Fubon Financial

Investor Meeting

1H25 Financial Results

Disclaimer

This document is provided by Fubon Financial Holdings (the “Company”). No representation, warranty or undertaking, express or implied, is or will be given by the Company as to the adequacy, accuracy, completeness and correctness of information contained herein. In addition, no obligation is undertaken by the Company to update or revise the information contained herein due to any changes in circumstances.

This document 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 document may include preliminary unaudited numbers or management accounts. All information is for reference only, some figures due to rounding, summation may not equal to the total. Please refer to the audited financial report for details.

This document does not constitute or contain an offer, invitation or a solicitation to buy or sell any securities or related financial instruments.

No representatives or employees of the Company and its affiliated companies shall be liable for any damage which may arise from this document or any other written or oral information provided in connection with this document, or from relying on or any use of the contents of this document.

Executive Summary: Value proposition of Fubon FHC

- **Leading market position across banking, life, securities, and P&C in Taiwan financial sector**
  - Top profitability and market capitalization in Tawain financial sector
  - A comprehensive financial platform with strong market presence
  - Financial holding company (FHC) structure to deliver synergies in capital, cost-saving and cross-sale
- **Sustainable dividend policy with solid capital position**
  - Consistency in dividend payout track record
  - Diversified earnings source and decent performance led to well capitalization and the highest net worth among peers
- **Advocate in ESG initiatives**
  - A leader in corporate sustainability to deliver positive impact toward common good
  - Aim to support clients transition toward sustainable development through financial services
  - “AA” MSCI ESG rating in global insurance sector

From holding company's perspective

Fubon Financial Holding at a glance

Profitability outperformance among Taiwan FHCs	Scalable market presence with leading position	Sustainable dividend policy with long term track record	Breadth of client reach across financial services
#1 among FHC peers by net profit and EPS	**#1** Total market cap in financial sector over **NT$1.1trn**	**40%~50%** Total payout ratio for over 10 years	**14.5mn** Customer base of over half population in Taiwan
ROA **0.85%** ROE **11.63%**	**#2** Total assets **#1** Net worth among FHC peers	**~5%** Cash dividend yield	**#1~#3** Market share across life insurance, banking, securities, and P&C sectors in Taiwan

Note: Market cap and dividend yield as of 2025/8/29. All other data as of 1H25.

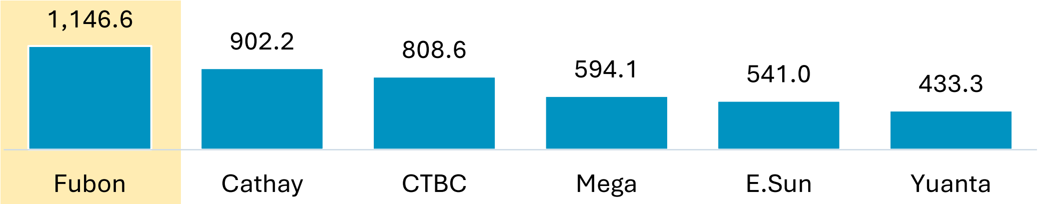
Leading financial position in Taiwan

Fubon Financial [1]

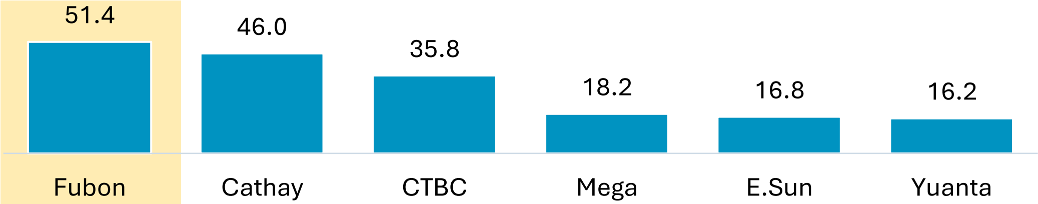
Fubon Life Insurance (100%)	Fubon Insurance (100%)	Taipei Fubon Bank (100%)	Fubon Securities (100%)
#1 Life Insurer (by net profit) [2]	#1 P&C Insurer (by direct written premium) [2]	#3 Private Bank (by total assets, deposit balance) [2]	#3 Broker (by brokerage) [2][3]

Market capitalization and net profit comparison across major Taiwan financial companies

Market Cap (Top 6 FHCs; NT$Bn) [4]



Net Profit (Top 6 FHCs; NT$Bn) [2]



Assets (NT$Tn) [2]

Fubon	Cathay	CTBC	Mega	E.Sun	Yuanta
$11.9	$13.8	$8.8	$4.6	$4.2	$3.9

EPS (NT$) [2]

Fubon	Cathay	CTBC	Mega	E.Sun	Yuanta
$3.49	$2.89	$1.78	$1.23	$1.04	$1.22

Source: Taiwan Insurance Institute, Company Information

Notes:(1) Other subsidiaries including but not limited to Fubon Bank (Hong Kong), Fubon Bank (China), Fubon Asset Management, Fubon Financial Holding Venture Capital, Fubon Insurance Agency, Fubon AMC (2) Data as of 1H25 (3) Excluding foreign brokers (4) Data as of August 29, 2025

Fubon Financial Holdings: Market position

- Leading market position across major business lines

Fubon Life

	Market ranking	Market share
Total premium	2	14.6%
First year premium	2	12.4%
First year premium equivalent	2	17.5%

Taipei Fubon Bank

	Market ranking (Overall / private banks)	Market share
Deposit balance	6 / 3	5.7%
Loan balance	9 / 4	5.2%
Mortgage	5 / 2	6.1%
Active cards	2	14.6%

Fubon Insurance

	Market ranking	Market share
Direct written premium	1	24.4%
Commercial line	1	25.8%
Personal line	1	23.5%
Premium through online channel	1	34.4%

Fubon Securities(1)

	Market ranking	Market share
Brokerage	3	6.70%
Margin loans	2	9.83%
Securities lending	2	19.40%

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

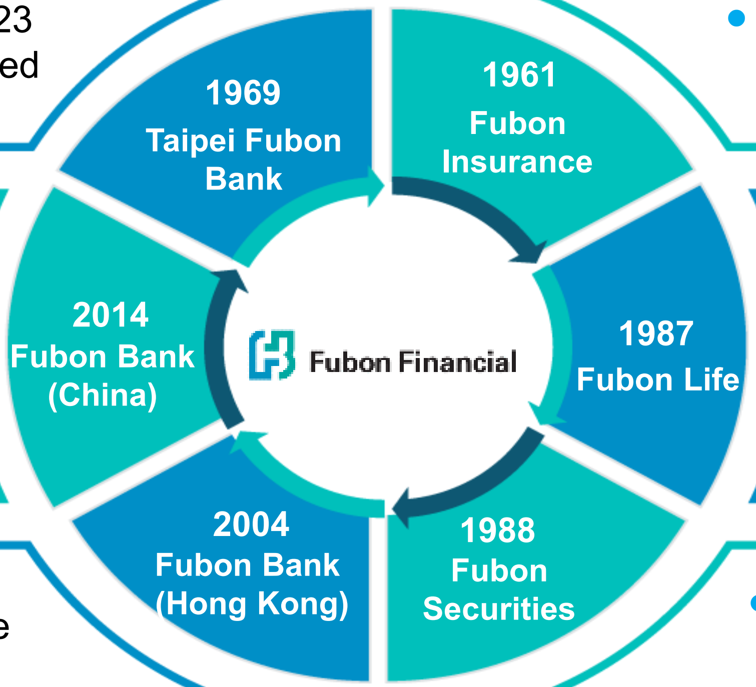
A comprehensive financial platform

- Fubon founded in 2001 as first FHC and completed the first acquisition of FHC in 2021 in Taiwan

- Fubon Bank established in 1992
- Acquired Taipei Bank in 2002. Completed consolidation and renamed as “Taipei Fubon Bank” in 2005. Merge with Jih Sun Bank in 2023
- The number of branches in Taiwan ranked the highest among private banks

- Market share of 24.4% in total written premium, ranking 1st in Taiwan over 40 consecutive years
- Fubon as a pioneer to set up a property insurance subsidiary in Xiamen, China

- Fubon as a pioneer in Taiwan to acquire a private bank in Mainland China
- 24 operating sites in 13 cities



- Acquired ING in 2009
- Invested in Hyundai Life in 2015. Fubon Life became a controlling shareholder in 2018 with 62% holding, and 83.22% holding as of 1H25
- Top 2 insurers in terms of FYP

- Fubon as a pioneer in Taiwan to acquire a local bank in Hong Kong
- The first financial institution in Taiwan to invest in a local bank in Mainland China

- Seven-in-one acquisition in 2000, ranking top 3 in brokerage business. Merge with Jih Sun Securities in 2023
- Top 3 in brokerage, margin loans and securities lending businesses

Footprint across Asia

- Growing network in Asia across financial service lines

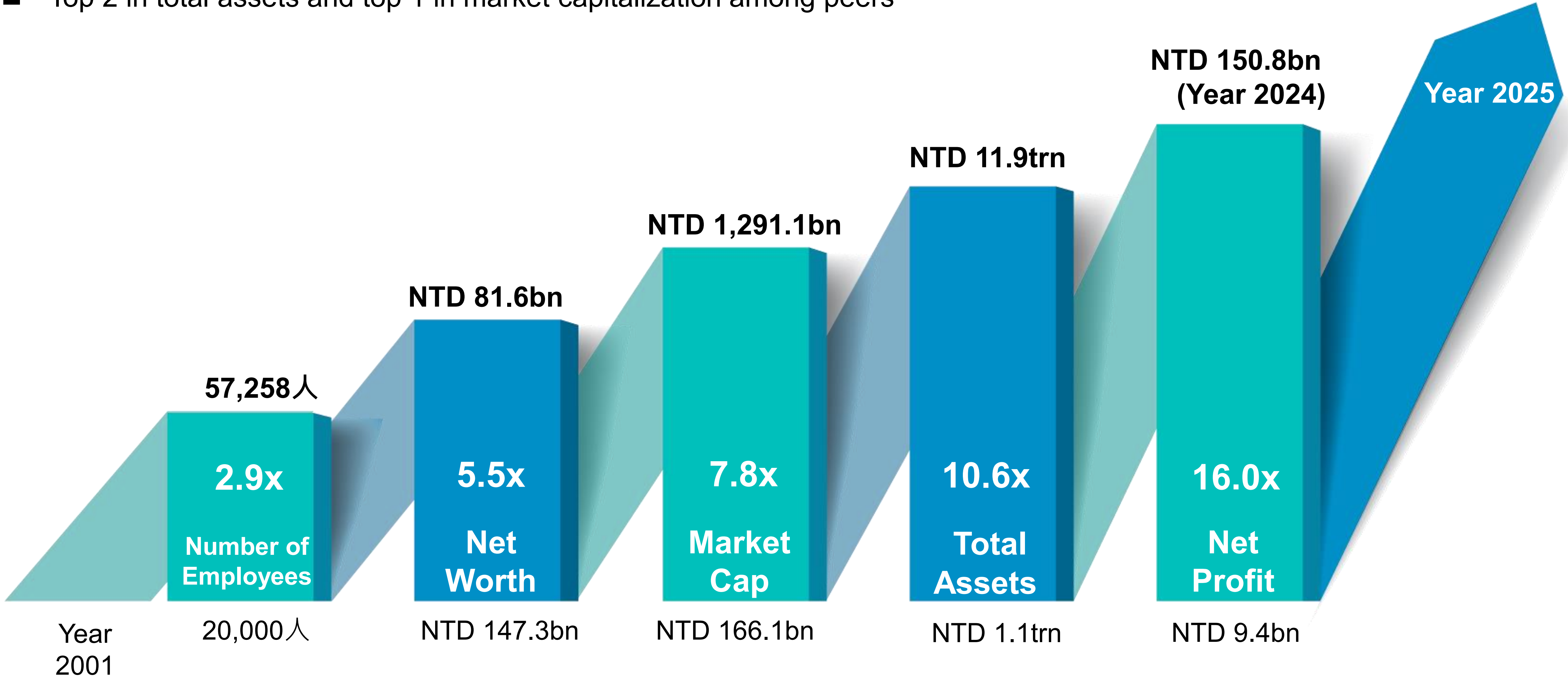
- Bank+Insurance+Securities+Asset Management
- Bank+Insurance+Asset Management
- Bank+Insurance
- Bank
- Insurance

Banking	Taipei Fubon Bank 5 branches and 3 rep offices: Hong Kong, Ho Chi Minh City, Binh Duong, Hanoi, and Singapore, Indonesia rep office, Australia rep office, South Korea rep office		Fubon Bank (Hong Kong) 15 branches, 3 SME Banking Services Centres, 1 Offshore Banking Centre and 1 Securities Services Centre
	Fubon Bank (China) 24 sites in Shanghai, Shenzhen, Guangzhou, Nanjing, Suzhou, Beijing, Tianjin, Chengdu, Wuhan, Xian, Chongqing, Ningbo, Jinan		Xiamen Bank 123 sites in Xiamen, Fujian, Chongqing
Non-life Insurance	Fubon Insurance 3 rep offices: Beijing, Malaysia, Indonesia 2 brokers: Philippines, Thailand		Fubon P&C Insurance 42 offices: Xiamen, Fujian, Chongqing, Dalian, Sichuan, Liaoning
	Fubon Insurance Vietnam 3 offices: Hanoi, Ho Chi Minh City, Binh Duong		Fubon Reinsurance Labuan Kuala Lumpur
Life Insurance	Fubon Hyundai Life Insurance Seoul	Fubon Life Insurance (Vietnam) 2 offices: Hanoi and Ho Chi Minh City	Fubon Life Insurance (Hong Kong) Hong Kong
Securities	Fubon Securities (Hong Kong) Hong Kong		
Asset Management	Founder Fubon Fund Beijing, Guangdong	Fubon Asset Management (Hong Kong) Hong Kong	

Note: Data as of July 2025

Business growth of Fubon Financial

- EPS tops Taiwan's FHCs for 16 consecutive years
- Top 2 in total assets and top 1 in market capitalization among peers

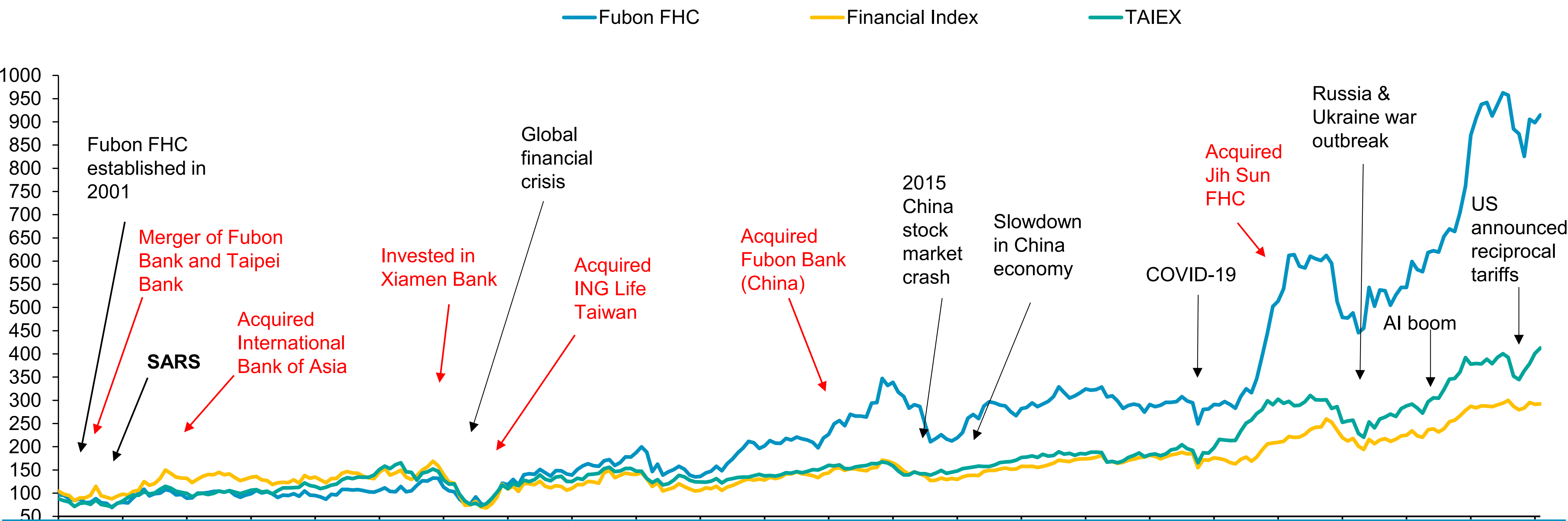


Note: (1) Data including number of employees, market cap, net worth and assets are as of June 2025. Net profit is as of year 2024. (2) Number of employees includes full-time tied agents and overseas employees

Creating shareholder value

■ Long-term outperformance in Taiwan capital market

Fubon FHC's share price performance against TAIEX and Taiwan Financial index (Index performance: Jan 2002 = 100)

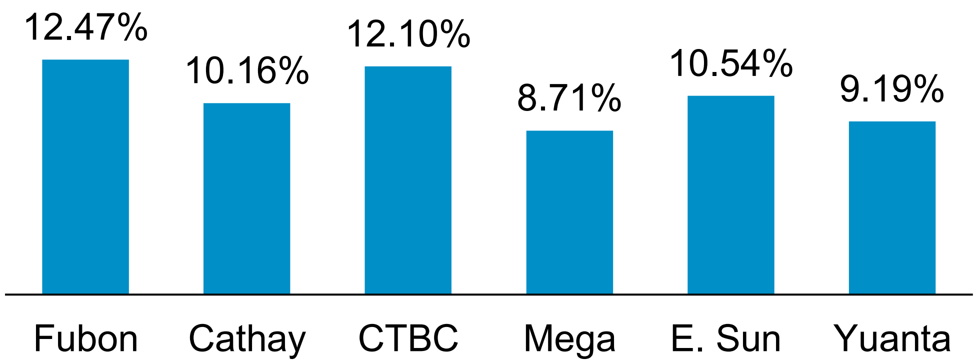


(%)	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	1H25
ROE	6.6	9.9	9.9	6.8	5.3	8.8	7.0	11.3	9.3	13.5	10.8	11.5	16.1	16.4	12.2	11.8	10.0	10.9	13.2	16.9	6.2	9.7	17.2	11.6

Long-term ROE

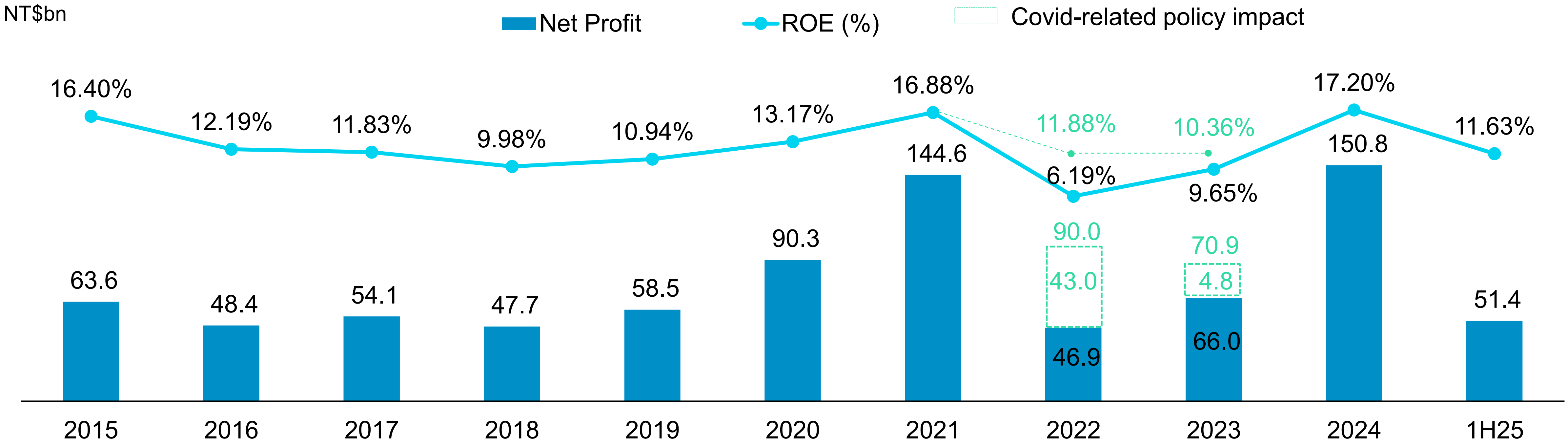
- Long-term ROE target over 10%
- The average ROE during 2015-2024 outperformed major peers

FHC's average ROE during 2015-2024



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

<table>
<tr><th colspan="11">Dividend history</th></tr>
<tr><th>Fiscal Year</th><th>2015</th><th>2016</th><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th><th>2022</th><th>2023</th><th>2024</th></tr>
<tr><td>Cash dividend (NT$)</td><td>2.0</td><td>2.0</td><td>2.3</td><td>2.0</td><td>2.0</td><td>3.0</td><td>3.5</td><td>1.5</td><td>2.5</td><td>4.25</td></tr>
<tr><td>Stock dividend (NT$)</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>1.0</td><td>0.5</td><td>0.5</td><td>0.5</td><td>0.25</td></tr>
<tr><td>Cash payout ratio</td><td rowspan="2">32.2%</td><td rowspan="2">42.3%</td><td rowspan="2">44.3%</td><td rowspan="2">44.2%</td><td rowspan="2">36.6%</td><td>35.1%</td><td>28.0%</td><td>42.4%</td><td>52.1%</td><td>39.5%</td></tr>
<tr><td>Total payout ratio</td><td>46.8%</td><td>32.0%</td><td>56.5%</td><td>62.5%</td><td>41.8%</td></tr>
<tr><td>Cash dividend yield[1]</td><td>5.2%</td><td>4.3%</td><td>4.4%</td><td>4.5%</td><td>4.6%</td><td>4.1%</td><td>5.6%</td><td>2.5%</td><td>3.3%</td><td>4.9%</td></tr>
</table>

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

Solid capital position across subsidiaries

- All subsidiaries maintain adequate capital position

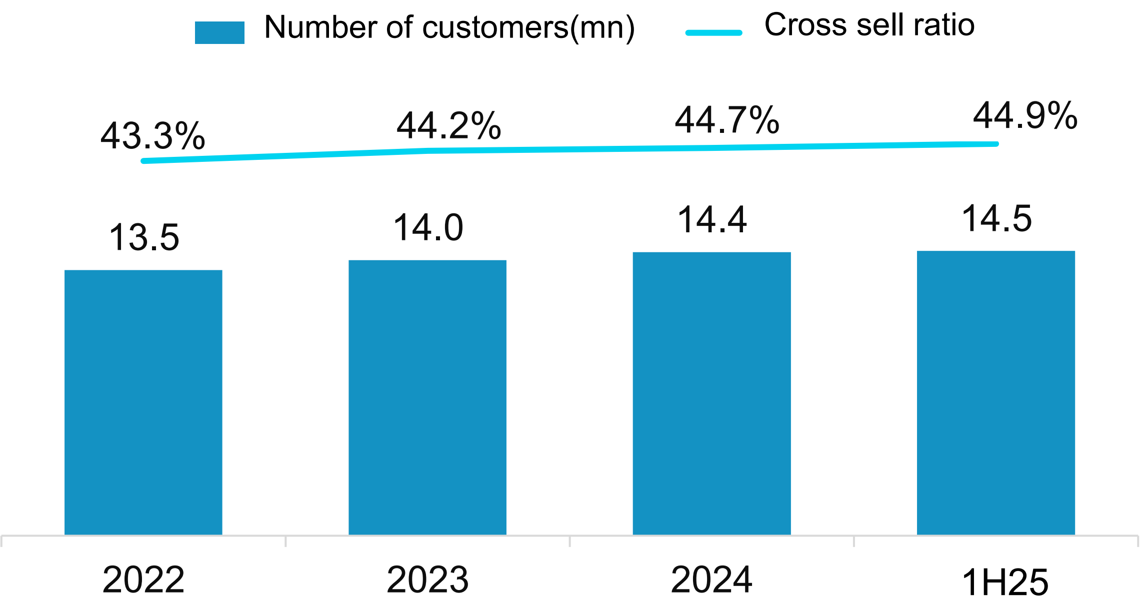
Capital ratio by subsidiary						
		2022	2023	2024	1H25	Regulatory requirements
Fubon Financial	CAR	125.3%	128.9%	141.1%	139.1%	100.0%
Fubon Life	RBC	315.0%	336.1%	388.0%	404.8%	200.0%
Taipei Fubon Bank[(1)]	Tier 1	13.0%	14.2%	13.4%	13.5%	10.5%
	CAR	15.5%	16.4%	15.4%	15.6%	12.5%
Fubon Securities	CAR	361.2%	361.9%	360.8%	295.3%	150.0%
Fubon Insurance	RBC	-37.3%	278.4%	334.6%	314.9%	200.0%
Fubon Bank (HK)[(2)]	Tier 1	16.2%	16.6%	17.7%	18.6%	9.0%
	CAR	16.9%	17.2%	18.4%	19.3%	11.0%
Fubon Bank (China)	Tier 1	12.0%	12.4%	12.0%	11.7%	8.5%
	CAR	15.3%	14.5%	14.2%	14.9%	10.5%

