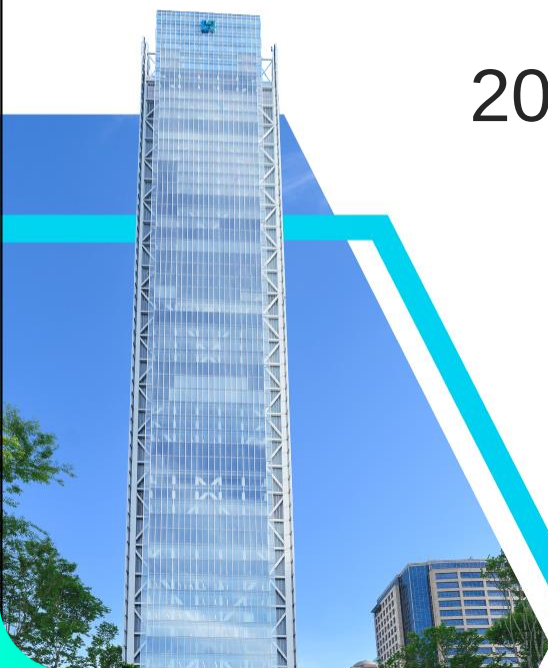


1Q25 Interim Results and 2024 Embedded Value of Fubon Life

2025.06.05





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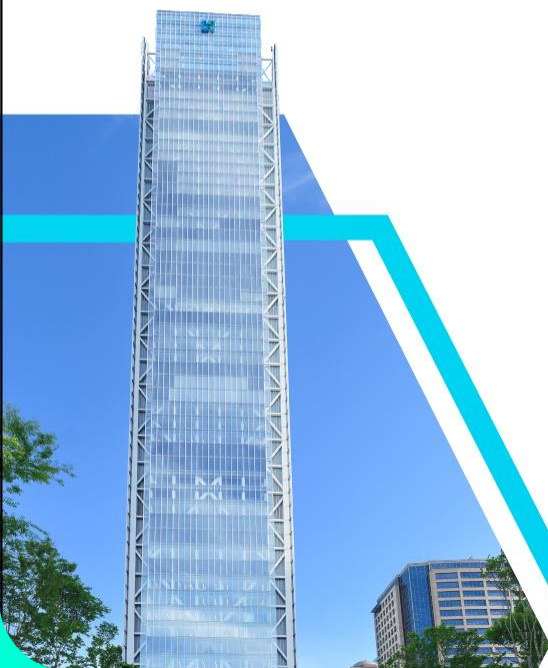
Agenda

1. Performance Highlights of Fubon Financial Holdings

2. Performance Review by Subsidiary

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

3. 2024 Embedded Value of Fubon Life





Performance highlights of

Fubon Financial Holdings





Fubon Financial Holdings: Business highlights

Fubon FHC

- Proposal of cash dividend at NT\$4.25 and stock dividend at NT\$0.25 per common share for 2024
- 1Q25 net profit of NT\$41.06bn, up 35% YoY and EPS of NT\$3.00, both top among FHCs in Taiwan
- Total assets above NT\$12tn and net worth of NT\$914.2bn, up 5.2% and 2.0% YoY, respectively
- BVPS at NT\$59.88 per common share

Fubon Life

- Net profit of NT\$27.32bn, up 56.4% YoY, top among peers in Taiwan
- Ranked 1st in FYPE, top 2 in terms of FYP and TP in Taiwan
- Both recurring return before and after hedge increased YoY, total investment return reached 5.41%
- Equity to asset ratio at about 10.6% and RBC ratio at 428%

Taipei Fubon Bank

- Net profits reached NT\$10.11bn, hitting historical high of same period, and up 23.9% YoY
- Net interest income increased 10.5% YoY on steady growth in deposits & loans and higher NIM
- Net fee income rose 19.0% YoY, supported by wealth management and credit card business growth
- Asset quality remained stable with benign NPL and coverage ratio

Fubon Securities

- Net profit of NT\$1.66bn, down 29.0% YoY, on global stock market volatility and both TAIEX and trading volume declined
- Market share of major businesses and profit among top 3. Aim to lift market position through segmentation management and platform optimization. Grow wealth management to reach economies of scale

Fubon Insurance

- Net profit of NT\$1.62bn, up 20.5% YoY, on back of business selection strategy and risk management
- Direct written premiums rose 14.7% YoY. Market leader with market share of 25.4%
- Investment return at 11.38%, reflecting the disposal gains from reinvestment
- Capital remained stable, with RBC rebounding to 350%

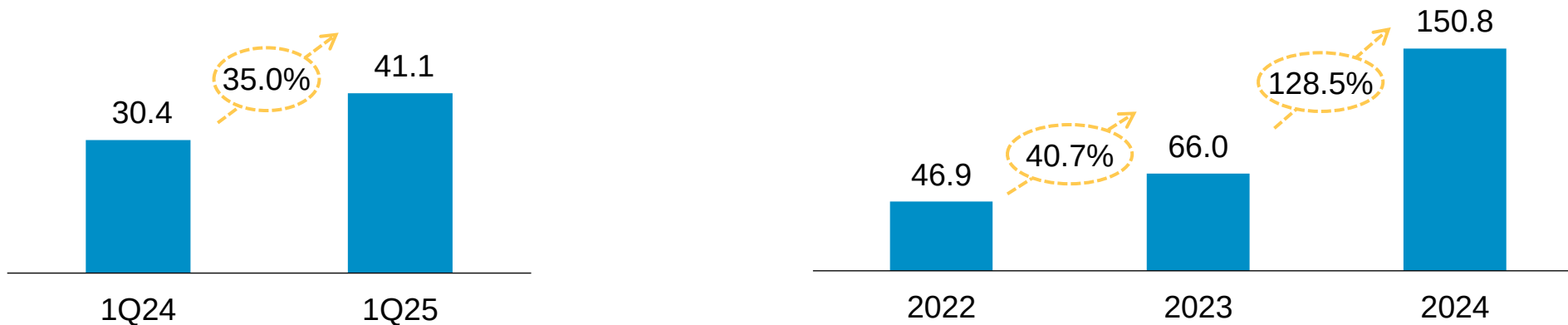


Fubon Financial Holdings: Profitability

- Net profit of NT\$41.06bn and EPS of NT\$3.00, top among FHC peers

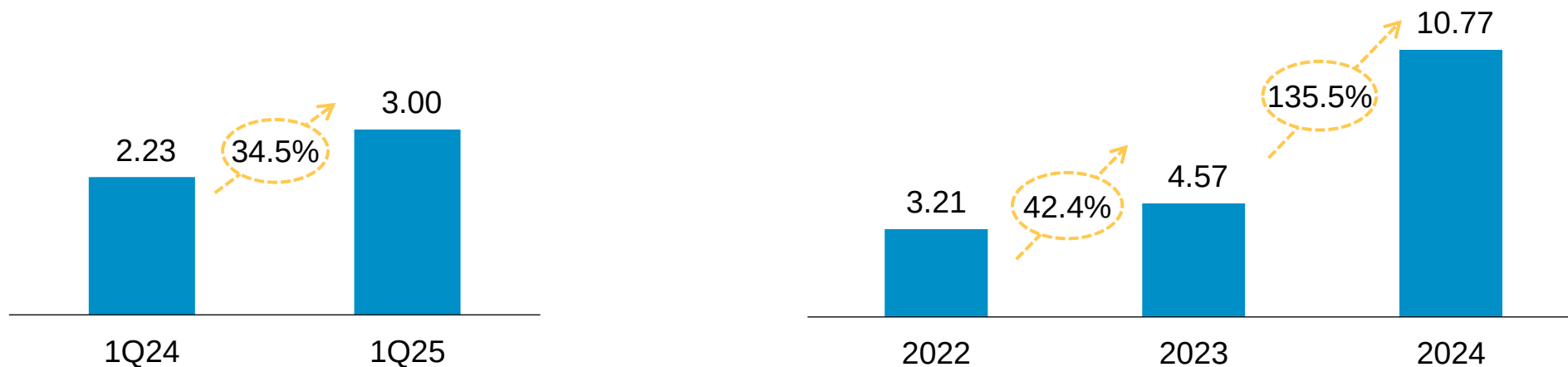
Net profit

NT\$bn



Earnings per share (EPS)

NT\$



Note: EPS of 2022, 2023, and 1Q24 are adjusted to reflect stock dividends

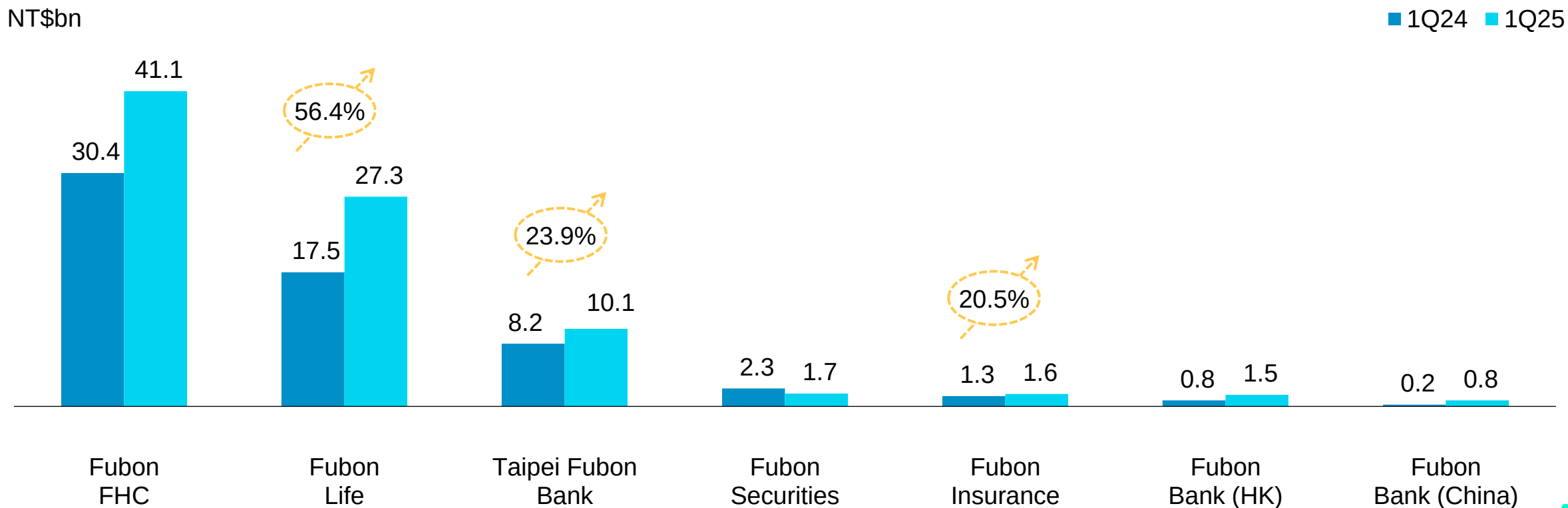


Fubon Financial Holdings:

Net profit from major subsidiaries

- Net profit growth of Fubon FHC came from rising YoY profit of Fubon Life at 56.4%, Taipei Fubon Bank at 23.9%, and Fubon Insurance at 20.5%
- Net profit of Fubon Securities down 29.0% YoY, on global stock market volatility, while market share of major businesses and profit among top 3

Net profit from subsidiaries

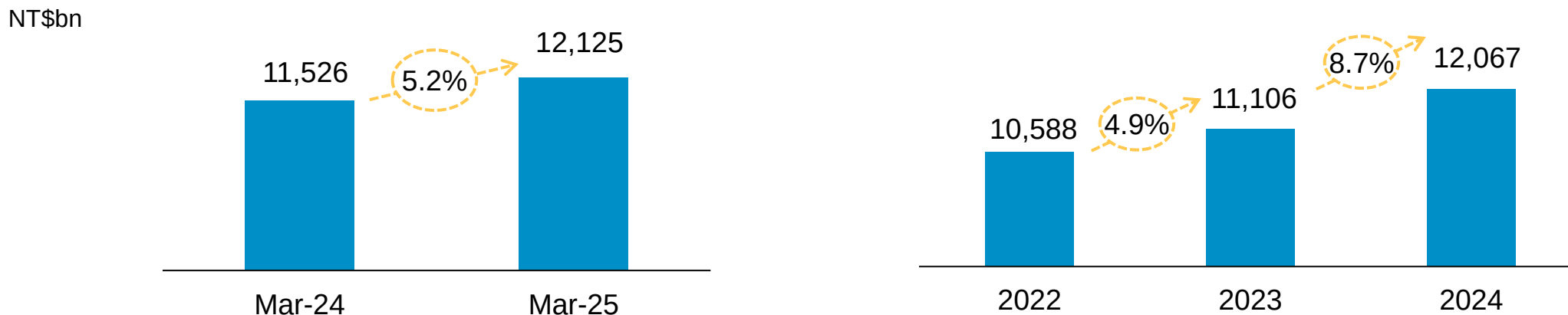




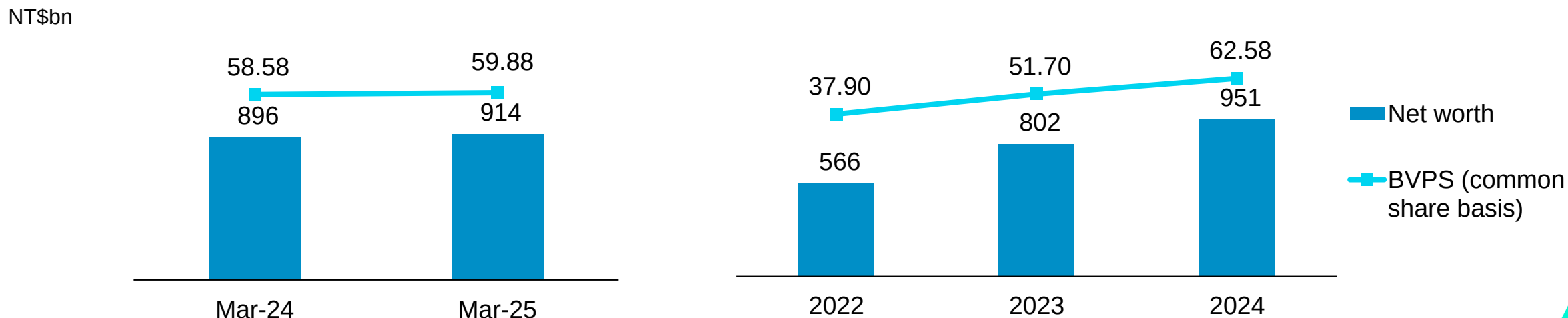
Fubon Financial Holdings: Assets and net worth

- Fubon FHC's total assets were over NT\$12tn, up 5.2% YoY. Net worth increased 2.0% YoY. BVPS was NT\$59.88 on common share basis

Total assets



Equity attributable to parent company





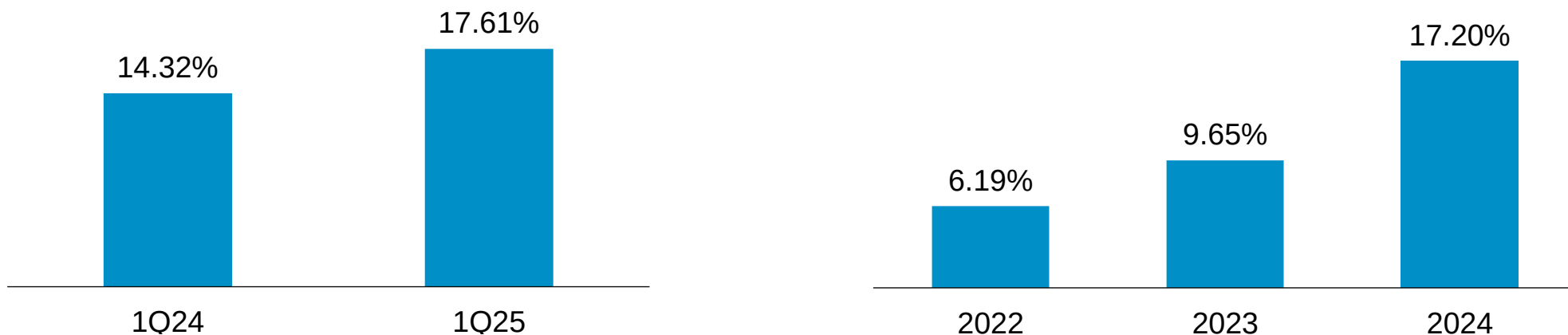
Fubon Financial Holdings: ROA & ROE

■ ROA and ROE increased YoY

ROAA



ROAE





Fubon Financial Holdings: 1Q25 ESG highlights

The highest rating from CDP and selected for the “S&P Sustainability Yearbook”



Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA

- Awarded the highest honor of "A" grade by the globally recognized Carbon Disclosure Project (CDP). This marks the 5th consecutive year since 2020 that Fubon has maintained its leadership status
- Selected in 2025 “S&P Sustainability Yearbook”

“Outstanding Experience Enterprise” award in TSAA’s “Treat Customers Fairly Survey”

- Taiwan Service Appraisal Association conducted the 1st Taiwan Financial Industry Treat Customers Fairly Survey this year. Fubon FHC’s subsidiaries, Fubon Life, Fubon Bank, and Fubon Securities, all received the “Outstanding Experience Enterprise” award in respective categories



Four subsidiaries achieved top 25% in “Sustainable Finance Evaluation” award



- Fubon FHC’s subsidiaries, Taipei Fubon Bank, Fubon Securities, Fubon Life, and Fubon Insurance, ranked top 25% of respective industries at the 2nd annual “Sustainable Finance Evaluation” award. Fubon is also one of the most awarded companies in Taiwan’s financial industry

Awarded by TWSE’s stewardship disclosure recognition company list

- Fubon Life, Fubon Insurance, Fubon Securities, and Fubon SITE were selected in TWSE’s 2024 company list. The list recognizes companies with better stewardship disclosure for institutional investors





Performance review by subsidiary

Fubon Life





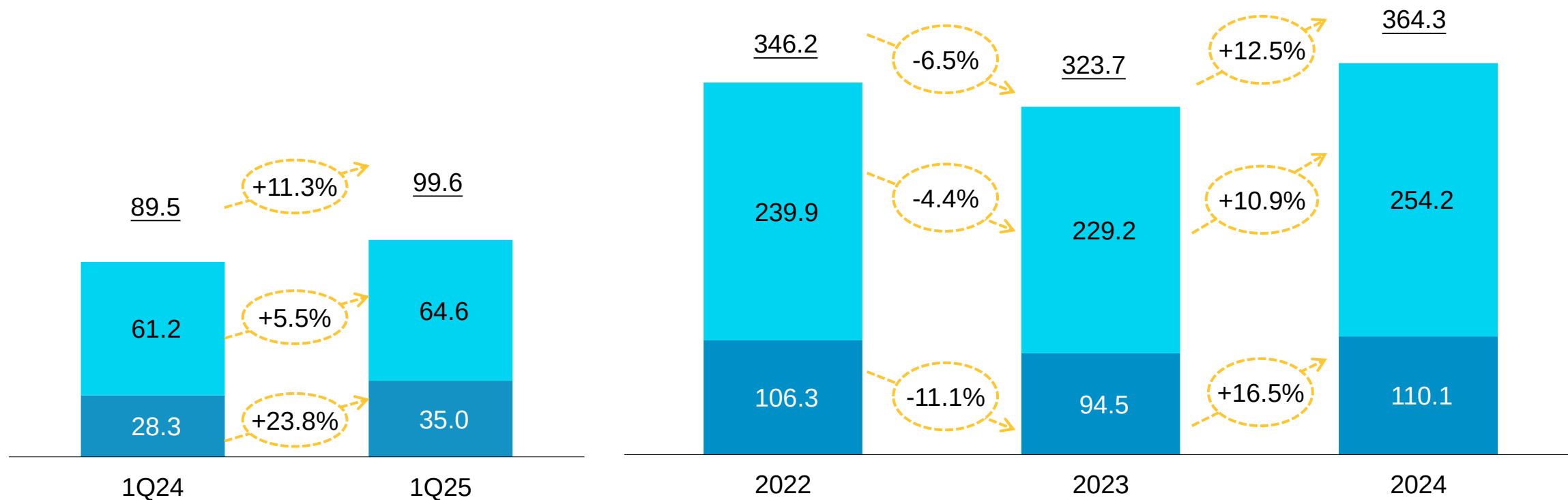
Fubon Life: Total premiums

- FYP grew 23.8% YoY along with the growth of participating products
- RP and TP increased 5.5% and 11.3% YoY
- FYP, RP and TP ranked the top 2 among peers. FYP exclusive of investment-linked policies ranked the top

Total premium composition

NT\$bn

■ Renewal premium ■ FYP

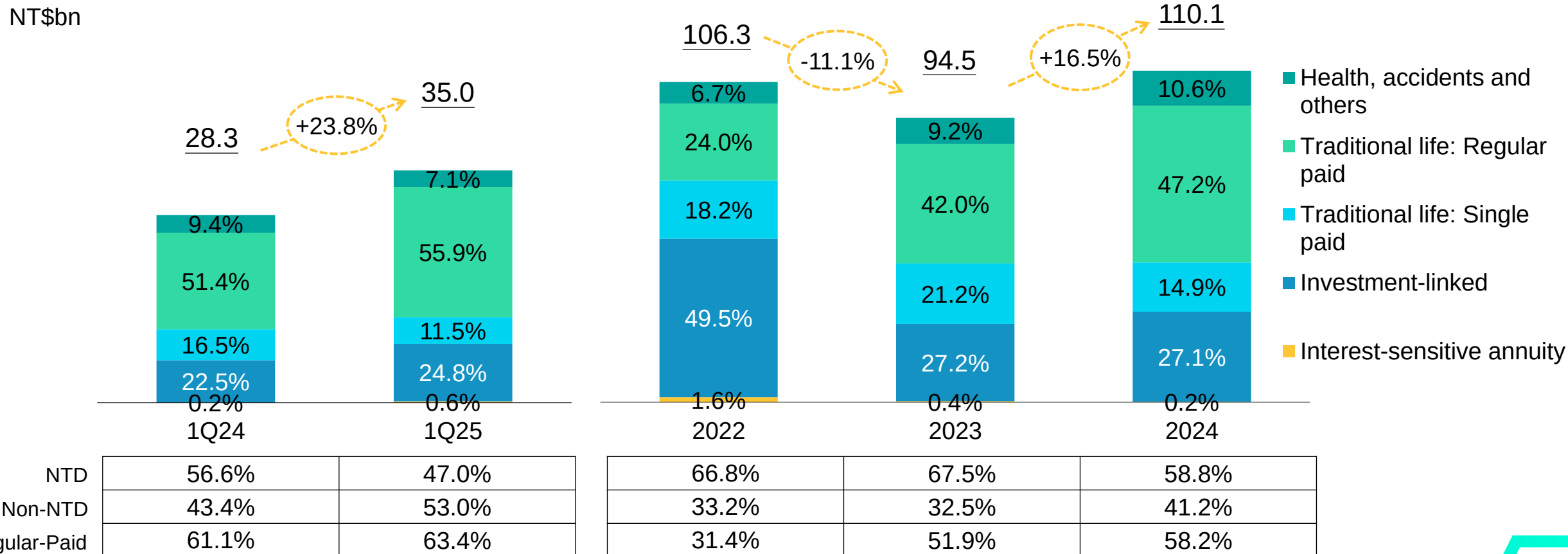




Fubon Life: First year premiums (FYP)

