

# Fubon Financial Holdings Year 2017 Overview

2018.03.23

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 earnings performance

- Top EPS among Taiwan FHCs for the 9th consecutive year
- Total assets reached historical high at NT\$6,919 billion

## Stronger capital position

- Fubon FHC plan to issue NT\$40 billion preferred shares
- Fubon Life plan to issue NT\$20 billion subordinated debt
- Fubon Bank (HK) issued US\$193mn perpetual subordinate securities

## Commitment in ESG

- Inclusion of the top tier Dow Jones Sustainability Indices (DJSI) World Index, and DJSI Emerging markets Index. The first and only Taiwan FHC as the constituent under “FBN Diversified Financial Services and Capital Markets”
- Inclusion of the MSCI Global Sustainability Indexes. Grade A from MSCI ESG Rating in the Diversified Financial Category, the highest grade among local peers in Taiwan



**Net profits reached NT\$54,122 million in 2017, up 11.8% yoy. Four major subsidiaries delivered earnings growth. Underwriting and investment both improved in Fubon Life.**

## Taipei Fubon Bank

- Net interest revenue growth along with loan and investment momentum
- Asset quality remains benign

## Fubon Life

- Steady recurring income growth with positive spread
- Top three market position in FYP and FYPE

## Fubon Insurance

- Top position across personal and commercial lines in terms of total premium with a focus on quality
- Outstanding underwriting performance with combined ratio improved

## Fubon Securities

- Increase in brokerage market share
- Focus on regional ETF products in Fubon Asset Management

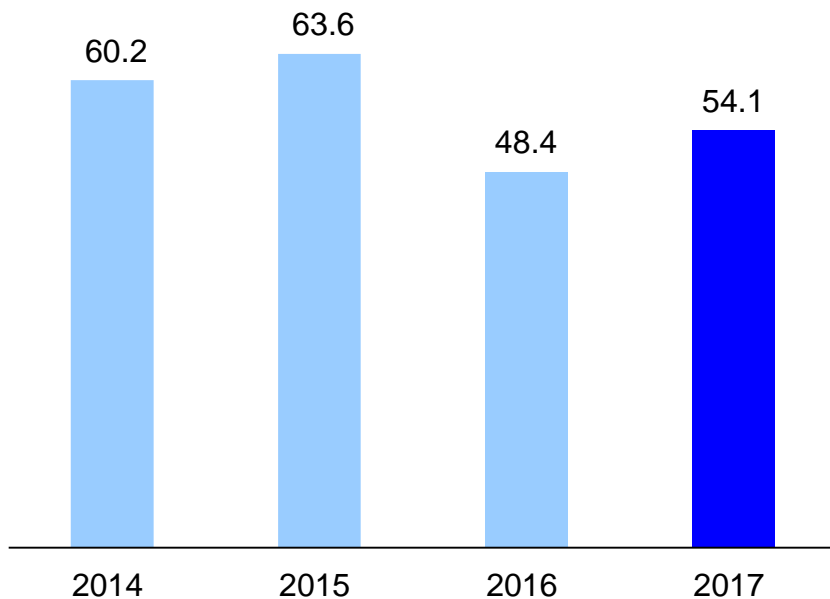
# Fubon Financial Holdings: Profitability



- Net profits growth of 11.8% yoy with the highest EPS among peers

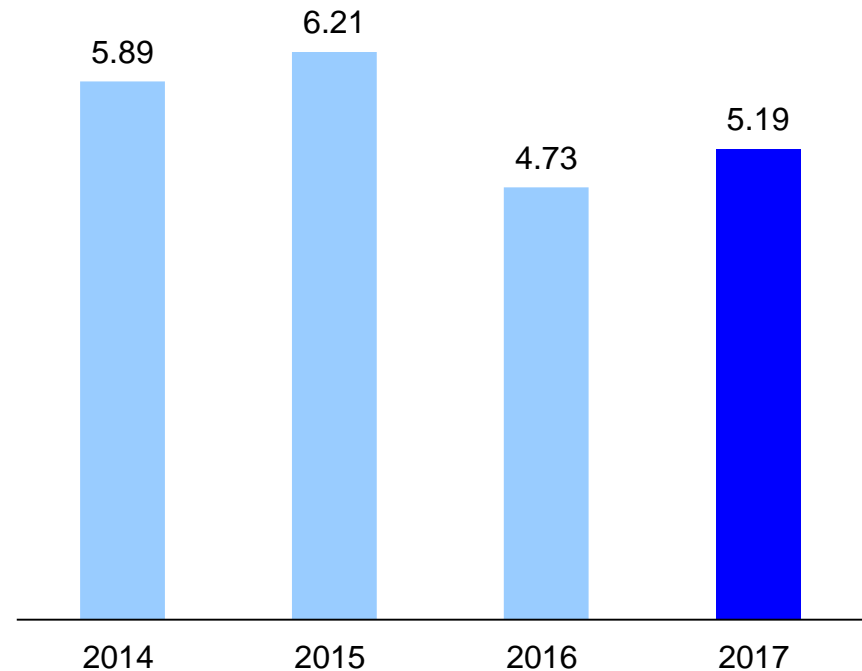
## Net profits

NT\$bn



## Earning per share (EPS)

NT\$

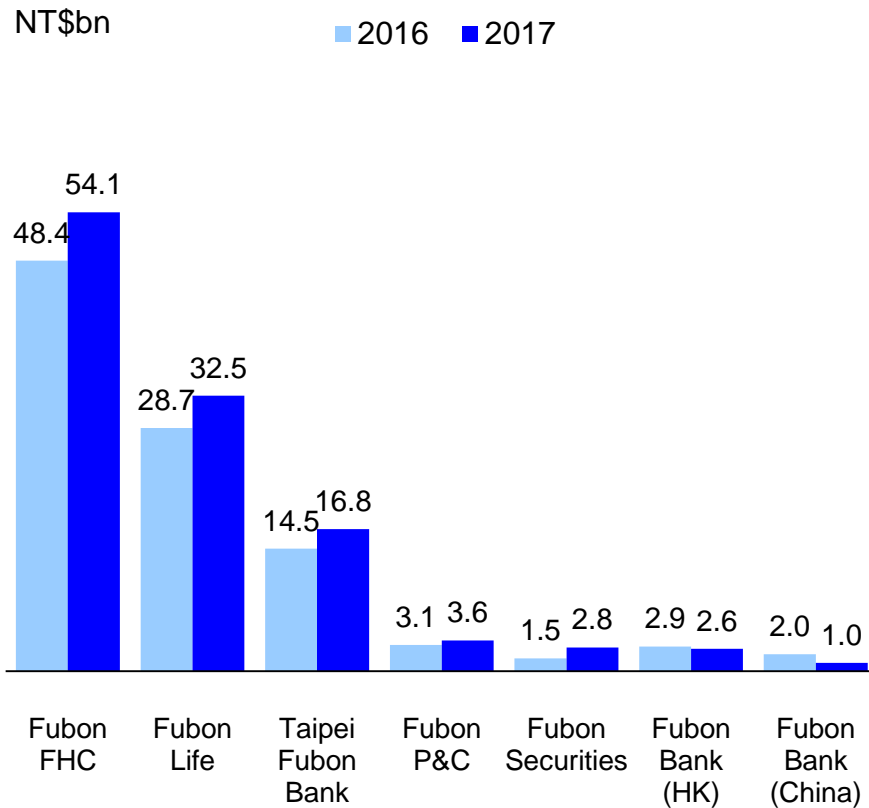




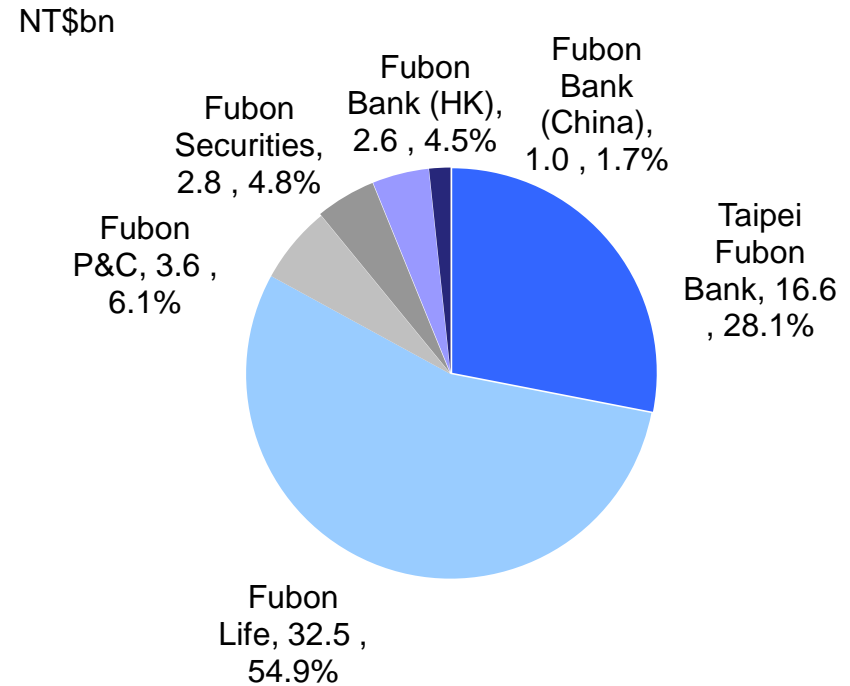
# Fubon Financial Holdings: Net profits from major subsidiaries

■ Four major subsidiaries delivered double-digit earnings growth

### Net profits from subsidiaries



### Profit contribution from subsidiaries

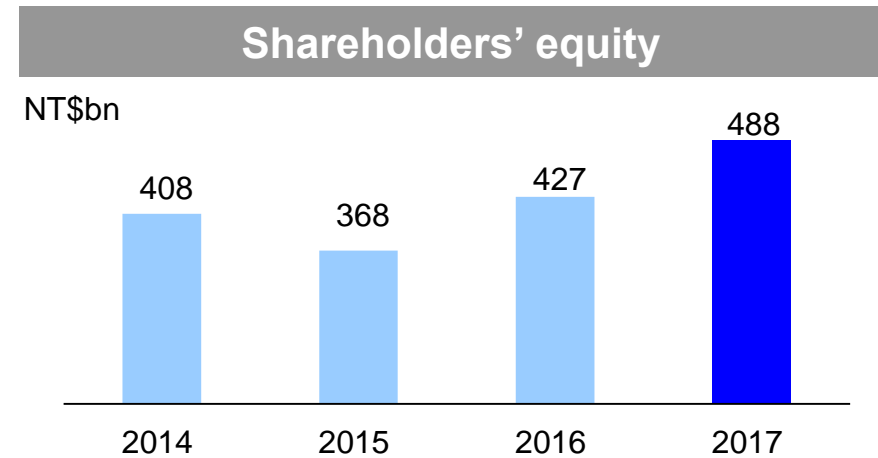
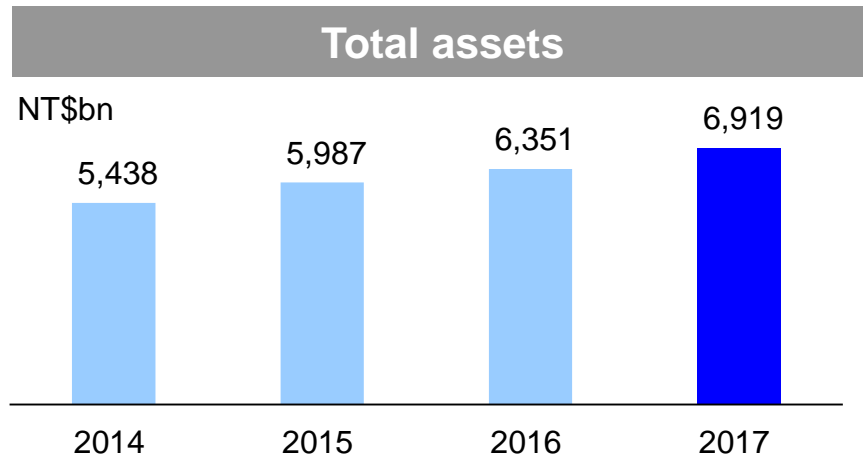


Note: (1) Profit contribution are based on the summation of the six subsidiaries shown in the chart  
 (2) Net profits of Fubon Bank(China) is not included in net profits of Taipei Fubon Bank

# Fubon Financial Holdings: Asset and net worth



- Asset growth 8.9% yoy. Net worth up 14.4% yoy due to earnings contributions and increase in the unrealized gains from financial assets. Well capitalization across major subsidiaries



## Capitalization of FHC and subsidiaries

		4Q17	Regulatory requirements
Fubon Financial	CAR	129.5%	100%
Taipei Fubon Bank	tier one	12.1%	7.25%
	total CAR	13.9%	9.25%
Fubon Bank (HK)	tier one	15.8%	8.5%
	total CAR	18.0%	10.5%
Fubon Bank (China)	tier one	11.5%	8.1%
	total CAR	12.2%	10.1%
Fubon Insurance	RBC	583.2%	200%
Fubon Life	RBC	317.7%	200%
Fubon Securities	CAR	346.7%	150%

