



3Q08 Performance Review

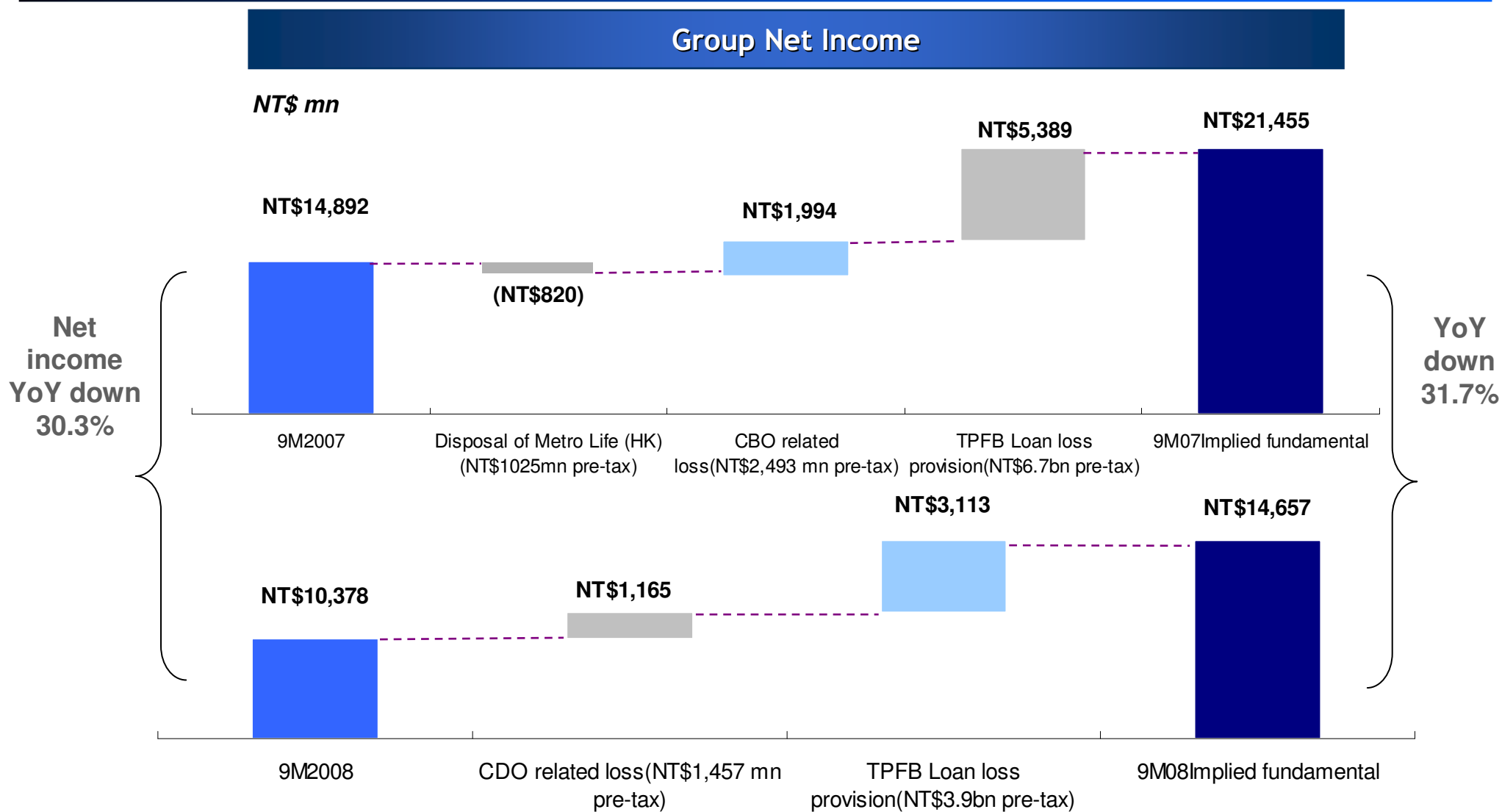
Disclaimer

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 results for 3Q08 are all based on preliminary management data and may differ from audited reports.

Performance Highlights

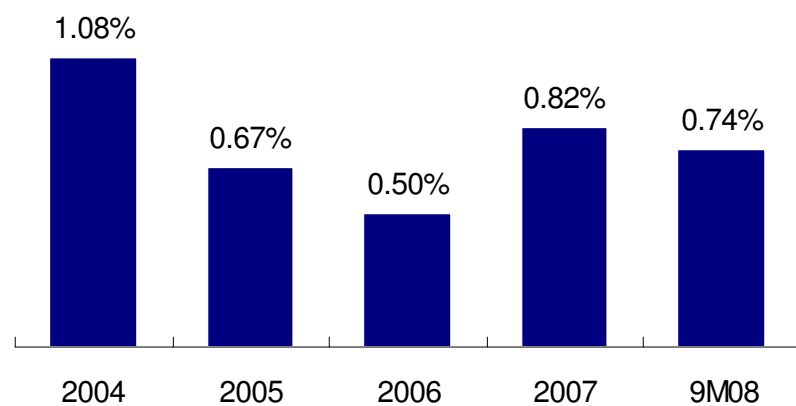
Fubon Financial –Net Income Overview



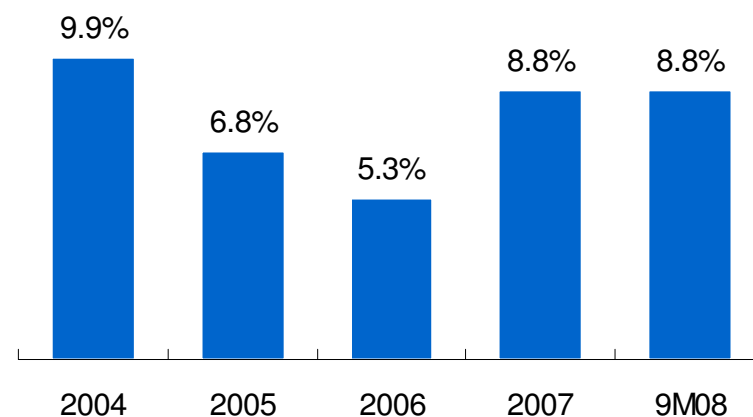
Note: Based on assumption of 20% effective tax rate

Fubon Financial – Return on Assets and Return on Equity

Return on Assets*



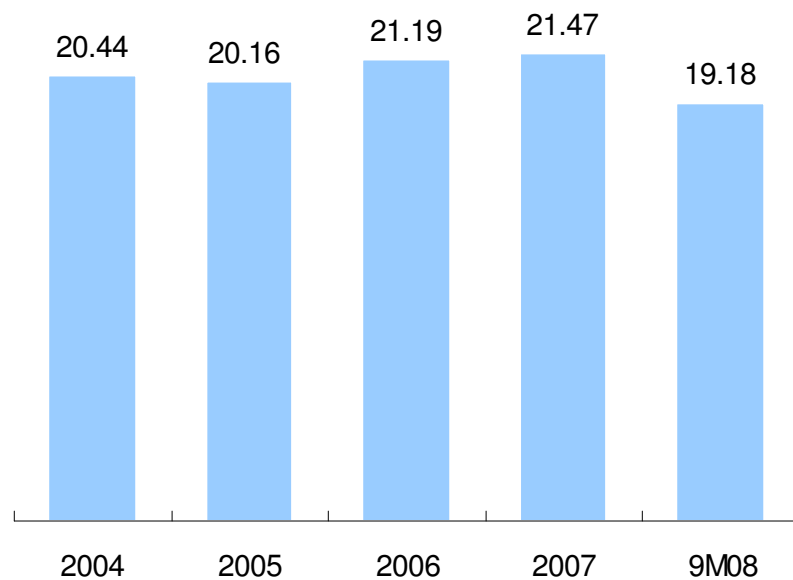
Return on Equity*



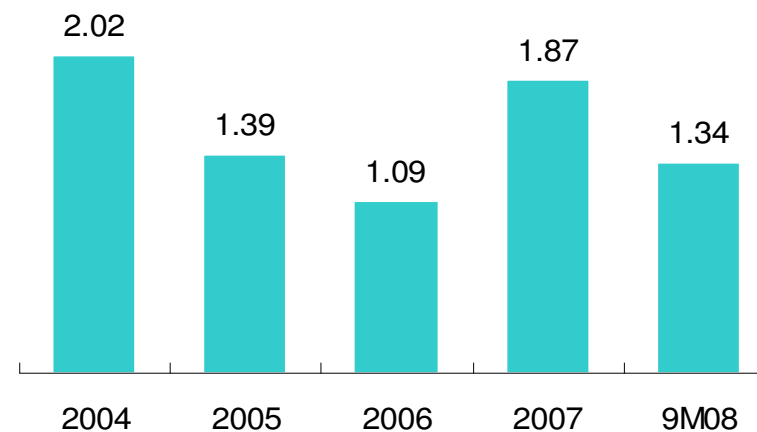
* Note: The ratios are based on annualized basis

Fubon Financial – Per Share Calculations

Book Value Per Share (NT\$)



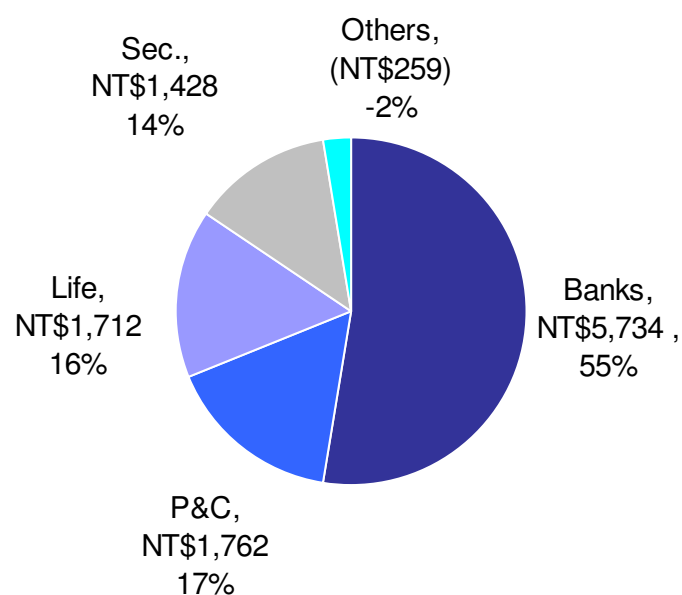
EPS (NT\$)



Fubon Financial – Profit Breakdown (by subsidiaries)

Net Income by Subsidiaries*

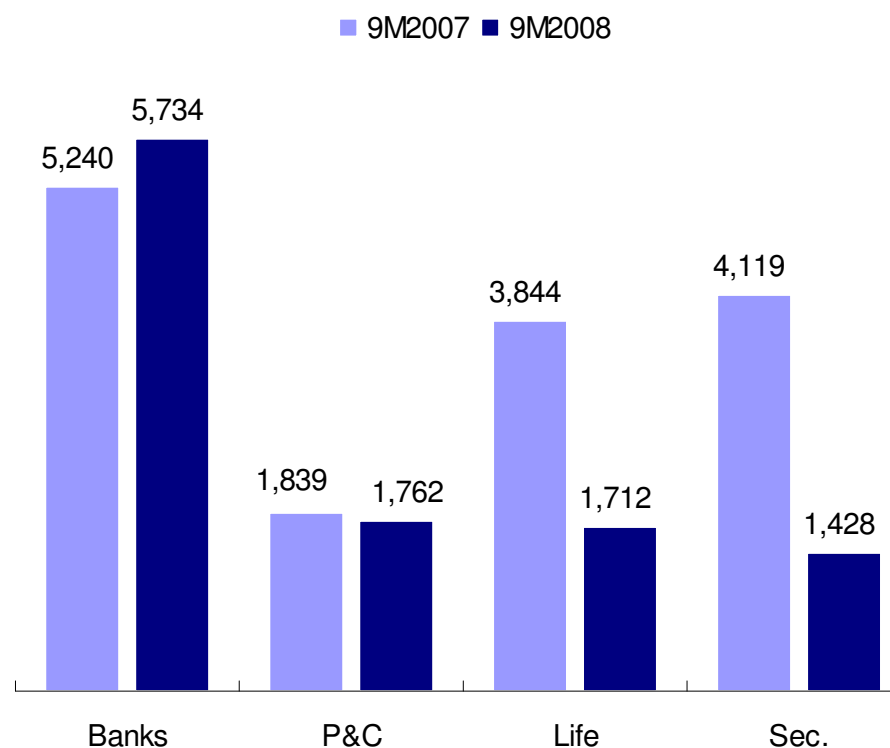
NT\$ mn



FHC's Net Income in 9M08 = NT\$10,378 mn

Net Income – Subsidiary YoY Comparison

NT\$ mn

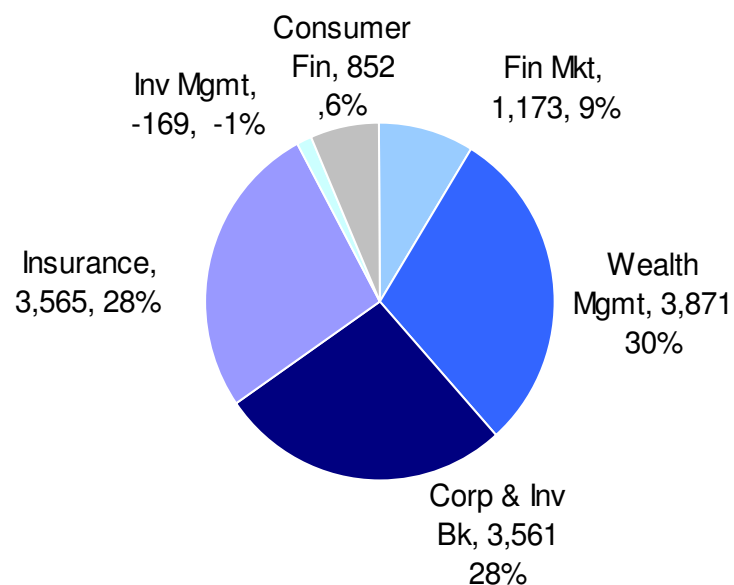


* Note: 75% of Fubon Bank (HK) earning is accounted in this page.

