

First Financial Holding

2020 Full Year Earnings Result

-Preliminary

Feb. 25, 2021



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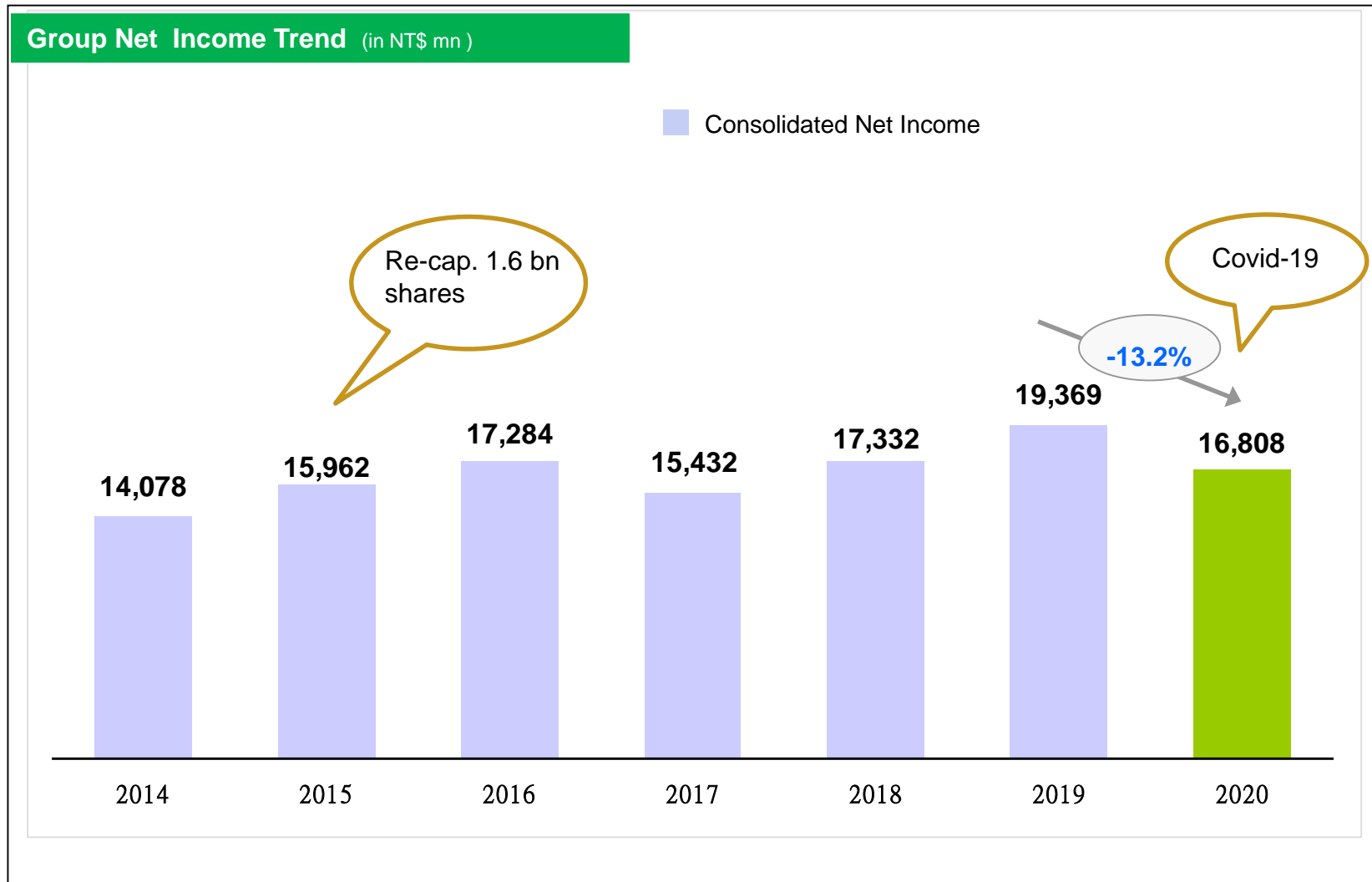
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At a Glance

2020 Full Year Performance



◆ **2020 earnings totaled NT\$16,808 mn(-13.2%,YoY):**

Covid-19 loomed on global economy, together with loosening monetary policy headwinds pulled back group's 2020 performance, in which First Bank's treasury gains (mainly SWAP) and overseas (US & Europe) momentum both slowed.

◆ **Gradual recovery starts from 2H20, aided by strengthened repatriation CAPEX lending across sectors, are foreseeable through 2021:**

Industrial upgrades and companies shifting their production bases home from abroad contributed to the positive loan demand sentiment since second half of 2020, coverage across IT to old economy and new start-ups.

◆ **Retail lending and WM business benefitted from low-rate environment:**

Upbeat capital market and household property market helped to boost the WM business and retail lending (e.g. Mortgage and personal loan)

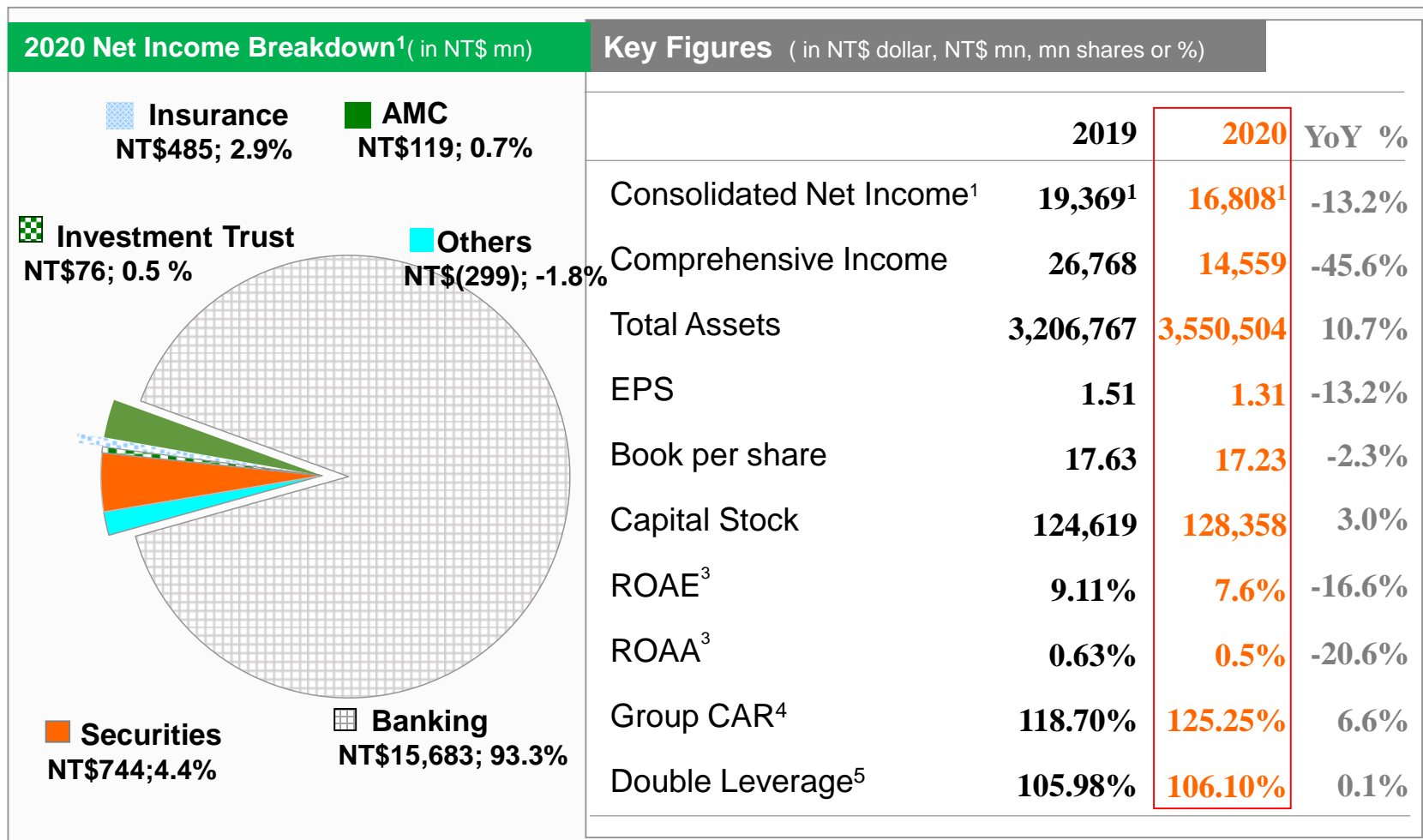
◆ **FB joined “Equator Principles Association” to deepen engagement on ESG issues :**

During hard time of global pandemic outbreak, FFHC firmly endorsed its commitments for ESG and looked to integrate into core business toward the climate change issues.



