



Fubon Financial

2023 Annual Results Presentation

2024.3.22

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Performance highlights of Fubon Financial Holdings



Performance review by subsidiary

- Fubon Life
- Taipei Fubon Bank
- Fubon Insurance
- Fubon Securities
- Overseas Banking Operations

Robust earnings performance

- EPS tops Taiwan's FHCs for fifteen straight years. Net profit reached NT\$66.0bn, EPS at NT\$4.80, total assets at NT\$11.1tn, net worth at NT\$802.4bn, and BVPS at NT\$54.29 per common share
- Earnings remain benign. Net profit of Fubon Life ranked first among peers. Net profit of Taipei Fubon Bank hit a record high. Net profit of Fubon Securities was the second highest in record

Expansion across business lines

- Banking and securities subsidiaries mergers between Fubon and JihSun provide customers with high-quality, diversified products, and service network expansion
- Taipei Fubon Bank expands customer base and cross-selling opportunities under the issuance of Costco affinity card
- Overseas market expansion to enhance international service platform, including Fubon Bank (China)'s acquisition of Citi's mortgage portfolio, Taipei Fubon Bank's new branch application in Australia and India, and Fubon Insurance's application of reinsurance subsidiary in Malaysia

Fubon Financial Holdings: Business Highlights



Fubon Life

- Net profit of NT\$36.09bn. Top 1 among peers in Taiwan
- Top 2 in terms of FYP, TP and FYPE in Taiwan
- Recurring return before hedging increased YoY. Total investment return reached 3.79%
- Equity to asset ratio about 9.8% and RBC ratio around 336%

Taipei Fubon Bank

- Net profit reached NT\$24.47bn, a record high. Net profit up 14% YoY if excluding bargain purchase gain in 2022
- NIM increased 9bps YoY based on the growth in loans and overseas businesses
- Net fee income rose 39.7% YoY, reflecting the growth in wealth management and credit card businesses
- Top 2 in active cards with 14.5% market share. Top 4 in the amount of card spending with 11.6% market share

Fubon Insurance

- Net loss of NT\$2.23bn, with loss of NT\$6.06bn (pre-tax basis) from Covid-related policies
- Insurance premium increased 7.7% YoY. Market leader with market share of 23.8%
- Investment return at 3.61%, remaining stable in a volatile market

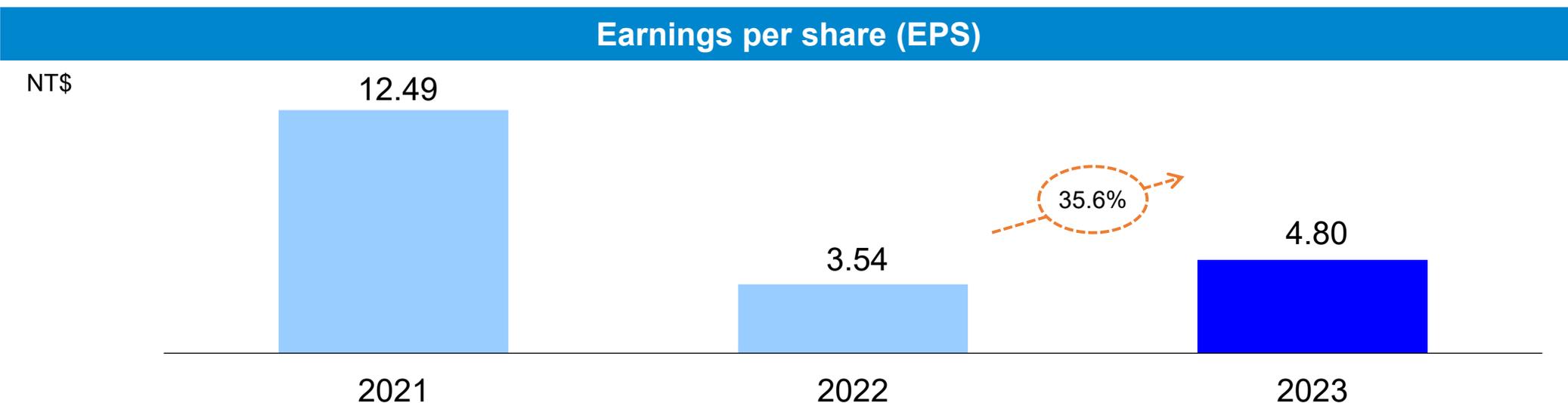
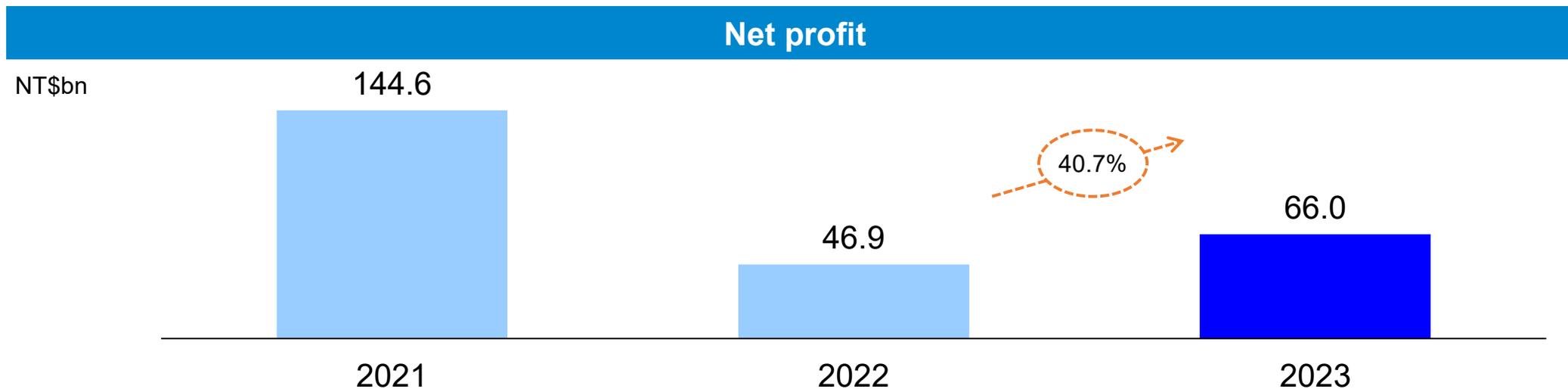
Fubon Securities

- Net profit of NT\$7.05bn, up 75.4% YoY, mainly from investment gains as TAIEX trended up
- Net profit and market share of major businesses ranked among top 3 with meaningful increase in business scale post merger with JihSun

Fubon Financial Holdings: Profitability



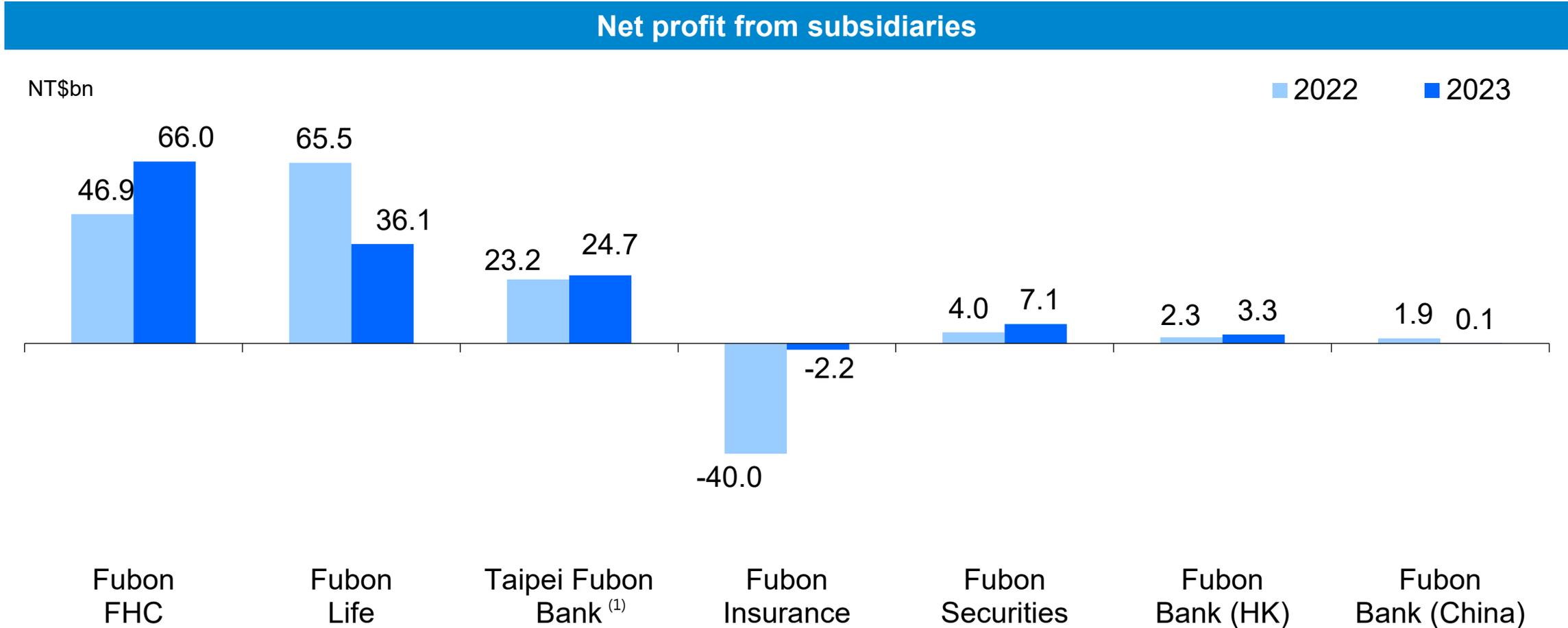
■ Net profit NT\$66.0bn, up 40.7% YoY. EPS of NT\$4.80. Both led FHC peers



Note :
EPS of 2021 and 2022 would be NT\$11.33 and NT\$3.37 respectively, if adjusted to reflect stock dividends in 2022 and 2023

Fubon Financial Holdings: Net profit from major subsidiaries

- Net profit growth of Fubon FHC came from Taipei Fubon Bank's revenue increase, Fubon Insurance's recovery from Covid-related policies impact, growing earnings of Fubon Securities and Fubon Bank (HK). Fubon Life's profit fell, reflecting higher hedging costs and lower capital gains. Fubon Bank (China)'s profit fell on NIM contraction and increase in provision

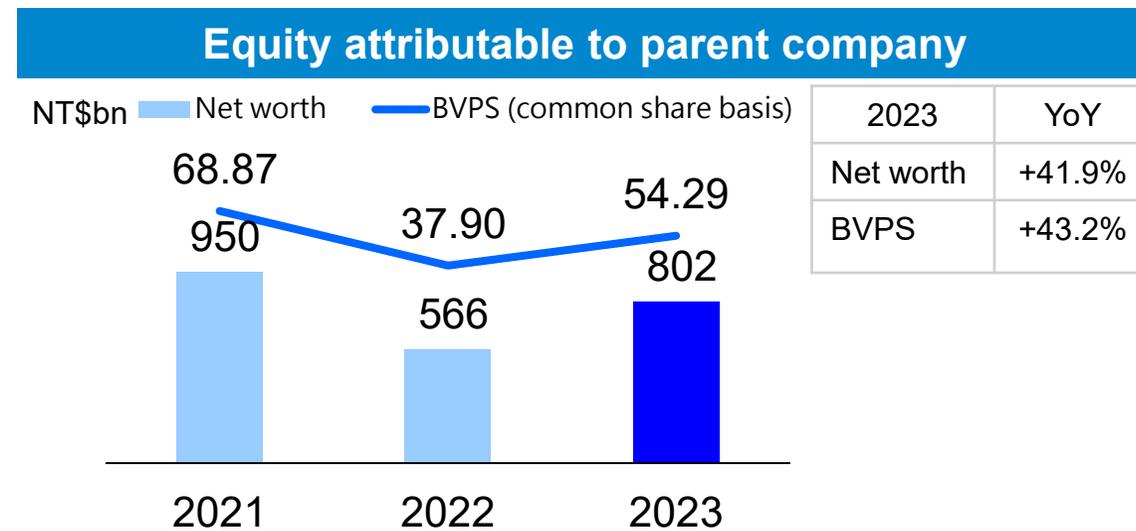
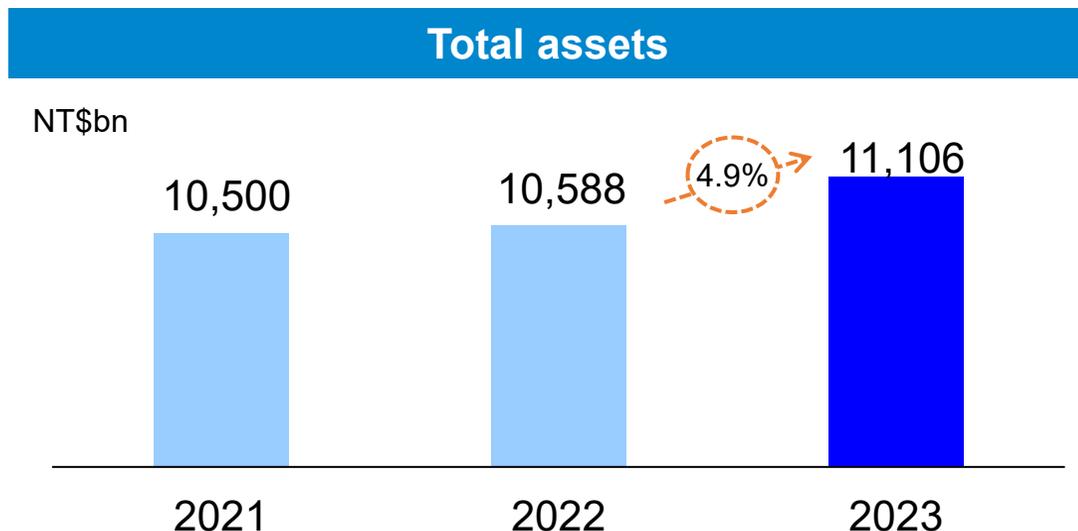


Note: (1) Net profit of Taipei Fubon Bank was NT\$24.5bn. Taipei Fubon Bank's net profit of NT\$24.7bn excludes investment income recognized under equity method from Fubon Bank (China) to avoid double counting

Fubon Financial Holdings: Assets and Net Worth



- Fubon FHC's total assets were over NT\$11tn, up 4.9% YoY. Net worth increased 41.9% YoY. BVPS was NT\$54.29 on common share basis



	2023	YoY
Net worth		+41.9%
BVPS		+43.2%

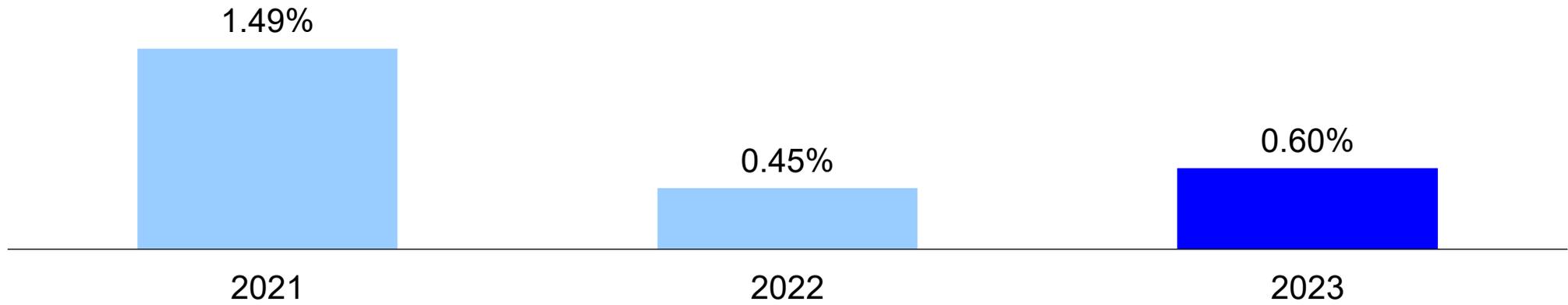
Capital adequacy ratio of FHC and subsidiaries

		2023	Regulatory requirements
Fubon Financial	CAR	128.91%	100%
Fubon Life	RBC	336.09%	200%
Fubon Insurance	RBC	278.37%	200%
Taipei Fubon Bank	Tier-one	14.17%	10.50%
	Total CAR	16.41%	12.50%
Taipei Fubon Bank (HK)	Tier-one	16.57%	9.50%
	Total CAR	17.24%	11.50%
Fubon Bank (China)	Tier-one	12.41%	8.50%
	Total CAR	14.53%	10.50%
Fubon Securities	CAR	361.89%	150%

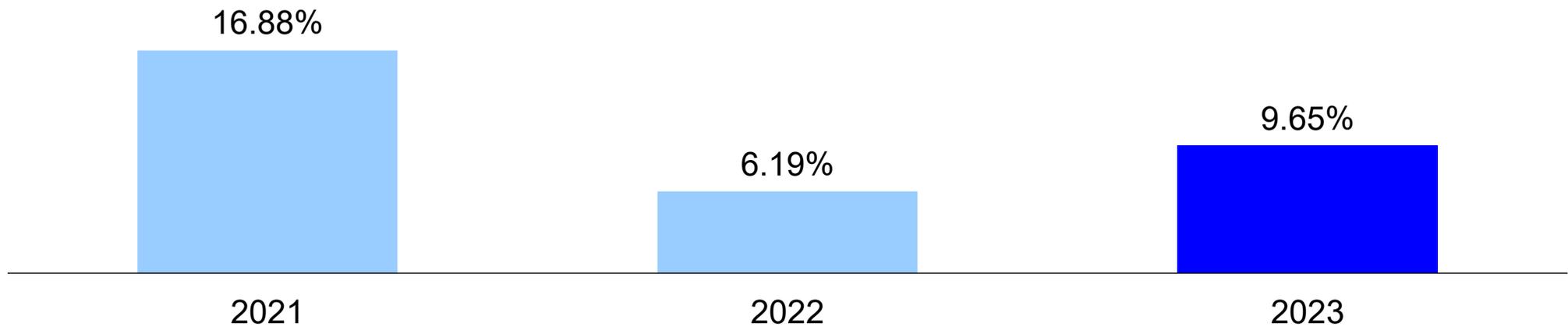
Fubon Financial Holdings: ROA & ROE

■ ROA and ROE increased YoY

ROA



ROE



Fubon Financial Holdings: Market position

■ Leading market position across major business lines

Fubon Life		
	Market ranking	Market share
Total premium	2	14.8%
First year premium	2	14.1%
First year premium equivalent	2	15.2%

Fubon Insurance		
	Market ranking	Market share
Direct written premium	1	23.8%
Commercial line	1	25.1%
Personal line	1	23.1%
Premium through online channel	1	36.7%

Taipei Fubon Bank		
	Market ranking (Overall / private banks)	Market share
Deposit balance	6 / 3	5.7%
Loan balance	10 / 4	5.3%
Mortgage	5 / 2	6.6%
Active cards	2	14.5%

Fubon Securities ⁽¹⁾		
	Market ranking	Market share
Brokerage	3	7.56%
Margin loans	2	9.56%
Securities lending	3	17.08%

Note: (1) Market ranking of securities sector does not include foreign ones (2) Data as of December 2023

Fubon Life

- Focus on regular-paid and protection products with higher CSM in response to market needs and preparation for IFRS 17 adoption
- Develop multiple channels including internal and external ones by leveraging resources of FHC to enhance market position
- Advocate ESG through thematic investments and initiatives

Fubon Insurance

- Sustain leading position, improve risk management on products and operation to enhance business quality
- Digitalization for better customer experience and service efficiency
- Develop sustainable products to seize green business

Taipei Fubon Bank

- Improve spread performance, adjust lending and investment portfolios
- Explore cross-selling opportunities in wealth management
- Advance market position in credit card to optimize customer acquisition value, cost structure and profitability
- Optimization of online and offline channels, including domestic and overseas branches as well as digital platform to enhance retail banking performance

Fubon Securities

- Expand market position of brokerage business. Increase penetration of wealth management products
- Provide differentiated services through customer targeting
- Strengthen digital platform to enhance trading experience

Fubon Financial Holdings: Opportunities and challenges for the upcoming year

- Business momentum focus on CSM creation in preparing for IFRS17 and ICS adoption
- Leverage financial expertise to transform toward a sustainable and low carbon emission business model
- Customer base expansion to develop retail banking loans and wealth management opportunities post the merger with JihSun and issuance of Costco affinity card
- FinTech applications for better customer experience and service efficiency