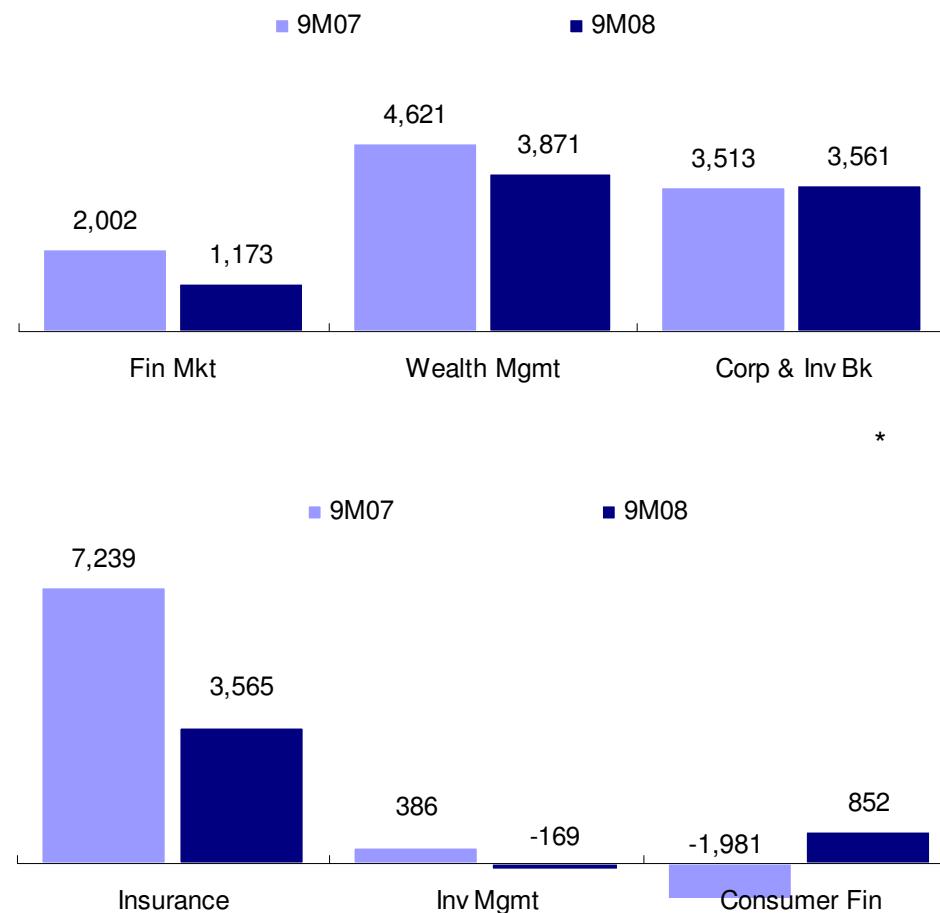
Fubon Financial – Profit Breakdown (by business groups)

Pretax Profit by Business Groups

NT\$ mn



Pretax Profit - Business Group



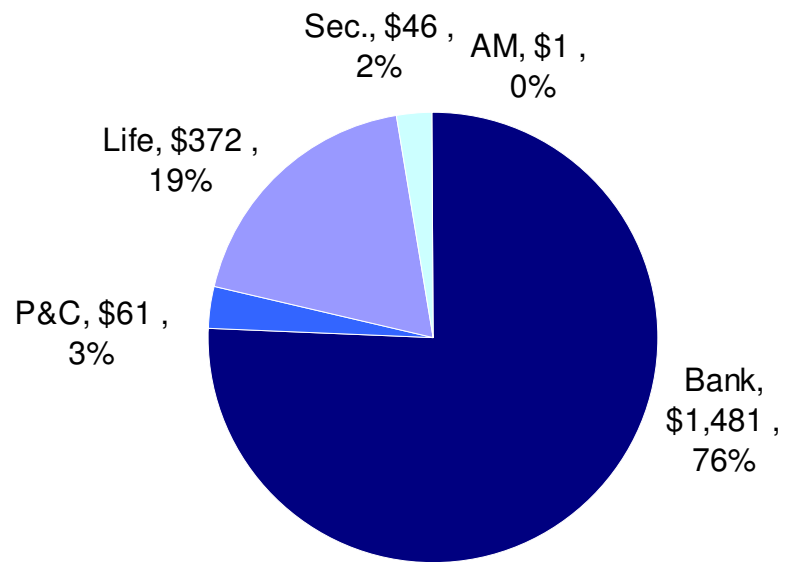
* Note: Fubon Bank (HK) is not under the business structure. Starting from 2008/01/01, part of the profits of Fubon Bank (HK) is accounted under "Corp & Inv Bk group".

Fubon Financial – Asset Breakdown

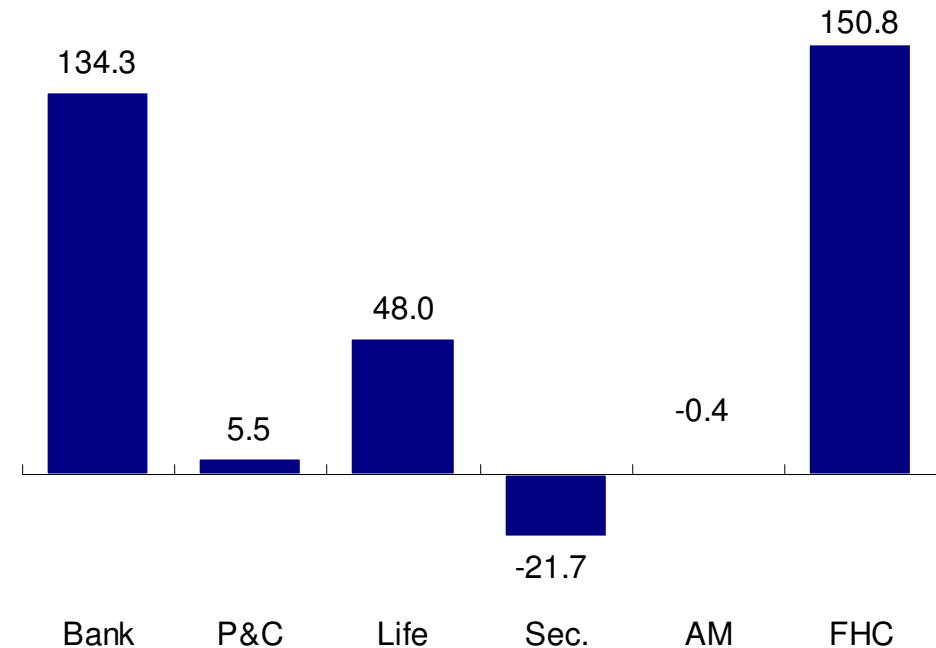
Total Assets = NT\$ 1,955 billion
(30 Sep. 2008)

Asset Increase
YoY

NT\$bn

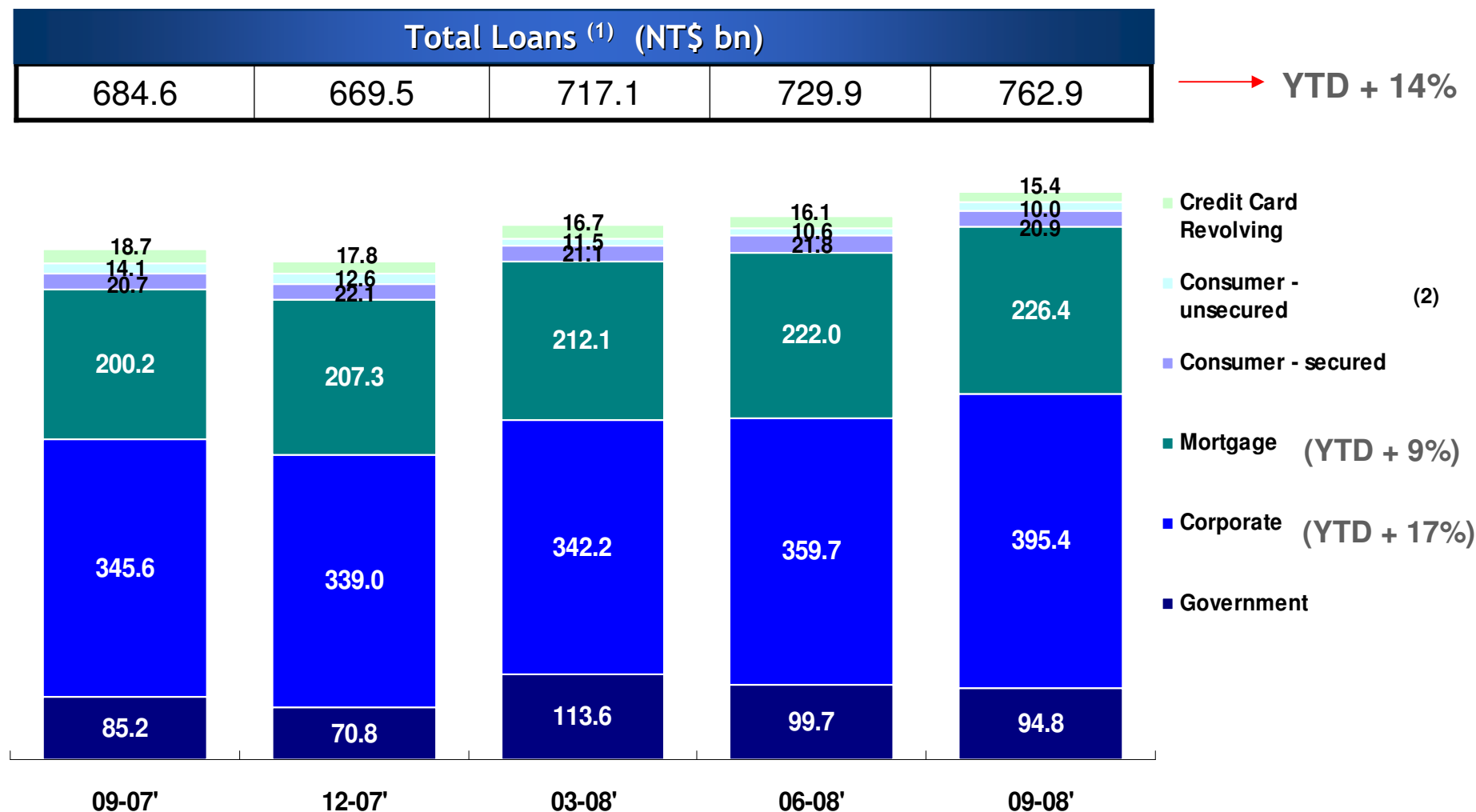


NT\$bn



Note: Pie charts & statistics represent breakdown of six major subsidiaries.

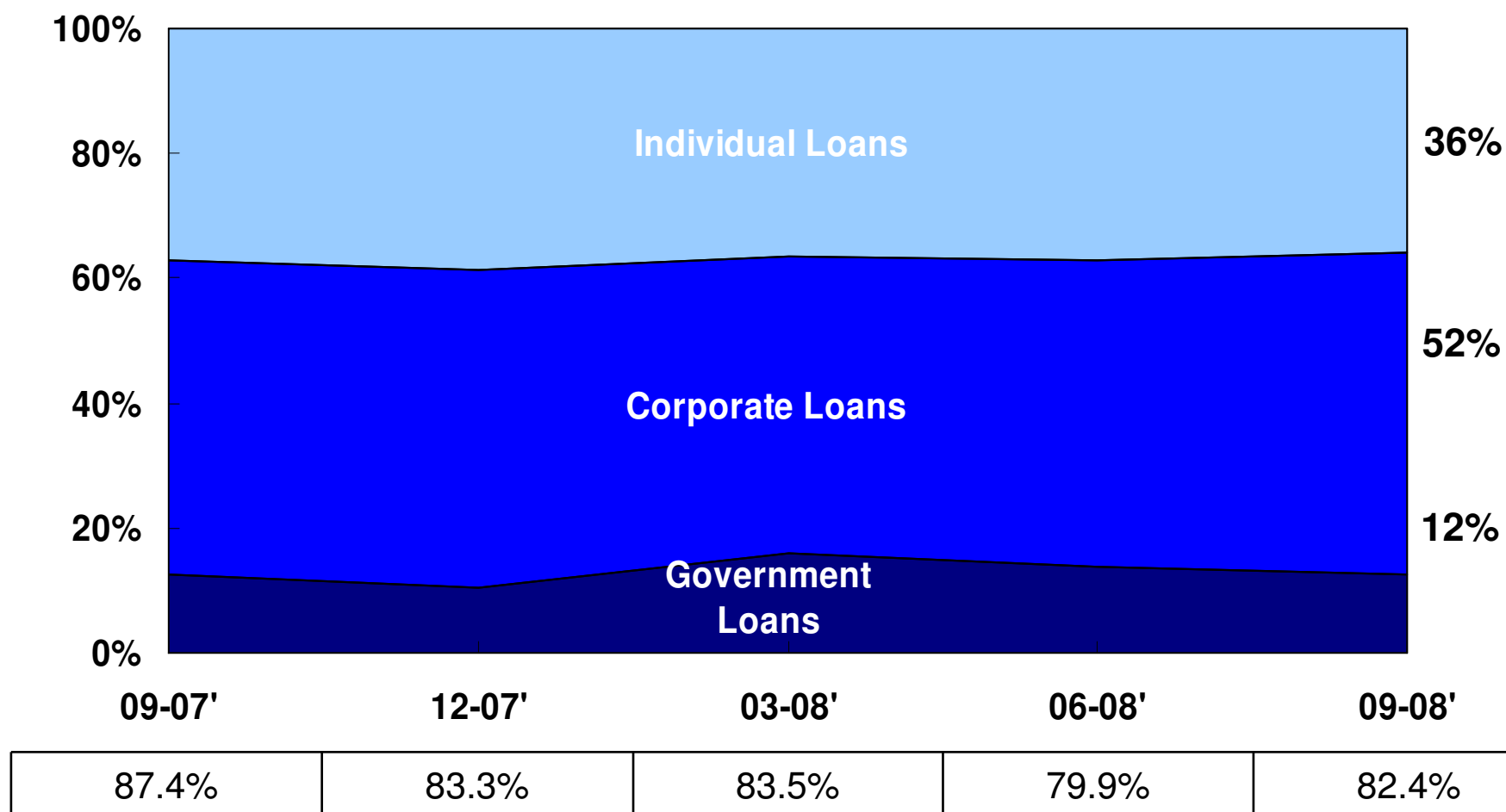
Taipei Fubon Bank – Loan Breakdown (1/2)



Note: (1) Overdue loans not included.

