Investor Conference

Y2017 & 1Q2018

遠東國際商業銀行
Far Eastern Int'l Bank
June 19, 2018

Far Eastern Group

遠東國際商業銀行
Far Eastern Int'l Bank

遠東集團
FAR EASTERN GROUP

- Span over 10 major industries
- Own over 249 companies
- Established in 1937
- 9 public listed companies in Taiwan and HK

Petrochemical & energy

- 7 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

- 21 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

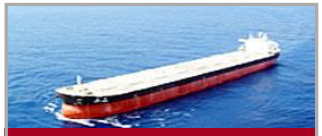
- 27subsidiaries integrating Taiwan and China markets
- Main operation unit Asia Cement to achieved 41 m tons of annual capacity, ranking up to Top 10 in China

Retail & department store

- Together owns 56 stores across both sides of Strait
- Total sales surpassed NT$ 130 billion

Financial services

- 13 companies in operation across 7 financial service fields, in Taiwan and China
- FEIB is the flagship operating entity



Sea/Land transportation

- 12 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
- Invested in FETC, more than 7 million vehicles have installed OBUs and over 1.8 billion tolls collected.

Construction

- 7 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

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Far Eastern Int'l Bank

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Assets & Net Worth

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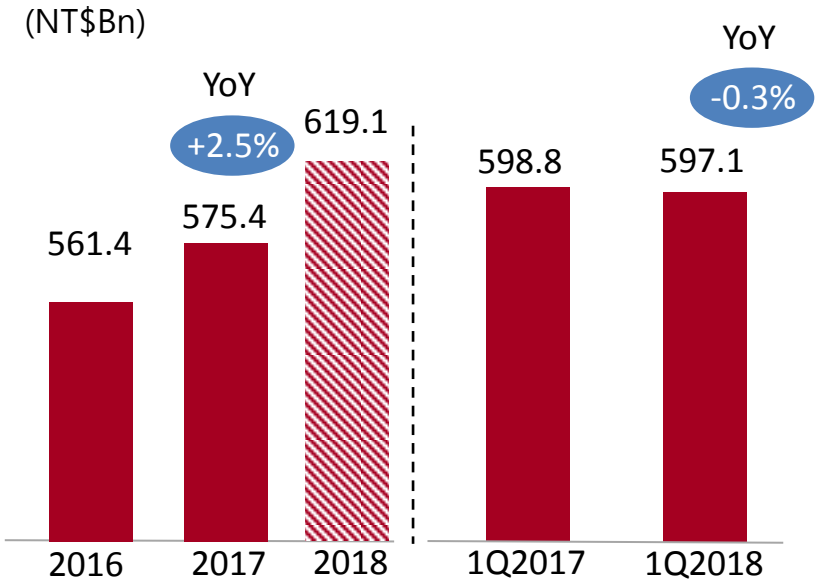
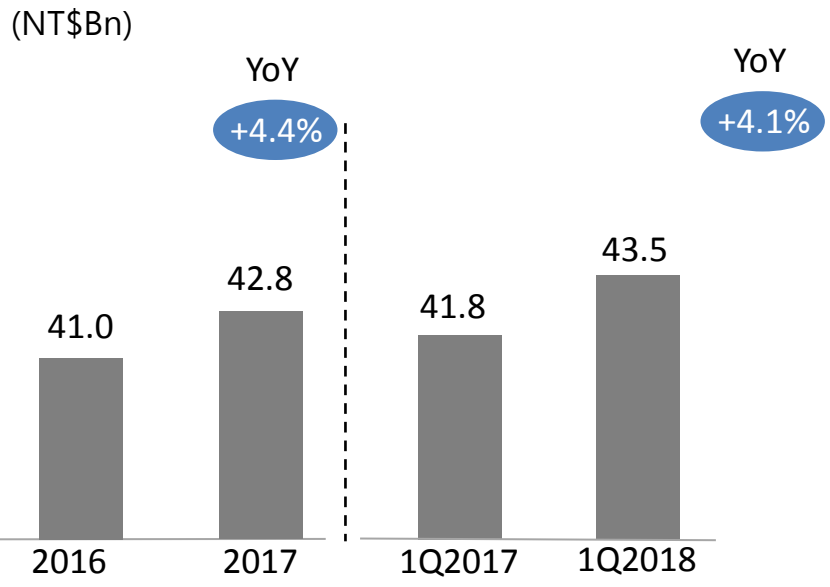
Asset



