

2017 1H Interim Results Fubon Financial Holdings

2017.08.25

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*



Net profits reached NT\$18,690 million in 6M17, down 21.2% yoy, due to FX losses and hedging costs on the back of NT dollar appreciation.

Taipei Fubon Bank

- Net interest revenue maintains steady growth with sound loan growth momentum
- Asset quality remains benign

Fubon Life

- Pre-hedge investment performance remains stable while FX losses and hedging cost rise along with NT dollar appreciation
- Contribution of renewal premium increases

Fubon Insurance

- Leading position in premium income with 23.9% market share
- Underwriting performance outstanding

Fubon Securities

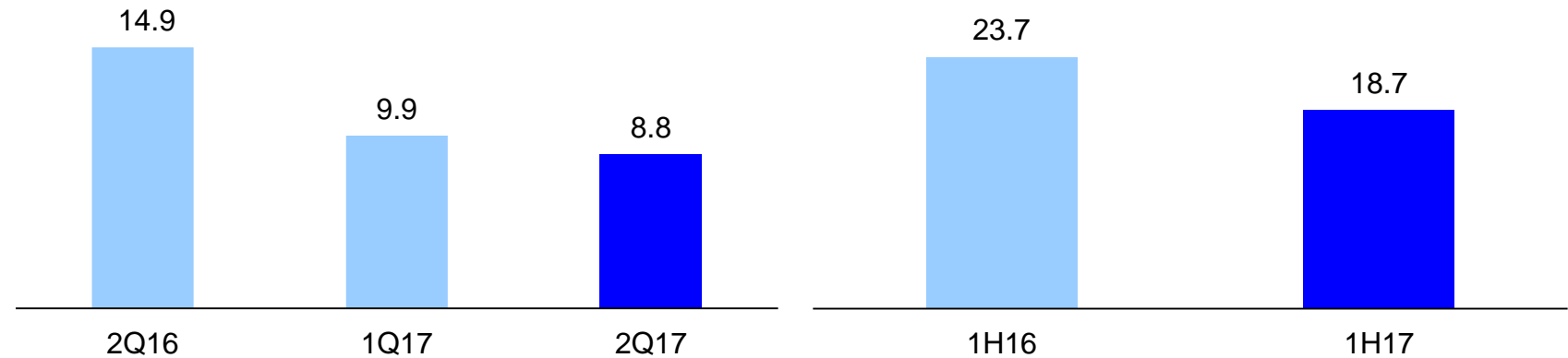
- Stable market share across business lines
- Wealth management business development, aiming to be regional ETF market leader

Fubon Financial Holdings: Profitability



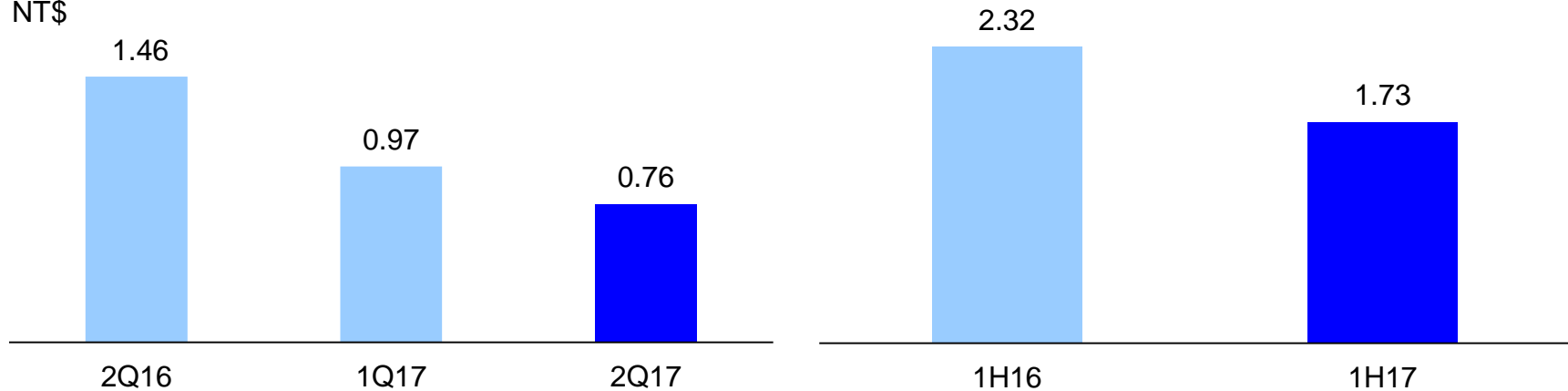
Net profits

NT\$bn



Earning per share (EPS)

NT\$



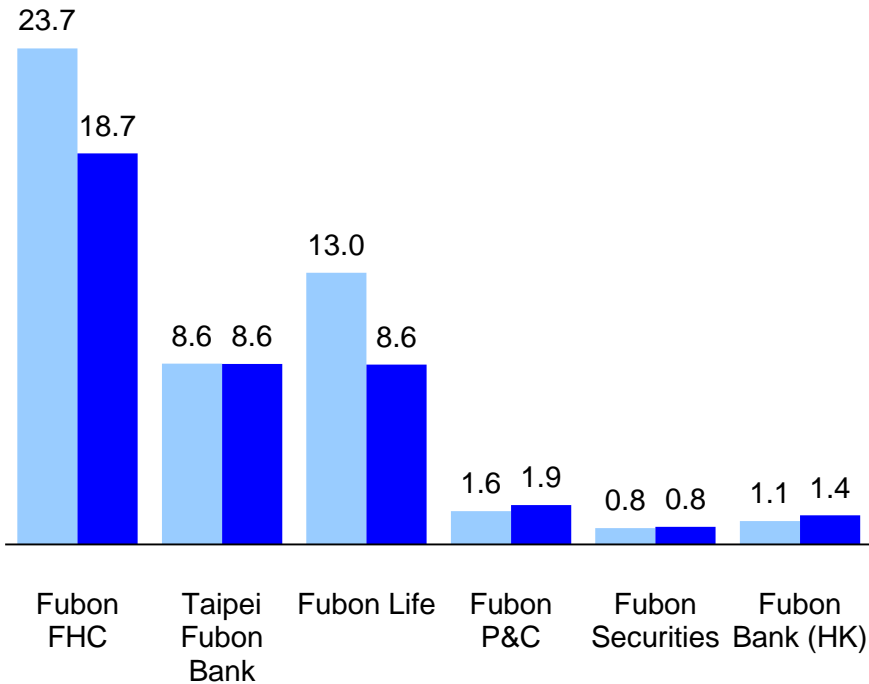
Fubon Financial Holdings: Net profits from major subsidiaries



Net profits from major subsidiaries

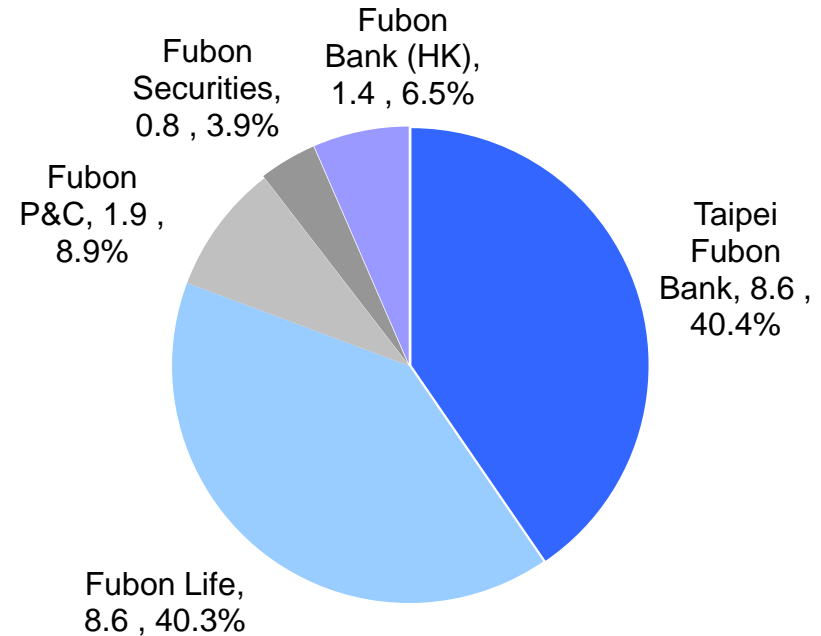
NT\$bn

■ 1H16 ■ 1H17



Profit contribution from major subsidiaries

NT\$bn



Note:

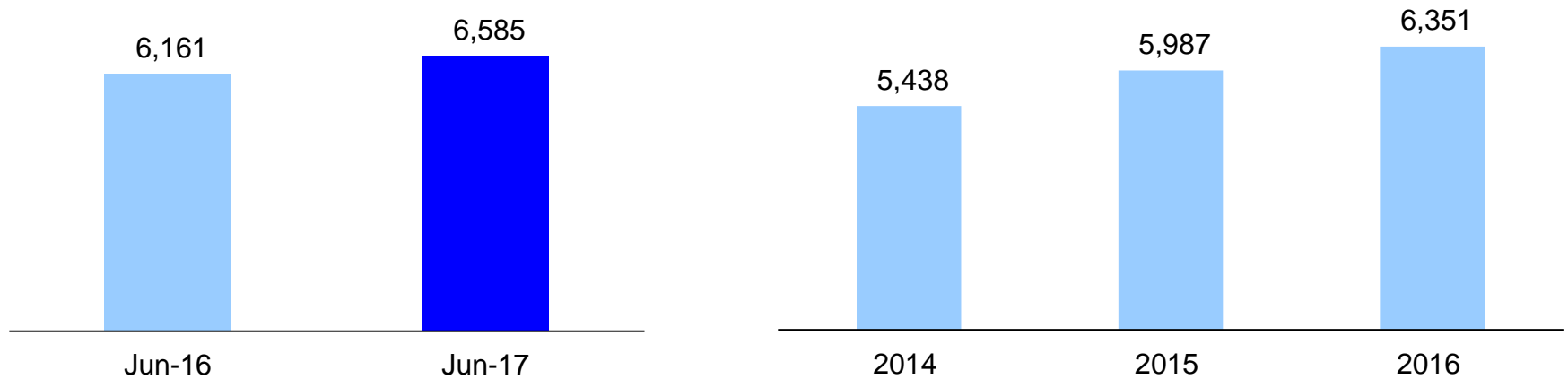
(1) Profit contribution are based on the summation of five major subsidiaries; (2) Fubon Bank (China) contributed NT\$241mn net profits to the Company on the basis of 100% shareholding.

Fubon Financial Holdings: Asset and net worth



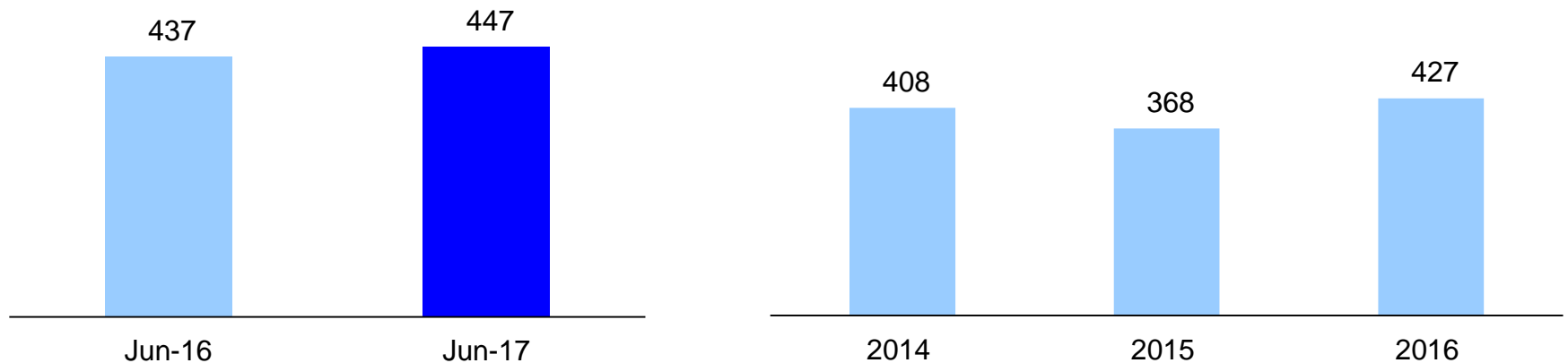
Total assets

NT\$bn



Equity attributable to parent company

NT\$bn

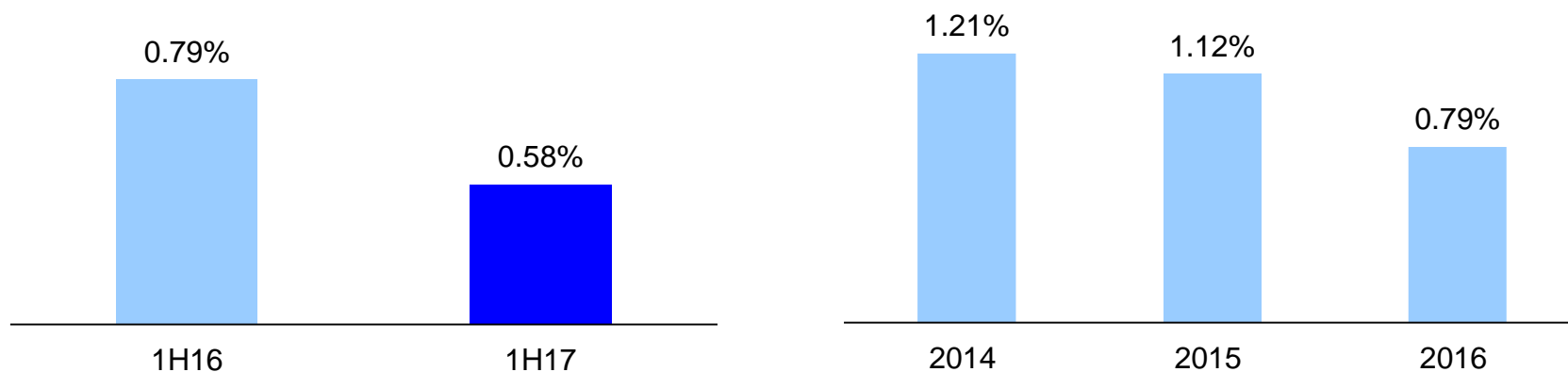


Note: Fubon adopted fair value method for investment property evaluation since September 2014.

