

# 元年

2001 ANNUAL REPORT

INFRASTRUCTURE

INDIVIDUALS

INFORMATION



*Message to Shareholders 2*

*The Birth of Fubon Financial 8*

*Business Operations 15*

*Fubon Insurance 15*

*Fubon Securities 18*

*Fubon Bank 25*

*Fubon Life 29*

*Milestones 34*

*Charitable Services 36*

*Financial Report 43*

## FINANCIAL HIGHLIGHTS

*In NT\$ Thousand*

2000

2001

<b>Fubon Financial</b>		
<b>Revenues</b>	82,891,642	103,355,494
<b>Shareholders' Equity</b>	91,471,184	101,509,431
<b>Net Profit</b>	5,453,189	8,922,524
<b>Total Assets</b>	413,565,011	462,654,480

<b>Fubon Insurance</b>		
<b>Revenues</b>	37,828,564	41,864,679
<b>Shareholders' Equity</b>	39,555,004	38,611,756
<b>Net Profit</b>	2,617,536	2,081,356
<b>Total Assets</b>	70,779,831	77,206,524

<b>Fubon Securities</b>		
<b>Revenues</b>	7,584,968	8,168,816
<b>Shareholders' Equity</b>	27,800,697	38,225,284
<b>Net Profit</b>	1,365,766	3,022,452
<b>Total Assets</b>	51,745,819	66,349,853

<b>Fubon Bank</b>		
<b>Revenues</b>	19,022,928	21,503,884
<b>Shareholders' Equity</b>	26,098,017	29,476,247
<b>Net Profit</b>	2,215,046	2,949,298
<b>Total Assets</b>	267,074,853	270,713,416

<b>Fubon Life</b>		
<b>Revenues</b>	18,676,197	32,207,383
<b>Shareholders' Equity</b>	6,763,134	8,492,569
<b>Net Profit</b>	(919,489)	900,219
<b>Total Assets</b>	43,142,630	68,518,223

---

## MESSAGE TO SHAREHOLDERS

In the government's call for financial reform last year, one of the focus efforts was pushing the Financial Holding Company Law through the legislature. Drafted by the Ministry of Finance with the aims to enhance the synergy of financial institutions so as to strengthen the unified supervision of cross-industry operation and to promote the sound development of financial markets, the Financial Holding Company Law was promulgated on November 1, 2001, signifying the initiation of financial reform in Taiwan.

*As a forty years old business dedicating to operations in the financial fields, Fubon Group has long been poised to make the moves.*

*On December 19, 2001, the Fubon Financial Holding Company was listed on Taiwan Stock Exchange. It was one of the first batch of financial holding companies established in Taiwan. The year marks the first year of Fubon Financial and the dawn of a new era, in which Taiwan's financial industry undergoes rebirth.*

*It is not by luck that Fubon Financial was among the first financial holding companies established in Taiwan. Fubon has been moving in the direction of a "financial department store" over a decade ago and committed to addressing investing needs of the public. The prompt establishment of a financial holding*

*company which integrates products and channels covering life and non-life insurance, bank, and securities industries represents the harvest time after ten years of solid efforts. Constrained by the Financial Holding Company Law, Fubon Asset Management was left out of the holding company when it was first established. But we've planned to incorporate it into the system sometime this year to render our services more comprehensive.*

*Even in the preparation stage, Fubon Financial has been viewed to hold the greatest potential by domestic and foreign investors alike. The Citigroup bought 15% interest of Fubon Group for US\$810 million in 2000, its largest investment outside Japan in Asia, which turns Fubon a strategic alliance partner of Citigroup*



*Fubon Financial Management Team*

*in Asia. Fubon Financial also successfully completed the largest overseas issue of convertible bonds by a Taiwanese company in April 2002. With transaction ten times oversubscribed, we were able to raise US\$430 million in one day.*

*We are also confident of the prospect of being the most competitive financial holding company in Taiwan. This confidence is backed up by the fact that each and every subsidiary under the holding company is the market leader in their respective field. Fubon Insurance is by far the top player in the property and casualty insurance mar-*

*ket with close to 20% market share, twice as much as that of the runner up; Fubon Securities is the second largest securities firm in Taiwan with 6.5% market share in brokerage business, less than one percentage point behind the top player; Fubon Bank is the best-performing new bank, and has the largest net value among new banks in Taiwan with average pre-tax profit growth of 35% in the past three years; Fubon Life ranked the sixth largest life insurers in Taiwan by premium income and among the top five insurers if ranked by first-year premium income. We can say that Fubon Financial Holding Company is*

*a dream team owning a fleet of strong "star companies."*

*The profit picture of Fubon Financial subsidiaries is also quite impressive. In 2001, the revenues of Fubon Insurance, Fubon Bank, Fubon Securities, and Fubon Life were respectively NT\$41.9 billion, NT\$21.5 billion, NT\$8.2 billion and NT\$32.2 billion, and their net income was respectively NT\$2.1 billion, NT\$2.9 billion, NT\$3.0 billion and NT\$900 million. On a consolidation basis, Fubon Financial and its subsidiaries generated total revenues of NT\$103.4 billion, net income*



NT\$8.9 billion, and NT\$1.8 earning per share in 2001.

Our confidence also comes from the competitive edges brought about by the networking under the holding company. After the integration of resources, we will own the most diversified products and marketing channels, all under the highly recognized brandname of "Fubon", making cross selling easier. In addition, cost saving under the economy of scale will

relationship management (CRM) to provide target customers with fast and convenient services. With a base of more than four million strong customers and being one of the financial groups owning the greatest number of customers in Taiwan, we will continue to enlarge our customer base, maintain our position as market leader, and enhance customer loyalty.

We intend to implement our strategy through 3I, namely, Infrastructure,

**Fubon Financial was listed on Taiwan Stock Exchange on December 19, 2001, becoming one of the first batch of financial holding companies established in Taiwan. The year marks the beginning of Fubon Financial, and the dawn of a new era, in which Taiwan's financial industry undergoes rebirth.**

also be substantial. More importantly, capital efficiency will be optimized with excess capital of respective subsidiary transferred to the holding company for more effective allocation and providing solid back-up in future merger and acquisition or expansion.

In the face of a brand new market environment, our main strategy is to make good use of our existing advantages. That is, combining our extensive product lines and marketing network, employees equipped with cross selling knowledge and skills, and information tools, such as customer

Individuals and information.

Fubon Financial was listed on Taiwan Stock Exchange on December 19, 2001, becoming one of the first batch of financial holding companies established in Taiwan. The year marks the beginning of Fubon Financial, and the dawn of a new era, in which Taiwan's financial industry undergoes rebirth.

---

### **Infrastructure**

The enactment of Financial Holding Company Law removes the restriction of cross selling, making Fubon one of the financial groups

---

with the most extensive marketing network. We have approximately three hundred branches, two hundred units of ATM and a workforce of over eight thousand strong personnel, and plan to set up a large number of branch offices combining the securities and banking businesses this year. We will continue to undergo integration within the organization to build an infrastructure that satisfies the "one stop shopping" needs of customers.

---

### **Individuals**

Our manpower advantages lie in high-quality personnel, and more importantly, employee consensus. Many employees have been with Fubon for a long time, firmly observe our business philosophy of "trustworthiness, sincerity, professionalism, and innovativeness" and share the company's vision. This will make personnel communication, exchange and integration within the organization far easier than other financial holding companies comprised of businesses of different culture. Fubon has long encouraged its subsidiaries to embark on integrated marketing. As a result, we have fostered many business personnel owning licenses in banking, insurance and investment professions simultaneously, and having knowledge and experience

in cross selling. These human resources provide the most vital assets as Fubon becomes an comprehensive financial service provider.

---

### **Information**

The primary purpose of establishing a holding company is to promote customer-oriented cross selling, which is predicated upon knowing your customers through the aid of information technology. We embarked on the CRM system project two years ago, and our customer data warehouse completed its first-stage implementation in June 2001, allowing Fubon Financial to undergo customer analysis immediately after its inception, based on which many cross selling programs are introduced. The second-stage implementation of the data warehouse is slated for completion this year. Our subsidiaries may access this data warehouse to understand our customer better and carry out better follow-up and management of products sold through different channels.

Aside from relying on the three pillars – Infrastructure, Individuals and Information to carry ourselves forward, we emulate the practice of Citigroup by establishing a management committee as an effective mechanism that guides the subsidiaries forward in sync in strategy formulation, communication,



---

***Fubon Financial raised US\$430 million in the issue of convertible bonds. This is the first overseas issue of convertible bonds by a financial institution in Taiwan, also the largest issue of its kind in the history of Taiwan.***

*coordination and integration. Members of this management team include Chairman Chen S. Yu, two co-CEOs—Daniel Tsai and Richard Tsai, CFO Victor Kung, CSO Wing-Fai Ng, and presidents of the subsidiaries—Tsan-Ming Shih, Kong-Liang Yeh, Chuan-Hsi Wang, and Pen-Yuan Cheng.*

*Under the framework of financial holding company, each subsidiary remains an independent operation as provided by law. But to maximize the corporate synergy, we hope to break the boundary of respective subsidiary through the working of the management committee and set up customer-oriented selling and service processes.*

*Aspiring to become the leader of Taiwan's financial industry, Fubon continues to carry on the vision of "let the world come in and let Fubon go out", and the strategic partnership with Citigroup takes us a step farther in internationalizing our operations. Fubon will form joint venture with Citigroup to develop the Asian insurance market together, and the first project, a life*

*insurance company in Hong Kong will start operation this year.*

*With the aim of becoming a financial holding company of international caliber, we practice corporate governance with the election of two external directors to the board in February 2002, making us the first listed company in Taiwan that adopts the external director system. It will help enhance the transparency of board operation and boost investor's confidence.*

*The curtain of Fubon Financial has been drawn. We would like to thank all employees of Fubon for their tremendous efforts in the past many years. That is why we have the opportunity today to work as a team under the framework of a holding company to continue our work in an era full of vicissitude and challenges. We also would like to present this annual report to our customers and shareholders.*

*Chairman, Chen S. Yu  
Co CEO, Daniel Tsai  
Co CEO, Richard Tsai*



**Fubon Financial  
Management Team**



*Chen S. Yu  
Chairman*



*Daniel Tsai  
Co-CEO*



*Richard Tsai  
Co-CEO*



*Tsan-Ming Shih  
President,  
Fubon Insurance*



*Kung-Liang Yeh  
President,  
Fubon Securities*



*Chuan-Hsi Wang  
President,  
Fubon Bank*



*Peng-Yuan Cheng  
President  
Fubon Life*



*Eric Chou  
President,  
Fubon Asset Management*



*Victor Kung  
Chief Financial Officer*



*Wing-Fai Ng  
Chief Strategy Officer*

---

## THE BIRTH OF FUBON FINANCIAL



Fubon Financial Holding Company was formed through business assignment and share conversion of Fubon Insurance. Fubon Insurance was founded on April 19, 1951. In the past four decades, Fubon has made headway into the businesses of investment consulting, securities, banking, asset management, life insurance, securities financing, bills and futures, becoming a group enterprise providing the most comprehensive financial services in Taiwan.

