

# Fubon Financial Holdings Year 2016 Overview

2017.03.24

This meeting may contain forward-looking statements with respect to the financial condition, results of operations and business of the company. These forward-looking statements represent the company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainty that could cause actual results, performance or events to differ materially from those expressed. Certain statements, such as those that include the words "potential", "estimated", and similar expressions or variations on such expressions may be considered "forward-looking statements". Financial numbers in this report may include preliminary unaudited numbers or management accounts.



- ***Performance highlights of Fubon Financial Holdings***

- ***Performance review by subsidiary***

- *Taipei Fubon Bank*
- *Fubon Life*
- *Fubon Insurance*
- *Fubon Securities*
- *Overseas Banking Operation*

## Robust earning performance

- Highest net profits and EPS among Taiwan FHCs for the 8th consecutive year
- Total assets reached historical high at NT\$6,351 billion

## Leading position in Greater China

- Fubon Bank (China) turned into a fully-owned subsidiary of Fubon FHC
- Fubon Bank (China) obtained the local retail Renminbi license

## Stronger capital position

- Completion of NT\$36 billion preferred shares issuance in Fubon FHC
- Completion of NT\$28.5 billion sub-debt issuance in Fubon Life

## Commitment in ESG

- Inclusion of Dow Jones Sustainability Indices (DJSI) Emerging markets in 2016, the only Taiwan FHC under the category of “Diversified Financial Services and Capital Markets”

**Net profits reached NT\$48,421 million in 2016, down 23.9% yoy, due to higher FX losses on the back of stronger NT dollar.**

## Taipei Fubon Bank

- Net interest revenue and net fee revenue maintain steady growth
- Interest spread maintains stable

## Fubon Life

- Sound investment performance. Recurring return well above breakeven point
- Contribution from regular-paid premium continue growing. FYPE up 54.0% yoy while FYP growth keeps stable

## Fubon Insurance

- Leading position in premium income with 22.8% market share
- Fubon Insurance (China) ranked top 5 among foreign players in mainland China in terms of premium

## Fubon Securities

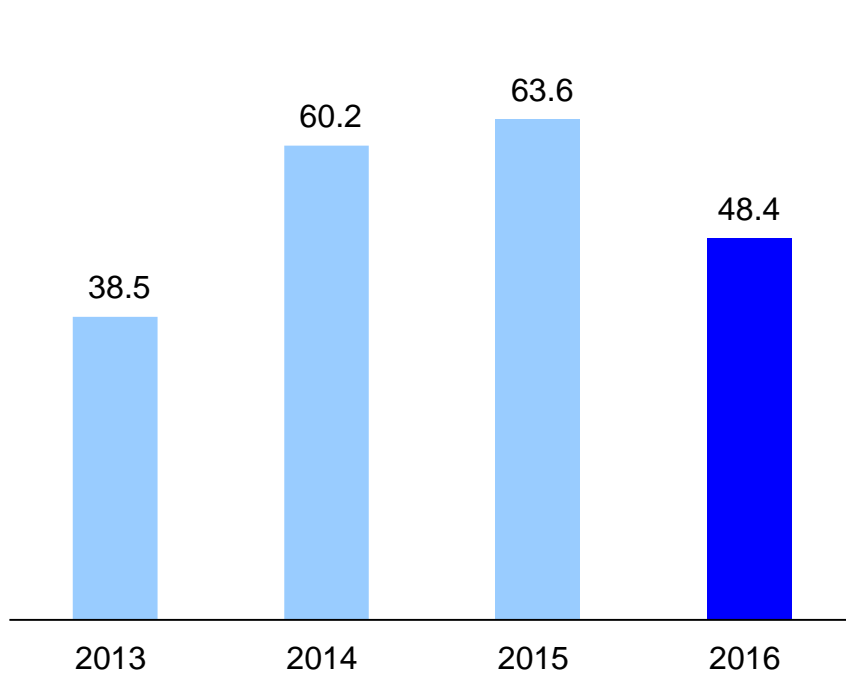
- Stable market share across business lines
- Wealth management business development, aiming to be ETF market leader

# Fubon Financial Holdings: Profitability



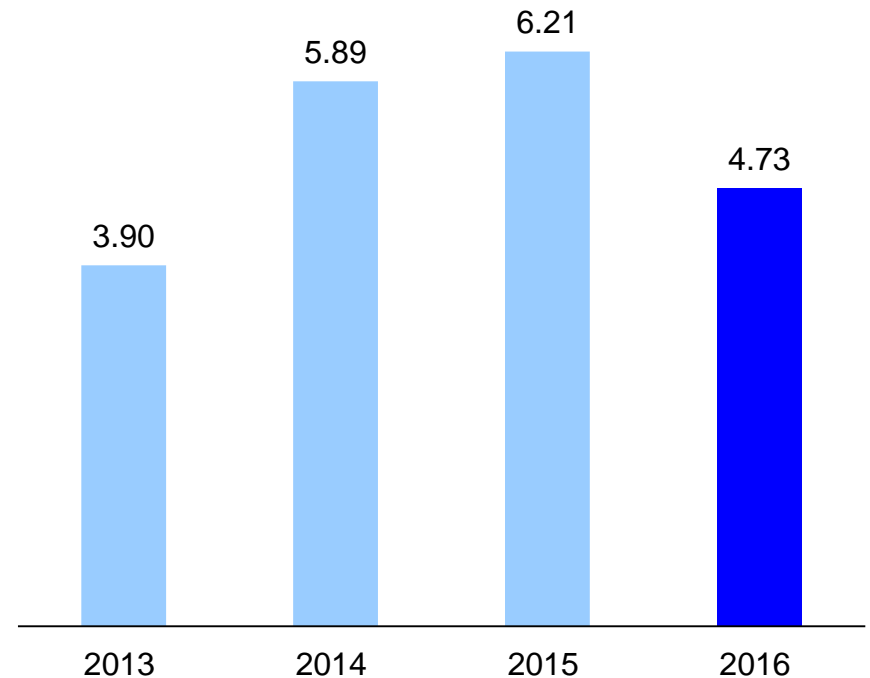
## Net profits

NT\$bn



## Earning per share (EPS)

NT\$

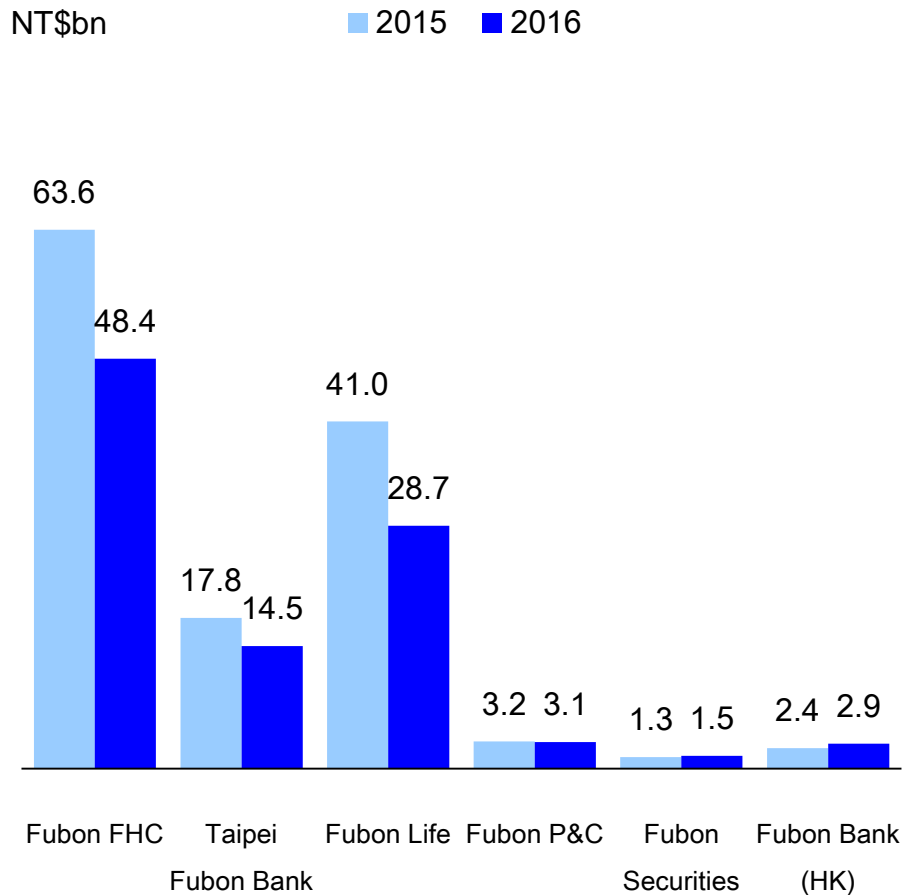


Note: Fubon adopted fair value method for investment property evaluation since September 2014.

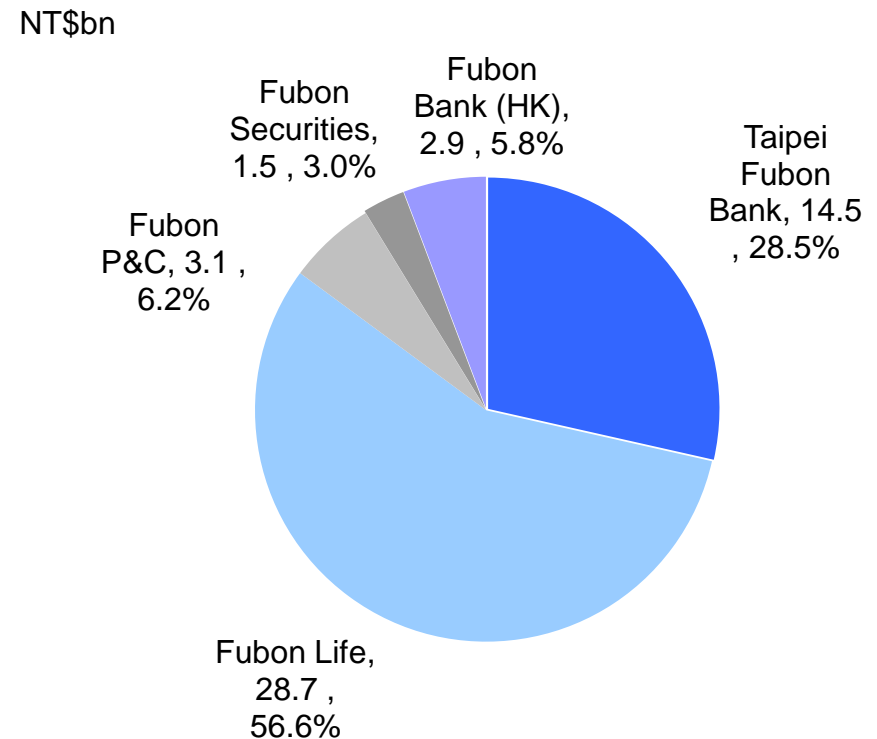
# Fubon Financial Holdings: Net profits from major subsidiaries



## Net profits from major subsidiaries



## Profit contribution from major subsidiaries



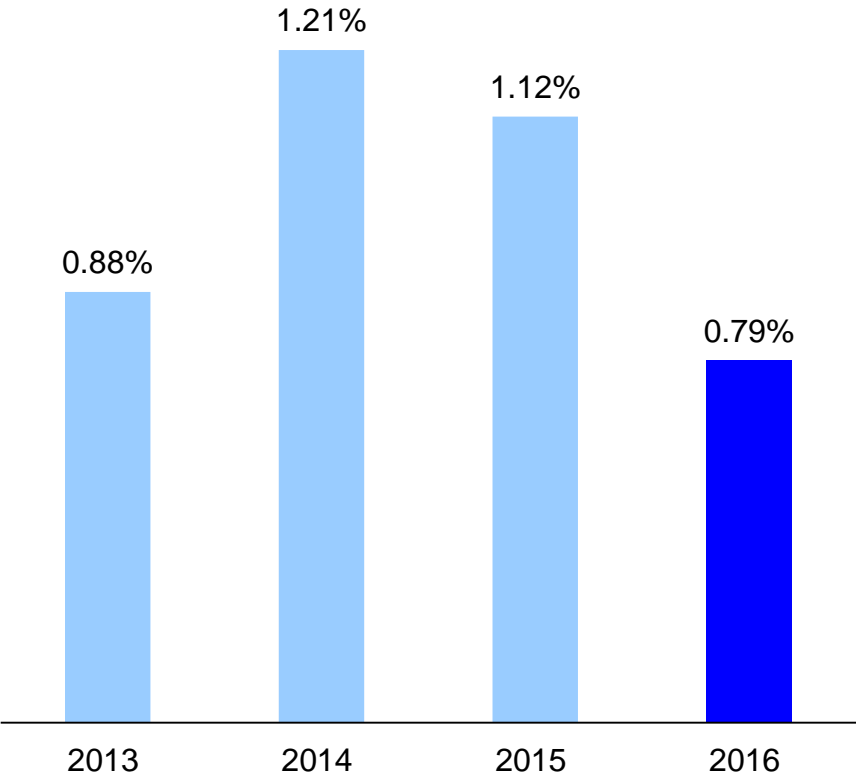
Note:

(1) Profit contribution are based on the summation of five major subsidiaries; (2) Fubon Bank (China) contributed NT\$1.34bn net profits to the Company on the basis of 100% shareholding.

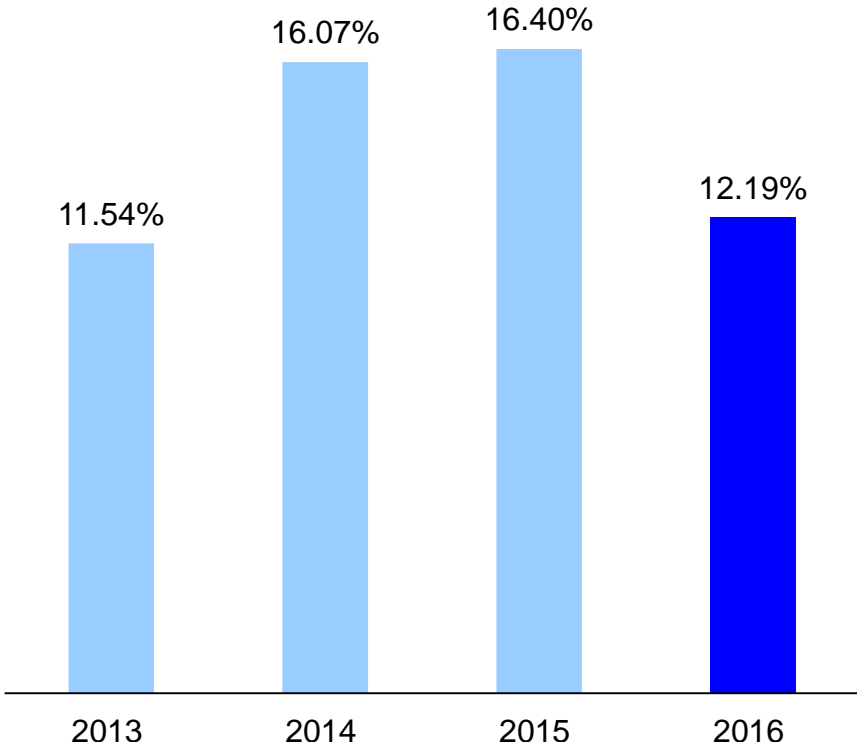
# Fubon Financial Holdings: ROA & ROE



## ROA



## ROE



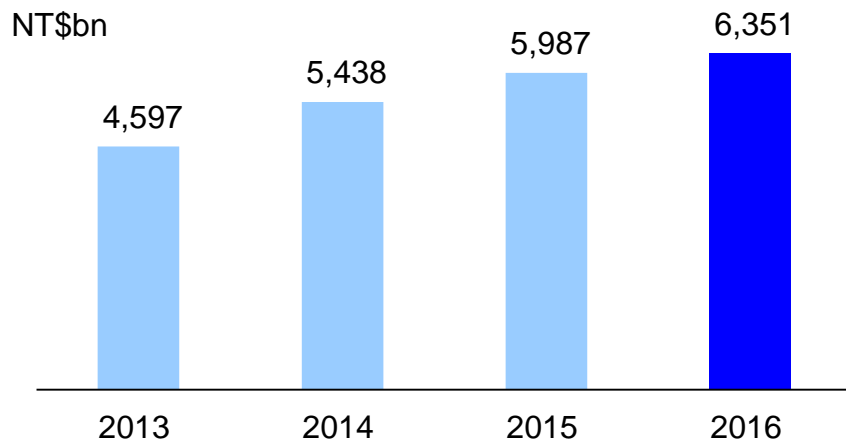
Note: Fubon adopted fair value method for investment property evaluation since September 2014.



