

We Create **Fortune**

2013

Corporate Social Responsibility Report

元大金控



*Yuanta
Financial Holdings*



Overview of the CSR Report

Timeframe of the Report

- ✳ Our company published its first Chinese Corporate Social Responsibility (CSR) Report in 2010. Chinese and English editions were produced in 2011 and 2012. This year, in our 4th CSR report, we will build on the progress we have made since 2011 and detail to our stakeholders worldwide the efforts made by Yuanta Financial Holdings Co., Ltd. (Yuanta Financial Holdings), with respect to corporate social responsibility.
- ✳ This report discloses the CSR efforts and results of Yuanta Financial Holdings on key issues from January 1st to December 31st, 2013.

Scope and Boundary of this Report

- ✳ The subjects of this report are Yuanta Group operations in Taiwan and the Yuanta Foundation.
- ✳ Financial information is provided in New Taiwan Dollars (NTD).
- ✳ Energy consumption figures and details relating to environmental stewardship apply only to the Yuanta Group headquarters building at No.66, Sec. 1, Dunhua S. Rd., Taipei City.
- ✳ In this report, “our company” refers to Yuanta Financial Holdings, while “our group” refers to Yuanta Financial Holdings and its subsidiaries: Yuanta Securities, Yuanta Bank, Yuanta Futures, Yuanta Securities Investment Trust, Yuanta Securities Finance, Yuanta Venture Capital, Yuanta Asset Management and Yuanta Investment Consulting.

Reporting Principles and Outlines

- ✳ This report was compiled in accordance with the Global Reporting Initiative (GRI) sustainability reporting guidelines G3.1, United Nations Global Compact Reference Table, Social Responsibility Index (ISO 26000 Index), and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies.
- ✳ This report encompasses six key chapters including the Letter from the Chairman, the implementation of CSR, identification of stakeholders, company overview, corporate governance, customer care, employee benefits, environmental stewardship, and social activism.

Differences from the 2012 Report

- ✳ None.

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Method of Delivery

*Both the Chinese and English versions of this report are available on the Yuanta Financial Holdings website: <http://yuanta.com>

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Letter from the Chairman

The core values of Yuanta Financial Holdings' corporate culture lie in establishing the best practice in corporate governance, the pursuit of long-term shareholder value, and the fulfillment of social responsibility.

Despite Taiwan's weak economic recovery compared to that of the world's major economies in 2013, our company still managed to create net profit after tax of 7.71 Billion NTD in a weak economic environment. For Yuanta, the most important organizational change in 2013 was the regulatory approval for the purchase of New York Life Insurance. The share transfer was completed on January 1st, 2014, marking Yuanta's entry into the life insurance business. Our company's acquisition of New York Life Insurance also represented the first successful step on our short, mid- and long-term business development plans. In the future, our company will focus on enhancing group assets and business performance. The diversification of group businesses, internationalization of future business expansion as well as the support of subsidiaries will gradually realize a three-pillar strategy of cooperation and success. In addition to developments in Taiwan, further efforts will be made to integrate Greater China's capital markets in becoming the leading securities broker in the region, a full-spectrum investment bank and realizing our visions of "local living, global investment" and becoming "the best financial service provider in the Greater China region".

With sound corporate governance as the foundation, our company will progressively implement the ESG concept (Environment, Social Responsibility, Governance) in our business development and management activities in order to fulfill our social responsibility while pursuing business success. Related accomplishments include:

[Corporate Governance Performance]

In 2007, Yuanta became the first company in the financial industry to appoint well-known professors and experts as independent directors. A comptroller committee was also set up to improve the efficiency and decision-making quality of the Board of Directors. In 2008 and 2010, Yuanta passed the "TWSE/GTSM Listed Companies Corporate Governance Assessment" and the "CG6006 Advanced Corporate Governance Assessment" certifications by the Taiwan Corporate Governance

Association, so our corporate governance has been recognized by a professional body. In 2011, the standing shareholders' meeting approved the establishment of a formal compensation committee headed by an independent director. The purpose of the committee is to set up a system for reasonable compensation that links risk with performance while conforming to our company's overall development strategy. In 2012, we were honored with an A++ rating in the 9th TWSE/GTSM Listed Companies Disclosure Evaluation System, making us the only financial holding company to receive an A++ rating; in 2013 we improved our standing to 20th for an A++ rating in the 10th evaluation and became the only financial holding company to receive an A++ rating for two consecutive years.

[Social Responsibility Performance]

In products and services, our company issued charity co-branding cards through our banking subsidiary to support charities. Customers were also encouraged to use our group's various transaction platforms including the Internet, ATM and credit cards to donate membership reward points from transactions and purchases. We also exert our influence as finance professionals through seminars, forums, conferences, wealth management camps and internship programs hosted by our subsidiaries in order to help customers of all ages build up sound financial knowledge and sound practices. For a harmonious workplace, Yuanta pays attention to our employees' physical and mental well-being. We hope that every employee can reach their potential, discover their own value and grow with the group. It is worth mentioning that our company was included in the "Taiwan Employment 99 Index" compiled by the Taiwan Stock Exchange on December 30th, 2010. The soundness of our business is the best guarantee for employment. For social welfare, our company works through the Yuanta Foundation through the four dimensions of "charity and social education", "supporting education and talent development", "art promotion and cultural education", and "safe society and legal education". In 2013 we hosted a total of 286 events with Yuanta volunteers recruited for many of these events. Since 2007, we have supported the Liver Disease Prevention & Treatment Research Foundation and Yuanta volunteers worked in the field in all types of weather to help more than 5,000 people; we have been hosting the "Yuanta Blood Donation Drive" since 2011 with Yuanta employees taking the initiative as volunteers and donating blood. For the 2013 Yungho Charity Run, 270 spirited employees led by the President of Yuanta Financial

Holdings and members of the general public went on a charity run for children with developmental disabilities. The group gives back to society in a myriad of ways.

[Environmental Protection Performance]

Yuanta believes in seeking a balance between business development and environmental sustainability. In green finance, we are continuing to develop high-quality e-commerce platforms and promoting mobile commerce that provides customers with a greater range of convenient services. Our banking subsidiary has also embraced the philosophy of "going paperless to save trees and protect the planet" by promoting passbook-less cash savings accounts for the younger generation. We also strongly support loans to environmental protection and pollution rehabilitation industries. Our investment subsidiary in turn supports green industries by issuing corporate social responsibility or resource-related funds. On the green management front, we are continuing to increase the usage of electronic statements in group businesses and our securities subsidiary is also planning to set up an operations center to streamline business processes, simplify risks and conserve resources. We also frequently remind employees in our routine operations to conserve energy and reduce carbon emissions on a personal level. Ride-sharing of company vehicles and the group delivery of documents are also organized at certain hours of the day to reduce the impact of business travel on the environment. For green purchasing, from 2011 to 2013 our company was recognized by the Taipei City Government as a "Benchmark Unit for Green Purchasing" for three consecutive years.

This Report clearly reflects all the CSR efforts made by our company and their results. We welcome your suggestions and feedback. Our company, together with all of its stakeholders, will strive to be a leading corporate citizen and fulfill our Corporate Social Responsibilities to the best of our ability.

**Rong-jou Wang, Chairman of the Board,
Yuanta Financial Holdings**

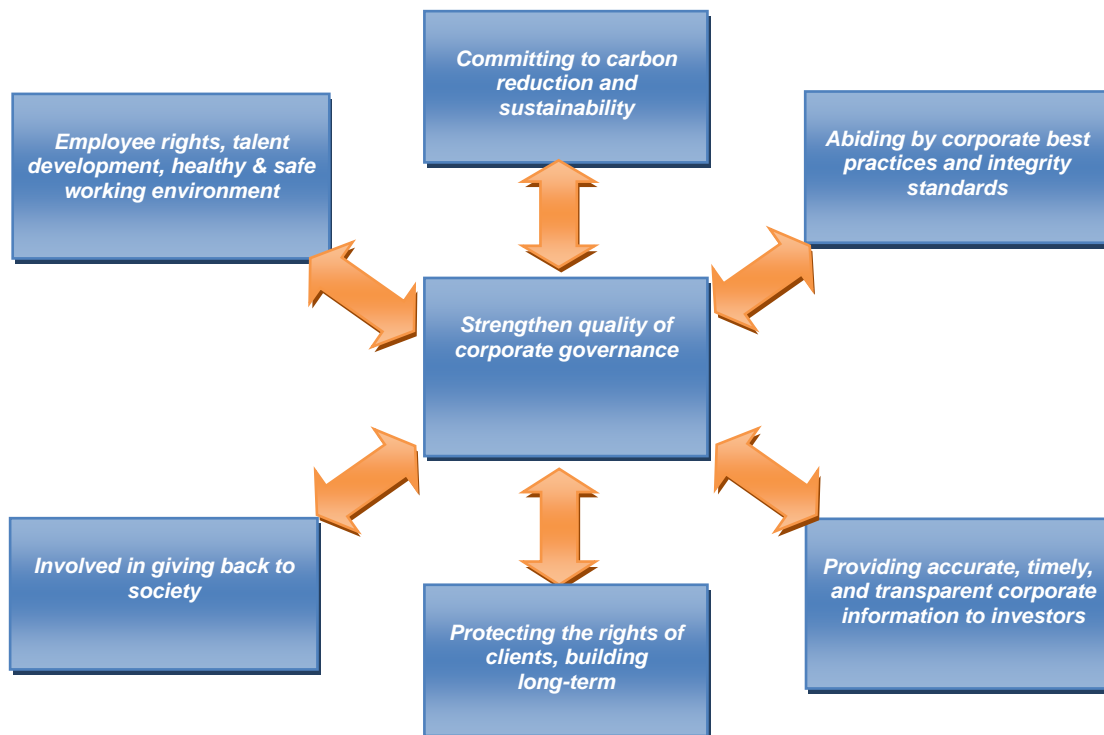
Current CSR Condition

Our company adheres to a mission of “We Create Fortune” and “Yuanta Financial Holdings – Realizing Your Greatest Expectations” and offers a most diverse, well-rounded, efficient, and high-value-added financial service. We aim to provide a course of navigation and strength of support for all of the stakeholders of Yuanta Financial Holdings. We hope we can “create fortune” and “realize our dreams” together.

After years of effort, our company has embedded our mission statement “be the best example of corporate governance. and seek the greatest value for our shareholders” - into our corporate culture. We have committed ourselves to the creation of clear and transparent communication channels with all of our stakeholders and hope that this positive interaction will result in improvements in the “economy, society, and the environment.”



CSR Policy



CSR Operation

Principles of Operation

Our company's "Corporate Social Responsibility Best Practice Principles" are based on the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies" codified by regulators, and were approved by the Board on Oct. 26th, 2010.

Organization and Practice

The CSR Promotion Center was established in 2011 with eight functional teams set up to handle all issues of concern to stakeholders: general affairs, corporate governance, employee care, environmental sustainability, fair competition, social participation, customer care, and investor relations. Annual meetings are held to track and ensure proper implementation on each issue.

Duties of the Board

To manage company CSR and ensure its effective implementation, the CSR Center reports the results of CSR fulfillment annually to the Board.

2013 Focus Issues

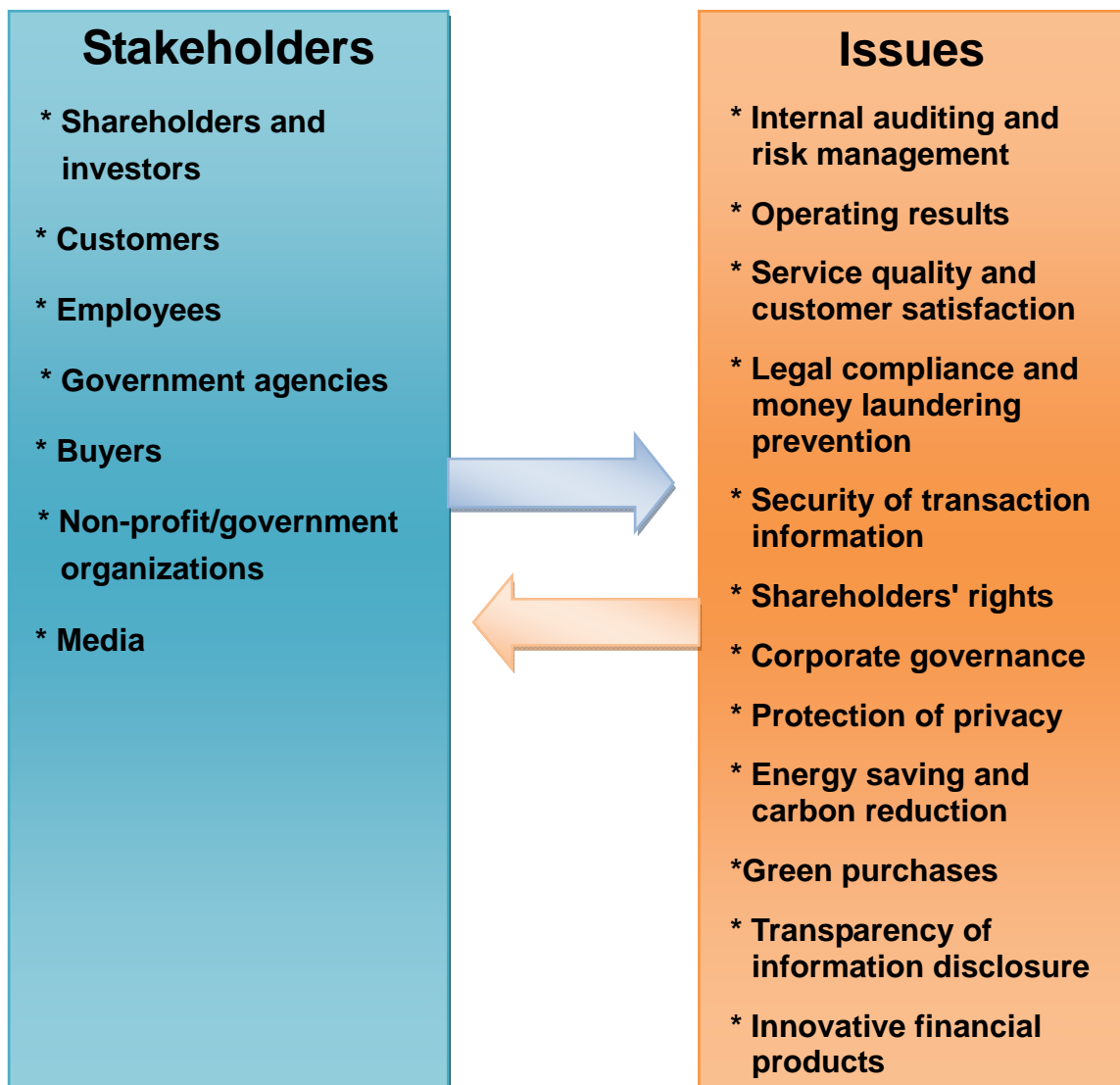
Item	Issue	Implementation
1.	Organization of group employee health seminars	Three health seminars were held this year as an extension of the group employee health examinations on "Health starts with understanding the health exam report", "Health management" and "Balanced diet and weight control". These were attended by 315 group employees. E-learning courses were also produced for viewing by all employees.
2.	The education, training, and promotion of business ethics for directors, supervisors and employees of the group	(1) The "From CSR Report to Sustainable Investment Value" course was organized for a total of 23 group directors,

		<p>independent directors, supervisors and sales-related personnel.</p> <p>(2) The "Anti-Corruption and Corporate Ethics" course was progressively rolled out to all employees between May ~ October. Employees were also required to pass post-course testing to enforce legal compliance, corporate ethics and the business code of practice.</p>
<p>3.</p>	<p>Implementation of the guidelines that must be followed in the "Ethical operation best practice and conduct guidelines".</p>	<p>Increased subsidiary awareness of check points in purchasing behavior as defined in the "Honesty management operating procedure and behavior guide". In 2013, a total of 34 procurements satisfied the requirements listed on the left.</p>

Identification of Stakeholders

(I) The identification of and communication with stakeholders

Our company's stakeholders include shareholders, investors, customers, employees, government agencies, vendors, non-profit/government organizations and the media. Information about issues of concern to stakeholders was gathered through various channels to serve as a guide to disclosure in the report.



☑The issues that company stakeholders focus on their channels of communication, as well as the frequencies of such communication, are listed in the following table. The solutions to these issues are detailed in chapters of the CSR Report.

Stakeholders	Issues	Frequency of communication	Channels of communication
Shareholders and investors	*Internal audit and risk management	Annual	Shareholders' meeting
	*Operating results	Annual	Annual meeting
	*Service quality and customer satisfaction	Permanent	Corporate website – investor relations
	*Legal compliance and money laundering prevention	Annual	Credit rating
	*Security of transaction information	Permanent	Spokesman
	*Shareholders' rights	Annual on special occasions	Participating in domestic and international institutional investors' conference
	*Corporate governance	Annual on special occasions	One-on-one meetings with institutional investors that offer two-way communication
	*Protection of privacy		
	*Energy saving and carbon reduction		
	*Green purchasing		
*Transparency of information disclosure			
*Innovative financial products			
Customers	*Internal audit and risk management	Permanent	Corporate website
	*Service quality and customer satisfaction	Permanent	Codified “Yuanta Financial Holding Co. Ltd. and Subsidiaries Customer Information Confidentiality Measures” and information safety policies.
	*Legal compliance and money laundering prevention		
	*Security of transaction information		

Stakeholders	Issues	Frequency of communication	Channels of communication
	*Protection of privacy	Permanent	Customer service line
	*Transparency of information disclosure	Annual on special occasions	Investment-related seminars, lectures, forums
	*Innovative financial products	Daily, monthly	E-newsletter
		Annual on special occasions	Customer satisfaction surveys
		Permanent	Enforcing “Know Your Customer” (KYC) rules
		Non-regular	Special projects

Stakeholders	Issues	Frequency of communication	Channels of communication
Employees	*Internal audit and risk management	Permanent	Internal website – HR regulations and forms, daily corporate news, industry-wide news, suggestions and information sharing
	*Operating results		
	*Legal compliance and money laundering prevention	Non-regular	E-mails (major internal notifications)
	*Security of transaction information		
	*Corporate governance	Quarterly or monthly	Club activities
	*Protection of privacy	Updated Annually	Designated vendors
	*Workplace safety and employee health	Non-regular, special project	Employee discounts
	*Energy saving and carbon reduction		
*Green purchasing	Quarterly	Employee-employer meeting	
*Transparency of information disclosure			

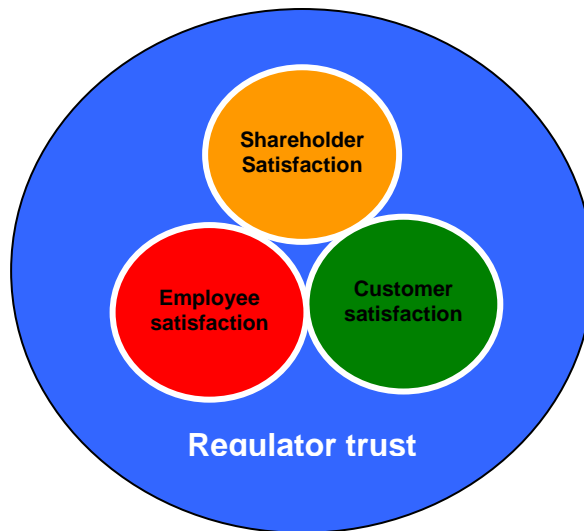
		Annual	Employee safety and health education and training
		Permanent	Group-wide online digital learning platform: "Yuanta e-Academy"
		Permanent	Encouraging employees to participate in external training courses
		Annual/ biennial	Providing group health insurance and health exams
		Annual on special occasions	Health lectures
		Weekly, monthly, quarterly, annually	Meetings, such as weekly meetings, monthly (annual) result review meeting, and committees
		Six times/per year	Summit Forum
		Permanent	Organizing an employee shareholder committee
		Permanent	Organizing an employee retirement reserve oversight committee

Stakeholders	Issues	Frequency of communication	Channels of communication
Government agencies	*Internal audit and risk management	Annual	Paying taxes
	*Legal compliance and money laundering prevention	Permanent	Participating in associations of various industries in the financial sector
	*Security of transaction information	Annual on special occasions	Promoting correct knowledge of investment, personal finance, and credit management
	*Corporate governance	Non-regular	Complying with regulators' investigations and audits
	*Protection of privacy		Participating in public hearings
	*Workplace safety and employee health	Non-regular	sponsored by regulators
	*Energy saving and carbon reduction		Government letters
*Green purchasing	Annual on special occasions		
Vendors	*Legal compliance and money laundering prevention	Permanent	Fair and open negotiation process
	*Green purchasing	Permanent	Management rules
		Non-regular	Contractual terms
		Non-regular	Project meetings
Non-profit/ Non-government organizations	*Corporate governance	Permanent	Activities at Yuanta Foundation
	*Transparency of information disclosure	Regularly	Securities and Futures Institute
	*Social		

	*Social participation	Regularly	Taiwan Corporate Governance Association
Media	*Operating results *Service quality and customer satisfaction *Security of transaction information *Shareholders' rights *Transparency of information disclosure *Innovative financial products	Non-regular	Media communication, press releases, advertisements
		Non-regular	Incidents

(II) Protecting the rights of major stakeholders

✦ Our group aims to produce “three satisfactions and one peace of mind,” to ensure that shareholders, customers, and employees are satisfied with the business quality and results of our group, and the regulators will have peace of mind because our operations are in compliance with the regulations.



✦ Company efforts to protect the rights of stakeholders are as follows:

<p>Shareholder rights ➤➤➤➤➤➤</p>	<p>Handling shareholder disputes and suggestions Electronic voting for shareholder meetings Investor relations Dividend policy</p>
<p>Customer rights ➤➤➤➤➤➤</p>	<p>Customer privacy protection Information security Customer feedback management Product sales quality control</p>
<p>Employee rights ➤➤➤➤➤➤</p>	<p>Statement on Employee Rights to all of our Associates Detailing of New York Life Insurance employees' rights after our acquisition Details of employee rights, education, and training</p>
<p>Government agencies ➤➤➤➤➤➤</p>	<p>Ensuring all operations are in compliance with the law Participating in public policies Improving the industry standard</p>

1. Shareholder equity

(1) Handling shareholder disputes and suggestions

Our corporate website has dedicated sections for "Corporate Social Responsibility", "Investor Relations" and "News and Events" to provide investors with all kinds of information. Under "Investor Relations", there is also an "Investor Services" section for "Investor Service Window" and "Contact Us" e-mails. Shareholders can make contact by phone or e-mail to have their suggestions or disputes handled by the relevant personnel.

(2) Electronic voting for shareholder meetings

Our company adopted electronic voting at the 2012 shareholders' meeting for the first time. The electronic voting relied on the electronic voting platform created by the Taiwan Depository and Clearing Corp., allowing shareholders to vote for, against or abstain on issues on the agenda. This makes voting by proxy or in person unnecessary. The resolutions for the agenda in the 2013 general shareholders meeting are disclosed on page 58 of the annual Company report for 2013, Chinese edition.

(3) Investor relations

To better serve institutional shareholders worldwide, our company participates in institutional investor conferences and one-on-one meetings with institutional investors. Using two-way communications we can ensure that institutional investors understand our long-term strategy and financial and operational situation. Also understand the investors' suggestions about the company and react to the policy makers as the future strategy of the company. Our company took part in 6 investor forums in 2013 hosted by foreign securities firms or non-deal road shows, and held more than 150 meetings with investors. Apart from valuing the opinions of our shareholders and investors, our company also strives to improve disclosure timeliness and transparency. Chinese and English "Investor Relations" sections have been set up on the corporate website to handle investor and analyst queries, the

downloading of financial reports, annual reports and presentation, as well as financial and shareholders' meeting information.

(4) Dividend policy

A. Our company adopted a residual dividend policy with the following goals in mind: expansion, increased profitability, coordination with long-term corporate financial plans and complying with regulations. Our dividend distribution guidelines are as follows: the distributable earnings are the earnings after annual final accounting: after taxes have been paid, retained losses have been offset; a legal reserve and special reserve have been appropriated, and after the remuneration of directors and provision of employee bonuses has been made. Our company will then appropriate the necessary funds according to our operation plan from distributable earnings and distribute the rest as a cash dividend; however, the cash dividend cannot be less than forty percent of the distributable earnings.

B. Dividend distribution from 2012 ~ 2013 Unit: NTD

Year	2012	2013
Stock dividend per share	0.00	0.25
Cash dividend per share	0.55	0.65
Total	0.55	0.90

2. Customers' rights

(1) Customer privacy protection

Our company drafted the "Customer Privacy Protection Measures for Yuanta Financial Holdings and Subsidiaries", "Personal Information Protection Policy for Yuanta Financial Holdings" and "Personal Information Management Regulations for Yuanta Financial Holdings". These ensure the appropriate use and safe-keeping of customers' personal information within the scope of the law. We protect the privacy of customer data in good faith while also striving to protect customer privacy and personal information. Due to the introduction of the Personal Information Protection Act, our company and our subsidiaries have set up standing inter-departmental personal information protection teams. The

convener of the team convenes the meeting regularly in order to promote, coordinate and supervise all matters relating to personal information protection. Key responsibilities include:

- A. Promoting and reviewing personal information security incidents and personal information protection.
- B. The personal data protection area and other HR-related documents must be drawn up based on the requirements of personal information. Essential inspections and suggestions on improvements are conducted when necessary.
- C. Promote and inspect each person's data security lock incidents.
- D. Review the personal information and discuss the educational plan to protect personal information.

Our company ensures that employees only acquire and use customer data within the scope of customer authorization through sustained education, training and promotion. Our company has adopted proper technology and organizational security measures to protect personal information from loss or unlawful use. In 2013, there were no complaints to our Group about the invasion of customer privacy or the loss of customer data.

(2) Information security

To safeguard the confidentiality and integrity of customer data, all of our subsidiaries strictly adhere to all government laws, regulations, and our information management guidelines. We have an information security policy in place that includes all types of information safety measures and regulations. Customer personal data are securely stored at subsidiaries of our group, or the data storage systems of their contracted data storage companies, with the highest levels of security and stability in place. Also, by introducing security measures and surveillance software, we have enhanced the secure management of data access to prevent unauthorized access to data. As for the management of e-mails, any messages that are confidential or include personal data are encrypted to ensure the safety of customer data.

Our subsidiaries provide information safety education, training, and

testing to ensure the effective functioning of information safety measures. This way, we can improve the awareness and responsiveness of our daily operations. In the anticipation of unexpected disasters, we have also established Business Continuation Management (BCM) measures to protect the rights of customers.

In January 2012, our company and our subsidiary bank attained the ISO 27001 Information Safety Management System certification. The bank subsidiary also obtained the BS10012 Personal Information Management System certification in July 2012.

(3) Customer feedback management

Our group has incorporated customer service lines and electronic mailboxes on the official websites of our subsidiaries; these allow customers to ask questions or submit feedback at any time. The feedback from customers is incorporated into our tracking database to control case management progress and it is used as a reference for the future improvement of customer service quality. This is in addition to a timely response to customers from the business unit responsible for handling the feedback messages.

