

Investor / Analyst Briefing

3Q / 2021(V.2)



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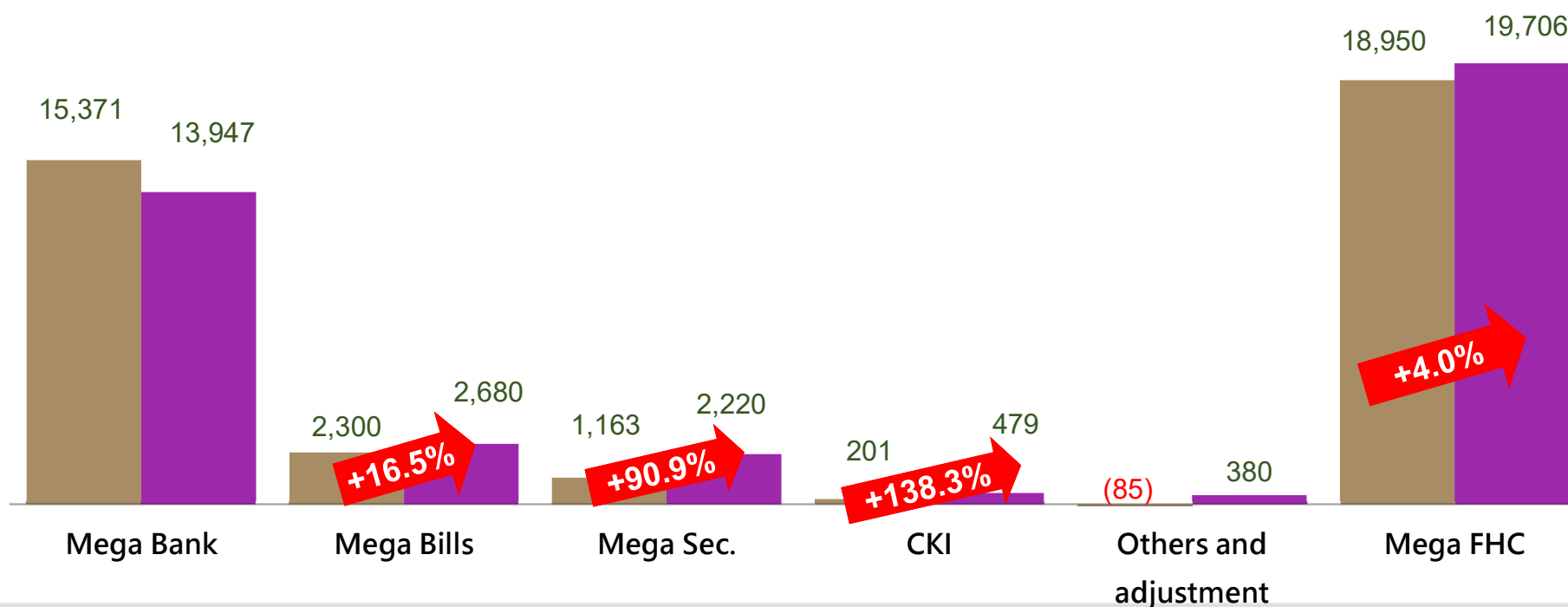


1-3Q/21 group earning was up 4.0%YoY;
Non-bank sub. earning jumped higher

Mega FHC & Subs. 1-3Q/21 earning trend

■ 1-3Q/20* ■ 1-3Q/21*

Unit: NT\$MN



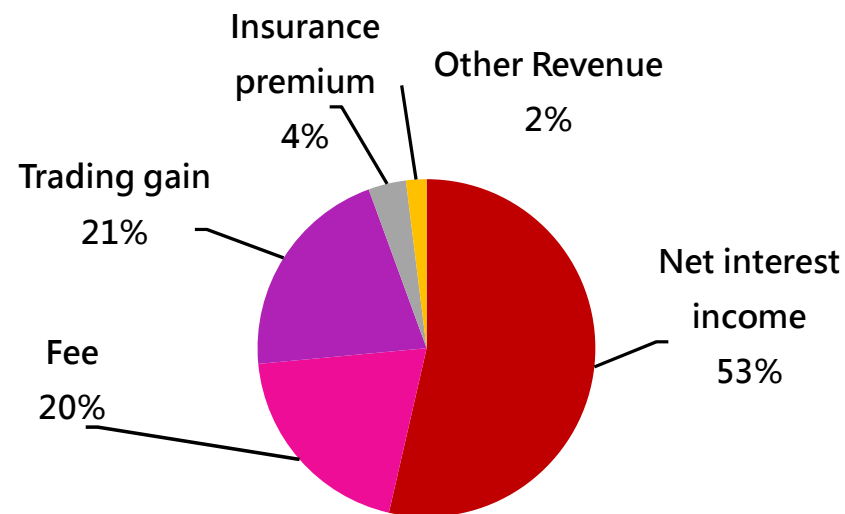
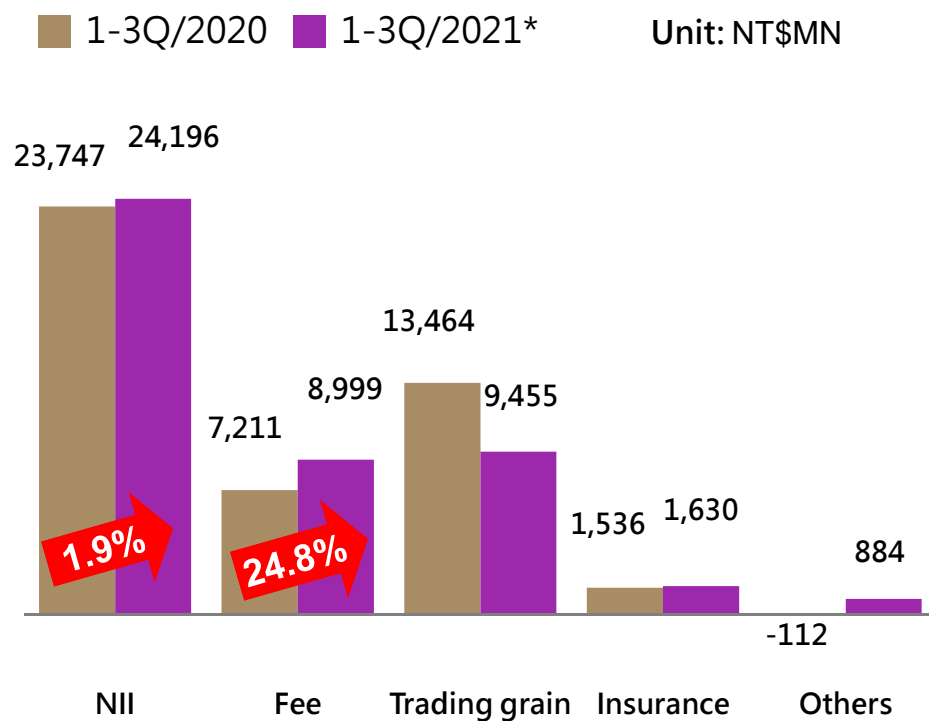
* 1-3Q / 21 are un-audited numbers



Group fee was up 24.8% YoY

Mega Group consolidated net revenue *

Mega Group 1-3Q/21 net revenue breakdown



* 1-3Q / 21 are un-audited numbers





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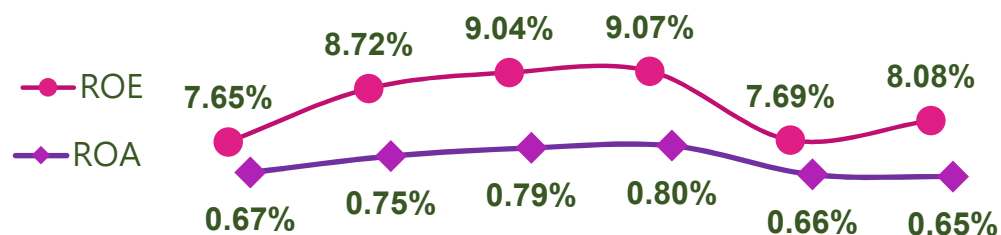


