

2020 ANNUAL REPORT





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Fubon has a new brand concept: "Be positive All possible." It embodies the company's desire to maximize its positive influence, innovate relentlessly in pursuit of change, overcome challenges, and make every possibility a reality.

Through its push to go green and embrace global trends such as green finance and responsible investment, Fubon aspires to become one of Taiwan's leaders on sustainability and benefit society and the environment. As it deepens its roots in Taiwan and expands its financial network in Asia, Fubon is moving steadily closer to its vision of becoming one of Asia's first-class financial institutions.



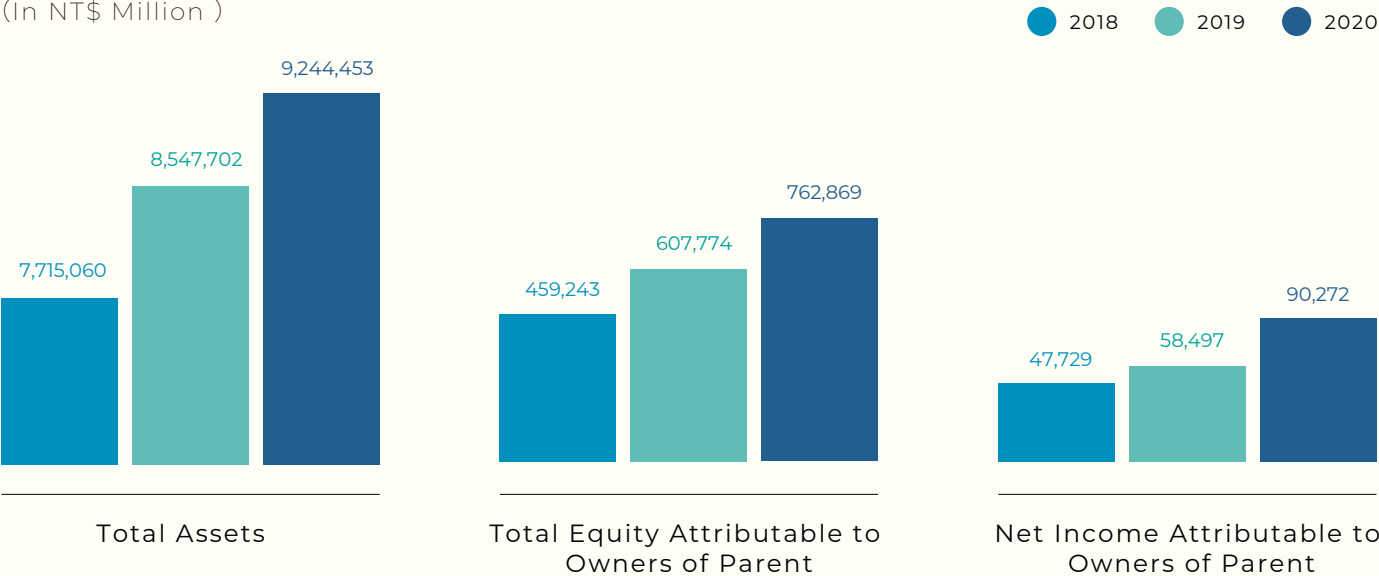
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FINANCIAL HIGHLIGHTS

In NT\$ Million	2018	2019	2020
Total Assets	7,715,060	8,547,702	9,244,453
Total Equity	468,826	619,686	776,783
Total Equity Attributable to Owners of Parent	459,243	607,774	762,869
Net Income	47,721	59,573	90,972
Net Income Attributable to Owners of Parent	47,729	58,497	90,272
Earnings Per Share (NTD)	4.52	5.46	8.54
Book Value Per Share (NTD)	39.93	52.85	66.33
Return on Equity (%) ⁽¹⁾	9.98%	10.94%	13.17%
Return on Assets (%)	0.65%	0.73%	1.02%

The figures above are the consolidated results of Fubon Financial Holdings Co. and its subsidiaries.
(1)Return on Equity=Net Income/Average Equity ; Return on Assets = Net Income/Average Assets.

(In NT\$ Million)



2020 Annual Report

Fubon Life In NT\$ Million	2018	2019	2020
First Year Premium (2)	190,379	206,267	121,409
Total Premium	542,968	596,198	546,335
Investment Income	126,984	145,351	185,723
Operating Revenue	638,034	736,267	718,890
Operating Costs	598,508	691,287	637,308
Net Income	24,930	26,507	60,591

(2) Including Investment-Linked

Fubon Hyundai Life Insurance In KRW\$ Million	2019	2020
First Year Premium	935,906	1,496,110
Total Premium	1,502,104	1,999,990
Investment Income	234,264	250,600
Operating Revenue	2,407,316	3,256,951
Operating Costs and expenses	2,332,506	3,131,903
Net Income	110,861	95,112

(3) Fubon Life obtained control of Fubon Hyundai Life Insurance in September 2018.

Taipei Fubon Bank In NT\$ Million	2018	2019	2020
Net Interest Income	21,733	23,325	25,484
Commissions and Fee Revenues, Net	10,935	12,671	12,287
Other Revenues	8,737	9,567	6,033
Operating Expenses	19,024	20,676	20,674
Pre-Provision Profit	22,380	24,887	23,130
Provision (reversal) for Bad-Debt Losses	667	1,483	1,875
Net Income	18,619	20,123	18,792

Fubon Bank(Hong Kong) In HK\$ Million	2018	2019	2020
Net Interest Income	1,356	1,416	1,183
Net Fee and Commission Income	289	296	249
Other Operating Income	42	50	98
Operating Expenses	964	899	951
Operating Profit before other Gains and Impairment Losses	723	863	578
Impairment Losses	21	142	473
Profit for the Year	823	601	75

Fubon Bank (China) In CNY\$ Million	2018	2019	2020
Net Interest Income	1,012	1,225	1,758
Commissions and Fee Revenues, Net	42	2	-160
Other Revenues	-34	154	-22
Operating Expenses	764	844	892
Pre-Provision Profit	256	537	685
Provision (reversal) for Bad-Debt Losses	27	102	274
Net Income	180	331	436

Fubon Insurance In NT\$ Million	2018	2019	2020
Direct Written Premium	38,649	41,843	45,059
Net Written Premium	30,685	33,075	35,233
Underwriting Profit	2,221	2,339	2,354
Net income from investment	2,858	3,228	4,273
Net Income	3,858	4,394	5,640
Net Claim Ratio	56.80%	57.58%	57.13%
Net Expense Ratio	36.22%	35.84%	35.73%
Net Combined Ratio	93.02%	93.42%	92.86%
Retention	75.07%	74.99%	74.37%

Fubon Securities In NT\$ Million	2018	2019	2020
Brokerage Commissions	3,782	3,392	5,579
Net Interest Income	1,027	776	908
Gain on Trading Securities, Net	- 513	799	2,105
Total Revenues	7,256	7,686	10,180
Operating Expenses	5,028	5,101	5,730
Net Income	2,093	2,902	4,204

AWARDS & ACHIEVEMENTS

S&P Dow Jones Indices/RebecoSAM– Dow Jones Sustainability Indices (DJSI)

Fubon Financial

Selected as a constituent of DJSI World Index for the 4th consecutive year; Selected as a constituent of DJSI Emerging Markets Index for the 5th consecutive year

Fortune

Fubon Financial

Selected as a Fortune Global 500 company for the 3rd consecutive year

CDP (Carbon Disclosure Project)

Fubon Financial

CDP's Climate A-list for the first time

(Taiwan's first insurer on CDP's A-List)/

CDP's Supplier Engagement Rating A-List

(Taiwan's first financial institution on CDP's A-List)

Morgan Stanley Capital International (MSCI)

Fubon Financial

Selected as a constituent of the MSCI ESG Leaders

Index for the 5th consecutive year;

Received an AA Rating in the MSCI ESG

Ratings in the Life & Health Insurance Industry–Taiwan

FTSE Russell

Fubon Financial

Selected as a constituent of FTSE4Good

Emerging Index for the 5th consecutive year

Asiamoney

Fubon Financial

2020 Leaders for Women Survey– Ranking by

women employees as percentage of total staff:

1st in Taiwan, 9th among Asian banks;

Ranking by percentage of recent graduate

hires that are women: 4th among Asian banks

Taipei Fubon Bank

2020 Asiamoney Asia Private Banking Awards –

Taiwan – Best for Asset Management

Asia Asset Management

Taipei Fubon Bank

Fintech Innovation in Asset Management

Asian Banking and Finance

Taipei Fubon Bank

Mergers and Acquisitions Deal of the Year –

Taiwan; Syndicated Loan of the Year – Taiwan

Brand Finance

Fubon Financial

2020 Global 500 –No.378, Taiwan No.1

Taipei Fubon Bank

2020 Banking 500–No.225

Fubon Life

Insurance 100–Global No.27, Taiwan No.1

Benchmark

Fubon Asset Management

2019 ETF Capability Awards – Outstanding

Achiever, ETF Investor Education Award

2019 / Best Performing ETF – Best-in-Class,

U.S. Equity: Fubon NASDAQ-100;

Best-in-Class, Technology Sector Equity;

Fubon Taiwan Technology Tracker Fund/

2019 Mutual Fund House Awards –

Best-in-Class, Taiwan Large Equity;

Outstanding Achiever, Asia Allocation/

2019 ETF House Awards –Best-in-Class,

Sustainable Investment ETF;

Outstanding Achiever, China Equity

Bank of New York Mellon

Fubon Bank (Hong Kong)

Straight Through Processing Award

Corporate Governance Asia

Fubon Financial Chairman Richard M. Tsai

16th Asian ESG Award–Asian Corporate

Director Recognition Award

Fubon Financial President Jerry Harn

Asia's Best CEO (Investor Relations)

Fubon Financial

16th Asian ESG Award–Icon on Corporate

Governance / Best Corporate Communications;

Asia's Best CSR; Best Investor Relations

Company-Taiwan; Best Investor Relations

Professional

Cosmopolitan The Daily

Taipei Fubon Bank

Best Private Bank Taiwan 2020

Enterprise Asia

Fubon Life

2020 Asia Responsible Entrepreneurship Awards –

Health Promotion Award;

Green Leadership Award

Finance Derivative

Taipei Fubon Bank

Best Investment Bank Taiwan 2020;

Best Digital Wealth Management Bank

Taiwan 2020; Most Customer Centric

Bank Taiwan 2020

Global Finance

Taipei Fubon Bank

Outstanding Crisis Leadership 2020 –

Outstanding Crisis Leadership Healthcare/

The Innovators 2020 Special

Honors_SME Loans

Global Business Outlook

Taipei Fubon Bank

Annual Global Business Awards 2020 –

Best Machine Learning Initiative –

Taiwan 2020; Best Smart Advisory Initiative –

Taiwan 2020; Best Credit Card Offerings –

MOMO Card – Taiwan 2020;

Most Innovative payment solution –

Taiwan 2020

Global Brands Magazine

Taipei Fubon Bank

Global Brands Awards 2020 –

Best Socially Integrated Financial Brand Taiwan;

Best Digital Services Banking Brand Taiwan;

Best Private Bank in Taiwan

Global Banking & Finance Review

Fubon Financial

Global Banking and Finance Review 2020 –

Best CSR Company Taiwan 2020

Taipei Fubon Bank

Global Banking and Finance Review 2020 –

Best Bank for Corporate Credit Cards Taiwan;

Best Innovative Corporate Banking App Taiwan;

Best Mobile app for Micro and SME Taiwan;

Best Private Bank Taiwan;

Most Innovative Private Bank for Intergenerational

Wealth Management Taiwan

Fubon Insurance

Global Banking and Finance Review 2020 –

Decade of Excellence Insurance Taiwan;

General Insurance Customer Satisfaction &

Happiness Taiwan 2020

International Business Magazine

Taipei Fubon Bank

International Business Magazine Award 2020 –

Best Cash Management Bank Taiwan;

Best Corporate E-banking Platform Taiwan;

Best Data Analytics Project Taiwan;

Best Customer Experience -Social Media Taiwan;

Best CyberRisk Management Project Taiwan;

Best Digital Upgrade Taiwan;

Best Digital Wealth Management Taiwan

International Investor Magazine

Taipei Fubon Bank

International Investor Awards –

Most Innovative Bank;

Digital Banking Services of the Year

International Finance Magazine

Taipei Fubon Bank

International Finance Awards 2020 –

Best Private Bank-Taiwan;

