

# Investor Conference

2Q'2023



# 2023



遠東國際商業銀行  
Far Eastern Int'l Bank

9/8'2023



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\$3,153 Bn. (2Q'23)



## 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



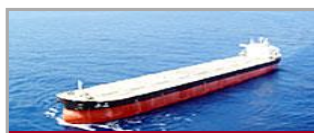
## Retail & department store

- Together owns 47 stores across both sides of Strait
- Total sales surpassed NT\$ 66 billion (YTD Jun.'23)



## Financial services

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



## Sea/Land transportation

- 14 subsidiaries in operation
- Flagship U-Ming Marine Transport has 72 vessels and a shipping capacity of 8.77 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 7.8 million vehicles have installed OBUs and over 2.0 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
- Asia Eastern University of Science and Technology
- Founded Far Eastern memorial Hospital
- Far Eastern Polyclinic
- Yu Chang Technical & Commercial Vocational Senior High School



## Financial Highlights



## Key Strategies



## Profitability

- Consecutive double-digit YOY growth in IBT

## Asset Quality

- Improving NPL %, down to industry-avg. level

## Risk Management

- Tightening overseas exposure, especially for China market

## Digitalization

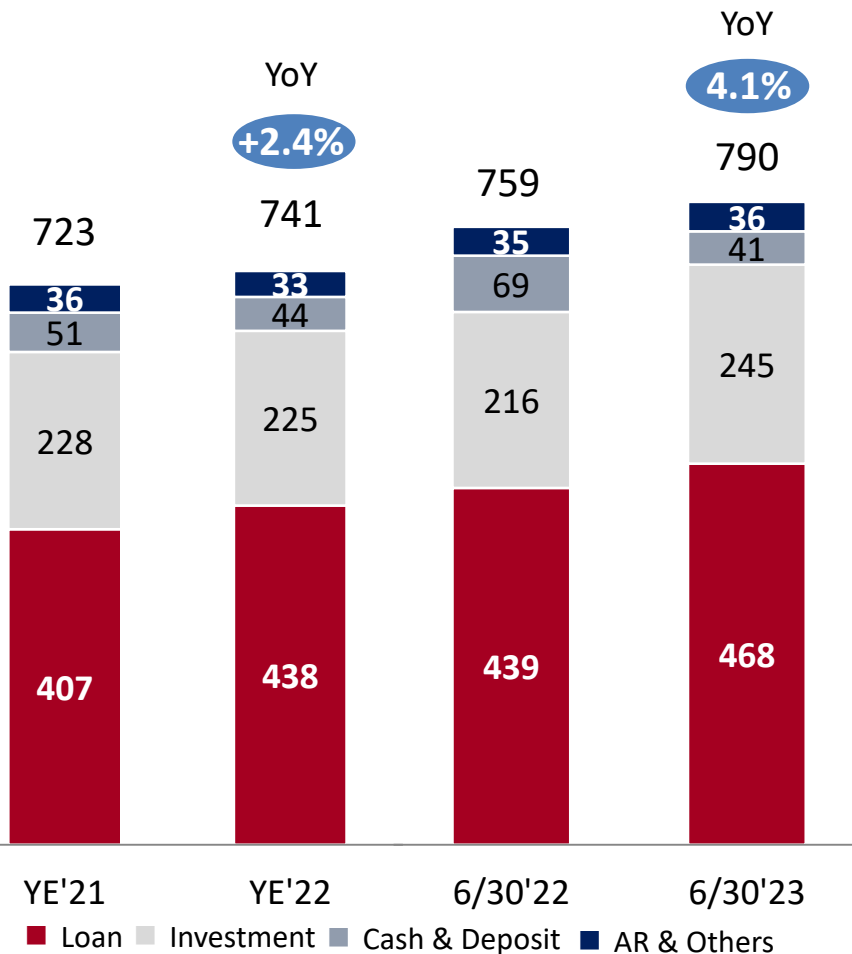
- ChatGPT AI testing in management

# Assets & Net Worth

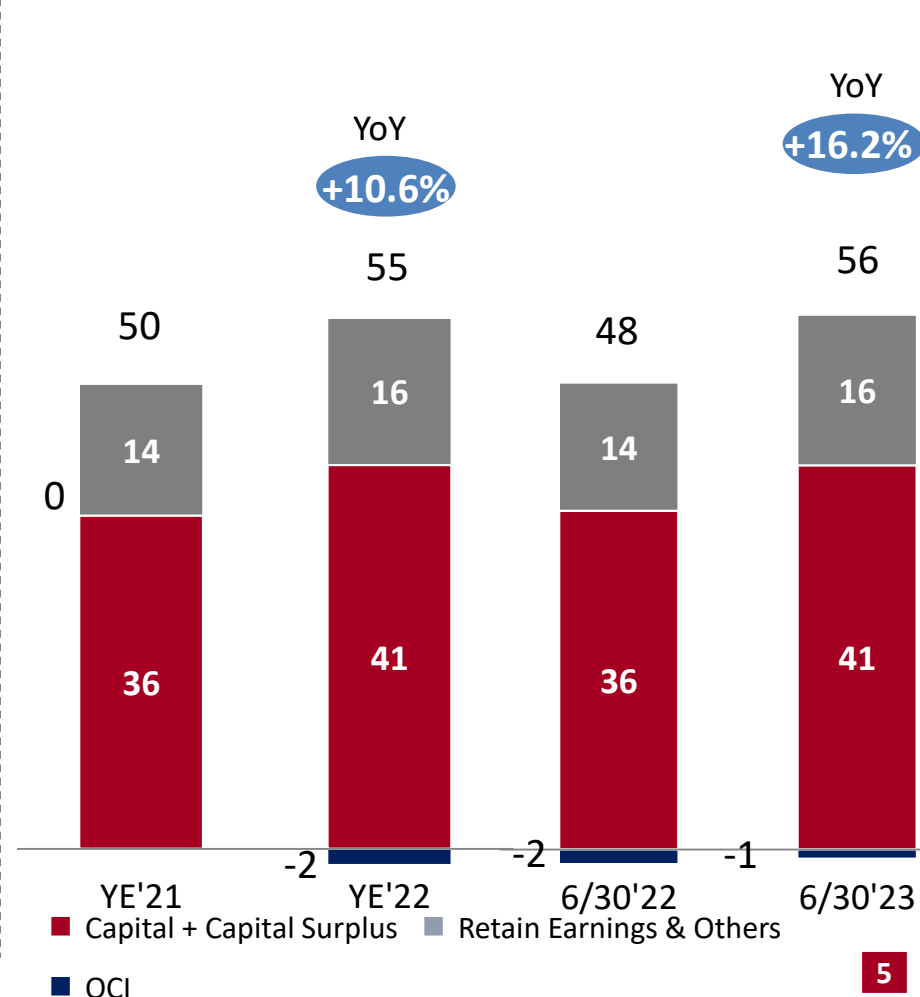


遠東國際商業銀行  
Far Eastern Int'l Bank

■ Assets  
(NT\$Bn)