- Product mix transitioned toward high CSM products such as regular-paid and protection products. Sales weight in regular-paid products grew from 61.1% to 63.4%
- Non-NTD policies grew from 43.4% to 53.0% of FYP, mainly from sales of USD participating policies

FYP composition



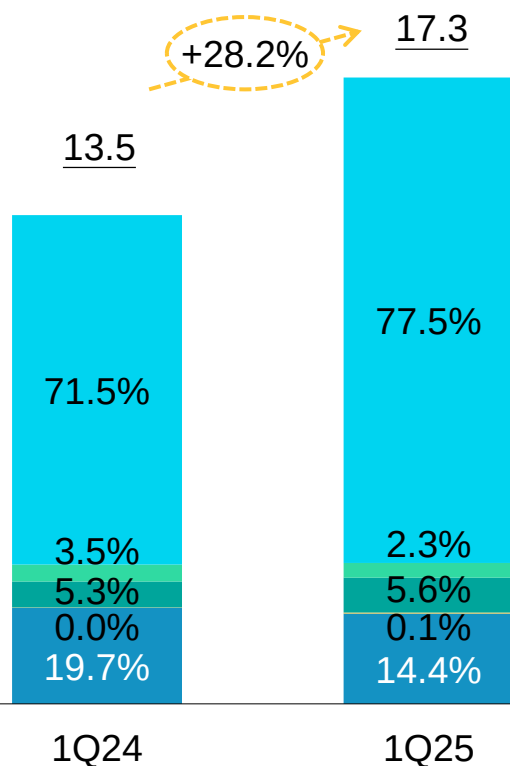


Fubon Life: FYPE & VNB

- FYPE grew 28.2% YoY mainly from regular-paid products. FYPE/FYP ratio increased from 47.7% to 49.4%
- VNB grew 9.9% YoY on back of product mix adjustment and increase in sales of regular-paid participating products

FYPE

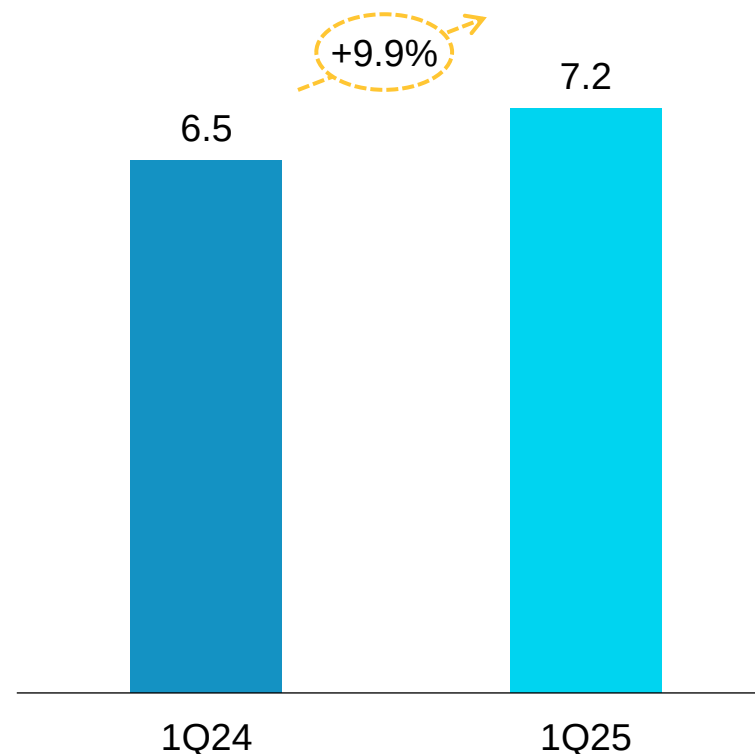
NT\$bn



FYPE/FYP	47.7%	49.4%
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VNB

NT\$bn



VNB/FYP	23.0%	20.4%
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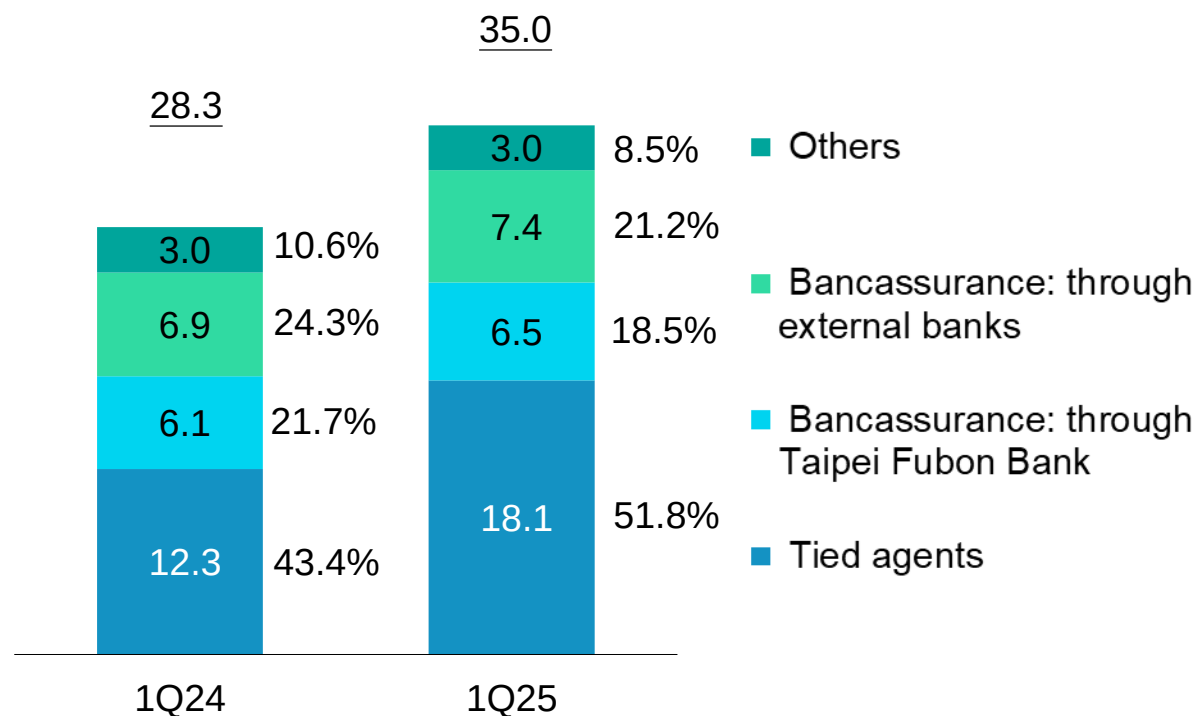


Fubon Life: Channels

- Meaningful growth of 47.8% YoY in FYP from tied agents channel. FYP from bancassurance topped the industry
- Regular-paid products sales led to FYPE from tied agents up by 34.2% YoY

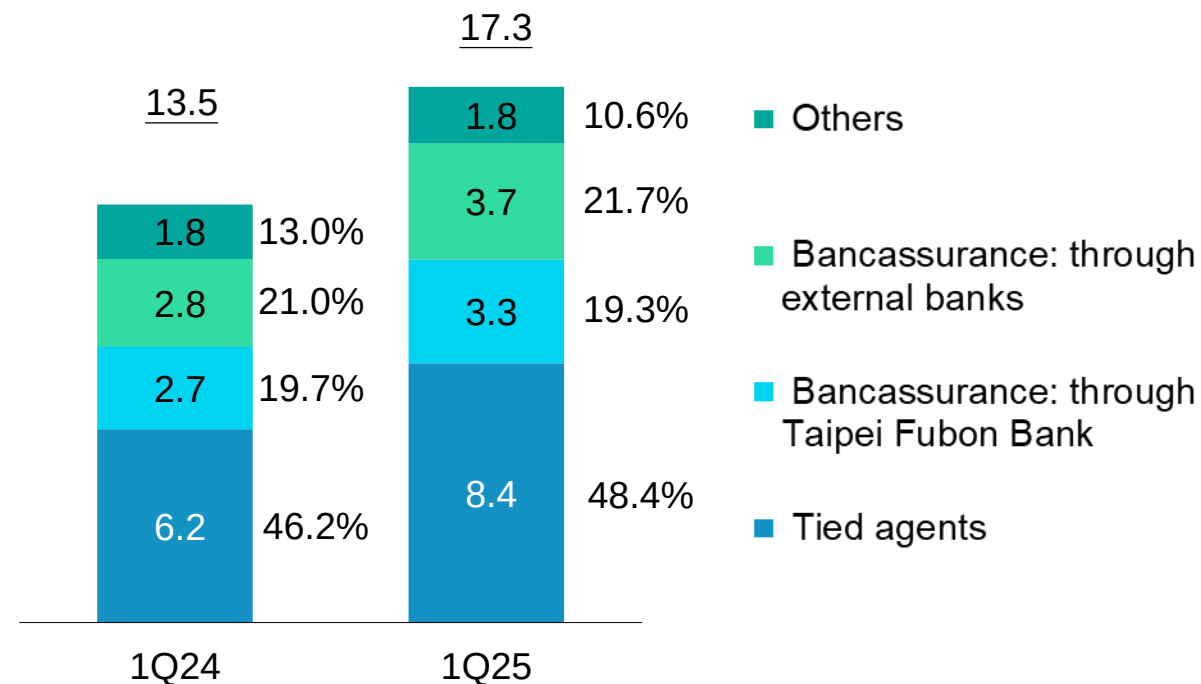
FYP by channel

NT\$bn



FYPE by channel

NT\$bn





Fubon Life: Investment portfolio

- Decrease in the proportion of domestic and overseas equity reflecting market volatility and realization of capital gains
- Maintain sufficient cash levels and dynamically adjust the allocation according to market conditions

NT\$bn	2024/12/31			2025/3/31		
	Amount	%	Return	Amount	%	Return
Deposit and cash equivalent	245.2	4.7%	1.63%	312.6	6.1%	1.48%
Domestic fixed income ⁽¹⁾	665.3	12.9%	3.05%	681.1	13.3%	3.10%
Overseas fixed income ⁽²⁾	2,880.5	55.7%	4.12%	2,867.0	55.8%	4.14%
Domestic equity	462.8	8.9%	24.76%	383.2	7.5%	22.10%
Overseas equity	397.5	7.7%	23.17%	355.7	6.9%	17.66%
Mortgage loans	95.4	1.8%	2.34%	99.8	1.9%	2.43%
Policy loans	83.2	1.6%	4.56%	84.1	1.6%	4.50%
Real estate	346.1	6.7%	0.52%	356.0	6.9%	1.20%
Total investment	5,176.0	100.0%	5.48%	5,139.5	100.0%	5.41%
Domestic	1,730.4	33.4%	7.84%	1,741.0	33.9%	7.15%
Overseas	3,445.6	66.6%	4.25%	3,398.6	66.1%	4.46%

Note: (1) Inclusive of NTD-denominated bond ETFs

(2) Inclusive of OTC-listed international bonds, which accounted for 14.6% of total investment assets as of end of March 2025

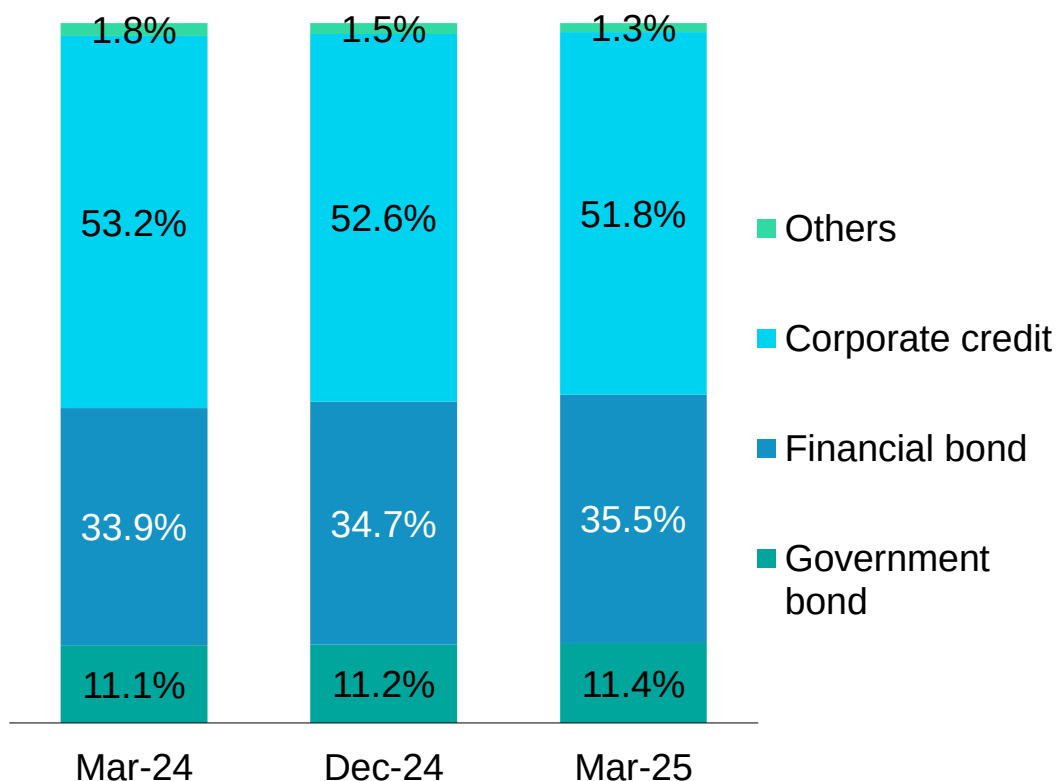
(3) The return rate of each asset is before hedge basis. The total investment return rate and the domestic and foreign investment return rate are after hedge basis



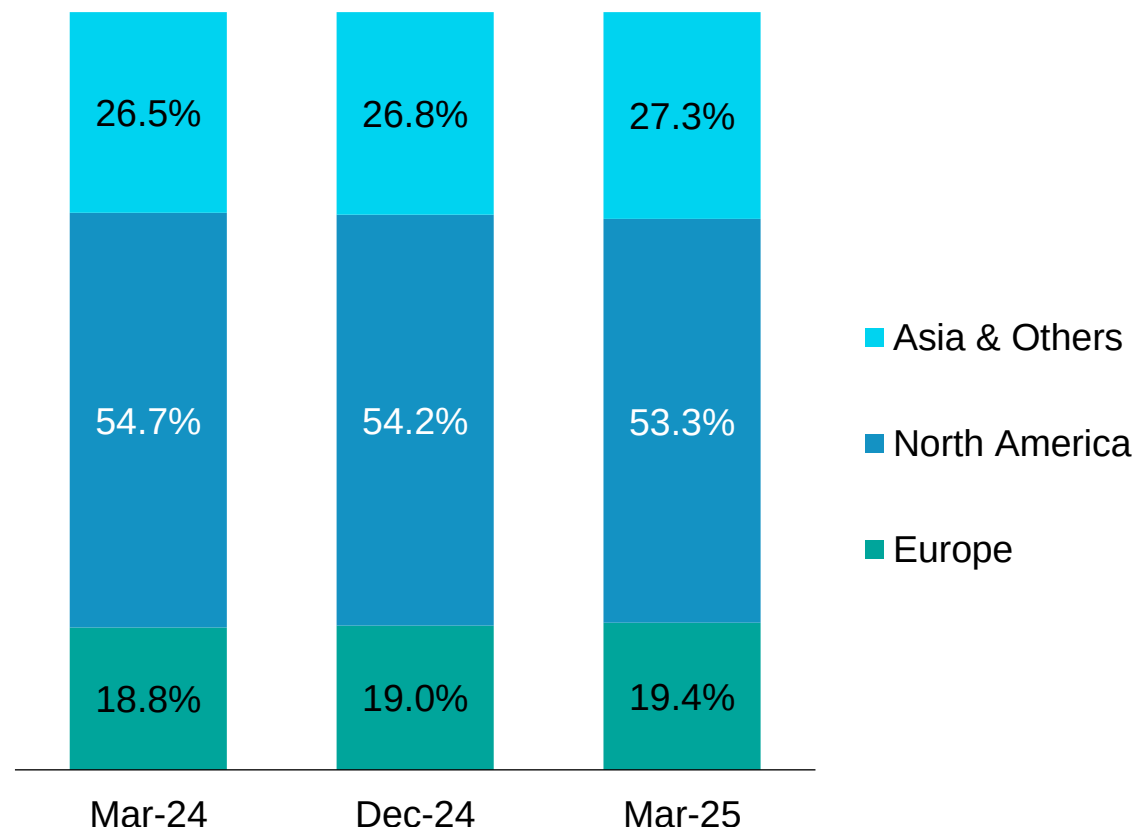
Fubon Life: Overseas fixed income portfolio

- Focus on investment grade corporate credit and financial bonds
- Adjust the allocation of bond duration and seek opportunities to increase long-dated bonds holding

Overseas fixed income by asset type



Overseas fixed income by region





Fubon Life: Composition of investment income

- Investment return both before and after hedge & FX increased YoY
- Capital gains from equity investments increased YoY on back of seizing market opportunities to take profit

NT\$ bn	1Q24	1Q25	YoY growth	2023	2024
Recurring investment income	38.1	39.9	4.7%	162.2	163.6
Interest income	29.5	31.1	5.5%	113.7	119.0
Cash dividend income from equity investment	1.7	1.7	3.5%	22.9	12.8
Rental and others	6.9	7.1	1.6%	25.6	31.8
Realized gains from fixed income investment	0.2	-0.5	N.M.	-2.0	-0.2
Realized gains from equity investment	31.4	35.5	13.1%	45.6	150.6
FX and others	-15.6	-9.4	N.M.	-35.2	-56.5
Investment income	54.1	65.5	21.0%	170.6	257.5
Total investment assets	4,993.4	5,139.5	2.9%	4,818.1	5,176.0
Investment return (before hedge & FX)	5.28%	5.97%		4.35%	6.40%
Investment return (after hedge & FX)	4.62%	5.41%		3.79%	5.48%



Fubon Life: Composition of hedging portfolio

- FX gain in 1Q25 as USD appreciated. Naked USD position reduced meaningfully and dropped to around 19% as of April on back of NTD appreciation
- Recurring hedging costs decreased as interest rate spread narrowed between USD and TWD
- Recurring return both before and after hedge increased on back of interest income and recurring hedging costs improvement

Hedging cost & FX gain/loss

■ FX gain/loss & net provision of FX reserve ■ CS+NDF cost

-102bps

1Q24

-96bps

4Q24

-87bps

1Q25

96

-198

56

-152

29

-116

Recurring return

3.31%

2.01%

3.35%

2.59%

■ Before hedge

■ After hedge

1Q24

1Q25

FX position

Equity and Fund
13.6%

Bond and
cash
86.4%

Currency swap,
NDF,
FX policy,
71.0%

Naked
USD,
27.2%

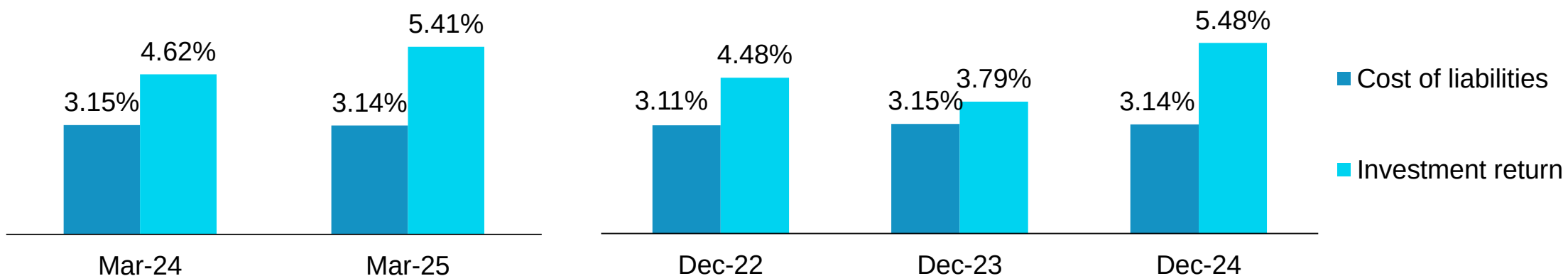
Other
currencies
, 1.9%



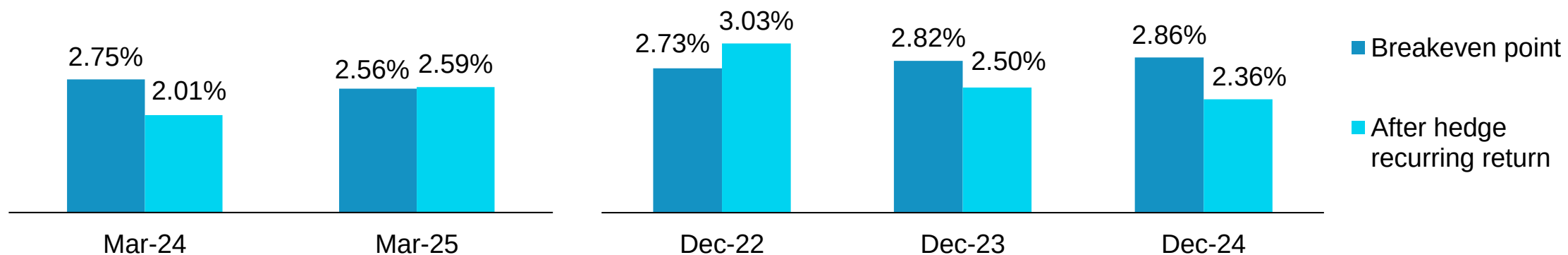
Fubon Life: Cost of liability & breakeven point

- The positive spread between COL and investment return expanded as investment return increased
- Spread between recurring return after hedge and breakeven point turned positive as of 1Q25

Cost of liability



Breakeven point



Note: Breakeven point = (Profit before tax – investment income) / average investment assets