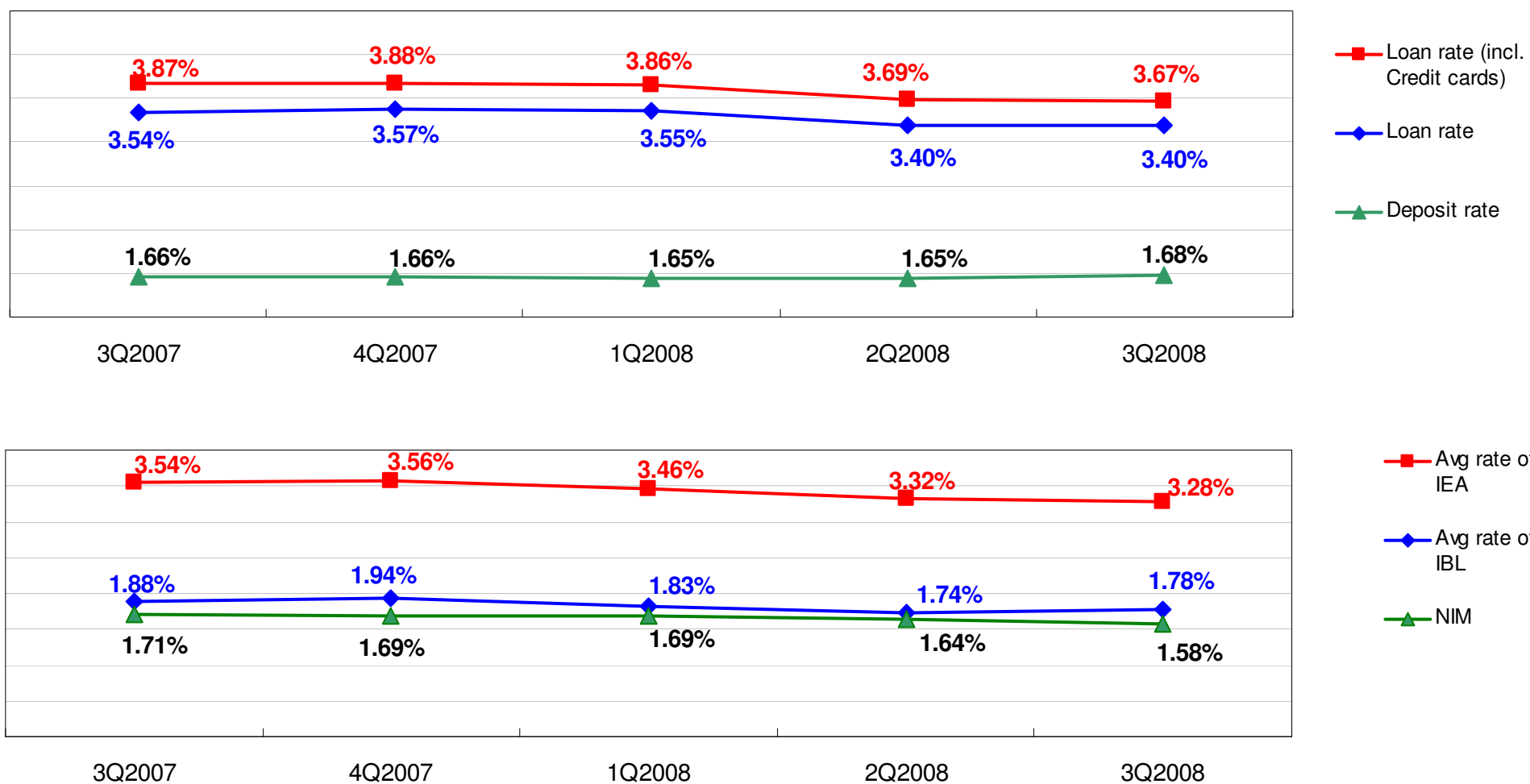
(2) Cash Card loans are under unsecured consumer portfolio. Outstanding balance NT\$208mn as of 9M08.

Taipei Fubon Bank – Loan Breakdown (2/2)



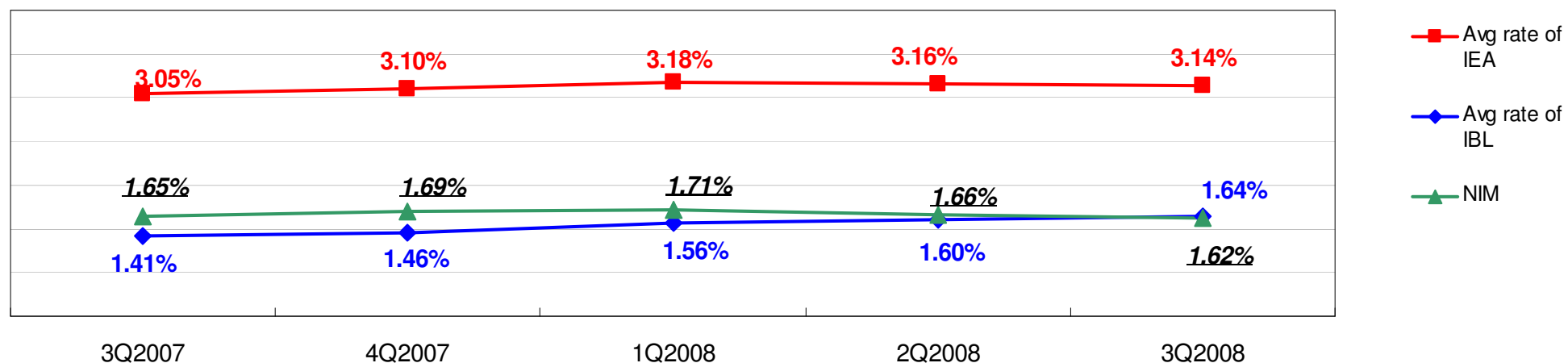
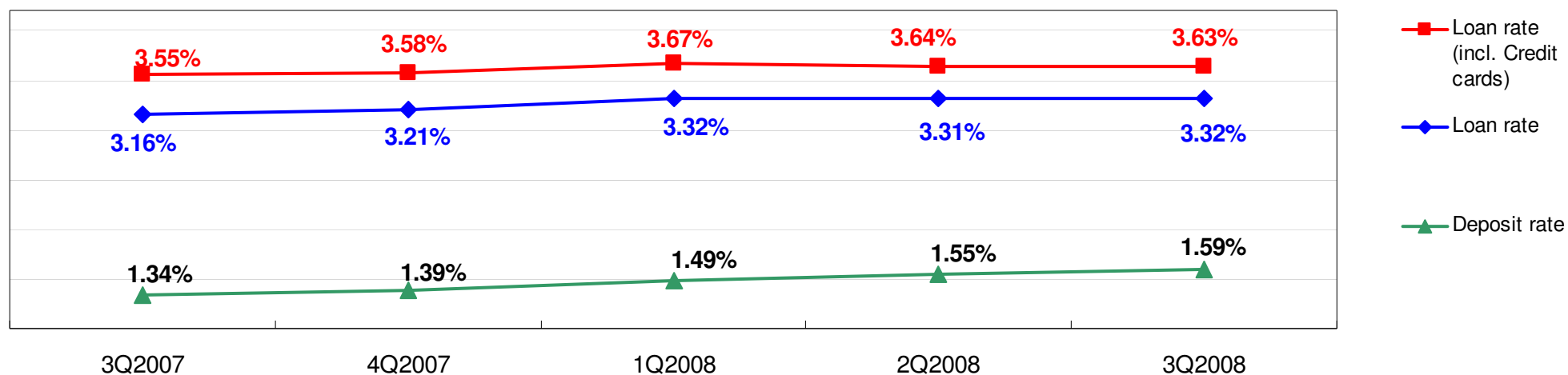
Gross loan (including credit card revolving) to deposit ratio

Taipei Fubon Bank – Interest Yields Overview

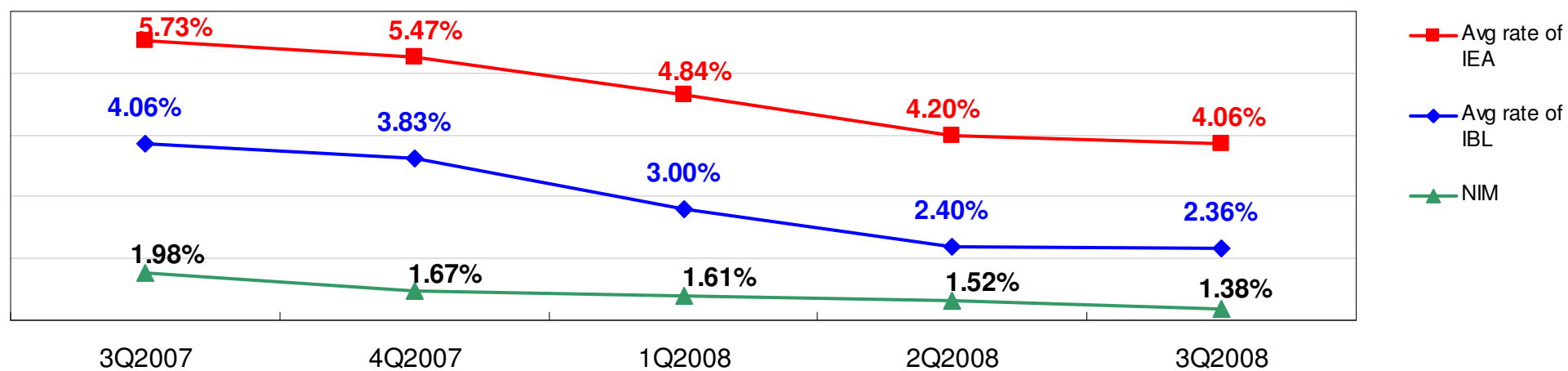
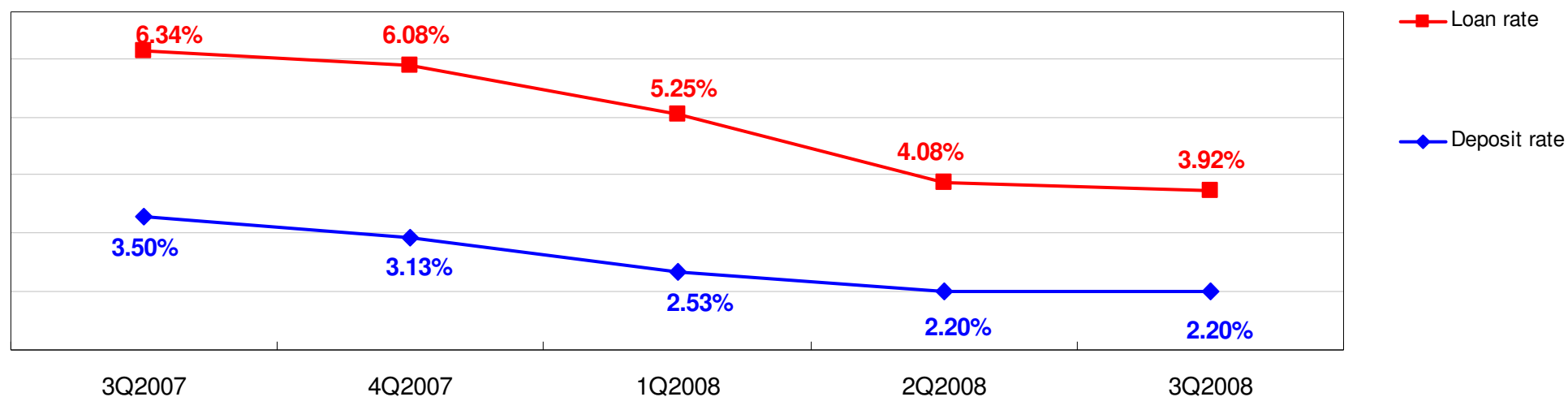


Note: Interest yields for full year 9M2008: loan rate (including credit card revolving) 3.74%, loan rate (excluding credit cards) 3.45%, deposit rate 1.66%, avg rate of IEA 3.35, avg rate of IBL 1.78% and NIM 1.64%.

Taipei Fubon Bank – Interest Yields of NTD Book

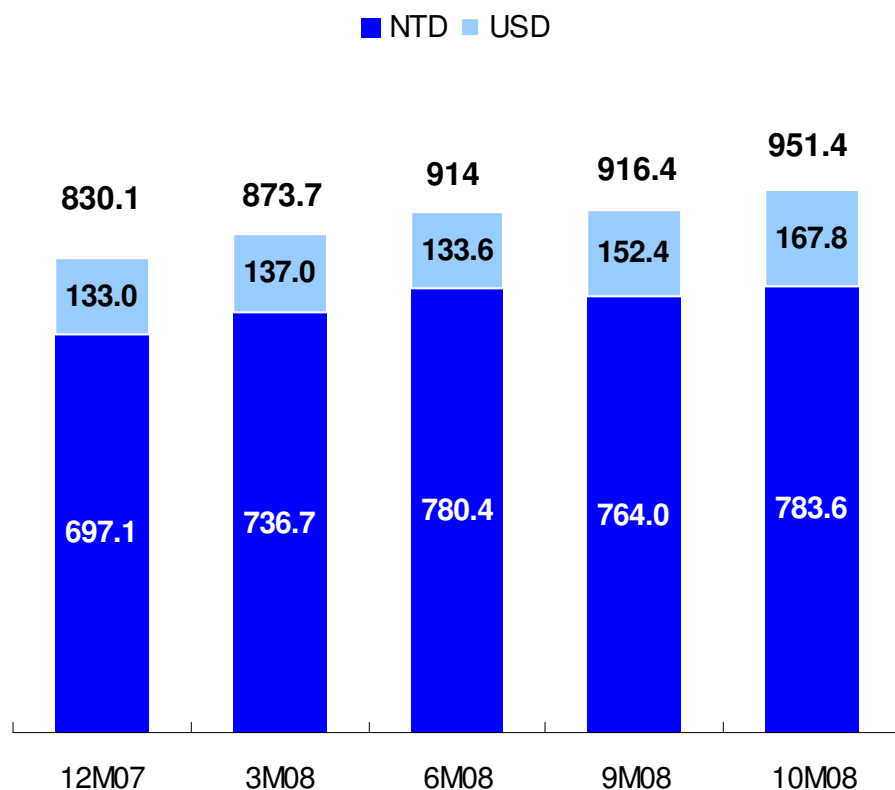


Taipei Fubon Bank – Interest Yields of Foreign Currency Book

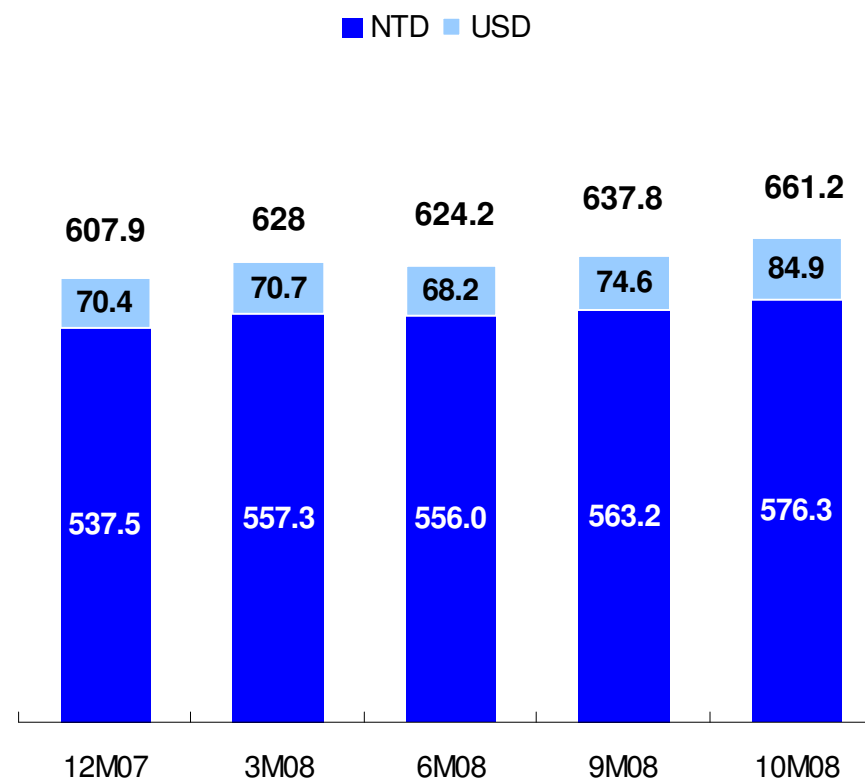


Deposit base continues to increase

Total Deposits : NTD and USD (NT \$bn)



