



Hua Nan Financial Holdings

Creating a Better Society with You



Hua Nan Financial Holdings

Corporate Social Responsibility Report

2015

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A Message from the Chairman

The core of corporate social responsibility is, apart from the pursuit of profit in order to create the greatest value for shareholders, being able to do good for the world, and to take care of the interests of other stakeholders, such as customers, employees, the environment, and society at large. Since its inception in 2001, the Company has been expanding the scale of its business. By the end of 2015, total assets had reached NT\$2,350.3 billion, and after-tax net profit for the same year was a record high of NT\$14.1 billion. Adhering to the principle that 'with greater power comes greater responsibility', Hua Nan Financial Holdings is more vigorous in its commitment to take care of the welfare of other members of society.

In 2015, in the five orientations of corporate governance, customer equities, employee care, environmental sustainability and social participation, the Company has demonstrated the importance it attaches to its stakeholders and our investment in them, fulfilling our corporate social responsibility in an all-encompassing manner.

With respect to corporate governance, we have always believed that good corporate governance is the basis for an enterprise's sustainable business operations. Hence, in addition to improving corporate governance through institutional design, we have also reinforced the relevant norms and standards, realizing corporate governance from the top down, continuing our ongoing efforts in terms of safeguarding shareholders' equity, improving the operation of the Board of Directors, raising the level of transparency of information, and so on. The outcome of this has also been clearly demonstrated in the results of the Second Corporate Governance Review conducted by the stock exchange on 824 listed companies, of which the Company has been rated in the top five percent, evidence that our efforts in corporate governance have earned the positive affirmation of the competent authorities.

With respect to customer equities, the finance industry takes the customer's deposit of money, takes custody of it and uses it. Therefore, they should properly manage the assets of members of the public, and safeguard the equity of customers. Apart from attaching importance to customer equities during the sales of financial products, in recent years, incidents of telephone fraud have been emerging one after another. In 2015, our subsidiary, the Hua Nan Bank, successfully blocked 17 cases of customer fraud, amounting to a total of NT\$19.51 million, of which six cases earned the praise of the local police authorities. Our actions in actively taking the initiative to maintain customer assets were also recognized by the Financial Supervisory Commission as 'prevention of financial fraud', by a bank with outstanding performance.

The finance industry is one built upon the foundation of 'people'. We have always believed that human resources are the most important asset of our Group. Therefore, in the area of employee care, in addition to complying with labor laws and regulations and establishing equal, healthy and happy workplaces, we have also designed a very competitive compensation and benefits system, to motivate and retain outstanding talent, while at the same time attracting the best expertise to join us. And that's why, for three consecutive years, Hua Nan Financial Holdings has been included in the Stock Exchange 'Taiwan Top 100 High-paying Index.'

With respect to environmental protection, climate anomalies have caused increasingly frequent incidents of disaster. In January 2016, the World Economic Forum (WEF) announced the world's top ten risks, of which 'being unable to effectively cope with climate change' ranked first. In order to implement the promotion of environmental protection, Hua Nan Financial Holdings vigorously promotes environmental protection and energy conservation. Apart from being the first financial headquarters in the country to receive both the United States LEED Gold Grade and Taiwan's Green Building Diamond Grade, we also implement various other measures, such as green procurement, promotion of environmental protection in our offices, and encourage good environmental protection habits among our staff.

In the area of social welfare, the Company actively participates in various charitable activities, such as making donations for disaster relief, providing sponsorship for volunteer services, sports, arts and cultural events, thus transforming profit into social concern and taking the initiative to provide funds and resources to fulfill our social responsibilities. It is worth mentioning that, since 2007, Hua Nan Financial Holdings has jointly promoted the 'Baseball Dream' event with the Chinese Taipei Baseball Association, which is now in its tenth year, part of the Company's long-term investment in domestic grassroots baseball work.

Honesty and stable development is the operational philosophy most stressed by our Company. From the time of the establishment of the Corporate Social Responsibility Committee at the end of 2014 until the present, we have continuously adjusted our pace and made steady forward progress, in the hope that while creating higher corporate values and profits, we are also able to make good use of our role as corporate citizens and our responsibilities. I believe this is the best way to earn public recognition, and moreover, it is the foundation stone on which the Hua Nan Group's sustainable business development is built.

Chairman of the Board

Wu Tang-Chieh

Demonstrating Core Values



In 2015, the Company's corporate governance evaluation result was rated among the top **5%** of listed companies.

In 2015, net income was **NT\$39.584 billion**.

In 2015, after-tax net profit was **NT\$14.081 billion**, a growth of **7%** over the previous year.

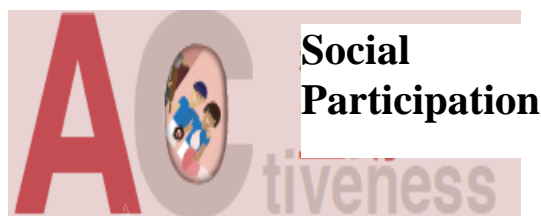


Our security management is rigorous. All of the Group's companies have passed the **ISO 27001** (International Information Security System) certification. With a customized digital environment as our starting point, virtual transaction channels have now grown to account for **81.9%** of total transactions.

As regards providing micro-insurance to vulnerable groups, the number of people underwritten was **7,317** in 2015.

Supporting a sustainable green energy industry, a total of **331** green energy companies applied for relevant loans, with a credit balance of about **NT\$11.6 billion**.

In creating charitable trust in the public interest, Hua Nan Bank was the number **1** contractor.



In 2015, the Hua Nan Financial Group's charitable activity sponsorship funds totaled **NT\$47.67 million**, of which an expenditure of **NT\$10 million** was for grassroots baseball promotion work in Taiwan.

In 2015, for the **ninth** consecutive year, the 'Baseball Dream' baseball program was promoted, donating to more than **34** baseball teams in primary and secondary schools.

In 2015, for the **fourth** year in a row, Hua Nan volunteer groups promoted concern for the elderly activities, putting 'With Hua Nan, You Never Grow Old' into practice.



In 2015, Hua Nan Bank subscribed to **100 thousand** degrees of green energy electricity, as the leading company subscribing to green power in the domestic banking sector.

In 2015, the Group issued a total of about **1.05 million** electronic bills, representing a reduction in paper bills of approximately **2.98 million** sheets of paper.

In 2015, the density of water usage was 18 degrees per person, a reduction of **43%** compared to 2014.



In 2015, the average salary and welfare expenses for the Group's regular staff reached **NT\$1.19 million**.

In 2015, the average salary expenses of the Group's regular staff increased by **5.33%** over 2014.

In order to cultivate high-quality and diversified professional expertise, the total number of hours spent in training and education was **211,462**.



Report Overview

This report reveals the views and actions of Hua Nan Financial Holdings and its subsidiary companies in the process of operations when facing economic, social and environmental sustainability issues, with the five main orientations of corporate governance, customer equities, employee care, environmental sustainability and social participation as its structure, to serve as the main communications interface between the Company and its stakeholders.

Reporting period

The information contained in this report is mostly from January 1st, 2015, to December 31st, 2015. Some information has been updated to June, 2016, and the information coverage periods are all clearly stated in the report.

Boundaries and Categories

The performance data appearing in this year's report is mainly from the Taiwan region. The scope of information includes the parent company Hua Nan Financial Holdings and its six subsidiaries, Hua Nan Bank, Hua Nan Securities, South China Insurance, Hua Nan Investment Trust, Hua Nan Venture Capital and Hua Nan Assets Management Co., Ltd. During the reporting period, there were no significant changes in the size, structure or ownership of the Company. For future reports, it is proposed that the Group's overseas operations be gradually incorporated, so as to provide a complete picture of the management and information of the Hua Nan Financial Group's corporate social responsibility performance.

Data Collection Processes and Measurement Calculation Methods

The data collection procedure used for this report was to invite relevant departments to use the collection of data during their daily operational management, the discussion of issues, and interviews with various departments, to collect and collate economic, social and environmental performance Information on Hua Nan Financial Holdings, in accordance with the requirements of the relevant international standards and benchmarks. Part of the performance information reveals data belonging to the three years from 2013 to 2015. The measurement and calculation methods of various indicators are mainly based on local regulatory requirements. Where there is no special provision in local regulations, international standards (such as ISO-related international standards) are referred to. Where no international standards are applicable, industry standards or industry practices prevail.

Reporting Guidelines

This report has been prepared in accordance with the Global Reporting Initiative (GRI) GRI 4.0 (hereafter referred to as 'G4') Corporation Rules Governing the Preparation and Filing of Listed Corporate Social Responsibility Reports as a guide for its main structure, contents, and core options.

Assurance

Hua Nan Financial Holdings has engaged PricewaterhouseCoopers Taiwan to conduct independent limited assurance on some information of this report in accordance with the Assurance Standard No. 1 "Assurance Engagement of Examinations or Audits of Non-historical Financial Information" issued by the Accounting Research and Development Foundation. The assurance report is provided in the appendix of the report.

Publication

The annual Corporate Social Responsibility report will be released on a regular basis and published on the official website of the Company. The last issue was October 2015, and release date of this edition is October 2016.

Feedback

Hua Nan Financial Holdings Co., Ltd. Administration Department

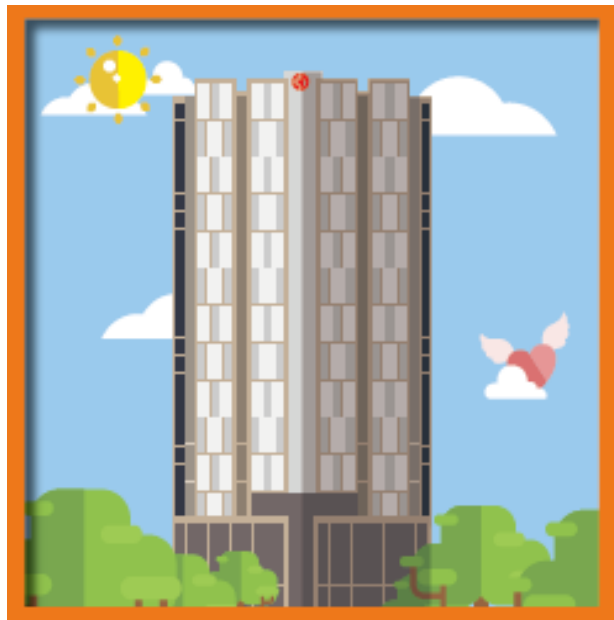
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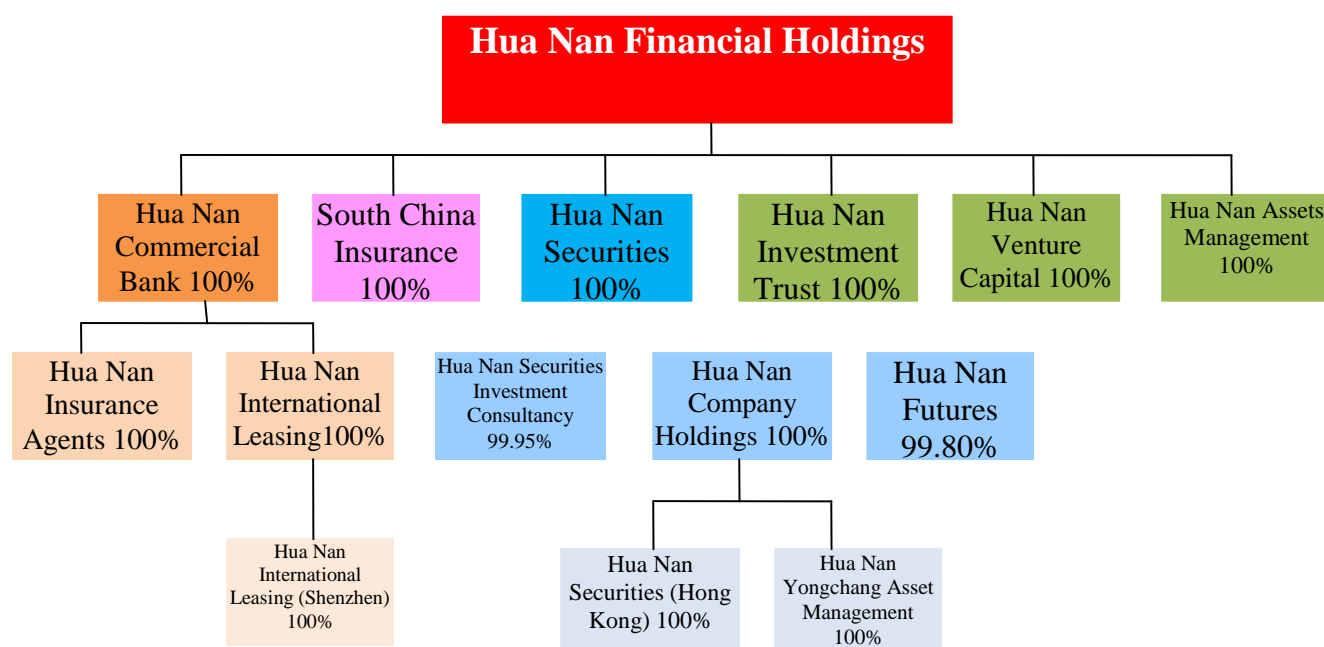
Address: 23rd Floor, 123, Songren Road, Xinyi District, Taipei City



About Hua Nan

Hua Nan Financial Holdings was the first financial holding company to be established in Taiwan. On December 19th, 2001, it was established by Hua Nan Commercial Bank and **Yongchang**(En Trust??) Securities. The Company's headquarters are located in Taipei City. In order to expand the scope of financial services, the Group successively incorporated the South China Insurance Company Limited and the Hua Nan Investment Trust Company, and subsequently set up the Hua Nan Venture Capital Company, the Hua Nan Financial Management Consulting Company and the Hua Nan Assets Management Company Limited, with 100% of controlling shares. To enhance operational performance, Hua Nan Financial Management Consulting Company was merged with Hua Nan Venture Capital in 2013.

In the future, the Group will steadily expand its business operations under stringent risk controls, and will continue to wield in the full force of the Group's combined operational performance in moving towards the vision of being a superior quality financial institution in the Asia-Pacific region.



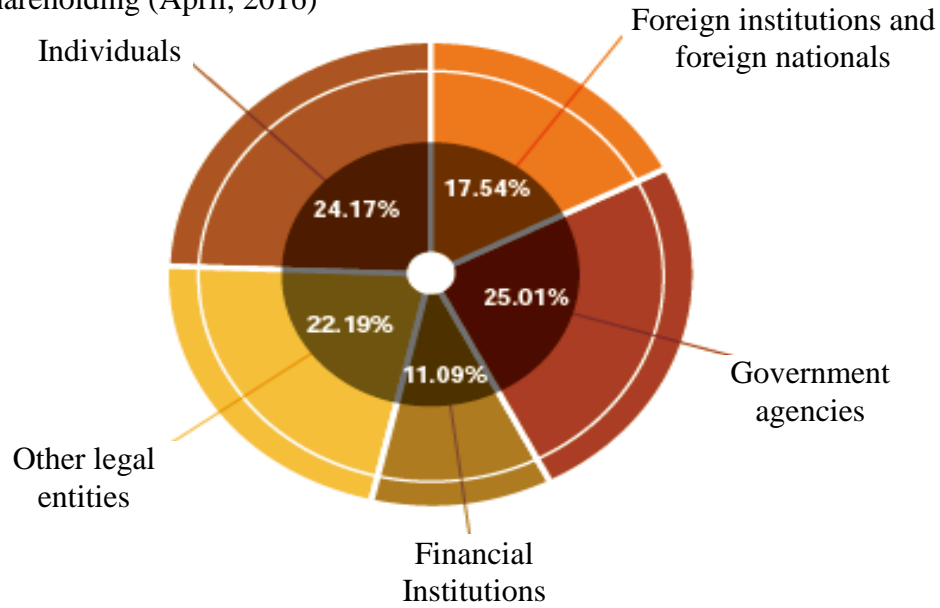
■Banking Group ■Securities Group ■Insurance Group ■Asset Management Group

Business Performance in 2015 (expressed in thousands)

Item / Year	2015	2014	2013
Net income	39,583,781	38,817,038	35,522,079
Total assets	2,350,288,574	2,259,951,646	2,164,728,571
Equities	153,069,327	143,940,047	135,660,750
Dividends paid to shareholders	5,783,342	6,339,397	4,312,515
Tax paid to government	2,545,063	1,873,333	1,230,346

Source: Consolidated financial statement for the 2015 fiscal year audited by Hua Nan Financial Holdings' CPAs.

Structure of Shareholding (April, 2016)



Bases of Operation

Office Presence

Financial Holdings	1
Banks	186 (there are also five access business centers、 OBU)
Securities	50
Insurance	39
Investment Trust	3
Venture Capital	1
AMC	1 (2 liaison offices)

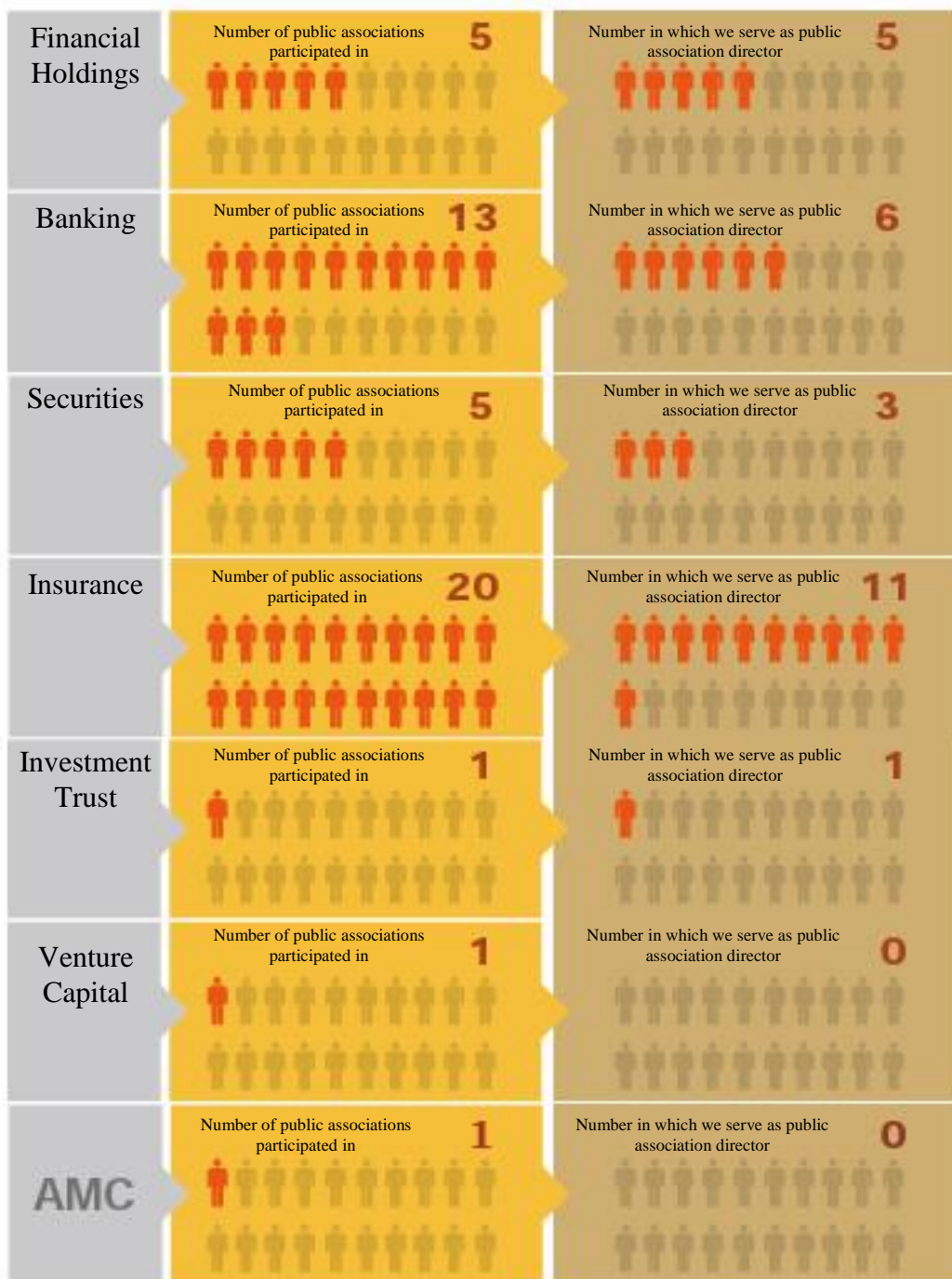
Overseas regions

(Asia, Europe, the Americas, etc.)

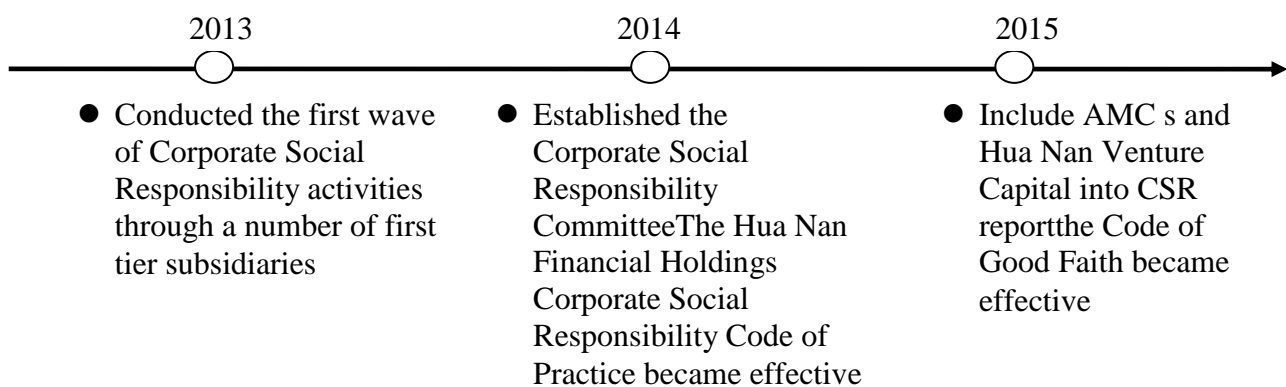
Banks	13
Securities	1
Insurance	1

Interaction with the Financial Industry

Through participation in external associations and suchlike organizations, the Group fully understands the direction of business development of various financial industries and makes suggestions on relevant issues. Public association organizations we participate in include the Taiwan Financial Services Roundtable, the Bankers Association of the Republic of China, Chinese Securities Association, the Non-Life Underwriters Society of the Republic of China, the Trust Association of ROC, the Securities Investment Trust & Consulting Association of the ROC, the ROC Insurance Association, the Chinese Association of Finance Professionals and Investors, the ROC Equity Association, the ROC Actuaries Association, the Financial Executives Institute of Taiwan, the Bankers Association of Taipei, Cross-Strait CEO Summit, Peking University Center for China Insurance and Social Security Research, Shenzhen City Insurance Trade Association, and other suchlike organizations.



