividends, the undistributed profits in the previous years and the reversals of special reserves prescribed by laws). And, pursuant to the Company's operation planning, stock dividends may be declared to reserve for necessary funds, and the remainder may be distributed in cash, provided that cash dividend shall not be less than 10% of the total dividend.

The stock dividend policy set forth above is a general principle guideline. The Company may decide upon the most appropriate dividend policy taking into account the actual operating condition of the current year and capital budgeting for the following year.

Subject to practical need, the principles of distribution of dividends may be adjusted by resolution at a Shareholders' meeting.

(2) Execution: Dividends proposed for the upcoming shareholder meeting

a. The Company's 2024 earnings distribution plan is proposed as follows:

- (a) Cash dividend for Common Share: cash dividend of NT\$58,079,318,096, with another stock dividend of NT\$3,416,430,470 to be distributed from capital surplus, the total amount of distribution will be NT\$61,495,748,566. The shareholders on the shareholder register as of record date shall be distributed pro rata for cash dividend of NT\$4.25 per share and stock dividend of NT\$0.25 per share, the total amount of distribution will be NT\$4.5 per share. The distribution of stock dividend from capital surplus will be separately proposed for discussion.
- (b) Dividend for Preferred Shares A : NT\$1,649,250,000, distributed pro rata to the shareholders on the shareholder register as of the record date.
- (c) Dividend for Preferred Shares B : NT\$1,439,985,600, distributed pro rata to the shareholders on the shareholder register as of the record date.
- (d) Dividend for Preferred Shares C : NT\$599,994,000, distributed pro rata to the shareholders on the shareholder register as of the record date.
- (e) Cash dividend on Common Shares and Preferred Shares allocated to individual shareholders will be rounded down to the nearest whole number. The fractional balance of all dividends less than NT\$1 will be summed up and recognized as other income of the Company. If the number of issued and outstanding Common Shares of the Company subsequently changes due to share repurchase, share transfer, share conversion, share cancellation, capital increase, or other reasons, the dividend payout ratio may be adjusted pursuant to actual number of the outstanding shares on the record date, based on the total dividends distributed to each share as resolved in the Annual General Meeting.

- (f) Once resolved in the Annual General Meeting, the Chairman is authorized to determine matters related to the cash dividend such as setting the record date. The Board of Directors is authorized to determine matters related to the stock dividend such as setting the record date.
- b. It is proposed that the Company issue new shares out of its capital reserve in the amount of NT\$3,416,430,470, with 25 bonus shares to be allocated for every 1,000 shares issued from the capital reserve of additional paid-in capital. Shareholders can request to consolidate fractional shares with the Company's shareholder service agent within the period of five days from the share transfer suspension date. In the event that fractional shares are not consolidated within such time period, or where consolidation produces a fraction of less than one share, then such fractional shares will be converted to cash rounded to the nearest NT\$ dollar in accordance with its par value and distributed to the shareholder. The Board of Directors shall authorize the Chairman to solicit specified persons to subscribe for accumulated fractional shares at a subscription price equal to par value. If the number of issued and outstanding shares of the Company subsequently changes due to share repurchase, share transfer, share conversion, share cancellation or other reasons, it is proposed that the Board of Directors shall be authorized to adjust the terms of this capital increase based on the actual number of outstanding shares on the record date, and to handle any related adjustments, revisions and/or amendments to the issuance therefor.

3.1.4 Impact of proposed stock dividend on the Company's business performance and earnings per share

In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies” and “Taiwan Stock Exchange Corporation Standards for Determining Whether a TWSE Listed Company Shall Publish Complete Financial Forecasts”, as the Company has not published the financial forecast for 2025, it is not applicable to disclose the impact of predictive financial information.

3.1.5 Employees' compensation and directors' remuneration

- (1) Percentage or range of employees' compensation and directors' remuneration stated in the Articles of Incorporation:

According to the Articles of Incorporation, profits concluded by the Company during the year are subject to employee compensation of 0.01%–0.05%, and director remuneration of no more than 0.3%. However, profits, if any, shall first be taken to offset against cumulative losses.

Employees' compensation can be paid in cash or in shares. Payments may also be made to employees of affiliated companies that satisfy the eligibility criteria set forth by the Board of Directors. However, directors' remuneration can only be paid in cash. The amount, method, beneficiary and percentage of employees' compensation and directors' remuneration shall be resolved by the Board of Directors and reported to shareholders during a shareholders' meeting.

- (2) Basis of calculation for employee compensation and director/supervisor remuneration and sharebased compensations; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid:

The Company's 2024 employee compensation and director remuneration have been estimated based on pre-tax income in accordance with the Articles of Incorporation and in reference to peer levels and previous distributions. If the amount changes after the consolidated financial statements are approved and announced to the public, the difference will be treated as a change in accounting estimate and recognized as a gain or loss in the following year.

- (3) Compensation and Remuneration approved by the Board of Directors:

- a. Amount of employees' compensation and directors'/supervisors' remuneration, in cash or in shares.

Employee compensation: NT\$17,000,000.

Director remuneration: NT\$150,000,000.

- b. Percentage of employees' compensation paid in shares, relative to net income and total employees' compensation shown in separate financial statements:

Not applicable.

- (4) Employees' compensation and directors'/supervisors' remuneration paid in the previous year:

Employee compensation and director remuneration for the previous year (i.e. 2023; the final amounts were resolved in 2024) were approved by special resolution during the 5th regular meeting of the 9th Board of Directors (March 14, 2024) and later acknowledged during the 2024 Annual General Meeting. The final employee compensation payment amounted to NT\$8,000,000 and the final director remuneration payment amounted to NT\$70,000,000. Both figures were identical to the amounts proposed by the Board of Directors.

3.1.6 Share repurchased by the Company

None.

3.2 Corporate bonds

Corporate bond category		2018 1st unsecured corporate bond Tranche B	2018 2nd unsecured corporate bond Tranche B
Issuance date		September 4, 2018	November 22, 2018
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 8.3 billion	NT\$ 1.5 billion
Coupon rate		Fixed at 0.95% per annum	Fixed at 0.95% per annum
Tenor		7 years Maturity date: September 4, 2025	7 years Maturity date: November 22, 2025
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 8.3 billion	NT\$ 1.5 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 23, 2017; twAA (Note)	Taiwan Ratings Corp.; November 23, 2017; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2019 1st unsecured corporate bond Tranche B	2020 1st unsecured corporate bond Tranche B
Issuance date		December 5, 2019	July 29, 2020
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 3.8 billion	NT\$ 0.5 billion
Coupon rate		Fixed at 0.82% per annum	Fixed at 0.61% per annum
Tenor		7 years Maturity date: December 5, 2026	6 years Maturity date: July 29, 2026
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 3.8 billion	NT\$ 0.5 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 22, 2019; twAA (Note)	Taiwan Ratings Corp.; April 29, 2020; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2020 1st unsecured corporate bond Tranche C	2020 1st unsecured corporate bond Tranche D
Issuance date		July 29, 2020	July 29, 2020
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.4 billion	NT\$ 1.0 billion
Coupon rate		Fixed at 0.66% per annum	Fixed at 0.70% per annum
Tenor		8 years Maturity date: July 29, 2028	12 years Maturity date: July 29, 2032
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.4 billion	NT\$ 1.0 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; April 29, 2020; twAA (Note)	Taiwan Ratings Corp.; April 29, 2020; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2020 2nd unsecured corporate bond Tranche B	2020 2nd unsecured corporate bond Tranche C
Issuance date		September 15, 2020	September 15, 2020
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 5.6 billion	NT\$ 7.9 billion
Coupon rate		Fixed at 0.66% per annum	Fixed at 0.70% per annum
Tenor		7 years Maturity date: September 15, 2027	10 years Maturity date: September 15, 2030
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 5.6 billion	NT\$ 7.9 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; April 29, 2020; twAA (Note)	Taiwan Ratings Corp.; April 29, 2020; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2020 3rd unsecured corporate bond Tranche B	2020 3rd unsecured corporate bond Tranche C
Issuance date		November 6, 2020	November 6, 2020
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 4.2 billion	NT\$ 7.3 billion
Coupon rate		Fixed at 0.66% per annum	Fixed at 0.70% per annum
Tenor		7 years Maturity date: November 6, 2027	10 years Maturity date: November 6, 2030
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 4.2 billion	NT\$ 7.3 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; April 29, 2020; twAA (Note)	Taiwan Ratings Corp.; April 29, 2020; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2021 1st unsecured corporate bond Tranche A	2021 1st unsecured corporate bond Tranche B
Issuance date		September 16, 2021	September 16, 2021
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 2.3 billion	NT\$ 4.8 billion
Coupon rate		Fixed at 0.50% per annum	Fixed at 0.58% per annum
Tenor		5 years Maturity date: September 16, 2026	7 years Maturity date: September 16, 2028
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 2.3 billion	NT\$ 4.8 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; March 24, 2021; twAA (Note)	Taiwan Ratings Corp.; March 24, 2021; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2021 1st unsecured corporate bond Tranche C	2021 1st unsecured corporate bond Tranche D
Issuance date		September 16, 2021	September 16, 2021
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 4.1 billion	NT\$ 1.0 billion
Coupon rate		Fixed at 0.65% per annum	Fixed at 0.73% per annum
Tenor		10 years Maturity date: September 16, 2031	15 years Maturity date: September 16, 2036
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 4.1 billion	NT\$ 1.0 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; March 24, 2021; twAA (Note)	Taiwan Ratings Corp.; March 24, 2021; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2022 1st unsecured corporate bond Tranche A	2022 1st unsecured corporate bond Tranche B
Issuance date		January 17, 2022	January 17, 2022
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.3 billion	NT\$ 1.9 billion
Coupon rate		Fixed at 0.60% per annum	Fixed at 0.70% per annum
Tenor		4 years Maturity date: January 17, 2026	7 years Maturity date: January 17, 2029
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.3 billion	NT\$ 1.9 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; March 24, 2021; twAA (Note)	Taiwan Ratings Corp.; March 24, 2021; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2022 1st unsecured corporate bond Tranche C	2022 2nd unsecured corporate bond Tranche A
Issuance date		January 17, 2022	August 30, 2022
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.1 billion	NT\$ 2.8 billion
Coupon rate		Fixed at 0.80% per annum	Fixed at 1.65% per annum
Tenor		10 years Maturity date: January 17, 2032	4 years Maturity date: August 30, 2026
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.1 billion	NT\$ 2.8 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; March 24, 2021; twAA (Note)	Taiwan Ratings Corp.; November 23, 2021; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2022 2nd unsecured corporate bond Tranche B	2023 1st unsecured corporate bond Tranche A
Issuance date		August 30, 2022	January 12, 2023
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 3.4 billion	NT\$ 3.4 billion
Coupon rate		Fixed at 1.70% per annum	Fixed at 2.10% per annum
Tenor		5 years Maturity date: August 30, 2027	4 years Maturity date: January 12, 2027
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 3.4 billion	NT\$ 3.4 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 23, 2021; twAA (Note)	Taiwan Ratings Corp.; November 15, 2022; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2023 1st unsecured corporate bond Tranche B	2023 2nd unsecured corporate bond Tranche A
Issuance date		January 12, 2023	June 20, 2023
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 6.6 billion	NT\$ 1 billion
Coupon rate		Fixed at 2.15% per annum	Fixed at 1.52% per annum
Tenor		5 years Maturity date: January 12, 2028	3 years Maturity date: June 20, 2026
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 6.6 billion	NT\$ 1 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 15, 2022; twAA (Note)	Taiwan Ratings Corp.; November 15, 2022; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2023 2nd unsecured corporate bond Tranche B	2023 2nd unsecured corporate bond Tranche C
Issuance date		June 20, 2023	June 20, 2023
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.8 billion	NT\$ 6.9 billion
Coupon rate		Fixed at 1.64% per annum	Fixed at 1.82% per annum
Tenor		6 years Maturity date: June 20, 2029	10 years Maturity date: June 20, 2033
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.8 billion	NT\$ 6.9 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 15, 2022; twAA (Note)	Taiwan Ratings Corp.; November 15, 2022; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2024 1st unsecured corporate bond Tranche A	2024 1st unsecured corporate bond Tranche B
Issuance date		March 6, 2024	March 6, 2024
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 5.0 billion	NT\$ 5.0 billion
Coupon rate		Fixed at 1.65% per annum	Fixed at 1.78% per annum
Tenor		5 years Maturity date: March 6, 2029	10 years Maturity date: March 6, 2034
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 5.0 billion	NT\$ 5.0 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 10, 2023; twAA (Note)	Taiwan Ratings Corp.; November 10, 2023; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2024 2nd unsecured corporate bond Tranche A	2024 2nd unsecured corporate bond Tranche B
Issuance date		July 23, 2024	July 23, 2024
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.6 billion	NT\$ 2.5 billion
Coupon rate		Fixed at 2.06% per annum	Fixed at 2.20% per annum
Tenor		10 years Maturity date: July 23, 2034	15 years Maturity date: July 23, 2039
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.6 billion	NT\$ 2.5 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 10, 2023; twAA (Note)	Taiwan Ratings Corp.; November 10, 2023; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2024 3rd unsecured corporate bond Tranche A	2024 3rd unsecured corporate bond Tranche B
Issuance date		October 15, 2024	October 15, 2024
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 3.7 billion	NT\$ 1.6 billion
Coupon rate		Fixed at 1.94% per annum	Fixed at 1.98% per annum
Tenor		5 years Maturity date: October 15, 2029	7 years Maturity date: October 15, 2031
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 3.7 billion	NT\$ 1.6 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 10, 2023; twAA (Note)	Taiwan Ratings Corp.; November 10, 2023; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2024 3rd unsecured corporate bond Tranche C	2024 3rd unsecured corporate bond Tranche D
Issuance date		October 15, 2024	October 15, 2024
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 3.4 billion	NT\$ 3.3 billion
Coupon rate		Fixed at 2.03% per annum	Fixed at 2.13% per annum
Tenor		10 years Maturity date: October 15, 2034	15 years Maturity date: October 15, 2039
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 3.4 billion	NT\$ 3.3 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 10, 2023; twAA (Note)	Taiwan Ratings Corp.; November 10, 2023; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

Corporate bond category		2025 1st unsecured corporate bond Tranche A	2025 1st unsecured corporate bond Tranche B
Issuance date		February 18, 2025	February 18, 2025
Face value		NT\$ 1 million	NT\$ 1 million
Place of issuance and trade		R.O.C.	R.O.C.
Issuance price		At 100% of face value	At 100% of face value
Total		NT\$ 1.8 billion	NT\$ 5.4 billion
Coupon rate		Fixed at 2.00% per annum	Fixed at 2.07% per annum
Tenor		7 years Maturity date: February 18, 2032	10 years Maturity date: February 18, 2035
Seniority		Senior	Senior
Guarantor		None	None
Trustee		Mega International Commercial Bank - Trust Department	Mega International Commercial Bank - Trust Department
Underwriter		Lead underwriter: Fubon Securities Co., Ltd.	Lead underwriter: Fubon Securities Co., Ltd.
Certifying lawyer		None	None
Certifying accountant		KPMG	KPMG
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding balance		NT\$ 1.8 billion	NT\$ 5.4 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		NO	NO
Ratings agency, date of rating, and rating awarded		Taiwan Ratings Corp.; November 29, 2024; twAA (Note)	Taiwan Ratings Corp.; November 29, 2024; twAA (Note)
Other rights	Amount of ordinary shares, global depository receipts, or other securities converted (exchanged or subscribed) up to the publication date of this annual report	None	None
	Issuance and conversion (exchange or subscription) terms	None	None
Possible dilution of equity and impact on equity of existing shareholders due to subscription or issuance terms of issuance, conversion and exchange of corporate bonds		None	None
Custodian of exchanged assets		None	None

Note: This rating is the issuer's (the Company's) credit rating. According to existing "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", issuers are not required to obtain credit ratings for issuing straight bonds.

3.3 Issuance of preferred shares

1. Fubon Financial Holdings Class A Preferred Shares

Item		Issuance (launch) date April 22, 2016 (Fubon Financial Holding Co., Ltd. Class A Preferred Shares)
Face value		NT\$10
Issuance price		NT\$60 per share
Shares held		Total 600,000,000 shares
Total		NT\$36,000,000,000
Rights and obligations	Distribution of dividends and bonus	1. Dividends: The dividend yield is set at 4.10% per annum (equal to the sum of 7-year IRS 0.885%+3.215%) on the issue price. Interest rate per annum will be reset on the day following 7th anniversary of the issue date, and so on. The dividend yield of Class A Preferred Share has been reset at 4.58125% since April 22, 2023. 2. Dividend payment: The Company has sole discretion on dividend issuance of Class A Preferred Share, including but not limited to its discretion to not declare dividends when no profit is recorded, or insufficient profit is recorded for Preferred Share dividends, or preferred share dividend declaration would render the Company's capital adequacy ratio below level required by law or relevant authorities. The Company's cancellation of preferred share dividend declaration shall not be deemed an event of default. Undeclared or underdeclared dividends are not cumulative, and are not paid in subsequent years with profit. In the year with profit, before the Company can distribute dividends for Class A Preferred Share, the Company shall set aside out of the Company's profits: (i) a settlement for payment of tax for the relevant financial year; (ii) an offset of its losses in previous years that have not been previously offset; (iii) a statutory reserve ("Legal Reserve"); and (iv) reserve special reserve pursuant to legal requirement or actual need. Dividends for Class A Preferred Shares are declared once per year in cash. After shareholders' approval of the Company's financial statements at its annual shareholders meeting, the board may set record date for distribution of available dividends from the previous year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual issued days of the given year. Dividends distributed shall be included in the dividend certificate. 3. Excessive Dividend Distribution: Except for receipt of dividends at the aforementioned dividend rate, Class A Preferred Shares holders cannot participate in distribution of cash or stock dividends to holders of common shares from profit or additional paid-in capital.
	Priority of Claims in Liquidation	In the event of liquidation, holders of Class A Preferred Shares shall have the same priority of claim as holders of all subsequently issued preferred shares, which are prior to holders of common share, but subordinated to general creditors. Preferred Shares holders' claims are limited to an amount equal to the multiplication of (i) the prevailing number of outstanding Class A Preferred Shares and (ii) per-share issue price of preferred shares.
	Exercise of voting rights	Class A Preferred Shares holders have no voting right at the annual shareholders meeting, and cannot elect directors but are eligible as director candidates. Holders of Class A Preferred Shares have voting rights at shareholders meeting of Class A Preferred Shares, and at annual shareholders meeting on items relating to rights of Class A Preferred Shares holders.

Item		Issuance (launch) date	April 22, 2016 (Fubon Financial Holding Co., Ltd. Class A Preferred Shares)
	Others		When the Company conduct rights issue for cash, holders of Class A Preferred Shares have the same subscription right as holders of common shares.
Outstanding preferred shares	Amount recalled or converted		NT\$0
	Balance not yet recalled or converted		NT\$36,000,000,000
	Terms of recall/conversion		1. Class A Preferred Shares cannot be converted to common shares and holders do not have the right to request the Company to redeem preferred shares. 2. On the day after the 7th anniversary of the Issue Date, the Company may redeem all or part of outstanding Class A Preferred Shares at issue price. Rights and obligations of the unredeemed Class A Preferred Shares shall remain the same as mentioned above.
Market price per share	2022	High	63.60
		Low	57.60
		Average	61.81
	2023	High	62.40
		Low	60.10
		Average	61.35
	2024	High	63.80
		Low	60.80
		Average	62.12
	Year-to-date until February 28, 2025	High	63.60
		Low	62.70
		Average	63.12
Other rights	Amount converted or subscribed up till the publication of annual report		Class A preferred shares cannot be converted into common shares
	Issuance and conversion/subscription rules		None
Possible dilution of equity and impact on equity of existing shareholders due to issuance of preferred shares			None

2. Fubon Financial Holdings Class B Preferred Shares

Item		Issuance (launch) date
		March 16, 2018 (Fubon Financial Holdings Class B Preferred Shares)
Face value		NT\$ 10
Issuance price		NT\$60 per share
Shares held		Total 666,660,000 shares
Total		NT\$ 39,999,600,000
Rights and obligations	Distribution of dividends and bonus	1. Dividends: The dividend yield is set at 3.6% per annum (equal to the sum of 7-year IRS 1.17%+2.43%) on the issue price. Interest rate per annum will be reset on the business day after the 7th anniversary of the issue date ("Issue Date") and the day after each subsequent 7-year period hereafter. 2. Dividend payment: Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the Preferred Shares remained outstanding in that year. The fiscal year-end earnings of the Company shall be applied in the following order: payments of taxes, making-up of deficit, legal reserve, special reserve by law, and the remaining shall be paid to holders of Class B preferred shares as the current year's dividends. The Company has discretion over the dividend distribution of Class B preferred shares. The Company may decide not to distribute dividends of Class B preferred shares in the following circumstances: (a) there are no earnings in a fiscal year, (b) the earnings are insufficient to distribute dividends of Class B preferred shares, and (c) the distribution of dividends of Class B preferred shares will cause the capital adequacy ratio to be lower than the regulatory requirements. The cancellation of dividend payment should not constitute an event of default. The Class B preferred shares are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or omitted dividends in the future. 3. Excessive Dividend Distribution: Except for receipt of dividends at the aforementioned dividend rate, Class B Preferred Shares holders cannot participate in distribution of cash or stock dividends to holders of common shares from profit or additional paid-in capital.
	Priority of Claims in Liquidation	The order of claim for distribution of property is prior to ordinary shares, and the claims of all series of preferred shareholders are equal. The repayment shall be capped at the respective issue amount of preferred shares B upon liquidation.
	Exercise of voting rights	Class B Preferred Shares holders have no voting right at the annual shareholders meeting, and cannot elect directors but are eligible as director candidates. Holders of Class B Preferred Shares have voting rights at shareholders meeting of Class B Preferred Shares, and at annual shareholders meeting on items relating to rights of Class B Preferred Shares holders.
	Others	When the Company conduct rights issue for cash, holders of Class B Preferred Shares have the same subscription right as holders of common shares.
Outstanding preferred shares	Amount recalled or converted	NT\$ 0
	Balance not yet recalled or converted	NT\$ 39,999,600,000

Issuance (launch) date		March 16, 2018	
Item		(Fubon Financial Holdings Class B Preferred Shares)	
	Terms of recall/ conversion	1. Class B Preferred Shares cannot be converted to common shares and holders do not have the right to request the Company to redeem preferred shares. 2. Class B Preferred Shares are perpetual but may be redeemed in whole or in part at issue price any time after seven years of issuance at the option of the Company. Unredeemed preferred shares shall continue to have the rights and obligations of issuance terms prescribed in this Article.	
Market price per share	2022	High	63.10
		Low	55.30
		Average	60.60
	2023	High	61.00
		Low	57.50
		Average	59.68
	2024	High	60.50
		Low	57.50
		Average	59.39
	Year-to-date until February 28, 2025	High	61.40
		Low	60.10
		Average	60.79
Other rights	Amount converted or subscribed up till the publication of annual report	Class B preferred shares cannot be converted into common shares	
	Issuance and conversion/ subscription rules	None	
Possible dilution of equity and impact on equity of existing shareholders due to issuance of preferred shares		None	

3. Fubon Financial Holdings Class C Preferred Shares

Item		Issuance (launch) date
		October 26, 2021 (Fubon Financial Holdings Class C Preferred Shares)
Face value		NT\$10
Issuance price		NT\$60 per share
Shares held		Total 333,330,000 shares
Total		NT\$19,999,800,000
Rights and obligations	Distribution of dividends and bonus	1. Dividends: The dividend yield is set at 3.00% per annum (equal to the sum of 7-year IRS 0.6538%+2.3462%) on the issue price. Interest rate per annum will be reset on the business day after the 7th anniversary of the issue date ("Issue Date") and the day after each subsequent 7-year period hereafter. 2. Dividend payment: Cash dividends will be distributed annually in arrears. Once the Company's Audited Financial Reports have been acknowledged in the annual general meeting of the shareholders, the Board shall be authorized to set the payment date for the distribution of the payable preferred share dividends for the previous year. In the year of issuance and redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the Preferred Shares remained outstanding in that year. The fiscal year-end earnings of the Company shall be applied in the following order: payments of taxes, making-up of deficit, legal reserve, special reserve by law, and the remaining shall be paid to holders of Class C preferred shares as the current year's dividends. The Company has discretion over the dividend distribution of Class C preferred shares. The Company may decide not to distribute dividends of Class C preferred shares in the following circumstances: (a) there are no earnings in a fiscal year, (b) the earnings are insufficient to distribute dividends of Class C preferred shares, and (c) the distribution of dividends of Class C preferred shares will cause the capital adequacy ratio to be lower than the regulatory requirements. The cancellation of dividend payment should not constitute an event of default. The Class C preferred shares are noncumulative, and the preferred shareholders do not have the right to claim any of the unpaid or omitted dividends in the future. 3. Excessive Dividend Distribution: Except for receipt of dividends at the aforementioned dividend rate, Class C Preferred Shares holders cannot participate in distribution of cash or stock dividends to holders of common shares from profit or additional paid-in capital.
	Priority of Claims in Liquidation	The order of claim for distribution of property is prior to ordinary shares, and the claims of all series of preferred shareholders are equal. The repayment shall be capped at the respective issue amount of preferred shares C upon liquidation.
	Exercise of voting rights	Class C Preferred Shares holders have no voting right at the annual shareholders meeting, and cannot elect directors but are eligible as director candidates. Holders of Class C Preferred Shares have voting rights at shareholders meeting of Class C Preferred Shares, and at annual shareholders meeting on items relating to rights of Class C Preferred Shares holders.
	Others	When the Company conduct rights issue for cash, holders of Class C Preferred Shares have the same subscription right as holders of common shares.
Outstanding preferred shares	Amount recalled or converted	NT\$0
	Balance not yet recalled or converted	NT\$19,999,800,000
	Terms of recall/ conversion	1. Class C Preferred Shares cannot be converted to common shares and holders do not have the right to request the Company to redeem preferred shares. 2. Class C Preferred Shares are perpetual but may be redeemed in whole or in part at issue price any time after seven years of issuance at the option of the Company. Unredeemed preferred shares shall continue to have the rights and obligations of issuance terms prescribed in this Article.

Issuance (launch) date			October 26, 2021
Item			(Fubon Financial Holdings Class C Preferred Shares)
Market price per share	2022	High	60.50
		Low	54.10
		Average	58.42
	2023	High	60.10
		Low	54.50
		Average	56.79
	2024	High	55.30
		Low	50.90
		Average	53.31
	Year-to-date until February 28, 2025	High	53.30
		Low	52.90
		Average	53.01
Other rights	Amount converted or subscribed up till the publication of annual report		Class C preferred shares cannot be converted into common shares
	Issuance and conversion/ subscription rules		None
Possible dilution of equity and impact on equity of existing shareholders due to issuance of preferred shares			None

3.4 Issuance of global depository receipts

Item		Issuance date	July 9, 2013
		Issuance date	July 9, 2013; issuance of Fubon Financial Holding Co., Ltd. Global Depository Receipt (GDR)
		Place of issuance and trade	Listing: Bourse De Luxembourg; issuance: Europe, Asia and America
		Total sum issued	Eight Hundred and Fifty Million United States Dollars
		Issuance price per unit	USD\$12.17 per unit (representing ten ordinary shares)
		Number of units issued	69,843,879 units of GDR were issued at initiation
		Source of underlying securities	All ordinary shares represented by GDR were issued against additional cash capital
		Number of securities represented	The GDR represented a total of 698,438,790 ordinary shares of the Company (based on total units issued)
		Rights and obligations of GDR holders	Same as ordinary shareholders
		Trustee	Citibank N.A. (Note)
		Depository	Citibank N.A. (Note)
		Custodian	Citibank Taiwan Limited (Note)
		Outstanding units	There were 641,584 GDR units outstanding as of February 28, 2025, which represented 6,415,843 shares of the Company's common stock (including 2,740,201 outstanding GDR units transferred from London Stock Exchange on November 5, 2013)
		Allocation of expenses incurred at initiation and over the remaining duration	Maintenance cost is borne by the Company for the entire duration
		Key terms of the depository and custodian agreement	The rights and obligations of GDR holders are governed by the terms of the depository agreement and the laws of the Republic of China.
Market price per unit	2024	High	US\$ 29.29
		Low	US\$ 18.77
		Average	US\$ 23.98
	Year-to-date until February 28, 2025	High	US\$ 28.76
		Low	US\$ 27.11
		Average	US\$ 28.04

3.5 Employee stock options

None.

3.6 Employees' restricted shares

None.

3.7 Merger and acquisition of other financial institutions

3.7.1 CPA's opinions on share exchange ratio for merger and acquisition of financial institutions for the most recent year, if any

The same as those described in 3.7.2.

3.7.2 Merger and acquisition of other financial institutions in the last five years

To strengthen the Company's banking and securities businesses, realize the Company's scale economies, balance the Company's revenue mix majorly composed of banking, securities and insurance businesses, support the consolidation policy for financial industry promulgated by the Taiwan government, and to improve the competitiveness of the financial industry in Taiwan, the Company acquired the approval of the merger with JihSun Financial Holding Co., Ltd. ("JihSun FHC") through Financial Supervisory Commission ("FSC") on September 21, 2022. On November 11, 2022, the Company completed the merger with JihSun FHC.

The consolidation involving the first-tier subsidiaries within JihSun FHC includes the approval by the FSC on January 18, 2023, from Letter No.11102332311, approving the merger of Taipei Fubon Bank with JihSun Bank, with the merger completed on April 1, 2023. Additionally, from Letter No.1120380634 dated February 17, 2023, the FSC approved the merger of Fubon Securities with JihSun Securities, with the merger completed on April 9, 2023. Furthermore, Taipei Fubon Bank completed the merger with JihSun International Property Insurance Agency on May 16, 2023.

To enhance the Company's overall asset management scale, Fubon Asset Management acquired the approval of the merger with Jih Sun Securities Investment Trust from the FSC on January 23, 2025 from Letter No.1140380418, with the effective date of the merger on April 1, 2025.

Where a financial institution was merged or acquired by way of new share issuance, the lead underwriter's evaluation and opinions shall be disclosed: None.

3.7.3 Issuance of new shares for merger and acquisition of other financial institutions that the board of directors has approved for the most recent year up to the publication date of the annual report

The same as those described in 3.7.2.

3.8 Capital plans and execution

All the other previous securities issuance plans have been completed. No project had failed to achieve the intended purpose.

4. Business Overview

4.1 Business overview of the Company

4.1.1 Scope of business

(1) Business activities

The Company is engaged in the financial holding business (H801011).

The Company's principal business activities:

a. The Company may invest in the following business activities:

Financial holding company.

Banking business.

Bills finance.

Credit card business.

Trust.

Insurance.

Securities.

Futures.

Venture capital.

Foreign banking institutions approved by the competent authority.

Other banking related business approved by the competent authority.

b. Management of the above invested business entities.

c. The Company may apply for approval of its investment in businesses other than those listed in a., subject to the approval of the competent authority.

d. Other relevant business approved by the competent authority.

(2) Weight of business activities

Unit: NTD millions

Annual revenues		2023		2024	
		Amount	Weight	Amount	Weight
Investment gains recognized using the equity method (Note)	Fubon Life	36,277	50%	103,220	67%
	Taipei Fubon Bank	24,418	34%	30,306	20%
	Fubon Securities	7,077	10%	10,017	6%
	Fubon Insurance	(2,346)	(3%)	3,093	2%
	Fubon Bank (HK)	3,245	4%	3,908	3%
	Fubon Asset Management	651	1%	866	1%
	Other subsidiaries and investments accounted for using equity method	2,490	3%	2,177	1%
	Subtotal	71,812	99%	153,587	100%
Interest revenue		46	0%	25	0%
Other non-interest net revenues		849	1%	583	0%
Total revenues		72,707	100%	154,195	100%

Note: Includes profit/loss from downstream and upstream transactions.

(3) New products and services planned for the future: Not applicable.

4.1.2 Business plans for the year

Looking back at 2024, the global economy exhibited moderate expansion as inflationary pressures lessened. In the manufacturing sector, ICT was the only industry that saw relatively strong demand due to the adoption of new technologies such as AI, whereas other industries lagged behind in performance; the service sector, however, saw a general expansion of business activities. This drastic disparity of performance between industries not only suppressed growth of the global economy, but also caused growth momentum and inflationary pressure to vary between countries. Of which, the U.S. economy was the most resilient with private spending and investments being the two main drivers; the Eurozone saw sluggish economic growth as manufacturing activities weakened; Japan experienced improvements in private spending and investments, and the recovery of domestic demand provided a strong boost to economic growth; China continued to be dragged down by a weak housing market and spending, which the government responded to with greater stimulus aimed at raising consumers' confidence; lastly, Taiwan benefited from strong demand for new technologies such as AI, which contributed to increases in export trade and production, whereas improvements in business investment sentiment combined with strong private spending drove economic activities to new heights. With regard to the financial market, there were significant differences in the monetary policies adopted by major central banks around the world in response to changes in fundamentals. While the ECB and the Fed cut rates in 2024 in light of favorable changes in inflation, the central bank of Japan chose to end negative interest rates and adopt a normalized monetary policy. Market sentiment changed as a result, causing rapid shifts in global capital that affected the stability of global financial markets. Despite the political and economic uncertainties, subsidiaries of Fubon Financial Holdings still exhibited strong performance, delivering net income totaling NT\$150.82 billion and an EPS of NT\$10.77, thereby making Fubon the most profitable financial holding company in Taiwan in terms of EPS for the 16th consecutive year.

As Donald Trump takes office as the new president of the United States in 2025, his new policies will inevitably affect global trade and regional politics, adding to the uncertainties of the political and economic environment worldwide. If the United States makes limited adjustments to its trade policies, then the ongoing expansion of service activities worldwide will ultimately drive end-user demand, forcing manufacturers to replenish inventory and contributing to moderate expansion of the global economy. Of all the major economies, the United States is expected to stay resilient and on path to soft landing; Europe and Japan may have a chance to recover, and a cease-fire between Russia and Ukraine would provide a further boost to economic activities in Europe. As the United States reaches trade agreements with various partners, industries should begin to replenish inventory, which in turn supports trade activities of exporting nations in Asia. The Chinese economy may see further slowdown in growth, but with limited downside risk due to strong policy support from the government. As for Taiwan, the adoption of new technologies will continue to drive the expansion of export trade, whereas robust domestic demand provides support for overall economic performance. Overall, the global economy still presents many uncertainties in 2025. As a financial institution, our main challenge lies in finding ways to expand asset size and maintain profitability given the current political and economic realities. All subsidiaries of Fubon Financial Holdings will ready themselves for any change in circumstances. For Fubon Life, more attention will be directed to securing internal and external sales channels, building relationships with target customers, improving efficiency through digital tools, developing service and operating procedures that conform to digital trends, and enhancing customer experience. Additionally, Fubon Life will continue to develop participating and interest-sensitive products that target customers' retirement planning and protection needs as it adopts IFRS 17 and TW-ICS in the future. Meanwhile, Taipei Fubon Bank will aim to broaden its base of small and medium-sized institutional customers, increase customer penetration, and open up overseas service branches to create a more complete cross-border banking platform; in terms of profit performance, the Bank will seek improvements through segmentation of financial advisory customers and cardholders, optimized cross-selling, and promotion of Fubon+ as an all-in-one digital platform. As for Fubon Securities, much of its effort will be placed on raising market share of brokerage service, customer sourcing, wealth management transformation, and increasing revenues from wealth management products; additionally, the subsidiary will explore new possibilities for digital transformation, innovative business models, as well as opportunities for intra-group collaboration to further expand the Fubon ecosystem. Lastly, Fubon Insurance will strive to deliver consistent profits through enhanced risk control; in the personal insurance segment, the subsidiary will place emphasis on increasing the add-on rate of key business activities and maintaining

the adequacy of premium rates; in the corporate insurance segment, the subsidiary will leverage the support of group affiliates to increase the quality of underwritten coverage and develop APPs for various types of corporate insurance for improved operating efficiency; furthermore, the subsidiary will expand business efforts from Taiwan into the overseas market in order to maintain market leadership.

In addition to growing the Taiwan market, Fubon Financial Holdings will also promote regional growth and implement innovative financial models through alliances with other industries. Based on its own advantages, it combines resources from peers and other industries to enhance its strength in providing financial services and continues to provide a one-stop shop for financial services for new and old customers. The Company has been actively integrating resources within the financial group and bringing new innovations through financial technology. Its business lines in Greater China cover banking, insurance, and asset management; together, they build a complete financial platform that extends services to other parts of Asia. In addition to improving the performance of overseas businesses, the Company will continue identifying M&A and investment opportunities in the Greater China Region and Asia that will contribute to its goal of becoming “Asia’s first-class financial institution”.

4.1.3 Industry overview

The global economy exhibited mild recovery in 2024 as inflationary pressure lessened, but performance varied between industries, so much so that it hindered growth momentum of the global economy and caused growth and inflation figures to vary drastically between countries. There were also significant differences in the types of monetary policies adopted by major central banks as fundamentals varied between countries. Market sentiment changed as a result, causing rapid shifts in global capital that increased the volatility of the financial market. Despite the many uncertainties, Taiwan was able to benefit from increases in both domestic and foreign demand and deliver strong growth; meanwhile, increased trade activities in the equity market allowed the financial industry to turn in outstanding profit performance. Fubon Financial Holdings will continue to manage risk and direct its focus toward quality service and optimal asset allocation, while at the same time monitoring the world’s major economies and industries. It will also discretely evaluate and embrace business opportunities.

Prospects of the global economy and financial market in 2025 are largely characterized by slow growth, regional trade, changes in international trade relations, and central bank monetary policies. Politics and economic/trade policies of the United States and performance of the Chinese economy are key variables to the recovery of the global economy and trade activities in 2025. U.S. politics and economic/trade policies, in particular, may have profound yet varying levels of impact on different countries, and how each country chooses to respond is, by itself, a variable that adds to the uncertainties of the global economy and financial environment. Participants of the financial industry will have to pay close attention to changes in the political and economic environment as well as how these changes affect the financial market. Given the FSC’s policy reforms and amendments to laws and regulations, the financial industry will have to adjust its product strategy, make good use of technological reform, expand financial services, and innovate products and services to create profit and bring more opportunities. Risk management and compliance continue to be the foundation of the financial industry, given the complexity and risks of the financial market. These changes will compel financial institutions to exercise caution when carrying out financial services and should improve the competitiveness of Taiwan’s financial industry over time.

4.1.4 Research and development spending and accomplishments in the last two years

Driven by the dedication to bring in new forms of financial service, Fubon Financial Holdings continually adopts the latest financial technologies and places great emphasis on making financial services more convenient, developing new products and services, lowering the environmental footprint of our services, strengthening operational efficiency and precision marketing, and maintaining customer relationship and rights. Aside from the above, the Company also coordinates with subsidiaries to optimize customer experience by delivering the best investment, financial advisory, and insurance services in line with customers' needs. Fubon Financial Holdings has made persistent efforts and commitments to optimize and develop IT infrastructure in the last two years. These include transformation of the group cloud system, development of an automated maintenance platform for group servers, and continuous upgrades and renewals to the shared network equipment and backup systems. With regard to cybersecurity protection, the Company continues to seek improvements in areas such as cybersecurity governance, financial resilience, and cybersecurity joint defense. In terms of technology innovation, Fubon Financial Holdings has been successful with the launch of several projects and digital innovations, and continues to be active in technology matchmaking, including the hosting of Fubon TechDay, a matchmaking conference for new technologies. In the last two years, Fubon TechDay adopted "digital innovation scouting" and "Generative AI" as the two main themes when searching for the latest innovations, technologies, and applications.

4.1.5 Future research and development plans

Driven by the motivation to integrate digital resources throughout the group, Fubon Financial Holdings has adopted a collaborative model that enables subsidiaries to develop common technologies and share outcomes of their progress. Through in-depth discussions about technological framework and potential market applications and by consolidating experts' opinions, the Company is able to identify trends and determine the types of technology to be adopted in the future. Fubon Financial Holdings chooses the technologies to innovate by adopting a value-driven and sales-driven approach. While adopting technology innovations, the Company pays close attention to management and compliance issues relating to personnel, process, and technology, and supports the adoption by building a corporate culture that is willing to learn and try new approaches. The Company also combines data analysis and algorithms to help create value for the sales team and uses AI to manage relationships with digital accounts and potential customers and maximize campaign performance. By making ongoing enhancements to data analysis infrastructures, the Company helps subsidiaries improve the outcomes and compliance of data analysis and build a data governance system for AI. In the future, Fubon Financial Holdings will continue organizing internal competitions, large-scale technology seminars, and innovative technology matchmaking conferences to capitalize on financial technologies and the AI trend, while at the same time cooperating more closely with subsidiaries to promote digital transformation. Furthermore, the Company will pay ongoing attention to the development of innovative technologies, and consolidate the needs of its subsidiaries to create more diverse scenarios for financial service. Through constant search for innovative solutions and ways to optimize service experience, Fubon Financial Holdings strives to bring better quality financial products to its customers.

4.1.6 Long and short-term business plans

(1) Short-term business plans

For the coming year, Fubon Financial Holdings will focus on tightening risk control while ensuring compliance with the authorities' regulations and continue to develop innovative financial technologies and applications that conform with the trends of digitalization, aging demographics, and inclusive finance. The Company will strive to provide customers with a better and more diverse range of financial products and services, and coordinate resources between subsidiaries to create a comprehensive financial ecosystem that maximizes group synergy. In the fourth quarter of 2024, Fubon Asset Management plans to merge with Jih Sun Securities Investment Trust, with an aim to complete the merger by 2025. This merger is anticipated to enhance the asset management scale of Fubon Asset Management, propelling it towards its goal of becoming "Asia's first-class asset management company". Fubon Financial Holdings will continue seeking collaborative opportunities in the future.

(2) Long-term business plans

Being a provider of complete financial products and professional services, Fubon Financial Holdings continues to explore financial opportunities that complement its advantage. Through a combination of internal practices and external mergers and acquisitions, the Company makes dynamic adjustments to the growth strategies of various business segments. These growth strategies have contributed to Fubon Financial Holdings' market dominance today, and will continue to work in its favor toward becoming a one-stop shop and Asia's first-class financial institution. Fubon Financial Holdings has long committed resources to sustainability management; from a financial perspective, the Company leverages the power of capital and pioneers in green finance through sustainable finance and investment, sustainable insurance, and inclusive finance services and products; from a non-financial perspective, the Company organizes events such as Run For Green™ campaign that links green competitions and planting trees. The Company also continues to use its core financial competencies to promote green operations, and maintain a constant focus on the importance of sustainability. More importantly, the Company sets a good example by developing its own low-carbon business model, which further enhances Fubon Financial Holdings' positive influence both financially and non-financially.

- a. Expand cross-selling synergies between subsidiaries and connections to overseas operations.
- b. Align with domestic/foreign laws & regulations and opportunities, adjust product strategies, and develop niche products.
- c. Enhance support for FinTech development, explore new scenarios and applications, and create an ecosystem of strategic partners.
- d. Strengthen foothold in Taiwan and Asia, and expand into the rest of the world.

4.1.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

Key Financial Products (Services)	Major Sales Area
Life insurance	Mainly sold/provided in Taiwan, and secondarily in Korea
Banking	Mainly sold/provided in Taiwan, and partially in China and Hong Kong
Securities	Mainly sold/provided in Taiwan
Non-life insurance	Mainly sold/provided in Taiwan, and partially in China
Venture capital investment	Mainly sold/provided in Taiwan
Asset management	Mainly sold/provided in Taiwan
Insurance agency	Mainly sold/provided in Taiwan

(2) Future market supply and demand

a. Supply

Advancements in digital technology are driving conventional financial institutions to adopt digital transformation, which further stimulates the development and innovation of financial technologies. The authority's continuous efforts in promoting financial innovation and deregulation will help diversify the supply of financial products and enhance differentiation of financial services, whereas the government's ambition at promoting Taiwan as the "Asian Asset Management Center" works in favor of not only retaining capital within the domestic market but also enhancing talents, expertise, and competitiveness of Taiwan's financial market, which ultimately attracts overseas capital toward supporting Taiwan's industries. The financial industry should welcome this policy as well as the opportunities it brings by expanding the diversity of financial products and services offered. Fubon Financial Holdings is one of the largest private financial holding companies in Taiwan and has consistently outperformed its peers. In addition to winning customers' trust with a broad variety of innovative products and high-quality services, the group will strive for sustainability while securing market dominance by conveying "Be positive All possible".

b. Demand

The rapid development of financial technologies and widespread information have made consumers more eager for knowledge related to financial products and services. The adoption of digital technology, data sharing, and big data analysis has enabled financial institutions to explore and satisfy customers' potential needs and offer differentiated customer experience in greater depth. By designing products and services in line with customers' needs, Fubon Financial Holdings is able to raise customers' satisfaction with the financial services rendered. Additionally, Fubon's expansion overseas has further broadened the scope of financial products and services offered, whereas tightened collaboration with Asian markets has fueled customers' demand for financial products and services across borders. Fubon Financial Holdings is well positioned in Asia to capitalize on the growing trend and establish itself as "Asia's first-class financial institution".

