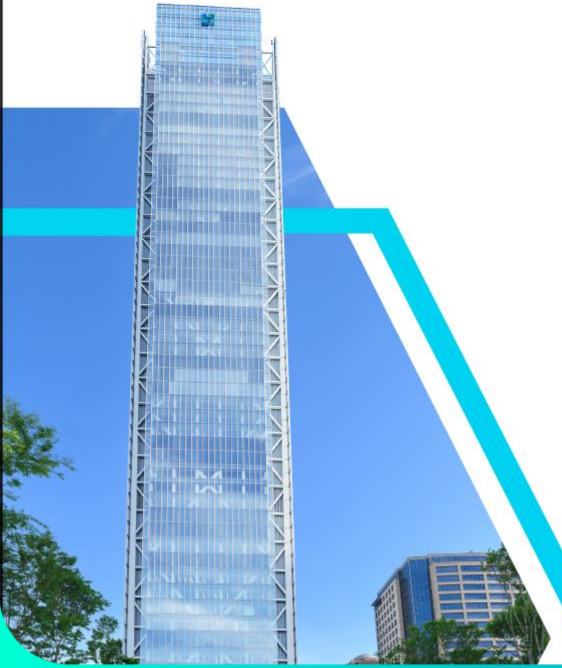
Fubon Financial

Investor Meeting

Year 2024 Financial Results



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From holding company's perspective

Fubon’s value proposition for investors

- **Leading market position across banking, life, securities, and P&C in Taiwan financial sector**
  - Balanced business portfolio with strong market presence
  - Experienced management team in financial sector
- **Dividend payment track record**
  - Considerations on dividend payout including capital position, business and market development
  - Capital management through earning accumulation and reallocation of capital among subsidiaries
- **ESG achievement**
  - Selected to DJSI Sustainability Yearbook and ranked top 7 among global insurers
  - “AA” MSCI ESG rating in global insurance sector
  - Promotion of low-carbon economy

Fubon Financial Holdings: Market position

- Leading market position across major business lines

Fubon Life

	Market ranking	Market share
Total premium	2	14.9%
First year premium	2	13.1%
First year premium equivalent	2	16.3%

Fubon Insurance

	Market ranking	Market share
Direct written premium	1	23.9%
Commercial line	1	24.7%
Personal line	1	23.4%
Premium through online channel	1	37.0%

Taipei Fubon Bank

	Market ranking (Overall / private banks)	Market share
Deposit balance	6 / 3	5.8%
Loan balance	10 / 4	5.4%
Mortgage	5 / 2	6.4%
Active cards	2	14.8%

Fubon Securities(1)

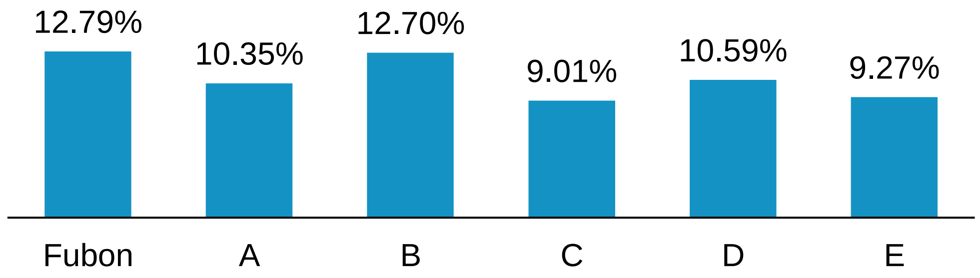
	Market ranking	Market share
Brokerage	3	7.14%
Margin loans	2	9.78%
Securities lending	2	18.40%

Note: (1) Market ranking of securities sector does not include foreign ones

Long-term ROE of the FHC

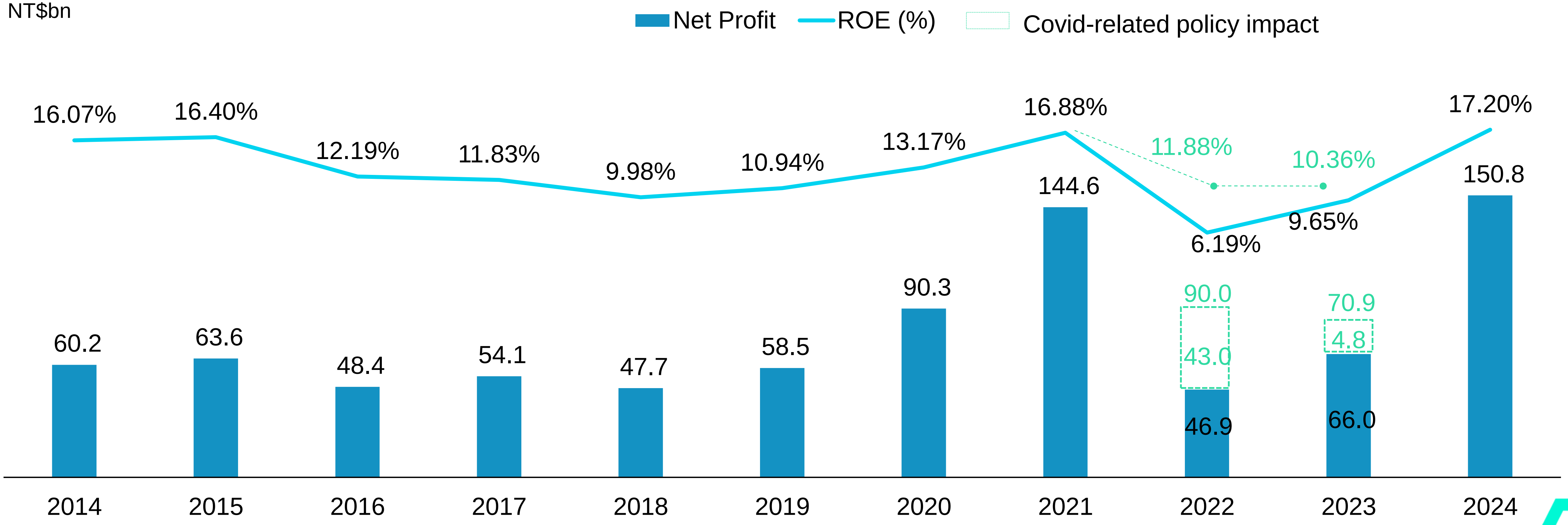
- Long-term ROE target over 10%
- The average ROE during 2014-2024 outperformed major peers

FHC's average ROE during 2014-2024



Note: Comparison of top 6 FHC by market capitalizations

Net profit and ROE of Fubon FHC



Dividend track record of holding company

- Aim for long-term sustainable dividend policy
- Diversified source of earnings upstream from subsidiaries to holding company

Dividend history

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cash dividend (NT$)	3.0	2.0	2.0	2.3	2.0	2.0	3.0	3.5	1.5	2.5
Stock dividend (NT$)	-	-	-	-	-	-	1.0	0.5	0.5	0.5
Cash payout ratio	50.9%	32.2%	42.3%	44.3%	44.2%	36.6%	35.1%	28.0%	42.4%	52.1%
Total payout ratio							46.8%	32.0%	56.5%	62.5%
Cash dividend yield[1]	4.8%	5.2%	4.3%	4.4%	4.5%	4.6%	4.1%	5.6%	2.5%	3.3%

Note: (1) Dividend yield is based on average stock price of June in the following year

Capital position

- All subsidiaries maintain adequate capital position

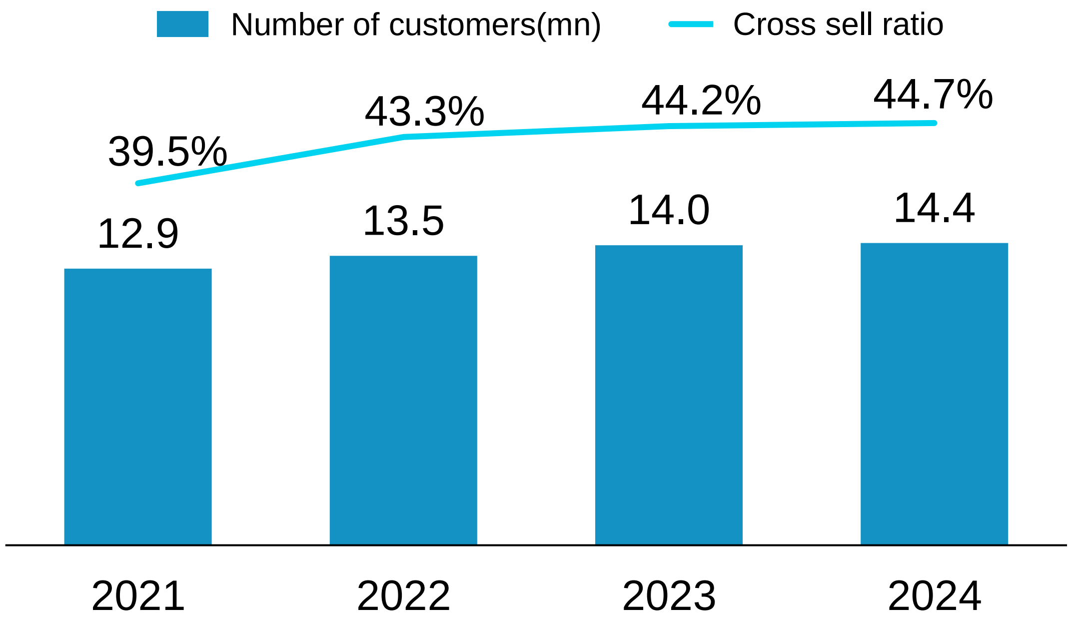
Capital ratio by subsidiary					
		2022	2023	2024	Regulatory requirements
Fubon Financial	CAR	125.3%	128.9%	141.1%	100.0%
Fubon Life	RBC	315%	336%	388%	200.0%
Taipei Fubon Bank[1]	Tier 1	13.0%	14.2%	13.4%	10.5%
	CAR	15.5%	16.4%	15.4%	12.5%
Fubon Securities	CAR	361%	362%	361%	150.0%
Fubon Insurance	RBC	-37%	278%	335%	200.0%
Fubon Bank (HK)[2]	Tier 1	16.2%	16.6%	17.7%	9.0%
	CAR	16.9%	17.2%	18.4%	11.0%
Fubon Bank (China)	Tier 1	12.0%	12.4%	12.0%	8.5%
	CAR	15.3%	14.5%	14.2%	10.5%

Note: (1) Standalone basis (2) Cost basis for CAR calculation

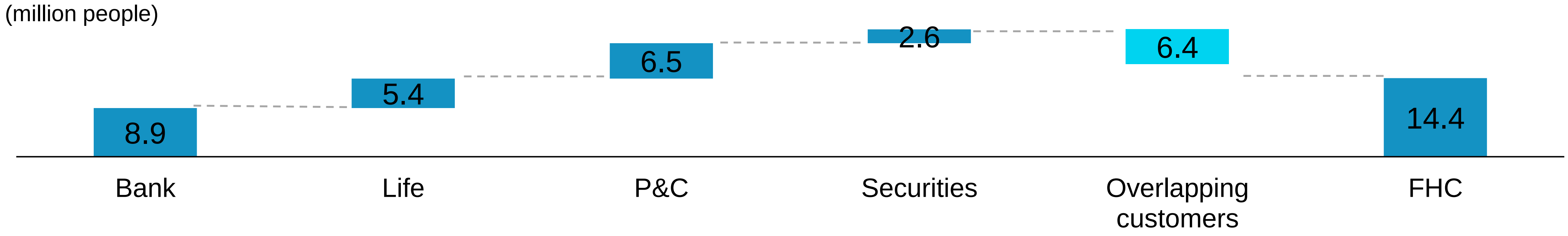
Cross-selling synergy

- Corporate culture to support cross-sale
- Dedicated team on data analytics looking for opportunities
- Working on fintech solutions to facilitate cross-sale, customer service and personal data protection requirements