Implementing Sustainability

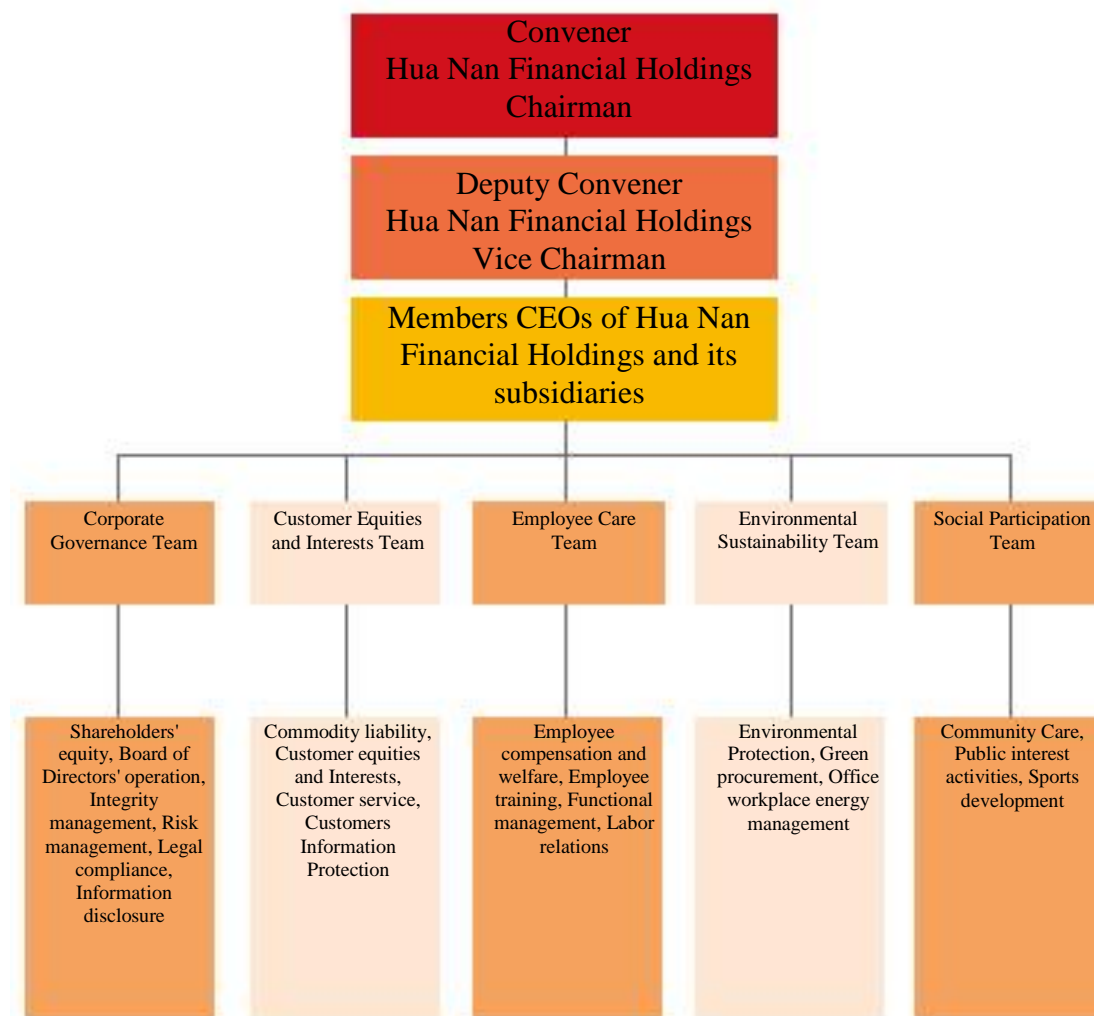


Corporate Social Responsibility Committee

The Group has endeavored to improve the quality of financial products and business in line with the developmental direction of the government's financial and economic policies, so as to provide comprehensive financial services for industrial and commercial enterprises as well as the general public, and to promote the development of the industry and the economy as well as the well-being of society at large. In doing this, we have adhered to the core values of 'HEART' - Honesty, Efficiency, Activeness, Responsibility, and Teamwork, and are committed to maximizing business performance, protecting customers' equities and creating value for shareholders, thus building a sustainable financial business group.

The Group established a Corporate Social Responsibility Committee, with the Chairman of the Board serving as the convener, to promote corporate social responsibility from the top down. The main duties of this committee include planning the Group's major strategies to fulfill its corporate social responsibilities, supervising the implementation of corporate social responsibility and reviewing the results thereof, supervising the planning and auditing of the annual Corporate Social Responsibility Report, reviewing and referencing relevant Corporate Social Responsibility regulations, as well as other relevant matters concerning the reviewing and approval or future reference of major corporate social responsibility issues. Its composition is shown as below.

Hua Nan Financial Group Corporate Social Responsibility Committee Organization Chart

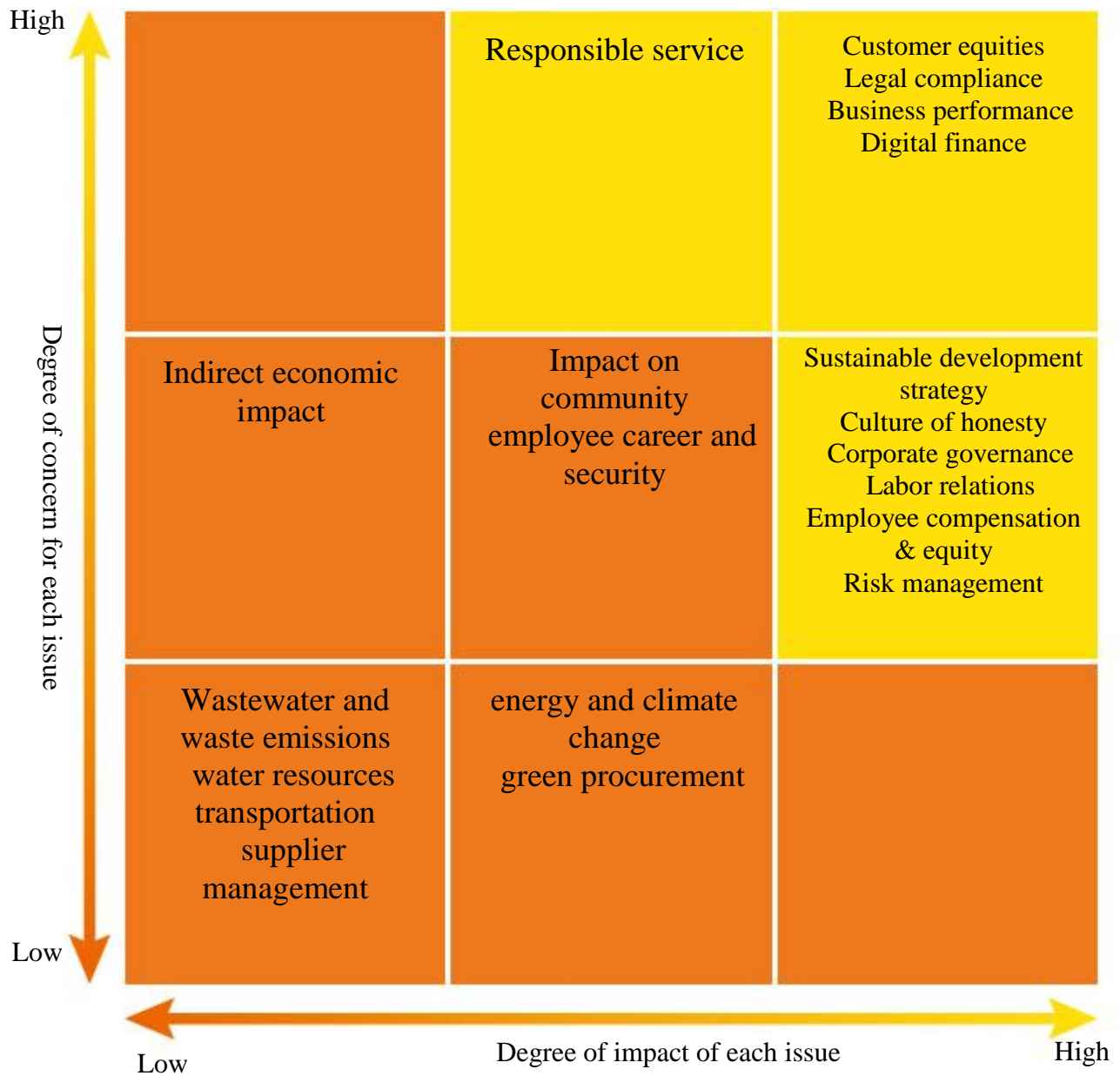


The members of each team are composed of representatives of Hua Nan Financial Holdings and its subsidiaries, with the convener and the director-general each in charge of supervising and managing the affairs of the teams.

Material Corporate Social Responsibility Issues in 2015



Matrix of Material Issues



11 Material Issues

Issues	Content	Stakeholders	Sphere of influence		Correspondence to aspects of G4 consideration
			Within the organization	Outside the organization	
Customer equities	Customer satisfaction, fair design and sale of financial products and services to ensure customer privacy	Customers, Competent authority	✓	✓	* Products and services Marking (DMA original FS15, PR5), Customer Privacy (PR8)
Compliance	Regulatory compliance	Customer, Competent authority	✓	✓	Product & Service Marking (PR4), Marketing Communication (PR7)
Business performance	Company business operation results	Investor, Financial Industry, Suppliers	✓	✓	Economic Performance (EC1)
Digital finance	The Impact of the digital age on financial services	Customer, Competent authority	✓	✓	-
Sustainable development strategy	Focused strategy and future objectives and risk management in the areas of business operation, environmental protection and social responsibility.	Employees Investors	✓	✓	* DMA of each issue
Culture of Honesty	Status of implementation of a culture of honesty	Customers, Competent authority	✓		General disclosure - Ethics & integrity, Anti-corruption (SO4)
Corporate Governance	Composition and operation of the Board of Directors, auditing and review, information disclosure	Competent authority, Investors	✓	✓	General disclosure - Structure and composition of governance
Labor Relations	Collective bargaining methods, labor dispute resolution, employee communication channels	Staff, Competent authority	✓		Labor affairs complaint mechanisms
Responsible Services	Products and services capable of providing clear social or environmental benefits, and the circumstances of their implementation	Customers, Competent authority, Finance industry, Media, Non - Profit Organization	✓	✓	Product Portfolio
Employee compensation and equity	Employee benefits, employee mobility, management level integration and employee categories, training circumstances	Staff, Competent authority, Finance Industry	✓		Labor Relations (LA1, LA2, LA3), education and training (LA9, LA10, LA11), employee diversity and equal opportunities (LA12),

					occupational health and safety (LA6)
Risk management	Various risk management structures and management methods.	Customers, Competent authority	✓	✓	Explanation of whether or not the organization has an early warning policy or principle (G4- 14)

Communication with Stakeholders

Stakeholders	Communication channels
Customers	<ol style="list-style-type: none"> 1. Setting up a dedicated customer service line. 2. Setting up a dedicated mailbox to deal with queries from all sectors of society. 3. Conducting degree of satisfaction surveys by phone or Internet. 4. Regularly sending the latest financial information DM. 5. Holding financial investment seminars.
Employees	<ol style="list-style-type: none"> 1. Setting up a dedicated phone line for staff complaints and reports of sexual harassment. 2. Setting up an internal website message board for employees. 3. Regularly holding Labor Relations meetings. 4. Regularly convening Staff Welfare Committee meetings, and Labor Retirement Reserve Supervision Committee meetings.
Competent authorities	<ol style="list-style-type: none"> 1. Complying with the rules and regulations of the relevant competent authorities in implementing the Group's various business operation activities and fully disclosing relevant information. 2. Complying with the developmental direction of the government's financial policies, and striving to improve the quality of financial products and business. 3. Participating in seminars and forums held by the competent authorities.
Investors	<ol style="list-style-type: none"> 1. Convening regular meetings of shareholders and issuing annual reports in English and Chinese, explaining the year's business operation results to our shareholders. 2. Regularly holding corporate briefings, press releases, and disclosures of relevant financial information. 3. Setting up an investor relations service area on our official website.
Financial industry	<ol style="list-style-type: none"> 1. Actively participating in external associations and other organizations to gain a full understanding of the overall developmental direction of the financial industry. 2. Participating in seminars and exchanging views with the industry. 3. Disclosing relevant information in accordance with regulations on market information observation sites.
Media	<ol style="list-style-type: none"> 1. Regularly convening explanatory legal briefings, and issuing press releases, to disclose relevant financial information. 2. Establishing good interactions with the media, and explaining the Company's relevant business issues in a timely manner.
Suppliers	<ol style="list-style-type: none"> 1. Suppliers are required to comply with labor safety and environmental protection laws and regulations when making purchases. 2. Transparency in purchasing information.
Neighborhood & community	<ol style="list-style-type: none"> 1. Regularly holding public welfare events for disadvantaged groups. 2. Assisting communities in understanding public policy in conjunction with government policy advocacy activities.

Non-profit organizations	<ol style="list-style-type: none"> 1. Long-term sponsorship of domestic youth club sports activities, and organizing the Baseball Dream classroom and other suchlike activities, deeply cultivating the development of Taiwan's grassroots baseball. 2. Holding or sponsoring academic and arts-related activities.
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Corporate Governance

Honesty

Honesty

Ranked among the top 20% of all listed companies in the first corporate governance evaluation

Ranked among the top 5% of all listed companies in the second corporate governance evaluation

Set up the Hua Nan Financial Group's Honest Operations Code

Set up the Hua Nan Financial Group's Corporate Governance Code of Practice

Selected as the constituent stock of the TWSE Corporate Governance 100 index

In today's rapidly changing financial environment, honesty is an important foundation and condition for the sustainable development of the financial industry, as well as its social responsibility. Because the financial industry mostly concerns trade in intangible goods or services, consumers rely on the industry to fulfill its contractual obligations honestly, in order to protect their rights and interests. Should consumers lose their confidence in this, it would be difficult for the financial industry to sustain its development. Hence, for the sake of stable long-term survival and development, apart from actively creating profit, the financial industry should also include the development of a culture of honesty, covering the financial industry as the first of all industries, and to a large extent extending towards life in society and economic development. It should uphold and continue to comply with the highest ethical standards and honesty in management, contribute to economic development, and exercise responsibility to all stakeholders, thus creating a win-win situation which benefits both itself and others.

By improving corporate governance, the Group has effectively implemented legal compliance and internal control systems. Each subsidiary of the group has formulated relevant measures to establish a culture of honest in accordance with its own business characteristics, with a view to internalizing the Group's core value of 'honesty' into the spirit of the enterprise, to achieve sustainable development.

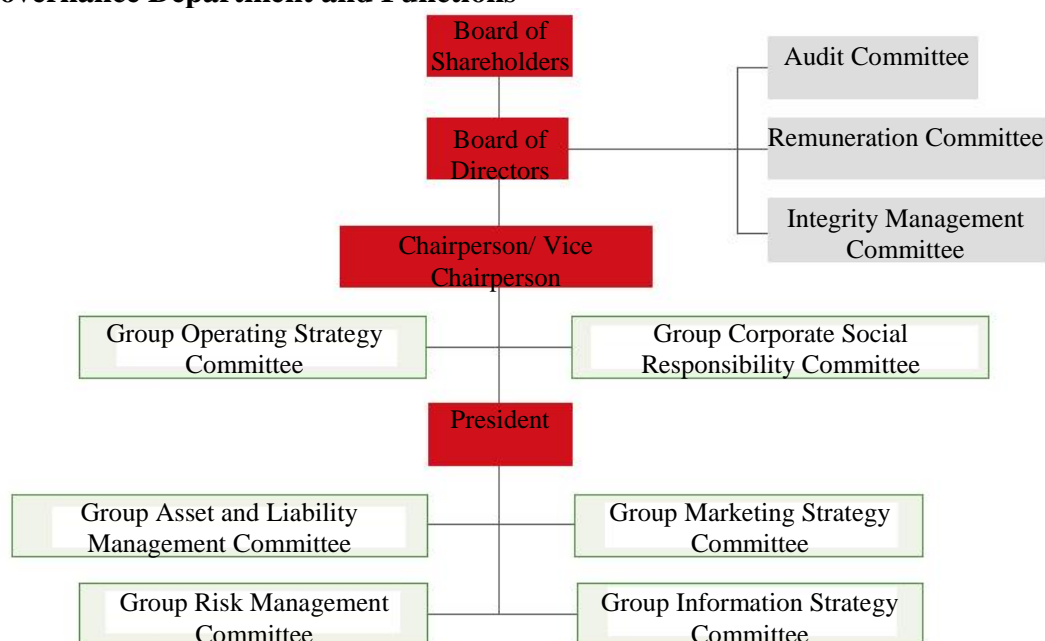
Corporate Governance

Hua Nan Financial Holdings firmly believes that establishment of a sturdy business foundation mainly lies in good corporate governance. Hence, we have devoted our efforts to maintaining the business ethics and the effective accountability mechanism surpassing the standards adopted in the peer industry. In business, we have kept a high level corporate governance system in every detail, engaged in business with an honest attitude and built our corporate governance culture from scratch, in the hope that all the companies under the Group can actualize the long-term interests of their shareholders and other stakeholders.

Compliance with statutory laws and regulations is an essential requirement of corporate governance. Other than following the “Regulations Government Establishment of Internal Control Systems by Public Companies” and “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” to set up a good internal control system, the Company’s management also concretely carry out the legal compliance system and work on the risk management, so as to ensure legal compliance in its business operation.

In terms of its governance structure, the Company devotes its efforts to simultaneously wielding the functions of legal compliance, risk management, internal auditing and self-examination, in order to build a rigid safety network and effectively prevent any violation incidents while aggressively promoting business. It is hoped that the intimate cooperation of governance, risk management, compliance (GRC) and internal auditing will turn out to be one of the core values of the Company’s culture. With its efforts, the Group was ranked among the top 20% of all the listed companies in the first Corporate Governance Evaluation, whereas it advanced to the top 5% in the second Corporate Governance Evaluation and was selected as the constituent stock of the TWSE Corporate Governance 100 index.

Governance Department and Functions



Board of Directors

The Company's board of directors currently has 19 directors constituted by the professionals from the banking sector and industry sector and academics. With the diversified constitution, four of them are female. In respect of its operation, 15 board meetings were held in 2015, in which the average attendance rate of respective directors topped 94%. The board of directors has four independent directors accounting for 22% of the entire body of directors and surpassing the number as required by law. In addition, none of the Company's independent directors concurrently serve for more than three TSE or OTC listed companies as their directors (including independent directors) or supervisor.

The board of directors and the management annually and routinely review the results of managerial department's self-evaluation as well as the content of the audit department's report. The review shall be supervised by the Audit Committee. In addition, prospectus seminars are regularly held to keep investors well informed of the Company's financial status in a timely way, while other channels, such as the website, Chinese/English annual reports, Market Observation Post System, etc. are also used to disclose a variety of the Group's information, so as to keep high transparency of the information. For more details about directors' related backgrounds, please refer to the annual report.

Audit Committee

An Audit Committee under the Company's Board of Directors has been set up and its operation started in 2011. The Audit Committee is constituted by the entire body of independent directors in a number of four, and at least two of them are equipped with accounting or financial expertise. The functions cover the powers and authority required by the "Securities and Exchange Act", "Company Act", etc. In 2015, the Committee held nine meetings, in which each Committee member attended at least seven meetings.

Remuneration Committee

A Remuneration Committee under the Company's Board of Directors has been set up and its operation started in 2013. All of its members are the Company's independent directors, and its functions are to set up the standards, routinely evaluate directors' and managerial personnel's performance and review the remuneration policy, system, criteria and structure, so as to periodically assess and determine director's and managerial personnel's remuneration. In 2015, the

Committee held seven meetings, in which each Committee member attended at least five meetings.

Integrity Management Committee

As of 2015, the Company has set up an Integrity Management Committee under its Board of Directors. The Committee is in charge of assistance in blending the corporate integrity and ethical value in with the Company's operating strategy, establishment of anti-corruption measures in conjunction with laws and regulations to ensure integrity operating, planning of the reporting system in order to ensure execution efficacy, promotion of integrity policy introduction and training as well as coordination of other items in relation to institution, supervision and execution of integrity operating policies.

Strategy Committees

The Company set up the following strategy committees to reinforce its corporate governance and elevate its operating management effect.

Committee	Duties
Group Corporate Social Responsibility Committee	<ol style="list-style-type: none"> 1. Plan the major strategies to be adopted in order to carry out the Group's corporate social responsibility. 2. Supervise the Group's implementation of its corporate social responsibility. 3. Supervise, plan and review the Group's annual corporate social responsibility report. 4. Review corporate social responsibility related chapters and sections. 5. Study other major items relating to the fulfillment of corporate social responsibility.
Group Operating Strategy Committee	<ol style="list-style-type: none"> 1. Study the Group's mid and long-term development strategies. 2. Study the Group's decisions made for its major investments. 3. Study capital raisings and mid and long-term financing. 4. Study the Group's annual budget. 5. Study the performance evaluation of the Group's subsidiaries.
Group Asset and Liability Management Committee	<ol style="list-style-type: none"> 1. Offer the macroeconomic analysis and interest rate forecast. 2. Study the Group's asset and liability management related rules and regulations. 3. Study the Group's asset and liability management related limitations. 4. Adjust, control and manage the Group's non-trading book asset and liability exposure position. 5. Monitor and control a variety of the Group's liquidity indexes. 6. Study and execute the Group's capital management strategies. 7. Review the Group's investment portfolio composition and performance. 8. Review the Group's asset and liability management report submitted to the board of directors. 9. Study the issues relating to the Group's interest rate risk, liquidity risk, currency risk, investment portfolio strategy, economic profits, capital management, etc.
Group Marketing Strategy Committee	<ol style="list-style-type: none"> 1. Study the "Directions for Hua Nan Financial Group's Joint Marketing Management" 2. Study the "Directions for Examination of Hua Nan Financial Group's Financial Commodities". 3. Study the annual joint marketing goals. 4. Study the annual plan for the development and management of joint marketing channels. 5. Study compound products' annual development plan. 6. Study the annual development plan for Group customer relationship

	<p>management.</p> <p>7. Study Group customer clustering results, customer operating ascription principles, customer relationship management performance measurement indexes and other major customer operating related issues.</p> <p>8. Study the Group's other major marketing issues.</p>
Group Risk Management Committee	<p>1. Study the rules and regulations regarding the management of the Group's credit risk, market risk and operation risk.</p> <p>2. Study the Group's credit risk and market risk related limitations.</p> <p>3. Study the Group's new financial commodities or product plan.</p> <p>4. Study the high-risk proposal of the Group's operation risk assessment procedure.</p> <p>5. Study the planning of establishing the Group's major risk management system.</p> <p>6. Review the Group's credit risk, market risk, operation risk or other risk management reports submitted to the board of directors.</p> <p>7. Review the Group's major reporting events submitted to the board of directors.</p> <p>8. Handle the Group's credit risk, market risk, operation risk or other risk related issues.</p>
Group Information Strategy Committee	<p>1. Study the Group's short, mid and long-term information strategy plan reports.</p> <p>2. Study the planning of establishing subsidiary's information core system.</p> <p>3. Monitor and control execution of subsidiary's information strategy.</p> <p>4. Monitor and control the negligence handling status of the Group's gross loss reporting information technology related events.</p> <p>5. Study the major issues relating to the Group's information development.</p>

Internal Control System

To survive in the ever-changing business environment, strengthen corporate governance and operating policies of the board of directors and the management personnel, reduce the risk to an acceptable level and attain the goals for sustainable operation and protection of stakeholders' rights and interests, we have built an internal control system which can reasonably ensure the operating efficiency, address reliability, transparency and timeliness of reporting, while complying with laws and regulations as the basic objective.

According to the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries", "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets", "Implementation Rules of Insurance Industry's Internal Control and Audit System", etc., the Group has established the internal control system for respective companies under it.

Based on what are mentioned above, we have operated and fulfilled the internal control system through the legal compliance system, risk management mechanism, internal audit system and self-examination system, so the items of the Company's control environment, risk assessment, control operation, information and communication and surveillance operation can cover all of the operating activities, and the overall operation can be effectively executed. The following explains the details from the facets of legal compliance, risk management and internal audit:

Legal compliance

Legal compliance has been specifically emphasized in recent years. The Company has been abreast of the trend by reinforcing the fulfillment of legal compliance. We fully understand that the essence of legal compliance does not always remain unchanged. Changes in laws and regulations, transition in the economic and social environments and switches of financial product content and transaction

behavior are all the factors in affecting legal compliance. As such, how to adapt to the up-to-date concept and find out a pertinent way to carry out the legal compliance system has turned out to be an issue highly valued by the Group. In conjunction with the modified “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” enacted by Financial Supervisory Commission, the Company subordinates its dedicated legal compliance department under the president’s legal compliance division. All of the companies under the Group have their respective general legal compliance supervisors and legal compliance departments or personnel are available for promoting the Group’s legal compliance system.

