

Fubon Financial Holding Co., Ltd.

Dodd-Frank Act Section 165(d) Resolution Plan

Part I: Public Section

Glossary

Banking Act

The Banking Act of the Republic of China.

CBC

Central Bank of the Republic of China (Taiwan)

FDIC

Federal Deposit Insurance Corporation

FRB

Board of Governors of the Federal Reserve System or Federal Reserve Bank

FSC

Financial Supervisory Commission of the Republic of China

Fubon FHC

Fubon Financial Holding Co., Ltd.

Plan

Resolution Plan

R.O.C.

Taiwan, the Republic of China

Rule

Rules for resolution plans under Parts 243 and 381, Title 12 of the Code of Federal Regulations

TFCB

Taipei Fubon Commercial Bank Co.,Ltd.

TFCB LA Branch

Taipei Fubon Commercial Bank Co.,Ltd., Los Angeles Branch

U.S.

United States of America

U.S. Authorities

FRB and Commissioner of the California Department of Business Oversight

U.S. Branch

TFCB LA Branch

Table of Contents

| | |
|--|----------|
| Introduction and Summary of Resolution Strategy | 1 |
| I. Names of Material Entities..... | 2 |
| II. Description of Core Business Line | 2 |
| III. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources..... | 3 |
| IV. Description of Derivative and Hedging Activities | 4 |
| V. Memberships in Material Payment, Clearing and Settlement Systems | 5 |
| VI. Descriptions of Foreign Operations | 5 |
| VII. Material Supervisory Authorities | 7 |
| VIII. Principal Officers..... | 8 |
| IX. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning | 8 |
| X. Description of Material Management Information Systems | 9 |
| XI. High-level Description of Resolution Strategy | 9 |

Introduction and Summary of Resolution Strategy

1. Introduction

In this Plan, Fubon FHC, as a foreign-based covered company, describes a strategy for the rapid and orderly resolution of its entities that are domiciled in the U.S. in the event of the failure of Fubon FHC and all of its subsidiaries and branches.

Fubon FHC's U.S. operations comprise solely the U.S. banking business of Fubon FHC's banking subsidiary, TFCB. TFCB holds one wholesale bank branch in the U.S. TFCB LA Branch is the non-FDIC insured branch of TFCB in the U.S., licensed by the state of California.

As the Plan will describe, the U.S. Branch conducts a very limited banking operations in its U.S. locale, focusing solely on traditional commercial banking business predominantly with its institutional clients. The U.S. Branch generally has no material operational interconnection with TFCB or with the non-banking operations of Fubon FHC outside the U.S. Further, as defined by the Rule, the U.S. Branch is not a Material Entity, as it does not conduct a Core Business Line for Fubon FHC or a Critical Operation. Therefore, the relevant U.S. Authorities can resolve the U.S. Branch locally in a rapid and orderly manner, without the need of considering mitigating the adverse effects of resolution on the TFCB, other Fubon FHC entities, or on the stability of the U.S.

2. Key Elements of the Plan for the Rapid and Orderly Resolution of the U.S. Branch In the Event of Material Financial Distress at or the Failure of Fubon FHC

The U.S. Branch, as a state-licensed branch, would be resolved under the supervision of its state banking authorities and the FRB, pursuant to the applicable state insolvency laws.

Considering its limited banking operation and the straightforward makeup of its assets and liabilities, the most likely and feasible resolution strategy for the U.S. Branch under the Baseline Scenario is a sale or liquidation of the U.S. Branch under the relevant state insolvency law framework. The commercial lending portfolio, the predominant asset of the U.S. Branch, can be marketed singly or in different pools of similar characteristics and/or packaged with wholesale deposits. As there are no secured liabilities or other long-term liabilities currently, after the receivership administrative expenses are paid, the wholesale deposits and other unsecured liabilities of the U.S. Branch can be satisfied to the extent of the proceeds of asset liquidation.