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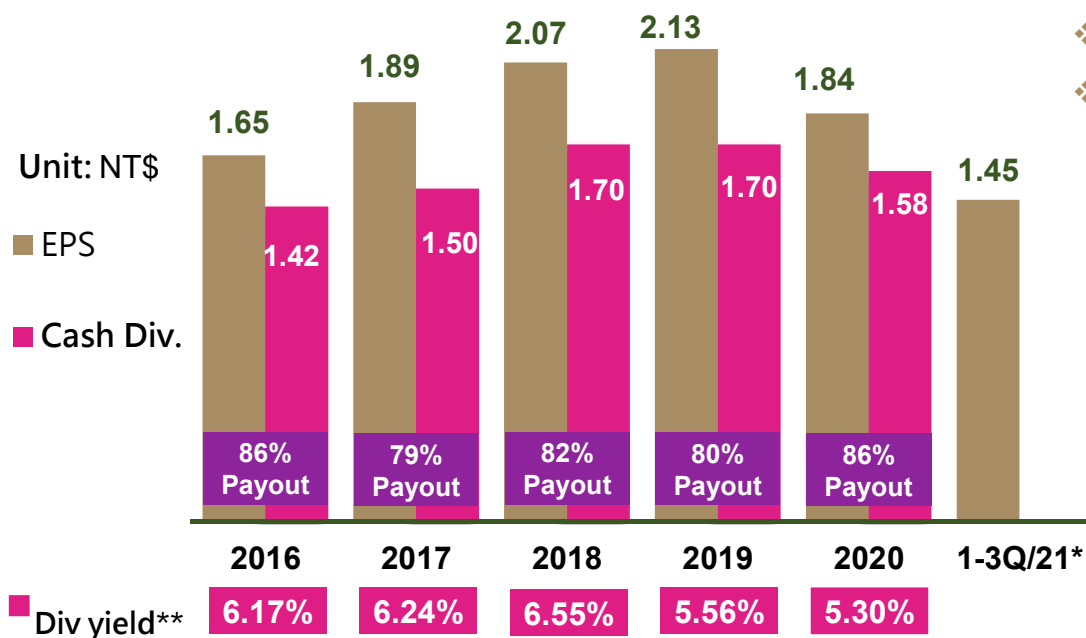
Strong dividend policy

Major earning matrixes



To prevent over-inflated capital base as well as to maintain sufficient capital for future growth, our dividend policy is:

- ❖ Maintain high payout ratio
- ❖ At least 50% of dividend payout in cash form.



* 1-3Q/21 are un-audited numbers; ROE and ROA annualized numbers.

** Cash dividend yield = cash dividend / last trading day share price of that year

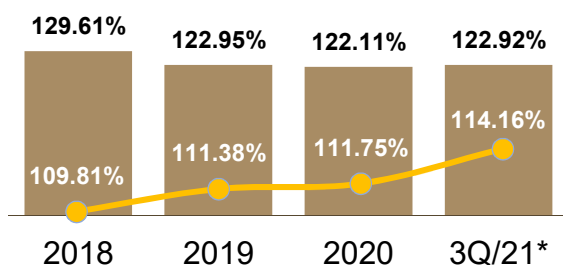


Stable capital position

Mega FHC

Moody's: A2

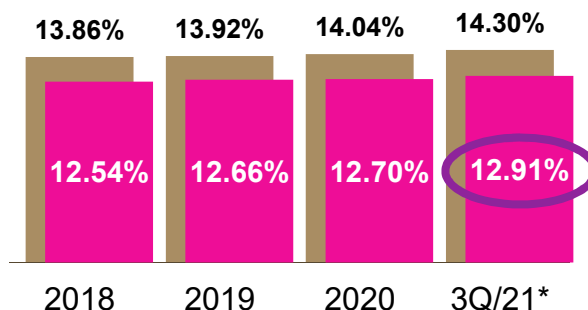
CAR Requirement : 100%



Mega Bank

Moody's: A1 / S&P: A+

Requirement: CAR: 10.50%
Tier-1: 8.50%



CAR/RBC



Common equity tier 1 ratio



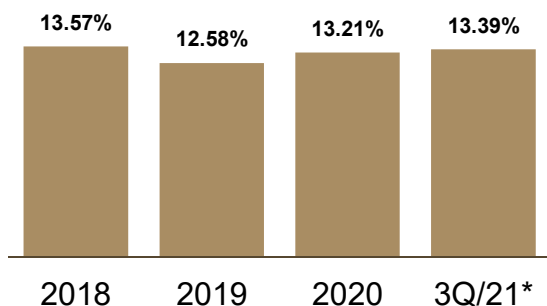
Credit rating



Double leverage ratio

Mega Bills

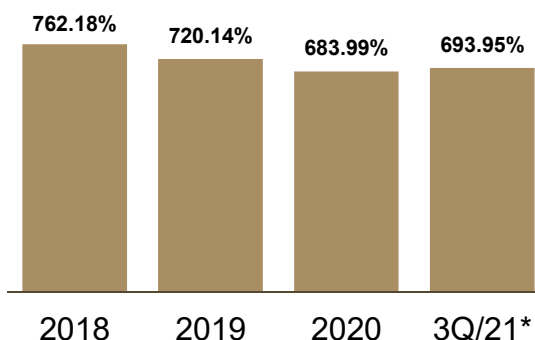
Requirement : 8.0%



CKI P&C

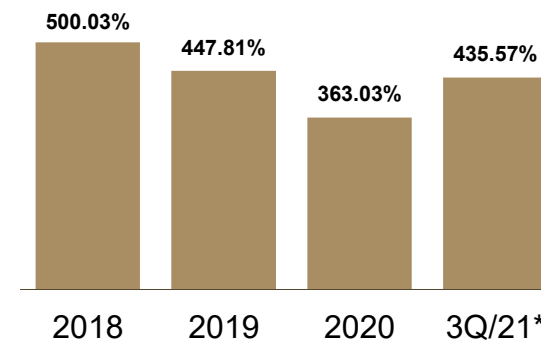
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



