

Investor Conference

► 1Q'2021 ◀



遠東國際商業銀行
Far Eastern Int'l Bank

5/27'2021





遠東集團
FAR EASTERN GROUP

- 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



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- 1 Financial Highlights
- 2 Key Strategies

2021 rating results



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- 'FEIB's ratings are affirmed (DD: 5/7'21) :

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

- Rating are supported by:

- Taiwan banking outlook
 - 'a' / negative → 'a' /**stable**
- FEIB's stable operations
 - Moderate risk appetite
 - Adequate loss absorption buffer

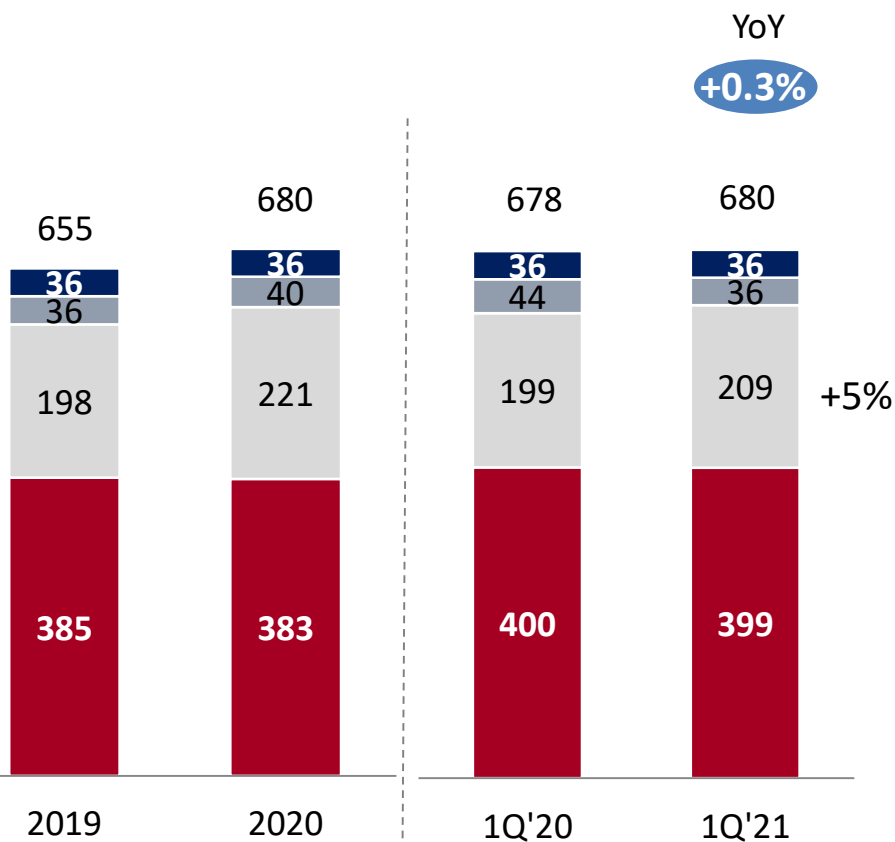
Assets & Net worth



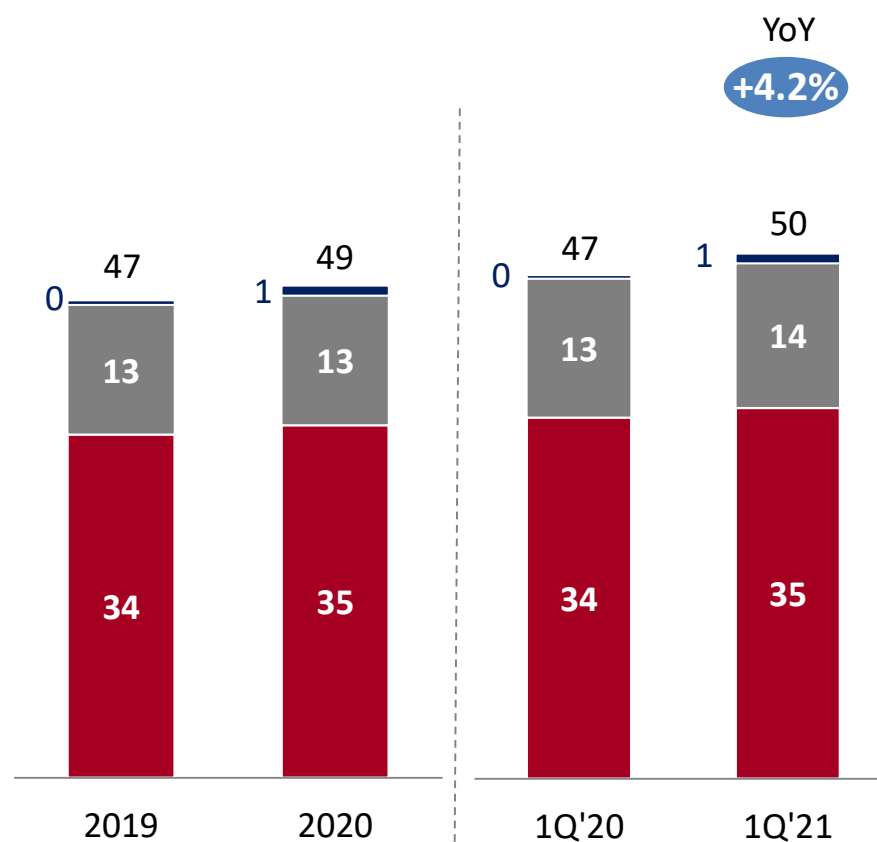
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■ Assets
(NT\$Bn)