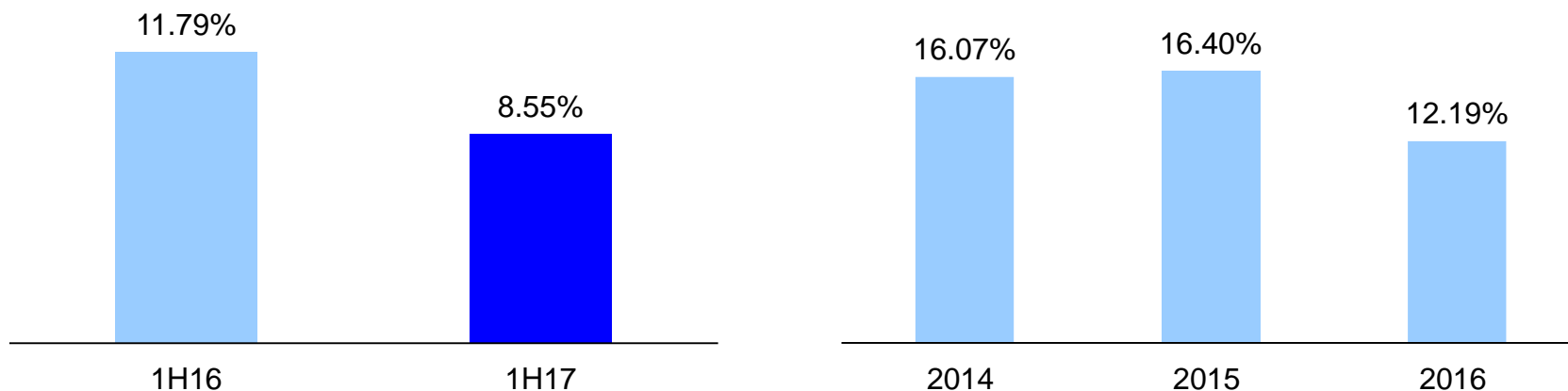
Fubon Financial Holdings: ROA & ROE



ROA



ROE



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

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- *Fubon Securities*

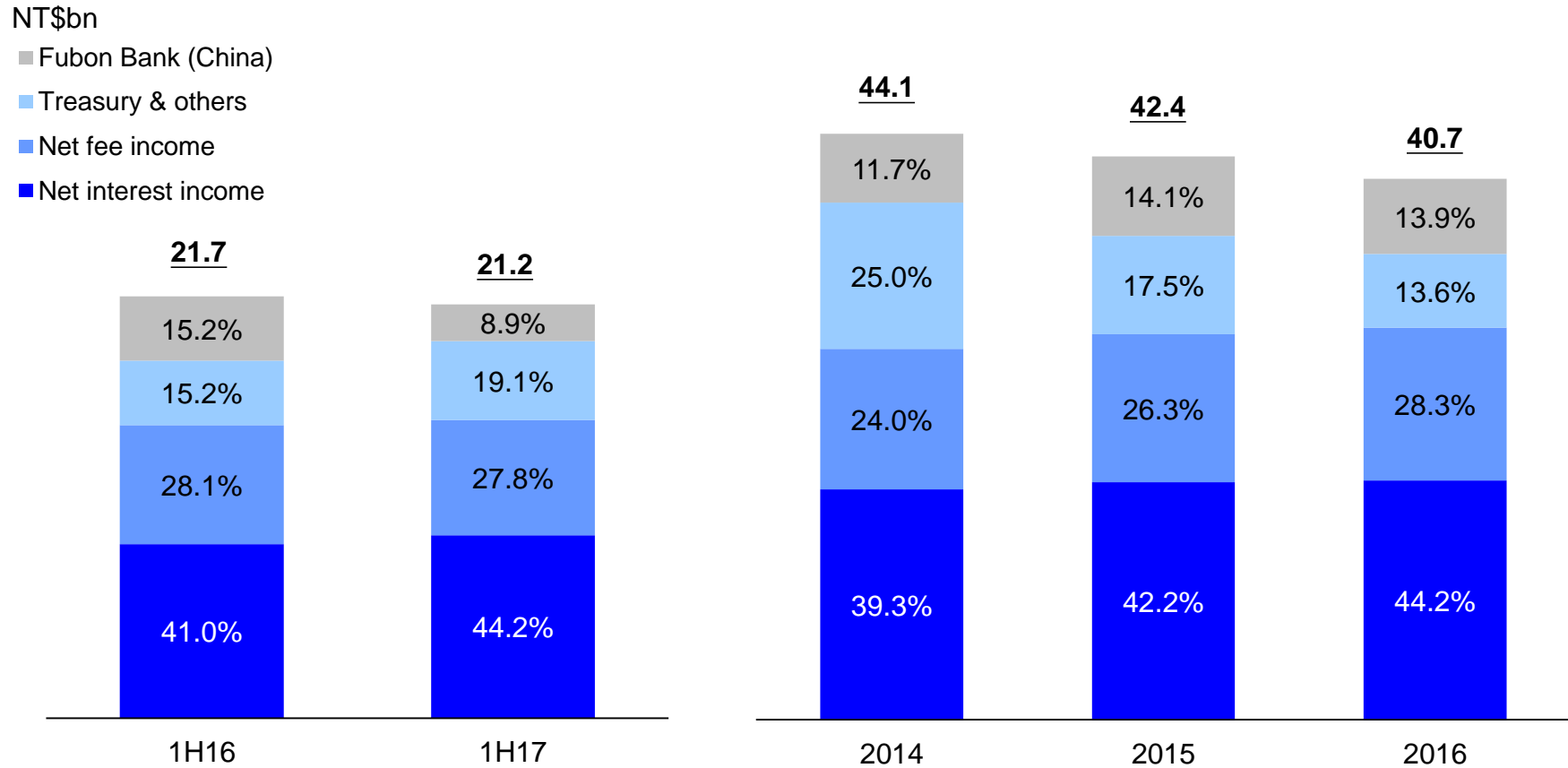
- *Overseas banking operation*

Taipei Fubon Bank: Revenue



- Core revenue maintains steady growth

Revenue composition of Taipei Fubon Bank



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

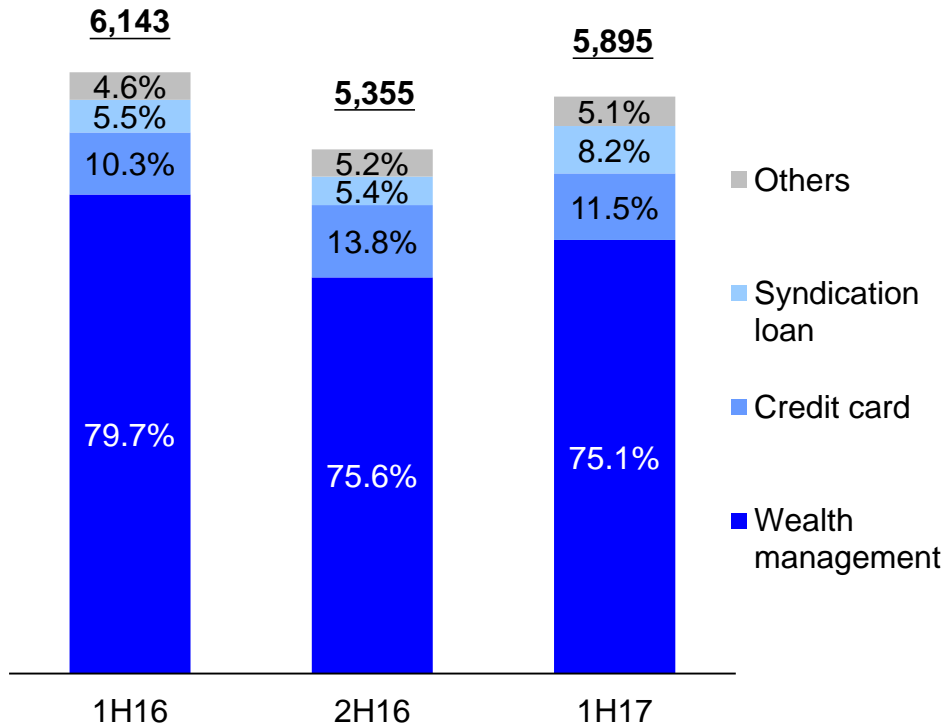
Taipei Fubon Bank: Fee and wealth management revenue



- Sound growth momentum in credit card and syndication loan business
- Wealth management product sales volume continue growing

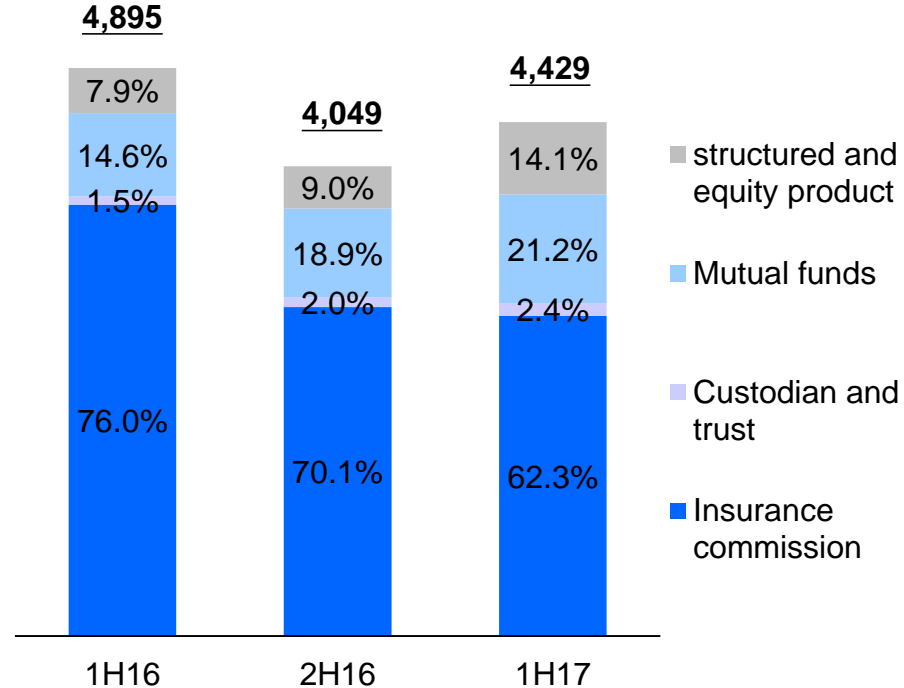
Sources of fee revenue

NT\$m



Wealth management fee

NT\$m



Note: (1) Wealth management revenue includes fee in the chart and other income (1H17: NT\$161mn; 2H16: NT\$129mn; 1H16: NT\$169mn)

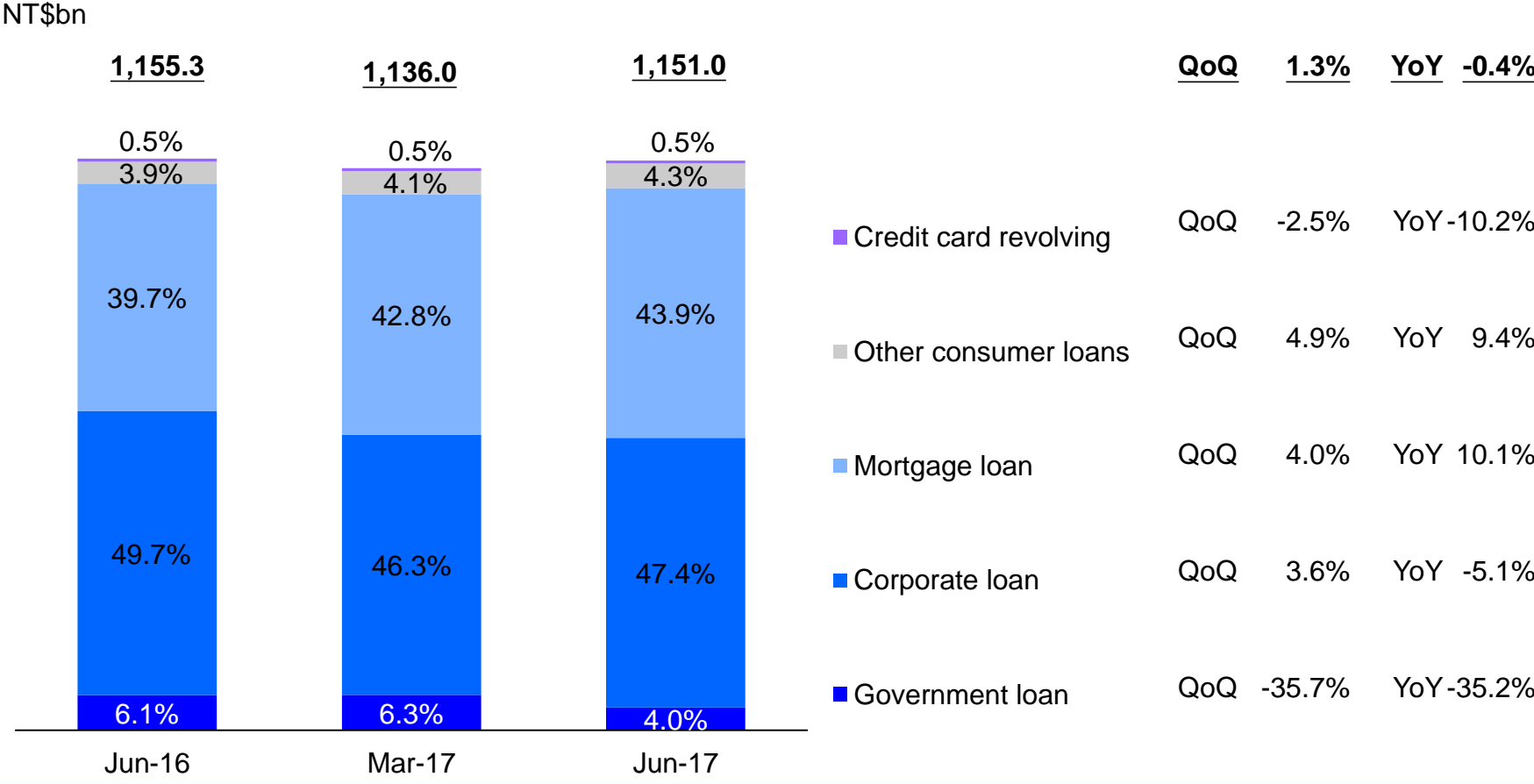
(2) Data are stand-alone basis in page 11-16

Taipei Fubon Bank: Loan composition



- Mortgages and consumer loans growth outperformed industry with increasing contribution
- Corporate loans momentum recovering, up 3.6% QoQ

Loans by type



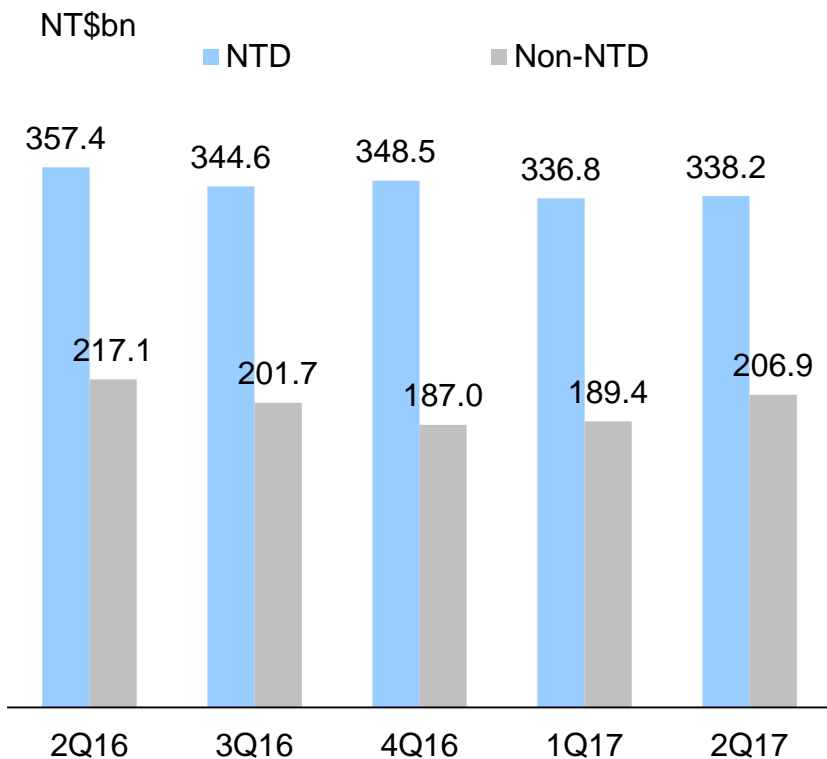
Note: Ending balance

Taipei Fubon Bank: Corporate credit



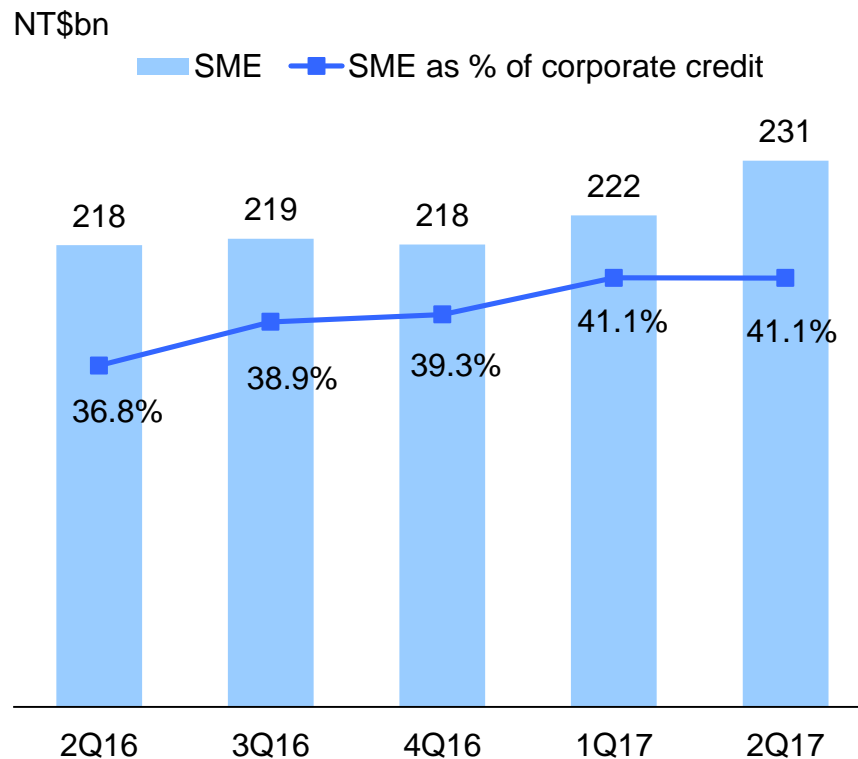
- Foreign currency loans up by 10.6% from the trough at end-2016, mainly from overseas branches
- SME credit continues growing, with 4% QoQ growth, and maintaining steady contributions