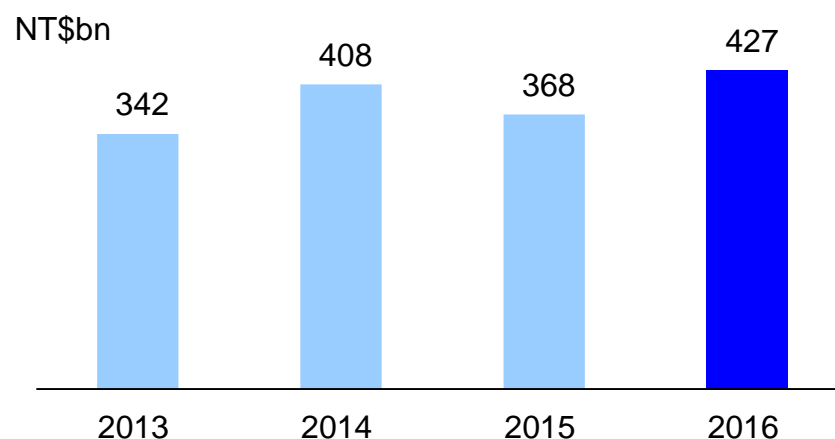
# Fubon Financial Holdings: Asset and net worth



## Total assets



## Net worth



## Capitalization of FHC and subsidiaries

		4Q16	Regulatory requirements
Fubon Financial	CAR	133.0%	100%
Taipei Fubon Bank	tier one	12.6%	6.625%
	total CAR	14.4%	8.625%
Fubon Bank (HK)	tier one	12.9%	7.25%
	total CAR	15.6%	9.25%
Fubon Bank (China)	tier one	13.0%	7.3%
	total CAR	13.8%	9.3%
Fubon Insurance	RBC	548.3%	200%
Fubon Life	RBC	300.6%	200%
Fubon Securities	CAR	368.6%	150%

Note: Fubon adopted fair value method for investment property evaluation since September 2014.

# Fubon Financial Holdings: Market position



## ■ Leading positions across business lines

### Taipei Fubon Bank

	Market ranking	Market share/amount
Monthly per card spending <sup>(1)</sup>	1	NT\$10,018
Loan Syndication <sup>(2)</sup>	1	8.4%
FX derivative	2	14.9%
Mortgage loan <sup>(2)</sup>	2	5.7%

### Fubon Securities

	Market ranking	Market share
AUM of overseas ETF (NT\$m)	2	59,400
Emerging stock trading	2	20.74%
Brokerage per branch <sup>(3)</sup>	2	0.097%
SPO amount (NT\$m)	3	11.69%
Brokerage	3	5.21%

### Fubon Life

	Market ranking	Market share
First year premium	2	16.1%
FYP through bancassurance	2	16.0%
FYP through tied agents	3	16.4%
Total premium	3	15.8%
FYP through broker	3	15.7%

### Fubon Insurance

	Market ranking	Market share
Direct written premium	1	22.8%
Commercial line	1	23.9%
Personal line	1	22.4%
Average premium per employee (NT\$m)	1	NT\$12.7

Note: (1) Ranking among top 6 card issuers; per active card basis; (2) Ranking among private banks; (3) Ranking among top 10 brokers

# Fubon Financial Holdings: Growth opportunities



## Opportunities

- Growth opportunities from global economy recovery and US Fed rate hike
- Portfolio management along with asset growth

## Channels

- Branch relocation & life agency growth
- e-platforms for efficiency and business growth
- Cross-sale synergy



## Overseas expansion

- Long-term strategic plan of oversea market
- M&A and strategic alliance opportunities from domestic and overseas

## Taipei Fubon Bank

- Growth in SME and foreign currency assets
- Cross border platform consolidation
- Digital platform and franchise value enhancement

## Fubon Insurance

- Product development from life-style concepts
- Oversea business and channels expansion
- Digital channel to facilitate sales and service

## Fubon Bank (China)

- SME and Taiwanese client expansion
- Development of local retail business
- Extension of branch network and online banking

## Fubon Life

- Agent expansion national-wide
- Retirement, long-term care & in-kind payment focus
- Asset allocation diversification

## Fubon Bank (Hong Kong)

- Growth in SME and high net worth client
- Cross-sale of wealth management products
- Extension of online and digital platform

## Fubon Securities

- Growth in wealth management business
- Expansion of ETF AUM and product lines
- Growth in online trading

- ***Performance highlights of Fubon Financial Holdings***
- ***Performance review by subsidiary***



- *Taipei Fubon Bank*

- *Fubon Life*

- *Fubon Insurance*

- *Fubon Securities*

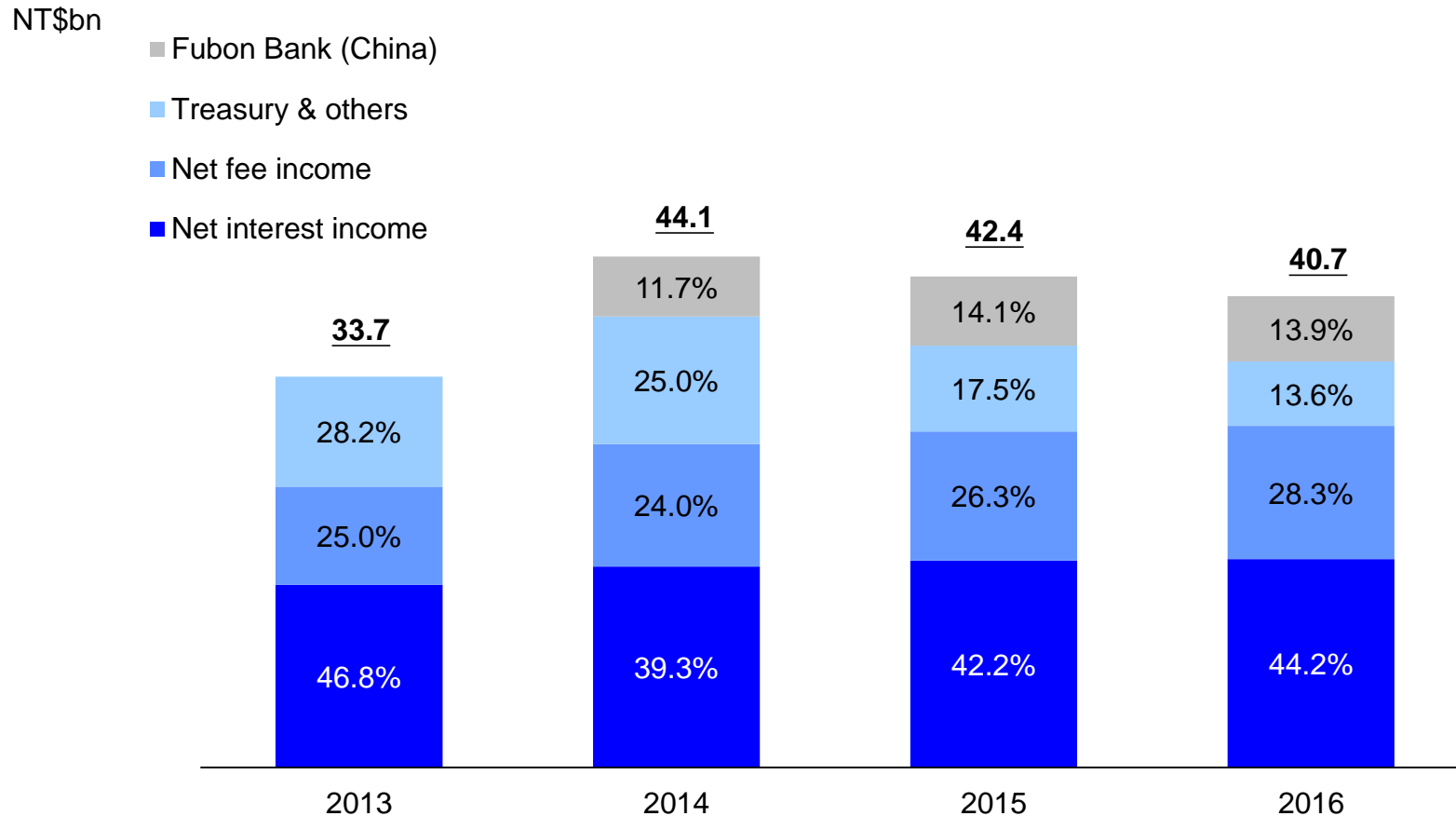
- *Overseas Banking Operation*

# Taipei Fubon Bank: Revenue



- Steadily growth from net interest income and net fees

## Revenue composition of Taipei Fubon Bank



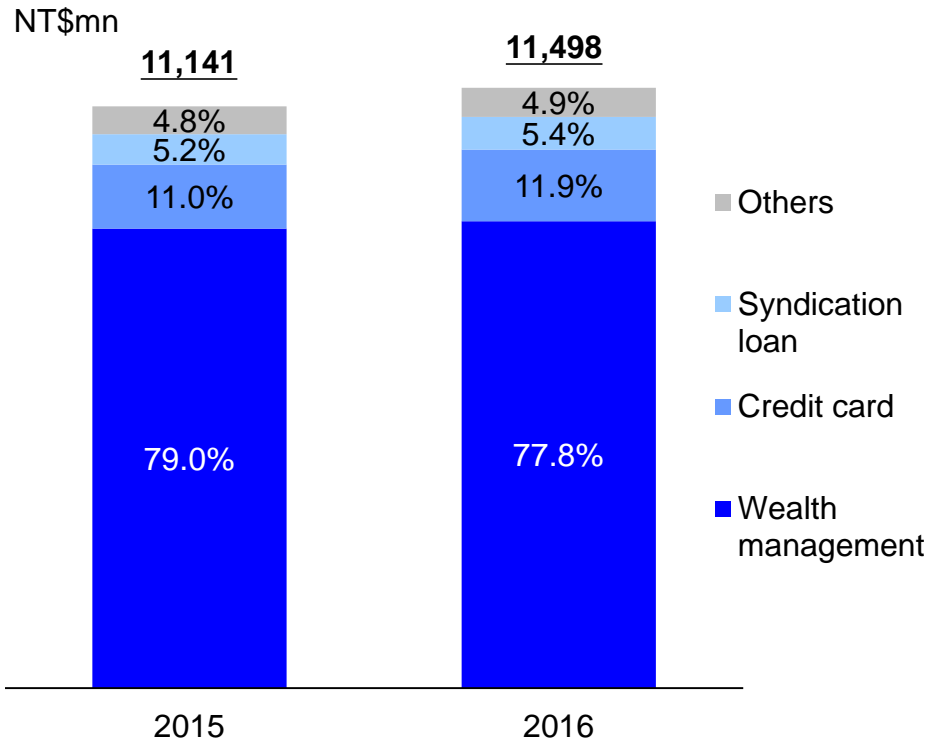
Note: Consolidated basis; Fubon Bank (China) accounted starting from Jan. 7<sup>th</sup>, 2014

# Taipei Fubon Bank: Fee and wealth management revenue

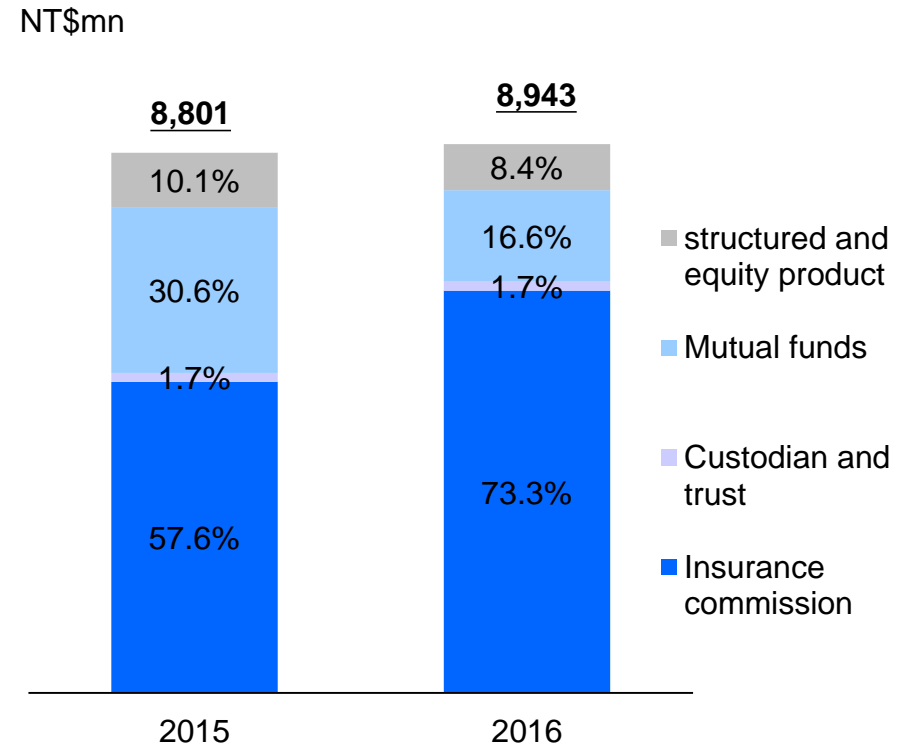


■ Wealth management business continues growing with increasing insurance contribution

## Sources of fee revenue



## Wealth management fee<sup>(1)</sup>



Note: (1) Wealth management revenue includes fee in the chart and other income (2016: NT\$298mn; 2015: NT\$396mn)