■ Net Worth
(NT\$Bn)



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

■ Capital + Capital Surplus ■ Retain Earnings & Others

■ OCI

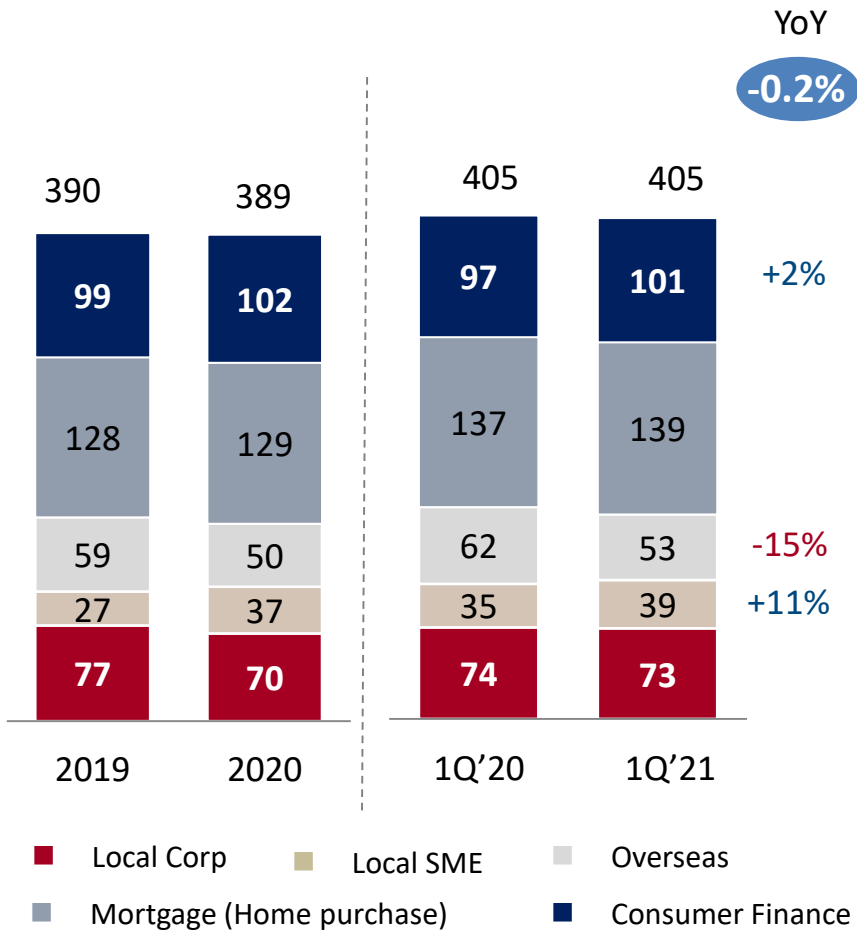
