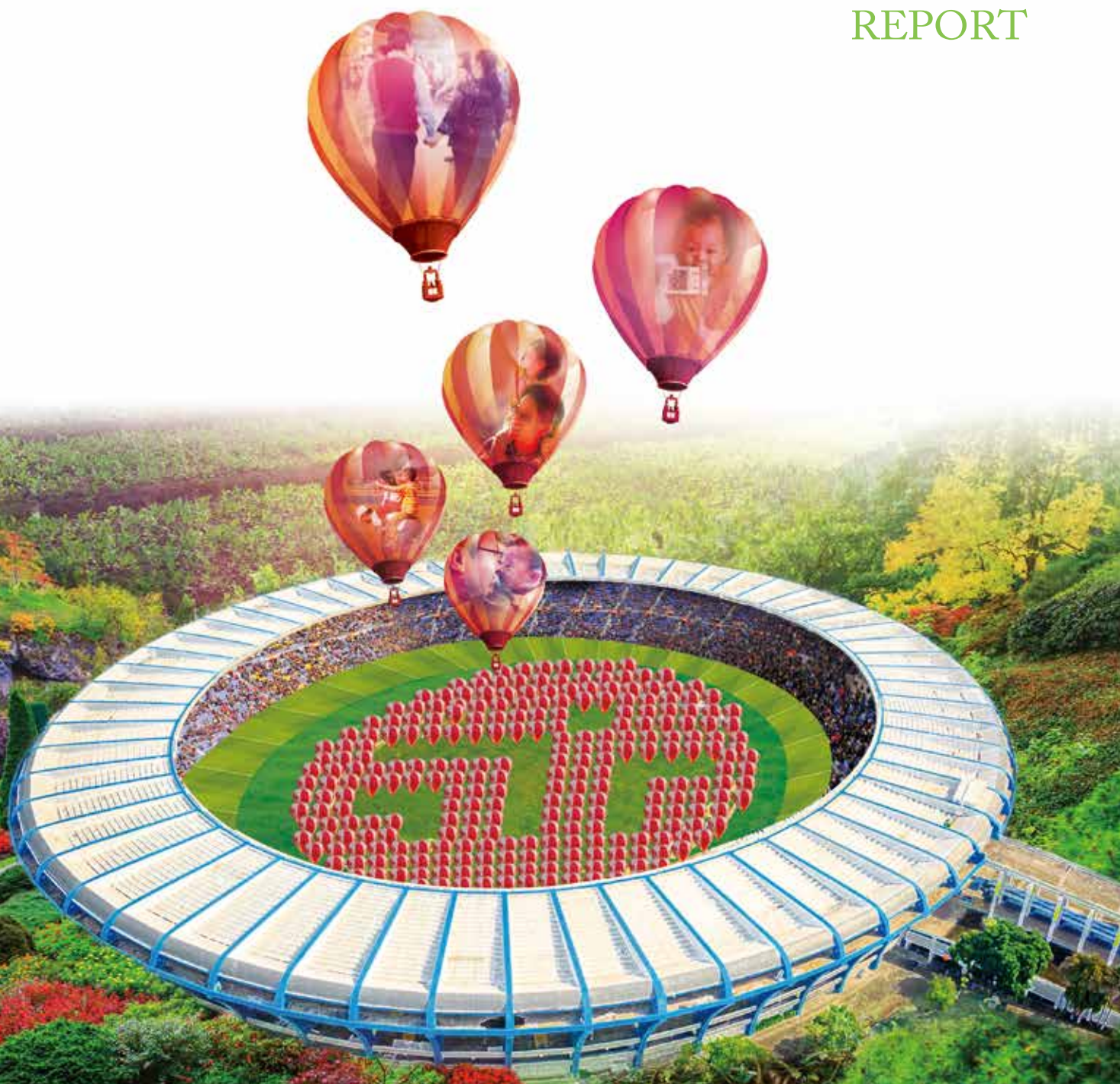


2015

2006

2014

CORPORATE SOCIAL RESPONSIBILITY REPORT



SinoPac Holdings

About the Report

SinoPac Holdings has been established in Taiwan for over 68 years. The main mission has always been to maintain the wealth of families and the society that we serve, and also to protect the trust and confidence placed in us by our customers. Our promise to our customers is to create sustainable corporate value and enable wealth to be inherited and passed on through the generations.

This is our second Corporate Social Responsibility (CSR) report, and extends the theme of "Wealth in perpetuity" from our 2014 report. We believe that the core values of corporate care in the community is the engagement and emotional relationship with "people", including "customers" and "employees". We hope that, together, we can build a wealthy garden of life on this land that we live on.

This report is separated into four major sections, "Creating sustainable value", "spreading happiness", "developing wealth in the world", and "a wealthy garden of life", in an effort to describe our efforts in sustainable management and creating social values. This includes nurturing our people and caring for our colleagues and their family, and working together to create wealth for our clients. We use the passion we instill in our work and sincerity in our hearts, to preserve and protect our client's wealth. With the emergence of virtual channels, a return to "simple finance", connecting touchpoints worldwide, enables the customer to easily access financial services and products at their convenience, and creating material wealth in their lives. Lastly, in 2015, SinoPac continues to invest in local culture and music education, with the aim of improving the quality of life and education in the humanities with the mission to enable a better society.

A commitment to Corporate Social Responsibility (CSR) is a key duty of SinoPac Holdings. Through a public and transparent report, we aim to enable the public to better understand SinoPac Holdings' CSR activities. Concurrently, we remain committed to periodic performance review and shape the future direction towards excellence in our corporate culture and our role as a responsible citizen.



Scope and Boundaries of the Report

This report encompasses SinoPac Holdings and its 5 major subsidiaries (banking, securities, investment trust, leasing, and venture capital) in the 2015 fiscal year (January 1st ~ December 31st) in the areas of economics, society, and environmental performance and material changes. The scope of this report, which was issued in June 2016, is focused in our core operating region in Taiwan. Statistical data is based on units as specified, referencing public data or collected by us. Financial data is presented in New Taiwan Dollars based on audited financials. Environmental protection items cover usage of water, electricity, waste management, and encompass major buildings of SinoPac Holdings, including the holdings company headquarters, Songshan building of its banking subsidiary, and its securities firm headquarters.



Report Auditing

This report is drafted by the SinoPac Holding's CSR report drafting team and the senior, high level management team, and audited by an independent third party, SGS, in accordance to the AA1000 assurance standard, type 1 moderate level of assurance. This report is in compliance with the AA1000 assurance principles of Inclusivity, Materiality, and Responsiveness, and in accordance to the Core level of disclosures of the GRI G4. The independent audit report is also included in the appendix of this report.



Reporting Standards and Principles

This report follows the guidelines set in the 4th version of the Global Reporting Initiative (GRI), known as GRI G4. The report includes the core disclosures and supplemental reporting for the finance industry, and includes a comparison table with the GRI G4 reporting standards. The comparison table enables clear disclosures on the major benchmarks, and explains the Company's corporate governance, client relationships, human investments, digital services, social engagement, and green operational activities and other indicators. This report is also available for download on SinoPac Holding's website, under the section for Corporate Social Responsibility.



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Design Concept of the CSR Cover

In 2015, SinoPac initiated throughout the company an event campaign with the theme of "Heritage of the Heart, Love SinoPac", collecting family stories of love, and documenting colleagues' demonstrations of love towards their family and children, and demonstrating the heritage of family values. This year's cover page theme uses photographs from the "Heritage of the Heart, Love SinoPac" winning entries in a graphics design of hot air balloons, to demonstrate the care and commitment to our colleagues. The hot-air balloon represents the ascension of dreams and hope, and includes a stadium that integrates the corporate identity branding of SinoPac Holdings in the cover page background, representing the power of teamwork.



A



B



C



D



E

Cover Photos belong to as follow:

- A. Yang, Chien Ying (Bank SinoPac, Peitou Branch)
- B. Sharon Chang (Bank SinoPac, Integrated Marketing Division)
- C. Lai, Po Yu (Bank SinoPac, Electronic Banking Division)
- D. Kuo, Feng-Yi / Photo was taken by Chiang, Yung Chuan (Bank SinoPac, Corporate Credit Risk Management Division)
- E. Dora Huang (Bank SinoPac, Accounting Department)

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Chairman's Message



In 2015, the global economic condition performed below expectations, mainly due to a downturn in the global economy. The Directorate-General of Budget, Accounting, Statistics (DGBAS), Executive Yuan, revised down their economic growth forecasts, and the financial services industry along with their clients were faced with a harsher external environment. More heartbreaking is that Taiwan was faced with the largest public safety disaster and victims since the 921 Earthquake with the Formosa Fun Coast dust explosion injuring many young victims with bright futures. Thus, we believe that transitions should not only be for our own profitability and survival, but we need to take on the mantle of social responsibility not only for ourselves, but for society as a whole, building a more beautiful, safer, living environment.

What can we do for the next generation?

If each corporation can create a heritage of sustainable value, that is the best legacy and treasure that we can leave to our next generation. SinoPac hopes that we can put in practice the four core values of our Company of "Happy customers, content shareholders, public respect, and proud employees". Then, our Company can enable cross-generational wealth for our customers, and create sustainable value.

Despite the media labeling Taiwan as a global center for fraud, our colleagues in 2015 successfully stopped 29 bank fraud cases with a total value of NT\$18.85 million, protecting the assets of our customers. Most of these assets are pensions funds of our customers, savings from a lifetime of work. For each fraud case that we stop, we may save a family from economic suffering.

Moreover, we attempt to use the power of our Company to empower different groups towards a new direction in life, enabling friends in need to regain dignity in life. For example, for us to create new jobs for the young victims from the Formosa Fun Coast dust explosion is not difficult, but more importantly is how to support the victims in their

long road to recovery to develop a moral path and prepare for an appropriate career. In our bank, we initiated psychological training for volunteers, in preparation for these youths, beyond offering job opportunities. As long as we continue to support and care for groups in need, opportunities arise that may enable victims to move on past the pain and once again become a self-reliant, contributing member of society.

Of course, with corporate policies that promote happiness, employees can then have the heart to contribute to their communities. To promote a happy work environment, in 2015 we started a happy work environment special project for our banking subsidiary, to increase engagement between colleagues and enable them to actively demonstrate their professionalism and caring nature. In 2016, a new flextime policy is in the planning stages, enabling colleagues to adjust their work hours or days depending on their own needs. Rather than accepting leave without pay, employees can better achieve a work-family balance. We hope to expand these policies from banking towards all subsidiaries of the holding company.

Bank SinoPac is also one of the earliest privately-owned banks to establish unions, enabling regular and ad-hoc communications between capital and labor on relevant topics. Both sides have union agreements in place that secures the rights of employees to work. SinoPac Securities is also the first securities firm in the industry to establish a union.

Facing climate change, in 2015, we introduced a paperless conference system, and externally have actively encouraged clients to use electronic bill statements and decrease the use of paper. We have also supported various environmental companies in raising funds and in 2015 provided corporations and families over NT\$2.4 billion in solar power, optical equipment financing.

In addition, we have combined finance and local living by providing local temples throughout Taiwan

an ability to use ATM machines as a payment tool for lighting lanterns that symbolizes a way to pacify the Gods. Through our "Banking is Simple" concept, we utilize our fintech resources and enable simplicity in local traditions and beliefs.

SinoPac Holdings takes a comprehensive view towards CSR. In corporate governance, we continue to strengthen board operations, information transparency, and the independent operations of our compensation and audit committees in 2015. At the same time, we strongly execute legal and compliance training throughout all subsidiaries, including the integration of the "Equator Principles" framework in our credit policies and actively push for the adoption of the "Stewardship Principles for Institutional Investors". We aim to have the community and the public understand that SinoPac is not only a financial institution, but through our actions, demonstrate that we are a responsible corporate citizen that takes seriously our responsibility to society.

This year, we shall remain committed to our vision in becoming a Company that achieves "happy customers, content shareholders, public respect, and proud employees". We empathize with our stakeholders and put ourselves in our stakeholders' shoes. In this transition phase, we aim to build a happy work environment for our employees, consider client needs, put efforts in innovation, and develop products and services that continue to create value both domestically and abroad, with the aim in becoming the most flexible financial services brand across Greater China.

Chairman of SinoPac Holdings

Ho Show Chung



Past and Present of SinoPac Holdings

Historical Milestones:

May 4th, 1948, the Taipei Mutual Savings and Loan Company was established.

1978 Renamed to Taipei Business Bank

May 14th, 1998, Reorganized as the International Bank of Taipei

August 26th, 2005, after mergers and reorganization, and through stock swaps we became a subsidiary of SinoPac Holdings.

July 20th, 2006 the company name changed to its current Chinese name of "SinoPac Holdings".

SinoPac's Vision: happy customers, content shareholders, public respect, and proud employees.

SinoPac's Mission: To become the most flexible and convenient financial services brand across Greater China

SinoPac's Key Data:

Company Name	SinoPac Financial Holdings Co. Ltd.
Company Type	Listed Company
Established Date	May 9th, 2002
Address	3rd, 6th-13th Floor, No. 306, Bade Rd., Sec. 2, Taipei 104, Taiwan
Number of Employees	8,039
Number of Branches	Approximately 200 locations (including overseas locations)
Total Assets	NT\$1.59 trillion dollars
Paid-in Capital	NT\$101.78 billion dollars
Ticker Code	2890

SinoPac Holdings Milestones and Profile

SinoPac Holdings (SinoPac Financial Holdings Company Limited) traces its history to the Taipei Mutual Savings and Loan Company established on May 4th, 1948. In 1978, the name was changed to the Taipei Business Bank, and on May 14th, 1998, was changed again to the International Bank of Taipei. Throughout our history of many decades, we maintain a heritage of servicing small medium enterprises, and establishing our core base of clients. Through further mergers and reorganization, the International Bank of Taipei became a subsidiary of SinoPac Holdings on August 26, 2005, and later on July 20th, 2006 to its current Chinese name of "SinoPac Holdings".

SinoPac Holding's subsidiaries includes banking, securities, investment trust, leasing, venture capital, customer service technology, and insurance agency, with a total asset value in excess of NT\$1.5 trillion dollars. Overseas branches encompass Hong Kong, Macao, Beijing, Nanjing, Shanghai, Xiamen, Dongguan, Kunshan, Tianjin, Chongqing, Vietnam, Los Angeles, London, and others.

SinoPac utilizes innovation and high quality services to grow with its clients, and actively works on its dual roles as a corporation and a responsible citizen. We have a vision of enabling "happy customers, content shareholders, public respect, and proud employees" and aim to become the most flexible and convenient financial services brand across Greater China.

On January 30th, 2015, SinoPac Holdings subsidiary, Bank SinoPac's Board of Director's passed a special memorandum of cooperation with the International Monetary Institute of the Renmin University of China to jointly research the internationalization of the renminbi, international finance strategy, and other topics in monetary policy for policy and academic discussions. Bank SinoPac and ICBC has a share purchase agreement that was to become effective on October 1, 2015. However, due to the legislative environment not being ready for such an agreement, both sides agreed on September 30th, 2015 to end the agreement and the uncertain wait for legal changes. In the future, both sides will continue to cooperate on sales and operations, assisting Taiwanese corporations to achieve breakthroughs and manage businesses globally.

Profiles of the Subsidiaries are as follows:

Bank SinoPac (Bank SinoPac Co. Ltd)

**A global service network,
providing a full service
financial offering to
clients.**

On November 13th, 2006, Bank SinoPac and the International Bank of Taipei completed its merger, adjusted its organizational structure, and reinvestment strategies to provide a full service commercial bank including corporate finance, personal finance, wealth management, money and finance, e-banking, etc. Taiwan has 129 branches, including 88 branches in the greater Taipei area, with service locations in the central and south, major metropolitan areas and in Kinmen.

Bank SinoPac actively expands toward a global market, establishing 3 branches in the Hong Kong/Macau area, in Hong Kong, Kowloon, and Macau. In the first quarter of 2014, we further established a new subsidiary, Bank SinoPac (China) Co. Ltd, and a branch in Nanjing, China, becoming the first wholly-owned subsidiary in China by a Taiwanese bank. In addition, we have expanded across the Pacific Rim with 17 locations, including branches in California, USA, Vietnam, among others. We believe we offer a strong and comprehensive service network.

At the end of 2015, our other subsidiaries have a total capital of NT\$74.46 billion, with 18 locations and 4 offices. These subsidiaries include our investment in SinoPac Capital Limited (Hong Kong), SinoPac Life Insurance Agent, SinoPac Property Insurance Agent, etc., reflecting specialization and cross-selling, providing clients a full service, integrated service offering.

**SinoPac
Securities**
(SinoPac Securities
Co. Ltd)

Taiwan's first OTC-listed securities firm, a leading broker/dealer in the industry.

SinoPac Securities was established in 1988 and was Taiwan's first OTC-listed securities firm. On November 12, 2012, SinoPac Securities merged with Pacific Securities. In 2014, the AGM approved the sale of the Yuanlin branch of Concord Securities. In 2015, the Board of Director's approved the merger with BEA Securities, and we currently hold a leading position in broking and underwriting league tables. SinoPac Securities' services encompasses broking, proprietary trading, underwriting, international, debt, new financial products, etc. for domestic and international institutional investors and retail investors. SinoPac Securities has grown its capital to NT\$16.212 billion with 53 service locations and is a major broker/dealer in Taiwan. Overseas locations include Hong Kong, Shanghai, London, and others. SinoPac Securities' management strategy is to achieve "innovation, balance" and develop to becoming the best full-service broker/dealer, premier investment bank, a lead e-broker, and other goals. We aim to become the most flexible and convenient financial services brand in the Greater China region, and an innovation leader in the securities industry, providing the best, integrated service to clients.

**SinoPac
Leasing**
(SinoPac Leasing
Co. Ltd)

Cross-straits reach, cooperation across branches to achieve a complete financial services network.

SinoPac Leasing was established in September 1997, with Taiwan as the center for its Asia operations. In 2011, a subsidiary, SinoPac International Leasing Co. Ltd was established in Nanjing, China (and in 2012 branch offices in Dongguan, Xiamen, and Kunshan was established). In 2013, another subsidiary, SinoPac Finance Leasing (Tianjin) Co Ltd, was established in Tianjin (with a branch office in Chongqing established in 2014). Each location serves as a key component in a comprehensive, Chinese financial services network. SinoPac Leasing continues to expand its territories throughout Asia, establishing a representative office in Myanmar in 2015, expanding its operations, business exchange, and cooperation.

SinoPac Leasing works closely with clients in each stage of their corporate development, providing installment sale and purchases, leases, real estate leases, and other financing services with the main customer base being customers that require capital financing such as for equipment leases.

SinoPac SITC
(SinoPac Securities
Investment Trust
Co. Ltd)

Expansion of mutual fund offerings, discretionary accounts, and other services. We provide diversified, innovative products and services.

SinoPac SITC was established in 1997, and in July 2007 became a wholly-owned subsidiary of SinoPac Holdings. The Company provides diversified, innovative products and services in mutual funds, discretionary accounts, and private equity funds, etc. becoming a valued professional asset management partner to our customers and institutional investors.

**SinoPac
Venture Capital**
(SinoPac Venture
Capital Co. Ltd)

Establish an ecosystem strategy, to develop project origination, sales cooperation, and strategic partnerships.

SinoPac Venture Capital focuses its investments in e-commerce, fintech, Industry 4.0, automation equipment, creative culture, and the bio-medical industries. With the increase in cross-straits exchange, we continue to actively seek cooperation partners in China to expand our scope.

SinoPac Venture Capital invests in start-ups, growth phase, and development phase companies, supplemented with mature phase and pre-IPO Companies. We seek to diversify our exit strategies to enable exits in each year and maintain regular investment payouts. In combination with SinoPac Holdings and external partners, we aim to develop innovative industries, establish a professional investment team, and achieve a strong track record. We actively provide support to our portfolio companies, establish an ecosystem strategy in originating deals, push for cooperation opportunities, and develop strategic partnerships. Our portfolio companies are registered in a variety of countries, with 52% in Taiwan, 29% in Cayman Islands, 16% in the USA, and 3% in other regions.

Organization Structure and Ratings

SinoPac Holdings' 100% wholly-owned subsidiaries are mainly Bank SinoPac, SinoPac Securities, SinoPac Leasing, SinoPac SITC, SinoPac Venture Capital, and SinoPac Call Center, with organizational structure and investment capital in the following chart. SinoPac Holding's foreign shareholders represents 34.81% of the shareholder base, its shareholder structure, and ratings are as follows.

SinoPac Holdings and Its Subsidiaries



Notes:

- (1) Disclosures in this report does not include SinoPac Call Center Co. Ltd.
- (2) Information date as of February 29, 2016. Units: NT\$ millions
- (3) SinoPac Management Consulting Co. Ltd was dissolved with a date of record on August 31st, 2013.

Shareholder Structure

Common Stock

17th August 2015

Item \ Type	Government Entity	Financial Institutions	Other Institutions	Individuals	Foreign Investors	Total
Number of Shareholders	5	22	618	210,433	851	211,929
Number of Shares	57,097,179	481,691,860	2,665,324,181	3,424,538,211	3,539,329,286	10,167,980,717
Percentage	0.56%	4.74%	26.21%	33.68%	34.81%	100%

Class A Preferred Shares

17th August 2015

Item \ Type	Government Entity	Financial Institutions	Other Institutions	Individuals	Foreign Investors	Total
Number of Shareholders	--	--	--	1	--	1
Number of Shares	--	--	--	10,000,000	--	10,000,000
Percentage	--	--	--	100%	--	100%

Credit Rating

Credit Rating Agency (CRA)	Ratings		Outlook	
	Long Term	Short Term		
Standard & Poor's	BBB-	A-3	stable	2015.9.16
Fitch	BBB	F2	stable	2015.9.25
Taiwan Ratings	twA	twA-1	stable	2015.9.16
Fitch (TWN)	A+ (twn)	F1+ (twn)	stable	2015.9.25

Operating Performance and Product Summary

SinoPac Holdings provides a complete range of financial products and services. In an effort to demonstrate our responsibility to the environment, humanities, and industrial development, we seek a balance in our product strategy, providing appropriate services to our clients and encourage positive directions towards the overall environment. SinoPac believes innovation is the starting point in these efforts and aim to fulfill three strategies: seek innovations in products and services, combine holding company and subsidiary resources with other cooperative partners to provide a diversified offering, and establish a comprehensive, convenient trading platform.