■ Net Worth  
(NT\$Bn)

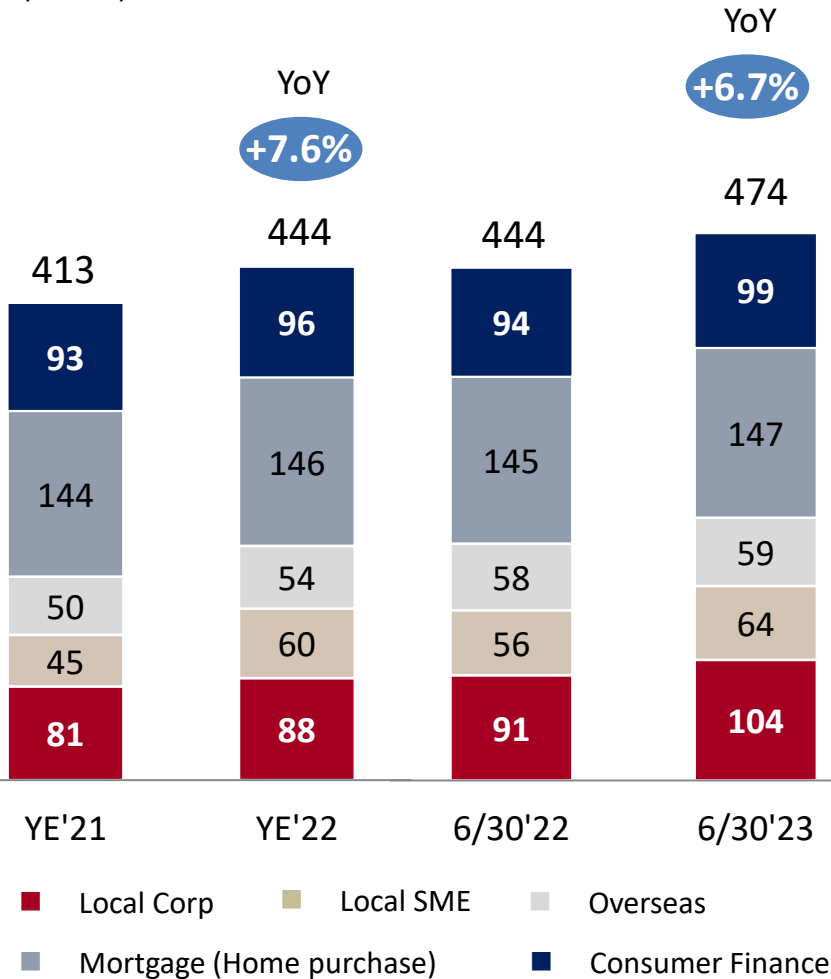


# Loans & Deposit

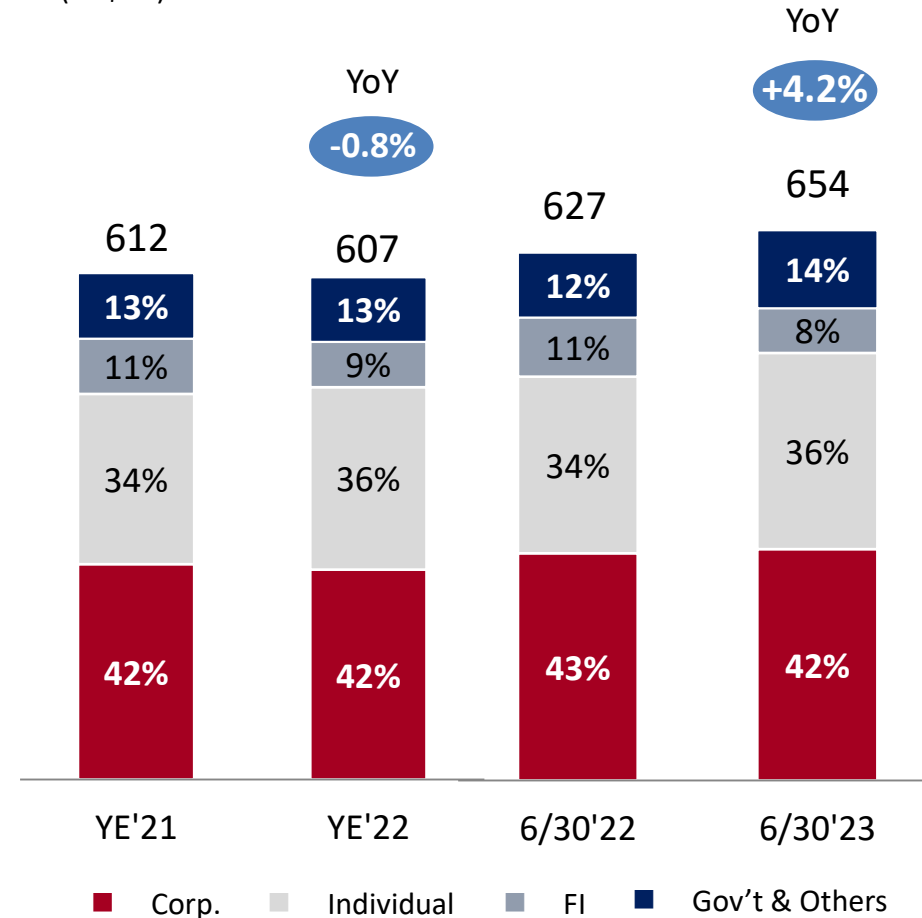


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■ Gross Loan  
(NT\$Bn)

