

2018 1H Interim Results Fubon Financial Holdings

2018.08.29

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\$31,224 million in 1H18, up 67.1% yoy

Taipei Fubon Bank

- Steady net interest income growth continues and wealth management fee income resumes growth driven by sales momentum
- Innovative online financial services to promote financial inclusion and broaden customer base

Fubon Life

- Recurring return growth and hedging costs improvement
- Stable improvement in COL. 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 underwriting quality
- Outstanding combined ratio and investment performance led to earnings growth

Fubon Securities

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

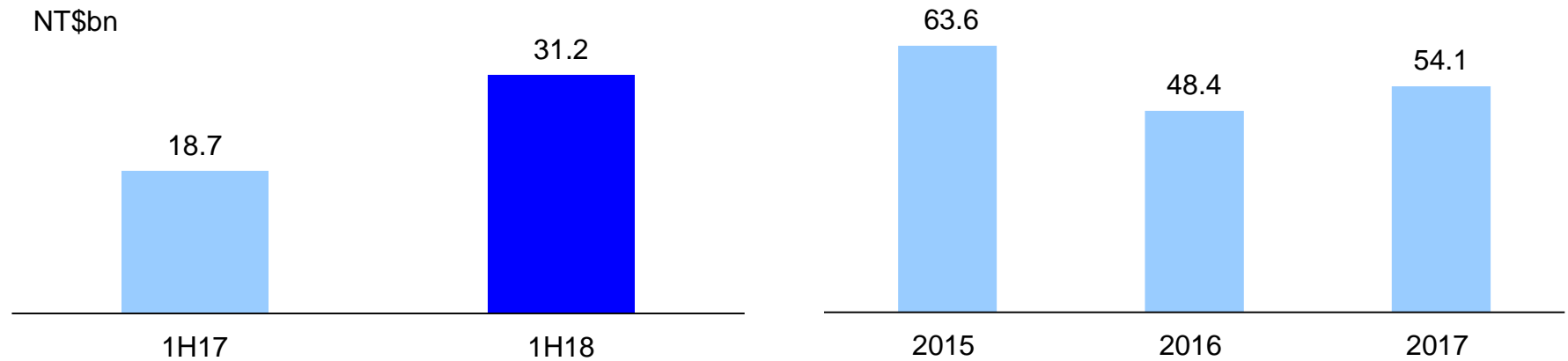
Fubon Financial Holdings: Profitability



- Net profits growth of 67.1% yoy with the highest EPS among peers

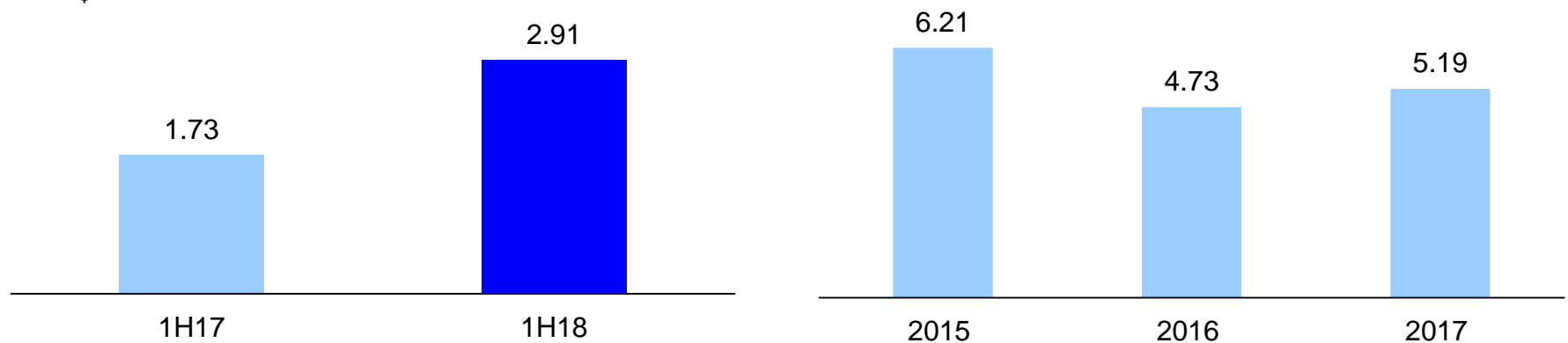
Net profits

NT\$bn



Earning per share (EPS)

NT\$

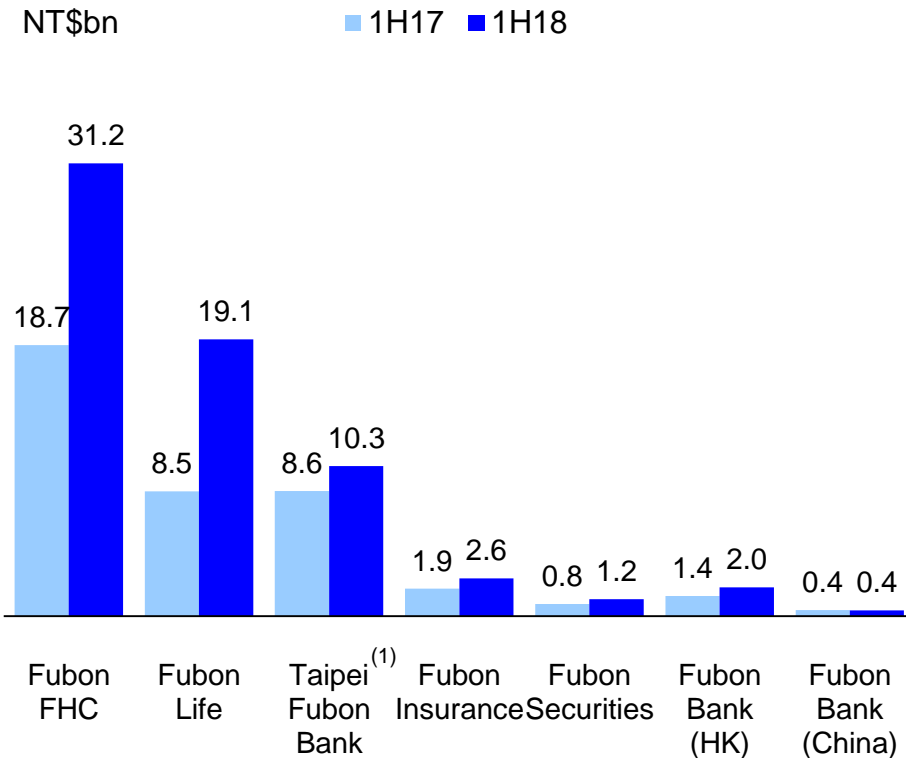




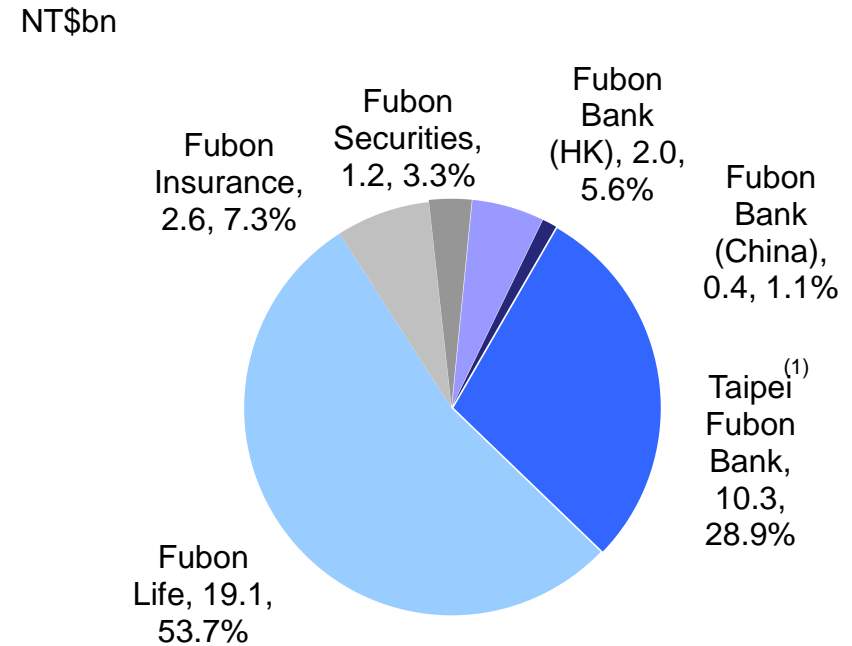
Fubon Financial Holdings: Net profits from major subsidiaries

Earnings growth across major subsidiaries

Net profits from subsidiaries



Profit contribution from subsidiaries⁽²⁾



Note: (1) Profit contribution are based on the summation of the six subsidiaries shown in the chart

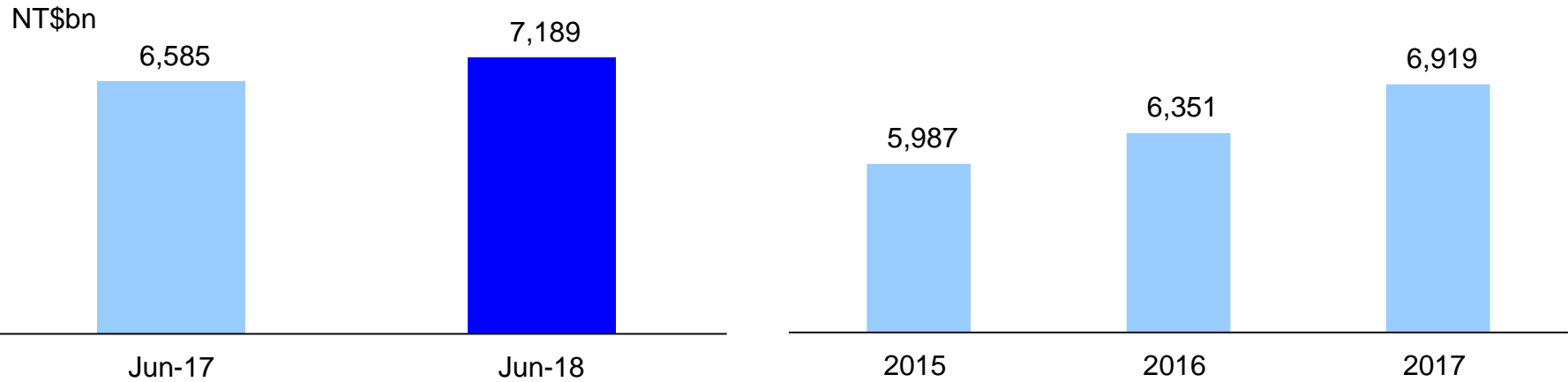
(2) Net profits of Fubon Bank(China) is not included in net profits of Taipei Fubon Bank

Fubon Financial Holdings: Asset and net worth

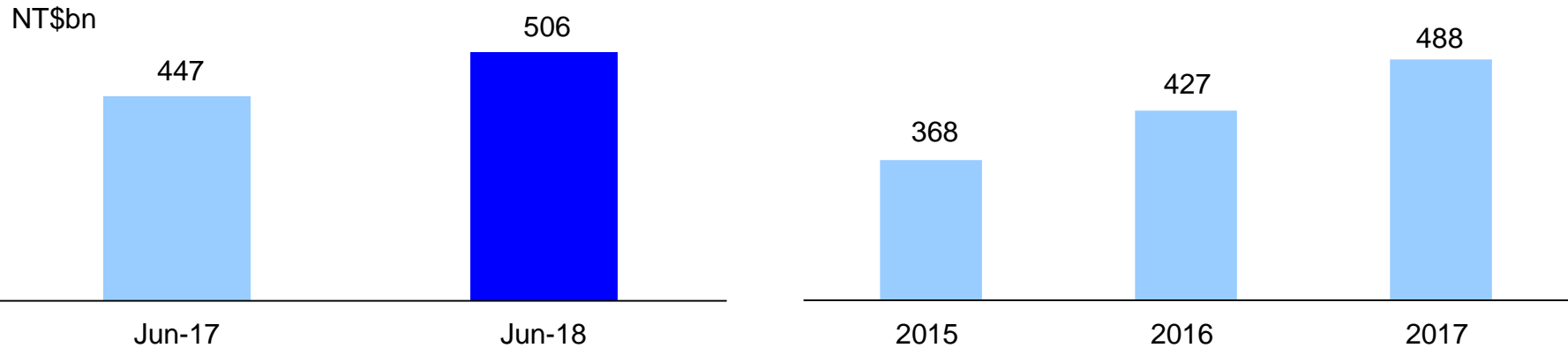


- Asset growth 9.2% yoy. Net worth up 13.1% yoy due to preferred shares issuance and earnings contribution