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

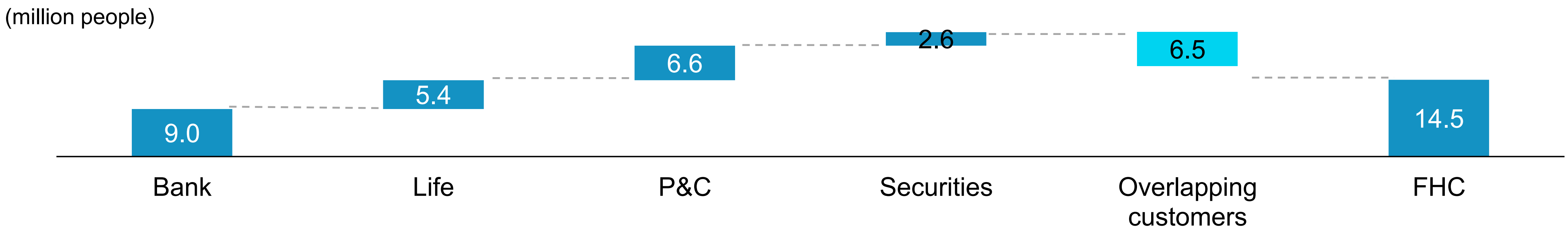
Cross-selling synergy

- Fubon serves more than half of the population in Taiwan with customer base of over 14.5mn, reflecting the deep market penetration and trusted brand presence
- Dedicated teams to explore cross-sale opportunities and improving user experience

% of customers that have multiple business relations with Fubon



Customer base of over 14.5mn: Over half of population in Taiwan



Note: Data as of June 2025

Fubon Life

Fubon Life at a glance

Leadership in life insurance business	Scale and breadth of client reach	Product and channel strength driving growth	Robust & consistent investment track record
#1 Life insurer in Taiwan by net profit	**18k+ Agents** #2 largest full-time agency force as of 2024	**NT$13.7Bn** (+7.3% YoY) value of new business	**#1 Investment Yield** among major peers
#2 in terms of TP, FYP, RP among lifers in Taiwan	**NT$192.3Bn** Total premium with **14.6%** market share	**NT$62.9Bn** (+13.1% YoY) First year premium	**Positive spread** and **lower-than-peers cost of liability**

Note: Data as of 1H25

Highlight on Fubon Life

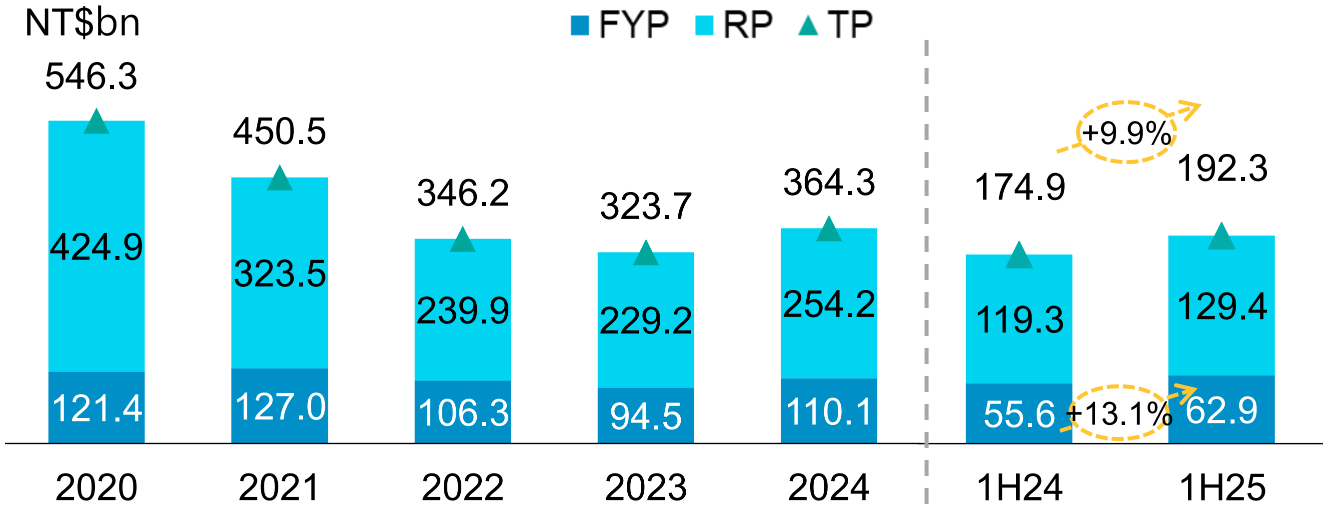
Fubon Life

1. Comprehensive product offerings to drive sustainable growth
2. Strong distribution platforms with top-tier agency force and unparalleled bancassurance cross-sell strengths
3. Advantage underpinned by lower COL and track record in investment performance
4. Solid capital position and financial strength
5. ROE track record with consistent outperformance

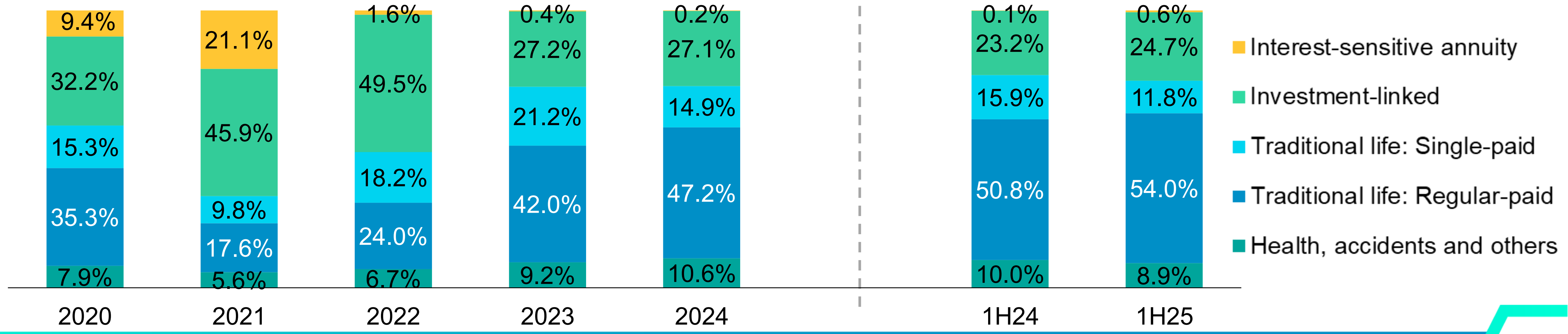
❶ Comprehensive product offerings to drive growth

- New business mix on regular-paid premium has steadily risen over the past few years
- The success of participating policy re-launch since 2023 driving the premium growth and value accretion
- Product strategy focus on higher-margin, regular-paid and protection needs

Total premium mix



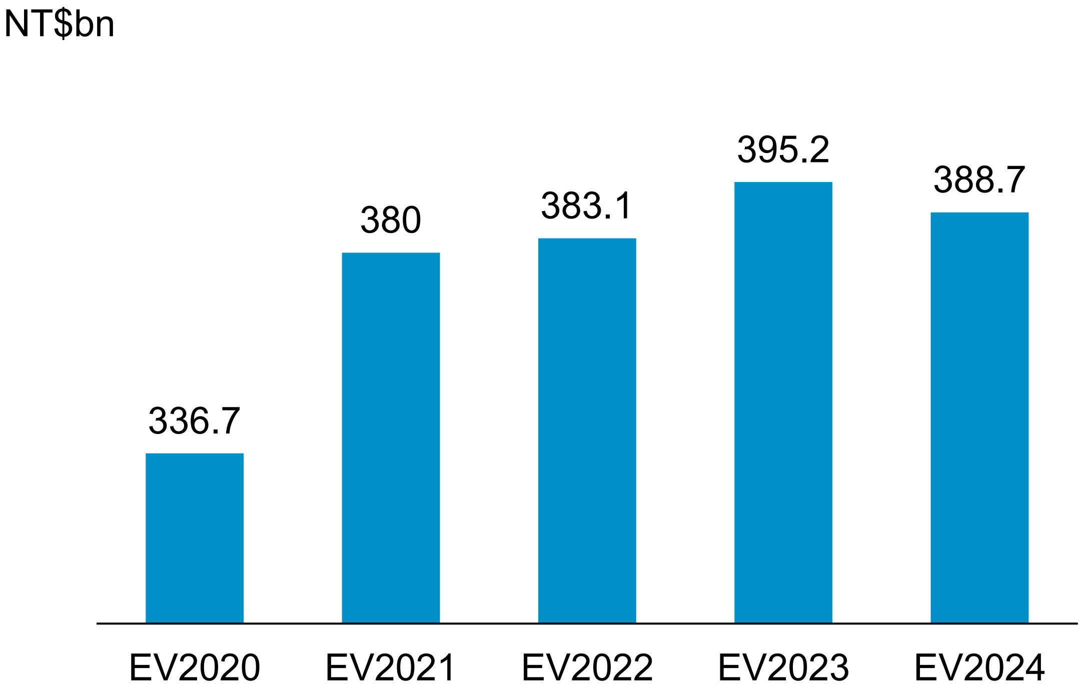
FYP mix



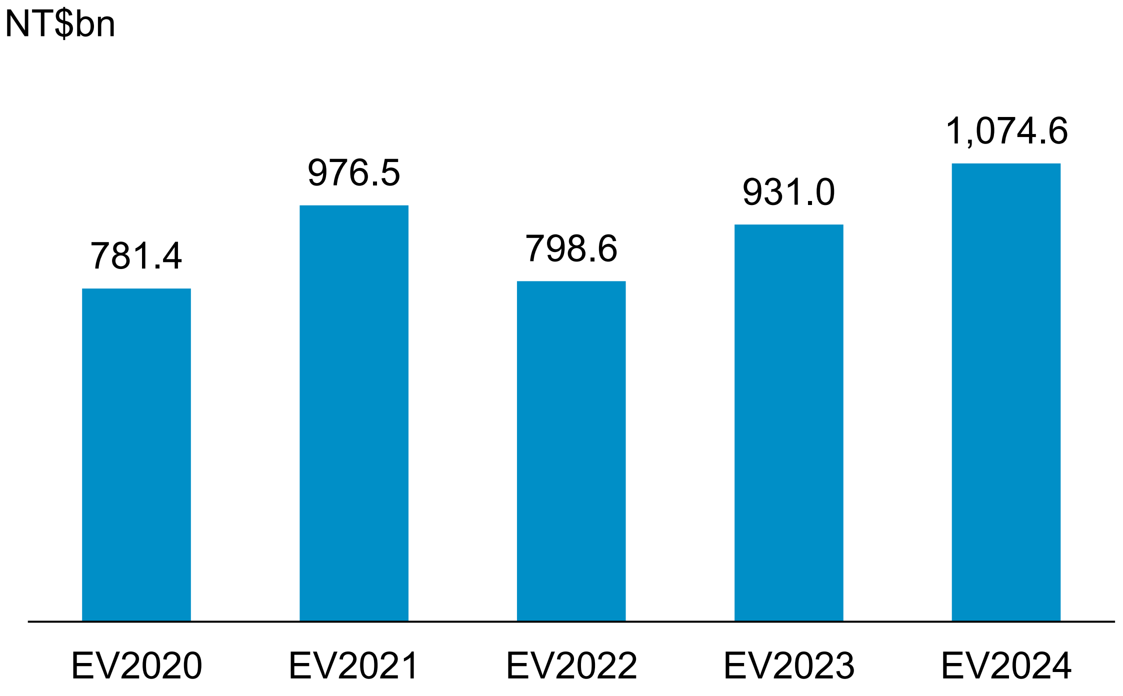
Growth in value

- Embedded value increased in 2024 due to profit contribution and stock position valuation

Value of in-force (VIF)



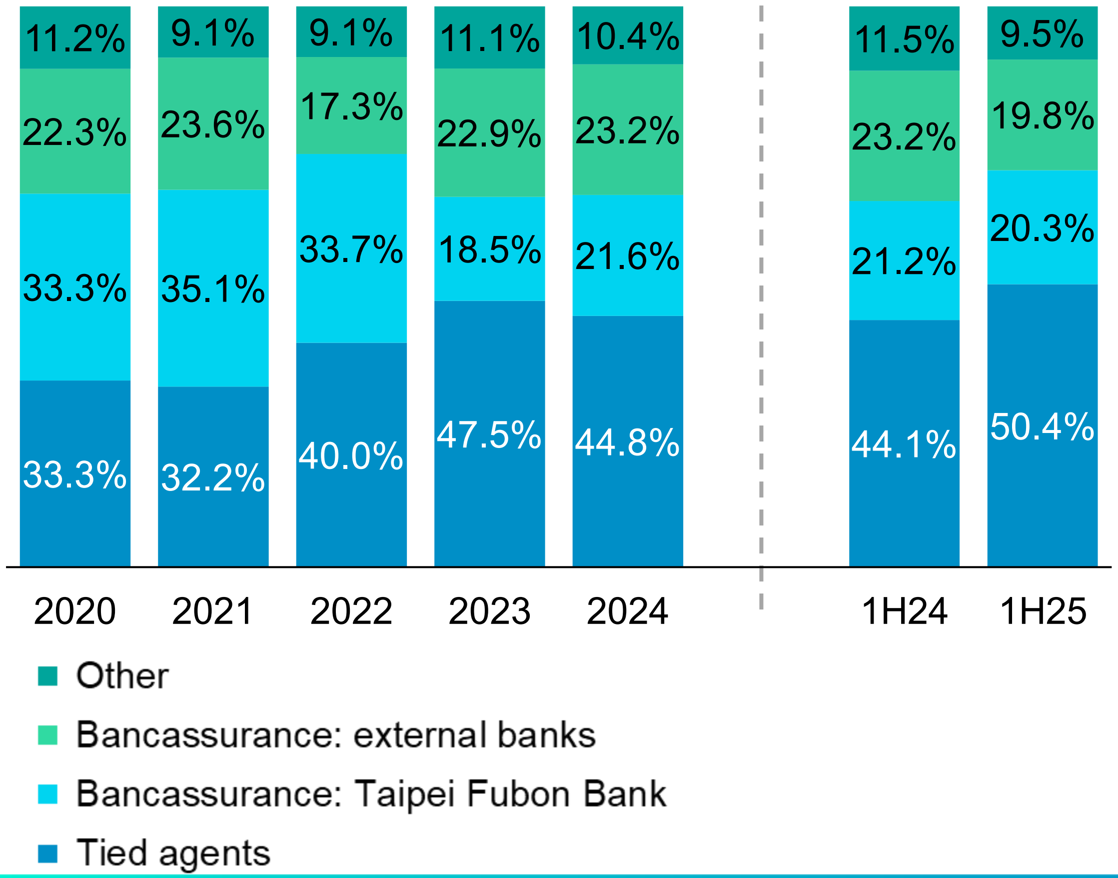
Embedded value



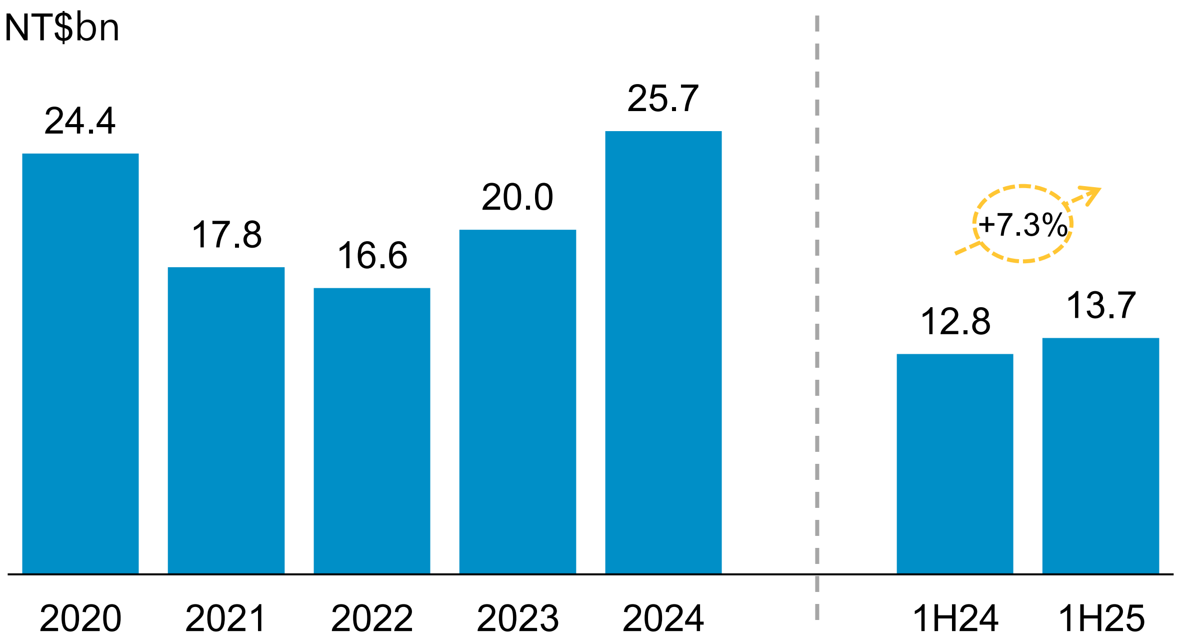
❷ Strong distribution platform

- Proprietary internal channels of tied agents, Taipei Fubon Bank and subsidiaries, demonstrate cross-sell strength
- FYP from bancassurance topped the industry
- Value growth momentum along with product transformation and channel advantages

FYP mix by channel

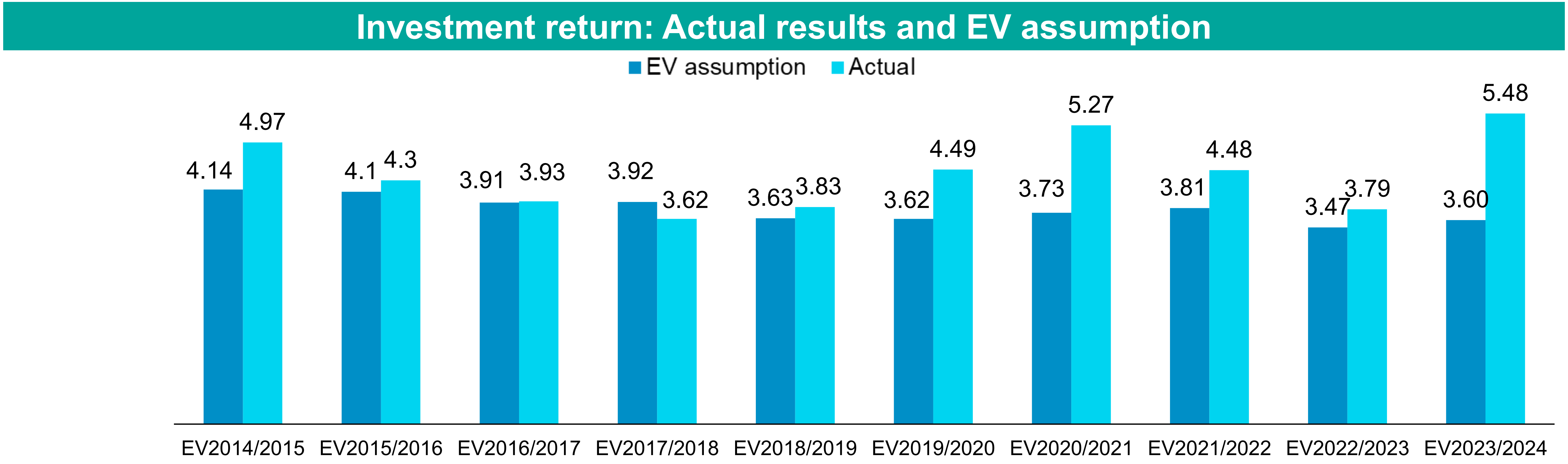


VNB



3 Prudency in investment assumptions

- Actual investment return outperformed EV assumption except for year 2018

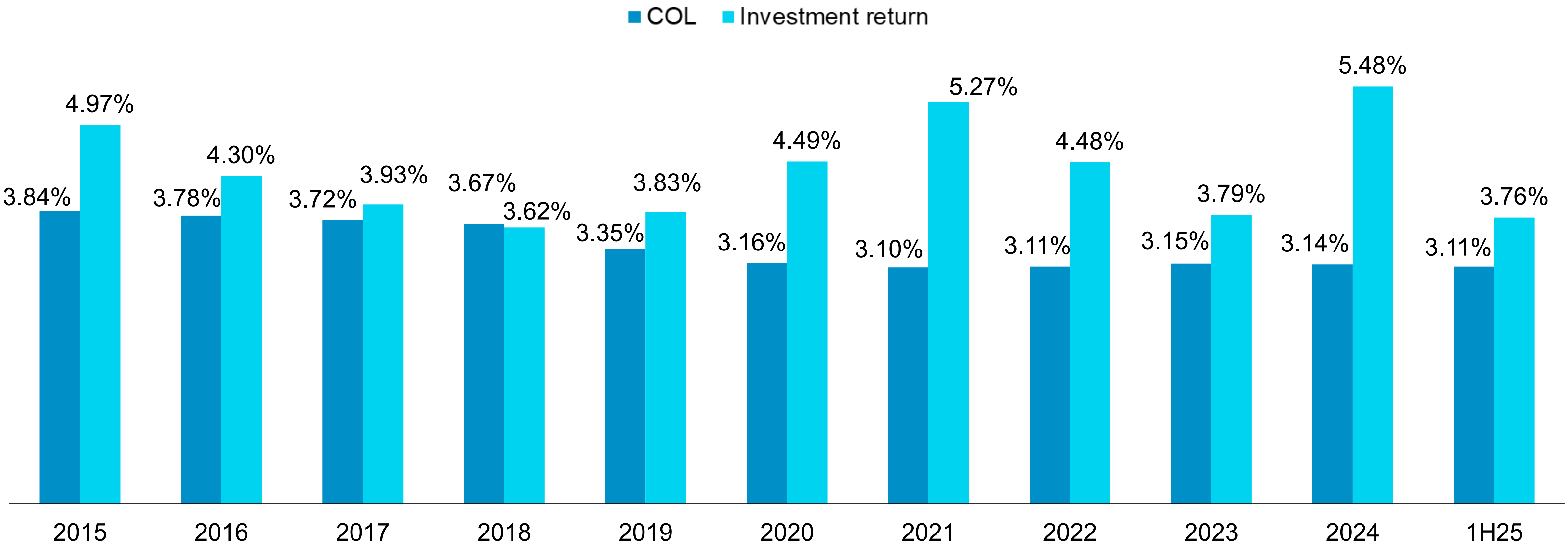


Unit: %	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Investment return	4.97	4.3	3.93	3.62	3.83	4.49	5.27	4.48	3.79	5.48
Recurring return	3.7	3.34	3.01	2.74	2.98	3.07	2.91	3.03	2.50	2.36
Capital gain	1.27	0.96	0.92	0.88	0.85	1.42	2.36	1.45	1.29	3.12

❸ Low COL and track record in investment performance

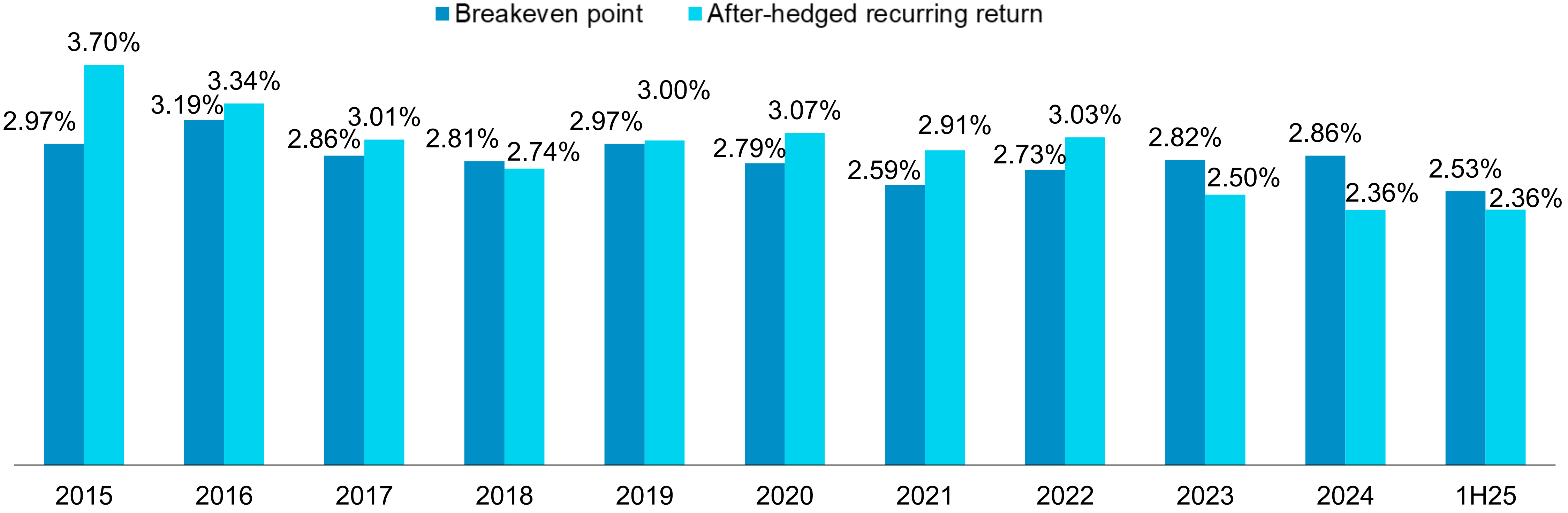
- Relatively lower cost of liabilities and outstanding investment track record would enable Fubon Life to perform resiliently under IFRS 17 and TW-ICS adoption in 2026