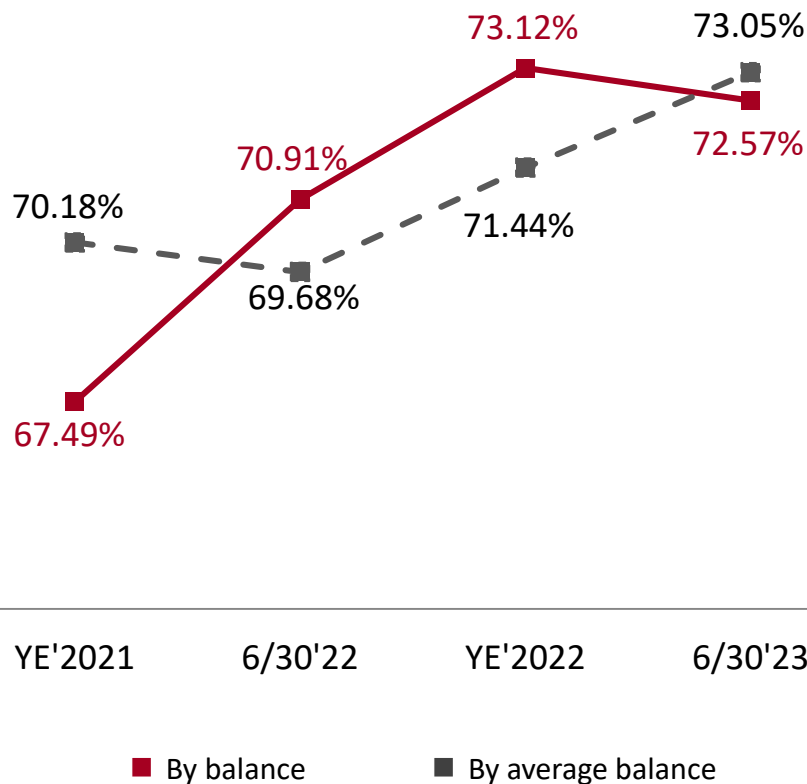


■ Deposit  
(NT\$Bn)