Fubon FHC expects that the U.S. Branch will have minimal funding needs and that these can be met by the sale of the assets of U.S. Branch.

3. Integration of the U.S. Resolution Planning Process into Fubon FHC’s Non-U.S.

Resolution Planning Process

Resolution planning for the U.S. Branch is integrated into the risk management and contingency planning framework for TFCB and Fubon FHC.

Fubon FHC and TFCB has organized an internal task force consisting of the heads of all the relevant departments to prepare, update, and implement the Plan on an annual basis, under the supervision and guidance of the Board of Directors of TFCB and Fubon FHC, which ultimately oversees overall operations and risk management process for all global TFCB and Fubon FHC entities.

This Plan has been approved by the Board of Directors of TFCB and Fubon FHC.

I. Names of Material Entities

As mentioned above, Fubon FHC’s Plan has no Material Entities, as it has no Core Business Line or Critical Operations.

However, for informational purposes, the Plan discusses the U.S. Branch, including the interconnections and interdependencies among the U.S. branch and affiliates of Fubon FHC around the world, and on the integration of the resolution planning of the U.S. branch into the contingency process of Fubon FHC. Fubon FHC streamlined the contents of this Plan with an intention to promote an accurate and comprehensive understanding on the part of the FRB and the FDIC about Fubon FHC and, in particular, the operations of Fubon FHC in the U.S. and to enhance the ability of the authorities and Fubon FHC itself in facilitating a rapid and orderly resolution of Fubon FHC in response to a material financial distress of Fubon FHC.

Organizational Information of the US Operations of Fubon FHC as of December 31, 2012

| Name | Address | RSSD ID |
|--|--|---------|
| Branch of Taipei Fubon Commercial Bank Co., Ltd. | | |
| Los Angeles | 17800 Castleton Street, Suite 588, City of Industry, CA 91748, U.S.A | 2012735 |

II. Description of Core Business Line

As Fubon FHC does not conduct any business line in whole or material part in the U.S., Fubon FHC has determined that, under Rule, Fubon FHC has no Core Business Line.

A minor part of the banking business of Fubon FHC is conducted in the U.S. Fubon FHC conducts its banking business in the U.S. through its branch in Los Angeles. The business of this branch is largely confined to corporate banking. The business volume of the U.S. Branch is very small

compared against the banking business volume of Fubon FHC in its entirety with reference to either the net revenue, income before income tax, or assets and liabilities.

Within the global banking business line of Fubon FHC, the share of business volume contributed by the operations in the U.S. is no more than 5% in a usual year in terms of either net revenue or income before income tax. With respect to assets and liabilities, the share of U.S. operations in the global banking business line of Fubon FHC is less than 1%. Therefore, the banking business line of Fubon FHC is not a Core Business Line.

III. Summary Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

1. The following table is the financial information summary of Fubon FHC, TFCB and U.S. branch:

Unit: NTD in million

| | Fubon FHC | | TFCB | |
|-------------------|------------------|--------------|--------------|--------------|
| | 2012.12.31 | 2011.12.31 | 2012.12.31 | 2011.12.31 |
| Total Assets | \$ 4,083,257 | \$ 3,622,863 | \$ 1,603,385 | \$ 1,504,845 |
| Total Liabilities | 3,777,983 | 3,389,180 | 1,496,647 | 1,412,757 |

| | Fubon FHC | | TFCB | |
|----------------------------|------------------|------------|-------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| Net Revenue | \$ 367,115 | \$ 241,779 | \$ 28,899 | \$ 25,468 |
| Income before income taxes | 33,403 | 35,809 | 15,066 | 10,513 |

Unit: USD in thousand

| TFCB LA Branch | 2012.12.31 | 2011.12.31 |
|-----------------------|------------|------------|
| Total Assets | \$ 470,566 | \$ 443,014 |
| Total Liabilities | 406,775 | 387,515 |

2. TFCB and its U.S. branch's total equity is as follows:

Unit: USD in thousand

| | TFCB | TFCB LA Branch |
|------------|--------------|-----------------------|
| 2012.12.31 | \$ 3,663,473 | \$ 63,791 |
| 2011.12.31 | 3,040,260 | 55,499 |

Note: It is assumed that 1 USD equals 29.1358 (2012) /30.2897 (2011) NTD.