4.2 Business overview of Fubon Life

4.2.1 Scope of business

(1) Business activities

The subsidiary is involved in the sale and service of personal insurance; its products mainly include life insurance, health insurance, accident insurance, and annuity insurance.

(2) Weight of business activities

Unit: NTD millions

Item	2023		2024	
	Amount	Weight	Amount	Weight
Life insurance	238,513	74%	259,892	71%
Health insurance	46,438	14%	50,946	14%
Accidental insurance	7,027	2%	7,637	2%
Annuity insurance	31,704	10%	45,820	13%
Total premiums	323,681	100%	364,295	100%

(3) New products and services planned for the future

a. Product aspect

- Develop fragmented long-tenor and protection-oriented products to increase the percentage of regular-premium products sold as the subsidiary adopts IFRS 17 and TW-ICS in the future.
- Continue development of participating products featuring a variety of payment options in NTD and foreign currencies that are in line with market trends and the needs of the distribution channel; establish the subsidiary's stature as the most popular insurance service brand for locals.
- Capitalize on the hyper-aged society by developing a broad variety of interest-sensitive and annuity products that bring total retirement protection to customers.

b. Service aspect

- Continue use of AI and automated tools to fine-tune the underwriting, claims, policy changes, and other administrative processes for improved operating efficiency.
- Enhance AI-assisted, text-based customer service and functions of the Fubon Life website; increase inclusivity of financial services for improved customer experience.
- Optimize the digital service platform for policyholders and sales representatives, thereby creating a digitalized business environment for the insurance industry.

4.2.2 Business plans for the year

Fubon Life responded to changes in the business environment in 2024 by adhering to its total product coverage and channel diversification strategies, and by emphasizing the sale of regular-premium and protection-oriented products. The subsidiary also introduced a broad variety of participating products to meet customers' needs for protection and retirement planning. Furthermore, with the introduction of insurance technologies and applications, the subsidiary optimized its insurance service procedures in ways that improved channel efficiency and customer service quality.

(1) Domestic market

- a. Grow and raise productivity of the sales force; expand distribution channels.
 - (a) Increase sales capacity and emphasize on the sale of long-term, protection-oriented products; build consistent performance in the sale performance of participating and interest-sensitive products.
 - (b) Strengthen cooperation with external channels to drive sales growth; use digital tools for sales assistance and as a means to strengthen channel attachment.
- b. Adopt a total product strategy in response to environmental changes.
 - (a) Commit additional resources into the development of participating and interest-sensitive products in response to the adoption of IFRS 17 and TW-ICS in the future; place greater emphasis on the promotion of long-tenor, protection-oriented products; and increase the percentage of regular-premium policies sold.
- c. Optimize the digital system and refine administrative processes for improved service efficiency.
 - (a) Continue adopting new technologies to enhance the underwriting and claims processes; streamline administrative and sales procedures for improved operating efficiency and customer experience.
 - (b) Gather digital trail of online activities, optimize insurance service to customers, and explore business opportunities.
- d. Enhance sustainability and corporate and strive to become the role-model of sustainable finance.
 - (a) Continue implementation of innovative ESG practices; aim to win favorable results in sustainable finance and fair customer treatment evaluations.
 - (b) Improve the functionality of the board of directors and functional committees; strengthen the three defenses of internal control as well as the cybersecurity and risk management systems for business continuity.

(2) Overseas market

- a. The Vietnam subsidiary will direct business efforts to the local market by expanding branch coverage, cooperating with related enterprises of Fubon Group, and targeting the Chinese-speaking population. More emphasis will be placed on improving the performance of sales channels and retaining top-performing sales representatives for continuous growth of sales performance.
- b. Fubon Hyundai Life will strive to build up consistent sales by improving channel performance; more attention will be directed to capital management as a way to lower liability cost and improve profitability for retirement pension.
- c. The Hong Kong subsidiary will continue placing emphasis on participating products and gradually transition into selling a broad diversity of products. By leveraging the influence of Fubon Group, the subsidiary will work with high net worth customers to devise wealth management and wealth transfer plans that will help them accomplish asset accumulation and protection goals.

In the future, Fubon Life will exercise more rigorous supervision over the sales efforts of its overseas subsidiaries, aim to increase revenues of its overseas subsidiaries, and enhance communication and interaction with local authorities to keep up to date on the latest supervisory and regulatory trends while growing market presence locally and abroad.

4.2.3 Industry overview

The initial rate cut by U.S. Fed in the third quarter of 2024 helps improve performance of the entire financial industry and life insurance market. According to statistics prepared by the Life Insurance Association, Taiwan's life insurance industry earned NT\$2,440.16 billion in premiums in 2024, representing a 12% increase over the previous year. Among which, first-year premiums totaled NT\$841.81 billion, representing a 25% increase year-on-year. Owing to increased trading activities in the capital market, a large proportion of the products sold were investment-linked policies, with first-year premiums totaling NT\$340.27 billion that represented a weight of 41%; interest-sensitive insurance was the next popular product, with first-year premiums totaling NT\$306.15 billion that represented a weight of 36%. Premiums from investment-linked and interest-sensitive policies had grown by 33% and 13%, respectively. Traditional products generated first-year premium totaling NT\$195.4 billion that accounted for a 23% weight. Premiums from traditional insurance products grew by 35% largely because of the adoption of IFRS 17 and TW-ICS, and that the authority is enforcing the damage compensation principle for reimbursement-type medical insurance products.

Fubon Life continued to deliver outstanding results in the life insurance market by adopting a flexible and innovative product design approach and a channel diversification strategy. In terms of sales performance, Fubon Life generated first-year premium of NT\$110.08 billion and total premium of NT\$364.3 billion, ranking second in the industry on both counts while securing the subsidiary's leading position in the market. With regard to financial position, Fubon Life managed to accumulate consolidated total assets to NT\$6.2 trillion and produce net income of NT\$102.66 billion in 2024, representing a 184% increase year-on-year and a historical high record.

[Statistics on Life Insurance Premiums]

Unit: NTD millions

Premium type	2023	2024	Growth rate
First-year premiums	671,368	841,814	25%
Renewal premiums	1,516,579	1,598,342	5%
Total premiums	2,187,947	2,440,157	12%

Source: Life Insurance Association

[Statistics on Life Insurance First-year Premiums]

Unit: NTD millions

Product	2023		2024		
	First-year premiums	Weight	First-year premiums	Weight	Growth rate
Traditional	144,406	22%	195,395	23%	35%
Interest-sensitive	270,419	40%	306,148	36%	13%
Investment-linked	256,543	38%	340,272	41%	33%
Total	671,368	100%	841,814	100%	25%

Source: Life Insurance Association

[Key Indicators for Taiwan's Life Insurance Market]

Year	2020	2021	2022	2023	2024
Population (thousands)	23,561	23,375	23,265	23,420	23,400
Income per capita (in multiples of \$100 million)	173,380	189,177	197,022	199,965	220,688
Total premiums (in multiples of \$100 million)	31,640	29,711	23,344	21,879	24,402
Ratio of having insurance coverage (%)	260.49	264.81	266.08	263.53	-
Ratio of prevalence (%)	291.14	275.99	270.75	270.55	-
Total premiums/income per capita (%)	18.25	15.71	11.85	10.94	11.06

Source: Ministry of the Interior, Taiwan Insurance Institute

4.2.4 Research and development spending and accomplishments in the last two years

(1) Research and development spending in the last two years

Unit: NTD millions

Year	2023	2024
Amount	359	138

(2) Research and development accomplishments

a. Product development

- (a) New forms of reimbursement-type insurance policies were developed to provide medical protection:

The subsidiary launched a one-year cancer medical insurance rider that included outpatient cancer treatment as a reimbursement-type benefit, and in doing so complemented existing protections for “non-inpatient treatment” and satisfied cancer patients’ needs for advanced treatments such as orally ingested targeted drugs, outpatient chemotherapy, and outpatient radiotherapy. A medical insurance rider for medical supplies was introduced to provide coverage for nine common types of medical supply, such as intraocular lens implant and artificial joint replacement, to cover for medical supplies of existing policies.

- (b) A variety of health insurance policies featuring spillover benefits were introduced to encourage voluntary health management:

To help middle-age and elderly people prepare for future health risks, the subsidiary launched a “new health checkup insurance” plan covering eye, hearing, and joint health for those in need. Other features such as spillover discount and no-claim benefit are also offered as incentives for voluntary health management.

- (c) Launched participating products and established dominant brand presence in participating insurance:

The subsidiary took advantage of the risk protection and asset transfer features of insurance by introducing participating products of different currencies that are targeted at retirement planners, high net worth customers, and customers seeking financial stability.

b. Customer service

- (a) The subsidiary was the first among industry peers to launch two-hour express approval for online insurance applications. This service uses Mobile ID (MID) for signing off online insurance applications, and if the customer pays the initial premium using mobile payment, insurance coverage can be underwritten entirely online in just 2 hours.

- (b) The subsidiary was the first in the life insurance industry to register a scam-proof SMS sender number – “68999,” so that policyholders can easily distinguish whether a SMS is

genuine and sent through the official channel, and thereby prevent scams while protecting policyholders' personal data.

- (c) The subsidiary received approval from the authority to begin a trial run of “cloud e-cashier” service, which allows the applicant and the insured party to communicate remotely via video conference over the Fubon Life APP for various services such as policy loan, change of beneficiary/applicant, and change of applicant's/insured party's name, thereby bringing more convenience to policyholders.
- (d) Smart technologies were introduced to further expand the functionality of the Fubon Life APP and “AI customer service chatbot” on website. Customers are now able to access policy information in greater detail, such as inquiry/trial calculation of surrender value, change of payment method, inquiry of premium payment details, and request for proof of payment.
- (e) The subsidiary launched a digital service called “identity courier,” which uses MID to replace security questions in phone calls. Application of MID has also been broadened to services that involve policyholders' personal profile, policy particulars, scope of coverage, benefit payment, and details of investment-linked/interest-sensitive/annuity insurance policies. This new feature allows customers to submit requests through more diverse channels and develop better digital financial experience.
- (f) The subsidiary was the first among peers to create an “accessible financial service” section on its mobile APP, which features enlarged texts, simplified commands, text-to-speech, voice OTP, and an interface designed specifically for elders and the visually impaired. Customers can even use smartphones for voice input.
- (g) The subsidiary created two new sections, namely “ESG” and “Fair Customer Treatment,” on its official website and made several useful designs such as font size adjustment, text-to-speech, key-activated links, and buttons to help elders and persons with disabilities navigate the website, thereby creating an accessible user environment.
- (h) The subsidiary was the first among peers to create a “Vietnamese webpage” on its website, and ongoing commitments are being made to create a diverse and inclusive financial services ecosystem that aligns with fair customer treatment spirit.

4.2.5 Future research and development plans

(1) Expected research and development spending

Unit: NTD millions

Item	Expected research and development spending for 2025
Amount	474

(2) Future research and development plans

a. Product development

- (a) Continue expansion of participating products, broaden customer reach, and enhance promotion efforts on regular-premium products.
- (b) Introduce retirement planning products that provide total protection after retirement.
- (c) Monitor changes in demand for interest-sensitive products and introduce new products at appropriate times.
- (d) Launch fragmented health insurance products and expand protection through structured sales.

b. Customer service

- (a) Adopt digital and automated process for improvements in internal efficiency
 - ◎Fine-tune administrative procedures and adopt the use of automation tools for improved service efficiency.
 - ◎Develop differentiated services based on the characteristics of each channel and enhance collaboration with channel partners to speed up underwriting.
 - ◎Simplify administrative processes and rules for improved operating efficiency while addressing risks and markets.
- (b) Total improvement of customer experience and self-help services
 - ◎Optimize mobile platforms for policyholders and sales representatives; strive to improve service experience and increase users of digital service.

- ◎ Enhance functions of the Fubon Life APP and website; improve inclusivity of financial services.

4.2.6 Long and short-term business plans

(1) Short-term business plans

- a. Introduce a complete range of retirement planning products to provide total protection.
 - (a) Continue expansion of participating products, broaden customer reach, and establish a dominant brand presence in participating insurance policies.
 - (b) Capitalize on the aging society and low fertility rate by promoting medical and long-term nursing products.
- b. Strengthen the sales team, increase productivity of sales representatives, and encourage the sale of high-CSM products.
 - (a) Expand the organization by recruiting competitive sales representatives; raise the level of professional knowledge relating to trust and wealth management for broadened service opportunities.
 - (b) Continue hosting advanced courses including “basic training” and “elite training” for newly recruited sales employees, and design “high performance training” for managers. Enhance talent training and development, particularly with regard to professional knowledge on taxation, retirement planning, and wealth transfer, to provide customers with total insurance protection.
- c. Secure external distribution channels and market dominance.
 - (a) Observe product strategies and direct efforts to the sale of regular-premium/high protection insurance for high CSM.
 - (b) Strengthen collaboration with channel partners through customized and digitalized training on services and products.
- d. Increase cross-selling through group synergy.
 - (a) Leverage the diverse products and services offered by the financial group to provide customers the one-stop financial service experience.
 - (b) Continue guiding related enterprises toward transformation and increase the weight of regular-premium and protection-oriented products.
- e. Develop service processes and systems that conform with digital trends for improved efficiency, quality, and reduced operating cost.
 - (a) Implement agile and resilient systems and infrastructures to support automation, digitalization, and AI-assisted services.
 - (b) Create a new platform from users’ perspective for improved customer experience and administrative efficiency.
 - (c) Develop a digital talent training plan to assist with digital transformation.
- f. Enforce existing compliance, cybersecurity, and risk management systems, and continually adopt sound corporate governance practices.
 - (a) Ongoing enhancements will be made to compliance, cybersecurity, and risk management measures and systems.
 - (b) Enhance accountability of senior managers for more rigorous corporate governance.
- g. Enhance sustainability practices and strive to become the role-model of sustainable finance.
 - (a) Continue implementation of innovative ESG practices and aim to gain and maintain favorable results in sustainable finance evaluations.
 - (b) Escalate anti-scam efforts and enforce inclusive financial services.

(2) Long-term business plans

- a. Continue transition toward IFRS 17 and TW-ICS; adjust product structure with an emphasis on long-tenor and protection-oriented products that offer high CSM for consistent premiums and profits and for improved operational performance.
- b. Continually expand employee base and production capacity to raise the competitiveness of proprietary channels; strengthen working relationships with external channel partners through high-quality service and diverse products, and thereby secure market position.
- c. Adopt technologies to develop a business model that conforms with digital trends, and

continually implement the system modernization project.

- d. Optimize administrative procedures and increase the level of digitalization in customer service for improved service experience and administrative efficiency.
- e. Continue enforcement of ESG values and fair customer treatment measures, and promote sustainable practices and corporate social responsibilities.
- f. Commit additional resources into growing overseas markets; enhance supervision over subsidiaries and grow local sales.
- g. Adopt sound corporate governance; enhance compliance, risk control, and cybersecurity protection within the organization; train talents with integrated and digital expertise; and create a sustainable business environment.

4.2.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

The subsidiary primarily provides insurance products and services to institutional and natural-person customers in Taiwan.

(2) Future market supply and demand

Advancements in medical technology combined with increasing life expectancy have exacerbated the aging demographics and low fertility. As a result, consumers became more aware of retirement planning and health management, thereby increasing demand for products that aim to address longevity and inflation risks, such as participating policies with protection and income features and interest-sensitive policies with protection features. Due to increases in medical expenses and probability of claims, products are being designed with a higher level of fragmentation and premium differentiation (i.e. spillover policies). Furthermore, development of the global capital market favors the launch of investment-linked products, which help premiums return to the path of growth in 2024. However, the U.S. Dollar Index has risen to the point that foreign currency-denominated policies are now under stress for termination. Furthermore, the USD-NTD interest spread stayed high, causing the life insurance industry to incur record-high NT\$385.1 billion in hedging and exchange costs in 2024. Overall, the life insurance industry is expected to be met with challenges and opportunities at the same time.

[First-year Premiums and Total Premiums Earned by Taiwan's Life Insurance Industry]

Unit: NTD millions

Year	First-year premiums		Total premiums	
	Amount	Growth rate	Amount	Growth rate
2020	916,790	(28%)	3,163,957	(9%)
2021	1,048,040	14%	2,971,094	(6%)
2022	772,995	(26%)	2,334,389	(21%)
2023	671,368	(13%)	2,187,947	(6%)
2024	841,814	25%	2,440,157	12%

Source: Life Insurance Association

(3) Business goals

The initial rate cut by U.S. Fed in the third quarter of 2024 helps the life insurance industry secure low-cost funding; however, geopolitical risks still give rise to market volatility and present challenges to business operation. Fubon Life will continue maintaining the consistency of its business operations and strive to accomplish business targets by: growing proprietary channels, increasing production capacity, developing products that meet the market's needs and connect with new accounting standards, creating intra-group synergies, optimizing administrative processes with digital technologies, and delivering heartfelt services to customers.

Unit; NTD millions

Item	2025
First-year premiums	123,405

(4) Opportunities and threats

a. Opportunities

- (a) The U.S. Fed began its rate-cut cycle in the third quarter of 2024, which helps slow down policy surrender and lower the cost of capital.
- (b) The authority's policies of promoting Taiwan as the "Asian Asset Management Center" favors business development and product design.
- (c) Taiwan is becoming a hyper-aged society in 2025, which drives demand for retirement planning and medical protection products.
- (d) The authority has been implementing several localization and transitional measures to help adopt TW-ICS.
- (e) ESG continues to gather attention and contribute to corporate brand image in a positive way, which helps attract talents and promote businesses.
- (f) Application of digital technologies in finance continues to evolve, and the authority now allows establishment of digital insurance companies and for insurance companies to cooperate with financial technology service providers, which opens up opportunities for insurance companies to develop innovative products and services and optimize administrative processes to the benefit of customers.

b. Threats

- (a) Geopolitical tension and U.S. trade policies give rise to market volatility that affects investment decisions.
- (b) The life insurance industry competes for the sale of interest-sensitive products by offering favorable terms, which poses challenge to the bancassurance channel.
- (c) Uses of new technologies such as cloud computing and AI increase the need for cybersecurity protection and security measures, which present additional operating costs.
- (d) Aging demographics combined with low fertility rate gives rise to labor shortage across all industries, which undermines corporate recruitment and expansion efforts.

c. Response measures

- (a) Continue expansion of participating and interest-sensitive products; capitalize on the opportunities associated with retirement planning.
- (b) Expand the portfolio of protection-oriented products with hybrid and fragmented offerings; introduce reimbursement-type benefits as well as coverage for medical supplies and certain organs.
- (c) Continue adopting new technologies in system planning for optimal administrative efficiency; introduce automation technologies to minimize manual processes that are repetitive in nature, and thereby mitigate the impact of low fertility.
- (d) Consolidate group resources toward developing innovative products and services and growing business opportunities, thereby creating synergy through group collaboration.
- (e) Continue implementation of innovative ESG projects and fine-tune ESG practices; aim to win favorable results in sustainable finance and fair customer treatment evaluations.

4.3 Business overview of Taipei Fubon Bank (including the subsidiary, Fubon Bank (China))

4.3.1 Scope of business

(1) Business activities

Business category	Main business activities
Institutional banking	Includes corporate banking, international banking, institutional trust, and public treasury services.
Retail banking	Includes wealth management, consumer banking, and personal trust service.
Financial markets	Includes capital management, investment management, treasury transaction, and treasury solutions service.
Overseas subsidiaries	Business activities of subsidiary – Fubon Bank (China).

(2) Weight of business activities (consolidated basis)

Unit: NTD millions

Business category	2023		2024	
	Amount	Weight	Amount	Weight
Institutional banking	23,539	33%	24,654	29%
Retail banking	36,655	51%	43,925	52%
Financial markets	5,961	8%	7,972	10%
Overseas subsidiaries	6,683	9%	8,604	10%
Others	(926)	(1%)	(1,115)	(1%)
Total	71,912	100%	84,040	100%

(3) New products and services planned for the future

a. Growing SME customers and expanding overseas markets

Anticipate future rate cuts and actively grow the credit portfolio by targeting top-performing industries and syndicated loan cases; explore new customers as well as opportunities in line with Taipei Fubon Bank's overseas expansion efforts; and leverage in-house products, domestic/foreign branches, and resources of group subsidiaries to bring professional and total solutions to customers. For the personal banking segment, the Bank strives to strengthen relationships with existing accounts and potential wealth management customers, and will deploy a private banking service team that is optimized for nationwide coverage, localized relationship building, differentiated customer management, higher customer penetration, and increased revenues.

b. Expanding overseas presence to provide customers with more complete cross-border banking platform

Strengthen the coordination between overseas branches and grow the overseas market, targeting Taiwanese businesses and capitalizing on their needs for overseas investment and wealth management through the Bank's Hong Kong, Singapore, and Vietnam branches. Further optimizations will be made to the overseas wealth management platform, with particular regard to product lines and the trading system, to better support customers' overseas asset allocation and investment needs and thereby expand the source of overseas profits and strengthen customers' attachment.

c. Promoting Fubon+ as a digital platform and increasing revenues

Continue optimization of Fubon+, the mobile banking APP, with a customer-centric approach; provide customers with a new digital service experience and develop new functions; aim to raise customers' satisfaction and digital experience by providing a more complete one-stop service that integrates diverse financial offerings including deposits, credit cards, payment, investment, loan, insurance, and securities.

4.3.2 Business plans for the year

(1) Institutional banking

- a. Maintain growth of loan assets; make coordinated use of domestic and overseas business locations and group resources to provide professional and total solutions for customers' financial needs; aim to increase penetration across TWSE/TPEX listed companies and maximize return on assets; target regional industries and moderately increase risk appetite for large, medium, as well as small enterprises.
- b. Continually increase the size of deposits and adjust customer composition; target small and medium-size customers and overseas branches for demand deposit growth; make use overseas branches as a means to delve into customers' overseas investment needs; strengthen relationship with group customers for increased attachment.
- c. The FBO will have undergone phase 1 – system development, testing, and validation of its upgrade. The upgrade will give customers access to newly optimized corporate Internet banking network and deliver better UI/UX experience.

(2) Retail banking

- a. Source capital through online/offline deposit campaigns and strengthen customers' attachment using a wide diversity of channels. Focus on customer segment management and introduce suitable products for high net worth customers following the commencement of high net worth services. Address the aging demographics and low fertility rate by introducing trust solutions for children's education, retirement planning, nursing, wealth transfer, etc., to suitable customers. Promote insurance products with an emphasis on protection and target customers' life protection and wealth transfer needs as part of the Bank's ESG responsibilities.
- b. Use the newly launched Fubon+ APP as a means to provide a one-stop service experience and to broaden digital banking scenarios. Develop complete services for every scenario and strive to improve customers' digital experience, using online-to-offline (O2O) marketing campaigns to increase Fubon+ members/mobile banking transactions/digital traffic.
- c. The Bank will leverage the abundant resources of Fubon Group, investigate customers' profiles and consumption behaviors through big data analysis, and strengthen collaboration with LINE Pay to encourage spending through cards. More attention will be directed to growing overseas spending and increasing the percentage of installment purchases at merchants as a means to grow the amount charged to credit cards.

(3) Financial markets

- a. Time the market and increase trading of interest/exchange rate derivatives as well as equity and bonds. Collaborate with TMU domestically and overseas on a larger scale, leverage proprietary trading and analyze information of the equity/currency/debt market to increase opportunities of profitable trades.
- b. Enhance the competitiveness of interest/exchange rate quotations locally and abroad, and satisfy customers' needs for domestic/overseas investments and hedges by offering interest/exchange rate solutions of high quality.
- c. Make flexible use of available capital and allocate into interbank lending, bills, central bank NCDs, and bonds depending on changes in capital position and maturity gap. When allocating into bonds, the Bank will choose highly liquid instruments and HQLA bonds as the top priority. Capital will be allocated in such a way that keeps the liquidity ratio steady and delivers optimal returns for Taipei Fubon Bank.

(4) Overseas subsidiaries

- a. Fubon Bank (China) will continue to focus on serving its “two roots,” which are Taiwanese businesses and real economic activities.
- b. For corporate customers, the subsidiary will focus on maintaining consistent asset growth, improving deposit composition, protecting spread, enhancing business coordination, and increasing the weight of intermediary income.
- c. For retail customers, attention will be directed toward improving the online loan platform, increasing sales, expanding product offerings, targeting customers with real needs for the mortgage service, rebuilding mortgage capacity, increasing income from wealth management services, and cooperating with business partners to source customers for the credit card business.

4.3.3 Industry overview

The global economy and trade had endured many challenges in 2024. Driven by the dedication to providing accessible, high-quality, and trusted digital experiences to customers, Taipei Fubon Bank introduced “Fubon+”, a new mobile banking APP in 2024 that boasts “simplicity, intuition, and personalization” as the three main features to improving customer experience and satisfaction. In a time when geopolitical risk rises and industries look to reorganize supply chains and relocate production sites, Taipei Fubon Bank has positioned itself to capitalize on the trend (through branches in Hong Kong, Vietnam, and Singapore and an office in Indonesia) and continues to expand business reach, including the establishment of a Japan Branch, India Branch, and Korea Branch, and the upgrade of the Australia Office to a full-fledged branch. In doing so, the Bank aims to satisfy the need for financial services from Taiwanese as well as foreign businesses. The Bank reported consolidated revenues of NT\$84 billion and net income of NT\$31.3 billion for the year, up 17% and 28%, respectively, year-on-year, delivering record-high performance yet again. The Bank also reported year-end consolidated assets of NT\$4,798.7 billion, year-end net loan balance of NT\$2,540.9 billion, year-end deposit balance of NT\$3,940.6 billion, return on asset (ROA) of 0.68%, and return on equity (ROE) of 9.77% for the year. All performance indicators had improved continually from the previous year.

The global economy should undergo moderate expansion in 2025, albeit in the presence of many uncertainties. Taipei Fubon Bank aims to capitalize on market opportunities under the given circumstances, and will continue committing resources to improving the infrastructures, systems, and processes of domestic as well as offshore branches, and raise customers’ service experience both online and offline to secure competitive advantage.

4.3.4 Research and development spending and accomplishments in the last two years

(1) Research and development spending in the last two years

Unit: NTD millions		
Year	2023	2024
Amount	1,050	1,017

(2) Research and development accomplishments

- a. Fubon+ APP: The Bank introduced online application for travel insurance and motorcycle/car insurance onto the Internet banking and mobile banking platforms in an attempt to quickly capitalize on market opportunities and meet customers’ demand for one-stop shopping. Combined with a data/sales mid office, the APP is able to make flexible use of resources and support dynamic presentation of personalized scenarios, thereby providing more personalized and smarter digital banking services.
- b. Digital trust: The Bank has been implementing a 4-stage trust service digital transformation plan both in response to the FSC’s Trust 2.0 initiative. With the launch of an innovative “online trust sign-off platform” in November 2024, customers can now sign trust agreements over the online platform, which marks a significant milestone in the digitalization of trust service.
- c. Interactive unsecured loan application: Sales representatives may pre-fill details onto the online application form based on customers’ requirements, and the customer simply has to confirm the correctness of details printed to quickly submit the application. The process not only simplifies steps for customers, but also allows salespersons to keep track of the application progress. 75% of loan applications were submitted through this process in just 5 months after launch.

- d. E-CNY: Fubon Bank (China) became the first wave of foreign banks in Mainland China and the first Taiwanese bank to introduce “E-CNY” service. In 2024, the subsidiary made further improvements by: introducing the E-CNY APP that allows quick card-binding without the need to input the card number; allowing Taiwanese people to upgrade their E-CNY wallets and bind cards using the Taiwan compatriot permit; and launching the E-CNY account service.

4.3.5 Future research and development plans

(1) Expected research and development spending

Unit: NTD millions

Item	Expected research and development spending for 2025
Amount	1,741

(2) Future research and development plans

- a. By providing full tracking service for SWIFT GPI transactions, the Bank aims to save cost on manual tracking while at the same time improving customer service quality. The Bank continues upgrade of FBO – its next-generation corporate banking system, and attention will be directed toward achieving total process digitalization and optimizing overseas online banking to provide customers with a fresh user experience.
- b. Fubon+ APP: The Bank continues to expand the Fubon+ APP and optimize its digital banking services with a customer-centric focus. The Bank also tracks customers’ feedback and requests on a regular basis, and makes optimizations to relevant functions accordingly to improve overall satisfaction and customer experience.
- c. Connecting unsecured loan/mortgage online platform with MyData: By interfacing with a government institution, the Bank will be able to retrieve customers’ identity documents and proof of wealth needed to proceed with various business activities, subject to customers’ consent. This linkage not only enables real-time synchronization and cross-platform application of data, but also gives customers power over their digital identity while at the same time simplifies application procedures and minimizes fraud risk.
- d. E-CNY: Using the digital currency bridge proposed by the Digital Currency Institute of the People’s Bank of China, Fubon Bank (China) continues to make service trial runs, testing cross-border transactions and creating scenarios where E-CNY may be useful, all for the purpose of bringing high-quality, efficient, and diverse digital banking services to customers.

4.3.6 Long and short-term business plans

(1) Short-term business plans

- a. Strengthen group relationship with industry participants; explore cross-selling opportunities for improved market share; target viable industrial zones and the regional industry; make optimal use of policy loans, credit guarantees, etc., to increase SME risk appetite; and grow the SME customer base as well as income from loans. Aim to achieve higher penetration of Taiwanese businesses operating within the locality of overseas branches, and take the initiative to explore new global trade customers locally. Look for opportunities to grow new loan customers in countries close to where branches are located.
- b. Enhance promotion of green credit solutions and provide customers with the funding they need to undergo green transformation; plan financial products and services that support green transformation, thereby capitalizing on ESG and green financing opportunities.
- c. Make more active trading of overseas and local interest/exchange rate instruments; increase customer penetration and explore new accounts while at the same time improve the overseas asset marketing platform; expand proprietary trading capacity; and actively grow trade services in Asia.
- d. Leverage the new member privileges system; combine wealth management and institutional banking personnel to assemble a sales force comprising different areas of expertise that is well coordinated toward growing the wealth management business. Implement a bank-wide referral campaign to source new financial advisory customers and at the same time explore cross-selling as well as profit opportunities. Actively promote private banking services in association with local cultures and customs; develop collaborative practices, teams, and contacts to satisfy the investment needs of different customers.

- e. Continue using big database for more fine-tuned customer segmentation, and make use of the personalized recommendation and automated marketing functions within Fubon+ while engaging in external collaborations to secure cardholders' loyalty and improve overall business performance.

(2) Long-term business plans

- a. Monitor regulation and market changes; continue bringing innovative digital products and services to customers; complete product offerings for overseas branches as a way to raise competitiveness and strengthen Taipei Fubon Bank's relationship with customers.
- b. Continue using data modeling technologies for customer segmentation, enhanced customer identity recognition, AI-assisted customer service, and precision marketing; integrate virtual and physical channels to bring top-quality loan service experience to customers; offer personalized services that strengthen customers' attachment.
- c. Offer differentiated products and services; introduce distinctive products that align with the attributes of each customer group. Target high net worth customers for the offering of unique products and asset allocation services that bring added value.
- d. Continue issuance of sustainable development bonds; implement environmental sustainability and green financing strategies; commit to ESG investments and keep track of ESG progress among investees; gather and assess data in a systematic and regular manner to ensure alignment with sustainable investment goals.
- e. In light of the public's increasing awareness of ESG, aging population, and wealth transfer, Taipei Fubon Bank will be placing greater emphasis on equity and money trust services as well as employee welfare trust solutions for businesses, and has devised a 3-year plan to create an online trust ecosystem that takes advantage of its physical branch presence. Through this online-offline integration, the Bank looks forward to providing trust, investment, and taxation services to individuals as well as corporate customers, and thereby satisfy the society's growing demand for diverse trust solutions.

4.3.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

a. Institutional Banking Business

Provides institutional banking services such as credit, cash management, trade financing, accounts receivable financing, and syndicated lending that are mainly targeted at corporate customers. Foreign currency services and derivatives are provided to accommodate customers' investment and hedging needs, whereas national/municipal treasury, stand-in lending, and tax collection/payment services are offered to government agencies. This segment operates primarily in Taiwan, Hong Kong, the Mainland, Vietnam, and Singapore.

b. Retail Banking Business

The segment focuses on Taiwan as the main market, where there are 179 branches to serve as distribution. In order to satisfy our overseas customers, we offer personal finance and property management services in accordance with rules of the local financial supervisory authorities in Hong Kong and Singapore.

(2) Future market supply and demand

The global economy will still be presented with many challenges throughout 2025. Faced with difficult challenges, Taipei Fubon Bank will continue seeking growth by adopting a customer-centric focus and strive to meet the needs of the market and customers across all segments while maintaining rigorous control over business risks.

a. Institutional Banking Business

- (a) Taiwan's export trade is already susceptible to the trade conflict between USA and China and rising geopolitical tension, and Donald Trump's "America First" initiative and new tariffs after taking office will only increase operating costs for businesses. Meanwhile, rising inflation concerns is likely to disrupt the United States' plans for rate cut and monetary policy adjustments, which affects the flow of international capital and speeds up global supply chain restructuring and market segregation.
- (b) Owing to strong demand for new technologies such as AI and high performance computing and Taiwan's growing significance in the supply of AI hardware, export trade is expected to rise over time. In the future, trade policy and technological innovation should become the two main drivers for global trade growth.
- (c) Continue optimization of overseas deposit products in line with the factory expansion efforts of Taiwanese businesses and overseas branch expansion plans of the Bank. Streamline the cross-strait remittance process and offer useful services such as fast remit and integrated cross-border inquiry that create synergy between affiliated branches for the benefit of customers.
- (d) Using digital tools as a way to improve operating efficiency has become an important trend in recent years; furthermore, businesses today have more expectation and demand for, and are more receptive to, new digital banking services targeted at institutional customers. Nowadays, it is important for businesses to find ways to incorporate corporate Internet banking into daily operations and use it as a means to support business expansion.
- (e) Businesses nowadays are expected to direct more attention to sustainability transformation. In response to this trend, the institutional banking segment will commit greater efforts to promoting green finance and offering financial consultation. Taipei Fubon Bank will monitor capital requirements relating to overseas infrastructure construction and renewable energy projects and participate in overseas syndicated lending to build a strong portfolio of overseas syndicated loans.

b. Retail Banking Business

- (a) The U.S. stock market, supported by solid fundamentals, should outperform the rest of the world in 2025, and the degree of which depends on profit growth. Markets outside the United States are in a state of moderate inflation, which presents room for rate cuts that will benefit overall stock market performance.
- (b) County and city governments have been actively promoting smart city governance in recent years. Many of the government charges can now be paid using a wide variety of tools. As people accept cashless transactions and different payment services into their lives, demand for payment solutions continues to rise. Meanwhile, revenue collectors actively collaborate with payment service providers to expand the scope of fees payable and functions available to users. The availability of zero-contact payment services has contributed to the formation of a smart payment ecosystem.
- (c) Given how private spending has remained strong and that the equity market is at an all-time high, demand for consumer loans should increase further. Driven by FinTech development, digital transformation, and changes in consumer demand, mobile banking has become the key platform where people visit to fulfill their financial needs. Taipei Fubon Bank will continue to escalate its digital marketing efforts and use the newly launched Fubon+ APP with its simplified interface design, enhanced interactive functions, and improved system stability as a means to increase member size, visitor traffic, and product visibility. Meanwhile, the Bank will make optimal use of internal data to source customers, particularly increasing the percentage of online walk-ins and the average number of products owned.

c. Financial market

The change of monetary policy in 2025 helps attract capital back into equity and bond markets. However, geopolitical risks remain and policy uncertainties after the U.S. election will continue to fuel volatility in the market. Liquidity of the financial market is still something that has to be monitored closely.

d. Overseas subsidiary

- (a) 2025 is expected to be met with rising level of trade uncertainty, which presents challenges to the old investment- and export-driven growth pattern. During the recent Central Economic Work Conference, a resolution was reached toward “implementing a more proactive and productive macroeconomic policy” that aims to stimulate domestic demand, support technology and industry innovation, stability housing and equity markets, and protect against risks and external impacts in critical areas.
- (b) With the strong support of a well-defined macroeconomic policy, economic growth for 2025 is expected to remain stable and exhibit the following characteristics: gradual recovery of private consumption under policy support; increased contribution from manufacturing and infrastructure investment; reduced contribution from exports due to trade uncertainty; and progressive improvement in industrial activities, with increasing levels of compensation from new growth drivers.
- (c) As for the banking industry, the size of social financing is expected to maintain stable growth under a more proactive macroeconomic policy. However, existing supervisory directives to channel capital into real economic activities and to downsize while improving the quality of loans have remained unchanged since 2024; combined with the lack of demand for effective unsecured loans and factors concerning the rollover of local bonds and loan charge-offs, unsecured lending is expected to grow at a slower rate but with improved quality overall. Green, inclusion, infrastructure, and manufacturing will continue to be the focus of unsecured lending.

(3) Business goals

Motivated by the vision of “becoming Asia’s first-class financial institution,” Taipei Fubon Bank will uphold its four core values of “integrity, sincerity, professionalism, and innovation,” persist in fulfilling ESG commitments, and establish itself as the “sustainable finance pilot” for the best interest of its shareholders, customers, employees, and the society.

(4) Opportunities and threats

a. Opportunities

- (a) Inflationary pressure should lessen across the world’s major economies in 2025, whereas demand for electronics recovers and uses of new technologies such as high-speed computing and AI broaden. Overall, export trade is expected to rise over time. Taipei Fubon Bank will take advantage of, and enhance collaboration between, the group’s overseas service locations particularly in the Greater China Region to provide customers with a comprehensive range of trade financing services.
- (b) Rapid advancements in financial technology and increasing popularity of new technologies such as AI, big data analysis, block chain, 5G etc. have improved the speed and stability of mobile banking application, which in turn enable more secured and efficient financial services. Meanwhile, changes in users' needs, ongoing digitalization, and progression of a cashless society are increasing the popularity of mobile payment and digital banking services. Taipei Fubon Bank’s Nano Investment with its simplicity, innovation, low entry barrier, and one-stop online process has successfully extended the Bank’s wealth management service to mass market customers and the young generation who lack access to personalized financial advisory.
- (c) The government’s policy support for green finance, micro businesses, and specialized/innovative industries presents new opportunities. Unsecured lending in related fields will be met with greater policy support. The Mainland China economy is quickly switching focus toward high-quality manufacturing, and the transition will give rise to new business models, new structures, new growth drivers as well as new opportunities.

b. Threats

- (a) International policies and economics are currently at a state of high uncertainty; the ongoing trade and technology conflict between USA and China poses the greatest uncertainty of all for Taiwan's exports. Meanwhile, rising geopolitical risks, tightened climate change supervision, and increasing pressure on carbon-intensive industries continue to challenge the ability of financial institutions to provide service across borders. Considering that export trade makes up the majority of Taiwan's economic activities, businesses will be required to comply with the ever-tightening regulations in Europe and America.
 - (b) Higher degree of digitalization not only puts traditional banks in competition with online-only banks and third-party payment platforms, but also gives rise to risk of hacker attack, data leak, fraud, and cybersecurity. As business grows, the corporate Internet banking system is required to support an increasing number of customers and needs, which presents challenges to digital service.
 - (c) Many businesses from other industries, such as electronic payment service providers and even retailers, are actively expanding to compete for payment service. By broadening the range of bills that can be paid through the service and introducing useful functions, all market participants have dedicated themselves to improving user experience and value, which in turn intensifies competition for bill payment services.
- c. Responsive strategies against threats
- (a) Focus on SME lending and expand the customer base of Taipei Fubon Bank; make use of government credit guarantees and credit insurance to transfer risks and thereby strengthen the Bank's resistance against risks. Target customers of specific industries and strive to improve service and operating efficiency. Learn group customers' capital allocation needs locally and abroad through the group customer risk management system; aim to increase the penetration rate and offer services that more closely address customers' needs to strengthen the attachment of group customers.
 - (b) Continue digital innovations; engage in cross-industry alliances and make use of FinTech to improve process efficiency and customer experience. In response to the uprise of scams and financial transaction risks, Taipei Fubon Bank has invested resources proactively into enhancing security protection measures; it continues to listen to customers' needs and optimize/upgrade the FBO accordingly, so that digital services can more closely address customers' needs.
 - (c) Aside from increasing the types of expenses that can be paid online, Taipei Fubon Bank also introduces a multitude of services and functions that aim to improve service quality, create differentiated advantage on bill payment service, and further enhance users' attachment and preference toward the Fubon+ APP.

4.4 Business overview of Fubon Securities

4.4.1 Scope of business

(1) Business activities

- a. Consigned trading of securities listed on Taiwan Stock Exchange Corporation (TWSE).
- b. Proprietary trading of securities listed on TWSE.
- c. Underwriting of securities.
- d. Consigned trading of securities listed on Taipei Exchange (TPEX).
- e. Proprietary trading of securities listed on TPEX.
- f. Securities transfer services.
- g. Margin trading and short-selling services.
- h. Introducing broker for securities-related futures.
- i. Consigned trading of foreign securities.
- j. Trust services.
- k. Securities investment consultancy services.
- l. Other securities services approved by the authority.

(2) Weight of business activities

Unit: NTD millions

Items	2023		2024	
	Operating revenues	Weight	Operating revenues	Weight
Brokerage and wealth management	13,746	77%	19,295	77%
Treasury service	3,200	18%	4,638	18%
Investment banking	840	5%	1,258	5%
Total	17,786	100%	25,191	100%

(3) New products and services planned for the future

Fubon Securities is committed to delivering an extraordinary customer service experience and places great emphasis on the development of AI and digital technologies. UI/UX and functions of the digital platform are continually optimized with AI embedded, and big data models are being incorporated to provide real-time and differentiated digital services that are precisely tailored to personal needs.

4.4.2 Business plans for the year

The equity market gained further in both value and trade volume in 2024 owing to the increased popularity of the AI and semiconductor sectors. This enabled Fubon Securities to turn in net profits of more than NT\$10 billion for the year, a record-high performance in the 36 years since the subsidiary was founded in 1988. Fubon Securities ranked top 3 in terms of market share and profits in 2024 in all of its key services, including the 3rd largest market share of 7.14% in brokerage service; the 2nd largest market share of 9.78% in margin trading and 21.89% in the Emerging Stock Market board; and the 2nd largest market share of 18.40% in securities lending and 15.14% in the underwriting of Taiwan bonds that improved from the previous year. Fubon Securities is dedicated to bringing customers the best digital service experience and adopts digital empowerment as a way to increase productivity across sales representatives. Resources are being directed to expand the wealth management customer base, and the product portfolio is being enriched with attractive offerings to support precise customization.

In 2025, Fubon Securities will continue to focus on increasing market share of brokerage services, recruiting sales talents, and sourcing new customers. New practices such as tiered management of sales representatives and customer relation enhancement campaigns will be adopted to promote wealth management transformation. Additionally, the subsidiary looks forward to developing AI applications and recruiting digital talent as a means to support digital innovation. In the proprietary trading segment, the subsidiary has been increasing the size of trading position in pursuit for absolute returns. As for underwriting services, the subsidiary will escalate its tier-based customer management approach and strive to compete for prominent underwriting cases. The subsidiary will continue increasing the level of

cooperation with group members to expand its service ecosystem and create synergies in the future. Fubon Securities values sustainability and continues to exert financial influence while upholding sustainability as the core value.

4.4.3 Industry overview

(1) Retail Business Division and Product Business Division

Major equity markets in the world gained further in both value and trade volume in 2024 owing to the increased popularity of the AI and semiconductor sectors. Taiwan's equity market, in particular, averaged a record-high daily trade volume of NT\$500 billion for the year, whereas the TAIEX gained more than 5,000 points compared to the end of 2023. All instruments delivered profits that were significantly higher than the previous year.

a. Brokerage services

(a) Spot

Taiwan's equity market saw a significant rise in value and trade volume in 2024; the weighted average index gained 28% to close at 23,035 while daily trade volume averaged NT\$524.7 billion, up 46% from the previous year. Fubon Securities reported record-high trade commissions of more than NT\$11.1 billion and a market share of 7.14% in spot, ranking third in the market.