Total assets



Equity attributable to parent company

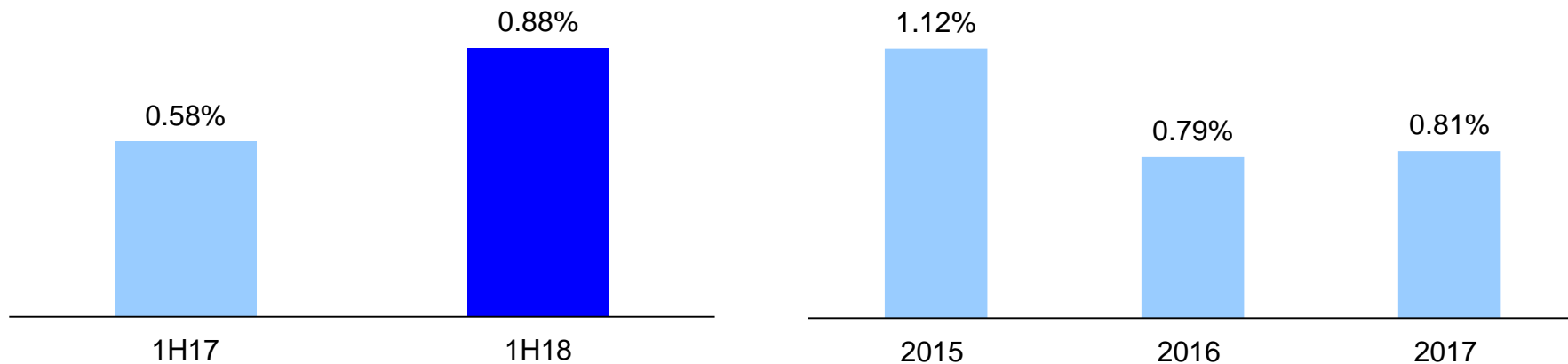


Fubon Financial Holdings: ROA & ROE

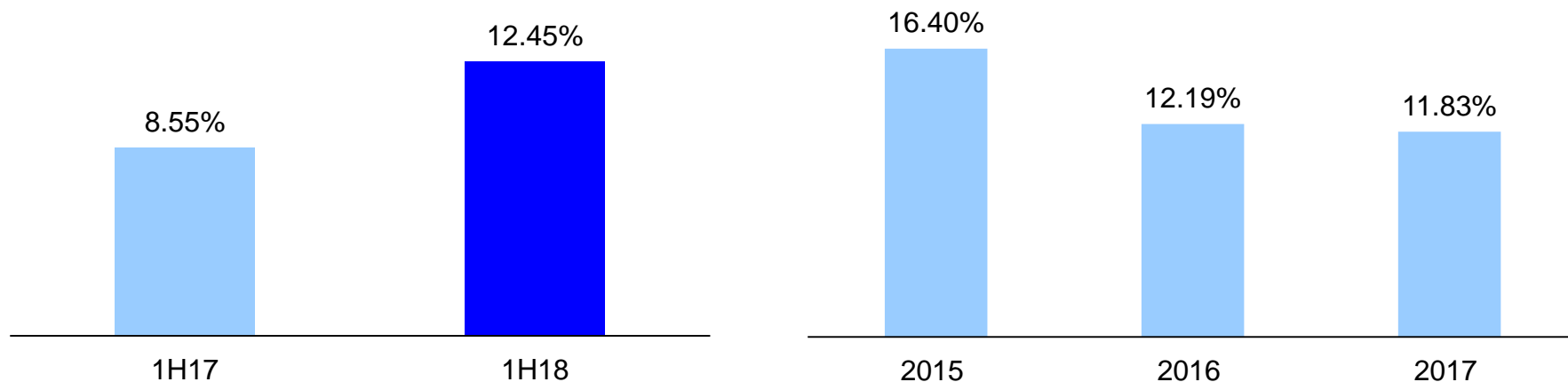


■ ROA and ROE improvement along with earnings growth

ROA



ROE



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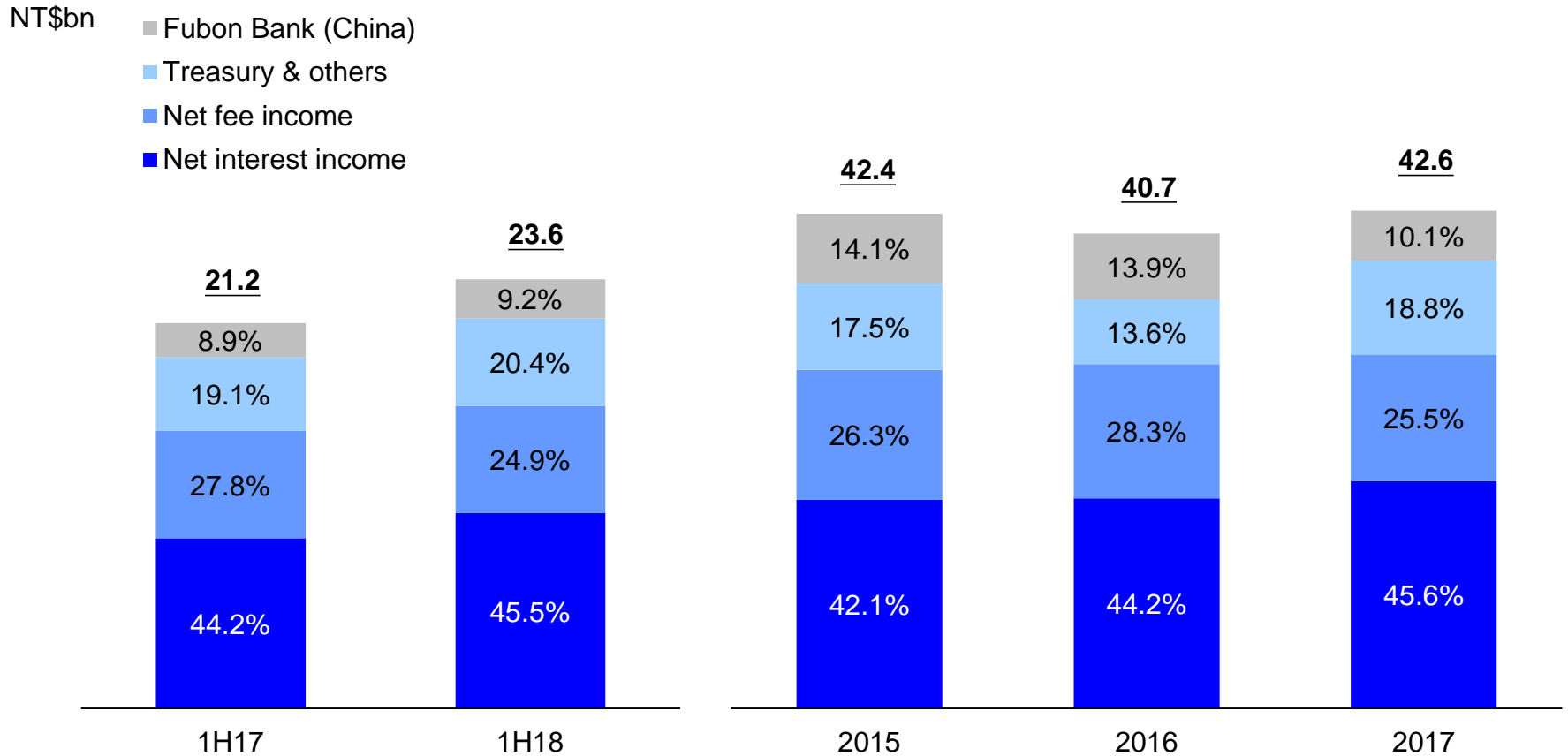
- *Overseas banking operation*

Taipei Fubon Bank: Revenue



- Net revenue growth of 11.4% yoy driven by net interest income and investment & FX gains from treasury activities

Revenue composition of Taipei Fubon Bank



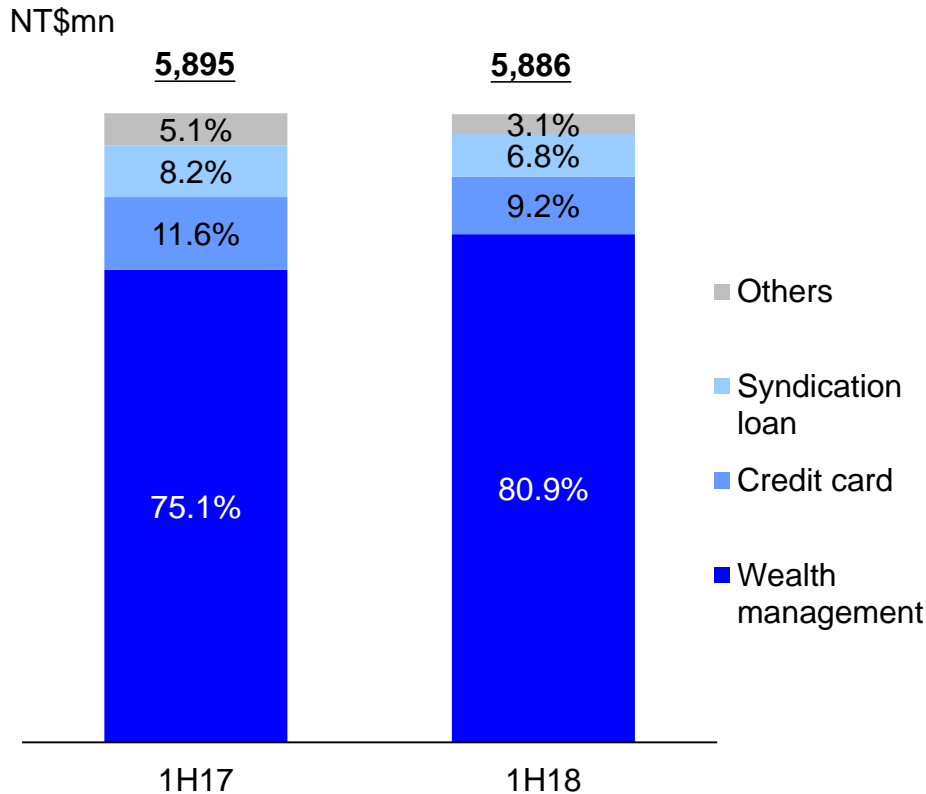
Note: Consolidated basis

Taipei Fubon Bank: Fee and wealth management revenue

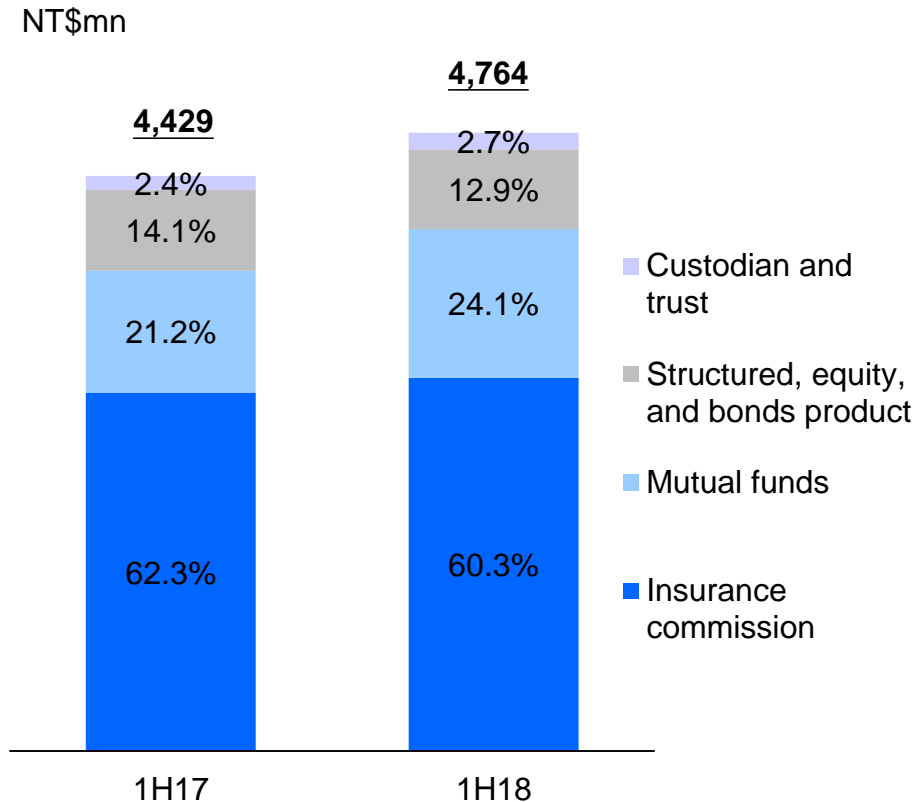


- Growth from wealth management fees are offset by credit card campaign and a soft syndication market in Asia
- Wealth management fee grew 7.6% yoy driven by sound sales momentum

Sources of fee revenue



Wealth management fee



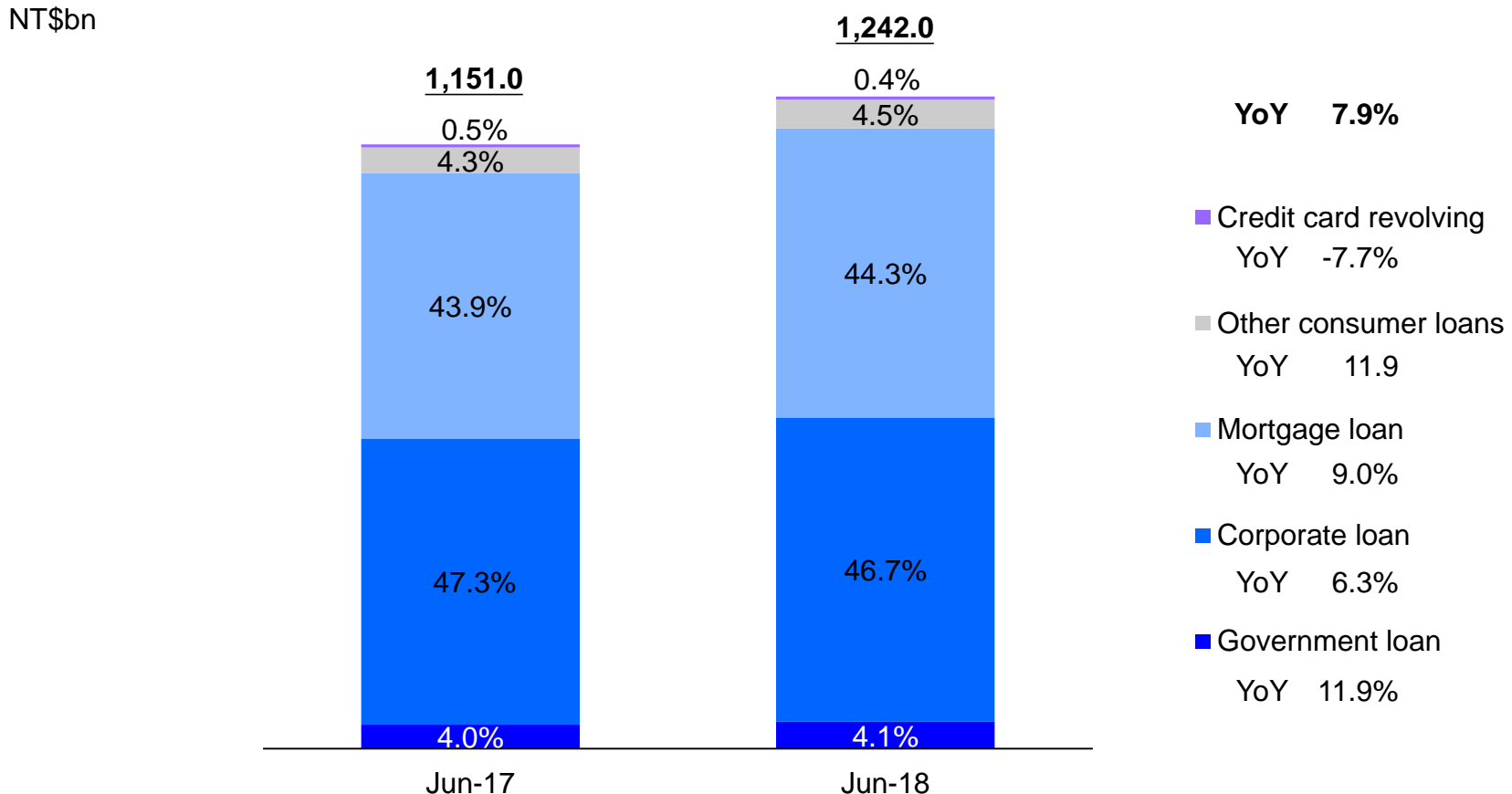
Note: Data are stand-alone basis in page 11-16

Taipei Fubon Bank: Loan composition



- Loan growth 7.9% yoy mainly driven by corporate, mortgage and consumer loans
- Contributions from mortgages and consumer loans continue to increase

