

Chinatrust Financial Holding Co., Ltd.
Corporate Social Responsibility Report 2010



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Corporate Social Responsibility Report **2010**



CONTENT

5	Report Outline
7	Chairman’s Message
8	Company Profile
10	Introduction
10	Mission & vision
10	Performance
13	Awards
15	Company stakeholders
17	Corporate governance
21	Risk management
22	Loan policy
23	Legal compliance
23	Corruption prevention
23	Industry associations
24	Customer Relations
26	Innovative service process
26	Guaranteeing consumer rights
30	Employee Relations
32	Human rights provisions
34	Employment structure
34	Employee relations

35	Training and development
36	Healthy working environment
38	Compensation & benefits
39	Employing the disabled
40	Environmental Protection
42	Energy conservation and carbon reduction policies
44	Green shopping
44	Earth Day tree planting activity
45	The Carbon Disclosure Project
45	One meat free day a month
45	Nangang headquarters green building project
45	Using recycled paper
46	Social Contribution
48	Philanthropy
52	Volunteer activities
55	Public welfare lottery
57	Sponsorship of arts
58	Humanitarian achievements in 2010
64	Independent Assurance Opinion Statement
66	GRI (Global Reporting Initiative) Index

Caring . Professional . Trustworthy

Report Outline

Chinatrust is committed to corporate social responsibility (CSR). In 2007, Chinatrust published its first yearly CSR report as an accessible and transparent source of information, so interested parties can understand how Chinatrust strategically and methodically performs its CSR work.

Concerns and boundaries of this report

This report presents a picture of what Chinatrust accomplished in the areas of economic development, social advances, and environmental protection in the year 2010 (2010.1.1 – 2010.12.31). This report covers Chinatrust Financial Holding Co. Ltd (CFHC) and its subsidiaries. However, any environmental protection reporting that includes water, electricity and other utilities charges are limited to the headquarters building. The new report's scope and all methods of measurement are the same as those utilized last year. Information provided from the previous year's report has not been revised in any way. All financial figures are in NTD.

Writing guidelines of the report

This year's report (2010) is written in compliance with the guidelines and framework suggested by the

Global Reporting Initiative (GRI, version G3.1), and as such contains lists of employee benefits, care for clients, environmental protection, and pro bono efforts. This report will be published annually and is downloadable from the CFHC website.

Certification of the report

The British Standard Institution (BSI) has checked this report for materiality, completeness, and responsiveness based on both the AA1000 assurance standard and GRI G3.1 guidelines (Appendix for BSI's verification statement in detail).

Any comments, opinions or suggestions concerning this report can be submitted to:

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Chairman's Message

Looking back over 2010, the world has experienced the European debt crisis, ceaseless expansion of Chinese economic power, depreciation of the US dollar, signing of the cross-strait ECFA agreement, and increased food costs due to the worsening impact of climate change. These important events affect not only the economy and industry, but also individuals' livelihoods. Members of the global village are speaking out, reminding industry that in addition to creating stable company profits, as corporate citizens we must also promise to work hand in hand and develop sustainable prosperity for all to help the environment, industry, and the future of all people.

The pursuit of growth: So we can do more

Harvard Professor Michael Porter once said, "The key to corporate social responsibility is positive impact. Companies must find domains that suit their operations and business strategy, only then can they truly have a positive, meaningful impact on society." Over the past several years, Chinatrust has made a commitment to good corporate governance, environmental protection, social welfare, and artistic and cultural activities. We have actively worked to put our promise, "We are family", into practice. Chinatrust truly believes that implementing corporate social responsibility is not achieved just by setting a good example. More importantly, we must continually pursue growth, so we can give more to our community.

Assisting the disadvantaged: Creating long-term positive value

The financial industry is intimately involved in many aspects of people's everyday lives. Over the past few years, Chinatrust has actively listened to the opinions of our diverse customers to ensure our services and products keep up with the times. In order to better meet our clients' needs, we scrapped several types of processing fees and simplified our automated telephone services. These service quality upgrades resulted in increased customer satisfaction. At the beginning of this year, we made a successful bid for a 100% stake in the Taiwanese subsidiary of America's Metropolitan Life Insurance Company. We will capitalize on this opportunity by jumping into the insurance business with both feet. Through offering a wide variety of insurance products and services, we can maintain good relations with customers for a lifetime, and we deeply believe that we can bring them positive value.

Support for philanthropic endeavors is one of the ways that Chinatrust works to meet our corporate social

responsibility. Key to Chinatrust's long-term strategy to assist Taiwan's disadvantaged children families and, we do not just provide them with fish to eat, as the saying goes, but teach them how to fish for themselves. In addition to our Light up a Life fundraising campaign held annually since 1985, we also actively sponsor social welfare organizations and provide assistance to disadvantaged groups. At the same time, within the company we also offer vacation days as a reward for volunteer service. We strongly encourage employees to volunteer in the hope that other local businesses to follow suit and together we can create an atmosphere of volunteerism throughout the nation.

Working hand in hand: Creating a sustainable, green future

In an era of increased globalization, Chinatrust has the highest number of overseas affiliates of any domestic financial institution in Taiwan. When considering Chinatrust stakeholders, we must not forget that the environment is part of one of our most important interactive relationships. Currently, governments and companies around the world have already experienced the effects of climate change, a global problem that transcends industry, culture, and national boundaries. Therefore, beginning with our executives, we encourage all employees to save energy and recycle. In the future, we also plan to perform a greenhouse gas inventory and certification. Through these sustained concrete actions, we can help our beloved Earth achieve a green, sustainable future.

In August of this year, Chinatrust was named one of Taiwan's Top Corporate Citizens by Common Wealth Magazine. This award was an affirmation of our many years of hard work in the areas of corporate governance, corporate commitment, societal participation, and environmental protection, while it also spurs us to work even harder.

As one of the leading brands in Taiwan's financial industry, meeting our corporate social responsibility is an important part of our overall operations. In this CSR Report we vow to the public and our employees that this is Chinatrust's most important core value. In the future, we will actively seek growth and expansion, while also promising to give back to society and have a positive influence on our employees and the world!







Company Profile



Over the past 40 years, Chinatrust has strived to become first in Taiwan, a leader in Asia, and among the world's best.

Introduction

Company Name: Chinatrust Financial Holding Co., Ltd.

Date of Inception: May 17, 2002

Headquarters Location:

No.3, Songshou Rd., Xinyi Dist., Taipei City 110, Taiwan

Total Capital: NT\$107.295 billion

Total Assets: NT\$1814.59 billion

Number of Employees: 10,508

Industry: Financial and insurance industries

Mision & Vision

Our Mission:

We are headed to protect and build values for our people, customers, shareholders and communities, help them succeed financially and enjoy a greater life.

Our Vision:

Wherever we diversify our business, we will be known as Taiwan Champion, Asian leader and one of the world's great companies.

Brand Values: Caring, Professional, and Trustworthy

Brand Promise: We are family

Chinatrust Financial Holding Co., Ltd.(CFHC or Chinatrust) was founded on May 17, 2002. Headquartered in Taipei, Taiwan, Chinatrust has over 10,000 employees worldwide. At the end of 2010, the company's assets totaled NT\$1.7 trillion, with a total net worth of NT\$161.029 billion and after-tax net profits of NT\$14.134 billion. Subsidiaries of CFHC include Chinatrust Commercial Bank, Chinatrust Securities, Chinatrust Insurance Brokers, Chinatrust Venture Capital, Chinatrust Asset Management, Chinatrust Security, and the Taiwan Lottery.

CFHC's key subsidiary, Chinatrust Commercial Bank, was established in 1966. Through the end of 2010, the bank's total assets were valued at NT\$1.79 trillion while net worth totaled NT\$128.896 billion, making Chinatrust

Taiwan's largest private sector bank. By 2010 we have a total of 146 locations throughout Taiwan and our 66 overseas locations in Asia, Europe, and North America are the most of any Taiwanese financial institution.

Because of Chinatrust's outstanding business performance, profitability, and innovative financial products, our record of consistent awards make us the envy of the industry. Looking to the future, Chinatrust aims to protect and build upon our current achievements. Working hand in hand with our clients, we can build a brighter future together. At the same time, Chinatrust also holds fast to our brand principles of being caring, professional, and trustworthy at all times. We provide our clients with convenient and diverse financial services, making us not just number one in Taiwan, but an industry leader in Asia and beyond.

Performance

Looking back over 2010, despite experiencing the global financial crisis, Chinatrust still holds fast to our principle of stable operations. We continue to strengthen our financial structure and work towards an optimal allocation of capital, while actively exploring opportunities for development in the mainland Chinese financial services market. In addition, Chinatrust is making moves to expand in the life insurance industry. By implementing strict risk management procedures, we continued to steadily create value for our shareholders.

In 2010, Chinatrust's after-tax profits reached NT\$ 14.134 billion, which represents a mammoth increase of 480% over 2009. After-tax return on common shareholders' equity reached 10.53%, while our after-tax budget achievement rate was 134%, which both represent the highest of all domestic publically-traded financial holding companies. Currently, Chinatrust's major base of operations is in Taiwan. Locally, we have made major contributions to earnings growth at our partner procurement firms.

CTCB overseas service outlets



Domestic Network: 146 Branches in Taiwan

Overseas Network: 66 Locations

7 Overseas Branches – New York, Hong Kong, Kowloon, Tokyo, Ho Chi Minh City, Singapore, and New Delhi

4 Subsidiaries (53 Branches, Sub-Branched, and Loan Production Offices)

– CTC Bank of Canada, Chinatrust Bank (USA), Chinatrust (Philippines), and Bank Chinatrust Indonesia

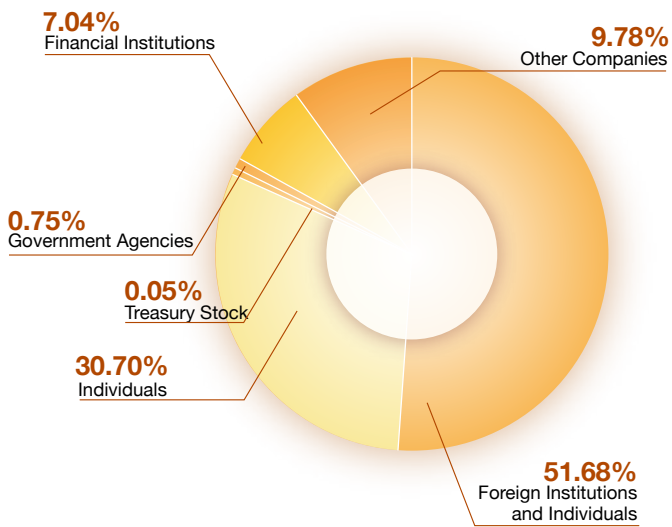
5 Representative Offices – Beijing, Bangkok, Manila, Hanoi, Los Angeles

Operating ability and profitability

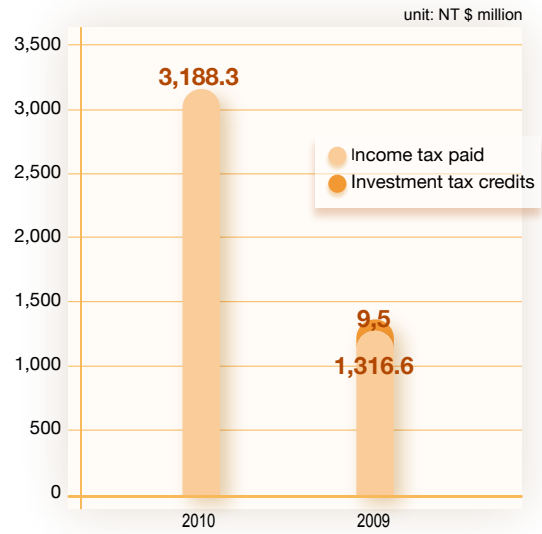
unit: \$1,000

Year		2010	2009
Operating Ability	Total assets	1,814,593,707	1,760,715,176
	Total liabilities	1,653,564,959	1,610,900,401
	Shareholders' equity	161,028,748	149,814,775
	Total profit	14,133,988	2,431,057
	Average revenue per employee	312,457	161,244
	Average earnings per employee (after tax)	300,723	143,003
Profitability	Return on assets (%)	0.79	0.14
	Return on common shareholders' equity (%)	10.53	1.21
	Net profit ratio (%)	96.24	88.69
	Earnings per share (NT\$)	1.32	0.15

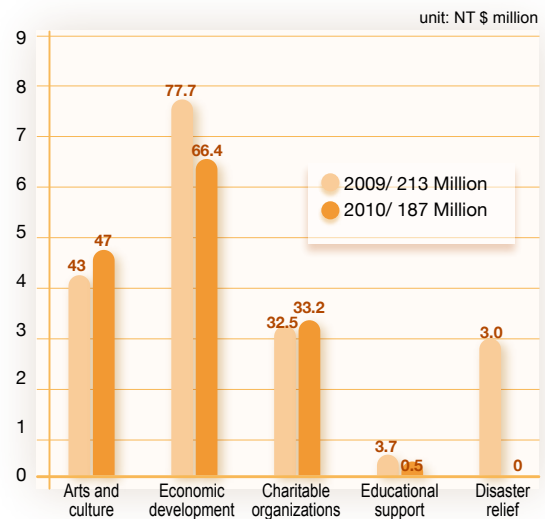
Shareholder structure



Income tax paid and investment tax credits

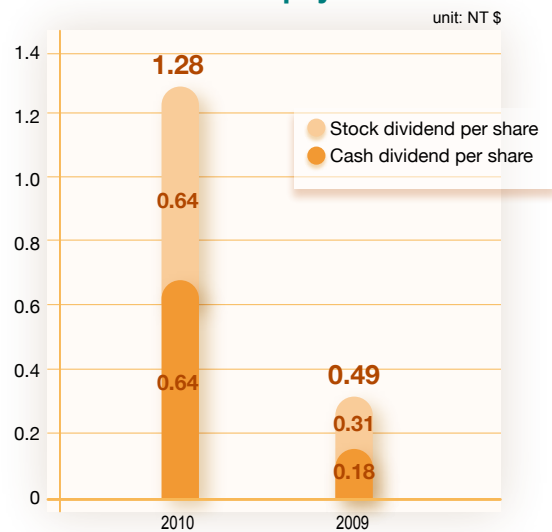


Charitable contributions



Chinatrust's mission is to protect and build our clients' wealth and provide convenient and diversified financial services.

Dividend payouts



Awards

Domestic awards 2010

- Reader's Digest's Trusted Brands for both banks and credit card issuers.
- Top brand image among wealth management clients in the Global Views Monthly Wealth Management Survey
- Gold Award at the Council for Cultural Affairs 10th Art & Business Awards
- Excellence Magazine's Best Corporate Image Award and Best Product Innovation Award
- Best Risk Management Award and International Development Award at the fifth Taiwan Financial Industry Excellence Awards
- First place awards for both bank and online bank brands in Business Today's third Best Brand Awards
- Financial Talent Development Innovation Group Award 2010 from the Financial Talents Committee of the Talents Research Association of China
- Top prize for the banking industry in Pollster's 2010 Service Industry Quality Gold List Awards

International awards 2010

- FinanceAsia: Best Bank in Taiwan, Best Foreign Exchange Bank in Taiwan, Best Cash Management Bank in Taiwan, Best Trade Finance Bank in Taiwan, Best Private Bank in Taiwan
- Global Finance: Best Foreign Exchange Bank in Taiwan, Best Emerging Market Bank in Taiwan, Best Consumer Internet Bank in Taiwan
- The Asset: Best Domestic Custodian Bank in Taiwan, Best E-Commerce Bank in Taiwan, Triple A Investment Award 2010: Best Wealth Management House in Taiwan, Triple A Investment Award 2010: Best Derivative House in Taiwan, Best Domestic Bank in Taiwan, Best Debt House in Taiwan, Titanium Award for Corporate Governance, Social and Environmental Responsibility and Investor Relations in Banking and Finance in Taiwan



CFHC Chief Risk Officer James Sheu (right) and CEO, Banking group of CFHC (Michael B. DeNoma) (Left) accept the Best Risk Management Award on behalf of Chinatrust from presenter Susan Chang (center), chairwoman of the Bankers Association of the Republic of China.



The Talents Research Association of China honored Chinatrust with the Financial Talent Development Innovation Group Award 2010, which was accepted by CFHC Vice President Chen Yong-jin



Over the past three years, we have received over 100 awards, the most of any financial institution in Taiwan.

- Asiamoney: Best Domestic Bank, Best Local Cash Management Bank in Taiwan as voted by Medium-sized and Large-sized Corporates
- Euromoney: Best Private Bank in Taiwan, Best Local Private Bank in Taiwan
- The Banker and Professional Wealth Management (PWM): Best Private Bank in Taiwan
- The Asian Banker: The Asian Banker Achievement Award for Cash Management in Taiwan, Technology Implementation Awards 2010: Best Call Center Project
- AsiaRisk: House of the Year
- AsianInvestor Magazine: Best Direct Custody, Taiwan
- Corporate Governance Asia: 6th Corporate Governance Asia Recognition Awards 2010
- Yazhou Zhoukan: “The Prestigious Award Top Ten Banks in Taiwan 2010” from among the top 300 Asian banks ranked
- GSL: The Securities Lending Industry Awards 2010 : Highly Commended - Lender of the Year - Single Location Lender
- IR Global Ranking: Outstanding Investor Relations Website, Taiwan
- Chinatrust Commercial Bank’s Ho Chi Minh City branch received the Best Performing Bank Award from the State Bank of Vietnam





Credit ratings

Type	Rating Agency	Credit Ratings		Outlook	Additional Notes	Effective Date
		Long-term	Short-term			
International	Moody's	-	-	Stable	Issuer rating: A3	2010.10.14
	Standard & Poor's	BBB	A-3	Stable	-	2010.11.01
	Fitch	A	F1	Stable	Individual: B/C Support: 5	2011.03.23
Domestic	Taiwan Ratings	twAA-	twA-1+	Stable	Credit Worthiness: Very Strong	2010.10.15
	Fitch	AA+ (twn)	F1+ (twn)	Stable	Individual: B/C Support: 5	2011.03.23

Company stakeholders

Our company held an internal meeting of employees from a variety of departments to identify and classify the each business unit's potential stakeholders. From this meeting, Chinatrust outlined six categories of stakeholders: investors, employees, clients, members of the community, government agencies, and subcontractors.

