

2Q/2022 Analyst Meeting

2022/09/01



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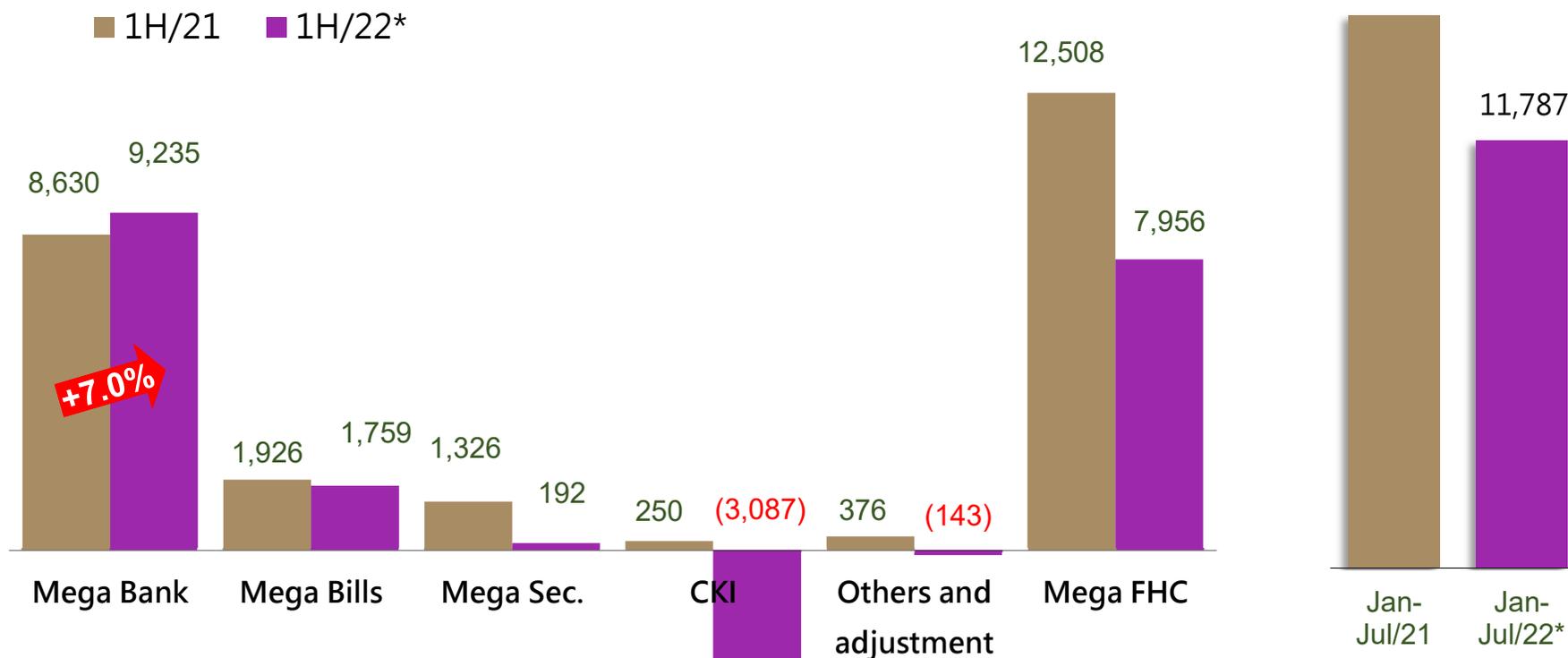


