

# 9M2019 Interim Results Fubon Financial Holdings

2019.11.22





# 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



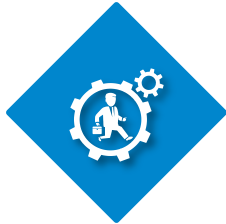
## Performance review by subsidiary

- Taipei Fubon Bank
- Fubon Life
- Fubon Insurance
- Fubon Securities
- Fubon Bank China





# Fubon Financial Holdings: Operation highlights



Net profits reached NT\$53.7 billion in 9M19, up 7% yoy mainly due to earnings growth in Taipei Fubon Bank. Fubon Life earnings improved due to growth of investment income

## 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
- Established Indonesia representative office to enhance ASEAN market presence

## Fubon Life

- Net profits came down in 9M19 yoy due to increase in underwriting cost as FYP growth 21% yoy
- Top two market position in FYPE leading to growth of VNB
- Increase in recurring return and steady improvement in COL

## Fubon Insurance

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

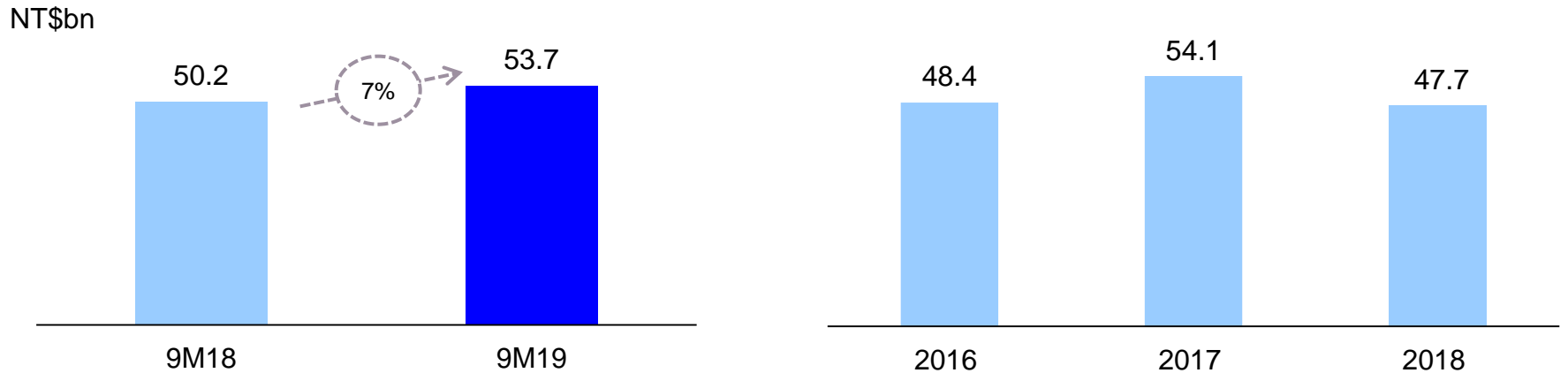
## Fubon Securities

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

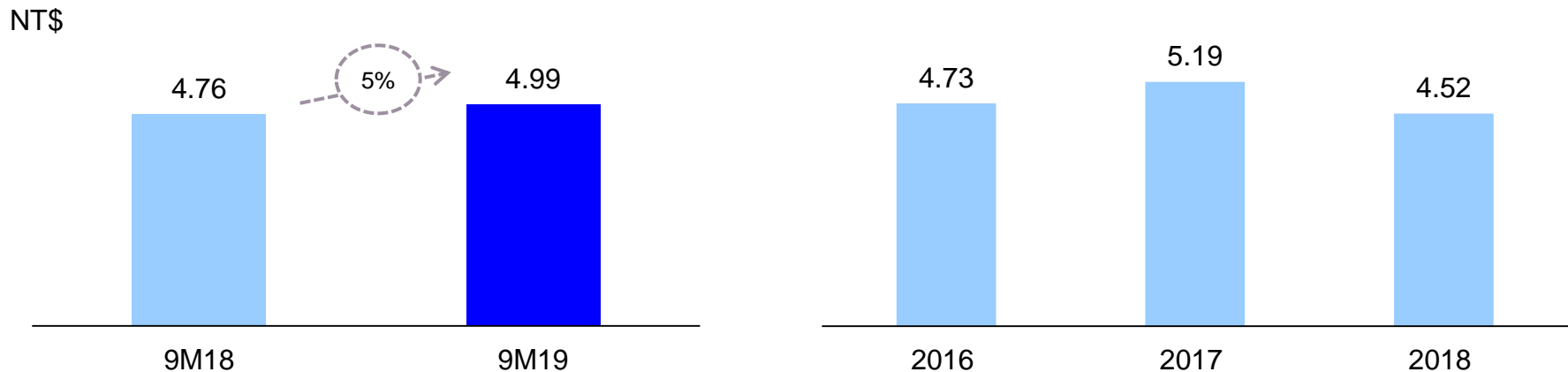
# Fubon Financial Holdings: Profitability

- Net profits grew 7% yoy. Top position of EPS and earnings among peers

## Net profits



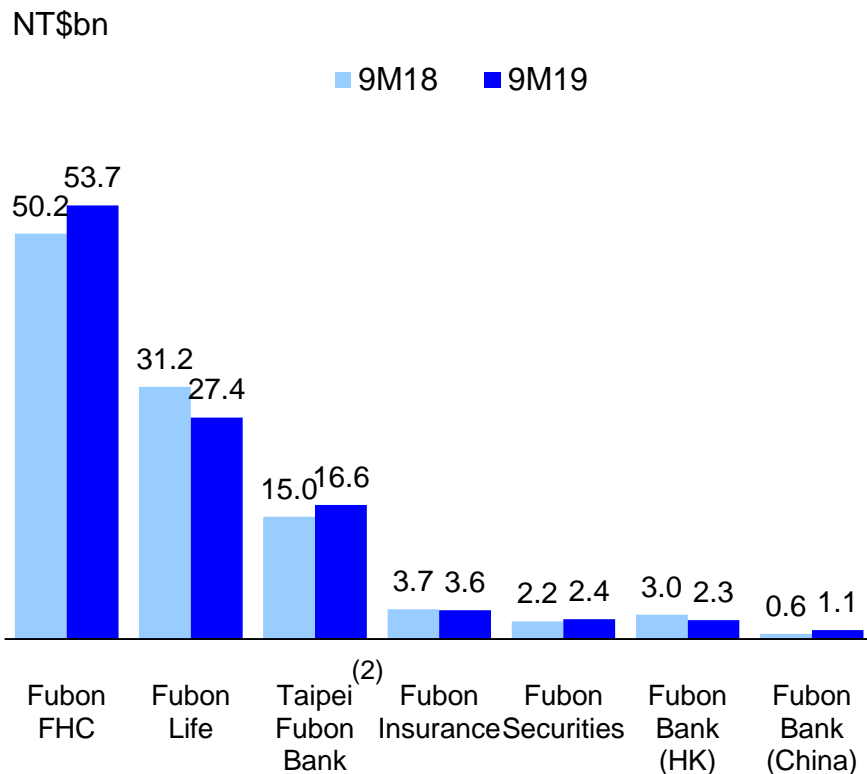
## Earning per share (EPS)



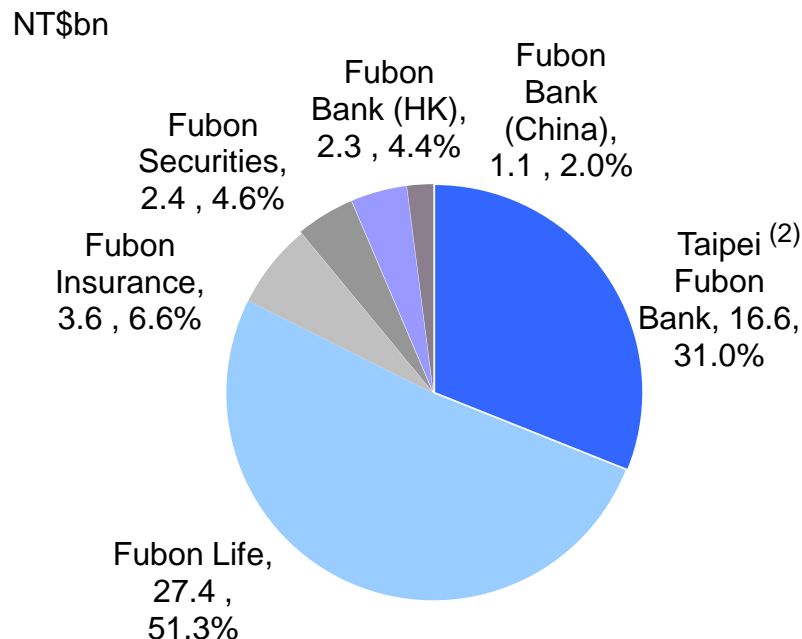
# Fubon Financial Holdings: Net profits from major subsidiaries

- Taipei Fubon Bank, Fubon Securities and Fubon Bank China delivered earnings growth. Fubon Life's underwriting costs increased along with FYP growth
- Fubon Life contributed 51.3% of the earnings, and the three banking subsidiaries represented 37.4% of the earnings

## Net profits from subsidiaries



## Profit contribution from subsidiaries

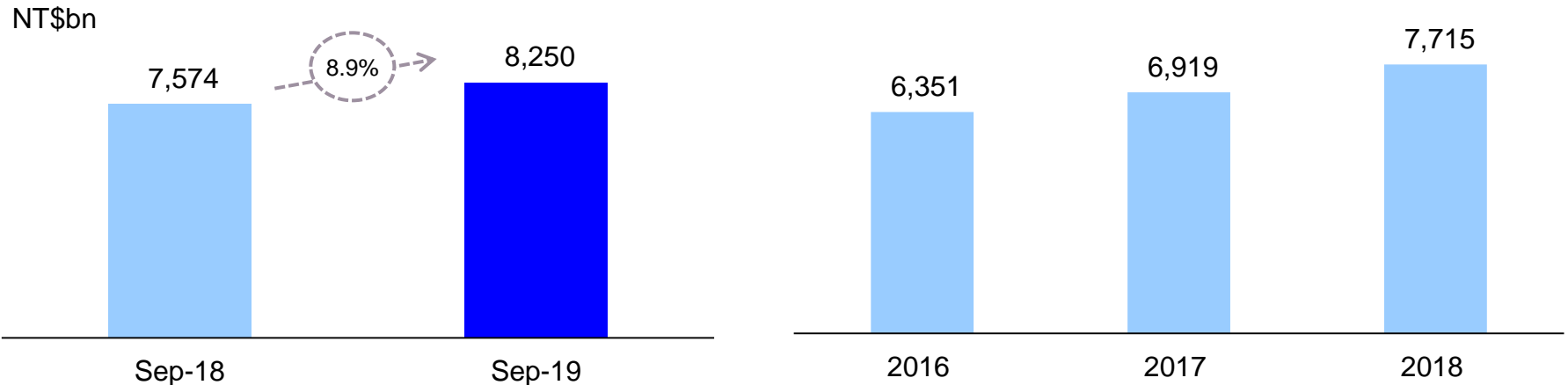


Note: (1) Profit contribution is based on the summation of the six subsidiaries shown in the chart. There are four other subsidiaries with combined net profits of NT\$1,061mn. The inter-company account is net -NT\$803mn; (2) Net profits of Fubon Bank (China) is exclusive of the net profits of Taipei Fubon Bank in the chart.

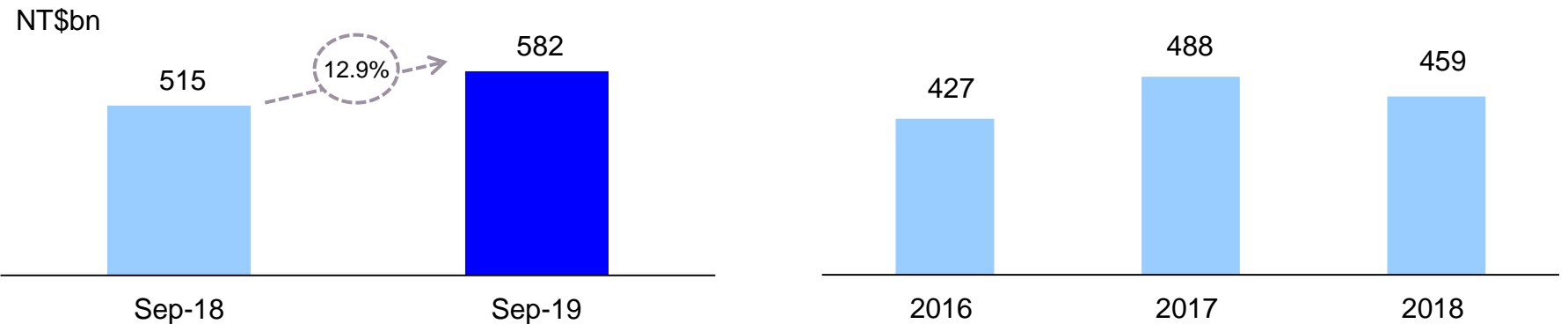
# Fubon Financial Holdings: Asset and net worth

- Asset and net worth delivered 8.9% and 12.9% yoy growth respectively
- Both asset and net worth reached historical quarterly high level

## Total assets



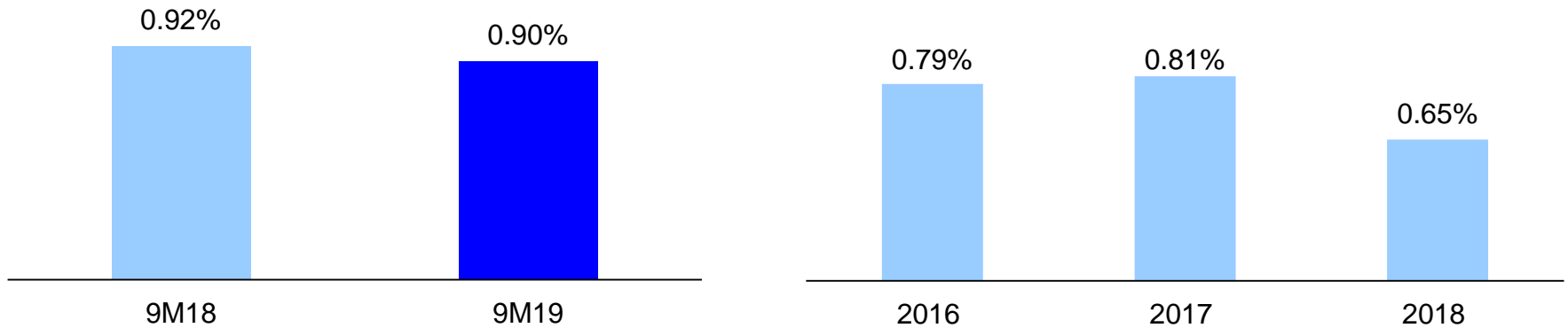
## Equity attributable to parent company



