

Preliminary monthly net profit of July 2010

Fubon Financial Holding reported unaudited net profits of NT\$4,520 million for the month of July 2010. Cumulative earning for the first seven months of the year reached NT\$15,214 million, translating into NT\$1.87 dollar per share. Dividend income from the major four subsidiaries of NT\$4.2 billion was the key earning contributor of the month. Core earning from Taipei Fubon Bank remained stable. Fubon Life reported strong growth in traditional policy and thus a higher reserve charge was booked in July. Earnings by subsidiaries are below for your reference:

NT\$ mn	July 2010		Year to July 2010		
	Pre-tax profits	Net income	Pre-tax profits	Net income	EPS(NT\$)
Fubon FHC	4,734	4,520	17,690	15,214	1.87
Taipei Fubon Bank	1,157	987	6,090	5,531	1.15
Fubon Life	2,215	2,249	7,052	6,352	4.23
Fubon P&C	521	481	2,321	1,951	2.39
Fubon Securities	664	649	1,384	1,246	0.82

Earnings highlight of major subsidiaries:

Taipei Fubon Bank

- Taipei Fubon Bank reported net profit of NT\$987 million in July, compared to NT\$869 million in June, up 13.5% month-over-month (mom). This is mainly a result of dividend income NT\$290m booked in July.
- Core earnings from NII and fees are stable. Revenue from wealth management fees growth reflected momentum recovery in overseas funds. Taipei Fubon Bank's PPOp was NT\$1,102 million in July.
- Asset quality remained sound. The bank booked provision recovery gains of NT\$21 million in July.

Fubon Life

- Cumulative first year premium (FYP) as to July reached NT\$167.8 billion, representing 64.3% yoy growth. Total premium as to July reached NT\$242.4 billion, representing 43% yoy growth.
- Strong growth in traditional policy in July led to a higher reserve charge. As a result, underwriting revenue came down by NT\$1.4bn mom.
- FYP in July was NT\$29.2 billion, of which 40% from traditional products (mainly from endowment and foreign currency products), 59% from interest sensitive products, and 1% from investment-linked products.
- On the investment side, Fubon Life booked cash dividends booked NT\$3 billion in July. FX related hedge cost remained stable.

Fubon Insurance

- Fubon Insurance reported net profit of NT\$481mn, increased by NT\$361mn compared to June. The increase reflected revenue from cash dividend income of NT\$397m.
- Underwriting profits of Fubon Insurance declined in July due to the retention loss of NT\$220m from Formosa petrochemical company fire accident.

Fubon Securities

- Fubon Securities reported net profit of NT\$649 million in July. Brokerage fee picked up in July as market turnover increased mom. Its brokerage market share is stable at 6.2%.

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