

Investor / Analyst Briefing

3Q / 2022(V.1)



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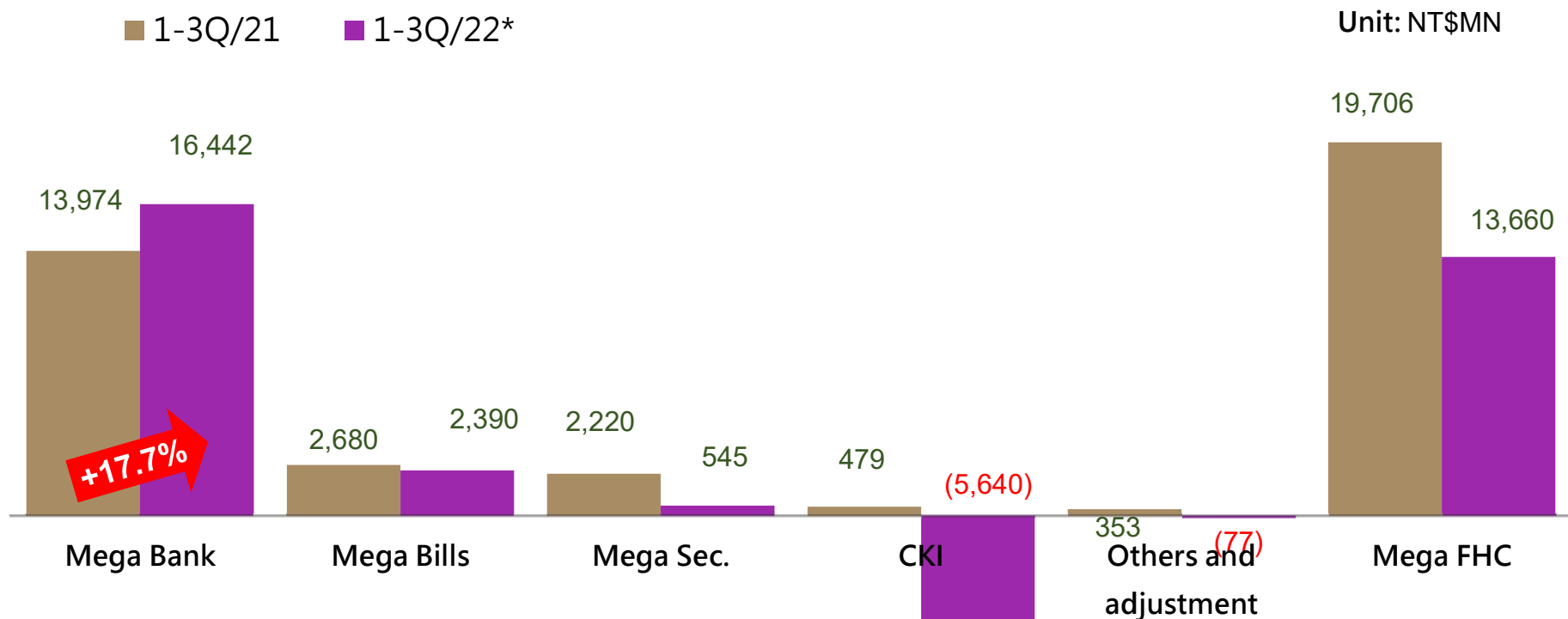


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1-3Q/22 bank earning was up 17.7% YoY

