

Fubon Financial Holdings Reports December 2021 Earnings Results

Fubon Financial reported unaudited net profit of NT\$3,772mn in December and cumulative pre-tax profit of NT\$166,050mn in 2021. Accumulated net profit reached NT\$144,606mn, up 60.19% yoy, translating into EPS of NT\$12.49. Fubon Financial's cumulative pre-tax profit, net profit and EPS in 2021 all reached record highs, and the cumulative net profit of subsidiaries, Fubon Life, Fubon Insurance and Fubon Securities, all hit record highs. This was the first year that Fubon Life's cumulative net profit exceeded NT\$100bn. Fubon Financial reported unaudited net worth of NT\$950bn and unaudited preliminary BVPS of NT\$72.36 on a common shares basis in December.

As of the end of December, Fubon Financial acquired 58.39% of JihSun FHC and recognized investment income of NT\$122mn in December.

The performances of the main subsidiaries are as follows:

- Fubon Life's net profit in December was NT\$1,206mn. Cumulative net profit reached NT\$101,934mn, up 68% yoy. The equity market performed well in December, closing up by 4.5% mom. Fubon Life adjusted its portfolio dynamically and continued to realize investment profit. Fubon Life's capital position remained decent with net worth at over NT\$599bn, net worth-to-asset ratio at over 10% and RBC ratio at over 300%. For fixed income investment, Fubon continued to focus on increasing recurring income. Benefited from the low currency swap cost of under 20bps, FX gain/loss and hedging cost improved significantly yoy in December and FY21. Fubon Life made an addition provision of NT\$3bn in FX reserve to control the hedging cost and enhance the flexibility of FX management going forward. The FX reserve balance exceeded NT\$10bn as of the end of 2021. Cumulative consolidated FYP reached NT\$165.6bn, up 3.35% yoy, and consolidated total premium reached NT\$507.2bn. FYP in Taiwan is estimated to rank the top 2 in the industry. FYP in December was NT\$12.88bn, up 38.6% mom. The growth was mainly driven by investment-linked products, up 132.5% mom. The performance of its overseas life business improved significantly. Fubon Hyundai Life's cumulative FYP and total premium reached NT\$33.8bn and NT\$48.4bn, respectively. The growth mainly came from bancassurance channel. In addition, the pension business continued to grow, ranked the top 2 in the Korean market. Cumulative pre-tax profit reached NT\$5.85bn, up 89% yoy, mainly due to investment performance.
- Taipei Fubon Bank's net profit was NT\$1,338mn in December, up 153% yoy. Cumulative net profit reached NT\$18,778mn. The momentum of the banking business continued to increase in 2021. The balance of deposits and loans climbed 16% and 12% yoy, leading to total asset balance growth of 14% yoy. Given the sales growth of fund equity product and investment-linked policy, sales and AUM climbed 14% and 9%, respectively. J card and momo card drove the double-digit growth in the number of active cards and amount of card spending. This was the first year that the Bank's credit card spending exceeded NT\$300bn. Card spending reward to cardholders continued while the campaign for J card and momo card will run till the first half of 2022. Asset quality in December remained benign, with NPL ratio and coverage ratio at 0.16% and 759.72%, respectively.

- Fubon Insurance's net loss was NT\$60.9mn in December, mainly due to recognition of one-off disposal loss from the reconstruction of office building. Cumulative net profit reached NT\$6,845mn, up 21% yoy, thanks to the stable underwriting business and excellent investment return. Written premium was NT\$3.04bn in December and cumulative written premium of 2021 surpassed NT\$50bn and reached NT\$50.87bn, up 12.9% yoy. With a market share of 24.6%, up 0.5% yoy, Fubon Insurance has been the market leader for 40 years running.
- Fubon Securities' December net profit was NT\$309mn and cumulative net profit was NT\$7.08bn, up 68% yoy. As TAIEX reached a record high of 18,219 on December 30th and the daily average turnover of the Taiwan stock market reached NT\$478.1bn in 2021, the cumulative market share of brokerage was 6.13%, and the income of brokerage, wealth management, underwriting and trading business all increased significantly yoy.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$m	2021		2020	
	December	YTD	December	YTD
Fubon Financial	3,772	144,606	10,481	90,272
EPS (NT\$)	0.33	12.49	1.02	8.54
<i>Net profit by subsidiary:</i>				
Fubon Life	1,206	101,934	8,227	60,591
Taipei Fubon Bank	1,338	18,778	529	18,792
Fubon Insurance	-61	6,845	870	5,640
Fubon Securities	309	7,077	460	4,204

Note: As of the end of December, Fubon Financial acquired 58.39% of JihSun FHC. Investment income of NT\$122mn was recognized in December.

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