

Fubon Financial Holdings Reports February 2024 Earnings Results

Fubon Financial reported unaudited consolidated pre-tax profit of NT\$9.588bn and net profit of NT\$8.309bn in February. Cumulative consolidated pre-tax profit and net profit was NT\$26.473bn and NT\$22.379bn, respectively, translating into EPS of NT\$1.72.

Cumulative net profit of Taipei Fubon Bank hit a record high, and monthly and cumulative net profit of Fubon Securities was also the highest in record for the same period.

The performance of the main subsidiaries is as follows:

Fubon Life's February net profit was NT\$4,275mn and cumulative net profit was NT\$13,350mn, both growing by more than 300% over the same period last year. The main sources of investment income this month were interest income and capital gains on domestic and foreign equities and funds. Fubon Life continued to monitor market fluctuations and maintained a stable investment portfolio. As TAIEX continued to rise in February, Fubon Life seized the opportunities to realize capital gains. In the bond market, the resilience of the US economy led to a rebound in Treasury rates in February. Strategically, Fubon Life maintained sufficient liquidity to flexibly respond to market movements. In terms of exchange rate, US dollar fluctuated and rose due to the solid performance of employment and inflation in the US. New Taiwan dollar depreciated against the US dollar by 0.87% in February, contributing to exchange gains for the month. Fubon Life's standalone monthly and cumulative first year premium (FYP) was NT\$6,641mn and NT\$18,433mn, respectively, both estimated to rank the top in the industry. Monthly and cumulative total premium (TP) reached NT\$22,387mn and NT\$61,465mn, respectively. As Fubon Life continued to focus the product strategy on regular-paid and protection policies, the FYP of personal health and casualty policies increased by 41.4% YoY, and cumulative FYPE in February reached NT\$9,471mn, up 58.8% YoY. Fubon Life's capital position remained decent, with equity to asset ratio above 10% and RBC ratio above 300% as of February.

Taipei Fubon Bank's February net profit was NT\$2,281mn and cumulative net profit reached NT\$5,771mn, up 18% YoY. Monthly net profit was the second highest in history, due to the recognition of one-time bargain purchase gain from investment in February 2022. Cumulative net profit hit a record high. Revenue was up by over 20% YoY, as net interest income climbed 14% YoY and net fee income rose 62% YoY. The momentum of businesses grew steadily. Deposits and loans rose by 7% and 13% YoY respectively. The wealth management business continued its decent performance, with over 50% YoY increase in cumulative wealth management fee income. The credit card business grew given a rise in the number of active cards and the over 60% YoY increase in card spending as of February.

Asset quality remained benign. NPL ratio and coverage ratio were at 0.12% and 1083%, respectively.

Fubon Insurance's February net profit was NT\$342mn and cumulative net profit reached NT\$887mn. The core business continued to grow with steady business momentum, primarily reflecting the selection of business quality and risk control. In terms of business performance, direct written premium in February was NT\$4,737mn, up 6.8% YoY, among which commercial fire insurance was the best performer with a growth of 75.4% YoY. Meanwhile, the growth of health injury insurance and marine insurance also outperformed the market by around 5% to 10%. Cumulative written premium was NT\$11.705bn, up 19.6% YoY. The market share in total direct written premium was 25.2%, as Fubon Insurance continued to be the market leader.

Fubon Securities' February net profit was NT\$787mn, up 25% MoM. Monthly net profit was the highest in record for the same period. Cumulative net profit was NT\$1,415mn, up 62% YoY. Benefiting from strong market momentum and uptrend in TAIEX, the average daily trading volume in the first two months reached NT\$432bn, up 56% YoY, driving meaningful growth in brokerage, wealth management, underwriting, and proprietary trading businesses.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$mn	2024		2023	
	February	YTD	February	YTD
Fubon Financial	8,309	22,379	1,308	7,392
EPS (NT\$)	0.64	1.72	0.11	0.60
<i>Net profit by subsidiary:</i>				
Fubon Life	4,275	13,350	1,027	2,417
Taipei Fubon Bank	2,281	5,771	1,620	4,908
Fubon Insurance	342	887	-2,339	-2,447
Fubon Securities	787	1,415	380	871

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