Best Micro Finance Bank-Taiwan

Lawyer International

Fubon Insurance

Legal 100 Asia 2020-Insurance

Firm of the Year Taiwan

PWM/The Banker

Taipei Fubon Bank

Global Private Banking Awards 2020 –

Best Private Bank in Taiwan

Private Banker International

Taipei Fubon Bank

Highly Commended Achievement –

Outstanding Wealth Management

Technology Initiative-Back Office

Refinitiv

Taipei Fubon Bank

Project Finance International (PFI) Award 2020 –

Renewables Deal of the Year

Fubon Securities Investment Services

Starmine Analyst Awards – Asia/

Consumer Goods & Services / Top Earnings Estimator/ No.1;

Asia/ Semiconductors / Top Stock Pickers/ No. 3

The Asian Banker

Taipei Fubon Bank

Excellence in Retail Financial Services Awards 2020 –

Best Branch Innovation; Best Digital Robo – Advisor/

Frictionless Transaction Awards – Best Data Analytics

Initiative, Application or Programme for

"eMIS Intelligence Dashboard

The Asset

Fubon Financial

ESG Corporate Awards 2020 – Benchmark Award for

Excellence in Environmental, Social, and

Corporate Governance

Fubon Life

ESG Corporate Awards 2020 – Best Initiative in

Social Responsibility

Taipei Fubon Bank

Triple A Digital Awards 2020 – Best Mobile Banking Application;

Best Financial Artificial Intelligence Project; Best Cybersecurity

Project; Best Blockchain Project; Best Digital Wealth

Management Experience/

Triple A Awards 2020 for Treasury, Trade, SSC and Risk –

Best Service Providers – Cash Management/

Triple A Asia Infrastructure Awards 2020 – Renewable Energy

Deal of the Year (Regional); Green Project of the Year (Regional);

Renewable Energy Deal of the Year – Wind (Taiwan); Green

Project of the Year (Taiwan)/

Triple A Private Capital Awards for Private Banks,

Wealth & Investment Advisers, Solutions and Index Providers

2020 – Editors' Triple Star/

Benchmark Research Awards 2020 – Top arrangers –

Investors' Choice for primary issues – Government bonds –

TWD (RANK 1); Corporate bonds – TWD (RANK 2); Top sellside

firms in the secondary market – Government bonds – TWD

(RANK 3); Top Investment House/

Triple A Sustainable Capital Markets Regional Awards 2019 –

Best Syndicated Green Loan/

Triple A Country Awards 2020 – Best syndicated loan; Best

Formosa bond – Corporate

Fubon Securities

Triple A Country Awards 2020 – Best brokerage, Taiwan;

Best IPO, Taiwan /Triple A Private Capital Awards for

Private Banks, Wealth & Investment Advisers,

Solutions and Index Providers 2020 –

Best Structured Investment and Financing solutions_Equity/

Benchmark Research Awards 2020 Best Sellside Firm

Top arrangers – Investors' Choice for primary issues –

Corporate bonds – TWD Rank 4

Fubon Insurance

Triple A Digital Awards 2020 – Best Mobile Insurance

Application

Fubon Asset Management

Sustainable Investing – Institutional Investor, ETF,

and Asset Servicing Awards 2020 – Most Innovative

ETF – The first preferred stock ETF in Asia;

Best ETF Provider, Taiwan – Highly Commended

The Digital Banker

Fubon Life

Digital Customer Experience Awards 2020 –

Best Digital Customer Experience in Life Insurance – Winner

Taipei Fubon Bank

Digital Customer Experience Awards 2020 –

Best use of Data Analytics – Highly Acclaimed;

Best Robo Advisory Experience – Highly Acclaimed;

Best Customer Experience – Social Media – Winner/

Global Private Banking Innovation Awards 2020 –

Best Private Bank – A.I & Big Data – Winner;

Best Wealth Management Technology Implementation –

Back Office – Highly Acclaimed;

Best Private Bank for Client Experience – Highly Acclaimed/

Global Retail Banking Innovation Awards –

Best Data Analytics Initiative

Fubon Insurance

Digital Customer Experience Awards 2020 –

Best Digital Customer Experience – Claims – Winner

World Finance

Fubon Life

2020 Best Life Insurance Company in Taiwan

Commercial Times

Fubon Life

2020 Service Survey in Taiwan –

Life Insurance Category – Silver Award

Taipei Fubon Bank

2020 Service Survey in Taiwan – Bank Category – Gold Award

Business Today

Taipei Fubon Bank

Wealth Management Survey on Banks and

Brokerage Firms – Best ESG Award No.1;

Best Customer Trust Award No.2;

Best Customer Satisfaction No.3

Fubon Securities

Wealth Management Survey on Banks and

Brokerage Firms – Best Creative Marketing No.1;

Best Wealth Appreciation No.2;

Best Sales Agent Team No.3;

Best Customer Trust Award No.3

Common Wealth Magazine

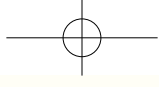
Fubon Financial

2020 Common Wealth Magazine Corporate Citizen Awards –

13th Place

Global Views Monthly

Fubon Financial</



2020 Annual Report

Cheers

Fubon Life

2020 Brand Favorability for Digital Media Survey – Top Prize, "Most Frequent Contact," Life Insurance Division; Top Prize, "Most Liked/Enjoyed," Life Insurance Division; 2nd Place, "Have/Use," Life Insurance Division

Excellence

Fubon Insurance

Excellence Insurance Ratings – Best CSR Award, Non-life Insurance Division

Reader's Digest

Fubon Insurance

Trusted Brand Survey – Platinum Award in Insurance category

Risk Management, Insurance & Finance

Fubon Financial

Dragon and Phoenix Insurance Awards – Most Admired Financial Holding Company–1st Place

Fubon Life

Dragon and Phoenix Insurance Awards – Most Admired Insurance Company – 1st Place in the Back Office Support category; Most Admired Insurance Company – 1st Place in the Field Representative Support category/ Insurance Quality Awards – Most Recognized Brand – 1st Place; Best Agent Force – 1st Place; Best Claims Service – 1st Place; Most Recommended Brand – 1st Place

Fubon Insurance

Dragon and Phoenix Insurance Awards – Most Admired P&C Insurance Company – 1st Place/ Survey of Top 1000 Companies' Insurance Buying Behavior and Satisfaction – Most Admired Insurance Company for 20th Consecutive Year/ Insurance Quality Awards – Best Image – 1st Place; Best Professional – 1st Place; Best After – sales Services – 1st Place; Most Recommended Brand – 1st Place

Smart Monthly

Fubon Asset Management

2020 Smart Taiwan Fund Awards for Domestic ETF; Foreign ETF

Wealth Magazine

Fubon Financial

2020 Taiwan Financial Award – Financial Holding Company Sustainability Award, Excellence Prize

Fubon Life

2020 Taiwan Financial Award–Best Life Insurance Service – 2nd Place; Best Life Insurance Image – 2nd Place

Taipei Fubon Bank

2020 Wealth Management Survey – Best of Wealth Added Award/ 2020 Taiwan Financial Award – Best Fintech Bank – Silver Award

Fubon Securities

2020 Wealth Management Survey – Best Wealth Management; Best Wealth Appreciation; Best Customer Services; Best Recommended by Clients; Best Sales Agent Team; Best Creative Marketing/

2020 Taiwan Financial Award – Best Financial Technology Brokerage – 1st Place;

Best Local Brokerage Public Image – 1st Place;

Best Brokerage Service – 2nd Place

Financial Supervisory Commission's (FSC)

Fubon Life

Treating Customers Fairly Assessment – Ranking top 20%

Taipei Fubon Bank

Evaluation of Trusts Handing Assets of Senior Citizens and People with Disabilities – Top Performing Bank

Fubon Insurance

Treating Customers Fairly Assessment – Ranking top 20%

Insurance Bureau, FSC

Fubon Life

2020 Insurance Competition – Excellent Performance Award, Microinsurance;

Seniors – Friendly Award, Small Amount Whole Life Insurance

Fubon Insurance

2020 Insurance Competition – Microinsurance – Sustainable Care; Residential Earthquake Insurance Excellence Award – 2nd place

Evaluation of Investment in New Long-term Care Public Project – Project Investment Division; Financial Investment Division

Taiwan Stock Exchange Corporation (TWSE)

Fubon Financial

Ranked among top 5% in TWSE Corporate Governance Evaluation

Taipei Exchange

Fubon Securities

2020 H2 OTC Warrant Competition Reward Program –

Top Prize (Zhongli Branch)/

2020 H1 E-Hero Award (Total Trading Turnover over NT\$30 billion) – Second Place/2020 H1 E-Bond Award (Most New Traders) – Top Prize;

(Top Three with Most Traders with Highest ETF volumes) – Second Place/2020 H2 E-Bond Award (Most New Traders) – Top Prize

Securities & Futures Institute

Taipei Fubon Bank

Best Securities & Futures Paper Awards – First Prize, Forward-looking Innovation Award

TAIFEX

Taipei Fubon Bank

Futures Trading Diamond Awards – 2nd Place, Bank Trading Volume

Fubon Asset Management

Futures Trading Diamond Awards – 3rd Place, Securities Investment Trust Trading Volume

Fubon Futures

Futures Trading Diamond Awards – 2nd Place, Managed Futures Trading Volume Award

Taiwan Academy of Banking and Finance

Fubon Financial

2020 Taiwan Banking and Finance Best Practice Awards – Best ESG (Banking Services)

Taipei Foundation Of Finance

Fubon Asset Management

TFF-Bloomberg Best Fund Awards 2020 – Equity Index ETF, China Equity Index (Fubon SSE 180 ETF); Equity Index ETF, Domestic Index (Fubon FTSE TWSE Taiwan 50 ETF) (Honorable Mention);

Fixed Income ETF, U.S. Treasury Bond ETF

(Fubon 20+ Years US Treasury Bond ETF) (Honorable Mention)

Taiwan M&A and Private Equity Council

Fubon Life

MAPECT M&A Awards – Best Overseas M&A Award

Outstanding Enterprise Manager Association

Taipei Fubon Bank

2020 Golden Peak Award of Outstanding Enterprises of the Year in R.O.C

PwC Taiwan

Taipei Fubon Bank

2020 PwC's CSR Impact Awards of Common Good

British Standards Institution

Fubon Life

2020 BSI Excellence Awards – Personal Data Protection Practices Award

Fubon Financial / Fubon Life/ Taipei Fubon Bank /

Fubon Insurance / Fubon Securities

Greenhouse Gas Emissions Verification Opinion Statement/

Environmental Management System Certification/

Energy Management System Certification

Center for Corporate Sustainability

Fubon Financial

2020 Taiwan Corporate Sustainability Awards –

Top 10 Companies Sustainability Model: 5th Place,

Services Companies(The Best among Taiwan financial institutions);

Corporate Sustainability Report Awards –

Finance and Insurance Platinum Award/

Best Practice Category – Information Security Award;

People Development Award; Supply Chain Management Award;

Creativity in Communication Award; Social Inclusion Award

Fubon Life

Best Practice Category – Creativity in Communication Award; Growth through Innovation Award

Taipei Fubon Bank

Best Practice Category – Growth through Innovation Award; Information Security Award

Fubon Insurance

Best Practice Category – Growth through Innovation Award

Fubon Cultural & Educational Foundation

2020 Taipei Golden Eagle Micro-movie Festival Awards –

Best Creativity; Excellence in Production;

Excellence in Environmental Resources

Fubon Charity Foundation

2021 Taipei Golden Eagle Micro-movie Festival Awards – Internet Popularity Award

Environmental Protection Administration Executive Yuan

Fubon Financial

2020 Outstanding Green Purchasing Promoting Unit

Fubon Life

2020 Outstanding Green Purchasing Promoting Unit

Ministry of Economic Affairs

Fubon Life

Buying power – Social innovation products and services procurement – 1st Award

Ministry of Culture

Li Jin Engineering Co., Ltd. x Fubon Art Foundation

Ministry of Culture The 7th Public Art Awards –

Community Driven Public Art Award

New Taipei City Government Department of

Environmental Protection

Fubon Financial

2020 Honorable Mention in Green Buying

Department of Labor, Taipei City Government

Fubon Financial

Taipei City Gender Equality in the Workplace Certification

Department of Environmental Protection,

Taipei City Government

Fubon Financial

2020 Outstanding Civil Enterprise and Group in Green Purchasing

Fubon Life

2020 Outstanding Civil Enterprise and Group in Green Purchasing

Taipei Fubon Bank

2020 Taipei City Energy Conservation Leadership Awards – Award of Excellence Performance

Health Promotion Administration,

Ministry of Health and Welfare

Fubon Life

2020 National Healthy Workplace – Vitality Award

Ministry of Education

Fubon Cultural & Educational Foundation

2020 Ministry of Education Arts Education

Contribution Awards – Outstanding Group Award

Sports Administration, Ministry of Education

Fubon Financial

Sports Activist Awards – Sports Sponsorship category –

Gold Award; Long-Term Sponsorship Award;