% of customers that have multiple business relations with Fubon



Customer base of over 14mn: Over half of population in Taiwan



Note: Data as of Dec 2024

Vision in ESG

A leader in corporate sustainability to deliver positive impact toward common good

Low Carbon

Sustainability Transition

Enhance clients' ESG performances and build up low-carbon operation through sustainable finance products services

Digitalization

Best Financial Services

Apply technologies to develop user-friendly innovative services and experiences to meet the demand of customers

Fubon's ESG Strategies

Motivation

Employee Care

Create a friendly and healthy workplace with diversity and equality

Influence

Positive Impact

Connect foundations of the group to deliver positive impact

ESG Strategies and Actions in Four Dimensions

• Decarbonization

- ✓ The amount of green finance in 2024 reached NT$2.5tn
- ✓ Taipei Fubon Bank is the 1st in Taiwan's financial industry to assist corporate clients in green energy purchase
- ✓ Fubon Life has been recognized by MoEA for 7 consecutive years with the "Buying Power" Award
- ✓ No. of sustainability loss prevention service cases reached 661 in Fubon Insurance in 2024

• Digitalization

- ✓ Taipei Fubon Bank launched new mobile app, Fubon+, to consolidate asset and liability analysis across bank, life, and securities
- ✓ Taipei Fubon Bank's AI anti-fraud model, Eagle Eye, and its alliance received 22 awards and multiple patents
- ✓ Goals in digitalization (growth or application rate) mostly achieved in 2024

• Empowerment

- ✓ Upgrade of employee stock ownership trust program and childbirth & child raising incentive measures
- ✓ Constituent of the Taiwan High Compensation 100 Index
- ✓ Fubon Sustainability Club launched in-house joint learning

• Connection

- ✓ Fubon Museum, founded in May 2024, has over 200k visitors throughout the year
- ✓ Participants of education promotion reached over 4mn in 2024 by various online audio/visual modes to reach out widely: organizing Very Fun Park, Young Voice Website, momo mini Family Theater, etc
- ✓ Top among corporates with 11 awards of Sports Activists by Ministry of Education

Fubon Life

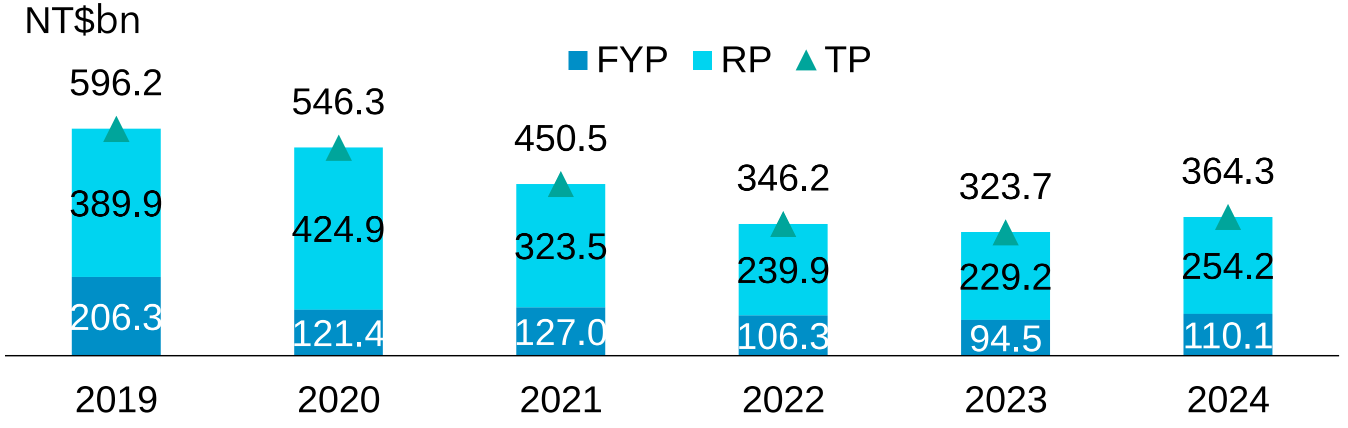
Highlight on Fubon Life

- **Preparing for IFRS 17 and TW-ICS adoption**
  - Relative lower COL and track record in earnings is Fubon’s advantage in IFRS 17 and TW-ICS adoption
  - Capital preservation from decent earning performance over the years, led to well-capitalization
- **Underwriting value accretion in Fubon Life**
  - Transition toward higher value product including regular-paid and protection policy
  - Leading position in participating policies
  - Channels strategy focus on internal ones with leading position in bancassurance
- **Investment in Fubon Life**
  - Positive spread between COL and investment return
  - Track record in FX management

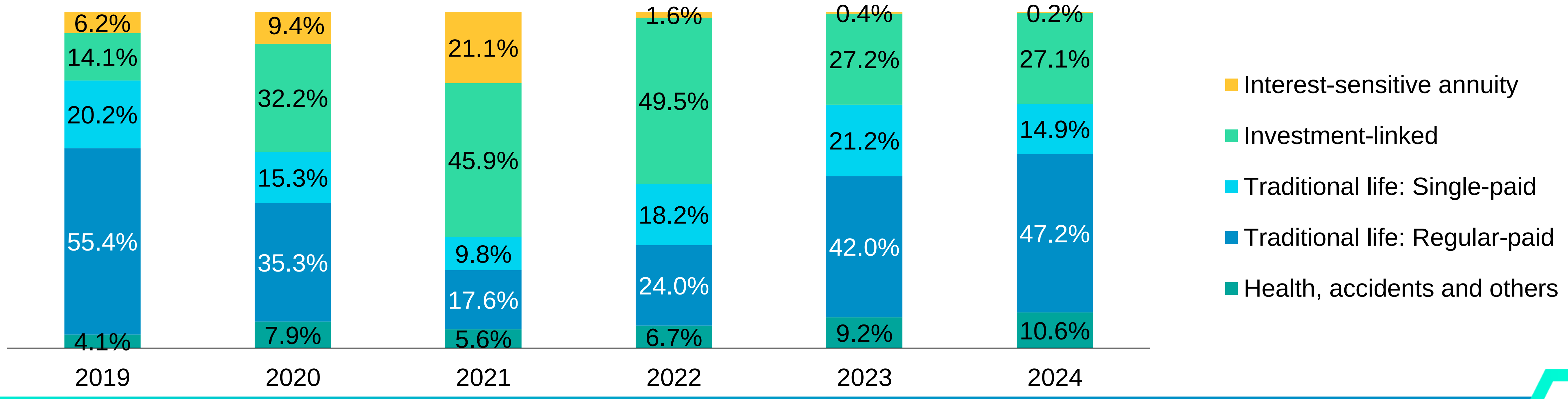
Premium composition of Fubon Life

- Agility in product strategy to accumulate CSM. Total premium started to recover and FYP ranked the 2nd among peers

Total premium mix



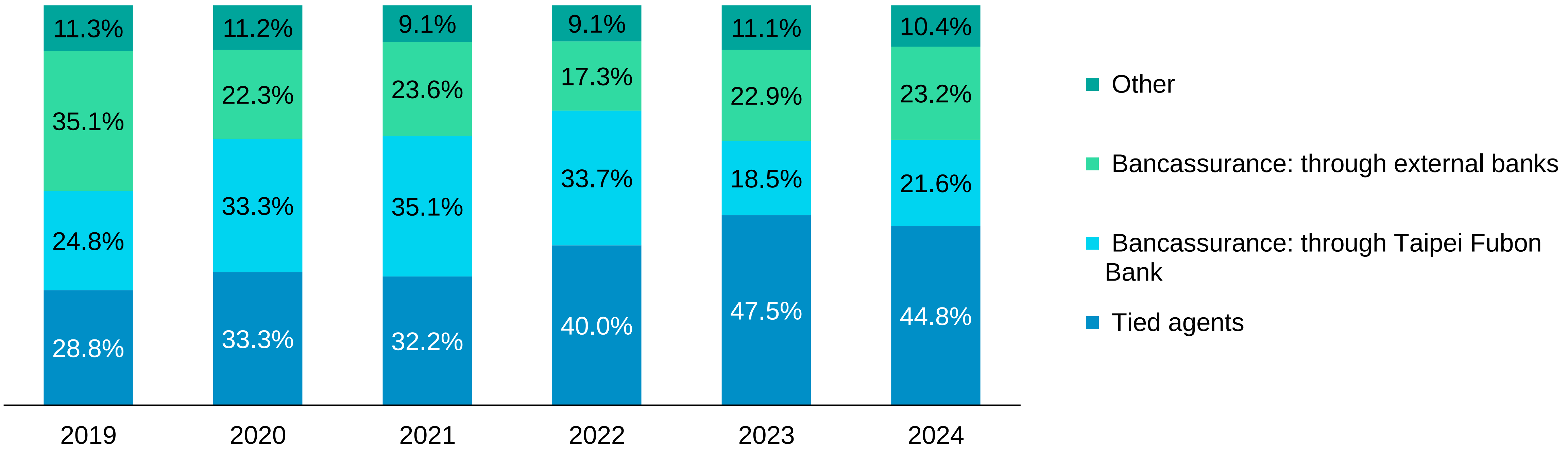
FYP mix



Premium by channel of Fubon Life

- Internal channels, including tied agents, Taipei Fubon Bank and other subsidiaries, are major contributors of FYP
- FYP from bancassurance topped the industry