- Inflation and interest rate outlook affect macro economy globally
- Uncertainties from fluctuation of capital markets
- M&A and strategic alliance opportunities to expand economy of scale
- Focus on Taiwan and Asia markets

Fubon Financial Holdings: ESG awards

Fubon Financial Holdings

- A constituent of the MSCI ESG Leaders Indexes for seven consecutive years and received an “AA” MSCI ESG rating in global insurance sector
- Inclusion in DJSI World Index for seven consecutive years. Inclusion in DJSI Emerging market Index for eight consecutive years. Top in global insurance sector, including transparency of information disclosure, tax policy, human rights, and labor relations
- Top 1 in APAC insurance and top 3 in global insurance by Sustainalytics’ ESG Risk Rating
- ESG Corporate Award winner for thirteen consecutive years from the Asset. Winner of Platinum Award in 2023
- Leadership level in “Climate Change” and “Supplier Engagement Rating” for four consecutive years from CDP. Score A- in 2023

Subsidiaries

Fubon Life

- “Top 100 Benchmark Companies for Sustainability” and “Institutional Impact” under Taiwan Sustainable Investment Awards from TAISE⁽¹⁾

Taipei Fubon Bank

- Project Eagle Eye, a fraud detection and prevention AI model, won “Top Innovations in Finance 2023” from Global Finance
- “Best Bank for ESG and CSR” from Asiamoney

Fubon Insurance

- Winner of the “Most Customer-Centric General Insurance Company” from The Global Economics

Fubon Securities

- The first securities company to win “ESG Sustainability Excellence” under Golden Goblet award
- “Institutional Impact” and “Case Impact in ESG Innovation” winner under Securities Group from TAISE

Fubon Financial Holdings: ESG Strategies and achievements

- A leader in corporate sustainability to deliver positive impact
- Green finance grew 4% YoY, or 106% achievement rate in 2023. The goal is to reach NT\$2.9trn in 2030

ESG strategies and achievements

Decarbonization

- The first international carbon rights trading buyer on the Taiwan Carbon Exchange
- Fubon FHC and its subsidiaries jointly proposed net zero investment and underwriting strategies and incorporated the said strategies into Sustainable Finance Policy

Digitalization

- Taipei Fubon Bank developed the "Eagle Eye Model". Formed the "Eagle Eye Fraud Detection Alliance" with the Fraud Office, FSC, and 31 other banks, which is the first large-scale cooperation between the public and private sectors

Empowerment

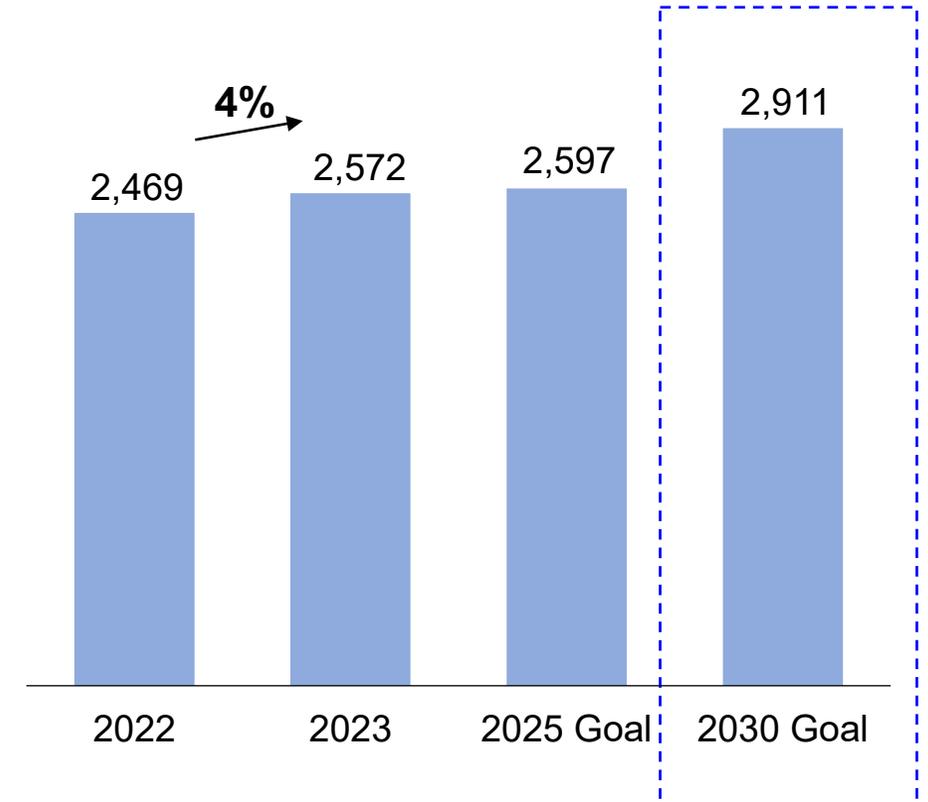
- Taking care of 650 Fubon babies and over 4,050 children, with a total investment of nearly NT\$130mn

Connections

- Proposed "Fubon Financial Holdings Statement on Inclusive Finance"
- "Run For Green project" planted over 101,000 trees in eight cities in Taiwan
- Fubon Life worked with 72 schools in Taiwan to protect environment and strengthen students' financial insights

Green finance

NT\$bn

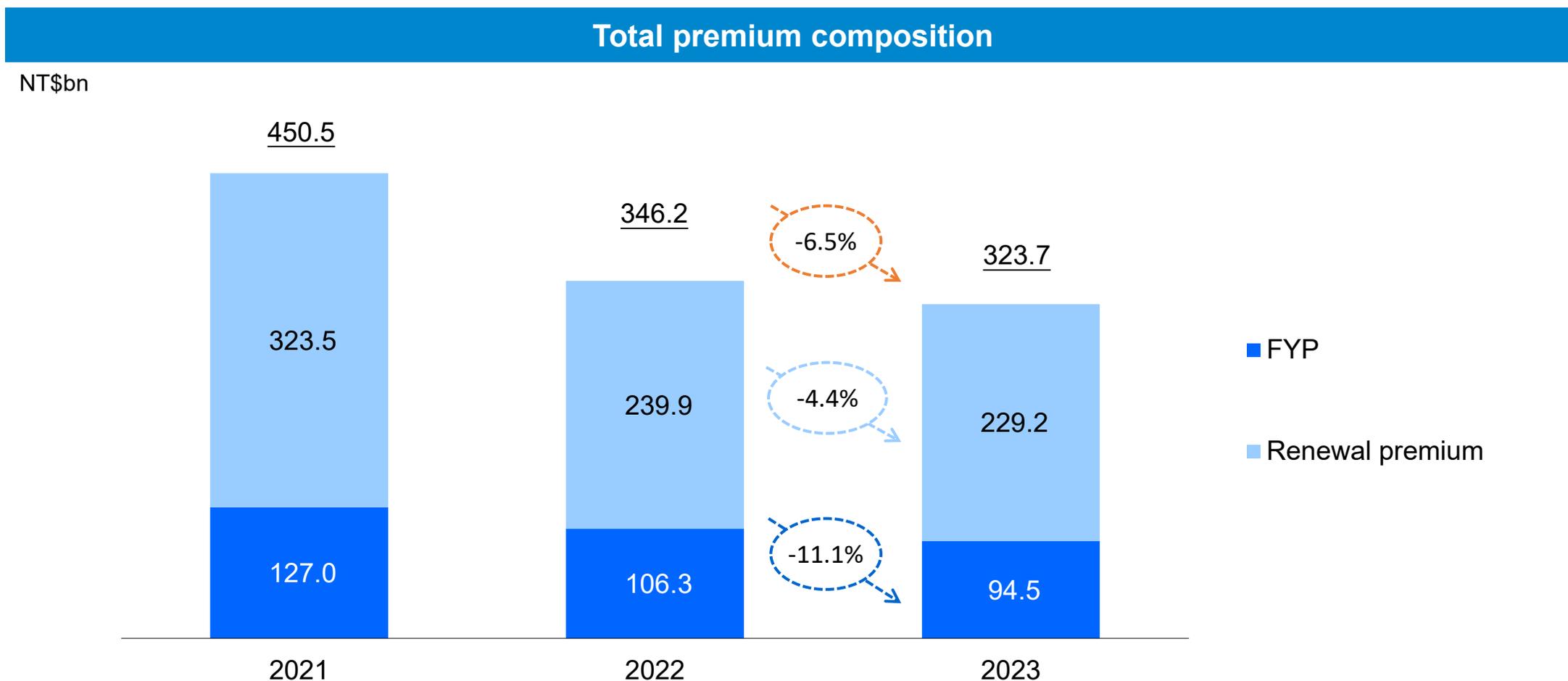




Performance Review by Subsidiary

Fubon Life

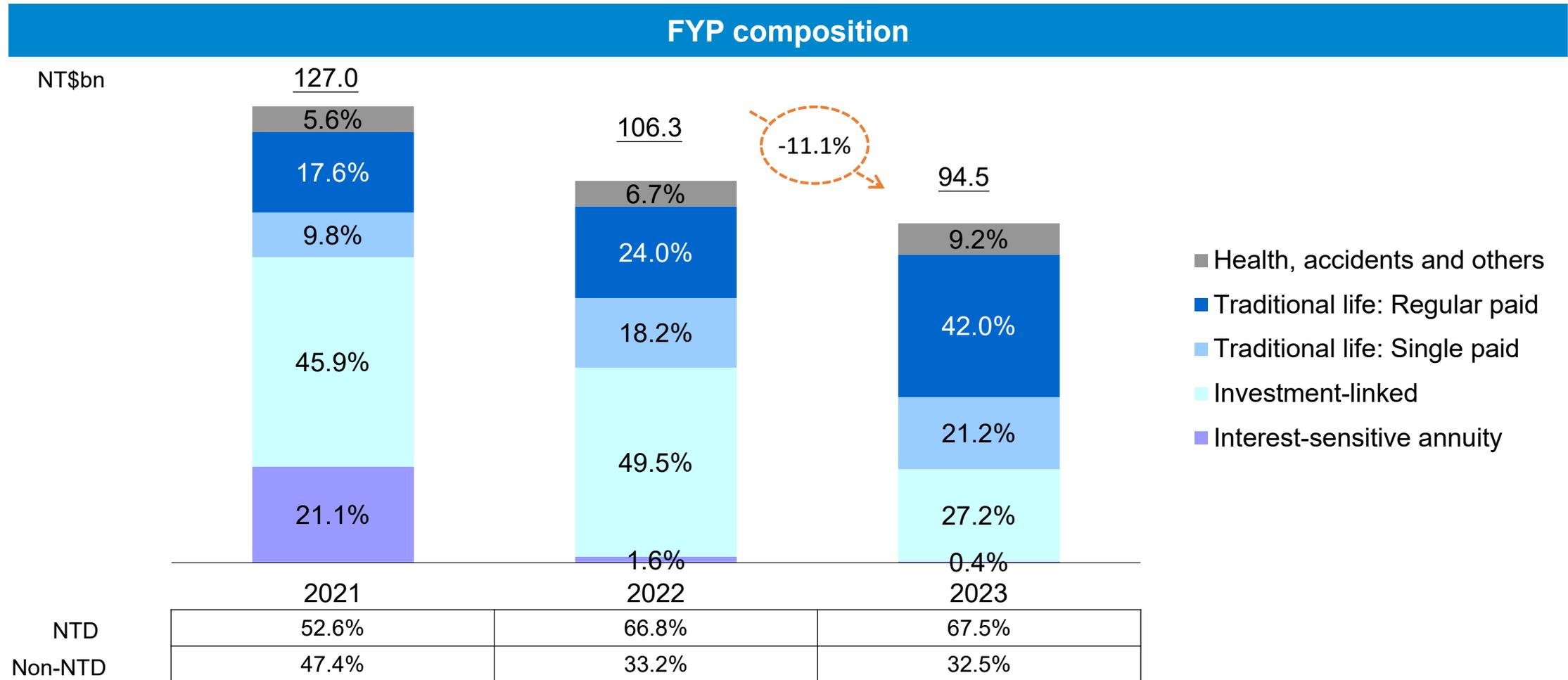
- FYP declined 11.1% YoY as sales were transitioning to regular-paid policies, compared to the 13.1% decline of the industry
- Renewed premium declined 4.4% YoY mainly due to paid-up of regular-paid policies
- Total premium declined by 6.5% YoY, which was in-line with the 6.3% decline of the industry



Fubon Life: First Year Premiums (FYP)



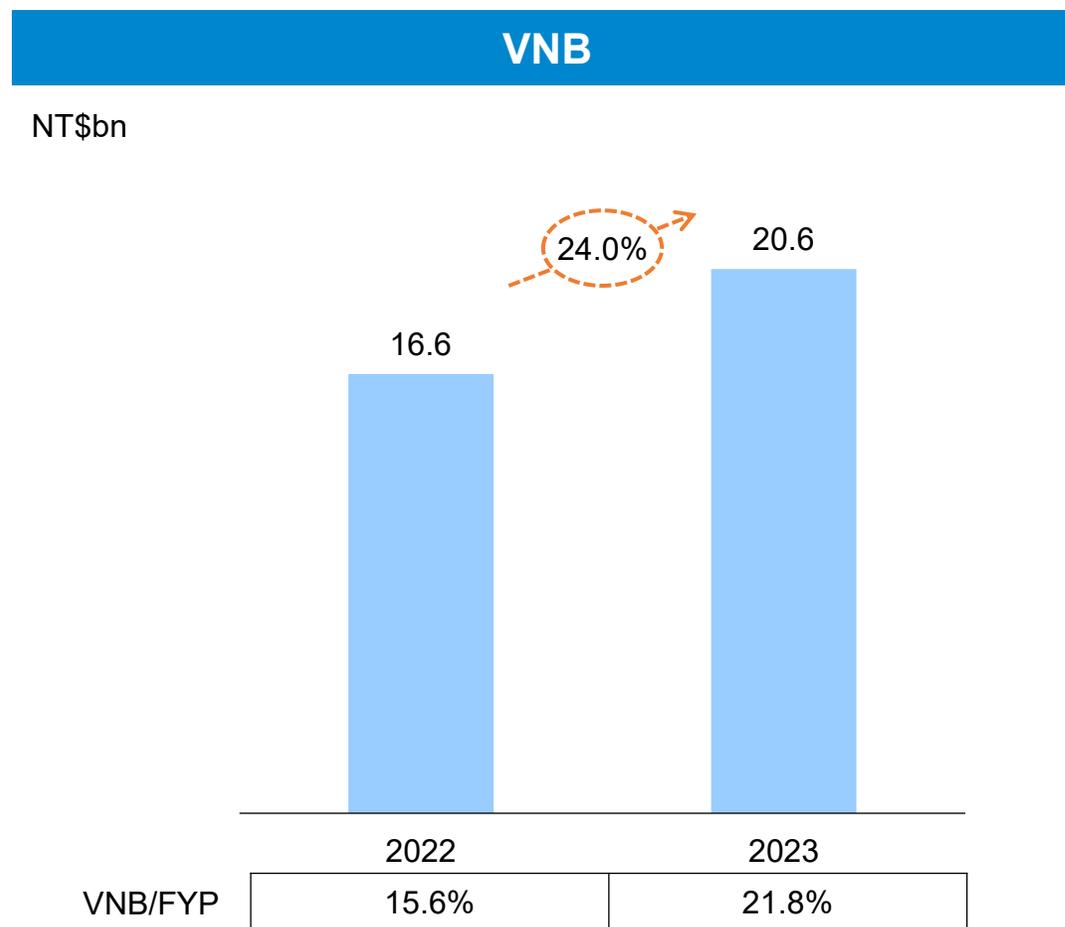
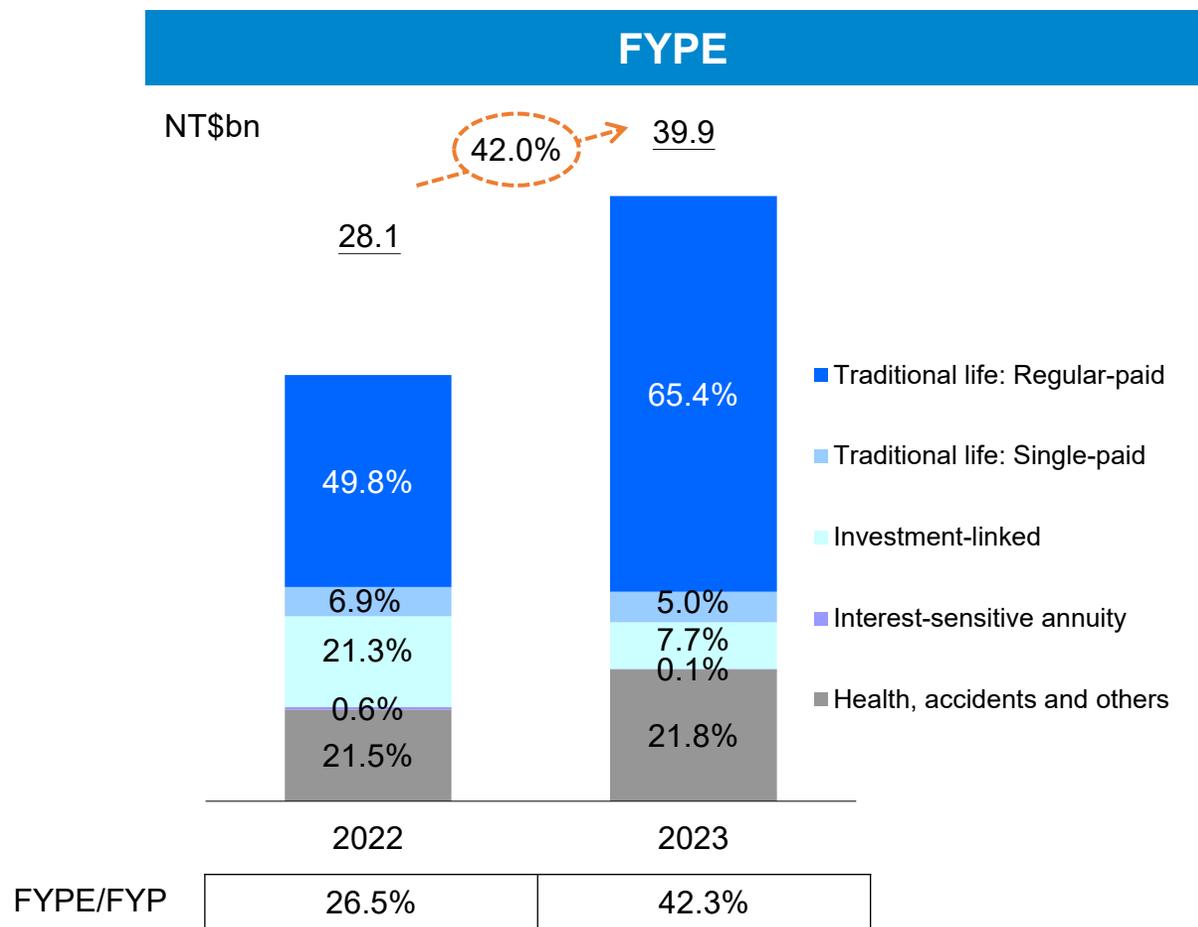
- Product mix transitioned toward regular-paid and protection products to accumulate CSM and reduce investment-linked products
- Sales in regular-paid product grew on traditional life products (from 24.0% to 42.0% of FYP) and health, accidents and others (from 6.7% to 9.2% of FYP). FYP of investment-linked products dropped from 49.5% to 27.2%



Fubon Life: FYPE & VNB



- Fubon Life's FYPE grew 42.0% YoY mainly from regular-paid traditional life products. The industry's FYPE grew by 11.7% YoY. FYPE/FYP ratio reached 42.3% (from 26.5% in 2022)
- VNB grew 24.0% YoY and VNB/FYP increased from 15.6% to 21.8% as product mix improved



