

2019 1H Interim Results Fubon Financial Holdings

2019.08.23





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 numbers in this report may include preliminary unaudited numbers or management accounts.

Agenda



Performance highlights of Fubon Financial Holdings



Performance review by subsidiary

- Taipei Fubon Bank
- Fubon Life
- Fubon Insurance
- Fubon Securities
- Overseas banking subsidiaries



Fubon Financial Holdings: Operation highlights



Net profits reached NT\$27.7 billion in 1H19, compared to NT\$31.2bn in 1H18. Profits came down yoy mainly from Fubon Life, while earnings growth in Taipei Fubon Bank and Fubon Securities.

Taipei Fubon Bank

- NIM and spread improvement from adjustment in asset and liabilities structure
- Growth in fee revenue driven by wealth management and syndication loan
- Virtual bank license of LINE Bank granted
- Appointed as one of the domestic systematically important banks

Fubon Life

- Net profits came down in 1H19 yoy due to increase in underwriting cost as FYP growth 22% yoy, lower capital gains and one-time tax benefit in 1H18
- Increase in recurring return and steady improvement in COL
- Top two market position in FYPE leading to growth of VNB

Fubon Insurance

- Top position in terms of total premium for the 37th year with continuous market share gains
- Outstanding combined ratio performance with a focus on quality

Fubon Securities

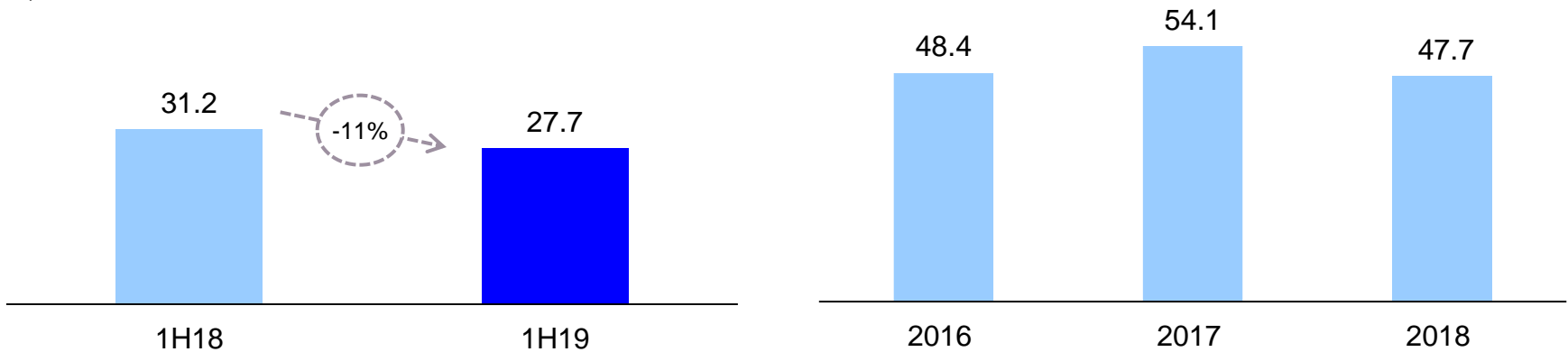
- Top three position in brokerage and emerging stock trading business
- ETF products development in Fubon Asset Management

Fubon Financial Holdings: Profitability

- Net profits came down yoy, while EPS maintained top position among peers

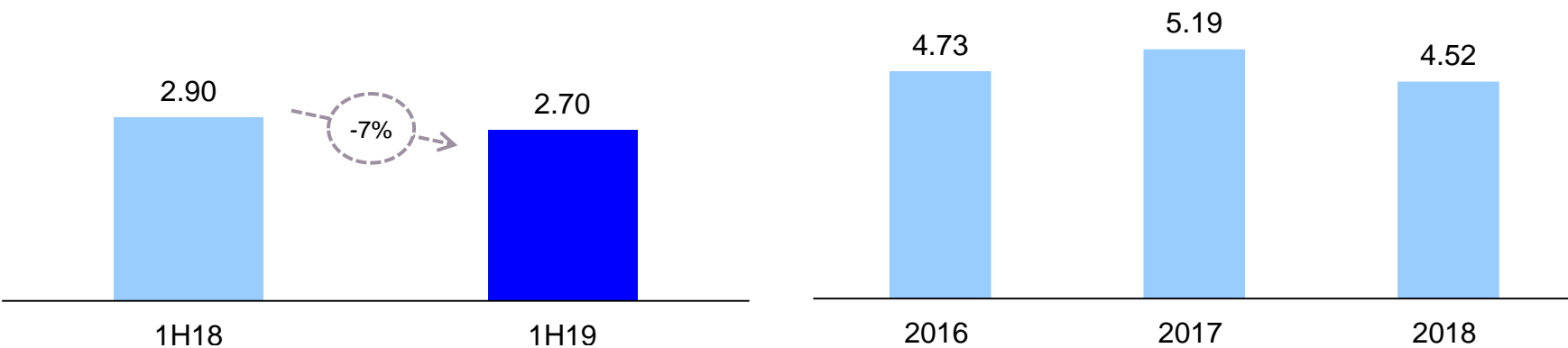
Net profits

NT\$bn



Earning per share (EPS)

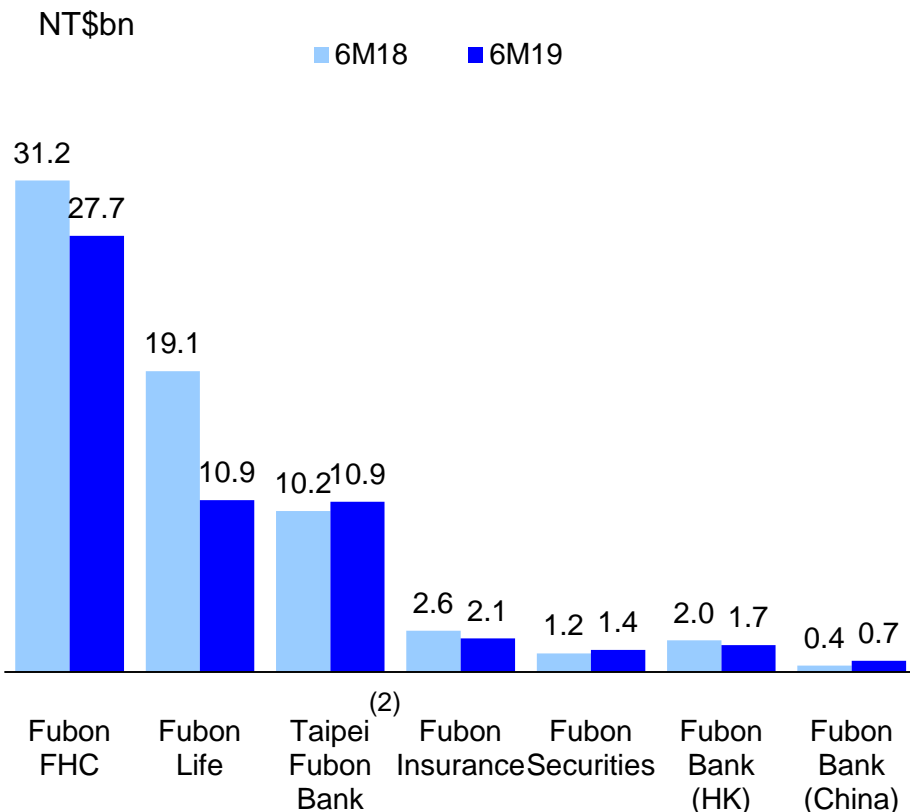
NT\$



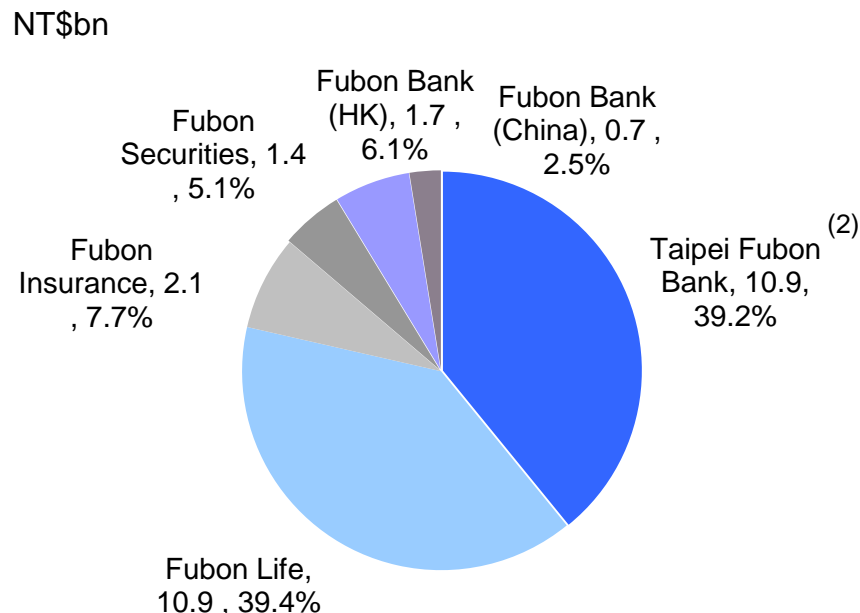
Fubon Financial Holdings: Net profits from major subsidiaries

- Taipei Fubon Bank and Fubon Securities delivered earnings growth. Fubon Life's earnings came down
- Close to half of the earnings contribution from the three banking subsidiaries

Net profits from subsidiaries



Profit contribution from subsidiaries

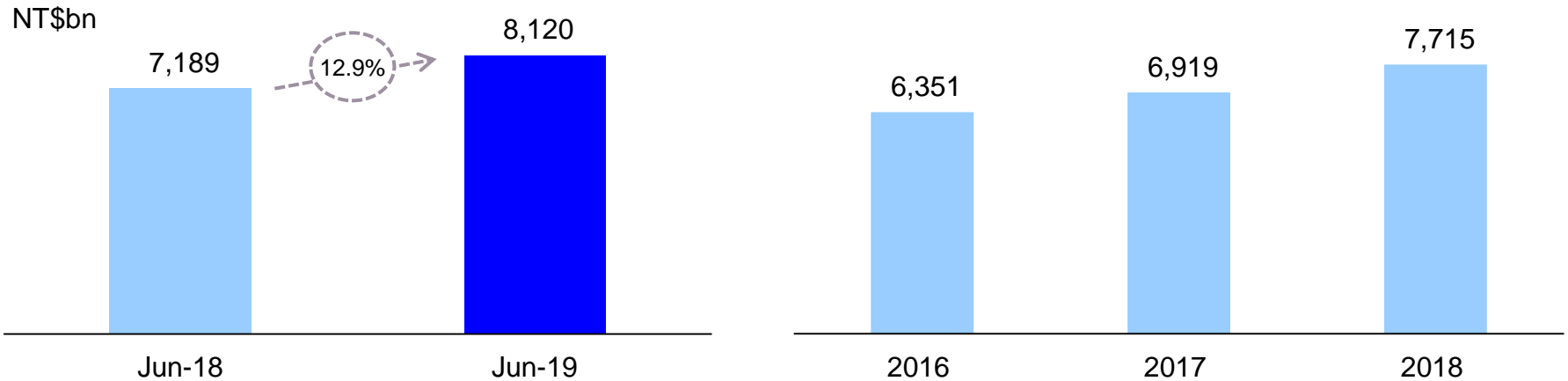


Note: (1) Profit contribution is based on the summation of the six subsidiaries shown in the chart. There are four other subsidiaries with combined net profits of NT\$562mn. The inter-company account is net -NT\$466mn; (2) Net profits of Fubon Bank (China) is exclusive of the net profits of Taipei Fubon Bank in the chart.

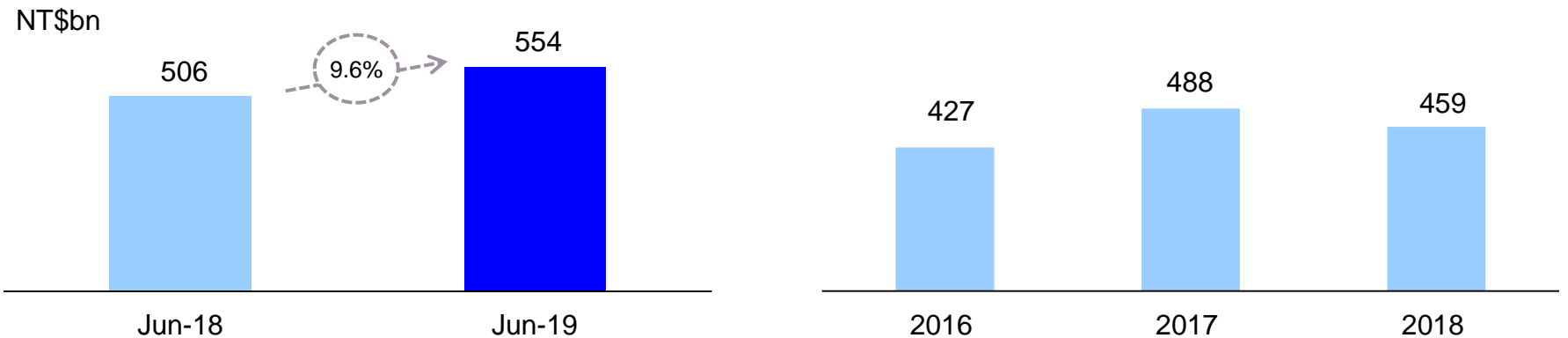
Fubon Financial Holdings: Asset and net worth

- Asset and net worth delivered 12.9% and 9.6% yoy growth respectively
- Both asset and net worth reached historical high

Total assets



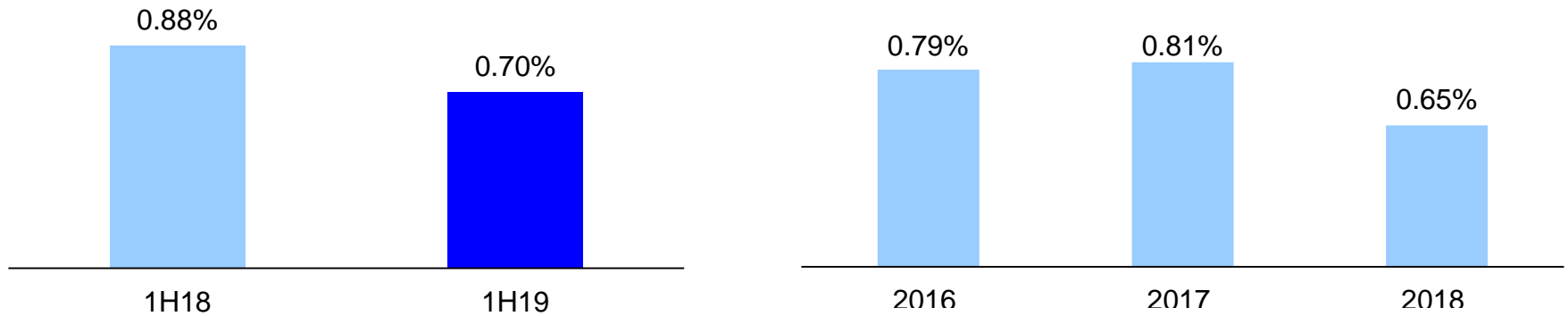
Equity attributable to parent company



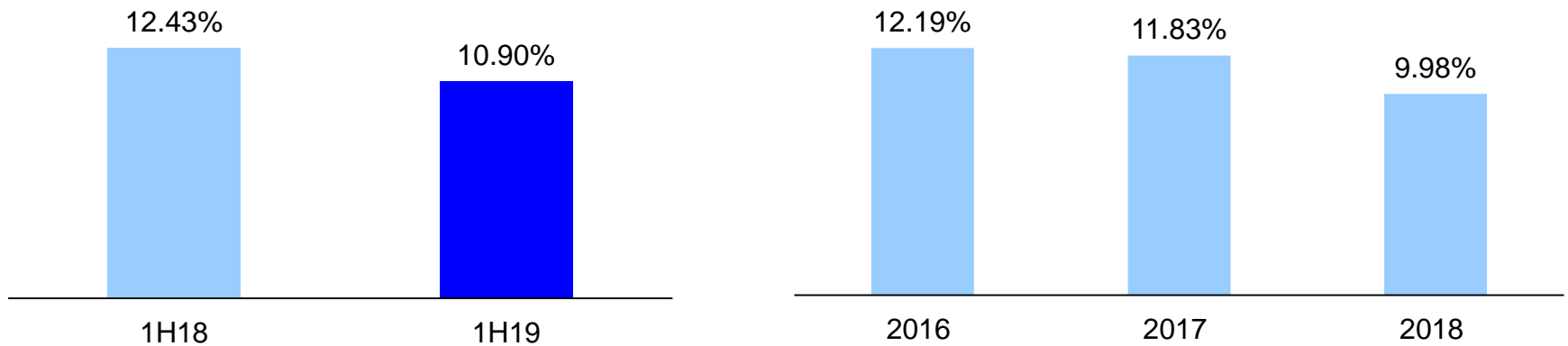
Fubon Financial Holdings: ROA & ROE

- ROA and ROE came down yoy due to net profits decrease as well as asset and net worth growth
- ROE maintains at benign level