COL vs. Investment return



Aim to deliver positive spread

Breakeven point vs. Recurring return (after hedge)

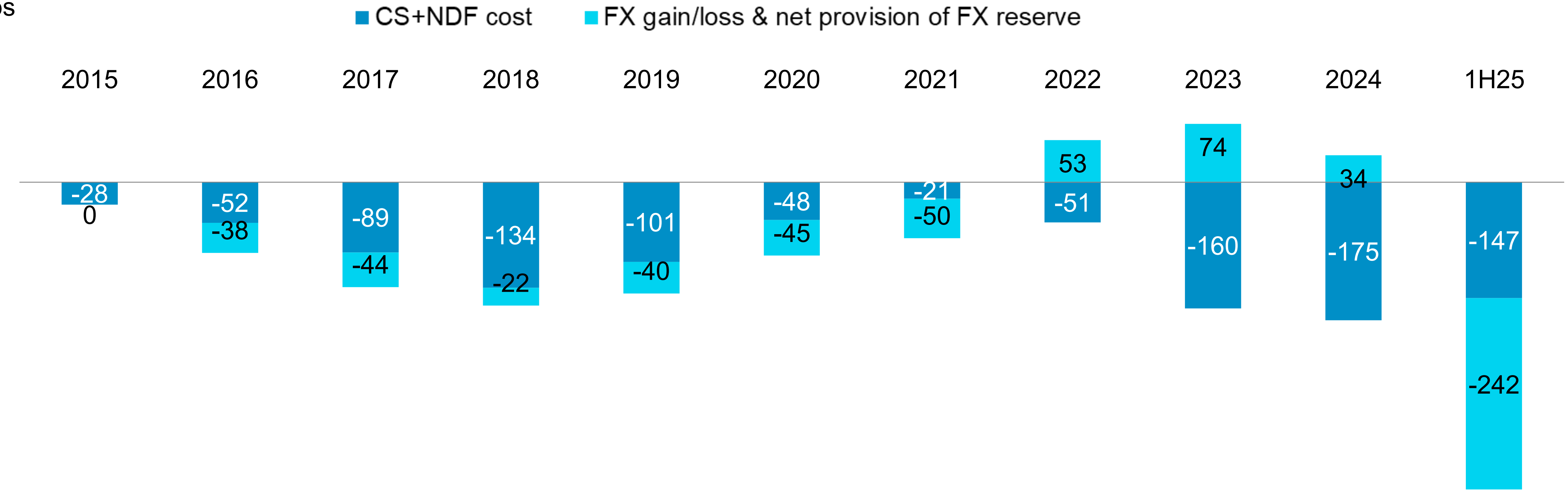


Recurring return (before hedge)	3.86%	3.65%	3.56%	3.60%	3.61%	3.38%	3.04%	3.36%	3.53%	3.51%	3.30%

3 Track record in hedge management

Hedging cost & FX gain/loss

Unit: bps

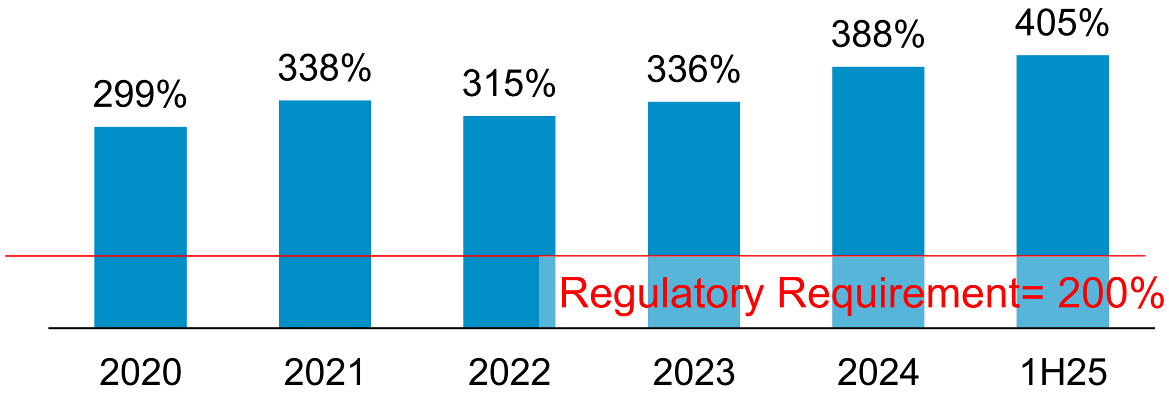


Hedging cost (bps)	-28	-90	-133	-156	-141	-93	-71	+2	-85	-141	-389
Fully hedged %	75.6%	76.9%	81.0%	76.1%	73.7%	72.1%	75.0%	70.2%	73.7%	62.6%	67.9%

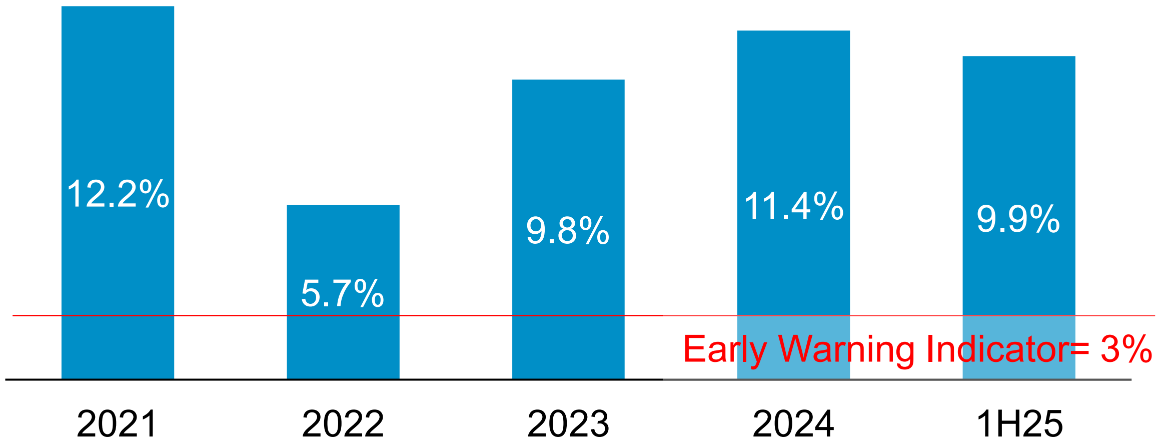
❹ Solid capital position and financial strength

- Capital preservation from decent earnings performance and capital planning over the years has led to well-capitalization

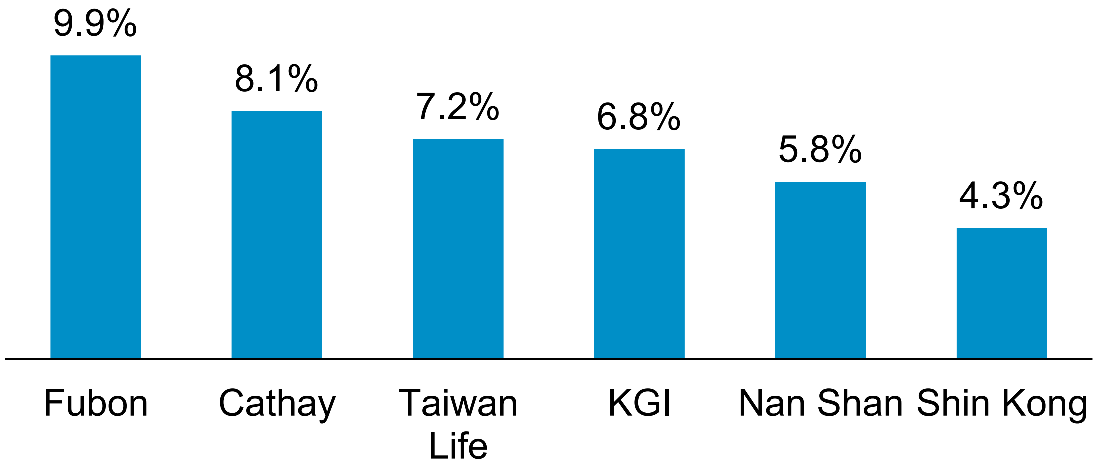
Fubon Life's RBC ratio



Equity-to-asset



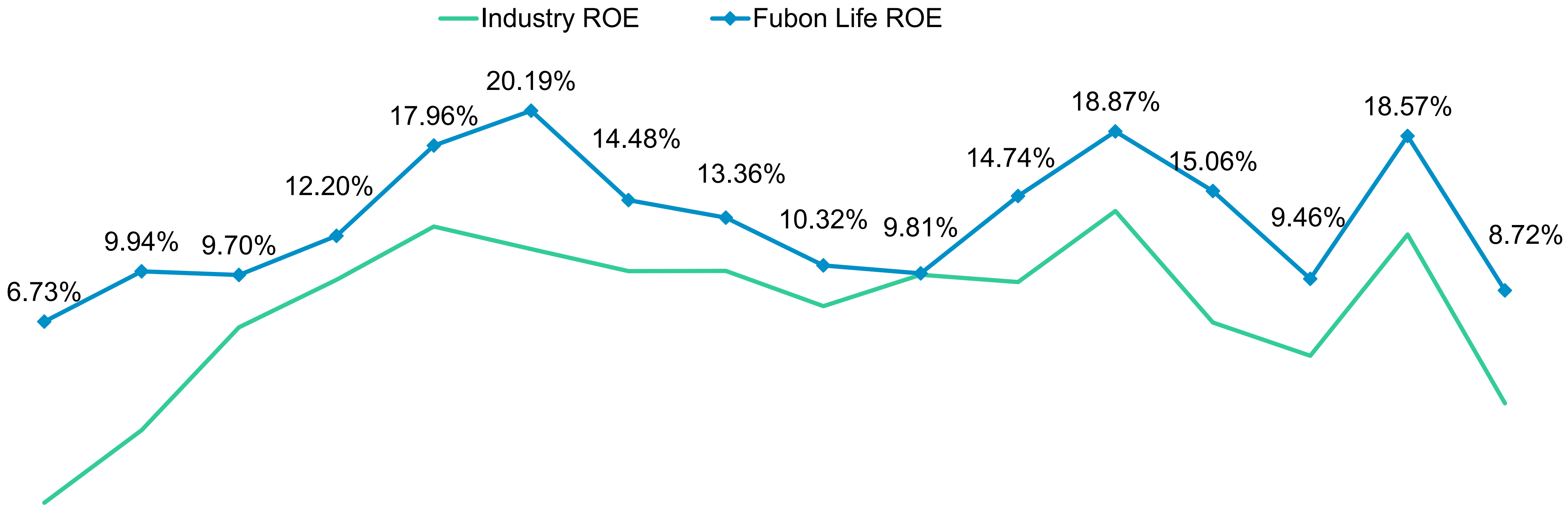
Peer equity-to-asset



5 ROE track record

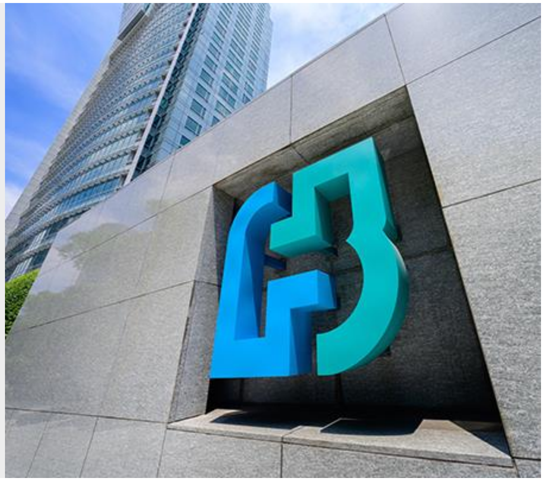
■ Fubon Life's ROE consistently higher than industry average

ROE comparison



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H25
Fubon Life ROE	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%	8.72%
Industry ROE	-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%	12.29%	1.53%

Taipei Fubon Bank



Taipei Fubon Bank at a glance

Scalable in Taiwan banking market	Franchise expansion from credit card	Robust fee income growth	Stable asset quality and solid capital position
5.9% Deposit market share **#3** among private banks	Costco affinity card bring in **1.4mn** new credit card customers	**+12.6%** YoY Wealth management fees	Non-performing loan ratio **0.12%** Coverage ratio **1067%**
5.5% Loan market share **#4** among private banks	**#2** Number of effective credit cards at around **5.77mn**	**+14.2%** YoY Credit card fees	**15.59%** CAR well above D-SIB requirement

Note: Data is on standalone basis as of 2Q25

Highlight on Taipei Fubon Bank

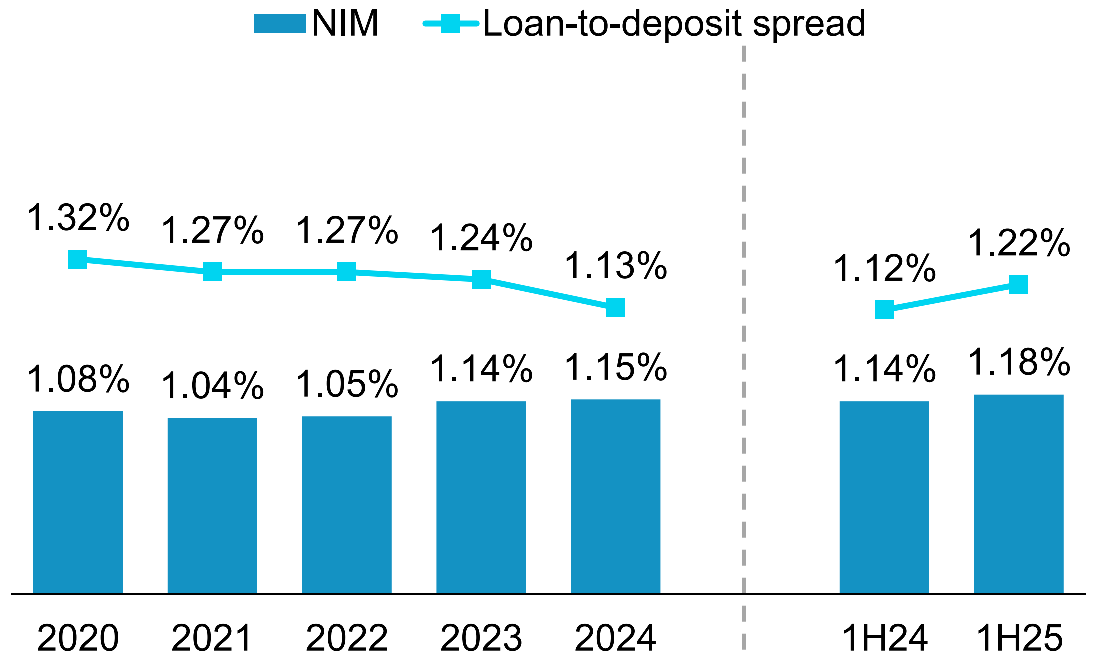
Taipei Fubon Bank

1. Margin expansion upside
2. Cross-sale opportunities from Costco affinity card and Jih Sun Bank merger
3. Synergies to drive fee business in wealth management and credit cards
4. Opportunities beyond Taiwan market
5. Stable asset quality and solid capital position

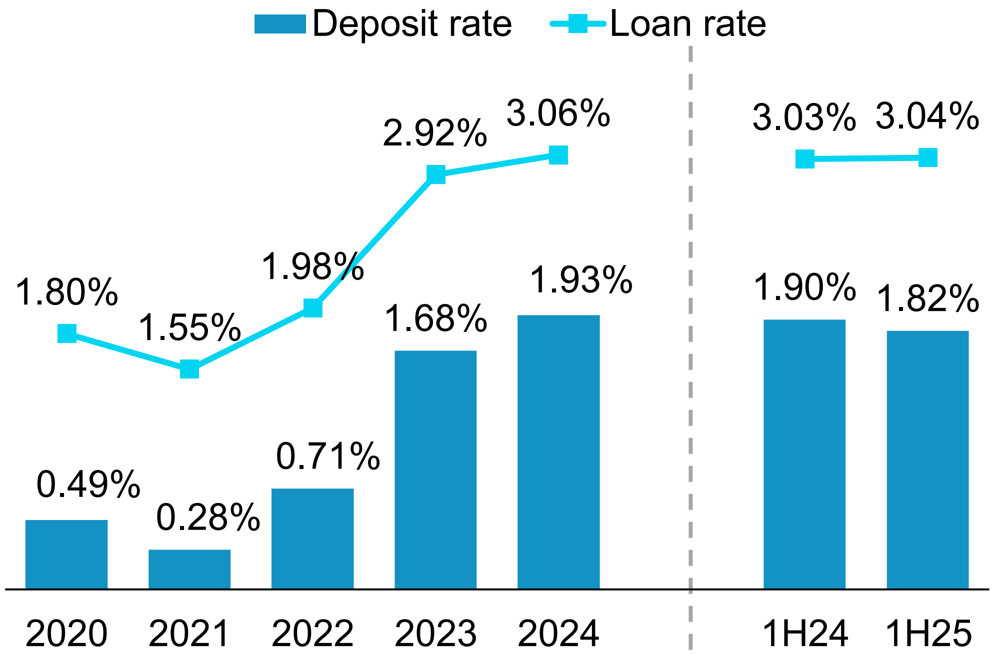
Margin expansion upside

■ NIM improvement on back of the adjustment in asset and liability structure

NIM and loan-to-deposit spread



Loan yield and deposit yield

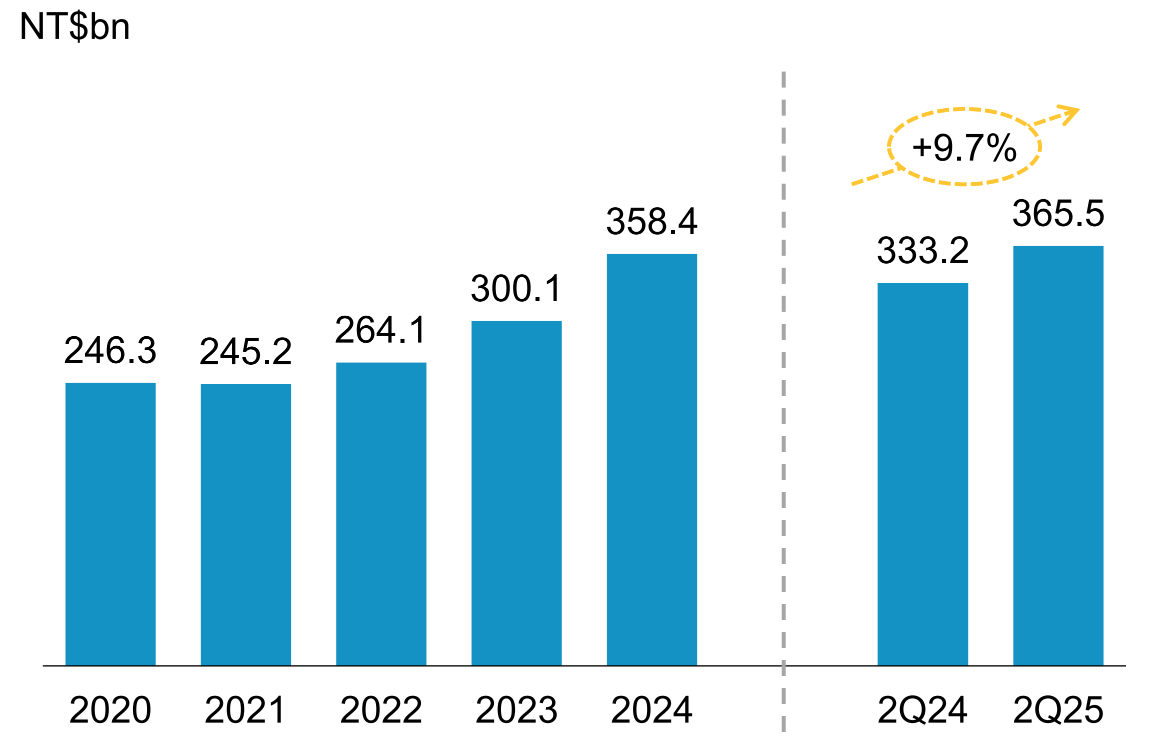


Note:
(1) Loan rate calculation inclusive of credit card revolving
(2) Taipei Fubon Bank and JihSun Bank merged in April 2023. Data of year 2022 and 2023 are inclusive of Taipei Fubon Bank and JihSun Bank. The same applies to the following pages

