

First Quarter 2021 Earnings Results

SPH 1Q21 EPS of NT\$ 0.39; ROE of 11.37%; Net Income Reached A Record High

【2021.6.10】

SinoPac Holdings (SPH) posted 1Q21 net revenues of NT\$11.75 billion (+22.2% QoQ; +33.8% YoY) and 1Q21 net income of NT\$4.41 billion (+46.8% QoQ; +87.4% YoY). SPH 1Q21 earnings per share reached NT\$0.39, with an annualized return on equity (ROE) at 11.37% and a book value per share of NT\$14.09.

SPH 1Q21 net income reached a historical high at NT\$4.41 billion (+87.4% YoY), driven by robust growth momentum of net interest income and net fee income. Thanks to steady loan growth, 1Q21 net interest income reported NT\$5.23 billion (+20.8% YoY). The 1Q21 net fee income of NT\$4.9 billion (+24.8% YoY) was resulted from booming wealth management fee income and thriving brokerage and sub-brokerage businesses. In addition, the 1Q21 other revenues of NT\$1.6 billion, mainly from capital gains, were up 208.5% YoY.

Bank SinoPac (BSP) 1Q21 net revenues were NT\$8.12 billion (+8.8% YoY), and the net income amounted to NT\$3.19 billion (+21.8% YoY). Due to better loan and deposit structure, the 1Q21 spread of 1.36% (+5.4bps QoQ) and NIM of 1.05% (+2.3 bps QoQ) increased for the third consecutive quarter. As the loan and investment portfolio grew fast, along with strong wealth management momentum, both BSP net interest income and net fee income reached historical highs. Asset quality of BSP maintains benign, with an NPL ratio of 0.16% and a coverage ratio of 784%. In addition, BSP boasts strong capital, with a BIS ratio of 15.91%, a Tier 1 ratio of 12.91%, and a CET1 ratio of 11.44%.

SinoPac Securities (SPS) reported 1Q21 net revenues of NT\$3.24 billion (+106.4% YoY) and a net income of NT\$1.04 billion (+881.0% YoY). Benefited from growing market turnover, SPS net fee income reached a new high and boosted recurring income to NT\$2.82 billion (+59.4% YoY). As a result, SPS 1Q21 annualized ROE reported 14.15%, the best figure since 2007.

SPH consecutively ranked in the top 5% among 905 listed companies in the TWSE 2020 Corporate Governance Evaluation. SPH was recognized as outstanding in promoting sustainable finance. For example, BSP issued the very first sustainable bond in 2020. The total raised fund reached NT\$1 billion. All were injected into renewable energy and green-tech development. Moreover, BSP is the 102nd Equator bank globally and was awarded the Best Financial Service Provider under the Top Solar System Awards for fifth consecutive years by the Energy Bureau, Ministry of Economic Affairs.

The 2019 CSR report also discloses emerging risk and climatic risk identification mechanisms, procedures, the identified results, and responsive measures to strengthen information disclosure. SPH will continue to fulfill corporate social responsibilities and enhance corporate governance in line with our five business strategies for the coming future.

Executive Summary

1Q21 SPH net income reached a record high, up 87% YoY; ROE of 11.37%

NT\$Mn	1Q21	QoQ	YoY
Net revenues	11,749	22.2%	33.8%
Net income	4,411	46.8%	87.4%

1Q21 Nil of both SPH and BSP reached record highs; SPH, BSP, and SPS boasted record-high net fee revenues

NT\$Mn	1Q21	QoQ	YoY
Net interest income	5,229	3.2%	20.8%
Net fee income	4,900	66.4%	24.8%
others	1,620	1.0%	208.5%

SPH total assets continued growing thanks to the momentum of BSP loans and solid capital

- SPH 1Q total assets NT\$2.21 tn, +3.3% QoQ ; +15.6% YoY
- BSP 1Q total loans NT\$1.21 tn, +3.9% QoQ; +10.8% YoY
- SPH 1Q CAR 131%; BSP consolidated BIS ratio 15.91%, Tier 1 ratio 12.91%

Awards and Achievements

SPH was ranked in the top 5% in the TWSE Corporate Governance Evaluation for the second consecutive year.

In the first quarter of 2021, SPH and its subsidiaries won 29 awards in total, and some are listed below:

- BSP was honored with four of *The Asset's* Corporate Finance Awards, including Best Formosa bond – Corporate, Best Syndicated Loan, Best Acquisition Financing, and Best LBO
- BSP and SPS were honored with five of *The Asset's* Triple A Digital Awards 2021, including Best Digital Collaboration, Best Social Media Project, Best Retail ATM Experience, Best API Project - AI Bunny Good in Taiwan, and Best Digital Wealth Management Project - Stocks Saving Plans in Taiwan