Corporate loan by currency



Note: Ending balance

SME credit and as % of corporate credit

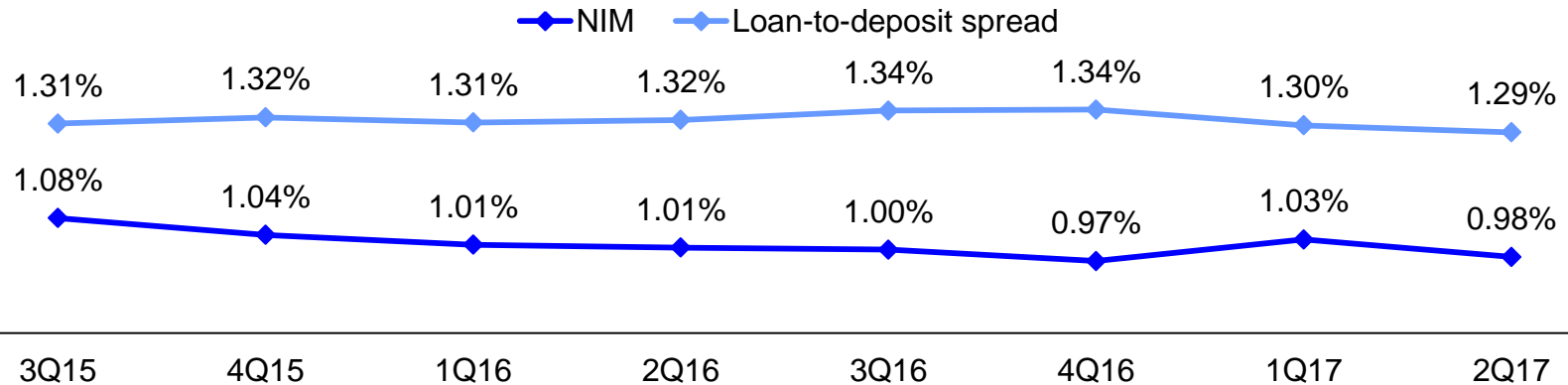


Note: Corporate credit include loan and trade finance

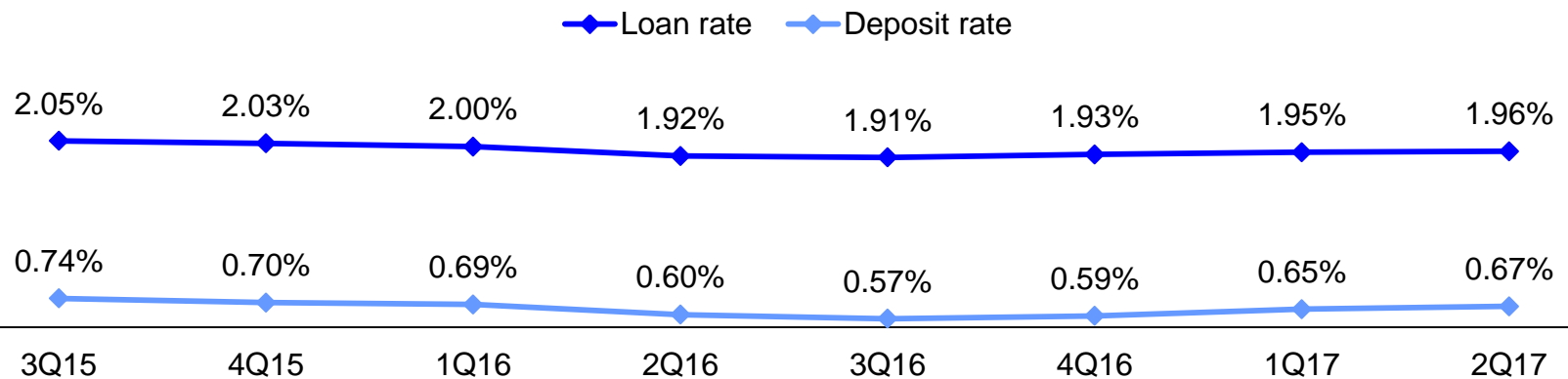
Taipei Fubon Bank: Interest yield and margin



NIM and loan-to-deposit spread



Loan yield and deposit yield

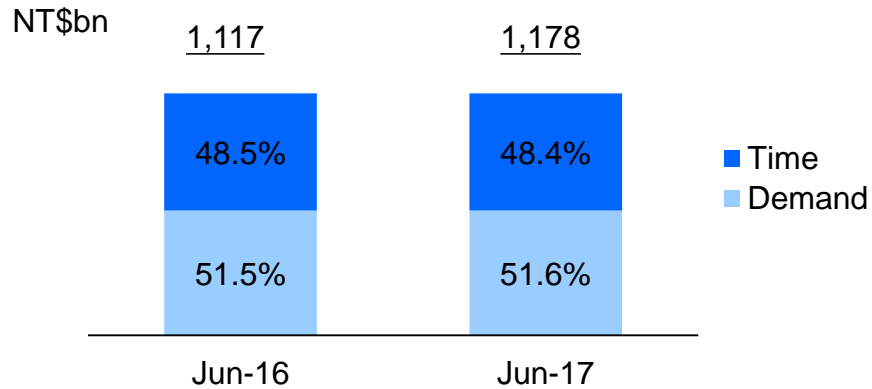


Note: Loan rate calculation inclusive of credit card revolving

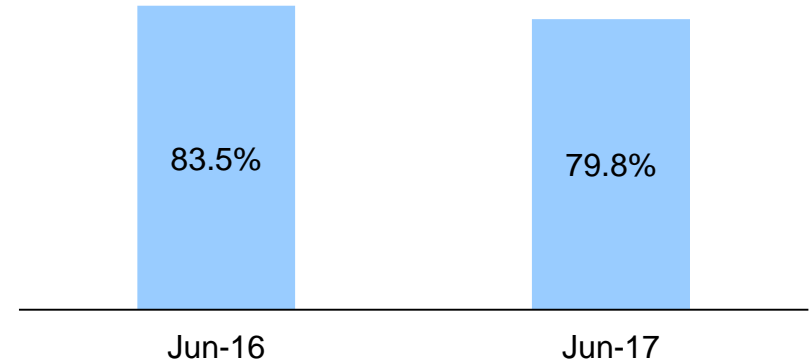
Taipei Fubon Bank: Deposit mix and LDR



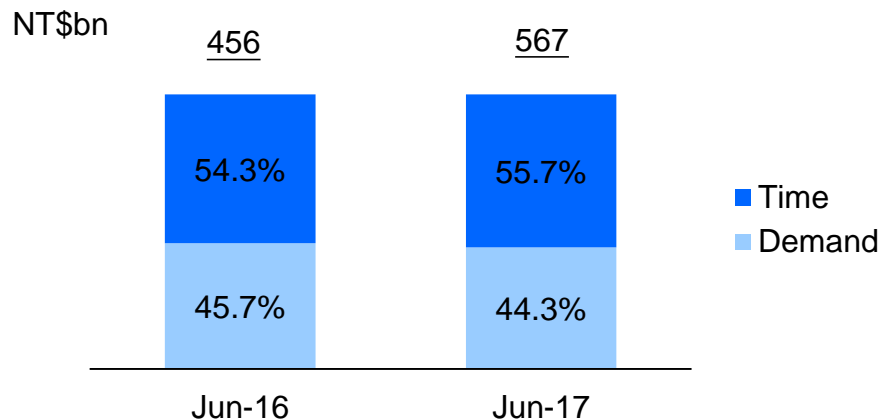
Deposit mix in NTD



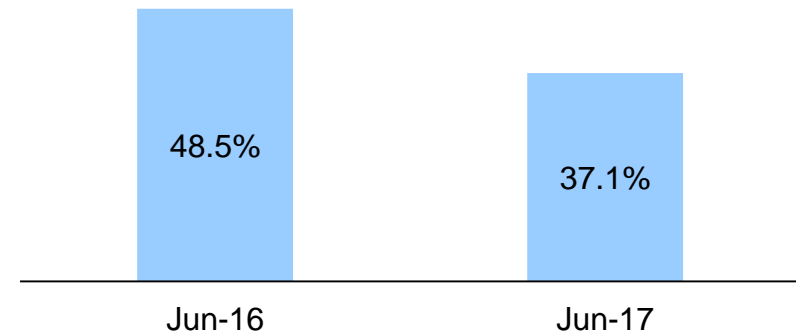
NTD loan-to-deposit ratio (LDR)



Deposit mix in foreign currency



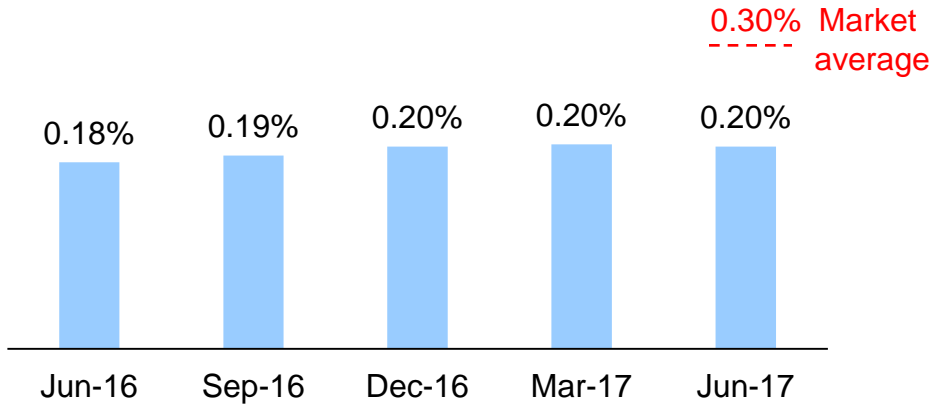
Foreign currency LDR



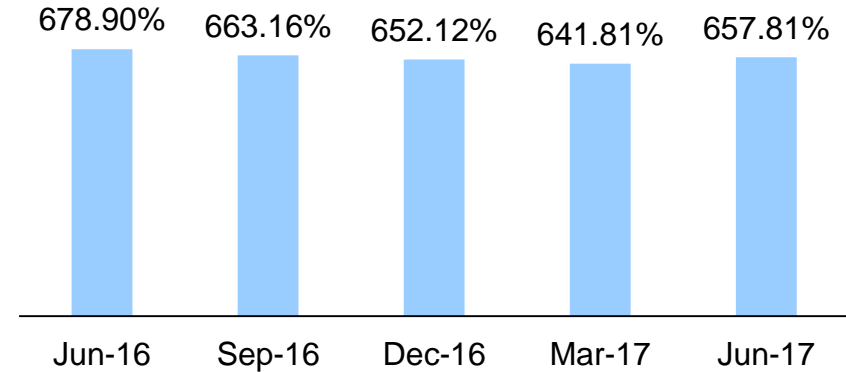
Taipei Fubon Bank: Asset quality



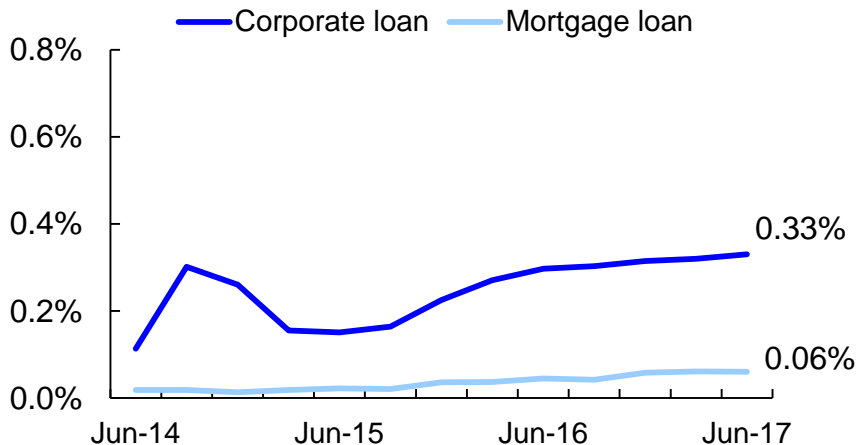
NPL ratio



Coverage ratio

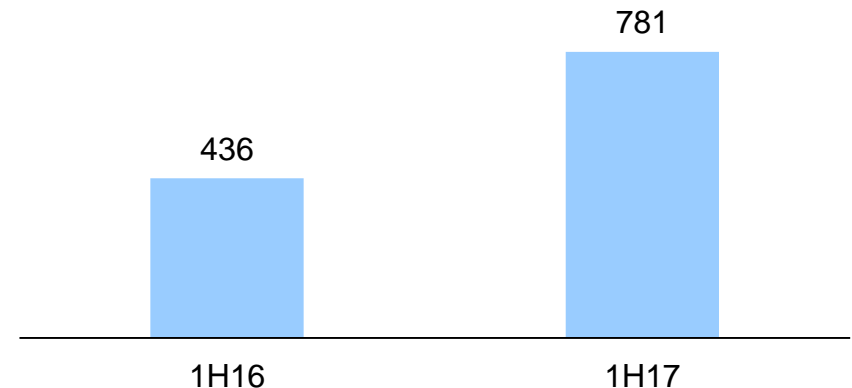


NPL ratio by business



Net provision

NT\$m



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 - *Overseas banking operation*

