

Investor Conference

Y2019 & 1Q2020



遠東國際商業銀行
Far Eastern Int'l Bank

4.29'2020





- Span over 10 major industries
- Own over 251 companies
- Established in 1937
- 9 public listed companies in Taiwan and HK



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 56 stores across both sides of Strait
- Total sales surpassed NT\$ 130 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 6.66 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

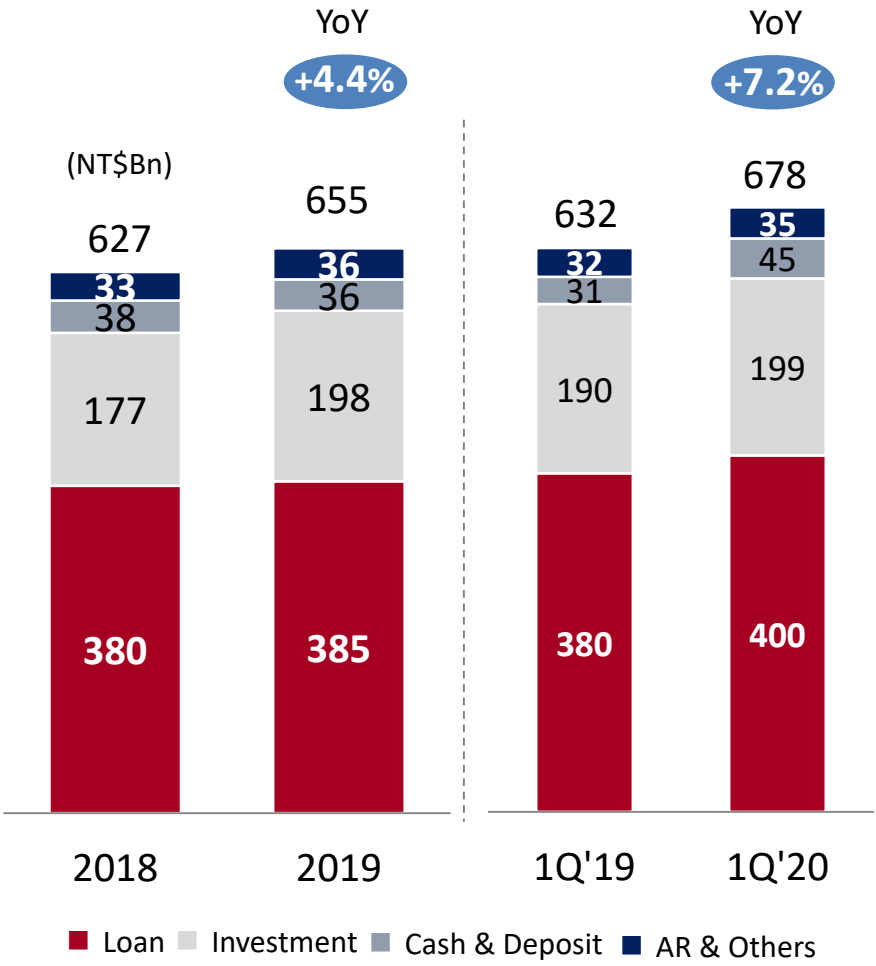
Assets & Net Worth



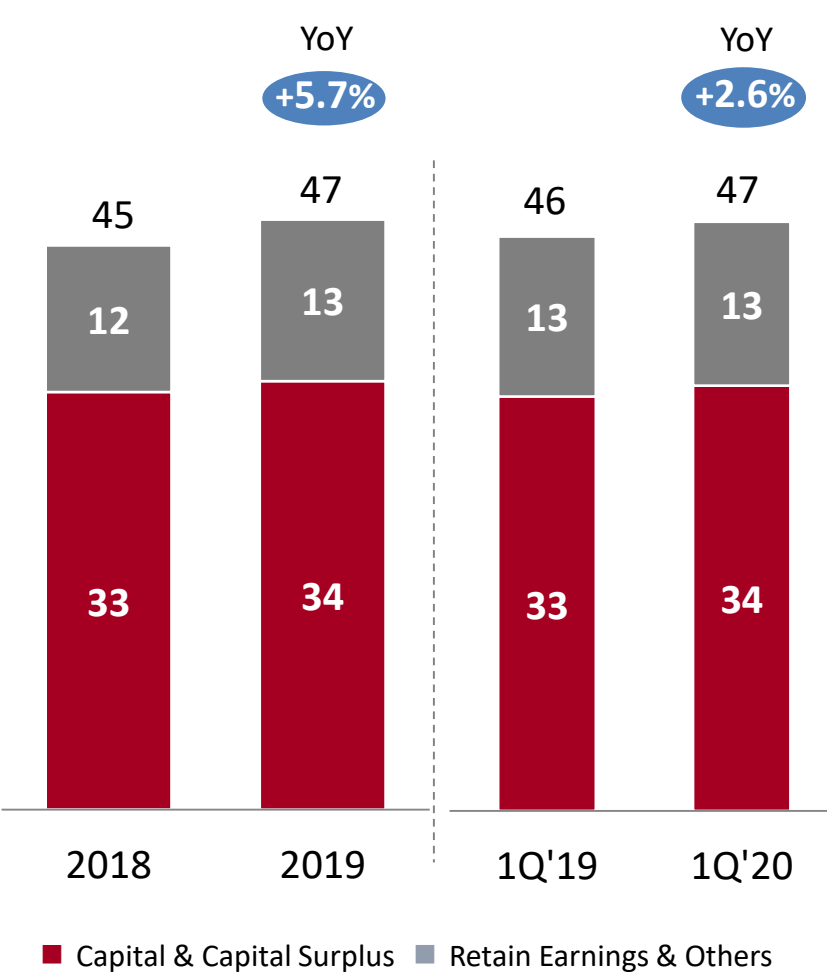
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Assets