Legal Compliance Department

It is in charge of the planning, management and execution of the legal compliance system, in which the vice president is the dedicated supervisor of general legal compliance to deal with legal compliance affairs. According to the laws and regulations of their respective industries, the bank, securities, property and casualty insurance and investment trust subsidiaries under the Group all have one independent legal compliance department each, and each subsidiary has one general legal compliance supervisor. Furthermore, the asset management corporation (AMC) has a dedicated department for processing legal compliance affairs. On the other hand, due to personnel streamlining, the legal compliance affairs of the venture capital subsidiary are concurrently handled by other legal compliance personnel. Hence, the consistent adjustment of the parent company and subsidiaries’ legal compliance system and rules can facilitate in-depth management and implementation of the Group’s legal compliance and legal affairs.

Status about penalties imposed in 2015 due to breach of statutory laws and regulations and ensuing improvement measures

Property and casualty insurance	Violation content	Penalty amount	Ensuing improvement measures
	Error in debiting the deductible amount in the claim operation of the automobile physical damage insurance	\$600,000	To have the system check the claim frequency and causes, case closing categories (claim rejection cases) and check if the deductible amount is accurate.
	Error in premium collection and payment operation, as well as the error in failure in following the agency agreement to have the insurance agency issue the report for the reason to defer premium collection.	\$600,000	To modify the premium collection and payment handling principle, and have the system check the collection time limit stated in the contract. In case of any delay, the premium payment shall not be made until acquiring the insurance agency’s written report from the colleague-in-charge.

	The error in underwriting of the fleet insurance in which the increase or decrease of the product premium rate in the add-on clause is not calculated according to the premium rate list of the product sent for review.	\$600,000	To calculate the premium according to the fleet product's loss rate. The insurance contract for those fleet products that do not meet the product premium rate regulations shall not be issued.
	Error in the underwriting operation of casualty insurance, fire insurance and injury insurance	\$600,000	To process the underwriting operation literally according to the premium rates of respective categories, and reinforce the re-checking operation before issuing an insurance contract.
	Error in reporting of the commercial fire insurance with the jumbo insured amount	\$600,000	The reporting of business inspection has been completed, and the product reporting will be finished after investigation.

Measures to reinforce the legal compliance system

To effectively evaluate subsidiary's performance of legal compliance and better understand the Group's legal compliance risk so as to prevent risk occurrence, we have continuously taken various measures to reinforce our legal compliance system, for instance, in the subsidiary's performance evaluation items, we put more ratio on corporate governance and major legal compliance events, and set up legal compliance key indexes to control and manage subsidiary's internal and external legal compliance auditing, check opinions and violation cases and keep abreast of the improvement status. On top of it, through continual and routine legal compliance educational training, we have our colleagues be aware of the changes and content of local and foreign laws and regulations, and enhance their legal compliance consciousness.

1. Subsidiary's performance evaluation

To add major legal compliance case evaluation items to subsidiary's annual performance evaluation, in which major legal compliance events and violations of important laws and regulations referred to in internal and external auditing are incorporated into subsidiary's legal compliance and legal management evaluation indexes, and the ratio of corporate governance and major legal compliance event evaluation items is increase to 50%. On the other hand, respective subsidiaries are requested to set up the "precautions for management of the major legal compliance violation cases" in order to prevent repeated occurrence of violations or similar cases. At the same time, the liability of the personnel repeating a violation is also specifically defined.

2. Legal compliance key control indexes

Each company under the Group has already set up their legal compliance key control indexes, so as to manage and control the legal compliance risk in a timely way. The evaluation items include the following:

- (1) Control indexes for internal and external auditing of legal compliance and checks of opinions.
- (2) Control indexes for violation cases.

The aforesaid indexes shall be quarterly compiled, and graded into three levels of tolerance, fair tolerance and intolerance, with which varying kinds of management will be processed afterwards.

3. Legal compliance introduction

Many significant changes in local and foreign financial laws and regulations occurred in 2015, e.g. modifications of the Personal Information Act, Financial Consumer Protection Act and Regulations Governing Anti-money Laundering and Deterrence of Terrorism Financing. On top of it, offshore laws and regulations, such as Foreign Account Tax Compliance Act (FATCA) and Dodd-Frank Act, have also been implemented. To respond to the changes in statutory laws and regulations, other than promptly assessing and understanding the impact on our business, conducting variance analysis and adjusting the business content or renewing internal management regulations, we have also collected important laws/ regulations and the cases having common defects and posted them on the personnel website or put them in the routine educational training to educate the personnel, so legal consciousness can be built in the process of colleague's daily operation.

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Financial Holdings	Subject	Frequency	Hours
	Legal compliance educational training	Once a quarter	About one hour each time
	Group's legal compliance box (periodically publishing the revised content of the laws and regulations enacted by the competent authorities)	Once a week	—
	Introduction of major legal compliance events	Once a quarter	—
	Seminar for reviewing the Group's legal compliance system execution status	Once every half year	About 2.5 hours each time
	Legal compliance column in financial holdings' monthly publication.	Periodically prepared by the financial holdings company and its subsidiaries	-

Bank	Legal compliance or promotion related educational training	48 times	—
	Legal compliance video conferencing	4 times	4.5 hours
	Legal compliance supervisor seminar held by headquarters' business supervisory	One time	Two hours

Securities	Law and regulation introduction	Once a week	2.5 hours
	Legal compliance educational training (the content covers financial consumer protection, personal information protection, money laundering prevention, sexual harassment)	6 times	5 hours

	prevention, precautions for violation cases, etc.)		
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Property insurance and casualty	Class's course for new entrant personnel's legal compliance educational training	4 time	About 0.5 hours each time
	Online course for new entrant personnel's legal compliance educational training.	4 times	About 4.2 hours each time
	On-line course to introduce laws and regulations to on-the-job personnel.	4 times	About 4.2 hours each time

Property and Casualty Insurance	Subject	Frequency	Hours
	Department legal compliance supervisor meeting (the content covers newly revised laws and regulations, focuses of financial inspection, case studies for peer group's penalties)	4 times	About one hour each time.
	Department legal compliance educational training (divided in accordance with business characteristics)	26 times	About one hour each time
	Insurance assessor and claim adjuster examination – training course to introduce science of law (Insurance Act Part)	7 times	About 2 hours each time
	Case study course for insurance industry's penalty cases and ethical violation cases.	18 times	About two hours each time.

Investment trust	Financial Ethical Code, Financial Consumer Protection Act, personal information protection related regulations and Anti-money Laundering Prevention Act.	Once a quarter	On-line educational training.
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Venture capital	Legal compliance educational training	Once a quarter	About one hour each time
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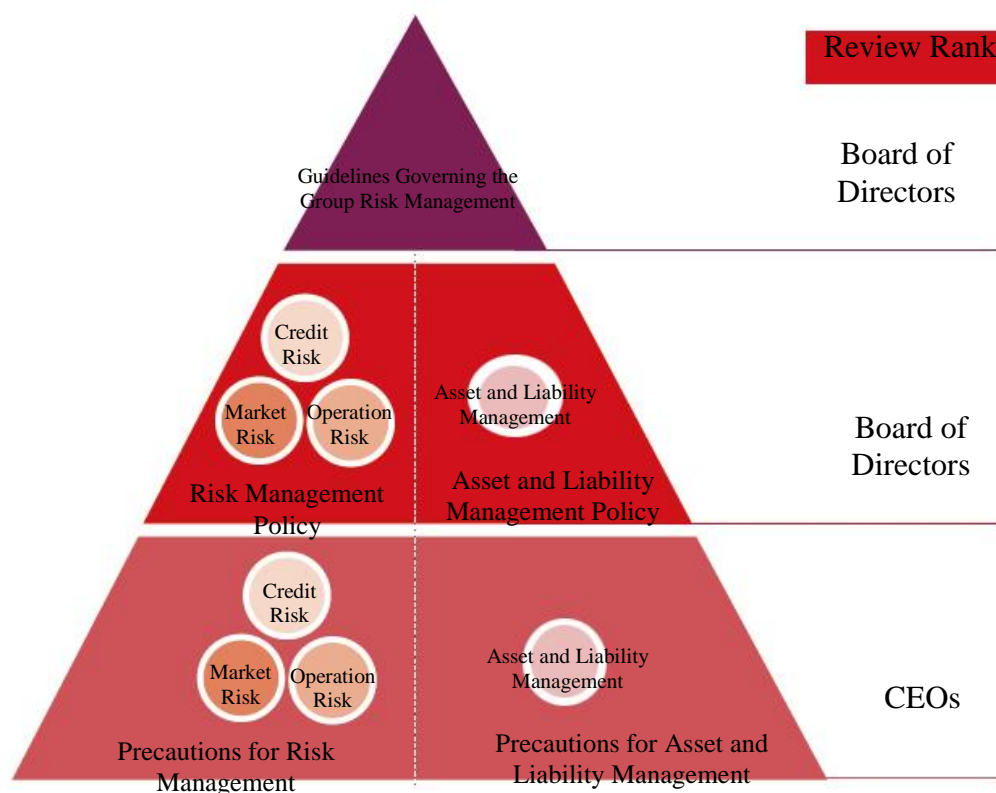
AMC	Legal compliance and law and regulation introduction related educational training	33 times	306.5 hours
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Risk management

Policy making structure

To establish and execute a set of criteria applicable for all of the members of Hua Nan Financial Holdings to identify, measure, control, assume and manage risks, ensure that a variety of business risks can be controlled under a tolerant range and reflect the Group's business goals and corporate value, the Company has set up the "Guideline Governing the Group Risk Management", with which, policies have been instituted according to varying risk categories, including the "Group Corporate Financial Credit Risk Management Policy", "Group Individual Financing Credit Risk Management Policy", "Group Market Risk Management Policy", "Group Asset and Liability Management Policy" and "Group Operation Risk Management Policy". The supreme authority of the aforementioned guidelines and policies is the Company's board of directors.

Under a variety of risk policies, precaution items are established, in which each precaution item shall be submitted to the Group Risk management Committee and Asset and Liability Management Committee for review and implemented after being approved by the President.



Risk Management Department

The Company has a risk management department in charge of the Group's risk management relate issues. Under the department, there are six sections namely corporate financial credit risk section, individual financial credit section, market risk and quantitative analysis section, operation risk section, risk management information section and risk integration section. Based on their business characteristics and the needs in reality, the subsidiaries have established their independent risk

management department or function respectively. The major functions of the Group risk management cover the following:

1. Integrate Group risks.
2. Draw up, approve and control Group risk related policies.
3. Set up, approve and control Group risk limitations.
4. Coordinate and manage a variety of risk issues across subsidiaries.
5. Approve product plans.

Risk management, execution and review

The Company prepares its risk management report on a monthly basis, which is submitted to the chairperson for approval. Moreover, the report is put forth to its board of directors every quarter, so directors and internal managerial personnel can have a clearer picture about the Group's risk status, which will facilitate their supervision and policy making.

On the other hand, the business regulations and the control points and limitations of the operation process submitted to the financial holdings' subsidiaries have been listed in Group Risk Management Committee's agenda as regulated, whereas the risk management division also has put forth their assessment and recommendations for such agenda as the reference for internal managerial personnel's policy making.

The Company has set limitations for its credit risk, market risk and asset and liability management and defined the management and action initiation mechanism which shall be conducted at the time when approaching the limitation and the internal management process which shall be implemented when the limitation is exceeded. The operation risk has the key indexes for the operation risk of respective levels of the Group. According to past historical experiences or data and experts' experiences, the threshold of varying levels (green, yellow and red lights) is set up and the action plan is drawn up to be conducted when the index data exceed the threshold.

Internal Audit

Audit Department

The Company established an audit department consisting of the director-general serving as the general auditor and several other audit personnel. The department is responsible to internally audit the financial holdings and subsidiaries. In addition, the bank, securities, property and casualty insurance and investment trust subsidiaries under the Group also have their own independent audit departments which are set up in accordance with the regulations of their specific industry. Internal auditing operation covers general routine business auditing and project business auditing and, as instructed by the chairperson or competent authorities, non-periodical project checks are also conducted. The auditing task execution status shall be reported to the board of directors and Audit Committee or supervisors every half a year.

Establishment of an independent audit department is not a compulsory requirement in the industry of AMC and venture capital. As limited by the business and personnel scale, currently, the internal auditing business of the AMC and venture capital subsidiary is subordinated to the administrative management division and no dedicated auditors are deployed. However, in conjunction with the company's internal auditing system or cooperation with the parent company's project business auditing, auditing business related tasks, including improvement to be made according to the inspection and opinions given by financial holdings, and, push of the self-examination implementation and assessment of the efficacy of the internal control system, are carried out, with which the progress shall be periodically reported to the board of directors.

Loan Fraud Event

1. Cause of the event

The loan scam was committed by a scam artist group that provided the forgery contract and untrue data to successfully defraud Hua Nan Bank for a loan with a nominal head.

2. Handling status

After the loan fraud event, Hua Nan Bank has reinforced the following measures:

(1) Credit analysis operation:

- A. Confirm veracity of the application content.
- B. Collect the detailed income list.
- C. Set up a control mechanism for incoming document channels.

(2) Appraisal operation:

- A. Strengthen the re-checking mechanism for recruited documents.
- B. Process real estate appraisal on the site and retain the pictures.
- C. Reinforce inter-bank appraisal horizontal comparison mechanism, in which the similar objects undertaken in a specific scope and period are inquired through the cartographic data system for comparison.

(3) Re-examination operation:

Check if the actual price registration information is consistent with the transaction contract price when processing a newly completed transaction case.

(4) Enhance the system function:

Add the systems of the “retrieval function for cases with the same source” and “establishment of the black list of unscrupulous traders and the warning list” to reinforce the measures.

(5) Reinforce personnel educational training.

Honesty Culture

Honesty principle is a sturdy ground to support financial industry’s sustainable operation. To fulfill and deepen such principle and further form it as a good culture, the Group deeply believes that the culture has to be applied to all of its companies’ activities in every way. As such, the honesty principle is the first and foremost fundamental rule for customers, personnel and even society and the environment to carry out. The companies under the Group have set up related regulations according to their respective business characteristics, e.g. “Hua Nan Commercial Bank Employee Work Rules”, “South China Insurance Co., Ltd. Codes of Ethical Conduct”, “Hua Nan Investment Trust Corp. Managerial Practice”, “Hua Nan Assets Management Co., Ltd. Work Rules” and “Hua Nan Venture Capital Co., Ltd. Personnel Management Guidelines”. In 2015, the Group even further instituted the “Hua Nan Financial Group Ethical Corporate Management Best Practice Principles” as the Group’s policy to regulate the following important acts:

- (1) Check if the trading counterparty has any records of dishonest conduct when engaging in a business activity, so as to ensure fairness of the business conduct.
- (2) In the process of engaging in any business, the Company and its directors, managerial personnel and employees are not allowed to directly or indirectly provide, commit, request or receive any ill-gotten gains, or have any dishonest conduct, such as integrity violation or violation of trustee obligations, in order to acquire or maintain their personal benefits.
- (3) The Company and its directors, managerial personnel and employees are not allowed to directly or indirectly provide or accept any illegitimate presents and entertainment or other ill-gotten benefits in order to set up a business relationship or affect any commercial transactions.
- (4) The Company and its directors, managerial personnel and employees shall comply with statutory laws and regulations and international standards in the process to develop, provide and sell its products and services, ensure information transparency and safety of the products and services, institute and make public of its customer right and interest protection rules and fulfill them in business activities, so as to prevent direct or indirect damage to customer rights and interests from its products or services. When the fact shows sufficient evidence that a product or service is likely to harm customers, in principle, the sales of such product or service shall be promptly suspended.

- (5) When executing business, the directors, managerial personnel and employees are not allowed to directly or indirectly provide, commit, request or receive any ill-gotten gains in any forms to or from their customers, agents, contractors, suppliers, government employees or other stakeholders.
- (6) The directors and managerial personnel shall be highly self-disciplined and prevent the risk of dishonest conduct resulting from any conflict of interest. For any conflict of interest from the Company's directors or the institutional investors represented by them with the agenda items listed for a board meeting, the involved directors shall explain the major content of their conflict of interest in the board meeting in question. If the conflict of interest is likely to harm the Company interests, the involved directors shall not participate in discussion and resolution, whereas they shall also enter recusal in discussion and resolution. In addition, they shall not represent other directors to exercise the voting right. Self-disciplining shall also be exercised among directors, with which directors shall not illegally support each other. The Company's directors, managerial personnel and employees shall not use the position or clout they have in the Company to have themselves, their spouse, parents, children or any other persons acquire ill-gotten gains.



Customer Rights and Interests

Efficiency

Efficiency

Hua Nan Bank

- Awarded the Best Business Development Award, the Best System Operation Award and the Best Innovation Excellence Award at the 2015 Annual Financial Information System Annual Conference.
- Recognized by the Financial Supervisory Commission as a financial institution with excellent performance in 'preventing financial fraud' in 2015.

South China Insurance

- Awarded the Best Insurance Profession Award from Insurance Today magazine's Insurance Prestige Awards and three preference selections: Best Product Innovation Award, Best Communications Office Award and Best Professional Consultancy Award.
- Awarded the 'Taiwan Insurance Best Performance Awards', sponsored by the Insurance Business Development Center Foundation. The awards included the Finance Award for Excellence in Housing Earthquake Insurance and the Silver Award for the Excellence in Risk Management Projects.
- Awarded the 'Insurance Quality Award' sponsored by Insurance Today magazine: for the best imagery - excellence and so on, best professional - award of excellence.

The Hua Nan Financial Group's core value - efficiency - means rapid action and timely response, beyond the expectations of customers. With the advent of the digital age, and complex financial trading environments, how companies shoulder social responsibility and safeguard the rights and interests of customers has become a topic of public knowledge. Though the Hua Nan Group is facing a variety of changes, it also upholds its core values, rapid action and timely response which exceed both customer expectations and those of society!

Digital Finance

With the rapid development of four major technologies, cloud computing, data analytics, social media, and mobile computing, the digital age has affected customer habits. According to the 'World Fintech Report' published by PricewaterhouseCoopers in March 2016, by 2020, the development of digital technology will cause 28% of the risks generated in the banking business and 22% of the operational risks in insurance, wealth management and asset management. The Group has observed that consumers have begun to switch from physical channels to digital channels, in the hope of obtaining real-time rapid responses and to listen to the comments and suggestions of public opinion. In order to realize our 'customer-centric' business philosophy, under the leadership of the President of Hua Nan Financial Holdings, the Group has established the 'Hua Nan Financial Group Digital Finance Promotion Team', which promotes 21 projects in response to Build 3.0 of the digital financial environment, including the five main directions of channel integration, mobile payment, digital marketing, big data application and professional talent cultivation. This area has been divided into three build levels, namely, the 'Group Consolidated Build', 'Joint Planning and Execution Across Subsidiaries' and 'Planning and Execution of Each Subsidiary', comprehensively promoting our transformation into a digital financial institution to optimize customer experience and meet the needs of customers in the digital age. In July 2016, Hua Nan Bank became the first bank to obtain four Fintech patents for pan-public stock banks. The patent content mainly involves such new applications in the field of technology as innovative mobile cash payment mechanisms, and the use of mobile devices to replace ATM cards for cash withdrawal and biological

Identification security and verification. The specific implementation strategies for digital finance are summarized below:

(I) Continuous Channel Upgrade, Optimizing the Customer Experience

In order to meet the needs of customers and the challenges of the incoming wave of conversion to digital technology, the Group is vigorously integrating the advantages and resources of its subsidiaries, and putting its efforts into the building of a digital platform, to continue to provide convenient, rapid digital financial services. In recent years, virtual channels have progressively increased to account for 81.9% of transactions. In the future, with the completion of the 'Digital Finance Environment 3.0 Project', we will become a leader in the field of digital finance.

Breakdown of Virtual Channel Trade over the Past Three Years

Item Number	Company	2016 1Q	2015	2014
1	Hua Nan Bank	79.3%	78.3%	77.2%
	Hua Nan Bank (including the number of inquiries)	83.9%	83.1%	82.0%
2	Hua Nan Securities	65.3%	62.0%	57.9%
3	South China Insurance	14.3%	13.3%	11.3%
4	Hua Nan Investment Trust	58.9%	58.8%	44.4%
5	Group	76.5%	75.2%	73.5%
	Group (including the number of inquiries)	81.9%	81.0%	79.5%

The Group has also mapped out its future targets and rate of progress in implementation of digital channels, physical channels, customer service channels and community channels, which are as follows:

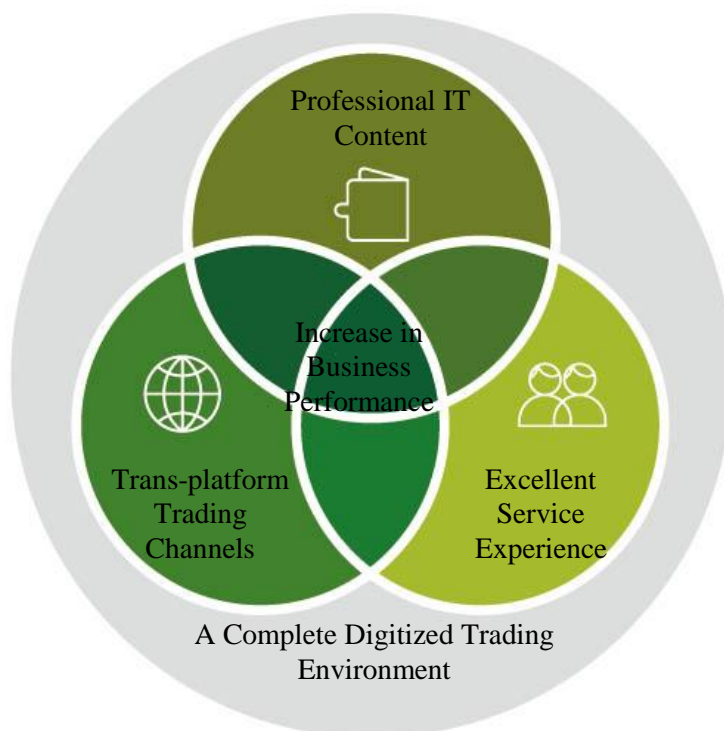
1. Digital Channels:

Building complete Internet and mobile digital trading environments, and expanding digital channel products and services to meet customer demand for immediate and convenient completion of financial services.

Hua Nan Securities' current electronic trading platform includes a total of five trading systems, and two online service items are also provided, the related categories of which are as follows:

- (1) E-Wealth at Your Fingertips: professional stock-watching and order-making software, including securities, futures, options, warrant commodities, and listing companies.
- (2) Web Page: web version of the professional stock-watching and order-making software, including securities, futures, options, warrant commodities, and listing companies.
- (3) E-Starter:
Lite version stock-watching and order-making software (no complex commissioned orders).
- (4) Hua Nan Winner:
Single machine stock-watching and order-making software similar to the operational environment.

- (5) Mobile App:
Professional mobile stock-monitorng and order-making software. Understand stock market information, news, events, lectures and so forth anytime, anywhere.
- (6) Trading Services Programming API: provides the means for professional investors to write their own programs, in order to link with Hua Nan Securities API and carry out transactions.
- (7) Online Account Opening Service:
Came online in early September, 2015.



Screen view of Hua Nan Securities mobile device app



Screen view of Hua Nan Securities E-wealth at Your Fingertips

South China Insurance is actively pursuing the development of digital e-commerce services, and continued to develop 'mobile device apps' and 'insurance e-commerce website' services in 2015 to provide consumers with more convenient Internet insurance services.