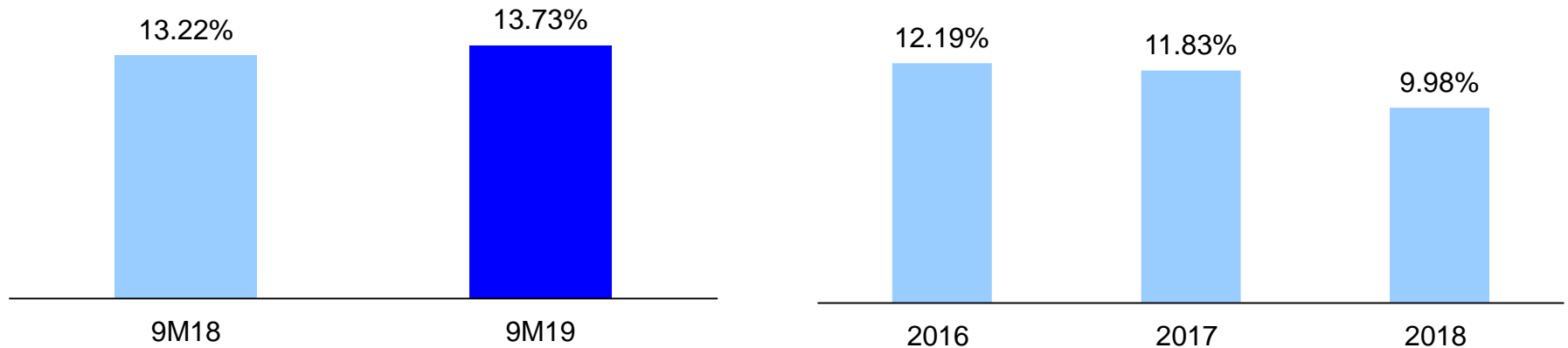
# Fubon Financial Holdings: ROA & ROE

- ROA came down yoy due to growth in asset size
- ROE improved yoy from earnings growth

## ROA



## ROE





# Agenda

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Performance review by subsidiary  
**Taipei Fubon Bank**

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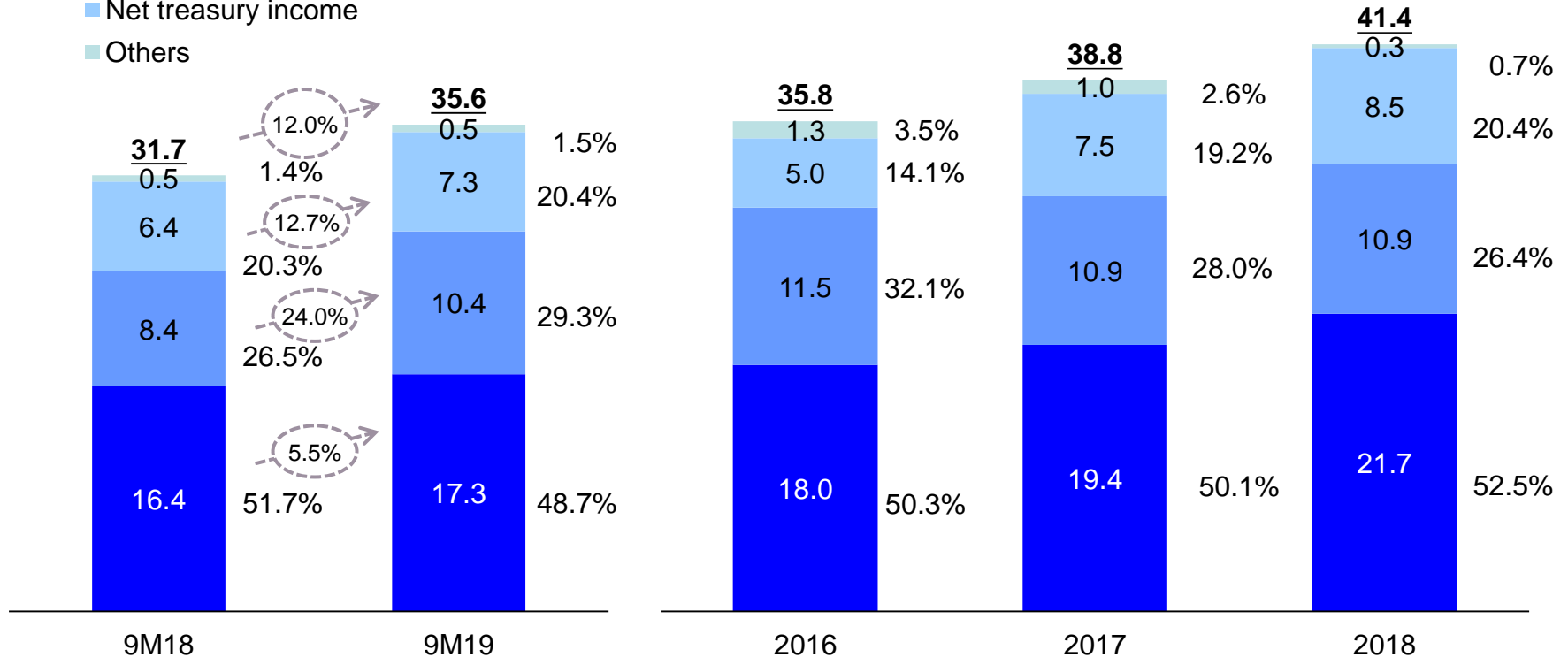
# Taipei Fubon Bank: Revenue

- 12% revenue growth yoy from all major business lines

## Revenue composition of Taipei Fubon Bank

NT\$bn

- Net interest income
- Net fee income
- Net treasury income
- Others

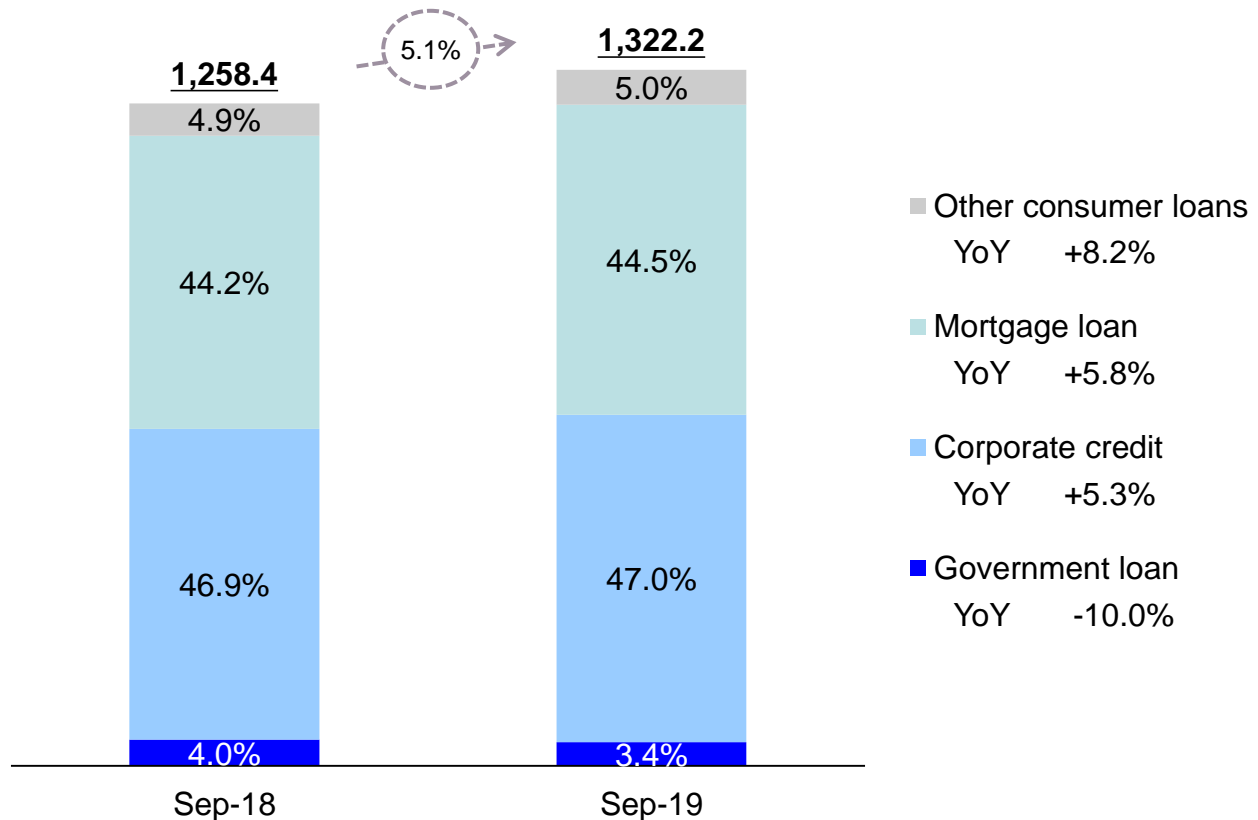


# Taipei Fubon Bank: Credit composition

- Total loans grew 5.1% yoy with steady growth in both corporate credit and retail loans. Loans grew 5.7% yoy if exclusive of government loans
- Unsecured loan grew 19% yoy leading 8.2% growth of other consumer loans

## Credit composition

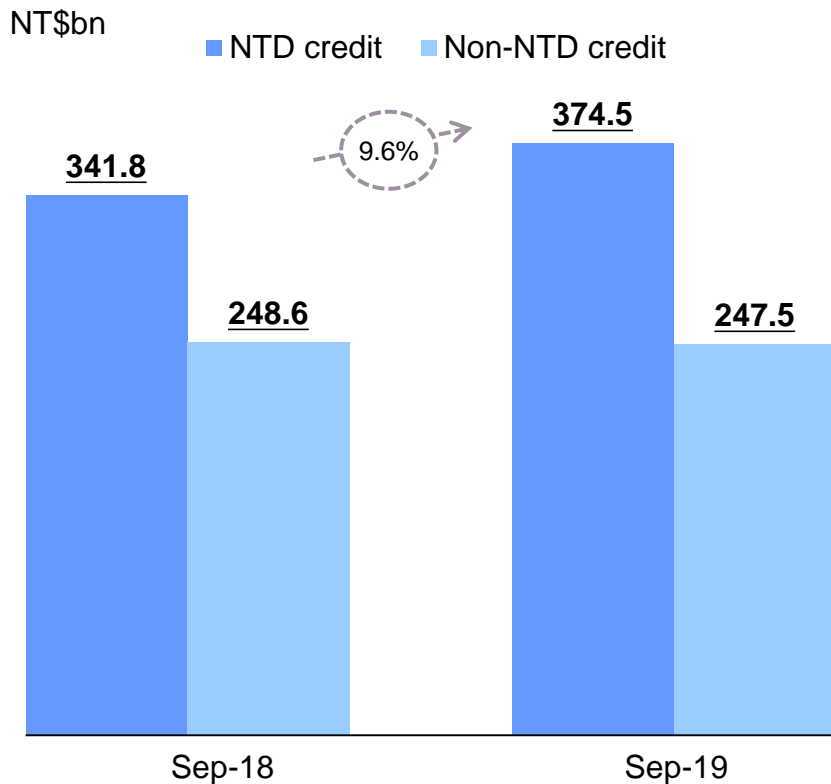
NT\$bn



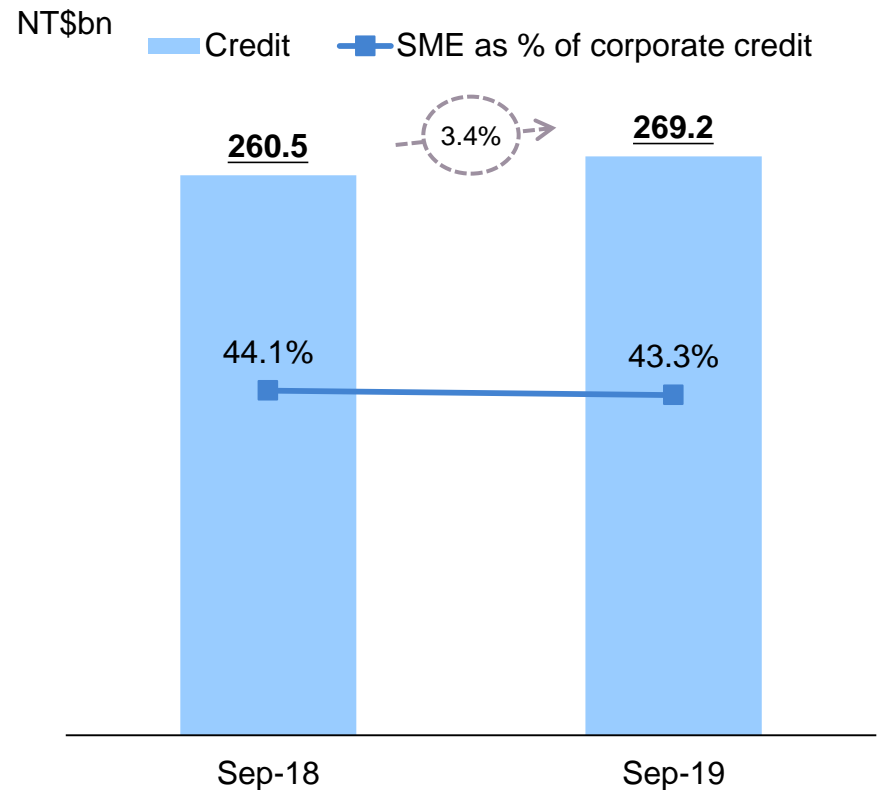
# Taipei Fubon Bank: Corporate credit

- NT dollar denominated credit up by 9.6% yoy. Foreign currency credit slightly declined yoy with growth rate of 4.7% on average balance basis
- Steady growth in SME credit with outstanding increased by 3.4% yoy