FYP mix by channel



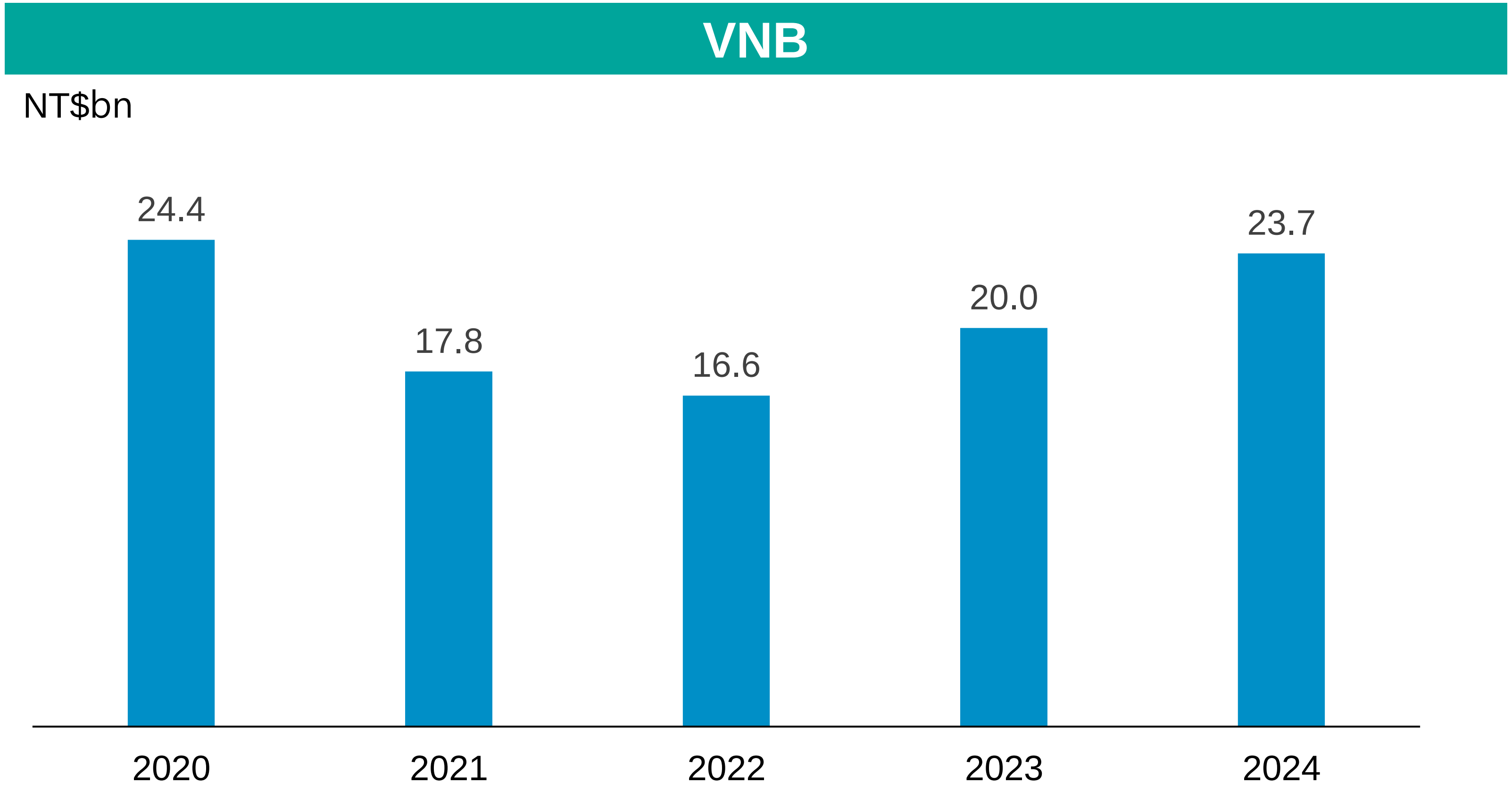
Highlights of participating policies

Goals	• Aim to share profits and risks with the policyholders to enhance the Company's long-term competitiveness • Steady premium inflow from product diversification
Product design	• Dividend distribution in the following year based on the results of participating (par) policies pool
Value creation	• FYP growth along with insurance demand from retirement and inheritance planning • Value in force (VIF) to grow steadily with a higher persistency expectation. VNB and VNB margin may be lower than typical interest-sensitive life policy, as par's value recognition is subject to the timing of dividend distribution • A balanced source of value contribution with existing products. Accounting treatment(Note) under IFRS 17 will stabilize the overall financial impact
Capital requirement	• The current RBC mechanism does not take into account the risk absorption characteristics of participating policies • Under TW-ICS, the capital requirement would be lowered considering the risk sharing mechanism

Note: Variable Fee Approach (VFA)

Value of new business (VNB)

- VNB grew 18.7% YoY in 2024 on back of the product mix adjustment and the increase in sales of regular-paid products

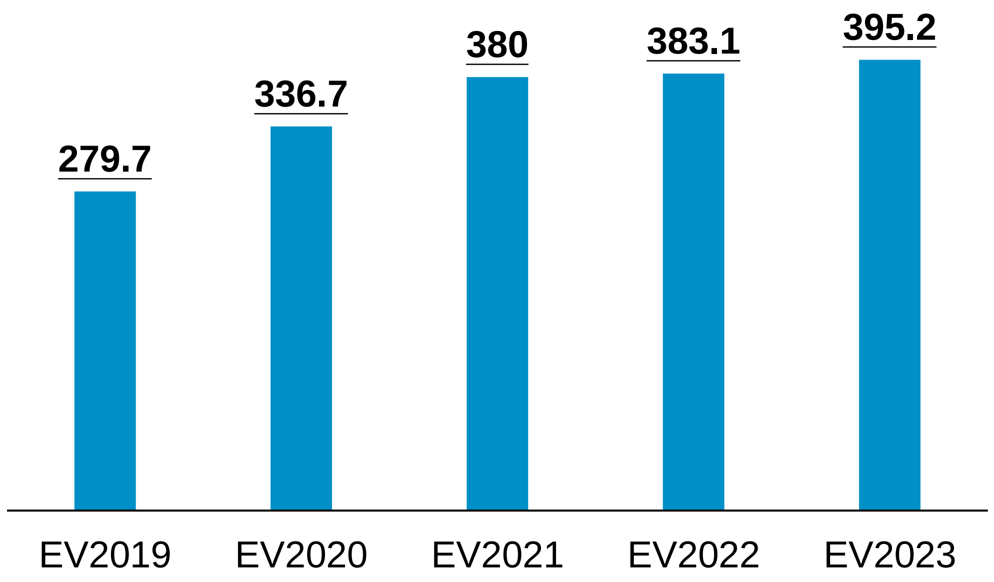


Growth in value

- Embedded value increased in 2023 was due to profit contribution, recovery of stock position valuation and VNB growth

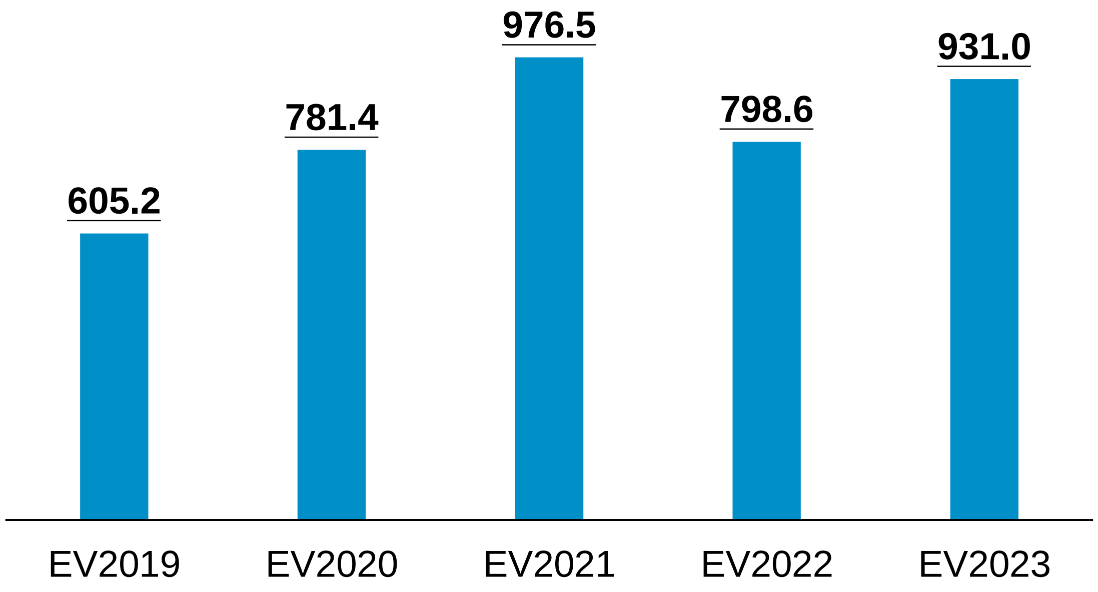
Value of in-force (VIF)

NT$bn



Embedded value

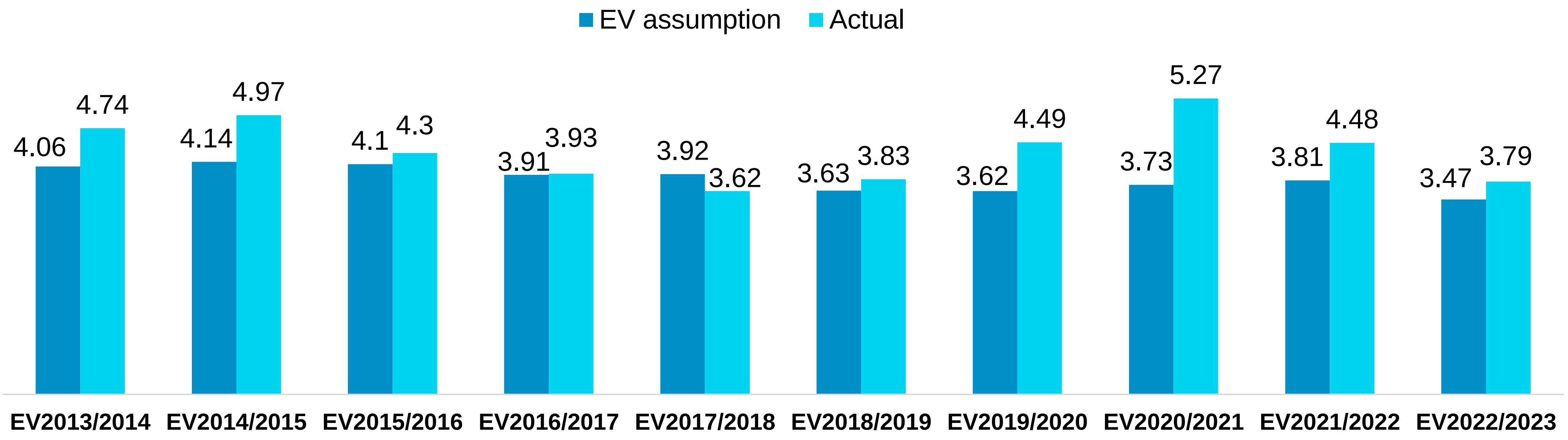
NT$bn



Prudency in investment assumptions

- Actual investment return outperformed EV assumption except for year 2018

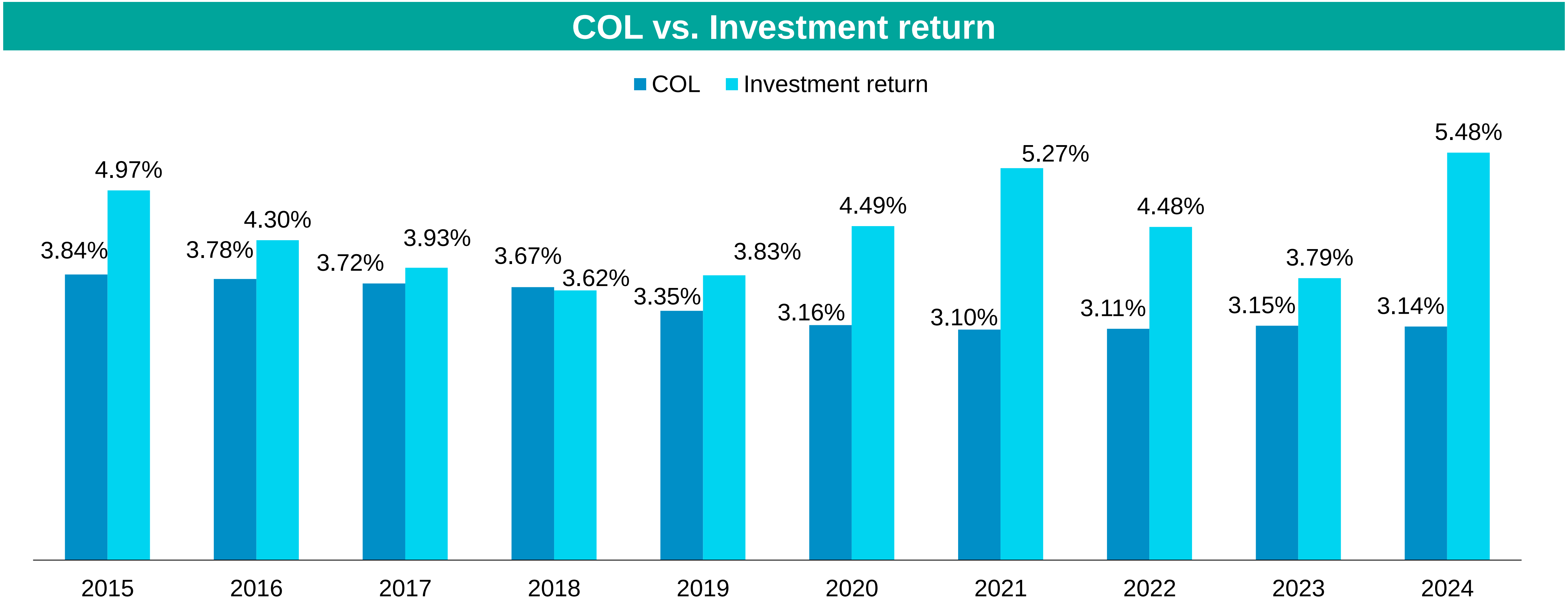
Investment return: Actual results and EV assumption