1-2Q/22 bank earning was up 7.0%YoY

Mega FHC & Subs. 1-2Q/22 earning trend

Mega FHC Jan-Jul/22 earning

Unit: NT\$MN



* 1-2Q / 22 are audited numbers



Strategic Focus in 2H/2022

Focus on 5 Initiatives

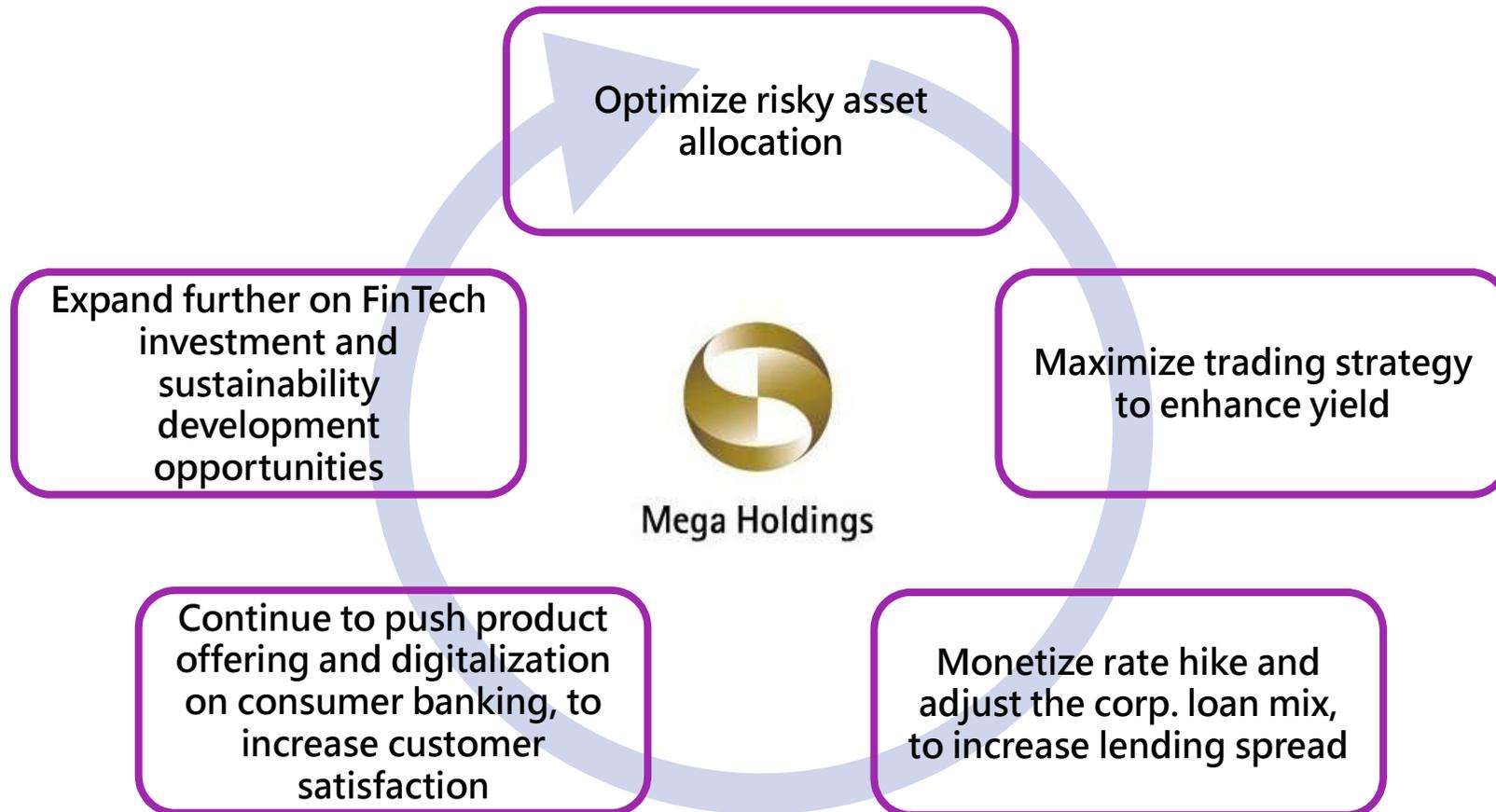




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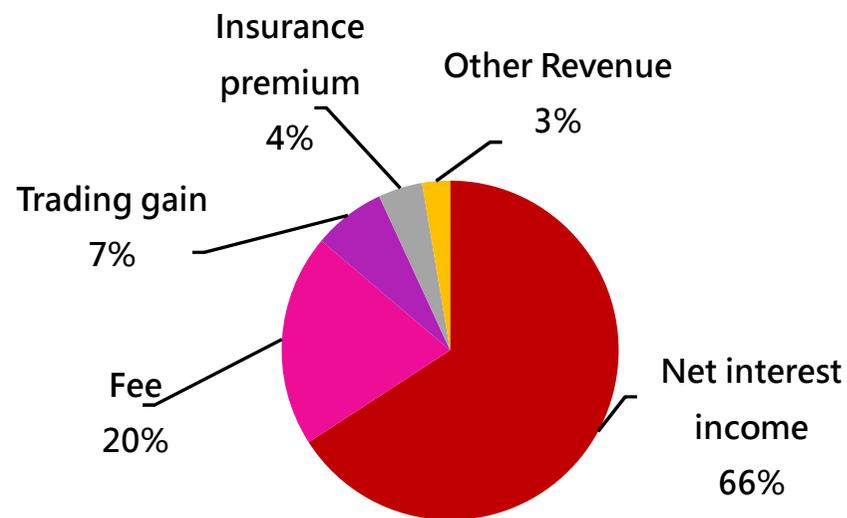
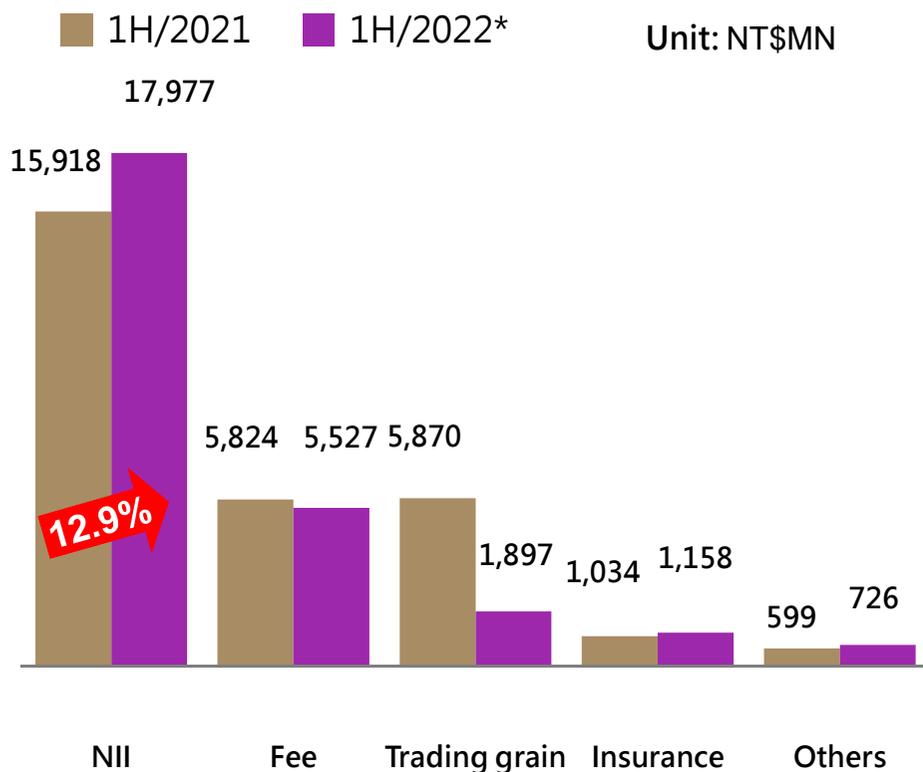
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Group NII was up 12.9% YoY

Mega Group consolidated net revenue *

Mega Group 1-2Q/22 net revenue breakdown

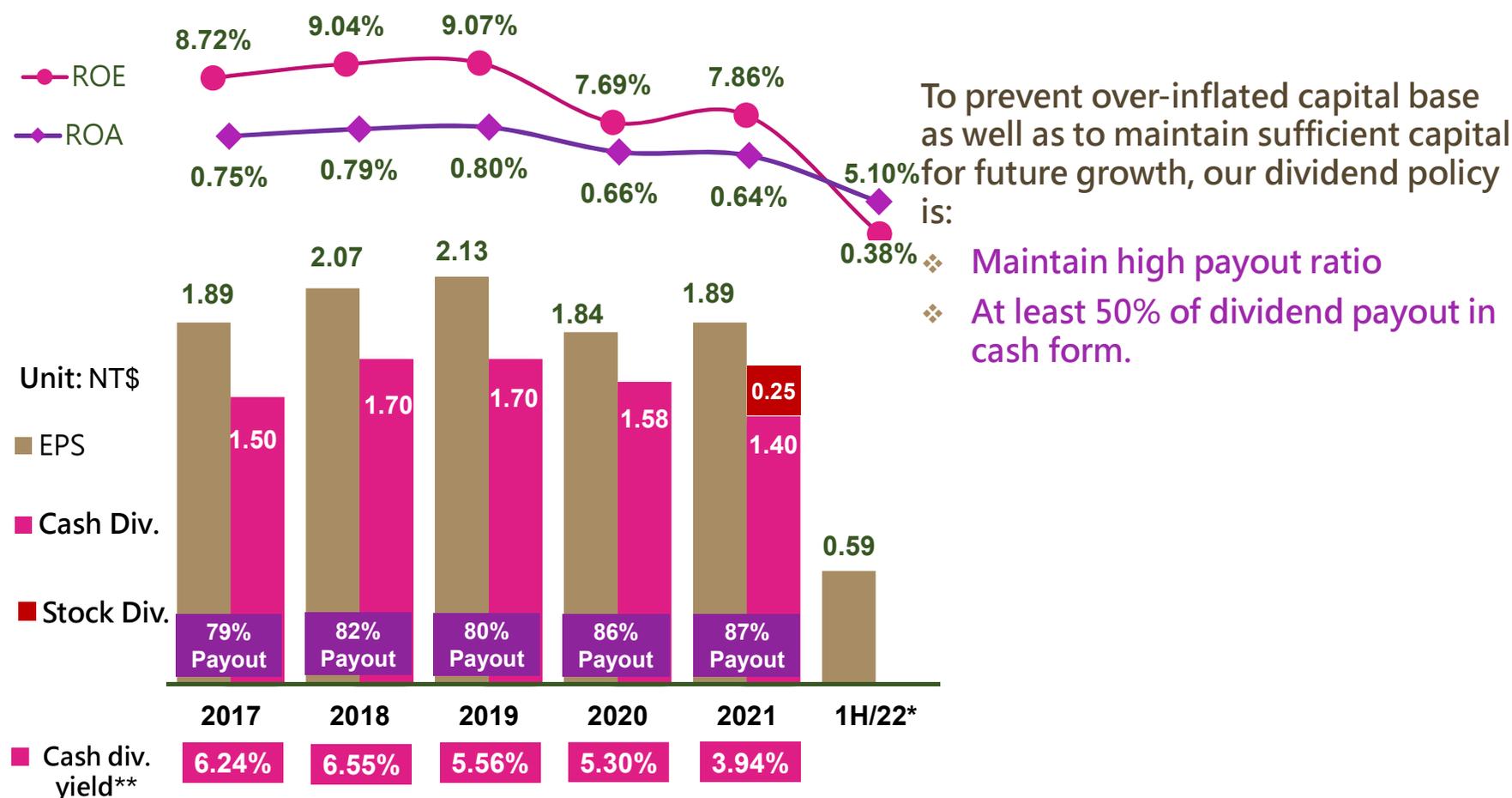


* 1-2Q / 22 are audited numbers



Strong dividend policy

Major earning matrixes



* 1-2Q/22 are audited numbers; ROE and ROA annualized numbers.

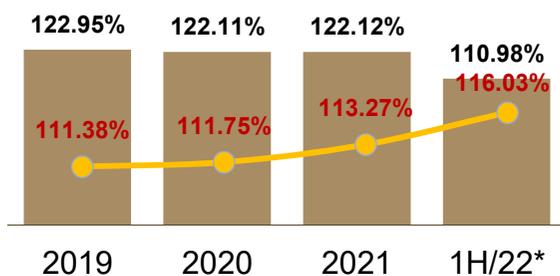
** Cash dividend yield = cash dividend / last trading day share price of that year

Stable capital position

Mega FHC

Moody's: A2

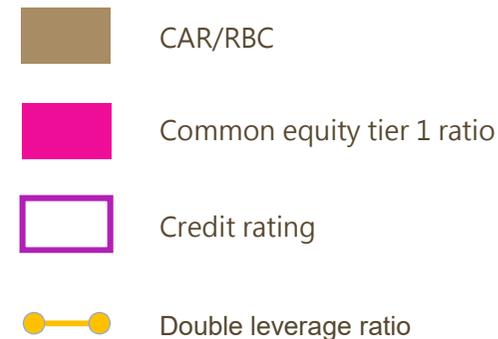
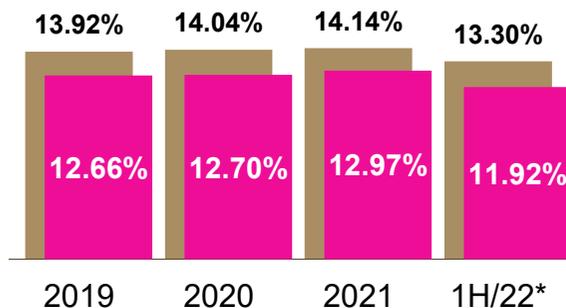
CAR Requirement : 100%