With further technological development, mobile applications provide securities trading, e-banking services, and social media management areas of focus for our Company. In the future, we will continue to add new digital services and functionality to investors, creating an immediate, interactive, communication environment, strengthening the investment network, social networks, and mobile service capabilities.

In 2015, SinoPac Holding's main source of revenues are from its two major subsidiaries, Bank SinoPac and SinoPac Securities, representing 75.81% and 19.29% respectively. Other subsidiaries contributed 4.90% of revenues. SinoPac Holdings continues toward its goal to become "the most flexible and convenient financial services brand across Greater China", strengthening our financial services platform, developing and expanding corporate finance, personal finance, wealth management, money and finance, e-banking, and related products and services, to expand our client base and our profitability.

Economic growth in 2015 remained muted while SinoPac Holdings steadily grew its business, achieving net profits of NT\$10.856 billion, EPS of NT\$1.07, and an ROE of 8.45%. Major subsidiary, Bank SinoPac's net profits were NT\$9.175 billion, EPS of NT\$1.23. SinoPac Securities' net profits were reported at NT\$1.245 billion, EPS of NT\$0.77/share. Operating performance of major subsidiaries is as follows:

Bank SinoPac

Overall performance for Bank SinoPac in 2015 remained steady, with consolidated total assets reaching NT\$1.4409 trillion, up 2% from the previous year. Total deposits reached NT\$1.1573 trillion, up 3% from the end of the previous year. Total loans were NT\$887.4 billion, up 10% from the end of the previous year. Consolidated net income for the full-year reached NT\$9.175 billion, EPS of 1.23, and ROE of 8.79%.

In corporate banking, corporate loans were NT\$455.1 billion at the end of 2015, with foreign currency loans representing 38%. We are committed to the idea of "starting small", and actively service small, medium enterprises with NT\$131.7 billion in loans at the end of 2015. Moreover, we have won accolades from the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, winning the "Credit Guarantee Fund Partner Award", "Excellence in Credit Management", and "Assistance in Regional Development" awards.

In retail banking, mortgage loans reached NT\$402.3 billion at the end of 2015 and consumer loans reached NT\$14.0 billion. We've also issued 2.14 million credit cards, ranked 7th in the market, accounts receivables of NT\$16.3 billion, and NT\$50.0 billion in payments processed.

Our financial services also include a complete foreign exchange and derivatives financial products platform, servicing cross-straits enterprises with a more complete and convenient capital management and cash flow services.

SinoPac Securities

In 2015, SinoPac Securities suffered from the global stock market downturn and volatility in financial markets. With the increase in foreign institutional investors trading, and a structural change in the market, the full fiscal year reported NT\$1.245 in net profits, EPS of NT\$0.77, and a ROE of 4.93%.

SinoPac Securities focused its efforts in 2015 in developing its wealth management services, building a completely new wealth management operating model. In October 2015, the 53 branch locations in Taiwan received approval for wealth management custody services. The first wealth management branch office, Banshen office, was also opened in the same month, to understand client needs, provide a comfortable and honored wealth management environment and professional services in a new design, providing full-service, integrated financial services.

SinoPac Securities also offers custodian services to foreign investors, operating as the local custodian for foreign funds, enabling access to domestic distribution channels for private distribution of subsidiary mutual funds. We were also first in the industry to launch "wealth management custody services for current online customers", using QR-code verification, enabling investors to verify using electronic documentation. Concurrently, we have built a wealth management custody trading and electronic platform, a unique offering with five special services. We also launched an online camera accounting opening app "SinoPac Account Opening", throughout the country, entering the mobile 3.0 eras.

SinoPac Leasing

In 2015, SinoPac Leasing achieved net profits of NT\$265 million, EPS of NT\$0.57, and an ROE of 5.14%. We offer a diversified range of products, professional services, and effective asset management for our clients, optimizing for a win-win scenario.

SinoPac Holdings Consolidated Income Statement

Unit: NT\$ million

Item/Year	2013	2014	2015
Pre-tax Income	32,977	38,497	32,566
Total Assets	1,465,945	1,549,734	1,587,605
Total Liabilities	1,357,438	1,424,260	1,455,890
Equity	108,507	125,473	131,715
Income Tax	1,711	1,866	1,601
Net Income	10,791	13,017	10,856
EPS (\$)	1.14	1.35	1.07
RoA (%)	1.39	1.57	1.37
RoE (%)	10.47	11.14	8.45

Note:

2013~2015, consolidated financial statements and notes are drafted and adjusted in accordance with the Financial Supervisory Commission's IFRS standards, international accounting standards, notes, and guidelines (IFRSs).

SinoPac Holdings Dividends Distribution

Unit: NT\$

Item/Year	2013	2014	2015
Cash Dividends	0.33338378	0.335	0.5
Stock Dividends	0.79642212	0.808	0.736
Total	1.12980590	1.143	1.236

Notes:
Years indicated are for the year of distribution.

Bank SinoPac Income Information by Segments

Unit: NT\$ million

Item/Year	2013	2014	2015
Retail Banking	3,765	3,724	3,833
Corporate Banking	6,496	7,169	6,819
Consumer Banking	1,986	1,994	1,805
Financial Markets	4,797	2,656	1,391
Wealth Management	3,415	3,859	3,907
Savings	3,279	3,460	3,343
Subtotal (Management Accounting)	23,738	22,863	21,098
ALM	1,078	1,780	1,349
Head Office and Branches	278	4,688	795
Total	25,093	29,331	23,242

Notes:
2013 and 2014 data in this table may have minor differences from the previous CSR report due to adjustments and re-categorization.

SinoPac Securities Segment Income Information by Segments

Unit: NT\$ million

Business Sectors	2014		2015	
	Amount (NT\$ m)	Percentage (%)	Amount (NT\$ m)	Percentage (%)
Brokerage	4,759	63.27%	4,533	68.52%
Proprietary Trading	1,717	22.83%	1,028	15.55%
Underwriting	839	11.16%	634	9.58%
Others	206	2.74%	420	6.35%
Total	7,521	100.00%	6,615	100.00%



League Table & Awards

In 2015, SinoPac's operations received accolades from the market, receiving multiple awards and reflecting the public's support of SinoPac's innovative products and services.

Bank SinoPac

- 1) Taiwan Service Industry Rankings – Banking Industry (Domestic) Gold Metal.
- 2) SMEA, MOEA "Credit Guarantee Fund Partner Award", "Excellence in Credit Management", and "Assistance in Regional Development" awards.
- 3) "Business Today" Magazine, Wealth Management Bank and Securities Ranking – Best Service Awards.
- 4) "Excellence Magazine" 2015 Best Banking Ranking – Best Service Award.
- 5) "Taiwan Futures Exchange" RMB forward market maker excellence award – First Place.
- 6) "Taiwan Registered Financial Planner Institute" Taiwan's best financial planner – Best proposal award, best asset allocation award.
- 7) "Taipei Exchange" 2015 first half, interest rate swap competition, second place, 2015 second half, interest rate swap competition, first place.

SinoPac Securities

- 1) FSC 13th Golden Goblet Award – Excellence in Financial Innovation Award.
- 2) "Taiwan Stock Exchange" securities firm awards – Underwriting first place, Best Partner in IPOs, Merit in warrant issuance, warrant sales & trading third place, number of warrants issued third place, ETF trading volume excellent contributor, securities broker/dealer ETF trading competition, excellence in contributions, third place.
- 3) "Taipei Exchange" number of companies sponsored for OTC (emerging market) listing first place, central bank bonds excellence in market maker.
- 4) "Taipei Futures Exchange" Diamond Award, futures support contributions second place, RMB FX futures market making excellence awards, RMB FX futures institutional investor pricing award.
- 5) "Outstanding Enterprise Manager Association" Golden Torch Award – 10th largest enterprise award and innovative design award.
- 6) The Asset Triple A Country Awards 2015–Best bond house–Domestic (Formosa bonds), Top Banks in Asian Currency Bonds in Taiwan–Top banks in the secondary market in Asian currency bonds–Government bonds second place, Corporate bonds, third place.
- 7) "Commercial Times" – 6th annual Taiwan Warrant Competition, Taiwan Warrant King Award – Best Investment Award.
- 8) "Excellence Magazine" Securities industry service ranking – Excellence in comprehensive services.

SinoPac Securities Investment Trust

- 1) Lipper – Taiwan Mutual Fund Award, NTD Balanced Funds 10 year and NTD Balanced Funds 5 year. SinoPac Trends Balanced Funds.
- 2) Taipei Foundation of Finance, Bloomberg, 18th Best Fund Award "Balanced Funds – 10 year" and "Balanced Funds – 5 year". SinoPac Trends Balanced Funds.



Major Topics and Stakeholder Communication

In December 2015, we completed our first "2014 SinoPac Holdings Corporate Social Responsibility Report", and established the CSR project team.

To demonstrate our commitment to CSR, SinoPac Holding's project team appointed the SinoPac Holdings President as Chairman. The President Office, Office Manager as the secretarial section chief, the core promotion section composed of members of the holding company President Office, securities firm President's Office, and the bank's integrated marketing section, separated into 3 teams, the community team, governance team, and the environmental team.

The 2015 CSR report reports on major topics separated into 14 key items:

Corporate Governance and ethical management, corporate image, operating strategy and performance, client privacy and personal data safety, service quality and customer rights, regulatory and legal compliance, risk management, diversification of products and services including inclusiveness, digital services, employee rights and welfare benefits, HR training and career development, community service, local relationships and engagement, operating environment and community impact.

Stakeholder communication is formed by the core team, in accordance with eight groups identified by the 2015 distinguishing characteristics.

After discussion, this was adjusted to 7 major categories:

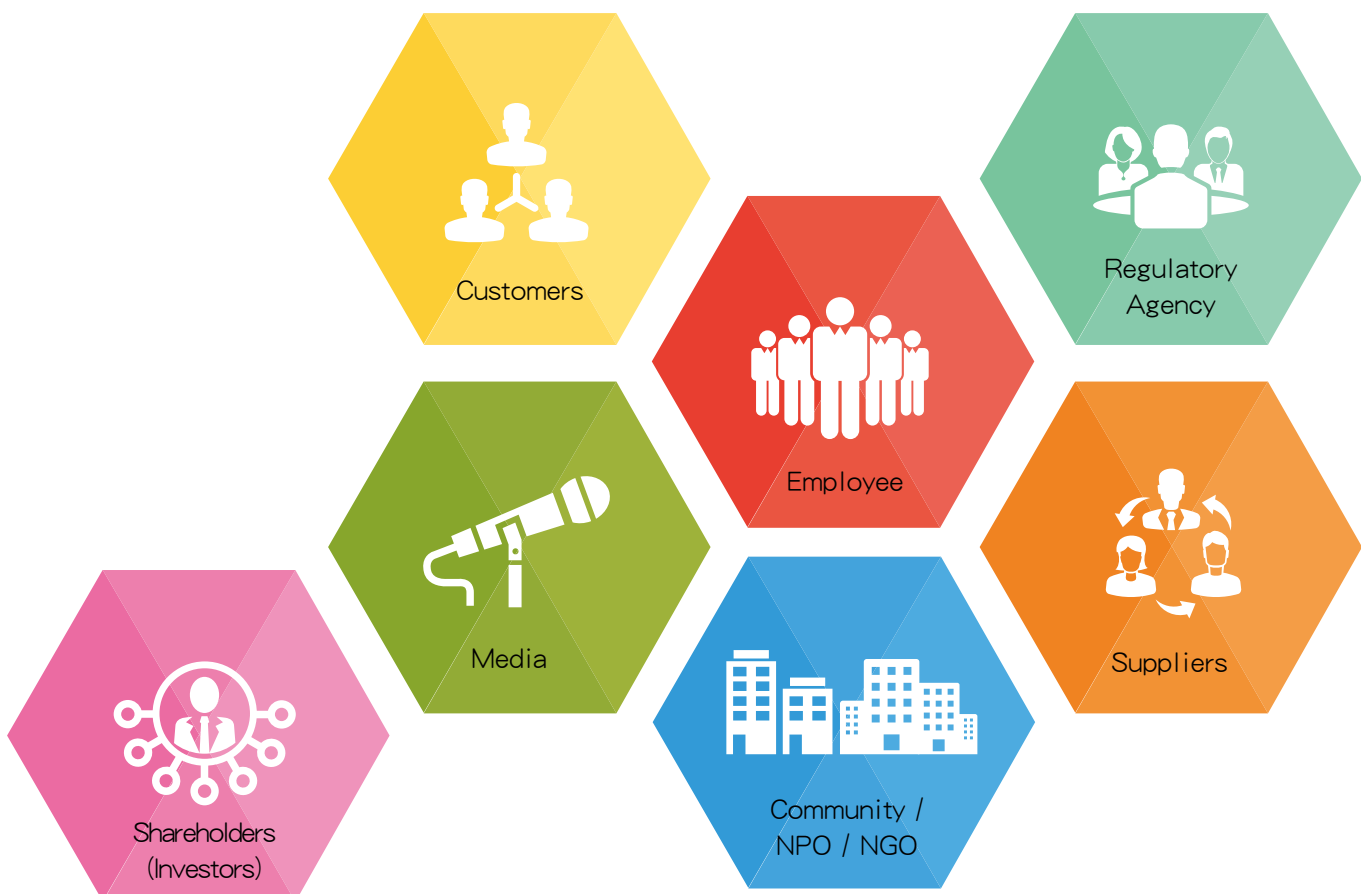
Employees, customers, shareholders, suppliers, media, community or NPO or NGO, regulatory agencies.

SinoPac shall apply the AA1000 stakeholder's guidelines and spirit by the CSR project team core members and team leaders to distinguish and identify each relevant stakeholders and establish proper strategies and operating guidelines, to ensure quality, transparency lines of communication with stakeholders.

Distinguishing Stakeholders

In the 2014 CSR report issued by SinoPac Holdings (the first CSR report issued by SinoPac Holdings), we first distinguished our stakeholders in a clear and identifiable manner. Through collecting a list of stakeholders by the holding company, banking, securities, leasing, investment trust, and venture capital subsidiaries (5 in total), we are able to distinguish groups of personnel that are relevant stakeholders. Subsequently, with representatives of the holding company and the five subsidiaries, and discussions with the CSR project team, we agreed on a list of eight categories of stakeholders.

Each year, SinoPac Holdings will evaluate our categories of stakeholders and adjust accordingly. In 2015, the CSR promotion and drafting team reduced this list from eight to seven categories, mainly combining academic institutions to the community/NPO/NGO category. The distinguished stakeholders for the 2015 report are employees, customers, shareholders (investors), suppliers, media, community/NPO/NGO, and regulatory agencies. SinoPac Holdings establishes dedicated channels of communication for each stakeholder category, in an effort to ensure the major topics and requirements of each stakeholder is understood.



Stakeholder Communication and Performance

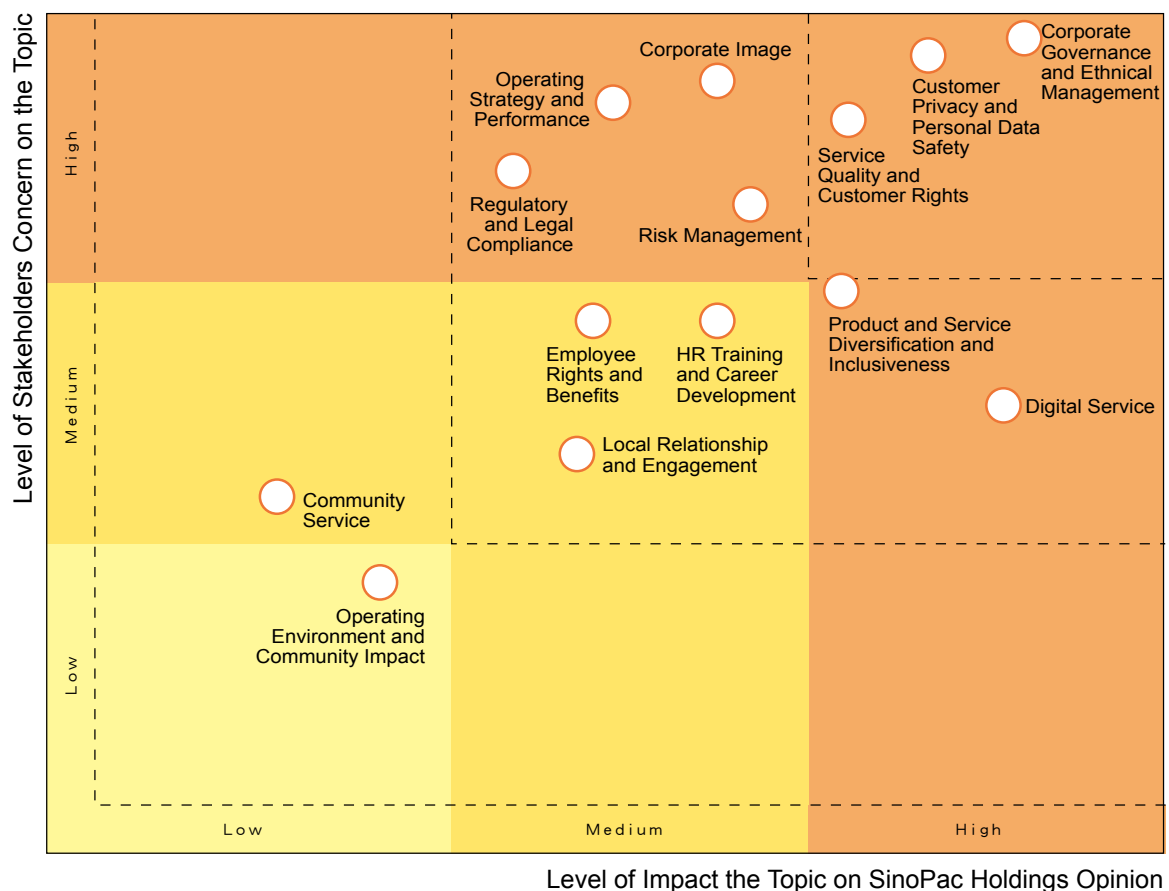
Stakeholder	Communication Channel	Frequency	Annual Communication Performance	Major Topic	Section
Employee	1. Union 2. Product Seminar/Education, Training, and Social Exchange 3. Internal Feedback Platform / Commendation memos 4. Employee Satisfaction Surveys 5. Internal Electronic Platform Training: Monthly meeting and regional sales colleague trainings	<ul style="list-style-type: none"> Ad-Hoc Yearly Monthly / Ad-Hoc 	<ul style="list-style-type: none"> Excluding employees in the probationary period, Bank SinoPac employee unionization rates are near 100%. Education and Training: Holding Company and Subsidiaries class participation: 331,714 hours. 	<ul style="list-style-type: none"> Employee Rights and Welfare Benefits. Human Resource Cultivation and Career Development. 	<ul style="list-style-type: none"> Spreading Happiness Organizing for Stable Growth and Happiness
Customers	1. 24-hour customer service line and electronic mailbox 2. Depending on the sales nature, hold investment seminars, lectures, or related activities. 3. Internet Banking, mobile banking 4. Customer Satisfaction Surveys [Investment Service Satisfaction Survey] Telephone survey of 8% sampled each quarter of the previous quarter's clients, to understand the execution of the sales personnel and understanding of investment risk, product appropriateness, service quality, and suggestions, to ensure customer rights. [Cloud appointment satisfaction survey] Targeting clients using the cloud-based appointment system for account opening, sampling customers through telephone survey clients that complete an account opening, collecting feedback and suggestions, to better understand client expectations. 5. Customer Complaint Resolution Establish a complete resolution team, ensure that complaints are appropriately being responded to, providing a more convenient service platform. 6. EDM 7. Website 8. Service Center telephone hotline 9. Customer feedback from branches	Ad-Hoc	<ul style="list-style-type: none"> Telephone banking voice response system utilization rate reached 77% while credit card voice response system reached 46.7%; 2.58 million calls were taken by live operators and 29,000 responses taken by internet chat customer service representatives. 158 events held Telephone satisfaction surveys: 27,568 samples, 94% satisfaction rate. Branch satisfaction surveys: 16,735 samples collected, 98% satisfaction rate, VOC samples of 1158. Investment Service Satisfaction Survey: 2936 samples, VOC samples 206, Cloud appointment satisfaction survey: 929 samples, satisfaction rate of 94%, 306 VOC samples collected. Customer complaint resolutions 85% resolution completion rate; average days for resolution – 13 days. 6. SinoPac Securities, customer service center received 93,907 calls in 2015. 	<ul style="list-style-type: none"> Product diversity Service quality and customer rights Digital Services 	<ul style="list-style-type: none"> Spreading Happiness - A Happy Relationship in Client Services
Shareholders (Investors)	1. Monthly Operating Performance 2. Quarterly Investor Conference 3. Annual Shareholders' Meeting 4. Broker's Investor Conferences and Non-Deal Roadshows 5. Website Investor News section for announcement of financial information and material Board of Director's resolutions	Information released on a timely basis	<ul style="list-style-type: none"> Company website, MOPS, provide Chinese and English versions of operating performance reports and material information on Board of Directors' resolutions. Through MOPS and the stock transfer agent provide Chinese and English versions of the AGM agenda, shareholder handbook, and meeting announcement Through investor conferences, assist shareholders (investors) to understand Company operations, financial status, and development strategy. Through the Investor Relations team, provide feedback to the management level as guidelines for decision making and to improve current operations. 	<ul style="list-style-type: none"> Corporate governance and ethical management Risk management Management strategy and performance 	<ul style="list-style-type: none"> Create Sustainable Value - Corporate governance, sustainability, ethical management
Suppliers	1. Website or seminar to announce bid projects 2. Electronic bidding systems 3. Pricing conferences	Ad-Hoc	To ensure procurement specifications and quality, we hold bid seminars, pricing conferences, and construction meetings with our suppliers to ensure complete communication. In 2015, our total procurement was NT\$1.881 billion.	Operating environment and social impact	<ul style="list-style-type: none"> Garden of Life - Environmental purchasing and green management
Media	1. Press Conferences 2. Press Releases	Ad-Hoc	<ul style="list-style-type: none"> Press Conferences: 23 sessions Press Releases: 120 Articles 	Corporate Image	<ul style="list-style-type: none"> SinoPac's past and present - League Tables Garden of Life - Deepening roots in Taiwan and community participation
Community / NPO / NGO	1. Participation in seminars and academic conferences 2. Sponsor arts and culture, academic, and sports activities. 3. Donate educational software and hardware. 4. Industry-Academic cooperation	Ad-Hoc	<ul style="list-style-type: none"> In 2015, we contributed NT\$51.41 million dollars in charity, arts, education, music and other events. Lead organizer for the "SinoPac Seminars" and "SinoPac Seminars: One Path, One Road, special topic" – total 5 events. Co-organizer of the "Taiwan Music 1930" seminar and music recital – total 1 event. With the Yuan T Lee Foundation, organized the SinoPac mma money management and science camp, contributing NT\$5.18 million dollars. With the Chinese Cultural Foundation, co-organized the 2015 "Street Museum" contributing NT\$2.5 million dollars. 	<ul style="list-style-type: none"> Community Relationship building Social Welfare 	<ul style="list-style-type: none"> Garden of life - Deepening Taiwan roots and community engagement.
Regulatory Agency	1. Legislative Report 2. Financial Reports 3. Announcements 4. Policy Recommendations	<ul style="list-style-type: none"> Monthly Quarterly/semi-annually/annually Cooperate and provide information to auditors. Ad-Hoc 	Cooperate with regulatory agency policies, participate in meetings, adjust operating guidelines, and provide appropriate industry recommendations.	Regulatory Compliance	<ul style="list-style-type: none"> Creating Sustainable Value Corporate governance, sustainability, ethical management
	Comply with regulations and announcements 1. Announcements/Email 2. Meetings	Ad-Hoc			