(b) Margin trading

Market-wide margin trading balance averaged NT\$404.1 billion in 2024, up 48% from 2023. Fubon Securities was able to increase average margin trading balance to NT\$39.5 billion and market share to 9.78% ,up 0.22% from 2023, ranking second overall.

(c) Non-restricted purpose loans

Fubon Securities reported average loan balance of NT\$21.6 billion for 2024, up significantly by 63% compared to 2023.

(d) Futures introducing broker (IB)

In 2024, the subsidiary introduced a total of 21,077 thousand contracts as an IB, which represented a 14% increase over 2023.

(e) Securities lending

Market-wide securities lending balance averaged NT\$567.3 billion in 2024, up 43% from 2023. Fubon Securities reported an average securities lending balance of NT\$104.4 billion for the year, up significantly by 54% compared to 2023 while increasing market share to 18.40%, ranking second overall.

(f) Electronic trading

Electronic trading accounted for 80.45% of transactions in 2024; meanwhile, mobile trading accounted for 62.71% of overall electronic trades.

b. Wealth management

(a) Overseas shares

Fubon Securities handled NT\$822 billion of overseas share transactions in 2024, which was 96% higher, nearly doubling, compared to 2023.

(b) Funds

Fubon Securities handled NT\$30.1 billion of fund transactions in 2024, representing a substantial increase of 148% over 2023.

(c) Insurance

Fubon Securities sold NT\$2.1 billion of life insurance policies in 2024, up slightly by 2% from 2023.

(d) Overseas bonds

Fubon Securities handled NT\$54.2 billion of offshore bond transactions in 2024, up 35% compared to 2023.

(e) Structured instruments

Fubon Securities traded NT\$28.7 billion of structured instruments in 2024, up 30% from 2023.

(2) Financial Market Division

a. Equity derivative service

The subsidiary issued more than 2,900 warrants in 2024 representing a growth of more than 35% over 2023. Additionally, the subsidiary ranked top 2 in market share of non-principal protected products, and topped the market in the number of offerings.

b. Market-making

The subsidiary escalated both the intensity and quality of ETF market-making efforts in 2024, which not only raised its stature among ETF market makers but also resulted in profit growth. In addition to winning “Taiwan Equity ETF Market-making Award” for the second consecutive year, the subsidiary won its first “Taiwan Equity ETF Total Contribution Award” this year. Furthermore, the subsidiary has been exploring different trade strategies and portfolios in the realm of quantitative trading in an attempt to diversify and improve profit growth of quantitative trading.

c. Bonds

The U.S. employment data stayed strong after the Fed’s rate cuts, indicating a slowdown in the fall of the inflation rate. This was compounded by the market’s concern that Donald Trump may incur fiscal spending and raise tariffs to a point that causes inflationary pressure to resurface in the United States, which was why U.S. bond yields rose after the rate cut for the first time since 1996.

The subsidiary held a 15.14% market share in the underwriting of NTD bonds in 2024, which was 2.54% higher than 12.60% in 2023.

d. Proprietary trading

The subsidiary generated proprietary trading profit in 2024 mainly in the form of dividends from shares of high dividend yield.

(3) Investment Banking Division

a. Underwriting

Owing to an active capital market, the number of IPO and SPO cases totaled 316 market-wide while the amount of underwritten securities totaled NT\$205.4 billion. Fubon Securities served as lead underwriter for 32 of such cases, ranking 2nd in the market, and accounted for a 10.28% share of the underwritten sum ranking 3rd in the market. With respect to financial consultation, Fubon Securities helped Jentech Precision Industrial, a prominent customer, acquire 100% shareholding in Kenly Precision Industrial and execute reorganizations that aimed to improve competitiveness and business performance.

Fubon Securities looks forward to becoming customers’ key partner in the capital market that provides one-stop shopping for a comprehensive range of financial services.

b. Share transfer agency

Fees from share transfer agency service today is approximately 20% the level it used to be a decade ago, due to the effect of integrated marketing and price competition from peers. Intensive price competition has resulted in low revenue growth. Although there is no shortage of new TWSE/TPEX listings each year, the top 10 securities firms have aggregately reported less than 1% growth in share transfer agency revenues in recent years.

(4) Institutional Business Division

Foreign institutional investors accounted for 31.32% of total trade volume in Taiwan’s equity market in 2024, up 2.27% from 2023, whereas domestic institutional investors accounted for 12.42% of total trade volume, representing a 1.95% increase over 2023. Fubon Securities held a 0.76% share in transactions made by foreign institutional investors, representing a 0.02% growth over 2023 and ranking third among local securities firms. With regard to service to domestic institutional investors, the subsidiary is a main service provider for institutional investors and has been awarded A-rating by many of its customers. Fubon Securities is a major local securities firm with complete research and service resources that distinguish it from small and medium-size competitors.

a. Brokerage services

The subsidiary held 625 investor seminars and conferences, made 312 visits to TWSE/TPEx listed companies, and organized 476 teleconferences in 2024. The subsidiary also hosts quarterly investment forums, in which customers average a participation rate of 81% year-round. The subsidiary will continue making improvements to its investment research and service quality in the future.

b. Wealth management

With regard to overseas equity service, the subsidiary continued to engage strategic partners overseas in telephone conferences throughout 2024, and frequently invited reputable analysts to take part in forums. Trading of overseas shares totaled NT\$440.5 billion in 2024, up 111% year-on-year. As for offshore bond service, the subsidiary continued making enhancements to after-sales service, and organized a broad variety of training and seminars to provide better market insight for bank customers. Overall, the subsidiary reported total offshore bond trades of NT\$30.4 billion, up 45% year-on-year.

4.4.4 Research and development spending and accomplishments in the last two years

(1) Research and development expenses in the last two years

Unit: NTD millions		
Year	2023	2024
Amount	413	417

(2) Research and development accomplishments

a. Financial inclusion with an emphasis on the young audience

(a) Through a deepened collaboration with LINE Bank, the subsidiary launched “sub-brokerage NTD account debt” service in September 2024 and used API technology to deliver one-stop account-opening experience for young customers.

(b) Through a collaboration with online retailer – momo, the subsidiary launched a “small-sum investment” plan, organized exclusive seminars for moPlus members, and gave out account-opening gifts that strengthened business relationships within the ecosystem.

(c) Fubon Securities received several major awards in 2024, such as: “Digital Financial Service Award-Digital Innovation-Excellence Award” by Financial Times, “Intelligent Innovation Application Award-Securities Category-Gold Award” by Wealth Magazine, and “Innovation Growth Leadership Award” by TAISE. These awards are indicative of how Fubon Securities’ digital innovations and commitment to bringing convenient and friendly digital services have been well received by customers.

b. Persistent support for digital innovation and total customer service

(a) By the end of 2024, Fubon Securities had acquired 40 patents.

(b) Online tools have been introduced to support multi-channel relationship management across customer groups, whereas offline tools have been provided to employees to assist in their business expansion efforts. Through online-offline connection, the subsidiary aims to bring the timeliest and most heartfelt services to its customers.

4.4.5 Future research and development plans

(1) Expected research and development spending

Unit: NTD millions	
Item	R&D expenses planned over the next year
Amount	1,017

(2) Future research and development plans

a. Improve the efficiency of digital financial advisory service; optimize UI/UX experience; plan the next generation of APPs to support digital transformation.

b. Develop a comprehensive tagging system that combines big data and AI model predictions and leverages system integration to provide timely, differentiated, and personalized digital services.

- c. Introduce integrated financial services that make use of data sharing and integration; enhance online service at the customer end; strive to create synergy through collaboration with group members.

4.4.6 Long and short-term business plans

(1) Short-term business plans

a. Retail Business Division & Product Business Division

- (a) Develop a new generation of APP with optimized digital services to attract young customers; continually attract sales talents and emphasize on the development of new accounts.
- (b) Support brokerage as the core business activity; enhance relationship management across all customer groups; expand the customer base with an emphasis on revenues and competitiveness; leverage the knowledge resources of Fubon Securities Investment Services to broaden the scope of service; and actively recruit a new sales force to increase market share in non-financed transactions.
- (c) Execute full-scale transformation of wealth management service; increase account activity across all customer groups; target viable products for asset allocation; strengthen relationship with upstream partners; and adopt tier-based management for sales representatives of the wealth management segment.
- (d) Broaden the use of digital tools to assist sales representatives in raising service quality and sales efficiency; develop an ecosystem that encompasses different industries for broader customer reach; increase product market share and account activities.
- (e) Actively promote the high-frequency trade platform; provide sales representatives with professional knowledge on high-frequency trading and trade tools for improved service quality.
- (f) Fine-tune functionality and efficiency of the high-frequency trading platform for improved customer experience.

b. Financial Market Division

(a) Equity derivative service

- ◎ Warrants: Increase the number of warrants issued; escalate warrants marketing efforts, increase undertaking of structured instruments, and grow the size of warrants service.
- ◎ CB: Increase trade volume and the size of assets exchanged; increase market share of CBOP.

(b) Market making

- ◎ ETF: Actively take part in market-making for new ETFs, and flexibly adjust profit focus according to changes in popularity and trends.
- ◎ Quantitative trading: Adopt spread trading strategy as the foundation for generating consistent profits and for increasing the success rate and stability of long/short strategies.

(c) Bonds

The U.S. government may incur expansionary fiscal spending and raise tariffs, both of which work against the existing efforts to contain inflation. The subsidiary will make flexible adjustments to bond holding positions in response to uncertain market changes.

(d) Proprietary trading

- ◎ Build a core investment module and monitor holding position against current trends for consistent dividend returns.
- ◎ Develop directional trading, directional ETF, and cross-market ETF strategies to increase profit opportunities; make use of options for hedging at appropriate times.
- ◎ With regard to trading on the Emerging Stock Market board, the subsidiary seeks to optimize its portfolio and will actively visit listed companies and interact with peers to gain insight into market movements.

c. Investment Banking Division

(a) Underwriting

The subsidiary will continue to support its IPO/SPO service and coordinate resources from other members of the financial group to provide customers the ultimate one-stop financial shopping experience.

- (b) Share transfer agency service
The subsidiary will serve customers with a professional and proactive attitude, and continue working with employees of the investment banking segment as well as other sales channels of the group to bring share transfer agency service to a broader number of customers.
- d. Institutional Business Division
 - (a) Expand customer base in terms of both diversity and size.
 - (b) Improve the quality of service to institutional customers.
 - (c) Coordinate resources across group subsidiaries to support customer development.
- (2) Long-term business plans
 - a. Retail Business Division & Product Business Division
 - (a) Continually support the O2O business model; optimize integrations with the digital platform to provide one-stop service for customers, and at the same time strengthen product knowledge across sales representatives; increase the level of interaction between subsidiary channels and pair branches into teams to increase the value of services to customers.
 - (b) Broaden the scope of services offered by the customer service bot and improve the precision of questions answered in order to satisfy customers' needs and increase overall service capacity.
 - (c) Analyze digital trails and provide custom-tailored service for better customer experience.
 - (d) A highly personalized and differentiated segmentation strategy will be adopted to increase the depth and breadth of relationships with customers, and to improve service quality as well as customers' satisfaction.
 - (e) Strengthen competitiveness of the core business activity (brokerage).
 - (f) Promote wealth management transformation; expand and secure diverse income sources.
 - (g) Grow high-frequency traders; target high-frequency trading scenarios and offer corresponding trade functions to encourage customers' transactions.
 - (h) Strengthen relationship with high-frequency traders; gain insight into their transaction needs and offer customized services.
 - b. Financial Market Division
 - (a) Increase holding position and size of financial instruments such as warrants, CBs, and ETFs; anticipate market movements and make dynamic adjustments to short-term equity investments and bond holdings.
 - (b) Collaborate with product and channel partners to expand channels and customers; focus underwriting efforts on warrants, structured instruments, convertible bond options, and bonds.
 - c. Investment Banking Division
 - (a) Underwriting
The subsidiary will continue working with affiliated companies to integrate resources within the group, and strive to improve its functionality and competitiveness as a financial intermediary, thereby developing a strong reputation in the investment banking business.
 - (b) Share transfer agency service
Through regular employee training and tightened internal control, the subsidiary aims to lower operational risk in share transfer agency service while at the same time strengthening service relationship with customers for improved trust and satisfaction.
 - d. Institutional Business Division
 - (a) Improve the quality of services to large institutional customers.
 - (b) Take initiative in growing wealth management products and services.
 - (c) Strengthen relationship with TWSE/TPEX listed companies by tapping into underwriting customers of the investment banking segment.
 - (d) Provide customized investment research services by leveraging the resources of strategic partners.

4.4.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

Taiwan.

(2) Future market supply and demand

a. Retail Business Division & Product Business Division

(a) Taiwan equity market

There should be slight room for gains for the Taiwan Stock Exchange Weighted Index (TAIEX) in 2025, but due to the high base of comparison the previous year, daily average trade volume is expected to reduce by 10% from 2024 to NT\$473 billion, whereas average margin trading balance is estimated to be NT\$398 billion, down 2% from 2024.

(b) U.S. equity market

Market P/E ratio is estimated to fall between 18 and 23.5 times in 2025; multiplied by the estimated market EPS of 277, the S&P500 index should fall within the range of 5,000 to 6,500. Overall, sub-brokerage services should see trade volume increase slightly by 5%.

b. Financial Market Division

(a) Equity derivative service

Increasing volatility of the equity market will drive demand for warrants and structured instruments in 2025.

(b) Market making

Considering how the authority is deregulating and promoting the listing of active and balanced ETFs, market makers will have to deal with more complicated hedging, thereby making the refinement of hedging practices a key to business growth. Meanwhile, frequent changes in U.S. new policies will exacerbate volatility across global markets, and only by adopting a business model of diverse strategies may secure profit growth in the ever-changing market.

(c) Bonds

U.S. bonds are expected to fluctuate within a large range throughout 2025, and the subsidiary will respond by timing the turning point of interest rate. The Central Bank of the Republic of China (Taiwan) is not expected to change the direction of its policies; the local bond market should fluctuate within a narrow range, and the subsidiary will aim to build position when yields rise.

(d) Proprietary trading

From geopolitical tension, fluctuation of the global economic outlook to uncertainties associated with Donald Trump's tariff, Taiwan's equity market will encounter a multitude of risk factors that affect investors' confidence and corporate earnings throughout 2025. Nevertheless, Taiwan may still attract investments and see the market grow with its technology innovation, policy support, and supply chain restructuring. The subsidiary will monitor market movements closely when trading shares, in order to evaluate risks and capitalize on opportunities.

c. Investment Banking Division

(a) Underwriting

Despite the presence of uncertainties, growth of industries such as AI and semiconductors remains strong and should continue to fuel trade activities of the equity market in 2025. Furthermore, given the persistent increase in the number of companies listed on the Emerging Stock Market board, IPO applications in 2025 are expected to increase compared to the previous year; as for SPOs, Fubon Securities will continue leveraging group resources to provide customers with comprehensive plans of the capital market and offer one-stop shopping for a complete range of financial services.

(b) Share transfer agency service

The share transfer agency service segment will have to persistently improve knowledge and skills, and strive to provide the best products and services given the needs of different customers in order to increase revenues and opportunities to serve customers.

d. Institutional Business Division

While Donald Trump's policies keep the market on edge throughout 2025, inflation is generally regarded as under control, and given that major countries are gradually cutting rates, the market has no shortage of liquidity. Combined with the deregulation of active ETFs in Taiwan, there will be stronger demand for investment research, and large securities firms with abundant investment research resources at their disposal will outperform the rest of the industry.

(3) Business goals

a. Retail Business Division & Product Business Division

The subsidiary will promote digital transformation and strengthen its brand image with a focus on customer experience. Through optimization of the digital service platform, the subsidiary strives to improve the stability and usability of online services in response to the challenges brought by an overflow of digital services and information worldwide. Digital empowerment not only assists sales representatives in offline customer management, but also enables the spread of proper financial education, investment knowledge, product details, transaction rules, and money concepts through Fubon's own media, which in turn promotes customers' investment mindset and financial inclusion. Furthermore, the subsidiary will actively incorporate new technologies to expand its ecosystem with greater service variety, creating scenarios for the public to come into contact with Fubon Securities and become customers. Meanwhile, attention will be directed to promoting wealth management services, improving the service model of the specialist team, offering diverse asset allocation advice, and raising overall business performance.

b. Financial Market Division

(a) Equity derivative service

Expand the size of options issued and take initiative in growing sale of structured instruments; increase trading and CB positions and build a larger revenue base for convertible bonds.

(b) Market making

With regard to ETFs, the subsidiary will emphasize on increasing the size of trading positions as well as improving the quality of profits; as for quantitative trading, attention will be directed toward executing dynamic trading, stock selection, and event-driven strategies on a larger scale, and creating multiple sources of profit.

(c) Bonds

Allocate appropriate trading and investment positions that generate consistent bond interest income at low volatility.

(d) Proprietary trading

Strengthen the integration of research resources and trading platform information within the group, improve the mastery of individual stock fundamentals, and increase the proportion of investment in "financial assets at fair value through other comprehensive income (FVTOCI)" to obtain stable dividend income.

c. Investment Banking Division

(a) Underwriting

- ◎ Compete for prominent cases to maintain presence in the underwriting market.
- ◎ Take advantage of group synergies to provide customers with complete services.
- ◎ The outlook of the global economy for 2025 is characterized by slow growth, progressive rate cuts from major central banks, geopolitics, and AI-related themes; all of which will dictate the direction of Taiwan's equity market. The subsidiary will exercise greater care when selecting underwriting cases and aim to profit under controlled risks.

(b) Share transfer agency service

- ◎ Build long-lasting and value-adding customer relationship; offer optimal service solutions through Group business channels and platforms, and aim to satisfy customers' diverse needs with differentiated service.

d. Institutional Business Division

The subsidiary aims to provide domestic as well as foreign investors with differentiated research services on Taiwan equity, overseas shares, and offshore bonds, and plans to develop a highly

efficient trading platform that makes it the most trusted securities service provider.

(4) Opportunities and threats

a. Retail Business Division & Product Business Division

(a) Opportunities

- ◎ Facilitate transformation of wealth management service and improve wealth management knowledge of sales representatives. Train multi-talented sales representatives through implementation of the wealth management productivity system; expand the wealth management organization for more efficient management of customers and resources.
- ◎ The authority has been actively promoting financial inclusion and ESG in recent years in an attempt to make financial services more accessible, user-friendly, paperless, and low carbon.
- ◎ Fubon Group has business involvements in finance, communication, and e-commerce. Through integration of group resources and collaboration with partners from different industries, the subsidiary has the advantage of offering one-stop services and is able to reach customers that others cannot. Leveraging the financial group's investment research resources and AI technologies can even help devise appropriate product strategies and introduce a greater variety of value-adding financial services in a shorter period of time.
- ◎ The AI revolution brings opportunities for business growth and investment gains. By leveraging the group's investment research resources, the subsidiary plans to devise suitable product strategies and provide sales representatives with the assistance they need to help customers allocate assets and accumulate wealth.
- ◎ Following the completion of the high-frequency trading system and dedicated network segment for high-frequency trading, the subsidiary is able to provide customers with an efficient and stable trading environment that greatly encourages high-frequency trading from experienced traders.

(b) Threats

- ◎ Escalation of data privacy protection and cybersecurity risks requires financial institutions to adopt a more rigorous risk management and compliance mindset. Financial institutions are also expected to adopt new technologies such as AI, blockchain, and cloud computing persistently in order to stay competitive.
- ◎ Online order placement service has become increasingly accessible such that new low-cost platform service providers have emerged to compete for market share. Electronic trades now account for an increasing percentage of the market's total volume, and competition in the form of low commission rates has intensified to the point that it limits the profitability of securities firms.
- ◎ Digital banking requires a large team of talents with specialized skills, including data scientists, network security experts, and AI engineers. However, availability of such talents is so limited that most businesses find it challenging to recruit and train.
- ◎ Competition for trade system functions and trade speed has intensified between securities firms; as a result, high-frequency traders tend to spread trade volume across multiple firms.

b. Financial Market Division

(a) Opportunities

- ◎ The competent authority remains supportive of the derivatives market.
- ◎ Major central banks around the world are expected to continue rate cuts in 2025, which helps lower bond yields and may be favorable to bond rating and valuation.
- ◎ Interest rates are expected to decrease further in 2025; the additional supply of capital may drive the stock index to new heights and create room for profit for the proprietary trading department.
- ◎ New industries continue to thrive, which allows the equity to attract capital.

(b) Threats

- ◎ Tariff uncertainties of the new U.S. administration will increase inflation and give rise to new variables, which may delay rate cuts and lessen the extent of stimulus from the U.S.

Fed, and ultimately increase the volatility of the bond market and complicate trade decisions.

- © Due to political reasons, the equity market may exhibit greater volatility and pose challenges to short-term investment and stock selection.

c. Investment Banking Division

(a) Opportunities

- © The government is actively supporting development of an innovative, open, diverse, and globalized capital market.
- © Fubon Financial Holdings offers a comprehensive range of services and possesses abundant resources that are helpful in supporting underwriting efforts.

(b) Threats

© Underwriting

Positions held as part of guaranteed underwriting are susceptible to changes in market and economic performance locally and abroad.

© Share transfer agency service

Peers continue to compete for customers by cutting prices. Existing customers, too, would ask to reduce service fees out of cost concern. Share transfer agency service is now in a state of price competition.

d. Institutional Business Division

(a) Opportunities

- © Fubon Group has abundant resources at its disposal, which can be integrated to bring value to localized research for the benefit of professional investors. It is a highly trusted securities service provider among institutional investors.

(b) Threats

- © Competition and undercutting of brokerage commission present significant level of challenge to brokerage service.
- © Stock market rules have become more open and liberal than ever. Securities firms are compelled to upgrade equipment in order to stay competitive, and they also face competition from foreign securities firms.

4.5 Business overview of Fubon Insurance

4.5.1 Scope of business

(1) Business activities:

Fubon Insurance is categorized in the non-life insurance industry and is involved in business activities related to property insurance as well as related sales and services approved by the competent authority.

(2) Weight of business activities(consolidated basis)

Unit: NTD millions

Item	Written premiums		Reinsurance premium		Reinsurance commission income		Reinsurance expense		Net change in unearned premiums reserve		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fire insurance	3,944	6%	0	0%	257	10%	2,693	12%	(21)	(1%)	1,529	3%
Marine Cargo insurance	2,273	3%	3	0%	92	4%	1,178	5%	(5)	0%	1,195	2%
Marine Hull /Fishing Vessel Aviation insurance	1,167	2%	1	0%	50	2%	1,088	5%	8	0%	122	0%
Automobile insurance	22,801	34%	(1)	0%	577	24%	2,093	9%	845	52%	20,439	40%
Compulsory automobile insurance	6,109	9%	1,411	51%	0	0%	2,690	12%	123	7%	4,707	9%
Liability insurance	5,058	7%	16	1%	215	9%	1,143	5%	282	17%	3,864	8%
Engineering and nuclear insurance	4,772	7%	61	2%	235	10%	4,547	20%	173	11%	348	1%
Surety and credit insurance	320	1%	1	0%	47	2%	250	1%	1	0%	117	0%
Other property insurance	1,650	2%	3	0%	452	18%	1,163	5%	30	2%	912	2%
Personal accident insurance	7,542	11%	21	1%	16	1%	120	0%	17	1%	7,442	15%
Typhoon, flood and earthquake insurance	5,261	8%	88	3%	34	1%	4,934	21%	49	3%	400	1%
Personal and commercial comprehensive insurance	1,532	2%	0	0%	186	8%	134	1%	5	0%	1,579	3%
Health insurance	2,082	3%	0	0%	0	0%	112	0%	(16)	(1%)	1,986	4%
Foreign business	0	0%	328	12%	0	0%	(26)	0%	(15)	(1%)	369	1%
Foreign subsidiary	3,297	5%	811	30%	281	11%	897	4%	168	10%	3,324	7%
Interest revenue	-	-	-	-	-	-	-	-	-	-	644	1%
Exchange profit and loss	-	-	-	-	-	-	-	-	-	-	254	0%
Income from investments	-	-	-	-	-	-	-	-	-	-	911	2%
Real estate	-	-	-	-	-	-	-	-	-	-	487	1%
Other businesses	-	-	-	-	-	-	-	-	-	-	203	0%
Total	67,808	100%	2,743	100%	2,442	100%	23,016	100%	1,644	100%	50,832	100%

(3) New products and services planned for the future

- Continue cooperation with financial technology providers to promote scenario-based, fragmented insurance policies and new insurance policies.
- Launch a service platform that covers all insurance products; offer one-stop service for improved customer experience.
- Duly implement product premium adequacy and increase sensitivity to risk changes; develop a risk-based underwriting model for auto insurance that helps identify viable business opportunities.

- d. In addition to developing APPs for various types of corporate insurance for improved operating efficiency, the subsidiary also incorporates new technologies such as digital sales assistance tools, digital authentication, and digital advice, to increase submission of e-policy application, reduce risks in service execution, assist sales representatives in event-driven marketing, and optimize overall service quality.
- e. Adopt advanced loss prevention technology; combine drone inspection with AI interpretation for assessment of natural disaster risk, cybersecurity risk, etc.; and provide comprehensive services to customers.
- f. Support the government's green energy efforts; capitalize on the opportunities of energy generation, energy storage, and energy conservation; and take progressive steps toward fulfilling the ESG policy and net zero underwriting goals.

4.5.2 Business plans for the year

(1) Business policy for the year

- a. Continue management of business risks.
- b. Cross-industry alliance, collaboration, and innovation.
- c. Adopt digital transformation at a faster rate.
- d. Optimize service portfolio.
- e. Observe new trends and capitalize on opportunities.
- f. Improve loss prevention services.
- g. Support ESG practices.
- h. Grow overseas markets.

(2) Key production/sales policies

- a. Medical insurance has long been making losses due to the rapid advancement of medical technologies and the increasing number of unsubsidized treatments that are available for claims. The subsidiary will be discontinuing all renewal and renewal premium addendum for health insurance products, and will re-evaluate the adequacy of premium rates based on actuarial assessment to design new products. Meanwhile, the subsidiary will also exercise control over insurance applications from high-risk customers.
- b. Handling fee for compulsory motorcycle insurance will be adjusted to improve administrative expenses and losses; as the electric vehicle market continues to grow, the subsidiary will work with reinsurance partners to analyze products and make reinsurance arrangements to capitalize on the opportunities of electric vehicles.
- c. The subsidiary has a Digital Development Department that is responsible for promoting collaboration and consensus toward digital development. The department also strengthens its collaboration with the group FinTech Division and continues to explore opportunities to apply advanced technologies.
- d. The subsidiary has been implementing AI-assisted underwriting, using a software engine to approve insurance coverage automatically based on a complete and clearly defined set of rules and therefore reducing the need for manual review. Meanwhile, by gathering data and incorporating machine learning, the subsidiary is able to increase the accuracy and timeliness of application review; the system automatically identifies missing documents, and the application procedures are reviewed by experts with timely adjustments made to accommodate special cases.
- e. In light of recent deregulations that allow insurance companies to engage FinTech providers directly for service innovation, the subsidiary will actively engage partners from different industries and seek approval from the Insurance Bureau to commence trial runs. Through ongoing collaboration with affiliated enterprises and third-party platform operators, the subsidiary will introduce scenario-based and fragmented products as a means to increase sales growth of other non-life insurance products and to create an ecosystem characterized by diverse services.
- f. More attention will be directed toward identifying risks and setting up sales limits, alert thresholds, reinsurance arrangements, etc., during product development to prevent losses from

- systematic risks; more rigorous actuarial computations will be made on the cost of risk and capital adequacy, and greater emphasis will be placed on service as the competitive advantage.
- g. Additional efforts will be committed to capitalize on the growth of green energy. By tapping into Taipei Fubon Bank's financing resources, the subsidiary will develop insurance products specifically for the green energy industry and work with the Damage Prevention Department to assess the risks of this emerging opportunity, thereby ensuring the quality and profitability of the underwritten coverage.
 - h. The subsidiary will actively adopt the use of digital technologies such as mobile APP, digital forms, corporate insurance AI-assisted sales platform, and business platform, while at the same time expanding service scenario and product variety, simplifying the underwriting/quotation process, and improving sales technique of the business team to capitalize on viable opportunities.

4.5.3 Industry overview

The total number of cars increased at a consistent rate in 2024, whereas inflation drove up the cost of claims, so much so that industry participants raised premium rates further, thereby increasing the average premium per policy. While new applications for health/accident insurance decreased because of the need to submit original documents for claims against reimbursement-type policies under the damage compensation principle, sales of travel insurance had grown as domestic and overseas travel recovered. Meanwhile, the earthquake on April 3 raised the public's awareness toward earthquake insurance; popular demand for the Youth Home Purchase Scheme led to the growth of omnibus personal insurance; commercial fire insurance saw an overall increase in premiums due to: adjustment of coverage duration in certain major cases, a hike in the international reinsurance premium rate, and the additional premiums imposed on losses of the April 3 Earthquake; demand for engineering insurance increased due to wind power and public construction projects; and issues concerning food safety and liabilities of delivery riders gave rise to new insurance solutions. Overall, engineering insurance and new insurance saw quite impressive growth performance. Overall, written premiums of the non-life insurance market grew 11% to more than NT\$270 billion in 2024.

The total number of cars is expected to increase further in 2025, and as industry peers continue to adjust premiums for insurance products that exhibit poor loss rate, the subsidiary will respond by raising its premiums. Mandatory insurance of mini electric scooters combined with the continuance of motorcycle renewal and electric vehicle subsidies should drive the growth of automobile insurance sales. As domestic and overseas travel resumes to normal, travel insurance should contribute steady income and long-term growth to the insurance industry. In the corporate insurance segment, premium rates for high-risk coverage are already at a high level, but reinsurance premiums will rise further due to losses from natural disasters and changes in contract costs; meanwhile, demand for product liability insurance, travel liability insurance, and mobile phone insurance has plateaued, whereas premium rates for wind power are expected to fall as projects transition from the construction phase to the operation phase. Combined with the fact that premiums on large public constructions and infrastructure projects are already at a high level, there is limited growth potential for engineering insurance.

4.5.4 Research and development spending and accomplishments in the last two years

(1) Research and development spending in the last two years

Unit: NTD millions		
Year	2023	2024
Amount	255	291

(2) Research and development accomplishments

- a. Adopted RPA and leveraged the power of automation to replace manual processes, thereby raising employees' capacity. The subsidiary had developed 122 front/mid/back process automations by 2024; 75 of which are currently in production, and they help save 2,685 work hours.
- b. The subsidiary became the first non-life insurance company to be approved to undergo trial for insurance application via video conference with the introduction of "Next2U – Remote Video Insurance Application" service that incorporates multiple InsurTechs, including: "facial and

- biometrics recognition,” “digital signature,” and “personal assistance.” Next2U provides customers with the new paperless, zero contact, and personalized experience when applying for insurance coverage.
- c. A digital report platform was developed and new online marketing practices were implemented to supersede conventional business solicitation practices of sales representatives.
 - d. The subsidiary introduced the industry’s first “AI Voice Bot” that uses AI technology to recognize, analyze, and respond to customers’ requests, which in turn shortens waiting time and reduces missed calls to deliver more heartfelt and satisfying experience.
 - e. The “E-Tap Insurance” service was launched, giving customers the ability to use MID for identification, insurance application, and claim submission online. The subsidiary was the first non-life insurance company to receive the authority’s approval for a trial run.
 - f. The subsidiary introduced “Zero-lag Accident Assistance” – a one-to-one video call service and “Real-time Positioning” – an exclusive position tracking service to ensure timely handling of customers’ accidents.
 - g. The subsidiary invested in the development of innovative insurance technologies and patents. By 2024, the company had acquired 13 invention patents and 27 utility patents.
 - h. The subsidiary was the first in the industry to use an electronic signature pad for claims requests over the counter. Customers to make claims requests over the counter are no longer required to sign or stamp on paper, but simply have to sign on the electronic pad and present relevant documents to complete the claims request.
 - i. As a support for net zero, Fubon Life launched an “electric automobile insurance” that provides exclusive and comprehensive protection for EV owners.
 - j. In light of how financial technologies are quickly evolving, Fubon Life moved ahead of industry peers and became the first to receive approval from the Financial Supervisory Commission to cooperate with financial technology service providers for the launch of innovative insurance services. The subsidiary then adopted a “scenario-based insurance” approach that tracks customers’ spending journey closely, and has so far launched innovative online insurance services in collaboration with Taiwan Mobile, momo.com, and Starlux Airlines to satisfy customers’ needs for “one-stop shopping.”

4.5.5 Future research and development plans

(1) Expected research and development spending

Unit: NTD millions

Item	Expected research and development spending for 2025
Amount	315

(2) Future research and development plans

- a. Cooperate with financial technology providers to develop new products, services, and processes and to jointly promote scenario-based, fragmented insurance policies, thereby creating a diverse and creative insurance ecosystem. Design specialized products by adopting the concept of insurance as a service; offer differentiated services as part of the specialized product to attract customers and strengthen brand attachment.
- b. Engage in cross-industry alliances to increase the diversity and accessibility of insurance services; create a new insurance ecosystem that broadens service reach; cooperate with international reinsurers to draw global experience on electric automobile insurance claims and complement Fubon’s own automobile insurance analysis; adjust underwriting and product strategies for electric vehicles in ways that increase the profitability of auto insurance; actively adopt the use of digital technologies in broader applications and products; simplify the underwriting/quotation process; improve the selling skills of sales representatives; and explore high-quality sales opportunities.
- c. Continue development of ESG-related insurance solutions and escalate the intensity of sustainable action plans. Support the government’s proactive efforts to promote offshore wind turbines, solar panels, and green energy. Capitalize on the business opportunities involving energy generation, energy storage, and energy conservation by providing customers the insurance coverage they need to complete the green energy transformation. Enhance

management of new risks concerning green energy and renewable energy, work with customers to address risks of low-carbon transformation, and exert financial influence in ways that promote sustainability of individuals, businesses, and society.

4.5.6 Long and short-term business plans

(1) Short-term business plans

a. Personal insurance

Continue cooperation with financial technology providers to promote scenario-based, fragmented insurance policies and new insurance products. Bring high-quality insurance solutions to the specialized product lineup and adopt an event-driven marketing approach to increase the add-on rate of key business activities. Duly implement product premium adequacy and increase sensitivity to risk changes; develop a risk-based underwriting model for auto insurance that helps identify viable business opportunities. Incorporate new technologies such as digital sales assistance tools, digital authentication, digital advice, etc. to increase submission of e-policy applications, reduce risks in service execution, assist sales representatives in event-driven marketing, and optimize overall service quality. Launch a service platform that covers all insurance products; offer a one-stop service for improved customer experience.

b. Corporate insurance

Support the government's green energy efforts; capitalize on the opportunities of energy generation, energy storage, and energy conservation; and take progressive steps toward fulfilling the ESG policy and net zero underwriting goals. Adopt advanced loss prevention technology; combine drone inspection with AI interpretation for the assessment of natural disaster risk, cybersecurity risk, etc.; and provide comprehensive services to customers. Leverage the resources of group related enterprises to establish multiple ways of interacting with customers and aim to increase the percentage of profitable insurance coverage. Increase the percentage of profitable coverage retained and concentrate sales efforts on key businesses while exercising proper risk control. Adjust the design of products that exhibit a high loss rate and shift emphasis to favorable business opportunities to minimize short-term impacts on financial statements. Continue developing APPs for different types of insurance to improve operating efficiency.

(2) Long-term business plans

- a. The subsidiary closely follows the risks and opportunities of new technology, and brings innovative products along with refined loss prevention technologies in conformity with industry trends and government policies. The subsidiary will build on top of this foundation by working with a broad diversity of partners to develop an ecosystem that brings added value such as corporate governance, cybersecurity, and employee protection to insurance products.
- b. Draw reinsurance resources from reinsurers across the world and support the government's proactive efforts to promote offshore wind turbines, solar panels, and green energy. Capitalize on the business opportunities involving energy generation, energy storage, and energy conservation by providing customers with the insurance coverage they need to complete green energy transformation. Enhance management of new risks concerning green energy and renewable energy, work with customers to address risks of low-carbon transformation, enforce the ESG policy, and accomplish the 2050 net zero emission goal.
- c. More attention will be directed toward identifying risks and setting up sales limits, alert thresholds, reinsurance arrangements, etc., during product development to prevent losses from systematic risks; more rigorous actuarial computations will be made on the cost of risk and capital adequacy, and greater emphasis will be placed on service as the competitive advantage.
- d. Introduce innovative services for new spending scenarios; engage in cross-industry alliances to increase the diversity and accessibility of insurance services; create a new insurance ecosystem that broadens service reach; cooperate with international reinsurers to draw global experience on electric automobile insurance claims and complement Fubon's own automobile insurance analysis; and adjust underwriting and product strategies for electric vehicles in ways that increase the profitability of auto insurance.

- e. The subsidiary will actively adopt digital technologies while at the same time expanding service scenarios and product variety, simplifying the underwriting/quotation process, and improving the sales techniques of the business team to capitalize on viable opportunities.
- f. The subsidiary will observe Fubon Financial Holdings' four main ESG strategies of "decarbonization, digitalization, empowerment, and connection" as well as the government's sustainability policies, and contribute its professional capacity while integrating resources across different professions to develop ESG-related insurance products, execute sustainable action plans, and exert financial influence in ways that promote low-carbon, sustainable practices on a personal, corporate, and social level, and thereby contribute to the United Nation's Sustainable Development Goals (SDGs).
- g. The subsidiary will assemble a specialized team to engage online-only insurance companies in various functions and campaigns, and support them with mature underwriting, product development, and back-end systems. Internally, the subsidiary will enhance the integration of critical resources and direct them toward cross-industry collaboration, website management, data application, and commercial process reform.
- h. As for overseas business, the subsidiary will adhere to Fubon's professional spirit and adopt rigorous underwriting criteria to control the quality of services offered. By expanding the variety of insurance products and sales channels, we aim to turn business opportunities into actual growth and profit. By offering attentive services, the subsidiary hopes to accumulate customer satisfaction and build Fubon's prestigious brand image in a way that helps grow the local market.

4.5.7 Market and business overview

- (1) Locations where products (services) are mainly sold (provided):

In addition to the head office located in Taipei City, Fubon Insurance also has 29 branches deployed in major counties and cities across Northern Region 1, Northern Region 2, Eastern Region, Taoyuan/Miaoli, Central Region, Chiayi/Tainan, and Kaohsiung/Pingtung.

- (2) Future market supply and demand

a. Supply

Reimbursement-type medical insurance will have to adhere to the damage compensation principle, making claims only against original documents. Overall size of the accident/health insurance market is expected to tighten in the future. The FSC has created a "Financial Action Innovation Regulation Adaptation Platform", deregulated 8 feasible measures for "Innovation Action Initiative," and announced a set of "Guidelines for Artificial Intelligence(AI) Applications in the Financial Industry" that aim to steer financial institutions toward enhancing risk management, consumer protection, cybersecurity, and the digital rights of the socially disadvantaged, and investing in technological innovations that improve the efficiency, quality, and competitiveness of financial services.

b. Demand

The ongoing rate-cut cycle that began in the USA and Europe is likely to stimulate consumption and investments; meanwhile, expansions of the semiconductor industry, return of the ICT supply chain, increasing investments from multinational companies into Taiwan, and the need to invest in green energy and carbon-reduction equipment in response to extreme weather and carbon fees will all give rise to demand for corresponding solutions and insurance coverage. Furthermore, aging demographics pose a growing challenge that increases demand for health insurance and long-term nursing insurance. This emerging burden on social security and public healthcare combined with consumers' growing attention for personalized and flexible insurance products has rendered conventional insurance less competitive at satisfying consumers' increasingly complex needs. For this reason, demand for innovative insurance products will continue to increase in 2025.

- (3) Business goals:

Unit: NTD millions

Item	2025
Amount	67,541

(4) Opportunities and threats

a. Opportunities

- (a) The ongoing rate-cut cycle that began in the USA and Europe is likely to stimulate consumption and investments; meanwhile, expansions of the semiconductor industry, return of the ICT supply chain, increasing investments from multinational companies into Taiwan, and the need to invest in green energy and carbon-reduction equipment in response to extreme weather and carbon fees will all increase private investments.
- (b) Medical insurance has long been making losses due to rapid advancement of medical technologies and the increasing number of unsubsidized treatments that are available for claim, to which industry participants will respond by adjusting the sum assured and increasing the premium rate. Restrictions on Mainland tourists' visits to Taiwan are expected to be lifted, which will contribute to the growth of travel insurance.
- (c) The FSC has created a "Financial Action Innovation Regulation Adaptation Platform", deregulated 8 feasible measures for "Innovation Action Initiative," and adjusted various financial regulations and supervisory actions in response to trends in the financial market. All of which are helpful in strengthening the global competitiveness of Taiwan's financial industry.
- (d) The FSC announced a set of "Guidelines for Artificial Intelligence (AI) Applications in the Financial Industry" that aims to steer financial institutions toward enhancing risk management, consumer protection, cybersecurity, and the digital rights of the socially disadvantaged. The guidelines encourage businesses to invest in technology innovations that help improve the efficiency, quality, and competitiveness of financial services while at the same time catering to consumers' rights and financial market discipline.

b. Threats

- (a) Policies of the new U.S. president and geopolitical conflicts affect stability of the global economy and the society.
- (b) Manufacturing activities have slowed down throughout the world due to high interest, high inflation, and underwhelming performance of China's economy.
- (c) Reimbursement-type medical insurance will have to adhere to the damage compensation principle, making claims only against original documents. Overall size of the accident/health insurance market is expected to tighten in the future, which will undermine cross-selling efforts for life and non-life insurance products.
- (d) Global climate change persists; weather-related disasters have increased in terms of intensity and frequency that forms a whole new category of risk.
- (e) Adopting IFRS 17 would compel insurance companies to re-evaluate product design, pricing, and capital allocation strategies.

c. Responses

- (a) Develop new insurance products, such as electric automobile insurance coverage, in line with trends; introduce digital insurance features to speed up digital transformation; broaden collaboration with financial technology providers to create a diverse service ecosystem; pay ongoing attention to changes in environmental trends and capitalize on emerging opportunities; and promote the use of digital technologies.
- (b) Continue exerting a positive influence as an insurance service provider; enforce social responsibilities and promote sustainability in line with United Nations Sustainable Development Goals (SDGs); tighten risk control to secure profitability; gain insight into market trends, capitalize on opportunities in emerging markets, and expand cross-industry collaboration for the introduction of value-adding services; implement digital transformation to create a financial ecosystem.

4.6 Business Overview of Fubon Bank (Hong Kong)

4.6.1 Scope of business

(1) Business activities

- a. Corporate and Institutional Banking: corporate banking, syndicated and structured finance, green and sustainable finance, commercial banking/SME banking, financial institutions, trade finance, credit card merchant services
- b. Retail Banking: deposit products, personal loan, mortgage services, credit card products and related services, Ambassador Banking, securities services, investment and insurance services, Cross-boundary wealth management connect (Southbound Scheme), wealth management products financing
- c. Others: treasury market services, RMB services, mobile banking, internet banking, phone banking and safe deposit box services

(2) Weight of business activities

Unit: HK\$ million

Operating Income	2023		2024	
	Amount	Weight	Amount	Weight
Retail Banking	665	27%	832	28%
Corporate and Institutional Banking	815	33%	1,392	47%
Commercial Banking	481	19%	477	16%
Funding Centre	471	19%	227	8%
Fubon Credit	(1)	0%	6	0%
Others	39	2%	22	1%
Total	2,470	100%	2,956	100%

(3) New products and services planned for the future

Fubon Bank (Hong Kong) is committed to continuously enhancing customer experience and strengthening its wealth management business strategies to meet the needs of individual and small to medium enterprise (SME) customers. In 2025, Fubon Bank (Hong Kong) plans to further optimize its branch network, notably expanding its Tsim Sha Tsui branch into a flagship branch, providing one-stop wealth management services covering general banking, SME banking, cross-boundary services, and a wealth management center among other diversified services. Additionally, Fubon Bank (Hong Kong) will continue to refine the design of its physical branches to provide customers with a superior wealth management experience.

Fubon Bank (Hong Kong) is committed to provide exceptional value and wealth management services to its customers. In 2024, through the expansion of service offerings by Fubon Insurance Brokers Limited, Fubon Bank (Hong Kong) successfully launched comprehensive insurance products tailored for retail and corporate customers. It strives to meet the diverse needs of customers by providing flexible and customized solutions, enhancing risk management, and financial protection. Fubon Bank (Hong Kong) also upholds its commitment to green and sustainable development by adopting paperless solutions to further reduce its environmental footprint to create a sustainable future. Fubon Bank (Hong Kong) will leverage digital technology to offer electronic insurance applications, with the aims to significantly reducing paper usage, increasing operational efficiency, and greatly enhancing data security.

