

Fubon Financial Holdings Reports June 2024 Earnings Results

Fubon Financial reported unaudited consolidated pre-tax profit of NT\$20.20bn and net profit of NT\$21.63bn in June. Cumulative consolidated pre-tax profit and net profit was NT\$89.19bn and NT\$81.06bn, respectively, surpassing the net profit of full year 2023 and translating into EPS of NT\$5.95. Monthly net profit of Fubon Life and Taipei Fubon Bank hit a record high. Cumulative net profit of Taipei Fubon Bank and Fubon Securities were the highest in record for the same period. The performance of the main subsidiaries is as follows:

Fubon Life's June net profit was NT\$13.71bn and cumulative net profit was NT\$51.58bn, the highest and the third highest in record for the same period, respectively. Monthly and cumulative profit grew 10% and 97%, respectively. The main sources of investment income this month were capital gains on domestic equities and funds, interest income, and dividend income. Fubon Life continued to monitor market fluctuations and maintained a stable investment portfolio. As TAIEX traded at a high in June, Fubon Life seized the opportunities to realize capital gains. Cash dividend income also boosted investment income. In the bond market, US treasury yield in June tumbled, reflecting the slowdown in inflation and consumption momentum in the US. Fubon Life has increased the bond position during the rebound of interest rates year-to-date to improve recurring income in the future. In terms of exchange rate, the US dollar slightly appreciated 0.09% against the Taiwan dollar in June, leading to flattish foreign exchange gain. Fubon Life continued to follow closely the US election and the impact of RMB trends on the exchange rate market. Fubon Life's standalone cumulative first year premium (FYP) reached NT\$55.6bn, up 16% YoY and was estimated to top the industry. Cumulative total premium (TP) reached NT\$174.9bn, up 11% YoY and estimated to rank the top 2 in the industry. Monthly FYP was NT\$9.0bn, up 1% YoY, estimated to top the industry, with the growth momentum stemming mainly from traditional products. Monthly TP was NT\$29.3bn, estimated to rank the top in the industry. As Fubon Life continued to focus the product strategy on regular-paid and protection policies, cumulative FYPE in June reached NT\$25.9bn, up 35% YoY. In addition, the cumulative FYP of personal health and accident policies grew 45% YoY, showing the results of its product mix transformation strategy. Fubon Life's capital position remained decent, with equity to asset ratio above 10% and RBC ratio above 300% as of June.

Taipei Fubon Bank's June net profit was NT\$2.97bn, and cumulative net profit was NT\$16.22bn, up 24% YoY. It continued to set a new record high for both monthly and cumulative earnings. The net profit growth mainly came from net interest income and net fee income, which climbed 12% and 46% YoY, respectively, boosting total revenue by 19% YoY. The momentum of businesses grew steadily, with deposit and loan balances rising 9% and 12% YoY, respectively. Sales of wealth management products also increased, leading to an increase of 41% YoY in wealth management fee income. The number of active cards

rose and the amount of card spending grew over 40%. Asset quality remained benign. NPL ratio and coverage ratio were at 0.11% and 1141%, respectively.

Fubon Insurance's June net profit was NT\$0.30bn. Cumulative net profit reached NT\$2.44bn, improving significantly YoY to reflect the alleviating impact from covid-related policy losses. The company continued to deliver decent performance in core businesses through effectiveness in risk management and adjustment in business mix. In terms of business performance, direct written performance in June was NT\$5.97bn, up 6% YoY, benefiting from the advantage of group resources and diversified channels. Notably, engineering insurance grew significantly on back of active participation in green insurance businesses, driving a premium growth of 110% YoY. Fubon insurance and Taiwan Mobile launched an innovative online insurance service, which was officially approved by Financial Supervisory Commission (FSC) on June 12. This collaboration marked the first case of a partnership between an insurance company and a telecommunications company. The company continued to develop cross-industry collaboration and build a diversified ecosystem for customer service. Cumulative written premium was NT\$34.02bn, up 12% YoY. The market share in total direct written premium was 24.6% and Fubon Insurance continued to be the market leader.

Fubon Securities' June net profit was NT\$1.11bn, up 47% MoM, as TAIEX hit a record high, which led to an increase in proprietary trading profit. Cumulative net profit was NT\$4.97bn, up 45% YoY. As TAIEX continued to hit a record high and the average daily trading volume rose consistently in the first six months, brokerage, wealth management, and underwriting businesses grew meaningfully. Cumulative net profit was the highest in record for the same period.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$bn	2024		2023	
	June	YTD	June	YTD
Fubon Financial	21.63	81.06	17.30	42.91
EPS (NT\$)	1.38	5.95	1.11	3.18
<i>Net profit by subsidiary:</i>				
Fubon Life	13.71	51.58	12.52	26.23
Taipei Fubon Bank	2.97	16.22	2.48	13.13
Fubon Insurance	0.30	2.44	0.32	-3.22
Fubon Securities	1.11	4.97	1.02	3.44

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