Net Worth



Source: :Consolidated audited financial report/ Direct financial statements

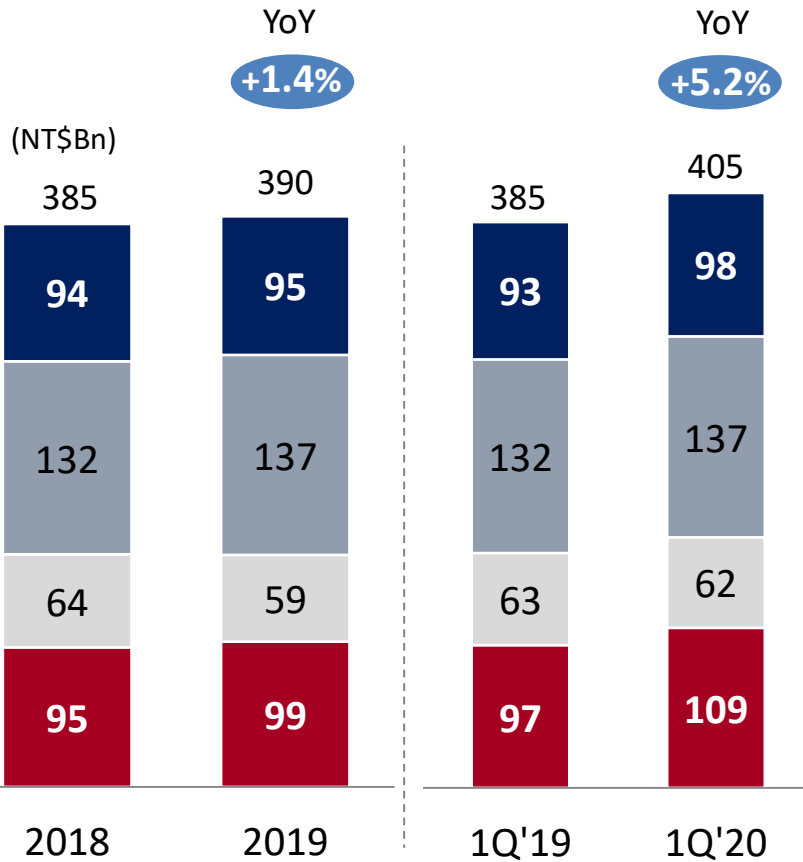
Loans & Deposit



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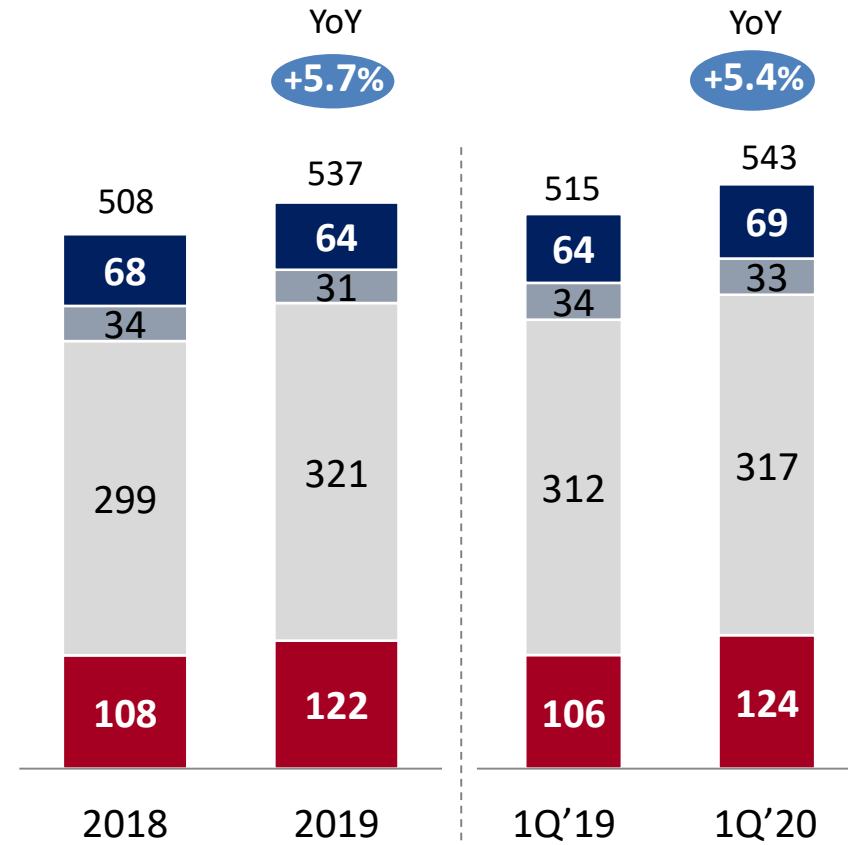


Gross Loan



■ Corp & SME ■ Oversea ■ Mortgage ■ Other

Deposit



■ LCY D.D. ■ LCY T.D. ■ FCY D.D. ■ FCY T.D.