Loans by type



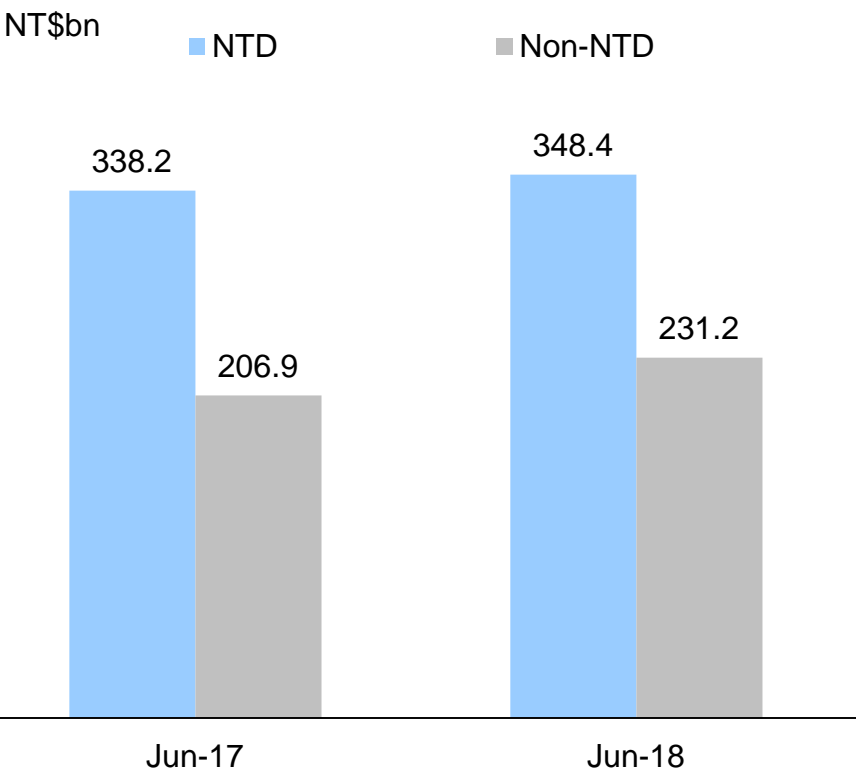
Note: Ending balance

Taipei Fubon Bank: Corporate credit



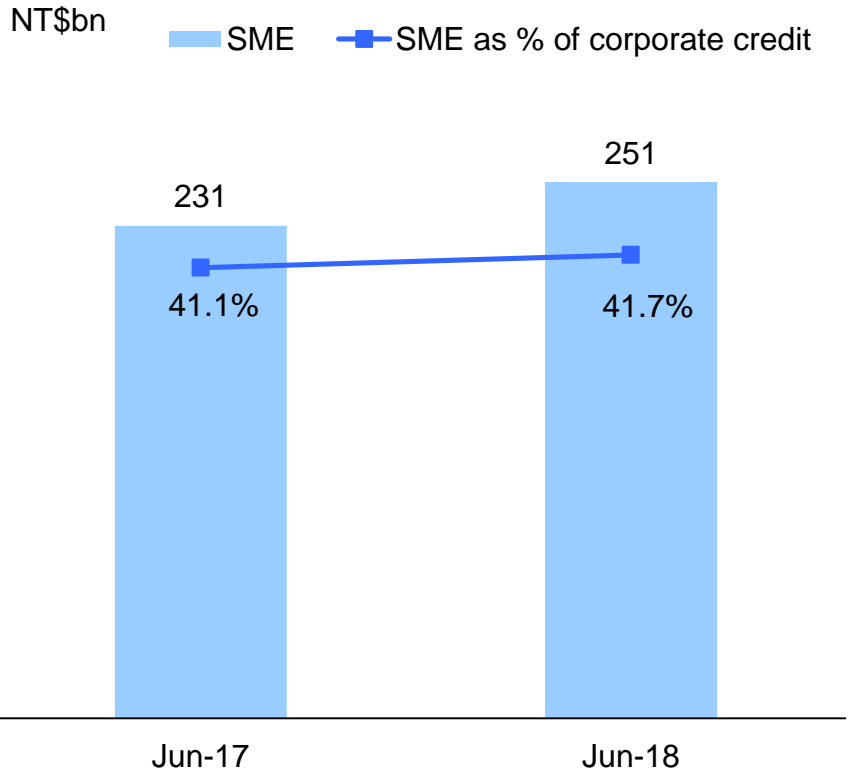
- Foreign currency loans up 11.8% yoy, driven by overseas demand
- SME credit steadily grew 8.9% yoy

Corporate loan by currency



Note: Ending balance

SME credit and as % of corporate credit



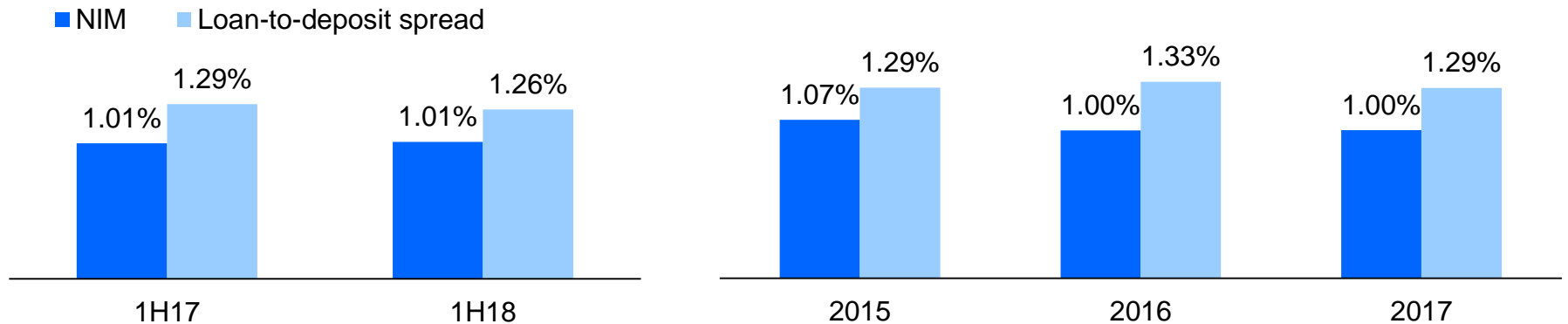
Note: Corporate credit include loan and trade finance

Taipei Fubon Bank: Interest yield and margin

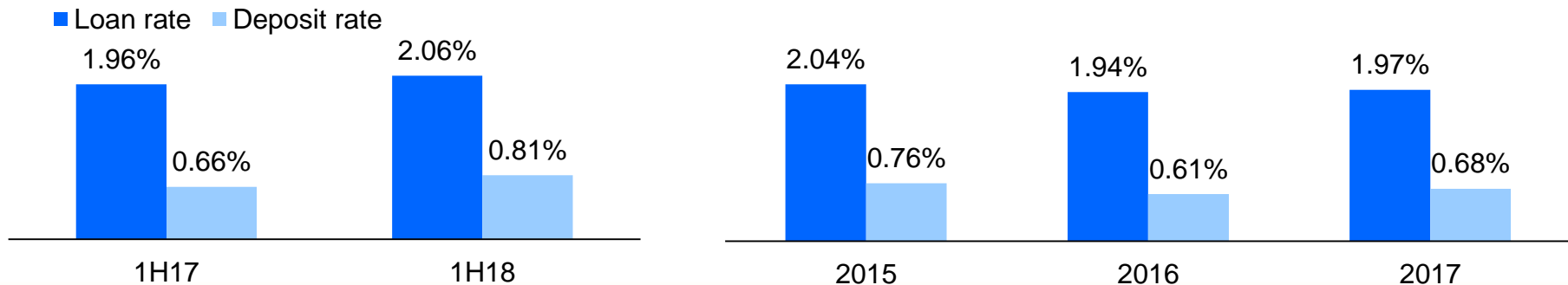


- NIM maintained flat yoy. 9bps improvement yoy if factored in contributions from excess liquidity placement in swap transactions
- Loan-to-deposit spread down 3bps yoy due to market interest rate increase and volume growth in foreign currency deposits

NIM and loan-to-deposit spread



Loan yield and deposit yield



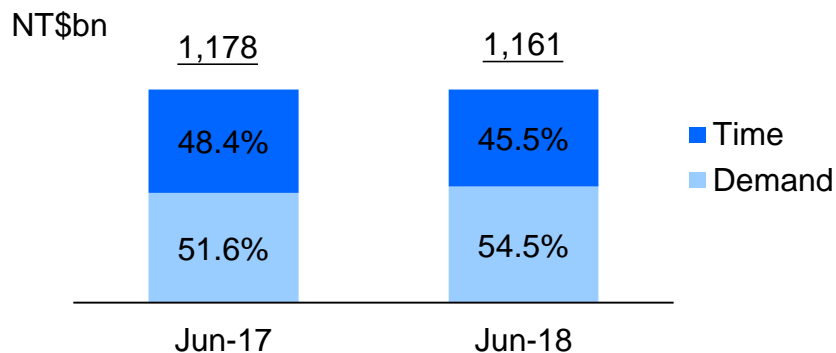
Note: Loan rate calculation inclusive of credit card revolving

Taipei Fubon Bank: Deposit mix and LDR

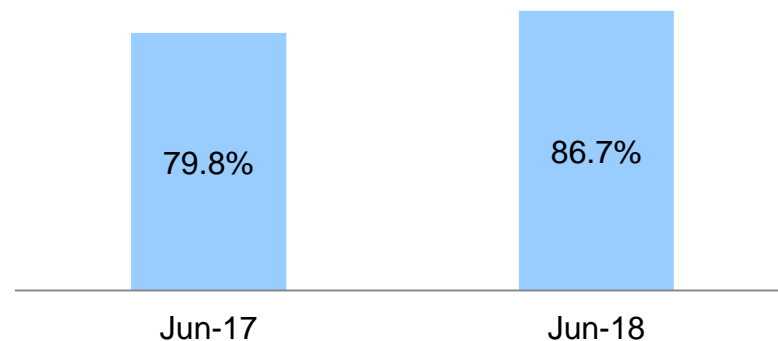


- NT dollar demand deposits ratio increased to 54.5% with LDR up to 86.7%
- Improvement in foreign deposit deployment, as the ratio of foreign currency loans plus investment deployment to foreign deposit reached 63%, which is 9.1% increase yoy

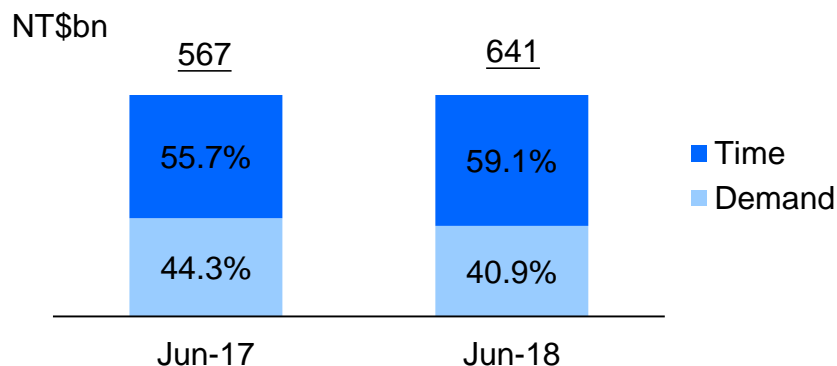
Deposit mix in NTD



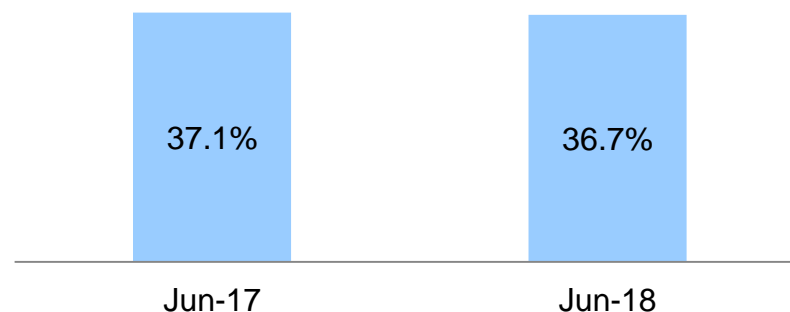
NTD loan-to-deposit ratio (LDR)