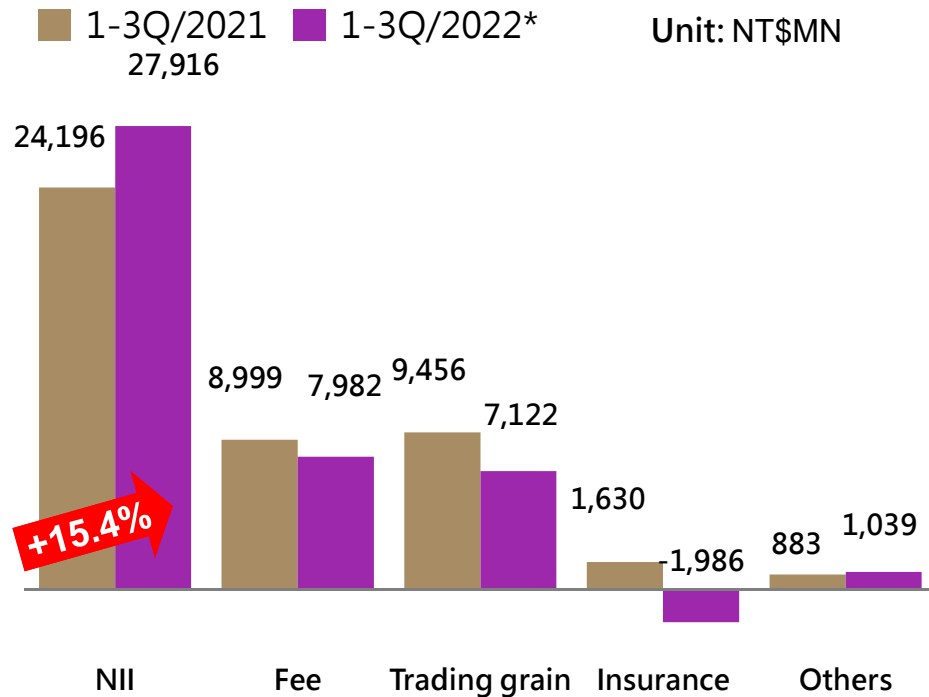
Mega FHC & Subs. 1-3Q/22 earning trend



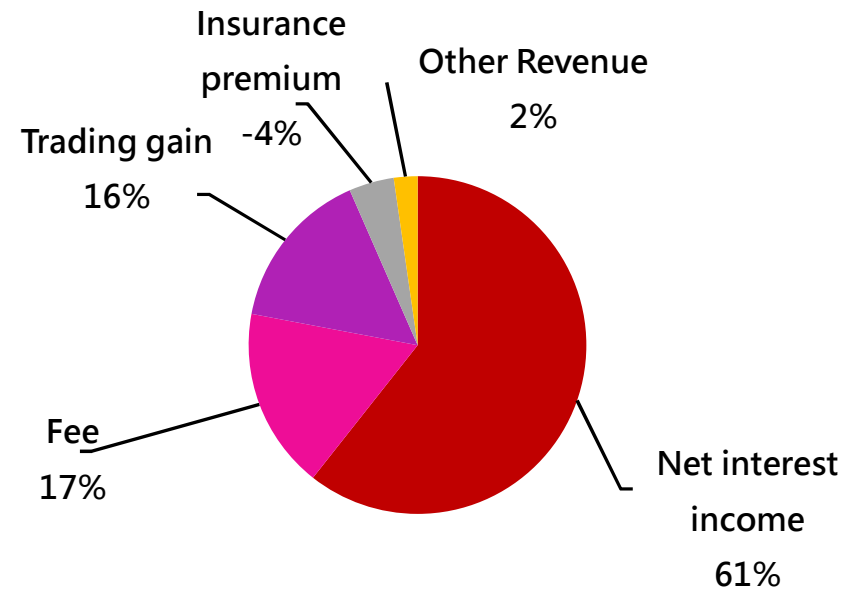
* 1-3Q / 22 are un-audited numbers

Group NII was up 15.4% YoY

Mega Group consolidated net revenue *



Mega Group 1-3Q/22 net revenue breakdown



* 1-3Q/ 2022 are un-audited numbers



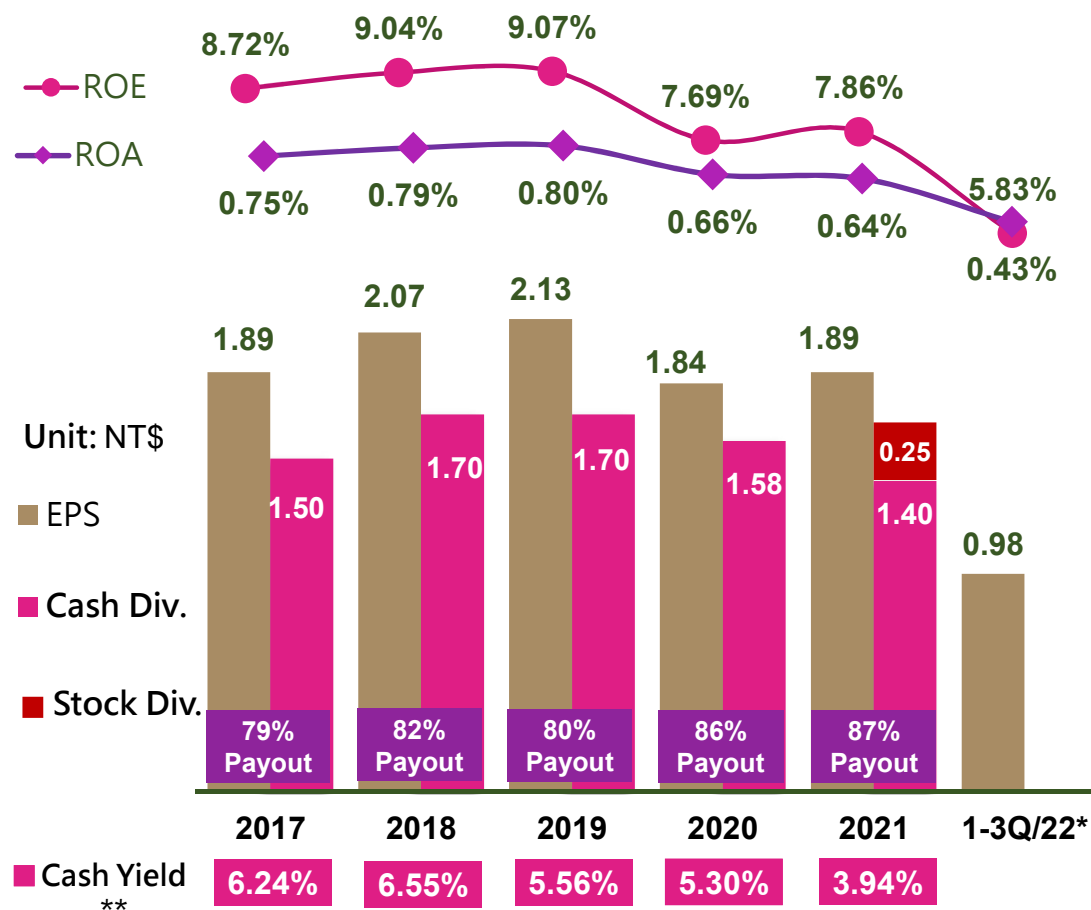
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Strong dividend policy

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/22 are un-audited numbers; ROE and ROA annualized numbers.

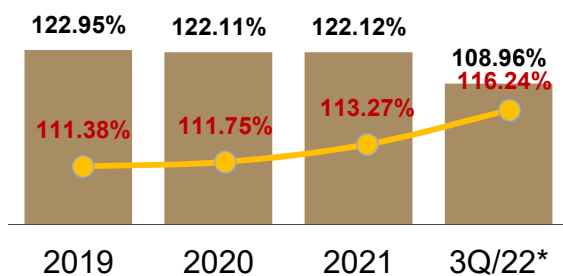
** Cash dividend yield = cash dividend / last trading day share price of that year

Stable capital position

Mega FHC

Moody's: A2

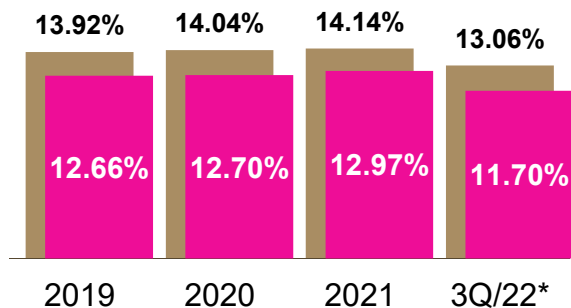
CAR Requirement : 100%



Mega Bank

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

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



CAR/RBC



Common equity tier 1 ratio



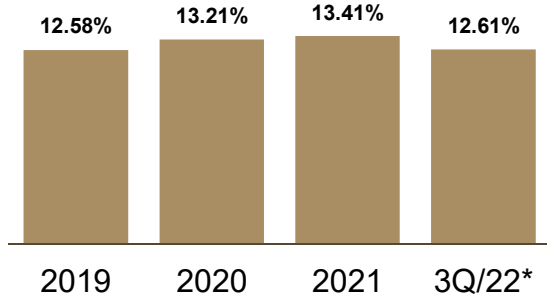
Credit rating



Double leverage ratio

Mega Bills

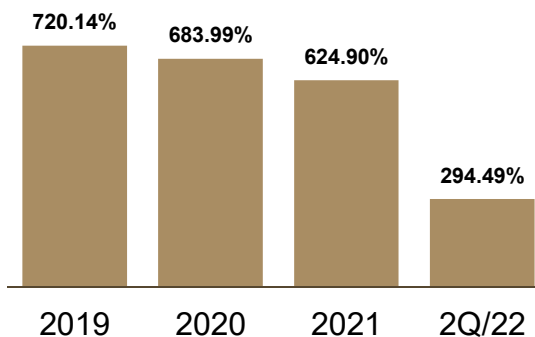
Requirement : 8.0%



CKI P&C

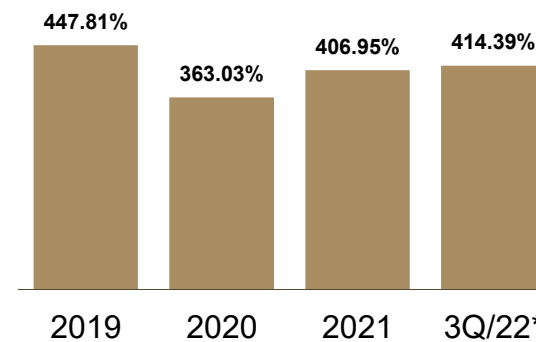
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