Loans & Deposit



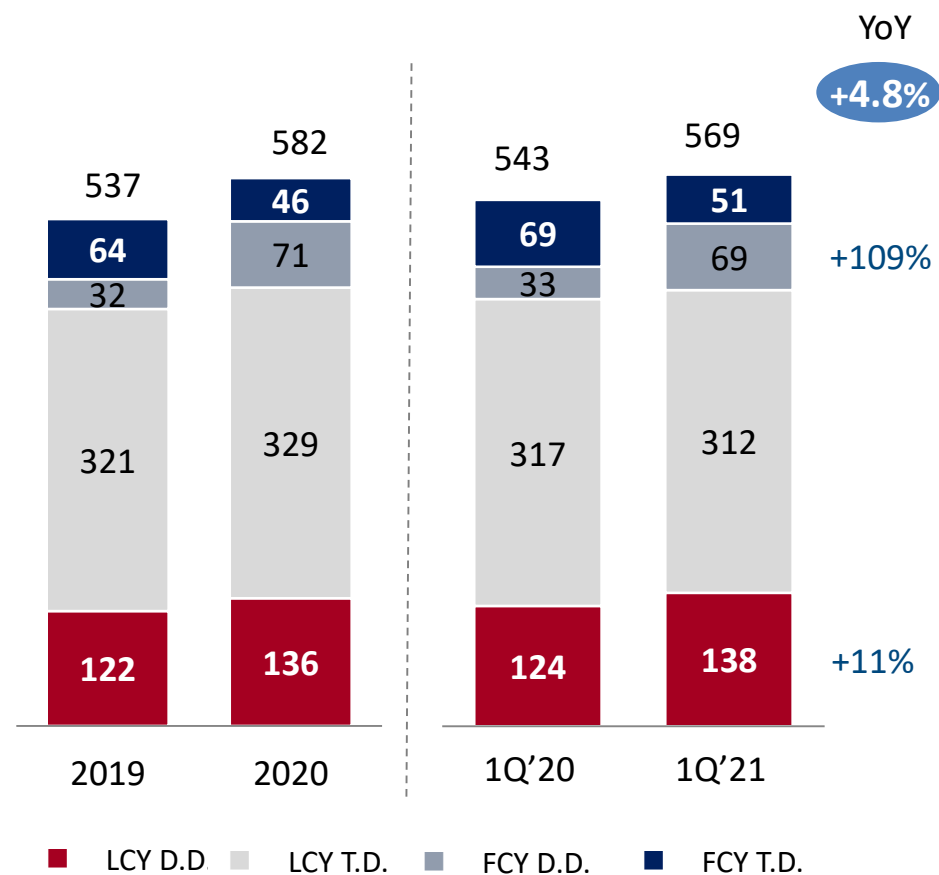
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■ Gross Loan
(NT\$Bn)

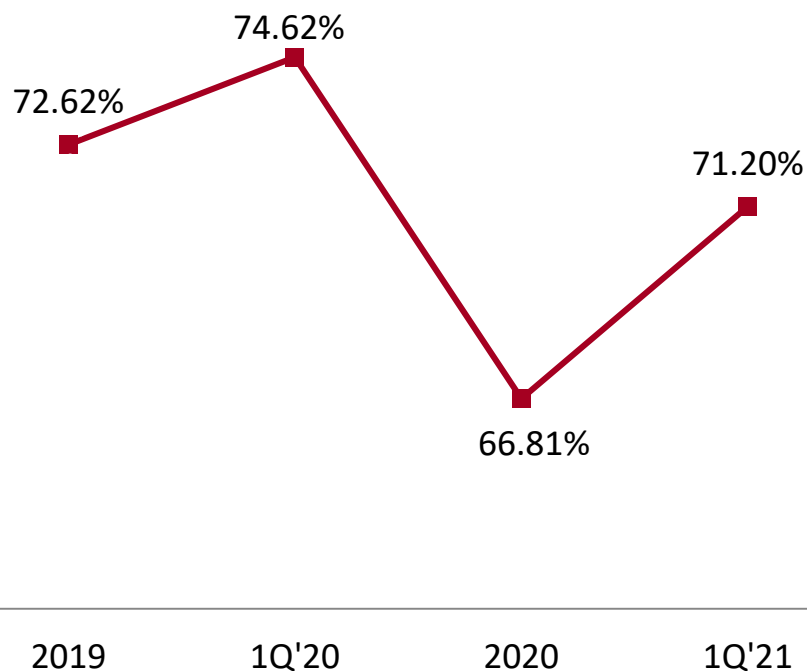


■ Deposit
(NT\$Bn)