Sports Promotion category – Silver Award/

Taiwan I sports – Certificate of Corporate Wellness

Fubon Life

Sports Activist Awards – Sports Sponsorship category – Gold Award

Taipei Fubon Bank

Sports Activist Awards – Sports Sponsorship category – Gold Award

Fubon Sports & Entertainment

Taiwan I sports – Certificate of Corporate Wellness

China Business News

Fubon Bank (China)

Best Innovative Services Brand – Foreign Bank

ShangHai Securities News

Fubon Bank (China)

Fixed Income Wealth Management Product

Excellence Award

Treasury China

Fubon Bank (China)

Best Transaction Banking Product Innovation Award

Securities Times

Fubon Bank (China)

2020 Tianji Award for Foreign Banks –

Best Foreign Bank of China

China Banking and Insurance News

Fubon Bank (China)

2020 Outstanding Communication Campaign for Fighting the COVID-19 Outbreak

Fubon P&C Insurance

2019-2020 Gold Medal Service Organization

China Foreign Exchange Trade System

Fubon Bank (China)

2019 The Best CNY Member

China UnionPay

Fubon Bank (China)

2019 Union Pay Cooperation Excellence Award

China Financial Certification Authority

Fubon Bank (China)

2020 Best Mobile Banking Innovation Award

China Foundation of Consumer Protection

Fubon P&C Insurance

Protection of Consumers' Rights and Interests –

Trustworthy Unit

Sky Post

Fubon Bank (Hong Kong)

Banking & Finance Awards 2020 – Excellence Award for Commercial Finance Solutions

The Hong Kong General Chamber of Small and

Medium Business

Fubon Bank (Hong Kong)

Best SME's Partner Award

Tiptop Consultants Ltd.

Fubon Bank (Hong Kong)

Tiptop Service Award – Persistently Outstanding Service Company (2019-2020);

Persistently Outstanding Service Outlet (2019-2020)

Employees Retraining Board

Fubon Bank (Hong Kong)

ERB Manpower Developer Award Scheme –

Manpower Developer

Environment Bureau, HKSAR Government

Fubon Bank (Hong Kong)

Charter on External Lighting – Platinum Award

Environmental Campaign Committee

Fubon Bank (Hong Kong)

Wastewiſe Certificate/

Energywiſe Certificate/

Hong Kong Green Organisation

Hong Kong Council of Social Service

Fubon Bank (Hong Kong)

10 Years Plus Caring Company Logo

LACP

Fubon Bank (Hong Kong)

2019 Vision Awards Annual Report Competition –

Silver Award/ Top 50 Chinese Reports of 2019/

Technical Achievement Award

Richard M. Tsai

Chairman

Fubon Financial Holdings





MESSAGE TO SHAREHOLDERS

Dear Shareholders,

The global economy faltered in 2020 as COVID-19 wreaked havoc around the world, but Taiwan kept the coronavirus at bay and its economy was left relatively unscathed. Taiwan's financial holding companies performed extremely well, delivering record results. Fubon Financial Holdings reported net profit of NT\$90.27 billion, or NT\$8.54 per share, and led Taiwan's financial holding company sector in profitability based on EPS for the 12th consecutive year.

Beyond deepening its presence in Taiwan, Fubon Financial Holdings has steadily forged a regional network and robust financial services platform in Greater China while extending its reach into other regions of Asia. Wherever the market, Fubon strives to optimize its financial department store services, advance innovation through financial technology, and strengthen the integration of the financial holding company's resources to provide customers with the widest range of products and most convenient financial services in the industry. Ultimately, our vision is to become one of Asia's first-class financial institutions.

Financial Sector Leader in EPS for 12 Straight Years

Although the coronavirus dealt a severe blow to the global economy in 2020 and hurt Taiwan's exports in the first half of the year, exports of electronics goods bucked the trend because of new demand created by the remote work movement and upgrades of information and communications equipment. The pandemic also accelerated shifts in supply chains, which supported the steady expansion of domestic investment, offsetting weakness in private consumption. As a result, export and corporate investment growth exceeded expectations, helping Taiwan outperform most other countries by maintaining positive economic growth for the year as a whole.

Taiwan's financial sector delivered strong growth despite the disruptions. Fubon Financial Holdings posted record net profit of NT\$90.27 billion thanks to the solid performances of its subsidiaries, and it remained Taiwan's most profitable financial holding company by earnings per share for the 12th year running with EPS of NT\$8.54. Fubon Life and Taipei Fubon Bank, accounted for 88% of total net profit. Return on assets and return on equity were 1.02% and 13.17%, respectively.

Assets under management reached a new high in 2020, exceeding NT\$9 trillion for the first time. As of the end of the year, Fubon

Financial Holdings had total assets of NT\$9.24 trillion, up 8% from the end of 2019, to remain Taiwan's second-largest financial holding company by assets.

Record-setting Year for Fubon Life

The life insurance market slumped in 2020 because of disruptions caused by COVID-19 and regulatory restrictions, but Fubon Life continued to generate solid results through its flexible product and channel diversification strategies. Its first-year premium of NT\$121.41 billion and total premium of NT\$546.33 billion ranked second in the industry, and its AUM surpassed NT\$5 trillion for the first time in July 2020. Net profit totaled NT\$60.59 billion, a record high for the company, further establishing it as a key profit engine for Fubon Financial Holdings.

Fubon Life continues to roll out insurtech innovations and applications to deliver customer-centric services, such as an industry pioneering Taipei Fubon Bank electronic authorization function for direct debits of premiums and a LINE Pay function to pay insurance-related bills. It joined the insurance sector's blockchain alliance and worked with the Life Insurance Association R.O.C. to use blockchain to transmit data to hospitals, enabling more convenient claims applications, advance payment of hospital fees, and access to medical records. The FBFLI (Fubon Facebook, LINE, Instagram) system, which was launched in July 2020, helps sales agents with customer relationship management by creating lists of customers by segment and increasing opportunities for interaction. It is also linked to the policy health check platform, augmenting the digital support system.

Overseas, Fubon Life's Vietnam subsidiary solidified its sales team and opened new channels to scale up its business, while Fubon Hyundai Life Insurance, affected by low interest rates and legal constraints, sought to increase sales of purely protective policies to boost profitability. The Hong Kong subsidiary moved toward a model of stable growth by concentrating on building bancassurance and brokerage channels and developing internet insurance channels to tap into new customer segments.

Taipei Fubon Bank: Big on Digital Innovation

Taiwan's banking sector also felt the economic impact of the global pandemic, as lower interest rates and international market volatility squeezed profits.

In this challenging environment, Taipei Fubon Bank still generated good results in 2020 by maintaining its steady approach and building on its core competencies. Outstanding loans rose 10% from a year earlier while deposits rose 9% to a record high. Total assets increased 6.1% to NT\$2.76 trillion amid efforts to solidify asset quality by adjusting and optimizing the structure of the bank's assets and strengthening credit and investment risk controls. A revamped credit card strategy helped push the number of J Cards issued above the 1 million card milestone in 2020, leading to year-over-year growth in the bank's credit cards in circulation of 17%, the highest in the market. Overall card spending rose 5%, beating the market average.

Taipei Fubon Bank achieved a major core banking milestone in 2020, completing the upgrade of its information system. This advanced IT infrastructure will provide a foundation for getting products more quickly to market and providing customers with even better service. The bank's strength in fintech was evident in its management of virtual channels, using big data analytics, AI technology, virtual platforms, and diverse usage scenarios to upgrade the customer experience through digital innovation. The branch experience also remained a high priority. A total of eight new branches were set up in Taoyuan, Hsinchu, Miaoli, Yunlin, Tainan, Yilan and Taitung to broaden the bank's financial services coverage, localize its services, and create a full-service ecosystem with other Fubon subsidiaries to meet the financial needs of local communities.

Another area in which Taipei Fubon Bank distinguished itself in 2020 was its support for anti-epidemic efforts. Its deft application of financial expertise and digital technology in support of economic relief and stimulus measures was recognized by the Financial Supervisory Commission, which ranked the bank as the most efficient domestic private bank in implementing both its own and public relief measures.

Fubon Insurance: Market Share No. 1 for 39 Years

Fubon Insurance capitalized on group resources and diversified channel strategies to set a new high for total written premium of NT\$45.06 billion in 2020, resulting in a market share of 24.1%, the highest in the industry for the 39th straight year. Net profit was NT\$5.64 billion.

Fubon Insurance took several steps in 2020 to develop innovative apps through insurance technology and make insurance services more convenient. Among them, it formed an experimental insurance claims alliance with 10 other general and life insurers, including Fubon Life, and worked with hospitals to promote advance payment of medical fees from insurance benefits.

The company continues to promote agriculture insurance in response to government policy. In 2020, it expanded the scope of its aquaculture insurance by adding rainfall index insurance to its product line. After COVID-19 erupted, it also led the industry in offering "Epidemic Salary Payment Insurance" for companies and a policy covering individuals for infectious disease-related medical expenses, helping customers isolate COVID-19 risk.

Fubon Insurance operates a growing overseas network that consists of subsidiaries in China and Vietnam, insurance brokerage units in Thailand and

the Philippines, and representative offices in Beijing, Malaysia and Indonesia. Fubon Insurance (Vietnam), headquartered in Ho Chi Minh City with branches in Hanoi and Binh Duong, provides local clients and Taiwanese companies in Vietnam property & casualty protection. Fubon Property & Casualty Insurance, based in Xiamen, has service locations in Fujian, Sichuan, Chongqing, Liaoning and Dalian.

Fubon Securities: Building on Its Strengths

Fubon Securities maintained its balanced business development in 2020. Its brokerage business ranked in the top three in the industry, while in investment banking, it ranked second in emerging market underwriting and SPO underwriting market share. The borrowing and lending of funds and the overseas bond and overseas stock businesses all continued to grow, contributing to a 2020 net profit of NT\$4.20 billion, the highest in the company's 33-year history.

Financial inclusion is one of Fubon Securities' core missions, evident through its efforts to develop products that have lower investment thresholds or help older investors accumulate wealth, or to optimize its e-trading platform through fintech advances. These many initiatives are aimed at forging an environment that makes financial services more accessible and satisfies customers' wealth management needs.

Aside from consolidating its core businesses, Fubon Securities will carry out several strategies to broaden its services and diversify its sources of revenue in the year to come, including tapping into new customer segments, growing sales of wealth management products, and strengthening cross-selling cooperation with other Fubon subsidiaries. Developing a digital customer management model to enhance digital services capabilities and boost e-trading market share are other priorities. The company will also pursue major underwriting opportunities to maintain its market leadership, harness its venture capital platform to make early-stage investments, create multiple profit engines and forge a one-stop shop for IPO, SPO and financial consulting services.

Fubon Bank (Hong Kong): Going All in on Digital

Fubon Bank (China): Top Choice of Taiwanese Enterprises

Fubon Bank (Hong Kong)'s performance in 2020 was affected by the COVID-19 pandemic, but its bond and structured products sales and securities brokerage business still generated outstanding results. Faced with contracting economies in Hong Kong and the rest of the world, the bank focused on expanding its assets and adjusting its asset structure to create new impetus for growth while also optimizing interest rate spreads to control capital costs and mitigate the blows of lower rates and a low-interest environment.

In the digital realm, steps were taken to capitalize on the deregulation of the financial sector and fend off the challenge of new virtual banks. The bank accelerated the rollout of its digital platform, for example, to lay a strong digital banking foundation and sharpen its competitive edge. Going forward, strengthening risk management will remain an ongoing commitment. Credit access



conditions and credit policies will be adjusted based on economic conditions and each industry's prospects, and loans will be carefully managed after they are made to protect the quality of the bank's assets.

Dedicated to serving Taiwanese businesses across the Taiwan Strait, Fubon Bank (China) homes in on areas where Taiwanese enterprises are concentrated. It opened its newest branch in Ningbo in November 2020, giving it 27 branches in 13 cities in China, the biggest network and broadest coverage of any Taiwanese-invested bank. The bank boasts a diversified product line and sophisticated services to meet the needs of its Taiwanese clients, and leverages new digital technologies to promote supply chain-oriented financial services that promote local integration, making it an invaluable partner. Although the operating environment was affected by the coronavirus outbreak in 2020, Fubon Bank (China) continued to focus on expanding deposits, relying on deposit-driven loan growth, and capitalizing on market opportunities to earn capital gains, helping create new sources of profit growth.