Note: VNB based on 2022 EV actuarial assumptions

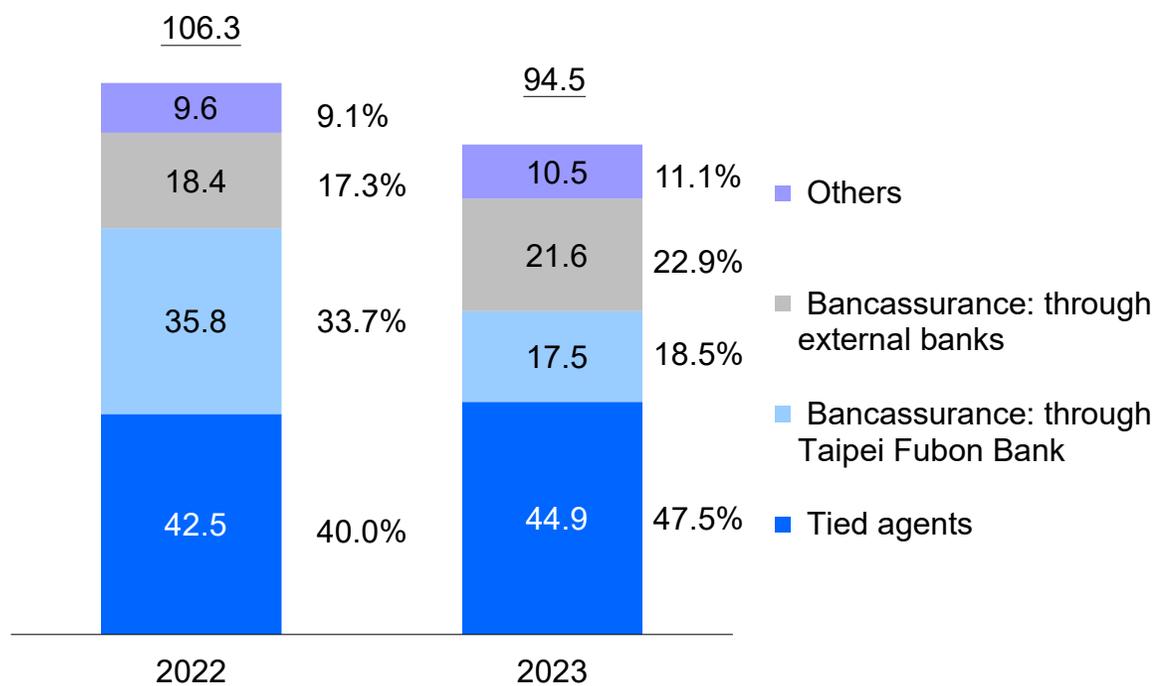
Fubon Life: Channels



- Tied agents contributed to 47.5% of FYP. FYP from bancassurance topped the industry
- FYPE grew across channels. FYPE from bancassurance channel grew 63%

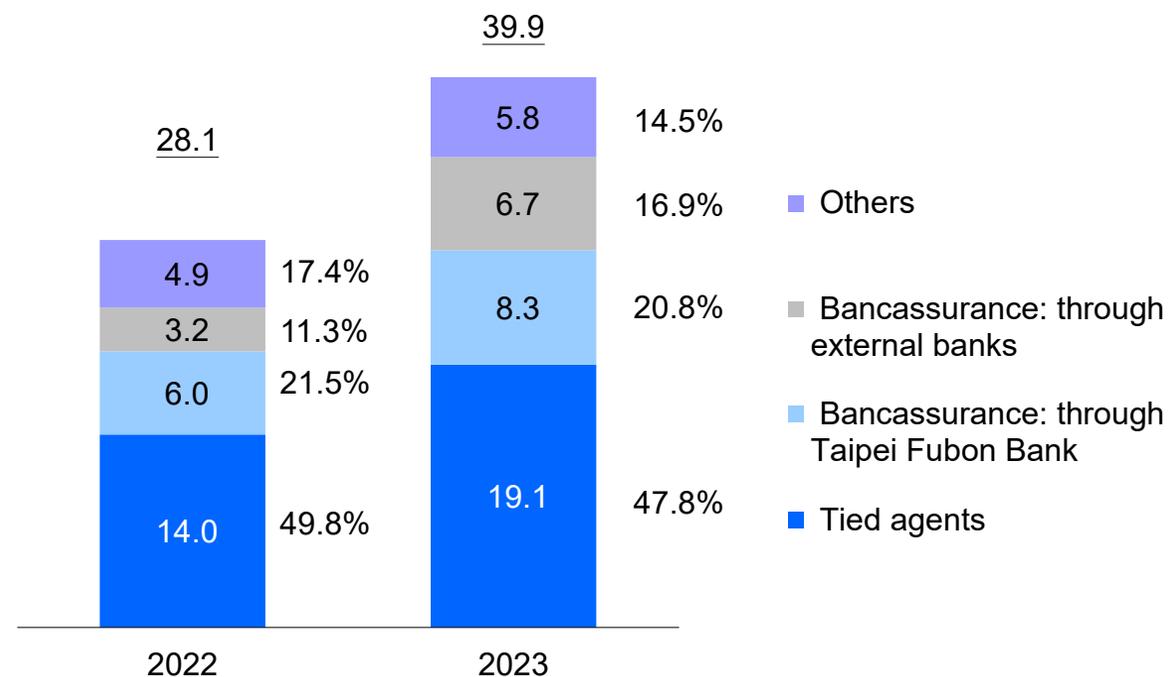
FYP by channel

NT\$bn



FYPE by channel

NT\$bn



- Maintain sufficient cash levels and dynamically adjust the allocation according to market conditions
- The increase in domestic and foreign equities mainly reflects the increase in valuation and deployments

NT\$bn	2022/12/31			2023/12/31		
	Amount	%	Return	Amount	%	Return
Deposit and cash equivalent	203.5	4.4%	0.62%	194.8	4.0%	1.30%
Domestic fixed income ⁽¹⁾	574.5	12.5%	1.76%	617.7	12.8%	2.36%
Overseas fixed income ⁽²⁾	2,624.5	57.2%	3.80%	2,732.7	56.7%	3.91%
Domestic equity	405.8	8.8%	14.02%	440.4	9.1%	12.45%
Overseas equity	248.5	5.4%	11.36%	312.5	6.5%	7.84%
Mortgage loans	118.9	2.6%	1.71%	99.4	2.1%	2.09%
Policy loans	76.2	1.7%	4.54%	77.8	1.6%	4.53%
Real estate	338.3	7.4%	0.88%	342.8	7.1%	1.65%
Total investment	4,590.2	100.0%	4.48%	4,818.1	100.0%	3.79%
Domestic	1,599.4	34.8%	4.93%	1,658.5	34.4%	5.02%
Overseas	2,990.8	65.2%	4.24%	3,159.6	65.6%	3.12%

Note: (1) Inclusive of NTD-denominated ETFs

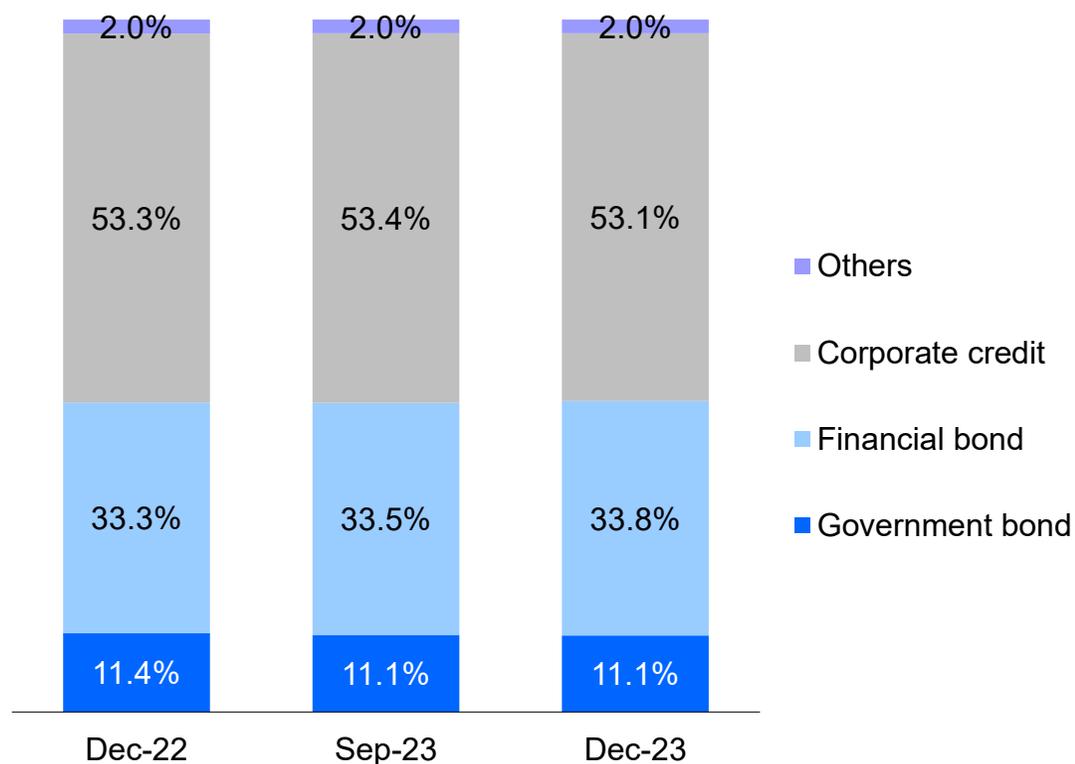
(2) Inclusive of OTC-listed international bonds, which was 14.0% of total investment assets as of 2023/12/31

Fubon Life: Overseas Fixed Income Portfolio

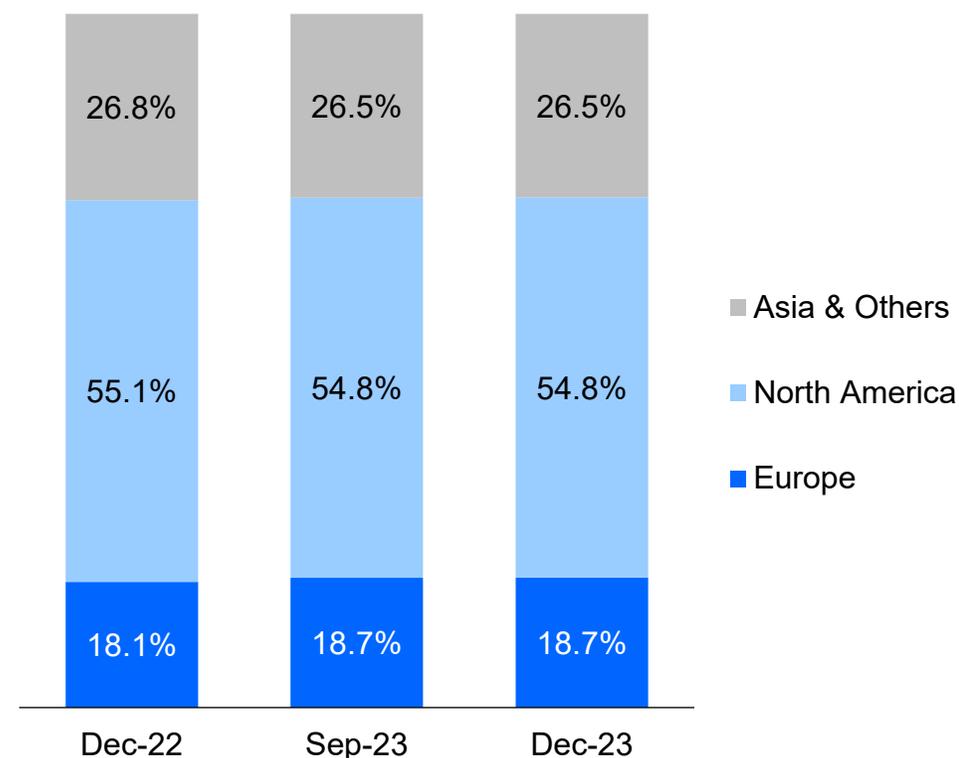


- Continued to focus on investment grade corporate credit and financial bonds
- Issuers of overseas fixed income portfolio are mainly from North America

Overseas fixed income by asset type



Overseas fixed income by region



Fubon Life: Composition of Investment Income



- Total investment assets grew 5.0% YoY on back of valuation recovery and financial asset reclassification
- Recurring income improvement mainly reflected higher interest rates and USD appreciation
- High hedging costs and decrease in capital gains led to drop in investment return YoY

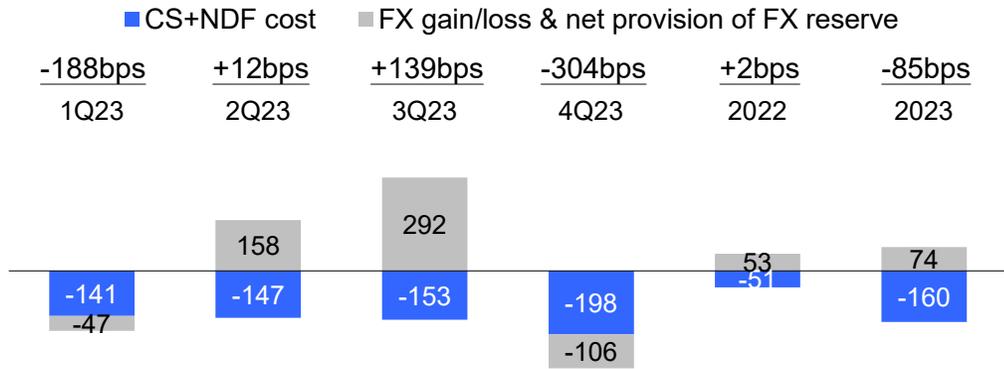
NT\$bn	2021	2022	2023	YoY growth
Recurring investment income	130.3	152.3	162.2	6.5%
Interest income	94.7	109.8	113.7	3.5%
Cash dividend income from equity investment	20.0	22.6	22.9	1.0%
Rental and others	15.6	19.8	25.6	29.2%
Realized gains from fixed income investment	31.5	-2.8	-2.0	N.M.
Realized gains from equity investment	87.4	60.2	45.6	-24.2%
FX and others	-14.1	-7.2	-35.2	N.M.
Investment income	235.1	202.4	170.6	-15.7%
Total investment assets	4,729.5	4,590.2	4,818.1	5.0%
Investment return (before hedge & FX)	5.71%	4.47%	4.35%	
Investment return (after hedge & FX)	5.27%	4.48%	3.79%	

Fubon Life: Composition of Hedging Portfolio

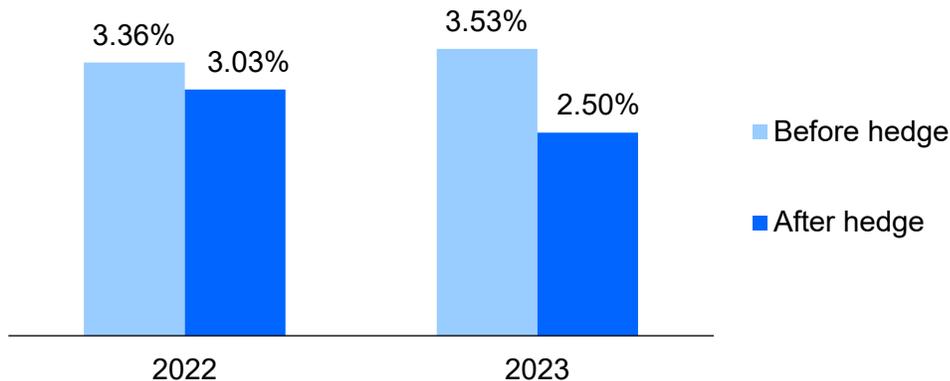


- FX loss in 4Q23 as the expectation of rate cut started in 4Q23 and the USD weakened. Fubon Life remained gains in FX in 2023
- High hedge cost as interest rate spread between USD and NTD remained wide
- Recurring return before hedge increased YoY due to higher interest rates and USD appreciation, while recurring return after hedge decreased

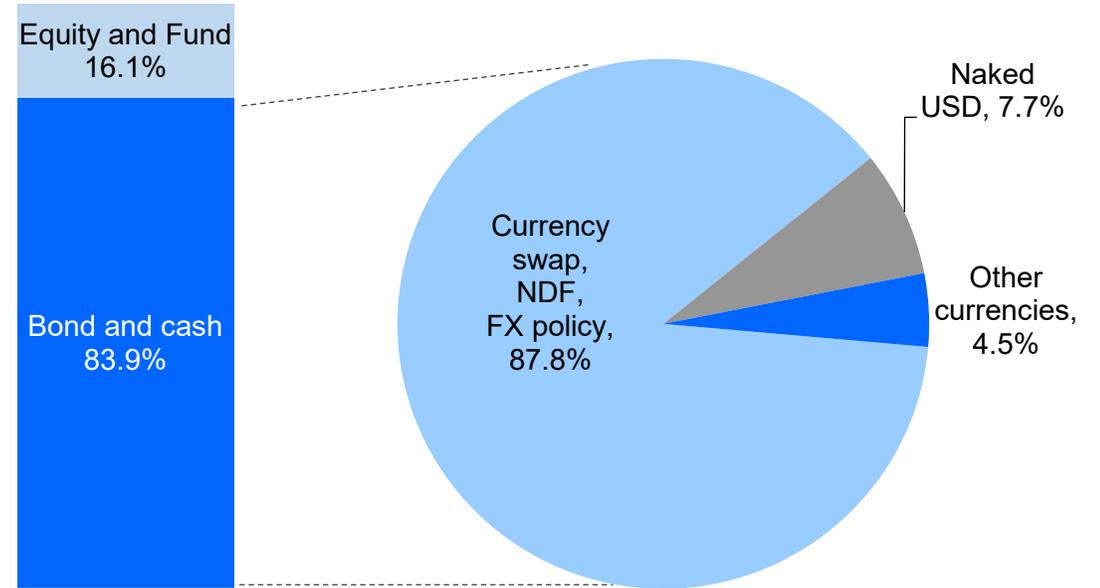
Hedging cost & FX gain/loss



Recurring return



FX position

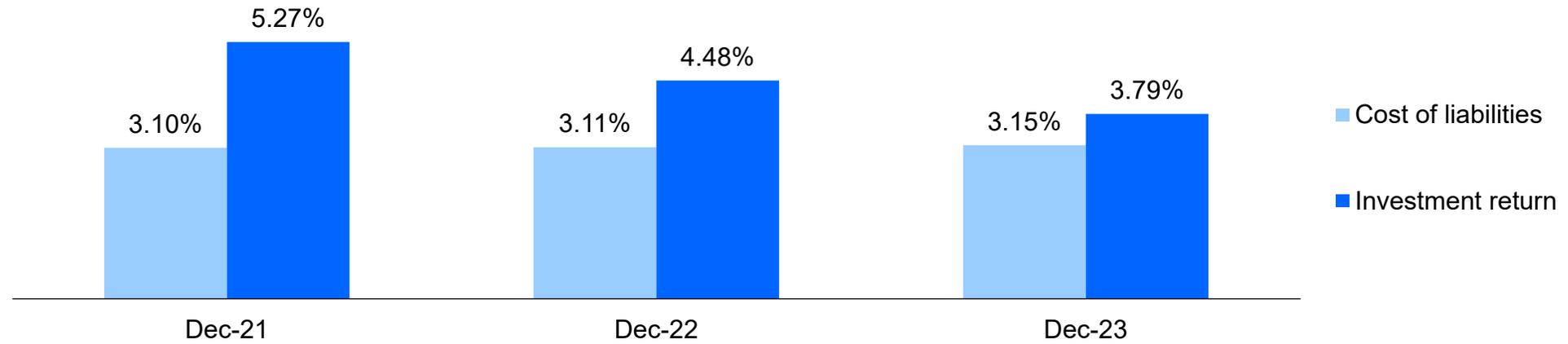


Fubon Life: Cost of Liability & Breakeven Point

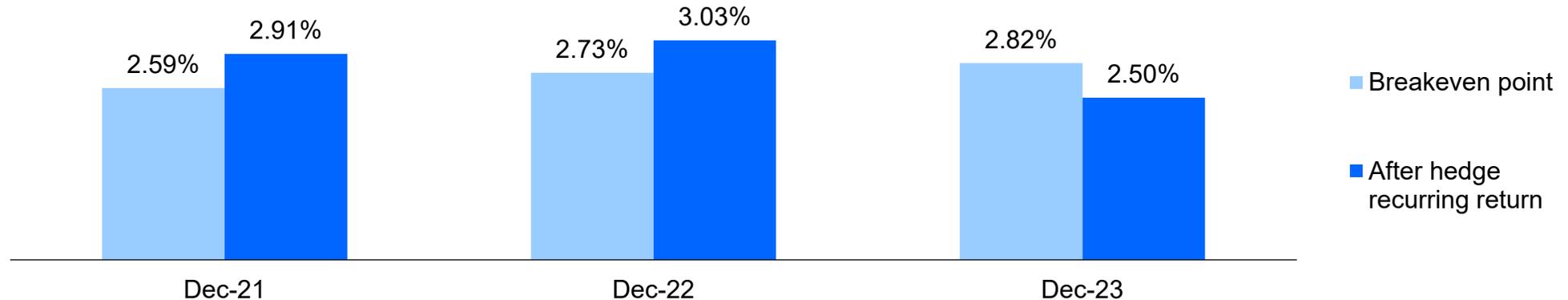


- Investment return decreased due to capital market volatility. Fubon maintained a positive spread between COL and investment return
- Recurring return after hedge decreased due to high hedging cost