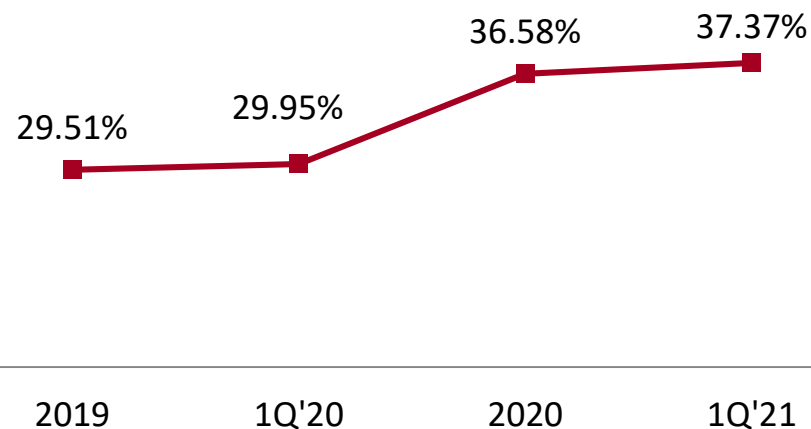




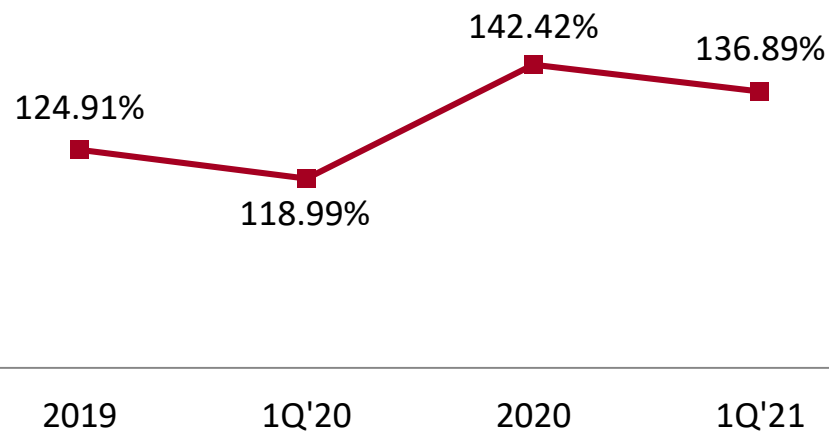
■ Gross loan-to-deposit ratio



■ Demand Deposit ratio



■ Liquidity coverage ratio



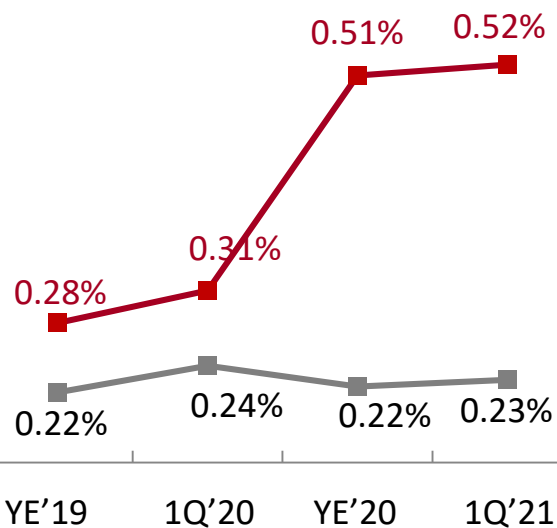
Asset Quality



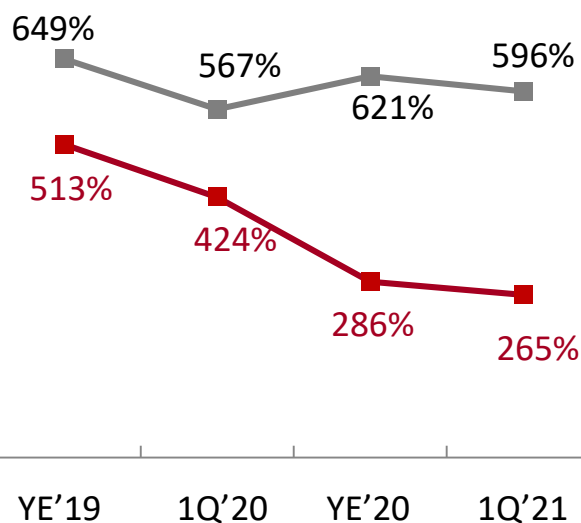
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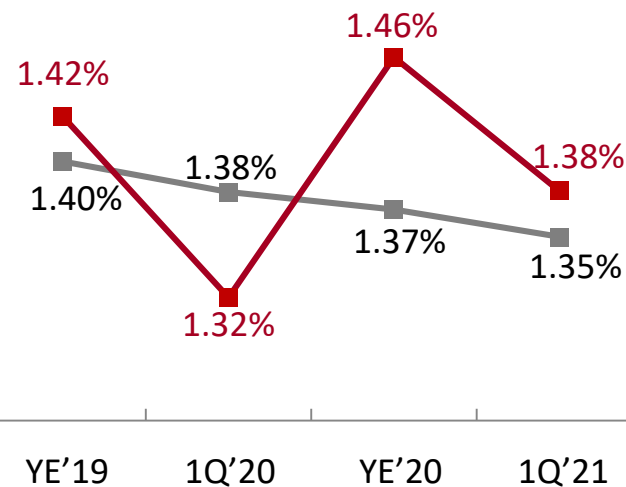
NPL ratio