ROA



ROE



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Performance review by subsidiary
Taipei Fubon Bank

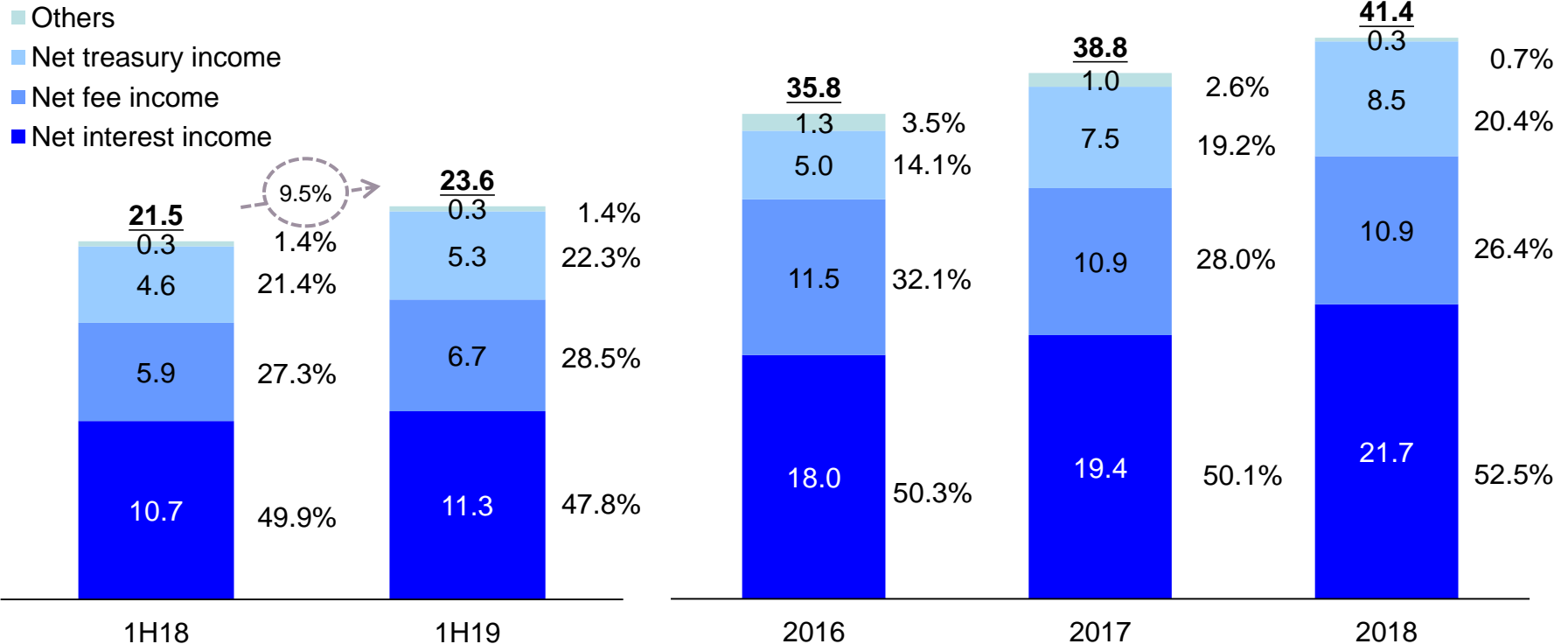


Taipei Fubon Bank: Revenue

- 9.5% revenue growth yoy from all major line items

Revenue composition of Taipei Fubon Bank

NT\$bn

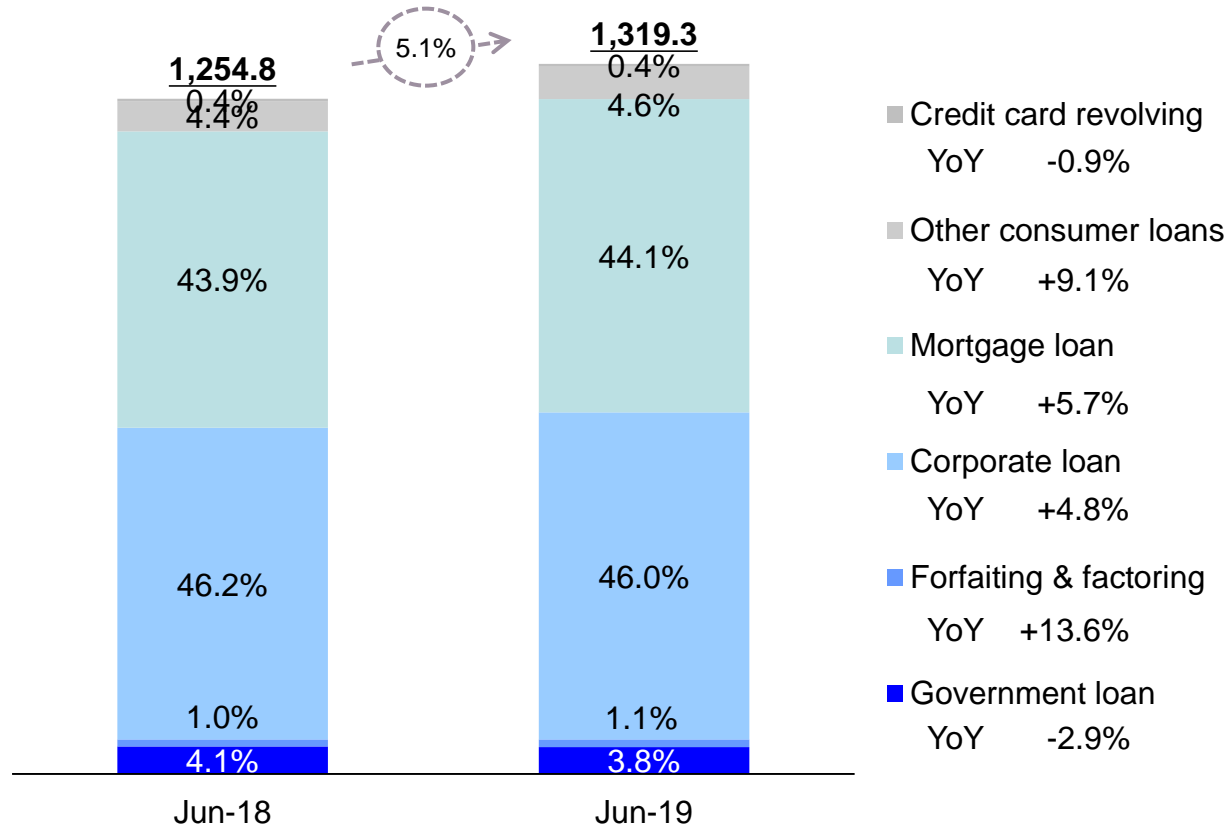


Taipei Fubon Bank: Credit composition

- Total loans grew 5.1% yoy with steady growth in both corporate loans and retail loans
- Contributions from mortgages and consumer loans continue to increase

Credit by type

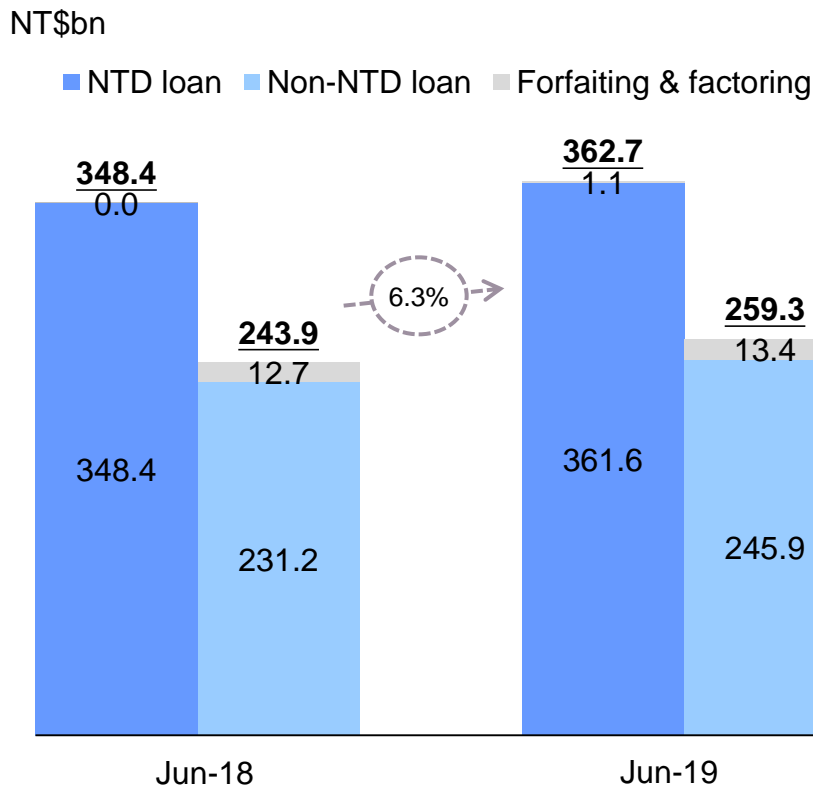
NT\$bn



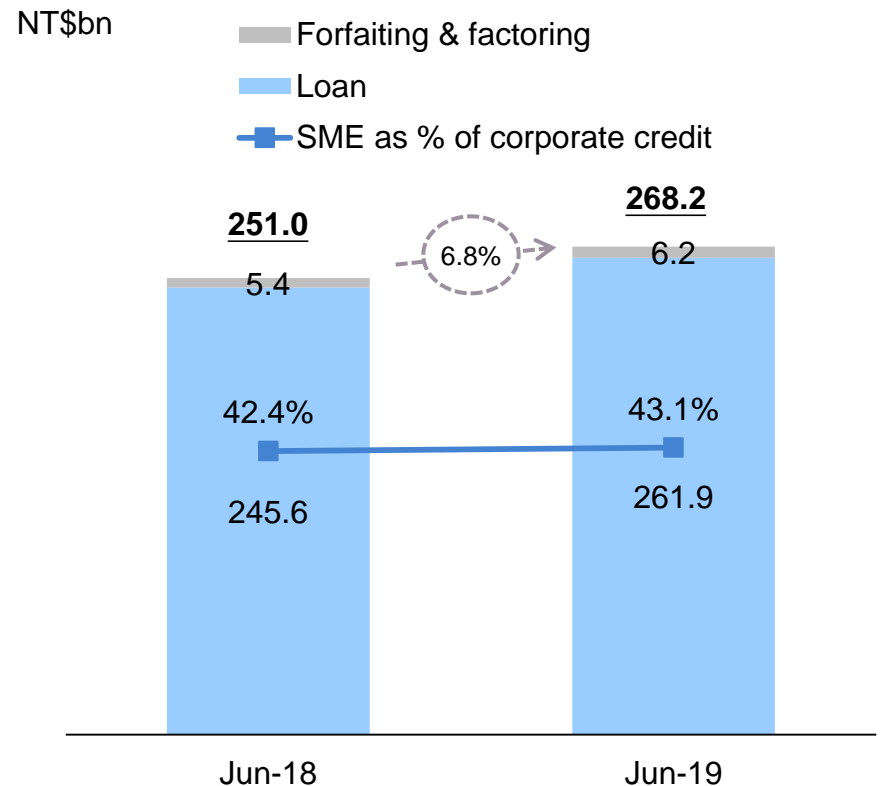
Taipei Fubon Bank: Corporate credit

- Foreign currency credit grew 6.3% yoy mainly from overseas branches
- Contribution from SME segment to total corporate credit increase, with the SME credit outstanding increased by 6.8% yoy

Corporate credit by currency



SME credit and as % of corporate credit



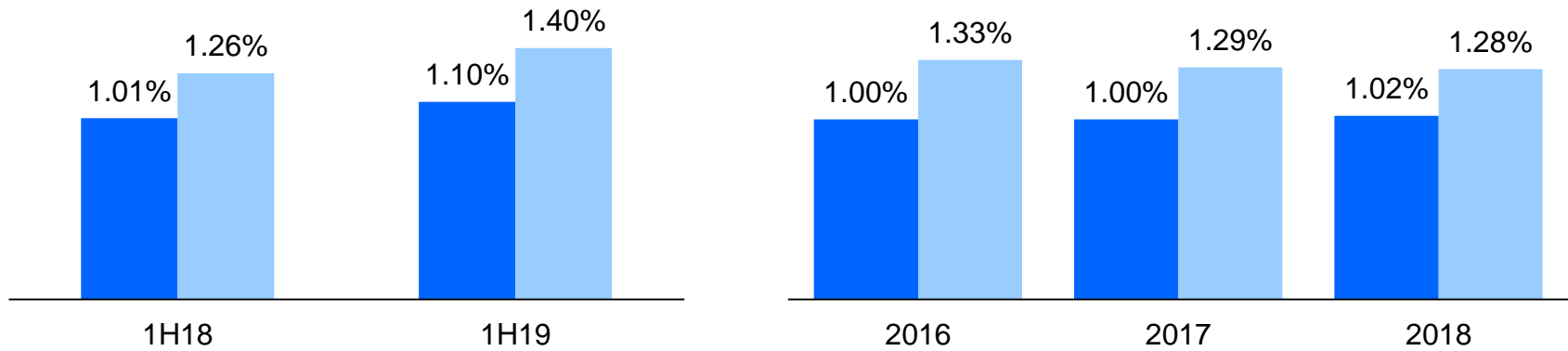
Note: Ending balance

Taipei Fubon Bank : Interest spread and margin

- Widening of NIM and loan-to-deposit spread came from the expansion of foreign currency assets and the adjustment of liabilities structure

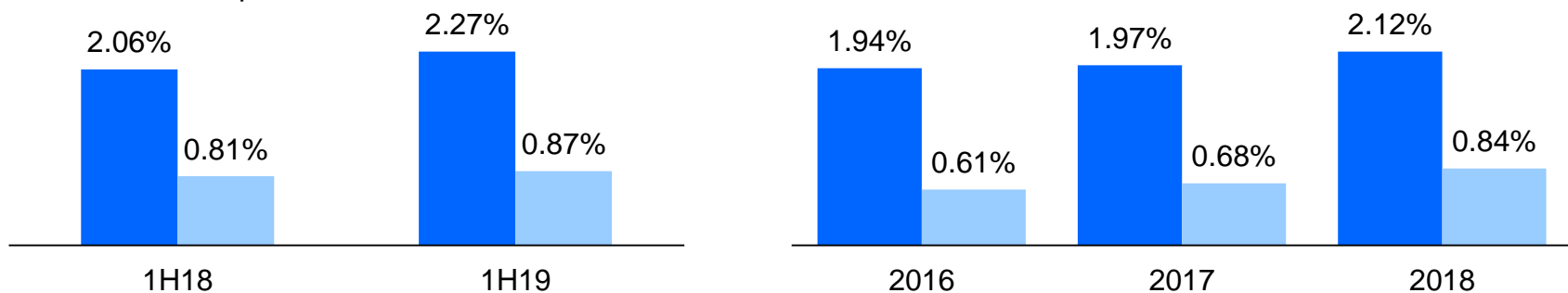
NIM and loan-to-deposit spread

■ NIM ■ Loan-to-deposit spread



Loan yield and deposit rate

■ Loan rate ■ Deposit rate

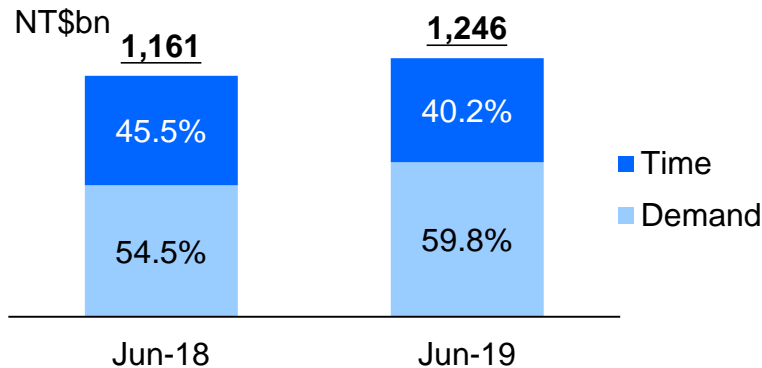


Note: Loan rate calculation inclusive of credit card revolving

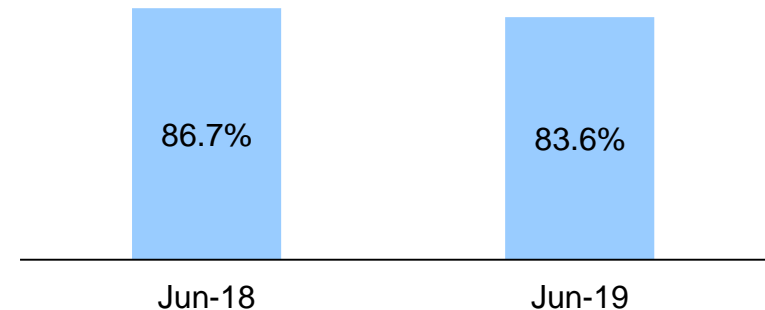
Taipei Fubon Bank: Deposit mix and LDR

- Focusing on deposit base expansion and mix adjustment. Demand deposit ratio improved in both NTD and foreign currency deposits
- Improvement in foreign deposit deployment. Foreign currency loans plus investment to foreign deposit reached 72.8%, which is 9.8% increase yoy