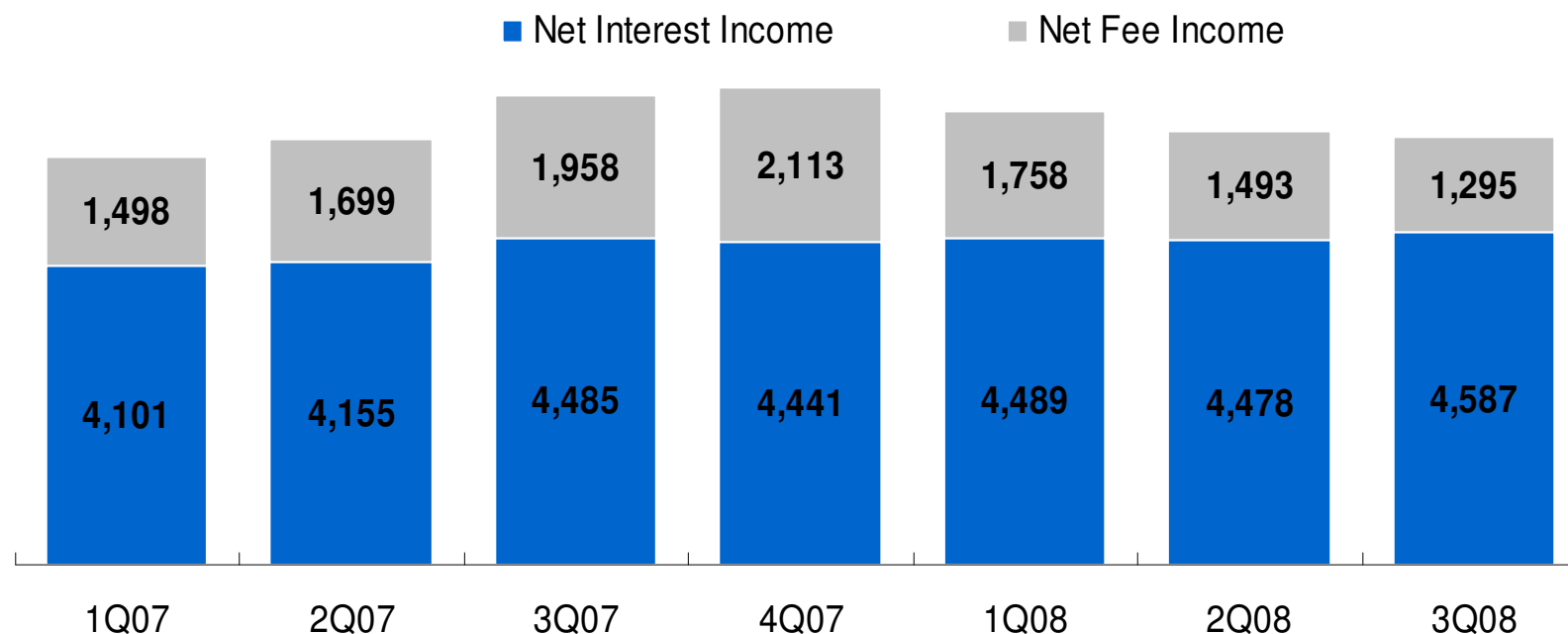
Retail Deposits : NTD and USD (NT \$bn)



Note: Data as of 27 Oct 2008; deposits amount is based on monthly average

Taipei Fubon Bank – Interest & Fee Income

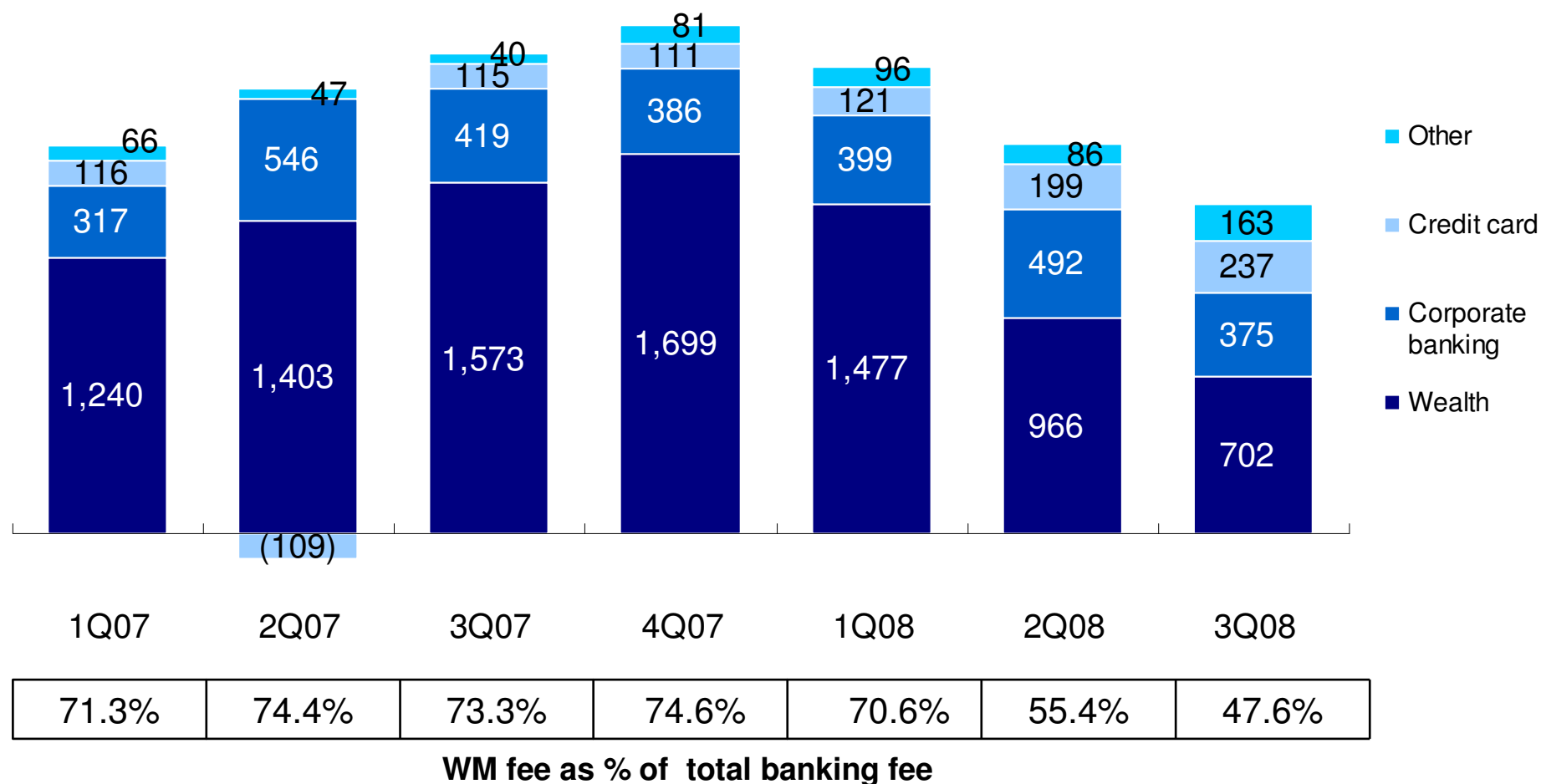
Major Incomes (NT\$ mn)



Major Incomes	5,599	5,854	6,443	6,554	6,247	5,971	5,882
Net Fee/Major Incomes	26.8%	29.0%	30.4%	32.2%	28.1%	25.0%	22.0%

Note: Fees booked under insurance agency subsidiaries are excluded.

Taipei Fubon Bank – Net Fee Income Breakdown

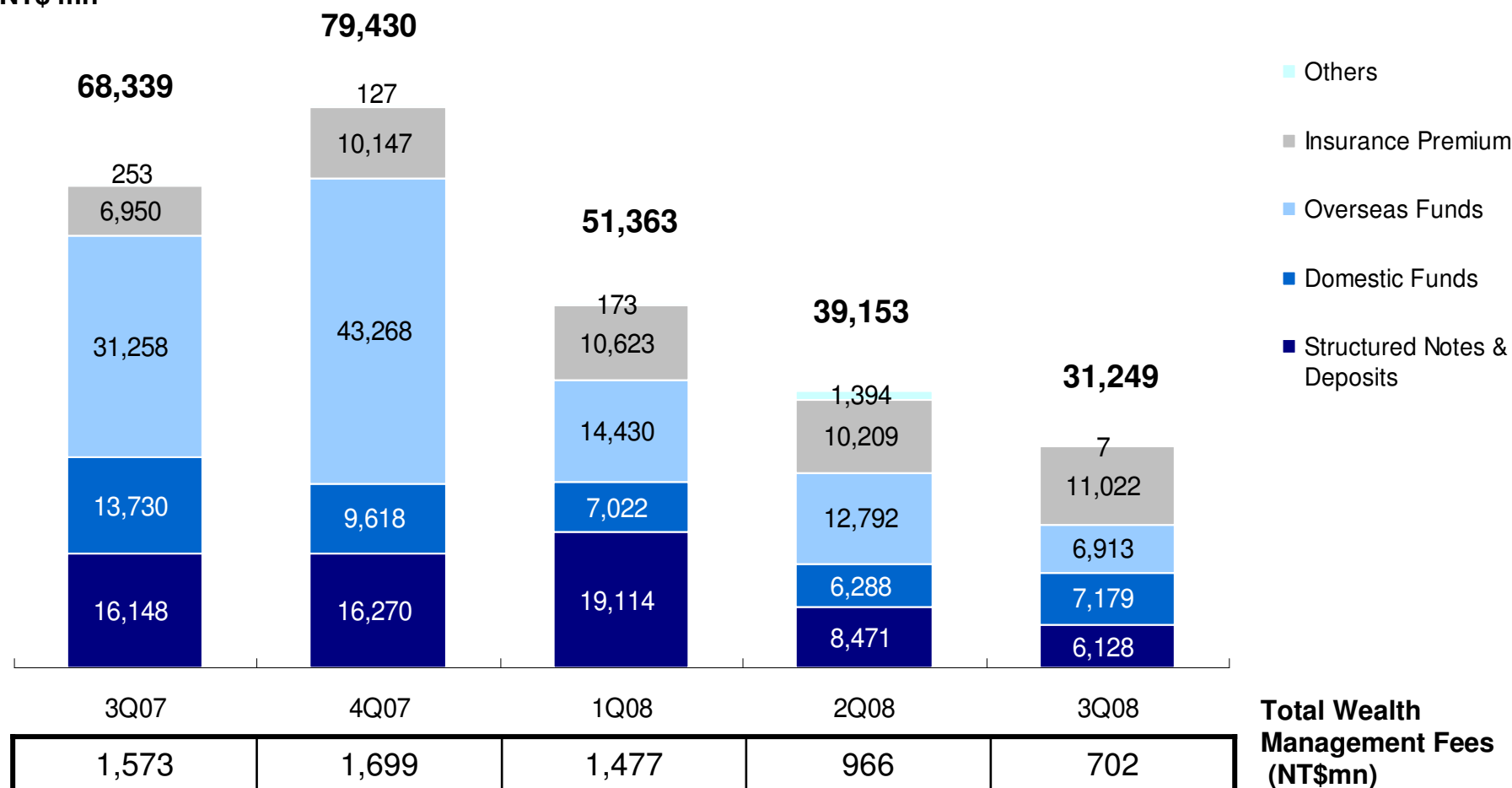


Note: Including fees booked at insurance agency subsidiaries. Wealth management fee is defined as fee income from sales of funds & insurance products.

Taipei Fubon Bank – Wealth Management Business

Wealth Management Sales Breakdown

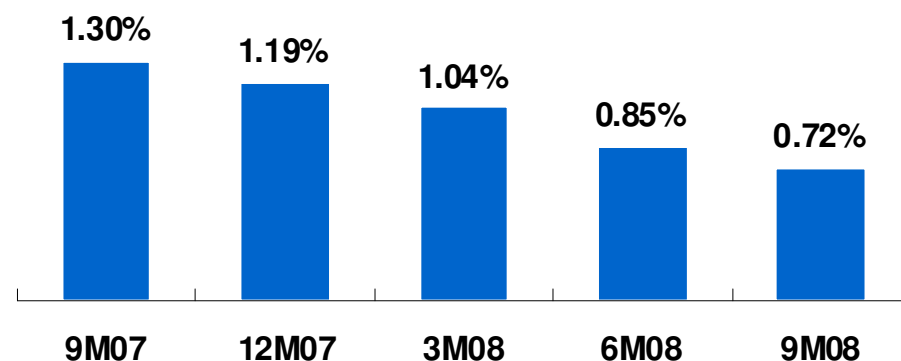
NT\$ mn



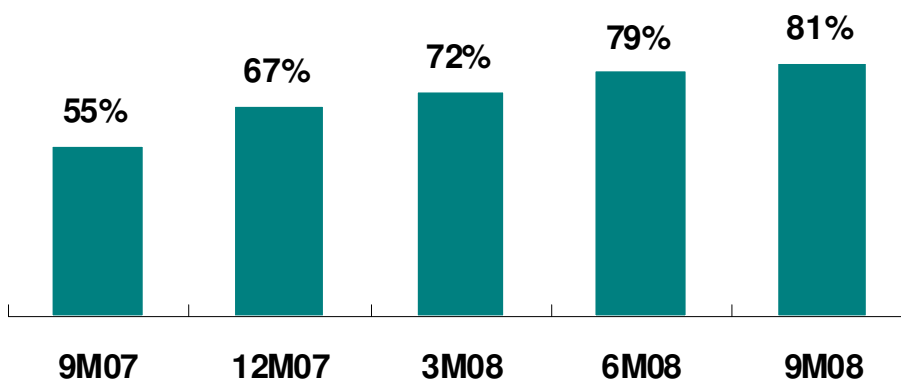
Note: Others represents collective investment trust funds