* 3Q / 22 are un-audited numbers





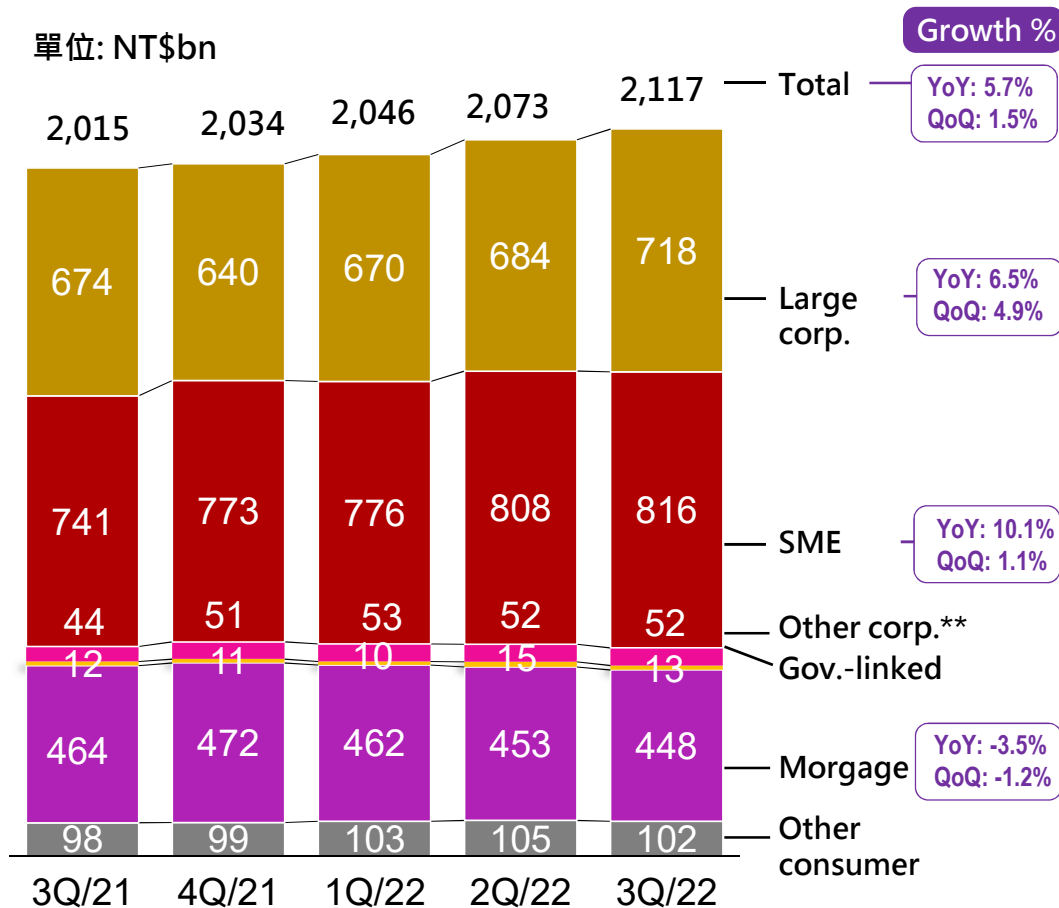
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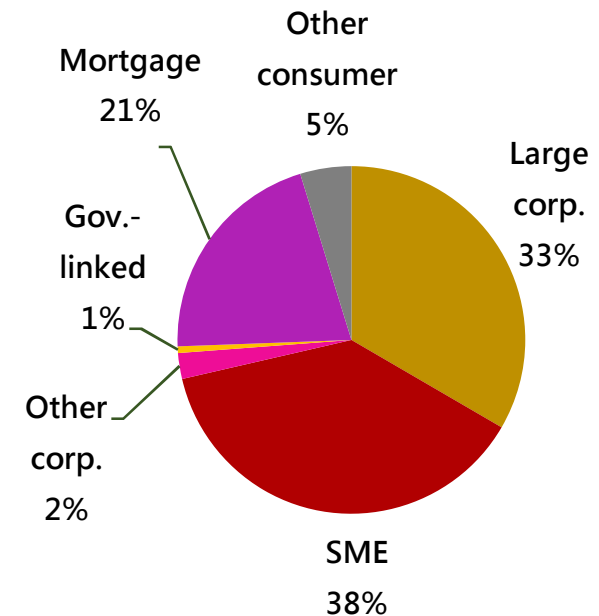


