

Chapter 3 Financial Information

Capital and shares

Source of capital

As of January 31, 2011

Unit: shares / NT\$

Date	Par value (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of capital (NT\$)	In form other than cash	Cert. no. & effective date
Dec. 2007	10	6,000,000,000	60,000,000,000	3,800,925,363	38,009,253,630	Cash capital reduction: NT\$ 12,000,000,000	--	Authority approval No. 0960049978 on Oct. 17, 2007

As of January 31, 2011

Unit: shares

	Authorized capital			Remarks
	Listed shares	Unissued shares	Total	
Common stock	3,800,925,363	2,199,074,637	6,000,000,000	None

Shareholder structure

As of July 11, 2010

	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institutions & individuals	Total
No. of shareholders	7	23	293	42,259	568	43,150
Total shares owned	110,379,500	514,790,886	1,498,823,523	456,879,423	1,220,052,031	3,800,925,363
Holding percentage (%)	2.90	13.54	39.44	12.02	32.10	100.00

Shareholding distribution

As of July 11, 2010

Par value: NT\$10/share

Shareholding range	No. of shareholders	Total shares owned	Holding percentage
1 ~ 999	16,464	5,609,826	0.148%
1,000 ~ 5,000	19,484	41,764,003	1.099%
5,001 ~ 10,000	3,493	26,769,202	0.704%
10,001 ~ 15,000	1,030	12,831,567	0.338%
15,001 ~ 20,000	678	12,207,463	0.321%
20,001 ~ 30,000	537	13,534,209	0.356%
30,001 ~ 50,000	428	17,091,639	0.450%
50,001 ~ 100,000	334	23,621,019	0.621%
100,001 ~ 200,000	174	25,040,350	0.659%
200,001 ~ 400,000	140	39,803,495	1.047%
400,001 ~ 600,000	58	28,183,493	0.741%
600,001 ~ 800,000	46	31,723,301	0.835%
800,001 ~ 1,000,000	38	33,722,662	0.887%
1,000,001 and above	246	3,489,023,134	91.794%
Total	43,150	3,800,925,363	100.000%

Major shareholders

As of July 11, 2010

Name	Total shares owned	Holding percentage
TFN Union Investment Co., Ltd.	456,294,760	12.005%
TCC Investment Co., Ltd.	222,774,179	5.861%
Ming Dong Co., Ltd.	191,624,725	5.042%
Cathay Life Insurance Co., Ltd.	170,869,000	4.495%
Fubon Life Assurance Co., Ltd.	137,546,000	3.619%
TCCI Investment & Development Co., Ltd.	132,848,672	3.495%
Dao Ying Co., Ltd.	116,616,380	3.068%
Daniel Tsai	96,644,434	2.543%
Fubon Securities Co., Ltd.	93,806,640	2.468%
Richard Tsai	91,466,154	2.406%

Major shareholders of TWM's institutional investors

Institutional investors	Major shareholders
TFN Union Investment Co., Ltd.	Taiwan Fixed Network Co., Ltd. (100%)
TCC Investment Co., Ltd.	Taiwan Cellular Co., Ltd. (100%)
Ming Dong Co., Ltd.	Fubon Land Development Co., Ltd. (16.36%), Fubon Construction Co., Ltd. (13.89%), Fu-Chi Investment Co., Ltd. (12.63%), Ru Chi Investment Co., Ltd. (12.63%), Dao Chi Co., Ltd. (12.63%), Chung Shing Development Co., Ltd. (11.76%), Dao Ying Co., Ltd. (9.6%), Fubon Charity Foundation (3.43%), Fubon Cultural & Education Foundation (2.53%), Daniel Tsai (1.31%)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holdings Co., Ltd. (100%)
Fubon Life Assurance Co., Ltd.	Fubon Financial Holding Co., Ltd. (100%)
TCCI Investment & Development Co., Ltd.	TCC Investment Co., Ltd. (100%)
Dao Ying Co., Ltd.	Fubon Land Development Co., Ltd. (17.69%), Fubon Construction Co., Ltd. (17.67%), Fu-Chi Investment Co., Ltd. (13.13%), Ru Chi Investment Co., Ltd. (13.13%), Dao Chi Co., Ltd. (13.13%), Ming Dong Co., Ltd. (9.60%), Chung Shing Development Co., Ltd. (8.84%), Fubon Charity Foundation (1.01%), Wan-Tsai Tsai (1.01%), Shiang-Shun Yang Tsai (1.01%)
Fubon Securities Co., Ltd.	Fubon Financial Holding Co., Ltd. (100%)