Unit: %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Investment return	4.74	4.97	4.3	3.93	3.62	3.83	4.49	5.27	4.48	3.79
Recurring return	3.57	3.7	3.34	3.01	2.74	2.98	3.07	2.91	3.03	2.50
Capital gain	1.17	1.27	0.96	0.92	0.88	0.85	1.42	2.36	1.45	1.29

Aim to deliver positive spread

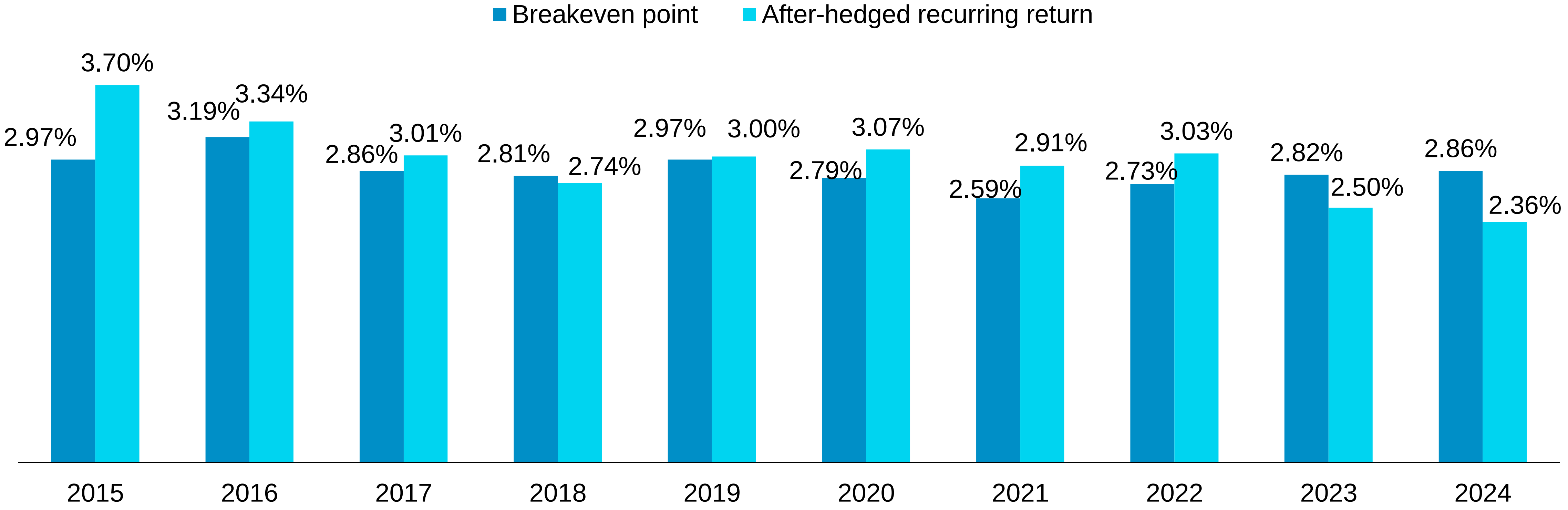
- The investment return was higher than the COL at most times in the last 10 years



Aim to deliver positive spread

- The recurring return was higher than the breakeven point at most times in the last 10 years
- Recurring return before and after hedge decreased in 2024 due to high hedging cost and reduced dividend income

Breakeven point vs. Recurring return (post hedge)

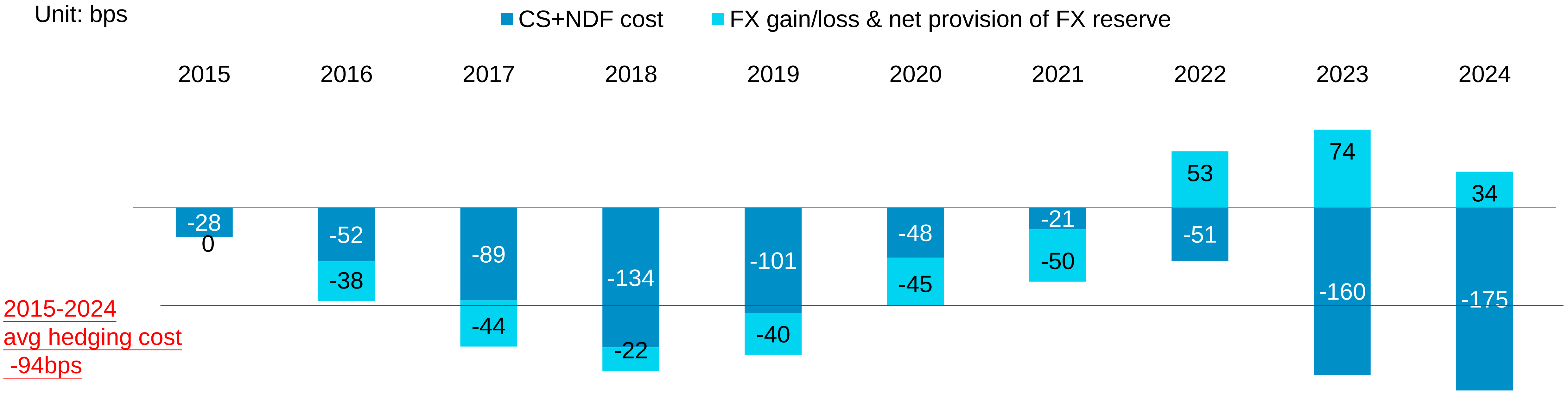


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Recurring return (before hedge)	3.86%	3.65%	3.56%	3.60%	3.61%	3.38%	3.04%	3.36%	3.53%	3.51%

Track record in hedge management

- The average of hedging cost and FX gain/loss was -94bps in the last 10 years

Hedging cost & FX gain/loss

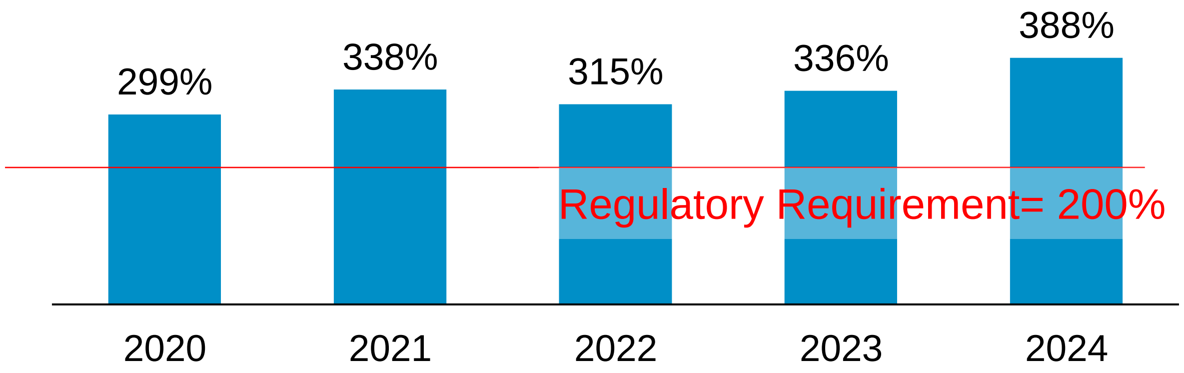


Hedging cost (bps)	-28	-90	-133	-156	-141	-93	-71	+2	-85	-141
Fully hedged %	75.6%	76.9%	81.0%	76.1%	73.7%	72.1%	75.0%	70.2%	73.7%	62.6%

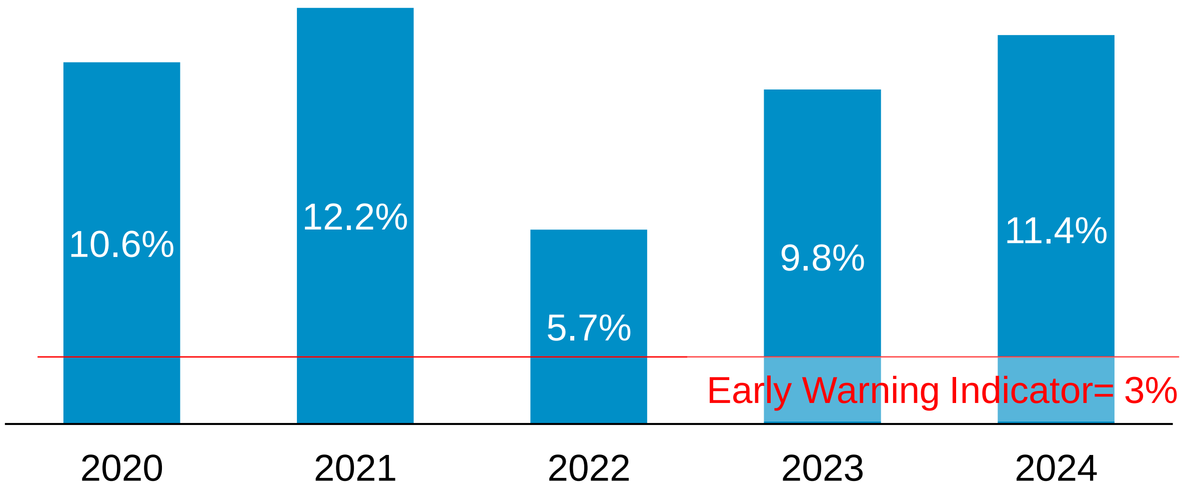
Capital management in Fubon Life

- Capital accumulation in preparation for IFRS 17 adoption
- Equity-to-asset and RBC ratio remained benign in a volatile market