## Corporate credit by currency



## SME credit and as % of corporate credit

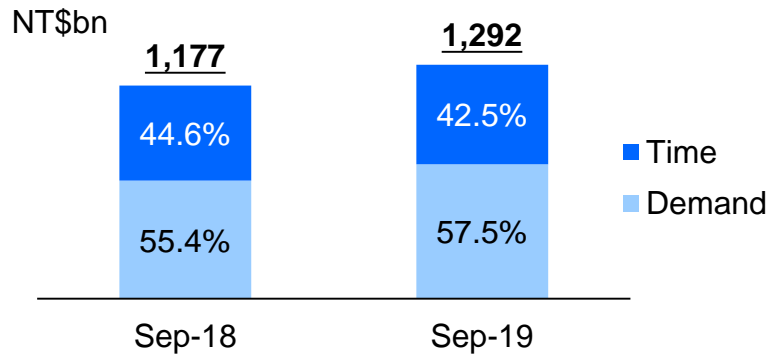


Note: Ending balance

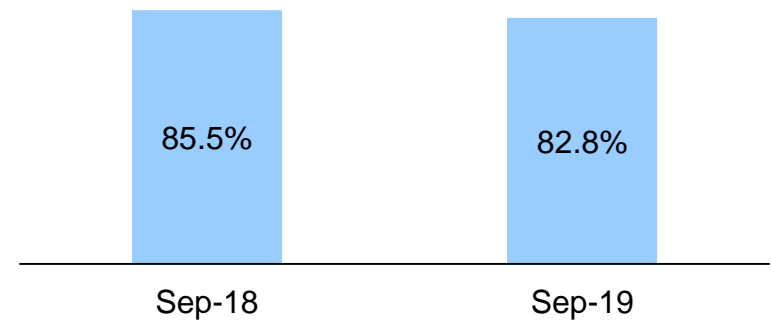
# Taipei Fubon Bank: Deposit mix and LDR

- 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 and investment to foreign deposit reached 78.6%, which is 11.9% increase yoy

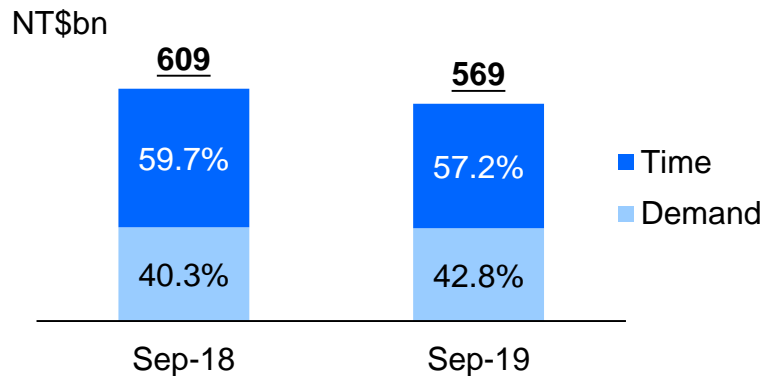
## Deposit mix in NTD



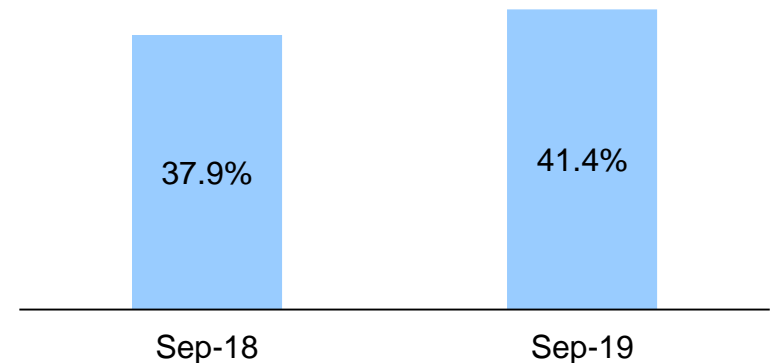
## NTD loan-to-deposit ratio (LDR)



## Deposit mix in foreign currency



## Foreign currency LDR

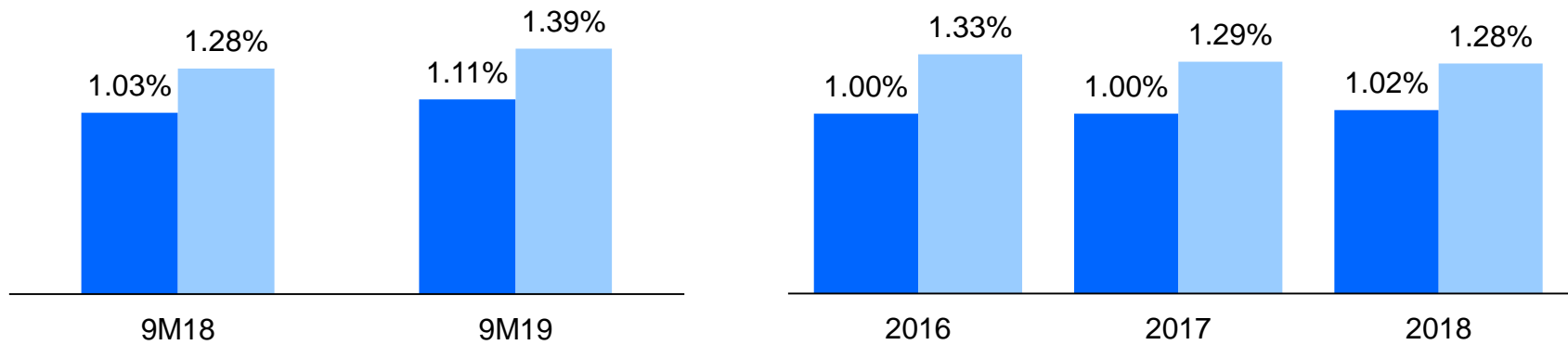


# Taipei Fubon Bank : Interest spread and margin

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

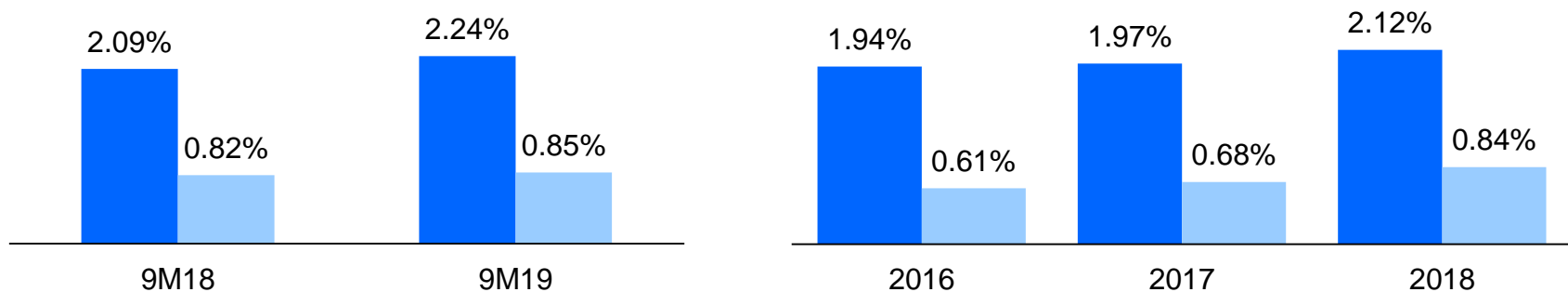
## NIM and loan-to-deposit spread

■ NIM   ■ Loan-to-deposit spread



## Loan yield and deposit rate

■ Loan rate   ■ Deposit rate



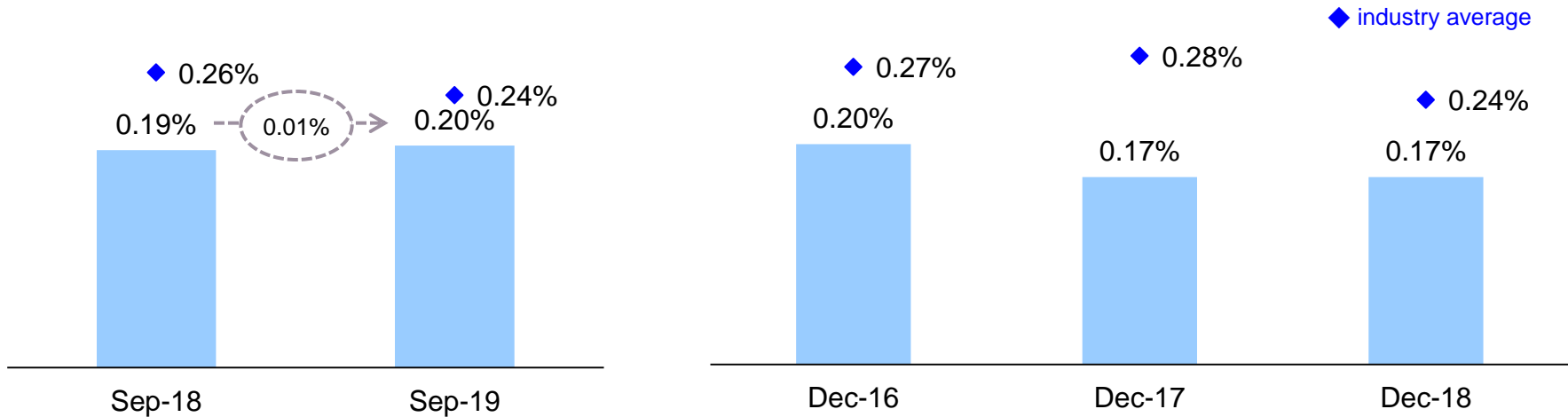
Note: Loan rate calculation inclusive of credit card revolving



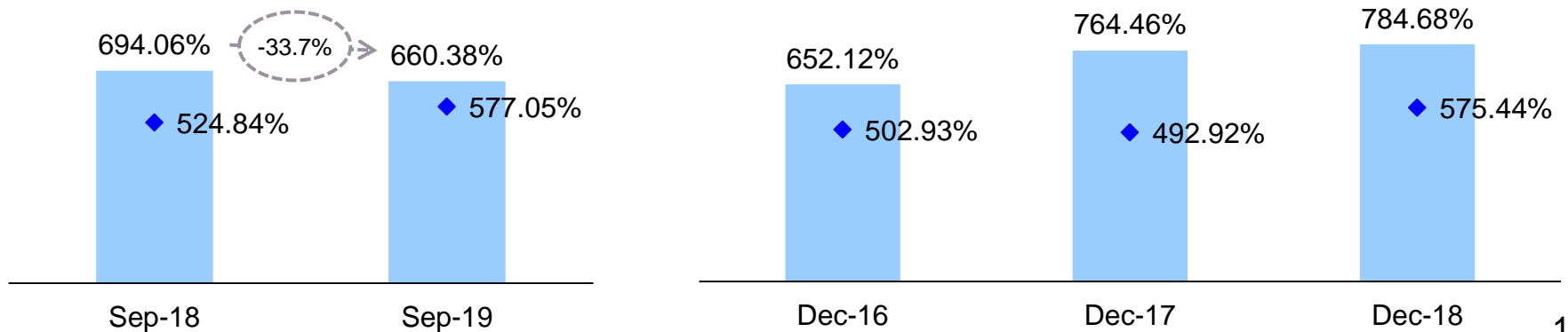
# Taipei Fubon Bank: Asset quality

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

## NPL ratio



## Coverage ratio

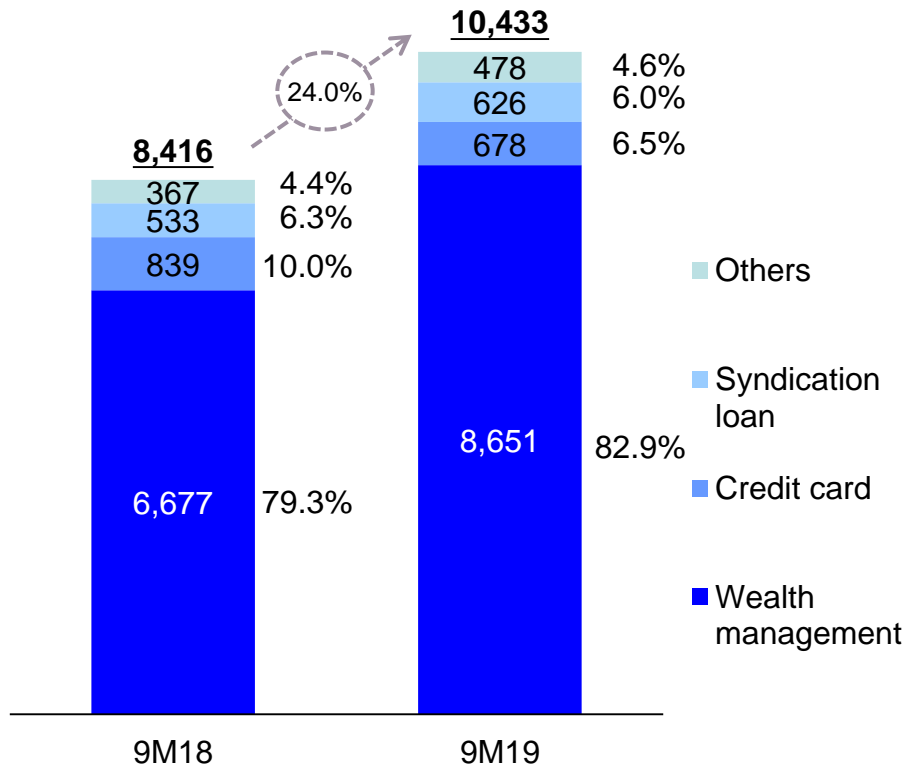


# Taipei Fubon Bank: Fee and Wealth management revenue

- Fees growth 24.0% yoy driven by double-digit growth in wealth management and syndication loan. Decrease in credit card contribution due to marketing expense
- Wealth management fee growth 29.6% yoy mainly driven by insurance and overseas bonds