Taipei Fubon Bank – Quality of Loan Book

NPL ratio



Coverage ratio



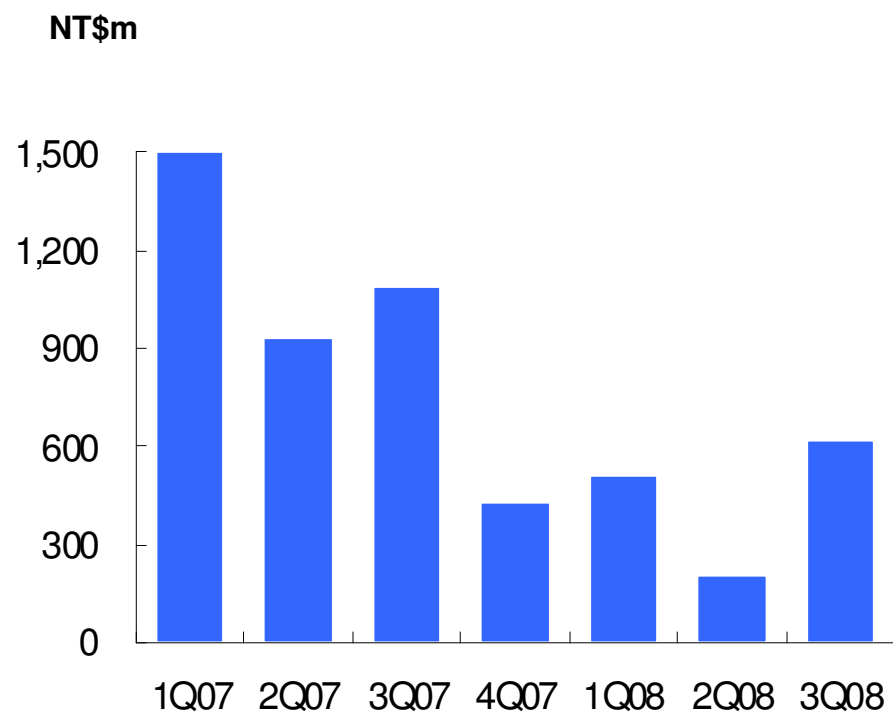
Provision & Recovery (incl. credit cards)

(NT\$ mn)	2006	2007	1Q08	2Q08	3Q08
Provision	15,034	10,302	1,503	1,104	1,394
Write-off	(19,097)	(13,342)	(1,843)	(1,968)	(2,137)
Recovery	840	1,164	281	291	327
Reserve	8,493	6,618	6,559	5,986	5,569
Reserve movement	(3,223)	(1,875)	(59)	(573)	(417)
% of average loans (including credit cards)					
Provision ratio	2.48%	1.53%	0.22%	0.15%	0.19%

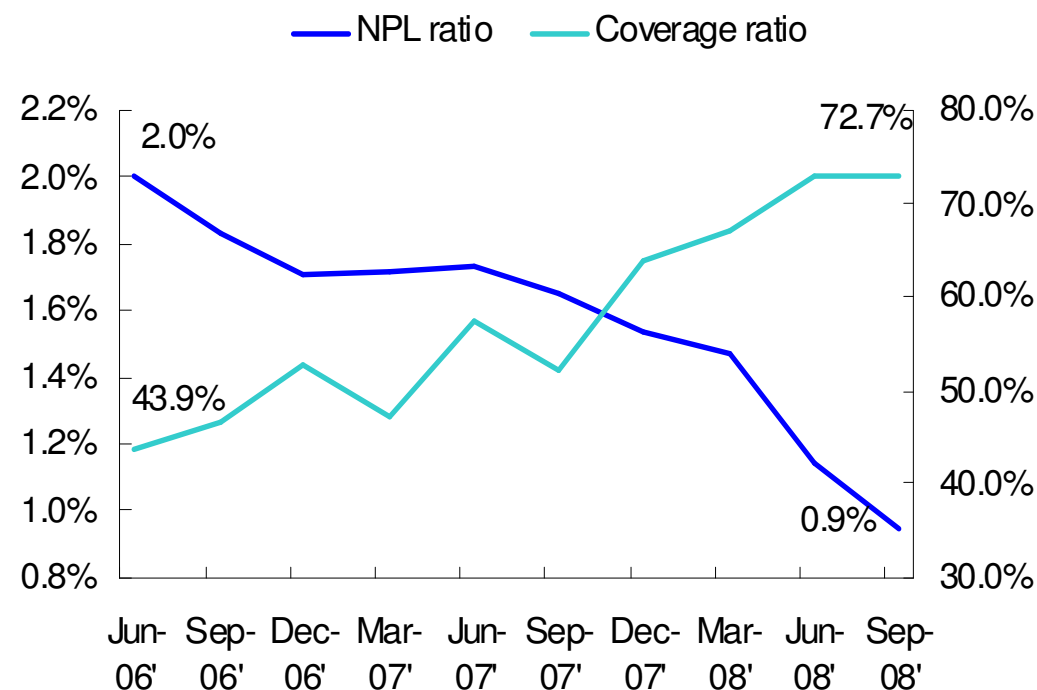
Note: Credit card revolving balance is recorded as receivable (instead of loans) according to the local regulations.