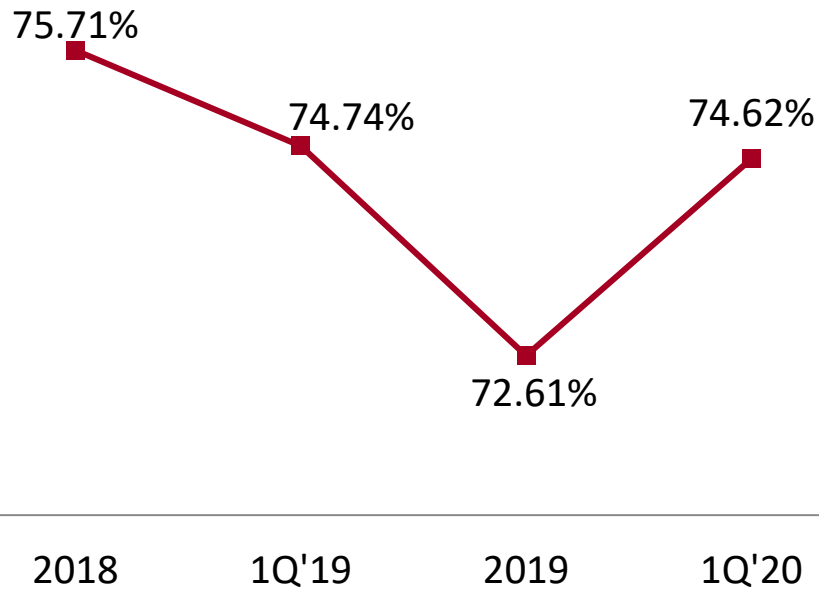
Liquidity



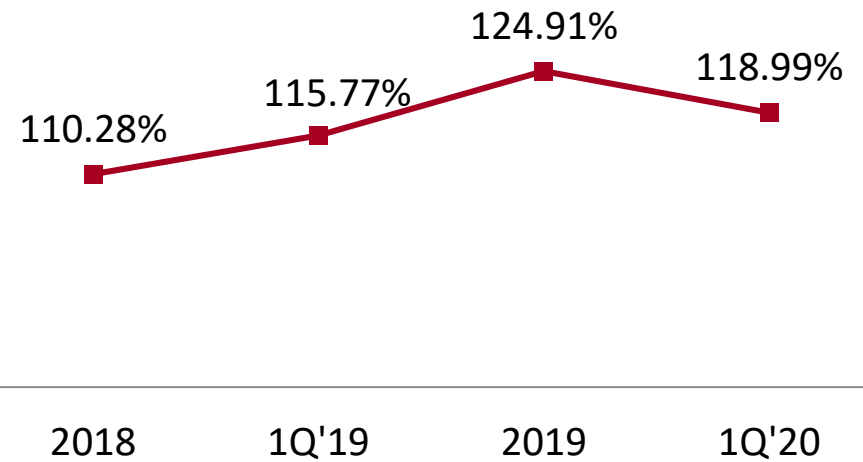
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■ Gross loan-to-deposit ratio