Fubon Asset Management: Eyeing the Retiree Market

Despite COVID-19's impact on the global economy in 2020, Fubon Asset Management was still able to increase its assets under management. It offered customers a wealth of investment options through its robust product portfolio, and benefited from group synergies through collaborations with Fubon Life, Taipei Fubon Bank and Fubon Securities. Given the surging demand for retirement planning services, the company stepped up its efforts to roll out funds with steady yields and steered investors toward ETFs to solidify their portfolios. It also gave customers the chance to participate in financial opportunities in China through overseas investment companies as Beijing's internationalization policies became clearer.

Robust Risk Management, Balance Sheet Strength

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 124.96% in 2020, well above the minimum capital requirement of 100%.

Taipei Fubon Bank had a BIS ratio of 16.47% as of the end of the year, an indication of the bank's strong capital

position. Its nonperforming loan ratio was 0.16%, below the industry average, and its coverage ratio of 776.54% far exceeded the industry average.

Taiwan Ratings Corp. maintained its long-term and short-term ratings for Fubon Financial Holdings as "twAA" and "twA-1+," respectively, in the news release published on Mar. 24, 2021. Moody's Investors Service maintained the company's long-term rating of "Baa1" in its latest ratings note on Dec. 28, 2020. These ratings reflect Fubon Financial Holdings' market leadership and its strong financial performance relative to its competitors.

Deepening Corporate Governance, Sustainability

In 2015, Fubon Financial Holdings launched the Fubon ESG Visioning Project, a sustainability initiative founded on corporate governance. The initiative evolved in 2020 to encompass six strategies – sustainable governance, responsible finance, innovative services, environmental sustainability, employee care, and tender care – to better align Fubon with international norms and solidify its sustainability practices.

Fubon Financial Holdings was the first financial holding company institution to install an independent director system. It now has more independent directors than any of its competitors and has set the industry benchmark for board independence and diversity. The leadership shown on corporate governance and contribution to sustainable development earned Chairman Richard M. Tsai an Asian Corporate Director Recognition Award from Corporate Governance Asia for a fourth time in 2020.

Fubon Financial Holdings' corporate governance performance was again widely acclaimed at home and abroad in 2020. Corporate Governance Asia honored Fubon Financial Holdings with an "Icon on Corporate Governance" award for a 12th year in a row and awarded it "Best Investor Relations" for a 10th year running. Fubon also ranked in the top 5% of the Taiwan Stock Exchange's "Corporate Governance Evaluation" of listed companies for the fifth time and was a constituent of the exchange's "Taiwan Corporate Governance Top 100 Index" for a sixth year in a row.

Among other honors, Fubon Financial Holdings made the prestigious Global Fortune 500 for a third year running and was Taiwan's only financial holding company to be named by Brand Finance as one of the "Top 500 most valuable global brands" in 2020. These many honors show that Fubon's efforts on corporate

The latest ratings of various rating agencies were as follows:

Rating Type	Ratings Agency	Credit Rating Long-term ; Short-term	Outlook	Effective Date
International	Standard & Poor's	BBB+ ; A-2	Stable	2021/03/24
	Moody's	Baa1	Negative	2020/12/28
Domestic	Taiwan Ratings Corp.	twAA ; twA-1+	Stable	2021/03/24

governance and commitment to forging a leading sustainable finance brand are keeping pace with the top global companies.

Widespread Acclaim for Fubon Subsidiaries

Fubon Financial Holdings' subsidiaries reaped countless awards of their own in 2020. Fubon Life was honored as Taiwan's Best Life Insurance Company by World Finance for the ninth straight year and was named one of the "Top 100 most valuable insurance brands" by Brand Finance for a fourth consecutive year. It also received Asia Responsible Enterprise Awards from Enterprise Asia for "Green Leadership" and "Health Promotion" and was honored by Risk Management, Insurance & Finance (RMIM) magazine as the Most Admired Life Insurance Company in the back office and field representative categories for a 10th year in a row.

Taipei Fubon Bank was again honored for its service when it won a Gold Award for Banks in the Commercial Times' Survey of Taiwan's Service Sector for a second year in a row. Its products earned several accolades, including Best Digital Wealth Management Experience from The Asset, Best Digital Robo-Advisor from The Asian Banker, Best Bank for Corporate Credit Cards Taiwan 2020 from Global Banking & Finance Review, and Outstanding Crisis Leadership in Health Care for its COVID-19 response from Global Finance.

Fubon Insurance was named the Most Admired Company in the P&C insurance sector among Taiwan's top 1000 companies for a 20th straight year and the most admired P&C insurer among new finance department graduates for a 10th year running in RMIM surveys. It also garnered a "Growth through Innovation Award" in the Taiwan Corporate Sustainability Awards and was honored for Best Mobile Insurance Application by The Asset and Best Digital Customer Experience – Claims by The Digital Banker.

Fubon Securities was named Best Brokerage in Taiwan for a third consecutive year and honored for Best Structured Investment Solution – Equity by The Asset, and it garnered nine awards from Wealth Magazine, including for Best Brokerage Image and Best Fintech Brokerage. It also was honored for Best Wealth Appreciation and Best Sales Agent Team in Business Today's Wealth Management Evaluation of Banks and Securities Firms.

Global Vision on Sustainability

In 2020, the COVID-19 pandemic led to a reduction in commercial activity and hurt global industries, further highlighting the need for companies to co-exist with society and the environment. Living up to the financial sector's social responsibility, Fubon Financial Holdings became a TCFD supporter in 2019 and a World Economic Forum partner in 2020 to join international benchmark companies in promoting regional and global sustainable development. The company has been recognized for its climate finance efforts. It made the Carbon Disclosure Project's (CDP) climate change A List for the first time in 2020, ranking in the top 7% of the world's financial services companies for climate management. It was also the first Taiwanese insurer to make the A List.

Fubon Financial Holdings' actions on sustainability have also paid dividends, earning it a spot as a constituent of

the Dow Jones Sustainability World Index four years in a row and as a constituent of the DJSI Emerging Markets index five years running. It was also selected in 2020 as a constituent of the MSCI ESG Leaders Indexes for a fourth consecutive year and received an "A" MSCI ESG rating in the Life & Health Insurance category.

Fubon has translated its commitment to sustainability into action, joining with value chains to move Taiwan toward a low-carbon economy. Fubon Insurance, for instance, is Taiwan's biggest insurer of green energy projects, and Taipei Fubon Bank is the biggest Taiwanese lender to local offshore wind projects – tangible actions that back the rise of the green energy industry and clean energy. Fubon Financial Holdings has also been a leading recipient of "Exercise Enterprise Certification" awards, and has aligned itself with the United Nations Sports for Climate Action Framework through its sponsorships of sports competitions by urging participants to support environmental protection, using the positive energy of sports to spur a more sustainable Taiwan.

Four Foundations: A Stabilizing Force in Society

When COVID-19 posed a serious threat to Taiwan in 2020, Fubon spread positive energy through its four foundations to help stabilize society.

The Fubon Charity Foundation's "Making Friends with Love" initiative to keep underprivileged students in school raised more than NT\$100 million and benefited 15,700 students. A related "Nutrition Subsidy Plan" provided meals for children in rural areas, and taught youngsters lifelong skills. The "Emergency Relief Fund" invested more than NT\$32 million to help 44,939 people and groups, while the "Give a Wish, Build a Future" campaign fulfilled the dreams of 8,087 students.

The Fubon Cultural & Educational Foundation is dedicated to youth empowerment and media literacy and works with the Fubon Group to promote financial and environmental education. Youth empowerment initiatives echo the 2019 national curriculum's emphasis on elevating the skill and competence of teenagers, while media literacy efforts focus on strengthening the ability of high school students to interpret and appreciate films and videos. The Future Tycoon Outreach Program travels to elementary schools to impart a healthy attitude toward money, and the Fubon EDU initiative highlights employee care and protecting the environment.

The Fubon Art Foundation is dedicated to bringing art and aesthetics to daily life. Its "Art Chopsticks" recycling competition in 2020, which turned wood from broken baseball bats into elegant chopsticks, reminded people of the importance of sustainability and environmental protection. The Fubon Forum, meanwhile, was transformed into a digital lecture hall as it moved into its 20th year. Looking to the future, the Fubon Art Museum, scheduled to open in 2023, will emerge as a key base for nurturing the younger generation through its adoption of international talent and perspectives.

The Taipei Fubon Bank Charity Foundation primarily cares for the elderly and people with disabilities. In 2020, it held another exhibit of the works of Taipei Fubon Bank Artistic Achievement Awards for the Disabled winners and offered an online version for the first time. The "Fubon Music Therapy Program" promotes healthy aging and the "Fubon Jiazi Singing Competition" champions staying active and interacting with others.



2021: Eye on Customer Service, Product Diversification

In the year ahead, Taiwan's foreign trade should gain strength as the economic impact of the pandemic eases, leading to a rebound in overseas demand and export growth, while the tech sector continues to increase its capacity in Taiwan. The ongoing push for advances in semiconductor production processes, offshore wind power and 5G infrastructure will drive domestic investment growth, and private consumption should recover as people become willing to spend again. These positive trends should enable Taiwan to maintain stable economic growth in 2021.

The key strategies and goals for 2021 for Fubon Financial Holdings' main subsidiaries are as follows:

1. Fubon Life: Life insurers will likely continue to be affected by low interest rates and COVID-19, and regulators are expected to lean toward more restrictive product and administrative regulations. Faced with these challenges, Fubon Life intends to adjust its product strategy and re-emphasize protective rather than investment-oriented policies as well as focus on the retirement planning market. Another priority will be digital upgrading to optimize the quality of customer service and make sales agents more efficient.

2. Taipei Fubon Bank: The overall goal is to strengthen the bank's competitiveness by adjusting its asset and liability structure, expanding its overseas presence, creating innovative business models to accelerate new customer acquisition, capitalizing on opportunities from regulatory and market changes, and exploiting cross-selling synergies within the group. These many strategies should not only help the bank stay profitable but also create maximum benefit for its shareholders and customers and society.

3. Fubon Insurance: The top priorities will be maintaining the company's market leadership and expanding its range of services. Personal insurance strategies will include creating a full-service robo-assistant and devising products tailored to different customer segments and consumer scenarios. Corporate insurance initiatives will include developing an app to help market liability insurance and creating new products to deal with emerging risks. Overseas, efforts will center on forging a Southeast Asian insurance platform, making management more effective, and encouraging headquarter-subsidiary collaboration on reinsurance.

4. Fubon Securities: Key plans involve emphasizing customer segment management, improving service through digital service tools, and strengthening wealth management services, as well as harnessing group resources to build a one-stop shop securities and wealth management platform. Another priority will be to provide a more complete range of securities and futures services by capitalizing on Taiwan's capital market advantages and consolidating Fubon's securities, futures, and equity investment platforms.

5. Fubon Bank (Hong Kong): 2021 strategies include strengthening core competencies by honing the bank's deposit, loan and wealth management businesses; rolling out new virtual platform functions to diversify customer acquisition sources and expand its client base; and

bolstering its media presence to build brand visibility and market recognition. As these measures to optimize the customer experience take hold, customer stickiness and loyalty should be improved.

6. Fubon Bank (China): Beyond its primary focus on expanding deposits in 2021, the bank plans to optimize its asset structure and promote retail innovation by strengthening services tailored to Taiwanese enterprises, balancing assets and liabilities, fortifying the bank's capital, and upgrading its businesses. Cooperation with Fubon subsidiaries will also be stepped up to help the bank become "the bank and group sales platform of choice of Taiwanese businesses in China."

7. Fubon Asset Management: Focused on stable growth, strategies for 2021 include competing for opportunities to manage government funds and providing institutional investors with customized private equity services. The design of products will concentrate on regional offerings and specific themes, such as ESG, AI and 5G, and REIT opportunities will be pursued as new laws in the area are enacted at home and abroad.

In the year ahead, as it balances risk management and stable business growth, Fubon Financial Holdings will continue to deepen its presence in Taiwan and expand into the rest of Asia, relying on investments and acquisitions to expand its financial services network. This pursuit of business success will be supported by the continued implementation of the Fubon ESG Visioning Project as the company moves closer to its vision of standing out as one of Asia's first-class financial institutions.