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

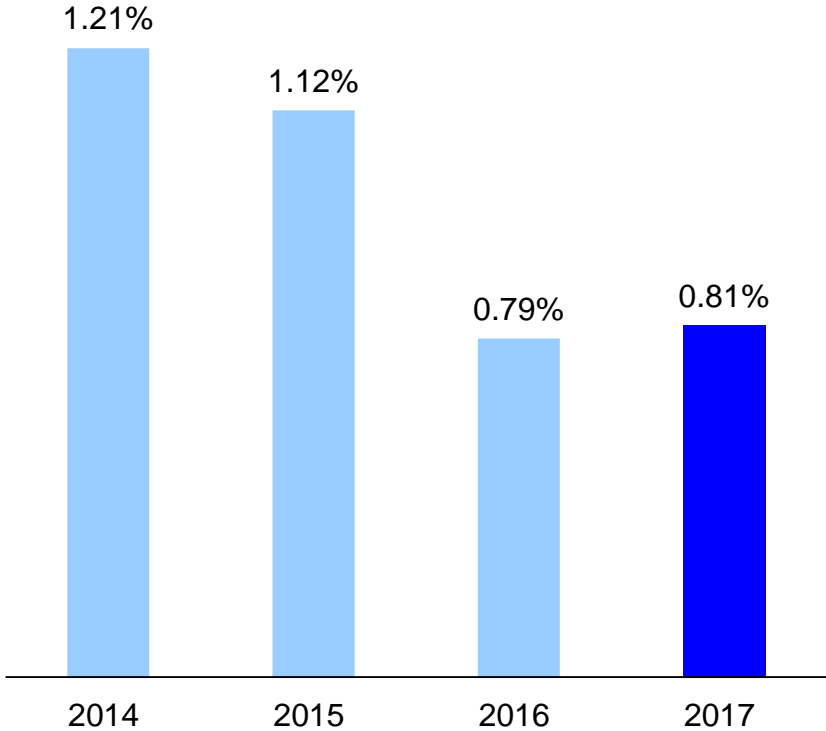


# Fubon Financial Holdings: ROA & ROE

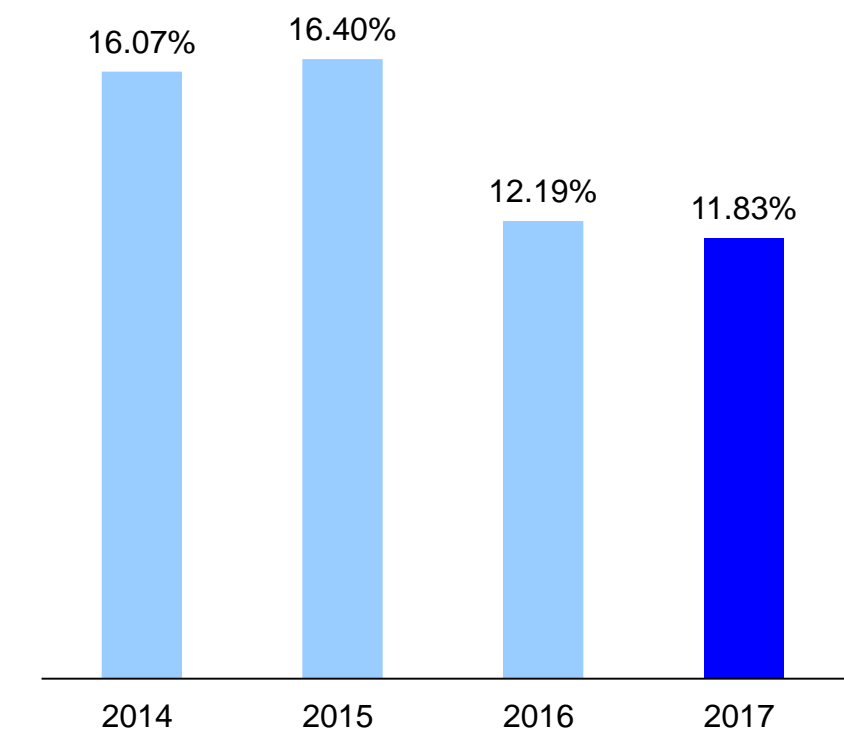


■ Stable ROA and ROE performance

ROA



ROE



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

# Fubon Financial Holdings: Market position



## ■ Leading positions across business lines

### Fubon Life

	Market ranking	Market share
Renewal premium	2	15.8%
First year premium equivalent	2	15.1%
First year premium	3	13.8%
FYP through bancassurance	3	13.9%
FYP through tied agents	3	13.7%

### Fubon Insurance

	Market ranking	Market share
Direct written premium	1	23.2%
Average premium per employee (NT\$m)	1	NT\$13.38
Personal line	1	22.7%
Commercial line	1	24.3%

### Taipei Fubon Bank

	Market ranking	Market share/amount
Loan Syndication <sup>(1)</sup>	1	4.3%
Monthly per card spending <sup>(2)</sup>	1	NT\$10,362
FX derivatives	1	9.4%
Mortgage loan <sup>(1)</sup>	2	6.05%

### Fubon Securities

	Market ranking	Market share
Brokerage per branch <sup>(3)</sup>	1	0.128%
SPO amount (NT\$m)	2	22.44%
AUM of overseas ETF (NT\$m)	2	67,500
Emerging stock trading	2	20.73%
Brokerage	3	6.21%

Note: (1) Ranking among private banks; (2) Ranking among top 6 card issuers; per active card basis; (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 and fintech development for efficiency and business growth
- Cross-sale synergy



## Overseas expansion

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

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



- *Taipei Fubon Bank*

- *Fubon Life*

- *Fubon Insurance*

- *Fubon Securities*

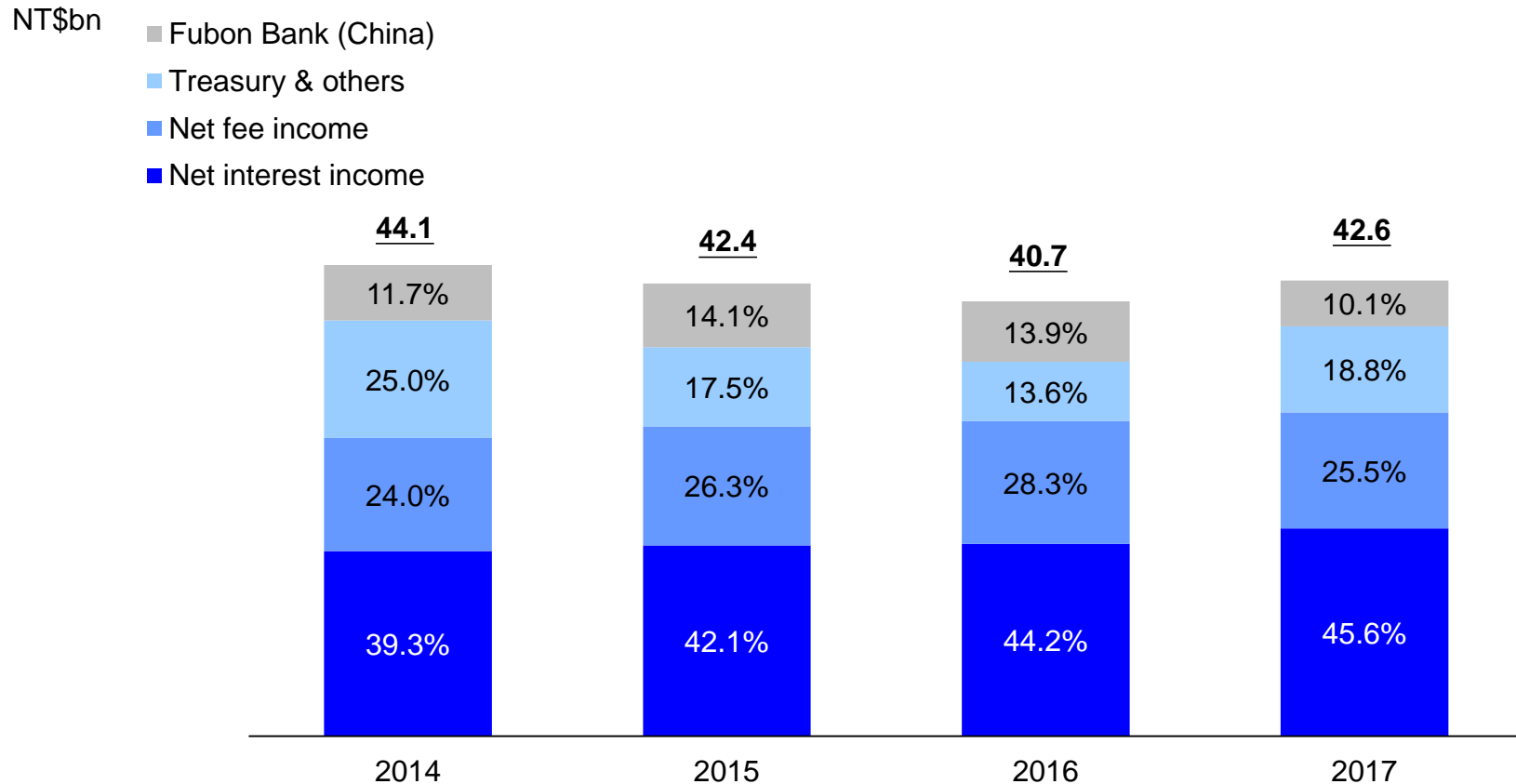
- *Overseas Banking Operation*

# Taipei Fubon Bank: Revenue



- Net revenue up 4.8% yoy. Contribution from net interest income steadily trend up to 45.6%

## Revenue composition of Taipei Fubon Bank



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

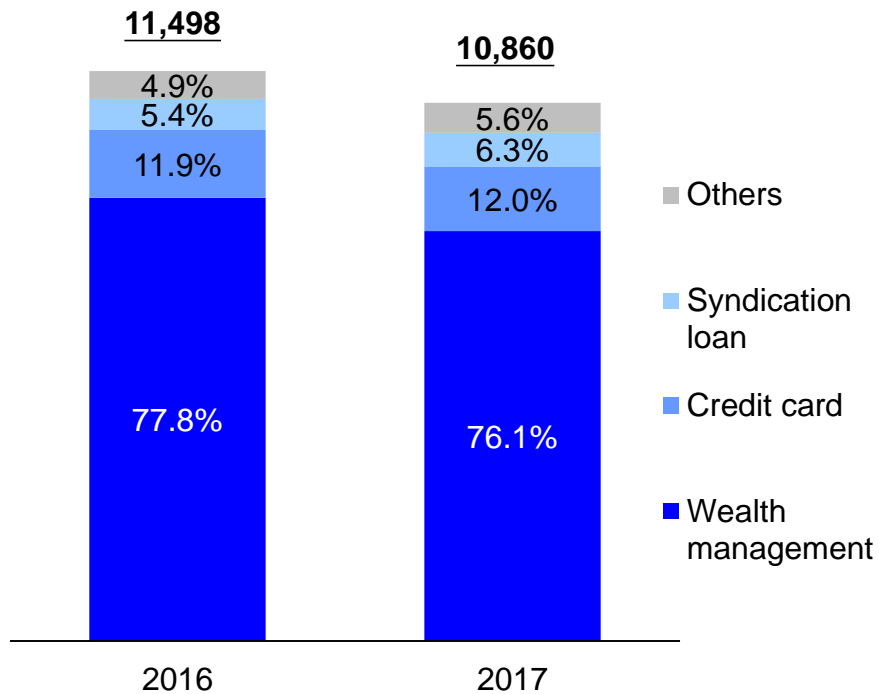
# Taipei Fubon Bank: Fee and wealth management revenue



- Fees from syndication loan up 8.3% yoy, with contributions increase from 5.4% to 6.2%
- Wealth management product sales volume grows 33% yoy, while insurance commission affected by commission rate cut

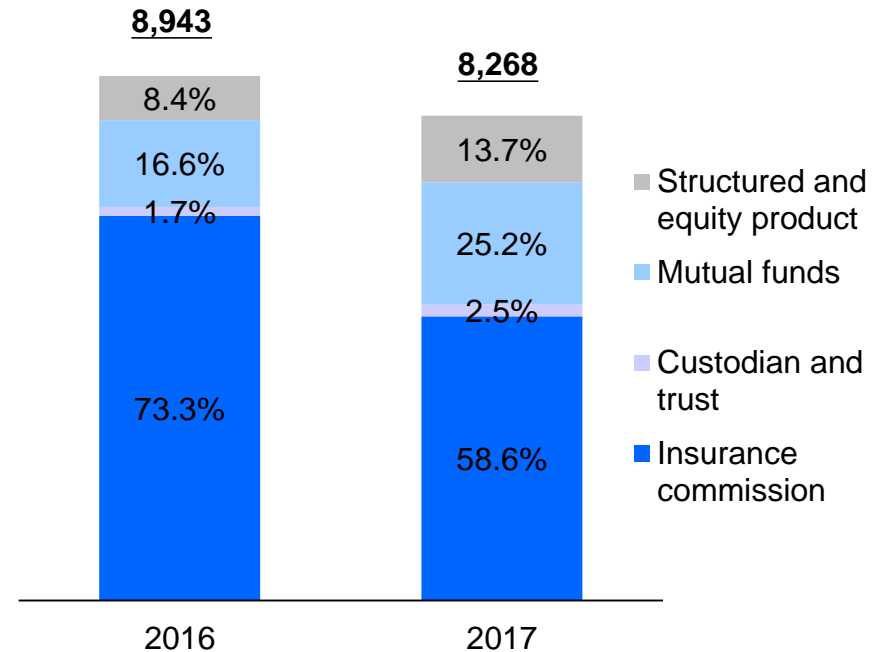
## Sources of fee revenue

NT\$m



## Wealth management fee

NT\$m



Note: Data are stand-alone basis in page 14-19

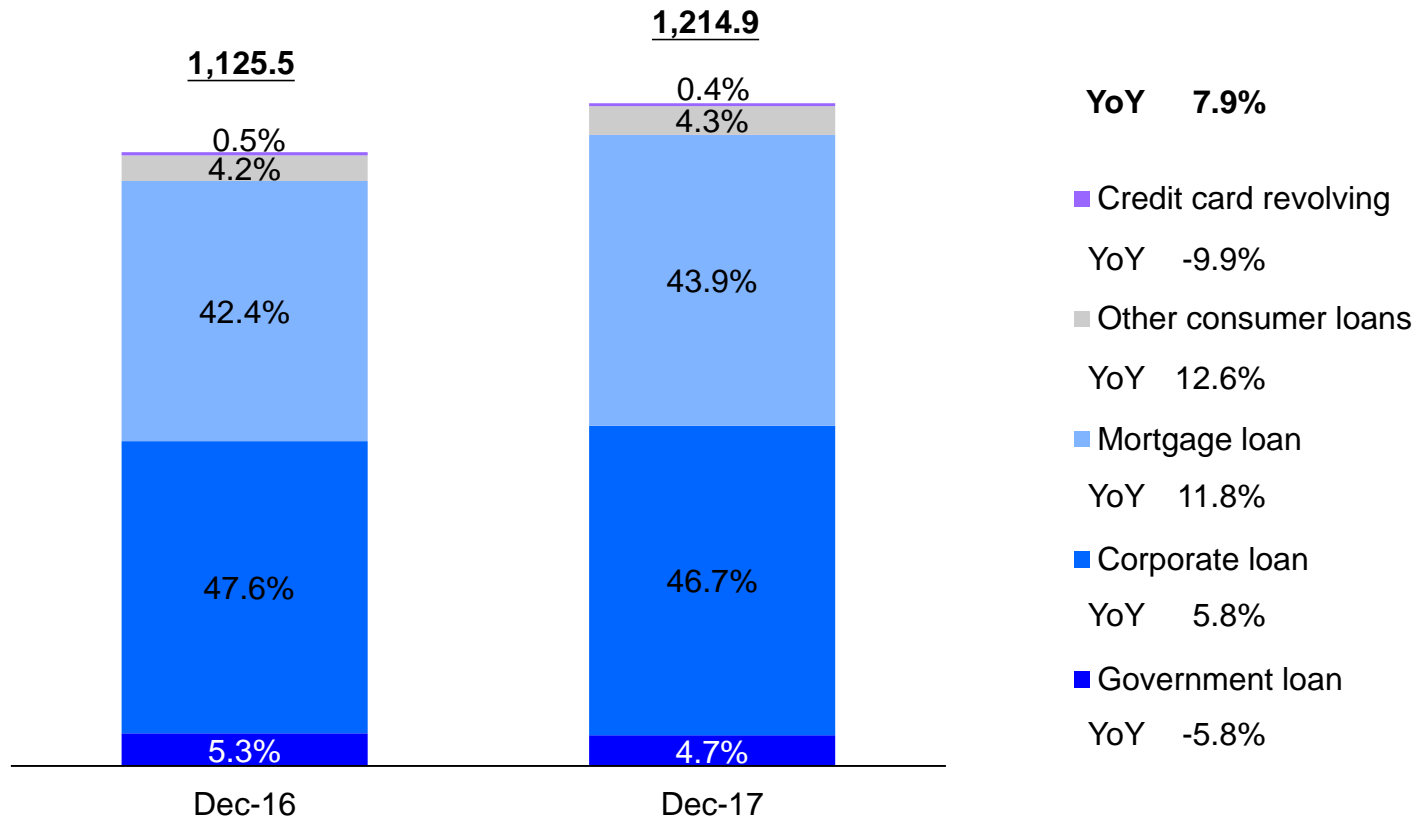
# Taipei Fubon Bank: Loan composition



- Loan growth 7.9% yoy mainly driven by corporate, mortgages, and other consumer loans
- Mortgages growth 11.8% yoy outperformed industry