■ Liquidity coverage ratio



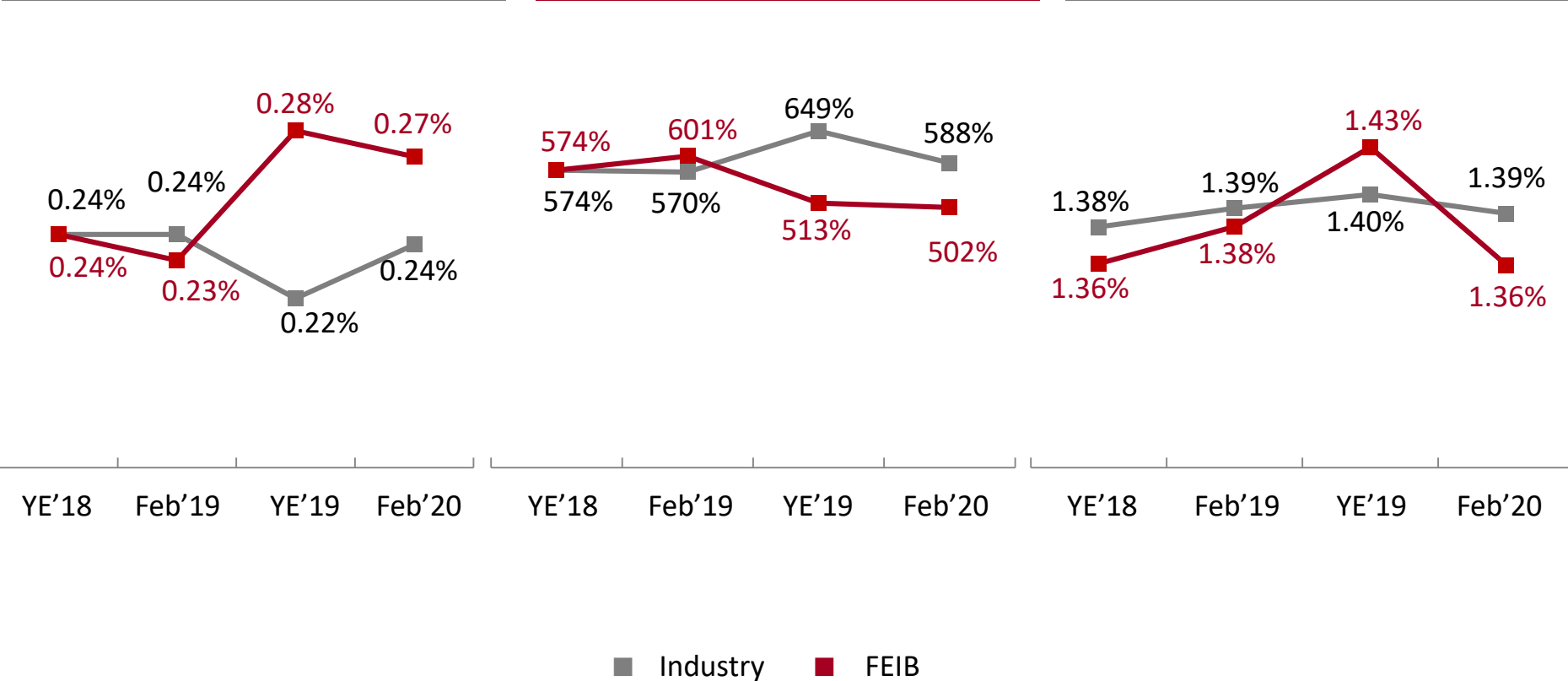
Asset Quality



NPL ratio

NPL coverage ratio

Loan coverage ratio



Source: Consolidated audited financial report / FSC
Industry: 35 Commercial Banks (excluding EX-IM Bk)