Corporate loan quality remain stable

New NPL formation of corp loans

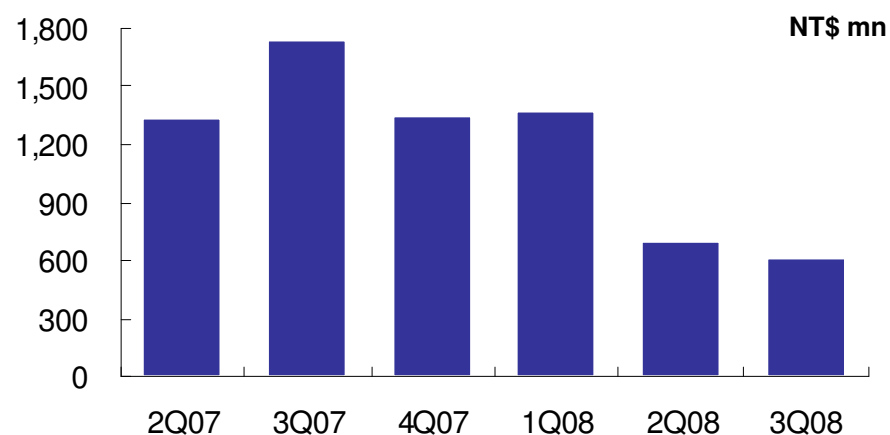


NPL ratio and coverage of corporate loans

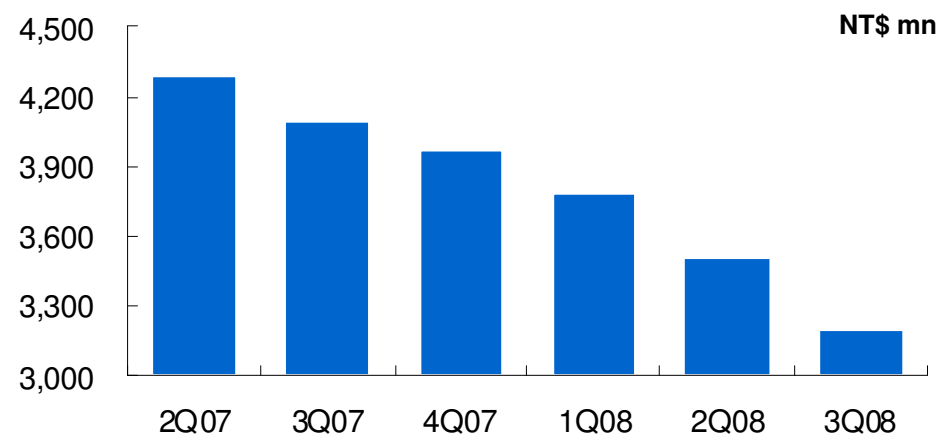


Corporate quality: New NPL formation and NPL ratio improving

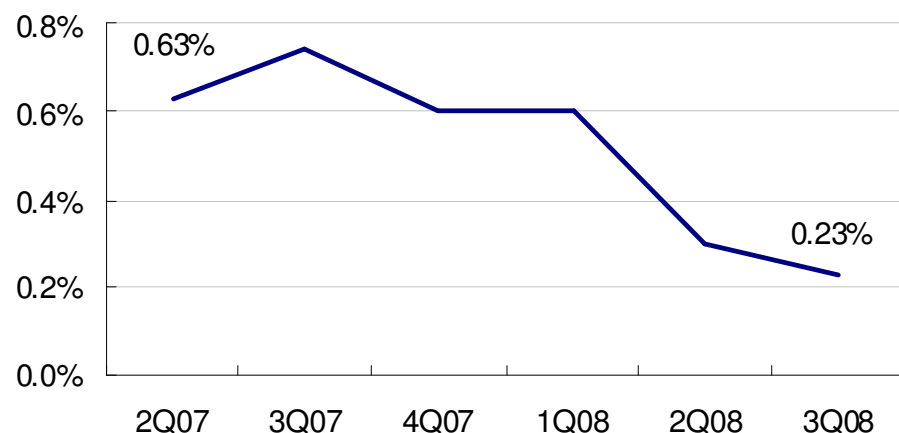
NPL of large corporate



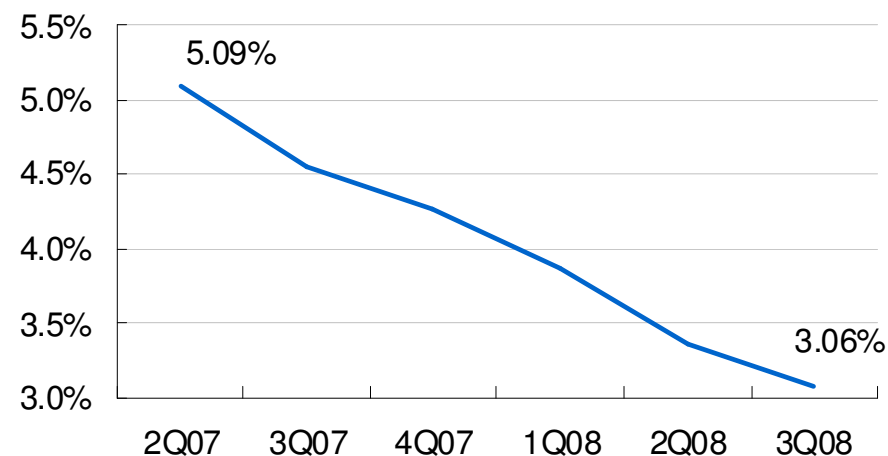
NPL of SME



90 days overdue ratio: large corporate

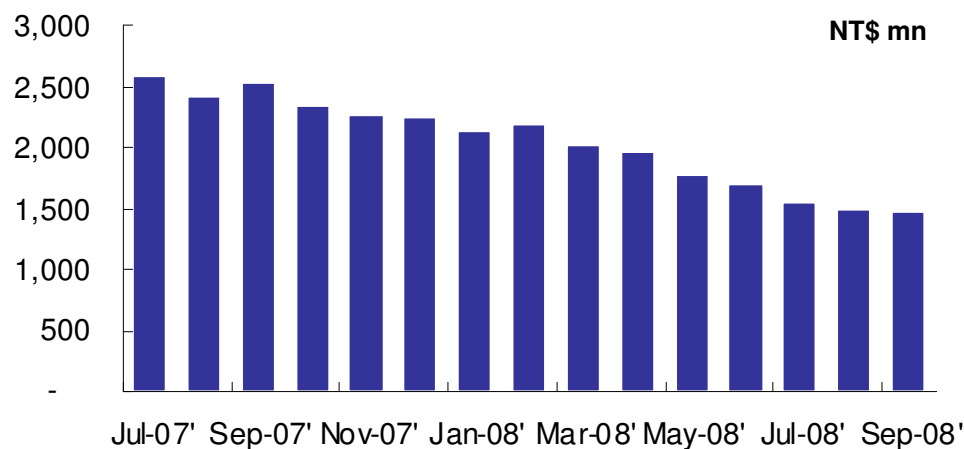


90 days Overdue ratio: SME

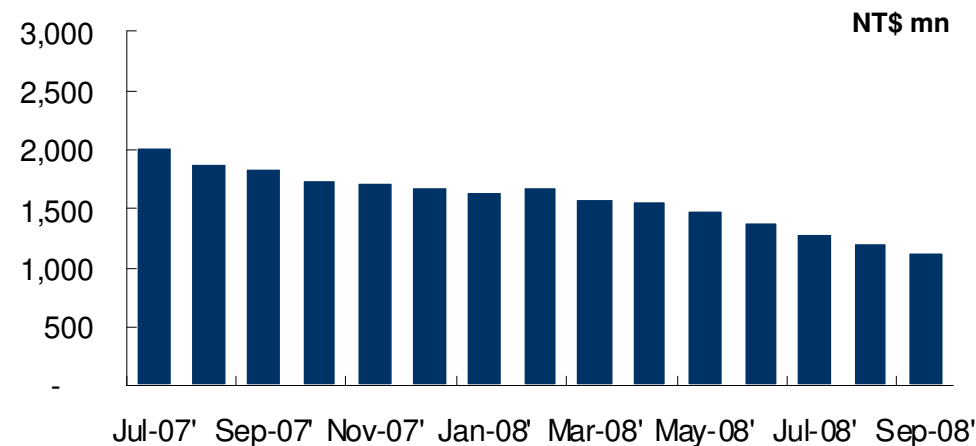


Mortgage quality: NPLs and NPL ratio improving

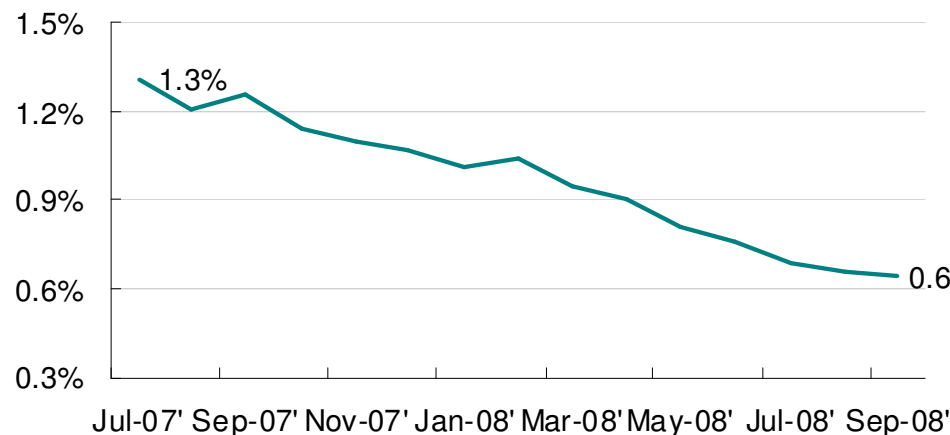
Overdue 30+ days loans



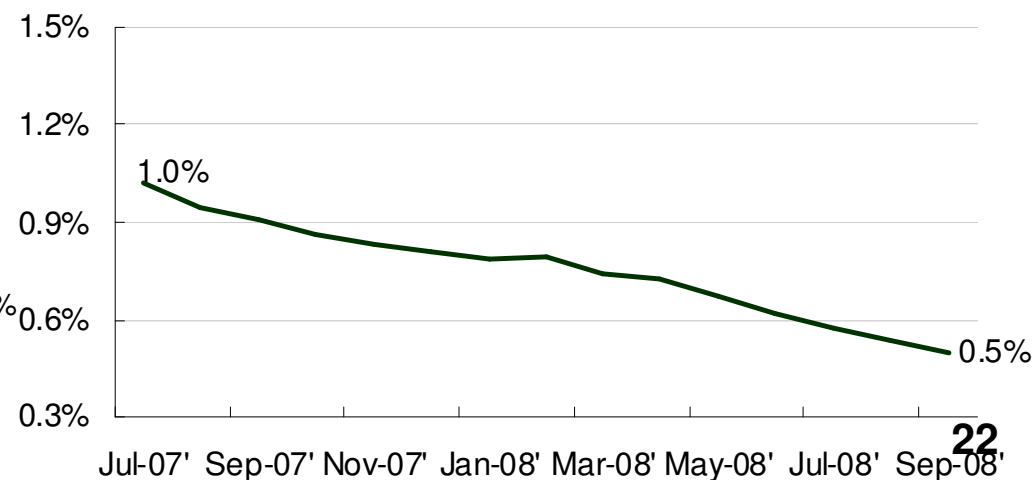
Overdue 90 day+ loans



Overdue ratio: 30+ day

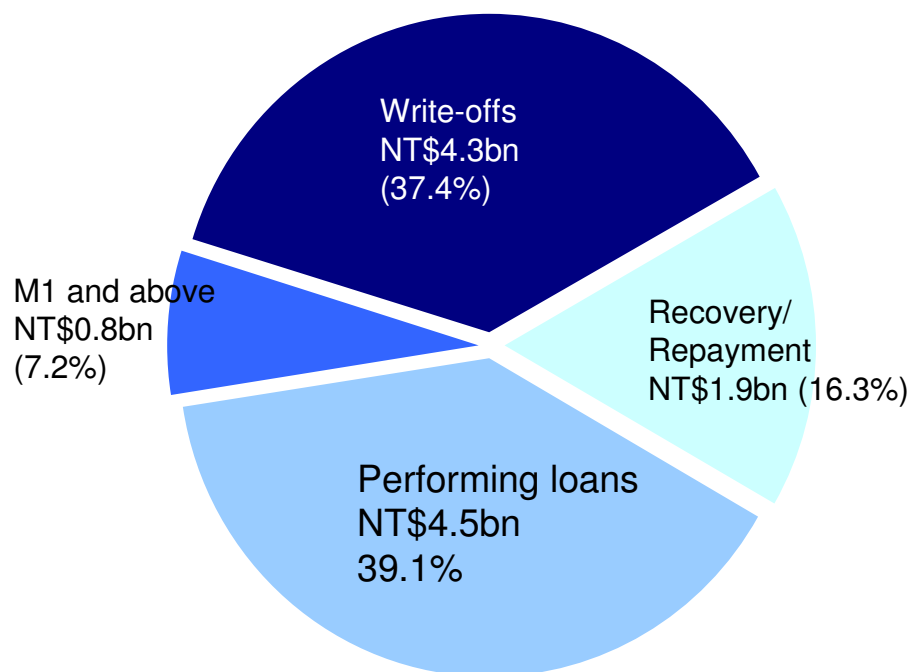


Overdue ratio: 90+ days



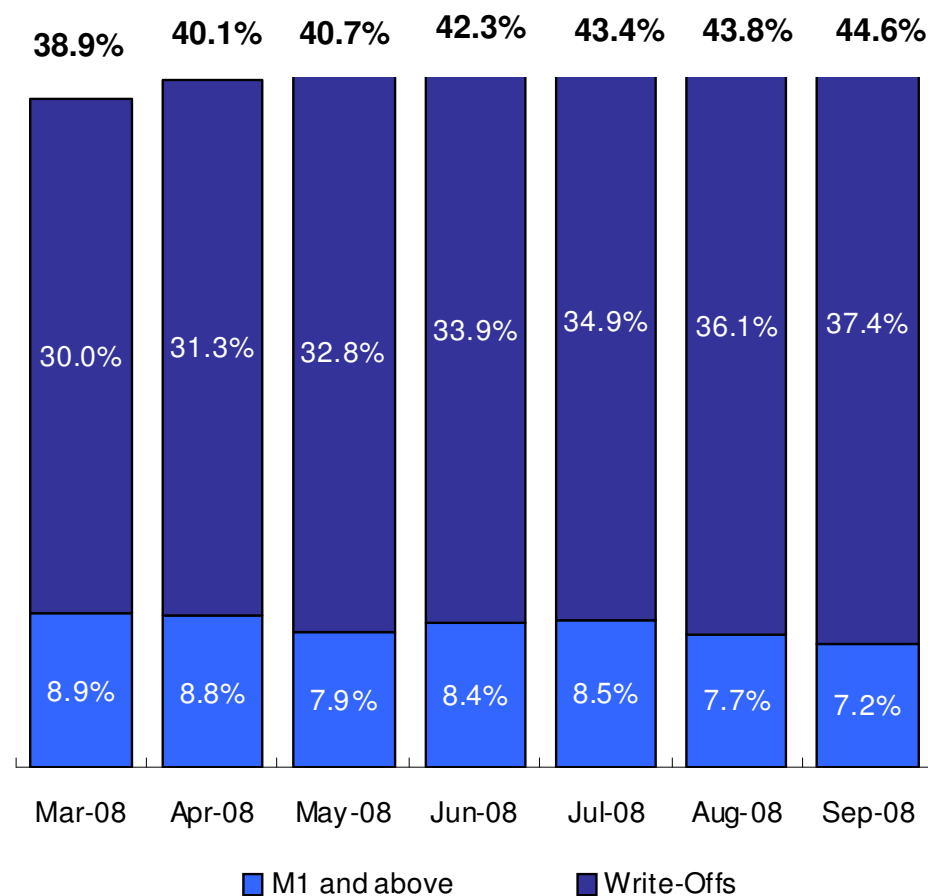
Taipei Fubon Bank – Restructured Loan Status

Restructured Loan Breakdown Total = NT\$11.5bn



Note: M1+ refers to loans pastdue over 30 days or above.

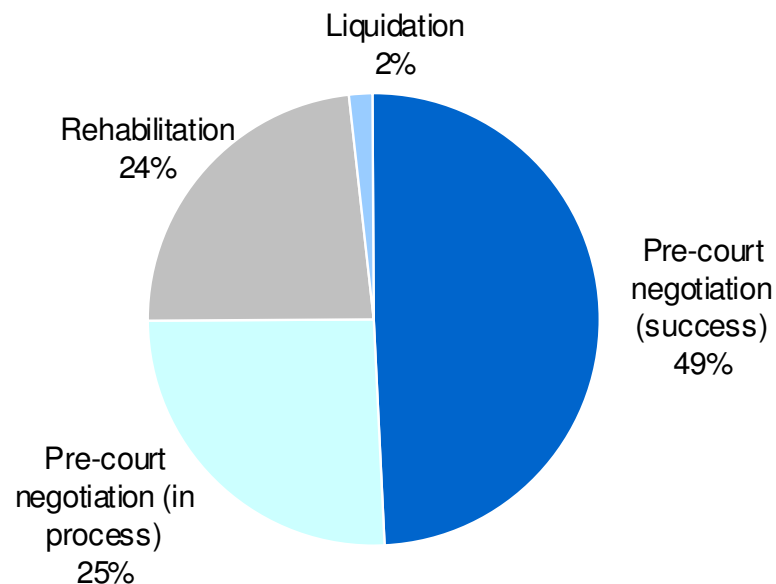
Redefault trend (M1+ and write-offs)



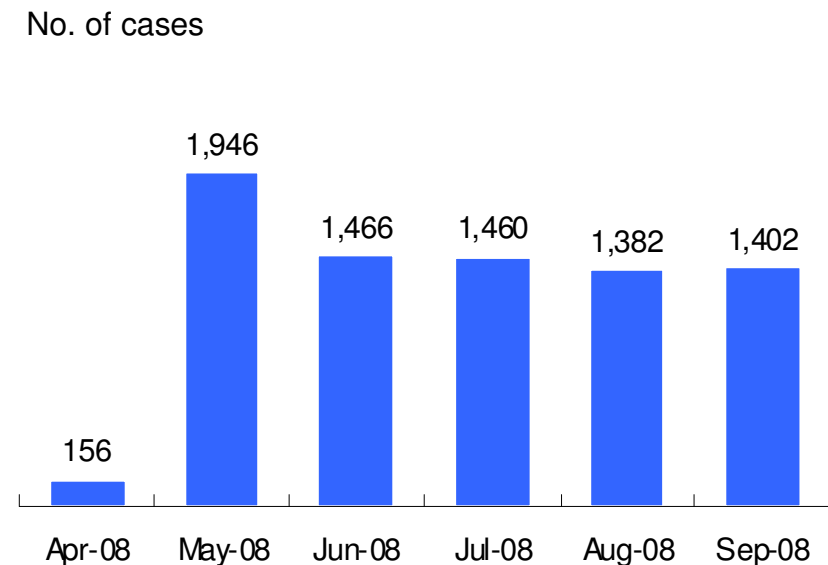
Application Status of Consumer Debt Clearance

- NT\$1,094 mn of unsecured loans are under process (6,637 applicants)
- Mostly are under pre-court negotiation
- Monthly influx of application amount still within our expectation

Application status by unsecured loan amount

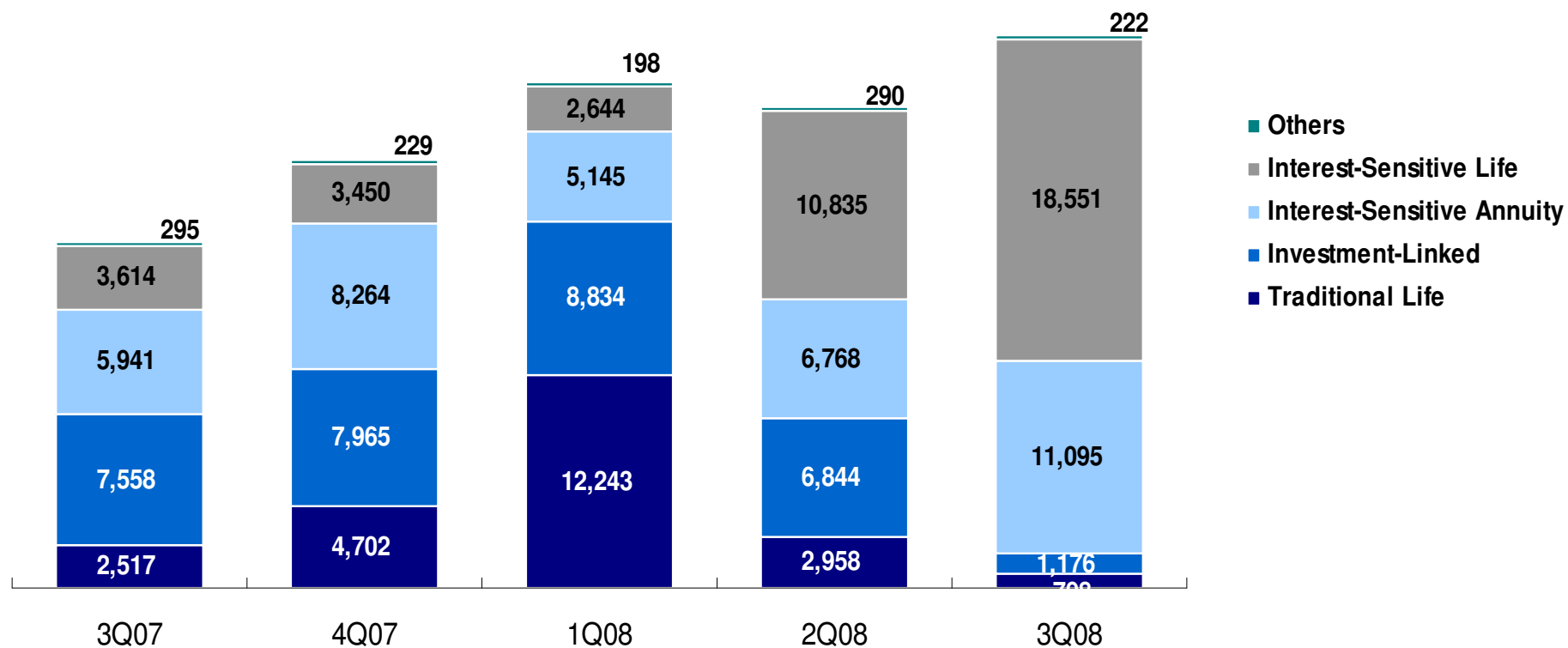


Monthly influx of application



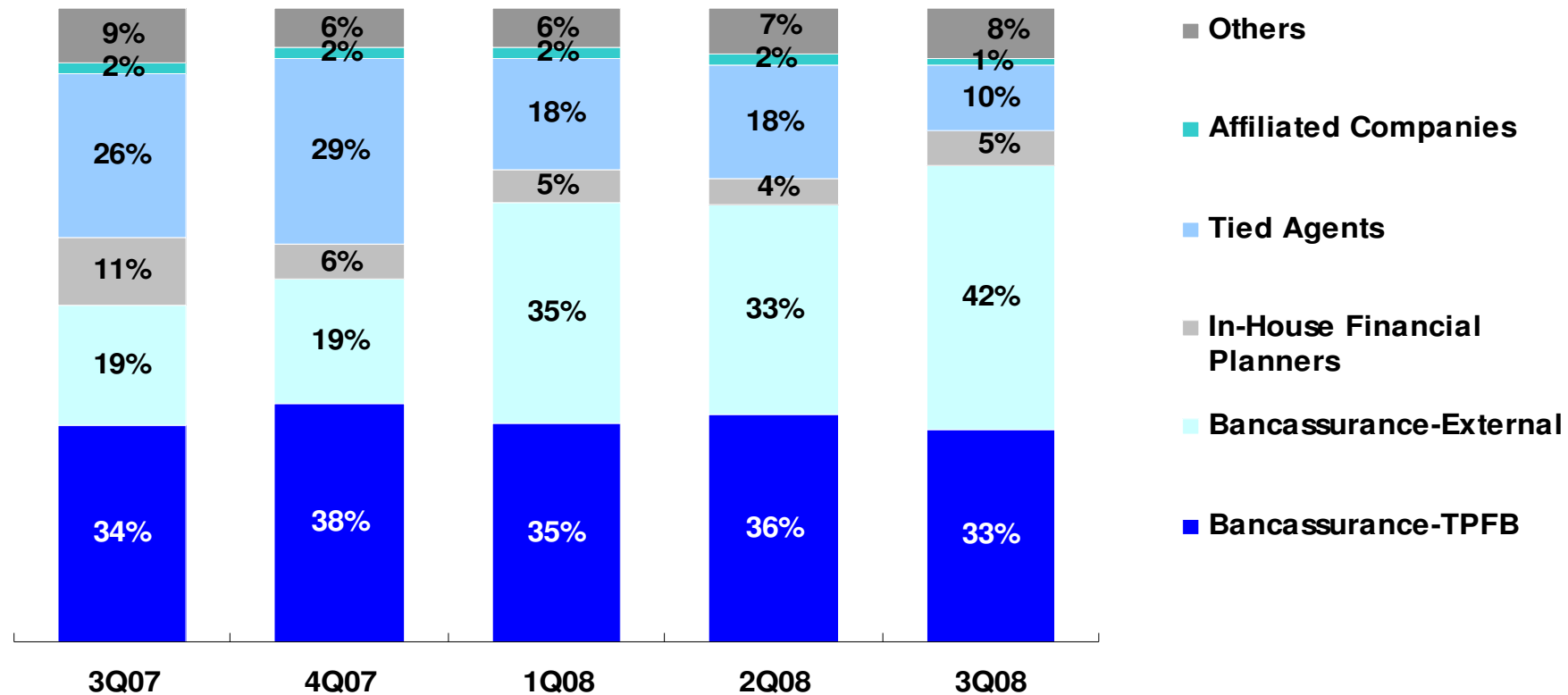
Fubon Life – FYP Breakdown

First-Year Premium (NT\$ mn)				
3Q07	4Q07	1Q08	2Q08	3Q08
19,925	24,610	29,064	27,695	31,842