Of these, investors are made up of shareholders and foreign institutional investors. Employees include both current and retired employees. Clients include current corporate banking clients along with potential clients for all areas of our business. Members of the community include community residents, non-governmental organizations, industry, and the media. Government agencies are the competent authorities overseeing the financial industry and any other areas of business

conducted by Chinatrust. Subcontractors include procurement firms and other third-party firms with which we do business.

Chinatrust also outlined each stakeholder group's key concerns, which are now taken into account in both daily business operations and our annual plan. In addition, Chinatrust uses a variety of channels to facilitate dialogue and better understand stakeholder needs and expectations. This information is also referenced when drawing up or amending company policies, which include our corporate social responsibility goals.

Our obligations can be categorized into four main areas: care for employees, attention to client needs, environmental protection, and public service.

Means of communication between Chinatrust and our stakeholders are detailed below:

Stakeholders	Our key obligations	Communication channels	Important issues
Shareholders and investors	Disclosure and transparency	1. We hold an annual shareholder meeting, quarterly investor conference, and report our operating performance each month. 2. We attend domestic and overseas investment forums and conferences. 3. Related information is also made available online.	Profitability Risk management Corporate governance policy
Employees	Respect human rights, provide equitable remuneration, and promote employee well being	Issue a monthly employee e-magazine, hold employee health seminars, and have opened a variety of channels for employee opinions and complaints.	Salary/Bonus/Pension program Benefits program Working environment Training and development Fair treatment and equal rights
Clients	Provide convenient products and service to raise client satisfaction	Established a 24 hour toll-free service hotline, provide client e-mailboxes, issue an e-newsletter, hold special VIP events, perform a customer satisfaction survey, and hold investment and wealth management seminars	Products and services Client privacy Processing fees Debt negotiation
Members of the community	Respect local culture and participate in public service	Attend symposiums, hold press conferences, sponsor the arts, and hold related public service activities.	Service to the community Charitable donations Environmental protection
Government agencies	Observe relevant laws, pay taxes, provide consulting on future legislation, and help educate others on financial laws	Attend banking association member meetings, attend public hearings held by competent authorities	Legal compliance Input regarding legal regulations
Subcontractors	Follow fair procurement practices	Hold price negotiation meetings with our subcontractors	Procurement price Terms and conditions

Important Issues Matrix

Stakeholder Level of Concern	High	1. Service to the community 2. Charitable donations 3. Environmental protection	1. Employee benefits 2. Employee training and benefits 3. Debt negotiation 4. Client privacy 5. Legal compliance 6. Input regarding legal regulations	1. Profitability 2. Risk Management 3. Corporate Governance Policy 4. Products and services
	Medium	-	-	-
	Low	-	-	-
		Low	Medium	High

Immediate or potential impact on Chinatrust



As Taiwan's leading branding financial institution, Chinatrust works to uphold our brand commitment represented by our motto "We are family" as we help clients safeguard and build their wealth.

Corporate governance

Experiencing the American subprime mortgage, Taiwan's credit and cash card, and global financial crises, along with a spate of recent financial mergers in Taiwan, the service culture and brand values within the industry have seen unprecedented trials and challenges. These important regional and global financial issues not only impact international economic trends and society, but investors, consumers, and our corporate partners now hold the financial industry to a higher standard of ethics and professionalism.

As Taiwan's largest private financial institution, Chinatrust has continuously worked to meet our brand promise: "We are family". Over the past 40 years, we have helped our clients to protect and grow their wealth. Through strengthening our brand image, operations management, personnel quality, and service culture, we demonstrate the value of the financial service industry to society and the nation.

In 2010, Chinatrust launched a professional manager system, while also implementing a series of corporate governance reforms. Through improving operations, creating a healthy organization, and developing our corporate culture, we hope to become increasingly competitive within the industry and build faith in our brand.

In June 2010, Chinatrust was awarded the Taiwan Corporate Governance Excellence Award by Corporate Governance Asia magazine. We were one of five Taiwanese firms to receive the award, which also included TSMC and MediaTek. The following year, in May 2011, Chinatrust once again received this honor, while also earning seven awards in Finance Asia's Asia's Best Firms 2011 including Best Managed Company, Best Corporate Governance, Best Investor Relations, Best Corporate Social Responsibility, Most Committed to a Strong Dividend Policy, Best CEO, and Best CFO

Awards. These honors affirm our past efforts and further encourage us to seek excellence in corporate governance.

Transparent Governance

In order to improve our corporate governance, while establishing long-term strategic development and pursuing sustainable growth, Chinatrust was the first in Taiwan's domestic financial industry when in June and July 2009 we established the Audit and Remuneration Committees to assist the Board of Directors to achieve further transparency.

In November 2010, Chinatrust once again led the industry by adding the Corporate Governance Office and establishing the position of Corporate Governance Officer, which formulate and implement corporate governance related regulations and report directly to the Chairman's Office.

Board of Directors

In recent years, Chinatrust has endeavored to take concrete steps to improve corporate governance and achieve a professional, independent Board of Directors. Some of the measures implemented are discussed below:

- 1. Independence of Directors:** In June 2008, Chinatrust appointed two independent directors, which were increased to three in June 2009.
- 2. Director Education:** In order to strengthen directors' specialized knowledge and decision-making ability, Chinatrust directors must all take part in regularly-scheduled, individual learning and research activities. In 2010, the professional courses were held by the Securities and Futures Institute and the Corporate Governance Association in Taiwan. Directors participated in a total of 58 hours of instruction.

Proposals involving Board of Director conflicts of interest

Date	Content of the Proposal	Names	Nature of Conflict	Vote Result
2010.1.28 34th meeting of the 3rd Board of Directors	In accordance with proper corporate governance, the Board drew up the Regulations Governing Chinatrust Financial Holding Company Director Remuneration.	Jeffrey L. S. Koo Charles L.F. Lo	Involves the personal interests of the Company's Chairman and Vice Chairman	As prescribed by law, those involved recused themselves, while the proposal was passed by the remaining directors present.
	Proposal covering 2009 performance bonuses for the Company's Chairman, Vice Chairman, and President	Jeffrey L. S. Koo Charles L.F. Lo	Involves the personal interests of the Company's Chairman and Vice Chairman	As prescribed by law, those involved recused themselves, while the proposal was passed by the remaining directors present.
	Proposal covering 2009 performance bonuses for the Company's Independent Directors	Jack J. T. Huang Chung-Yu Wang Wen-Chih Lee	Involves the personal interests of the Company's Independent Directors	As prescribed by law, those involved recused themselves, while the proposal was passed by the remaining directors present.
2010.4.7 39th meeting of the 3rd Board of Directors	Report on the remuneration package for the Company's Chairman and President	Jeffrey L. S. Koo Daniel Wu	Involves the personal interests of the Company's Chairman and President	As prescribed by law, those involved recused themselves. All remaining directors present agreed to defer discussion on the Chairman's remuneration. The remuneration package for the Vice Chairman was sent to the Remuneration Committee for review and approval, which was then reported to the Board. Following consultation with Chung-yu Wang, the proposal was passed by the remaining directors present.
2010.04.28 40th meeting of the 3rd Board of Directors	Report on the remuneration package for the Company's Chairman	Jeffrey L. S. Koo	Involving the company's Chairman	After consultation with Vice Chairman Lo, the proposal was passed by the directors present.
2010.07.26 44th meeting of the 3rd Board of Directors	A report was made regarding the short-term securities investment quota that had already been approved by the Credit Approval Committee.	Jack J. T. Huang Chung-Yu Wang	Involving the company's directors	As prescribed by law, those involved recused themselves; the remaining directors noted their understanding.
2010.8.25 46th meeting of the 3rd Board of Directors	In order to reward and encourage outstanding managers and employees, the third and fourth Chinatrust Financial Holding Company stock repurchases were proposed.	Charles L.F. Lo Michael B. DeNoma Daniel Wu	Involves the personal interests of the Company's Vice Chairman, Director, and President	As prescribed by law, those involved recused themselves. The proposal was reviewed by Director Chung-Yu Wang, then approved without objection by the directors present, who also agreed to the content of the Remuneration Committee's proposal.
	Proposal related to the 2010 transfer of treasury stock to executives.	Charles L.F. Lo Michael B. DeNoma Daniel Wu	Involves the personal interests of the Company's Vice Chairman, Director, and President	As prescribed by law, those involved recused themselves. The proposal was reviewed by Director Chung-Yu Wang, then approved without objection by the directors present
2010.11.26 50th meeting of the 3rd Board of Directors	In order to ensure sufficient capital Chinatrust Venture Capital Corp. for investment, to support its long-term business development goals and take advantage of outsourcing of government fund management, Chinatrust proposed a capital increase through the purchase of Chinatrust Venture Corp common stock totaling NT\$2 billion. Each share would be priced at NT\$10 with a total of 200 million shares to be purchased.	Daniel Wu	Involving the company's directors	As prescribed by law, those involved abstained from the vote, while the proposal was passed by the remaining directors present.
	In order to stay on top of trends in the international HR market and attract international talent, regulations governing incentives for the employment of foreign personnel was proposed.	Michael B. DeNoma	Involves the personal interests of a Company director	As prescribed by law, the director involved abstained from the vote, while the proposal was passed by the remaining directors present.
	Proposal regarding 2009 employee bonus point distribution.	Daniel Wu	Involves the personal interests of the Company's President	As prescribed by law, the director involved abstained from the vote, while the proposal was passed by the remaining directors present.

Board of Directors

Title	Name	Education and Experience
Chairman	Jeffrey L. S. Koo	Honorary Ph.D., De La Salle University, Philippines MBA, New York University, USA Chairman of Chinese International Economic Cooperation Association Chairman, Chinatrust Commercial Bank
Director	Wen-Long Yen	Department of Economics, Soochow University, Taiwan Chairman, United Real Estate Management Co., Ltd.
Director	H. Steve Hsieh Representative of Kuan Ho Construction & Development Co., Ltd	Ph. D. in Biochemical Nutrition, University of Wisconsin, USA Chairman of Taiwan Lottery Corporation, Ltd. Secretary General, Executive Yuan
Director	Song-Chi Chien, Representative of Yi Kao Investment Co., Ltd.	Master of Public Finance , National Chengchi University. Deputy Director, Department of Finance, Ministry of Finance Director, Department of Insurance, Ministry of Finance Chairman of Singfor Life Insurance Co., Ltd.
Director	Yann-Ching Tsai Representative of Chung Cheng Investment Co., Ltd	Ph.D. in Management (Accounting Major), University of California, Los Angeles, USA Chairman, Department of Accounting, National Taiwan University Chairman, Graduate Institute of Accounting, National Taiwan University
Director	N/A Representative of Asia Global Investment Co., Ltd.	--
Independent Director	Jack J. T. Huang	S.J.D, Harvard University Partner-in-Charge, Jones Day Taipei office Independent Director, Taiwan Mobile Co., Ltd. Independent Director, SYSTEX Corporation Independent Director, WPG Holdings Director, Yulon Motors
Independent Director	Chung-Yu Wang	Honorary Ph.D , Chung Yuan Christian University Independent Director, Chunghwa Telecom Director, CX Technology Corp. Vice Chairman of Tong Lung Metal Industry Co., Ltd. Chairman of China Steel Co., Ltd.
Independent Director	Wen-Chih Lee	Ph.D. in Accounting, Graduate School of Business Administration, National Taiwan University Professor, Graduate Institute of Commerce, National Kaohsiung University of Applied Sciences Independent Director, Bank of Kaohsiung

Responsibilities and Authority of the Board of Directors

Chinatrust's Board of Directors exercises its powers according to governmental regulations, our articles of incorporation, and resolutions approved at shareholder meetings. All board members must possess the leadership, decision making, and risk management skills necessary to perform their duties, while also being knowledgeable about the domestic and international financial industry. They must also be capable of supervising and monitoring corporate operations and administration.

Currently, the board is made up of 9 members each with a three-year tenure. A total of 19 Board of Directors meetings were held in 2010. In addition, in

order to establish a strong Board of Directors system of governance, effectively improving monitoring capabilities and strengthening governance mechanisms, Chinatrust has drawn up our regulations governing our Board of Directors in accordance with Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and Financial Holding Companies and the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

According to Chinatrust rules governing our Board of Directors, directors or their representatives must avoid any conflict of interest when such interests could cause harm to the company. In such a case or when a director



As a publicly-listed company, Chinatrust maintains openness and transparency in all areas, regularly updating investors on our business strategies and operating principles.

decides it is appropriate to recuse him or herself, the director must refrain from all discussion and votes on the matter at hand (see the table P.19). This policy is executed in accordance with Article 206 of the Company Act. Under Article 8 of Chinatrust's Board of Directors Rules of Procedure, other issues related to environmental and social risk management that are determined to be key issues by company executives are submitted to the Board for discussion.

Other functional committees

1. Audit Committee

The Audit Committee, made up of all independent directors, was established in June 2009 to assist the Board of Directors to execute their monitoring duties. The committee has a variety of responsibilities that include setting up, revising, and evaluating the internal audit control system, acquisition and disposition of property, handling derivative product transactions, setting up procedures for handling major asset transactions, examining board member conflicts of interest, auditing major asset or derivative product transactions and loans, endorsing or providing guarantees, approving recruitment, issuing or private placement of negotiable securities, delegating certified accountants, governing discharge of employees and remuneration, evaluating independence and effectiveness, reviewing the employment and discharge of financial, accounting, and internal audit managers, examining annual and semi-annual financial reports, and investigating regulations put in place by competent authorities or other firms. In 2010, the committee met 15 times.

2. Remuneration Committee

The Remuneration Committee, established in July 2009, is made up of all independent directors. Their aim is to assist the board of directors in evaluating and monitoring the overall corporate remuneration strategy and determining salary levels for non-independent directors, senior managers, and managers. The committee met twice in 2010.

3. Executive and Credit Approval Committees

In addition to the two aforementioned committees, we have also established the Executive and Credit Approval Committees, which manage the risk management mechanisms at Chinatrust and our subsidiaries.

Maintaining a positive relationship with investors

As a public company, to meet the needs of Chinatrust's domestic and international institutional shareholders, we are committed to openness and transparency. We regularly hold investors, conferences and participate in investor forums and road shows in Taiwan and abroad to discuss company operations, financial performance, and corporate strategic direction.

Our company website provides investors with real-time access to important company information in both Chinese and English. Visitors to the site can download important documents such as our annual report, review our stock price, and browse the minutes of our annual general shareholders' meeting. We also offer a convenient "Contact Us" function, where investors can email Chinatrust directly from the Investor Relations section of our website.

Establishing our internal audit control system

Chinatrust complies with the Implementation Rules for the Bank Internal Audit and Internal Control System. Apart from establishing a comprehensive internal control system and implementing risk management, the independent audit department performs internal audits, regularly reporting findings to the Audit Committee and the Board of Directors. Internal audit units perform at least one general audit each year at Chinatrust Financial Holding Co. At least once every six months, CFHC and its subsidiaries perform a financial audit, risk management audit, and legal compliance audit. The results are compiled into an internal audit report that is given to the company's Audit Committee for review. Results are also provided to competent authorities within two months of the each audit's completion date.