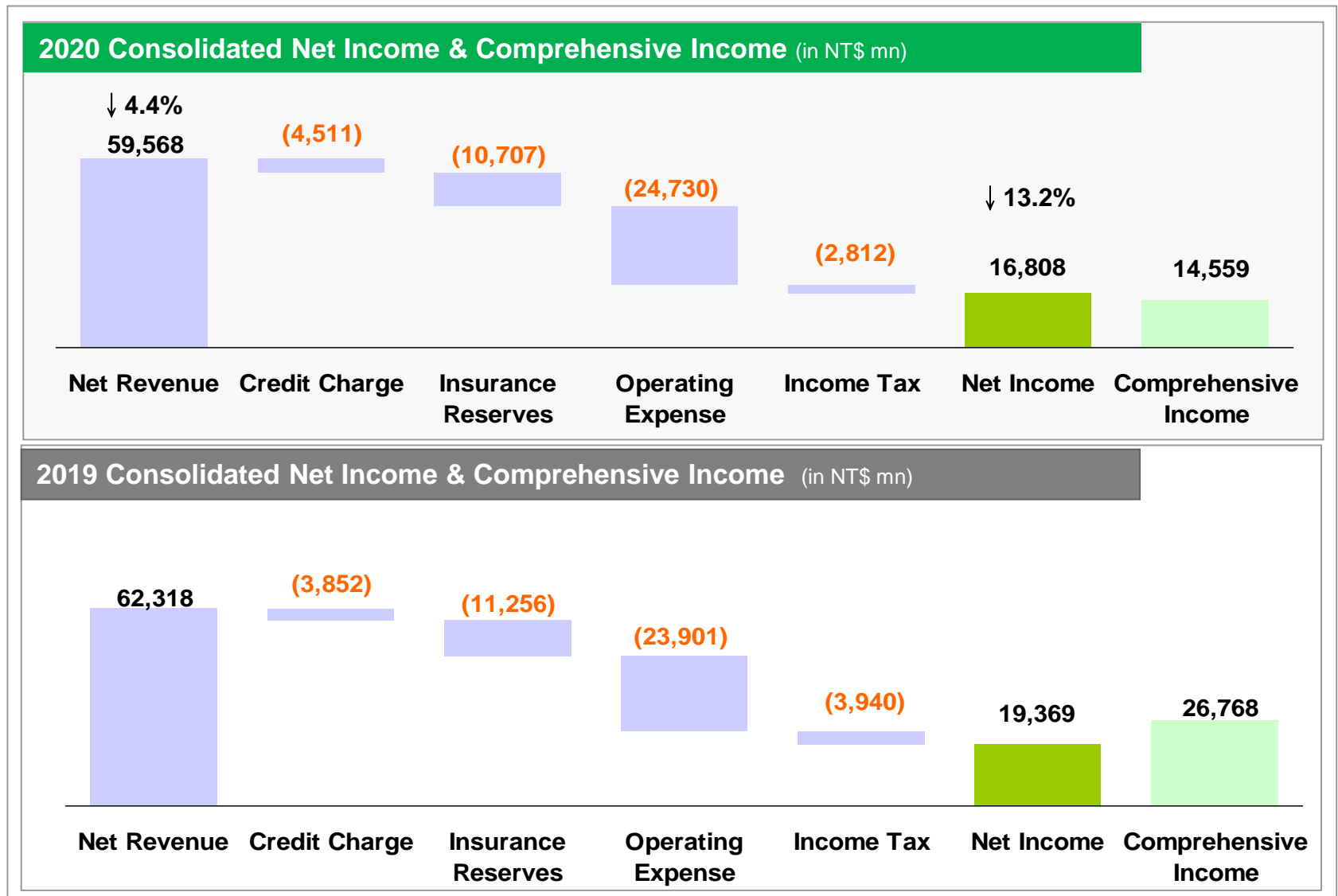
2020 Financial Highlight

2020 Key Figures

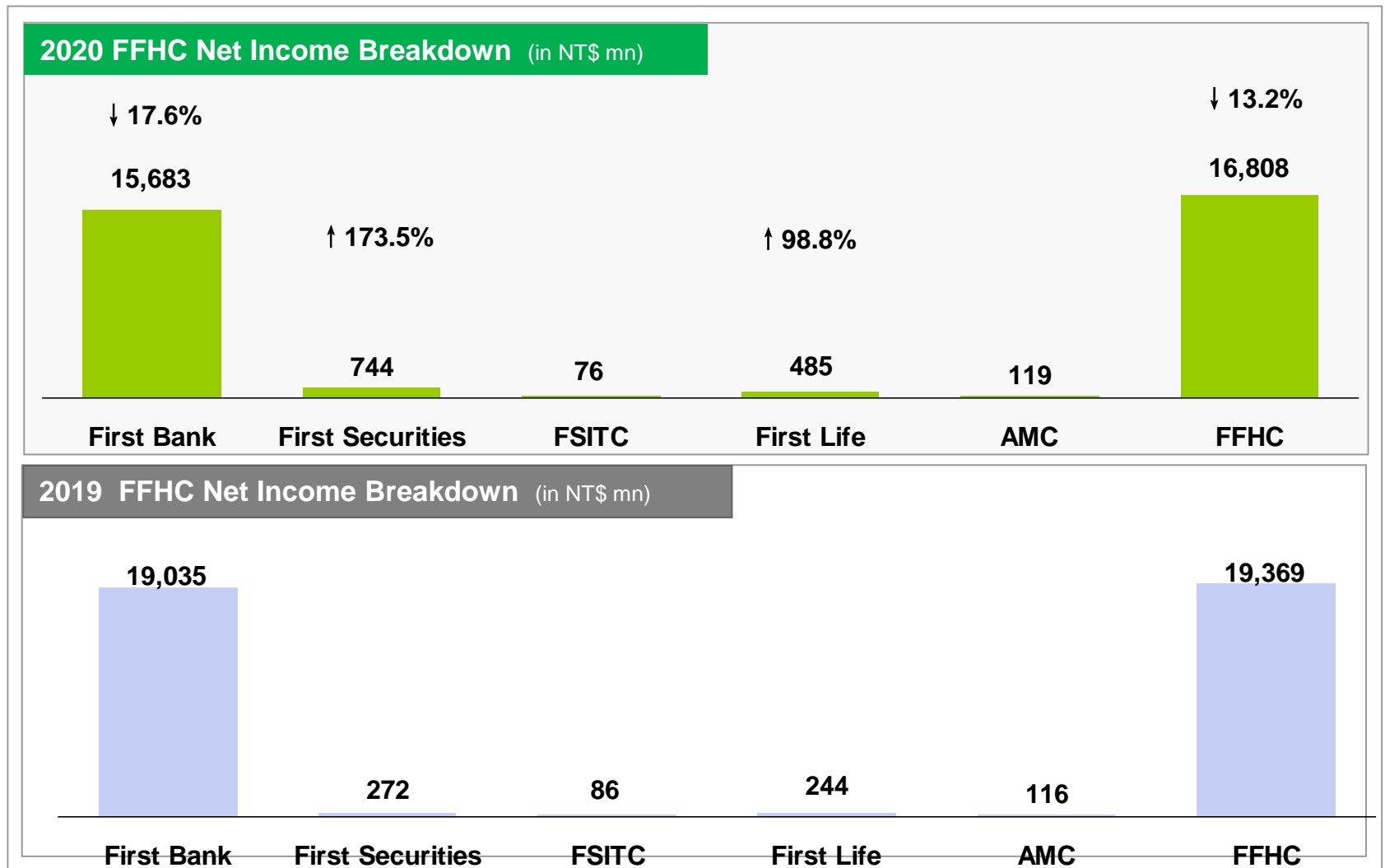


1. Based on the classification of specific company's business units, financial information by business segments should be listed individually.
 2. Comprehensive Income Statement is required by IFRS.
 3. Annualized figures. . 4. Updated semi-annually.
 5. Double Leverage = Equity Investment / Shareholder Equity

Net Income & Comprehensive Income



Net Income Breakdown by Subsidiaries*

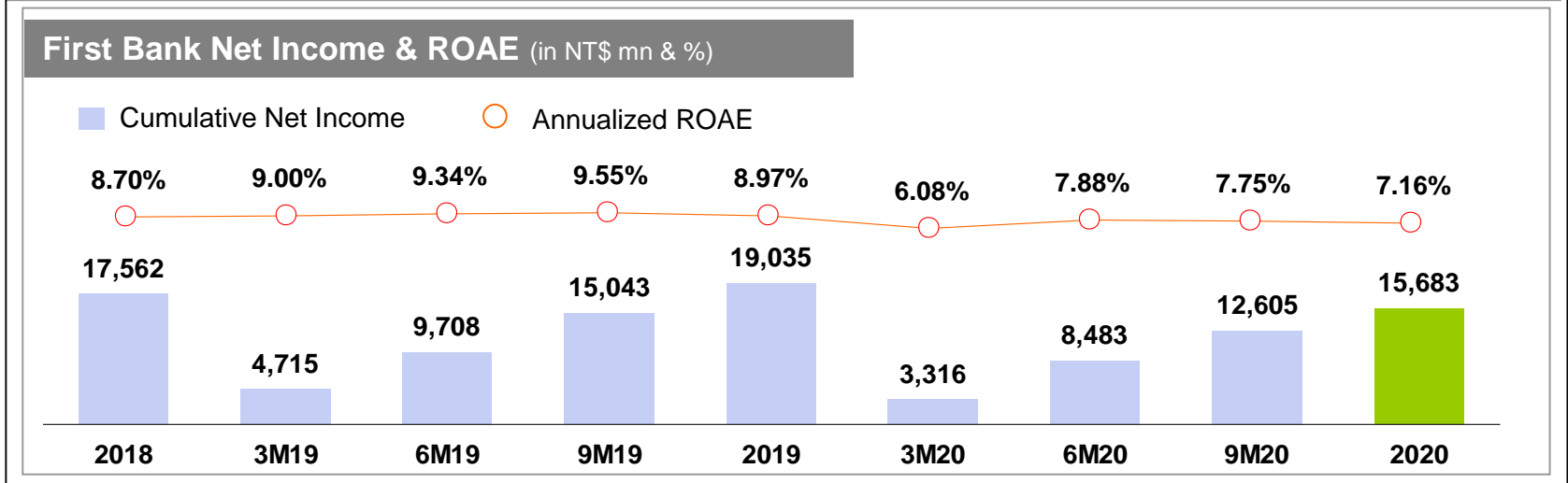
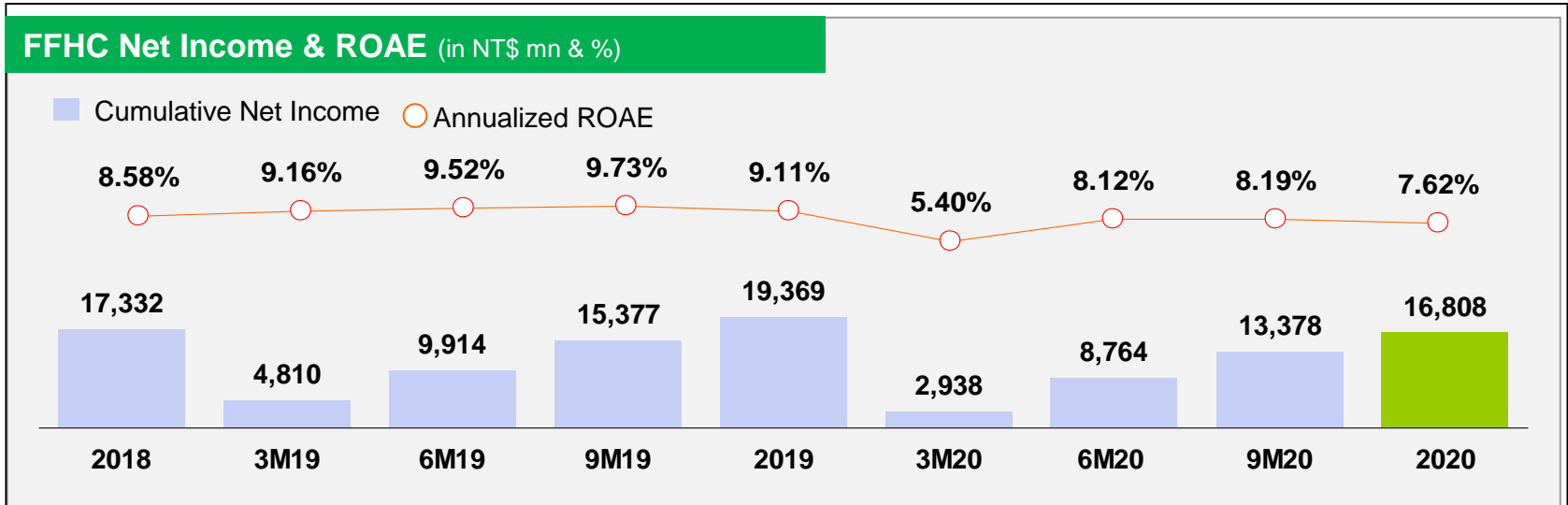


* Major 5 subsidiaries were listed.