Mega Bank

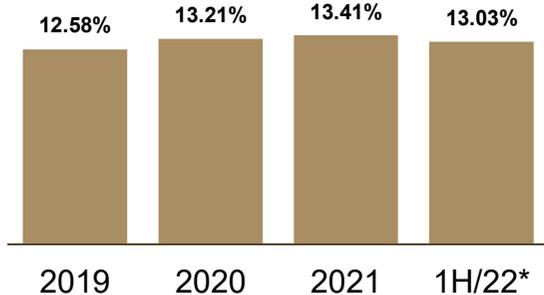
Moody's: A1 / S&P: A+

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



Mega Bills

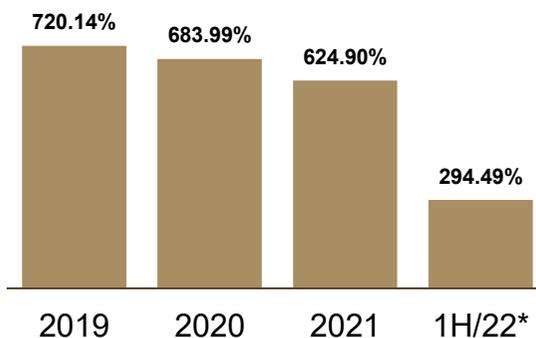
Requirement : 8.0%



CKI P&C

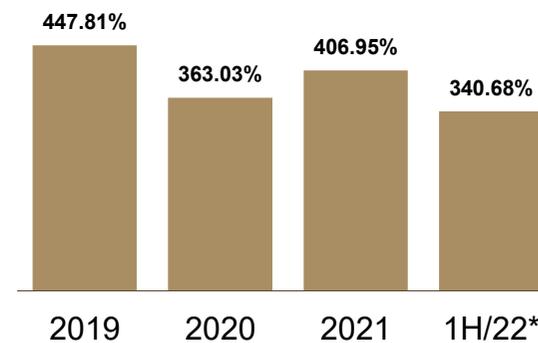
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



* 1H/2022 are audited numbers



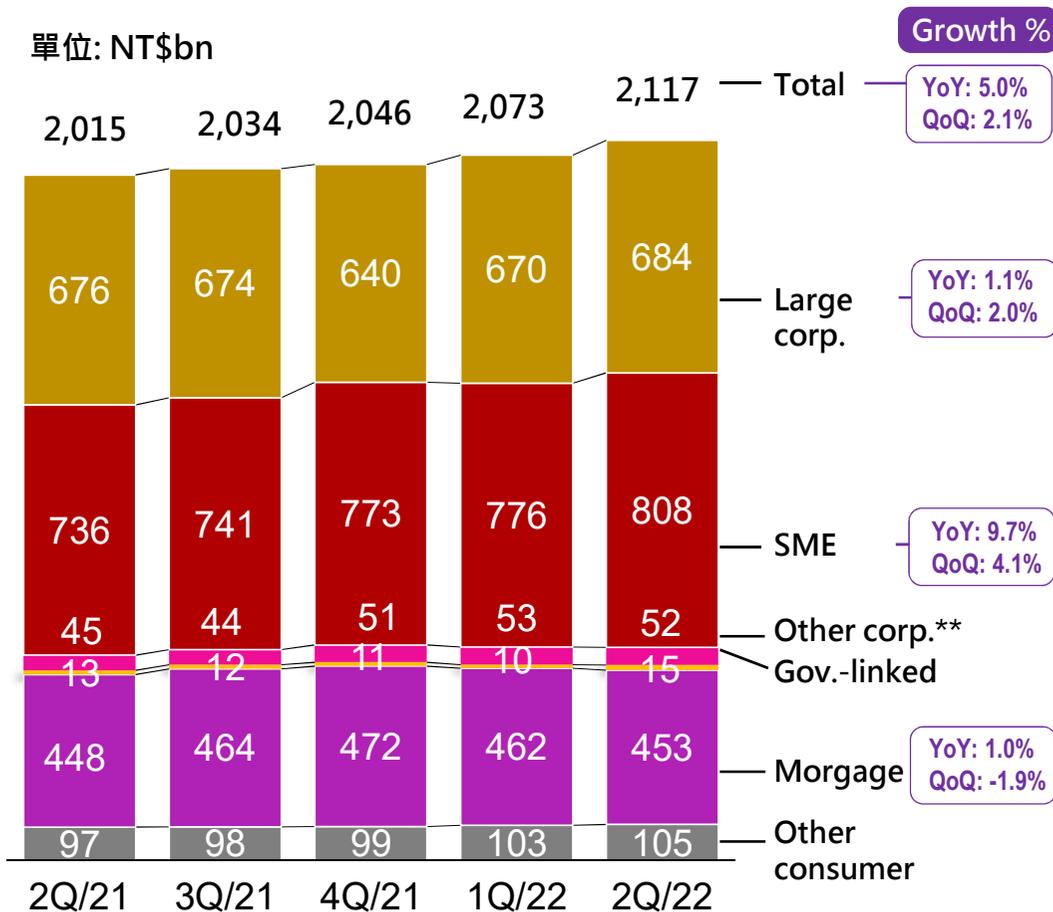
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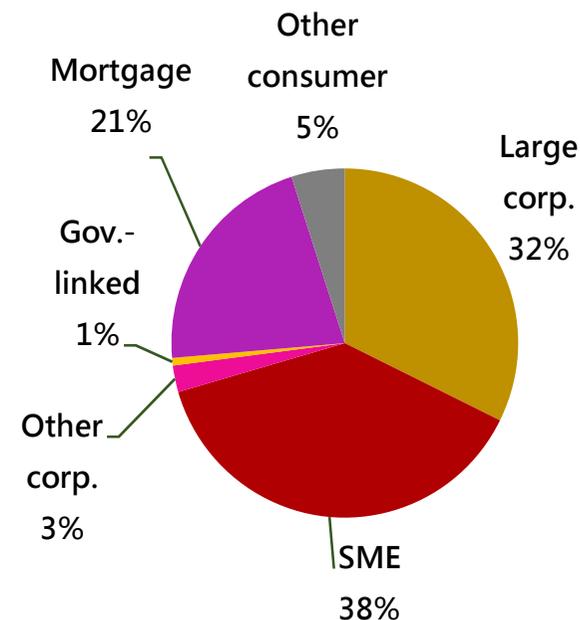