Risk management

The goal of Chinatrust's risk management policy is to effectively manage resource utilization to create the greatest possible economic benefit. After experiencing the impact of the global financial crisis, we deeply appreciate that financial institutions must keep a strong handle on risk and establish a robust risk management foundation. Therefore, Chinatrust's Board of Directors also does its utmost to monitor concentration of risk exposure, risk management procedures, and quantitative

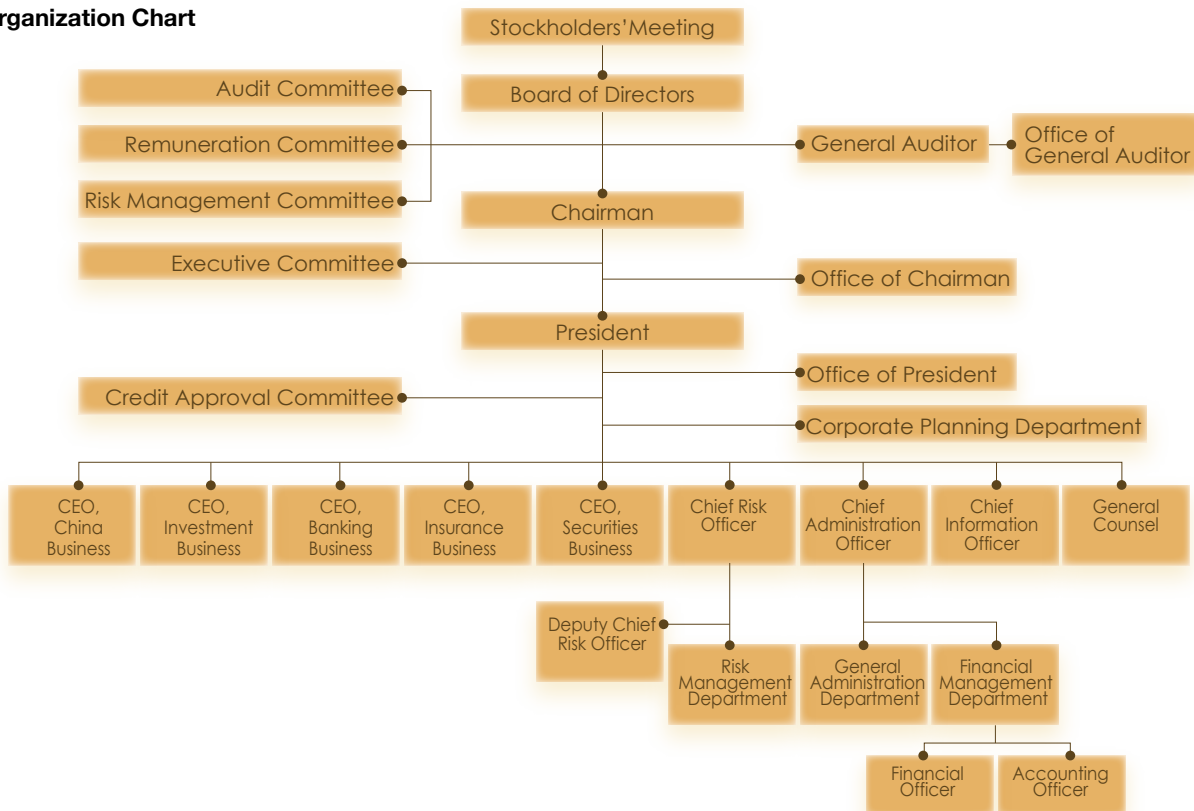
risk assessments in all aspects of our operations. By maintaining a proper balance between risk and profitability for our clients, we can build an even more outstanding record of achievement to realize our goal of sustainable enterprise development.

Our operational risk management goal is primarily to minimize financial losses by utilizing appropriate operational risk management strategies, policies, and procedures to manage risk created in all of our operations. By strengthening the company's overall operational risk management framework, we gradually developed a risk management scheme, which was both specialized and systematic. As a part of our overall corporate governance policy, these steps can upgrade our operating structure and increase shareholder equity.

Our company's risk management framework includes the Board of Directors, General Auditor, High-level Executives and all Risk Management Committees, and the Risk Management Department. Each of our subsidiaries also have their own risk management divisions. The primary responsibilities of each group within our risk management structure are described below:

1. Board of Directors: The highest supervising authority in our risk management structure, the Board of Directors is responsible for authorizing risk-related strategies and policies, determining the company's risk management

Organization Chart





First and foremost, Chinatrust promises clients that “We are family”. Their smiles of satisfaction motivate us to provide better services and products.

structure, and instilling a culture of proper risk management. They take ultimate responsibility for our overall risk management policy.

2. **General Auditor:** The General Auditor is responsible for the planning and execution of all auditing activities and reports directly to the board.
3. **High-level Executives and all Risk Management Committees:** The responsibilities of these groups, as directed by the Board, is primarily to monitor and ensure proper operation of our risk management structure. The Executive Committee is responsible for management of major decisions regarding the company’s overall risk. In addition, the Executive Committee also oversees the Credit Risk, Market Risk, Capital and Operating Risk, and Investment Risk Teams that are under its purview. The potential risks posed by climate change, including losses due to increasing rates of natural disasters, are also considered major issues that must be explored.

Chinatrust has also established a Crisis Response Team that is responsible for monitoring, evaluating, and analyzing any emergent event that could potentially cause a loss of public confidence in the company or in the event of a disaster caused by climate change. The Crisis Response Team must immediately implement a contingency plan in order to eliminate the crisis entirely or mitigate any damage caused to the company.

In 2005, Chinatrust began actively to build a risk management mechanism, taking the following concrete steps:

- 2005: Promulgated operational risk management policies.

- 2007: Applied for and received permission to use the Standard Act provision for operational risk capital, then gradually completed establishment of operational risk management tools, which include Risk & Control self assessment, Key Risk Indicators, and Loss Data Collection. Within our risk management policies, we also added sections regarding the issuance of new products.
- 2009: Added a risk management introductory course to training for new hires to strengthen awareness of Chinatrust’s corporate risk-management culture.
- 2010: In accordance with our globalized operations, we strengthened implementation of risk management mechanisms at our overseas branches and subsidiaries and added dedicated staff to monitor risk management.

Loan policy

Providing credit is one of the financial industry’s major services. In addition to being committed to the pursuit of profit growth, Chinatrust also stays aware of all types of potential social and environmental risks. One of our loan criteria for commercial firms is whether or not that firm meets its social responsibilities.

Under our loan policy, in addition to financial concerns, we also consider whether or not the applicant firm emits waste water or gas that pollutes the environment. In addition, Chinatrust’s financial credit risk guidelines and enforcement rules state that credit officers must abide by the Soil and Groundwater Pollution Remediation Act to prevent acceptance of collateral property that is impacting the environment or has soil pollution issues.

Legal compliance

Since our founding, Chinatrust's commitment to integrity and friendly service has earned us an outstanding reputation in the financial services industry. For many years, we have not only served as an example to the industry, but have also become a well-trusted brand within all areas of business and the community.

Integrity and a strong sense of professional ethics are prerequisites for all our employees. Chinatrust's Employee Code of Conduct clearly outlines our basic rules and what we expect of each employee, including policies regarding ethics, legal regulations, employee relations, gifts and other offerings, client privacy, intellectual property rights, money laundering, discrimination, bribery, conflicts of interest, and protecting company assets and reputation. These standards serve as a common commitment for our entire workforce.

In addition, Chinatrust tracks changes to financial policies and industry trends within Taiwan and abroad while ensuring our risk management procedures keep pace with the diverse and rapidly shifting global finance environment.

Over the past year, the below internal controls were strengthened:

- From September through December 2008, our subsidiary Chinatrust Commercial Bank purchased stocks of other companies over which Mr. Huang served as independent chairman, violating Article 74-1 of The Banking Act of The Republic of China. In August 2010, the Financial Supervisory Commission (FSC), as prescribed by Article 130 Paragraph 4 of The Banking Act, fined Chinatrust NT\$1 million. Following this event, Chinatrust strengthened controls on stock transactions for company stakeholders and performed vigorous checks at all levels to ensure the changes were implemented. In August 2010, we issued a report to the FSC.
- CHFC subsidiary Chinatrust Commercial Bank leased over 50% of land meant for company use to a tenant in violation of Article 75-2 of The Banking Act. Under Article 130 Paragraph 4 of the same law, Chinatrust was fined NT\$1 million. On December 31, 2010, Chinatrust terminated the contract with the lessee and came into compliance with the law.
- Taiwan's Fair Trade Commission ruled Chinatrust Commercial Bank claims regarding Taiwan High Speed Rail (THSR) business class upgrades for platinum cardholders to be false advertising and fined the Company NT\$500,000. On January 27, 2010,

Chinatrust was informed that there were a limited number of upgrades to business class seating available for certain trains. Once being informed, we worked to rectify misleading ads in the shortest possible time. By January 28, 2010 all mention of the program on our website, credit card statements, and High Speed Rail station advertisements (on billboards, flags, and within train cars) added the statement "prior to 2010/5/31 the number of upgrades per train is limited" as clarification. This program with THSR expired on May 31, 2010. In the future, when Chinatrust launches similar promotions, we will take care to strictly review all material to ensure we provide the public with clear and correct information.

Corruption prevention

Chinatrust believes that fierce but fair competition can spur development in the financial industry as a whole. In our Employee Code of Conduct, we clearly stipulate that when performing any business related activity, employees must follow the principles of information transparency, fairness, and clarity. In addition, no employee, including management, may accept client gifts or hospitality. In order to achieve consistency in management and implementation, these regulations are taught in the training program for all new employees. Some job positions utilize a rotation system in order to prevent potential corruption from occurring. Taking a further step to prevent corruption, Chinatrust also established a reporting mechanism enabling employees to communicate via hotline, employee e-mailbox, or mail to report any suspicions to management or directly to related business units.

Industry associations

In addition to serving our customer base, Chinatrust also actively participates in a variety of industry associations. Chairman Jeffrey L. S. Koo serves on the Board of Supervisors of the Bankers' Association of Taipei, is a Managing Supervisor of The Bankers Association of the Republic of China, and is Honorary Chairman of both the Chinese National Association of Industry and Commerce, Taiwan (CNAIC) and the National Credit Card Center of R.O.C (NCCC). In addition, depending on their area of expertise, many Chinatrust's executives also take on important responsibilities in related associations to contribute to the development of Taiwan's financial industry.





Customer Relations



Chinatrust works to make customers feel like part of the family. Just as we safeguard our own family members, we work to protect client assets while also building their wealth.

Innovative service processes Guaranteeing consumer rights

Banking is an important service industry for both industry and the public alike. Chinatrust continues to strive to offer innovative services to enhance convenience to customers, consumers, and community. Concrete achievements by Chinatrust in 2010 follow below.

The customer is first

19 service processing fees canceled/adjusted

Chinatrust has noted over the years the habits and needs of consumers in regards to how they use their bank cards. These observations have become an important index as we enhance the bank services we provide and as we contemplate how to keep abreast of the market to ensure that we provide pertinent and satisfactory services.

In the past, almost all banks required a processing fee of about NT\$1,000 to cancel lost credit cards and a NT\$200 fee to apply for a credit card certificate of satisfaction. These and other processing fees of various sizes caused cardholders to grumble and ask, "I'm already spending money on my card. Why is it my bank charges me for services, too?"

In order to better meet the needs of consumers, Chinatrust has reviewed the rational behind its various processing fees from the perspective of customers. In the end, it made a major decision, eliminating or modifying processing fees for 19 personal financial services as of 1 May 2010, including fees for credit

cards, cash cards, loans, and even late payments. Processing fees of NT\$50~1000 for expedited credit card issuance, replacement cards, credit card certificates of satisfaction, refunds for purchases made abroad, refunds of overpayments, applications for charge forms, and canceling lost cards have been reduced or cancelled all together.

A significant percentage of Chinatrust's income came from processing fees. Initial estimates indicated that the bank's income would decrease by some NT\$320 million annually as a result of reductions in processing fees, but we also realized that over 500,000 customers would benefit from them in the first year alone. This alone showed us that it was the right thing to do and once again underscored our desire to do everything we can to help our customers! Actions like these show our customers how serious we are about serving them and is a concrete expression of Chinatrust's motto "We are Family."

Innovative business Working to create a Community Financial Platform

Just how convenient can financial services be? This is a question that everyone in the financial industry needs to contemplate. In the past, when somebody wanted to apply for a loan, they needed to make a trip to the bank just to pick up an application form, increasing the inconvenience of the whole process. To serve the community, Chinatrust began working with



A financial pioneer, Chinatrust provides customers with convenient financial services through 7-11's ibon service system.

7-ELEVEN in January of 2010. Now, people can apply for personal loans from the ibon system available in the many 7-ELEVENs conveniently located around the island without going to the bank. No longer are customers restricted to applying for personal loans during the business hours and at the locations of brick-and-mortar banks.

Adjustments to credit card fees

Item (Currency unit: NT\$)	Before Adjustment	After Adjustment																								
Expedited credit card issuance	NT\$500/time (No fee for premium cards, NT\$100 for Chinatrust cards without raised characters)	Cancelled																								
Replacement cards	No charge for first replacement card in a given year, NT\$200 for all subsequent cards that year (No fee for premium cards)	Cancelled																								
Credit card certificate of satisfaction	NT\$200/time	Cancelled																								
Refunds for purchases made abroad	2.05% of total of each amount refunded on purchases made abroad	Cancelled																								
Refunds for overpayments	NT\$100/refund (Placed into Chinatrust accounts) NT\$130/refund (Wired to accounts in other banks—includes transfer fees) (No fee for premium cards)	Cancelled (Note: Customers will be charged NT\$30 for the interbank payment fee for each transfer of money overcharged to designated personal account in other bank)																								
Applications for charge forms	NT\$100/application (No fee for premium cards)	NT\$50 (No fee for premium cards or for transactions made by person other than cardholder)																								
Canceling lost cards	NT\$1,000/time (No fee for premium cards, Taipei 101 cardholders can cancel card once a year without paying NT\$1,000 fee)	NT\$100/card (No fee for premium cards, Taipei 101 cardholders can cancel card once a year without paying NT\$100 fee)																								
Late payment fees	<table border="1"> <thead> <tr> <th>Amounts not paid off in current month</th> <th>Late payment fee</th> </tr> </thead> <tbody> <tr> <td>NT\$1,000 or less</td> <td>No late payment fee</td> </tr> <tr> <td>NT\$1001~10,000</td> <td>NT\$ 300</td> </tr> <tr> <td>NT\$10,001~60,000</td> <td>NT\$ 1,000</td> </tr> <tr> <td>NT\$60,001~100,000</td> <td>NT\$ 2,000</td> </tr> <tr> <td>NT\$100,001~200,000</td> <td>NT\$ 3,000</td> </tr> <tr> <td>NT\$200,001 and up</td> <td>NT\$ 4,000</td> </tr> </tbody> </table> <p>The bank could only charge cardholders a maximum of three months in late fees for a given month.</p>	Amounts not paid off in current month	Late payment fee	NT\$1,000 or less	No late payment fee	NT\$1001~10,000	NT\$ 300	NT\$10,001~60,000	NT\$ 1,000	NT\$60,001~100,000	NT\$ 2,000	NT\$100,001~200,000	NT\$ 3,000	NT\$200,001 and up	NT\$ 4,000	<table border="1"> <thead> <tr> <th>Amounts not paid off in current month</th> <th>Late payment fee</th> </tr> </thead> <tbody> <tr> <td>NT\$1,000 or less</td> <td>No late payment fee</td> </tr> <tr> <td>NT\$1001~10,000</td> <td>NT\$ 300</td> </tr> <tr> <td>NT\$10,001~60,000</td> <td>NT\$ 1,000</td> </tr> <tr> <td>NT\$60,001 and up</td> <td>NT\$ 2,000</td> </tr> </tbody> </table> <p>In the event that a cardholder is charged a late fee, s/he will be charged no more than three months in late fees for a given month. In the event that this happens three quarters in a row, late fees will be limited to a maximum of three quarters.</p>	Amounts not paid off in current month	Late payment fee	NT\$1,000 or less	No late payment fee	NT\$1001~10,000	NT\$ 300	NT\$10,001~60,000	NT\$ 1,000	NT\$60,001 and up	NT\$ 2,000
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Adjustments to Visa cash card fees

Item (Currency unit: NT\$)	Before Adjustment	After Adjustment
Replacement cards	NT\$100/card	Cancelled
Password unlocking	NT\$50/card	Cancelled
Refunds for purchases made abroad	2.05% of each amount refunded on purchases made abroad	Cancelled
Applications for charge forms	NT\$100/time	NT\$50/time (No fee for transactions made by person other than cardholder)



Working with the Paper Windmill Foundation, in June 2010, Chinatrust sponsored an island-wide tour of *Paper Windmill Fantasia*, sharing this wonderful performance with young and old.

The introduction of this innovative service served to expand the availability of Chinatrust’s personal loan business from the bank’s 146 branches to the over 4,000 7-ELEVENs located around the country. This coupled with the services already available on 7-ELEVEN’s ATMs, including deposits, withdrawals, money transfers, and loans, made 7-ELEVEN a one-stop window for banking. This not only symbolizes the fact that full-service banking is now available in local communities, it underscores the realization of Chinatrust’s thinking that “Bank services need not only be available in banks.” Chinatrust will continue to develop innovative new services to provide increasingly diversified and personalized financial services for customers.

Brand image activities—Fortune and Hope

For many years, when people think of Chinatrust, they think of our motto “We are family.” In the wake of the global financial storm a few years back and the subsequent economic slump, many customers accumulated huge credit-card debts as they tried to support their families. Their experience inspired Chinatrust to contemplate how to provide assistance to customers who we view as members of our family. It also showed us that relationships between banks and customers are for life. It is our hope, therefore, to take care of customers like they were family, thereby, completely realizing our corporate mission and values. This is our way of realizing

Spreading the love through service

Most people believe that dealing with banks entails little more than numbers and cold, hard cash, but Chinatrust uses opportunities to serve to share with customers feelings of human warmth and sincerity.

Mr. Chen is currently over 40 and unemployed due to a spinal injury incurred in an automobile accident. The only income his family has is the NT\$10,000 or so his wife brings in every month. Household expenses as well as tuition and lunch money for their two grade-school age children very quickly caused the debts accumulated on Mr. Chen’s cash card to balloon. After discussing his situation with us, Chinatrust agreed to allow Mr. Chen to pay off a certain amount of his balance each month. After a follow up on his situation by personnel in Chinatrust’s Debt Management Department, Mr. Chen was referred to Taiwan Fund for Children and Families for further assistance.