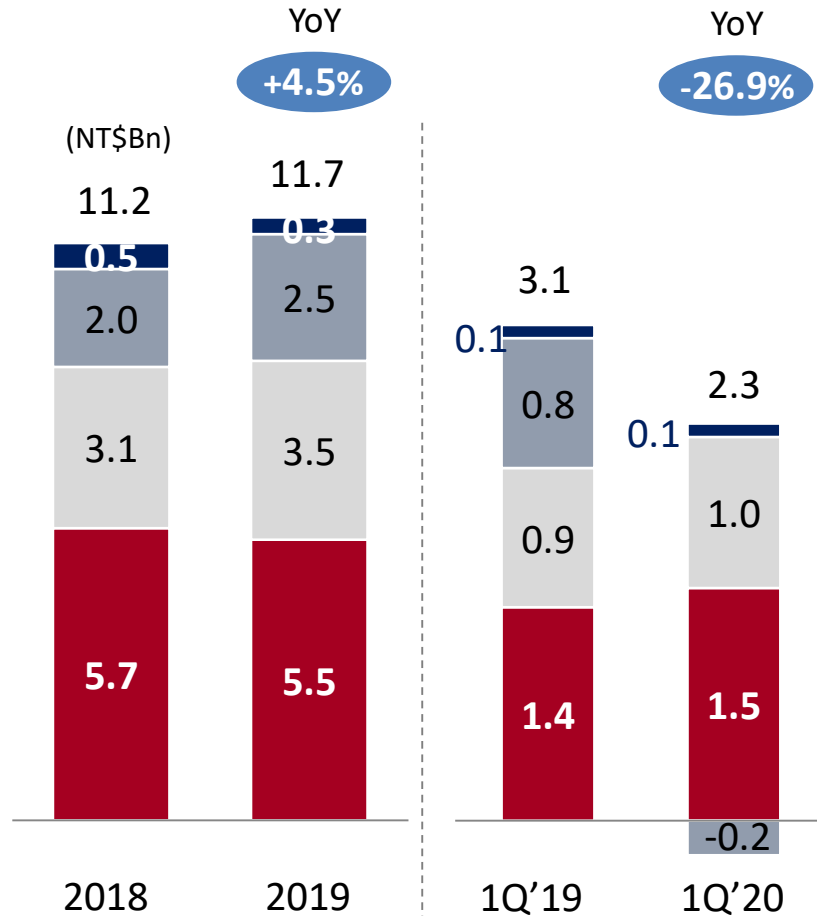
Profitability



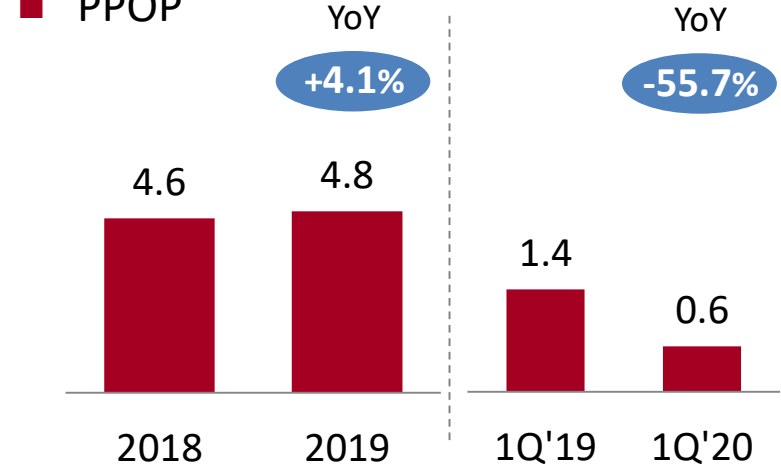
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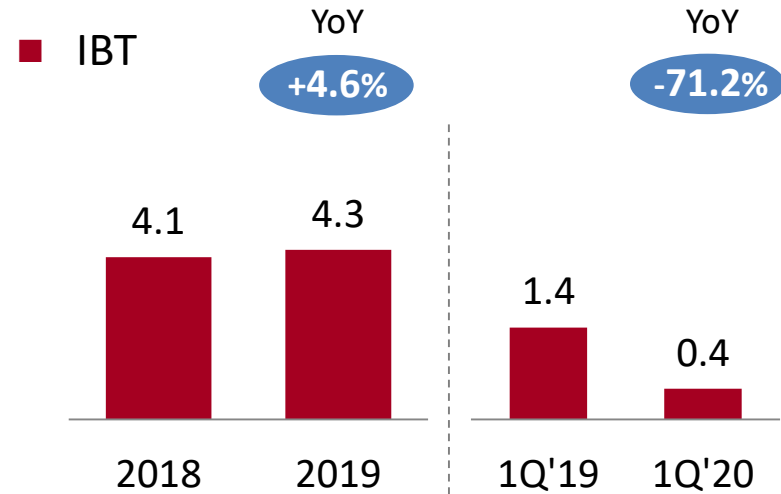
Revenue



PPOP



IBT



■ NII ■ Fee ■ Trading ■ Other

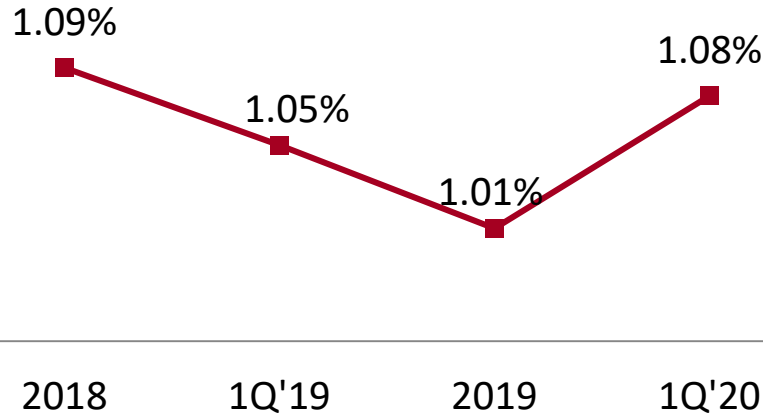
Profitability



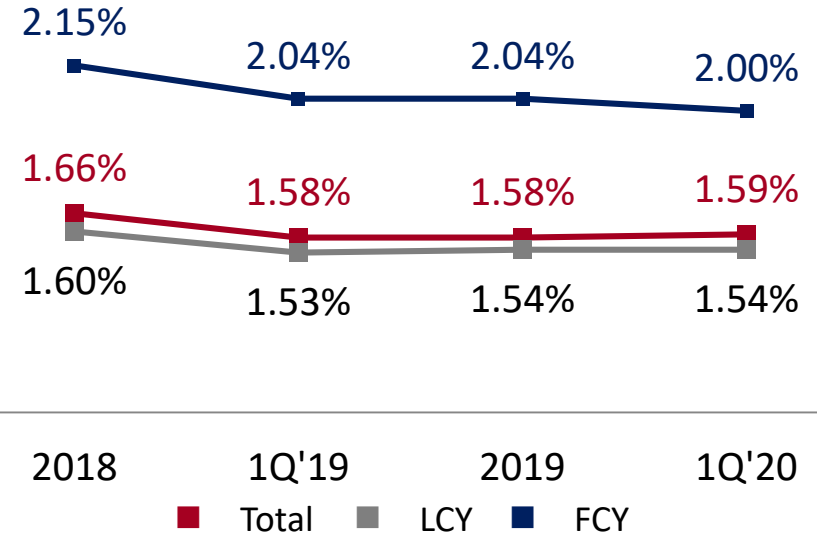
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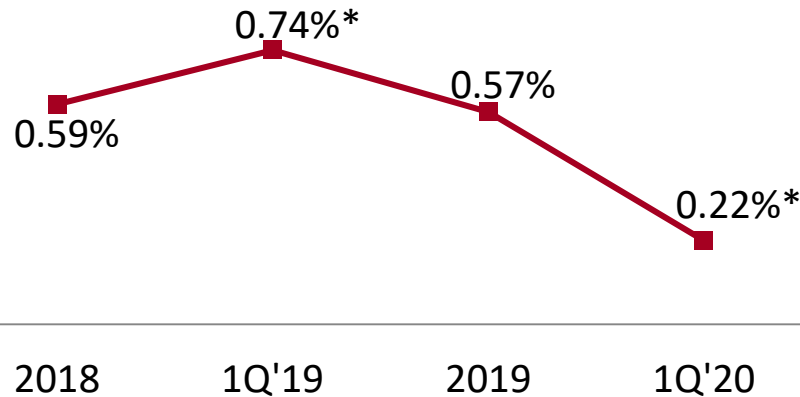
■ NIM