Fubon Life – Distribution Channels

First-Year Premium by Channels



Note: "Others" includes brokers and independent agents

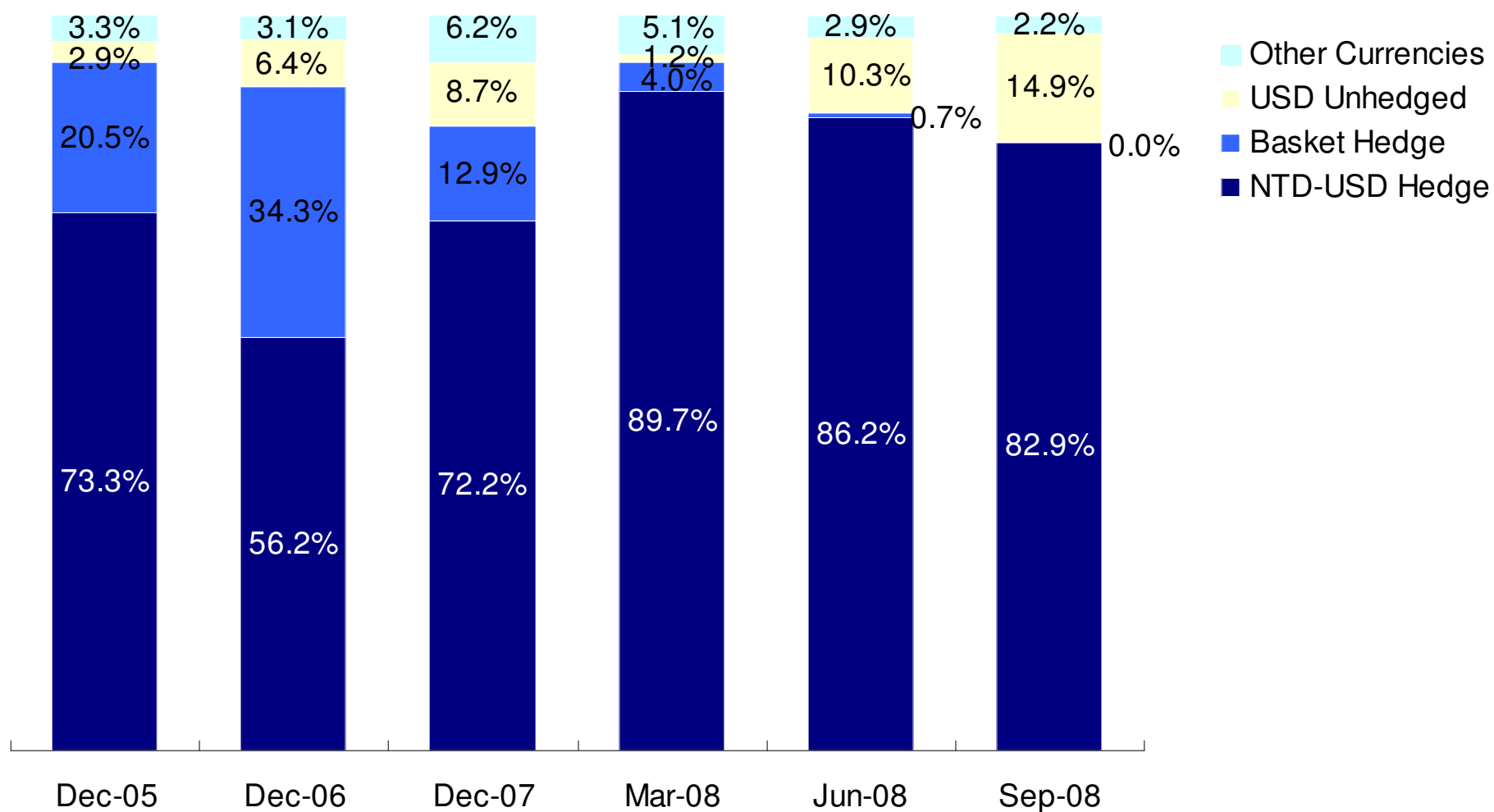
Fubon Life – Investment Portfolio

	2008/6/30		2008/9/30		
(NT\$Bn)	Amount	%	Amount	%	Weighting Change
Deposit and Cash equivalents	19.1	6.9%	26.5	9.0%	2.1%
Fixed Income- Domestic	92.0	33.3%	100.2	34.1%	0.7%
Fixed Income- Overseas	85.2	30.9%	89.8	30.5%	-0.3%
Equity- Domestic	44.3	16.0%	41.5	14.1%	-1.9%
Equity- Overseas	2.6	0.9%	2.3	0.8%	-0.2%
Mortgage Loans	14.1	5.1%	15.1	5.1%	0.0%
Policy Loans	7.7	2.8%	7.8	2.7%	-0.1%
Real Estate	11.2	4.0%	10.9	3.7%	-0.3%
Total Investments	276.2	100.0%	294.1	100.0%	-
Fixed Income	229.4	83.0%	250.4	85.1%	1.2%
Equity	46.9	17.0%	43.7	14.9%	-1.2%
Total Investments	276.2	100.0%	294.1	100.0%	0.0%
Domestic	188.4	68.2%	202.0	68.7%	0.5%
Overseas	87.8	31.8%	92.1	31.3%	-0.5%
Total Investments	276.2	100.0%	294.1	100.0%	-
Investment Return		4.1%		4.6%	

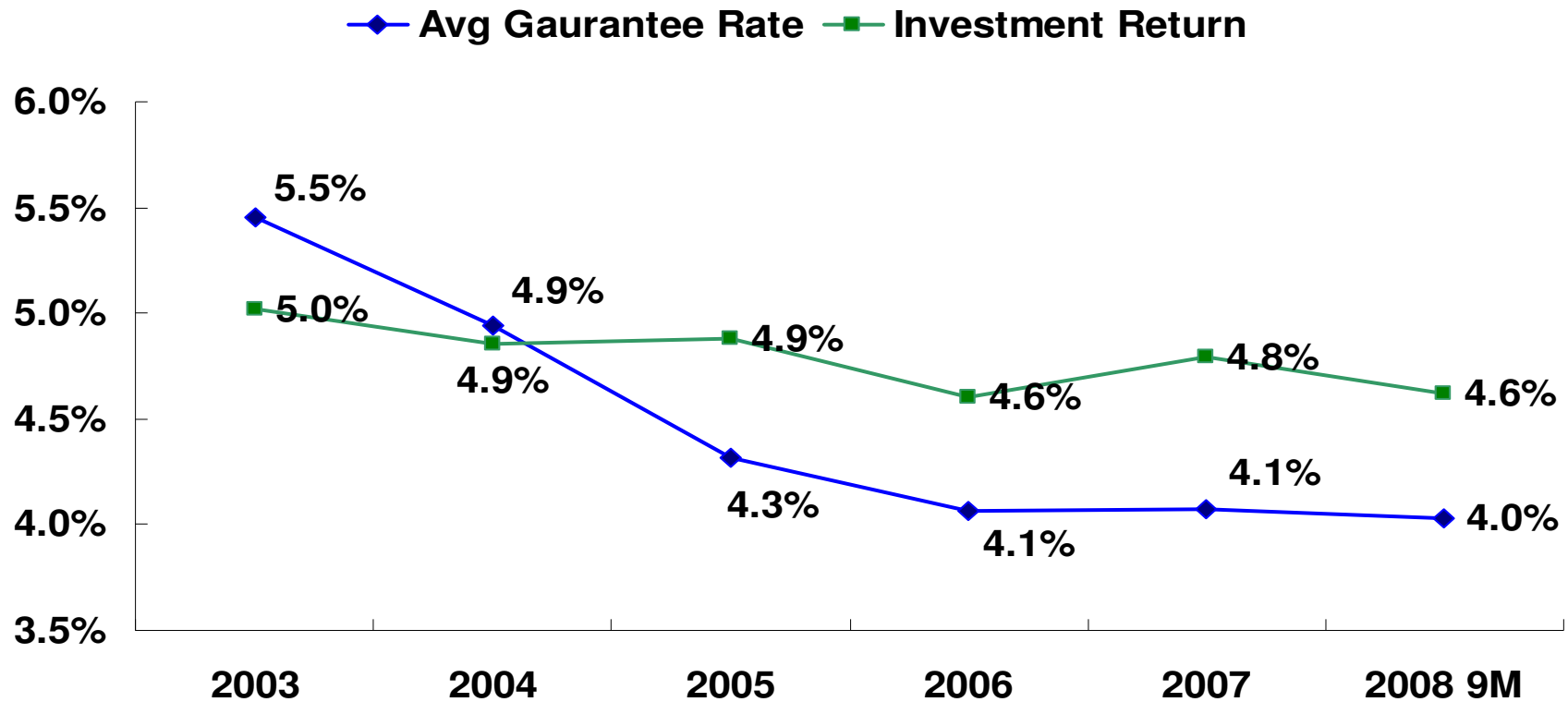
Fubon Life – Hedging Cost

Hedging Cost					
	2006	2007	1Q 2008	2Q 2008	3Q 2008
Hedging cost (NT\$ Bn)	1.58	2.01	0.54	0.51	0.44
FX gain (loss)(NT\$ Bn)	2.00	0.89	(0.50)	(0.06)	0.58
Hedging cost	-210bps	-238bps	-255bps	-225bps	-187bps
Hedging cost after FX gain/loss	+56bps	-133bps	-494bps	-251bps	57bps
<u>Reference:</u>					
TWD/USD swap points-on shore	-1.1878	-1.0905	-0.381	-0.378	-0.983
Implied hedging cost- on shore	365bps	332bps	121bps	124bps	306bps

Hedge Composition Of Fubon Life



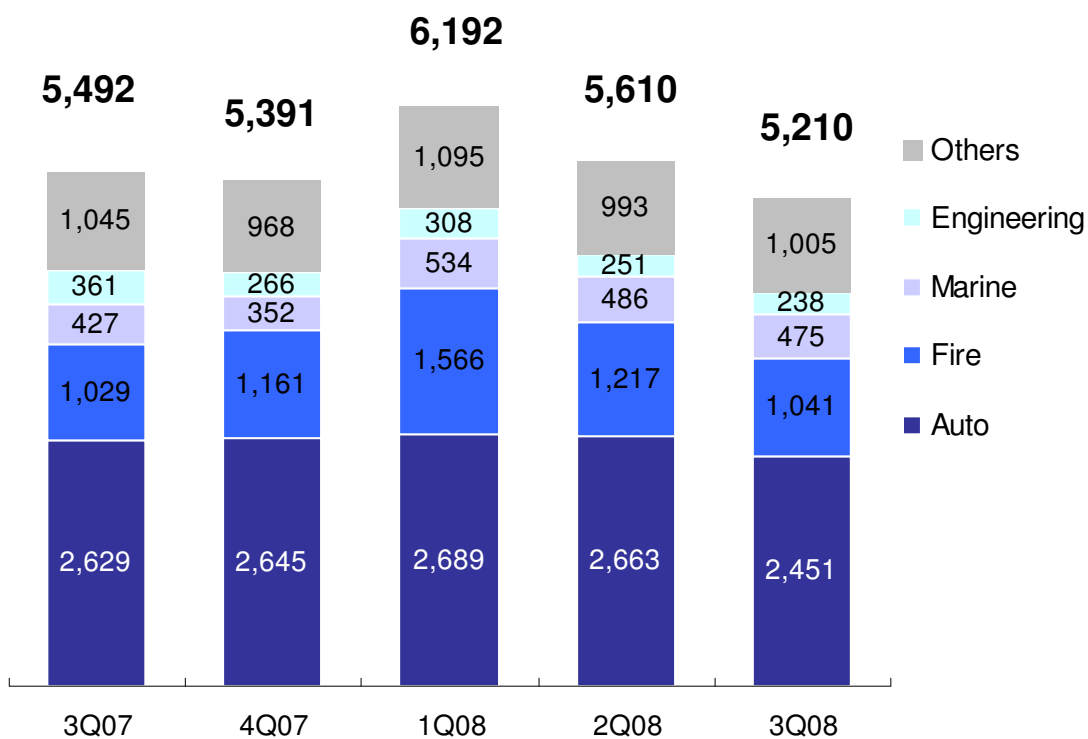
Fubon Life – Cost of Liabilities & Investment Returns