## Loans by type

NT\$bn



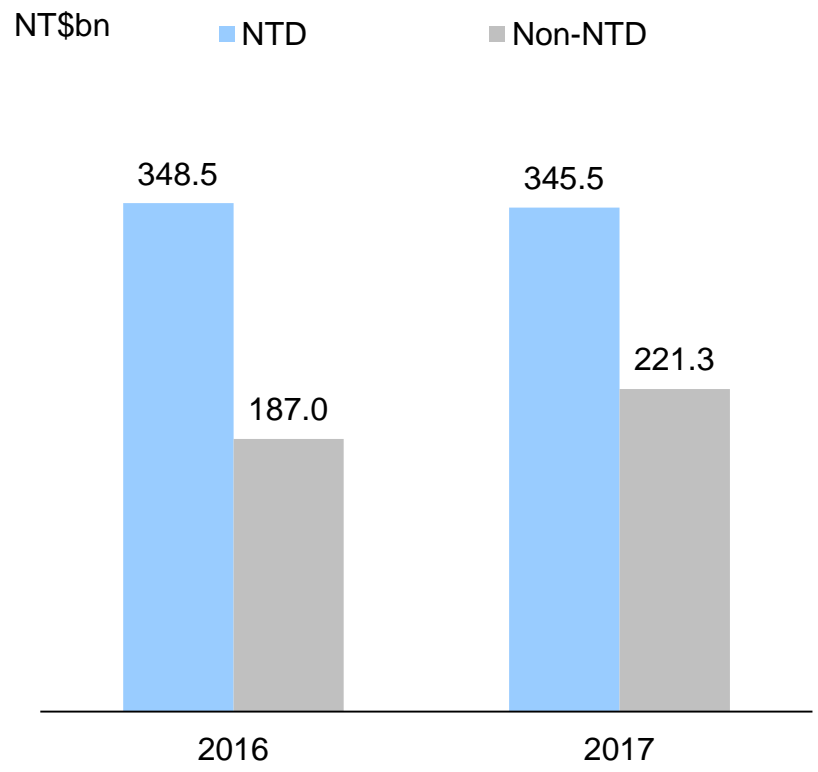
Note: Ending balance

# Taipei Fubon Bank: Corporate credit



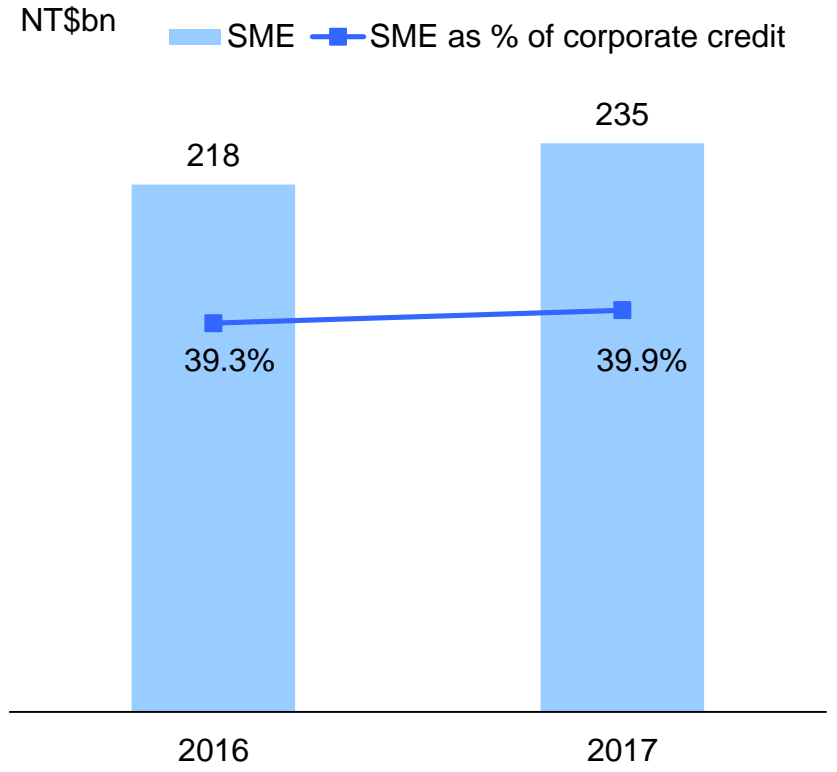
- Foreign currency loans up 18.3% yoy, driven by overseas demand
- SME credit steadily growth with 7.8% yoy

### Corporate loan by currency



Note: Ending balance

### SME credit and as % of corporate credit



Note: Corporate credit include loan and trade finance

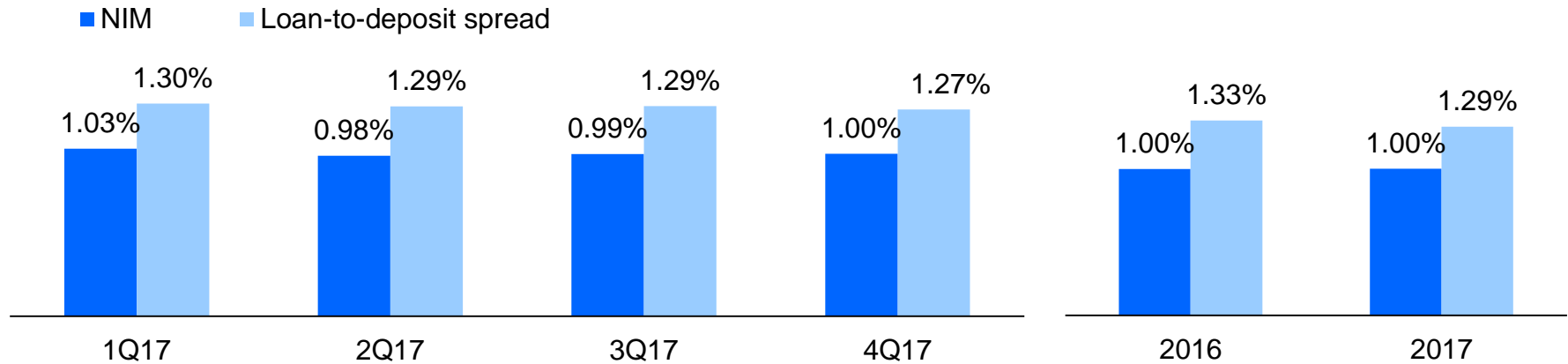


# Taipei Fubon Bank: Interest yield and margin

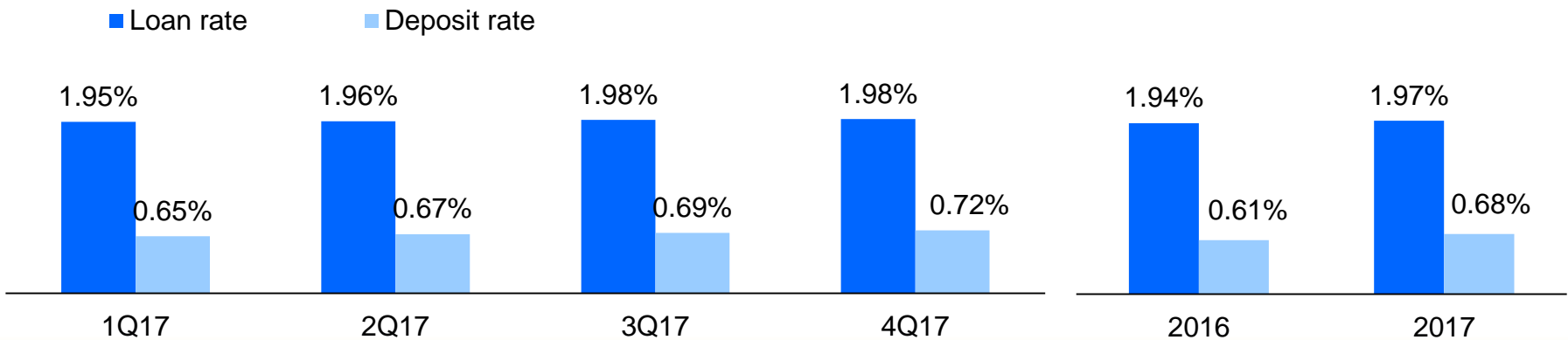


- NIM improved 1bp qoq due to bond investment. Loan-to-deposit spread down 2bps qoq due to volume and cost increase in foreign currency deposits

## NIM and loan-to-deposit spread



## Loan yield and deposit yield



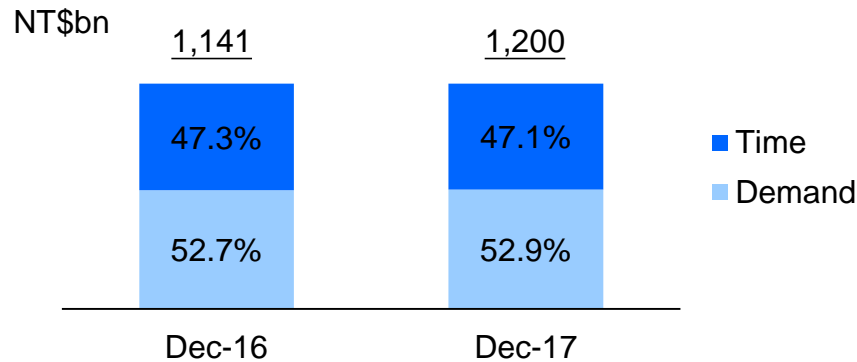
Note: Loan rate calculation inclusive of credit card revolving

# Taipei Fubon Bank: Deposit mix and LDR

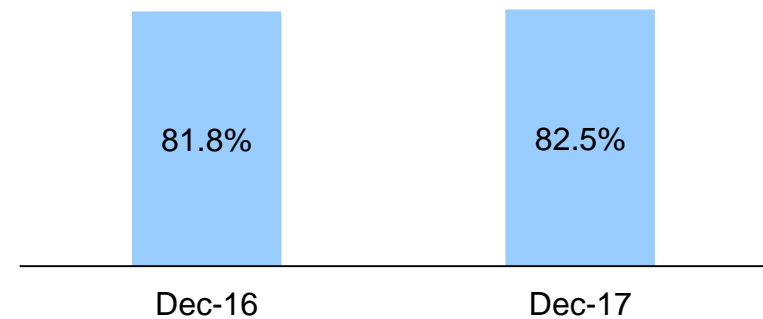


- NT dollar demand deposits ratio increased to 52.9% with LDR maintained at over 80%
- Foreign currency deposits up 25.1% yoy. Utilize foreign deposits in loans and investment deployment

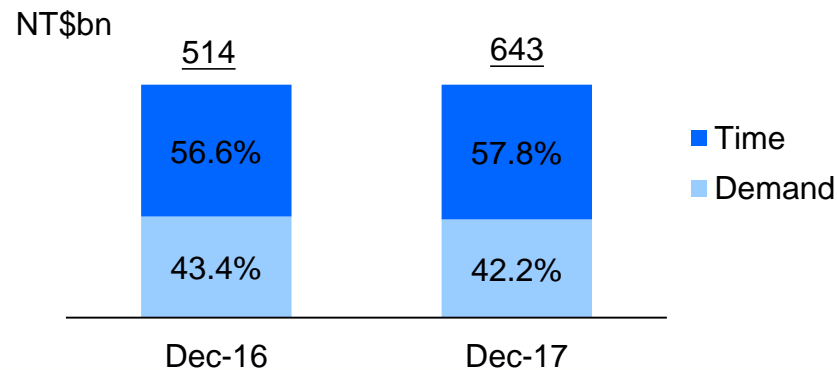
### Deposit mix in NTD



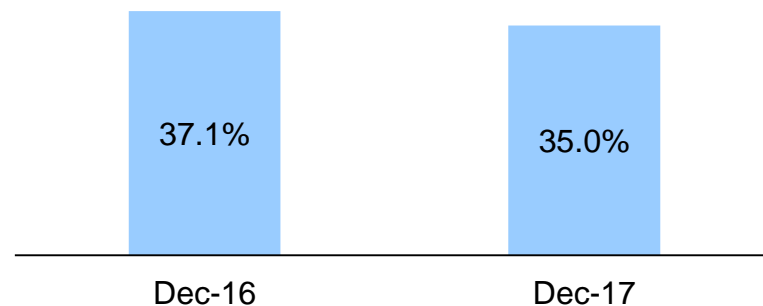
### NTD loan-to-deposit ratio (LDR)