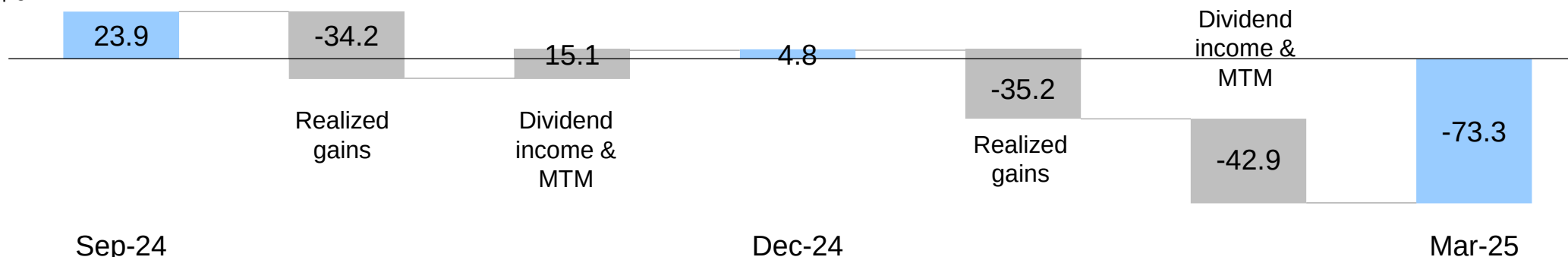


Fubon Life: Investment performance

- Unrealized balance declined due to market fluctuation and realization of capital gains
- Equity-to-asset ratio was 10.6% and RBC ratio reached 428% in Mar 2025

Unrealized balance in FVOCI & FVTPL overlay and movement

NT\$bn



Sep-24

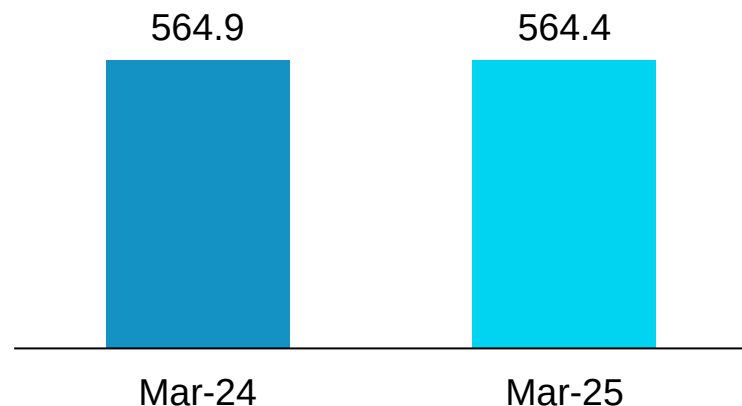
Dec-24

Mar-25

Note: Realized equity gain/loss under FVOCI is included

Shareholders' equity

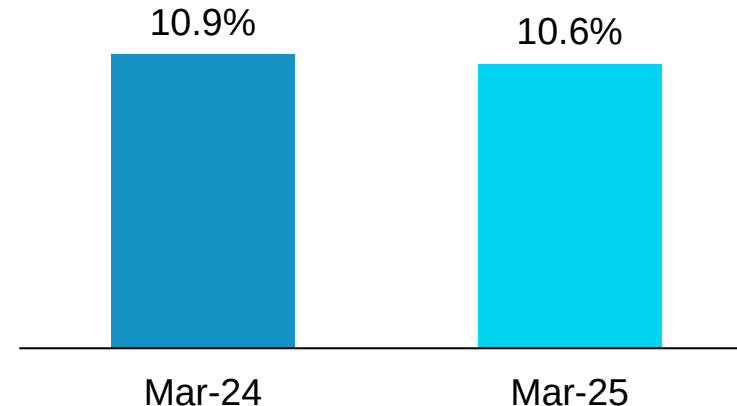
NT\$bn



Mar-24

Mar-25

Equity-to-asset



Mar-24

Mar-25



Performance review by subsidiary

Taipei Fubon Bank

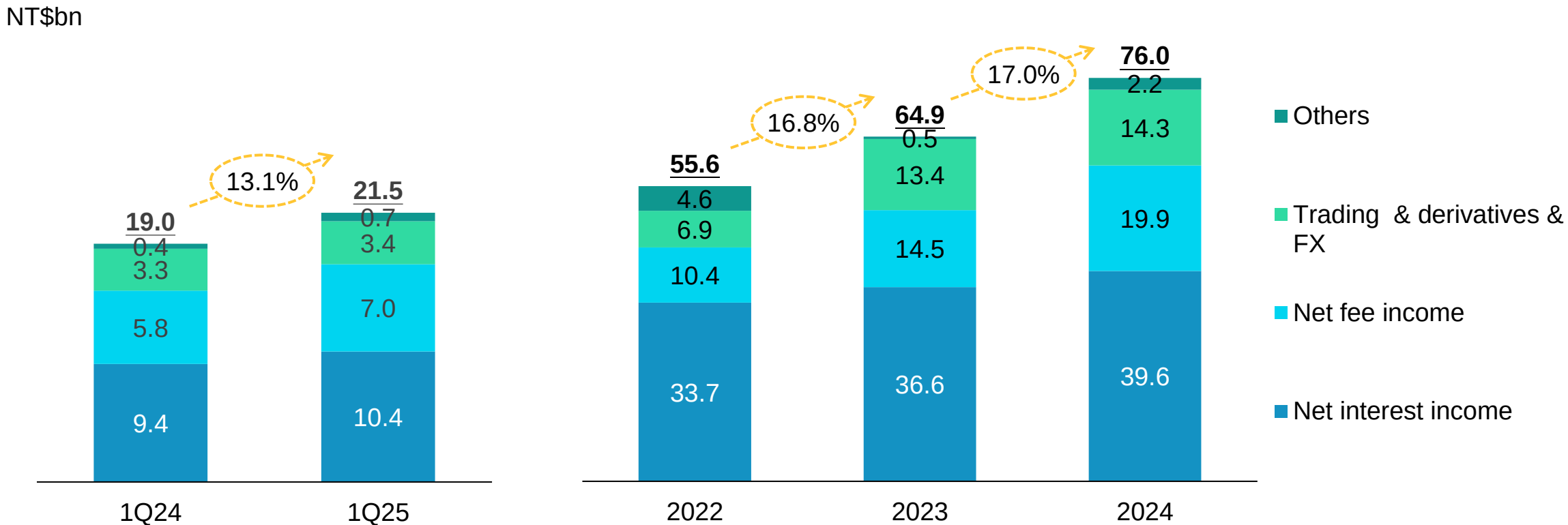




Taipei Fubon Bank: Revenue

- Total revenue was up 13.1% YoY. NII increased 10.5% YoY mainly due to the growth in assets and higher NIM
- Fee income grew 19.0%, reflecting the increase of wealth management and credit card income

Revenue composition of Taipei Fubon Bank



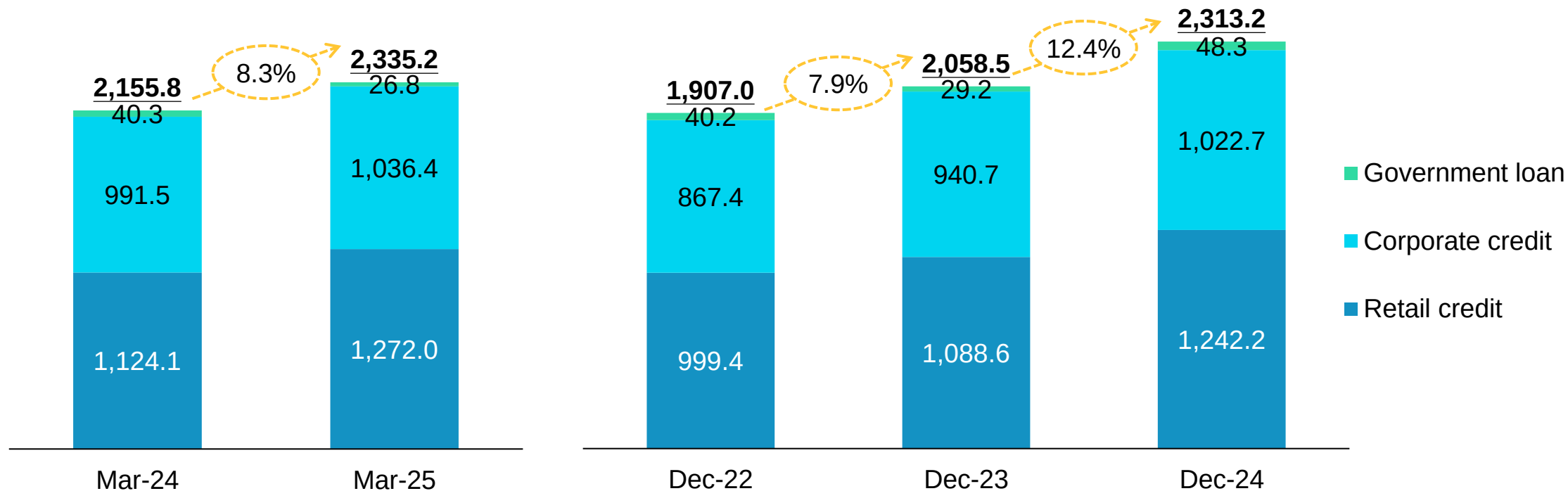


Taipei Fubon Bank: Credit composition

- Total credit balance was up 8.3% YoY, mainly driven by 13.2% YoY increase in retail loan

Credit composition

NT\$bn

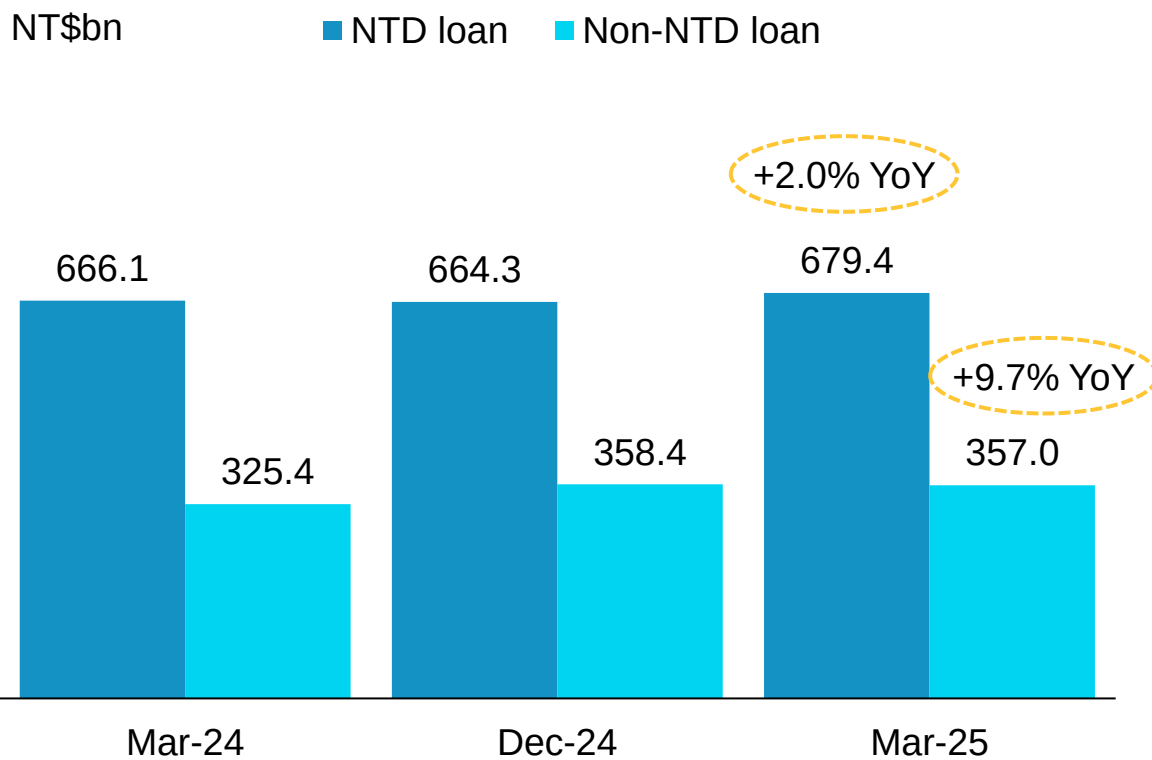


Note: Corporate credit includes corporate loans, forfaiting, and factoring. Retail credit includes mortgage, other personal loans, and student loans

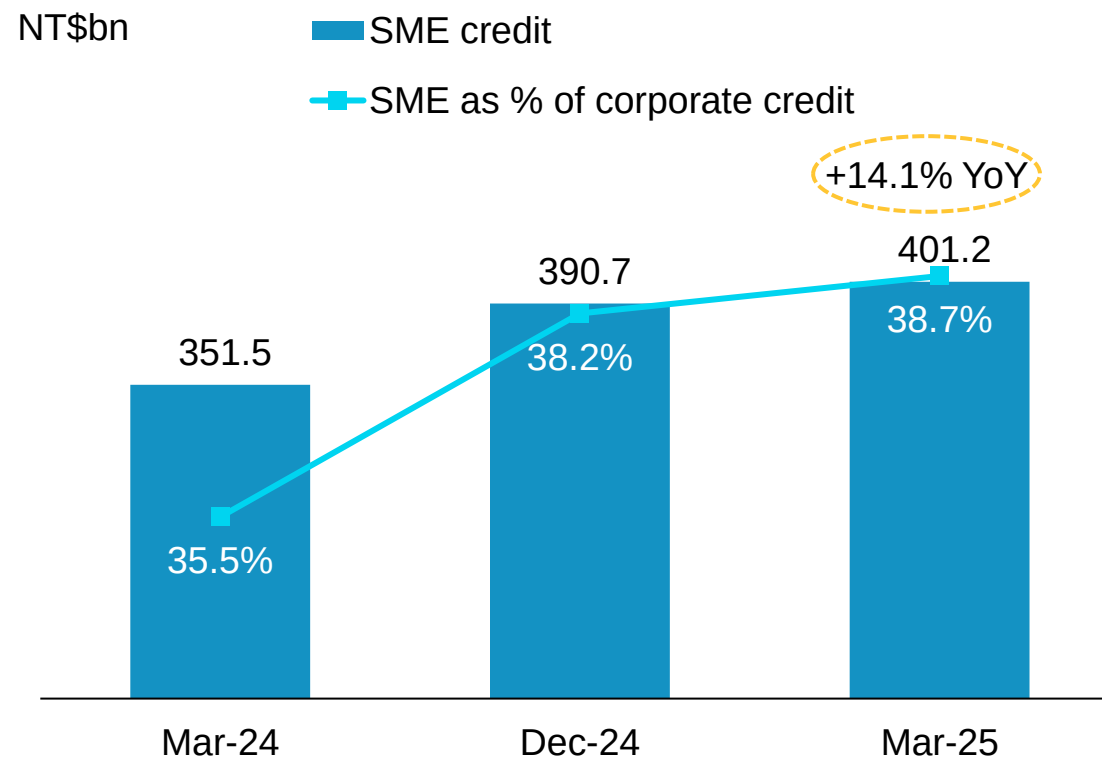
Taipei Fubon Bank: Corporate loan

- FX loans grew 9.7% YoY, higher than NTD loan growth of 2% YoY. SME segment was the major growth contributor in corporate NTD loans
- SME credit increased 14.1% YoY, accounting for 38.7% of total corporate loans

Corporate credit by currency



SME credit



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

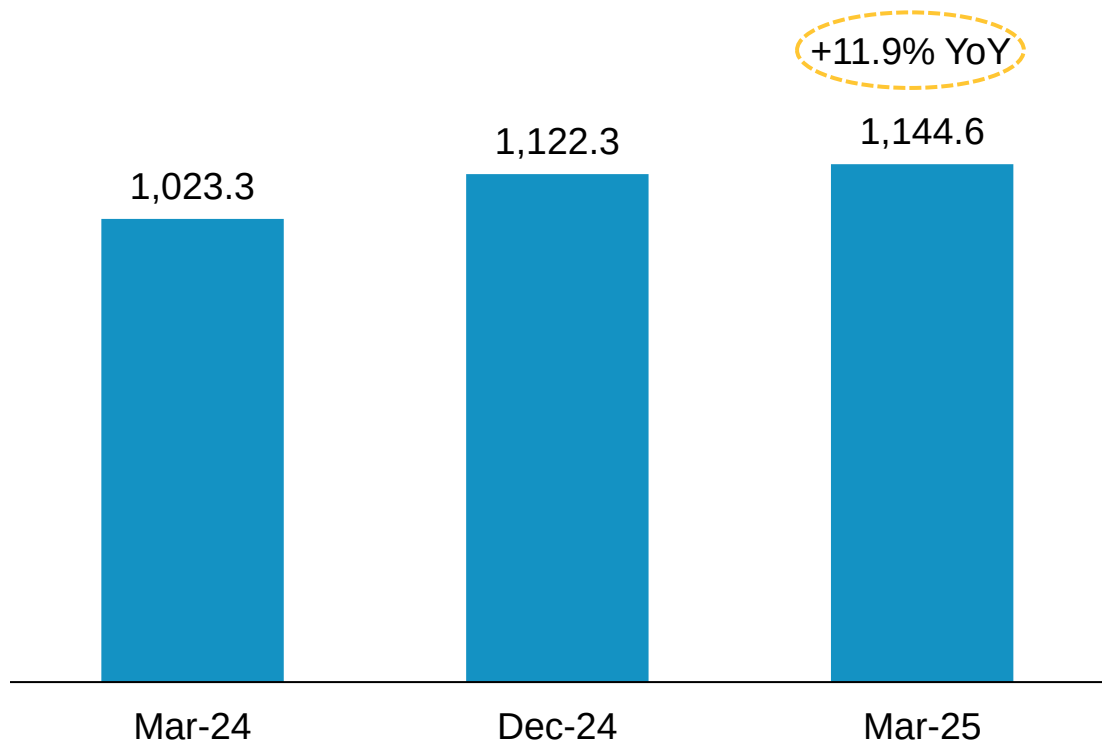


Taipei Fubon Bank: Retail credit

- Mortgage grew 11.9% YoY, mainly driven by home equity loan growth
- Other personal loans increased 26.3% YoY, mainly driven by 37.4% YoY growth in unsecured consumer loans

Mortgage

NT\$bn



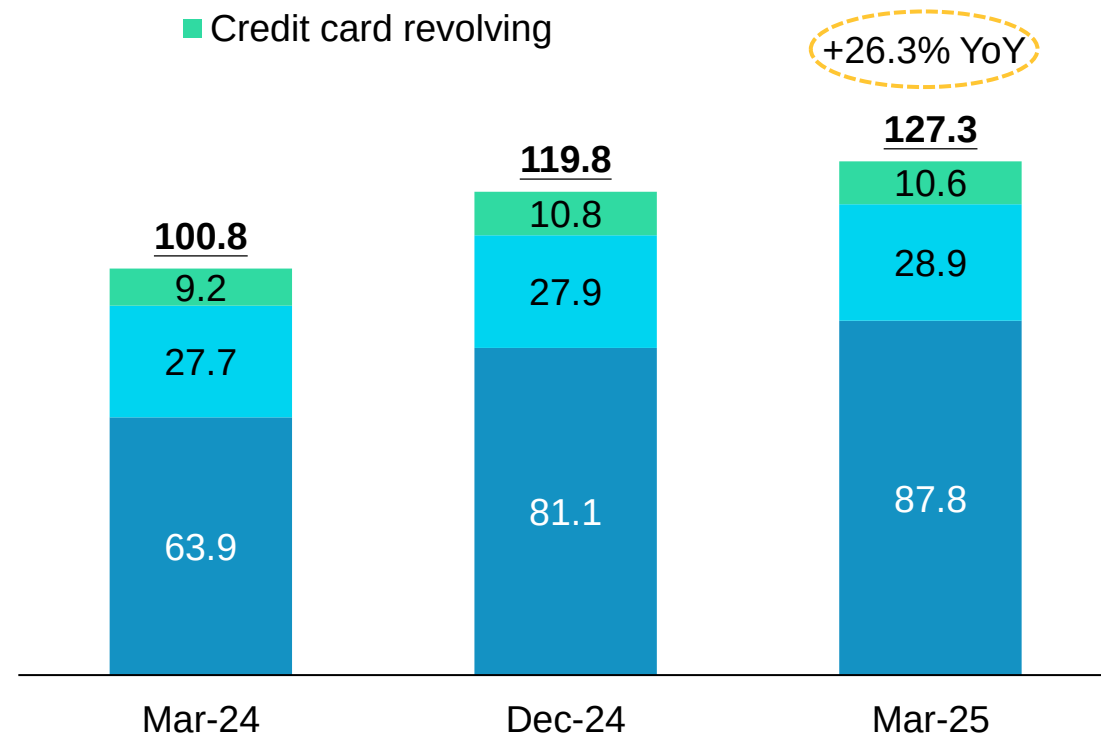
Other personal loans

NT\$bn

■ Unsecured consumer

■ Student loan and others

■ Credit card revolving

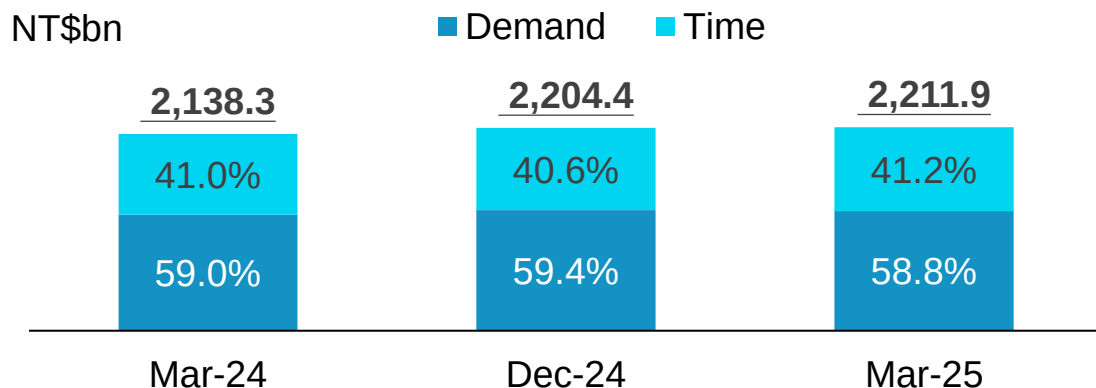




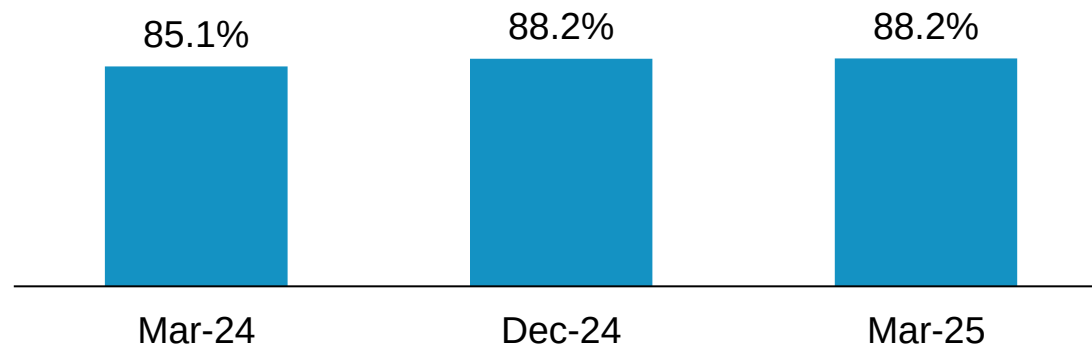
Taipei Fubon Bank: Deposit mix and LDR

- Overall deposits up 8.0% YoY, driven by 17.0% YoY growth in FX deposits
- FX demand deposits as % of total deposits was higher than the level in 2024