*For the purposes of augmenting operating scale, optimizing capital management, lowering costs, and enhancing business performance and competitiveness, Fubon Insurance, Fubon Securities, Fubon Bank and Fubon Life decided to jointly form Fubon Financial. With the approval of their respective shareholders meeting held on October 26, 2001, Fubon Insurance assigned its major assets and liabilities to the newly established Fubon Insurance Co. by means of business assignment and share transfer, which then changed business and name to Fubon Financial Holding Co., Ltd. Fubon Securities, Fubon Bank, and Fubon Life converted their shares to Fubon Financial Holding Company at the same time. The entire conversion formalities were completed on December 19, 2001. On the same day, Fubon Financial became the first holding company listed on Tai-*

*wan Stock Exchange (stock code 2881).*

---

### **Business Philosophy**

*To fulfill its objective of cross-industry operation, a financial holding company needs its subsidiaries in different business to work in unity. That is, synergy among subsidiaries is particularly important in order to move things forward. All subsidiaries under Fubon Financial share the business philosophy and beliefs of Fubon Group, i.e. trustworthiness, sincerity, professionalism and innovativeness, and translate them into actions and practice.*

**Trustworthiness:** *Fubon serves its customers with consideration, promotes its business with a solid attitude and in a law-abiding manner, and fulfills its responsibility of a good corporate citizen.*

**Sincerity:** *Fubon employees serve customers with earnestness and warmth, and do their best to meet the needs of cus-*

---

tomers in observance of the guidelines of “respect customers and service first.”

**Professionalism:** The hardworking employees of Fubon are dedicated to their profession to assist customers in money management.

**Innovativeness:** Fubon constantly updates its facilities and equipment, and continuously develops new products to provide investors with a modern financial environment.

---

### **An Integral Business Structure**

Fubon Group started with property and casualty insurance business, and then moved into securities, banking, life insurance and asset management businesses to construct an extensive financial domain. Having four fully-owned subsidiaries in non-life insurance, securities, banking and life insurance, we are not merely complete in covering every aspect of financial domain. More importantly, all of our subsidiaries are comparable in scale, allowing mutual support and collaboration to be undertaken with relative ease.

---

### **Brilliant Performance**

Fubon Financial still turned out a brilliant performance in 2001 amidst the adverse economic climate. On a consolidation basis, Fubon Financial and its subsidiaries produced pre-tax profit of NT\$10,441 million in 2001 after writing off NT\$3.6 bil-

lion bad debt, up 55% as compared to the year before. Our net income in 2001 amounted to NT\$8,922 million, up 69% from 2000, and the EPS was NT\$1.8. The return on assets (ROA) and return on equity (ROE) were 2.03% and 9.24% respectively.

Bolstered by the effects of asset re-allocation, cross selling and cost saving, we expect Fubon Financial to benefit from the economy of scale and continue to enjoy impressive profits and growth. As a pledge to our shareholders, we will grow at least 10% ~ 15% in revenues with ROE raised to 12% in three years.

---

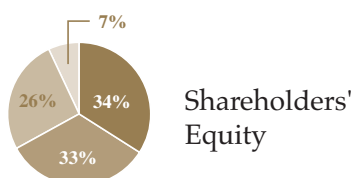
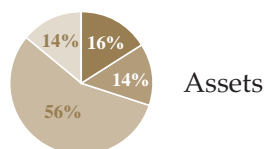
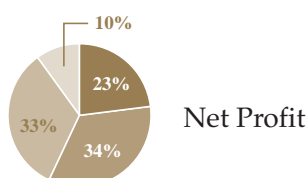
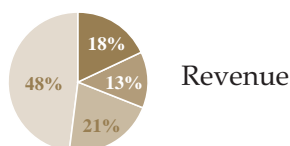
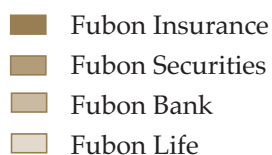
### **Solid Financial Resources**

Aside from continuing the efforts to expand market share in the domestic market, subsidiaries of Fubon Financial intend to augment their business domain in the domestic and foreign markets through M&A or joint venture. These undertakings need strong financial back-up. The current capital of Fubon Financial is NT\$54.65 billion.

In addition, total assets of Fubon Financial and its subsidiaries amount to NT\$462.65 billion, shareholders' equity is NT\$101.51 billion. Our net value to assets is far higher than that of other financial holding companies, meaning there is much room for our assets to grow.

To further replenish our funding for

## Contribution of Subsidiaries



development, we raised US\$430 million in the overseas issue of convertible bonds. This issue made several records. It is the first overseas issue of convertible bonds by a Taiwan financial institution, the issue amount was the largest of its kind in the history of Taiwan, and the offering was ten times over-subscribed on its first day, suggesting the confidence of international investors in the credit and value of Fubon Financial.

### Broad Customer Base

The subsidiaries of Fubon Financial were established at different time, but they are outstanding performers in their respective field and well recognized and trusted by their customers. Both Fubon Insurance and Fubon Bank have close to two million customers; Fubon Securities and Fubon Life have over 800,000 and 200,000 customers respectively. After compilation, Fubon Financial now has more than four million customers, over 15% of Taiwan's total population.

Through the selling platform of the financial holding company, the customer base of each Fubon subsidiary is instantly expanded to the tune of four million people, who provide the important basis for each subsidiary to engage in cross selling. We have set the goal that at least 15% of

the revenues of all the subsidiaries should be generated through cross selling in the next three years.

Besides making good use of our precious customer resources, we put customer privacy protection as top priority and will take active measures to protect our customers from being inconvenienced or feeling that their privacy being intruded in the process of cross selling. Thus aside from making public our privacy statement which spells out the policy of Fubon Financial and its subsidiaries regarding the collection, management and use of customer data, we have set up a data sharing mechanism under internal control to rigorously prevent customer data from being improperly used or disclosed.

### Application of Advanced Information Technology

Fubon Group has long been advocating the idea of "integrated marketing" within the organization and fully realized that making use of advanced technology to deploy a comprehensive CRM system is an constituent of Fubon's core competency. Thus Fubon Direct Marketing Consulting Co. was founded in 1997, through which insurance, banking and investment products within the group are horizontally integrated. With a call center and computer telephony integration (CTI) system, the company also becomes a new

---

channel and service window for Fubon's promotion of "full financial products and services."

Fubon also began the planning of data warehouse to serve as an important tool to learn more about our customers. The first-stage implementation of the data warehouse has been completed, and its second-stage deployment is expected to be in service sometimes this year. The availability of data warehouse allows Fubon Financial to stay far ahead in CRM system and effectively learn about and predict customer's financial and insurance needs, based on which customer-oriented cross selling can be carried out.

To effectively integrate the information systems of subsidiaries, we have invested heavily in the acquisition of Fubon Information Building in Neihu, Taipei. This building will be the information center of Fubon Financial. More importantly, it will provide a hub of communication for information personnel of respective subsidiaries.

---

### **International-caliber Partner**

Fubon Group and Citigroup forged strategic alliance in 2000, becoming strategic partners to each other, mainly because both corporations have the same core value, that is, becoming a financial group that offers full financial services. Also with its leadership position and experience in Taiwan's insurance market,

Fubon is poised to work with Citigroup in building a platform for the development of Asian markets.

Forbes magazine had an article in its May 2001 issue entitled Citigroup's Secret Weapons, which relates to the alliance of Citigroup and Fubon and how the parties share the passion for cross selling. Citigroup and Fubon will also form joint venture with 50% interest each to invest in the insurance markets of Mainland China, Hong Kong, Singapore, Thailand, Malaysia, Philippines and Indonesia, and plan to take 5% market share in five years. The insurance company established by Citigroup and Fubon in Hong Kong will start business in 2002. Fubon Financial will also embark on the tasks of internationalizing its operations through its heavyweight partner-Citigroup.

---

### **Inclusion of Fubon Asset Management**

To expand the product lines of Fubon Financial, the board of directors has announced the integration of Fubon Asset Management into the organization in 2002. Fubon Asset Management is one of the largest asset management companies in Taiwan. Its under management assets increased 42%, from NT\$76 billion in 2000 to NT\$108.2 billion in 2001, despite of the global economic downturn. Its market share of 6.1% ranked second in the industry. If the

discretionary managed account business of NT\$8.1 billion were to be included, the total assets under management of Fubon Asset Management amounted to NT\$116.3 billion. The Company's pre-tax profit was NT\$291 million and its EPS was NT\$4.21 in 2001.

---

### **Future Prospect**

Fubon's subsidiaries have proven themselves resilient in down time in the past few years, turning out strong growth in revenues and profits. We believe that under the framework of holding company, each and every subsidiary will sustain at least moderate growth on the strength of their current market leader position. With its financial resources, Fubon Financial will continue the work of acquisition and integration to expand the assets and operating scale of Fubon as a whole.

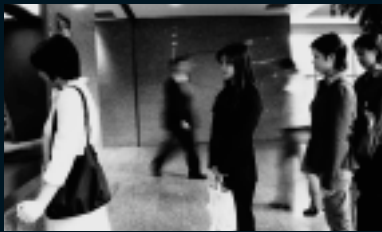
After we fully integrate our subsidiaries, our advantages in 3I (Infrastructure, Individuals and Information) will help us attain the goal of persistently expanding customer base and strengthening the relationship with existing customers through the availability of diverse channels, sales representatives with cross-selling experience and knowledge, and extensive customer information as we aspire to become the leading brand of comprehensive financial service provider.



11 ▶



12 ▶



13 ▶



14 ▶



## Infrastructure

*The enactment of Financial Holding Company Law removes the restriction of cross selling, making Fubon one of the financial groups with the most extensive marketing network. We have approximately three hundred branches, two hundred units of ATM and a workforce of over eight thousand strong personnel, and plan to set up a large number of branch offices combining the securities and banking businesses this year. We will continue to undergo restructure and integration within the organization to build an infrastructure that satisfies the one stop shopping needs of customers.*





Horizontal bars representing text content.

Horizontal bars representing text content.

Horizontal bars representing text content.

Horizontal bars representing text content.



