

Investor Conference

3Q'2021



遠東國際商業銀行
Far Eastern Int'l Bank

11/12'2021





- Established in 1937
- Span over 10 major industries
- 9 public listed companies in Taiwan and HK
- Total Asset of NT\$2,848 Bn (YE2020)



Petrochemical & energy

- 11 companies in operation across Taiwan and China
- Oriental Petrochemical has manufacturing lines in Taiwan and mainland China with over 2.75 million tons annual PTA capacity



Polyester & synthetic fiber

- 38 companies in operation across Taiwan, China, Vietnam and USA
- and Group's polyester capacity over 2.72 million tons, one of the world's 3 largest manufacturers



Cement & building material

- 30 subsidiaries integrating Taiwan and China markets
- Main operation unit Asia Cement to achieved 41 m tons of annual capacity, ranking up to Top 10 in China



Retail & department store

- Together owns 46 stores across both sides of Strait
- Total sales surpassed NT\$ 115 billion



Financial services

- 14 companies in operation across multiple financial service fields, in Taiwan and China
- FEIB is the flagship operating entity 



Sea/Land transportation

- 14 subsidiaries in operation
- Flagship U-Ming Marine Transport has 48 vessels and a shipping capacity of 6.71 million DWT



Communications and internet

- The only one pure mobile operator in Taiwan
- FET obtained 3.5Ghz and 28Ghz 5G license
- Invested in FETC, more than 7 million vehicles have installed OBUs and over 1.8 billion tolls collected.



Construction

- 4 subsidiaries in operation
- Projects in development such as "Far Eastern Telecom Park" and Yilan Resort



Hotel services

- Shangri-La's Far Eastern Plaza Hotel Taipei
- Far Eastern Plaza Hotel Tainan
- Awarded "The 500 Best Hotels in the World"



Philanthropic organizations

- Established Yuan Ze University
- Oriental Institute of Technology
- Founded Far Eastern memorial Hospital
- Far Eastern Polyclinic
- Yu Chang Technical & Commercial Vocational Senior High School