Distinguishing Major Topics and Boundaries

Distinguishing Major Topics and Analysis

In the 2014 CSR Report, SinoPac Holdings accomplished its first identification of major CSR topics. The holding company and 5 major subsidiaries, through questionnaires distinguished the major topics relevant to each category of stakeholders. In each of the identified topics, the impact of SinoPac Holding's operations and the stakeholders were evaluated and the impact of the decisions were quantified. The senior management team jointly agreed on the prioritize of the major topics, drafting the following matrix between the importance to stakeholders to the impact of SinoPac operations.

Referencing the GRI G4 sustainability report guidelines on the analytical process of materiality, SinoPac Holdings evaluates the major topics each year. For the 2015 report, the CSR report in reference to international sustainability development trends and industry relevant topics, reviewed and adjusted the major topics matrix from the previous year. In conjunction with meetings and agreement by the senior management team, we adjusted the priority of major topics to be used by the holding company and subsidiaries in its sales development, product design, service channels, and community engagement programs, in an effort to maintain quality interaction with stakeholders.



Considerations and Boundaries of Major Topics

Major Topics	GRI Considerations	Boundaries					Page Number
		Internal	External				
		SinoPac Holdings and Subsidiaries	Customers	Shareholders (Investors)	Suppliers	Community NPO NGO	
Corporate Governance and Ethnical Management	General disclosures - Governance	●	●	●			24-26
Corporate Image	Anti-corruption	●	●	●	●	●	33-35
Operating Strategy and Performance	Economic performance	●	●	●			8-15
Customer Privacy and Personal Data Safety	Customer privacy	●	●				56-57
Service Quality and Customer Rights	Labeling Standards	●	●				51-55 66-67
	Complaint mechanism for social impacts	●	●				
	Local Communities	●	●			●	
	Sales Communication	●	●				
Regulatory and Legal Compliance	Legal Compliance (Environmental, Social, Human Rights, Product Responsibility)	●	●				34-35
Risk Management	General Disclosures – Organizational Summary (G4-14)	●	●	●			29-32
Product and Service Diversification and Inclusiveness	Indirect Economic Impact	●	●			●	62-65
	Local Communities	●	●				
	Product Portfolio	●	●			●	
Digital Service	Products and Services	●	●				60-61
Employee Rights and Benefits	Labor-Capital Relationships	●					38-44 49-50
	Complaint Mechanism for Labor Issues	●					
	Non-discrimination	●					
	Freedom of Association and Collective Bargaining	●					
	Labor-Employer Relationships	●					
	Forced and required physical labor	●					
Workplace Health and Safety	●						
HR Training and Career Development	Diversity and Equal Opportunity for Employees	●					44-48
	Training and Education	●					
Community Service	Economic Performance	●	●			●	76-79
	Indirect Economic Performance	●	●			●	
	Local Community	●	●			●	
Local Relationship and Engagement	Local Community	●	●			●	77-79
Operating Environment and Community Impact	Energy	●			●	●	70-75
	Disposal	●			●	●	
	Waste Water and Waste Management	●			●	●	



Creating Sustainable Value

SinoPac Holdings has been established for 68 years, and has experienced many economic changes and milestones with Taiwan.

Through the changing generations, industrial structural changes, and the challenges from the economic environment, SinoPac Holdings has held true to its original values, to provide the best financial products and services.

Over the years, SinoPac Holdings has maintained its leadership role, and provides solutions on behalf of its customers.

For SinoPac Securities, financial and futures products operations, a group of young, passionate colleagues lead the Company through its start-up phase, developing a team with unlimited hope and happiness in the workplace. Constantly thinking up ways to improve operations and performance, they are able to develop their unlimited potential, and create innovative services and products.

A combination of experienced personnel with youthful colleagues, performance targets were achieved through cooperation and joint efforts. Experienced leaders provided unlimited space for growth, while the youthful colleagues expanded on their creativity and passion.

Securities, financial futures product colleagues designed games such as the "Options Monopoly" board game product, to develop new market segments, continued to discuss effective action plans, and to enable the most effective performance in developing the financial futures market. Through these innovations, we have been able to overcome our late start in the futures business and to successfully turnaround and become the market-leading brand of today.

SinoPac's colleagues strongly believe "putting ourselves in our customers' place" is the successful path for our Company. Being happy at work is the only way to spark and develop the unlimited potential and creativity of our colleagues. We hope to continue to inject creativity and hope in our efforts, and to create sustainable value.

SinoPac Holdings places the highest standards on its corporate governance, sustainability, risk management, and legal compliance efforts, and to accomplish these key aspects of corporate management. Through the strengthening of the Board of Directors' operations, we aim to improve transparency, and have established an independently-operated "compensation committee" and "audit committee." We improved our risk management and established professional and dedicated departments to manage asset quality. Concurrently, we ensure all subsidiaries follow the laws, and have continuing education and training to ensure arbitration resolutions and improvement suggestions are implemented to improve procedures and measures.

The next section will further outline SinoPac Holdings and its subsidiaries' principles and management of "Corporate Governance", "Sustainability", "Risk Management", and "Ethical Management", to create sustainable value.

Corporate Governance

To ensure effective operations and strengthen the functions of the Board of Directors, SinoPac Holdings follows the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" to establish the "Rules of Procedure for Board of Directors Meetings". Moreover, to establish good corporate governance and independent director policies, and to ensure that independent directors are well versed in the functions of the Board of Directors and the Company operations, we have established in accordance to article 33, item 1 of the "Corporate Governance Best Practice Principles for Financial Holding Companies", establishing the "Rules Governing the Scope of Powers of Independent Directors."

To improve the effectiveness of Board of Directors meetings, in 2014, we revised our Articles of Incorporation decreasing the number of board members to 7 to 11 members, and eliminated the position of Executive Director. Concurrently, to strengthen corporate governance, we added the policy of using the candidate nomination system for the election of directors. The Board of Directors is currently composed of 9 members with relevant experience in business, finance, accounting, or company operations, with 3 directors being independent directors. The term of the directorships are three years. Board members are not limited by age or gender, and considerations are mainly based on professional expertise, moral standards, and reputation. Currently, all members of the board are male, with an average age of over 55 years old, with 4 members with doctoral degrees and 4 with masters' degrees. The Board of Directors held 12 meetings in 2015. For detailed information regarding meeting attendance and recusal due to stakeholder relationships, please refer to pages 19 ~ 21 in the 2015 SinoPac Holdings Annual Report.

The Board of Directors has established the "Compensation Committee" and the "Audit Committee", with the 3 independent directors acting as committee members. The composition, roles, and operations of the committees are in accordance to the Financial Holding Company "Compensation Committee Charter" and "Audit Committee Charter", respectively. For details on the operating status of the compensation and audit committees, please refer to pages 21, 24~25 of the annual report.

To improve the transparency of operational information of the board, information on continuing education of directors and attendance records are disclosed on MOPS, the company website, and the annual report. Major resolutions are disclosed in the annual report (as well as on the company website disclosing board of director meeting minute summaries) and disclosures on recusals from resolutions with possible stakeholder conflicts of interests. In addition, we have purchased directors and supervisor liability insurance, to implement our corporate governance policies. If there are continuing education courses on corporate governance, the directors are informed to participate as needed. In 2015, all directors' continued education fulfills the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies," detailed information of the status is available on page 24 on the annual report.

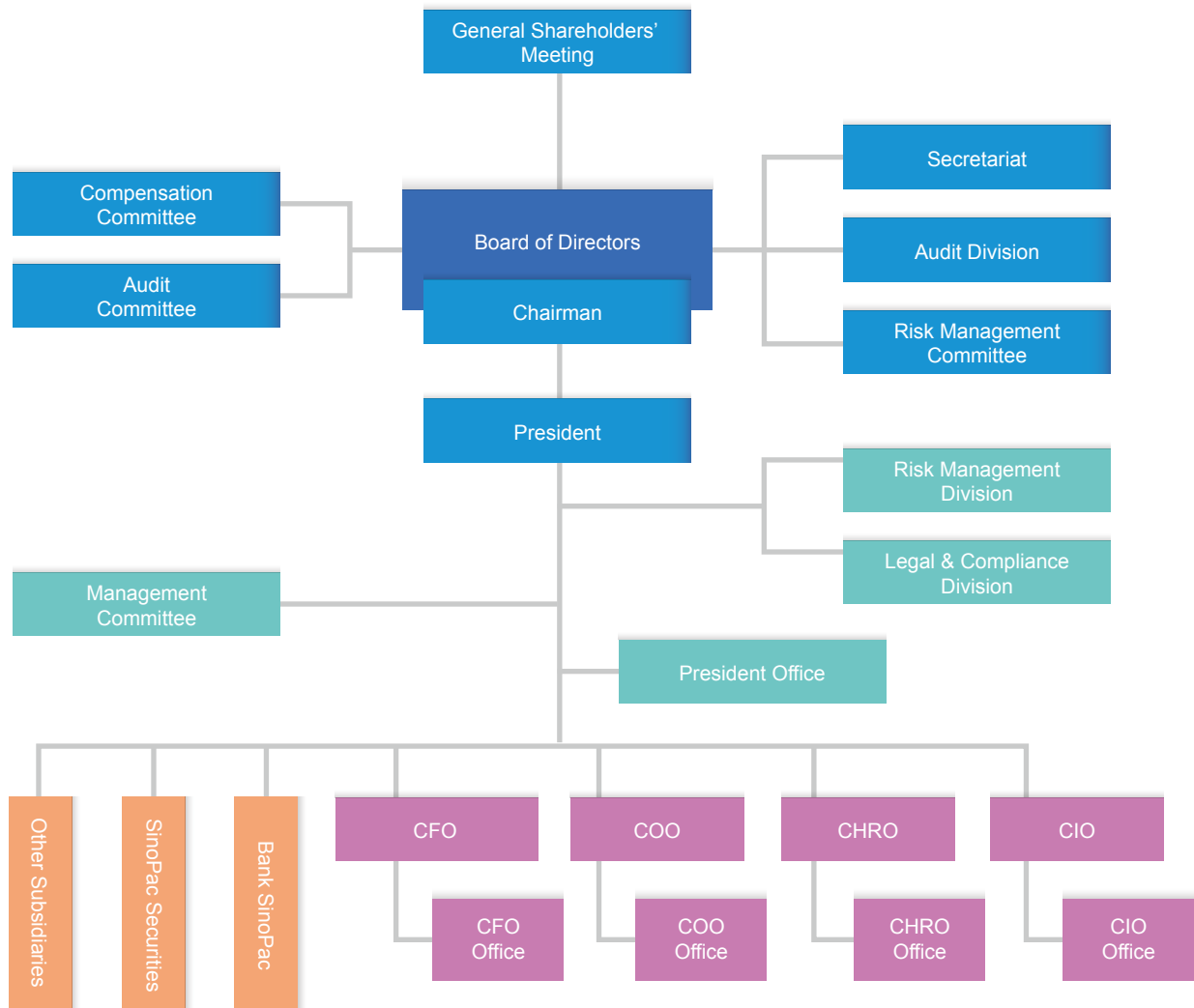
Directors (including independent directors) Basic Information

Title	Name	Education & Key Past Positions	Gender and Education
Chairman	Hsinex International Corp. Ho, Show-Chung	Director of International Bank of Taipei University of Wisconsin-Madison Master of Mechanical Engineering	Male Master Degree
Independent Director	Xue, Qi Schive, Chi	Executive Yuan Councilors Taiwan Stock Exchange Director PhD of Case Western Reserve University	Male PhD Degree
Independent Director	Hsu, Chien-Chi James J. Sher	CTBC Financial Holding Co., Ltd. General Manager Wharton School of the University of Pennsylvania MBA	Male Master Degree
Independent Director	Tsai, Ying-Yi	National University of Kaohsiung Associate Professor of Applied Economics SinoPac Securities Independent Director Essex University PhD in Economics	Male PhD Degree
Director	YFY Inc. Chiu, Cheng-Hsiung	Executive Yuan Associate Dean The Ohio State University PhD in Economics	Male PhD Degree
Director	YFY Inc. Yu, Kuo-Chi	General Manager of International Bank of Taipei University of Central Missouri MBA	Male Master Degree
Director	YFY Inc. Hwang, Min-Juh	Taiwan Securities Association Director Takushoku University PhD in Business	Male PhD Degree
Director	Chen, Chia-Hsien	Director of International Bank of Taipei University of Virginia MBA	Male Master Degree
Director	Hsinex International Corp. Ho, Yi-Da	YFYCPG Director and General Manager MIT Sloan School of Management MBA	Male Master Degree

Note:

The position now in Bank SinoPac and other company , please refer to 2015 SinoPac Holdings Annual Report p.9~10.

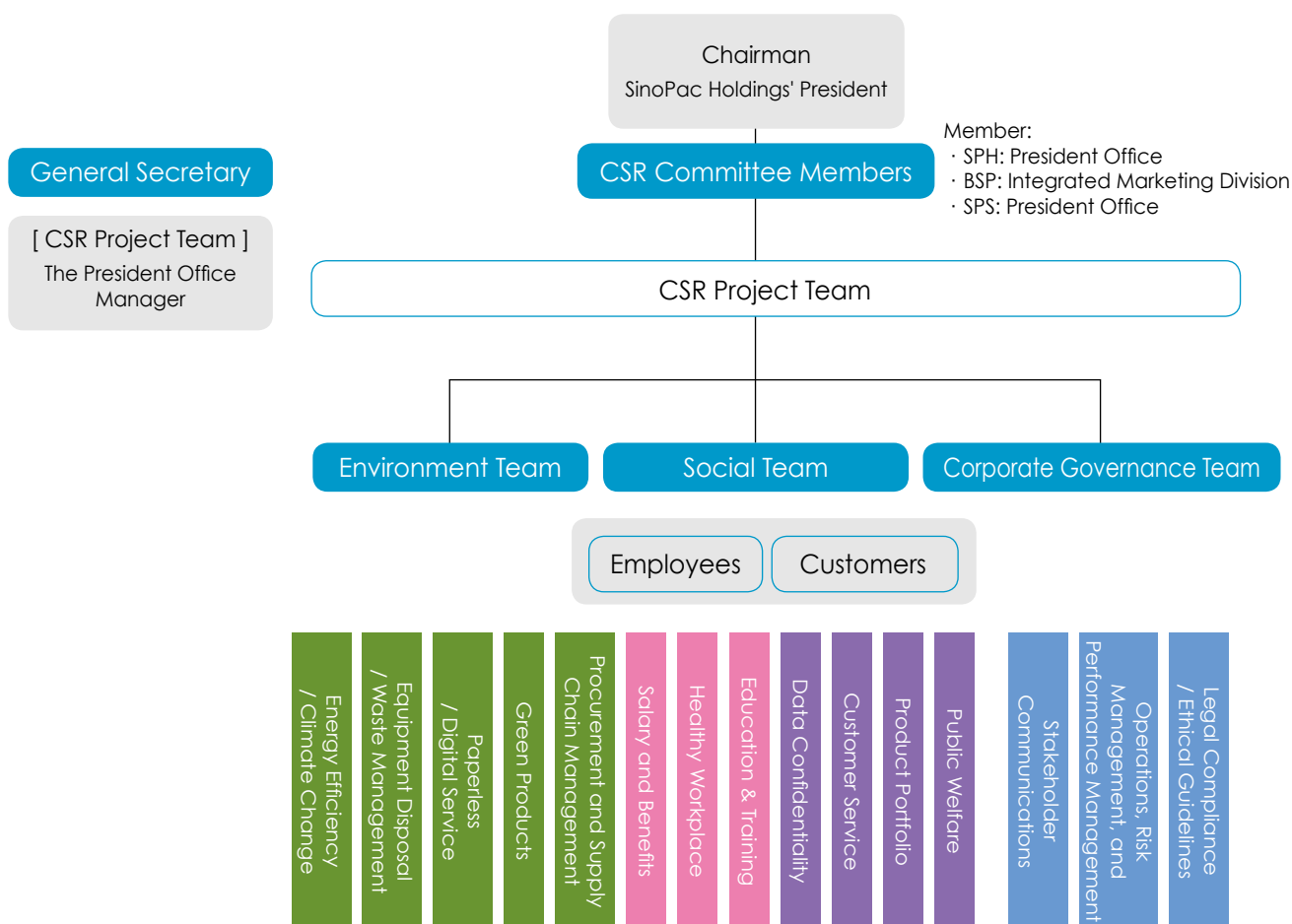
SinoPac Holdings Organizational Structure



Responsibility Towards Sustainability

SinoPac Holdings is actively establishing the policies and procedures for corporate social responsibility, including promoting corporate governance, strict legal compliance, providing colleagues a quality working environment, compensation, and benefits, executing energy saving efforts, and participating in community events. In 2015, we have participated in community service, arts, culture, and education events, in an effort to fulfill our responsibility as a corporate citizen.

To implement the goal of corporate social responsible management, SinoPac Holdings in 2015 established the CSR project team, with SinoPac Holdings' President as Chairman, The President Office, Office Manager as the secretarial section chief, the core promotion section composed of members of the holding company President Office, securities firm President's Office, and the bank's integrated marketing division, and separated into 3 teams, the community team, governance team, and the environmental team. Relevant senior management at the holding company and subsidiaries, serves as section leaders, to promote discussion and outline the main direction and drafting guidelines for the CSR report.



2015 CSR Project Team" Organizational Chart

In the future, in addition to drafting the CSR report, the CSR project team will also assist in establishing a CSR Committee, with the Holding Company Chairman serving as Committee Chair, with members including senior management at major subsidiaries, and invited guests to jointly discuss the promotional strategy of SinoPac Holding's CSR efforts, integrated management, and topics related to the economic, social, and environmental direction of the Company.

In addition to actively promote CSR, each subsidiary shall actively engage the various industry associations of the organization, to better understand industry developments, legislative directions and progress, and understand various initiatives. At the same time, recognize competitive developments and continue to improve corporate competitiveness.