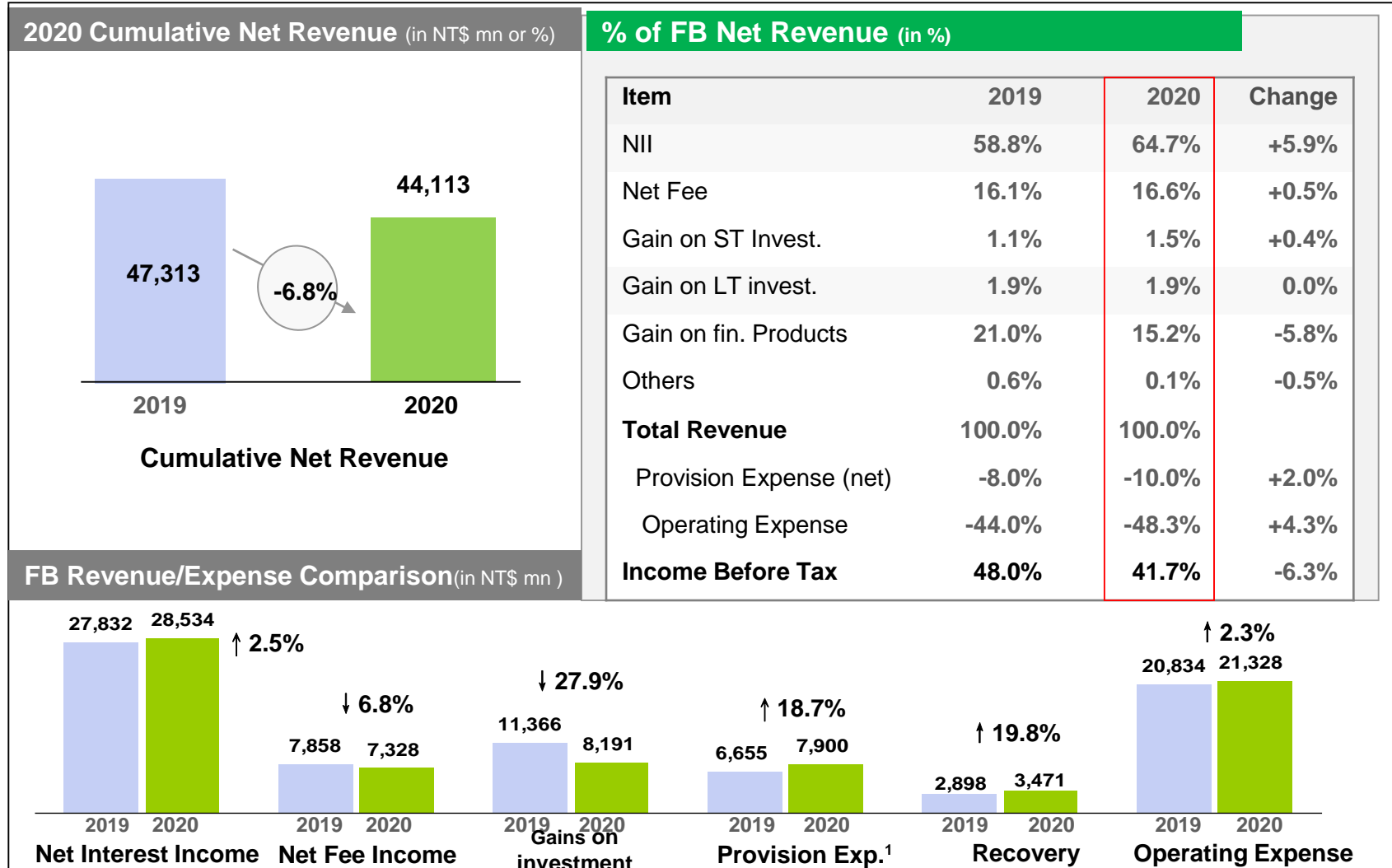


2020 Operating Results

FFHC & First Bank Profitability -After Tax

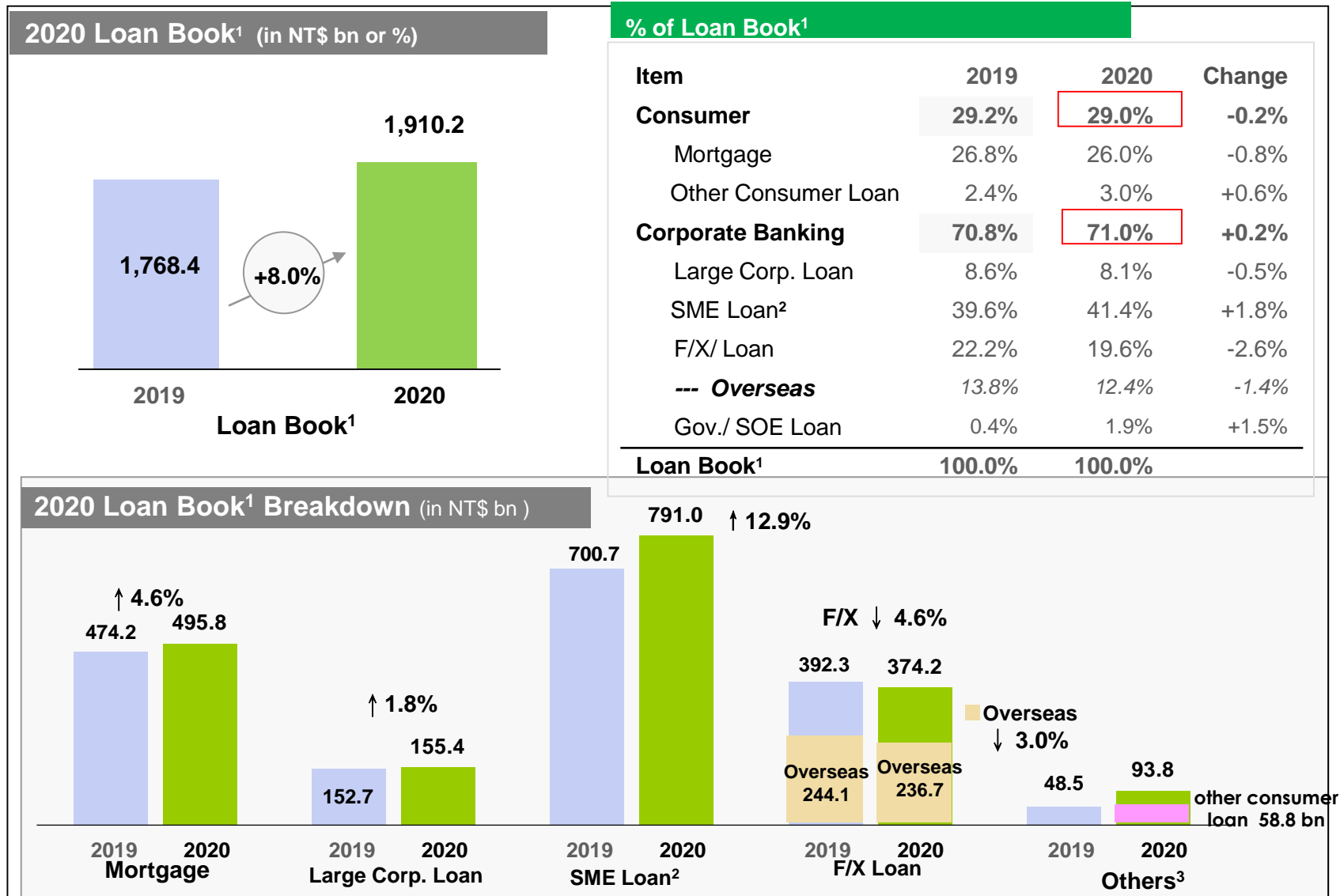


FB 2020 Pre-tax Profit



1. Gross Provision expense.

FB 2020 Loan Book Mix



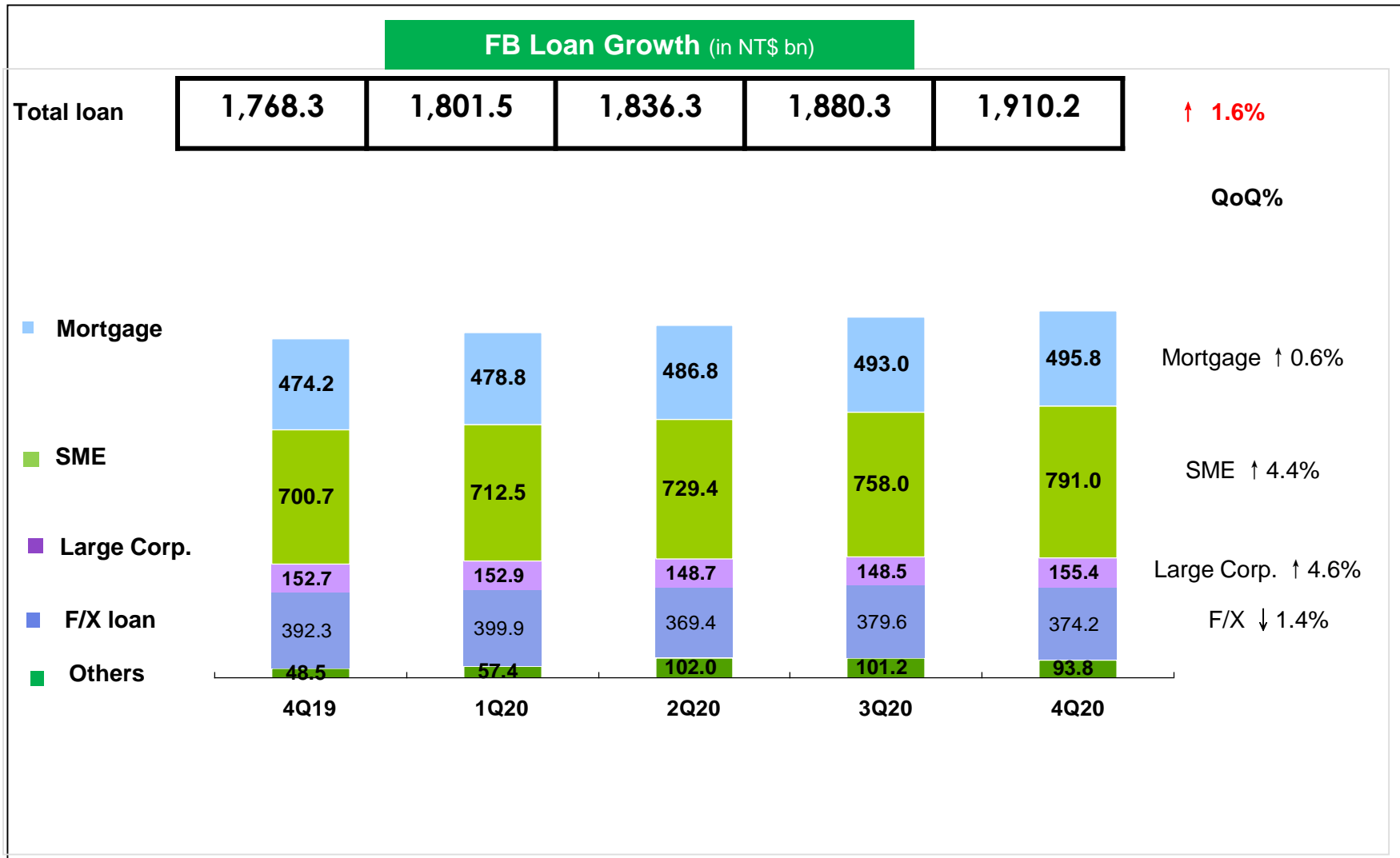
1. Loan Book does not include NALs

2. SME as defined by the "Act for Development of Small & Medium Enterprises; both NTD & Foreign currency loan included

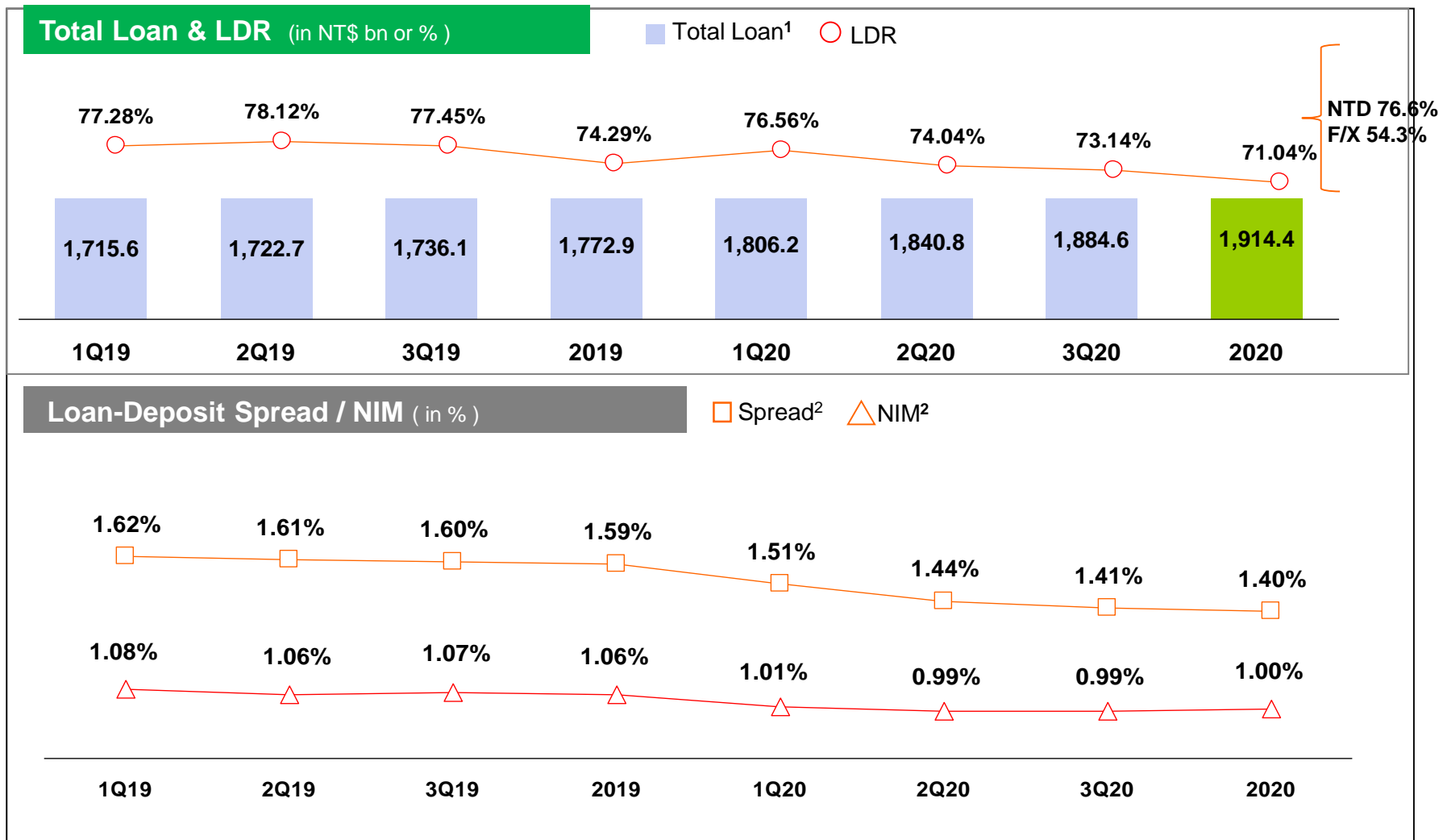
3. Others included other consumer loan and Gov./SOE loan.