### Deposit mix in foreign currency



### Foreign currency LDR

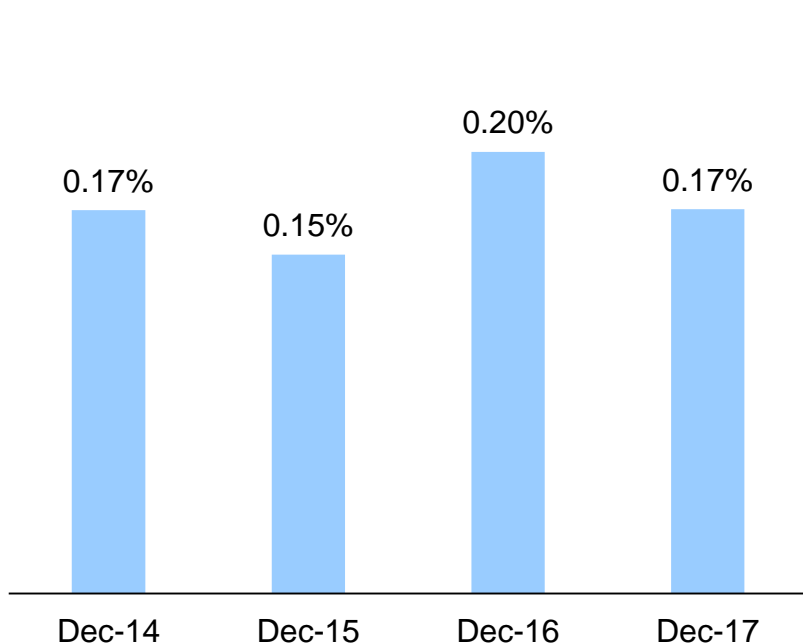


# Taipei Fubon Bank: Asset quality

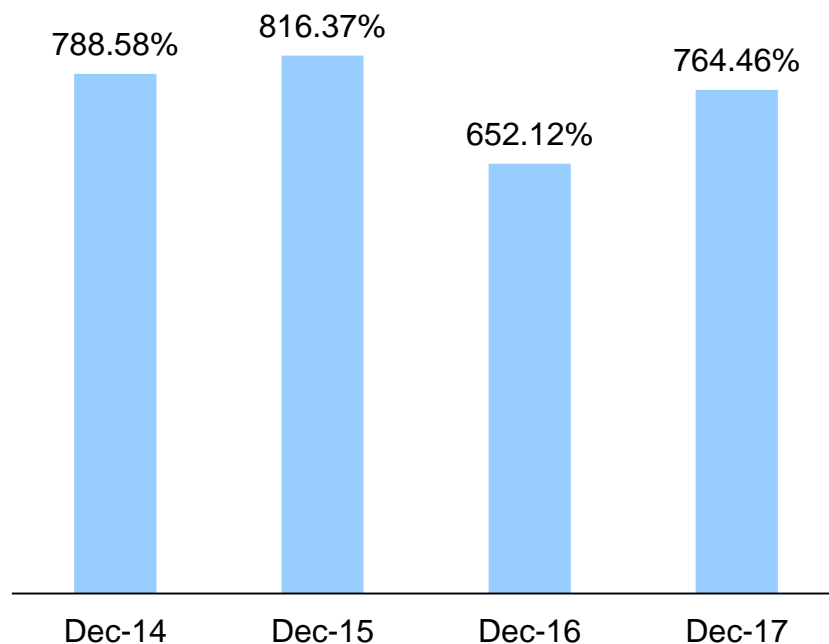


- Steady outperformance in asset quality

## NPL ratio



## Coverage ratio



## NIM improvement

- Growth in foreign currency assets with focus on overseas market
- SME client base expansion through both corporate and retail banking
- Unsecured personal loans growth opportunities from data analysis and online platform

## Franchise value expansion

- Branch remodel, relocation and expansion
- Adopt AI technology to develop wealth management platform

## Payment business development

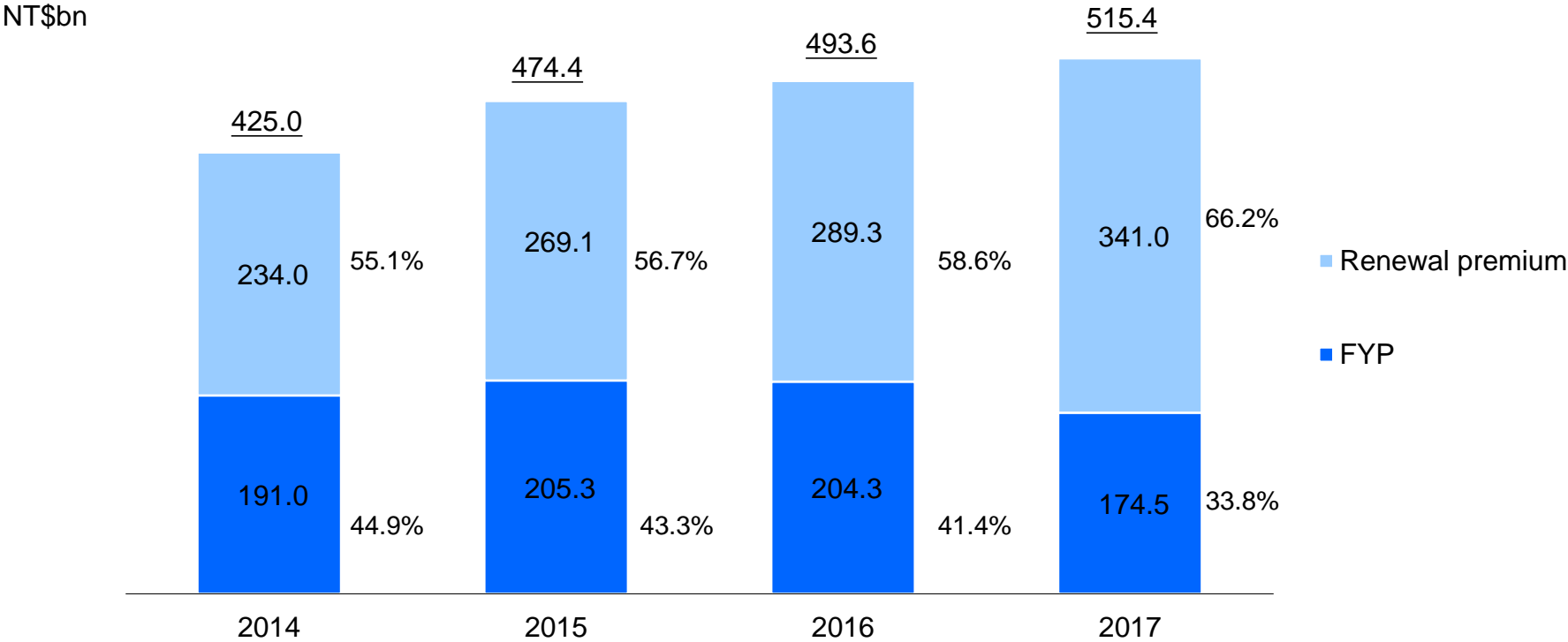
- Develop payment tools to enhance users' experience and customer acquisition
- Credit card services upgrade

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# Fubon Life: Total premium



- Record high in total premium and renewal premium
- 4% growth in total premium driven by renewal premium growth of 18%. Renewal premium contributed 66.2% of total premium



# Fubon Life: First year premium (FYP)



- Contribution from traditional policies sales reached 76.8%
- FYP declined 14.6% yoy due to the impact of policy reserve rate and commission rate cut

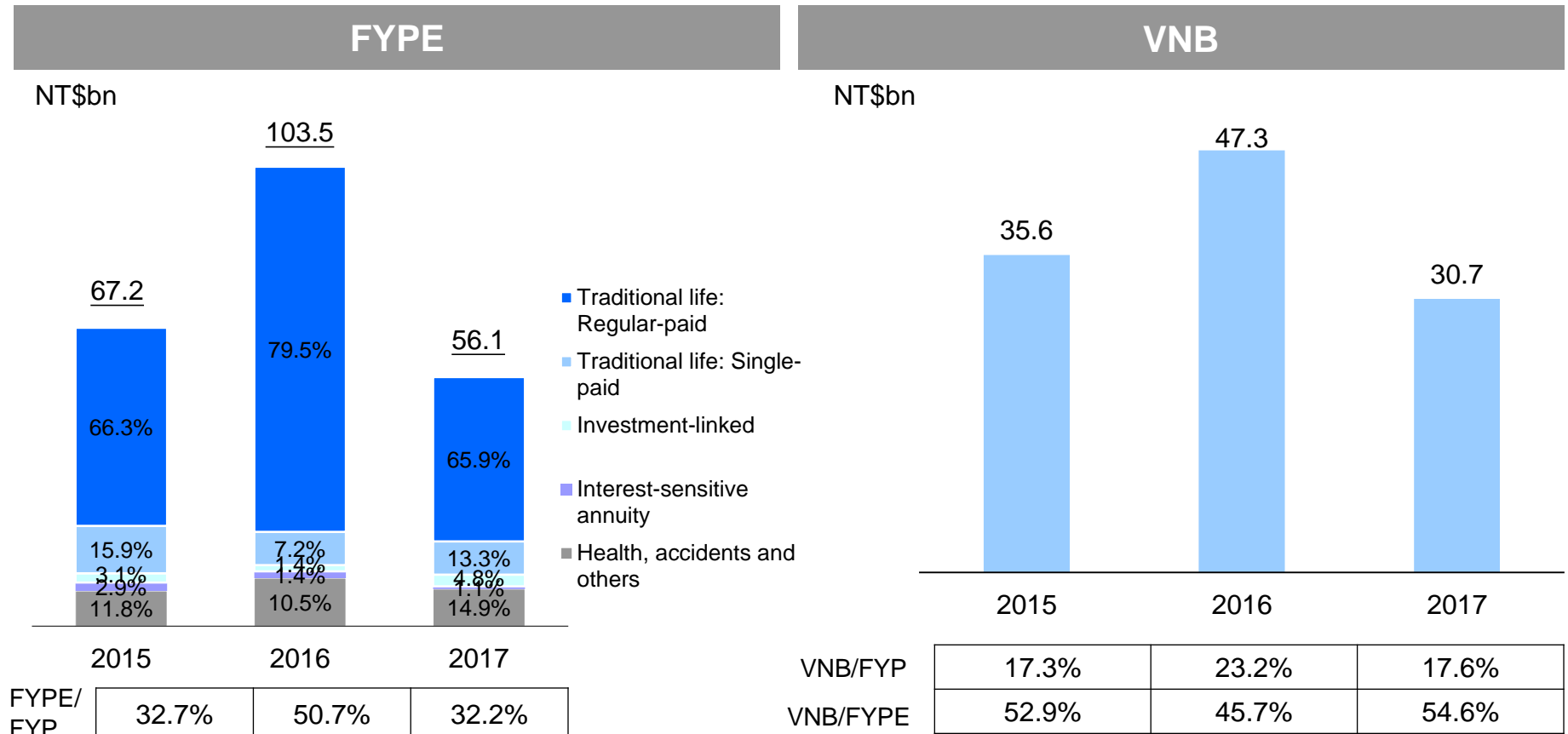
## FYP composition

NT\$bn	1Q17	2Q17	3Q17	4Q17	2017	%	2016	%	YoY growth
Traditional life: Regular-paid	20.5	11.6	15.0	12.3	59.4	34.1%	90.4	44.2%	-34.2%
Traditional life: Single-paid	20.0	19.8	19.1	15.9	74.7	42.8%	74.7	36.6%	0.1%
Interest-sensitive annuity	1.3	1.8	1.5	1.3	6.0	3.5%	14.7	7.2%	-59.0%
Investment-linked	4.4	7.6	5.6	8.3	25.9	14.8%	13.7	6.7%	88.9%
Health, accidents and others	2.2	2.0	2.2	2.0	8.4	4.8%	10.8	5.3%	-23.0%
<b>Total</b>	<b>48.4</b>	<b>42.8</b>	<b>43.4</b>	<b>39.8</b>	<b>174.5</b>	<b>100.0%</b>	<b>204.3</b>	<b>100.0%</b>	<b>-14.6%</b>

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



■ FYPE and VNB declined due to sales decrease in traditional regular-paid products after policy reserve rate cut and sales increase in investment-linked products; while FYPE/FYP and VNB margin remains similar level to 2015

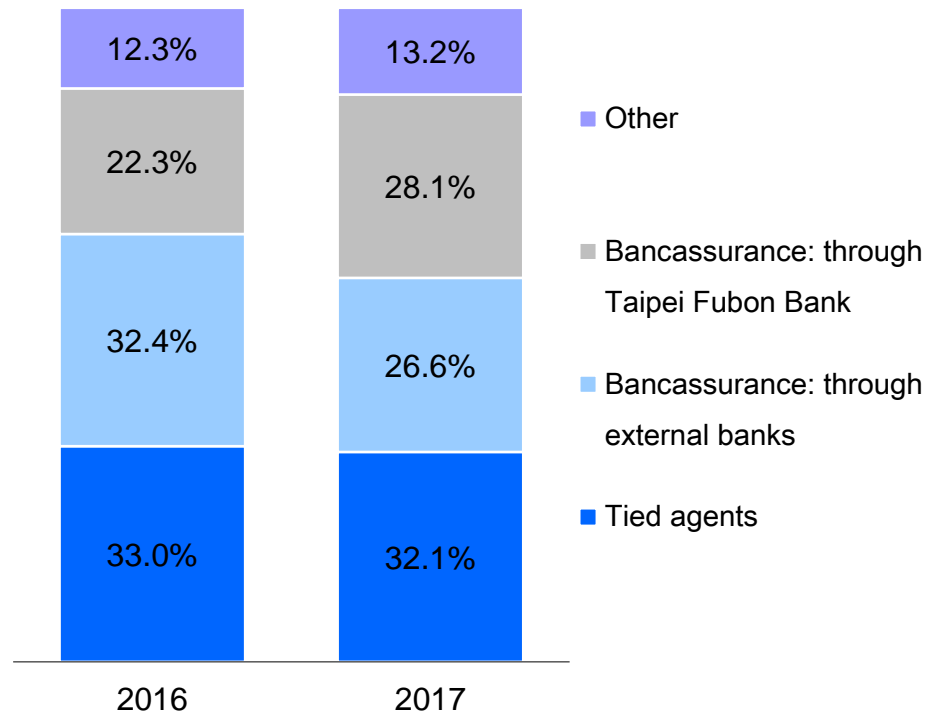


Note: 2017 VNB is based on 2016 EV actuarial assumptions

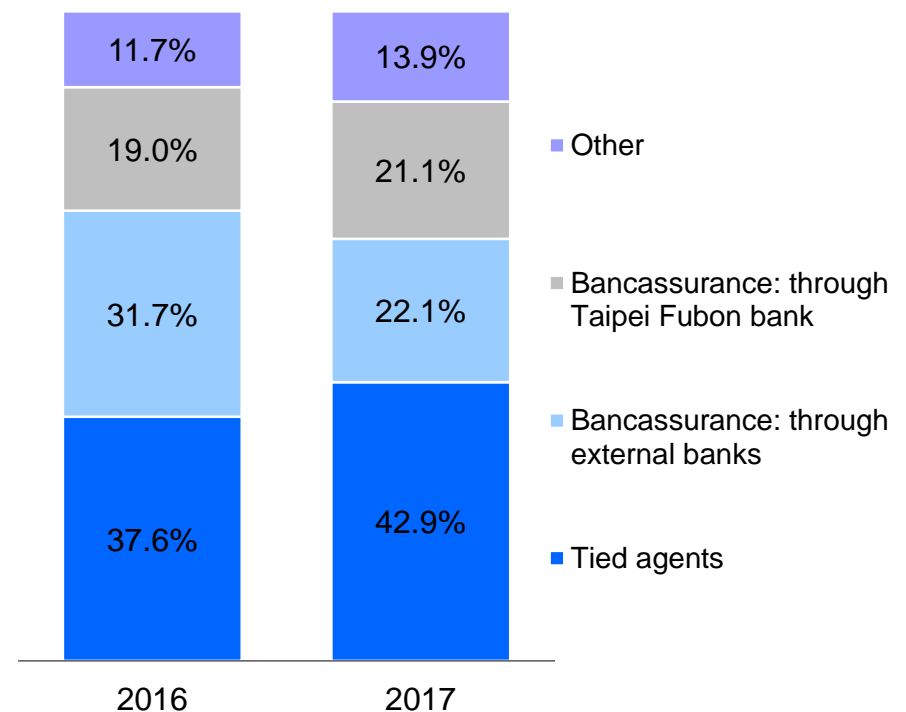


■ FYPE contribution from tied agents increased under the focus of value-driven strategy