External Associations Participated by Bank SinoPac

The Bankers Association of The Republic Of China	Small & Medium Enterprise Credit Guarantee Fund of Taiwan	Trust Association of R.O.C
Securities Investment Trust & Consulting Association of the R.O.C	The Bankers Association of Taipei	Chinese National Association of Industry and Commerce, Taiwan
The Asian Bankers Association	ROC-USA Business Council	Cross-Strait CEO Summit

External Associations Participated by Bank SinoPac

Taiwan Securities Association	Chinese National Futures Association	Trust Association of R.O.C
Securities Analysts Association, Chinese Taipei	R.O.C. Bills Finance Association	Corporate Operation Association
Chinese National Association of Industry and Commerce, Taiwan	Taiwan Corporate Governance Association	Chinese Association of Business and Intangible Assets Valuation
Financial Engineering Association of Taiwan	Taiwan Private Equity Association	Cross-Strait CEO Summit
Outstanding Enterprise Manager Association		

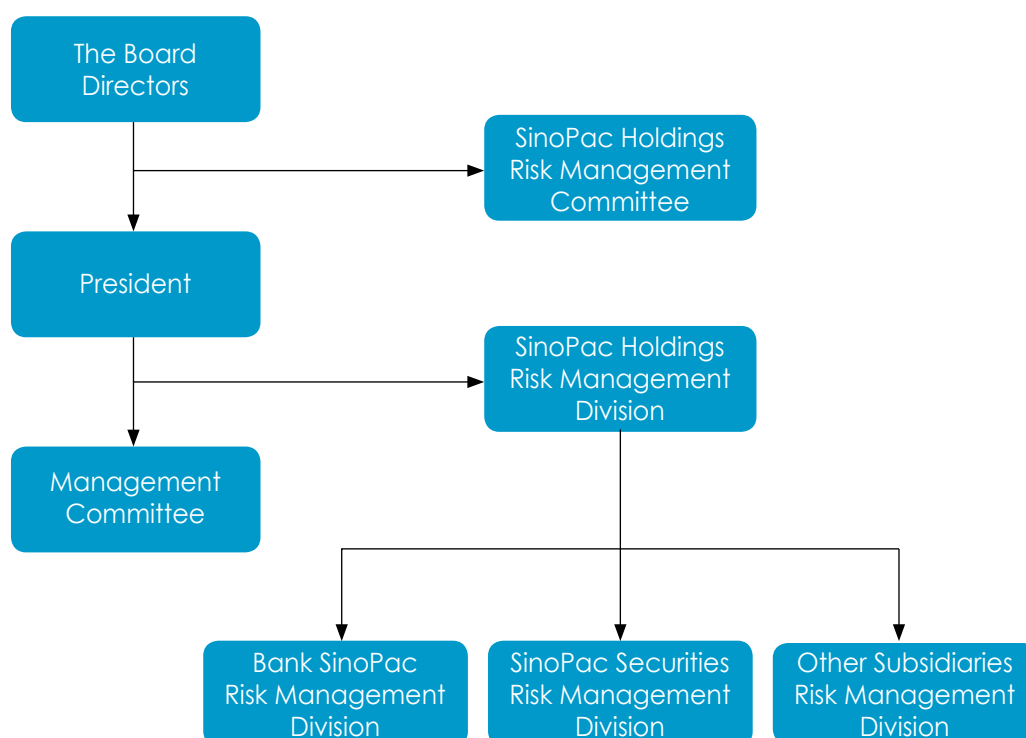
External Associations Participated by Other Subsidiaries (Securities Investment Trust, Leasing, Venture Capital)

Taiwan Venture Capital Association	Taipei Electrical Commercial Association	Importers and Exporters Association Of Taipei
Taipei Measuring Instrument Association	The National Joint Association of Car Rental of R.O.C	The Taipei Leasing Association, R.O.C
Chinese National Futures Association	Securities Investment Trust & Consulting Association of the R.O.C	

Risk Management

To ensure stable management concurrent with the pursuit of profits, SinoPac Holdings established a Risk Management Committee under the Board of Directors and established a Risk Management Division under the President's purview, to coordinate and approve risk management policies, organizational structure and procedures, and continued evaluation and regular review of the market, credit, and operating procedures.

SinoPac Holdings and Subsidiaries, Risk Management Organization Chart



To improve the overall competitiveness and strengthen the risk management capabilities of the Company, in June 2015, SinoPac Holdings performed a review of the existing risk management procedures of its appropriateness, and submitted their findings to the Board of Directors. The report outlined key highlights from the following three areas: "Risk Management Culture", "Risk Management Policy and Procedures", and "Effectiveness of Internal Auditing".

Summary Review of the Overall Risk Management System of SinoPac Holdings

Risk Management Culture

1. Establish independent risk management unit
2. Set up sufficient professional workforce
3. Construct appropriate risk management system
4. Inquire risk management appointment suggestions when examining the regulations of new or important business.
5. Improve major risk management deficiencies

Risk Management Policies & Procedures

1. Direct risk management policies and responsibility
2. Set the regulations and the amount of limitation of risk management, as well as the risk management procedure of the authority and operation of business departments

Effectiveness of Internal Auditing

1. Set up sufficient and experienced professional risk management auditors to assess the effectiveness of internal auditing
2. Establish proper audit project and procedure to evaluate the actual risk management execution of all departments
3. Deficiency tracing and appropriate measurement assurance

Risk Management Culture

1. Establish dedicated risk management units

Risk Management Committee – Board of Directors

Deliberation of Risk Management Policy, Process and System of Risk management, Overall risk limits and risk management control mechanism of new business. View overall exposures and risk status, supervise departments for risk management activities, and conduct the cross-department communication and coordination of risk management functions, in order to effectively manage the Holding's risks from business operations.

Risk Management Division – President

Full elaboration of the Holding's overall risk management policies and principles, establish and planning of risk management systems. The policies, systems and guidelines shall be approved by the Board and promoted by the department of Risk Management, with periodic assessment on member's execution results and performance.

2. Assign sufficient professional human resources

Clear roles and job descriptions	Department of Risk Management is in charge of businesses related to market risk, credit risk, operational risk, financial engineering, risk management system planning.
Risk management managers and personnel education and expertise adheres to the prerequisites for risk management needs	Employees working in Risk Management are all qualified with managing financial instruments or hold professional certifications. SinoPac regularly inspect and develop the professional skills of Risk Management in response to the changing global financial market.

3. Establish an appropriate risk management data system in accordance to the new Basel Accords, and continue to invest in quantitative analytical systems of risk management, to enable risk-based asset allocation and seek appropriate risk-rewards to improve the operating performance of the holding company and its subsidiaries. Importantly, focus on the three areas of "market risk", "credit risk", and "operational risk".
4. Accept opinions from risk management units when auditing new services or material service standards of practices.
5. Actively supervise and improve major risk management deficiencies. Auditing units will track execution progress through their auditing tracking systems, to ensure deficiencies are improved upon, and improvement progress reports submitted to the board.

Risk Management Policy & Systems

1. Clearly state risk management organizational structure, roles, and responsibilities

Board of Directors	The board of directors are the highest level of risk management. The board of directors are in charge of approving the regulations of Sinopac holdings risk management, and authorize the managerial level of daily risk management.
Risk Management Committee	Establish the "Regulations of Risk Management Committee." Deliberate the risk management policies, organization regulations, total risk limit amount, and set the mechanism of new business risk management.
Senior Management	Supervise the activities of risk management and evaluate the effects. Ensure the risk management auditors have the personal integrity and professional skills to contribute to a risk-adverse culture in the company.
Risk Management Division	Make the overall arrangement of the integrated risk management policies and model testing. Execute the assessment of the risk-weighted assets and capital adequacy. Also, this division is responsible of organizing the risk information of SinoPac Holdings and other branches.
Auditing Unit	The auditing unit is subordinate to the directors. The unit is in charge of the execution of the internal auditing, as well as the planning and implement of auditing projects.

2. Establish a comprehensive risk management policy guidelines and limits on various types of risk (liquidity risk, market risk, credit risk, and operational risk), operational unit sales limits and guidelines and risk management procedures.

Effectiveness of Internal Auditing

1. Allocate appropriately experienced auditors with sufficient risk management expertise and professional training, and capability to evaluate the appropriateness of the risk management tools within the institution.
2. Establish the appropriate audit plan and procedures, to sufficiently understand the risk management procedures and operating status of each operating unit. After risk management evaluation, in 2015, the following items were noted:

1	IFRS Auditing
2	TMU financial products sales and marketing
3	Stakeholder transactions
4	Legal compliance policies and self-evaluation status
5	Investments in securities procedures
6	Fund repurchase records, NAV calculation and procedures for error accounts (out trade)
7	Personal Data Protection and Consumer Protection
8	Prevention of money laundering and combating the financing of terrorism
9	Investment Business Management
10	Joint Marketing Management
11	Exposures to Mainland China
12	Outsourcing
13	Information and Communication Security Mechanism
14	System Authority and Access Control

3. Auditing deficiencies resolution and follow up by senior management and whether appropriate improvements have been implemented.

Financial Check

After receiving inspection report from the competent authority, chief internal audit office will check the result and pass it onto the responsible authority. The responsible authority has to report the written improving plan to the Board, pass it to the auditing committee and deliver it to the inspection bodies after the internal chief audit office reviews and approve the plan.

For the external inspected demerit, apart from delivering the improving plan to the inspection bodies, the chief internal auditing office will track the execution of the plan every three months until the deletion of the demerit.

For the demerits inspected by financial inspection bodies, if classified as high-risk demerit, the chief internal auditing office will implement field check within a month.

Internal Auditing Check

In order to strengthen the internal controls, after examining by the chief internal office, it will be pass onto the responsible authority to check the demerit and propose the improvement, then report it to the Board. In hope to enhance the internal control as well as reducing the frequency of the demerit occurring.

The chief internal office will keep tracing the demerit every three months. If it is classified as high-risk demerit, the chief internal auditing office will implement field check within a month.

Ethical Management

SinoPac Holdings plans for a comprehensive governance structure, rules, and risk management strategy in an effort to reflect the spirit of the relevant laws. Through the directors, senior management, and colleagues, we provide continuing education, training and communication of our policies, across all levels of seniority, to improve the effectiveness of ethical management.

Guidelines for Conduct

To implement our corporate governance policies, SinoPac Holdings informs directors of any continuing education opportunities in regards to corporate governance. In 2015, all directors have participated in corporate governance continuing education in adherence to the rules in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies."

Concurrently, in accordance with the labor standards laws and relevant rules, we have established "work rules", "employee service standards", "rules governing employee rewards and discipline", and other internal rules as the ethical guidelines for our Company and subsidiary colleagues. We clearly establish and provide our rules and service standards, ethical guidelines, and reward and discipline rules to all our employees, available in our Company intranet.

Importantly, during new hire induction, all colleagues are introduced to these rules and the importance emphasized to all colleagues to ensure the rules and standards are familiar. In the annual evaluation, the compatibility and execution of these standards are considered, as well as their personal records of rewards and demerits, and other comprehensive KPIs. Combined, the results of these performance assessments are reflected in their annual bonuses.

To prevent unethical actions, the holding company and subsidiaries have established effective accounting policies and internal control policies. By law, the Company shall not establish separate books or secret accounts. Moreover, in all operations, colleagues of the holding company and subsidiaries shall not directly or indirectly offer or receive bribes, promises, or unethical profits, or act against ethical standards, existing laws, or act against their fiduciary duty as custodians. Evaluation of all accounting policies, internal control policies and operations, are scheduled in the scope of the regular audits, and results will be submitted to the Board of Directors, by internal audit personnel of the holding company and subsidiaries.



For SinoPac Investment Trust as an example, colleagues (including directors and supervisors), during their induction, shall provide a statement declaring compliance with the laws and rules of securities trust and consulting companies. If colleagues are handling personnel in trades, then any listed company stocks, equity derivatives are required to be disclosed and reported.

Education and Training

For new colleagues, new hire induction training includes training by dedicated personnel or supervisors on the aspects of professional ethics, ethical guidelines, and relevant internal rules and external laws, emphasizing and strengthening the understanding of "ethical management".

Banks particularly emphasize sales discipline training on anti-corruption policies, which involves wealth management, retail banking, insurance sales, and particularly highlights certain precautions. Training utilizing case studies of restricted sales behavior are held regularly for distribution channel supervisors and sales personnel, and are held in the north, central, and south regions separately.

Bank SinoPac Training Personnel and Hours

TYPE	Supervisor		Non-supervisor	
	People	Working Hours	People	Working Hours
	836	2,010	1,329	3,987
	421	1,005	1,044	3,132
Total	1,257	3,015	2,373	7,119
Average Working Hours	Male: 2.4 hours Female: 2.4 hours		Male: 3 hours Female: 3hours	

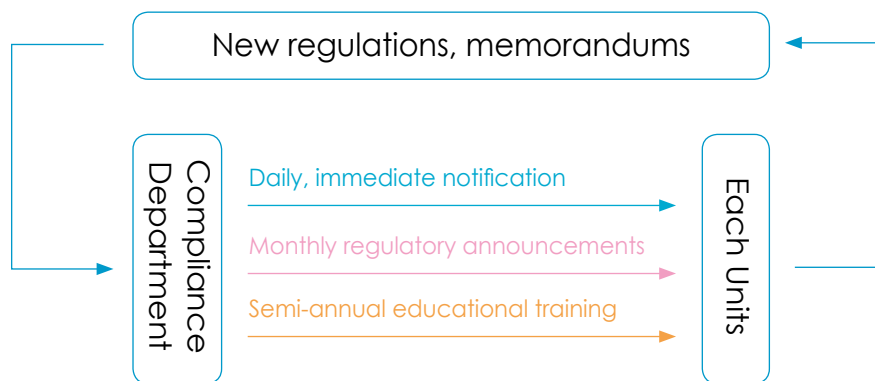
Legal Compliance

To ensure that colleagues from all units are in compliance with all relevant laws and regulations during the ordinary course of business, the legal compliance division in 2015 strengthened its activities. The team improved the execution of its self-evaluation, update of relevant laws, review of its rules, and evaluated the execution of special projects of subsidiaries, and strengthened communication and educational training through multiple channels to improve legal compliance.

Decrees update, Regulations examination and recognition, and self-assessment	<ul style="list-style-type: none"> View and announce related new decrees daily Inform and supervise the responsible department to amend bylaws. Have departments periodically self-assess compliance levels
Communication of Legal Compliance matters and Educational training	<ul style="list-style-type: none"> Regularly organize regulations training and testing for compliance. Hold ad-hoc regulations training and seminars for each business unit or business area Convene holding company and subsidiary bimonthly meetings for compliance officers to understand the implementation situation of compliance matters

1. Friendly and convenient communication of new laws: Added a procedure of verification for legal compliance, to ensure follow up of compliance by all units.
 - (1) Daily review of new or revised regulations, and communicate through email the relevant units, improving the communication between units.
 - (2) Establish legal compliance and legal contact windows for each business unit, assisting with reviewing and revising rules, forms, or systems to ensure operations are fully in compliance with regulations as of the effective date, and to develop a positive cycle of compliance.
 - (3) Each week, collate new regulations and announce to each business unit, and each month publicize relevant changes across all levels. Ensure that information regarding new regulations are easily accessible and policies are enforced to operational units to establish a corporate culture of compliance.

Chart 3-4 Instant update of Decrees, Regulations Inspection and Regulatory compliance self-assessment Procedural



2. Legal compliance communication and educational training
 - (1) Hire external lecturers for legal, technology, and payment related topics. Invited prosecutors to lecture on the topic of the Personal Data Protection Act and case studies. Invited external consultant to lecture on the Volcker Rule. Each subsidiary also provided continuing education courses as appropriate to their industry and local regulations to ensure the appropriateness of legal training.
 - (2) To deepen the understanding of legal compliance for all colleagues, each year we hold a general exam on legal compliance. To follow the trend of anti-money laundering around the world, we also strengthen anti-money laundering and anti-terrorism financing understanding by holding courses and exams. All courses have been completed and exam results indicates that colleagues have familiarity and understanding in their operations and procedures regarding these relevant regulations.
 - (3) Every 2 months, subsidiary companies hold a legal compliance business unit head meeting, updating the status of legal compliance at business units, publicize major policies, compliance reporting, and follow up on special projects. Furthermore, experiences are shared on legal compliance topics, exchange of ideas, and special reports, further developing expertise in legal compliance.
3. Holding company senior management and colleagues fully understand that the behaviors of each individual is the cornerstone of the long-term development of the Company. Thus, continued improvements from shared experiences in actual situations and resolutions should be part of any considerations in the future optimization of corporate governance decision making. A record of disciplinary actions by regulators in 2015 and the corrective measures are disclosed on pages 31~32 in the 2015 annual report.



Spreading Happiness

SinoPac Holdings has over 8000 colleagues, combining experienced leaders and young blood as part of the "SinoPac Family", together in the organization in preparation for the future. The largest subsidiary under our banner, Bank SinoPac, has 5,713 colleagues, and over 129 branch locations. At each branch, we at the first line of contact together take on the mantle of servicing our customers.

For each over-the-counter transaction, wealth management consultation, insurance, funds, and credit card services, SinoPac's colleagues aim to provide our careful professionalism. With the first point of contact with the client being the signage at our branches, the "Yuen" character in our logo represents our brand image of a comfortable office, and ambassadors that promote our services, continuous professional training, and doing the best that we can.

Due to recent fraud cases in the industry, SinoPac places the utmost importance and implementation on "fraud prevention procedural drills". From the first entrance of the customer into our branch, we remain vigilant and protect our clients' assets from becoming fraud victims. Our colleagues are constantly on watch, show concern in regards to capital flows, and rely on the long-term professional training, care for customers, and the passion towards their jobs, combined with teamwork, to stop uncertain transfers of capital. In 2015, we successfully stopped 29 cases of fraud, protecting NT\$18.85 million in client assets.

This is a beautiful start! Thank you to all our colleagues, showing that our brand is bright! SinoPac not only manages the wealth of our clients, but provide the best products and profession and convenient financial services, and along with the true, the good, and the beautiful nature of our colleagues, SinoPac has been able to be a model to society, and protect what is best in Taiwan.

An Organization for Stable Growth and Happiness

SinoPac Holdings provides its colleagues with multiple job opportunities. Depending on the personality and professional skills of each individual we provide both horizontal or vertical development opportunities through our efforts in a fair assessment policy. We provide a quality work environment, and an equal opportunity environment for stable growth and happiness. We provide continuing education, multiple benefits and employee welfare programs, to enable colleagues to grow, feel at ease with their careers, and live life happily.

An Equal Opportunity Work Environment

SinoPac has a policy of equal opportunity. All job offers, promotions, assessments, transfers, training, career planning, and bonus opportunities are available on an equal opportunity basis with no consideration due to gender, religion, race, or other non-performance factors. We maintain a fair and just attitude to our all colleagues, and ensuring compliance with the government labor laws and related regulations. In addition to permanent employees, we also employ contract workers, and the human resource allocations are based upon actual needs and will be disclosed in the future.



1. Prioritize the use of handicapped personnel

Subsidiary Bank SinoPac has hired 22 handicapped personnel (including 2 with major disabilities), Subsidiary SinoPac Securities hired 21 handicapped personnel (including 1 with major disabilities), and participated in the 2015 Taipei City government event "2015 certification of companies that exceeded disabled employees", by being selected as an "Excellence Award" recipient.

At SinoPac, we have opportunities for the disabled, including positions as clerks, IT programmers, IT personnel, etc. with high performing colleagues already being promoted to the managerial level. The longest serving disabled colleague has worked for the Company for over 24 years and with the other disabled colleagues have an average seniority of over 10 years.

2. Care and protection of pregnant colleagues

We provide pregnant colleagues with pregnancy leave, examination leave, nursery leave without pay, and paternity leave, along with group insurance coverage. For pregnant colleagues, performance assessments shall not be affected by their pregnancy, and a colleague dispute resolution channel is available, to ensure that pregnant colleagues enjoy equal treatment.