Net Worth



Source: :Consolidated financial report

Loans & Deposits

遠東國際商業銀行
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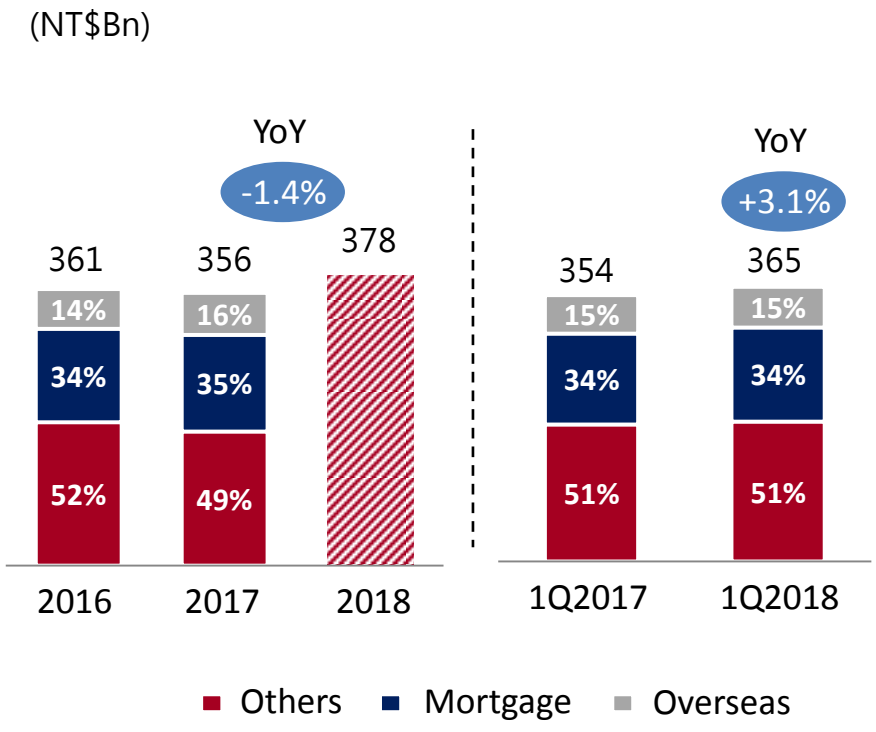
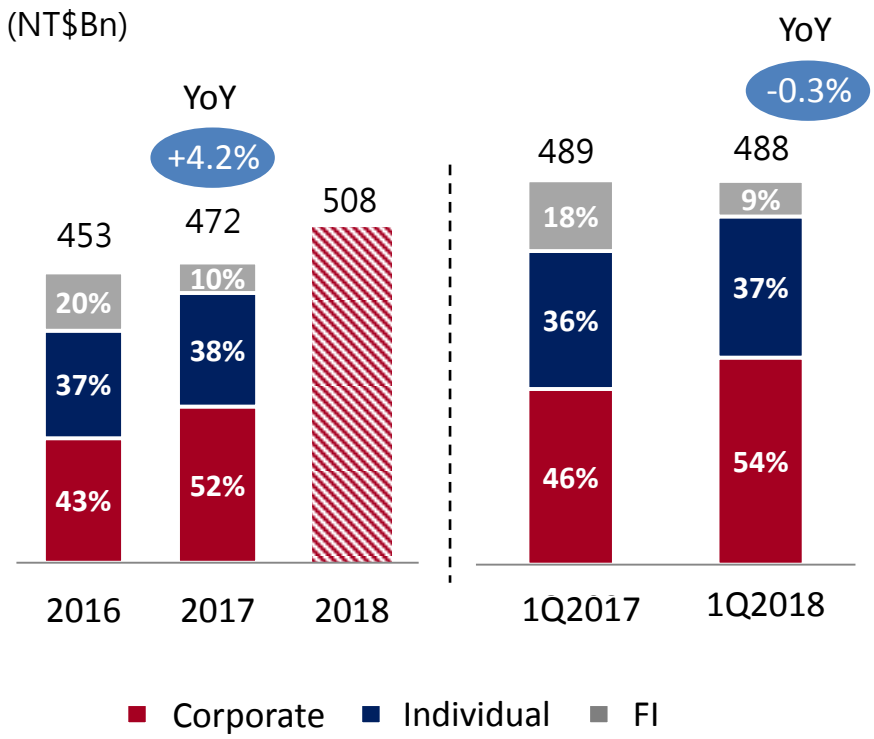
Loans



Deposits



Source: :Consolidated financial report

Revenue

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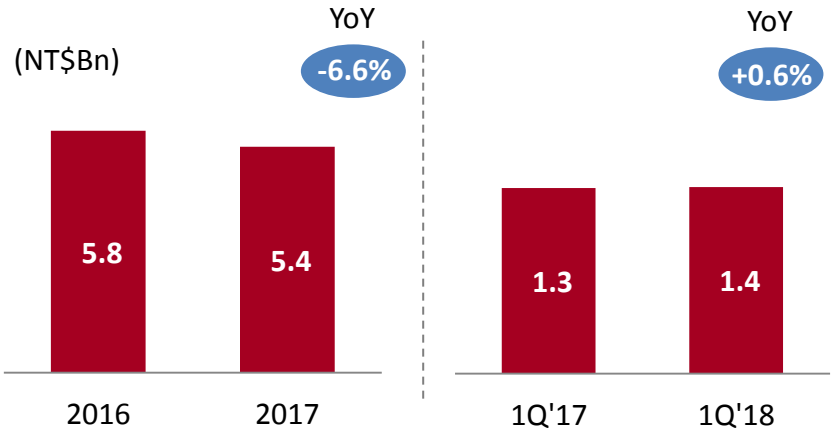
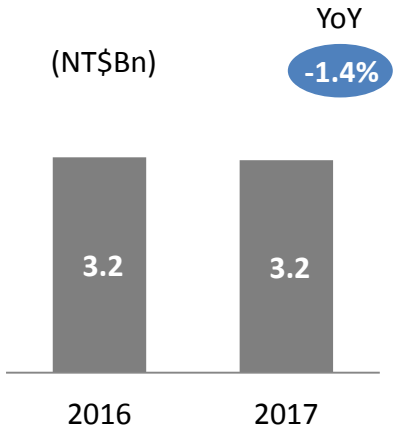
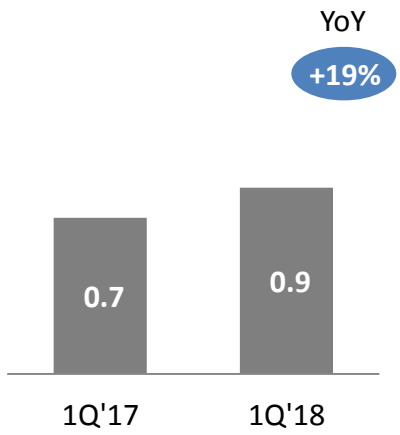
Net Interest income