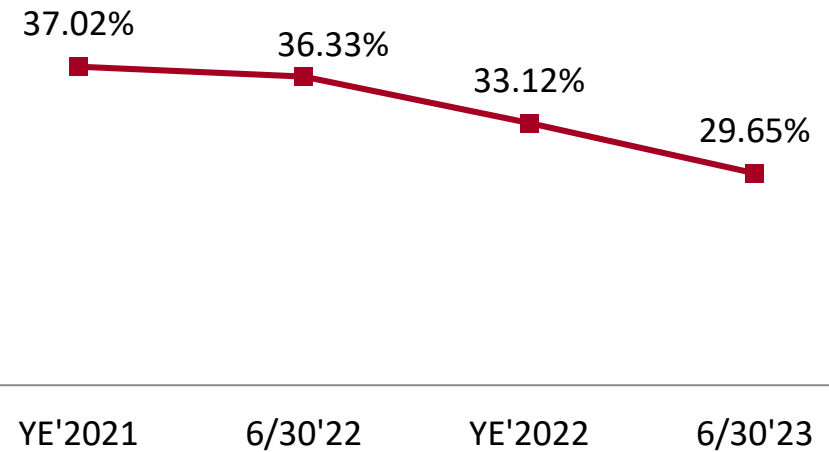




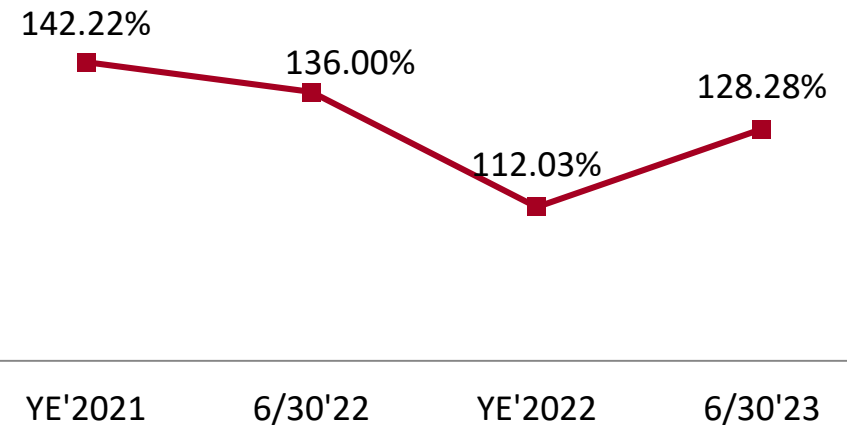
## ■ Gross loan-to-deposit ratio



## ■ Demand Deposit ratio

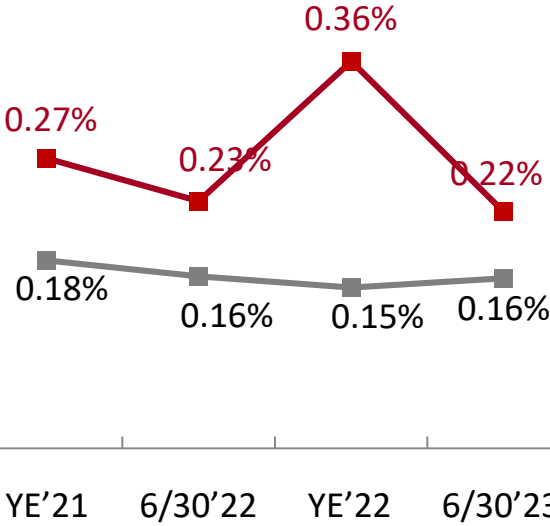


## ■ Liquidity coverage ratio

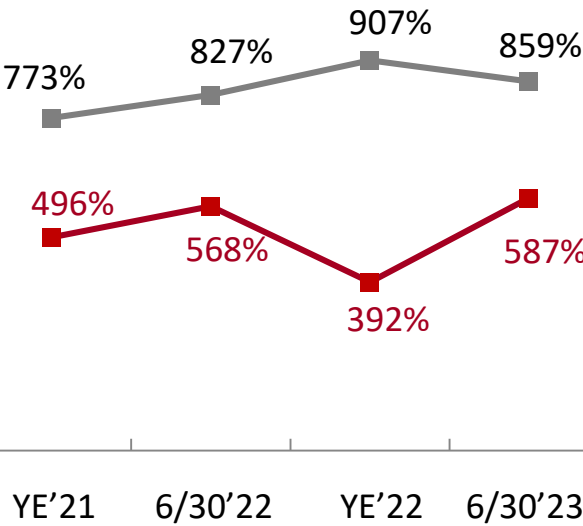


# Asset Quality

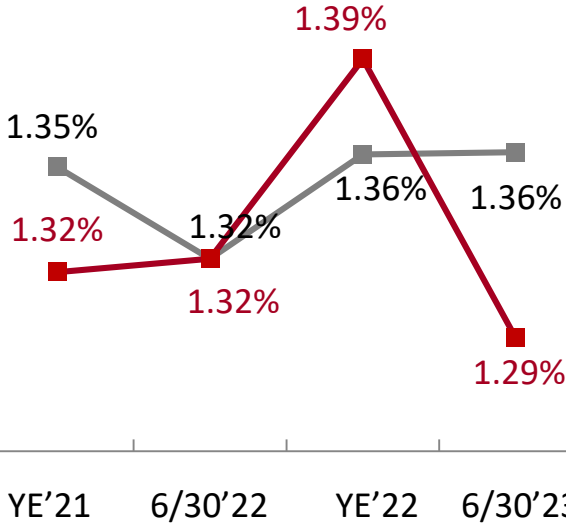
■ NPL Ratio



■ NPL Coverage Ratio



■ Loan Coverage Ratio



■ Industry ■ FEIB

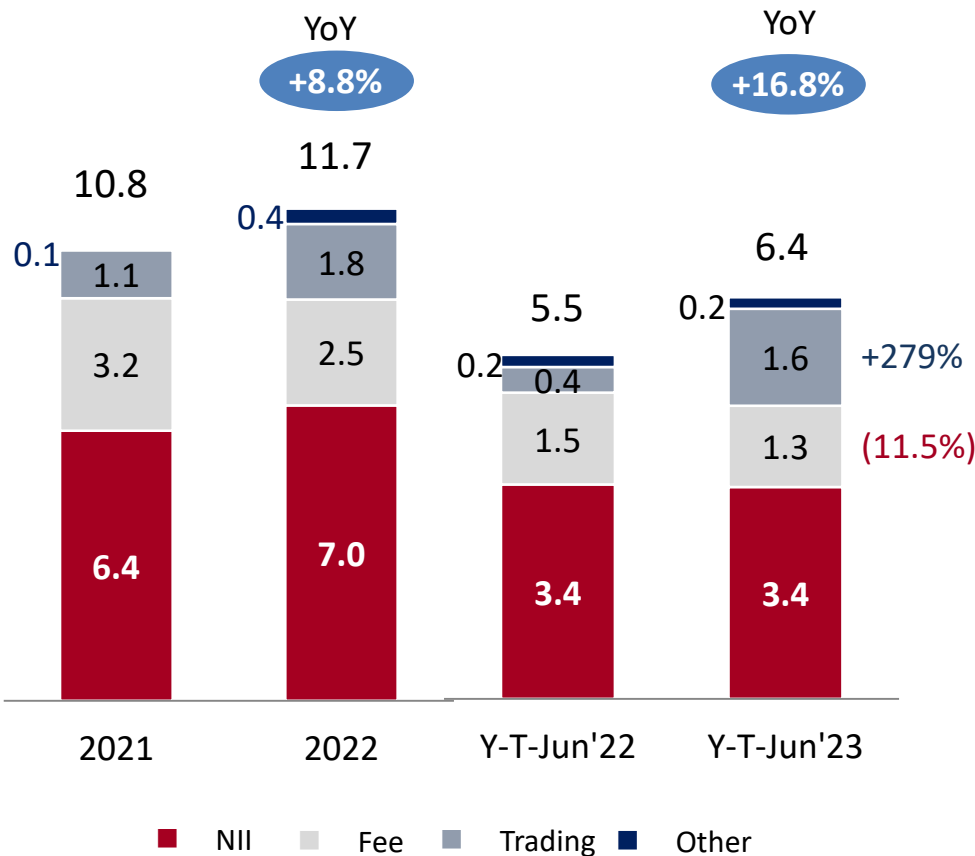


# Revenue & Profit Before Provision

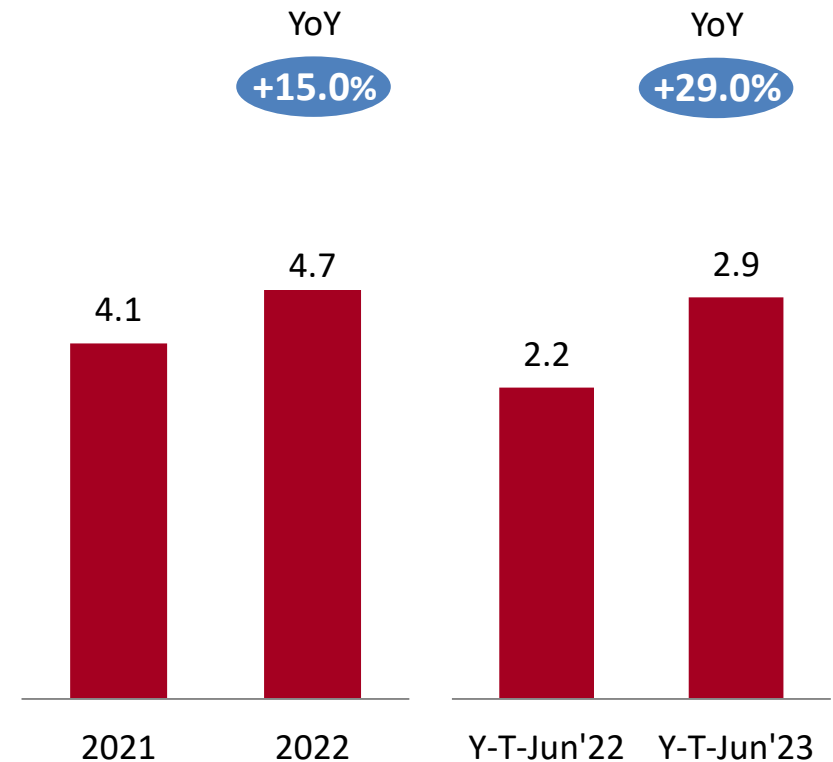


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■ Revenue  
(NT\$Bn)



■ PPOP  
(NT\$Bn)