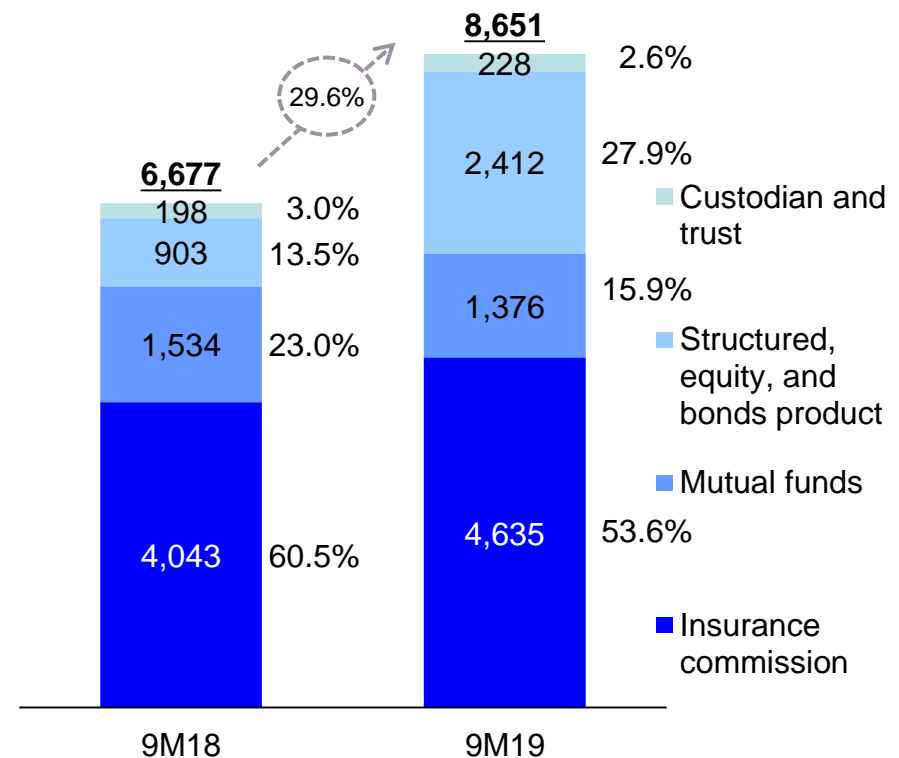
## Sources of fee revenue

NT\$m



## Wealth management fee

NT\$m

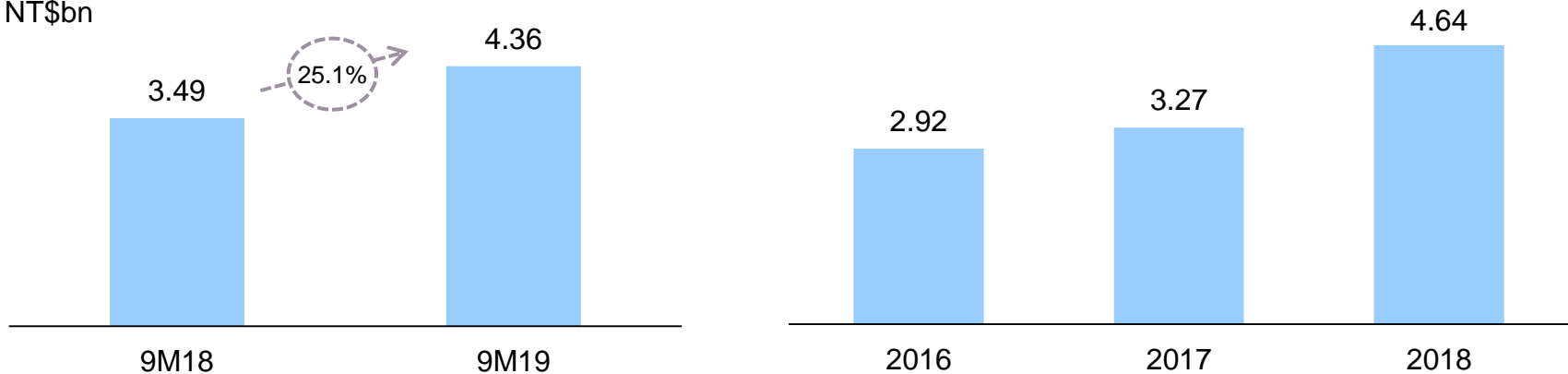


# Taipei Fubon Bank: Revenue and earnings from overseas branches

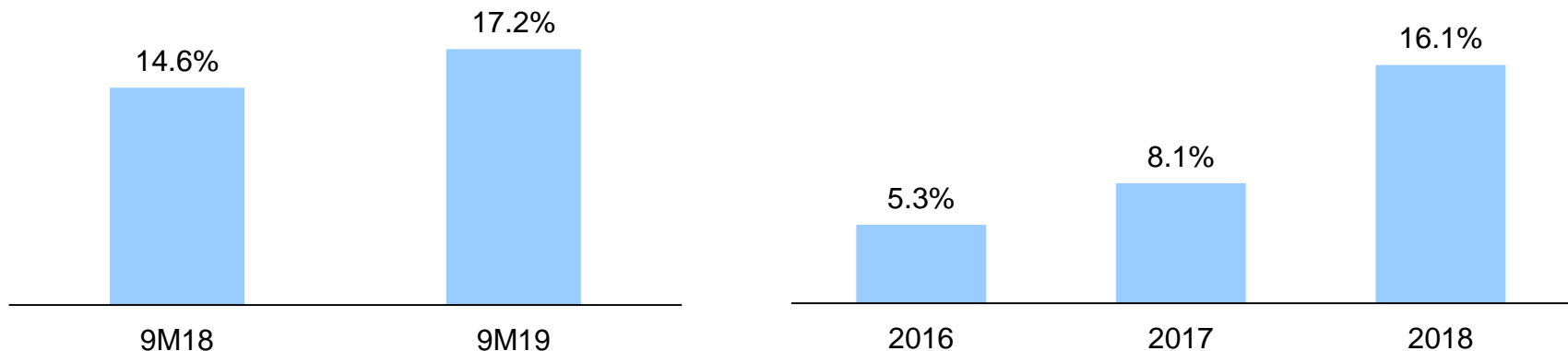
- Revenue from overseas branches up 25.1% yoy. Pretax profits contribution from overseas branches reached 17.2% in Taipei Fubon Bank in 9M19 along with loan growth

## Net revenue from overseas branches

NT\$bn



## Pretax profits contribution from overseas branches in Taipei Fubon Bank



# Agenda

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Performance review by subsidiary  
**Fubon Life**

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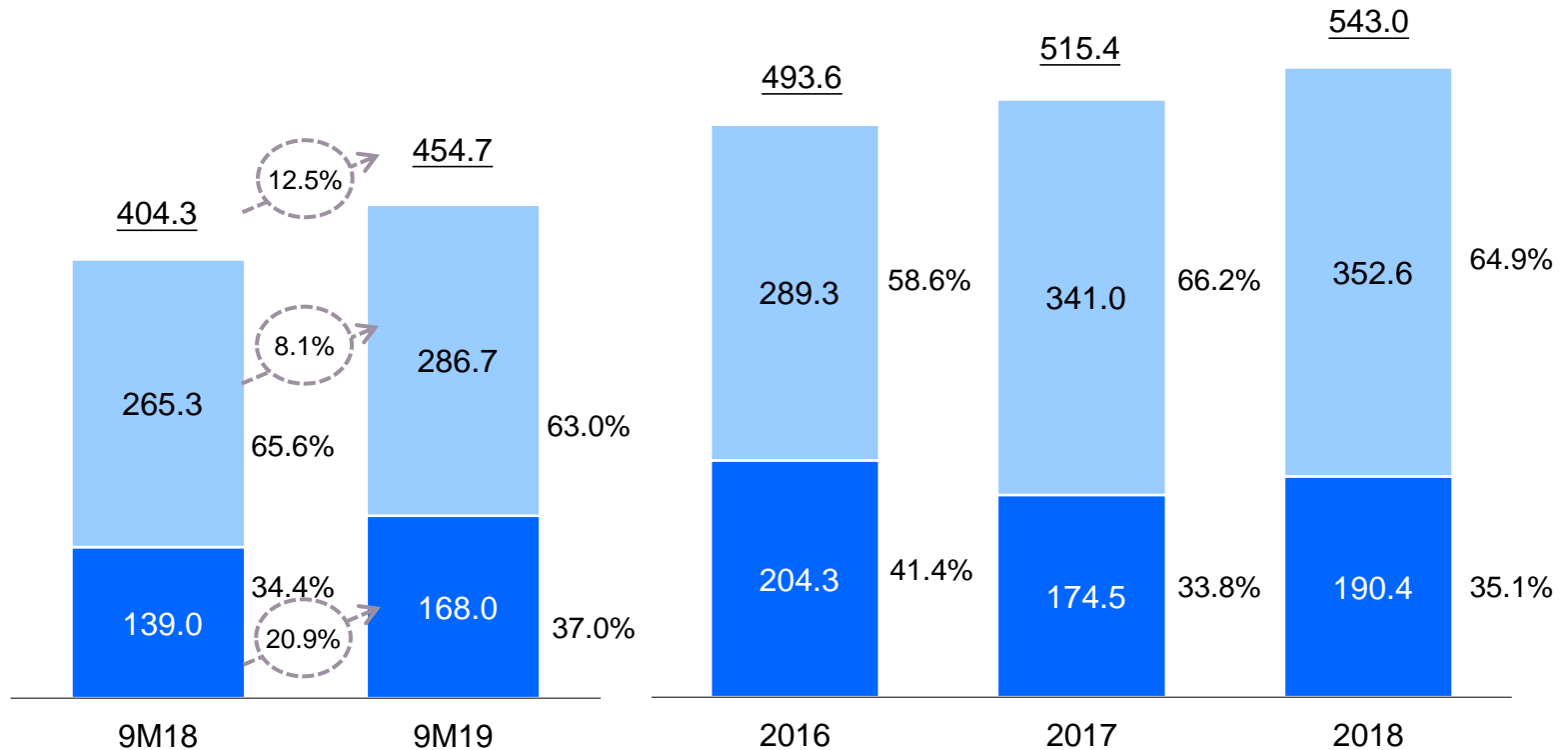
# Fubon Life: Total premium

- 12.5% growth in total premium driven by 20.9% FYP growth
- Top one market ranking in FYP. Top two in total premium and FYPE

## Total premium composition

NT\$bn

■ Renewal premium  
■ FYP

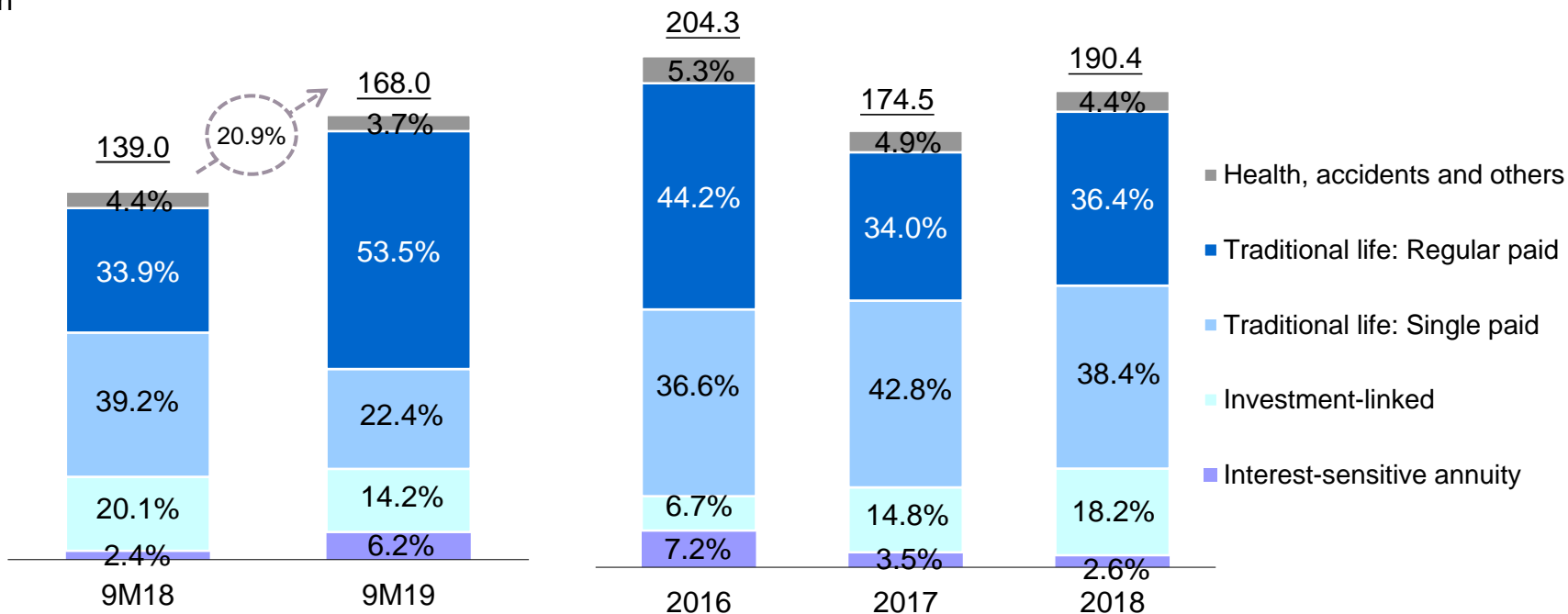


# Fubon Life: First year premium (FYP)

■ FYP growth 20.9% yoy driven by growth in regular-paid policies of 90% yoy

## FYP composition

NT\$bn



NTD	57.2%	72.5%
Non-NTD	42.8%	27.5%

2016	76.2%	56.5%	60.3%
2017	23.8%	43.5%	39.7%

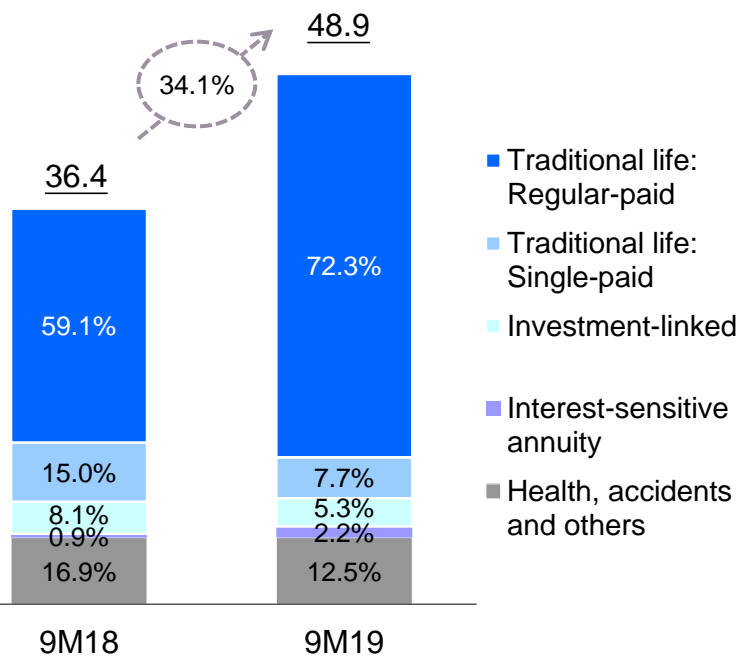


# Fubon Life: First year premium equivalent (FYPE) & Value of new business (VNB)

- 34.1% growth in FYPE led to VNB growth of 31.4%, driven by the increase in traditional regular-paid policies