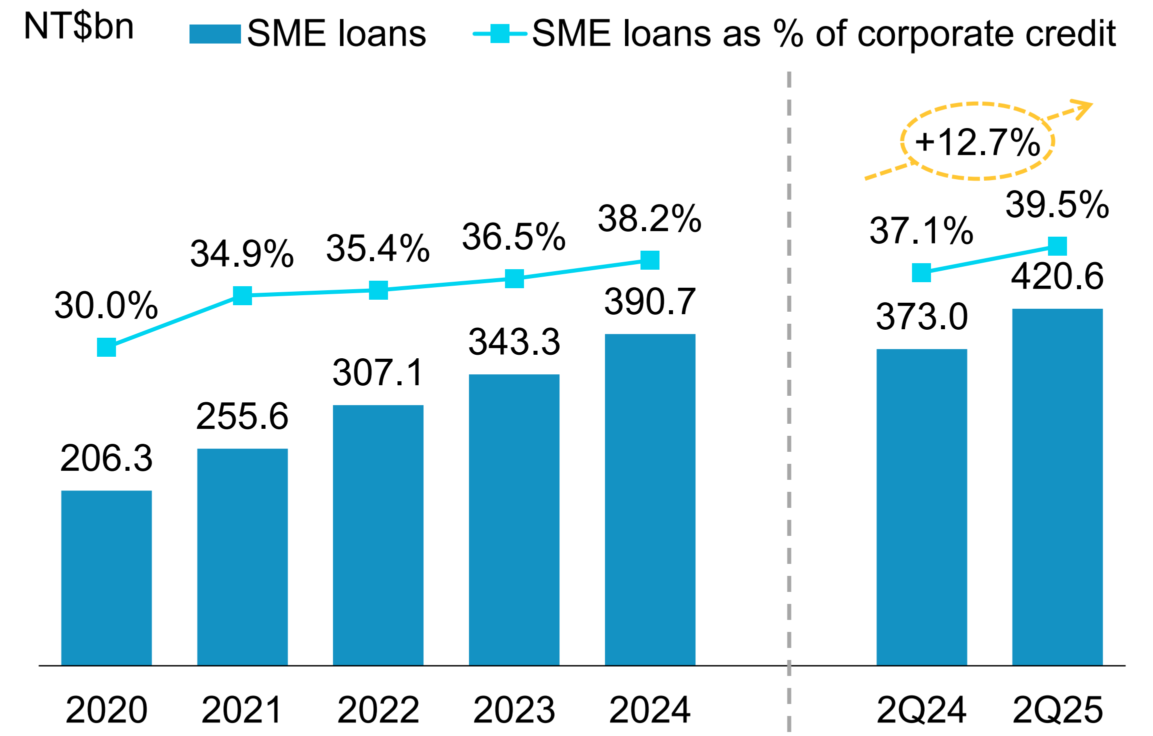
❶ Margin expansion upside

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

FX loan



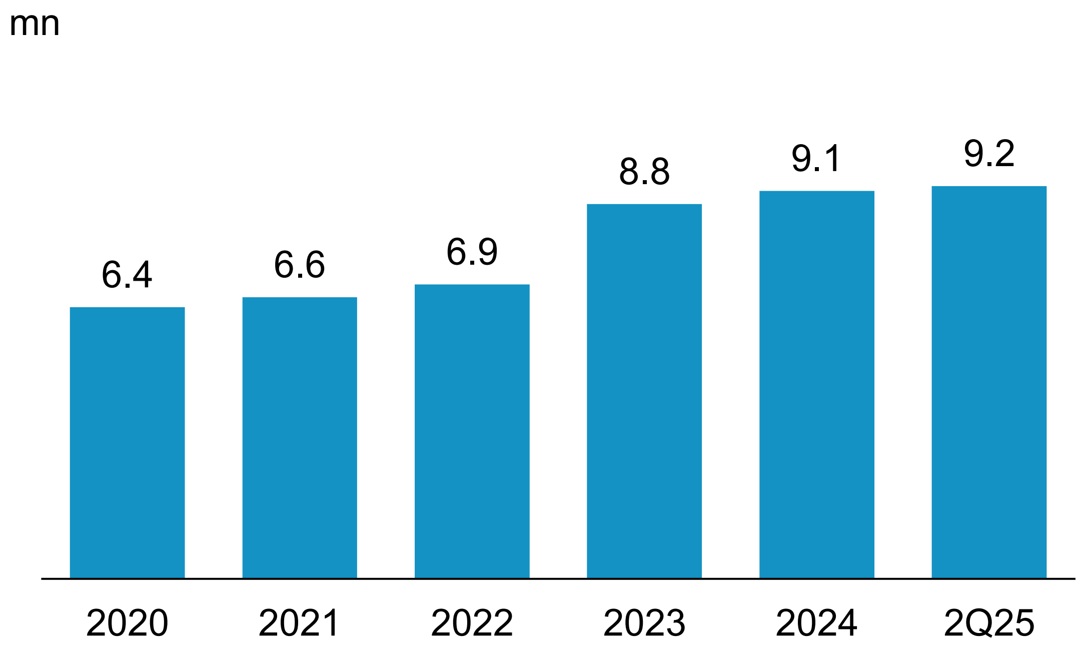
SME credit



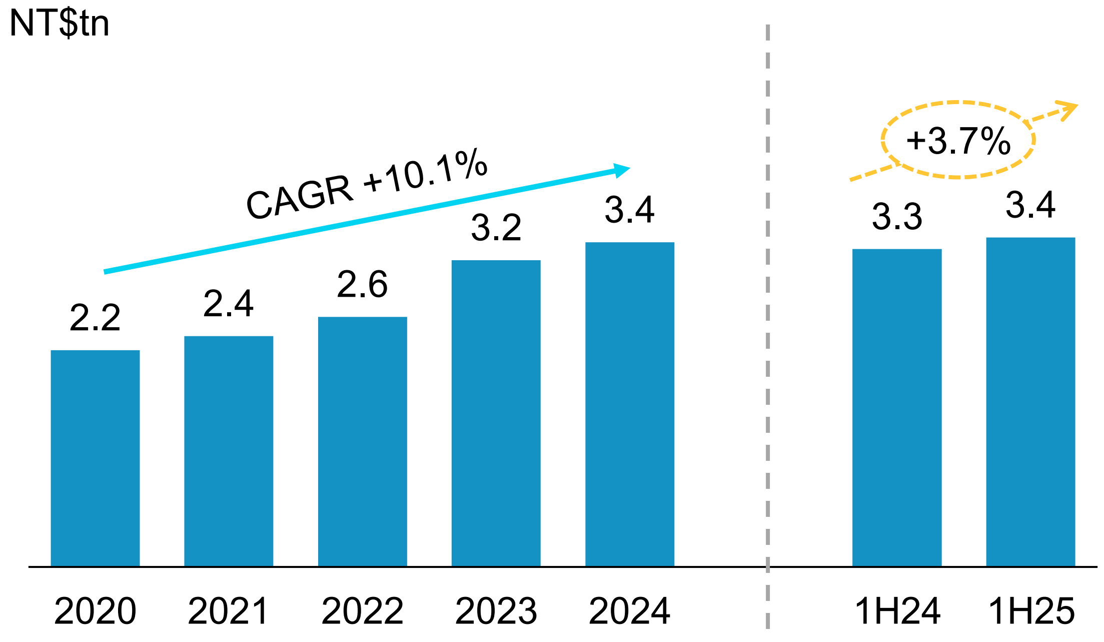
Cross-sale opportunities from Costco affinity card and Jih Sun Bank merger

■ Growth in AUM on back of customer base expansion

Number of customers(1)



Retail customers' AUM(2)

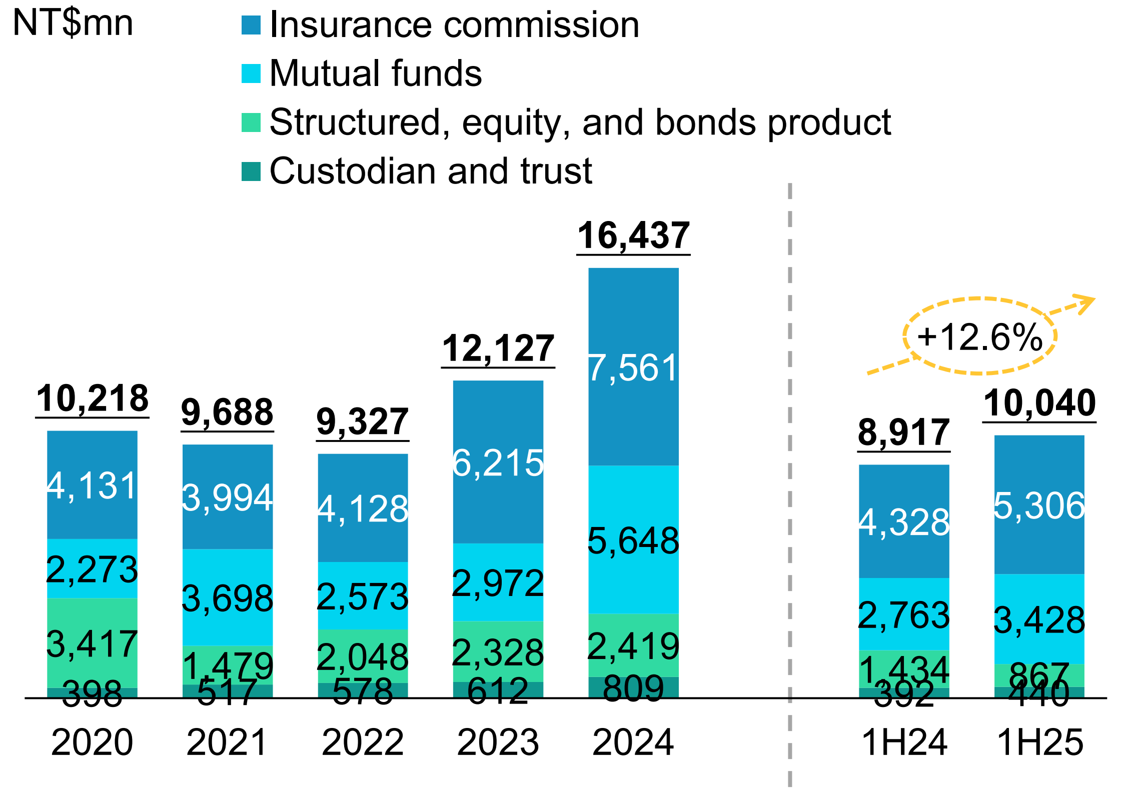


Note:
(1) Inclusive of corporate and retail customers
(2) Inclusive of customers' deposits, investment and insurance

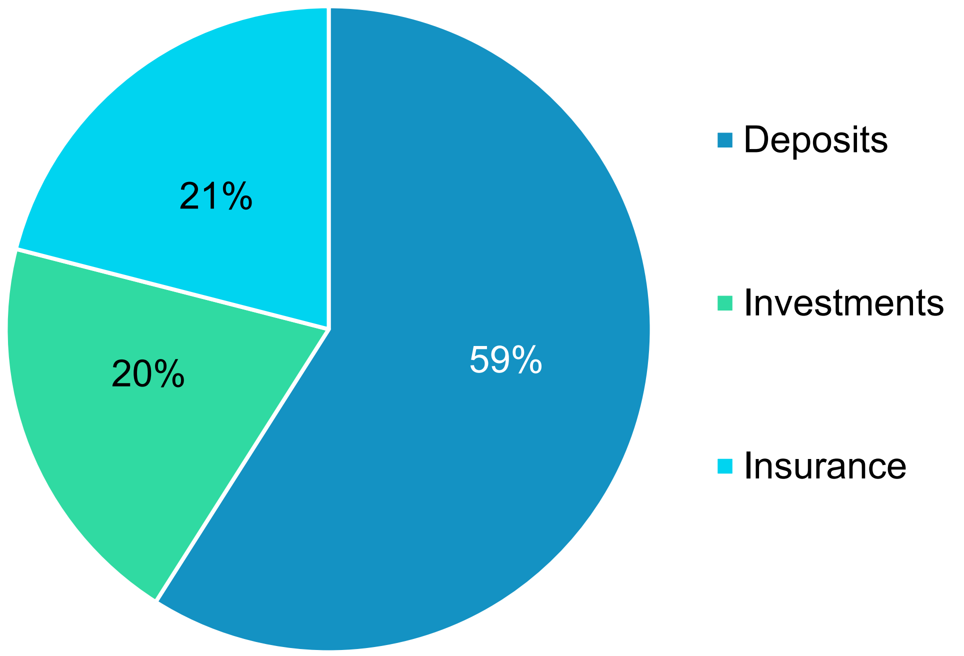
3 Synergies to drive fee business in wealth management

■ Wealth management opportunities from growth of AUM and asset allocation

Wealth management fee's breakdown



Portfolio of customers' AUM

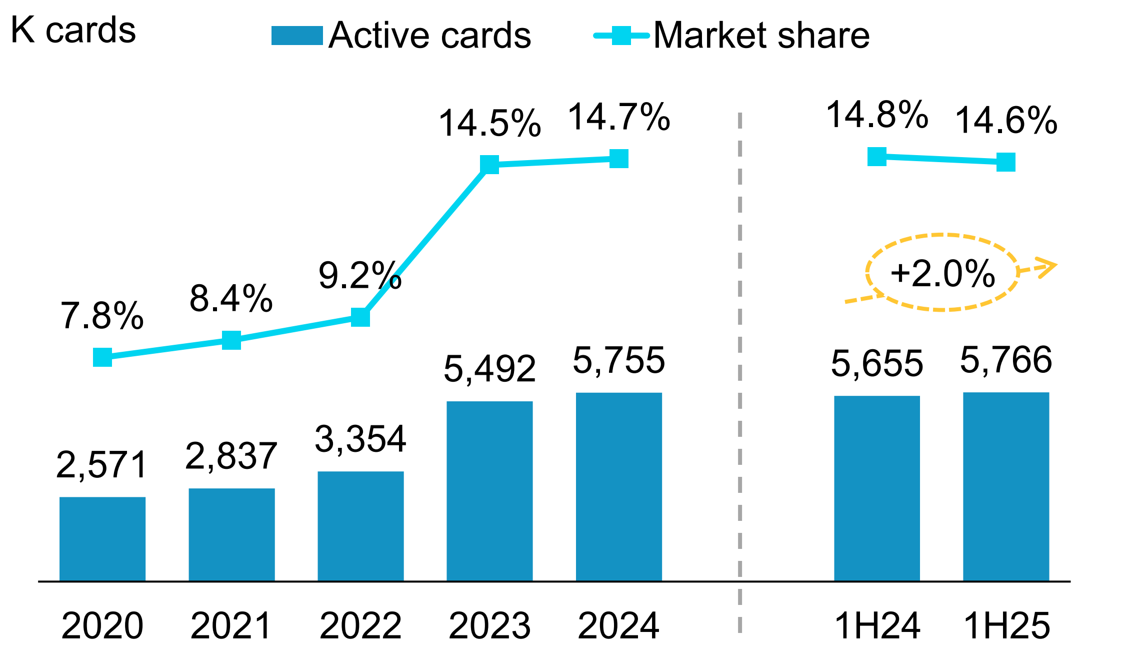


Note: Data as of 2Q25

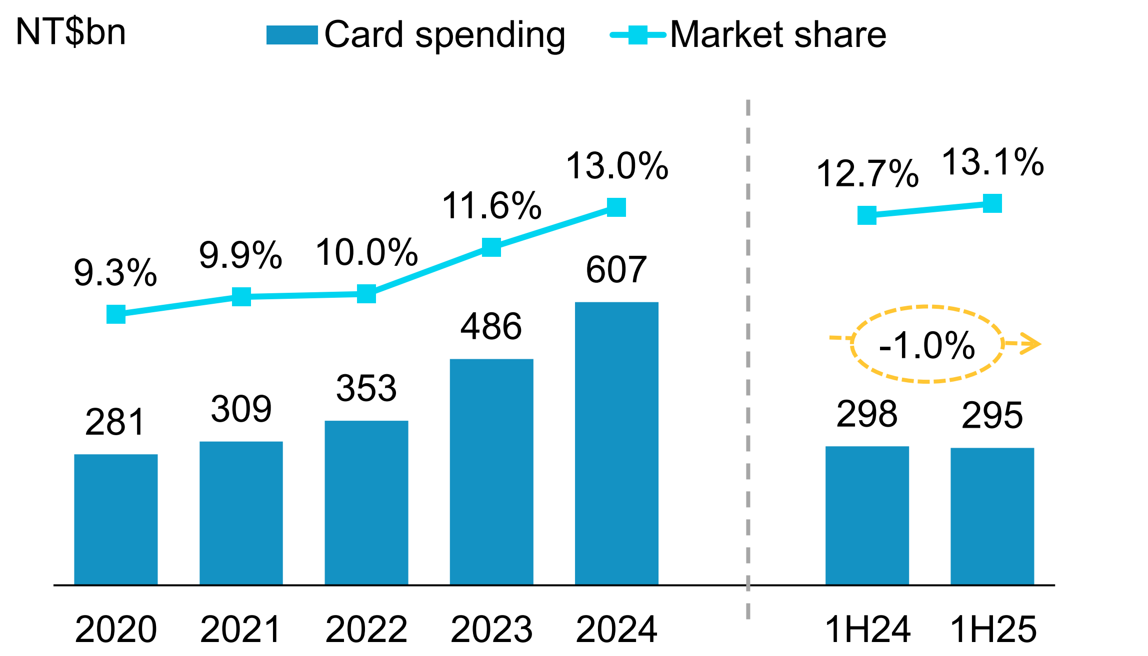
Synergies to drive fee business in credit cards

■ Number of active cards steadily growth with market share of 14.6%, ranking #2 in the market

Active cards



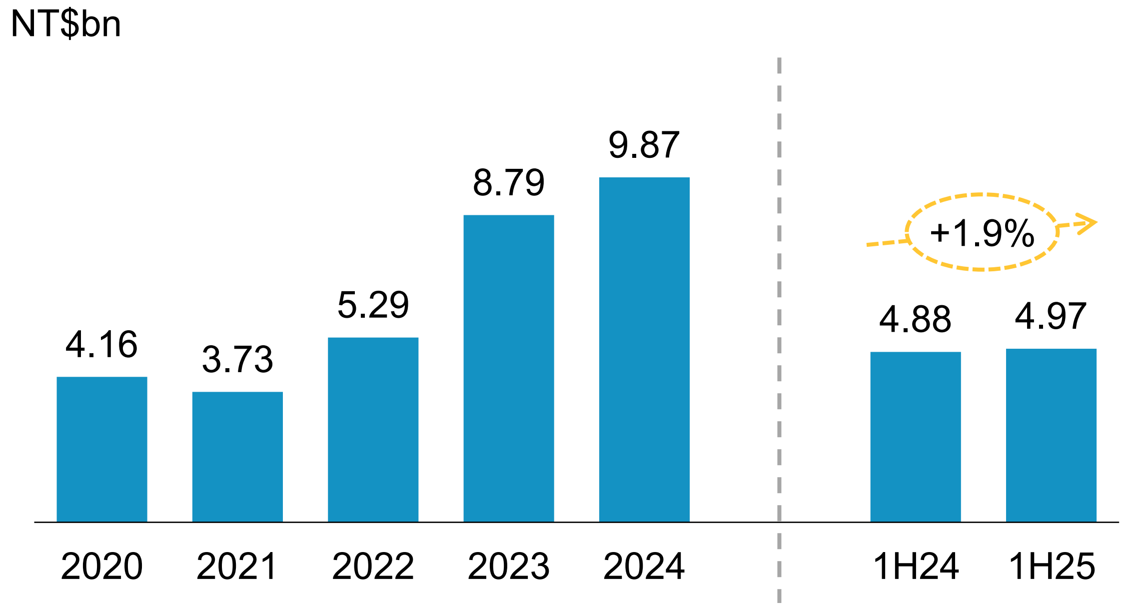
Card spending



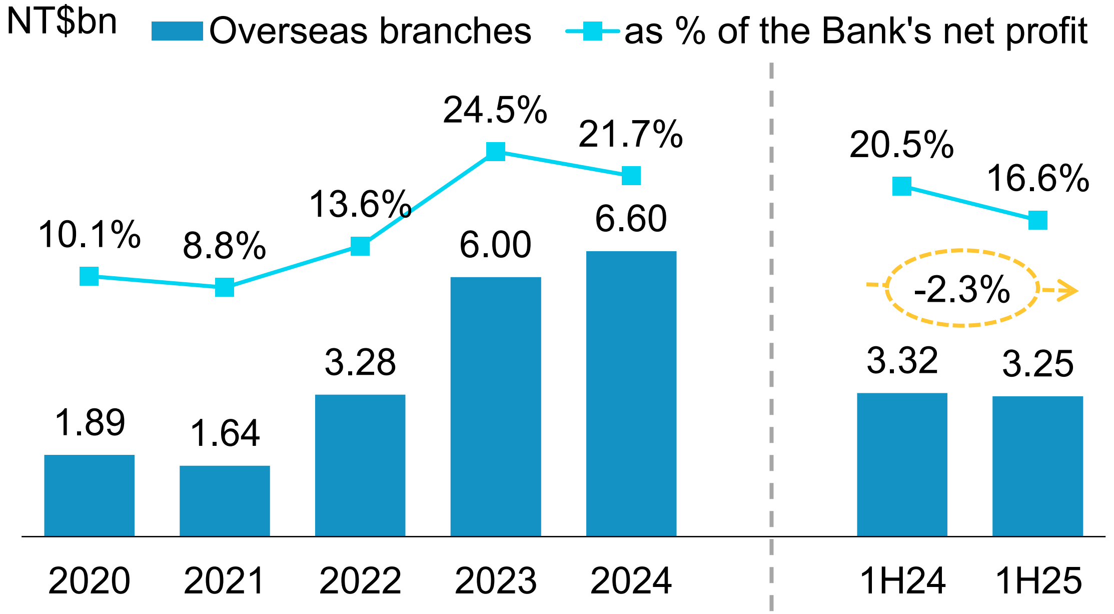
4 Opportunities beyond Taiwan market

■ Revenue growth in overseas branches on back of clients' supply chain migration in Asia, syndication business and wealth management demand

Net revenue from overseas branches



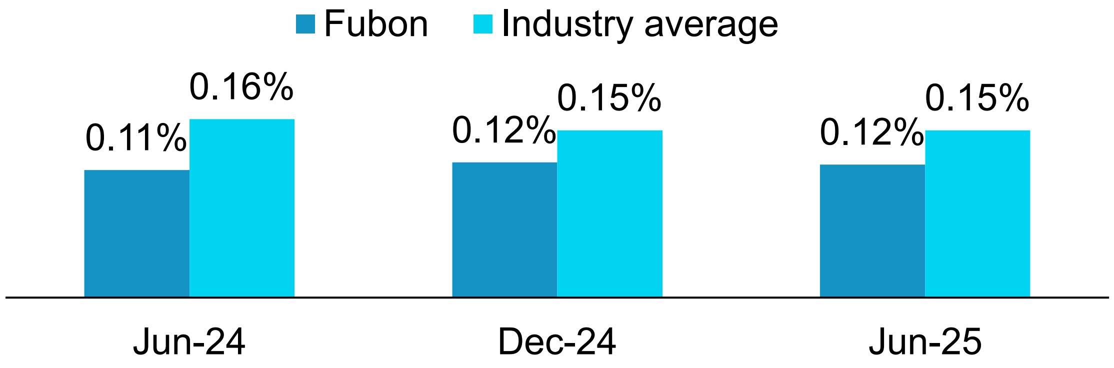
Net profit from overseas branches



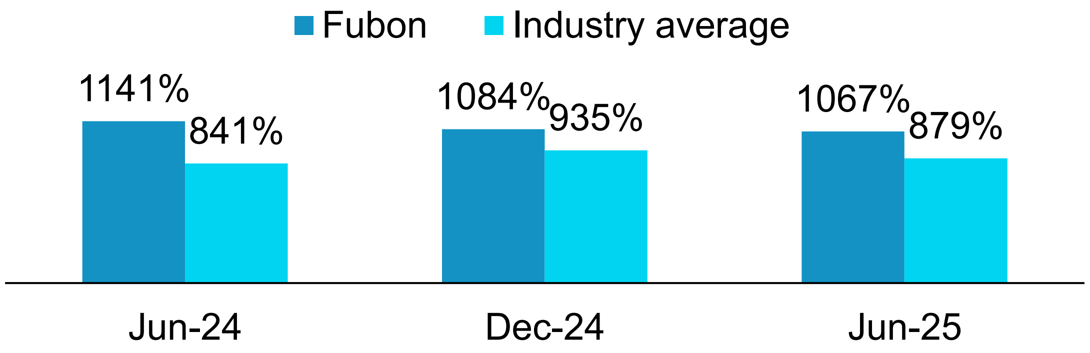
5 Stable asset quality and solid capital position

- NPL ratio and coverage ratio are benign. Asset quality for all business segments remained stable
- Capital level exceeds the minimum requirements for D-SIBs standard

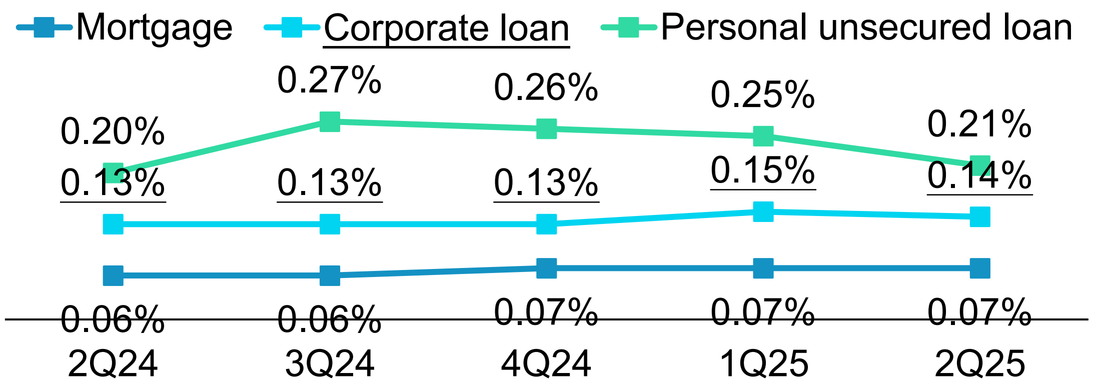
NPL ratio



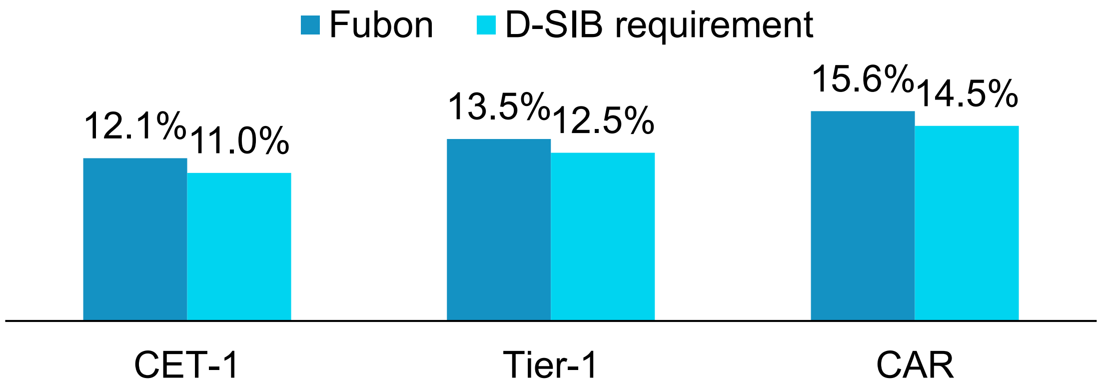
Coverage ratio



NPL ratio by product line



Capital ratio



Fubon Securities & Fubon Insurance

Highlight on Fubon Securities

Fubon Securities

1. The merger with Jih Sun Securities led to the growth of scale and ROE enhancement
2. Market share of major businesses and profit ranked among top 3
3. Focus on brokerage service through segmentation management and platform optimization