Cost of liability



Breakeven point



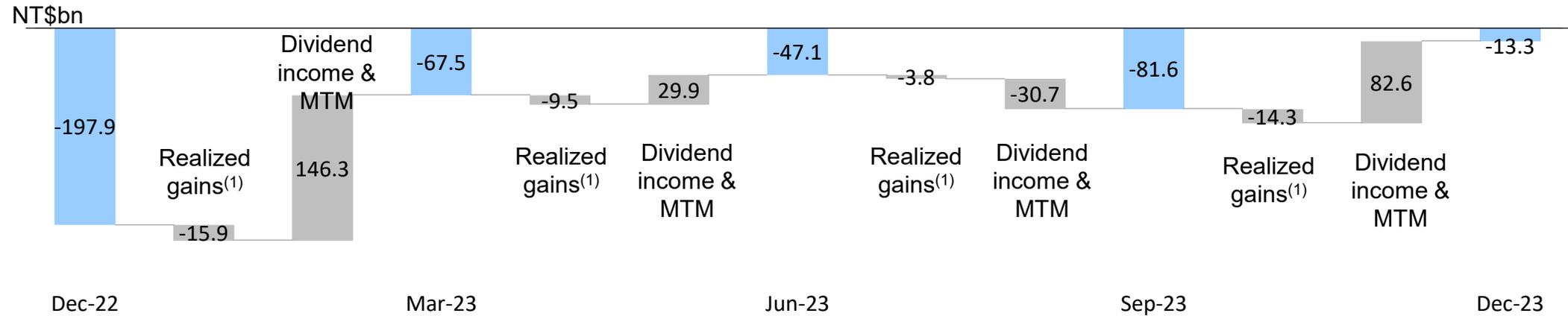
Note: Breakeven point = $-(\text{Profit before tax} - \text{investment income}) / \text{average investment assets}$

Fubon Life: Investment Performance

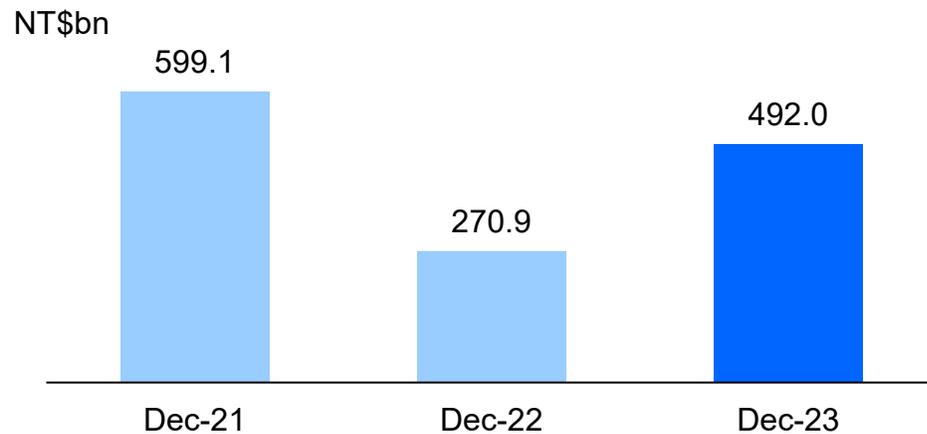


- The financial market recovery and financial asset reclassification led to the improvement in unrealized balance. Both shareholders' equity and the equity-to-asset ratio rebounded
- Equity-to-asset ratio was 9.8% and RBC ratio was around 336%

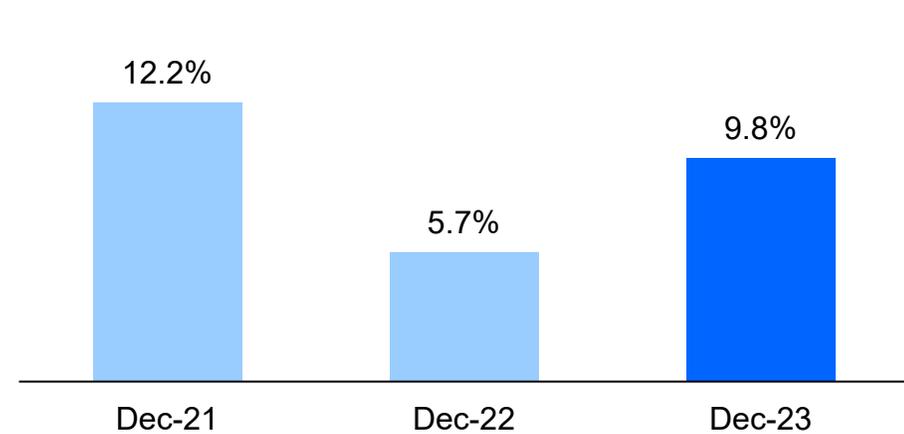
Unrealized balance in FVOCI & FVTPL overlay and movement



Shareholders' equity



Equity-to-asset



Note: (1) Realized equity gain/ loss under FVOCI is included



Performance review by subsidiary

Taipei Fubon Bank

Taipei Fubon Bank: Revenue

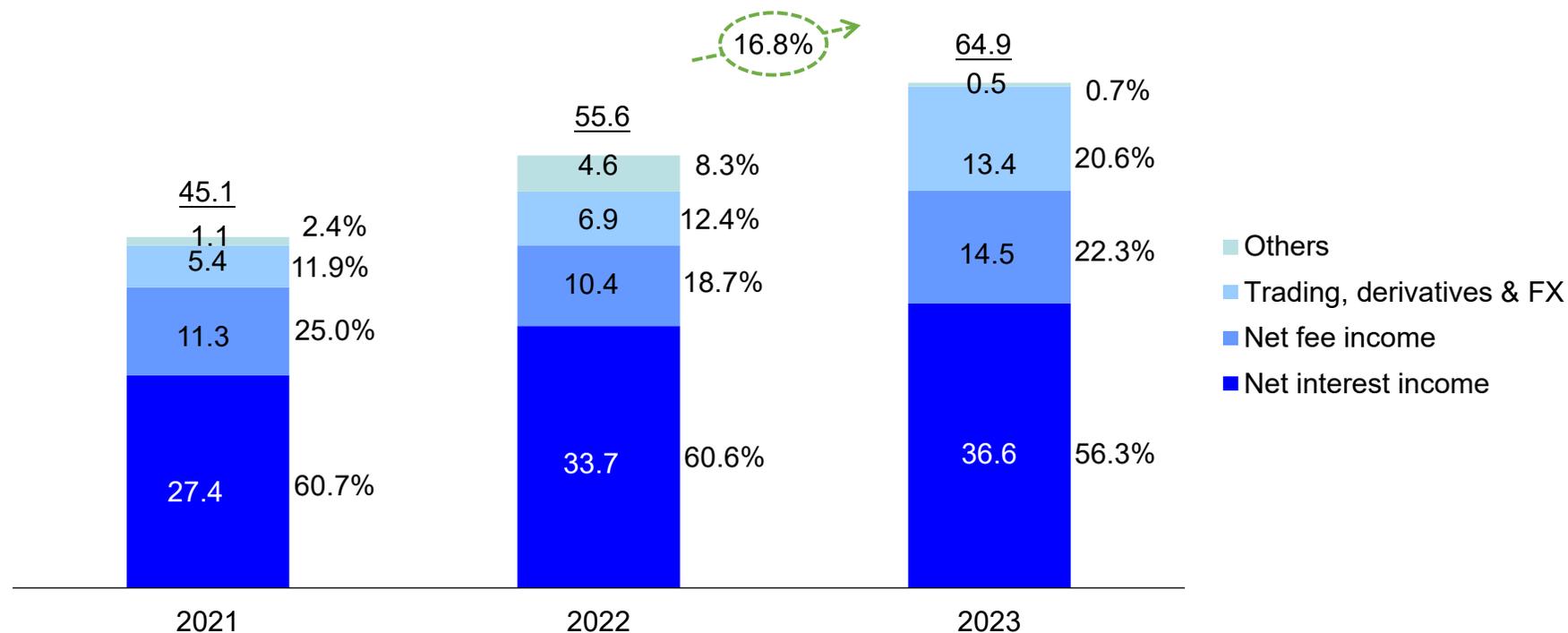


- Total revenue was up 16.8% YoY
- NII increased 8.7% YoY, mainly due to 9bps increase in NIM and loan growth of 7.9% YoY. Fee income rose 39.7%, reflecting the growth in wealth management and credit card business
- Treasury income grew primarily from valuation increase in stocks, bonds and FX gains. Other income decreased, due to the high base of one-time bargain purchase gain in 2022

Revenue composition of Taipei Fubon Bank

NT\$bn

2023	YoY
Others	-89.9%
Trading, derivatives & FX	+94.0%
Net fee income	+39.7%
Net interest income	+8.7%



Note: Taipei Fubon Bank and JihSun Bank consolidation was completed in April 2023. Information has included Taipei Fubon Bank and JihSun Bank in 2022 and 2023, complying with accounting standard for disclosure. The same applies to the following pages.

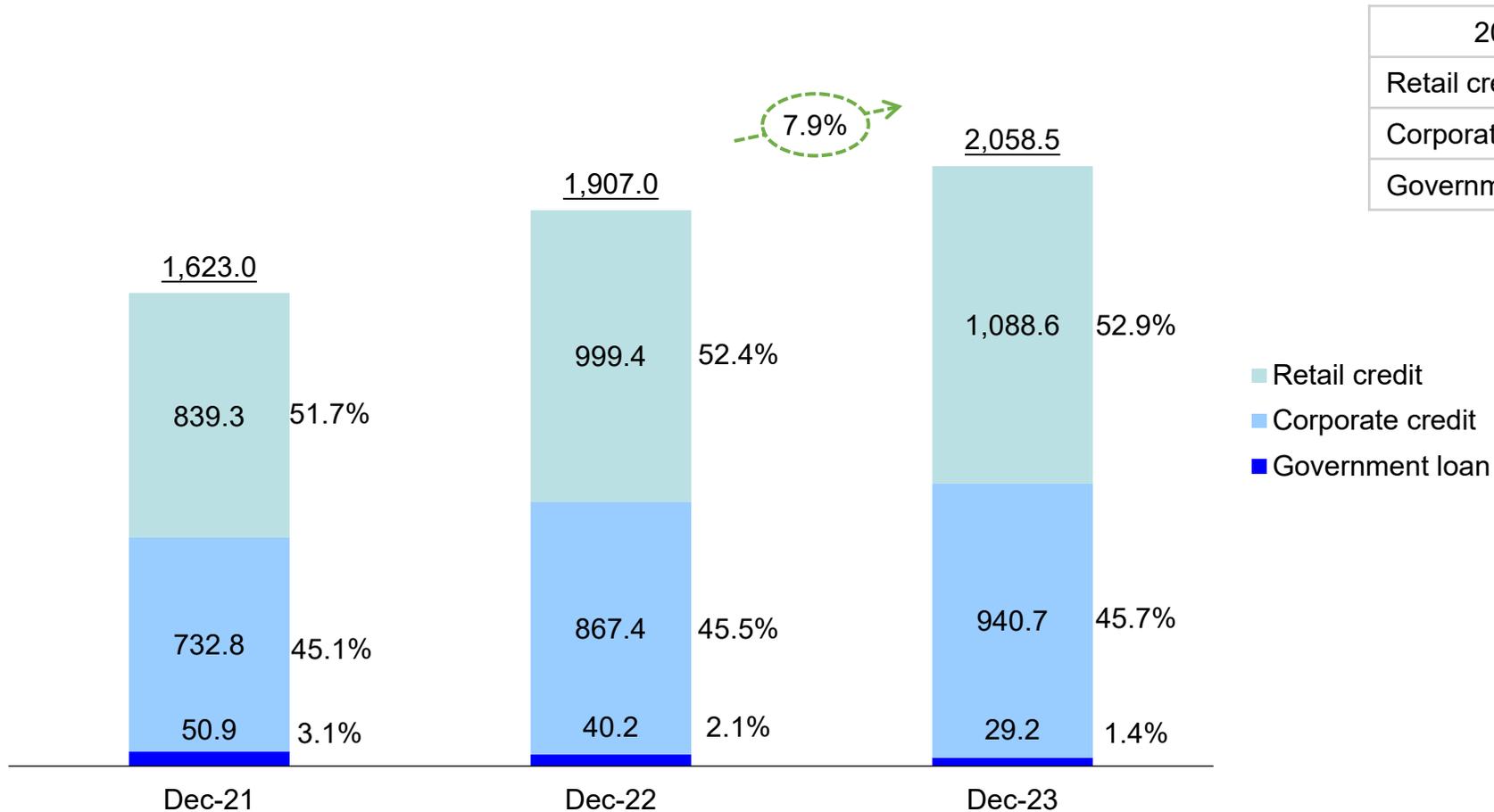
Taipei Fubon Bank: Credit Composition



- Retail and corporate loans grew YoY. Total credit balance up 7.9% YoY

Credit composition

NT\$bn

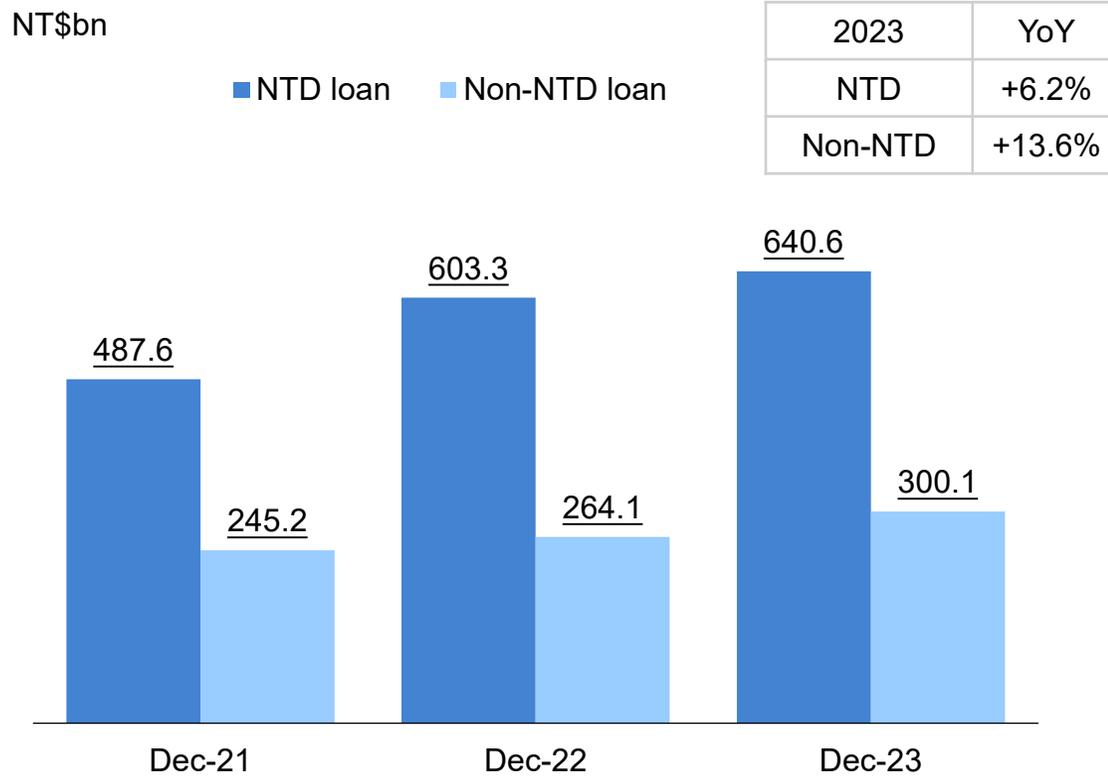


	2023	YoY
Retail credit		+8.9%
Corporate credit		+8.5%
Government loan		-27.2%

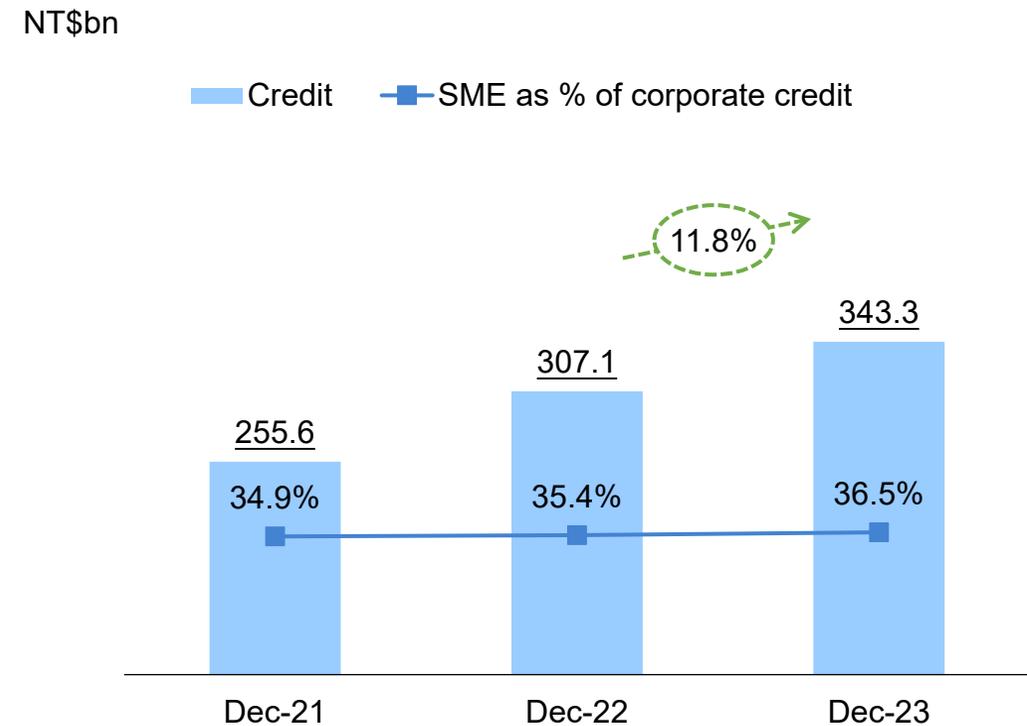
Note: Ending balance

- Corporate loan balance increased by 8.5% YoY. Foreign currency loan grew faster than NTD loan YoY
- SME credit climbed 11.8% YoY, accounting for 36.5% of corporate loans and the proportion gradually increased

Corporate credit by currency



SME credit



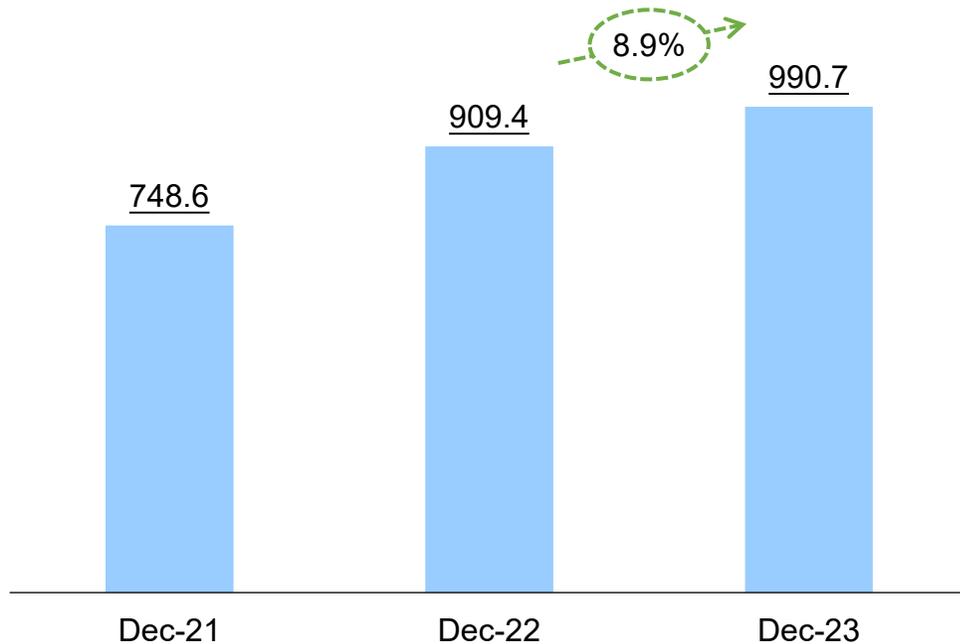
Note: Definition of SME (Small and Medium-sized Enterprise) is according to Ministry of Economic Affairs' criteria, which are a company with capital less than NT\$100mn or less than 200 employees.