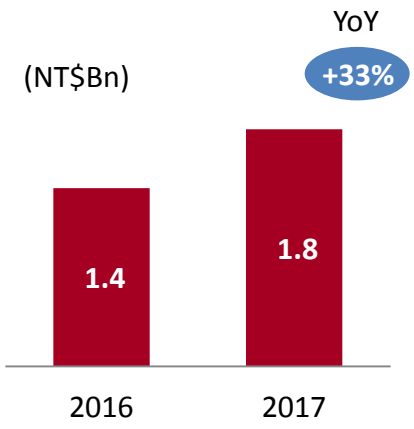


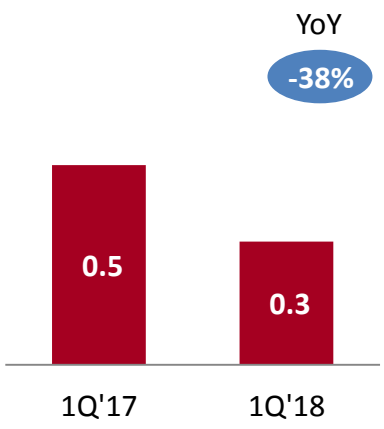
Net Fee income



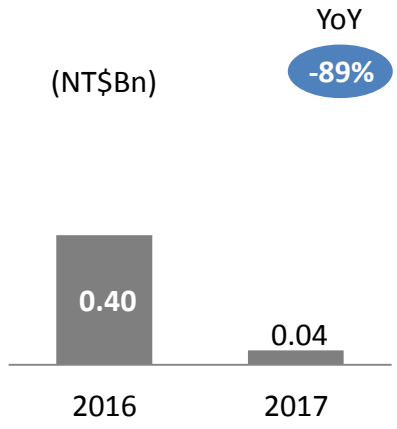


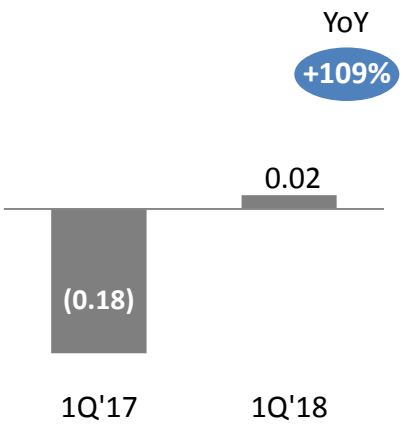
Trading & Investment income





FX & Other income





Source: Consolidated Financial Report

Asset Quality

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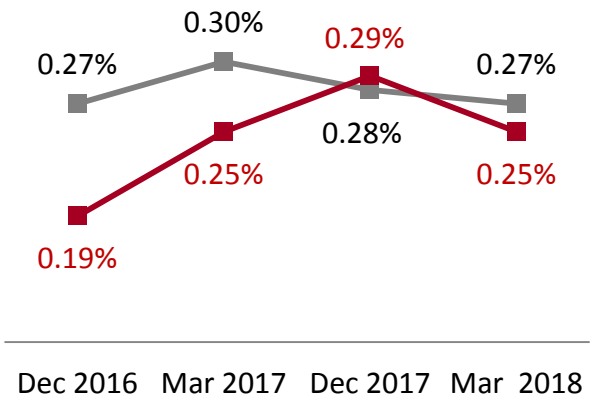
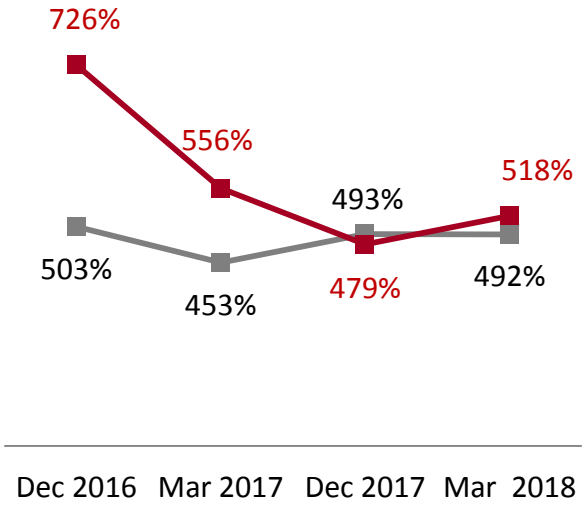
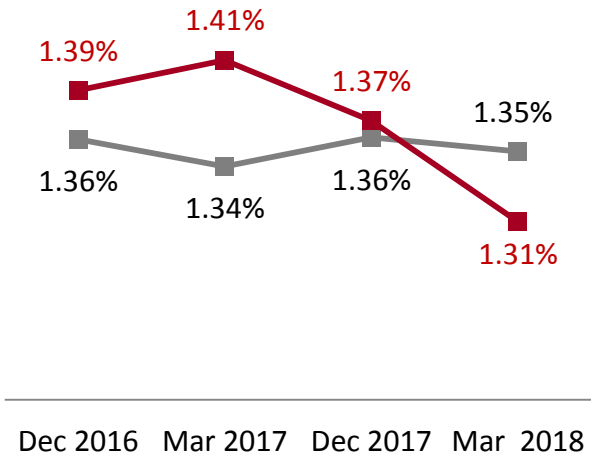
NPL ratio