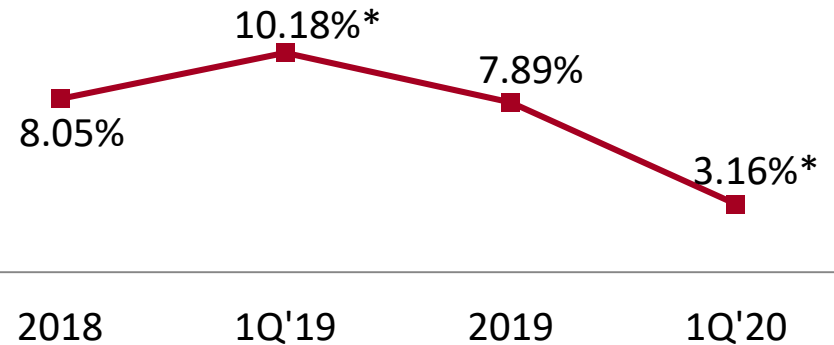
■ Loan-to-deposit spread



■ ROA (after tax)



■ ROE (after tax)

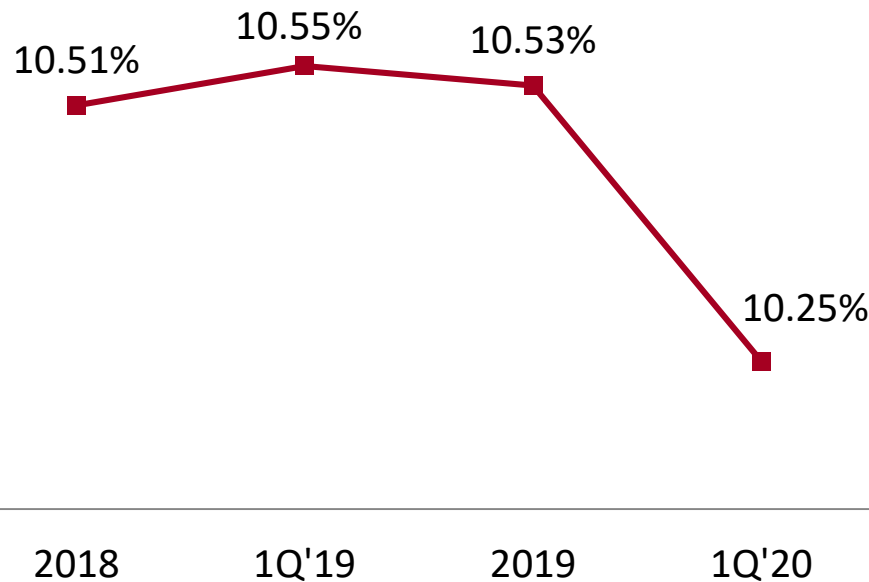


Source: Consolidated audited financial report/ Direct financial statements/ FEIB website

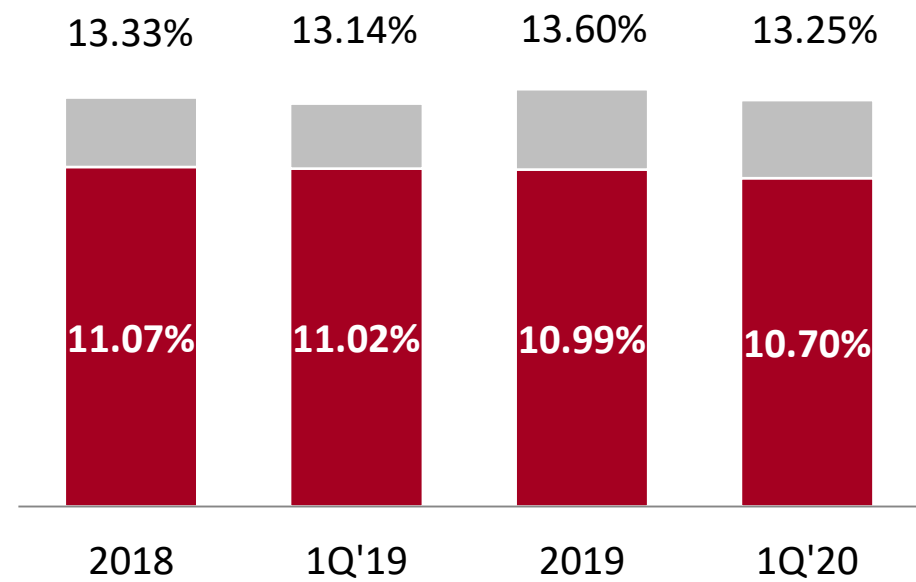
* Annualized



■ CET1(unconsolidated)