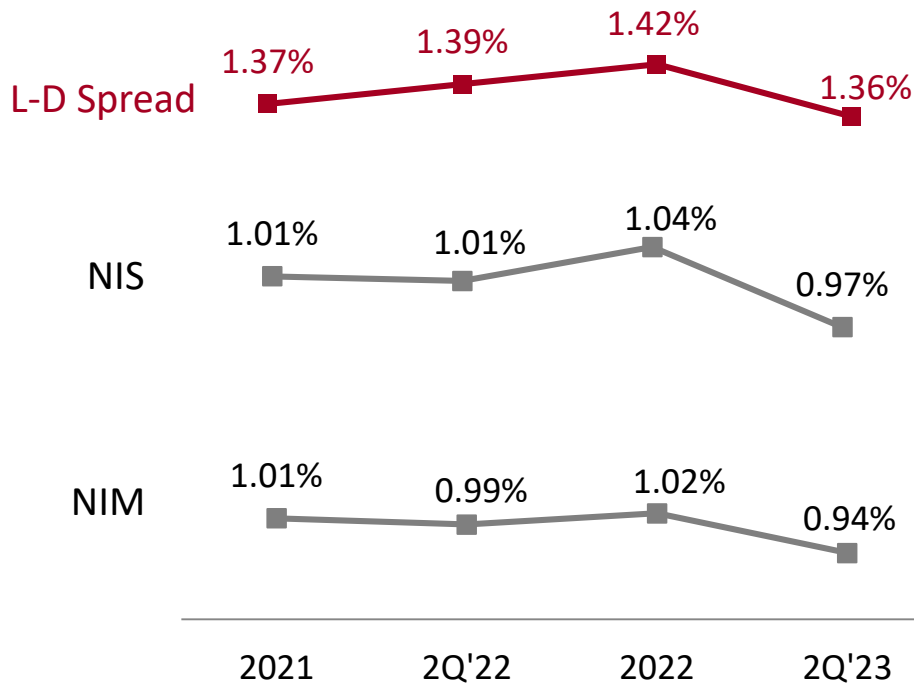


# Interest Margin & Fee Income

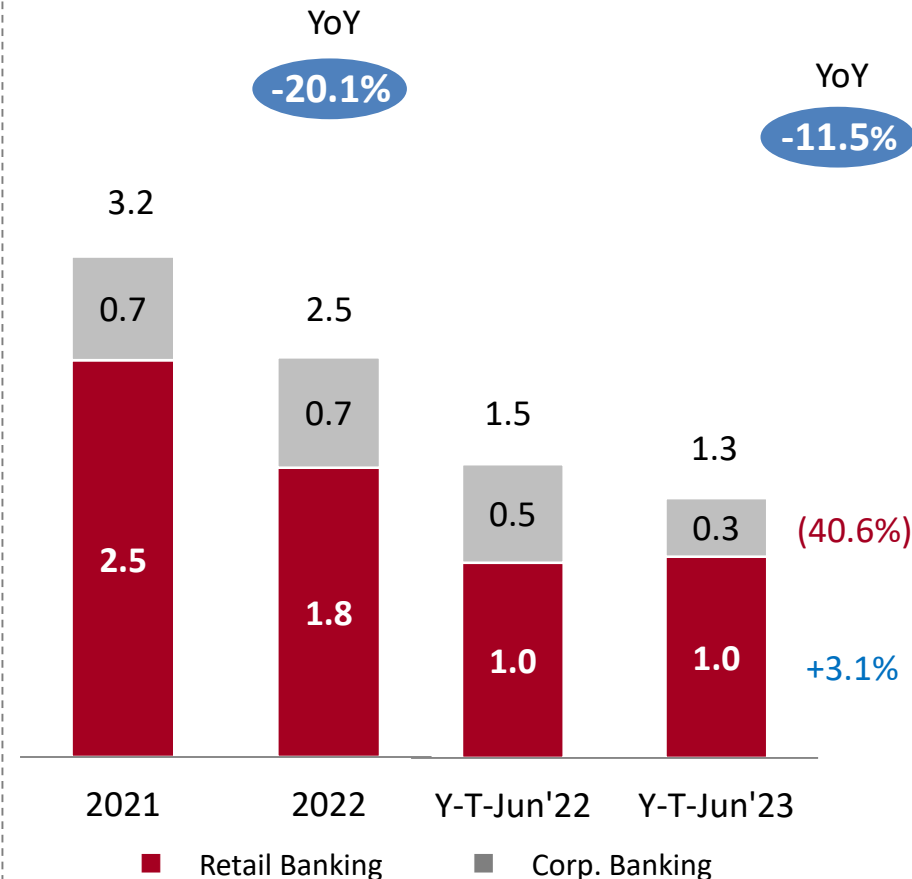


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## Interest Margin



## Fee Income (NT\$Bn)

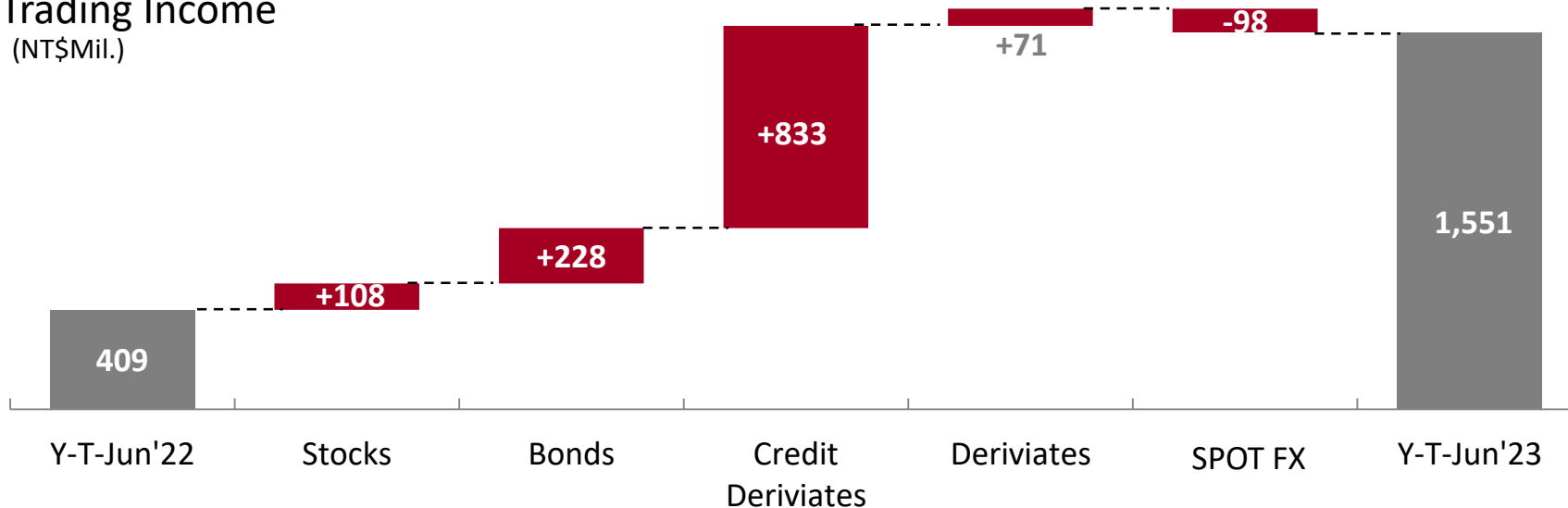


# Trading Income

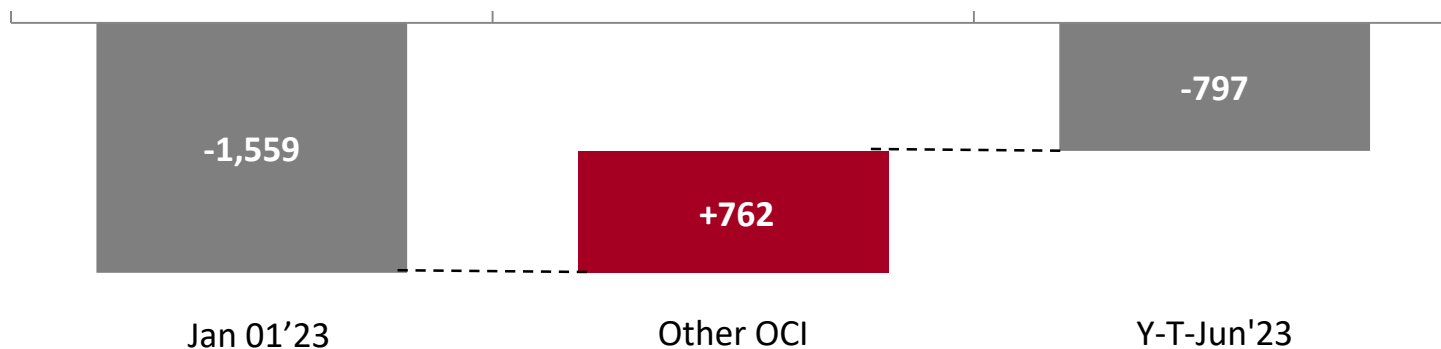


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## ■ Trading Income (NT\$Mil.)