FB Loan Breakdown

-QoQ Comparison

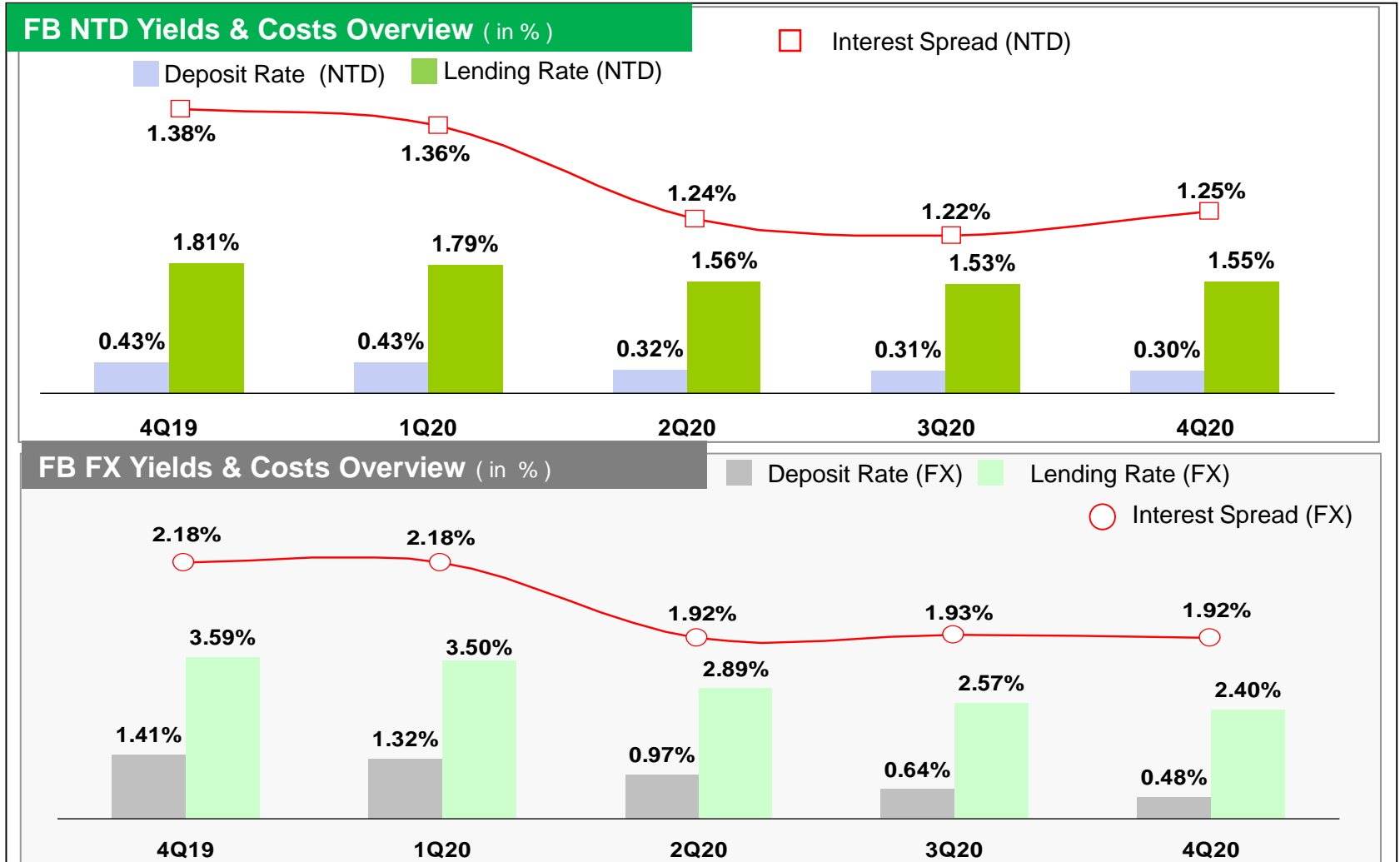


FB 2020 LDR, SPREAD & NIM



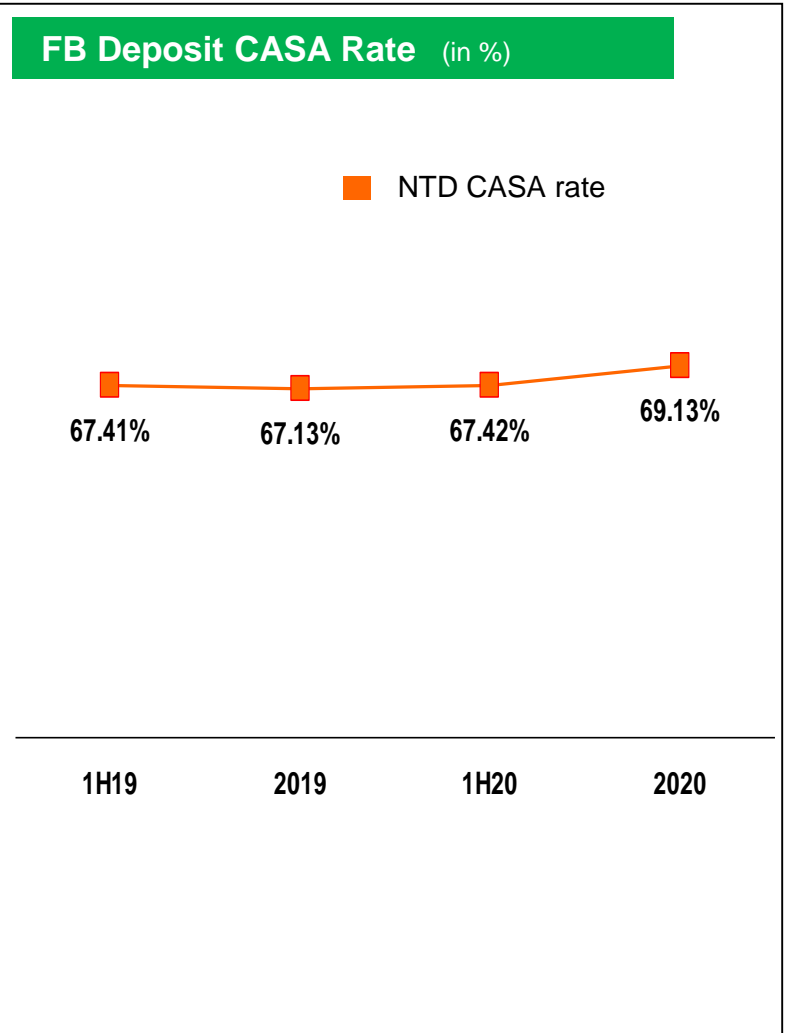
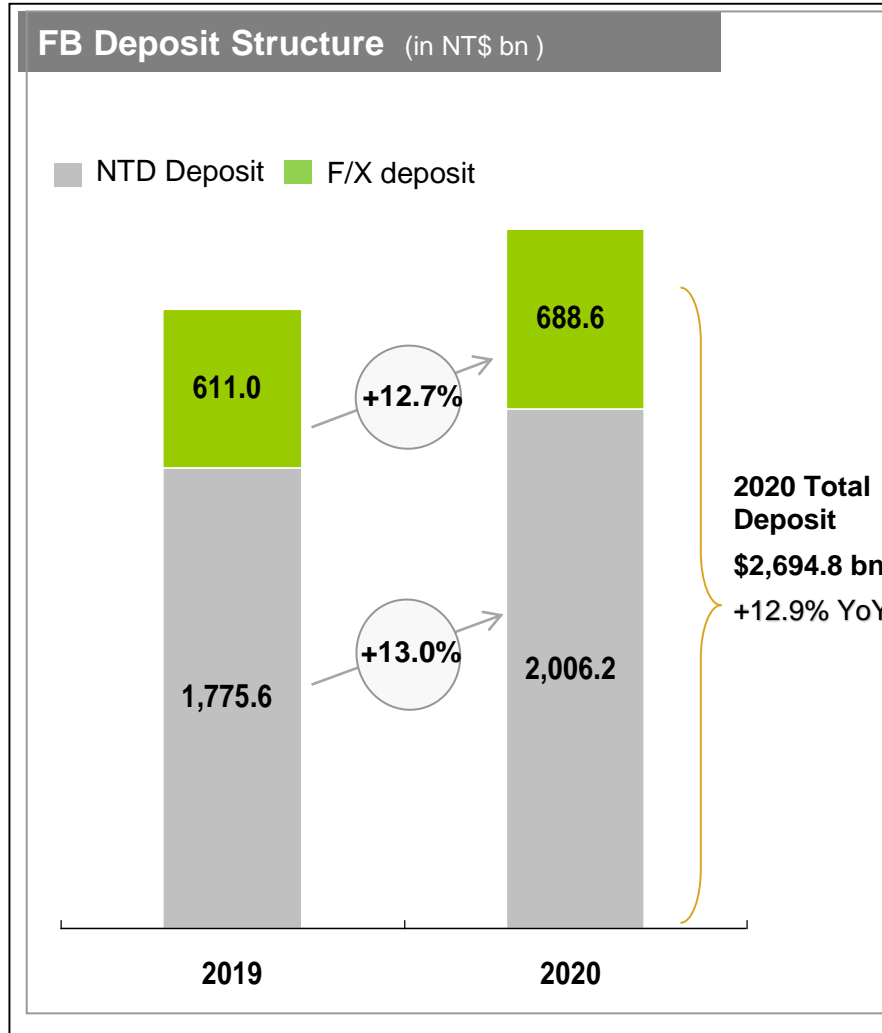
1. Total Loan = loan + import/export negotiation + NALs
 2. Annual cumulative Average Spread and NIM