### FYP by channel



### FYPE by channel



# Fubon Life: Composition of investment income



- Investment income growth slower than asset growth due to NTD appreciation
- Income from equity investment increased under the favorable market environment

NT\$bn	2015	2016	2017	2017 YoY growth
Recurring investment income	101.0	106.1	114.9	8.3%
Interest income	66.6	77.4	85.0	9.9%
Cash dividend income from equity investment	16.5	14.9	18.8	26.4%
Rental and others	17.9	13.8	11.1	-19.4%
Realized gains from fixed income investment	9.9	23.9	14.1	-41.2%
Realized gains from equity investment	22.6	10.3	25.5	147.5%
FX and others	-3.2	-16.0	-28.9	84.3%
<b>Investment income</b>	<b>130.3</b>	<b>124.3</b>	<b>125.6</b>	<b>1.0%</b>
<b>Total investment assets</b>	<b>2,814.0</b>	<b>3,118.4</b>	<b>3,386.3</b>	<b>8.6%</b>
<b>Investment Return (before hedge)</b>	<b>5.12%</b>	<b>4.84%</b>	<b>4.76%</b>	
<b>Investment Return (after hedge)</b>	<b>4.97%</b>	<b>4.30%</b>	<b>3.93%</b>	

# Fubon Life: Investment portfolio



- Steady growth of investment assets with 8.6% yoy growth
- Investment portfolio repositioned in response to market volatility

	2016/12/31		2017/09/30		2017/12/31	
<b>NT\$bn</b>						
Deposit and cash equivalent	165.3	5.3%	133.0	4.0%	163.5	4.8%
Domestic fixed income	489.3	15.7%	430.8	12.9%	414.1	12.2%
Overseas fixed income*	1,630.3	52.3%	1,789.7	53.6%	1,837.5	54.3%
Domestic equity	271.2	8.7%	377.4	11.3%	376.2	11.1%
Overseas equity	189.4	6.1%	218.6	6.5%	200.4	5.9%
Mortgage loans	107.1	3.4%	122.7	3.7%	126.5	3.7%
Policy loans	58.5	1.9%	61.0	1.8%	63.2	1.9%
Real estate	207.2	6.6%	208.0	6.2%	204.9	6.1%
<b>Total Investments</b>	<b>3,118.4</b>	<b>100.0%</b>	<b>3,341.2</b>	<b>100.0%</b>	<b>3,386.3</b>	<b>100.0%</b>
Domestic	1,235.5	39.6%	1,262.0	37.8%	1,264.3	37.3%
Overseas*	1,882.9	60.4%	2,079.2	62.2%	2,122.0	62.7%

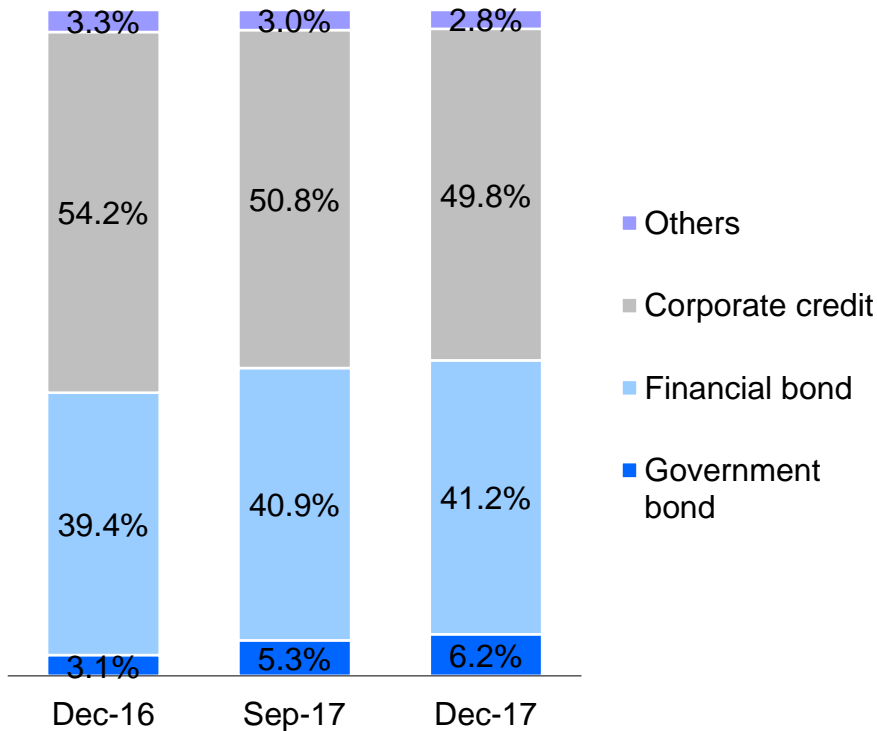
Note: \*Including OTC-listed international bond, the international bonds investment reached 16.1% of total investment assets as of 2017/12/31

# Fubon Life: Portfolio of overseas fixed income

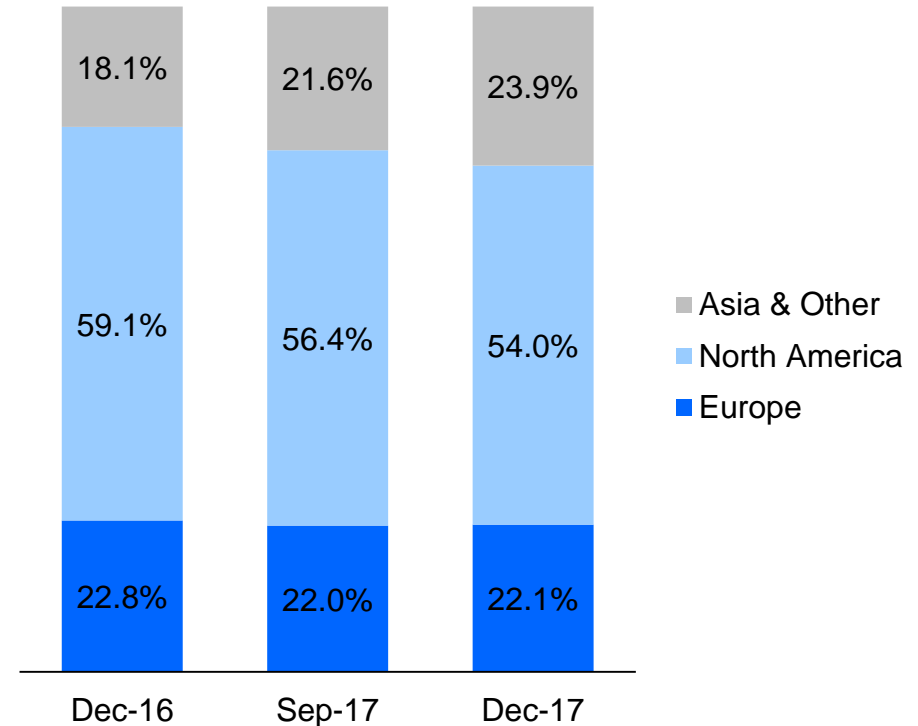


- Asset allocation predominately in investment-grade corporate credit and financial bonds
- Over 50% of the assets are North American issuers

Overseas fixed income by asset type



Overseas fixed income by region

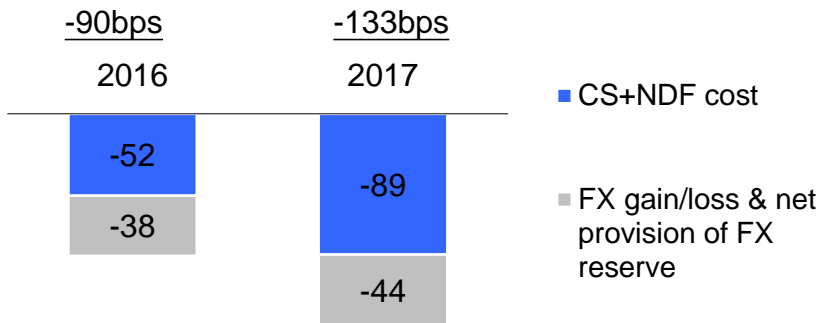


# Fubon Life: Hedging composition

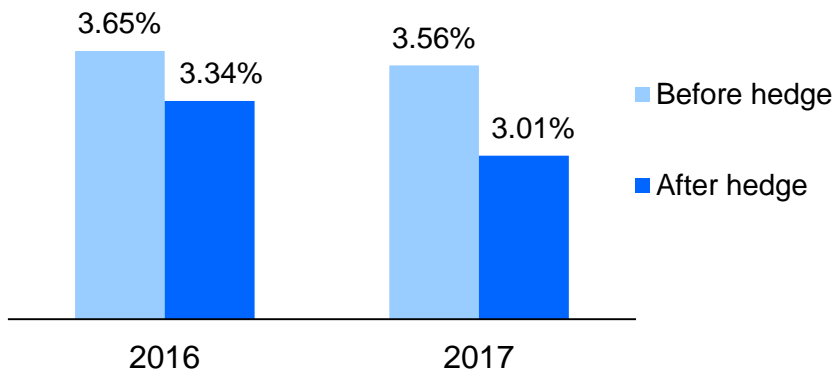


- Recurring hedging cost increased due to NTD appreciation and spread widening
- Reduce naked USD position by adding proxy hedging in response to market movement

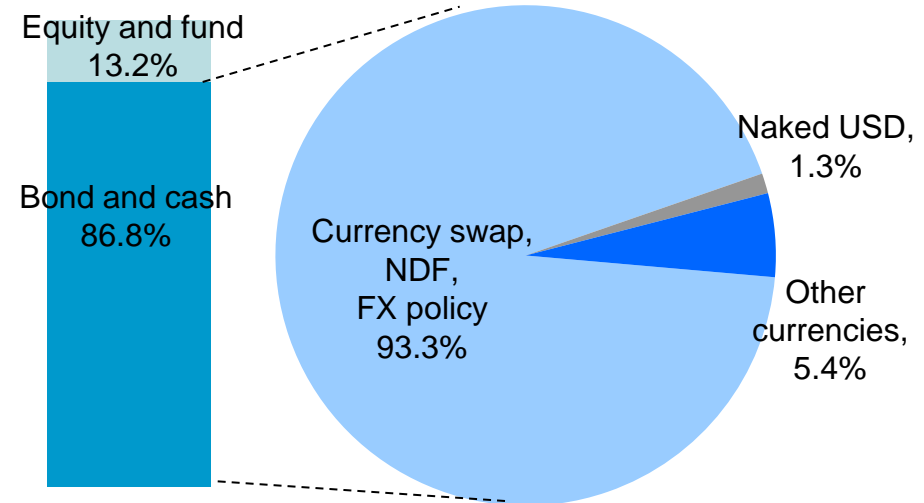
## Hedging cost & FX gain/loss



## Recurring return



## FX position

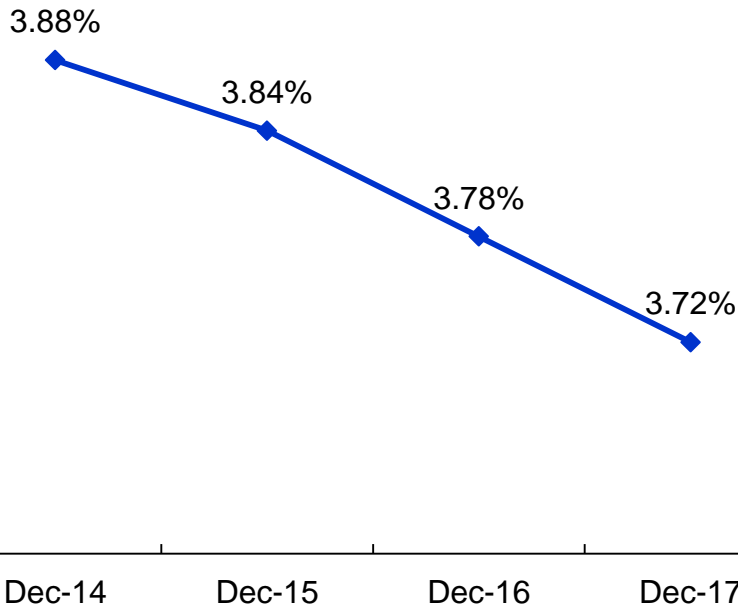


# Fubon Life: Cost of liability & Breakeven point

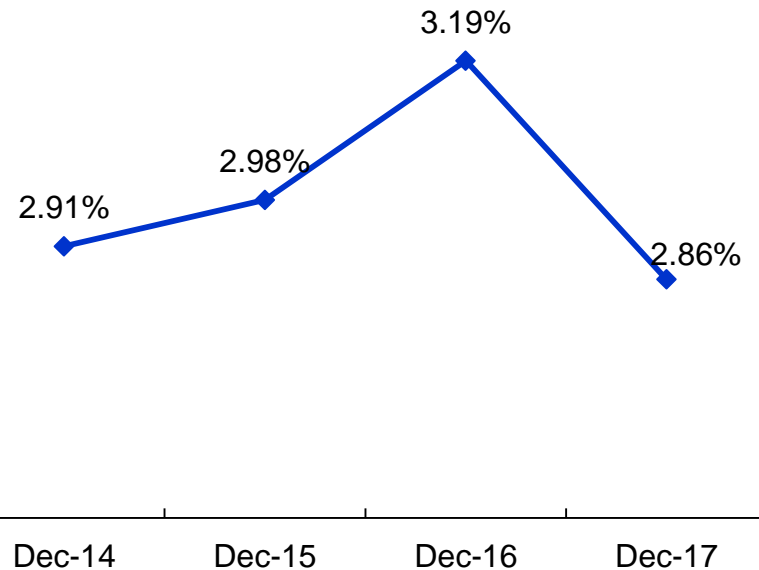


- Cost of liability improvement due to lower cost from new premiums
- Breakeven point improvement due to lower first year strain

### Cost of liability



### Breakeven point



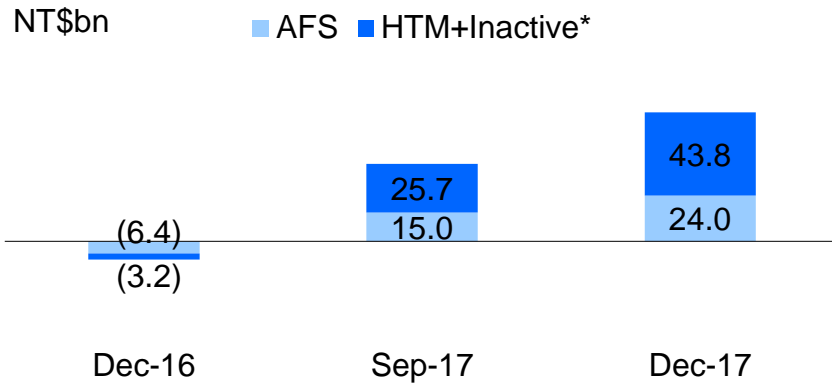
$$\text{Breakeven point} = \frac{(\text{Profit before tax} - \text{Investment income})}{\text{Average investment assets}}$$