(2) Data are stand-alone basis in page 15-20

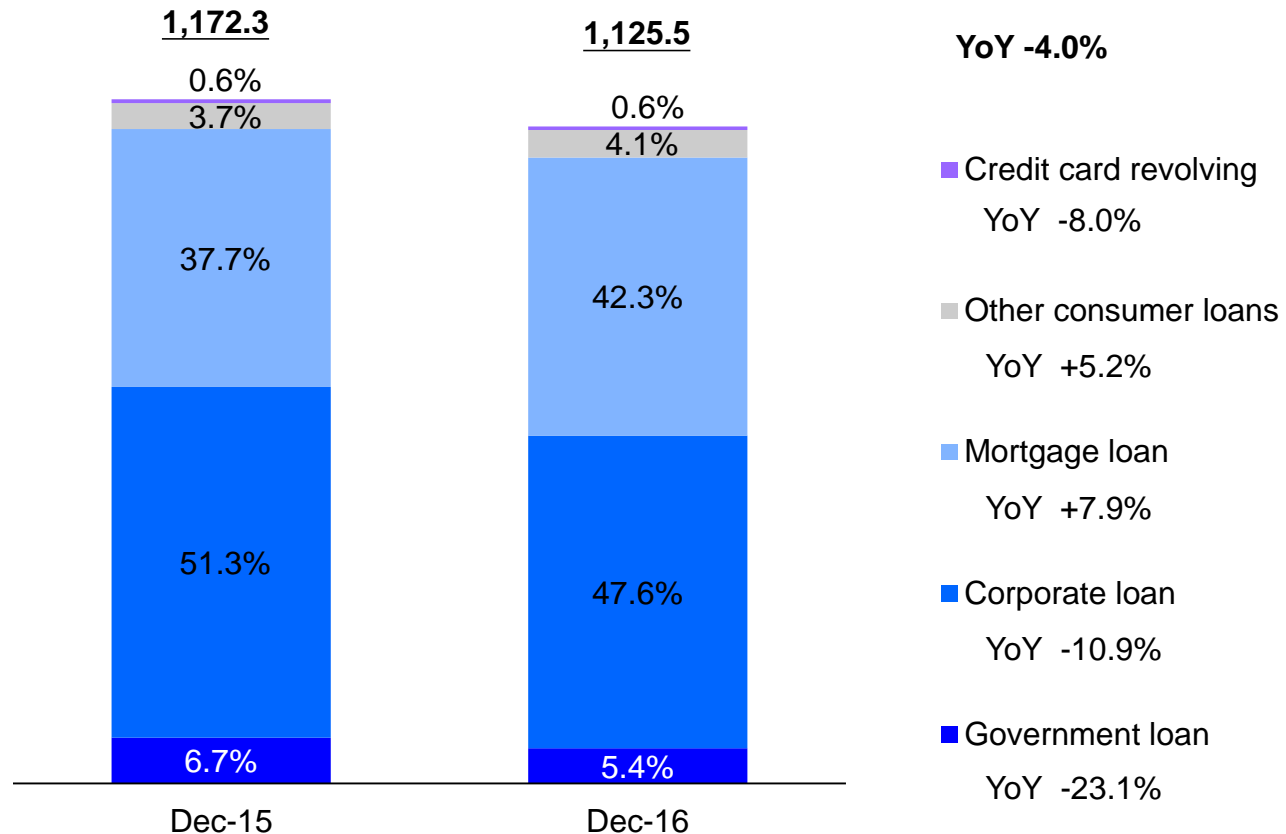
# Taipei Fubon Bank: Loan composition



- Mortgages growth outperformed industry while consumer loans contribution increase
- Loan growth excluding government loans was down 2.6%. Slower foreign currency corporate loans due to Renminbi depreciation & China's easing monetary policy

## Loans by type

NT\$bn



Note: Ending balance

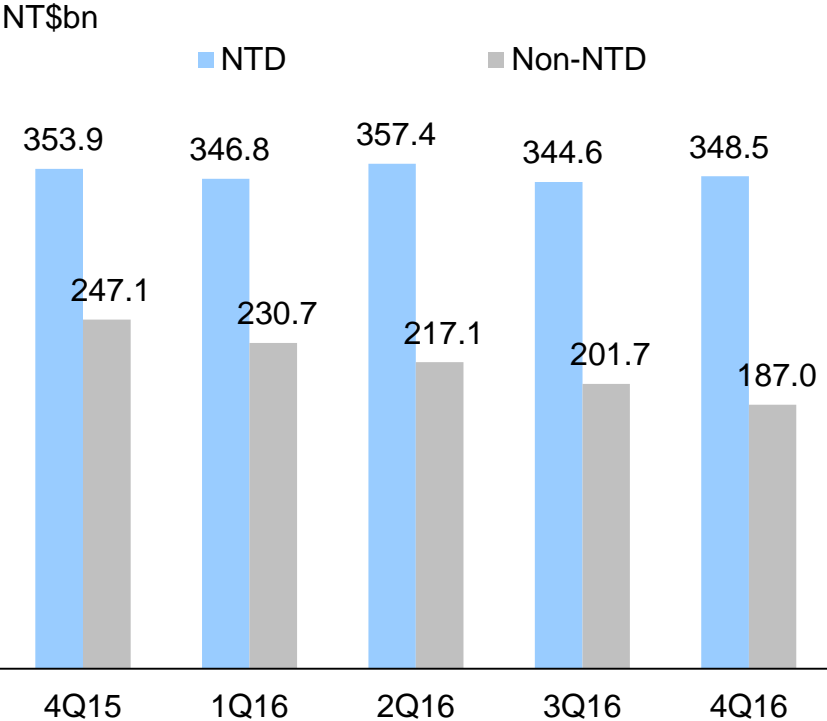


# Taipei Fubon Bank: Corporate credit

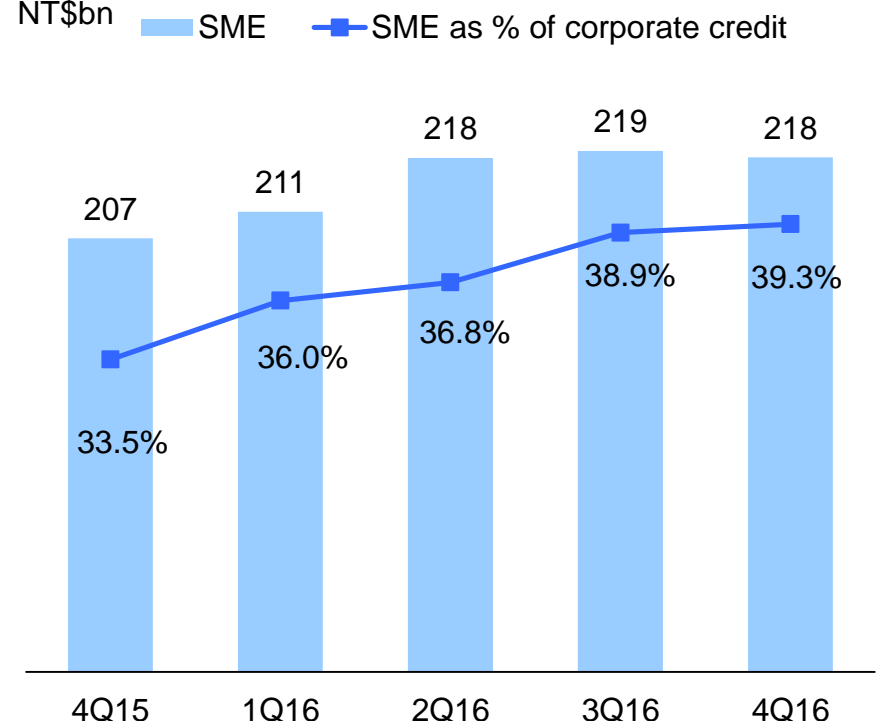


- NT dollar corporate loans maintain steady
- Contributions from SME credit continues increasing, reaching 39.3% in 2016

**Corporate loan by currency**



**SME credit and as % of corporate credit**



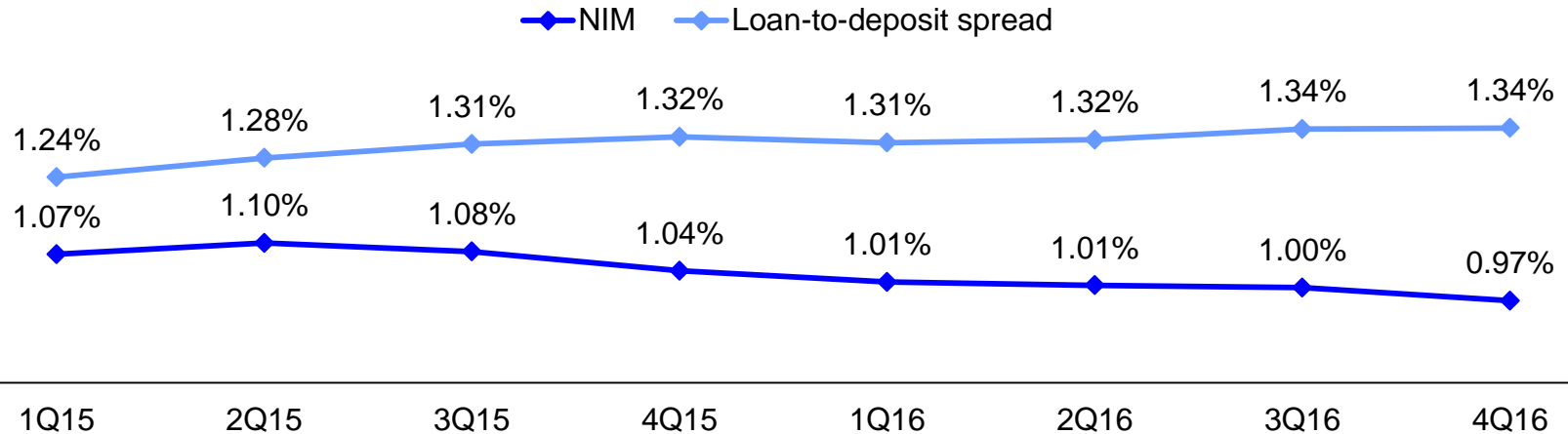
Note: Ending balance

Note: SME credit and corporate credit include loan and trade finance

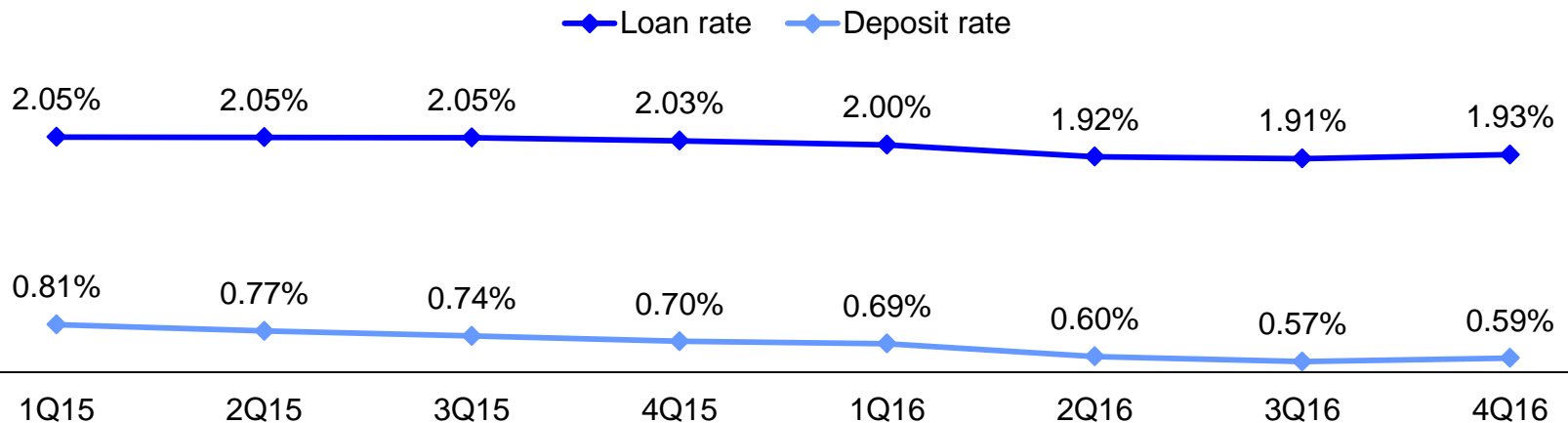
# Taipei Fubon Bank: Interest yield and margin



## NIM and loan-to-deposit spread



## Loan yield and deposit yield

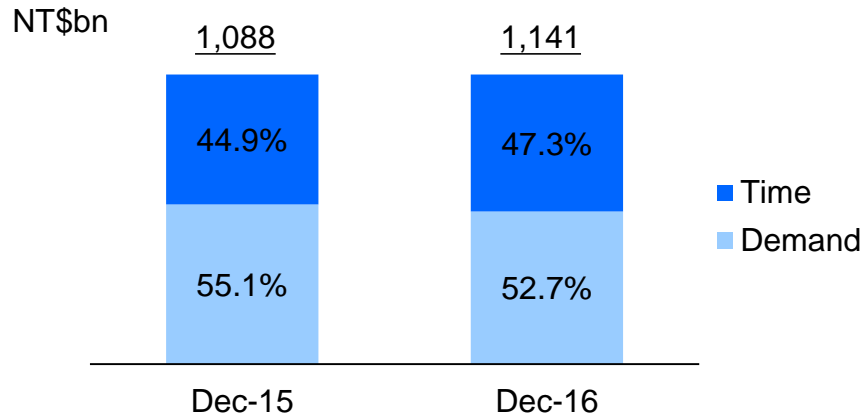


Note: Loan rate calculation inclusive of credit card revolving

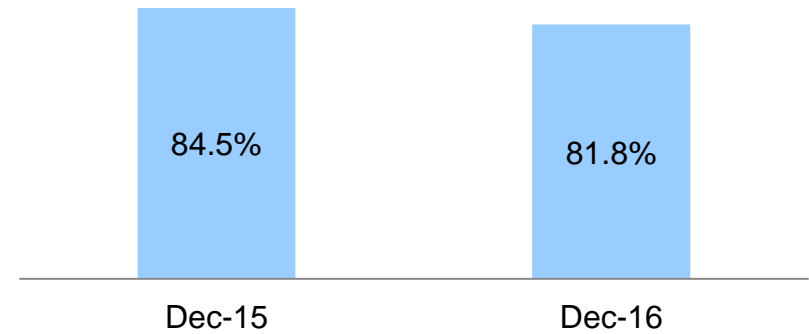
# Taipei Fubon Bank: Deposit mix and LDR