2Q/22 loans were up 2.1% QoQ; driven by large corp. and SME loan demand

Mega Bank quarterly loan balance*



Mega Bank 2Q/22 loan breakdown by customers

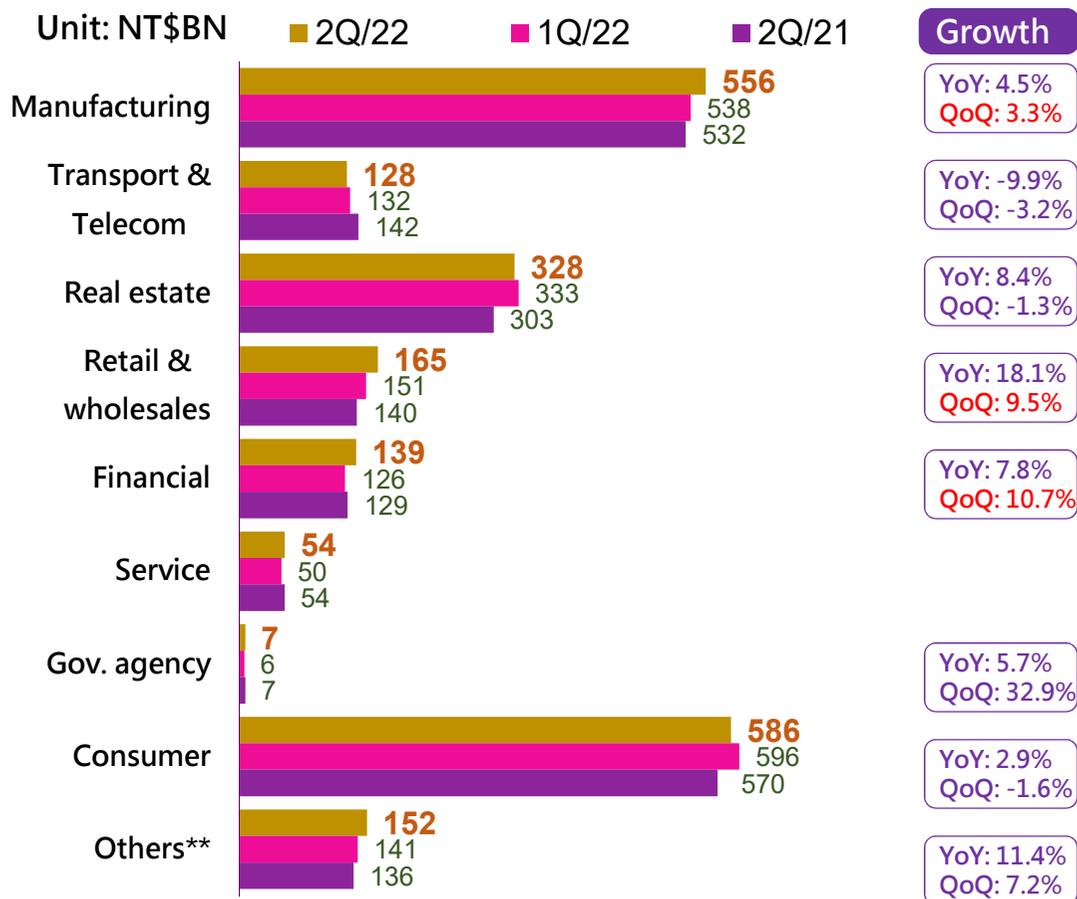


* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

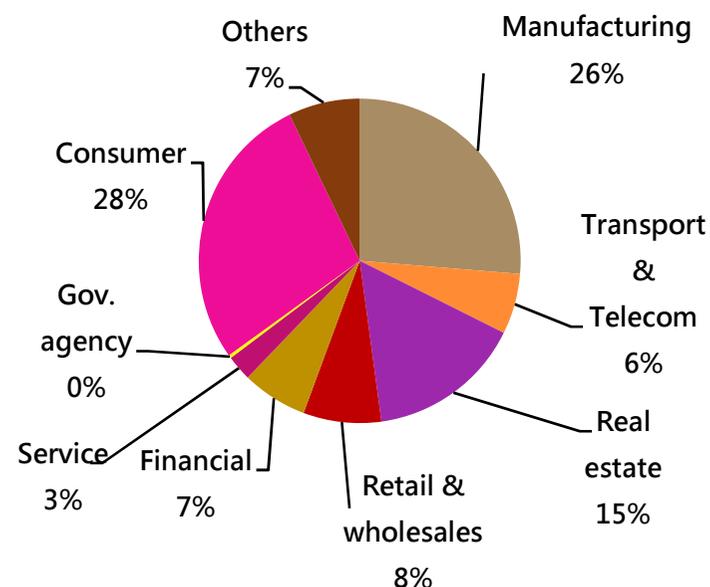
** Includes Gov-linked Non-Profit Organization and etc.

Growth were driven by manufacturing, retail/wholesales and Fin. industries demands

Mega Bank loan balance trend by industry*



2Q/22 loan breakdown by industry*



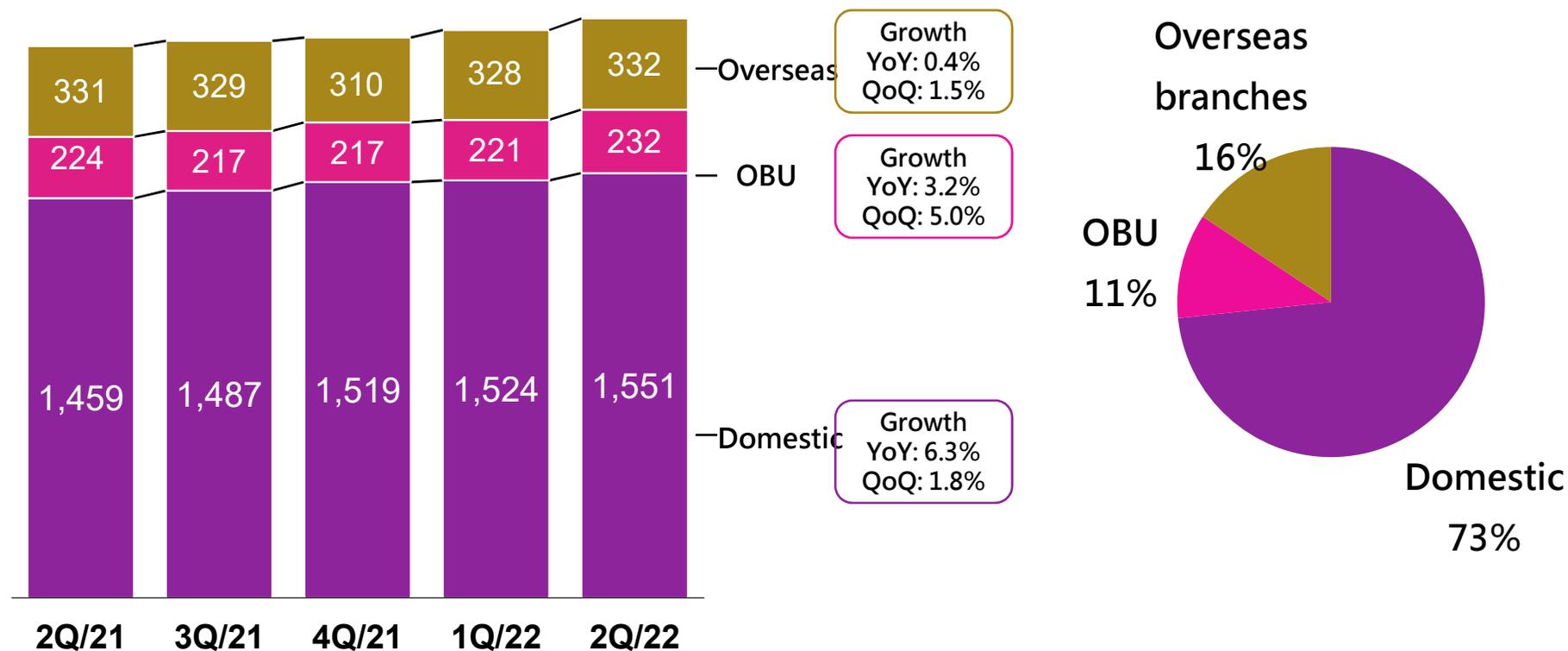
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

2Q /22 OBU loans were up 5.0% QoQ; overseas loans were up 1.5% QoQ

Mega Bank 2Q/22 loan breakdown by regions *

Unit: NT\$BN



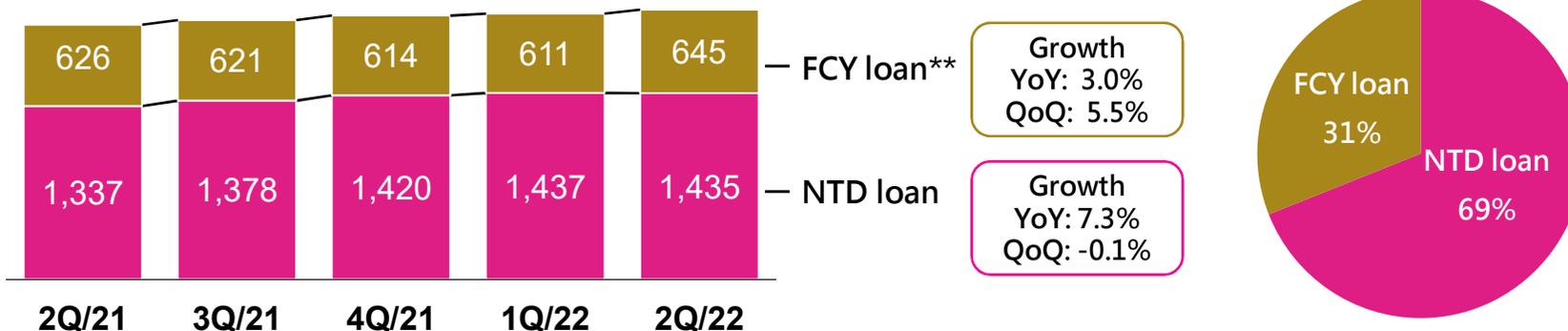
* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