3Q /22 total loan were up 1.5%; driven by large corp. loan demand

Mega Bank quarterly loan balance*



Mega Bank 3Q/22 loan breakdown by customers

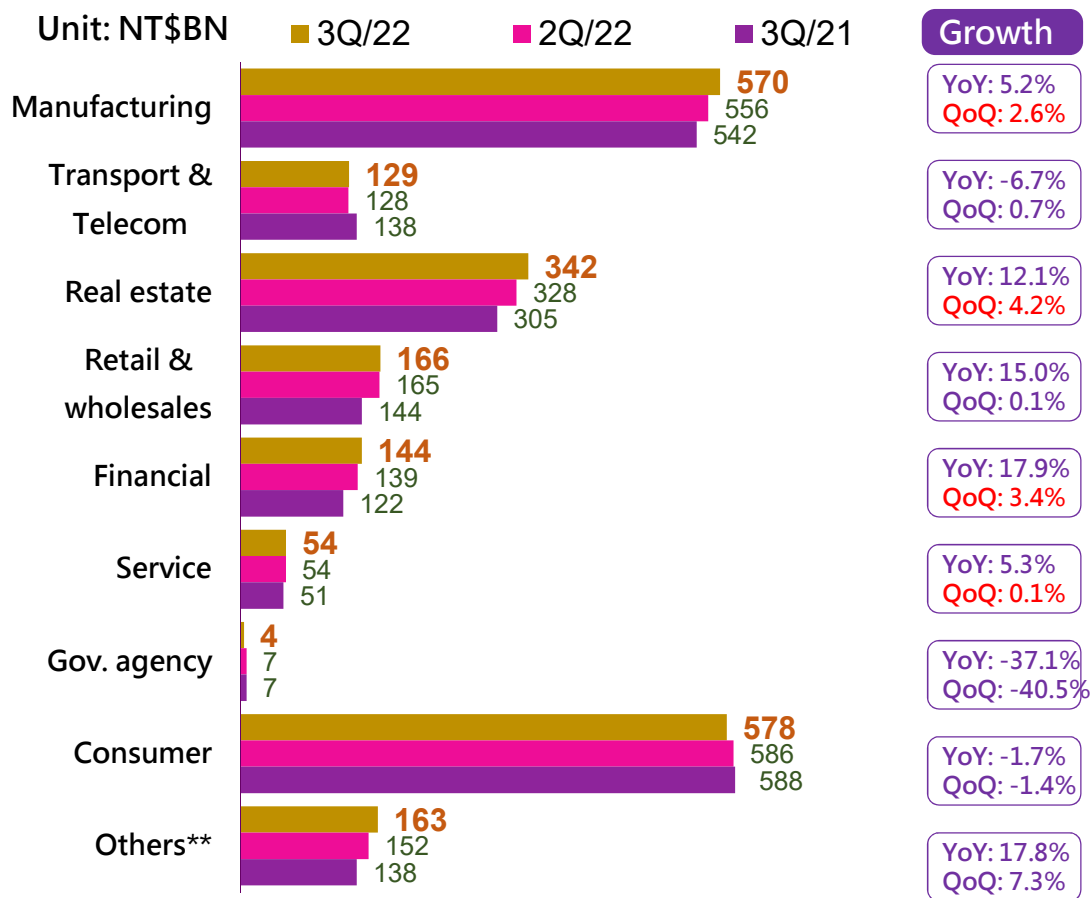


* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

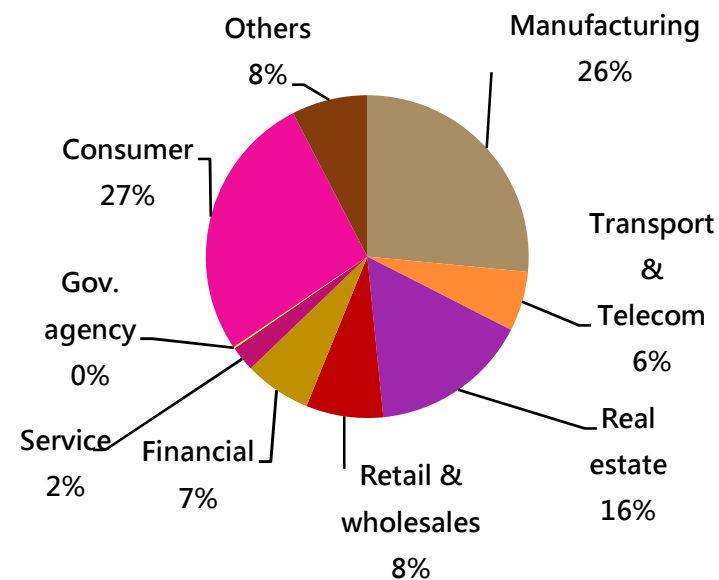
** Includes Gov-linked Non-Profit Organization and etc.

3Q /22 manufacturing, real estate and financial industries loans were up

Mega Bank loan balance trend by industry*



3Q/22 loan breakdown by industry*



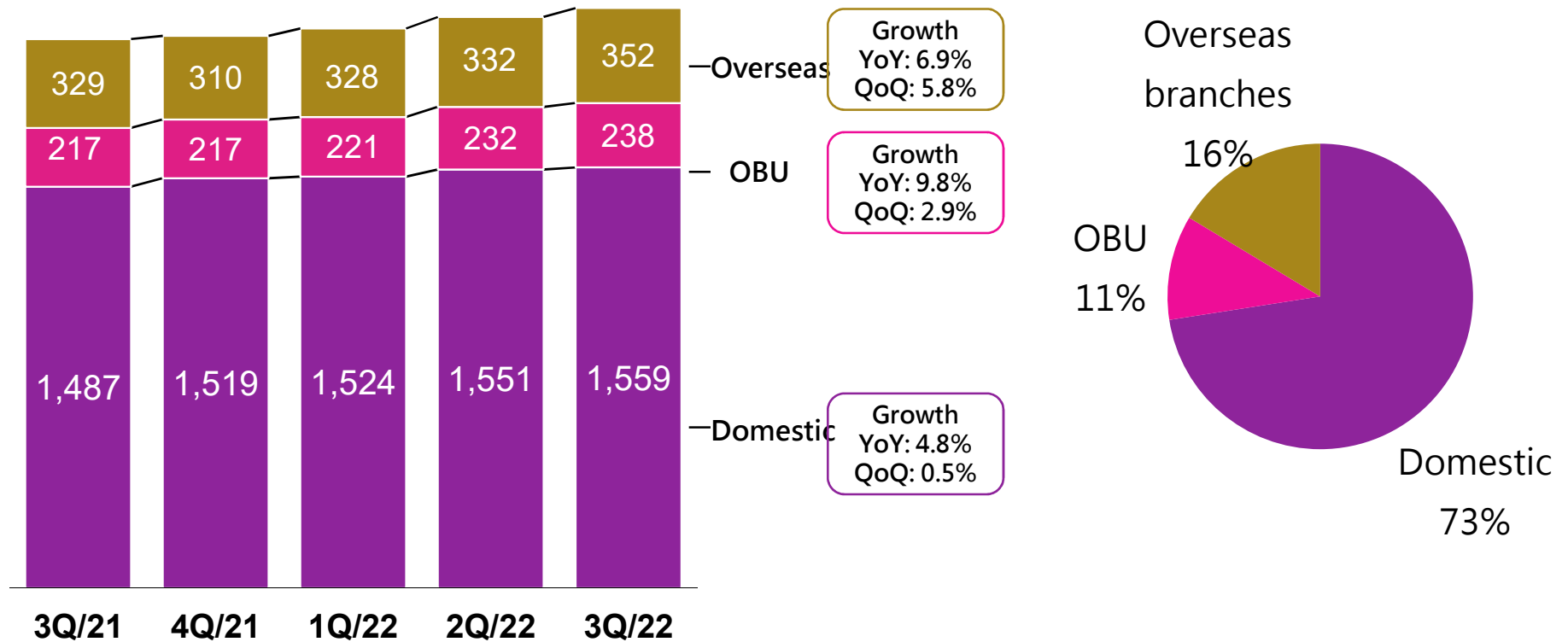
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