Deposit mix in foreign currency



Foreign currency LDR

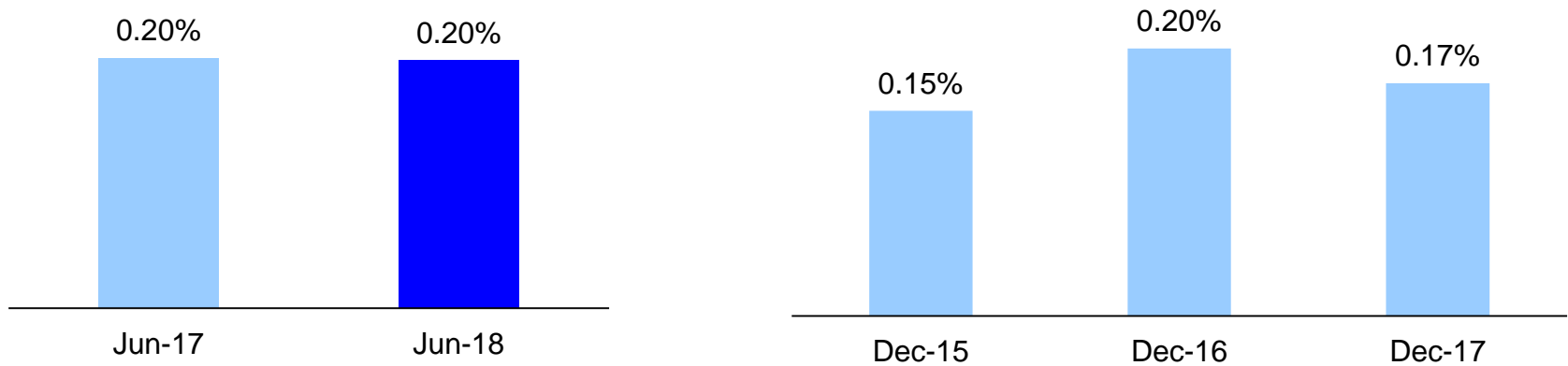


Taipei Fubon Bank: Asset quality

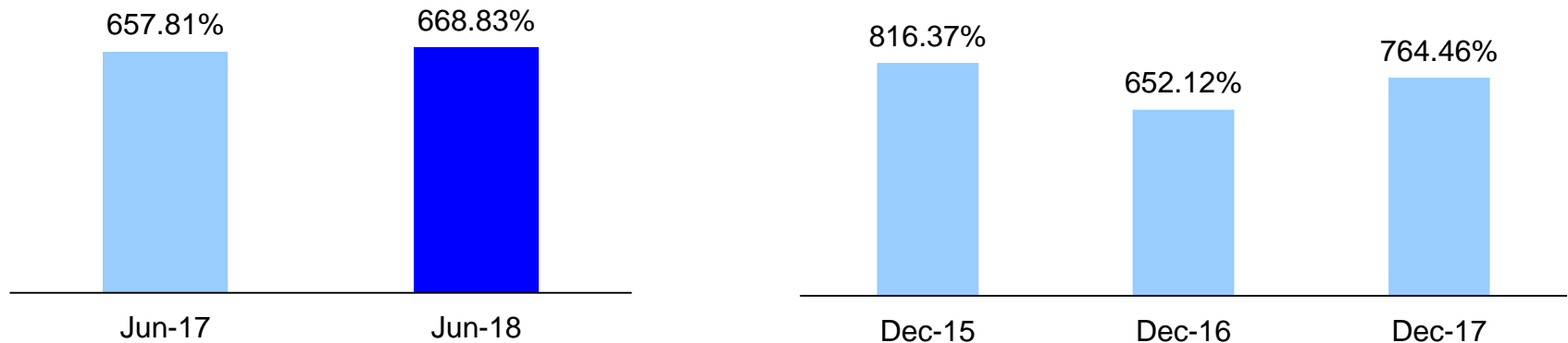


■ Steady outperformance in asset quality

NPL ratio



Coverage ratio



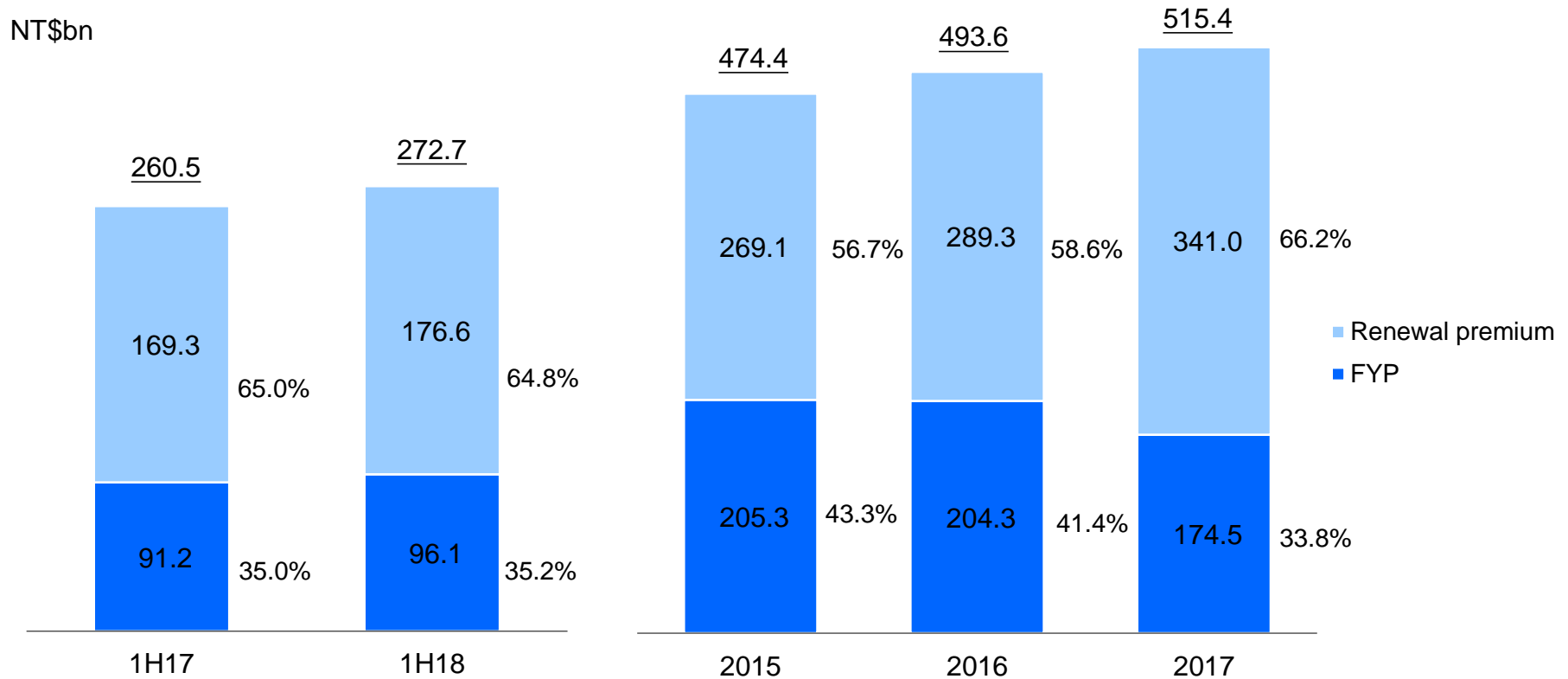
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Fubon Life: Total premium



- 5% growth in total premium driven by both FYP and renewal premium growth. Renewal premium contributed around 65% of total premium
- Total premium ranked top 2 in the market



Fubon Life: First year premium (FYP)



- 5.4% yoy growth from traditional life regular-paid products and investment-linked policy
- FX policy accounts for over 40% of FYP with 7.2% yoy growth

FYP composition

NT\$bn	1H17	%	1H18	%	YoY growth	2015	2016	2017
Traditional life: Regular-paid	32.1	35.2%	34.6	36.0%	8.0%	51.2	90.4	59.4
Traditional life: Single-paid	39.7	43.6%	38.3	39.9%	-3.6%	107.6	74.7	74.7
Interest-sensitive annuity	3.2	3.5%	2.2	2.2%	-32.8%	19.0	14.7	6.0
Investment-linked	12.0	13.1%	16.9	17.6%	41.1%	19.6	13.7	25.9
Health, accidents and others	4.2	4.6%	4.1	4.3%	-3.1%	7.9	10.8	8.4
Total	91.2	100.0%	96.1	100.0%	5.4%	205.3	204.3	174.5
TWD	52.2	57.2%	54.3	56.5%	4.0%	170.5	155.7	98.6
Non-TWD	39.0	42.8%	41.8	43.5%	7.2%	34.8	48.6	75.9

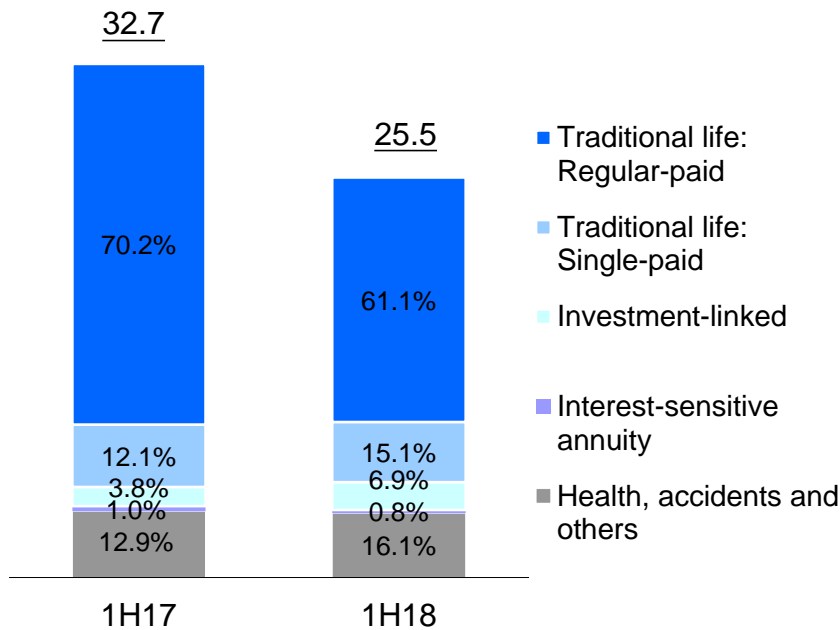
Fubon Life: First year premium equivalent (FYPE) & Value of new business (VNB)



■ FYPE and VNB declined yoy due to market demand shift toward investment-linked policy and short-term payments policy

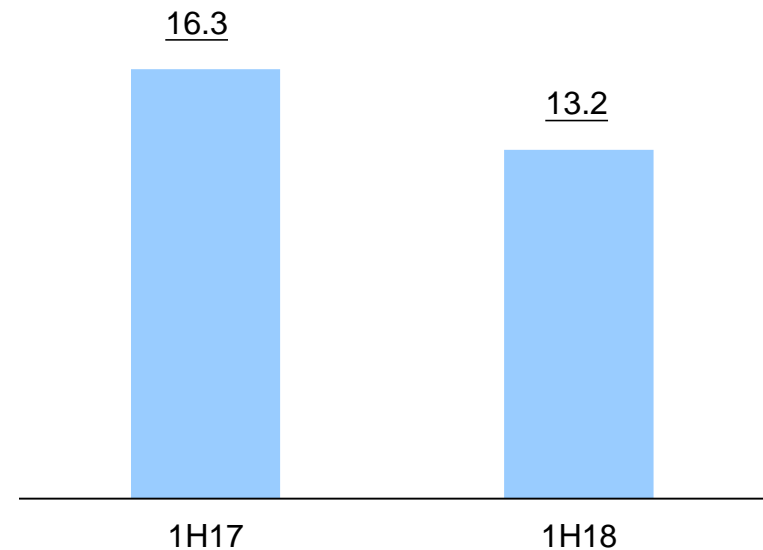
FYPE

NT\$bn



VNB

NT\$bn



FYPE/ FYP	1H17	1H18
	35.9%	26.5%

VNB/FYP	17.9%	13.8%
VNB/FYPE	49.8%	52.0%

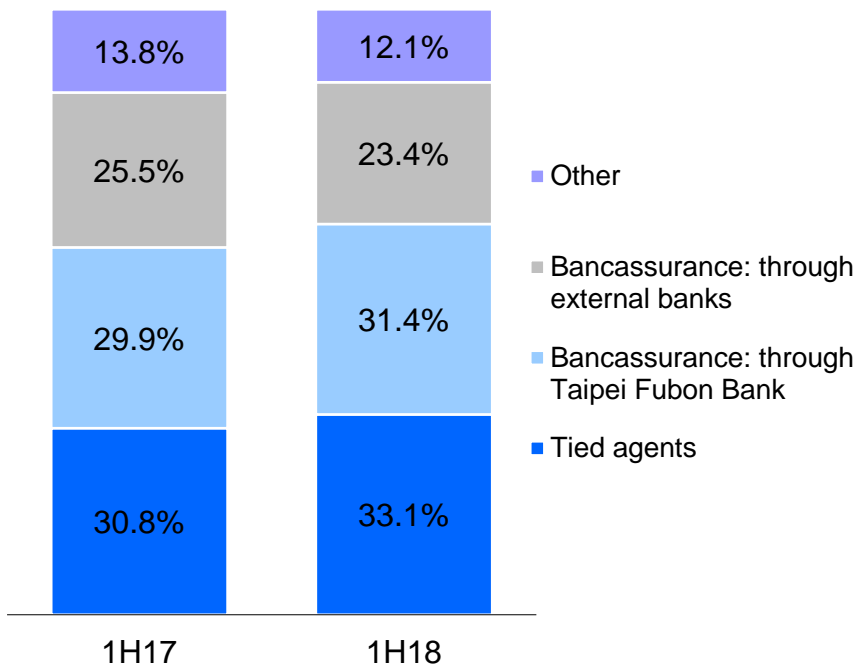
Note: VNB is based on 2017 EV actuarial assumptions

Fubon Life: Channel

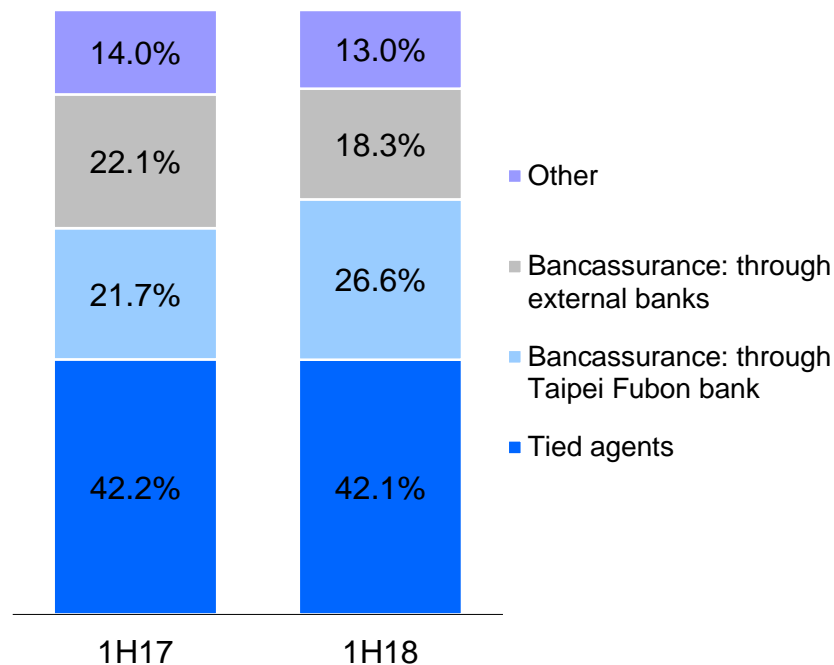


■ FYPE contribution from tied agents remained stable and from Taipei Fubon Bank increased

FYP by channel



FYPE by channel



Fubon Life: Composition of investment income



- Investment income mainly contributed from recurring revenue
- Investment return improved yoy from before- and after-hedge basis

NT\$bn	1H17	1H18	YoY growth	2015	2016	2017
Recurring investment income	50.2	56.0	11.5%	101.0	106.1	114.9
Interest income	41.3	47.5	15.0%	66.6	77.4	85.0
Cash dividend income from equity investment	3.0	3.7	25.6%	16.5	14.9	18.8
Rental and others	5.9	4.8	-20.3%	17.9	13.8	11.1
Realized gains from fixed income investment	7.7	6.0	-21.6%	9.9	23.9	14.1
Realized gains from equity investment	13.0	19.6	51.0%	22.6	10.3	25.5
FX and others	-18.3	-13.5	-26.4%	-3.2	-16.0	-28.9
Investment income	52.6	68.1	29.6%	130.3	124.3	125.6
Total investment assets	3,263.3	3,571.4	9.4%	2,814.0	3,118.4	3,386.3
Investment return (before hedge)	4.43%	4.73%		5.12%	4.84%	4.76%
Investment return (after hedge)	3.37%	3.89%		4.97%	4.30%	3.93%

Fubon Life: Investment portfolio



- Steady growth of investment assets with 9.4% yoy growth
- Investment portfolio repositioned in response to market volatility

	2017/06/30		2018/03/31		2018/06/30	
NT\$bn						
Deposit and cash equivalent	124.4	3.8%	165.3	4.8%	120.6	3.4%
Domestic fixed income	431.8	13.2%	437.9	12.6%	429.6	12.0%
Overseas fixed income*	1,745.5	53.5%	1,897.2	54.7%	2,040.2	57.1%
Domestic equity	364.9	11.2%	373.8	10.8%	382.9	10.7%
Overseas equity	210.2	6.4%	192.4	5.6%	192.0	5.4%
Mortgage loans	118.9	3.6%	129.3	3.7%	133.9	3.7%
Policy loans	59.8	1.8%	63.9	1.8%	65.5	1.8%
Real estate	207.8	6.4%	207.1	6.0%	206.7	5.8%
Total Investments	3,263.3	100.0%	3,466.9	100.0%	3,571.4	100.0%
Domestic	1,234.4	37.8%	1,281.0	36.9%	1,268.9	35.5%
Overseas*	2,028.9	62.2%	2,185.9	63.1%	2,302.5	64.5%