Personnel from Chinatrust’s Debt Management Center also organized a drive to raise money for Mr. Chen’s two kids’ monthly school fees and living expenses, helping keep them in school by providing them NT\$4,000 a month for almost two years. The two children has been sending Chinatrust personnel letters during this time, thanking them and sharing with them their concerns and dreams for the future. Mr. Chen pointed out, “The help that Chinatrust has given my family long ago surpassed what you would normally expect of a bank. When tragedy struck, I never expected that the helping hand that we needed so much would be from our bank. My kids can focus on their studies worry-free and my family can face the future with hope. We have Chinatrust to thank for this!”

our pledge to customers described in our motto—"We are family." Since launching our new 10-year plan in 2010, Chinatrust has not only promoted this idea in Taiwan and the rest of the world, it has also produced brand image advertisements to convey its commitment to service.

In addition to promoting protection and innovation, Chinatrust worked with Paper Windmill to organize an event known as Fortune and Hope—Paper Windmill Fantasia for Family Day, launching a nationwide tour on 26 June 2010. Chinatrust invited customers and their families to come see the show, so that kids of all ages could enjoy the fun. In addition, victims of the August 8 Taiphon, including children and their families, were invited to attend performances held in Tainan, Kaohsiung, and Taidong, so that everyone could enjoy a wonderful midsummer night together.

Simplified automated voice answering system for customers 60 or older

Personalized services are the pinnacle of the service industry. As the number of services offered in the financial services industry continues to increase, the industry itself is faced with increasingly complex demands from clients. Chinatrust's customer service center's automated voice answering system helps it to more efficiently handle and resolve various customer issues. Due to unfamiliarity with these types of systems, however, many seniors

can get lost in these systems never getting answers to their questions. Some prefer asking for help directly from service personnel.

In 2010 to meet the special needs of these customers, Chinatrust added a function to its automated voice answering system that specifically identifies customer ages. A customer needs only key in their ID card number and the system determines their age and automatically switches over to the simplified automated voice answering system for individuals 60-years old or older. Despite being a very minor change, this user-friendly detail allows Chinatrust to more quickly find customer service personnel to assist seniors with their needs. As a result, many have experienced the warmth of Chinatrust's service personnel.

Customer satisfaction survey

To determine the level of satisfaction customers have regarding the quality of Chinatrust's services, products, and personnel and to use this information as reference for further improvements, Chinatrust carried out a total of 32 customer satisfaction surveys in 2010. Examples include customer satisfaction surveys of wealth management specialists, branches, Internet banking, ATMs, customer service, credit card products/statements, airport parking/VIP lounge, roadside assistance, consumer financial product applications, and debt management services which received satisfaction levels of between 60-90%.

Friendship that moves

For a few years there, we saw one crisis after another, including the cash and credit card crises and the global financial storm. The financial industry felt the brunt of it, but Chinatrust didn't just take a defensive posture. It took action, leading the industry in adopting a series of changes, starting with its service culture, becoming someone that customers turn to when the going gets tough. Through our deep empathy with customers, this shift in service culture has served to produce positive values and attitudes.

Miss Liu, whose parents own a mountain tea plantation, negotiated her debts with Chinatrust. Following negotiations, she was paying off her debts when her family began having trouble selling its tea leaves. Miss Liu telephoned Chinatrust debt management personnel and said, "My parents are good people. If they learn that I'm having trouble, they'll be crushed. Could you do me a favor? Give me a few more days. Is there room for renegotiating terms?"

After familiarizing themselves with her situation, our debt management personnel had an inspiration. They asked Miss Liu to mail a sample of the tea to them, so that they could sample it to see if it would be feasible to organize a "charity drive" in the form of a group purchase. They later got over NT\$20,000 in orders which not only temporarily alleviated Miss Liu's debt situation, but also gave her hope and determination to start out again. Miss Liu personally delivered some beautifully packaged tea leaves to Chinatrust and excitedly confided, "I originally just wanted to postpone the payment date and I wasn't all that optimistic about that. I hadn't expected the human friendship and warmth that I felt when I received help from Chinatrust!"

Service is very personal. The seeds of service planted by Chinatrust have not only burst forth in fruit that have brought many customers hope for the future, they are a positive influence, offering light and warmth to society in Taiwan.





Employee Relations



We create a diverse, healthy, happy workplace where men and women work together as equals.

Human rights provisions

Since our founding, Chinatrust has endeavored to uphold the ideals of integrity and friendly service in all our operations. We stress that employees must follow ethical business practices in order to earn our clients' respect and trust, enabling us to meet their financial service needs.

To better implement this business philosophy, we compiled our internal standards into the Chinatrust Code of Conduct for employees in 2006. Our entire workforce is provided with a copy and each employee is expected to follow the standards and meet the responsibilities outlined within. This code serves as the basic principles that all employees must be committed to upholding.

The Chinatrust Code of Conduct clearly details proper employee conduct in a variety of important areas, including employee and customer relations, business practices, and legal standards. There are 13 main topics addressed, each setting basic standards that serve to maintain employee and client privacy, build an environment free from discrimination and harassment, avoid conflicts of interest, and prohibit improper gifts.

Equitable treatment of clients

Chinatrust provides our friendly service to each of our clients no matter their skin color, race, gender, age, religion or any other factor. Every client is equally important to us, not matter how large or small their transactions may be.

Creating an equal opportunity employment environment

Chinatrust is committed to building a diverse work environment free from discrimination and harassment, where employees and the company share mutual trust and respect. Chinatrust bases recruitment, hiring, and promotions solely on candidates' abilities and qualifications. Employees are motivated to continuously improve their skills and knowledge. (In 2010, there were no cases of

discrimination, use of child or forced labor, or employee benefit violations at Chinatrust, clearly showing that these ideals have firmly taken root in all divisions of the company.)

Establishing sexual harassment prevention measures

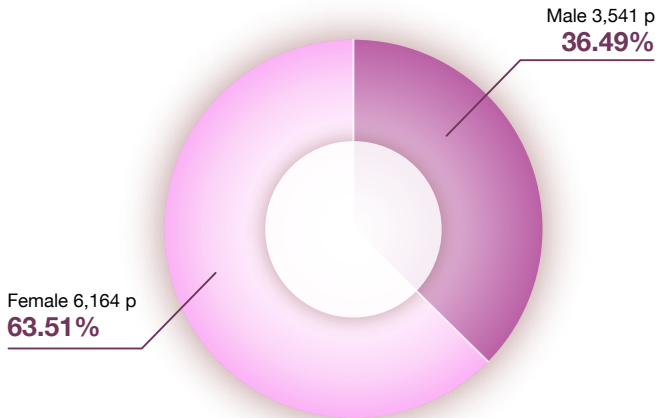
To ensure the safety of employees, prevent instances of sexual harassment, and promote gender equality in the workplace Chinatrust expressly prohibits any of the below behaviors:

- Gender-based insults, disrespect, or discrimination in attitude or behavior
- Using sexually suggestive language, making sexual advances, or touching that offends or makes the recipient uncomfortable
- Using sex or sexually-related activities in exchange for rewards
- Threatening or meting out punishment in an attempt to extract sexual favors
- Rape or sexual assault
- Displaying sexually suggestive pictures or text

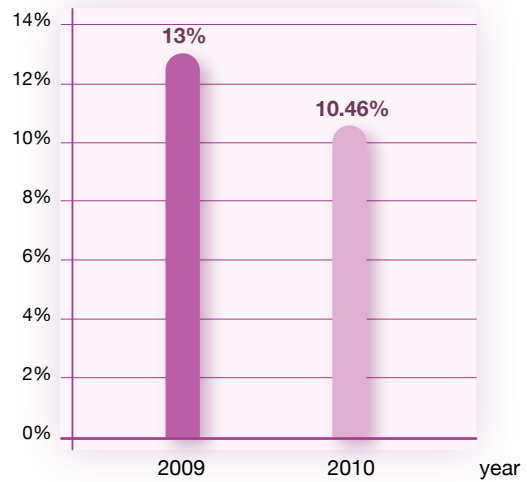
Ensuring workplace equality

Chinatrust strictly prohibits harassment, discrimination, and intimidation of managers, subordinates, colleagues, or clients based on race, gender identity or expression, skin color, beliefs, religion, nationality, age, physical or mental disability, marital status, sexual orientation, family background, military status, or socioeconomic status. Chinatrust bases promotions on ability, not gender. Our workplace offers a level-playing field and encourages fair competition and development for both men and women. We have worked to actively promote outstanding female employees. Our workforce is 40% male and 60% female, and 60% of managers at our branch offices are women.

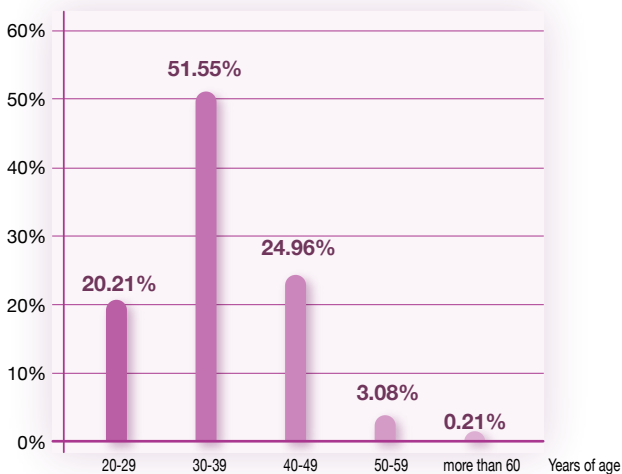
Chinatrust Employees by Gender 2010



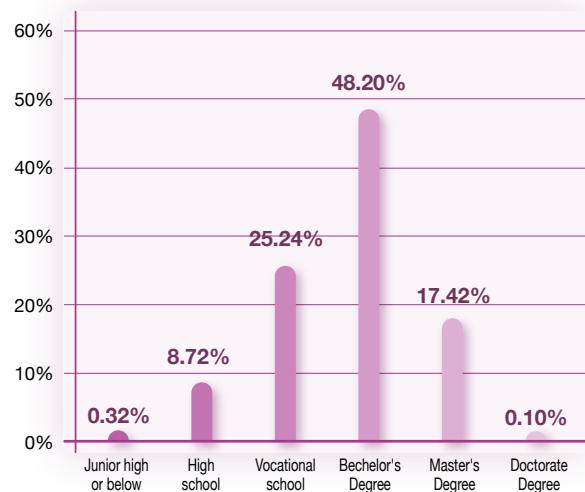
Employee Turnover Rate



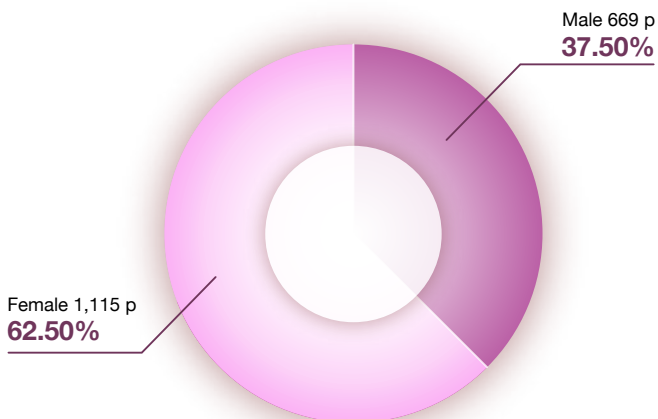
Workforce Structure - Age



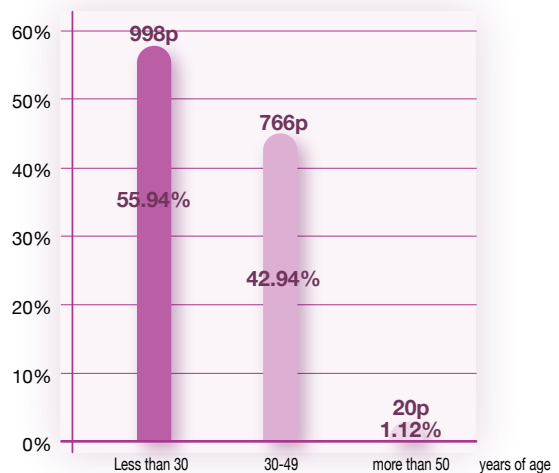
Workforce Structure - Education Level



New Chinatrust Employees Hired in 2010 By Gender



New Chinatrust Employees Hired in 2010 By Age





Each year, Chinatrust holds a variety of parent-child activities to share the warmth of our Chinatrust family.

Women also make up more than 40% of all managerial positions throughout Chinatrust. In addition, we also actively cooperate with government policies to encourage women who took time off raising children to return to the workforce. Developing and promoting female talent is Chinatrust policy. Our support for female employees creates a more ideal environment for the entire workforce.

Employment structure

Chinatrust is a meritocracy. Each position requires certain qualifications, which may include work and educational experience, expertise, and licenses or certifications. Outside factors such as gender, age, physical or mental disability, or marital status are not considered in human resource decisions.

Employee relations

Labor-management conferences

In order to build a strong relationship between Chinatrust employees and management, encourage cooperation, and increase work efficiency, we convene regularly scheduled labor-management conferences, as is required by Article 83 of the Labor Standards Act. Prior to each conference, employees vote for seven labor representatives (one gender may not make up more than 1/3 of representatives) who then meet with the seven selected management representatives. Labor representatives must be full-time employees who enjoy all of the protections of the Labor Standards Act.

Protecting employee interests

Protections guaranteed in the Labor Standards Act were formally codified and approved during a labor-management conference. The resulting regulations were then announced to the entire workforce. A summary of employee benefits, including annual health checkups, are also regularly discussed at the conferences.

Chinatrust can terminate labor contracts under the following circumstances:

1. Stoppage of business or transfer to new ownership
2. In the event of a loss or business contraction
3. In the event of a temporary work stoppage of one month or more due to uncontrollable circumstances
4. A change in the nature of the company's business requiring a workforce reduction
5. The employee is unable to successfully carry out his or her responsibilities.

The minimum notice periods required are listed below:

1. Those employed continuously for over three months but less than one year must be given 10 days notice.
2. Those employed continuously for over one year but less than three years must be given 20 days notice.
3. Those employed continuously for over three years must be given 30 days notice.

Ensuring positive labor-management relations

Chinatrust has endeavored to create an environment of mutual trust and harmony between management and employees. All managers receive training in personnel management and labor laws, while our progressive management style empowers employees to also govern themselves. Chinatrust implements policies that serve to grow our business and protect employee rights.

Open channels of communication

At Chinatrust, communication and interaction between the company and our employees are of the utmost importance. In addition to labor-management conferences, we also hold a quarterly employee meeting and produce a monthly employee magazine. Chinatrust keeps our workforce informed about the company's direction and development strategies through direct face-to-face

meetings with management, while our various departments are invited to explain new policies as they are developed.

In order to ensure that the voices of all employees are heard, Chinatrust has implemented the following measures:

- 1. Employee opinion survey:** Chinatrust holds an annual employee opinion survey, in which all employees can anonymously express their opinions regarding company policies.
- 2. Communication channels:** Chinatrust has set up an Employee Hot Line to strengthen communication with our employees and ensure any problems are solved in the shortest time possible. Every employee now has a variety of avenues to directly communicate with the highest levels of management who will discuss the issue and respond swiftly.

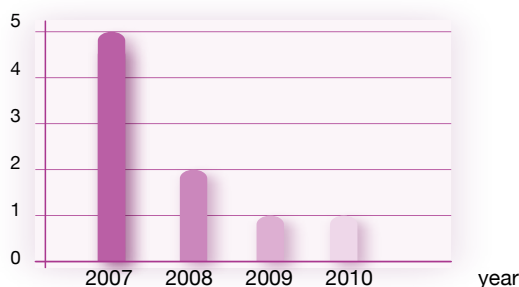
Channels of communication include:

- **Employee e-mailbox:** Read personally by the Director of Global Human Resources
- **Employee Hot Line:** Answered by the Director of Global Human Resources
- **Written communication:** Employees can send comments or complaints by post or deliver letters to the Global Human Resources Office directly to be processed personally by the Director.

In special cases, the Human Resources Department will assign an investigator and, if necessary, convene a committee to examine further.

- **Human resource service representatives:** Each division has a designated representative who investigates all employee complaints. This process has been instrumental in the impressive reduction of labor disputes within the company.

Downward trend in major labor disputes by year



In 2010, Chinatrust commissioned the consulting firm Towers Watson to perform an employee satisfaction survey. A total of 9,244 employees participated in the survey, which covered working environment, learning and development, and remuneration and benefits. Chinatrust's results were compared to both Taiwanese and Global results (GHP)

in the Towers Watson database. On average, employee satisfaction was 1 to 14 percentage points higher than at other Taiwanese and global enterprises. (see below table), which shows that our operations management, workplace culture, and employee benefits can serve as a benchmark for both industry and society.

Survey areas	Results
Work environment	Surpassed Taiwanese enterprises by 2% Surpassed leading global companies by 1%
Learning and development	Surpassed Taiwanese enterprises by 10% Surpassed leading global companies by 9%
Remuneration and benefits	Surpassed Taiwanese enterprises by 14% Surpassed leading global companies by 7%

Training and development

Our employees are Chinatrust's most valued asset. They are also a key strength in our pursuit of excellence and sustainable operations. We thoroughly planned our human resource development policy based on the needs of our business strategy, ensuring that individuals can make the best use of their talents. We implement the below concrete methods to upgrade our human capital, giving us a competitive edge:

Learning and development centers

As a company, we feel it is our responsibility to promote learning and provide our employees with a variety of educational opportunities. To this end, we established the Linkou, Shullian, and Denghu learning and development centers.