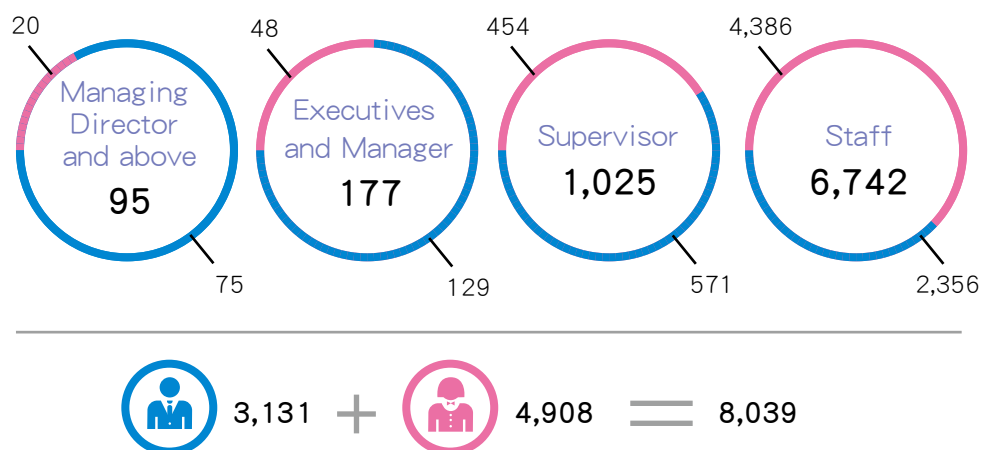
Current Employee Breakdown

End of 2015	SinoPac Holdings			Bank SinoPac			SinoPac Securities			SinoPac Leasing			SinoPac SITC			SinoPac Venture capital			Total
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	
<30	0	0	0	338	796	1,134	73	95	168	6	17	23	2	4	6	0	1	1	1,332
30-50	4	5	9	1,616	2,559	4,175	558	954	1,512	25	24	49	41	77	118	3	5	8	5,871
>50	9	2	11	284	120	404	162	247	409	4	0	4	6	2	8	0	0	0	836
Total	13	7	20	2,238	3,475	5,713	793	1,296	2,089	35	41	76	49	83	132	3	6	9	8,039

Notes:

Non-supervisor Employees: Female 4,386, Male 2,356

Employee Structure – Categorized by Position



New Recruits and Dismissal Rates

	Domestic Permanent Employees				Overseas Permanent Employees (Expatriate Employee Included)			
	Total Number of Permanent Employees	Percentage Of New Recruits	Total number of Dismissed Employees	Percentage Of Dismissed Employees	Total Number of Permanent Employees	Percentage Of New Recruits	Total number of Dismissed Employees	Percentage Of Dismissed Employees
2013	7,626	20.36%	1,066	13.98%	268	26.12%	60	22.39%
2014	7,513	13.68%	1,150	15.30%	296	22.97%	64	21.62%
2015	7,735	15.86%	999	12.92%	304	24.01%	70	23.03%

Structural Analysis of New Recruits

		Domestic Permanent Employee			Overseas Permanent Employees (Expatriate Employee Included)		
Number of Permanent Employee in 2015		7,735			304		
Percentage of New Recruits in 2015		15.86%			24.01%		
Gender	Age	Supervisor	General Staff	Total	Supervisor	General Staff	Total
New Recruits							
Male	<30	0	254	254	0	11	11
	30-50	22	248	270	1	10	11
	>50	8	7	15	1	1	2
	Total Number of Male	30	509	539	2	22	24
Female	<30	0	384	384	0	28	28
	30-50	9	288	297	0	21	21
	>50	4	3	7	0	0	0
		13	675	688	0	49	49
Total		43	1,184	1,227	2	71	73

Note:

New Recruits Rate= the annual number of new colleagues / the number of people staying in the end of the year

Structural Analysis of Dismissed Employees

		Domestic Permanent Employee			Overseas Permanent Employees (Expatriate Employee Included)		
Number of Permanent Employee in 2015		7,735			304		
Percentage of Dismissed Employees in 2015		12.92%			23.03%		
Gender	Age	Supervisor	General Staff	Total	Supervisor	General Staff	Total
Number of Dismissed Employees							
Male	<30	0	148	148	0	12	12
	30-50	12	246	258	3	11	14
	>50	30	24	54	0	0	0
	Total Number of Male	42	418	460	3	23	26
Female	<30	0	222	222	0	11	11
	30-50	20	265	285	2	31	33
	>50	7	25	32	0	0	0
	Total Number of Female	27	512	539	2	42	44
Total		69	930	999	5	65	70

Note:

Dismissal Rate = Annual number of Dismissed Employees/ Annual Average Number of Permanent Employees

Information of Parental Leave without Pay

Items	Male	Female	ToTal
Number of Employees That Are Qualified to Apply for Parental Leave (A)	389	712	1,101
Actual Number of Employees That Applied for Parental Leave in 2015 (B)	8	109	117
Apply Rate in 2015 (B/A)	2.06%	15.31%	10.63%
Number of Employees That Should Have Return in 2015 (C)	8	127	135
Actual Number of Employees That Returned in 2015 (D)	4	69	73
Return Rate in 2015 (D/C)	50.00%	54.33%	54.07%
Number of Returned Employees in 2014 (E)	2	43	45
Number of Post Parental Leave Employees Who Stayed for a Year in 2014 (F)	2	35	37
Retention Rate in 2014 (F/E)	100.00%	81.40%	82.22%

Note:

The number of parental leave applicants meet the eligibility = the number of children born in 2013 and 2015

An Admirable Employee Benefits Program

SinoPac Holdings maintains its efforts in improving employee benefits to show concern and care for our colleague's family and lifestyles as a goal. We have a systematic planning method, with a focus on the personal development and growth of our colleagues to provide a stable growth environment to the corporate culture, provide learning opportunities and a comfortable work environment, jointly with our colleagues to work together. SinoPac believes "people" is our organization's most important asset. Only with happy colleagues, will our Company's profits rise, and create value to society.

SinoPac Holdings and subsidiaries and our benefits program provides our permanent employees many employee benefits beyond what is required by law. We hope that in addition to working hard at work, they take the opportunity to enjoy parent-child events and multiple benefits planned and provided by the Company.

1. Holiday leave policy better than required by law

- (1) Special annual leave: We provide a leave policy better than required by the Labor Standards Law. New employees shall immediately enjoy pro-rated annual leave in the first year; Bank SinoPac also provides seniority and job rank-based annual leave increases, to enable colleagues to have more time for rest, and obtain a work-life balance.
- (2) Full salary sick leaves: The Labor Standards Law only requires half pay for sick leave. We provide employees with full salary sick leaves based upon seniority levels. For each year, 5 days of full-pay sick leave is available, enabling colleagues to recover with care.



Quality Work Environment



Protect employee mental health and safety



Day care assistance and environment for breastf feeding



Regularly schedule collegial team building events



Health checks and health seminars



Occupational safety and health syatem



Contract discounted preferred merchant programs



- (3) Cancer rest leave and pregnancy rest leave: In accordance to the "rules for holiday procedures", we provide colleagues with rest leave, and will continue to provide company benefits during their leave, enabling colleagues the opportunity to enjoy benefits while they recover.
2. Employee care package includes marriage leave and congratulation bonuses, maternity leave and childbirth subsidies, bereavement leave and funeral grant, the three holiday bonuses (Chinese New Year holiday, dragon boat festival, mid-autumn festival) and birthday bonus, comprehensive group insurance.
3. We encourage employees to continue to improve their skills, and established a continuing education grant, enabling colleagues to organize their own classes and obtain grants to be spent each year.
4. Protect employee mental health and safety
SinoPac has no colleagues that engages in job positions with high risk or at risk to certain diseases. Moreover, SinoPac cares for the physical, mental health challenges, emotional management, and emotional control of our employees, and aims to ensure colleagues work in a safe and comfortable work environment.
 - (1) We provide day care assistance and a quality environment for breastfeeding.
 - (2) Health Checks: We provide health checks every 2 years, better than required by the work safety and health regulations. In addition, we provide multiple items of health checks, assisting colleagues in regular check-ups and ensuring care with their health conditions. The availability of health checks to colleagues is well publicized, with the average rate of check-ups reaching 80%. In addition, we have signed contracts with multiple health check institutions, providing family members the opportunities to also have health checks. We promote the SinoPac family to work together in protecting our physical and mental health, caring for our retired colleagues, and contracting discounted health check packages with medical institutions, and enabling retired colleagues to enjoy the same benefits.
 - (3) Health seminars: In addition to providing nursing staff in appropriate numbers, we appoint colleagues to hold and organize health and care events such as "health seminars", "weight loss contests", etc. and other medical consultations. Also, to better develop knowledge and health principles, we have established an intranet "health management platform", providing colleagues with the right health knowledge and event information.
 - (4) Regularly schedule collegial team building events
 - (5) Contract discounted, preferred merchant programs for employees.
 - (6) Employee Assistance Programs (EAPs): To fulfill the three areas of "work", "life", and "health" for our colleagues, since 2010, our subsidiary SinoPac Securities initiated an Employee Assistance Program. Through the EAP, personal issues that affect the performance and safety of colleagues are resolved, and further implements our management ideology of concern, strength our corporate culture that focuses on people, care, and sharing.
 - (7) Quality work environment: SinoPac Holdings and its subsidiary companies operates our work environment in a compliant manner. Our work environment has been inspected and approved by regulators, with annual fire safety drills, workplace safety lectures, drafted emergency response procedural manuals, and perform ad-hoc drills to limit the possibility of workplace accidents. To create a high quality work environment, we also regularly inspect our water quality, and in accordance to the Gender Equality in Employment Act, establish breastfeeding rooms and other facilities to provide a comfortable working environment for colleagues.

(8) Occupational Safety and Health System: Subsidiary, Bank SinoPac in accordance to the Occupational Safety and Health Act, establishes an occupational safety and health system and an occupational health and safety committee, with the administrative division, division head representing the employer in health and safety management. Each division head, in accordance to their responsibilities, supervise personnel in execution. The occupational health and safety committee is composed of 8 members. In addition to business units responsible for occupational health and safety, the Bank SinoPac Union also appoints 3 members for participation and assisting in supervision and suggestions for occupational health and safety related planning.

5. Sharing the results of employee benefits

- (1) Housing loans at below market rates: We provide housing loans at interest rate better than the market, in an effort to lessen the mortgage debt load on colleagues and assist them in creating a warm home.
- (2) Implement custody of stockholdings: Subsidiary, SinoPac Securities, provides colleagues with long-term investments and management of SinoPac Holding shares, to build wealth, and secure funds to maintain a stable lifestyle in retirement or after their resignations.
- (3) Annual year-end party event: Each year, we hold a large scale year-end event, bringing together colleagues from various locations and to celebrate our accomplishments for the year. We use this opportunity to reconnect and further develop collegial relationships, enhance cohesion towards a community consciousness, and arrange performances to show gratitude to our colleagues.
- (4) SinoPac accomplishments: To reward long-term employees, we provide seniority recognition awards and custom gifts, and public recognition by senior management.

6. Comprehensive retirement planning: Our Company, in accordance with Labor Standards Laws and the Labor Pension Act. We contribute to the pension plans to ensure security for the retirement funds for colleagues. Details on pension fund contributions are available in the 2015 annual report on pages 140~142.

Non-senior Manager Level Employees, Annual Average Cost of Benefits, and Changes

Unit: NT\$ thousand

Items	Employees	Average Cost (NT\$ thousand)	Growth Rate
2013	6,670	1,294	-
2014	6,678	1,360	+5%
2015	6,742	1,289	-5%

Happiness in Growth and Learning

In an effort to enable growth and learning opportunities in the organization for colleagues, SinoPac Holdings creates a learning environment for learning, and in consideration of the professionalism and characteristics of colleagues provides on the job training and growth opportunities. Each year, the holding company and subsidiaries in consideration of operational strategy, business focus, and human resources strategy, drafts educational and training guidelines and provides systematic courses schedules enabling colleagues to improve their professional knowledge, and continue growth with the organization. The holding company and subsidiary guidelines are summarized below:

1. Management personnel training: We continue to promote evaluation for management talent and strengthen skillsets to quickly enhance the Company's core strength.

2. Professional skillset direction and training

- (1) Bank SinoPac: We combine with the new human resource policy and operational targets for the year to develop an action plan. For example, we provide different levels of professional courses in our corporate university training program, and create internal certification systems for different professional skillsets, as a benchmark for the career development of colleagues and the organizational human resources training program.

- (2) SinoPac Securities: In response to the five-year development plan for the wealth management business, this year we continue to expand training for wealth management personnel, introducing training course programs, and assisting colleagues in completing programs appropriate to their job responsibilities.

Targeted training includes special seminars on "management skills", and "professional skills", in an effort to strengthen the capabilities of colleagues. A partial list of courses is as follows. In 2015, total spending on training courses is approximately NT\$36.93 million.

3. Cultivating a Learning Organization for the Holding Company

Through internal lecturers and a mentor program, arrange opportunities for courses and experience exchange conversations, to develop a learning organization culture, establishing effective knowledge management.

4. Bank SinoPac Elite Professionals Training Program

Through concentrated diversified training events, new elite talent is enabled to develop skillsets quickly during the training period, and gather practical experience and develop into professional, elite personnel for the organization.

5. Establish internal lecturer criteria

Within the organization, valuable experience by colleagues should be exchanged and passed on. Thus, we've promoted an internal lecturer training program, in an effort to establish an internal lecturer certification policy:

- (1) Certification process: A four step process in selection, training, evaluation, and certification, before qualification as an internal lecturer.
- (2) Participants: Recommendations from product / advisory units for high quality colleagues to participate in the interview process for internal lecturer qualifications. After certification, colleagues then become eligible to serve as lecturers.



Strengthening Employability Skills Training Program

【Managing Skills】 Seminars

Target

- (branches) sales supervisors, operational supervisors
- (headquarter) section managers

Hours

- 7 hours/time
- 2 hours/month

Content

- Seminar – problem analysis and resolution
- Seminar – branches operational supervisors

Goals

Implementation of manager training-roadmap, solid human resources. Management and inventory function evaluation tools, with the support of management training, to enhance the management skills of managers.

【Professional Skills】

Professional classes for trading business

Target

- Trading business operator
- Trade marketing specialist

Hours

- 88 hours
- 40 hours
- 51 hours
- 120 hours

Content

- Operations class
- Corporate banking class
- Retail banking class
- Financial management class

Goals

Assist colleagues to enhance their professional knowledge and sales skills by modularized courses with machine implementation, to successfully integrate and develop business.

Note:

The training program only applied to Domestic colleagues

- (3) Mentorship Training and gathering: Subsidiary, SinoPac Securities is currently developing 103 approved trainers to assist new colleagues. Approved trainers have all completed comprehensive mentorship training, and are eligible to share and pass on their experiences.

6. Management skills training – Deepen management DNA

To develop long-term competitiveness, to serve the expansion of cross-straits financial operations, and to fulfill the requirements for globalization, SinoPac Holdings has high expectations of the quality of its management personnel. Since 2011, we have initiated a management skills training program, starting from branch office managers and gradually expanding to headquarter business unit heads. In 2015, we have further expanded this program to branch office sales heads, operational heads, and headquarter middle managers. We aim to develop management skills throughout our organization and upgrade effectiveness. This special project is designed following key management skills requirements, through a systematic development of skillsets, and integration of evaluation and assessment procedures, and lastly integrating the expectations of managerial performance by the organization as a key behavior guideline, in a centralized training format, to achieve a comprehensive management skillset training program.



7. Regular assessment and improvements

To evaluate the learning outcomes and performance, and for reference of future developments, each year, we regularly perform a performance assessment. The procedures for assessment starts from the beginning of the year, where goals are established and reported to the direct supervisor/business unit head for inspection and revision, reviewed during the mid-term, and a final assessment performed at year-end.

All employees that are past the probationary period must participate in the evaluation during the evaluation period. In 2015, the assessment population includes 40% male and 60% female colleagues, non-managerial level colleagues consisted of 84% of the population and 16% are managerial level. When colleagues perform their annual self-evaluation, comments regarding their career development and plans (cross conglomerate, cross company, or cross business unit) can be communicated in their evaluation, and course suggestions for career developments. Through performance review interviews with supervisors and colleagues, the Company can better understand thoughts on career development and adjust accordingly.



SinoPac Holdings and Each Subsidiary, Course Participation, Number of Persons, and Hours

Unit: Hours

Type	Total Number of Employees		Total Hours (hour)		Average Hours (hour)	
	Supervisor	Non-supervisor	Supervisor	Non-supervisor	Supervisor	Non-supervisor
	637	1,471	23,112	45,187	36	31
	451	2,769	17,149	75,404	38	27
Total	1,088	4,240	40,261	120,590	37	28



SinoPac and Subsidiary Company's External Training Course Participation, Number of Persons, and Hours

Unit: Hours

Type	Total Number of Employees		Total Hours (hour)		Average Hours (hour)	
	Supervisor	Non-supervisor	Supervisor	Non-supervisor	Supervisor	Non-supervisor
	238	699	4,862	16,435	20	24
	157	1,346	2,919	31,379	19	23
Total	395	2,045	7,781	47,814	20	23

SinoPac and Subsidiary Company's Online Course participation, number of persons, and hours

Unit: Hours

Type	Total Number of Employees		Total Hours (hour)		Average Hours (hour)	
	Supervisor	Non-supervisor	Supervisor	Non-supervisor	Supervisor	Non-supervisor
	678	2,093	9,128	30,462	13	15
	490	3,998	7,178	68,501	15	17
Total	1,168	6,091	16,306	98,963	14	16

Multiple Channels for Communications

1. Sign collective bargaining agreement

To achieve smooth and effective communication between the Company and colleagues, Bank SinoPac colleagues in accordance with the Labor Union Act, established the Bank SinoPac Union. Representatives between the Company and the Union regularly or on an ad-hoc basis communicate on topics relating to labor issues. In accordance to the Collective Agreement Act, representatives from both sides shall negotiate, and with the approval of the board of directors and union member general assembly approve the collective agreement. On August 16, 2011, a collective agreement was signed, focused on the right to work for members. On November 10, 2014, a new collective agreement was signed, adding in clauses of legal support for colleagues that face lawsuits due to work-related causes. SinoPac Securities is the first securities firm to establish a union.

To ensure the rights of colleagues, Bank SinoPac signed a collective agreement with its union, with the bank agreeing to provide the union with office space and required hardware and software for operational needs. The union president is a full time representative of the union, and in accordance with regulations is allowed to apply for public service leave, and their monthly salary paid from the monthly union fees collected from union member salaries.

Also, there is a no free rider clause, where any agreement between the bank and the union, shall not extend to non-union colleagues. Excluding colleagues that are still in the probationary period, the unionization rate is near 100%. Subsidiary, SinoPac Securities and its union have also signed a collective agreement. The union president, directors and supervisors, and members that participate in union business may apply for public service leave and their monthly salary paid from the monthly union fees collected from union member salaries. Excluding colleagues that are still in probation, the unionization rate of colleagues is near 89%.

The union represents an important communication bridge and supervisory role between the Company and colleagues. If there are labor-related issues, the Company will discuss first with the union before announcing to colleagues. In the event of closure, transfer, losses, business reduction, or colleagues' inability to perform their job, at least a one-week notification is required before the end of the labor contract.

According to the "Labor Standards Law", and SinoPac Holdings work rules, if due to business needs overtime hours is required, after agreement by the relevant personnel an "overtime form" should be submitted for each individual before overtime is requested. Without approval of the union, work beyond 10pm is not allowed. Similarly, each subsidiary union agrees that regular overtime does not require prior approval, but if colleagues are required to work overtime during holidays, then prior approval from the union is needed, to ensure that the rights of colleagues are protected. In 2015, 11 labor inspections were done, and any deficiencies have been resolved in accordance to regulations.

2. Established "Lohas Village" and "SinoPac Academy" Website Platform

"Lohas Village" and "SinoPac Academy" are website platforms enabling colleagues to share suggestions, collaborate, and mediate with related responsible business units to improve communications. In addition, a "Good Idea" zone encourages colleagues to provide suggestions on procedures and systems, enabling improvements to company operations.

3. Establish a sexual harassment prevention hotline

We have internal rules and dispute appeal procedures in regards to workplace gender equality (sexual harassment prevention). In addition to announcements to

Multiple Channels for Communications



colleagues, we also regularly publicize and provide training on how to respond to discrimination matters. Subsidiaries of the company, including banking and securities, did not receive any sexual harassment appeals in 2015.

4. Performance assessment appeals pipeline

After verification of the performance assessment, an interview time is set between direct supervisors and colleagues for a two-way discussion on performance. After the interview, colleagues are requested to provide personal comments on the evaluation forms, and this form submitted by the direct supervisor to human resources for inclusion into the colleagues' files.

If the colleague wishes to appeal the results of the performance assessment, an appeal can be submitted and the human resources unit will collate the report for review. Audited results will be processed, and through publicizing, business units should actively engage colleagues and regularly feedback to colleagues' areas of improvement and to prevent an difference in expectations.

5. Creating a Happy Working Environment

To create a happy organization, and to develop a positive mood for work, Bank SinoPac in 2015 initiated a happy workplace special project. First, through analysis of an annual survey on the organizational climate and observations of a daily mood index, the company is able to quantify the organizational climate and utilize data for the promotion of corporate policies, and to ensure that the organizational policy directions is concurrent with the understanding by colleagues. By understanding the organizational mood, and interacting as needed, we improve the workplace environment, enabling colleagues to show concern to others and to demonstrate their professionalism. We are also planning for flexible work hours, and depending on the personal family situation of colleagues, enable adjustments to work days or work hours. Thus, allowing a better work-life balance and enable colleagues to take better care of family without requiring leave without pay. We also continue to collect innovative suggestions on how to improve workplace happiness, with the aim of expanding these programs from the bank to the whole holding company.



A Happy Relationship in Customer Services

The Company places great importance on the professional development of colleagues, developing professional skills, and creating value-add by our colleagues and our Company. The Company also places importance on engagement with the community, and growth through multiple generations, with the hope that we can continue to grow with our clients from the beginning, whether they are small businesses or major enterprises, or freshly minted workers to family breadwinners. Good financial products and services requires high quality management teams, disciplined rules and organizations, and a passionate workforce and a family support system where all colleagues work together to protect. Only then, can we achieve our aim of growing with our clients through a joint effort in creating a happy future. We aim to use the most innovative financial products, and a caring service quality, to enable customers to growth their wealth through the years and build a happy future.

Subsidiary Bank SinoPac in 2015 commissioned a telephone-based customer service "satisfaction survey", the average satisfaction rate achieved 94%, and branch over-the-counter service satisfaction was 98%. In 2015, we also won the Commercial Times "Taiwan Service Industry Evaluation" banking industry (domestic) gold medal, Business Today "Wealth management bank and securities firm evaluation" best service award, and Excellence Magazine "2015 best bank ranking survey", best service award. Another subsidiary, SinoPac Securities, achieved a 95% rating in a customer service call center random survey for their performance in politeness, accuracy, and effectiveness. Other factors also achieved ratings of 80% (inclusive) or better. Concurrently, in 2015, SinoPac Securities also received the Excellence Magazine "Excellence Securities Service Ranking" Excellence in all-around service award. Achieving the best service is a continual goal for SinoPac, with an aim for the client to feel professionalism and happiness in every contact between the client and SinoPac.



2013~2015
Counter Service
Satisfaction Survey

98%

Customer Satisfaction Survey and Dispute Resolution Response and Improvement

1. Results of the Customer satisfaction survey

(1) Bank SinoPac

To better understand the needs of our customers, we perform various types of satisfaction surveys, in an effort to collect data that enables us to improve our service quality. Targeting service hotline call-in customers, at the end of the service the interactive voice response system is directed proactively into a satisfaction survey.

In 2015 a total of 27,568 samples were collected in our telephone customer service satisfaction survey, with an average satisfaction rating of 94%. Targeting over-the-counter services, each week we select a



SinoPac Counter Service Satisfaction Survey

2013	Copies of Survey	31,810
	Satisfaction	98%
	Highly Satisfied	49%
2014	Copies of Survey	33,460
	Satisfaction	98%
	Highly Satisfied	53%
2015	Copies of Survey	16,735
	Satisfaction	98%
	Highly Satisfied	55%

SinoPac Telephone Customer Service Satisfaction Survey

2013	Copies of Survey	41,975
	Satisfaction	93.1%
2014	Copies of Survey	48,328
	Satisfaction	93.7%
2015	Copies of Survey	27,568
	Satisfaction	94%

5% sample for a follow-up telephone survey, and at the same time collect customer suggestions. Effective calls were 16,735 samples, with an average satisfaction rate of 98%. In 2015, the "Very Satisfied" response increased from the previous year by 2%, reaching 55% of the total sample.

