

## Fubon Financial Holdings Reports October 2023 Earnings Results

Fubon Financial reported unaudited consolidated pre-tax profit of NT\$4.923bn and net profit of NT\$4.047bn in October. Cumulative consolidated pre-tax profit and net profit was NT\$83.656bn and NT\$71.829bn, respectively, translating into EPS of NT\$5.25. Taipei Fubon Bank's October and cumulative net profit both hit record highs for the same period. Fubon Securities' cumulative net profit was the 2<sup>nd</sup> highest for the same period. Fubon Insurance has been profitable for seven consecutive months since April.

The performance of the main subsidiaries is as follows:

**Fubon Life's** October net profit was NT\$1,470mn and cumulative net profit was NT\$44,596mn. Fubon Life continued to pay close attention to market fluctuations, maintained a stable investment portfolio, and seized the opportunities to realize capital gains. The main sources of investment income this month were interest income, fund dividend income, and capital gains on domestic and foreign equities and funds. In the bond market, Strong GDP growth in the US in the third quarter pushed government bond yields higher. Strategically, Fubon Life maintained sufficient liquidity and increased positions timely at relatively high yields this year. In terms of exchange rates, interest rate spread between Taiwan and the US continues to widen, coupled with geopolitical tensions, which have led to capital outflows. In October, the US dollar appreciated against the New Taiwanese Dollar by 0.47%, contributing to monthly exchange gain. Fubon Life's standalone cumulative FYP and TP reached NT\$81,048mn and NT\$266,288mn, respectively, both estimated to rank the top 2 in the industry. FYP was NT\$8,179mn in October, up 3.0% YoY, with the main growth momentum coming from traditional products. TP was NT\$28,234mn, up 3.3% YoY. Both FYP and TP in October was estimated to rank the top 2 in the industry. Fubon Life continued to focus the product strategy on regular-paid policies, and cumulative FYPE reached NT\$33,743mn, up 42.3% yoy. Fubon Life also continued to develop a wide range of products and provide policyholders with participating policy products that take into account the advantages of protection and long-term accumulation of assets, providing a choice for conservative and prudent customer asset allocation. Fubon Life's capital position remained decent, with RBC ratio above 300% and equity to asset ratio above 8% as of October.

**Taipei Fubon Bank's** October net profit was NT\$1,940mn, and cumulative net profit was NT\$22,179mn, up 4% yoy. The growth of cumulative profit would be around 16% if the bargain purchase gain in 2022 was excluded. Total revenue and earnings grew double-digit yoy, mainly due to steady momentum in loans and deposits balance and widening spread, leading to the steady increase of net interest income. Net fee income climbed over 40% yoy due to rising wealth management fee income and credit card consumption. Meanwhile,

treasury revenue rose yoy. The number of active credit cards and the amount of card spending increased, of which the number of active credit cards reached 5.29mn cards, up over 60% yoy in October, and monthly card spending amount exceeded NT\$50bn for the first time, reaching NT\$50.8bn, an increase of over 80% yoy. Cumulative amount of card spending grew 36% yoy. Asset quality remained benign. NPL ratio and coverage ratio were at 0.12% and 1104%, respectively.

**Fubon Insurance's** October net profit was NT\$179mn and cumulative net loss was NT\$2,237mn. Earnings continued to grow in various businesses, reflecting the selection of business quality and risk control.

In terms of business performance, direct written premium in October was NT\$5,310mn, up 27.0% yoy, of which the written premium in corporate personal insurance line climbed double digits yoy. Meanwhile, engineering insurance in October grew significantly by 379.4% yoy as the company actively participated in green energy insurance business. Cumulative premium was NT\$49,758mn, up 7.1% yoy. With a market share of 24.3%, Fubon Insurance continued to be the market leader.

**Fubon Securities'** October net profit was NT\$239mn and cumulative net profit was NT\$5,728mn, up 61% yoy, mainly from the significant increase in investment gains as TAIEX trended up year-to-October. The average daily turnover year-to-October reached NT\$353.4bn, up 13% yoy, contributing to higher revenue in brokerage and wealth management businesses compared with the same period last year.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$m	2023		2022	
	October	YTD	October	YTD
Fubon Financial	4,047	71,829	-5,412	78,302
EPS (NT\$)	0.31	5.25	-0.44	6.07
<i>Net profit by subsidiary:</i>				
Fubon Life	1,470	44,596	-1,304	82,307
Taipei Fubon Bank	1,940	22,179	1,854	21,341
Fubon Insurance	179	-2,237	-5,922	-23,008
Fubon Securities	239	5,728	112	3,553

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