* 3Q / 21 are un-audited numbers



兆豐金控 Mega Holdings



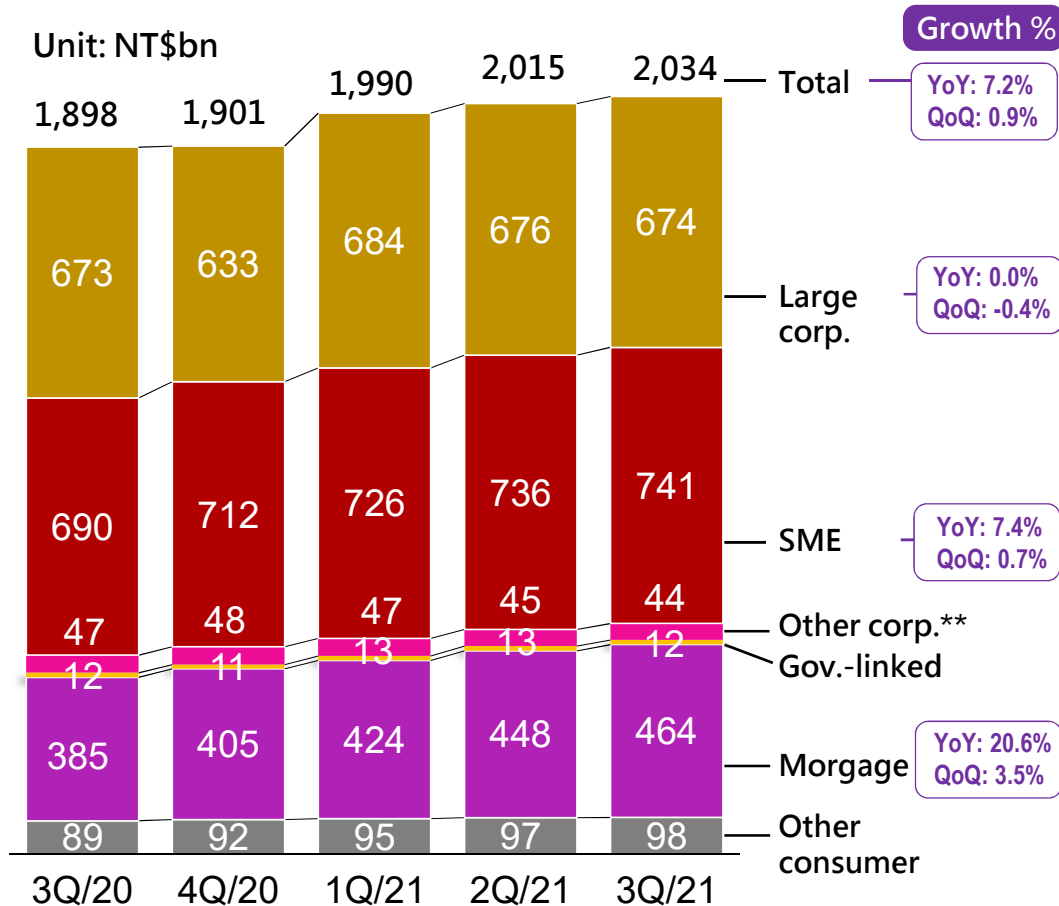
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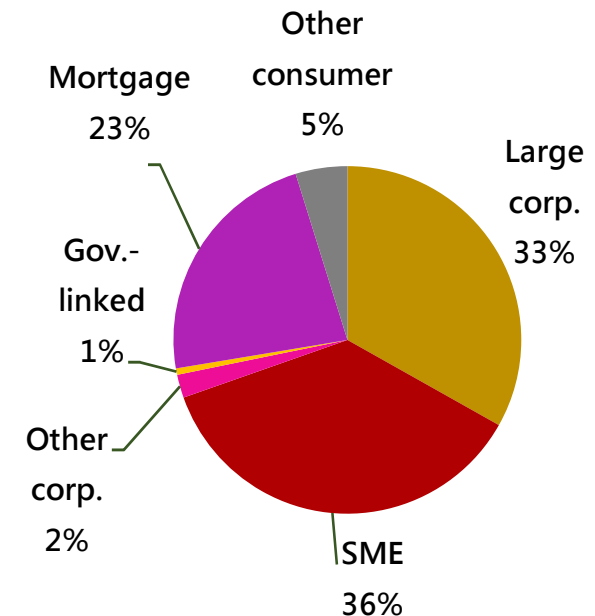


3Q /21 SME and mortgage loan growth continued

Mega Bank quarterly loan balance*



Mega Bank 3Q/21 loan breakdown by customers



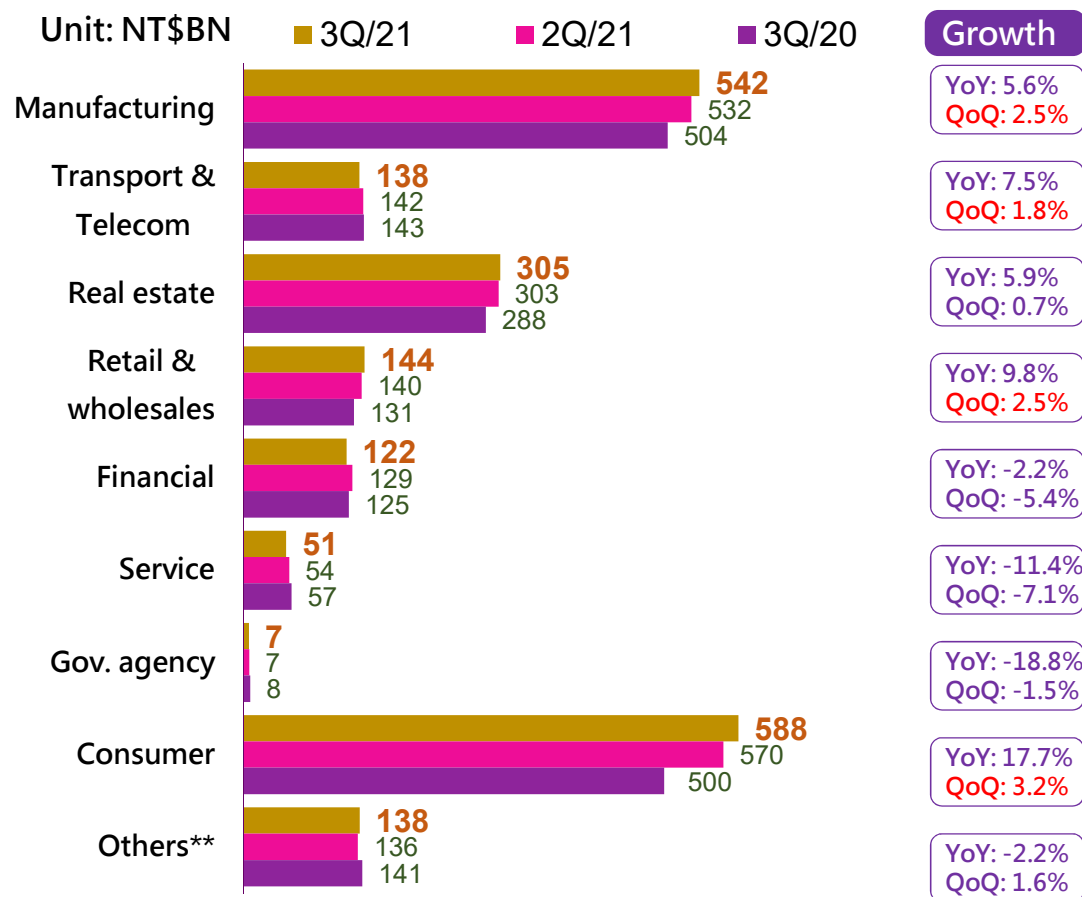
* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

** Includes Gov-linked Non-Profit Organization and etc.

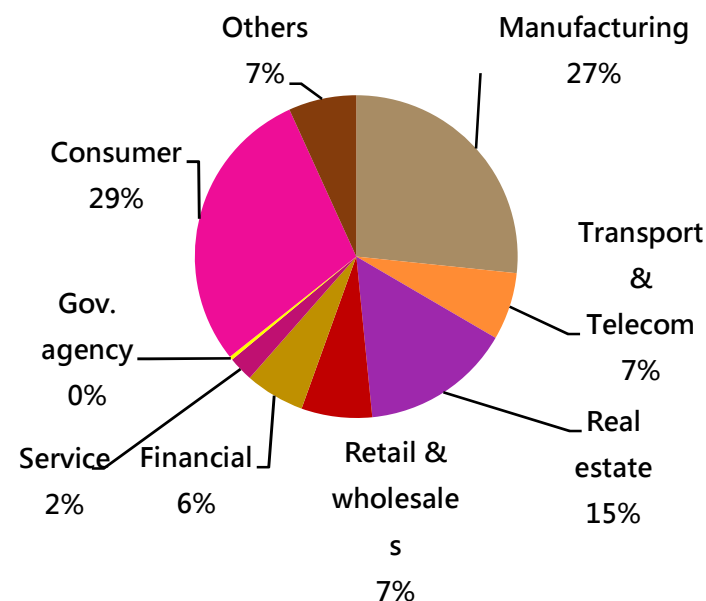


3Q /21 manufacturing, transport & telco, retail/wholesales and consumer loans were up