## ■ Other OCI

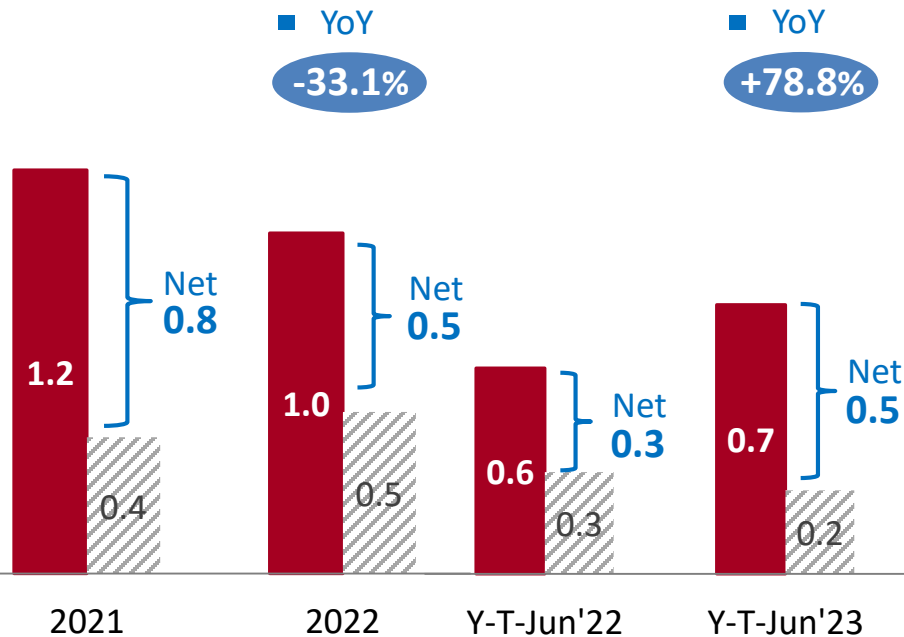


# Provision & Income before tax

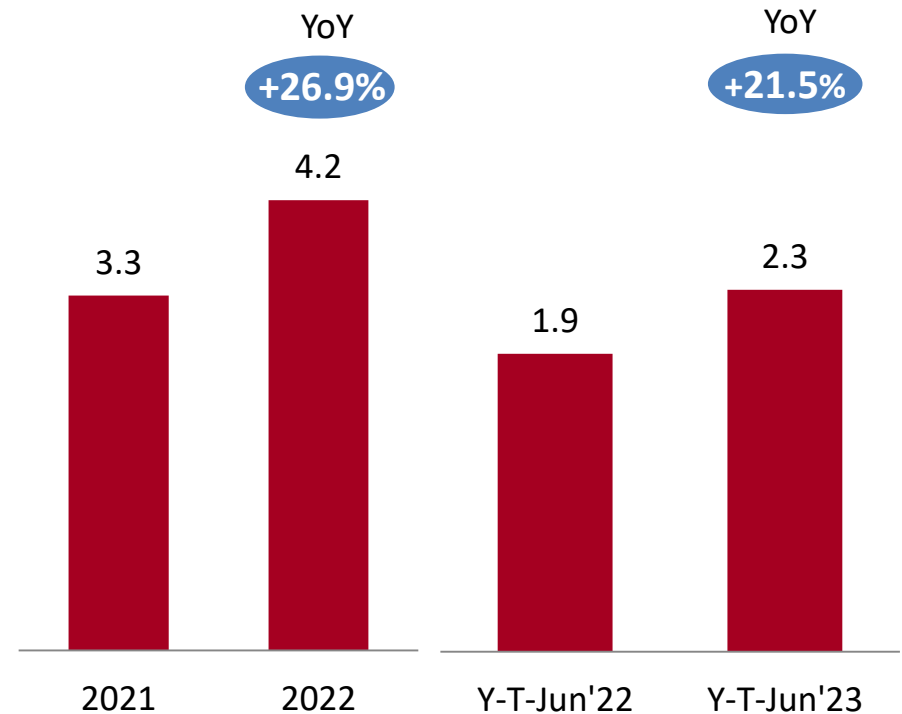


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■ Provision Cost  
(NT\$Bn)



■ IBT  
(NT\$Bn)



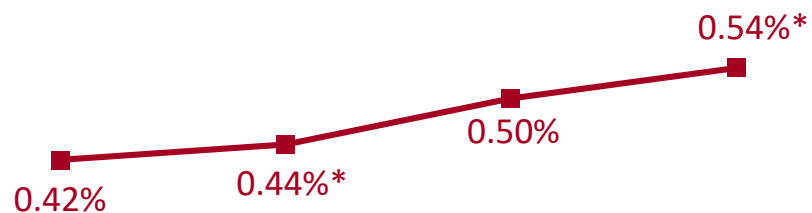
■ Gross Provision cost   ■ Recovery   ■ Net Provision Cost