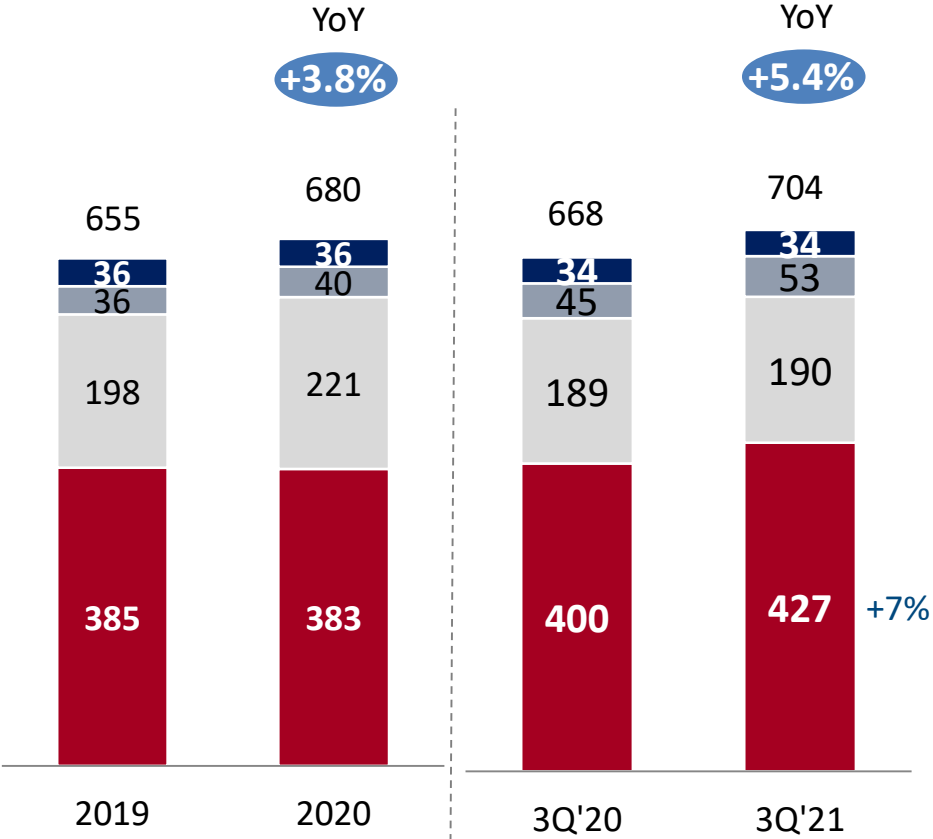
Financial Highlights



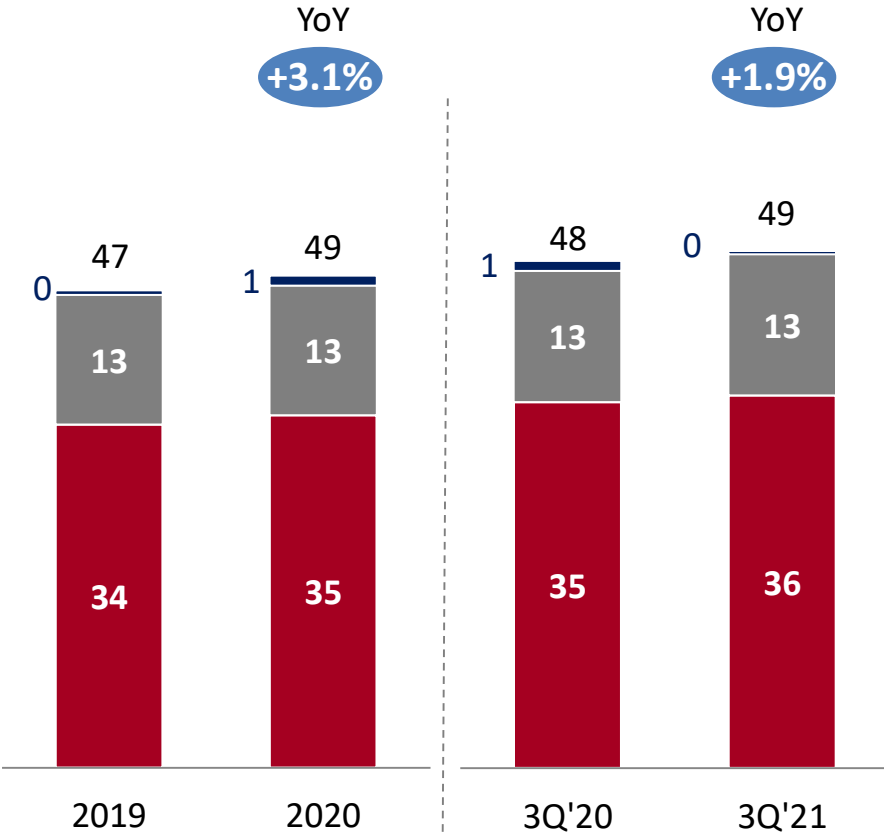
Key Strategies

Assets & Net worth

■ Assets
(NT\$Bn)



■ Net Worth
(NT\$Bn)

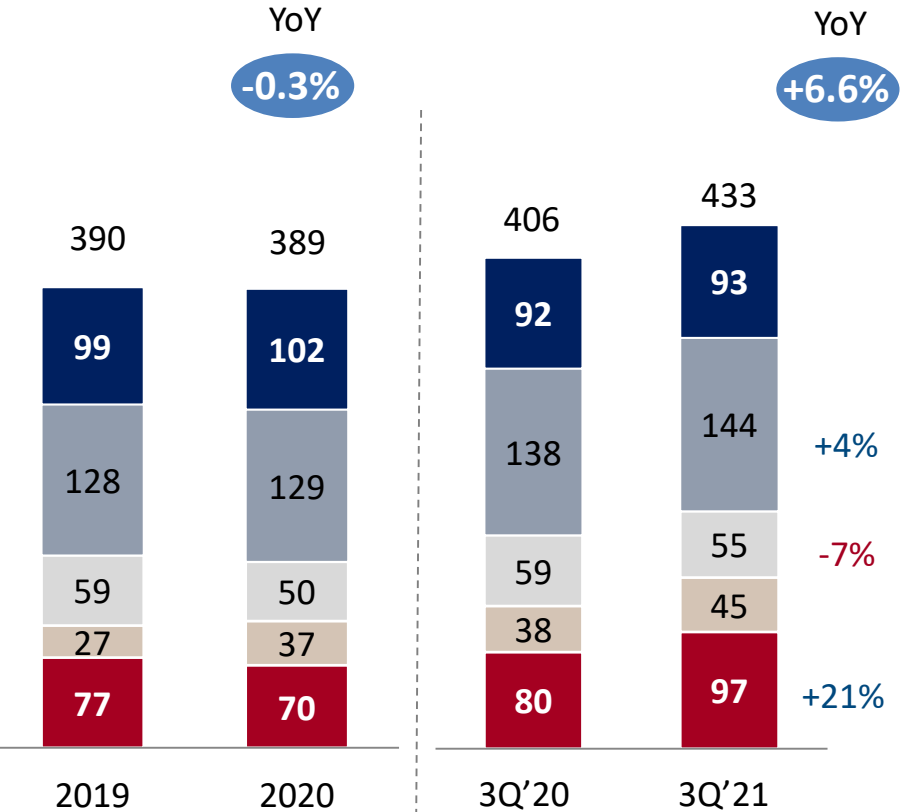


■ Loan ■ Investment ■ Cash & Deposit ■ AR & Others

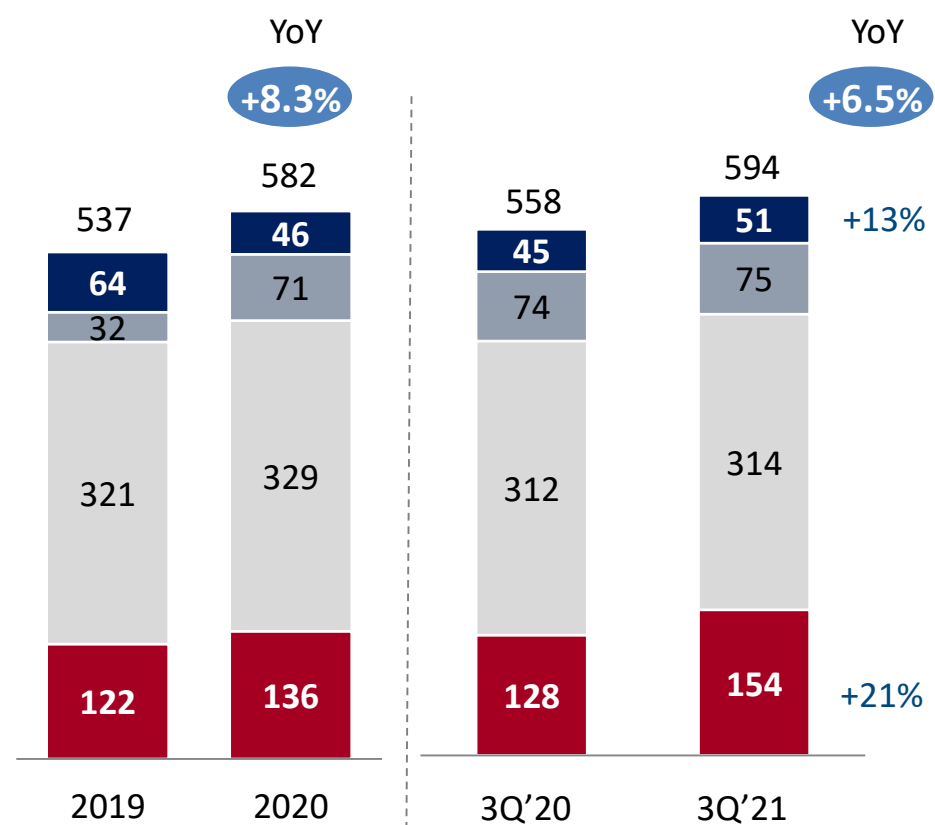
■ Capital + Capital Surplus ■ Retain Earnings ■ OCI