# Fubon Life: Investment performance



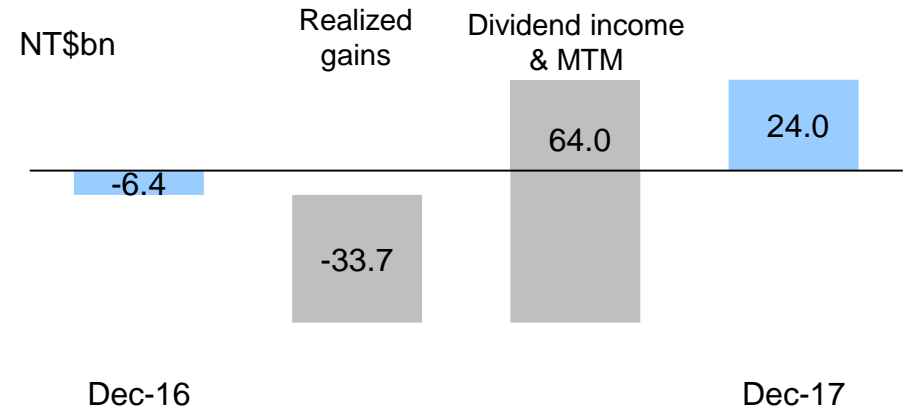
- Increased in unrealized gains from both bond and equity investment

## Unrealized gains outstanding balance

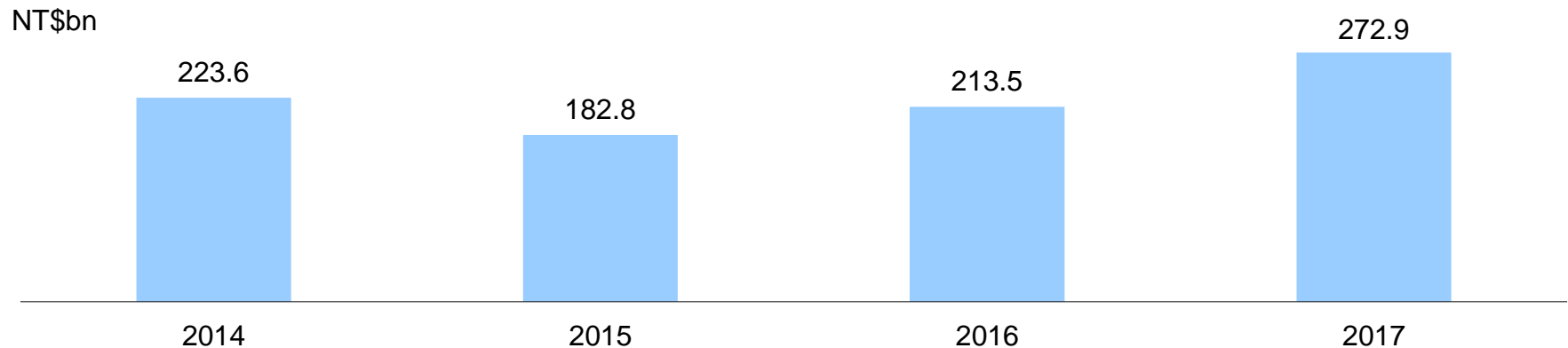


Note: \*before tax basis

## Movement of unrealized gains from AFS assets



## Steady growth in shareholders' equity



## Channel Expansion

- Tied agency development island-wide
- Develop new business opportunities from online channel

## Differentiation in product offering

- Segmentation strategy to serve customer needs. Focus on protection, pension and retirement planning
- Innovation in new products offering

## Stable investment performance

- Dynamic investment portfolio adjustment along with the market movement
- Steady asset growth
- Maintain positive spread advantage



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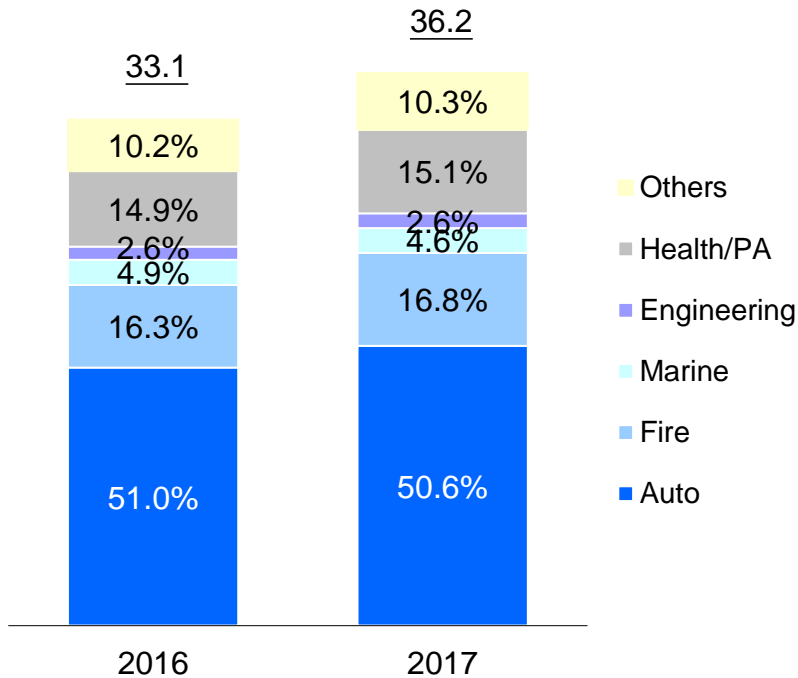
# Fubon Insurance: Operating snapshot



- Top 1 position with 23.2% market share
- 9.2% premium growth outperformed industry
- Net combined ratio improvement due to better underwriting experience

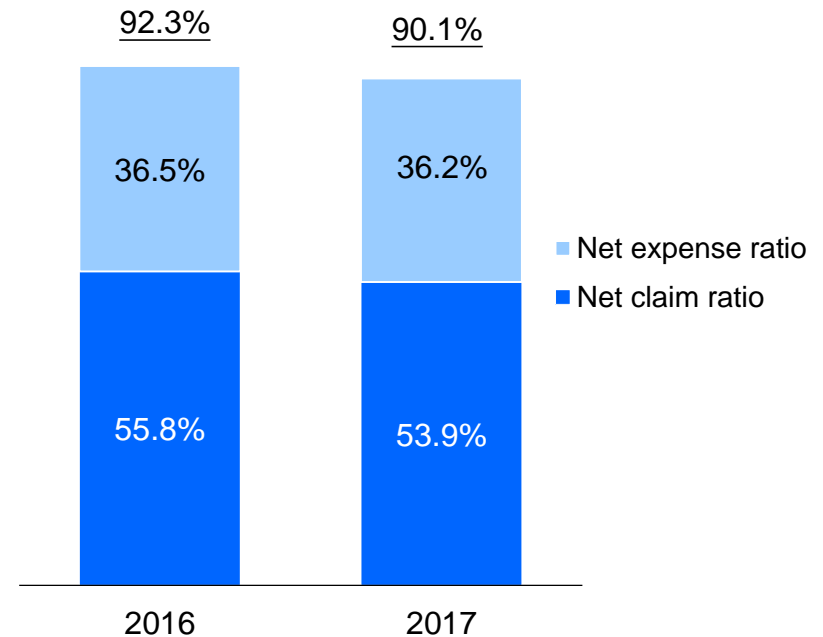
## Direct written premium by product

NT\$bn



Note: Standalone basis

## Net combined ratio



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

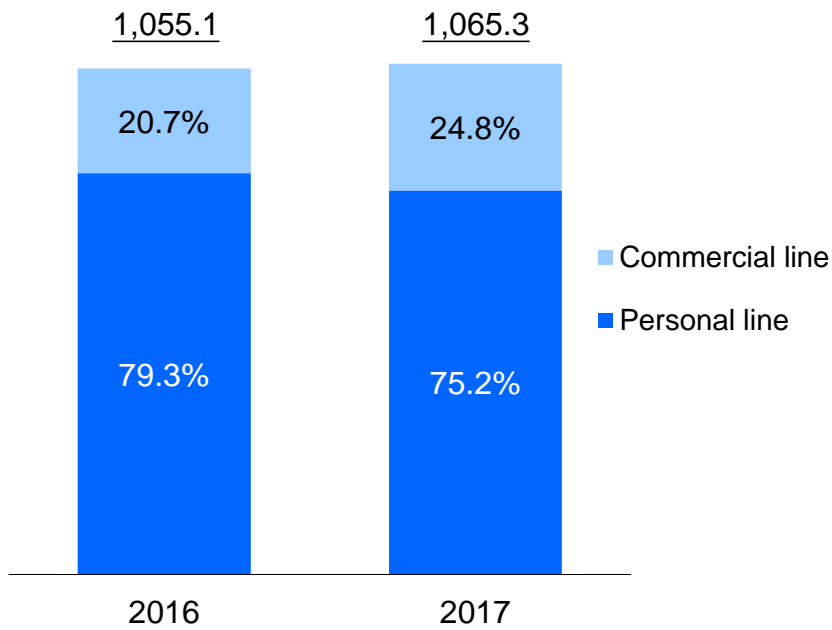
# Fubon P&C (China): Business progress



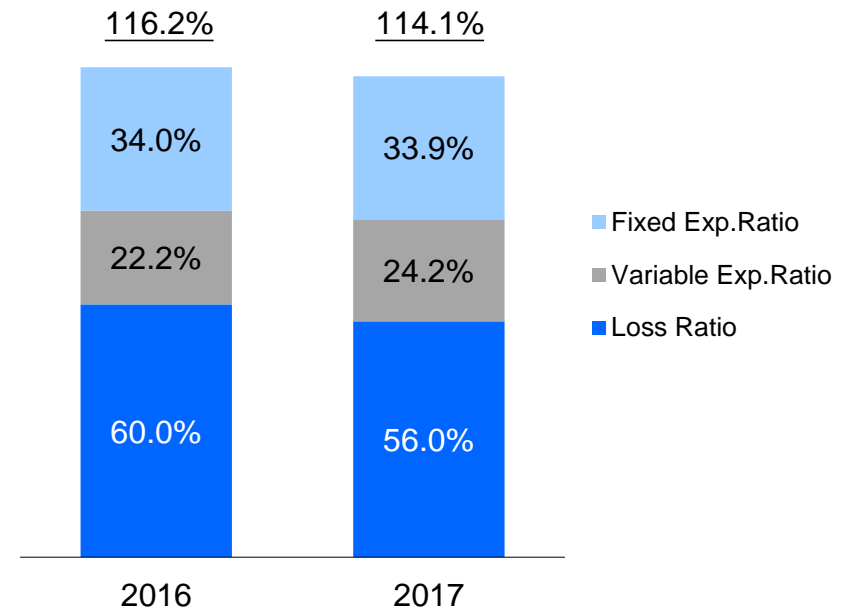
- Premium reached RMB\$1,065 million with top 6 position among foreign P&Cs in China. 11 new offices in 2017 out of 61
- Net combined ratio improvement due to better loss experience. Expense ratio marginally increased due to pricing liberalization in auto business.

## Gross written premium

RMB\$mn



## Net combined ratio



## Leading position in Taiwan

- Focus on personal lines
- Comprehensive products offering for family and product innovation

## Fintech development

- Growth from online channel
- Innovative product and service through fintech development

## China business

- Expand personal line through big data, online and telemarketing integration

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# Fubon Securities: Financial highlights



- Leading market position across lines of business. Brokerage market share increased to 6.2%
- AUM of ETF growth along with product variety

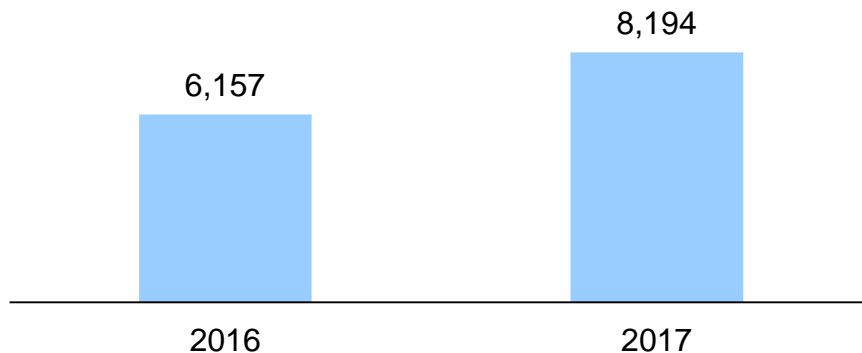
## Market share & ranking

	2017	Ranking	2016	Ranking
Brokerage per branch*	0.130%	1	0.097%	2
Market Share of SPO	22.44%	2	11.69%	3
AUM of ETF (NT\$m)	73,600	2	59,400	2
Emerging stock trading	20.73%	2	20.74%	2
Brokerage	6.21%	3	5.21%	3

Note: \*Ranking among top 10 brokers

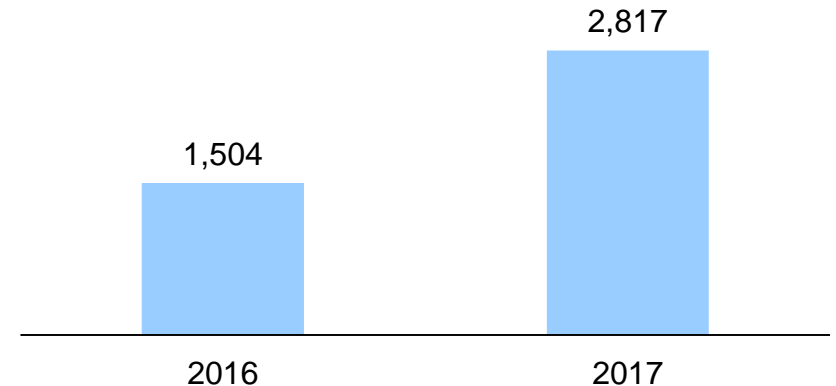
## Operating revenue

NT\$m



## Net profits

NT\$m



## Brokerage

- Focus on customer AUM management through various product lines
- Branch optimization to enhance efficiency

## Fintech application

- Growth in online trading
- Wealth management business opportunities from robo advisors service application