NPL coverage ratio



Loan coverage ratio

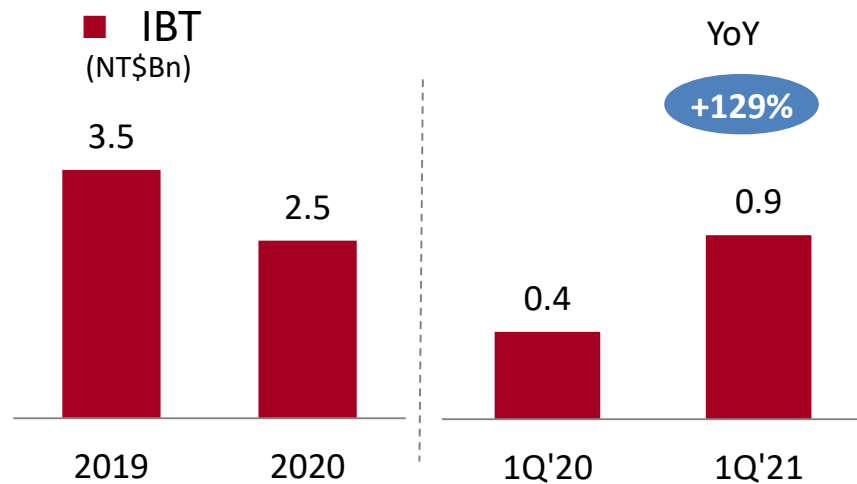
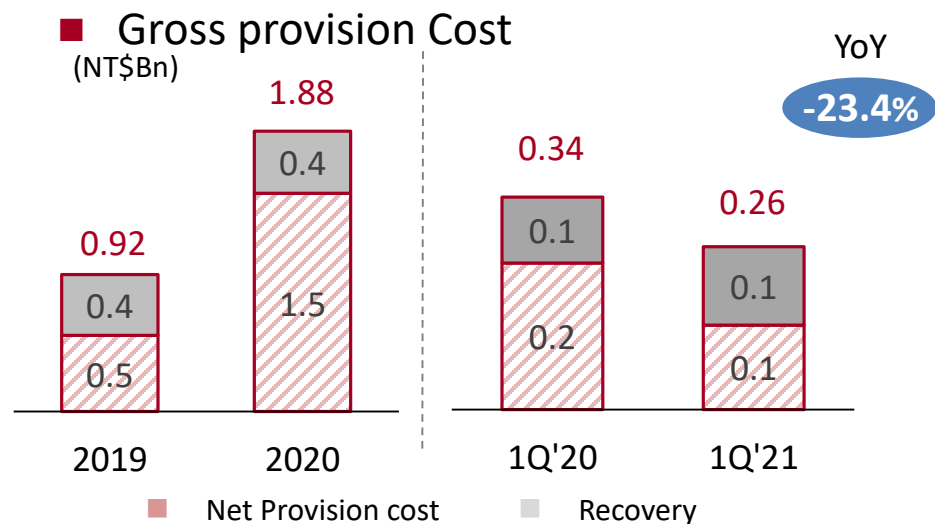
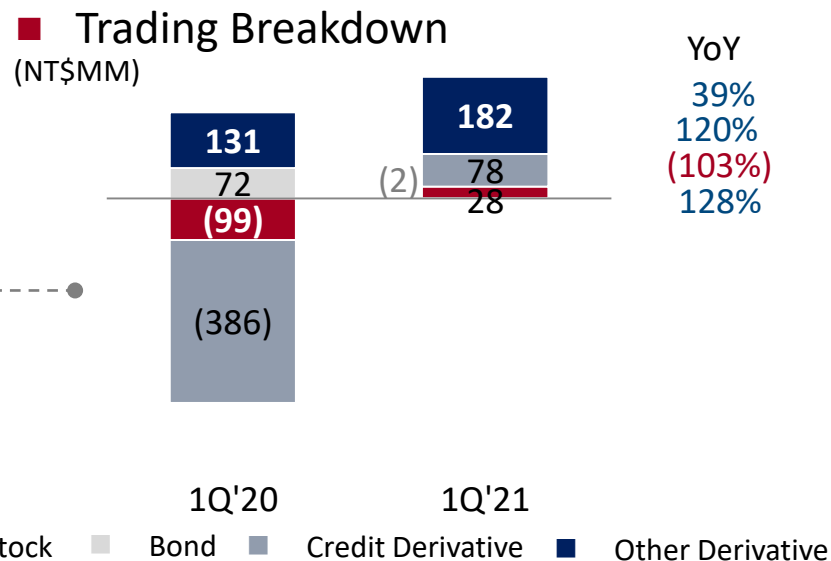
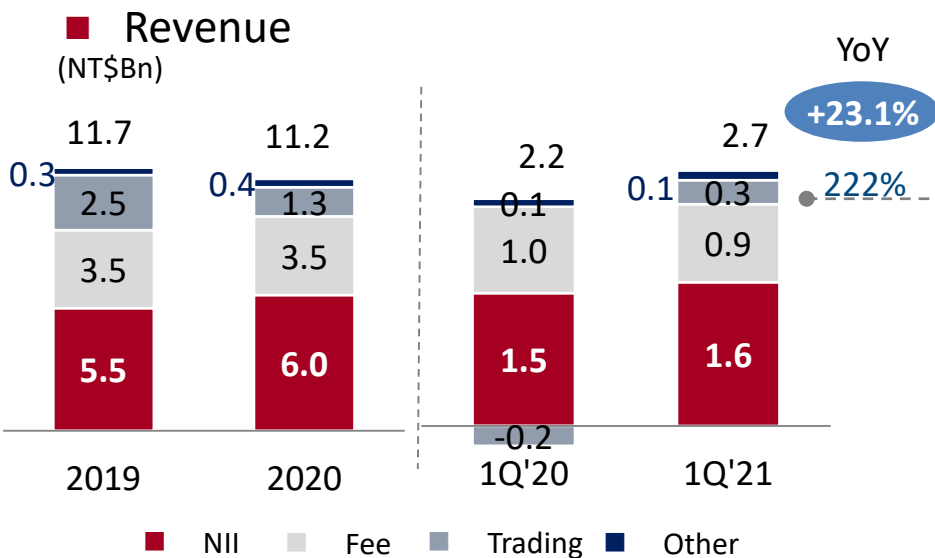