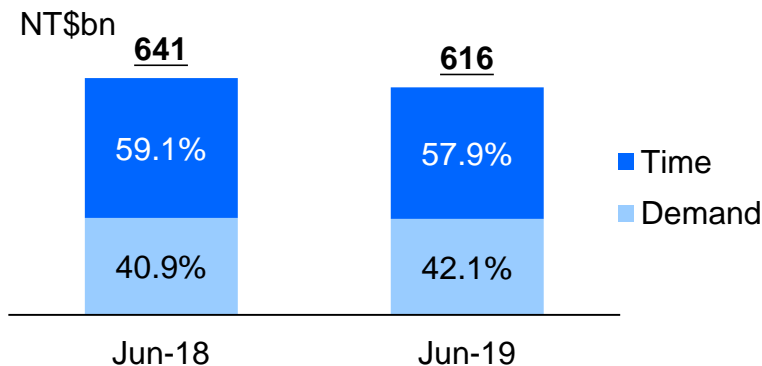
Deposit mix in NTD



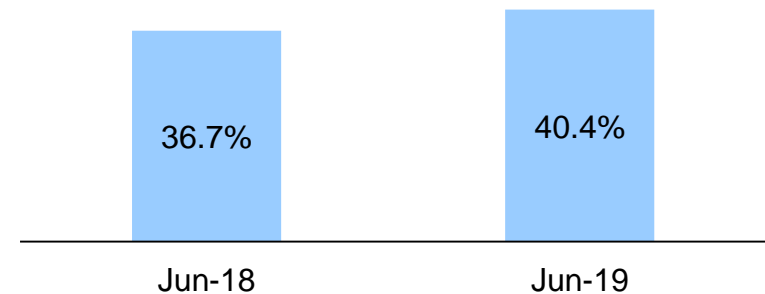
NTD loan-to-deposit ratio (LDR)



Deposit mix in foreign currency



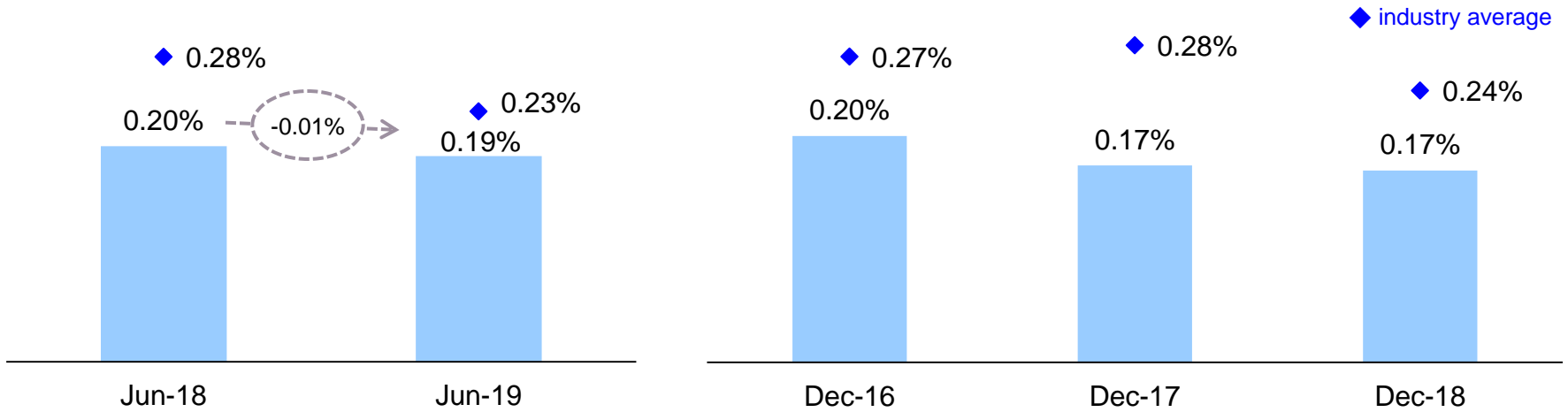
Foreign currency LDR



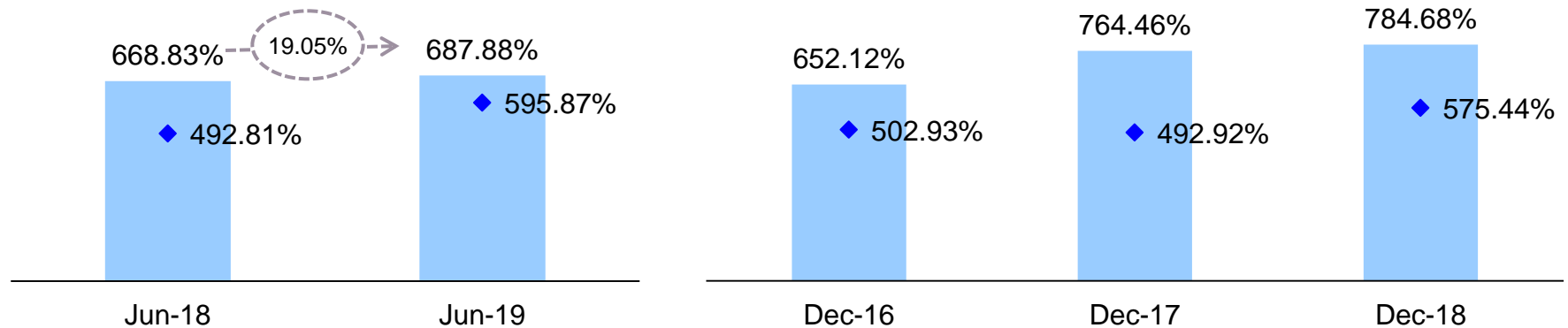
Taipei Fubon Bank: Asset quality

- Steady outperformance in asset quality and coverage ratio compared to industry average

NPL ratio



Coverage ratio

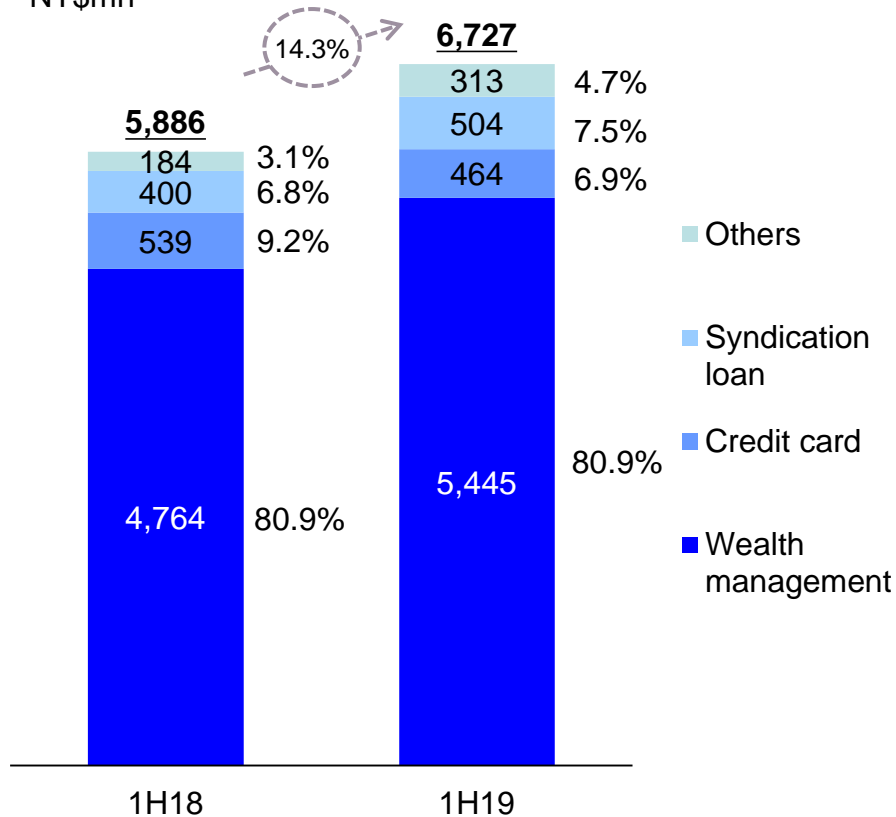


Taipei Fubon Bank: Fee and Wealth management revenue

- Fees growth 14.3% yoy driven by double-digit growth in wealth management and syndication loan
- Wealth management fee growth 14.3% yoy mainly driven by insurance and fixed-income products

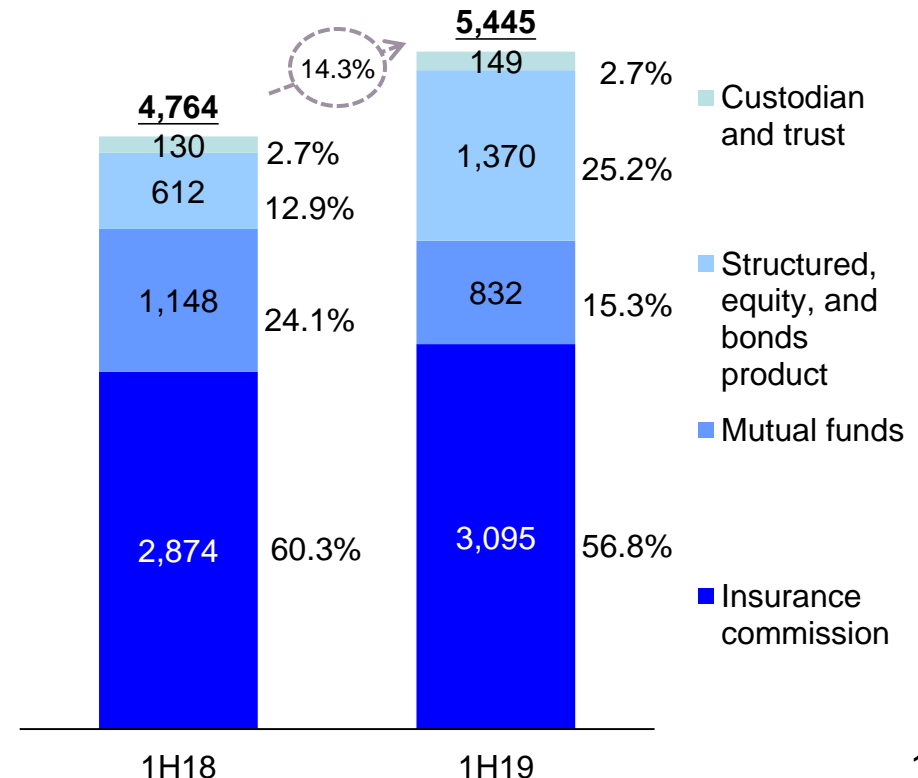
Sources of fee revenue

NT\$m



Wealth management fee

NT\$m

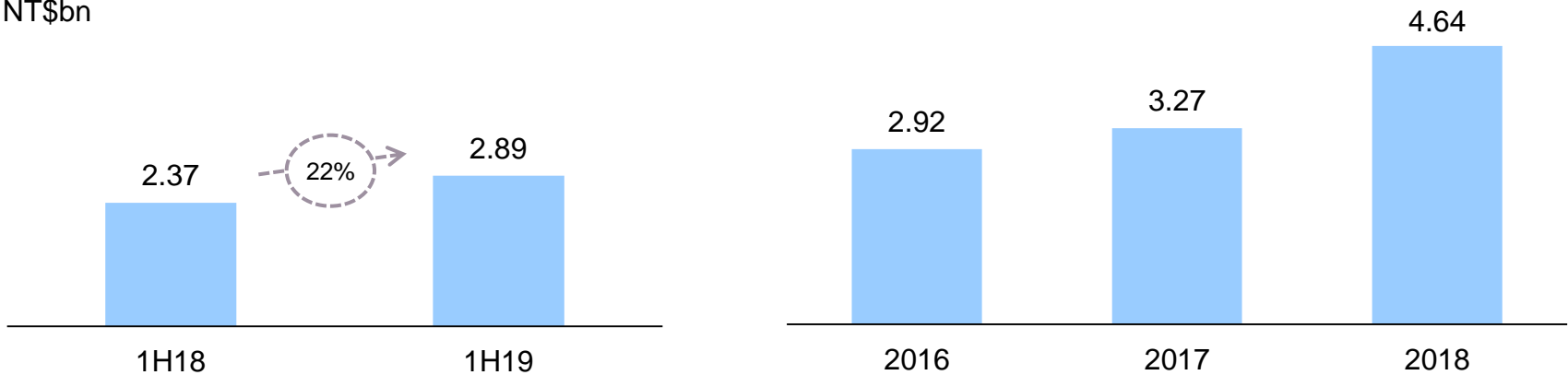


Taipei Fubon Bank: Revenue and earnings from overseas branches

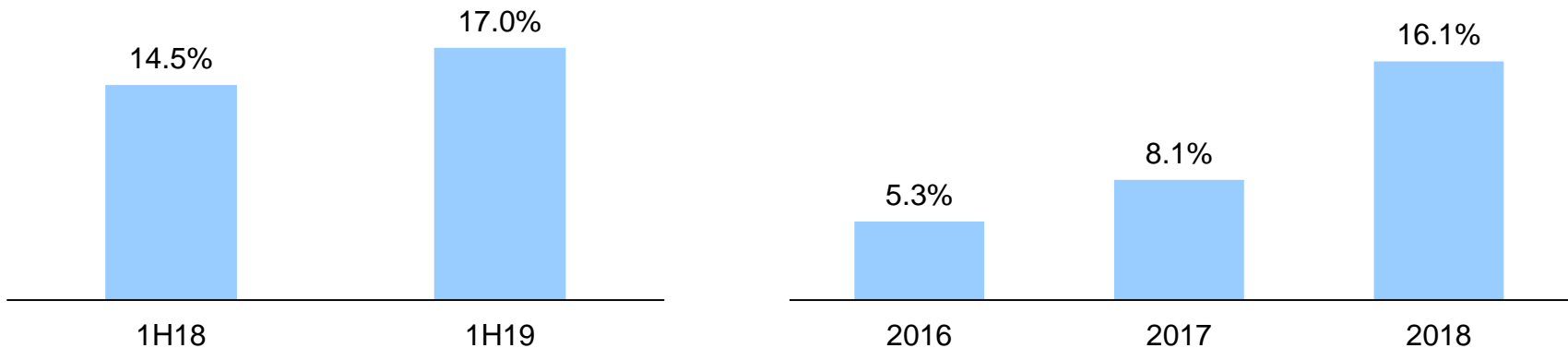
- Revenue from overseas branches up 22% yoy. Pretax profits contribution from overseas branches reached 17.0% in Taipei Fubon Bank in 1H19 along with loan growth