Loans & Deposit

Gross Loan (NT\$Bn)



Deposit (NT\$Bn)

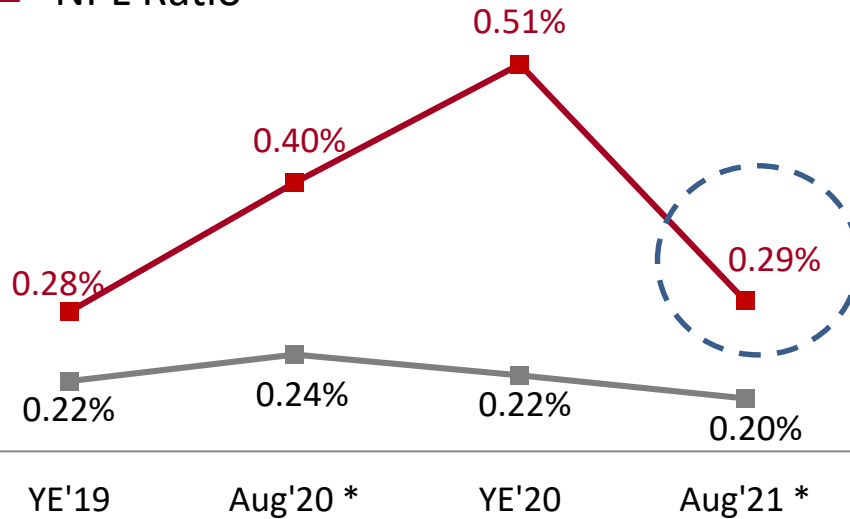


- Local Corp
- Local SME
- Overseas
- Mortgage (Home purchase)
- Consumer Finance

- LCY D.D.
- LCY T.D.
- FCY D.D.
- FCY T.D.

Asset Quality

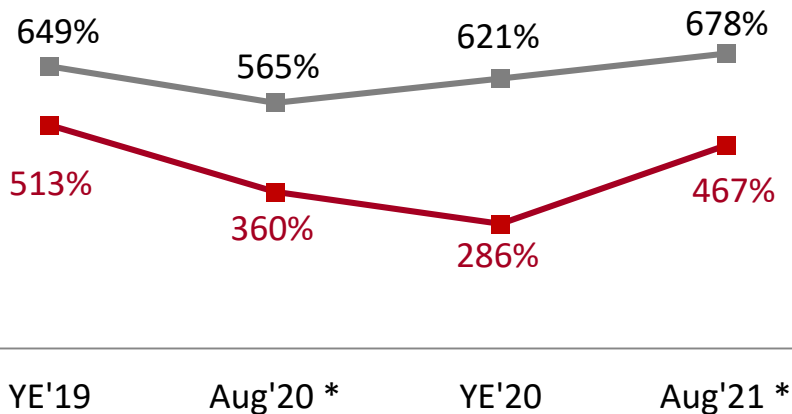
■ NPL Ratio



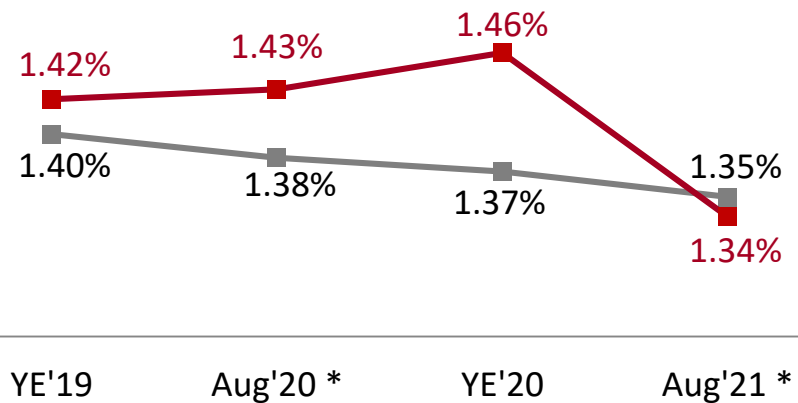
Write-off:

- PAJUN Aviation Leasing
- Pharmally International

■ NPL Coverage Ratio



■ Loan Coverage Ratio



*Note: FSC's Sept. report is not available

Source: FSC report

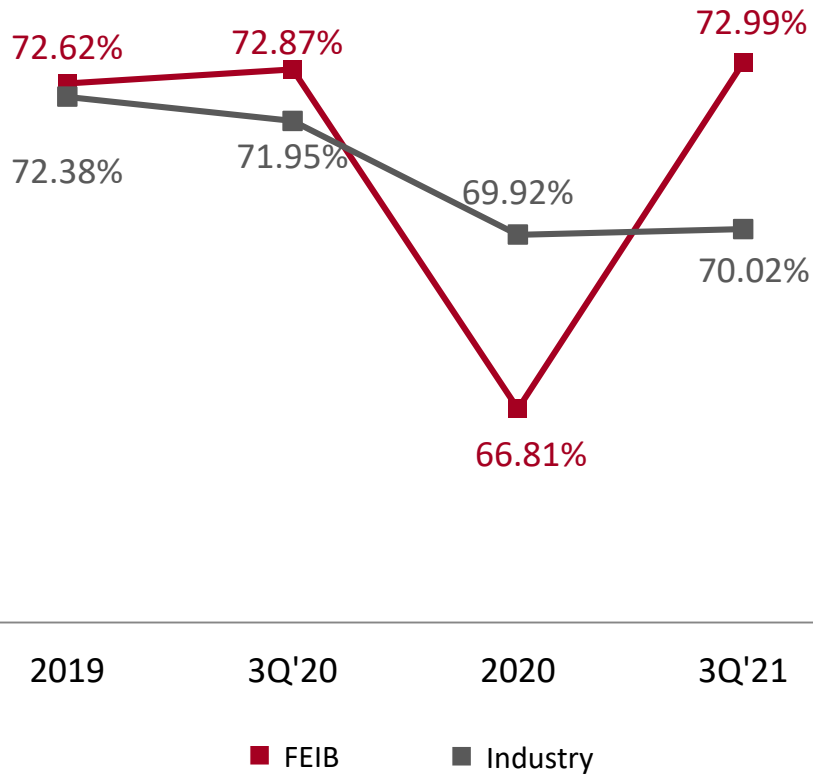
Industry: 37 Commercial Banks (excluding EX-IM Bk)