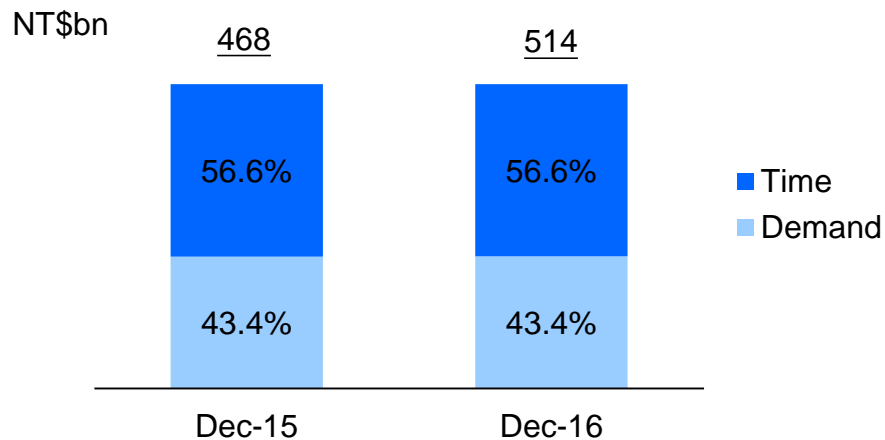
## Deposit mix in NTD



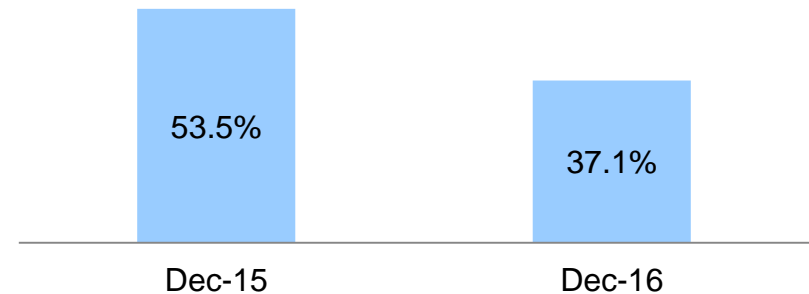
## NTD loan-to-deposit ratio (LDR)



## Deposit mix in foreign currency



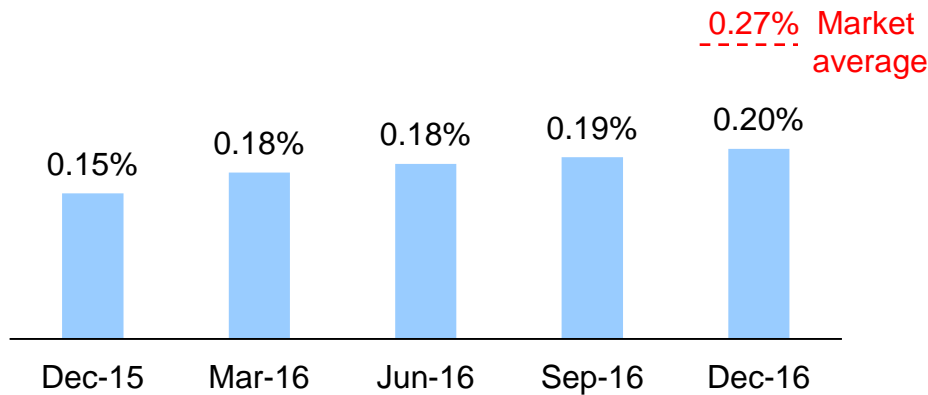
## Foreign currency LDR



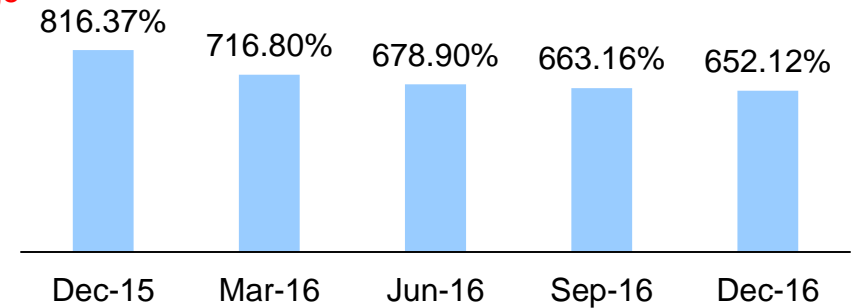
# Taipei Fubon Bank: Asset quality



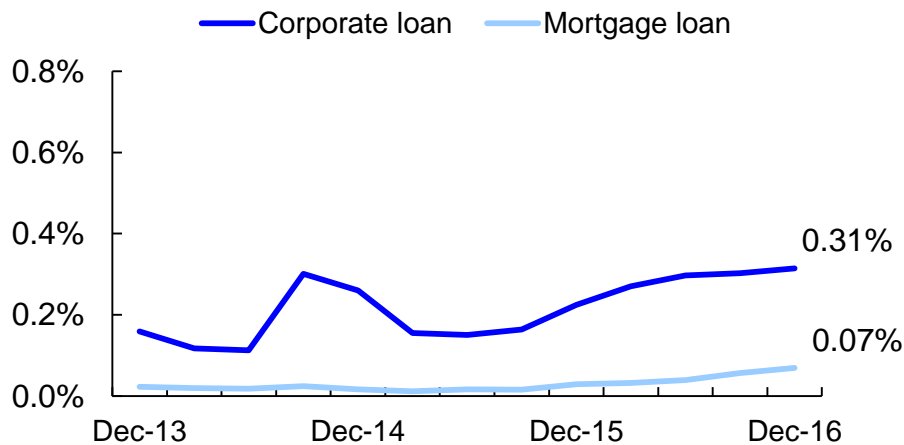
## NPL ratio



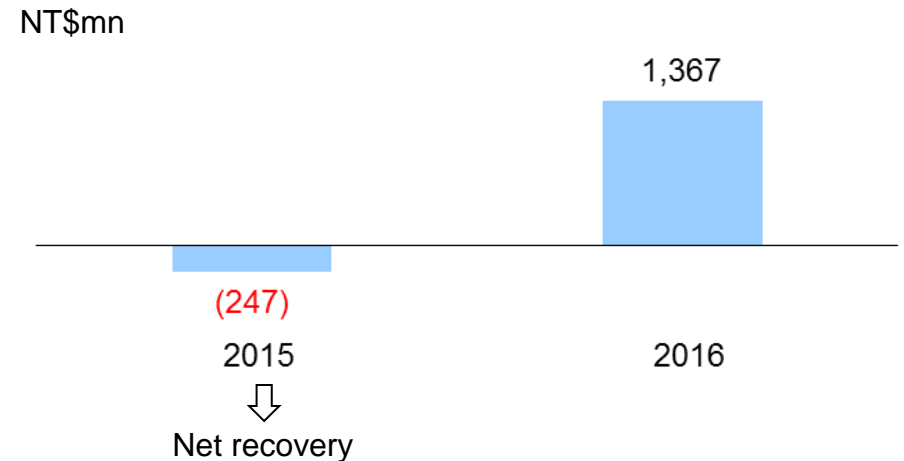
## Coverage ratio



## NPL ratio by business



## Net provision



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  - *Overseas Banking Operation*

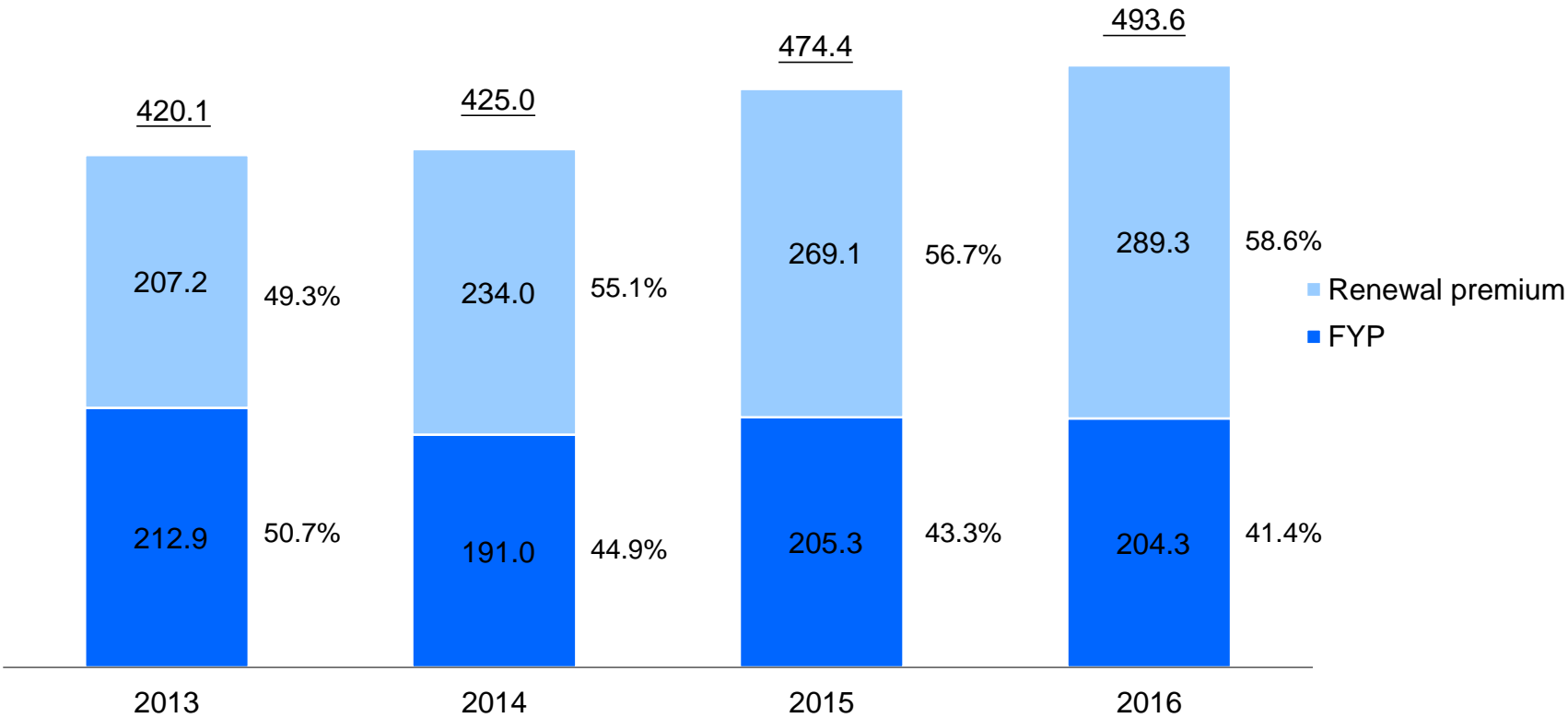


# Fubon Life: Total premium



■ 4% yoy growth in total premium income

NT\$bn



# Fubon Life: First year premium (FYP)



- Sales of tradition regular-paid policies was up 76.5% yoy
- Traditional regular-paid policies contribution increased from 24.9% to 44.2% in 2016

## FYP composition

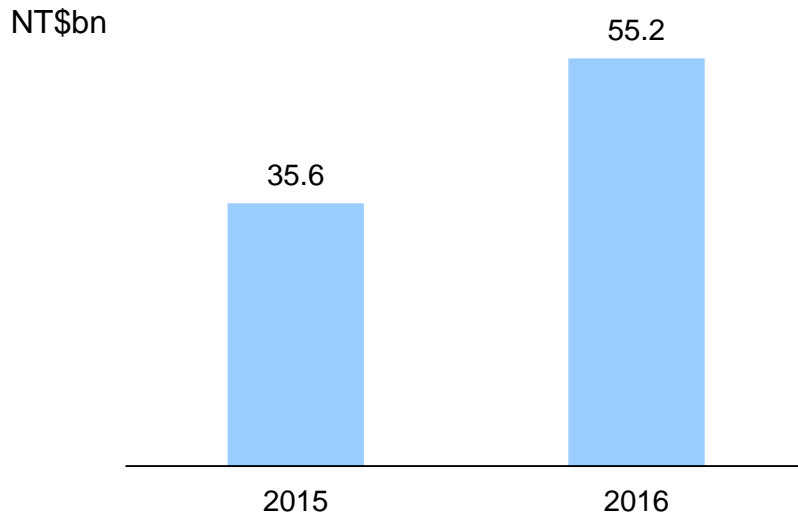
NT\$bn	1Q16	2Q16	3Q16	4Q16	2016	%	2015	%	YoY growth
Traditional life: Regular-paid	24.9	23.9	20.0	21.6	90.4	44.2%	51.2	24.9%	76.5%
Traditional life: Single-paid	22.9	18.9	17.4	15.5	74.7	36.6%	107.6	52.4%	-30.6%
Interest-sensitive annuity	7.4	6.5	0.3	0.5	14.7	7.2%	19.0	9.2%	-22.4%
Investment-linked	2.5	3.1	2.7	5.4	13.7	6.7%	19.6	9.6%	-30.1%
Health, accidents and others	2.0	3.9	2.6	2.3	10.8	5.3%	7.9	3.9%	36.8%
<b>Total</b>	<b>59.7</b>	<b>56.3</b>	<b>43.0</b>	<b>45.3</b>	<b>204.3</b>	<b>100.0%</b>	<b>205.3</b>	<b>100.0%</b>	<b>-0.5%</b>

# Fubon Life: Value of new business (VNB) & First year premium equivalent (FYPE)

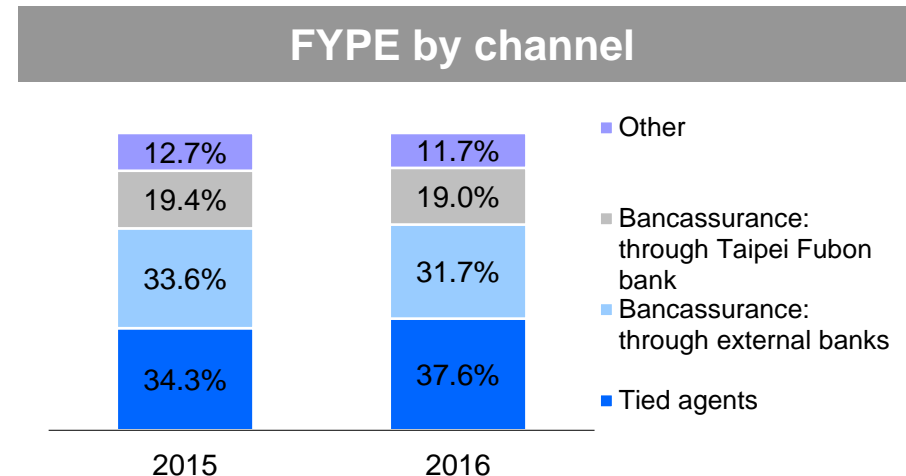
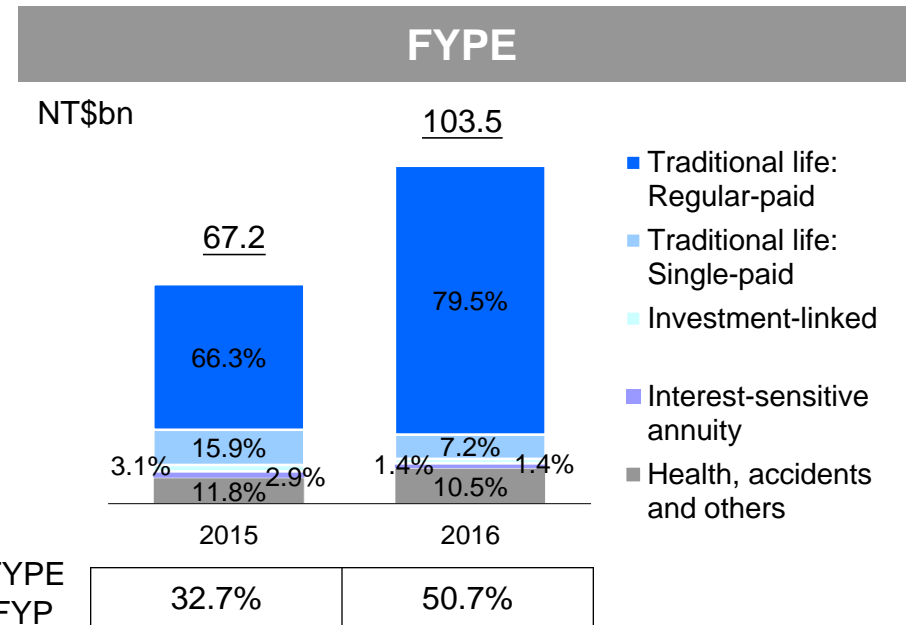