Through the end of 2010, Chinatrust held upwards of 400 courses attended by over 14,000 employees. In addition, 34,000 employees took part in a total of 600 online courses. In total, employees received 282,541 hours of training, with an average of 26.89 hours for each participating employee. Employee training expenses totaled NT\$53.66 million, which averaged NT\$5,106 per person.



Chinatrust has always recognized and promoted outstanding female employees, creating a workplace where everyone can fully utilize their talents and potential.



Through our Parent-Child Baseball Camp, employees and their children make happy memories together.

Comprehensive training for new hires

In order to teach employees about our company culture, each new hire must complete “Chinatrust and Me” training within three months of joining the company. The course introduces Chinatrust’s history, corporate culture, company structure, brand awareness, and finance-related laws. In addition, we endeavor to instill our company values, which include sexual harassment prevention, gender equality in the workplace, privacy protections, and non-discrimination. New employees can then quickly understand our corporate culture and become a part of the Chinatrust family.

Inspiring independent learning

Chinatrust lead the industry in setting up our Digital Learning Industry Promotion and Development Plan and establishing the Chinatrust Academy, an online learning platform. Employees can now learn wherever and whenever they choose using a large variety of educational resources, achieving our goal of “Any Time & Any Where, Learning Happens”

Establishing a career development map

Chinatrust firmly believes in our “We are family” philosophy, seeing employees as important strategic partners who can grow along with the company. Therefore, we have provided career development maps for a variety of positions in our Development & Assessment Center system. Managers and employees can set up their own personal employee development plan, which incorporates related professional training. Employees have more opportunities to advance their careers and grow personally, creating a win-win situation for the organization and our employees.

Providing diverse development opportunities

To face the fierce competition created by financial liberalization, Chinatrust provides employees with a variety of educational opportunities, which include international business trips, on-the-job training, seminars, personnel training, job rotation, and assignment to specific projects. Employees can be proud of their personal achievements, while benefitting the company with their new-found skills.

Healthy working environment

“We are family” is not just our attitude towards our customers and society, but is most importantly a promise to our employees. Chinatrust treats our employees with the love and care of family, enabling our workforce to achieve a healthy balance between their work and personal lives.

In order to implement this commitment, Chinatrust actively promotes our “Ever Caring & Loving” pyramid: Ensuring a healthy work environment, building employee health capital, creating happy employees, and operating the Caring Bank. Concrete steps to achieve these goals are outlined below:

Ensuring a healthy work environment

Chinatrust implements environmental, safety, and health protections and testing in the workplace to provide our employees with a safe and healthy work environment that can put their minds at ease.

- **Non-smoking environment:** Smoking is prohibited throughout the company.
- **Access control:** Our workforce is protected on the job by strict access control measures in our offices.
- **Health and safety at the office:** In addition to utilizing eco construction materials, the workplace is routinely cleaned and disinfected on a monthly basis, ensuring a comfortable, hazard-free office. Regularly scheduled environmental monitoring is carried out to review carbon dioxide emissions and lighting levels to ensure we are meeting environmental protection standards. In 2010 there were no work related deaths at Chinatrust.
- **Early Home Day:** Each week, at least one day is set aside to leave early.
- **Corporation disease prevention measures:** In order to reduce the risk of infection from the H1N1 flu and protect employee health, in 2009 Chinatrust established a disease prevention team and established prevention measures. We asked all employees for their help to implement these measures.



Building employee health capital

Because each of our employees is an indispensable member of the Chinatrust family, their wellbeing is our concern. Chinatrust actively promotes a variety of measures to keep our employees healthy. While our employees have demanding jobs, they can still maintain an ideal mind-body balance and lead a healthy life.

- **Relaxation center:** When employees have free time in their day, they can visit the center for a relaxing massage to help release the pressures of the day. In 2010, 12,473 people made use of the relaxation center and donated a total of NT\$156,433.
- **Fitness equipment:** After hours, employees can visit our gym facilities to build up the strength to face future challenges.
- **Free health checkups:** Each year we provide our entire workforce with free checkups, so everyone can keep tabs on their own physical health

Walking hand in hand with Chinatrust

After joining Chinatrust many employees stay with us for at least ten years or even longer. We accompany them as they experience the major stages of life, beginning when they are single, then as they get married and start a family. Ms. Liao Cai-ju from our Huadong branch started with Chinatrust on December 4, 1995. In the blink of an eye, 15 years have passed. That equates to 5,475 days of both good times and bad times, but she says firmly, “The warmth of this big family burns as brightly today as when I first started here.”

Liao Cai-ju said, “I would like to thank VP Tao for recognizing my talents. It was the beginning of a huge change in my life. Although a sales position was alien to me, I was not scared at all because I was stronger and more proactive than others. In my days as promoting credit cards, I learned humility, patience, and especially gratitude.

- **Convenient cafeteria facilities:** Employees are provided free meals in our cafeteria, while healthy organic fruits and vegetables and free range chicken are available for purchase.
- **Nursing room:** At our bank headquarters and the Yongji building, we have provided nursing rooms for our female employees. In 2010, approximately 74 employees made use of the facilities.

Creating happy employees

While we are concerned for our employees’ physical health, Chinatrust has taken things a step further care for their mental wellbeing as well. We hope that through these measures, employees can relieve work related stress. “We are family” is not just a slogan, we strive to treat our employees like family and do our best to ensure their happiness at home as well as on the job.

- **Stress relief:** We know that finance can be a stressful industry, so we have worked with professionals to develop a series of relaxing, stress-relieving activities for our employees.
- **Parent-child activities:** We hold activities enabling our employees to have more interaction with their family outside of the office.
- **Social events:** We arrange singles networking events to encourage a rich social life.
- **Free leisure areas:** In Yangmingshan and Beitou, we set up several leisure facilities (small golf course, swimming pool, barbeque area) for our employees’ enjoyment.

I remember when I first joined Chinatrust, I had no one to watch my daughter at night, so I brought her along with me to sign up new cardholders. That period of my life still holds an important place in my heart. I remember asking, “Sir, would you like to apply for a Chinatrust credit card? Do you prefer VISA or MasterCard? Chinatrust credit cards are very convenient! Have you seen the commercials showing our roadside assistance service? The one where the car breaks down on top of the mountain?” That is how I got my start. When I thought of the stability and bright future this job provided, my daughter and I could sleep soundly each night. Time has flown by, my daughter has grown up and I have been promoted to a manager, but I will never forget that Chinatrust opened a door, giving me hope during my darkest hour.

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Chinatrust established the Model Employee Award to recognize outstanding performance, while also passing on the values we expect of our employees.

● **Group activities:** Chinatrust has set up a variety of group activities for all interests (including English, Photography, Hiking, and Floral Arranging Clubs), building an environment that promotes individual growth. In 2010, there were a total of 24 clubs throughout Chinatrust that participated in 233 activities attracting 6,032 participants.

Operating the Caring Bank

In order to promote a culture of volunteerism at Chinatrust, while working in coordination with Chinatrust Charity Foundation activities, we have become first in the industry to launch a Public Service Holiday. We hope that employees within our Chinatrust family will strengthen their commitment to disadvantaged groups and send their love to those in need, while seeing the truth in the old line, it is better to give than to receive.

● **Industry-leading “Public Service Holiday”:** Chinatrust actively encourages employees to participate in volunteer activities held by the Chinatrust Charity Foundation. For every six hours of service, an employee earns one day off work. Each employee can earn as many as 10 Public Service Holidays a year, an industry high.

Compensation & Benefits

Remuneration system

Retaining outstanding employees requires a first-rate salary structure and benefit system. Chinatrust’s comprehensive compensation packages meet the needs of the extremely competitive human resource marketplace. New employees enjoy starting wages above the legally-established minimum wage in order to attract exceptional, skilled professionals to join our team.

● Chinatrust set up the following remuneration policy to benefit the company, our employees, and our stockholders:

1. For each position, we offer a pay package that is both fair and serves to motivate our employees.

2. We established an employee stock option plan to incentivize good performance and retain outstanding employees.
3. Each year we perform a job market survey to ensure that our comprehensive pay packages are globally competitive.

● **Compensation system:** Chinatrust bases employee salary on a variety of objective factors including past experience, ability, and current job position. Salaries are not affected by gender, so at Chinatrust male and female salaries have a ratio of 1:1. Our salary structure clearly shows our commitment to gender equality in the workplace. In order to encourage employees to focus on the company’s operating goals, Chinatrust also sets each employee’s annual bonus based on business unit earnings and strategic goals, along with individual employee achievements.

In general, Chinatrust gives employees 14 months of salary, which includes their 12 monthly paychecks, a one month year-end bonus, and one month bonus for full attendance. Each employee may receive an additional performance bonus based on their individual contributions and the company’s business performance.

Benefits

On July 1, 2003, Chinatrust officially implemented our flexible benefit system, which categorizes benefits into two groups, core benefits and flexible benefits. We can now meet our responsibilities to our employees while offering them diverse benefit choices.

1. **Core benefits:** These benefits meet the requirements of Taiwan’s Labor Standards Act, including subsidies for marriage, bereavement, birth, and in the case of the hospitalization of dependents. In addition, the benefits also include labor insurance, child education subsidies, birthday and holiday bonuses, and departmental vacation subsidies.
2. **Flexible benefits:** First in our industry, Chinatrust utilizes a point system combined with an online benefits

platform, which allows our employees to choose the benefits that mean the most to them (for example, single employees' needs may be different than those who are married). Our employees then enjoy a diverse selection of benefits and promotions.

Rewarding achievement

Chinatrust endeavors to create an environment where employees find enjoyment in their work. Through our "We are family" spirit, we improve the lives of our employees and their families, while strengthening the competitiveness of our workforce. Our employees do not just work for the company but are an important asset and our partners in growth.

Chinatrust's employee awards include:

1. **Model employee award:** Each year, Chinatrust selects model employees who have embodied the company's four core values – Balance, Excellence, Say. Stay. Strive, and Teamwork. Employees are recognized for their commitment and outstanding performance, but the award also serves to promote Chinatrust's spirit and values. Previous model employee award recipients become cultural ambassadors within their departments, serving as an example to their colleagues.



Our annual Model Employee Award ceremony both revs up employee morale and emphasizes our brand's core values.

2. **Golden Holiday rewards:** To thank employees for their years of contribution and service to Chinatrust, at the five and ten year marks, employees are given a golden holiday: five consecutive days of paid vacation. We hope that employees will enjoy their well-deserved break .
3. **Diamond Holiday rewards:** In order to expand our employee's horizons, after 15 years of service and every five years thereafter, employees receive a travel voucher (totaling NT\$30,000 for 15 years, NT\$35,000 for 20 years, NT\$40,000 for 25 years, and NT\$50,000 for 30 years) and the services of a travel agency to plan out the perfect holiday.
4. **Social philanthropy:** At our quarterly meetings, employees are recognized for service to civic organizations or as volunteers in order to encourage others to use their free time to help society.

Retirement system

All permanent, full-time Chinatrust employees in the Taiwan region participate in the below retirement program:

1. **Labor Standards Act requirements:** Each month, Chinatrust makes a deposit into the retirement fund held in a specialized retirement account in the Central Trust of China.
2. **Labor Pension Act requirements:** Each month, Chinatrust deposits 6% of the employee's wages to their individual retirement account set up with the Bureau of Labor Insurance. Employees who wish to contribute to their own retirement accounts have a pre-set percentage deducted from their salary and deposited into the retirement account.

Employing the disabled

In order to meet our corporate social responsibility, Chinatrust actively promotes the hiring of employees with disabilities. In addition to government hiring programs, Chinatrust also offers some job opportunities for disabled persons on employment websites. Chinatrust hopes that we can provide disabled employees with the opportunity to grow and use their abilities to the fullest, while also interacting with the rest of our workforce. Relying on each individual's special skills, we can make the most appropriate human resource allocation. Through the end of December 2010, employees with disabilities made up 1.1% of the total workforce at Chinatrust, meeting the levels legally mandated in the Physically and Mentally Disabled Citizens Protection Act.





Environmental Protection



In addition to our internal environmental protection policies, Chinatrust employees also help our Earth by planting trees to achieve our mission of “green sustainability”.

In recent years, increasingly severe climate anomalies around the planet are serving as alarm bells warning us of global warming. As Taiwan’s largest privately operated financial institution, Chinatrust is well aware of the seriousness of the issue. In 2010, in addition to continuing to promote policies internally to save energy and reduce carbon emissions, Chinatrust has also taken part in various types of activities externally to give back to society in a concrete way. This is our way of doing our part as a responsible corporate citizen in today’s global village to help our planet and the land on which we live.



These saplings of hope are not only planted into our earth, but into our hearts as well.

Energy conservation and carbon reduction policies

In 2010, Chinatrust continued to spare no efforts in promoting issues related to environmental protection. Starting internally, it implemented policies to manage water resources, waste, and electricity as well as to manage offices. Specific conservation measures included—

1. shutting off some elevators during off-peak hours on workdays, after hours, and on holidays.
2. reducing the amount of time that signs at our 146 branches around the island are turned on.
3. reducing the amount of time that lighting, including outside flood lights, are turned on.
4. raising thermostats in buildings 1 °C~2 °C.
5. adjusting times that building parking lot exhaust fans are on.
6. installing water faucets with sensors; reducing the amount of water used in urinals and toilets.
7. setting up recycling racks next to all copy machines.
8. reusing paper.

We took concrete actions to protect the environment hand-in-hand with our staff whenever and wherever possible to do our part to realize environmental sustainability.

From 2009 to 2010, Chinatrust reduced the amount of electricity used in its headquarters building by 74,400 kilowatt hours, the amount of natural gas by 80 cubic meters, average water use per person reduced by 10.25 cubic meters (See tables P.43). These tangible achievements demonstrate the effectiveness of our



Doing our part to reduce carbon dioxide, many Chinatrust employees and their families sowed seeds of hope for the future, on Earth Day 2010.

Headquarters building utilities use comparison table, 2009~2010

Headquarters electricity use and carbon emissions

	2009	2010	Increase(Reduction)
Total electricity use (kilowatt hours)	10,700,800	10,626,400	-74,400
Carbon emissions (Equivalent weight in tons of CO ₂)	6548.88	6503.35	-45.53

Headquarters natural gas use and carbon emissions

	2009	2010	Increase(Reduction)
Total use (cubic meters)	40,492	40,412	-80
Carbon emissions (Equivalent weight in tons of CO ₂)	84.62	84.46	-0.16

Headquarters gasoline use and carbon emissions

	2009	2010	Increase(Reduction)
Total amount (liters)	154,068	155,693	1,625
Carbon emissions (Equivalent weight in tons of CO ₂)	348.19	351.86	3.67

Headquarters carbon emissions figures

	2009	2010	Increase(Reduction)
Direct energy (Equivalent weight in tons of CO ₂)	348.19	351.86	3.67
Indirect energy (Equivalent weight in tons of CO ₂)	6,633.50	6,587.81	-45.69
Total	6,981.69	6,939.67	-42.02

Headquarters average water use per person (1000 liters)

2009	2010	Increase(Reduction)
51.65	41.40	-10.25

Headquarters resource recycling statistics, 2009~2010

Unit: kilograms

Year	Paper	PET bottles	Steel cans	Aluminum cans
2010	52,770	1,261	848	49
2009	51,135	1,165	632	89
Increase(Reduction)	1,635	96	213	-40



Each sapling represents concern felt by Chinatrust employees for our land as they hope each tree grows strong and provide green and shade for future generations.

energy conservation strategies and our ability to instill concern for the environment into our staff. Chinatrust's total carbon emissions for 2010 was 6939.68 tons, representing a decrease of 0.6% or 42.02 tons over the 6981.7 tons in 2009.

In addition, the headquarters building (including the Novel Hall) has a total of 636 fire extinguishers. All are ABC dry powder fire extinguishers (>70% ammonium dihydrogen phosphate) with no halon fire extinguishers. There are five air conditioning units with 60% of coolant consisting of R143 which doesn't damage the ozone layer.

Furthermore, our company was not penalized monetarily or otherwise for violating any environmental protection laws or regulations in 2010 and none of the land that our company owns, leases, or manages is protected land or habitats for protected wildlife. As such, they do not have any adverse impact on ecological protection. In addition, all water used by our company is supplied by the Taiwan Water Corporation. None comes from groundwater or other sources.

Green shopping

To further protect the environment and conserve energy, Chinatrust only buys air-conditioning equipment and office machinery with the Energy Star Label. We also purchased power-efficient machines, including photocopiers and computers, with power saving functions such as switching to idle mode after 15 minutes of inactivity. Replacing incandescent lights with energy-efficient bulbs has enabled us to save electricity and lower our CO2 footprint. We use Union water dispensers that turn off when not in use. In May 2010, the EPA recognized us for our commitment to green consumption. In December 2010, we signed the Taipei Government's "Green Shopping Plan for Private Enterprises and Organizations." For our stellar performance in the program, Chinatrust was named "Benchmark Enterprise for Green Shopping."

Earth Day tree planting activity

With reduction of energy use and carbon emissions in mind, Chinatrust worked in cooperation with the Hima



Foundation to organize the 2010 Earth Day Million Trees planting activities, calling on its staff to join in and help plant “saplings of hope” in Hsinchu’s Xianshan District. A total of 570 employees took part in fund raising, adopting a total of 1,130 trees. The lush swath of woods that is expected to develop in three years will absorb CO2 emissions by more than 50 tons a year, helping cool the earth.

Chinatrust Chairman Jeffrey Koo called on upper management to take part in the activity. In addition, he adopted 10 saplings and personally recorded the announcements used to publicize the activity internally to kindle concern for our planet among colleagues and encourage them to plant trees.