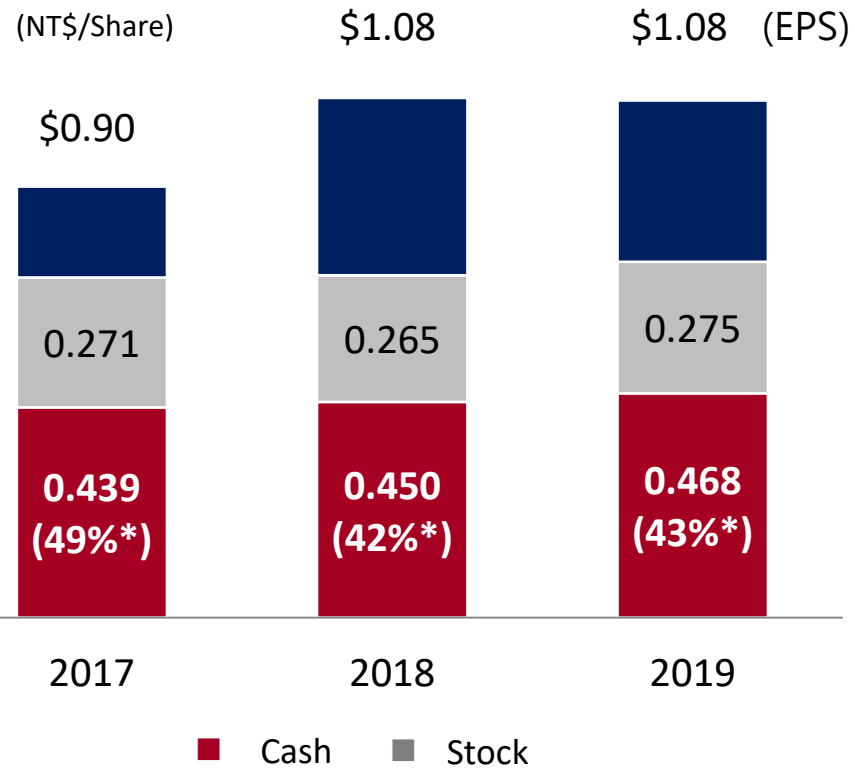
■ BIS (unconsolidated)



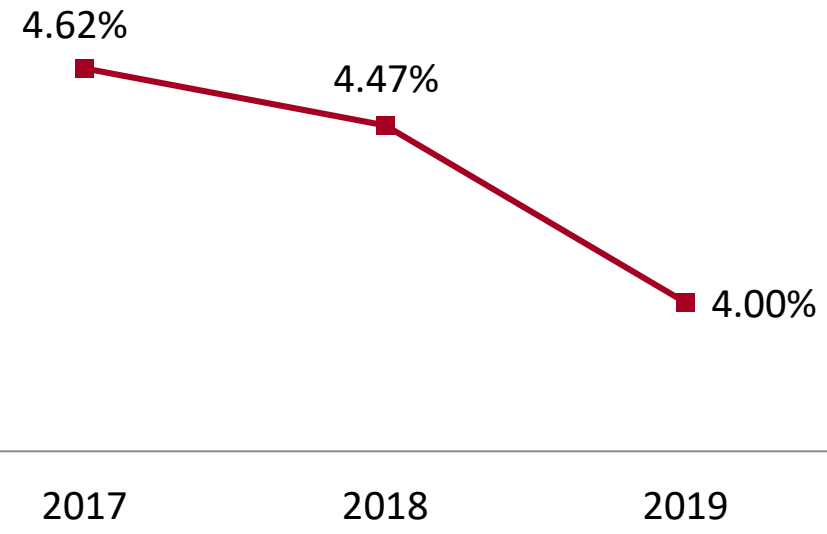
■ Tier1 ■ Tier 2

Dividends

■ EPS & Dividend payout



■ Cash dividend yield **



*Cash dividend/EPS (unadjusted)

** = Cash dividend / Avg. stock price of the year of earnings



Financial Highlights



Key Strategies

Bank as a Platform (Baap)

■ Strategic alliance



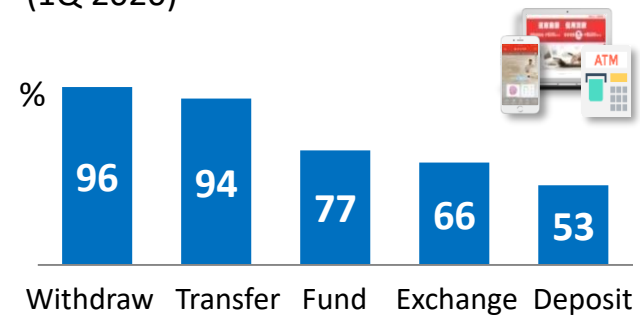
Open API



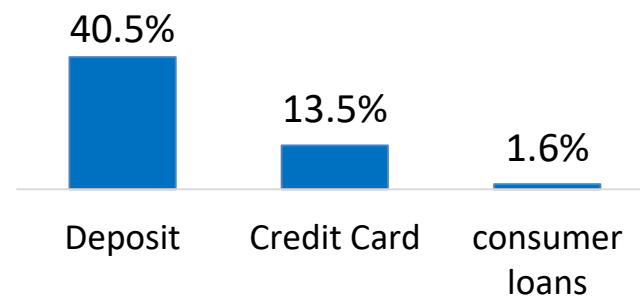

我們的社群銀行

Digital channel

■ Off - counter rate : 91.4% (1Q'2020)