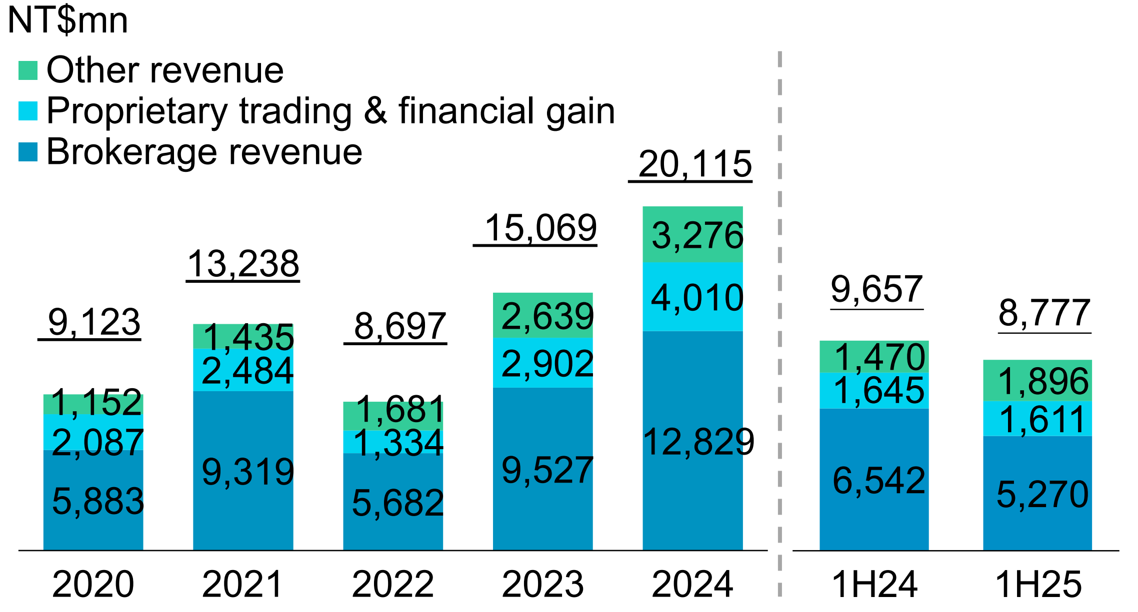
Fubon Securities operational snapshot

- Net profit ranked top 2 among peers. Proprietary trading and other revenues stayed stable, offsetting the decline in brokerage income
- Market share of major businesses lines ranked top 3. Aims to lift market share, optimize digital services, enhance customer segmentation management, and expand wealth management scale

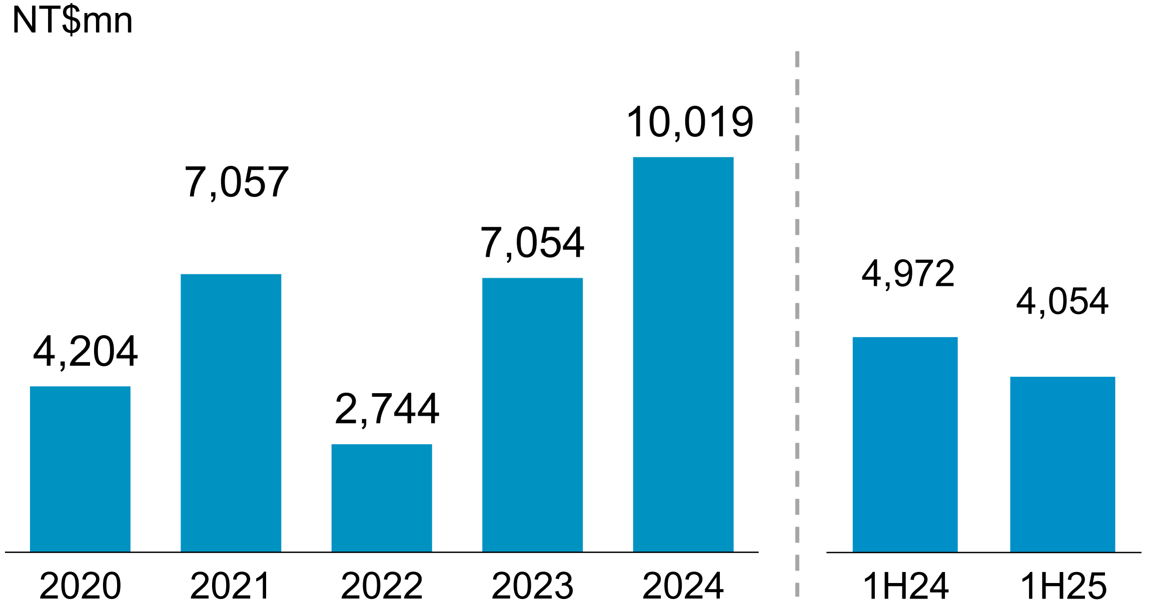
Market share (as of 1H25)

Brokerage	Margin loans	Securities lending
6.70%	9.83%	19.40%
Ranking #3	Ranking #2	Ranking #2

Operating revenue



Net profit

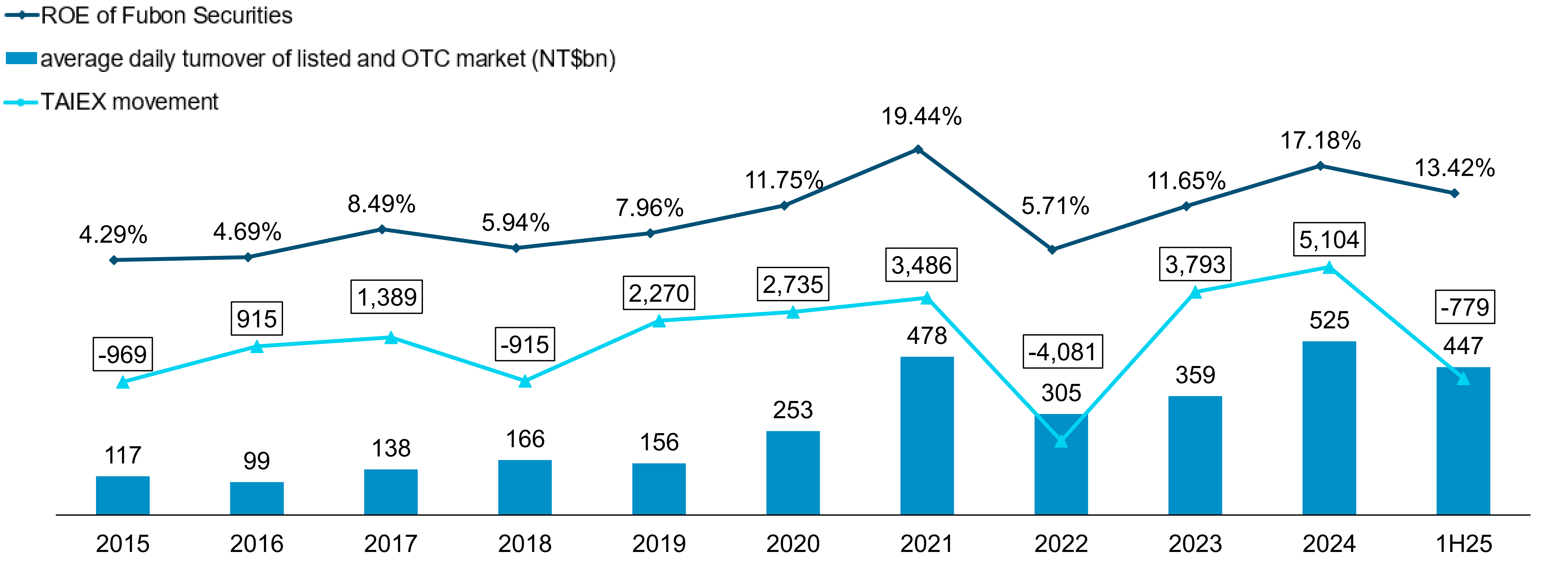


Note: The ranking does not include foreign brokers. Data from 2020 to 2022 are not restated to reflect the merger with Jih Sun Securities

ROE of Fubon Securities and Taiwan stock market

- ROE movement along with the changes in daily trading turnover and TAIEX volatilities
- Opportunities in wealth management

ROE of Fubon Securities and Taiwan stock market



Highlight on Fubon Insurance

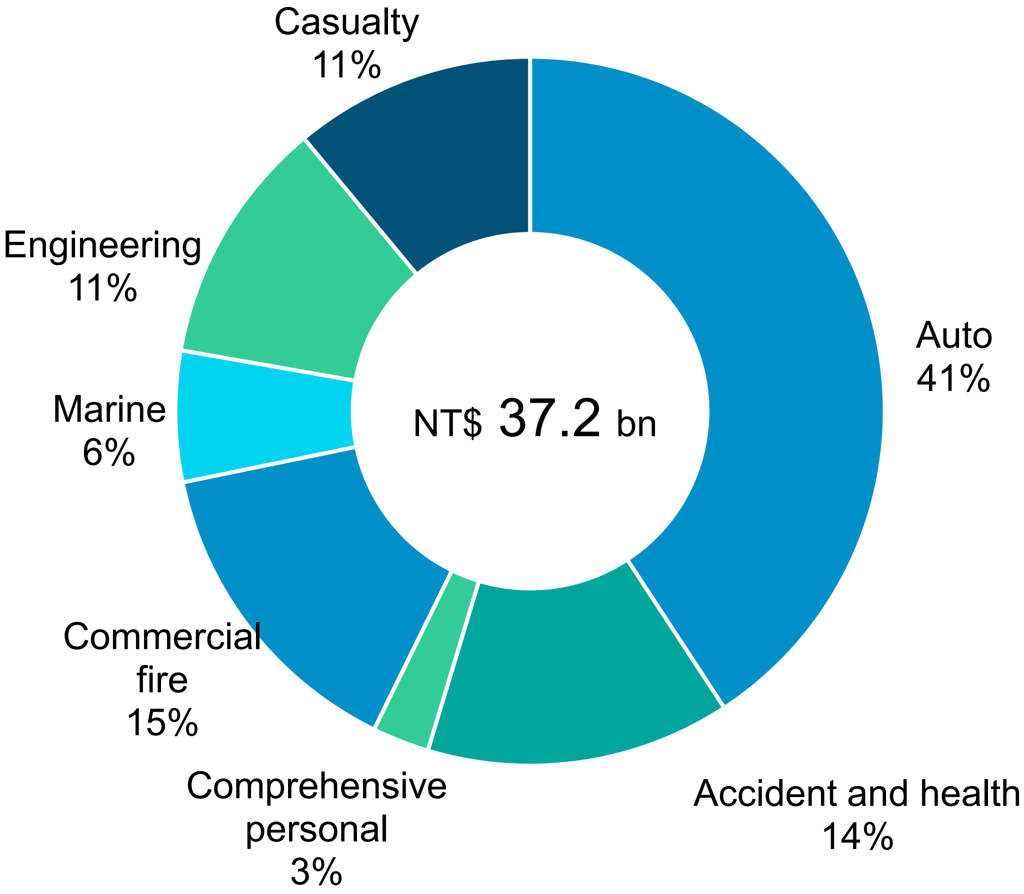
Fubon Insurance

1. Top 1 market position in Taiwan for over 40 consecutive years
2. Unparallel strength with over 20% market share across business lines
3. Outperformance in underwriting track record

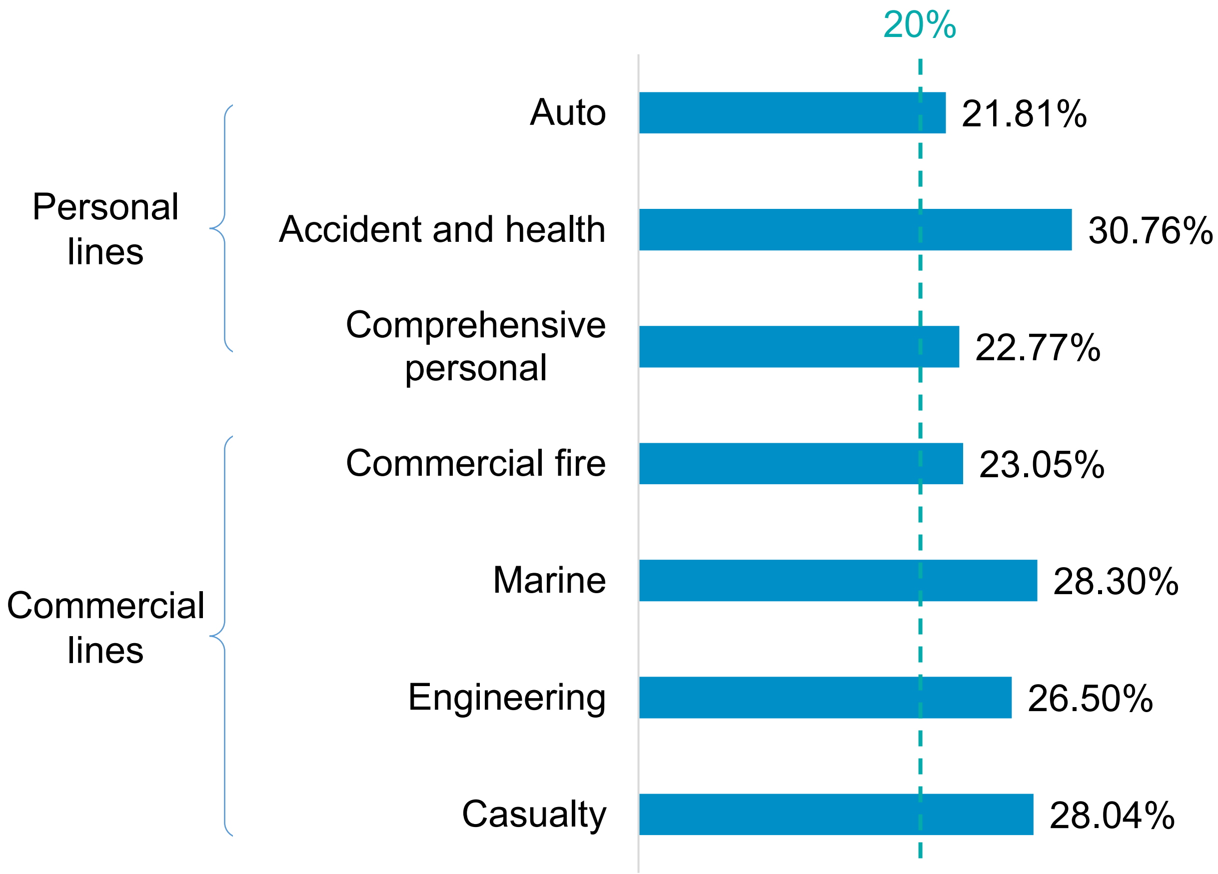
Top market position across business lines

- Well-developed and diversified product lines with top market share exceeding 20% in all areas

Direct written premium by product



Market share by product

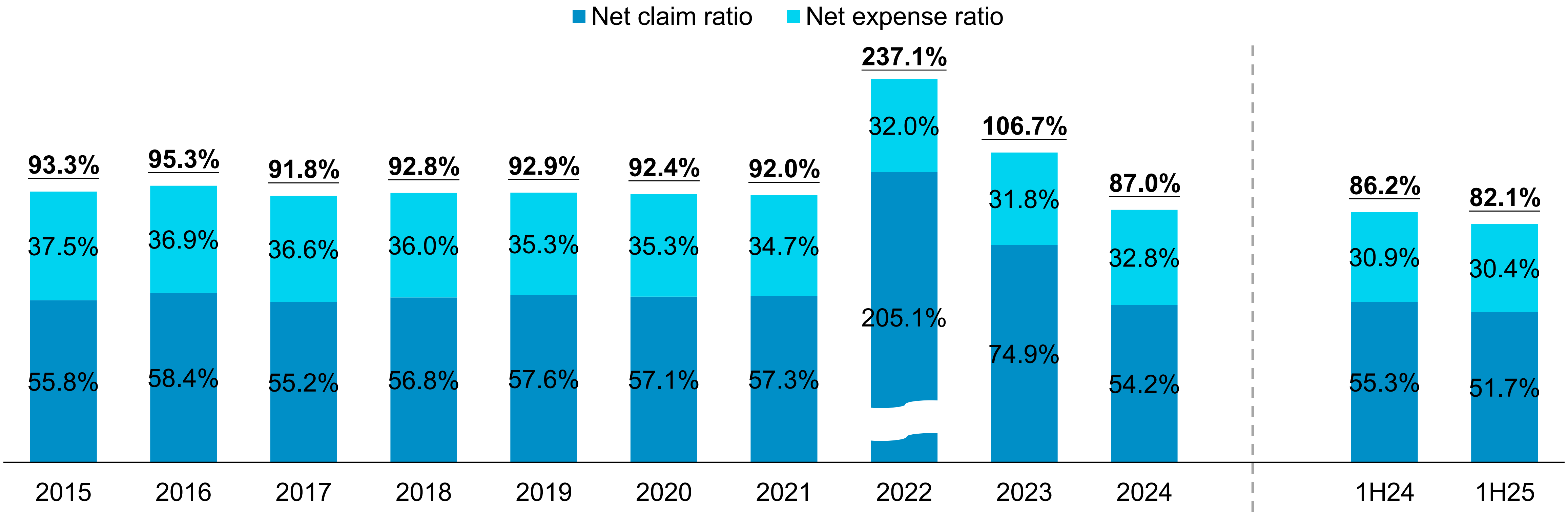


Note: Data as of 1H25

Underwriting performance of Fubon Insurance

- Net combined ratio outperformance
- Market share consistently topped in Taiwan for over 40 consecutive years

Net combined ratio



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	1H24	1H25
Market Share	22.5%	22.8%	23.2%	23.5%	23.8%	24.1%	24.6%	24.4%	23.8%	23.9%	24.6%	24.4%

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

Highlight on Fubon Asset Management

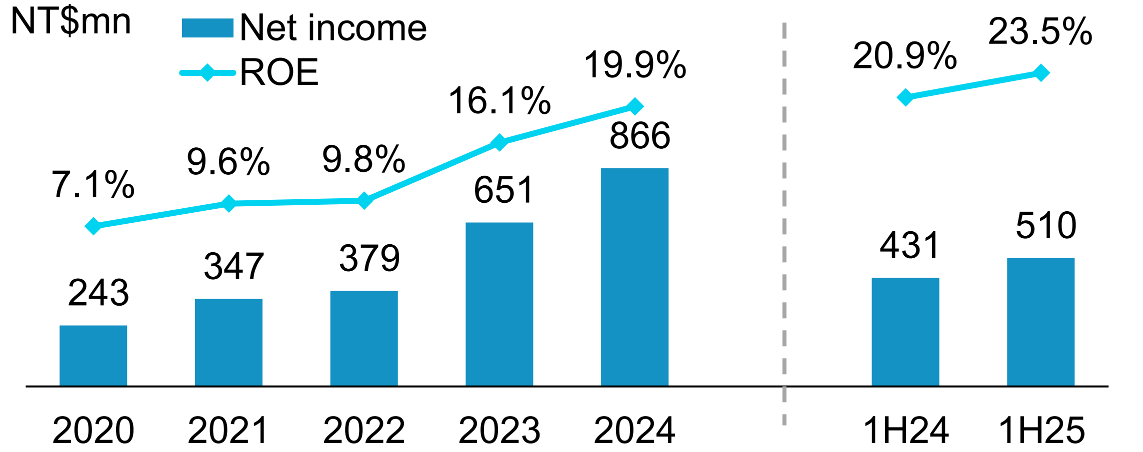
Fubon Asset Management

1. Inception in 1992 with AUM top 4 in Taiwan market. Merger in 2Q25 bring in new growth opportunities
2. Product offering across Taiwan and international markets with pioneering edge in Vietnam, India, Japan, US, and HK/China
3. Potential along with rising wealth management demand in ETF and mutual funds in Taiwan and Asia

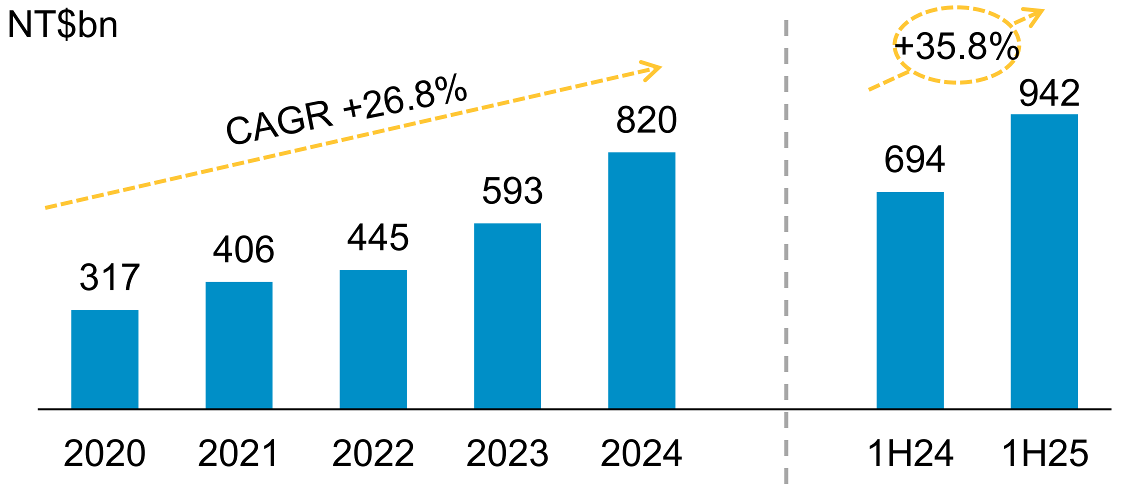
Highlight on Fubon Asset Management

- Sequential growth in AUM scale, profitability and ROE
- Expansion of mutual funds and ETFs offering, from 64 to 86 names and AUM growth by 35.8% YoY in 1H25, upon merger with Jih Sun in April 2025
- AUM of over 20% CAGR in Taiwan asset management market[1] and Fubon[2] represents meaningful wealth management opportunities

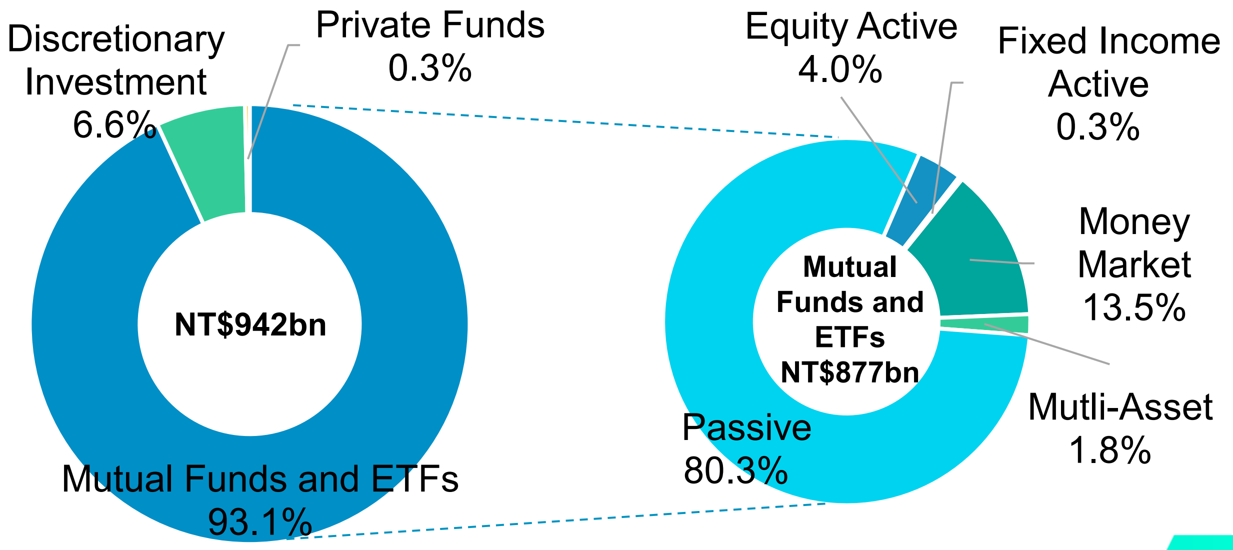
Net profit and ROE



Asset Under Management



AUM breakdown (as of 1H25)



Note: (1) Market AUM, including mutual funds and ETFs, CAGR reached 20.7% from 2020 to 2024.
(2) Fubon AUM in the chart including mutual funds, ETFs, discretionary investment, and private funds.