3Q /22 overseas branches loan pushed up 5.8% QoQ; OBU loans jumped 2.9% QoQ

Mega Bank 3Q/22 loan breakdown by regions *

Unit: NT\$BN



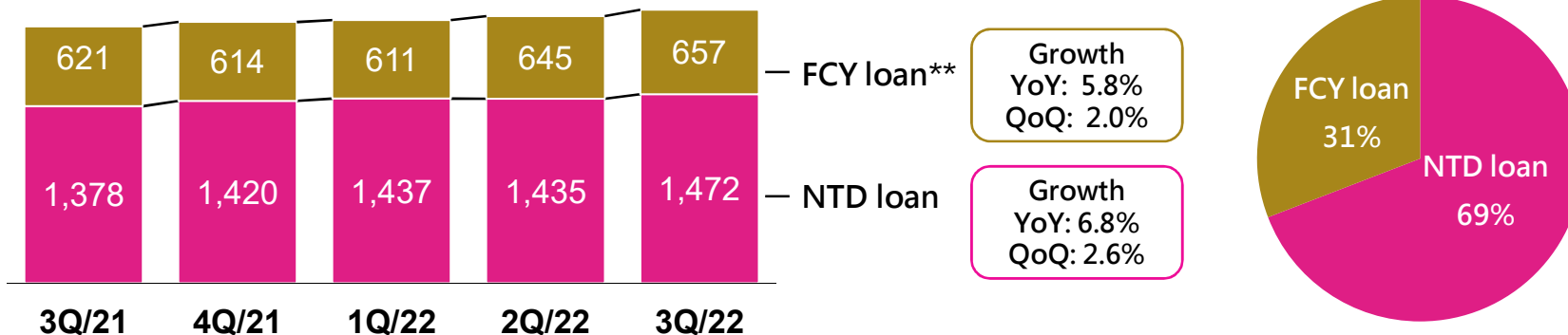
* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

** OBU stands for Off-shore Banking Unit

FCY and USD loan growth trend remained

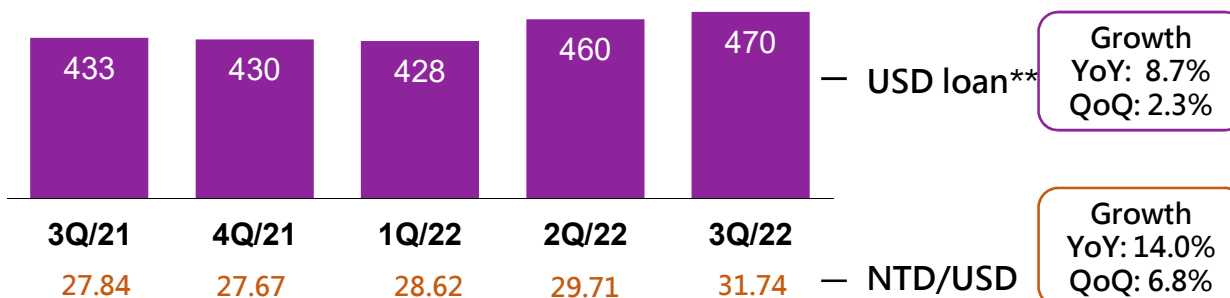
Mega Bank 3Q/22 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$ billion



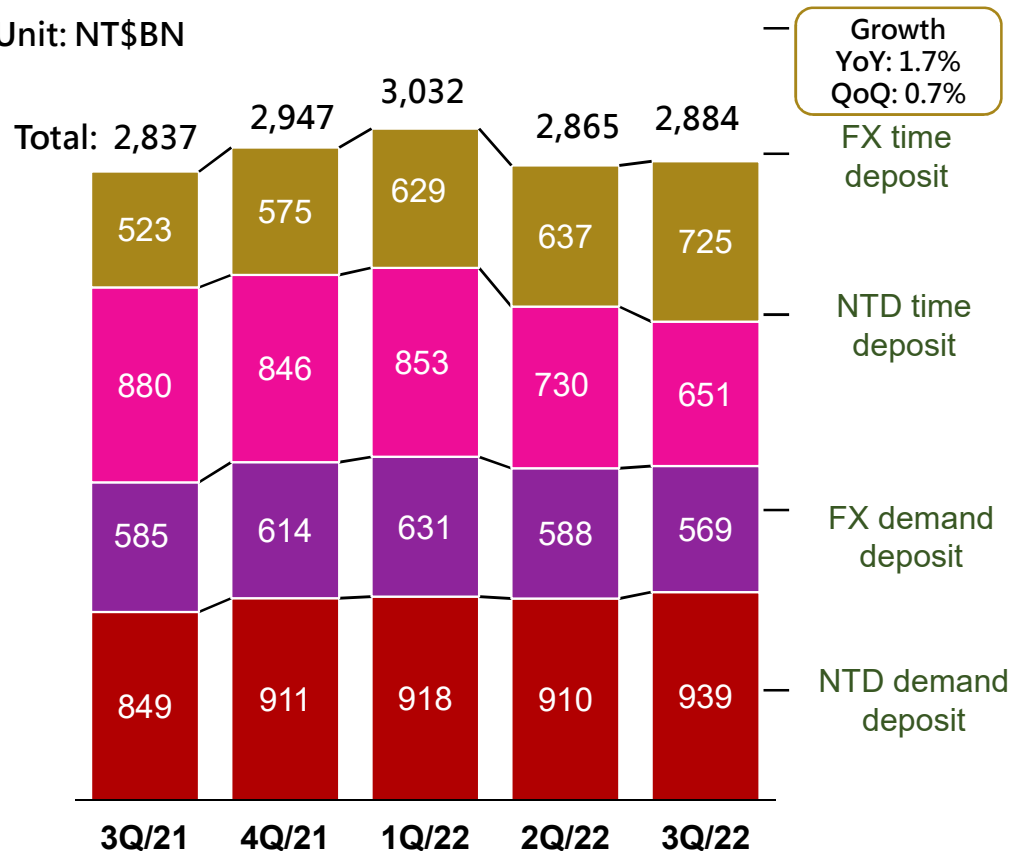
* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

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

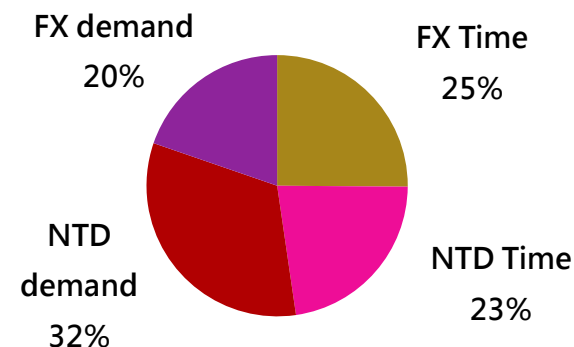
3Q/22 demand deposit ratio continued to jump higher to 53.82%