---

## FUBON INSURANCE

### *The Lead of Fubon Financial and the Shining Star of the Industry*

*Fubon Insurance was founded on April 19, 1961, the first private property insurance in Taiwan, also the oldest establishment among subsidiaries of Fubon Financial. Under the leadership of founder and Fubon Group Chairman Wan-Tsai Tsai, Fubon has become the golden signboard of the insurance industry after forty years of business, accumulating abundant manpower, capital and clientele, and leading Fubon Group onto a smooth path of development.*

---

#### **Market leader for twenty years in a row and the pioneer of the local industry making headway into the international stage**

*Despite of its long history, Fubon Insurance never ceases to innovate and grow. After taking the crown of market leader in 1982, the company has been holding the title in the past twenty years, and sustained over 20% market share for three years consecutively from 1996 on. In 2001, Fubon Insurance again led the market with close to NT\$18 billion premium income, 4.86% growth, and 19.75% market share.*

*The profits of Fubon Insurance also continue to top its rivals in the industry. Its 2001 pre-tax profit amounts to NT\$2.5 billion, 124% of the forecast, and its net income was NT\$2.1 billion. With such impressive performance and records, Fubon Insurance does not stay contented and will continue to develop new products and upgrade its service quality.*

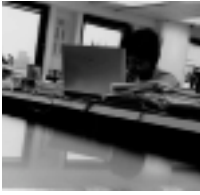
*Fubon Insurance is not only the pilot that sets the foundation of Fubon Group, it is also the pioneer of the local insurance industry to jump into international markets. Starting in 1990, the company successively set up offices in Southeast Asia, Hong Kong and Beijing to serve Taiwanese companies doing business there. Its successful issue of GDR in 1998 made it the first insurance business in Taiwan, second in Asia to be listed in foreign exchanges. In the Third Asian Insurance Industry Awards sponsored by Asian Insurance Review in 1999, Fubon Insurance excelled among 101 formidable contestants to be elected "General Insurance Company of the Year 1999". In 2000, Fubon Group and the Citigroup announced*

*strategic alliance. In 2001, the Asian edition of Business Week published the world's top 1000 and top 200 emerging-market companies by capitalization, Fubon Insurance was listed first time among the Top 200 emerging-market companies, ranking 191, and setting a new milestone for its internationalization efforts.*

---

#### **Endeavoring in new product development and vigorously enhancing service quality**

*In the face of tremendous impact brought about by the liberalization and internationalization of our insurance market, Fubon Insurance actively embarks on deployment in the hope to boost competitiveness. The business philosophy of Fubon Group - professionalism and innovation provides the unchanging guidelines in the drastic vicissitude of the financial environment. In the past few years, Fubon Insurance opts for innovation in lieu of pernicious price slashing, vigorously developing new products and creating product differentiation to stay ahead. In 2001, premium income from new products was NT\$1,*



Fubon Insurance is the pioneer of the local industry to extend business into the international markets. It leads the industry with the setup of liaison offices in Southeast Asia, Hong Kong and Beijing.

Its successful issue of GDR in 1998 makes Fubon Insurance the first insurance business in Taiwan, second in Asia to be listed in foreign exchanges.

627.65 million, accounting for 8.99% of total written premium and making quite a contribution to business growth.

To serve the customers better, Fubon Insurance leads the industry in offering 24-hour service hotline, metropolitan automobile on-site claim service and islandwide claim system that has received the certification of international quality assurance. The 0800 service hotline expanded its service in 2000. Besides applying for policy, reporting claim, complaint, or inquiry, customers can access services of policy endorsement and payment inquiry by phone. The company also works with road service companies to offer auto insurance customers 24-hour roadside service to put its service slogan— *Fubon Cares by Always Being There*.

---

### ***The Fire Prevention Lab Stands Out in Southeast Asia***

Fubon Insurance set up the Loss Control Department in 1995, and spent NT\$40 million in June 1997 to set up the Fubon Fire Prevention Lab, the best of its kind in Southeast Asia. It is hoped that through well-equipped facilities and professional training, the correct concepts of insurance and loss control are conveyed to the domestic businesses, to help them realize the importance of fire prevention and loss control system, which

will minimize losses in an accident.

Besides providing consultation on fire prevention equipment, Fubon Fire Prevention Lab also offers a series of training courses and related software and hardware services, which have been warmly received and appraised by major businesses in the country. In January 1999, Fubon Insurance received the Judge's Special Recommendation in the Insurance Faith, Hope and Love Award sponsored by the Risk Management and Insurance Magazine. This award acknowledges Fubon's efforts in fire prevention education and training. The judges commented that the work of loss control is particularly important in property insurance, and Fubon Fire Prevention Lab in Tamsui imparts businesses with the concept of loss control, which will help reduce the loss resulting from a fire accident.

---

### ***Professionalism unites with public interest to carry out social responsibility with actions***

Safety and protection measures in public places should play their roles in time of emergency. Respecting this point, "insurance" is the most significant risk management measure. Fubon Insurance entered an agreement with Chinese Architecture Center in July 2001 to become its char-

---

tered insurance company; buildings receiving the "fire prevention logo" will receive favorable rates in fire policy and public liability policy from Fubon Insurance.

In light that emergency rescue is more important than reconstruction, Fubon Insurance donated NT\$1,840,000 to ROC Taiwan International Rescue Association in May 2001 on its first anniversary to express its support for the rescue work. Said Association immediately used the donation to buy accident insurance from Fubon insurance, providing each rescue member NT\$5 million personal accident coverage.

---

### **Financial stability and transparency earns highest credit rating**

Credit rating entails an objective assessment of a business' ability to fulfill its financial commitments in comparison with other businesses. In response to the government's call for "consumer interest protection, information transparency, and rate liberalization", Fubon Insurance applied two well-known credit rating companies – Taiwan Ratings Corporation (TRC) and Standard & Poor's to conduct credit rating of the company in 1999; TRC gave Fubon Insurance the highest rating of "twAAA", and Standard & Poor's gave the "AA-" rating. In 2002 Fubon Insurance received the

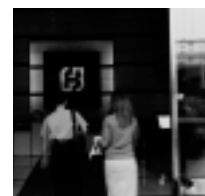
"unchanged" rating status from both rating companies above.

The credit rating Fubon Insurance received from Standard & Poor's surpasses or is on a par with that of many other well-known insurers in the international markets, such as Royal & Sun Alliance of UK (A+), NipponKOA of Japan (A+), AXA of France (AA), and Travelers of the US (AA-). Such credit standing is among the best of all businesses in Taiwan, which also illustrates that Fubon Insurance has "very strong financial strength" and "rather stable" prospect. Another international credit rating company Moody's also gave Fubon Insurance's insurer financial strength the rating of "A2" and the outlook is "stable" in March 2002.

---

### **Joining the Financial Holding to rapidly enhance competitiveness and maximize its potential**

After becoming a member of Fubon Financial, the role of Fubon Insurance switches from "property and casualty insurance risk management service provider" to "financial management service provider." Through the central planning and coordination, the company and other subsidiaries under the holding company will boost competitiveness by engaging in cross selling to create benefits for the whole organization.



In 2001, Asian edition of Business Week published the world's top 1000 and top 200 emerging-market companies by capitalization, Fubon Insurance was listed first time among the top 200 emerging-market companies, ranking 191, and setting a new milestone for its internationalization efforts.



# Fubon Securities

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

## FUBON SECURITIES

### *Optimizing the benefits of seven-in-one merger, Fubon Securities topped the industry in profits last year*

To be ready for the intense competition brought about by Taiwan's accession to WTO, Fubon Securities underwent an unprecedented seven-in-one merger in 2000. At the same time, through the strategic alliance between Fubon Group and Citigroup, Fubon Securities will continue to step up its partnership relationship with Salomon Smith Barney to acquire more experience in the international markets and know-how about derivative instruments.

In response to the government's call for integrated marketing, Fubon Securities was delisted on the OTC market in December 2001 as it joined the Fubon Financial Holding. In the future, Fubon Securities may access more extensive marketing channels, sell more varieties of financial products, and create more brilliant performance.

Despite of the global economic slowdown, Fubon Securities was able to produce after-tax income of NT\$3,022,450,000 in 2001, which grew 121.30% and topped the industry,

thanks to the on-the-mark strategic management and the concerted efforts of all employees. It also illustrates that Fubon Securities is best at optimizing the effect of merger.

Based on its past performance and the prospective benefits brought about by consolidation under the financial holding company, Taiwan Ratings Corporation upgraded its credit rating of Fubon Securities from twBBB for long-term and twA-3 for short-term to twBBB+ for long-term and twA-2 for short-term, with prospect rating remaining at "stable" early 2002.

---

#### **Balanced development of brokerage, underwriting and proprietary trading and stable growth in market share**

Since the seven-in-one merger in September 2000, Fubon Securities has closed several under-performing and/or overlapping branches, bringing the number of branches down to 61 from 69. But the brokerage market share of Fubon Securities rose, instead of dropping, to 6.56% in 2001, ranking No. 2 in the market; its growth in

market share in 2001 was the highest among ten largest securities firms. Taiwan's total market turnover in 2001 was NT\$20,388.4 billion. The brokerage business of Fubon Securities for the same year amounted to NT\$2,724.5 billion, and its pre-tax profit was NT\$1.59 billion.

Despite of market doldrums, the underwriting business of Fubon Securities bucked the trend and grew. It acted as a leader underwriter in 12 IPO cases in 2001, accounting for 6.64% of the market, and up 43.5% from the year before. Fubon Securities also handled 5 SPO cases of cash offering or convertible bonds totalling more than NT\$20 billion, which is the highest in the industry and speaks to the tremendous underwriting capability of Fubon Securities.

In response to the soft market, Fubon Securities' Proprietary Trading Department continued to lower its stock positions in 2001, step up risk management, and engage in hedging using TAIEX index futures. As a result, its proprietary trade still enjoyed a pre-tax profit in the tune of NT\$670.3 million. In light of



*Fubon Securities generated after-tax income of NT\$3.02 billion in 2001, which grew 121.30% and topped the industry, illustrating that Fubon Securities is best at optimizing the effect of merger.*

*dropping interest rates led by the US Fed in 2001, Fubon Securities played actively in the bond market and was able to produce pre-tax profit of NT\$1,124.82 million for the year. Fubon Securities also opened more new businesses, including CB asset swap and NTD interest rate swap to diversify its financial products.*

---

***Developing international businesses in full force and making deployments in Mainland China market***

*Faced with the challenge posed by multi-national securities brokerage houses, Fubon Securities move ahead with the development of international business. In 2001, its QFII (Qualified Foreign Institutional Investors) brokerage business amounted to NT\$27.6 billion, accounting for 1.28% market share and ranking No. 4 among domestic securities firms. In the underwriting of overseas issues, Fubon Securities completed the offering of ECB and GDR of YAGEO Corporation, and planned on the offering of ASKEY ECB in the midst of global recession.*

*In view of the tremendous potential of China's financial market, Fubon Securities, through its Hong Kong subsidiary -FB Gemini, has applied to the Chinese government for setting up the Beijing Office and is actively embarking on the preparation work. Fubon Se-*

*curities also signed a MOU with the largest securities firm in China, China Galaxy Securities in May 2001. The parties will engage in cooperation and exchange in the areas of industry information, research reports, and education and training in the preliminary stage.*

---

***Providing discretionary account service to address the investing needs of individual customers***

*Fubon Investment Service, a subsidiary of Fubon Securities, started offering discretionary account service in 2001. Due to steady performance, its business has been growing with the number of discretionary account rising as well. The company also brings in all kinds of derivatives, study overseas funds, and provides consulting services to provide customers with different money management services.*

*Founded in 1987, Fubon Investment Service is one of the oldest securities investment consulting firm in Taiwan. Aside from acting as the investment research center of Fubon Group, the company also serves as asset management center of the group to provide professional money management services for corporations and individuals. With a good grasp on industry information and financial products, and on the strength of the well-integrated Fubon Financial*

---

Holding, the company is in the position to optimize its role as a professional investment consultant.