Fubon Insurance – Operating Snapshot

Direct Written Premium Breakdown

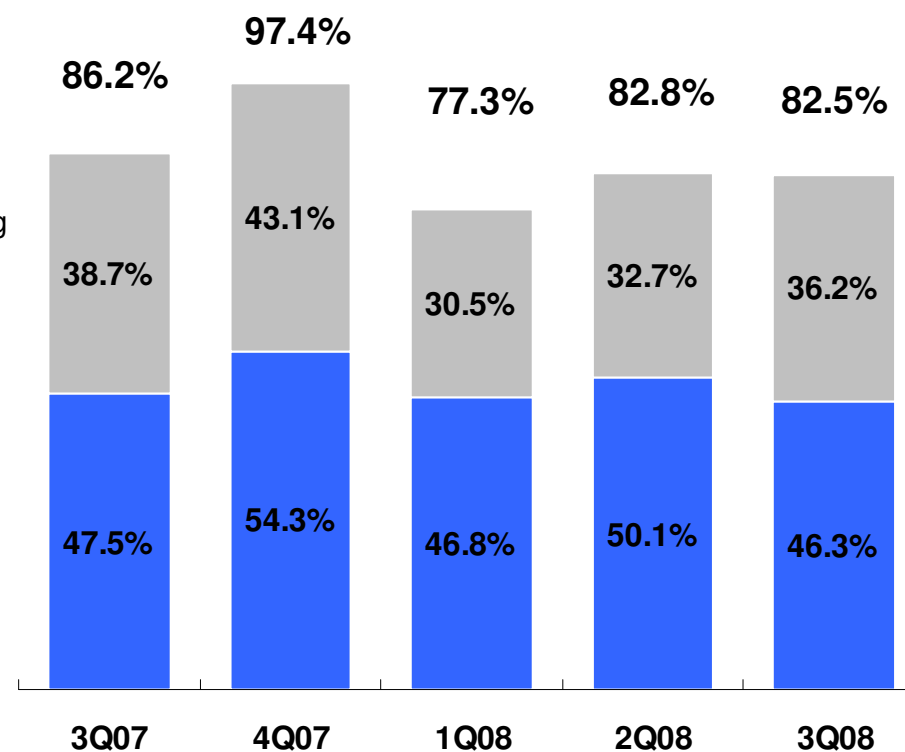
NT\$ mn



Net Combined Ratio

Net Claim Ratio

Net Expense Ratio



Note: Reinsurance premiums are excluded

CDO-related Write Down Summary

As of 30 Sep, 2008

Write Down Summary				
NT\$m	Loss through P&L			
	3Q08	1H08	2007	Cumulative
CDO*	760	273	1,158	2,190
SIV*	34	390	895	1,319
Total*	794	663	2,053	3,509

Exposure Detail							
NT\$m	Net amount	Credit rating distribution (%)					
		AAA	AA	A	BBB	BB	B or below
CDO							
Fubon Life	9,009	0%	53%	30%	0%	0%	17%
Fubon P&C	1,010	0%	32%	33%	0%	16%	19%
Taipei Fubon Bank	3	0%	0%	100%	0%	0%	0%
Fubon Bank HK	89	0%	0%	100%	0%	0%	0%
Subtotal	10,111	0%	51%	31%	0%	2%	17%
SIV							
Fubon Bank HK	83						
Total	10,194						

* Note: Fubon HK is 75% accounted in this table.

Exposure to Lehman Brothers and Washington Mutual

Exposure to Lehman Brothers:

NT\$m	Direct exposure			Indirect exposure	
	Gross amount	Loss recognition	Exposure details	Loss recognition	Exposure details
Bank	323	242	Loans	92	Derivatives
	161	137	Structured note investment		
P&C	21	21	Preferred shares investment	16	CDO (Lehman as counterparty)
	323	274	Lehman as the issuer of a PPN CDO		
Life	46	46	Preferred shares	81	CDO (Lehman as counterparty)
Total	874	720		189	

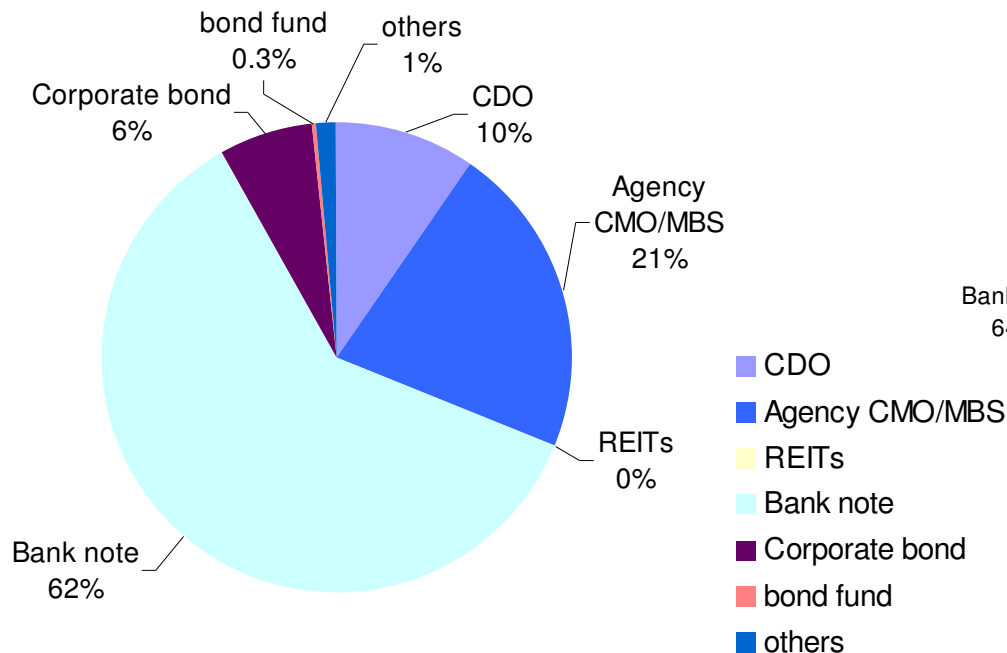
Exposure to Washington Mutual:

NT\$m	Direct exposure		
	Gross amount	Loss recognition	Exposure details
Bank	322	108	Floating rate note investment

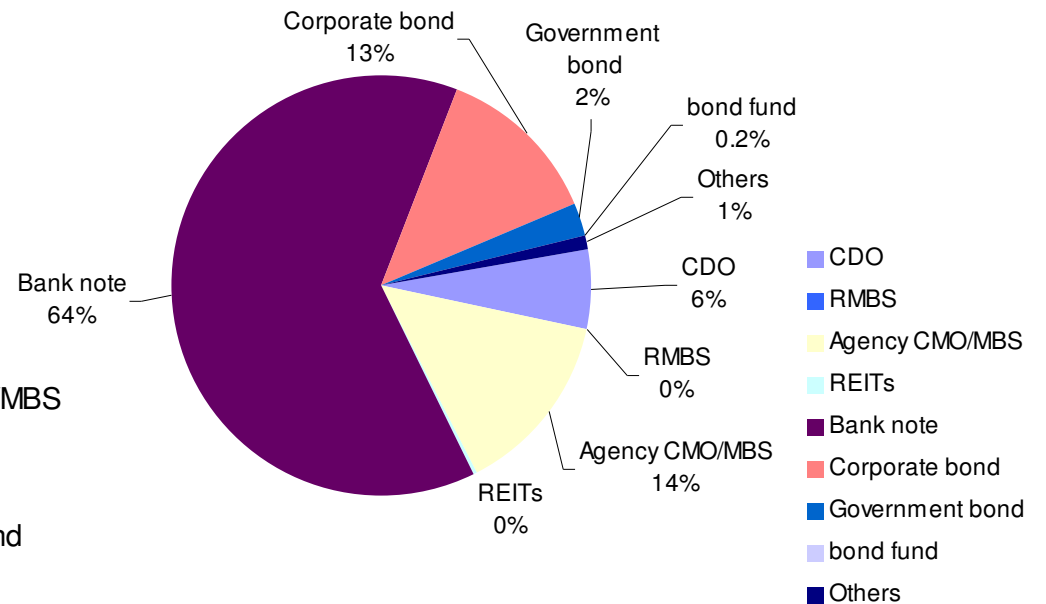
Overseas Fixed Income Portfolio

- Most fixed-income instruments are of low risk
- Corporate bond in Fubon Life are 100% A rated or above; in Fubon FHC are 93%
- Bank note in Fubon Life are 95% A rated or above; in Fubon FHC are 94%

Overseas fixed income portfolio of Fubon Life
(NT\$91.9bn)



Overseas fixed income portfolio of Fubon FHC
(NT\$165.7bn)





富邦金控
Fubon Financial

Thank You

Supplementary Information

Taipei Fubon Bank Summary Results

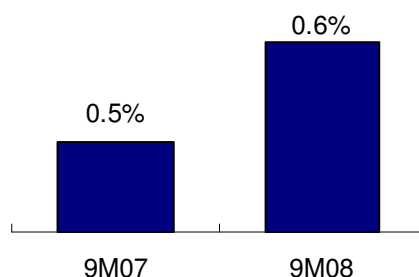
Taipei Fubon Bank Summary Performance Data

<i>NT\$ mn</i>	9M07	9M08	Change
Net Interest Income	12,740	13,555	6.4%
Net Fee Income	5,155	4,546	-11.8%
Other Income	2,842	1,336	-53.0%
SG&A Expense	9,088	9,475	4.3%
Pre-Provision Income	11,650	9,962	-14.5%
Provision for Loans	6,736	3,892	-42.2%
Net Income	4,142	4,844	17.0%

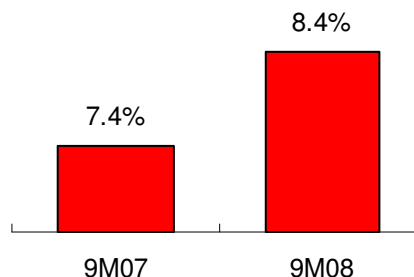
Key Earnings Drivers

- Net interest income up mainly due to the loan growth .
- Provision cost came down by 42.2% yoy mainly driven by loss mitigation in consumer loans
- Fee income came down due to declines in wealth management fees

Return on Assets



Return on Equity



Note: Net fee income does not include commission booked at insurance agent subsidiaries.

Fubon Insurance Summary Results

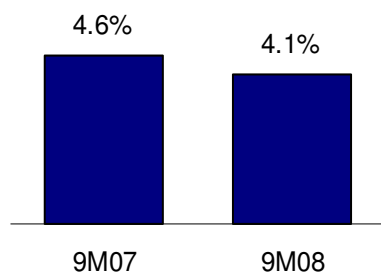
Fubon Insurance Summary Performance Data

<i>NT\$ mn</i>	9M07	9M08	Change
Gross Written Premium	18,276	17,732	-3.0%
Net Written Premium	11,410	11,833	3.7%
Underwriting Profit	1,423	1,641	15.4%
Investment Income	1,547	1,261	-18.5%
Net Income	1,839	1,762	-4.2%
Net Claim Ratio	45.2%	47.7%	
Net Expense Ratio	36.6%	33.0%	
Net Combined Ratio	81.8%	80.7%	
Retention	62.4%	66.7%	

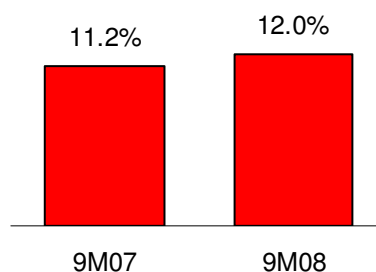
Key Earnings Drivers

- GWP declined in line with the market
- Net combined ratio maintained stable
- Investment income decreased due to equity investment.

Return on Assets



Return on Equity



Fubon Life Summary Results

Fubon Life Summary Performance Data

NT\$ mn	9M07	9M08	Change
First-Year Premium ⁽¹⁾	30,249	72,350	139.2%
Total Earned Premium ⁽¹⁾	42,894	84,654	97.4%
Investment Income	9,739	9,140	-6.1%
Total Operating Revenue	54,367	95,040	74.8%
Operating expense	49,654	93,822	89.0%
Net Income	3,844	1,712	-55.5%

(1) Excluding Investment-Linked

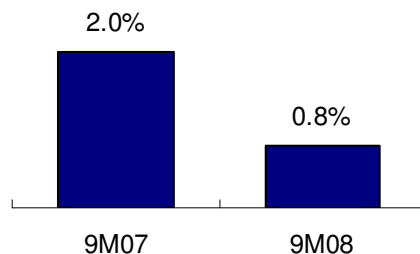
First-Year Premium ⁽²⁾	57,107	88,601	55.1%
Interest-Sensitive	43.1%	62.1%	
Investment-Linked	49.0%	19.0%	
Traditional	7.9%	18.9%	

(2) Including Investment-Linked

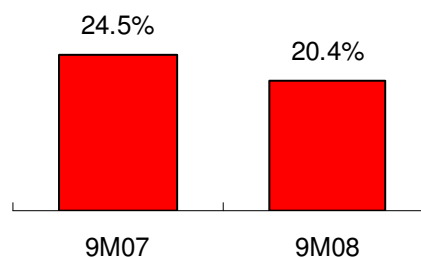
Key Earnings Drivers

- FYP grew 55.1% YoY mainly driven by traditional products and interest sensitive products.
- FYP ranked # 2 with 13.0% mkt share
- Increase of operating expense came from policy reserve of traditional and interest sensitive policies.

Return on Assets



Return on Equity



Fubon Securities Summary Results

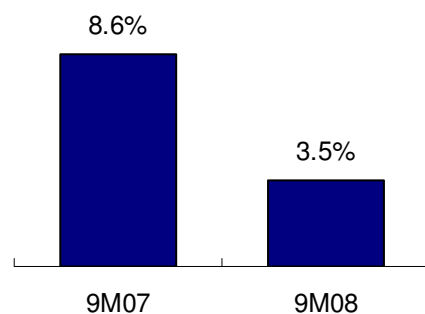
Fubon Securities Summary Performance Data

<i>NT\$ mn</i>	9M07	9M08	Change
Brokerage Commissions	3,907	2,808	-28.1%
Net Interest Income	1,163	1,126	-3.1%
Principal Transactions	3,197	406	-87.3%
Total Revenue	7,885	4,692	-40.5%
Operating expense	3,512	3,195	-9.0%
Net Income	4,119	1,428	-65.3%

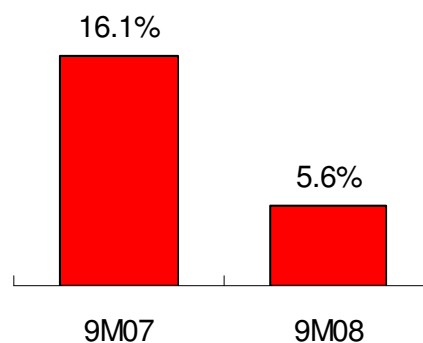
Key Earnings Drivers

- Brokerage commission down 28.1% YoY as market share come down to 5.38% in 9M08 from 6.11% in 9M07 ;Market turnover declined by 19% YoY.
- Principal transaction income decreased due to equity investment.

Return on Assets



Return on Equity



Fubon Financial – Overall Results

Fubon Financial Results 9M2008 Net Income by Subsidiary

<i>NT\$ mn</i>	9M07	9M08	Change
Taipei Fubon Bank	4,142	4,844	703
Fubon Insurance	1,839	1,762	(77)
Fubon Life	3,844	1,712	(2,132)
Fubon Securities	4,119	1,428	(2,691)
Fubon AM	(69)	(535)	(466)

Fubon FHC

14,892

10,378

(4,514)