2. Message from the Chairman

In 2018, the world was facing uncertainties in the US-China trade war, which slows down the economic momentum and expands the operational risks. Jih Sun FHC still adheres to the principle of sound operation and cultivates its core business. With the efforts of all its colleagues, Jih Sun FHC has brought into full play the dual-engine performance of securities and banks. Not only has its financial structure been continuously improved, but also its revenue and profit have been growing. In pursuit of operational performance, we have been able to connect the corporate sustainable development goal, use the financial profession to respond to the three major issues of environment, society and corporate governance, and support the global sustainable development action.

Adhering to the sustainable management concept of "Becoming the Most Trusted Wealth Management Partner of Customers" and "Customer First, Credit First, Unity and Harmony", Jih Sun FHC actively integrates the subsidiary resources and helps to develop the corporate social responsibility through business strategy development. Developing green finance is not only the main trend of global financial industry, but also an important policy of the government. Following the financial policy of "Government Supports Banks, Banks Supports Industries", the bank subsidiary's loan balance to SMEs at the end of January 2019 was NT$32.387 billion, up 7.6% from the same period last year, and the loan balance to new agriculture increased 135.6% from the same period last year. This shows that the bank subsidiary is happy to see enterprises apply for loans for the transformation and upgrading of agricultural and livestock industries, improving environmental pollution, and purchasing the equipment for environmental protection and energy saving, whilst doing its best to the environment and society. In order to ensure that people with physical and mental disabilities enjoy basic, equal and reasonable financial services, the bank subsidiary provides friendly online banking and friendly webATM service, and through the review of the National Communications Commission (NCC), it has obtained the certification of Class A badge. With the popularization of digitalization and network, Jih Sun FHC has been actively developing an electronic trading financial service platform suitable for the public and enterprises through innovative ways to provide customers with high-quality mobile services. In 2018, the bank subsidiary acquired a new patent of "O2O Smart Push" from the Intellectual Property Office. According to the investment risk attributes of customers, it analyzes and evaluates their trading behavior patterns. Through the push service, it pushes the appropriate fund targets to customers. The customers can easily complete the fund orders after they log into the mobile bank to confirm the transaction content. In 2018, the securities subsidiary has developed "Smart Condition Order Placement App". It won the "National First Prize", "Best Product Award" and "Outstanding Enterprise Award" of the 15th National Brand Yushan Award of Republic of China National Enterprise Competitiveness Development Association. The App allows customers to monitoring the market without watching the board constantly, stop loss and profit easily, and cooperate with "AI Wealth Management Lion" to make it easier for customers to obtain professional investment information and meet instant and diverse needs for mobile wealth management.

Strengthening corporate governance and implementing compliance are also a crucial issue in the process of corporate sustainable management. Jih Sun FHC has won the top 5% of “corporate governance evaluation” on the TPEX listed companies jointly hosted by the TWSE and TPEX for four consecutive sessions, which demonstrates that the Company's efforts to improve the functions of the board of directors and enhance transparency in information disclosure have fully won recognition from the outside world. In response to the continuous evolution of the international supervision environment, in addition to striving for the duly implementation of compliance system, improving the control mechanism and risk management capabilities of the three defense lines of internal audit and internal control, we further promote the system and implementation plan of anti-money laundering and combating the financing of terrorism with the entire group, enhance staffs’ risk awareness and preventive ability. The bank branch tellers give active care to large deposit withdrawal, and have succeeded to assist in preventing and blocking
many cases of illegal crime and fraud. Employees are the most important assets of an enterprise. We hope that through providing a good and high-quality workplace environment and training for employees' career learning and growth, we can achieve the goal of selecting, nurturing, employing and retaining talents. In response to the government's population policy of encouraging marriages and births at the right age, we provide employee marriage and childcare subsidies and welfare, so that employees can work in a safe and friendly environment and have the ability to develop in a virtuous circle, start from oneself, serve customers and care for society. Fulfilling social responsibility is the basis of corporate sustainable development. Although the management of financial industry is facing great challenges with the development of technology and the change of global regulation and supervision, Jih Sun FHC, as a corporate citizen and with continuous integration of financial profession and influence, strives to pursue stable growth of operations, taking into account social co-prosperity and environmental sustainability, so as to make the future better.