## ETF business

- Expansion in scale and product diversification

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





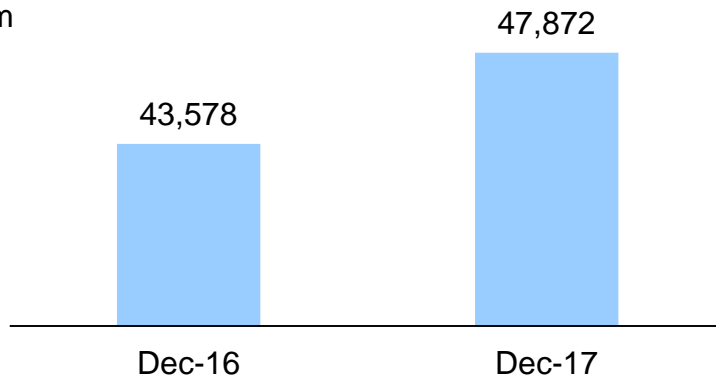
# Fubon Bank (Hong Kong): Key balance sheet items



- Loan growth led by corporate segment
- AT1 issuance of USD\$193 million for capital enhancement and growth

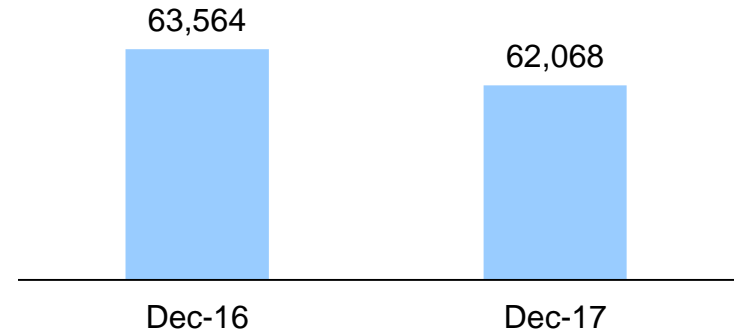
## Loans

HK\$m



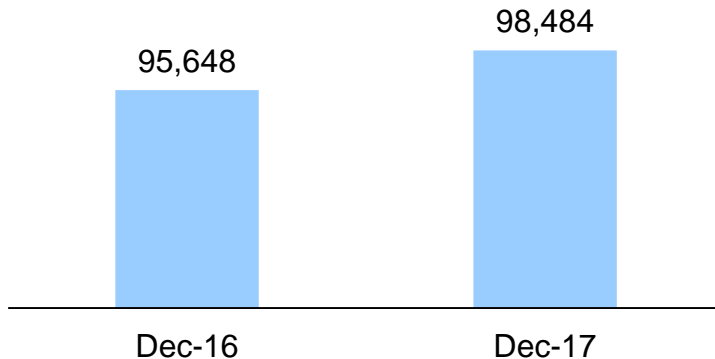
## Deposits

HK\$m



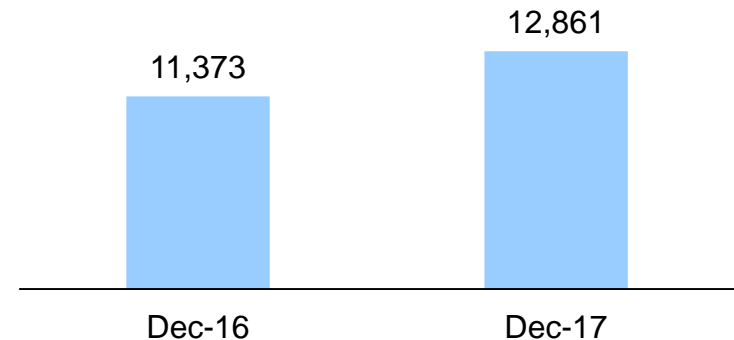
## Assets

HK\$m



## Net worth

HK\$m

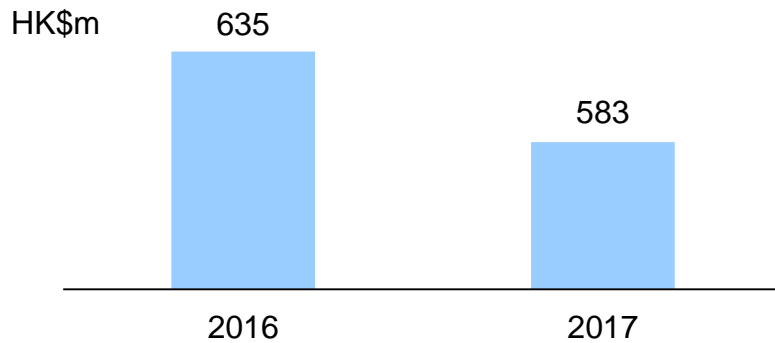


# Fubon Bank (Hong Kong): Financial highlight

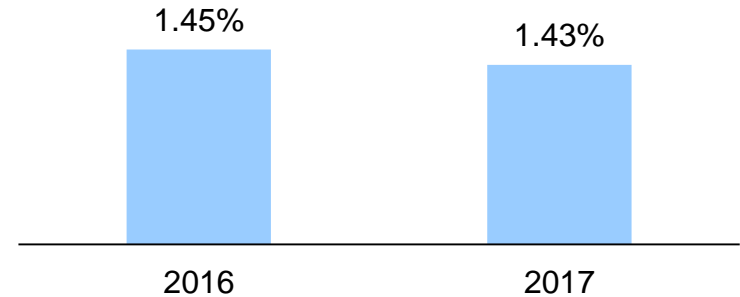


- Net profits declines due to one-off loss recognition <sup>(1)</sup> and fee income decline from bancassurance, which offset lower provisions and increase in net interest income
- Benign asset quality with coverage ratio 100%

## Net Profits

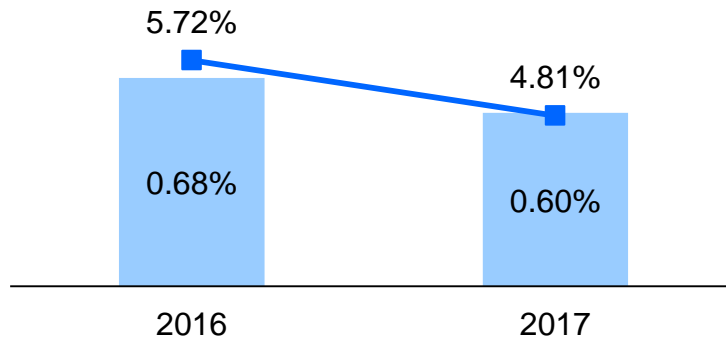


## NIM



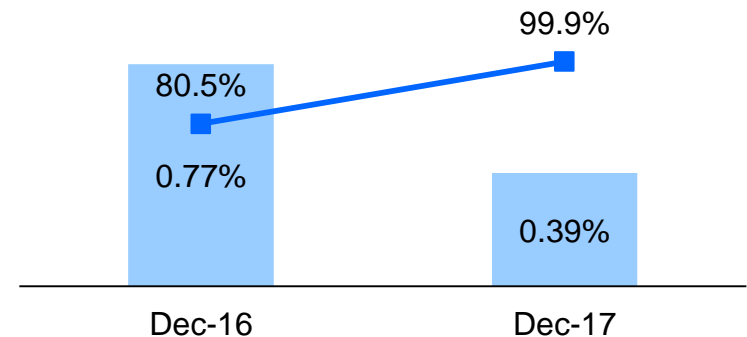
## ROAA & ROAE

ROAA ROAE



## NPL ratio & Coverage ratio <sup>(2)</sup>

NPL ratio Coverage ratio



Note: (1) One-off HK\$55mn (after tax) losses due to Xiamen Bank stakes dilution from 19.99% to 15.78%. HK\$22.8m is recognized in FHC consolidated report due to different GAAP in HK and Taiwan. (2) Coverage ratio = ( Allowance for loan losses + Secured balance ) / NPL

## Loan mix adjustment

- Develop SME portfolio to capture trade finance opportunities
- Growth in mortgage business

## Fee revenue expansion

- Cross-sale wealth management products
- Development of corporate banking fee business

## Efficiency enhancement

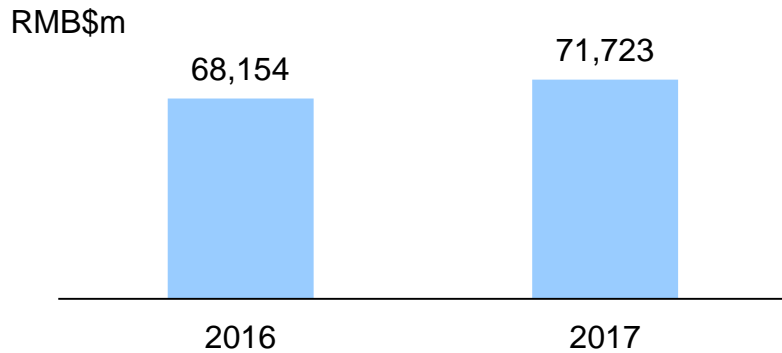
- Online and digital platform expansion
- Core banking system upgrade to enhance risk control

# Fubon Bank (China): Key balance sheet items

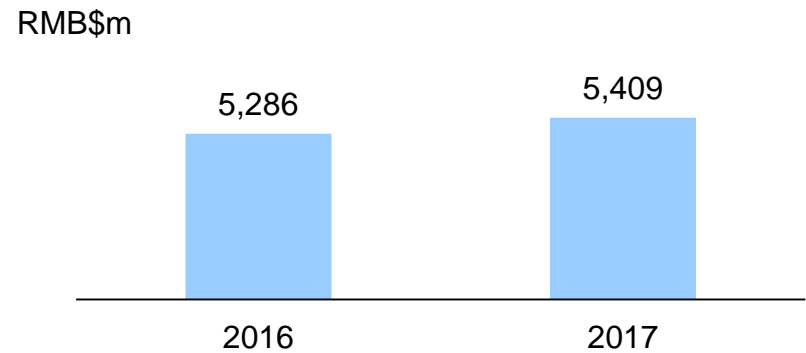


- Interbank assets declined along with deleverage requirement. Loan growth 14.6% higher than 5.2% growth in total assets
- Deposits grew 10.7% yoy driven by Taiwanese client base and retail deposits

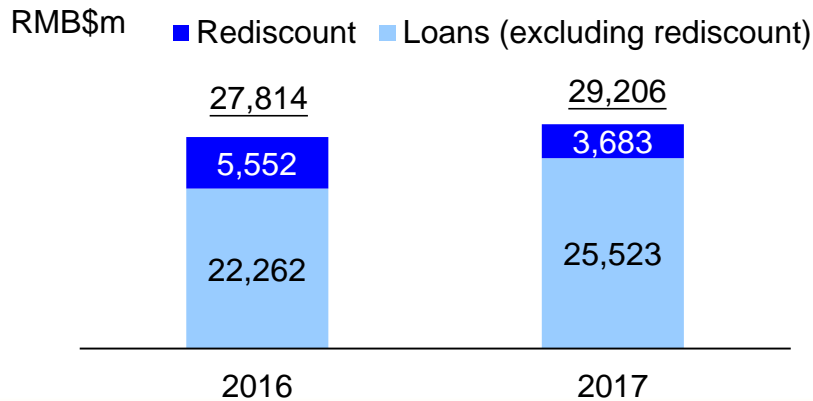
## Assets



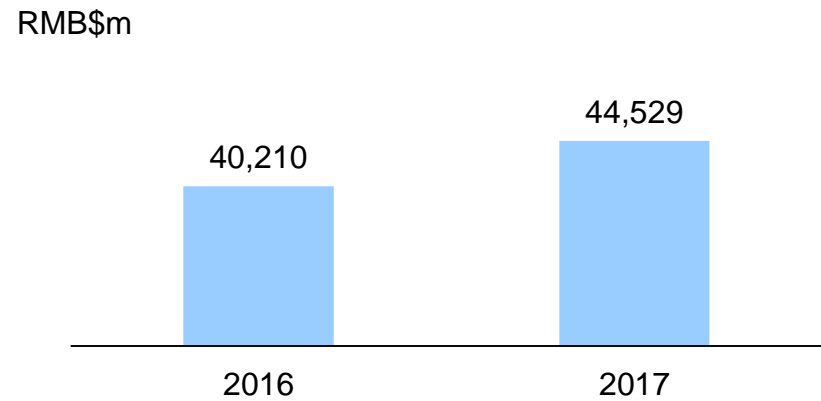
## Net worth



## Loans



## Deposits



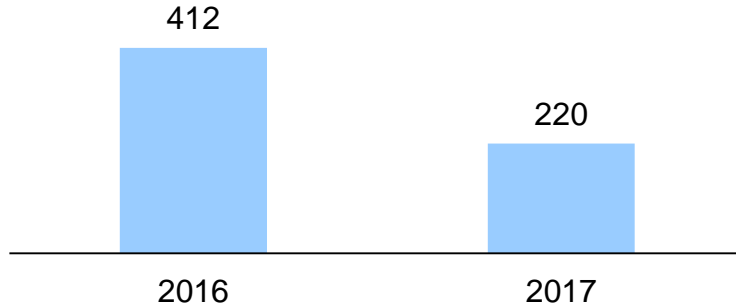
# Fubon Bank (China): Financial highlight



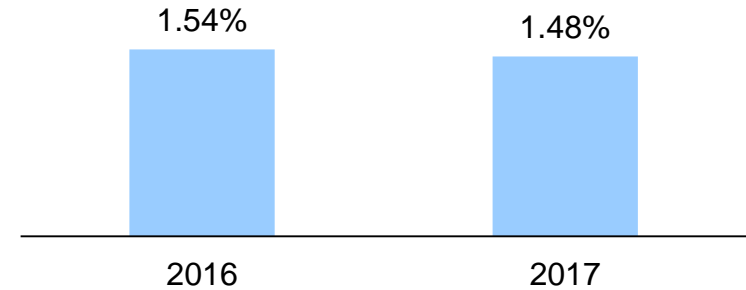
- Lower earnings affected by trading income
- Lending yield up while funding costs increase led to 6bps drop in NIM
- Asset quality improvement with NPL ratio down to 1.44%

## Net Profits

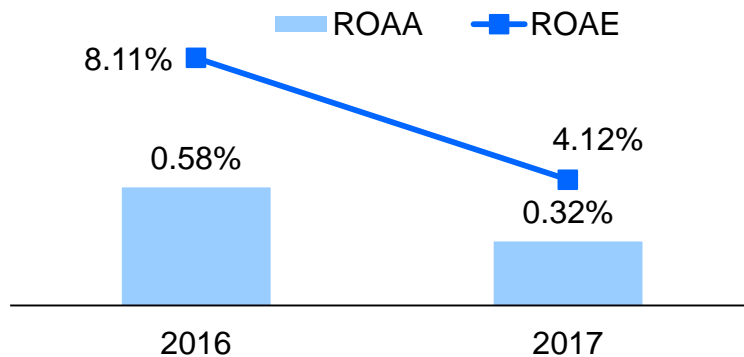
RMB\$m



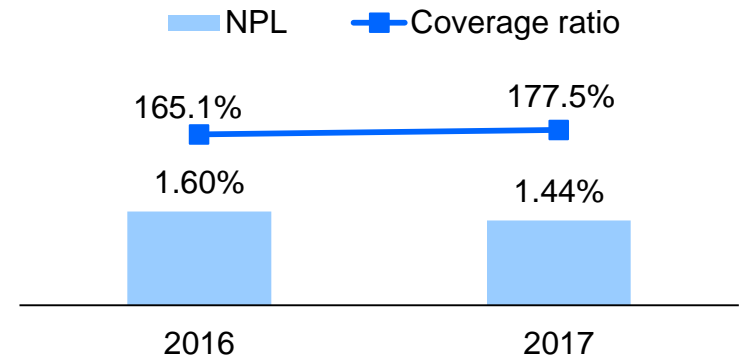
## NIM



## ROAA & ROAE



## NPL ratio & Coverage ratio



## Corporate client focus

- SME focus
- Serve Taiwanese clients through cross-boarder services
- Expansion in syndication loan business