NPL coverage ratio



Loan coverage ratio



Industry FEIB

Source: Consolidated financial reports
Industry: 36 Commercial Banks

Liquidity & BIS

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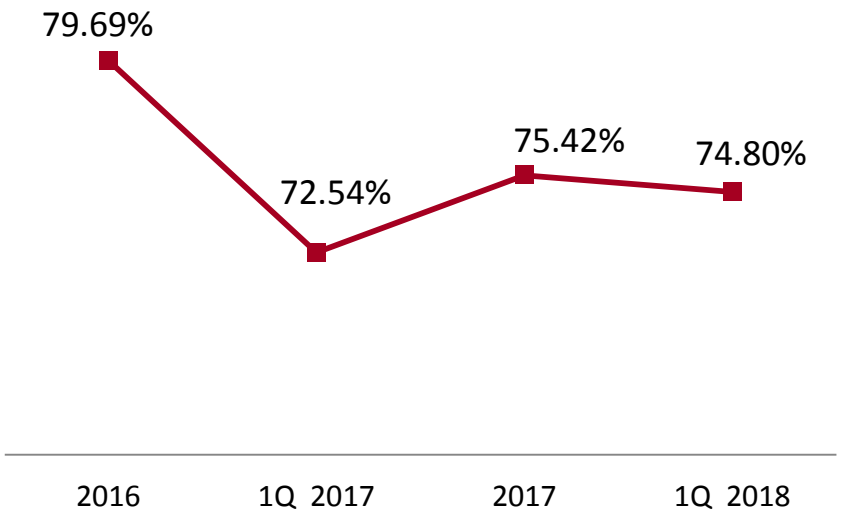
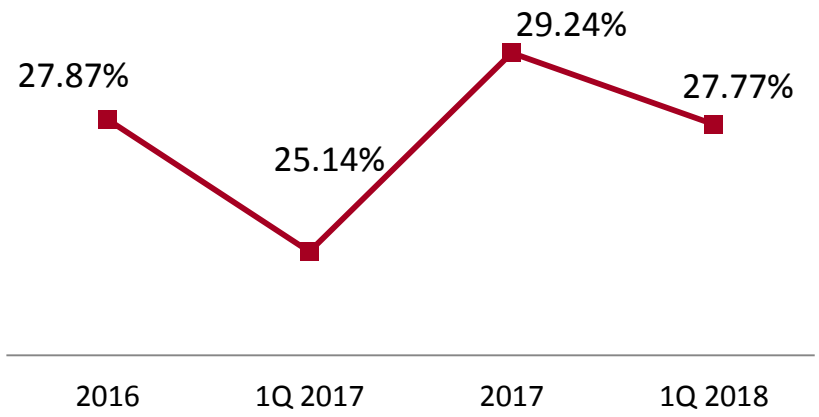
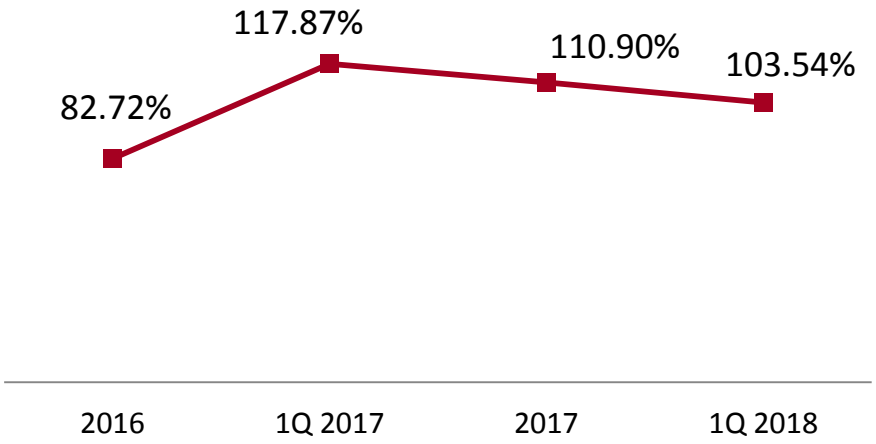
LDR



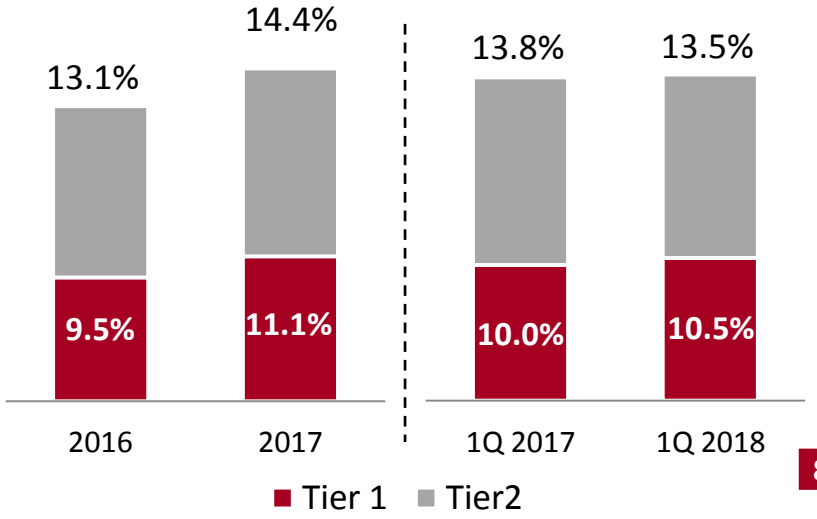
DDR



LCR



BIS (Unconsolidated)