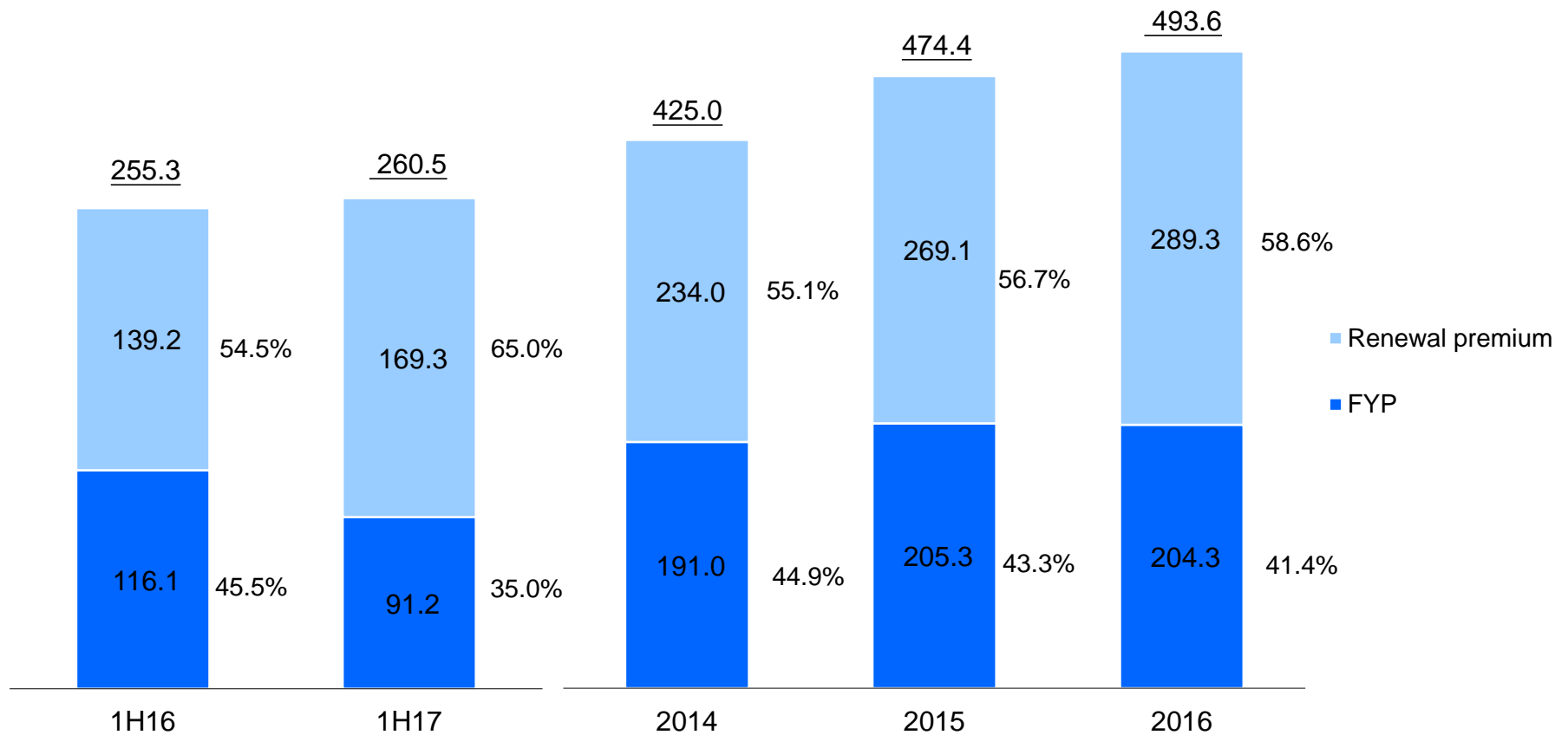


Fubon Life: Total premium



- 2% yoy growth in total premium income and 22% growth in renewal premium

NT\$bn



Fubon Life: First year premium (FYP)



- Contributions from traditional policies sales reached 78.8%

FYP composition

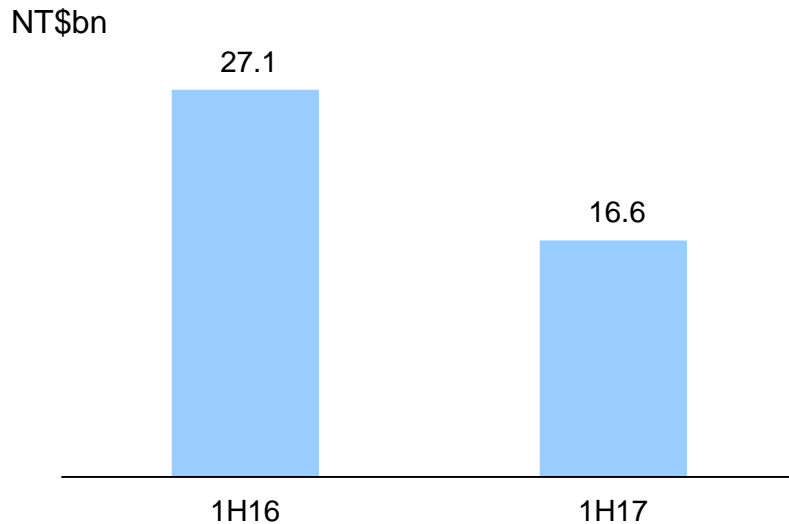
| NT\$bn | 1Q17 | 2Q17 | 1H17 | % | 1H16 | % | YoY growth |
|--------------------------------|-------------|-------------|-------------|---------------|--------------|---------------|---------------|
| Traditional life: Regular-paid | 20.5 | 11.6 | 32.1 | 35.2% | 48.8 | 42.1% | -34.3% |
| Traditional life: Single-paid | 20.0 | 19.8 | 39.7 | 43.6% | 41.8 | 36.0% | -4.9% |
| Interest-sensitive annuity | 1.3 | 1.8 | 3.2 | 3.5% | 13.9 | 12.0% | -77.2% |
| Investment-linked | 4.4 | 7.6 | 12.0 | 13.1% | 5.6 | 4.8% | 114.7% |
| Health, accidents and others | 2.2 | 2.0 | 4.2 | 4.6% | 5.9 | 5.1% | -28.9% |
| Total | 48.4 | 42.8 | 91.2 | 100.0% | 116.1 | 100.0% | -21.4% |

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



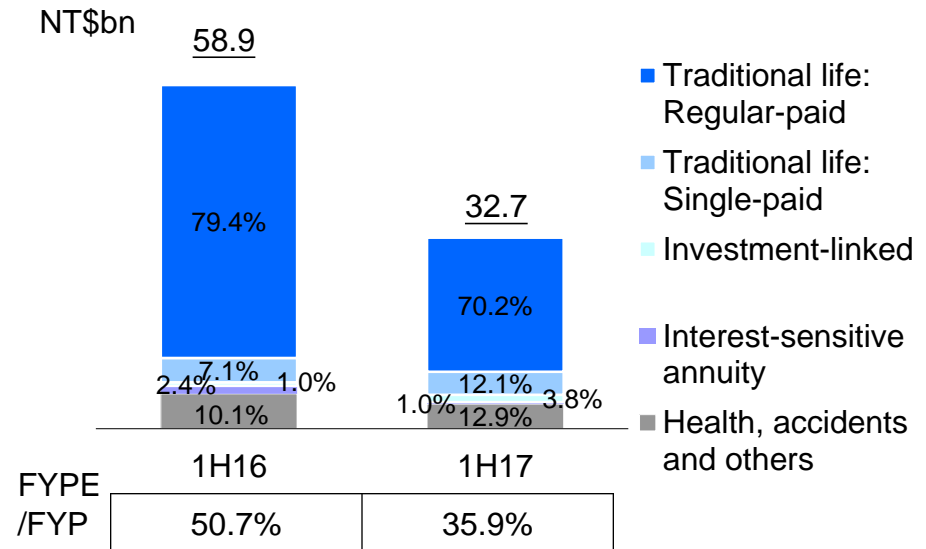
- FYPE reached NT\$32.7 billion in 6M17, with balanced distribution channel
- VNB/FYPE ratio improved thanks to stable contributions from traditional regular-paid policies

VNB

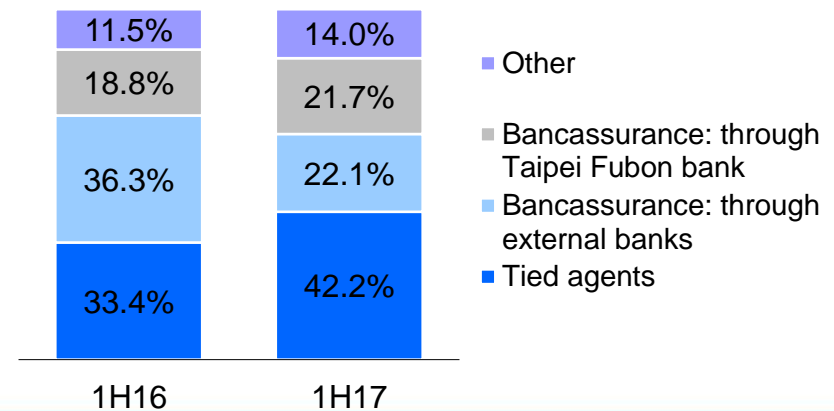


| | | |
|----------|-------|-------|
| VNB/FYP | 23.4% | 18.2% |
| VNB/FYPE | 46.1% | 50.7% |

FYPE



FYPE by channel



Note: 1H17 VNB is based on 2016 EV actuarial assumptions

Fubon Life: Composition of investment income



- Investment income mainly came from recurring revenue
- Capital gains performance remains decent

| NT\$bn | 1H16 | 1H17 | YoY | 2014 | 2015 | 2016 |
|---|----------------|----------------|---------------|----------------|----------------|----------------|
| Recurring investment income | 49.9 | 50.2 | 0.6% | 88.7 | 101.0 | 106.1 |
| Cash dividend income from equity investment | 4.4 | 3.0 | -31.9% | 12.6 | 16.5 | 14.9 |
| Realized gains from fixed income investment | 13.6 | 7.7 | -43.4% | 12.1 | 9.9 | 23.9 |
| Realized gains from equity investment | 3.7 | 13.0 | 256.2% | 14.0 | 22.6 | 10.3 |
| FX and others | -6.9 | -18.3 | 163.2% | -6.4 | -3.6 | -15.7 |
| Investment property fair value movement | 0.6 | 0.0 | -92.6% | 1.4 | 0.4 | -0.3 |
| Investment income | 60.8 | 52.6 | -13.6% | 109.9 | 130.3 | 124.3 |
| Total investment assets | 2,992.1 | 3,263.3 | 9.1% | 2,588.0 | 2,814.0 | 3,118.4 |
| Investment Return | 4.33% | 3.37% | - | 4.74% | 4.97% | 4.30% |

Fubon Life: Investment portfolio



- Steady growth of investment book
- Investment portfolio repositioned in response to market volatility

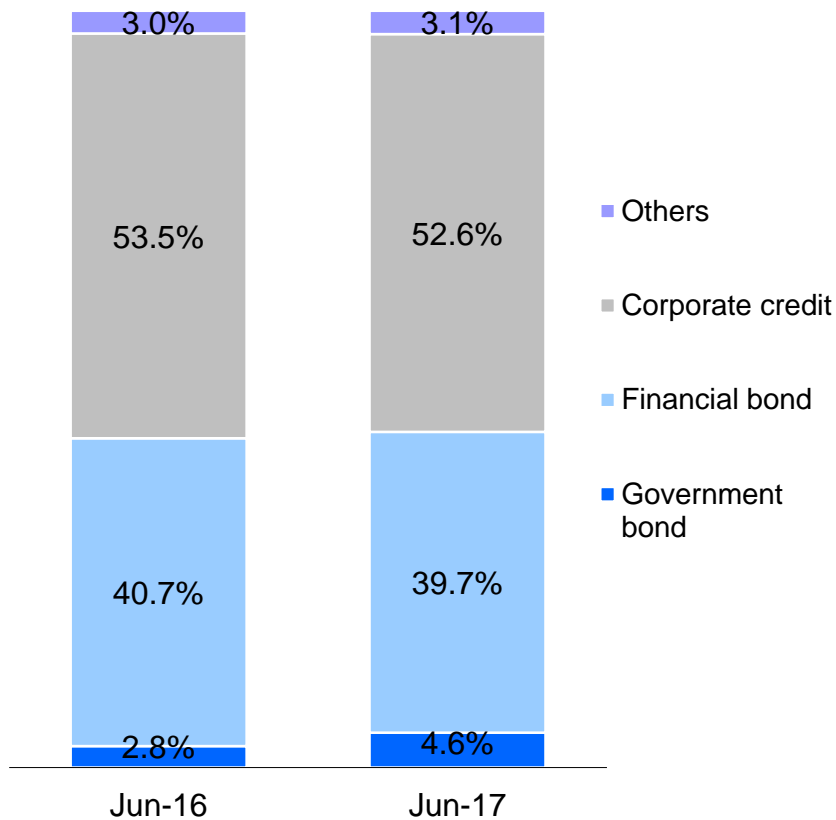
| | 2016/6/30 | | 2017/03/31 | | 2017/06/30 | |
|-----------------------------|----------------|---------------|----------------|---------------|----------------|---------------|
| NT\$bn | | | | | | |
| Deposit and cash equivalent | 228.8 | 7.6% | 142.8 | 4.6% | 124.4 | 3.8% |
| Domestic fixed income | 465.5 | 15.6% | 445.1 | 14.3% | 431.8 | 13.2% |
| Overseas fixed income* | 1,543.4 | 51.6% | 1,667.9 | 53.5% | 1,745.5 | 53.5% |
| Domestic equity | 223.1 | 7.5% | 293.5 | 9.4% | 364.9 | 11.2% |
| Overseas equity | 174.7 | 5.8% | 191.6 | 6.1% | 210.2 | 6.4% |
| Mortgage loans | 91.9 | 3.1% | 112.7 | 3.6% | 118.9 | 3.6% |
| Policy loans | 56.6 | 1.9% | 58.4 | 1.9% | 59.8 | 1.8% |
| Real estate | 208.1 | 7.0% | 206.1 | 6.6% | 207.8 | 6.4% |
| Total Investments | 2,992.1 | 100.0% | 3,118.1 | 100.0% | 3,263.3 | 100.0% |
| Domestic | 1,202.6 | 40.2% | 1,184.1 | 38.0% | 1,234.4 | 37.8% |
| Overseas* | 1,789.5 | 59.8% | 1,934.0 | 62.0% | 2,028.9 | 62.2% |

Note: *Including OTC-listed international bond, the international bonds investment reached 15.0% of total investment assets as of 2017/06/30

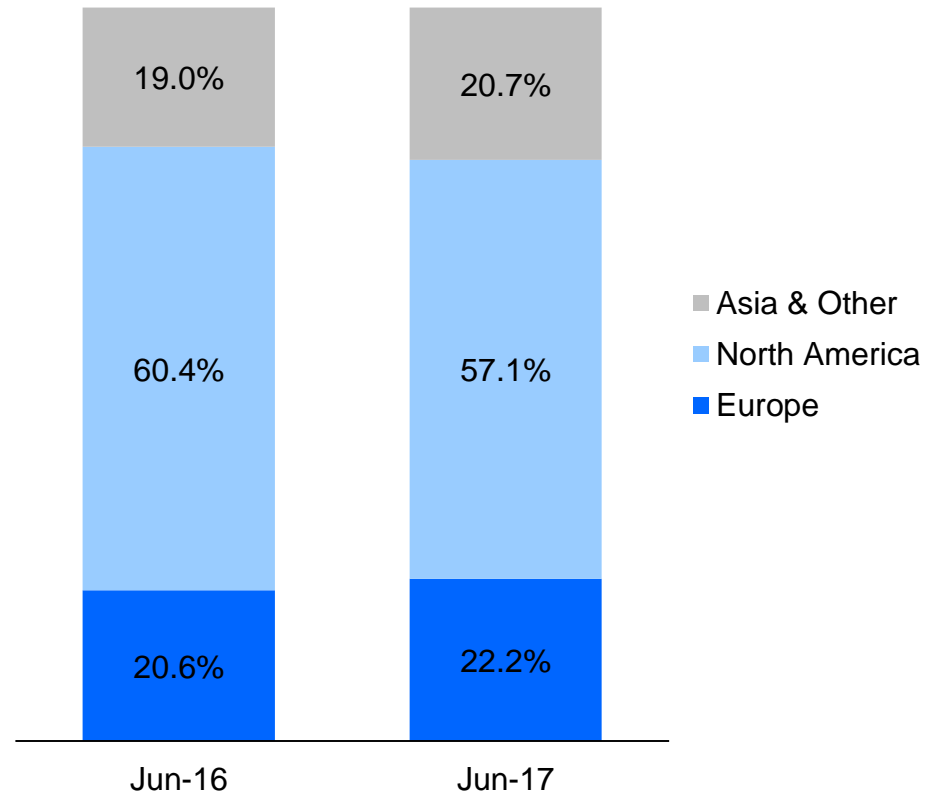
Fubon Life: Portfolio of overseas fixed income