The U.S. Branch complies with the U.S. laws - *Bank Holding Company Act* (12 U.S.C. 1844(c))

Section 5(c) and *International Banking Act* (12 U.S.C. 3106(c) and 3108) by regularly filing FR Y-7Q (The Capital and Asset Report for Foreign Banking Organizations) to the FRB. The reporting entity of FR Y-7Q is TFCB with no single U.S. branch's information. The summary of capital information is as follows:

| 2012.12.31 | Unit: USD in million | |
|-------------------------------|-----------------------------|--------|
| Tier 1 Capital | \$ | 3,415 |
| Total risk-based capital | | 4,797 |
| Risk-weighted assets | | 34,513 |
| Total assets at end of period | | 55,033 |

3. Major funding sources

TFCB's primary funding sources are deposits at CBC and other banks, deposits, financial bonds payable, and shareholders' equity. Most of the balance sheet items are funds for the purposes of term structure matching and funding source diversification. The assets and liabilities for term structure matching include those with identical liquidity in term and amount and financing for those that cannot be completely matched with the maturity dates of core deposits.

The primary funding sources for TFCB LA Branch are interbank loans and term deposits. TFCB LA Branch is 100% owned by TFCB. In principle, the U.S. branch is responsible for its own funding and liquidity management. However, if an emergency should arise, TFCB is committed to supporting the funding and liquidity needs of the U.S. branch, although the Plan does not rely upon such support in insolvency. Meanwhile, the branch seeks opportunities to increase local corporate deposit accounts in order to stabilize and diversify funding sources. In addition, the branch maintains close relationships with large financial institutions and tries to obtain long term funds in the market in order to avoid needs for short term liquidity.

IV. Description of Derivative and Hedging Activities

Descriptions of derivative

As of December 31, 2012, TFCB LA Branch does not hold any derivatives.

For TFCB LA Branch, all authorization, approval, risk control and valuation of derivative trading are subject to comply with its and TFCB's trading policies. The trading policies mentioned above allow TFCB LA Branch to engage in derivative trading subject to TFCB's prior approval.

Descriptions of hedging activities

As of December 31, 2012, TFCB LA Branch does not hold any derivatives for hedging purposes.

The assets and liabilities of TFCB LA Branch are usually subject to floating interest rate. In order to meet their objectives for risk management, the hedging activities of TFCB LA Branch concentrate on risk transfer and risk management in connection with net interest income and market values. TFCB LA Branch has developed interest rate fair value hedging strategy in accordance with principles of funding transfer pricing. The relevant hedging strategies and policies shall be consistent with the internal rules of TFCB concerning derivatives activities.

V. Memberships in Material Payment, Clearing and Settlement Systems

TFCB LA Branch mainly utilizes the following payment, clearing and settlement systems:

| Material payment, clearing and settlement systems | Services |
|--|---------------------------------------|
| 1. Fedwire Fund Service | Payment Processing & Cash Settlement |
| 2. Society for Worldwide Interbank Financial Telecommunication (SWIFT) | Interbank Financial Telecommunication |

VI. Descriptions of Foreign Operations

Fubon FHC has many subsidiaries out of the U.S., mostly in the R.O.C. The businesses of these subsidiaries include property and casualty insurance, life insurance, securities, banking, marketing management consulting, venture capital, and purchase of non-performing assets. However, as noted above, under Fubon FHC, the scale of banking business and life insurance business are larger than any other business line.