Net revenue from overseas branches

NT\$bn

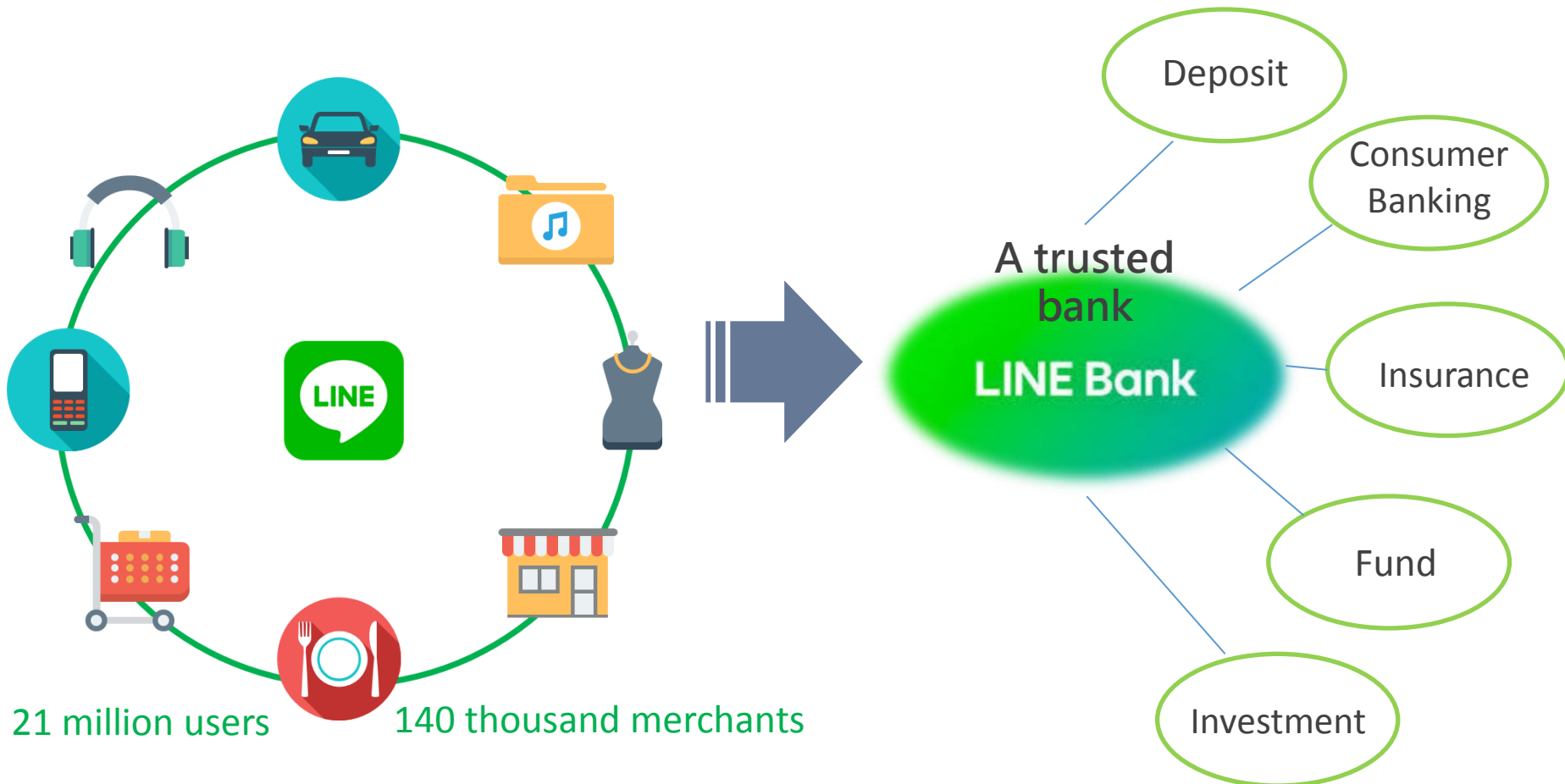


Pretax profits contribution from overseas branches in Taipei Fubon Bank



Taipei Fubon Bank: Investment in LINE Bank

- 25.1% stake investment in LINE Bank at NT\$2.51bn
- Aiming to start business in the first half of 2020. The ecosystem of LINE paved the foundation for LINE Bank's growth in Taiwan



Taipei Fubon Bank: Appointed as one of the domestic systemically important banks (D-SIB)

- Capital requirement for D-SIBs: 2ppt for D-SIB capital buffer and 2ppt for internal management capital. 4-year implementation timeline from 2020 to 2023
- Taipei Fubon Bank currently exceeds the minimum requirements for 2021. The bank aims to accumulate capital and fully comply with the requirement within the four-year period as early as possible
- Target and planning:
 - Preparation for AIRB application and adoption of new LTV methodology in mortgage to calculate risk weighted assets
 - Target to maintain steady ROE: improving asset allocation efficiency and focus on capital light business
 - Accumulating capital through earnings, and balance the needs for earnings upstream

Capital adequacy ratio and D-SIBs capital requirements

Capital adequacy ratios	Taipei Fubon Bank 2019Q2 (consolidated)	2019 capital standards	D-SIBs capital requirements			
			2020	2021	2022	2023
CET1	10.4%	7.0%	8.0%	9.0%	10.0%	11.0%
Tier 1	11.0%	8.5%	9.5%	10.5%	11.5%	12.5%
CAR	13.1%	10.5%	11.5%	12.5%	13.5%	14.5%

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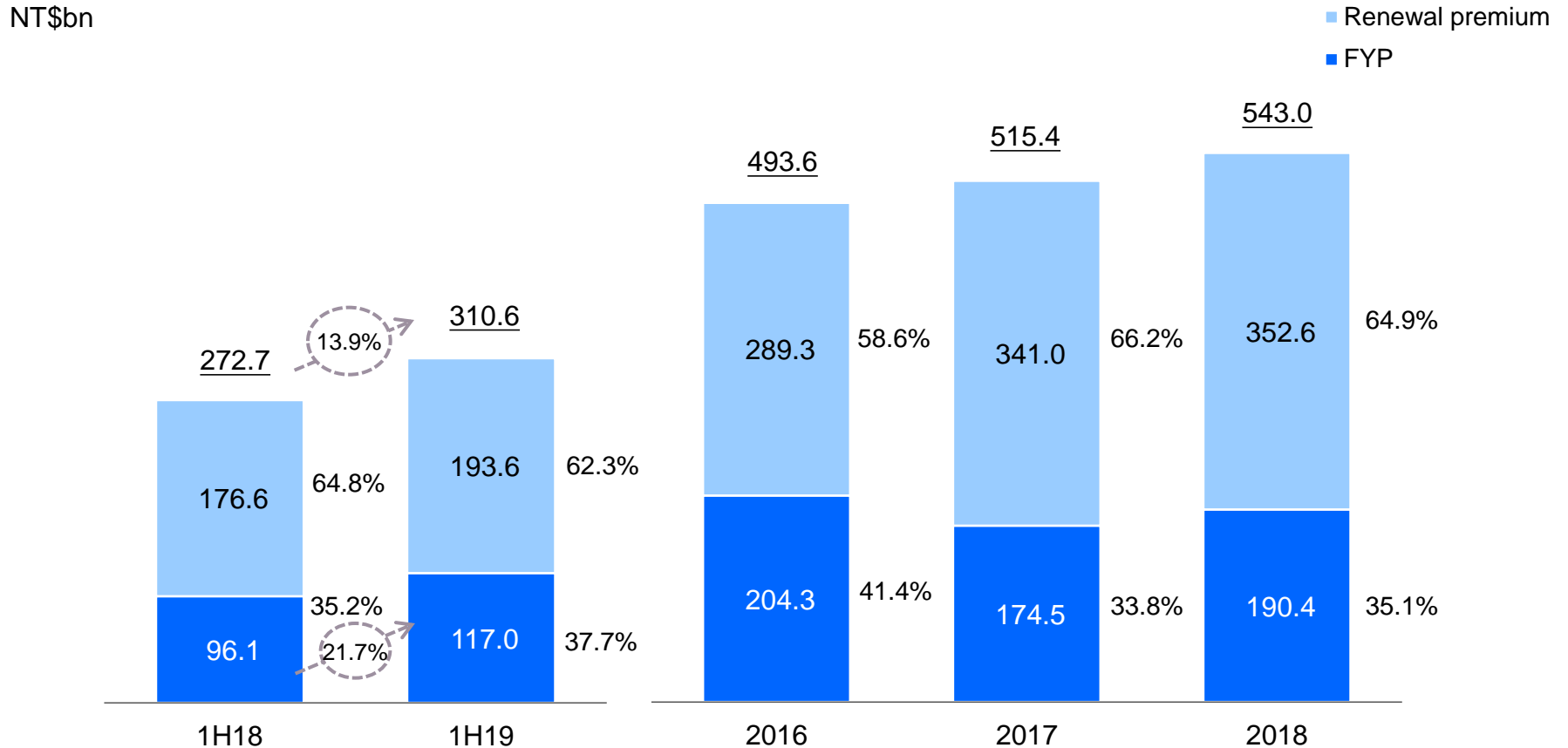
Performance review by subsidiary
Fubon Life



Fubon Life: Total premium

- 13.9% growth in total premium driven by 21.7% FYP growth
- Top one market ranking in FYP. Top two in total premium and FYPE

Total premium composition

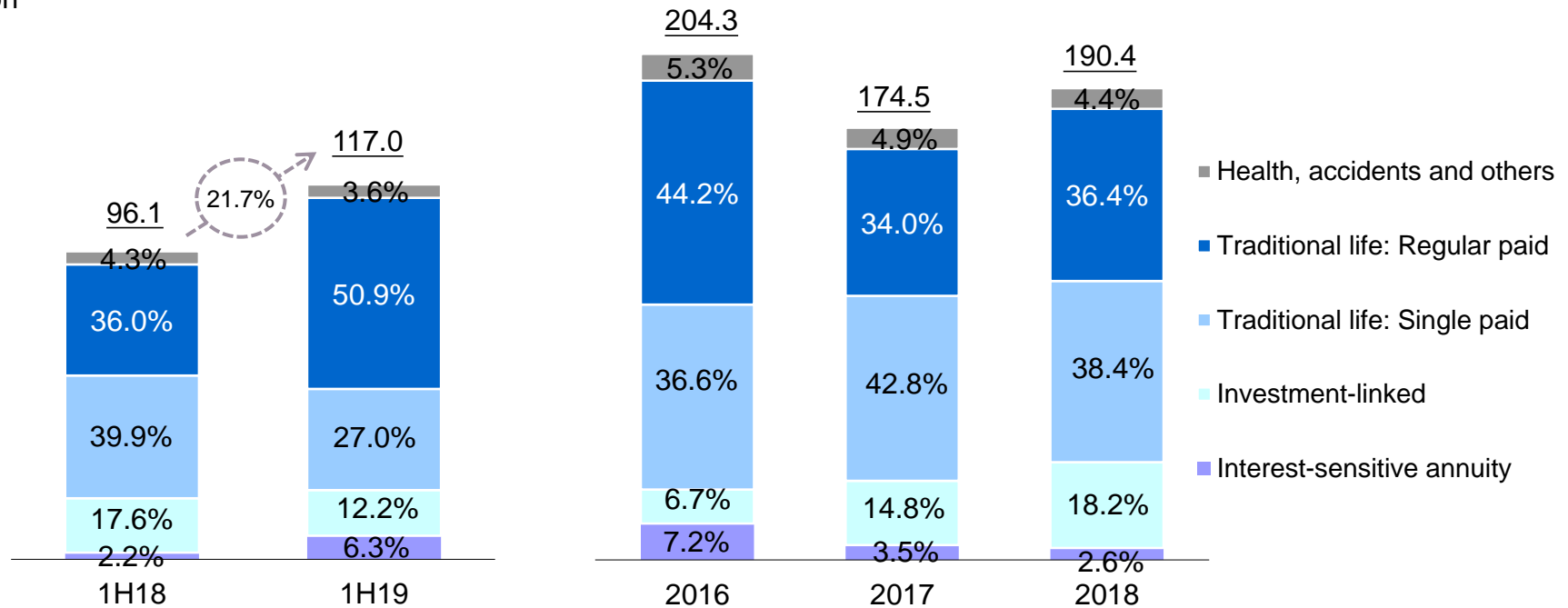


Fubon Life: First year premium (FYP)

- FYP growth 21.7% yoy driven by sales growth in regular-paid policies

FYP composition

NT\$bn



NTD	56.5%	71.0%
Non-NTD	43.5%	29.0%

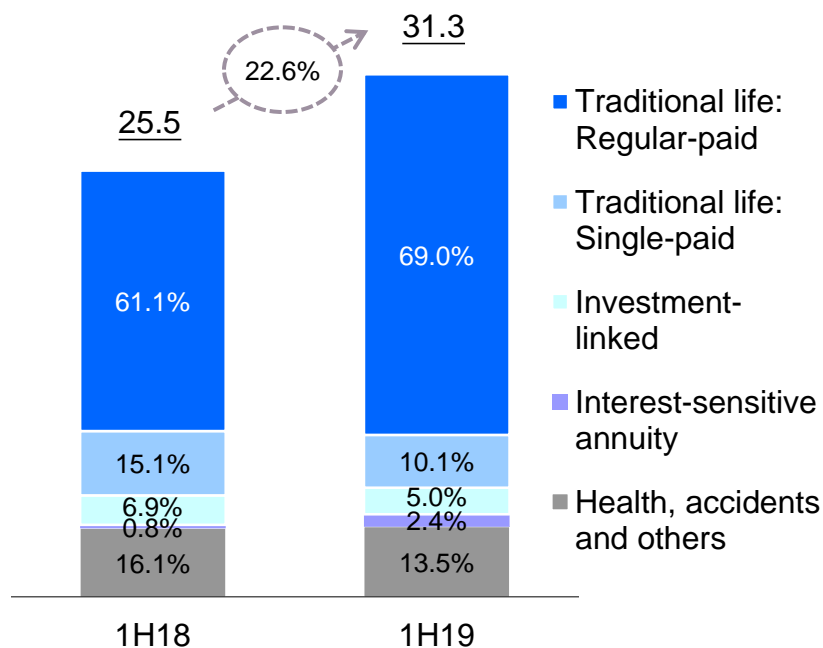
	76.2%	56.5%	60.3%
	23.8%	43.5%	39.7%

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

- 22.6% growth in FYPE led to VNB growth of 25.3% due to meaningful growth in traditional regular-paid policies