The Carbon Disclosure Project

In August of 2010, Chinatrust worked with the Carbon Disclosure Project (CDP) launched by the mainstream international investment community to evaluate opportunities and the impact that climate change issues could have on business operations, while using more scientific, more precise measurements to determine the efficacy of energy conservation and carbon reduction measures used in companies and drawing up targets and strategies for dealing with future climate change.

One meat free day a month

In coordination with the Taiwan Business Council for Sustainable Development, Chinatrust began in November of 2010 to encourage its staff to not eat red meat on the first day of every month. In addition, the managers’ cafeterias in Chinatrust’s headquarters and in the Yongji Building do not offer red meat on those days to promote diets consisting of more vegetables and less red meat to realize the twin goals of improved health and reduced carbon.

Nangang headquarters green building project

To meet Chinatrust’s business needs, we plan to construct new headquarters buildings in the Nangang Business Park. Construction began in January 2009 and the buildings are expected to be ready for use in 2014. The new buildings are located on an area of 29,745 square meters and will have over 264,400 square meters of floor space. The project consists of three major buildings, including a 30-story headquarters building, a 20-story commercial building, and a 14-story business hotel.



Chinatrust’s headquarter building in Nangang was the first office building in Taiwan to be awarded a Green Building Candidate Certificate.

Starting in initial planning stages, these buildings were to be designed using green architecture. In addition to frequently reviewing and modifying various design details, Chinatrust hired Tokyu of Japan to carry out comprehensive assessments of the effectiveness of the energy conservation and carbon reduction measures employed in the project to ensure that the project is friendly to and protects the environment.

The design of this project has been approved by the Taiwan Architecture & Building Center having met with such standards in the Taiwan green building assessment index as greening levels, water reserve, energy saving, CO2 reduction, waste reduction, indoor environment design, water resources, sewage and garbage improvements. As a result in July 2010, the project was the first office building in Taiwan to be awarded a Green Building Candidate Certificate. (Building names are the Chinatrust Commercial Bank Headquarters Building Construction Projects C6+C8 and C7+C9).

After construction is complete, Chinatrust will carry out another onsite investigation. If everything conforms to the index, then the project will officially be awarded the Green Building Label.

Using recycled paper

In the process of implementing its environmental policies, Chinatrust began using recycled paper to wrap money many years ago. In September 2010, Chinatrust began using recycled paper to print envelopes and will evaluate the idea of using recycled paper to print name cards.





Social Contribution



Chinatrust has held our Light up a Life fundraising campaign every year since its inception in 1985. We have assisted a total of 210,000 disadvantaged children, giving them hope as they face the future.

Supporting social welfare programs is the most direct and concrete way for corporations to give back to society. Chinatrust's long-term care for Taiwan's disadvantaged families, to borrow from a famous proverb, has not only given them fish to eat, but also taught them how to fish for themselves. Aside from our annual "Light up a Life" fundraising campaign first held back in 1985, we actively sponsor social welfare organizations and assist disadvantaged groups. At the same time, we have developed a culture of volunteerism within Chinatrust by establishing a volunteer network and encouraging our employees to participate. We continue to make our mark in the areas of philanthropy and volunteerism, serving as an example to local corporations and helping to create an atmosphere of generosity in Taiwan.

Philanthropy

With a deep "Love for kids," Chinatrust is motivated to focus our charitable efforts on those young people who most need a helping hand.

Out of our concern for the next generation, Chinatrust supports and assists economically, physically, and mentally



At the Children's Magical Science Camp, caring volunteers helped young people carry out experiments to cultivate in them perseverance and the desire to seek truth.

disadvantaged children. By offering year-round volunteer opportunities, we actively encourage employees to do their part and help us promote volunteerism, while spreading our "Love for kids" throughout Taiwan and beyond.

Light up a Life fundraising campaign

Established by Chinatrust Financial Holding Company Chairman and Chinatrust Charity Foundation Honorary Chairman Jeffrey Koo in 1985, the Light up a Life fundraising campaign is the first and longest running activity of its kind held by a private enterprise specifically to aid disadvantaged children.

Over those 26 years, Light up a Life has raised in excess of NT\$970 million, which has benefited more than 210,000 disadvantaged children and their families through the assistance of 35 social welfare and charity organizations. These groups include: Taiwan Fund for Children and Families, Child Welfare League Foundation, Syin-Lu Social Welfare Foundation, Noordhoff Craniofacial Foundation, Eden Social Welfare Foundation, The First Social Welfare Foundation, ChangHua Neighbor Care Social-Welfare Association, Chinese Childrenhome & Shelter Association, Boyo Social Welfare Foundation, and Paper Windmill Foundation.

Sandimen Summer Camp for Disadvantaged Children

In July 2010, the Chinatrust Charity Foundation made a special trip to Sandi Elementary school located in Pingtung's Sandimen Township, an area especially hard hit by Typhoon Morakot. There we held the Dinosaur Archaeology Summer Camp, which was funded through a Chinatrust Credit Card Bonus Point Donation Drive. Thirty seven newly-hired Chinatrust Bank Management Associates (MA) volunteered at the camp, teaching young people about the evolution

of dinosaurs and other creatures. In addition, they held a simulated archaeological dig where children could experience the excitement of unearthing dinosaur fossils. We hope that we can give these disadvantaged children living in a remote area of Taiwan a fun and educational summer camp experience.

Recent Taiwan Fund for Children and Families statistics show that 68.7% of children assisted by the Fund did not attend any form of camp activity over the past year. To meet this obvious need, we held a Chinatrust Credit Card Bonus Point Donation Drive for Children’s Summer Camps, inviting Chinatrust credit card holders to donate their credit card bonus points either through our online banking site or over the phone. Together, we were able to give 300 children a great summer experience.

To comfort children affected by Typhoon Morakot and enrich their lives after the disaster, Chinatrust Charity Foundation also launched the “Books of Love – Book Donation Drive for Typhoon Morakot-Affected Areas” within Chinatrust. All of the lovingly donated books were given to the Taiwan Fund for Children and Families, which in turn donated them to the Rainbow Libraries at three elementary schools. Local children can once again enjoy the pleasure of reading.

In May 2010, Chinatrust once again teamed up with the Taiwan Fund for Children and Families to hold six Typhoon Morakot debt extension awareness meetings and financial management courses for affected families in Pingtung, Kaohsiung, and Taitung Counties. Through these efforts,



In the wake of Typhoon Morakot’s devastation, Chinatrust used large amounts of company resources to help victims as they rebuilt their lives.

Donations towards Typhoon Morakot relief and reconstruction efforts

Organization	Donation Amount	Relief Program	Program Implementation	Persons Assisted
Ministry of the Interior	10,000,000	Ministry of Interior Relief Account	Disaster relief and reconstruction	2,524
Ministry of the Interior	10,000,000	Child Welfare Bureau: Subsidy Program for Child Placement in Disaster Areas	Subsidies for preschool age children in Pingtung Counties’ Jiadong, Wandan, and Linbian Townships	352
The Red Cross Society of the Republic of China	10,000,000	Emergency relief aid for Typhoon Morakot victims	Adoption of the Wulipu Life Rehabilitation Center in Kaohsiung County	400
Department of Education, Kaohsiung County Government	49,000,000	Post-Disaster School Reconstruction Support System Plan – Temporary placement for displaced students	Assistance for students at 16 elementary and junior high schools in the disaster areas	1,195
Taiwan Fund for Children and Families	30,000,000	Rebuilding Homes and Lives Transformed by Typhoon Morakot	Adoption of 359 elementary age children in nine disaster areas along with scholarships and psychological counseling for affected children.	2,000
Child Welfare League Foundation	28,246,150	Post-Typhoon Morakot Housing Reconstruction Plan (for children who lost parents or were otherwise affected by the disaster)	Long-term placement for 15 children from 3 to 10 years old who lost parents or guardians, providing all school and living expenses until they are 18 years old.	445
Total 137,246,150				



"Love for kids", sending our love to children who need it most, has always been the key motivation of our various charitable activities. We believe that helping a child today will bring society new hope for tomorrow.

disaster survivors learned how to properly manage their finances, which will be an invaluable skill as they work to rebuild their homes.

Chinatrust money management volunteers use their expertise and compassion to provide easily understandable, interactive lessons on important personal finance principles such as debt management and developing a savings plan. Indigenous residents of affected areas, who are concurrently taking vocational training courses, can build a proper understanding of personal finance. By recognizing the importance of savings, they can improve their chances of succeeding financially as they prepare to rebuild their lives.

Through June 2010, Chinatrust provided debt extensions and negotiated repayment agreements with disaster area residents 1,032 times, covering a total debt of over NT\$324 million. Members of the public who donated to relief and recovery efforts, whether via credit cards, at bank counters, or through ATMs, were not charged any service fees. A total of 15,905 donations totaling nearly NT\$1.4 million were received. In addition, no service fees were collected from affected residents for the reissuance of credit cards, debit cards, or passbooks.

Constructing a counseling office at Nantou's Chen Chou Juvenile Shelter

Children and adolescents represent our country's hope for the future. Chinatrust Charity Foundation is focused on achieving the sustainable development of Taiwan's society. Throughout our history, we have actively invested resources to provide a support system for the children of Taiwan in the hope they can grow up in a healthy, happy environment.

In Puli, Nantou County, 81-year-old Chen Chou, known to friends as Granny Chen, has served for many years as a court appointed guardian helping children who walk on the fringes of society. In April 2010, a Chinatrust employee who had at one time received assistance from Chen Chou, wrote a letter to President Michael DeNoma asking the company to reach out a helping hand to support her tireless work for children. After learning of Chen Chou's years of service, DeNoma immediately travelled to Nantou to donate NT\$3 million on behalf of the Chinatrust Charity Foundation to aid the Chen Chou Juvenile Shelter in establishing a children's counseling office. The office will provide a place for children to receive professional psychological counseling so they may find emotional relief and direction for the future. The program will provide an estimated 900 counseling sessions per year, helping young people at life's crossroads to find an emotional sanctuary within themselves.



CFHC Banking group CEO Michael B. DeNoma and Chen Chou greet each other with a warm hug, like old friends.



Chinatrust has sponsored the ChangHua Neighbor Care Social-Welfare Association's purchase of a mobile storytelling bus, which gives children from remote areas the chance to broaden their horizons through reading.

In addition to assisting the Chen Chou Juvenile Shelter, in the spirit of our "Love for kids", Chinatrust Charity Foundation launched the "Little Seedlings counseling office construction plan" back in 2008. We helped to set up eight counseling offices throughout Taiwan, staffed with professional counselors to assist children's home residents. Receiving the professional mental care they need, we hope that children who have lost their families will be able to grow and thrive. The "Little Seedlings counseling office program" is now in its third year and by the end of 2010, there were 17 licensed therapists providing counseling services across the island, racking up 2,072 hours of counseling for 63 young people. Thirty percent of the children who received counseling showed significant behavioral improvements.

Telling interesting tales in every corner of Taiwan

If education is the only road to escape poverty, reading is, without a doubt, the first step on that journey!

In order to bridge the gap between Taiwan's urban and rural areas, Chinatrust sponsored ChangHua Neighbor Care Social-Welfare Association and Taiwan Fund for Children and Families' purchase of a mobile storytelling bus. We hope to bring many interesting stories directly to children

living in remote areas. Through diverse reading activities that incorporate character building and life education, we can assist this group of young people thrive despite their disadvantaged backgrounds.

Due to a relative lack of resources, families living in areas along Taiwan's west coast and remote eastern mountain regions often have less economic capability than those urban areas. For them, purchasing books is a luxury. In order to provide young students from disadvantaged families with the opportunity to enjoy the pleasure of a good book, Chinatrust has donated a mobile storytelling bus. Travelling throughout Taiwan and stopping at local schools, the bus helps children develop good reading habits and improve their reading skills. Through the end of 2010, Chinatrust sponsored a total of 26 storytelling buses across the island to enable children from remote areas to broaden their horizons through reading.

We are inspired as we watch the children captivated by the storytellers and see their anticipation for the bus' next visit. The storytelling buses not only reduce the disparity in educational resources between the cities and the countryside, but also fire up many young people's hopes and dreams for the future.



Each smiling little face we see immersed in a book represents an exciting future full of potential.



Chinatrust sponsors the Syn-Lu Social Welfare Foundation, which helps developmentally-delayed children receive professional early intervention services.



Chinatrust held the Adolescent Self-Reliance Workshops to help children learn to be independent and develop a sense of responsibility.

Syin-Lu Social Welfare Foundation's Mobile Intervention and Treatment Service

Chinatrust's Light up a Life fundraising campaign has continually enabled many important medical treatment resources to reach into the remotest corners of the country. In south and central Taiwan, along with the remote areas to the east, developmentally-disabled children and those at risk for developmental delays are often unable to enjoy needed medical care because of a lack of convenient transportation. Therefore, Chinatrust sponsors Syin-Lu Social Welfare Foundation's early intervention teams, which are comprised of five or six members including physical therapists, occupational therapists, language therapists, early intervention teachers, and social workers. Working together with public health centers and preschools in remote areas of Taoyuan, these teams help provide mobile treatment services. Syin-Lu's efforts to provide developmentally-delayed children living in remote areas with professional treatment are the first steps toward meeting their urgent need for early intervention resources.

In addition to helping provide medical resources to isolated villages, in 2010 Chinatrust Charity Foundation's Light up a Life campaign also sponsored the CP Summer Camp held by Syin-Lu. For five days and one night, 12 children with

cerebral palsy could experience Pilates classes, hydrotherapy, and a bocce ball competition. Activities also included a barbecue, lighting sky lanterns, a costume party, an outdoor camp out, and t-shirt decorating. At this summer camp, young people can cast off their physical limitations and gain precious memories that will last a lifetime.

Volunteer activities

Volunteer service is a way that many corporations give back to society and fulfill their corporate social responsibilities. To meet this duty to society, Chinatrust is working on many levels including actively recruiting volunteers from among our ranks. For many years, Chinatrust employees have performed community service and tutoring in remote areas, taught English language classes, and provided money management education. Our volunteers show their enthusiasm for service through concrete action. In 2010, key volunteer activities included the Chinatrust Money Management Academy and Seedlings Reaching for the Sun Experiential Education.

Chinatrust Money Management Academy

Unlike many financial institutions that provide financial services exclusively to the children of wealthy families, the Chinatrust Charity Foundation has recognized the urgent need for proper financial knowledge among economically-disadvantaged households. Therefore, from July 10 – 11, 2010 we held the first Chinatrust Money Management Academy to train "Clever Youth Financial Planners". A total of 21 Chinatrust money management volunteers held a financial experience camp for 35 children from the Miaoli Children's Home. Through interesting examples from daily life, the children learned the importance of proper financial management skills and how to be smart with their money.

The Chinatrust Charity Foundation recruited our first group of money management volunteers back in 2005. Through their service activities, volunteers have seen firsthand that economically-disadvantaged families often lack



Interactive learning at our Chinatrust Money Management Academy teaches children develop good money management and planning skills.

important financial knowledge, thereby perpetuating the cycle of poverty that ensnares generation after generation. The Chinatrust Charity Foundation utilized our bank employees' financial expertise to design a series of courses to educate disadvantaged families how to best manage their finances. Through the end of 2010, we held 110 classes totaling 900 class hours, providing financial information to 1,653 people. Students included members of economically-disadvantaged families, college students, and adolescents preparing to leave children's homes.

Attendees of our Chinatrust Money Management Academy were elementary school students in grades four through six, children at a key stage of development for learning the proper way to think about money. With the support of our corporate resources and caring volunteers, Chinatrust helped these economically-disadvantaged youngsters take their first step on the path to achieving their dreams and breaking the cycle of poverty.

Seedlings Reaching for the Sun Experiential Education

Junior high school is a key phase in a child's personal and moral development. In order to encourage young children's home residents at that age to challenge themselves, Chinatrust Charity Foundation held our 2010 Seedlings Reaching for the Sun experiential education event in Danshui, Taipei County. The 12 adolescents were each paired up with a Chinatrust volunteer to row two-person wooden canoes upstream along the Danshui River. The seven kilometer course started out at the dock near the Danshui Metro Station and ended outside the Zhuwei Station. Completing this course not only taught the young people how to overcome their fears and challenge

themselves, they also experienced the pristine wetlands of the Mangrove National Reserve encouraging them to develop an appreciation for the natural environment as well.

In addition to teaching these children how to overcome their fears about the uncertainties of the future, each young person and volunteer had to work in coordination with and encourage each other while rowing their canoe. Working against the current, only through successful communication and cooperation could they successfully reach their destination. This educational, yet fun outdoor experience taught the young people priceless personal virtues and encouraged them to have a positive outlook on life.

In addition to experiential education, 2010 was also a very fruitful year for the Seedlings Reaching for the Sun educational support program. Hsiao-guan (pseudonym), a young children's home resident who took part in our canoe activity, began participating in our tutoring program in the fifth grade. Through the long-term assistance and encouragement of Chinatrust volunteers, his grades not only improved by leaps and bounds, he also gained confidence in his own abilities. After graduating to junior high school, Hsiao-guan asked for and received permission from his social worker to take part in the Chinatrust Charity Foundations' Seedlings Reaching for the Sun Training Program. The Foundation provided Hsiao-guan a scholarship to put him on equal footing with more privileged children. This year, Hsiao-guan's outstanding grades earned him a place in the nursing department at the Tsu Chi College of Technology. He hopes to emulate the caring Chinatrust volunteers by utilizing his professional knowledge to give back to society in the future. Without a doubt, Hsiao-guan is a perfect example of how education can create a path out of poverty.