---

**Futures products provide new investment and hedging channels**

Fubon Futures is another subsidiary of Fubon Securities set up in 1998, offering customers new investment and hedging channels and adding new instruments to Fubon's financial service network. In 2001 as the global capital market went on a skid under a string of negative impacts, including the marked slowdown of US economy and the 911 terrorist attack, the hedging functions of futures took on a prominent role. Fubon Futures also produced its best profit record ever since inception. As the notion of asset management becomes more prevalent and the availability of new products, including index options and stock options, the futures market is expected to boom. In 2002, Fubon Futures will focus its efforts on marketing and enhancement of R&D quality and service.

---

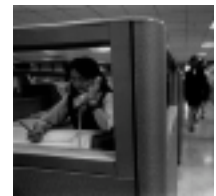
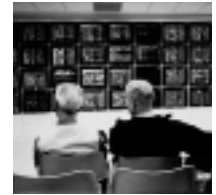
**Six action plans in place to stride toward the goal of becoming "The Leading Investment Bank in Asia"**

Taiwan's securities industry is faced with stern challenges in the ever-changing financial climate. After augmenting business scale and completing the

international deployment, Fubon Securities has taken a vantage spot in the battle of the new century, and saw growth in 2001 despite of the adverse macroeconomic environment.

In the first year of Fubon Financial, Fubon Securities is situated at the forefront of the organization with 61 branches, and enjoys many advantages in cross selling in the respect of channels, manpower and professional know-how. Presently the company is carrying on integration of products and business personnel with Fubon Insurance, Fubon Bank and Fubon Life, and work with them on setting up joint offices to provide customers with the brand new one-stop-shopping services.

From 2002 on, Fubon Securities will continue to use return on equity (ROE) to measure business performance. The company has also formulated six action plans, namely, "Fortifying integrated marketing to provide one-stop-shopping service", "establishing market making trading center", "going electronic to reduce costs and boost productivity", "making sales department more competitive", and "enhancing personnel quality", in the search for excellence and sustainable operation as it strides toward the goal of becoming the "quality brand of investment banking in Asia."



Brokerage market share of Fubon Securities rose to 6.56% in 2001, ranking No. 2 in the market, and the magnitude of growth was the highest among ten largest securities

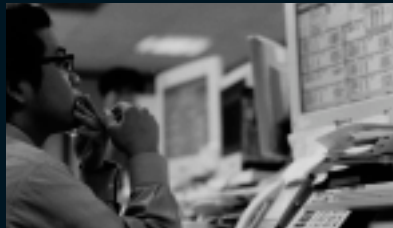


15 ▶


16 ▶

17 ▶

18 ▶





A group of approximately ten employees, mostly women, are shown from the chest up, wearing light blue business suits. They are all smiling and clapping their hands, creating a sense of collective achievement and positivity. The lighting is warm and focused on the group.

## Individuals

*The manpower advantages of Fubon Financial lie in high-quality personnel, and employee loyalty and consensus. All the employees share the company's vision, making personnel communication, exchange and integration within the organization much easier. We have fostered many business personnel owning licenses in banking, insurance and investment professions simultaneously, and having knowledge and experience in cross selling. These human resources provide the most vital assets as Fubon becomes a comprehensive financial service provider.*



████████████████████  
██████████████████

██  
██████████████████████████████████████

████████████████████  
██████████████████

████████████████████ ███  
████████████████████ ███████████████████

---

## FUBON BANK

### *The New Bank with Number One Profitability*

Fubon Bank has sailed through the economic downturn in 2001 with a glaring 22% net profit growth by taking aggressive actions to dispose NT\$ 3.4 billion non-performing loans (NPL). The Bank's earnings before tax reached NT\$3billion in 2001, which was the highest among all new banks in Taiwan. Another achievement in rapid profit growth of the Bank was that the percentage of its three-year average earnings before tax was 35%.

---

#### **Excellence in Credit Rating**

Fubon Bank has been rated as "twA-" and "twA-2" in short-term and long-term credit rating since it was accessed by Taiwan Ratings Corporation for the first time in 1998. Taiwan Ratings affirmed that Fubon Bank remained in the same credit rating with outlook as Stable. This shows that Fubon Bank's overall financial status was above the benchmark of banks in Taiwan and its profitability and liquidity was satisfactory.

As Taiwan Ratings Corp. commented, "Fubon Bank is one of banks with superior performance in Taiwan. Its net return on average assets was between 0.55% and 1.18% between 1996 and the first half of 2001,

which indicated that the Bank had gained more profit than its competitors. The other advantage was that the Bank decided to shift its focus of asset appropriation from loans to fixed income products in 1999. The Bank is progressively improving its profitability thanks to the declining interest rate. By taking this strategy, the Bank had the lowest loans to deposits ratio compared than other players. The Bank further strengthened its capital by Cash Capitol Increase in 2000 to make Citigroup one of its shareholders."

---

#### **Comprehensive Financial Services**

Fubon has set its position as an "comprehensive financial services bank" since its foundation. The Bank aims to develop sustained consumer banking service to take leadership in developing innovative financial products. The Fubon "Little Millionaire Savings Account for Children" was the very first banking package combining savings, mutual fund and insurance. The Bank was not only the first bank offering "investment-linked mortgage," a comprehensive mortgage plan combining mortgage and life insurance but also the first bank approved for internet banking service. By launching "Personal Bank-

ing Center" in 1995 and "Platinum Card" in 2001, Fubon achieved another championship and surpassed other new banks in Taiwan.

As much effort has gone into innovation, the number of clients having accounts in Fubon Bank is close to 2 million. The Bank has issued 1.75 million credit cards with 1.28 million valid cards. The number of VIP clients in the Personal Banking Center has exceeded 20,000, with an impressive growth of 7,000 VIPs in year 2001. The Bank values these clients, who are recognized as most precious assets. Even though these accounts are less than 2% of the Bank's total savings accounts, the amount of deposit and investment of said accounts is 40% of total deposit/investment volume. The Bank's Personal Banking Center has more than 20,000 VIP clients at present. The number of the Bank's All-in-One Bank accounts has exceeded 210,000 since the program was delivered in 2000.

---

#### **The No.1 New Bank for Small & Medium Businesses**

Distinguished from other players, Fubon bank focuses on financial services for small and medium businesses. The Bank has received prizes from the R.O.



Fubon Bank has issued 1.75 million (1.28 million of them are valid cards) credit cards up to December 2001. The Bank's Personal Banking Center has more than 20,000 VIP clients. The number of the Bank's All-in-One Bank accounts has exceeded 210,000 since the product was delivered in 2000.

C. Ministry of Economic Affairs (MOEA) for excellent performance in services related to Small & Medium Business Credit Guarantee Fund. The Bank's balance of guarantee was ranked the tenth out of all banking institutions in Taiwan and the first among new banks. The Bank entered an agreement with Small & Medium Enterprise Administration to set up 20 "Financial Service Windows" island-wide from this year to provide small and medium businesses with rapid and convenient financing support. The Bank was the first new bank having this kind of windows.

To become a more attentive provider of financial services, Fubon Bank has been striving to implement the "Fubon Industrial Logistics-Cash Flow Standards Program (Program C)" in accordance of the MOEA's policy since 2002. The program aims to help vendors handle the process of orders, material purchase, accounts receivable financing and underwriting. Vendors may obtain financing services from the Bank online through the process from placing orders to accounts receivable in the owner's plant. The program succeeds in benefiting all related parties, i.e. the Bank, supplier and owner. The Bank may grasp information about orders between the supplier and the owner to reduce risks while the supplier saves much time in fund appropriation and arrangement.

The owner is more willing to establish further business relationships with the supplier.

---

### **Reorganization**

Fubon Bank has followed the customer-based business strategy since it was founded. However, the Bank is aware of barriers caused by old organizational structure in the ever-changing financial world. Fubon Bank completed the task of reorganization in July 2001 by reallocating its previous organizational structure as four main groups, namely Financial Services, Corporate Banking, Consumer Banking and Office Administration and three product departments, i.e. Credit Card, Trust and Treasury. The reorganization distinguished products from sales channels to provide customers with better service. It also contributes to a more empowering career path for the Bank's employees.

---

### **Leadership and Superior Profitability in the Bills Market**

Fubon Bills Finance Corp., an affiliate of Fubon Bank, has survived Asian financial crisis and fierce competition with powerful competitors since its foundation in 1997. However, the Company has enjoyed tremendous business growth with all employees' input in such a short period of time. Fubon Bills Finance was ranked the No.6 bond trader in Taiwan in 2001 in terms of

the trading volume. With a strong 10% market share, the Company has become the No.1 underwriter of commercial paper among all new participants in the market. The Company's earnings before tax in 2001 totaled NT\$1.14 billion, achieving 147% of the adjusted budget target. The Company's earnings per share (EPS) were valued as NT\$2.94, which surpassed all bill brokers.

In the money market, Fubon Bills Finance assists businesses in obtaining business funds in a faster and more cost-saving way by issuing commercial paper or bankers' acceptances. The Company regards itself as the leader of the government bond market. Since the bond market is manipulated by professional legal persons, the Company has put much effort in professional training for employees and upgrading computing facilities. Based on the framework of Fubon Financial, Fubon Bills Finance will continue to secure its leadership in the bill/bond market and to boost its market share by collaboration with associates, cross selling and product research and development.

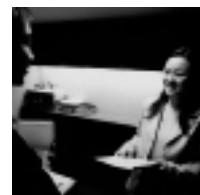
Fubon Bills Finance has obtained good reputation in bills and bond trading, particularly OP/OS and prudential lending policies after four years' development. Taiwan Ratings Corporation revised the short-term and long-term credit ratings of Fubon Bills Finance from "twBB+" and

"twB" to "twBBB-" and "twA-3" respectively. The Company's outlook was rated as Stable.

### **Prospect of Development**

There has been more than a decade since the foundation of Fubon Bank. After its continual endeavor for ten years, the Bank has accomplished superiority and leadership in profitability, market share in consumer and small/medium business financing. The Bank has also improved its quality of assets with a series of measures such as NPL disposition, selling NPL to asset management companies and reorganization for more effective management. Armed with excellence in business operations, Fubon Bank is now ready to take any challenge in the future financial industry.

In addition to reaching more customers via other Fubon Financial's subsidiaries, the Company aims to provide better quality of service for different customer segments by means of data warehouse and customer relationship management system. A demonstrative branch shared by Fubon Bank and Fubon Securities will be opened this year. It is hoped that the model will empower our customers with convenience and thorough service to move toward the vision of comprehensive financial service bank.



Fubon Bank is the most profitable new bank in Taiwan, with the ranking of No. 1 in terms of net value. The Bank's percentage of three-year average earnings before tax growth was 35%.

Fubon Bank has been rated as "twA-" and "twA-2" in short-term and long-term credit rating since it was accessed by Taiwan Ratings Corporation for the first time in 1998. Taiwan Ratings affirmed that Fubon remained in the same credit rating with outlook as Stable.