Fubon Bank (Hong Kong) has been dedicated to driving digital transformation and the development of financial technology. In 2024, Fubon Bank (Hong Kong) introduced several innovative functions in its Fubon+ mobile banking app, enhancing the security and convenience of digital payments. This includes launching innovative payment solutions such as Faster Payment System (FPS) x PromptPay (cross-border payment between Hong Kong and Thailand), FPS x e-CNY, and Cardless Withdrawal services. These have not only improved the efficiency of cross-border transactions but

have also better met customers' needs for electronic payments. Currently, over 75% of new retail banking customers choose to open bank account via Fubon Go mobile application, and over 75% of existing banking customers adopted retail digital banking services. Looking forward to 2025, Fubon Bank (Hong Kong) plans to further expand its electronic payment functions, including optimizing transfer capabilities and launching instant cross-border remittance payments to provide a smoother and faster transaction experience. With the rapid development of the mobile payment market, Fubon Bank (Hong Kong) is set to introduce Apple Pay and Google Pay, further expanding its digital payment ecosystem to elevate transaction processes. In order to further enhance the digital technology experience of SME customers and make good use of digital technology to optimize business development in the future, Fubon Bank (Hong Kong) also prepares to launch an SMEs mobile banking apps in 2025. SME Customers can check their account status, make time deposits, foreign exchange, real-time transfers and pay bills and use security passwords or biometric authentication to select approval through our SME mobile banking apps, and keeping abreast of corporate financial status on a secure mobile network at all the time.

In addition, Fubon Credit Card Merchant Service Smart Terminal currently accepts payment services by VISA, MasterCard, and China UnionPay cards (while other payment methods are provided by third-party suppliers). In 2025, Fubon Credit Card Merchant Service Smart Terminals will plan to add payment channels, including Octopus, Alipay and WeChat Pay, to enhance payment efficiency and reduce operating costs.

Fubon Bank (Hong Kong) has recently expanded its financial offerings with a new product line in aviation and shipping finance. Leveraging Fubon Bank (Hong Kong)'s extensive industry network and strong financial capabilities, Fubon Bank (Hong Kong) is committed to supporting customers in these capital-intensive sectors. As Fubon Bank (Hong Kong) grows in this segment, we look forward to building long-term partnerships and providing innovative financial solutions tailored to the evolving needs of the aviation and maritime industries.

In 2024, the Transaction Banking Group continued to deliver value by providing tailored, secure, and efficient solutions to meet the evolving needs of our corporate and institutional, SME customers. Leveraging innovation, digital transformation, and customer-centric strategies, Fubon Bank (Hong Kong) expanded its capabilities across cash and channel management, trade finance, and payment solutions, ensuring a seamless experience for its customers.

Fubon Bank (Hong Kong) continues to build comprehensive treasury markets product platform, with professional advice for serving customers' investment and hedging needs. By broadening our proprietary trading adhere to certain risk control mechanism, this extends our currencies and interest rates product variations.

These plans not only reflect Fubon Bank (Hong Kong)'s ongoing pursuit of innovation but also demonstrate Fubon Bank (Hong Kong)'s commitment to enhancing customer experience and meeting market demands. Fubon Bank (Hong Kong) looks forward to maintaining a competitive edge in the market environment and continuing to be the preferred bank for customers in the future.

4.6.2 Business plans for the year

In 2024, Fubon Bank (Hong Kong) continued to expand its assets and liabilities, enrich its wealth management and investment products, promote digital transformation (including the launch of the new personal loan App "Boni" by Fubon Credit), develop offshore markets, strengthen risk management mechanisms, and risk awareness, etc. This has enabled Fubon Bank (Hong Kong)'s business to achieve stable growth and its profits to hit another record. Our strategic direction for 2025 will remain based on scale-up, with a focus on accelerating the growth of Fubon Bank (Hong Kong)'s wealth management and loan businesses:

(1) Wealth Management Business

As the market enters a rate-cutting cycle, banks' net interest margins are expected to narrow. Nevertheless, there are opportunities amidst these challenges. Lower deposit rates and higher interest rate differential between the Hong Kong Dollar and the U.S. Dollar relative to Renminbi will drive customers to switch more funds to wealth management and investment products, helping

Fubon Bank (Hong Kong) to attract more high-net-worth individuals from Mainland China, and seize the huge growth potential in the wealth management market.

Fubon Bank (Hong Kong) has focused on the growth of retail products over the past few years, building a solid deposit base through the successful Fubon+ Mobile Banking. The business units will focus on increasing customer penetration and converting time deposits into AUM of wealth management products. Insurance and treasury products will be Fubon Bank (Hong Kong)'s key products, through initiatives including restarting premium and policy financing, enriching product suites to match the needs of high-net-worth customers, strengthening the role of investment consultants, and actively expanding the customer base in Mainland China and Taiwan.

(2) Loan Business

Loan growth is an important direction for Fubon Bank (Hong Kong) to scale up. Large enterprises and syndicated loans will be Fubon Bank (Hong Kong)'s main growth driver, with focus on the financing needs of the logistics, shipping and aviation industries, while capturing business opportunities in green finance and developing new customers in the field of energy transition. Risk management will be a key topic for SME lending. In 2025, Fubon Bank (Hong Kong) will mainly grow SME loans through the SME Financing Guarantee Scheme (SFGS), under which the HKMCI will provide 80% or 90% guarantee coverage to the credit facilities approved. Fubon Bank (Hong Kong) will simplify the credit approval process in order to provide flexible and timely financing services to its customers.

(3) Sustainable Operations

In addition to its business strategy, Fubon Bank (Hong Kong) also attaches great importance to the sustainable development of risk management, digital development, talent cultivation, energy conservation and decarbonization.

4.6.3 Industry overview

Hong Kong Interbank Offered Rate (HIBOR) fell by nearly 100 basis points in 2024, along with the U.S. interest rates. Commercial banks have cut their Prime Rate and Savings Rate by a total of 50 basis points since September 2024. The anticipation of interest rates cut in the U.S. and the fiscal stimulus measures by the Chinese government helped stabilize Hong Kong's asset market. After four consecutive years of decline, Hong Kong stocks rose 18% in 2024. However, the slow recovery of the Mainland housing market occasionally impacted relevant investment and credit activities. In addition, factors such as continuous tense relations between the U.S. and China, and the high interest rates in Hong Kong also made the corporates continue to be more cautious in borrowing.

4.6.4 Research and development spending and accomplishments in the last two years

(1) Research and development spending in the last two years

Unit: HK\$ million		
Year	2023	2024
Amount	86	48

(2) Research and development accomplishments

- a. Corporate Banking - Credit Application and Approval Project
- b. Fubon Credit - Mobile and Web Application Solution Project
- c. Faster Payment System (Phase 2B) – HKICL regulatory (Decommissioning of Direct Debit Authorization Exchange Service and Electronic Clearing System) and other miscellaneous items
- d. Five Initiatives on Anti-deception efforts-Police Force Project
- e. HKMA Major Enhancements on Protection of Payment Card Customers

4.6.5 Future research and development plans

While effective cost control measures were being exercised, Fubon Bank (Hong Kong) will continue to invest in digital innovation and technology to enhance the competitive advantage in the virtual channel and the quality of banking products and services to maintain stable business growth.

(1) Expected research and development spending

Unit: HK\$ million

Item	Expected research and development spending for 2025
Amount	236

(2) Future research and development plans

- a. Following Fubon Bank (Hong Kong)'s digitalization roadmap, the major FinTech projects are planning to be implemented or started the development process in 2025:
 - (a) Credit Application Processing System for Corporate Banking
 - (b) Mobile Banking Revamp and Features Migration (Phase II)
 - (c) Mobile Banking Revamp and Features Migration (Phase III)
 - (d) Credit Card Mobile Payment - Apple Pay/Google Pay/Samsung Pay
 - (e) Faster Payment System Cross Boundary Remittance Service between the Mainland and Hong Kong
- b. IP Telephony and Voice Recording End of Life Replacement
- c. Enterprise Data Warehouse
- d. Finacle Server Upgrade
- e. ASCCEND AS400 Upgrade
- f. Summit Decommission Project
- g. New China Branch IT Setup
- h. Mobile Apps for FBO & Soft Token
- i. Delivery Center of Excellence
- j. Credit Risk Management Platform & Marketing Campaign Management System
- k. TM-E-1 & Measures for evolved Malware Scams Targeting Internet Banking Activities
- l. New Human Resource Management System
- m. Internet Banking Revamp
- n. Customer Due Diligence System Enhancement
- o. Money Safe Protection in Digital Banking & Phone Banking
- p. Network Intrusion Prevention System End of Life Replacement

4.6.6 Long and short-term business plans

(1) Short-term business plans

In Corporate and Institutional Banking and Commercial Banking, Fubon Bank (Hong Kong) will continue to focus on improving customer returns, optimizing corporate loan portfolios as well as increasing loan pricing and fee income. To inject impetus to the continuous expansion of new corporate customers, Fubon Bank (Hong Kong) will explore new business opportunities in different industries and other regions and increase customer coverage and strengthen business development. Fubon Bank (Hong Kong) will enhance the automation system for SMEs and corporate banking to meet customer needs and maintain stable business growth. Fubon Bank (Hong Kong) will also continue to expand medium and large corporate loan business, actively increase ESG loans and SME Financing Guarantee Scheme (SFGS) loans, and strive to develop new high-quality or secured loan customers and compete to become a major bank for its customers to increase revenue. At the same time, Fubon Bank (Hong Kong) will develop the cross-selling opportunities for clients and loan portfolios outside Hong Kong to drive loan growth and optimize assets portfolio.

In Retail Banking, Fubon Bank (Hong Kong) will enhance its digital banking business through the adoption of artificial intelligence techniques to improve efficiency and achieve a seamless customer experience. Fubon Bank (Hong Kong) will expand new revenue channels with plans to open one Wealth Management Centre to develop new high-quality customers, diversify the range of insurance products and enhance wealth management income. At the same time, Fubon Bank (Hong Kong) will make use of Fubon Credit to provide unsecured personal loan services through digital platforms to accelerate the growth personal loan business. Fubon Bank (Hong Kong) will launch new credit cards targeting youth segment and continue to increase non-conventional mortgage loan and unsecured personal loan businesses to enhance the overall yield.

(2) Long-term business plans

Fubon Bank (Hong Kong) remains committed to service-oriented approach and strives to improve its product and service quality. Fubon Bank (Hong Kong) will continuously enhance its digital platforms and its virtual service channels to capture FinTech opportunities and address customers' increasing demand for digital banking services. Fubon Bank (Hong Kong) will maintain close collaboration with other affiliates of the Fubon Group to capture new opportunities in the Greater Bay Area, expand customer base and deepen customer relationships, so as to realize its medium and long-term business targets.

4.6.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

Key Financial Products (Services)	Major Sales Area
Corporate and Institutional Banking Services	Hong Kong
Retail Banking Services	Hong Kong

(2) Future market supply and demand

The U.S. Federal Reserve expressed at the end of 2024 that the pace of future interest rate cuts would slow down, and the new U.S. government might intensify the global trade war. Moreover, China's economic recovery, especially the real estate market, will take time. All these factors are expected to adversely affect the overall confidence of Hong Kong corporates in investment and loan applications. Nevertheless, Hong Kong's economy continued to recover steadily in 2024 with considerable growth in tourism, and import and export, while the unemployment rate remained at historically low levels. In addition, factors such as the successive launch of government infrastructure projects will support domestic demand.

(3) Business goals

Looking ahead to 2025, the global economy is expected to grow moderately. With a broadly stable market environment and outlook, Fubon Bank (Hong Kong) will continue to scale up, improve customer experience and work efficiency, and strive to become the preferred financial services provider of our customers. At the same time, Fubon Bank (Hong Kong) will continue to improve asset quality and liquidity with a view to improving its S&P rating. In terms of financial metrics, we target a high double-digit growth in net income.

(4) Opportunities and threats

a. Opportunities

- (a) The U.S. enters an interest rate cut cycle and Hong Kong deposit rates are declining. Coupled with the flow of funds from Mainland China to overseas, these factors will drive increased wealth management needs for customers.
- (b) The Hong Kong Government strongly supports the development of SMEs and introduced a number of measures to help SMEs obtain bank financing and transform, which is conducive to Fubon Bank (Hong Kong)'s strategy to focus on SFGS loans.
- (c) The rapid development of FinTech and artificial intelligence allows banks to apply technology to enhance customer service and experience, strengthen risk management capabilities, and optimize operational efficiency.

b. Threats

- (a) The imminent U.S. tariffs on China pose greater challenges to China's export trade and economic recovery.
- (b) Cyber fraud practices are becoming more complex and variable, and banks need to invest more resources to improve their prevention and identification capabilities to secure customers' property and personal information.
- (c) There is an ongoing talent shortage, especially for sales specialists and information technology talents.

4.7 Business overview of Fubon Asset Management

4.7.1 Scope of business

- (1) Business activities
 - a. Securities investment trust service.
 - b. Full fiduciary discretionary investment service.
 - c. Securities investment consulting service.
 - d. Futures trust service.
 - e. Other related services permitted by the competent authority.
- (2) Weight of business activities

Unit: NTD millions

Item	2023		2024	
	Amount	Weight	Amount	Weight
Management fee income	1,840	96%	2,296	94%
Sales fee income	67	4%	154	6%
Other operating income	5	0%	6	0%
Total	1,912	100%	2,456	100%

- (3) New products and services planned for the future

The year 2025 will still be one of the economic challenges and opportunities. Given the equity market's relatively high valuation, there are uncertainties as to whether the market and some of the popular instruments may continue to produce gains in the future. Meanwhile, deregulations from the authority and policy supports to making Taiwan "Asian Asset Management Center" will provide significant boosts whether in terms of product development or the size of assets under management. Active and passive funds have grown in both size and diversity over the years and are entering a time full of challenges and opportunities. Fubon Asset Management will continue monitoring investors' needs and market trends while at the same time exploring new channels and customers for the active and passive products offered, and strive to earn investors' recognition amidst the competitive market by bringing a broader variety of products that meet investors' needs and conform with market trends. Furthermore, considering how the market has become receptive to products that seek to address sustainability and ESG issues, Fubon Asset Management plans to offer products relating to net zero transformation, and will incorporate sustainability and ESG-related issues as well as indicators into the new products offered.

4.7.2 Business plans for the year

The subsidiary made extensive efforts to capitalize on market trends and work with securities firms both within and outside the group in 2024 and thus achieved a significant increase in the size of Taiwan equity funds. As for offshore ETFs, several of Fubon Asset Management's offerings have been popular among institutional investors owing to the strong performance of U.S. tech stocks. The U.S. economy is hopeful of staying resilient and may achieve soft landing in 2025 despite the presence of geopolitical risks. Meanwhile, central banks around the world are transitioning into a neutral monetary policy, albeit in different directions and at a varying pace. Fubon Asset Management continues to support the government's policy to make Taiwan "Asian Asset Management Center" by contributing its multi-year expertise and diverse product offerings including ETF. It is well positioned to capitalize on available opportunities, both within and outside the group, to increase the size of assets under management. Backed by strong insight of financial market changes, the subsidiary is able to provide a diverse range of products at the appropriate timing to satisfy a vast number of investors, which in turn earns brand recognition. With regard to business investments: Founder Fubon Fund Management will aim to explore new sales channels and customers while targeting institutional investors, channel partners, and online customers for the sale of money market funds and bond funds, thereby increasing the size of assets under management. The subsidiary, Fubon Fund Management (Hong Kong), plans to launch unlisted classes ETFs through group members and external channels, and place greater emphasis on promoting Fubon Hang Seng Shanghai-Shenzhen-Hong Kong (Selected Corporations) High Dividend Yield Index ETF. The subsidiary, Fubon Private Equity, on the other hand, will assist strategic partners in the planning of

niche private equity funds and draw group resources to explore collaborative opportunities, thereby maximizing its advantage as a private equity investment platform. With respect to new business activities: Given that the amendment of REIT regulations is likely to pass in 2025, the subsidiary will coordinate group resources toward the planning of new business activities.

4.7.3 Industry overview

As of the end of 2024, there were a total of 38 investment trust firms, 1,054 securities investment trust funds, and 15 futures trust funds in Taiwan; total assets under management amounted to NT\$9.6 trillion, up 43% from 2023. This increase was mainly due to strong growth of the U.S. economy and the evolution of AI technologies, which drove capital expenditure from businesses; meanwhile, rate cuts initiated by the U.S. and major central banks around the world in response to lower inflation drove equity markets to new heights, and the offering of new funds was met with enthusiastic subscriptions from investors, which pushed valuation and trade volume even further. Of all the funds that are currently available, exchange-traded funds (ETFs) exhibited the strongest growth, increasing NT\$2.5 trillion (66%) in size year-on-year to a total of NT\$6.38 trillion in 2024; as a result, ETFs now account for 66% of total mutual funds. While ETFs flourished, the growth of actively managed funds weakened, and the size of ordinary bond funds shrank significantly by NT\$54.3 billion (-15%) in 2024 as volatile yields resulted in price impairment, causing investors to switch to bond ETFs that deliver equivalent performance but are much easier to trade. As for bond ETFs, strong economic performance combined with slow rate cuts kept yields at a high level, and the attractive payouts coupled with prospects of earning capital gains after rate cuts continued to draw institutional as well as retail investors into building bond positions. In 2024, the size of bond ETFs increased by NT\$1.04 trillion or 50% to surpass NT\$3 trillion.

[Onshore Mutual Funds Classification Data]

Unit: in multiples of NT\$100 million

Year	2020	2021	2022	2023	2024
ETF scale	17,376.5	21,060.9	23,365.2	38,542.1	63,818.6
ETF growth rate	4%	21%	11%	65%	66%
ETF weight	38%	43%	48%	57%	66%
General bond fund scale	4,791.0	4,244.3	3,712.4	3,714.1	3,171.0
General bond fund growth rate	12%	(11%)	(13%)	0.05%	(15%)
General bond fund weight	11%	9%	8%	6%	3%
Total mutual funds and ETFs	45,232.0	49,552.0	48,568.0	67,361.8	95,993.2
Mutual fund and ETF growth rate	13%	10%	(2%)	39%	43%

Source of data: Securities Investment Trust & Consulting Association of the R.O.C. (Note: Futures trust funds excluded)

4.7.4 Research and development spending and accomplishments in the last two years

(1) Research and development spending in the last two years

Unit: NTD millions

Year	2023	2024
Amount	40	30

(2) Research and development accomplishments

a. Wealth Management Seminars

- To provide investors with more complete investment perspective, Fubon Asset Management not only publishes monthly videos on investment knowledge, but also introduced a series called “Veteran Investors Talk” in 2023 where investors of various specialty and expertise are invited to share their perspectives on camera. Animations, short videos, and VTuber videos were launched in 2024 to explain professional investment knowledge to investors in a fun and easy-to-understand manner.
- Fubon Asset Management has long been hosting HappyFund seminars as a way to communicate with investors face-to-face. In 2024, seminars were held in various locations

throughout Taiwan including Taipei, New Taipei City, Taichung, Kaohsiung, Keelung, Taoyuan, Hsinchu, Chiayi, Tainan, and Hualien as well as online to a total audience size of more than 2,000.

- (c) Fubon Asset Management has long been conducting retirement surveys in joint effort with Chung-Hua Institution for Economic Research out of concern for the retirement needs of Taiwanese investors. In 2024, the subsidiary cooperated with SMART magazine to host the forum – “Fubon Worry-free Retirement Guide,” during which it invited investment professionals to explain retirement planning to the audience. In light of the growing popularity of ETF investment in recent years, Fubon Asset Management hosted the “2025 Investment Forum – Wealth Creation through ETF” in collaboration with Economic Daily News and the “ETF Investment Summit” with the Commercial Times to convey the proper investment knowledge to the public.
- b. Fubon Asset Management official website
 - (a) Information such as fund details and real-time NAV is made accessible to investors provided through Fubon Asset Management official fund and ETF website; ongoing efforts are being made to optimize the interface to give users the best browsing experience.
 - (b) The online account-opening process was optimized further in 2024; the latest version introduced a new user interface, which investors may use to open accounts and subscribe to funds online with greater ease.
- c. Promotion via social network platform
 - (a) LINE official account: Provides the latest product information, investment news, and online videos; there is even an “ETF quick search” function that allows investors to inquire information on a particular ETF simply by inputting the stock code. By the end of 2024, the LINE official account had accumulated 47,813 friends.
 - (b) Facebook fan page: Provides the latest product information, investment news, and online videos; the fan page had 62,000 following as of the end of 2024.
 - (c) YouTube official channel: Provides videos on the latest trends, products, Q&A, and interviews with prominent figures; explains financial issues through Shorts, the most popular form of content delivery. The channel had 2,563 subscribers as of the end of 2024.
 - (d) Fubon Asset Management APP: The APP offers real-time services and functions including fund overview, my holdings, ETF section, online trading, regular fixed-sum investment, trial calculation, online audio and video, and market news.

4.7.5 Future research and development plans

(1) Expected research and development spending

Unit: NTD millions

Item	Expected research and development spending for 2025
Amount	44

(2) Future research and development plans

- a. Digital financial service: Given the increasing popularity of mobile devices and the uprise of new payment methods, the subsidiary will continue introducing new financial services that take advantage of this growing trend, including collaboration with electronic payment service providers for account opening and account-debiting over mobile devices, thereby giving customers a better account-opening experience.
- b. Master-feeder fund investment: The subsidiary will devise master-feeder fund investments to cater to investors’ needs for diversity and to complete the existing lineup of trading instruments. Through the use of a one-stop investment system, investors will be automatically guided into taking advantage of the automated profit-taking feature, thereby saving them the hassle of monitoring market movements.
- c. Delivery and quality of investment seminars will be improved to expand customers’ access to information. Additionally, seminars will be hosted online in the form of livestream to accommodate the latest trends, thereby giving investors more opportunities to participate.
- d. Product-exclusive websites: Uses of exclusive website, social network, and video streaming will help customers learn more about the new products offered, and provide them with greater range

of tools for asset allocation.

- e. Website and social network optimizations will be implemented to deliver more satisfactory experience on mobile devices. Examples include: Optimization of “ETF quick search” function on the LINE official account, adoption of AI technology for video production, and further optimization of user interface for improved user experience.

4.7.6 Long and short-term business plans

(1) Short-term business plans

- a. Strengthen and raise the level of brand identification: In addition to growing the product line of active and passive funds, Fubon Asset Management will also share its multi-year product development experience with investors and communicate with them in ways that raise recognition for the brand.
- b. Enhance intra-group coordination and expand collaboration with external channels: The market remains highly competitive; therefore the subsidiary aims to not only support and cooperate with group members on a higher level, but also maintain relationships with external channel partners and expand sales channels for broader customer reach.
- c. Asset management service in Greater China Region: Founder Fubon Fund Management will focus on the development of its online financial platform, expanding channel partners and customers to further increase the scale of assets under management beyond its goal of RMB 100 billion. In addition to establishing its core brand image in mutual funds, Fubon Fund Management (Hong Kong) will take advantage of the financial deregulations in China and Hong Kong while capitalizing on the opportunities of the Cross-boundary Wealth Management Connect Scheme in the Guangdong-Hong Kong-Macao Greater Bay Area (“Cross-boundary WMC”) by playing the role of the group’s offshore product center.
- d. Private equity fund business: The subsidiary will continue expanding its current diversified line of private equity funds and strive to take advantage of policy support and market demand while extending group resource collaboration to increase the scale of assets under management over time.
- e. New business development: The subsidiary will draw from the group’s real estate management and investment experiences to establish real estate investment trust enterprise and introduce new REIT offerings.

(2) Long-term business plans

- a. Sale and diversification of existing product line: Fubon Asset Management had 46 ETFs in 2024, which topped the industry in the number and breadth of product offerings. The subsidiary will continue monitoring market trends and enhancing collaboration with securities firms local and abroad, and strive to grow sales by building on top of the success of its existing product line. In terms of product strategy, Taiwan’s equity market should continue to be the focus of investors’ attention, which is why the subsidiary plans to launch market capitalization-linked products as a way to grow existing markets and customers. The subsidiary may also develop products featuring ESG themes as well as momentum-driven, high dividend, and multi-factor (e.g. Beta) active equity/bond ETFs in response to global trends and deregulations to expand the product line while satisfying investors’ demand for diverse investment tools.
- b. Complement and synergy from the acquisition of Jih Sun Securities Investment Trust: By acquiring Jih Sun Securities Investment Trust, the subsidiary is able to expand sales channels for its active funds, and provide greater distribution support for a growing product line. The additional sales channels also magnify the effect of media marketing and online channel campaigns, and contribute synergy to the subsidiary’s sales and service efforts.
- c. Asset management service in the Greater China Region: Fubon Asset Management will serve as the foundation of product development to build a cross-border, diversified product line, while collaborating with Founder Fubon Fund Management and Fubon Fund Management (Hong Kong) in creating and maximizing synergies across the Greater China asset management platform. This tri-party platform aims to provide a full range of asset management solutions and connect channel partners in China, Hong Kong, and Taiwan to meet investors’ diversified asset allocation needs.

- d. Private equity fund business: The subsidiary aims to build a complete product line of private equity funds that satisfy the needs for alternative investment from high net worth customers and institutions, with the ultimate goal of providing a high-quality investment platform for private equity funds.
- e. New business development: The subsidiary will support FSC's "Asian Asset Management Center" policy by promoting REIT development projects and building asset management/investment capacity.

4.7.7 Market and business overview

- (1) Locations where products (services) are mainly sold (provided): Taiwan.
- (2) Future market supply and demand

The financial market may exhibit greater volatility in 2025, and it is essential for investors to consider investment instruments and allocation plans that offer upside potential as well as downside protection. As the market expects fewer rate cuts, mainstream government bonds and high-rating corporate bonds still offer attractive yields, which is why investors in general will prefer an investment portfolio that combines index constituents with growth-driven instruments in 2025. Furthermore, with the deregulation of active ETFs, we expect active and passive bond ETFs to make up a key part of investors' fixed income allocation. While ETF offerings flourish, multi-asset funds, too, will continue to appeal to investors at times of high volatility, as their balanced allocation between equity and bonds offers upside potential as well as downside protection. These products will surely become the focus of product offering and promotion efforts for investment trust enterprises in the coming year.

- (3) Business goals

Unit: NTD millions

Item	2025
Management fee income	3,003
Sales fee and other operating income	162

- (4) Opportunities and threats

a. Opportunities

- (a) The AUM of all types of mutual funds and ETF funds, including equity and bond funds, are increasing in recent years. Fubon Asset Management with its extensive expertise and diverse product line will be able to thrive under different market conditions and offer suitable products at the right time to investors' satisfaction. By adopting a multi-product strategy, the subsidiary hopes to reach a broader number of investors and earn recognition for the brand with more diverse product offerings.
- (b) Although Donald Trump's intention to raise tariffs after taking office did raise concerns about higher inflation and increase market volatility due to fewer and slower rate cuts from the Fed, there is no denying that major central banks around the world cut rates last year and most economies have shifted to a slightly expansionary monetary policy. Furthermore, given that evolution of AI technology and growth of business earnings continue to happen, the state of the economy and business fundamentals remain favorable to the overall financial market.

b. Threats

- (a) Differences in industry performance and monetary policy have resulted in the diversion of growth paths between nations. Furthermore, there is potential risk of geopolitics fueling inflation to the point that hinders economic growth, not to mention the fluctuations that the financial market may go through if the Fed cuts rates at times that do not match market expectations. Overall, market volatility is still of concern.
- (b) Demand and issuance of active/passive Taiwan equity funds rose to the highest level in recent years in 2024. Considering that the market already has high-dividend and non-dividend products of virtually every category, there may be little room for innovative offerings in the future, and issuance of new products may become challenging.

4.8 Business overview of Fubon Financial Holding Venture Capital

4.8.1 Scope of business

(1) Business activities

- a. Venture capital.
- b. Investment consultancy.
- c. Management consulting services.
- d. Industry and commerce credit bureau services.
- e. All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Weight of business activities

The subsidiary generates revenues primarily from venture capital and investment management consulting services. Capital is mainly used for making long-term equity investments in non-listed companies that exhibit growth potentials, which account for more than 80% of total investments. Key investment focuses for the last two years:

Unit: NTD millions

Item	2023		2024	
	Amount	Weight	Amount	Weight
Private consumption	2,032	25%	1,855	22%
Medicine and biotech	2,443	29%	2,576	31%
Environmental protection and energy conservation	1,351	16%	1,362	16%
Finance	340	4%	339	4%
Technology	2,135	26%	2,316	27%
Total	8,301	100%	8,448	100%

(3) New products and services planned for the future: Not applicable.

4.8.2 Business plans for the year

(1) Investment

The subsidiary continues to search for “5+2 industries and the six core industries” that are supported by the government. Some of the actions include:

- a. Assisting the group with expansion of renewable energy investments, establishment of a green energy investment platform, and active participation in the investment of power generation projects and other public projects relating to environmental protection.
- b. Building position in smart machinery and smart manufacturing.
- c. Search for high-quality investment opportunities in biotech and medicine.
- d. Search for investment opportunities in new energy and new materials.

Offering consultation to new-found businesses and early startups locally and abroad on issues concerning finance, accounting, ESG, corporate governance, etc., and helping investees improve operating performance.

(2) Investment management consultancy service

- a. The subsidiary will develop and recommend investments that offer long-term, consistent yields in line with the government’s industry support policies, and assist with post-investment management.
- b. Valuation service for unlisted shares: The subsidiary assists group subsidiaries in their regular valuation of unlisted investment portfolio.

4.8.3 Industry overview

Between January and December 2024, 33 new venture capital companies were established in Taiwan with total capital of NT\$1.29 billion. Another 45 companies made cash issues, raising NT\$12.6 billion in capital, whereas 28 companies reduced capital by a total of NT\$3.17 billion. Lastly, there were 12 companies that had liquidated or changed names, representing a NT\$1.4 billion reduction in capital. In 2024, the amount of capital held by Taiwanese venture capital companies increased by NT\$16.1 billion compared to 2023. As at the end of December, the entire industry had approximately NT\$195.2 billion in paid-up capital, and 334 companies were actually in operation.

4.8.4 Research and development spending and accomplishments in the last two years

Unit: NTD thousands		
Year	2023	2024
Amount	39	70

4.8.5 Future research and development plans

Fubon Financial Holding Venture Capital is mainly involved in investment and management consultancy service. The subsidiary currently targets fields that offer high growth potentials, such as green energy, use of renewable energy, and new material technology.

4.8.6 Long and short-term business plans

(1) Short-term business plans:

Capital will primarily be allocated for strategic and treasury investments. By investing into the early or middle stages of a business, the subsidiary helps establish the management team, relationship with key customers, and market acceptance for the products or services offered, and works with the investee towards exploring growth and transformation opportunities. Investments cover a wide range of industries including biotech, biomedicine, green energy technology, AI, and AIoT.

(2) Long-term business plans:

Through flexible investment strategy and capital allocation, the subsidiary aims to help new startups succeed and support growth of Taiwan's industries while creating value for shareholders.

4.8.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided):

Services are mainly sold(provided) in Taiwan.

(2) Future market supply and demand

The government has been supporting innovation in 5+2 industries (namely Asian Silicon Valley, biomedicine, green energy, smart machinery, national defense, and new agriculture and circular economy) since 2016 to facilitate the upgrade and structural transformation of Taiwan's industries. The government later introduced "Support for Six Core Industries" in May 2021 and followed up with another round of support that focuses on six core industries (namely information and digital, cybersecurity, precision healthcare, green power and renewable energy, national defense and strategies, and staples and battle readiness), hoping to help Taiwanese businesses gain a head start in the restructuring of the global supply chain during the post-pandemic era. The government's proactive support for industry upgrade and investment will present abundant investment opportunities for the venture capital industry.

(3) Business goals

The subsidiary will continue increasing investments into new startups in Taiwan, and aim to deliver ideal returns for shareholders in line with government support, industry upgrade, and transformation trends.

(4) Opportunities and threats

a. Opportunities: New technologies and applications stimulate growth across many industries, and the government's support for "The Five Trusted Industries," including semiconductors, AI, military, security control, and next-generation communication combined with deregulation of investment laws helps create investment opportunities, expand investment horizons, and

increase the amount of investments.

- b. Threats: The changes in U.S. politics and economic policies that Donald Trump has vowed to accomplish after taking office in 2025 are expected to bring uncertainties and consequences to the global economy and financial environment. A shift of corporate confidence toward conservatism will hinder economic growth and be detrimental to the development of new technologies.

4.9 Business overview of Fubon AMC

4.9.1 Scope of business

(1) Business activities

- a. Acquisition of accounts receivable.
- b. Management of overdue accounts receivable.
- c. Leasing services.
- d. Real estate leasing and trading.
- e. Handler of advance payment or builder of urban renewal or shoddy construction/hazardous building rebuild projects.
- f. Real estate broker.

(2) Weight of business activities

a. Operating revenues

Unit: NTD millions

Items	2023		2024	
	Amount	Weight	Amount	Weight
Income from disposal of NPL	287	85%	280	84%
Rental income	44	13%	44	13%
Income from upfront payment for urban renewal	5	2%	9	3%
Total	336	100%	333	100%

b. Non-operating income

Unit: NTD millions

Items	2023		2024	
	Amount	Weight	Amount	Weight
Bad debt recovery	80	73%	73	86%
Gain on valuation of securities	23	21%	-	0%
Gain on disposal of investment property	6	6%	9	10%
Others	1	0%	2	4%
Total	110	100%	84	100%

(3) New products and services planned for the future

To facilitate urban renewal and reconstruction of hazardous buildings, the Banking Bureau, Financial Supervisory Commission, amended “Operating Principles for Asset Management Subsidiaries of Financial Holding Companies (Banks)” on October 5, 2023 that broadened the scope of business activities available to asset management companies. For this reason, the subsidiary may expect more business opportunities in the future. The subsidiary will be supporting the government’s urban renewal policy and initiatives to reconstruct old, hazardous buildings while at the same time assisting financial institutions in resolving non-performing loans. In doing so, the company hopes to diversify business activities and fulfill its share of social responsibilities.

In light of the government’s ongoing policy support for urban renewal, Fubon AMC will look for opportunities to purchase court-auctioned real estate at low price and make more active use of Group assets to diversify business activities and broaden profit sources.

4.9.2 Business plans for the year

(1) Debt management

- a. Increasing income from NPL: For optimal cost-to-income, the subsidiary will inquire debtors' property and income more frequently in order to increase chances of recovery, the number of settlements, and income from non-performing loans.
- b. Improving the recovery rate: The subsidiary will cross-reference court-auctioned properties against the list of debtors in order to identify distributable assets and take part in the distribution, thereby increasing the recovery rate.
- c. Cost reduction and efficiency enhancement: A new automated program for brief drafting and debt claim calculation will be added to the system in the first quarter of 2025 to reduce dependency on manual processes and thereby improve process efficiency.

(2) Real estate investment

- a. Increase of property investments: The subsidiary will target commercial office units and place active bids to increase property investments for potential gains.
- b. Advance payment service: Considering how the central bank has tightened real estate-backed lending across banks, the subsidiary will strive to grow the portfolio by undertaking land financing and construction financing cases. The subsidiary will also cooperate proactively with the Construction Financing Division of Taipei Fubon Bank to take part in urban renewal projects and the reconstruction of hazardous/old buildings in Taipei and New Taipei Cities, by making advance payments for the "consolidation phase" and "construction phase."
- c. Active use of group assets: For any properties held in possession by the subsidiary and the group, the subsidiary will identify those that meet the criteria for urban renewal and hazardous building reconstruction, and take initiative in making plans while inviting nearby landlords to take part.
- d. Urban renewal and hazardous building reconstruction projects: The subsidiary will explore opportunities to take part in urban renewal and hazardous building reconstruction projects, whether as a project executor, capital contributor, or capital contributor in a government-initiated urban renewal project. These efforts will help broaden case sources and increase revenues over the medium term.

4.9.3 Industry overview

(1) Shrinking non-performing loans portfolio

Starting from May 2006, asset management companies were no longer permitted to transfer non-performing consumer loans to third parties in the secondary market. In March 2013, the competent authority stipulated that banks may sell non-performing loans only if the NPL ratio has exceeded 3% for 4 consecutive quarters. By the end of December 2024, the average NPL ratio across the banking industry was reported at 0.15%, which left no non-performing debt to be purchased by asset management companies.

(2) Regulatory restrictions on business activities of asset management companies

According to FSC's amendments to "Operating Principles for Asset Management Subsidiaries of Financial Holding Companies (Banks)" dated October 5, 2023, the subsidiary's business activities include the following:

- a. May invest in companies that provide urban renewal service;
- b. May engage in business activities relating to non-performing loans, including acquisition of non-performing loan, commissioned collection of receivables, commissioned bidding for foreclosed properties, and consultation service on non-performing loans;
- c. May be commissioned to lease, sell or maintain real estate properties owned by the group, and to execute urban renewal projects with respect to the abovementioned properties;

- d. Acquisition of collaterals on non-performing loan and investment in court-auctioned/government-auctioned properties for the purpose of resale; investment into and making more active as well as value-adding uses of idle group assets, including temporary leasing prior to sale;
- e. Take part in urban renewal, reconstruction of old building, and rebuild of buildings that are considered to be shoddy, hazardous, plagued by chlorine diffusion, or pose concern for public safety; rendering of advisory and management consultancy service; assistance with debt consolidation or stand-in payment; and serving the role of executor in an urban renewal project or executor-appointed capital contributor in a government-initiated urban renewal project.

4.9.4 Research and development spending and accomplishments in the last two years

None.

4.9.5 Future research and development plans

None.

4.9.6 Long and short-term business plans

(1) Short-term business plans

- a. Take initiative in assessing opportunities and placing bids; continue participating in real estate court auctions and government auctions to increase the portfolio of real estate properties under management.
- b. Following the implementation of Combined Housing and Land Tax 2.0, the subsidiary will adopt the principle of “leasing instead of selling investment properties that are held for less than 5 years”; more proactive efforts will be taken on the disposal and leasing of investment properties to increase business income.
- c. Actively grow opportunities in urban renewal and reconstruction of old and hazardous buildings for sources of profit.
- d. Commit full efforts into promoting stand-in payment service, and help existing residents or developers obtain the capital needed to expand construction.

(2) Long-term business plans

In response to the industrial development trend, the subsidiary will be shifting its long-term business focus toward generating operating revenue from real estate properties, and exploring new business activities permitted by law in a way that complements its short-term plans. By broadening the scope and scale of business operations, the company expects to establish itself as an omnibus and multi-functional professional asset management company.

4.9.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided): Taiwan.

(2) Future market supply and demand

a. Debt management

Overdue loan ratios have fallen across the local banking industry, and following the FSC’s amendment to “Notes on Sale of Non-performing Loans” in March 2013, financial institutions are being required to “manage debts as the first priority and sell debts only under exceptional circumstances.” The source of non-performing loans has decreased accordingly.

b. Real estate investment

According to statistics published by Ministry of the Interior as of December 31, 2024, Taiwan had 3,466,329 property units that were 40 years or older (representing 37% of all property units nationwide); 1,081,512 of these units were located in Taipei City and New Taipei City (representing 31% of old property units aged 40 and above). Therefore, Fubon AMC makes the best effort to engage in the urban renewal business. Given the enforcement of the government’s urban renewal policy, the subsidiary should expand the source of earnings.

- (3) Business goals
 - a. Enhance debt collection and negotiation efforts, and strive to negotiate lump-sum collection for faster recovery.
 - b. Take initiative in assessing opportunities in court auction and government auctions, and aim to expand the size of assets under management.
 - c. Participate in urban renewal and reconstruction of old/hazardous buildings, and help make active use of Group assets for additional revenues, earnings, and long-term growth targets.
- (4) Opportunities and threats
 - a. Opportunities
 - (a) Fubon AMC possesses the experience, the expertise, and time-tested procedures to manage non-performing loans. It will continue to manage existing portfolio positions and maximize performance by applying advanced negotiation skills and streamlined processes, and sharing its techniques with other subsidiaries of the financial holding group or assisting them in debt collection.
 - (b) To facilitate urban renewal and reconstruction of hazardous buildings, the Banking Bureau, Financial Supervisory Commission, amended “Operating Principles for Asset Management Subsidiaries of Financial Holding Companies (Banks)” on October 5, 2023, which broadened the scope of business activities available to asset management companies. For this reason, there is still room for asset management companies to grow in the future.
 - b. Threats

Non-performing loan management is a withering business, while other new business activities are medium and long-term based, meaning that performance yields and earnings cannot be realized over a short horizon.

4.10 Business overview of Fubon Insurance Agency Co., Ltd.

4.10.1 Scope of business

Fubon Insurance Agency concurrently sells insurance products offered by Fubon Insurance and Fubon Life, and operates mainly to bring inclusive insurance products featuring high protection and low premiums to Fubon Group customers. The subsidiary adopts “health and sustainability” as its main philosophy and places great emphasis on accident- and health-related insurance solutions. The subsidiary is also an active advocate for “commercial insurance on top of National Health Insurance coverage,” and works closely with medical, biotech, and semiconductor partners to bring precision medicine into insurance coverage, giving policyholders the complete service package from disease prevention to treatment. Given the ongoing wave of digitalization, the subsidiary will shift focus toward digital platforms and new media, using technologies to power more efficient and accessible insurance services that satisfy customers’ diverse needs. Backed by professionalism and innovation, the subsidiary persistently introduces products that keep up with time and provide total coverage for health and protection needs in all stages of life. In the future, the subsidiary will continue its efforts to create a health management ecosystem that integrates “insurance + medical + technology” resources. By ensuring business continuity, the subsidiary hopes to become customers’ partner in health and security, and bring welfare to society.

(1) Business activities

a. Fubon Insurance

Automobile/motorcycle insurance, omnibus personal insurance, personal accident insurance, health insurance, cancer insurance, and enterprise insurance.

b. Fubon Life

Life insurance, health insurance, investment-linked insurance, Interest-sensitive insurance, annuity insurance, and participating insurance.

(2) Weight of business activities (including subsidiaries)

Item	2023		2024	
	Amount	Weight	Amount	Weight
Property insurance	499	68%	624	68%
Life insurance	232	32%	298	32%
Others	0	0%	0	0%
Total	731	100%	922	100%

(3) New products and services planned for the future

Out of support for the government’s goal to reduce cancer mortality rates by 1/3 by 2030, the subsidiary will focus on developing cancer screening/preventive medicine insurance products that encourage customers to undergo early checkups and treatment in order to reduce cancer mortality rates.

As life expectancy increases, the elderly population quickly increases in size and as a percentage of Taiwan’s population, and is expected to exceed 20% by 2025, making Taiwan a hyper-aged society. More varieties of elderly-friendly health insurance products will be developed to accommodate the needs of the aging society.

4.10.2 Business plans for the year

(1) Focus on the core market: Maximize utilization of group resources and optimize customer value

Leverage Fubon Group’s financial ecosystem and maximize synergies through resource integration.

(2) Promote inclusive insurance products offering high protection: Emphasize on health and sustainability and fulfill social responsibilities.

Design products with “health and sustainability” in mind, and develop products of high protection and popular demand.

- (3) Enhance digital communication: For deeper brand influence and customer interaction.
Incorporate digital platforms and new media to develop highly efficient communication and marketing strategies.
- (4) Efficiency improvement with new technologies: Speed up the pace of digital transformation.
Continue adopting technology as a driver for efficiency and service innovation.

4.10.3 Industry overview

Demand for insurance has been growing at a consistent rate in Taiwan; the aging demographics and rising health awareness bring new demands, whereas technological advancements provide strong support for product innovation and service improvement. The insurance market still presents potential for growth in the future.

4.10.4 Research and development spending and accomplishments in the last two years

- (1) Research and development spending in the last two years
R&D spending was made to create an information system capable of supporting business requirements, and to improve system efficiency and security for performance enhancements.