■ Industry ■ FEIB

Profitability



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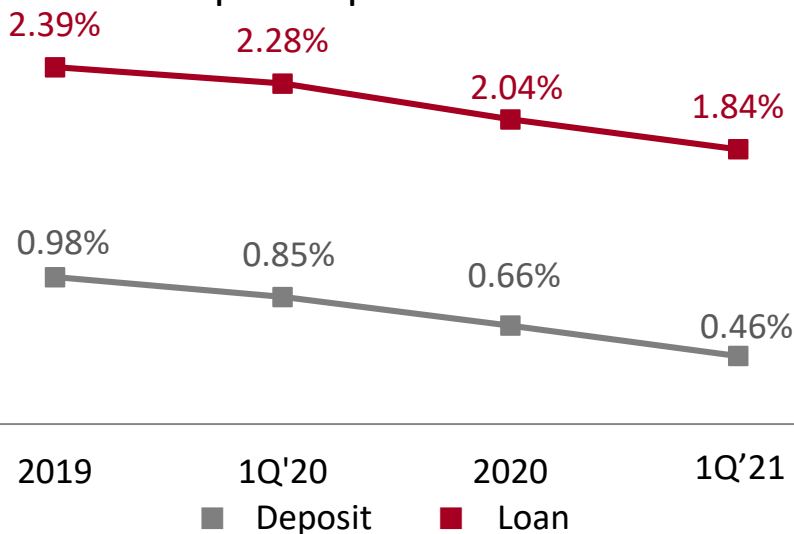
Profitability



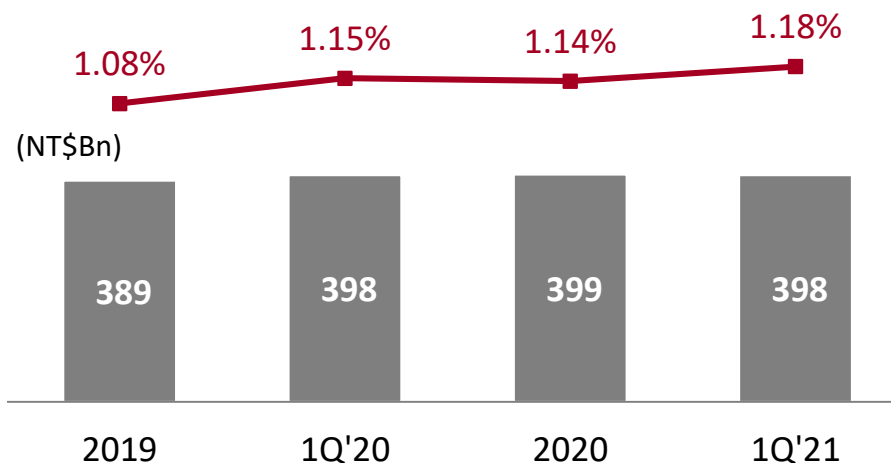
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■ Loan-Deposit-Spread