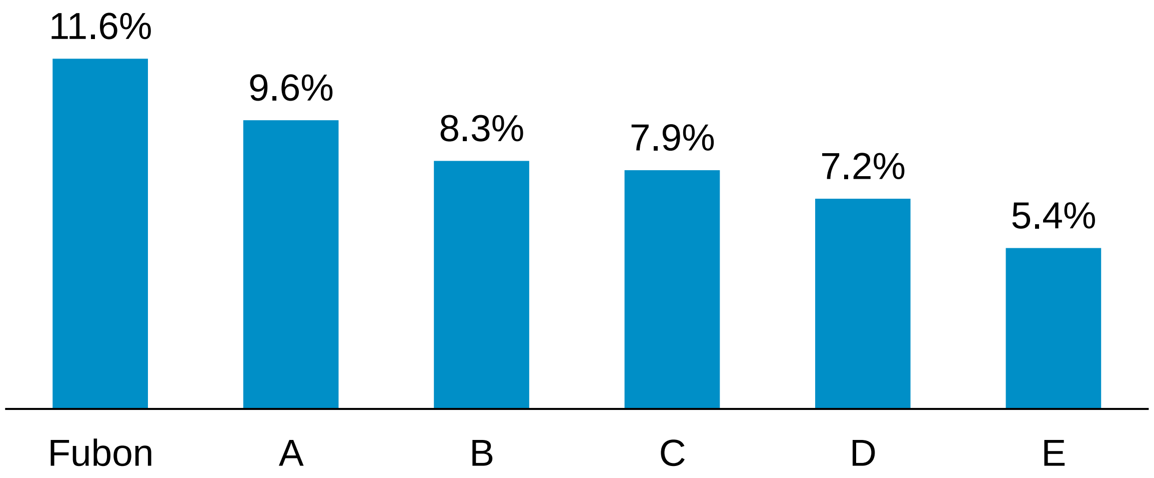
Fubon Life's RBC ratio



Equity-to-asset



Peer equity-to-asset

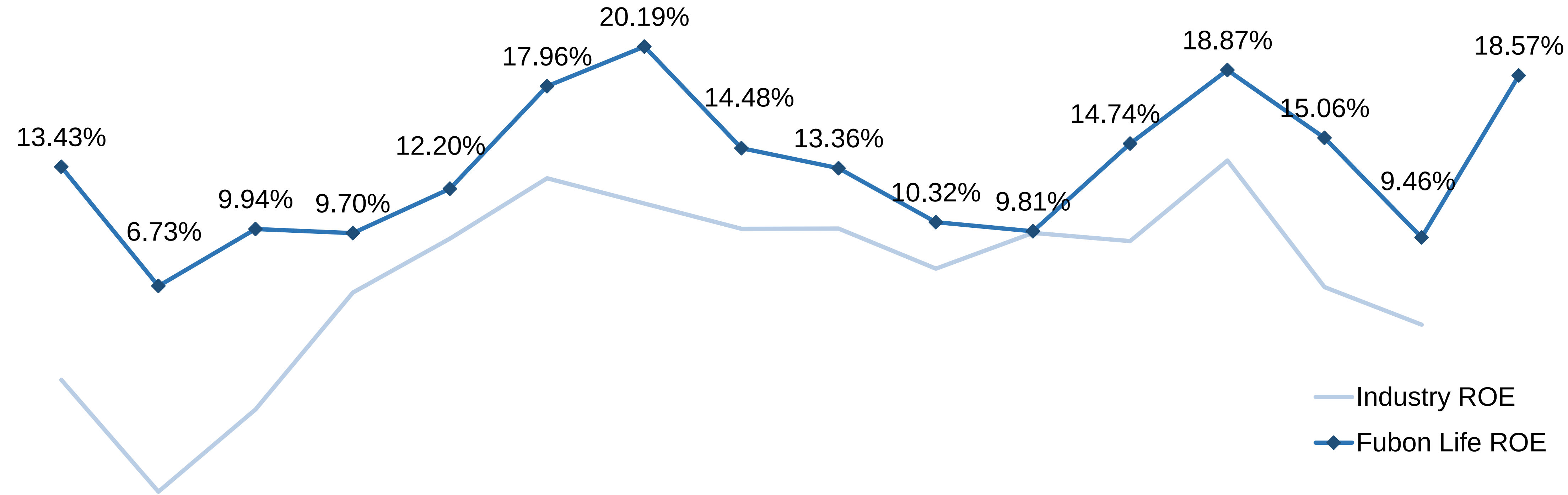


Note: Comparison of top 6 life insurance companies as of 3Q24, peer's data for 4Q24 has yet been released

Long-term ROE

- Fubon Life's ROE consistently higher than industry average

ROE comparison

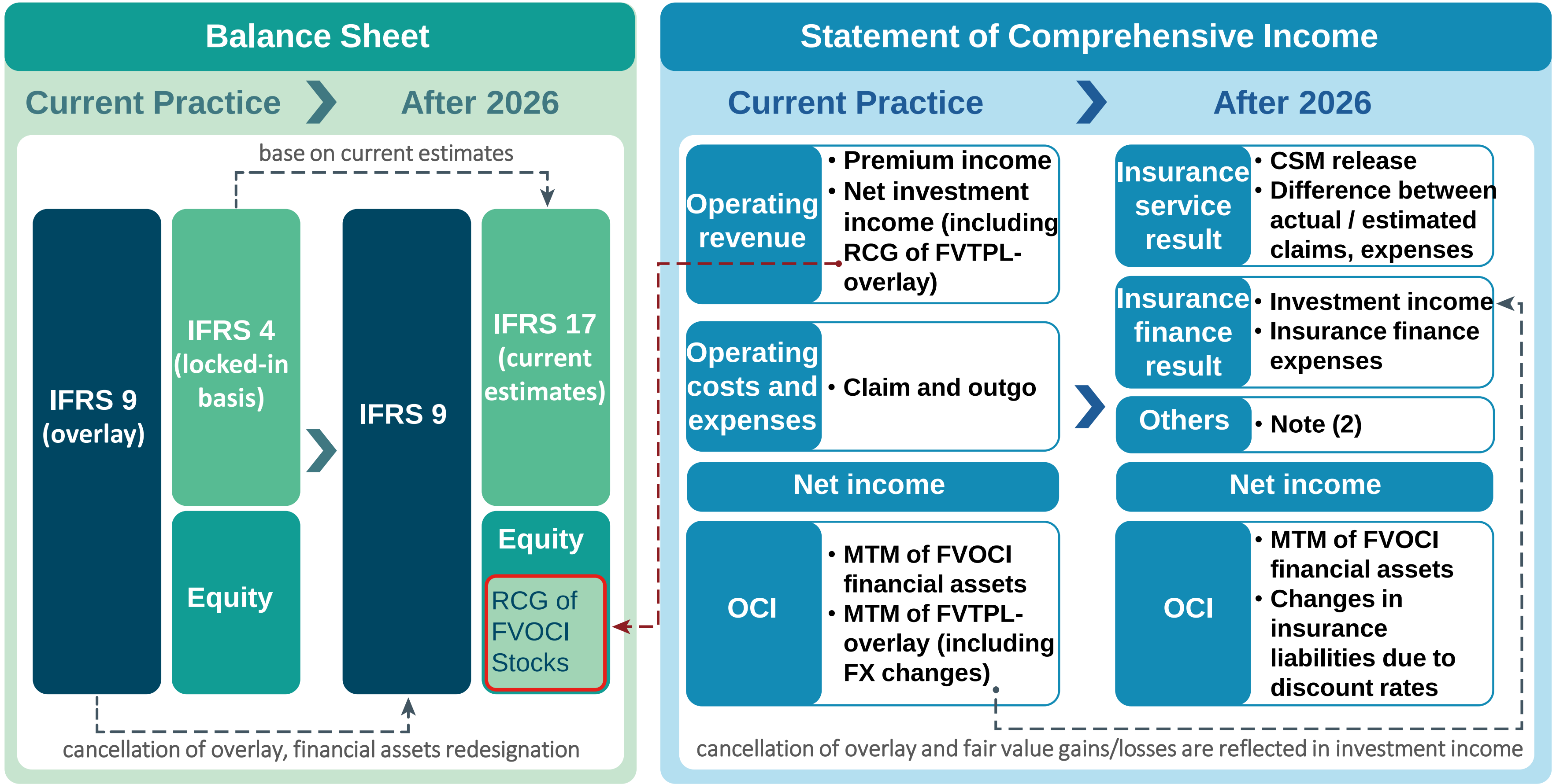


ITEM	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fubon Life ROE	13.43%	6.73%	9.94%	9.70%	12.20%	17.96%	20.19%	14.48%	13.36%	10.32%	9.81%	14.74%	18.87%	15.06%	9.46%	18.57%
Industry ROE	1.46%	-4.83%	-0.20%	6.36%	9.40%	12.79%	11.37%	9.95%	9.96%	7.71%	9.72%	9.26%	13.79%	6.67%	4.55%	-

Note：industry data for FY24 has yet been released

IFRS 17: The Essence of Life Business Remains

- Transparent profit sources from the insurance service result and the insurance financial result under IFRS 17
- Liabilities reflect current rates and assumptions. CSM represents unearned profits that will be released into revenue as policy services are provided
- Cancellation of overlay approach in financial assets accounting. Redesignation of financial assets upon IFRS 17 adoption
- RCG of FVOCI stocks booked in retained earnings (red box below) also part of the source for dividend payout



Note: (1) the locked-in basis and current estimates include interest rates and other assumptions; (2) including revenue and expenses not related to IFRS 17

Preparation of IFRS 17 and TW-ICS Adoption

- Adjust product mix and increase the sales of regular-paid products
- Launch participating policies ahead of peers since 2023, reduce the capital requirements under TW-ICS and accumulate CSM
- Well-capitalization from decent investment result and earnings performance over the years

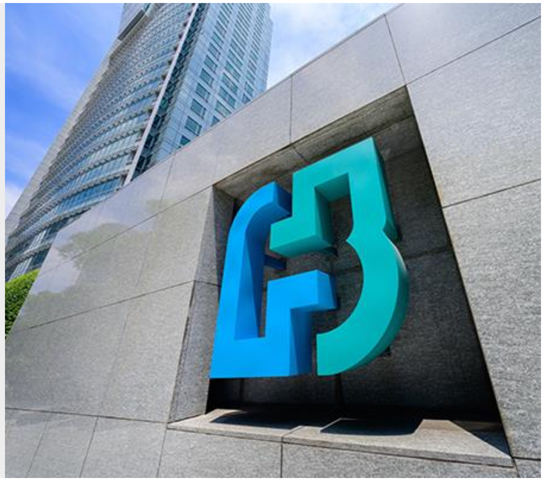
Product strategies

- Product mix transitioned toward high margin products such as regular-paid and protection products
- Launch participating policies ahead of peers to meet the needs of customers and steadily contribute to the company's premium income and future profit streams
- Incorporate CSM into management metrics

Well-capitalization

- Investment performance and profit ahead of peers for years, which is positive to capital accumulation
- Subordinated bonds issuance of NT$25bn, NT$56bn, and NT$19bn(to be issued), from 2023 to 2025, to enhance capital position
- TW-ICS ratio aim to maintain above 150%

Taipei Fubon Bank



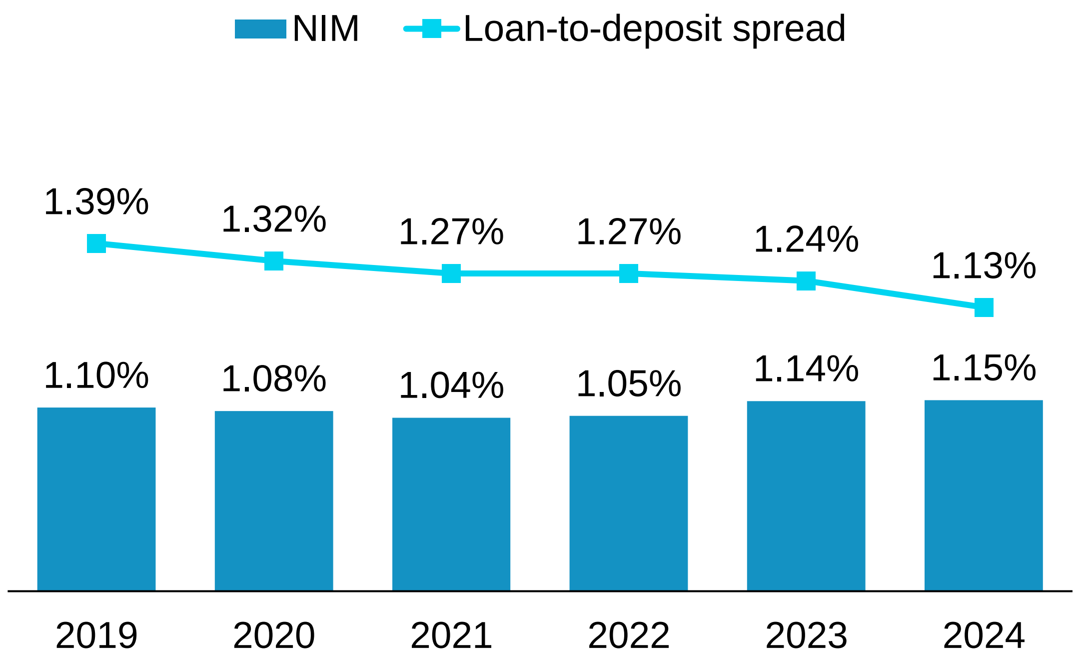
Highlight on Taipei Fubon Bank

- **NIM management**
  - Structure adjustment in asset and liabilities
  - Growth in FX LDR and funding utilization
- **Wealth management business**
  - Opportunities amid the abundant liquidity in retail market
  - Multiple channels to develop cross-sell synergy under Fubon’s ecosystem
- **Credit card business**
  - Growth in credit card business, driving customer base expansion and increase on personal loans and wealth management business
- **Capitalization and asset quality**
  - Capital level exceeds the minimum requirements ahead for D-SIBs requirement
  - Benign asset quality