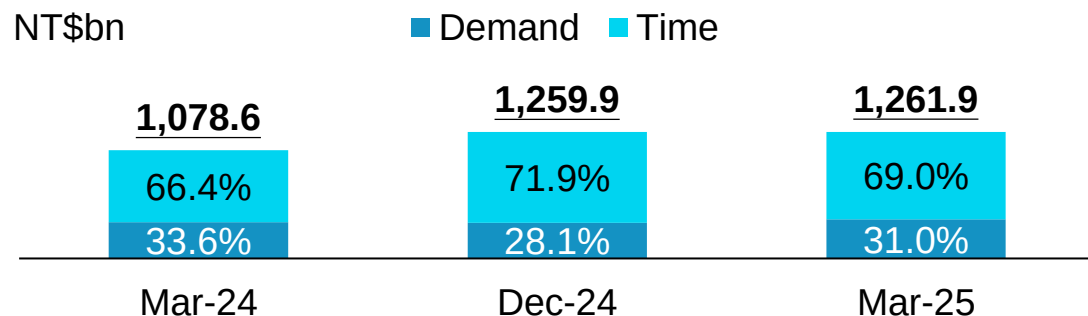
Deposit mix in NTD



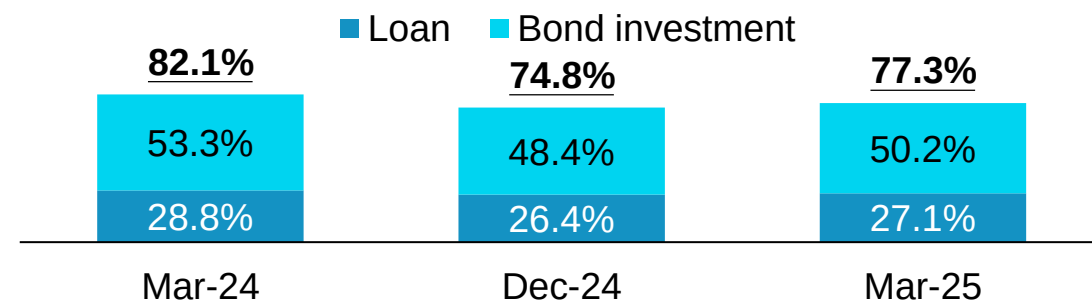
Loan-to-deposit ratio (LDR) in NTD



Deposit mix in FX



Loan and bond investment to deposit in FX



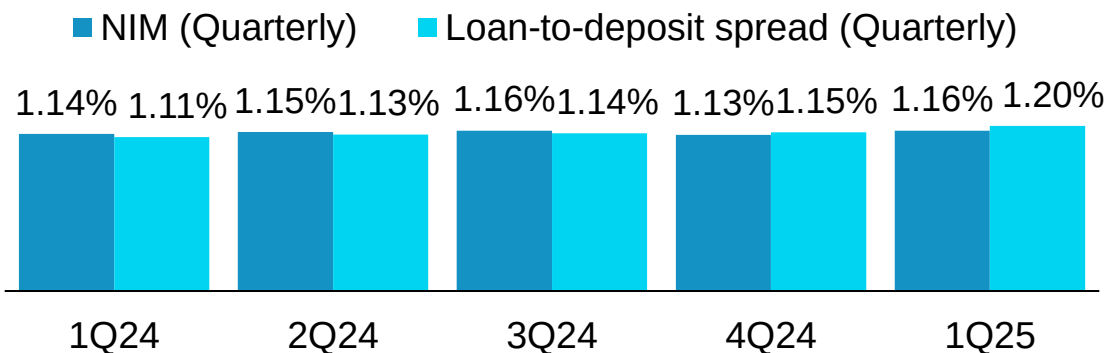
Note: Ending balance



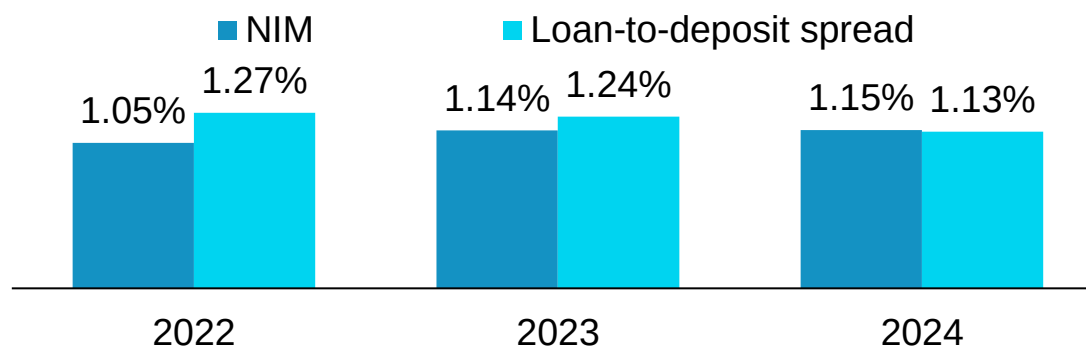
Taipei Fubon Bank: Interest spread and margin

- 1Q25 NIM up 2bps YoY, mainly because of loan-to-deposit spread up 9bps YoY. The increase in NTD loan rates offset the decrease in financial asset yields due to US rate cuts
- 1Q25 NIM and loan-to-deposit spread up 3bps and 5bps QoQ, respectively, mainly benefitting from higher FX demand deposit ratio

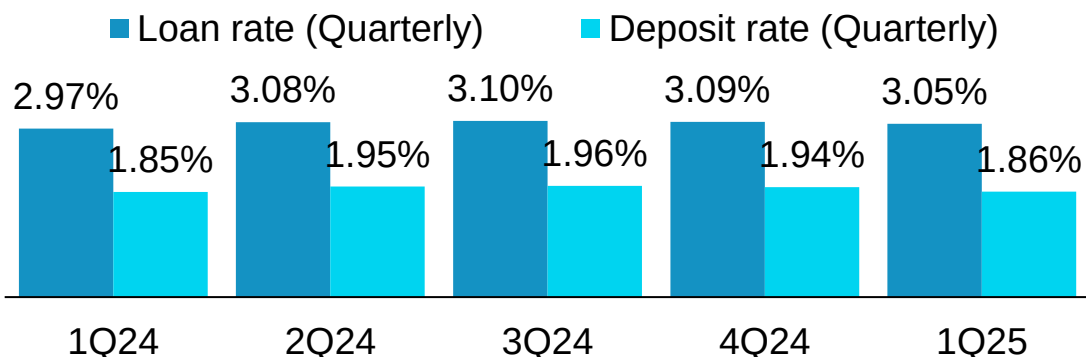
NIM and loan-to-deposit spread (quarterly)



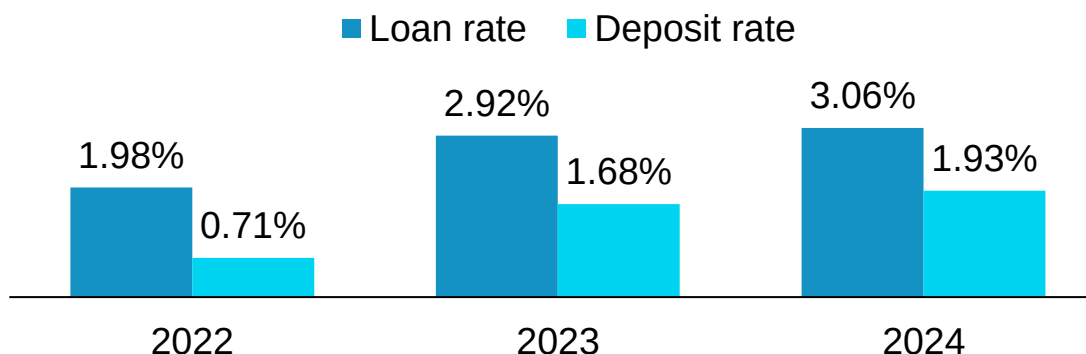
NIM and loan-to-deposit spread



Loan rate and deposit rate (quarterly)



Loan rate and deposit rate



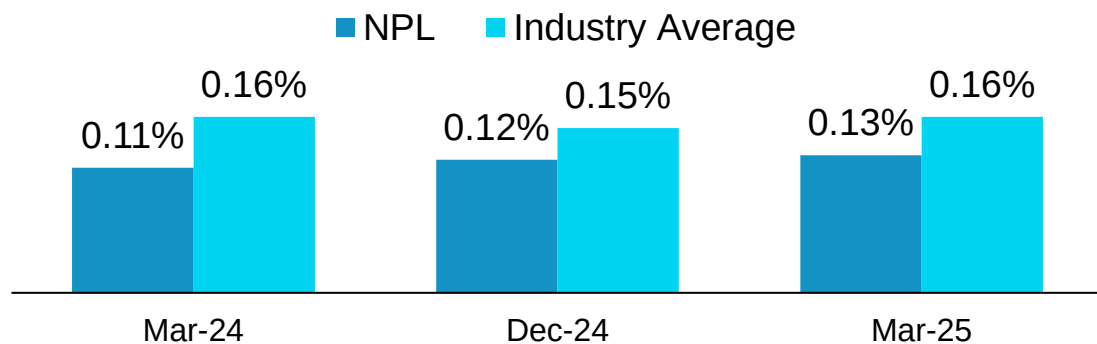
Note: Loan rate calculation inclusive of revolving credit cards



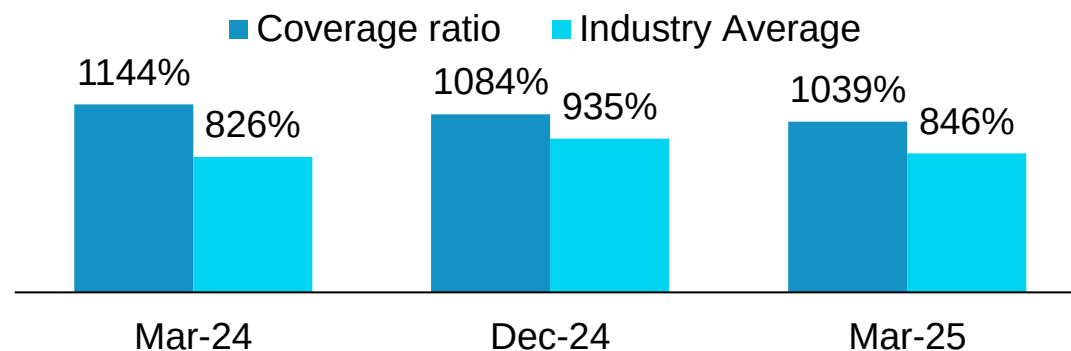
Taipei Fubon Bank: Asset quality and credit cost

- NPL ratio and coverage ratio remained benign. Asset quality for all business segments remained stable
- Quarterly provision cost declined due to lower general provisions and the reversal of one-off corporate loan provisions

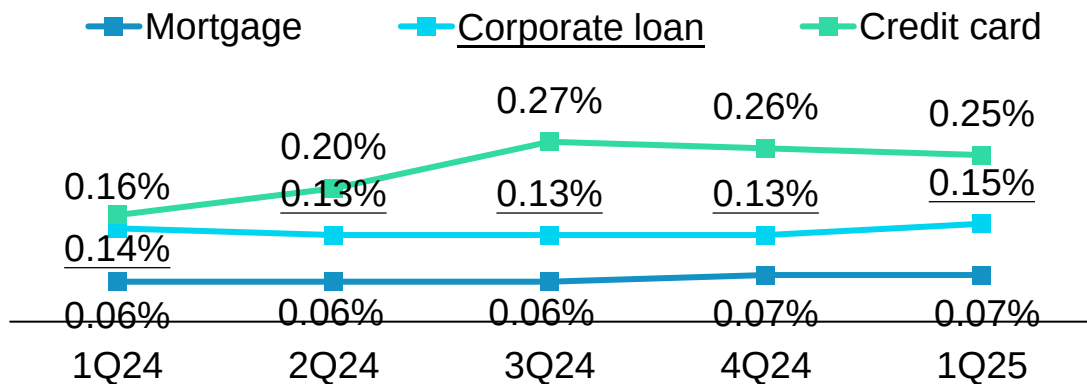
NPL ratio



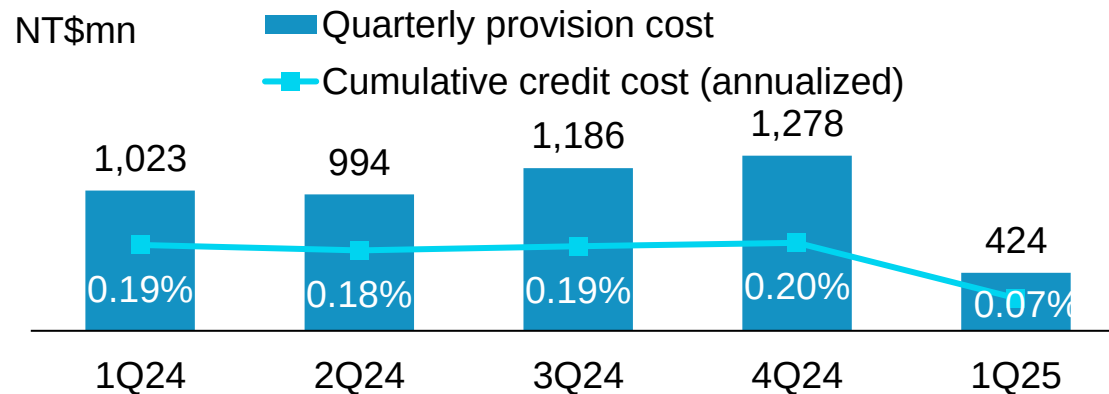
Coverage ratio



NPL ratio by product line



Provision & credit cost

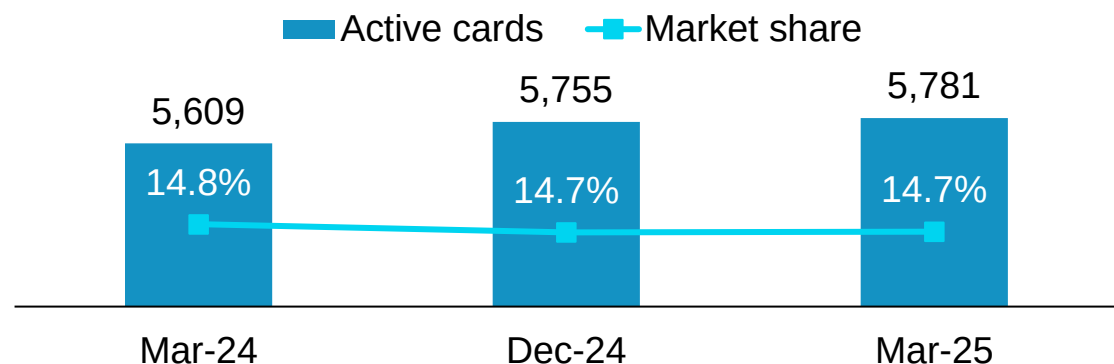




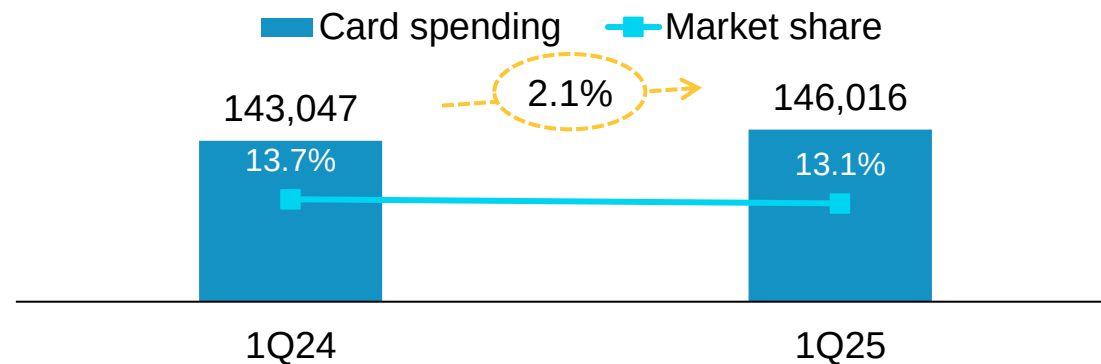
Taipei Fubon Bank: Credit card

- Card spending up 2.1% YoY as the increase of Costco affinity card and overseas consumption offset the slowdown of domestic department store and online shopping consumption
- Active cards up 3.1% YoY. Monthly per card spending fell slightly YoY due to slowing insurance and domestic consumption
- NPL ratio of credit card remained benign

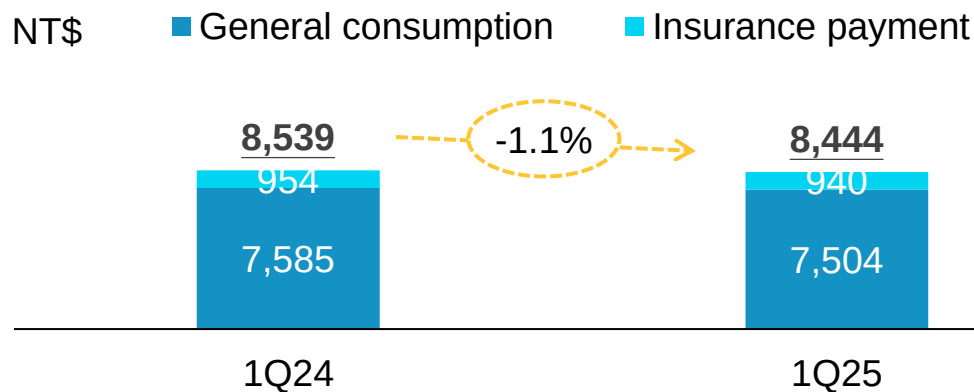
Active cards



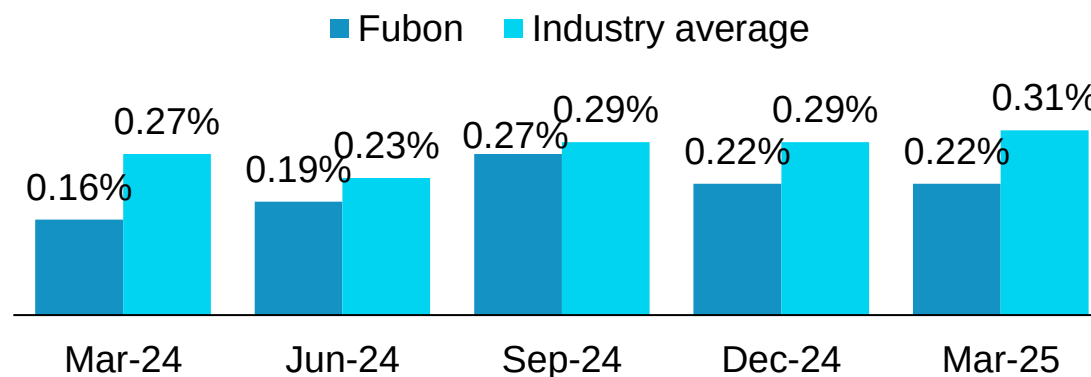
Card spending



Per card spending (monthly)



Credit card NPL ratio



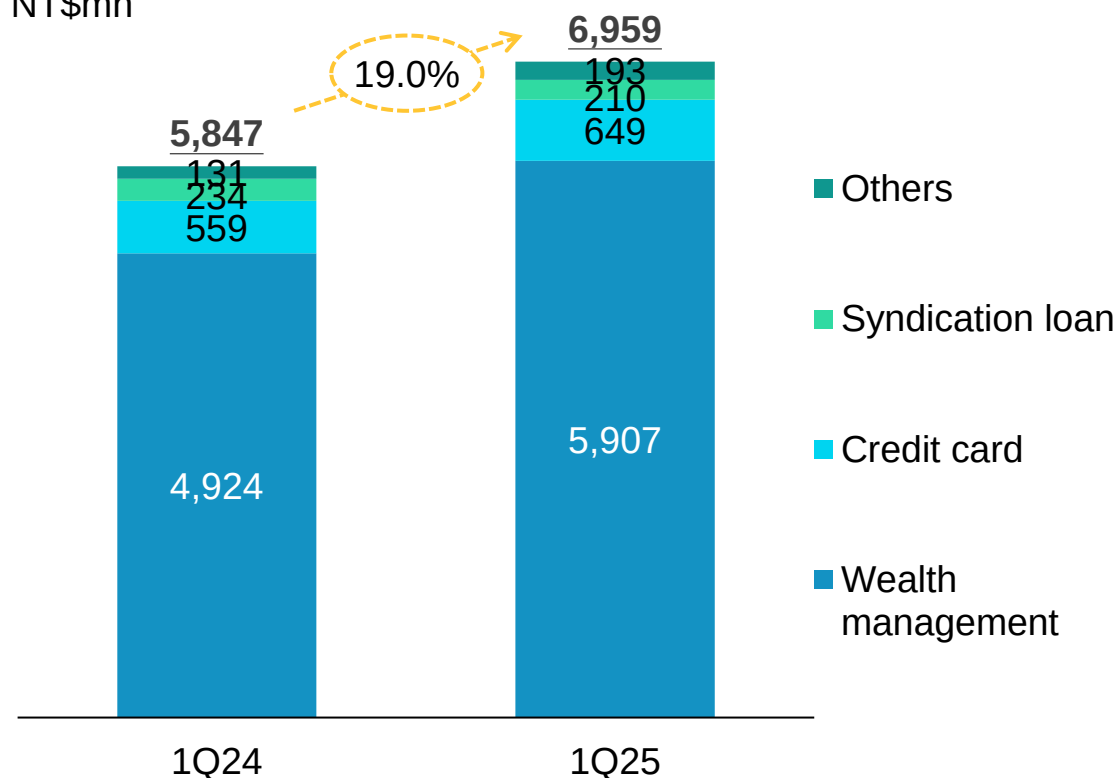


Taipei Fubon Bank: Fee income

- Net fees income up 19.0% YoY. Wealth management fee income grew 20.0% YoY, mainly driven by growth in insurance sales and mutual fund sales
- Credit card fee income rose 16.0% YoY, mostly due to higher card spending and adjustments in credit card benefits