To meet internet and technology trends, the bank has also designed a survey for Internet-based services. After client log-in, a questionnaire and review is requested. Also, for Internet appointment scheduling services for account opening, after account opening, a telephone survey is performed to collect customer suggestions and to optimize procedures and improve service quality. For customers that require wealth management services, the Bank every quarter samples 8% of the population for a telephone interview, to better understand the interaction between personnel and customers, including investment characteristics, the appropriateness of products, service quality satisfaction and survey, to ensure the rights of financial products customers.

(2) SinoPac Securities

Through customer service hotlines, email, and other business unit sales personnel visits and other distribution channels, we continually collect customer suggestions on an ad-hoc basis, to better understand client satisfaction and needs of various services.

Through educational training, and regular instructions from supervisors, we continue to improve their communication and interaction skills with customers. Using script and forms, monitoring, recording, and other service quality management tools, we better understand the performance and service attitudes of our colleagues with clients, and effectively improve our service quality and client satisfaction.

Customers can engage with us through a customer service hotline, email business unit, and multiple channels of appeal and suggestions. Regular telephone recording sampling enables a better understanding of customer service personnel service and whether interactions are in compliance with related regulations and SOPs, as well as their service quality and etiquette. For customer dispute cases, we have established response times rules and follow up resolutions, to improve customer satisfaction. For electronic-based platform functions and operating procedures, we also collect related data for the relevant business units and respond as needed.

- a. 2015 call center survey sampled 1,203 calls, with a 95% rating on politeness, accuracy, and efficiency. Other factors also achieved 80% or above in rating. If surveyed colleagues achieve a rating below 80%, the colleague is contacted to identify issues, improve training, and share the correct method of resolution with the client.
- b. 2015 email responses were 3,131 items, with all responded within the required rules (note 1). 2015 phone calls and responses dropped substantially by 2,591 items, due to weaker market performance and the negative impact of capital gains tax on securities. Simultaneously, SinoPac Securities improved its electronic platform, and improved its computer environment setup program, online password recovery, and other convenience tools, resolving issues that generated calls in the past.
- c. 2015 proactive customer positive feedback was 7 items.

SinoPac Customer Service Centre Satisfaction Survey

	2014	2015
Number of Random Sampling Phone Calls	1,172	1,203
Percentages of Politeness, Correctness and	95%	95%
Effectiveness Reach the Grade of 80	5,722	3,131
Number of Email Replied in the Given Time(※)	12	7

※ Email Reply Process

Business Hours 7:30~17:00 : 120min	Business Hours 17:00~22:00 : 240min
Non-Business Hours : Before 12:00 the next working day	Voice Message : Before 12:00 the next working day

2. Customer complaint response and improvement

To respond to customer issues and to ensure they receive quick resolution immediately, both bank and securities have customer compliant response and improvement processes in place. SinoPac Holdings and its subsidiaries implement these procedures, to ensure that customers receive the appropriate resolution to outstanding issues.

(1) Bank SinoPac

We establish a customer dispute mediation team, ensuring customer complaints are appropriately responded to. In 2015, the acceptance rate was 85%.

Bank SinoPac Major Dispute Items

Major Dispute	Causes	Response	Resolutions	Total Dispute and Appeal
<ul style="list-style-type: none"> • Credit Card Disputes 124 • Operational Disputes 145 • Car Loans and Mortgages 35 • Others 76 	Mostly due to the misunderstanding of regulation.	Explain the regulations to customer	<ul style="list-style-type: none"> • Provide detail explanation training before service or provide alternative Resolution ° • The acceptance in 2015 is 85% ° 	Appeal Provided
				<ul style="list-style-type: none"> • 24Hour Customer Service : (02)2505-9999 • Consumer Complaint : (02)6632-6189 • Email : cchs@sinopac.com • Website : https://bank.sinopac.com • Address : No.36, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan • Branch Address : Check on our website or 24Hour Customer Service
				Total number of 380

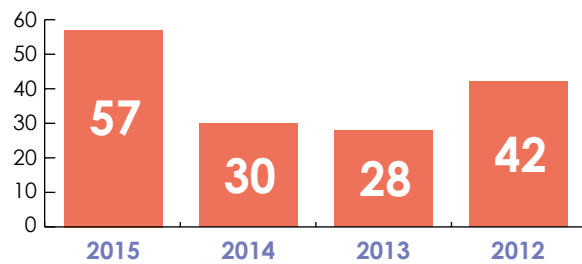
Note:

Acceptable number of cases 323/ the total number of cases 380

(2) SinoPac Securities

We maintain a proactive attitude and empathy in resolving client issues, contact and communicate with each business unit, and assist customers in solving their needs or resolving complaints. We have established major customer complaint procedures, and follow a tiered process of resolution and reporting. SinoPac Securities' e-commerce department provides a service hotline 0800-038-123/ 02-6630-8899 and SinoPac Securities' website (www.sinotrade.com.tw). In addition to providing a service hotline and customer service email box, we have also established special hyperlinked sections on "personal data protection measures" and "contracts for joint marketing products." These two sections provide customers with information on data protection measures and subsidiary service contact windows on joint marketing product contracts.

Cases of Customer Complaints That Has Been Resolved in Given Time



Note :

Trade disputes, complains, appealing processing time

(1) Customer's general complaints and suggestions shall be replied to in two working days

(2) For complaints requiring cooperation of other departments, the related department shall be informed and complaint recorded within two hours from the complaints.

(3) The number of customer complaint cases in 2015 is 57 cases, 27 more cases than in 2014, most commonly in Trade disputes (9), Customer misunderstanding (5), Human Negligence (4) and attitude of sales persons (3), we will reinforce the employee education training in an effort to decrease complaints.

Friendly Service Space

Subsidiary Bank SinoPac follows measures for accessible space in compliance with building codes and building use permits and establish ramps or (handicap) parking spaces, and establish handicap accessible ATM and voice accessible ATM equipment. In 2013, Bank SinoPac's website introduced an accessible website (accessibility.sinopac.com) and in 2014 received the NCC accessible website A+ badge. In addition to providing FX rates, interest rates, and gold prices, in 2015, further functionality was introduced enabling electronic transfers and account overview services. Website content has been adjusted to enable visually impaired customers to use the website using a mouse as well as through keyboard inputs to reference data, enabling a friendlier, accessible website.

SinoPac mobile banking further innovates with a "voice activated" service, with a new method of access, where voice can be used to provide customers a friendlier, better quality mobile financial service.



Service Friendly Spaces

	Bank SinoPac	SinoPac Securities
Service Friendly Space	<ol style="list-style-type: none"> 1. Set up slope and handicap parking space 2. Courtesy Glasses 3. Customer Services Ambassador Assistance and Guidance 	<ol style="list-style-type: none"> 1. Set up slope and handicap parking space 2. Courtesy Glasses 3. Customer Services Ambassador Assistance and Guidance
ATM	Accessibility ATM and ATM with Voice Function	No related service
Phone Service	3 Languages (Chinese 、Taiwanese 、English)	3 Languages (Chinese 、Taiwanese 、English)
Internet Banking Service	<ol style="list-style-type: none"> 1. Bank SinoPac MMA Public Information Website, transfer transaction and account inquiry have received NCC accessibility A + mark. 2. Bank SinoPac MMA Voice recognition service. 	Order inquiry through telephone system provided.

Customer Privacy and Safety

To ensure the protection of personal data of our clients and the need for privacy, SinoPac has established related rules and policies, including establishing a customer data privacy measures zone http://www.sinopac.com/news/hotnews_020621.asp, where announcements of the collection, storage, and custody of client data and protection measures are disclosed. We also provide client requests to remove private data and the rights granted in the use of personal data. Law continue to development due to technology development, social environment, and the changes in relevant regulations. Thus, adjustments to our privacy protection measures are announced as needed.

To remain compliant with the "Personal Data Protection Act", in 2012, we established the "Personal Data Protection Policy", and in 2014 established "Personal Data Files Safety Protection Measures". Each subsidiary adheres to the nature of their industry and establishes separate personal data protection policy measures and personal data file safety protection measures.

To ensure that personal data measures are implemented, each subsidiary allocates substantial resources, establishing a personal data protection management and execution team, inspect personal data related activities and management plans, and hold meetings for reporting and discussion on an ad-hoc basis.

1. SinoPac Holdings

To control and protect the personal data of clients by each subsidiary, starting in 2014, SinoPac Holdings initiated a personal data inventory management system and in 2014, automated this operation, improving the data management efficiency and risk controls at each level by the holding company and subsidiaries.

2. Bank SinoPac

In 2015, the bank held 5 personal data team meetings, in addition to the annual

simulation and test of personal data leak response, multiple resolutions were agreed upon and system controls activated:

- (1) Fully evaluate personal data file transfers, verify that all tiered levels have established control points, and these control points listed in internal specifications, to ensure implementation.
- (2) Targeting the availability of client data in system access, in 2014, we have completed a verification system process for when personal data is accessed. We integrate personal data application systems that provide a full track record of access, and intensify each business unit head to strengthen audits on the appropriateness of the access of client data.
- (3) Deficiency improvement: In 2015, subsidiary Bank SinoPac commissioned Yuen Foong Paper Co. Ltd to print and mail customer statements for mortgages and interest payments. Selected data were misprinted to contact data from other clients, in violation of the Banking Act article 45-1, number 3. Post the FSC review on June 9, 2015, in accordance to Banking Act article 129, item 7, the FSC fined Bank SinoPac NT\$4million and implementation of the following deficiency improvements:
 - a. Request contractors to strengthen data systems with foolproof mechanisms.
 - b. Request contractors to establish a "verification platform", and through this platform allow remote data verification and track records.
 - c. Increase the frequency of spot checks of the contractor in this case, and perform a complete review of the management of all outside contractors, to strengthen the operational processes and supervision of outside contractors.

3. SinoPac Securities

SinoPac Securities strengthens its data safety management by establishing a safe and trustworthy data system, ensuring data system equipment and networks remains safe. We also improve the understanding of data safety matters of our colleagues, protect client rights, and remain committed to meet data safety regulations and legal requirements. Thus, we have established "data safety policy rules", of which each business unit has a clear process of reporting and resolution when data safety issues occur.

For personal data provided by clients, we have put in place appropriate safety measures, preventing data from being stolen, changed, destroyed, eliminated, or leaked, and take seriously our responsibility in protecting client data and privacy. In 2015, in adherence to the "Personal Data Protection Policy Rules" and "Personal Data Files Safety Rules", and other rules, we continue to perform related works in protecting client confidentiality. In addition to ad-hoc training and announcements regarding personal data, we also perform regular audits on client data, and perform an annual drill on personal data. For data that have exceeded their time limits or are no longer necessary, we will destroy the files in accordance to rules, and to prevent the leakage of personal data.

To protect the confidentiality of clients, SinoPac Securities website has established a "Client Data Protection Measures" zone, announcing client data collection, storage, custody, and protection measures, and providing a method for client requests in removal of information and the rights of exchange and usage.

To fulfill our management responsibility to protect personal data, SinoPac Securities and each business unit follows the "Personal Data Protection Policy Rules" and "Personal Data Files Safety Rules", and other rules. For each unit, if a data safety issue occurs, following the "SinoPac Securities Data Safety Issue Guidelines", reporting and resolution occurs. In 2015, one instance of client data leakage was suspected in the customer service system. However, after investigation by the Company, no personal data was leaked.



Developing Wealth in the World

The Internet has completely changed the lifestyles of people today. With only one finger on a mobile phone, we can accomplish many daily tasks from food, clothing, accommodation, and transportation.

SinoPac emphasizes a new concept of "Banking is Simple." "Banking is Simple" brings to people a simpler life, which includes SinoPac's commitment to new product innovations, and financial services, combined with the new pattern of interaction with people's lifestyles.

ATM machines are quite prevalent in Taiwan, located on street corners and in convenience stores. Similarly, "Temples", a representative of the Taiwanese beliefs in higher powers are also prevalent, possibly with one in a green mountainside, in the busy city center, or in an old neighborhood.

Initially, there are no overlap between ATMs and temples. However, in 2015, SinoPac combined finance with lifestyles to break traditions, and introduced ATMs into well-known temples across the country.

Believers can light lanterns and pacify the "Taisui" using ATM functionality. SinoPac also redesigned printed statements, and on the back of the statements provide fortunes. Bank SinoPac's electronic banking division played an important role in the development of the Temple ATM product and services. The electronic banking division and their colleagues traveled throughout Taiwan, jointly with the branch managers, entering temples and partnering with associations that have local culture and color.

One of our colleagues, nicknamed "the little prince of temples", grew up in a temple household, and deeply understands the cash flow and treasury needs of temples. Another colleague, worked at the two largest foreign businesses in Taiwan, with English ability stronger than Chinese. However, to develop business, the colleague proactively learned the Taiwanese language.

Another branch manager, despite having a different belief system, still worked hard with their team.

Each temple-based ATM has a customized design.

Diversified functionality combining technology with folk beliefs, integrating traditional prayers of lighting lanterns and pacifying the "Taisui", becomes a closer part of life.

In the digital age, folk beliefs can also be completed using simple finance.

As we near the Digital Bank 3.0 era, and the rise of virtual channels, only the concept of "Banking is Simple ", connecting with the world and letting the client have intuitive, simple to use, financial services and products, then will simple finance create larger wealth.

New Services of “Banking is Simple”

SinoPac puts great efforts in being a trendsetter, putting ourselves in our client's shoes to solve solutions. This "client-focused" spirit is demonstrated by the new products and services that we introduced in 2015. Subsidiary, Bank SinoPac launched a mobile POS payment solution, enabling mobile stores to obtain credit card machine functionality. Since its launch in March 2015, a total of 31 stores have already signed up as preferred merchants. Also, subsidiary SinoPac Securities, provides multiple products and an integrated trading platform, with an easy-to-use user interface that emphasizes mobile services and trading functionality. Credit card services also launched an online application capability, cloud-based account opening, and other simple finance products and services.

Mobile POS Payment Solution

In 2014, subsidiary Bank SinoPac received approval to test run a mobile POS solution. After six months of beta-testing, in March 2015, we have received a formal approval from the Banking Bureau. As of December 31, we have completed contracts with 31 merchants as preferred merchants. The mobile POS product and service provides another convenient payment channel, and since the credit card does not leave the member, combined with its security chip verification during transactions, the security aspect is raised to another level and will benefit the financial payments environment domestically.

Online Credit Card Account Opening Services

Directly through a website or app, clients can apply for SinoPac credit cards that at the same time have electronic statements, further improving efficiency and lessening the usage of paper.

24 hour "Cloud-end Account Opening" Services

Subsidiary Bank SinoPac led the market in launching a 24-hour "cloud-end account opening" service. Clients can set appointments, and experience this new "banking is simple" service.

After setting up an appointment through Bank SinoPac internet banking or mobile banking, within 1-hour a representative will contact and confirm the application. Within 24 hours, a representative will deliver the documents personally to their offices or an agreed location and concurrently enable internet banking. Alternatively, clients can select to pick up at a nearby branch office and complete the process around 10 minutes. In comparison to an over-the-counter account opening which typically takes 30~40 minutes, this is a time savings of 75%.



24 hour
"Cloud-end
Account
Opening"
Services



Multiple products and integrated electronic trading platform:
Subsidiary SinoPac Securities, provides multiple products and an integrated electronic platform, and provides mobile services and trading functionality as per the below table:

E-platform	Platform Type	Product	Features
eLeader	AP	Securities/ Emerging stock / Futures 、 Warrant /Re-consignment /Funds	1. Customer-friendly interface 2. Order placed using program trading 3. Stop-Limit Order
EZTrade	WEB	Securities /Emerging stock/ Futures 、 Warrant / Re-consignment / Funds	Easy to use. Need not download application.
iLeader	Mobile	Securities / Emerging stock / Futures 、 Warrant /Re-consignment	Immediate quotation and order placement
Telephone Order	Voice	Securities / Emerging stock	Order can be placed using telephones.
SinoPac Helper	APP	Services	Provide on-line service and information.
Open Account with SinoPac Securities	APP	Open securities account	Contracts signed via internet and video authentication.
VB DLL/Excel DDE	API	Securities / Emerging stock /Futures 、 Warrant	Programmable access from customer systems
GL-Trade/ Bloomberg/DMA	FIX	Securities / Emerging stock / Futures 、 Warrant	Interface designed for orders placed by institutional investors.

Diversified Financial Products

SinoPac has been deeply committed to Taiwan for over 68 years, witnessed the various phases of economic growth for Taiwan. From the traditional savings deposit to small mid enterprise loans, and personal finance consumer demands, a diversified product offering and timing is an important part of a comprehensive offering.

Supporting Small and Medium Enterprises (SMEs)

Subsidiary Bank SinoPac, worked closely with government economic policies in developing growth for SME financing needs, and satisfies the SME segment with a variety of products and services.

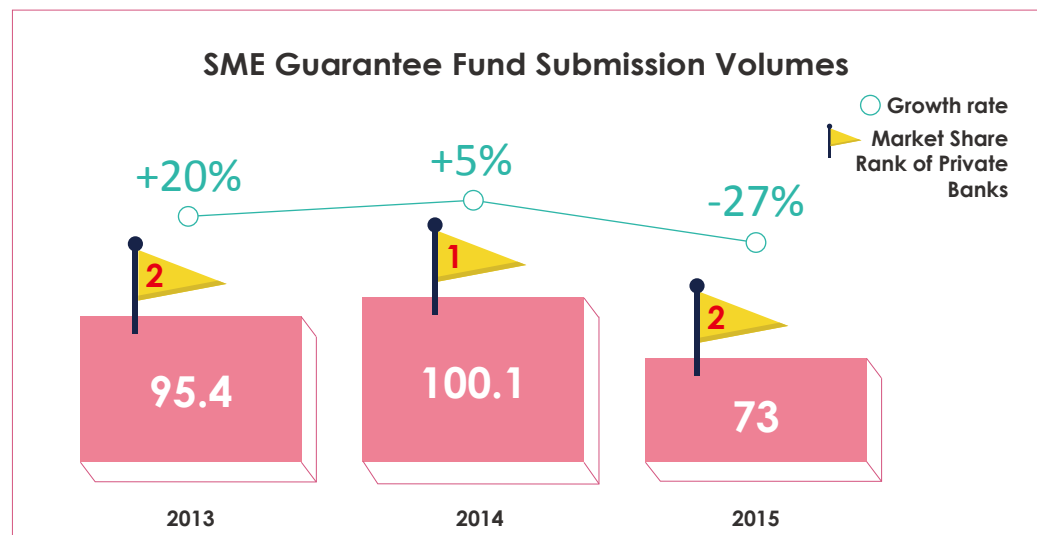
To assist SMEs in developing foreign markets, Bank SinoPac and China Ex-Im Bank, in October 2014 signed a "L/C Forfaiting Insurance" agreement. In January 2015, signed a "Global Factoring Insurance" agreement, lowering the receivables risk for import/export, which in turn enables Bank SinoPac's to provide a more complete, wide ranging capital support for SMEs in obtaining foreign markets, and strengthen the export competitiveness of the country.

Leveraging its strong support from SME financing, and utilizing the "SME Credit Guarantee Fund" and other guarantees, and supporting the government's economic development policies, we are able to fulfill the financial products and services needs of SMEs. In 2012, we won the "Credit Guarantee Fund Partnership Award" and the "Credit Manager Merit". In 2013, we won the "Balanced Region Development Special award". In 2014, we won the "Credit Guarantee Fund Partnership Award" and in we again won the "Credit Guarantee Fund Partnership Award" and the "Credit Manager Merit", and the "Regional Development Assistance Award".

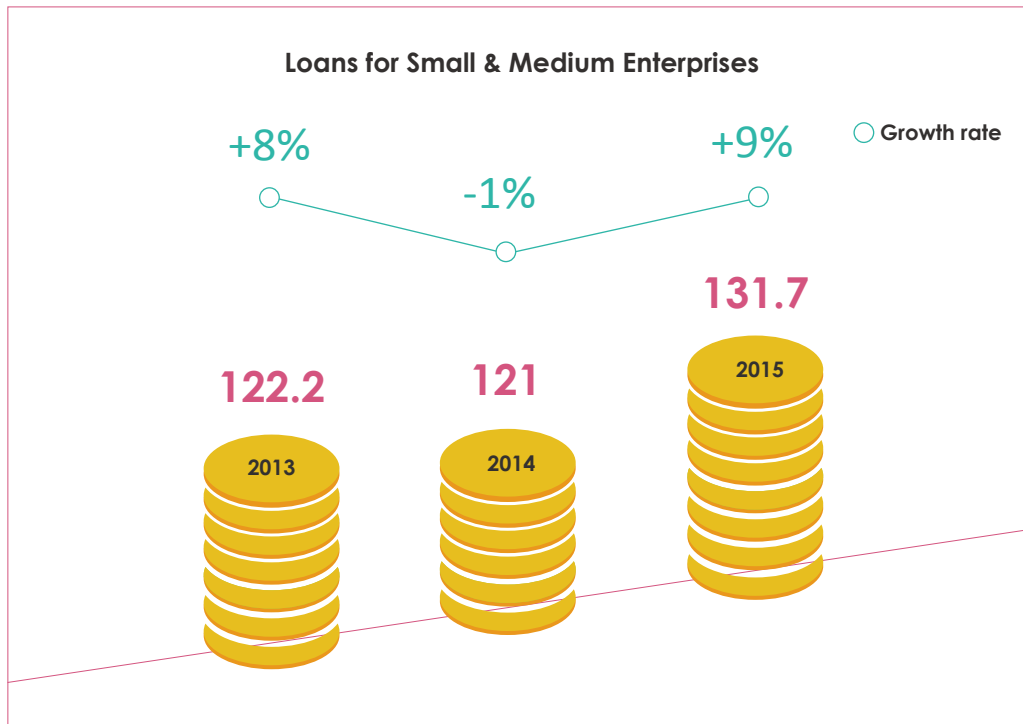


- Credit Guarantee Fund Partnership Award
- Credit Manager Merit
- Regional Development Assistance Award

Unit: NT\$ billion



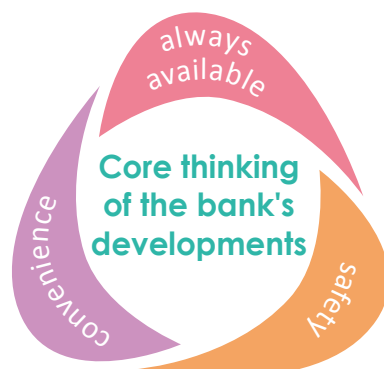
Unit: NT\$ billion



Supporting Microfinance

Following the growth of e-commerce, the core thinking of the bank's online developments follows the concept of "always available, convenience, and, safety." Subsidiary Bank SinoPac introduced an e-payment platform, "Fun Cashier", enabling startups to add-on e-payment capabilities, providing a safe, secure, online transaction channel, enabling small & mid-sized shops to growth, and concurrently allow increased revenues to the bank from cash flow payment processing, and further strengthening the online economy.