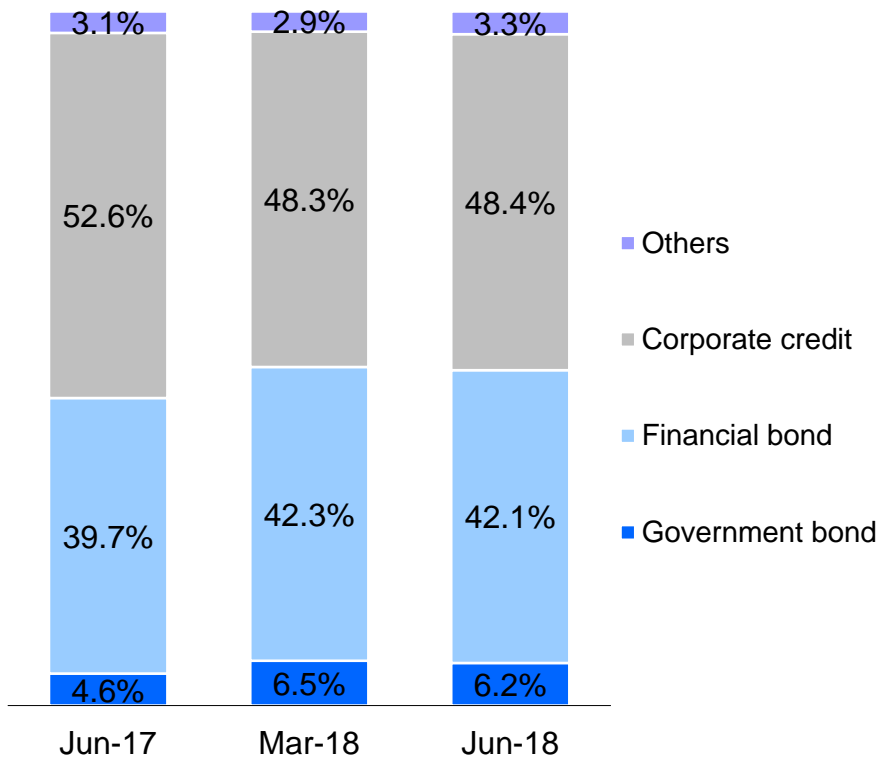
Note: *Including OTC-listed international bond, the international bonds investment reached 17.1% of total investment assets as of 2018/06/30

Fubon Life: Portfolio of overseas fixed income

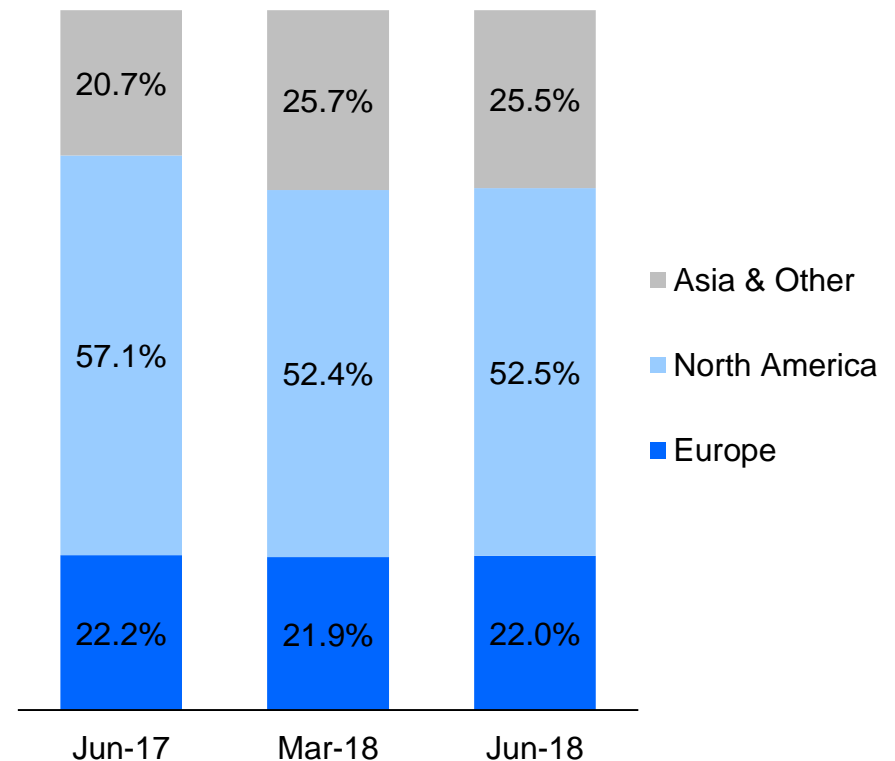


- Asset allocation predominately in corporate credit and financial bonds with investment-grade
- Over 50% of the assets are issuers in North America

Overseas fixed income by asset type



Overseas fixed income by region

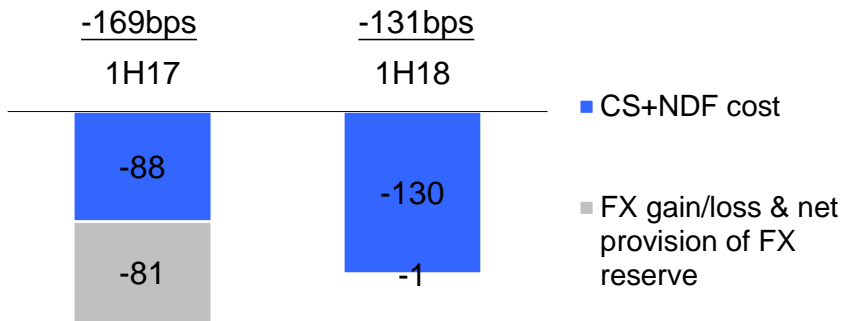


Fubon Life: Hedging composition

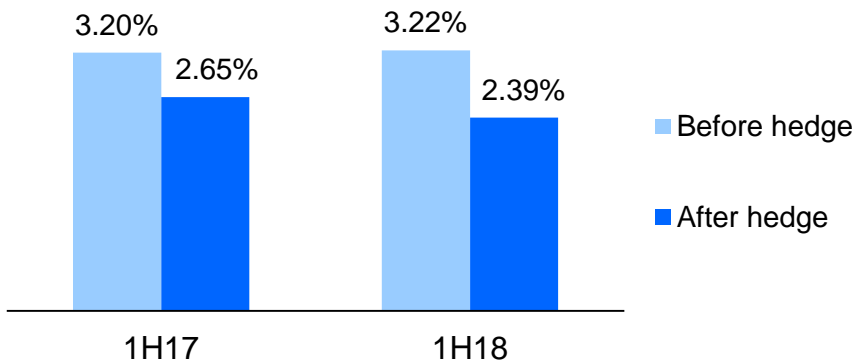


- Recurring hedging cost increased yoy while the overall hedging and FX cost improved
- Hedging structure repositioned in response to market volatility

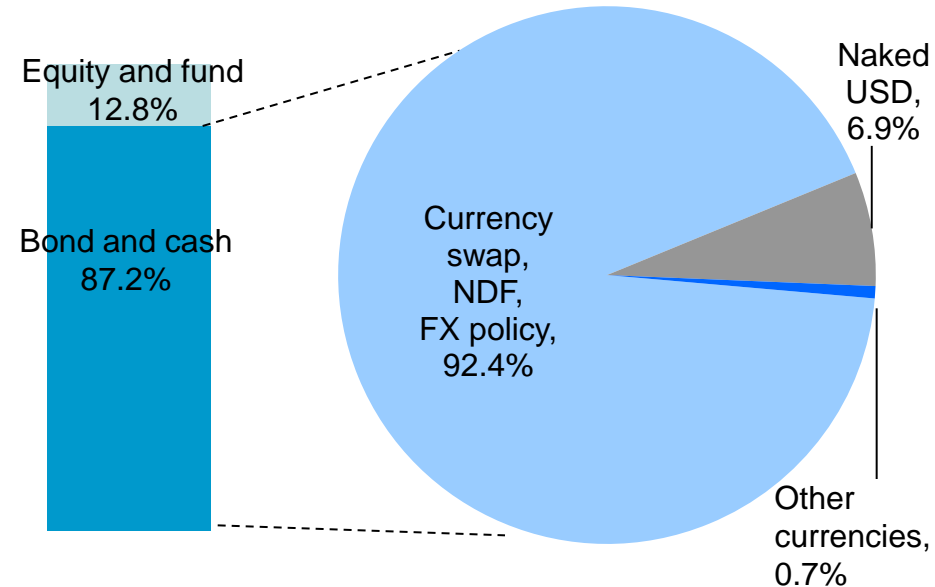
Hedging cost & FX gain/loss



Recurring return



FX position

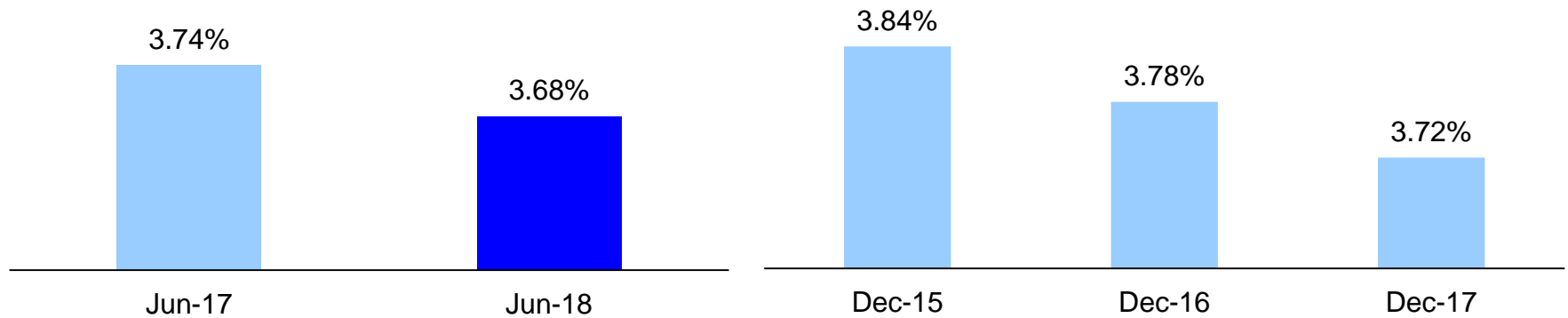


Fubon Life: Cost of liability & Breakeven point

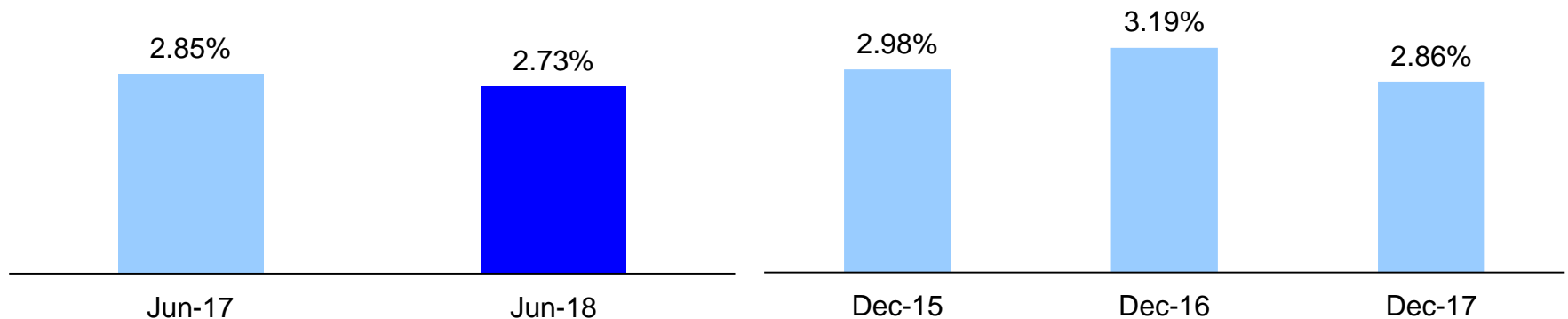


- Cost of liability improvement due to lower cost from new premiums
- Breakeven point improvement due to COL improvement and lower first year strain

Cost of liability



Breakeven point

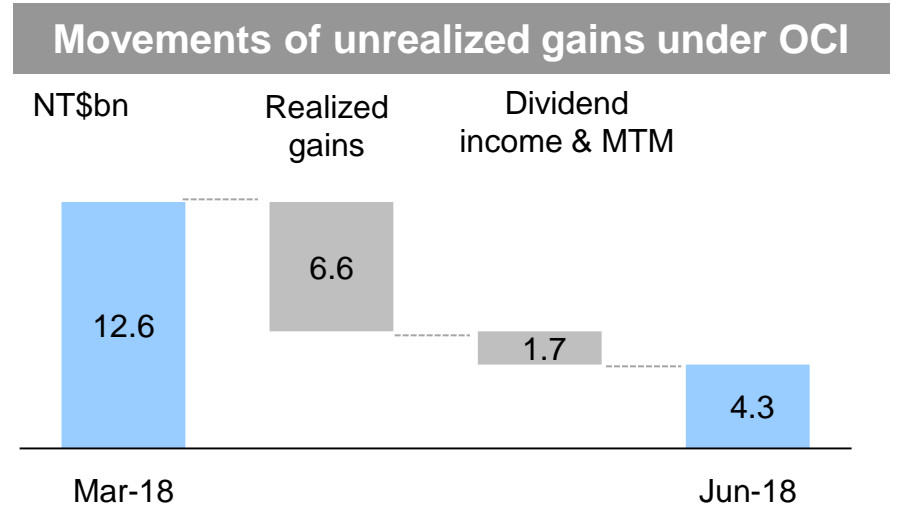
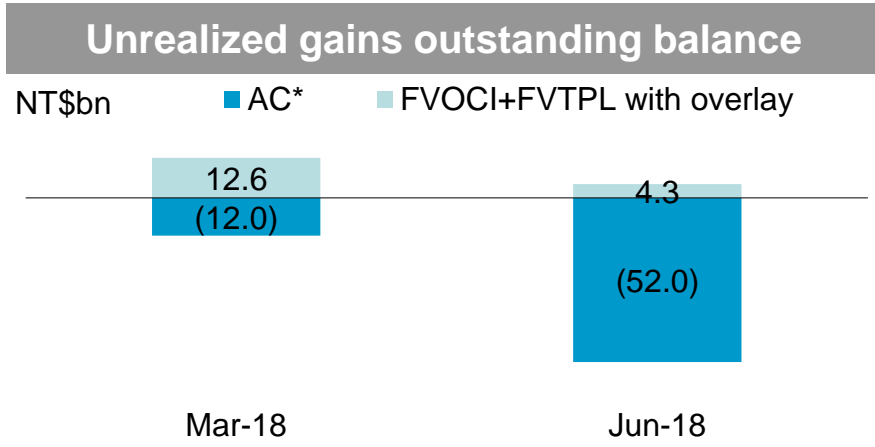


Breakeven point = (Profit before tax – Investment income) / Average investment assets