■ Industry

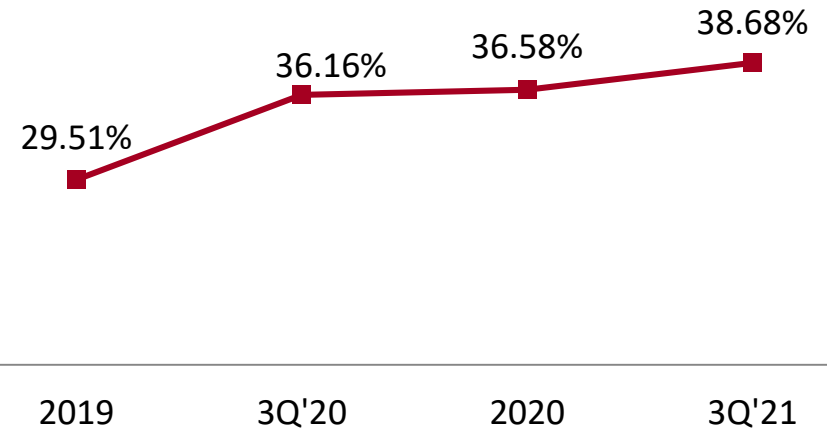
■ FEIB



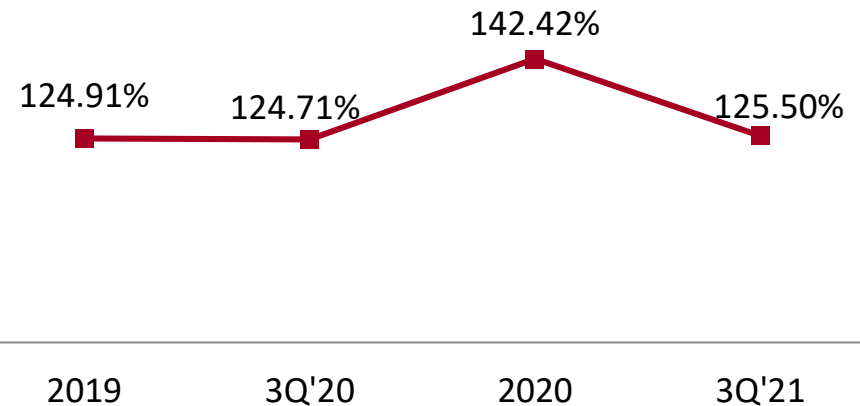
■ Gross loan-to-deposit ratio



■ Demand Deposit ratio

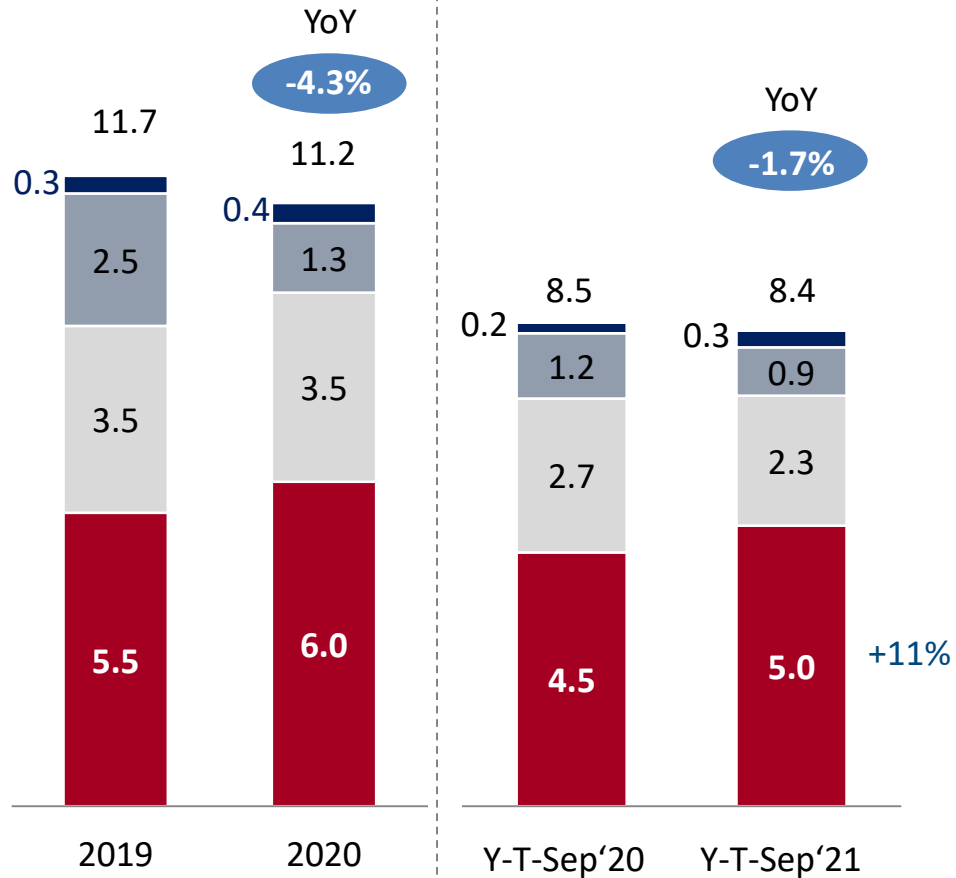


■ Liquidity coverage ratio



Profitability

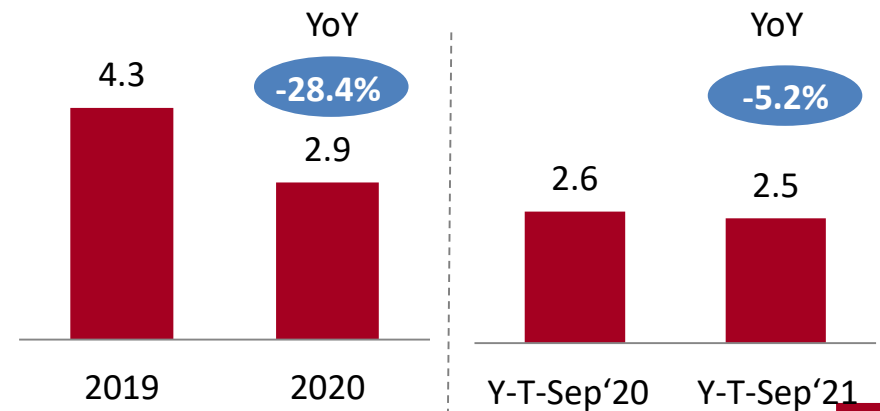
■ Revenue
(NT\$Bn)



■ Operating Expense as % of Revenue



■ IBT
(NT\$Bn)