** OBU stands for Off-shore Banking Unit

2Q /22 FCY loan grew 5.5% QoQ

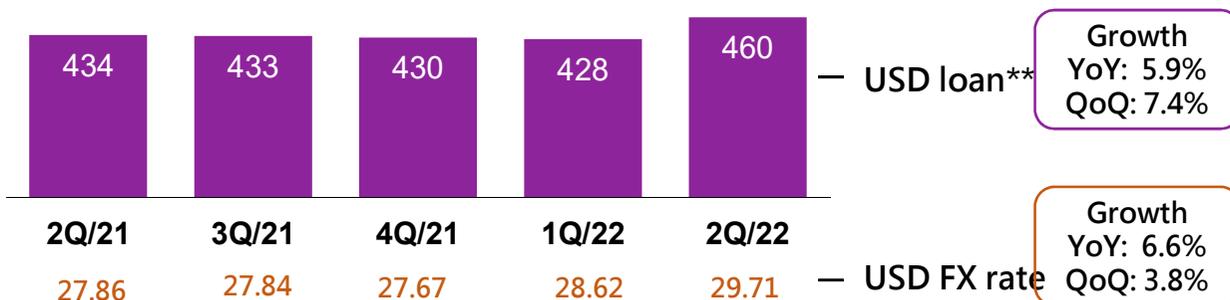
Mega Bank 4Q/21 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$ billion

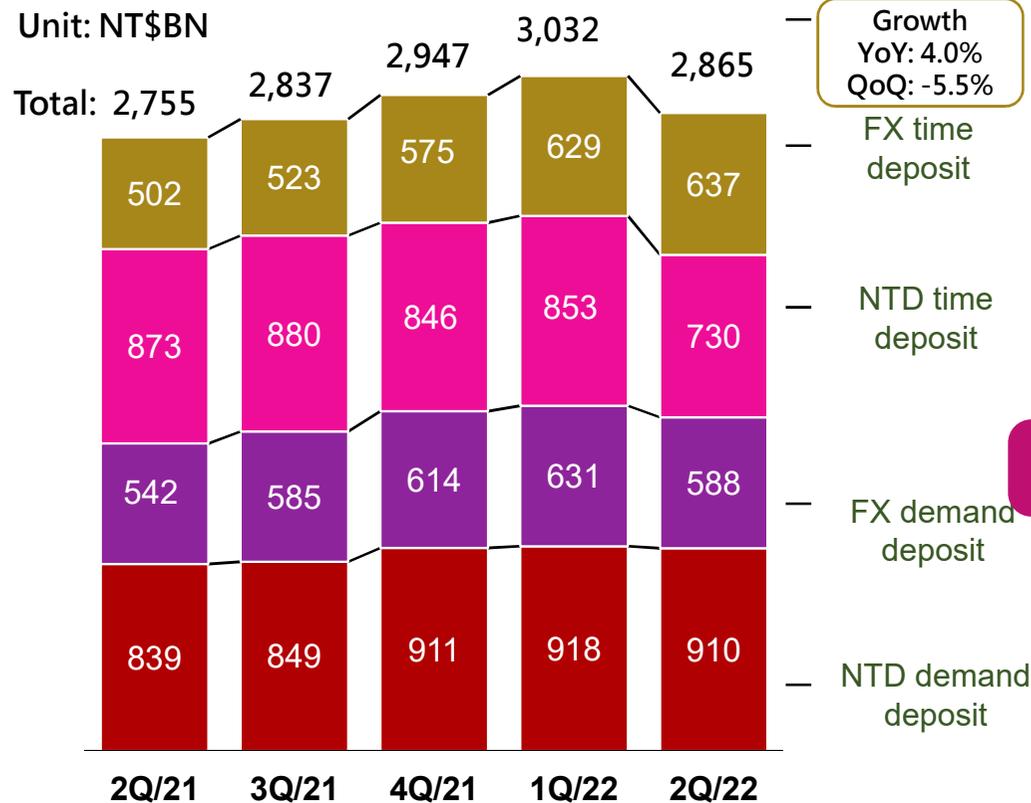


* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

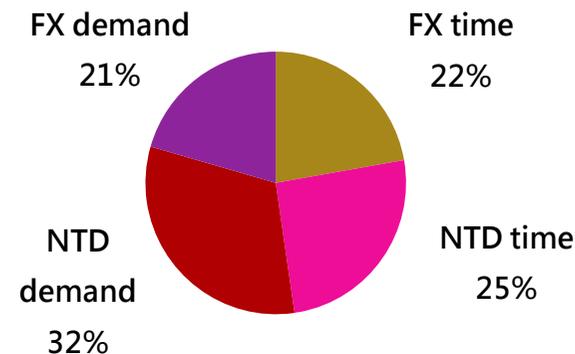
** Foreign currency and USD loans include OBU, overseas branched and some domestic branched loans.