# Net Profitability

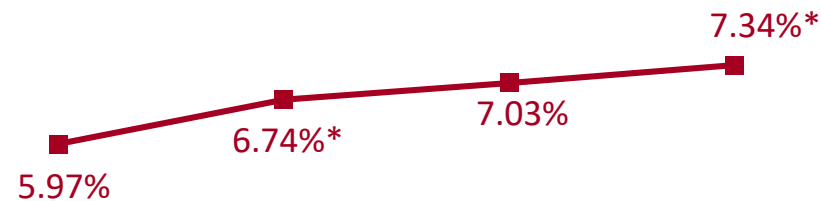


遠東國際商業銀行  
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■ ROA



■ ROE



2021

Y-T-Jun'22

2022

Y-T-Jun'23

2021

Y-T-Jun'22

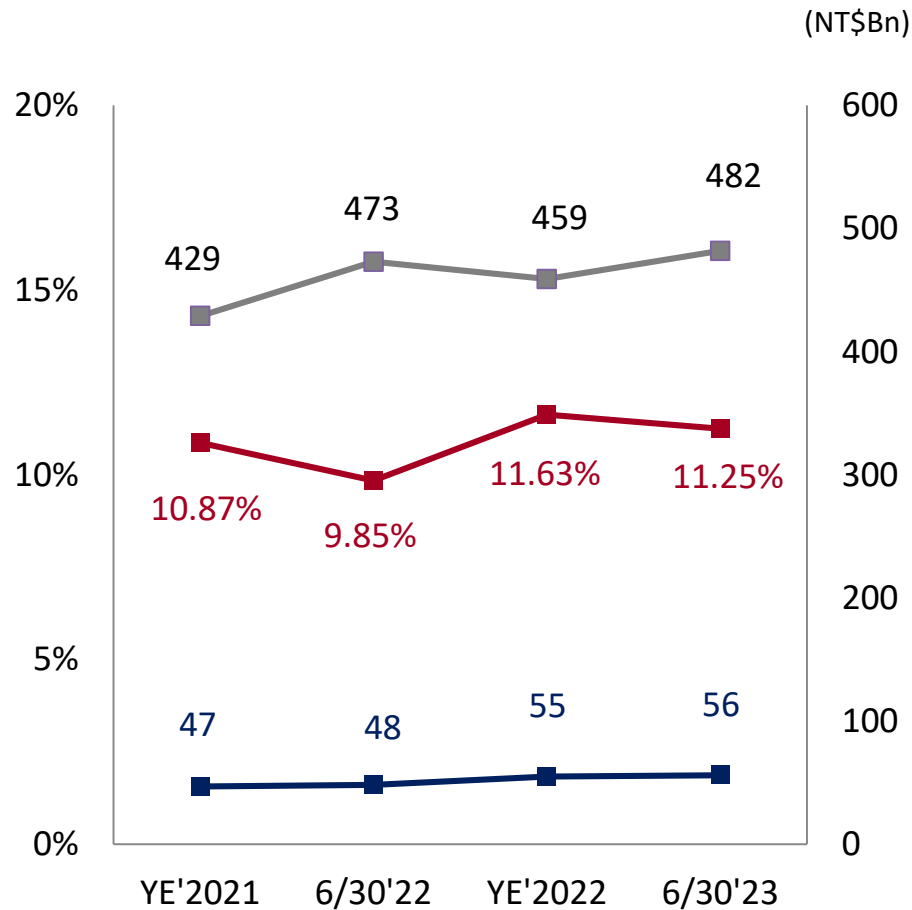
2022

Y-T-Jun'23



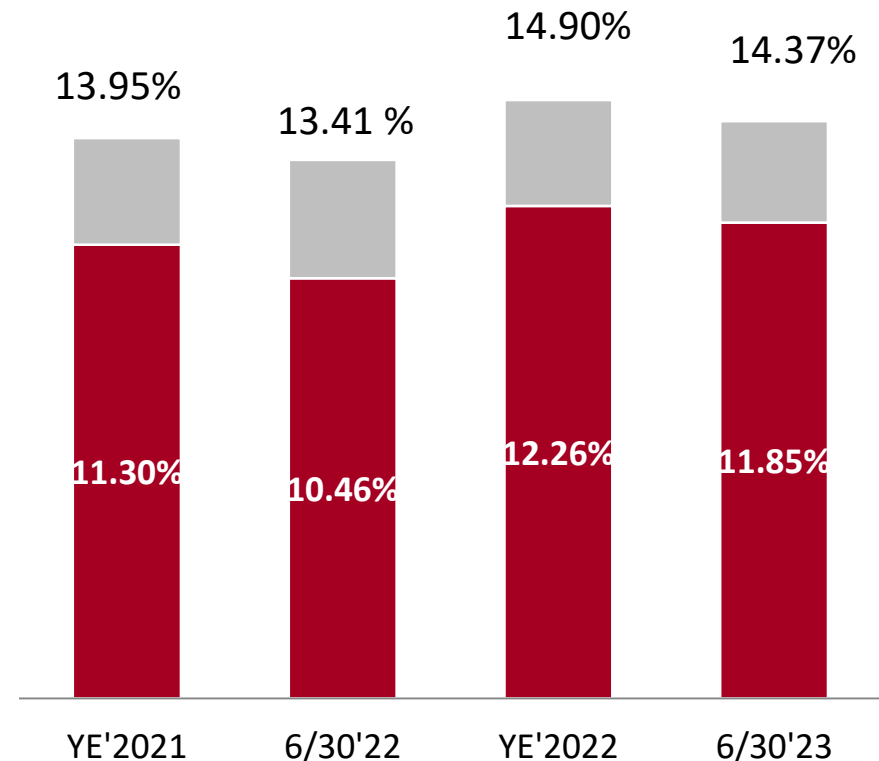
# Capital Adequacy

■ CET1 (unconsolidated)



■ CET1   ■ Risk Asset   ■ Common Equity

■ BIS (unconsolidated)