2013 Securities Business Customer Service		
Issue	Result	Percentage (%)
Customer demanded redress from sales representative after delisting of purchased stock	Company stood by its decision and customer did not apply for further review	33.33%
Error in T+5 loan information provided to customer	Review found customer complaint to be groundless	33.33%
Demanded compensation from sales representative after losses on share investments	Case withdrawn by customer	33.33%
Total		100.00
2013 Banking Business Customer Service		
Issue	Result	Percentage (%)
Processing error	Determined cause then reviewed and amended operating process to avoid a repetition of the same error.	0.9%
Poor quality of service	Apology accepted by customer. Strengthened training and education on quality of service.	2.6%
Recommendation or improvement of operations	Our bank evaluated the feasibility and improvement measures of the customer suggestion to provide better client service	1.5%
Debt negotiation or change of loan terms (including debts transferred to AMC)	Renewed negotiation with customers and reached a consensus between two parties	46.2%
Customer perception	Clarified differences in perception while continuing with negotiation and communication to reach a consensus	36.1%
Other	Investigated customer requirements to provide solutions.	10.9%
Appreciation from customers	Publicly recognized employees for embracing caring service.	1.8%
Total		100.00

2013 Futures Business Customer Service		
Issue	Result	Percentage (%)
Platform anomalies (login, quotes etc.)	Provided customer with help instructions	55%
Account problems (transactions, exchange rates, fees etc.)	Provided customer with help information	10%
Transaction problems (reporting, in-mark and after-mark payment problems etc.)	Online help with sales unit notified to provide additional service	25%
Other (personal info, password, courses etc.)	Helped meet customer requirements	10%
Total		100.00
2013 Investment Business Customer Service		
Issue	Result	Percentage (%)
IT system - software configuration error	Refund of fees	57.1%
Fund operations - Invalid transaction	Refund of purchasing fee	28.5%
Fund operation - Misunderstood content of promotion	Refund of fees	14.2%
Problem with fund application fees	Refunded excess fees with gap met by company	Less than 0.01% of all transactions during the year
Total		100.00



(4) Quality control over product sales

- A. The design of the financial products of our group prioritizes “customer needs.” We also require that business units make a careful evaluation of the legality and risks based on the segregation of duties before launching a new product. In terms of business promotion, our group places great emphasis on executing the “Know Your Customer (KYC) processes” before engaging in any business. An analysis of the investment attributes of a customer facilitates the provision of a range of suitable choices.

From design to sale, our group’s financial products have to comply with defined standard operating procedures. The risk management department also ensures the quality of financial products and safeguards customer rights through the daily monitoring of risk data. As a result, none of the products offered by our group in 2013 breached any regulations and there were no fines.

- B. The advertising and sale of our group’s financial products are in compliance with all of the rules set by regulators. Details of the risks, rewards, and notices are included on the printed product information. We also clarify all related risks in detail before accepting customers to ensure that they have all of the necessary information about the financial products they intend

to buy. The result is that our group was not found to be in violation of any laws or standards related to advertising and promotion in 2013.

- C. The general “Know Your Customer (KYC)” processes are as follows, but business units can tailor them according to their needs.

Step 1

Before a customer enters into a contract with our group, a staff member should perform a thorough evaluation based on their basic information, assets, investment orientation, experience, and risk tolerance so that we can understand the investment attributes of the customer and review them regularly in the future.

Step 2

Sales staff shall recommend investments suitable for the risk level of the customer based on the analysis of this data.

Step 3

Before entering into a contract with a customer, the sales staff should fully explain the important contents of the financial product, service, and contract, and provide a product prospectus and risk disclosure. The goal being to ensure that the customer understands his or her rights and obligations.

3. Employee Rights

Statement on Employee Rights to all our Associates

Our company emphasizes employee rights. We seek to unleash the potential of our employees as well as develop and reward talent. By doing so, we may improve their career competitiveness and their value in the job market to create a win-win situation for both the employer and employee. This practice underlines our active mindset for ongoing management.

In 2007, we ratified the “Code of Ethical Conduct,” which serves as a basic guideline for all staff members in the discharge of their duties. We have also posted this Code on the internal and external websites of the corporation to make it available for review by the stakeholders as well. The Code of Ethical Conduct includes: the emphasis on team spirit, adherence to ethical best practices, equal opportunity employment and the prohibition of discrimination, the respect for privacy, the prevention of the dissemination of rumors, the duty of confidentiality, the prohibition of insider trading, the prohibition of conflicts of interest, and the prohibition of the receipt of gifts, bribes and inappropriate benefits. These are all regulations very relevant to our day-to-day operations.

Our methods of communication on human rights issues are as follows:

(1) Create an equal opportunity employment environment

Our company “Code of Ethical Conduct” specifically states that we respect diversity in our society and that any form of discrimination is forbidden. We must not offer preferential treatment or discriminate in any form on the grounds of gender, ethnicity, religion and faith, political party affiliation, gender orientation, job rank, nationality, or age. By adhering strictly to these rules, we can ensure that all staff members of our group can perform their best work in an environment that values “respect, mutual trust, diversity, harmony, and equality.”

(2) Strict prohibition of gender discrimination

Our company offers female employees health leave, child-birth leave for male employees, family care leave, and a hold on position and pay during child leave for all employees according to the Gender Equality in Employment Act. We also help employees with the transition back to the workplace after the expiration of their child care hold on position and pay. In addition, our company has ratified the “Guidelines on sexual harassment prevention, complaints, and

discipline.” We have also installed a hotline and email address to take complaints. We strictly forbid any sexual harassment, gender discrimination or violence, threatening behavior, or blackmail. Our goal is the creation of a workplace with full gender equality.

Category	2012			2013		
	Male	Female	Total	Male	Female	Total
People qualified for child care leave (Note)	458	179	637	730	368	1,098
Number of people who have already applied for child care leave	124	17	141	129	17	146
People who have returned to their jobs	62	12	74	55	8	63
Number of people who have returned to their jobs for more than 12 months	28	3	31	34	5	39

Note: The information in this table is based on dependent data provided by our associates.

(3) Smooth employer-employee communications channels

- A.** In order to keep employees clearly informed of all of their rights and obligations, information on these important issues is posted on the internal employee website.
- B.** Our Group has also established a dedicated unit that posts important news to the website platform to enable the employees to remain in touch with industry trends and major corporate events. We also notify our employees on a real-time basis about any significant changes in our company operations via e-mail or the website on issues such as mergers and acquisitions, changes in upper management, the addition or closure of branches, office moves, changes in the Law, and adjustments of internal control regulations, so that employees can always be up-to-date with the changes that might be taking place within the company.
- C.** Subsidiaries of the company have built a communications platform between the employer and employee by holding regular meetings. We hope that by this means employees can better participate in and identify with company philosophy.

Our group is committed to building a friendly and safe working environment. Our statement on human rights for all employees is as follows:

- ☑ All of our operations are in compliance with the Law and the human rights regulations in the business jurisdictions.**
- ☑ All human resources management mechanisms are in compliance with the labor laws and regulations of internal control to protect the rights of employees.**
- ☑ We do not tolerate discrimination, coercion, or forced labor.**
- ☑ Since the financial industry requires professional knowledge and assumes professional risks, our company does not hire child labor.**
- ☑ No violation of the rights of aboriginals has ever taken place.**
- ☑ The formal company channel for complaints has not received issues related to human rights, and we expect this harmonious employer-employee relationship to be maintained in the future.**
- ☑ 100% of our employees are covered by the employer-employee agreement.**
- ☑ Our company respects the right of association amongst employees.**

Details of New York Life Insurance employee rights after our acquisition

Our company's share-swap deal with New York Life Insurance was approved by the Financial Supervisory Commission on December 24th, 2013, with January 1th, 2014, set as the effective date. On the same day, New York Life Insurance's Taiwan unit became a 100% owned subsidiary of Yuanta Financial Holdings and was renamed Yuanta Life Insurance after going through the legal process.

Our Group did not have a life insurance subsidiary, so the purchase of New York Life Insurance had no issues with overlapping manpower. To ensure smooth operations and a seamless transition, we promised to retain all employees and associates. Apart from guaranteeing their legal right to work, we also recognized the seniority and accumulated leave of retained personnel to effectively minimize any uncertainty during the business transition, build up employer-employee rapport, and achieve a win-win outcome.

Our company has always demonstrated our utmost goodwill and sincerity in employment-related areas during acquisitions and mergers. We hope we can attract talent through acquisition and enhance the synergy of business combination. We have offered special guarantees that are better than the market in human rights issues in 100% of the major investments in which we have been involved over the past three years.

Details of employee rights, education, and training

To ensure that employees have a clear understanding of the financial industry code of ethics (including business ethics and anti-corruption education for employees) and business-related laws and regulations, our company has published these regulations and rules on our internal website where they can be accessed by employees at any time. This ensures proper compliance by employees in their business activities and the protection of related rights.

To help new employees understand the relevant business regulations, rights and business processes as quickly as possible, we require that new employees complete the new employee introduction course within

one month of reporting for duty. The content of the course includes: corporate vision, corporate culture and organization, management teams, work rules, employee benefits, training and development. We also arrange law and regulation courses such as money laundering prevention, insider trading detection, information security education, and labor health and safety training for new employees. Within three months of reporting for duty, the relevant unit supervisor must arrange for the new recruit to receive pre-employment/on-the-job training and activate the mentor scheme to help the new employee understand their duties, business processes, and rights. The two-pronged approach strengthens the regulatory understanding of new employees as well as their rights and compliance.

In 2013, we offered 145 courses, both physical and virtual (online), to new employees for a total of 2,013 hours, and 555 persons were trained. Each participant received an average of 3.6 hours of training (not including on-the-job training and individual mentoring).

4. Government agencies

Our group analyzes and assesses the impact of all significant changes in government policies and laws both at home and abroad in every business segment and adjusts our operating strategy and procedures accordingly. In addition, our company performs a regular operational audit at least once a year, and project operation audits on our company and all subsidiaries are carried out every six months. We also perform normal scheduled as well as irregular audits with the regulators to ensure that all of our operations are in compliance with the law.

By participating in public hearings held by industrial associations and regulators, we offer suggestions and opinions that can help with legal proposals. We do so to engage in the formulation and development of public policies in an appropriate manner. We hope that by assuming critical roles in the associations we can improve future prospects and professionalism in the industry. The industrial associations related to securities and banking that we participate in are as follows:

Securities

- | | |
|---|--|
| <ul style="list-style-type: none"> ※ As chair of the underwriting, secretariat, and taxation, new financial product, research and development, warrant management, stock agent and bond committees, and as vice-chair of the foreign securities and wealth management committees of the Taiwan Securities Association. ※ Taiwan Stock Exchange Governance Center: Member of the disclosure evaluation committee | <ul style="list-style-type: none"> ※ Trust Association of the R.O.C.: Director, members' representative, business development committee member and finance & taxation committee member ※ General Chamber of Commerce of the R.O.C.: Industry consultation representative. ※ Accounting Research and Development Foundation: Evaluation standards committee member ※ Public Company Transfer Agency Association of the R.O.C. Research team member. |
|---|--|

Banking

- | | |
|--|--|
| <ul style="list-style-type: none"> ※ Member and members' representative in industry organizations such as the Trust Securities Association and the R.O.C. Bills Finance Association. ※ Member of the Trust Securities Association's trustee bank team, currency and securities team, collective and common trust fund team, and securitization and real estate trust team. ※ Member of the Trust Association of the R.O.C.'s finance & taxation and management & training committees. | <ul style="list-style-type: none"> ※ Member and deputy chair of the Bankers' Association of the R.O.C.'s financial regulation and disciplinary committee ※ Participation and service as instructor in the Financial Supervisory Commission's Banking Bureau's "Campus and Community Financial Education Campaign" ※ Our bank was appointed by the Bankers' Association and Banking Bureau as the lead bank of the "Liquidity Risk Team" under the New Basel Capital Accord task force. ※ Participated in the Bankers Association's Regulatory committee as well as the Privacy Act, Financial Institution Consolidation Act, and Bankruptcy Act legislative amendment teams. |
|--|--|

1. Company Overview



I. Company Overview

(I) Profile

The Group was founded on February 4, 2002, and is based in Taipei, Taiwan. Yuanta Financial Holdings is a comprehensive financial services firm with dominance in securities investment services. It carries out its business primarily in the territory of Taiwan, and is focused on expanding business to the Greater China region, including Hong Kong, Shanghai, Beijing and Shenzhen. It also aims at becoming the “best financial services provider in the Greater China region.” At present, there are branches throughout the country, and the group has 8,693 professional financial specialists dedicated to providing customers with comprehensive financial services.

Leadership in the securities business was even more firmly established by the merger between the Fuhwa Financial Holding Company and Yuanta Core Pacific Securities (already the largest securities broker in Taiwan) in 2007. By the integration and interoperation of its subsidiaries, the group has been able to form a financial group dedicated to providing products and services related to securities, banking, securities finance, futures, investment trusts, investment consulting, venture capital and asset management.

On October 3rd, 2011, Polaris Securities became a wholly-owned subsidiary of Yuanta Financial Holdings through a share-swap deal. A business consolidation and restructuring plan was immediately implemented at the subsidiary. The acquisition further extended our market leadership in the following areas: securities brokerage locations, brokerage volume, margin and short trading, electronic trading, sub-brokerages, investment trust asset scale, futures brokerage and options, and puts our company on a firm footing for further development.

On June 25th, 2013, our company signed a deal with New York Life Insurance to acquire 100% ownership of the New York Life International company for NT\$100 million. The share transfer completed on January 1st, 2014, marked our official entry into the life insurance business, and

established our "three pillars of development" business model based around securities, banking and life insurance.

Financial Products (Services)	Key Markets
Banking (including deposits, loans, credit cards, foreign currency, and trusts)	Taiwan
Securities (brokerage, trading, underwriting, financial products)	Taiwan, Hong Kong
Securities finance	Taiwan
Futures	Taiwan, Hong Kong
Investment trusts	Taiwan, China
Life insurance (personal and group life insurance)	Taiwan

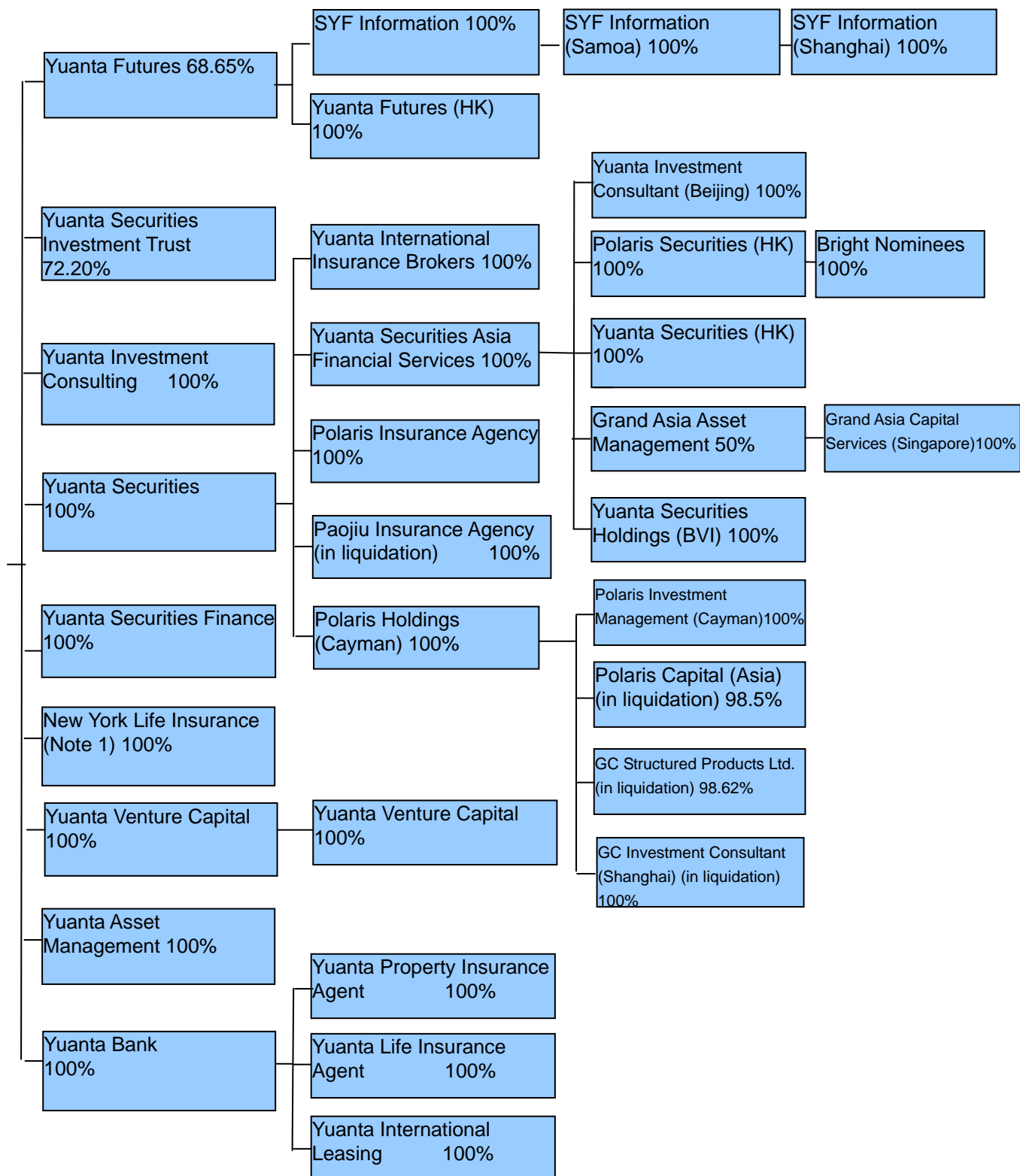
In 2007, our company became the first in the financial holdings industry to retain renowned professors and experts as independent directors. An audit committee was also set up. The independence and specialization of independent directors effectively improved the efficiency and decision-making quality of Board meetings. In 2008, 2011 and 2014, Yuanta passed the "TWSE/GTSM Listed Companies Corporate Governance Assessment", "CG6006 Advanced Corporate Governance Assessment" and "CG6008 Advanced Corporate Governance Assessment" certification by the Taiwan Corporate Governance Association so our corporate governance have been recognized by both local and foreign professional bodies. In 2013, our company earned a top 20 A++ ranking in the 10th ranking of the publicly traded company information disclosure system and became the only financial holdings company to receive an A++ rating for two straight years.



On December 31, 2013, our presence in Taiwan included 176 broker branches, 86 bank branches, 3 securities finance branches, 4 investment trust branches and 6 futures branches; our overseas presence included 3 business offices (in Beijing, Shanghai and Shenzhen), 1 representative office (Shanghai) and 2 subsidiaries (Hong Kong) in China.

Company Profile			
Stock Code	TWSE 2885	Date of Incorporation	February 4, 2002
Chairman	Mr. Rong-jou Wang	Number of employees	8,693 persons
Vice Chairman	Mr Tony Shen	Independent Directors	Mr. Hsing-Yi Chou Mr Dah-Hsian Seetoo Mr Cheng-Ji Lin
Chief Executive Officer	Mr. Cheng-hsin Wang		
Capital	NT\$161.6 billion		
Total assets	NT\$865 billion		
Total Profit/Loss	NT\$7.71 billion		
Tel	02-2781-1999		
Address	7F, 10F, 12-13F, No.66, Sec. 1, Dunhua S. Rd., Taipei City		
Website	http://yuanta.com		

(II) Relationship between the Company and its subsidiaries



Note 1: New York Life International was renamed "Yuanta Life Insurance" in February, 2014.

Changes in Company Organization in 2013

Yuanta Financial Holdings

Our company expanded into the life insurance business with the acquisition of New York Life International in 2013. The acquisition is detailed below:

At the 2nd meeting of the 6th Board of Directors on June 18th, 2013, our company authorized the president or his designated representative to carry out the three pillars policy (quality in securities/scale in banking/presence in life insurance) by negotiating for the purchase of New York Life International within the approved price range.

Our company board approved acquiring New York Life International through a 100% cash purchase on June 25th, 2013. An agreement was subsequently signed with New York Life Insurance to purchase 100% of New York Life International for NT\$100 million in cash. The deal was approved by the Financial Supervisory Commission in correspondence JGYK No. 10200288800 and JGBS No. 10202557682, and both parties agreed to the transfer of share ownership on January 1st, 2014.

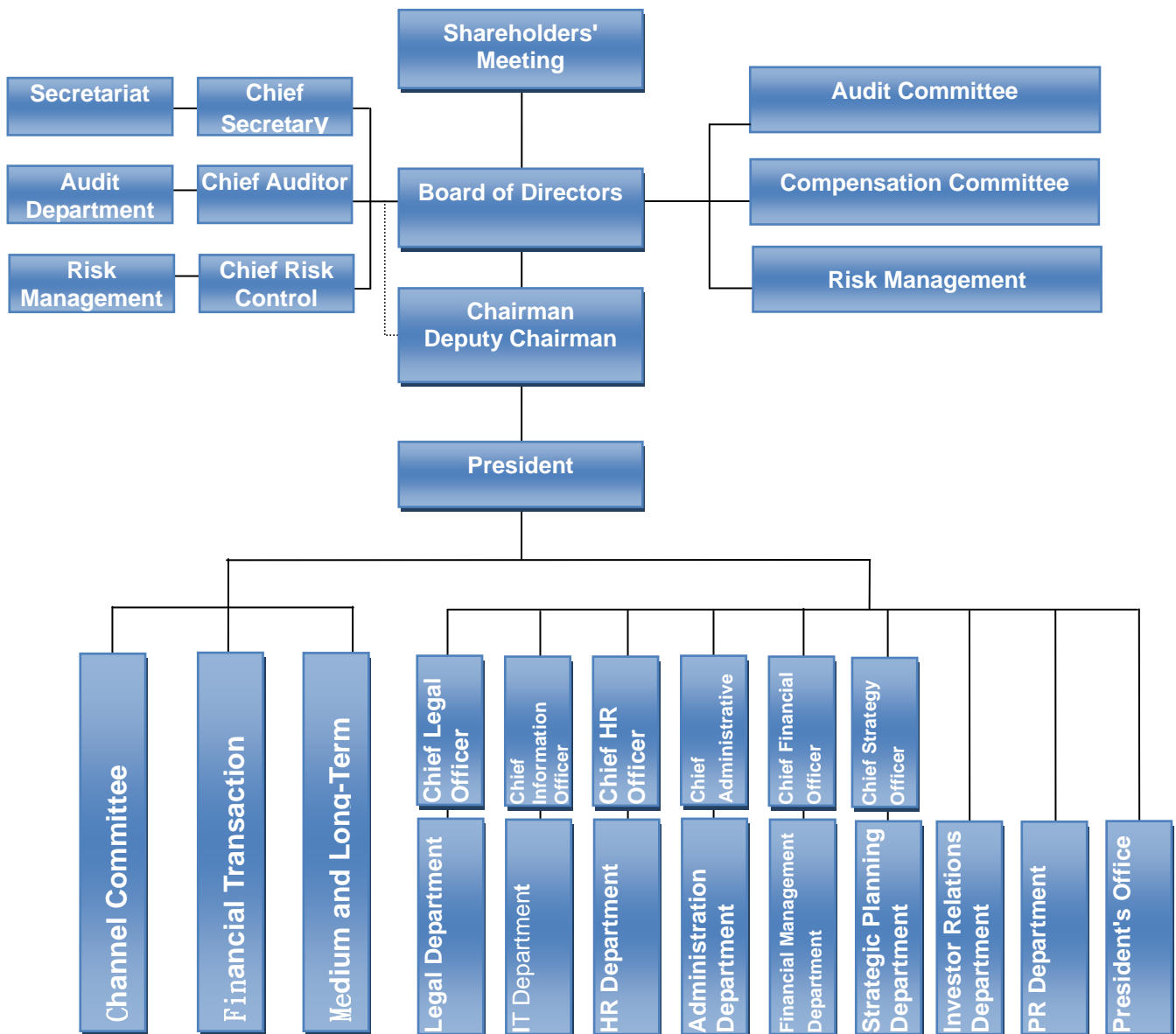


Subsidiaries

Important business changes at Yuanta Securities Investment Trust (formerly Yuan Investment Trust) are detailed below:

Yuanta Securities Investment Trust signed a funds transfer agreement with MF Global Holdings on May 30th, 2013, to transfer the MF Global Multi-Strategy Futures Trust Fund ("MF Multi Fund") at no cost. The date of transfer was set as October 14th, 2013.

(III) Organizational Chart



Note 1: On June 18th, 2010, the general shareholders' meeting passed resolutions to revise the company's Articles of Incorporation and establish a remuneration committee; on August 31th, 2010, the 3rd meeting of the fifth board passed the committee's organizational rules.

Note 2: On March 29th, 2011, 11th meeting of the fifth board passed a resolution to abolish the "institutional investor finance committee", and rename the "product development and marketing channel committee" to be the "product marketing channel committee".

Note 3: On November 22nd, 2011, during the 21st meeting of the fifth board, the board of directors amended the company's "Organizational Rules" and established a Risk Management Committee under the board of directors. This committee was set up to help the board of directors supervise risk management practices within the Company.

Note 4: On November 26th, 2013, the 9th meeting of the sixth board approved the addition of text "Vice Chairman" to the field of "Chairman" in the organizational chart of our company.

(IV) Descriptions of critical impact, risk and opportunity

1. Future industry development

Developed economies have begun to recover in 2014 and the global economy is expected to make a gradual comeback. Nevertheless, uncertainty from factors such as financial and debt problems in key economies, a change in the American currency policy, as well as China's economic transformation will continue to affect international economic development. As for the local economy, despite benefiting from positive global economic developments, international regional economic integration as well as competition from Chinese industries may impact export competitiveness. The Directorate-General of Budget, Accounting and Statistics estimated in November, 2013, that economic growth will be just 2.59% in 2014. With the local economy faced with higher interest rates and low growth, the banking industry must watch out for a decline in the quality of assets offered as securities. The performance of the securities industry will depend on a recovery in share market trading volume. The insurance industry may benefit due to reduced losses from difference in interest rates, but must prevent losses from their investment positions from impacting their capital structure.

2. Company development strategies

Our company will focus on maximizing shareholder value and the emphasis in our mid- and long-term strategy will be on the balanced development of "the three pillars of securities, banking and insurance". We will consolidate our structural profitability, achieve competitiveness through sustainable management and provide customers with a full spectrum of financial services. Using our industry-leading asset quality and risk management capabilities, Yuanta will continue to strengthen our roots in Taiwan and move towards the vision of becoming "the most important financial services provider in the Greater China region".