Hierarchical List of Subsidiaries, 25% or more of whose Equity is Held directly or indirectly by Fubon FHC as of December 31, 2012, are listed below:

| Name of Entity ^{note 1} | Principal Place of Business | Jurisdiction of Incorporation ^{note 2} | Percentage of Equity Directly Held | | Chairperson of the Board | Major Business Activities |
|--|-----------------------------|---|------------------------------------|------------|--------------------------|---------------------------|
| | | | voting | non-voting | | |
| Subsidiaries Held Directly by Fubon Financial Holding Co., Ltd. | | | | | | |
| Fubon Insurance Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Victor Kung | Property insurance |
| Fubon Life Insurance Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Peng-Yuan Cheng | Life insurance |
| Fubon Securities Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Samuel Hsu | Securities |
| Taipei Fubon Commercial Bank Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Daniel M. Tsai | Banking |
| Fubon Direct Marketing Consulting Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Thomas Liang | Direct marketing |
| Fubon Financial Holding Venture Capital Co., Ltd. | Taipei R.O.C. | R.O.C. | 91.67% | note 3 | Richard Tsai | Venture capital |
| Fubon Bank (Hong Kong), Limited | Hong Kong | Hong Kong | 100% | note 3 | Richard Tsai | Banking |

| Name of Entity ^{note 1} | Principal Place of Business | Jurisdiction of Incorporation ^{note 2} | Percentage of Equity Directly Held | | Chairperson of the Board | Major Business Activities |
|--|-----------------------------|---|------------------------------------|------------|--------------------------|--|
| | | | voting | non-voting | | |
| Fubon AMC Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Jerry Harn | NPL purchase and deposition |
| Taiwan Sport Lottery Technology Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | Thomas Liang | Sport Lottery Agency |
| First Sino Bank ^{note 6} | Shanghai P.R.C. | P.R.C. | 29% | note 3 | Xin-Yi Liu | Banking |
| Subsidiaries Held Directly by Fubon Insurance Co., Ltd. | | | | | | |
| Fubon Insurance Brokers (Philippines) Co., Ltd. | Makati City PHILIPPINES | PHILIPPINES | 99.997% | note 3 | note 4 | Property insurance brokers |
| Fubon Insurance (Vietnam) Co., Ltd. | Ho Chi Ming City VIETNAM | VIETNAM | 100% | note 3 | note 4 | Property insurance |
| Fubon Property & Casualty Insurance Co., Ltd. | Xiamen P.R.C. | P.R.C. | 50% | note 3 | note 4 | Property insurance |
| Subsidiaries Held Directly by Fubon Life Insurance Co., Ltd. | | | | | | |
| Fubon Life Insurance (Vietnam) Co., Ltd. | Hanoi VIETNAM | VIETNAM | 100% | note 3 | note 4 | Life insurance |
| Fubon Property & Casualty Insurance Co., Ltd. | Xiamen P.R.C. | P.R.C. | 50% | note 3 | note 4 | Property insurance |
| Subsidiaries Held Directly by Fubon Securities Co., Ltd. | | | | | | |
| Fubon Securities (BVI) Ltd. | Taipei R.O.C. | BRITISH VIRGIN ISLANDS | 100% | note 3 | note 4 | Investment |
| Fubon Futures Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Futures |
| Fubon Securities Investment Service Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Securities investment consulting |
| Fubon Asset Management Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Securities investment trust |
| Subsidiaries Held Directly by Taipei Fubon Commercial Bank Co., Ltd. | | | | | | |
| Fubon Construction Management Co., Ltd. | Taipei R.O.C. | R.O.C. | 30% | note 3 | note 4 | Review, consulting, management relating to construction plans and real estate evaluation and financing |
| Taipei Fubon Bank Life Assurance Agent Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Life Insurance agent |
| First Sino Bank ^{note 6} | Shanghai P.R.C. | P.R.C. | 51% | note 3 | note 4 | Banking |
| Subsidiaries Held Directly by Fubon Direct Marketing Consulting Co., Ltd. | | | | | | |
| Fu-Sheng Life Assurance Agent Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Life Insurance agent |
| Fu-Sheng General Insurance Agent Co., Ltd. | Taipei R.O.C. | R.O.C. | 100% | note 3 | note 4 | Property Insurance agent |