- FYPE growth 54.0% yoy in 2016, leading to the improvement in FYPE/FYP ratio
- VNB grew 55.2% yoy in 2016

## VNB



VNB/FYP	17.3%	27.0%
VNB/FYPE	52.9%	53.3%



Note: 2016 VNB is based on 2015 EV actuarial assumptions



# Fubon Life: Composition of investment income



- Recurring revenue continues to grow and account for the majority of investment income
- Steady contributions from realized gains

NT\$bn	2014	2015	2016	2016 YoY growth
Recurring investment income	88.7	101.0	106.1	5.0%
Cash dividend income from equity investment	12.6	16.5	14.9	-9.7%
Realized gains from fixed income investment	12.1	9.9	23.9	142.5%
Realized gains from equity investment	14.0	22.6	10.3	-54.5%
FX and others	-6.4	-3.6	-15.7	332.8%
Investment property fair value movement	1.4	0.4	-0.3	N.M.
<b>Investment income</b>	<b>109.9</b>	<b>130.3</b>	<b>124.3</b>	<b>-4.6%</b>
<b>Total investment assets</b>	<b>2,588.0</b>	<b>2,814.0</b>	<b>3,118.4</b>	<b>10.8%</b>

# Fubon Life: Investment portfolio



- Investment assets grew steadily
- Investment portfolio repositioned in response to market volatility

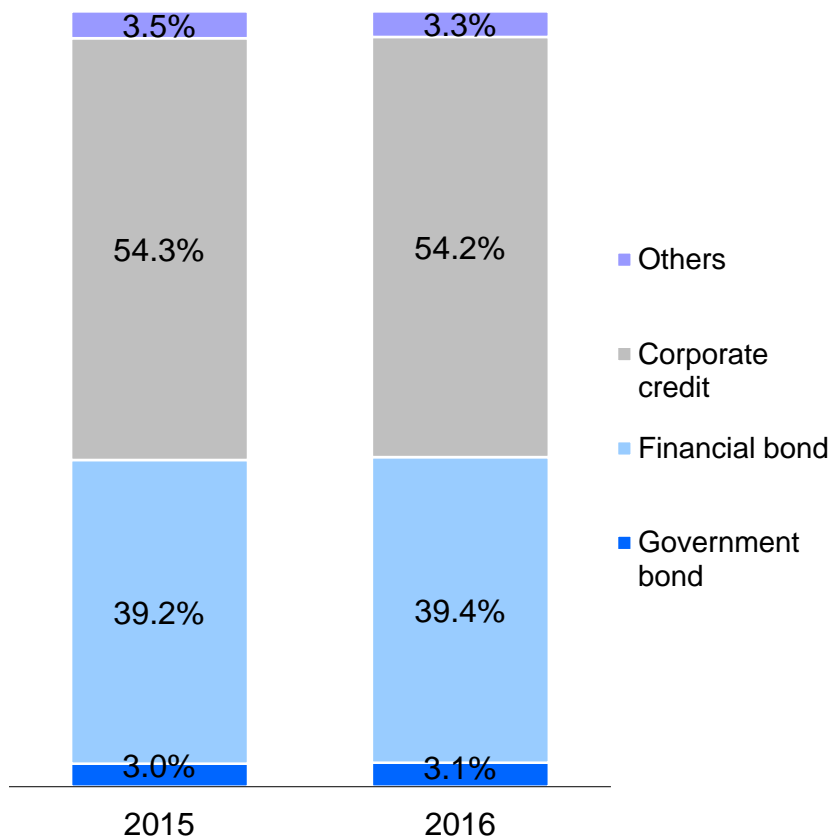
	2015/12/31		2016/09/30		2016/12/31	
<b>NT\$bn</b>						
Deposit and cash equivalent	168.6	6.0%	189.7	6.2%	165.3	5.3%
Domestic fixed income	523.2	18.6%	502.8	16.5%	489.3	15.7%
Overseas fixed income*	1,372.6	48.8%	1,556.4	51.1%	1,630.3	52.3%
Domestic equity	221.7	7.9%	259.6	8.5%	271.2	8.7%
Overseas equity	182.3	6.5%	174.9	5.8%	189.4	6.1%
Mortgage loans	86.4	3.1%	98.8	3.2%	107.1	3.4%
Policy loans	55.1	2.0%	57.4	1.9%	58.5	1.9%
Real estate	204.1	7.3%	208.1	6.8%	207.3	6.6%
<b>Total Investments</b>	<b>2,814.0</b>	<b>100.0%</b>	<b>3,047.7</b>	<b>100.0%</b>	<b>3,118.4</b>	<b>100.0%</b>
Domestic	1,185.9	42.1%	1,252.0	41.1%	1,235.5	39.6%
Overseas*	1,628.1	57.9%	1,795.7	58.9%	1,882.9	60.4%

Note: \*Including OTC-listed international bond, the international bonds investment reached 11.6% of total investment assets as of 2016/12/31.

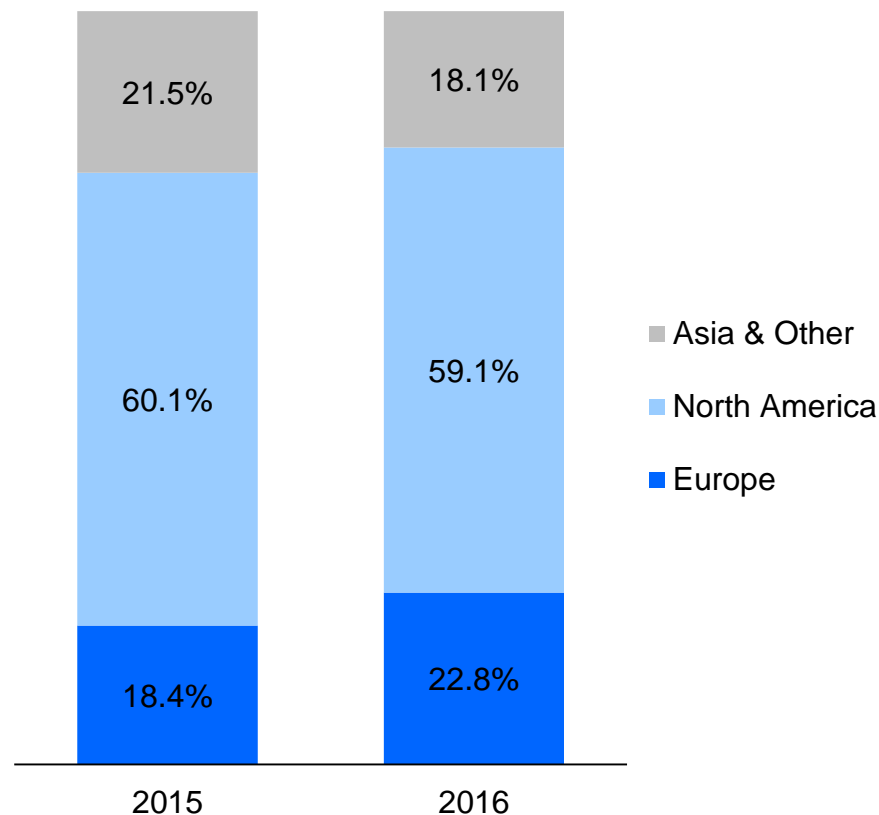
# Fubon Life: Portfolio of overseas fixed income



## Overseas fixed income by asset type



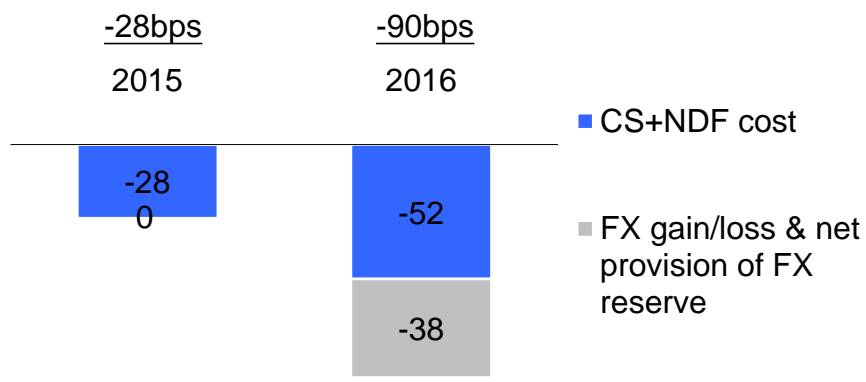
## Overseas fixed income by region



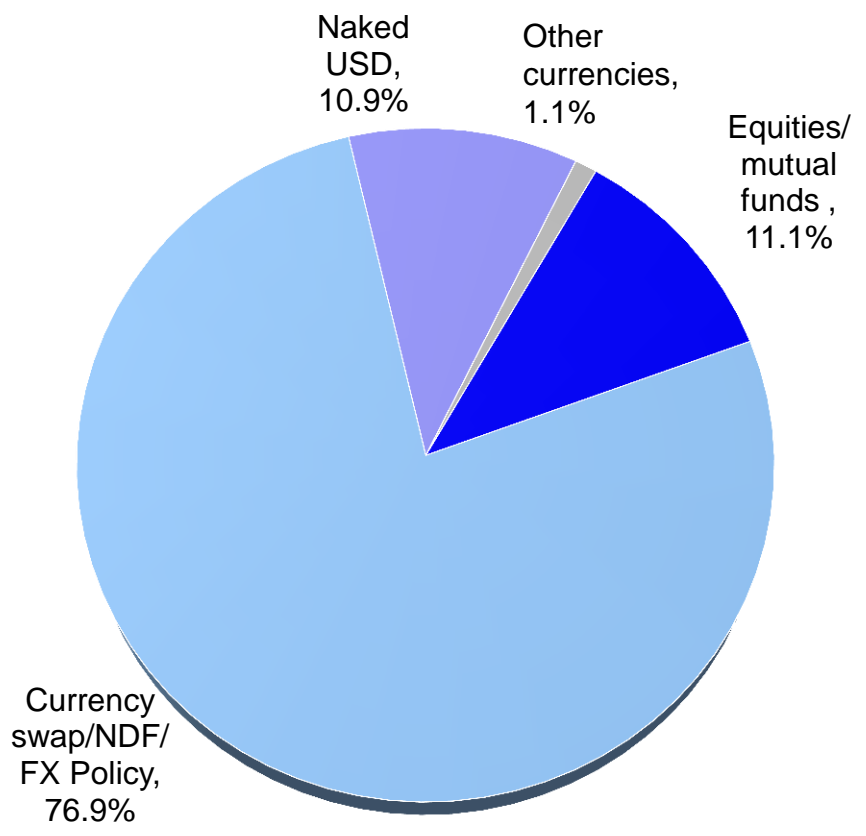


# Fubon Life: Hedging composition

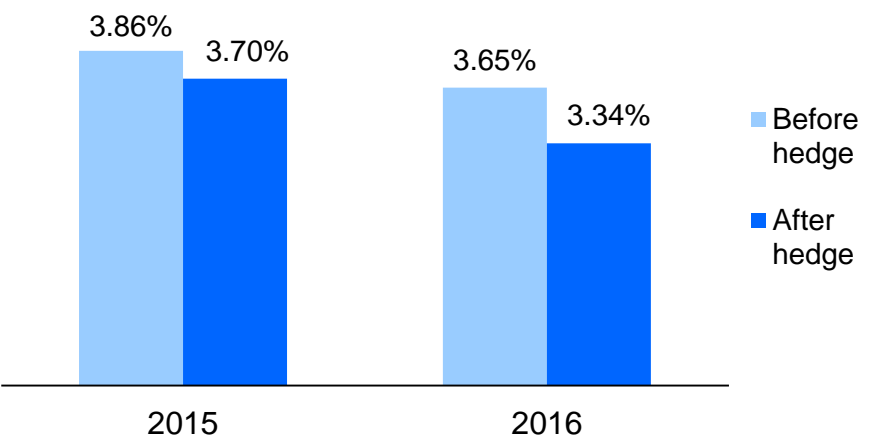
## Hedging cost & FX gain/loss



## FX position of financial assets



## Recurring return



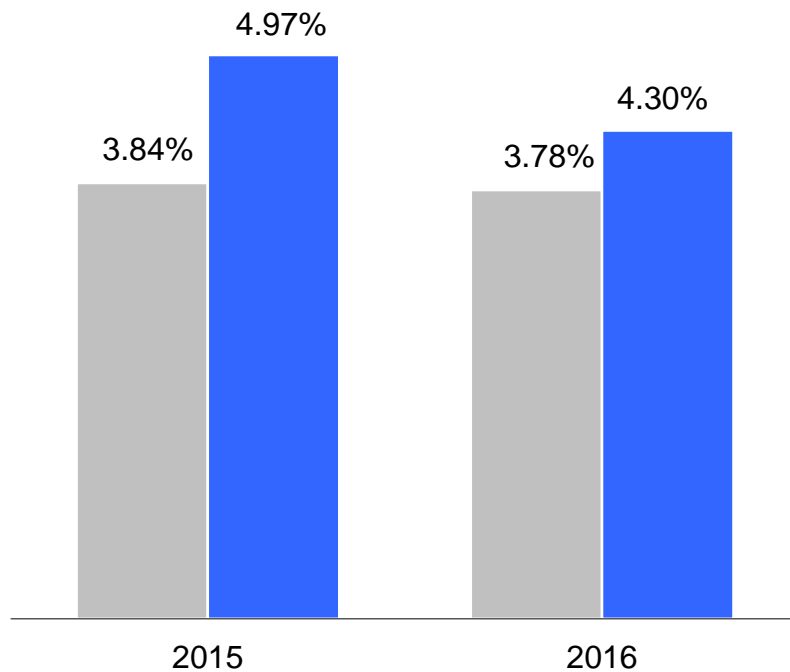
# Fubon Life: Investment spread



- Cost of liability improvement continues
- Higher breakeven point (net underwriting cost) due to changes in insurance policy mix