(1) Mobile Device Apps:

We continued to develop mobile device application software technology to provide both our own employees and customers with convenient mobile insurance services. Their main functions include insurance fee quotes, insurance policy inquiries, online claim settlement reporting (including accident location), vehicle accident investigation photo upload mechanisms and vehicle insurance underwriting vehicle photo upload mechanisms. 2015 saw an increase in mobile bill app services, which enable policyholders to complete payments by displaying the bar code at a convenient store without needing to print orders.

(2) Insurance E-commerce Website:

'Internet Insurance Services' came online in January 2015, enabling consumers to quickly complete online insurance services using OTPs (one-time passwords) after carrying out fee-based identity verification, without the need to sign and return an insurance policy.

Hua Nan Bank occupies the position of a pioneer in digital finance. A number of digital financial services launched in 2015 were the first services in the industry:

- (1) In January 2015, we were the first financial institution in Taiwan to introduce 'mobile ATM card' services. In terms of numbers of cards issued, we are the industry leader, with a market share of more than 50%.
- (2) In March 2015, we were the first to introduce Bank 3.0 digital banking online service zones, providing Internet banking, online credit card and personal consumer loan application services, and in October 2015, this was fully networked, and we became the first in the industry to complete the 12 public stock banking items of Bank 3.0 online application services made available by the Financial Supervisory Commission.
- (3) In July 2015, we brought out the first 'binding mobile device - accompanying bodyguard', creating an innovative payment verification process which provides a convenient and secure digital financial transaction model. After five months online, the transaction volume was more than 15 times that of the traditional One Time Password (OTP) mechanism.
- (4) In November, 2015, we led the industry in providing 'digital deposit account' services. After a customer has opened an account online, that account can be used for receiving and making payments, and account transfers, and can also integrate with 'trust account' services, without the need to carry out any physical counter procedures.

2. Physical Channels

In order to cope with the digital finance trend towards reduction in physical counter transactions and the huge increase in the number of online or self-made transactions, and taking into consideration the experience of the industry at home and abroad in setting up smart banking, Hua Nan Bank plans to develop smart banking points to be set up in urban areas and the locations where young people gather. By the second quarter in 2016, the first smart banking services had been set up at our National Taiwan University branch. Five main services are provided, namely the introduction of subscription / preprocessing services, iBeacon customer identification, interactive teller machines (ITMs), payment teller machine (PTMs) and cardless withdrawals, and expansion to other regions before the end of the year is planned.

3. Customer Service Channels:

In December 2015, Hua Nan Bank led the industry in introducing 'digitized customer services', with the introduction of Internet phone (web call, app call) and Internet text chat (web chat, app chat) services to provide real-time interactive multi-channel advisory services. We were the first domestic bank to provide app call and app chat services. Customers can now download the 'Hua Nan Bank Mobile internet App' using their smart mobile devices, contact customer services through the app, and receive financial advisory services in real-time.

4. Social Media Group Channels:

Hua Nan Bank continues two-way interactive business with social media, and improving customer opinion feedback, dynamic market sharing, new product introductions and so forth, establishing frequent and excellent interactions with customers. Currently operating social media includes Hua Nan Bank official Facebook fans group page, our official YouTube channel and our official Instagram account. Fans can make posts daily on Hua Nan's banking business, public benefit activities, light articles and other suchlike topics, and various types of activities are held on an unscheduled basis, interacting with our digital customer groups.



(II) Expanding the Area of Mobile Payments, for the Benefit of Customer Convenience

1. Mobile Payments:

Mobile payment is the future trend. In response to the needs of business development and the trend towards mobile computing, Hua Nan Bank is actively developing diversified mobile payment services, by introducing mobile ATM cards and mobile credit cards.

- (1) We have joined the finance company-led PSP (payment service platform) and TSM platform (trusted service manager platform), launching 'mobile ATM card' business in January 2015, guiding customers in mobile payment usage habits and experiencing the convenience brought to them by digital banking. In terms of numbers of cards issued, we lead all other financial institutions.
- (2) USIM mobile credit cards were introduced in August 2015, and 'HCE mobile credit cards' will be launched in the second half of 2016. Hua Nan Bank's existing credit card users can instantly download these mobile cards, through a fast and simple card issuance process. Customers are thus provided with diversified and convenient secure payment services, making life more convenient.

2. Third Party Payments:

Hua Nan Bank was the first bank to cooperate with WeChat, providing cross-domain O2O WeChat payment services to banks to help domestic businesses to provide mainland Chinese visitors coming to Taiwan with convenient payment making and payment receipt services.

(III) Introducing Big Data Analysis Technology, Enhancing Digital Marketing and Risk Control Applications

28 big data analysts are expected to be trained for the Group, to use big data analysis techniques to improve risk control and marketing applications, and plan the establishment of 360-degree customer imagery, refining customer group segments to offer real-time or timely products or services to meet the needs of customer circumstances.

Protection of Personal Information

According to the World Economic Forum's 2016 Global Risks report, cyber-attacks are a risk that businesses have to face as a result of growing dependency on the Internet. Because the financial industry processes a large amount of personal information, letting our guard down - even a little - could result in irreparable damage to customer rights and interests as well as to the Group. The Group's customers number close to seven million, spread across the various cities and towns of Taiwan. It is one of the primary objectives of the Group to ensure the safe use of financial services by its customers.

In order to provide comprehensive financial services to customers in a stable and safe manner, the Group has formulated relevant management measures, such as the 'Hua Nan Financial Holdings Group Consumer Protection Management Outlines' and the 'Hua Nan Financial Group Personal Information Management Policy' as well as convening personal information management meetings to effectively protect the protection of personal information. And through internal advocacy, awareness and knowledge of personal information security protection has been established among our employees, and implemented in our daily operations, improving the control of personal information security.

With respect to electronic data, in addition to compliance with the most basic domestic laws and regulations, the Group's companies are taking the initiative to import international management systems and obtain third-party certification in accordance with the nature of their business, thus ensuring a certain degree of control over internal operating processes. The subsidiaries of the Group have all passed the ISO27001 (International Information Security System) certification, and have carried out inspection and verification of implementation of their information security management systems, verifying such aspects as information workflow, environment, systems, authorization and investigation. To further improve the protection of personal information, Hua Nan Bank, South China Insurance and Hua Nan Asset Management have passed BS10012 (Personal Data Management System) certification, clearly demonstrating their intention and ability to protect personal data.

Through the hard work of our colleagues, during the period of 2015, the Group did not infringe upon the privacy rights of customers or lose any customers information.

Customer Rights and Interests

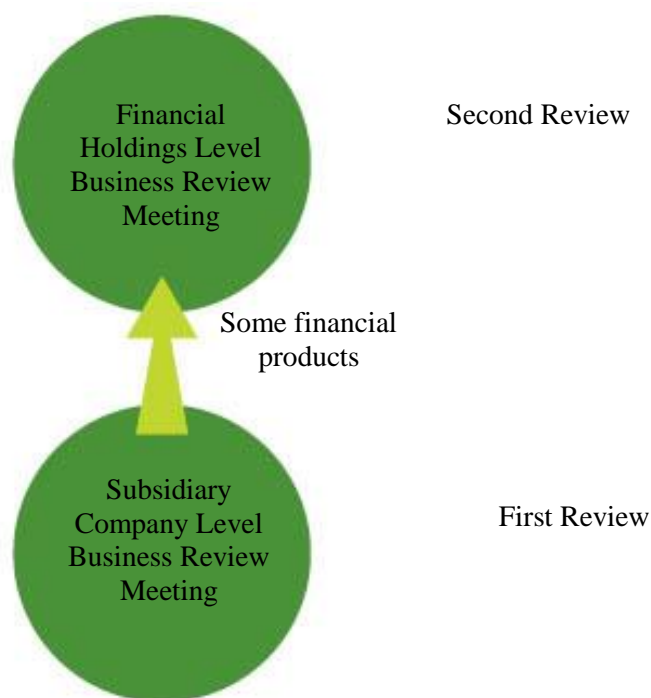
Financial transactions and the financial environment are becoming increasingly complex. Since 2008, the sub-prime mortgage crisis and the subsequent financial tsunami have brought many investors huge losses, and also highlighted that the financial industry was not adequately equipped to manage its own financial transaction risk tolerance or that of customers. The finance industry attaches the greatest importance to trust, and how to maintain customer rights and interests. Assisting clients in wealth management through the fair design and marketing of financial products, is the long-term goal the Group is striving towards! At the same time, the Group also gains an understanding of customer needs through a variety of customer communication mechanisms, to

maintain and further its customers' rights!

Fair Design and Marketing of Financial Products

At present, among domestic financial holdings companies, only Hua Nan Financial Holdings has formulated Group-level internal management practices, which are detailed below:

1. 'Hua Nan Financial Holdings Group Consumer Protection Management Guidelines': this is intended to supervise the Group's subsidiaries to ensure that the interests of consumers are protected, and that financial consumer disputes are handled fairly, reasonably and effectively.
2. 'Review Guidelines for Financial Products of Hua Nan Financial Holdings Group': this is intended to consolidate the Group's resources and manage the Group's financial products, and to assess whether the rationality and risks of each commodity have been adequately disclosed, in order to safeguard the rights and interests of customers.
3. Second Review:
All the Group's products must be in compliance with the norms of the various subsidiaries and pass a second review meeting by the subsidiary companies. Due to the nature of some products, they must be made subject to a further review meeting held by Hua Nan Financial Holdings, to thoroughly implement the protection of consumer rights.



Hua Nan Bank

The bank has such internal management measures as 'Guidelines for the Implementation of Financial Consumer Protection', 'Guidelines for Consumer Protection' and 'Items for Attention in Advertising Business Sales and Sales Promotion Activities' for management. In corporate finance business, individual finance business, wealth management business, trust business and derivative financial product business, there are more relevant operating methods to implement the protection of customer interests, which are as follows:

1. Corporate Finance Business:
For Taiwan's foreign currency credit business, we have formulated 'Corporate Finance Sales Personnel Operation Instructions', which are mainly aimed at setting up special and full-time

corporate financial services in business operation departments, using the raising of quality of services to cultivate existing customers.

2. Individual Finance Business:

This is carried out in accordance with the provisions of the competent authorities (such as financial consumer protection law, the Fair Trade Commission's instructions on standards for regulation of behavior in the financial industry, the Fair Trade Commission's principles in handling gift amounts used in promotional cases) to protect customer rights and interests.

3. Wealth Management:

In order to safeguard the rights and interests of customers, we have formulated the 'Financial Commodity Suitability Guidelines' and 'Financial Business Risk Classification and Adaptation Matters' to implement appropriate financial products according to the customer's risk attributes, and thus ensure the suitability of the product or service to the financial consumer. At the product market end, we have formulated the 'Financial Product Review Guidelines' and the 'Simplified Commodity Review Group Items for Attention', which focus on financial products, and conduct pre-market review of goods, including assessment of the rationality of goods, whether or not risks are adequately disclosed, and so on. In 2015, a total of nine sessions of the Financial Product Review Group meeting were held, to review 60 commodities. 12 Simplified Commodity Review Group meetings were also held, to review 302 commodities. After products have been made available, we continue to track management on their credit risks and other suchlike matters, to safeguard the interests of customers.

4. Trust Business:

In order to improve the internal management of trust business, properly safeguard trust property and protect the rights and interests of clients and beneficiaries, we have established the 'Hua Nan Bank Trust Property Appraisal Committee', which holds a meeting every quarter to review whether the use of trust property is in compliance with the legally required norms, and in accordance with trust agreements, and in the management of trust matters, we try our utmost to benefit the interests of beneficiaries. The Bank has formulated an appropriate risk management system and internal control and auditing system to handle trust affairs with an attentive attitude of good management and professional prudence, to implement the protection of customers' rights and interests.

5. Derivative Financial Commodity Business:

We have formulated the 'Items for Attention on Safeguarding the Rights and Interests of Derivative Financial Products Business of the Hua Nan Bank Commercial Bank', which thoroughly implements an appropriate product review procedure to ensure the rights and interests of customers. This includes a Know Your Customer (KYC) procedure to assess customer attributes, a Know Your Product (KYP) commodity attribution assessment procedure for product risk classification and so on, as well as carrying out customer and commodity suitability assessment before products are marketed. We have also written the 'Hua Nan Commercial Bank Derivative Financial Product Dispute Handling Items for Attention', which provides a comprehensive handling procedure for relevant appeals cases and implements personnel confidentiality obligations and the principle of avoidance by the parties to properly handle disputes arising from derivative financial business.

South China Insurance

1. Management is carried out in accordance with the Regulations Governing Pre-sale Procedures for Insurance Products, the Self-regulatory Rules for Insurance Industry Soliciting, and the Regulations Governing the Supervision of Insurance Solicitors set out by the Financial Supervisory Commission, as well as South China Insurance's 'Insurance Business System and

Procedures for Handling Soliciting', 'Underwriting Guidelines and Authorization Practices' and 'Claim Operations Manual', and other suchlike management measures.

2. When marketing goods, the Understanding the Demands of Persons Wanting Insurance and Insured Persons and their Suitability Analysis Assessments and Personnel Recruitment Report (KYC) must be implemented to ensure the consumer's insurance rights and interests.
3. Before products go on the market, a Commodity Management Group is set up for the evaluation of commodity development, design, fee calculations and legal compliance for strict checks and controls. Apart from legal compliance, we also hope to provide customers with diversified and comprehensive protection that is based on the foundation of fair and reasonable pricing. In 2015, a total of 32 commodity management group meetings were held to review 298 items.

Hua Nan Securities

1. For the sake of sound internal management of the trust business and to safeguard trust property and the interests of clients and beneficiaries, the 'Hua Nan Securities Trust Property Appraisal Committee' was set up to review scheduled sales of relevant commodities, meeting once a quarter. Should there be time-effective commodity inspection applications, separate interim meetings will be held.
2. With respect to product labeling, all products are labeled in accordance with the requirements of the competent authority, fully exposing the risks peculiar to the products and informing the customer of such (for example, through a risk notice). Whether the customer is suitable for the purchase of a product is determined through re-checking the customer's suitability analysis, in accordance with the customer's acceptable risk level as provided by the analysis.
3. At the product market end, a Commodity Review Group has been set up, which held a total of five Commodity Review Group meetings in 2015 to review 309 commodities.

Hua Nan Investment Trust

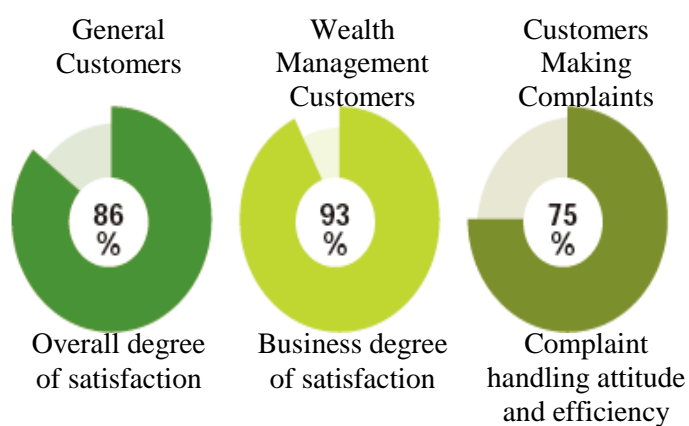
1. The design and marketing of all financial products is handled in accordance with the Securities Investment Trust and Consulting Act.
2. When marketing products, we strive to understand relevant customer information in accordance with relevant laws and regulations and our own internal operating practices. This includes the customer's identity, financial background, income and funding sources, risk preferences, past investment experience and investment objectives and needs, as well as risk tolerance and other analytical results, after having obtained the customer's confirmation. Sales staff also gives the investor the risk notice document, in order to fully disclose the relevant investment risks.
3. A Product Design Team and a Commodity Review Committee have been set up to review and evaluate the structure of fund products, product risks, and customer rights and interests respectively. A total of eight Commodity Review Committee meetings were held in 2015 to consider four product lines.

During 2015, the Group's subsidiaries did not violate any internal operating procedures which would have resulted in damage to the rights and interests of customers.

Customer Communication Mechanisms

With the advent of the 'customer first' era, customer service is now being seen as an important part of the value of commodities. Customer service centers have also repositioned themselves from the passive roles they played in the past, to trailblazers who take the initiative in making advances. Customer service is the portal connecting enterprises to the outside world, and each customer service item needs to have a 'service with warmth' in order to complete. Having good interaction with customers closes the gap in the relationship between business and customer, and understanding customer needs from their phone calls, knowing how to appropriate time to respond to customer inquiries is needed to solve customer problems. During the service process, a customer information intelligence center can be established to collect market intelligence and customer information. The excellence of service thus provided can not only become an extension of the corporate brand, but is also the best channel to convey the corporate culture and concept.

The Hua Nan Bank attaches importance to different customer groups. In 2015, we conducted surveys of degrees of overall satisfaction, business satisfaction and customer satisfaction for general customers, wealth management clients and customers making complaints. The survey results were as follows:



The Voice of the Customer

Mr. A was not very familiar with computers. One day, he promised to make a transfer to someone else, but was unable to log on for online banking. Mr. A was anxious and angry. Then he called Hua Nan Bank Customer Service Center for a telephone response to this problem. Customer service staff assisted Mr. A to successfully complete the online banking transfer transaction, with three outbound calls to contact Mr. A, patiently helping him with the relevant computer settings. Eventually, Mr. A successfully logged on to the Internet banking site and made the transfer he wanted to. A few days later, Mr. A left a message in the Hua Nan Bank opinion mailbox, thanking the customer service staff for their help, and expressing his great appreciation of the attitude of service of the customer service staff that left him very moved.



To enhance the quality of its insurance claims service, the South China Insurance claims department has set up a 'Claims Concern Group' to carry out a 'post-claims insurance telephone concern service' with respect to vehicle insurance claim cases. Through telephone interviews during the process of claiming and paying out the claims, an understanding of the quality of claims has been achieved. Should there be uncertainties transfer to the claims supervisory officer is made for in-depth understanding. Using this concern mechanism, apart from assisting customers to solve urgent problems and raising the degree of customer satisfaction, the occurrence of appeals is also avoided.

In 2015, a total of 1,100 cases were investigated



86.18%

Third party liability insurance was the main object of this questionnaire.

Promoting Social Benefit

The spirit of corporate social responsibility is that in addition to pursuing profit to create the greatest value of shareholders, one is also beneficial to the world at large, taking care of the interests of customers, employees, society and other stakeholders. The saying, 'With great power comes great responsibility', puts it succinctly. Hence, as far as the Hua Nan Group is concerned, apart from the pursuit of shareholder interests being one of our business objectives, we also do our best to take care of other members of society and shoulder our environmental responsibilities.

Promoting Social Responsibility

In recent years, a number of major social incidents have occurred, which have led the Hua Nan Group to begin integrating its core business with its social responsibilities. We hope that through conditional financing and the choice of investment targets, we can become a force for upward social movement. The auditing of trademark securities investment portfolios negotiable securities held by the various companies of the Group, is based on audit standards formulated by the companies themselves. Whether or not to continue to invest in enterprises which cause major social or environmental incidents will be made subject to discussion, in order to promote the implementation of corporate social responsibility in the industry as a whole. In the Hua Nan Bank's credit policy, the policy of environmental and social consideration is mainly based on the standards enshrined in Article 20 of the Guidelines for ROC Banking Association Members. When borrowers carry out financing, apart from applying the principle of 5P credit assessment, we also review whether borrowers are committed to environmental protection, corporate integrity management and social responsibility. If the creditor has a violation, in credit loans made by the Hua Nan Bank, depending on the circumstances of each case, the Bank adopts rejection, non-renewal upon expiry, the imposition of collateral or raised interest rates or other control measures.

Maintaining Stable Social Development

In coordination with government policies, Hua Nan Bank assists in the development of social stability through the following products:

1. Small enterprise loans:

As of the end of December 2015, a total of 49 borrowers had made applications, with a credit balance of approximately NT\$51 million.

2. Loans to assist SMEs to establish themselves and innovate:

As of the end of December 2015, a total of 157 enterprises had made applications, with a credit balance of NT\$770 million.

3. Natural disaster low-interest and rehabilitation loans:

As of the end of December 2015, a total of 19 companies had made applications for this type of loan, with a credit balance of approximately NT\$30 million.

4. Loans to Creative Industries:

As of the end of December 2015, the credit balance for these was NT\$33.6 billion.

In 2015, South China Insurance handled a total of 2,011 cases of product liability insurance. South China Insurance's product liability insurance recycling, repair, exchange or return fees used in added risk insurance is the added risk insurance of product liability insurance. This is due to the occurrence of food safety problems and other consumer disputes, the insured due to insured products recovery of the cost of compensation, in order to protect the rights and interests of the public consumption. In order to help specific socially disadvantaged groups to manage their risks, micro-insurance has been designed. The targets of underwriting are mainly aborigines, fishermen, farmers, people with disabilities, and social welfare charity groups. The coverage is for accidental

injury or death due to accidents. The number of people insured in 2015 was 7,317.

Cultivating the Green Energy Industry

Global warming has become an increasingly serious problem, while energy saving and carbon reduction have become issues of attention and focus worldwide. For many years, countries around the world have been making continuous efforts through turning to promotion of the development of the green energy industry, industry guidance, creation of a green consumer environment, and so on. The Group continues to focus on green energy and supports the green energy industry through the implementation of various financial services by the Group's subsidiaries to promote the development of energy conservation and environmental protection in Taiwan.

In addition to supporting government green energy industry policies such as 'Green Energy and Industrial Equipment Output Loans' and the 'Environmental Protection Administration Low Carbon Sustainable Home Loan Credit Guarantees', Hua Nan Bank also assists small and medium enterprises to accelerate the elimination of low energy efficient equipment, through the introduction of 'Small and Medium Enterprise Concessional Energy-saving Equipment Loans', in the hope of continuing to promote the construction of the green energy industry. As of the end of December 2015, green energy companies had applied for a total of 331 relevant loans, with a credit balance of approximately NT\$11.6 billion.

Meeting energy-saving environmental protection trends and in early response to seize green business opportunities, Hua Nan Venture Capital has also actively carried out investment. Current investment in energy-saving environmental protection related industries is approximately NT\$150 million, accounting for 12% of the overall investment portfolio. Industries invested in include solar energy, LED, batteries, decomposable materials, waste disposal and so forth.

The 'Global Shennong Water Resources Fund' made public by Hua Nan Investment Trust since 2007, is the only fund in Taiwan to invest in water resources, and the first fund focusing on food industry and blue finance business opportunities in Taiwan. Through investment in general agricultural and water resource enterprises, from land, agricultural produce owners, to seeds, fertilizers, planting, harvesting, irrigation, food processing, manufacturing and distribution, as well as water treatment and re-use, linking all segments of the agricultural upstream and downstream industry chain, to support enterprises in raising their crop cultivation technology and pollution processing capacities, thus reducing the burden on the ecology, and contributing to the global environment.

Responding to Social Incidents

Southern Taiwan Earthquake

On February 6th, 2016, southern Taiwan was shaken by an earthquake measuring 6.4 on the Richter scale, causing a serious disaster. In order to help the affected households to complete post-disaster reconstruction at the earliest date, Hua Nan Bank took the initiative to assist the affected households in the disaster area with an appropriate attitude of concern and willingness to help, through 'Natural Disaster Area Home Repair Assistance Loans' or 'Disaster Recovery Loans'. At the same time, with respect to people's disaster relief charity donations, Hua Nan Bank made free the inter-bank transfer fees and payable financial company processing fee remittances, with over the counter inter-bank remittance fee reduction of nearly 1,300. South China Insurance also set up an 'Earthquake Disaster Service Center' in Tainan. After the earthquake, the Company conducted an insurance policy information comparison. During the Spring Festival, it continued to send staff to care for the affected households and provide claims services. Taiwan Residential Earthquake Insurance Fund Foundation statistics demonstrate that South China Insurance received a total policyholder loss of seven cases, all of which have completed claims payments to provide basic protection to the

earthquake affected households.