Source: Consolidated Financial Report

Net Income

遠東國際商業銀行
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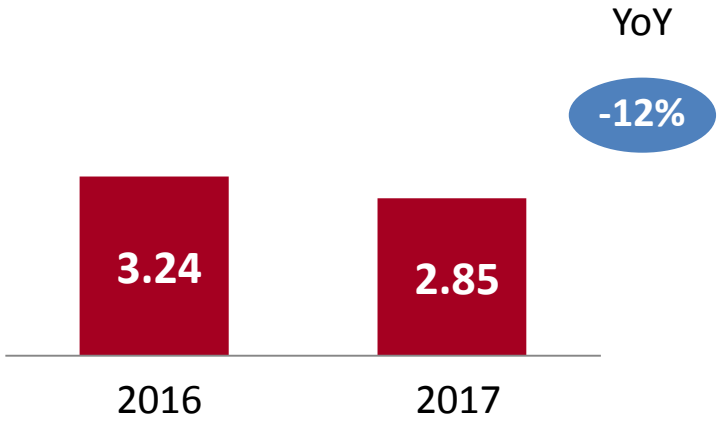
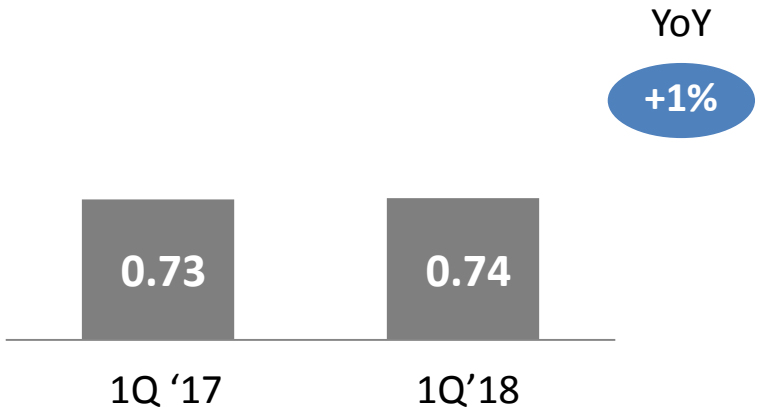
- Net Income

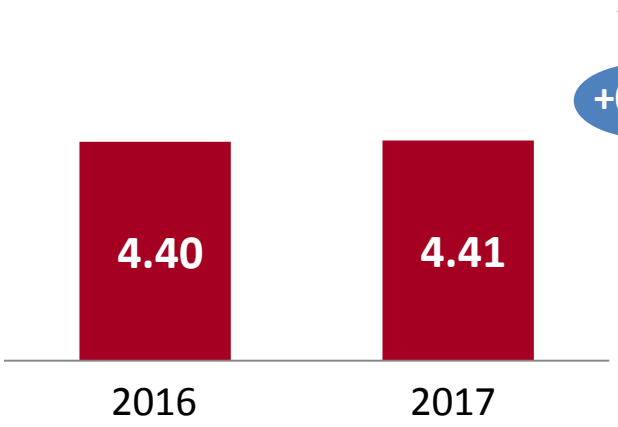
(NT$Bn)

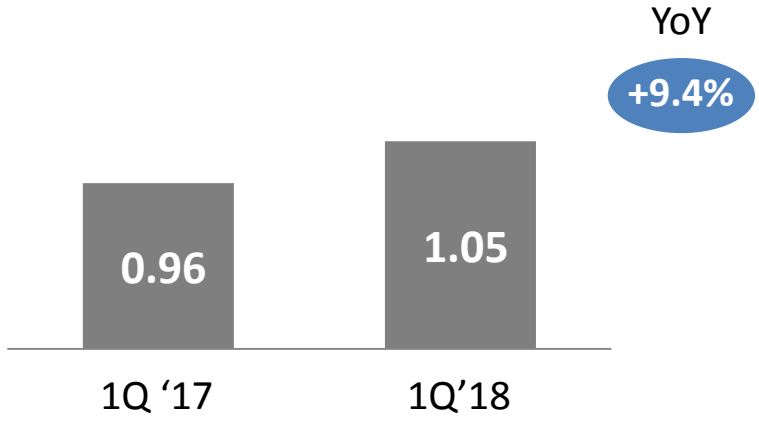




- PPOP*

(NT$Bn)





*PPOP excluding FX gain(loss)