ESG strategies
Awards & recognitions

Vision and strategies in ESG

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

ESG Strategies

Low Carbon
Sustainability Transition

Provide sustainable finance product services, support clients' ESG initiatives jointly, and build up low-carbon operation

Digitalization
Best Financial Services

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

Motivation
Employee Care

Create a friendly and healthy workplace with diversity and equality

Influence
Positive Impact

Connect internal and external resources to deliver positive impact

Record in Sustainability Performance

International recognition in commitment to sustainability

Note: Data as of 2025/08

Dow Jones Sustainability Indexes

- Inclusion in DJSI Emerging market Index for nine consecutive years
- Inclusion in DJSI World Index for eight consecutive years

MSCI

- Inclusion in MSCI ESG Leaders Indexes for eight consecutive years
- An "AA" MSCI ESG rating in global insurance sector

Climate CDP A List 2024

- Leadership level in "Climate Change" for five consecutive years; Score A in 2024
- Leadership level in "Supplier Engagement Rating" for four consecutive years; Score A- in 2023

Brand Finance

- Global Top 500 Most Valuable Brands and top among Taiwan's FHCs

TIME WORLD'S MOST SUSTAINABLE COMPANIES statista 2025

- Global Top 500 in TIME Magazine's World's Most Sustainable Companies for two consecutive years
  - Rank 4 among global financials
  - Top among private FHC in Taiwan

金融監督管理委員會 Financial Supervisory Commission R.O.C. (Taiwan)

- Top 25% of companies in the second "Sustainable Finance Assessment" of major subsidiaries

2024 天下永續公民獎 CSR 富邦金控

- Excellence in Corporate Social Responsibility for seventeen consecutive years; top 2 among Taiwan financials in 2024

2024第20屆 ESG 遠見ESG企業永續獎

- Comprehensive Performance Finance and Insurance Industry Model Award for six consecutive years

Awards & Recognitions

Brand Value

Fubon FHC

2022-2025	2012-2025	2025	2024
Asia Executive Team–Most Honored Company	Dragon and Phoenix Insurance Awards–Most Admired Financial Holding Company–1st Place	Asia's Best CEO Asia's Best CSR	Taiwan Top 100 Best-Performing Business Leasers
extel	RMI 現代保險	ASIAN EXCELLENCE AWARD	Harvard Business Review 哈佛商業評論

Life	Bank	Insurance	Securities
2017-2025 Best Insurance Company	**2018-2025** Top 500 Global Most Valuable Banking Brands	**2024** Operational Continuity Management Excellence Award	**2025** ISO 22301 International Standard Certification for Operational Management
Brand Finance	Brand Finance	SGS	ISO International Organization for Standardization

Business Honors

Life		Bank	
2025 Nation Industrial Innovation Award	**2025** Taiwan Sustainable Investment Awards—Institutional Impact Model Award, Case Impact Gold Level	**2025** Euromoney Awards for Excellence2025 -Taiwan's Best Bank for ESG	**2025** TAB GLOBAL Financial Technology Innovation Awards-Best Climate Risk Technology Initiative in Asia
經濟部 Ministry of Economic Affairs	TAISE 台灣永續能源研究基金會 Taiwan Institute for Sustainable Energy	EUROMONEY	THE ASIAN BANKER

Insurance		Securities	
2025 Best Insurance Company, Best Green Initiative	**2025** The Global Economics Awards-Most Customer-Centric General Insurance Company	**2025** F-ISAC Members with Outstanding Performance in Information Sharing	**2025** Taiwan Sustainable Investment Awards—Institutional Impact Award, Case Impact Bronze Level
INTERNATIONAL FINANCE	THE GLOBAL ECONOMICS	金融監督管理委員會 Financial Supervisory Commission R.O.C. (Taiwan)	TAISE 台灣永續能源研究基金會 Taiwan Institute for Sustainable Energy

Fubon Financial

IR Contact

TWSE
Common Stocks:
2881.TT

LUXSE
GDRs-RegS:
FFHCR LX

LUXSE
GDRs-144A:
FUISY US

Appendix 1: 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)

Appendix 2: Profit recognition of financial assets

- Stock investments would mostly be classified as FVOCI to reduce net income fluctuation upon IFRS 17 adoption in Fubon Life
- The capital gains of FVOCI stocks will be included in the retained earnings rather than net income. The capital gains will be a source of dividends payment
- After the removal of the overlay approach for FVTPL positions, the valuation gains and losses will be reflected in P/L upon IFRS 17 adoption

Asset classification and profit recognition of financial assets

	Recognition	Before 2026 (with overlay)		2026 onwards	
		MTM gain/loss	Capital gain/loss	MTM gain/loss	Capital gain/loss
Stock	FVTPL	OCI	Net income	Net income	Net income
	FVOCI	OCI	Retained earnings	OCI	Retained earnings
Bond	AC	Cost Basis	Net income	Cost Basis	Net income
	FVTPL	Net income	Net income	Net income	Net income
	FVOCI	OCI	Net income	OCI	Net income

Note：NTD-denominated bond ETF that meets certain conditions can be classified as FVOCI, and the disposal benefit can be recognized as P/L

Appendix 3: Profit recognition of participating policies (IFRS 4)

Participating policies

Profits

Dividends declared

- Consideration factors are such as economic conditions, market conditions, and reasonable expectations of policyholders

30% → Fubon Life's profit

70% (Note) → Dividends allotted to policyholders

Undistributed profits retained as reserve

- Investment return can be accumulated for dividends in future years

Other policies

Profits → Recognized in life companies' monthly profit

Note: Regulation required the proportion of distribution to the policyholder shall not be less than 70% of the distributable dividend surplus. The terms of the policy currently offered is 70%

Appendix 3: Profit recognition of participating policies (IFRS 17)

Participating policies

VFA measurement model

Profits

30% — Profit to shareholders recognized as CSM → Insurance service results

CSM release
Regardless of market environment changes, CSM can absorb volatility of investment returns and reduce profit and loss fluctuations

70% — Profit to policyholders recognized as insurance contract liabilities

The undistributed profits will be retained and accumulate over the policy period

Other policies

Mortality & Loading margin → Insurance service results

Mainly through CSM release
The present value of unearned profit of the policy is first recognized as CSM (liability) and then released to P/L during the policy period. The difference between the actual and expected result during the financial reporting period is also reflected in P/L

Interest margin → Insurance finance results

Investment income - Insurance financial income or expense
Investment income is recognized in accordance with IFRS 9

Appendix 4: Transition measures for IFRS17 and TW-ICS

- FSC announced a 15-year transition period in July 2023:

Asset type	Risk Coefficients
Domestic listed and OTC stocks	Gradually transit from 21.65% and 30% under RBC to 35% under TW-ICS
Domestic real estate	Gradually transit from 7.81% under RBC to 15% under TW-ICS
Policy-led public infrastructure	1.28% from 2026 to 2030 and gradually transit to a localized risk coefficient(Note) within next 10 years

- FSC announced three additional transition measures in November 2023:

Measures	
Traditional policies with cost of liability over 6%	Additional liquidity premium of 50bps when determining discounting factors under IFRS17 and TW-ICS
Liabilities with cost over 6% and assets backing the portfolio	The adverse impacts on capital under TW-ICS resulting from prevailing market yields be phased in over 15-year transition period
Interest rate risks under TW-ICS	50% of total interest rate risks be counted in the first year and increases linearly to 100% in the 15th year

Note: The risk coefficient is still under discussion

Appendix 4: Transition measures for IFRS17 and TW-ICS

- FSC announced phase 3 of localization/transition measures as well as differentiated management measures in April 2024:

<table>
<tr><th colspan="2">Measures</th></tr>
<tr><td>Callable bonds are included in eligible assets</td><td>For callable bonds held on 31 December 2023, the interest portion recognized before the most recent callable date can be included in eligible assets.</td></tr>
<tr><td>15-year transition period for new type of risks</td><td>New risks not included in RBC, such as longevity, lapse, expense and catastrophe risk, will increase linearly from 0% to 100% over 15 years.</td></tr>
<tr><td>Incentives for capital increase</td><td>After reaching a certain level of risk capital, life companies can choose:
1. Increase the investment limit for foreign subordinated financial/corporate bonds, with credit ratings of BBB/BBB-, or foreign private equity/hedge funds.
2. Reduce the risk coefficient (x0.9) of foreign private equity/hedge funds for 5 years</td></tr>
<tr><td>NB CSM incentive measures</td><td>The FSC will review the NB CSM estimates submitted by each company annually during the 15-year transition period
<table>
<tr><th>NB CSM achievement</th><th>Incentive measures</th></tr>
<tr><td>100%</td><td>● Policy-led public infrastructure maintain the risk coefficient of the previous year</td></tr>
<tr><td>105%</td><td>● Policy-led public infrastructure maintain the risk coefficient of the previous year
● Domestic stocks maintain the risk coefficient of the previous year</td></tr>
</table>
</td></tr>
</table>

Appendix 4: Transition measures for IFRS17 and TW-ICS

- FSC announced the following adjustments and phase 4 localization and transitional measures in December 2024.

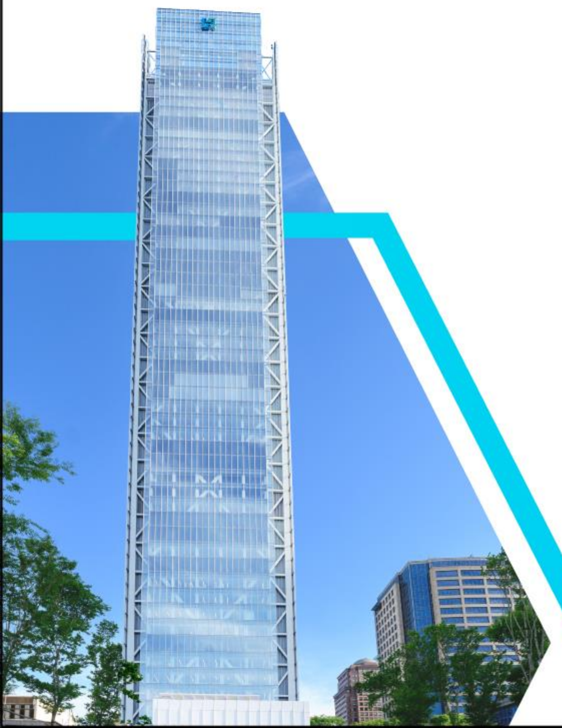
Refer to the latest version of ICS
• **Exclude twist up/down scenarios** from interest rate risk. • Maximum change of the Long-term forward rate (LTFR) under interest rate risk stress tests is limited to **15bps**. • Enlarge the utilizable tax effect on ICS capital requirement.
The limits on T1L and T2 capital are based on **the risk capital accrued prior to the adoption of transitional measures**, which expand funding capacity.
Transitional Measures
To insurers that apply transitional measures and be approved, the capital charge for Non-Default Spread Risk (NDSR) will increase linearly from 0% to 100% over 15 years.
Localization
Lowering risk coefficients on mortality/ longevity/ morbidity[1]/ lapse to **10%/ 10%/ 7.5%/ 35%** from 12.5%/ 17.5%/ 20%/ 40%.
There is room for localization of interest rate risk stress level of the life insurance industry. It will be further assessed to determine after industry-wide evaluations.

Note 1：Long-term and lump sum payment contract (Category 2)
Note 2：FSC will consider the availability of further adjustments on VaR confidence levels and the definition of legacy policies after the impact of localization is evaluated.
Ref：*https://www.fsc.gov.tw/ch/home.jsp?id=96&parentpath=0,2&mcustomize=news_view.jsp&dataserno=202412310002&toolsflag=Y&dtable=News*

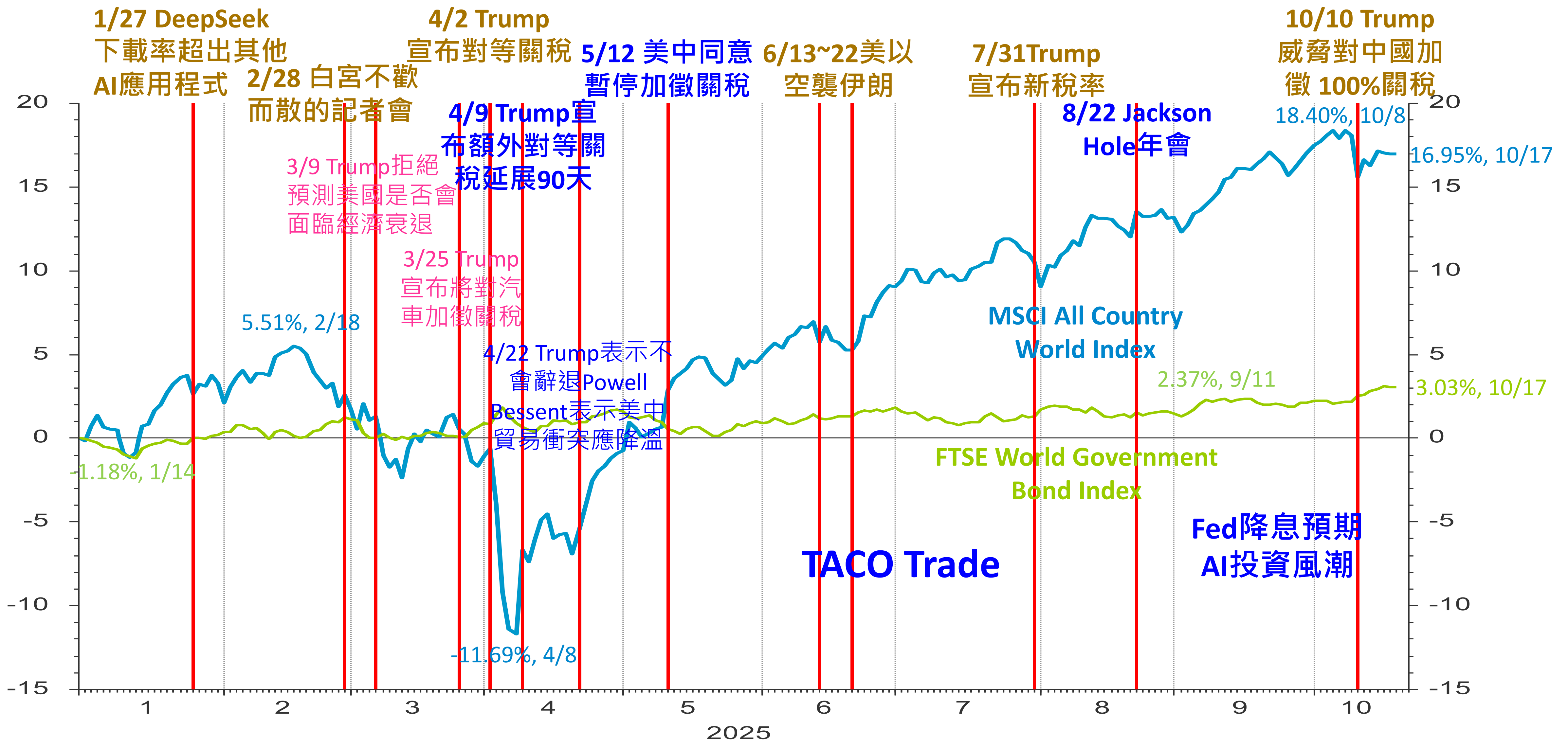
當前全球經濟與金融市場評析

羅瑋 富邦金控首席經濟學家

2025/10/27



2025年上半年全球金融市場出現劇烈震盪



Source: LSEG Datastream

Trump政策對當前全球經濟與市場影響未如預期嚴峻

Trump接連獲得重大勝利：

大而美法案順利通過、貿易談判獲得重大進展、司法爭議占上風

美國財政壓力減輕：

關稅收入增加、Bessent有效控制公債殖利率、主權基金逐漸成型

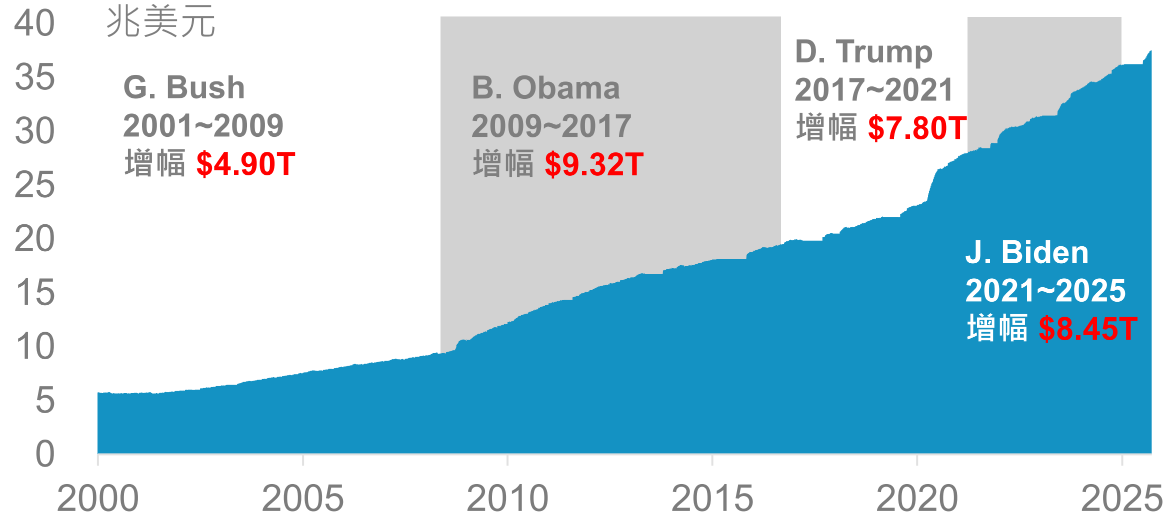
通膨惡化風險下降：

以伊戰火未擴大、OPEC+增產、關稅衝擊平滑化、通路自行吸收

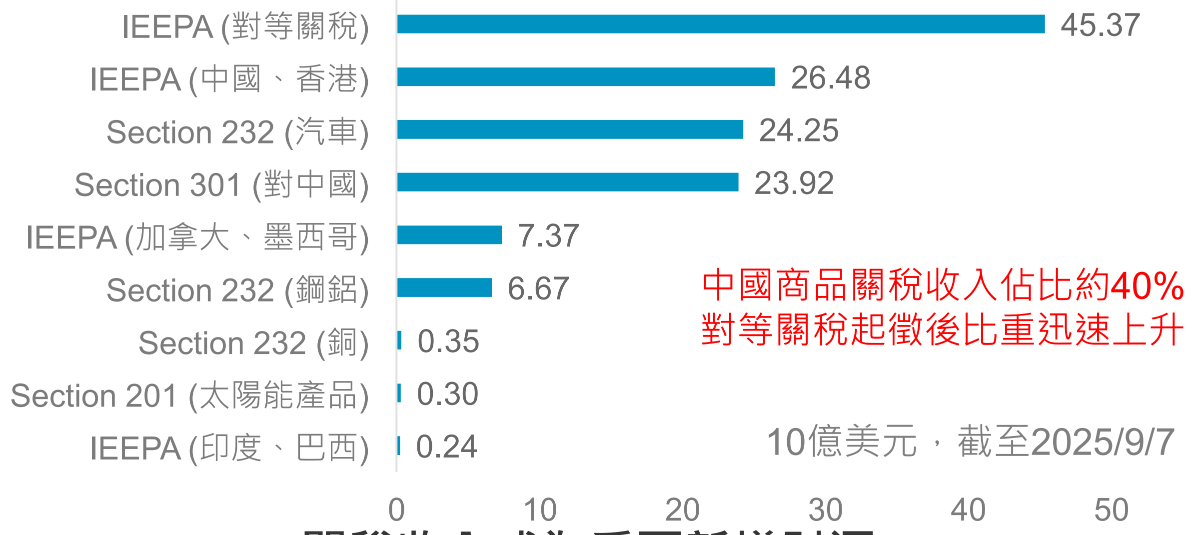
Fed人事： Trump尚未對Powell下重手

美國沉重的債務與高昂的利息支出

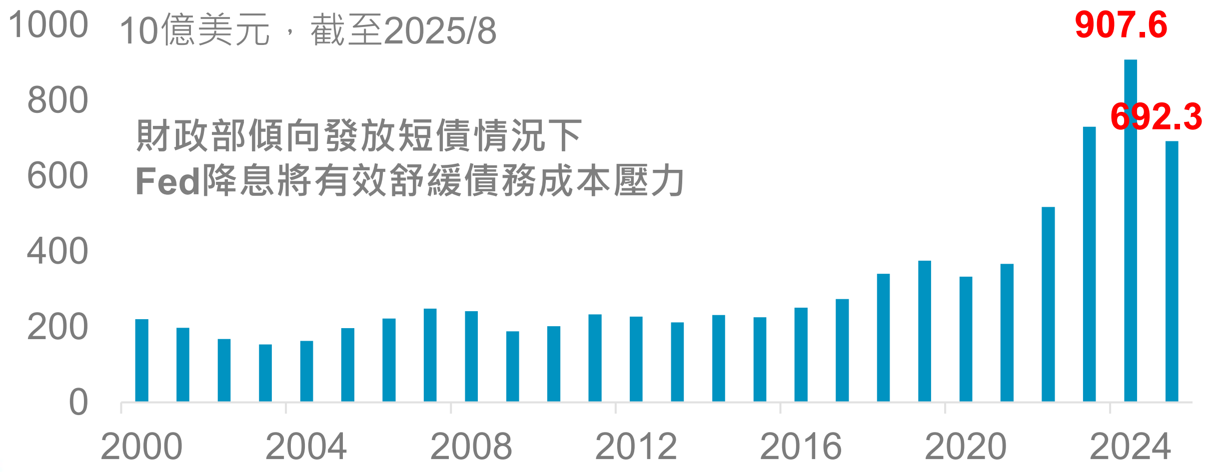
美國政府債務自金融海嘯及疫情後高速增長



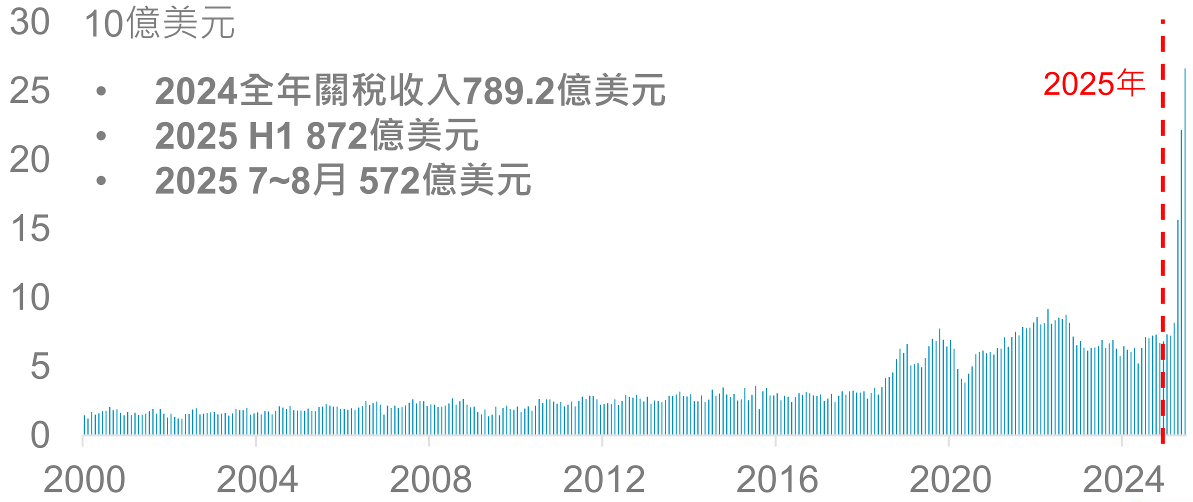
2025年關稅收入分佈



美國政府年度淨利息支出
預計將於2025年突破1兆美元



關稅收入成為重要新增財源



資料來源 :Bloomberg, CBP, 美國財政部

後續關注焦點

美國經貿政策之後續影響：
對等關稅對各國經濟之衝擊、關鍵國家談判進展、具體細節揭露

主要央行貨幣政策動向：
Fed與BOJ利率決策、Fed人事變化、市場情緒反應

各國財政預算爭議：
美國聯邦政府關門、法國兩位總理下台、其他歐洲國家亦出現僵局

國際地緣政治風險：
俄烏戰爭、中東地區、東協及南亞

APEC峰會前哨：美中博弈升級

5月日內瓦協商，雙方避免正面對抗激化衝突，呈現恐怖平衡，惟小動作不斷

引爆點

9/29 美日相繼擴大實體清單

日本：增列多家中國企業
美國：納入清單內實體持股50%以上子公司

原意為完善先前管制規劃並填補管制漏洞

美國財長S. Bessent 回應

- 批評中國將全球景氣榮枯置於談判桌上，G7財長會議將進行商議
- 中國內部鷹派 vs. 溫和派鬥爭
- 提議延長休戰90天
- 10/29 或先行會晤何立峰

效仿美國長臂管制、戰略資源武器化

新規或觸及重大利益
連假期間期間研擬反制策略

中國強硬出招

- 稀土管制擴大至材料及技術
- 鋰電池、正負極材料與設備進行出口管制

美國加大反制

- **100%額外關稅**
- **對關鍵軟體實施出口管制**

APEC峰會

11/1
額外關稅、軟體管制

11/8
稀土、鋰電池
管制生效

11/30
實體清單緩衝期結束

12/1
稀土境外管制
開始執行

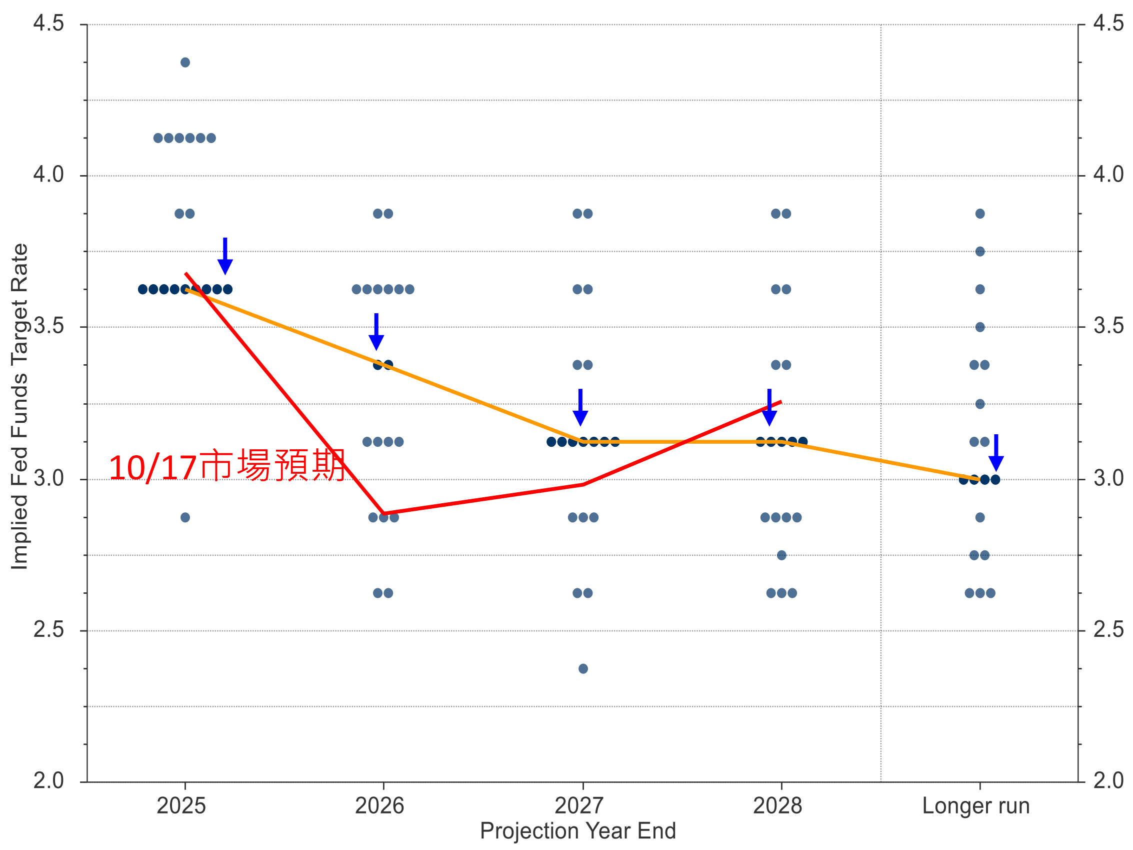
新規施行點均落於APEC峰會後，顯示雙方保留談判緩衝時間
美中短期或有休兵，但雙方不信任深化將加速脫鉤