Mega Bank loan balance trend by industry*



3Q/21 loan breakdown by industry*



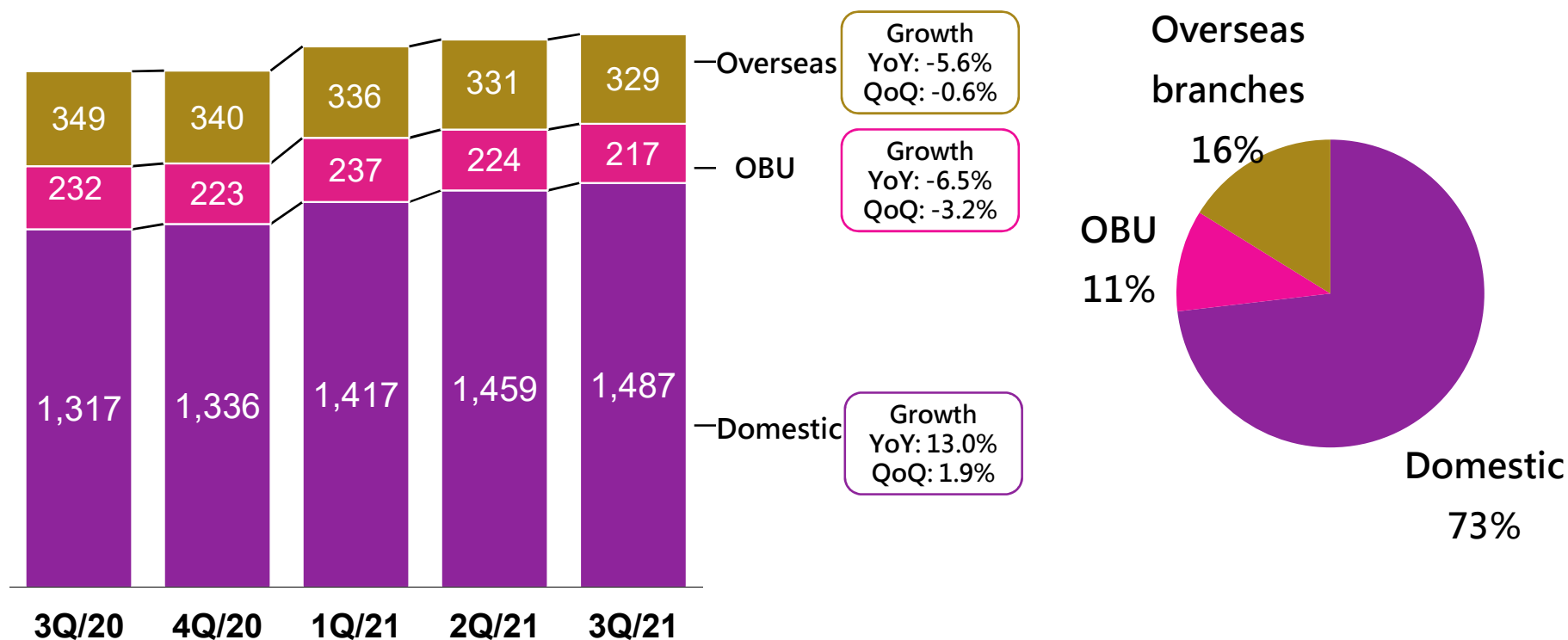
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

** Main component for "Other Industry": leisure (hotel & restaurant) industry

3Q /21 domestic loans were up1.9% QoQ

Mega Bank 3Q/21 loan breakdown by regions *

Unit: NT\$BN



* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

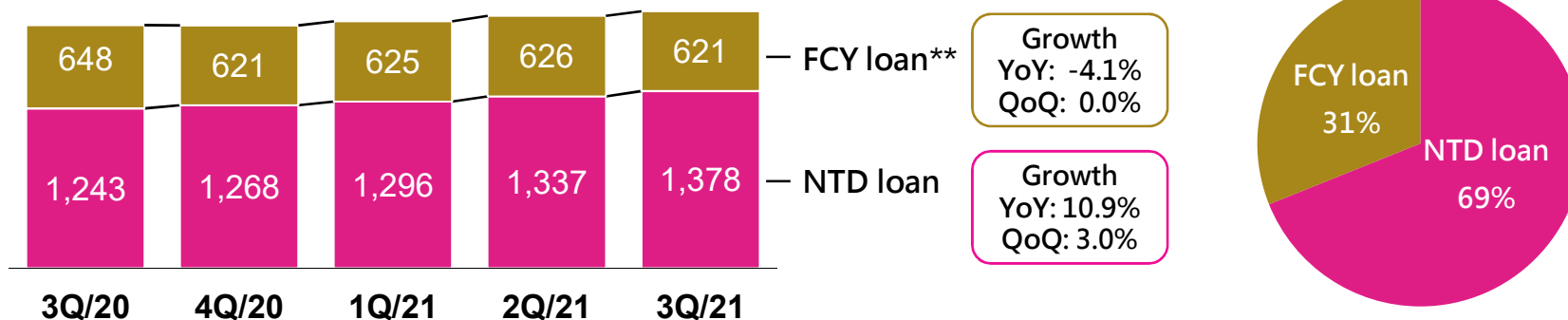
** OBU stands for Off-shore Banking Unit



3Q /21 NTD loan extended higher

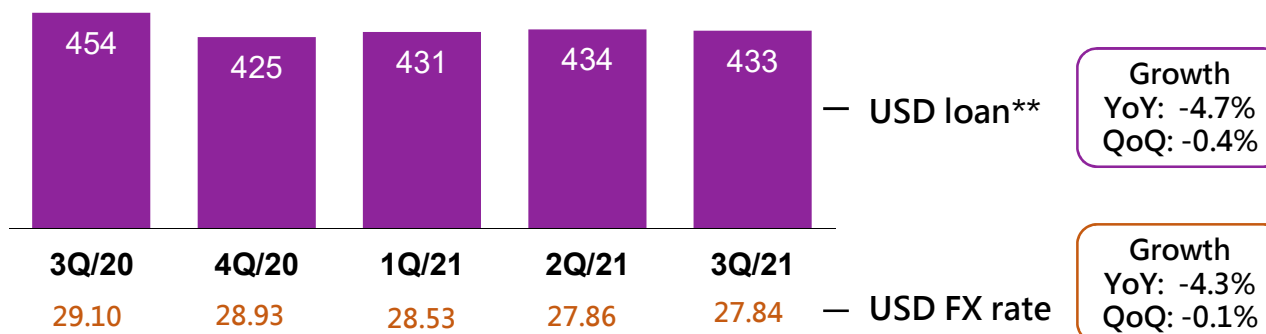
Mega Bank 3Q/21 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$ billion



* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

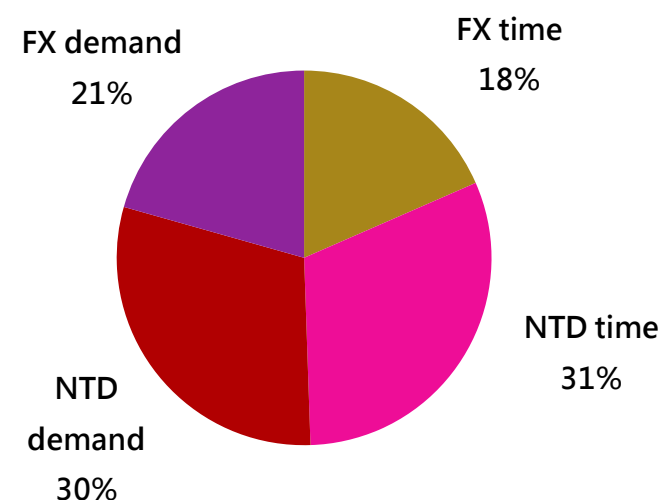
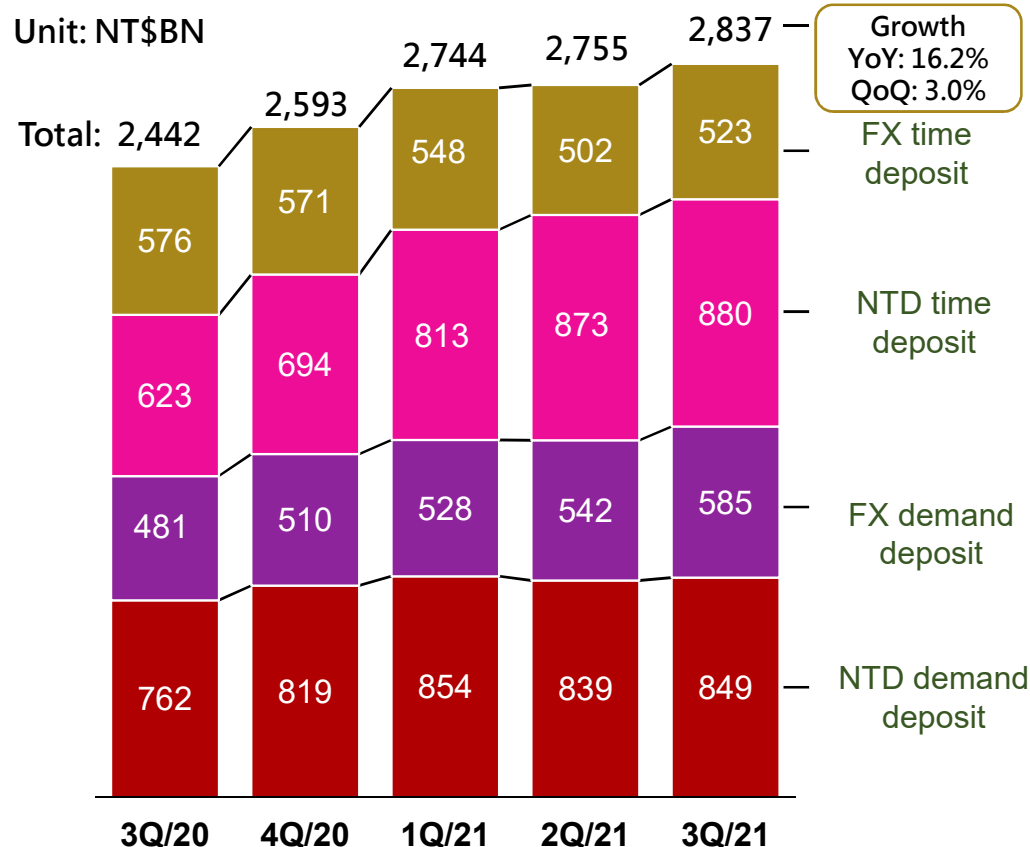
** Foreign currency and USD loans include OBU, overseas branched and some domestic branched loans.



3Q /21 FCY deposits were up 6.2%QoQ; due to increases in FCY demand deposit

Mega Bank deposit balance *

Mega Bank 3Q/21 deposit breakdown



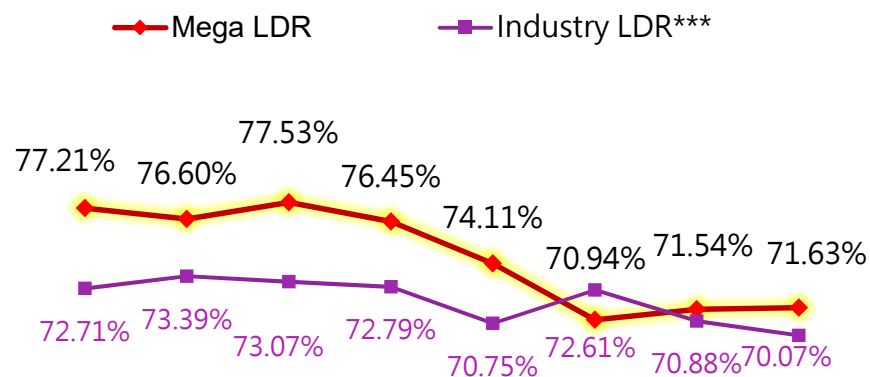
* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

** Includes retail and corporate deposit but excludes due from central banks and banks



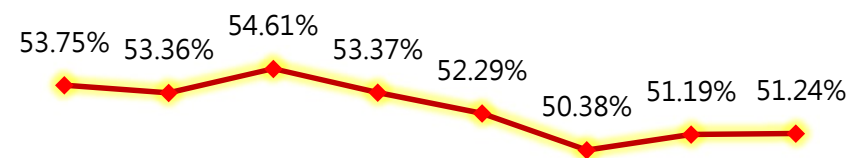
LDR was up due to higher loan growth

Mega Bank's total LDR*



4Q/19 1Q/20 2Q/20 3Q/20 4Q/20 1Q/21 2Q/21 3Q/21

Mega Bank's USD LDR**



4Q/19 1Q/20 2Q/20 3Q/20 4Q/20 1Q/21 2Q/21 3Q/21

* Total LDR calculation is based on loan/deposit end balance

** USD LDR calculation is based on average loan/deposit balance of that quarter

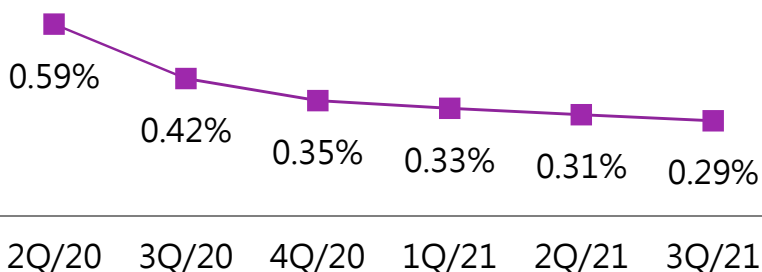
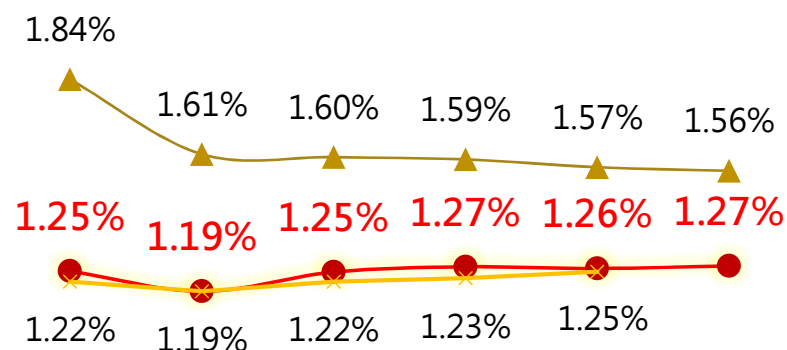
*** Source: Central Bank of Taiwan