Accessible Financial Services

To provide a friendly service to the physically handicapped and visually impaired, Nan Hua Bank has set up barrier-free ATMs across the whole of Taiwan, which meet accessible barrier-free space requirements. As of the end of 2015, a total of 446 such ATMs had been set up, as well as accessible Internet banking, to ensure that physically and mentally disabled persons are able to enjoy the financial services they are entitled to.

Prevention and Control of Financial Fraud

In order to prevent the public from being cheated, Hua Nan Bank accepts clients' counter handling the deposits, withdrawals, remittances, transfers, settlement and other transactions (regardless of the amount) or when making applications for prearranged account transfer functions, all implementing counter operations care for customer queries. In the 2015 fiscal year, the Company successfully blocked a total of 17 cases of fraudulent funds, with a total amount of NT\$19.51 million, of which 6 cases received the public commendation of the local police authorities. And on April 15th, 2016, we received the praise of the Financial Advisory Commission as a financial institution with excellent performance in handling 'financial fraud prevention'.

Public Benefit Trusts

Public benefit trusts are mainly trusts created by members of society for the public good. They are trusts established by charitable, cultural, academic, artistic, religious, worshiping or other public interest groups, with the permission of the relevant competent authority. In public benefit trusts, Hua Nan Bank serves as trustee, who signs a trust agreement with the client and applies for permission to the competent authority for the purpose of public benefit. According to the statistics of the Trust Business Association for 2015, the number of cases contracted by the Hua Nan Bank was 36, making it the leader of the whole trust industry (156 cases). In 2015, donations made through public benefit trusts to vulnerable groups (including individuals, foundations and schools, etc.) totaled 396.

Public Welfare Lottery

Hua Nan Bank acts as an agent for the wholesale of the Taiwan Lottery's public welfare lottery and prize cashing business, as a public welfare undertaking assisting to inject government welfare resources, indirectly taking care of disadvantaged groups. As of the end of December 2015, the number of people selling lottery tickets through dealers, was 17,704.

Grandpa Sun and Public Interest Trusts

When Grandpa Sun was a little boy, life was very hard, and his family was also a low-income family. When he was at school, his parents often had difficulties because of the tuition fees. Fortunately, after nearby church and other civic groups understood the situation, they provided the relevant material and financial assistance, and even provided scholarships, and so forth, enabling Grandpa Sun to successfully complete his studies. His original expectations of being able to work after graduation to improve the family situation took a setback when an accident resulted in his hospitalization for a long time, and his family lost its economic pillar. Due to living expenses and medical expenses, his whole family descended into gloom. Fortunately, the village head learned of this, and contacted some civic groups, who donated emergency relief funds, letting the whole of Grandpa Sun's family ride out the storm.

As a result of Grandpa Sun's efforts, he gradually made a place for himself in society and at work. He also recollected with emotion the support of the public he had received throughout, and so he also engaged in public welfare affairs within the limits of his ability, making donations for scholarships and emergency relief funds. However, currently there are frequent reports of fraud carried out falsely in the name of public benefit. Often one felt one was donating directly to a social service group, but there was no way of knowing whether or not the people in need of help had actually received it. From friends, Grandpa Sun learned that it was possible to establish a public benefit trust, and directly visit the subjects of donations, gain an actual understanding of their needs, and provide material or financial help. So he then invited other like-minded friends, and co-founded a charitable public benefit trust.

Today, Grandpa Sun is already retired. In his leisure time, in addition to taking his grandchildren out, together with his children he also occasionally visits social service groups, low-income families or people or families in need of assistance, to get an actual understanding of their needs. Through public benefit trusts, depending on the situation, in-kind donations or financial donations are carried out. Life is very practical and happy. The friends around him and their children are also affected by his appeal. Seeing the example of his actions and his words, one by one they come to join the public benefit ranks.

After a public trust has been established by the trustee, the trust supervisors are responsible for its subsequent operations. With children or trustworthy friends serving as supervisors, Grandpa Sun's intention of 'giving back to society what society has given me' is more able to be realized. Through the following generations, not only is Grandpa Sun's wish fulfilled, but the happiness in the village has also been created, making for a lasting love.





Social Participation

Activeness

Activeness

Hua Nan Financial Holdings

- Hua Nan Financial Holdings won the Sports Promotion Award awarded by the Ministry of Education's Sports Administration for the fifth consecutive year in 2015, and in 2016, it was awarded the 'Sponsorship Category Finance Quality Award', and 'Long-term Sponsorship Award'.

South China Insurance

- South China Insurance was once again awarded the Insurance Prestige Awards 'Best Social Responsibility Award' in 2015.

Activeness is one of the core values of the Hua Nan Financial Group. In addition to demonstrating the positive spirit of customer service, this also extends to caring for people, matters, and things in need of help. Regardless of whether that is expressed through grassroots baseball training programs, care for vulnerable elderly people living alone, cooperating with non-profit charitable organizations, or providing emergency assistance, and volunteer teams are all committed to making long-term investments and efforts. Apart from employing the resources of the Group, volunteers contribute their own knowledge, physical strength, labor, experience, skills, time, and so on, paying back into society, and reaching their tentacles of service for the disadvantaged into every corner of society. Through practical, active participation, they contribute their charitable efforts to create a better society, and fully express a spirit of corporate citizenship responsibility.

Each of the Group's subsidiary companies established their own volunteer teams early on. In order to integrate the Group's resources, to help disadvantaged groups and public interest organizations, in May 2012, we formally set up the HNFH Group volunteer team. One after another, people came forth in response, from top executives to employees at the grassroots level. The volunteer team includes Hua Nan Financial Holdings, Hua Nan Commercial Bank (North, Central and South regions), Hua Nan Securities, South China Insurance, Hua Nan Investment Trust, Hua Nan Venture Capital and Hua Nan Asset Management, as well as the participation of descendant company employees, all actively investing their efforts in public welfare activities while not engaged in the expansion of business. In addition, we also participate in and sponsor arts and cultural events and activities as well as finance-related academic seminars and lectures, in order to promote aesthetic education, popularize financial knowledge, and inject finance into academic research.

Award-winning Record

Hua Nan Financial Holdings has a long-term commitment to Taiwan's grassroots baseball work, investing in sponsorship from training of little league and adolescent baseball players, to all levels of international baseball matches. Additionally, apart from co-sponsoring the Invoice Cup urban running events at various locations across Taiwan in conjunction with the Ministry of Finance, the Group also regularly holds all kinds of ball game events, to encourage our colleagues to stay fit through sports. As a result of these acts, in 2015, Hua Nan Financial Holdings won the Sports Promotion Award awarded by the Ministry of Education's Sports Administration for the fifth consecutive year, and in 2016 took a step further up by winning the 'Sponsorship Category Finance Quality Award', and the 'Long-term Sponsorship Award'. Due to its commitment to social responsibility, in 2015, South China Insurance was honored with the 'Best Social Responsibility Award' of the Insurance Prestige Awards.



Nan Hua Financial Holdings won the 2016 Sports Promotion Awards 'Sponsorship Category Quality Finance Award' and the 'Long-term Sponsorship Award' awarded by the Ministry of Education Sports Administration, and personally presented by President Tsai Ing-wen (left) to Zheng Yong-chun (right), Deputy President of Nan Hua Financial Holdings,

In 2015, the Hua Nan Financial Holdings Group raised funds totaling NT\$47.67 million through sponsorship of charitable events, of which NT\$10 million was spend on Taiwanese grassroots baseball promotion work.

Hua Nan Financial Holdings Group

'With Hua Nan, You Never Grow Old'

To spread the cultivation of local spirit, and actively invest in social benefit and charitable concern, beginning in 2012, Hua Nan Financial Holdings Group joined hands with the Hongdao Senior Citizen's Welfare Foundation to jointly organize the 'With Hua Nan, You Never Grow Old' to show respect for senior citizens events for four years in a row. Mobile team volunteers visited elderly people living alone in Taiwan, organized gala dinners with elderly people, donated materials for people's livelihood, and arranged services such as clinic visits and free haircuts, hoping to convey concern for the elderly in today's society.



In the fiscal year 2015, volunteers from the Company and Hongdao Senior Citizen's Welfare Foundation toured Taiwan to hold four respect for senior citizens events. A total of 147 volunteers were mobilized to serve 132 elders, in Kaohsiung, Changhua, Taoyuan and Taichung respectively, such as on the eve of the Mid-Autumn Festival, when the Company worked in cooperation with the Kaohsiung University of Hospitality and Tourism to enable elders to experience the fun of making moon cakes. On the eve of the Double Ninth Festival, we also held an Ever-young Wedding Dream experience, after the Lunar calendar's onset of winter, we also accompanied elders to go on picnic outings; and on the eve of winter solstice, we responded to Hongdao's meal delivery program for elderly people living alone, with a donation totaling NT\$1.5 million.



Beginning in 2011, the Hua Nan Financial Holdings Group has for five consecutive years co-hosted the Invoice Cup running event in conjunction with the Ministry of Finance and the National Tax Bureau offices of various districts, promoting the concepts of fitness through sports and donating Unified Invoice receipts. In April 2015, we co-sponsored the 'Ministry of Finance Tainan Invoice Cup Road Run' event with the Southern District National Tax Bureau, raising a total of more than 310,000 unified invoices, which were donated to the Bethlehem Foundation, Tainan City Shenghui Association, Tainan City Light of Compassion Mental Concern Society, Tainan City Light of Compassion Physically Handicapped Society and Tainan City Welfare for the Blind Association, with donation activity funds of NT\$3 million.



Public Emergency Care

On the evening of June 27th, 2015, a powder combustion-induced explosion at New Taipei City Formosa Fun Coast resulted in a major accident in which hundreds of people suffered burns. In response to the rescue operation, the Hua Nan Financial Group donated NT\$10 million through the 'New Taipei City Social Relief Society' Injury.

On the morning of February 6th, 2016, the Meinong Earthquake hit Tainan, resulting in over 100 dead and injured. In order to assist with reconstruction in the disaster area and enable the victims to return to normal life, Hua Nan Financial Group donated NT\$5 million to help the victims through the Tainan City Government Bureau of Social Affairs Relief Fund Account.

Food Bank

In response to the Financial Supervisory Commission's call for the financial industry to implement corporate social responsibility and take care of disadvantaged ethnic groups in remote rural areas, in 2015, the Nan Hua Financial Group joined hands with the subsidiaries of Nan Hua Commercial Bank, Nan Hua Securities and Nan Hua Insurance to participate in the Food Bank started by the Taiwan Futures Exchange, donating NT\$2 million to help disadvantaged groups in remote rural areas, playing the role of spreading care to every corner of



Taiwan where there is need.

Hua Nan Financial Holdings

'Baseball Dream' Grassroots Baseball Training Program

Baseball is the national ball sport of Taiwan. With the cultivation of Taiwan's sports talent as its starting point, Hua Nan financial Holdings has promoted the 'Baseball Dream' grassroots baseball training program with the ROC Baseball Association every year since 2007, pledging to become a support for Taiwan's baseball seedlings. We organize such activities as annual little league care camps, and Dream Baseball training classes, step by step solidifying the roots of Taiwan's grassroots baseball, donating funds and baseball gear to domestic little league and youth baseball teams, as well as providing long-term sponsorship for domestic and international baseball events and related activities. So far, we have donated to more than 34 remote rural junior and elementary school baseball teams, and to 15 domestic and international baseball matches.

In 2015, we donated NT\$1 million to the ROC Baseball Association's Grassroots Baseball Training Fund. This fund was used for the purchase of baseball gear for four schools in Tainan City, including the little league teams of Liren Elementary School and Xiejin Elementary School, Minde Junior High School, and Gweiren Junior High School, and we held Dream Baseball camps, inviting up to 180 young players from seven Tainan little league teams - Xiejin, Liren, Chongxue, Gongyuen, Anqing, Wen yuan, and Xinjin. Classes were held at Tainan Lion's Baseball Stadium, inviting professional players to teach the skills of the game, and through them, this is a learning platform erected for professional baseball players and little league players.



Since 2012, we have been the top sponsor of the National Little League Trophy Championship for four years in a row, reaching out with the Company's care for up-and-coming young players. In June 2015, we sponsored the 2015 Nan Hua Financial Holdings Cup National Little League Championship, to the amount of NT\$3.5 million. The Chinese Taipei representative team chosen for this cup competition also took the championship in the 8th Round of the BFA Asian Little League Championship.

Apart from this, we sponsored three consecutive WBSC U12 International Little League events, and from July 24th to August 2nd, 2015, we sponsored the '2015 WBSC Third World Cup Little League Championship' to the amount of NT\$5.5 million, so that the Chinese Taipei team players have sufficient resources and funding. The Chinese Taipei team won the runner-up.



Sponsoring National Palace Museum Visits for Children from Remote Rural Areas

In order to instill a sense of national cultural belonging and to fulfill corporate social responsibility, Nan Hua Financial Holdings sponsored the opening of the National Palace Museum South Hall in December 2015, and will also assist the National Palace Museum to play its educational function in the coming year. Together with the Ministry of Education and schools within the counties and cities of Yunlin, Chiayi, Tainan, Kaohsiung and so on, we sponsored 10,000 rural elementary school children to visit the National Palace Museum, in the hope of providing children more opportunities to experience the beauty of Chinese cultural relics, raise their cultural literacy, and expand their international horizons.

We sponsored 'The Hunchback of Notre Dame' (French version) musical theater. In support of international cultural exchange and promotion of fine arts and theatrical performances, the Company sponsored the performance of the 'The Hunchback of Notre Dame' (French version) musical at Taipei's Sun Yat-sen Memorial Hall from April 17th to 26th, 2015.



Hua Nan Commercial Bank

First Social Welfare Foundation's 'Bonding Fitness Walk with the Mentally Handicapped'

Since 2013, Hua Nan Commercial Bank has been cooperating with the First Social Welfare Foundation with the 'Bonding Fitness Walk with the Long-term Mentally Handicapped', which has now entered its third year. Through design of obstacle crossing and best pitcher games, the public were able to fully cooperate and interact with mentally handicapped people, and thus care for the mentally disabled. On December 5th, 2015 at Taipei Riverside Park, we organized the 'Mentally Handicapped Fitness Walk



<p>Sports Meeting' with sponsorship funds of NT\$300,000, sending out 40 volunteers to accompany mentally-retarded persons and their families in group walking activities. A total of more than 1,200 people participated.</p>	
	<p>Taiwan U-Life Association's 'Love Heritage Concert'</p> <p>Since 2012, Hua Nan Commercial Bank has cooperated with the Taiwan U-Life Association, now entering the fourth year, sending joy through music to every heart in need of care, so that more members of the public participate in activities for disadvantaged groups, sharing together love and joy. In cooperation with the association, we specially held three 'Love Heritage Care Concerts' and sponsored the events with funding of \$1 million. A total of 130 volunteer workers were involved and 1,710 people from disadvantaged groups.</p>
<p>Sending Love to Fuxing</p> <p>On June 15th, 2015, in support of environmental protection and protecting the Earth, after Nan Hua Commercial Bank relocated to its new building, the old head office building's office furniture was rearranged, and sent to five national elementary schools of Taoyuan City's Fuxing District (Guanghua, Yisheng, Changxing, Sanmin, Jieshou).</p> 	<p>Free Hepatitis and Hepatocellular Carcinoma Testing</p> <p>Liver cancer has long been among the top three causes of death in Taiwan, and chronic liver disease and cirrhosis of the liver has also consistently accounted for the top causes of death in Taiwan. Also, the liver has no nerves, so it is too late when patients with liver disease seek medical treatment, resulting in family and social tragedy. In view of this, since 2010, Nan Hua Commercial Bank has worked in cooperation with the Liver Disease Prevention and Treatment Research Foundation to hold a 'free hepatitis and liver cancer testing' free clinic for people in remote rural areas. With annual sponsorship funding of NT\$500,000, the activity has now entered the sixth year. On July 18th, 2015 in Taichung's Dongshi, volunteers numbered 25, and 2,800 were screened.</p> 
<p>Hua Nan Securities</p>	

Sunshine Foundation's" Advocacy Activities"

According to the Sunshine Foundation's decades of experience in service, on average one out of every five people with facial disfigurement suffers unfriendly treatment due to appearance. In order to support the Sunshine Foundation's long-term commitment to education and advocacy activities, the Company sponsors activity funding each year, with the intention of working with the Sunshine Foundation to create a culture of peace, respect, and care.

Beginning in 2012, under the personal leadership of President Chen Jin-feng, for many years the Company has been coordinating and participating in a series of activities organized by the Sunshine Foundation. Starting in 2014, we have actively participated in the '0517 Face Equal Rights Together'.

The volunteers also went to the Sunshine Shelter Workplace - Car Beauty Care Center, to learn about and experience the circumstances of people with facial disfigurements while carrying out car beautification, and experience first-hand and share their hardships. At the same time, learning about whether or not there are other volunteer groups or the communities in various sectors of society with areas in which they are able to provide assistance in, implementing actual action through love to care for and support people with facial disfigurements.



Donating Office Furniture to the 'Eden Social Welfare Foundation'

In November 2015, to make the best use of materials, Nan Hua Securities renovated a second batch of office furniture and donated it to the 'Eden Social Welfare Foundation', so as to use resources to the full, reducing the burden on the Earth, avoiding waste of resources, and fulfilling its social responsibilities.

South China Insurance was awarded the 2015 FIM 'Best Social Responsibility Award' for its 'Let Love Flow' Series of Activities.

The series of activities included: charity fitness walks, blood donation trains, continuous tribal care, and so forth.

South China Insurance

Charity Fitness Walks

In a mood of joy, relaxation and charitable participation, employees were invited to bring their families to take part. 'Children Are Us little angels' were arranged to lead the children together to complete the walk, to experience the efforts of Children Are Us and their families in life, and remind employees of the need for a healthy body in order to meet their job challenges.

The events were initiated by the Taipei head office, and ran all the way from the north and south every two months in a continuous relay, branch by branch, linking up the entire province, taking love and sending it across every part of Taiwan. On the day of the event, we jointly arranged bread, handmade biscuits and other meals with the Children Are Us bakery.



Blood Donation Train

In 2015, in response to the 'One Donation Saves One Life' campaign, in Taipei, Taichung, Kaohsiung and other places, we held blood donation activities, encouraging our employees to respond enthusiastically and arranged 'blood ambassador' on-site promotional activities, offering Children Are Us Bakery handmade biscuits, as well as gift certificates and other prizes. Members of the public were invited to join us in rolling up their sleeves to donate love, raising a total of 571 bags of blood.



Alishan Tribal Classroom - Study Support Project

South China Insurance has provided long-term support for Alishan's Sanmei tribal community. In addition to providing material support, South China Insurance has cooperated with the Sanmei tribal community to provide a 'Sanmei Tribal Classroom', giving elementary school children a place for continuous and diversified study after school hours. Continuing education in junior and high school, we also provide scholarships to help the Aboriginal children of Chiayi's Fuyan Junior High School and Hongren High School to attend school without concern until they graduate from junior high and high school. Hua Nan Insurance believes that education is the best way to improve the lives of Aboriginal people and hopes that Aboriginal students can gain a foothold in society through the raising of their education level, in anticipation that in the future that they will become social elites, helping to build their tribes, and thus making a payment back to their homeland.

Promoting the Popularization of Financial Knowledge, Boosting Academic Research

Hua Nan Financial Holdings

2015 Financial Services Public Fund for Education

In order to encourage the financial industry to fulfill its social responsibilities, the Financial Supervisory Commission helps young students from disadvantaged families to successfully complete their studies and provides financial education courses in order to realize an industry-academia collaboration effect. A Financial Services Education Public Welfare Fund has been established, to which the Company donated NT\$2.5 million.



Hua Nan Commercial Bank

The Taiwan Research Institute's 'Financial & Economic Advisory Committee'

This institute's Financial and Economic Advisory Committee is a social welfare organization, which provides payback to the public on a monthly basis through new knowledge seminars on financial, insurance and economics-related issues, and also analyzes new macro-economic trends. It freely shares with people from all walks of life, provides the help of Taiwan's financial, production and economic development. The Company sponsored the institute with a donation of NT\$100,000.

Mr. Xu Yuan-Dong and Wife Commemoration Cultural Education Foundation's 'Financial Forum' and 'Ad Hoc Topic Seminar'

The 2015 Annual forum was held on June 23rd on the second floor International Conference Room of the Taiwan Academy of Banking and Finance, with the theme of 'The Internationalization and Vision of Taiwan's Financial Industry', to which financial experts and scholars from both sides of the Taiwan Strait were invited to participate. The Company sponsored the forum with a donation of NT\$200,000.

Global Views Educational Foundation

The Foundation has held a number of cultural and educational promotions as well as book-donating events over the years, enjoying considerable acclaim from people of all sectors of society. In 2015, it also organized a number of important events, including the Fifth Cross-Strait Young Innovation Forum, the Fourth Hsin Yun Cultural World Forum, the annual Care for Taiwan series of activities and the 2015 National Children's Poetry Awards. The Company sponsored the foundation with a donation of NT\$3 million.

The Chinese Culture Association's 'Reading for Taiwan Literature'

Since its launch in 2013, 'Reading for Taiwanese Literature' has been well received by people from all walks of life. To extend the effectiveness of activities, so as to pass down the diversity and creativity of Chinese culture and cultivate the mind and the heart, in 2015, the Chinese Culture Association continued to hold the 'Reading for Taiwan Literature' radio program and book publishing plan. The company sponsored with a donation of NT\$3 million.

The 2015 Masters' Think-tank Forum's 'New Economic Power, Asia Rises Again' Seminar

The 2015 Masters' Think-tank Forum Series', was organized by the Economic Daily News, in cooperation with an important Taiwan think-tank, the Chunghua Institute for Economic Research. Economic experts from the United States, Japan, South Korea, Singapore, and other countries were invited to discuss the global economy and industrial development trends with Taiwanese industry leaders, government representatives and academic institutions, in order to understand the

<p>global economy and industrial circumstances. The Company sponsored the seminar with a donation of NT\$1 million.</p>	
<p>National Sun Yat-sen University College of Management's 23rd session of the Securities and Financial Market Theory and Practice Research Seminar</p> <p>The purpose of this seminar is to provide academic exchange and practical opportunities to learn from and emulate each other for securities and financial market-related development issues. Over the years, well-known securities market international scholars have been invited to take part. The seminar includes lectures, academic papers, practical topics and comprehensive forums. The Company sponsored with a donation of NT\$100,000.</p>	
<p>Taiwan Economics Association's 2015 Annual Event</p> <p>The Taiwan Economics Association is a non-profit academic organization composed of domestic economics and finance scholars and graduate students. Over the years, the Taiwan Economics Association has cultivated a number of outstanding talents in the financial sector. In recent years, it has also made efforts to provide financial scholars and industry figures with a suggestions platform, to stimulate government and public concern about issues of peoples' economic livelihood. The Company sponsored the event with a donation of NT\$100,000.</p>	<p>The Management Institute in Taipei's 'Taiwan Innovation Business Model Forum'</p> <p>Taiwanese businesspeople attach great importance to governments on both sides of the Taiwan Straits. The Management Institute in Taipei specially held a forum with the theme of cross-strait society's understanding of Taiwan business peoples' epochal contributions and outstanding achievements in business operations. On October 1st and 2nd, 2015, the Jia Qun YI Golden Securities Conference Hall held the Taiwan business peoples Innovative Business Model Forum'. The Company sponsored with a donation of NT\$100,000.</p>
<p>The Academy of Promoting Economic Legislation's 2015 FALL Cross-Straight Financial High-ranking Personnel Practice Camp</p> <p>The Academy of Promoting Economic Legislation's advanced managers committee and the School of Economics of Fudan University, brought together Taiwan universities, Peking University, Beijing Tsinghua University, the Peoples' University of China, Nankai University, Hunan University and other institutions, for the 2015 FALL Cross-Straight Financial High-ranking Personnel Practice Camp, held from November 8th to December 10th, in Taipei, Beijing, Shanghai, Tianjin and Changsha, respectively, inviting professors at top-ranking universities from both sides of the Taiwan Strait to serve as keynote speakers, and to carry out two-way exchange and discussion on ad hoc subjects. The Company sponsored the workshop with a donation of NT\$100,000.</p>	
<p>The 2015 Annual Financial Planning Association of Taiwan (FPAT) Conference & the Asian Four-way Exchange Conference</p> <p>Hua Nan Commercial Bank is a member of the Financial Planning Association of Taiwan. Considering that support of these exchanges would help promote finance industry internationalization and digitization as well as the training of Financial professionals, the Company sponsored the meetings with a donation of NT\$100,000.</p>	
<p>National Chiao Tung University International Finance Conference</p> <p>This conference brought together outstanding financial and economic scholars and experts from home and abroad to publish academic papers, give keynote speeches and hold discussions on 'Financial Assessment and the Trans-Pacific Economic Partnership Agreement'. Considering that sponsoring this case would be beneficial to stimulating the exchange of domestic and overseas academic and practical experience and raise a platform for industry-academia cooperation, the Company sponsored the conference with a donation of NT\$50,000.</p>	

Commercial Times 'FinTech Creative Awards Competition'

The process of application solicitation and selection for this event got underway in December 2015, and on February 24th and 28th, a summit forum was held for shortlisting and final selection. Considering today's trend towards digital finance, this event will help recruit the creative thinking of campus students and inspire the future direction of financial technology. The company sponsored the event with a donation of NT\$500,000.