FB 2020 Loan Yields

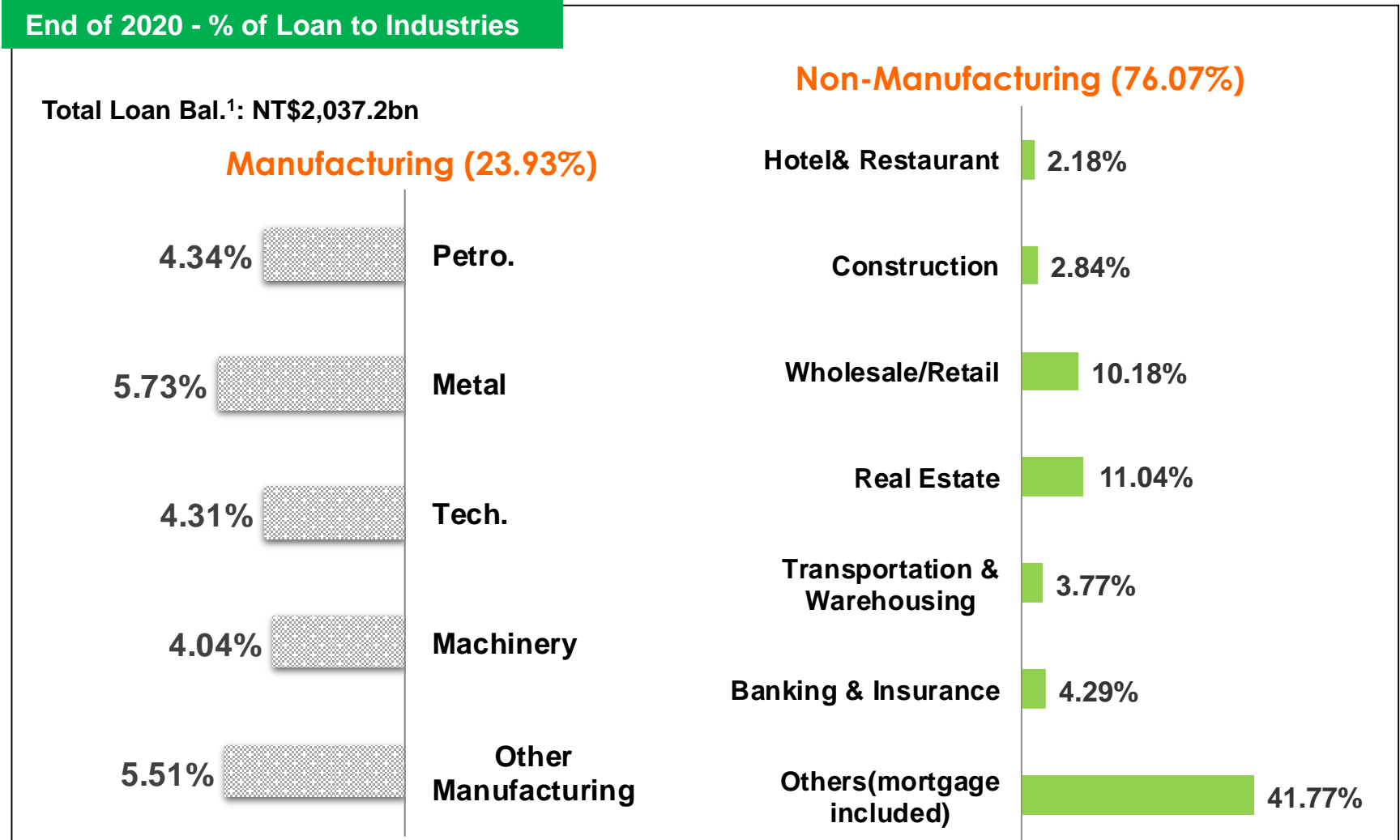


*All rates are **QUARTERLY** average rates.

FB 2020 Deposit Mix



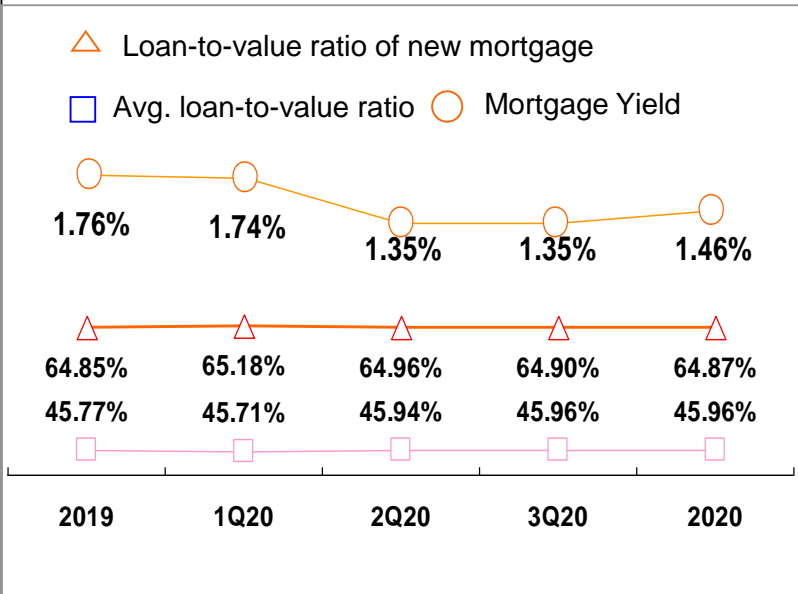
Major Exposures to Specific Industries



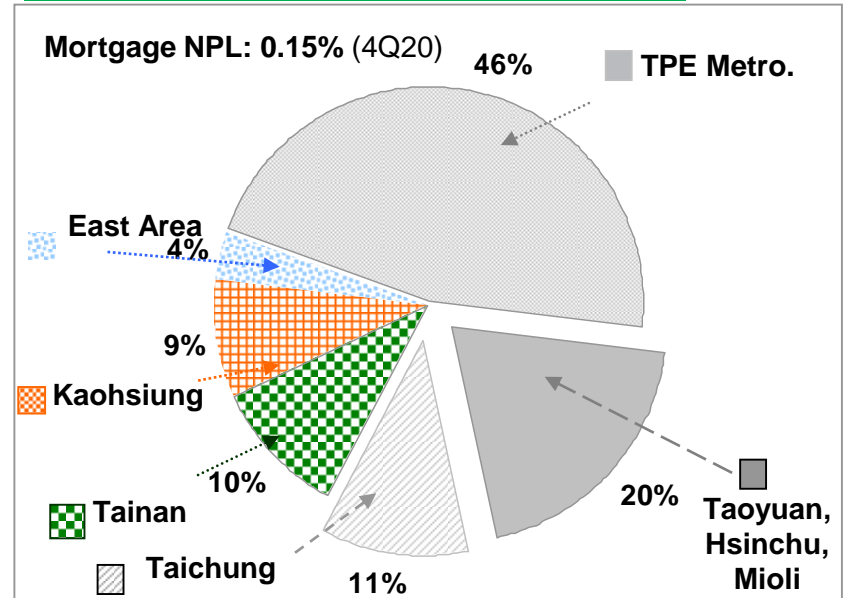
1. Total exposures does not includes NALs and investment.

FB 2020 Mortgage Book

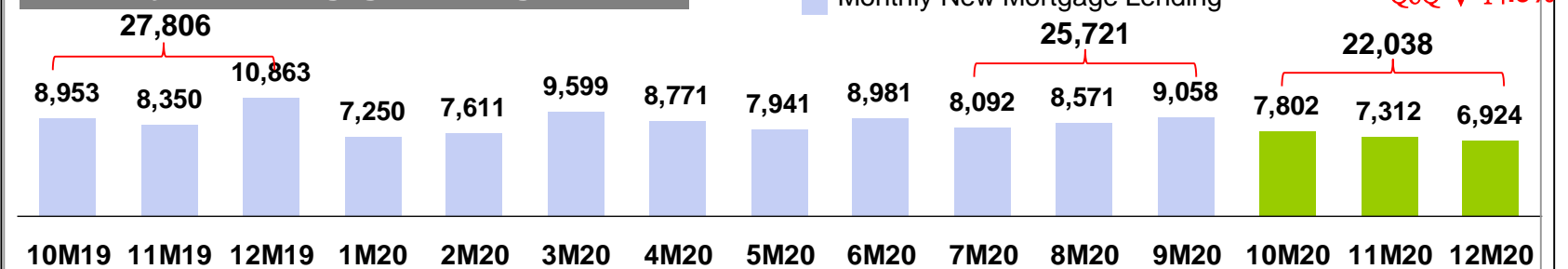
Mortgage Yield & LTV Ratio (in %)



Mortgage by Location (in %)

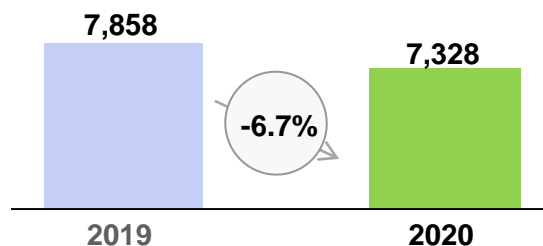


Monthly New Mortgage Lending (in NT\$m)



FB 2020 Fee Income Breakdown

2020 Cumulative Net Fee Income (in NT\$ mn or %)

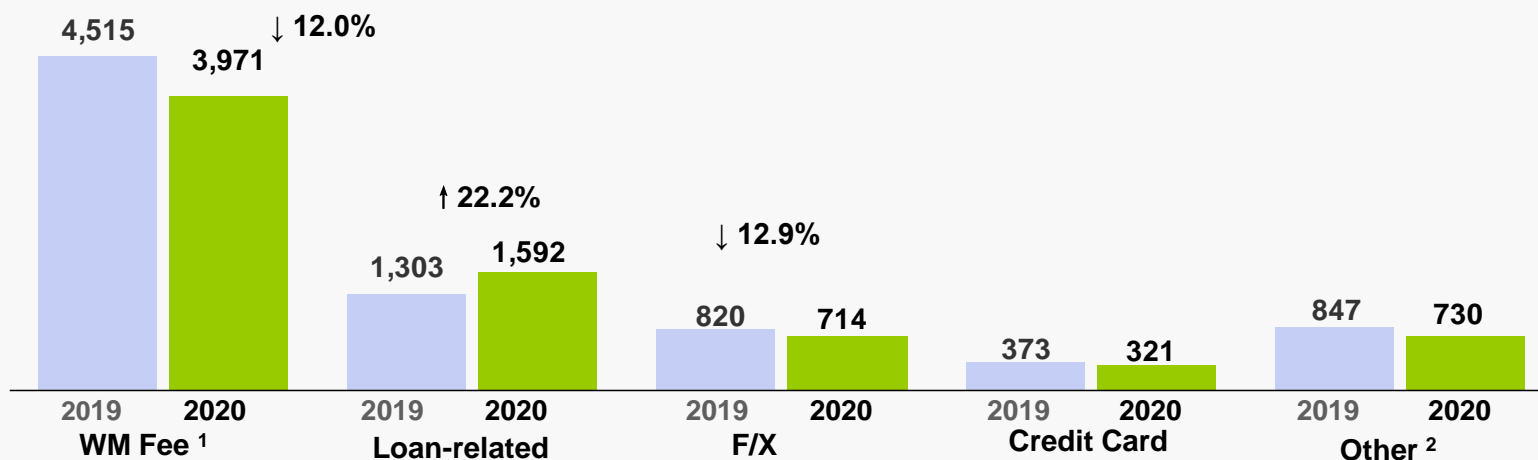


Net Fee Income

% of Cumulative Net Fee

Item	2019	2020	Change
WM ¹	57.5%	54.2%	-3.3%
Loan-related	16.6%	21.7%	+5.1%
F/X	10.4%	9.7%	-0.7%
Credit Card	4.7%	4.4%	-0.3%
Other ²	10.8%	10.0%	-0.8%
Cumulative Net Fee	100.0%	100.0%	