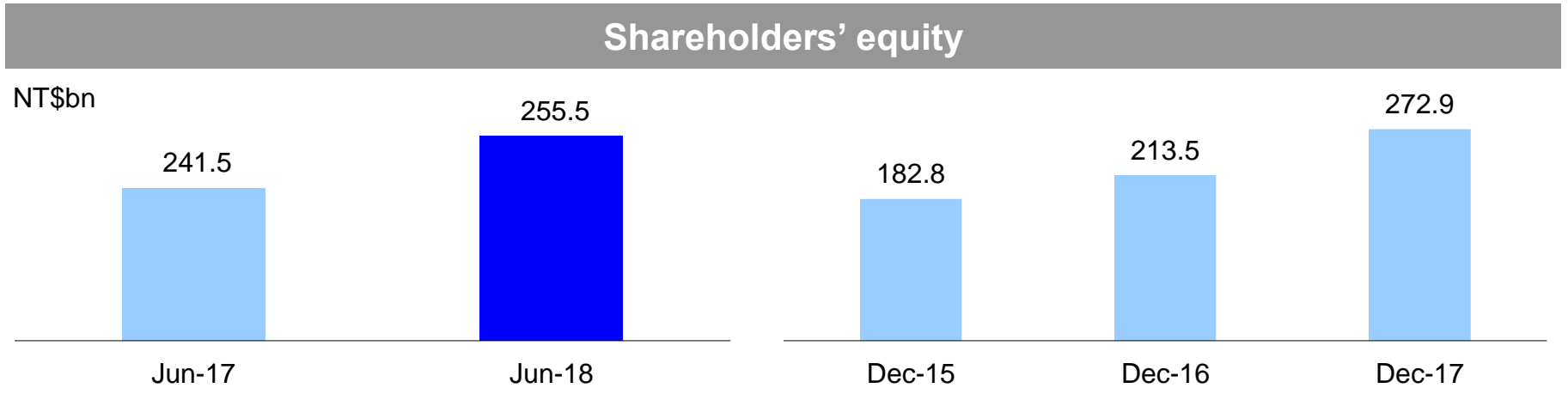
Fubon Life: Investment performance



■ Movement of unrealized gains balance reflected market volatilities and gains realization



Note: *before tax basis



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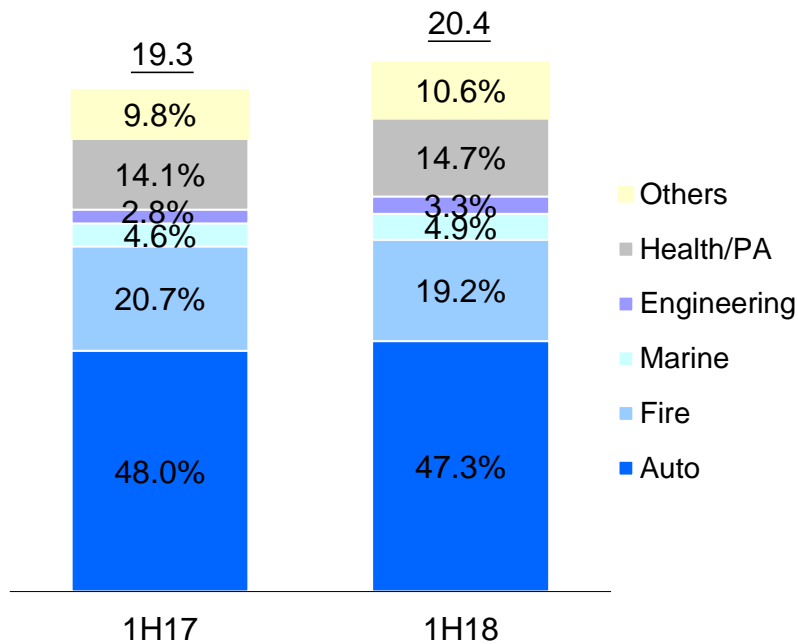
Fubon Insurance: Operating snapshot



- Top 1 position with 24.1% market share
- 5.5% premium growth yoy outperformed industry
- Net combined ratio improvement due to better underwriting experience

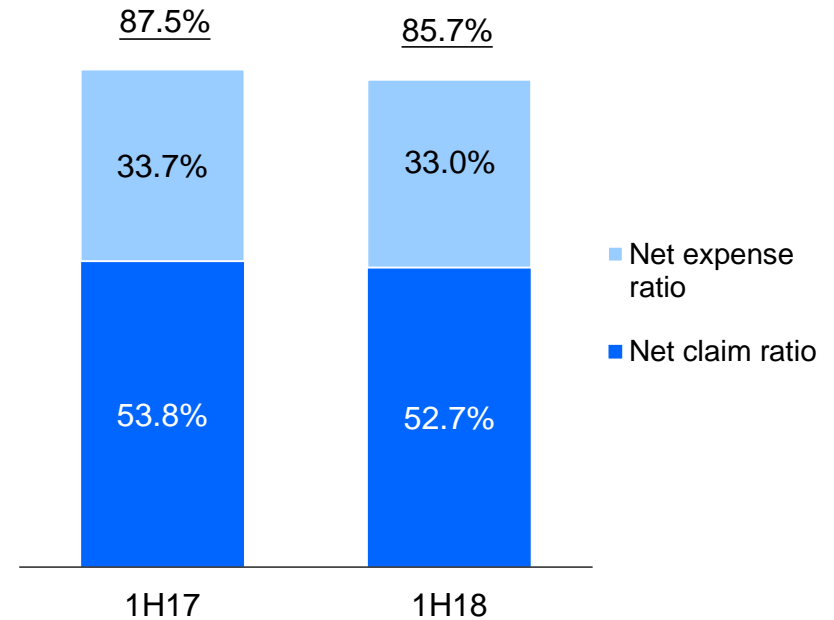
Direct written premium by product

NT\$bn



Note: Standalone basis

Net combined ratio



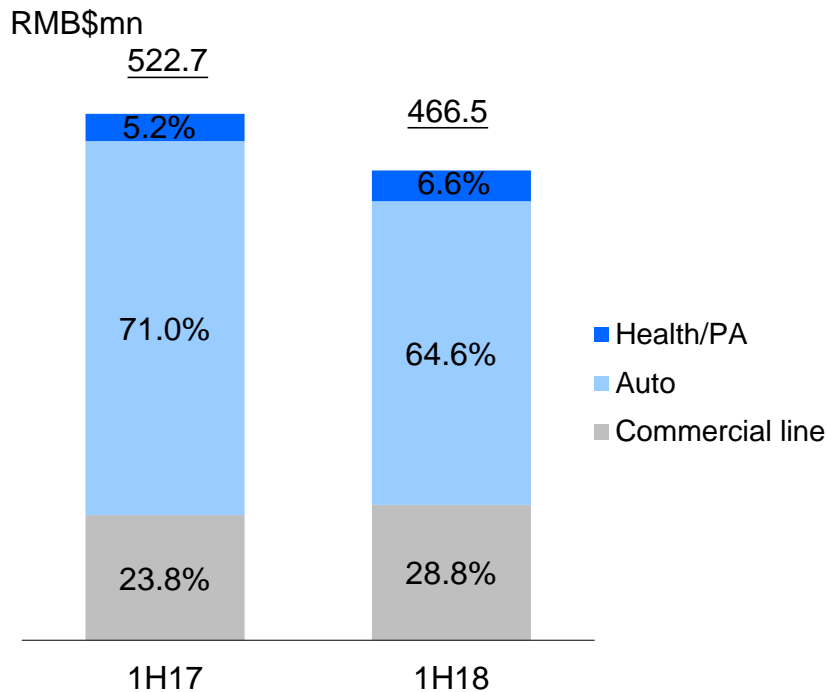
Note: Exclusive of auto compulsory due to the claims are reimbursed

Fubon P&C (China): Business progress

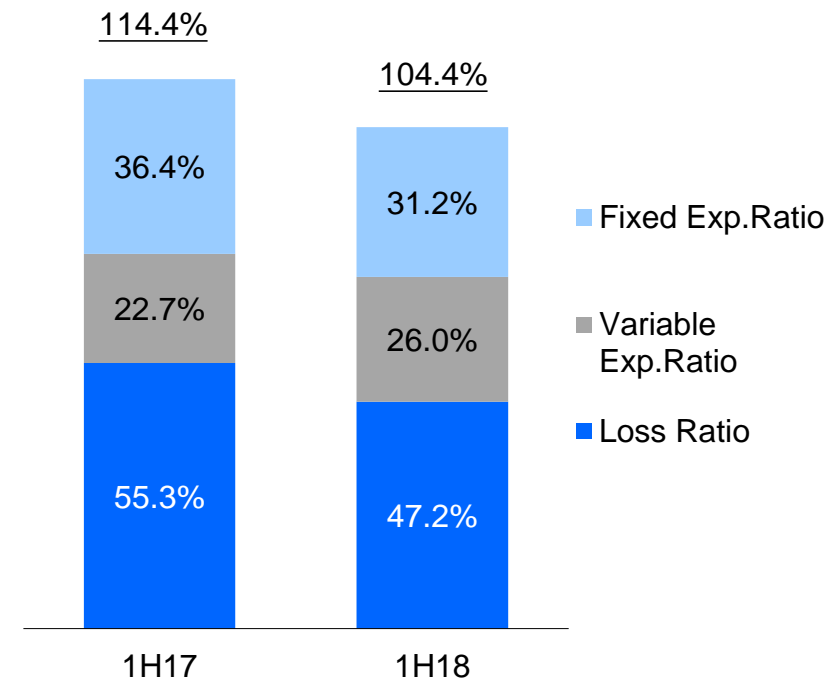


- Gross written premium declined due to competition in auto insurance; while net combined ratio improved
- Top 8 position among foreign P&C in China with 64 offices in Xiamen, Fujian, Dalian, Liaoning, Chongqing, and Sichuan in China

Gross written premium



Net combined ratio



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Fubon Securities: Financial highlights



- Leading market position across lines of business. Brokerage market share increased to 6.16% and net profits up 41% yoy
- ETF AUM continues to grow with 61% yoy

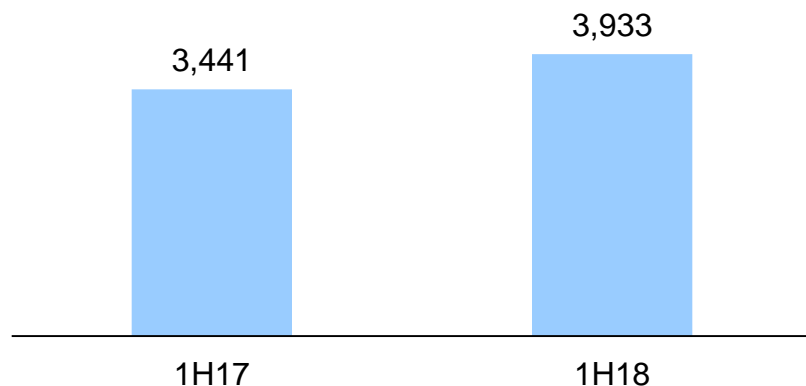
Market share & ranking

	20181H	Ranking	20171H	Ranking
Brokerage per branch*	0.137%	1	0.125%	1
SPO Amount	32.33%	1	33.06%	1
Emerging stock trading	24.15%	2	17.72%	2
AUM of ETF (NT\$m)	106,200	2	65,900	2
AUM of Overseas ETF (NT\$m)	96,700	2	58,900	2
Brokerage	6.16%	3	6.07%	3

Note: *Ranking among top 10 brokers

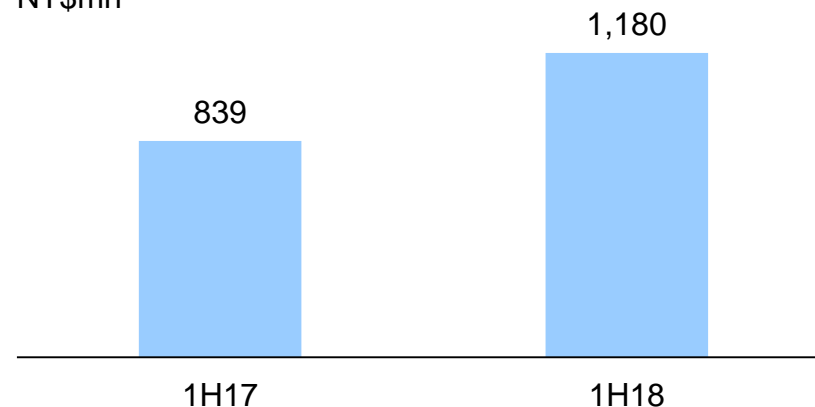
Operating revenue

NT\$m



Net profits

NT\$m



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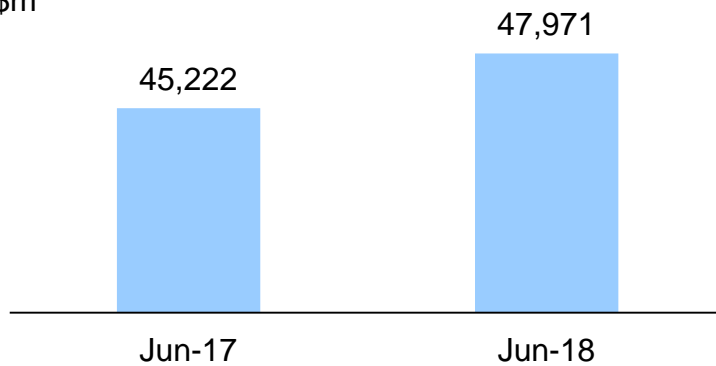
Fubon Bank (Hong Kong): Key balance sheet items



- Loans growth by 6% yoy, driven by corporate sector
- Deposits growth at 5% yoy, which is in line with industry average