████████████████████  
████████████████

████████████████████  
████████████████

████████████████  
████████████████

████████████████████ ████████████████████  
████████████████████ ██████████

---

## FUBON LIFE

### *The Number One Among New Insurers in Taiwan*

*Fubon Life overcame the sluggish economic environment in the last year with flying colors in business performance. The total premium revenue was NT\$24.6 billion, amounting to a 64.71% growth. The Company's assets reached NT\$68.5 billion while its earnings pre-tax were NT\$0.9 billion on December 31, 2001, which marked brilliant performance.*

*The Company was in the first place among newly established life insurance companies (No.5 life insurance company in Taiwan) as its premium revenue of new policies was NT\$8.4 billion in 2001. Following the business values of stability, practicality and innovation, the Company aims to improve its quality of service. Its rapid business growth relied upon diversified marketing channels and integrated marketing strategies.*

---

#### **Successful Diversified Marketing Channels**

*Fubon Life's rapid business growth accounts for its diversified channels: its own traditional sales channels for individual customers*

*(Company Solicitors), cross-selling to other Fubon Group individual customers (Integrated Marketing), non-exclusive channels (Agents and Brokers), high net worth individuals group (Financial Services Department) and corporate accounts (Group Insurance). Fubon Life is unique in the life insurance industry in its ability to distribute its products through the network of Fubon Financial Holding Company. The strategic alliance with Citigroup provides Fubon Life Assurance with access to the clients of Citibank, creating considerable business opportunities.*

*Fubon Life achieved a 91.2% persistency rate in 2001, which was much higher than the average of the industry. This success is attributed to the fact that sales commissions are partly linked to target persistency rates. The high persistency rate is further supported by the relentless focus on customer service.*

---

#### **Innovative Products**

*Fubon Life has established a reputation as a leading product innovator in the industry. The Company*

*delivers a full range of needs-based and unique products in light of market differentiation to enhance variation instead of price war.*

*In compliance with market trend, the Company provides customers with innovative and comprehensive life insurance products. Fubon Life was the first insurer to sell annuities in Taiwan and was the first to design and introduce many other new products, such as Juvenile Insurance and Disability Indemnity Insurance. In response to the rising importance of high net-worth customers, Fubon Life has developed a number of products specifically aimed at this market segment.*

*Fubon Life has launched various new products last year, including the interest rate sensitive annuity. The "Gili capital-protected index-link life insurance" was launched in March this year and has received positive feedback from the market. The Company is planning to introduce more investment-linked products such as variable annuity and variable life insurance afterwards in order to gain better business opportunities and become the No. 1 brand of investment-linked products.*



---

### **Solid Financial Base for Best Assurance**

*Fubon Life's capital utilization and investment plan complies with laws and regulations of the Dept. of Insurance, Ministry of Finance to achieve stable, profitable and secure capital utilization. Fubon Life's paid-up capital exceeded the requirement of the law and sufficient reserves, providing its customers best guarantee.*

---

### **Outstanding Quality of Services**

*Fubon Life has insisted of quality of service as its philosophy of business management since its foundation. Such excellence in service has been well recognized by the market with awards such as "Gold Service Enterprise Award" and "Gold Medal of Best Vendor". The Company received ISO 9001 certification from SGS Taiwan Ltd. in 1998, and was the first new domestic life insurer to receive the certification. ISO 9001 certifies stringent standards in relation to underwriting procedures, customer*

*service, the clarity of application forms and internal management and training.*

*Reports and surveys show that Fubon Life is one of the top insurers in terms of reputation and corporate profile. According to a survey carried out by Risk Management & Insurance Magazine in 2001, Fubon Life was rated as No.1 in "Recommended Life Insurance Company," "Better sales agents" and "Better claims sales" in comparison with other new life insurance companies. This reveals that the general public has accepted the Company's quality of service.*

---

### **Internationalization**

*The strategic alliance between Fubon and Citigroup is Fubon's first step toward internationalization. With Citigroup's support of technologies, professional knowledge and international brand, Fubon and Citigroup will establish insurance companies via joint venture in China, Hong Kong and Southeast Asia. Fubon Life was approved by*

***Citigroup and Fubon will invest in the insurance markets in China, Hong Kong, Singapore, Thailand, Malaysia, Philippines and Indonesia together in a way that each holds 50% of holdings. The goal is to achieve a market share of 5% in each market.***



---

the Ministry of Finance to set up an affiliate in Hong Kong, which will open in mid 2002. The Citi-Fubon Life Insurance Hong Kong is not only the first overseas office of the Company but also the first case in exploring overseas markets after the strategic alliance. The China Insurance Regulation also approved the Company to establish a representative office in Beijing, a milestone in the exploring of the China life insurance market.

#### **Four Major Development Strategies**

**1–Innovative Product:** After launching investment-linked life insurance products, Fubon Life will continue to deliver other investment-linked products such as variable annuity and variable life insurance to divert the risk of fixed interest and to cope with changes in the economic environment and falling interest rates.

**2–Package Selling:** To satisfy customers' needs for one-stop shopping, Fubon will develop and sell all-in-one packages combining life insurance, property insurance and other products of Fubon Financial's subsidiaries to the niche market. This year the Company launched "Fubon Twin Star," an insurance package covering accidental risk, doubled


compensation for injury caused by traffic accidents, personal liabilities and hospitalization. This package is of great value since it applies the premium rate of group insurance and provides full-scale protection.

**3–Cross Selling:** Fubon will draw up rules governing the conversion of incentives for cross selling between Fubon Financial's subsidiaries. The Company will improve employee training to train more internal instructors, to strengthen other subsidiaries' expertise in life insurance and to develop marketing plans by means of the data warehouse. By doing this, the Company aims to provide customers with better financial service and boost its performance in the integration of Fubon Financial.

**4– Diversified Marketing Channels:** Fubon Life has established exclusive sales channels of all-in-one financial service for high-income customers and has a dedicated team of professionals to sell single premium products to high net worth individuals. In order to reach more customers, the Company will continue to develop new sales channels and alliances with companies in other industry, particularly in bancassurance.

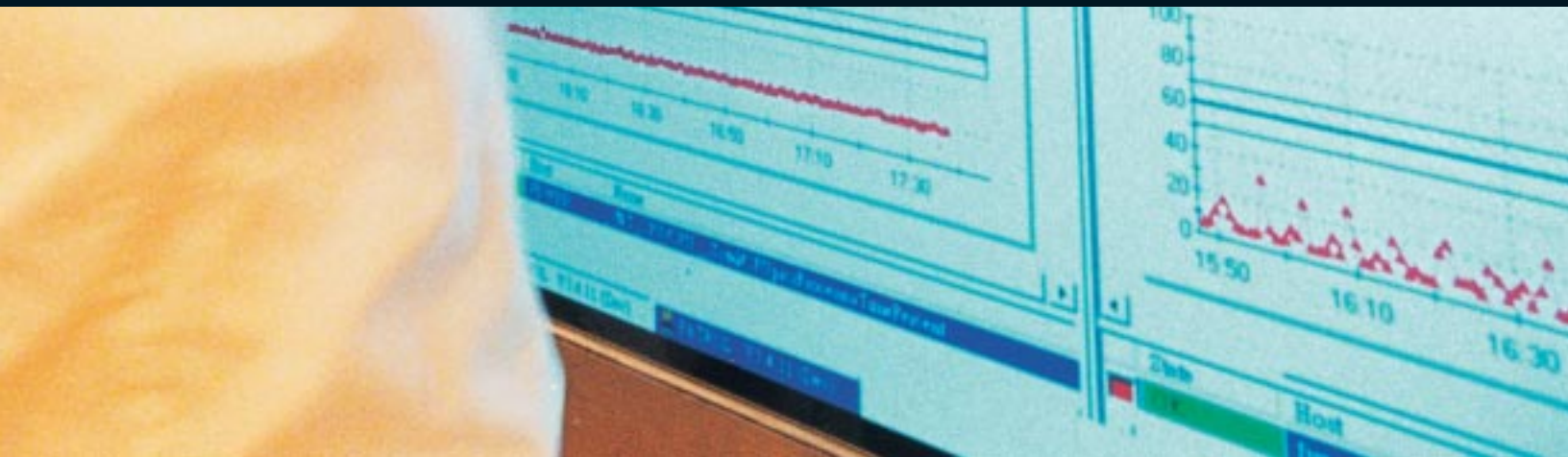
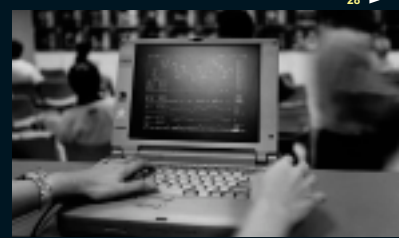
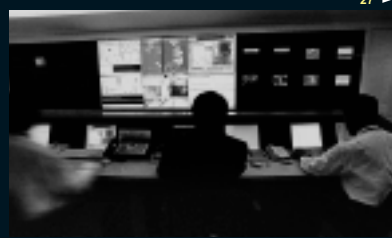
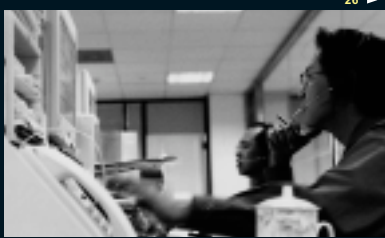
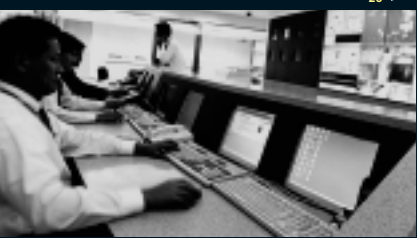


Fubon Life has insisted of the spirit of quality of service, which has been well recognized by the market with awards such as "Gold Service Enterprise Award" and "Gold Medal of Best Vendor."



## Information

*The most important goal of a financial holding company is to enhance customer-based cross-selling operations with the support of information technology. We started planning the customer relationship management system two years ago and have finished the customer data warehouse. The system helps Eilbon Financial analyze customers' data as soon as the Company was established. It also facilitates efficient tracking and management of products delivered through various sales channels to support cross-selling programs.*



## MILESTONES

### Fubon Insurance

**1961.04** – Official operations began with the underwriting of fire and marine cargo insurance; former president Mr. Yien Chia-kan was invited to partake in the opening ceremony.

**1982.12** – Annual premium income topped NT\$2 billion. Company achieved market share leadership for the first time.

**1990.04** – First offshore branch office established in Kuala Lumpur, Malaysia to serve the insurance needs of Overseas Taiwanese.

**1991.11** – 30th anniversary ceremony held at Taipei Lai-Lai Sheraton Hotel, where the new Fubon Group CI was presented.

**1992.01** – Cathay insurance officially became Fubon Insurance.

**1993.10** – First listing of Fubon Insurance stock on the open market.

**1996.12** – Achieved 20% market share.

**1997.03** – Sponsoring "Golden Images - Exhibition of Musee d'Orsay" painting exhibition in Taiwan, Fubon Insurance was the first domestic insurance company to provide the coverage of an international art exhibition.