■ Acquisition rate : 20.1% (1Q'2020)



Leading niche



Clean consumer loan

- CAGR **+11.6%** - Personal Loan



Core asset

- CAGR **+4.8%** - Mortgage



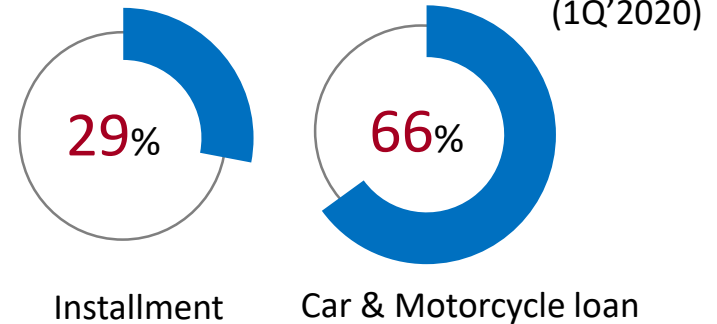
FX margin trading

- No. **1**- Market share

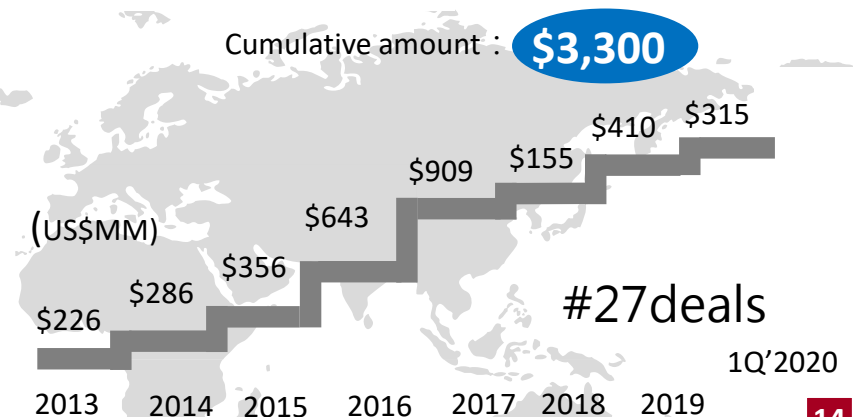


B2B consumer loans

- No. **1**- Market share



Cross-border syndication lead



Integrated retail banking



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■ Wealth management



■ Fee income (2019)

NT\$ **1.52** Bn

■ Consumer loan



■ Asset (YE'19)

NT\$ **227** Bn

■ Credit cards



■ Active cards (YE'19)

#1,052 (,000)





Credit risk

■ Strengthen asset review

- Stress test
- Early warning flag
- Disbursement control
- Facility adjustment
- Credit enhancement
- Collateral valuation

■ Strengthen KYC

- Target market / industry
- Financial disclosure
- Liquidity / cash flow forecast



Investment risk

- Cap portfolio size
- Reduce MTM swing
- Tighten investment target selection





Appendix

Key Financials



遠東國際商業銀行
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(NT\$ m, except percentages and per share data)

(Consolidated)	As of or for 12 months ended				
	December 31		1Q'19	1Q'20	YoY
	2018	2019			
Key balance sheet items					
Gross loans	384,923	390,200	385,180	405,032	5.2%
Total assets	627,351	654,888	632,429	678,110	7.2%
Deposits and remittances	508,408	537,396	515,353	542,827	5.4%
Total shareholders' equity	44,745	47,284	46,253	47,476	2.6%
BVPS	13.69	14.09	14.15	14.15	0.0%
Key income statement items					
Net interest income	5,681	5,458	1,351	1,472	9.0%
Net fee income	3,131	3,471	880	957	8.7%
Earnings before Provision	4,583	4,769	1,423	630	-55.7%
Net income	3,524	3,633	1,158	374	-67.7%
EPS (adjusted)	1.05	1.08	0.35	0.11	-68.6%
Key ratios					
NIM (unconsolidated)	1.09%	1.01%	1.05%	1.08%	+3 bp
Cost to income ratio	59.14%	59.32%	54.62%	72.53%	+17.91 Pctp
ROE (not annualized)	8.05%	7.89%	2.55%	0.79%	-1.76 Pctp
ROA (not annualized)	0.59%	0.57%	0.18%	0.06%	-12 bp
LDR	75.71%	72.61%	74.74%	74.62%	-12 bp
NPL ratio	0.24%	0.28%	0.21%	0.31%	+10 bp
Coverage ratio	574%	513%	638%	424%	-214 Pctp
CET 1 ratio (unconsolidated)	10.51%	10.53%	10.55%	10.25%	-30 bp
Tier 1 ratio (unconsolidated)	11.07%	10.99%	11.02%	10.70%	-32 bp
Total CAR (unconsolidated)	13.33%	13.60%	13.14%	13.25%	+11 bp

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