

## Fubon Financial Holdings Reports March 2021 Earnings Results

Fubon Financial reported unaudited net profit of NT\$11,499mn for the month of March 2021, up 42% yoy. Cumulative earnings for the three months of the year was NT\$50,029mn, up 118% yoy, translating into EPS of NT\$4.89. EPS would be NT\$5.02 without factoring in FX reserve mechanism in Fubon Life. Monthly FHC net profit in March reached record high, including subsidiaries Fubon Life and Fubon Insurance. Cumulative FHC net profit also reached record high, including subsidiaries Fubon Life, Fubon Securities and Fubon Insurance.

Buoyant domestic and global equity markets led to capital gains in Q1 and sequential increase of unrealized gains in Fubon Life. Fubon Life's net worth reached record high at over NT\$520bn. Fubon Life views the economy is moving toward a positive development in Taiwan. Revenue and profit of non-tech sectors are growing during the initial stage of economy recovery. Meanwhile, the fundamental performance of tech sector is solid. Thus Fubon Life realized less capital gains in March on back of a positive outlook on domestic equity market.

Fubon Financial announced on 23 March that the conditions of a successful tender offer for JihSun Financial are achieved, which marks a milestone in Taiwan's financial industry. Proceeds of the tendered shares were settled on 30 March and JihSun Financial has since then started to consolidate its financial results into Fubon Financial. Through the tender offer, Fubon Financial expects to exert synergy and create winning prospects for shareholders, employees and the financial industry.

The performances of our main subsidiaries are as follows:

- Fubon Life recorded strong net profit of NT\$8,170mn in March, up 9% yoy. Cumulative net profit reached NT\$39,113mn, up 143% yoy. The growth mainly came from

investment in both fixed income and equity positions. Domestic and global equity markets are buoyant in March 2021. Along with global economy recovery and market stimulus from the gradually alleviating pandemic due to vaccinations, Fubon Life took profit on fixed income positions and thus retained a higher cash position. Fubon Life aims to enhance recurring yield amid a rising bond yield environment. USD appreciation by 1.55% in March led to hedging performance improved MoM. Provisioning of FX reserve also increased. Strong USD relative to other currencies on back of rising US bond yield, market currency swap, i.e. recurring hedging instrument, steadily remained at a low level of 20-30bps, compared to 130-200bps in the same period last year. Looking forward, Taiwan life insurers would benefit from the trend of USD appreciation and rate rising environment. FYP in March showed strong growth of 33.6% yoy due to growth from investment-linked policy, which was up 89% yoy in March and 161% yoy in 1Q21. Renewal premium for the first two months of the year was ranked top 1 in the Taiwan market. First year premium was NT\$39.0bn for 1Q21 and cumulative total premium hit NT\$131.2bn, both of which was ranked top 2 in the Taiwan market per our estimate. Overall underwriting performance remained benign with continuous improvement in COL. Fubon Life retained robust capitalization. RBC and equity-to-asset ratio climbed compared to end-2020. Fubon Life will preserve its prudent strategy in response to market movement and flexibly adjust its balance sheet structure.

- Taipei Fubon Bank's net profit was NT\$1,633mn in March, and cumulative net profit reached NT\$4,959mn, up 20% yoy, mainly benefiting from NII growth and treasury performance. The number of active credit cards grew 19% yoy, which pushed up credit card consumption amount by 16% yoy. Asset quality in March remained benign, with NPL ratio and coverage ratio at 0.19% and 672.91%, respectively.
- Fubon Insurance's March net profit was NT\$547mn, up 35% yoy. Cumulative net profit reached NT\$1,942mn, up 31% yoy, mainly driven by underwriting performance and

decent investment. In March, gross written premium reached NT\$4,214mn , and cumulative gross written premium was NT\$12,404mn, topping the market.

- Fubon Securities' March net profit was NT\$553mn and accumulated net profit was NT\$1,707mn, up significantly by 907% yoy. As TAIEX index and turnover both reached record high in 1Q21, revenues from brokerage and wealth management business grew substantially yoy. Revenue and mark-to-market from treasury performance also grew in 1Q21, benefiting from the alleviating pandemic and bullish capital market.

Table: Net profit of Fubon Financial and its subsidiaries

NT\$mn	2021		2020	
	March	YTD	March	YTD
Fubon Financial	11,499	50,029	8,124	22,963
EPS (NT\$)	1.12	4.89	0.79	2.24
<i>Net profit by subsidiary:</i>				
Fubon Life	8,170	39,113	7,485	16,102
Taipei Fubon Bank	1,633	4,959	247	4,128
Fubon Insurance	547	1,942	405	1,484
Fubon Securities	553	1,707	(188)	170

Contact information for investor relations:

Amanda Wang	<a href="mailto:amanda.ch.wang@fubon.com">amanda.ch.wang@fubon.com</a>	Tel: +886 2 6636 6636 ext 57402
Christine Lin	<a href="mailto:christine.cw.lin@fubon.com">christine.cw.lin@fubon.com</a>	Tel: +886 2 6636 6636 ext 57242
Yvonne Lee	<a href="mailto:yvonne.lee@fubon.com">yvonne.lee@fubon.com</a>	Tel: +886 2 6636 6636 ext 57568
Sasa Hung	<a href="mailto:shihyun.hung@fubon.com">shihyun.hung@fubon.com</a>	Tel: +886 2 6636 6636 ext 57241