**1997.06** – NT\$40 million investment in the establishment of the Fubon fire laboratory officially began operation.

**1998.04** – Fubon Insurance's global depository receipts (GDR's) were successfully issued and listed on the London Stock Exchange, making Fubon Insurance the first financial institution in Taiwan to issue GDRs abroad, and only the second Asian company.

**1999.10** – Asia Insurance Review named Fubon Insurance as the "General Insurance Company of the Year 1999" in its 3rd annual Asia Insurance Industry Awards.

**1999.11** – Applied for credit ratings and received Taiwan Ratings Corporation's highest rating, twAAA, and Standard & Poor's AA-rating.

**2000.05** – Fubon Group announced a strategic partnership with Citigroup to jointly develop insurance business in Southeast Asia and China. The two will cooperate closely to provide customers with premium and diversified full-line financial services.

**2000.10** – Awarded the "Outstanding Charitable Enterprise" by Common Wealth Magazine's 3rd Annual Social Responsibility of Enterprises Survey.

**2001.03** – Opening its Beijing office, becoming Taiwan's first insurance provider with a representative office in China.

**2001.03** – The Risk Management & Insurance Educational Promotion Foundation held the insurance industry's Third annual Faith-Hope-Love Awards. Fubon Insurance gained the most honors by winning three major awards – "Most Outstanding Insurance Provider", "Best Product Innovation", and "Best Corporate Image Advertisement".

### Fubon Securities

**1988.07** – Received approval for establishment on July 11, 1988, and opened business on September 16 the same year as a securities brokerage firm with capital of NT\$200 million.

**1989** – Added proprietary trade and underwriting to the scope of business, and increased capital to NT\$1.02 billion with name changed to Fubon Securities Co., Ltd.

**1995.12** – Stock listed on the OTC market.

**1997.07** – Overseas holding company in the name of Fubon Securities, British Virgin Island set up in British Virgin Island.

**1998.08** – Invested in Fubon Futures Co.

**1998.12** – Received long-term credit rating of twBBB and short-term rating of twA-3 from Taiwan Ratings Corporation.

**1999.05** – Set up subsidiary in Hong Kong in the name of FB Gemini.

**1999.07** – Acquired the qualification of warrant issuer and capital increased to NT\$10,460 million.

**2000.05** – Fubon Group and Citigroup announced strategic alliance, and Citigroup acquired 15% interest of the company and one seat of director.

**2000.09** – Merged with six other securities firms with capital increased to NT\$16,808 million.

**2001.04** – Cash offering of 300,025,000 shares for the issue of GDR acquired by Citigroup.

## Fubon Bank

**1989.07** – In response to government policies of liberalization and internationalization, Chairman Wan-Tsai Tsai perceived the need to raise domestic standards of financial services. He decided to found a bank that will provide high-quality financial services to business and the public. He gathered other like-minded business leaders to organize the Fubon Commercial Bank.

**1992.04** – Four business units launched operations: the Business Department, Savings Department, Min Sheng Branch and Jen Ai Branch. Fubon Bank was officially open for business.

**1993.02** – Telephone banking was launched.

**1995.04** – The main bank headquarters and the business Department were relocated into the Fubon Financial Building on Jen Ai Rd., and its original location of the Business Department was renamed the Chung Shan Branch.

**1995.04** – The Personal Banking Center was established, making Fubon Bank the first of post-liberalization banks to offer specialized personal financial service.

**1996.02** – The Bank launched a new program combining mortgage and life insurance.

**1996.04** – O.T.C. trading began for Fubon Bank stock.

**1996.05** – Fubon Bank cooperated with the Taiwan Power Company to become the first bank offering telephone payment of electric bills.

**1996.05** – The PC banking service system went into operation.

**1998.10** – Fubon Bank shares were official listed on the Taiwan Stock Exchange.

**1999.10** – The Ministry of Finance granted special dispensation for Fubon Bank, Acer, and MasterCard Taiwan to jointly conduct Mondex trial operations.

**2000.05** – Fubon Group and Citigroup announced Strategic Alliance.

**2000.07** – Depositors and credit cards broke the million mark.

**2000.10** – Fubon Bank started electronic financial service for small and medium businesses.

**2000.11** – The Fubon All-in-one Money Account was launched, integrating all of a customer's dealings with Fubon Bank into a single convenient account.

**2001.11** – Fubon Group's data warehouse started operation.

**2001.12** – Fubon Bank terminated listing its stocks on the Taiwan Stock Exchange. The stocks were converted into the holdings of Fubon Financial Holding Co. for listing.

**2001.12** – Inauguration of Naihu Information Building.

The Ministry of Economic Affairs approved the Fubon Industrial Logistics–Cash Flow Program C.

## Fubon Life

**1993.07** – Fubon Life started business operation.

**1994.04** – The Company issued Fubon Global Service Card and signed an agreement with FEA (Far East Assistance) on joint collaboration.

**1994.12** – The Company became one of top 10 insurers in terms of FYP premium revenue. The Company was also No. 1 in ROI ratio and No. 1 in corporate profile.

**1995.11** – Awarded the Republic of China's first golden Service Enterprise Award.

**1996.05** – Awarded a gold medal for Best Vender by the R.O.C. Customer Association.

**1996.06** – According to the corporate profile survey conducted by World College of Journalism and Communications (now Shih Hsin University) as entrusted by Foundation for Public Relations Research & Education, Fubon Life was No. 1 in the insurance industry.

**1998.07** – Operational management and service quality passed BVQI inspection, making Fubon Life the first new life insurance company in Taiwan to achieve ISO 9001 certification.

**1999.06** – The Company's sales figures exceeded NT\$10 billion.

**1999.12** – According to a survey carried out by Risk Management & Insurance Magazine in 2001, Fubon Life was rated No. 4 in Life Insurance Companies of the Year and No. 1 in New Life Insurance Companies

**2000.07** – Fubon Group entered an agreement with Citigroup, which invested US\$816 million (about NT\$25.2 billion) to acquire 15% of the holdings of five Fubon affiliates and directorship in these affiliates.

**2001.12** – Fubon Life became the subsidiary of Fubon Financial Holding Company.

# Corporate Citizen



# ship

## OUR CONTRIBUTION TO SOCIETY

*Having grown along with Taiwan since the group's establishment more than 40 years ago, Fubon Group Chairman and Founder Wan-Tsai Tsai understands that the cornerstone for the success of an enterprise relies not only on national stability and the work of management, but also, more importantly, on the support from the public. The Fubon Group, through associated enterprises and the Fubon Charitable, Cultural & Educational and Art Foundations, is substantially executing various clearly targeted charity works, fulfilling the responsibilities of an enterprise towards society. Fubon has never reduced its charity works budget as a result of recessions, fully demonstrating our determination to take care of both profitability and our work for the society-at-large. This is a spirit that Fubon Financial and its subsidiaries will continue to reflect in the future.*





### **Fubon Charitable Foundation**

In order to implement charity works in a more planned and effective manner, Fubon Charitable Foundation was established in 1988, and aims to provide medical, emergency and disaster assistance, and to sponsor private service-oriented societies. The Foundation has established the “Fubon Emergency Medical Care Endowment” at Cathay, Hua Lian Mennonite Christian, and Tzu Chi hospitals, building new wings at Pu Li Christian and St Mary’s hospitals; providing three mobile medical service vehicles for Pu Li Christian Hospital; referring cases of the extreme poor through the network and other multi-dimensional assistance services; also, we established a “Aboriginal Tribes

Boo Nong tribe was completed in 2001. In the summer of 2001, typhoon Tara made severe damage to tribes in the mountain areas. Fubon donated more than \$22 million to help those affected rebuild their homes.

For the above charity works, Fubon Bank has regularly set aside 0.2% of credit card processing fee since 1997, and has accumulated more than \$120 million in total. However, after a number of major disasters, Taiwan’s economy has slumped, many unemployed aboriginal families faced difficulties. In 2002, Fubon Charitable Foundation and Fubon Bank launched the “Hand In Hand with Love” campaign for urban children to donate NT\$10 per day to help aboriginal children go back to school.



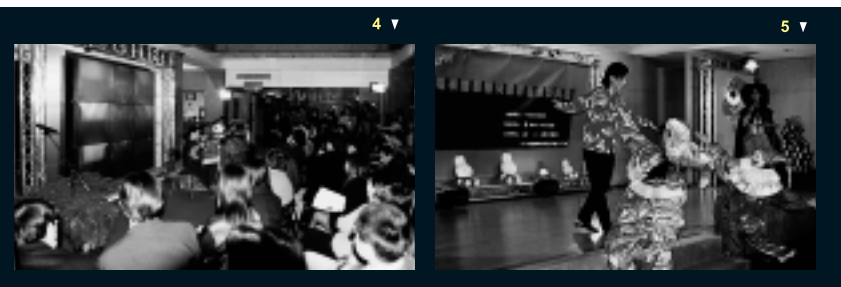
Workstation”, to provide long-term support for the development of remote aboriginal tribes.

While 921 earthquake happened in 1999, Fubon staff fully mobilized in the first instance, and donated nearly \$10 million in supplies to heavily affected tribal areas. The Foundation also started the “921 Aboriginal Educational Restoration Fund”, spending \$150 million to rebuild the Hsin-Yi Junior High, Di-li Primary and Ren-Ho Primary schools in Hsin-Yi, Nantou County. The construction work of these three schools for the

### **Fubon Cultural & Educational Foundation**

In the 1990s, with prosperity resulting in a fast-money attitude in the society, and a rise in the youth crime rate, Fubon, in trying to steer youngsters to a correct path and finding objectives in life, has established the Fubon Cultural & Educational Foundation to prevent crime before it happens by promoting various social family education and healthy recreation activities, building a multi-dimensional positive society, and grooming outstanding talent. It has pushed resource integration mechanisms







across governments and private organizations to try to use the limited resources from society-at-large to promote the following activities:

> Promoting citizen education through the media, building a new vision for media, running “International Seminars”, “Teachers Research and Study Camps”, “Community Promotion Studies”, “Popular Culture Seminars”, “Children’s Films and TV Exhibitions”. Planning the “Media Education Policy White Paper Seminar”.

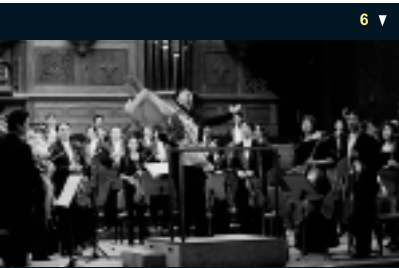
> Promoting healthy recreation activities, building colorful youth experiences, using our proximity for youth

education has run the “Fubon Finance Forum”, the “Fubon Finance Research Scholarship” and the “Cheng Chi University IMBA Fubon Scholarship”.

Also, the Foundation and the Fubon Art Foundation have jointly invited the China Philharmonic Symphony to perform for the first time in Taiwan in 2001, hoping to further cross-straits art exchanges and improving mutual relationship.