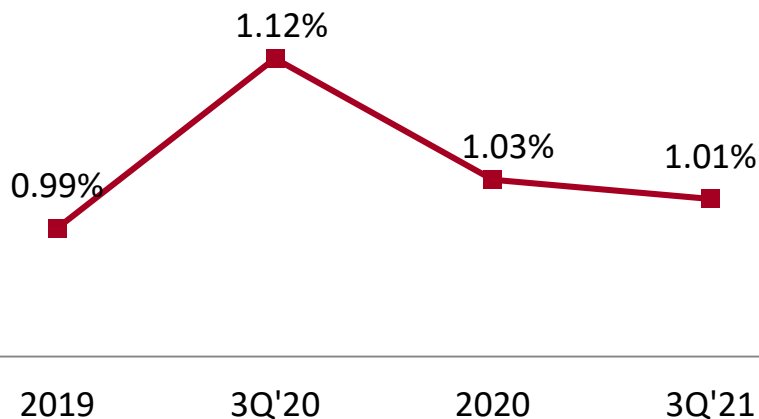


■ NII ■ Fee ■ Trading ■ Other

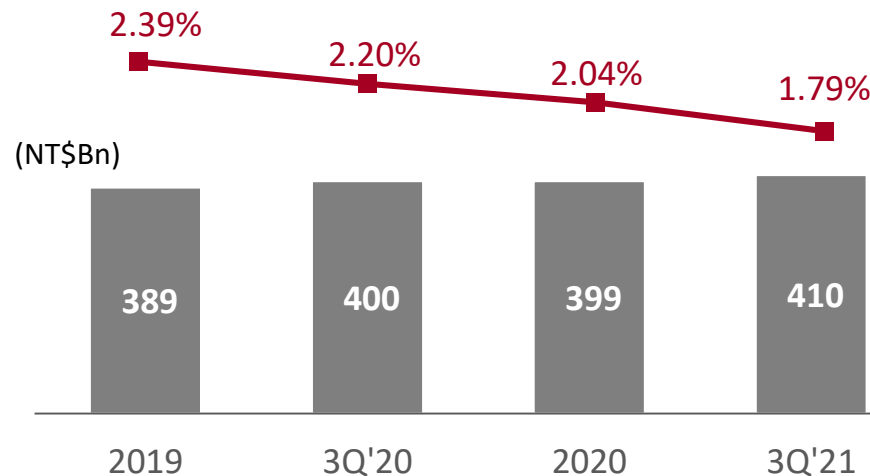
Interest Margin



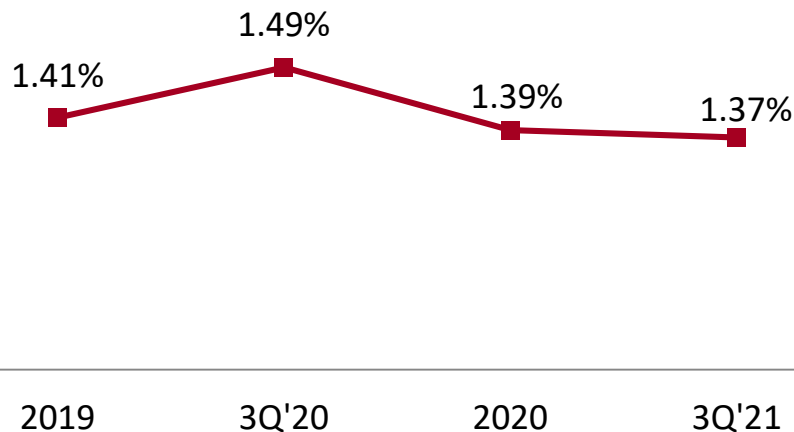
■ NIM



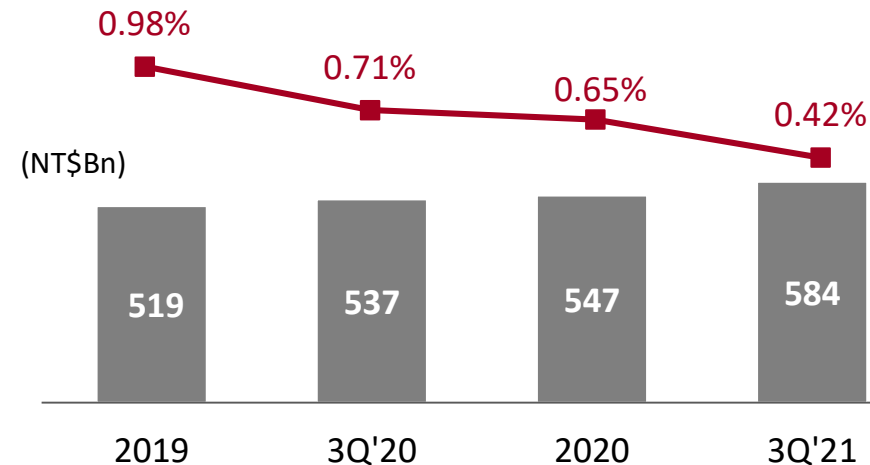
■ Gross Loan Rate & Avg. Loan Balance



■ Loan-to-Deposit Spread



■ Deposit Rate & Avg. Deposit Balance

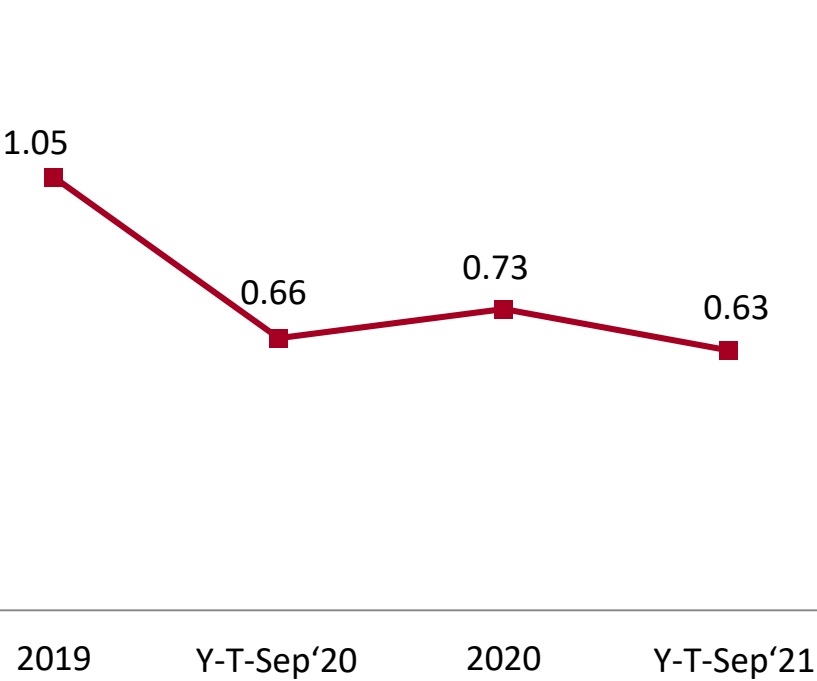


*annualized

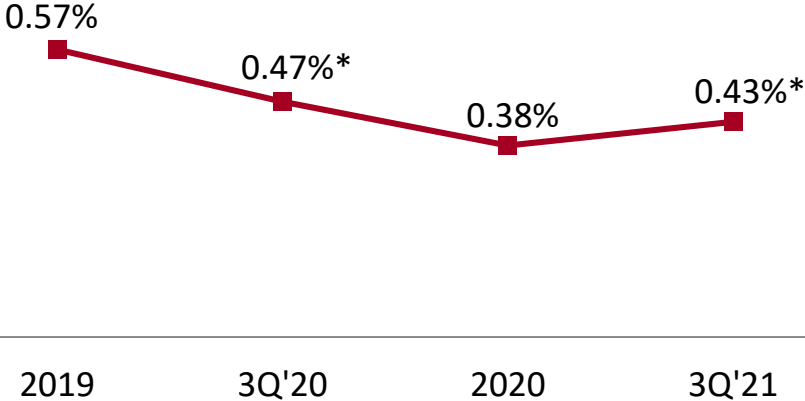
Source: Consolidated statement / FEIB website