● 美國行動 ● 中國行動

資料來源 :富邦整理

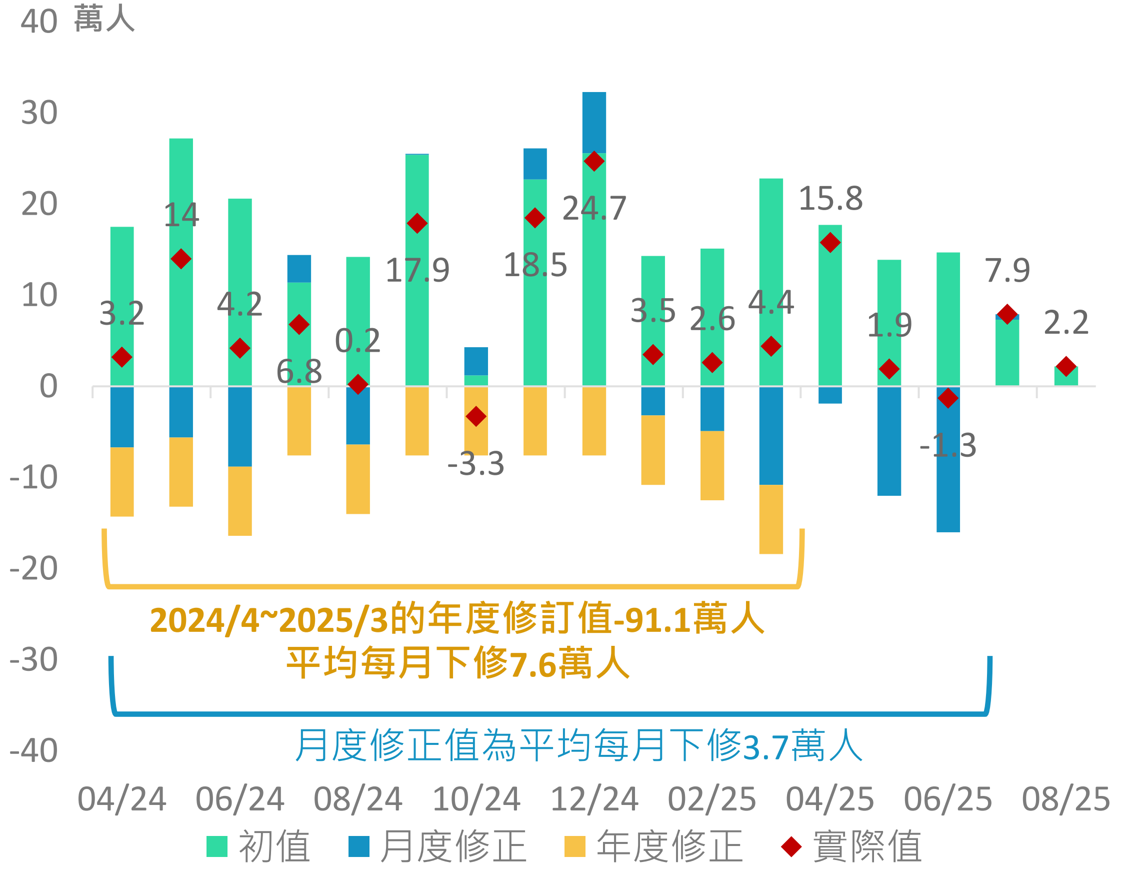
就業數據統計失準 增加Fed判讀及決策難度

點陣圖顯示官員對降息路徑意見分歧



Source: LSEG Datastream

美國勞工統計局大幅下修
年度非農新增就業人數



資料來源：BLS

2026年將會出現一個「聽話」的聯準會

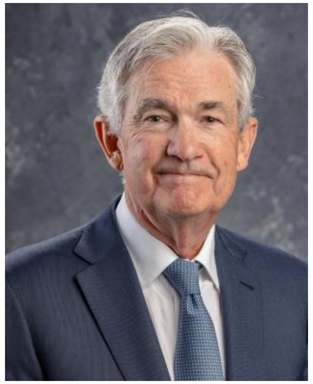
聯邦準備理事會

理事提名及任期限制
- 理事會成員由**總統**提名，經**參議院**批准後任命
- 每位理事任期14年，原則上不得連任
- 若理事於任期屆滿前離任，繼任者將完成剩餘任期

主席與副主席
- 任期4年，可以連任
- 總統於**現任理事會成員**中提名，並經**參議院**批准

任期間隔
- 每隔2年任命一名新理事，確保政策連續性及穩定性

(1) 12家聯邦準備銀行總裁
- 任期為5年：於西元以**1或 6結尾**年份之**2月最後一天**結束
- 區域聯邦準備銀行董事會選出，並須經**聯邦準備理事會批准**



主席 J. Powell
主席任期至**2026/5/15**
理事任期至 2028/1/31

副主席 P. Jefferson
副主席任期至**2027/9/7**
理事任期至 2036/1/31

副主席 M. Bowman
副主席任期至**2029/6/9**
理事任期至 2034/1/31

理事 M. Barr
任期至 2032/1/31

理事 L. Cook
任期至 2038/1/31
10/1最高法駁回Trump立即解雇之訴求

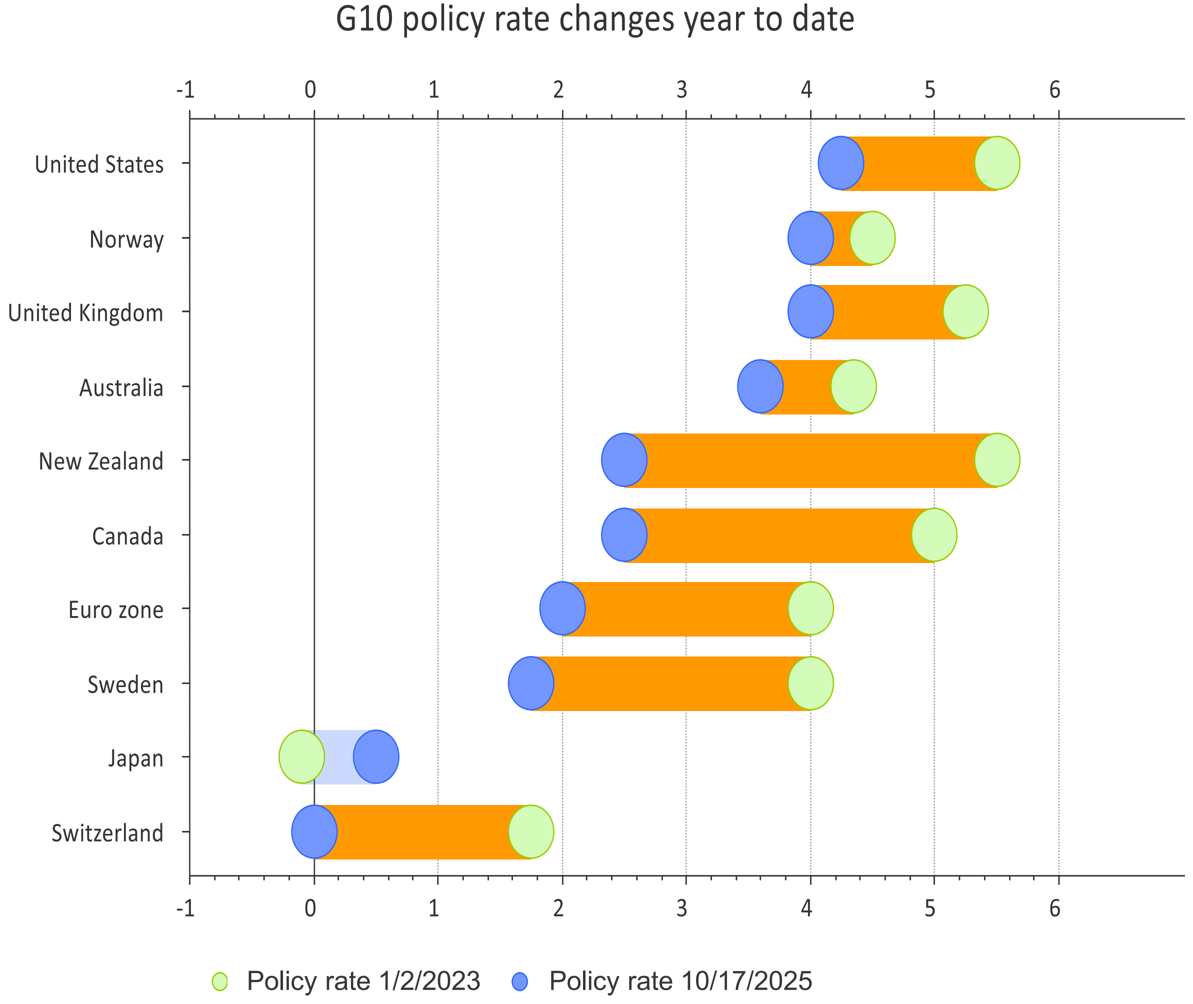
(2)


理事提名人 S. Miran
任期至 **2026/1/31**

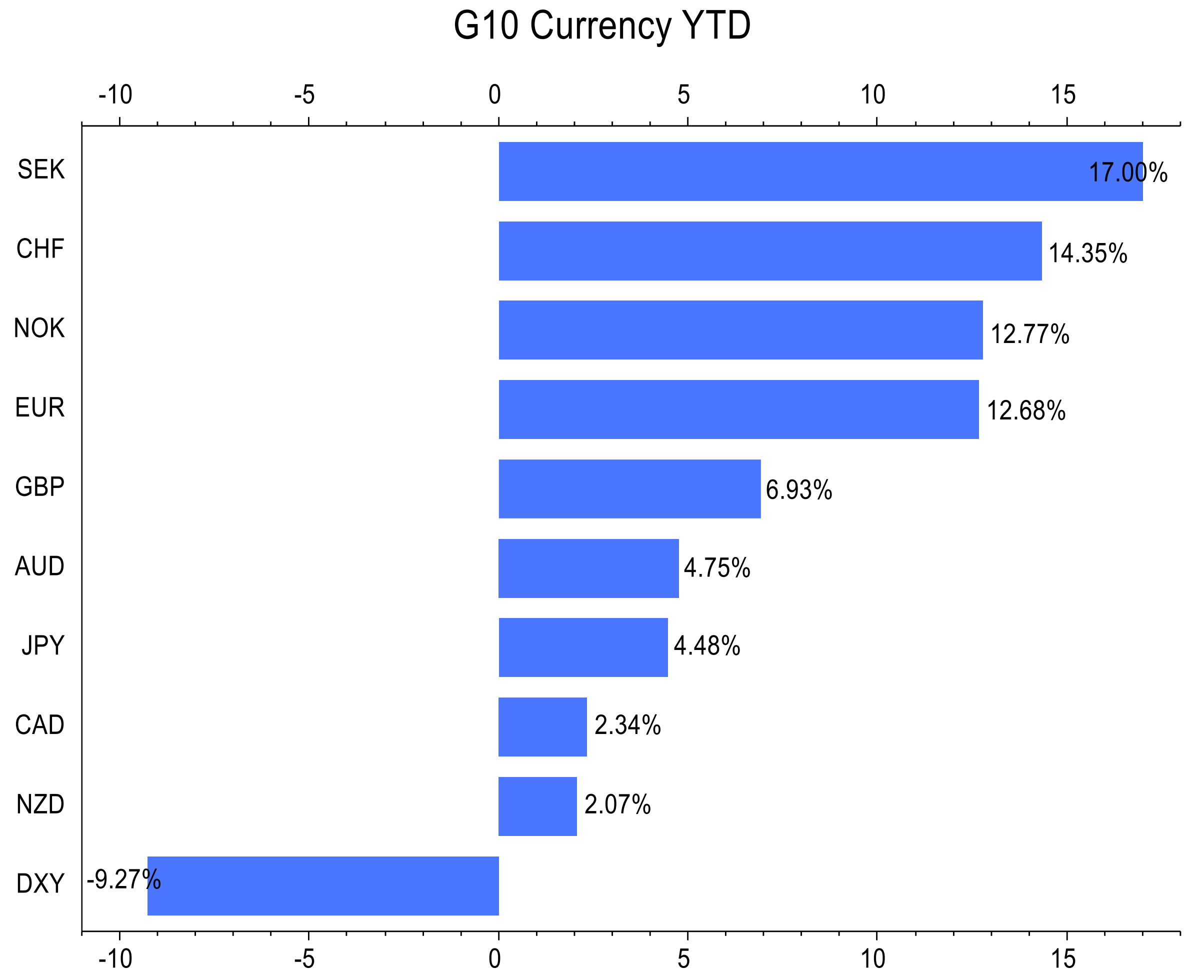
理事 C. Waller
任期至 2030/1/31

資料來源： Fed, 富邦經研處整理

G10央行貨幣政策與匯率走勢分歧

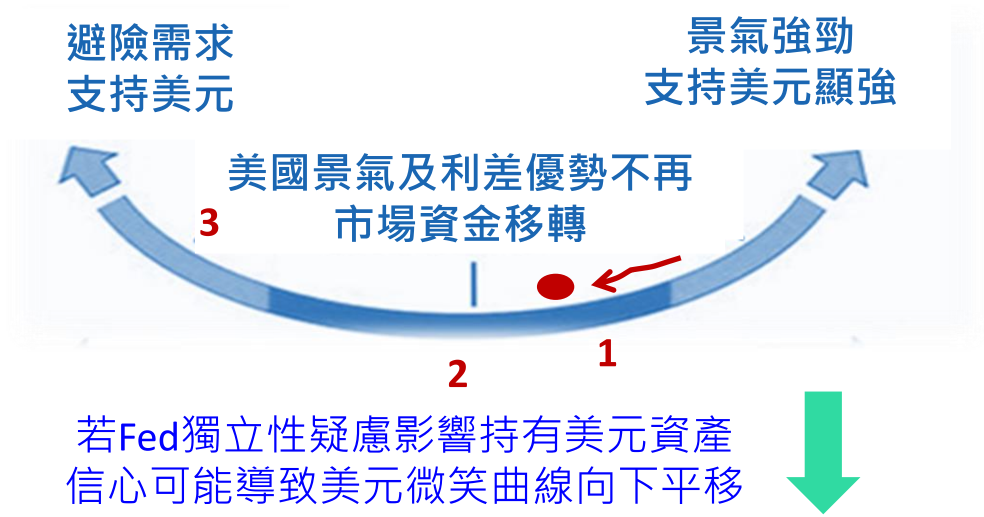


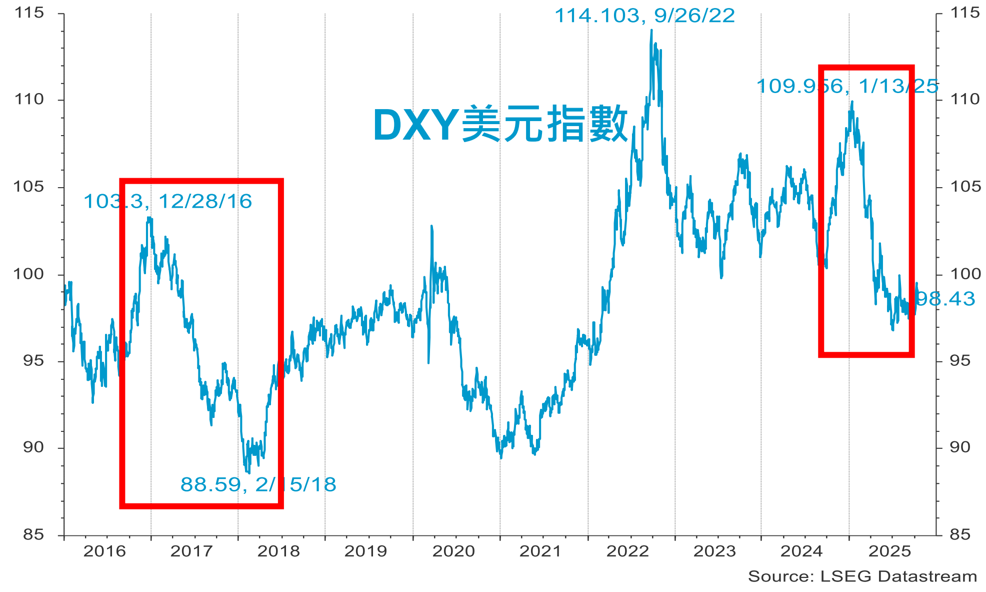
Source: LSEG Datastream



Source: LSEG Datastream

市場氛圍轉變使美元指數面臨修正壓力

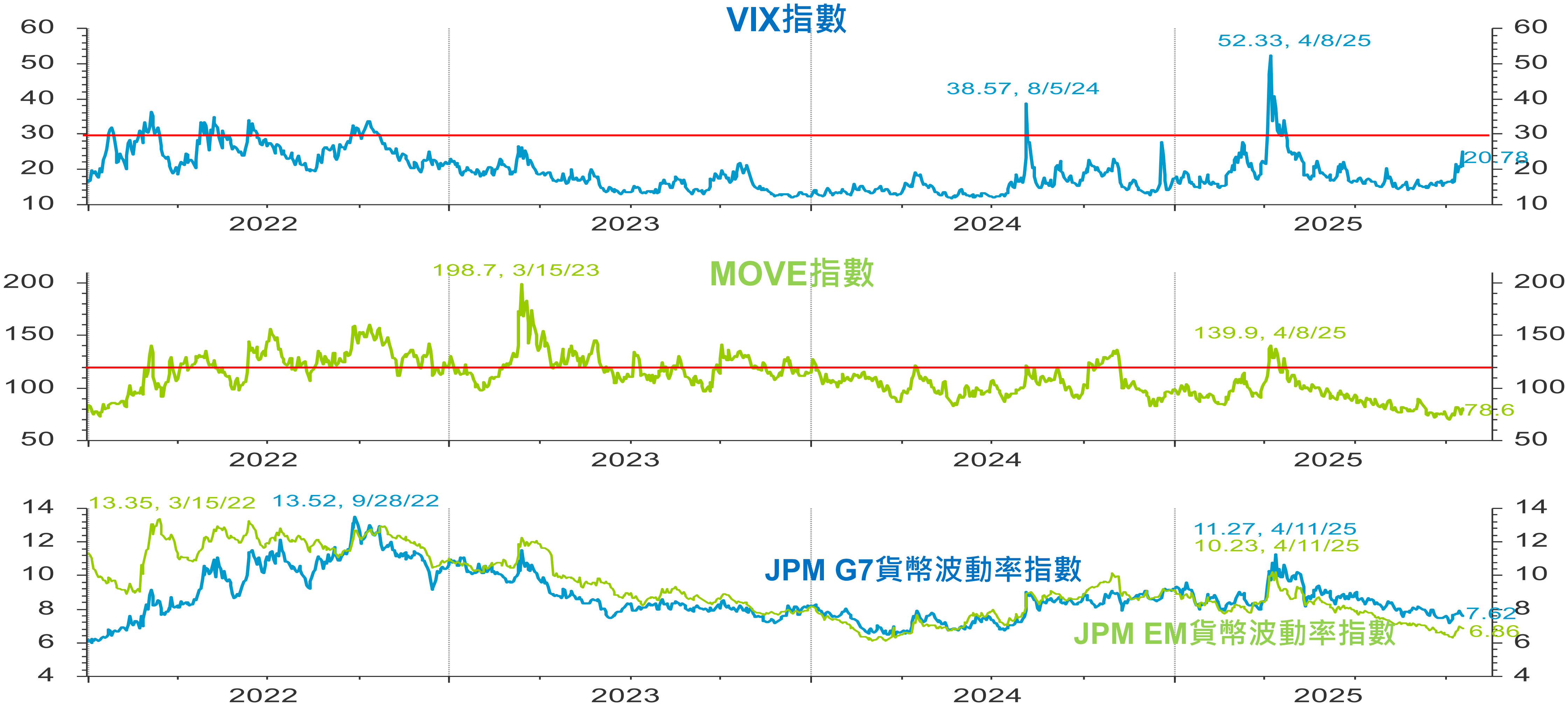




	1/19/21 Trump前一任期最後一日	1/17/25 今年Trump上任前一交易日		4/1/25 對等關稅首次公布前一交易日		8/8/25 對等關稅生效當日		10/17/25 目前匯率	
DXY	90.5	109.405	20.89%	104.26	15.2	98.18	8.49%	98.433	8.77%
歐元	1.2128	1.0301	-15.06%	1.0811	-10.86%	1.1656	-3.89%	1.1668	-3.79%
日圓	103.905	156.125	-33.45%	149.265	-30.39%	147.825	-29.71%	150.425	-30.93%
人民幣	6.4882	7.3283	-11.46%	7.2685	-10.74%	7.1825	-9.67%	7.1264	-8.96%
新台幣	27.997	32.9255	-14.97%	33.222	-15.73%	29.829	-6.14%	30.682	-8.75%