## FYPE

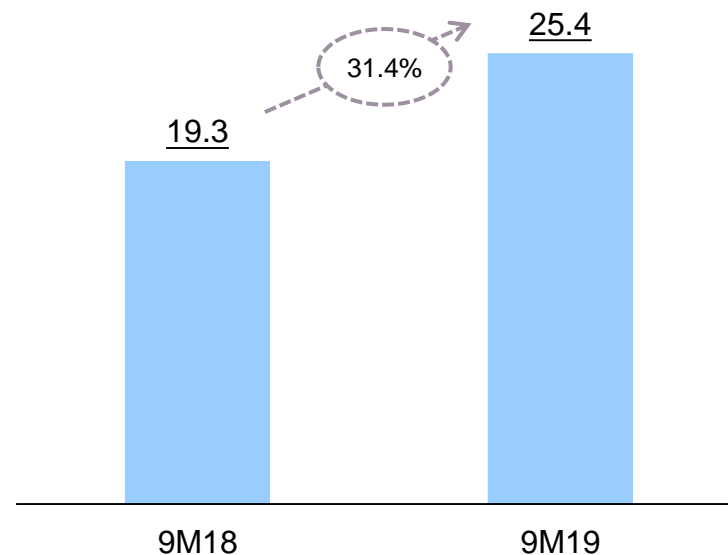
NT\$bn



FYPE/ FYP	26.2%	29.1%
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## VNB

NT\$bn



VNB/FYP	13.9%	15.1%
VNB/FYPE	53.0%	51.9%

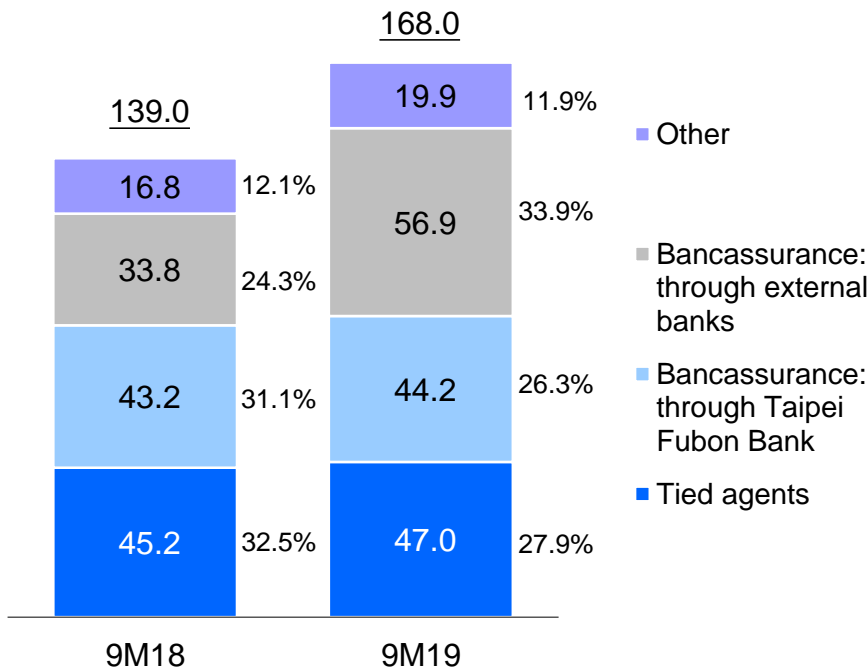
Note: VNB is based on 2018 EV actuarial assumptions

# Fubon Life: Channel

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

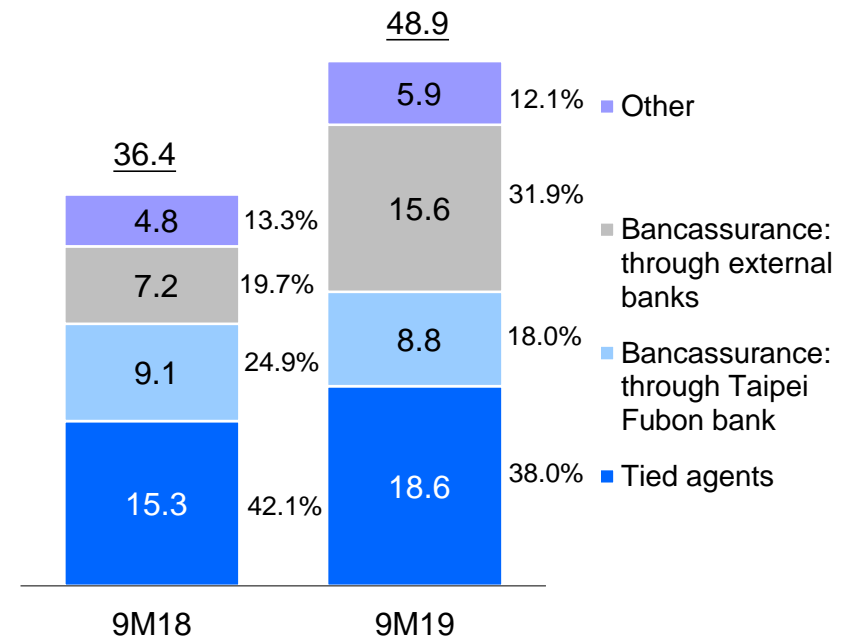
## FYP by channel

NT\$bn



## FYPE by channel

NT\$bn



# Fubon Life: Investment portfolio

- Steady growth of investment assets with 9.6% yoy growth
- Portfolio addition mainly into overseas fixed income assets in 3Q19

NT\$bn	2018/09/30		2019/06/30		2019/09/30	
Deposit and cash equivalent	156.8	4.3%	174.9	4.5%	208.4	5.2%
Domestic fixed income <sup>(1)</sup>	440.5	12.2%	557.5	14.5%	543.1	13.7%
Overseas fixed income <sup>(2)</sup>	2,057.9	56.8%	2,089.0	54.2%	2,174.5	54.7%
Domestic equity	363.4	10.0%	370.2	9.6%	368.2	9.3%
Overseas equity	191.0	5.3%	197.8	5.1%	207.5	5.2%
Mortgage loans	138.8	3.8%	151.5	3.9%	154.2	3.9%
Policy loans	67.2	1.8%	69.0	1.8%	70.0	1.8%
Real estate	208.7	5.8%	247.3	6.4%	245.9	6.2%
<b>Total Investments</b>	<b>3,624.3</b>	<b>100.0%</b>	<b>3,857.2</b>	<b>100.0%</b>	<b>3,971.8</b>	<b>100.0%</b>
Domestic	1,294.3	35.7%	1,448.9	37.6%	1,468.5	37.0%
Overseas	2,330.0	64.3%	2,408.3	62.4%	2,503.3	63.0%

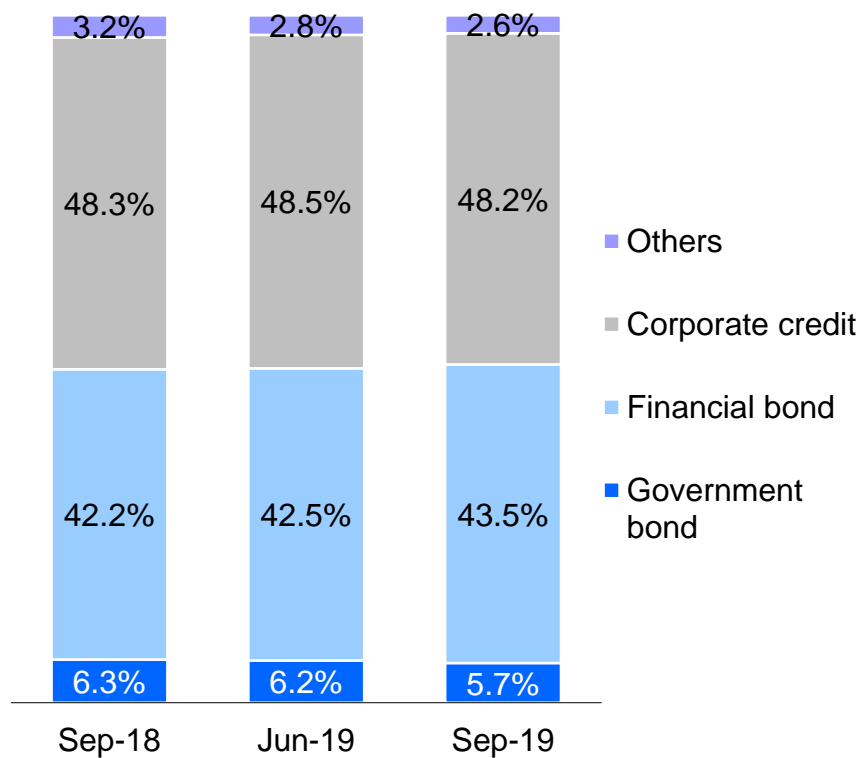
Note: (1) Inclusive of NTD-denominated ETF

(2) Inclusive of OTC-listed international bond. The international bonds investment reached 16.0% of total investment assets as of 2019/09/30

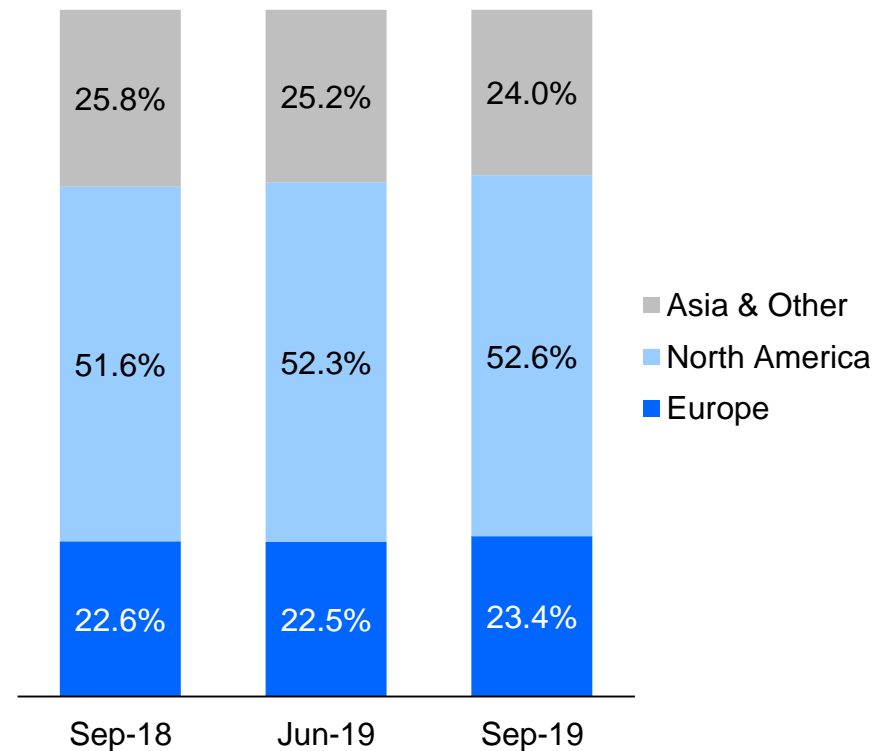
# Fubon Life: Portfolio of overseas fixed income

- 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 and equity
- Capital gain contribution from fixed income investments increased

NT\$bn	9M18	9M19	YoY growth	2016	2017	2018
Recurring investment income	97.3	106.3	9.3%	105.8	114.4	126.5
Interest income	73.0	75.4	3.3%	78.2	85.5	98.5
Cash dividend income from equity investment	17.8	18.9	6.2%	14.9	18.8	18.9
Rental and others <sup>(1)</sup>	6.5	12.0	85.0%	12.7	10.1	9.1
Realized gains from fixed income investment	6.9	23.4	239.7%	24.1	14.1	8.9
Realized gains from equity investment	24.7	12.0	-51.4%	11.0	26.1	26.4
FX and others	-21.3	-25.8	21.2%	-17.0	-29.9	-34.8
<b>Investment income</b>	<b>107.6</b>	<b>115.9</b>	<b>7.7%</b>	<b>123.9</b>	<b>124.7</b>	<b>127.0</b>
<b>Total investment assets</b>	<b>3,624.3</b>	<b>3,971.8</b>	<b>9.6%</b>	<b>3,118.4</b>	<b>3,386.3</b>	<b>3,622.3</b>
<b>Investment return (before hedge)</b>	<b>5.00%</b>	<b>4.93%</b>		<b>4.84%</b>	<b>4.76%</b>	<b>4.63%</b>
<b>Investment return (after hedge)</b>	<b>4.10%</b>	<b>4.14%</b>		<b>4.30%</b>	<b>3.93%</b>	<b>3.62%</b>

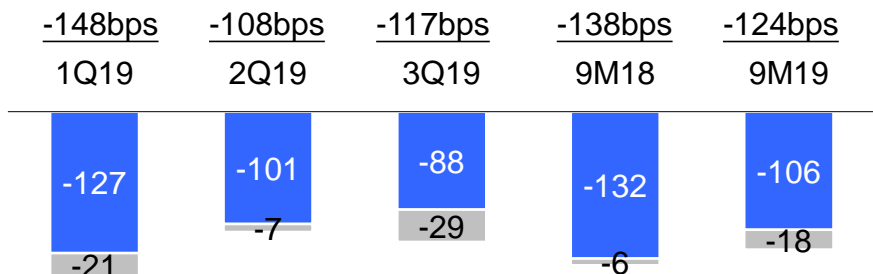
Note: (1) ) Including interest income from fund investments