Chinatrust holds the Seedlings Reaching for the Sun Experiential Education to teach children positive self-image and how to face life's challenges.



Our Children's Magical Science Camp introduces children to the mysterious, electrifying world of science. (Right: Chinatrust Charity Foundation Vice Chairman Thomas K.S. Chen)

The Institutional Banking Department's Self-Reliance Workshops

Many experts and academics worry that today's young people are not willing to work as hard as their parents' generation. Modern youth have grown up with excessive material comforts, but lack opportunities to help others and face few challenges or setbacks in their lives. Under the leadership of Chinatrust's Institutional Banking Group President James Chen, in 2010 a total of 37 department employees and managers served as "volunteers for a day" leading a group of 30 young people to participate in Self-Reliance Workshops. Due to their backgrounds, this group of young people had to grow up faster than other children their age, forcing them to face society's difficult challenges ahead of their time. Volunteers' caring service and Chinatrust's resources not only can build up their self-confidence, but also show these young people a path to escape poverty.

During the two days of activities, participants learned the basics of restaurant etiquette and service. We also invited Chef Lin Chen-wei, winner of several international culinary

competitions, to teach the young people how to cook delicious, healthy food on a budget. Using Chef Lin's valuable tips, they were then challenged to use the ingredients and tools on hand to dream up unique, innovative dishes. Chef Lin shared his experiences of being a culinary student and looking for work after graduation and encouraged attendees not to give up on themselves, take advantage of the present, and enthusiastically face life's challenges.

Hsiao-jun (pseudonym), currently a freshman in college, said that through his regular college classes and our Self-Reliance Workshops, he understands that all careers require hard work. After interaction and discussion with the volunteers, he realized that he must plan out how to achieve self-sufficiency, so he can become independent as soon as possible. Minmin (pseudonym), a hospitality major, happily shared her thoughts about cooking her unique dish. Only after taking this class did she understand that in addition to finding a stable job to make ends meet, she also needed to stick to



Chinatrust's culture of volunteerism is an important part of our identity. Employees from all levels of the organization put their heart into the volunteer work they perform.



Chinatrust's overseas branches also give back to disadvantaged groups in their communities through a variety of philanthropic activities.

a budget. Optimistic about her future prospects, Minmin also learned that good financial planning is the only way she can achieve her goals.

Children's Magical Science Camp

Children and adolescents represent the infinite possibilities the future may bring. In order to ensure children, during a key stage of their development, learn the intrinsic value of life, the Chinatrust Charity Foundation held the Chinatrust Volunteer Activity – Children's Magical Science Camp on September 11, 2010 at the National Taiwan Science Education Center. We invited children under the care of children's homes to participate. Through thoughtfully designed magic classes and science DIY activities and games, we hoped to nurture the children's curiosity and drive.

During his speech to the children, Chinatrust Charity Foundation Vice Chairman Chen Kuo-Shi encouraged them to take advantage of this wonderful experience to work together with and encourage fellow participants. Chief Executive of Chinatrust Capital Roger Kao put on a magic show to kick off the event. We hope that the young people not only absorbed some interesting scientific knowledge, but also gained confidence and discovered their own self-worth. The camp was held thanks to the Chinatrust Credit Card Bonus Point Donation Drive for Children's Summer Camps from June to August 2010, during which Chinatrust card holders donated over 10 million bonus points. That amounts to NT\$1 million, which enabled Chinatrust to hold 10 camps throughout Taiwan, giving 375 children under the care of the Taiwan Fund for Children and Families a chance to participate and start out life on the right footing.

Overseas branch and subsidy bank volunteer activities

In addition to holding many volunteer activities in Taiwan throughout 2010, Chinatrust's "volunteer fever" continued to spread to our overseas branches and subsidiaries. Our Ho Chi Minh City Branch and Indonesian subsidiary both held volunteer activities to assist disadvantaged children and visit sick children in the hospital. Whether utilizing our financial



The warmth and caring of Chinatrust volunteers has become a well-known hallmark of our employees around the world.

expertise, or simply providing tutoring or other services, our volunteers' enthusiasm has already become an important part of the Chinatrust culture.

Through the end of 2010, Chinatrust recruited over 1,600 volunteers who took part in 800 activities throughout Taiwan, mainland China, and everywhere we have branches or subsidiaries. Volunteers spent 113,498 hours providing assistance to over 26,000 young people through our tutoring services for disadvantaged children, money management education, and English language classes.

Utilization of Public Welfare Lottery Profits

In this era of increased income inequality, Taiwan's Public Welfare Lottery holds an important place in society. People can use their spare change to buy the hope of winning a fortune. More importantly, lottery rebates are used to enrich the national treasury, assisting the government to improve social welfare programs while benefitting the mentally or physically-disabled and other disadvantaged groups.

On January 1, 2007, Chinatrust obtained the rights to issue Taiwan Lottery tickets for NT\$2.0868 billion, naming the resulting subsidiary Taiwan Lottery Co. As we live up to our motto "Betting on hope – sharing love", Taiwan Lottery does its utmost to improve people's lives and fill every corner of Taiwan with hope. Since taking over the lottery, in addition to improving sales channels, we have actively worked to build strong relationships with ticket sellers. These efforts have not only saved time and money, but have improved operational efficiency. During the period of economic downturn beginning in 2008, the Taiwan Lottery's business has been on the rise, a result of Chinatrust's outstanding operation of the Taiwan Lottery.

Lottery Profits and Rebates:

Obtained from society, for society

How does the Lottery assist social welfare programs? Most members of the public do not understand exactly how this process works. For every NT\$100 spent on lottery tickets, NT\$26.75 is given to the government as profit. From January

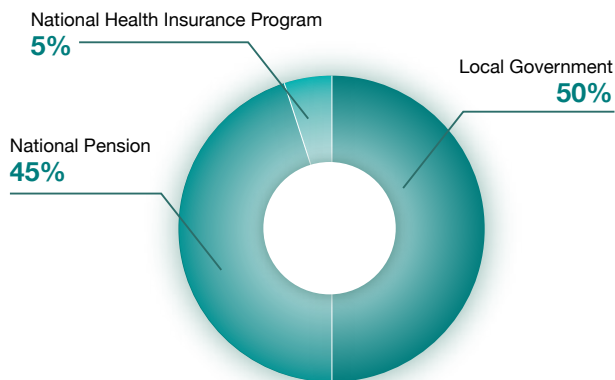


Since Chinatrust took over the Taiwan Public Welfare Lottery in 2007, donations raised by the Taiwan Lottery Company have gone towards purchasing 100 paratransit buses, helping provide convenient transportation for disabled people throughout Taiwan.

Program	Percent of Total	Amount Donated	Assistance Provided
Education subsidies for disadvantaged children	33%	NT\$422 million	Tutoring, scholarships, and psychological counseling for disadvantaged children
Food subsidies for the young and elderly	8%	NT\$106 million	Breakfast and lunch subsidies for disadvantaged children in remote areas and meal deliveries for the elderly
Medical care for the disadvantaged	14%	NT\$393 million	Early-intervention services, paratransit bus purchases, and medical treatment subsidies for disabled children
Facility Improvements	24%	NT\$358 million	Renovations and facility upgrades at the Pingtung Home for Single-Mother Families and the Hwei Ming School
Emergency relief and other	21%	NT\$260 million	Post-Morakot reconstruction

2007 through the end of 2010, the Lottery has transferred over NT\$77.213 billion to the government. Of this total, 50% is divided up among the various local government social welfare and charity budgets, 45% goes towards the National Pension, while the remaining 5% supplements the National Health Insurance program.

Distribution of Public Welfare Earnings



In addition to profits, Chinatrust also sets aside nearly NT\$2.1 billion (NT\$2.0868 billion) each year in lottery rebates. Over the past four years, the total of over NT\$8.347 billion in funds have directly benefited a variety of government welfare programs.

NT\$1.5 billion in donations A milestone of love and hope

Since the Taiwan Lottery Co. took over the Public Welfare Lottery in 2007, we have received NT\$1.559 billion in donations. Under the overall planning of the Chinatrust Charity Foundation, we have been able to make the most effective use of these donations. Funds have gone to support 140 social welfare and charity organizations that perform over 350 charity programs assisting 903,000 people. Lottery winner donations can be classified into several areas, which include: education subsidies for disadvantaged children, food subsidies for the young and elderly, medical care for the disadvantaged, facility improvements, and emergency relief and other programs.



As of the end of 2010, Taiwan Lottery received over NT\$1.559 billion in donations, which have assisted over 903,000 people.



Chinatrust's long-term support of Novel Hall, which is the top choice of many world-class performing arts groups, plays an important role in Taipei's artistic life.

Donating 100 paratransit buses

Through the caring donations of past winners, the Taiwan Lottery Co. has already donated or provided rental of 26 paratransit buses in the cities and counties of Taoyuan, Taichung, Chiayi, Tainan, Kaohsiung, and Taitung that have provided transportation a total of 120,000 times. However, there are still insufficient buses to meet residents' needs. Taiwan Lottery Chairman Steve Hsueh therefore set an ambitious goal for the company, to donate 100 additional paratransit buses to help solve the transportation needs of the elderly and physically or mentally disabled. We hope that our goal will also encourage members of society to support the public welfare lottery. As we say, "Buy a lottery ticket, do a good deed". Together with the public we can send warmth and care to all corners of Taiwan, giving the power of hope to ever more people.

Sponsorship of the arts

Long-Term Support of Novel Hall

In order to upgrade Taiwan's cultural landscape and raise residents' standard of living, Chinatrust not only independently constructed Novel Hall, it also sponsors the operation of this performance venue. Through the end of 2010, Novel Hall has held a total of 2,877 performances attracting over 1.73 million attendees. Many members of the public who love cultural performances have fond memories of the wonderful shows they have enjoyed here.

Especially worth mentioning is Li Baochun's *The Jester*, produced by Novel Hall in 2010. Not only was it extremely well received in Taiwan, performers were also invited to Expo 2010 in Shanghai where the world could witness Taiwan's theatrical prowess. Moving forward, Novel Hall will continue not only promoting the performing arts, but also providing a space for artistic exchange between future outstanding performers and the audiences who cherish the viewing experience.

Sponsorship of artistic performances and exhibits

In addition to supporting the professional performance venue, Novel Hall, Chinatrust also does our utmost to sponsor other artistic endeavors. In 2010, we sponsored local performances of Disney Live: Winnie the Pooh and Broadway's *Jekyll & Hyde*, along with the fine arts exhibitions "The Flaming Soul: Van Gogh's Drawings and Paintings" and the British Museum's "The Body Beautiful in Ancient Greece". People young and old can enjoy this wide range of events, which have served to greatly expand Taiwan residents' appreciation for the arts and broaden their horizons. In the future, Chinatrust hopes to continue to plant the seeds of art by enabling world-class performances to visit Taiwan. Our efforts enrich the culture of this island, giving the people of Taiwan diverse ways to appreciate the arts.



Chinatrust was the sole sponsor of the British Museum's "The Body Beautiful in Ancient Greece" exhibit, thereby helping to broaden Taiwan's artistic horizons.

Humanitarian Achievements in 2010

Due to its concern for disadvantaged children, the Chinatrust Charity Foundation sets aside a yearly budget which it uses to provide financial assistance to social welfare organizations. Most of those helped by the Foundation are children and families with members that are disadvantaged either financially, physically, or mentally. Its projects are generally long-term (1~3 years) educational assistance or intervention projects and tend to be initiated by the Foundation. It also engages

in emergency relief projects for disasters, including earthquakes and typhoons, in the hope of using financial assistance to significantly enhance the lives of disadvantaged children and provide them any needed medical assistance.

In 2010, the Chinatrust Charity Foundation worked on 107 projects, spending NT\$679,148,235. Project details follow below.

Assistance for Economically-Disadvantaged Children

Organization Assisted	Program	Amount donated	People served
Taipei Children's Welfare Center, Chiayi City Showlife Children's Home, Northern Region Children's Home (MOI), Kaohsiung Sweethome Children's Home, Hsinchu Renai Children's Home, Kaohsiung Red Cross Nursery Center, Central Region Children's Home (MOI), Buddhism Chan Guang Orphanage, Changhua Cisheng Renai Home	Planning and discussion regarding the introduction of counseling offices to children's homes – Five year plan research costs	5,879,770	5977
Education Bureau Chiayi County	Education donation accounts	3,000,000	2,027
Taiwan Fund for Children and Families – Chiayi Branch Office	Chiayi Area – Single-Parent and Disadvantaged Family Assistance Program	3,000,000	2,740
Foundation with the Catholic Church Diocese of Chiayi County's Sacred Heart Home	Sacred Heart Home – Anren Branch Child and Adolescent Accommodation Services Plan	2,500,000	4,976
Kernel of Wheat Foundation	Caring for the Educational Development of Children from Remote Areas – Mobile Reading Promotion Program	1,200,000	2,000
Social Affairs Department, Hsinchu County Government	Hsinchu County Preschool Classes for Young Children and After Class Care and Tutoring for School-Aged Children from Disadvantaged Households	4,000,000	65
Department of Education, Hsinchu County Government	Program to Stimulate Learning among Disadvantaged Children from Remote Areas	4,000,000	1,000
Department of Education, Hsinchu County Government	Hsinchu County Government Implementation Plan for Education Savings Accounts		74
Tainan Hsinhe Presbyterian Church	Tainan Hsinhe Presbyterian Church Construction Project	10,000,000	7,300
Hsinchu Chongcheng Presbyterian Church	Hsinchu Chongcheng Presbyterian Church Construction Project	10,000,000	7,300
Child Welfare Bureau, Ministry of the Interior	Daycare and Resettlement Subsidy for Children Affected by Typhoon Morakot	10,000,000	359
Education Bureau, Taichung City Government	Donate Your Love Building Children's Future Program	50,000,000	1,500
Chiayi City Social Affairs Bureau	Disadvantaged Family Daycare and Placement Fee Subsidy Program	309,000	105
	Program to Supply Disadvantaged Families with Material Assistance	400,000	400
	Tutoring Program for Children and Adolescents from Disadvantaged Families	128,800	2,700
	Counseling Office Project for Groups Assisting Youth	97,200	192



To celebrate the Christmas holiday, Chinatrust held our Voyage of Hope and Dreams – 2010 Community Service Day to send our blessings to disadvantaged children (From right to left: Senior Vice President of Retail Banking Group SK Huang, Taiwan Lottery Chairman Steve Hsueh, Chinatrust Charity Foundation Chairman Jeffery Koo Jr., Child Welfare Bureau Director Chang Shiu Yuan, Chinatrust Charity Foundation Vice Chairman Thomas K.S. Chen and CEO Roger Kao)

Organization Assisted	Program	Amount donated	People served
Hsinchu City Government	Child and adolescent protection program	3,670,000	1,677
	Economic Assistance Program for Child and Adolescent Abuse Sufferers	700,000	500
	Adolescent Self-Reliance Assistance Program	1,200,000	399
	Meal Program for Disadvantaged Families	1,530,000	19,125
Chiayi County Government Social Affairs Department, Social Welfare Office	Love for Children Program	1,300,000	600
Pingtung County Shuidangdang Charity Association	Single Parent Group Home Equipment and Facilities Upgrade Program	2,500,000	20
Social Work Office, Social Affairs Department, Pingtung County	Program to Enhance Facilities and Equipment at the Female and Child Emergency Assistance Center and Children and Adolescent Care Center in Pingnan Area, Pingtung County,	1,230,000	185
Pingtung County Federation of Charitable Organizations	Purchase of a vehicle to provide mobile material assistance to economically-disadvantaged families and children	970,000	700
Department of Education, Pingtung County Government	Afterschool Childcare Program	5,000,000	3,307
Taiwan Fund for Children and Families	Preschool Education Program	16,400,000	3,312
	Young adult self-sufficiency education	18,000,000	3,312
	Family Development Account Program	17,000,000	4,416
	Scholarship program for remote areas	21,644,116	56,000
Boyo Social Welfare Foundation	Tutoring program for disadvantaged children in Puli	10,000,000	990
Chinese Childrenhome & Shelter Association	CCSA Multi-Stage Transition Program for Orphaned Children	5,100,000	1,350
ChangHua Neighbor Care Social-Welfare Association	Boosting Remote Areas of Changhua – Improving reading ability	1,451,000	6,740
Paper Windmill Foundation	319 Village Children’s Arts Education Courses	2,625,000	5,000
Taiwan Fund for Children and Families – Kaohsiung Branch Office	Mother’s Day Parent-Child Celebration	199,000	180
	Women’s Job Training Program	81,000	50
	Summer Camp for Disadvantaged Children	280,000	80
	Scholarship Presentation Ceremony	40,000	800



Enjoying a performance of Paper Windmill Fantasia helps children to unleash their boundless creativity.