Unit: NTD millions		
Year	2023	2024
Amount	14	8

- (2) Research and development accomplishments
 - a. Digital platform enhancement
The application form for complimentary insurance has had mechanisms added to prevent the omission of details and signatures. Customers are also given timely reminders to complete the application form, which helps raise users' satisfaction when claiming complimentary insurance.
 - b. Development of STT technology
OpenAI's Whisper technology has been incorporated to turn voice recordings into text. It is being used in the quality checking system to improve process efficiency and to analyze recordings for more effective communication.
 - c. Use of existing information to reduce manual processes for improved efficiency.
Customers' contact history is being analyzed to generate a list of suitable call times, and thereby improve call efficiency for telemarketers.
The system automatically completes customers' requests to change card number based on customers' claim history, policy validity, renewal status, etc., which minimizes error in human judgment and increases operating efficiency.
 - d. The Oracle database has been fully upgraded to 19C for improved data security.

4.10.5 Future research and development plans

- (1) Expected research and development spending

Unit: NTD millions	
Item	R&D expenses planned over the next year
Amount	8

- (2) Future research and development plans
 - a. The sales system will be digitalized to connect with multiple channels (LINE, SMS, website, campaign webpage, etc.); this Multi Channel Gateway consolidates customers' information from various channels and helps improve efficiency when contacting and serving customers.
 - b. The sales process for life and non-life insurance products will be streamlined to reduce obstacles for telemarketers when selling insurance products.
 - c. Bring self-dependent digital services to customers; integrate customer service processes and operating systems to develop functions that allow customers to change data on their own, such as address, card number, and expiry date, which in turn improves efficiency of data change and saves time for customer service officers and operators.

- d. Develop soft phone, interactive voice response (IP IVR), and IP recorder using Open Source IP PBX; produce dual-track recordings that clearly distinguish between customers and telemarketers; and resolve issues concerning end of support (EOS) of existing switches.

4.10.6 Long and short-term business plans

(1) Short-term business plans

- a. Focus on developing the group digital financial platform through cross-industry collaboration; aim to satisfy group customers' needs for inclusive insurance products.
- b. Develop medical insurance products that cover expenses not subsidized by the National Health Insurance Scheme.
- c. Continue collaboration with medical, biotech, and semiconductor partners for the development of precision/preventive medicine insurance products.

(2) Long-term business plans

- a. Combine health management with insurance to provide preventive healthcare and develop a health management ecosystem.

4.10.7 Market and business overview

(1) Locations where products (services) are mainly sold (provided)

Products and services are currently sold (provided) in Taiwan.

(2) Future market supply and demand

Due to rapid changes in consumers' needs and preferences, the market now has greater demand for diverse and customized insurance solutions, and more attention will have to be directed to developing products that conform to market trends. Furthermore, the evolution of digital technologies and AI compels businesses to adopt new technologies for improved service efficiency and customer experience.

(3) Business goals

Business targets by product line

Unit: NTD millions

Insurance category	2025
Written premiums	
Property insurance	1,986
Life insurance	436

(4) Opportunities and threats

a. Opportunities

(a) Increasing market demand

Aging demographics and rising medical costs continue to fuel demand for insurance solutions and open up opportunities for diverse product offerings.

(b) Technology application

Evolution of financial technology (FinTech) raises the efficiency and overall experience of insurance agency service, which helps the market grow.

(c) Policy support

The government's support for financial innovations and regulatory reforms opens up new opportunities and innovations for insurance agency service.

b. Threats

(a) Tightening supervision: The ever-tightening financial supervision increases compliance cost and poses stress on business operations.

(b) Intensive competition: Fast development of FinTech gives customers easier access to information; the insurance agency service industry now faces intensive competition from peers as well as businesses from different industries.

4.11 Cross-selling and joint marketing

Joint marketing synergy

Joint marketing between subsidiaries of Fubon Financial Holdings has always been an important business model for the Company. 2024 was a fruitful year for the Fubon Financial Holdings; Fubon Life and Taipei Fubon Bank, in particular, were the main profit contributors and the two largest cross-selling channels, having delivered exceptional performance in the cross-selling of non-life and life insurance products, respectively.

Key synergies from cross-selling are explained as follows:

(1) Life insurance products:

Fubon Life has been focusing its product strategies on high-CSM offerings and health/accident insurance in response to the ever-changing market environment and the adoption of IFRS 17 and ICS. Participating and variable-interest life insurance featuring high protections are being introduced in line with market trends to give customers better selections and protection. Meanwhile, by leveraging the channels and asset allocation services of Taipei Fubon Bank and other group members, the subsidiary aims to accomplish its goal of product transformation. In 2024, cross-selling accounted for 25% of all life insurance products sold.

(2) Banking products:

Japan continued to grow as a popular travel destination for Taiwanese people, which was why Taipei Fubon Bank remained focused at promoting “Fubon J Card” throughout 2024. By engaging subsidiaries in active cross-selling, the financial holdings cross-sold about 18% of new cards for the year. Cross-selling of mortgage, too, saw a year-on-year growth.

(3) Securities products:

The equity market saw trade activities flourish in 2024, and Fubon Securities took the opportunity to promote the opening of brokerage accounts. Approximately 20% of new securities accounts were opened through cross-selling in 2024, up 63% year-on-year. Of all the cross-selling channels, the digital channel saw the most significant increase, and digital referral through bank saw the highest growth, accounting for 73% of total referrals, up from 65% at the end of 2023.

(4) Non-life insurance products:

In addition to adjusting the composition of business activities and enhancing quality control, Fubon Insurance continued working closely with Fubon Life and was able to achieve steady growth in sales mainly in the forms of automobile insurance and accident/health insurance. Additionally, Fubon Insurance’s efforts in building relationships with SME customers had been fruitful, especially in terms of food safety insurance. Fubon Insurance will strengthen its collaboration with Taipei Fubon Bank to expand corporate insurance services to institutional customers. In 2024, cross-selling accounted for 27% of all non-life insurance products sold.

4.12 Employees and Labor-management Relations

4.12.1 Employee backgrounds

(1) Fubon Financial Holdings

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		213	245	352
Average age		42.04	41.93	42.69
Average years of service		5.07	4.94	3.59
Academic Background Distribution Ratio	Doctoral Degree	1.88%	2.45%	1.42%
	Master's Degree	49.30%	48.57%	47.44%
	College	48.82%	48.98%	50.57%
	High school	-	-	0.57%
	Below high school	-	-	-
Professional certificates held by employees	Certified Internal Auditor (CIA)	4	4	4
	Certified Information Systems Auditor (CISA)	-	1	1
	Financial Risk Manager (FRM)	9	9	11
	Project Management Professional (PMP)	23	26	44
	Life Insurance Representative	50	54	83
	Investment-Linked Insurance Sales Agent	18	23	30
	Non-Life Insurance Representative	46	48	87
	Bank Internal Controller and Internal Auditor	59	62	103
	Trust Personnel	31	29	53
	Futures Specialist	18	18	22
	Securities Specialist (including Senior Securities Specialist)	45	46	59
	Certified Public Accountant	6	9	9
	Attorney at Law	5	5	5

(2) Fubon Life

Year		2023	2024	Year-to-date until February 28, 2025
Employee size	Back office staff	3,963	3,955	3,978
	Sales staff	18,706	18,494	18,275
	Total	22,669	22,449	22,253
Average age of back office staff		42.53	42.84	42.87
Average age of sales staff		40.44	40.58	40.77
Average years of service - back office staff		12.70	12.80	12.80
Average years of service - sales staff		8.79	9.14	9.29
Academic Background Distribution Ratio	Doctoral Degree	0.06%	0.05%	0.05%
	Master's Degree	6.30%	6.50%	6.57%
	College	64.07%	64.41%	64.66%
	High school	29.01%	28.54%	28.22%
	Below high school	0.56%	0.50%	0.50%
Professional certificates held by employees	Certified Internal Auditor (CIA)	15	15	15
	Certified Information Systems Auditor (CISA)	6	6	6
	Financial Risk Manager (FRM)	11	13	14
	Project Management Professional (PMP)	71	73	74
	Certified Anti-Money Laundering Specialist (CAMS)	28	29	29
	Certified Financial Services Auditor (CFSA)	4	4	4
	Life Insurance Representative	20,891	20,712	20,440
	Investment-Linked Insurance Sales Agent	14,982	14,670	14,612
	Non-Life Insurance Representative	19,311	19,412	19,257
	Life Fellow of Actuarial Institute of Chinese Taipei (FAICT/ Life)	12	11	11
	Life Associate of Actuarial Institute of Chinese Taipei (AAICT/ Life)	5	5	5
	Fellow of the Society of Actuaries (FSA)	10	11	11
	Associate of the Society of Actuaries (ASA)	27	35	35
	Personal Risk Manager	6	5	5
	Trust Personnel	485	460	460
	Proficiency test for Certified Financial Planner	310	298	298
	Certified Public Accountant	44	47	47
	Attorney at Law	24	25	26

(3) Taipei Fubon Bank

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		8,904	9,255	9,193
Average age		42.01	41.67	41.73
Average years of service		11.07	10.52	10.56
Academic Background Distribution Ratio	Doctoral Degree	0.11%	0.13%	0.15%
	Master's Degree	18.09%	18.80%	18.62%
	College	77.27%	76.32%	76.48%
	High school	4.46%	4.70%	4.70%
	Below high school	0.07%	0.05%	0.05%
Professional certificates held by employees	Certified Internal Auditor (CIA)	4	4	4
	Certified Information Systems Auditor (CISA)	2	2	2
	Financial Risk Manager (FRM)	20	19	18
	Certified Anti-Money Laundering Specialist (CAMS)	224	185	187
	Certified Securities Investment Analyst (CSIA)	37	41	41
	Chartered Financial Analyst	35	26	26
	Certified Financial Planner	156	159	171
	Bank Internal Controller and Internal Auditor	3,912	4,043	4,035
	Proficiency test for Certified Financial Planner	1,026	979	977
	First-stage Credit Assessment Personnel	1,365	1,287	1,294
	Proficiency test for Advanced Credit Personnel	73	63	64
	Proficiency test for Junior Foreign Exchange Personnel	877	834	837
	Trust Personnel	4,830	4,833	4,880
	Proficiency test for Bond Specialist	47	43	43
	Life Insurance Representative	4,186	4,086	4,297
	Investment-Linked Insurance Sales Agent	2,092	2,012	2,143
	Non-Life Insurance Representative	4,141	4,061	4,373
	Personal Insurance Broker	7	8	8
	Property Insurance Broker	4	8	8
	Personal Insurance Agent	7	9	9
	Property Insurance Agent	7	9	9

Year		2023	2024	Year-to-date until February 28, 2025
	Securities Specialist (including Senior Securities Specialist)	1,407	1,391	1,437
	Futures Specialist	646	615	618
	Certified Securities Margin Trading Specialist	4	2	2
	Securities Investment Trust/Consulting Service Sales	446	446	456
	Bill Finance Specialist	94	89	99
	Information Security (ISO 27001) Auditor / Lead Auditor	15	15	38
	Business Continuity Management (BCMS, ISO 22301) / Lead Auditor	4	11	11
	Sustainability and Climate Risk	2	2	2
	Proficiency test for Stock Affairs Specialist	41	38	38
	Level B Technician for Labor Safety Management	-	1	1
	Personal Risk Manager	2	2	2
	Certified Public Accountant	21	20	20
	Attorney at Law	16	16	17

(4) Fubon Bank (China)

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		1,163	1,105	1,099
Average age		36.25	36.98	37.13
Average years of service		6.31	7.17	7.32
Academic Background Distribution Ratio	Doctoral Degree	0.43%	0.45%	0.45%
	Master's Degree	27.34%	29.14%	29.03%
	Bachelor's Degree	66.98%	65.62%	65.79%
	College	4.73%	4.07%	4.00%
	High school	0.52%	0.54%	0.55%
	Below high school	-	0.18%	0.18%
Professional certificates held by employees	Banking Professional Certification	163	169	169
	Wealth Management Intermediaries Certification	265	255	255
	Anti-Counterfeit Certification	58	70	70
	Foreign Exchange Certification	108	111	111
	Accounting Certification	156	150	150
	Securities & Futures Intermediaries Certification	180	209	209
	Insurance Intermediaries Certification	91	90	90

(5) Fubon Securities

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		2,737	2,672	2,709
Average age		46.31	45.90	45.63
Average years of service		14.54	14.42	14.28
Academic Background Distribution Ratio	Doctoral Degree	0.15%	0.15%	0.15%
	Master's Degree	16.08%	16.69%	16.69%
	College	73.17%	73.04%	72.35%
	High school	10.56%	10.12%	10.81%
	Below high school	0.04%	-	-
Professional certificates held by employees	Certified Internal Auditor (CIA)	4	4	4
	Certified Information Systems Auditor (CISA)	3	4	5
	Financial Risk Manager (FRM)	3	2	2
	Project Management Professional (PMP)	44	40	41
	Certified Anti-Money Laundering Specialist (CAMS)	39	38	38
	Certified Securities Investment Analyst (CSIA)	38	39	39
	Securities Specialist (including Senior Securities Specialist)	3,122	2,984	3,019
	Futures Specialist	1,749	1,661	1,675
	Securities Investment Trust/Consulting Service Sales	715	681	686
	Life Insurance Representative	1,960	1,867	1,881
	Investment-Linked Insurance Sales Agent	1,524	1,424	1,431
	Non-Life Insurance Representative	1,761	1,678	1,688
	Trust Personnel	1,623	1,550	1,563
	Bank Internal Controller and Internal Auditor	299	293	294
	Certified Public Accountant	9	9	9
	Attorney at Law	3	3	4

(6) Fubon Insurance

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		2,858	2,901	2,901
Average age		41.31	41.56	41.56
Average years of service		14.23	14.35	14.35
Academic Background Distribution Ratio	Doctoral Degree	-	-	-
	Master's Degree	12.88%	13.13%	13.31%
	College	84.39%	84.39%	84.31%
	High school	2.73%	2.48%	2.38%
	Below high school	-	-	-
Professional certificates held by employees	Certified Information Systems Auditor (CISA)	1	2	2
	Financial Risk Manager (FRM)	1	1	1
	Project Management Professional (PMP)	9	10	10
	Non-Life Insurance Representative	2,693	2,862	2,852
	Life Insurance Representative	2,749	2,759	2,767
	Investment-Linked Insurance Sales Agent	1,622	1,599	1,592
	Insurance Assessor and Claim Adjuster	1,423	1,482	1,482
	Non-Life Fellow of Actuarial Institute of Chinese Taipei (FAICT/ Non-Life)	1	3	3
	Non-Life Associate of Actuarial Institute of Chinese Taipei (AAICT/ Non-Life)	1	1	1
	Fellow of Casualty Actuarial Society (FCAS)	1	2	2
	Associate of Casualty Actuarial Society (ACAS)	6	-	-
	Certified Public Accountant	1	2	2
	Attorney at Law	-	1	1

(7) Fubon Bank (HK)

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		878	888	882
Average age		44.75	44.94	44.99
Average years of service		7.02	7.11	7.00
Academic Background Distribution Ratio	Doctoral Degree	0.11%	0.23%	0.23%
	Master's Degree	14.01%	14.86%	14.85%
	College	68.00%	67.45%	67.57%
	High school	17.31%	16.90%	16.78%
	Below high school	0.57%	0.56%	0.57%
Professional certificates held by employees	HKMA Relevant Individual Registration	152	153	148

(8) Fubon Asset Management

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		208	207	205
Average age		42.22	42.87	43.16
Average years of service		8.61	9.12	9.35
Academic Background Distribution Ratio	Doctoral Degree	-	-	-
	Master's Degree	43.75%	44.44%	44.39%
	College	55.29%	54.59%	54.63%
	High school	0.96%	0.97%	0.98%
	Below high school	-	-	-
Professional certificates held by employees	Certified Internal Auditor (CIA)	2	2	2
	Financial Risk Manager (FRM)	6	6	6
	Project Management Professional (PMP)	2	2	2
	Certified Anti-Money Laundering Specialist (CAMS)	4	5	5
	Certified Securities Investment Analyst (CSIA)	8	10	10
	Certified Futures Trading Analyst(CFTA)	4	3	3
	Securities Investment Trust/Consulting Service Sales	108	108	108
	Securities Specialist (including Senior Securities Specialist)	108	103	103

Year		2023	2024	Year-to-date until February 28, 2025
	Investment Trust and Consulting Regulations(including Self-disciplinary Rules)	45	47	47
	Trust Personnel	86	87	87
	Futures Specialist	88	86	86
	Certified Public Accountant	-	1	1

(9) Fubon Financial Holding Venture Capital

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		20	22	18
Average age		44.09	44.25	46.50
Average years of service		6.93	7.23	8.55
Academic Background Distribution Ratio	Doctoral Degree	-	-	-
	Master's Degree	55.00%	54.55%	55.56%
	College	40.00%	40.90%	38.88%
	High school	5.00%	4.55%	5.56%
	Below high school	-	-	-
Professional certificates held by employees	Trust Personnel	2	2	2
	Securities Specialist (including Senior Securities Specialist)	1	1	1
	Certified Public Accountant	1	1	-

(10) Fubon AMC

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		24	24	25
Average age		44.75	45.58	45.10
Average years of service		8.24	8.87	8.67
Academic Background Distribution Ratio	Doctoral Degree	-	-	-
	Master's Degree	16.67%	8.33%	8.00%
	College	75.00%	83.34%	84.00%
	High school	8.33%	8.33%	8.00%
	Below high school	-	-	-
Professional certificates held by employees	First-stage Credit Assessment Personnel	7	8	8
	Bank Internal Controller and Internal Auditor	9	10	10
	Trust Personnel	8	9	9
	Life Insurance Representative	5	6	6
	Non-Life Insurance Representative	6	7	7
	Securities Specialist (including Senior Securities Specialist)	2	3	3

(11) Fubon Insurance Agency

Year		2023	2024	Year-to-date until February 28, 2025
Employee size		326	372	356
Average age		43.36	45.17	44.38
Average years of service		9.65	10.05	9.42
Academic Background Distribution Ratio	Doctoral Degree	-	-	-
	Master's Degree	3.99%	4.03%	4.21%
	College	80.37%	78.23%	77.81%
	High school	15.64%	17.74%	17.98%
	Below high school	-	-	-
Professional certificates held by employees	Project Management Professional (PMP)	2	1	1
	Life Insurance Representative	339	331	316
	Investment-Linked Insurance Sales Agent	77	72	71
	Non-Life Insurance Representative	359	344	326

4.12.2 Employee Welfare Measures and Retirement System, and Implementation Status

The Company pays ongoing attention to changes in the external environment and how it affects employees' welfare. In addition to complying with government regulations, the Company has also implemented welfare measures to meet employees' requirements. These welfare measures include a festive bonus, an employee shareholding trust, subsidies (for purposes such as weddings, funerals, births, recreational activities, entertainment, children's education, birthdays, and club activities), annual leave, labor/national health/group insurance, health checkups, compassionate pay, occupational hazard compensation, general accidental death benefits, internal/external training, language courses, professional certification subsidies/rewards, and recognition for long-service employees. As for the retirement policy, employees of Fubon Financial Holdings are entitled to retirement terms and pension payments equivalent to those stipulated in the Labor Standards Act and Labor Pension Act. Furthermore, managers with outstanding service records may be rewarded with service credits of up to 10 pension basis points upon retirement.

4.12.3 Enforcement of labor agreements and employee rights

Fubon Financial Holdings has always respected its communication with employees, and hosts quarterly labor-management meetings as a way to maintain employment relations. The Company was the first private financial holding company to sign a collective bargaining agreement with the union back in 2015 and has since been negotiating for new agreements with the union upon the expiry of the existing agreement. The negotiations were conducted in good faith, and the two parties discussed issues from employment terms to welfare measures. Fubon Financial Holdings has introduced several employment terms and employee benefits that are more favorable than what the laws require, such as 10 weeks of full-pay maternity, 12 days of full-pay funeral leave, birth subsidies, and shareholding trust. The Company takes care of all its employees with real action, and of all financial holding companies in Taiwan, Fubon Financial Holdings has the greatest number of subsidiaries with collective bargaining agreements.

Fubon Financial Holdings has implemented "Fubon Financial Holding Co., Ltd. and Subsidiaries Guidelines for Handling Employee Grievance" and created a grievance mailbox along with an employee grievance section on the intranet, thereby allowing employees to speak out using a variety of channels such as the grievance hotline, fax, and e-mail. Dedicated personnel would then be assigned to rate the issue in question by severity and handle it according to proper procedures in the employees' best interests.

4.12.4 Employees' continuing education, training and career development planning

The Company has devoted much of its efforts to talent development to meet the needs of the changing financial environment and to support its operational strategies. It has created a learning platform that accommodates the different duties and careers of its employees, and supports them with a multitude of learning resources to raise the level of innovation, banking professionalism, risk control, and promote understanding towards changes and best practices of the global banking industry.

The Company organizes leadership programs using internal as well as external resources to enhance leadership and vision among managerial staff. Out of respect for the importance of talent reserves, the Company has implemented a management associate (MA) program and uses a broad diversity of tools to identify top performers and talents of high potential to undergo training and certification for management position in the future. The Company remains active in the training of globalized management talents, and regularly refers top-performing managers to participate in overseas leader training courses where they can exchange experience with elites from other industries and develop a visionary mindset. In response to the digital banking era, the Company organizes courses on database application and commercial data analysis, and also strengthens information security knowledge to provide employees with the necessary professionalism and mindset to adapt to new financial technologies. Meanwhile, training courses on the topics of environmental and financial sustainability are being organized persistently to develop sustainability mindset across employees, and thereby enforce the Company's sustainability vision and ESG roadmap. The Company places great emphasis on internal transfer of knowledge and experience, and establishes an internal instructor system to help employees grow in various professions. The Company also provides employees with self-development programs and subsidizes/rewards their diploma studies, language development, and certification efforts

with respect to finance, information technology, information security, and ESG. Meanwhile, the learning platform is constantly optimized and enriched with digital learning resources, and new digital learning platforms are being introduced from outside the organization to bring in courses of more diverse themes. In 2024, the financial holding company and its subsidiaries spent a total of NT\$199.066 million on training, and delivered a total of 1,124,598 person-sessions. By implementing a systematic training program and creating a multi-learning environment, the Company aims to raise employees' professional standards and build a team of talents that delivers the best financial services.

(1) Qualification of personnel involved in financial transparency

Personnel involved in financial transparency		Certification	Number of holders
Job nature	Head count		
Financial/Accounting Personnel	38	Certified Public Accountant	7
Internal Auditors	18	Bank Internal Control and Internal Audit exam	13

(2) Managers' corporate governance training

Name	Title	Subject	Hours
Jerry Harn	President	Corporate Governance Forum – Dissecting the Latest Organized Scam	3
		Corporate Governance Forum – AI and Financial Consumer Protection	3
		Blue Carbon – The New and Under-appreciated Means to Net Zero	3
		AML/CFT Trends and Financial Security Technologies	2
Wey-Chyng Yang	Senior Executive VP	Audit Personnel Workshop	21
		International Financial Supervision Forum	7
		Financial Holding Company Internal Audit Seminar	3
		Fubon AML Forum	3
Chung-Ping Liu	Senior Executive VP	Compliance, Legal Affairs, and AML Conference for Financial Holding Company and Subsidiaries	11
		Eagle Eye Anti-Fraud Alliance Progress Briefing and Financial Security and Digital Technology Trends Forum	4
		Financial Holding Company Compliance Training	10
		Fubon AML Forum	6
Chin-Yi Liu	Senior Executive VP	Financial Holding Company Compliance Training	4
Wei Lo	Senior Executive VP	Training for Performance Management Personnel and Head of Accounting	3
		Fubon AML Forum	3
Jerry Hsu	Executive VP	Sustainable Investment and Green Banking Innovation	2
		Spokesperson Training – Charisma through Words: Speaking with Charisma from General Dialog to Public Speech	4
		Training for Performance Management Personnel and Head of Accounting	3
		Financial Holding Company Compliance Training	2
Ching-Chin Wang	Executive VP	Dissecting Scams	2
		The Real Network behind the Fraud Dashboard	1
		Fubon AML Forum	3
Ching-Wei Su	Executive VP	2024 Commonwealth Economic Forum (CWEF)	6.3
		Financial Holding Company Compliance Training	2
Chin-Wen Lo	Executive VP	Corporate Governance Evaluation Indicators and the Latest Corporate Governance Trends	3
		The Latest ESG Policies and Regulations Relevant to Annual Report Preparation and Financial Statement Impacts of Net Zero	6
		Applicable IFRSs and Key Accounting Issues in 2024-2025	3
		IFRS Sustainability Disclosure Standards (Including S1 and S2)	3

Name	Title	Subject	Hours
		Spokesperson Training - Charisma through Words: Speaking with Charisma from General Dialog to Public Speech	4
		Training for Performance Management Personnel and Head of Accounting	3
		Financial Holding Company Compliance Training	2
Vincent Dern	Executive VP	Directors and Supervisors Training Course – “Dissecting the Latest Organized Scam: White Collar Crime 2.0”	3
		Training for Performance Management Personnel and Head of Accounting	3
		Financial Holding Company Compliance Training	2
Wen-Yen Chen	Managing Director	Directors and Supervisors Training Course - "Dissecting the Latest Organized Scam: White Collar Crime 2.0"	3
		Sustainability Development Taskforce – ESG Training for Senior Managers	2.5
		Corporate Governance Forum – AI and Financial Consumer Protection	3
Cindy Lin	Executive VP	Spokesperson Training - Charisma through Words: Speaking with Charisma from General Dialog to Public Speech	4
		TIPS Self-audit Training	3
		Sustainable Investment and Green Banking Innovation	2
		Eagle Eye Anti- Fraud Alliance Progress Briefing and Financial Security and Digital Technology Trends Forum	4
Paohsiu Su	Executive VP	Audit Personnel Workshop	33
		Eagle Eye Anti- Fraud Alliance Progress Briefing and Financial Security and Digital Technology Trends Forum	4
		Financial Holding Company Compliance Training	2
		Fubon AML Forum	12
Tony Chen	Executive VP	Applicable IFRSs and Key Accounting Issues in 2024-2025	3
		Important Updates of IFRS 17	3
		IFRS Sustainability Disclosure Standards (Including S1 and S2)	3
		Orientation for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	30
		Training for Performance Management Personnel and Head of Accounting	3
Emily Wang	Executive VP	Financial Inspection and Audit Conference – Financial Inspection and Audit Workshop (2)	6.5
		Financial Inspection and Audit Conference – International Financial Supervision Forum	7
		2024 Conference on International Financial Supervision Trends: Banking Regulations and Supervision – Key Issues to be Resolved	1.6
		Compliance, Legal Affairs, and AML Conference for Financial Holding Company and Subsidiaries	11

Name	Title	Subject	Hours
		Financial Holding Company Compliance Training	14
		Fubon AML Forum	9
Ying-Ho Hsieh	Executive VP	Compliance Personnel On-job Workshop	15
		Compliance, Legal Affairs, and AML Conference for Financial Holding Company and Subsidiaries	11
		Corporate Governance and Business Integrity Seminars	8.5
		Corporate Governance Forum – AI and Financial Consumer Protection	3
		Sharing of Compliance Trends and Issues on Overseas Branches/Sub-branches	1.3
		Sustainability Development Taskforce - ESG Training for Senior Managers	2.5
		Banking Compliance Training	6.3
		Fubon AML Forum	3
		Corporate Governance Course for Directors/Supervisors	10
Peiling Tsai	Executive VP	Compliance, Legal Affairs, and AML Conference for Financial Holding Company and Subsidiaries	11
		Directors and Supervisors Training Course - "Dissecting the Latest Organized Scam: White Collar Crime 2.0"	3
		Eagle Eye Anti- Fraud Alliance Progress Briefing and Financial Security and Digital Technology Trends Forum	4
		Fubon AML Forum	18
Ming Ju Tsai	Executive VP	Financial Holding Company Compliance Training	4
Douglas Tsai	Senior VP	Training for Performance Management Personnel and Head of Accounting	3
Ching Hui Lin	Senior VP	Directors and Supervisors Training Course - "Dissecting the Latest Organized Scam: White Collar Crime 2.0"	3
		Corporate Governance and Business Integrity Seminars	2
		IFRS Sustainability Disclosure Standards (Including S1 and S2)	3
		Financial Holding Company Compliance Training	6

4.12.5 Any losses suffered by the Company for the most recent year up to the publication date of the annual report due to labor disputes, and estimated losses thereof, current or in the future, and any response measures taken shall be disclosed

By company	Date of Decision	Decision No.	Violated Provision/Contents	Decision Content	Remarks
Taipei Fubon Commercial Bank	2024/12/30	Fu-Lao-Zi-1133936792	Paragraph 1, Article 24 of Labor Standards Act	Fine of NT\$50,000	

4.12.6 Work environment and employees' safety

The following measures have also been taken to assure employees a healthy, safe and comfortable working environment and to promote workplace safety and health policies:

- (1) Fubon subsidiary Taipei Fubon Bank and Fubon Life have established the "Occupational Safety & Health Committee" comprising department heads, workers' representatives, and employee health and safety officers has been assembled. The committee holds regular meetings to devise policies that minimize risk and ensure the safety of the workplace, thereby reducing damages and losses due to occupational hazards.
- (2) Four primary safety plans, the "Maternal Health Plan", "Plan to Prevention Unlawful Harassment in the Workplace Plan", "Ergonomic Hazards Prevention Plan", and "Plan to Prevent Illness Caused by Excessive Workload" have been implemented to ensure employees' physical and mental health.
- (3) A set of "Guidelines for Investigating Sexual Harassment Complaints and Disciplining offenders" has been established and all grievances are being handled in an appropriate manner. The issue of sexual harassment prevention is being addressed in courses that are mandatory for all employees, so that employees may develop proper awareness on the prevention of sexual harassment, and create a work environment that is free of discrimination and harassment.
- (4) Other measures taken include regular health inspections for all employees, occupational health training, regular maintenance of workplace safety and health related systems, workplace environment inspections, and more to protect employees' health and the safety of the workplace.
- (5) Professional nurses are hired to manage the "on-site health consultation", where employees may seek medical consultation and assistance. Convey health information and promote employees' awareness towards maintaining health and preventing diseases.
- (6) Health seminars are organized regularly to improve employees' health awareness and behavior.
- (7) Automated external defibrillators (AED) have been installed at building lobbies to serve as emergency aid for employees, customers, and community residents.

The Company also makes health promotion arrangements such as fitness center, group education, mental and legal consultation, massage station, club activities, family day, basketball tournament, hiking etc. to create a healthy and safe workplace.

4.13 Corporate Responsibilities and Ethics

Fubon Financial Holdings consolidates resources across the five foundations to create an “all-inclusive charity” platform, addressing issues concerning education, health promotion, care for socially disadvantaged, etc., and providing various supports for people of all ages including those who are deprived of learning resources, those with disabilities, and the financially challenged. The Group also encourages employees to actively participate and contribute to a sustainable future.

Education Promotion

Fubon Cultural & Educational Foundation, Fubon Art Foundation, and Fubon Life Art Museum Foundation not only commit themselves to providing high-quality financial education but also support the development of culture and creativity in Taiwan by organizing culture- and art-related activities.

- (1) Fubon Cultural & Educational Foundation has been committed to empowering children and youth for more than 30 years. Through various campaigns, the foundation draws public attention to various issues and helps young people develop strong character in areas such as media, finance, and sustainability.
 - a. The “Future Tycoon Outreach Program”: The forum consolidates internal and external resources, having hosted a total of 355 sessions over 13 years, benefiting more than 40,000 students. A free online course titled “Financial Literacy Online Learning School” was also introduced to promote accurate understanding and knowledge about money and investment.
 - b. The “Fubon EDU”: Rather than simply making donations like many foundations, Fubon **collaborates** externally with social enterprises and NPOs and internally **invites** employees and their families to learn together. Through hands-on experiences in various settings, the program fosters awareness and understanding of public issues such as the environment, culture, and sustainability.
 - c. The “Young Voice Project”: For 14 consecutive years, Fubon has organized video production courses to help young students develop independent thinking and creative expression. Furthermore, through collaborations with museums and cultural/educational institutions, Fubon hosts workshops, camps, and exhibitions to showcase the talents of Taiwan’s youths.
 - d. The “momo mini-Family Theater”: Fubon continues to source high-quality films from domestic and international children’s film festivals, screening them at educational venues and on media platforms to broaden children’s vision and imagination through film. This year, Fubon held a special screening and established an urban experience designed for children in front of the Office of the President, inviting them to explore an inclusive city at Ketagalan Boulevard.
 - e. The “momo mini-incubation program”: Fubon’s dedication to nurturing children’s show producers has yielded remarkable results. Having Fun in the Mountains and Ocean Diary won the 2024 “Prix Jeunesse International – Global First Prize” and the “Golden Bell Awards – Best Children’s Program,” respectively. WhooGuPo, a newly launched pop music show for children, introduced a fresh IP character—a pink tiger—that reimagines a traditionally scary figure in a playful and friendly way. A series of children’s musicals and immersive dramas were also organized to encourage children to share their experiences and face their fears.
- (2) Fubon Art Foundation believes “Art is life and life is Art” and hopes to make diverse yet profound cultural effects on society.
 - a. In “Very Fun Park – Contemporary Art Exhibition”, Fubon invited 14 artist teams to unleash creativity on the topic of “Awake.”
 - b. The idea of an “Wallace Museum” was further extended to Fubon Xinyi A25 Pavillion, where public arts were displayed to make the park a place gathering art enthusiasts as well as the residents of near communities, while promoting art in everyday life.
 - c. Fubon organized educational visit programs for students from rural schools and offered free tour guides along with interactive experiences that aimed at drawing students into the realm of arts and providing access to high-quality cultural resources, which in turn promotes art as a common value.

- (3) Fubon Life Art Museum Foundation: Fubon places a high level of attention on the presentation of arts, the nurturing of talents, and fulfillment of social responsibilities. By associating art exhibitions with education and public awareness, Fubon created a bridge between artists and the general public that allows more people to get in touch with and appreciate the fascinating charm of art.
 - a. Fubon Art Museum officially opened to the public in May 2024 and has since attracted art enthusiasts from around the world. Having accumulated more than 300,000 visits, the museum became a new cultural landmark in Xinyi District, and represents Fubon Group's unwavering commitment to art and culture. Since the museum opened, it has curated four exhibitions including "True Nature: Rodin and the Age of Impressionism", "In Touch – Collection of Fubon", "Van Gogh: Journey of Light," and "Susumu Shingu: COSMOS – Wind Traveler" to showcase classic works of art to the audience. These exhibitions accumulated 160,000 visits by the end of the year.
 - b. The foundation continues to nurture professional art talent through internship programs organized in collaboration with tertiary institutions. It also leverages the group's volunteer recruitment and training program as a way to attract more employees to various activities organized by the museum, where they may become more deeply involved in Fubon's cultural efforts and enhance their sense of aesthetics.

Health Promotion

Fubon Financial Holdings encourages everyone to engage in exercise, with more than NT\$500 million investment into sport sponsorship in 2024. By being the named sponsor/lead organizer of several large tournaments and sports events, Fubon promotes health as part of its sustainable development goals. At the same time, Fubon Financial Holdings has been rewarded with the Sports Activist Award – Gold for 16 consecutive years; it also has one of the largest collections of "Taiwan iSports Enterprise Certification" in the business world. Fubon owns Fubon Braves (basketball team) and Fubon Guardians (baseball team), and sponsors Fubon Bulls (baseball team of National Taiwan University of Sport). This long-term commitment to nurturing sports talents has contributed to improving Taiwan's competitiveness in international games.

With regard to running, an activity suitable for almost everyone, Fubon Financial Holdings is the only financial institution to sponsor all four major marathon events in Taiwan, namely Taipei Marathon, New Taipei City Wan Jin Shi Marathon, Tianzhong Marathon, and Kaohsiung Fubon Marathon. However, Kaohsiung Fubon Marathon was suspended for one year in 2024 due to a change of schedule. In 2021, Fubon introduced the ESG initiative – "Run For Green." Apart from making green transformations to the races, Fubon has vowed to plant one tree for every 40 km completed in any of the four major marathons sponsored by Fubon. Fubon had set its goal to plant 100,000 trees in 5 years, and by the end of 2024, a total of 300,000 runners had participated in the activity, with more than 98,000 trees having planted at 12 places in 8 counties and cities, including New Taipei City, Taoyuan, Taichung, Changhua, Tainan, Kaohsiung, Hualien, and Pingtung.

The performance of promoting green race and sports equality in 2024 :

- (1) **Taipei Marathon** – participant count: 28,240. The event received gold certification from World Athletics in 2024, and in addition to distributing environment-friendly singlets, plastic-free water cups, and digital handbooks and certificates of completion that helped maintain the 3% carbon reduction goal, the marathon also made a full switch to recyclable chips as a call for runners to run for sustainability.
- (2) **Wan Jin Shi Marathon** – participant count: 11,357. The event completed the ISO 14067 – carbon footprint of product survey, passed certification for ISO 20121 – Event Sustainability Management Systems, and obtained Silver Certification from the Council for Responsible Sport, making it the first sports competition in Asia to receive "Double Gold Sustainability Certification." Fubon also expanded the scope of its plogging event to cover 12 districts in New Taipei City, and took the opportunity to invite the local neighborhood to support sustainability.
- (3) **Tianzhong Marathon** – participant count: 16,674 for the physical event and 2,118 online. The marathon became "the first marathon event in Taiwan to receive carbon footprint certificate" from TÜV (Germany). By making local purchases, the marathon supported local businesses and promoted tourism as well as related industries. It also continued making race singlets with recycled plastics.

Care for the Disadvantaged

- (1) Fubon Charity Foundation adopts the mission of helping the socially disadvantaged, and is the first unit of the Fubon Group to devote itself to public welfare undertakings with the aim to help the socially disadvantaged groups. It has been an important “corporate social responsibilities” arm of the Group.
 - a. The “Making Friends with Love” student aid activity has raised the donation of NT 106,749,000 in 2024 , 177,915 students had benefited.
 - (a) Through collaboration with 6 remote after-school service institutions, Fubon expanded the scope of its campaign and provided after-school care and support to 71,258 students, which helps narrow the urban-suburban divide in terms of education and talent development.
 - (b) The remote nutrition supplementation program: A total of 31 food education events were organized, which benefits 81,559 students.
 - (c) The “Exchanging Points for Love” project cooperates with Taipei Fubon Bank in 2024, collecting NT\$ 464,000 and benefiting 7 social welfare organizations .
 - b. The "Emergency Relief Fund" activities: This measure is intended to ensure efficient distribution of social resources, and address the urgent needs of socially disadvantaged individuals. Fubon provided many forms of emergency relief in 2024, including individual financial assistance, a medical fund account, the 206 Education Fund, the Morakot Orphan Tuition program, Typhoon Krathon relief, the micro insurance project, “Han Shi Chi Bao30” by Genesis Social Welfare Foundation, and donations to other social welfare organizations. A sum of NT\$43,716,724 was contributed to 138,021 beneficiaries.
 - c. Fubon Volunteer Association: Fubon employees were called to participate in various charity events. Employees volunteered themselves to 6,405 services for a total of 22,792 hours in 2024.
 - (a) The “Give a Wish, Build a Future” campaign: Fubon helped make wishes come true for 8,416 students, and sponsored tuition and living supplies through the “Making Friends with Love” campaign.
 - (b) The foundation has held 39 blood donation activities and collected 4,298 bags, which is equivalent to 1,074,500c.c. of blood.
 - (c) The 2024 “Fubon Social Welfare Ambassador” activity has subsidized 150 nonprofits and social welfare enterprises.
 - (d) Through collaboration with Momo.Com Inc., Fubon donated its own supplies to three charity organizations, thereby making the most out of precious resources. A cumulative total of 2,484 items have been donated to date, which was equivalent to more than NT\$1.06 million.
 - (e) 24 sessions of diversity charity events were carried out through branches to strengthen relationship with the local community.
- (2) Taipei Fubon Bank Charity Foundation is dedicated to the public welfare activities such as caring for the elderlys and people with disabilities for a long time and hopes to become a source of help and support for the underprivileged.
 - a. Events such as “Fubon Jiazi Cup” (go and table tennis competitions) and the “Fubon Elderly Lohas Train Program” were organized to promote health and interpersonal interaction among elders.
 - b. “Fubon Elders Music Companion Program” and “Homecoming Dream Fulfillment Plan” were organized to address the issue of elderly care and to motivate elders living in nursing institutions. Furthermore, events such as “Fubon Family Caregiver Breather Journey” were organized to help relieve stress for family caregivers and raise the quality of care.
 - c. In 2024, to give people with disabilities an opportunity to showcase their talents, Fubon hosted the 6th joint exhibition of paintings and handicrafts made by winners of the Creation Category, and “Fubon Artistic Achievement Awards for the Disabled,” inviting the general public to view online and on-site. Meanwhile, the “All-Love Orchestra” comprising winners of the Performance Category of the “Fubon Artistic Achievement Awards for the Disabled” delivered 11 charity performances

throughout the year and received overwhelming praise. Arts club and career exploration camp were organized to give the residents of the Taipei City Yangming Home for the Disabled and the students of Taipei School for the Visually Impaired more opportunities to learn. Fubon toured around Taiwan and offered services such as hearing check, lifestyle improvement consultation for the hearing impaired, and career preparation for the hearing impaired to address the hearing health of people living in remote areas.

Mr. Wan-Tsai Tsai, the founder of the Fubon Group, had long been a believer of “giving back society what we have gained from it.” As we progress into the future, Fubon Financial Holdings will carry on its legacy and continue to commit resources into corporate social responsibilities and spread positive influence through five foundations.

(1) Donations made by the Company and its subsidiaries

The Company and all subsidiaries specified in its business license donated a sum of NT\$ 498,005,819 in 2024, which was NT\$295 million fewer compared to 2023. This reduction was mainly attributed to a NT\$330 million reduction in donations from Fubon Life to Fubon Life Art Museum Foundation, and NT\$50 million of additional donations made to relieve earthquake disaster in Hualien. Aside from the above, donations in 2024 were largely unchanged from the previous year. Further, the Company and the subsidiaries specified in its business license did not donate to any political party. Below are details of donations made by Fubon Financial Holding Co., Ltd. and the subsidiaries specified in its business license in 2024:

(NTD)

Company	Amount	Percentage
Fubon Financial Holdings	87,500	0.02%
Fubon Life Insurance	245,597,840	49.32%
Taipei Fubon Commercial Bank	188,451,443	37.84%
Fubon Securities	35,332,168	7.09%
Fubon Insurance	22,566,947	4.53%
Fubon Bank (Hong Kong)	1,098,421	0.22%
Fubon Asset Management	2,946,000	0.59%
Fubon Financial Holding Venture Capital	1,825,500	0.37%
Fubon AMC	0	0%
Fubon Insurance Agency	100,000	0.02%
Total	498,005,819	100.00%

Below are details about the purpose of the donations made by Fubon Financial Holding Co., Ltd. and the subsidiaries specified in its business license in 2024:

(NTD)

Purpose of donation	Amount	Percentage
Financing of activities organized by the group's five foundations during the year	296,780,000	59.59%
Donations to non-profit organizations and others (including stakeholders)	201,225,819	40.41%
Total	498,005,819	100.00%

4.14 Number of full-time non-supervisor employees, average and median salaries, and the difference between the first three and the previous year

Full-time non-supervisor employee information	2023	2024	Difference
Head count	16,938	16,873	-0.38%
Average salary (NTD thousand)	1,442	1,624	12.62%
Median salary (NTD thousand)	1,164	1,293	11.08%

4.15 IT Equipment

(1) IT system management (hardware, software and maintenance)

The Company assigns personnel with international professional certifications to plan, maintain, integrate and support various systems and networks used for its businesses. On the other hand, all systems are constructed using mainstream brands and specifications, and are supported by equipment vendors' contractual service level agreements in line with the operating requirements.