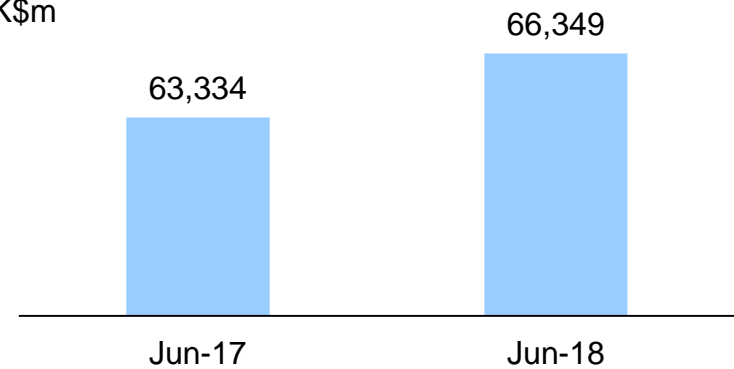
Loans

HK\$m



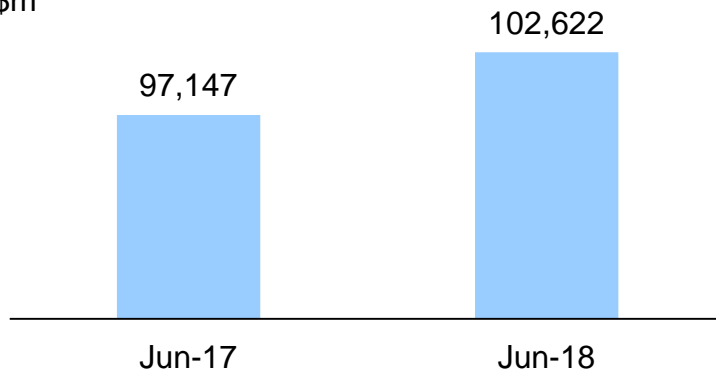
Deposits

HK\$m



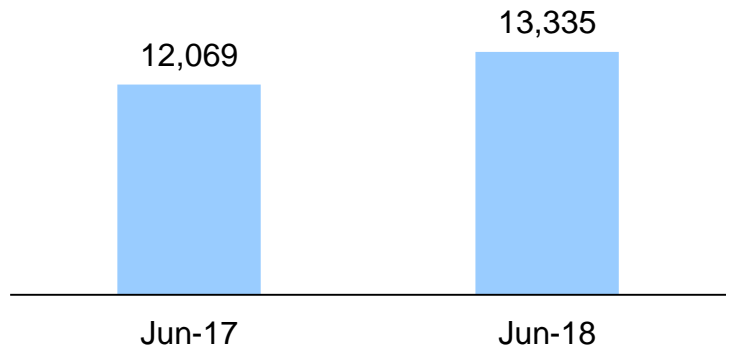
Assets

HK\$m



Net worth

HK\$m

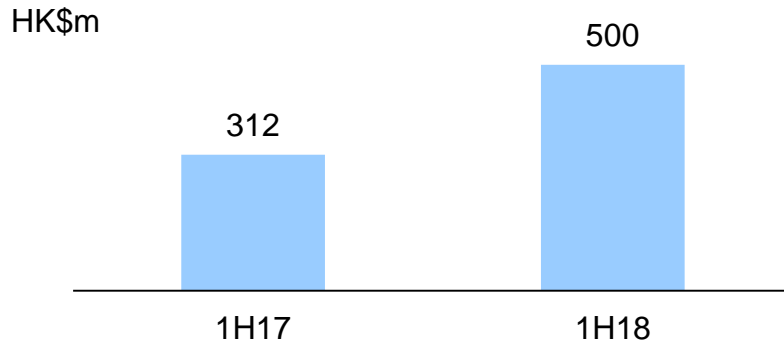


Fubon Bank (Hong Kong): Financial highlight

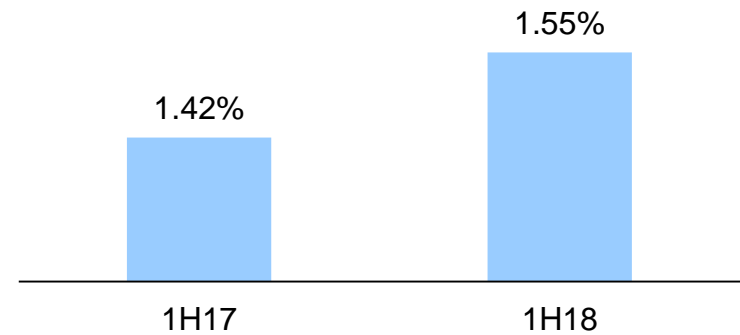


- Earnings increase 60% yoy mainly driven by growth from net interest income and one-off gain recognition⁽¹⁾
- NIM and loan-to-deposits spread widen as market interest rate in Hong Kong picks up

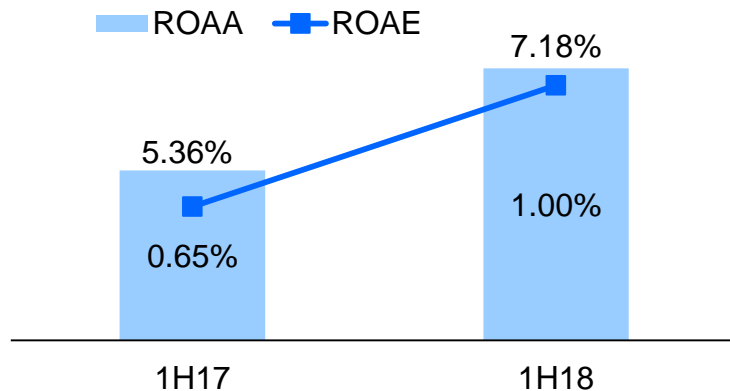
Net Profits



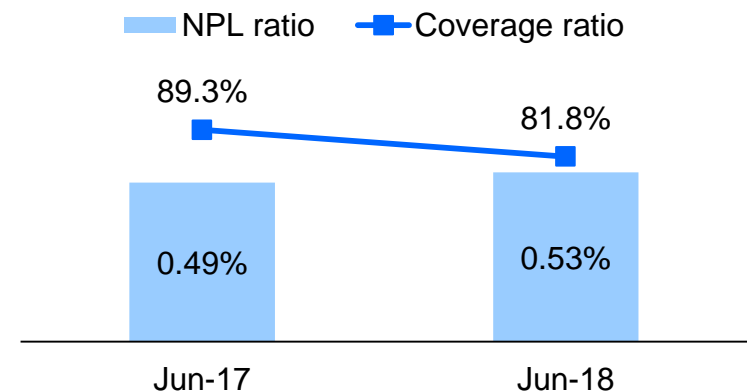
NIM



ROAA & ROAE⁽²⁾



NPL ratio & Coverage ratio⁽³⁾



Note: (1) One-off gain on bargain purchase of HK\$81mn (before tax) was due to the Bank's increase in Xiamen Bank stake from 15.78% to 19.95%. HK\$70m is recognized in FHC consolidated report due to different GAAP in HK and Taiwan; (2) ROAA and ROAE are annualized basis; (3) Coverage ratio = (Allowance for loan losses + Secured balance) / NPL

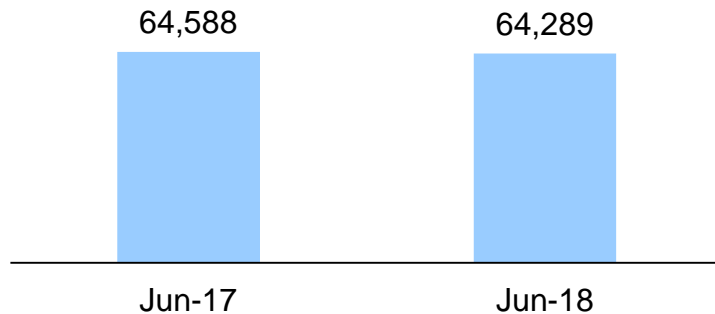
Fubon Bank (China): Key balance sheet items



- Commercial loans maintained steady with a focus on loan mix improvement
- Market liquidity and RMB volatility led to deposit outstanding movement, which is stabilized and recovered in 3Q18

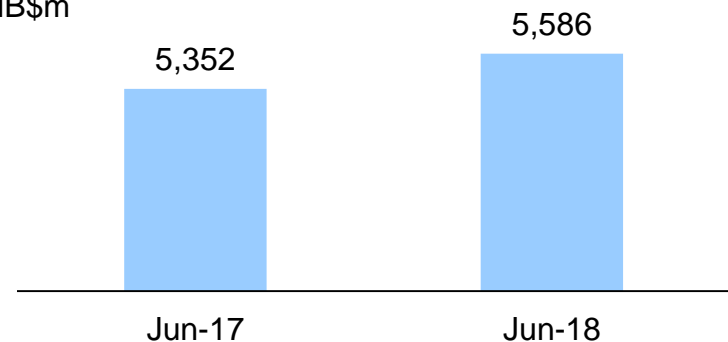
Assets

RMB\$m



Net worth

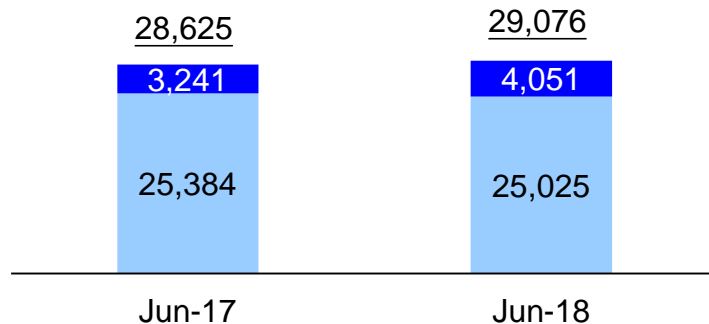
RMB\$m



Loans

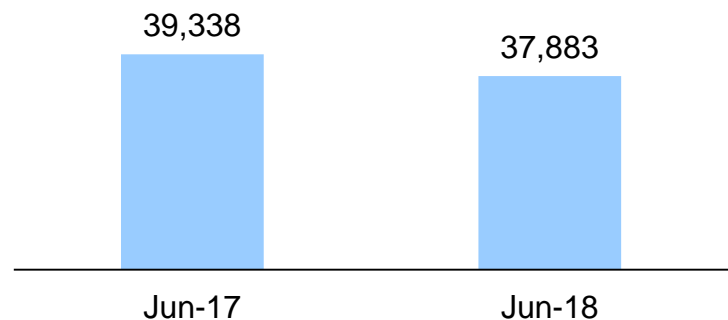
RMB\$m

■ Rediscount ■ Loans (excluding rediscount)



Deposits

RMB\$m

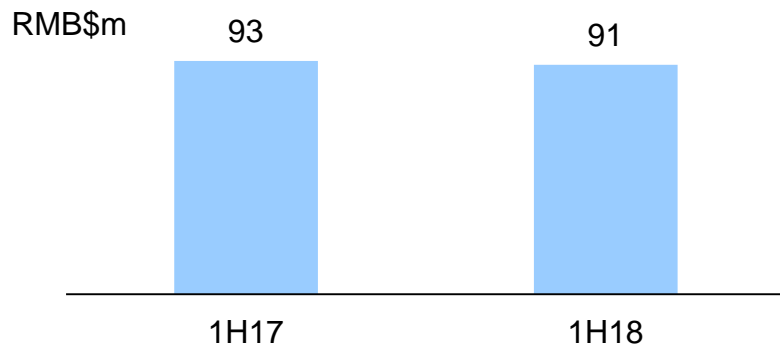


Fubon Bank (China): Financial highlight

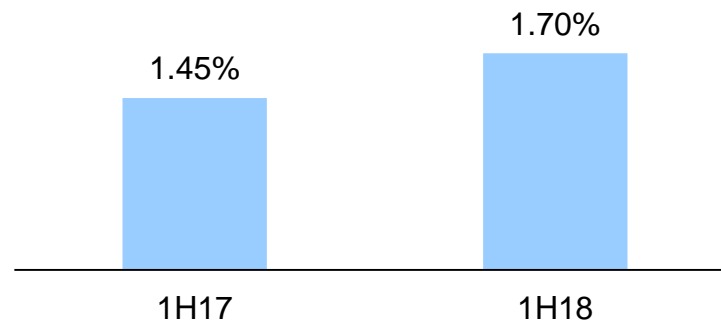


- Earnings stabilized as NII grew, while pressure from treasury activities in 1Q18 eased
- 25bps improvement in NIM along with lending and funding management
- Stable asset quality with NPL ratio down to 1.49%

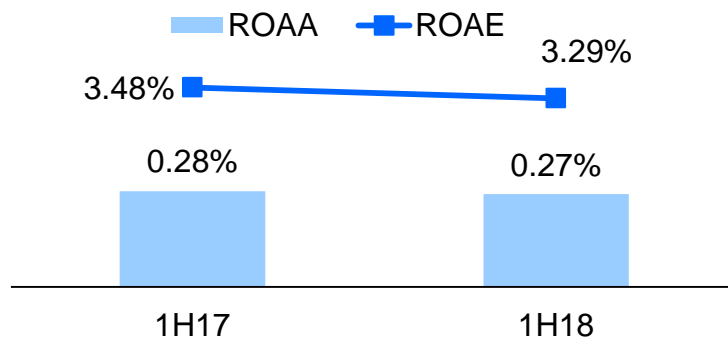
Net Profits



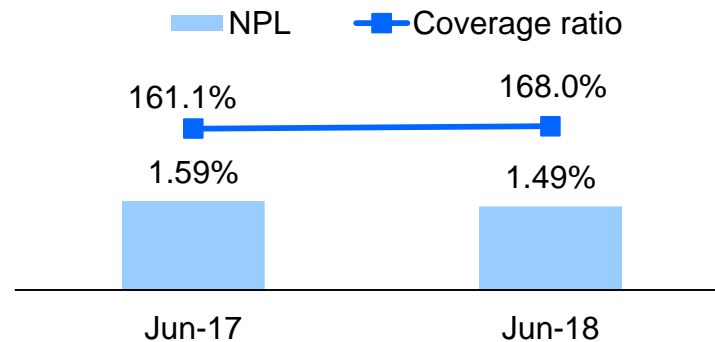
NIM



ROAA & ROAE⁽¹⁾



NPL ratio & Coverage ratio



Note: (1) ROAA and ROAE are annualized basis



Thank you

Fubon Financial - Financial summary

<i>NT\$ millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
Income Statement Data								
Net interest income	62,586	54,873	14.1%	32,403	30,183	113,212	105,777	7.0%
Insurance income	116,003	146,192	-20.6%	44,908	71,095	250,970	294,382	-14.7%
Net gains (losses) on FX and financial assets	27,509	10,260	168.1%	16,839	10,670	40,612	38,094	6.6%
Others	1,784	(2,154)	N.M.	1,613	171	1,351	670	101.6%
Net revenue	207,882	209,171	-0.6%	95,763	112,119	406,145	438,923	-7.5%
Bad debt expense and reserve for guarantee	(775)	(1,145)	-32.3%	(513)	(259)	(2,914)	(2,608)	11.7%
Net change in insurance reserve	(141,700)	(160,820)	-11.9%	(59,584)	(82,116)	(289,890)	(324,613)	-10.7%
Operating expense	(27,691)	(27,057)	2.3%	(14,080)	(13,615)	(55,290)	(57,021)	-3.0%
Income before tax	37,716	20,148	87.2%	21,586	16,129	58,051	54,680	6.2%
Net income	31,208	18,643	67.4%	14,763	16,444	54,016	48,575	11.2%
Net income to parent company	31,224	18,690	67.1%	14,771	16,453	54,122	48,421	11.8%
Balance Sheet Data								
Total assets	7,188,839	6,584,585	9.2%	7,188,839	6,968,736	6,919,454	6,351,258	8.9%
Equity attributable to parent company	505,587	447,122	13.1%	505,587	525,440	488,432	426,820	14.4%
Outstanding common shares (million shares)	10,234	10,234	0.0%	10,234	10,234	10,234	10,234	0.0%
Key Metrics								
ROA	0.88%	0.58%		0.84%	0.95%	0.81%	0.79%	
ROE	12.45%	8.55%		11.78%	12.87%	11.83%	12.19%	
Equity / assets	7.04%	6.80%		7.04%	7.54%	7.06%	6.72%	
Double leverage	108.19%	116.03%		108.19%	106.43%	115.00%	115.58%	
Capital adequacy ratio	127.76%	116.56%		127.76%		129.50%	133.00%	
Cash dividend per share						2.30	2.00	

Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
<u>Income statement data</u>								
First year premium	96,096	91,209	5.4%	48,044	48,051	174,460	204,283	-14.6%
Retained earned premium	251,405	243,313	3.3%	121,269	130,136	479,885	468,608	2.4%
Total investment income	68,142	52,563	29.6%	36,221	31,921	125,578	124,327	1.0%
Recurring investment income	55,953	50,200	11.5%	31,146	24,807	114,890	106,072	8.3%
Other investment income	12,189	2,363	415.9%	5,076	7,114	10,688	18,255	-41.5%
Realized gains (losses) from fixed income	6,032	7,693	-21.6%	1,617	4,414	14,078	23,933	-41.2%
Realized gains (losses) from equity	19,649	13,009	51.0%	9,068	10,581	25,471	10,292	147.5%
FX and others	(13,530)	(18,386)	-26.4%	(5,572)	(7,958)	(28,952)	(15,705)	84.3%
Investment property fair value movement	38	47	-20.0%	(38)	77	91	(265)	N.M.
Other income	1,319	1,041	26.7%	688	631	2,203	2,131	3.4%
Total operating revenue	320,865	296,917	8.1%	158,178	162,688	607,666	595,066	2.1%
Retained claim payment	142,111	104,009	36.6%	79,713	62,398	242,452	185,979	30.4%
Net commission expense	11,524	13,166	-12.5%	5,798	5,726	24,277	33,625	-27.8%
Net change in insurance liability	140,037	164,010	-14.6%	57,593	82,444	291,922	327,464	-10.9%
General and administrative expense	7,912	7,923	-0.1%	4,013	3,900	15,867	17,179	-7.6%
Other operating costs	1,543	1,678	-8.0%	801	742	2,980	2,035	46.5%
Total operating costs and expenses	303,128	290,786	4.2%	147,918	155,210	577,498	566,282	2.0%
Net non-operating income / (expenses)	251	56	348.9%	126	125	288	489	-41.1%
Income before tax	17,989	6,187	190.8%	10,385	7,603	30,456	29,274	4.0%
Net income	19,084	8,600	121.9%	9,792	9,292	32,488	28,688	13.2%
Net income to parent company	19,084	8,600	121.9%	9,792	9,292	32,488	28,688	13.2%
<u>Balance sheet data</u>								
Total assets	3,857,458	3,511,526	9.9%	3,857,458	3,740,144	3,662,772	3,353,560	9.2%
Total assets (general account)	3,698,034	3,363,318	10.0%	3,698,034	3,584,391	3,507,557	3,211,026	9.2%
Insurance liabilities	3,290,850	3,018,120	9.0%	3,290,850	3,203,701	3,136,523	2,902,374	8.1%
Total liabilities	3,601,921	3,270,064	10.1%	3,601,921	3,476,434	3,389,882	3,140,085	8.0%
Total liabilities (general account)	3,442,498	3,121,857	10.3%	3,442,498	3,320,681	3,234,667	2,997,551	7.9%
Equity attributable to parent company	255,537	241,461	5.8%	255,537	263,710	272,890	213,474	27.8%
<u>Key Metrics</u>								
ROA	1.01%	0.50%		1.04%	1.00%	0.93%	0.90%	
ROE	14.19%	7.56%		14.56%	13.61%	13.36%	14.48%	
Equity / Assets	6.62%	6.88%		6.62%	7.05%	7.45%	6.37%	
Claims and benefits ratio	56.53%	42.75%		65.73%	47.95%	50.52%	39.69%	
Expense ratio	3.15%	3.26%		3.31%	3.00%	3.31%	3.67%	
Persistency ratio - 13th month	97.42%	97.95%		97.42%	97.90%	97.96%	96.25%	
Persistency ratio - 25th month	96.69%	93.69%		96.69%	95.87%	95.09%	94.09%	

Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
<u>Income statement data</u>								
Interest income	27,206	21,697	25.4%	13,815	13,392	45,934	42,709	7.6%
Interest expense	(14,109)	(10,426)	35.3%	(7,491)	(6,618)	(22,382)	(19,855)	12.7%
Net interest income	13,098	11,271	16.2%	6,324	6,774	23,552	22,854	3.1%
Net fee income	6,019	6,041	-0.4%	2,907	3,112	11,232	11,996	-6.4%
Other income	4,480	3,872	15.7%	2,993	1,487	7,848	5,822	34.8%
Total net revenue	23,597	21,184	11.4%	12,224	11,373	42,633	40,672	4.8%
Operating expenses	(10,939)	(10,365)	5.5%	(5,521)	(5,418)	(21,188)	(20,981)	1.0%
Pre-provision profits	12,658	10,819	17.0%	6,703	5,955	21,445	19,691	8.9%
Provision for credit losses	(369)	(781)	-52.8%	(317)	(52)	(2,183)	(1,372)	59.1%
Income before tax	12,290	10,038	22.4%	6,386	5,903	19,262	18,319	5.2%
Net income	10,448	8,753	19.4%	5,431	5,017	16,931	15,272	10.9%
Net income to parent company	10,342	8,635	19.8%	5,349	4,994	16,778	14,466	16.0%
<u>Balance sheet data</u>								
Loans and discounts, net	1,387,768	1,310,670	5.9%	1,387,768	1,362,418	1,383,755	1,289,861	7.3%
Deposits and remittances	2,007,192	1,953,213	2.8%	2,007,192	2,002,108	2,067,918	1,877,778	10.1%
Allowance for loan losses*	16,453	15,286	7.6%	16,453	16,144	16,142	14,666	10.1%
Total assets	2,698,270	2,489,210	8.4%	2,698,270	2,662,852	2,671,668	2,414,226	10.7%
Equity attributable to parent company	178,232	172,419	3.4%	178,232	183,795	179,965	174,634	3.1%
<u>Key metrics</u>								
ROA	0.78%	0.71%		0.81%	0.75%	0.67%	0.63%	
ROE	11.59%	9.95%		11.99%	11.02%	9.46%	8.50%	
Equity / assets	7.30%	7.66%		7.30%	7.61%	7.43%	8.01%	
Cost / income ratio	-46.36%	-48.93%		-45.16%	-47.64%	-49.70%	-51.59%	
NPL ratio*	0.20%	0.20%		0.20%	0.21%	0.17%	0.20%	
Reserve / NPL*	668.83%	657.81%		668.83%	627.57%	764.46%	652.12%	
Tier 1 ratio*	11.48%	11.60%		11.48%		12.11%	12.57%	
BIS ratio*	13.02%	13.25%		13.02%		13.93%	14.40%	

Note: Data mark with * are stand-alone basis

Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
<u>Income statement data</u>								
Direct written premiums	22,381	21,657	3.3%	11,405	10,976	40,837	38,172	7.0%
Retention of earned premiums	16,575	15,891	4.3%	8,368	8,207	32,453	29,577	9.7%
Net income from investment	1,937	1,492	29.8%	920	1,017	2,737	2,754	-0.6%
Other operating revenue	775	722	7.3%	415	360	1,285	1,440	-10.8%
Retained insurance payments	9,259	8,394	10.3%	4,715	4,544	17,370	16,216	7.1%
Net change in liability reserve	(340)	442	N.M.	(222)	(118)	648	363	78.4%
Commission and operating expenses	7,310	7,147	2.3%	3,709	3,601	14,434	13,769	4.8%
Non-Operating Income	(103)	(92)	11.6%	(50)	(53)	(276)	(158)	74.8%
Income before tax	2,955	2,030	45.6%	1,451	1,504	3,747	3,266	14.7%
Net income	2,570	1,755	46.4%	1,276	1,294	3,338	2,672	24.9%
Net income to parent company	2,603	1,891	37.6%	1,292	1,311	3,631	3,119	16.4%
<u>Balance sheet data</u>								
Total assets	99,759	99,400	0.4%	99,759	98,595	97,667	98,470	-0.8%
Investment assets	67,450	65,839	2.4%	67,450	68,473	68,399	64,900	5.4%
Policy reserve	52,725	54,902	-4.0%	52,725	51,812	51,353	54,310	-5.4%
Equity attributable to parent company	30,633	29,614	3.4%	30,633	31,740	31,241	29,531	5.8%
<u>Key Metrics</u>								
ROA	5.21%	3.55%		5.17%	5.27%	3.40%	2.85%	
ROE	16.83%	12.79%		16.70%	16.65%	11.95%	10.72%	
Total investment return	5.70%	4.56%		5.42%	5.94%	4.11%	4.25%	
Solvency margin (NWP/equity)	116.28%	114.30%		117.36%	111.18%	105.49%	104.51%	
Retention ratio	74.62%	73.77%		73.85%	75.41%	75.85%	75.36%	

Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
<u>Income statement data</u>								
Brokerage commissions	2,259	1,630	38.6%	1,177	1,082	3,795	2,728	39.1%
Net interest income	556	490	13.4%	298	258	987	901	9.5%
Fee income	434	334	30.0%	240	195	694	336	106.5%
Net principal transactions and financial products gains	272	452	-39.9%	206	66	1,124	509	120.8%
Other income	411	535	-23.1%	382	29	1,599	1,691	-5.5%
Total operating revenue	3,933	3,441	14.3%	2,303	1,630	8,194	6,157	33.1%
Total operating expense	(3,000)	(2,795)	7.4%	(1,568)	(1,432)	(5,962)	(5,375)	10.9%
Net non-operating income / (expenses)	430	326	32.1%	234	197	785	811	-3.2%
Income before tax	1,359	972	39.8%	965	394	3,017	1,594	89.3%
Net income	1,174	839	39.9%	836	338	2,806	1,504	86.6%
Net income to parent company	1,180	839	40.6%	839	341	2,817	1,504	87.3%
<u>Balance sheet data</u>								
Margin loans	15,441	12,577	22.8%	15,441	14,294	14,420	11,142	29.4%
Total assets	146,201	117,421	24.5%	146,201	123,410	125,210	101,278	23.6%
Equity attributable to parent company	34,668	32,736	5.9%	34,668	35,628	33,755	32,575	3.6%
<u>Key Metrics</u>								
ROA	1.72%	1.53%		2.45%	1.08%	2.48%	1.62%	
ROE	6.78%	5.14%		9.64%	3.86%	8.49%	4.69%	
Equity / assets	23.71%	27.88%		23.71%	28.87%	26.96%	32.16%	
Expenses / revenues	-76.29%	-81.21%		-68.10%	-87.87%	-72.76%	-87.30%	
Margin loans / total assets	10.56%	10.71%		10.56%	11.58%	11.52%	11.00%	
Margin loans / shareholders' equity	44.54%	38.42%		44.54%	40.12%	42.72%	34.20%	

Fubon Bank (Hong Kong) - Financial Summary

<i>HK\$ millions, except for percentages</i>	1H18	1H17	YoY	2017	2016	YoY
<u>Income Statement Data</u>						
Interest income	1,246	1,053	18.4%	2,181	1,925	13.3%
Interest expense	(574)	(459)	25.1%	(965)	(756)	27.6%
Net interest income	673	594	13.2%	1,216	1,169	4.0%
Net fee income	165	166	-0.3%	318	364	-12.5%
Other income	36	0	N.M.	4	57	-93.7%
Total revenue	874	761	14.9%	1,538	1,590	-3.3%
Operating expenses	(469)	(469)	0.1%	(950)	(957)	-0.7%
Provision for loan losses/ write-back	(25)	(24)	4.8%	(68)	(224)	-69.7%
Net non-operating income	212	104	103.4%	174	300	-42.1%
Income before tax	591	372	58.9%	693	708	-2.1%
Net income	500	312	60.5%	583	635	-8.1%
<u>Balance Sheet Data</u>						
Gross loans	47,971	45,222	6.1%	47,872	43,578	9.9%
Customers Deposits	66,349	63,334	4.8%	62,068	63,564	-2.4%
Allowance for loan losses	218	265	-17.8%	289	259	11.6%
Total assets	102,622	97,147	5.6%	98,484	95,648	3.0%
Shareholders' equity	13,335	12,069	10.5%	12,861	11,373	13.1%
<u>Key metrics</u>						
Return on average assets	1.00%	0.65%		0.60%	0.68%	
Return on average equity	7.18%	5.36%		4.81%	5.72%	
Equity / assets	12.99%	12.42%		13.06%	11.89%	
Net fee income / total revenue	18.92%	21.81%		20.70%	22.90%	
Cost / income ratio	-53.73%	-61.63%		-61.79%	-60.19%	
NPL ratio	0.53%	0.49%		0.39%	0.77%	
Reserve / NPL	86.26%	118.37%		154.31%	77.41%	
Gross Loans/Customers Deposits ratio	72.30%	71.40%		77.13%	68.56%	
Tier 1 ratio	14.82%	12.64%		15.42%	12.60%	
BIS ratio	18.56%	16.53%		19.42%	17.02%	

Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	1H18	1H17	YoY	2Q18	1Q18	2017	2016	YoY
<u>Income Statement Data</u>								
Interest income	1,470	1,242	18.3%	732	737	2,692	2,608	3.2%
Interest expense	(961)	(819)	17.3%	(483)	(478)	(1,786)	(1,618)	10.4%
Net interest income	508	423	20.2%	250	259	907	990	-8.5%
Net fee income	29	33	-12.6%	13	16	83	104	-20.6%
Other income	(74)	(35)	113.9%	(12)	(62)	(37)	73	N.M.
Operating expenses	(339)	(307)	10.3%	(170)	(169)	(658)	(641)	2.8%
Pre-provision profits	124	114	8.8%	80	44	293	526	-44.2%
Provision for credit losses	(12)	0	N.M.	0	(12)	(17)	(1)	1405.6%
Income before tax	112	114	-1.4%	80	32	276	525	-47.4%
Net income	91	93	-2.2%	64	27	220	412	-46.5%
<u>Balance Sheet Data</u>								
Loans	29,076	28,625	1.6%	29,076	28,536	29,206	27,814	5.0%
Deposits	37,883	39,338	-3.7%	37,883	38,542	44,529	40,210	10.7%
Total asset	64,289	64,588	-0.5%	64,289	69,318	71,723	68,154	5.2%
Total equity	5,586	5,352	4.4%	5,586	5,479	5,409	5,286	2.3%
<u>Key Metrics</u>								
ROA	0.27%	0.28%		0.37%	0.15%	0.32%	0.58%	
ROE	3.29%	3.48%		4.64%	1.97%	4.12%	8.11%	
Equity / assets	8.69%	8.29%		8.69%	7.90%	7.54%	7.76%	
Cost / income ratio	-73.19%	-64.68%		-67.83%	-79.50%	-69.17%	-54.90%	
NPL ratio	1.49%	1.59%		1.49%	1.50%	1.44%	1.60%	
Reserve / NPL	167.97%	161.14%		167.97%	177.69%	177.49%	165.09%	
Loan to deposit ratio (Renminbi)	74.48%	73.51%		74.48%	75.09%	72.16%	73.51%	
Tier 1 ratio	12.46%	12.37%		12.46%	12.11%	11.49%	13.04%	
BIS ratio	13.13%	13.01%		13.13%	12.85%	12.19%	13.76%	