# Fubon Life: Hedging composition

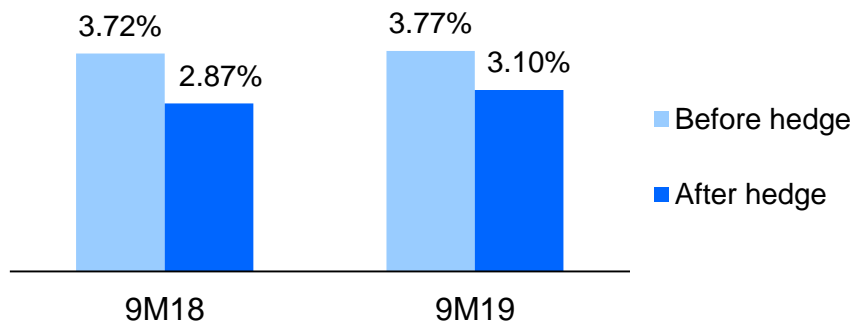
- Recurring hedging costs came down along with narrowing interest spread between Taiwan and US
- With NT dollar strengthening in 3Q19, un-hedged positions as percentage of total FX assets decreased qoq. Dynamic management in hedging composition in response to market conditions
- Increase in recurring return both in pre-hedged and after-hedged basis

## Hedging cost & FX gain/loss

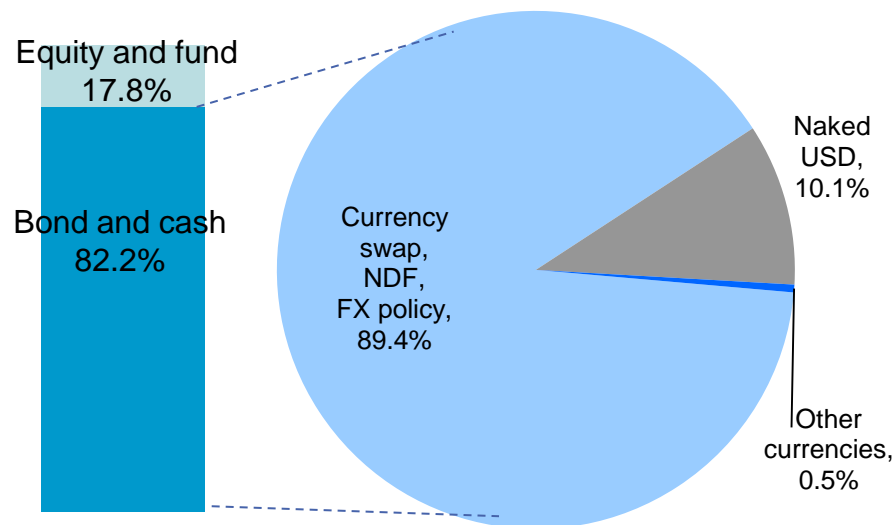
- CS+NDF cost
- FX gain/loss & net provision of FX reserve



## Recurring return



## FX position

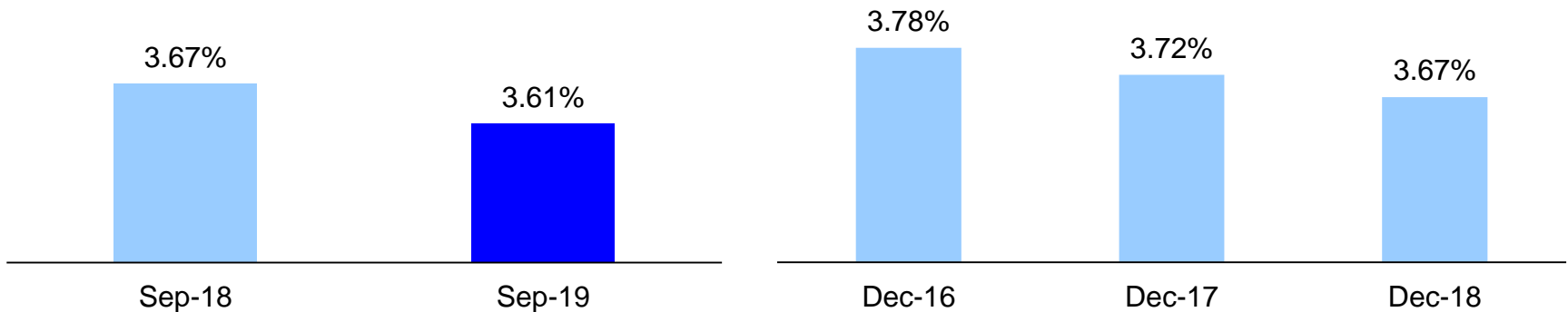




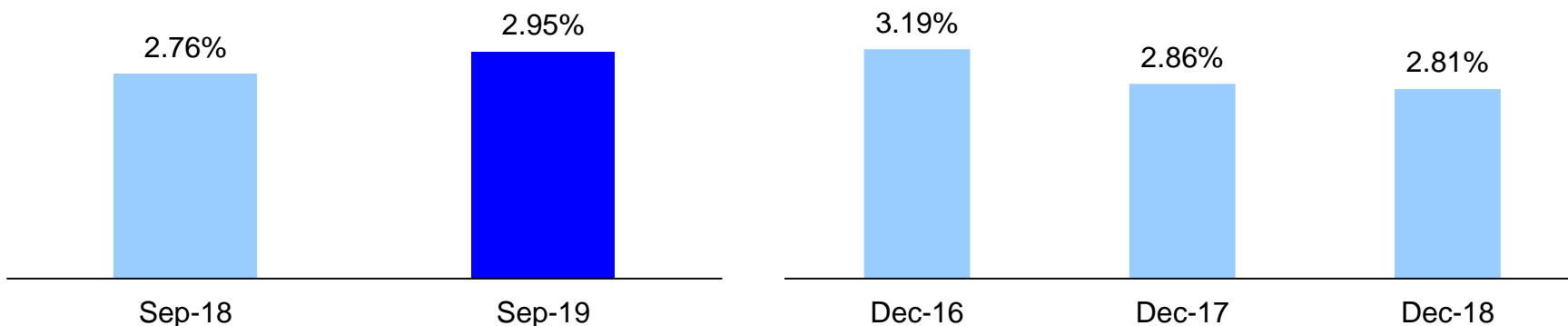
# Fubon Life: Cost of liability & Breakeven point

- 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



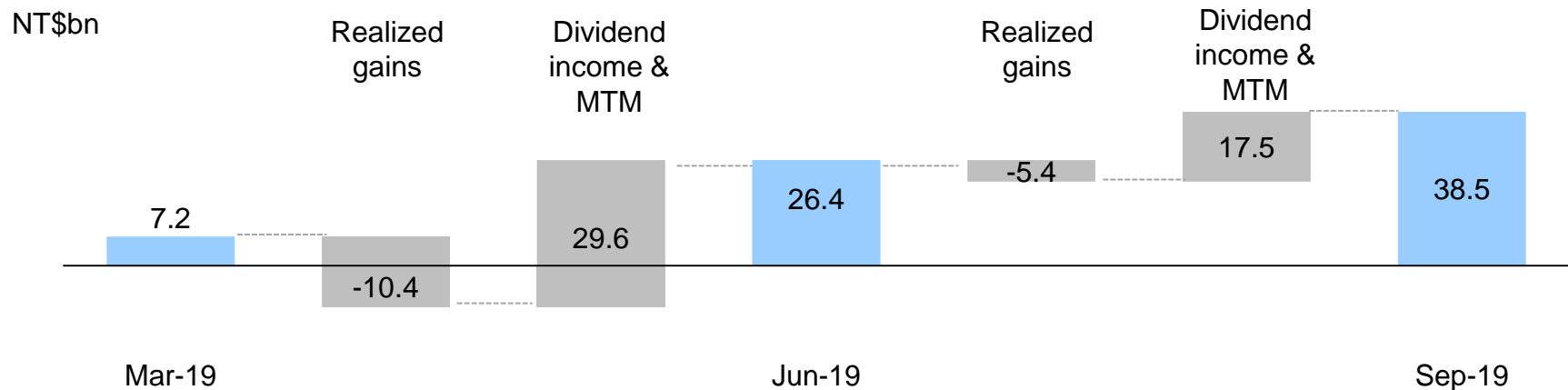
## Breakeven point



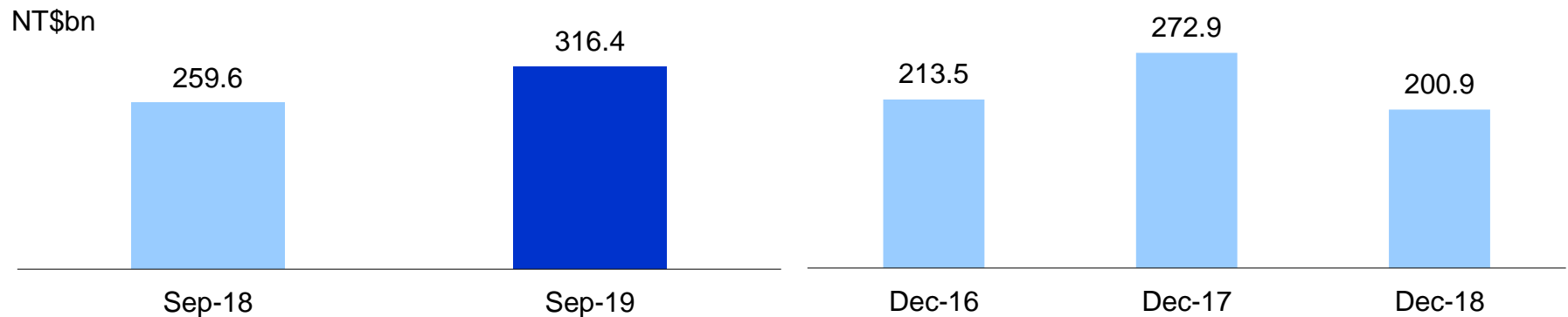
# Fubon Life: Investment performance

- Increase in unrealized balance came from the mark-to-market value appreciation of fixed income and equity 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 Sept 19 was NT\$105.9bn, compared to NT\$58.2bn as of Jun 19.

# Agenda

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Performance review by subsidiary  
**Fubon Insurance**

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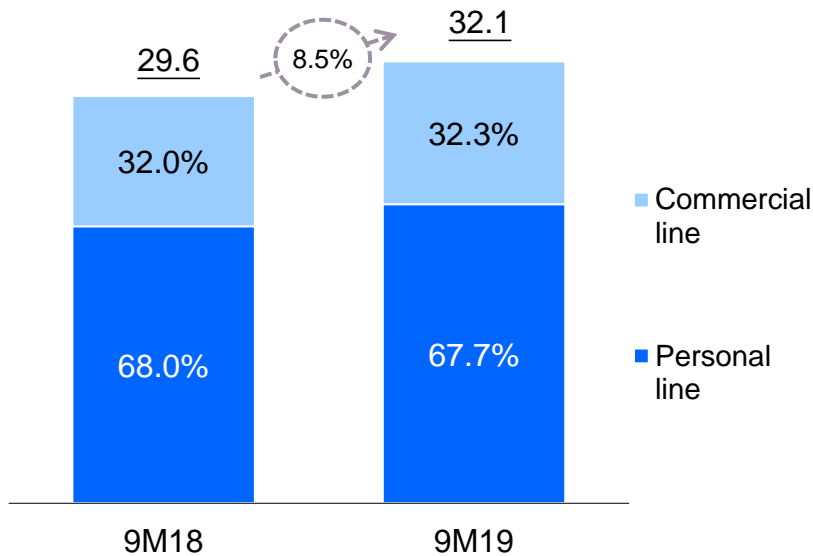


# Fubon Insurance: Operating snapshot

- 8.5% premium growth yoy outperformed the industry average
- Top 1 position with 24.3% market share, 0.4% increase yoy
- Net combined ratio slightly increase while the level remained outstanding

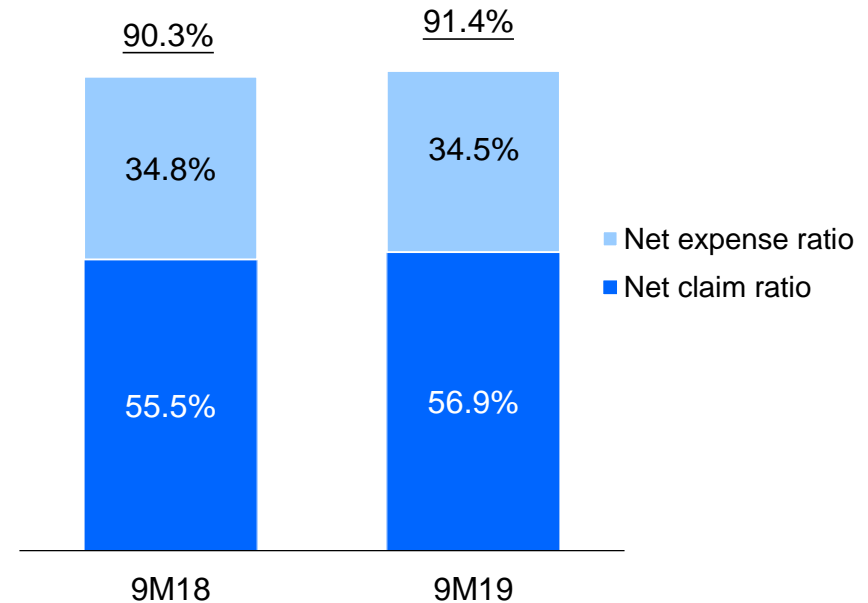
## Direct written premium by product

NT\$bn



Note: Standalone basis

## Net combined ratio



Note: Inclusive of auto compulsory

# Agenda

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Performance review by subsidiary  
**Fubon Securities**

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# Fubon Securities: Operating snapshot