(2) Future developments and procurements

a. Innovative technologies development

Continuously extend adoption of Process automation services (e.g. RPA, Robotic Process Automation) and GenAI (Generative Artificial Intelligence) tools (e.g. Microsoft M365 Copilot) to improve work efficiency and operation quality. Meanwhile, the Company continuously optimized big data platforms, AI (Artificial Intelligence) techniques, and leveraged sociale customers and achieving precision marketing. Key projects in the annual budget include facilitate the development of AI applications and Generative AI researches, and migrating the existing data analysis platform to MLOps to integrate and automate the model development and deployment process and comply with the upcoming AI governance norms.

b. Risk management

Market risk and credit risk management systems are integrated across subsidiaries to provide a comprehensive overview of risk exposure. By consolidating information such as customers' credit limits, repayment capabilities, and the Company's subsidiaries and overseas branches, the system is intended to provide the management with immediate and comprehensive knowledge of value-at-risk among other risk indicators. Given the possibility that the financial market may continue to exhibit high volatility in the future, Fubon continues to adjust and optimize its market risk management system for more timely assessment of market risks. Moreover, optimize the interface of the list of stakeholders and strengthen the data verification mechanism and mitigate compliance risk as well as keep enhancing customer cross-reference system management functions to assist CDD (customer due diligence) process and periodic reviews to solidify Anti-Money Laundering mechanism.

c. Resource and service sharing

Shared platform has been developed to consolidate various systems used by subsidiaries, to facilitate the sharing of software and hardware resources and reduce costs, including fubon.com, enterprise information portal, human resource management, compliance system, IRA (institutional risk assessment) system, training management, e-mail, digital correspondence, general affairs management, e-procurement, fixed asset management, data scientist platform, GIS positioning application, IT management systems, Customer Data Platform, etc. IT has also developed Apps to provide more convenient and useful functions to employees of all subsidiaries, adopting international standards to strengthen the safety and diversity of identity authentication, such as Fubon AppStore, eHR App, Academy App, Official Document System App and Fubon Helper App, etc.

d. Cloud development

As The Financial Supervisory Commission's relaxation of regulations on cloud services, Fubon Financial Holdings has built a dedicated cloud organization units and personnel in place. After the Bankers Association issued the self-regulatory guidelines for financial institutions outsourcing operations to use cloud services, Fubon Financial Holdings began preparing internal

management regulations to ensure that cloud services comply with regulatory requirements. In addition, established an experimental cloud environment for operational practice and started researching how to better implement cloud services from the perspective of the entire financial holding company.

(3) Data & Innovative Technology Governance mechanism

- a. IT has established “Data Governance Platform”, to provide functions such as data lineage, data quality checking, data issues dispatching and tracking workflow, to ensure data standards and qualities are reinforced, so as to support FHC data governance mechanism with less manpower.
- b. Moreover, the Company has established Open APIs governance mechanism, to clarify roles and responsibilities of FHC and subsidiaries for API management, as well as to establish guidelines governing the review of third party service providers and API technical and security standards. The above have been implemented through the APIM platform to mitigate related risks associated with Open Finance.
- c. In addition, we are now in the process of building IT and security Cloud Governance Framework, with the objectives to develop hybrid cloud governance mechanism and adoption strategy based on application maturity assessment and security requirements.
- d. Additionally, establish relevant operational guidelines and monitoring rules for Robotic Process Automation (RPA) to mitigate potential risks of automation and ensure a stable improvement in the efficiency of digital process operations.
- e. Lastly, management and operational procedures for generative AI applications (M365 Copilot) are currently being drafted. IT will also collaborate with the data science team to establish AI governance guidelines and mechanisms.

(4) Disaster recovery and protective measures

Information systems are supported by high availability on-site or off-site systems and backup routines of varying intensities and risk levels to ensure uninterrupted service and secure critical data. All backups are securely stored at the off-site facility. Simulations, tests and drills are conducted on a regular basis to ensure proper functioning in the event of an emergency. These exercises help avoid unexpected system disruption caused by natural disasters and human errors, and ensure continuity of critical business activities.

(5) Financial impact and responsive measures in the event of system failure

By conducting annual business impact analyses on key procedures and supporting systems/services, the Company is able to evaluate risks and quantify impacts on different aspects such as finance, laws and regulations, and customers. Based on the level of risk identified, the Company will make appropriate plans, enhance its software environment and hardware equipment, and improve operating procedures so that any damages to the information system can be recovered quickly at minimal loss.

4.16 Information security management

(1) Cybersecurity risk management framework

- a. Fubon Financial Holdings created an Information Security Division on April 1, 2019. Personnel of vice president grade have been assigned to serve as the Chief Information Security Officer (CISO). The CISO is responsible for supervising the cybersecurity team and planning, monitoring, and executing cybersecurity tasks. The CISO reports to the board of directors on the execution of cybersecurity tasks and oversees execution of cybersecurity tasks in subsidiaries. The board of directors also has members with IT/cybersecurity backgrounds, and both the board of directors and senior management are involved in the supervision of corporate governance. To improve decision-making capacity, each subsidiary has appointed a dedicated unit or team of experts and assigned managers and specialists to handle cybersecurity matters. At the end of 2024, the financial holding company and subsidiaries had 98 cybersecurity personnel in total. They were assigned responsibilities in one of three main areas: strategic, managing, and technical, and were tasked with various duties from planning and maintenance of information systems, security of network systems, to the implementation of effective detection and protection measures depending on their cybersecurity knowledge and skills. This framework has proven effective for the execution of cybersecurity tasks.
- b. An “IT and Information Security Governance Committee” has been assembled at the Chairperson level to collectively oversee IT and cybersecurity governance of the financial holding company and subsidiaries, and to supervise the development of a sound governance culture and effective governance system. The group president serves as convener of the committee, whereas the rest of the committee members consist of the highest ranking IT and cybersecurity officers from the Company and subsidiaries. The committee convenes meetings once every quarter to ensure proper execution of cybersecurity management tasks.
- c. Cybersecurity incidents generally require immediate attention, and most businesses do not have the resources and manpower to handle them properly. As a financial group, Fubon has the advantage of integrating resources and coordinating support among members in this regard. In addition to having a cybersecurity response team within the financial holding company and each of its subsidiaries, the Group also convenes monthly “Group Cybersecurity Joint Defense Meetings” to review issues concerning cybersecurity, new information technology, digital development, and cybersecurity incidents within each subsidiary, so that subsidiaries may adjust and align their cybersecurity strategies with those of the financial holding company. By having subsidiaries present cybersecurity reports on a monthly basis, the Group is able to promote knowledge exchange and learning among members, and develop information security cultures that are suitable for the organization.
- d. The financial holding company and subsidiaries all observe FSC’s “Financial Information Security Action Plan 2.0,” which encourages financial institutions to develop “Assessment of Effectiveness for Cybersecurity Monitoring and Protection,” “Zero Trust Network Deployment with Enhanced Connection Authentication and Authorization Control,” and “Supply Chain/Third-party Service Provider Risk Management,” and to assemble an “Implementation Team for Five Main Cybersecurity Functional Domains” that coordinates the cybersecurity manpower toward sharing knowledge/resources, developing and refining group-wide common cybersecurity management standards, and improving the efficiency of collaborative efforts. The FSC expects all financial institutions to take part in building a financial cybersecurity protection network for enhanced resilience and security of the financial system. The financial holding company and subsidiaries also adopt international standards including ISO 27001 – Information Security Management System, ISO 22301 – Business Continuity Management System, and BS 10012 – Personal Information Management System and conducts annual reviews to ensure system validity and attainment of cybersecurity targets. Using the P-D-C-A (Plan-Do-Check-Action) management cycle, the Group maintains the professionalism, security, and efficiency of services delivered.

(2) Cybersecurity policy

Fubon Financial Holdings has created a cybersecurity policy, standards, and guidelines that are applied consistently throughout the organization to ensure that information is handled according to cybersecurity rules. The Company reviews its cybersecurity policy and guidelines annually to determine whether they meet the requirements of the business environment and the authorities, and conducts assessments on major cybersecurity issues. The financial holding company and its subsidiaries have each assembled their own cybersecurity response teams. By hosting regular Cybersecurity Joint Defense Meetings, subsidiaries can align their cybersecurity strategies with those of the financial holding company. The Group has adopted a cybersecurity joint defense system featuring a “centralized management and distributed execution” approach to ensure conformity with the prevailing regulations, technologies, organizational policies, and the latest business practices. Overall, the cybersecurity system is being duly enforced within the organization to minimize cybersecurity risks.

(3) Management solutions and commitment of cybersecurity management resources

- a. Fubon exercises supervision over the cybersecurity units of each subsidiary from a group perspective. Every single detail from planning, assessment, specification, procurement, system implementation to process design has been carried out under the coordination of the financial holding company. Furthermore, the Group trains all employees on topics concerning cybersecurity, social engineering, mail security, and personal data protection on a yearly basis in an attempt to promote cybersecurity awareness and shape the cybersecurity culture within the organization. To further enhance cybersecurity awareness and response, all employees of the financial holding company and subsidiaries are subjected to social engineering drills once every six months, during which employees are tested for their awareness and response to simulated scams and social engineering attacks that may occur in the real world. Based on the outcomes of the drill, Fubon then makes further optimizations to relevant cybersecurity policies and measures. All cybersecurity personnel are required to undergo at least 15 hours of professional cybersecurity training each year, whereas other employees are required to complete at least 3 hours of cybersecurity awareness courses each year.
- b. The financial holding company implements a cybersecurity governance roadmap each year and makes rolling adjustments in accordance with regulations, internal policies, cybersecurity technology trends, and international developments to accomplish main goals such as anti-hacking, vulnerability mitigation, proper response, compliance, business continuity, and customer security. Personnel, technologies, processes, etc., are specially planned to ensure that the roadmap is executed in a manner that aligns with the cybersecurity strategy and business targets. Fubon Financial Holdings also pays particular attention to adopting international standards on information security management (ISO 27001), personal information management system (BS 10012), and business continuity management system (ISO 22301) as a means to improve cybersecurity governance practices over time. The financial holding company influences how subsidiaries should adjust their cybersecurity strategies, and evaluates the cybersecurity efforts of its subsidiaries so that cybersecurity management systems of the entire group may work cohesively toward enhancing “overall cybersecurity protection.” A set of “cybersecurity performance indicators” have been implemented uniformly across the group, which provide the quantitative data needed to monitor the effectiveness of cybersecurity management efforts, and ultimately ensure that cybersecurity risks are manageable while increasing the security and level of trust in financial services.
- c. Cybersecurity progress is reported to the Group Chairman and Group President on a monthly basis. With regard to the overall cybersecurity protection plan, the financial holding company observes the vision conveyed in FSC’s Financial Information Security Action Plan to “deliver secured, accessible, and uninterrupted financial service” and drives subsidiaries toward “enhancing cybersecurity monitoring,” “enforcing information security governance,” “strengthening financial resilience,” and “supporting joint defense.” Progress is regularly reported to the board of directors.

(4) Cybersecurity risks and response measures

- a. With regard to cybersecurity strategies and plans, Fubon Financial Holdings has developed multi-layer security protection using the five functions (identify, protect, detect, respond, and recover) of NIST's network security framework to plan and implement cybersecurity protections that adequately support the digital financial environment. The framework uses a combination of antivirus software, malicious mail filters, webpage filters, intrusion detection systems, application firewalls, and risk tracking tools. Cybersecurity defense measures have also been enhanced for individual networks, information environments, servers, and terminals, with cybersecurity monitoring rules and indicators implemented to support risk monitoring. Monitoring rules are constantly adjusted, and operational logs of key servers, network equipment, and cybersecurity hardware are tracked closely. Cybersecurity reporting and response have been duly enforced; information, alerts, records, and intelligence gathered from cybersecurity protection equipment are thoroughly observed, analyzed, and associated to determine whether a cybersecurity incident has occurred, and any findings discovered are converted into valuable intelligence for sharing. The organization keeps track of the latest cybersecurity trends and rules around the world and makes ongoing optimizations to minimize the occurrence of cybersecurity incidents that may pose high risks.
- b. The endpoint detection and response and automated event investigation systems deployed in personal computers and servers work in coordination with the network threat detection and response system to monitor computer activities and network connections in real time. Artificial intelligence is being used to analyze signs of abnormal behavior and to cross-reference threat intelligence. Any significant finding is transmitted to the visual platform, and an alert is triggered in the event of a cybersecurity incident, providing information about what happened and the scope of impact. The group implements proper precautions and responses to quickly obtain information for post-event recovery. The group also engages independent third parties to conduct regular cybersecurity assessments, such as red team assessments, DDoS drills, breach and attack simulation, and assessments of cybersecurity in computer systems. These assessments examine the completeness and appropriateness of overall computer system controls, share the attackers' mindset, and test the effectiveness of cybersecurity monitoring and defenses. Meanwhile, the Company continues to develop responses for new technologies and new forms of cyber attack, such as IoT equipment, third-party components, and ransomware.
- c. Cybersecurity threats are evolving at such a high rate that they are increasing risks across supply chains. For this reason, the financial holding company and subsidiaries make rigorous decisions when choosing IT service providers, and adopts measures such as contract signing, management practice, supervision, and auditing to ensure that its suppliers meet cybersecurity requirements. Fubon Financial Holdings also states in its contracts the specific cybersecurity management mechanisms to be adopted by service providers, and its rights to exercise supervision and audit suppliers to ensure compliance with relevant cybersecurity rules. Following recent deregulations on cloud banking services, financial institutions are progressively adopting cloud computing and cloud storage technologies as means to improve operating efficiency and flexibility. For the security of the cloud environment, Fubon Financial Holdings and its subsidiaries have devised a cloud security management framework to ensure that the cloud infrastructure conforms with cybersecurity standards. Through the use of a cloud native application platform, Fubon persistently monitors risks of the cloud computing environment, and takes initiative at detecting and eliminating errors as well as potential threats for enhanced cybersecurity governance. Meanwhile, Fubon continues to implement cloud security training as a way to improve employees' cybersecurity awareness and response, and thereby ensure the stability and safety of the cloud computing environment.
- d. The issue of cybersecurity is gathering attention in the business world as new technologies and digital transformation grow in popularity. Due to technological advancements, cyber attacks are occurring at an unprecedented frequency, speed, scale, and diversity, making cybersecurity a real threat in the world. According to online surveys, banking, healthcare, and IT have been identified as the three industries most susceptible to cyber attack in recent years, and for this

reason, the financial holding company has instructed its subsidiaries to purchase cybersecurity insurance to ensure recoverability in the event of an attack, and thereby protect customers' assets.

- e. Financial institutions are actively promoting the use of Open API as a means to increase the level of integration within a financial ecosystem, stimulate innovation in financial technologies, and bring more convenient services to customers. Through the use of Open API, third-party businesses may link with financial institutions to develop broader financial applications and enhance the usability of financial products and services. However, Open API does present cybersecurity risks such as unauthorized access, business logic vulnerabilities, DDoS attacks, and data leaks that may compromise transaction safety and customers' privacy. To ensure the safety of Open API, Fubon introduced a security detection tool and adopted persistent monitoring and updates against new cybersecurity threats. Other measures such as enhanced identity verification, access rights management, and monitoring of abnormal behaviors were also taken to minimize the risk of potential attack and increase the security and reliability of digital financial services.
 - f. Fubon Financial Holdings and subsidiaries have a robust interdepartmental coordination system in place to ensure that there is adequate cybersecurity awareness and response capacity across all business segments to minimize potential risks and support business continuity. Together, they create a digital financial environment and take actions to improve cybersecurity capacity and awareness across IT, administration, compliance, and risk management departments. By escalating the intensity of cybersecurity governance efforts and building a cybersecurity culture, Fubon hopes to take cybersecurity resilience to the next level and fulfill its vision of safeguarding customers' assets.
- (5) Losses and possible impacts as a result of major cybersecurity incident in the last year up until the publication date of annual report, and response measures: Fubon Financial Holdings and subsidiaries encountered no major cybersecurity incident in 2024 up until the publication date of annual report.

4.17 Major Contracts

(1) Fubon Financial Holdings: None

(2) Fubon Life

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
Real estate leasing	The Governor and Company of the Bank of Ireland (Note 1)	2015/02/17-2024/09/11	Real estate lease contract (Bow Bells House, London, UK)	None
Real estate leasing	Merlin Attractions Operations Limited (Note 2)	2015/08/25-2042/07/04	Real estate lease contract (Madame Tussauds, London, UK)	None
Real estate leasing	Vlaamse Gemeenschap (Administrative authority of Flanders District) (Note 3)	2016/01/15-2024/12/31	Real estate lease contract (Brussels, Belgium Ellipse Building)	None
Real estate leasing	Europäische Zentral bank (Central Bank of Europe) (Note 4)	2019/06/01-2025/12/31	Real estate lease contract (Frankfurt, Germany Eurotower)	None
Real estate construction consultancy contract	Arup Deutschland GmbH	2022/10/06-2025/12/31	Planning and execution of preventive maintenance for Eurotower at Frankfurt, Germany	None
Real estate construction consultancy contract	CIT Blaton SA	2025/01/24-2026/06/30 (Note 5)	Brussels, Belgium Renovation contract for Ellipse Building	None
Real estate construction consultancy contract	Ikon Group Limited	2025/02/21-2026/06/30 (Note 5)	Contract for necessary maintenance of Bow Bells House, London, UK	None
Real estate construction	J. J. Pan and Partners, Architects and Planners	2021/02/19-2028/03/31 (Note 5)	Construction design and supervision contract for new construction project of Fubon Life at Yucheng Section, Nangang District	None
Real estate construction	Dehwa Construction Co., Ltd.	2023/01/07-2026/08/31 (Note 5)	Sundry works for Fubon Life's new construction project at Yucheng Section, Nangang District	None
Real estate construction	(1) Dehwa Construction Co., Ltd. (2) SGM STONE CO., LTD.	2024/09/12-2030/03/31 (Note 5)	Turnkey contract for Fubon Life's new construction project at Yucheng Section, Nangang District	None
Real estate construction	Pin-Hsuan Chen & Architects	2023/03/24-2030/12/31 (Note 5)	Mandate contract for design and supervision service for the new construction of	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
			southern foundation for Fubon Life's Chengde Building	
Real estate construction	(1) Dehwa Construction Co., Ltd. (2) Da-Link Architects and Associates	2023/02/16-2028/11/13 (Note 5)	Turnkey contract for the new construction of northern foundation for Fubon Life's Chengde Building	None
Real estate construction	Artech Architects	2015/08/25-2024/07/29	Design and supervision contract for the new construction of the commercial complex A25 ("Project A25")	None
Real estate construction	Fubon Land Development Co., Ltd.	2015/10/06-2024/01/29	Construction management contract for the new construction of Project A25	None
Real estate construction	(1) Chung-Lu Construction Co., Ltd. (2) Continental Engineering Corp.	2017/07/19-2024/01/29	Contract for the new construction of slurry walls, and top-down construction of foundation pile for Project A25	None
Real estate construction	Chien Kuo Construction Co., Ltd.	2017/11/03-2024/12/11	Turnkey contract for the new construction at Sub-section 1, Changchun Section	None
Real estate construction	LI JIN ENGINEERING CO., LTD.	2019/03/15-2025/10/31 (Note 5)	Turnkey contract for the new construction of Project A25	None
Real estate construction	Dehwa Construction Co., Ltd.	2020/03/25-2026/10/17 (Note 5)	Turnkey contract for the new construction project of Fubon Life at Xinmin Section, Beitou District	None
Real estate construction	Da-Ju Architects & Associates	2023/09/22-2027/09/30 (Note 5)	Mandate contract for design and supervision service for Fubon Life's Hsinchu Hukou development project	None
Real estate construction	C. Y. Lee & Partners	2019/04/11-2027/05/04 (Note 5)	Mandate contract for design and supervision service for Fubon Life's KRTC Aozihdi Station commercial development project	None
Real estate construction	Mitsubishi Jisho Sekkei Inc.	2019/09/17-2026/01/19 (Note 5)	Mandate contract for design of Fubon Life's KRTC Aozihdi Station	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
			commercial development project	
Real estate construction	Feng Yu United Engineering Co., Ltd.	2021/01/29-2028/01/19 (Note 5)	Sundry works for Fubon Life's KRTC Aozihdi Station commercial development project	None
Real estate construction	Feng Yu United Engineering Co., Ltd.	2021/11/09-2028/01/19 (Note 5)	Top-down construction of foundation pile for Fubon Life's KRTC Aozihdi Station commercial development project	None
Real estate construction	(1) Samsung C&T Corporation Taiwan Branch-Korea (2) Formosa Builders, Inc.	2023/06/19-2029/05/04 (Note 5)	Turnkey Construction Contract for Fubon Life's KRTC Aozihdi Station commercial development project	None
Real estate construction	HCCH & Associates Architects Planners & Engineers	2023/09/04-2033/06/30 (Note 5)	Mandate contract for design and supervision service for Fubon Life's Songshan District Dunhua Section development project	None
Real estate construction	China Real Estate Management Co., Ltd.	2024/04/08-2036/06/30 (Note 5)	Proxy mandate contract for Fubon Life's urban renewal project at Dunhua Section, Songshan district	None
Real estate leasing	Humble House Hotel Co., Ltd.	2013/06/14-2033/11/06	Real estate lease contract (A10)	None
Real estate leasing	Breeze Property Co., Ltd.	2013/10/16-2029/04/15	Real estate lease contract (A10)	None
Real estate leasing	Breeze Property Co., Ltd.	2013/09/01-2028/08/31	Real estate lease contract (Asia World Building)	None
Real estate leasing	(1) ShareHope Medicine Co., Ltd. (2) Min-Sheng General Hospital	2007/05/16-2032/05/15	Real estate lease contract (Min-Sheng General Hospital)	None
Real estate leasing	TRK Corporation	2020/05/01-2035/06/30	Real estate lease contract (Taroko Mall)	None
Real estate leasing	Shin Kong Mitsukoshi Department Store Co., Ltd.	2023/08/01-2033/07/31	Real estate lease contract (A11)	None
Real estate leasing	Momo.Com Inc.	2023/08/01-2028/07/31	Real estate lease contract (momo Building)	None
Real estate leasing	UNIQLO Taiwan Ltd.	2012/09/03-2025/10/31	Real estate lease contract (Wan Guo Building)	None
Real estate leasing	Times Square International Corporation	2020/06/12-2040/06/11	Real estate lease contract (Fubon Linsen Hotel Building)	None
Real estate	Standard Chartered	2021/04/01-	Real estate lease contract	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
leasing	Bank (Taiwan) Limited	2031/07/31	(Standard Chartered Bank Building)	
Real estate leasing	Fubon Insurance Co., Ltd.	2021/09/01-2026/09/30	Real estate lease contract (Standard Chartered Bank Building)	None
Real estate leasing	Shin Kong Mitsukoshi Department Store Co., Ltd.	2015/12/23-2027/12/31	Real estate lease contract (Shinkong Mitsukoshi Tower A8)	None
Real estate leasing	Sunrider Taiwan LLC.	2020/08/12-2027/08/11	Real estate lease contract (Dunbei Building)	None
Real estate leasing	Hanshin Shopping Plaza Co., Ltd.	From the day after expiry of renovation grace period (inclusive; also referred to as the lease start date) and lasting for 20 lease-accruing years	Real estate lease contract (development project near KRTC Aozihdi Station)	None
Real estate leasing	Analog Devices, Inc.	2023/08/01-2029/01/31	Real estate lease contract (Fubon Life Building)	None
Real estate leasing	CARAT MEDIA TAIWAN LTD.	2025/02/01-2042/01/31	Property lease agreement (Fubon Life Building)	None
Reinsurance contract	Swiss Re Asia Pte. Ltd.	2006/01/01 to present	Reinsurance contract for personal life insurance	None
Reinsurance contract	Central Reinsurance Corporation	2010/01/01 to present	Reinsurance contract for personal life insurance	None
Reinsurance contract	Munich Reinsurance Company	2010/01/01 to present	Reinsurance contract for personal life insurance	None
Reinsurance contract	General Reinsurance AG	2010/01/01 to present	Reinsurance contract for personal life insurance	None
Reinsurance contract	Munich Reinsurance Company	2015/05/01 to present	Reinsurance contract for disability and disability living benefit insurance products	None
Reinsurance contract	Hannover Rück SE	2015/05/01 to present	Reinsurance contract for disability and disability living benefit insurance products	None
Reinsurance contract	Central Reinsurance Corporation	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None
Reinsurance contract	HCC International Insurance Company	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
	PLC, UK		individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	
Reinsurance contract	Nexus Re on behalf of United States Fire Insurance Company	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None
Reinsurance contract	General Reinsurance AG	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None
Reinsurance contract	A&H Sante Lineslip for and on behalf of Lloyd's Syndicates	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None
Reinsurance contract	Canopius Asia Pte Limited, Singapore on behalf of Canopius Syndicate 4444	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None
Reinsurance contract	Everest Reinsurance Company, Singapore Office	2025/01/01-2025/12/31	Catastrophe excess of loss reinsurance contract for individual and group life, individual and group accident, individual and group travel accident and group occupation hazards	None

Note 1: The lease arrangement was assumed by subsidiary – Bow Bells House (Jersey) Limited

Note 2: The lease arrangement was assumed by subsidiary – Fubon MTL Property (Jersey) Limited

Note 3: The lease arrangement was assumed by subsidiary – Fubon Ellipse (Belgium) S.A.

Note 4: The lease arrangement was assumed by subsidiary – Fubon Eurotower (Luxembourg) S.à r.l.

Note 5: Represents the estimated completion date, as contract completion date is undetermined

(3) Taipei Fubon Bank

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
Taipei City Government treasury services contract	Taipei City Government	2023/11/10-2030/11/09	Taipei City Government commissions Taipei Fubon Bank for treasury services	None
Lease contract	Fubon Real Estate Management Co., Ltd.	Lease tenor: 2024/05/01-2027/04/30	Fubon Real Estate Management Co., Ltd. is the management company of “Fubon No. 2 REIT”; this transaction is intended to provide office space. Asset: Parts of 1F and 2F, and 7F, 8F, and 9F, No. 62, Ruihu Street, Neihu District, Taipei City	None
Lease contract	Chung Shing Development Co., Ltd	Lease tenor: 2025/01/01-2027/12/31	This transaction is intended to provide office space Asset: 6F-12F, 13F (partial), and 14F-23F, No. 169, Section 4, Renai Road, Da'an District, Taipei City	None
Lease contract	Fubon Life Insurance Co, Ltd.	Lease tenor: 2023/07/01-2033/06/30	This transaction is intended to provide office space for branch Asset: B1-1, No. 77, Songgao Road, Xinyi District, Taipei City	None
Lease contract	Fubon Life Insurance Co, Ltd.	Lease tenor: 2023/12/01-2033/11/30	This transaction is intended to provide office space for branch Asset: 1F (partial), No. 97, Section 2, Dunhua South Road, and the entirety of No. 105, Section 2, Dunhua South Road, Da'an District, Taipei City	None
Outsourcing agreement	TAIWAN SECURITY CO., LTD.	2023/05/08-2025/05/07	Transportation service for cash, securities, commemorative coins, stored value cards, gold bars etc.	Subject to comply with “Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation.”
Outsourcing agreement	LEEBAO SECURITY CO.	2023/05/08-2025/05/07	Transportation service for cash, securities, commemorative coins, stored value cards, gold	Subject to comply with “Regulations Governing Internal Operating Systems

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
			bars etc.	and Procedures for the Outsourcing of Financial Institution Operation”
Outsourcing agreement	MITAKE INFORMATION CORPORATION	2023/07/01-2026/06/30	Distribution of SMS on “credit card cancellation, tuition loan, insurance expiry, insurance premium reminder, loan disbursement, debt collection, etc.”	Subject to comply with "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"
Outsourcing agreement	LEEBAO SECURITY CO. An Feng Enterprise Co., Ltd.	2023/12/01-2025/11/30	Cash loading for ATMs (including coin changer machines)	Subject to comply with "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"
Outsourcing agreement	TAIWAN SECURITY CO., LTD. TAI-PO SERVICE TECHNOLOGY CO., LTD	2023/12/01-2025/11/30	Cash loading for ATMs	Subject to comply with "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"
Outsourcing agreement	China Express Co., Ltd.	2024/03/01-2026/02/28	Collection and delivery of negotiable instruments and correspondences	Subject to comply with "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"
Outsourcing agreement	SYSTEX Corporation	2025/01/01-2025/12/31	Printing, enveloping, and mailing of statements and notifications	Subject to comply with "Regulations Governing Internal Operating Systems and Procedures for the Outsourcing of Financial Institution Operation"
IT procurement contract	TATA CONSULTANCY SERVICES LIMITED TAIWAN BRANCH (INDIA)	Effective from July 17, 2015	Software licensing agreement for the core banking system	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
IT procurement contract	TATA CONSULTANCY SERVICES LIMITED TAIWAN BRANCH (INDIA)	2022/04/15-2027/04/14	Software maintenance contract for the core banking system (deposit, loan, and foreign exchange operations)	None
IT procurement contract	TATA CONSULTANCY SERVICES LIMITED TAIWAN BRANCH (INDIA)	2024/10/30-2027/10/29	Software maintenance contract for the core banking system (online execution and development of compiling software)	None
Capital increase agreement	Sichuan Vipfubon Consumer Finance Co., Ltd.	2024/12/06	Subsidiary – Fubon Bank (China) subscribed NT\$125 million of rights issue for cash by Sichuan Vipfubon Consumer Finance Co., Ltd. (Note 1)	None
Share transfer agreement	Beijing Emark Information Technology Co., Ltd.	2024/12/03	Subsidiary – TFB Capital disposed of equity holding position in Shenzhen Teng Fu Bo Investment Co., Ltd. for a sum of RMB 70,908 thousand (Note 2)	None

Note 1: This contract was an important contract signed by subsidiary – Fubon Bank (China) Co., Ltd.

Note 2: This contract was an important contract signed by subsidiary – TFB Capital Co., Ltd.

(4) Fubon Securities

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
Acquisition of right-of-use assets by Fubon Securities from Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.	Lease tenor: 2024/05/01-2026/07/31	This transaction is intended to provide office space Asset: 2F, No. 169, Section 4, Renai Road, Da'an District, Taipei City	None
Acquisition of right-of-use assets by Fubon Securities from Chung Shing Development Co., Ltd.	Chung Shing Development Co., Ltd.	Lease tenor: 2023/08/01-2026/07/31	This transaction is intended to provide office space Asset: 3F and 5F, No. 169, Section 4, Renai Road, Da'an District, Taipei City	None
Acquisition of right-of-use assets by Fubon Securities from Chung Shing Development Co., Ltd.	Chung Shing Development Co., Ltd.	Lease tenor: 2023/11/16-2026/11/30	This transaction is intended to provide office space Asset: Parts of 6F and 15F, No. 169, Section 4, Renai Road, Da'an District, Taipei City	None

(5) Fubon Insurance

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
Reinsurance contract	CENTRAL REINSURANCE CORPORATION (S&P : A)	2024/01/01-2024/12/31	Reinsurance contract for fire insurance and major disasters; reinsurance contract for construction insurance; reinsurance contract for marine insurance; and reinsurance contract for liability insurance, accident insurance, and auto insurance	As per contract term
Reinsurance contract	HANNOVER REINSURANCE COMPANY (S&P : AA-)	2024/01/01-2024/12/31	Reinsurance contract for fire insurance and major disasters; reinsurance contract for construction insurance; and reinsurance contract for liability insurance and accident insurance.	As per contract term
Reinsurance contract	MUNICH REINSURANCE COMPANY (S&P : AA)	2024/01/01-2024/12/31	Reinsurance contract for fire insurance and major disasters; and reinsurance contract for construction insurance and liability insurance	As per contract term
Reinsurance contract	SWISS Re Asia Pte. Ltd. (S&P : AA-)	2024/01/01-2024/12/31	Reinsurance contract for fire insurance and major disasters; and reinsurance contract for construction insurance and liability insurance	As per contract term
Reinsurance contract	KOREAN REINSURANCE COMPANY (S&P : A)	2024/01/01-2024/12/31	Reinsurance contract for fire insurance and major disasters; reinsurance contract for	As per contract term

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
			construction insurance; reinsurance contract for marine insurance; and reinsurance contract for liability insurance and accident insurance	
Design, consultancy, and construction contract	Hoy Architects & Associates	2019/10/25-2026/08/31 (tentative)	Reconstruction of old and hazardous buildings located at “land lots No. 493, 494, 495, 495-1, and 515-1, 2nd Subsection, Huaisheng Section, Da’an District, Taipei City”	None
	Rogers Stirk Harbour + Partners LLP	2019/10/01-2026/08/31 (tentative)		None
	Yu, Tai-Sheng Architects & Associates	2019/11/26-2026/08/31 (tentative)		None
	DACIN Construction Co., Ltd.	2021/04/23-2026/08/31 (tentative)		None
	Fubon Land Development Co., Ltd.	2023/01/11-2028/01/10		None
Property leasing agreement	Fubon Life Insurance Co, Ltd.	2021/09/01-2026/09/30	Agreement for the lease of office premise located at 7F-14F, No. 179, Liaoning Street, Zhongshan District, Taipei City, to be used as Fubon Insurance’s head office.	None
Urban renewal contract	Formosa Plastics Construction Corporation	2023/05/26-2029/12/31 (tentative)	Construction and urban renewal execution contract for the “proposed urban renewal project and change of rights involving 6 land lots including lot 150, Minsheng Section, Songshan District, Taipei City”	None

(6) Fubon Bank (HK): None.

(7) Fubon Asset Management: None.

(8) Fubon Financial Holding Venture Capital: None.

(9) Fubon AMC

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
Capital increase agreement	(1) CITIC Asset Management Corporation Ltd. (2) Beijing Guorun Venture Capital Development Co., Ltd. (3) Oriental Express International Limited (4) Fubon AMC, Ltd.	2014/11/21 – to present (Until all parties have unanimously agreed in writing to terminate the agreement.)	To participate in the rights issue for cash of Xinyuan Fortis Financial Leasing Co., Ltd. (former name: CITIC Futong Financial Leasing Co., Ltd.) for a sum totaling RMB 270 million or USD equivalent. In return, Fubon AMC, Ltd. obtained 25% shareholding, two directorships, and one supervisor position.	1. The agreement may be effected only if approved by the Financial Supervisory Commission, the Investment Commission, and all relevant authorities within 180 working days after it is signed. 2. This agreement may not be transferred to any third party unless consented by all parties.
Mandate contract	Taipei Fubon Commercial Bank Co., Ltd.	2019/06/14 to present	Fubon AMC, Ltd. is contracted to act as the enforcer of the urban renewal projects involving the three lots of land at Land No. 322, 1 st Subsection, Wanhua Section, Wanhua Dist., Taipei City	Prohibition against kickback of commission.
Mandate contract Supplementary agreement	Taipei Fubon Commercial Bank Co., Ltd.	2022/12/21 to present	With regard to Fubon AMC's role as the enforcer of the urban renewal projects involving the three lots of land at Land No. 322, 1 st	None

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
			Subsection, Wanhua Section, Wanhua Dist., Taipei City, the two contract parties have agreed to make the following changes: to calculate the percentage of shared expenses according to the equity conversion guidelines published by Taipei City Government.	
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Te Cheng International Development Co., Ltd. Party B: Fubon AMC, Ltd.	2021/08/27-2025/07/05	Fubon AMC, Ltd. agrees to finance Te Cheng International Development Co., Ltd. for the capital needed for development activities up to One Hundred and Eight Million New Taiwan Dollars.	1. Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed. 2. Party A agrees not to return the advance payment and terminate this agreement within six months after Party B has made the advance payment according to the terms of the agreement, unless agreed by Party B. Otherwise, Party A will still be required to compensate Party B for services that

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
				fall short of six months according to Article 3 of the agreement.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement – supplementary agreement	Party A: Te Cheng International Development Co., Ltd. Party B: Fubon AMC, Ltd.	2024/01/26-2025/07/05	Fubon AMC, Ltd. agrees to finance Te Cheng International Development Co., Ltd. for the capital needed for development activities up to One Hundred and Fifty-four Million and Five Hundred Thousand New Taiwan Dollars.	None
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Ruo Shuei Environmental Construction Co., Ltd. Party B: Fubon AMC, Ltd.	2021/08/27-2025/07/05	Fubon AMC, Ltd. agrees to finance Ruo Shuei Environmental Construction Co., Ltd. for the capital needed for development activities up to One Hundred and Eight Million New Taiwan Dollars.	1. Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed. 2. Party A agrees not to return the advance payment and terminate this agreement within six months after Party B has made the advance payment according to the terms of the agreement, unless agreed by

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
				Party B. Otherwise, Party A will still be required to compensate Party B for services that fall short of six months according to Article 3 of the agreement.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement – supplementary agreement	Party A: Ruo Shuei Environmental Construction Co., Ltd. Party B: Fubon AMC, Ltd.	2024/01/26-2025/07/05	Fubon AMC, Ltd. agrees to finance Ruo Shuei Environmental Construction Co., Ltd. for the capital needed for development activities up to Sixty-one Million and Five Hundred Thousand New Taiwan Dollars.	None
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Yung-Sheng Real Estate Development Co., Ltd. Party B: Fubon AMC, Ltd.	2023/01/18-2024/06/18	Fubon AMC, Ltd. agrees to finance Yung-Sheng Real Estate Development Co., Ltd. for the capital needed for development activities up to One Hundred and Sixteen Million New Taiwan Dollars.	1. Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed. 2. Party A agrees not to return the advance payment and terminate this agreement within six months after Party B has made the advance

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
				payment according to the terms of the agreement, unless agreed by Party B. Otherwise, Party A will still be required to compensate Party B for services that fall short of six months according to Article 3 of the agreement.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: YI LIAN Construction Co., Ltd. Party B: Fubon AMC, Ltd.	2023/04/11-2024/10/11	Fubon AMC, Ltd. agrees to finance YI LIAN Construction Co., Ltd. for the capital needed for development activities up to One Hundred Million New Taiwan Dollars.	1. Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed. 2. Party A agrees not to return the advance payment and terminate this agreement within six months after Party B has made the advance payment according to the terms of the agreement, unless agreed by Party B. Otherwise, Party A will still be required to compensate Party

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
				B for services that fall short of six months according to Article 3 of the agreement.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement – supplementary agreement	Party A: YI LIAN Construction Co., Ltd. Party B: Fubon AMC, Ltd.	2024/10/11-2025/10/11 May not exceed 3 months after obtaining building permit	Fubon AMC, Ltd. agrees to finance YI LIAN Construction Co., Ltd. for the capital needed for development activities up to Two Hundred Million New Taiwan Dollars.	None
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Yue Long Construction Co., Ltd. Party B: Fubon AMC, Ltd.	2023/12/04-2029/12/03 May not exceed 9 months after obtaining building use permit	Fubon AMC, Ltd. agrees to finance Yue Long Construction Co., Ltd. for the capital needed for development activities up to One Hundred and Eighty Million New Taiwan Dollars.	Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is not made six months after the agreement is signed.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Zhu Feng Co., Ltd. Party B: Fubon AMC, Ltd.	(1) Chungyang Road Project 2024/09/18-2029/09/18 May not exceed 6 months after obtaining building use permit for the Chungyang Road Project. (2) Beining Road Project 2024/09/18-2026/09/18 May not exceed 6 months after obtaining building use	Fubon AMC, Ltd. agrees to finance Zhu Feng Co., Ltd. for the capital needed for development activities up to One Hundred and Seventy-six Million New Taiwan Dollars.	Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed.

Nature of Contracts	Parties	Contract beginning and end date	Main contents	Restrictive clauses
		permit for the Beining Road Project.		
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: Chu Hung Ho Development Co., Ltd. Party B: Fubon AMC, Ltd.	2024/09/18-2027/03/18 May not exceed 3 months after obtaining building permit	Fubon AMC, Ltd. agrees to finance Chu Hung Ho Development Co., Ltd. for the capital needed for development activities up to One Hundred and Fifty Million New Taiwan Dollars.	Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise made within six months after the agreement is signed.
“Urban renewal or reconstruction of old and hazardous buildings” Advance payment agreement	Party A: North-City Construction Co. Party B: Fubon AMC, Ltd.	2024/09/24-2029/09/24 May not exceed 6 months after obtaining building use permit.	Fubon AMC, Ltd. agrees to finance North-City Construction Co. for the capital needed for development activities up to Two Hundred and Twenty Million New Taiwan Dollars.	Party B may terminate this agreement if the criteria for advance payment is not met and the advance payment is otherwise not made within six months after the agreement is signed.

(10) Fubon Insurance Agency: None.

5. Review and analysis of financial position and financial performance, and risk management

5.1 Financial position

(1) Consolidated balance sheet

Unit: NT\$ thousand

Items	2023	2024	Variation	Variation (%)
Cash & cash equivalents, due from the central bank and call loans to banks	770,012,893	819,364,441	49,351,548	6.41%
Financial assets measured at fair value through profit or loss	1,705,394,115	1,863,630,999	158,236,884	9.28%
Financial assets measured at fair value through other comprehensive income	621,848,355	733,541,220	111,692,865	17.96%
Debt investments measured at amortized cost	3,691,999,727	3,856,151,849	164,152,122	4.45%
Financial assets for hedging	15,581,070	14,986,278	(594,792)	(3.82%)
Securities purchased under resell agreements	79,481,332	102,323,717	22,842,385	28.74%
Receivables, net	307,654,045	403,483,429	95,829,384	31.15%
Current tax assets	3,067,000	3,546,918	479,918	15.65%
Assets classified as held for sale, net	-	3,590,521	3,590,521	100.00%
Discounts and loans, net	2,763,175,821	3,063,157,625	299,981,804	10.86%
Reinsurance contract assets, net	32,585,720	38,420,772	5,835,052	17.91%
Investments accounted for using equity method, net	57,824,186	60,641,958	2,817,772	4.87%
Other financial assets, net	531,658,018	565,223,802	33,565,784	6.31%
Investment property, net	304,228,110	297,642,364	(6,585,746)	(2.16%)
Property and equipment, net	68,834,664	71,840,154	3,005,490	4.37%
Right-of-use assets, net	13,009,645	13,960,568	950,923	7.31%
Intangible assets, net	33,446,190	33,733,010	286,820	0.86%
Deferred tax assets	51,437,518	59,484,052	8,046,534	15.64%
Other assets, net	55,073,833	62,587,530	7,513,697	13.64%
Total assets	11,106,312,242	12,067,311,207	960,998,965	8.65%
Deposits from the central bank and banks	125,679,394	142,686,385	17,006,991	13.53%
Due to the central bank and banks	1,315,767	1,341,114	25,347	1.93%
Financial liabilities measured at fair value through profit or loss	63,645,358	105,790,101	42,144,743	66.22%
Financial liabilities for hedging	10,117,852	19,124,183	9,006,331	89.01%
Securities sold under repurchase agreements	133,917,232	64,379,975	(69,537,257)	(51.93%)
Commercial papers issued, net	69,479,524	88,331,474	18,851,950	27.13%
Payables	189,288,259	231,041,142	41,752,883	22.06%
Current tax liabilities	3,372,994	11,573,299	8,200,305	243.12%
Liabilities related to assets classified as held for sale	-	154,973	154,973	100.00%
Deposits and remittances	3,903,395,671	4,447,223,581	543,827,910	13.93%
Bonds payable	300,620,560	360,530,634	59,910,074	19.93%

Items	2023	2024	Variation	Variation (%)
Other borrowings	17,107,892	9,243,640	(7,864,252)	(45.97%)
Provisions	4,704,889,469	4,826,219,473	121,330,004	2.58%
Other financial liabilities	618,489,894	609,592,672	(8,897,222)	(1.44%)
Lease liabilities	20,602,341	21,437,041	834,700	4.05%
Deferred tax liabilities	41,351,343	63,177,508	21,826,165	52.78%
Other liabilities	86,432,867	99,669,257	13,236,390	15.31%
Total liabilities	10,289,706,417	11,101,516,452	811,810,035	7.89%
Share capital	146,149,632	152,657,119	6,507,487	4.45%
Capital surplus	165,040,190	159,094,995	(5,945,195)	(3.60%)
Retained earnings	526,152,227	645,589,960	119,437,733	22.70%
Other equity interests	(34,904,796)	(6,216,472)	28,688,324	(82.19%)
Non-controlling interests	14,168,572	14,669,153	500,581	3.53%
Total equity	816,605,825	965,794,755	149,188,930	18.27%

Analysis of variations exceeding 20%:

- a. Securities purchased under resell agreements increased mainly due to increase of investments.
- b. Net receivables increased mainly due to increases in acceptance receivable, credit card receivable, margin loans receivable, settlement receivable, and other receivables.
- c. Net assets classified as held for sale increased mainly due to reclassification of investment properties, including Nanjing and Da Chien Buildings, into assets classified as held for sale.
- d. Financial liabilities measured at fair value through profit or loss increased mainly due to increase in currency rate contracts.
- e. Financial liabilities for hedging increased mainly due to increases in foreign exchange swap contracts and cross currency swap contracts.
- f. Securities sold under repurchase agreements decreased mainly due to decrease of investments.
- g. Net commercial papers issued increased mainly due to an increase in the issuance of commercial papers.
- h. Payables increased mainly due to increases in accrued interests, acceptance bills payable, clearance payable, and settlement payable.
- i. Current tax liabilities increased mainly due to increase in tax payable.
- j. Liabilities related to assets classified as held for sale increased mainly due to the sale of Nanjing and Da Chien Buildings, for which the Company had reclassified them into assets classified as held for sale and recognized related liabilities (reserve for land value increment tax and deferred tax liabilities).
- k. Other borrowings decreased mainly due to a decrease in borrowings undertaken for funding.
- l. Deferred tax liabilities increased mainly due to an increase in unrealized gain on exchange.
- m. Retained earnings increased mainly due to net income generated for the current period.
- n. Other equity interests increased mainly due to exchange differences on translation of foreign operations and unrealized gains on the valuation of financial assets reclassified by applying overlay approach.