Mega Bank deposit balance *

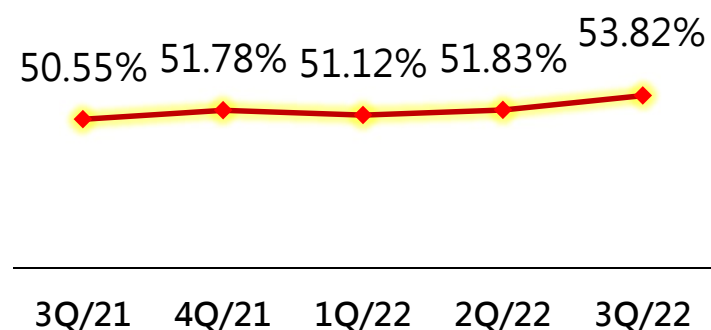
Unit: NT\$BN



Mega 3Q /22 deposit breakdown



Mega demand deposit ratio trend

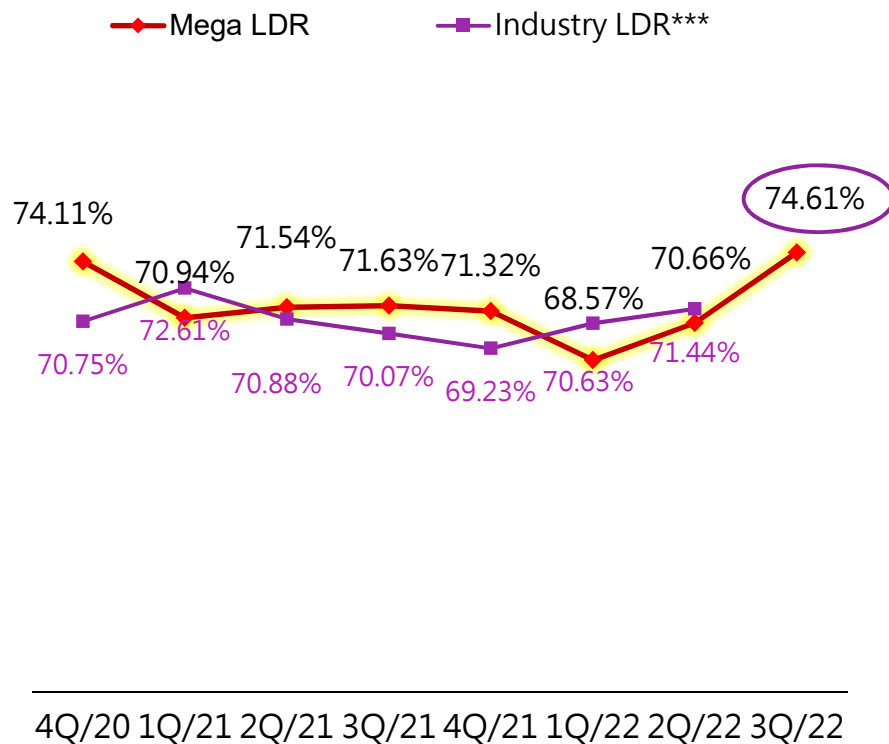


* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

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

3Q/22 Total LDR reached 74.61%

Mega Bank's total LDR*



Mega Bank's USD LDR**



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

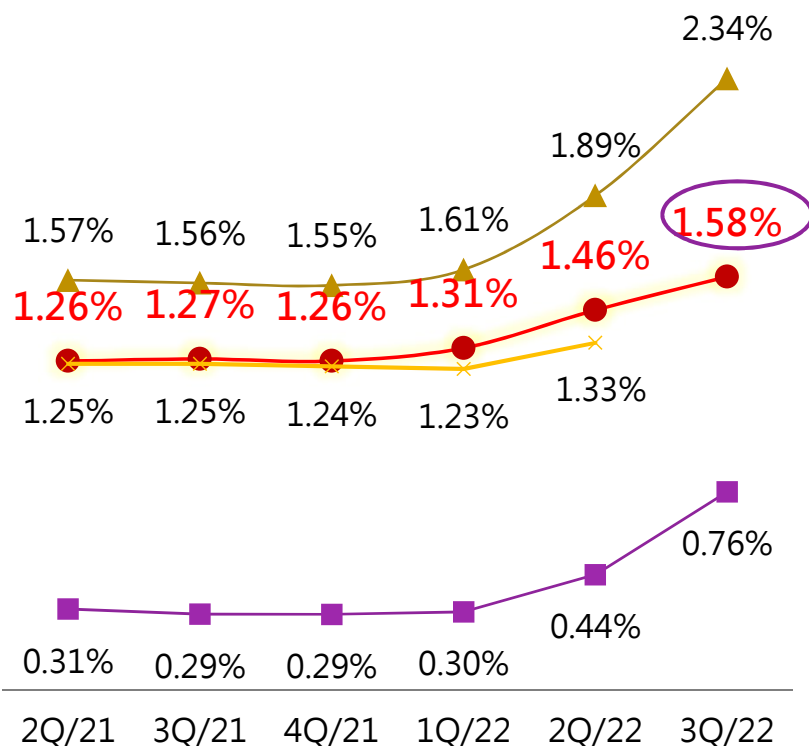
** USD LDR calculation is based on average loan/deposit balance of that quarter