Richard M. Tsai
Chairman, Fubon Financial Holdings

MANAGEMENT COMMITTEE



Daniel M. Tsai / Chairman
Fubon Bank (Hong Kong)



Jerry Harn / President
Fubon Financial Holdings



Eric Chen / Chairman
Taipei Fubon Bank



Roman Cheng / President
Taipei Fubon Bank



Ben Chen / Chairman
Fubon Insurance



Howard Lin / Vice Chairman
Fubon Life



Benson Chen / President
Fubon Life



Gang Shyy / Chairman
Fubon Asset Management



Raymond Lee / Chief
Executive Officer
Fubon Bank (Hong Kong)



Lixin Ma / Chairman
Fubon Bank (China)



FUBON LIFE

Sustainability is at the heart of Fubon Life's risk management, stable operations, and value creation and key to its strong results and comprehensive insurance services that have earned the backing of investors and 4.8 million policyholders around Taiwan. In 2020, consolidated assets exceeded NT\$5 trillion for the first time, and after-tax net profit rose 129% year-over-year to NT\$60.59 billion. In the year to come, promoting ESG principles to benefit individuals and society, communicating the protective value of insurance, and striving to forge a common good will remain top priorities as Fubon Life continues to spread positive energy and move closer to emerging as one of Asia's first-class financial institutions.

Making a Difference to People in an Epidemic

Fubon Life's more than 500 service locations and 20,000 sales agents around Taiwan project the brand's influence in caring for society. During the COVID-19 pandemic, it was the first insurer to offer a health insurance policy for notifiable communicable diseases and expanded its support for front-line medical and public health workers, offering financial help to those testing positive for the disease. Also, the company mobilized employees to help more than 100 social groups and neighborhoods increase the frequency of community

disinfections around Taiwan. This action to protect the health of local residents benefited more than 400,000 people.

Creating ESG Impact through Core Competencies

Forging a common good is an important mission for companies, and Fubon Life achieves this through its core competencies. It encourages people to regularly check their insurance coverage to be sure it meets their need for protection at different stages in their lives and has set up a "Policy Health Check" system for policyholders to achieve that. With the help of detailed explanations by Fubon agents, the system helps policyholders fully understand their existing level of protection, strengthens insurance awareness, and optimizes the insurance network.

Social welfare is another top priority. In 2020, Fubon Life teamed up with more than 100 hospitals on a program to distribute bracelets to people diagnosed with dementia to make it easier to find their way home if they get lost. The program also received the support of five county and city governments, and it was backed by an animated video made for elementary schools to provide accurate information on dementia. Championing good health and getting people to exercise is another major cause, seen in the company's

ongoing commitment as the title sponsor of the Fubon Life University Basketball Association and Fubon Life College Basketball Tournament, the most-watched college basketball competitions in Taiwan. Fubon Life also supports four major domestic marathons in Taiwan, creating a virtuous cycle of healthy activity.

Widespread Recognition at Home and Abroad

Fubon Life's sound operations and portfolio of insurance services were widely acclaimed in 2020. It was named Most Admired Insurance Company by new graduates of university finance and insurance departments for a 10th year in a row and Best Life Insurance Company in Taiwan by World Finance for a ninth straight year, and garnered four Insurance Quality Awards for a fourth straight year and Enterprise Asia Asia Responsible Enterprise Awards for Green Leadership and Health Promotion. It also received a Sports Activist Award from the Ministry of Education for the fourth straight year and was the only life insurer in Taiwan to receive a National Healthy Workplace – Vitality Award from the Ministry of Health and Welfare.



Fubon Life again wins four Insurance Quality Awards, reflecting the strong support of Taiwanese consumers.



Fubon Life wins a Sports Activist Award for a fourth straight year for its efforts to develop basketball at the grassroots level.



Amid the COVID-19 outbreak, Fubon Life volunteers help communities strengthen disinfection operations and create safe neighborhoods.

TAIPEI FUBON BANK

Taipei Fubon Bank is focused on meeting customer needs by maximizing its core competencies, developing innovative products, and enhancing the customer experience. It also puts a high priority on corporate sustainability and the positive development of society. As COVID-19 disrupted the global economy, the bank supported government response measures, used its financial expertise and mobile technology to accelerate financial inclusion, and relied on sound strategies to drive growth. As a result, total assets, deposit and loan balances, and bond investment rose, and the insurance, wealth management and financial market businesses maintained steady growth, while robust risk controls led to a further decline in the non-performing loan ratio in 2020 to a five-year low that easily beat the industry average.

Out in Front on Epidemic Relief, Stimulus

During the pandemic, Taipei Fubon Bank put in place rigorous disease-prevention measures to safeguard the health of customers and employees, fully supported relief policies, and used innovative technologies to help individuals and companies get through financial hardships. The bank was honored for Outstanding Crisis Leadership

in Health Care by Global Finance and earned a top rating in Financial Supervisory Commission evaluation of banks' efficiency in carrying out government relief and stimulus policies.

Going Local, Enhancing the Service Experience

Taipei Fubon Bank continued in 2020 its branch renovation and expansion project that merges local characteristics and community development needs. It upgraded four branches in northern, central and southern Taiwan into "international-friendly branches" in line with Taiwan's bilingual country policy and became the first bank in Taiwan to offer service in more than 40 languages. New branches were set up in Taoyuan City and Taitung, Yilan, Hsinchu, Miaoli, and Yunlin counties in 2020, with those in Taitung and the town of Zhunan in Miaoli the first Fubon branches in those locations. As of the end of 2020, the bank had 132 branches in Taiwan, and three more opened in the first quarter of 2021, expanding a robust financial services network that offers access to great service experiences.

Technology Driving Financial Sector Development

Intent on pioneering innovative "financial living" models, Taipei Fubon

Bank completed the upgrade of its core banking information system in 2020. The system responds quickly to market changes and customer needs, providing customized products and services in a timely manner, while cutting power consumption by 40% and making operations more efficient. It also has the flexibility to be expanded to connect with third party partners and contribute to the sustainable development of the financial sector and financial inclusion innovations.

Integrating digital technology and information security, the bank has introduced a "Privileged Account Smart Anti-hacking Warning System," installed a "Department Information Security Management System" and launched Taiwan's first automated personal information de-identification system. It has also developed a smart "Somersault Cloud" decision-making platform using big data analytics and AI that can adjust credit terms, interest rates and credit lines in real time in response to changes in market and customer risk, thus improving the user experience though more responsive risk control methods. These innovations earned the bank Taiwan Corporate Sustainability Awards, a Best Cybersecurity Project award from The Asset, and a Best Data Analytics Initiative award from the Asian Banker, setting a new benchmark for information security in Taiwan's financial sector.



Taipei Fubon Bank's "international-friendly branches" provide top-notch service to foreign customers; they can offer service in more than 40 languages.



Taipei Fubon Bank wins a Gold Award for Banks in a 2020 Survey of Taiwan's Service Sector for its banking expertise and warm service.



Taipei Fubon Bank teams up with renowned artist Yosifu (6th from right) to launch a JU card; 1/1000th of the new card's spending will go to NGOs helping indigenous peoples.



FUBON BANK (HONG KONG)

2020 was a tough year for the global economy. The global spread of COVID-19 and related lockdown measures, lingering conflicts between the U.S. and China, rising protectionism and political uncertainties worldwide tremendously dampened the investment sentiment. Inevitably, the challenging operating environment has adversely impacted the Bank's financial performance in 2020. Fubon Bank (Hong Kong) reported a net profit of HK\$75 million for the year ended 31 December 2020, a year-on-year 87% decrease when compared with 2019. Operating profit before impairment losses for the year declined by 33%. Return on average equity and return on average assets were 0.51% and 0.07%, respectively, compared with 4.19% and 0.56% in 2019. Notwithstanding the prevailing uncertainties and challenges, the Bank has spared no effort in safeguarding the health and safety of its customers and staff members since the onset of COVID-19 while providing uninterrupted services to its customers at the same time.

Driving FinTech Innovation in Financial Services

The outbreak of COVID-19 has certainly changed many aspects of people's lives around the world and accelerated digital transformation among different industries. Fubon Bank (Hong Kong) has also set in motion a strategic plan

for virtualization of its banking services. In January 2021, the Bank established a strategic cooperation with HKT in FinTech innovation. It is believed that the cooperation with HKT not only underscores the Bank's commitment to FinTech innovation but also enables the Bank to establish a solid foundation for capitalizing the opportunities created by the growing importance of FinTech.

To strengthen the Fubon brand and further underscore its customer-centric approach, Fubon Bank (Hong Kong) launched a new branding campaign in 2020 showcasing the seamless integration of its physical banking and virtual banking services, bringing customers the best of two worlds.

Delivering Award-Winning Financial Services

Fubon Bank (Hong Kong) has been committed in providing excellent SME banking and retail banking services, and developing its employees. As a result, the Bank gained external recognitions in 2020: "Banking & Finance Awards 2020 – Excellence Award for Commercial Finance Solutions" from Sky Post, "Best SME's Partner Award" from The Hong Kong General Chamber of Small and Medium Business, "Tiptop Service Award – Persistently Outstanding Service Company and Persistently Outstanding Service Outlet" from Tiptop Consultants Ltd.,

and "Manpower Developer" under the Employees Retraining Board's "ERB Manpower Developer Award Scheme", to name a few.

Seamless Integration of Physical Banking and Virtual Banking Services

It is anticipated that the global economic environment will remain highly uncertain in 2021 as some degree of lockdown measures may still be in place during the first-half of the year until the pandemic subsides. Nevertheless, global financial markets are expected to rally on the roll out of potential governments' stimulus and vaccination programmes worldwide. Going forward, Fubon Bank (Hong Kong) will continue to leverage on the inherent strengths of its parent company, Fubon Financial Holdings, to strengthen its relationships with customers and to capture business opportunities across the region. Also, the Bank will continue to deepen its relationships with both retail and corporate customers by providing products and services that best suit their financial needs, in particular to address customers' increasing demand for digital banking services. Through the seamless integration of physical banking and virtual banking services, customers of the Bank will be able to embark on a memorable FinTech journey and enjoy the unique "Fubon Experience".



Fubon Bank (Hong Kong) was awarded the "Banking & Finance Awards 2020 – Excellence Award for Commercial Finance Solutions" by Sky Post.



Fubon Bank (Hong Kong) launched a new branding campaign in 2020.



Fubon Bank (Hong Kong) was granted the "Best SME's Partner Award" by The Hong Kong General Chamber of Small and Medium Business.

FUBON BANK(CHINA)

In 2020, the COVID-19 pandemic dealt a harsh blow to the global economy, technology's impact on financial services accelerated, and China's financial sector continued to open up to the outside world. Faced with these challenges and opportunities, Fubon Bank (China) once again delivered robust results. As of the end of 2020, total assets were up 23% from a year earlier to 116.58 billion yuan, the outstanding loan balance was up 16% to 46.84 billion yuan, and total deposits were up 31% to 92.87 billion yuan. Net profit for the year rose 32% to 436 million yuan, and the non-performing loan ratio fell to 0.55%, signaling that asset quality remained stable.

Supporting the Growth of Taiwanese Companies

Focused on serving Taiwanese businesses in China, Fubon Bank (China) is recognized for its integrated, cross-border financial services. It is the first foreign bank in China to offer an interbank wealth management platform, direct bank-enterprise connections, and electronic banking facilities to meet clients' cash management needs. The Bank's blockchain and big data-driven "Supply Chain Financial Services Platform" has forged industrial and financial ecosystems, and a new "Fubon Link-Up" service

offers customers a full array of financial services tailored to medical, educational, and daily living needs. Fubon Bank (China) was also the first Taiwanese-invested bank in China to issue credit cards, bringing convenience to Taiwanese living and working on both sides of the Taiwan Strait and bolstering the bank's brand image.

Great Services that Support the Real Economy

Committed to inclusivity, Fubon Bank (China) provides small and micro enterprises online working capital loans, making the financing process more efficient. It is also involved in the bond underwriting business, participating in underwriting syndicates for the issuance of bonds by Jiangsu Province, Ningbo, Chongqing, and Anhui Province. By being the only Taiwanese bank in these syndicates, the bank gained influence and brand impact within the industry and in local markets. Similarly, Fubon Bank (China) has led or participated in syndicated loan projects, bringing its planning, design, and management skills to each case and boosting this cross-border loan model. 2020 also saw the official opening of the Ningbo branch, the bank's 27th outlet in China, which strengthened its presence in the Yangtze River Delta area and broadened coverage of areas where Taiwanese businesses are concentrated.