■ Tier1   ■ Tier 2



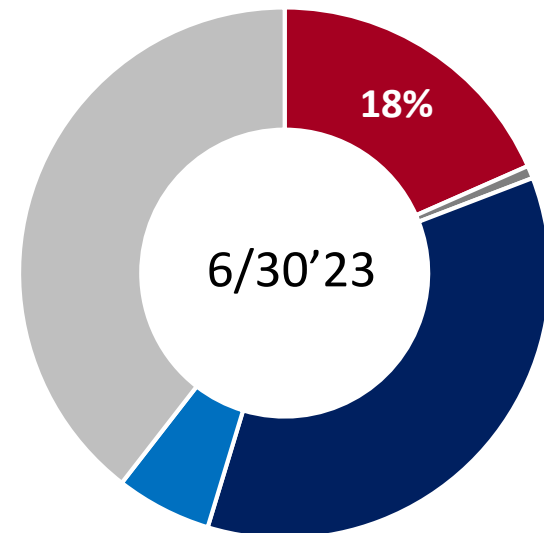
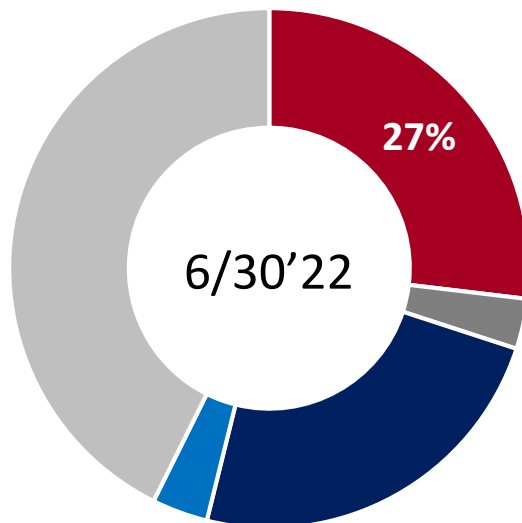
Financial Highlights



Key Strategies

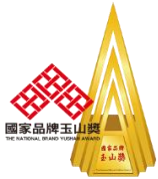
## ■ Offshore lending

- Tightening China market selection, for
  - Strong central-government ownership support
  - Industry leaders
  - Referred by solid & reputable PE fund

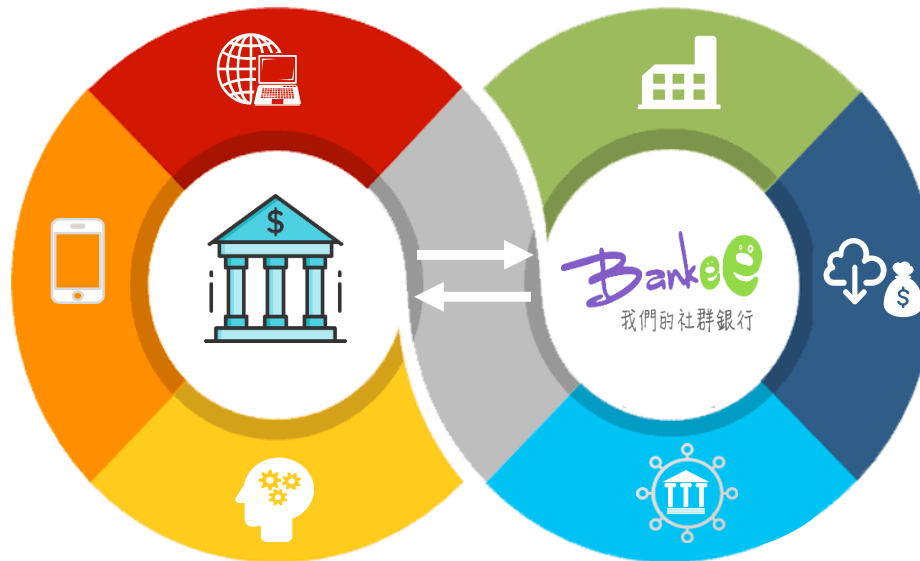




## Physical + Virtual



- **AI** customer service (Xiaole)
  - **36%** - transfer rate
  - With cross-selling initiative
- PoC of ChatGPT
  - AML application



(As at Jun.'23)

## Bankee

- Customers #:
  - **194,496**
- Deposit :
  - ~NT\$ **14**Bn.  
(~2% of total deposit)
- APP **2.0**
- Personal loans

## Environmental

- **Solar** energy building
- **EP** included in credit decision
- **TCFD** on FEIB website



## ■ HR Asia awards

- Best Companies To Work For (2022 & 2023)
- **Most Caring** Company Awards

## Governance

- Customer Fair Treatment evaluation
  - Top **25**% in banking (2022 & 2023)
- **Sustainable Development** Policy
  - Environmental sustainability
  - Co-prosperous society
  - Innovative products
  - Sustainable governance



## Appendix

# Contents



遠東國際商業銀行  
Far Eastern Int'l Bank

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

(Consolidated)	As of or for 12 months ended				
	December 31				
	2021	2022	2Q'22	2Q'23	YoY
<b>Key balance sheet items</b>					
Total assets	723,055	740,540	758,859	789,654	4.1%
Gross loans	412,872	444,082	444,405	474,219	6.7%
Deposits and remittances	612,107	607,424	627,077	653,539	4.2%
Total shareholders' equity	49,702	54,972	48,278	56,108	16.2%
BVPS	14.14	13.51	13.53	13.79	1.9%
<b>Key income statement items</b>					
Net interest income	6,441	7,044	3,421	3,381	-1.2%
Net fee income	3,157	2,522	1,468	1,299	-11.5%
Earnings before Provision	4,116	4,735	2,214	2,856	29.0%
Net income	2,939	3,678	1,649	2,040	23.7%
EPS	0.82	1	0.46	0.5	8.7%
<b>Key ratios</b>					
NIM (unconsolidated)	1.01%	1.02%	0.99%	0.94%	-5 bp
Cost to income ratio	61.86%	59.66%	59.68%	55.48%	-4.2 PctP
ROE (annualized)	5.97%	7.03%	6.74%	7.34%	+0.6 PctP
ROA (annualized)	0.42%	0.50%	0.44%	0.54%	+10 bp
LDR (excluded remittance)	67.49%	73.12%	70.91%	72.57%	+1.66 PctP
NPL ratio	0.27%	0.36%	0.23%	0.22%	-1 bp
Coverage ratio	496%	392%	568%	587%	+19 PctP
CET 1 ratio (unconsolidated)	10.87%	11.63%	9.85%	11.25%	+140 bp
Tier 1 ratio (unconsolidated)	11.30%	12.26%	10.46%	11.85%	+139 bp
Total CAR (unconsolidated)	13.95%	14.90%	13.41%	14.37%	+96 bp



**THANK YOU**

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