FYPE

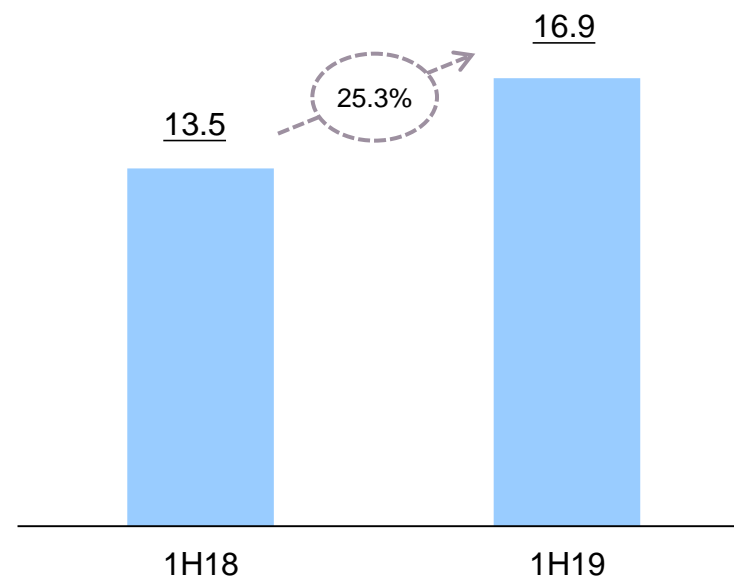
NT\$bn



FYPE/ FYP	26.5%	26.7%
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VNB

NT\$bn



VNB/FYP	14.0%	14.5%
VNB/FYPE	53.0%	54.1%

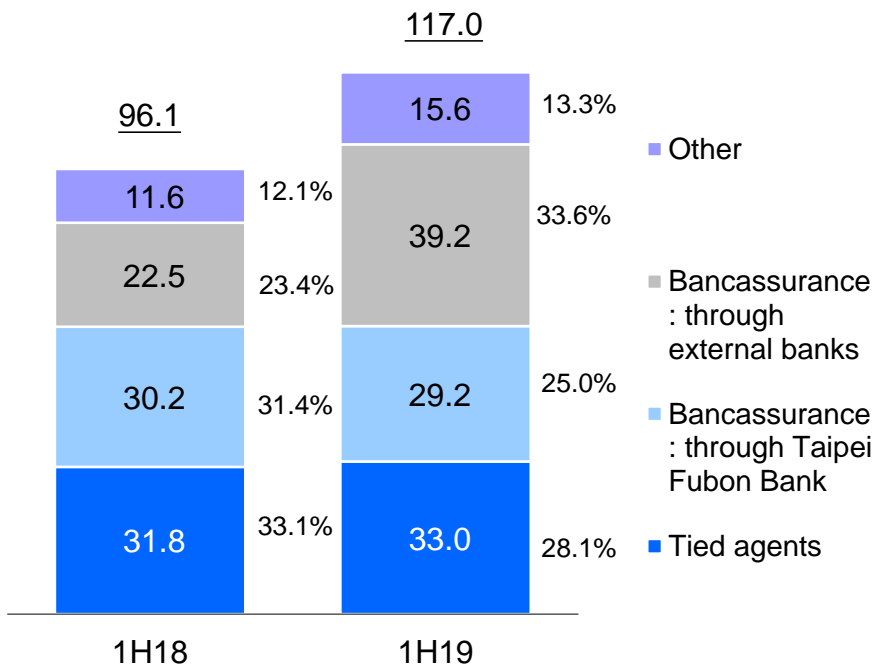
Note: VNB is based on 2018 EV actuarial assumptions

Fubon Life: Channel

- Contribution from external bank increased
- Over 50% contribution coming from internal channels

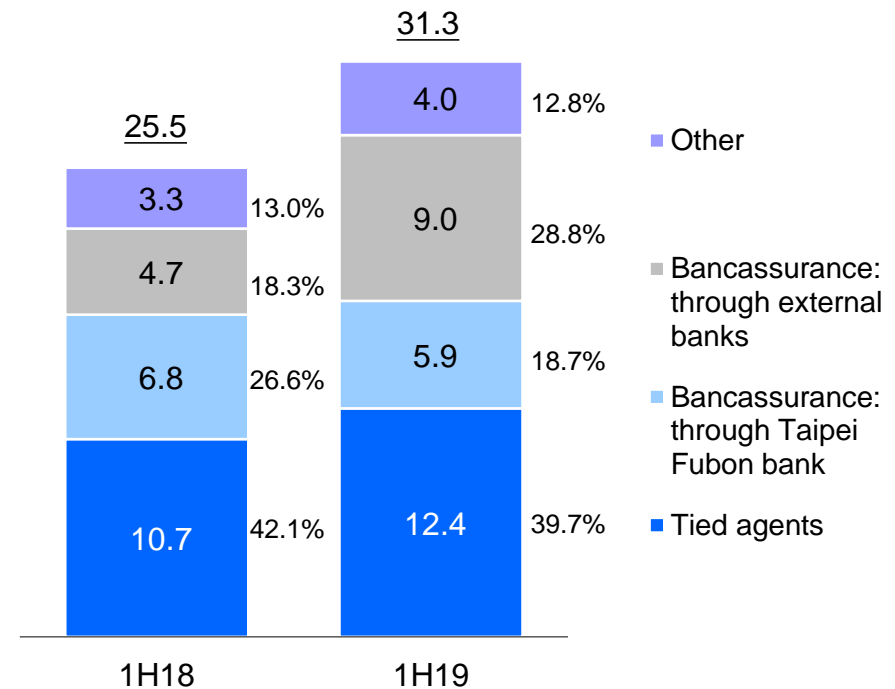
FYP by channel

NT\$bn



FYPE by channel

NT\$bn



Fubon Life: Investment portfolio

- Steady growth of investment assets with 8.0% yoy growth
- Portfolio addition mainly into domestic investment assets in 1H19

NT\$bn	2018/06/30		2019/03/31		2019/06/30	
Deposit and cash equivalent	120.6	3.4%	216.4	5.7%	174.9	4.5%
Domestic fixed income ⁽¹⁾	429.6	12.0%	500.6	13.2%	557.5	14.5%
Overseas fixed income ⁽²⁾	2,040.2	57.1%	2,093.8	55.3%	2,089.0	54.2%
Domestic equity	382.9	10.7%	345.1	9.1%	370.2	9.6%
Overseas equity	192.0	5.4%	188.4	5.0%	197.8	5.1%
Mortgage loans	133.9	3.8%	147.6	3.9%	151.5	3.9%
Policy loans	65.5	1.8%	68.6	1.8%	69.0	1.8%
Real estate	206.7	5.8%	228.4	6.0%	247.3	6.4%
Total Investments	3,571.4	100.0%	3,788.9	100.0%	3,857.2	100.0%
Domestic	1,268.9	35.5%	1,394.1	36.8%	1,448.9	37.6%
Overseas	2,302.5	64.5%	2,394.8	63.2%	2,408.3	62.4%

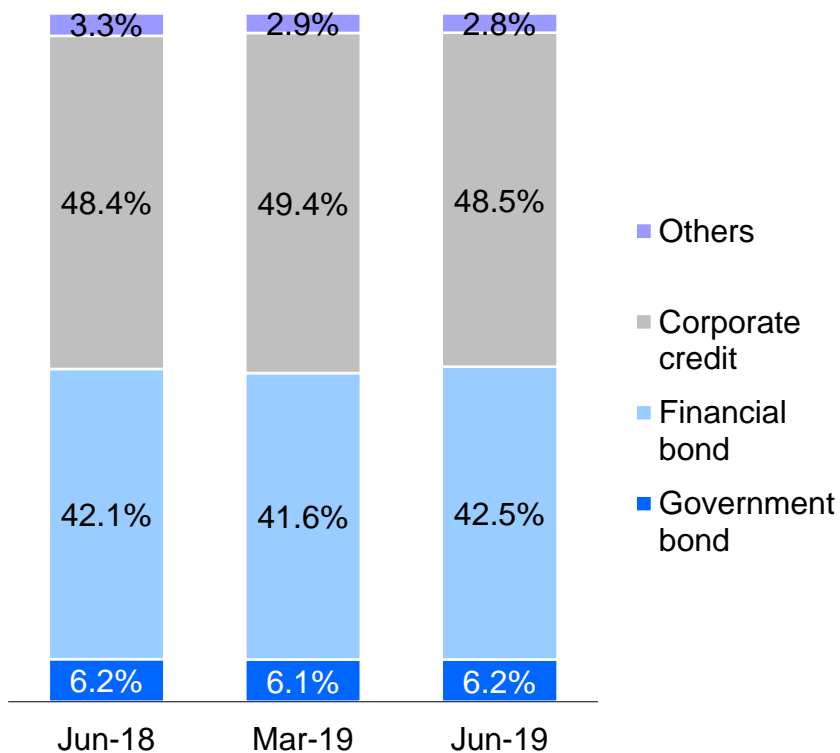
Note: (1) Inclusive of NTD-denominated ETF

(2) Inclusive of OTC-listed international bond. The international bonds investment reached 16.7% of total investment assets as of 2019/06/30

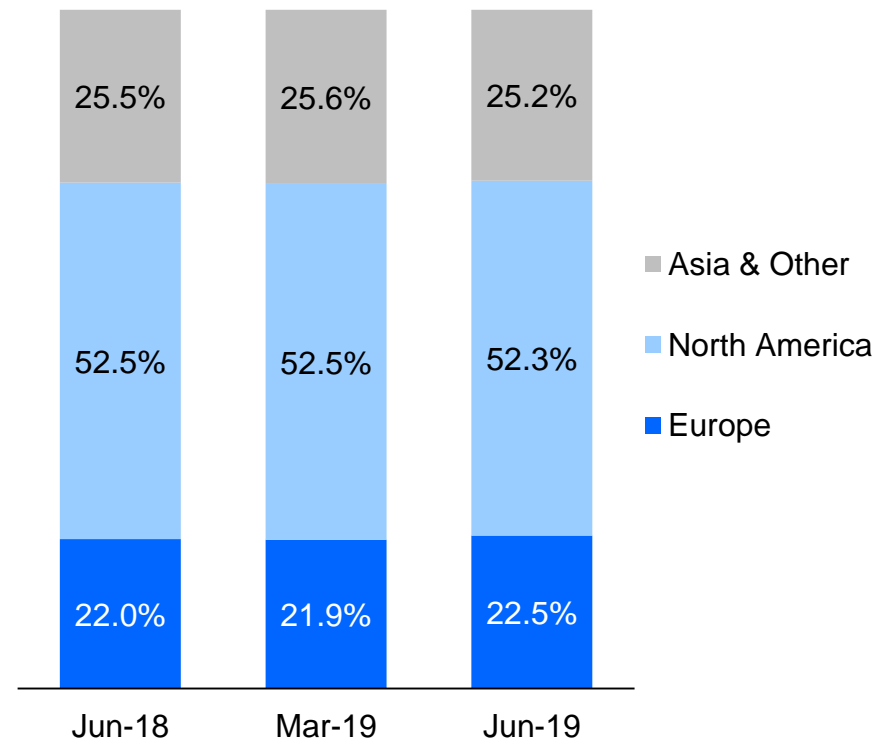
Fubon Life: Portfolio of overseas fixed income

- Asset allocation predominately in corporate credit and financial bonds in investment-grade
- Issuers of the overseas fixed income portfolio are predominantly in North America

Overseas fixed income by asset type



Overseas fixed income by region



Fubon Life: Composition of investment income

- Investment income primarily came from recurring investment, with growth primarily came from interest income of bond investment and dividend income of mutual fund
- Capital gain contribution from fixed income investments increased

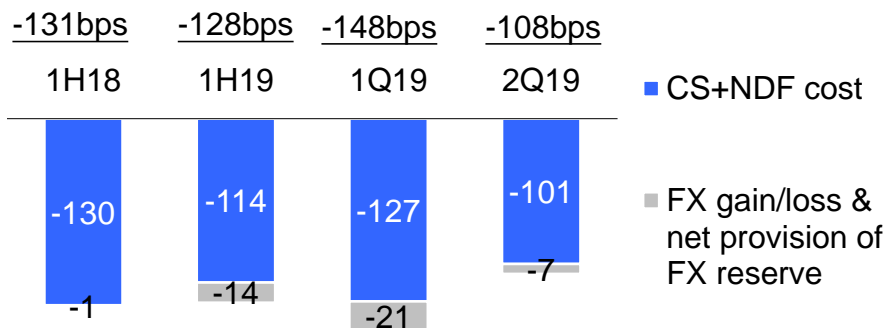
NT\$bn	1H18	1H19	YoY growth	2016	2017	2018
Recurring investment income	55.5	61.9	11.4%	105.8	114.4	126.5
Interest income	47.7	50.6	6.0%	78.2	85.5	98.5
Cash dividend income from equity investment	3.7	3.7	-1.2%	14.9	18.8	18.9
Rental and others ⁽¹⁾	4.1	7.6	84.5%	12.7	10.1	9.1
Realized gains from fixed income investment	6.1	12.5	102.9%	24.1	14.1	8.9
Realized gains from equity investment	20.1	10.9	-45.9%	11.0	26.1	26.4
FX and others	-14.1	-18.3	30.0%	-17.0	-29.9	-34.8
Investment income	67.6	67.0	-0.9%	123.9	124.7	127.0
Total investment assets	3,571.4	3,857.2	8.0%	3,118.4	3,386.3	3,622.3
Investment return (before hedge)	4.73%	4.47%		4.84%	4.76%	4.63%
Investment return (after hedge)	3.89%	3.65%		4.30%	3.93%	3.62%

Note: (1)) Including interest income from fund investments

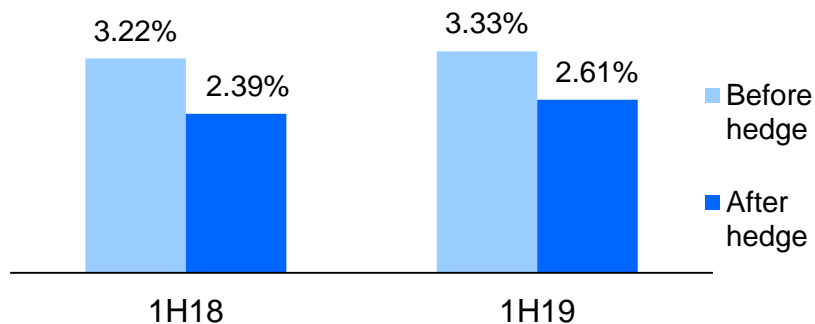
Fubon Life: Hedging composition

- Recurring hedging costs came down along with narrowing interest spread between Taiwan and US
- With US dollar strengthening in 2Q19, un-hedged positions as percentage of total FX assets increased qoq. Dynamic management in hedging composition in response to market conditions
- Increase in recurring return both in pre-hedged and after-hedged basis

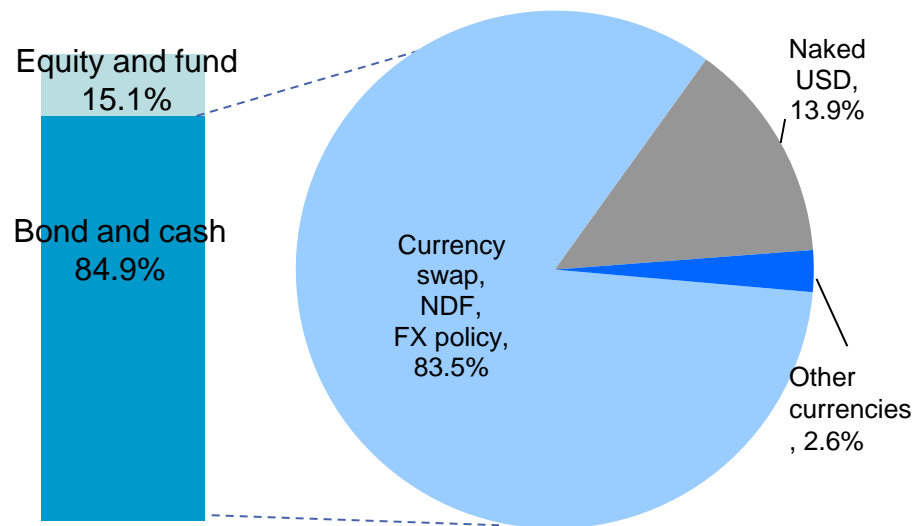
Hedging cost & FX gain/loss



Recurring return



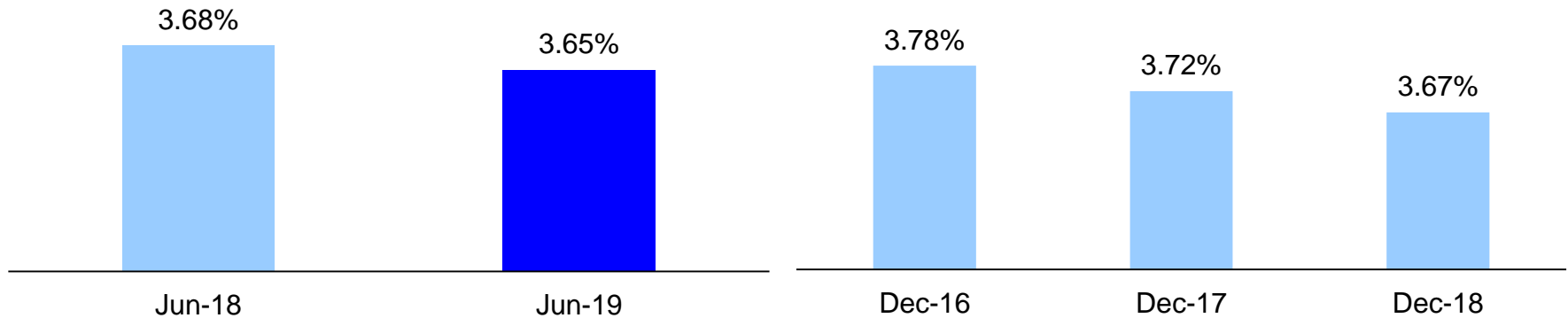
FX position



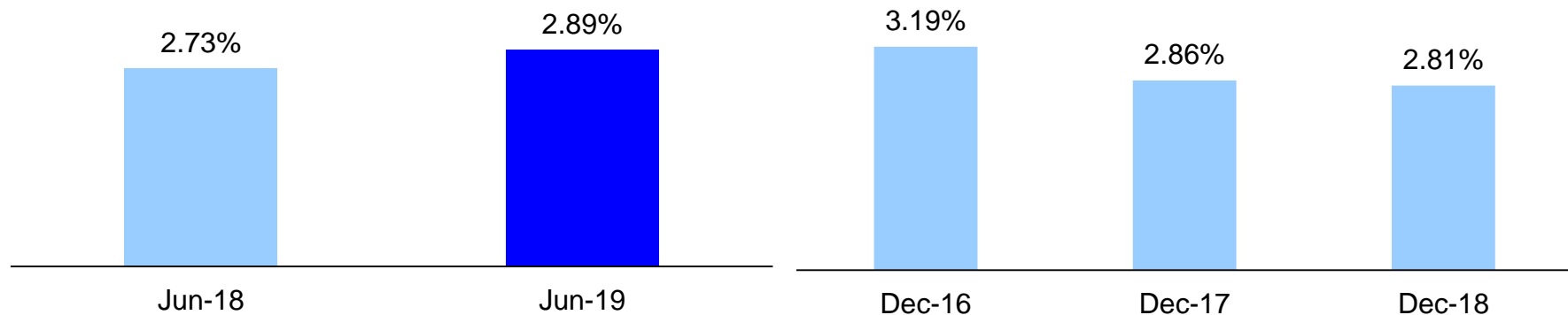
Fubon Life: Cost of liability & Breakeven point