*** Source: Central Bank of Taiwan

3Q/22 interest spread jumped 12bps higher

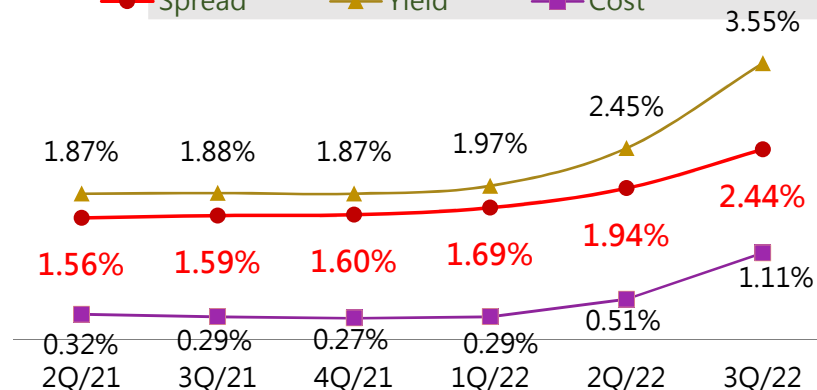
Mega Bank total loan interest spread*

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



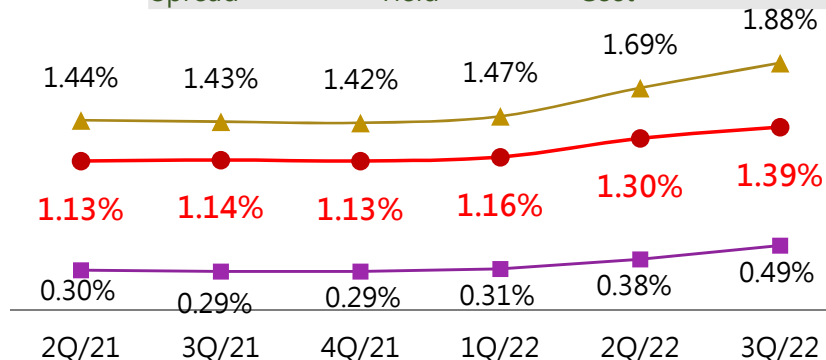
Mega Bank overseas loan interest spread*

—●— Spread —▲— Yield —■— Cost



Mega Bank domestic loan interest spread*

—●— Spread —▲— Yield —■— Cost

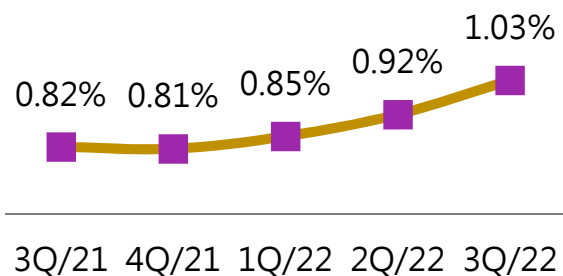


* Overseas loan includes overseas branches and OBU loan; internal numbers.

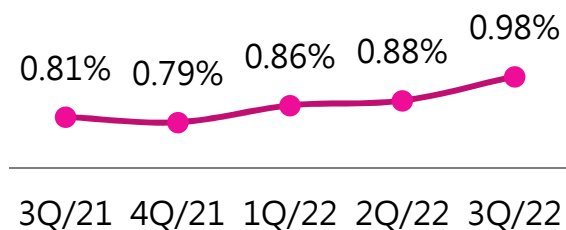
** Source: Central Bank of Taiwan

3Q /22 total NIM expanded 11bps higher

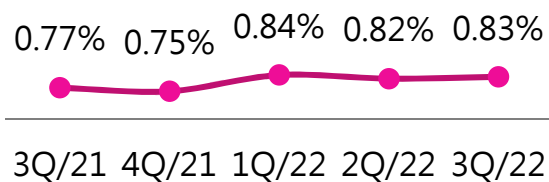
Mega Bank quarterly Total NIM*



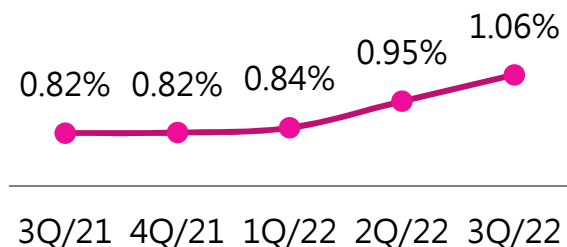
Mega Bank quarterly FCY NIM*



Mega Bank monthly USD NIM*



Mega Bank quarterly NTD NIM*

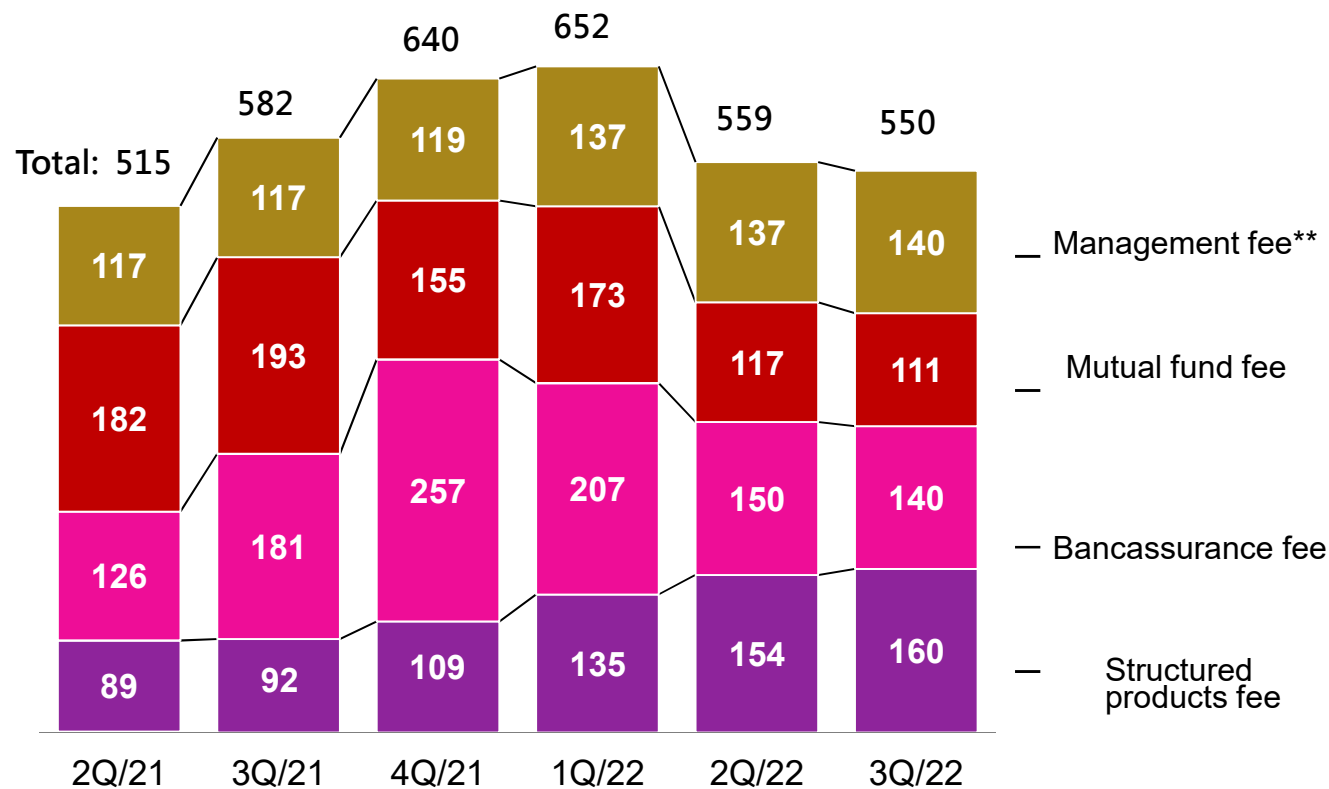


* NIM = annualized net interest income / average interest earning assets of that quarter; internal numbers.