The 2014 development strategies of our company's key subsidiaries are summarized below:

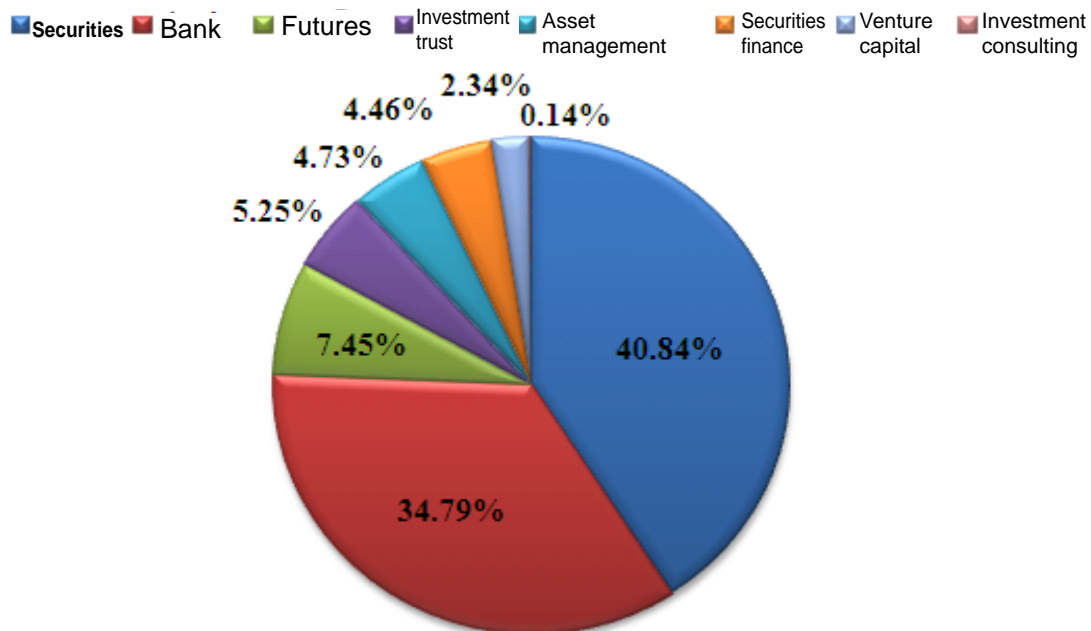
Quality in Securities	Consolidate core competitiveness and aggressive overseas expansion
Profitability in Banking	Balanced revenue structure and improved business efficiency
Growth in Life Insurance	Leverage group channels and increase market share



(V) Business performance**1. Utility and profitability**

Year		2012	2013
Utility (NTD thousand)	Net income	28,526,740	28,697,569
	Total assets	824,093,058	865,094,056
	Total liabilities	663,047,077	703,461,593
	Retained earnings	20,637,448	22,685,193
	Shareholders' equity	161,045,981	161,632,463
	Total income	6,309,545	7,709,994
	Employee average return	2,967	3,208
	Employee average profit	700	903
Profitability (%)	ROA (%)	0.84	0.96
	ROE(%)	4.24	5.01
	Net profit rate(%)	23.61	28.15
	EPS	0.63	0.78

(NTD thousand)

2013 Profit/Loss Ratio of each Subsidiary (%)

Note: For more financial information, please refer to the Yuanta Financial Holdings annual report in English: <http://www.yuanta.com/en/IR04/IR0402/IR040206/>

2. Credit rating

The Company is committed to rigorous risk management and pragmatic business development with a focus on raising the level of asset quality while continuing to pursue the concrete implementation of good corporate governance practices. As of the end of 2013, the Company's debt to equity ratio was 14.11%, the double leverage ratio was 110.91%, and the capital adequacy ratio was 148.68%. These all served to highlight the Company's sound financial structure.

The Company's recent credit rating results are summarized below:

Rating category	Ratings agency	Credit rating		Outlook	Effective date
		Long-term	Short-Term		
International rating	Fitch Ratings	BBB+	F2	Stable	2013/06/06
Domestic rating	Fitch Ratings	AA-(tw)	F1+(tw)	Stable	2013/06/06
	Taiwan Ratings	twA+	twA-1	Stable	2014/01/14

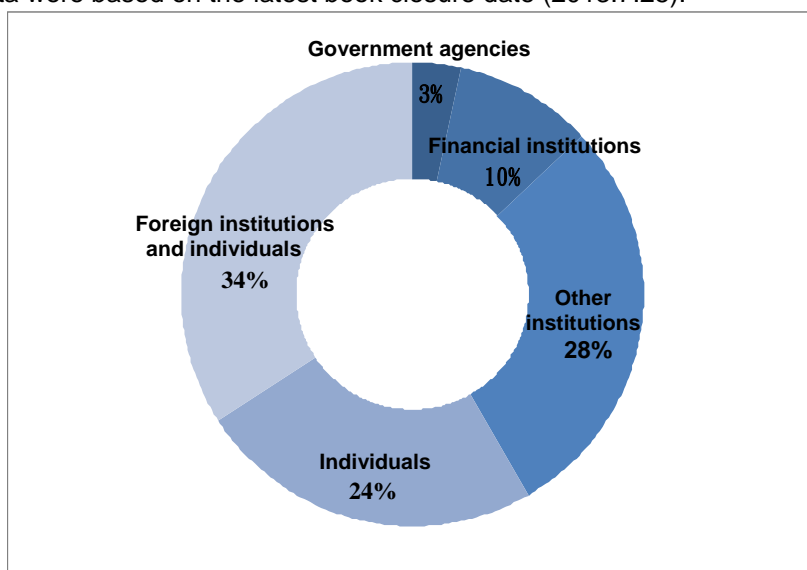
(VI) Shareholder structure

Shareholder structure Quantity	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions and individuals	Total
Number of people	17	20	684	252,722	764	254,207
Shares held (shares)	339,068,930	954,816,293	2,815,866,180	2,390,623,757	3,393,348,346	9,893,723,506
Shareholding ratio (%)	3.43	9.65	28.46	24.17	34.29	100

Data baseline date: 25.07.13

Note 1: The company has a total of 9,893,723,506 shares outstanding.

Note 2: The data were based on the latest book closure date (2013.7.25).



(VII) List of Awards

International Alternative Investment Review (IAIR)	
Yuanta Financial Holdings	Best Company for Leadership in CSR - Asia
Corporate Governance Asia	
Yuanta Financial Holdings	Outstanding Company on Corporate Governance in Taiwan
Yuanta Financial Holdings	Best CSR in Taiwan
Yuanta Financial Holdings	Best Investor Relations in Taiwan
Yuanta Financial Holdings	Best Investor Relations Professional in Taiwan - Allen Wu
The Asset	
Yuanta Financial Holdings	Gold Award for Excellence in Management and Corporate Governance
Yuanta Securities	Best Brokerage House in Taiwan
Yuanta Securities	Best Domestic Investment Bank in Taiwan
Yuanta Securities	Top Bank Arranger - Quality and Number of Primary Corporate Bond Deals, Taiwan
Yuanta Securities	Best Individuals in Taiwan Dollars Bonds, Jay Hsu
Yuanta Securities	Best Equity Derivatives House in Taiwan
Asiamoney	
Yuanta Securities	Best Local Brokerage in Taiwan
Yuanta Securities	Best Domestic Equity House in Taiwan

Euromoney	
Yuanta Securities	Best Investment Bank in Taiwan
FinanceAsia	
Yuanta Securities	Best Bond House in Taiwan
Yuanta Securities	Best Equity House in Taiwan
Yuanta Securities	Best Investment Bank in Taiwan

International Finance Magazine	
Yuanta Financial Holdings	Best Corporate Social Responsibility Initiative in Taiwan
Yuanta Securities	Best Investment Bank in Taiwan
Asia Asset Management	
Yuanta Securities Investment Trust	ETF Manager of the Year in Taiwan
CommonWealth	
Yuanta Securities	Best reputation benchmark corporation in the Taiwan securities industry
Business Today	
Yuanta Securities	No. 1 amongst Integrated Securities Firms in the Service Category in the annual Business Professional Ideal Brand Survey
Wealth Magazine	
Yuanta Securities	Elite Brand Survey: Gold Quality Award for Best Broker
Yuanta Securities	Elite Brand Survey: Gold Quality Award for Best Broker Service
Yuanta Securities	Elite Brand Survey: Gold Quality Award for Best Broker Image



II. Corporate Governance

2013 年終經營檢討

元大金控  Yuanta
Financial Holdings



II. Corporate governance

Our company is devoted to the promotion of corporate governance and its inclusion into our company culture. Good corporate governance serves as a solid foundation for our ongoing management. This section explains our efforts and progress in optimizing corporate governance: the enhancement of Board function, internal controls, legal compliance, risk management, information transparency, the improvement of the quality of corporate governance and the institution of corporate self-regulation and recognitions to become the industry benchmark in corporate governance practices.

(I) Enhancing the Functions of the Board of Directors

1. Board of Directors

Our company amended our corporate charter in 2012 to adopt a nomination system for the election of directors (including independent directors) to the Board. The term of the 5th board ended on June 28th, 2013, and elections were held at the general shareholders' meeting on May 31st, 2013 in accordance with the law. The current Board is made up of 9 very experienced directors with professional backgrounds in finance, industry and academia (these included 3 independent directors or 33% of all Board seats). The term is for 3 years and all 9 directors are male. The average age is 61 years and the Board membership is as follows:

Directors	
Tsun Chue Investment Co., Ltd.	Mr. Wei-Chen Ma, Mr. Jin-Long Fan
Hsien Tai Investment Co., Ltd.	Mr. Rong-Jou Wang, Mr. Tony Shen
Hsu Tung Investment Co., Ltd.	Mr. Hsien-tao Chiou, Mr. Ming-Yu He
Independent Directors	
Mr. Dah-Hsian Seeto, Mr. Tzeng-Chih Lin, Mr. Hsing-Yi Chou	

Age distribution of the directors

Age range	Number of people
31 - 50	1
51 and above	8
Total	9

Our company “Director Duty Guidelines” defines the principal missions and duties of directors as follows:

Determining the operating strategies	Shaping company value 	Reviewing financial targets and operational outcome
Supervising major operational events		Appointing external auditors
Internal control, risk management, and regulation compliance		Deciding on the appointment and termination of managers
Reviewing the performance evaluation and remuneration standards		Protecting the rights of investors
Board remuneration structure and scheme	Fulfilling social responsibilities	Other matters according to law or as authorized at a shareholders meeting

(1) Directors’ qualifications and specialty examination procedure

The Board is the highest governance organization for operational decisions, business management, financial analysis, crisis management, risk management and international market vision. The Board guides the solid growth of our Group in a very competitive financial environment. Our directors' qualifications and specialties are as follows:

	More than 5 years of experience and the following professional qualifications			
	Conditions	Lecturer or above in commerce, law, finance, accounting or subjects required by the business of the company in public or private colleges or universities	Certified judge, attorney, lawyer, accountant, or holder of professional qualification relevant to the company's operations	Commercial, legal, financial, accounting or other work experience required to perform the assigned duties
Name				
Rong-Jou Wang	✓	✓	✓	
Tony Shen			✓	
Wei-Chen Ma			✓	
Hsian-Dao Chiu			✓	
Jin-Long Fan			✓	
Ming-Hong Ho			✓	
Dah-Hsian Seetoo	✓		✓	
Cheng-Ji Lin			✓	
Hsing-Yi Chou	✓		✓	

Title	Name	Education and selected past positions	Concurrent positions at other companies
Chairman	Representative of Modern Investment: Rong-Jou Wang	Graduate Institute of Law, National Chung Hsing University Chairman of Hua Nan Financial Holdings; Chairman, Mega Holdings; Vice Chairman, Yuanta Bank; Chairman, Taiwan Asset Management Corporation; Chairman, Taiwan Business Bank; Administrative Deputy Minister of Finance; Supervisor, Taiwan External Trade Development Council; Director, Taiwan Academy of Banking and Finance	Chairman, Yuanta Commercial Bank
Director	Representative of Modern Investment: Tony Shen	Taipei Municipal High School of Commerce Chairman, President and Executive Vice President, Yuanta Financial Holdings; Assistant Manager, Manager, Vice President, Yuanta Securities; Chairman, Yuanta Securities Asia Financial Services; Chairman, Yuanta Securities (HK)	Chairman, Yuanta Securities; Director, Yuanta Securities Asia Financial Services

Title	Name	Education and selected past positions	Concurrent positions at other companies
Director	Representative of Tsun Chueh Investment: Wei-Chen Ma	Bachelor of Commerce, University of Southern California, USA Chief Executive Vice President, Yuanta Financial Holdings; Vice President, Yuanta Business Bank; CEO, Syspower; Director, Yuanta Core Pacific Securities; Chairman, Sino Wealth International; Specialist Assistant to the Chairman, Yuanta Development	Director, Yuanta Business Bank; Director, New York Life International
Director	Representative of Hsu Tong Investment: Hsian-Dao Chiu	B.A. in Business Administration, Georgia Southwestern State University Chairman, Taichung Securities; Managing Director, Asia-Pacific Bank; Director, Asia Pacific Securities Investment Trust; Chairman, Golden Asia Pacific Leasing; Chairman, Fu An Insurance Agent Co.	Director, Yuanta Commercial Bank
Director	Representative of Tsun Chueh Investment: Jin-Long Fan	Provincial Chiayi Vocational High School Director, Yuanta Core Pacific Securities; Chairman, Li Ching Industry; Chairman, Yuanta United Steel; Chairman, Yuan Kun Construction	Director, Yuanta Commercial Bank

Title	Name	Education and selected past positions	Concurrent positions at other companies
Director	Representative of Hsu Tong Investment: Ming-Hong Ho	MBA, Washington University, U.S. Director, Polaris Securities; 2nd President of National Futures Association; Supervisor and Director, Taiwan Stock Exchange; Director, Waterland Financial Holdings; Director, International Bills Finance Corporation	Chairman, Yuanta Futures; Director, Yuanta Business Bank
Independent Director	Dah-Hsian Seetoo	Ph.D. in Business Administration, Northwestern University; MBA, University of Illinois Chairman, Commerce Development Research Institute; Independent Director, Yuanta Core Pacific Securities; Director, Taiwan Stock Exchange; Deputy Director, Public Administration Center, National Chengchi University; Deputy Director, Civil Servant Education Center, National Chengchi University; Director, Business Administration Dept., National Chengchi University; Director, Graduate Institute of Business Administration, National Chengchi University; Vice President, National Chengchi University	Independent Director, Yuanta Business Bank

Title	Name	Education and selected past positions	Concurrent positions at other companies
Independent Director	Cheng-Ji Lin	<p>B.S. in Economics, National Taiwan University</p> <p>Administrative Deputy Minister, Ministry of Finance; Head, Taiwan Central Disbursement Office; General Manager, Bureau of Labor Insurance; Commissioner, National Tax Administration of Northern Taiwan, Ministry of Finance; Commissioner, National Tax Administration of Taipei; Director, Department of Taxation, Ministry of Finance</p>	Independent Director, Yuanta Securities
Independent Director	Hsing-Yi Chou	<p>Master of Business Administration, Indiana University, U.S.</p> <p>Dean of College of Commerce and Director of Department of Financial Management, National Cheng Chi University; Vice President, Asia Finance Association; Member, Financial Reconstruction Commission; Member, Research, Development and Evaluation Commission, Executive Yuan; Supervisor, Securities and Futures Investors Protection Center; Director and Supervisor, Gre Tai Securities Market; Director, Securities and Futures Institute; Assistant Professor, Department of Finance, Santa Clara University, U.S.</p>	Independent Director, Yuanta Securities

(2) Recusal of Directors from motions in which they have a conflict of interest

The Company's Board of Directors is convened at least once every month and held 17 meetings in 2013 with an attendance rate of 93%. Most of the directors and independent directors attended the meetings personally, and those who failed to attend the meetings personally entrusted other directors to attend the meetings on their behalf pursuant to the relevant requirements. Some directors recused themselves from motions in which they had a conflict of interest pursuant to the Company's "Parliamentary Rules for Directors' Meetings". The state thereof in 2013 is specified as following:

Term	Motion	Recused due to Conflict of Interest/ Participation in Voting
2013.3.26 5th Board 37 th Meeting	Nomination of candidates (including independent directors) for the 6th Board	<p>The voting on each candidate was as follows: 6 Directors:</p> <p>A. Representative of Tsun Chueh Investment Mr. Wei-Chen Ma: Passed unanimously by all directors present. Mr. Jin-Long Fang: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>B. Representative of Modern Investment Mr. Tony Shen: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present. Mr. Wu-Tian Lin: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p>

Term	Motion	Recused due to Conflict of Interest / Participation in Voting
		<p>C. Representative of Hsu Tong Investment Mr. Hsien-Tao Chiou: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>Mr. Ming-Hong Ho: Passed unanimously by all directors present.</p> <p>3 independent directors:</p> <p>A. Mr. Dah-Hsian Seeto: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>B. Mr. Cheag-Ji Lin: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>C. Mr. Hsing-Yi Chou: Passed unanimously by all directors present.</p>

Term	Motion	Recused due to Conflict of Interest/ Participation in Voting
2013.4.9 5th Board 38 th Meeting	Review of candidates (including independent directors) nominated for the 6th Board in accordance with Article 16, Paragraph 2 of our company charter	<p>The voting on each candidate was as follows: 6 Directors:</p> <p>A. Representative of Tsun Chueh Investment Mr. Wei-chen Ma: Passed unanimously by all directors present. Mr. Jin-long Fa: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>B. Representative of Modern Investment Mr. Tony Shen: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present. Mr. Wu-Tian Lin: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>C. Representative of Hsu Tong Investment Mr. Hsien-Tao Chiu: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present. Mr. Ming-Hong Ho: Passed unanimously by all directors present.</p> <p>3 independent Directors:</p> <p>A. Mr. Dah-Hsian Seeto: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p> <p>B. Mr. Cheng-Ji Lin: With the exception of the candidate who recused himself from the discussion and voting, the motion was passed unanimously by all directors present.</p>

Term	Motion	Recused due to Conflict of Interest / Participation in Voting
		C. Mr. Hsing-Yi Chou: Passed unanimously by all directors present.
2013.6.1 6th Board 1 st Meeting	Proposed membership of 6th Remuneration Committee	Apart from Independent Directors Cheng-Ji Lin, Dah-Hsian Seeto and Hsing-Yi Chou who recused themselves and did not vote, the motion was passed by all directors present.
2013.6.25 6th Board 3 rd Meeting	Remuneration of Company Chairman	A. Chairman Tony Shen recused himself from the vote due to conflict of interest, so Independent Director Seeto served as the chairman for the vote. B. Apart from those who recused themselves due to conflict of interest, the motion was passed by all directors present.
2013.8.27 6th Board 5 th Meeting	Amendment to parts of "Employee Dividend Distribution Rules"	Apart from Director Wu-Tian Lin who recused himself from the vote due to conflict of interest, the motion was passed by all directors present.
2013.8.27 6th Board 5 th Meeting	Amendment to parts of "Remuneration for Directors and Supervisors of Investment Subsidiaries"	A. Chairman Tony Shen, Director Wei-Chen Ma, Director Jin-Long Fan, Director Hsien-Tao Chiu, Director Ming-Hong Ho and Director Wu-Tian Lin recused themselves from the vote due to conflict of interest. Independent Director Seeto served as the chairman for the vote. B. Apart from those who recused themselves due to conflict of interest, the motion was passed by all directors present.

Term	Motion	Recused due to Conflict of Interest / Participation in Voting
2013.10.22 6th Board 7 th Meeting	Early termination of lease for "Yuanta Financial Holdings Building" from stakeholder "Yuanta Securities" proposed; new lease to be signed after adjustments to amount of floor space required. New lease also to be signed for part of "Tatung Building".	A. Chairman Tony Shen recused himself from the voting due to conflict of interest so Director Hsien-Tao Chiu served as the chairman for the vote. B. Apart from Chairman Tony Shen and Independent Directors Hsing-Yi Chou and Cheng-Ji Lin representing Independent Director Dah-Hsian, Seetoo who recused themselves from the vote, the motion was passed by all directors present.
2013.10.22 6th Board 7 th Meeting	Amendment to parts of "Chairman and Vice Chairman Pension Rules".	A. Chairman Tony Shen recused himself from the vote due to conflict of interest, so Director Hsien-Tao Chiu served as the chairman for the vote. B. Apart from Chairman Tony Shen who recused himself from the vote, the motion was passed by all directors present.
2013.11.26 6th Board 9 th Meeting	Remuneration of Company Chairman and Vice Chairman	A. Chairman Rong-Jou Wang and Vice Chairman Tony Shen recused themselves from the vote due to conflict of interest, so Independent Director Seeto served as the chairman for the vote. B. Apart from those who recused themselves due to conflict of interest, the motion was passed by all directors present.

Term	Motion	Recused due to Conflict of Interest / Participation in Voting
2013.12.24 6th Board 10 th Meeting	Amendment to parts of "Bonus Rules".	<p>A. Chairman Rong-Jou Wang and Vice Chairman Tony Shen recused themselves from the vote due to conflict of interest, so Independent Director Seeto served as the chairman for the vote.</p> <p>B. Apart from those who recused themselves due to conflict of interest, the motion was passed by all directors present.</p>

(3) Directors' liability insurance

To allow our directors to discharge their duties without concern in an increasingly complicated operational and regulatory environment, our company continues to provide liability insurance for the directors and independent directors to transfer company operational risks and maintain integrated corporate governance regulations.

(4) Professional development of directors

The "Professional Development Guidelines" for Directors that have been codified by our Subsidiaries are based on the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and the "Director Duty Guidelines". Professional development courses are held on a regular basis so that directors (including independent directors) can continue to update their knowledge.

The scope of these professional development classes for the directors include: "director functions", "corporate governance," "intellectual property", "international acquisitions and mergers" and "Board performance evaluation". We supervise and report the progress of our professional development program to the government authorities on a regular basis as required.

In 2013, the directors and supervisors of our Group (including independent directors) attended 23 courses approved by the regulators for a total of 74 person-courses and 228 hours of study time; Each director studied for an average of 3.08 hours. We will

continue to support professional development for directors and the enforcement of the corporate governance scheme.

The hours of professional education among our Financial Holding's Board members are in compliance with the regulatory requirements.

Title	Name	Organizing agency	Course name	Course hours
Chairman	Rong-Jou Wang	Securities and Futures Institute	Operation of Audit Committees in the Financial Industry of Taiwan	3
Director	Wei-Chen Ma	Taiwan Corporate Governance Association	Board Functions and Performance Evaluation	3
Director	Hsian-Tao Chiu			
Director	Jin-Long Fan			
Director	Ming-Hong Ho			
Director	Tony Shen	Taiwan Securities Association	International Acquisitions Discussed	3
Independent Director	Dah-Hsian Seetoo	Taiwan Stock Exchange	2013 Seminar on the Role of Independent Directors in TWSE-Listed Companies	3
Independent Director	Cheng-Ji Lin	Securities and Futures Institute	Seminar on the Role of Independent Directors in TWSE-Listed Companies, Trust Industry Supervisor (in-service) Course	6
Independent Director	Hsing-Yi Chou	Taiwan Corporate Governance Association, Financial Supervisory Commission	Intellectual Property Management, Disclosure and Discussion of Case Examples; Going Beyond Short-Termism and Emphasizing Corporate Governance - A Discussion of Recent Developments in the UK; 9th Taipei Corporate Governance Forum	5

2. Audit Committee


The 5th term for the independent directors of our company ended on June 28th, 2013. Elections were held on May 31st, 2013 at the General Shareholders' Meeting in accordance with the law. The three newly elected independent directors were Mr. Hsing-Yi Chou, Mr. Dah-Hsian Seeto and Mr. Cheng-Ji Li. In 2013, the audit committee was convened 16 times with an average attendance of 98%.

Since their appointment, the independent directors have not only participated in regular audit committee and Board meetings, but have also exchanged ideas on corporate governance and operations with the management, heads of various departments, and front-line staff, and they and the management, have given much support to each other. To fully understand the operational efficiency and the decision making process, and to discharge their management duties in good faith, our independent directors spend time on company premises every week to read the minutes of meetings and examine data to keep up to date with the progress of all the financial, accounting, internal auditing, and risk management affairs.

The Audit Committee also maintains a good and amicable working relationship and interaction with our internal company audit staff, risk management department, and external auditors in accordance with the provisions of the “Audit Committee Communication Processes with the Internal Audit Department,” the “Audit Committee Communication Processes with Risk Management Committee Members and the Risk Management Department,” and the “Audit Committee Communication Processes with the External Auditors.” By so doing, the audit committee can gain an insight into any operational deficiency of the company and ensure the departments make the necessary improvements.

In 2007, our company ratified the “Guidelines for Stakeholders to Submit Suggestions and Complaints to the Audit Committee” and set up the “Contact Us Page for Employees and Stakeholders to Submit Suggestions and Complaints to the Audit Committee.” Using these

measures, we can empower the oversight functions of the Board and the Audit Committee and ensure open and direct communication between the Board and stakeholders such as the employees, customers, and investors.



Corporate Social Responsibility
企業社會責任

[Print](#)

The implementation of corporate governance best practices plays an increasingly important role to capital market development worldwide. Yuanta Financial Holdings strives to abide by the highest ethical standards in carrying out its business operations and has made sure that the company's internal corporate governance structure is crafted carefully to comply with all legal requirements and industry standards.

Yuanta has sought to implement the highest international corporate governance practices used by the financial industry, and in 2004 Yuanta Securities incorporated independent directors and supervisors within its board structure. Yuanta Financial Holdings has relentlessly pursued a new corporate governance vision holding to its firm belief that better corporate governance translates into lower risk and higher shareholder value. Ongoing discussions take place within the company that focus on ways to improve management, strengthen financial management by greater transparency and create greater shareholder value through enhanced communication with management.

[Risk Management](#)

[Board of Directors](#)

3. Remuneration Committee

On June 18th, 2010, the General Shareholders' Meeting approved changes to the corporate charter and directed that a Remuneration Committee be set up. The organizational charter was approved by the Board on August 31st of the same year. Our company's Remuneration Committee is made up of three independent directors. Their responsibility is to assist the Board with defining and managing the performance evaluation and remuneration standards of executives as well as the remuneration structure and scheme for directors through a transparent process. The Committee is convened at least twice a year and extraordinary meetings may be convened at any time if necessary. A total of 7 meetings were convened in 2013 on the following agenda:

- (1) Review of the company compensation distribution method for the directors and supervisors of our subsidiaries.
- (2) Review of separation and pension regulations pertaining to the chairman and vice chairman.
- (3) Review of our company's bonus rules.

- (4) Approval of director compensation and contract pay distribution principles for 2012.
- (5) Approval of employee bonus distribution for 2012.
- (6) Approval of salary adjustments for 2013.
- (7) Approval of special incentives.

(II) Improving Internal Control

Our company has established an effective corporate governance and internal control system according to the “Implementation Rules of Internal Audits and Internal Control Systems of Financial Holding Companies and the Banking Industry.” An independent internal audit department executes internal audits. To strengthen corporate governance, the Internal Audit Department now targets key governance-related areas such as board operations, stakeholder transactions, privacy protection and disclosure.

It also supervises the Group's internal control system, self-checks on legal compliance, reviews self-check reports, while also investigating defects and improvements in the internal control system. This provides the Board, president, chief auditor and compliance officers with a basis for evaluating the effectiveness of internal controls and for issuing internal control statements.

In addition, the Internal Audit Department acquires a full understanding of the policies and operation goals by consultations with members of the Board. It also reports on audit engagement to the Board and Audit Committee to ensure the continued and effective implementation of internal control, and on this basis, ensures the fulfillment of CSR.