Technology-driven Innovation Spurs New Services

Fintech transformation and the development of IT systems have led to technology playing a growing role in how consumers, businesses and governments spend money and conduct business and in shaping an "open banking" ecosystem. With the launch of new mobile banking services and e-branches, Fubon Bank (China) offers great experiences at customers' fingertips and provides more services more efficiently than ever, such as going online to update IDs, ending temporary suspensions of non-bank-counter services, or getting withdrawal limit reminders. These innovative services earned the bank honors as Best Innovative Services Brand among Foreign Banks in 2020 by China Business News.

In 2021, Fubon Bank (China) expects to capitalize on opportunities created by China's further opening-up of its financial markets, leverage the Fubon Group's customer base and resources on both sides of the Taiwan Strait, and use fintech to further enhance the quality of service and forge a truly distinctive financial services platform.



Fubon Bank (China) Chairman Lixin Ma (4th from right) and President Feng Chen (4th from left) join the opening ceremony of the Ningbo branch in November, 2020.



Fubon Bank (China) is honored by China Business News as Best Innovative Services Brand among Foreign Banks in 2020. (Vice President Jerry Wang is third from right.)



Through its annual "Basketball Bash" Fubon Bank (China) encourages interaction with banking customers and supports the development of the sports sector.

FUBON INSURANCE

Fubon Insurance had direct written premium of NT\$45.06 billion in 2020, and its 24.1% market share led the industry for the 39th consecutive year. After-tax net profit was NT\$5.64 billion, or NT\$17.75 in earnings per share, reflecting sound underwriting practices and investment strategies and strong risk management. The company has benefited from the group's resources and its own diversified channels to optimize its business structure and balance its development, solidifying the foundation for its stable operations and the protection of customers' rights and interests. That emphasis has helped Fubon Insurance rank among the top 20% of non-life insurers in the Financial Supervisory Commission's "Treating Customers Fairly" Assessment two years in a row and emerge as the only non-life insurer to garner a Growth through Innovation Award at the Taiwan Corporate Sustainability Awards.

Driving Innovation with Insurance Technology

Fubon Insurance is all about the customer experience and has aggressively pursued insurance technology innovation and applications to provide more efficient service. 2020 saw the creation of a Digital Service Department and the introduction of RPA tools to handle paperwork,

freeing employees to engage in higher value tasks. In addition, the company joined an insurance industry "Preservation/Claims Alliance Chain" to simplify claims applications and the procedures for updating details on insurance policies to keep them valid. It also worked with hospitals in launching advance payments of claims for medical fees, optimizing the convenience of its services.

To help cushion the potential social impact of COVID-19, Fubon Insurance led the industry in rolling out "Epidemic Salary Payment Insurance" for companies and an "Epidemic Guardian" insurance policy for individuals to offer financial support amid the outbreak and harness the positive energy of insurance as a stabilizing force in society.

Overseas Businesses Take Major Strides

Beyond deepening its roots at home, Fubon Insurance continues to expand its overseas network that now consists of subsidiaries in China and Vietnam, brokerage units in Thailand and the Philippines, and representative offices in Beijing, Malaysia, and Indonesia. Fubon Insurance (Vietnam), headquartered in Ho Chi Minh City with branches in Hanoi and Binh Duong, embraces the professional service standards seen in Taiwan to help local customers and overseas

Taiwanese businesses protect their assets. Its written premium totaled 581.2 billion dong in 2020.

Fubon Property & Casualty Insurance, based in Xiamen, has 62 service locations spanning Fujian, Sichuan, Chongqing, Liaoning and Dalian. Serving as a professional risk consultant, it has introduced specialized disaster and loss control services from Taiwan to help customers mitigate risks while at the same time stressing localized service. It had written premium of 1.22 billion yuan in 2020, ranking 14th among all foreign-invested P&C insurers in China.

Acting Sustainably, Solidifying ESG Disclosures

In 2020, Fubon Insurance set a new milestone for sustainable insurance when it issued a bilingual Principles for Sustainable Insurance Report. It also created a bilingual CSR section on its website focusing on four themes: environmental protection, social inputs, corporate governance, and sustainable insurance. These steps reflect the company's long-term commitment to ESG practices and strengthening of communications with stakeholders, all with the aim of using the influence of the financial sector to promote sustainable industrial development.



President Tsai Ing-wen (left) presents a Taiwan Corporate Sustainability Award to Fubon Insurance Chairman Ben Chen.



Fubon Insurance President Jason C.M. Lo (center) appears at a press event to announce his firm's support for competitors in a mountain marathon.



Fubon Insurance is honored as the Most Admired P&C Insurance Company for a 20th straight year. Insurance Bureau Director-General Shih Chiung-hwa (right) presents the award.

FUBON SECURITIES

As COVID-19 roiled markets in 2020, Fubon Securities performed well across its many business lines because of its steady service and comprehensive wealth management offerings. The brokerage, overall securities lending, and bilateral securities lending businesses all ranked in the top three in market share, and unrestricted loans and the mutual fund, overseas bond, and overseas stock businesses continued to grow. Underwriting momentum remained strong, with emerging market volume and SPO underwriting market share both ranking second in the industry, and the market share for underwriting NTD-denominated bonds climbed to 8.8%.

Global Recognition as Net Profit Hits New High

These robust performances led to a 44.87% year-over-year increase in net profit in 2020 to NT\$4.20 billion, the highest in the company's 33-year history. Fubon Securities also earned widespread recognition, winning the top prize for Best Wealth Management in Wealth Magazine's Wealth Management Survey, a Wealth Magazine Taiwan Financial Award for Best Brokerage Image, and the Best Brokerage in Taiwan award from The Asset for the third consecutive year.

11 Fintech Patents Driving Financial Inclusion

With the advent of continuous trading and intraday odd lot trading in 2020, Fubon Securities overhauled the structure of its information system to optimize its e-trading platform and upgrade its account opening and other functions. It not only earned 11 fintech-related patents but also boosted the share of transactions made digitally to 72.5%, and increased the number of new online accounts by 137%. In recognition of its fintech initiatives, Fubon Securities won a Wealth Magazine Taiwan Financial Award in the Fintech Innovative Application category for Best Fintech Securities Firm.

The development of cloud technologies, meanwhile, has lowered the threshold for certain types of investments, making wealth management services more accessible. In that vein, Fubon Securities has focused on the growing thirst for retirement planning services in recent years, offering overseas bond portfolio recommendations suited to providing monthly retirement annuities and ETN and ETF regular savings plans for young investors. Big data analytics have been used to further promote financial inclusion by successfully matching customers in each segment with the best

wealth management products for them. One of the company's products in this area, the "Fubon Big Apple Total Return Index ETN," was honored for Best Structured Investment and Financing Solution in the Equity category in The Asset's Triple A Private Capital Awards.

Building the Top Brand for Cross-border Service

Among Fubon Securities subsidiaries, Fubon Futures had another excellent year in 2020, earning a Diamond Award for Managed Futures Trading for the sixth straight year and taking second in the Diamond Award for Managed Futures Trading Volume. Fubon Securities Investment Services continued to serve as the group's research and resource integration center, providing insightful macroeconomic and industry research, investment strategies, and consulting services, and will play a major support role as Fubon consolidates its operations in Greater China.

In 2021, Fubon Securities will draw on its experience and fintech applications to strengthen its many businesses, help customers optimize their asset allocations, and provide investors with great service, creating greater value for each customer as its strides closer to becoming one of Asia's leading securities houses.



Taipei Mayor Ko Wen-je (right) tries out a Fubon Securities' stationary bicycle promoting the concept of sustained investment at a financial trade show.



Vice President Lai Ching-te (left) congratulates Fubon Securities President Leo Cheng after the company won three Wealth Magazine Taiwan Financial Awards.



Fubon Guardians Music Day, sponsored by Fubon Securities, is aimed at expanding public support for local sporting events.

FUBON ASSET MANAGEMENT

Intent on building a wide-ranging asset management platform, Fubon Asset Management has developed new overseas investment vehicles spanning five continents, including diverse stock, bond, and futures ETFs and unique thematic active managed funds, to satisfy the portfolio needs of even the most discerning investor. Discretionary investment management has been another area of emphasis, both in terms of pursuing opportunities to manage government funds and putting in place the necessary building blocks to take advantage of the emerging pension fund market. In view of the low interest-rate environment, meanwhile, the company has established a private equity subsidiary and identified REITs as an important target of development in the future.

Creating Sustainability-driven Stock Funds

As of the end of 2020, Fubon Asset Management had total AUM of NT\$316.8 billion, and funds managed in mutual funds had risen to NT\$295.4 billion, up from NT\$289.9 billion as of the end of 2019. Of those funds, NT\$229.6 billion was in ETFs, with assets in domestic equity ETFs growing 61%, faster than in any other ETF category and the number of beneficiaries doubling.



Fubon Asset Management and the Chung-Hua Institution for Economic Research hold a briefing on the findings of their study on retirement needs and ETF investments.

After the COVID-19 pandemic erupted, sustainable investment emerged as the new hot topic in investing around the world. Fubon Asset Management capitalized on this new wave by issuing the Fubon Taiwan Sustainable Development High Dividend Fund and raising more than NT\$6.1 billion in investment in the fund. With this product, the company became the only domestic asset management company to simultaneously manage both active and passive managed sustainability-oriented funds. It had previously launched the Fubon TWSE Corporate Governance 100 ETF in 2017, and when the sustainability boom hit in 2020, the fund was again a hit with investors. Its assets rose 55% to NT\$7.7 billion and the number of beneficiaries increased 63% to 55,000 people during the year.

Growth Leader in ETF Volume in 2020

Trading was brisk in ETF products in general. Though the COVID-19 disrupted global financial stock markets in 2020, volume in Fubon Asset Management ETFs soared. Fubon's two hottest Taiwan equity ETFs – the Fubon TWSE Corporate Governance 100 and the Fubon FTSE TWSE Taiwan 50 – had volumes of 790 million and 300 million shares during the year, up 170% and 250%, respectively, from



Fubon Asset Management wins an award at the 2020 TFF-Bloomberg Best Fund Awards.

2019, reflecting their popularity with investors. Fubon's top overseas ETFs – the Fubon SSE 180 Index and the Fubon SZSE 100 – were among the most traded original equity ETFs with volumes of 670 million and 570 million shares in 2020.

Going All in on Retirement Planning Services

Fubon Asset Management has commissioned the Chung-hua Institution for Economic Research to study the retirement planning habits of different generations since 2017. The results over the years have shown younger groups to be excessively conservative when preparing for retirement, with a relatively low mix of higher risk products in their portfolios. Given these findings, the company in 2020 looked to fulfill its responsibility as an asset manager and encourage the younger generation to get an early start on retirement planning. It rolled out recommended ETFs ideally suited for younger investors and organized an online forum with Unique Satellite TV to explain them, hoping to get young people to make use of ETFs in creating robust retirement portfolios.



Fubon Asset Management and Unique Satellite TV hold a "My Future Is not a Dream" online forum on retirement planning.

INVESTMENT MANAGEMENT GROUP

In 2020, the world faced an unprecedented crisis in dealing with COVID-19. After it took root around the globe starting in late February, countries took steps to slow the disease's spread, resulting in a major contraction of economic activity. Markets quickly retreated, setting off a period of extreme volatility not seen since the Global Financial Crisis, but they were soon stabilized after governments responded with large-scale monetary easing and fiscal stimulus policies to prop up their economies. Those moves, along with breakthroughs in vaccine development, led to a gradual recovery in the second half of 2020, and restored confidence that helped financial markets rebound.

Fubon Insurance / Fubon Life Seizing Opportunities, Success amid Volatility

Amid the volatile market environment, the investment teams of Fubon Insurance and Fubon Life were able to identify and capitalize on investment opportunities, forging excellent results. Fubon Life's investible funds rose 9% in 2020 to reach NT\$4.43 trillion by the end of the year, and its portfolio generated NT\$188.4 billion in investment income. Fubon Insurance saw its investible funds grow steadily, reaching NT\$92.7 billion by the end of 2020.

Global Economic Prospects

The COVID-19 crisis and related policy responses will continue to dictate economic trends in 2021. National governments will likely put new stimulus measures in place and maintain monetary easing, and the global economy should begin to recover as vaccines are distributed on a large scale, giving hope the disease can gradually be brought under control. The rate of recovery may differ, however, across different regions. If the United States and Europe can bring COVID-19 under control and pass strong stimulus bills, it will positively affect global growth. China, which has held the coronavirus in check, should see the strengthening of its economic structure as its 14th Five-Year Plan is deployed in 2021. In Taiwan, where COVID-19 was kept at bay and the economy performed well in 2020, recovering domestic and export demand should spur accelerated economic growth.