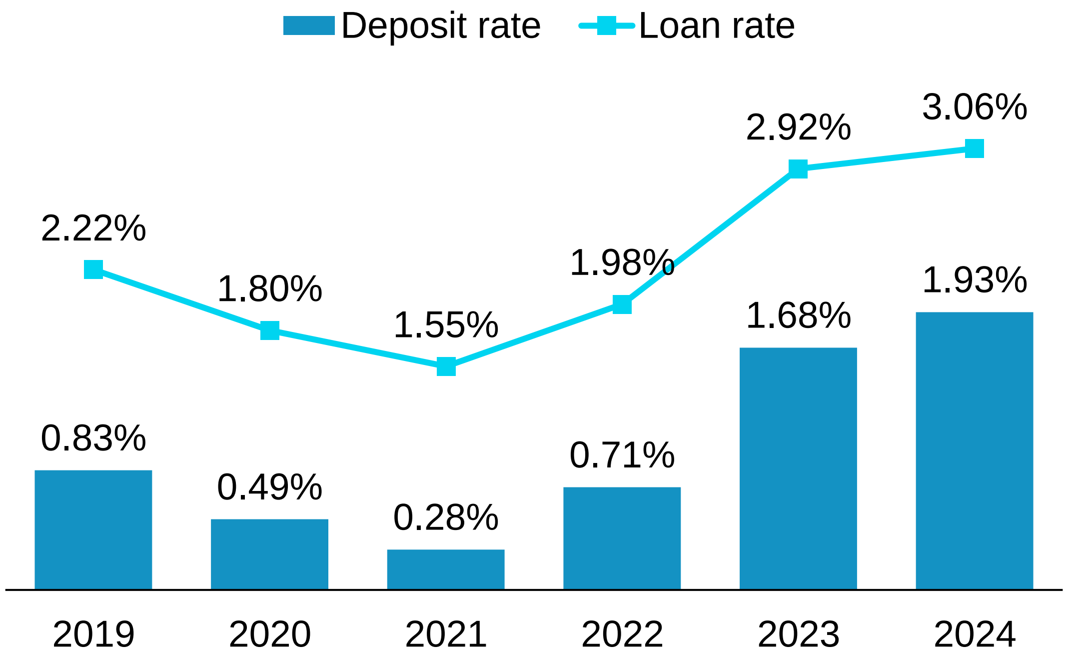
NIM management

- NIM improvement on back of the adjustment in asset and liability
- Loan-to-deposit spread narrowed, reflecting the increase of deposit rate and time deposit balance

NIM and loan-to-deposit spread



Loan yield and deposit yield



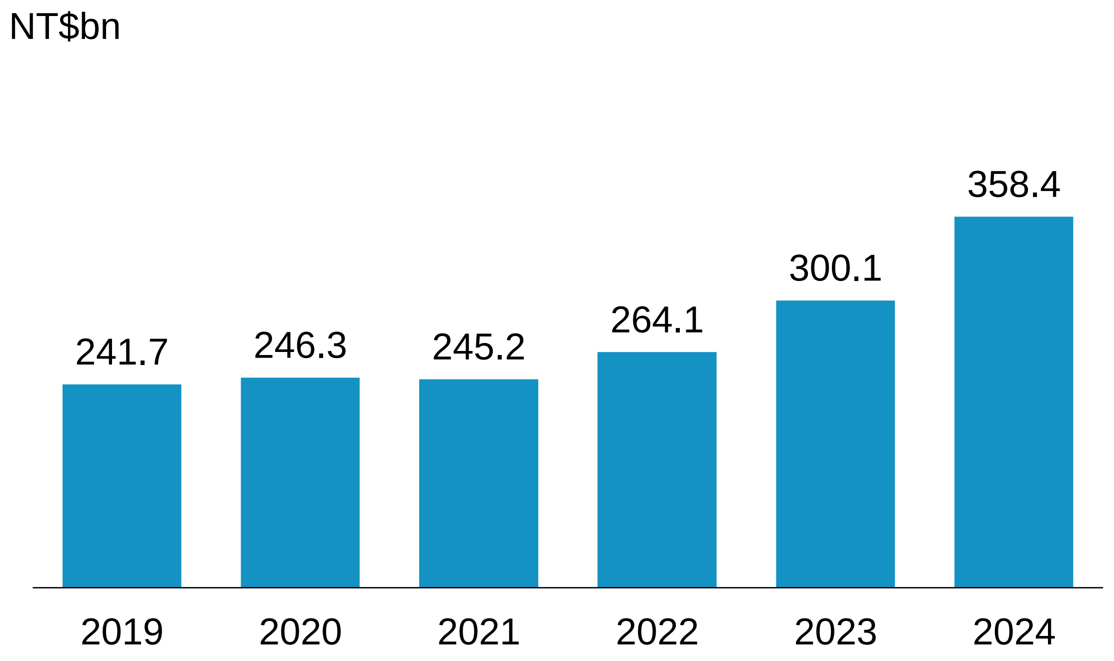
Note: (1) Loan rate calculation inclusive of credit card revolving

Note: (2) Taipei Fubon Bank and JihSun Bank consolidation was completed in April 2023. Information has included Taipei Fubon Bank and JihSun Bank in 2022 and 2023. The same applies to the following pages

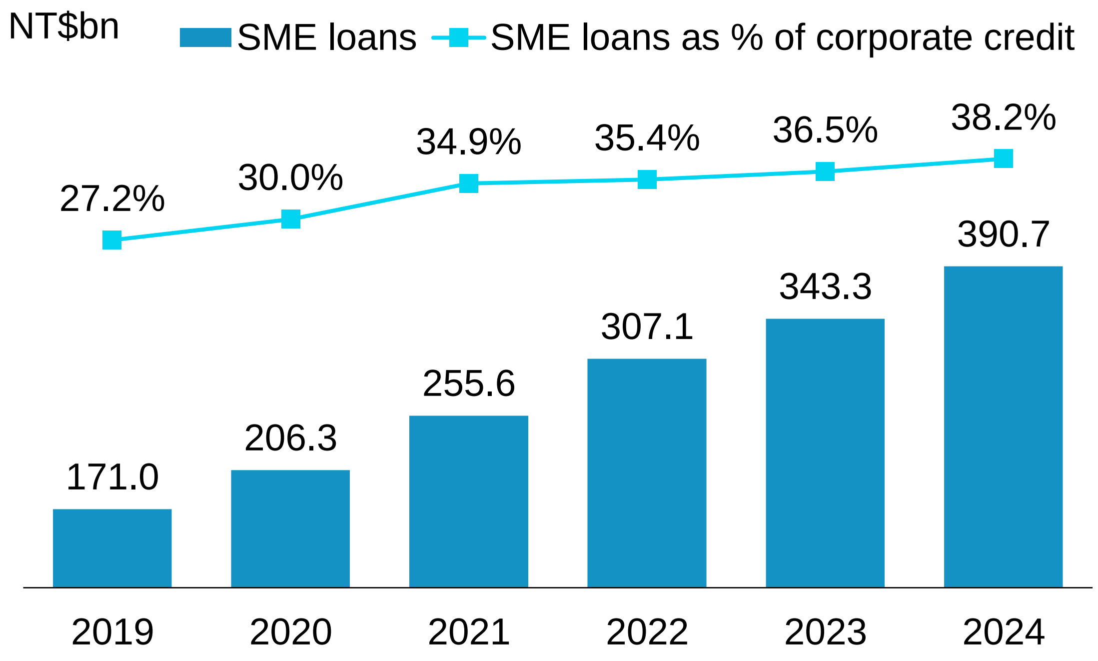
Asset structure improvement

- Aim to increase in higher spread loans with risk control, contributing to the improvement in asset structure

FX loan



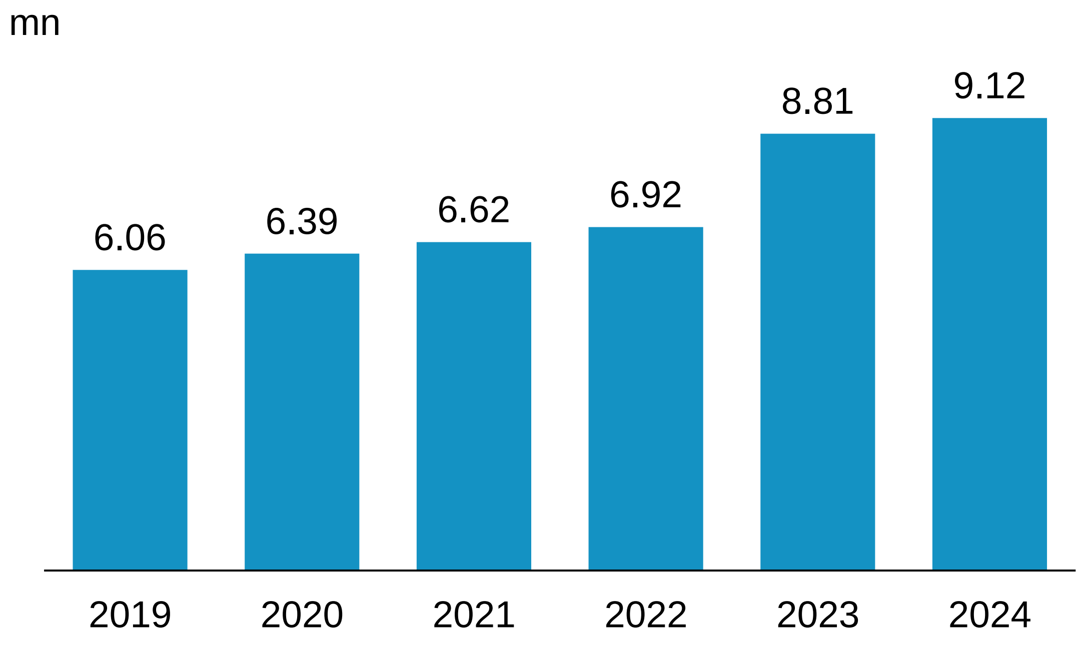
SME credit



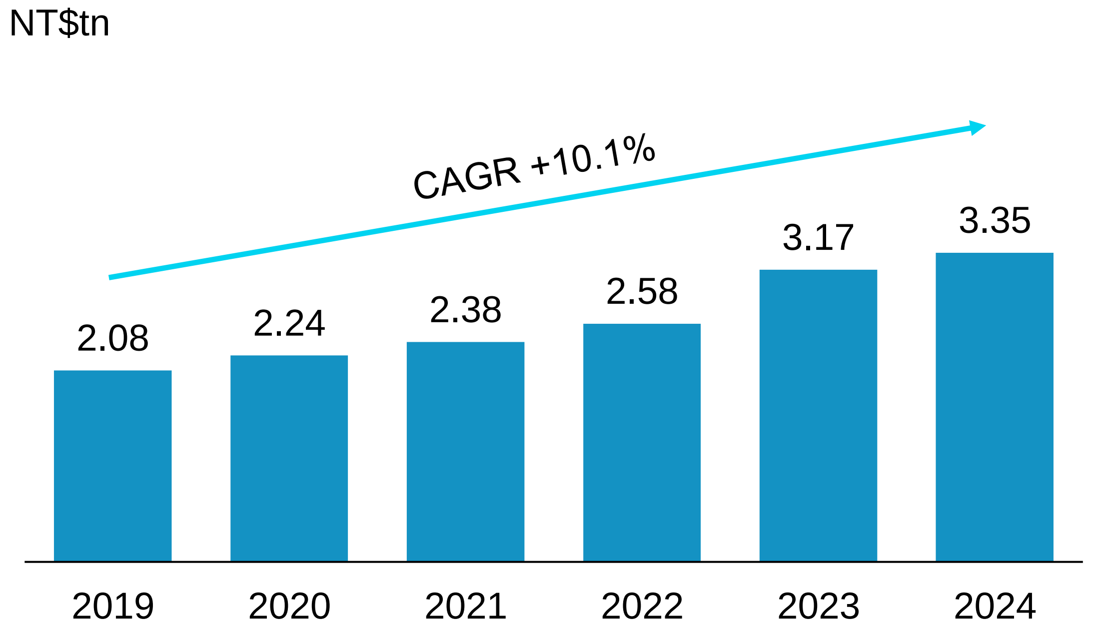
Opportunity from Costco affinity card and merger with JihSun Bank