Net Profitability

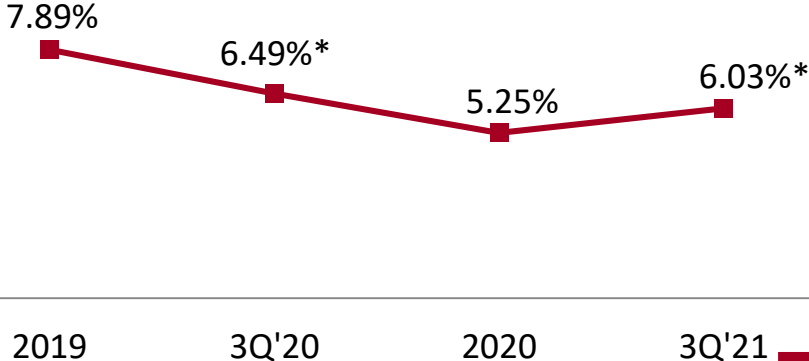
■ EPS



■ ROA (after tax)



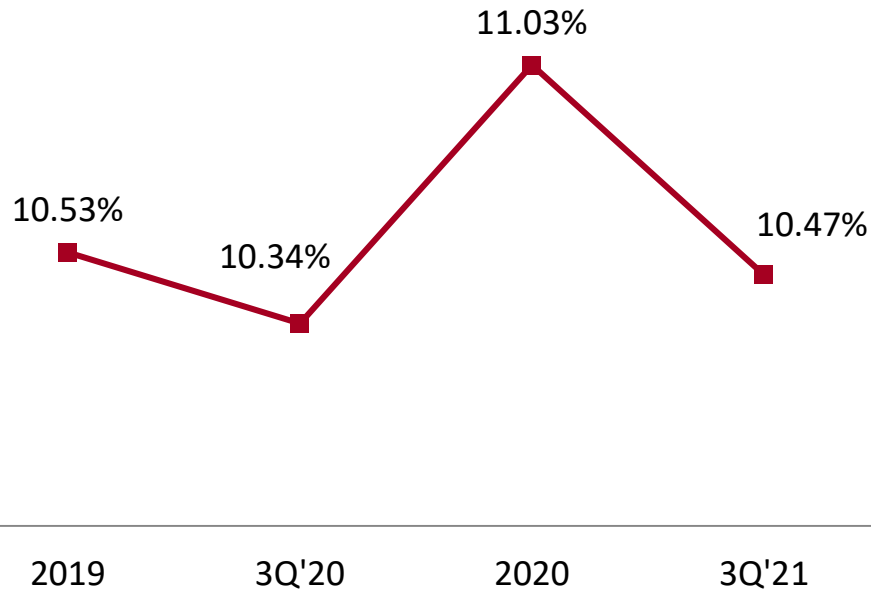
■ ROE (after tax)



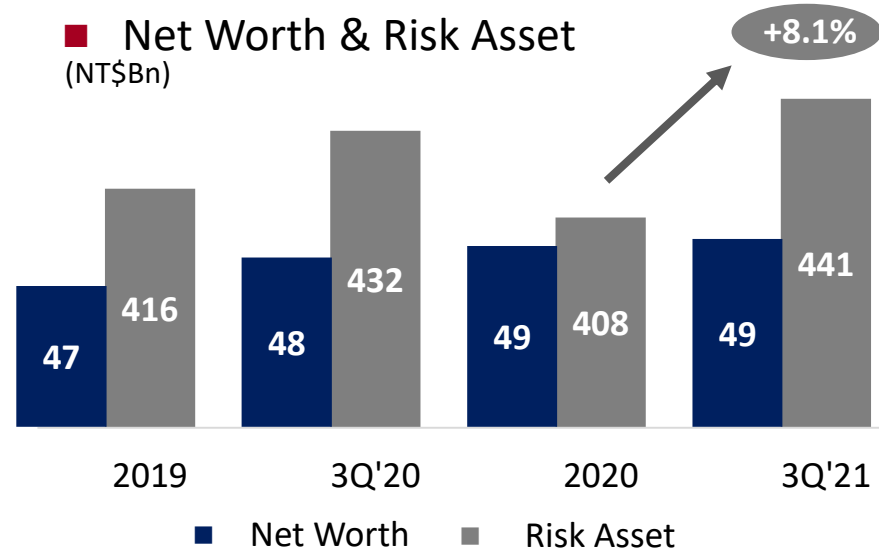
*annualized
Source: Consolidated statement / FEIB website



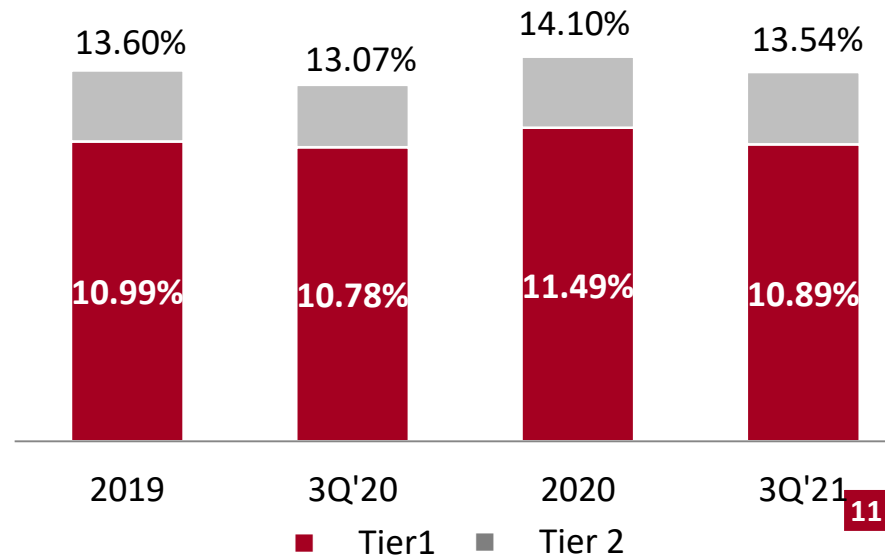
■ CET1 (unconsolidated)