Overseas fixed income by asset type



Overseas fixed income by region

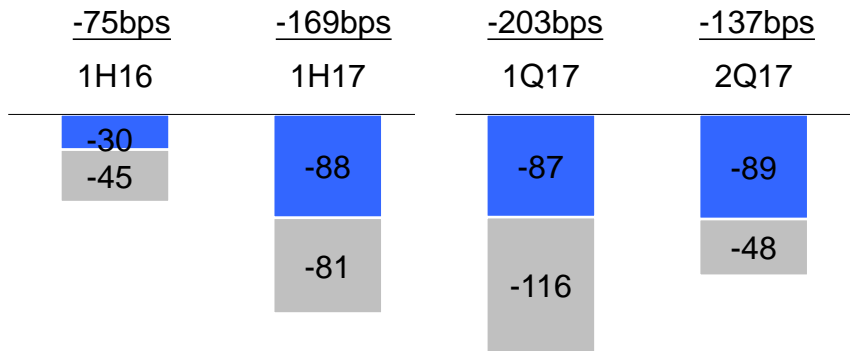


Fubon Life: Hedging composition



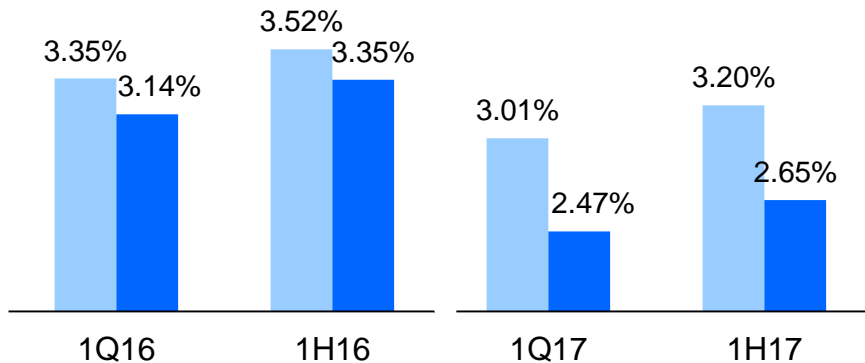
Hedging cost & FX gain/loss

■ CS+NDF cost ■ FX gain/loss & net provision of FX reserve

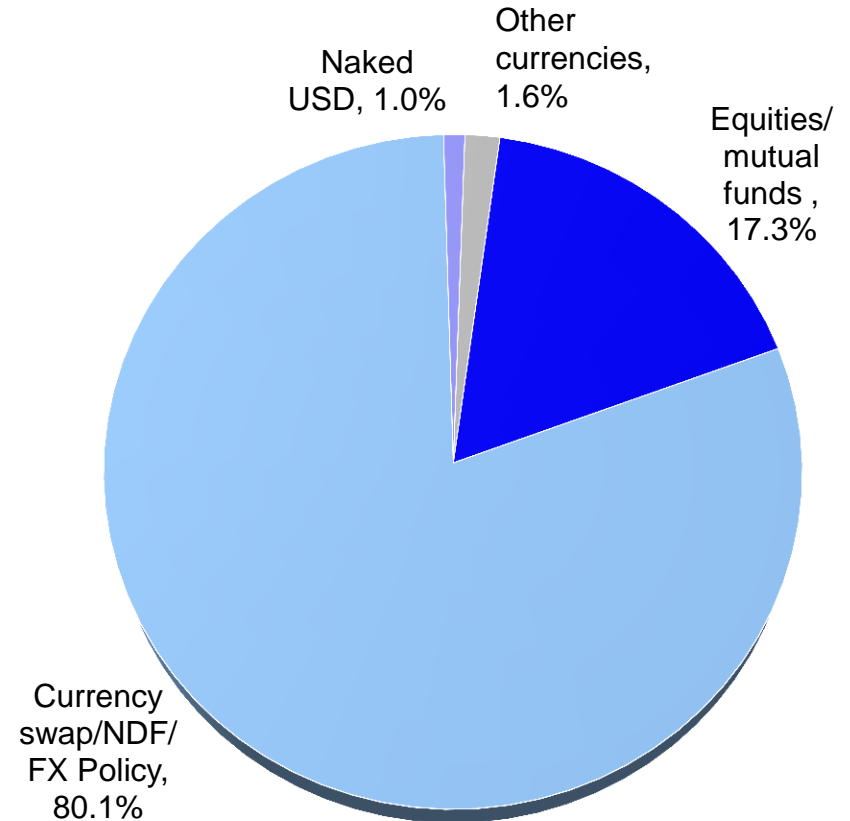


Recurring return

■ Before hedge ■ After hedge



FX position

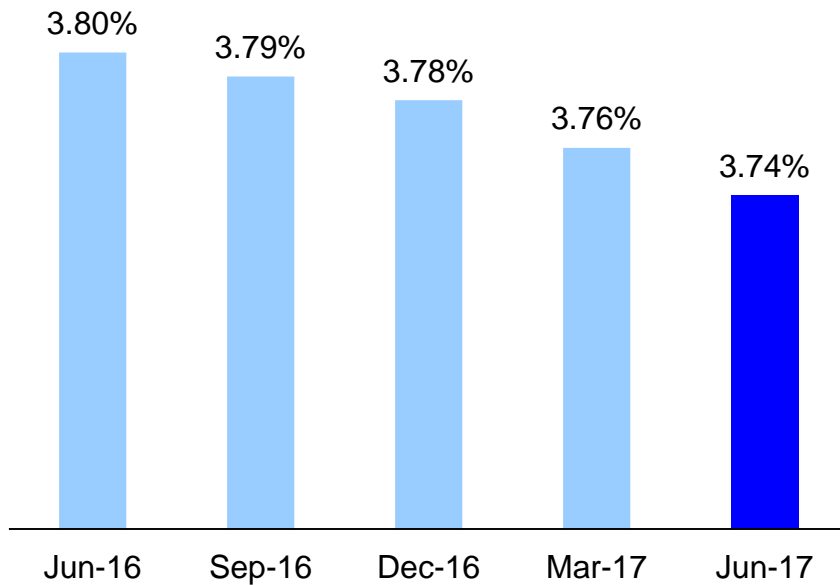


Fubon Life: Cost of liability & Breakeven point

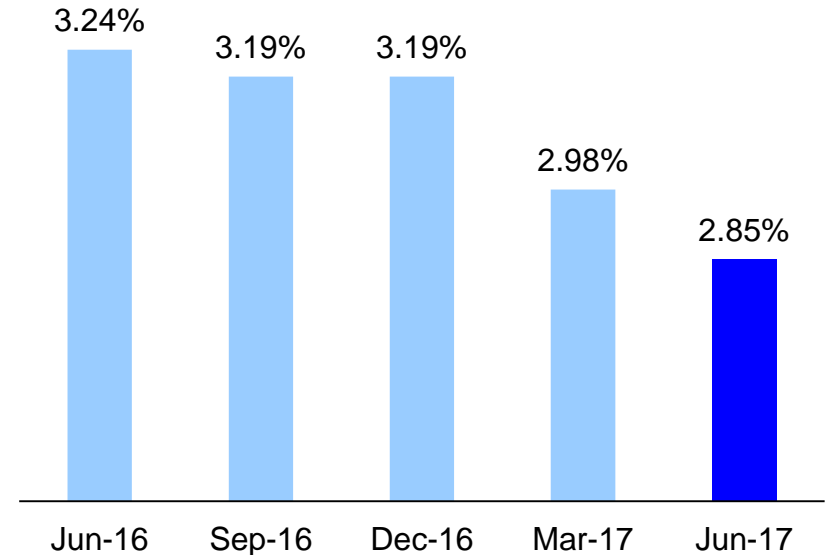


- Cost of liability improvement continues
- Breakeven point improvement due to improving cost structure

Cost of liability



Breakeven point



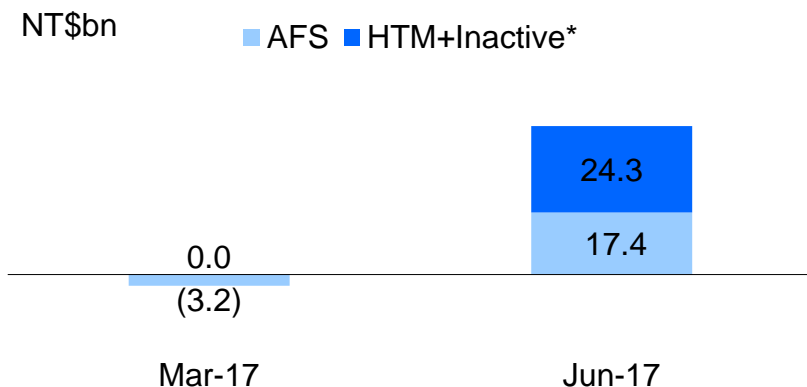
$$\text{Breakeven point} = (\text{Profit before tax} - \text{Investment income}) / \text{Average investment assets}$$

Fubon Life: Investment performance

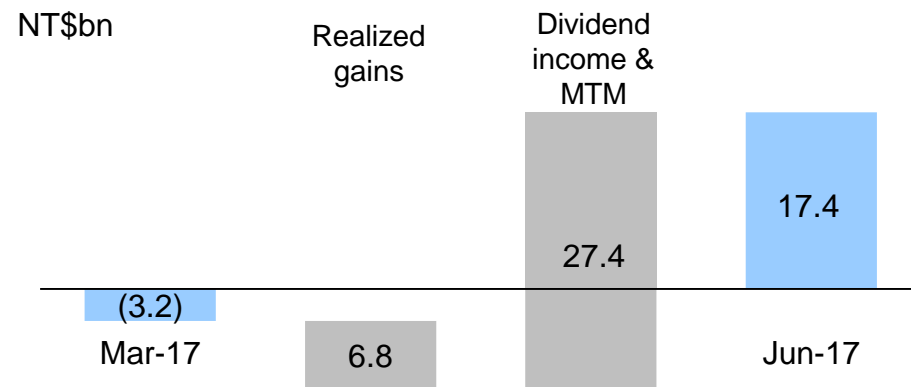


■ Improvement in unrealized position

Unrealized outstanding

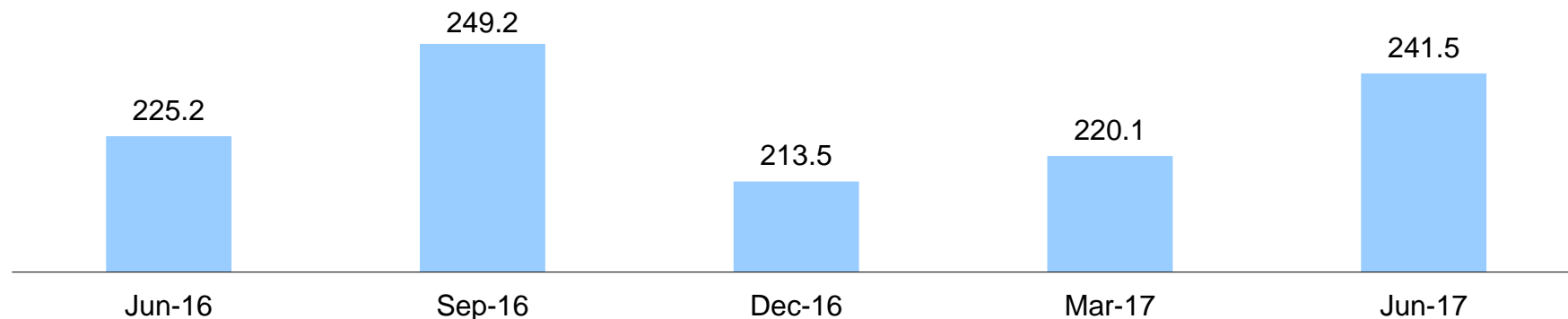


Movement of unrealized gains from AFS assets



Note: *before tax basis

Net Worth



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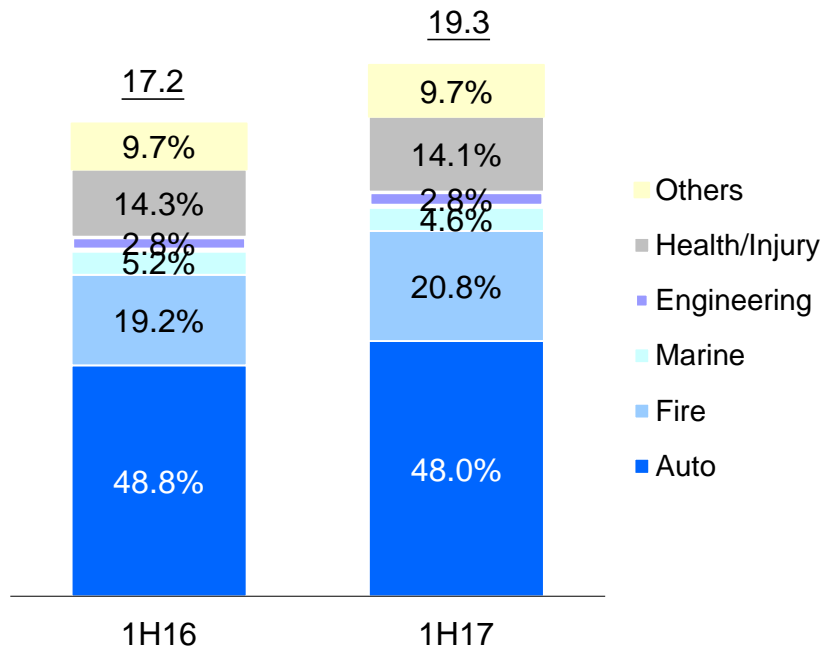
Fubon Insurance: Operating snapshot



- Premium growth outperformed industry. Top 1 position in premium market share
- Outstanding underwriting performance with decreasing net combined ratio