- Improvement in COL as the new business average down the total cost level
- Increase in breakeven point due to higher FYP growth leading to first year strain

Cost of liability



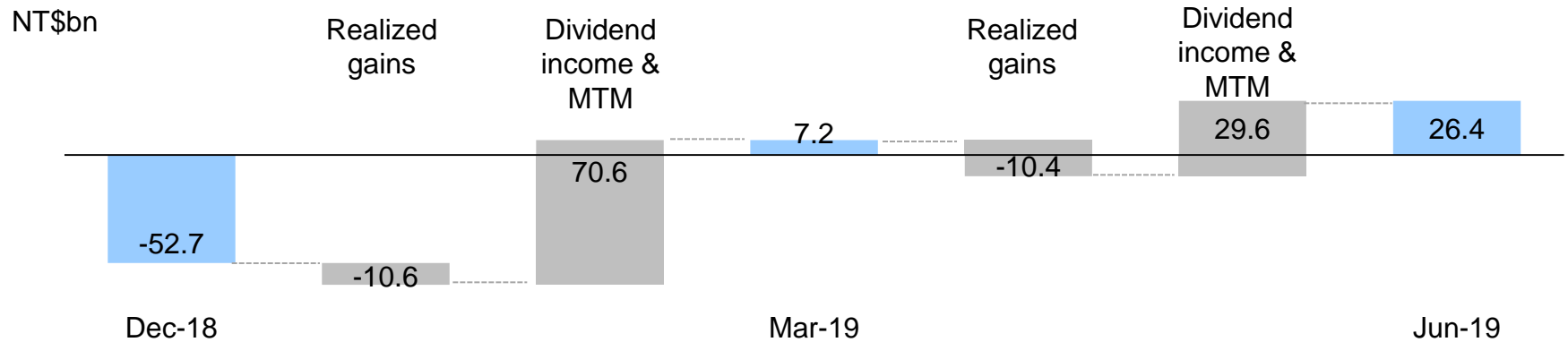
Breakeven point



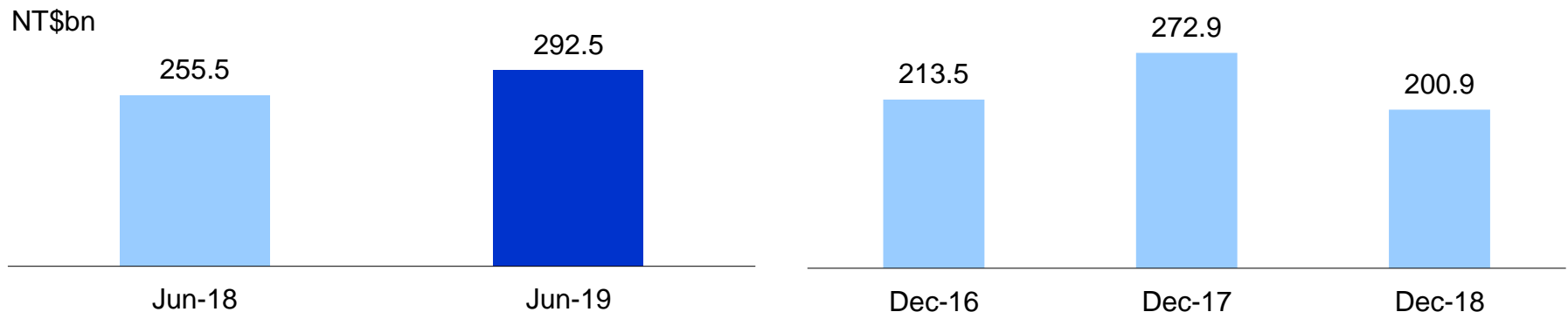
Fubon Life: Investment performance

- Increase in unrealized balance coming from the mark-to-market value from fixed income assets rebound and other financial assets, which led to increase in shareholder's equity

Unrealized balance in FVOCI&FVTPL overlay and the movement



Shareholders' equity



Note: Ending balance of AC as of Jun 19 was NT\$58.2bn, compared to -NT\$2.0bn as of Mar 19.

Agenda



Performance review by subsidiary
Fubon Insurance

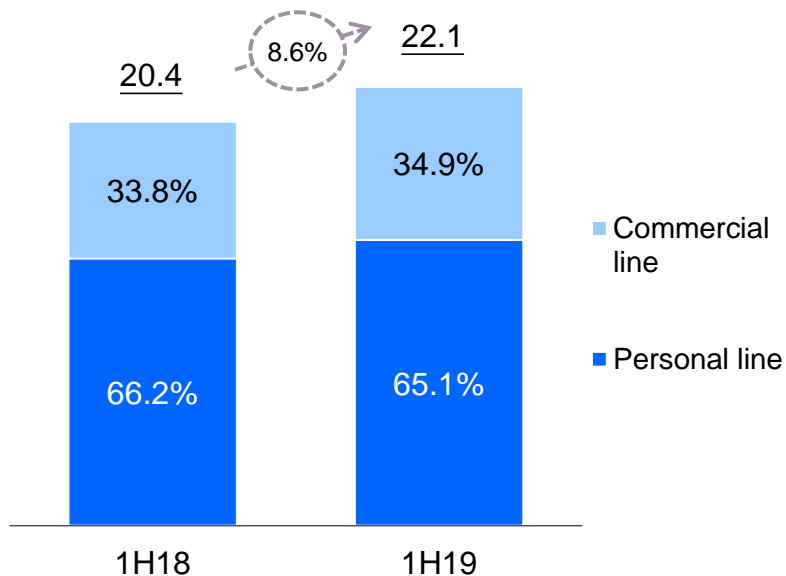


Fubon Insurance: Operating snapshot

- Top 1 position with 24.5% market share, 0.4% increase yoy
- 8.6% premium growth yoy outperformed the industry average
- Moderate increase in net combined ratio due to claims in commercial line

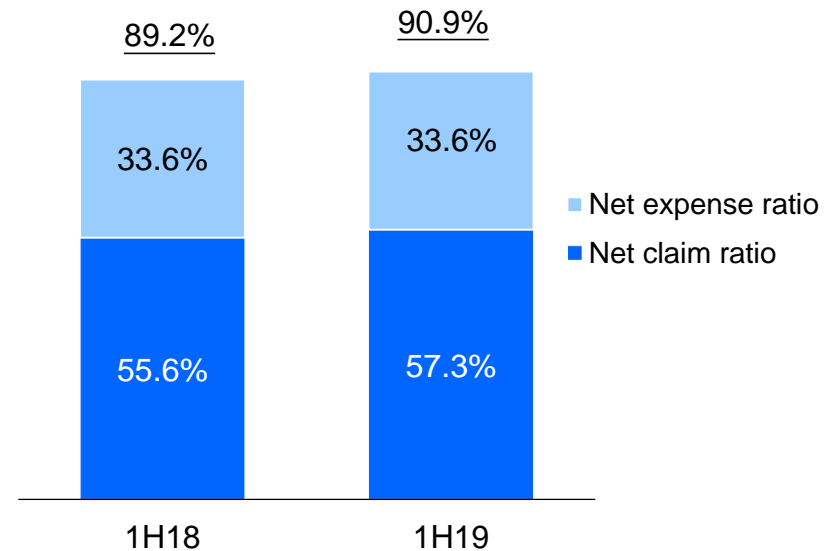
Direct written premium by product

NT\$bn



Note: Standalone basis

Net combined ratio



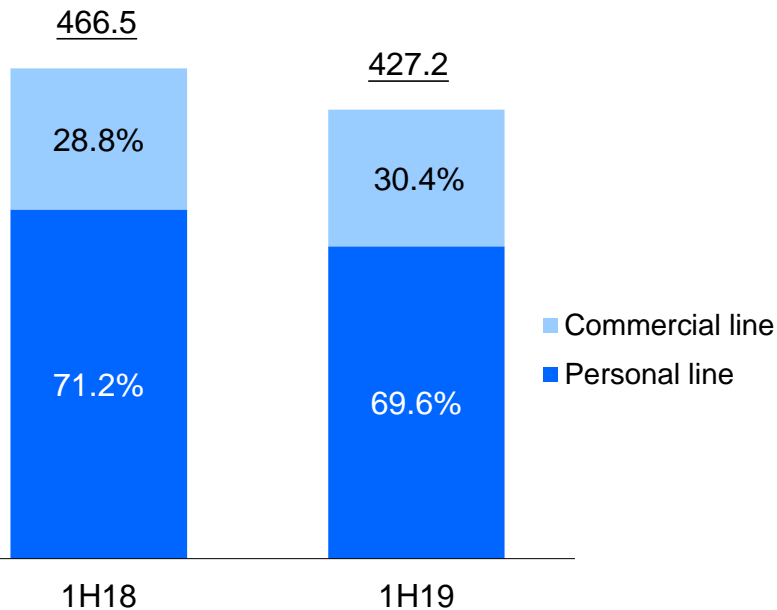
Note: Inclusive of auto compulsory

Fubon P&C (China): Business progress

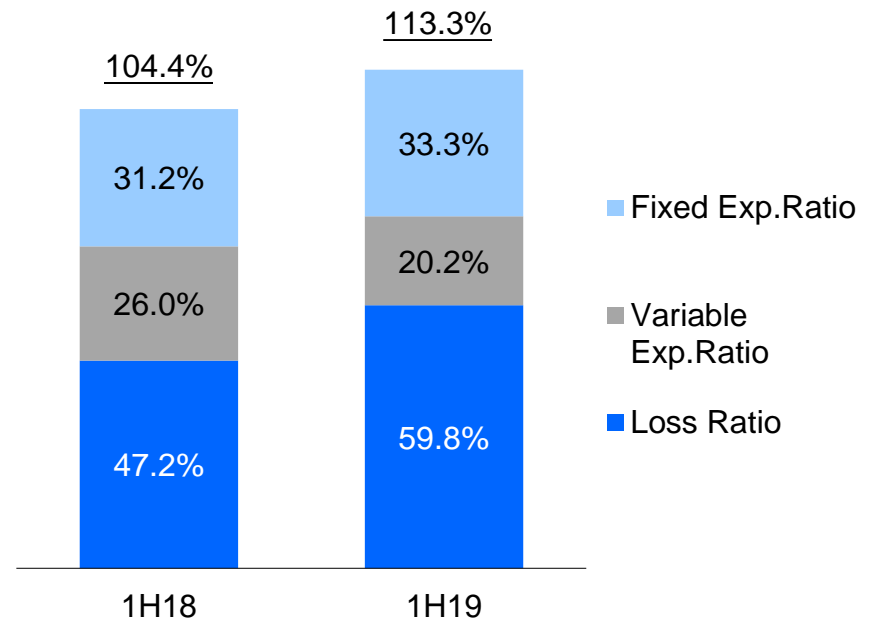
- Focus on quality business, including health insurance and commercial lines. Top 9 position in terms of premium among foreign P&C in China
- Expense ratio has been well controlled, while loss ratio increase due to claims increase in auto insurance and commercial line

Gross written premium

RMB\$mn



Net combined ratio



Agenda



Performance review by subsidiary
Fubon Securities



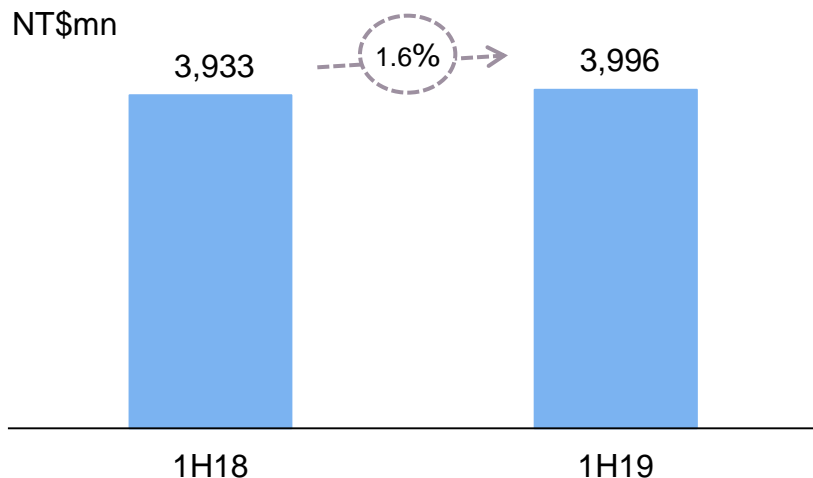
Fubon Securities: Operating snapshot

- Top three positions in brokerage and emerging stock trading business
- Fubon Asset Management's AUM of ETF growth 60% yoy
- Revenue up 1.6% yoy due to gains from capital market; net profits increase 18.6% yoy with one-off expected credit loss recognition in 1H18 from client default in Fubon Futures

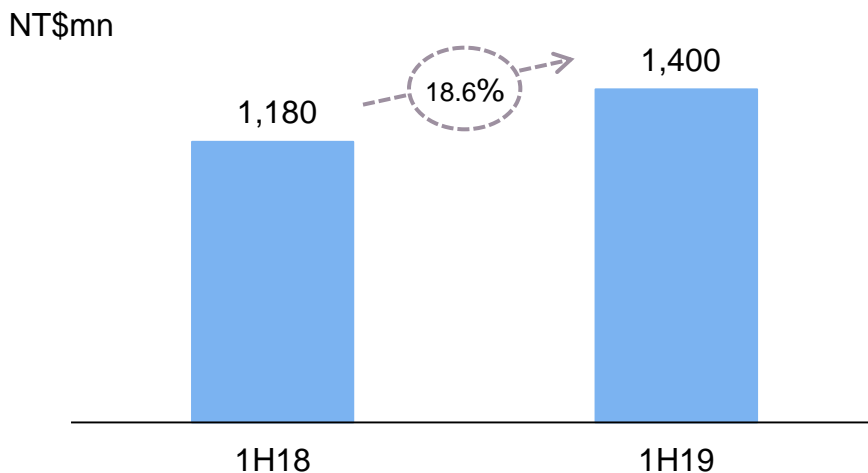
Market share & ranking

	1H19	Ranking	1H18	Ranking
Brokerage	5.43%	3	6.16%	3
Emerging stock trading	20.19%	2	24.15%	2
IPO+SPO Amount	3.74%	8	27.25%	1
AUM of ETF (NT\$m)	169,500	4	106,200	2

Operating revenue



Net profits



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Performance review by subsidiary
Overseas banking subsidiaries