■ Net Worth & Risk Asset
(NT\$Bn)



■ BIS (unconsolidated)



- FEIB's ratings (10/26'21):

Viability Rating	bbb
Foreign LT IDR	BBB
Foreign ST IDR	F3
National LT Rating	A+(twn)
National ST Rating	F1(twn)
Support Rating	4
Outlook	Stable

- Taiwan Sovereign Rating

- Upgraded from

- Foreign LT IDR: AA- → **AA**

- FEIB's credit strength

- Moderate risk appetite

- Adequate loss-absorption buffer



Financial Highlights



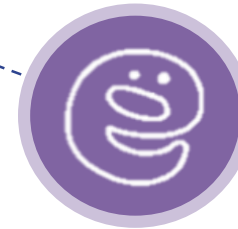
Key Strategies

Process Automation



BaaS / BaaP

Digital Branding



Off - counter rate

95%

Acquisition rate

54%

APP %

30%

Bankee

Customers #: **110,000** +

Deposit : NT\$ **6** Bn.+

Integration: One Team for One

Trust 2.0

- Elderly Trust
- Employee Trust



High Margin Business

- Revolving mortgage
- PI, high spending, HNW customers

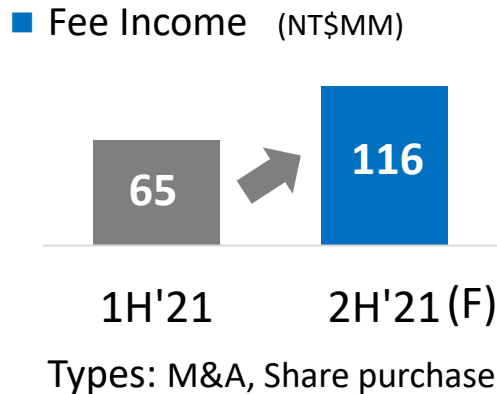
Investment & Lending

- Fee income vs NII: 0.4:1 → **0.6:1**

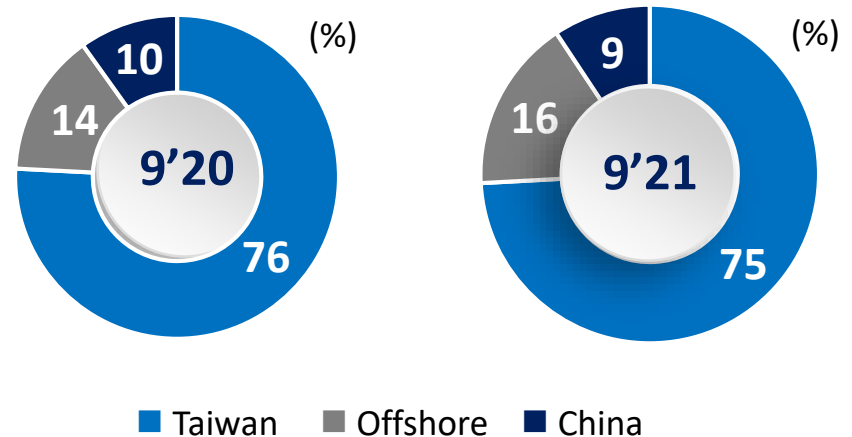
Picking up offshore lending



Cross-border syndication lead



Corporate lending geo profile



Environmental

- **ESG** credit system
- **ISO 50001** Energy Management Systems
- YoY **-5.37%** - electricity consumption (3Q'21)



Governance

- **Sustainability** Committee
- BSI 2021 Sustainable and Resilient Outstanding Award
- Ethical corporate management committee

Social

- FEIB 2022 Calendar: Taiwan **Art Museums**
- 2021 Taiwan **i sports** Corp. (MOE award)
- **Hybrid** work model



Appendix

Key Financials

(NT\$ m, except percentages and per share data)

(Consolidated)	As of or for 12 months ended				
	December 31				
	2019	2020	3Q'2020	3Q'2021	YoY
Key balance sheet items					
Gross loans	390,200	388,857	406,129	433,101	6.6%
Total assets	654,888	680,291	668,201	704,149	5.4%
Deposits and remittances	537,396	582,153	557,348	593,837	6.5%
Total shareholders' equity	47,284	48,744	48,423	49,352	1.9%
BVPS	14.09	14.14	14.04	14.04	0.0%
Key income statement items					
Net interest income	5,458	6,037	4,477	4,952	10.6%
Net fee income	3,471	3,514	2,720	2,291	-15.8%
Earnings before Provision	4,769	4,353	3,512	3,370	-4.0%
Net income	3,633	2,519	2,331	2,215	-5.0%
EPS (Q3 unannualized)	1.05	0.73	0.66	0.63	-4.5%
Key ratios					
NIM (unconsolidated)	0.99%	1.03%	1.12%	1.01%	-11 bp
Cost to income ratio	59.32%	61.19%	58.85%	59.85%	+1 Pctp
ROE (annualized)	7.89%	5.25%	6.49%	6.03%	-46 bp
ROA (annualized)	0.57%	0.38%	0.51%	0.43%	-8 bp
LDR(不含匯款)	72.62%	66.81%	72.87%	72.99%	+12 bp
NPL ratio	0.28%	0.51%	0.48%	0.25%	-23 bp
Coverage ratio	513%	286%	300%	538%	+238 PctP
CET 1 ratio (unconsolidated)	10.53%	11.03%	10.34%	10.47%	+13 bp
Tier 1 ratio (unconsolidated)	10.99%	11.49%	10.78%	10.89%	+11 bp
Total CAR (unconsolidated)	13.60%	14.10%	13.07%	13.54%	+47 bp



THANK YOU

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