Organization Assisted	Program	Amount donated	People served
Teacher Chang Foundation, Taichung Branch	Children of New Immigrants and Family Function Service Project	760,000	660
Chung Yi Social Welfare Foundation	Career Counseling for High-School Students	700,000	7
	Career Exploration Program for Junior High and High School Students Residing in Children's Homes	300,000	33
Hsiuho Charitable Foundation	Assistance for the family of Su Sheng-yu	200,000	1
Childhood Cancer Foundation	Financial Assistance Program for Economically-Disadvantaged Children with Cancer	2,000,000	240
Genesis Social Welfare Foundation	Construction of the Genesis Home for Patients in Persistent Vegetative States – Douliou Branch	8,200,000	924
Miaoli County Government	Subsidies for school busses in rural areas	913,257	4,800
Taiwan Fund for Children and Families (Includes the Datong Children's Home)	Young Adult Self-Sufficiency Education	24,100,000	10,470
Christian Cosmic Light Holistic Care Organization	Sunlight Children's Development Program	3,000,000	16,000
GOOD TV Broadcasting Corp.	Sponsorship of the production and broadcast of family care programming	3,000,000	*
Stella Matutina Social Welfare Foundation	Disadvantaged Children's Life Camp and Disadvantaged Family Parent-Child Respite Care	1,000,000	280
Hueiming School for the Blind	Purchase of two school busses and construction of a hydrotherapy pool	15,000,000	25,520
World Vision Taiwan	Education Assistance Program for Disadvantaged Children in Remote Areas	2,000,000	800
Gansu Province, PRC	Landslide disaster relief	4,890,000	1,435
DDM Social Welfare and Charity Foundation	Program to Promote Character Education among Schoolchildren and the Building Strong Adults Scholarship	2,000,000	692
Chiayi County Cultural Foundation	Spreading the Love of Reading – Mobile Library	2,500,000	1,117

Organization Assisted	Program	Amount donated	People served
Caterpillar Philosophy for Children Foundation	Reading from the Heart – Spiritual Companionship Program	2,500,000	2,000
Dandelion Organization of Storytelling as Literacy Advocacy (DOSLA)	2011 Reading Program – Things are Heating Up	2,500,000	7,600
Department of Education, Pingtung County Government	Pingtung County 2010 Reading and Education Promotion Program	2,500,000	11,479
Eden Social Welfare Foundation	At Risk Families – Elephant Family Project	2,000,000	120
Catholic Salvation Home for the Disabled	Adult Home Construction Project, Assistive Device Resource Center Services Plan, and the Little Snail Behavioral Therapy Classroom Program	20,000,000	1,070
Kaohsiung County Christian Mountain Children's Home (Liouguei Children's Home)	Main Hall Sound System and Instrument Purchase Program, Outdoor Education Camp Facilities Plan, and the installation of lightning rods and power supply protection system	18,758,349	360
Huashan Social Welfare Foundation	Huashan Loving Angel Transportation Vehicle	13,000,000	1,115
Taitung County Government	Scholarships for Disadvantaged Children, Special Educational Assistance for Underperforming Students, Child Afterschool Care Services and Disadvantaged Student Knowledge Diversity and Science Education Improvement Plan	7,000,000	10,180
Tzu Chi Foundation.	Assistance for the Economically Disadvantaged in Taiwan	5,000,000	1,000
Kids Alive International	Construction of the Nantou Home	3,500,000	80
Lifeline Association, Kaohsiung	Cherish Life to the Fullest – Promotion of Suicide Prevention Work and Establishment of a Suicide Prevention Service Web	3,000,000	20,220
Good Shepherd Social Welfare Services	Outreach Service Program for Hualien and Taitung	1,000,000	698
Mustard Seed Mission	Mustard Seed Youth Home – Overall Renovation Project Jumu Nursing Home – Blessed Kitchen Improvement Project	1,000,000	90
The Garden of Hope Foundation	The Garden of Hope Foundation Pingtung Child and Adolescent Halfway House Construction Project	1,000,000	51
The Mind Farm Center for Individuals with Disabilities	Tuition financing program for individuals with disabilities	500,000	76
Sunshine Social Welfare Foundation	2011 Sunshine Scholarship Awards Ceremony	500,000	245
Total		368,996,492	266,161
* Viewership reached 1 million people			

Assistance for Physically or Mentally-Disadvantaged Children

Organization Assisted	Program	Amount donated	People served
	Building Dreams for the Future – Support Program for Chiayi County Coastal Disabled Children and their Families	2,500,000	2,190
Chiayi County Fuyuan Service Association	With Love There Is Hope – Service Program for People with Disabilities	1,000,000	1,803
Social Affairs Department, Hsinchu County Government	Operational plan to increase service efficiency of the Hsinchu County Paratransit bus service	4,000,000	500
Social Affairs Department, Hsinchu County Government	Hsinchu County in-home early intervention services for developmentally-delayed children		70
Social Affairs Department, Hsinchu County Government	Diversified development program for disadvantaged children		341



Chinatrust sponsors the Syin-Lu Social Welfare Foundation in their work to provide early-intervention services to children with disabilities.

Organization Assisted	Program	Amount donated	People served
Bureau of Social Affairs, Taichung City Government	Paratransit Bus Program	50,000,000	29,000
The Children Charity Association	Musical rhythm class for deaf children	1,100,000	3,960
Chiayi City Social Affairs Bureau	Paratransit bus service improvement plan	1,635,000	3,000
	Treatment services for developmentally-delayed children	430,000	492
	Early Intervention Subsidy Program	900,000	1,500
Noordhoff Craniofacial Foundation	Preschool Education Subsidies for Children with Craniofacial Abnormalities	5,600,000	2,408
Syin-Lu Social Welfare Foundation	Program for Mobile Treatment and Language and Cognitive Intervention for High-Risk Developmentally-Delayed and Developmentally-Disabled Children	7,100,000	5,260 children 1,240 parents
Eden Social Welfare Foundation	Finding Lost Slow Flying Angels – National Child Screening Program	6,600,000	7,360 children 12,680 parents
The First Social Welfare Foundation	Early intervention and support system for disadvantaged families	3,100,000	9,432
Faith Hope and Love (Center for Children and Adults with Disabilities)	Faith Hope and Love's Dream Home Multi-Purpose Classroom Service Program	5,000,000	1,000
Miaoli County Government	Improving Transportation Services for Disadvantaged Groups – Bus Services	5,086,743	6,300
	Hand in Hand Family Development Account Program Necessary expenditures		*
Taiwan Fund for Children and Families	Hand in Hand Family Development Account Program		
	Datong Children's Home Early-Intervention Program	1,000,000	470
Maria Social Welfare Foundation	Early-Intervention and Family Assistance Program	2,000,000	5,000
Eden Social Welfare Foundation	Slow Flying Angels Economic Assistance Program	2,000,000	603
Syin-Lu Social Welfare Foundation	Early-Intervention Program for Disadvantaged Children	2,000,000	2,400

Organization Assisted	Program	Amount donated	People served
Sunshine Social Welfare Foundation	Sunshine Scholarships	3,000,000	921
St. Joseph's Center for Special Education	Scholarship Program for People with Disabilities from Disadvantaged Families Community Adjustment and Outdoor Education Implementation Plan	2,000,000	1,360
St. Joseph Social Welfare Foundation	Early-Intervention Services Program	2,000,000	3,700
Children Are Us Foundation	Children Are Us Job Training Program	2,000,000	4,800
Taiwan Long-Term Care Professional Association	Lending a Hand - Caretaker Support Group Program	3,000,000	2,400
Hospice Foundation of Taiwan	Local Hospice Care Promotion in Remote Areas	800,000	2,000
	Assistance Program for Individual Cases	1,600,000	
	Grief Counseling Education and Workshop	600,000	
Hope Foundation for Cancer Care	Hope For Life – Rehabilitation Program for Families Affected by Cancer	3,000,000	4,000
Childhood Cancer Foundation	Treatment subsidy for children with cancer	3,000,000	700
Chou, Da-Kuan Foundation	Fighting Cancer – Achieving Dreams Scholarship	2,000,000	100
Taiwan Foundation for Rare Disorders	Rare Disorder Foundation Scholarship Program	2,000,000	245
Liang-shean Tang Social Welfare Foundation	Speak Your Mind – Construction of a Counseling Office at the Chen Chou Juvenile Shelter	3,000,000	1,000
Cities and Counties throughout Taiwan	Love Knows No Boundaries National Paratransit Bus Services	17,000,000	28,800
Cities and Counties throughout Taiwan	Love Knows No Boundaries National Paratransit Bus Services	89,600,000	151,793
Yunlin LOHAS Foundation	Paratransit Bus Service Plan	1,600,000	6,000
Taitung County Physical Disabilities Association	Purchase of small paratransit buses	1,500,000	1,000
Development Center for those with Spinal Cord Injuries	Community-living pilot program for individuals with spinal cord injuries	1,000,000	60
Cities and Counties throughout Taiwan	Love Knows No Boundaries National Paratransit Bus Services	70,400,000	146,000
Total		310,151,743	451,888

INDEPENDENT ASSURANCE OPINION STATEMENT

2010 CFHC Corporate Social Responsibility Report

The British Standards Institution is independent to Chinatrust Financial Holding Company (hereafter referred to as CFHC in this statement) and has no financial interest in the operation of CFHC other than for the assessment and verification of the sustainability statements contained in this report.

This Independent assurance opinion statement has been prepared for the stakeholders of CFHC only for the purposes of verifying its statements relating to its sustainability, more particularly described in the Scope, below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this Independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the Independent assurance opinion statement may be read.

This Independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by CFHC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this Independent assurance opinion statement or matters relating to it should be addressed to CFHC only.

Scope

The scope of engagement agreed upon with CFHC includes the followings:

1. The assurance covers the whole report and focus on systems and activities during the 2010 calendar year on the CFHC headquarter including their seven subsidiaries and relevant operations.
2. The Evaluation of the nature and extent of the CFHC's adherence to all three AA1000 AccountAbility Principles in this report as conducted in accordance with type 1 of AA1000AS (2008) assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the 2010 CFHC CSR Sustainability Report Review provides a fair view of the CFHC programmes and performances during 2010. We believe that the 2010 economic, social and environment performance indicators are fairly represented.

Our work was carried out by a team of (CSR) report assurers in accordance with the AA1000 Assurance Standard (2008). We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that CFHC's description of their approach to AA1000 Assurance

Standard and their self-declaration of compliance with the GRI guidelines were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- review of issues raised by external parties that could be relevant to CFHC's policies to provide a check on the appropriateness of statements made in the report
- interview with managers and staff on CFHC's approach to stakeholder engagement, however, we had no direct contact with external stakeholders
- interview with 10 staffs involved in sustainability management, report preparation and provision of report information were carried out
- review of key organizational developments
- review of the extent and maturity of the relevant accounting systems for financial and non-financial reports
- review of the findings of internal audits
- review of supporting evidence for claims made in the reports
- an assessment of the company's reporting and management processes concerning this reporting against

the principles of Inclusivity, materiality and responsiveness as described in the AA1000 AccountAbility Principles Standard (2008)

Conclusions

A detailed review against the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness and the GRI G3.1 guidelines is set out below:

Inclusivity

In this report, it reflects that CFHC has made a commitment to its stakeholders, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the CFHC's inclusivity issues, however, the future report should be further enhanced by the following areas:

- Gradually integrate current CSR strategies into existing management programs, let CFHC's CSR activities become daily functional operations.

Materiality

The CFHC publishes CSR information that enables its stakeholders to make informed judgments about the company's management and performance. In our professional opinion the report covers the CFHC's material issues, however, the future report should be further enhanced by the following areas:

- Combine the responsible investment concepts with CFHC's core strategies to carry on company's best CSR practices.

Responsiveness

CFHC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for the CFHC Corporation is developed and provides the opportunity to further enhance the CFHC's responsiveness to stakeholder concerns. In our professional opinion the report covers the CFHC's responsiveness issues, however, the future report should be further enhanced by the following areas:

- Continually develop and update the responsive strategy for stakeholders such as relative CSR management for supply chain.
- in order to enhance the reliability of CSR performance in information given to stakeholders, it is encouraging to look for AA 1000 AS type 2 assurance in future

GRI-reporting

CFHC provided us with their self declaration of compliance within GRI G3.1 Guidelines and the classification to align with application level B+. Based on our review, we confirm that social responsibility and sustainable development indicators with reference to the GRI Index are reported, partially reported or omitted. In our professional opinion the self declaration covers the CFHC's social and sustainability issues, however, the future report will be improved by the following areas:

- Identifying all relevant indicators and reporting them to work towards assurance application level A+
- Encouraging to persuade the disclosure for Financial Services Sector Supplement in the GRI framework

Assurance level

The moderate level assurance provided is in accordance with AA1000 Assurance Standard (2008) in our review, as defined by the scope and methodology described in this statement.

Responsibility

This CSR report is the responsibility of the CFHC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of Lead auditors and Carbon Footprint Verifiers experienced in Engineering sector, and trained in a range of sustainability, environmental and social standards including AA1000 AS, ISO14001, OHSAS18001, ISO14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Pu

Managing Director BSI Taiwan
20 August, 2010



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GRI (Global Reporting Initiative)G3.1 Index

Profile Disclosure	Description	Extent of reporting	Page
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization.	○	6
1.2	Description of key impacts, risks, and opportunities.	○	22
2. Organizational Profile			
2.1	Name of the organization.	○	10
2.2	Primary brands, products, and/or services.	○	10
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	○	10-11
2.4	Location of organization's headquarters.	○	10
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	○	10
2.6	Nature of ownership and legal form.	○	10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	○	11
2.8	Scale of the reporting organization.	○	12
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	○	No related things happened
2.10	Awards received in the reporting period.	○	13-14
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	○	5
3.2	Date of most recent previous report (if any).	○	5
3.3	Reporting cycle (annual, biennial, etc.)	○	5
3.4	Contact point for questions regarding the report or its contents.	○	5
3.5	Process for defining report content including: Determining materiality; Prioritizing topics within the report; and Identifying stakeholders the organization expects to use the report.	○	5
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	○	5
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	○	5
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	○	No related things happened
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	○	5
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	○	5
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	○	5
3.12	Table identifying the location of the Standard Disclosures in the report.	○	5
3.13	Policy and current practice with regard to seeking external assurance for the report.	○	5
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	△	20-21
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	○	20
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	○	19
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	○	15
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	○	22
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	○	19
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	○	20

4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	○	10,17,34
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	○	22-23
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	○	20
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	○	23
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	○	44-46
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies; Participates in projects or committees; Provides substantive funding beyond routine membership dues; or Views membership as strategic.	○	25
4.14	List of stakeholder groups engaged by the organization.	○	15-16
4.15	Basis for identification and selection of stakeholders with whom to engage.	○	15
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	○	15-16
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	○	15-16
Economic			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	○	12
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	○	44-45
EC3	Coverage of the organization's defined benefit plan obligations.	○	40-41
EC4	Significant financial assistance received from government.	○	12

EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	△	40
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	◎	◎
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	◎	◎
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	◎	◎
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	◎	◎
Environmental			
EN1	Materials used by weight or volume.	NA	NA
EN2	Percentage of materials used that are recycled input materials.	NA	NA
EN3	Direct energy consumption by primary energy source.	○	45
EN4	Indirect energy consumption by primary source.	○	45
EN5	Energy saved due to conservation and efficiency improvements.	○	45
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	○	45
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	○	44
EN8	Total water withdrawal by source.	○	44
EN9	Water sources significantly affected by withdrawal of water.	◎	◎
EN10	Percentage and total volume of water recycled and reused.	◎	◎
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	○	44
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○	44
EN13	Habitats protected or restored.	○	No related things happened
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	○	No related things happened

EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	NA	NA
EN16	Total direct and indirect greenhouse gas emissions by weight.	○	45
EN17	Other relevant indirect greenhouse gas emissions by weight.	◎	◎
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	○	44-45
EN19	Emissions of ozone-depleting substances by weight.	○	45-46
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	NA	NA
EN21	Total water discharge by quality and destination.	NA	NA
EN22	Total weight of waste by type and disposal method.	○	44
EN23	Total number and volume of significant spills.	NA	NA
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	NA	NA
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	NA	NA
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	◎	◎
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	○	No related things happened
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	○	No related things happened
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	○	No related things happened
EN30	Total environmental protection expenditures and investments by type.	◎	◎
Social: Labor Practices and Decent Work			
LA1	Total workforce by employment type, employment contract, and region broken down by gender.	◎	◎
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	△	22
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	○	38-41

LA4	Percentage of employees covered by collective bargaining agreements.	○	36
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	○	36
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	◎	◎
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	△	38
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	◎	◎
LA9	Health and safety topics covered in formal agreements with trade unions.	◎	◎
LA10	Average hours of training per year per employee by gender and by employee category.	△	37
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	○	37
LA12	Percentage of employees receiving regular performance and career development reviews by gender.	△	37
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	△	35
LA14	Ratio of basic salary of women to men by employee category, by significant locations of operation.	△	40
LA15	Return to work and retention rates after parental leave, by gender.	◎	◎
Social: Human Rights			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns or that have undergone human rights screening.	◎	◎
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone screening on human rights and actions taken.	◎	◎
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◎	◎

HR4	Total number of incidents of discrimination and corrective actions taken.	○	34
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	◎	◎
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	◎	◎
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	△	34
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	◎	◎
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	○	No related things happened
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	◎	◎
HR11	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	◎	◎
Social: Society			
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	◎	◎
SO2	Percentage and total number of business units analyzed for risks related to corruption.	◎	◎
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	○	24
SO4	Actions taken in response to incidents of corruption.	○	24-25
SO5	Public policy positions and participation in public policy development and lobbying.	◎	◎
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	○	No related things happened
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	○	No related things happened

SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	○	24
SO9	Operations with significant potential or actual negative impacts on local communities.	○	No related things happened
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	◎	◎
Social: Product Responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	◎	◎
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	◎	◎
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	○	28-30
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	○	24
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	○	31
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	○	31
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.	○	24
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	◎	◎
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	○	24

○ Full △ Partial ◎ None

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