(III) Implementation of Legal Compliance

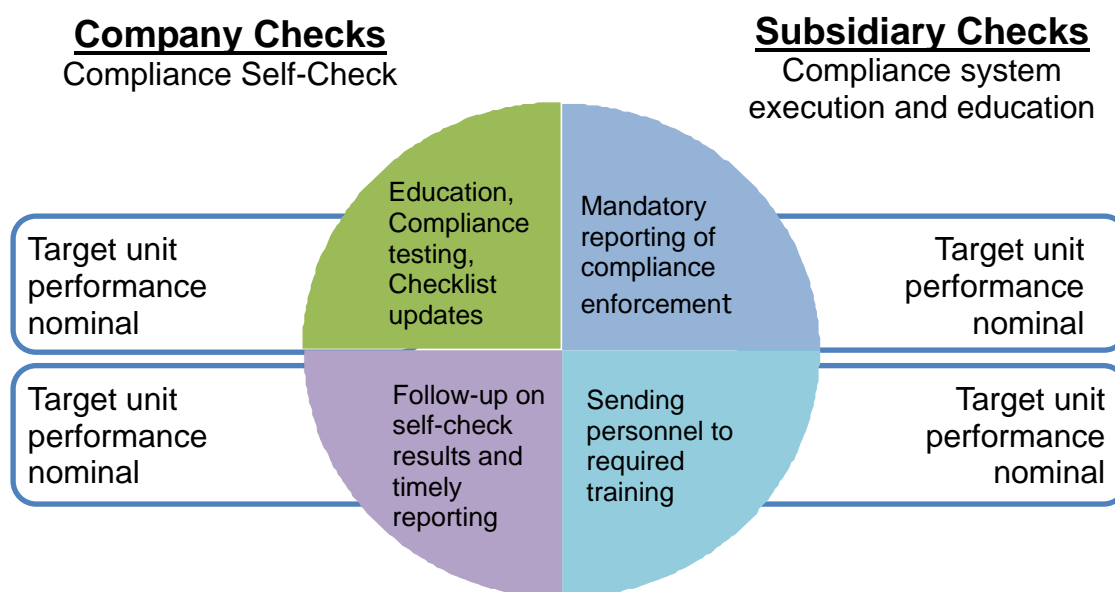
1. Our company has appointed a Chief Compliance Officer and the Legal Department is responsible for the planning, execution, management, and evaluation of legal compliance. Key functions include:

- (1) The establishment of a clear and appropriate system for the transmission, consultation, coordination, and communication of laws and regulations.
 - (2) Ensuring all operational procedures and internal regulations are updated and comply with the corresponding laws and regulations.
 - (3) Setting up self-audit legal compliance programs and procedures. Supervising business units in reviews of their own implementation.
 - (4) Performing the appropriate legal training for all units.
2. To supervise compliance by our company and our subsidiaries, we evaluate the compliance of all business units as well as the legal compliance units at the head offices of all subsidiaries every year in accordance with our "Legal Compliance Supervisor Evaluation Guidelines".
3. Due to the introduction of the Personal Information Protection Act, our company and our subsidiaries have set up standing inter-departmental personal information protection teams. The convener of the team convenes the meeting regularly in order to promote, coordinate and supervise all matters relating to personal information protection. Key responsibilities included:
 - (1) Promote and review personal information security incidents and personal information protection.
 - (2) Inspect and provide improvement suggestions for the personal information protection rules and other related management documentation drawn up by each business unit.
 - (3) Promote and inspect every personal information security control.
 - (4) Review the personal information protection education and training plan.
4. In accordance with regulator directive Letter YJ(K) No. 10200061321, the financial holding and banking industries should

set up internal audits, self-checks, legal compliance and risk management mechanisms to ensure the effectiveness of their internal control system. Self-checks act as the first line of defense, compliance and risk management the second line of defense, and internal audits the third line of defense. To strengthen the effectiveness of compliance as the second line of defense, our company plans to introduce the following compliance tasks:

- (1) Regular examination of the compliance system's suitability and execution by the Board.
- (2) Maintain the independence of compliance personnel and strengthen their function.
- (3) Strengthen cooperation between compliance and internal audits.
- (4) Strengthen oversight on the notification of regulations, internal audit defects and illegal acts by each unit.

The Legal Department performed the annual evaluation for 2013 on all business units based on the “Legal Compliance Supervisor Evaluation Guidelines,” and the legal compliance units at the head offices of all subsidiaries did the same themselves. The outcome is shown below:



(IV) Risk management**1. Structure**

The Company's risk management organization includes the Board of Directors, the Audit Committee, the Risk Management Committee, High-ranking management, the Risk Management Dept, the legal and compliance units, and various business units. Group subsidiaries set up their own independent risk management units based on their business scale and risk attributes for managing different types of risks.

Functions	
Board of Directors	Ultimate responsibility for risk management in all operations. Priority is on promoting and implementing risk management throughout the whole company.
Audit Committee	Assist the Board of Directors with supervising the company's management of existing or potential risks.
Risk Management Committee	Assist the Board of Directors with supervising the execution of the risk management system in order to facilitate the integration and execution of risk management related matters in the Company and its subsidiaries.
Upper management	Review the risks of the Company's operating activities, supervise the implementation of risk management procedures, and ensure the complete and effective implementation of the Company's risk management system.
Risk Management Dept.	The Company Risk Management Dept is an independent department subordinate to the Board of Directors. Each Company subsidiary also has established a risk management unit and has dedicated personnel directed by the Chief Risk Officer. Through integrated planning and compliance with Group business strategy,

	<p>it shall establish a risk management mechanism and system. It shall also fulfill the execution of the overall risk management system of the Group to maintain a well-founded and effective risk management environment and upgrade the maximum profits upon risk adjustment under a risk appetite set by the Company.</p>
Legal and compliance units	<p>Dedicated to executing legal risk control, ensuring compliance of the business and risk management system with the law, and to help evaluate potential legal involvement in connection with different operations, verify the responsibilities of legal instruments and contracts, and process legal affairs.</p>
Business units	<p>Serves as the first line risk management. Business units and supervisors are responsible for controlling the risk related to them and for taking countermeasures to ensure the effective execution of their risk control mechanism and procedures to comply with the law and Company risk management policy.</p>

2. Execution of risk management policies

To establish a properly functioning risk management system, grow our business, and solidify a business model that emphasizes appropriate risk management, the Board has ratified risk management policies and various risk management doctrines to achieve our business goals and increase shareholder value. The policies and doctrines serve as guiding principles for the risk management system. We have also instituted various risk management mechanisms at the subsidiaries based on the size and level of risk. We have defined risk management policies for monitoring and controlling risks at all levels and prepare several

kinds of risk reports.

An “Integrated Risk Management Platform” has been constructed to quantify risks more broadly and serves as a systemic structure that allows more flexible risk management for the group. It provides risk evaluation that spans markets and financial products, as well as risk types. It can calculate risk with multiple dimensions and provide flexible and customized risk reports and analyses. The application is well-rounded and provides extensive value and risk management.

3. Disclosure of risk management information

We not only disclose information pertaining to risk management on our group website, but have also set up a “Risk Management e-Academy.” This is a risk management webpage that serves as an open platform for risk management information. By making these disclosures, we hope to improve the practice of risk management for the group as a whole, and use the webpages as a communications platform on risk management matters with external parties. The homepage and content of the “Risk Management e-Academy” is shown in the following graphs:



4. Crisis management

The company has established policies and procedures for crisis management within relevant risk management mechanisms. Based on the said policy and procedural rules, a crisis emergency response task force is set up with the president or a vice president appointed by the president as its convener. Departmental

supervisors then form a crisis management task force depending on the extent and nature of the incident, which analyzes and evaluates proposed response measures. Keeping abreast of the latest developments, the task force proposes or submits revised response plans to meet actual needs. In line with the policy and procedural rules, each subsidiary has also established a set of disaster emergency response measures for effective management.

Severe revenue shrinkage or poor use of funds, likely to cause bankruptcy or restructuring.		Significant changes in laws and regulations causing major negative impact to operations, finance, or sales.
The outcome of litigation that may severely impact the reputation of the company	Crises	Catastrophic natural disasters or accidents
Massive retirements or resignations, the poaching of employees by competitors		Damage to IT equipment causing day-to-day operations to stop
False news		A significant breach of the law by high-level employees
Other accidents that may cause damage and threaten company survival		Similar situations occurring at major subsidiaries

Our Company has also defined reporting guidelines for major incidents that define the scope of the incidents, our company's reporting procedure, subsidiaries' reporting procedure and incident file management. All subsidiaries are required to formulate their own internal operating procedures based on our guidelines to ensure proper reporting. Incident reports are not only submitted to the Board and Internal Audit Committee but are also sent by e-mail or SMS to all directors and independent directors since December, 2013. This keeps Board members up to date on important events in the Group.

Fraud due to poor internal control or significant deficiencies in operation		Criminal (robbery, major larceny, damage to the building or equipment, or blackmail)
Man-made or natural disasters (such as: earthquakes, floods, fire, or storms)	Significant, unusual incidents	Major loss of assets in operations (such as investments or loans)
Media reports that can affect the reputation of the company.		Information security incidents that compromise the rights of customers, or affect the normal operation of the company
Lack of liquidity that could cause or is causing a run on the bank		Other significant incidents
During long holidays (more than three days including the two-day weekend or additional holidays), the readiness of ATMs drops to lower than 95% (meaning available ATMs not short of bills compared to all ATMs), and more than five ATMs could not provide service.		

(V) Emphasis on information transparency

Good corporate governance is the essence of CSR fulfillment. One of the components of good corporate governance is “information transparency.” Since 1993, the Taiwan Stock Exchange and GreTai Securities Market have contracted with the Securities and Futures Institute to rank the “transparency of the disclosure of corporate information by publicly traded companies” in the annual reports or the Market Observation Post System, (both major sources of information for investors). The ranking has seven levels: A++, A+, A, A-, B, C, and C-.

In 2012, our company earned the A++ ranking in the ninth ranking of the publicly traded company information disclosure system and became the only financial holdings company to do so. Amongst 1,228 ranked companies, our company is one of only 17 (about 1.38%) that ranked as an A++ corporation. We went one step better in 2013 by being ranked in the top 20 of the A++ grade in the 10th information disclosure evaluation system for publicly traded companies. This made us the only financial holding company to receive an A++ ranking for two straight years. Our Group's futures subsidiary received the

highest ranking of A++ in 2013 as well, and was the only futures company in Taiwan to be so honored.

(VI) Continue strengthening corporate governance

In 2007, our company became the first company in the financial industry to appoint well-known professors and experts as independent directors. A comptroller committee was also set up to improve the efficiency and decision-making quality of the Board of Directors. In 2008 and 2011, Yuanta passed the "TWSE/GTSM Listed Companies Corporate Governance Assessment" and the "CG6006 Advanced Corporate Governance Assessment" certification by the Taiwan Corporate Governance Association, so our corporate governance has been recognized by local and foreign professional bodies.

During our "CG6006 Advanced Corporate Governance Assessment" in 2011, our company achieved a full score in the three key indicators "strengthening of information transparency", "effective functioning of the audit committee", and "respect for stakeholders' rights and social responsibility".



(VII) Instituting corporate self-discipline

All employees of our company abide by corporate self-discipline regulations. Supported with education and training, we ensure proper business conduct at all levels of our operation, thereby creating a highly trustworthy and self-regulated business environment.

Year Regulation Drafted	2006	2007	2011
Relevant regulations	<ul style="list-style-type: none"> ☑ Board of directors meeting procedures ☑ Regulations on the selection and service of directors and supervisors at our investees 	<ul style="list-style-type: none"> ☑ Articles of organization of the Audit Committee ☑ Ethical code of conduct guidelines 	<ul style="list-style-type: none"> ☑ Guideline on charitable contributions to external parties ☑ Ethical business best practice procedures and behavior guidelines
Implementation	<p>※ We have issued standards on business ethics and practices to promote ethical behavior. Our Group holds regular training courses every year on new regulations and supplements these with actual case studies. Tests are also held after the courses to ensure that employees can understand and embrace legal and ethical concepts such as money laundering prevention, anti-bribery/anti-corruption, and insider training, personal information protection</p>		

and information security. In 2013, the full backing and supervision of company managers at every level saw all employees (100% coverage) complete the training and tests, strengthening compliance awareness and behavior among Group employees.

※Our Group regularly hosts a range of compliance awareness training courses every year that cover regulator directives, competitor case studies and legislative developments. In 2013, our Group's compliance-related courses and online awareness events/courses encompassed 307 courses. 40,136 people were trained over 42,815 hours. On average, each Group employee underwent 4.92 hours of training.

※All Group employees are bound by the financial laws and HR regulations. Any infraction of the laws and regulations results in disciplinary action appropriate to the severity of the breach. In cases of significant infractions, the company will take civil and criminal action against the person(s) responsible for the infraction to protect the rights of the company and stakeholders.

3. Customers First



III. Customers First

Customers are the life of our business. Financial products have grown robustly in recent years. Our group has introduced “Customer First” practices in all our products, channels, platforms, process design, and evaluations. We aim to provide diversified financial products and services and cater to a very wide spectrum of client needs. This section will explain our efforts to fine-tune service quality: maintaining an excellent relationship with customers, providing customers with detailed information about financial products, ensuring customer satisfaction, developing products and services that focus on sustainability, and developing business system capabilities. We are sure that “Yuanta” is a partner that our customers can depend on for their wealth management needs.

(I) Maintaining relationships with customers

The securities division of our company has 176 business locations, and the banking division has 86, along with 350 ATMs throughout Taiwan. We also have 4 investment trust and 6 futures offices to provide national coverage. Customers can obtain timely information on our products and services for their wealth management needs in the following ways: directly from our staff, on our websites, trading platforms, the online bank, by using touchtone or smartphones, from trading statements, ATMs, signboards and video displays in business locations, at lectures, and from our prospectuses. There are also windows at our locations that are staffed by dedicated employees ready to help with debt restructuring, SME financing, and project loans for stimulus programs.

All of our business lines are backed by “customer service phone lines” and “dedicated e-mail service”. Specialized customer service staff members provide prompt replies and solutions for customer inquiries or questions.

Business Type	Customer service line	Dedicated e-mail	Service Hours
Securities	0800-037-888 (02)2718-5886	webmaster@yuanta.com	8AM ~ 8PM weekdays
Banking	0800-688-168 (02)2182-1968	Service@yuanta.com	24 hours
Futures	0800-333-338 (02)2326-1000	futures@yuanta.com	24 hours
Investment trust	0800-009-968 (02)8770-7703	cs@yuanta.com	9AM to 6 PM, each business day

(II) Improving customer knowledge of financial products

The subsidiaries of our group provide customers with detailed information about our operations and trading systems through websites, business locations, ATMs, notifications to customers, and publications. The contents of this educational information includes definitions of financial terminology, trading rules and processes, operational methods and the flow of trading systems, as well as policies, regulations, and risk warnings issued by regulators. In addition, we pass on the newest information to customers in e-newsletters to give them better control over their “investments” and “wealth” and “credit management”. We are certain that our customers can make informed decisions every step of the way.

Channels	Explanation
Websites	Yuanta Securities: http://www.yuanta.com.tw Yuanta Bank: http://yuantabank.com.tw Yuanta Futures: http://www.yuantafutures.com.tw Yuanta Securities Investment Trust: https://www.yuantafunds.com Yuanta Securities Finance: https://www.yuantafinance.com.tw Yuanta Venture Capital: http://www.yuanta.com/VC Yuanta Asset Management: http://www.yuanta.com/AM Yuanta Investment Consulting: http://yuanta-consulting.com.tw
Business locations	Bulletin boards, multi-media displays, prospectuses, etc.
ATM advertising	Information on debt negotiation, avoiding loan brokers, etc.
Notifications to customers	Statements, trust asset registry, and income-expenditure statements
Publications	Yuanta Investment Consulting – Yuanta Investment Monthly Yuanta Bank – Funds on the Frontline Monthly Yuanta Futures – Future Quarterly Yuanta Securities Investment Trust – PA (Pension&Asset) Bimonthly



(III) Customer satisfaction surveys

To gauge customer satisfaction with the services from our group, we collect results from lectures, telephone interviews, and over-the-counter surveys. The survey on lectures includes location, speaker, and content. Phone and over-the-counter surveys include satisfaction with the service staff, automated service equipment, products, and activities. To make our surveys better-rounded and closer to the viewpoint of customers, we adjust target interviewees and content to enhance the effectiveness of customer service management.

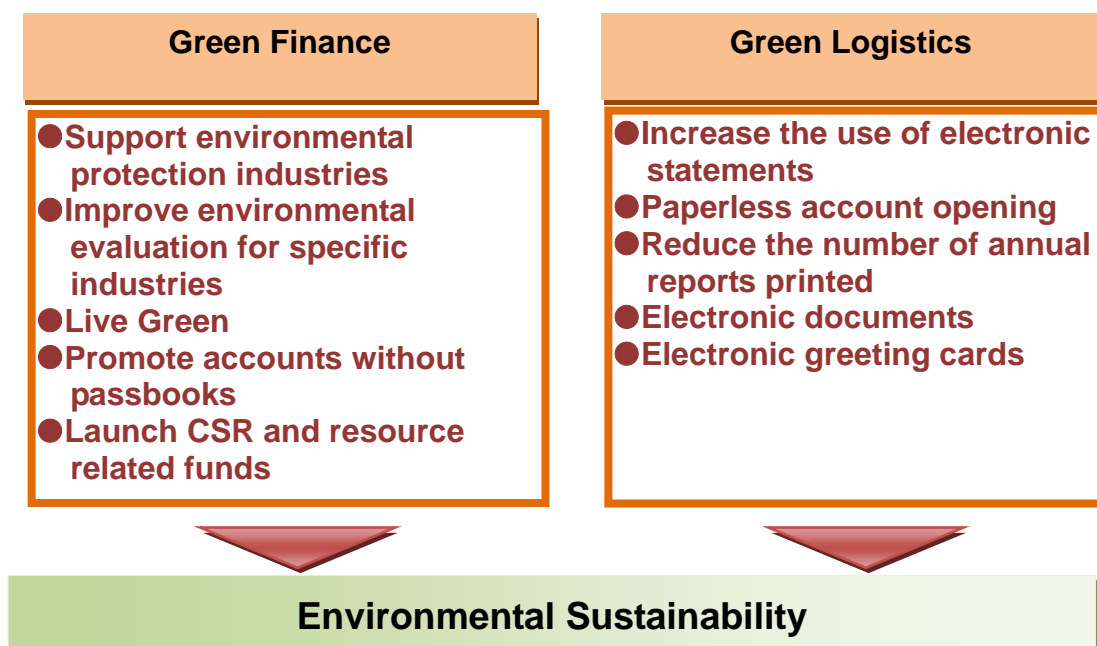
Service	Content of Survey	Customer Satisfaction
Options and warrants	Location	80%
	Speaker	100%
	Content of lecture	96%
Stock transfer agency	On our stock transfer agency for the 179 publicly traded companies that our securities subsidiary serve	92%
Banking	Overall customer satisfaction	90%
Car loans	Overall customer satisfaction and those who are willing to recommend our service to their friends and family	99%



(IV) Products and services with a focus on sustainability

1. Environmental Sustainability

The impact of climate change on the global economic environment continues to expand and accelerate. Adjustments to industrial structure and policies and the fluctuation of financial markets continue and each presents major challenges to the ongoing management of businesses. Our group is greatly concerned about the influence of climate change on economics, the financial environment, and regulations. We continue to explore related business opportunities in existing niches with our diversified management and adjust our operating processes, business strategies, and investment decisions to lower the impact on corporate earnings and show our efforts to work towards environmental sustainability.



(1) Green Finance

A. Support environmental protection industries

Customers that our securities subsidiary underwrote in 2013 included Everlight, an LED maker; Neo Solar Power and Gintech Energy, who produce solar power products; and HIM International, a cultural creativity enterprise. There are a number of environmental protection and energy saving industries in our OTC recommendations or cases, including companies like Singtex,

Alpha Crystal Technology, Crystal Applied Technology, Procrystal, CAEC, and Sunny Friend. In addition, Pili and momo belong to the cultural creativity industry, demonstrating the importance of the environmental protection, green energy and cultural creativity industries to our customers.

B. Improve environmental evaluation for specific industries

Our banking subsidiary handles loans in accordance with the five basic principles of security, liquidity, public interest, profitability and growth. Loans are assessed based on the five review principles of the customer's credit rating, intended purpose, revenue source, debt security and loan prospects. The recipient and purpose of loans are carefully assessed. Applications that have no socio-economic value are not in the public interest, or are in violation of environmental protection principles and the relevant policies are rejected. As of December 2013, our banking subsidiary has issued loans amounting to NT\$5.98 billion to environmental protection and cultural creativity-related industries.

Funds at our investment subsidiary invest in local and foreign securities. Investments are concentrated in securities related to global agricultural opportunities (including agricultural infrastructure, agricultural manufacturing, processing and distribution, and water resources).

C. Live Green

To support the paperless environment movement, our banking subsidiary is continuing to encourage our customers to apply for electronic statements. This, combined with electronic transactions and e-statements, lowers carbon emissions by reducing the amount of paper consumed through passbooks, transaction receipts, over-the-counter queue tickets and statements. Our initiatives include:

1. Customers who apply for investment e-statements enjoy a 75% discount on transaction fees once each month for fixed-term, fixed-amount purchases.
2. Hosted the "Yuanta Bank Year of the Snake", "Father's Day

Riddle", "United in September, Celebrations in October" promotions that gave customers the chance to go into a lucky draw when they apply for e-statements.

D. Promoting accounts without passbooks

Our securities subsidiary already saves large amounts of paper by sending a great deal of information by e-mail. Our banking subsidiary is committed to the goal of "paperless transaction means tree conservation and a love for Mother Earth," and launched "New Generation Deposit," an omnibus demand deposit service that does not use passbooks. We encourage customers to apply for these accounts and to use electronic statements. By combining electronic transactions and e-bills, we can reduce paper usage in passbooks, transaction slips, teller number slips, and statements.

E. Launch CSR and resource-related funds

Our investment trust subsidiary is committed to the promotion of mutual funds with CSR and natural resource concerns to provide more sustainable investment opportunities.

a. Yuanta Global Agricultural Opportunity Fund

This fund invests in up-, mid- and down-stream agricultural industries spanning the Americas, Europe, Asia, and other regions. It focuses on Agriculture and invests in:

Non-food agricultural products, such as alternative energy, furniture, paper, textiles; banks that make loans to agribusiness and climate consultants, water related businesses (waste-water treatment, purification, water use efficiency, water infrastructure providers, water service providers, and irrigation construction firms).

b. Yuanta Emerging Market ESG Fund

The fund is a foreign equity fund based on the concept of "Environmental/Social/Governance" (ESG). Its investments are characterized by:

1. Focus on ESG issues in emerging markets (e.g. alternative energy, environmental protection, social equality, health and

welfare, sustainable infrastructure and development).

2. ESG invests in leading-edge issues with a focus on emerging market enterprises that can provide ESG sustainable solutions, as well as companies that comply with ESG guidelines.

c. The size and numbers of shareholders in the two funds mentioned above:

Fund Name	Yuanta Global Agricultural Opportunity Fund	Yuanta Emerging Market ESG Fund
Launch Date	September 9, 2008	September 15, 2011
Fund Size	\$736,340,000	\$221,210,000
Number of Shareholders	3,059 persons	436 persons

(2) Green Logistics

Our group has been promoting a series of projects to reduce paper consumption. The details are as follows:

A. Increase the use of electronic statements

We lead the securities industry in the use of paperless statements for joint services and promote the benefits of electronic statements to our customers through the web pages of subsidiaries, trading systems, documents with customers, and face-to-face contact with our staff. We develop new systems and sponsor sales campaigns to increase the use of electronic statements. The results are as follows:

Unit: Number of accounts

Subsidiaries	2012	2013	Increase(decrease)%
Securities - Broker	893,117	915,895	3%
Securities - Wealth Management Trust	81,124	121,070	49.24%
Bank	199,209	243,735	22.35%
Investment Trust	133,115	136,137	2.27%

B. Paperless account opening

Our securities subsidiary has planned a “Channel service system project” to enhance transaction safety and efficiency. The project has been divided into three stages and the first and second has already been completed. Paperless account opening has been implemented and the third stage is in progress.

Progress	Project details	Progress
Stage 1	Updating equipment. Completing the updates of the main servers for the front and back office of the brokerage unit, server room integration, and backbone upgrades	Completed in 2010
Stage 2	Integrating the account opening process and introducing electronic seals and identification	Online since 2011
Stage 3	Restructuring the accounting system for back office bookkeeping	Planning of transaction core completed in 2013

C. Reduce the number of annual reports printed

Since 2011, our company has been printing smaller-sized annual reports using environmentally-friendly paper and ink. We also use QR Code scans on our corporate website, allowing stakeholders to read them online at any time.

We printed 765 Chinese and 245 English annual reports in 2013, a decrease of 78 and 2 copies, respectively, when compared to 2012.

D. Electronic documents

Our group has been using an electronic document management system since 2009. More than a million documents have been processed through the electronic system since it was introduced 4 years ago, effectively reducing the use of paper. During 2013, our investment trust completely switched over to electronic forms for 14 applications (approvals, dispatch, certification application, signature application, re-signing application, requisition form, fixed asset assignment form, change of contract form, business card application, fund attendance at shareholders' meeting, asset

inventory form, administrative processing form, document destruction form, survey questionnaire) to reduce the amount of printing and document storage necessary.

E. Electronic greeting cards

Our electronic card center offers many greeting cards for major holidays, allowing employees to send greetings to the appropriate recipients as tokens of our appreciation.



2. Economic sustainability

To assist the Taiwan Securities Association and Securities & Futures Institute in promoting warrant education, our securities subsidiary organized a marketing campaign that involved producing an "In-depth TV program on warrant education" to give investors a proper understanding of warrants; placed advertisements with "Taiwan-wide broadcasting and outdoor media", MRT PDP TV ads and bus exterior advertisements to reinforce a positive image of warrants; "collaborated with the ETTV news cloud website to set up a warrant area" for promoting the soundness and diversity of warrant market information in Taiwan and provide investors with in-depth reporting on warrants; "partnered with SMART magazine to publish a special feature on warrants" and hosted a "Warrant A-List" competition; and hosted a "Media education on warrants" event with banquets, seminars and symposiums for networking with reporters. These events are aimed at encouraging frontline reporters to improve their warrant knowledge, increase their coverage of warrants and educate warrant investors so as to facilitate the long-term development of warrants.

In 2013, our securities subsidiary led the industry in terms of "total issues" and "value of brokered transactions". These achievements were recognized by TWSE awards. There was also a GTSM award for broker contribution in 2013.

To support the push by regulators to realize the Taiwan Digital Finance 3.0 Environment, our futures subsidiary has not only made extensive use of E-DM and e-newsletters, but also became the first in the industry to offer mobile services. Mobile phones can now be used to keep tabs on global market movements and international transaction opportunities in the 8 global asset types (shares, bonds, interest rates, foreign currency, energy, precious metal, commodity metal, farm produce)



3. Social sustainability

Our group benefits from the development of society and wishes to give something back. Our subsidiaries use various transaction platforms – the Internet, ATMs, or credit cards – to collaborate with 20 various charitable organizations in a way that customers are able to donate the bonus points earned from transactions or spending to the charitable groups for the support of the disadvantaged. We also sponsor the Yuanta-Polaris Research Institute's research and publication of reports related to economic development trends in Taiwan and important countries worldwide.

元大證券
紅利送愛心
幫助失能家庭

《伊甸基金會》幫助失能家庭

紅利點數每1000點即可兌換150元捐助給伊甸社會福利基金會

轉寄給好友

產品編號: edn0004
參考市價: 150元
上一個商品 下一個商品

產品編號	購買方式
edn0004	純紅利 1,000點

放入購物車

孩子，加油！

《陽光基金》紅利捐贈

幫助地能孩子渡過復健復健路

長長復健路，讓我陪你去

商品編號: 0001
紅利點數: 2,000點

產品編號	購買方式
0001	純紅利 2,000點

我要兌換

Our diversified operations span investment, wealth management, and credit management and our subsidiaries spread their expertise and influence using lectures, forums, seminars, training camps, and co-ops to help customers of all ages develop financial literacy and responsible behavior. We also teach financial literacy to children to avoid future social problems that stem from a lack of financial knowledge.