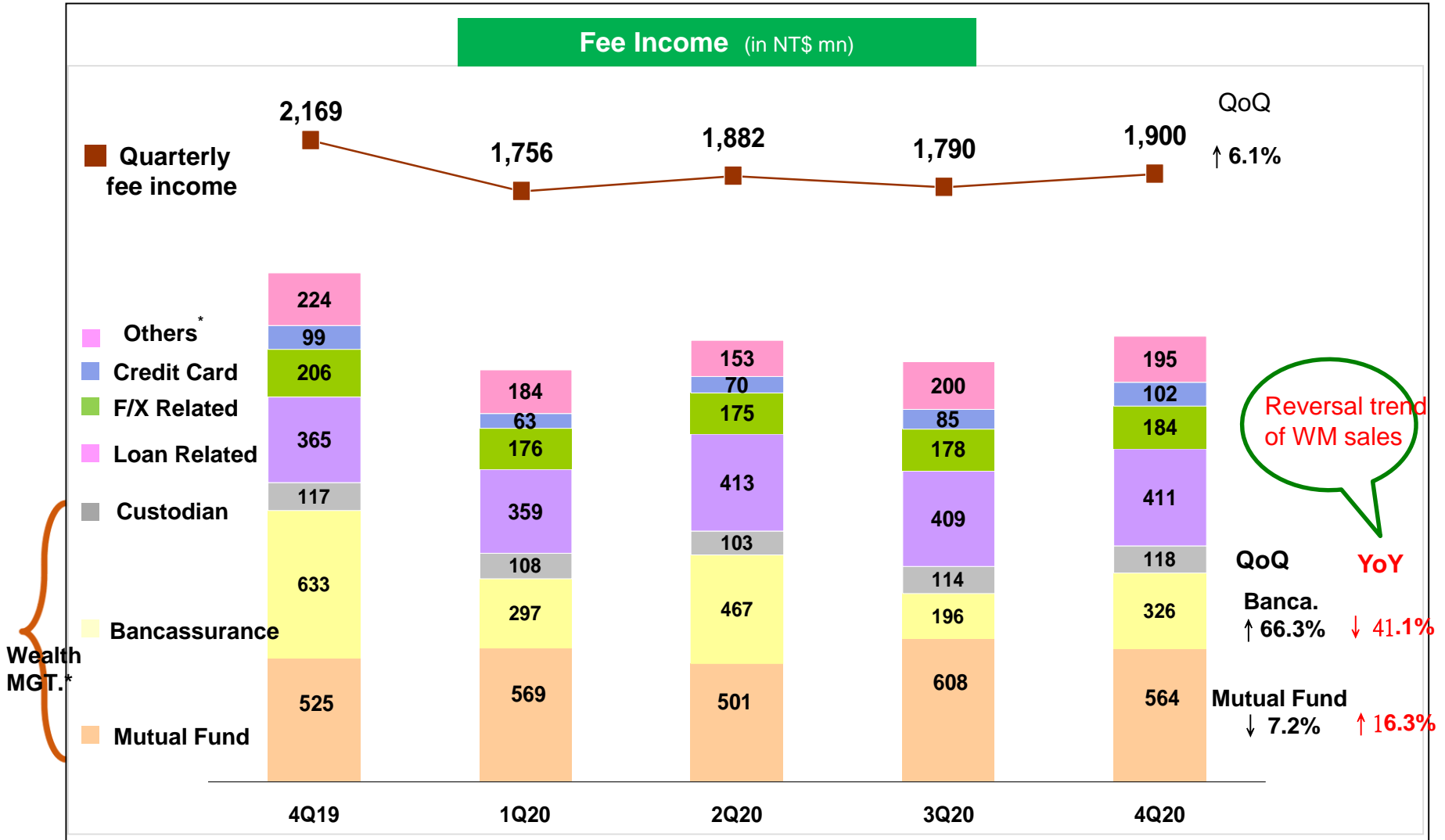
2020 Cumulative Net Fee Breakdown (in NT\$ mn)



1. WM Fee = Custodian Fee + Trust-related Fee + Bancassurance Fee
 2. Other represents network service fee, including overseas branches

FB Fee Income Breakdown

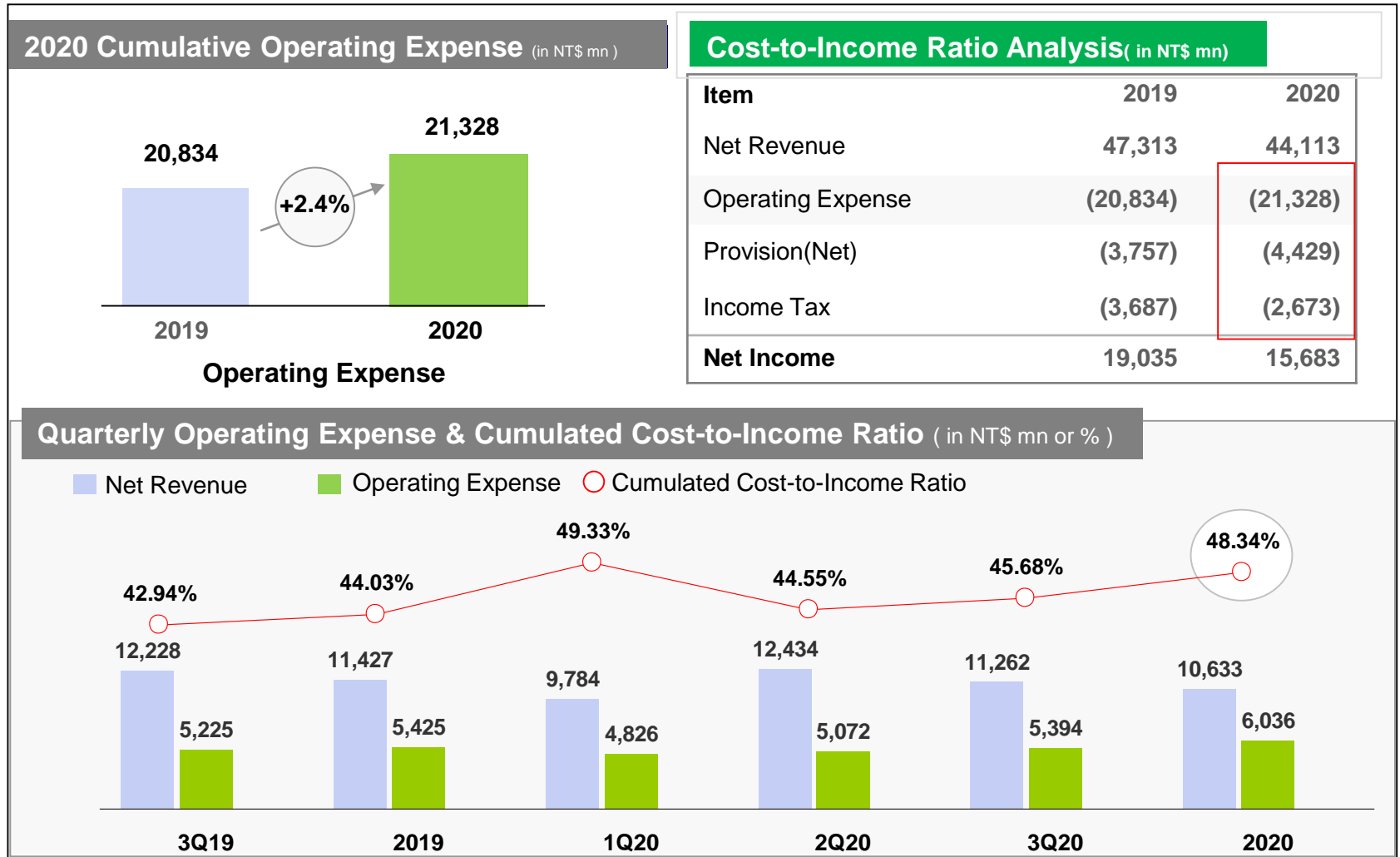
-QoQ Comparison



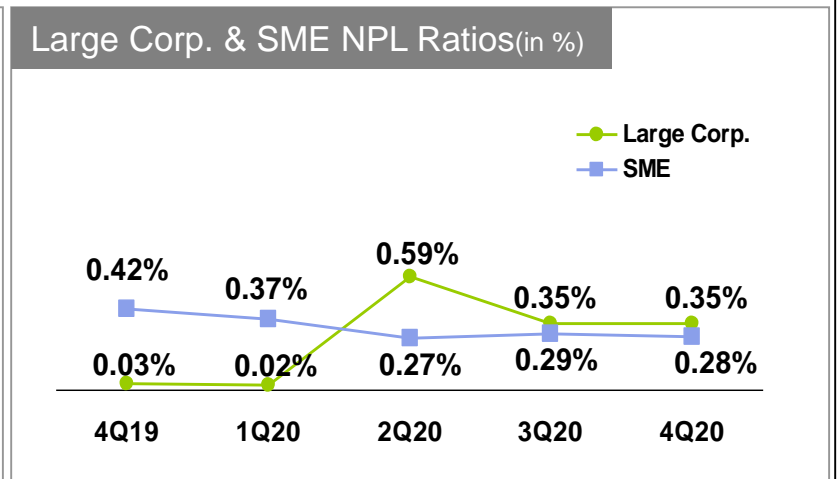
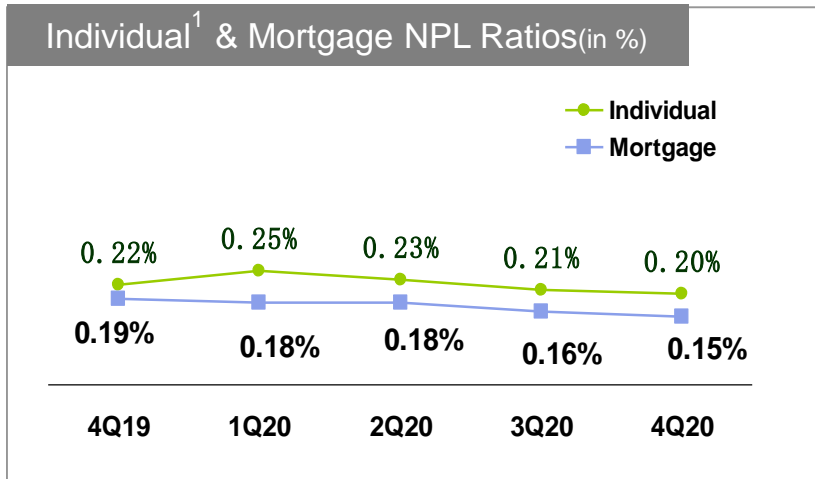
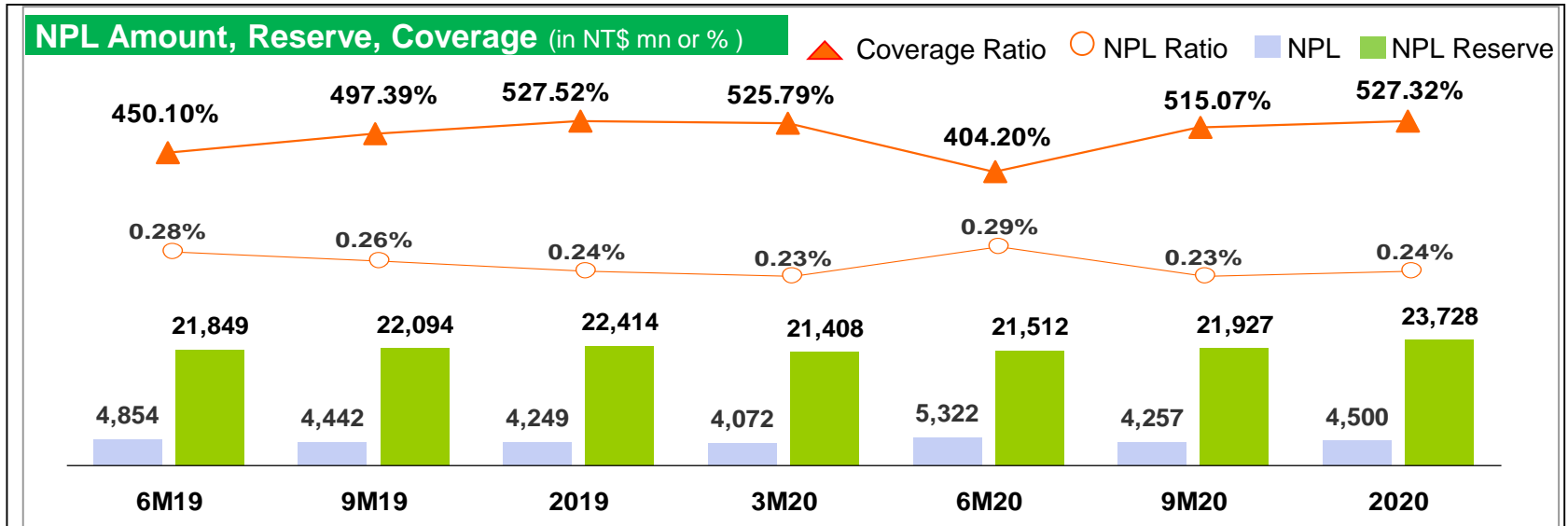
* Wealth Management Fee = Fund sales + Bancassurance + Custodian