Hua Nan Securities

Student Internship Program

In the interests of early cultivation of outstanding business talents, Nan Hua Securities has specially designed a student internship program, to improve students' understanding of the securities business knowledge and practice. Students who perform well during the internship period earn awards, and scholarships are available for internship students who are hired as staff after graduation. The program is not only able to promote the securities business, but also increase employment opportunities for students. In 2015, a total of 21 students participated.



South China Insurance



Tertiary Institution Internships

Students are provided with an internship program that includes insurance coverage, insurance plans, practical experience of daily business activities, and business operations and management. Not only does this enable students to integrate insurance theory with practice, cultivating outstanding future insurance practitioners, but further, it also establishes a good corporate image. In 2015, a total of 11 students participated.

Hua Nan Investment Trust

Financial Lectures at Colleges

In the interests of popularizing financial education, and establishing good communication channels between the financial industry and academia, from November to December, 2015, we conducted lectures at Cheng Kung University, Chung Hua University and Dong Hwa University, to cultivate improvement in students' financial knowledge.



Industry Internships for College Students

In order to improve students' financial management capabilities and increase their employability, in August 2015, we provided internship opportunities for nine students from Fu Jen Catholic University, Sun Yat-sen University and Tamkang University. The scope of internship covered an introduction to the investment trust industry, overall economic research, fund operation strategies, risk control, fund regulations and so forth, enabling them to fully integrate practice with the knowledge gained from the classroom.



Environmental Sustainability Responsibility

Responsibility

In 2015, to support the development of domestic renewable energy, Hua Nan Bank subscribed to 100 thousand degrees of green power, the leading subscription of the green power by a domestic banking industry operator.

Between 2012 and 2015, Hua Nan Bank reached a 7.7% energy-saving efficiency, 1.5 times beyond its original target.

In 2015, the Group issued a total of approximately 1.05 million electronic bills, a reduction in paper use of about 298 million sheets, enabling a reduction of greenhouse gas emissions of 20,292 Kg CO₂e, and a paper saving equivalent to the felling of 358 less trees.

In 2015, the water consumption of the Group was 18 degrees per person, down 43% from 2014.

As the first financial industry headquarters in Taiwan simultaneously to win the awards of the American LEED Gold Grade and Taiwan Green Building Diamond Grade, we have had excellent performance for environmental performance in eight indexes covering the amount of greening, base land water holding, daily energy conservation, carbon dioxide reduction, waste reduction, indoor environment, water resources, sewage and waste disposal.

Highly anticipated by people around the world, the United Nations Climate Change Conference reached the Paris Agreement at the end of 2015. On the 2016 World Earth Day, delegates also signed treaties to agree to the Paris Agreement and jointly assume the responsibility of carbon reduction, with which the rise in the planet's temperature would be controlled under 2 degrees centigrade. Although Taiwan is not a member of the United Nations, in the era of globalization, the impacts of climate change are ubiquitous. In 2015, Taiwan also passed a greenhouse gas reduction law, setting targets for national carbon reduction. By 2050, emissions of greenhouse gases should be reduced to 50% of the total emission amount produced in 2005. Such carbon reduction requires a joint effort by respective industries to achieve the target. Although the financial services industry is not high in energy-consuming, we are also responding to the sustainable development goals (SDGs) initiated by the United Nations, making the adoption of climate action one of the primary objectives of the financial services industry.

In addition to its commitment to energy saving and carbon reduction, the Group is also committed to implementing the concept of green consumption and green procurement, in the hope that our efforts to maintain the environment will allow the Group to accompany the environment as it moves forward in sustainable development.

Direction of Planning for 2016



- In 2016, Hua Nan Bank Head Office Building is expecting to establish the Environmental Management System (ISO 14001: 2015) and to receive certification.
- Hua Nan Bank Head Office Building is expected to obtain certification of GHG inventory (ISO 14064) in 2016.
- Hua Nan Securities is scheduled to accelerate digitization of business in 2016, with front and back end integration, conversion of public documentation for Internet access, database construction, personalized webpages, updated financial portal, and improved electronic transactions.
- In 2016, Hua Nan Investment Trust and Hua Nan Venture Capital expect to use the paper certified by FSC (Forest Stewardship Council). Given that FSC promotes sustainable forestry management, the use of its certified paper could put our concept of green consumption and green procurement into practice, and contribute our share of efforts for the Earth's environment.
- South China Insurance and Hua Nan finance Asset Management are expected in 2016 to purchase transaction machine credit card verification functionality to prevent errors due to print, and reduce paper usage.
- To promote Internet insurance purchase and payment transactions, South China Insurance is carrying out conversion to Internet-based public notifications.

Award-winning record

In 2011, Hua Nan Bank received the Energy Conservation Award from the Ministry of Economic Affairs and the Green Procurement Award from Taipei City Government, in recognition of our efforts in energy conservation and green and responsible consumption.



Environmental Protection Policy

Article 13 of the Group's Code of Corporate Social Responsibility stipulates that the Group shall establish appropriate environmental management systems in accordance with the characteristics of the industry, and this should include the following items:

- (1) Collecting and assessing the analysis and timing of the effects of our operational activities on the natural environment.
- (2) Planning and establishing measurable environmental sustainability goals and regularly reviewing the sustainability and relevance of their development.
- (3) Formulating measures such as specific plans or plans of action, and regularly reviewing the effectiveness of their operations.

The Group will implement the above code of practice, set environmental management policies or guidelines and measure the effectiveness of environmental management with key performance indicators (KPIs).

In 2016, we also began to establish SO14001: 2015 environmental management system. In future, determination of environmental management policies and objectives, and our promotion of environmental management action programs will be based on this internationally recognized environmental management standard.

Green Office

Leading with Subscription to Green Electricity

In response to the 'Ministry of Economic Affairs' Voluntary Green Electricity System Pilot Plan', Hua Nan Bank subscribed to 100,000 degrees of green electricity, becoming the first banking industry operator to subscribe to green power. This green electricity is 100% renewable energy, mainly coming from wind and solar energy power plants. The greenhouse gases emission coefficient for green power production processes is close to zero, which helps to mitigate climate change.



Taiwan's First Financial Industry Headquarters to simultaneously be awarded the American LEED Gold Grade and the Domestic Green Building Diamond Grade.

Hua Nan Bank headquarters building has built a solid base for its representation over the next one hundred years with thoroughgoing local cultivation. The entire HQ building's floors, from the second basement floor to the 27th floor above ground - a total floor area of approximately 15,000 pings - has now obtained certification for Richter scale magnitude 7.0 earthquake resistance, as well as the US Energy and Environment Leadership Design LEED Gold Grade certification and Taiwan's own Green Building Diamond Grade certification. The building is a smart office building with structural safety certification and green building certification. In terms of the eight indicators of amount of greening, base water conservation, daily energy saving, carbon dioxide reduction, waste reduction, indoor environment, water resources, and sewage and garbage processing improvement, Hua Nan Bank's HQ building has demonstrated excellent environmental performance.



Energy Use and Greenhouse Gases

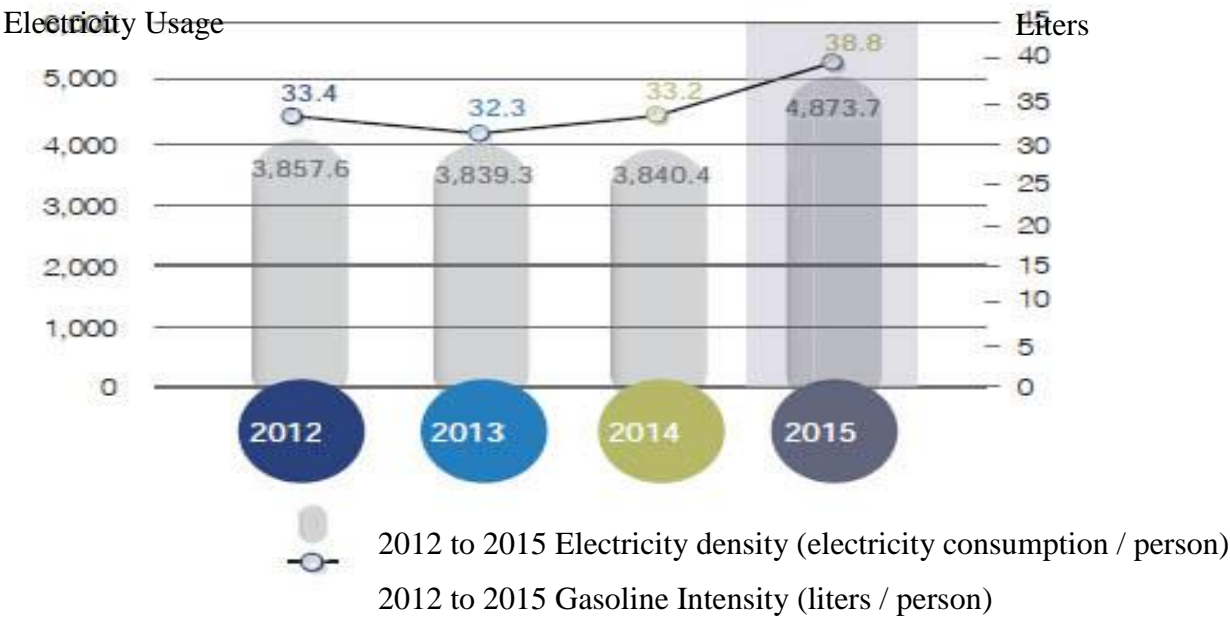
Although the financial industry is not a high energy-consuming industry, the Hua Nan Group practices energy-saving to mitigate climate change. The office energy-saving activities are implemented in the office buildings' main business premises. In 2011, the Group has fully adopted an electronic documentation system, and the concept of turning lights off to save energy is deeply rooted in our employees. In addition to controlling the indoor temperature at not less than 26 degrees, we also advocate not wearing suits for meetings in the summer, and other energy-saving behavior.

Energy Use and Greenhouse Gas Emissions

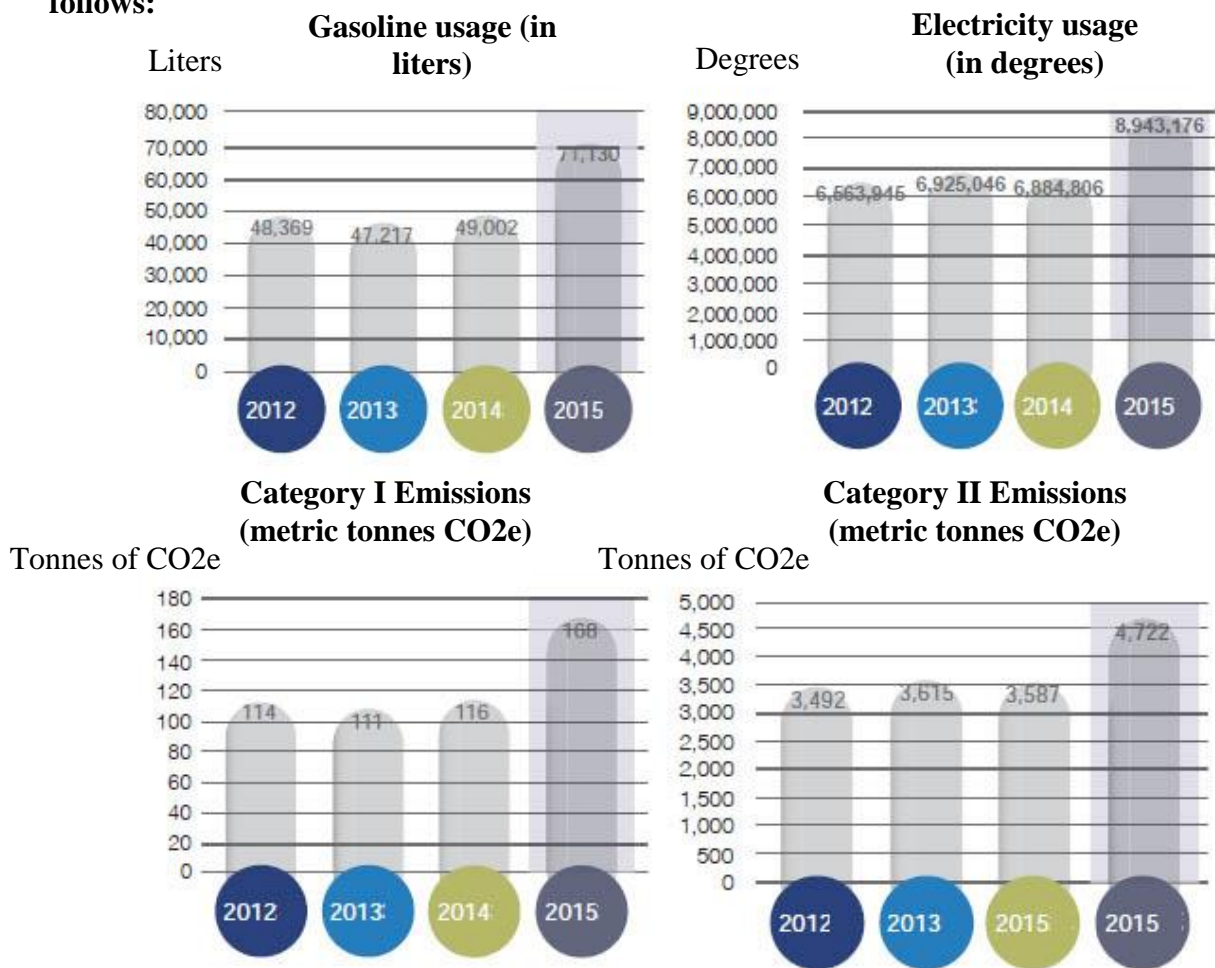
The Hua Nan Group voluntarily carried out full inventory inspection of greenhouse gases according

to ISO 14064-1 in 2015 and is planning to obtain external third party inspection in 2016. As the 2015 expansion of the scope of greenhouse gas inventory, the newly incorporated electricity consumption of the two subsidiaries, coupled with the relocation to the new headquarters building, led to changes in the baseline, the power use in 2015 showed a growth trend. We will continue to track the power of each subsidiary and the use of gasoline and diesel-intensive, and set the goal of decreasing year by year.

Energy intensity of the Group (per capita use of electricity and gasoline)



Direct (Category I) and indirect (Category II) emission of greenhouse gases are disclosed as follows:



Note 1: Due to the increase in the organizational boundaries of two subsidiaries, Hua Nan Venture Capital and the Hua Nan Asset Management, along with the relocation of Hua Nan Financial Holdings and Hua Nan Bank to new headquarters, the total floor area increased (power use in rented space is not excluded), and thus the Group's overall electricity and petrol usage has increased.

Note 2: Category 1 statistics refer to the amount of gasoline used in official vehicles (2015 statistics include two newly incorporated subsidiaries), Category 2 statistics are for power use.

Taking Action to Save Energy

As a corporate citizen, the Hua Nan Group has shown responsibility for the global environment. The Hua Nan Bank took the lead in 2012 to participate in the 'Voluntary Energy Conservation in the Financial Sector' campaign, announcing the goal of saving 5% in 3 years. The energy saving rate was 7.7%, 1.5 times of the target set by the Ministry of Economic Affairs. Energy conservation and carbon reduction is implemented in the day-to-day operations. Environmental protection and climate change activities have become a part of the Hua Nan Group's DNA.

The business departments of the Hua Nan Bank post 'energy-saving identification marks' at the automatic doors of main entrances and in customer hall. At all branches air-conditioning is not lost, incandescent lighting is prohibited, indoor air temperature is not less than 26 degrees centigrade, and the level of office illumination is not higher than the CNS standard. For its office air conditioning systems, in addition to regular testing and maintenance and setting the temperature according to time, Hua Nan Venture Capital also according to actual demand controls the operating

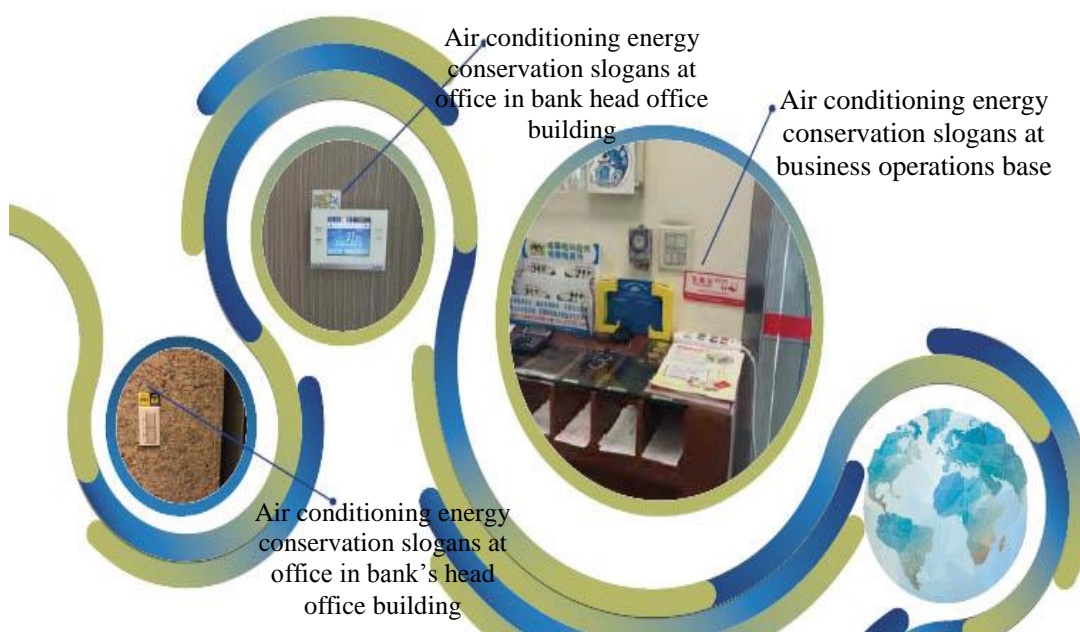
capacity to reduce electricity consumption. And the air-conditioning temperature is not less than 26 degrees centigrade.

Energy Saving Education Takes Root

Every year, the Hua Nan Bank organizes a course on energy conservation and carbon reduction by holding energy saving and carbon reduction courses at its branches, and carrying out the concept of energy conservation from education and implementing it in daily operations. Hua Nan Venture Capitals and Hua Nan Asset Management remind staff to turn lights off; lighting requirements are also reviewed, to reduce the number of redundant tubes, and use energy saving fluorescent lighting.

Smart Energy-saving Equipment

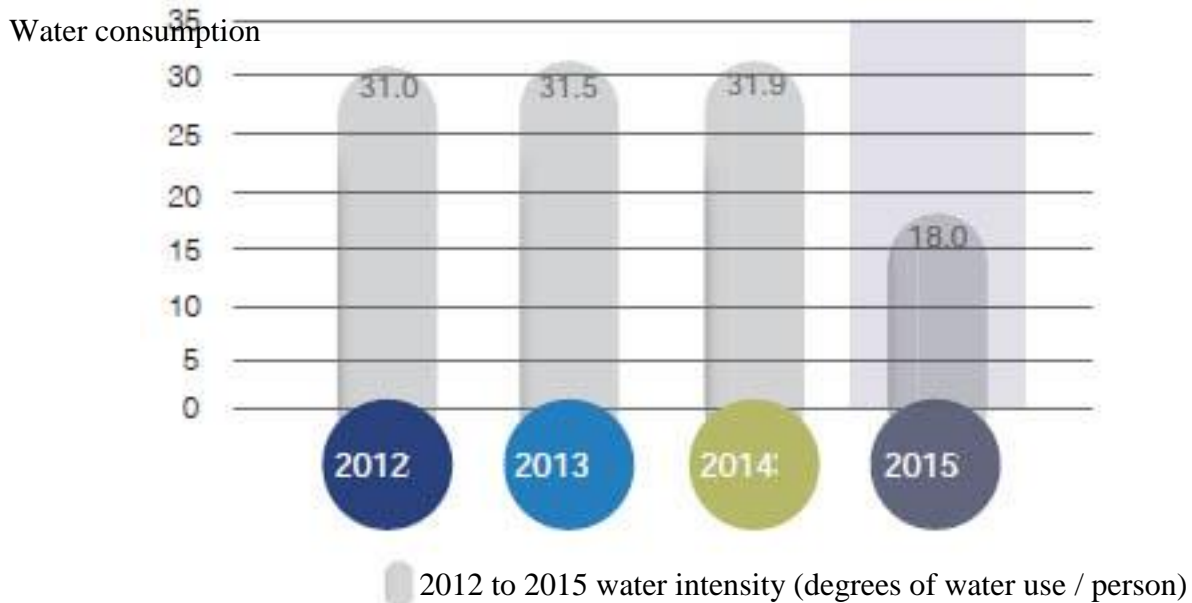
In October 2015, Hua Nan Bank completed the installation of networked electricity meters at its domestic business departments. The power data is transmuted to the smart energy management cloud platform, to analyze the trend of daily electricity branch to help branch set up energy-saving targets and controls. This smart energy-saving management platform is also promoted in the Group's internal work conferences and is expected to be promoted in future to the entire Group, thus improving energy efficiency.



Office Water Use Circumstances and Water-saving Efficiency

All the water used by the various subsidiaries of the Hua Nan Group is tap water, and there is no extraction of underground water and other water resources. The 2015 statistics are newly incorporated into the water consumption of the two subsidiaries, but the overall Group water use density is 18 degrees per person, a decrease of 43% compared to 2014. In addition to the green building with water-saving design of the headquarters, other subsidiaries have also adjusted their faucet outlet valves to reduce the amount of water, and appropriately replaced faucets with infrared sensor taps to reduce unnecessary waste.

Group Water Use Intensity (per capita water consumption)



Note: In 2015, water usage of two new subsidiaries was added, but since the end of 2014 Hua Nan Financial Holdings and Hua Nan Bank head offices moved into the new headquarters building, and water consumption in 2015 decreased by 3%, while the number of people increased by nearly double, the numerator decreased and the denominator increased, so the water intensity has reduced significantly.

Office Paper Conservation Program

Paper is a bulk procurement material for the office. The deforestation carried out in order to make paper is one of the causes of climate change. Therefore, in addition to the use of double-sided printing, waste paper recycling and other measures, in 2011, the Group's subsidiaries promoted electronic documentation, and a paperless meeting system has been implemented since 2014. In addition to the paper reduction program, subsidiaries will also start purchasing FSC (Forest Stewardship Council) certified photocopying paper from 2016 to further promote sustainable forestry development.