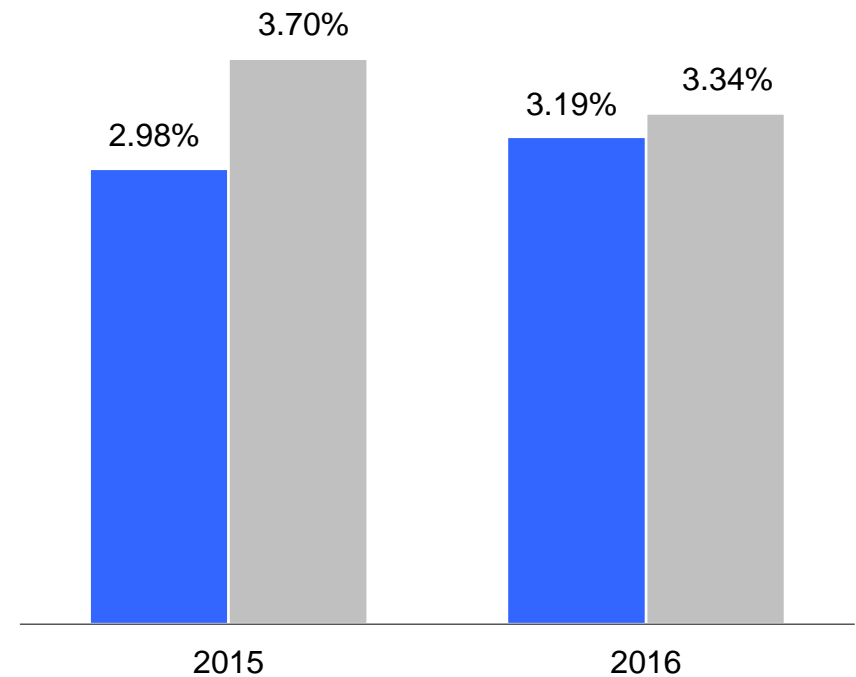
## Investment spread

■ Cost of liabilities ■ Investment return



## Recurring return and breakeven point

■ Breakeven point ■ Recurring return



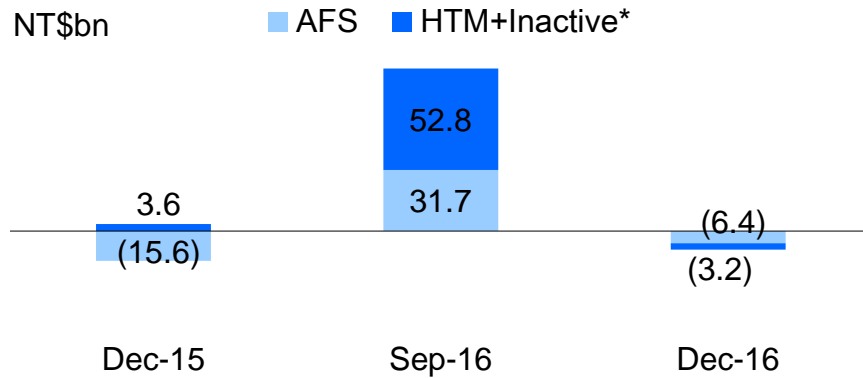
$$\text{Breakeven point} = \frac{\text{Profit before tax} - \text{Investment income}}{\text{Average investment assets}}$$

# Fubon Life: Investment performance

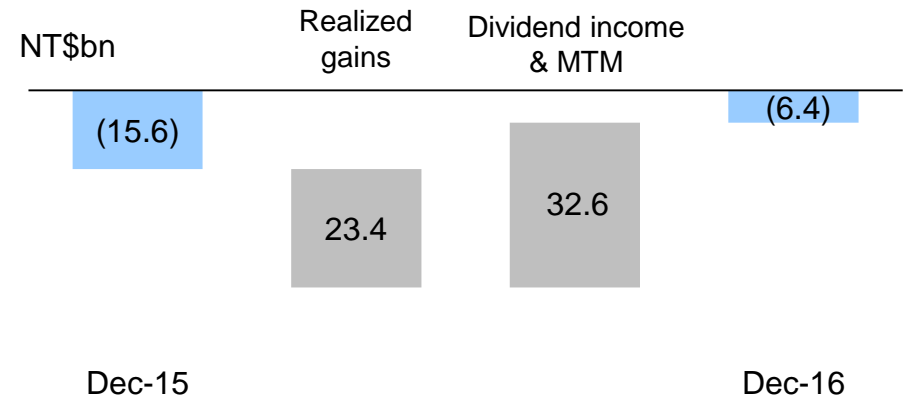


■ Movement of unrealized position driven by market volatility and realized gains

## Unrealized outstanding



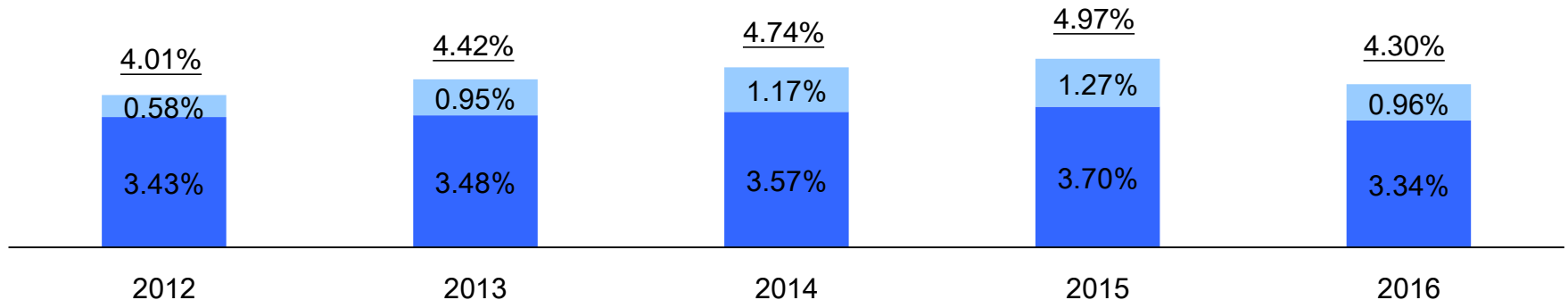
## Movement of unrealized gains from AFS assets



Note: \*before tax basis

## Investment Return

■ Recurring investment return ■ Capital gains



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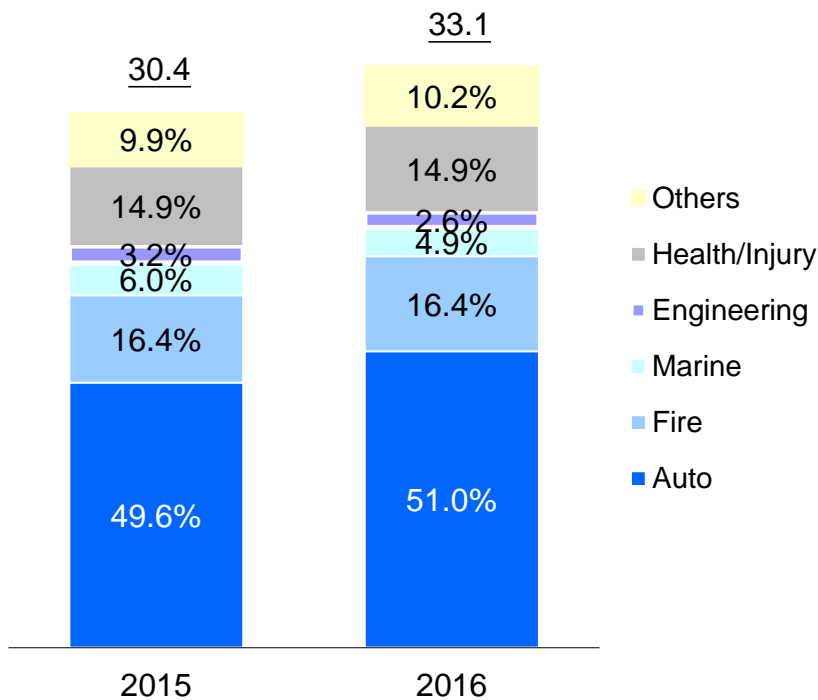
# Fubon Insurance: Operating snapshot



- Premium growth outperformed industry. Top 1 position in premium market share
- Net combined ratio increased 1.2ppts due to earthquake and typhoons incidents happened in 2016

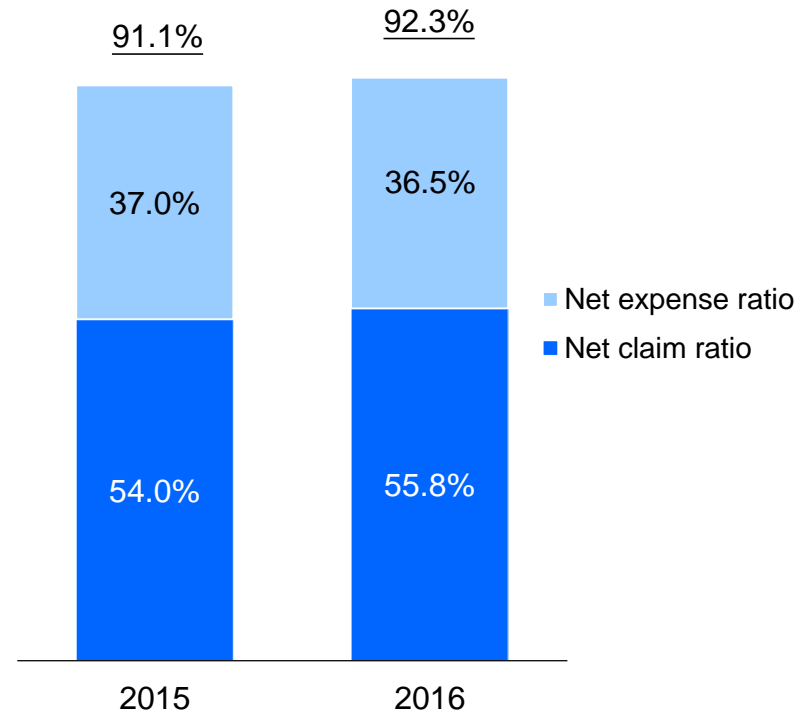
### Direct written premium by product

NT\$bn



Note: Standalone basis

### Net combined ratio



Note: Exclusive of auto compulsory due to the claims are reimbursed



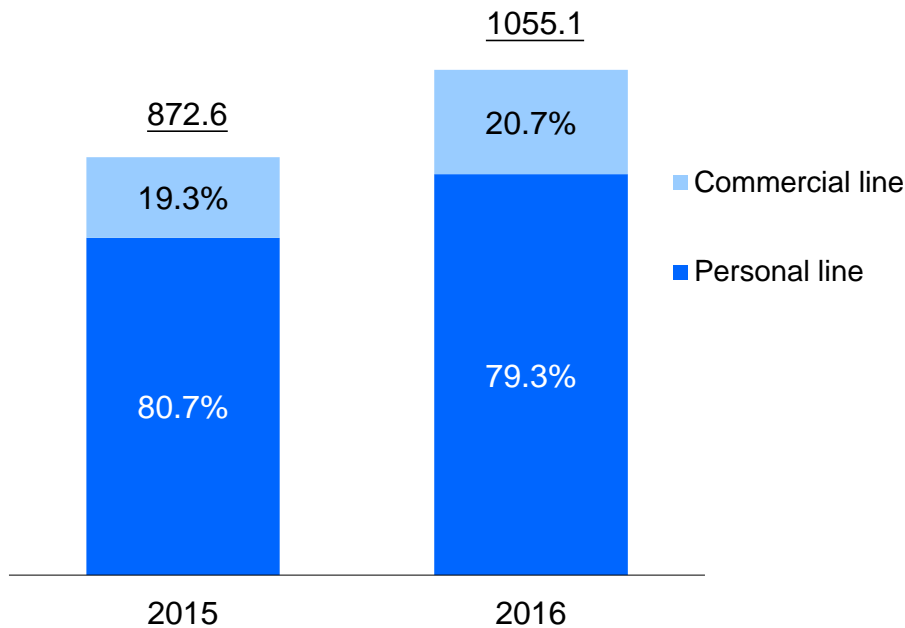
# Fubon P&C (China): Business progress



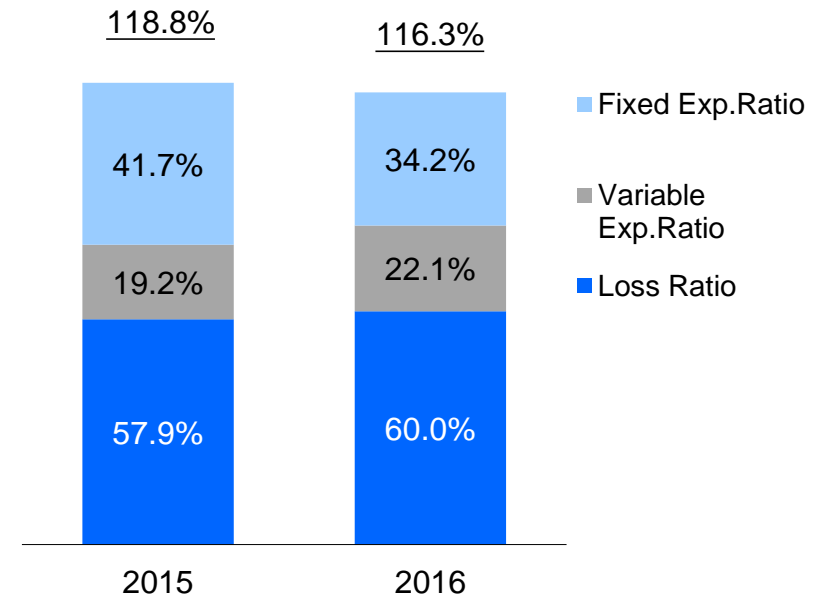
- 50 offices in Fujian, Liaoning, Chongqing and other cities
- Top 5 among foreign players in Mainland China in terms of premium with 20.9% growth yoy

## Gross written premium

RMB\$m



## Net combined ratio



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# Fubon Securities: Financial highlights



- Growth in wealth management business with diversified products
- Market leader in overseas ETF with AUM up by 30% yoy
- Leading position in underwriting business
- Innovative brokerage interface

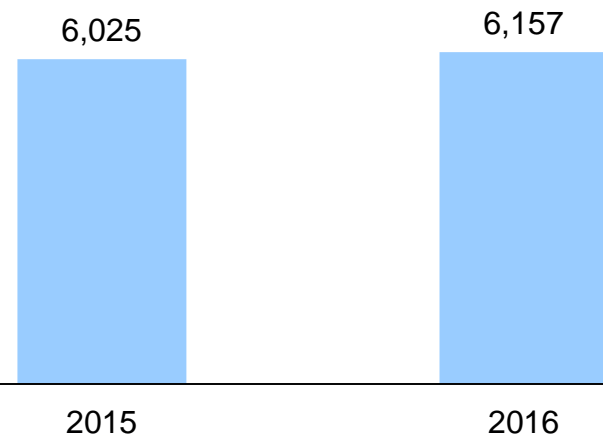
## Market share & ranking

	2016	Ranking	2015	Ranking
AUM of overseas ETF (NT\$m)	59,400	2	45,700	2
Brokerage per branch*	0.097%	2	0.094%	2
Emerging stock trading	20.74%	2	17.27%	2
Brokerage	5.21%	3	5.19%	3
SPO amount	11.69%	3	15.31%	2