- Growth in AUM on back of customer base expansion

Number of customers[1]



Retail customers' AUM[2]



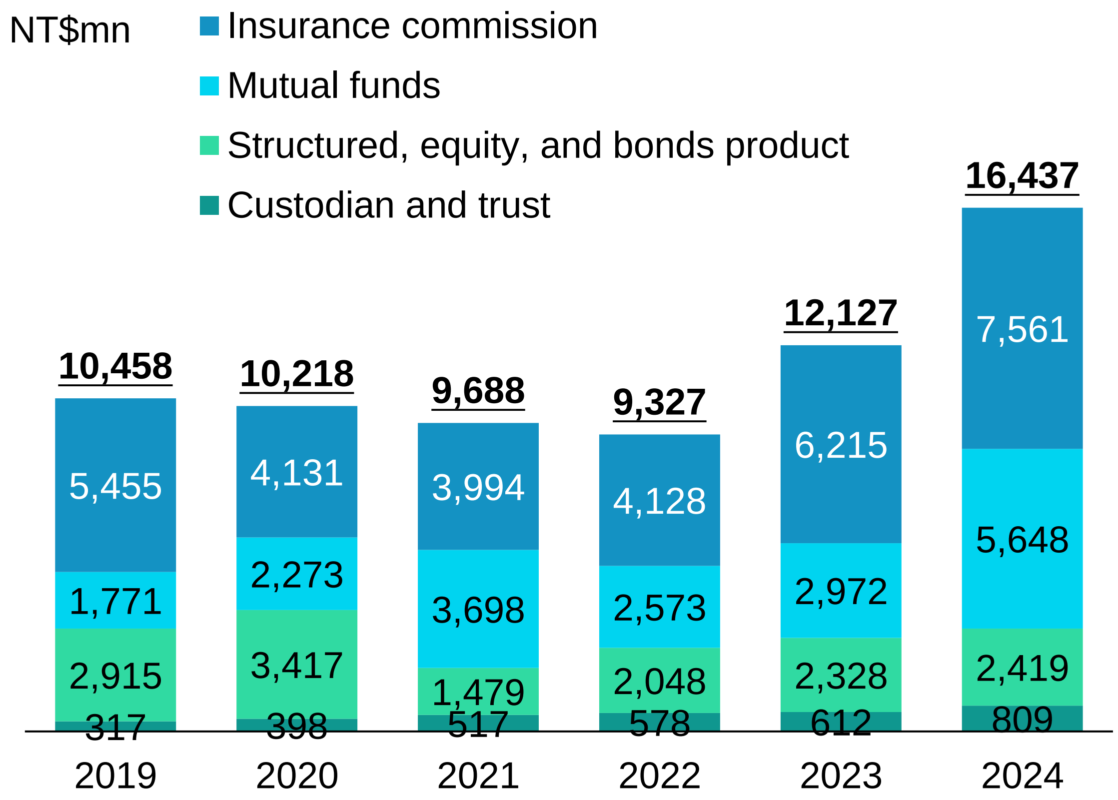
Note: (1) Inclusive of corporate and retail customers