Demand deposit ratio increased to 51.83% in 2Q/22

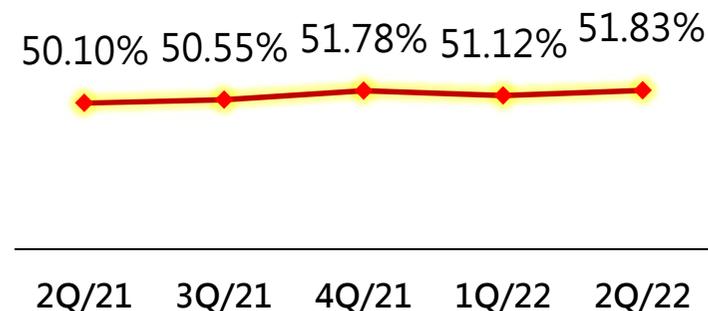
Mega Bank deposit balance *



Mega Bank 2Q/22 deposit breakdown



Mega Bank demand deposit % trend

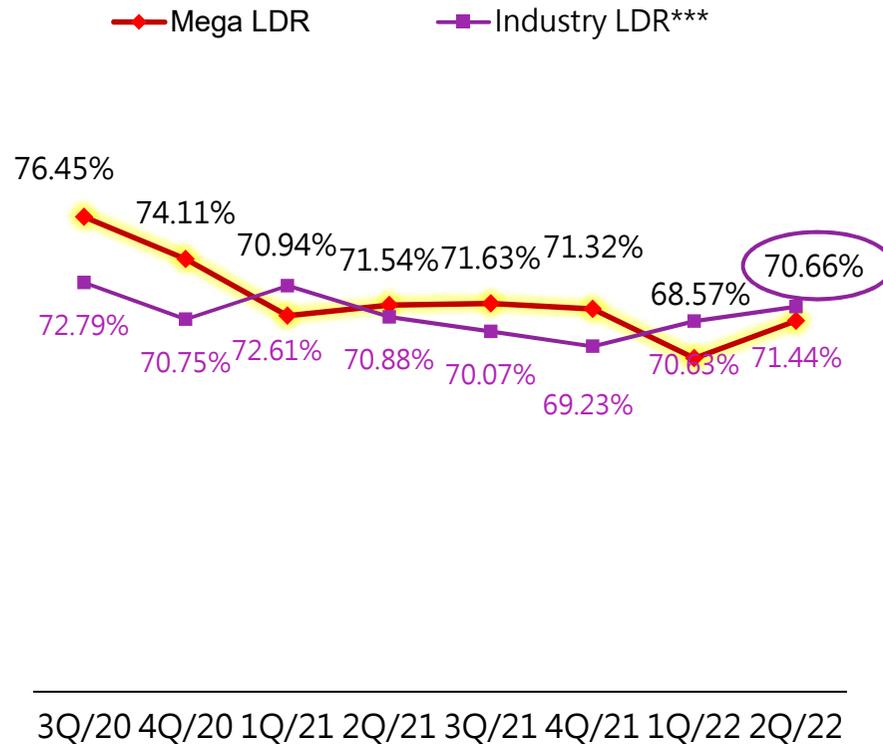


* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

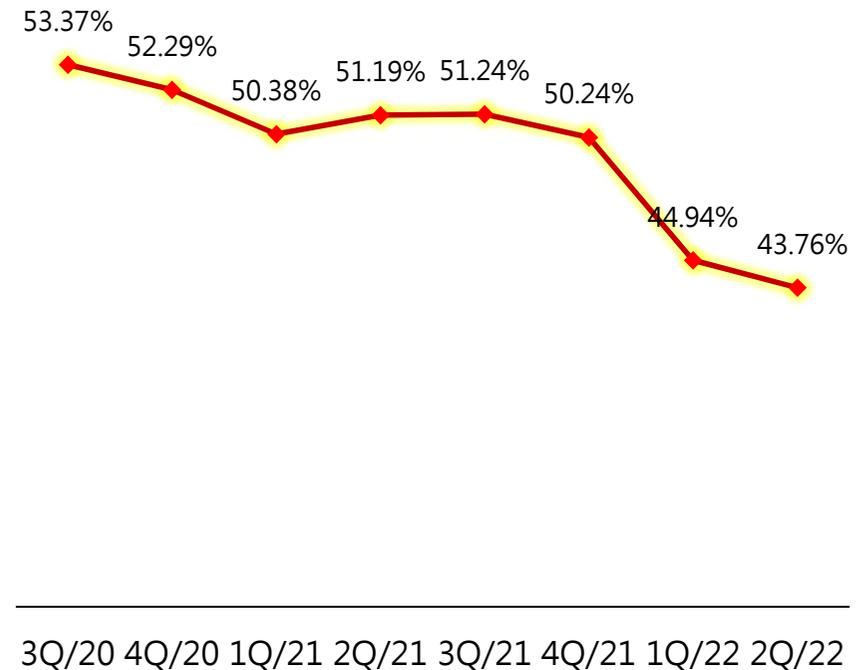
** Includes retail and corporate deposit but excludes due from central banks and banks

Total LDR extended higher

Mega Bank's total LDR*



Mega Bank's USD LDR**

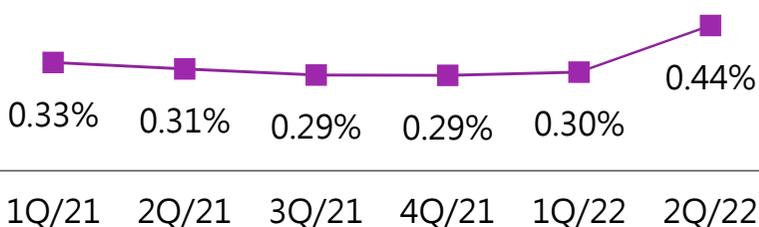
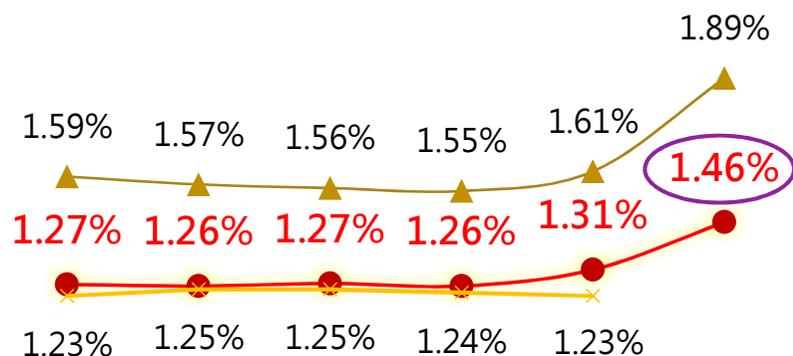


* Total LDR calculation is based on loan/deposit end balance
 ** USD LDR calculation is based on average loan/deposit balance of that quarter
 *** Source: Central Bank of Taiwan

Interest spread rallied 15bps higher QoQ

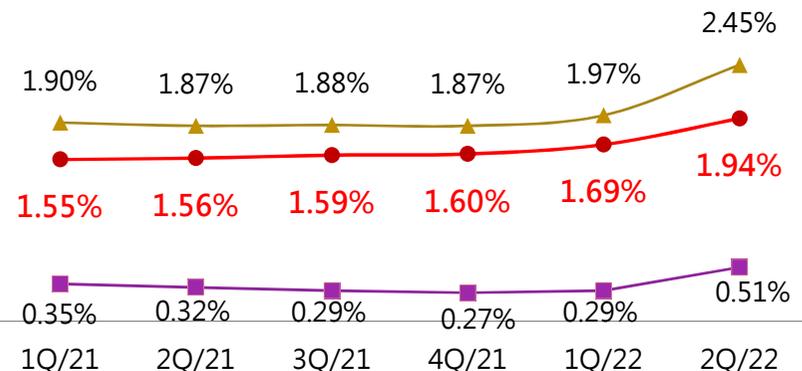
Mega Bank total loan interest spread*

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



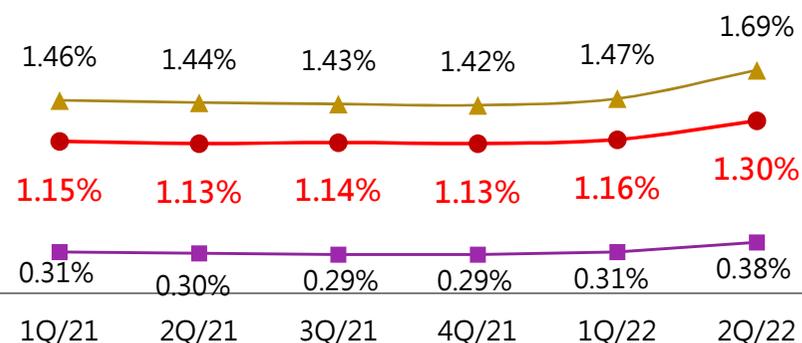
Mega Bank overseas loan interest spread*

—●— Spread —▲— Yield —■— Cost



Mega Bank domestic loan interest spread*

—●— Spread —▲— Yield —■— Cost

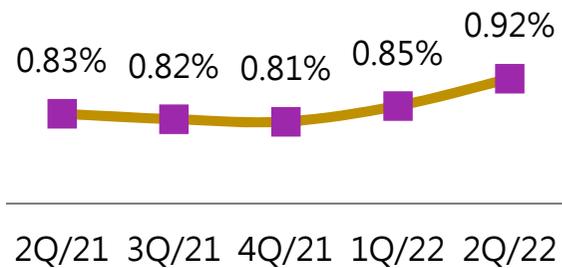


* Overseas loan includes overseas branches and OBU loan; internal numbers.