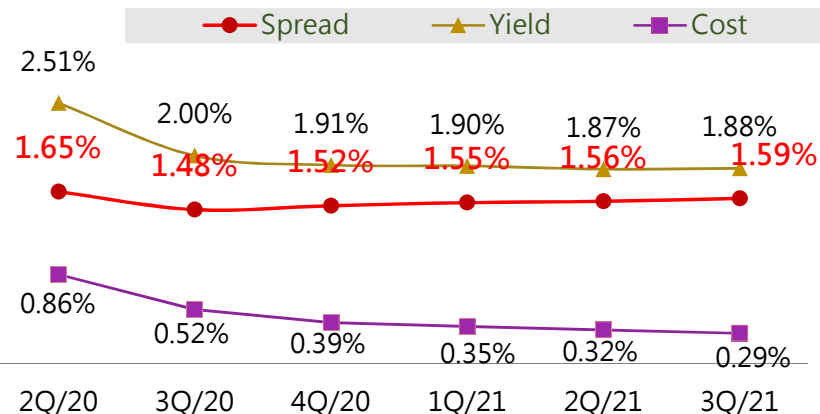
Interest spread was up

Mega Bank total loan interest spread*

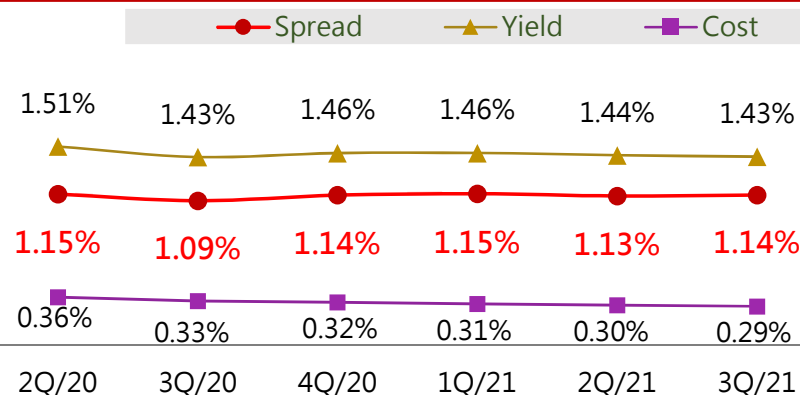
—●— Spread —▲— Yield —■— Cost —×— Industry spread **



Mega Bank overseas loan interest spread*



Mega Bank domestic loan interest spread*



* Overseas loan includes overseas branches and OBU loan; internal numbers.

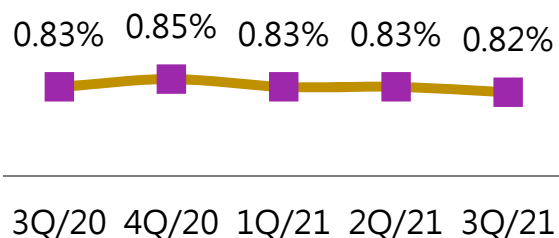
** Source: Central Bank of Taiwan



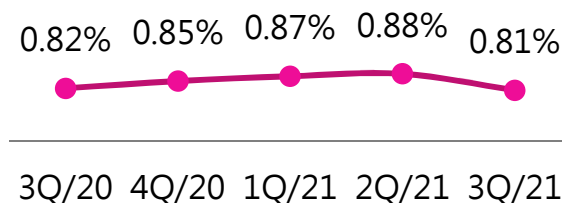


3Q /21 total NIM hovering lower as low-yield assets increased higher

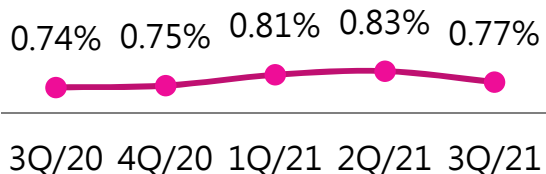
Mega Bank quarterly **Total** NIM*



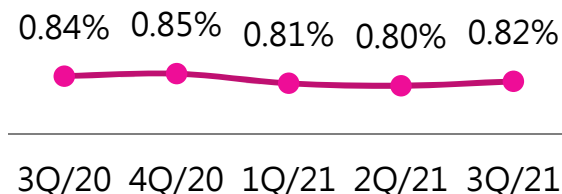
Mega Bank quarterly **FCY** NIM*



Mega Bank monthly **USD** NIM*



Mega Bank quarterly **NTD** NIM*



* NIM = annualized net interest income / average interest earning assets of that quarter; internal numbers.

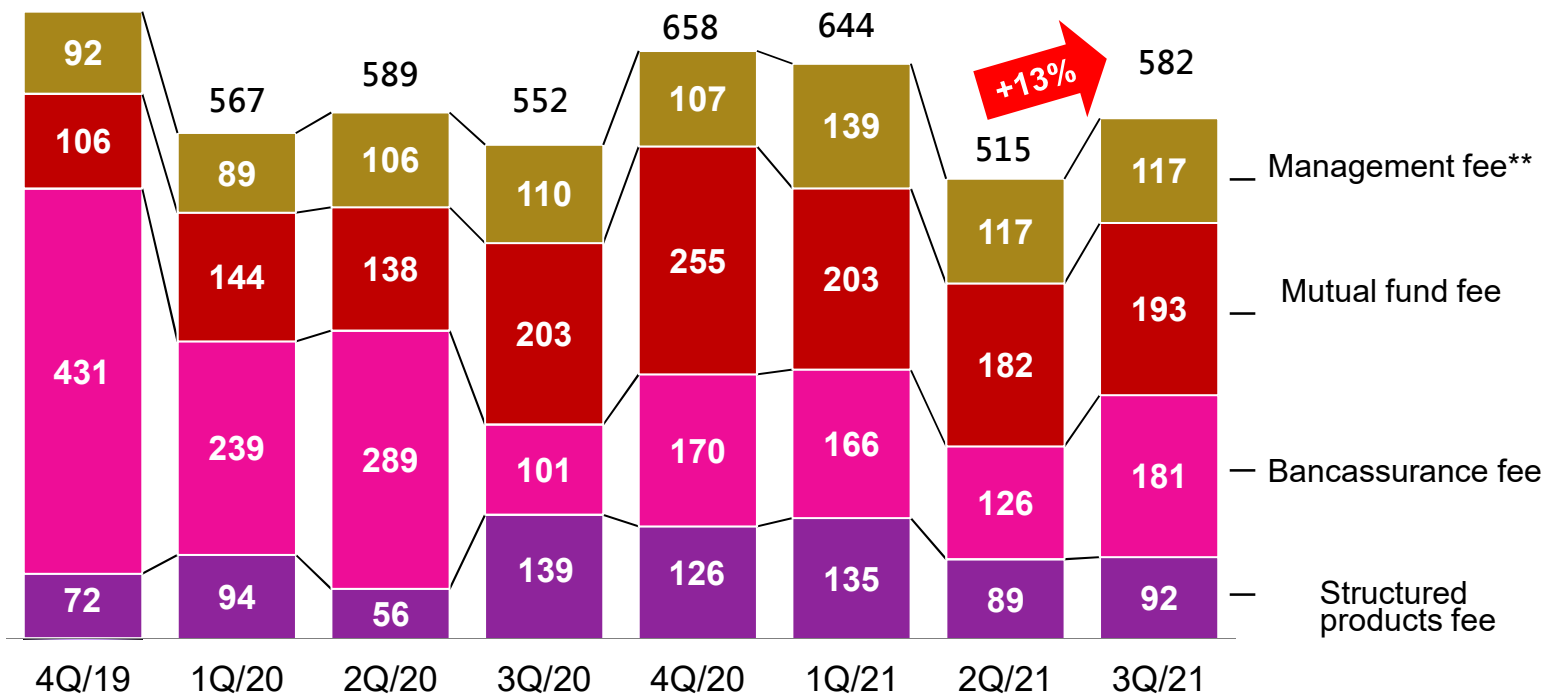


3Q/21 WM fee jumped by 13%QoQ

Mega Bank wealth management gross fee breakdown*

Unit: NT\$MN

Total: 700



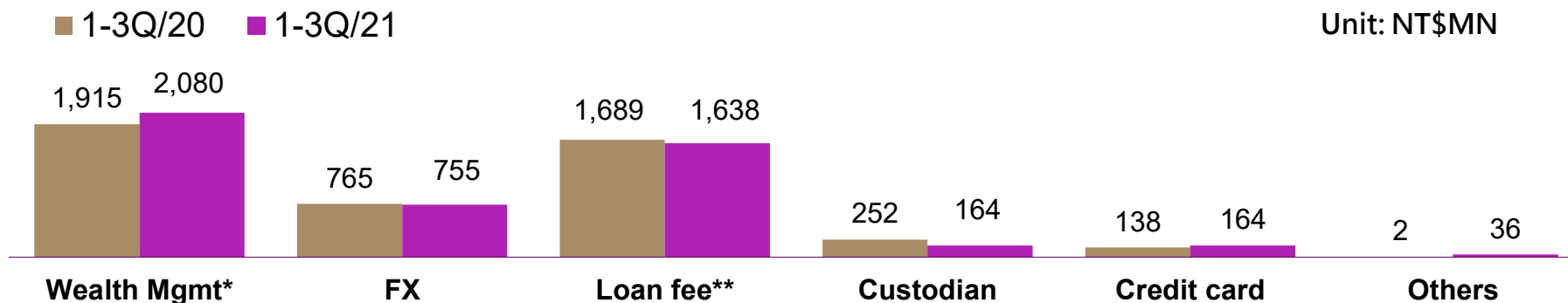
* Mega Bank internal data; gross wealth mgmt fee, NOT net wealth mgmt fee.