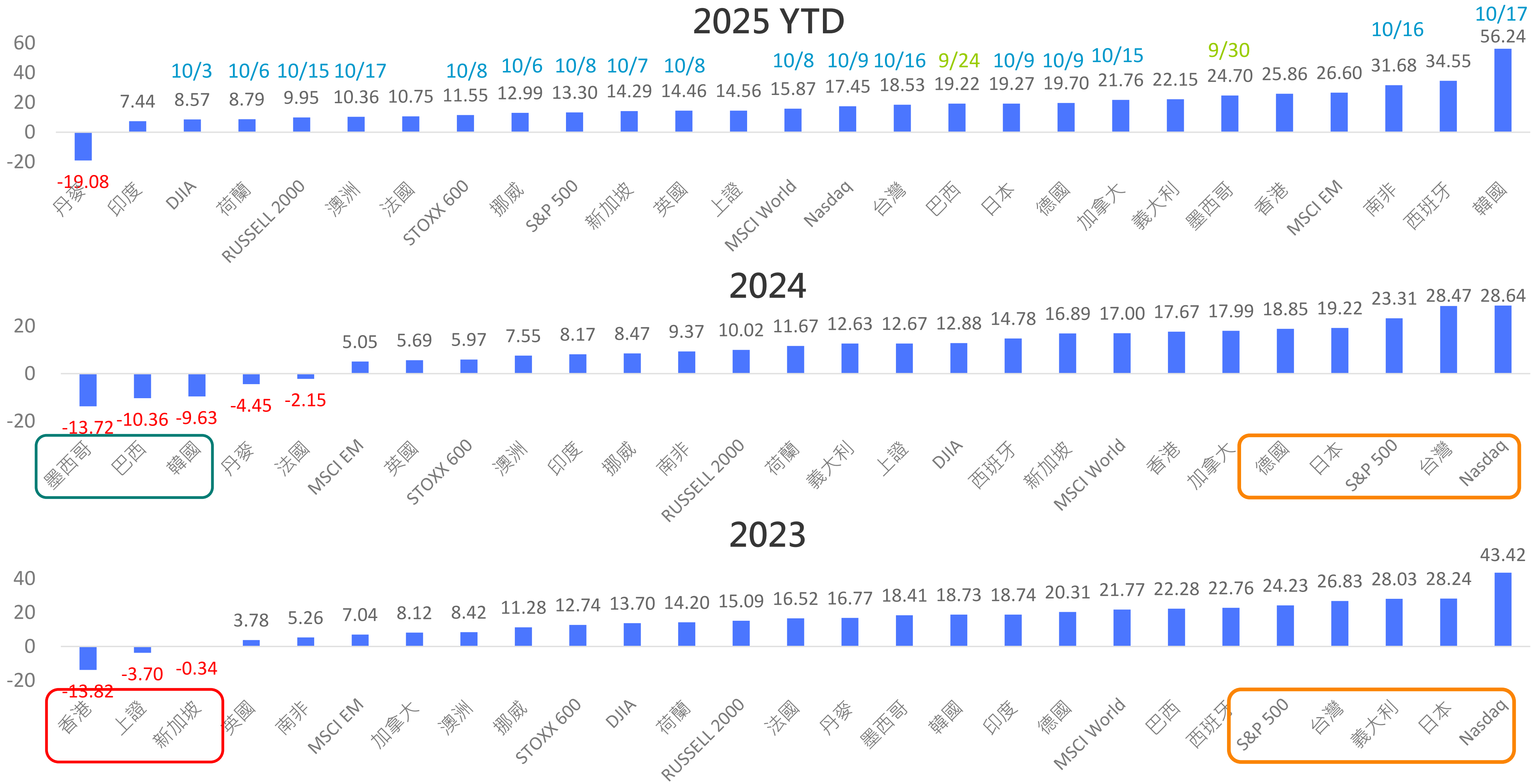
財政部統計：去年台灣對美貿易順差為649億美元，今年1-9月達945.68億美元；美國統計2024年對台灣逆差為739億美元

市場波動風險下降 但隨美中緊張情勢而上升



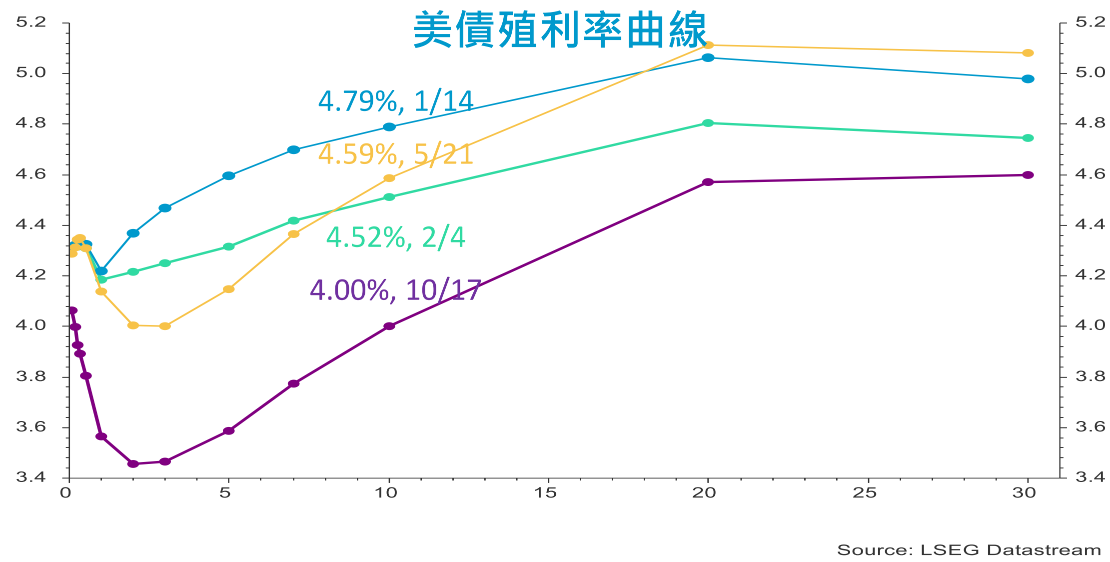
Source: LSEG Datastream

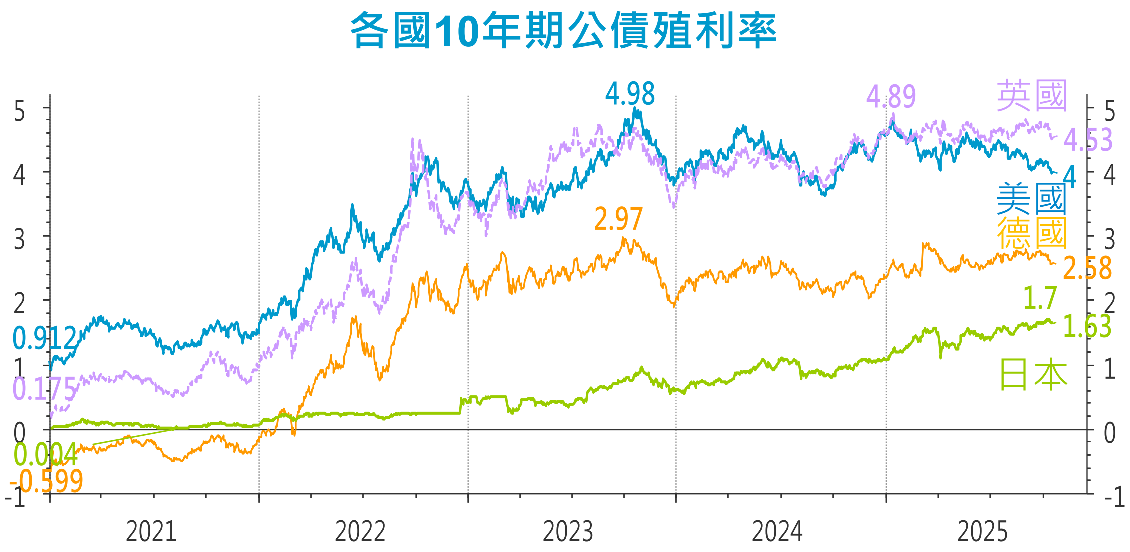
市場氛圍轉變 各國股市屢創新高

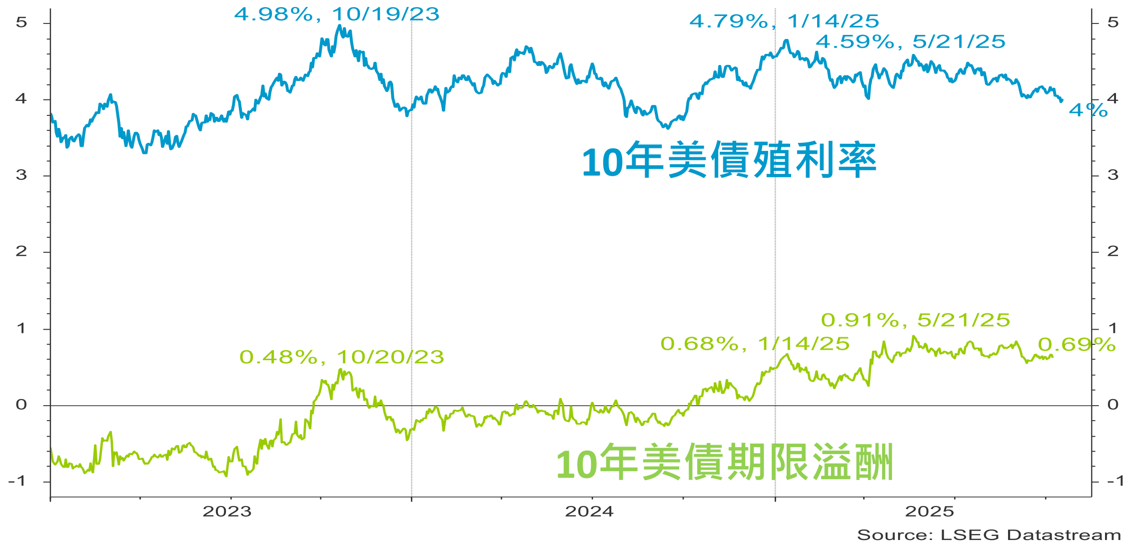


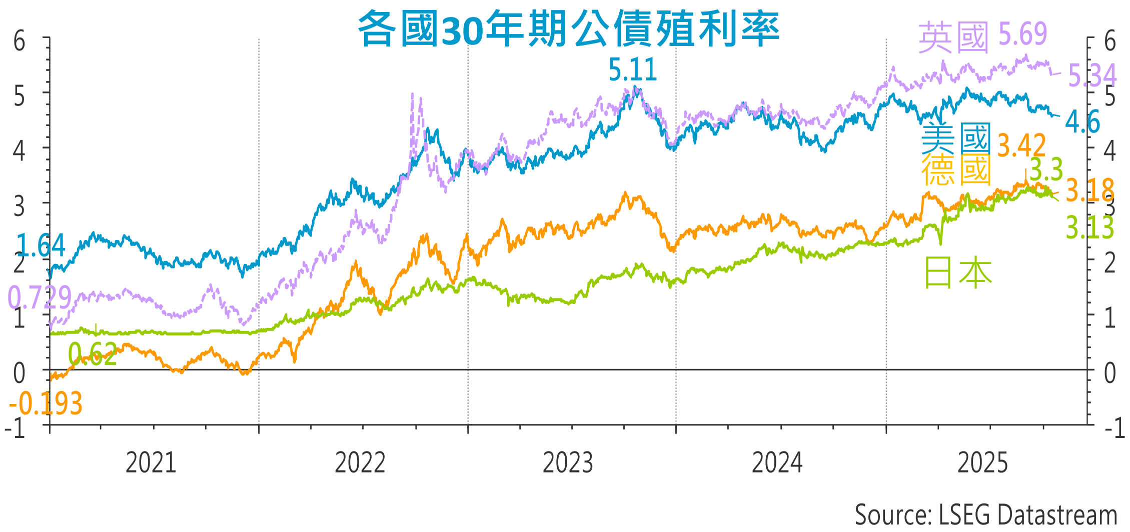
資料來源：Refinitiv Datastream, 10/17/2025

Bessent有效調控10年期公債殖利率

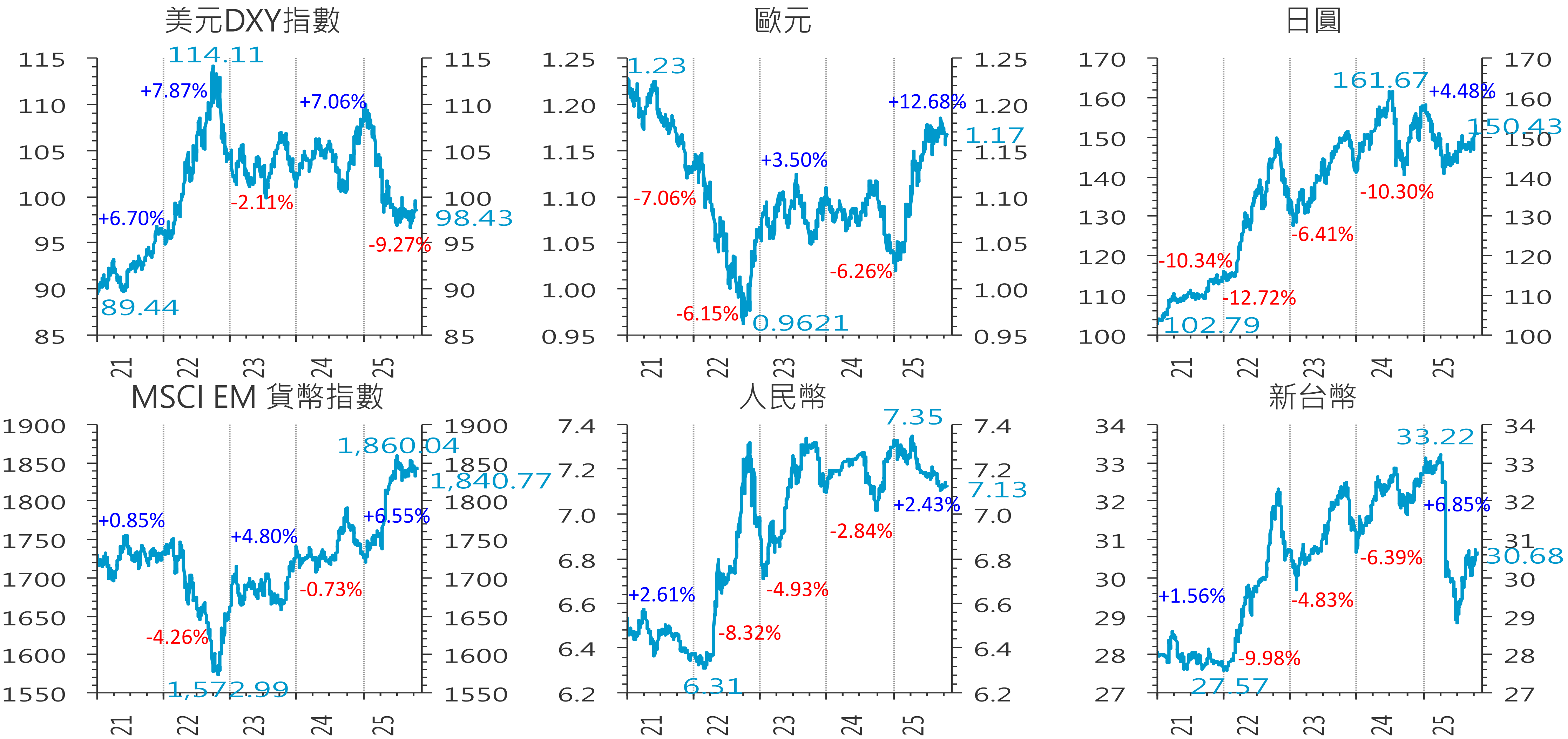






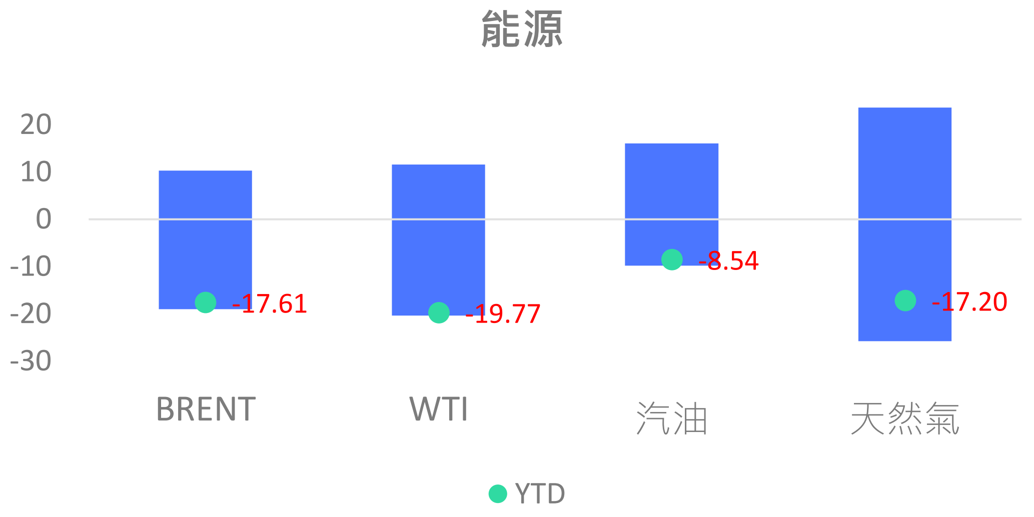


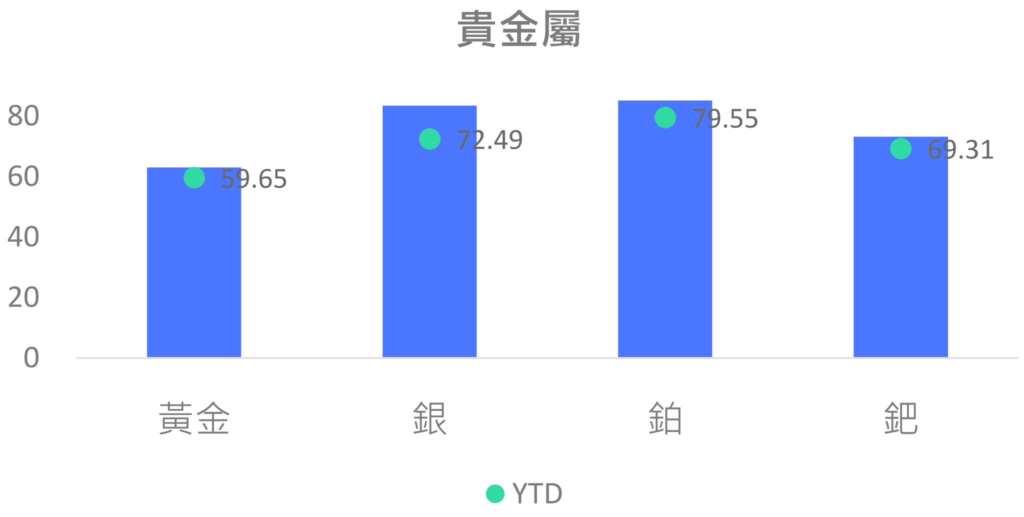
各國貨幣走勢分歧

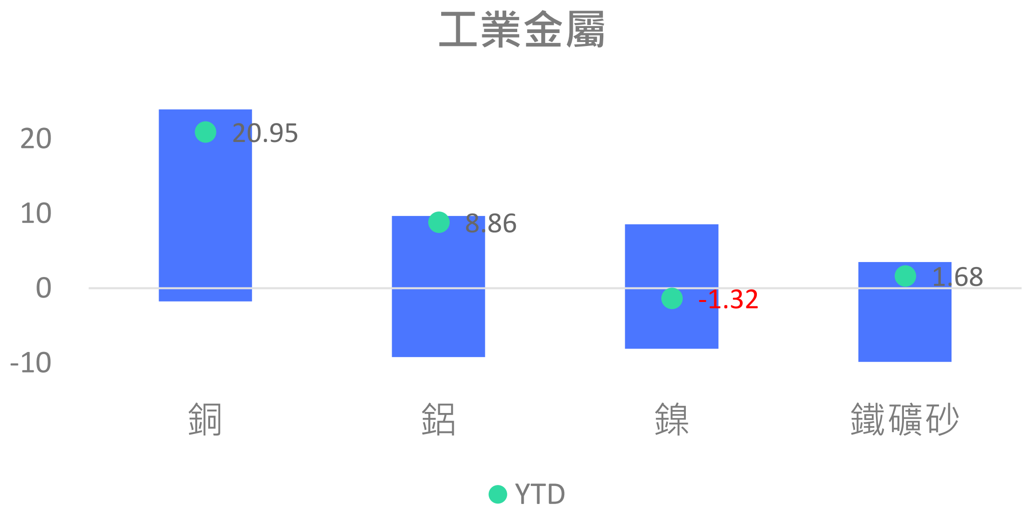


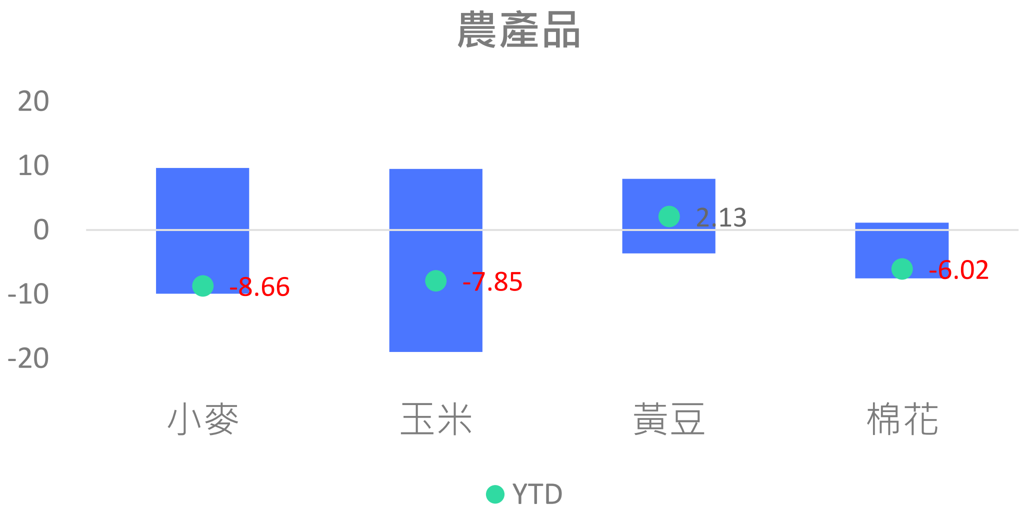
Source: LSEG Datastream

原物料市場動態



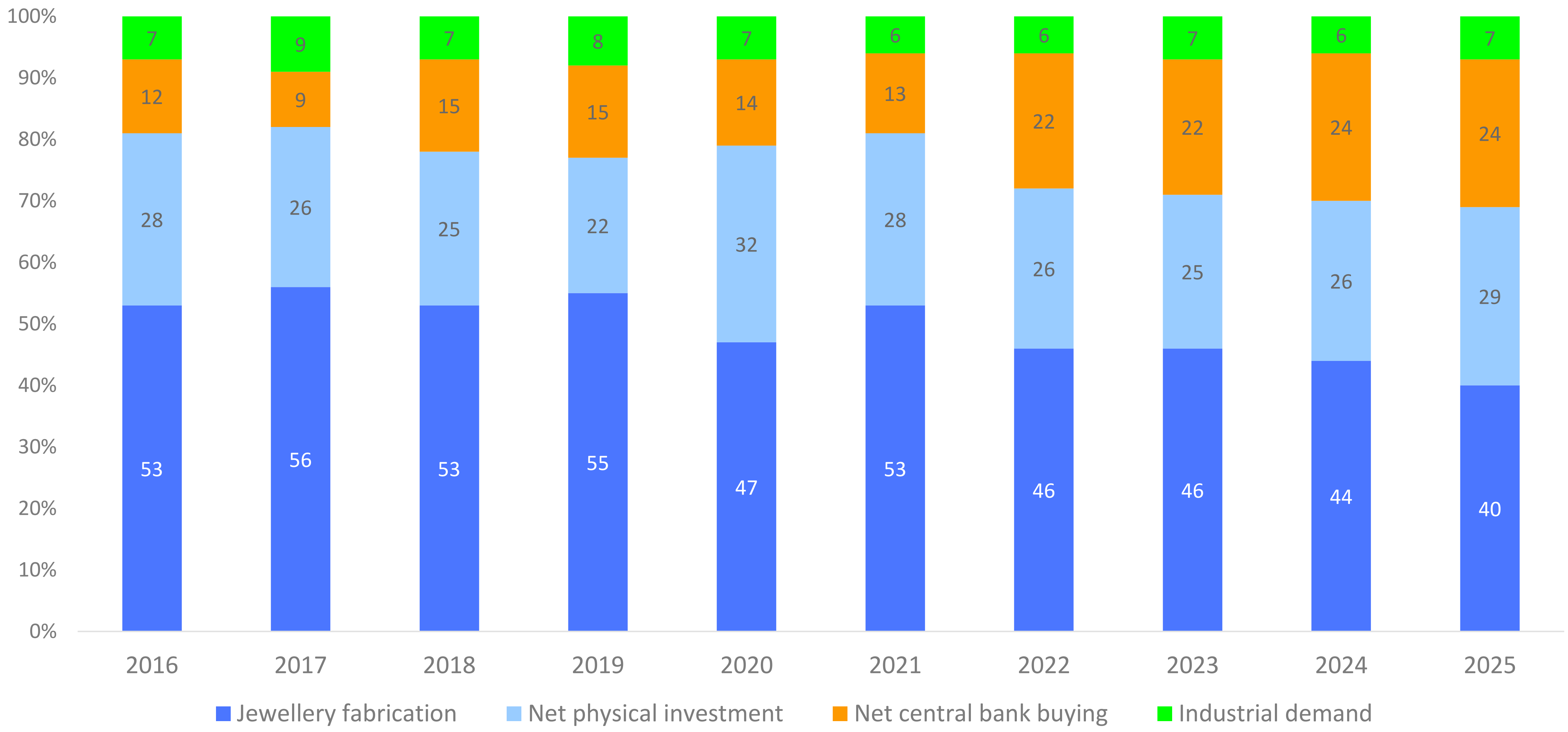






資料來源：Refinitiv Datastream, 10/17/2025

全球黃金需求分布



資料來源：Metals Focus｜Polina Devift