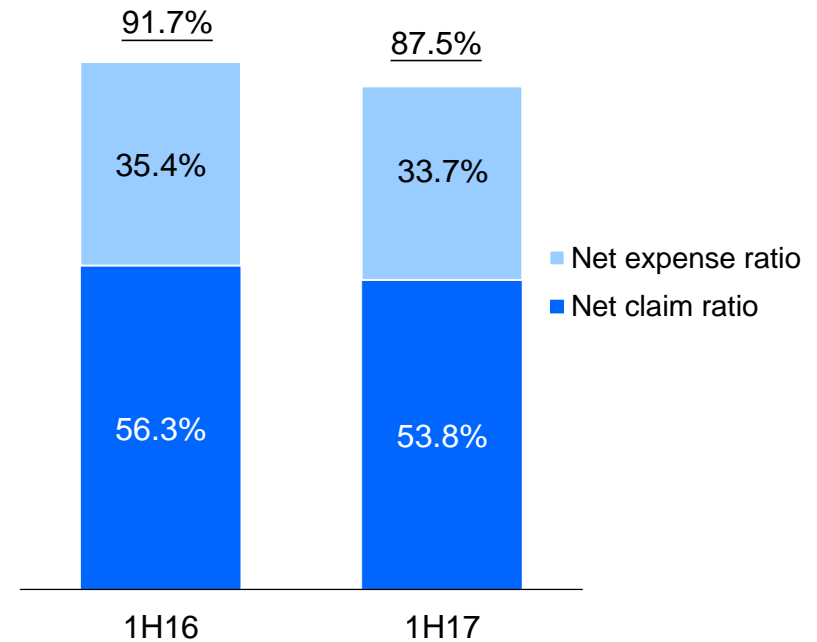
Direct written premium by product

NT\$bn



Note: Standalone basis

Net combined ratio



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

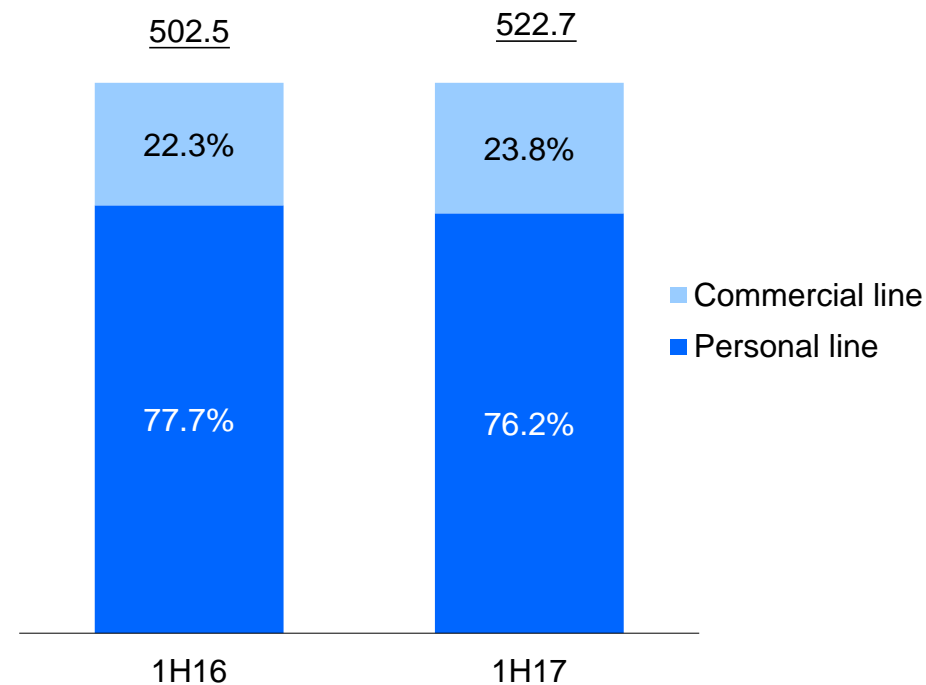
Fubon P&C (China): Business progress



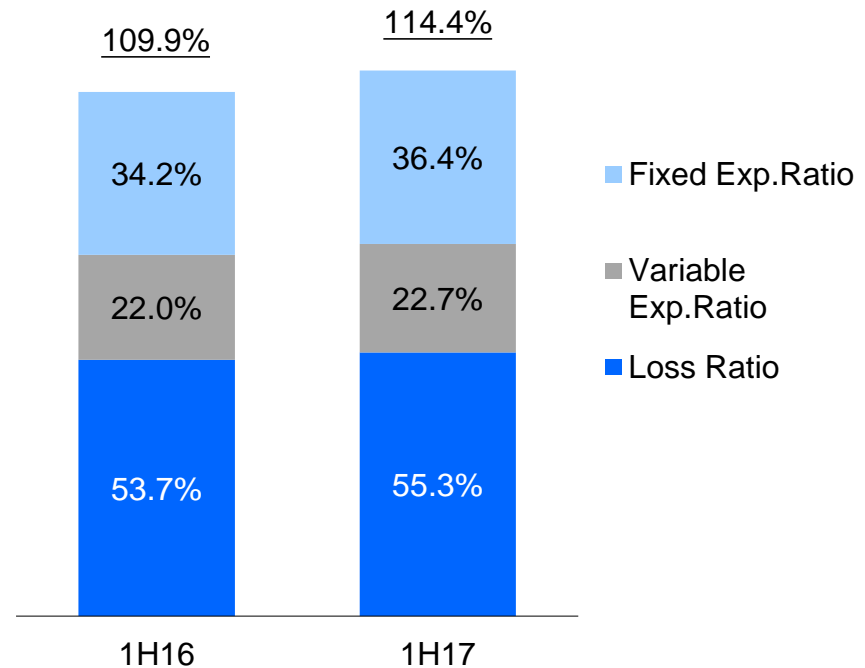
- 56 offices located in Xiamen, Fujian, Xiamen, Dalian, Liaoning etc.
- Top five foreign P&C insurance in China in terms of premium market share

Gross written premium

RMB\$m



Net combined ratio



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Fubon Securities: Financial highlights



- Franchise optimization to enhance market position
- Completion of the largest CB issuance this year from Highwealth Construction
- ETF AUM and product lines continue expanding

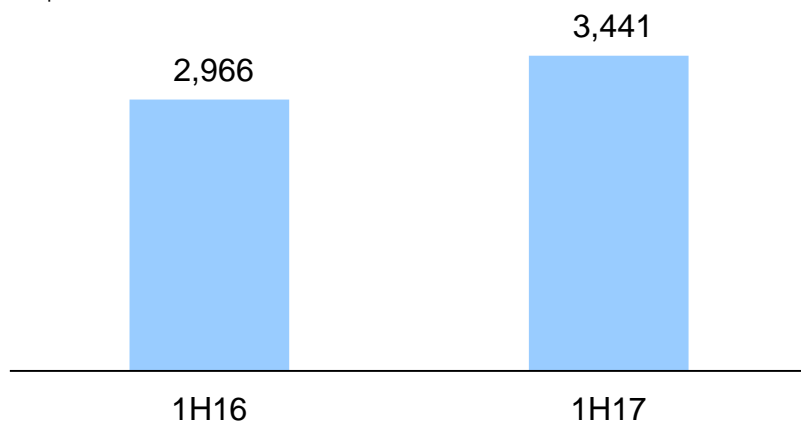
Market share & ranking

| | 1H17 | Ranking | 1H16 | Ranking |
|------------------------|--------|---------|--------|---------|
| Brokerage per branch* | 0.125% | 1 | 0.094% | 2 |
| Market Share of SPO | 33.06% | 1 | 8.83% | 5 |
| AUM of ETF (NT\$m) | 63,400 | 2 | 60,300 | 2 |
| Emerging stock trading | 17.72% | 2 | 20.13% | 2 |
| Brokerage | 6.07% | 3 | 5.16% | 3 |

Note: *Ranking among top 10 brokers

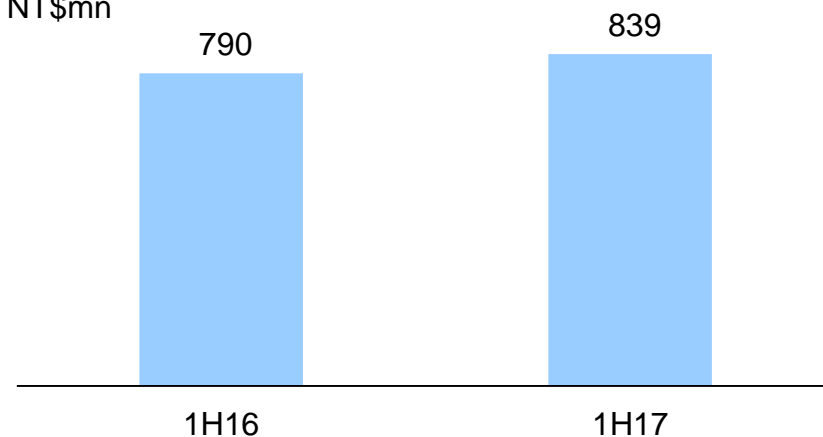
Operating revenue

NT\$m



Net profits

NT\$m



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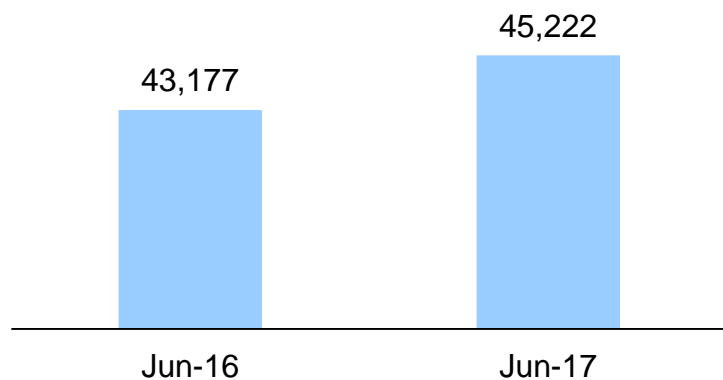


Fubon Bank (Hong Kong): Key balance sheet items



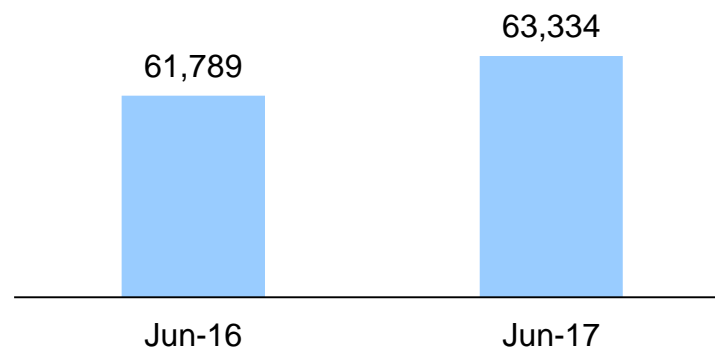
Loans

HK\$m



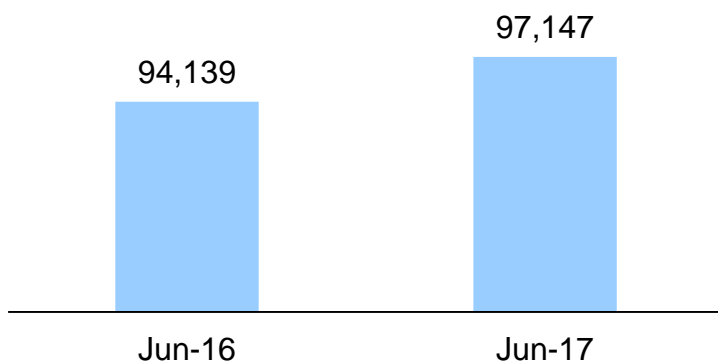
Deposits

HK\$m



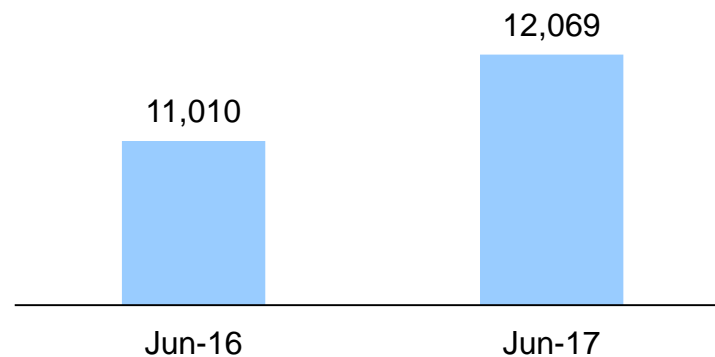
Assets

HK\$m



Net worth

HK\$m



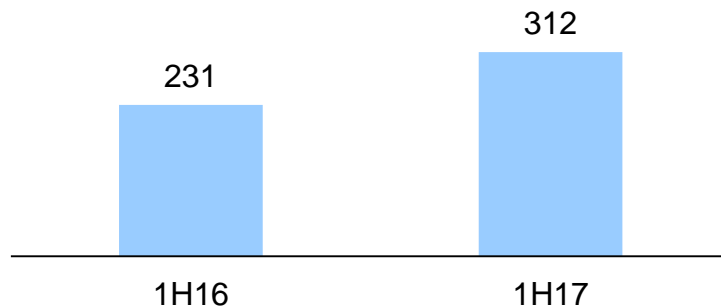
Fubon Bank (Hong Kong): Financial highlight



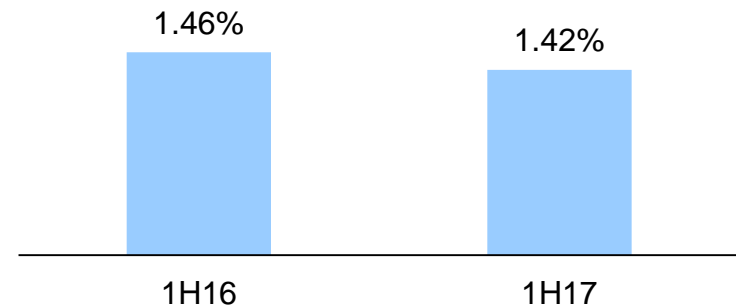
- Net profits up by 35% with net interest income increase and lower provisions
- Asset quality stable with coverage ratio improvement continues

Net Profits

HK\$m

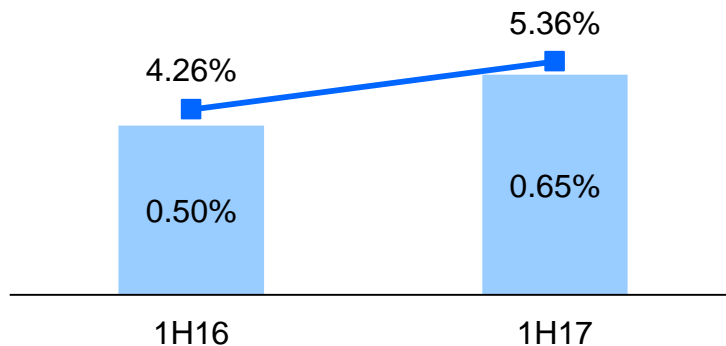


NIM



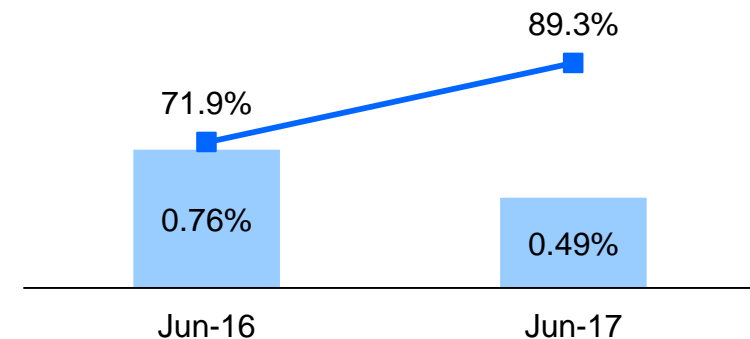
ROAA & ROAE¹

ROAA ROAE



NPL ratio & Coverage ratio²

NPL ratio Coverage ratio



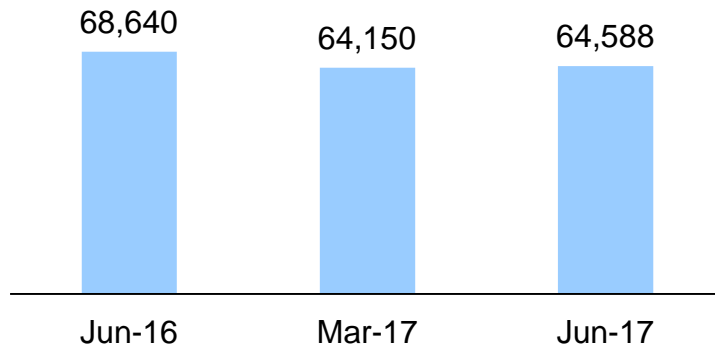
Note: (1) ROAA and ROAE are annualized basis; (2) Coverage ratio = (Allowance for loan losses + Secured balance) / NPL

Fubon Bank (China): Key balance sheet items



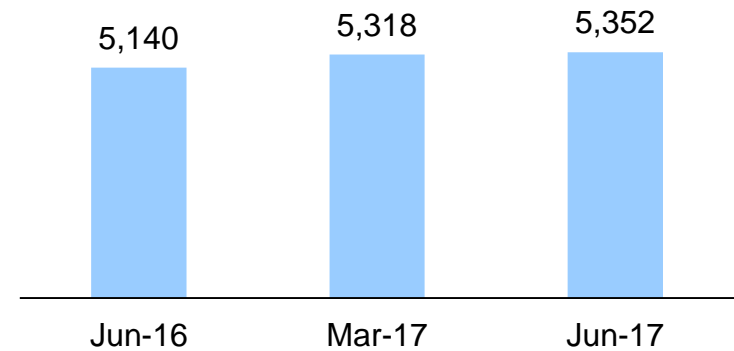
Assets

RMB\$m



Net worth

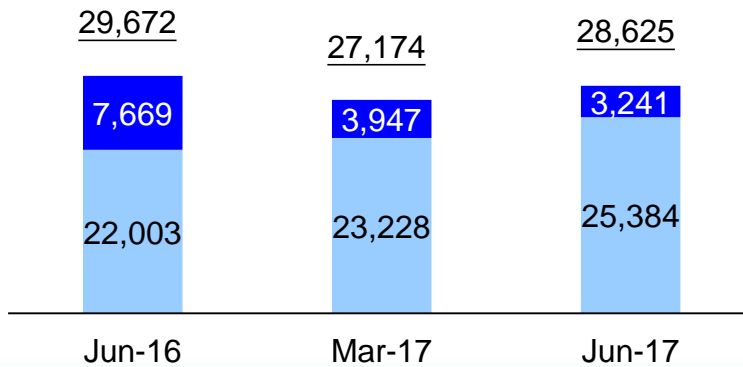
RMB\$m



Loans

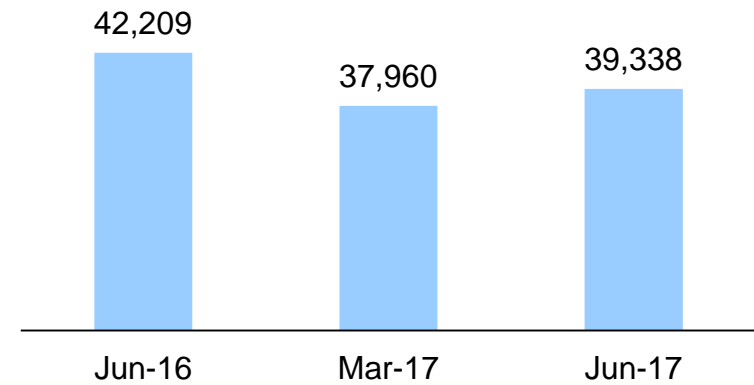
RMB\$m

■ Rediscount ■ Loans (excluding rediscount)