Moreover, Bank SinoPac supports micro-enterprises, introducing "cashier loans", enabling owners to growth their business without concern. Small business owners can join as a "Cashier Loans" member, and apply for loans. Moreover, to ease small business owners that primarily sell products online, they can provide "online sales records", as their proof of financial ability, easing the loan approval process.





Accomplish Your Dreams, Marriage Project

Real estate prices have been on the rise as a long-term trend, and the slow growth of salaries have created a situation where it is becoming difficult for the young to get married and have children. Bank SinoPac in an effort to support the government policy to enable housing for all, supports the achievement and dreams of the young to have a place to call their own. Thus, in April 2015, targeting first time buyers, the "SinoPac Marriage" project was introduced, to assist the young by providing a mortgage product for primary residences extending the loan terms and provide low interest loans for first time buyers. In 2015, this enabled over 3000 clients to achieve their dreams of purchasing their first homes earlier by 10 years.

Using Finance to Support the Creative Culture Industry

The support the government's push for the "Finance supporting innovation" project, and the FSC's "scheme for incentivizing domestic banks to loan to innovative businesses", we have assisted creative culture businesses to obtain needed capital, improve the industry's capabilities, and to improve industrial structure, to enable sustainable development. By the end of 2015, we have submitted 439 projects, with a loan value of NT\$11.8 billion including the following project types:

1. Tangible assets: Investment or startup capital to obtain business offices (including land, factory, offices, performance space), machinery & equipment, stage set, computer hardware & software (including equipment needed for IT solutions).
2. Intangible assets: Investments or creative activities and the required intellectual property (including patents, trademarks, copyrights, etc.)
3. Working capital: Working capital needed for investments or creative activities.
4. New product or new technology development or manufacturing.
5. Research & Development, human resources training programs.

Getting Closer to the Local Community

1. Affinity cards for historical sites: Taipei Fun Card

Subsidiary, Bank SinoPac further combined the thinking between cultural and asset preservation, and our products. In 2004, we launched a Taipei Fun Card that has credit card functionality, and established the "Taipei Charity Custody Historical Site Preservation and Development Trust Fund", which allocates 0.35% of all credit card spending to the trust fund, enabling protection and development of our cultural assets.

We hope to combine the resources of the public and private sectors, and together promote the preservation of historical assets, promote and revitalize the usage of the precious and limited amount of monuments and historic buildings in the greater Taipei area. Through the preservation of cultural assets, the delight of displaying a historical cityscape, and the lifestyles of ancient times, and the trace of tradition in modern society, can re-engage cultural history into the lives of the city population, and improve their cultural tastes and living environment. As of December 2015, 4,030 cards have been issued and the trust fund assets have reached NT\$3.954 million.

Taipei Charity Custody Historical Site Preservation and Development Trust Fund

Unit: NT\$ thousand

Item	Amount
Taipei Sites	3,315
Beitou Sites	639
Total	3,954

2. Charity Unsecured Loans

Subsidiary Bank SinoPac uses the power of products to support the development of local specialty business areas, and provides funding to foreign workers to Taiwan, and funding to victims of natural disasters. Planned products include "Yong Kang International Marketplace special project", "Foreign factory workers, salary to loan special project", "Kaohsiung Gas Explosion Victims", and other unsecured loan special projects. Further connecting products with the development of society and market needs.

Charity Unsecured Loans Special Projects

Units: Items; NT\$ million

Project	Appropriations	Amount of Appropriations	Duration
Yong Kang International Marketplace	5	5.9	2014/10/23~2015/6/30
International Factory Worker Personal Banking	2,220	111.2	2013/5/31~2015/12/31
Affected Household of Kaohsiung Gas Explosion	7	3.5	2014/8/7~2015/6/30
Total	2,232	120.6	

Communicating Product Information

Product Labeling and Sales Communication

The financial industry is a highly regulated industry, and all products must adhere to regulatory requirements before they are available to the public. Quality communication enables better efficiency in resource allocation. SinoPac Holdings and the design and promotion of the products of all its subsidiaries, satisfy the requirements of the Financial Consumer Protection Act, Personal Data Protection Act, relevant regulations and risk management are all in compliance. Products and their fees are similar to industry standards, and risk disclosures are all in compliance to ensure that consumer rights are protected while services remain efficient.

1. Management policy

- (1) All new businesses or new products follow a procedure of risk management evaluation and controls to ensure compliance. This process goes through internal audits, compliance, risk management, and other responsible units or the board of directors before approval. Any legal documents signed by the client must be approved by an appointed lawyer or compliance officer or legal officer, ensuring the rights of the parties and the company, before they may be used.
- (2) Business units or approval units if there are any queries with regulations may verbally or in written form ask lawyers, accountants, or regulators for clarification.
- (3) Prohibited or disputed products with internal transaction management rules, clearly prohibits transacting with illegal trading enterprises or persons.
- (4) To ensure the basic standards of our promotion and transaction business, to strictly enforce rules for our transaction management personnel, establishing "Regulations governing banking sales personnel", "Regulations governing lease transactions", and other rules. We also established a comprehensive "employee reward and demerit standard", preventing illegal activities or misleading activities towards consumers.
- (5) While engaging in telephone support sales activities, although not considered telemarketing, still adheres to the "Executive Yuan Fair Trade Commission rules and principles for tele-marketing cases", by displaying caller ID, and clearly stating the identity and purpose of outbound calls, and while explaining trading products to customers, shall not mislead or make false statements.

2. Monitoring systems

In accordance to internal control policies and personal data protection measures, we regularly audit sales and personal data. Advertisement follows the regulations governing marketing materials. Through a pro-active engagement with clients via the customer service center hotline, email, and public channels of business units, and soliciting customer feedback on an ad-hoc basis, to better understand the satisfaction and content needs. Through education and training programs, and daily instructions from supervisors, we enhance the ability of our customer service representatives in communications and resolving issues. Through reports, monitoring and recording, and other quality management tools, we better understand the performance and service attitudes by our colleagues, and through these tools can effectively improve service quality and client satisfaction. Daily management of engagement with clients, and establishing an internal sales management handbook with rules to save and rules governing look up of client data.

3. Fair trading terms

To prevent the external communication of our products and services violating regulations or mislead consumers, each subsidiary regularly evaluates its sales and trading processes, and establishes relevant rules with the approval of internal auditing, compliance, risk management, and other responsible units or the board of directors to establish a safe, professional, and complete financial service, and to fulfill the short, medium, long-term needs of clients. If violations or consumer misleading activities occurs, in addition to "Employee reward and demerit rules", we also will evaluate whether management crisis response rules will have to be activated. To adhere to the demands and satisfaction of clients, the following have been implemented:

- (1) Clients have multiple dispute resolution channels including the customer service hotline, email address, business units.
- (2) We regularly randomly sample telephone recordings to understand whether customer service representative responses follow regulations and our SOP, and to understand the service quality and etiquette of our representatives.
- (3) Require time limits on customer dispute cases, record resolutions and follow up, to improve customer satisfaction.
- (4) Evaluate electronic platform functionality, operational procedures and suggestions for improvement. Collect data and feedback to relevant unit, and prompt response to customer requests.
- (5) Provide in all sales contracts risk disclosures on each item, ensuring proper understanding of the risks involved. Legal contracts for each business area have to go through an approval process, to be in compliance.
- (6) Product advertisement explanation and labelling must be approved by the legal department.
- (7) Risk disclosure language must be in compliance with relevant laws.
- (8) Regular bank advertisement shall be approved by the integrated marketing department and the holding company. Advertising shall be approved according to the approval processes established by the spokesperson.
- (9) Cross selling activities must be in compliance with external regulations and internal rules, and must be disclosed to customers in subsidiary bulletin boards or on the company's website.
- (10) Venture Capital business may have different investment terms, such as shares, price, etc. the relevant rights and responsibilities shall be clearly disclosed in the investment agreement.
- (11) Interest rate announcements: Bank SinoPac website -> information dashboard -> NTD interest rate -> NTD loan rate. bulletin boards shall have financial markets information and interest rate information.



Healthy Garden of Life

We hope that Taiwan becomes a place full of dreams and happiness.

We have SinoPac colleagues that demonstrate their internal beauty by sharing love and care, enabling the land to continue its liveliness and endless growth in nature.

In the past, SinoPac initiated many fundraising events by our corporate volunteers and supported by many colleagues. For the August 8th flood disaster in 2009, SinoPac donated NT\$10 million dollars to start the process, and SinoPac colleagues donated a day of salary, raising NT\$12 million and participating as volunteers going to the Alishan countryside and successfully assisting the Shanmei Elementary School in reopening after the disaster.

In 2013, colleagues demonstrated their generosity and raised funding for 1,880 boxes of happiness bakery boxes for the Eden Social Welfare Foundation.

In 2015, after the Formosa Fun Coast dust explosion accident, SinoPac donated NT\$10 million and provided job opportunities enabling the young, student accident victims to better understand the financial industry, and with colleagues acting as "little honeybee" volunteers, mentor students that show interest in the financial industry, and help them successfully face the job market.

SinoPac colleagues actively participate and engage in charity activities. Also, with the third party e-payment solution, "Fun Cashier", provide safe and convenient online payment processing and resolve difficult issues of payment collection. We further assist shops with supporting small farmers and their sales & marketing promotions, using our actions to assist microenterprises to grow towards sustainability.

To enable the dreams of shopkeepers that start ventures for their ideals.

To enable quality products to reach the world through e-commerce.

"Taiwan Good Fish" gave up a successful career as an electronic upstart to fulfill an ideal to have healthy and safe fish available;

"Bügel Bagel" achieved their goal of baking healthy, tasty, happy bagels;

"Tian Turtle Plan" was founded by a retired professor, with dreams to go back to the countryside, live healthy and do good, and protect the land.

SinoPac and our colleagues constantly support people that aim for their dreams, no matter if they are shopkeepers with "Fun Cashier" or families of victims of natural disasters, we assist and support them to rise beyond their struggles, catalyze change, and achieve their ideals.

SinoPac provides their strength, understand that only by caring for others, and supporting others, can Taiwan become a rich and healthy garden of life.

Environmentally Friendly Procurement and Green Management

Due to climate change, SinoPac Holdings and its subsidiaries since 2012 have responded to the call for "energy saving and carbon reduction", encouraging colleagues to apply for electronic statements. In 2015, the signup rate has already achieved 97%. Colleagues have also actively used the PMS conferencing system to call meetings, reducing the paperwork required. In the summertime, we require colleagues to wear short sleeves, and optimize the temperature of air conditioning systems. Concurrently, in sales operations, we support the green energy industry through the "2015 family solar energy equipment financing" loans, with a loan balance approaching NT\$80 million dollars and the "2015 corporate solar energy equipment financing" loans reaching NT\$2.3 billion, toward low carbon enterprise projects.

Digital Services and Paperless Work

The promotion of a paperless workplace and the penetration rate of digital services, is a trend that corporate development must face. Since 2014, subsidiary, Bank SinoPac have paid attention to paper recycling topics. The Executive Yuan organized relevant departments and through product systems and service optimization, mid and back office operational adjustments, and information promotion to achieve the target of lesser paper usage. IT units invested human resources and capital allocation to IT conferencing systems to great effect.

2015 Paperless Workplace Performance

Aspects	Items	Effects
Aspect of the Internal	Introduce the Lync communication application and the PMS conferencing system in 2015	<ul style="list-style-type: none"> · Reduce the paper use in meeting · Cut down the employee's travel time and improve work efficiency · Reduce carbon emissions
Aspect of the Production	Promote the development of electronic and digital service	<ul style="list-style-type: none"> · Simplify the operation of opening accounts and the counter service. Take the counter service for example, Branch Hsin-Da of Bank SinoPac use the tablet to operate account opening and the deposit/withdrawal service. It reduces the paper use and improve the efficiency of working · Encourage the customer of Bank SinoPac and SinoPac Holdings to purchase and redeem the funds through website. Promote the E-bills, direct debit from credit card and pay the bill through online transfer. The usage of E-bills in 2015 has reach a proportion of 66.8%, an increase of 1.4 % over 2014. In addition, through internal promotion. The usage of E-bills in has come to a proportion of 97% between colleagues
Aspect of the Operating Procedure	Send the bank statement of all commodity at once. Use the electronic bill of exchange and application	Reduce the paper use and the cost of shipping

Environmentally-friendly Procurement and Management

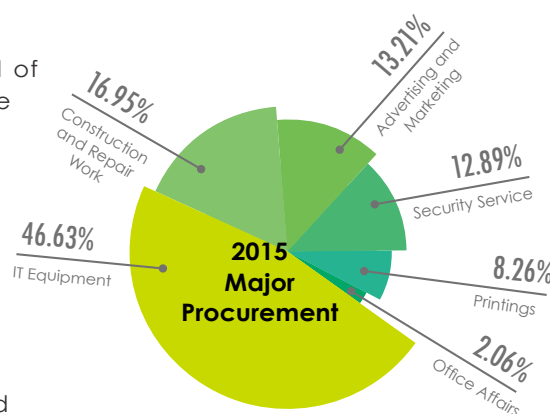
SinoPac Holdings and its subsidiaries are part of the financial services industry, thus, there are no raw material and manufacturing production activities. Our suppliers are mostly operational maintenance and customer service equipment suppliers. This includes the six categories of construction, computer technology, office automation equipment, facilities management and security, printing, and advertising/sales. According to the internal "operating rules for procurement procedure management", all procurement must establish a complete purchasing, procurement, delivery, verification system, with "separate levels of management responsibility" and authority, with prior approval by managers.

Also, for standard equipment purchasing, an annual contract bid process is preferred and through this system should be able to achieve a price advantage, higher specifications, and flexible delivery times. Internal auditing units and regulators will regularly audit the processes, and will correct, review, and suggest improvements as needed.

1. Green purchasing and controls

In 2015, our Company and subsidiaries spent a total of NT\$1.881 billion dollars in total purchasing. The purchase of environmentally friendly, energy saving approved products for branches and dormitories totaled NT\$13.928 million, green building material purchasing totaled NT\$22.35 million. The total purchasing of products with low carbon certification or environmentally friendly paper used in printing, copy paper, and greeting cards is approximately NT\$3.3 million.

The different types of suppliers and purchasing amount is detailed below, including IT suppliers and their provided data, system integration, hardware equipment and software purchasing, representing the most at 46.63% (NT\$676 million). Construction represented 16.95% (NT\$246 million) is next, followed by advertising/sales 13.21% (NT\$191 million), facilities management and security 12.89% (NT\$187 million), and others 10.32% (NT\$150 million). Domestic and foreign major supplier percentages is 94.95% domestic and 5.05% foreign. Foreign suppliers are mostly computer equipment, maintenance, and pricing data service fees.



2015 Major Procurement

Unit: NT\$

Items	Domestic Purchases	Percentages	Overseas Purchases	Percentages	Total Amount (Domestic+Overseas)	Total (%)
Construction and Repair Work	245,565,496	100%	0	0%	245,565,496	16.95%
IT Equipment	602,340,585	89.17%	73,189,054	10.83%	675,529,639	46.63%
Office Affairs	29,884,094	100%	0	0%	29,884,094	2.06%
Security Service	186,710,854	100%	0	0%	186,710,854	12.89%
Printings	119,647,140	100%	0	0%	119,647,140	8.26%
Advertising and Marketing	191,395,977	100%	0	0%	191,395,977	13.21%
Total	1,375,544,146	94.95%	73,189,054	5.05%	1,448,733,200	100%

2. Auditing suppliers for CSR

SinoPac takes the approach for a cooperative relationship with our suppliers. In addition to compliance management and policies, we also require suppliers to fulfill their social responsibility. Expected in 2016, regular suppliers and major suppliers with our Company shall sign an employee human rights statement, and in each year's supplier audit add items on Labor Standards Law, social negative impact, and other evaluation items. The audit aim is to ensure compliance with labor laws, workplace health and safety, and that there is no forced labor, bribery, anti-monopoly, fraud, and other negative activities. We will also perform ad-hoc checks at our suppliers' place of business, and we will establish long-term partnership relationships with quality suppliers. For non-compliance suppliers, we will cancel their supplier approvals.

Green Operations

The green revolution is a global trend. Within our organization, we have implemented plans for energy saving equipment, with each buildings' lights replaced with LED lighting, and promoted best practices in using energy. In addition to energy optimization in banking building server room equipment and active management, we also target energy usage, lighting, and air conditioning equipment at our branch locations in implementing energy saving plans, regularly inspecting and replacing wasteful energy equipment.


1. Strengthen promotion and change in the energy usage habits of users.

- (1) Adjust demand and appropriate equipment usage according to seasons and holidays.
- (2) Increase the temperature of ice water equipment by 1~2 degrees.
- (3) Increase the cooling tower temperatures by 1~3 degrees.
- (4) Enforce internal temperatures at 26 degrees.
- (5) Turn off non-essential equipment, such as lighting, water coolers, during nighttime.


After these energy saving adjustments, visible improvements in our energy usage have occurred. With the 129 branch locations of Bank SinoPac as an example, the total energy usage of 2015 versus 2014 decreased by 350,000 kwh, decreasing carbon emissions by 180,156 KgCo2e. In 2016, we will implement a full inspection and review of the power factor at each branch, and improve our energy efficiency.

2. Long term promotion of recycling and automation of operational processes

SinoPac Holdings and its subsidiaries are part of the financial services industry. We have promoted recycling activities and automation of operational processes. Subsidiary, SinoPac Securities have initiated paper saving initiatives, promoting repeated usage of envelopes between headquarters and branch offices, usage of double-sided printing, usage of recycled paper towels, prohibited usage of paper cups in internal meetings, and paperless transmission of corporate memos. In recycling, we sort our garbage, recycle paper, and recycle batteries. Concurrently, every six months, for all our business locations we perform interior CO2 concentration testing, lighting inspections, and test whether measurements are within standards. In support of our carbon reduction policy, our branch offices are engaged in a LED lighting replacement program. Using the Xinchuang branch as an example, we effectively achieved energy savings of 3~5%. In 2016, we will continue to replace lighting at our branch locations. Also, we will continue to hold energy saving competitions, controlling office air conditioning temperatures, and strengthen video conferencing systems to replace the transportation needs of colleagues. Each of these initiatives can effectively save energy and lower CO2 emissions.



Decrease
350,000 kwh



Decrease
180,157 KgCo2e

SinoPac Holdings Headquarter – Energy Consumption and the Greenhouse Gas Emission Data

Unit		2014	2015
SinoPac Holdings Headquarter			
(1) Power Consumption	degree	236,604	238,812
(2) Greenhouse Gas Emissions	KgCO ₂ e	123,271	124,421
Bank SinoPac Main Building			
(1) Power Consumption	degree	11,203,528	10,823,984
(2) Greenhouse Gas Emissions	KgCO ₂ e	5,837,038	5,639,296
SinoPac Securities Headquarter			
(1) Power Consumption	degree	1,890,117	2,180,480
(2) Greenhouse Gas Emissions	KgCO ₂ e	984,751	1,136,030

Note:

According to Ministry of Economic Affairs-Bureau of Energy, Energy industry reducing greenhouse gases information network, Electricity emission factors 0.521 KgCO₂e/ degree

3. Implement green management mission

(1) SinoPac Leasing

Subsidiary, SinoPac Leasing implement actions in its business activities that exhibits its responsibility in protecting the environment. Since most of its customers are small and mid-sized manufacturing companies, and transactions are mostly used in capacity expansion, in our credit evaluation process we take particular care when evaluating potential pollution industries and activities such as electroplating, dyeing, papermaking, and cement, etc. We evaluate whether enterprises have illegal pollution or are listed as enterprises as needing improvement, if improvements are not made, or clear plans on improvements implemented, we do not maintain contact, and prevents us from taking on clients that illegally pollute the environment.

(2) SinoPac Venture Capital

Through investments in green environmental industries, we limit the negative impacts on the environment. As of the end of 2015, our investment portfolio that consists of green environmental industries is approximately NT\$270 million, representing 11.67% of our portfolio, mostly relating to communication equipment, internet of things, and wireless sensor related industries.