In 2013, our company organized the following customer seminars:

Business Type	Seminar topic	Locations	Number of participants
Securities	Warrants Seminar	13 sessions throughout Taiwan	~885 people
	Stock transfer training seminar	Taipei, Hsinchu, Taichung, Kaohsiung	~490 people
	OTC Forum	6 sessions in Taipei	Varied from 60 ~ 120 people per session
	Overseas Corporation Forum	19 sessions in Taipei	Varied from 60 ~ 120 people per session
	Equity derivative products and sales	Taipei	93 persons
Banking	2013 "Exceptional" Wealth Management Information Meeting	Taipei (2 sessions), Taoyuan, Hsinchu, Taichung, Yunlin, Chiayi, Tainan, and Kaohsiung – total of 8 seminars	810 people
Futures	Taiwan-wide Options Seminars	4 large seminars and 39 small seminars throughout Taiwan	~1400 people

Business Type	Seminar topic	Locations	Number of participants
	Promotion of "Day Trading Strategy"	More than 200 sessions in Taiwan	1000 people
	"American Shares Matchup"	Taiwan-wide	More than 1000 people
Investment trust	Introduction to Index ETF (Exchange Traded Funds) Seminar	Northern Taiwan, Central Taiwan	560 people
	Fund, Share and Debt Distribution Made Easy Seminar	Northern Taiwan, Central Taiwan	More than 400 people
	Golden Trends	Northern Taiwan	204 people
	Beginner's Guide to Bonds	Northern Taiwan, Central Taiwan	615 people
	Youth Wealth Management Camp	Northern Taiwan, Southern Taiwan, Eastern Taiwan	320 people
	Wealth Management Seminar	Northern Taiwan, Central Taiwan	381 people
	Investing in Taiwan and Greater China	Northern Taiwan, Central Taiwan, Southern Taiwan	1500 people
	Introduction to CTA	Northern Taiwan, Central Taiwan	150 people
	University Seminar for Finance Newcomers	Northern Taiwan, Central Taiwan	450 people
	Meet the Manager	Northern Taiwan, Central Taiwan	120 people



(V) Developing business system capabilities

1. Securities wealth management trust system

We have built a cross-selling platform to provide superior products for all subsidiaries to increase group-wide profit and customer satisfaction. The first phase of the securities wealth management system, based on “trust operations”, came online in August 2010. The second phase of the project, which involved the construction of a website for electronic trading, was completed in October 2011. The systems for special purpose trusts and securities trusts were completed in 2013. In terms of financial products, we have completed the development of modules for demand deposit in NTD and foreign currencies, domestic and overseas fund transactions, and structured notes. Modules will later be introduced for NTD and foreign currency time deposits, bonds, and sub-brokerage and stock products that will provide a one-stop transaction shopping platform.

2. New corporate web-bank system

To provide institutional customers with improved service and integrate transaction logging for better system performance, a 2nd generation corporate web-bank system was commissioned that will provide customers with faster and more diversified services. Up to \$33.18 million has been invested in the project over the past two years.

In thousands of New Taiwan Dollars

Item	Expected expenditure	Expected time of completion
Securities wealth management trust system	30,000	November 2009 – December 2013 (4 years)
New corporate web-bank system	40,000	January 2013 – June 2014 (1.5 years)

IV. Caring for Employees

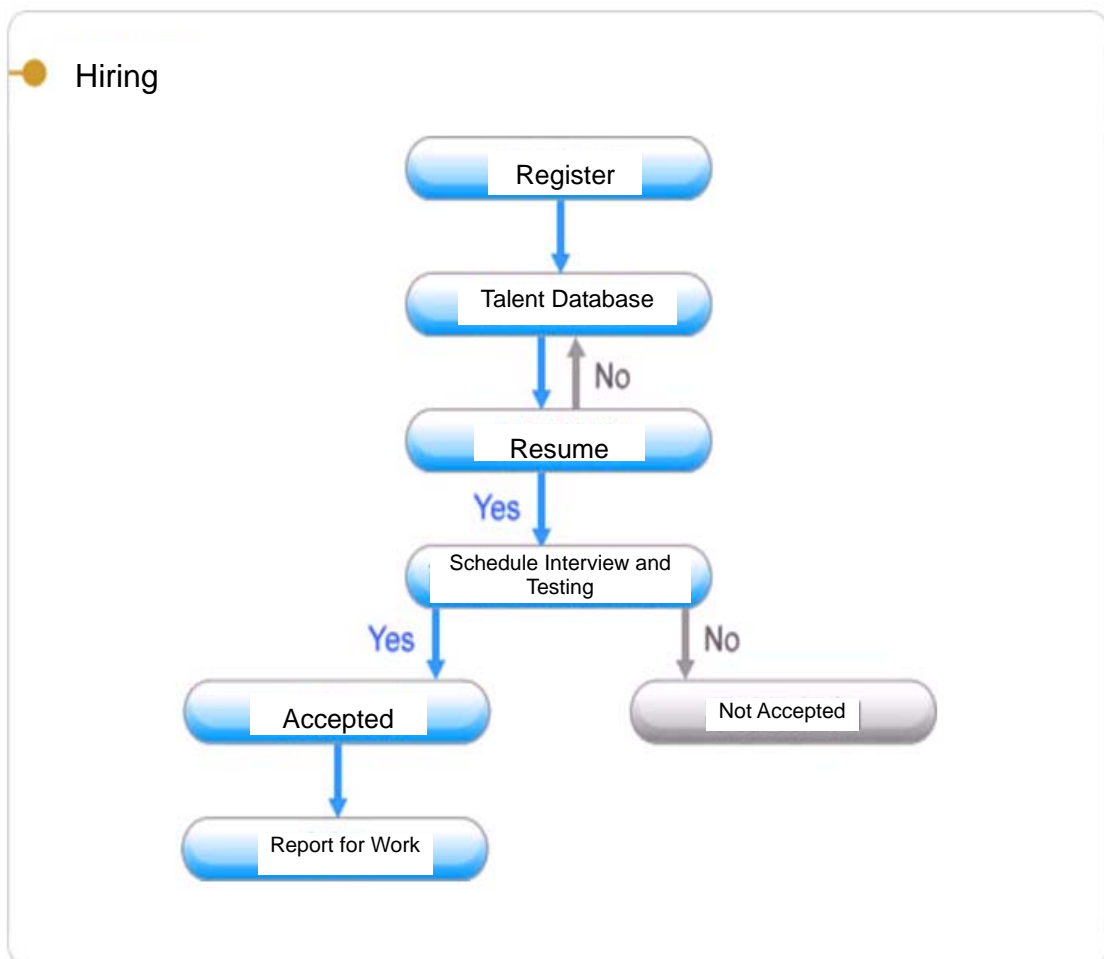


IV. Caring for Our Employees

Our talent pool is the basis on which our group creates profit, remains competitive in the market, and maintains ongoing operations. In this segment, we will explain the efforts we make to create an outstanding workplace: the hiring process, the HR structure, the analysis of recruits and terminating employees, staff training and development, salaries, incentives, and benefits, and employee safety and care. We ensure that all of our employees can use their talent to the fullest, create their own value, and grow with the group.

(I) The hiring process

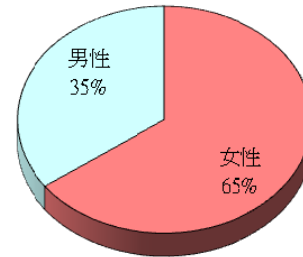
Our employees must go through a selection or credential review procedure before hiring, subject to management approval. Our employees enjoy the full protection and respect of their legal rights.



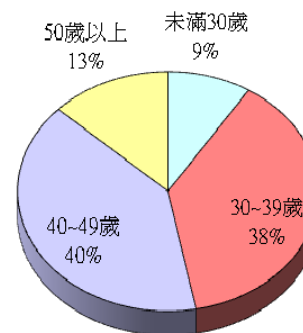
(II) HR structure

The subject of this report is our company and its eight subsidiaries, all of which are located in Taiwan. As of December 31st, 2013, the full-time and contract employee headcount was 8,692 + 1 for a total of 8,693. Employee gender, age, education, and job type distribution are as follows:

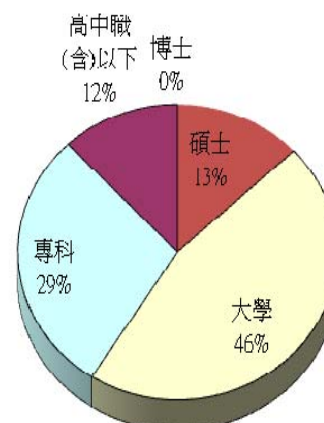
Employee gender distribution			
Gender	Full-time	Contract	Percentage
Female	5,612	0	65%
Male	3,080	1	35%
Total	8,692	1	100%



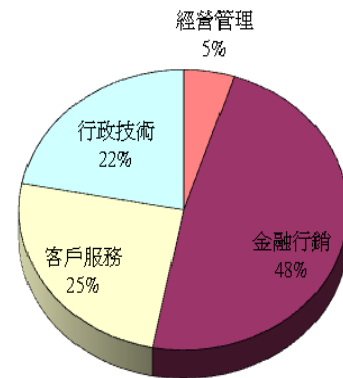
Employee age distribution			
Age	Full-time	Contract	Percentage
Under 30	763	0	9%
30~39	3,296	0	38%
40~49	3,466	0	40%
50 and above	1,167	1	13%
Total	8,692	1	100%



Employee education distribution			
Education level	Full-time	Contract	Percentage
Doctor's	9	0	0%
Master's	1,141	0	13%
Bachelor's	3,996	1	46%
Two-year college equivalent	2,475	0	29%
High school and under	1,071	0	12%
Total	8,692	1	100%



Employee job distribution			
Category	Full-time	Contract	Percentage
Operation and management	433	0	5%
Finance sales	4,128	1	48%
Customer service	2,181	0	25%
Administration technology	1,950	0	22%
Total	8,692	1	100%

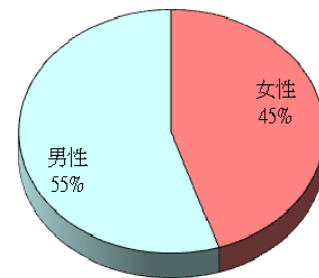


(III) Analysis of recruits and terminated employees

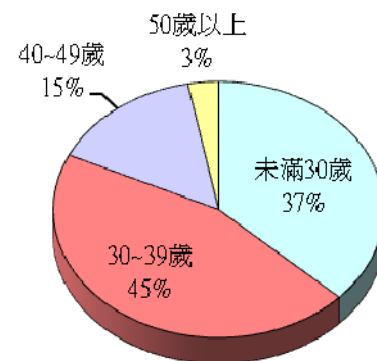
In 2013, our Group hired 555 new employees, or 6.4% of our total workforce.

The retention rate of new employees was 73.7%. The gender and age distribution of new employees is as follows:

Recruit gender distribution			
Gender	Full-time	Contract	Percentage
Female	252	0	45%
Male	303	0	55%
Total	555	0	100%

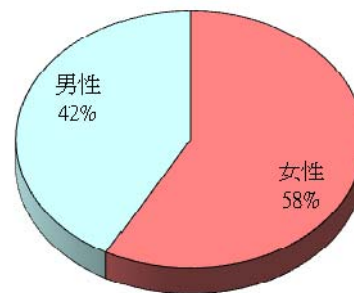


Recruit age distribution			
Age	Full-time	Contract	Percentage
Under 30	204	0	37%
30~39	251	0	45%
40~49	85	0	15%
50 and above	15	0	3%
Total	555	0	100%

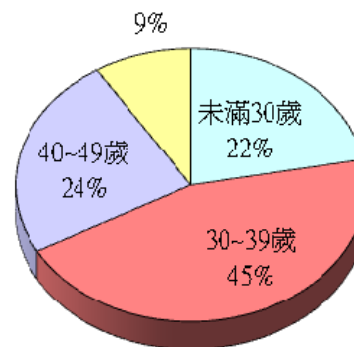


The termination rate in 2013 was 14.2%. The gender and age distribution of terminated employees was as follows:

Terminating employee gender distribution			
Gender	Full-time	Contract	Percentage
Female	710	1	58%
Male	524	1	42%
Total	1,234	2	100%



Terminating employee age distribution			
Age	Full-time	Contract	Percentage
Under 30	275	0	22%
30~39	551	0	45%
40~49	293	1	24%
50 and above	115	1	9%
Total	1,234	2	100%



(IV) Staff training and development

1. Diversified training courses

People are our group's most important assets. They also form the cornerstone of our efforts to create profit for shareholders, maintain competitiveness in the market and contribute to sustainable development.

Each year, our Group draws up a master plan for training and talent development based on our business strategy and business development needs. In 2013, our Group organized 3,091 courses on a variety of topics, clocking up 361,470 hours of training. Based on a workforce of 8,693 people at the end of 2013, each person underwent training 20.3 times, and, on average, each person received 41.6 hours of training.

2013 Employee training statistics					
Course type	Total number of courses	Total hours	Total persons	Average training hours per person	Average number of trainings per person
In-person course	2,105	198,745	44,007	22.9	5.1
Online course	986	162,725	132,165	18.7	15.2
Total	3,091	361,470	176,172	41.6	20.3

Our Group respects a diverse society and prohibits all forms of discrimination. Training courses and hours may vary depending on employee role, but training opportunities are the same for both genders. In 2013, the average hours of training received by female and male employees were very close to each other at 41.8 and 41.2 hours, respectively.

2013 Employee training statistics by gender			
Group	Total hours	Year-end total	Average hours
Female	234,533	5,612	41.8
Male	126,937	3,081	41.2
Total	361,470	8,693	41.6

Our annual training plan takes into account the requirements of the Group's development strategy, annual business plan, training system and talent development. In 2013, training included management skills training for all levels of management, professional skills training for all career tracks, legal education for all employees, general competency training, and healthy living seminars. In 2013, our Group organized 3,091 courses for employee training. These were used 176,172 times for a total of 361,470 training hours. Total employee training costs amounted to \$25.23 million, which works out to an average of \$2,902 and 41.6 hours of training per person (Group has a total of 8,693 employees).

To ensure that the content of employee training meets the needs of

group corporate culture and actual management practice, our group relies on experienced employees as “internal lecturers.” In 2013, we launched a series of courses, including: internal lecturer development, bank operational case studies, financial service courtesy, briefing skills, briefing production, Excel applications, etc. We turn the inherent knowledge of our outstanding staff members into training courses that can be duplicated and used to hand down company knowledge and experience. In this way we will continue to improve our employees’ financial common sense.

In 2013, 433 managers of all levels underwent a total of 44,806 hours of training, or an average of 103.5 hours per person. Professional employees numbered 8,260, and they received a total of 316,664 hours of training, an average of 38.3 hours per person. Employees participating in professional skills training can not only enhance their work-related professional knowledge, work rules, and techniques but can also use the training to strengthen their own professional skills and work performance. They may also work to expand their professional horizons and hone the skills they will need in future roles. The training activities enable employees to put their talents to good use and grow with the company.

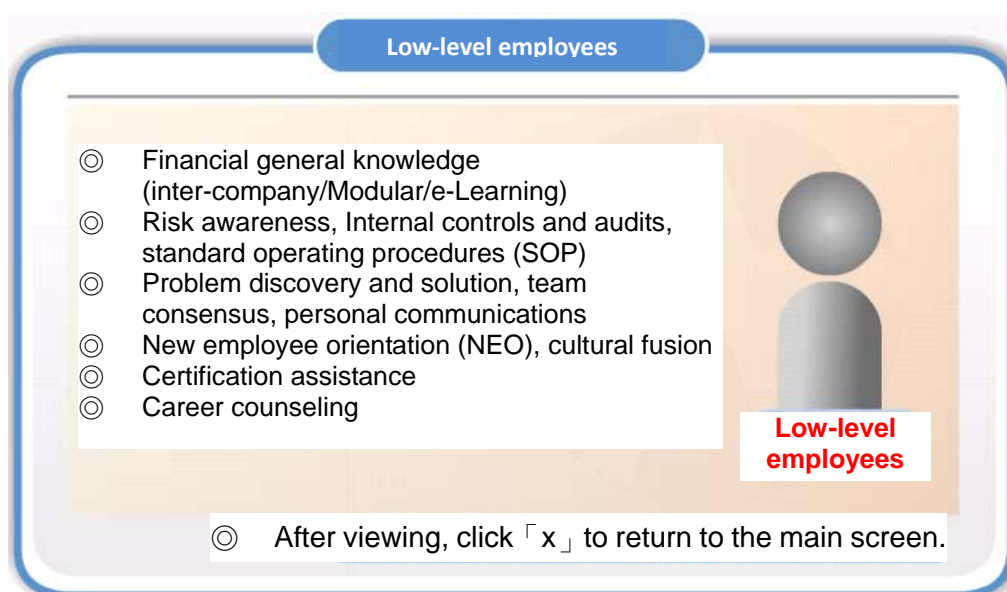
2013 Employee job class training statistics			
Group	Total hours	Year-end total	Average hours
Professional	316,664	8,260	38.3
Management	44,806	433	103.5
Total	361,470	8,693	41.6



2. Thorough new employee training

To help new employees understand the relevant business regulations, rights, and business processes as quickly as possible, we require that new employees complete the new employee introduction course within one month of reporting for duty. The content of the course includes: corporate vision, corporate culture and organization, management teams, work rules, employee benefits, training and development. We also arrange law and regulation courses, such as money laundering prevention, insider trading detection, information security education, and labor health and safety training for new employees. Within three months of reporting for duty, each new recruit's unit supervisor must arrange for the new employee to receive pre-employment/on-the-job training and activate the mentor scheme to help the new employees understand their duties, business processes, and rights. The two-pronged approach strengthens the regulatory understanding of new employees and also helps them understand their rights and compliance.

In 2013, we offered 145 courses, both physical and virtual (online), to new employees for a total of 2,013 hours, and 555 persons were trained. Each participant received an average of 3.6 hours of training (not including subsequent on-the-job training and individual mentoring by supervisors and senior employees).



3. Sustainable promotion of digital learning

Our group has been promoting a “digital learning industry expansion and development project” since 2003, and an e-learning platform named the “Yuanta e-academy” was launched. This platform has been continuously upgraded and revised over the years and extended to all subsidiaries. It continues to drive all of the digital learning programs of the group. In 2011, the platform was adopted and implemented by our Hong Kong subsidiary during overseas expansion and provides a round-the-clock resource and service for “learning on demand.”

Our Group's e-learning platform is divided into four key areas: the Management Academy, Professional Academy, Certification Academy and General Knowledge Academy. In 2013, 132,165 persons clicked through the online courses for a total of 162,725 training hours. On the average, each visitor participated in 18.7 hours of online training.

4. Building diversified channels of development

In March 2003, an “Employee Retirement Reserve Oversight Committee,” was created and approved by regulators. Employee retirement management guidelines have been drafted and pension contributions were allocated each month. After the Labor Pension Act came into effect on July 1st, 2005, we began making monthly contributions to the retirement reserve fund on a monthly basis under the new regulations in order to provide employees with income protection after retirement.

In response to the intense competition in the financial industry and the needs of our business, we have created a multi-track development mechanism that includes a management, professional and operational career path development mechanism. We encourage our employees to develop various job capabilities, fulfill themselves, and seek personal excellence through on-the-job training, reserve talent development, job rotation, case assignment, and digital learning.

We use our advantages in a broad range of financial industries served by our subsidiaries, and we also encourage employees to apply for internal job rotation or rotation between subsidiaries as needed. This

practice effectively promotes the circulation of talent in the group and diversifies employee development. It also induces the reproduction of successful experience within the group and disseminates the benefits of our success.

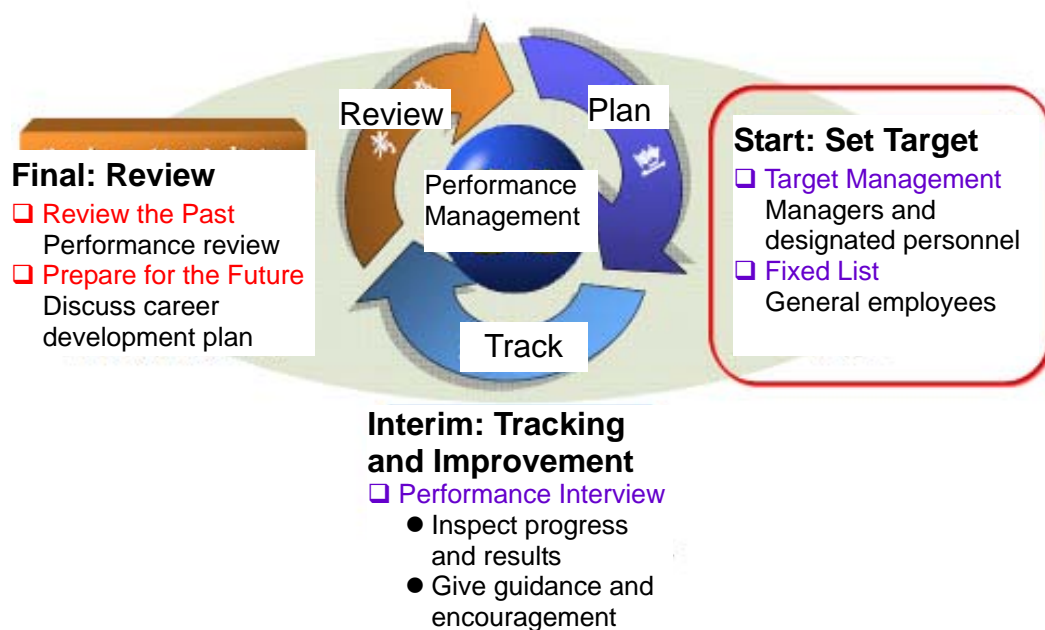
5. Career development linked to result management

In order to implement corporate strategy, set annual targets, and boost the effectiveness of the organization, all of our employees are evaluated on a regular basis. By “setting targets for each period”, “interim tracking and improvement”, and “assessment and evaluation at the end of the period”, we evaluate the job performance of an employee over the span of a year and set future development targets. The result of the evaluation is used by Human Resources as a basis for deciding performance incentives and promotion, pay raises, and talent development.

Performance management is an ongoing process that is decided by management and the employee with regard to the work target of the current year, key tasks, and performance indicators. This ensures that the development goal of the company is implemented through departmental and personal targets. During the year, we not only regularly review progress and results, but also examine employees' maturity and future training targets to ensure their continued competitiveness. This, together with the professional skills training, management skills training, mandatory financial certification training and external training provided under the annual training plan, offers employees with a variety of resources sufficient for supporting their career development and personal learning. By satisfying the employee need for personal development, the performance and productivity of the department is increased as a whole. This in turn fulfills the company's profit and business expansion targets.

At the end of the year, supervisors and employees are expected to discuss and set the individual work targets for the new year based on the results of the year-end evaluation. All employees are expected to

exert their own specific strength and influence. The supervisors must also decide on the content and focus of employee training in the coming year to improve job proficiency or prepare for a necessary future job requirement. The supervisor then begins the result management cycle for the next year. Our group uses a multi-pronged approach that includes a result management and employee training development plan to achieve gains in both corporate results and employee development.



(V) Salary, incentives, and benefits

1. Salary and incentives

A corporation pays salaries to its employees as a consideration for their work, and these salaries provide the money the employees need for their own and their dependants' day-to-day living. The goal of adequate compensation is to attract outstanding talent and encourage existing talent with development potential to stay with the company. The formation of a talented corporate operations team always results in the achievement of a good outcome for the company, and the reward will be better salaries for the employees.

To align the personal objectives of the employees with those of the

company and shareholders, as well as to attract talent, our salary and incentive structure is both result-oriented and competitive. Salary and incentives are also tied to company results and personal achievement to create a win-win-win situation for the individual, the company, and our shareholders.

Our company's compensation standard is also designed according to the same principles. We take both competitiveness and motivation into consideration. We encourage the management team to exert their full potential and create results. Overall, the payment of compensation is a combination of various components. The main ones being base pay, subsidies, and incentives. In support of this, there are benefits such as vacation days and insurance. We have created a solid salary and incentive structure to keep costs at a reasonable level.

2. Employee benefits

In March 2003, we created an “Employee Benefit Committee” and monthly contributions are made to the employee benefit fund. The fund is run independently by the committee, which has codified an employee club subsidy system that encourages employees to form clubs that engage in socially beneficial activities. Our company Employee Benefit Committee also arranges many discounts and benefits with selected business partners. From time to time, the latest discount information is circulated to all employees through internal network channels to make life more convenient and rewarding.

In September 2003, our company formed the “Employee Shareholder Association” to encourage employees to save money for the long-term. Employees contribute a defined sum of money on a monthly basis, and the company makes a matching contribution to encourage them to hold company stock as shareholders. Stock ownership not only increases the protection for employees after retirement or work termination, but also gives employees a stake in the game and their work becomes a contribution to their future.

There is no gender difference on the starting salary for each employee, and we comply with the requirements of labor legislation, so the basic salary ratio between men and women is 1:1.

In March 2003, an “Employee Retirement Reserve Oversight Committee,” was also created and has received approval from the regulators. Employee retirement management guidelines have been drafted and a defined sum is contributed as a labor retirement reserve. After the Labor Pension Act came into effect on July 1, 2005, we began making monthly contributions to the retirement reserve fund on a monthly basis under the new regulations to provide employees with income protection after retirement.

(VI) Employee safety and care

1. Employee safety

Due to government legislation on safety and health, as well as the protection of employee safety and welfare, our company has drawn up a range of emergency response plans and notification measures aimed at achieving zero occupational injury. Employee health and safety education and training are also held at random intervals. The safety and sanitation of facilities and equipment are also monitored through regular safety inspections and upgrades to building management systems, as well as the maintenance and cleaning of public facilities to enforce our safety management policy for employees' work environment.

To maintain a safe and healthy work environment, our company has issued the "Sexual harassment prevention measures, complaints and disciplinary action guidelines". All forms of sexual harassment, discrimination or violence and threatening behavior are prohibited in order to build a workplace with gender quality.

Our company not only provides labor and health insurance and

pension contributions for employees as required by law, but also provides group health insurance and employee health exams.

Due to government legislation on safety and health, as well as the protection of employee safety and welfare, our company has drawn up a range of emergency response plans and notification measures aimed at achieving zero occupational injuries. Employee health and safety education and training are also held at random intervals to enforce our safety management policy for employees' work environment. There were no lost days or work or deaths due to occupational diseases by Group employees.



2. Caring for Employees

To maintain the physical health of employees, enhance employees' general medical knowledge, and prevent the risk of disease, our Group continues to organize group health insurance, employee health exams, health consultations, and workplace safety, sanitation and health seminars. The health seminars, in particular, invite doctors, nurses or other medical specialists on a regular basis. These are not limited just to disease prevention and care. They also talk about employees' personal health management, healthy living, family relations and physical/mental health promotion from an employee physical and mental care perspective. In 2013, a total of 1,152 Group employees took part in the health seminars for a total of 1,271 hours. The number of participants was 38% higher than last year.



V.Environmental Protection



V. Environmental Protection

Our Group is in the financial services industry. All of our subsidiaries and business locations are situated in urban locations and rural townships. The establishment of offices has therefore caused no damage to official reserves or habitats. Unlike some manufacturing industries, our Group does not intensively consume resources or produce pollution and waste. Nevertheless, as a global citizen, we still strive to fulfill our commitment to environmental sustainability and shoulder our social responsibility for protecting the planet and conserving its resources. Our Group hopes that all efforts on behalf of environmental protection within and outside of our organization can receive the encouragement and support they deserve. We hope that our efforts can help reduce the impact humans have on the environment, and we strive for a balance between corporate development and the natural environment.

(I) Comfortable office environment

To provide our employees with a comfortable office environment and create a model office building for urban society, the design of the financial holdings building incorporates green building concepts from the very beginning, making it a landmark building with educational and demonstration value. Our building is situated on Dunhua South Road in Taipei City and is a green building that meets the five performance indicators for water retention: everyday energy saving, indoor environment, water resources, sewage, and waste. Environmental management includes the following:

1. Dedicated environmental management unit

The maintenance of the function, appearance and environment of our buildings is the responsibility of the management committee.

Our group has never been found in to be breach of any environmental laws. The land we occupy and the locations are not in areas of biological diversity or protected habitats, and the presence of our facilities has no unlawful impact

on the ecosystem.