| Name of Entity ^{note 1} | Principal Place of Business | Jurisdiction of Incorporation ^{note 2} | Percentage of Equity Directly Held | | Chairperson of the Board | Major Business Activities |
|---|-----------------------------|---|------------------------------------|------------|--------------------------|--|
| | | | voting | non-voting | | |
| Subsidiaries Held Directly by Fubon Bank (Hong Kong), Limited note 5 | | | | | | |
| Fubon Financial (H.K.) Ltd. | Hong Kong | Hong Kong | 100% | note 3 | note 4 | Deposit service |
| Fubon Bank Securities (H.K.) Ltd. | Hong Kong | Hong Kong | 100% | note 3 | note 4 | Security Brokers |
| Fubon Bank Investment Management Ltd. | Hong Kong | Hong Kong | 100% | note 3 | note 4 | Fund management |
| Fubon Nominees (Hong Kong) Limited | Hong Kong | Hong Kong | 100% | note 3 | note 4 | Shares depository services |
| Fubon Insurance Brokers Limited | Hong Kong | Hong Kong | 100% | note 3 | note 4 | Insurance broker |
| Fubon Capital (HK) Limited | Hong Kong | Hong Kong | 87% | note 3 | note 4 | Guarantor and advisor of listing company |

note 1: All entities listed are corporate entities. The names of the entities include information about their corporate forms.

note 2: All entities in the table have obtained the licenses required to engage in their major business activities at their principal place of business.

note 3: The company does not issue any non-voting share.

note 4: The entity does not conduct business in the US and is not material to Fubon FHC (the assets of the entity are less than 5% of the assets of Fubon FHC); we do not include the key management of the entity here.

note 5: Only major subsidiaries and significant investee companies whose incomes are recognized by equity method are included here.

note 6: Fubon FHC had not directly or indirectly acquired 25% or more of the equity interest in First Sino Bank by December 31, 2012; Fubon FHC nonetheless reports First Sino Bank here to provide the most accurate and updated portrait of the corporate group of Fubon FHC.

VII. Material Supervisory Authorities

Supervisory Authorities for the U.S. Branches

The supervisory authorities for TFCB LA Branch are the FRB and California Department of Business Oversight.

Taiwan Supervisory Authorities for the Covered Company

Pursuant to the Financial Holding Company Act, the Organic Law of Banking Bureau, Financial Supervisory Commission, and the Organic Act Governing the Establishment of the Financial Examination Bureau, Financial Supervision Commission, Fubon FHC is subject to the supervision of the Financial Supervisory Commission, the Banking Bureau of the Financial Supervisory Commission, and the Financial Examination Bureau of the Financial Supervision Commission.

Pursuant to the Banking Act, the Organic Law of Banking Bureau, Financial Supervisory Commission, the Organic Act Governing the Establishment of the Financial Examination Bureau, Financial Supervision Commission, the Central Bank of the Republic of China (Taiwan) Act, and the Deposit Insurance Act of the Republic of China, TFCB is subject to the supervision of the Financial Supervisory Commission, the Banking Bureau of the Financial Supervisory Commission, the Financial Examination Bureau of the Financial Supervision Commission, the Central Bank of the Republic of China, and the Central Deposit Insurance Corporation.