## Retail business expansion

- Online retail business acquisition through alliance with internet operators
- Grow payroll accounts through corporate client base
- Development wealth management business in Shanghai area

## Branches expansion

- 2-3 new branches in 2018



**Thank you**





## Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b><u>Income statement data</u></b>							
First year premium	39,838	43,413	42,836	48,373	174,460	204,283	-14.6%
Retained earned premium	114,618	121,955	117,431	125,882	479,885	468,608	2.4%
Total investment income	29,026	43,989	26,317	26,246	125,578	124,327	1.0%
Recurring investment income	26,004	38,686	26,997	23,203	114,890	106,072	8.3%
Other investment income	3,023	5,303	(681)	3,043	10,688	18,255	-41.5%
Realized gains (losses) from fixed income	2,214	4,172	3,291	4,401	14,078	23,933	-41.2%
Realized gains (losses) from equity	6,382	6,080	4,352	8,657	25,471	10,292	147.5%
FX and others	(5,606)	(4,960)	(8,295)	(10,091)	(28,952)	(15,705)	84.3%
Investment property fair value movement	33	11	(29)	76	91	(265)	N.M.
Other income	589	573	537	504	2,203	2,131	3.4%
Total operating revenue	144,233	166,517	144,284	152,632	607,666	595,066	2.1%
Retained claim payment	68,114	70,328	59,646	44,363	242,452	185,979	30.4%
Net commission expense	5,393	5,718	5,613	7,553	24,277	33,625	-27.8%
Net change in insurance liability	61,476	66,436	70,794	93,216	291,922	327,464	-10.9%
General and administrative expense	4,045	3,899	3,987	3,936	15,867	17,179	-7.6%
Other operating costs	668	635	710	968	2,980	2,035	46.5%
Total operating costs and expenses	139,696	147,017	140,750	150,036	577,498	566,282	2.0%
Net non-operating income / (expenses)	118	114	70	(14)	288	489	-41.1%
Income before tax	4,656	19,614	3,605	2,582	30,456	29,274	4.0%
Net income	5,221	18,667	4,590	4,010	32,488	28,688	13.2%
Net income to parent company	5,221	18,667	4,590	4,010	32,488	28,688	13.2%
<b><u>Balance sheet data</u></b>							
Total assets	3,662,772	3,586,932	3,511,526	3,399,391	3,662,772	3,353,560	9.2%
Total assets (general account)	3,507,557	3,434,671	3,363,318	3,256,156	3,507,557	3,211,026	9.2%
Insurance liabilities	3,136,523	3,083,344	3,018,120	2,944,874	3,136,523	2,902,374	8.1%
Total liabilities	3,389,882	3,328,193	3,270,064	3,179,307	3,389,882	3,140,085	8.0%
Total liabilities (general account)	3,234,667	3,175,932	3,121,857	3,036,072	3,234,667	2,997,551	7.9%
Equity attributable to parent company	272,890	258,739	241,461	220,084	272,890	213,474	27.8%
<b><u>Key Metrics</u></b>							
ROA	0.60%	2.15%	0.53%	0.48%	0.93%	0.90%	
ROE	8.59%	31.62%	8.07%	7.40%	13.36%	14.48%	
Equity / Assets	7.45%	7.21%	6.88%	6.47%	7.45%	6.37%	
Claims and benefits ratio	59.43%	57.67%	50.79%	35.24%	50.52%	39.69%	
Expense ratio	3.53%	3.20%	3.40%	3.13%	3.31%	3.67%	
Persistency ratio - 13th month	97.96%	97.97%	97.95%	97.29%	97.96%	96.25%	
Persistency ratio - 25th month	95.09%	94.51%	93.69%	93.77%	95.09%	94.09%	

## Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b><u>Income statement data</u></b>							
Interest income	12,467	11,770	11,021	10,676	45,934	42,709	7.6%
Interest expense	(6,154)	(5,802)	(5,394)	(5,032)	(22,382)	(19,855)	12.7%
Net interest income	6,313	5,969	5,627	5,644	23,552	22,854	3.1%
Net fee income	2,217	2,975	2,667	3,374	11,232	11,996	-6.4%
Other income	1,640	2,336	2,451	1,421	7,848	5,822	34.8%
Total net revenue	10,170	11,279	10,746	10,439	42,633	40,672	4.8%
Operating expenses	(5,563)	(5,260)	(5,210)	(5,156)	(21,188)	(20,981)	1.0%
Pre-provision profits	4,607	6,019	5,536	5,283	21,445	19,691	8.9%
Provision for credit losses	(1,138)	(263)	(577)	(204)	(2,183)	(1,372)	59.1%
Income before tax	3,469	5,756	4,958	5,079	19,262	18,319	5.2%
Net income	3,052	5,125	4,349	4,405	16,931	15,272	10.9%
Net income to parent company	3,092	5,050	4,302	4,333	16,778	14,466	16.0%
<b><u>Balance sheet data</u></b>							
Loans and discounts, net	1,383,755	1,321,327	1,310,670	1,288,945	1,383,755	1,289,861	7.3%
Deposits and remittances	2,067,918	1,962,074	1,953,213	1,859,336	2,067,918	1,877,778	10.1%
Allowance for loan losses*	16,142	15,370	15,286	14,739	16,142	14,666	10.1%
Total assets	2,671,668	2,540,792	2,489,210	2,396,147	2,671,668	2,414,226	10.7%
Equity attributable to parent company	179,965	177,297	172,419	177,644	179,965	174,634	3.1%
<b><u>Key metrics</u></b>							
ROA	0.48%	0.83%	0.71%	0.73%	0.67%	0.63%	
ROE	6.98%	11.48%	9.92%	9.84%	9.46%	8.50%	
Equity / assets	7.43%	7.71%	7.66%	8.16%	7.43%	8.01%	
Cost / income ratio	-54.70%	-46.63%	-48.48%	-49.39%	-49.70%	-51.59%	
NPL ratio*	0.17%	0.17%	0.20%	0.20%	0.17%	0.20%	
Reserve / NPL*	764.46%	797.38%	657.81%	641.81%	764.46%	652.12%	
Tier 1 ratio*	12.11%		11.60%		12.11%	12.57%	
BIS ratio*	13.93%		13.25%		13.93%	14.40%	

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

## Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b><u>Income statement data</u></b>							
Direct written premiums	9,442	9,738	11,116	10,541	40,837	38,172	7.0%
Retention of earned premiums	8,202	8,361	8,006	7,884	32,453	29,577	9.7%
Net income from investment	373	872	1,080	412	2,737	2,754	-0.6%
Other operating revenue	289	274	364	358	1,285	1,440	-10.8%
Retained insurance payments	4,416	4,560	4,119	4,275	17,370	16,216	7.1%
Net change in liability reserve	32	174	325	117	648	363	78.4%
Commission and operating expenses	3,695	3,592	3,604	3,543	14,434	13,769	4.8%
Non-Operating Income	(123)	(61)	(49)	(43)	(276)	(158)	74.8%
Income before tax	598	1,120	1,353	676	3,747	3,266	14.7%
Net income	654	928	1,209	547	3,338	2,672	24.9%
Net income to parent company	729	1,011	1,257	634	3,631	3,119	16.4%
<b><u>Balance sheet data</u></b>							
Total assets	97,667	99,127	99,400	98,532	97,667	98,470	-0.8%
Investment assets	68,399	67,543	65,839	65,083	68,399	64,900	5.4%
Policy reserve	51,353	53,237	54,902	53,981	51,353	54,310	-5.4%
Equity attributable to parent company	31,241	30,436	29,614	30,556	31,241	29,531	5.8%
<b><u>Key Metrics</u></b>							
ROA	2.67%	3.75%	4.89%	2.22%	3.40%	2.85%	
ROE	9.60%	13.49%	17.00%	8.44%	11.95%	10.72%	
Total investment return	2.24%	5.27%	6.61%	2.53%	4.11%	4.25%	
Solvency margin (NWP/equity)	101.50%	106.50%	114.51%	110.58%	105.49%	104.51%	
Retention ratio	78.32%	78.01%	72.04%	75.60%	75.85%	75.36%	

## Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b><u>Income statement data</u></b>							
Brokerage commissions	1,084	1,080	852	778	3,795	2,728	39.1%
Net interest income	254	243	248	242	987	901	9.5%
Fee income	175	185	189	145	694	336	106.5%
Net principal transactions and financial products gains	759	(87)	269	183	1,124	509	120.8%
Other income	225	838	315	220	1,599	1,691	-5.5%
Total operating revenue	2,497	2,256	1,872	1,569	8,194	6,157	33.1%
Total operating expense	(1,648)	(1,519)	(1,461)	(1,334)	(5,962)	(5,375)	10.9%
Net non-operating income / (expenses)	242	217	149	177	785	811	-3.2%
Income before tax	1,091	954	560	412	3,017	1,594	89.3%
Net income	1,095	875	492	345	2,817	1,504	87.3%
Net income to parent company	1,100	878	494	345	2,817	1,504	87.3%
<b><u>Balance sheet data</u></b>							
Margin loans	14,420	13,754	12,577	12,554	14,420	11,142	29.4%
Total assets	125,210	121,355	117,421	103,532	125,210	101,278	23.6%
Equity attributable to parent company	33,755	33,328	32,736	33,056	33,755	32,575	3.6%
<b><u>Key Metrics</u></b>							
ROA	3.87%	3.15%	1.80%	1.35%	2.48%	1.62%	
ROE	13.27%	10.66%	6.05%	4.21%	8.49%	4.69%	
Equity / assets	26.96%	27.46%	27.88%	31.93%	26.96%	32.16%	
Expenses / revenues	-66.01%	-67.35%	-78.03%	-85.02%	-72.76%	-87.30%	
Margin loans / total assets	11.52%	11.33%	10.71%	12.13%	11.52%	11.00%	
Margin loans / shareholders' equity	42.72%	41.27%	38.42%	37.98%	42.72%	34.20%	

## Fubon Bank (Hong Kong) - Financial Summary

<i>HK\$ millions, except for percentages</i>	2H17	1H17	HoH	2017	2016	YoY
<b><u>Income Statement Data</u></b>						
Interest income	1,128	1,053	7.1%	2,181	1,925	13.3%
Interest expense	(506)	(459)	10.4%	(965)	(756)	27.6%
Net interest income	622	594	4.6%	1,216	1,169	4.0%
Net fee income	152	166	-8.1%	318	364	-12.5%
Other income	3	0	1098.6%	4	57	-93.7%
Total revenue	777	761	2.2%	1,538	1,590	-3.3%
Operating expenses	(482)	(469)	2.7%	(950)	(957)	-0.7%
Provision for loan losses/ write-back	(44)	(24)	82.9%	(68)	(224)	-69.7%
Net non-operating income	70	104	-33.1%	174	300	-42.1%
Income before tax	322	372	-13.6%	693	708	-2.1%
Net income	272	312	-12.9%	583	635	-8.1%
<b><u>Balance Sheet Data</u></b>						
Gross loans	47,872	45,222	5.9%	47,872	43,578	9.9%
Customers Deposits	62,068	63,334	-2.0%	62,068	63,564	-2.4%
Allowance for loan losses	289	265	9.1%	289	259	11.6%
Total assets	98,484	97,147	1.4%	98,484	95,648	3.0%
Shareholders' equity	12,861	12,069	6.6%	12,861	11,373	13.1%
<b><u>Key metrics</u></b>						
Return on average assets	0.55%	0.65%		0.60%	0.68%	
Return on average equity	4.32%	5.36%		4.81%	5.72%	
Equity / assets	13.06%	12.42%		13.06%	11.89%	
Net fee income / total revenue	19.61%	21.81%		20.70%	22.90%	
Cost / income ratio	-61.95%	-61.63%		-61.79%	-60.19%	
NPL ratio	0.39%	0.49%		0.39%	0.77%	
Reserve / NPL	154.31%	118.37%		154.31%	77.41%	
Gross Loans/Customers Deposits ratio	77.13%	71.40%		77.13%	68.56%	
Tier 1 ratio	15.42%	12.64%		15.42%	12.60%	
BIS ratio	19.42%	16.53%		19.42%	17.02%	

## Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b><u>Income Statement Data</u></b>							
Interest income	748	702	630	613	2,692	2,608	3.2%
Interest expense	(490)	(476)	(420)	(399)	(1,786)	(1,618)	10.4%
Net interest income	258	225	209	214	907	990	-8.5%
Net fee income	18	32	18	15	83	104	-20.6%
Other income	32	(34)	(25)	(10)	(37)	73	N.M.
Operating expenses	(195)	(156)	(153)	(154)	(658)	(641)	2.8%
Pre-provision profits	113	67	49	65	293	526	-44.2%
Provision for credit losses	(17)	0	0	(0)	(17)	(1)	1405.6%
Income before tax	96	67	49	65	276	525	-47.4%
Net income	75	53	41	52	220	412	-46.5%
<b><u>Balance Sheet Data</u></b>							
Loans	29,206	29,187	28,625	27,174	29,206	27,814	5.0%
Deposits	44,529	42,983	39,338	37,960	44,529	40,210	10.7%
Total asset	71,723	71,709	64,588	64,150	71,723	68,154	5.2%
Total equity	5,409	5,399	5,352	5,318	5,409	5,286	2.3%
<b><u>Key Metrics</u></b>							
ROA	0.42%	0.31%	0.25%	0.31%	0.32%	0.58%	
ROE	5.53%	3.95%	3.05%	3.91%	4.12%	8.11%	
Equity / assets	7.54%	7.53%	8.29%	8.29%	7.54%	7.76%	
Cost / income ratio	-63.32%	-70.16%	-75.58%	-70.47%	-69.17%	-54.90%	
NPL ratio	1.44%	1.48%	1.59%	1.62%	1.44%	1.60%	
Reserve / NPL	177.49%	169.32%	161.14%	167.08%	177.49%	165.09%	
Loan to deposit ratio (Renminbi)	72.16%	69.40%	73.51%	73.20%	72.16%	73.51%	
Tier 1 ratio	11.49%	11.78%	12.37%	12.91%	11.49%	13.04%	
BIS ratio	12.19%	12.44%	13.01%	13.63%	12.19%	13.76%	