2. Green environment

Shrubs are planted on the roof of the building. The north and west sides each have trees and shrubs planted. The eco-landscaping design selected native trees and plants for attracting birds and butterflies.

3. Environmental cleanliness and smoke-free environment

A building-wide smoking ban is in place. Smokers may only smoke in designated outdoor areas. The building environment is regularly cleaned and disinfected as well. Over \$8.8 million was spent in 2013 to provide all Group employees with a fresh, comfortable and healthy environment to work in.

Environmental expenditures in 2012 and 2013 (in thousands of dollars)

Item		2012	2013
1	Environmental cleaning	787	787
2	Floor crystallization treatment	29.5	29.2
3	Garbage collection	29.4	27.6
4	Outer wall cleaning	27.3	26
5	Building sterilization	4.7	4.2
6	Building-wide rodent extermination	0	0
7	Water tower washing	2.4	2.4
8	Carpet washing	1	6
Total		885.8	882.4



(II) Environmental protection efforts and results

In recent years, our Company's administrative department has sent out e-mails at different times reminding employees about environmental protection measures such as waste sorting, recycling, energy saving, carbon reduction and green purchasing. This has reflected the efforts made by all employees towards environmental protection. Other measures have also been taken to protect the planet. The electronic document system adopted by the Group in 2009 has since processed more than 1.2 million documents, effectively reducing our paper consumption. All of the air-conditioners in the building use the environmentally friendly R410A refrigerant to reduce damage to the ozone layer.

Our Group took part in the "Green Procurement by Private Enterprises and Groups" program launched by the Taipei City Government between 2011 ~ 2013, and was a strong supporter of green procurement. We were recognized by the Taipei City Government as a benchmark unit for three straight years due to our exceptional performance. We will continue to expand our environmental protection-related ideology and communicate it to all our employees so that they can follow it and contribute to a green planet.

Electricity usage statistics at the financial holdings building over the past two years (2012 and 2013)

Year	2012	2013	Increase (decrease)
Total electricity usage	5,599,400 kWh	5,394,800 kWh	– 204,600 kWh
CO2 emissions	3,290,503kg	2,880,506 kg	– 409,997 kg

Source: Taiwan Power Company

Water usage statistics at the financial holdings building over the past two years (2012 and 2013)

Year	2012	2013	Increase (decrease)
Total water usage	17,216 KL	16,488 KL	-728 KL
CO2 emissions	1,334 kg	1,240 kg	-94 kg

Source: Taipei Water Department

Recycling statistics for the financial holdings building between the years 2012 and 2013

Recycling Statistics (kg)						
Year \ Item	Aluminum	Iron	PET bottles	Paper	Kitchen waste	
2012	12	241	529	14,636	2095	
2013	9	40	420	13,828	1,409	

(III) Water conservation

1. All of the flushing toilets in the Building have two-step flushing valves and the urinals have flow sensors. The valves and sensors are both green mark products.
2. The faucets in the restroom have flow timers with the water-conservation mark. The faucets in the kitchenette have reduced flow rate and water-saving warnings are posted nearby to remind all personnel to save water.
3. The building is equipped with a rain recycling system. The collected rainwater is used for flushing the toilets and urinals. It also used for watering the plants in the open areas of the building.
4. The water treatment facility at the financial holdings building includes a water treatment tank and a dedicated sewer. Sources of waste water include the restrooms and garbage holding yard. Pipes from these locations lead to the water treatment facility five floors below ground and the dedicated sewer on the first floor, in full compliance with green building rules and environmental laws.

(IV) Energy conservation and carbon reduction measures**Energy conservation and carbon reduction methods and measures used by the financial holdings building**

Lighting	<p>*The computer-designed aluminum grating for lighting prevents computer monitor glare by keeping light from shining directly on computer monitors. Electronic ballast is also fitted to reduce start-up flicker and extend lamp life. This setup conforms to the green building energy saving indicator.</p> <p>*The glass windows on non-western sides of elevator lobbies are not fitted with curtains in order to make the most use of natural lighting. This extends the life of lobby lighting and reduces energy consumption.</p>
Air-conditioning	<p>*The control panel for air-conditioning on each office floor is set to the temperature specified by the Taipei Municipal Self-Governance Ordinance for Guidance, Assistance, and the Administration of Energy Saving and Carbon Reduction for Industry and Commerce. The control panels are also locked and managed from the central control room. Staff also regularly takes temperature measurements from fixed points on each floor.</p> <p>*A central control switch is installed in the central control room. Once all personnel have left the offices, an inspection is made and logged.</p> <p>*To improve the cooling performance of the air-conditioning, ceiling-mounted air circulation fans are now being trialed. If this proves effective in improving air-conditioning efficiency, then it will be rolled-out to the rest of the Group.</p>

Elevator	*Elevators are assigned to odd and even floor groups to reduce the number of stops. Only one elevator from each group is kept running during off-peak hours and non-working days.
Car Park Ventilation Fan	*The fans are also run for 20 minutes out of each hour outside of commuter hours to balance the requirements of traffic safety, employee health and energy saving.
Video Conferencing	*The financial holdings building and the Tatung building where Yuanta Securities head office is located are both fitted with video conferencing facilities. Meeting participants in different locations and countries can now communicate effectively through the video conferencing system for savings in travel time and cost. This also reduces energy consumption and carbon emissions from transportation.
Energy Conservation and Carbon Reduction Education	<ul style="list-style-type: none"> *Use stairs instead of elevators if going up or down less than two floors for exercise and to save power. *The average temperature of the office must not fall below 26°C . *Install sun-blocking curtains where necessary to reduce radiant solar heating. *Unplug OA equipment when not in use for an extended period of time. *Turn off the lights upon leaving the office. *Set OA machines and personal computers to automatically go into standby mode. *Set faucets to an appropriate flow-rate. Make sure faucets are closed properly after use. *Buy products with the Green Mark.

(V) Waste treatment and recycling

The coffee and refreshment rooms on each floor of the financial holdings building have recycling bins. A waste concentration yard with ample space is located on the fifth level below ground. The yard is a hub for dumpsters from the entire building and is also where secondary waste sorting is done. Waste is removed and the yard is cleaned on a daily basis.

Waste sorting and resource recycling measures promoted by our Company:

1. The use of glass or ceramic cups to replace paper ones to reduce the consumption of paper.
2. Set double-sided printing to save paper.
3. Use the reverse side of scrap paper for printing non-official documents. The reverse side of scrap paper can also be cut into note paper.
4. Make good use of emails, e-DM or e-bulletin to replace paper documents.
5. Reuse envelopes and document bags.
6. Minimize the use of solvents such as glue and white-out.
7. Use refillable ballpoint pens or fountain pens where possible.
8. Sort office waste into general waste, recyclable waste and kitchen waste.
9. Batteries contaminate the soil and must not be mixed with ordinary trash. Take them to convenience stores or hypermarkets for disposal.
10. Use eco-friendly chopsticks when eating out.
11. Avoid using napkins and use handkerchiefs if possible.



(VI) Green purchase

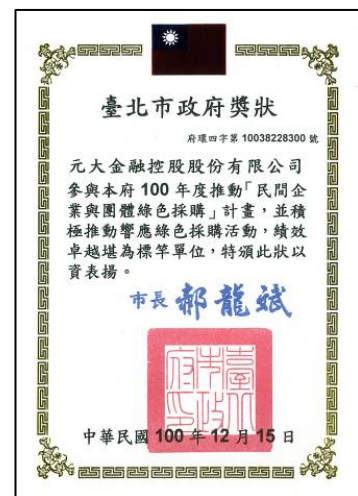
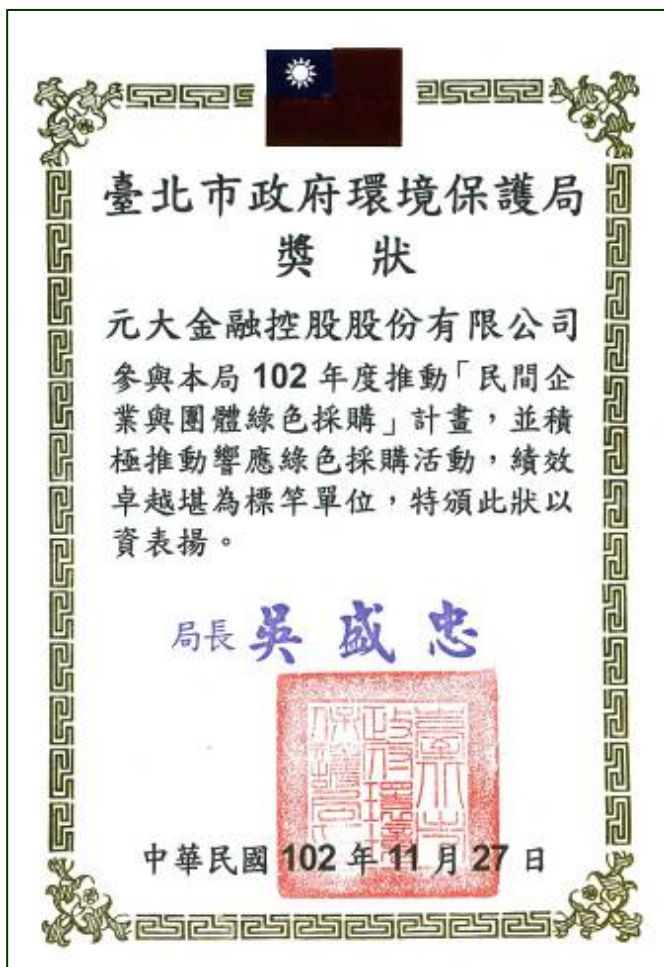
1. Management measures

Our Group uses e-mails to promote "Green Purchasing" concepts to all employees and the purchasing departments of our subsidiaries. These explain what green purchasing is and list government-approved green products. These green products include those that have "received EPA Green Mark approval", "satisfy the requirements of renewable materials, low pollution, reusability and the efficient use of resources" and "other products that increase social gain, reduce social costs, and have the same or similar function".

This extends to the training of purchasing personnel and sharing of related information. Statistics indicated that our Group purchased more than \$33.67 million in green products in 2012.

2. Outcome

In 2011 and 2012, our group made green purchases amounting to more than \$200 million. We have also been recognized by the Taipei City Government as a "Benchmark Business for Green Purchasing." for two years running. Our Group remained committed to the philosophy of environmental protection in 2013. Green purchases for the year reached \$25.25 million, and so we were once again recognized by the Taipei City Government as a "Benchmark Business for Green Purchasing" for the 3rd straight year.



VI. Social Participation



VI. Social Participation

Yuanta Financial Holdings believes we should "give back to society as we benefit from its progress." Our subsidiaries donate funds and work with the Yuanta Foundation to help us fulfill our full corporate social responsibility in four areas: "public interest and social education," "promotion of scholarships and the development of talent," "promotion of the arts and cultural education," "social safety, and legal education". Education is the core that underlies all four areas of our mission.

The Yuanta Foundation published monthly e-newsletters and the "2013 Annual Report" on our external and internal websites to detail our contributions in the following areas: care for the disadvantaged, concern for health, concern for society, concern for the environment, the development of talent, interaction between industry and academia, sponsorship of the arts, and legal education. Apart from sharing our achievements with all Group members, we hope our efforts will coalesce into a force for good and progress in society.



Yuanta Foundation

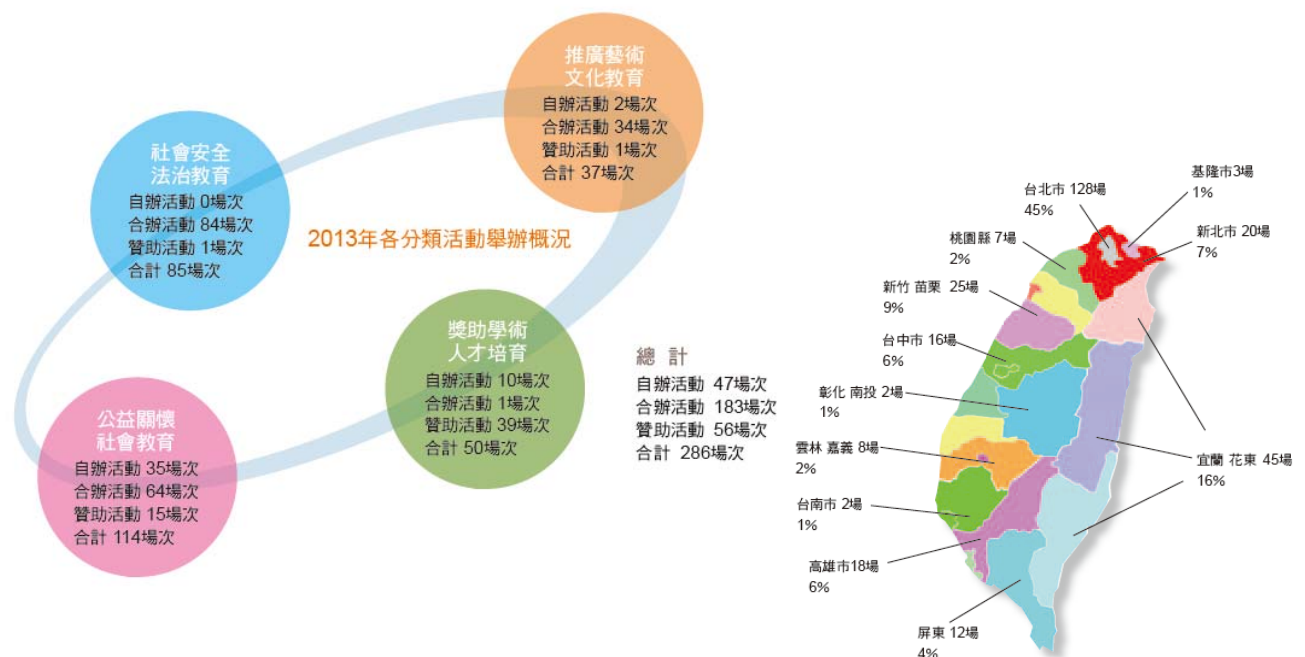
Rallying the spirit of charity to build a platform for public interest

We believe that "education" offers a disadvantaged child the best path to a better life and realizing their dreams. The goal of the Yuanta Foundation is to build a platform for public interest that is committed to caring for those in need. Under the leadership of Chairwoman Judy Tu, all public interest activities make "education" their starting point. We hope that our support can provide disadvantaged kids with equal opportunity build their confidence and give them the strength to follow their dreams.

Public interest is a group effort. Our Foundation's tangible contributions to society serves as an example to others and we hope a platform for public interest can be set up to become the nexus for **making dreams come true. By encouraging everyone to sow the seeds of goodness and love, we can make Taiwanese society better.**

2013 Activity overview

The Yuanta Foundation organized 286 events in 2013, or an average of 6 events a week. We are therefore actively involved in all kinds of social and public interest services.



Leader in Public Interest Services Rated as Excellent by the Ministry of Education for 3 Years in a Row

On December 10, 2013, the Ministry of Education hosted the 2013 Award Ceremony for Outstanding Educational Foundations. Among the 38 foundations involved in education recognized at the ceremony, Yuanta received an "Excellent Educational Foundation of 2013" rating for its commitment to "public interest and social education," "promotion of scholarships and the development of talent," "promotion of the arts and cultural education," "social safety, and legal education" for the 3rd year in a row.



Our Foundation has been a long-time contributor to social services in culture, education and public interest under the leadership of Chairwoman Judy Tu. With public interest and concern as the core, and education as the starting point, we help disadvantaged children with their learning, education and even higher education through the "Yuanta Dream Take-off Project". The "Yuanta Public Interest Art Fest" combined public interest and art by inviting charities and remote, rural schools to high-quality performances to introduce and cultivate the arts; we served as co-sponsors of Paper Windmill Theatre's "Saving Faust Project" and "368 Children's Art Works" to cultivate Taiwan through theater; we hosted the "Yuanta Public Interest Classroom" to promote social education; Yuanta employees all around Taiwan were also mobilized during the concern for health activities to serve as health education volunteers on hepatitis and liver cancer in the countryside.

Our contributions to a better, harmonious society was the reason why we stood out from the 692 foundations supervised by the Ministry of Education to become what Deputy Minister of Education Pi-twan Huang called a "role-model" and "leader in public interest services".

Chairwoman Tu stated that her original intent was to "give back to society" in tangible ways and by building a social platform for compassion and charity, inspire more people to join in to help those who need love and support. The Foundation will continue to participate in social welfare with a spirit of love, confidence and responsibility. We will connect the spirit of charity in society, continue to cultivate public interest, create social value, and launch projects for hope that will see the seeds of love and hope flower and bear fruit across Taiwan.

Public interest and social education

In 2013, the Yuanta Foundation held **114** public interest and public health events, attracting more than **10,000** participants. These were:

➡ "Yuanta Dreams Taking Off Project"

- Summer and winter schools to provide continuous mentoring in remote rural regions
- Saturday mentoring in Wugu to improve the learning performance of children in a marginal metropolitan area
- Yuanta Dreams Taking Off Financial Aid helps disadvantaged children taken wing
- Yuanta Development Camp to share the spirit of love and gratitude
- Rural Thanksgiving meetings for donors and recipients to keep the dream alive

➡ [Caring for Hualien and Taitung]

- Sponsored the Caring Cup Baseball Game to support national sport and provide after-school mentoring
- Supported the "Cloud Charity Festival" to make the dreams

of children in Taitung come true

- Fund-raising campaign for Hualien service mobile to bring love to the door hand-in-hand

➡[Caring for Children and Juveniles]

- Learn from Fund for Children and Families' example to apply Yuanta's charity in an effective manner
- Formula for health: Donating for the 2013 Yonghe Charity Run
- Celebrity Charity Baseball Games to help autistic children
- Donation to Vox Nativa to bring the sound of Yushan to the world

➡[Caring for Health]

- Yuanta's "Liver" volunteers help protect rural health

Caring for "Old Friends" with Alzheimer's

➡[Caring for Society]

- Yuanta public interest classroom builds charity platform
- Set professional standard in news ethics for finding truth, goodness and beauty in society

➡[Caring for the Environment]

- Protect the planet through eco-friendly diet and low-carbon lifestyle
- New future through green innovation and land care



☞[Yuanta Dreams Taking Off Project]

Education is the best way to change a child's life



The "Yuanta Dreams Taking Off Project" successfully cultivated 2 university students after 3 years. One was accepted by the Department of Sociology at the National Taiwan University while the other accepted by the Department of Ethnomusicology at Nanhua University. How the children's dreams reinforced education is the best way to change the lives of disadvantaged children.

From our longstanding involvement in public interest, Yuanta observed the existing of an insurmountable gap between the city and the countryside in Taiwan. The gap is particularly evident between central and marginal metropolitan areas so there is dire need for intervention. Yuanta therefore partnered with the Corps of Rural Areas Education Services at Fu Jen Catholic University on the "Yuanta Dreams Taking Off Project" to train university students as mentors. The mentors provided elementary and junior high school students from poor families

in rural areas with online mentoring, as well as winter and summer schools over the school holidays. The "Wugu Community Saturday Mentoring Class" was held at St. Annes Church in Wugu, New Taipei City, to provide students from poor families in a marginal metropolitan area with mentoring. The Yuanta Financial Aid helped students who would have otherwise been forced to drop out of vocational high school or university due to their family's economic hardship.

Summer and winter schools to provide continuous mentoring in remote rural regions



The National Taiwan Normal University found that a significant proportion of junior high school students in rural areas were only up to 3rd or 4th grade in actual academic ability. A "First Year Junior High Class" was therefore set up by the Summer School in 2013 to provide 6th grade students entering high school with academic reinforcement.

The "Continuous learning" concept was extended at the Jieshou Junior High School in Taoyuan County's Fuxing Township with winter and

summer schools to bridge the learning gap during winter and summer holidays. Nutritional assistance was provided as well so the classes provided children with day-care and additional nutrition. Leftovers could even be taken home to share with their grandparents at dinner.

Vocational high school students who benefited from Yuanta Financial Aid carried on the tradition as well by returning to their old schools for the 2013 Summer School as volunteer mentors. They even gave back to their junior students by helping with the curriculum design.

Yuanta has always striven to narrow the resource gap between the city and the countryside as well as expand learning opportunities in the remote areas. To increase the scope of the public interest platform, we partnered with another aspect of public interest in the "Yuanta Public Interest Art Fest" by inviting students of Jieshou Junior High School to visit the "Capture the Moment: the *Pulitzer* Prize Photographs" exhibition, attended the theater production of *Green Snake* with the Corps of Rural Areas Education Services from the Fu Jen Catholic University and juveniles receiving counseling, and even invited the world-class Judy's Harmonic Ensemble to perform at Qinxian Junior High School on the outskirts of New Taipei City. During his speech, Principal Wen-yan Yu at Qinxian Junior High School thanked "Yuanta Public Interest Art Fest" for bringing a world-class performance to his school. Due to the school's remote location, it had just 36 students and did not even have a full-time music teacher. Music classes therefore consisted of teachers from other topics playing videos for the students. The rare opportunity for the teachers and students to hear such an exciting performance along with a detailed explanation is something that should give every student new inspirations.

Saturday mentoring in Wugu to improve the learning performance of children in marginal metropolitan areas



In metropolitan areas, parents are too busy working to make ends meet to look after their children properly. The educational resource gap here is even more acute than remote areas. Yuanta and FJU recognized this problem and partnered

with the St. Anne's Church in New Taipei City's Wugu District to host the "Wugu Community Saturday Mentoring Class" to help students from families with special circumstances with their schoolwork, companionship and nutritional assistance. The children's stability and family situation make the mentoring activity fraught with uncertainty and difficulty, but Yuanta and FJU students still tried to do their best for the children of Wugu. They not only helped children in a marginal metropolitan area with their schoolwork and emotional needs, but also allowed FJU students to learn about caring and sharing through volunteering as mentors. For the FJU students, the greatest reward was being able to care for the community and see the improvements made by the kids academically and in life.

Yuanta Dreams Taking Off Financial Aid helps disadvantaged children taken wing



Xiao Yu is a student at Juifang Vocational High School. His family of six depended on his father's wages as a paver. There were not always jobs to be had however, so they often had to borrow money to pay for his and his sisters' tuition. On his "Yuanta Dreams Taking Off Financial Aid Application", Xiao Yu thanked Yuanta for not making academic scores the only criteria. This allowed him to successfully apply for the Yuanta Scholarship based on his performance in vocational courses. He was then able to continue his schooling and lighten the load for his father as well.

The "Yuanta Financial Aid" established by our Foundation provides financial assistance to 15 students with family difficulties in each grade from years 1 ~ 4 in junior high school. The students must have previously attended mentoring activities such as the "FJU Educational Support Service and Development Camp" in junior high school. A background check as well as their school's recommendation is also necessary. In vocational/high school, each student receives \$10,000 a semester through the scholarship. In university/college, each student receives \$20,000 a semester. The in-depth and long-term support provides the children with all the warmth they need to complete their education.

The Yuanta team also stays in regular phone contact with their junior high school teachers, current senior/vocational high school teachers and counselors. The team also reaches out through the development camps and encourages them to surmount their academic difficulties, and provide companionship when they experience setbacks in life so they are not alone on the path of education. Some of the financial aid applications received for Semester 1 of the 2013 academic year came from students of the Sanying Tribe. Due to their marginal location, the families are generally quite poor. They not only have difficulties applying for assistance but the cost of living in urban areas is higher as well. This meant it often takes them a whole semester to pay off the fees for books and school lunches. This made the support offered by Yuanta Financial Aid all the more vital.

Chairwoman Judy Tu said that what Yuanta provides is financial aid and not a scholarship. The goal is to help students who want to continue their schooling but whose family circumstances make it impossible. A student's academic result is not the most important criteria. What matters is the determination to keep going. Tu offers these words of encouragement to the kids: "Life is filled with hardship and difficulties but if you are willing to learn and don't give up hope, you can make your dream come true. As long as you persevere, Yuanta will be there to help you with your schooling!"



➡[Caring for Hualien and Taitung]

Delivering Love to the Back Mountain

Yuanta Watches Over Hualien and Taitung by Helping the Needy



The *Global View Monthly* magazine conducted a competitiveness survey of counties and cities in 2013. For average disposable household income, Taipei City was \$1,251,519. Taitung County was \$607,872, or just 48.6% of Taipei City. This demonstrated the huge disparity between the city and countryside. Having just half the income was not the only problem. To make a living, most of the young and middle-aged living in the “Back Mountain” spend long periods of time working away from home, leaving only the elderly and young children at home. This results in the problem of left-behind children being brought up by grandparents. When the lack of medical resources is taken into account, the children and the elderly of the Hualien-Taitung region are among the most disadvantaged in Taiwan. This was why Yuanta delivered charity to the Back Mountain and also hoped that the general public can give generously to help Hualien and Taitung as well.

Sponsored the Caring Cup Baseball Games to support national sport and provide after-school mentoring

To keep indigenous baseball alive, a group of indigenous baseball players in the Chinese Professional Baseball League (CPBL) founded the "Caring Cup" focused on "Playing ball for fun". This not only helps to cultivate baseball players in the Hualien-Taitung region and give indigenous children a chance to live their baseball dream but also sows the seeds for the future of Taiwan's national sport. Most importantly, the hosting of the Caring Cup keeps school baseball teams in rural Hualien-Taitung alive. The running of the baseball teams provide local students with care similar to that of mentoring. Yuanta has therefore sponsored the Caring Cup hosted by the Taiwan Aboriginal Baseball Development Association (TABDA) for 3 years running. In 2013, we also organized the "Hand-in-Hand Thanksgiving Carnival" to expand the focus from caring for indigenous children playing baseball to include other groups and individuals that require assistance.



Supported the "Cloud Charity Festival" to make the dreams of children in Taitung come true



To support the "Cloud Charity Festival" launched by Healthy Family Cultural and Education Foundation Chairwoman Ling-yan Chen, New Hope Social Welfare Foundation and the Taitung County Government Education Department, we adopted the wish by more than 300 students at Chih Sang Junior High School and three elementary schools "to experience a live world-class performance by the Ju Percussion Group". We hoped this charity performance will sow the seeds of music among Taitung's children and see Taitung produce outstanding musical talent in the future.

Fund-raising Campaign for Hualien Service Mobile



The problem of an aging society in Taiwan has become increasingly acute in recent years. In response, Yuanta organized a trans-boundary collaboration with the TABDA, Taiwan Hospitality & Tourism University and Hua-Lien Hospital of the Ministry of Health and Welfare to host the "Bring Love to the Door, Hand-in-Hand" Thanksgiving Carnival. The event was intended to raise funds for the purchase of a service mobile by the Huashan Social Welfare Foundation that will set up an effective mobile home health service.

Yuanta has been a long-time supporter of the Mennonite Social Welfare Foundation's service to poor patients and elders throughout eastern Taiwan since 2008. To date, nearly 300,000 lunch boxes have been delivered to provide the elderly with basic sustenance. 2,110 volunteer visits have also been made to look after the safety of seniors living alone. By hosting a gathering, we helped 100 physically handicapped seniors get out of the house and expand their horizons. More than \$3 million have been donated to the Mennonite Christian Hospital to subsidize medical care and nursing for the poor and sick. For the Mid-Autumn Festival each year, we also sponsor charity initiatives by Mennonite with Hualien employees volunteering to give away grapefruit and moon cakes to patients at Mennonite Hospital and the residents of nursing homes. This helped comfort patients who cannot be home for the holidays. It also conveyed our respects to the hospital for their selfless contribution to the health of Hualien and Taitung residents.

In addition, Yuanta also helped fund the purchase of 5 hand-held hearing aids by the Hua-Lien Hospital for elderly patients with hearing difficulties so they can receive proper treatment by correctly hearing the prescription and other medical directions.