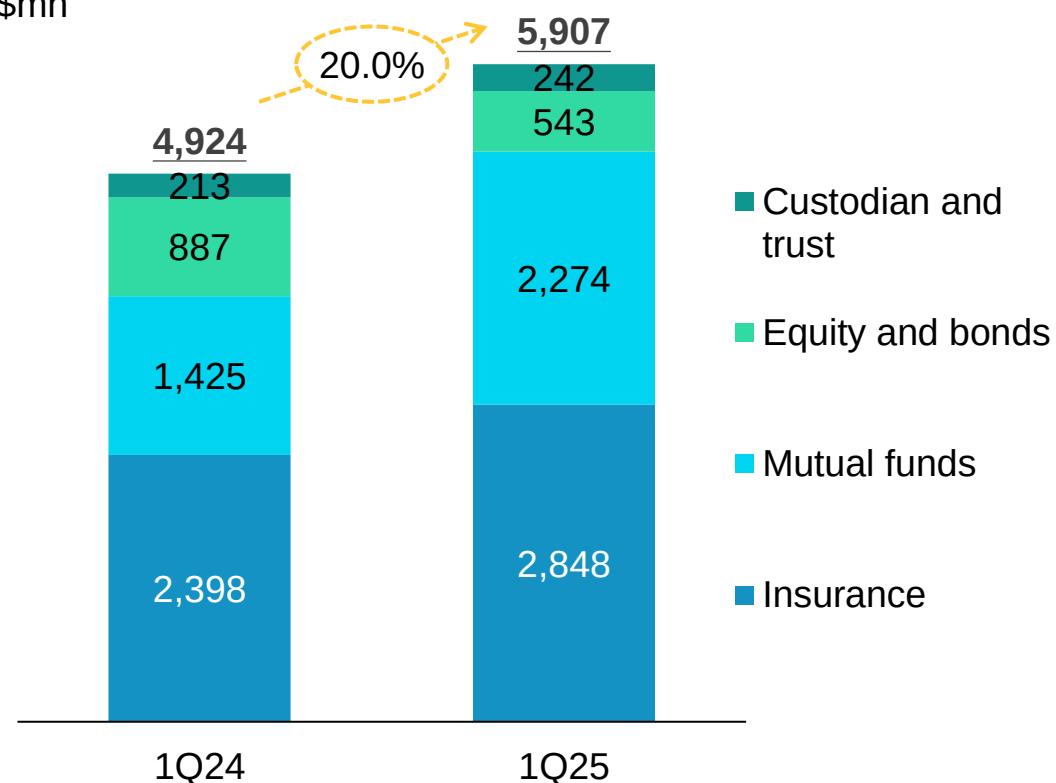
Net fee income

NT\$mn



Wealth management fees

NT\$mn

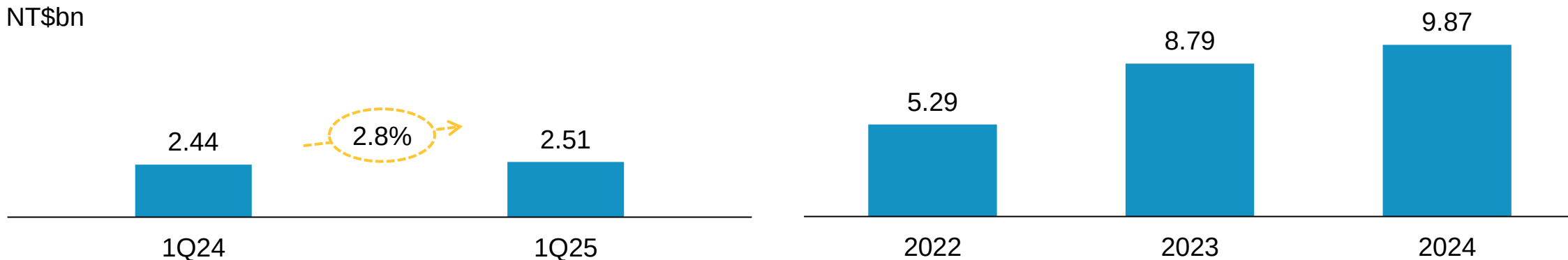




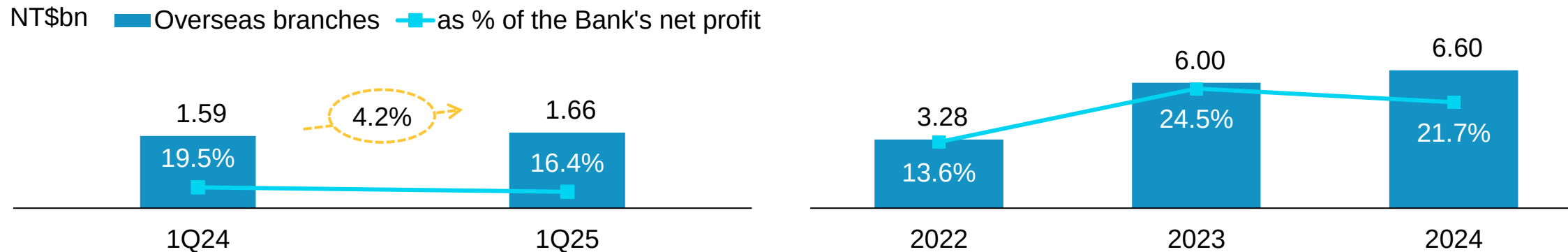
Taipei Fubon Bank: Overseas branches

- Revenue from overseas branches up 2.8% YoY. The combined revenues of NII and fees were up 12.7% YoY, offsetting the decline in trading & derivatives income
- Asset quality remained benign. Net profits from overseas branches up 4.2% YoY

Net revenue from overseas branches



Net profit from overseas branches





Performance review by subsidiary

Fubon Securities





Fubon Securities: Operational snapshot

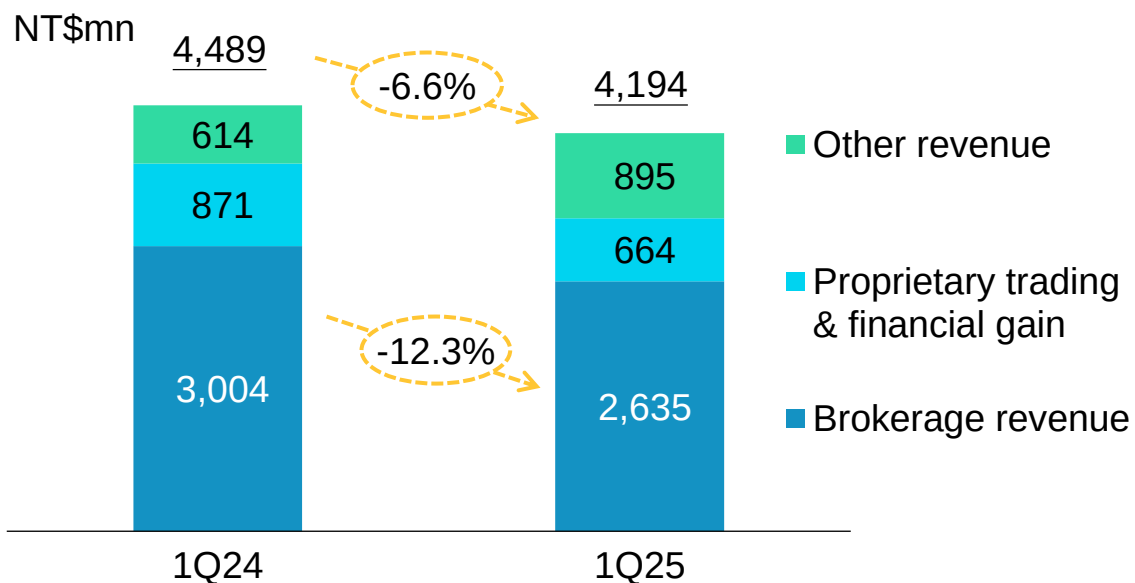
- Net profit of NT\$1.66bn, down 29% YoY, on global stock market volatility and both TAIEX and trading volume declined
- Market share of major businesses and profit among top 3. Aim to lift market position through segmentation management and platform optimization. Grow wealth management to reach economies of scale

Market share & ranking

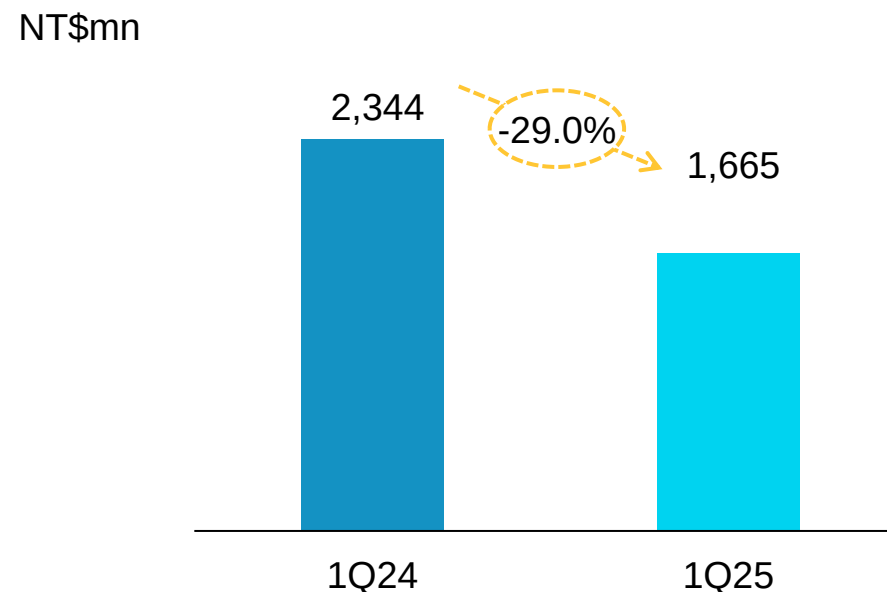
	1Q24		1Q25	
	Market Share	Ranking	Market Share	Ranking
Brokerage	7.45%	3	6.70%	3
Margin Loans	9.60%	2	10.03%	2
Securities Lending	18.41%	2	19.10%	2

Note: The ranking does not include foreign brokers

Operating revenue



Net profit





Performance review by subsidiary

Fubon Insurance

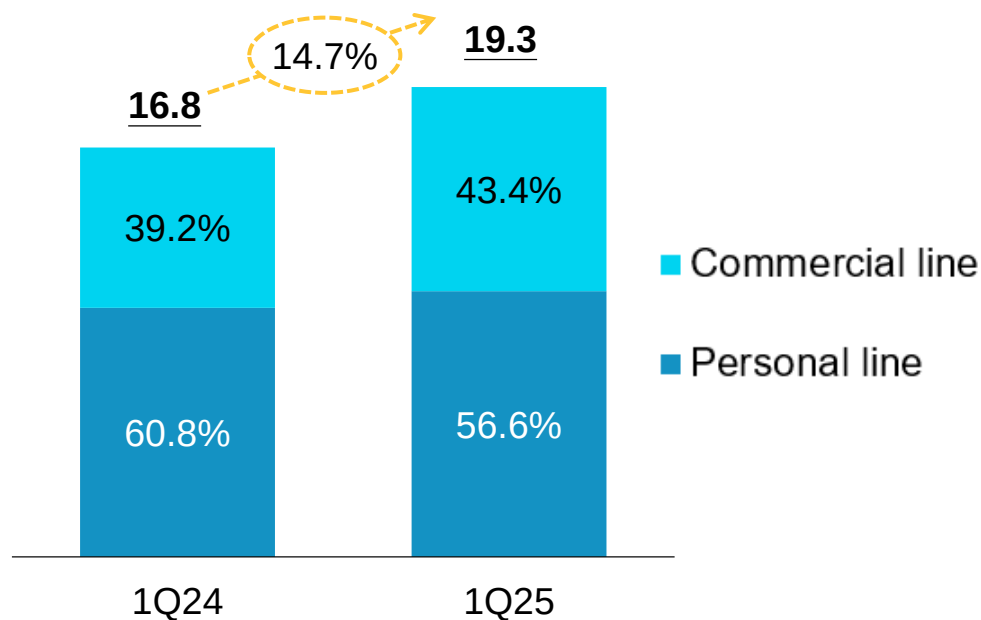


Fubon Insurance: Operational snapshot

- Direct written premiums rose 14.7%. Market share reached 25.4%, remaining the market leader
- Net combined ratio was 82.9%, improving YoY, reflecting the improvement in business structure and risk management

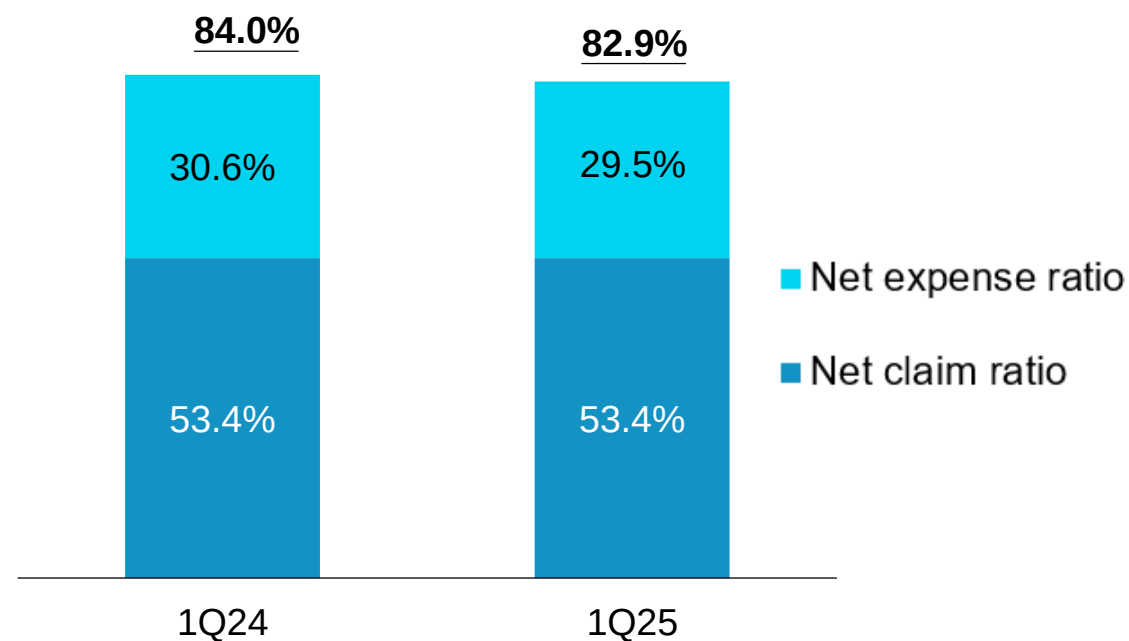
Direct written premiums by product

NT\$bn



Note: Standalone basis

Net combined ratio



Note: Including compulsory auto liability insurance



Performance review by subsidiary

Overseas banking operations

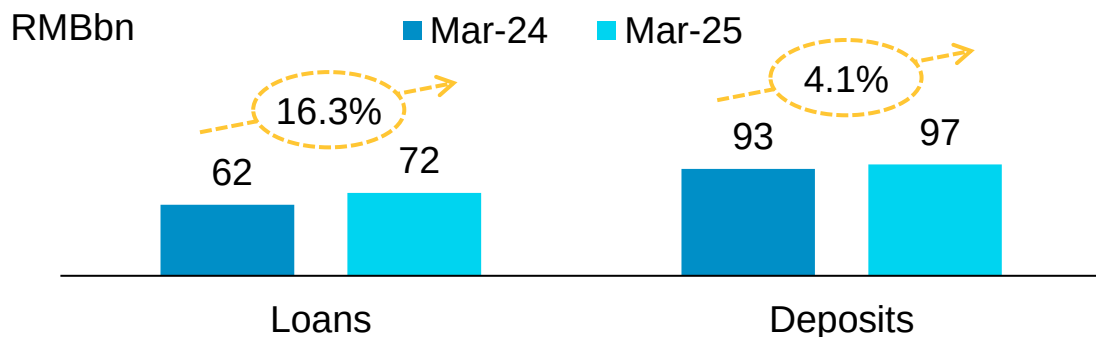




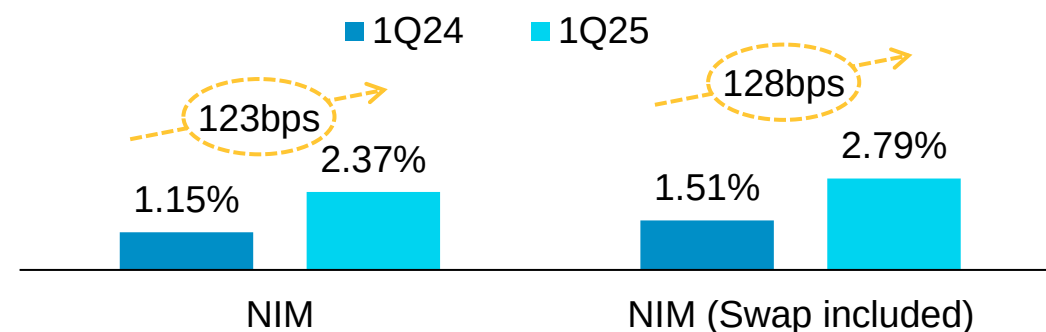
Fubon Bank (China): Financial highlights

- Loan balances up 16.3% YoY, mainly driven by retail loan growth
- 1Q25 NIM up 123bps YoY, reflecting RMB & USD rate cuts and improvement in loans & deposit structure
- Net profit increased significantly, reflecting increase in NII and bond capital gains. Asset quality remained stable

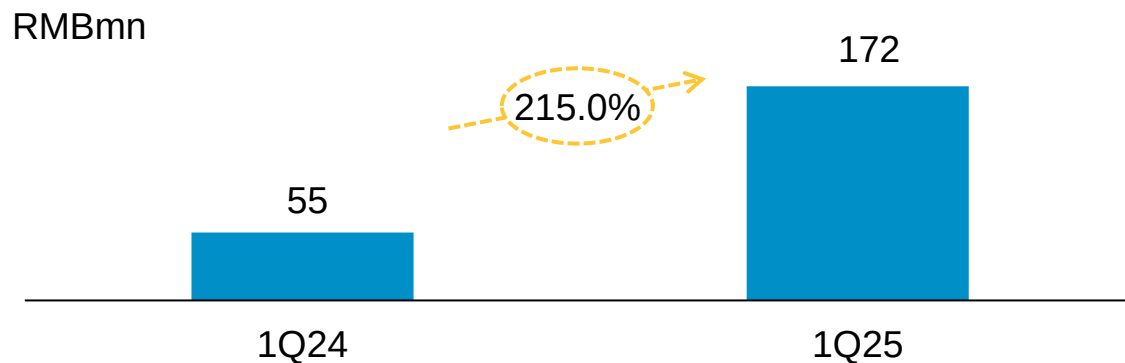
Loan & deposits



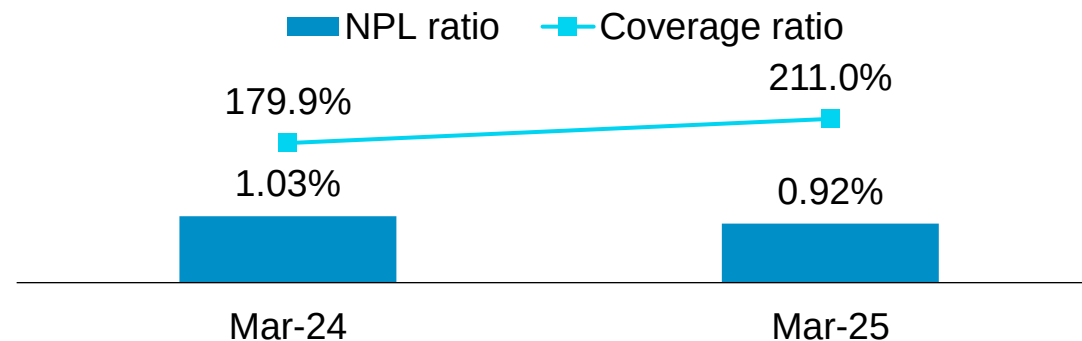
NIM



Net profit



NPL ratio and coverage ratio





2024 Embedded value

Fubon Life





2024 Value creation summary

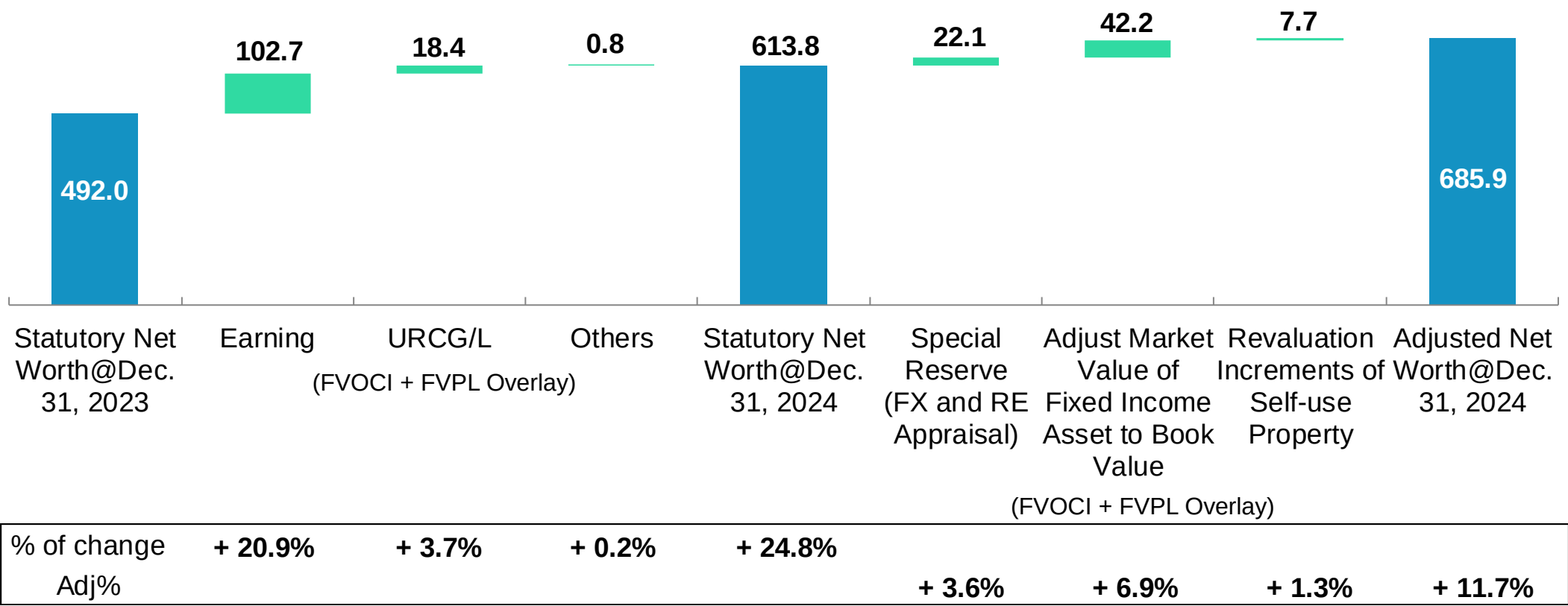
Unit : NTD billion

	Items	2023	2024	YoY	Diff	Impact
Inforce Value Creation	Net Worth (Book Value)	492.0	613.8	24.8%	121.8	↑
	Adjusted Net Worth	535.8	685.9	28.0%	150.1	↑
	VIF (before CoC)	582.3	588.7	1.1%	6.4	↑
	Cost of Capital (CoC)	(187.1)	(200.1)	-6.9%	-12.9	↓
	VIF (after CoC)	395.2	388.7	-1.6%	-6.5	↓
	Embedded Value	931.0	1,074.6	15.4%	143.5	↑
New Sales Value Creation	FYP	94.5	110.1	16.5%	15.6	↑
	FYPE	39.9	50.2	25.8%	10.3	↑
	FYPE/FYP	42.3%	45.6%	7.9%	3.4%	↑
	VNB	20.0	25.7	28.7%	5.7	↑
	VNB margin (VNB/FYP)	21.2%	23.4%	10.4%	2.2%	↑
Appraisal Value (20 year NB)	Multiplier	10.0	10.0	-	-	
	Appraisal Value	1,129.8	1,330.5	17.8%	200.6	↑
Value per FHC share	Outstanding shares (FHC)	13.0	13.7	5.0%	0.7	↑
	Embedded Value	71.5	78.6	9.9%	7.1	↑
	Appraisal Value	86.8	97.4	12.2%	10.5	↑