Note: \*Ranking among top 10 brokers

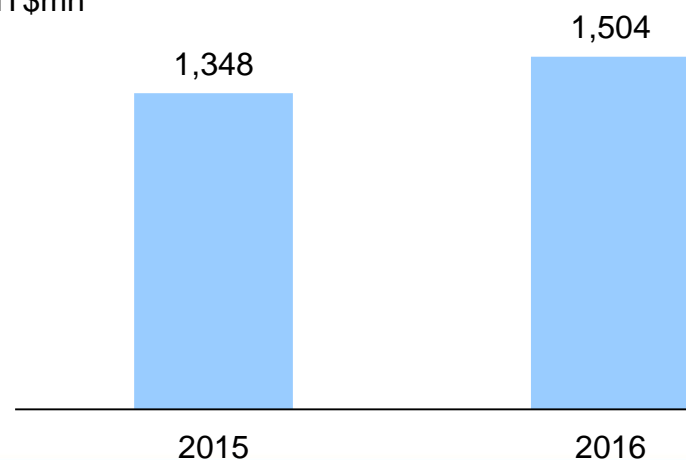
## Operating revenue

NT\$m



## Net profits

NT\$m



- ***Performance highlights of Fubon Financial Holdings***
  
- ***Performance review by subsidiary***
  - *Taipei Fubon Bank*
  
  - *Fubon Life*
  
  - *Fubon Insurance*
  
  - *Fubon Securities*
  
  - *Overseas Banking Operation*



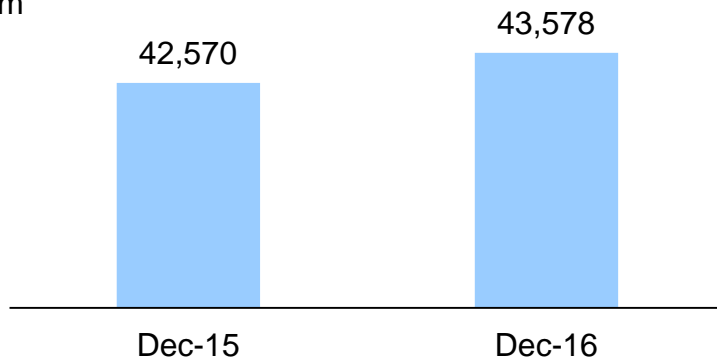
# Fubon Bank (Hong Kong): Key balance sheet items



- Conservative credit policy given China & Hong Kong economy slowdown
- Core revenue steadily grow with cautious stance

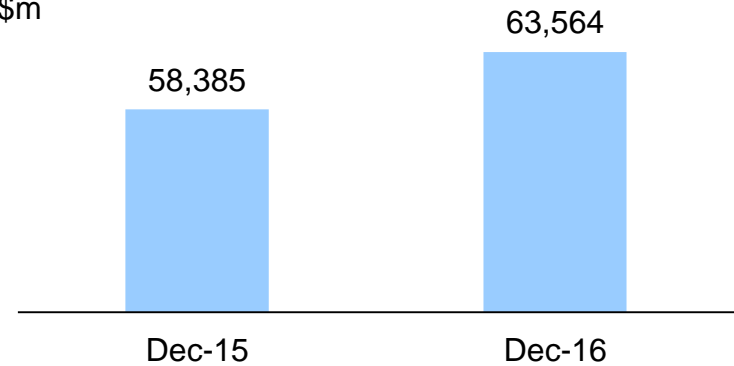
## Loans

HK\$m



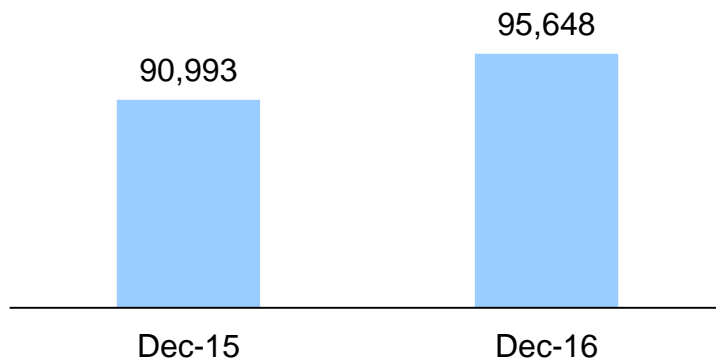
## Deposits

HK\$m



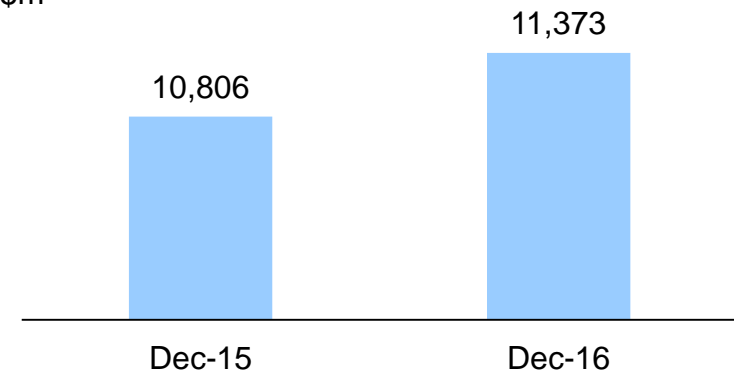
## Assets

HK\$m



## Net worth

HK\$m



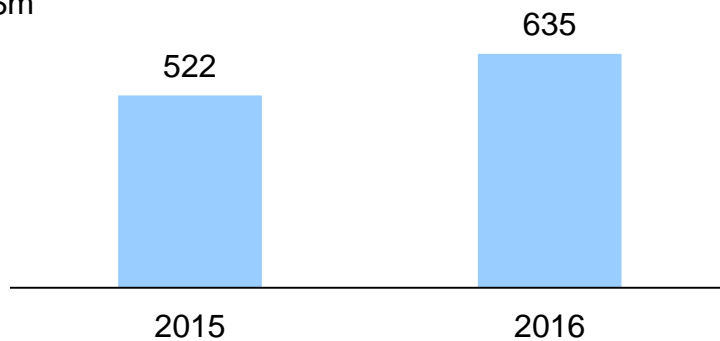
# Fubon Bank (Hong Kong): Financial highlight



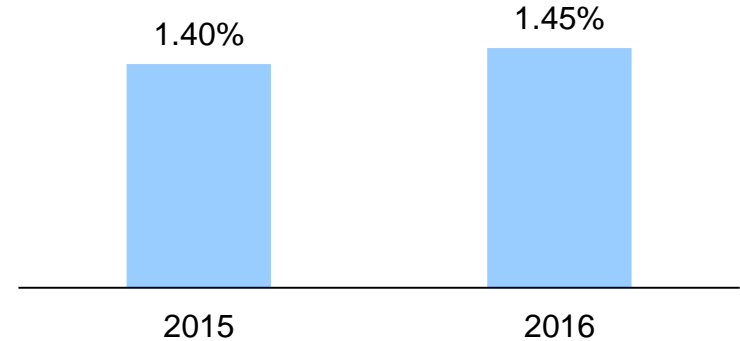
- Earnings grew by 22% with bancassurance fee growth of 40% and 9% growth in net interest income
- Stable asset quality with improvement in coverage ratio

## Net Profits

HK\$m

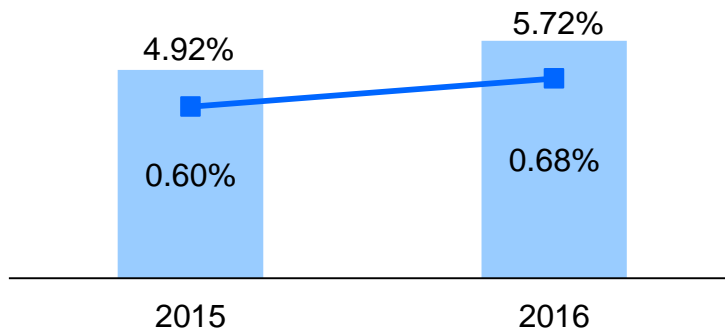


## NIM



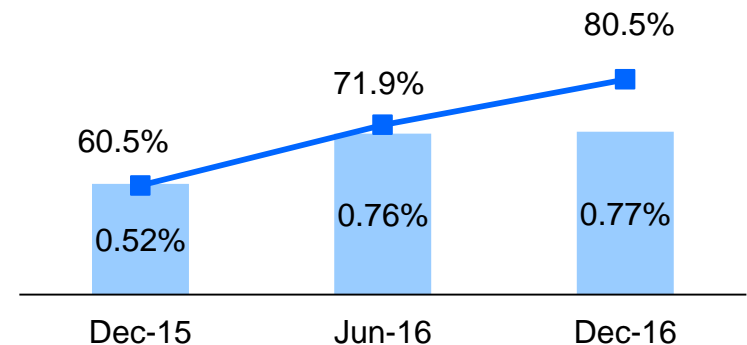
## ROAA & ROAE

ROAA ROAE



## NPL ratio & Coverage ratio

NPL ratio Coverage ratio\*



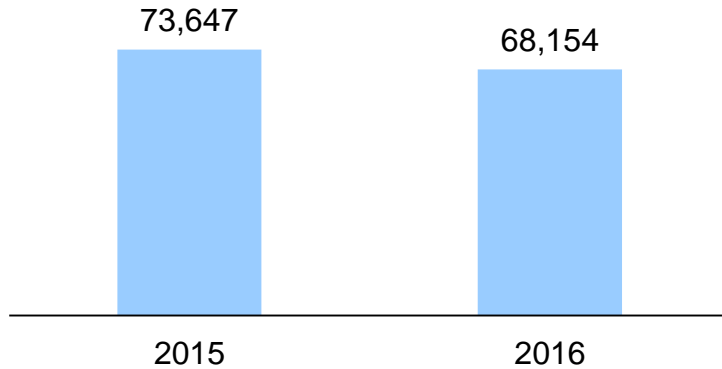
Note: \* Coverage ratio = ( Allowance for loan losses + Secured balance ) / NPL

# Fubon Bank (China): Key balance sheet items



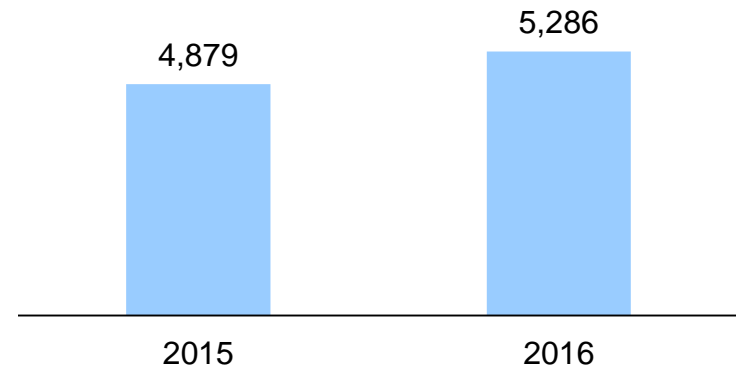
## Assets

RMB\$m



## Net worth

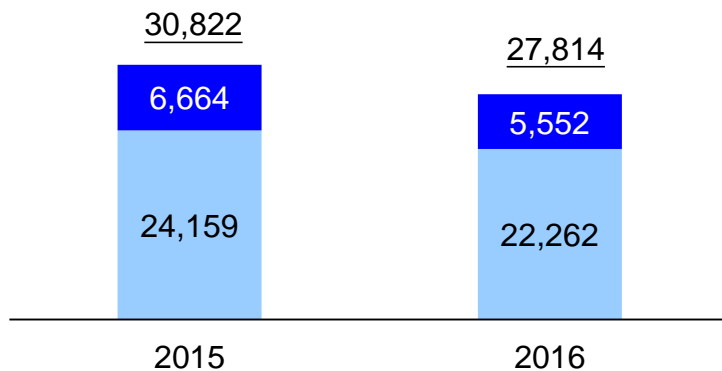
RMB\$m



## Loans

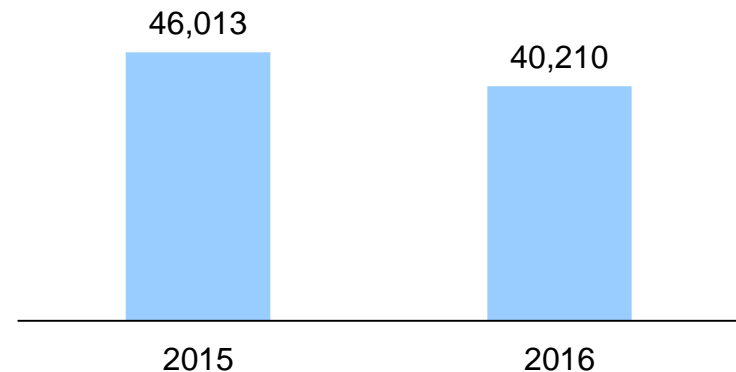
RMB\$m

■ Rediscount ■ Loans (excluding rediscount)