Source: Consolidated Financial Report

Profitability

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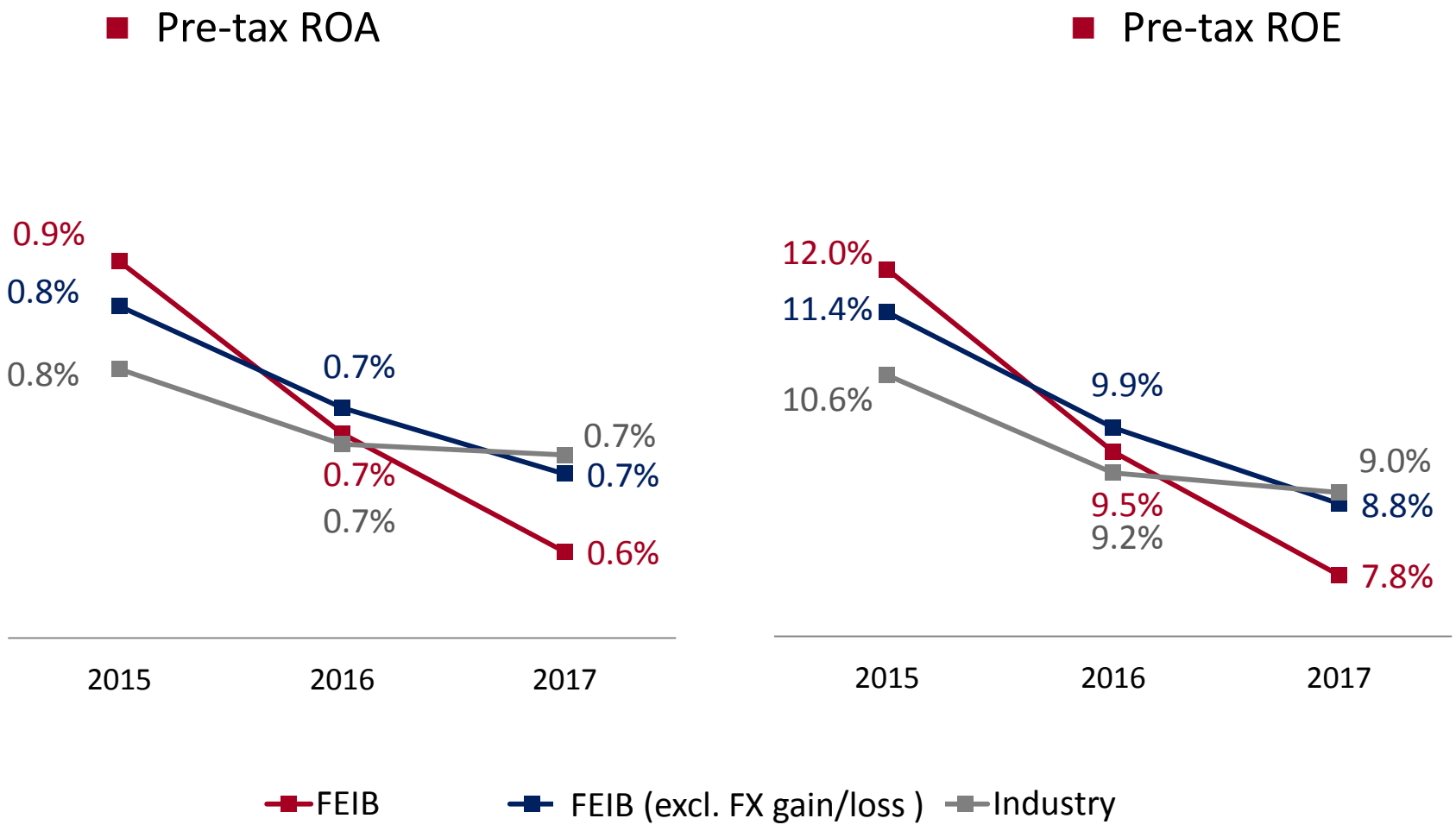

Source: Consolidated Financial Report, FSC

Dividend

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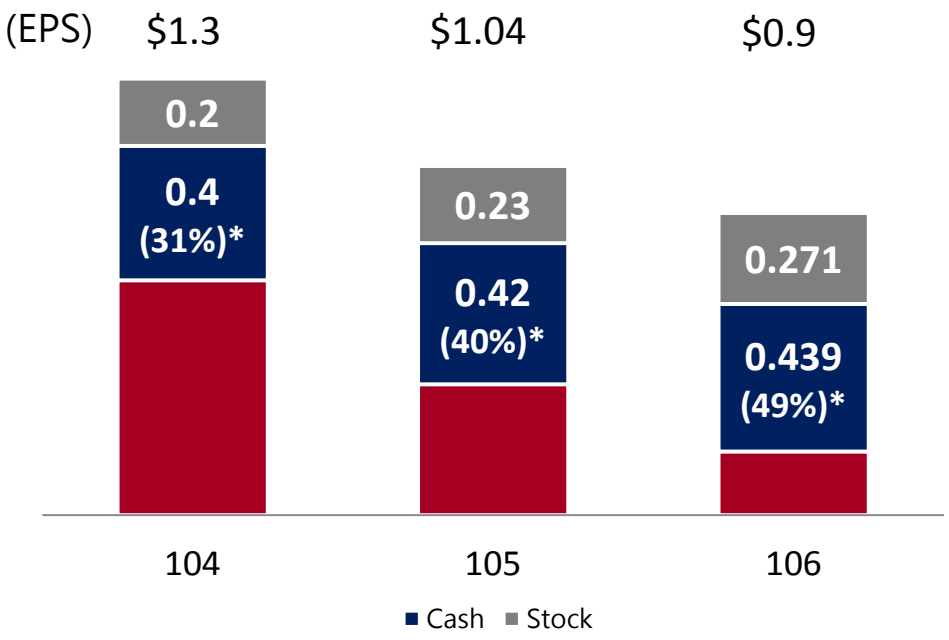
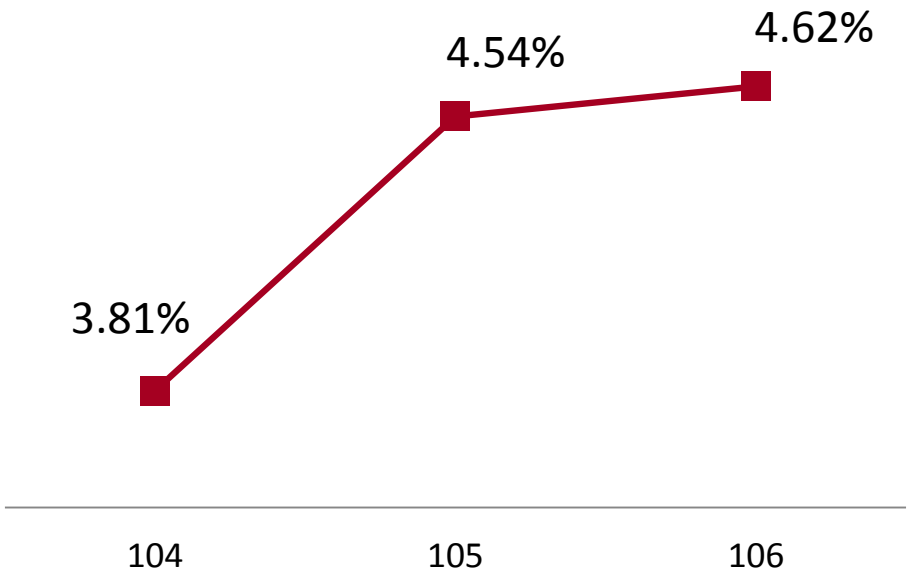
EPS & Dividend payout