*Other represents network service fee, including overseas branches

FB 2020 Cost-to-Income Ratio



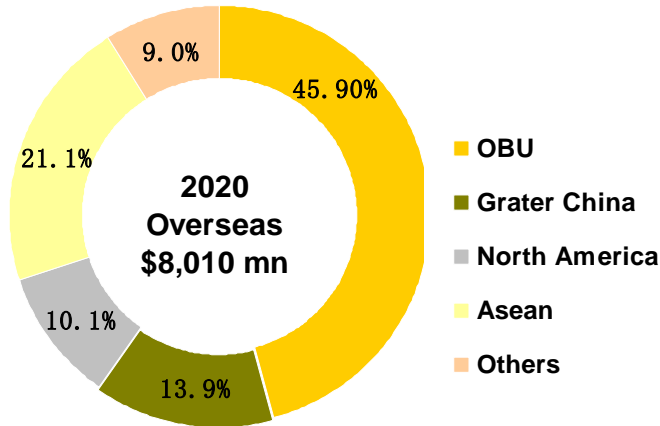
FB 2020 Asset Quality



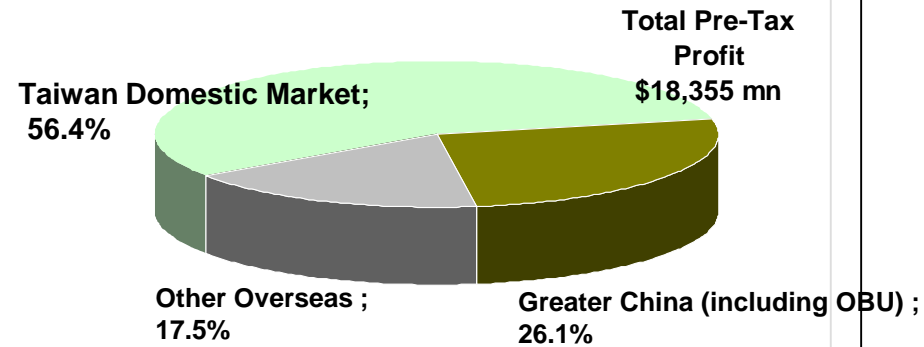
1. Individual: mortgage and non-mortgage loan included

FB 2020 Overseas Profits

2020 FB Overseas Pre-Tax Profit Mix (in NT\$ mn or %)

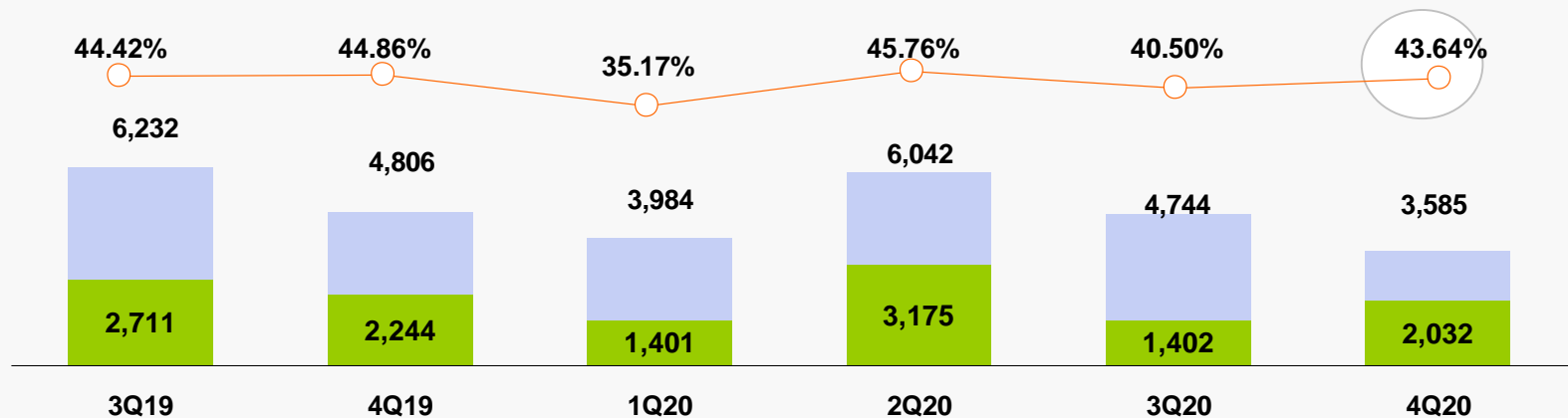


2020 FB Total Pre-Tax Profit Mix (in NT\$ mn or %)

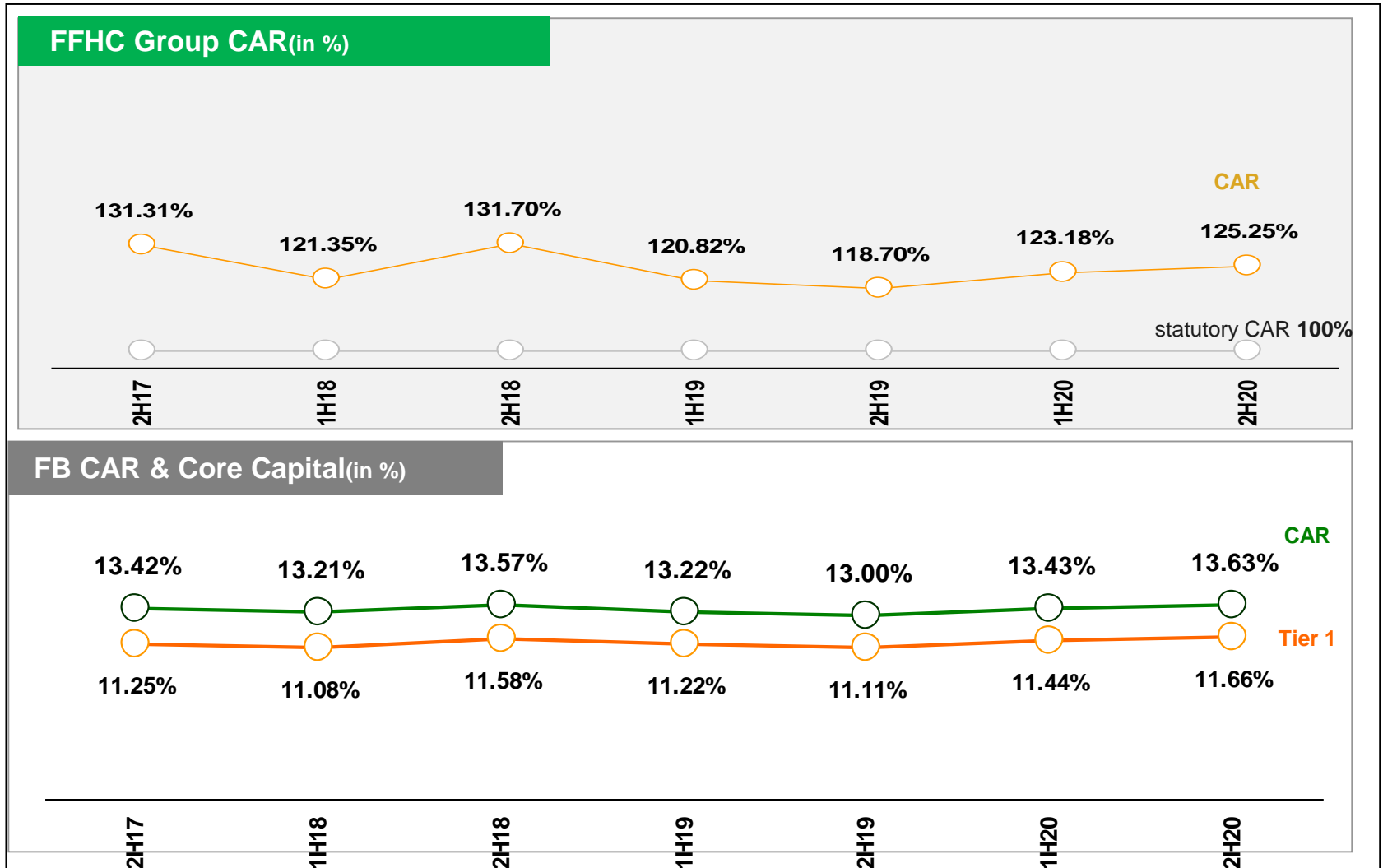


Quarterly Overseas & Total PTP (in NT\$ mn or %)

Overseas (Green), Total (Blue), Cumulative Overseas PTP to FB Total PTP (Orange)



CAR & Core Capital



- Leverage ceiling for holding companies in Taiwan: Double Leverage < 125% ; Debt Ratio < 30%
- Preliminary data.



Appendix

FFHC Consolidated Statement of Comprehensive Income (in NT\$ million or %)

				Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Net interest income	29,993	30,268	29,604	29,604	30,483	3.0%
Net service fee & commission	8,341	8,526	8,676	8,676	8,853	2.0%
Net Insurance revenue	5,130	11,733	11,729	11,729	10,992	-6.3%
Gain on financial assets meas. at fair value through P/L	5,550	4,880	9,072	9,072	5,928	-34.7%
Real estate investment gain	93	117	138	138	211	52.9%
Gain on AFS financial assets	1,052	0	0	0	0	--
Gain on financial assets at fair value through other compre. income	0	1,566	1,505	1,505	2,673	77.6%
Income from equity invest.	138	110	125	125	137	9.6%
Excluding gain on fin. assets measured at amort.c	0	22	40	40	63	57.5%
Reserve of overlay approach	0	0	(22)	(22)	39	--
Net gain on F/X	(170)	2,499	1,147	1,147	243	-78.8%
Assets impairment loss	(46)	(90)	(18)	(18)	(42)	133.3%
Others	746	618	322	322	(12)	-103.7%
Net Revenue	50,827	60,249	62,318	62,318	59,568	-4.4%
Net Provision for credit losses	(6,772)	(5,486)	(3,852)	(3,852)	(4,511)	17.1%
Recovered(provided) for insurance res.	(4,560)	(11,153)	(11,256)	(11,256)	(10,707)	-4.9%
Operating Expense	(21,347)	(22,906)	(23,901)	(23,901)	(24,730)	3.5%
Income from continued op. before tax	18,148	20,703	23,309	23,309	19,620	-15.8%
Income tax expenses	(2,716)	(3,370)	(3,940)	(3,940)	(2,812)	-28.6%
Consolidated net income	15,432	17,332	19,369	19,369	16,808	-13.2%
Other Items	(1,038)	417	7,399	7,399	(2,248)	-130.4%
Comprehensive Income	14,394	17,749	26,768	26,768	14,559	-45.6%
Net Income attributed to:						
Parent	15,483	17,332	19,369	19,369	16,808	-13.2%
Minority interests	(51)	0	0	0	0	-
Comprehensive Income attributed to:						
Parent	14,380	17,749	26,768	26,768	14,559	-45.6%
Minority interests	14	0	0	0	0	-
EPS ¹ (NT\$)	1.24	1.39	1.51	1.51	1.31	-13.2%