Support for rural diversified education development project



We supported the "Rural Education Seed Development Project" launched by Chairman Chang-shou Yan of the Alliance Cultural Foundation in Taitung. This took the form of 6-year full scholarships to talented Taitung students from poor families to attend the Junyi School for Innovative Learning. This changes their life by giving them the opportunity for diversified education.

We also subsidized the Taitung County Education Development Association for the costs of mentors with young students willing to provide home mentoring employed to return to their homeland and help disadvantaged students in eastern Taiwan.

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➡[Caring for Children and Juveniles]

Giving disadvantaged kids a chance

A helping hand for future leaders



Learn from Fund for Children and Families to apply Yuanta's charity in an effective manner



In 2013, "suspended meals" became a new component in social welfare. Yuanta supported the CCF's

suspended meal platform by purchasing thousands of rice dumplings made by the Catholic Kuang Jen Social Welfare Foundation and the New Taipei City Tzu Tai Sheltered Workshop. These were donated to families and children under CCF care. Yuanta Foundation Chairwoman

Judy Tu also led 20 volunteers in celebrating the holiday festival under the guidance of master chef Carrie Chu-yi Kuo.

Chairwoman Tu also committed Yuanta to helping CCF expand its rural services by setting up a Tamsui Office. Children under CCF care in Bali, Tamsui, Sanzhi and Shimen will no longer have to take 2 hours to travel to Shilin for mentoring classes. Families under care can also pickup supplies from the nearby Tamsui Office instead. For these disadvantaged families and students in remote regions, this provides them with more timely educational, material and emotional support.

Yuanta launched the "Bring Warmth to CCF" appeal to collect amenities like detergents, washing liquids, insect repellent and toothpaste for families under the care of the Northern Taipei CCF center. These items may be a routine expense for ordinary families but for families under CCF care they represent a heavy burden.

Formula for health: Donating to the 2013 Yonghe Charity Run



To support the "2013 Yonghe Charity Run", Yuanta donated \$50 for every registered runner to the "Misin Development Center" to provide early intervention for children with retarded development. On that day, 300 enthusiastic Yuanta employees ran to help children with developmental delay.

Celebrity Charity Baseball Game to help autistic children



Yuanta and the Kaohsiung City Government co-organized the "Public Welfare Exhibition Game" with a celebrity team containing Chia Chia Peng, Tze-cheng Kuo, Hsiao-shun Hsu, Honduras, Yun Bai and

Hong-en Chiang playing against the TVNEWS team of reporters in an exhibition game. In autistic children, congenital damage to the brain causes speech difficulties that hamper their communication and interaction with other people. They are therefore often abandoned by society. Yuanta hopes that the combination of charity and sport can draw society's attention to their placement and education.

Donation to Vox Nativa to bring the sound of Yushan to the world



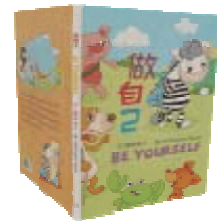
圖片提供:台灣原聲教育協會

Yuanta began supporting Vox Nativa without reservation when the global financial crisis struck in 2008. For the next 6 years, we sponsored

the operation of the "Vox Nativa Children's Choir". In 2013, the 4th "Yushan Starlight Concert" was held at Lona Elementary School in Xinyi Township, Nantou County, at nearly 1,000 meters above sea level. The Evergreen Symphony Orchestra, the Nanwang Sisters, the "Voice of Lileh" Bunun traditional choir were also invited to perform. On the night, more than 5,000 tourists and local residents listened to the performance. "I hope that the Vox Nativa Children's Choir can become the pride of Taiwan just like the Cloud Gate Dance Theater and Ming Hwa Yuan Arts & Cultural Group." This was the dream of Peter Ma, the choirmaster of the Vox Nativa Children's Choir and headmaster of Lona Elementary School.

Sponsoring the publication and donation of children's books

Yuanta sponsored the publication and donation of children's books to charities such as the Taipei Orphan Welfare Foundation, Catholic Kuang Jen Social Welfare Foundation, Taiwan Fund for Children and Families, the Wugu Community Mentoring Station supported by the Yuanta Dreams Taking Off Project, the Taitung County Education Development Association, and Chung Yi Social Welfare Foundation.



Supporting the "Orphaned Children Dream Come True Project"

We joined 15 non-profit organizations in launching the "Summer Extra-curriculum Learning Dream Come True Project for Orphaned Children" to raise extra-curriculum learning opportunities for 500 orphaned children during the summer break. Yuanta provided orphaned children with free admission to the National Theater & Concert Halls for a stage play and pipe organ concert. This helped expand the children's artistic horizons.

➡[Caring for Health]

Watching over health with love

Rural assistance and a dementia-friendly society



Yuanta's "Liver" volunteers help protect the rural health

Yuanta has been a long-time supporter of the Liver Disease Prevention and Research Foundation. Apart from partnering on the promotion of "free hepatitis and liver cancer screening", Yuanta has also mobilized volunteers to serve in rural areas.



In 2013, Yuanta volunteers continued to travel with the Liver Protection Train. In January, free hepatitis and liver cancer screening services were offered at the Siaying Farmer's Association in Tainan City for residents of the Siaying, Liujia and Jiangjyun districts in Tainan City where there is inadequate medical resources. 65 Yuanta volunteers and their families served as volunteers to help with screening 1,200 rural seniors. In April, screening operations were moved to Yilan County's Yuanshan Township where 16 Yuanta volunteers helped screen 2,500 rural seniors. The number of people screened exceeded expectations. In September, the Liver Protection Train traveled to Shuilin Township in

Yunlin County where 30 Yuanta volunteers joined in screening nearly 1,300 rural seniors.

To expand the scope of services from screening to treatment for the health of liver disease patients Taiwan-wide, Yuanta also supported the Liver Foundation's establishment of the "Good Liver Clinic". The professional services and resources of the Liver Foundation will hopefully bring health to every part of Taiwan.

Caring for "Old Friends" with Alzheimer's

Taiwan currently has over 200,000 seniors suffering from Alzheimer's. Yuanta has a long-term partnership with the Taiwan Alzheimer Disease Association (TADA) and hopes that public welfare events can raise society's awareness on how dementia impacts on families and their cares.



Yuanta partnered with the National Immigration Agency to purchase 1,000 rice dumplings for the New Immigrant Sheltered Workshop then traveled together to the Zhishan Senior Home on Yangmingshan, Taipei City, to celebrate the Dragonboat Festival with 100 "old friends". Chef Chin-ming Chung was also invited to explain how to wrap Taiwanese dumplings. Seniors with varying degrees of dementia were encouraged to try their hand at wrapping dumplings in the hopes of re-awakening their memories of taste. A rice dumpling wrapping race delighted the seniors with dementia and helped them rediscover a measure of youthful energy.

Yuanta also invited dementia patients, their families and volunteers from the TADA and Tri-Service General Hospital Nursing Home to view Ming Hwa Yuan's 85th anniversary performance of *The Bandits* and the play "New Year Vigil: Memories and Love". Apart from accompanying the seniors through a weekend afternoon filled with art & culture, this also helped to ease the tension of their family members.

➤ [Caring for Society]

Building a charity platform

Yuanta Dreams Taking Off Project Public Interest Lectures



Yuanta launched the "Yuanta Public Interest Lectures" in 2011 with charity workers in different fields invited to share their stories and promote the ideals of charity. This proved a tremendous success and a social platform for charity was created, providing non-profit organization (NPO) partner with a channel for exchanging resources and reaching out. The use of YouTube for simultaneous broadcasting broke down the barriers of space and time while expanding the possibilities. After two years of development, the "Yuanta Public Interest Lectures" has established its reputation in charity circles. NPO partners now all want to use this stage to make them heard.

In 2013, Yuanta Public Interest Lectures hosted a total of 12 lectures. It's worthwhile to note that Ci-han Lu, the head of the FJU Corps of Rural Areas Education Service program, even set up a live link to Yi-ting, a substitute teacher in rural Taitung, to share her insights from volunteering as a university student as well as how she came to make

teaching disadvantaged kids her mission.

Bei-an Lo, leader of the Greenray Theatre Company and director of the Paper Windmill Foundation, shared how he came to launch the "Saving Faust Project" with Yuanta. By using the amazing power of theater, he brought the fight against drugs to the school campus and called upon society to face the problem of juvenile drug abuse so children can grow up sound in mind and body. The lectures boosted the synergies from Yuanta's charity platform.

Month	Speaker	Topic
JAN	Tai-shan Chang, President of Taiwan Aboriginal Baseball Development Association Jin-yong Wang, Coach of Brothers Baseball Team Cheng-hsun Hsieh, Pitcher for Chinese Taipei Baseball Team	Good Kids Play Baseball
FEB	Jian-cheng Ren, Head of the Paper Windmill Theatre	Paper Windmill - Love's a Turning
MAR	Yi-ying Lin, CEO of HONDA Senior Citizen's Welfare Foundation	Utopia of Treasured Seniors
APR	Ci-han Lu, Project Leader, FJU Corps of Rural Areas Education Service	Rural Mentors
MAY	Jin-chuan Shih, Liver Disease Prevention and Treatment Research Foundation	Preventing Liver Troubles is Easy
JUN	Chang-shou Yan, President of Alliance Cultural Foundation	Plant Hope for the Land
JUL	Bei-an Lo, Head of Greenray Theatre Company/ Director of Paper Windmill Foundation	Saving Faust the Play
AUG	Shu-chiu He, CEO of Taiwan Fund for Children and Families	Volunteering Together for Children

SEP	Yi-han Lin, Founder and Chief Editor of "Social Enterprise Insights" website	Social Enterprise: A New Force for Change
OCT	Li-zhou Yang, Golden Horse Award-winning director of "Bridge Over Troubled Water"	A Bridge Over River of Happiness
NOV	Tao Li, Chairman of TVBS Foundation	Simple People Make Taiwan Great!
DEC	Lian-yan Chen, wife of Taitung County Magistrate	Miracles Happen If You Believe in Love

Set professional standard in news ethics for finding the truth, goodness and beauty in society

From long-time involvement in public welfare, Yuanta is keenly aware of how quality media and reporting can provide an accurate reflection of society for a better Taiwan. We sponsor the Excellent Journalism Award and reporting on positive aspects of society because their positive contributions to society represent true public interest.

We also sponsored the 2013 Forum of Asian Chinese Journalism Award Winners where award-winning Chinese-speaking journalists from China, Hong Kong, Malaysia, Singapore and Taiwan discussed trends and issues in journalism.

Support for 2013 Annual Conference of Educational Foundations



Yuanta has been on the preparatory committee of the "Annual Conference of Educational Foundations" hosted under the aegis of the Ministry of Education's Department of Lifelong Education. The conference was held in conjunction with 27 other educational foundations in Taiwan and we provided our support as a member of the media committee to promote the philosophy of doing good.

⇒[Caring for the Environment]

Combining knowledge and action for green living

Green innovation and environmentally friendly food production

Healthy foods come from a clean environment. Yuanta partnered with the Youngsun Culture & Education Foundation to organize the "Environmentally Friendly Diet Seminar" with industry, government and academic experts invited to speak on the topic of "Green Living in Taiwan Starts from Yilan". The promotion of environmentally friendly green living and diets increased the general public's understanding with eco-friendly living and organic diets.

The seminars not only promoted organic, environmentally friendly production but also drew on low-carbon green diet concepts such as local production and local consumption to connect producers and consumers so they can all do their part for a sustainable Earth.

New future through green innovation and land care

We have collaborated with the largest popular science website "PanSci.tw" and the Taiwan Digital Culture Association in sponsoring the "Love of the Earth Yuanta Diary" event. We invited web users to write articles in diary



format and explain how they can help solve environmental problems in daily life through a combination of creativity, design, and well-grounded science. These must also be "real" environmental initiatives with a scientific basis that can make a difference and be effectively disseminated through individual action, rather than "fake" environmental measures. A total of 104 web users took part in the event and posted 110 environmental protection articles. Four articles that demonstrated creativity and scientific basis were eventually chosen. Yuanta also

launched the "Challenge Yuanta: Environmental Protection Classroom" in partnership with PIXNET, the 4th largest web portal in Taiwan. Web users could answer simple questions to learn about the importance of environmental protection and in turn, protect themselves, the planet, and embrace a healthy, pollution-free planet.

Sponsorship of the 4th Nuclear Power Plant University Cup Debate

Yuanta sponsored the "4th Nuclear Power Plant University Cup" debate with 50 elite students from the China Medical University, National Tsing Hua University, National Sun Yat-sen University, Soochow University, National Chengchi University, National Chengkung University, National Taiwan University and Shih Hsin University invited to debate on the issues surrounding the 4th nuclear power plant.



Co-organization of "Love: Gratitude, Sharing, Contentment" Environmental Education Event for Children



We co-organized the "Love: Gratitude, Sharing, Contentment" environmental education for children event with the Greenfield School to teach young children about recycling. The children made their own "Charity Milk Piggy Bank" in which they saved

money for donation to the World Peace Foundation. A charity sale of toys and second-hand items was also held with all proceeds donated to the Yu-Cheng Social Welfare Foundation to help the handicapped and low-income families.

Promotion of scholarships and developing talent

As a part of the financial industry, Yuanta is committed to the cultivation of financial and commercial talent. We strive to build up a pool of business talent who can raise the standard of academic and professional financial research in Taiwan as well as promote industry-university exchanges. In 2013, more than **3,000** participants attended the **50** scholarship and talent development events held by the Yuanta Foundation:

➤[Talent Development]

- Yuanta Cup Intercollegiate Case Analysis Competition to use knowledge for public welfare
- Established the largest networking platform for Chinese EMBA holders and support the EMBA Alliance Case Analysis
- Yuanta summer research program to cultivate Taiwan's professional financial talent
- "Corporate Case Study Program" between NTU and Renmin University for case analysis of Chinese enterprises

➤[Interaction between Industry and Academia]

- Sponsorship of 25th Accounting Leaders Cup Debating Competition
- Sponsorship of 6th NCTU International Finance Conference
- Sponsorship of 21st Conference on the Theories and Practices of Securities and Financial Markets
- Sponsorship of 8th New Century WTO International Trade and Commerce Law Leaders Training Group
- Sponsorship of 2103 Corporate Governance International Summit Forum



☞[Talent Development]

Use knowledge for public welfare, donate prize money for social welfare

The Yuanta Cup Intercollegiate Case Analysis Competition



Business and management schools in Taiwan have become strong proponents of "Case Method and Participant-centered Learning" in recent years and have hosted numerous competitions on business case analysis. Chao-hsi Huang, the Dean of the College of Technology Management at National Tsing Hua University, is grateful to Yuanta for its long-running support and provision of cash prizes of the EMBA Intercollegiate Case Analysis Competition. The winning team donated all of their prize money to charity as well. "It rare to see an event that combines theory, practice and public welfare." The event not pioneering the linking of academic events and charity but also enabled Yuanta to fulfill its spirit of corporate social responsibility, to the benefit of the organizers, competitors and charities.

Support for EMBA Alliance Summit to Build the Largest Chinese EMBA Networking Platform

To promote the continuous and stable development of the largest cross-strait EMBA networking platform as well as enhance the case analysis skills and competitiveness of Taiwan's EMBA curriculums, Yuanta continued to be sole sponsor of the 2013 EMBA Alliance Summit.

This summit was co-organized by the NTHU College of Technology Management and the NCCU College of Commerce. Participants included 9 the Alliance universities of National Chengchi University, National Tsing Hua University, National Chiao Tung University, National Cheng Kung University, National Sun Yat-Sen University, National Central University, National Chung Cheng University, National Chung Hsing University, and National Taiwan University of Technology, as well as Yuan Ze University, National Taipei University, National Taipei University of Science and Technology, Chang Gung University and Feng Chia University. To continue strengthening cross-strait academic exchange on commerce and management, invitations were extended to Fudan University and Tongji University in Shanghai, Tsinghua University and Beihang University in Beijing, Nanjing University and Xiamen University, setting a record for the most number of participating local and foreign universities.

The two major competitions of the 2013 EMBA Alliance Summit were the Yuanta Cup Intercollegiate Case Analysis and the EMBA Alliance Case Analysis. The first was held on May 4 and the latter on May 5 in NCCU's Yuanta Lecture Hall and Yuanta Humanities Hall respectively. The EMBA Alliance Case Analysis differed from the Yuanta Cup Intercollegiate Case Analysis Competition in its emphasis on the team-building and networking process. This created a "co-opetition mechanism" for mutual learning, competition and complementary strengths.

Yuanta summer research program to cultivate Taiwan's professional financial talent

By taking talent development to its next logical step from a CSR perspective, Yuanta now seeks to identify talented people with potential for the financial industry. The "Summer Research Scholarship for Research Students" has, since 2007, sought out submissions from exceptional research students at each university and by exposing them to their professional field, allowing them to master the theory learnt in class so they can begin preparing their master's thesis. This also helped



them to connect them with their future career.

To provide students in the research program with the most practical feedback, the results of their internship are presented in a symposium format with well-known academics in finance and economics as well as veteran Yuanta executives as the judges giving students their valuable opinions. At the end of the presentation, the students are presented with their internship certificate and scholarship money.

➡[Academic Research]

Case studies of Chinese enterprises and accumulation of business wisdom

Yuanta's sole sponsorship of NTU and Renmin University's "Corporate Case Study Program"



Since 2011, Yuanta has been the sole sponsor of the "Chinese Business Case Cooperation Framework" research project between the NTU College of Management and Renmin University of China School of Business to develop 50 case studies of Chinese enterprises for publication in Chinese. As of 2013, the 5-year research project has produced case studies of 25 large-cross-strait enterprises.

The 2013 program on the "Growth and Business Model of Market Enterprises in China" was launched at the NTU College of Management supervised by 4 NTU and 3 RUC professors. Sheng-Yi Dai, the chairman of the Wowprime Corp., and others were invited to share their experience and guide the development of new modules by more than 40 EMBA students. In May, the program moved to the RUC School of Business with 3 NTU and 4 NTU professors as supervisors.

The case studies this time spanned the hospitality, home furnishing, appliance, printing and real estate industries. Issues up for discussion

included service and business model, transformation and growth model, multi-brand management model and entry model. Case studies included NTU Professor Chung-hsing Huang's "Sichuan Airlines" and Professor Jiung-Yao Huang's "Eewin International", as well as RUC Professor Hua Song's "Bang Jie", Professor Jing Jiang's "Lafaso", Professor Zhi-hua Chi's "Coco Tea" and Professor Ting-ruì Zhou's "Wal-Mart".

The 40-plus EMBA students in the program came from very diverse backgrounds including healthcare, logistics, electronics and electrical engineering, telecommunications, financial services and the public sector. Brainstorming through case analysis, case discussion, company visits and team reports helped them understand cross-strait enterprises' business philosophy and operating model in the China market, and gave them a more in-depth understanding of regional differences.

The rapid development of cross-strait economic activities as well as the new co-opetition between regional economic entities, Taiwanese enterprises is now faced with new forms of business challenges. The academic sector must research these new issues in a systematic manner in order to effectively help industries with building a basis for sustainable growth. Our Foundation therefore sponsored the NTU College of Management to set up the "Chinese Business Case Cooperation Framework" for the growth strategies and organizational issues of Greater China enterprises. By drawing on the case development capabilities of the RUC School of Business, a partnership for the development of cross-strait business cases can be set up to continue accumulating the management thinking and wisdom of Chinese entrepreneurs.



☞ [Interaction between Industry and Academia]

Sponsorship of 25th Accounting Leaders Cup Debating Competition

We sponsored the 25th Accounting Leaders Cup Debating Competition co-hosted by the Accounting Research and Development Foundation and *Accounting Research Monthly*. A total of 16 teams from cross-strait universities and colleges took part.



Sponsorship of 2103 Corporate Governance International Summit Forum

We sponsored the forum on the topic of "A New Era in Corporate Governance: A Study of Family and Small-Medium Listed Companies" hosted by the Taiwan Corporate Governance Association. Chih-hua Li (General Manager for Taiwan of the American Management Association), Ronald Leung (former chairman of the Hong Kong Securities and Futures Commission), Chen-en Ko (Honorary Professor of Accounting, NTU), and Ming-ling Xue (Chairman of PwC Education Foundation) were invited to share their perspectives and experience.



Sponsorship of 21st Conference on the Theories and Practices of Securities and Financial Markets



We sponsored a symposium convened by Professor Dai Ma from the Department of Finance, National Sun Yat-sen University to provide an opportunity for academic networking and touring of actual operations on issues related to the development of the securities and financial market. A total of 20 international academics from 14 countries as well as 60 local academics and industry experts took part in the symposium. 18 sessions were conducted on 10 securities and finance topics that were attended 230 people. 66 papers were also published.

Sponsorship of 6th NCTU International Finance Conference

To promote academic networking on finance in Taiwan, we sponsored a conference organized by the Foundation of



Pacific Basin Financial Research and Development and NCTU Institute of Finance on the topic of "Corporate Wealth Management and Risk Management". Around 150 people attended the conference to explore issues such as the implementation of the new International Financial Reporting Standards (IFRS), as well as how financial institutions establish an effective risk management organization and risk reporting mechanism to prevent potential ethical risks in the face of increasing cross-strait financial integration. A total of 28 papers were presented.

Sponsorship of 8th New Century WTO International Trade and Commerce Law Leaders Training Group



We sponsored the 8th New Century WTO International Trade and Commerce Law Leaders Training Group hosted by the Taiwan New Century Foundation to cultivate experts in handling international trade and commerce, as well as familiarizes them with the process of using dispute resolution mechanisms to deal with trade friction. This will help Taiwan increase its participation in other important international trade organizations or future international trade negotiations.

Promoting the arts and cultural education

In 2013, the Yuanta Foundation sponsored **37** cultural and art events, supported more charity performances by more than **30** art and culture groups, and spoke out on behalf of Taiwanese arts with over **80** social welfare organizations and **10,000** people. The projects included:

➤ 【Promotion of Arts】

- Co-sponsor of the Paper Windmill 368 Townships Children's Art Project.

➤ 【Art Sponsorship - Yuanta Public Interest Art Fest】

- Sponsorship of children's performing arts
- Sponsorship of international musical festival
- Sponsorship of Taiwan's traditional arts
- Sponsorships of Taiwan's contemporary theater

➤ 【Cultural Education】

- Sponsorship of art and cultural education

➤ 【Promotion of Arts】

Leading Children on their First Step into Art

Co-sponsor of the Paper Windmill 368 Townships Children's Art Project.

There is an old Arabian saying: "If the mountain won't come to Mohammed, Mohammed will go the mountain." This was why Yuanta and the Paper Windmill team launched the "Paper Windmill 368 Townships Children's Art Project" so our children can enjoy performances worthy of the national theater at home. This is a cultural endeavor that will mobilize the whole of Taiwan in the hopes of reaching



out to children of every generation and fulfill their dream of art.

Continuing on from the "319 Villages Children's Art Project", Paper Windmill's "368 Townships Children's Art Project" held its premiere in the National Theater & Concert Hall's Main Plaza in January, 2013, with the performance of "Taiwan Fantasia".

Despite the pouring rain before the opening, 6,500 parents and their children still came to enjoy the performance. The First Lady Mei-chin Chou attended the premiere to give her support as well.

To introduce children to the arts amidst the sound of laughter, Paper Windmill created the *Taiwan Fantasia* combining art, theater, choreography, music and UV light. Opening with the story of "Don

Quixote", representing courage and dream, the performance went to introduce local stories from throughout Taiwan. Fun performances by the costumed actors playing the part of children's favorite witch "Wuding", polar bears, Taiwan black bears, penguins and frogs were sprinkled here and there as well.

The "Local Story" component was what made the performance stand out. Local stories from 22 different cities and counties were presented as plays that outlined the local people and culture. For the premiere, "Story of Taipei City" started in the Old Stone Age and ran all the way to the founding of Taipei. Through the performance on stage, children learned about the heritage of Taipei City, their hometown. For "Under the Sea", the actors carrying giant dolls of Taiwanese fishes like the Tilapia, Milkfish and Formosan Landlocked Salmon bid the audience to join. The children's laughter became yet another climax to an unforgettable carnival of the arts.

👉[Art Sponsorship - Yuanta Public Interest Art Fest]

Planting a Seed of Art

Yuanta Art Festival is Win-Win for Public Interest and Art

To support art and cultural activities in Taiwan as well as give rural or economically disadvantaged children the chance to enjoy art exhibitions and performances, Yuanta Foundation combined art and public interest by hosting the "Yuanta Public Interest Art Fest". In 2013, we sponsored more than 10,000 people's experience of the arts including children's performing arts, international musical festivals, Taiwan's traditional arts, and contemporary Taiwan theatre.

We sponsored the Paper Windmill Foundation's "Wonderland of Animals & Insects of Taiwan". 1400 children from 12 units including Shuangxi Elementary School from Baoshan Township, Hsinchu County, the Down Syndrome Foundation R.O.C., Maling Elementary School from Cidu District, Keelung City, Erchong Elementary School from Jhudong Township, Hsinchu County, Cingshui Elementary School from Tucheng District, New Taipei City, Wufeng Elementary School from Hsinchu County, South Taipei CCF Center and Datong Children's Home

were invited to experience the wonders. We sponsored the 85th anniversary performance of "The Bandits" by Ming Hwa Yuan featuring troupe leader and star performer Cui-feng Sun. 100 seniors, volunteers and their families from the Taiwan Alzheimer's Disease Association were invited to attend the performance at the National Theater & Concert Hall, allowing the seniors to connect traditional opera with their memories of the past. We also invited 300 dementia patients and their families from the TADA and Tri-Service General Hospital Nursing Home to enjoy the play "New Year Vigil: Memories and Love" and embark on a journey filled with memories with the seniors suffering from dementia.

Yuanta sponsored 200 adults and children from the Taiwan Fund for Children and Families, Taipei Orphan Welfare Foundation and the Reindeer Children Home in Taoyuan County to attend the "First & Grand - Christoph Bull Organ Recital" concert at the National Musical Hall so they can appreciate the magic of the pipe organ.