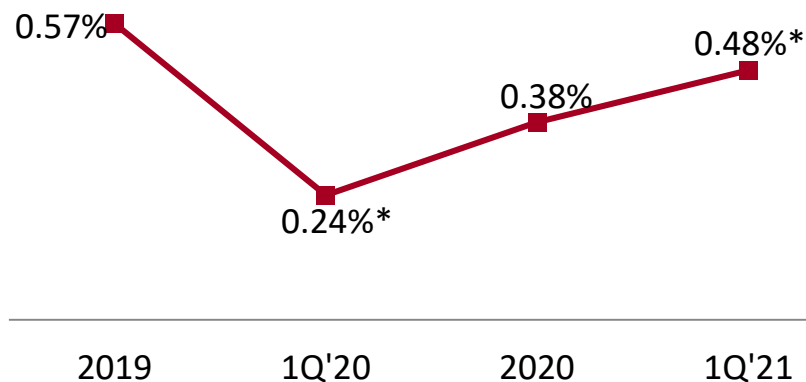


■ Loan Yield* & Avg. Loan Balance

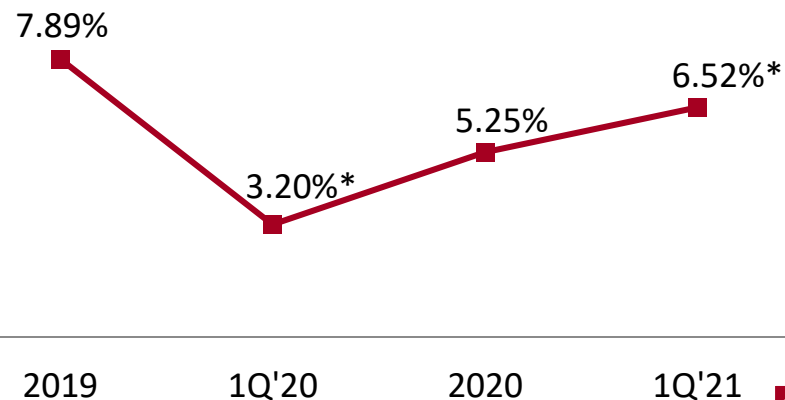


* =Net loan revenue / Avg. loan balance

■ ROA (after tax)



■ ROE (after tax)

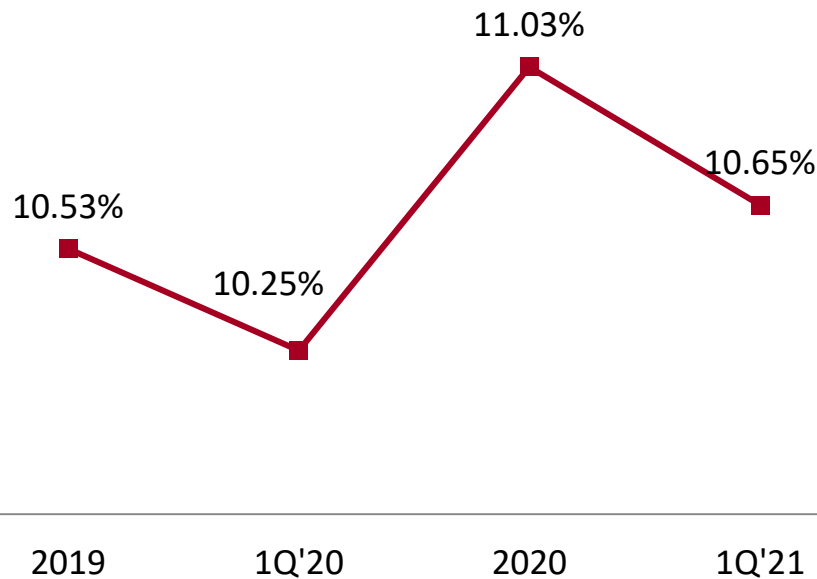


*annualized

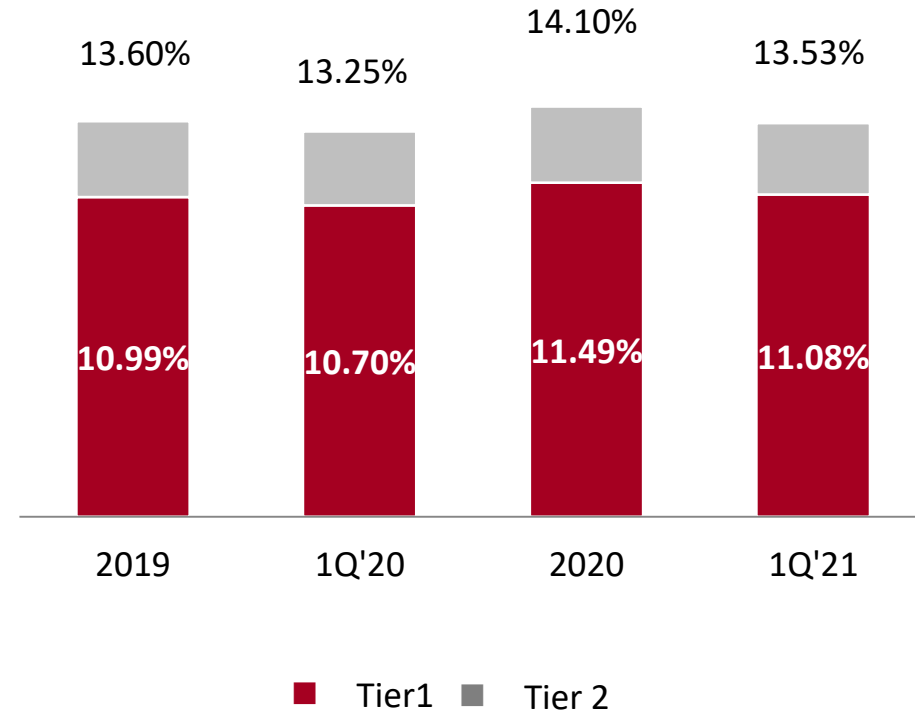
Source: :Consolidated audited financial report/ FEIB website