Taipei Fubon Bank: Retail credit

- Mortgage grew 8.9% YoY
- Other personal loans increased 8.7% YoY. Unsecured consumer loan and credit card revolving balances both grew at double digits YoY

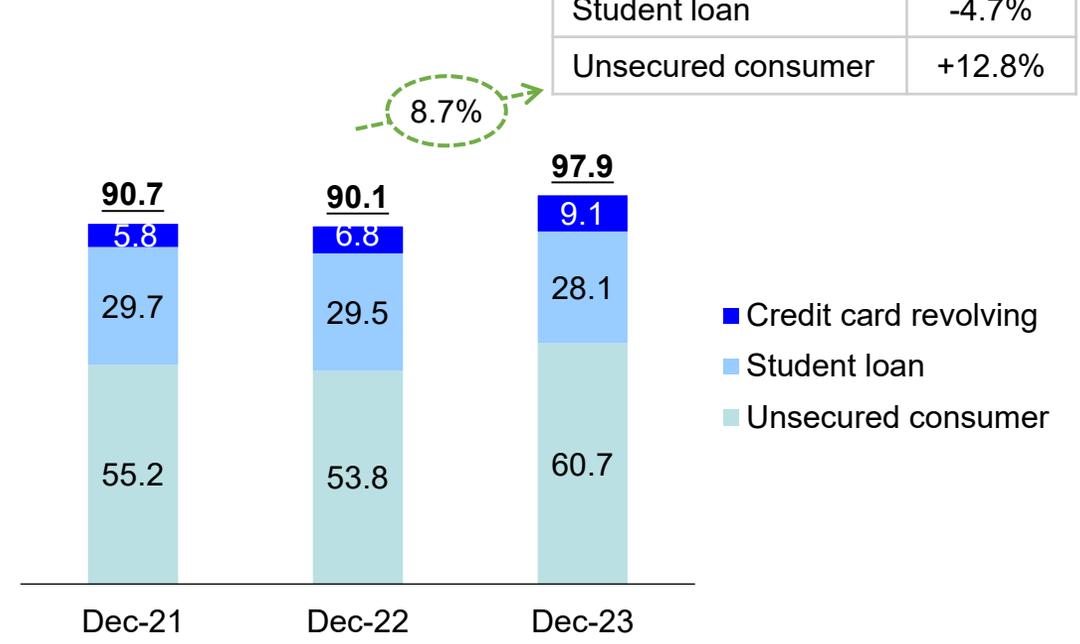
Mortgage

NT\$bn



Other personal loans

NT\$bn

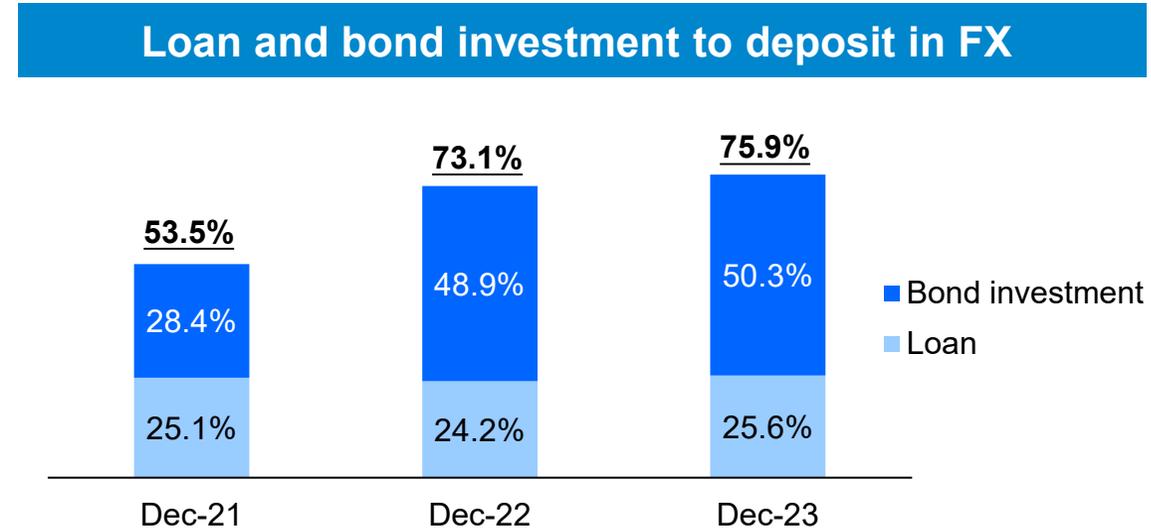
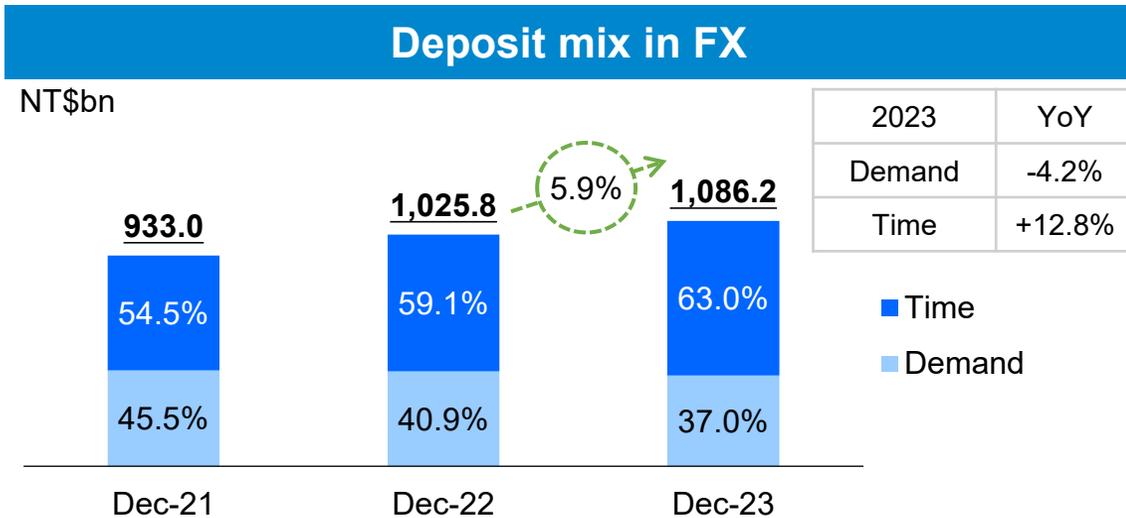
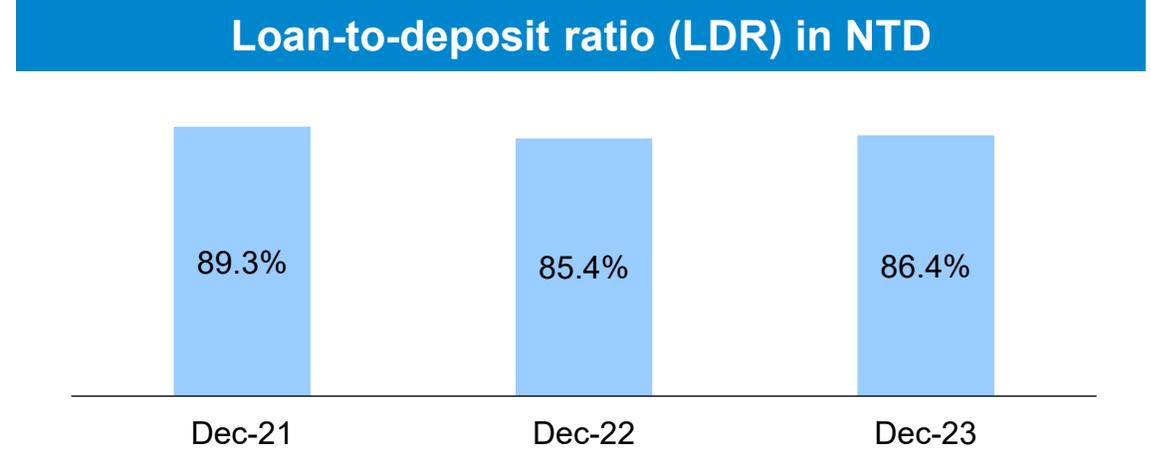
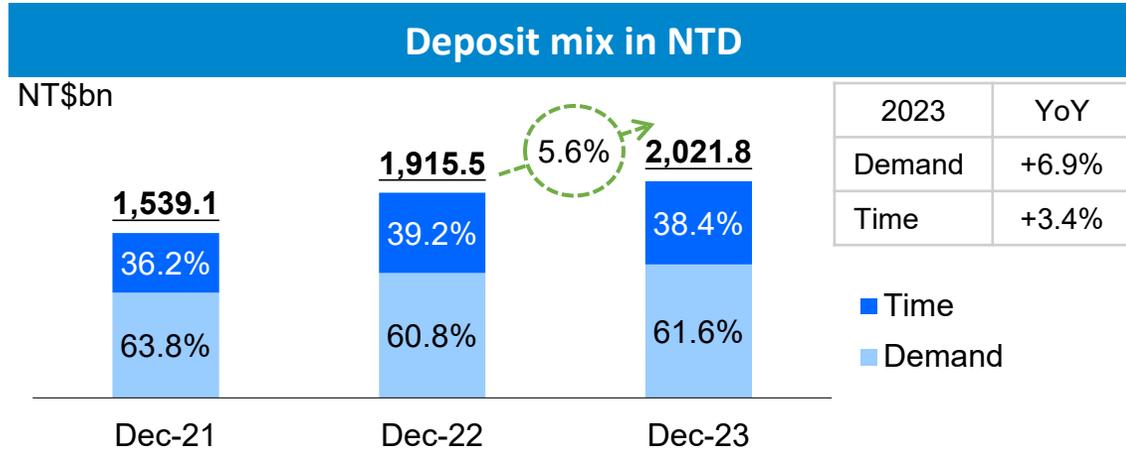


	2023	YoY
Credit card revolving		+34.8%
Student loan		-4.7%
Unsecured consumer		+12.8%

Taipei Fubon Bank: Deposit Mix and LDR



- Total deposit balance climbed 5.7% YoY. NTD demand deposit contribution was up, mainly due to the increase of retail deposits. FX demand deposit to FX deposit was down YoY, reflecting customers' preference for time deposit in a high-interest environment
- The utilization of foreign currency continued to improve, on back of the increase in foreign currency loans and bonds



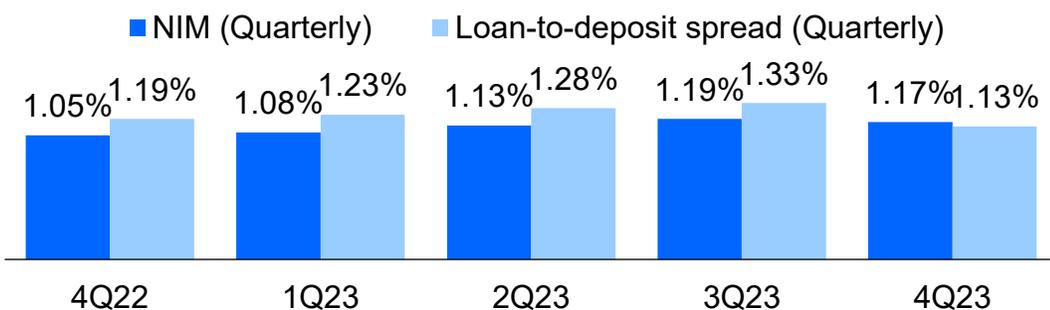
Note: Ending balance

Taipei Fubon Bank: Interest Spread and Margin

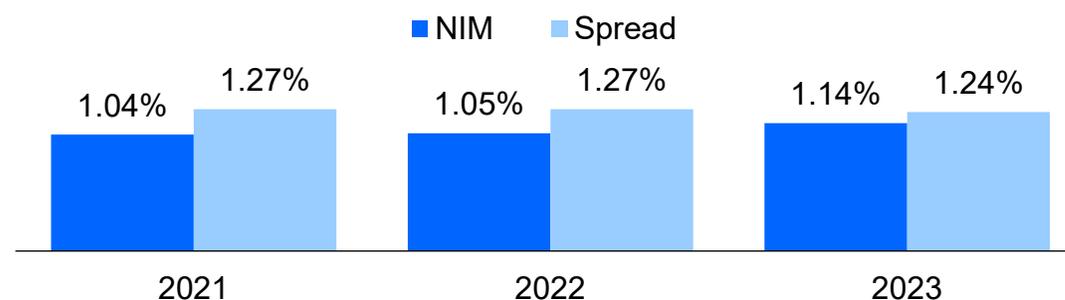


- NIM in 2023 was up 9bps YoY, primarily from the increase in lending momentum and foreign currency bonds, driving the growth of asset yield. NIM and spread in 4Q23 were down QoQ, mainly due to the FX time deposits increase. NIM in 4Q23 would be 1.34%, up 2bps QoQ, if inclusive of SWAP revenue
- NIM in 2023 would be 1.31%, up 18bps YoY, if inclusive of SWAP revenue

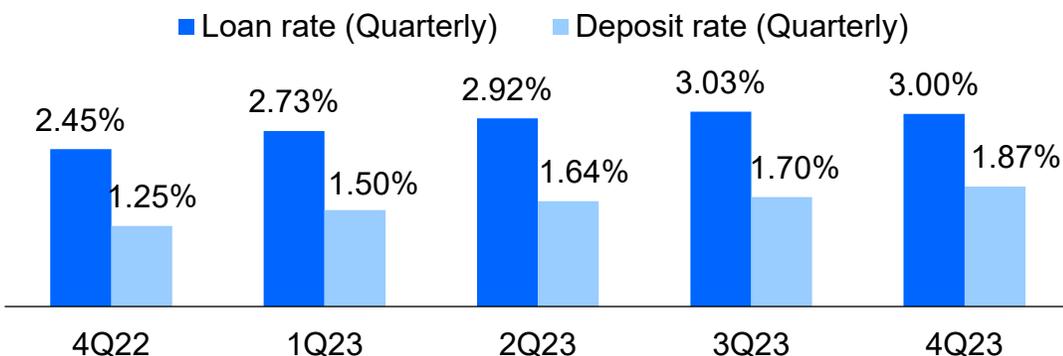
NIM and loan-to-deposit spread (quarterly)



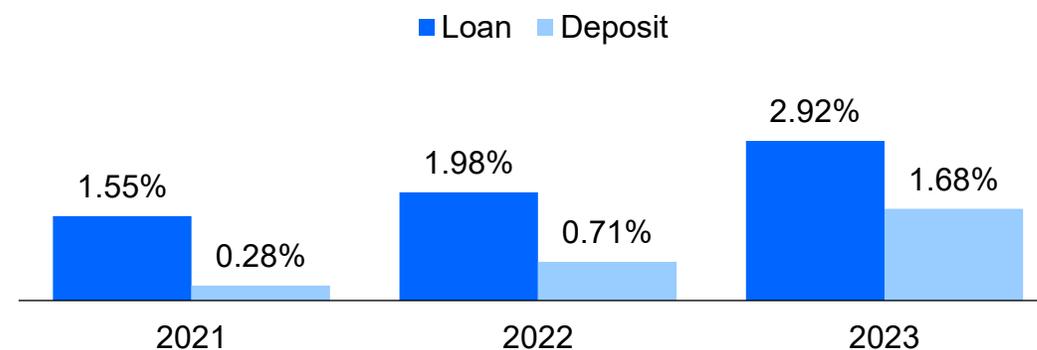
NIM and loan-to-deposit spread



Loan rate and deposit rate (quarterly)



Loan rate and deposit rate



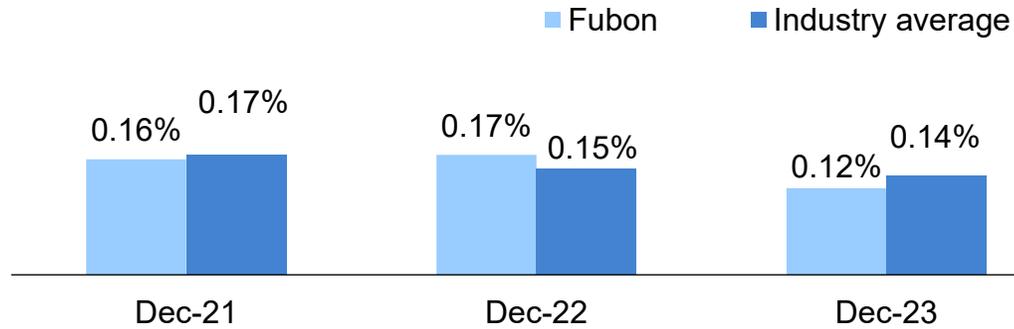
Note(1) Loan rate calculation inclusive of revolving credit cards

(2) Taipei Fubon Bank and JihSun Bank consolidation was completed in April 2023. Annual information in 2021 was based on announced information before JihSun Bank consolidation. Quarterly and annual information in 2022 and 2023 has included Taipei Fubon Bank and JihSun Bank.