Though global economic prospects are expected to improve in 2021, considerable uncertainty remains. The investment teams of Fubon Insurance and Fubon Life will adjust asset allocations in response to market changes and maintain their focus on fixed income assets with steady returns and stocks in strong-performing industries. These strategies, along with strengthening

asset and liability management and respecting internal risk controls, will help sustain stable long-term investment returns.

Fubon Financial Holding Venture Capital

Fubon Financial Holding Venture Capital is mainly involved in creating new companies through joint ventures or investing in high-potential companies that have yet to go public. Targeted sectors include biotechnology and health care, information technology and electronics, cultural and creative businesses, renewable energy, public infrastructure, and financial services.

As of the end of 2020, direct investment totaled NT\$6.67 billion. Of that, NT\$2.10 billion was invested in biotechnology and health care, NT\$31million was in basic infrastructure, NT\$1.38 billion was in the cultural and creative sector and media channels, and NT\$557 million was in energy and environmental engineering companies. Another NT\$370 million was invested in the hospitality sector, NT\$1.40 billion was in information technology and e-commerce, NT\$271 million was in textiles, and NT\$557 million was invested in other fields.



A ceremony is held on Dec. 22, 2020 marking the start of construction on a new Fubon-invested hotel in Beitou, the Beitou Shinmin development project.



FUBON SPORTS & ENTERTAINMENT

Fubon Sports & Entertainment, a subsidiary of Fubon Financial Holdings unit Fubon Financial Holding Venture Capital, embodies the passion and commitment Fubon has long shown for sports development in Taiwan. It is the only company in Taiwan to own and operate both a professional basketball and baseball team at the highest levels of competition – the Taipei Fubon Braves in the P. League+ and the Fubon Guardians in the Chinese Professional Baseball League (CPBL).

Fubon Braves: Igniting Enthusiasm, Passion

Fubon Sports & Entertainment took over a Super Basketball League (SBL) franchise in 2014 and rebranded it the Fubon Braves. During the Braves' five seasons in the league, they reached the SBL finals twice and finally captured their first league title in the 2018-2019 season. Beyond winning titles, however, the Braves have also aspired to energizing Taiwan's basketball culture and elevating the sport's profile, and the club announced in August 2019 it would compete in the ASEAN Basketball League in pursuit of that goal. The team was renamed the "Taipei Fubon Braves" with the support of the Taipei City government, and it chose the modern Taipei Heping Basketball Gymnasium as its home venue, determined to build real home

court advantage. The great in-game experience created by the club drew large crowds, with five of eight home games in the 7,000-seat arena selling out and total attendance averaging 96% of capacity.

The Braves rekindled passion for basketball in Taiwan, but unfortunately the ABL season was cut short in early 2020 by the COVID-19 pandemic. Unwilling to lose the momentum created, the Fubon Braves decided to help form and compete in Taiwan's new pro basketball league, the P. League+, in late 2020, and the team played to sellout crowds in its first four home games.

Intent on forging a better basketball environment at home and making Taiwan more competitive internationally in the sport, the Fubon Braves hope to become a model franchise as they pursue their vision of emerging as one of Asia's leading basketball clubs.

Fubon Guardians: Fight On!

Formally founded on Nov. 1, 2016, the Fubon Guardians adopted a royal blue logo featuring an armored knight in a helmet as its team logo, and its founding date (11/1) symbolizes the Guardians' pursuit of the No. 1 record, No. 1 image and No. 1 fan base.

Early in 2020, the coronavirus erupted around the globe, putting a halt to most sports competitions. But through the concerted efforts of Taiwan's people, the CPBL was able to open its regular season only a month late in mid-April, and the Guardians spread their positive energy around the globe through English broadcasts of their games. After getting the approval of health authorities, the Guardians on May 8 became the first baseball team in the world to allow in fans, setting a major milestone for Taiwan.

To firmly anchor the franchise in its home market, Fubon secured the rights to operate Xinzhuang Baseball Stadium for 10 years in 2017 and invested a considerable amount in renovating the facility and turning it into the team's home fortress. In 2018, the facility's locker rooms, seats and bathrooms were upgraded and invisible safety netting was installed to protect fans. In 2019, a second big outfield screen and a platform for cheerleaders in front of the stadium's infield seating were installed to provide an even better fan experience. In 2020, team signed an MOU with the Chiayi County government to make Chiayi City Municipal Stadium its home base for spring training and fall workouts, laying a stronger foundation for team's future success.



Fubon Group Chairman Daniel M. Tsai (4th from right), Health Minister Chen Shih-chung (center) and New Taipei City Mayor Hou Yu-ih (4th from left) attended the first pro baseball game attended by fans on May 8, 2020.



The Taipei Fubon Braves did well in their first ASEAN Basketball League season. Five of eight home games drew capacity crowds, and overall 96% of all seats were sold.



Thousands of fans attended a Fubon Guardians home game despite the restrictions in place to prevent the spread of COVID-19.



DYNAMIC FUBON CREATING A COMMON GOOD

Fubon Charity Foundation
Fubon Cultural and Educational Foundation
Fubon Art Foundation
Taipei Fubon Bank Charity Foundation
Shanghai Fubon Charity Foundation



CHANGING THE WORLD ONE STEP AT A TIME

Fubon Financial Holdings acts as a “social catalyst,” embracing corporate social responsibility. Through ethical management practices and forward thinking, we have emerged as a positive force in the financial sector, committed to creating a common good.

2020 Annual Report

FUBON CHARITY FOUNDATION

The Fubon Charity Foundation, the Fubon Group's first philanthropic undertaking, has helped economically and socially disadvantaged groups around Taiwan for the past 32 years. The foundation expresses Fubon's corporate social responsibility through several initiatives.

“Making Friends with Love”: Raised NT\$113,451,000 in 2020, helping 15,700 students from economically disadvantaged families continue their studies. A related program helped provide 174,800 meals for 600 students in remote areas and held 12 cooking classes to teach youngsters lifelong skills.

“Exchanging Points for Love”: Initiative held with Taipei Fubon Bank raised NT\$893,600 in donations distributed to 13 social welfare groups.

“Emergency Relief Fund”: Activities include emergency support for individuals, medical fund accounts, education funds for survivors of deadly earthquakes in 1999 and 2016, a scholarship program for children who had a parent die helping others after Typhoon Morakot, microinsurance programs, the Genesis Social Welfare Foundation “Han Shi Chi Bao 30,” a COVID-19 care plan for medical workers, and a “poverty-busting” savings program in Hualien and Hsinchu. The fund contributed NT\$32,887,241 to help 44,939 individuals and groups in 2020.

“Fubon Volunteer Association”: Ran the “Give a Wish, Build a Future” campaign that fulfilled the wishes of 8,087 students and plugged resource gaps at 13 schools; and organized 32 blood drives, collecting 5,214 bags, or 1.30 million c.c., of blood. Association branches held 28 community-oriented events. The “Tree Painting Fun” Volunteers Day event, held with Fubon Financial Holdings, had 200 volunteers join with underprivileged students in artistic activities. In all, 4,032 Fubon volunteers contributed 19,523 hours of service to charitable activities.

“Fubon Social Welfare Ambassador”: Backed 175 initiatives to help nonprofits/social enterprises, and the 10 best as voted online received an extra NT\$30,000 to NT\$50,000 for their causes.



The team managed by Fubon Guardians' star Shen Hao-wei wins the Guardians' baseball camp league's title game.

FUBON CULTURAL & EDUCATIONAL FOUNDATION

Founded in 1990, the Fubon Cultural & Educational Foundation received a Ministry of Education Arts Education Contribution Award in 2020 for its major contributions, welcome recognition for the foundation's sustained educational support for teenagers.

"Youth empowerment," "media literacy," and "Fubon group cooperation" were the main focal points of 2020.

"Youth empowerment" initiatives echoed the tilt toward competency development in the 2019 national curriculum guidelines. The "Young Voice" program set up "human rights" and "ocean" workshops and teamed up with National Chengchi University on a "Creation · Freedom" platform that helped 578 teenagers improve their general abilities through discussion and hands-on training. The "Storytelling Club" again created an understanding and inclusive atmosphere in which children aged 8-12 are willing to tell their life stories that are then used to produce high-quality documentaries about children.

The "National Rolling Film School" was a centerpiece of the media literacy program, collaborating with schools and film festivals on "Young Film Classes" and with National Central University on a "Film Research Center" to build the skills of 1,047 students in appreciating and interpreting films. A "momo mini Family Theater" was launched, connecting online channels "myVideo," "MOMO Kids," and "MOMOTV" and 12 offline theaters, to screen rare, high-quality international children's films. Radio show "Staying Young" was nominated for a 2020 Golden Bell Award for Best Children's Program.

In terms of group cooperation, the Future Tycoon Outreach Program, a partnership with Taipei Fubon Bank, went to 19 elementary schools to impart healthy attitudes toward money and made three animations to help students understand international economic topics. Through the Fubon EDU initiative, Fubon companies set up farm vending machines internally to sell fresh produce, and 13 farm experiences were organized, all to promote a virtuous cycle of sustainability.



The momo mini family theater, with its online and offline features, gets parents and children to enjoy movies together and promotes film education.



A "Young Voice" class strengthening human rights awareness relies on discussions and hands-on exercises to make students better citizens.

FUBON ART FOUNDATION

Climate change and the COVID-19 pandemic have led people to search for stability and hope in their lives and ponder how to maintain social interaction and economic activity. As a champion of art and aesthetics, the Fubon Art Foundation has continued to advocate the power of positive thinking through the beauty and special meaning of art.

In 2020, the foundation used design to embellish Fubon's corporate diary with the visual flair of art. In anticipation of the Year of the Ox, it also rekindled its collaboration with the world-renowned Cow Parade public art event, created stunning red envelopes that appealed for bullish trends to reverse recent difficulties, and teamed up with the momo e-commerce shopping channel to market nearly 100 artistic ox-themed items as lucky New Year ornaments. Another initiative, the "Art Chopsticks" project, turned the wood from broken baseball bats into elegant chopsticks, while enlisting athletes and corporate executives to convey the importance of cherishing resources, promoting sustainability, and protecting the environment. Entering its 20th year, the Fubon Forum was transformed into a digital lecture hall, providing a broad range of cultural and artistic content for home audiences to access through mobile phones, social media and the platforms of affiliated companies.

The foundation, which expects to open the Fubon Art Museum in 2023, also spent time thinking about the role and social responsibilities of art museums in the future. It envisions enhancing the foundation's brand and image through the new museum and sees it as a base for nurturing younger generations by introducing international perspectives and talent from which Taiwan can learn. In effect, the Fubon Art Museum is poised to be a talent incubator and a catalyst for a better tomorrow.

Though the Fubon Art Foundation has suffered setbacks, it has emerged from them more courageous, constantly improving and learning, and preparing to be better. That is the power of positive energy.



The fall session of the "Fubon Forum" lecture series went online, giving the public access to a wealth of art-related content without time or place constraints.



The "Art Chopsticks" campaign turned wood from baseball bats broken during games or workouts into practical and eco-friendly eating utensils.



TAIPEI FUBON BANK CHARITY FOUNDATION

The Taipei Fubon Bank Charity Foundation is dedicated to mobilizing support for the socially disadvantaged and caring for the elderly, people with disabilities, and social causes.

In 2020, the foundation held a special exhibition for winners of the Taipei Fubon Bank Artistic Achievement Awards for the Disabled to highlight life's possibilities. Beyond the physical exhibition, it was also held online for the first time. A new "Fubon Jiazi Singing Competition" was organized to champion healthy living and interpersonal interaction. The 641 people who signed up for the contest were divided into two age divisions (60s and 70s) depending on their fitness levels, and they took advantage of the festive atmosphere to deliver winning performances. A "Fubon Home Bathing Service" was launched in collaboration with local medically oriented groups and professional nurses and caregivers to provide bathing and nursing services for people who are paralyzed or seniors living in remote mountain areas.

"The Happy Train Program" again joined with local elderly care groups to organize five outings on Seniors Day, creating the chance for older people to interact enjoyably with others, and the "Give Family Caregivers a Breather" program held 104 events to ease the stress of family caregivers. The All-Love Orchestra, made up of Artistic Achievement Award winners, exuded the power of life in the 10 concerts it played in 2020. Fubon's "Music Therapy Initiative" on dementia joined with Taipei Veterans General Hospital, the Taipei Rosyclouds Foundation for Education and the Taipei Veterans Home on a study published in the journal Medical Science Monitor on "Group Music Intervention Using Percussion Instruments to Reduce Anxiety among Elderly Male Veterans with Alzheimer's Disease."