Movement analysis: Adjusted net worth

Unit: NTD billion

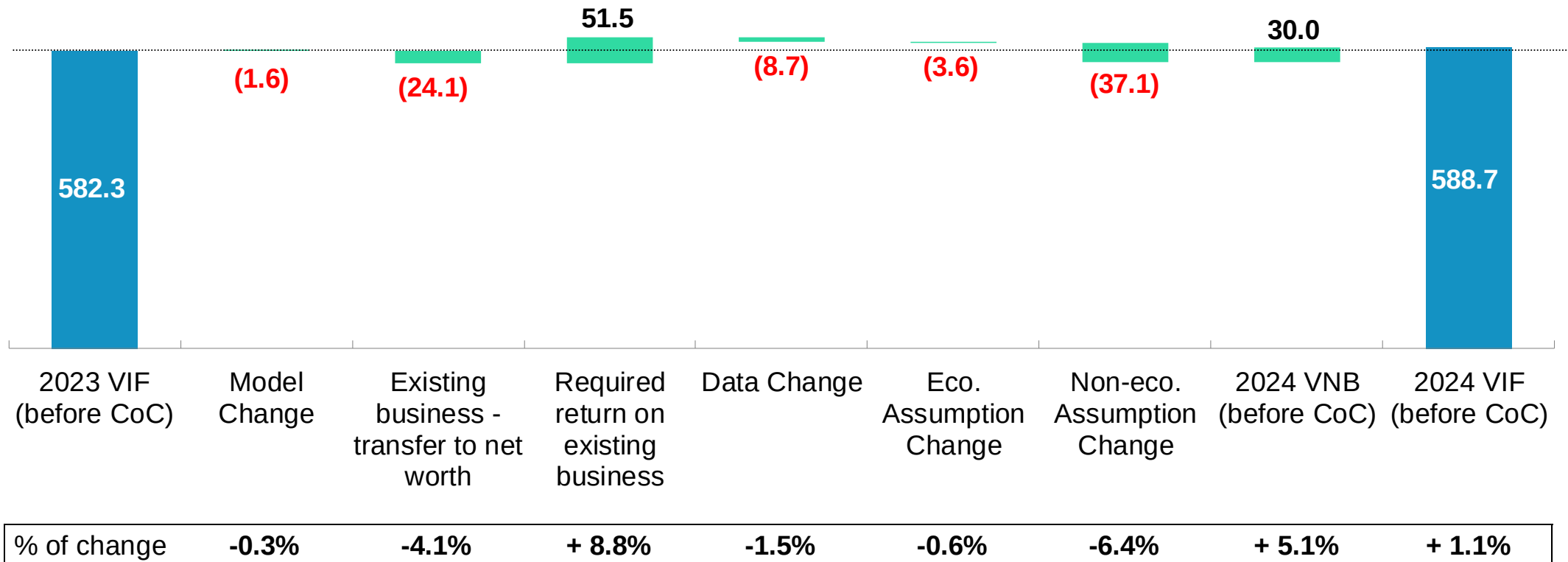


Note: Special reserve includes FX reserve of NT\$21.48bn and real estate (RE) appraisal reserve of NT\$0.65bn



Movement analysis: Value of in-force (before CoC)

Unit: NTD billion



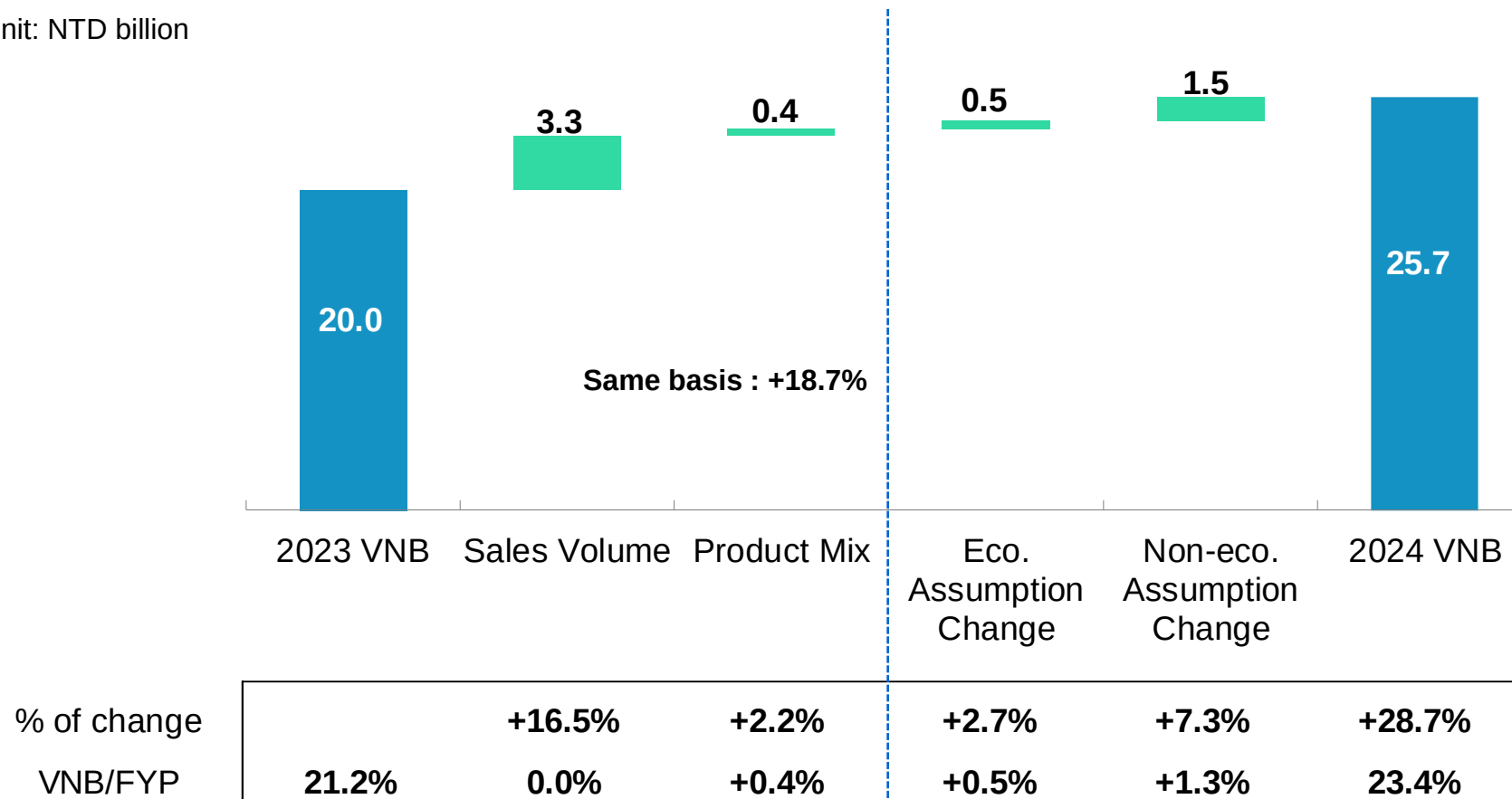
Note:

1. Economic assumption change includes changes of investment return (-2.0%) and foreign exchange rate (+1.4%).
2. The equivalent return of EV2023 reporting for VIF increased from 4.51% to 4.59% to reflect rolling over effect.
3. The equivalent return of EV2024 reporting for VIF is 4.55%.
4. 2024 VNB (after CoC) is 25.7bn.



Movement analysis: Value of new business

Unit: NTD billion



Note:

1. The equivalent return of EV2023 reporting for VNB increased from 4.75% to 4.87% with consideration of rolling over effect and reflecting product sales in 2024.
2. The equivalent return of EV2024 reporting for VNB is 4.94%.



Economic assumption

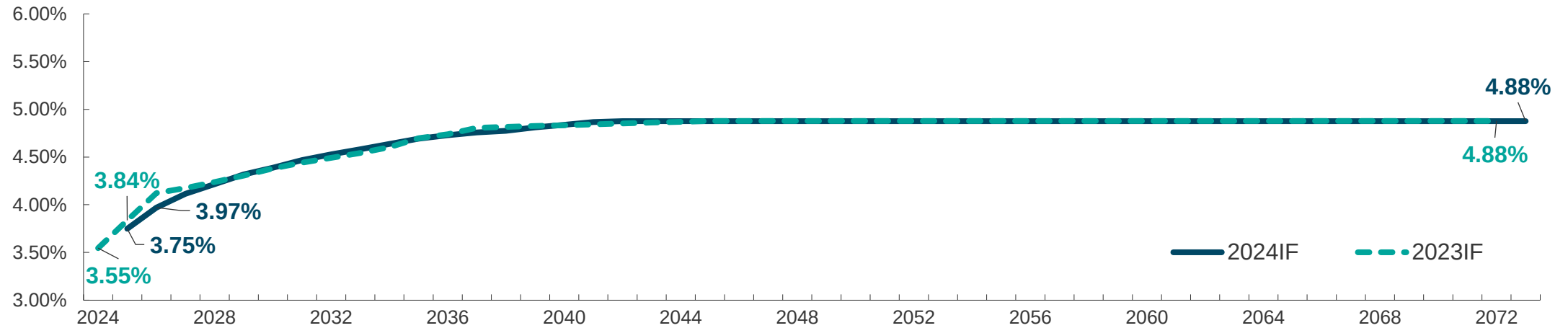
	Year 2023	Year 2024
Investment return	<u>VIF</u> NTD Traditional Policies : Year 2024 to Year 2045 at 3.55%~4.88%(2046+) USD Policies : Year 2024 to Year 2034 at 4.00%~5.32%(2035+) <u>VNB</u> NTD Traditional Policies : Year 2023 to Year 2042 at 3.65%~4.84%(2043+) USD Policies : Year 2023 to Year 2038 at 4.07%~5.30%(2039+)	<u>VIF</u> NTD Traditional Policies : Year 2025 to Year 2042 at 3.75%~4.88%(2043+) USD Policies : Year 2025 to Year 2033 at 4.06%~5.32%(2034+) <u>VNB</u> NTD Traditional Policies : Year 2024 to Year 2031 at 3.36%~4.84%(2032+) USD Policies : From Year 2024 at 5.30%(2025+)
Risk Discount Rate	9% for VIF; 9% for VNB	9% for VIF; 9% for VNB
Equivalent Return	VIF: 4.51% VNB: 4.75%	VIF: 4.55% VNB: 4.94%
YC (10 year) Initial / ultimate	TWD: 1.29% / 3.25% USD : 3.84% / 5.00%	TWD: 1.61% / 3.25% USD : 4.55% / 5.00%

Note: The FX reserve mechanism stipulated from 2012, its respective cost is reflected in the derivation of portfolio return.

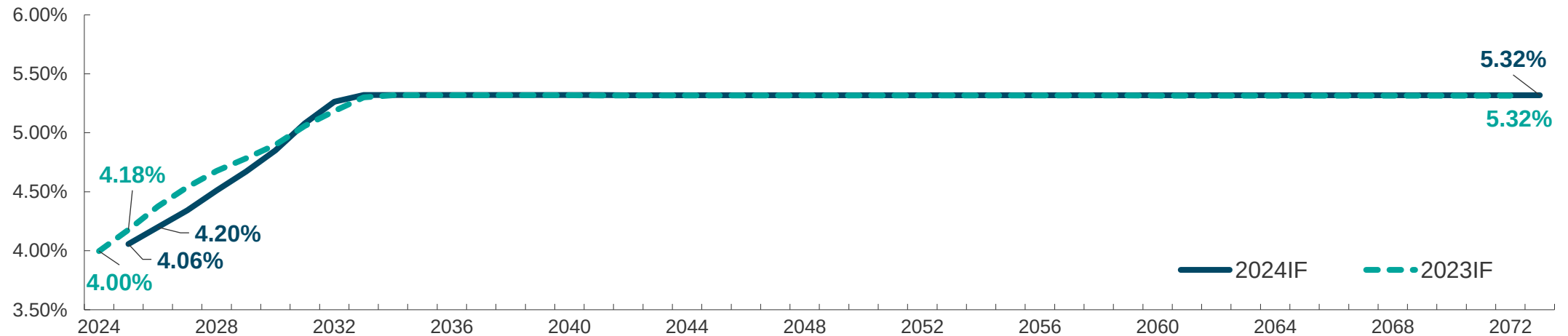


Economic assumption: VIF portfolio return

In-force Portfolio Return_NTD Traditional



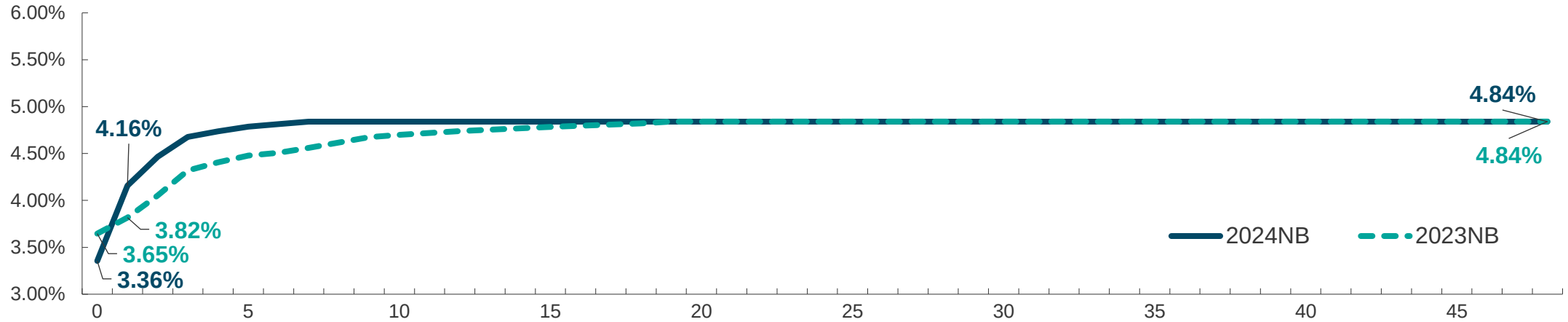
In-force Portfolio Return_USD



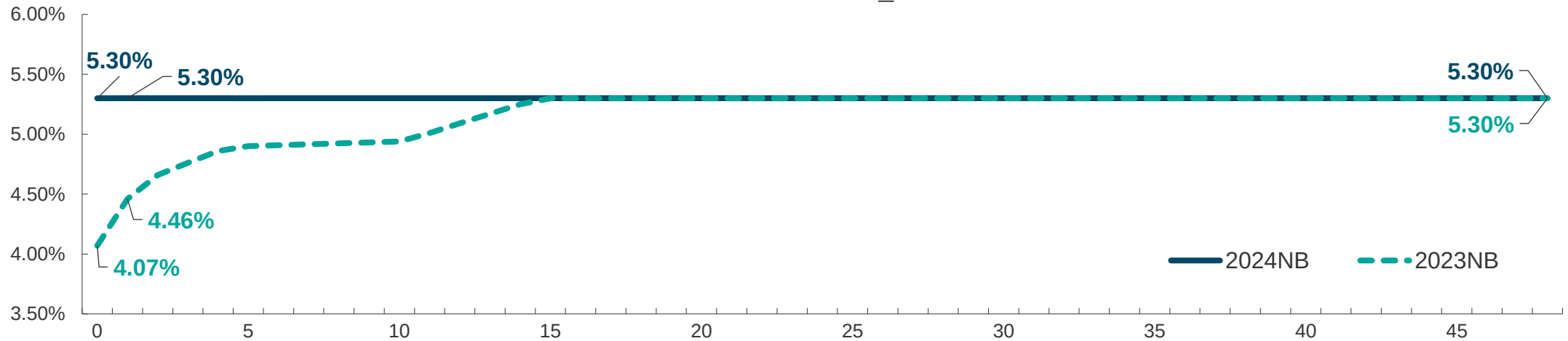


Economic assumption: VNB portfolio return

NB Portfolio Return_NTD Traditional



NB Portfolio Return_USD





Economic assumption: Discount rate

	2023/12/31	2024/12/31
Risk Free Rate	1.29%~3.25%	1.61%~3.25%
Equity plus Country Risk Premium	6.11%	5.95%
Beta	0.98	0.93
Calculated RDR	7.3%~9.2%	7.1%~8.8%
Equivalent RDR	VIF: 8.60% VNB: 8.50%	VIF: 8.26% VNB: 8.20%
RDR used in the valuation	VIF: 9.0% VNB: 9.0%	VIF: 9.0% VNB: 9.0%

- RDR: According to CAPM (Capital Asset Pricing Model)
$$\text{RDR} = \text{Risk Free Rate} + \text{Beta} \times \text{Equity and Country Premium}$$
- Since the Equivalent RDR for 2024 VIF/VNB are both below 9%, we have set the RDR at 9%.



Cost of capital

Cost of Capital projection

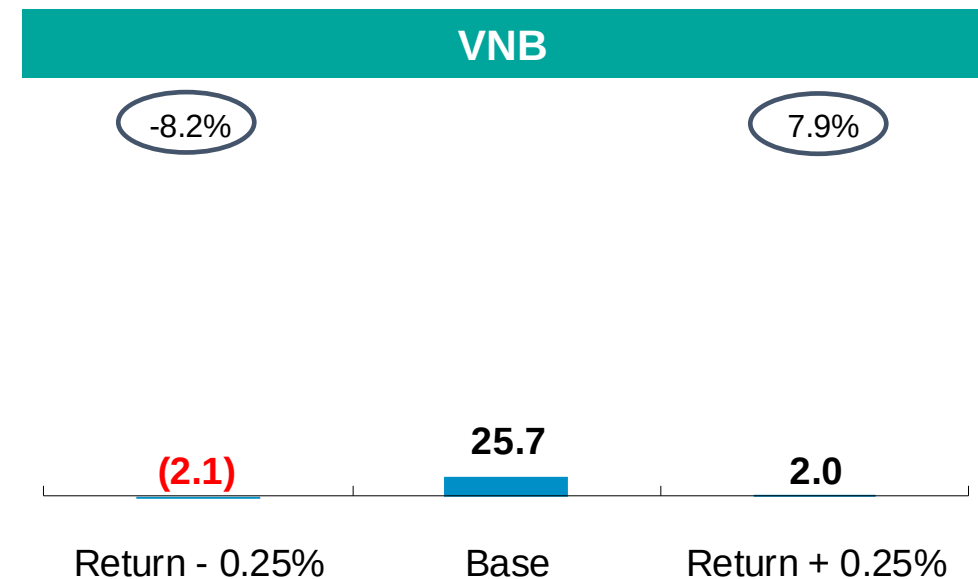
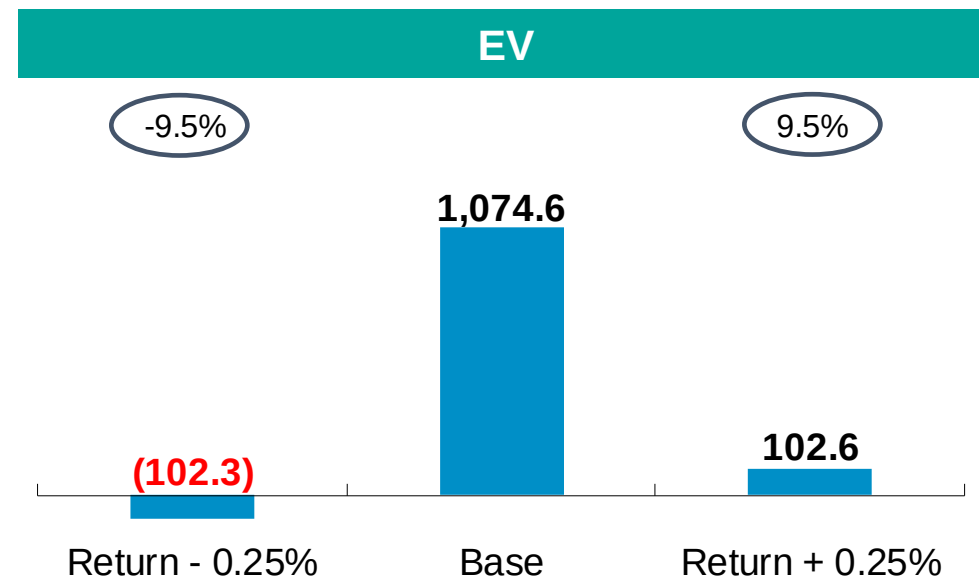
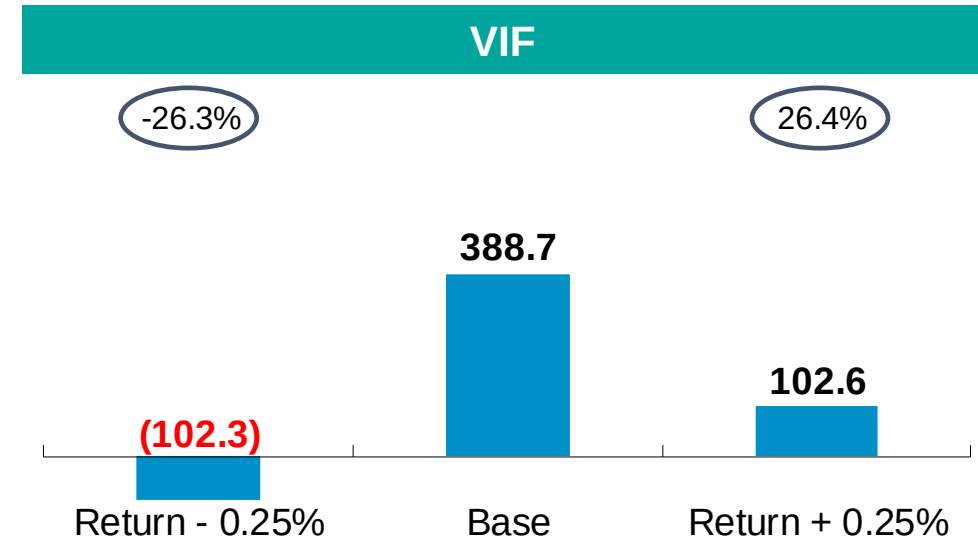
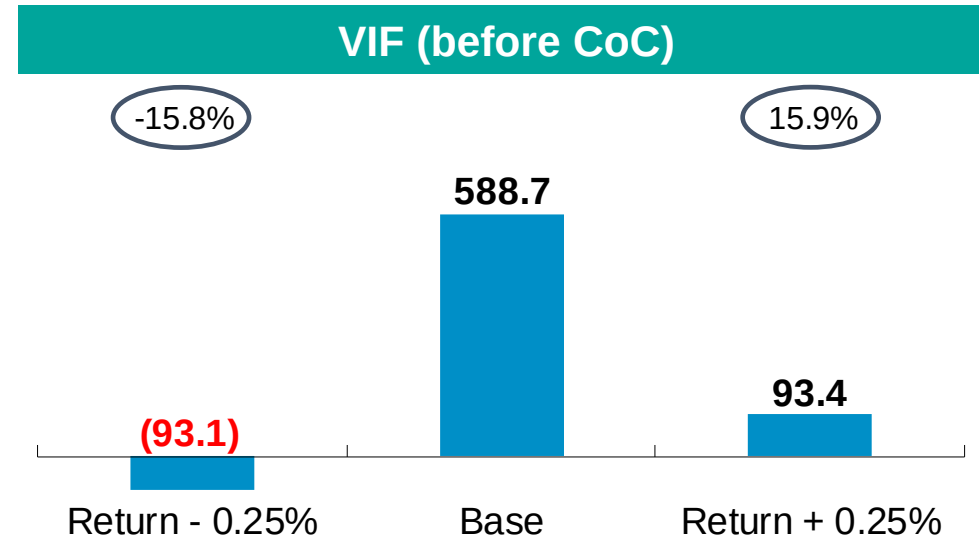
- **Projected future cost of capital is based on future capital requirement to maintain regulatory minimum RBC level of 200% considering the following factors:**
 - 1) Add regulatory required multiple of maximum C3 risk capital of previous five year for all traditional products every year (excludes investment-linked products) ;
 - 2) Reflect current and future business operation status.