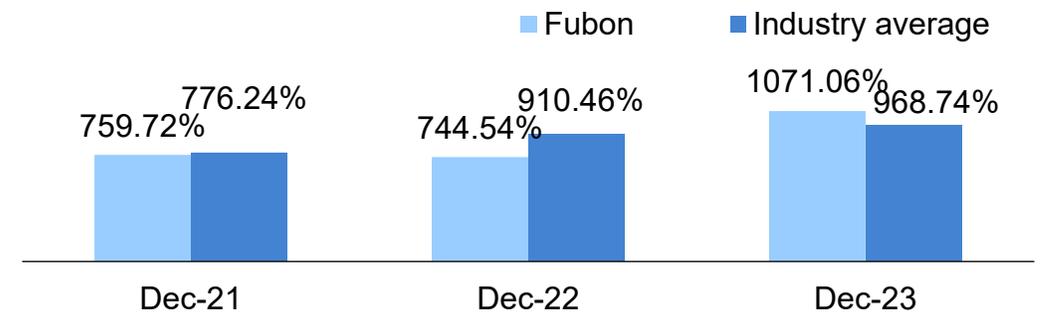
Taipei Fubon Bank: NPL Ratio and Credit Cost

■ Asset quality remained stable

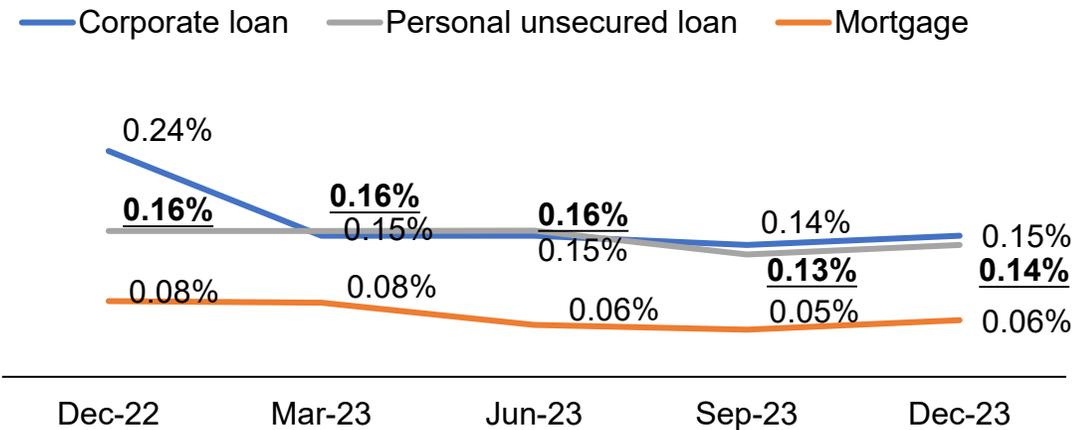
NPL ratio



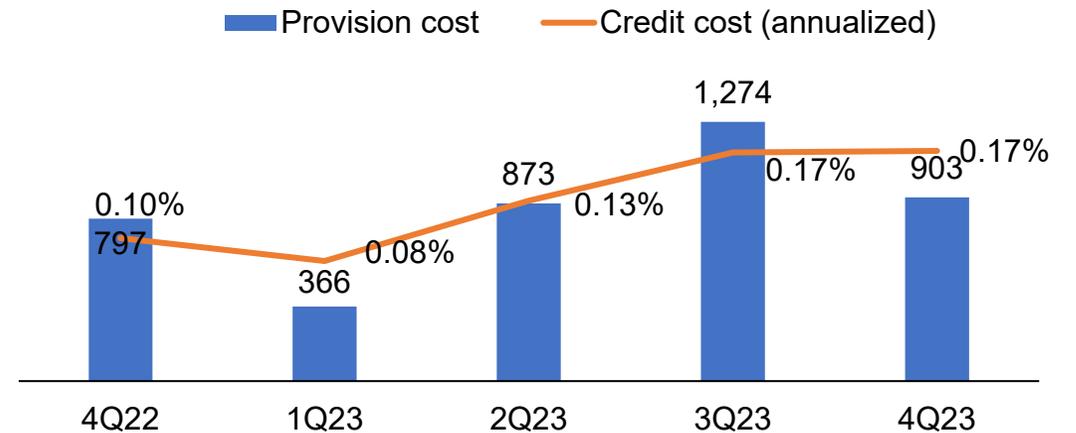
Coverage ratio



NPL ratio by product line

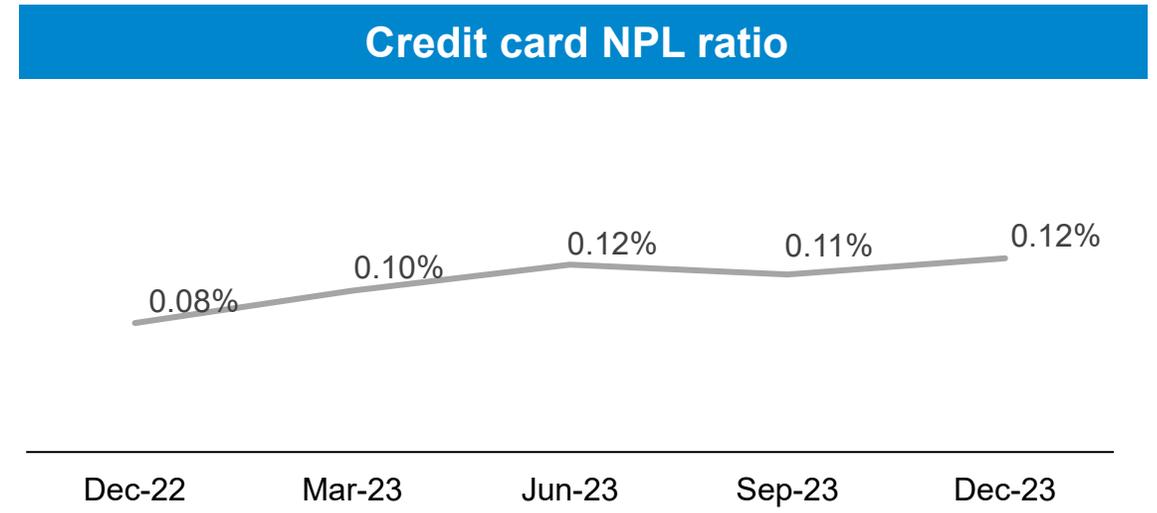
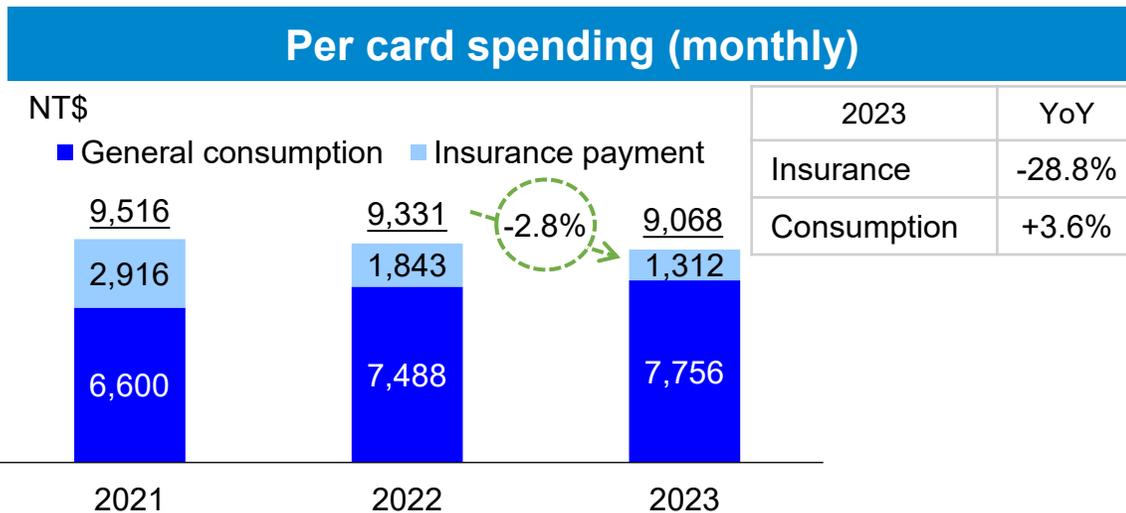
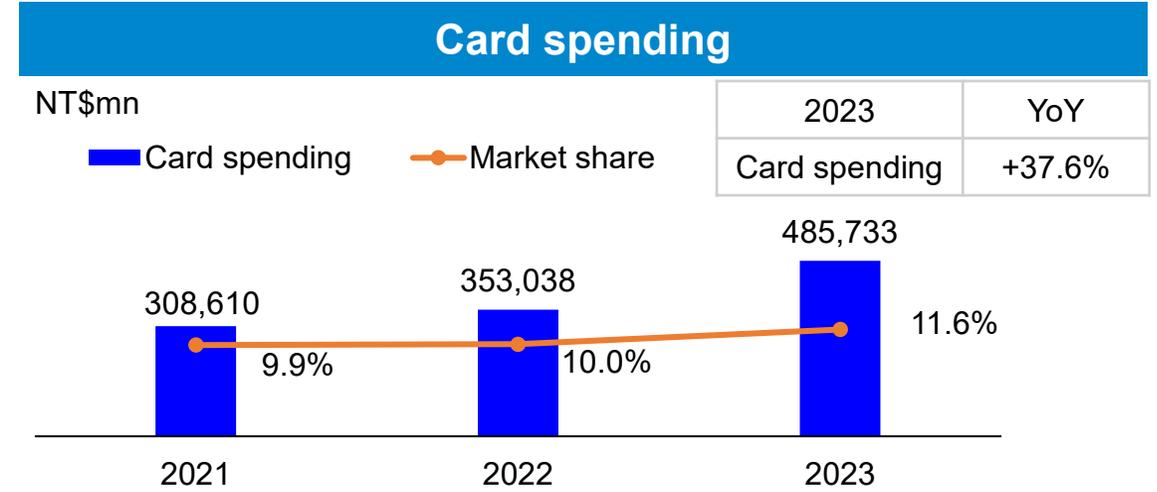
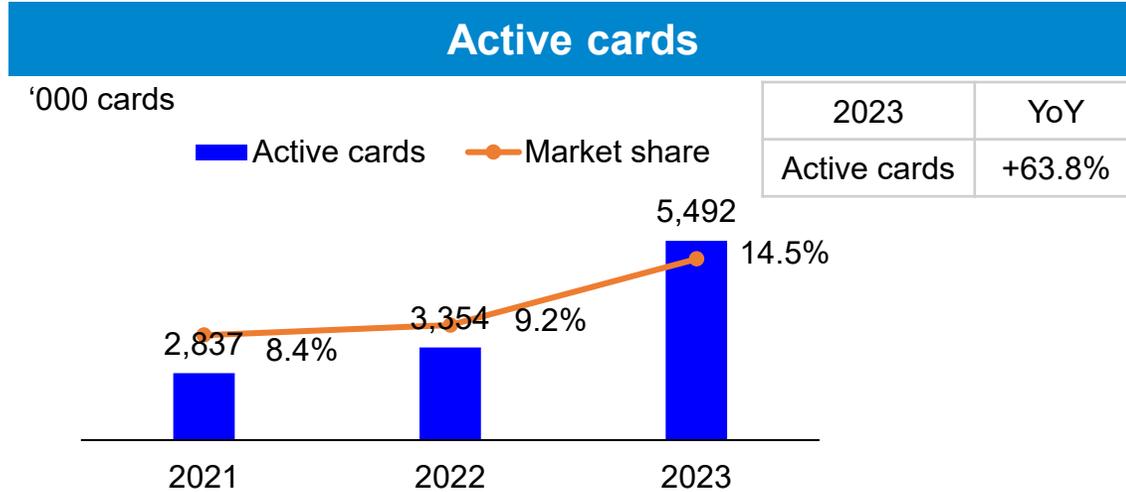


Quarterly provision and credit costs



Taipei Fubon Bank: Credit Card

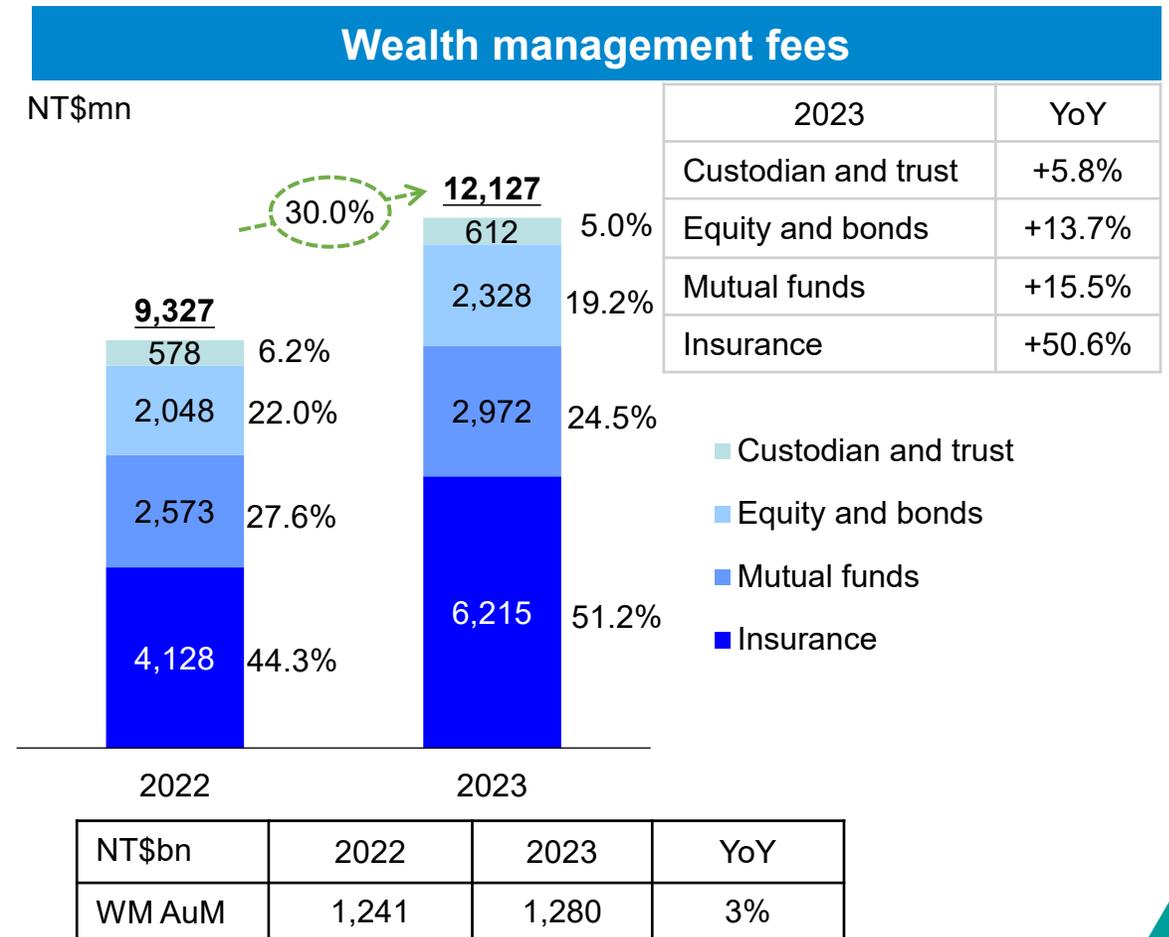
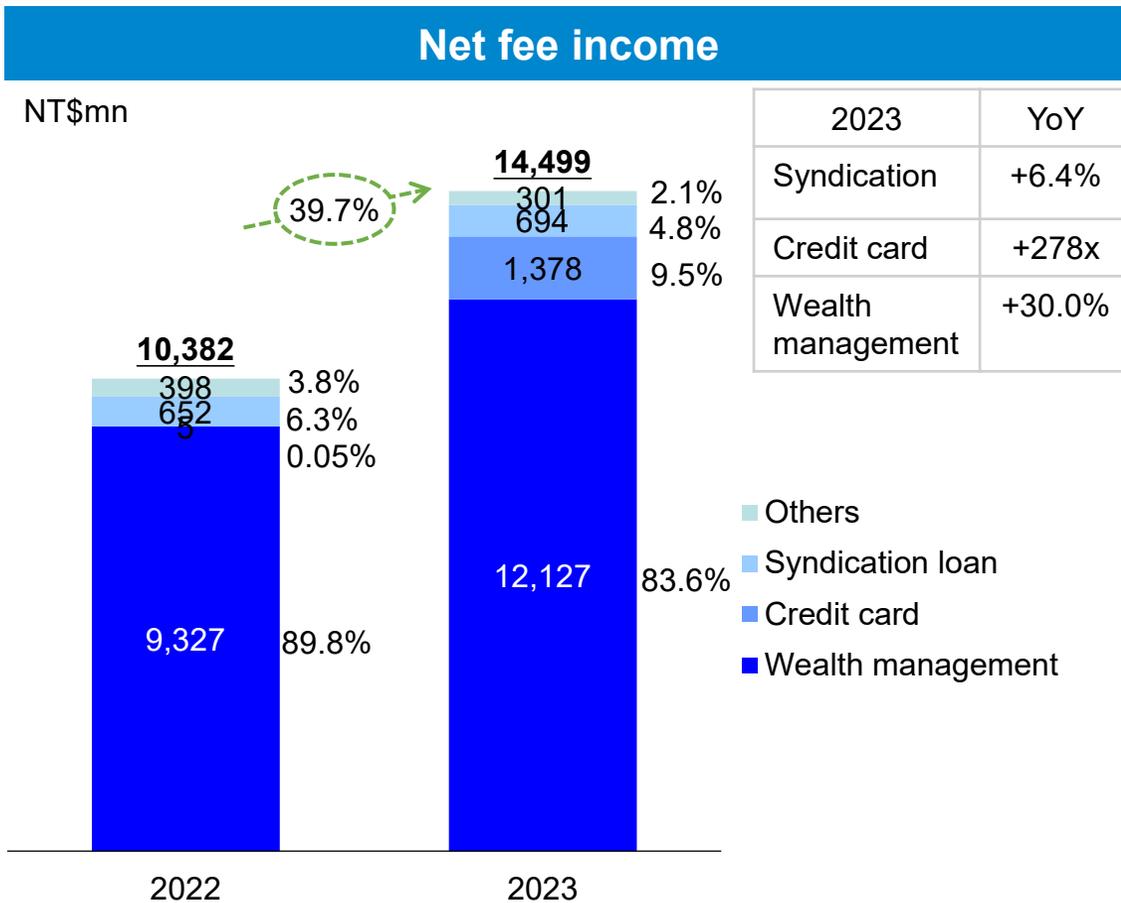
- Active cards and card spending in 2023 reached high growth level and market share increased, on back of the increase from Costco affinity cards and consumption momentum acceleration
- Monthly per card spending slightly down YoY, reflecting the significant growth in the number of active cards, while the absolute level remained decently stable



Taipei Fubon Bank: Fee Income



- Net fee income was up 39.7% YoY, mainly from the growth of wealth management fee income by 30.0% YoY and the significant growth of credit card fee income, primarily from the increase in active cards and card spending, as well as some adjustments in marketing expenses
- Wealth management fee income grew across lines. Bancassurance revenue was up 50.6% YoY, accounting for 51.2% of total wealth management fees. That was up from 44.3% in 2022, 6.9% YoY increase



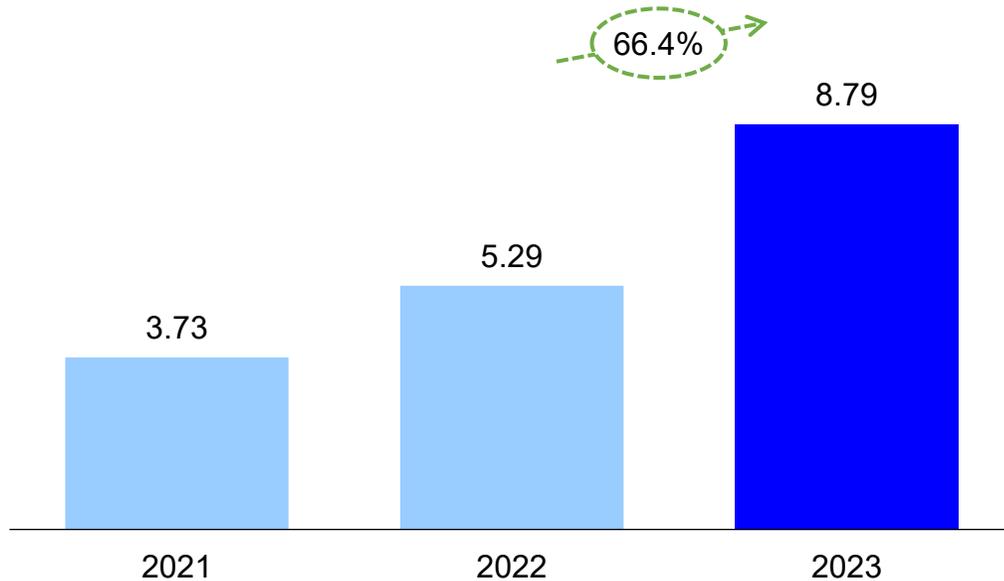
Taipei Fubon Bank: Overseas Branches



- Revenue increased 66.4% YoY and net profit grew 82.8% YoY from overseas branches, on back of loan growth and rate hike cycle. Overseas branches contributed 24.5% of the Bank's total net profit in 2023