** Profit sharing scheme of fund mgmt fee and trust account mgmt fee.



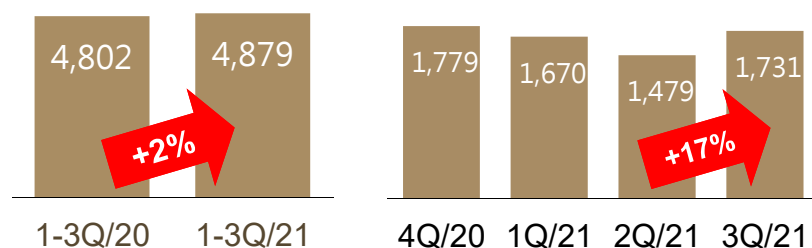
3Q /21 bank fee was up 17% QoQ

Mega Bank net fee breakdown

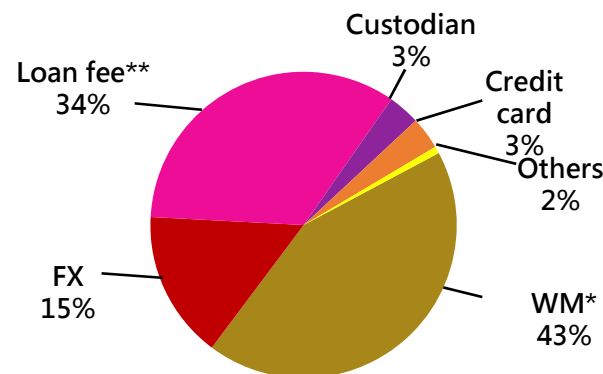


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1-3Q/21 net fee breakdown



* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

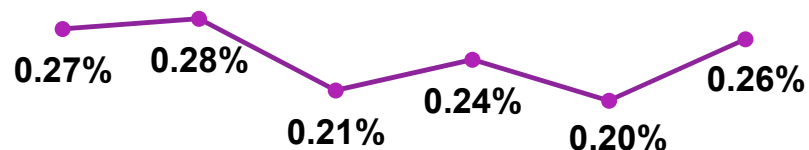
** Includes corporate loan fee, consumer loan fee, guarantee fee and factoring fee

***Total net fees are audited numbers.

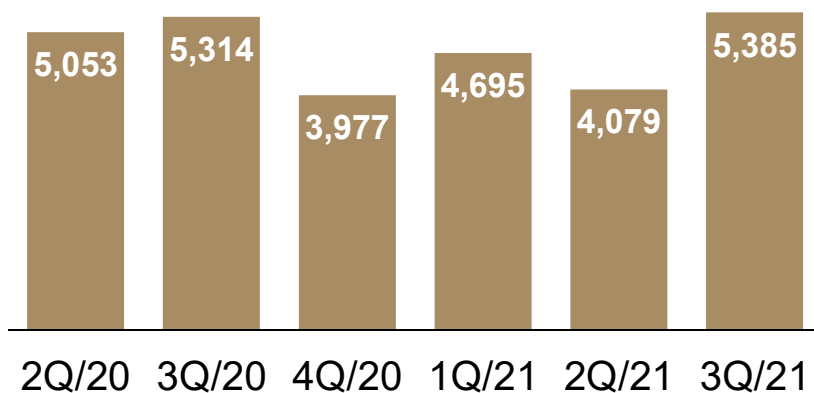


Benign asset quality

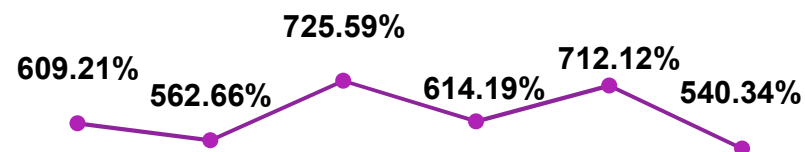
Mega Bank NPL balance & NPL ratio



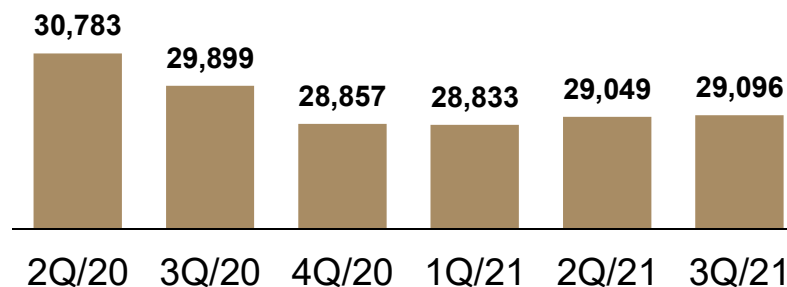
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