## Deposits

RMB\$m

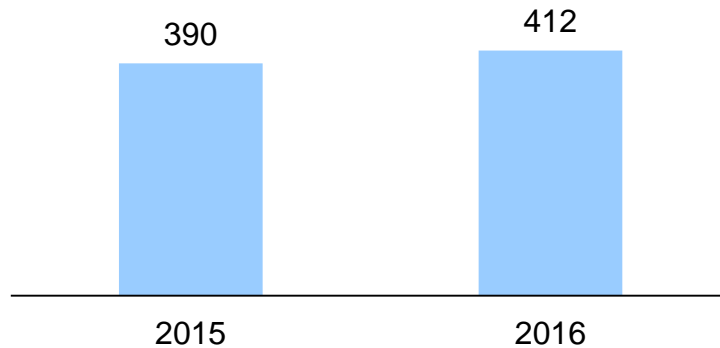


# Fubon Bank (China): Financial highlight

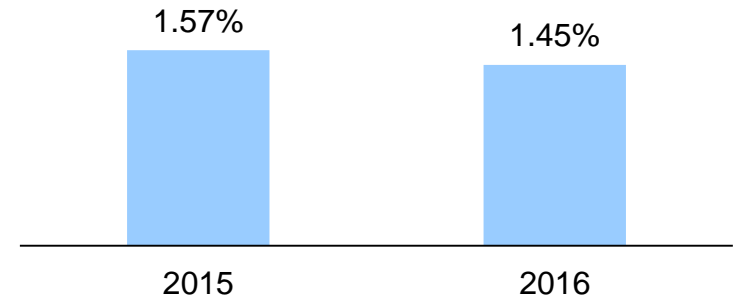


## Net Profits

RMB\$m

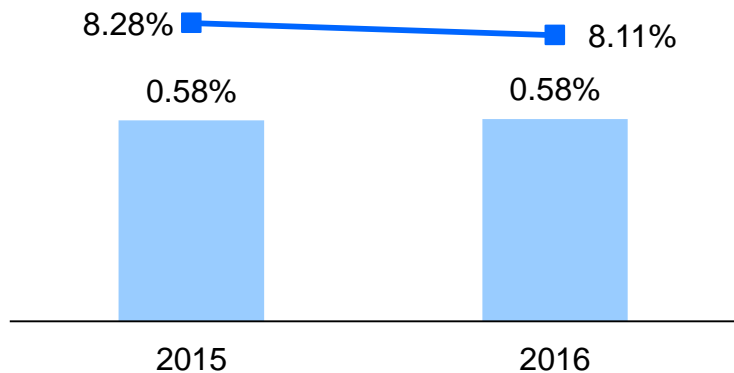


## NIM



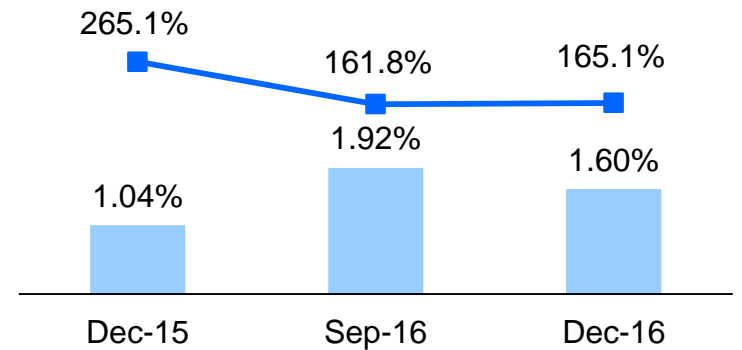
## ROAA & ROAE

ROAA ROAE



## NPL ratio & Coverage ratio

NPL Coverage ratio







**Thank you**



## Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q16	3Q16	2Q16	1Q16	2016	2015	YoY
<b><u>Income statement data</u></b>							
Interest income	10,286	10,382	10,818	11,223	42,709	46,647	-8.4%
Interest expense	(4,758)	(4,758)	(4,962)	(5,377)	(19,855)	(23,294)	-14.8%
Net interest income	5,528	5,624	5,857	5,846	22,854	23,352	-2.1%
Net fee income	2,386	3,164	3,056	3,390	11,996	11,649	3.0%
Other income	777	1,543	1,238	2,264	5,822	7,367	-21.0%
Total net revenue	8,690	10,331	10,151	11,500	40,672	42,369	-4.0%
Operating expenses	(5,480)	(5,219)	(5,095)	(5,188)	(20,981)	(20,690)	1.4%
Pre-provision profits	3,210	5,113	5,056	6,312	19,691	21,679	-9.2%
Provision for credit losses	(534)	(244)	(408)	(186)	(1,372)	(177)	676.4%
Income before tax	2,676	4,869	4,648	6,126	18,319	21,502	-14.8%
Net income	1,954	4,109	3,941	5,268	15,272	18,606	-17.9%
Net income to parent company	1,827	3,992	3,714	4,933	14,466	17,783	-18.7%
<b><u>Balance sheet data</u></b>							
Loans and discounts	1,289,861	1,316,465	1,339,460	1,337,192	1,289,861	1,353,533	-4.7%
Deposits and remittances	1,877,778	1,859,512	1,813,143	1,793,280	1,877,778	1,813,356	3.6%
Allowance for loan losses*	14,666	14,331	14,449	14,543	14,666	14,651	0.1%
Total assets	2,414,226	2,375,875	2,364,792	2,336,284	2,414,226	2,409,836	0.2%
Equity attributable to parent company	174,634	173,537	170,357	170,598	174,634	165,696	5.4%
<b><u>Key metrics</u></b>							
ROA	0.32%	0.69%	0.66%	0.89%	0.63%	0.81%	
ROE	4.29%	9.41%	8.84%	11.74%	8.50%	11.21%	
Equity / assets	8.01%	8.10%	8.02%	8.15%	8.01%	7.69%	
Cost / income ratio	-63.06%	-50.51%	-50.19%	-45.11%	-51.59%	-48.83%	
NPL ratio*	0.20%	0.19%	0.18%	0.18%	0.20%	0.15%	
Reserve / NPL*	652.12%	663.16%	678.90%	716.80%	652.12%	816.37%	
Tier 1 ratio*	12.57%		11.86%		12.57%	11.30%	
BIS ratio*	14.40%		13.91%		14.40%	13.44%	

Note: Data mark with \* are stand-alone basis

## Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q16	3Q16	2Q16	1Q16	2016	2015	YoY
<b><u>Income statement data</u></b>							
First year premium	45,253	42,966	56,342	59,722	204,283	205,282	-0.5%
Retained earned premium	110,595	114,461	122,708	120,844	468,608	440,297	6.4%
Total investment income	30,143	33,289	35,358	25,537	124,327	130,256	-4.6%
Recurring investment income	24,430	31,674	26,858	23,110	106,072	101,040	5.0%
Other investment income	5,713	1,615	8,500	2,427	18,255	29,216	-37.5%
Realized gains (losses) from fixed income	2,977	7,371	9,982	3,603	23,933	9,870	142.5%
Realized gains (losses) from equity	3,874	2,766	514	3,138	10,292	22,622	-54.5%
FX and others	(1,168)	(7,589)	(2,093)	(4,855)	(15,705)	(3,629)	332.8%
Investment property fair value movement	30	(933)	97	541	(265)	353	N.M.
Other income	666	280	559	626	2,131	2,159	-1.3%
Total operating revenue	141,403	148,030	158,625	147,008	595,066	572,711	3.9%
Retained claim payment	52,336	41,920	46,196	45,527	185,979	187,601	-0.9%
Net commission expense	7,290	7,586	9,636	9,113	33,625	26,093	28.9%
Net change in insurance liability	71,096	84,241	86,502	85,625	327,464	292,665	11.9%
General and administrative expense	4,383	4,194	4,480	4,122	17,179	15,526	10.6%
Other operating costs	602	492	479	462	2,035	1,932	5.3%
Total operating costs and expenses	135,707	138,433	147,293	144,849	566,282	523,816	8.1%
Net non-operating income / (expenses)	94	171	118	106	489	518	-5.5%
Income before tax	5,790	9,768	11,451	2,265	29,274	49,413	-40.8%
Net income	5,230	10,463	10,858	2,137	28,688	41,018	-30.1%
Net income to parent company	5,230	10,463	10,858	2,137	28,688	41,018	-30.1%
<b><u>Balance sheet data</u></b>							
Total assets	3,353,560	3,285,094	3,223,464	3,117,105	3,353,560	3,035,563	10.5%
Total assets (general account)	3,211,026	3,145,703	3,086,914	2,982,282	3,211,026	2,900,201	10.7%
Insurance liabilities	2,902,374	2,845,784	2,813,256	2,728,570	2,902,374	2,656,145	9.3%
Total liabilities	3,140,086	3,035,931	2,998,289	2,910,646	3,140,085	2,852,781	10.1%
Total liabilities (general account)	2,997,551	2,896,540	2,861,739	2,775,823	2,997,551	2,717,419	10.3%
Equity attributable to parent company	213,474	249,163	225,175	206,459	213,474	182,782	16.8%
<b><u>Key matrices</u></b>							
ROA	0.65%	1.32%	1.39%	0.28%	0.90%	1.41%	
ROE	10.56%	19.38%	21.29%	4.39%	14.48%	20.19%	
Equity / Assets	6.37%	7.58%	6.99%	6.62%	6.37%	6.02%	
Claims and benefits ratio	47.32%	36.62%	37.65%	37.67%	39.69%	42.61%	
Expense ratio	3.96%	3.66%	3.65%	3.41%	3.67%	3.53%	
Persistency ratio - 13th month	96.25%	96.17%	95.93%	96.19%	96.25%	96.66%	
Persistency ratio - 25th month	94.09%	93.65%	93.37%	92.92%	94.09%	92.07%	

## Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q16	3Q16	2Q16	1Q16	2016	2015	YoY
<b><u>Income statement data</u></b>							
Direct written premiums	9,384	9,161	10,330	9,297	38,172	35,016	9.0%
Retention of earned premiums	7,610	7,451	7,286	7,230	29,577	27,139	9.0%
Net income from investment	566	869	822	497	2,754	2,811	-2.0%
Other operating revenue	374	332	390	345	1,440	1,295	11.2%
Retained insurance payments	4,326	3,994	4,063	3,833	16,216	14,250	13.8%
Net change in liability reserve	(78)	370	(287)	358	363	656	-44.6%
Commission and operating expenses	3,574	3,418	3,470	3,306	13,769	12,772	7.8%
Non-Operating Income	(64)	(40)	(32)	(22)	(158)	(96)	65.4%
Income before tax	664	831	1,219	553	3,266	3,472	-5.9%
Net income	545	676	1,007	444	2,672	2,839	-5.9%
Net income to parent company	652	874	1,077	516	3,119	3,213	-2.9%
<b><u>Balance sheet data</u></b>							
Total assets	98,470	99,597	97,868	94,323	98,470	89,213	10.4%
Investment assets	64,900	65,653	64,343	65,752	64,900	64,689	0.3%
Policy reserve	54,310	54,404	54,299	51,580	54,310	47,470	14.4%
Equity attributable to parent company	29,531	30,646	29,542	30,281	29,531	28,677	3.0%
<b><u>Summary ratios</u></b>							
ROA	2.32%	2.86%	4.30%	1.94%	2.85%	3.29%	
ROE	8.96%	11.78%	14.81%	7.00%	10.72%	11.41%	
Total investment return	3.50%	5.34%	5.10%	3.05%	4.25%	4.50%	
Solvency margin (NWP/equity)	106.12%	98.86%	107.27%	99.48%	104.51%	97.95%	
Retention ratio	79.09%	76.56%	71.12%	75.19%	75.36%	75.30%	

## Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q16	3Q16	2Q16	1Q16	2016	2015	YoY
<b>Income statement data</b>							
Brokerage commissions	659	712	655	701	2,728	3,044	-10.4%
Net interest income	218	224	244	215	901	942	-4.3%
Fee income	142	81	74	39	336	298	12.8%
Net principal transactions and financial products gains	(40)	227	100	222	509	324	57.0%
Other income	238	736	509	208	1,691	1,419	19.2%
Total operating revenue	1,217	1,974	1,580	1,386	6,157	6,025	2.2%
Total operating expense	(1,496)	(1,353)	(1,297)	(1,229)	(5,375)	(5,216)	3.1%
Net non-operating income / (expenses)	179	232	157	243	811	685	18.5%
Income before tax	(100)	852	442	399	1,594	1,494	6.7%
Net income	(118)	832	432	358	1,504	1,348	11.5%
Net income to parent company	(118)	832	432	358	1,504	1,348	11.5%
<b>Balance sheet data</b>							
Margin loans	11,142	11,663	11,108	11,613	11,142	11,950	-6.8%
Total assets	101,278	98,326	99,465	95,452	101,278	84,481	19.9%
Equity attributable to parent company	32,575	33,200	32,657	32,551	32,575	31,576	3.2%
<b>Key metrics</b>							
ROA	-0.51%	3.64%	1.88%	1.59%	1.62%	1.75%	
ROE	-1.47%	10.27%	5.38%	4.47%	4.69%	4.29%	
Equity / assets	32.16%	33.77%	32.83%	34.10%	32.16%	37.38%	
Expenses / revenues	-87.30%	-78.52%	-85.16%	-88.73%	-87.30%	-86.57%	
Margin loans / total assets	11.00%	11.86%	11.17%	12.17%	11.00%	14.14%	
Margin loans / shareholders' equity	34.20%	35.13%	34.01%	35.68%	34.20%	37.84%	

## Fubon Bank (Hong Kong) - Financial Summary

<i>HK\$ millions, except for percentages</i>	2H16	1H16	HoH	2016	2015	YoY
<b><u>Income Statement Data</u></b>						
Interest income	989	936	5.6%	1,925	1,809	6.4%
Interest expense	(386)	(370)	4.2%	(756)	(736)	2.7%
Net interest income	603	566	6.6%	1,169	1,073	8.9%
Net fee income	181	184	-1.4%	364	353	3.1%
Other income	44	13	231.1%	57	78	-26.6%
Total revenue	827	763	8.4%	1,590	1,504	5.7%
Operating expenses	(485)	(472)	2.8%	(957)	(1,027)	-6.8%
Provision for loan losses/ write-back	(77)	(147)	-47.6%	(224)	(58)	285.8%
Net non-operating income	171	129	33.1%	300	194	54.4%
Income before tax	436	273	59.9%	708	613	15.5%
Net income	404	231	74.8%	635	522	21.7%
<b><u>Balance Sheet Data</u></b>						
Gross loans	43,578	43,177	0.9%	43,578	42,570	2.4%
Customers Deposits	63,564	61,789	2.9%	63,564	58,385	8.9%
Allowance for loan losses	259	202	28.2%	259	75	243.5%
Total assets	95,648	94,139	1.6%	95,648	90,993	5.1%
Shareholders' equity	11,373	11,010	3.3%	11,373	10,806	5.2%
<b><u>Key metrics</u></b>						
Return on average assets	0.85%	0.50%		0.68%	0.60%	
Return on average equity	7.17%	4.26%		5.72%	4.92%	
Equity / assets	11.89%	11.69%		11.89%	11.88%	
Net fee income / total revenue	21.84%	24.06%		22.90%	23.47%	
Cost / income ratio	-58.67%	-61.84%		-60.19%	-68.29%	
NPL ratio	0.77%	0.76%		0.77%	0.52%	
Reserve / NPL	77.41%	61.76%		77.41%	33.95%	
Gross Loans/Customers Deposits ratio	68.56%	69.88%		68.56%	72.91%	
Tier 1 ratio	12.60%	11.92%		12.60%	11.81%	
BIS ratio	17.02%	16.33%		17.02%	16.62%	

## Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	4Q16	3Q16	2Q16	1Q16	2016	2015	YoY
<b><u>Income Statement Data</u></b>							
Interest income	472	492	555	491	2,011	2,232	-9.9%
Interest expense	(382)	(401)	(416)	(418)	(1,618)	(1,925)	-16.0%
Net interest income	90	91	139	73	393	307	28.1%
Net fee income	24	21	32	31	109	120	-9.5%
Other income	154	113	136	217	619	669	-7.4%
Operating expenses	(201)	(136)	(132)	(126)	(595)	(519)	14.7%
Pre-provision profits	67	88	175	195	526	577	-8.8%
Provision for credit losses	30	0	(32)	0	(1)	(84)	-98.7%
Income before tax	98	88	144	195	525	493	6.4%
Net income	77	71	113	152	412	390	5.6%
<b><u>Balance Sheet Data</u></b>							
Loans	27,814	28,542	29,672	28,388	27,814	30,822	-9.8%
Deposits	40,210	43,314	42,209	43,387	40,210	46,013	-12.6%
Total assets	68,154	70,460	68,640	67,367	68,154	73,647	-7.5%
Total equity	5,286	5,267	5,140	5,033	5,286	4,879	8.3%
<b><u>Key metrics</u></b>							
ROA	0.44%	0.41%	0.66%	0.86%	0.58%	0.58%	
ROE	5.81%	5.47%	8.86%	12.24%	8.11%	8.28%	
Equity / assets	7.76%	7.48%	7.49%	7.47%	7.76%	6.63%	
Cost / income ratio	67.61%	55.96%	39.91%	36.32%	48.84%	43.72%	
NPL ratio	1.60%	1.92%	1.85%	1.91%	1.60%	1.04%	
Reserve / NPL	165.09%	161.77%	161.43%	157.53%	165.09%	265.11%	
Loan to deposit ratio (Renminbi)	73.51%	68.52%	68.65%	62.88%	73.51%	74.91%	
Tier 1 ratio	13.04%	12.40%	12.81%	13.01%	13.04%	12.59%	
BIS ratio	13.76%	13.20%	13.63%	13.82%	13.76%	13.73%	