Event Name	
Doraemon Pre-Birth Centenary Exhibition	Taiwan Vox Nativa Children's Choir Yuanta Dreams Taking Off Project: Wugu Community Winter Day School for Disadvantaged Metropolitan Children Premature Baby Foundation Taiwan Alliance for Advancement of Youth Rights and Welfare Aodi Elementary School, Gongliao District, New Taipei City Laomei Elementary School, Shimen District, New Taipei City Yumu Elementary School, Sansia District, New Taipei City
Evergreen Symphony Orchestra: "A Night of Richard Strauss: New Year Concert for Yuanta Financial Holdings"	Tian Yuan Charity Association Cite Culture & Arts Foundation Family Service Association of Banciao District, New Taipei City Northern Taipei CCF Center

**Capture the Moment: Pulitzer Prize
Photographs**

Southern Taipei CCF Center
Parent Volunteer Education and
Development Association of New Taipei City
Jieshou Junior High School, Fusing
Township, Taoyuan County
Fugang Junior High School, Yangmei
Township, Taoyuan County
Tosun School, Hsinchu City
Home for the Disabled

**Greenray Theatre: "Temperature of a Single
Man"**

Truth Goodness Beauty Charity Dinner
Union Disabilities Kaohsiung
Red Cross Nursery Center

Grand Immensity: The Art of Xiao-bo Su

**Paper Windmill Theater: "Don Quixote's
Adventure: Galaxy Pegasus"**

Child Welfare League Foundation
Sunshine Social Welfare Foundation
Taipei Children's Incubation & Recreation
Association

Concert of Cellist C. C. Chang

CCF Diversity Talent Class

**Ming Hwa Yuan Arts & Cultural Group: "The
Bandits"**

Taiwan Alzheimer's Disease Association

1st Taiwan Children's Theater Festival

Daban Elementary School, Alishan
Township, Chiayi Township
Darmalan Cultural & Art Troupe, Nantou
County
Representatives of disabled and
disadvantaged students
Sinpu Elementary School, Sinpu Township,
Hsinchu County

**Yuanta Navigator Education Activity: Evergreen
Maritime Museum and Office of the President**

Fuji Elementary School, Gongguan
Township, Miaoli County

First & Grand - Christoph Bull Organ Recital

Taiwan Fund for Children and Families
Taipei Orphan Welfare Foundation
Reindeer Children Home, Taoyuan County
Taipei Branch of Taiwan After-Care
Association

National Theater of China: "Green Snake"

FJU Corps of Rural Areas Education
Service

Judy's Harmonica Ensemble

World Vision Taipei
 The Garden of Hope Foundation
 Good Shepherd Social Welfare Services' Girls' Home
 Wugu Junior High School, Wugu Township, New Taipei City
 Qinxian Junior High School, New Taipei City
 Down Syndrome Foundation R.O.C.
 Shuangxi Elementary School, Baoshan Township, Hsinchu County
 Maling Elementary School, Cidu District, Keelung City

Paper Windmill Foundation: "Wonderland of Animals & Insects of Taiwan"

Erchong Elementary School, Hsinchu County
 Cingshui Elementary School, Tucheng District, New Taipei City
 Wufeng Elementary School, Wufeng Township, Hsinchu County
 Southern Taipei CCF Center
 Datong Children's Home

Kyung-wha Chung , Soloist in Violin Concerto

Music Foundation for the Blind in Taipei
 Taipei Parents' Association for the Visually Impaired
 Southern Taipei CCF Center
 Julun Development Association

Contemporary Legends Theatre: "Nezha"

Colala Troupe - Taiwan Alliance for Advancement of Youth Rights and Welfare
 Chinese Children Home & Shelter Association

Greenray Theatre: "Tomb Sweeping Festival"

Senior High School Students From Yuanta
 Dreams Taking Off Financial Aid
 Representatives of FJU Corps of Rural Areas
 Education Service

People Theatre: "New Year Vigil: Memories and Love"

Tri-Service General Hospital Nursing Home
 Taiwan Alzheimer's Disease Association

Ju Percussion Group 2: "Fantasy Trip"

6 Social Welfare Service Centers of Department of Social Welfare, Taipei City Government, including Zhongzheng,

Wanhua and Zhongshan
 The Garden of Hope Foundation
 World Vision
 Child Welfare League Foundation
 Lihsin Charity Foundation
 The Garden of Hope Foundation

Contemporary Legends Theatre:
 "Metamorphosis"

➡[Cultural Education]

Starting Early in Art and Cultural Education

Cultivate the aesthetics of disadvantaged children through photography and art exhibitions

An Instant Captured for Eternity through the Lens



The Pulitzer Prize for Photographs was established in 1942 and is considered the "Oscar of Journalism". Yuanta invited 300 students from Jiesshou Junior High School (Fusing Township) and Fugang Junior High School (Yangmei Township) in Taoyuan County as well as Tosun School of Hsinchu City to visit the first exhibition of "Capture the Moment: The Pulitzer Prize Photographs" Taiwan.

The exhibition featured 151 prize-winning photographs from the past

including American soldiers raising the national flag over Iwo Jima, the explosion as a hijacked passenger jet crashes into the Twin Towers on September 11, a vulture preparing to eat a starving Sudanese girl, and the exaltation when a child miraculously survives the Haiti Earthquake. Every photo transcended time, space, language and race to present instants in history that should never be forgotten.

Jieshou Junior High School Principal Tso-hsi Su was very grateful to all of the assistance that Yuanta has given to the school over the years by giving them more diverse learning opportunities and expanding their horizons; Fugang Junior High School Director Yi-chun Kuo said that rural students rarely get the chance to view a world-class exhibition. They were very grateful for Yuanta's invitation and the students were all delighted to visit such a meaningful exhibition; Tosun School Director Shu-ching Lin was grateful to Yuanta for giving disadvantaged children the chance to view the exhibition. The stories of the photographs communicate positive values that give them hope for life.

Social safety and legal education

In 2013, Yuanta Foundation hosted 8 legal education events and was recognized by the Ministry of Justice with individual and group medals for promoting after-care. The projects included:

- **Partnership with Paper Windmill to launch Taiwan's Saving Faust Project**
- **Sponsorship of the Taiwan After-Care Association to help former inmates start a new life**
- **Sponsorship of the 12th Golden Rudder Awards and New Leaf Awards Recognizing Exceptional Probation Volunteers**
- **Co-organizer of child protection campaign for neighborhood protection of children**

Let's do something silly! "Mission Impossible" launched again**"Taiwan's Saving Faust Project" helps youths avoid drug abuse**



After the 5-year odyssey of the "Paper Windmill 319 Villages Children's Art Project", the Yuanta Foundation and the Paper Windmill Foundation observed during their travels across Taiwan the exponential growth in juvenile drug abuse. Yuanta Foundation Chairwoman Judy Tu and Paper Windmill Foundation CEO Yong-feng Li therefore decided to jointly launch a mission impossible - "Paper Windmill Youth Education Theater Project: Taiwan's Saving Faust Project". Through humorous performances from a youth perspective, generate resonance on anti-drug abuse topics among youths. The project plans to perform anti-drug abuse plays at 932 junior high schools over a 5 to 7 year period.

The premiere of the "Young Faust" anti-drug play from the "Taiwan's Saving Faust Project" was hosted at the Da'an Forest Park music stage in Taipei City, on November 24, 2012. Since then, "Taiwan's Saving Faust Project" has become the new school anti-drug movement. In 2013, there were 78 performances throughout Taiwan that were watched by around 69,123 people from 94 junior high schools.



Chairwoman Tu said: "What more can we do for the next generation?". The proliferation of drugs on campus has become a very worrying phenomenon. "In the last few years, Yuanta assisted many former inmates who had completed their sentences. Many of them had their lives ruined or families shattered due to drugs. We are trying to put them back on the right path. Rather than counseling after the fact however, why don't we try head them off at the source?" Paper Windmill CEO Yong-feng Li also said: "Everyone is wondering about the future of Taiwan and hoping that their children will be competitive. We must do something however." He appeals to more businesses, individuals and private groups to get involved. "We should start working together now to protect our children's future from drugs."

Restarting from Zero

Supporting the Taiwan After-Care Association



In working with the Taiwan After-Care Association (TACA), Yuanta gained a deeper appreciation of how difficult it is for former inmates to pick up their lives again. Yuanta strongly supports TACA's efforts to

encourage and assist inmates with learning a useful skill. This prepares the inmate and their families for a fresh start.

In 2013, Yuanta and the Taipei branch of TACA co-organized the "Restarting from Zero - Painting of Life" essay competition. We also sponsored the first painter-training course in Taiwan's corrections training system.

The essay competition selected *Restart from Zero to Change* by Yong-fu Tsai, a former inmate, as the reading material. This was published with the sponsorship of Yuanta. In his youth, the author's wild ways landed him in prison. Through his family's unwavering support, his own self-awakening, as well as the care and counseling of the TACA and society, Tsai went from a prodigal son to the owner of a company with an annual turnover in the hundreds of millions. He can now give back to society and offer job opportunities to former inmates as well. His example showed former inmates that they can still live a meaningful life.

The partnership between Yuanta and the Taipei branch of TACA as well as the painter training class set up by Tsai's painting company in Taipei Prison taught trained and developed a trade skill in inmates. This offers

them a way of finding a job or starting their own business after leaving prison. They can even apply directly to his company to find a stable job and rejoin society.

When the 68th After-Inmate Protection Ceremony was held to recognize individuals and groups who made a contribution promoting after-care enterprises, the Taipei, Shilin and New Taipei branches of TACA nominated Yuanta for its longstanding support of after-inmate protection and education, support for former inmates and support for a pioneering training class. These along with Yuanta's routine support of after-inmate activities led to an award plaque being presented by the Ministry of Justice.

Sponsorship of the 12th Golden Rudder Awards and New Leaf Awards Recognizing Exceptional Probation Volunteers

Justice is a part of education and Yuanta sponsored the 12th Golden Rudder Awards and New Leaf Awards Ceremony hosted by the R.O.C. Probation Association and organized by the



Taichung City Probation Association. 14 Rudder Awards and New Leaf Awards winners were publicly recognized including probation volunteers involved in juvenile delinquent counseling, community probation, corrections and after-inmate protection to thank them for their sacrifice and contribution. Through their love, they helped reform delinquent youths and encouraged them to turn over a new leaf. They helped make society more progressive and harmonious.

Yuanta calls for child protection and a happy childhood!



Child abuse cases have been all too frequent lately. Statistics indicate that around 20,000 children suffer from abuse each year and over 40,000 children are at high risk of abuse. The CCF has designated

April 28 as "Child Protection Day" and organized the "Protect Abused Children with Love on April 28" event to call upon the general public to speak up for abused children. Yuanta began supporting the "Neighborhood Child Protection" awareness campaign in 2008 and through Yuanta Financial Holdings' 285 subsidiaries, communicated the concept of "stop the cycle of violence". The posting of DMs and even posters made the campaign more effective and has assisted more than 18,000 abused children to date.

Yuanta Promotes All-Aspect Charity to Give Back to Society

All-Aspect Charity

Yuanta Volunteer Mobilization

In 2013, Yuanta employees enthusiastically cooperated and assisted with the Foundation's various activities. They volunteered up to 702 times on caring for the disadvantaged and caring for health, expanding our charitable activities.

Caring for the Disadvantaged: Yuanta Volunteers 310 Times

For example, the 2013 Yonghe Charity Run saw Yuanta Financial Holdings' new president Cheng-shin Wang lead 270 hot-blooded employees into the race. They joined thousands of other runners in

running for the sound development of retarded children.

Caring for Health: Yuanta Volunteers 121 Times and Helps More than 5,000 People

Our Foundation sponsored "Free hepatitis and liver cancer screening" in Tainan City's Siaying District, Yilan County's Dongshan Township and Yunlin County's Shuilin Township. 113 Yuanta Securities/ Yuanta Bank employees and their families served as volunteers to help rural seniors with their inspections. Up to 5,000 people were serviced. The Shuilin Township session in Yunlin County in particular was affected by outer bands from Typhoon Kong-Rey. Yuanta volunteers braved the wind and rain to support public welfare through their actions. It is worth noting that since Yuanta began supporting the Liver Disease Prevention and Treatment Research Foundation's free hepatitis and liver cancer screenings, it has mobilized over a thousand volunteers and helped more than 30,000 rural residents with their screening.

Yuanta Public Interest Art Fest Mobilizes 191 Volunteers and Benefits 6,280 People



For example, 15 Yuanta employees enthusiastically volunteered for the Kyung-wha Chung Soloist in Violin Concerto and accompanied disadvantaged children in listening to a world-class performance of music.

For the Paper Windmill Foundation's "Wonderland of Animals & Insects of Taiwan", Yuanta Foundation Chairwoman Judy Tu led 36 Yuanta volunteers in accompanying students from Shuangxi Elementary School in Baoshan Township, Hsinchu County, as well as kids from the Down Syndrome Foundation R.O.C. in experiencing the wonders of a large-scale insect exhibition.

Blood Donation Drive

The Yuanta Foundation has been holding a “Blood Donation Drive” since 2011, and asks employees to donate blood and make their contribution to society. The blood donation drive will be ongoing to pass on the Yuanta “compassion, gratitude, and eagerness to contribute” to society and the entire nation.

80 Yuanta volunteers participate in Yuanta Blood Drive and benefit 887 people



Yuanta employees volunteered on their own initiative to help set-up the blood donation location, guide prospective blood donors and give drinks to waiting donors. The display of dedication and enthusiasm from Yuanta convinced even passersby to join the queue to

donate blood, amplifying the power of love.

The multiple blood donation drives held regularly every year have been accepted by many people who join on their own to donate blood to those who need it. The blood donation drive events have produced significant increases in response and participation over the past few years, so have won widespread public acceptance.



Global Reporting Initiative (GRI) Comparison Table

GRI Indicator		Section	Page(s)	Disclosure
1	Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	Letter from the Chairman	5	Disclosed
1.2	Description of key impacts, risks, and opportunities.	Company Overview	41	Disclosed
2	Organizational Profile			
2.1	Name of the organization.	Current CSR Condition	8	Disclosed
2.2	Primary brands, products, and/or services.	Current CSR Condition, Company Overview	8, 41	Disclosed
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Company Overview	35~41	Disclosed
2.4	Location of organization's headquarters.	Company Overview	37	Disclosed
2.5	The number and names of countries where the organization operates (where the organization either has significant operations or that are specifically relevant to the sustainability topics covered in the report).	Company Overview	36~37	Disclosed
2.6	Nature of ownership and legal form.	Company Overview	37	Disclosed
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Company Overview	37	Disclosed
2.8	Report the scale of the organization (including: 1. Total number of employees; 2. Total number of operations; 3. Net sales (for private sector organizations) or net revenues (for public sector organizations); 4. Total capitalization broken down in terms of debt and equity (for private sector organizations); 5. Quantity of products or services provided).	Company Overview	35~43	Disclosed
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Company Overview	39~44	Disclosed
2.10	Awards received in the reporting period.	Company Overview	45,46	Disclosed
3	Report Profile			
3.1	Reporting period.	Overview of the CSR Report	1	Disclosed
3.2	Date of most recent report.	Overview of the CSR Report	1	Disclosed
3.3	Reporting cycle.	Overview of the CSR Report	1	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
3.4	Contact point for questions regarding the report or its contents.	Overview of the CSR Report	1	Disclosed
3.5	Process for defining report content, including: determining materiality, prioritizing topics within the report; and identifying stakeholders the organization expects to use the report.	Identification of Stakeholders	11	Disclosed
3.6	Boundary of the report.	Overview of the CSR Report	1	Disclosed
3.7	State any specific limitations on the scope or boundary of the report.	Overview of the CSR Report	1	Disclosed
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	Overview of the CSR Report	1	Disclosed
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Overview of the CSR Report	1	Disclosed
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods).	No re-statement necessary for this report	-	Disclosed
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Overview of the CSR Report	1	Disclosed
3.12	Table identifying the location of the Standard Disclosures in the report.	GRI Comparison Table	166	Disclosed
3.13	Policy and current practice with regard to seeking external assurance for the report.	Yuanta has continued to progressively enhance the content of the report with the goal of seeking external assurance.	1	Disclosed
4	Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight. (Classified by gender, age and minority group, and reported the member proportional of the highest	Corporate governance	47	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
	governance class.)			
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Corporate governance	51	Disclosed
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Corporate governance	48~54	Disclosed
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Corporate governance	48	Disclosed
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Corporate governance	48	Disclosed
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate governance	48	Disclosed
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Corporate governance	48	Disclosed
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Current CSR Condition, Corporate Governance	8, 48	Disclosed
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Current CSR Condition, Corporate Governance	8, 48	Disclosed
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Current CSR Condition, Corporate Governance	8, 48	Disclosed
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Corporate governance	48	Disclosed
4.12	Externally developed economic, environmental, and social charters, principles,	Current CSR Condition,	8, 48	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
	or other initiatives to which the organization subscribes or endorses.	Corporate Governance		
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	Identification of Stakeholders	12	Disclosed
4.14	List of stakeholder groups engaged by the organization. e.g. general public, non-government organizations, customers, shareholders and investors, local community.	Identification of Stakeholders	12	Disclosed
4.15	Basis for identification and selection of stakeholders with whom to engage.	Identification of Stakeholders	12	Disclosed
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Identification of Stakeholders	12	Disclosed
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Identification of Stakeholders	12	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
Economic				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Company Overview, Identification of Stakeholders, Care for Employees, Social Participation	13, 34 91,116	Disclosed
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Customer First, Environmental Protection	76 107~ 115	Disclosed
EC3	Coverage of the organization's defined benefit plan obligations.	Care for Employees	92	Disclosed
EC4	Significant financial assistance received from government.	None	-	Disclosed
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Care for Employees	92	Disclosed
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Environmental Protection	107	Disclosed
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Care for Employees	92	Disclosed

EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Customer First	76	Disclosed
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	Customer First	76	Disclosed
GRI Indicator		Section	Page(s)	Disclosure
Environmental				
EN1	Materials used by weight or volume.	Footnote	177	NA
EN2	Percentage of materials used that are recycled input materials.	Footnote	177	NA
EN3	Direct energy consumption by primary energy source.	Environmental Protection	107	Disclosed
EN4	Indirect energy consumption by primary source.	Environmental Protection	107	Disclosed
EN5	Energy saved due to conservation and efficiency improvements.	Environmental Protection	107	Disclosed
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Protection	107	Disclosed
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Environmental Protection	107	Disclosed
EN8	Total water withdrawal by source.	Environmental Protection	107	Disclosed
EN9	Water sources significantly affected by withdrawal of water.	Environmental Protection	107	
EN10	Percentage and total volume of water recycled and reused.	Footnote	117	Disclosed
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Environmental Protection	107	Disclosed
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Footnote	107	Disclosed
EN13	Habitats protected or restored.	None	-	Disclosed
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	None	-	Disclosed
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	None	-	Disclosed
EN16	Total direct and indirect greenhouse gas	Environmental	107	Disclosed

	emissions by weight.	Protection		
EN17	Other relevant indirect greenhouse gas emissions by weight.	Footnote	177	Disclosed
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental Protection	107	Disclosed
EN19	Emissions of ozone-depleting substances by weight.	Environmental Protection	107	Disclosed
EN20	NOx, SOx, and other significant air emissions by type and weight.	Footnote	177	NA
EN21	Total water discharge by quality and destination.	Environmental Protection	107	Disclosed
EN22	Total weight of waste by type and disposal method.	Environmental Protection	107	Disclosed
EN23	Total number and volume of significant spills.	None	-	Disclosed
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Footnote	177	Disclosed
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Footnote	177	NA
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Customer First	76	Disclosed
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Footnote	177	NA
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None	-	Disclosed
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Footnote	177	Disclosed
EN30	Total environmental protection expenditures and investments by type.	Customer First, Environmental Protection	77, 107	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
Labor Practices and Decent Work				
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	Care for Employees	93	Disclosed
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Care for Employees	94	Disclosed
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	Care for Employees	101	Disclosed
LA4	Percentage of employees covered by collective bargaining agreements.	Identification of Stakeholders	12	Disclosed
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Identification of Stakeholders	12	Disclosed
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Care for Employees	103	Disclosed
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Care for Employees	103	Disclosed
LA8	Executed the education, training, counseling, prevention, and risk-control programs of major diseases to the employees, dependents, or communities.	Care for Employees Social Participation	103	Disclosed
LA9	Health and safety topics covered in formal agreements with trade unions.	Footnote	177	Disclosed
LA10	Average hours of training per year per employee by gender and by employee category.	Care for Employees	92	Disclosed
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Care for Employees	92	Disclosed
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	Care for Employees	92	Disclosed
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority	Care for Employees	92	Disclosed
LA14	Ratio of basic salary of women to men by employee category, by significant locations of	Care for Employees	92	Disclosed

	operation.			
LA15	Return to work and retention rates after parental leave, by gender.	Identification of Stakeholders	12	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
Social: Human Rights				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.	Identification of Stakeholders	12	Disclosed
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	Footnote	177	Disclosed
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Identification of Stakeholders	12	Disclosed
HR4	Total number of incidents of discrimination and corrective actions taken.	None	-	Disclosed
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	None	-	Disclosed
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Identification of Stakeholders	-	Disclosed
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Identification of Stakeholders	12	Disclosed
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Care for Employees	92	Disclosed
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	None	-	Disclosed
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Footnote	177	Disclosed

HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	None	-	Disclosed
GRI Indicator		Section	Page(s)	Disclosure
Social: Society				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Social Participation	117	Disclosed
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Corporate governance	48	Disclosed
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Corporate governance	48	Disclosed
SO4	Actions taken in response to incidents of corruption.	Corporate governance	48	Disclosed
SO5	Public policy positions and participation in public policy development and lobbying.	Identification of Stakeholders	12	Disclosed
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	None	-	Disclosed
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	None	-	Disclosed
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	None	-	Disclosed
SO9	Operations with significant potential or actual negative impacts on local communities.	Footnote	177	Disclosed
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Footnote	177	Disclosed

GRI Indicator		Section	Page(s)	Disclosure
Social: Product Responsibility				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Footnote	177	NA
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Footnote	177	NA
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Identification of Stakeholders, Customer First	11, 12 76	Disclosed
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	None	-	Disclosed
PR5	Practices related to customer satisfaction, including results of surveys measuring	Customer First	76	Disclosed
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Identification of Stakeholders	24	Disclosed
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	None	-	Disclosed
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Identification of Stakeholders	19	Disclosed
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	None	-	Disclosed
Financial Service Sector Supplement				
FS1	Policies with specific environmental and social components applied to business lines.	Current CSR Condition	8,9	Disclosed
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Corporate governance	67-71	Disclosed
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements	Customer First	80	Disclosed

	included in agreements or transactions.			
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Current CSR Condition	5	Disclosed
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Customer First	79	Disclosed
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Company Overview	43	Disclosed
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	Customer First	89~89	Disclosed
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Customer First	80	Disclosed
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Corporate governance	51 64~46	Disclosed
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Customer First	80, 86 87	Disclosed
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Footnote	177	Disclosed
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Footnote	177	Disclosed
FS13	Access points in low-populated or economically disadvantaged areas by type.	Social Participation	117	Disclosed
FS14	Initiatives to improve access to financial services for disadvantaged people.	Customer First	88	Disclosed
FS15	Policies for the fair design and sale of financial products and services	Identification of Stakeholders	24	Disclosed
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Corporation Government, Customer First, Care for Employees, Social Participation	69 86 ~ 89 95, 145	Disclosed

Footnote:

GRI Indicator		Explanation
Environmental		
EN1	Materials used by weight or volume.	Yuanta is a financial services firm, not a manufacturer, so this indicator is not applicable.
EN2	Percentage of materials used that are recycled input materials.	Yuanta is a financial services firm, not a manufacturer, so this indicator is not applicable.
EN10	Percentage and total volume of water recycled and reused.	Since the Building does not have a water meter, the percentage and total volume of water recycled and reused cannot be calculated.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	No impacts on such areas.
EN17	Other relevant indirect greenhouse gas emissions by weight.	The company has not yet measured the amount of greenhouse gasses generated through employee commutes, business travel, or transportation of waste material.
EN20	NOx, SOx, and other significant air emissions by type and weight.	The company is not a manufacturing firm and emits no air polluting chemicals.
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	The company is not a manufacturing firm and emits no air polluting chemicals.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Because of the nature of our industry, liquid and solid waste created by the company do not cause significant impacts on biodiversity.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Because of the nature of the financial industry, we do not have products or packaging that require recycling.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Yuanta is part of the financial industry, so operations do not result in significant environmental impacts due to transporting goods or members of its workforce.
Labor Practices and Decent Work		
LA9	Health and safety topics covered in formal agreements with trade unions	The company has not established trade unions.

GRI Indicator		Explanation
Social: Human Rights		
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	The company has already developed a relevant mechanism, and will follow relevant regulations in the future.
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Yuanta's operations are all conducted lawfully. Assessments have found the company meets local human rights regulations.
Social: Society		
SO9	Operations with significant potential or actual negative impacts on local communities.	Because the company is primarily located in offices, our operations do not result in significant impacts on local communities.
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Because there are no significant or actual negative impacts, the company does not implement related prevention or mitigation measures.
Social: Product Responsibility		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not applicable due of the nature of the financial industry.
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	
Financial Service Sector Supplement		
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Currently not implemented. May introduce if necessary.
FS12	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Not applicable

United Nation Global Compact Comparison Table

Category	10Principles	Related Section in the Report	Page(s)
Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights;	Current CSR Condition	8
	Make sure that they are not complicit in human rights abuses	Current CSR Condition	8
	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Current CSR Condition	8
Labor	The elimination of all forms of forced and compulsory labor;	Identification of Stakeholders	11~27
	The effective abolition of child labor; and	Identification of Stakeholders	11~27
	The elimination of discrimination in respect of employment and occupation.	Identification of Stakeholders	11~27
Environment	Businesses should support a precautionary approach to environmental challenges;	Customer First, Environmental Protection	80~115
	Undertake initiatives to promote greater environmental responsibility; and	Customer First, Environmental Protection	80~115
	Encourage the development and diffusion of environmentally friendly technologies.	Customer First, Environmental Protection	80~115
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Corporate governance	70

ISO26000 Index

	Issue	Related Section in the Report	Page(s)
Organizational governance	Decision-making processes and structures.	Company Overview	36~38
Human Rights	Compliance with laws and regulations, and avoid the risk of the human rights problems	Corporate governance	64~69
	Human rights risk situations.	Identification of Stakeholders	11~27
	Avoidance of complicity - complicity of direct, benefits and silence	Corporate governance	64, 70
	Resolving grievances.	Corporate governance	17,27, 60
	Discrimination and vulnerable groups.	Identification of Stakeholders	23~27
	Civil and political rights.	Company Overview	30
	Economic, social and cultural rights.	Social Participation	117
Labor practices	Fundamental principles and rights at work.	Identification of Stakeholders	27~30
	Employment and employment relationships.	Identification of Stakeholders, Care for Employees	27,28, 92
	Conditions of work and social protection.	Care for Employees	27, 28
	Social dialogue.	Care for Employees	27
	Health and safety at work.	Care for Employees	103~105
	Human development and training in the workplace.	Care for Employees	95~100

Environment	Prevention of pollution.	Environmental Protection	107~115
	Sustainable resource use.	Environmental Protection	107~115
	Climate change mitigation and adaptation.	Customer First, Environmental Protection	107~115
	Protection of the environment, biodiversity and restoration of natural habitats.	Environmental Protection	107
Fair operating practices	Anti-corruption.	Corporate governance	70
	Responsible political involvement.	-	-
	Fair competition.	Corporate governance	70
	Promoting social responsibility in the value chain.	Customer First	80
	Respect for intellectual property rights.	Corporate governance	64
	Fair marketing, factual and unbiased information and fair contractual practices.	Identification of Stakeholders	19~27
Consumer issues	Protecting consumers' health and safety.	-	-
	Sustainable consumption.	Customer First	76~90
	Consumer service, support, and complaint and dispute resolution.	Identification of Stakeholders, Customer First	22, 76
	Consumer data protection and privacy.	Identification of Stakeholders	19
	Access to essential services.	Customer First	76
	Education and awareness.	Customer First	76,77
Community involvement and development	Community involvement.	Social Participation	117
	Education and culture.	Social Participation	144~160
	Employment creation and skills development.	Social Participation	161
	Technology development and access.	-	-
	Wealth and income creation.	Company Overview	43
	Health.	Social Participation	137
	Social investment.	Social Participation	117

Yuanta Financial Holding Company Corporate Social Responsibility Guidelines References

Sections	Related Section in the Report
Section One: General Provisions	Current CSR Conditions, Identification of Stakeholders
Section Two: Implementation of Corporate Governance	Corporate governance
Section Three: Environmentally Sustainable Development	Customer First, Environmental Protection
Section Four: Maintaining Social Welfare	Identification of Stakeholders, Corporation Government, Care for Employees, Environmental Protection, Social Participation
Section Five: Strengthening Transparency of CSR Information	Overview of the CSR Report
Section Six: Appendix (The company shall simultaneously pay heed to domestic and international CSR developments, in order to raise the effectiveness of its CSR.)	Current CSR Conditions

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