(2) Standalone balance sheet

Unit: NT\$ thousand

Items	2023	2024	Variation	Variation (%)
Cash and cash equivalents	126,392	182,052	55,660	44.04%
Financial assets measured at fair value through profit or loss	19,741,671	19,599,671	(142,000)	(0.72%)
Securities purchased under resell agreements	-	299,628	299,628	100.00%
Receivables, net	597,667	597,777	110	0.02%
Current tax assets	3,151,315	11,860,669	8,709,354	276.37%
Investments accounted for using equity method, net	941,205,634	1,096,821,738	155,616,104	16.53%
Property and equipment, net	54,321	59,626	5,305	9.77%
Right-of-use assets, net	220,857	255,291	34,434	15.59%
Intangible assets, net	8,872	7,092	(1,780)	(20.06%)
Deferred tax assets	10,128	252,781	242,653	2,395.86%
Other assets, net	70,033	63,606	(6,427)	(9.18%)
Total assets	965,186,890	1,129,999,931	164,813,041	17.08%
Commercial paper issued, net	33,505,980	25,854,662	(7,651,318)	(22.84%)
Payables	930,791	1,679,099	748,308	80.39%
Current tax liabilities	16,410,920	26,571,506	10,160,586	61.91%
Bonds payable	97,171,575	109,950,268	12,778,693	13.15%
Other borrowings	6,300,000	6,000,000	(300,000)	(4.76%)
Lease liabilities	233,929	270,948	37,019	15.82%
Deferred tax liabilities	8,180,408	8,543,068	362,660	4.43%
Other liabilities	16,034	4,778	(11,256)	(70.20%)
Total liabilities	162,749,637	178,874,329	16,124,692	9.91%
Share capital	146,149,632	152,657,119	6,507,487	4.45%
Capital surplus	165,040,190	159,094,995	(5,945,195)	(3.60%)
Retained earnings	526,152,227	645,589,960	119,437,733	22.70%
Other equity interests	(34,904,796)	(6,216,472)	28,688,324	(82.19%)
Total equity	802,437,253	951,125,602	148,688,349	18.53%

Analysis of variations exceeding 20%:

- a. Cash and cash equivalents increased mainly due to the general business operation.
- b. Securities purchased under resell agreements increased mainly due to increase of investments.
- c. Current tax assets increased mainly due to increase in tax receivable from subsidiaries.
- d. Net intangible assets decreased mainly due to amortization of intangible assets.
- e. Deferred tax assets increased mainly due to impact of combined corporate income tax return filing.
- f. Net commercial papers issued decreased mainly due to decrease in the issuance of commercial papers.
- g. Payables increased mainly due to increases in accrued interests and bonuses payable.
- h. Current tax liabilities increased mainly due to increase in tax payable.
- i. Other liabilities decreased mainly due to a decrease in provisions for employment benefits.
- j. Retained earnings increased mainly due to net income generated for the current period.
- k. Other equity interests increased mainly due to exchange differences on translation of foreign operations and unrealized gains on the valuation of financial assets reclassified by applying overlay approach

5.2 Financial performance

(1) Consolidated comprehensive income statement

Unit: NT\$ thousand

Items	2023	2024	Variation	Variation (%)
Interest revenue	271,677,108	305,364,856	33,687,748	12.40%
Less: interest expense	(102,659,804)	(123,620,016)	(20,960,212)	20.42%
Net interest revenue	169,017,304	181,744,840	12,727,536	7.53%
Revenue other than net interest revenue	(1,218,611)	165,718,655	166,937,266	(13,698.98%)
Net revenue	167,798,693	347,463,495	179,664,802	107.07%
Bad debt expenses and guarantee liability provisions	9,983,327	12,926,807	2,943,480	29.48%
Net change in provision for insurance liabilities	920,622	68,382,783	67,462,161	7,327.89%
Operating expenses	82,450,905	93,846,014	11,395,109	13.82%
Net income before tax from continuing operations	74,443,839	172,307,891	97,864,052	131.46%
Income tax (expense)benefits	(9,401,537)	(21,446,852)	(12,045,315)	128.12%
Net income(losses)	65,042,302	150,861,039	85,818,737	131.94%
Other comprehensive income (losses) (net of tax)	195,969,492	33,389,868	(162,579,624)	(82.96%)
Total comprehensive income (losses) for the period	261,011,794	184,250,907	(76,760,887)	(29.41%)

Analysis of variations exceeding 20%:

- Interest expenses increased mainly due to higher deposit and rising interest rate.
- Revenue other than net interest revenue increased mainly due to increases in foreign exchange gains and net losses of insurance operations.
- Net revenues increased mainly due to increases in foreign exchange gains and net losses of insurance operations.
- Bad debt expenses and guarantee liability provisions increased mainly due to additional bad debt provisions recognized in the current period.
- Net change in provision for insurance liabilities increased mainly due to increases in net change of claims reserves, net change of liability reserves, net change of special reserves, and net change of reserves for foreign exchange valuation.
- Profit before tax from continuing operations increased mainly due to increases in foreign exchange gains and net losses of insurance operations.
- Income tax expense increased mainly due to higher pre-tax profits.
- Current net income (loss) increased mainly due to increases in foreign exchange gains and net losses of insurance operations.
- Other comprehensive income (net, after tax) decreased mainly due to decreases in unrealized gains (losses) on debt instruments measured at fair value through other comprehensive income and other comprehensive income reclassified by applying overlay approach.
- Total comprehensive income for the period decreased mainly due to higher net income and lower other comprehensive income for the current period.

(2) Standalone statement of comprehensive income

Unit: NT\$ thousand

Items	2023	2024	Variation	Variation (%)
Revenue				
Share of profit of associates and joint ventures accounted for using equity method	71,812,045	153,587,251	81,775,206	113.87%
Other revenues	894,733	607,642	(287,091)	(32.09%)
	72,706,778	154,194,893	81,488,115	112.08%
Expenses				
Operating expenses	988,535	1,548,513	559,978	56.65%
Other expenses and losses	1,468,861	1,736,508	267,647	18.22%
	2,457,396	3,285,021	827,625	33.68%
Net income before tax from continuing operations	70,249,382	150,909,872	80,660,490	114.82%
Income tax (expense) benefits	(4,232,645)	(89,737)	4,142,908	(97.88%)
Net income (losses)	66,016,737	150,820,135	84,803,398	128.46%
Other comprehensive income (losses) (net of tax)	194,113,182	33,479,898	(160,633,284)	(82.75%)
Total comprehensive income (losses)	260,129,919	184,300,033	(75,829,886)	(29.15%)

Analysis of variations exceeding 20%:

- a. Share of profit of associates and joint ventures accounted for using equity method increased mainly due to increases in gains recognized from subsidiaries in the current period.
- b. Other gains decreased mainly due to a decrease in gains on financial assets measured at fair value through profit or loss.
- c. Operating expenses increased mainly due to higher employee benefits expenses.
- d. Net income before tax from continuing operations increased mainly due to increases in share of profit of associates and joint ventures accounted for using equity method.
- e. Income tax expenses decreased mainly due to a decrease in consolidated filing-related tax expense.
- f. Net income increased mainly due to increases in share of profit of associates and joint ventures accounted for using equity method.
- g. Other comprehensive income (net, after tax) decreased mainly due to decreases in share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method.
- h. Total comprehensive income decreased mainly due to higher net income and lower other comprehensive income for the current period.

5.3 Cash flow

(1) Liquidity analysis for the last 2 years

a. Consolidated cash flow analysis

Items \ Year	2023	2024	Variation %
Cash flow ratio (%)	Note	12.07	-
Cash flow adequacy ratio (%)	166.70	120.41	(27.77)
Cash flow reinvestment ratio (%)	790.49	Note	-

Explanation of major variations:

The cash flow adequacy ratio decreased during the period, primarily due to lower cash flows from operating activities in the last five years.

Note: This ratio is not disclosed because either the numerator or the denominator is negative.

b. Standalone cash flow analysis

Items \ Year	2023	2024	Variation %
Cash flow ratio (%)	29.07	94.81	226.19
Cash flow adequacy ratio (%)	63.92	72.65	13.66
Cash flow reinvestment ratio (%)	Note	Note	-

Explanation of major variations:

The cash flow ratio increased during the period, due to a increase in net cash flows from operating activities.

Note: This ratio is not disclosed because either the numerator or the denominator is negative.

(2) Liquidity analysis for the next year

February 28, 2025
Unit: NTD thousand

Opening cash balance	Projected net cash flow from operating activities	Projected net cash flow from investing and financing activities	Cash surplus (deficit)	Plans for cash deficits	
				Investment plans	Financing plans
481,680	26,735,146	(27,028,867)	187,959	None	None

Note: Projected cash flow may change depending on the actual circumstances.

a. Cash flow analysis for the current year:

Operating activities: this amount mainly comprises projected cash dividends from subsidiaries net of corporate bond interest and operating expenses.

Investing activities: this amount mainly represents long-term assets that the Company expects to acquire in the current year.

Financing activities: this amount represents the net effect of projected capital raising, funding and cash dividend payments.

b. Remedies and analyses for cash deficit: None.

5.4 Financial and business impacts of material capital expenditures in the last year

(1) Fubon Life

a. Major capital spending and source of capital:

(a) Fubon Life's new construction project at Yucheng Section, Nangang District

Turnkey contract for the new construction project at Yucheng Section, Nangang District, was awarded on September 12, 2024 to the joint venture (JV) team comprising Dehwa Construction Co., Ltd. and Da-Link Architects and Associates. A tender for electromechanical works of this project was arranged on September 27, 2024 and the contract was awarded to Pai Chung Engineering Co., Ltd. for having submitted the most favorable tender. A supplementary contract was drafted to execute this work as part of the turnkey contract, and a cumulative sum of NT\$14,867,551 thousand had been spent on this project.

(b) Fubon Life's Chengde Building

As per resolution made during the 16th meeting of the 6th board of directors held on December 22, 2021, the Company's Chengde Building project was divided into the southern and northern foundation and were developed separately. The southern foundation shall be developed in the form of urban renewal, whereas the northern foundation proceeds as an ordinary construction and is contracted as a turnkey project.

© Construction of southern foundation for Chengde Building: Urban renewal, project review, and construction design are currently ongoing; a cumulative sum of NT\$200,113 thousand has been spent on this project.

© Construction of northern foundation for Chengde Building: The turnkey project was undertaken by the project team comprising Dehwa Construction Co., Ltd. and Da-Link Architects and Associates. A cumulative sum of NT\$2,897,841 thousand had been spent on this project.

(c) Fubon Life's KRTC Aozihdi Station commercial development project

The KRTC Aozihdi Station commercial development project was awarded to the project team assembled by Samsung C&T Corporation Taiwan Branch and Formosa Builders, Inc. on June 19, 2023. A supplementary contract for elevator and escalator works was signed with the turnkey contractor on October 12, 2023 and a supplementary contract for electromechanical works was signed with the turnkey contractor on March 27, 2024. A cumulative sum of NT\$38,163,253 thousand had been spent on this project.

(d) Fubon Life's Songshan District Dunhua Section development project

China Real Estate Management Co., Ltd. was commissioned for carrying out the urban renewal project at Dunhua Section, Songshan District, on April 8, 2024. During the 12th meeting of the 7th Board of Directors held on August 20, 2024, a resolution was made to change the Company's interests in the urban renewal project by having the Company bear the renewal costs. On September 6, 2024, an application was submitted in the name of the executor – China Real Estate Management Co., Ltd. to change the urban renewal plan and the distribution of interests. A cumulative sum of NT\$886,686 thousand had been spent on this project.

(e) Construction of new superfacies at Xinmin Section, Beitou by Fubon Life

A building use permit was obtained for the entirety of the new superfacies at Xinmin Section, Beitou. A budget execution and project closure report was presented during the 14th meeting of the 7th Board of Directors held on December 20, 2024. A cumulative sum of NT\$1,660,034 thousand had been spent on this project.

(f) Fubon Life's Hsinchu Hukou development project

With regard to the Hsinchu Hukou development project, the registration of land ownership was completed on April 27, 2023; the handover of land was completed on May 26; the selection of architect was completed on August 23; whereas project design and budget were approved during the 5th meeting of the 7th Board of Directors held on December 20. A cumulative sum of NT\$174,493 thousand had been spent on this project.

(g) Remodeling work of subsidiary – Fubon Ellipse (Belgium) S.A.

Plans and total budget for the remodeling work of Fubon Ellipse (Belgium) S.A. was

resolved during the 10th meeting of the 7th Board of Directors held on June 4, 2024. This lump-sum contract was awarded on January 24, 2025 (with contract signed on the same day) to CIT BLATON SA for EUR 37,592 thousand.

- (h) Contract for necessary maintenance of subsidiary – Bow Bells House (Jersey) Limited
Total budget for the necessary maintenance of Bow Bells House (Jersey) Limited was determined during the 14th meeting of the 7th Board of Directors held on December 20, 2024. The contract was awarded on January 24, 2025 to IKON Group Limited for GBP 10,057 thousand, and the contract was signed on February 21, 2025.

- (i) All above projects were funded using Fubon Life’s available capital.

- b. Expected benefits:

Investment properties that Fubon Life has or expects to invest in will provide the subsidiary with consistent revenues as well as future development potentials, which conform with Fubon Life’s property investment strategies.

(2) Taipei Fubon Bank

- a. Major capital spending and source of capital:

Taipei Fubon Bank and subsidiaries incurred capital expenditure totaling NT\$3,138,653 thousand in 2024. The expenditure was funded by proprietary capital and was used for the purchase of machinery and computer equipment (including software).

- b. Expected benefits:

The acquired machinery and computer equipment may improve the quality of information service rendered by the Bank, enable delivery of a broad variety of digital financial services, support the authority’s FinTech development roadmap, and facilitate new services and digitalization.

(3) Fubon Securities

- a. Major capital spending and source of capital:

The subsidiary incurred IT capital expenditure totaling NT\$417,410 thousand in 2024. The expenditure was funded by proprietary capital and was used for the purchase of computer equipment, software, network switch, and cybersecurity system.

- b. Expected benefits:

Enables introduction of new systems and platforms, optimization of digital service experience, expansion of customer base and business size, total upgrade of transaction security, and provides customers with a robust digital banking and investment environment.

(4) Fubon Insurance

- a. Major capital spending and source of capital:

- (a) On April 23, 2021, the board of directors of Fubon Insurance approved the execution of Fubon Insurance Building Turnkey Reconstruction Project. The contract sum was set at NT\$2,794,394 thousand based on Fubon Insurance’s 95.85% share of rights. On September 7, 2021, Fubon Insurance signed a turnkey construction contract with DACIN Construction Co., Ltd. and the co-owner – Fubon Securities. A cumulative sum of NT\$1,121,771 thousand including advanced payment had been spent on this project in 2024.

- (b) To accommodate office activities while the new building is being constructed, Fubon Insurance leased partial floor areas of Standard Chartered Bank Building from Fubon Life to serve as office space for Fubon Insurance’s head office. The lease tenor was set to start from September 1, 2021 and end on September 30, 2026 (totaling 5 years and 1 month); total contract value amounts to NT\$746,728,000.

- (c) On February 6, 2018, the board of directors of Fubon Insurance passed a resolution to participate in the “urban renewal of Formosa Plastics Building” through “encashment of underlying rights.” On May 26, 2023, the board of directors approved the deal with stakeholders of this project and signed a construction contract with “Formosa Plastics Construction Corporation,” the project executor, which temporarily set the amount of construction expenses to be borne by Fubon Insurance at NT\$88,664 thousand. The project obtained building permit from Taipei City Government on November 15, 2024, and Fubon Insurance made its first payment of construction expenses totaling NT\$13,300 thousand in December 2024.

- (d) Fubon Insurance incurred IT capital expenditure totaling NT\$244,766 thousand in 2024. The expenditure was funded by proprietary capital and was used for the purchase of computer hardware/software, development of application systems, replacement of networking equipment, and acquisition of cybersecurity systems.
- b. Expected benefits:
 - (a) After the reconstruction of hazardous/old buildings, Fubon Insurance Building may substantially increase floor areas to accommodate office and parking needs; some of the floor areas may even be leased out for additional income and to increase overall asset value.
 - (b) To meet office space requirements for the head office of Fubon Insurance.
 - (c) Participation in the “urban renewal of Formosa Plastics Building” will generate consistent rent revenues and present development potentials in the future, which conform with Fubon Insurance’s real estate investment strategy.
 - (d) Purchase of computer hardware/software, development of application systems, and replacement of networking equipment may improve the quality and efficiency of the subsidiary’s IT services and are helpful to the subsidiary’s efforts in exploring new businesses, promoting digitalization, and providing more convenient and complete mobile services to customers. Acquisition of a cybersecurity system reduces cybersecurity risks and ensures compliance with regulations of the authority.

5.5 Causes of profits or losses incurred on investments in the last year, and any improvements or investments planned for the next year

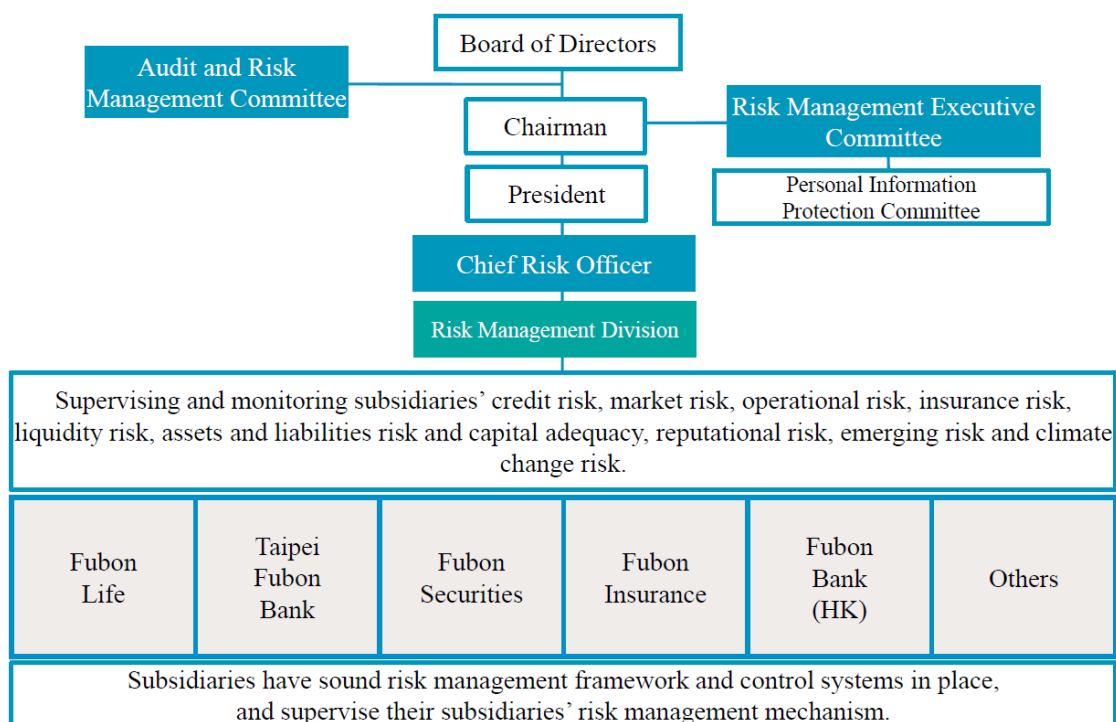
In addition to subsidiaries accounted for using the equity method, the Company also holds investment interest in “Xiamen Bank Co., Ltd.”. Xiamen Bank Co., Ltd. provides commercial banking services in China, and has delivered consistent performance and profitability throughout the years.

5.6 Risk Management

5.6.1 Risk management framework and policies

(1) Risk management framework

The Company has established a robust risk management framework. The Board of Directors governs and supervises the Company's risk management and control systems, and ensures effective implementation of the systems. The board approves the Company's risk management policies and reviews key risk management reports. The Board of Directors has an Audit and Risk Management Committee that assists the board in supervising the Company's risk management practices. A Risk Management Executive Committee has been assembled under the direct supervision of the Chairman to review the Company's overall risk management strategy, framework, system, policy and the Company and subsidiaries’ risk appetite. The Committee is also responsible for supervising credit risk, market risk, operational risk, insurance risk, liquidity risk, assets and liabilities risk and capital adequacy risk, reputational risk, emerging risk, and climate change management within the Company and subsidiaries, also regularly submit the Company's risk management report to the Audit and Risk Management Committee and the Board of Directors 4 times per year. 2024 risk management reports were submitted on 2024.03.14, 2024.05.22, 2024.08.22, 2024.11.21 respectively. A Personal Information Protection Committee has been assembled under the Risk Management Executive Committee to supervise protection of personal information within the Company and across its subsidiaries to strengthen the management of personal data protection.



(2) Risk management policy

The Company has a comprehensive set of risk management policies in place, it is submitted to the Board of Directors for approval, including credit risk, market risk, operational risk, insurance risk, liquidity risk, assets and liabilities risk, capital adequacy, reputational risk, sustainable finance, emerging risk and climate change management policies. All subsidiaries are required to comply with the above policies so that risks can be identified, measured, responded, monitored and reported in an effective manner. The Company also adopts three lines of defense model to ensure full-scale implementation of risk management. Risk limits, loss limits, and trade authorities have been imposed based on risk attributes. Risk exposures are measured regularly to establish points of control, indicators and alerts. The Company adopts a combination of quantitative and qualitative methods to monitor and manage various types of risk associated with its business activities.

5.6.2 Methods of risk assessment and control

The Company's risk management strategy has been developed based on its overall business plan. It involves the use of effective procedures and controls to identify, measure, manage, monitor, mitigate, and report the various types of risk, monitor the ongoing effectiveness of avoidance and offset tools, and thereby maintain the optimal risk-return profile. Risk information is regularly reported to the Company's Risk Management Executive Committee, Audit and Risk Management Committee and the Board of Directors.

(1) Credit risk

By utilizing effective procedures and controls, the Company is able to determine possible impacts given any changes in business characteristic, complexity, or cyclicity of its portfolio. This enables the Company to take pro-active measures against credit risks and monitor its overall asset quality.

The scope of credit risk management covers asset quality, obligor credit risk, issuer credit risk, counterparty credit risk, industry credit concentration risk, single-party and single related party credit concentration risk, and country risk. A multitude of credit risk and country risk indicators and limits have been implemented to monitor and control the various types of risk mentioned above.

(2) Market risk

The Company adopts a market risk management system that effectively manages risks associated with interest rates, exchange rates, equity security/commodity prices, and market liquidity. The Company has developed internal risk management practices in accordance with the market risk management policy, and has taken a pro-active attitude towards managing market risks.

The scope of market risk management covers: risk assessment and management for non-hedging derivatives carried at fair value and securities carried at fair value, valuation for complex financial derivatives, VaR calculation, financial market alerts, tail risk management, critical market risk event reporting, market liquidity risk measurement, stress test etc.

(3) Operational risk

By implementing effective procedures, controls, indicators and self-assessments, the Company is able to identify, measure, control, respond, monitor and report all kinds of operational risks associated with its products, services, processes and systems, take pro-active measures to mitigate them, and monitor the ongoing effectiveness of avoidance and offset tools.

The scope of operational risk management includes regular reviews on the appropriateness of various procedures, controls, indicators and self-assessments that the Company has put in place. By monitoring operational risk incidents, monthly/quarterly self-assessments and risk indicators, the Company is able to quantify existing or potential operational risks and make timely improvements in terms of more robust procedures and enhanced training.

(4) Insurance risk

Insurance risks may include but is not limited to product design risk, product pricing risk, underwriting risk, claims risk, catastrophe risk, reserve risk and reinsurance risk. According to various risk factors and the nature thereof related to the insurance risk, the risk monitoring indicators or risk limits are set, strengthening insurance risk control, and periodically reviewed and monitored the indicators and limits.

(5) Liquidity risk

The Company has implemented liquidity indicators to assess and control liquidity risks. Solvency and liquidity indicators are monitored on a regular basis and reported to the Risk Management Executive Committee to ensure that strategic goals are met.

(6) Assets and liabilities risk and Capital adequacy

By implementing effective systems, indicators and limit controls, the Company is able to manage the various types of risk associated with its assets and liabilities. Indicators such as capital adequacy, double leverage, debt-to-equity etc. are reported regularly to the Risk Management Executive Committee where adjustments are made to ensure sustainability of business operations and to maximize shareholders' value.

(7) Reputational risk

The reputational risk management process begins by identifying potential reputational risk events that may damage the Company's reputation, analyzing the sources of reputational risk, and planning to establish a proper management mechanism. Reputational risk covers widely; the Company's business and operating activities may generate reputational risk.

The Company and its subsidiaries should base on their professional and management experience to identify potential reputational risk events in daily business, assess its possible impact on the Company's operating activities, financial integrity and reputation, and develop measures for reputational risk response.

(8) Emerging risk

Emerging risk themes and probability of occurrence are increasing as global political economy, society, environment, technology etc. have undergone rapid changes. The Company has put in place a comprehensive risk management system encompassing emerging risk. We have established identification procedures for emerging risks and kept an eye on international risks situation to make timely adjustment of the procedures.

The Company refers to the World Economic Forum's Global Risks Report during its annual overview of the Company's and subsidiaries' business development and prospects. The Company and its subsidiaries screen the major long-term emerging risks of concern based on relevance of business, potential impact, and vulnerability. In 2024, the Company identified the major long-term emerging risks as "Goeconomic Confrontation" in the geopolitical risk category, "Economic Downturn" and "Inflation" in the economic risk category and devised appropriate responses to those risks.

Risk	Description of the Risk	Impact	Mitigation Measures
Geopolitical Risk: Goeconomic Confrontation (sanctions, tariffs, investment screening)	Major global powers contain restrict competitors and consolidate their own spheres of influence by restricting the exchange of goods, knowledge, services or technology. Includes, but not limited to: encompassing economic sanctions and tighter scrutiny of investments. Conflicts between regional economies are expected to escalate and long-term impact is likely to intensify.	a. Increased uncertainties associated with supply chain restructuring and investment will impact on companies' operating costs and profitability, and affect the quality of Fubon's credit assets. Increasing volatility of the financial market will reduce the willingness of investor. b. Growing tension between Taiwan and China may result in stronger economic sanctions against Taiwan, and ultimately impact Taiwan's economy and financial market. c. Capital flows affect exchange rates, insurance policy values, and transactions and dividends of investment-linked policies, leading to policy surrender or increasing the transaction of funds, which raise administrative costs.	● Implement country risk grading management, stipulate country risk limits, establish early warning notifications, and regularly conduct risk management. ● Follow closely the trend of restructuring of supply chain and track the change of corporate clients for early alert and effective control; take early response measures to reduce losses on credit risks and creditor's rights. ● Regularly execute risk, management mechanisms of market risk, credit risk, and asset/liability; adjust relevant policies and alert systems accordingly.
Economic Risk: Economic downturn (recession, stagnation)	The interest rate environment dampen consumption, and	a. Worldwide economic downturn increased volatility in the stock, bond, and foreign	● Set early alert indicators and risk limits; activate risk management

Risk	Description of the Risk	Impact	Mitigation Measures
	major central banks have been rather conservative with their monetary policies to the point that it hinders economic performance. The potential risk of economies entering recession or prolonged stagnation is increasingly apparent.	exchange markets and bearish sentiment in investment markets, reducing the willingness of customers to invest, which would hurt Fubon revenue. b. As economic activity contracts, unemployment rate may increase, loan growth will slow down; meanwhile, overdue loans and doubtful debts will increase in corporate loans as well as personal loans.	mechanisms such as conducting regular stress tests, and country risk conditions checks. Observe changes in global economics and monetary/fiscal policies around the world; regularly examine country and industry limits, and make adjustments and adopt controls as deemed necessary. ● Established rules for managing notifications of major risk events for different types of risk; quickly assess the vulnerability of different positions, and create related risk mechanisms to lower the potential impact of the risks on Fubon.
Economic Risk: Debt crises	Weakened global economy combined with restructuring of the global supply chain and the increasing rate of deglobalization over the medium to long term raises the possibility of stagnation in the next 3 to 5 years.	a. Inflation undermines consumers' purchasing power and poses additional financial stress, making them unable to purchase new insurance policies or sustain existing insurance policies. b. Major central banks are highly divided on monetary policies, which will drastically increase the volatility of global financial markets (including stock, bond, and foreign exchange markets) and negatively affect portfolio performance and customers' willingness to invest.	● Track daily changes in holding position profits and losses, and has appropriate stop-loss measures in place. Adopts diversified asset allocation to reduce systematic risk. ● Adjust the design of insurance to market trends to increase customers purchase intent, such as development of low-premiums, high-protection, extended premium tenors, or participating insurance.

(9) Climate change risk

The Company has adopted the TCFD (Task Force on Climate-Related Financial Disclosures) recommended framework issued by the Financial Stability Board. We regularly review and evaluate the risks, opportunities, and related impacts of climate change on the business, and implement corresponding mitigation measures.

Thematic Area	Implementation Results
Governance	a. The Board of Directors established the Corporate Governance and Sustainability Committee and the "ESG Task Force" under the Corporate Governance and Sustainability Committee. The ESG Task Force presents the action plans on climate change for the coming year and the achievements over the previous year at the beginning of each year and reports on the progress or result of each plan every six months. The information is submitted to the Corporate Governance and Sustainability Committee and the Board of Directors. b. The Board of Directors monitors the effectiveness of risk management systems and mechanisms and reviews and approves risk management policies and guidelines. Information on climate-related assessments is disclosed on a regular basis in the risk management report and submitted to the Board of Directors quarterly. c. The Responsible Finance and Environmental Sustainability teams under the ESG Task Force are responsible for issues related to climate change and report the action plans and progress made to the ESG Task Force every six months. The Responsible Finance Team plans procedures for assessing subsidiaries' climate-related risks and opportunities and handles the identification and reporting of those risks and opportunities. It devises strategies, action plans and goals based on domestic and international trends, makes adjustments when necessary, and submits them to senior management or the Board of Directors for approval.
Strategy	a. The sources and magnitude of short-, medium-, and long-term physical and transition risks are regularly identified. b. The Company's main strategy to respond to climate-related risks and opportunities revolves around "decarbonization." The strategy focuses on two areas in particular – "low-carbon operations" and "green finance" – and on developing initiatives related to those issues. c. Conduct climate scenario analysis, covering upstream suppliers, company operating locations, and downstream customers.
Risk Management	a. The Company incorporates environmental, social, and corporate governance factors into business development decisions, and devises and implements related investment, credit business, and insurance business strategies. b. The Company has incorporated the management of climate change risk into existing risk management mechanisms under the ERM framework. c. Develop response measures to mitigate impacts on the Company and control losses.
Metrics and Targets	a. Measure greenhouse gas emissions associated with operation, loans and investments, and insurance activities, and asset management positions annually. b. Set internal climate-related targets and follow the guidance of the international organization SBTi to set science-based targets. Track the internal and SBT target progress regularly.

5.6.3 Risk Management of subsidiaries

(1) Fubon Life

a. Risk management framework

Fubon Life has a Risk Management Committee assembled directly under the supervision of the Board of Directors. The role of convener is assumed by an independent director, and the responsibility of this committee is to supervise risk management within the company and report regularly to the Board of Directors. Two committees have been assembled to oversee the company's risk management specialized functions, they are: 1. The Asset/Liability Management Committee chaired by the Chairman or his appointed person, the committee sets strategic goals with regards to the allocation of assets and liabilities and monitors accordingly; 2. The Operational Risk Management Committee convened by the President, the committee ensures that proper measures have been adopted by all levels of management to address operational risks. To facilitate coordination of risk management practices across different departments, Fubon Life's Board of Directors has appointed a CRO the Head of the Risk Management Division, who functions independently from business units and assists in the management of risks in accordance with the Risk Management Policy, the Risk Management Committee Foundation Principles and other relevant rules. Fubon Life has implemented risk management policies, risk limits, levels of approval authority, and risk assessment indicators to enable effective management of risks.

b. Risk management strategies and process

Fubon Life's risk management strategies have been developed based on the company's business targets, operating strategies and group risk management guidelines. Its risk management system embodies a set of procedures that enable it to identify, assess, monitor, respond and report on the possible risks it faces.

(a) Credit risk

Credit risk refers to chances of the obligor becoming insolvent or having its credit rating downgraded, and chances of counterparties being unable or refusing to fulfill obligations, to the extent that causes losses to the company. Fubon Life has implemented robust policies and principles to raise the efficiency and value of its risk management efforts. It follows the policies set forth by Fubon Financial Holdings to develop its own credit risk management systems and guidelines. Fubon Life manages credit risks by assigning limits according to counterparties' credit ratings, and by monitoring concentration level, single- issuer/security exposure, country risk exposure, and alert thresholds.

(b) Market risk

Market risk refers to the possibility of losses arising from changes in the market price of the underlying asset within a certain timeframe. To ensure the integrity, balance and efficiency of the company's risk efforts, Fubon Life has followed the policies set forth by Fubon Financial Holdings to develop its own market risk management systems and guidelines. Fubon Life mainly uses forward contracts and foreign exchange swaps to hedge against exchange rate risks associated with foreign investments. The hedging strategy changes according to market conditions and the trade strategy, in which case the company will flexibly adjust its hedging position to offset the loss in the investment position, and follow up by monitoring limit breaches and VaR movements.

(c) Operational risk

Operational risk refers to the risk of direct or indirect losses attributed to human errors, flaws in internal processes, system malfunction, or external risk events. It includes legal risks but excludes strategy risks and reputational risks. Fubon Life has followed the policies set forth by Fubon Financial Holdings to develop its own operational risk management systems and guidelines. To mitigate operational risks, Fubon Life relies on making enhancements to internal controls, providing employees with more intensive training, and using insurance arrangements to transfer risks.

(d) Asset liability matching risk

Asset liability risk management monitors the use of funds (assets) and the sources of funds (liabilities), including assets and liabilities' maturities or durations, positions' interest rate sensitivity, and company's capital adequacy. To achieve adequate asset-liability allocation, liquidity, and return, the Asset/Liability Management Committee establishes rules and mechanism in addition to regulations, and monitors the uses and sources of funds.

(e) Insurance risk

Insurance risk refers to the risk of loss due to unexpected changes when paying claims and related expenses after collecting insurance premiums and underwriting insurance policies. Rules and procedures, in addition to regulations, are established to ensure adequacy on product developments, reserving systems, and loss prevention mechanism. Fubon Life controls insurance risk through stringent underwriting and claims processes. Besides, reinsurance arrangements are also made to enhance mitigation of insurance risk.

(f) Climate change risk

Climate change can refer to the gradual, long-term change in the global climate or regional extreme weather events that occur over short periods of time. Climate risk could be divided into "physical" and "transition" risks. Physical risk represents the direct or indirect losses from natural disasters or changes in long-term climate patterns triggered by climate change. Transition risk represents the potential adverse effects of public policy or regulations, low-carbon technologies, and social preferences during the transition to a low-carbon economy directly on the company's operations or indirectly to the company through its value chain. In light of the potential impact of climate change on the environment and economic activity and the adverse effect it could have on Fubon Life's operations and development, Fubon Life has followed the guidelines set forth by Fubon Financial Holdings and has developed its own climate risk management systems and guidelines, in order to strengthen the awareness and management of climate change.

c. Scope and features of the risk reporting/assessment system

(a) Asset risk management

Fubon Life has developed separate control mechanisms for credit, market, and liquidity risks. There is a unit that specializes in preparing risk management reports and controlling investment exposures, which provide decision makers up-to-date information about changes in asset values, so as to manage and control asset risk.

(b) Credit risk management

Fubon Life manages credit risk that takes into consideration the company's asset quality and counterparties' credit ratings. It has single financial institution credit concentration management indicators and country risk limits in place to guide its practices; in addition, keep tracking and monitoring asset quality, asset exposures and counterparty credit. Using quantitative assessments, the company is able to calculate expected credit losses and unexpected credit losses, and conduct regular stress tests on bonds.

(c) Market risk management

The scope of Fubon Life's market risk management covers interest rate, equity securities, foreign currencies, and commodity. Some of the control measures used include risk limits, valuation, VaR monitoring and backtesting, stress tests, and liquidity. The company continuously monitors market movements, investment gains/losses, and VaR changes. It regularly discloses market risk information categorized by product, risk factor, investment position, gains/losses, and VaR. Through the use of stress tests, the company is able to account for extreme risk events that VaR alone could not capture, and therefore provides a more complete perspective with regards to risk management. Regular backtesting is performed on the VaR model, and any exception will be investigated upon to ensure validity of the VaR model.

(d) Liquidity risk management

Fubon Life's liquidity management covers daily concentration limits, statutory investment limits, and allocation of assets for interest sensitive insurance policies. It has implemented relevant policies, indicators and limits to ensure compliance with the above, and imposed stringent credit quality requirements and risk tracking to monitor whether liquidity has been reduced due to a change in credit risks.

(e) Operational risk management

Fubon Life has developed risk management practices in accordance with its own operational risk policies and those policies of Fubon Financial Holdings. In order to address identified risks and internal control issues that are concerned by senior management, the company established R&CSA (Risk & Control Self-Assessment) framework to embed control points in workflows and perform self-assessment regularly throughout its standard operating procedures ensuring operating effectiveness. So that operational risks can be identified, assessed, improved upon and mitigated as the earliest time as possible. When operational risk events occurred, the company has a robust reporting and crisis management system available to serve as immediate risk response. The risk management regime of the company is able to control existing and potential operational risks as well as quick response to risk incidents.

(f) Management of asset and liability matching risk and interest rate risk

As a means of enhanced management over assets and liabilities, Fubon Life holds regular meetings to discuss issues concerning the source (liability) and use (asset) of capital, the duration of assets and liabilities, interest rate risks, adequacy of risk-based capital (RBC), and other topics relating to asset/liability management.

(g) Insurance risk management

All insurance products offered by Fubon Life have been designed in accordance with a set of pricing rules and subjected to verification by authorized managers and signatories to make sure that all details are correct and have complied with laws. Selling may commence only after the product has been approved or filed to the competent authority and the underwriting and solicitation process has been subjected to stringent control. In addition to training professional personnel to perform the tasks, the company conducts risk assessments on every product it offers to prevent moral hazards in customers' choice of insurance and to reject cases that have been characterized as adverse selections. When processing claims, the company has effective monitoring procedures in place to uncover and prevent fraud. Meanwhile, reinsurance plans are reviewed on a yearly basis to ensure the credibility of the company's reinsurance partners and the appropriateness of its risk transfer arrangements. The company has operating procedures, compliance self-audits, and regular tests in place to make sure that reserves have been provided in compliance with laws.

(h) Capital adequacy management

The company manages its capital mainly based on the capital adequacy policy developed by Fubon Financial Holdings. This policy requires the company to maintain adequate levels of capital to meet the risks associated with its business activities. A dedicated unit has been assigned the duty to monitor capital adequacy on a regular basis. When managing capital adequacy, the senior management takes into account the external environment and future trends to make sure that the capital is sufficient for adverse events or market change for the sake of the company's sound operations, and that the capital is allocated in the most appropriate way.

(i) Climate change risk management

Fubon Life identifies and measures climate risks and opportunities on an annual basis through assessments that can make use of internal or external factors, identifying the various risks the company's operations could face because of the effects of climate change, including "physical risks" and "transition risks". The company also analyzes of the likelihood of climate risk events occurring and their potential adverse impact to understand how climate risk can affect the company. Qualitative and quantitative methods can be used to assess those impacts.

(2) Taipei Fubon Bank

a. Risk management framework

Taipei Fubon Bank has implemented a robust risk management framework that operates under the direct supervision of the Board of Directors. The board approves all risk management-related policies and constantly reviews risk management reports, and establishes the “Audit and Risk Management Committee” (The former Audit Committee, and the name change has taken effect from January 1, 2025) to review risk management-related policies and assist the board to oversee the Bank’s risk management mechanism. Taipei Fubon Bank has also set up “Asset/Liability Management Committee” to oversee the bank's business strategies, assets & liabilities, capital adequacy, and liquidity. The committee is authorized to actively manage sources and uses of capital to maximize yields, within acceptable levels of risk. The “Risk Management Executive Committee” (The former Risk Management Committee, and the name change has taken effect from January 1, 2025) has been established to review the Bank’s overall risk management strategy, evaluate and supervise the Bank’s and the subsidiary’s the risk-taking capability, the risk status, and the risk-reacting strategies, as well as periodically review the execution of the risk management and internal control system. Furthermore, in order to leverage the brainstorming and reduce the credit risk, the “Credit Committee” has been established to review/approve the credit applications over the designated amount and applications based on business guidelines.

To enhance the objectivity of risk management practices, Taipei Fubon Bank has set up independent Risk Management Units, Institutional Credit Department and Retail Credit Department oversee credit risks. The Risk Management Department's responsibilities include: planning and managing the bank's risk management system, implementing risk management policies, developing and utilizing effective procedures and controls, performing independent risk monitoring, analysis and reports, providing risk management report to senior management and the Board of Directors (managing directors) regularly.

In addition, Performance Management Department has been established to monitor capital adequacy.

b. Risk management strategies and process

(a) Credit risk

Taipei Fubon Bank's credit risk strategy takes into consideration a number of factors such as the overall economy, industry developments, global financial markets etc. and based on the bank's business plans to establish concentration limits, exposure cap, risk policies, risk assessment, evaluation, monitoring and reporting procedures to manage credit risk. Taipei Fubon Bank has set the goals of its credit risk management to seek risk and return optimization. For this purpose, a multitude of tools have been adopted to identify, measure, manage and monitor credit risk, including post-approval monitoring program, non-performing assets management, in order to effectively manage expected losses and maintain the assets quality.

Countermeasures against Taipei Fubon Bank’s credit risk can be taken through credit risk avoidance, credit risk mitigation / transfer, credit risk control, credit risk acceptance, etc., which are summarized as below.

- ◎ Credit Risk Avoidance: directly avoid undertaking high risk business.
- ◎ Credit Risk Mitigation / Transfer: shift all or partial risks through the third party or other deals, such as requesting collaterals, guarantees, and credit guarantee funds, etc.
- ◎ Credit Risk Control: prevent or control changes in the borrower’s or counterparty’s credit risk through an agreement, such as establishing credit review, watch list and warning mechanisms on appropriate frequencies, etc.
- ◎ Credit Risk Acceptance: directly accept the risk and undertake the business since the profits can offset the corresponding risk.

For the purpose of managing concentration risks, Taipei Fubon Bank has set limits on single-customer, single-group, industry, and country exposures to avoid concentration risk to hamper the stability of the company's operations. For more stringent control over credit risks, the subsidiary bank has adopted a strict and centralized credit approval procedure. An internal credit rating system has been developed to more effectively classify customers among different risk segments. The bank obtains collateral depending on lending terms as a form of credit risk mitigation, and performs post-lending management and credit reviews on an ongoing basis.

(b) Market risk

Taipei Fubon Bank has implemented a comprehensive market risk system that monitors transaction execution, clearing, settlement, and exposure cap. The bank's market risk strategy is to manage four different types of exposure in its trading books, namely: interest rate, exchange rate, equity, and commodity instruments. Based upon this strategy, a set of market risk guidelines, exposure caps, and systems were implemented to identify, measure, manage and monitor market risks.

The Trading Department, Risk Management Department, and Settlement Department each perform their independent duties under stringent governance and control. To qualify for a hedging transaction, the company's accounting policy requires the necessary documentation and tests are obtained and executed before a deal is made; the effectiveness of the hedging arrangement needs to be reviewed continuously and regularly.

(c) Operational risk

Taipei Fubon Bank's operational risk strategies is based on its operating plans to actively identify, assess, measure, monitor and control various types of operational risks imbedded in the products or services or in the processes or systems. In addition, the bank has adequate risk mitigation in place. Taipei Fubon Bank has implemented complete risk management systems and policies by the use of self-assessment, controls and key risk indicators to identify and mitigate existing or potential risks. Risk mitigation measures include enhanced internal control, implementation of risk control and monitoring tools, employee training program, and risk transfer to third parties through insurance and outsourcing arrangements.

(d) Asset, liability and liquidity risk

Taipei Fubon Bank' asset and liability strategy has been formulated to ensure the sustainability and consistency of its business. This strategy takes into consideration a number of factors such as interest rate sensitivity, liquidity, capital adequacy etc. and aims to achieve optimal use of capital within acceptable levels of risk.