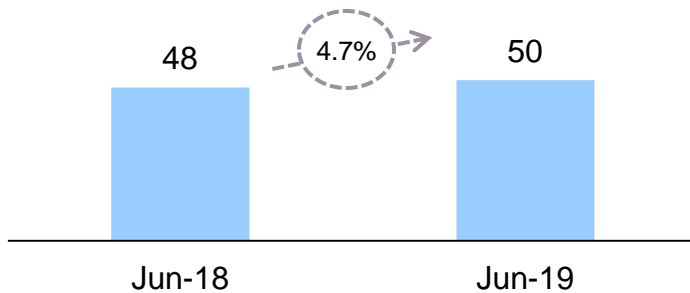


Fubon Bank (Hong Kong): Key balance sheet items

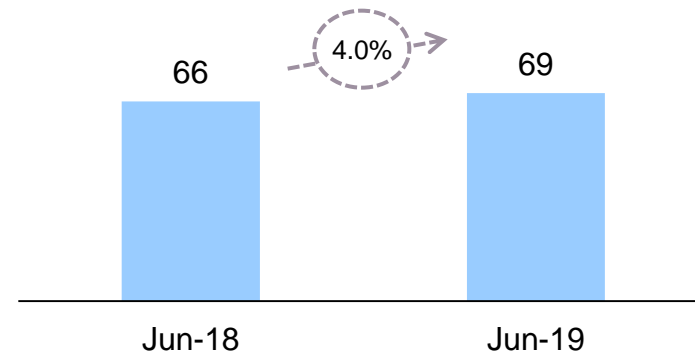
- Loans growth up 4.7% yoy mainly driven by corporate loans
- Deposits growth up 4.0% yoy. Deposits growth in response to market liquidity

HK\$bn

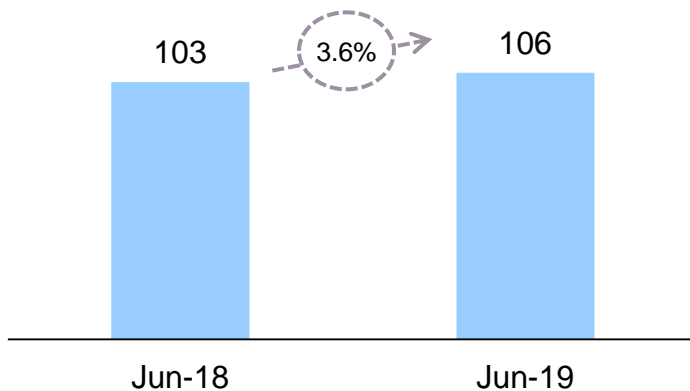
Loans



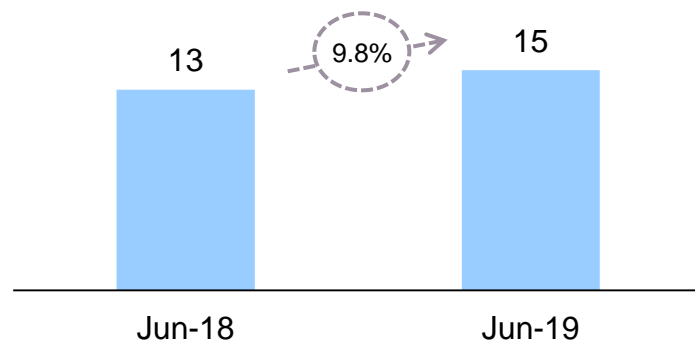
Deposits



Assets



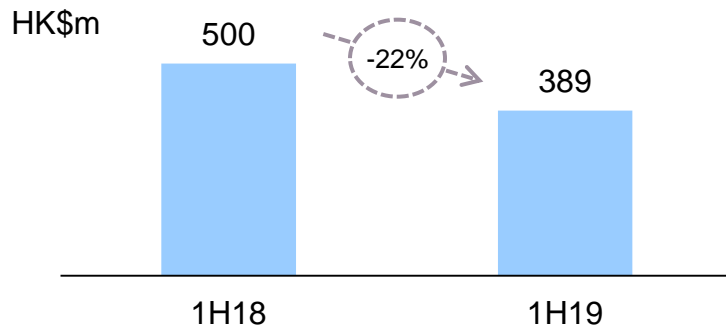
Net worth



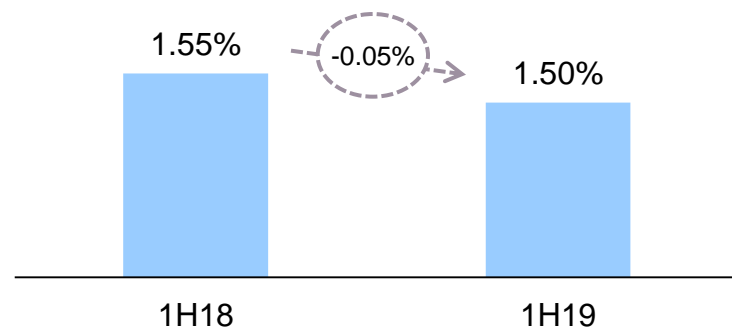
Fubon Bank (Hong Kong): Financial highlight

- Net profits decreased 22% yoy mainly due to the difference in earning recognition of Xiamen Bank. Core earning remained stable excluding one-off items
- NIM came down mainly due to increase in HIBOR leading to higher deposit cost
- Stable asset quality with NPL ratio down to 0.45%

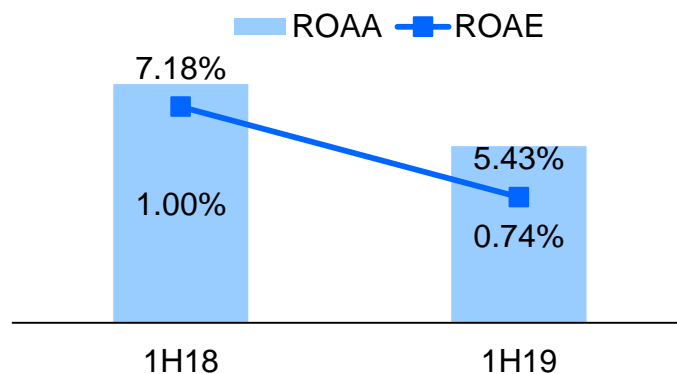
Net Profits



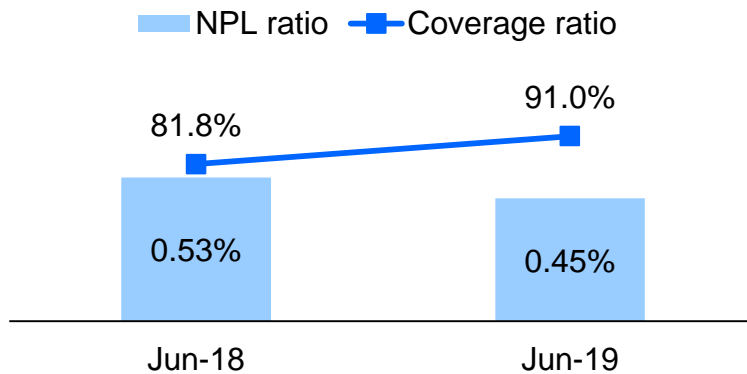
NIM



ROAA & ROAE (1)



NPL ratio & Coverage ratio (2)

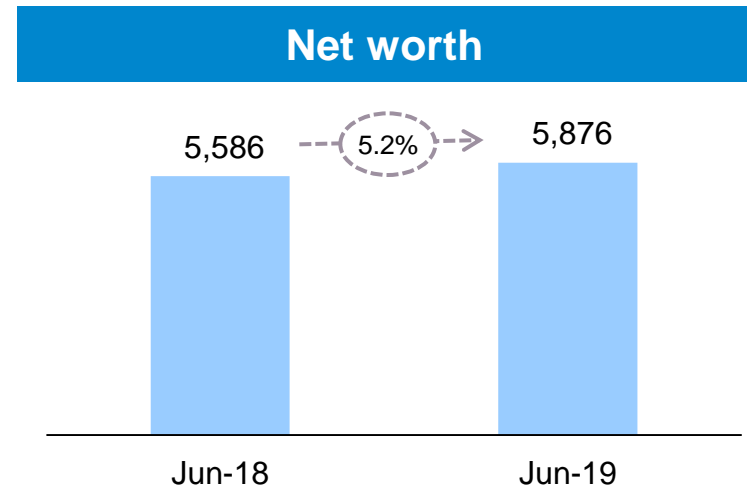
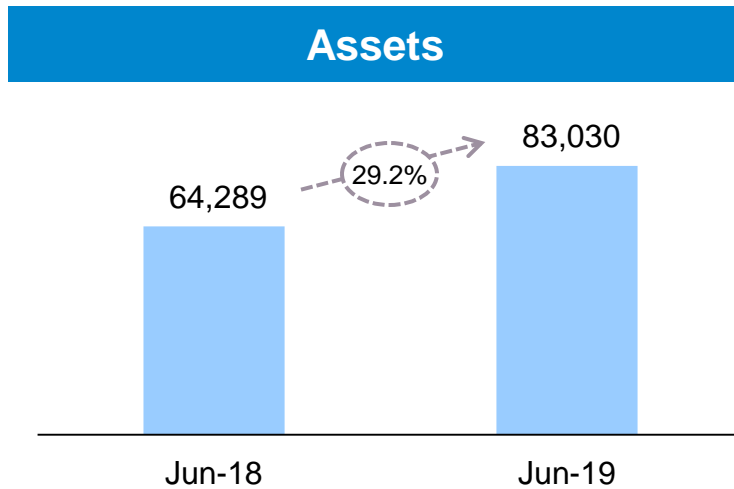
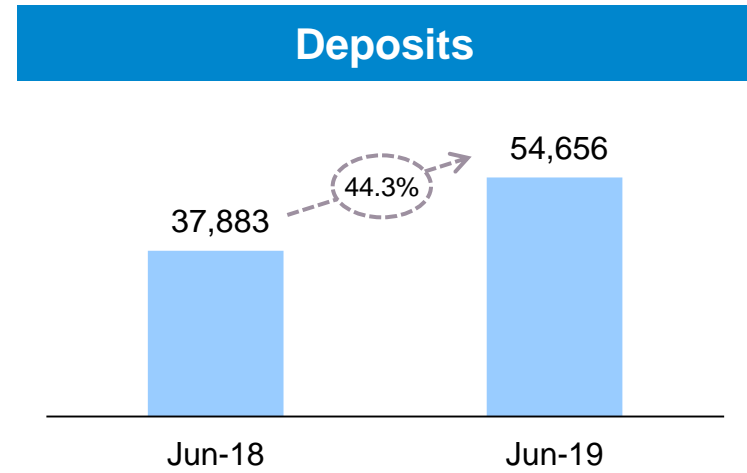
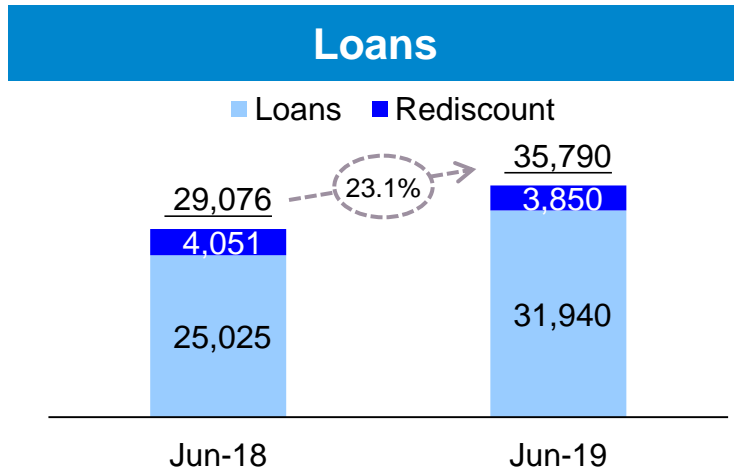


Note: (1) Annualized basis (2) Coverage ratio = (Allowance for loan losses + Secured balance) / NPL

Fubon Bank (China): Key balance sheet items

- Balance sheet growth as deposit and loan reached record high level with 44.3% and 23.1% yoy growth, respectively, leading to assets up 29.2% yoy

RMB\$m

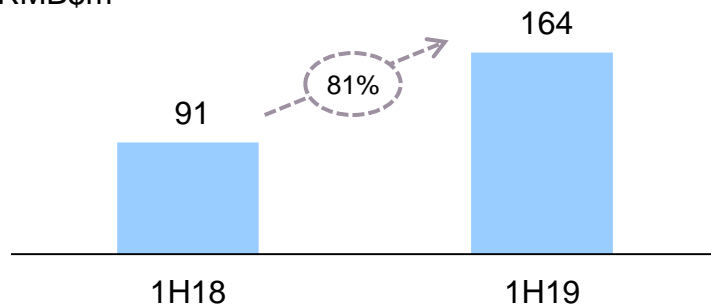


Fubon Bank (China): Financial highlight

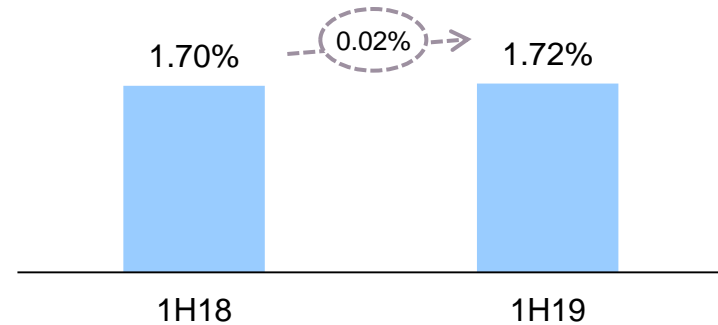
- Net profits increased by 81% yoy, mainly due to growth of net interest income and treasury
- 2bps increase in NIM due to the deposit expansion strategy offset the increase in lending rate and loans balance
- Stable asset quality with NPL ratio down to 1.29%

Net Profits

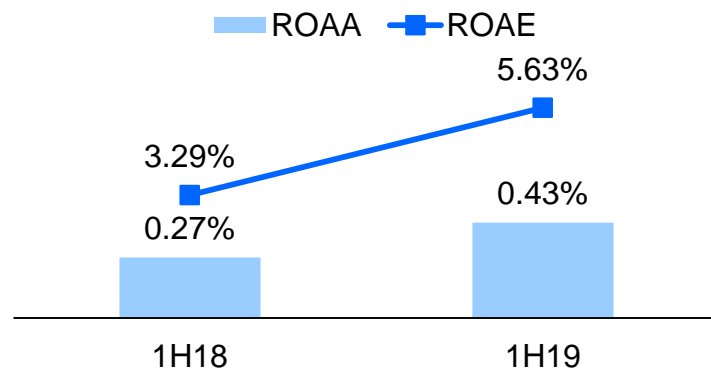
RMB\$m



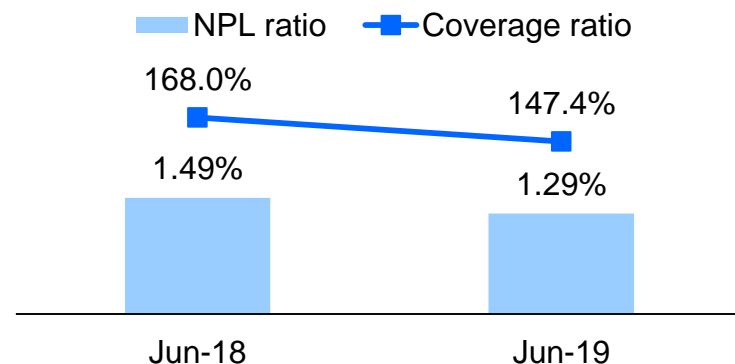
NIM



ROAA & ROAE (1)



