

## Fubon Financial Holdings Reports April 2022 Earnings Results

Fubon Financial reported record-high unaudited net profit of NT\$14.50bn in April. Cumulative pre-tax profit was NT\$74.85bn for the first four months of the year, and cumulative net profit was NT\$60.98bn, translating into EPS of NT\$5.17. Net profit in April reached a record high and cumulative net profit was the second highest in record. Both the monthly and cumulative net profit of Fubon Life hit record highs in April, as well as the cumulative net profit of Taipei Fubon Bank.

As of the end of April, Fubon Financial acquired 58.75% of JihSun FHC and recognized investment income of NT\$530mn.

The performance of the main subsidiaries are as follows:

**Fubon Life's** April net profit was NT\$12,364mn, and cumulative net profit reached NT\$48,727mn. Fubon Life's capital position remained decent with RBC ratio at over 300%. Despite a volatile investment environment in April, TAIEX closed down by 6.22%. Fubon Life continued to deliver capital gain in response to the market volatility while dynamically adjusting positions. For fixed income investment, in response to rising interest rate, Fubon Life accumulated cash balances and prepared for reinvestment opportunities to enhance recurring returns during the rate hike period. As the rate continued to rise, USD/TWD appreciated 3% in April. Fubon Life's April monthly and cumulative FX gain/loss plus hedging cost improved significantly yoy. The balance of FX reserve increased from NT\$19bn in March to NT\$25bn in April. The coupon of Russian sovereign bonds was paid in US dollars in Fubon Life's portfolio as of April. The cumulative expected credit loss was maintained at the same level of NT\$2.26bn as in March. The Company will continue to track closely the interest payment outlook. Meanwhile, Russia related exposure would be gradually reduced over time following internal ESG principles. Fubon Life's consolidated FYP in April reached NT\$13.6bn, and consolidated total premium reached NT\$31.7bn. Fubon Life's FYP in Taiwan is estimated to rank the top 2 in the industry. FYP in April was NT\$10.54bn, up 10.2% yoy. The growth was mainly driven by investment-linked products, which was up 85.4% yoy.

**Taipei Fubon Bank's** April net profit was NT\$1,688mn and cumulative net profit reached NT\$8,214mn, up 21% yoy. Net profit growth was mainly driven by the cumulative net interest income growth of 11% yoy, benefited from the asset growth and spread expansion due to Taiwan and the US rate hikes. Wealth management fee income and treasury revenue was down yoy, mainly reflecting the volatility in capital markets, which led to MTM movement in financial assets and customers' conservatism. Wealth management sales momentum was slower yoy, while AuM continued to grow steadily. In the credit card business, growth of credit card issuance was 38% yoy in the first four months. The number of active cards and amount

of card spending continued to grow. As of April, asset quality remained benign, with NPL ratio and coverage ratio at 0.16% and 769%, respectively.

**Fubon Insurance's** April net profit was NT\$291mn and cumulative net profit reached NT\$3,244mn, up 23% yoy, mainly due to decent investment and underwriting performance. Written premium in April was NT\$4,570mn, up 18.0% yoy. The written premium of commercial line and personal line grew significantly by double digits yoy. Moreover, engineering insurance grew on the back of the green energy insurance business, leading to the written premium climbing by 153.2% mom and outperformed the market significantly. Cumulative written premium reached NT\$18,908mn, up 16.2% yoy. With a market share of 25.4%, up 1.1% yoy, Fubon Insurance continued to be the market leader.

**Fubon Securities'** April net profit was NT\$158mn and cumulative net profit was NT\$923mn, down yoy. As TAIEX hit a year low at 16,219 and the daily average turnover of Taiwan stock market fell yoy to NT\$371bn in April, revenue from brokerage and wealth management all decreased yoy.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$m	2022		2021	
	April	YTD	April	YTD
Fubon Financial	14,505	60,982	13,375	63,927
EPS (NT\$)	1.23	5.17	1.31	6.25
<i>Net profit by subsidiary:</i>				
Fubon Life	12,364	48,727	9,501	48,586
Taipei Fubon Bank	1,688	8,214	1,831	6,791
Fubon Insurance	291	3,244	710	2,629
Fubon Securities	158	923	662	2,369

Note: As of the end of April, Fubon Financial acquired 58.75% of JihSun FHC. Investment income of NT\$530mn was recognized in the first four months.

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