(NT$/Share)



*Cash dividend/EPS

Cash dividend yield **



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

Source: Consolidated Financial Report, Annual Report

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Ⅱ 2018 Key Strategies

2018 Key Strategies

遠東國際商業銀行
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- Create new value
  - Going digital
  - Going overseas
  - Leading niche competitiveness
  - Expanding scales

- Improve productivity
  - Integrating and restructuring
  - Accelerating digital banking
  - Transforming branch business model

- Strengthen compliance and control
  - Complying regulations and internal control
  - Improving risk management

Going Digital

遠東國際商業銀行
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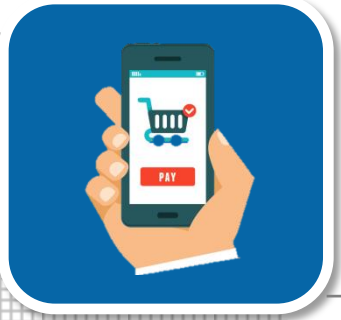
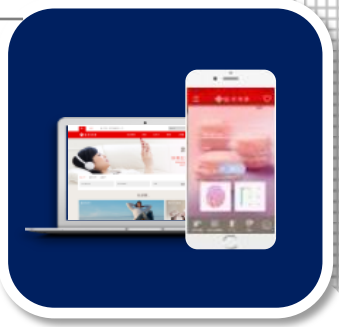
- **Digital branding**
  - Social finance



- **Mobile payment**

NFC



- **Digital platform**
  - Upgraded APP & Website
  - Digitalized streamline processing

- **AI in WM**
  - Robo advisor

HAPPY+ 財富管理

Going Overseas

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Deepen greater China base

Develop ASEAN market

Enter OECD countries

Leading Niche

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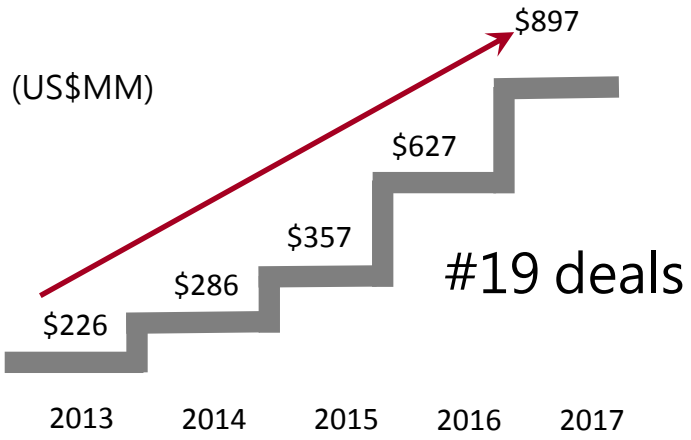
- Cross-border syndicated lead