### **Fubon Art Foundation**

The core philosophy of Fubon’s sponsorship of art activities is “turning art into part of life, turning life into part of art”. Fubon Art Foundation strives to let art be set free from



6 ▼



7 ▼



8 ▼



9 ▼

to run the “Youth Expo” series of events.

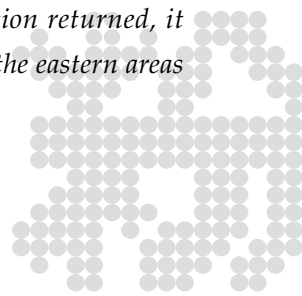
> Working closely with schools to run lecture tours on sex education, emotions management and media literacy, encouraging youngsters learn about the meaning and value of life.

> Planning for TV program productions, community broadcasts, radio programs, books, monthly magazines, etc., hoping to utilize the power of the media to educate society.

> Encouraging students to study professional finance knowledge, the Foun-

dation has run the “Fubon Finance Forum”, the “Fubon Finance Research Scholarship” and the “Cheng Chi University IMBA Fubon Scholarship”. Also, the Foundation and the Fubon Art Foundation have jointly invited the China Philharmonic Symphony to perform for the first time in Taiwan in 2001, hoping to further cross-straits art exchanges and improving mutual relationship.

In 2001, Fubon ran the Very Fun Park -Contemporary Art from Taiwan” exhibition, leading young Taiwan artists to exhibitions in Hong Kong and Australia, and creating an example of international cultural exchange. After the exhibition returned, it went into various shops in the eastern areas

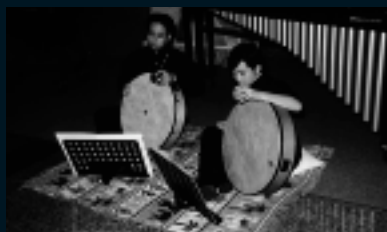




10 ▼

11 ▼

12 ▼

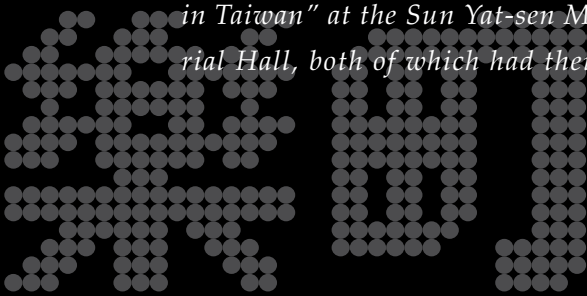


of Taipei, utilizing unused space to let the concept of a “baseless museum” shine. Mayor of Taipei City had endorsed this exhibition as a significant case of urban aesthetics.

Also, in 2001, there were two key exhibitions -“From Poussin to Cezanne, 300 Years of French Paintings” exhibition at the National Palace Museum, and the “From Beijing - Rediscovering the Yuanming Gardens in Taiwan” at the Sun Yat-sen Memorial Hall, both of which had their in-

surance sponsored by Fubon Insurance.

Fubon Art Foundation has been praised by Taipei City and Hualien County governments. National Museum of History and the Taipei Fine Arts Museum have also awarded “thank you certificates”. Council for Cultural Affairs has, for the last three years, awarded the “Culture Scholarship Prize”, substantially recognizing the devotion of Fubon to the progress of arts and culture in Taiwan.

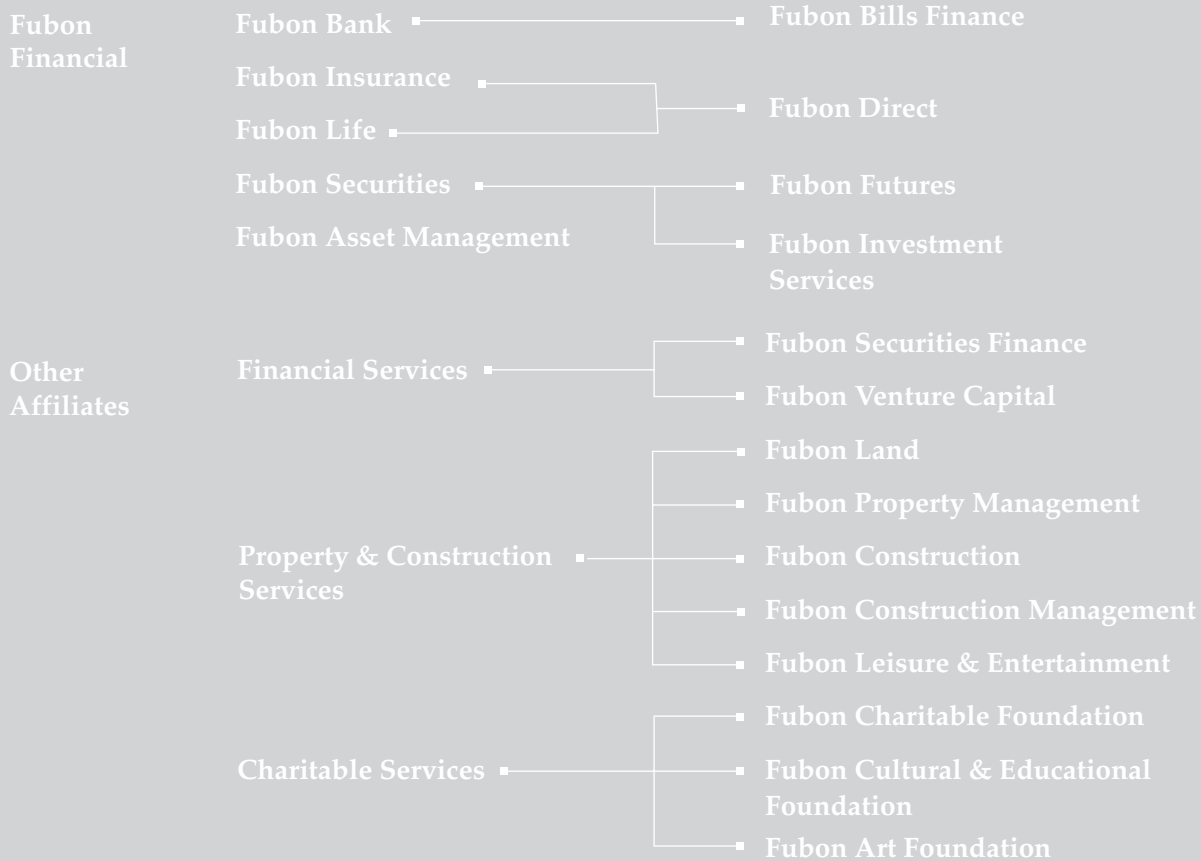


## FUBON GROUP

On April 19, 1961, Cathy Insurance, the former Fubon Insurance and Taiwan's first private property and casualty insurance company was founded. Since then Fubon Group has started its history. In 1992, the Fubon Group founder and Chairman Wan-Tsai Tsai decided to change the corporate name as "Fubon", and integrate the new company identification system into all Fubon Group's affiliates. After four decades, Fubon Group has become the most comprehensive financial service group in Taiwan, and extends its businesses into land development and construction. Fubon Group always persists in the business philosophy of "Trustworthiness, Sincerity, Professionalism and Innovativeness", and will continually innovate new products to satisfy the diversified needs of society and to move forward into the new era of internationalization.



Fubon Group Founder and Chairman, Wan-Tsai Tsai



## 2001 FINANCIAL REPORT

<i>Summary Consolidated Financial and Operating Data</i>	44
<i>Relating to Fubon Financial</i>	
<i>Summary Consolidated Financial and Operating Data</i>	46
<i>Relating to Fubon Insurance</i>	
<i>Summary Consolidated Financial and Operating Data</i>	47
<i>Relating to Fubon Securities</i>	
<i>Summary Consolidated Financial and Operating Data</i>	48
<i>Relating to Fubon Bank</i>	
<i>Summary Consolidated Financial and Operating Data</i>	49
<i>Relating to Fubon Life</i>	

*For more detailed information, please refer to our  
website [www.fubongroup.com.tw](http://www.fubongroup.com.tw)*

## Summary Consolidated Financial and Operating Data Relating to Fubon Financial

(in millions, except percentages and per share data)

As of or for the Year Ended December 31,

	1999	2000	2001	
<b>Income statement data:</b>				
Insurance premium	NT\$24,105	NT\$22,803	NT\$31,856	US\$910
Investment income	21,175	23,309	27,683	791
Commissions and fee income	3,858	5,261	6,155	176
Principal transactions	487	(215)	2,113	60
Other income	101	241	97	3
Revenue	49,726	51,399	67,904	1,940
Interest expense	10,061	11,470	10,513	300
Revenue, net of interest expense	39,665	39,929	57,391	1,640
Provision for benefits & claims	20,715	20,020	29,606	846
Provision for loan losses	1,434	1,606	3,504	100
Benefits, claims & provision for loan losses	22,149	21,626	33,111	946
Net commission expense	475	761	919	26
General & administrative expense	9,759	11,010	12,395	354
Other operating expense	147	226	287	8
Total operating expense	10,381	11,997	13,601	389
Non-operating income / (expense)	(489)	740	(223)	(6)
Income before tax	6,645	7,046	10,456	299
Tax expense	1,153	1,387	1,519	43
Minority interest income / (expense)(1)	94	206	14	0
Net income	NT\$ 5,398	NT\$ 5,453	NT\$ 8,923	US\$ 255
<b>Balance sheet data:</b>				
Total assets	NT\$350,604	NT\$413,565	NT\$462,654	US\$13,219
Total debt(2)	6,063	3,311	998	29
Total shareholders' equity	64,480	91,471	101,509	2,900

*As of or for the Year Ended December 31,*

	1999	2000	2001	
<b>Other data:</b>				
Earnings per share - actual(3)	NT\$1.42	NT\$1.35	<b>NT\$1.80</b>	<b>US\$0.05</b>
Earnings per share - adjusted(4)	1.34	1.31	<b>1.80</b>	<b>0.05</b>
Book value per share - actual(5)	17.32	19.15	<b>20.80</b>	<b>0.59</b>
Book value per share - adjusted(4)	16.32	18.70	<b>20.80</b>	<b>0.59</b>
Return on average assets(6)	1.5%	1.4%	<b>2.0%</b>	-
Return on average equity(6)	8.4	7.0	<b>9.2</b>	-
Double leverage ratio(7)	NA	NA	<b>99.6</b>	-
Shareholders' equity / total assets	18.4%	22.1%	<b>21.9%</b>	-
<b>Share data:</b>				
Shares issued - actual	3,977	5,136	<b>5,465</b>	-
Shares issued - adjusted(4)	4,206	5,251	<b>5,465</b>	-
Period end number of outstanding shares - actual(8)	3,722	4,776	<b>4,880</b>	-
Period end number of outstanding shares - adjusted(4)	3,951	4,890	<b>4,880</b>	-
Weighted average number of outstanding shares - actual(8)	3,796	4,049	<b>4,965</b>	-
Weighted average number of outstanding shares - adjusted(4)	4,025	4,172	<b>4,965</b>	-

(1) Consists of minority interest and pre-acquisition income

(2) Consists of short-term borrowings, commercial paper payable, bonds payable and long-term borrowings