The foundation will continue to spread positive energy in society by holding the 10th Artistic Achievement Awards for the Disabled, the Fubon Jiazi Cup, and the Give Family Caregivers a Breather program in 2021.



Taipei Fubon Bank Charity Foundation Director-General Paul Chai (3rd from left) and members of the Kernel of Wheat Foundation launch the Fubon Home Bathing initiative.



Participants in an exhibition of works from the Taipei Artistic Achievement Awards for the Disabled pose for a group photo at the show's opening ceremony.

SHANGHAI FUBON CHARITY FOUNDATION

The Shanghai Fubon Charity Foundation engaged in its many social welfare initiatives in 2020 with a particular focus on the themes of "galvanizing strength" and "building the future."

Fighting COVID-19: Donated 550,000 yuan to the Wuhan Charity Federation and preventive gear and daily supplies worth nearly 1 million yuan to communities in Hubei province.

"Fubon Seniors Protection Program": Held symbolic relays to protect the elderly from accidents and spread love; a special activity zone for senior citizens was set up in Xinzhou District in Wuhan during the pandemic to help participating seniors maintain their physical and mental health.

"Helping Students, Building Dream Futures": Set up reading rooms, communication rooms (where students could speak with parents who were away working), and computer facilities and donated quilts and winter supplies as well as "One Yuan Student Restaurants" to nine schools in Qinghai, Yunnan, Sichuan, Jiangsu, Tianjin, Hubei, Guizhou and Heilongjiang.

"Education Assistance": Joined with districts, villages and schools in Tianjin, Suzhou, Nanjing, Shanxi, Shaanxi, Hubei and Sichuan to hold funded "Convey Love, Bring Dreams Closer" activities.

"Inner Mongolia Program to Beat Poverty": Continued to back the China Banking and Insurance Regulatory Commission's call to reduce poverty and support the Fubon Bank (China) union's anti-poverty drive by buying agricultural products and distributing them to bank employees and helping open special agricultural markets in support of economically vulnerable farmers.

"Migrant Children Initiative": Held several series of activities, centered on helping students cope with emotional ups and downs during the epidemic; helping children deal even-handedly with the epidemic by managing their emotions and relieving stress; and marshaling forces to foster harmonious and safe campuses.

The flame of Fubon Bank (China)'s philanthropic journey will always burn brightly.



The Shanghai Fubon Charity Foundation donates epidemic prevention supplies and other basic goods worth nearly 1 million renminbi.



The Shanghai Fubon Charity Foundation donates epidemic prevention supplies and other basic goods worth nearly 1 million renminbi.

FUBON'S THREE PRINCIPLES

INTEGRITY, DILIGENCE, MODESTY

誠 勤 謙
信 儉 和
— — —
為 為 為
做 立 修
人 業 身
處 成 詩
世 功 人
之 之 之
本 本 本

Fubon traces its roots to 1961 when Fubon Insurance, formerly known as Cathay Insurance, began operations as Taiwan's first private P&C insurance company. Over the past 60 years, Fubon has grown into one of Taiwan's largest conglomerates and gradually moved into other markets in Asia, while creating the industry's leading sustainable finance brand.

In 1985, Mr. Wan-Tsai Tsai, the late founder of the Fubon Group, articulated three principles — integrity, diligence and modesty — to be followed at both the personal and corporate level. He defined integrity as the foundation for one's conduct, diligence as the foundation for successful entrepreneurship, and modesty as the foundation for cultivating one's nature and dealing with people. Setting the example himself, Mr. Tsai encouraged every employee to put these principles into action. These three

principles have served as key building blocks of the group's successful growth, cornerstones of its sustainable development, and important pillars of Fubon's corporate culture.

Mr. Tsai believed that integrity was exhibited by being trustworthy and using judgment and common sense in making business decisions. He felt a financial company must strive to act with integrity as clients trust it to be a good steward of their assets. Without trust, a business cannot succeed. A highly valued traditional virtue, diligence has been embedded in Fubon's corporate culture and embraced by all employees, whose dedication and hard work enable Fubon to build leading positions in various markets. Thrift, an important component of diligence, stands for more than frugality.



Wan-Tsai Tsai

Founder and Former Chairman
Fubon Group

Controlling risk is a form of thrift, because risks originate from greed, and thrift precludes greed. Risk management that eliminates greed will inevitably be effective. Modesty is the quality of being humble and unpretentious, and being tougher on oneself than on others as a business grows more successful.

Over the past 60 years, Fubon Financial Holdings has focused on forging the most comprehensive financial services platform in the industry while actively building a presence in Asia. Those efforts have earned the company a spot in the Fortune Global 500 three years running and resulted in a roster of subsidiaries that rank among the top performers in their respective sectors. Fubon is now the second largest financial holding company in Taiwan with more than NT\$9 trillion in assets as of the end of 2020 and has led the

industry in profitability based on earnings per share 12 years in a row.

Looking ahead, Fubon will continue to uphold its three principles and apply its four core values of integrity, sincerity, professionalism and innovation as it strengthens its presence in Taiwan and moves into Asian markets. These values will also guide Fubon's efforts to act responsibly as a corporate citizen, including promoting the Fubon ESG Visioning Project and spreading positive energy, as it moves closer to its vision of becoming one of Asia's first-class financial institutions.

Board of Directors

Chairman

Richard M. Tsai
Fubon Financial Holdings

Directors

Daniel M. Tsai
Chairman
Fubon Bank (Hong Kong)

Independent Directors

Ming-Je Tang
Independent Director
MediaTek Inc.

Shin-Min Chen
Adjunct Chair Professor
Department of Law
Fujen Catholic University

Shu-Hsing Li
Professor, College of Management
Department of Accounting
National Taiwan University

Alan Wang
Independent Director
Fubon Life

Jung-Feng Chang
Chairman
Taiwan Association of Strategic
Simulation

Roy Chun Lee
Deputy Director
Taiwan WTO and RTA Center
Chung-Hua Institution for Economic
Research Committee member

Directors

Jia-Jen Chen
Commissioner
Department of Finance
Taipei City Government

Hsiu-Hui Yuan
Commissioner
Department of Legal Affairs
Taipei City Government

Ruey-Cherng Cheng
Commissioner
Department of Budget,
Accounting and Statistics
Taipei City Government

Eric Chen
Chairman
Taipei Fubon Bank

Howard Lin
Vice Chairman
Fubon Life

Ben Chen
Chairman
Fubon Insurance

Jerry Harn
President
Fubon Financial Holdings

Management Committee

Richard M. Tsai
Chairman
Fubon Financial Holdings

Daniel M. Tsai
Chairman
Fubon Bank (Hong Kong)

Jerry Harn
President
Fubon Financial Holdings

Eric Chen
Chairman
Taipei Fubon Bank

Roman Cheng
President
Taipei Fubon Bank

Ben Chen
Chairman
Fubon Insurance

Howard Lin
Vice Chairman
Fubon Life

Benson Chen
President
Fubon Life

Gang Shyy
Chairman
Fubon Asset Management

Raymond Lee
Chief Executive Officer
Fubon Bank (Hong Kong)

Lixin Ma
Chairman
Fubon Bank (China)

(Information above as April 30th 2021)

**Fubon Financial Holding Co., Ltd.**

Year of Founding: Dec. 2001
Chairman: Richard M. Tsai
President: Jerry Harn
Capital: NT\$115 Billion
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Taipei Taiwan
Tel: (8862) 6636-6636
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www.fubon.com

Fubon Life Insurance Co., Ltd.

Year of Founding: July 1987
Chairman: Richard M. Tsai
President: Benson Chen
Capital: NT\$110.83 Billion
108 Section 1 Dunhua S Road
Taipei Taiwan
Tel: (8862) 8771-6699
Fax: (8862) 8809-8889
www.fubon.com

* Aetna Life Insurance Company of America, Taiwan Branch was established in 1987 and then bought by ING Group in 2000 and renamed ING Life Taiwan. The branch became an ING Life subsidiary in 2006, which was later bought by the Fubon Group. Fubon Life was launched in 1993. The two insurers formally merged in 2009.

Taipei Fubon Commercial Bank Co., Ltd.

Year of Founding: Apr. 1969
Chairman: Eric Chen
President: Roman Cheng
Capital: NT\$122.56 Billion
169 Section 4 Ren Ai Road Taipei Taiwan
Tel: (8862) 2771-6699
Fax: (8862) 6638-3812
www.fubon.com

Fubon Bank (Hong Kong) Limited

Year of Founding: Jan. 1970
Chairman: Daniel M. Tsai
Chief Executive Officer: Raymond Lee
Capital: HK\$4.83 Billion
38 Des Voeux Road Central Hong Kong
Tel: (852) 2842-6222
Fax: (852) 2810-1483
www.fubonbank.com.hk

Fubon Bank (China) Co., Ltd.

Year of Founding: March 1997
Chairman: Lixin Ma
President: Feng Chen
Capital: RMB 2.1 Billion
1-3F 5F 18-20F Oriental Financial Plaza
Tower A 1168 Century Avenue
Pudong Shanghai P.R.C.
Tel: (8621) 2061-9888
Fax: (8621) 5840-9900
www.fubonchina.com

Fubon Insurance Co., Ltd.

Year of Founding: April 1961
Chairman: Ben Chen
President: Jason C.M. Lo
Capital: NT\$3.18 Billion
237 Section 1 Jianguo S Road
Taipei Taiwan
Tel: (8862) 6636-7890
Fax: (8862) 2325-4723
www.fubon.com

Fubon Securities Co., Ltd.

Year of Founding: July 1988
Chairman: Jerry Harn
President: Leo Cheng
Capital: NT\$10.64 Billion
169 Section 4 Ren Ai Road Taipei Taiwan
Tel: (8862) 8771-6888
Fax: (8862) 8771-6636
www.fubon.com

Fubon Securities Investment Services Co., Ltd.

Year of Founding: May 1987
Chairman: Charles Hsiao
President: Peter Cheng
Capital: NT\$90 Million
108 Section 1 Dunhua S Road
Taipei Taiwan
Tel: (8862) 2781-5995
Fax: (8862) 2773-5601
www.fubon.com

Fubon Futures Co., Ltd.

Year of Founding: May 1998
Chairman: Raymond Yang
President: Phoebe Chang
Capital: NT\$1.4 Billion
3F 9 Xiangyang Road Taipei Taiwan
Tel: (8862) 2388-2626
Fax: (8862) 2370-1110
www.fubon.com

Fubon Asset Management Co., Ltd.

Year of Founding: Sep. 1992
Chairman: Gang Shyy
President: Ming M.C. Lee
Capital: NT\$2.5 Billion
108 Section 1 Dunhua S Road
Taipei Taiwan
Tel: (8862) 8771-6688
Fax: (8862) 8771-6788
www.fubon.com

Fubon Direct Marketing Consulting Co., Ltd.

Year of Founding: Aug. 1997
Chairman: Fred Juang
President: Alex Yeh
Capital: NT\$145 Million
17F 9 Xiangyang Road Taipei Taiwan
Tel: (8862) 2370-5199
Fax: (8862) 2370-5100
www.fubon.com

Fubon Financial Holding Venture Capital Corp.

Year of Founding: Oct. 2003
Chairman: Daniel M. Tsai
President: Chris Tsai
Capital: NT\$5.64 Billion
108 Section 1 Dunhua S Road
Taipei Taiwan
Tel: (8862) 6606-9088
Fax: (8862) 8771-4697
www.fubon.com

Fubon Sports & Entertainment Co., Ltd.

Year of Founding: Sep. 2007
Chairman: Chris Tsai
President: Joyce Chen
Capital: NT\$102 Million
108 Section 1 Dunhua S Road
Taipei Taiwan
Tel: (8862) 6606-9088
Fax: (8862) 8771-4697
www.fubon.com

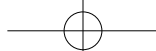
* Taiwan Mobile Basketball was founded in September 2007 and renamed Fubon Sports & Entertainment in September 2014.

Fubon AMC, Ltd.

Year of Founding: Aug. 2004
Chairman: Chu-min Hong
Acting President: Wenshing Hung
Capital: NT\$2.5 Billion
50 Section 2 Zhongshan N Road
Taipei Taiwan
Tel: (8862) 6618-0588
Fax: (8862) 6608-0166
www.fubon.com

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