VIII. Principal Officers

List of Incumbent Members of the Steering Committee:

| Title | Name |
|--|-----------------|
| President, Fubon FHC (Chairman of the Committee) | Vivien Hsu |
| President, TFCB (Vice-Chairman of the Committee) | Jerry Harn |
| Executive Vice-President, TFCB | John Y. Kuang |
| Senior Vice-President, TFCB | Hsien-Long Chiu |
| Chief Risk Management Officer, Fubon FHC | Patrick Chang |
| Chief Information Technology Officer, Fubon FHC | Esther Huang |
| Chief Compliance Officer, Fubon FHC | Shumin Lin |
| Head of Accounting Department, Fubon FHC | Sophia W. Wang |

IX. Resolution Planning Corporate Governance Structure and Processes Related to Resolution Planning

The Task Force carries out the drafting and implementation of this Plan under the supervision and management of the Steering Committee. The Steering Committee shall periodically report to the Boards all progress made with respect to the Plan, the status of relevant filings, the outline of the overall resolution strategy, and the level of compliance with the Rules. In the event that a major incident necessitates timely modification to the resolution strategy or other contents of the Plan, such modification shall be drafted by the Overseas Department, reviewed by the Steering Committee, and submitted to the Boards for approval. The Steering Committee shall examine the effectiveness and adequacy of the Plan and the policies and procedures relating to the Plan at least once a year, and shall report its findings to the Boards.

Board of Directors

The Board of the Fubon FHC is at the top of the hierarchy of the management, approval and supervision processes for the resolution planning of the TFCB. The policies, procedures, internal controls relating to the Plan and the reports concerning risk management are under the supervision of the Board of the Fubon FHC.

Resolution Plan Steering Committee

The Steering Committee which operates under the Board is responsible for the development, supervision, review, approval, and reports in connection with the resolution planning. The Steering Committee contemplates the core strategies and principles relating to resolution planning, supervises the development, improvement, and revision of the Plan, monitors the sufficiency, practicability, and timeliness of the Plan and relevant policies and procedures, reviews major suggestions submitted by the Task Force, periodically examines the implementation and filing of the Plan, periodically reports these matters to the Boards.

Resolution Plan Task Force

Resolution Plan Task Force operates under the Steering Committee. The Task Force drafted the Plan filed by the Fubon FHC for the first time and proposed the relevant policies and procedures. The Task Force also processes major suggestions from colleagues involved in the implementation of the Plan. The Task Force submits the drafted Plan, the proposed policies and procedures and the processed suggestions to the Steering Committee for review. The Task Force implement the decisions of the Steering Committee and assigns the relevant tasks among relevant units of the TFCB following the procedures for the division of responsibilities and authorities promulgated for each type of business within the TFCB. The filing of the Plan is done by the Overseas Department. In each of the subsequent years, the Overseas Department will submit this Plan and necessary changes to this Plan to the Steering Committee for review.

X. Description of Material Management Information Systems

The management information systems of TFCB LA Branch are not developed by TFCB on its own. They are developed by external vendors and are sufficient to generate the information necessary to execute the resolution strategy described below. The systems are widely involved in the daily transactions, valuation procedures, risk management, funding, performance assessment, regulatory filings, and reporting of accounting and financial information.

XI. High-level Description of Resolution Strategy

As required by the FRB and FDIC, Fubon FHC has prepared the Plan under the assumption that Fubon FHC and all of its subsidiaries and branches have reached the point of simultaneous failure in a crisis that applies solely to Fubon FHC entities and not to other financial institutions or the market generally. Further, as required by FRB and FDIC, in this Plan Fubon FHC will state a resolution strategy solely for its U.S. operations.

TFCB LA Branch, as a state-licensed branch, would be placed into the receivership of California state banking authority, and be resolved under California state insolvency laws.

Considering the limited wholesale banking operations of TFCB LA Branch, the preferred resolution strategy for TFCB LA Branch is an orderly and deliberate wind-down of operations and sale of assets and liabilities under the California state insolvency regime. Under this approach, the key assets of TFCB LA Branch likely would be liquidated or would be transferred along with its liabilities to an acquirer. The liabilities not thereby assumed in the transfer would be satisfied to the extent of the assets remaining in the receivership.