- **Risk-based capital (RBC) regulation changes & adjustments in 2024:**
 - 1) Catastrophe risk (C5) has been added.
 - 2) Starting from June 2024, the risk factor for Russian government bond increases to 14%.
 - 3) The risk factor applicable to public investment (100%) is changed to 1.28%.



Sensitivity summary : Portfolio return

Unit: NTD billion

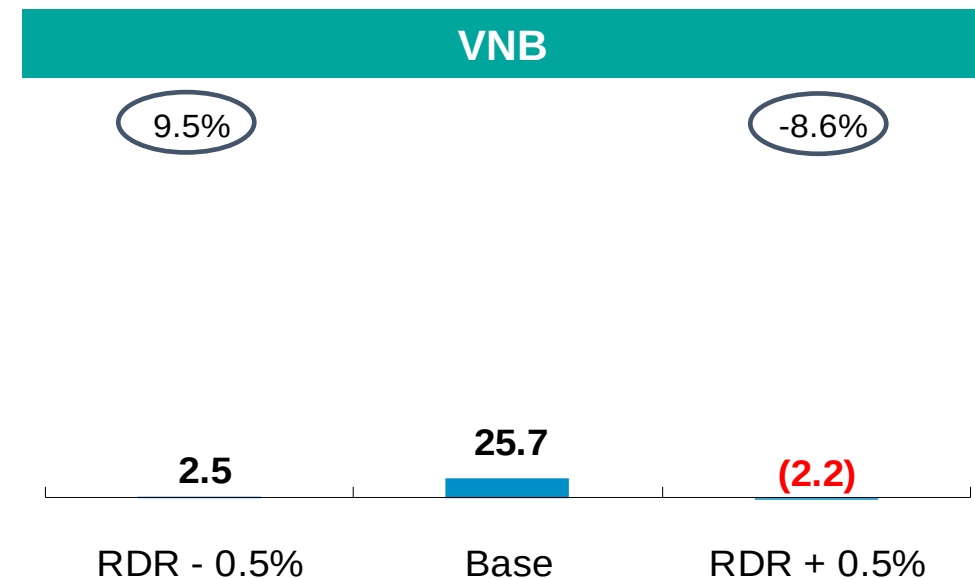
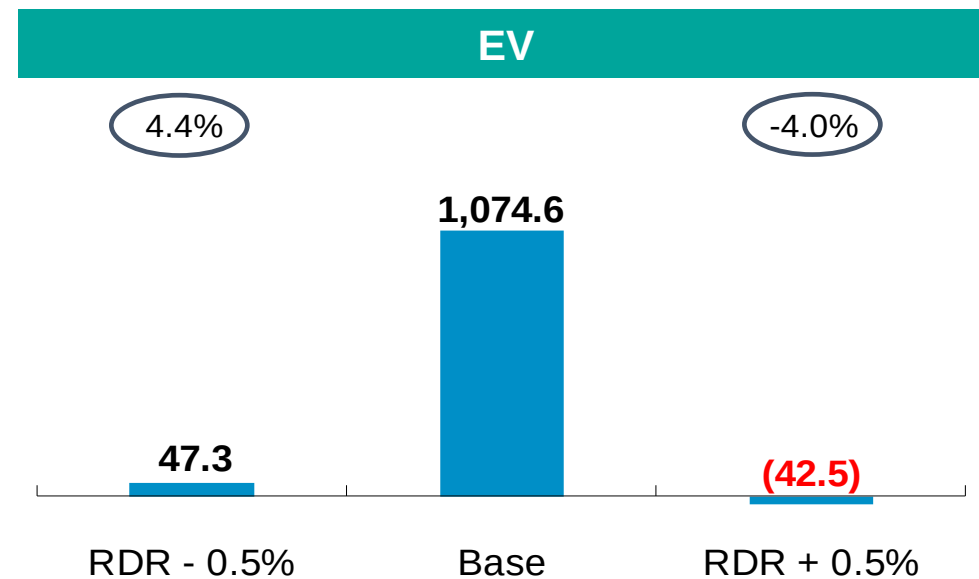
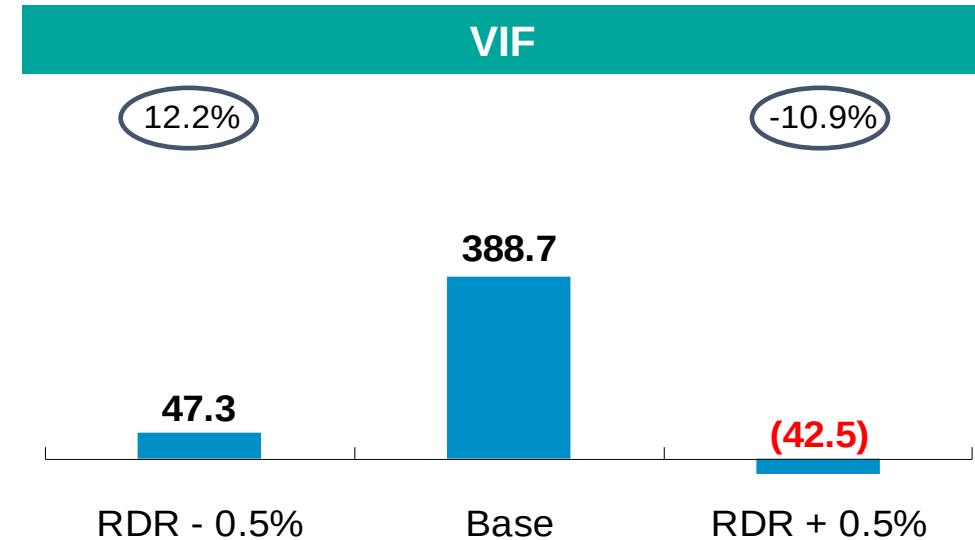
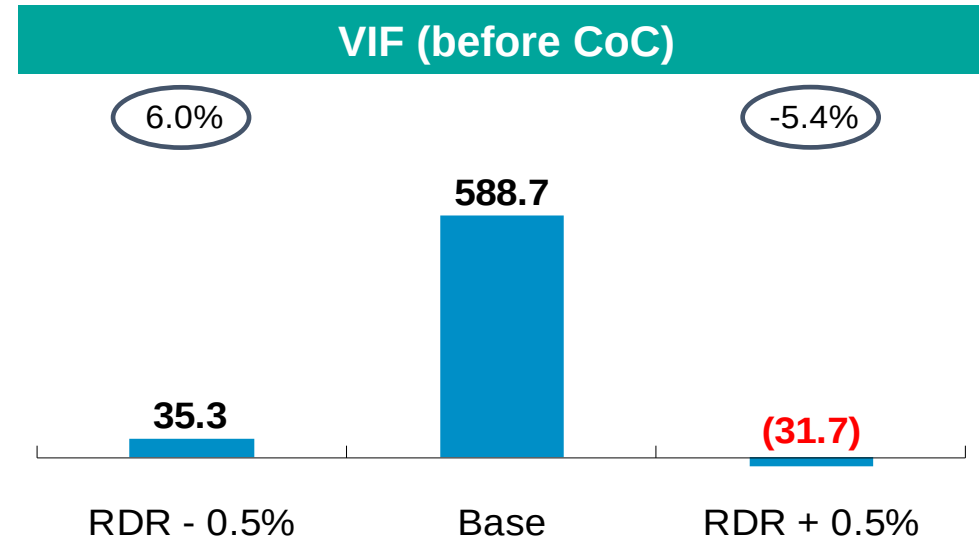


Note: ANW will not be affected by portfolio return.



Sensitivity summary : Risk discount rate

Unit: NTD billion



Note: ANW will not be affected by RDR.



Independent review by Deloitte Consulting

Deloitte Consulting

The Engagement

- Deloitte & Touche Consulting Co. (“Deloitte Consulting”) was retained by Fubon Life to perform an independent review of the Embedded Value (EV) as at 31 December 2024 and the Value of New Business (VNB) written over the period of 1 January 2024 to 31 December 2024.

Scope of Deloitte Consulting’s Involvement

- Review and opine on the reasonableness of the EV and VNB as calculated by the Company;
- Review of the reasonableness of the assumptions used in the calculations, taking into consideration both the Company’s recent experience and the experience of the Taiwanese life insurance market;
- Review, at a high-level, model changes to the actuarial projection model since the previous valuation date;
- Review of the Company’s projection approach of the Cost of Capital;
- Review of the data put through the model compared to the policy data on the Company’s policy administration systems to judge the extent to which the business has been valued in the financial model and to identify the portion (if any) omitted and how that was valued;
- Review of the approach used to determine the Adjusted Net Worth (“ANW”), in particular, the adjustments made in deriving the ANW, and any other adjustments made outside of the actuarial projection model;
- Review of the Company’s analysis of change in the Value of In-Force Business (“VIF”) between 31 December 2023 and 31 December 2024.



Risk adjusted discount rates

Deloitte Consulting

- Fubon Life calculated the EV and VNB at Risk Adjusted Discount Rates (“RDR”) of 9.0%.

	RFR based on current government bond yield	RFR based on Company's long-term view	Equivalent RFR for New Business	Equivalent RFR for In-Force Business
Risk Free Rate (“RFR”)	1.61%	3.25%	2.67%	2.72%
Equity and Country Risk Premium	5.95%	5.95%	5.95%	5.95%
Beta	0.93	0.93	0.93	0.93
Calculated Risk Discount Rate	7.15%	8.78%	8.20%	8.26%
Risk Discount Rate used in the Valuation for VIF	9.00%			
Risk Discount Rate used in the Valuation for VNB	9.00%			

Reference – RDR based on Capital Asset Pricing Model (CAPM):

$$RDR = RFR + Beta * Equity\ and\ Country\ Risk\ Premium$$



Comments on the risk adjusted discount rates

Deloitte Consulting

Deloitte Consulting independently derived a range of RDRs using the CAPM approach:

- The low end of the RDR is developed based on the current yield on 10-year Taiwan government bonds.
- The high end of the RDR is developed based on the Company's view of the 10-year Taiwan government bonds in the future.
- The equivalent RFR is the RFR equivalent to using a set of graded-up RFR from 1.61% to 3.25% that derives the same VIF and VNB.
- The Equity and Country Risk Premium was developed based on the Country Default Spreads and Risk Premiums research published by New York University.
- The Beta of 0.93 was set using a risk profiling approach which considers risks related to the product range, distribution diversification/vulnerability, regulatory intervention and investments.
- The RDR assumption applied by Fubon Life in the valuation lies within the range of RDR that we derived.



Comments on investment return (1)

Deloitte Consulting

A set of rising investment return assumption has been used in this valuation which is considered reasonable for the present market conditions.

Fubon Life's derivation of the investment return assumption is featured by the following:

- Derivation methodology is consistent with that applied in previous valuations.
- The methodology involves:
 - For VIF, the investment return assumption was derived from a combination of the investment return generated by the run-off of the existing asset portfolio and of that from future purchases of new assets;
 - For VNB, the new business is not supported by returns on existing assets and the investment return was derived from future purchases of new assets.
- New assets are purchased at the prevailing new money rates, which are set to equal to the expected future risk free rates plus a risk margin for each asset type.
- Future risk free rates are set starting off with the actual yield curves as at the valuation date and are assumed to rise to a long-term level over a 10-year period. For New Taiwan Dollar and US Dollar respectively, the initial risk free rates are 1.61% and 4.55% and a long-term risk free rate of 3.25% and 5.00% is assumed.
- Different assumptions were derived for different types of business, which were assumed to have a different long-term asset allocation.
- For some business lines, the investment return assumption derived in the above-mentioned manner was capped at a certain level for conservative reasons.



Comments on investment return (2)

Deloitte Consulting

It is in Deloitte Consulting's view that:

Methodology

- Fubon Life's derivation methodology for the investment return assumption is reasonable and consistent with the way that the ANW is calculated.

Investment Return Assumptions

- The expected long-term risk free rate for New Taiwan Dollar yield and US Dollar yield are set to 3.25% and 5.00% respectively.
- We note that taking a view on the future capital market is not uncommon under the traditional Embedded Value methodology. On a macro-economic level the arguments put forward for rising interest rates are plausible, and we note that the expected future rise in yields is spread out over a reasonably long period of 10 years.
- Readers should be aware that capital market conditions are subject to the impact of many forces. Yields and prices of financial instruments can move dramatically in a short period of time. As a result, it is difficult to predict the interest rate level in the future with great certainty. Readers should refer to the sensitivity tests to develop a broader understanding of the impact of the investment return assumption on the assessment of the economic value of Fubon Life.
- Overall, the economic assumptions appear to be reasonable.



Comments on cost of capital

Deloitte Consulting

Taiwan RBC

- Readers should be aware that the C3 risk calculation is subject to yearly regulatory change and therefore there is a high degree of uncertainty in the projection of cost of capital.



Comments on non-economic assumptions

Deloitte Consulting

Non-Economic Assumptions

- The non-economic assumptions reflect Fubon Life's best estimate of future operating experience, and are appropriately supported by the company's historical operating experience.



Comments on EV and VNB results

Deloitte Consulting

Deloitte Consulting have reviewed the Embedded Value and Value of New Business results at a high-level under the generally accepted method for calculating traditional embedded values in Taiwan:

- Review of the changes in the VIF relative to the assumption changes and model changes from 2023 to 2024;
- Review of the changes in the new business profit margin relative to that in 2023 based on information on changes in sales mix, sales volume and valuation assumptions;
- Review of the sensitivities relative to the base case results.

The Embedded Value and Value of New Business results appear to be reasonable within the above context.

Deloitte Consulting's detailed opinion can be found in their opinion letter.



Fubon Financial

IR Contact



TWSE
Common Stocks:
2881.TT

LUXSE
GDRs-RegS:
FFHCR LX

LUXSE
GDRs-144A:
FUISY US





ESG strategy: Goals and results



Decarbonization

Helping clients
through sustainable finance



Digitalization

Providing the best
financial services

Indicators		1Q25 results	2025 goals	2030 goals
● Green finance		NT\$2504.8bn	NT\$2,596.6bn	NT\$2,910.8bn
● Participation in green bond underwriting cases		71%	34%	45%
● Climate-related products and services		NT\$3.34bn	NT\$7.0bn	NT\$7.4bn
● Number of loss prevention services		217	680	750
● Operational carbon reduction (baseline year: 2020)		Will disclose in 1H25	-21%	-42%

Indicators		1Q25 results	2025 goals	2030 goals
Customer satisfaction		88% ¹	90%	90%
Life	● Growth in applications for e-notifications (YoY)	2.1%	8%	4%
	● Share of all policies that are e-policies and e-terms and conditions policies	71.4%	25%	30%
Bank	● Growth in active digital platform accounts (YoY)	7%	5%	5%
	● Share of credit cards / personal loans / account openings processed online	88.9%	90%	90%
	● Growth of mobile banking monthly active user (YoY)	7%	10%	10%
Insurance	● E-policies and electronic compulsory auto liability insurance certificates issued	80.8%	73%	77%
Securities	● Share of all active accounts using digital trading system	89.4%	87%	90%

*Note : 2024 results. 2025 customer satisfaction survey will be conducted in 2026



ESG strategy: Goals and results



Empowerment

Fostering a friendly,
healthy workplace



Connection

Connecting society's
positive forces

Indicators		1Q25 results	2025 goals	2030 goals
● Taiwan High Compensation 100 Index		Not announced yet	Selected	Selected
● Employee engagement survey	Score	68	>77	>77
	Participation rate	94%	>80%	>80%
● Employees participated in wellness and health-related activities	Total no. of times	>35k	>110k	>120k
	Average no. of times each employee participated	1.9	>7.2	>7.2
● Diversity and Inclusion	% of female employees	62%	≥50%	≥50%
	% of female managers	56.7%	≥45%	≥45%
Indicators		1Q25 results	2025 goals	2030 goals
● Education promotion*		244,862	947,633	3,084,100
● Health promotion *		159,137	417,785	898,384
● Care for the disadvantaged *		14,607	182,614	198,579
● Employee volunteerism (No. of hours)		2,910	25,000	27,500
● Financial Inclusion	Number of financial inclusion products or services in Fubon Insurance	One piece	One piece a year	≥ 7 pieces
	Number of customers from Fubon Securities using the monthly contribution service in Taiwan listed stocks	145,051	200,000	181,000
	Financial education promotion*	598	800	1,000
	Anti-fraud forum, lectures, DM and videos*	1,414,398	501,550	503,800
	Micro insurance cases *	4,385	33,000	85,000

*Note: Number of times employees participate

Fubon Financial - Financial summary

NT\$ millions, except for percentages	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YoY
Income Statement Data								
Net interest income	48,292	47,295	45,400	45,163	43,887	181,745	169,017	7.5%
Insurance income	12,064	7,655	(15,897)	(18,312)	2,239	(24,314)	(60,512)	N.M.
Net gains (losses) on FX and financial assets	49,575	47,230	41,782	54,242	49,140	192,394	60,626	217.3%
Others	(957)	1,274	(1,291)	3,716	(6,061)	(2,361)	(1,332)	N.M.
Net revenue	108,974	103,454	69,995	84,809	89,205	347,463	167,799	107.1%
Bad debt expense and reserve for guarantee	(2,548)	(4,110)	(3,510)	(2,315)	(2,992)	(12,927)	(9,983)	29.5%
Net change in insurance reserve	(32,545)	(36,421)	3,692	(5,409)	(30,245)	(68,383)	(921)	N.M.
Operating expense	(22,294)	(27,294)	(23,060)	(22,523)	(20,969)	(93,846)	(82,451)	13.8%
Income before tax	51,588	35,629	47,118	54,562	34,999	172,308	74,444	131.5%
Net income	41,102	29,482	40,119	50,824	30,436	150,861	65,042	131.9%
Net income to parent company	41,058	29,511	39,995	50,907	30,408	150,820	66,017	128.5%
Balance Sheet Data								
Total assets	12,125,080	12,067,311	11,815,240	11,774,231	11,526,386	12,067,311	11,106,312	8.7%
Equity attributable to parent company	914,177	951,126	940,975	937,583	896,450	951,126	802,437	18.5%
Outstanding common shares (million shares)	13,666	13,666	13,666	13,015	13,015	13,666	13,015	
Key Metrics								
ROA	1.36%	1.02%	1.40%	1.78%	1.08%	1.30%	0.60%	
ROE	17.61%	13.46%	18.35%	23.41%	14.32%	17.20%	9.65%	
Equity / assets	7.66%	8.00%	8.10%	8.09%	7.90%	8.00%	7.35%	
Double leverage	116.24%	115.32%	115.09%	115.09%	115.53%	115.32%	117.29%	
Capital adequacy ratio	155.36%	141.05%	140.21%	130.59%	129.97%	141.05%	128.91%	
Cash dividend per share						4.25	2.50	
Stock dividend per share						0.25	0.50	