With regards to liquidity, the bank adopts a strategy that aims to maintain consistent, low-cost capital sufficient to support its growing assets and meet debt obligations. This strategy works to minimize liquidity risks and avoid capital shortage. Taipei Fubon Bank is able to make flexible adjustments to its deposit, lending, treasury and funding activities, maintain adequate funds, mitigate liquidity risk and manage daily liquidity in response to circumstantial changes such as capital supply, central bank policies, deposit/loan balance, major loan disbursements/repayments, allocation of long/short-term securities etc. by constantly monitoring the flow of large-sum deposits, adequacy of funding limits, and breaches against liquidity thresholds. Stress tests are conducted on a regular basis to monitor the bank's tolerance to liquidity risks; meanwhile, Business Crisis Contingency Measures Policy has been developed to effectively manage liquidity risk and any possible liquidity shortage.

(e) Climate change risk

Taipei Fubon Bank climate risk management has objective to develop short- and long-term climate goals, and will remain committed to addressing climate risk as part of how Taipei Fubon Bank do business to facilitate our customers' low-carbon transition. Taipei Fubon Bank consider customers' transition plan as part of our credit risk assessment by tracking our customers' GHGs emissions in order to further manage relevant risks and formulate corresponding strategies. Taipei Fubon Bank continuously develops and utilizes climate risk related mechanisms and introduce climate risk management system to identify, measure, manage, and monitor climate risk related impact.

Taipei Fubon Bank evaluates climate risk through identifying and assessing material climate risk and opportunities, and evaluates potential firmwide financial impacts with climate scenario analysis. In accordance with material level of climate risk, the bank enacted differentiated coping strategies (e.g. avoidance, mitigation/ transfer, monitor, and acceptance), and developed short-, medium-, long-term risk management mechanisms. Taipei Fubon Bank continues to advance internal evaluation and measures, to align with global trends and abide to regulatory needs, in order to enhance the bank's resiliency.

c. Scope and features of the risk reporting/assessment system

(a) Credit risk management

Taipei Fubon Bank adopts a credit risk management system that embodies procedures including credit assessment, internal credit ratings, limit control, post-approval monitoring program, pre-settlement limit control, and collection. Concentration exposures of country, single name, industry, etc. have all been managed effectively. In addition, Taipei Fubon Bank adopts stringent review and early alert monitoring program to facilitate immediate responses should any major credit event occur.

Taipei Fubon Bank has been conducting stress test on its credit risk tolerance in accordance with the frameworks and methodologies suggested in FSC's "Stress Test Planning for Banks" and "Credit Risk Stress Testing Guidelines for Banks." Furthermore, the bank is exploring more advanced analyses and methods to test how it may withstand losses under stressed scenarios, and using this information as a reference in managing its credit portfolio. For qualitative information on credit risk management, please refer to pages 207 to 208 of the fourth quarter of 2024 "Fubon Financial Holdings Co., Ltd. and Subsidiaries Consolidated Financial Statements with Independent Auditors' Report" on MOPS.

(b) Market risk management

Taipei Fubon Bank monitors market risk limits (including sensitivity measures: Delta, Vega, DV01, VaR etc.) and gains/losses on a daily basis. Its financial instrument valuation model is validated regularly to ensure effectiveness and consistency. A VaR system has been implemented along with supporting policies, procedures and limits to facilitate effective management. Backtesting is conducted regularly to ensure the validity of VaR calculation modules and valuation models. The bank is constantly enhancing its treasury and trading system and bringing new financial tools and risk controls in place. In addition to conducting market risk stress tests using the frameworks and methodologies suggested in FSC's "Stress Test Planning for Banks," the bank also takes the initiative in developing more advanced stress test methods to determine its tolerance under stressed scenarios and thereby enabling more robust management over extreme market risk events.

(c) Operational risk management

Taipei Fubon Bank has implemented an operational risk system that incorporates a variety of tools to assist the bank in identifying and managing operational risks. Using a risk matrix that comprises seven loss scenarios for each of the eight main business segments, the bank has identified areas that represent high, medium and low levels of risk and subjects them to regular follow-ups and reviews. Quantitative and qualitative reports are prepared regularly to address operational risk events, exposure levels, trends and improvements.

(d) Asset, liability and liquidity risk management

Taipei Fubon Bank reports loan-to-deposit ratios, liquidity reserve ratios, liquidity-gap-to-asset ratios, liquidity coverage ratio, net stable funding ratio, and stress test results to the Asset/Liability Management Committee regularly, giving the management full control of the bank's liquidity position and helping the management to lower liquidity risks.

(e) Capital adequacy management

Taipei Fubon Bank monitors the capital adequacy ratios and leverage ratio regularly. In order to assess the bank's capital adequacy status, there are capital adequacy assessments under growth and stressed scenarios, as well as response measures for each of the identified circumstances. Results of capital adequacy assessments are reported to the Asset/Liability Management Committee and Board of Directors (managing directors) regularly.

(f) Climate change risk management

Taipei Fubon Bank continues to advance our climate risk management process through identifying and measuring climate risks and opportunities by referencing international and domestic regulations, guidelines and research reports related to climate change. For climate risk identification, we consider the transmission impacts on conventional risks such as credit risk, market risk, operational risk and liquidity risk and respond with different risk management approaches based on the level or order of identified climate risk.

Taipei Fubon Bank conducts annual financed emission inventory check to identify material climate related risks and opportunities, and regularly reviews the potential impacts of climate change. By analyzing the potential impact on the portfolio, the bank review the existing response mechanism and develop short-, medium- and long-term risk management measures to monitor and manage material risks. In addition, the bank include our assessment on climate related risks and opportunities in the Risk Management Report/ESG Performance Report and report to the Audit and Risk Management Committee and the Board of Directors.

(3) Fubon Bank (China)

a. Risk management framework

The Board of Directors is the ultimate decision maker and bears the ultimate responsibility with regards to risk management within Fubon Bank (China). The Board of Directors is responsible for ascertaining the level of risks tolerable by Fubon Bank (China), as well as supervising risk assessment practices within the entity. A committee has been assembled under the senior management to execute board-approved risk management policies and to set up relevant procedures and guidelines closely monitor risk exposure and take preventive measures where necessary. The risk management department is responsible for identifying, quantifying and monitoring risk factors, as well as the overall management of risk within Fubon Bank (China). The risk management framework of Fubon Bank (China) has satisfied all three layers of supervision, namely: 1. Board of Directors; 2. the business units; and 3. risk management, compliance and audit departments.

b. Risk management strategies and processes

(a) Credit risk

Fubon Bank (China) adopts a credit risk strategy based on the current economic situation, and characteristics of regional industries. The existence of credit management, credit approval and post-lending policies coupled with the bank's existing risk management framework ensure that credit risks are soundly managed. Fubon Bank (China) has set the goals of its credit risk management to manage expected losses, protect assets, and maintain an optimal risk-return profile. The bank's credit risk procedures embody the identification, quantification, monitoring and control of risks.

(b) Market risk

Under the guidance of laws, Fubon Bank (China) has adopted market risk management policy that outlines the specific strategies, procedures and control standards of risk limits pertaining to market risk management. Through the use of risk management systems, Fubon Bank (China) is able to identify, quantify, monitor and control market risks and ensure that the framework is executed effectively, regulating market risks in sustainable level.

(c) Operational risk

Fubon Bank (China) adopts a “centralized management and divided control” approach to manage operational risks, under the guidance of the board and the senior management. Branches and business departments within the head office are the first lines of defense, and are directly responsible for operational risks associated with their business activities. The risk management department represents the second line of defense against operational risks, and is responsible for the development and implementation of operational risk management within the bank to ensure that operational risks are managed consistently throughout the bank. The audit department is responsible for inspecting the bank's risk practices, and represents the third line of defense against operational risks.

(d) Liquidity risk

Fubon Bank (China) adopts a liquidity management strategy that aims to satisfy regulatory requirements and maintain a sound balance between risks and returns. The bank adjusts between long-term and short-term funding allocation depending on changes in market conditions to diversify its sources of capital to keep liquidity risks within tolerable levels. This provides Fubon Bank (China) with an assured source of capital to support asset growth and meet debt obligation, under normal or stressed circumstances.

c. Scope and features of the risk reporting/assessment system

(a) Credit risk management

There are several functions of credit risk management within Fubon Bank (China), including implementation of credit policies, credit approval, portfolio management, early alert and debt collection. Daily monitor activity at credit risk includes credit risk concentration monitoring (for various regulatory indicators), early warning monitoring, non-performing loan (NPL) ratio monitoring, as well as periodical review on customer rating and loan rating. Results will be reported to senior management, the Board of Directors and its subcommittees at approved frequency.

Fubon Bank (China) conducts regular stress tests on its credit portfolio using a number of dimensions such as industry exposure, product exposure, regional exposure, and borrower type. Stress test results from uses of different risk drivers are reported regularly to the Board of Directors and the senior management to support risk management decisions of the bank.

The credit risk management system currently used by Fubon Bank (China) has been built with a full set of functionalities including credit approval, loan account management, collateral maintenance, customer rating, and post-lending management. These functions provide Fubon Bank (China) with adequate support in credit risk management.

(b) Market risk management

Fubon Bank (China) manages banking and trading books by developing a market risk quantification model specifically for the type of instrument, risk attribute and complexity involved. Market risk limits have been set at appropriate levels to serve as a means of control. The bank has set a variety of market risk limits to control: 1. Exposures, such as notional principal etc.; 2. Losses, such as the amount of loss a product may accumulate within a certain period of time; 3. Sensitivity, such as DV01 for interest rate products, Delta for FX products etc.; 4. Portfolio potential losses, such as Value-at-Risk etc. Market risk limits are daily monitored, ensuring all business is developed under control.

The risk management department conducts quarterly stress tests on all products outstanding within the banking and trading books of Fubon Bank (China) separately. The purpose of the stress test is to quantify the amount of losses given a sudden adverse change in interest rates or exchange rates, and to evaluate whether Fubon Bank (China) is able to withstand such losses.

(c) Operational risk management

Fubon Bank (China) prepares regular and irregular risk reports. The regular report is a summary report made to the management after completing risk identification, assessment, monitoring and control, whereas irregular reports are made only under special circumstances such as the rise of new risks, occurrence of losses, failure of control measures etc. The operational risk management policy & procedure has made clear distinctions on the two situations described above. The risk management department is responsible for submitting quarterly reports to the management and to the parent company so that senior management remains well in control of the overall situation.

(d) Liquidity risk management

Given the scope and complexity of its existing business, Fubon Bank (China) has adopted a centralized approach to manage liquidity risks. Fubon Bank (China) has developed an organizational structure that corresponds to its liquidity risk attributes. The Board of Directors is ultimately responsible for the management of liquidity risks, and it has authorized the Risk and Related Transaction Committee to oversee management of liquidity risks. The senior management is responsible for carrying out actual tasks relating to liquidity management and authorizes its routine duties to the Asset/Liability Committee. The risk management department submits regular reports to the Risk and Related Transaction Committee quarterly about its findings concerning liquidity risk management, and explains in detail how it intends to proceed.

(4) Fubon Securities

a. Risk management framework

Fubon Securities adopts a risk management structure that comprises of: the Board of Directors, the Audit and Risk Management Committee, the Asset/Liability and Risk Management Executive Committee, senior management, risk management implementation units and business units. Authorities and responsibilities have been properly divided along this structure to develop an effective risk management culture that begins from the top down. For effective implement the governance and the functional division of the risk management system, the Board of Directors renamed the Audit Committee as the Audit and Risk Management Committee, and renamed the Asset/Liability and Risk Management Committee under the supervision of the Chairman as the Asset/Liability and Risk Management Executive Committee in January 2025. The Audit and Risk Management Committee is responsible for assisting the Board of Directors in supervising risk management. The Asset/Liability and Risk Management Executive Committee is convened by Chairman, and the committee holds meetings on a monthly basis to supervise risk management. The Risk Management Department was assembled specifically to handle risk-related affairs and reported regularly to the Board of Directors.

b. Risk management strategies and process

(a) Credit risk

Fubon Securities has developed a credit risk management system for the purpose of monitoring and grading credit risks associated with its proprietary capital, underwritten securities, and asset swaps. Fubon Securities has set the goals of its credit risk management to deliver optimal risk-adjusted returns. It uses a variety of tools to identify, measure, manage and monitor credit risks. For the purpose of managing concentration risks, Fubon Securities has set limits on counterparty, industry and country exposures to warn against placing excessive weight on any type of exposure to the extent that compromises the stability of the company's operations.

(b) Market risk

Fubon Securities has distinguished its trade instruments into four main categories: interest rate, exchange rate, equity, and commodity; each category is governed by robust risk management policies and guidelines. A mid-office unit has been assigned the task of performing independent risk identification, risk assessment, limit monitoring, risk reporting, and fair value calculation. It is well-segregated from front-office and back-office using firewalls.

Authorities of the Trading Department, Risk Management Department, and Settlement Department have been subjected to stringent governance and control. To qualify a hedging transaction, the company's accounting policy requires the proposal to undergo the necessary documentation and tests before a deal is made; afterwards, the effectiveness of the hedging arrangement also needs to be reviewed regularly. The company's hedging requirements arise mainly because of its issuance of call (put) options. For this purpose, the company adopts a dynamic hedge approach that calculates the hedging position it needs based on the volatility of the underlying stock price and the Delta value. Hedging transactions may then proceed within market risk limits; after the market closes, the company will prepare a valuation report on the hedging position to evaluate the effectiveness of the hedging arrangement.

(c) Operational risk

Fubon Securities' operational risk strategies have been developed to actively identify, assess, measure, monitor and control various types of operational risks that are prevalent in the products or services it sells or in the processes or systems it adopts. In addition, the company has measures in place to mitigate risks should they arise. Each department has set up key risk indicators and risk triggers based on their risk attributes. These indicators and risk triggers are tested effectively and self-assessed on monthly basis; any existing and potential operational risks that have been reflected during the self-assessment will be rectified, controlled, mitigated or eliminated through a variety of means. Through enhanced internal controls, operational risk monitoring and employee training and by purchasing integrity insurance, the company seeks to transfer and mitigate operational risks it encounters.

(d) Liquidity risk

Fubon Securities has implemented relevant policies to manage liquidity risks (including market liquidity risk and capital liquidity risk) associated with all its business activities. Fubon Securities adopts a liquidity approach that aims to maintain consistent, low-cost capital sufficient to support its growing assets and meet debt obligations. This approach works to minimize liquidity risks and avoid capital shortage. The company sources capital for its departments in the amount and at the timing needed. Any funding requirement that arises out of an emergency would be handled according to Fubon Securities' "Emergency Funding Guidelines."

(e) Climate change risk

Climate change can refer to the gradual, long-term change in the global climate or regional extreme weather events that occur over short periods of time. Climate risk could be divided into "physical" and "transition" risks. Physical risk represents the direct or indirect losses from natural disasters or changes in long-term climate patterns triggered by climate change. Transition risk represents the potential adverse effects of public policy or regulations, low-carbon technologies, and social preferences during the transition to a low-carbon economy directly on the company's operations or indirectly to the company through its value chain. In light of the potential impact of climate change on the environment and economic activity and the adverse effect it could have on the company's operations and development, and followed the guidelines set forth by Fubon Financial Holdings, in order to strengthen the awareness and management of climate change.

c. Scope and features of the risk reporting/assessment system

(a) Business risk management

Business risk refers to the possible losses that Fubon Securities may encounter over the course of business. It is the sum of market risk equivalent, credit risk equivalent, and operational risk equivalent. Fubon Securities applies different measures for different risk attributes and to accommodate changes in future circumstances.

(b) Credit risk management (including counterparty risks)

Fubon Securities adopts a credit risk management system that covers internal processes such as credit approval, pre-trade credit assessment, credit grading, post-trade credit monitoring, credit risk mitigation, and risk measurement. The company monitors counterparty credit and makes daily comparisons with approved credit limits. Risk management reports are raised regularly to the Risk Management Committee. The company applies different levels of credit risk management on TWSE/TPEX listed companies depending on how they are rated by S&P/Moody's/Fitch/Taiwan Ratings. Fubon Securities has emergency measures in place to respond to any major event that threatens the company's interests.

(c) Market risk management

Fubon Securities has imposed limits to manage the amount of gains/losses incurred on trading positions. The mid-office monitors market risk exposures each day including sensitivity measures such as Delta, Vega, DV01 etc. to identify limit breaches. Fubon Securities collaborates with Fubon Financial Holdings' Risk Management Division to continually enhance the VaR system, thereby enabling the company to manage market risks more effectively.

(d) Operational risk management

To enhance identification and management of operational risks, Fubon Securities has been conducting training across branches and implementing proper controls in its trading procedures. These controls have been established and executed in accordance with Fubon Securities' Operational Risk Management Principles and Operational Risk Guidelines. Fubon Securities continues to follow up regularly on business activities that present high and medium risks. It prepares quantitative and qualitative risk management reports on a quarterly basis for the purpose of minimizing chances of operational risk events.

(e) Liquidity risk management

Fubon Securities adopts a liquidity management approach that aims to maintain adequate levels of capital and funding limits each day. Liquidity indicators and limits are monitored while stress tests are conducted on a regular basis to facilitate responses in the event of a liquidity emergency.

(f) Capital adequacy management

To enable effective control over business risks, Fubon Securities has developed risk management policies, rules or guidelines for each of the above sources of risk, and specified risk controls applicable to them. Fubon Securities uses BIS as a measure for its overall business risks. What BIS measures is whether the company has adequate capital to cover the possible losses associated with its business activities. Fubon Securities adopts the Delta-Plus approach to provide capital on equity securities positions. Delta-Plus has the advantage to more precisely account for risk factors and calculate options exposure, and hence reduces the amount of capital required to cover such risks.

(g) Climate change risk management

In order to strengthen the awareness and management of climate change and respond to the adverse effect of climate change, Fubon Securities identifies and measures climate risks and opportunities on an annual basis to identify the various risks the company's operations could face because of the effects of climate change, including "physical risks" and "transition risks". Fubon Securities also analyzes the likelihood of climate risk events occurring and their potential adverse impact to review the risk response mechanism and develop risk management measures.

(5) Fubon Insurance

a. Risk management framework

Fubon Insurance has assembled a Risk Management Committee directly under the Board of Directors in which the independent director serves as the convener. The committee's main responsibilities are to determine the company's risk management policy, risk appetite, framework and organization before submitting for the Board of Directors' approval, and assist in reviewing the risk limits. The committee holds meetings on a quarterly basis to assess the company's primary risk exposures and to ensure that the company's goals are achieved as planned. Regular reports are made to the Board of Directors with regards to the progress of the company's risk management efforts.

Five separate risk teams have been assembled under the committee to manage insurance risk, credit risk, market risk, operational risk, and asset/liability matching risk. Each risk team is convened by a senior manager to develop risk management documents and set limits on risk tolerance, exposure, and thresholds to facilitate monitoring. All risk teams are required to make regular reports on risk limits or indicators, whereas the Risk Management Department assists the Risk Management Committee in monitoring risk exposures and following up on risk responses throughout the company.

b. Risk management strategies and processes

Fubon Insurance adopts a risk management strategy that aims not only to achieve the company's business targets, but also to raise shareholders' value, confidence of insurance customers, and corporate image. It has developed a risk management culture that incorporates risk practices into virtually all parts of its daily activities. The company's risk management procedures include: risk identification, risk assessment, risk monitoring and risk responses. To ensure the timeliness, reliability and security of risk management information, the company has complied with policies by making regular disclosures.

(a) Credit risk

Credit risk refers to chances of the obligor becoming insolvent or having its credit rating downgraded, and chances of counterparties being unable or refusing to fulfill obligations, to the extent that causes losses.

Fubon Insurance has developed appropriate credit risk management system and constantly keeps track of credit limit utilization and breaches, thereby enabling proper responses to be taken. Upon occurrence of a major credit risk event, the accountable unit is required to inform the Risk Management Department as soon as possible, handle the incident in a timely manner and take actions according to the Regulations for Reporting Critical Credit Risk Events of Fubon Financial Holdings.

(b) Market risk

Market risk refers to the possibility of losses arising from changes in the market price of the underlying asset within a certain timeframe. Fubon Insurance's Risk Management Department has developed robust policies and crisis management practices in accordance with internal policies and laws. It has implemented market risk management system, regularly reviews limits utilization, and any breach of limits will be handled in appropriate and timely manner.

(c) Operational risk

The company's operational risk system is a combination of risk identification procedures, risk assessment tools, risk controls and mitigation measures.

Some of the operational risk controls that the company has implemented include: division of responsibilities, levels of approval authority, transaction trail records, compliance, contract risk management, outsourcing policies, legal risk management, regulatory risk management, non-contractual rights management, and emergency responses.

Some of the mitigation measures that the company has implemented against operational risks include: gathering historical loss data, developing key risk indicators and control self-assessments.

(d) Asset/liability matching risk

Asset and liability matching risk is aimed to ensure solvency and to achieve sustainable business goals via the extent of cash flows matching between asset and liability. Fubon Insurance uses asset and liability factors to evaluate sensitive analysis and the scenarios of earthquake in stress test. These approaches are supposed to evaluate the impact of investment decision with asset and liability cash flows in different assumptions.

(e) Insurance Risk

In order to achieve entity goals and reach solvency level, insurance risk is aimed to manage retention risk via the written policies. Fubon Insurance establishes the management procedure such as identification of risk factors and risk limits.

(f) Climate change risk

Climate change can refer to the gradual, chronic change in the global climate or regional extreme weather events that occur at acute times. Climate change risk could be divided into "physical" and "transition" risks. "Physical risks" arise from direct or indirect losses caused by specific natural disasters caused by climate change or chronic changes in climate patterns; "transition risks" arises from the process of society's transition to a low-carbon economy, influenced by policies and legals, low-carbon emission technologies and social preferences. In order to strengthen attention and management of climate change, climate change risks should be regularly identified and assessed, and response strategies and measures should be formulated based on their risk characteristics and impact levels.

c. Scope and features of the risk reporting/assessment system

(a) Asset risk management

Fubon Insurance has developed separate control mechanisms for credit, market, and liquidity risks. The authority specializes in preparing risk management reports and controlling investment exposures, thereby giving supervisors up-to-date information about changes in asset values.

(b) Credit risk management

Fubon Insurance adopts a credit risk management system that spans from pre-trade credit check, credit limit setup, to post-trade credit risk management. It has by industry risk limits, by single-bank risk limits and by country risk limits in place to monitor asset quality, asset exposure and counterparty credit to avoid chances of excessive losses caused by a single credit risk event. Expected loss of bond positions is measured quantitatively through stressed testing and monitored on a regular basis.

(c) Market risk management

The market risk management system adopted by Fubon Insurance covers instruments from interest rate, exchange rate, equity securities to commodity. Some of the control measures adopted by the company against market risks include: limit control, valuation, Value at Risk (VaR) management, stress testing, and monitoring of market trends, gains/losses and VaR. In addition, the company discloses VaR and conducts backtesting on VaR models on a regular basis. Any breaches discovered will be investigated to ensure the validity of the model. The company also control the exchange rate risks associated with foreign investments by monitoring the relative risk limits.

(d) Liquidity risk management

Fubon Insurance has documented procedures on how to avoid defaulting on obligations due to lack of funding or inability to convert assets into cash. It has developed quantitative risk indicators and monitors regularly to assure sufficiency of assets liquidity.

(e) Operational risk management

Fubon Insurance requires all units to conduct self-assessment on the likelihood of suffering direct or indirect losses due to human error, flaws in internal procedures, system malfunction, or external events. Based on the findings of these self-assessments, the company will set up control self-assessments and key risk indicators and have them monitored regularly to facilitate early discovery and rectification of operational risks. Meanwhile, employees are given enhanced training to prevent occurrence of operational risk events.

(f) Management of asset and liability matching risk

To ensure the company's debt servicing capability, Fubon Insurance regularly reviews how expected cash flows from assets are matched with cash flows due on liabilities. In addition, the company's solvency status is assessed using the authority's measurement (RBC) for decision making.

(g) Insurance risk management

Fubon Insurance has established proper mechanisms for managing insurance risks such as product design, pricing, underwriting, reinsurance, disasters, claims, reserves etc. Risk limits and key risk indicators have been set up according to product risk attributes for monitoring purposes.

(h) Capital adequacy management

Fubon Insurance manages capital adequacy risks primarily based on Capital Adequacy Management Policy. The company publishes regular capital adequacy risk reports that disclose its actual and planned CAR (Capital Adequacy ratio, including RBC and net worth ratio), and analyses on how CAR is affected by asset risks, credit risks, underwriting risks, asset and liability matching risks, and any other risks deemed relevant.

(i) Climate change risk management

Fubon Insurance has introduced the Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB). Based on the four thematic areas recommended by TCFD - governance, strategy, risk management, indicators and goals, regularly identify climate physical and transition risks and opportunities, evaluate their impact on the company in a qualitative or quantitative manner, and implement corresponding mitigation measures. Fubon Insurance has become Taiwan's first non-life insurer to adopt standards for decarbonizing underwriting portfolios. By 2050, Fubon Insurance will no longer underwrite companies involved in coal mining/related infrastructure, coal power, and unconventional oil and gas that have not taken concrete carbon reduction actions or undertaken low-carbon transition plans.

(6) Fubon Bank (HK)

a. Risk management framework

Fubon Bank (HK) adopts a risk management organization that begins with the Board of Directors and stems to subordinate committees including the Risk Committee and the Executive Credit Committee, and to other committees under the supervision of the management including the Management Committee, the Asset and Liability Committee, the Internal Control Committee, the Compliance and Anti-Money Laundering Committee, the Credit Committee, and the Wholesale Credit Committee. It has the Enterprise Credit Risk Management Division, the SME Credit Management Division, the Control and Risk Management Division, the Compliance and AML Division, the Financial Control Division and the Legal and Secretarial Division in place to manage the various risks associated with its business activities.

b. Risk management strategies and process

Fubon Bank (HK) has implemented risk management policies and procedures in accordance with the guidance of the Hong Kong Monetary Authority and based on the characteristics of the Hong Kong market to identify, analyze, monitor and manage credit risks, market risks, operational risks, interest rate risk in banking book, liquidity risks, reputational risk, capital adequacy and climate change risk. It produces regular risk monitoring reports that cover everything from risk limit management, concentration risk management, market risk management, operational risk management, management of interest rate risk in banking book, liquidity risk management, reputational risk management, capital management and climate change risk management. These reports provide the bank's Board of Directors, Risk Committee, Executive Credit Committee, Asset and Liability Committee, Internal Control Committee, Compliance and Anti-Money Laundering Committee and Credit Committee and Environmental, Social and Governance Committee with sufficient information to manage risks, devise strategies, and improve risk management systems to reflect the best practices in Hong Kong and the world.

c. Scope and features of the risk reporting/assessment system

(a) Credit risk management

Fubon Bank (HK) adopts a credit risk strategy that takes into consideration a number of factors such as the overall economy, industry development, global markets and the bank's risk appetite, etc. The relevant credit policies and guidelines have been established based upon the operating plan along with assessment, monitoring and reporting procedures, whereas concentration limits, large-exposure limits and country limits are set, monitored and reported regularly to the Credit Committee. Fubon Bank (HK) adopts a credit risk system that embodies procedures including credit assessment, risk rating, limit control, post-lending management, and collection. In addition, Fubon Bank (HK) has stringent verification and early warning system in place to facilitate immediate responses should any major credit event occur.

(b) Market risk management

Fubon Bank (HK) has set goals to keep market risks that arise from trading and investment activities within acceptable levels, which include measuring the impact of changes in the price of financial assets on the financial statements at fair value. The trading book exposures primarily contributed from foreign exchange and interest rate trading positions and managed at low risk level, while the investment portfolio consists of debt securities and interest rate swaps for hedging. Fubon Bank (HK) has formulated a series of control mechanisms and market risk management policies that utilize tools such as limit controls, reporting system and monitoring procedures, and through various analysis reports, such as sensitivity analyses, stress tests etc. to prevent the bank taking excessive risk on profit and equity in order to effectively control market risks. Fubon Bank (HK) hedges its exposures with derivatives instruments and manages the customer back to back positions in the trading book prudentially. Derivatives in investment activities continues to follow the hedge accounting requirements under HKFRS 9.

(c) Operational risk management

Fubon Bank (HK) has established operational risk management policy, internal control systems, new products or services approval process and on-going product due diligence process and business continuity plans to enable the bank to identify, assess and mitigate losses arising from operational risks. Operational risk management tools, including “Control Self-assessment,” “Key Risk Indicators,” and “Operational Risk Event Reports”, enable the bank to collect data, monitor risk level continuously and compile various risk management reports and trend analysis reports, all operational risk management tools are reviewed regularly to ensure their effectiveness. Training on operational risk management is provided to staff periodically. Each department is responsible for maintaining written procedures, monitoring and reporting operational risks relating to its daily activities, and improving internal control system to minimize losses caused by operational risks. Control Self-assessment is a program that enables departments to test and to ensure compliance with internal controls standards and regulatory requirements periodically. All new products or services are rigorously assessed to ensure operational and system controls in readiness for launch. The bank has continuously deployed various technologies and facilities to enhance its operational resilience and conducted regular review and testing of business continuity plans.

(d) Management of interest rate risk in banking book (“IRRBB”)

Fubon Bank (HK) has set goals to maintain risk to the bank’s financial condition resulting from adverse movements in interest rates that affect the bank’s banking book positions within an acceptable level. This includes the impact on the bank’s earnings and economic value. Fubon Bank (HK) has implemented a series of control measures and IRRBB management policy that utilize tools such as limit controls, reporting/monitoring systems, and stress tests etc. to prevent the bank from being over-burdened with IRRBB.

(e) Liquidity risk management

Fubon Bank (HK) has set goals to maintain liquidity at a level that adequately supports business expansion and meets financial obligations. To accomplish this purpose, the bank is required to meet deposit withdrawals, to repay borrowings as they mature, to make new loans and investments as opportunities arise, and to comply with relevant statutory liquidity ratios. Liquidity is managed according to the bank's internal policies and guidelines using a variety of indicators and analyses (including cash flow analysis and regular stress tests). Meanwhile, the bank has a contingency funding plan subject to regular testing in place to effectively respond to liquidity risk events. In addition, Fubon Bank (HK) has established a Recovery Plan, which is reviewed and updated at least annually, according to Hong Kong Monetary Authority’s Supervisory Policy Manual, to ensure the bank is well prepared to react quickly to and recover from severe stress, through its own actions.

(f) Reputational risk management

Fubon Bank (HK) has set zero tolerance to reputational risk and will not engage in activities that may jeopardize the bank’s reputation. Fubon Bank (HK) has established reputational risk management policy and guideline to identify, assess, response and monitor reputational risk event. Other relevant Policies, Guidelines, Standard Operating Procedure (SOP) and Code of Conduct principles have been established to manage the risk that could affect the bank’s reputation.

(g) Capital adequacy management

Fubon Bank (HK) manages its capital to conform to the rules of the Hong Kong Monetary Authority and internal capital targets. The bank undergoes an Internal Capital Adequacy Assessment Process annually to determine internal target and trigger level on its common equity tier 1, tier 1 and total capital ratios. The bank also establishes internal target and trigger level on its leverage ratio. These indicators are monitored on a regular basis to ensure that capital adequacy requirements are met. In addition, Fubon Bank (HK) has established a Recovery Plan, which is reviewed and updated at least annually according to Hong Kong Monetary Authority's Supervisory Policy Manual, to ensure the bank is well prepared to react quickly to, and to recover from, severe stress, through its own actions.

(h) Climate change risk management

With full consideration of the emerging regulatory requirement on climate risk management and the latest NGFS climate scenario on potential financial impact caused by extreme weathers and sectoral transition, Fubon Bank (HK) strives to incorporate climate strategy into the risk management framework and continuously enhance our action roadmap under four focus area, with reference to Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations:

- ◎ **Governance:** Fubon Bank (HK) has incorporated climate risk and net zero transition into the risk appetite statement as one of key objectives oversight by the board, in which we have established quantitative transition risk indicators for 5 carbon-intensive sectors and physical risk indicators for high risk local properties and collaterals, which have been incorporated into business as usual process for monitoring. Fubon Bank (HK) has also set up a Sustainable Finance Working Group and ESG Banking Division to capture green finance opportunity in the market and scale up our climate resilient portfolio.
- ◎ **Strategy:** In response to our commitment to achieve net zero on own operation by 2030 and financial portfolio by 2050, Fubon Bank (HK) has set up our first net zero-transition roadmap under Paris-aligned pathway and setting sectoral reduction pathway for customers from building, energy and transportation sectors, with an aim to progressively reduce climate risk raised from the lending and investment activities and support our customers toward net zero transition.
- ◎ **Risk Management:** Requirement of climate scenario analysis and climate risk stress test (CRST) has been well established, as well as enhance the roles of business units and credit units on climate risk assessment at counterparty level. To evaluate the climate-related financial impact to our portfolio, Fubon Bank (HK) has successfully completed the CRST in full compliance with HKMA requirement, considering various NGFS short-term and long-term scenarios, and conducted internal ESG audit for the climate risk management framework to ensure climate risk management procedure.
- ◎ **Metrics and Targets:** Fubon Bank (HK) has launched our 2nd climate disclosure report in 2024 in full alignment with 11 TCFD recommendations, the major showcases include our long-term climate commitment, key findings of CRST results, achievement on green operation and green financing target as well as GHG scope 3 financed emissions. In future, Fubon Bank (HK) will set up the International Sustainability Standards Board (ISSB)-aligned adoption plan to enhance our transparency of climate disclosure and to support the long term sustainability disclosure roadmap set by HKSAR government.

5.6.4 Quantified Risk Exposure

For quantitative information on all types of risk exposure of the Company and its subsidiaries, please refer to pages 205 to 347 and 356 to 363 of the fourth quarter of 2024 "Fubon Financial Holding Co., Ltd. and Subsidiaries Consolidated Financial Statements with Independent Auditors' Report" on MOPS. For quantitative information regarding capital adequacy ratios of the Company and its subsidiaries, please refer to pages 424 to 425 of the fourth quarter of 2024 "Fubon Financial Holding Co., Ltd. and Subsidiaries Consolidated Financial Statements with Independent Auditors' Report" on MOPS.

5.6.5 Financial and business impacts and responding measures against changes in domestic or foreign laws or major policies

Significant changes in policies and regulations	Financial and business impacts and response measures
None	-

5.6.6 Financial and business impacts and responding measures in the event of technological (including information security risk) and industry changes

In response to changes in the financial market and fast-paced technological development, the Company will take initiatives in piloting cloud architecture and developing AI application. Through continued integration of internal and external resources and data-driven strategy, the Company hopes to gain better insight into market trends and create single customer view to discover financial needs, and capitalize on the changing trends through innovative sales channels, user scenarios, and business models. The Company also undergoes digital transformation journey to provide better service and unique experience to customers, so to improve service efficiency and secure corporate profitability.

The rapid development of digital finance and technological innovation, including cloud computing, artificial intelligence (AI), big data analytics, and Open API, is driving the transformation of the financial industry. Financial institutions are leveraging data-driven decision-making to enhance operational efficiency and market insights, optimizing sales channels, use cases, and business models to ensure business stability and corporate profitability. However, technological changes also bring information security risks, such as increased intensity of cyberattacks, expanded supplier risks, and challenges in data privacy protection, which may affect the financial stability and business resilience of financial institutions. Therefore, strengthening information security governance is a key issue to ensure stable business operations.

In response to technological changes, Fubon Financial Holdings adopts strategies of 'defense in depth,' 'intelligent monitoring,' 'compliance governance,' and 'resilience enhancement' to ensure operational safety and corporate stability. Following the NIST cybersecurity framework, establishes multi-layered protection mechanisms, including antivirus software, malicious email interception, web filtering, firewalls, intrusion detection and prevention systems, web application firewalls, and risk tracking mechanisms to ensure the security of information systems and transactions. Through cybersecurity monitoring rules and outsourced monitoring mechanisms, monitor networks, systems, and security logs in real-time, enhancing abnormal behavior analysis and response capabilities, and strengthening the identification and defense against cybersecurity threats. Fubon Financial Holdings continues to promote a cybersecurity governance blueprint, revising it based on regulatory requirements, technological trends, and international standards to ensure that cybersecurity management aligns with international standards such as ISO 27001 (Information Security Management), ISO 22301 (Business Continuity Management), and BS 10012 (Personal Information Management). This ensures the implementation of anti-hacking measures, risk response, compliance management, and business continuity, and aligns the cybersecurity strategies of subsidiaries with the direction of the financial holding company. By implementing quantitative monitoring mechanisms to ensure controllable risks and purchasing cybersecurity insurance based on business needs, covering data privacy, network security, incident response, and business interruption, comprehensively enhance corporate cybersecurity resilience, ensuring the stable operation of financial services while strengthening customer asset protection and trust."

5.6.7 Impacts, response, and crisis management in the event of change in corporate image of the company and subsidiaries

Fubon Financial Holding Co., Ltd. has long been committed to fulfilling corporate social responsibilities, protecting the interests of investors, shareholders and stakeholders, and pursuing sustainable business and growth.

The Company has “Media Public Relations Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries” and “Media Crisis Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries” in place to handle ordinary and emergency PR issues.

The “Media Public Relations Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries” outlines the spokesperson system and introduces principles on public relations affairs to ensure delivery of correct and consistent message, help business promotion, and maintain the corporate identity. According to the “Media Crisis Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries”, any media crisis compromising the Company's goodwill and brand image will be reported and settled promptly. The Company will also assess whether the “media crisis settlement taskforce” should be activated to execute a response to prevent the crisis from expanding, thereby mitigating the negative impact and safeguarding the Company's and its subsidiaries’ brand reputation and assets.

The Company will continue using risk management practices and enforcing both the “Media Public Relations Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries” and the “Media Crisis Management Guidelines of Fubon Financial Holding Co., Ltd. and its Subsidiaries” to maintain its reputation, and thereby secure its growth. Meanwhile, the Company will keep abreast of stakeholder opinions, protect their interests, and pursue the sustainability of business operations.

5.6.8 Potential benefits, risks and response measures of merger and acquisition

(1) Expected benefits of mergers and acquisitions

- a. Economies of scale: Expansion of service area to broaden domestic and international footprint.
- b. Economies of scope: Enhancement of competitiveness through comprehensive financial services.
- c. Improvement of managerial performance: Leverage and capitalize on pooling of resources.
- d. Enhancement of returns on shareholders’ equity: Synergies delivery to create shareholder value.

(2) Possible risks of mergers and acquisitions

- a. Information asymmetry may expose the Company to risks from the acquired financial institution’s assets and liabilities.
- b. Profitability and prospects of the acquired company may not meet expectations or the value may be over-estimated.
- c. It may take longer than expected to integrate the culture and organizational structure post-transaction, leading to a delay in achieving synergies.

Fubon Financial Holdings is committed to creating corporate value and increasing shareholder value. It possesses professional knowledge and extensive experience in M&A strategies, and has a long history of risk control practices to maximize synergies.

5.6.9 Business concentration risks and responsive measures

The Company operates several subsidiaries that cover a broad range of financial expertise from life insurance, banking, securities to property insurance. Given the diverse products/services involved, the Company places risk management at the top of its priority in business operations. The Company has also been active in growing overseas markets, which helps reduce risk of concentration to any particular business service or region. Meanwhile, information systems are being supported by high availability on-site or off-site systems and backup routines of varying intensities and risk levels to ensure uninterrupted service and secured critical data. All backups are securely stored at the off-site. Simulations, tests and drills are being conducted regularly to ensure proper functioning in the event of an emergency. These exercises help avoid unexpected system disruption caused by natural disasters and human errors, and ensure continuity of critical business activities.

5.6.10 Impact, risk and response measures involving significant transfer of shareholding by directors or shareholders with more than 1% ownership interest

The Company's directors are dedicated to their duties within the organization; there has been no significant transfer of shares by any director. Transfer of shares among the few major shareholders with more than 1% ownership interest did not impact the Company's operations in any way.

5.6.11 Impact, risk and response measures associated with change of management

As at the end of February 2025, approximately 31% of the Company's shares were held by the Chairman's family, while the Taipei City Government held another 13% in the Company. A concentrated shareholding structure enables the Company to devise and execute strategies over a longer horizon. In addition, the Company has assembled an Audit and Risk Management Committee, a Remuneration and Nomination Committee and a Corporate Governance and Sustainability Committee as means of enhancing corporate governance.

5.6.12 Litigation and non-contentious cases

Major litigation, non-litigious cases, or administrative litigation involving the Company's director(s), president(s), de facto responsible person(s), any shareholder(s) with more than 1% ownership interests, or any subsidiary(ies) of the Company, whether concluded or pending judgment, which may significantly impact the interests of the Company's shareholders or the securities price of the Company:

- (1) The Company: None.
- (2) The Company's director(s), president(s), de facto responsible person(s), or any shareholder(s) with more than 1% ownership interests: None.
- (3) The subsidiary(ies): Please refer to the consolidated financial report of Fubon Financial Holdings and its subsidiaries as of December 31, 2024 from Pages 337 to 339. (Please refer to the Financial Report section of the Market Observation Post System)

5.6.13 Other key risks and response measures

Financial impact and response measures involving a change in economic/financial/operating environment

In 2024, Taiwan has benefited from the wave of AI development, which has significantly boosted demand for electronics and ICT products and led to a notable recovery in overall exports. As the destocking of industrial inventories improved, emerging technologies are creating vibrant business opportunities that enhance corporate investment confidence, resulting in a rapid resurgence of private investment. In addition, the recovery in the manufacturing sector is encouraging companies to increase salaries, thereby supporting steady growth in private consumption. With both domestic and external demand expanding simultaneously, Taiwan's economy is demonstrating robust momentum.

Looking ahead to 2025, the robust demand for emerging technologies such as AI is prompting supply chain operators to actively expand their production capacities. This expansion is expected to bolster both exports and private investment. In addition, as corporate profits rise and salary adjustments in the public sector encourage businesses to follow suit, there will be a positive impact on moderate growth in private consumption. It is anticipated that Taiwan's economy will continue to expand steadily, although actual performance will largely depend on how changes in U.S. trade policies affect global demand.

Changes in U.S. policies have given rise to political and economic uncertainties around the world, making the market extremely sensitive to news. International capital now moves at a much faster rate under the prevailing risk sentiment, posing great challenges to the financial industry. Considering the upcoming challenges, Fubon Financial Holdings will enhance risk control as the top priority, while at the same time paying close attention to how changes in international politics and economics affect the financial market, and capitalize on available opportunities for investment gains. Fubon Financial Holdings will also leverage the group's cross-selling advantages to create a financial ecosystem, offering one-stop shopping services to deliver optimal customer experience, expand business opportunities, and secure revenue sources. Fubon Financial Holdings continues to strive toward becoming Asia's First-class Financial Institution" and has taken progressive actions to build a global service network. The group not only has service locations in Mainland China, Hong Kong, Korea, Southeast Asia, and Australia, but actively prepares for the establishment of the Mumbai branch in India and the Tokyo branch in Japan. With broader overseas business coverage, the group hopes to create more diverse sources of profit. The Company has also been active in the implementation of the ESG Visioning Project. In 2024, Fubon became the first financial institution in Taiwan to be invited to the WTO public forum, where it shared how financial institutions can assist businesses with green transformation. In the future, the group looks forward to exerting financial influence by introducing innovative and diverse financial services and will work with business partners toward net zero emissions and creating sustainable values.

5.7 Crisis response and handling

The Company has developed an effective crisis management mechanism comprised of a crisis management team, incident reporting and response procedures, and media communication process system. Should an incident occur, accountable departments notify the crisis management team immediately. The crisis management team will then take charge to coordinate all departments concerned to respond to and manage the crisis, and notify the competent authority. In addition, an authorized spokesperson will act in accordance with the Company's media communication policy, and explain to the public the rectification measures taken to sure the interests of customers and stabilization of the Company's operations.

5.8 Other material issues

None.

6. Special Disclosures

6.1 Relationship of affiliated enterprises

Please refer to the section of Affiliation Reports, Consolidated Business Report and Consolidated Financial Statements of Affiliated Enterprises on MOPS:

https://mopsov.twse.com.tw/mops/web/t57sb01_q10

6.2 Private placement of securities for the most recent year up to the publication date of the annual report

None.

6.3 Other supplementary notes, where applicable

None.

6.4 Occurrences that have significant impact on shareholders' equity or securities prices, as defined in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, for the most recent year up to the publication date of the annual report

None.

Fubon Financial Holding Co., Ltd.

Chairman: Richard M. Tsai