

Fubon Financial Holding reported unaudited net profits of NT\$1,630 million for the month of March 2010. Cumulative earning for the first three months of the year reached NT\$5,865 million, translating into NT\$0.72 dollar per share. Earnings of the month reflected consistent earning recovery in the bank subsidiary, stable investment performance in the life business, and beneficiary of TAIEX momentum picked up. Earnings by subsidiaries are below for your reference:

NT\$ mn	March 2010		Year to March 2010		
	Pre-tax profits	Net income	Pre-tax profits	Net income	EPS(NT\$)
Fubon FHC	1,778	1,630	6,492	5,865	0.72
Taipei Fubon Bank	1,074	864	2,335	1,931	0.40
Fubon Life	111	278	2,610	2,702	1.80
Fubon P&C	274	224	1,144	994	1.21
Fubon Securities	213	171	407	313	0.23

Earnings highlight of major subsidiaries:

#### **Taipei Fubon Bank**

- Net interest income increased month over month (m-o-m), due to funding cost improving, steady loan growth and more working days in March.
- Fee income growth in March reflected sales momentum in wealth management continued recovery.
- The bank recorded better gains from marketable securities in March compared to February.
- Provision cost of Taipei Fubon Bank continued improving in March, which was NT\$83 million, compared to NT\$89 million in February. NPL ratio was 0.48% and coverage ratio was 124%.

#### **Fubon Life**

- The major earning swing factor in March compared to February was due to higher reserve cost: First year premium (FYP) growth in Fubon Life was robust, NT\$27,281 million representing 58.1% growth on m-o-m basis. Total premium, including FYP and recurring premium, grew 53% m-o-m, that led to a higher reserve charge in the month. Sales momentum in FYP mainly came from traditional policy and interest sensitive annuity.
- Stable investment performance in Fubon Life: On top of recurring interest income, the bulk of the investment income, capital gains from equity and fixed income reached NT\$1.1bn in March. Hedging cost was stable. The hedging mix of Fubon Life provided a sound backdrop against volatility of NT dollar appreciation in March.

#### **Fubon Insurance**

- Gross written premium in March recorded 12% m-o-m due to seasonality. Underwriting profits was NT\$152 million in March, compared to NT\$202 million in the previous month. This was due to impact from the earthquake took place in southern Taiwan. Our estimate of potential losses is NT100 million was reflected in the month.

#### **Fubon Securities**

- As TAIEX moved up 7% m-o-m, and daily turnover up 13% m-o-m, Fubon Securities was a beneficiary and reported net profit of NT\$171 million in March. Brokerage market share in Fubon Securities reached 6.32% in the month.

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