- Leading consumer loans

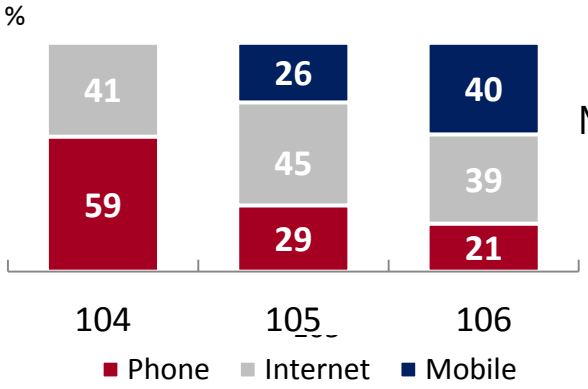
Installment Loans

Market share

Car Loans

Market share

- FX margin business



Market share

- Fund IPO sales

Exceeding goals

Expanding Scales

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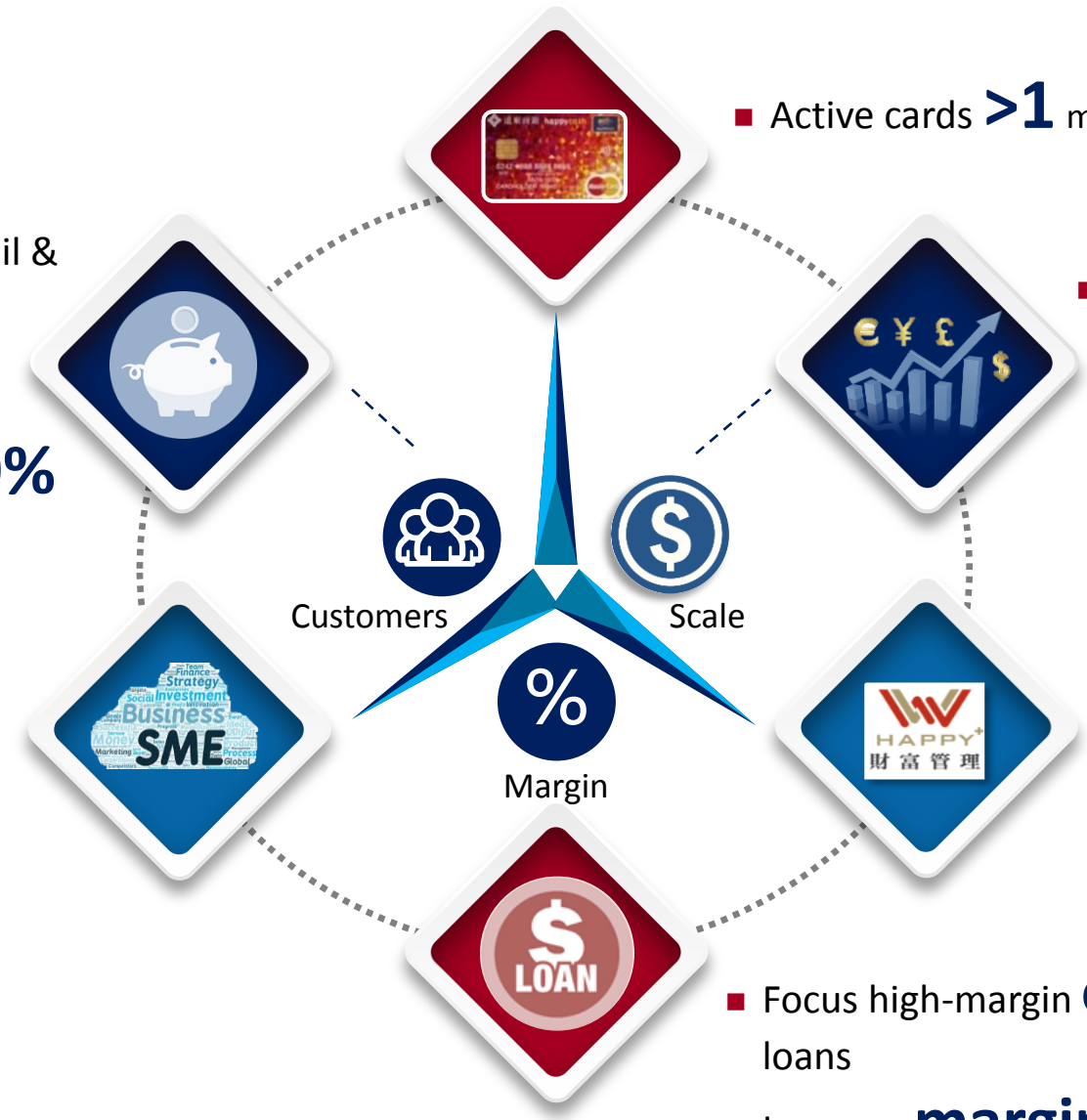

- Active cards **>1** mm
- Increase retail & demand **deposit**
- LCR **>100%**
- Trading & investment income grow **>50%**
- Consolidated **MM** & **SME** biz
- Increase SME loan **+16**%
- AUM of WM > **420**Bn
- Increase **5 star** & above VIPs
- Focus high-margin **overseas** loans
- Increase **margin** by 5bps

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遠東國際商業銀行
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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,			As of or for 3 months ended March 31,		
	2016	2017	YoY	1Q2017	1Q2018	YoY
Key balance sheet items						
Gross loans	360,995	355,941	-1.4%	354,480	365,399	3.0%
Total assets	561,415	575,424	2.5%	598,844	597,101	-0.3%
Deposits and remittances	452,720	472,392	4.3%	489,186	487,558	-0.3%
Total shareholders' equity	40,951	42,787	4.5%	41,750	43,485	4.2%
BVPS	13.16	13.44	2.1%	13.42	13.66	1.8%
Key income statement items						
Net interest income	5,784	5,405	-6.6%	1,344	1,352	0.6%
Net fee income	3,197	3,152	-1.4%	715	853	19%
Earnings before Provision	4,268	4,000	-6.3%	826	935	13%
Net income	3,244	2,854	-12%	732	736	0.5%
EPS	1.02	0.90	-11%	0.23	0.23	0%
Key ratios						
NIM (unconsolidated)	1.25%	1.08%	-17 bp	1.11%	1.09%	-2 bp
Cost to income ratio	60.3%	61.6%	1.3 PctP	65.5%	63.2%	-2.3 PctP
ROE (not annualized)	8.12%	6.82%	-1.3 PctP	1.77%	1.71%	-6 bp
ROA (not annualized)	0.59%	0.50%	-9 bp	0.13%	0.13%	0 bp
LDR	79.7%	75.4%	-4.3 PctP	72.5%	74.8%	2.3 PctP
NPL ratio	0.19%	0.29%	10 bp	0.25%	0.25%	0 bp
Coverage ratio	726%	479%	-247PctP	556%	518%	-38 PctP
Tier 1 ratio (unconsolidated)	9.52%	11.06%	1.54PctP	10.00%	10.47%	47 bp
Total CAR (unconsolidated)	13.14%	14.35%	1.21PctP	13.79%	13.50%	-29 bp

遠東國際商業銀行
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Thank you

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