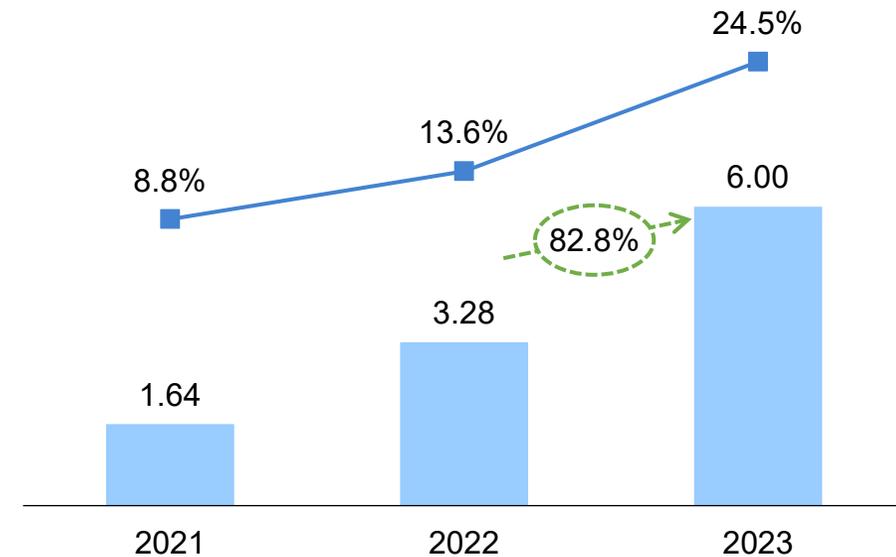
Net revenue from overseas branches

NT\$bn



Net profit from overseas branches

Net profit from overseas branches as % of the Bank





Performance review by subsidiary

Fubon Insurance

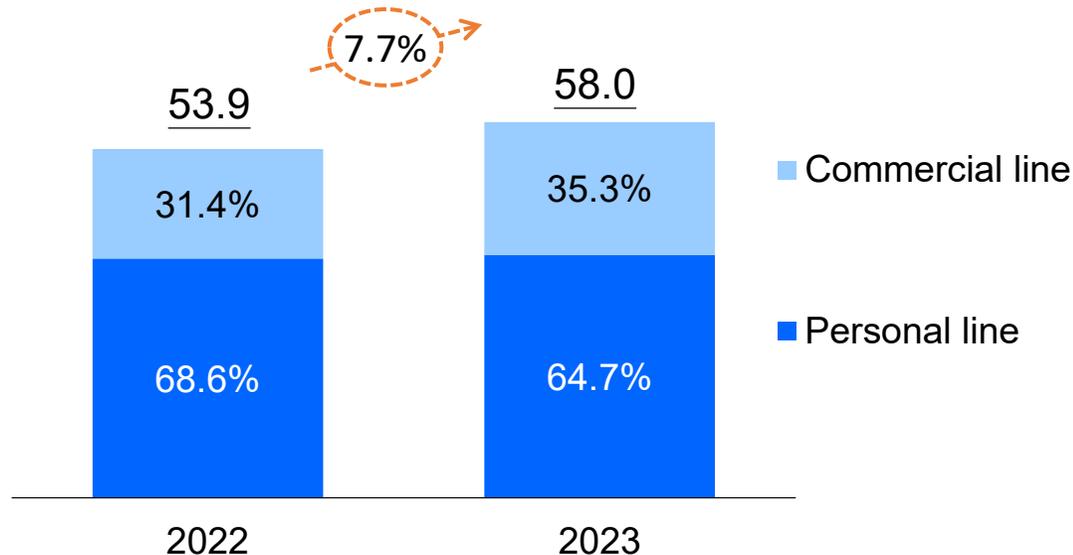
Fubon Insurance: Operational Snapshot



- Direct written premiums rose 7.7% YoY. Market share reached 23.8%, making it the market leader
- Performance exclusive of the loss from Covid-related policies:
 - Underwriting profit would grow 42.5% YoY, including 14.8% YoY in personal line and 54.6% YoY in commercial line
 - Net combined ratio would be 89.4%, improving from 92.1% a year ago
- Actions post covid policies impact: Focus on business selection, risk control, and digital transformation. Initiatives include real-time risk monitoring mechanisms, online channels dedicated for new product launch

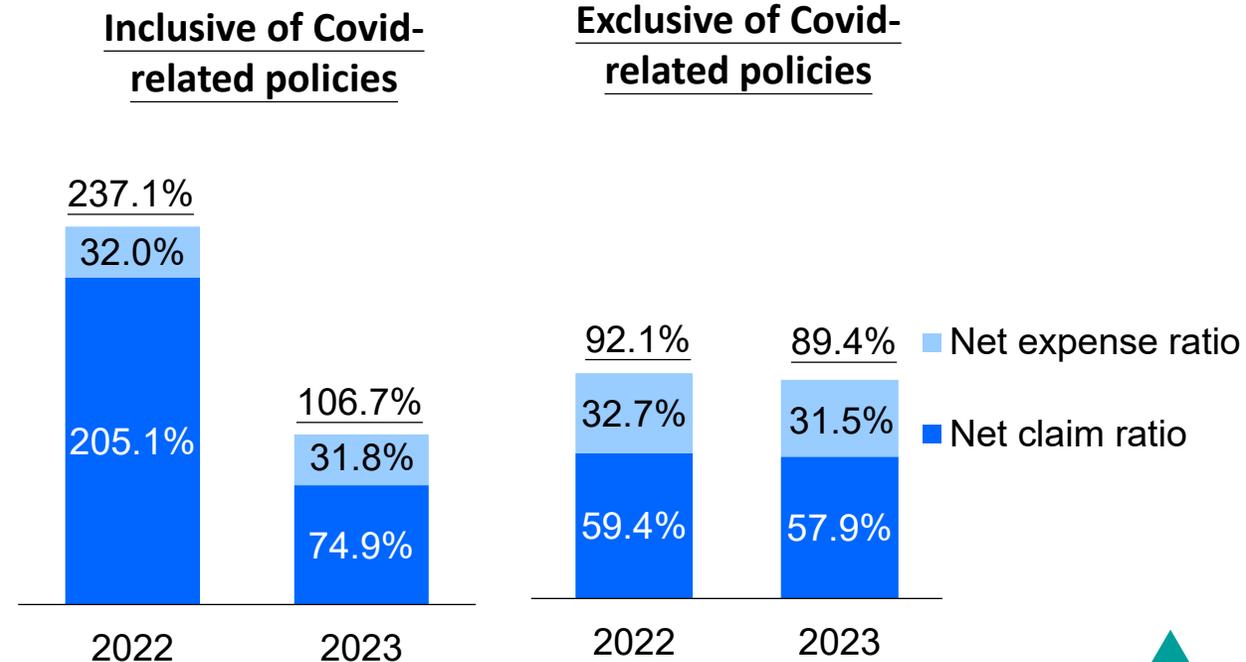
Direct written premiums by product

NT\$bn



Note: Standalone basis

Net combined ratio





Performance Review by Subsidiary
Fubon Securities

Fubon Securities: Operational Snapshot

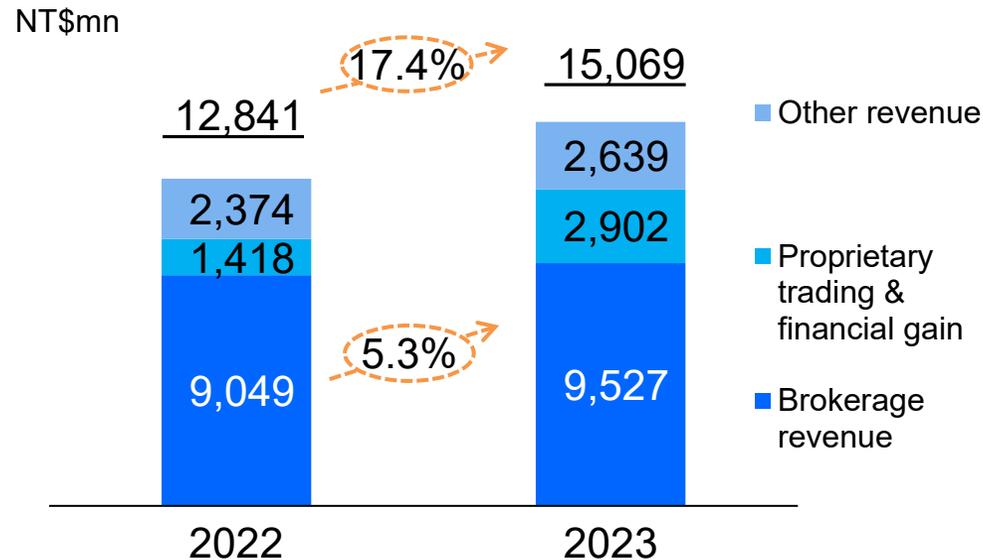
- Net profit of NT\$7.054bn, up 75.4% YoY, mainly from investment gains as TAIEX trended up
- Net profit and market share of major businesses ranked among top 3 with meaningful increase in business scale post merger

Market Share & Ranking

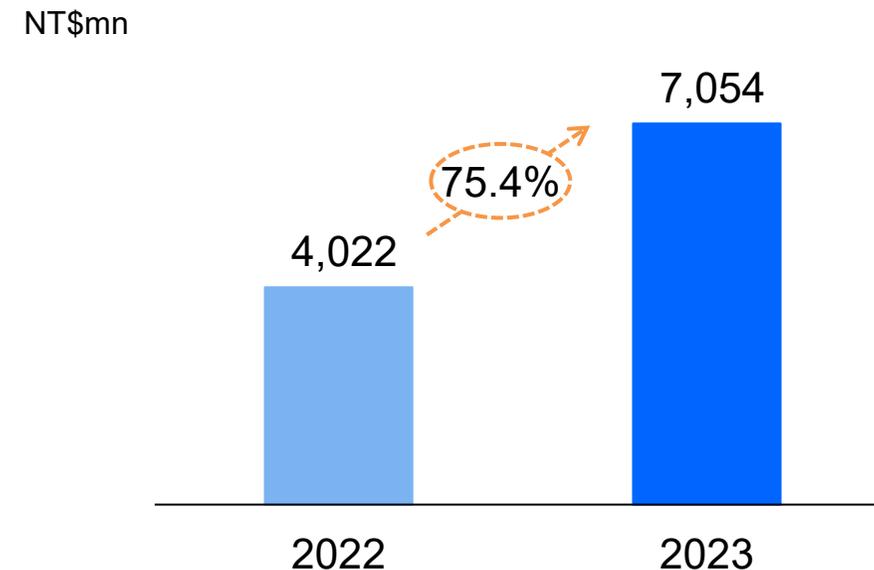
	2022		2023	
	Market Share	Ranking	Market Share	Ranking
Brokerage	4.93%	3	7.56%	3
Margin Loans	5.06%	7	9.56%	2
Securities Lending	15.70%	3	17.08%	3

Note: The ranking does not include foreign brokers; 2022 data is before merger

Operating revenue



Net profit



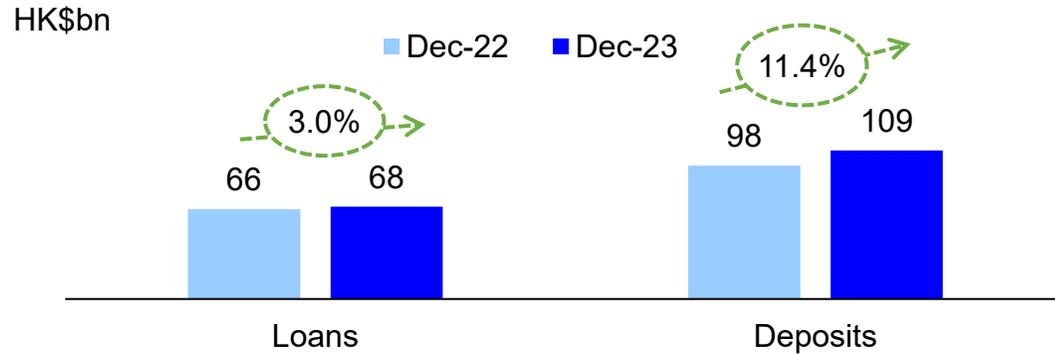


Performance Review by Subsidiary
Overseas Banking Subsidiaries

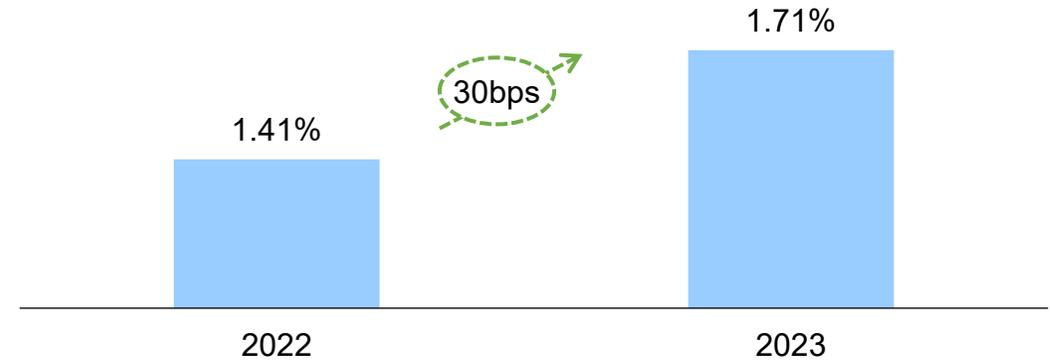
Fubon Bank (Hong Kong): Financial Highlights

- Deposits grew faster than loans, reflecting a robust liquidity management strategy in rate hike environment
- NIM was up 30bps YoY and net profit rose by 44.4%, on back of high interest rate level in HKD, driving the increase in asset yield

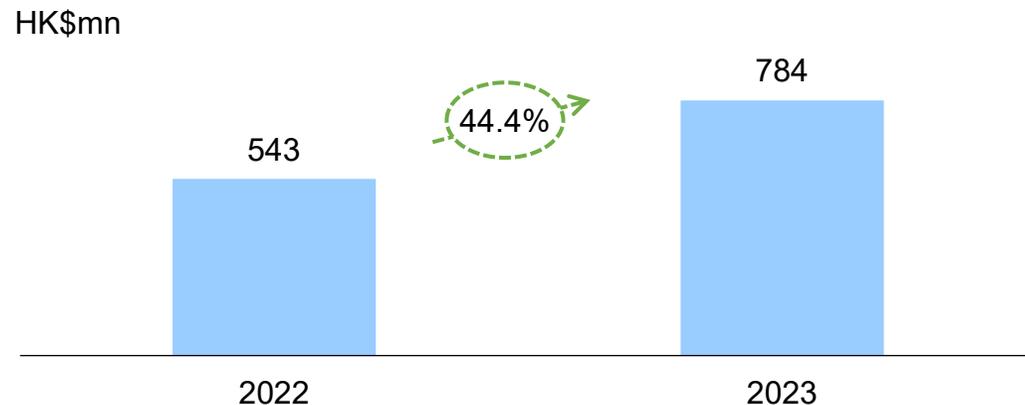
Loans & Deposits



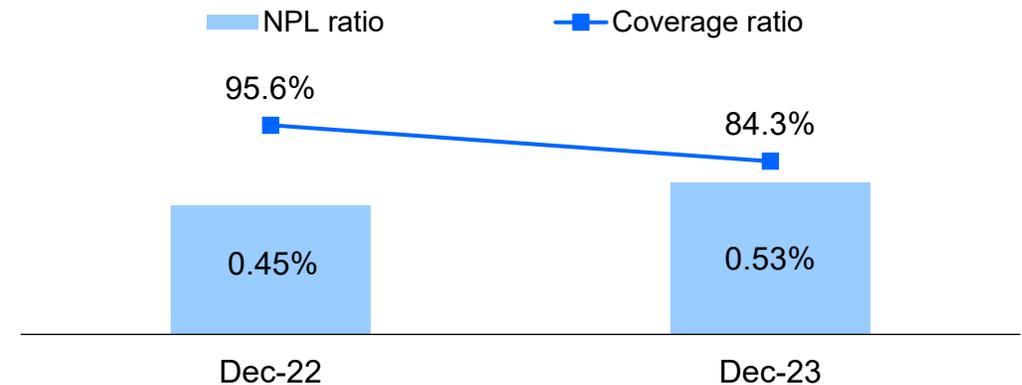
NIM



Net profit



NPL ratio & coverage ratio⁽¹⁾

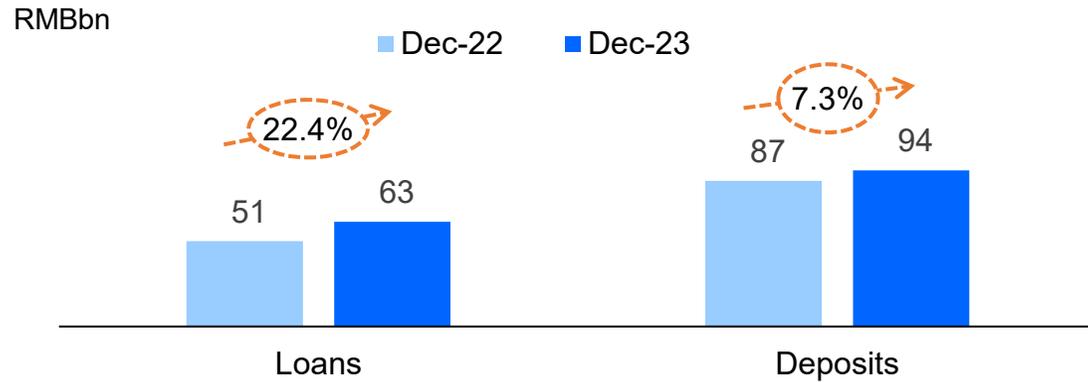


Note: (1) Definition of NPL ratio includes trade bills; definition of coverage ratio follows the general practice in HK, which is (Allowance for loan losses - stage 3 allowance + collateral balance) / NPL

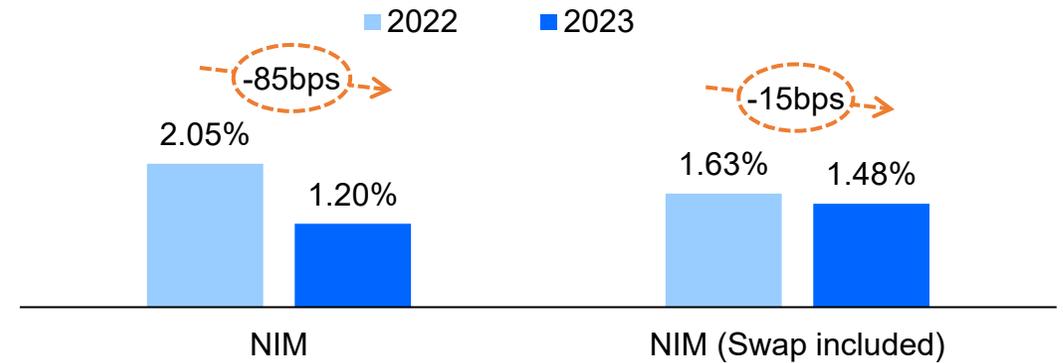
Fubon Bank (China): Financial Highlights

- Loan balance grew meaningfully YoY, mainly from the increase in retail businesses
- Net profit was down YoY due to NIM contraction reflecting rate cut in RMB and increase in USD deposit cost. Provision expenses rose given acquisition in mortgage assets and rise of total provision ratio due to regulatory requirement
- Asset quality remained at a relative stable level

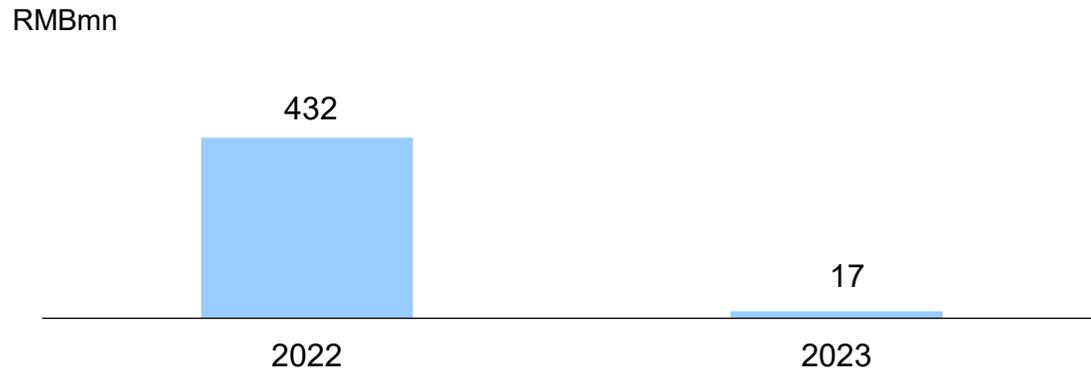
Loans & deposits



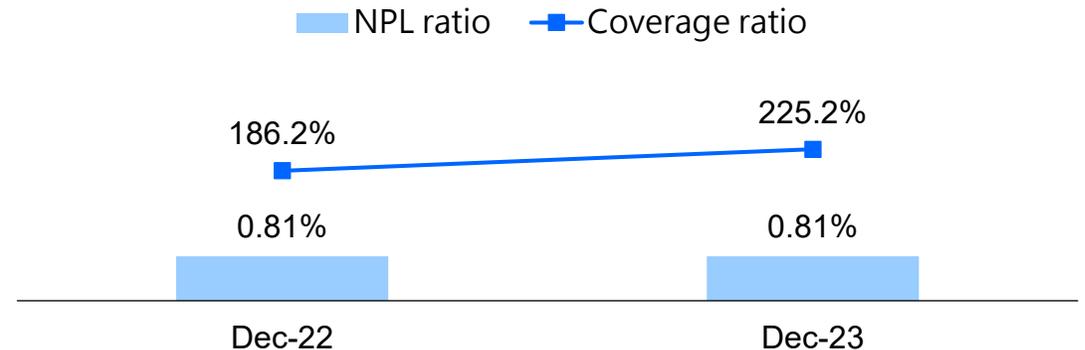
NIM



Net profit



NPL ratio & coverage ratio





Fubon Financial



Contact IR



 Fubon Financial

ESG strategy: Goals and results



Decarbonization

Helping clients through sustainable finance

Indicators	2023 goals	2023 results	Achievement	2025 goals
• Green Finance	NT\$2,437.6bn	NT\$2,572.1bn	106%	NT\$2,596.6bn
• Participation in green bond underwriting cases	31%	73%	Achieved	34%
• Climate-related products and services	NT\$5.895bn	NT\$7.027bn	119%	NT\$7bn
• Operational carbon reduction (baseline year: 2020)	-12.6% (-7,747 tons)	-13.1% (-8,157 tons)	103%	-21% (-12,911 tons)
• Continue to modify standards for allowing investment in /pulling investment out of climate-sensitive industries		Incorporate investment / underwriting decarbonization strategies into Sustainable Finance Policies		