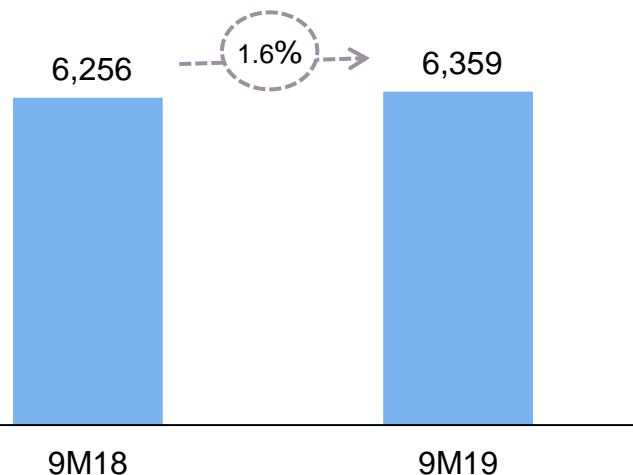
- Top three positions in brokerage and emerging stock trading business
- Fubon Asset Management's AUM of ETF growth 87% yoy
- Revenue up 1.6% yoy due to gains from capital market. Net profits increase 11.7% yoy with one-off expected credit loss recognition in 9M18 from client default in Fubon Futures

## Market share & ranking

	9M19	Ranking	9M18	Ranking
Brokerage	5.38%	3	6.06%	3
Emerging stock trading	20.93%	2	23.32%	2
IPO+SPO Amount	2.63%	9	20.45%	2
AUM of ETF (NT\$m)	217,700	2	116,500	2

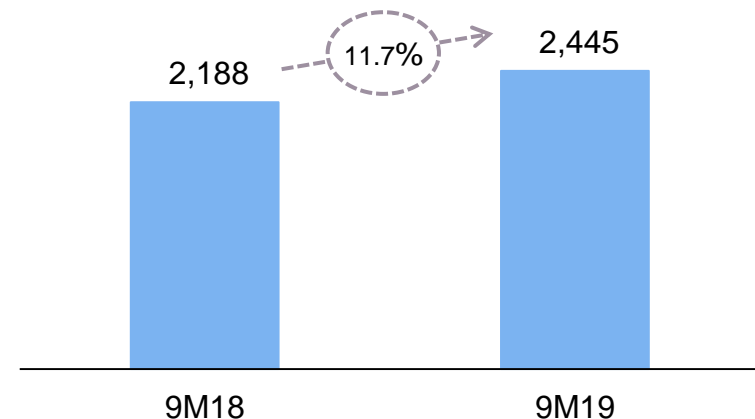
## Operating revenue

NT\$m



## Net profits

NT\$m





# Agenda

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Performance review by subsidiary  
**Fubon Bank China**

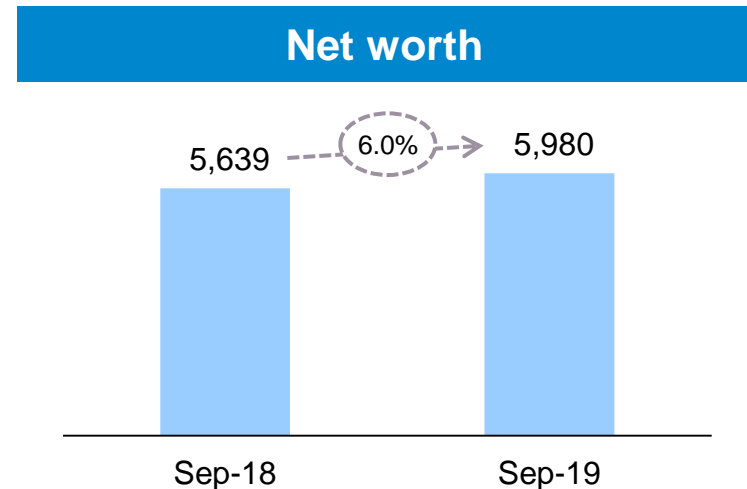
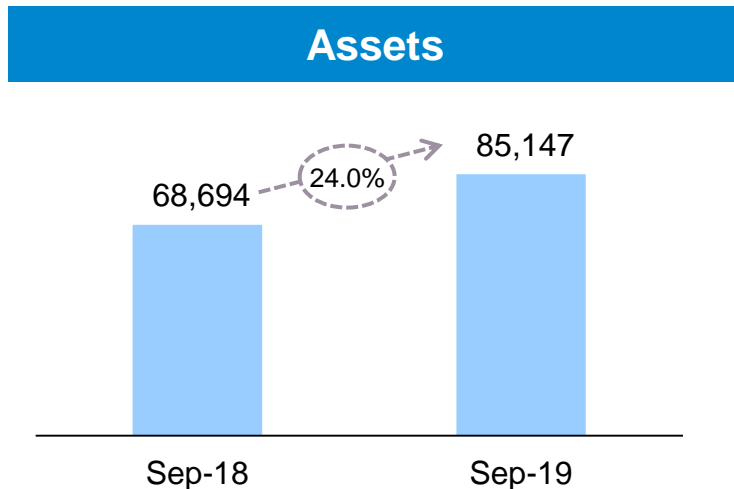
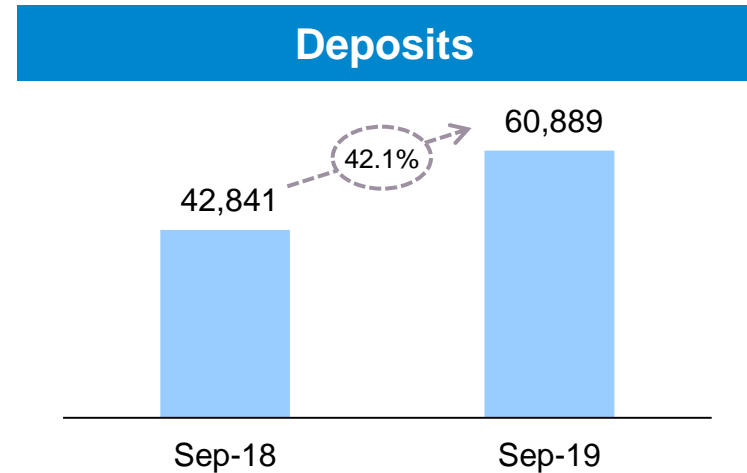
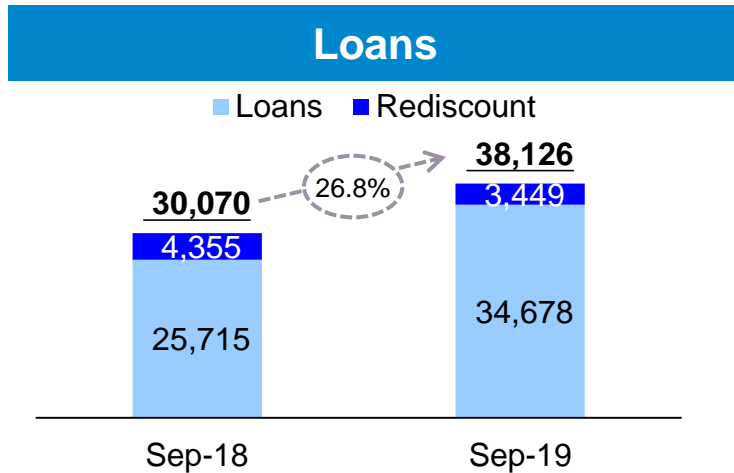
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# Fubon Bank (China): Key balance sheet items

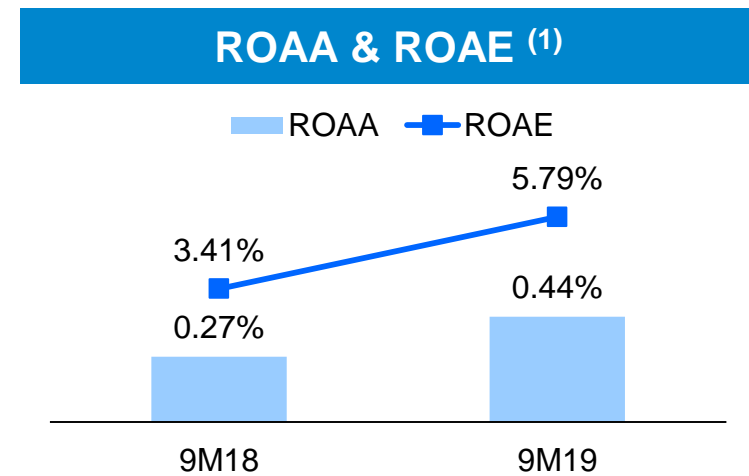
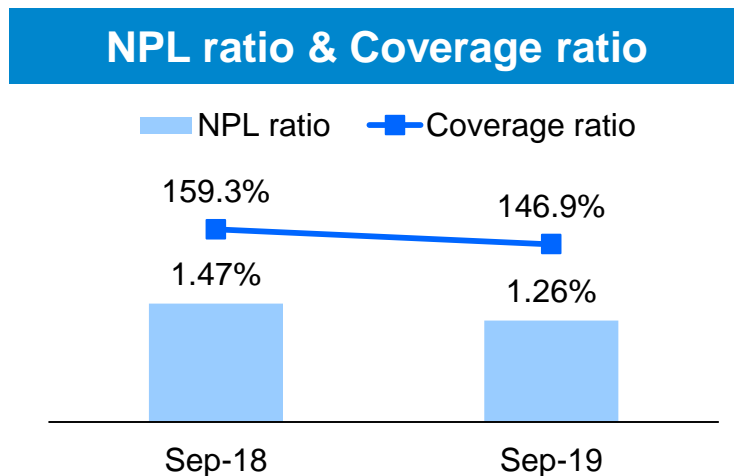
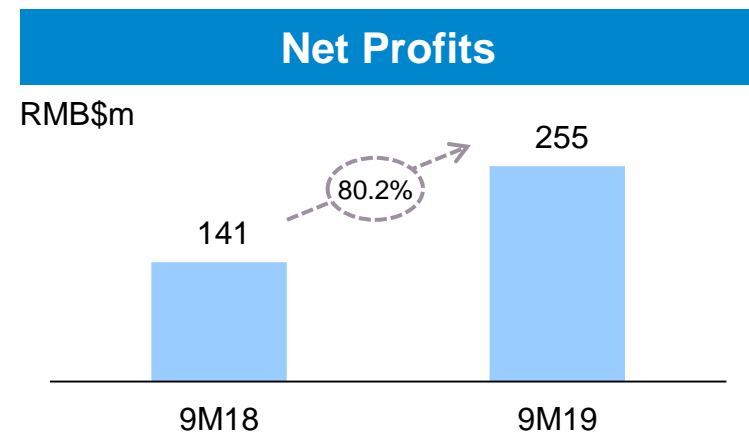
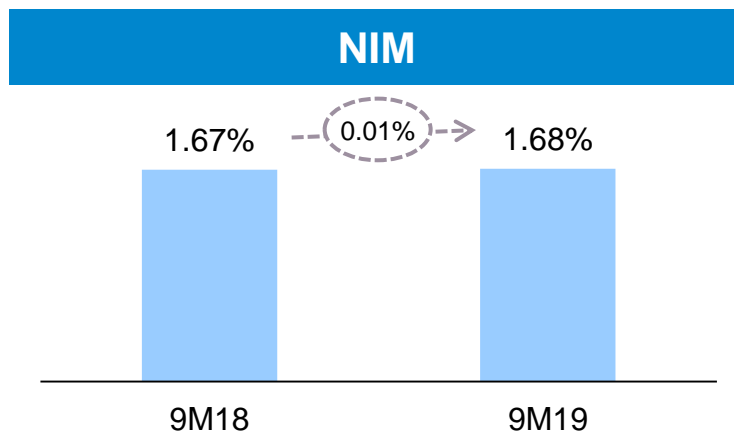
- Balance sheet growth as deposit and loan reached record high level with 42.1% and 26.8% yoy growth, respectively, leading to assets up 24.0% yoy

RMB\$m



# Fubon Bank (China): Financial highlight

- Net profits increased by 80.2% yoy mainly driven by net interest income and treasury activities
- Stable asset quality with NPL ratio down to 1.26%



Note: (1) Annualized basis

# Thank you



Contact IR



Fubon Financial



## Fubon Financial - Financial summary

<i>NT\$ millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b>Income Statement Data</b>									
Net interest income	103,022	95,535	7.8%	34,152	34,338	34,533	129,948	113,212	14.8%
Insurance income	182,650	185,263	-1.4%	84,004	33,919	64,728	235,827	250,970	-6.0%
Net gains (losses) on FX and financial assets	61,114	45,107	35.5%	30,263	18,667	12,183	44,373	40,612	9.3%
Others	(4,440)	3,099	N.M.	(378)	(2,362)	(1,699)	785	1,351	-41.9%
Net revenue	342,347	329,004	4.1%	148,040	84,562	109,745	410,933	406,145	1.2%
Bad debt expense and reserve for guarantee	(1,610)	(843)	90.9%	(347)	(1,134)	(128)	(1,463)	(2,914)	-49.8%
Net change in insurance reserve	(231,431)	(225,055)	2.8%	(101,401)	(50,586)	(79,444)	(293,423)	(289,890)	1.2%
Operating expense	(46,044)	(41,905)	9.9%	(15,636)	(15,570)	(14,838)	(58,432)	(55,290)	5.7%
Income before tax	63,263	61,202	3.4%	30,655	17,273	15,335	57,615	58,051	-0.7%
Net income	54,031	50,162	7.7%	26,259	15,203	12,569	47,721	54,016	-11.7%
Net income to parent company	53,705	50,199	7.0%	26,036	15,168	12,501	47,729	54,122	-11.8%
<b>Balance Sheet Data</b>									
Total assets	8,249,564	7,573,848	8.9%	8,249,564	8,119,735	7,840,013	7,715,060	6,919,454	11.5%
Equity attributable to parent company	581,789	515,227	12.9%	581,789	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	10,234	0.0%
<b>Key Metrics</b>									
ROA	0.90%	0.92%		1.28%	0.76%	0.65%	0.65%	0.81%	
ROE	13.73%	13.22%		18.34%	11.11%	10.01%	9.98%	11.83%	
Equity / assets	7.20%	6.92%		7.20%	6.96%	6.99%	6.08%	7.06%	
Double leverage	111.93%	108.30%		111.93%	111.94%	110.28%	112.09%	115.00%	
Capital adequacy ratio					115.71%		119.21%	129.50%	
Cash dividend per share							2.00	2.30	

## Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b><u>Income statement data</u></b>									
First year premium	168,048	139,045	20.9%	51,067	52,429	64,552	190,379	174,460	9.1%
Retained earned premium	464,223	370,179	25.4%	148,800	159,265	156,159	504,821	479,885	5.2%
Total investment income	123,916	108,630	14.1%	51,883	38,540	33,494	130,738	125,578	4.1%
Recurring investment income	113,024	97,982	15.4%	46,888	35,220	30,916	129,313	114,891	12.6%
Other investment income	10,893	10,648	2.3%	4,995	3,320	2,578	1,425	10,688	-86.7%
Realized gains (losses) from fixed income	23,483	6,881	241.3%	10,867	7,049	5,568	8,833	14,080	-37.3%
Realized gains (losses) from equity	12,490	24,865	-49.8%	1,306	4,572	6,612	26,487	26,094	1.5%
FX and others	(23,202)	(21,966)	5.6%	(6,930)	(7,219)	(9,052)	(34,739)	(29,088)	19.4%
Investment property fair value movement	(1,878)	868	N.M.	(248)	(1,081)	(550)	844	(398)	N.M.
Other income	2,664	2,055	29.6%	861	1,005	798	2,814	2,203	27.7%
Total operating revenue	590,803	480,864	22.9%	201,544	198,810	190,451	638,374	607,666	5.1%
Retained claim payment	291,960	195,405	49.4%	68,291	128,687	94,982	282,453	242,452	16.5%
Net commission expense	22,332	16,921	32.0%	7,244	7,510	7,578	23,764	24,277	-2.1%
Net change in insurance liability	227,886	222,693	2.3%	100,979	48,334	78,574	287,912	291,922	-1.4%
General and administrative expense	14,795	11,891	24.4%	5,018	5,068	4,710	17,174	15,867	8.2%
Other operating costs	2,750	2,342	17.4%	948	880	922	3,308	2,980	11.0%
Total operating costs and expenses	559,723	449,252	24.6%	182,479	190,478	186,766	614,610	577,498	6.4%
Net non-operating income / (expenses)	386	338	14.4%	158	98	131	333	288	15.5%
Income before tax	31,467	31,950	-1.5%	19,222	8,430	3,815	24,097	30,456	-20.9%
Net income	27,773	31,239	-11.1%	16,749	7,883	3,141	24,979	32,488	-23.1%
Net income to parent company	27,430	31,239	-12.2%	16,534	7,828	3,069	24,930	32,488	-23.3%
<b><u>Balance sheet data</u></b>									
Total assets	4,720,621	4,277,806	10.4%	4,720,621	4,615,915	4,495,472	4,385,528	3,662,772	19.7%
Total assets (general account)	4,347,204	3,958,304	9.8%	4,347,204	4,237,221	4,144,290	4,016,093	3,507,557	14.5%
Insurance liabilities	3,847,544	3,549,546	8.4%	3,847,544	3,754,975	3,700,732	3,620,795	3,136,523	15.4%
Total liabilities	4,392,698	4,009,487	9.6%	4,392,698	4,312,339	4,219,626	4,175,279	3,389,882	23.2%
Total liabilities (general account)	4,024,199	3,688,229	9.1%	4,024,199	3,937,216	3,869,907	3,805,434	3,234,667	17.6%
Equity attributable to parent company	316,388	259,625	21.9%	316,388	292,479	265,692	200,859	272,890	-26.4%
<b><u>Key Metrics</u></b>									
ROA	0.81%	1.05%		1.44%	0.69%	0.28%	0.62%	0.93%	
ROE	14.09%	15.37%		21.72%	11.22%	5.24%	10.32%	13.36%	
Equity / Assets	6.95%	6.27%		6.95%	6.58%	6.14%	4.79%	7.45%	
Expense ratio	3.19%	3.21%		3.37%	3.18%	3.02%	3.40%	3.31%	
Persistency ratio - 13th month	96.61%	97.13%		97.13%	96.47%	96.29%	96.95%	97.96%	
Persistency ratio - 25th month	94.96%	96.58%		96.58%	95.36%	96.24%	96.44%	95.09%	



## Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b><u>Income statement data</u></b>									
Interest income	45,835	41,455	10.6%	15,643	15,319	14,873	55,931	45,934	21.8%
Interest expense	(24,686)	(21,649)	14.0%	(8,297)	(8,349)	(8,040)	(29,606)	(22,382)	32.3%
Net interest income	21,149	19,806	6.8%	7,346	6,970	6,833	26,325	23,552	11.8%
Net fee income	10,511	8,584	22.4%	3,745	3,535	3,232	11,135	11,232	-0.9%
Other income	8,224	6,533	25.9%	2,326	2,612	3,285	8,386	7,848	6.8%
Total net revenue	39,884	34,923	14.2%	13,416	13,117	13,351	45,846	42,633	7.5%
Operating expenses	(18,250)	(16,514)	10.5%	(6,206)	(6,109)	(5,934)	(22,912)	(21,188)	8.1%
Pre-provision profits	21,635	18,409	17.5%	7,210	7,008	7,416	22,935	21,445	6.9%
Provision for credit losses	(1,179)	(345)	242.0%	(184)	(947)	(49)	(797)	(2,183)	-63.5%
Income before tax	20,455	18,064	13.2%	7,026	6,062	7,368	22,138	19,262	14.9%
Net income	17,310	15,308	13.1%	5,992	5,169	6,149	18,826	16,931	11.2%
Net income to parent company	16,920	15,142	11.7%	5,854	5,030	6,036	18,619	16,778	11.0%
<b><u>Balance sheet data</u></b>									
Loans and discounts, net	1,486,746	1,379,699	7.8%	1,486,746	1,487,086	1,383,532	1,397,995	1,383,755	1.0%
Deposits and remittances	2,151,827	2,004,766	7.3%	2,151,827	2,145,530	2,040,970	2,032,282	2,067,918	-1.7%
Allowance for loan losses*	16,874	16,438	2.7%	16,874	16,947	16,582	16,632	16,142	3.0%
Total assets	2,868,132	2,687,458	6.7%	2,868,132	2,849,773	2,712,520	2,711,118	2,671,668	1.5%
Equity attributable to parent company	196,629	182,624	7.7%	196,629	191,859	192,608	185,886	178,604	4.1%
<b><u>Key metrics</u></b>									
ROA	0.83%	0.76%		0.84%	0.74%	0.91%	0.70%	0.67%	
ROE	11.80%	11.18%		12.06%	10.47%	12.76%	10.22%	9.50%	
Equity / assets	7.50%	7.47%		7.50%	7.39%	7.80%	7.54%	7.43%	
Cost / income ratio	-45.76%	-47.29%		-46.26%	-46.57%	-44.45%	-49.97%	-49.70%	
NPL ratio*	0.20%	0.19%		0.20%	0.19%	0.18%	0.17%	0.17%	
Reserve / NPL*	660.38%	694.06%		660.38%	687.88%	766.99%	784.68%	764.46%	
Tier 1 ratio*							12.39%	12.11%	
BIS ratio*							13.98%	13.93%	

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

## Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b><u>Income statement data</u></b>									
Direct written premiums	34,712	32,728	6.1%	10,805	12,220	11,687	42,780	40,837	4.8%
Retention of earned premiums	26,550	25,097	5.8%	8,974	8,891	8,685	33,661	32,453	3.7%
Net income from investment	2,679	2,736	-2.1%	1,089	728	862	3,002	2,737	9.7%
Other operating revenue	1,397	1,113	25.6%	543	481	374	1,431	1,285	11.3%
Retained insurance payments	14,881	13,732	8.4%	5,016	5,152	4,714	18,521	17,370	6.6%
Net change in liability reserve	3	(36)	N.M.	9	(111)	104	8	648	-98.8%
Commission and operating expenses	11,526	10,986	4.9%	3,881	3,946	3,699	14,830	14,434	2.7%
Non-Operating Income	(200)	(158)	26.6%	(64)	(84)	(52)	(440)	(276)	59.2%
Income before tax	4,017	4,105	-2.1%	1,637	1,028	1,352	4,294	3,747	14.6%
Net income	3,493	3,586	-2.6%	1,453	860	1,180	3,710	3,338	11.1%
Net income to parent company	3,551	3,677	-3.4%	1,432	926	1,193	3,858	3,631	6.3%
<b><u>Balance sheet data</u></b>									
Total assets	108,124	100,267	7.8%	108,124	105,528	103,321	97,721	97,667	0.1%
Investment assets	73,932	69,270	6.7%	73,932	71,811	71,321	68,033	68,399	-0.5%
Policy reserve	54,127	53,080	2.0%	54,127	53,914	52,595	51,769	51,353	0.8%
Equity attributable to parent company	34,779	31,473	10.5%	34,779	33,537	33,737	30,216	31,241	-3.3%
<b><u>Key Metrics</u></b>									
ROA	4.52%	4.83%		5.44%	3.29%	4.69%	3.80%	3.40%	
ROE	14.57%	15.64%		16.77%	11.01%	14.93%	12.56%	11.95%	
Total investment return	5.03%	5.30%		6.12%	4.15%	4.95%	4.40%	4.11%	
Solvency margin (NWP/equity)	104.77%	111.21%		100.03%	111.84%	109.72%	115.02%	105.49%	
Retention ratio	73.36%	75.04%		73.68%	72.04%	74.45%	75.80%	75.85%	



## Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b>Income statement data</b>									
Brokerage commissions	2,701	3,290	-17.9%	978	915	807	4,208	3,795	10.9%
Net interest income	579	826	-29.9%	177	210	192	1,028	987	4.1%
Fee income	746	619	20.6%	249	240	258	876	689	27.1%
Net principal transactions and financial products gains	674	173	290.2%	91	174	409	(57)	1,124	-105.1%
Other income	1,658	1,348	23.0%	867	457	334	1,604	1,599	0.3%
Total operating revenue	6,359	6,256	1.6%	2,362	1,996	2,000	7,659	8,194	-6.5%
Total operating expense	(4,566)	(4,490)	1.7%	(1,579)	(1,485)	(1,502)	(6,035)	(5,962)	1.2%
Net non-operating income / (expenses)	893	720	24.1%	353	231	310	876	785	11.6%
Income before tax	2,686	2,485	8.1%	1,137	741	808	2,500	3,017	-17.1%
Net income	2,445	2,180	12.2%	1,045	662	738	2,080	2,806	-25.9%
Net income to parent company	2,445	2,188	11.7%	1,045	662	738	2,090	2,817	-25.8%
<b>Balance sheet data</b>									
Margin loans	10,776	12,753	-15.5%	10,776	10,125	11,210	9,949	14,420	-31.0%
Total assets	138,697	133,094	4.2%	138,697	139,464	137,496	123,228	125,210	-1.6%
Equity attributable to parent company	36,949	35,938	2.8%	36,949	36,243	36,602	35,427	33,755	5.0%
<b>Key Metrics</b>									
ROA	2.49%	2.25%		3.01%	1.91%	2.26%	1.67%	2.48%	
ROE	9.01%	8.37%		11.42%	7.27%	8.20%	5.94%	8.49%	
Equity / assets	26.64%	27.00%		26.64%	25.99%	26.62%	28.75%	26.96%	
Expenses / revenues	-71.80%	-71.78%		-66.83%	-74.38%	-75.10%	-78.80%	-72.76%	
Margin loans / total assets	7.77%	9.58%		7.77%	7.26%	8.15%	8.07%	11.52%	
Margin loans / shareholders' equity	29.16%	35.49%		29.16%	27.94%	30.63%	28.08%	42.72%	

## Fubon Bank (China) - Financial Summary

<i>RMB millions, except for percentages</i>	9M19	9M18	YoY	3Q19	2Q19	1Q19	2018	2017	YoY
<b>Income Statement Data</b>									
Interest income	2,507	2,180	15.0%	883	849	774	2,919	2,692	8.4%
Interest expense	(1,652)	(1,440)	14.8%	(590)	(569)	(493)	(1,907)	(1,786)	6.8%
Net interest income	855	741	15.4%	293	280	282	1,012	907	11.6%
Net fee income	17	37	-52.6%	9	4	4	44	83	-46.7%
Other income	163	(47)	N.M.	53	35	76	(32)	(37)	-13.6%
Operating expenses	(616)	(541)	13.9%	(210)	(188)	(219)	(768)	(658)	16.6%
Pre-provision profits	419	189	122.1%	145	131	143	256	293	-12.7%
Provision for credit losses	(82)	(12)	606.4%	(26)	(21)	(35)	(27)	(17)	56.5%
Income before tax	338	177	90.4%	119	110	108	230	276	-17.0%
Net income	255	141	80.2%	91	83	81	180	220	-18.2%
<b>Balance Sheet Data</b>									
Loans	38,126	30,070	26.8%	38,126	35,790	33,186	30,649	29,206	4.9%
Deposits	60,889	42,841	42.1%	60,889	54,656	48,266	46,198	44,529	3.7%
Total asset	85,147	68,694	24.0%	85,147	83,030	72,868	70,793	71,723	-1.3%
Total equity	5,980	5,639	6.0%	5,980	5,876	5,821	5,763	5,409	6.5%
<b>Key Metrics</b>									
ROA	0.44%	0.27%		0.43%	0.43%	0.45%	0.25%	0.32%	
ROE	5.79%	3.41%		6.13%	5.68%	5.58%	3.23%	4.12%	
Equity / assets	7.02%	8.21%		7.02%	7.08%	7.99%	8.14%	7.54%	
Cost / income ratio	-52.68%	-74.13%		-59.16%	-58.87%	-60.37%	-74.98%	-69.17%	
NPL ratio	1.26%	1.47%		1.26%	1.29%	1.36%	1.38%	1.44%	
Reserve / NPL	146.92%	159.26%		146.92%	147.43%	149.50%	150.69%	177.49%	
Loan to deposit ratio (Renminbi)	77.23%	74.81%		77.23%	76.63%	74.33%	72.32%	72.16%	
Tier 1 ratio	10.53%	11.92%		10.53%	10.35%	11.25%	11.70%	11.49%	
BIS ratio	14.47%	12.48%		14.47%	14.28%	13.63%	14.18%	12.19%	