Note: (2) Inclusive of customers' deposits, investment and insurance

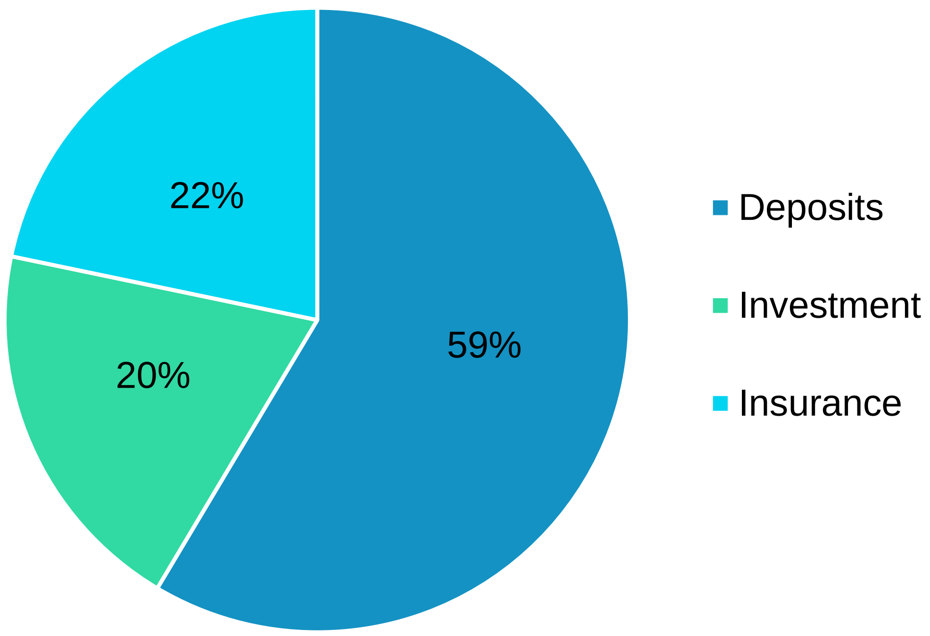
Wealth management opportunities

■ Wealth management opportunities from growth of AUM and asset allocation

Wealth management fee's breakdown



Portfolio of customers' AUM

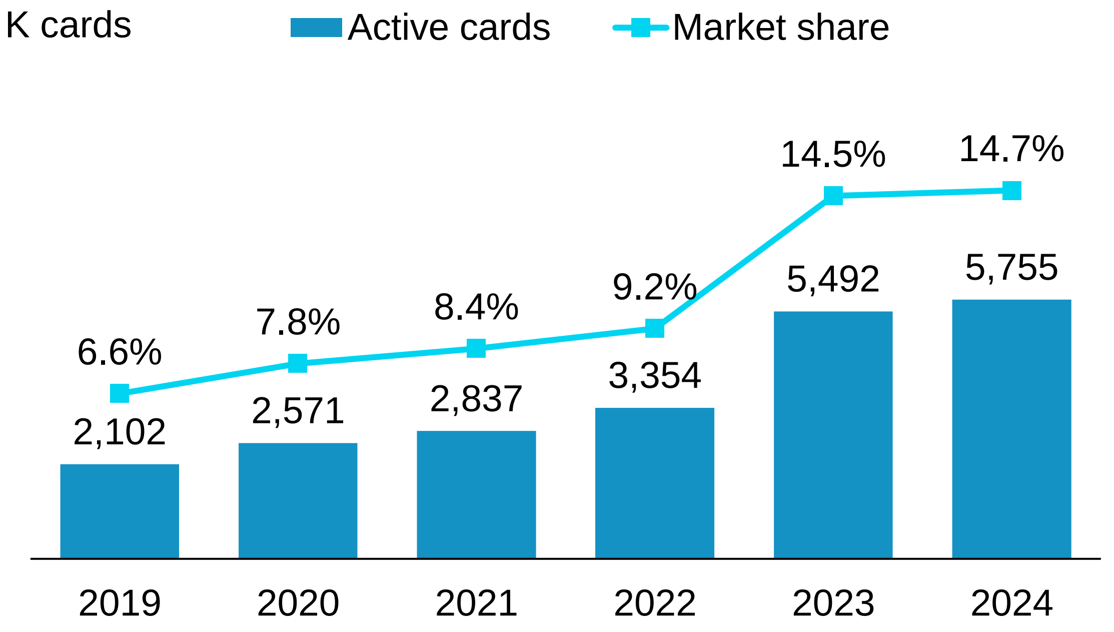


Note: Data as of end-2024

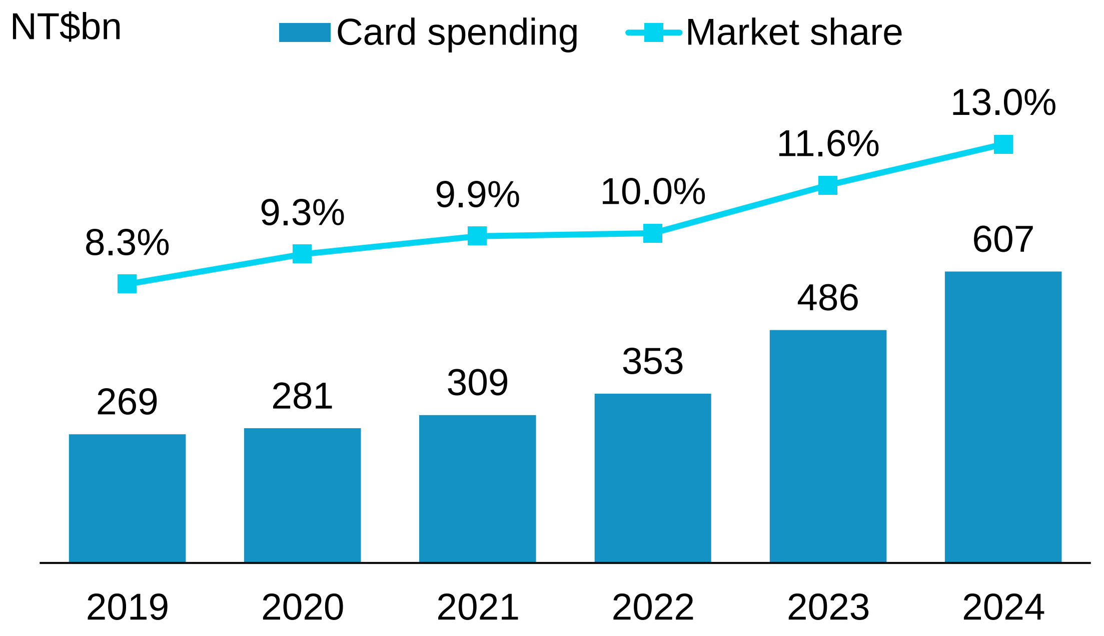
Growth of credit card business

- The growth of active cards and card spending led to market share gain

Active cards



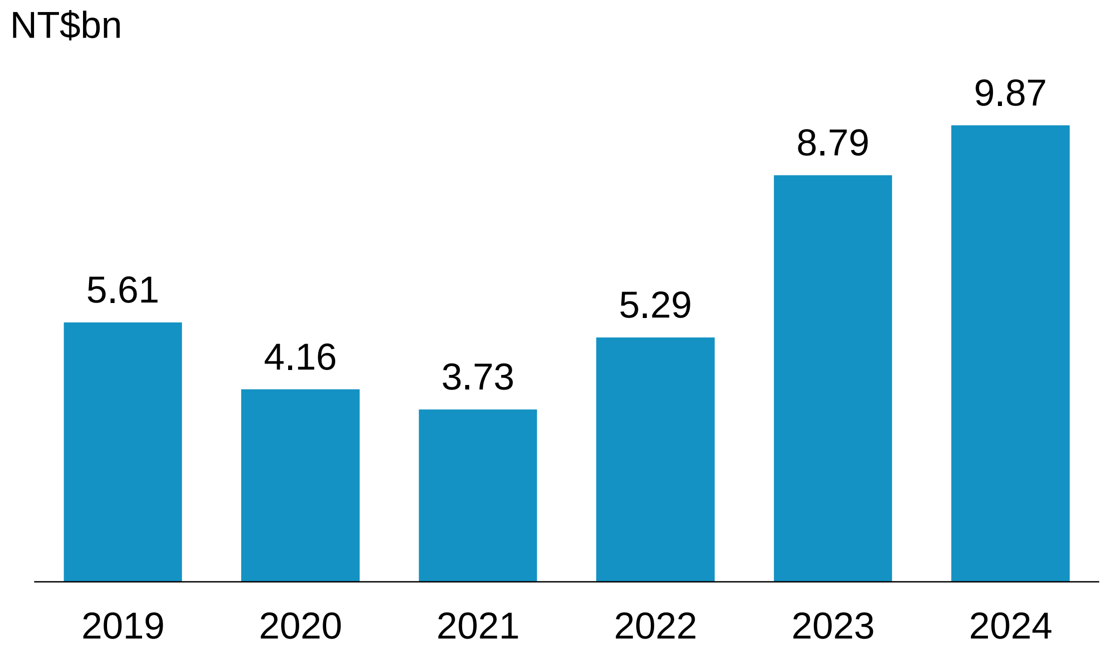
Card spending



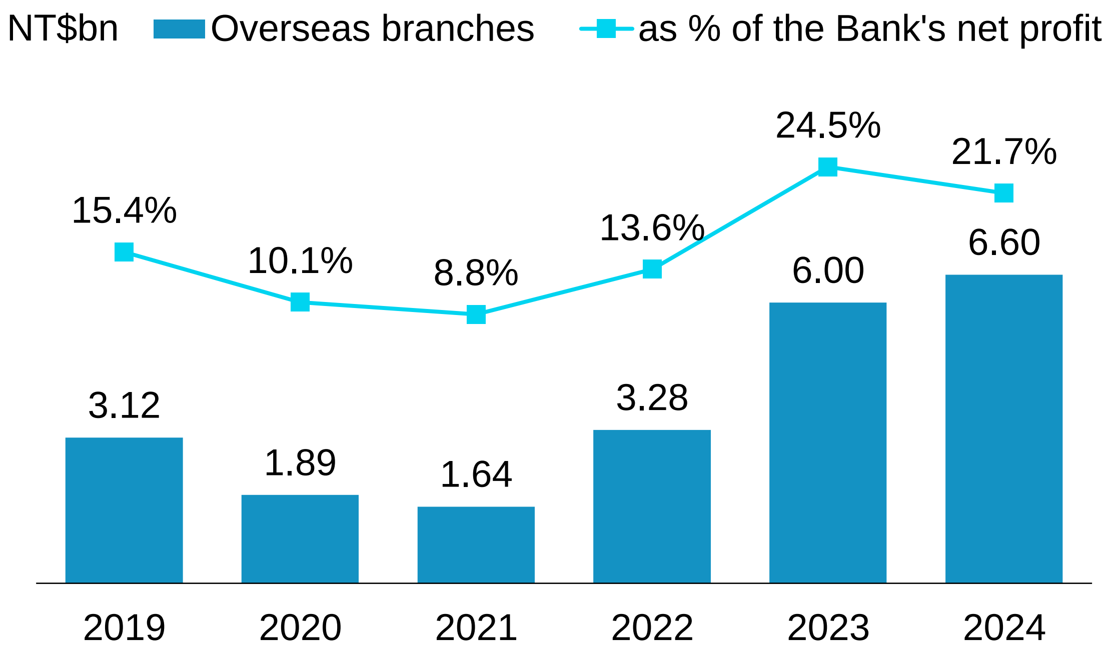
Profitability from overseas branches

- Revenue and profit growth in overseas branches on back of supply chain migration in Asia, syndication loans and wealth management business

Net revenue from overseas branches



Net profit from overseas branches



Capitalization in Taipei Fubon Bank

- Capital capacity is supportive for asset growth. Capital level exceeds the minimum requirements for D-SIBs standard by 2025

Capital adequacy ratio and D-SIBs capital requirements

Capital adequacy ratios	2024 (standalone)	2023 (standalone)	D-SIBs capital requirements (standalone)					
			2020	2021	2022	2023	2024	2025
CET1	12.0%	12.7%	7.5%	8.0%	9.0%	10.0%	10.5%	11.0%
Market average	--	12.0%	--	--	--	--	--	--
Tier 1	13.4%	14.2%	9.0%	9.5%	10.5%	11.5%	12.0%	12.5%
Market average	--	13.3%	--	--	--	--	--	--
CAR	15.4%	16.4%	11.0%	11.5%	12.5%	13.5%	14.0%	14.5%
Market average	--	15.4%	--	--	--	--	--	--

Fubon Securities & Fubon Insurance

Highlight on Fubon Securities & Fubon Insurance

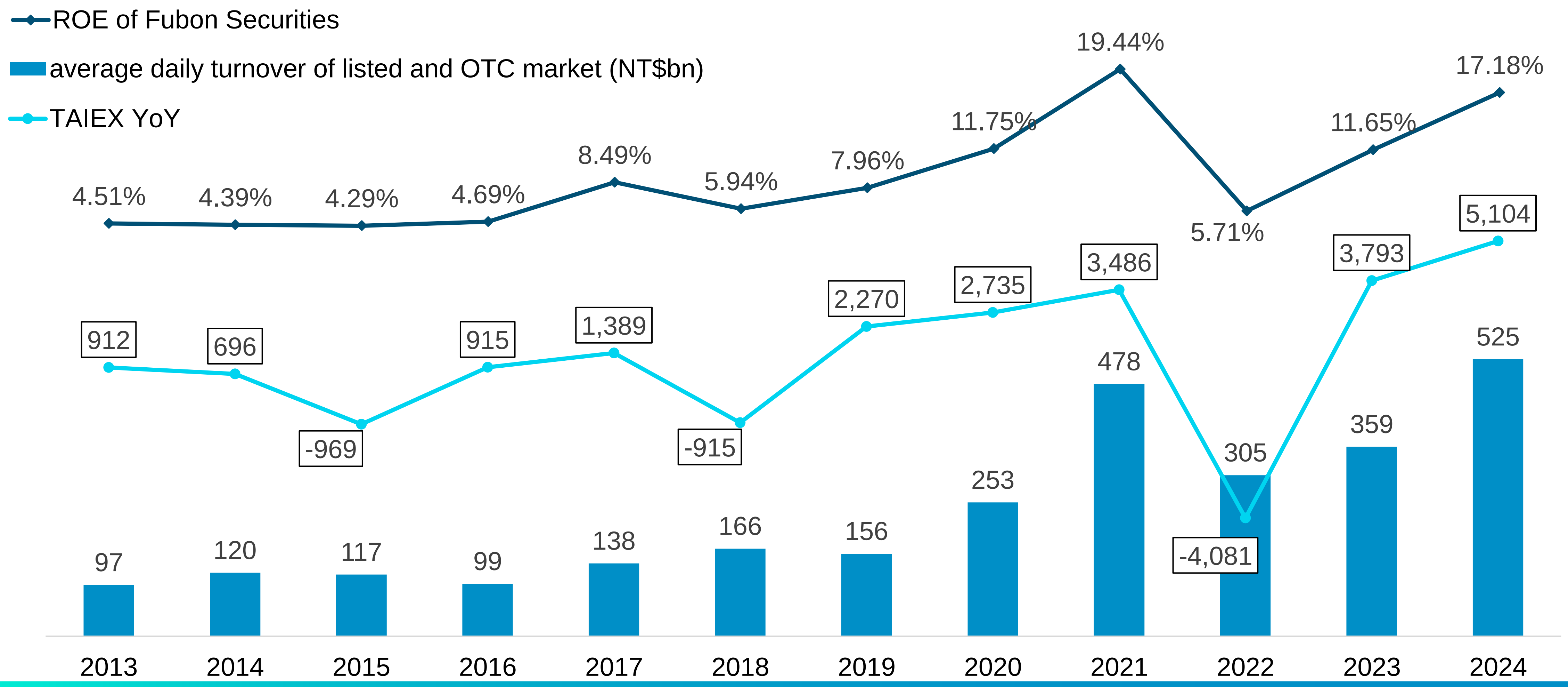
- **Fubon Securities: The merger with Jih Sun Securities led to the growth of scale and ROE enhancement**
  - Market share of major businesses and profit ranked among top 3
  - Focus on brokerage service through segmentation management and platform optimization
  - Grow wealth management to deepen customer relationships and to enhance economies of scale

- **Fubon Insurance: Steadily growth on back of improvement in business structure**
  - Balance risk control with business growth
  - Outperformance in combined ratio track record
  - The first P&C company in Taiwan committing to net-zero underwriting and assisting corporate customers in decarbonization

ROE of Fubon Securities and Taiwan stock market

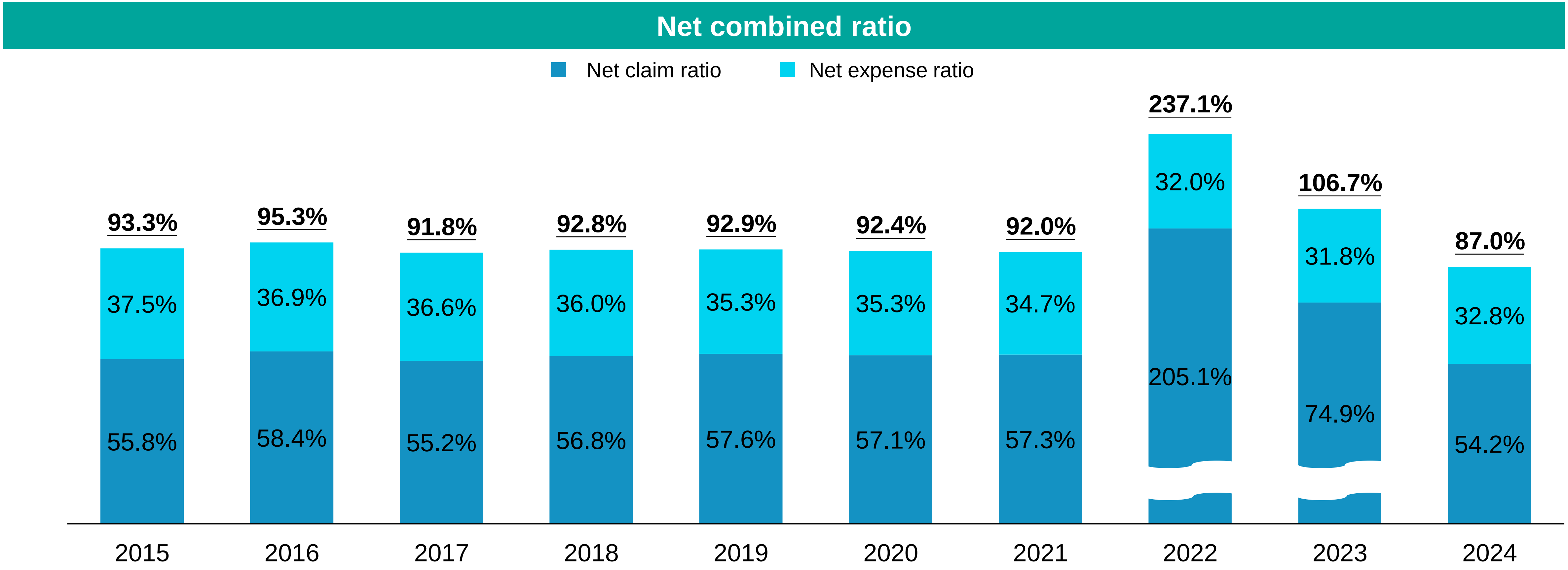
- ROE improvement along with the increase of daily trading turnover, TAIEX movement, and merger with Jih Sun Securities

ROE of Fubon Securities and Taiwan stock market



Underwriting performance of Fubon Insurance

- Market share of total written premium topped in Taiwan for 43 consecutive years
- Net combined ratio outperformed



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Market Share	22.5%	22.8%	23.2%	23.5%	23.8%	24.1%	24.6%	24.4%	23.8%	23.9%

Note: (1) Net combined ratio (covid-related policies excluded) in 2022 and 2023 are 92.1% and 89.4%

Fubon Financial

IR Contact

TWSE
Common Stocks:
2881.TT

LUXSE
GDRs-RegS:
FFHCR LX

LUXSE
GDRs-144A:
FUISY US