Deposits

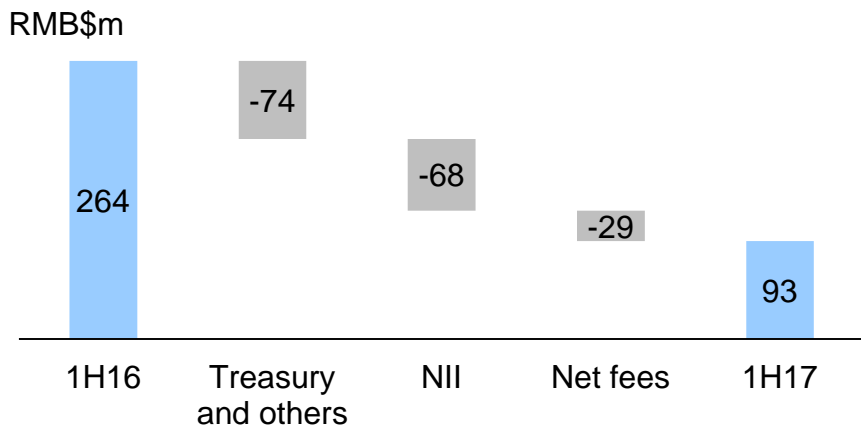
RMB\$m



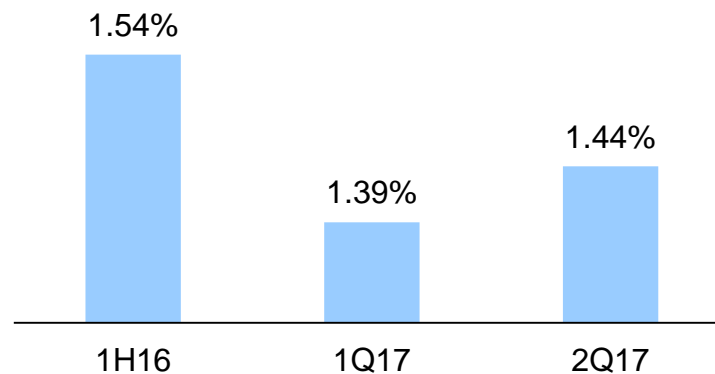
Fubon Bank (China): Financial highlight



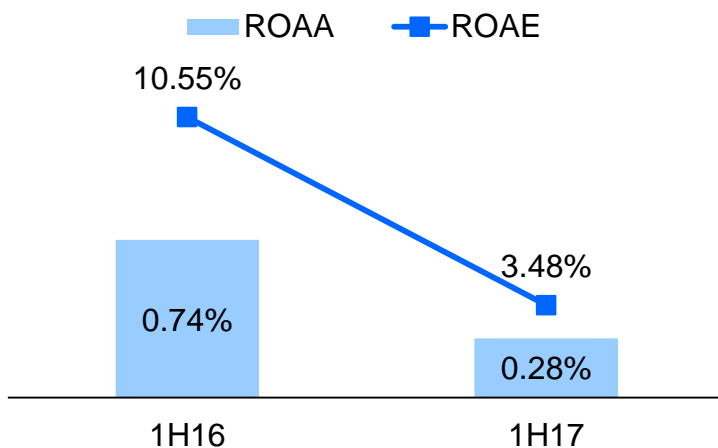
Net Profits



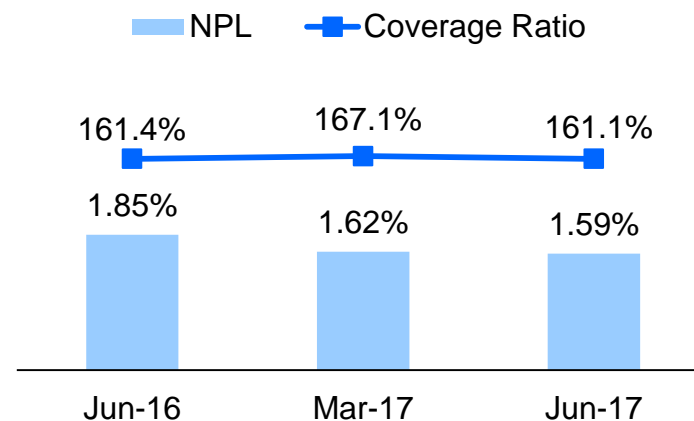
NIM



ROAA & ROAE



NPL ratio & Coverage ratio



Note: ROAA and ROAE are annualized basis

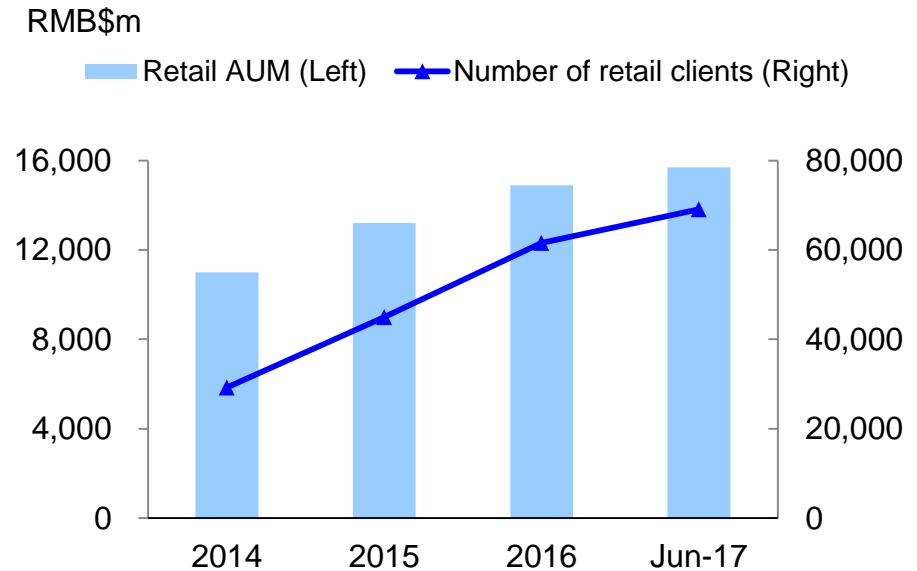
Fubon Bank (China): Business outlook



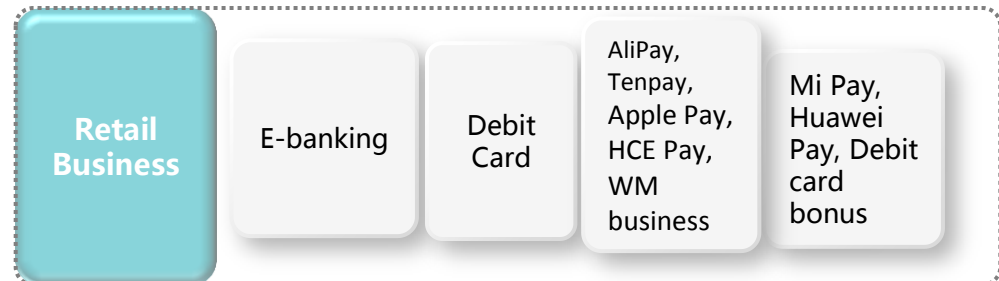
- Local retail business on back of RMB retail license
 - (1) Local retail business launched in Shanghai by end-September and across all branches by year-end
 - (2) Growth opportunities in demand deposits, wealth management, consumer loans, and on-line business integration

- SME expansion
 - (1) Cooperate with SME credit guarantee fund of Shanghai City
 - (2) Sector focus

AUM



| CASA ratio | 2014 | 2015 | 2016 | Jun-17 |
|------------|------|------|------|--------|
| | 22% | 26% | 29% | 34% |





Thank you

Fubon Financial - Financial summary

| <i>NT\$ millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|---|-----------|-----------|--------|-----------|-----------|-----------|-----------|--------|
| Income Statement Data | | | | | | | | |
| Net interest income | 54,873 | 52,203 | 5.1% | 27,782 | 27,091 | 105,777 | 94,965 | 11.4% |
| Insurance income | 146,192 | 157,859 | -7.4% | 61,371 | 84,821 | 294,382 | 264,088 | 11.5% |
| Net gains (losses) on FX and financial assets | 10,260 | 20,771 | -50.6% | 8,073 | 2,187 | 38,094 | 73,991 | -48.5% |
| Others | (2,154) | (3,150) | -31.6% | (873) | (1,281) | 670 | (2,801) | N.M. |
| Net revenue | 209,171 | 227,683 | -8.1% | 96,353 | 112,817 | 438,923 | 430,243 | 2.0% |
| Bad debt expense and reserve for guarantee | (1,145) | (1,300) | -11.9% | (777) | (369) | (2,608) | (1,212) | 115.2% |
| Net change in insurance reserve | (160,820) | (170,155) | -5.5% | (71,263) | (89,557) | (324,613) | (296,913) | 9.3% |
| Operating expense | (27,057) | (28,093) | -3.7% | (13,661) | (13,396) | (57,021) | (54,300) | 5.0% |
| Income before tax | 20,148 | 28,135 | -28.4% | 10,652 | 9,496 | 54,680 | 77,818 | -29.7% |
| Net income | 18,643 | 23,893 | -22.0% | 8,793 | 9,850 | 48,575 | 63,806 | -23.9% |
| Net income to parent company | 18,690 | 23,711 | -21.2% | 8,811 | 9,879 | 48,421 | 63,593 | -23.9% |
| Balance Sheet Data | | | | | | | | |
| Total assets | 6,584,585 | 6,160,793 | 6.9% | 6,584,585 | 6,360,870 | 6,351,258 | 5,987,468 | 6.1% |
| Equity attributable to parent company | 447,122 | 437,032 | 2.3% | 447,122 | 436,296 | 426,820 | 367,622 | 16.1% |
| Outstanding common shares (million shares) | 10,234 | 10,234 | 0.0% | 10,234 | 10,234 | 10,234 | 10,234 | 0.0% |
| Key Metrics | | | | | | | | |
| ROA | 0.58% | 0.79% | | 0.54% | 0.62% | 0.79% | 1.12% | |
| ROE | 8.55% | 11.79% | | 8.07% | 9.16% | 12.19% | 16.40% | |
| Equity / assets | 6.80% | 7.23% | | 6.80% | 6.86% | 6.72% | 6.28% | |
| Double leverage | 116.03% | 112.60% | | 116.03% | 115.33% | 115.58% | 120.55% | |
| Capital adequacy ratio | 116.56% | 127.00% | | | | 133.00% | 124.83% | |
| Cash dividend per share | | | | | | 2.00 | 2.00 | |

