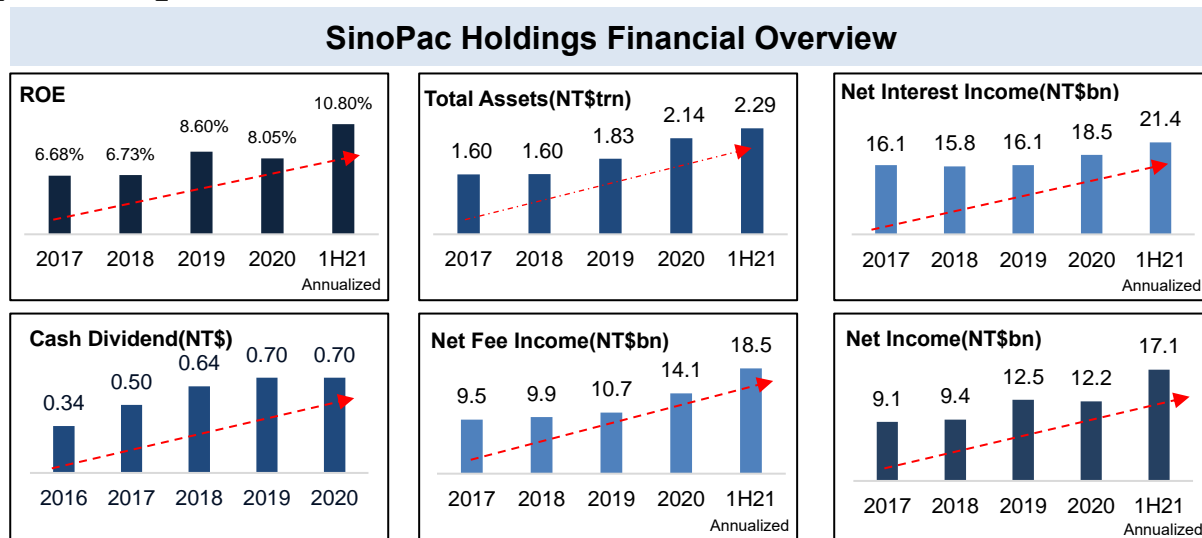


Second Quarter 2021 Earnings Results

SPH 1H21 Net Income Reached A Record High; EPS of NT\$0.76; Annualized ROE of 10.80%

【2021.8.12】



SinoPac Holdings (SPH) posted 2Q21 preliminary net revenues of NT\$11.13 billion (-5.3%QoQ; +13.7%YoY) and net income of NT\$4.16 billion (-5.8%QoQ; +26.2%YoY). SPH 1H21 net income of NT\$8.57 billion (+51.7%YoY) set a new high over the same period, with earnings per share of NT\$0.76, annualized return on equity (ROE) at 10.8%, and a book value per share of NT\$14.56.

SPH 1H21 net interest income and net fee income both reached historical highs. Net interest income of NT\$10.70 billion (+23.3%YoY) was mainly driven by the enlarging interest-earning assets and well-managed funding cost of Bank SinoPac. The net fee income of NT\$9.23 billion (+27.3%YoY) was contributed by brokerage fee revenues boosted by growing market turnover.

Bank SinoPac (BSP) reported 1H21 preliminary net revenues of NT\$15.40 billion (+11.4%YoY) and net income of NT\$5.88 billion (+22.7%YoY). Better deposit and loan structure was demonstrated by the CASA ratio of 53.8% (+1.5%QoQ; +5.5%YoY) and SME loan accounting for the total loan climbing to 23.0% (+0.9%QoQ; +2.7%YoY). Therefore, the spread of 1.36% (+0.8bpsQoQ) increased for the fourth consecutive quarter. Although the loan to deposit ratio slightly decreased and resulted in NIM down 1.1bps QoQ to 1.04%, the net interest income continued to hit a new high thanks to the steady growth of interest-earning assets. The 1H21 net fee income also grew 5.6% YoY, mainly supported by wealth management and loan-related revenues. Asset quality remains benign, with an NPL ratio at 0.15% and the coverage ratio at 834%. Capital level stays solid with a BIS ratio of 15.45%, Tier 1 ratio of 12.29%, and CET1 ratio of 10.85%.

SinoPac Securities (SPS) reported 1H21 preliminary net revenues of NT\$6.95 billion (+63.8%YoY) and net income of NT\$2.42 billion (+156.0%YoY). Benefited from robust market turnover, SPS net fee income reached a new high and boosted recurring income to NT\$6.03 billion (+54.8%YoY). As a result, SPS 1H21 annualized ROE reported 16.48%, the best figure since 2007.

During the 2Q21 COVID-19 outbreak in Taiwan, SPH strived to provide uninterrupted financial services and protect employees and customers by leveraging fintech capabilities. BSP proudly became the first bank to conduct identity verification through videoconferencing, allowing customers to complete and confirm wealth management plans on our e-banking platform. In 2Q21, approximately 90% of Bank SinoPac and SinoPac Securities' transactions were completed online. Looking ahead, SinoPac Holdings will continue to accelerate fintech development and offer even more convenient and customer-centric financial services.

Executive Summary

1H21 SPH net income of NT\$8.6bn grew 51.7% YoY. ROE increased 3.09% YoY to 10.80%

NT\$Mn	2Q21	QoQ	YoY	6M21	YoY
Net Revenues	11,127	-5.3%	13.7%	22,877	23.2%
Net Income	4,156	-5.8%	26.2%	8,567	51.7%

Both NII and net fee income reached record highs contributed by enlarging interest-earning assets and prosperous brokerage business

NT\$Mn	2Q21	QoQ	YoY	6M21	YoY
Net Interest Income	5,467	4.6%	25.9%	10,696	23.3%
Net Fee Income	4,331	-11.6%	30.2%	9,231	27.3%
Others	1,329	-18.0%	-37.3%	2,949	11.5%

With solid capital, SPH total assets remains strong growth momentum

- SPH 2Q total assets NT\$2.29 trn, +3.4% QoQ; +15.5% YoY
- BSP 2Q total loans NT\$1.22 trn, +1.0% QoQ; +7.2% YoY
- SPH 2Q CAR 131%; BSP consolidated BIS ratio 15.45%, Tier 1 ratio 12.29%

Awards and Achievements

In the second quarter of 2021, SPH and its subsidiaries won 19 awards in total, and some are listed below:

- SPH was honored in the 2020 TWSE Corporate Governance Evaluation as a top tier listed company (top 5%)
- SPH and BSP were honored with three CSR Awards by *Global Views Monthly*, namely, The Best Eldest Friendly Awards for SPH and Environment Friendly and Social Creativity Awards for BSP
- BSP was honored with World's Best Banks 2021 by *Forbes*, Taiwan's Best Bank for CSR 2021 by *Asiamoney*, and User Interface Award and Communication Design Award by iF Design
- SPS was honored with Best ETF Market Maker-Highly Commended in Taiwan by *The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2021*