Digitalization

Providing the best financial services

Indicators	2023 goals	2023 results	Achievement	2025 goals	
Life	• Growth in applications for e-notifications*	37%	39.3%	106%	61%
	• Share of all policies that are e-policies and e-terms and conditions policies*	21%	23.9%	114%	25%
Bank	• Growth in active digital platform accounts*	70%	100.1%	143%	100%
	• Share of credit cards / personal loans / account openings processed online*	80%	73%	92%	90%
Insurance	• E-policies and electronic compulsory auto liability insurance certificates issued	8,570,825	9,365,411	109%	12,684,771
Securities	• Share of all active accounts using digital trading system*	83%	83%	100%	86%

*Note: baseline year is 2020

ESG strategy: Goals and results



Empowerment

Fostering a Friendly, Healthy Workplace

Indicators		2023 goals	2023 results	Achievement	2025 goals
• Employee engagement survey	Score	>76	70	92.1% (scored twice a year)	>77
	Participation rate	>80%	88%	Achieved	>80%
• Taiwan High Compensation 100 Index		Selected	Selected	Achieved	Selected
• Employees participated in wellness and health-related activities	Total no. of times (10,000 times)	>10.7	16.1	150.5%	>11
	Average no. of times each employee participated	>7.0	8.9	127%	>7.2



Connection

Connecting Society's Positive Forces

Indicators	2023 goals	2023 results	Achievement	2025 goals
• Education promotion ⁽¹⁾	850,770	2,177,348	255.9%	947,633
• Health promotion ⁽¹⁾	361,112	480,448	133.0%	417,785
• Care for the disadvantaged ⁽¹⁾	207,730	382,018	183.9%	182,614
• Employee volunteerism ⁽¹⁾⁽²⁾	34,800	29,837	85.7%	25,000

* Note: (1) The unit is number of times people participate. (2) The indicator of Employee volunteerism will be changed to number of hours starting from 2024

New ESG goals by year 2030



Fubon's commitment to sustainability strategies and net-zero actions

	Indicators		2025 Goals	2030 Goals	
Decarbonization	Green Finance (NT\$ million)		2,596,649	2,910,825	
	Participation in green bond underwriting cases (%)		34%	45%	
	Climate-related products and services (NT\$ million)		7,000	7,366	
	Number of loss prevention services (New)		680	750	
	Operational carbon reduction (%)		-21%	-42%	
Digitalization	Customer satisfaction		90%	90%	
	Life	Growth in applications for e-notifications (YoY) (Revised)	8%	4%	
		Share of all policies that are e-policies and e-terms and conditions policies		25%	30%
	Bank	Growth in active digital accounts (YoY) (Revised)	5%	5%	
		Share of credit cards / personal unsecured loans / account openings online		90%	90%
	Insurance	E-policies and electronic compulsory auto liability insurance certificates issued (Revised)		73%	77%
Securities	Share of all active accounts using digital trading system		86%	90%	
Empowerment	Employee engagement survey	Score	>77	>77	
		Participation rate	>80%	>80%	
	Taiwan High Compensation 100 Index		Selected	Selected	
	Employees participated in wellness and health-related activities	Total no. of times (10,000 times)	>11	>12	
		Average no. of times each employee participated (times)	>7.2	>7.2	
	Diversity and inclusion (New)				
		% of female employees	> 50%		
		% of female managers	> 45%		
Connection	Education promotion ⁽¹⁾		947,633	3,048,100	
	Health promotion ⁽¹⁾		417,785	898,384	
	Care for the disadvantaged ⁽¹⁾		182,614	198,579	
	Employee volunteerism (No. of hours) (Adjusted)		25,000	27,500	
	Financial Inclusion (New)	Number of financial inclusion products or services in Fubon Insurance		One piece a year	One piece a year
		Number of customers from Fubon Securities using the monthly contribution service in Taiwan listed stocks		136,000	181,000
		Financial education promotion ⁽¹⁾		600	1,000
		Micro insurance cases ⁽¹⁾		33,000	85,000
Anti-fraud forum, lectures, DM and videos ⁽¹⁾		501,550	503,800		

* Note: (1) The unit is number of times people participate

Fubon Life - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
Income statement data							
First year premium	21,584	25,087	23,811	23,971	94,453	106,297	-11.1%
Retained earned premium	90,521	74,599	82,358	81,737	329,215	341,224	-3.5%
Total investment income	27,767	59,283	58,468	41,679	187,196	213,800	-12.4%
Recurring investment income	39,852	48,897	47,739	37,893	174,382	163,712	6.5%
Other investment income	(12,085)	10,385	10,728	3,786	12,814	50,088	-74.4%
Realized gains (losses) from fixed income	(275)	(808)	(1,327)	365	(2,045)	(4,193)	N.M.
Realized gains (losses) from equity	14,576	3,895	11,318	16,311	46,100	62,307	-26.0%
FX and others	(23,813)	10,213	(313)	(13,891)	(27,803)	(2,698)	N.M.
Investment property fair value movement	(2,573)	(2,915)	1,050	1,000	(3,437)	(5,328)	N.M.
Other income	1,007	1,331	1,170	1,086	4,594	5,232	-12.2%
Total operating revenue	119,295	135,212	141,996	124,502	521,005	560,256	-7.0%
Retained claim payment	(104,759)	(98,862)	(91,883)	(95,442)	(390,947)	(360,950)	8.3%
Net commission expense	(5,845)	(6,676)	(5,698)	(5,925)	(24,143)	(18,005)	34.1%
Net change in insurance liability	(10,313)	(1,546)	(16,342)	(10,820)	(39,021)	(88,258)	-55.8%
General and administrative expense	(6,442)	(5,674)	(4,738)	(4,283)	(21,137)	(18,719)	12.9%
Other operating costs	(4,156)	(2,690)	(2,182)	(1,898)	(10,925)	(4,793)	127.9%
Total operating costs and expenses	(131,515)	(115,447)	(120,843)	(118,369)	(486,173)	(490,726)	-0.9%
Net non-operating income / (expenses)	238	292	227	249	1,005	4,564	-78.0%
Income before tax	(11,982)	20,057	21,380	6,382	35,837	74,094	-51.6%
Net income	(7,426)	16,569	18,691	7,131	34,964	65,682	-46.8%
Net income to parent company	(7,040)	16,904	18,979	7,248	36,091	65,537	-44.9%
Balance sheet data							
Total assets	5,812,094	5,841,525	5,774,194	5,668,952	5,812,094	5,602,830	3.7%
Total assets (general account)	5,341,015	5,374,850	5,303,368	5,208,473	5,341,015	5,133,025	4.1%
Insurance liabilities	4,595,802	4,648,865	4,614,248	4,578,544	4,595,802	4,588,879	0.2%
Total liabilities	5,313,881	5,404,595	5,320,768	5,255,527	5,313,881	5,327,819	-0.3%
Total liabilities (general account)	4,824,783	4,909,748	4,825,899	4,773,042	4,824,783	4,830,330	-0.1%
Equity attributable to parent company	492,038	432,162	448,695	408,200	492,038	270,918	81.6%
Key Metrics							
ROA	-0.51%	1.14%	1.31%	0.51%	0.61%	1.16%	
ROE	-6.09%	15.35%	17.72%	8.54%	9.46%	15.06%	
Equity / Assets (general account)	9.33%	8.13%	8.55%	7.94%	9.33%	5.36%	
Expense ratio	7.12%	7.61%	5.75%	5.24%	6.42%	5.49%	
Persistency ratio - 13th month	96.03%	96.20%	96.22%	96.11%	96.03%	95.85%	
Persistency ratio - 25th month	93.10%	92.50%	93.80%	93.67%	93.10%	95.97%	
RBC	336%		317%		336%	315%	

Note: Consolidated basis

Taipei Fubon Bank - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q23	3Q23	2Q23	1Q23	2023	2022	YOY
Income statement data							
Interest income	33,028	31,948	29,140	26,964	121,080	83,391	45.2%
Interest expense	(21,724)	(20,833)	(18,956)	(17,250)	(78,762)	(39,144)	101.2%
Net interest income	11,304	11,116	10,184	9,714	42,318	44,247	-4.4%
Net fee income	2,699	3,719	3,262	3,671	13,351	8,693	53.6%
Other income	2,955	4,516	4,192	4,582	16,243	9,756	66.5%
Total net revenue	16,957	19,350	17,638	17,967	71,912	62,696	14.7%
Operating expenses	(10,918)	(9,479)	(8,709)	(8,887)	(37,992)	(30,030)	26.5%
Pre-provision profits	6,039	9,872	8,929	9,080	33,920	32,666	3.8%
Provision for credit losses	(1,500)	(1,541)	(2,393)	(615)	(6,049)	(3,273)	84.8%
Income before tax	4,539	8,331	6,536	8,464	27,871	29,393	-5.2%
Net income	4,196	7,430	6,014	6,807	24,448	24,964	-2.1%
Net income to parent company and former owner of business combination under common control	4,228	7,116	6,395	6,734	24,473	23,934	2.3%
Balance sheet data							
Loans and discounts, net	2,264,295	2,238,427	2,176,320	2,060,650	2,264,295	2,076,747	9.0%
Deposits and remittances	3,511,264	3,423,285	3,375,378	3,340,436	3,511,264	3,325,903	5.6%
Allowance for loan losses*	26,687	26,202	24,855	24,029	26,687	24,440	9.2%
Total assets	4,401,733	4,373,640	4,291,303	4,171,114	4,401,733	4,203,034	4.7%
Equity attributable to parent company and former owner of business combination under common control	286,708	280,915	271,690	270,597	286,708	261,897	9.5%
Key metrics							
ROA	0.38%	0.69%	0.57%	0.65%	0.57%	0.61%	
ROE*	5.96%	10.30%	9.43%	10.12%	8.92%	9.33%	
Equity / assets	7.11%	7.03%	6.83%	7.03%	7.11%	6.77%	
Cost / income ratio	-64.39%	-48.99%	-49.37%	-49.46%	-52.83%	-47.90%	
NPL ratio*	0.12%	0.11%	0.12%	0.13%	0.12%	0.17%	
Reserve / NPL*	1071.06%	1147.09%	1070.19%	962.93%	1071.06%	744.54%	
Tier 1 ratio*	14.17%	14.02%	13.69%	13.93%	14.17%	13.03%	
BIS ratio*	16.41%	16.28%	16.05%	16.42%	16.41%	15.49%	
Tier 1 ratio	12.65%		12.19%		12.65%	11.65%	
BIS ratio	14.83%		14.39%		14.83%	13.92%	

Note:

(1) Data are consolidated basis and data mark with * are stand-alone basis

(2) The consolidation with JihSun completed in 2Q23. The above table includes Taipei Fubon Bank, JihSun Bank and JihSun Insurance Agent. The capital ratio as of 2022 and 1Q23 don't consolidate JihSun-related entities

Fubon Insurance - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
Income statement data							
Direct written premiums	14,229	14,686	15,570	16,549	61,034	57,014	7.0%
Retention of earned premiums	11,063	10,974	11,151	11,104	44,292	43,656	1.5%
Net income from investment	119	382	425	590	1,516	2,708	-44.0%
Other operating revenue	457	676	967	572	2,672	2,374	12.6%
Retained insurance payments	(6,124)	(6,275)	(7,794)	(21,033)	(41,226)	(71,627)	-42.4%
Net change in liability reserve	1	(150)	1,818	7,871	9,540	(8,416)	N.M.
Commission and operating expenses	(5,284)	(4,543)	(5,236)	(4,517)	(19,579)	(18,598)	5.3%
Non-operating income	(78)	(72)	(63)	80	(133)	(391)	N.M.
Income before tax	154	992	1,268	(5,332)	(2,917)	(50,294)	N.M.
Net income	120	780	1,010	(4,237)	(2,327)	(39,961)	N.M.
Net income to parent company	180	813	1,030	(4,254)	(2,230)	(39,983)	N.M.
Balance sheet data							
Total assets	115,773	120,464	120,683	120,146	115,773	113,840	1.7%
Investment assets	40,378	38,695	37,403	35,940	40,378	40,404	-0.1%
Policy reserve	66,360	68,097	67,123	68,996	66,360	77,450	-14.3%
Equity attributable to parent company	18,804	17,725	17,773	1,084	18,804	4,485	319.2%
Key Metrics							
ROA	0.41%	2.59%	3.36%	-14.49%	-2.03%	-32.57%	
ROE	3.94%	18.33%	43.70%	-611.01%	-19.15%	-162.71%	
Total investment return	1.21%	4.01%	4.63%	6.19%	3.75%	4.20%	
Solvency margin (NWP/equity)	230.50%	244.78%	256.95%	4244.13%	237.21%	986.14%	
Retention ratio	72.80%	70.18%	70.02%	66.80%	69.84%	73.21%	
RBC	278%		267%		278%	-37%	

Note: Consolidated basis

Fubon Securities - Financial summary

<i>NT\$ millions, except for percentages</i>	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
Income statement data							
Brokerage commissions	2,450	2,792	2,301	1,984	9,527	9,049	5.3%
Net interest income	567	522	520	438	2,047	1,957	4.6%
Fee income	608	573	475	435	2,091	1,514	38.1%
Net principal transactions and financial products gains	819	716	874	586	2,995	1,768	69.4%
Other income	28	79	80	71	258	413	-37.5%
Total operating revenue	4,473	4,681	4,251	3,513	16,918	14,702	15.1%
Total operating expense	(3,016)	(2,707)	(2,456)	(2,316)	(10,495)	(9,530)	10.1%
Net non-operating income / (expenses)	317	338	141	541	1,337	550	143.1%
Income before tax	1,775	2,312	1,935	1,739	7,761	5,722	35.6%
Net income	1,565	2,050	1,801	1,638	7,054	4,450	58.5%
Net income to parent company and former owner of business combination under common control	1,565	2,049	2,029	1,411	7,054	4,022	75.4%
Balance sheet data							
Margin loans	32,000	29,174	25,452	22,950	32,000	21,506	48.8%
Total assets	243,640	223,764	226,157	192,610	243,640	191,450	27.3%
Equity attributable to parent company and former owner of business combination under common control	54,527	52,921	51,861	67,161	54,527	66,610	-18.1%
Key Metrics							
ROA	2.68%	3.65%	3.44%	3.41%	3.24%	1.98%	
ROE	11.65%	15.65%	16.68%	18.01%	15.87%	7.65%	
Equity / assets	22.38%	23.65%	22.93%	18.16%	22.38%	17.32%	
Expenses / revenues	-67.41%	-57.83%	-57.80%	-65.90%	-62.03%	-64.82%	
Margin loans / total assets	13.13%	13.04%	11.25%	11.92%	13.13%	11.23%	
Margin loans / shareholders' equity	58.69%	55.13%	49.08%	65.60%	58.69%	64.85%	
Capital adequacy ratio	361.89%		328.52%		361.89%	361.23%	

Note:

(1) Consolidated basis

(2) The capital adequacy ratio as of 2022 don't consolidate JihSun-related entities

Fubon Bank (Hong Kong) - Financial summary

<i>HK\$ millions, except for percentages</i>	2H23	1H23	2H22	1H22	2023	2022	YoY
Income Statement Data							
Interest income	3,573	2,879	5,372	1,081	6,452	3,172	103.4%
Interest expense	(2,396)	(1,940)	(1,182)	(383)	(4,337)	(1,565)	177.1%
Net interest income	1,177	938	910	697	2,115	1,607	31.6%
Net fee income	158	163	120	182	320	302	6.0%
Other income	14	21	21	45	34	66	-48.1%
Total revenue	1,348	1,122	1,051	924	2,470	1,975	25.0%
Operating expenses	(615)	(560)	(552)	(494)	(1,175)	(1,046)	12.4%
Provision for loan losses/ write-back	(334)	(36)	(113)	(175)	(370)	(288)	28.4%
Net non-operating income	(7)	9	16	(7)	2	9	-74.1%
Income before tax	393	535	403	248	928	651	42.5%
Net income	336	449	340	203	784	543	44.4%
Balance Sheet Data							
Loans	67,934	66,372	65,982	64,279	67,934	65,982	3.0%
Deposits	109,124	103,378	97,923	91,014	109,124	97,923	11.4%
Allowance for loan losses	344	482	473	558	344	473	-27.4%
Total assets	140,982	133,641	129,598	123,932	140,982	129,598	8.8%
Shareholders' equity	15,966	15,794	15,252	15,037	15,966	15,252	4.7%
Key metrics							
Return on average assets	0.49%	0.68%	0.54%	0.34%	0.58%	0.44%	
Return on average equity	4.23%	5.78%	4.49%	2.73%	5.02%	3.62%	
Equity / assets	11.32%	11.82%	11.77%	12.13%	11.32%	11.77%	
Net fee income / total revenue	11.70%	14.51%	11.44%	19.70%	12.97%	15.31%	
Cost / income ratio	-45.62%	-49.93%	-52.48%	-53.46%	-47.57%	-52.94%	
NPL ratio	0.53%	0.49%	0.45%	1.00%	0.53%	0.45%	
Coverage ratio	84.32%	92.31%	95.59%	70.19%	84.32%	95.59%	
Loan to deposit ratio	62.86%	64.75%	67.95%	71.05%	62.86%	67.95%	
Tier 1 capital ratio	16.28%	16.54%	16.01%	15.66%	16.28%	16.01%	
BIS ratio	17.89%	18.28%	17.78%	17.54%	17.89%	17.78%	

The table is based on the statements of the local competent authority

Fubon Bank (China) - Financial summary

<i>RMB millions, except for percentages</i>	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
Income Statement Data							
Interest income	1,363	1,324	1,216	1,152	5,055	5,346	-5.4%
Interest expense	(986)	(1,011)	(919)	(828)	(3,744)	(2,949)	26.9%
Net interest income	377	313	298	324	1,311	2,397	-45.3%
Net fee income	(94)	(72)	(31)	(45)	(241)	(376)	N.M.
Other income	169	221	7	128	525	(197)	N.M.
Operating expenses	(290)	(282)	(266)	(272)	(1,110)	(1,075)	3.3%
Pre-provision profits	162	181	8	135	485	749	-35.2%
Provision for credit losses	(205)	(81)	(293)	(84)	(663)	(347)	90.9%
Income before tax	(43)	99	(285)	51	(178)	402	N.M.
Net income	4	136	(184)	61	17	432	-96.1%
Balance Sheet Data							
Loans	62,745	59,944	58,264	49,788	62,745	51,272	22.4%
Deposits	93,668	90,304	87,505	84,031	93,668	87,331	7.3%
Total asset	138,878	138,258	137,900	122,139	138,878	133,344	4.2%
Total equity	9,682	9,485	8,537	8,747	9,682	8,606	12.5%
Key Metrics							
ROA	0.01%	0.39%	-0.57%	0.19%	0.01%	0.32%	
ROE	0.23%	7.05%	-9.41%	3.10%	0.22%	5.52%	
Equity / assets	6.97%	6.86%	6.19%	7.16%	6.97%	6.45%	
Cost / income ratio	-61.22%	-58.87%	-97.17%	-64.69%	-67.43%	-56.99%	
NPL ratio	0.81%	0.87%	0.92%	0.94%	0.81%	0.81%	
Reserve / NPL	225.22%	207.20%	196.14%	166.06%	225.22%	186.20%	
Loan to deposit ratio	66.99%	66.38%	66.58%	59.25%	66.99%	58.71%	
Tier 1 ratio	12.41%	12.34%	11.23%	12.91%	12.41%	11.98%	
BIS ratio	14.53%	15.72%	14.60%	16.38%	14.53%	15.32%	