Taipei Fubon Bank - Financial summary

| <i>NT\$ millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|--|-----------|-----------|-------|-----------|-----------|-----------|-----------|--------|
| <u>Income statement data</u> | | | | | | | | |
| Interest income | 21,697 | 22,041 | -1.6% | 11,021 | 10,676 | 42,709 | 46,647 | -8.4% |
| Interest expense | (10,426) | (10,339) | 0.8% | (5,394) | (5,032) | (19,855) | (23,294) | -14.8% |
| Net interest income | 11,271 | 11,702 | -3.7% | 5,627 | 5,644 | 22,854 | 23,352 | -2.1% |
| Net fee income | 6,041 | 6,446 | -6.3% | 2,667 | 3,374 | 11,996 | 11,649 | 3.0% |
| Other income | 3,872 | 3,502 | 10.6% | 2,451 | 1,421 | 5,822 | 7,367 | -21.0% |
| Total net revenue | 21,184 | 21,651 | -2.2% | 10,746 | 10,439 | 40,672 | 42,369 | -4.0% |
| Operating expenses | (10,365) | (10,283) | 0.8% | (5,210) | (5,156) | (20,981) | (20,690) | 1.4% |
| Pre-provision profits | 10,819 | 11,368 | -4.8% | 5,536 | 5,283 | 19,691 | 21,679 | -9.2% |
| Provision for credit losses | (781) | (594) | 31.6% | (577) | (204) | (1,372) | (177) | 676.4% |
| Income before tax | 10,038 | 10,774 | -6.8% | 4,958 | 5,079 | 18,319 | 21,502 | -14.8% |
| Net income | 8,753 | 9,209 | -5.0% | 4,349 | 4,405 | 15,272 | 18,606 | -17.9% |
| Net income to parent company | 8,635 | 8,647 | -0.1% | 4,302 | 4,333 | 14,466 | 17,783 | -18.7% |
| <u>Balance sheet data</u> | | | | | | | | |
| Loans and discounts | 1,310,670 | 1,339,460 | -2.1% | 1,310,670 | 1,288,945 | 1,289,861 | 1,353,533 | -4.7% |
| Deposits and remittances | 1,953,213 | 1,813,143 | 7.7% | 1,953,213 | 1,859,336 | 1,877,778 | 1,813,356 | 3.6% |
| Allowance for loan losses* | 15,286 | 14,449 | 5.8% | 15,286 | 14,739 | 14,666 | 14,651 | 0.1% |
| Total assets | 2,489,210 | 2,364,792 | 5.3% | 2,489,210 | 2,396,147 | 2,414,226 | 2,409,836 | 0.2% |
| Equity attributable to parent company | 172,419 | 170,357 | 1.2% | 172,419 | 177,644 | 174,634 | 165,696 | 5.4% |
| <u>Key metrics</u> | | | | | | | | |
| ROA | 0.71% | 0.77% | | 0.71% | 0.73% | 0.63% | 0.81% | |
| ROE | 9.95% | 10.29% | | 9.92% | 9.84% | 8.50% | 11.21% | |
| Equity / assets | 7.66% | 8.02% | | 7.66% | 8.16% | 8.01% | 7.69% | |
| Cost / income ratio | -48.93% | -47.49% | | -48.48% | -49.39% | -51.59% | -48.83% | |
| NPL ratio* | 0.20% | 0.18% | | 0.20% | 0.20% | 0.20% | 0.15% | |
| Reserve / NPL* | 657.81% | 678.90% | | 657.81% | 641.81% | 652.12% | 816.37% | |
| Tier 1 ratio* | 11.60% | 11.86% | | | | 12.57% | 11.30% | |
| BIS ratio* | 13.25% | 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> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|--|-----------|-----------|--------|-----------|-----------|-----------|-----------|--------|
| <u>Income statement data</u> | | | | | | | | |
| First year premium | 91,209 | 116,064 | -21.4% | 42,836 | 48,373 | 204,283 | 205,282 | -0.5% |
| Retained earned premium | 243,313 | 243,553 | -0.1% | 117,431 | 125,882 | 468,608 | 440,297 | 6.4% |
| Total investment income | 52,563 | 60,841 | -13.6% | 26,317 | 26,246 | 124,327 | 130,256 | -4.6% |
| Recurring investment income | 50,200 | 49,914 | 0.6% | 26,997 | 23,203 | 106,072 | 101,040 | 5.0% |
| Other investment income | 2,363 | 10,927 | -78.4% | (681) | 3,043 | 18,255 | 29,216 | -37.5% |
| Realized gains (losses) from fixed income | 7,693 | 13,585 | -43.4% | 3,291 | 4,401 | 23,933 | 9,870 | 142.5% |
| Realized gains (losses) from equity | 13,009 | 3,652 | 256.2% | 4,352 | 8,657 | 10,292 | 22,622 | -54.5% |
| FX and others | (18,386) | (6,948) | 164.6% | (8,295) | (10,091) | (15,705) | (3,629) | 332.8% |
| Investment property fair value movement | 47 | 638 | -92.6% | (29) | 76 | (265) | 353 | N.M. |
| Other income | 1,041 | 1,185 | -12.2% | 537 | 504 | 2,131 | 2,159 | -1.3% |
| Total operating revenue | 296,917 | 305,579 | -2.8% | 144,284 | 152,632 | 595,066 | 572,711 | 3.9% |
| Retained claim payment | 104,009 | 91,723 | 13.4% | 59,646 | 44,363 | 185,979 | 187,601 | -0.9% |
| Net commission expense | 13,166 | 18,749 | -29.8% | 5,613 | 7,553 | 33,625 | 26,093 | 28.9% |
| Net change in insurance liability | 164,010 | 172,127 | -4.7% | 70,794 | 93,216 | 327,464 | 292,665 | 11.9% |
| General and administrative expense | 7,923 | 8,548 | -7.3% | 3,987 | 3,936 | 17,179 | 15,526 | 10.6% |
| Other operating costs | 1,678 | 941 | 78.2% | 710 | 968 | 2,035 | 1,932 | 5.3% |
| Total operating costs and expenses | 290,786 | 292,088 | -0.4% | 140,750 | 150,036 | 566,282 | 523,816 | 8.1% |
| Net non-operating income / (expenses) | 56 | 225 | -75.1% | 70 | (14) | 489 | 518 | -5.5% |
| Income before tax | 6,187 | 13,716 | -54.9% | 3,605 | 2,582 | 29,274 | 49,413 | -40.8% |
| Net income | 8,600 | 12,995 | -33.8% | 4,590 | 4,010 | 28,688 | 41,018 | -30.1% |
| Net income to parent company | 8,600 | 12,995 | -33.8% | 4,590 | 4,010 | 28,688 | 41,018 | -30.1% |
| <u>Balance sheet data</u> | | | | | | | | |
| Total assets | 3,511,526 | 3,223,464 | 8.9% | 3,511,526 | 3,399,391 | 3,353,560 | 3,035,563 | 10.5% |
| Total assets (general account) | 3,363,318 | 3,086,914 | 9.0% | 3,363,318 | 3,256,156 | 3,211,026 | 2,900,201 | 10.7% |
| Insurance liabilities | 3,018,120 | 2,813,256 | 7.3% | 3,018,120 | 2,944,874 | 2,902,374 | 2,656,145 | 9.3% |
| Total liabilities | 3,270,064 | 2,998,289 | 9.1% | 3,270,064 | 3,179,307 | 3,140,085 | 2,852,781 | 10.1% |
| Total liabilities (general account) | 3,121,857 | 2,861,739 | 9.1% | 3,121,857 | 3,036,072 | 2,997,551 | 2,717,419 | 10.3% |
| Equity attributable to parent company | 241,461 | 225,175 | 7.2% | 241,461 | 220,084 | 213,474 | 182,782 | 16.8% |
| <u>Key matrices</u> | | | | | | | | |
| ROA | 0.50% | 0.83% | | 0.53% | 0.48% | 0.90% | 1.41% | |
| ROE | 7.56% | 12.74% | | 8.07% | 7.40% | 14.48% | 20.19% | |
| Equity / Assets | 6.88% | 6.99% | | 6.88% | 6.47% | 6.37% | 6.02% | |
| Claims and benefits ratio | 42.75% | 37.66% | | 50.79% | 35.24% | 39.69% | 42.61% | |
| Expense ratio | 3.26% | 3.51% | | 3.40% | 3.13% | 3.67% | 3.53% | |
| Persistency ratio - 13th month | 97.95% | 95.93% | | 97.95% | 97.29% | 96.25% | 96.66% | |
| Persistency ratio - 25th month | 93.69% | 93.37% | | 93.69% | 93.77% | 94.09% | 92.07% | |

Fubon Insurance - Financial summary

| <i>NT\$ millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|--|---------|---------|--------|---------|---------|---------|--------|--------|
| <u>Income statement data</u> | | | | | | | | |
| Direct written premiums | 21,657 | 19,627 | 10.3% | 11,116 | 10,541 | 38,172 | 35,016 | 9.0% |
| Retention of earned premiums | 15,890 | 14,516 | 9.5% | 8,006 | 7,884 | 29,577 | 27,139 | 9.0% |
| Net income from investment | 1,492 | 1,319 | 13.1% | 1,080 | 412 | 2,754 | 2,811 | -2.0% |
| Other operating revenue | 722 | 734 | -1.7% | 364 | 358 | 1,440 | 1,295 | 11.2% |
| Retained insurance payments | 8,394 | 7,896 | 6.3% | 4,119 | 4,275 | 16,216 | 14,250 | 13.8% |
| Net change in liability reserve | 442 | 71 | 519.2% | 325 | 117 | 363 | 656 | -44.6% |
| Commission and operating expenses | 7,147 | 6,776 | 5.5% | 3,604 | 3,543 | 13,769 | 12,772 | 7.8% |
| Non-Operating Income | (92) | (54) | 71.3% | (49) | (43) | (158) | (96) | 65.4% |
| Income before tax | 2,030 | 1,772 | 14.5% | 1,355 | 675 | 3,266 | 3,472 | -5.9% |
| Net income | 1,755 | 1,451 | 21.0% | 1,209 | 546 | 2,672 | 2,839 | -5.9% |
| Net income to parent company | 1,891 | 1,594 | 18.7% | 1,257 | 634 | 3,119 | 3,213 | -2.9% |
| <u>Balance sheet data</u> | | | | | | | | |
| Total assets | 99,400 | 97,868 | 1.6% | 99,400 | 98,532 | 98,470 | 89,213 | 10.4% |
| Investment assets | 65,839 | 64,343 | 2.3% | 65,839 | 65,083 | 64,900 | 64,689 | 0.3% |
| Policy reserve | 54,902 | 54,299 | 1.1% | 54,902 | 53,981 | 54,310 | 47,470 | 14.4% |
| Equity attributable to parent company | 29,614 | 29,542 | 0.2% | 29,614 | 30,556 | 29,531 | 28,677 | 3.0% |
| <u>Summary ratios</u> | | | | | | | | |
| ROA | 3.55% | 3.10% | | 4.89% | 2.22% | 2.85% | 6.36% | |
| ROE | 12.79% | 10.95% | | 17.00% | 8.44% | 10.72% | 22.41% | |
| Total investment return | 4.56% | 4.09% | | 6.61% | 2.53% | 4.25% | 8.69% | |
| Solvency margin (NWP/equity) | 114.30% | 104.62% | | 114.51% | 110.58% | 104.51% | 97.95% | |
| Retention ratio | 73.77% | 73.05% | | 72.04% | 75.60% | 75.36% | 75.30% | |

Fubon Securities - Financial summary

| <i>NT\$ millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|---|---------|---------|--------|---------|---------|---------|---------|--------|
| <u>Income statement data</u> | | | | | | | | |
| Brokerage commissions | 1,630 | 1,356 | 20.2% | 852 | 778 | 2,728 | 3,044 | -10.4% |
| Net interest income | 490 | 459 | 7.0% | 248 | 242 | 901 | 942 | -4.3% |
| Fee income | 334 | 113 | 195.8% | 190 | 145 | 336 | 298 | 12.8% |
| Net principal transactions and financial products gains | 452 | 322 | 40.5% | 268 | 183 | 501 | 324 | 54.6% |
| Other income | 535 | 717 | -25.4% | 315 | 220 | 1,691 | 1,419 | 19.2% |
| Total operating revenue | 3,441 | 2,966 | 16.0% | 1,873 | 1,569 | 6,157 | 6,025 | 2.2% |
| Total operating expense | (2,795) | (2,526) | 10.7% | (1,461) | (1,334) | (5,375) | (5,216) | 3.1% |
| Net non-operating income / (expenses) | 326 | 400 | -18.6% | 149 | 177 | 811 | 685 | 18.5% |
| Income before tax | 972 | 841 | 15.7% | 560 | 412 | 1,594 | 1,494 | 6.7% |
| Net income | 839 | 790 | 6.2% | 494 | 345 | 1,504 | 1,348 | 11.5% |
| Net income to parent company | 839 | 790 | 6.2% | 494 | 345 | 1,504 | 1,348 | 11.5% |
| <u>Balance sheet data</u> | | | | | | | | |
| Margin loans | 12,577 | 11,108 | 13.2% | 12,577 | 12,554 | 11,142 | 11,950 | -6.8% |
| Total assets | 117,421 | 99,465 | 18.1% | 117,421 | 103,532 | 101,278 | 84,481 | 19.9% |
| Equity attributable to parent company | 32,736 | 32,657 | 0.2% | 32,736 | 33,056 | 32,575 | 31,576 | 3.2% |
| <u>Key metrics</u> | | | | | | | | |
| ROA | 1.53% | 1.72% | | 1.81% | 1.35% | 1.62% | 1.75% | |
| ROE | 5.14% | 4.92% | | 6.05% | 4.21% | 4.69% | 4.29% | |
| Equity / assets | 27.88% | 32.83% | | 27.88% | 31.93% | 32.16% | 37.38% | |
| Expenses / revenues | -81.21% | -85.16% | | -78.03% | -85.02% | -87.30% | -86.57% | |
| Margin loans / total assets | 10.71% | 11.17% | | 10.71% | 12.13% | 11.00% | 14.14% | |
| Margin loans / shareholders' equity | 38.42% | 34.01% | | 38.42% | 37.98% | 34.20% | 37.84% | |

Fubon Bank (Hong Kong) - Financial Summary

| <i>HK\$ millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2016 | 2015 | YoY |
|--|---------|---------|--------|---------|---------|--------|
| <u>Income Statement Data</u> | | | | | | |
| Interest income | 1,053 | 936 | 12.5% | 1,925 | 1,809 | 6.4% |
| Interest expense | (459) | (370) | 23.8% | (756) | (736) | 2.7% |
| Net interest income | 594 | 566 | 5.0% | 1,169 | 1,073 | 8.9% |
| Net fee income | 166 | 184 | -9.6% | 364 | 353 | 3.1% |
| Other income | 0 | 13 | -97.9% | 57 | 78 | -26.6% |
| Total revenue | 761 | 763 | -0.3% | 1,590 | 1,504 | 5.7% |
| Operating expenses | (469) | (472) | -0.6% | (957) | (1,027) | -6.8% |
| Provision for loan losses/ write-back | (24) | (147) | -83.7% | (224) | (58) | 285.8% |
| Net non-operating income | 104 | 129 | -19.0% | 300 | 194 | 54.4% |
| Income before tax | 372 | 273 | 36.4% | 708 | 613 | 15.5% |
| Net income | 312 | 231 | 34.9% | 635 | 522 | 21.7% |
| <u>Balance Sheet Data</u> | | | | | | |
| Gross loans | 45,222 | 43,177 | 4.7% | 43,578 | 42,570 | 2.4% |
| Customers Deposits | 63,334 | 61,789 | 2.5% | 63,564 | 58,385 | 8.9% |
| Allowance for loan losses | 265 | 202 | 31.1% | 259 | 75 | 243.5% |
| Total assets | 97,147 | 94,139 | 3.2% | 95,648 | 90,993 | 5.1% |
| Shareholders' equity | 12,069 | 11,010 | 9.6% | 11,373 | 10,806 | 5.2% |
| <u>Key metrics</u> | | | | | | |
| Return on average assets | 0.65% | 0.50% | | 0.68% | 0.60% | |
| Return on average equity | 5.36% | 4.26% | | 5.72% | 4.92% | |
| Equity / assets | 12.42% | 11.69% | | 11.89% | 11.88% | |
| Net fee income / total revenue | 21.81% | 24.06% | | 22.90% | 23.47% | |
| Cost / income ratio | -61.63% | -61.84% | | -60.19% | -68.29% | |
| NPL ratio | 0.49% | 0.76% | | 0.77% | 0.52% | |
| Reserve / NPL | 118.37% | 61.76% | | 77.41% | 33.95% | |
| Gross Loans/Customers Deposits ratio | 71.40% | 69.88% | | 68.56% | 72.91% | |
| Tier 1 ratio | 12.64% | 11.92% | | 12.60% | 11.81% | |
| BIS ratio | 16.53% | 16.33% | | 17.02% | 16.62% | |

Fubon Bank (China) - Financial Summary

| <i>RMB millions, except for percentages</i> | 1H17 | 1H16 | YoY | 2Q17 | 1Q17 | 2016 | 2015 | YoY |
|---|---------|---------|--------|---------|---------|---------|---------|--------|
| <u>Income Statement Data</u> | | | | | | | | |
| Interest income | 963 | 1,046 | -8.0% | 491 | 472 | 2,011 | 2,232 | -9.9% |
| Interest expense | (819) | (834) | -1.8% | (420) | (399) | (1,618) | (1,925) | -16.0% |
| Net interest income | 144 | 212 | -32.2% | 71 | 73 | 393 | 307 | 28.1% |
| Net fee income | 35 | 64 | -44.7% | 19 | 16 | 109 | 120 | -9.5% |
| Other income | 279 | 353 | -21.0% | 130 | 148 | 619 | 669 | -7.4% |
| Operating expenses | (344) | (258) | 33.4% | (171) | (172) | (595) | (519) | 14.7% |
| Pre-provision profits | 114 | 371 | -69.3% | 49 | 65 | 526 | 577 | -8.8% |
| Provision for credit losses | 0 | (32) | N.M. | 0 | (0) | (1) | (84) | -98.7% |
| Income before tax | 114 | 339 | -66.4% | 49 | 65 | 525 | 493 | 6.4% |
| Net income | 93 | 264 | -65.0% | 41 | 52 | 412 | 390 | 5.6% |
| <u>Balance Sheet Data</u> | | | | | | | | |
| Loans | 28,625 | 29,672 | -3.5% | 28,625 | 27,174 | 27,814 | 30,822 | -9.8% |
| Deposits | 39,338 | 42,209 | -6.8% | 39,338 | 37,960 | 40,210 | 46,013 | -12.6% |
| | 64,588 | 68,640 | -5.9% | 64,588 | 64,150 | 68,154 | 73,647 | -7.5% |
| Total equity | 5,352 | 5,140 | 4.1% | 5,352 | 5,318 | 5,286 | 4,879 | 8.3% |
| <u>Key metrics</u> | | | | | | | | |
| ROA | 0.28% | 0.74% | | 0.25% | 0.31% | 0.58% | 0.58% | |
| ROE | 3.48% | 10.55% | | 3.05% | 3.91% | 8.11% | 8.28% | |
| Equity / assets | 8.29% | 7.49% | | 8.29% | 8.29% | 7.76% | 6.63% | |
| Cost / income ratio | 64.68% | 38.07% | | 64.68% | 62.50% | 48.84% | 43.72% | |
| NPL ratio | 1.59% | 1.85% | | 1.59% | 1.62% | 1.60% | 1.04% | |
| Reserve / NPL | 161.14% | 161.43% | | 161.14% | 167.08% | 165.09% | 265.11% | |
| Loan to deposit ratio (Renminbi) | 73.51% | 68.65% | | 73.51% | 73.20% | 73.51% | 74.91% | |
| Tier 1 ratio | 12.37% | 12.81% | | 12.37% | 12.91% | 13.04% | 12.59% | |
| BIS ratio | 13.01% | 13.63% | | 13.01% | 13.63% | 13.76% | 13.73% | |