NPL ratio & Coverage ratio



Note: (1) Annualized basis

Thank you



Fubon Financial - Financial summary

<i>NT\$ millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income Statement Data</u>								
Net interest income	68,871	62,586	10.0%	34,338	34,533	129,948	113,212	14.8%
Insurance income	98,647	116,003	-15.0%	33,919	64,728	235,827	250,970	-6.0%
Net gains (losses) on FX and financial assets	30,851	27,458	12.4%	18,667	12,183	44,373	40,612	9.3%
Others	(4,061)	1,784	N.M.	(2,362)	(1,699)	785	1,351	-41.9%
Net revenue	194,307	207,831	-6.5%	84,562	109,745	410,933	406,145	1.2%
Bad debt expense and reserve for guarantee	(1,262)	(775)	62.8%	(1,134)	(128)	(1,463)	(2,914)	-49.8%
Net change in insurance reserve	(130,030)	(141,700)	-8.2%	(50,586)	(79,444)	(293,423)	(289,890)	1.2%
Operating expense	(30,408)	(27,691)	9.8%	(15,570)	(14,838)	(58,432)	(55,290)	5.7%
Income before tax	32,608	37,665	-13.4%	17,273	15,335	57,615	58,051	-0.7%
Net income	27,772	31,157	-10.9%	15,203	12,569	47,721	54,016	-11.7%
Net income to parent company	27,669	31,173	-11.2%	15,168	12,501	47,729	54,122	-11.8%
<u>Balance Sheet Data</u>								
Total assets	8,119,735	7,188,839	12.9%	8,119,735	7,840,013	7,715,060	6,919,454	11.5%
Equity attributable to parent company	554,073	505,587	9.6%	554,073	537,807	459,243	488,432	-6.0%
Outstanding common shares (million shares)	10,234	10,234	0.0%	10,234	10,234	10,234	10,234	0.0%
<u>Key Metrics</u>								
ROA	0.70%	0.88%		0.76%	0.65%	0.65%	0.81%	
ROE	10.90%	12.43%		11.11%	10.01%	9.98%	11.83%	
Equity / assets	6.96%	7.04%		6.96%	6.99%	6.08%	7.06%	
Double leverage	111.94%	108.19%		111.94%	110.28%	112.09%	115.00%	
Capital adequacy ratio	115.71%	127.76%				119.21%	129.50%	
Cash dividend per share						2.00	2.30	

Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income statement data</u>								
First year premium	116,981	96,096	21.7%	52,429	64,552	190,379	174,460	9.1%
Retained earned premium	315,423	251,405	25.5%	159,265	156,159	504,821	479,885	5.2%
Total investment income	72,034	68,142	5.7%	38,540	33,494	130,738	125,578	4.1%
Recurring investment income	66,135	55,953	18.2%	35,220	30,916	129,313	114,891	12.6%
Other investment income	5,899	12,189	-51.6%	3,320	2,578	1,425	10,688	-86.7%
Realized gains (losses) from fixed income	12,617	6,040	108.9%	7,049	5,568	8,833	14,080	-37.3%
Realized gains (losses) from equity	11,184	20,219	-44.7%	4,572	6,612	26,487	26,094	1.5%
FX and others	(16,272)	(14,109)	15.3%	(7,219)	(9,052)	(34,739)	(29,088)	19.4%
Investment property fair value movement	(1,630)	39	N.M.	(1,081)	(550)	844	(398)	N.M.
Other income	1,803	1,319	36.7%	1,005	798	2,814	2,203	27.7%
Total operating revenue	389,260	320,865	21.3%	198,810	190,451	638,374	607,666	5.1%
Retained claim payment	223,669	142,111	57.4%	128,687	94,982	282,453	242,452	16.5%
Net commission expense	15,088	11,524	30.9%	7,510	7,578	23,764	24,277	-2.1%
Net change in insurance liability	126,908	140,037	-9.4%	48,334	78,574	287,912	291,922	-1.4%
General and administrative expense	9,778	7,912	23.6%	5,068	4,710	17,174	15,867	8.2%
Other operating costs	1,802	1,543	16.8%	880	922	3,308	2,980	11.0%
Total operating costs and expenses	377,244	303,128	24.5%	190,478	186,766	614,610	577,498	6.4%
Net non-operating income / (expenses)	228	251	-8.9%	98	131	333	288	15.5%
Income before tax	12,244	17,989	-31.9%	8,430	3,815	24,097	30,456	-20.9%
Net income	11,024	19,084	-42.2%	7,883	3,141	24,979	32,488	-23.1%
Net income to parent company	10,896	19,084	-42.9%	7,828	3,069	24,930	32,488	-23.3%
<u>Balance sheet data</u>								
Total assets	4,615,915	3,857,458	19.7%	4,615,915	4,495,472	4,385,528	3,662,772	19.7%
Total assets (general account)	4,237,221	3,698,034	14.6%	4,237,221	4,144,290	4,016,093	3,507,557	14.5%
Insurance liabilities	3,754,975	3,290,850	14.1%	3,754,975	3,700,732	3,620,795	3,136,523	15.4%
Total liabilities	4,312,339	3,601,921	19.7%	4,312,339	4,219,626	4,175,279	3,389,882	23.2%
Total liabilities (general account)	3,937,216	3,442,498	14.4%	3,937,216	3,869,907	3,805,434	3,234,667	17.6%
Equity attributable to parent company	292,479	255,537	14.5%	292,479	265,692	200,859	272,890	-26.4%
<u>Key Metrics</u>								
ROA	0.49%	1.01%		0.69%	0.28%	0.62%	0.93%	
ROE	8.80%	14.19%		11.22%	5.24%	10.32%	13.36%	
Equity / Assets	6.58%	6.62%		6.58%	6.14%	4.79%	7.45%	
Expense ratio	3.10%	3.15%		3.18%	3.02%	3.40%	3.31%	
Persistency ratio - 13th month	96.47%	97.42%		96.47%	96.29%	96.95%	97.96%	
Persistency ratio - 25th month	95.36%	96.69%		95.36%	96.24%	96.44%	95.09%	

Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income statement data</u>								
Interest income	30,192	27,206	11.0%	15,319	14,873	55,931	45,934	21.8%
Interest expense	(16,389)	(14,109)	16.2%	(8,349)	(8,040)	(29,606)	(22,382)	32.3%
Net interest income	13,803	13,098	5.4%	6,970	6,833	26,325	23,552	11.8%
Net fee income	6,767	6,019	12.4%	3,535	3,232	11,135	11,232	-0.9%
Other income	5,898	4,429	33.2%	2,612	3,285	8,386	7,848	6.8%
Total net revenue	26,468	23,546	12.4%	13,117	13,351	45,846	42,633	7.5%
Operating expenses	(12,043)	(10,939)	10.1%	(6,109)	(5,934)	(22,912)	(21,188)	8.1%
Pre-provision profits	14,425	12,607	14.4%	7,008	7,416	22,935	21,445	6.9%
Provision for credit losses	(995)	(369)	170.1%	(947)	(49)	(797)	(2,183)	-63.5%
Income before tax	13,429	12,239	9.7%	6,062	7,368	22,138	19,262	14.9%
Net income	11,318	10,397	8.9%	5,169	6,149	18,826	16,931	11.2%
Net income to parent company	11,065	10,292	7.5%	5,030	6,036	18,619	16,778	11.0%
<u>Balance sheet data</u>								
Loans and discounts, net	1,487,086	1,387,768	7.2%	1,487,086	1,383,532	1,397,995	1,383,755	1.0%
Deposits and remittances	2,145,530	2,007,192	6.9%	2,145,530	2,040,970	2,032,282	2,067,918	-1.7%
Allowance for loan losses*	16,947	16,453	3.0%	16,947	16,582	16,632	16,142	3.0%
Total assets	2,849,773	2,698,270	5.6%	2,849,773	2,712,520	2,711,118	2,671,307	1.5%
Equity attributable to parent company	191,859	178,232	7.6%	191,859	192,608	185,886	178,604	4.1%
<u>Key metrics</u>								
ROA	0.81%	0.77%		0.74%	0.91%	0.70%	0.67%	
ROE	11.72%	11.54%		10.47%	12.76%	10.22%	9.50%	
Equity / assets	7.39%	7.30%		7.39%	7.80%	7.54%	7.43%	
Cost / income ratio	-45.50%	-46.46%		-46.57%	-44.45%	-49.97%	-49.70%	
NPL ratio*	0.19%	0.20%		0.19%	0.18%	0.17%	0.17%	
Reserve / NPL*	687.88%	668.83%		687.88%	766.99%	784.68%	764.46%	
Tier 1 ratio*	12.19%	11.48%				12.39%	12.11%	
BIS ratio*	13.69%	13.02%				13.98%	13.93%	

Note: 1. Data mark with * are stand-alone basis

Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income statement data</u>								
Direct written premiums	23,907	22,381	6.8%	12,220	11,687	42,780	40,837	4.8%
Retention of earned premiums	17,576	16,575	6.0%	8,891	8,685	33,661	32,453	3.7%
Net income from investment	1,590	1,937	-17.9%	728	862	3,002	2,737	9.7%
Other operating revenue	854	775	10.3%	481	374	1,431	1,285	11.3%
Retained insurance payments	9,866	9,259	6.5%	5,152	4,714	18,521	17,370	6.6%
Net change in liability reserve	(7)	(341)	-98.1%	(111)	104	8	648	-98.8%
Commission and operating expenses	7,645	7,310	4.6%	3,946	3,699	14,830	14,434	2.7%
Non-Operating Income	(136)	(103)	31.5%	(84)	(52)	(440)	(276)	59.2%
Income before tax	2,381	2,955	-19.4%	1,028	1,352	4,294	3,747	14.6%
Net income	2,040	2,570	-20.6%	860	1,180	3,710	3,338	11.1%
Net income to parent company	2,119	2,603	-18.6%	926	1,193	3,858	3,631	6.3%
<u>Balance sheet data</u>								
Total assets	105,528	99,759	5.8%	105,528	103,321	97,721	97,667	0.1%
Investment assets	71,811	67,450	6.5%	71,811	71,321	68,033	68,399	-0.5%
Policy reserve	53,914	52,725	2.3%	53,914	52,595	51,769	51,353	0.8%
Equity attributable to parent company	33,537	30,633	9.5%	33,537	33,737	30,216	31,241	-3.3%
<u>Key Metrics</u>								
ROA	4.01%	5.21%		3.29%	4.69%	3.80%	3.40%	
ROE	13.29%	16.83%		11.01%	14.93%	12.56%	11.95%	
Total investment return	4.55%	5.70%		4.15%	4.95%	4.40%	4.11%	
Solvency margin (NWP/equity)	111.11%	116.28%		111.84%	109.72%	115.02%	105.49%	
Retention ratio	73.22%	74.62%		72.04%	74.45%	75.80%	75.85%	

Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income statement data</u>								
Brokerage commissions	1,722	2,259	-23.8%	915	807	4,208	3,795	10.9%
Net interest income	402	556	-27.6%	210	192	1,028	987	4.1%
Fee income	498	434	14.6%	240	258	882	694	27.2%
Net principal transactions and financial products gains	583	272	114.7%	174	409	(67)	1,124	N.M.
Other income	791	411	92.3%	457	334	1,604	1,599	0.3%
Total operating revenue	3,996	3,933	1.6%	1,996	2,000	7,649	8,194	-6.7%
Total operating expense	(2,987)	(3,000)	-0.5%	(1,485)	(1,502)	(6,035)	(5,962)	1.2%
Net non-operating income / (expenses)	541	430	25.6%	231	310	876	785	11.6%
Income before tax	1,549	1,359	14.0%	741	808	2,500	3,017	-17.1%
Net income	1,400	1,174	19.3%	662	738	2,080	2,806	-25.9%
Net income to parent company	1,400	1,180	18.6%	662	738	2,090	2,817	-25.8%
<u>Balance sheet data</u>								
Margin loans	10,125	15,441	-34.4%	10,125	11,210	9,949	14,420	-31.0%
Total assets	139,464	146,201	-4.6%	139,464	137,496	123,228	125,210	-1.6%
Equity attributable to parent company	36,243	34,668	4.5%	36,243	36,602	35,427	33,755	5.0%
<u>Key Metrics</u>								
ROA	2.13%	1.73%		1.91%	2.26%	1.67%	2.48%	
ROE	7.81%	6.90%		7.27%	8.20%	5.94%	8.49%	
Equity / assets	25.99%	23.71%		25.99%	26.62%	28.75%	26.96%	
Expenses / revenues	-74.74%	-76.29%		-74.38%	-75.10%	-78.90%	-72.76%	
Margin loans / total assets	7.26%	10.56%		7.26%	8.15%	8.07%	11.52%	
Margin loans / shareholders' equity	27.94%	44.54%		27.94%	30.63%	28.08%	42.72%	

Fubon Bank (Hong Kong) - Financial Summary

<i>HK\$ millions, except for percentages</i>	1H19	1H18	YoY	2018	2017	YoY
<u>Income Statement Data</u>						
Interest income	1,577	1,246	26.6%	2,708	2,181	24.2%
Interest expense	(882)	(574)	53.7%	(1,352)	(965)	40.1%
Net interest income	696	673	3.4%	1,356	1,216	11.5%
Net fee income	162	165	-1.7%	289	318	-9.1%
Other income	19	36	-48.0%	42	4	1067.8%
Total revenue	877	874	0.3%	1,688	1,538	9.7%
Operating expenses	(405)	(469)	-13.7%	(965)	(950)	1.5%
Provision for loan losses/ write-back	1	(25)	N.M.	(49)	(68)	-27.8%
Net non-operating income	0	212	-100.0%	250	174	44.0%
Income before tax	472	591	-20.1%	924	693	33.3%
Net income	389	500	-22.2%	823	583	41.0%
<u>Balance Sheet Data</u>						
Gross loans	50,246	47,971	4.7%	47,930	47,872	0.1%
Customers Deposits	69,020	66,349	4.0%	68,248	62,068	10.0%
Allowance for loan losses	221	218	1.5%	231	289	-20.2%
Total assets	106,288	102,622	3.6%	102,787	98,484	4.4%
Shareholders' equity	14,636	13,335	9.8%	14,024	12,861	9.0%
<u>Key metrics</u>						
Return on average assets	0.74%	1.00%		0.82%	0.60%	
Return on average equity	5.43%	7.18%		5.61%	4.81%	
Equity / assets	13.77%	12.99%		13.64%	13.06%	
Net fee income / total revenue	18.53%	18.92%		17.14%	20.70%	
Cost / income ratio	-46.21%	-53.73%		-57.16%	-61.79%	
NPL ratio	0.45%	0.53%		0.49%	0.39%	
Reserve / NPL	98.27%	86.26%		98.88%	154.31%	
Gross Loans/Customers Deposits ratio	72.80%	72.30%		70.23%	77.13%	
Tier 1 ratio	16.73%	14.82%		16.75%	15.42%	
BIS ratio	20.04%	18.56%		20.60%	19.42%	

Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	1H19	1H18	YoY	2Q19	1Q19	2018	2017	YoY
<u>Income Statement Data</u>								
Interest income	1,624	1,470	10.5%	849	774	2,919	2,692	8.4%
Interest expense	(1,062)	(961)	10.5%	(569)	(493)	(1,907)	(1,786)	6.8%
Net interest income	562	508	10.5%	280	282	1,012	907	11.6%
Net fee income	9	29	-69.2%	4	4	44	83	-46.7%
Other income	111	(74)	N.M.	35	76	(32)	(37)	-13.6%
Operating expenses	(406)	(339)	20.1%	(188)	(219)	(768)	(658)	16.6%
Pre-provision profits	275	124	121.5%	131	143	256	293	-12.7%
Provision for credit losses	(56)	(12)	382.2%	(21)	(35)	(27)	(17)	56.5%
Income before tax	219	112	94.6%	110	108	230	276	-17.0%
Net income	164	91	81.1%	83	81	180	220	-18.2%
<u>Balance Sheet Data</u>								
Loans	35,790	29,076	23.1%	35,790	33,186	30,649	29,206	4.9%
Deposits	54,656	37,883	44.3%	54,656	48,266	46,198	44,529	3.7%
Total asset	83,030	64,289	29.2%	83,030	72,868	70,793	71,723	-1.3%
Total equity	5,876	5,586	5.2%	5,876	5,821	5,763	5,409	6.5%
<u>Key Metrics</u>								
ROA	0.43%	0.27%		0.43%	0.45%	0.25%	0.32%	
ROE	5.63%	3.29%		5.68%	5.58%	3.23%	4.12%	
Equity / assets	7.08%	8.69%		7.08%	7.99%	8.14%	7.54%	
Cost / income ratio	-59.67%	-73.19%		-58.87%	-60.37%	-74.98%	-69.17%	
NPL ratio	1.29%	1.49%		1.29%	1.36%	1.38%	1.44%	
Reserve / NPL	147.43%	167.97%		147.43%	149.50%	150.69%	177.49%	
Loan to deposit ratio (Renminbi)	76.63%	74.48%		76.63%	74.33%	72.32%	72.16%	
Tier 1 ratio	10.35%	12.46%		10.35%	11.25%	11.70%	11.49%	
BIS ratio	14.28%	13.13%		14.28%	13.63%	14.18%	12.19%	