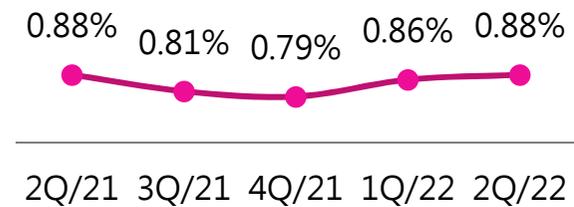
** Source: Central Bank of Taiwan

NIM jumped 7bps higher QoQ

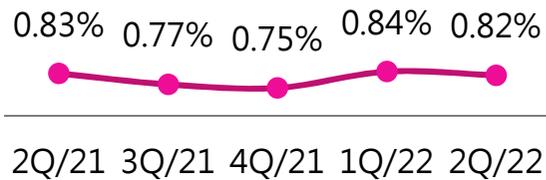
Mega Bank quarterly **Total** NIM*



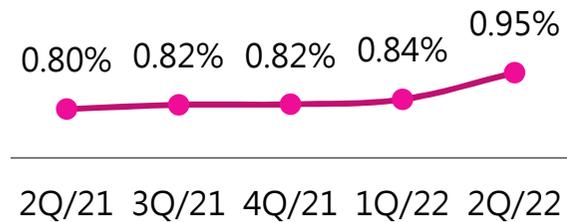
Mega Bank quarterly **FCY** NIM*



Mega Bank monthly **USD** NIM*



Mega Bank quarterly **NTD** NIM*



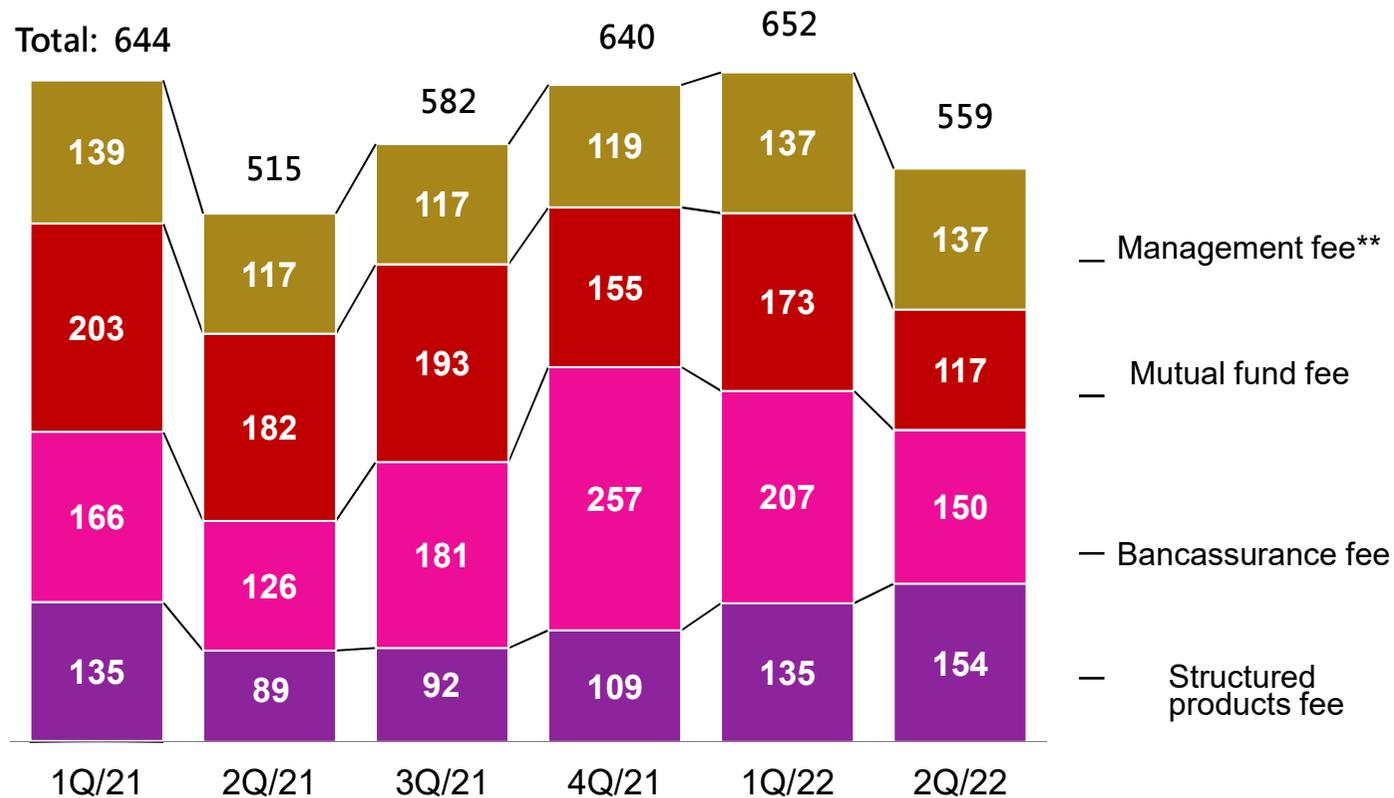
* NIM = annualized net interest income / average interest earning assets of that quarter; internal numbers.



1H/22 WM gross fee was up 4.5% YoY

Mega Bank wealth management gross fee breakdown*

Unit: NT\$MN



* 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.

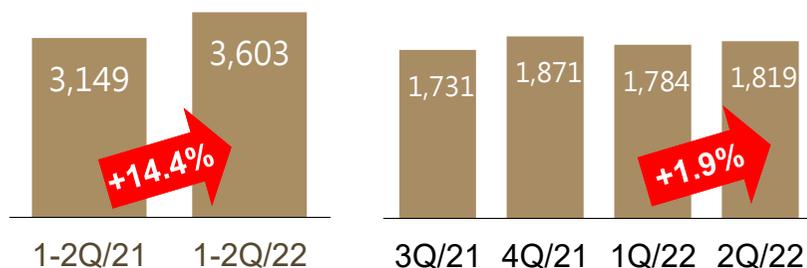
1-2Q /22 bank fee was up 14.4% YoY, driven by WM and syndication loan fee

Mega Bank net fee breakdown

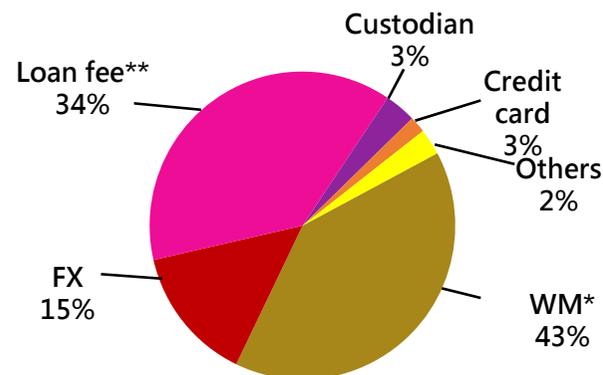


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1-2Q/22 net fee breakdown



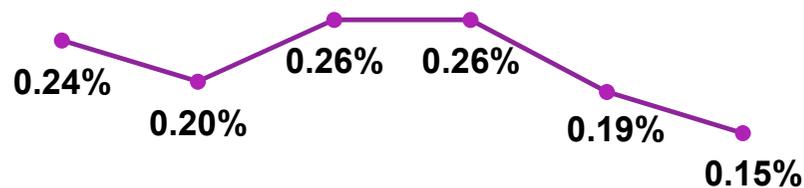
* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

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

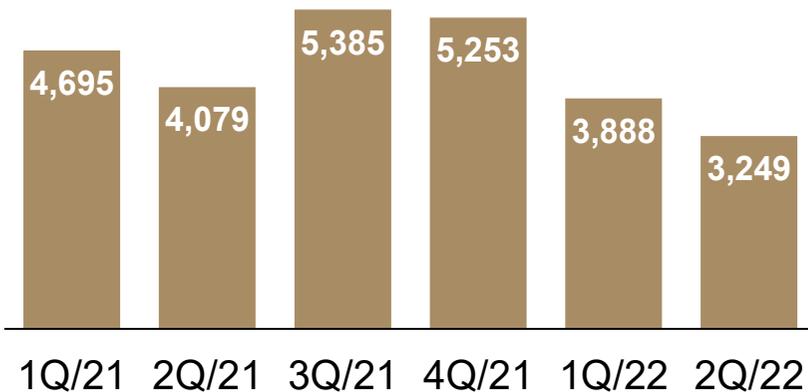
***Total net fees are audited numbers.

NPL push down further; coverage increased higher

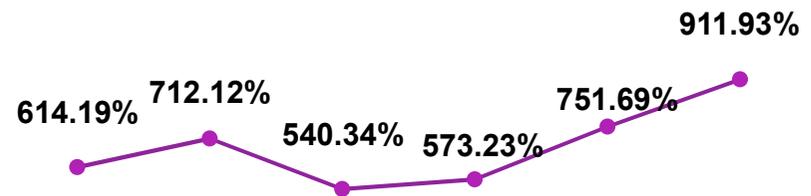
Mega Bank NPL balance & NPL ratio



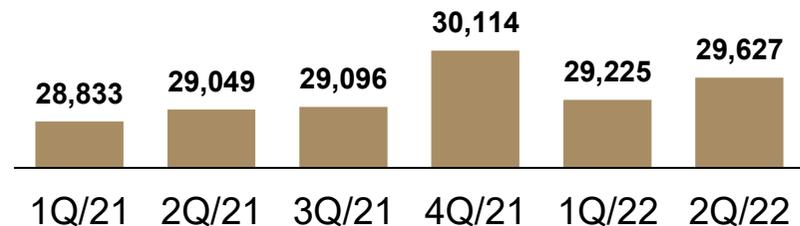
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