FFHC Non-consolidated Income Statement

FFHC Standalone Income Statement Summary in NT\$ million, NT\$, or %

	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Operating revenues						
Income from long-term investment	15,693	17,904	19,835	19,835	17,146	-13.6%
Other income ¹	246	227	190	190	187	-1.6%
Total revenues	15,939	18,131	20,025	20,025	17,333	-13.4%
Loss from long-term investment	(53)	(321)	0	0	0	-
Operating expenses	(334)	(356)	(389)	(389)	(378)	-2.8%
Other expenses and losses	(118)	(110)	(202)	(202)	(201)	-0.5%
Income from continued op. before tax	15,434	17,344	19,434	19,434	16,753	-13.8%
Income from continued op. after tax	15,483	17,332	19,369	19,369	16,808	-13.2%
Income from discontinued op., net of tax	0	0	0	0	0	--
Net income	15,483	17,332	19,369	19,369	16,808	-13.2%
EPS ² (NT\$)	1.24	1.39	1.51	1.51	1.31	-13.2%

1. Including income other than long-term investment

2. EPS is adjusted retroactively for stock dividends

FFHC Balance Sheet

FFHC Balance Sheet Summary in NT\$ million or million shares

	Full Years Result			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Non-consolidated Balance Sheet Data						
Long-term investment	205,970	217,409	232,876	232,876	234,703	0.8%
Total non-consolidated assets	208,951	224,661	241,223	241,223	243,926	1.1%
Total liabilities	17,168	19,358	21,490	21,490	22,719	5.7%
Total shareholders' equity	191,783	205,303	219,733	219,733	221,207	0.7%
Consolidated Balance Sheet Data						
Total consolidated assets	2,634,059	2,935,204	3,206,767	3,206,767	3,550,504	10.7%
Total liabilities	2,442,008	2,729,901	2,987,034	2,987,034	3,329,297	11.5%
Total shareholders' equity	192,051	205,303	219,733	219,733	221,207	0.7%
Parent's shareholders' equity	191,783	205,303	219,733	219,733	221,207	0.7%
Minority interests	268	0	0	0	0	--
Current shares outstanding**	122,164	123,386	124,619	124,619	128,358	3.0%

*figures may not match due to rounding

FFHC Key Ratios

FFHC Key Ratios	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
After-tax ROAA (Annualized ratio)	0.60%	0.62%	0.63%	0.63%	0.50%	-20.6%
After-tax ROAE (Annualized ratio)	8.04%	8.58%	9.11%	9.11%	7.62%	-16.4%
Book Per Share	15.70	16.64	17.63	17.63	17.23	-2.3%
Capital Stock	122,164	123,386	124,619	124,619	128,358	3.0%
Double leverage ¹	107.40%	105.90%	105.98%	105.98%	106.10%	0.1%
Group CAR ²	131.31%	131.70%	118.71%	118.71%	125.25%	5.5%
Debt Ratio ³	8.24%	8.62%	8.91%	8.91%	9.31%	4.5%

1. Double leverage ratio = Long-term investment / Equity

2. Updated semi-annually.

3. Unconsolidated basis

FB Income Statement

FB Comprehensive Income Statement Summary(Standalone) in NT\$ million or %

	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Net interest income	28,843	28,669	27,832	27,832	28,534	2.5%
Net fee income	7,457	7,563	7,858	7,858	7,328	-6.7%
Net gain on ST invest.	398	98	515	515	655	27.2%
Net gain on LT invest.	719	834	903	903	826	-8.5%
Net gain on other fin. products	5,256	8,396	9,932	9,948	6,710	-32.5%
Other net income	241	462	273	257	60	-76.7%
Net revenue	42,914	46,022	47,313	47,313	44,113	-6.8%
Operating expenses	(18,466)	(19,863)	(20,834)	(20,834)	(21,328)	2.4%
Pre-provision pre-tax profit	24,448	26,159	26,479	26,479	22,785	-14.0%
Provision expense	(9,621)	(8,480)	(6,655)	(6,655)	(7,900)	18.7%
Adjustment: bad-debt recovery	2,782	3,017	2,898	2,898	3,471	19.8%
Income before tax	17,609	20,696	22,722	22,722	18,356	-19.2%
Income tax	(2,467)	(3,134)	(3,688)	(3,688)	(2,673)	-27.5%
Net income	15,142	17,562	19,035	19,035	15,683	-17.6%
Other items	(1,214)	503	6,450	6,450	(1,974)	-130.6%
Comprehensive income	13,928	18,065	25,485	25,485	13,709	-46.2%
EPS	1.70	1.97	2.14	2.14	1.76	(0.18)

FB Key Ratios

FB Key Ratios

	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Loan to deposit spread	1.65%	1.64%	1.59%	1.59%	1.40%	-11.95%
Net Interest Margin	1.26%	1.18%	1.06%	1.06%	1.00%	-5.66%
Cost to income ratio ³	43.03%	43.19%	44.02%	44.02%	48.34%	9.81%
Loan to deposit ratio ¹	79.28%	78.71%	74.29%	74.29%	71.04%	-4.37%
NPL ratio	0.38%	0.32%	0.24%	0.24%	0.24%	0.00%
Domestic NPL ratio	0.46%	0.34%	0.28%	0.28%	0.24%	-14.29%
Overseas NPL ratio	0.05%	0.23%	0.08%	0.08%	0.20%	150.00%
LLR ratio (excluding gov. loan)	1.38%	1.25%	1.27%	1.27%	1.26%	-0.79%
Coverage ratio	358.56%	389.64%	527.52%	527.52%	527.32%	-0.04%
CAR	13.42%	13.57%	13.00%	13.00%	13.63%	4.85%
Tier-1	11.25%	11.58%	11.11%	11.11%	11.66%	4.95%
ROAA ²	0.60%	0.65%	0.64%	0.64%	0.48%	-25.00%
ROAE ²	7.91%	8.71%	8.97%	8.97%	7.16%	-20.18%

1. Loan to deposit ratio = total loan / total deposit

2. Annualized figures.

FB Loan Quality

FB NPL Migration in NT\$ million or %

	Full Year Results		2020 Quarterly				Year-over-Year Comparison		
	2018	2019	Q1	Q2	Q3	Q4	2019	2020	Change
NPL- beginning	6,114	5,449	4,249	4,072	5,322	4,257	5,449	4,249	-22.0%
Net new NPL influx	6,098	4,132	2,463	3,097	585	258	4,132	6,403	55.0%
<i>Domestic</i>	5,394	3,210	2,419	2,117	326	0	3,210	4,862	51.5%
<i>Overseas</i>	704	922	44	980	259	258	922	1,541	67.1%
Net write-offs	(6,763)	(5,332)	(2,640)	(1,847)	(1,650)	(15)	(5,332)	(6,152)	15.4%
NPL- ending balance	5,449	4,249	4,072	5,322	4,257	4,500	4,249	4,500	5.9%
Allowance for loan loss- beginning	19,781*	21,229	22,414	21,408	21,512	21,927	21,229	22,414	7.3%
Provisions for loan loss	7,919	6,439	1,628	1,995	2,169	1,874	6,439	7,666	19.1%
Net write-offs	(6,763)	(5,332)	(2,640)	(1,847)	(1,650)	(15)	(5,332)	(6,152)	15.4%
Others	292	78	6	(44)	(104)	(58)	78	(200)	-356.4%
Allowance for loan loss- ending	21,229	22,414	21,408	21,512	21,927	23,728	22,414	23,728	5.9%
Recovery from bad debt	3,017	2,897	684	730	1,094	963	2,897	3,471	19.8%
<i>Domestic</i>	2,895	2,684	670	718	1,079	947	2,684	3,414	27.2%
<i>Overseas</i>	73	164	1	1	2	4	164	8	-95.1%
<i>Credit card</i>	49	49	13	11	13	12	49	49	0.0%

1. Non-consolidated basis

* NTD 2,141 mn was recategorized from “allowance for loan losses” to “reserve for loan commitments” and other provision referring to IFRS9 since 2018 □

First Sec Income Statement Summary

in NT\$ million or %

	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Brokerage commission	849	899	777	777	1,351	73.9%
Net interest income	306	293	220	220	242	10.0%
Underwriting commission	38	97	45	45	77	71.1%
Transaction gains through F/V, net	227	29	270	270	476	76.3%
Other operating income	107	34	89	89	127	42.7%
Total operating income	1,527	1,352	1,401	1,401	2,273	62.2%
Total operating expenses	(1,301)	(1,260)	(1,172)	(1,172)	(1,489)	27.0%
Non-operating income	72	77	86	86	80	-7.0%
Income before tax	298	169	315	315	864	174.3%
Income tax	(26)	(55)	(43)	(43)	(120)	179.1%
Cummulative effect of change in accounting principles	0	0	0	0	0	#DIV/0!
Net income	272	114	272	272	744	173.5%
First Sec Key Ratios						
ROAE (Annualized)	4.41%	1.81%	4.28%	4.28%	11.05%	158.2%
ROAA (Annualized)	1.55%	0.61%	1.32%	1.32%	2.81%	112.9%
Brokerage market share	1.53%	1.42%	1.39%	1.39%	1.50%	7.9%
Margin loan market share	2.94%	2.53%	2.29%	2.29%	2.46%	7.4%

FSITC Operating Report

FSITC Income Statement Summary in NT\$ million or %

	Full Year Results			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Total operating income						
Management fee	501	640	615	615	584	-5.0%
Sales service fee	7	13	28	28	33	17.9%
Total operating income	508	653	643	643	617	-4.0%
Operating expenses	(440)	(540)	(559)	(559)	(532)	-4.8%
Non-operating income	15	12	21	21	8	-61.9%
Income before tax	82	125	105	105	93	-11.4%
Income tax	(12)	(24)	(19)	(19)	(18)	-5.3%
Income after tax	70	101	86	86	76	-11.6%
Cummulative effect of change in accounting principles	0	0	0	0	0	#DIV/0!
Net income	70	101	86	86	76	-11.6%
FSITC Key Ratios						
AUM	101,095	85,558	105,042	105,042	108,551	3.3%
AUM Ranking	8	9	10	10	11	

1. Non-consolidated basis

First Life Financial Results Summary in NT\$ million or %

	Full Year Result			Year-over-Year Comparison		
	2017	2018	2019	2019	2020	Change
Income Statement Summary						
Operating Revenue	13,298	13,506	14,435	14,435	14,865	3.0%
Premium Income	11,684	12,698	13,193	13,193	13,330	1.0%
Other insurance income	277	312	272	272	256	-5.9%
Net Investment Income	1,337	496	970	970	1,279	31.9%
Operating Cost	12,861	13,022	13,565	13,565	13,743	1.3%
Reinsurance commission	40	49	59	59	68	15.3%
Reserves	4,566	11,192	11,304	11,304	10,745	-4.9%
Claims	7,419	851	1,329	1,329	2,210	66.3%
Commission	711	930	873	873	720	-17.5%
Others	125	0	0	0	0	--
Operating Expenses	(566)	(638)	(655)	(655)	(730)	11.5%
Profit/Loss of Operation	(129)	(154)	215	215	392	82.3%
Non-Operating Profit	0	0	0	0	0	--
Profit/Loss Before Tax	(129)	(154)	215	215	392	82.3%
Income tax	26	13	29	29	94	224.1%
Net Income after tax	(103)	(141)	244	244	486	99.2%
Key Ratios						
ROAE(Annualized ratio)	-19.39%	-13.46%	10.44%	10.44%	14.02%	34.3%
ROAA(Annualized ratio)	-0.30%	-0.34%	0.47%	0.47%	0.76%	61.7%
* FFHC claims 51% of First-Aviva operating results in 2015,2016, and 2017.						