Share price, net worth, earnings, dividends and related information

Unit: NT\$, '000 shares

		2009	2010	As of Jan. 31, 2011	
Share price (NT\$)	High	62.50	70.00	69.90	
	Low	44.25	58.50	67.50	
	Average	53.44	63.22	68.20	
Net worth per share (NT\$)	Before earnings appropriation	17.42	17.02	-	
	After earnings appropriation	12.39	Note 1	-	
Earnings per share (NT\$)	Adjusted weighted average outstanding shares	2,979,311	2,989,008	2,989,008	
	Earnings per share	4.66	4.62	-	
Dividends per share (NT\$)	Cash dividends	5.02783	Note 1	-	
	Stock dividends	Retained earnings	-	Note 1	-
		Capital surplus	-	-	-
	Accumulated unpaid dividends	-	-	-	
PE and dividend yield	Price earnings ratio (x)	11.47	13.68	-	

	2009	2010	As of Jan. 31, 2011
Price to cash dividend (x)	10.63	-	-
Cash dividend yield (%)	9.41	-	-

Note 1: The appropriation amount indicated above is based on resolutions approved at the annual shareholders' meetings in the subsequent year. The appropriation amount for 2010 has not yet been announced.

Note 2: Price earnings ratio = Average closing price / earnings per share
Price to cash dividend = Average closing price / cash dividend per share
Cash dividend yield = Cash dividend per share / average closing price

Dividend policy

1. Dividend policy under Articles of Incorporation

Stock dividends shall not exceed 80% of total dividends distributed in a single year and shall take into account the Company's major capital expenditure plans for the future. The dividend payout proposed by the board of directors (BOD) has to be approved at the annual shareholders' meeting.

2. Proposed dividend allocation for approval at the annual shareholders' meeting

The BOD has not yet approved the proposal for dividend allocation of 2010 earnings as of the publication date.

Impact of stock dividend distribution on business performance and EPS

The BOD has not yet approved the proposal for dividend allocation of 2010 earnings as of the publication date.

Employee bonus and compensation to directors and supervisors

1. Earnings distribution plan according to the Company's Articles of Incorporation

According to the Company's Articles of Incorporation, annual net income after deducting previous years' losses, appropriating 10% thereof for legal reserves, and setting aside special reserves, shall be distributed in the following order:

- 1) Dividends and bonuses to preferred stockholders;
- 2) Maximum of 0.3% as compensation to directors;
- 3) 1% to 3% as bonuses to employees;
- 4) Remainder thereafter to be set aside for stock/ cash dividends to shareholders as determined in the annual shareholders' meeting.

The board of directors is empowered to decide the allocation of stock bonuses to employees. Recipients are to include qualified employees of subsidiaries. Compensation to specific directors (including independent directors) is calculated based on their respective involvement in the Company's operations and contribution to the Company.

2. Accounting treatment for the deviation between estimated and actual distribution amount of employee bonuses and compensation to directors and supervisors

Should there be a significant adjustment on the distribution amount approved by the BOD from the previous accrued estimation after year-end, the accrued amount should be revised accordingly. But should there be another change in the amount approved at the annual shareholders' meeting, the adjustment should be treated as a "change in accounting estimation," i.e. the difference from the BOD resolution should be booked in the year the AGM was held.

3. 2010 proposal on employee bonuses and compensation to directors and supervisors adopted by the board of directors

The BOD has not yet approved the proposal for dividend allocation of 2010 earnings as of the publication date.

4. Earnings distributed as employee bonus and compensation to directors and supervisors in the previous year

An employee cash bonus of NT\$374,825,512 and compensation to directors of NT\$37,482,551, as approved in the 2010 board of directors' and shareholders' meetings, were duly paid in 2010.

Share buyback

None

Corporate bond issuance

Corporate bonds

As of January 31, 2011

Issuance		Second unsecured corporate bonds
Issue date		November 14, 2008
Denomination		NT\$10,000,000
Issuance and listing		Not applicable
Issue price		100%
Total amount		NT\$8,000,000,000
Coupon		2.88% p.a.
Term		5 years, maturing on Nov. 14, 2013
Guarantor		None
Trustee		Hua Nan Bank, Trust Division
Underwriter		None
Legal counsel		Jim Chen, Attorney
Auditor		Vita Kuo, CPA Deloitte & Touche
Repayment		Repayment of 50% of the principal in the 4 th year and the remaining 50% in the 5 th year
Outstanding balance		NT\$8,000,000,000
Early repayment clause		None
Covenants		None
Credit rating agency, rating date, company credit rating		Taiwan Rating Corp., 2008.09.15, twAA Taiwan Rating Corp., 2009.06.10, twAA Taiwan Rating Corp., 2010.05.31, twAA
Ancillary rights	Amount converted/exchanged into common shares, ADRs or other securities	Not applicable
	Rules governing issuance or conversion (exchanged or subscription)	Not applicable
Dilution and other effects on shareholders' equity		Not applicable
Custodian		Not applicable

Convertible bond information: None

Exchangeable bond: None

Shelf registration issuance: None

Bond with warrant: None

Preferred shares: None

Depository receipt issuance: None

Employee stock options: None

Shares issued for merger and acquisition: None

Use of proceeds from rights issue: None