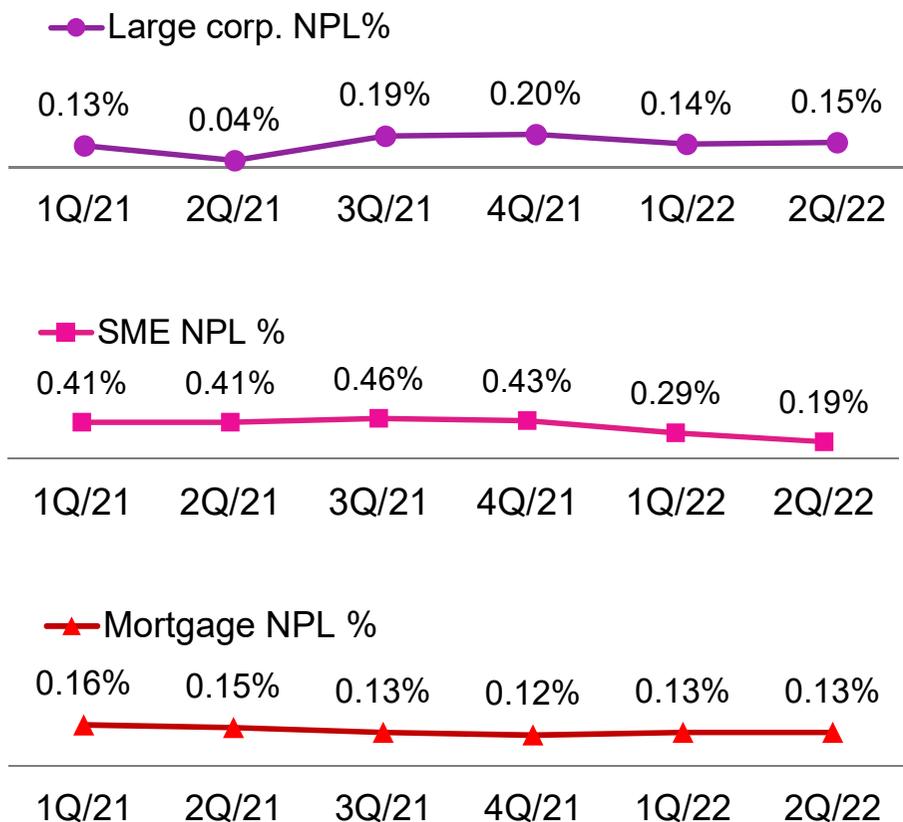


Unit: NT\$MN

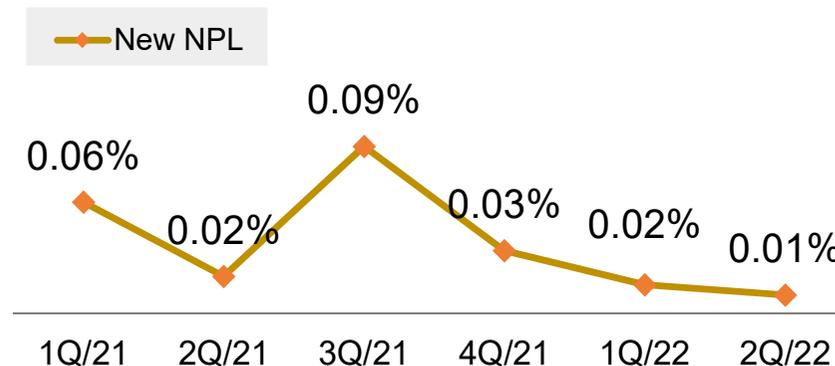


New NPL formation was down

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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1-2Q/2022 Mega FHC consolidated P&L statement

<i>NT\$MN, EPS:NT\$</i>	1-2Q/2022*	1-2Q/2021	YoY
Net interest income	17,977	15,918	13%
Net fee revenue	5,527	5,824	-5%
Insurance revenue	1,158	1,034	12%
Financial assets and liabilities at fair value thru P&L	-1,126	4,178	
Gain from fin. assets at fair value through other comprehensive income	1,294	969	34%
Gain from debt investment measured by amortized cost	-11	-39	
Equity method investment gain	-51	28	
Gain on reclassification under the overlay approach	250	13	
FX spread gain	1,475	698	111%
Asset impairment loss (write-back)	66	11	521%
Property gain	11	12	-7%
Other non-interest revenue (net)	715	599	19%
Operating net revenue	27,286	29,245	-7%
Operating expense	-14,573	-14,809	-2%
Pre-provision operating profit	12,712	14,436	-12%
Provision expense on loan	-308	-88	249%
Reserved on insurance	-4,204	37	
Pretax profit	8,200	14,384	-43%
Tax	-244	-1,876	-87%
Net profit	7,956	12,508	-36%
EPS (NT\$)	0.59	0.92	-36%

* 1-2Q /22 are audited numbers



1-2Q/2022 Mega FHC consolidated balance sheet

<i>NT\$MN</i>	1-2Q/2022*	1-2Q/2021*	YoY
Assets:			
Cash and due from banks	651,057	691,728	-6%
Bills and bonds under RP agreement	300	499	-40%
Fin. assets at fair value through P&L	224,600	201,603	11%
Fin. Assets at fair value through other comprehensive income	565,341	552,715	2%
Debt instrument investment measured by amortized cost	613,456	605,384	1%
Other financial assets	6,764	6,347	7%
A/R, net	112,913	121,024	-7%
Loan, net	2,108,784	2,005,117	5%
Equity method LT investments, net	5,178	5,533	-6%
Land, premises and equipments, net	25,056	24,899	1%
Others	25,306	19,233	32%
Total assets	4,338,755	4,234,082	2%
Liabilities			
Due to banks	585,343	633,849	-8%
Deposits	2,889,360	2,778,182	4%
CP & Bond payable	22,516	23,172	-3%
Bills & bonds sold under repurchase agreement	283,951	230,659	23%
Other liabilities	261,301	249,845	5%
Total liabilities	4,042,472	3,915,708	3%
Capital stock (common stock)	139,398	135,998	2%
Capital surplus	68,194	68,194	0%
Retain earning	98,239	99,478	-1%
Equity adjustment items	-9,549	14,704	-165%
Minority shareholder interest	-	-	-
Total stockholders' equity	296,283	318,374	-7%
Total liabilities and stockholders' equity	4,338,755	4,234,082	2%
Book value per share (NT\$)	21.25	23.41	-9%

* 1-2Q /22 are audited numbers



1-2Q/2022 Mega Bank consolidated P&L statement

NT\$MN, EPS: \$NT	1-2Q/2022*	1-2Q/2021*	YoY
Net interest income	17,184	14,799	16%
Net fee revenue	3,603	3,149	14%
Financial assets and liabilities at fair value thru P&L	-1,142	2,590	-144%
Gain from fin. assets at fair value through other comprehensive income	477	191	150%
Gain from debt investment measured by amortized cost	-11	-39	
FX spread gain	-55	27	
Equity method investment gain	1,353	702	93%
Asset impairment loss (write-back)	57	0	
Other non-interest revenue (net)	314	194	62%
Operating net revenue	21,780	21,612	1%
Operating expense	-11,766	-11,548	2%
Pre-provision operating profit	10,014	10,064	0%
Provision expense on loan	-415	-80	416%
Pretax profit	9,599	9,983	-4%
Tax	-364	-1,353	-73%
Net profit	9,235	8,630	7%
EPS (NT\$)	1.08	1.01	7%

* 1-2Q/22 are audited numbers

1-2Q/2022 Mega Bank consolidated balance sheet

<i>Unit: NT\$MN</i>	1-2Q/2022*	1-2Q/2021*	YoY
Assets:			
Cash and due from banks	648,298	690,689	-6%
Bills and bonds under RP agreement	2,704	4,388	-38%
Fin. assets at fair value through P&L	56,248	56,450	0%
Fin. Assets at fair value through other comprehensive income	438,615	408,679	7%
Debt instrument investment measured by amortized cost	608,940	601,507	1%
Other financial assets	349	203	72%
A/R, net	60,564	40,919	48%
Loan, net	2,108,784	2,005,117	5%
Equity method LT investments, net	5,067	5,420	-7%
Land, premises and equipments, net	17,600	17,270	2%
Others (net)	11,036	11,471	-4%
Total assets	3,958,205	3,842,114	3%
Liabilities			
Due to banks	569,594	624,705	-9%
Deposits	2,892,282	2,781,010	4%
CP & Bond payable	2,500	1,000	150%
Bills & bonds sold under repurchase agreement	59,037	16,591	256%
Other liabilities	153,634	127,696	20%
Total liabilities	3,677,047	3,551,002	4%
Capital stock (common stock)	85,362	85,362	0%
Capital surplus	62,220	62,220	0%
Retain earning	142,014	135,439	5%
Equity adjustment items	-8,438	8,092	-204%
Previous equity of business combination entity	-	-	
Total stockholders' equity	281,158	291,112	-3%
Total liabilities and stockholders' equity	3,958,205	3,842,114	3%
Book value per share (NT\$)	32.94	34.10	-3%

* 1-2Q/22 are audited 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.



Thank you~

Q & A