(3) Bank SinoPac

Since Bank SinoPac started dormitory and branch office repairs in 2014, in accordance with building technology rules and architectural drawings, we have increased the usage of green building materials, reaching 45% of the total building area and procurement of NT\$22.35 million. We use materials for ceiling panels, plasterboard, dry wall, paint, etc. that create the lowest impact

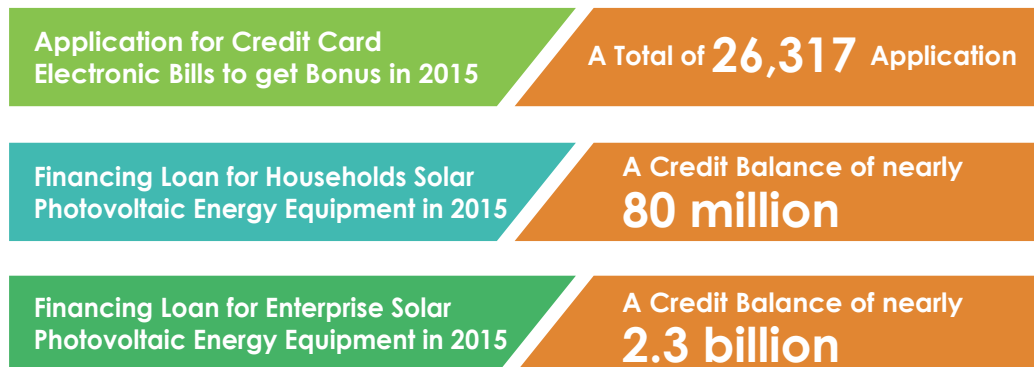
on the environment and the most harmless materials to the human body, and in 2015 increase the usage in many building materials.

Our product development also integrates green thinking. In December 2014, we launched our mobile credit card service, combining mobile service provider SIM card and selected mobile phones with credit card induction transaction functionality, enabling customers to experience convenience from the latest technology and at the same time decrease the usage of disposable supplies. By lowering the costs and usage of plastics in traditional credit cards, we create a better environment.

To encourage customers to use the internet to replace transportation and lower resource waste, our subsidiary, Bank SinoPac, has launched many electronic, digital financial services, in an effort to protect the environment. To counter the trend of higher oil and energy prices, and support the government's green industry development, we work closely with the government in their "million solar roof project", launching a "solar energy equipment financing special project", enabling family homes that install solar energy equipment special financing, and support the growth and development of the domestic energy saving industry.

Bank SinoPac Environment Protection and Green Energy Technology Achievement

Unit: NT\$



(4) SinoPac Securities

Sinopac Securities in 2015 assisted "F-Yeongguan Group" and "Wafer Works Corporation" in the issuance of convertible bonds, details as follows.

a. Assisted F-Yeongguan Group in issuing a \$2.5 billion convertible bond.

F-Yeongguan is a global wind power, injection molding, industrial machinery manufacturing supplier, and one of the world's largest independent foundries. Applications cross many energy saving industries such as wind power generators (wind power fan hub, base, bearing), and is a major supplier to international, leading firms including Siemens, GE Energy, Nordex, Gaemsa, Acciona, and Smart Wind Turbines (China), etc.

b. Assisted Wafer Works Corporation in issuing a \$600 million convertible bond.

Wafer Works is a major manufacturer of polished wafers and epitaxy wafers, and also produce sapphire substrates, and one of the top 10 semiconductor wafer raw material suppliers. Sapphire substrates are products of associated company, Wafer Works Optronics, which controls growth technology of sapphire substrates and sapphire LED substrate polishing technology for the use in blue, green, white light LED epitaxy substrates.

4. Implement waste management procedures

SinoPac Holdings and subsidiaries create waste as part of their operations, and are mostly paper and IT equipment, which are recycled and collected by external contractors. Concurrently, internal rules, in accordance to document/digital information destruction procedures follows safety and privacy principles to prevent the leakage of client data.



Paper: Contract recycling collection firms to specified paper factories to be destroyed and photos taken for our records. In 2015, subsidiary, Bank SinoPac and its major buildings destroyed 35,163 kg of paper.



Computer Equipment: Replaced computer hard drives are removed from IT systems before disposal. The hard drive contains corporate and personal information, which is destroyed via drilled holes by colleagues before given to external contractors for destruction. In 2015, subsidiary, Bank SinoPac Songshan Building disposed of approximately 100 PC, servers, and related equipment.



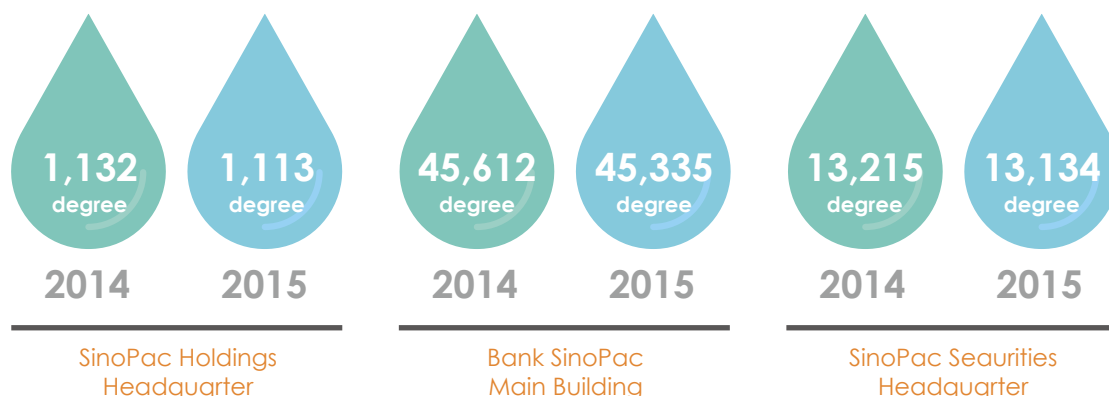
Other waste disposals, such as monitors, office equipment, generators, furniture, etc. if approved for disposal, is done in accordance with internal rules and procedures. Each management procedure is for sustainable management, and our efforts in environment and energy savings.

SinoPac Headquarter Building – Information of Main Waste Clearance

General Industrial Waste

Buildings	Items	Process	Unit	Unit	
				2014	2015
Bank SinoPac Main Building	Paper	Outsourced	kg	-	35,163
Bank SinoPac Songshan Building	Computer Equipment (Laptop, Screen, Bankbook Printer included)	Outsourced	-	96	71
SinoPac Securities Headquarter	Wastepaper	Outsourced	kg	9,480	18,869
	Personal Computer	Outsourced	-	350	299
	Printer	Outsourced	-	40	36
	Screen	Outsourced	-	2,886	663

Water use and Emission



Community Engagement and Deep Commitment to Taiwanese Society

SinoPac Holdings aims to provide "the most convenient and flexible financial services brand across greater China", and the central core of its strategic development is "community development", "provide integrated services", "continued growth in profitability", and "innovative development of services". We deepen our commitment in each region, understand local cultures, industrial development, and personal needs, adhering to the core principles for our new product and services development.

SinoPac Holdings and subsidiaries in 2015 launched local commitment and industry promotion and social engagement activities. For charity, culture, arts, education, music, environmental, and community development investments and donations reached NT\$51.41 million, with education representing NT\$10.43 million, creative culture NT\$22.19 million, and NT\$10.12 million for charity.

Education Investment

10.43
million

Creative Culture Industry






22.19
million

Public Welfare

10.12
million

Information of Bank SinoPac and SinoPac Securities Social Participation

Unit: NT\$ million

Items	2014	2015
 Education Investment	309.9	10.43
 Public Welfare	10	10.12
 Supporting Creative Culture Industry	18.69	22.19
 Supporting the Artistic and Music Industry	13.1	4.37
 Health and Other	5.9	4.3

Developing Community Relationships

Subsidiary, Bank SinoPac has over 129 branch locations in Taiwan, from the city center to many regional rural locations. We have a deep commitment to Taiwan, and support economic growth and microenterprises over the long-term. Our close relationship with our clients extends to every corner of the community, in our local efforts. In 2015, combining forces with Banchiao business area, we launched "Fun Travel Banchiao, good eats" event, which combined the traditional temple culture of Taiwan with modern technology functionality, by launching a customized ATM and other events and services. In addition, to improve the convenience of customers, by 2015, we have established 805 ATMs, with handicap accessible ATMs reaching 73%. Since 2013, all new procurement of ATMs has been of handicap accessible models, and in the future will aim to have all our ATMs become handicap accessible. We are also working on establishing a Hualien county branch, providing the local community with a comprehensive, convenient financial service.

Promotions of Localization

Bank SinoPac combined financial products and distribution channels in an example of the development of localization. Working with the Banqiao business in its "Fun Travel Banchiao, good eats" is to hope that many more local citizens can work together and develop a lifestyle memory that belongs to Banqiao.

Taiwan temples are an important part of the beliefs of a majority of Taiwanese, and plays a stabilization role in people's faiths. Bank SinoPac continues to launch partnerships with various temples including Hsin Kang Fenq Tian Temple, Songshan Ciyou Temple, Songshan Cihui Temple, Hung Lo Dei Nanshan Fu De Temple, and Monga Longshan Temple. Combining traditional temple cultures with modern technology functionality, in its customized ATMs, innovation, and a youthful image pulls closer the distance with the public, and enters the daily lives of citizens, and realizes the "Banking is Simple", convenient finance lifestyle concept.



Supporting Three Middle One Young

To encourage shopkeepers in all corners of Taiwan to develop e-commerce, and expand business opportunities, "Fun Cashier" works closely the government's SME heartbeat of Taiwan plan, assisting the "2015 industry-academic e-commerce innovation competition", with "Fun Cashier" being the only payment tool in the competition. Through the cluster established by the event and practical experience, we hope that this provides a base for future long-term management of payment services.

In July 2013, Fun Cashier cooperated with Toko University to establish a course, developing jointly with teachers and students in creating a leadership team in advising central and southern Taiwan product sales courses and agricultural processing factories to introduce internet payments, internet tools in developing new sales markets and assist in growing companies. Chiayi county is one of the major agricultural and fishery industry sites in Taiwan, by launching from Chiayi county the first group of internet payment leaders, Bank SinoPac hopes to grow SMEs, low-middle income, and central and southern Taiwan developments, enabling the youth can obtain the first capital needed for entrepreneurial endeavors. Moreover, through the cooperation with Toko University, the leadership team can become a strong supporter of local shopkeepers and jointly advise micro and SME enterprises to introduce e-payments, and using internet tools to develop potential markets. Also, with cooperation with Chung Shin University, through visits and other interactions, enable clubs and students to develop practical experience in using "Fun Cashier" payment solutions and cloud-based account opening, enabling young students to experience the ease of using financial services.

In addition to school activities, Bank SinoPac and the schools shall hold multiple seminars and workshops, develop local shopkeepers with potential and/or local sales course students to enter electronic payments and payment processing, and expand the business and achieve revenue growth and job opportunities. In the future, Bank SinoPac will continue to work with domestic universities in various industry-academic cooperation, and replicate successful examples to other regional areas. "Fun Cashier" combines local specialty in microenterprises to a larger fun cashier platform in an aim to implement innovations and a convenient, no cash transaction environment.



Concern for Local Education

In addition to networked, electronic financial services in servicing local communities, subsidiary Bank SinoPac also cooperates with local businesses and contribute to education and cultural developments. For the past seven years, we have supported the "Taipei Children's Arts Festival", providing children in Taipei a happy summer activity that consists of diverse arts, enabling children through participation develop culture and interest in the arts.



To enable the seeds of education can take hold in every corner of society, and ensure that resources are allocated to disadvantaged children, and support the scientific education, we cooperate with the Yuan T. Lee Foundation in holding the "2015 SinoPac mma finance and science camp" event, inviting disadvantaged children in a combined financial knowledge and science education camp. In the two-day camp, courses combining both science and financial knowledge, enabling children to learn both practical science experiments, with financial knowledge and management of their pocket money. Moreover, board games combine financial concepts, driving children's interests in financial investments and financial management. In 2015, we held 10 camps with 30 students at each camp.



Subsidiary SinoPac Securities participated in the "mountain and ocean music exchange summer camp" held by Elephant Music for 3 years in a row (2013~2015), bringing music students from the city to Hsinchu Beiping Elementary School to jointly enjoy music performance, exchange of hakka music and experience traditional hakka culture and lifestyles. We also provide space to hold the "2015 mountain and ocean music exchange recital". To improve the financial understanding to children, SinoPac Securities and Shih Hsin University finance and money major students during the winter and summer breaks held the 2nd and 3rd "Children's financial knowledge camp", establishing the proper money management concepts and understanding.



Xingda Branch, Taichung City Art Highlight

Subsidiary Bank SinoPac donated to Chung Hsin University a food safety testing center in 2014, establishing a national level certification center, creating a food safety center for Taiwan agriculture. At the same time, Chung Hsin University established a Xingda Branch, combining industry and academic cooperation and innovative incubation, combining "Fun Cashier" and other e-finance services with agricultural and community marketing. In 2015, we held "Future Banker" and "Little Banker" visits totaling 57 visits, with over 2800 students experiencing banking technology, and developing money management concepts. At the same time, the bank also provides internship opportunities and industry mentors and other community services. Also, Xingda branch displays arts by well-known artists, combining art, lifestyles, and finance. In 2015, we held 20 events, providing the community public and students, cultural innovative markets, arts, with Xingda branch receiving the Taichung City Government's award as a "2015 Arts Highlights Bank".





Local Student Entrepreneurs

SinoPac encourages the youth to return to the countryside and start ventures. Subsidiary, Bank SinoPac in 2015 achieved its second year in a row the headline sponsorship of the "Simple Life Festival", which is a marketplace festival for youth culture and cultural activities. This event has been held since 2006 and has attracted over 150,000 visitors, with over 65% being 35 years old or younger. Each year, representatives from the entertainment, cultural, and lifestyle experts participate via concerns or cultural marketplaces, enabling participants to "do what they like, like what they do have value". In 2015, the "Simple Life Festival" was held on December 5th and 6th in Taichung as an open event, attracting 60,000 visitors. In addition to creating a simple payment environment, enabling more interaction, and a diverse selection of events including the convenience of banking, the promotion of the ideal of "Banking is Simple" to the next generation is a key purpose of our sponsorship. This is the first time that this event was held outside of Taipei. Over 44 events with different music genres were held over the 2 days, with over 103 companies/individuals sharing their creativity.

Social Charity Supporting the Disadvantaged

In 2015, the Formosa Fun Coast dust explosion was a major accident. SinoPac Holdings and its subsidiaries, provide burn victims long-term job opportunities under certain circumstances. Bank SinoPac donated NT\$10 million to the New Taipei City government's "Formosa Fun Coast Dust Explosion Assistance Special Project". Another subsidiary, SinoPac Securities donated materials to the Sunshine Social Welfare Foundation and its "Sunshine New Taipei Family" accommodation center, in support of the rehabilitation of victims, hoping that the victims and their families move beyond the disaster. Subsidiary, Bank SinoPac donated NT\$2.5 million to the Taiwan Financial Services Roundtable "Finance Charity Scholarship" to support disadvantaged students to complete their education.



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DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	43
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	· Spreading Happiness - An Organization for Stable Growth and Happiness	43
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	· N/A	-
Training and Education			
DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	44-48
G4-LA9	Average hours of training per year per employee by gender, and by employee category	· Spreading Happiness - An Organization for Stable Growth and Happiness	48
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	· Spreading Happiness - An Organization for Stable Growth and Happiness	44-48
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	· Spreading Happiness - An Organization for Stable Growth and Happiness	46

Diversity and Equal Opportunity			
DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	38
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	· Creating Sustainable Value - Corporate Governance · Spreading Happiness - An Organization for Stable Growth and Happiness	24-26 38-41
Labor Practices Grievance Mechanisms			
DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	49-50
G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	· Spreading Happiness - An Organization for Stable Growth and Happiness	49-50
Human Rights			
Non-discrimination			
DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	38
G4-HR3	Total number of incidents of discrimination and corrective actions taken	· N/A	-
Freedom of Association and Collective			
DMA	Report the evaluation of the management approach.	· Spreading Happiness - An Organization for Stable Growth and Happiness	49-50
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	· N/A	-
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour	· N/A	-
Society			
Local Communities			
DMA	Report the evaluation of the management approach.	· A Healthy Garden of Life - Community Engagement and Deep Commitment to Taiwanese Society	76
G4-SO2	Operations with significant actual and potential negative impacts on local Communities	· N/A	-
G4-FS14	Initiatives to improve access to financial services for disadvantaged people	· Spreading Happiness - A Happy Relationship in Client Services · Developing Wealth in the World - Diversified Financial Products	55 62-65
Anti-corruption			
DMA	Report the evaluation of the management approach.	· Creating Sustainable Value - Ethical Management	33-35
G4-SO4	Communication and training on anti-corruption policies and procedures	· Creating Sustainable Value - Ethical Management	33-35
G4-SO5	Confirmed incidents of corruption and actions taken	· Creating Sustainable Value - Ethical Management	33-35
Compliance			
DMA	Report the evaluation of the management approach.	· Creating Sustainable Value - Ethical Management	33-35
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	· Creating Sustainable Value - Ethical Management · Spreading Happiness - A Happy Relationship in Customer Services	33-35 56-57
Supplier Assessment for Impacts on Society			
DMA	Report the evaluation of the management approach.	· Creating Sustainable Value - Ethical Management · Spreading Happiness - A Happy Relationship in Customer Services	33-35 51-57

G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management Spreading Happiness - A Happy Relationship in Customer Services 	33-35 51-55
Product Responsibility			
Product and Service Labeling			
DMA	Report the evaluation of the management approach.	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management Developing Wealth in the World - Communicating Product Information 	33-35 66-67
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	<ul style="list-style-type: none"> Developing Wealth in the World - Communicating Product Information 	66-67
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management 	33-35
G4-PR5	Results of surveys measuring customer satisfaction	<ul style="list-style-type: none"> Spreading Happiness - A Happy Relationship in Customer Services 	51-54
Marketing Communications			
DMA	Report the evaluation of the management approach.	<ul style="list-style-type: none"> Developing Wealth in the World - Communicating Product Information 	66-67
G4-PR6	Sale of banned or disputed products	<ul style="list-style-type: none"> Developing Wealth in the World - Communicating Product Information 	66-67
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management 	33-34
Customer Privacy			
DMA	Report the evaluation of the management approach.	<ul style="list-style-type: none"> Spreading Happiness - A Happy Relationship in Customer Services 	56-57
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> Spreading Happiness - A Happy Relationship in Customer Services 	56-57
Compliance			
DMA	Report the evaluation of the management approach.	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management 	33-35
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	<ul style="list-style-type: none"> Creating Sustainable Value - Ethical Management 	33-35
Products & Services			
DMA	Report the evaluation of the management approach.	<ul style="list-style-type: none"> Developing Wealth in the World - New Services of "Banking is Simple" / Diversified Financial Products A Healthy Garden of Life - Environmentally Friendly Procurement and Green Management 	60-65 70-75
G4-FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector	<ul style="list-style-type: none"> Past and Present of SinoPac Holdings - Operating Performance and Product Summary 	14
G4-FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	<ul style="list-style-type: none"> Developing Wealth in the World - New Services of "Banking is Simple" / Diversified Financial Products A Healthy Garden of Life - Environmentally Friendly Procurement and Green Management 	62-65 72-74
G4-FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	<ul style="list-style-type: none"> A Healthy Garden of Life - Environmentally Friendly Procurement and Green Management 	72-74



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S INDEPENDENT ASSURANCE STATEMENT ON SUSTAINABILITY ACTIVITIES IN THE SINOPAC HOLDINGS CO., LTD.'S CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2015

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by SinoPac Holdings Co., Ltd. (hereinafter referred to as SinoPac) to conduct an independent assurance of the Corporate Social Responsibility Report for 2015 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the SinoPac's CSR Report of 2015 and its presentation are the responsibility of the superintendents, CSR core working group and the management of SinoPac. SGS has not been involved in the preparation of any of the material included in SinoPac's CSR Report of 2015. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all SinoPac's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- evaluation of content veracity at a high level of scrutiny for SinoPac and moderate level of scrutiny for applicable aspect boundaries outside of the organization covered by this report;
- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, and the senior management in headquarter; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from SinoPac, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within SinoPac's CSR Report of 2015 verified is accurate, reliable and provides a fair and balanced representation of SinoPac sustainability activities in 01/01/2015 to 12/31/2015.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

SinoPac has demonstrated a good commitment to its stakeholders and to integrating inclusivity into its strategic and management approach. A variety of engagement efforts such as survey and communication to employees, consumers, investors, local communities, suppliers and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, SinoPac may proactively consider having more direct involvement of stakeholders during future engagement.

Materiality

SinoPac has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended that the process and criteria applied to assess materiality to be formalized and documented to ensure better consistent result in future reporting.

Responsiveness

The report provides a comprehensive response to the issues and stakeholder concerns relating to SinoPac's activities. Future reporting would benefit from more reporting on the results of stakeholder feedback on this report.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Principles

The report, SinoPac's CSR Report of 2015, is adequately in line with the GRI G4 Core Option. The material aspects and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report.

General Standard Disclosures

It is recommended to have more descriptions on the goals and targets set for the identified material aspects as well as disclosure on the link of sustainability governance within the company's highest governance is encouraged for future reporting.

Specific Standard Disclosures

Disclosure of Indicators: More disclosures of environmental and sector specific indicators are recommended.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
Taipei, Taiwan
13 June, 2016
WWW.SGS.COM



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Creating Sustainable Value ▲

Spreading Happiness ▲



Wealthy Garden of Life ▲



Developing Wealth in the World ▲