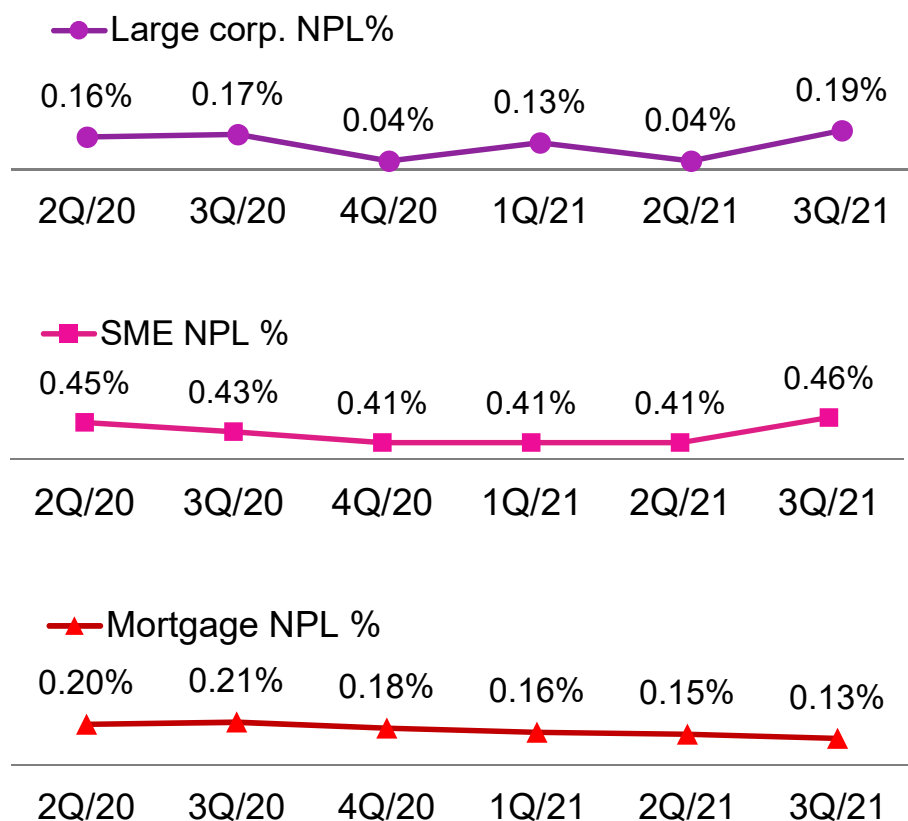


Unit: NT\$MN

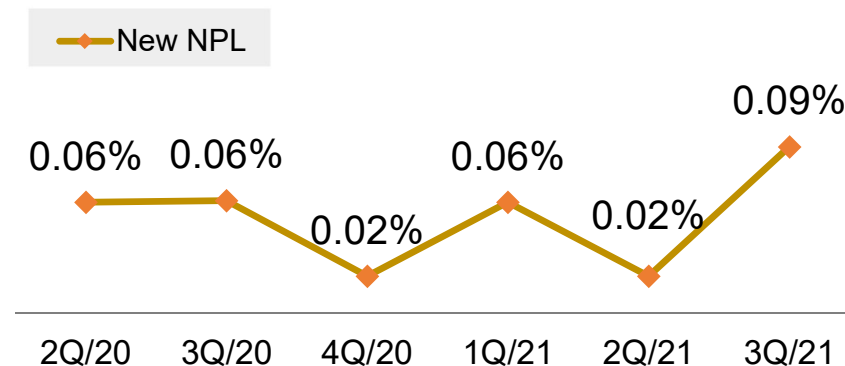


NPL ratio trend remained stable

Mega Bank NPL ratio by customer *



Mega Bank new NPL as % of total loan *



* Excludes gov. loan, gov-linked corp. loan and other corp. loan, which all have 0% NPL.



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1-3Q/2021 Mega FHC consolidated P&L statement

NT\$MN, EPS:NT\$	1-3Q/2021*	1-3Q/2020	YoY
Net interest income	24,196	23,747	2%
Net fee revenue	8,999	7,211	25%
Insurance revenue	1,630	1,536	6%
Financial assets and liabilities at fair value thru P&L	5,411	6,041	-10%
Gain from fin. assets at fair value through other comprehensive income	2,910	5,153	-44%
Gain from debt investment measured by amortized cost	-39	0	
Equity method investment gain	44	-22	-299%
Gain on reclassification under the overlay approach	21	58	-64%
FX spread gain	1,064	1,018	4%
Asset impairment loss (write-back)	27	866	-97%
Property gain	17	350	-95%
Other non-interest revenue (net)	884	-112	-887%
Operating net revenue	45,165	45,846	-1%
Operating expense	-22,236	-21,432	4%
Pre-provision operating profit	22,929	24,413	-6%
Provision expense on loan	-383	-1,930	-80%
Reserved on insurance	4	-253	-101%
Pretax profit	22,550	22,230	1%
Tax	-2,844	-3,280	-13%
Net profit	19,706	18,950	4%
EPS (NT\$)	1.45	1.39	4%

* 1-3Q /21 are un-audited numbers



1-3Q/2021 Mega FHC consolidated balance sheet

NT\$MN	1-3Q/2021*	1-3Q/2020*	YoY
Assets:			
Cash and due from banks	666,213	549,434	21%
Bills and bonds under RP agreement	1,489	6,622	-78%
Fin. assets at fair value through P&L	221,185	207,355	7%
Fin. Assets at fair value through other comprehensive income	533,923	541,885	-1%
Debt instrument investment measured by amortized cost	603,345	440,351	37%
Other financial assets	6,235	5,772	8%
A/R, net	98,449	80,756	22%
Loan, net	2,024,232	1,885,472	7%
Equity method LT investments, net	5,406	5,492	-2%
Land, premises and equipments, net	24,849	24,776	0%
Others	20,320	19,108	6%
Total assets	4,205,646	3,767,022	12%
Liabilities			
Due to banks	553,922	500,342	11%
Deposits	2,861,215	2,457,157	16%
CP & Bond payable	34,793	39,080	-11%
Bills & bonds sold under repurchase agreement	234,323	264,235	-11%
Other liabilities	197,938	186,282	6%
Total liabilities	3,882,191	3,447,096	13%
Capital stock (common stock)	135,998	135,998	0%
Capital surplus	68,194	68,194	0%
Retain earning	106,515	102,801	4%
Equity adjustment items	12,747	12,932	-1%
Minority shareholder interest	-	-	-
Total stockholders' equity	323,455	319,926	1%
Total liabilities and stockholders' equity	4,205,646	3,767,022	12%
Book value per share (NT\$)	23.78	23.52	1%

* 1-3Q /21are un-audited numbers



1-3Q/2021 Mega Bank consolidated P&L statement

NT\$MN, EPS: \$NT	1-3Q/2021*	1-3Q/2020*	YoY
Net interest income	22,520	22,548	0%
Net fee revenue	4,879	4,802	2%
Financial assets and liabilities at fair value thru P&L	3,323	4,338	-23%
Gain from fin. assets at fair value through other comprehensive income	1,474	3,938	-63%
Gain from debt investment measured by amortized cost	-39	-	
FX spread gain	41	-25	-262%
Equity method investment gain	1,077	1,059	2%
Asset impairment loss (write-back)	10	-101	-110%
Other non-interest revenue (net)	280	257	9%
Operating net revenue	33,566	36,816	-9%
Operating expense	-17,292	-17,315	0%
Pre-provision operating profit	16,274	19,501	-17%
Provision expense on loan	-356	-1,780	-80%
Pretax profit	15,918	17,720	-10%
Tax	-1,971	-2,349	-16%
Net profit	13,947	15,371	-9%
EPS (NT\$)	1.63	1.80	-9%

* 1-3Q/21 are CPA reviewed numbers



1-3Q/2021 Mega Bank consolidated balance sheet

<i>Unit: NT\$MN</i>	1-3Q/2021*	1-3Q/2020*	YoY
Assets:			
Cash and due from banks	661,540	545,054	21%
Bills and bonds under RP agreement	8,315	14,834	-44%
Fin. assets at fair value through P&L	50,087	59,889	-16%
Fin. Assets at fair value through other comprehensive income	397,206	380,381	4%
Debt instrument investment measured by amortized cost	599,079	435,999	37%
Other financial assets	166	252	-34%
A/R, net	42,043	39,590	6%
Loan, net	2,024,232	1,885,472	7%
Equity method LT investments, net	5,297	5,385	-2%
Land, premises and equipments, net	17,209	17,303	-1%
Others (net)	10,793	12,005	-10%
Total assets	3,815,967	3,396,164	12%
Liabilities			
Due to banks	524,242	485,802	8%
Deposits	2,869,672	2,463,904	16%
CP & Bond payable	1,000	13,000	-92%
Bills & bonds sold under repurchase agreement	16,265	27,762	-41%
Other liabilities	109,376	115,799	-6%
Total liabilities	3,520,556	3,106,267	13%
Capital stock (common stock)	85,362	85,362	0%
Capital surplus	62,220	62,220	0%
Retain earning	140,756	135,525	4%
Equity adjustment items	7,074	6,791	4%
Previous equity of business combination entity	-	-	
Total stockholders' equity	295,412	289,897	2%
Total liabilities and stockholders' equity	3,815,967	3,396,164	12%
Book value per share (NT\$)	34.61	33.96	2%

* 1-3Q/21 are CPA reviewed numbers



38 offices in 17 countries; 21 offices in “New South Bond Area”

Mega Bank’s Extensive Overseas Franchise



38 offices includes:

- 24 branches
- 6 sub-branches
- 3 rep. offices
- 1 Thai bank sub. + 4 branches

Newly opened:

- Hai Fong Rep. office in Vietnam

In Progress:

- Hai Duong branch in Vietnam, TBA.
- Indonesia Jakarta Rep. office, TBA.

* Hai Fong, Kuala Lumpur and Mumbai are rep. offices.