Expenditure on Environmental Investment

To achieve the goal of environmental protection and reduce carbon emissions, the Group purchases environmental protection stamps, energy-saving labels, water conservation markings, green building certified materials and environmental protection photocopying paper, the expenditure for them was NT\$3,795,189, and the investment in purchasing environmental protection equipment was NT\$9,760,167.

Hua Nan Bank's President Yang Feng-yen Leads Northern Region Colleagues in Collective Mountain Cleaning and Fitness Walk Activity

In order to promote the physical and mental health of employees, each year Hua Nan Bank by the staff welfare committee planning and organizing. In recent years, due to the increasing attention paid to environmental protection issues, the long-term employment of employees and continuing to care about social welfare of the Hua Nan Bank has not been absent. Held by the President Yang Feng-yen, deputy President and a number of vice president and all participants, hand-held clips and garbage bags and other net mountain tools, picking up litter from along the Battleship Rock trail, and bringing together for collection in the former Palace of Illumination. We hope through this event, to enhance the work of colleagues on the understanding, and promote family harmony between parents and children, and improve environmental awareness colleagues, fully carrying our corporate social responsibility duties.

Huan Nan Bank's 'Support the Environment, Green Planet' Concern for School-age Children Sending Charitable Love to Fuxing

'100-year Heritage, Sustainable Hua Nan Bank'. In addition to actively promoting our business, we are committed to implementing our corporate social responsibility. We are committed to a business philosophy of 'trusting society' and 'enthusiasm' and 'innovation', and actively contributing to the community. In December 2014, the head office of Hua Nan Bank was relocated to the new building in Xinyi District. The original headquarters buildings retained a large number of offices, conference tables and chairs and other furniture to support resources re-use and transfer to the primary schools in rural areas to contribute to the society. The five primary schools responded to this demand by consulting the Fuxing district Guanghua, Changxing, Yisheng, Jingshou, Sanmin and other national primary schools in Daxi Branch of Taoyuan City. After finishing the repair of the furniture, it was donated to the five primary schools, and the actual act, into the social welfare and resource recycling of environmental protection action. In the future, we hope to take this activity to arouse people to send love in support of remote rural areas, gathering more positive power, turning slogans into action, so that a small love trickles into a river.

Hua Nan Bank Participated in the 'City's Quiet Thought' Lights Out Campaign

Hua Nan Bank responded with action to the theme of 'Supporting the Environment and Protecting the Earth' and signed an hour-long program to join the 'City Meditation' in Taipei City. Than the light produced by the energy-saving benefits of Th, not only reduces greenhouse gas emissions, but also allow the Earth to breathe a temporary respite in the current deteriorating environmental conditions, the Hua Nan Bank is willing to lead by example, to the power of the community to arouse the public's environmental protection awareness. In line with the event, Hua Nan Bank on the evening of September 25th, 2015 20: 30-21: 30 from the head office building lights, then to March 2016, the monthly turn-off time for the last Monday night 20: 30- 21:30, with a total wattage of 44.94KW (kilowatts), saving electricity for 162 degrees, the implementation of seven months down a total of 1,134 degrees power-saving. Hua Nan Bank hopes that through the 'own electricity province' approach, it will encourage more people to participate in Taipei City Hall to promote energy-saving activities, to turn the electricity consumption habits of the public and enhance the energy quality of the people together to create an energy-saving society.

Hua Nan Bank (all banks) Awarded the Ministry of Economic Affairs 'Energy-saving Enterprise' Award

In 2012 Hua Nan Bank participated in the Ministry of Economic Affairs 'financial voluntary energy conservation signing' activities, declaring 3-year energy-saving target of 5%. In 2015, the bank reached a 7.7% energy saving rate, beyond the original target value of 54% The Bank was awarded the 'Energy-saving Enterprise' Award from the Ministry of Economic Affairs. In addition, Hua Nan Bank has been cooperating with the Institute of Green Energy and Environment of the Industrial Technology Research Institute for a long time to gradually retrofit existing facilities into energy-efficient facilities or to replace them with high-efficiency equipment. The Bank will establish a 'Smart Energy Management Platform' Equipment maintenance schedule, equipment abnormal warning, temperature records, CO2 concentration records and electricity behavior management, and through the collection of electricity records held in energy-saving competition, on the road to collect electricity business data, equipment effectiveness analysis, equipment maintenance schedule, and reward energy-saving blue-chip units.



Green Business Operations

We are committed to implementing green environmental protection in financial services and products. For example, by encouraging the use of electronic bills to reduce paper consumption, to develop various types of convenient digital services to reduce customer traffic energy consumption, to support green lending, and the issuance of investment green environmental protection industry fund, see the customer rights section for details.

Digital Services

Reduction of Carbon Emissions from Paper Consumption:

Hua Nan Bank has implemented credit card e-billing, and Hua Nan Securities launched commissioned securities and securities electronic statement services. A total of 1,052,999 e-bills were issued in 2015. About 2,984,107 sheets of paper, carbon paper production process of carbon emissions, e-bill of carbon reduction can be reduced by 20,292Kg of CO₂e greenhouse gas emissions. To protect forests, the production of a box of paper makes 0.6 trees need to be felled, sending an electronic bill reduces the logging of 358 trees.

Reduction of Energy Consumption Through Customer Travel to and from Physical Branches:

This includes Hua Nan Bank's promotion of online accounts, online banking, mobile banking, credit card online tuition fees, MOD home banking system, network ATM, dual use Taipei City and New Taipei City parking fee collection system; Hua Nan Securities to promote electronic orders service; Property insurance and other services to promote the network; Hua Nan Investment Trust funds to promote to place an order through the network and fax services.

Management of Suppliers

The Group's suppliers are mainly equipment suppliers, project contractors, and suppliers of office supplies. Before partnership, suppliers are carefully evaluated whether the environmental and social impact of information, as a contract to consider. In addition, when entering into contracts with suppliers, suppliers will be required to comply with internationally recognized human rights provisions and to protect the environment from pollution. In the future, the Group will take into account the fact that if suppliers violate corporate social responsibility and have a significant impact on the environment and society, they may be terminated at any time or have contract annulled.

1. On average, each e-bill is from 1.5 to 3 A4 in size, and the carbon footprint for each A4 sheet of paper is 0.0068 kg CO₂e (Source: Taiwan Product Carbon Footprint Information Network).
2. One sheet of A4 paper weighs between about 4 and 6 grams, each box of A4 paper about 25 kilograms (5,000 sheets of paper), per ton of pulp about the need to cut 24 trees with an average height of 12 meters, 15 to 20 cm in diameter trees per ton of pulp Can produce 40 boxes of paper, so the production of a box of paper about logging $24/40 = 0.6$ trees. (Source: Ministry of the Interior Construction and Planning Agency - Reducing Paper Usage and Protecting the Earth)



Employee Care

Teamwork

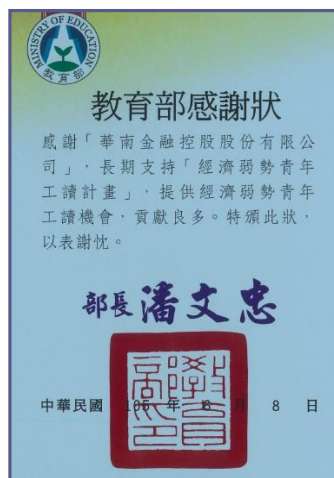
Teamwork

A thank-you certificate was issued for Hua Nan Financial Holding's long-term support of the Ministry of Education's 'Youth Worker Program for the Economically Disadvantaged'.

In 2015, Hua Nan Financial Holdings was listed as one the top 100 high salary-paying companies by the Taiwan Stock Exchange.

In 2015, Hua Nan Bank was awarded by the 'Taipei City Enterprise Employment of Physically and Mental Disabled in Excess of Quotas Certification Mark', friendly workplace award by Taipei City Government.

In April 2016, Hua Nan Bank was issued with a thank-you certificate by the Financial Supervisory Commission for its enthusiastic participation in the 2015 'Introduction of Financial Knowledge to Campus and Community Campaign'.

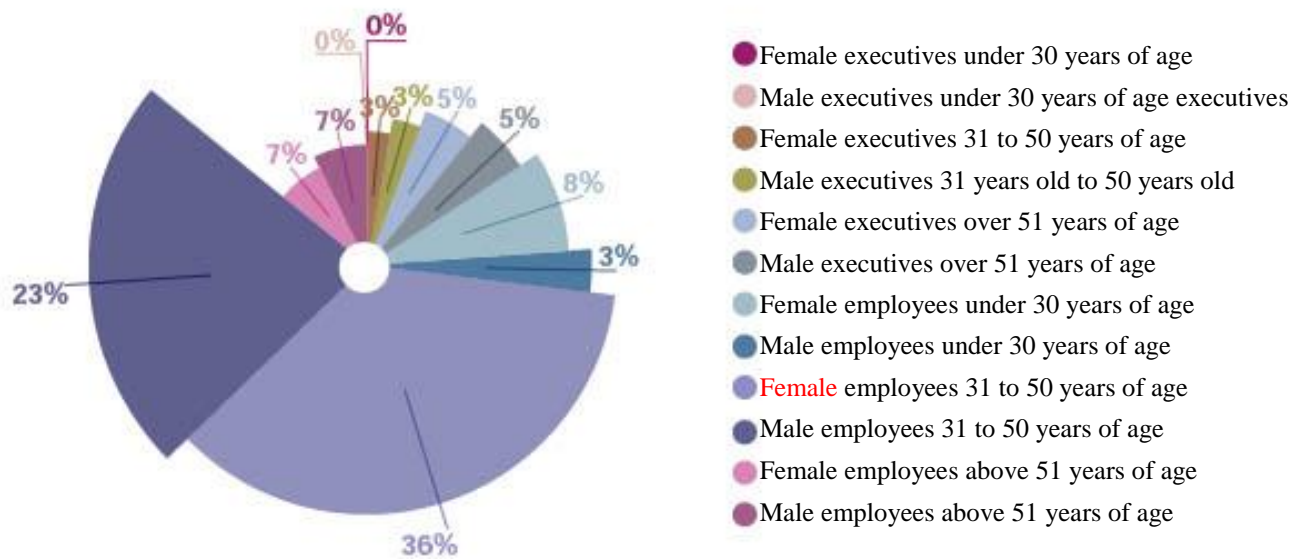


Service industries are people-oriented, and for the financial industry, the staff is the most important capital. This is also reflected in the core value of Hua Nan Group - teamwork, adhering to pursuit of the greatest synergies as a team, every employee in Hua Nan Group service is a team partners in Hua Nan, only with the staff working together is the greatest value created.

In recent years, global industry has been facing major changes in the environment, and the financial industry is subject to rapid changes in technology and the impact of population structure changes. Of the 1,409 CEOs surveyed by PricewaterhouseCooper's 19th Global Business Leaders Survey, 72% of CEOs identified the perceived risk of talent acquisition as a significant risk to business, and 79% considered that changes in regulations are a significant risk to business operations. While it responds to a variety of risks, Hua Nan Group also implements the care of employees of corporate social responsibility. Here we will actively cultivate financial professionals, challenge the Asian Cup, in response to a number of financial and labor issues and in response to the four challenges that the Hua Nan Group's efforts to effect!

The Hua Nan Group's Manpower File

Manpower Structure of Hua Nan Financial Holding Group



Gender in Management and Non-management Positions/ Age Distribution

Position Level		Sex Age	Male	Female	Male	Female	Male	Female	Total
			Under 30 Years old		31 to 50 Years old		Over 51 Years old		
Financial Holdings	Management		0	0	8	5	1	9	23
	Non-management		6	1	24	18	1	0	50
Bank	Management		0	0	187	143	466	403	1,199
	Non-management		507	170	2,342	1590	497	480	5,586
Securities	Management		1	0	80	62	24	57	224
	Non-management		57	39	633	269	146	93	1,237
Insurance	Management		0	0	4	29	2	33	68
	Non-management		129	82	323	323	44	41	851
Investment Trust	Management		0	0	12	5	1	2	20
	Non-management		3	0	28	16	2	2	51
Venture Capital	Management		0	0	0	2	0	3	5
	Non-management		2	0	2	2	0	0	6
AMC	Management		0	0	8	3	1	1	13
	Non-management		3	4	9	8	0	0	24
Total			708	296	3,660	2384	1,185	1,124	9,357

New Employees in 2015

Total number of people		Sex Age	Male			Female			Total and Ratio	
			Under 30 Years old	31 to 50 years old	Over 51 years old	Under 30 Years old	31 to 50 years old	Over 51 years old		
Financial Holdings	73		2	5	1	0	4	2	14	19.18%
Bank	6,785		91	51	0	38	66	1	247	3.60%
Securities	1,461		24	78	4	20	36	4	166	11.36%
Insurance	919		59	22	0	41	16	1	139	15.10%
Investment Trust	71		1	13	0	0	11	0	25	35.21%
Venture Capital	11		0	0	0	0	0	0	0	0%
AMC	37		1	0	0	3	0	0	4	10.81%
Total	9,357		178	169	5	102	133	8	595	6.36%

Employee Turnover in 2015

Total number of people	Sex Age	Male			Female			Total and Ratio	
		Under 30 Years old	31 to 50 years old	Over 51 years old	Under 30 Years old	31 to 50 years old	Over 51 years old		
Financial Holdings	73	0	1	0	0	1	0	2	2.73%
Bank	6,785	55	48	0	19	44	0	166	2.40%
Securities	1,461	18	43	13	17	47	6	144	9.86%
Insurance	919	19	30	4	18	17	5	93	10.10%
Investment Trust	71	0	12	0	0	9	3	24	33.80%
Venture Capital	11	0	0	0	0	0	0	0	0%
AMC	37	0	1	0	0	3	0	4	10.81%
Total	9,357	92	135	17	54	121	14	433	4.63%

Structure of Workforce over the Past Three Years

Year Sex	2015		2014		2013	
	Male	Female	Male	Female	Male	Female
Financial Holdings	40	33	35	35	35	37
Bank	3,999	2,786	4,017	2,798	4,098	2,892
Securities	941	520	907	532	902	540
Insurance	502	417	476	400	444	388
Investment Trust	46	25	45	26	47	30
Venture Capital	4	7	4	7	3	8
AMC	21	16	21	16	21	17
Total	5,553	3,804	5,505	3,814	5,550	3,912
	9,357		9,319		9,462	
Sex ratio	59.3%	40.7%	59.1%	40.9%	58.6%	41.4%

Actively Cultivating Financial Professionals

With the current circumstances of large numbers of the post-war baby boom generation reaching retirement age, and taking into account the financial industry's industrial characteristics, except for some business items being supplemented or replaced by new technology, the vast majority of the business still needs to be carried by experienced senior colleagues guiding new colleagues in implementation approaches. Further, with the advent of the era of digital operations, the service side of business has become more comprehensive, gradually changing the industry profit model to one of more intense competition, and the financial industry is also facing the dilemma of lack of professional talent.

In the face of the aforementioned circumstances, a talent supply discontinuity will be a major challenge for future operations, and the Hua Nan Group will face the situation of large numbers of experienced senior employees gradually retiring, and new staff turnover being too high and unable to put down deep roots, resulting in the valuable past experience accumulated not being inherited. For different causes of manpower risk, the Hua Nan Group adopts different ways of responding, which can be divided into the following:



Improved Salaries and Benefits

The Group commissioned an external consulting company or an internal survey to investigate financial interbank market salaries as a reference for the establishment and adjustment of employee salaries in order to provide a competitive remuneration package for the market. In 2015, the Group salary adjustment range was 1.5% to 4.2%, and grassroots employee salaries were not lower than the statutory basic wage. In addition, the Group's pay policy is not differentiated by gender or age, to maintain fairness and reasonableness.

The average salary and welfare expenses of non-executive staff includes fixed salary, such as salary, overtime and lunches, and non-fixed salary, such as year-end bonuses, performance bonuses, sales bonuses and suchlike employee remunerations. The Group also provides benefits such as insurance premiums, welfare payments, medical expenses for sick and injured employees, retirement benefits for retired employees and preferential deposits (banks), etc. The Company is committed to taking care of its employees in all aspects, with no post-employment concerns, to make the Group and its employees work hard together.

Average Salary and Welfare Expenses of Non-executive Staff

	Number of people in 2015	Number of people in 2014	Growth rate %
Non - executive staff]	7,805	7,813	-0.1%

Non - executive staff]	Average Yearly Costs in 2015 (NT\$)	Average Yearly Costs in 2014 (NT\$)	Growth rate%
Average salary costs	\$940,064	\$892,532	5.33%
Average welfare costs (Note 1)	\$250,568	\$256,225	-2.21%
Total	\$1,190,632	\$1,148,757	3.65%

Note 1: Estimated by number of executives and non-executives

Note 2: Due to the Bank's preferential retirement plan for 2014, there were 223 applications. In accordance with provisions of IAS 19, excess interest arising from the interest rate after the retirement of preferential deposit exceeds the general market interest rate and shall be applied when the employee retires. International Accounting Standards 19's 'Employee Benefits' provides that the bank is to be accounted for once based on the actuarial report, other welfare expenses increased in the 2015 financial year.

Group-wide welfare costs (NT\$)	2015	2014
Total	2,364,296,155	2,407,855,949

Legacy Planning and Recruitment Channels

The professional knowledge of the financial business relies on the accumulation of practical experience. Young colleagues may not foresee the risks hidden behind transactions because of their lack of practical experience. Therefore, if there is a 'fault line' in internal experience, apart from increasing business exploration time, there is inability to focus on providing more efficient overall customer service, and thus the Company's overall operating efficiency is dragged down. The Group has set up a mechanism by which to retain professional talent to properly plan and pass on experience and cultivate sustainable management talent.

The age fault line is located at the convergence of executive employees and non-executive employees. When a large number of executive retire and senior staff can not immediately demonstrate combat power in their work and competent positions, a company has a hidden risk in not really being able to choose excellent senior staff to be promoted to executive positions, which demonstrates an impact on future leadership and real-time decision-making ability. In the case of the Hua Nan Bank, for example, the yearly recruitment of new employees, in the past, was carried out twice a year. Now, this has been adjusted so that new employees are recruited at any time. Recruitment has also needed to be made according to professional grades. Other companies in the Group can adjust their recruitment schedules at any time in response to changes in manpower supply. In addition, South China Insurance has cooperated with many universities to seek high-quality staff through internships, and Hua Nan Bank has also begun to plan to extend its tentacles of professional talent cultivation.

Personnel Training System

The Group has planned a range of training programs aimed at different professional fields. It also provides job rotation opportunities for professional development, performance contribution and career development. The Group also encourages continuous professional development and resource development. Each year, there are internal and external training programs arranged. Some

companies of the Group also have basic training hours for executives and employees to implement talent cultivation policy in order to maximize their potential, build a pool of high-quality expertise and improve the competitive edge of the Group.

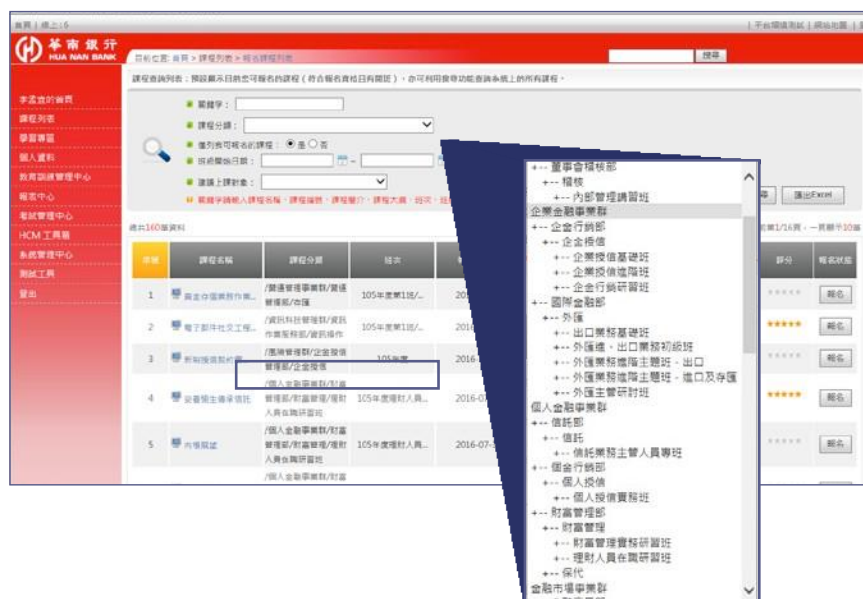
1. Education and training common to the Group: to meet the business needs of the subsidiaries, actively train cross-industry practical knowledge through the common training mechanism, interactively learn a variety of professional fields, and improve staff common business philosophy to cohesion centripetal force.
2. Various external professional training: colleagues are sent to work in different fields of expertise at irregular intervals to participate in a range of training courses at external professional training institutions or participate in international seminars to absorb the latest information, in order to encourage employees to continue their studies and provide development resources.
3. Fixed Group management-level personnel training programs:
Integrate Group resources and cooperate with Group development strategy, aiming at 3-5 years of talent cultivation plan for Group managers and above, to enhance the ability to integrate different fields and expand management decision-making vision, cultivate future leadership and management talent, avoid talent fault, and assure continuity of operations.
4. Diversified learning channels:
To help employees learn and grow anytime, anywhere, without time and space constraints, the Bank has also completed some upgrades to the 'Easy learning Network' online learning platforms. In addition to providing more courses, they can now also study on smart phones and tablet PCs, so that learning is not limited.

Hours of Training

		Total hours of training		Average hours of training per person	
		Male	Female	Male	Female
Financial Holdings	Management positions	104.5	161	6.7	5.8
	Non-management positions	200	230.5	8	11
Bank	Management positions	15,141	24,776	28	38
	Non-management positions	46,592	73,033	21	22
Securities	Management positions	1,368	1,268	11.5	12.1
	Non-management positions	5,211	14,831	13	17.7
Insurance	Management positions	2,079	370	59.4	92.5
	Non-management positions	11,012	12,596	28.8	22.1
Investment Trust	Management positions	152	187	22	14
	Non-management positions	374	651	21	20
AMC	Management positions	97.5	256.5	32.5	39.6
	Non-management positions	285	390	25.5	32.5

Note: The training channel for Venture Capital personnel is to participate in professional managers seminars, there are no statistics on hours thus spent.

Hua Nan Bank Easy Learning Network



Safe and Healthy Workplace

The Group belongs to the financial services industry, so its business premises are mostly office buildings. To safeguard the safety of employees, the companies in the Group have established relevant management measures or set up an Occupational Health and Safety Committee to implement safety and health management. Regular disinfection of office space is carried out to maintain environmental sanitation, and fire detection is also carried out to ensure the safety of the working environment. In the promotion of employee health, the majority of companies within the Group have regular health check-up measures, assisting employees in health management, for which there was a total of approximately NT\$10.16 million in subsidies in 2015. Subsidiaries with large number of people have a registered nurse or physician's office for health advice. In addition, in order to enhance the staff's health awareness and cultivate corporate culture, large-scale badminton tournaments are organized regularly to promote communication and networking among the Group members. Also, various publicity and educational activities such as physical fitness tests, fire prevention and civil defense drills, AED and CPR teaching seminars and other activities are held.

In response to the government's policy of promoting public health, Hua Nan Bank actively promotes smoking prevention and health promotion. In 2014, the Bank was awarded the 'Healthy Workplace Certification - Health Promotion Mark' of the National Health Administration of the Ministry of Health and Welfare.

Workplace Accidents in 2015

	Number of injuries	Number of deaths due to employment	Total number of working days lost	Frequency of disability from injury	Severity of disability from injury
Hua Nan Financial Holdings	0	0	0	0	0
Bank	13	0	366	1.03	28.92
Securities	1	0	4	0.34	1.38

South China Insurance carried out a weight loss competition, and the whole company lost 133.3 kg in 2015!

Insurance	5	0	17.5	0	9.46
Investment Trust	0	0	0	0	0
Venture Capital	0	0	0	0	0
AMC	0	0	0	0	0

Note 1: The total number of working days lost = total number of casualties reported in the Ministry of Labor total number of loss days.