(3) Based on weighted average number of outstanding shares

(4) Adjusted retroactively for the effect of stock dividends and capitalization of employee bonus and capital reserves

(5) Based on period end number of outstanding shares

(6) Calculated using average year end balances except for 1999, which is based on the period end balance

(7) Defined as Fubon Financial (unconsolidated) investment in subsidiaries (NT\$114.5 billion) divided by shareholders' equity (NT\$115.0 billion)

(8) Excludes treasury shares of Fubon Financial and shares of Fubon Financial held by each of the Fubon Financial Companies under principles of consolidated accounting. These shares are outstanding only from a legal perspective for purposes of calculating beneficial ownership percentages, as described in "Share Ownership"

## Summary Financial and Operating Data Relating to Fubon Insurance

(in millions, except percentages)

As of or for the Year Ended December 31,

	1999	2000	2001	
<b>Income statement data:</b>				
Gross written premium(1)	NT\$17,595	NT\$17,642	<b>NT\$18,304</b>	<b>US\$ 523</b>
Net earned premium(2)	8,184	8,115	<b>8,300</b>	<b>237</b>
Underwriting profit/(loss)	787	979	<b>935</b>	<b>27</b>
Net investment income	2,998	2,624	<b>2,065</b>	<b>59</b>
Net income	2,602	2,618	<b>2,081</b>	<b>59</b>
<b>Balance sheet data(3):</b>				
Total investment assets(4)	NT\$44,931	NT\$57,719	<b>NT\$61,841</b>	<b>US\$1,767</b>
Total assets	61,119	70,780	<b>77,707</b>	<b>2,220</b>
Reserves for operations and liabilities	15,685	16,284	<b>16,439</b>	<b>470</b>
Total shareholders' equity	31,969	39,555	<b>39,112</b>	<b>1,117</b>
<b>Other data:</b>				
Net claims ratio(5)	61.6%	62.6%	<b>60.8%</b>	-
Net expense ratio(6)	25.7	25.2	<b>28.8</b>	-
Net combined ratio(7)	87.3	87.8	<b>89.6</b>	-
Net investment return(8)	6.8	5.1	<b>3.5</b>	-
Solvency margin(9)	28.6	20.6	<b>20.6</b>	-
Retention ratio(10)	52.0	46.2	<b>43.9</b>	-
Return on average assets(11)	4.5	4.0	<b>2.8</b>	-
Return on average equity(11)	8.4	7.3	<b>5.3</b>	-

(1) Consists of gross premiums

(2) Consists of net written premium plus unearned premiums reserve release less provision for unearned premium reserve

(3) The year 2001 numbers are presented on the assumption that the Business Combination did not take place therefore, NT\$500 million in cash was assumed to remain with Fubon Insurance

(4) Consists of cash on hand, cash in banks, transferable certificates of time deposits, cash equivalents (excluding NT\$500 million transferred to Fubon Financial in 2001), corporate bonds, short-term notes, government bonds, financial debentures, overseas investments, common stock and beneficiary certificates, mortgage loans, long-term investments (other than prepayment for long-term investments) and net real estate investments

(5) Defined as net claims and claims adjustment expense divided by net earned premium

(6) Defined as underwriting and operating expense divided by net written premium

(7) Defined as net claims ratio plus net expense ratio

(8) Defined as net investment income divided by average year end total investment assets

(9) Defined as net written premium divided by shareholders' equity

(10) Defined as net written premium divided by gross written premium

(11) Calculated based on average year end balance



## Summary Financial and Operating Data Relating to Fubon Securities

(in millions, except percentages)

	As of or for the Year Ended December 31,			
	1999	2000	2001	
<b>Income statement data:</b>				
Total operating revenue	NT\$ 4,002	NT\$ 4,615	NT\$ 7,423	US\$ 212
Total operating expense	2,523	3,533	4,273	122
Net income	1,322	1,366	3,022	86
<b>Balance sheet data:</b>				
Total assets	NT\$38,034	NT\$51,746	NT\$66,350	US\$1,896
Margin loans	10,457	10,852	14,146	404
Total shareholders' equity	16,159	27,481	37,901	1,083
<b>Other data:</b>				
Total operating expense / total operating revenue	63.0%	76.6%	57.6%	-
Return on average assets(1)	3.8	3.0	5.1	-
Return on average equity(1)	8.5	6.3	9.2	-

(1) Calculated based on average year end balance (unconsolidated numbers for 1998)

## Summary Financial and Operating Data Relating to Fubon Bank

(in millions, except percentages)

As of or for the Year Ended December 31,

	1999	2000	2001	
<b>Income statement data:</b>				
Net interest income	NT\$ 5,191	NT\$ 5,804	NT\$ 6,727	US\$ 192
Provision for loan losses(1)	1,434	1,606	3,504	100
Non-interest income	2,294	3,016	5,283	151
Non-interest expense(2)	3,628	4,367	4,507	129
Net income	1,684	2,215	2,949	84
<b>Balance sheet data:</b>				
Gross loans(3)	NT\$151,372	NT\$163,452	NT\$145,035	US\$4,144
Total assets	232,127	267,075	270,713	7,735
Deposits	191,603	226,899	227,225	6,492
Total shareholders' equity	19,993	26,098	29,476	842
<b>Performance data(4):</b>				
Net interest margin(5)	2.57%	2.54%	2.64%	-
Fee income / revenue (6)	22.4	24.7	25.8	-
Overhead ratio(7)	1.68	1.75	1.68	-
Return on average assets	0.8	0.9	1.1	-
Return on average equity	8.8	9.6	10.6	-
<b>Asset quality:</b>				
NPLs / gross loans(8)	2.34%	2.42%	3.51%	-
<b>Capitalization:</b>				
Shareholders' equity / total assets	8.6%	9.8%	10.9%	-
Total capital ratio(9)	9.9	12.6	11.5	-
Gross loans / deposits	79.0	72.0	63.8	-

(1) Consists of provision for loan losses at Fubon Bank on an unconsolidated basis - see note 6. Provision for losses on receivables at Fubon Bills Finance Co., Ltd., or Fubon Bills Finance, a subsidiary of Fubon Bank amounted to NT\$247 million, NT\$19 million and NT\$96 million for the years ended December 31, 1999, 2000 and 2001

(2) Consists of fee expense and selling, general and administrative expense

(3) For data as of December 31, 1999, the figure was adjusted from the gross loans figure to include revolving credit card credit balances receivable

(4) Average assets, liabilities and equity are based on year end data. Averages for 2000 and 2001 are based on consolidated balance sheet data. Averages for 1999 are based on 1999 consolidated balance sheet data and 1998 unconsolidated balance sheet data

(5) Represents unconsolidated margins. Defined as net interest income divided by average interest-earning assets

(6) Defined as fee income divided by the sum of net interest income and fee income

(7) Defined as non-interest expense divided by average assets

(8) Non-performing loans, or NPLs, primarily include loans for which the most recent principal payment is overdue by more than three months, or the most recent interest payment is overdue by more than six months, as defined by the MOF

(9) Represents unconsolidated ratios, as defined by the MOF

## Summary Financial and Operating Data Relating to Fubon Life

(in millions, except percentages)

As of or for the Year Ended December 31,

	1999	2000	2001	
<b>Income statement data:</b>				
Total premium income (1)	NT\$16,092	NT\$14,848	NT\$23,687	US\$677
Net investment income (2)	1,426	1,217	4,042	115
Total operating revenue	17,530	16,079	27,750	793
Total operating expense	17,566	17,043	26,950	770
Net income	(36)	(919)	900	26
<b>Balance sheet data:</b>				
Total investments (3)	NT\$28,129	NT\$41,907	NT\$63,102	US\$1,803
Total assets	29,279	43,143	68,518	1,958
Total reserve (4)	23,243	35,135	56,734	1,621
Total liabilities	25,588	36,379	60,026	1,715
Shareholders' equity	3,691	6,763	8,493	243
<b>Other data:</b>				
Persistency ratio – 13th month (5)	87.3%	91.3%	91.2%	-
Net investment return (6)	6.9	3.5	7.7	-
Return on average assets (7)	(0.2)	(2.5)	1.6	-
Return on average equity (7)	(0.9)	(17.6)	11.8	-

(1) Consists of gross written premium less reinsurance premium ceded and net changes in unearned premium reserve

(2) Consists of net interest income, gain on securities investments, loss on sale of securities and loss on long-term securities

(3) Consists of fixed income investments and equity investments, before allowance

(4) Consists of unearned premium reserve, policy reserve, claims reserve and special claim reserve

(5) Defined as policies outstanding 13 months after initial issuance, calculated on a premium-weighted basis for the year ended

(6) Defined as net investment income divided by average year end total investments

(7) Calculated based on average year end balance

*Fubon Financial Holding Co., Ltd.*  
Founded in December, 2001  
Chairman: Chen S. Yu  
President: Richard Tsai  
Capital: NT\$54.6 billion  
237 Section 1 Chien Kuo South Road  
Taipei Taiwan  
Tel (886-2) 2706-7890  
Fax (886-2) 2702-2911  
[www.fubongroup.com.tw](http://www.fubongroup.com.tw)

*Fubon Insurance Co., Ltd.*  
Founded in April, 1961  
Chairman: Daniel Tsai  
President: Tsan-Ming Shih  
Capital: NT\$20.7 billion  
237 Section 1 Chien Kuo South Road  
Taipei Taiwan  
Tel (886-2) 2706-7890  
Fax (886-2) 2704-2915  
[www.518fb.com.tw](http://www.518fb.com.tw)

*Fubon Securities Co., Ltd.*  
Founded in September, 1988  
Chairman: Kung-Liang Yeh  
President: Kung-Liang Yeh  
Capital: NT\$19.8 billion  
108 Section 1 Tun Hua South Road  
Taipei Taiwan  
Tel (886-2) 8771-6888  
Fax (886-2) 8771-6795  
[www.fbs.com.tw](http://www.fbs.com.tw)

*Fubon Commercial Bank Co., Ltd.*  
Founded in April, 1992  
Chairman: Chen S. Yu  
President: Chuan-Hsi Wang  
Capital: NT\$20.4 billion  
169 Section 4 Jen Ai Road  
Taipei Taiwan  
Tel (886-2) 2771-6699  
Fax (886-2) 2778-0021  
[www.fubonbank.com.tw](http://www.fubonbank.com.tw)

*Fubon Life Assurance Co., Ltd.*  
Founded in July, 1993  
Chairman: Richard Tsai  
President: Pen-Yuan Cheng  
Capital: NT\$5.6 Billion  
108 Section 1 Tun Hua South Road  
Taipei Taiwan  
Tel (886-2) 8771-6699  
Fax (886-2) 8711-5919  
[www.fubonlife.com.tw](http://www.fubonlife.com.tw)





Fubon Financial Holding Co., Ltd.  
237 Section 1 Chien Kuo South Road  
Taipei 106 Taiwan  
Tel (886-2) 2706-7890  
Fax (886-2) 2702-2911  
[www.fubongroup.com.tw](http://www.fubongroup.com.tw)