Note: Data are consolidated basis and data mark with * are stand-alone basis

Fubon Life - Financial summary

NT\$ millions, except for percentages	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YoY
Income statement data								
First year premium*	35,018	25,830	28,644	27,329	28,277	110,080	94,453	16.5%
Retained earned premium	91,948	93,142	80,168	77,093	88,977	339,381	329,215	3.1%
Total investment income	69,739	68,120	70,275	78,012	58,085	274,492	187,196	46.6%
Recurring investment income	43,047	43,278	48,282	43,601	41,267	176,428	174,382	1.2%
Other investment income	26,692	24,842	21,993	34,412	16,818	98,064	12,814	665.3%
Realized gains (losses) from fixed income	(498)	(1,366)	667	101	154	(444)	(2,045)	N.M.
Realized gains (losses) from equity	36,289	35,782	42,279	43,786	32,819	154,666	46,100	235.5%
FX and others	(8,003)	(8,821)	(19,594)	(10,265)	(8,642)	(47,321)	(27,803)	N.M.
Investment property fair value movement	(1,095)	(754)	(1,359)	791	(7,514)	(8,837)	(3,437)	N.M.
Other income	1,417	1,417	1,123	1,292	1,513	5,345	4,594	16.3%
Total operating revenue	163,104	162,679	151,566	156,398	148,575	619,218	521,005	18.9%
Retained claim payment	(86,077)	(90,205)	(101,158)	(100,335)	(92,271)	(383,970)	(390,947)	-1.8%
Net commission expense	(10,416)	(7,773)	(8,223)	(7,942)	(8,752)	(32,689)	(24,143)	35.4%
Net change in insurance liability	(27,181)	(29,587)	(3,112)	(2,085)	(20,716)	(55,500)	(39,021)	42.2%
General and administrative expense	(5,184)	(7,351)	(5,577)	(6,005)	(5,397)	(24,330)	(21,137)	15.1%
Other operating costs	(2,546)	(1,846)	(3,201)	(1,970)	(1,645)	(8,661)	(10,925)	-20.7%
Total operating costs and expenses	(131,403)	(136,761)	(121,270)	(118,337)	(128,781)	(505,150)	(486,173)	3.9%
Net non-operating income / (expenses)	245	515	281	369	335	1,500	1,005	49.2%
Income before tax	31,945	26,434	30,577	38,430	20,129	115,568	35,837	222.5%
Net income	27,145	24,706	26,029	34,020	17,485	102,239	34,964	192.4%
Net income to parent company	27,316	24,736	26,356	34,103	17,463	102,658	36,091	184.4%
Balance sheet data								
Total assets	6,135,219	6,203,993	6,066,387	6,124,859	5,978,420	6,203,993	5,812,094	6.7%
Total assets (general account)	5,660,929	5,713,823	5,567,802	5,637,621	5,501,193	5,713,823	5,341,015	7.0%
Insurance liabilities	4,755,780	4,708,510	4,659,531	4,679,244	4,661,550	4,708,510	4,595,802	2.5%
Total liabilities	5,564,475	5,583,779	5,448,182	5,497,719	5,407,574	5,583,779	5,313,881	5.1%
Total liabilities (general account)	5,073,316	5,075,587	4,933,802	4,990,867	4,910,156	5,075,587	4,824,783	5.2%
Equity attributable to parent company	564,396	613,848	610,868	620,247	564,918	613,848	492,038	24.8%
Key Metrics								
ROA	1.76%	1.61%	1.71%	2.25%	1.19%	1.70%	0.61%	
ROE*	18.55%	16.16%	17.13%	23.02%	13.22%	18.57%	9.46%	
Equity / Assets (general account)	10.08%	10.85%	11.10%	11.12%	10.38%	10.85%	9.33%	
Expense ratio	5.64%	7.89%	6.96%	7.79%	6.07%	7.17%	6.42%	
Persistency ratio - 13th month*	97.18%	97.11%	97.01%	96.79%	96.95%	97.11%	96.03%	
Persistency ratio - 25th month*	95.35%	95.47%	95.71%	95.67%	95.79%	95.47%	93.10%	
RBC*	428%	388%	382%	371%	334%	388%	336%	

Note: Data are consolidated basis and data mark with * are stand-alone basis

Taipei Fubon Bank - Financial summary

NT\$ millions, except for percentages

	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YOY
Income statement data								
Interest income	35,609	36,473	36,367	34,974	33,098	140,913	121,080	16.4%
Interest expense	(21,995)	(23,158)	(23,770)	(23,575)	(22,263)	(92,766)	(78,762)	17.8%
Net interest income	13,614	13,315	12,597	11,399	10,836	48,147	42,318	13.8%
Net fee income	5,778	2,522	4,202	4,081	5,168	15,974	13,351	19.6%
Other income	5,518	3,934	6,253	5,198	4,534	19,920	16,243	22.6%
Total net revenue	24,910	19,772	23,053	20,678	20,538	84,040	71,912	16.9%
Operating expenses	(10,480)	(11,514)	(10,273)	(10,067)	(9,661)	(41,515)	(37,992)	9.3%
Pre-provision profits	14,430	8,258	12,779	10,611	10,877	42,525	33,920	25.4%
Provision for credit losses	(1,812)	(1,966)	(2,135)	(1,020)	(1,388)	(6,508)	(6,049)	7.6%
Income before tax	12,618	6,292	10,645	9,591	9,490	36,017	27,871	29.2%
Net income	10,400	5,399	9,324	8,307	8,225	31,255	24,448	27.8%
Net income to parent company	10,112	5,303	8,857	8,084	8,164	30,407	24,473	24.2%
Balance sheet data								
Loans and discounts, net	2,589,726	2,540,894	2,481,272	2,413,948	2,373,444	2,540,894	2,264,295	12.2%
Deposits and remittances	3,974,161	3,940,610	3,811,174	3,695,268	3,623,054	3,940,610	3,511,264	12.2%
Allowance for loan losses*	30,075	29,881	29,121	28,438	27,740	29,881	26,687	12.0%
Total assets	4,838,669	4,798,727	4,677,343	4,601,639	4,555,473	4,798,727	4,401,733	9.0%
Equity attributable to parent company	308,172	298,249	292,338	284,073	298,889	298,249	286,708	4.0%
Key metrics								
ROA	0.86%	0.46%	0.80%	0.73%	0.73%	0.68%	0.57%	
ROE*	13.34%	7.18%	12.29%	11.09%	11.15%	10.40%	8.92%	
Equity / assets	6.97%	6.81%	6.85%	6.77%	7.16%	6.81%	7.11%	
Cost / income ratio	-42.07%	-58.23%	-44.56%	-48.69%	-47.04%	-49.40%	-52.83%	
NPL ratio*	0.13%	0.12%	0.11%	0.11%	0.11%	0.12%	0.12%	
Reserve / NPL*	1039.24%	1083.90%	1140.89%	1140.85%	1143.73%	1083.90%	1071.06%	
Tier 1 ratio*	14.53%	13.37%	13.49%	12.92%	13.94%	13.37%	14.17%	
BIS ratio*	16.62%	15.43%	15.58%	15.18%	16.19%	15.43%	16.41%	
Tier 1 ratio		12.04%		11.68%		12.04%	12.65%	
BIS ratio		14.15%		13.86%		14.15%	14.83%	

Note: Data are consolidated basis and data mark with * are stand-alone basis

Fubon Insurance - Financial summary

NT\$ millions, except for percentages	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YoY
Income statement data								
Direct written premiums	20,258	14,755	17,398	18,129	17,526	67,808	61,034	11.1%
Retention of earned premiums	12,311	11,682	11,445	11,200	11,563	45,891	44,292	3.6%
Net income from investment	1,412	483	359	764	690	2,296	1,516	51.4%
Other operating revenue	862	556	598	764	727	2,645	2,672	-1.0%
Retained insurance payments	(5,735)	(6,234)	(5,992)	(5,903)	(5,610)	(23,739)	(41,226)	-42.4%
Net change in liability reserve	(809)	(235)	23	(509)	(508)	(1,229)	9,540	N.M.
Commission and operating expenses	(5,434)	(6,755)	(5,148)	(4,969)	(5,157)	(22,029)	(19,579)	12.5%
Non-operating income	(84)	(85)	(82)	(72)	(80)	(319)	(133)	N.M.
Income before tax	2,523	(588)	1,203	1,276	1,626	3,517	(2,917)	N.M.
Net income	2,041	(428)	990	1,089	1,363	3,014	(2,327)	N.M.
Net income to parent company	1,624	(417)	993	1,094	1,348	3,017	(2,230)	N.M.
Balance sheet data								
Total assets	128,916	120,655	128,425	128,672	118,089	120,655	115,773	4.2%
Investment assets	50,884	48,311	42,583	40,813	40,357	48,311	40,378	19.6%
Policy reserve	83,506	77,415	78,874	78,922	69,094	77,415	66,360	16.7%
Equity attributable to parent company	21,919	21,794	22,293	21,529	20,281	21,794	18,804	15.9%
Key Metrics								
ROA	6.54%	-1.37%	3.08%	3.53%	4.66%	2.55%	-2.03%	
ROE*	29.72%	-7.57%	18.13%	20.92%	27.59%	14.86%	-19.15%	
Total investment return	11.38%	4.25%	3.44%	7.53%	6.83%	5.18%	3.75%	
Solvency margin (NWP/equity)	243.33%	210.37%	215.12%	215.16%	246.60%	218.11%	237.21%	
Retention ratio	63.78%	74.82%	66.52%	62.01%	67.46%	67.38%	69.84%	
RBC	350%	335%	345%	329%	303%	335%	278%	

Note: Data are consolidated basis and data mark with * are stand-alone basis

Fubon Securities - Financial summary

NT\$ millions, except for percentages	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YoY
Income statement data								
Brokerage commissions	2,635	2,897	3,390	3,538	3,004	12,829	9,527	34.7%
Net interest income	677	679	558	555	530	2,322	2,047	13.4%
Fee income	742	883	804	878	580	3,145	2,091	50.4%
Net principal transactions and financial products gains	732	839	1,619	827	929	4,214	2,995	40.7%
Other income	75	77	115	51	38	281	258	8.9%
Total operating revenue	4,861	5,374	6,486	5,850	5,081	22,791	16,918	34.7%
Total operating expense	(2,920)	(2,978)	(3,228)	(3,133)	(2,663)	(12,002)	(10,495)	14.4%
Net non-operating income / (expenses)	132	74	483	288	177	1,022	1,337	-23.6%
Income before tax	2,074	2,470	3,740	3,006	2,595	11,811	7,761	52.2%
Net income	1,665	1,897	3,149	2,629	2,344	10,019	7,054	42.0%
Net income to parent company	1,665	1,897	3,150	2,628	2,344	10,019	7,054	42.0%
Balance sheet data								
Margin loans	39,431	44,970	42,123	41,935	37,193	44,970	32,000	40.5%
Total assets	333,445	306,162	340,193	317,037	301,768	306,162	243,640	25.7%
Equity attributable to parent company	63,256	62,133	59,948	56,825	57,487	62,133	54,527	13.9%
Key Metrics								
ROA	2.08%	2.76%	3.83%	3.40%	3.44%	3.64%	3.24%	
ROE	10.62%	13.01%	21.58%	18.40%	16.74%	17.18%	15.87%	
Equity / assets	18.97%	20.29%	17.62%	17.92%	19.05%	20.29%	22.38%	
Expenses / revenues	-60.07%	-55.41%	-49.78%	-53.54%	-52.42%	-52.66%	-62.03%	
Margin loans / total assets	11.83%	14.69%	12.38%	13.23%	12.32%	14.69%	13.13%	
Margin loans / shareholders' equity	62.34%	72.38%	70.27%	73.80%	64.70%	72.38%	58.69%	
Capital adequacy ratio	340%	361%	323%	280%	310%	361%	362%	

Note: Consolidated basis

Fubon Bank (China) - Financial summary

<i>RMB millions, except for percentages</i>	1Q25	4Q24	3Q24	2Q24	1Q24	2024	2023	YoY
Income Statement Data								
Interest income	1,506	1,603	1,459	1,350	1,365	5,777	5,055	14.3%
Interest expense	(799)	(890)	(933)	(1,003)	(1,042)	(3,868)	(3,744)	3.3%
Net interest income	708	713	526	348	323	1,909	1,311	45.6%
Net fee income	(258)	(337)	(211)	(163)	(152)	(864)	(241)	258.4%
Other income	439	141	323	238	256	958	525	82.3%
Operating expenses	(299)	(304)	(289)	(283)	(276)	(1,151)	(1,110)	3.7%
Pre-provision profits	590	213	349	139	151	852	485	75.5%
Provision for credit losses	(350)	(158)	(233)	4	(139)	(526)	(663)	-20.8%
Income before tax	240	56	115	143	12	326	(178)	N.M.
Net income	172	69	131	141	55	395	17	2227.5%
Balance Sheet Data								
Loans	72,348	68,733	63,371	59,923	62,209	68,733	62,745	9.5%
Deposits	97,227	97,158	95,403	97,559	93,440	97,158	93,668	3.7%
Total asset	140,741	143,426	138,983	138,134	138,830	143,426	138,878	3.3%
Total equity	10,467	10,453	10,068	10,061	9,829	10,453	9,682	8.0%
Key Metrics								
ROA	0.48%	0.19%	0.38%	0.41%	0.16%	0.28%	0.01%	
ROE	7.95%	3.25%	6.33%	6.94%	2.75%	4.78%	0.22%	
Equity / assets	7.44%	7.29%	7.24%	7.28%	7.08%	7.29%	6.97%	
Cost / income ratio	-32.24%	-55.63%	-43.61%	-64.44%	-61.70%	-54.96%	-67.43%	
NPL ratio	0.92%	0.79%	0.97%	1.08%	1.03%	0.79%	0.81%	
Reserve / NPL	211.02%	228.79%	191.87%	168.38%	179.86%	228.79%	225.22%	
Loan to deposit ratio	74.41%	70.74%	66.42%	61.42%	66.58%	70.74%	66.99%	
Tier 1 ratio	11.59%	11.75%	12.45%	12.39%	11.68%	11.75%	12.41%	
BIS ratio	13.75%	13.70%	13.17%	12.94%	13.50%	13.70%	14.53%	

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

28 May 2025

Fubon Life Insurance Company Limited
8F, No. 77,
Songgao Road
Taipei 110064
Taiwan, R.O.C

For the attention of: Mr. Shr-Iue Chen, President
Ms. Tsai-Ling Chao, EVP

Dear Sirs and Madams,

Review of Embedded Value as at 31 December 2024 and Value of New Business of Fubon Life Insurance Company Limited

Deloitte & Touche Consulting Co. ("Deloitte Consulting", or "we") have been retained by Fubon Life Insurance Company Limited ("Fubon Life" or "the Company") to prepare an independent opinion in respect of the Embedded Value ("EV") as at 31 December 2024 and the Value of New Business ("VNB") sold during the calendar year 2024 as calculated and published by the Company. The purpose of the publication of the EV and VNB figures was to provide supplementary information to investors, analysts and other stakeholders.

This opinion letter ("the Opinion Letter") sets out the work carried out and findings from that work and has been prepared in accordance with the Work Order dated 10 March 2025 between Fubon Life and Deloitte Consulting.

This Opinion Letter has been prepared by Deloitte & Touche Consulting Co. ("Deloitte Consulting") solely for the information and use of Fubon Life Insurance Company Limited ("Fubon Life") for the purpose set out in the introduction of this Opinion Letter, including its reporting or filing obligations under the requirements set out in two circulars, published by the Financial Supervisory Commission R.O.C. (Taiwan) (Circular No. 10202092580) and the Life Insurance Association of the Republic of China (Circular No. 103031433) respectively, regarding the principles to be followed by life insurers disclosing Embedded Value Results. To the fullest extent permitted by law we do not accept or assume responsibility or liability (including without limitation, those arising from negligence) to anyone other than Fubon Life's Directors as a body for our work in respect of this Opinion Letter or for the conclusions that we have reached.

Summary of Embedded Value and Value of New Business Results

The Embedded Value as at 31 December 2024 and the Value of New Business written over the period of 1 January 2024 to 31 December 2024 as calculated by the Company is summarised as follows:

	Values (NT\$ bn)
Adjusted Net Worth	685.9
Value of In Force Business after Cost of Capital	388.7
Embedded Value	1074.6
Value of New Business after Cost of Capital	25.7

Definitions

A number of specific terms are used in this Opinion Letter. They are defined as follows:

- Embedded Value ("EV"): this is the sum of the Adjusted Net Worth and Value of In Force Business as at the valuation date. It includes no allowance for the value of future business yet to be written;
- Adjusted Net Worth ("ANW"): this represents the shareholder equity in the enterprise as at the valuation date. This is equal to the shareholder equity as reported in its Taiwan statutory balance sheet plus several adjustment items. The purpose of the adjustments is to make the Adjusted Net Worth consistent with the projection of future profits and Cost of Capital;
- Value of In Force Business ("VIF"): this is equal to the present value as at valuation date of the future statutory profits from the business in force as at the valuation date using a risk adjusted discount rate, less the Cost of Capital associated with such business;
- Value of New Business ("VNB"): this is equal to the present value as at the policy issue date of the future statutory profits from the policies sold in 2024 less the Cost of Capital associated with such business;
- Cost of Capital: this is defined as the amount of capital required to be held at the valuation date less the present value of future releases of such capital and after-tax earnings on the assets backing it. The level of capital required depends on the Company's internal target of capital level but is subject to the minimum of statutory requirement.

This Opinion Letter does not give any opinion on the "fair market value" of any part or the whole of the Company. Actual market values are determined by investors based on a variety of information available to them and their own investment criteria.

The techniques for calculating a company's Embedded Value and the Value of New Business have been evolving over the last 20 years. The Company has used "traditional" techniques. This is a common approach in Taiwan which is consistent with the methodology used by all local domestically-owned companies which publish their Embedded Values. This method does not include an explicit allowance for the cost of options and guarantees within the business. Instead, this approach makes an implicit allowance for the time value cost of options and guarantees and other risks associated with the realisation of the projected future profits through the use of a risk adjusted discount rate.

Scope of Review

The scope of our review is outlined as follows:

- Review and opine on the reasonableness of the EV and VNB as calculated by the Company;
- Review of the reasonableness of the assumptions used in the calculations, taking into consideration both Company's recent experience and the experience of the Taiwanese life insurance market;
- Review of the Company's projection approach of the Cost of Capital;
- Review, at a high-level, of the changes made to the actuarial projection model by the Company since the previous valuation date of 31 December 2023;
- Review of the data put through the model compared to the policy data on the Company's policy administration systems to judge the extent to which the business has been valued in the financial model and to identify the portion (if any) omitted and how that was valued;
- Review of the approach used to determine the Adjusted Net Worth ("ANW"), in particular, the adjustments made in deriving the ANW, and any other adjustments made outside of the actuarial projection model;
- Review of the Company's analysis of change in the VIF between 31 December 2023 and 31 December 2024.

The scope of our review did not include the following aspects:

- Review of the policy data on the Company's administration systems;

Our review did not cover an audit of the accuracy or completeness of the policy data items and we offer no comment on the quality of the policy data used by the Company in the valuation, and readers should not assume our review verifies the data is free from error.

- Review or audit of the valuation of the assets or any items unless specifically stated on the Company's balance sheet;

We referred to the Company's audited financial statements and placed reliance on them.

- Review of the calculation of the RBC (risk based capital) of the Company as at 31 December 2024; and

Whilst we reviewed the projection of the RBC into future periods, we relied on the accuracy and completeness of the starting RBC figures as at 31 December 2024 as submitted by the Company to the Taiwanese regulator.

- Any other actuarial or other valuation figures, such as any "Fair Value" or potential transaction price.

Only the EV and VNB fell in the scope of our review, and we offer no opinion on any other values.

Our review was conducted in accordance with current generally accepted actuarial practices and processes for reviews of traditional Embedded Value calculations. In particular, we made reference to the methods, approach and other considerations as set out in:

- The relevant parts of Practice Guideline 199.03 of the Institute of Actuaries of Australia entitled "Economic Valuations"; and
- Professional Conduct Standards as defined by the Professional Affairs Board of the Institute and Faculty of Actuaries in the UK.
- 人壽保險業隱含價值評估精算實務處理準則及修正對照表(107 年版) published by the Actuarial Institute of Chinese Taipei.

Findings from our Review

Our findings are summarised as follows:

- With respect to the calculation methodology adopted by the Company in the calculations:
 - The chosen traditional EV methodology used by the Company has been applied in line with generally accepted actuarial practice and relevant guidance; and
 - The methodology was in line with the purpose stated by the Company, and is consistent with a “going concern” approach.
- With respect to the policy data used in the calculations:
 - The Company has used policy data that is, in aggregate, consistent with the policy data held on the Company's administration systems as at the appropriate dates.
- With respect to the actuarial projection and valuation systems and the results produced by the Company:
 - Over 99% of the policy data has been included in the valuation and a zero value has been assigned to that part which was not included in the valuation;
 - At the aggregate level, the model outputs for each major block of business that we reviewed appear to be consistent with the assumptions applied in the calculations, the features of the products included in each block of business, the prevailing applicable and relevant regulations in Taiwan.
- With respect to the assumptions used in the calculations:
 - The assumptions, taken as a whole, are reasonable for the Company and the environment in which it conducts business;
 - The economic assumptions, including rate of investment return, risk adjusted discount rate and inflation rate, were set consistently with one another and with the way in which the adjusted net worth was calculated;
 - The economic assumptions represent plausible future outcomes for expected future total returns (including the release of risk margins) and lie within a reasonable range of such plausible future outcomes; and
 - The non-economic assumptions have been set with regard to relevant actual historical experience of both the Company and the industry, and the Company has provided plausible, reasoned arguments in relation to their expectations of future trends and developments for these assumptions.
- With respect to the calculation of the Adjusted Net Worth:
 - The Company has made adjustments to the Net Worth as reported on the statutory balance sheet which are appropriate for the purpose of this valuation.

In conclusion, we find the results of the Embedded Value and Value of New Business calculated by the Company to be reasonable within the purpose and chosen methodology of their calculation, and that the methodology is consistent with the approach taken by all local domestically-owned life insurers which publish similar figures in Taiwan and with one generally accepted method for their calculation.

In stating the above opinion, we draw attention to the uncertainty related to such calculations.

The calculations of EV and VNB results necessarily make numerous assumptions with respect to economic conditions, operating conditions, taxes and other matters, many of which are not fully within the control of the Company. Although the assumptions used represent estimates which fall within a reasonable range of expectations, actual experience in the future is almost certain to vary from that assumed in the calculation of the results and any such variations may be material. Deviations from assumed experience are normal and are to be expected.

We note, and draw the attention of readers to the sensitivity of the results to assumptions, and in particular, to the assumed rate of future investment return and the risk discount rate; this is illustrated quantitatively in the Company's disclosures. The assumed future investment return, including the foreign exchange hedging approach, reflects the Company's investment strategy. A deviation from this assumption, even if still within a reasonably plausible range, may lead to a materially different result. We also note that future investment returns are subject to market factors beyond the control of the Company, and hence it is not possible for the Company to fully immunise future profitability against movements in future investment returns.

Readers should be aware that the RBC C3 risk calculation is subject to yearly regulatory change and therefore there is a high degree of uncertainty in the projection of cost of capital.

The current EV review is conducted based upon the current financial reporting standard and solvency regime, namely IFRS 4 and RBC. Starting from 2026.1.1, insurers in Taiwan will be required to adopt IFRS 17 and TW-ICS instead, which are expected to significantly impact both the methodologies and outcomes of EV calculations. Readers should consider the implications of these regulatory changes when comparing future EV disclosures.

Yours faithfully,
Deloitte & Touche Consulting Co.