Note 2: Disability injury frequency (FR) is equal to last year's injury rate. For each million man hours, the number of disability injuries occurred. The formula: casualties * 10^6 / total experience working hours.

Note 3: The severity of disability injury (SR) equals the number of days lost in the previous year and is the number of days lost in disability damage per one million man hours.

The formula: total lost days * 10^6 / total experience working hours.



Female Friendly Workplaces

The Group gives full support to employees who apply for child care leave without pay due to family reasons. As there is a sound system and favorable salary and benefits, employees choose to return to their post after the termination of paid leave and continue to serve in the Group. In the workplace environment design, we also consider the needs of the mother and design of female employees friendly working environment (such as: feeding breast, and so on).

Parenting and Retaining Circumstances for the Group's Subsidiaries

	Estimated number of persons retained in 2015 (A)		Actual number of persons retained by 2015 (B)		Number of persons retained for one year in 2014 (C)		Return rate(B/A)
	Female	Male	Female	Male	Female	Male	
Hua Nan Financial Holdings	2	0	2	0	0	0	100%
Bank	74	7	61	6	49	1	83%
Securities	9	0	6	0	3	0	67%
Insurance	11	0	9	0	4	0	82%
Investment Trust	1	0	1	0	0	0	100%
Venture Capital	0	0	0	0	0	0	N/A
AMC	0	0	0	0	0	0	N/A

Employee Complaint Channels:

For the establishment of a harmonious Industrial relations and understanding of the needs of staff, the Group companies are equipped with channels, such as special line telephone, fax line, e-mail or staff website area for employees to reflect the interests of individuals, the company's financial position and staff interests-related major decisions. The companies are strictly confidential about the matters and contents of their complaints and prohibit any threatening or reprisal actions against the employees involved in the appeals. In the year of 2015, there are 13 cases of employees' complaints, including staff system, information equipment, and job transfer etc., which are all handled properly in the year.

Performance Assessment:

The purpose of employee performance appraisal management is to raise the overall performance of individuals and organizations, to conduct a fair and reasonable performance appraisal procedures for assessment, and also to provide a channel through which to communicate with staff. Group companies regularly perform performance appraisal management, and, assessment process includes target setting, the usual assessment track, the annual assessment and assessment of communication. Through the various stages of the interview process with the supervisor, each colleague more clearly understands their job responsibilities, raising personal performance level and improving the development of personal capacity. Assessment results are used as reference for the promotion, salary adjustment and remuneration of staff. In 2015, each company followed the assessment mechanism, with 100% completion of performance appraisal.

Promotion System

A reasonable and smooth personnel promotion channel can provide outstanding talent with a vision of their future career development. The majority of companies within the Group have a promotion management system, and, the number of streamlined companies carries out the promotion based on

business needs and the actual performance of the staff. In order to increase the work experience of staff and promote outstanding professional talent, when higher grade positions become vacant, after review of employees' employment experience, professional license, qualification, performance assessment and foreign language, employee position adjustment will be carried out at irregular intervals or submitted for approval on a fixed schedule. In future, it is planned that special promotion channels and training programs for different projects will allow the Company to create new stimuli internally and provide attractive career development paths.

Employee Participation in Trade Unions

To protect labor rights and coordinate industrial relations, employees of Hua Nan Bank initiated the establishment of 'Trade Union of Hua Nan Financial Holding Co., Ltd. and its Affiliated Enterprises'.

The Asian Cup Challenge

Hua Nan Bank is currently formulating immediate and medium-to-long-term plans to train overseas talent. The immediate plan is to mobilize existing bank manpower and select employees with three-year work experience, good overall performance and potential future development, asking if they would be willing to be sent abroad. To enable the full use of existing manpower, we require overseas executives to continue to improve the education and training of personnel sent abroad and their job rotation, cultivating the professional expertise and practical experience staff sent overseas. In the medium-to-long-term plan, existing staff and the elite of tertiary institutions elite with potential will be selected, with the requirement of a Master's degree and having passed the equivalent of the General English Proficiency Test standard language qualifications. After written tests and interviews, they would go through two and a half years of professional training domestically. In addition to financial professional knowledge, this would be supplemented with international social skills training, in order to cultivate overseas executives and the professional talent for future middle to high management positions.

Response to Digital Finance - Rapid Technological Change

With the rapid development of the Internet, the wave of Internet applications and digitalization has had an impact on the industry. Under the guidance of technological trends and government policies, methods of providing financial services and the professional knowledge of practitioners must be adjusted.

Reduced Demand for Manpower

Financial digitalization has become a trend, and with the rise of all kinds of Fintech new technology, physical counter customer volume is gradually being reduced, while electronic transactions have seen a rapid increase. Physical branches and public counter service personnel are facing a strong challenge of reducing customer services.

Manpower Transformation

Faced with the finance industry's trend toward digitalization, due to the reduction of counter trade, physical branches are bound to adjust the staffing of public-serving counters. On the basis of its practice of looking after employees, Hua Nan Bank will not cut down on manpower, but has formulated plans to assist employees to develop a minimum of secondary banking professional knowledge or even tertiary professional knowledge as soon as possible, to help employees make the necessary transitions in response to the rapid changes in the financial environment.

Transformation through Guided Training

Hua Nan Bank has drawn up a training program to assist employees in transition, helping them with the professional knowledge of future functional requirements and assisting them in getting their new posts. We plan to organize courses such as 'Digital Finance Workshop', 'Recharging

Knowledge of Financial Products', 'Enhancement of Staff Functions' and 'Digital Finance Trends' to help employees get up to speed on digital financial systems and cultivate their second and third professional abilities. In future, we will continue to coordinate with the latest trends in arranging our training courses, to help employees grow into all-round financial professionals.

Responding to the Challenges of Labor Issues

With the changes in labor rights and labor awareness, companies will face a number of labor issues challenges. In order to respond to changes at any time, enterprises must actively enhance their knowledge of labor laws at various levels and implement management systems to effectively prevent violation or damage to the goodwill of the enterprise. Hua Nan Bank and Hua Nan Insurance specially organized seminars to improve guidance on the importance of compliance with labor laws and the implementation of management, and also emphasized that executives should take the initiative to care for their colleagues and encourage their employees to get off work as soon as possible after the completion of their work for that day, to avoid staying in the workplace as far as possible, so that employees have more flexibility in their work lives and home lives, so as to establish a good workplace environment. Other Group companies also pay attention to changes in laws and regulations at any time, coordinating with law through amendments to internal regulations, to ensure compliance with relevant labor laws.

Limited Assurance Report of Independent Accountants

PWC Ref. No: 16002853

To Hua Nan Financial Holdings:

We have been engaged by Hua Nan Financial Holdings (hereafter referred to as the “Company”) to perform assurance procedures on the selected sustainability performance information reported in the 2015 Corporate Sustainability Report (hereafter referred to as the “CSR Report”), and issue a limited assurance report based on the result of our work performed.

Subject matter assured and reporting criteria

The sustainability performance information selected by the Company (hereafter referred to as the “Selected Information”) and their respective reporting criteria are stated in the “Summary of Subject Matter Assured” on page 91 and 92 of the CSR Report.

Management’s responsibilities

The Management of the Company is responsible for preparing and reporting the CSR Report and sustainability performance information in accordance with the respective reporting criteria. The Management is also responsible for establishing relevant processes, information systems, and internal controls to prevent the CSR Report and sustainability performance information from being materially misstated.

Our responsibilities

We conducted our assurance work on the Selected Information included in the CSR Report in accordance with the Statements of Assurance Engagements Standards No 1. “Assurance Engagements other than Audits or Reviews of Historical Financial Information”, to identify whether any material amendment is required to the aforementioned information in order for the information, in all material aspects, to be in accordance with the respective reporting criteria, and issue a limited assurance report based on the result of our work. We do not provide any assurance on the CSR Report as a whole or on the design or operating effectiveness of the relevant internal controls.

Compliance of independence and ethical principles and Quality control requirement

We have complied with the applicable requirements of the Code of Ethics for Professional Accountants, including integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply Statements of Auditing Standard No 46. “Quality Control for Public Accounting Firms” in the Republic of China and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We conducted our assurance work on the Selected Information for the Company and its subsidiaries, including Hua Nan Commercial Bank Ltd, Hua Nan Securities Co., Ltd, South China Insurance Co., Ltd, Hua Nan Investment Trust Corp, Hua Nan Venture Capital Co., Ltd, and Hua Nan Assets Management Co., Ltd. The procedures include:

- Read the CSR Report.
- Inquire the personnel responsible for providing the sustainability performance information to understand and evaluate the processes, internal controls and information systems relating to the preparation of the aforementioned information.
- Based on the understanding and evaluation above, carry out analytical review procedures on the sustainability performance information. If deemed necessary, perform selective testing to obtain evidence for limited assurance.

The determination of the procedures performed above is based on our professional judgement, including identifying the areas where there may be risks of material misstatement of the Selected Information, and for those areas, designing and implementing procedures in order to draw our limited assurance conclusion. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Certain Selected Information involves non-financial data which is subject to more inherent limitations than

financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are subject to individual assumptions and judgments.

Limited assurance conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information referred to in the second paragraph are, in all material aspects, not fairly stated based on their respective reporting criteria.

Other

The Management of the Company is responsible for maintaining the Company's website. If the Selected Information or related reporting criteria are modified after this limited assurance report is issued, we are not obliged to re-perform the assurance work.

PricewaterhouseCoopers, Taiwan

October 24, 2016

For the convenience of readers and for information purpose only, this document has been translated into English from the original Chinese version. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language version shall prevail.

GRI (Global Reporting Initiative) Version 4.0

Items of General Disclosure

GRI 4.0	Items Disclosed	Page	Corresponding Chapters and Special Instructions
Strategies and Analysis			
G4-1	Provides the organization's top decision-makers with a statement on sustainable issues and strategies for responding to issues		A Message From the Chairman
Organizational Profile			
G4-3	Description of organization name	9	About Hua Nan
G4-4	Explanation of key brands, products and services	9	About Hua Nan
G4-5	Description of where organization's headquarters are located	9	About Hua Nan
G4-6	Number and names of countries in which the organization operates and country names	10	Operating Bases
G4-7	The nature of ownership and legal form	10	About Hua Nan
G4-8	Description of the market for the services provided by the organization	10	Operating Bases
G4-9	Description of the scale of the organization	10	Operating Bases
G4-10	Total number of employees by type of employment, employment contract, hiring area and gender	75	Hua Nan Manpower File
G4-11	Proportion of the total number of employees guaranteed under the collective bargaining agreement	82	Staff participation in trade unions
G4-12	Description of the organization's supply chain	71	Our suppliers can be divided into service suppliers, suppliers of office supplies, decoration maintenance contractors, and financial product distributors.
G4-13	Any significant changes in the organization's size, structure, ownership or supply chain during the reporting period	—	In 2015, there were no cases.
G4-14	Indicating whether the organization has an early warning policy or principle in place to respond	25	Risk Management
G4-15	List of economic, environmental and social regulations, principles or other initiatives developed by outside organizations that are endorsed by the organization	11	Financial Industry Interaction
G4-16	List the membership of the public associations and national or international initiatives where the organization is involved (eg., trade associations)	11	Financial Industry Interaction

Major considerations and boundaries of identification			
G4-17	Consolidated financial statements include all entities	7.9	About this report
G4-18	Defines the content and consideration aspect and process of the report and how the organization follows them	13	Major Corporate Social Responsibility Issues in 2015
G4-19	All significant consideration aspects identified in defining the content of the report	13	Matrix of Major Issues

GRI 4.0	Items Disclosed	Page	Corresponding Chapters and Special Instructions
G4-20	For each major aspect of consideration, the boundaries within the organization are considered aspects	14	Major Corporate Social Responsibility Issues in 2015
G4-21	For each major aspect of consideration, the outer boundaries of the organization's consideration	14	Major Corporate Social Responsibility Issues in 2015
G4-22	The effects of and reasons for the re-editing of any information provided in the previous report	—	In 2015, there were no cases
G4-23	Significant changes in the category and consideration surface boundaries compared to the previous reporting period	7	About this Report
Conduct with Stakeholders			
G4-24	Organization of the stakeholders groups	15	Communication with Stakeholders
G4-25	Identification and selection of stakeholders	15	Communication with Stakeholders
G4-26	The manner, form and frequency of discussion agreed upon with the stakeholders	15	Communication with Stakeholders
G4-27	Key issues and concerns raised by the stakeholders and the organization's response.	14	Communication with Stakeholders
Basic Information of the Report			
G4-28	The reporting period for providing information	7	About this Report
G4-29	The date of the last report	7	About this Report
G4-30	Reporting cycle	7	About this Report
G4-31	Contact information	7	About this Report
G4-32	GRI disclosure metrics, compliance options, and external assurance reports	7	About this Report
G4-33	The organization has external assurance policies and practices for reporting	7	About this Report
Governance			
G4-34	Organizational governance structure	18-21	Corporate Governance

Ethics and Integrity			
G4-56	Describes the values, principles, standards, and codes of conduct of an organization	28	Culture of Honesty

Specific Disclosures

Aspects Considered	DMA and Indicators		Page	Corresponding Chapters and Special Instructions
Economic Aspects				
Economic performance	DMA	Management Policy Disclosure	9	About Hua Nan
	G4-EC1	The direct economic value that the organization generates and distributes	10	Operating Performance in 2015
	G4-EC2	The financial impact of climate change on the organization's activities, and other risks and opportunities	62	Demonstrating Core Values - Responsibility

Aspects Considered	DMA and Indicators		Page	Corresponding Chapters and Special Instructions
Indirect economic impact	DMA	Management policy disclosure	47-48	Demonstrating Core Values - Initiative
	G4-EC7	The development and impact of infrastructure investment and support services	49-59	Demonstrating Core Values - Initiative
	G4-EC8	Significant indirect economic impacts, including the degree of impact	49-59	Demonstrating Core Values - Initiative
Employment relations	DMA	Management policy disclosure	74 77 81	Hua Nan Manpower File
	G4-LA1	The total number and proportion of new and retired employees by age group, gender and region	74-76	Hua Nan Manpower File
	G4-LA2	The benefits are provided only to full-time employees, divided by key operating positions	77	Improved Pay and Benefits
	G4-LA3	The rate of reinstatement and retention after parental leave by sex	81	Maternity Friendly Workplace
Occupational health and safety	DMA	Management policy disclosure	79-80	Safe and Healthy Workplace
	G4-LA6	Occupational injuries, frequency of occupational injuries, occupational diseases, proportion of days lost and absenteeism, and total number of fatal accidents by region and sex,	80	Workplace Accidents in 2015
Training and Education	DMA	Management policy disclosure	78-82	Personnel training system
	G4-LA9	The average number of hours each employee receives training per year by sex and by type of employee	78-79	Personnel Training System

	G4-LA11	Proportion of employees who receive regular performance and career development views by gender and employee category	81-82	Personnel Training System
Employee Diversification and equal opportunities	DMA	Management policy disclosure	74	Hua Nan Manpower File
	G4-LA12	Corporate governance organization and the composition of various types of employees by gender, age, ethnic minority and other indicators of diversity	74-75	Hua Nan Manpower File
Appeal mechanisms for labor practice issues	DMA	Management policy disclosure	81	Employee Complaint Channels
	G4-LA16	Number of complaints about labor practices filed, processed and resolved through formal complaints mechanisms	81	Employee Complaint Channels
Local communities	DMA	Management policy disclosure	47-48	Demonstrating Core Values - Initiative
	G4-SO1	Percentage of sites operating in the local community, impact assessment and development programs	49-59	Demonstrating Core Values - Initiative
	FS14	Advocacy of better financial services-related measures for disadvantaged groups	42-45	Maintaining Social Stability and Development, Public Welfare Trusts
	FS15	Fair design and sale of financial products and services	37-40	Fair Design and Sale of Financial Products

Aspects Considered	DMA and Indicators		Page	Corresponding Chapters and Special Instructions
Anti-corruption	DMA	Management policy disclosure	28	Culture of Honesty
	G4-SO4	Anti-corruption policies and procedures	28	Culture of Honesty
Regulatory compliance	DMA	Management policy disclosure	—	Legal Compliance
	G4-SO8	The amount of the fines imposed for violation of regulations, and the number of sanctions other than the fines imposed	—	Hua Nan Bank in 2015 due to violation of the Labor Standards Law, fines imposed totaled NT\$390,000. Please refer to the 'Response to Labor Issues Challenge' for details.

Product and service labeling	DMA	Management policy disclosure (formerly FS15 and FS16)	37	Fair Design and Sale of Financial Products
	G4-PR4	Breakdown of the number of incidents of non-compliance with voluntary labeling of goods and services information by type of result	22	Legal Compliance
	G4-PR5	Customer satisfaction survey results	40-41	Customer Communication Mechanisms
Marketing Communication	DMA	Management policy disclosure	37	Fair Design and Sale of Financial Products
	G4-PR7	Total number of incidents of violation of regulations and voluntary standards relating to marketing (including advertising, promotion and sponsorship) by result category	22	Legal Compliance
Customer privacy	DMA	Management policy disclosure	36	Personal Information Protection
	G4-PR8	Number of complaints relating to infringement of customer privacy or loss of customer information	37	Personal Information Protection
Regulatory compliance	DMA	Management policy exposure	22	Legal Compliance
	G4-PR9	The amount of fines imposed for violation of laws and regulations for the provision and use of products and services	22	Legal Compliance
Product portfolio	DMA	Management policy disclosure (formerly FS1 - FS2)	42-45	Promoting Social Benefit
	FS 4 / DMA	FS 4 / Improving the execution process of staff to implement the environmental and social policies processes associated with the business	42-45 68	Culture of Honesty, Energy Saving Education, Promoting of Social Responsibility
	FS7	Products and services designed for the creation of social benefits, broken down by purpose	42-45	Promoting social responsibility, maintaining social stability and development, public welfare trusts
	FS8	Various products and services designed for the creation of environmental benefits are subdivided into their monetary values by purpose	43	Supporting the Green Energy Industry

Aspects Considered	DMA and Indicators		Page	Corresponding Chapters and Special Explanations
Energy	DMA	Management policy disclosure	65	Green Office

	G4-EN3	Energy consumption within the organization	66	Energy Use and Emission of Greenhouse Gases
	G4-EN5	Energy intensity	66-67	Energy Use and Emission of Greenhouse Gases
	G4-EN7	Reducing the energy needs of products and services	68.71	Digital finance, Actions to Save Energy
Water	DMA	Management policy disclosure	69	Office water use and water saving
	G4-EN8	Total water use by source	69	Office Water use and Water Conservation
Emissions	DMA	Management policy disclosure	65	Green Office
	G4-EN15	Direct greenhouse gas emissions (Category I)	67	Energy Use and Emission of Greenhouse Gases
	G4-EN16	Indirect greenhouse gas emissions from energy (Category 2)	67	Energy Use and Emission of Greenhouse Gases
Products and services	DMA	Management policy disclosure	71	Green operations
	G4-EN27	Reducing the impact of products and services on the extent of the environment	71	Digital Finance, Green Operations
Regulatory compliance	DMA	Management policy disclosure	22	Legal Compliance
	G4-EN29	The number of fines imposed for violation of environmental laws and regulations, and the number of sanctions other than the fines imposed	—	No violation of environmental laws and penalties in 2015
Overall situation	DMA	Management policy disclosure	69	Environmental investment expenditure
	G4-EN31	Total Environmental Expenditure and Investment	69	Environmental Investment Expenditure

Article Comparison table for disclosure matters which should be improved according to Article 4 of Listed Companies Operating Methods for Preparing and Declaring Corporate Social Responsibility Reports

Disclosure required by Clause 3 of Article 4 of the Measures for the Preparation and Declaration of Corporate Social Responsibility Report of Listed Companies released by the Taiwan Stock Exchange

Item of Disclosure	Page	Corresponding Chapter and Special Explanations
(I) Encouraging and paying attention to the operational processes of the financial and insurance industry that meet the requirements of the environment and society, and achieving reasonable conditions, within the scope of the agreement or transaction of the financial products or services of the enterprise.	42-45	Promoting Social Responsibility

(II) The number of employees who are not in executive positions, the average annual staff welfare expenses and the difference from the previous year.	77	Improved Pay and Benefits
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Summary of Assured Items

Number	Item of Assurance	Page	Basis of Reporting
1	Loans to help SMEs take root and innovate: By the end of December 2015, the total number cases of enterprise applications was 157, with a credit balance of NT\$770 million.	42	As of the end of December 2015, Hua Nan Bank provided loans to small and medium-sized enterprises (SMEs) as defined by the Ministry of Economic Affairs, loans for innovation and development projects of small and medium-sized enterprises and promotion of industrial innovation or research and development loans and credit balances.
2	As of the end of December 2015, green energy companies had applied for a total of 331 loans, with a credit balance of approximately NT\$11.6 billion.	43	The number of loans and credit balance Hua Nan Bank had provided to clients as of the end of December 2015, met with the Financial Supervisory Commission definition of the a green energy company.
3	According to 2015 annual trust business statistics of the trust industry business association, the number of contractors for Hua Nan Bank was 36, accounting for 156 of the total number of trust enterprises. The number of disadvantaged groups (including individuals, foundations, schools, etc.) who received donation in 2015 for public welfare trust purposes was 396 households.	44	The Republic of China Trust Business Association's 2015 annual trust business statistics listings, the number of public welfare trusts for Hua Nan Bank, the overall number of the public welfare trusts in the industry, the number of Hua Nan Bank for public welfare trust the total number of public welfare trusts, and the number of households to be taken care of for the purpose of public welfare trusts in 2015. Note: The number of scholarship beneficiaries is calculated on the basis of a school or an agent. For example, a school or an agent may have a number of scholarship beneficiaries, but only one household.
4	In 2015, there were 2,011 cases of product liability insurance for South China Insurance.	43	South China Insurance's total number of product liability insurance in 2015.
5	Company's 2015 reinstatement rate Hua Nan Financial Holdings: 100% Hua Nan Bank: 83% Hua Nan Securities: 67% South China Insurance: 82% Hua Nan Investment Trust: 100%	81	Actual number of reinsurers remaining in 2015, divided by expected number of retired persons retained by 2015.

6	Sponsorship Funds for Hua Nan Financial Group for 2015 in Totaling NT\$47.67 million	49	<p>Donation amount for the charity activities of Hua Nan Financial Group in 2015. 'Public welfare activities' are defined as: 'The purpose of the activities is to promote human well-being and provide the public good, by providing tangible property or intangible services, to show goodwill to others and make a meaningful contribution to society, arts, sports, health care and caring for the community.'</p> <p>Note: The total amount donated to the Food Bank is based on 2015 Hua Nan Financial Holdings statistical data, and was divided into four allocations, of which NT\$1,002,126 funding was for 2016.</p>
7	Hua Nan Bank: In 2015, a total of nine Financial Commodity Review Group meeting to review 60 files of goods were convened, and another 12 Simplified Review Team meetings were convened to review 302 files of goods.	38	The total number of meetings and the total number of commodities examined by the Hua Nan Bank Review Team.
8	South China Insurance: A total of 32 Commodity Management Team meetings were convened in 2015, and 298 items were being reviewed.	39	Hua Nan Assets Management Group meeting the number of goods and the total number of commodities reviewed.
9	Hua Nan Securities: In 2015, a total of five review meetings were convened to consider 309 items.	40	Hua Nan Securities business group meeting the number of meetings and consider the sum of the number of goods.
10	Hua Nan Investment Trust: A total of eight Commodity Review Committee meetings were held in 2015 to consider four product lines.	40	Hua Nan Investment Trust Commodity Review Committee and the total number of commodities reviewed.
11	Hua Nan Bank implemented credit card e-billing, Hua Nan Securities launched electronic statement services for securities. A total of 1,052,999 e-bills were issued in 2015.	71	Number of electronic bills issued by Hua Nan Bank and Hua Nan securities in 2015.