■ CET1 (unconsolidated)



■ BIS (unconsolidated)



■ Tier1 ■ Tier2



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Fund investment

- Fee income YoY **+7%** (1Q'21)
- Weight on multi-layer, high-yield investment post pandemic



Insurance

- AGP YoY **+25%** (1Q'21)
- Weight on investment-linked policy post pandemic



Credit cards

- Spending YoY **+7%** (1Q'21)
- Improve active card rate
- Focus on high spending



Consumer loans

- Outstanding YoY **+2%** (1Q'21)
- Focus on revolving and recovering mortgage & PL
- Lead niche B2B consumer loans

Digital banking



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■ Group synergy

■ Settlement account



■ BaaP / BaaS

■ P2B Lending platform



■ Rental management platform

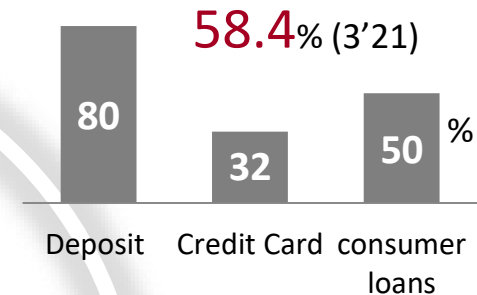


■ Mastercard Send XB channel

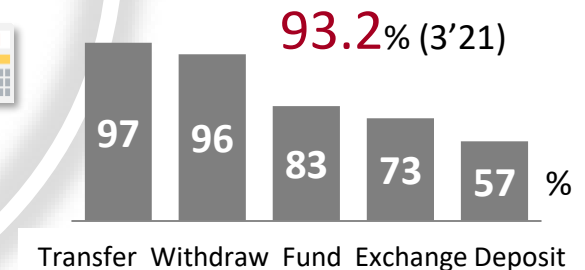


■ Social Banking - Personal loan

■ Acquisition rate



■ Off - counter rate





Focus local market

- Increase **SME** loan **+11%** (1Q'21)
- Focus on **real estate financing**
- Increase TM customers



Refocus offshore market

- Focus on **syndicated loan** & **structured finance**
- Open **Singapore** rep. office - in **6'21**



Enhance asset quality

- Review default cases for lesson-learned early warning signals
- Tighten TM and risk assessment in China and overseas market





Environmental

- TCFD disclosure - 6'21
- ESG credit project

Social

- Supplier evaluation

Corporate Governance

- 2020 corporate governance evaluation result
 - Top 6~20% in listed com.
 - Top 41~60% in FI
- 2020 CSR report



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Appendix

Key Financials



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

(Consolidated)	As of or for 12 months ended December 31				
	2019	2020	1Q'2020	1Q'2021	YoY
Key balance sheet items					
Gross loans	390,200	388,857	405,032	404,970	-0.02%
Total assets	654,888	680,047	678,085	679,981	0.28%
Deposits and remittances	537,396	582,153	542,827	568,807	4.79%
Total shareholders' equity	47,284	48,744	47,451	49,447	4.21%
BVPS	14.09	14.14	14.14	14.34	0.20%
Key income statement items					
Net interest income	5,458	6,037	1,474	1,594	8.14%
Net fee income	3,471	3,514	957	864	-9.72%
Earnings before Provision	4,769	4,353	635	1,056	66.30%
Net income	3,633	2,519	379	799	110.82%
EPS	1.05	0.73	0.11	0.23	109.09%
Key ratios					
NIM (unconsolidated)	1.01%	1.03%	1.05%	1.03%	-2bp
Cost to income ratio	59.32%	61.19%	72.36%	62.71%	-9.65 Pctp
ROE (annualized)	7.89%	5.25%	3.20%	6.52%	+3.32 Pctp
ROA (annualized)	0.57%	0.38%	0.24%	0.48%	+24 bp
LDR(不含匯款)	72.62%	66.81%	74.62%	71.20%	-3.42 Pctp
NPL ratio	0.28%	0.51%	0.31%	0.52%	+21 bp
Coverage ratio	513%	286%	424%	265%	-159 PctP
CET 1 ratio (unconsolidated)	10.53%	11.03%	10.25%	10.65%	+40 bp
Tier 1 ratio (unconsolidated)	10.99%	11.49%	10.70%	11.08%	+38 bp
Total CAR (unconsolidated)	13.60%	14.10%	13.25%	13.53%	+28 bp



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THANK YOU

Disclaimer



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