3Q/22 WM fee remained stable despite volatile equity and bond market

Mega Bank wealth management gross fee breakdown*

Unit: NT\$MN

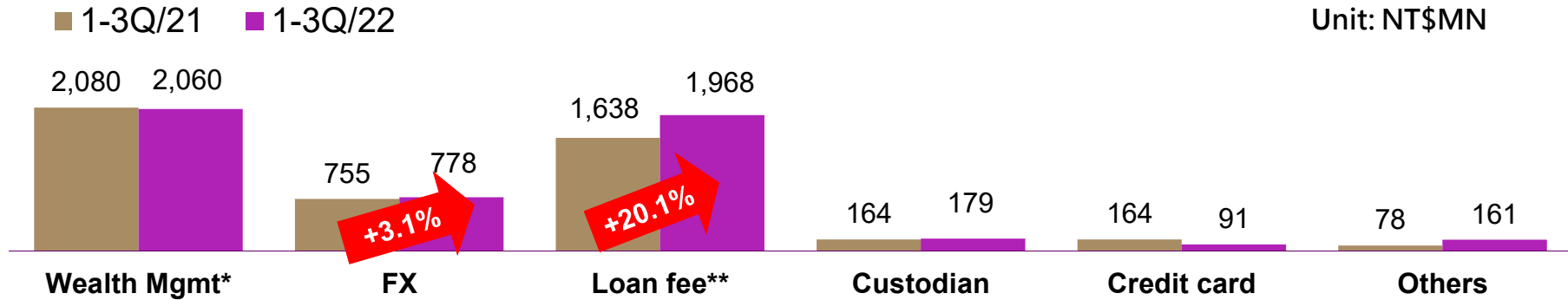


* Mega Bank internal data; gross wealth mgmt fee, NOT net wealth mgmt fee.

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

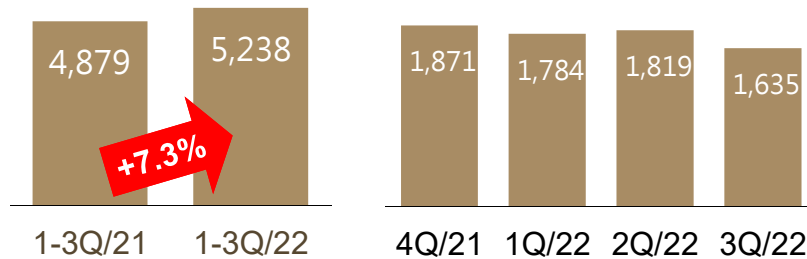
1-3Q /22 bank fee was up 7.3% YoY; driven by FX and corp. loan fee growth

Mega Bank net fee breakdown

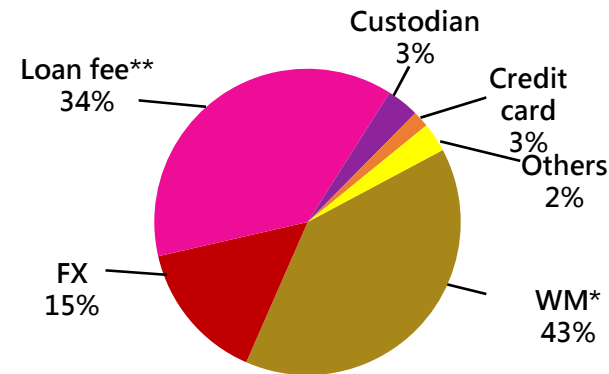


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1-3Q/22 net fee breakdown



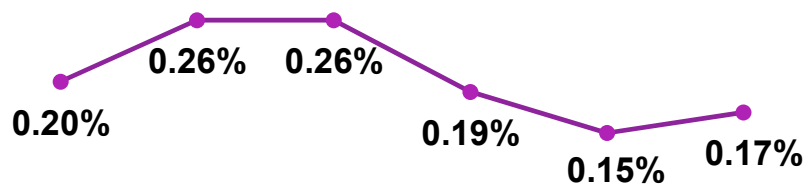
* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

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

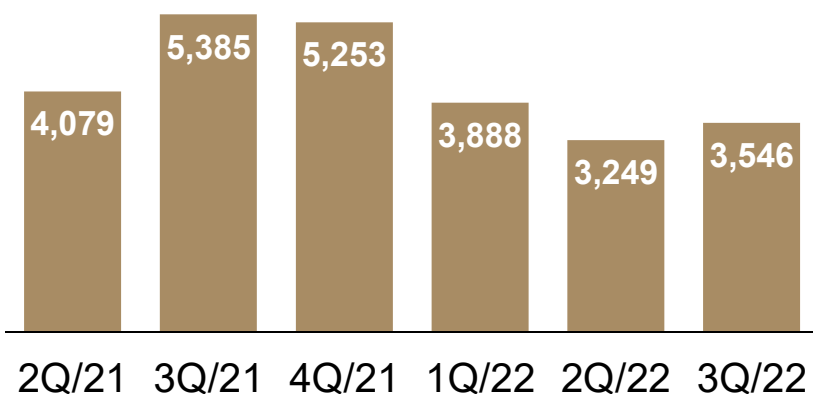
***Total net fees are audited numbers.

Asset quality remained stable

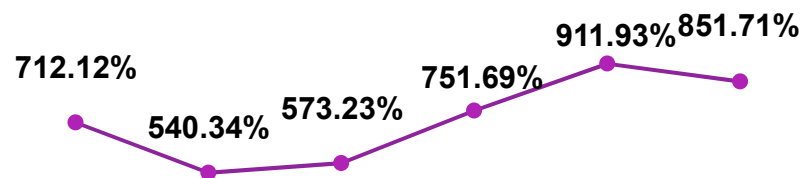
Mega Bank NPL balance & NPL ratio



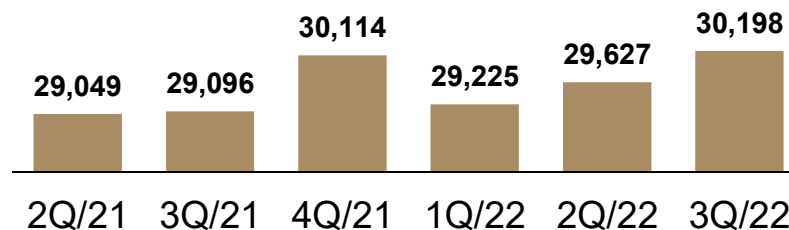
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

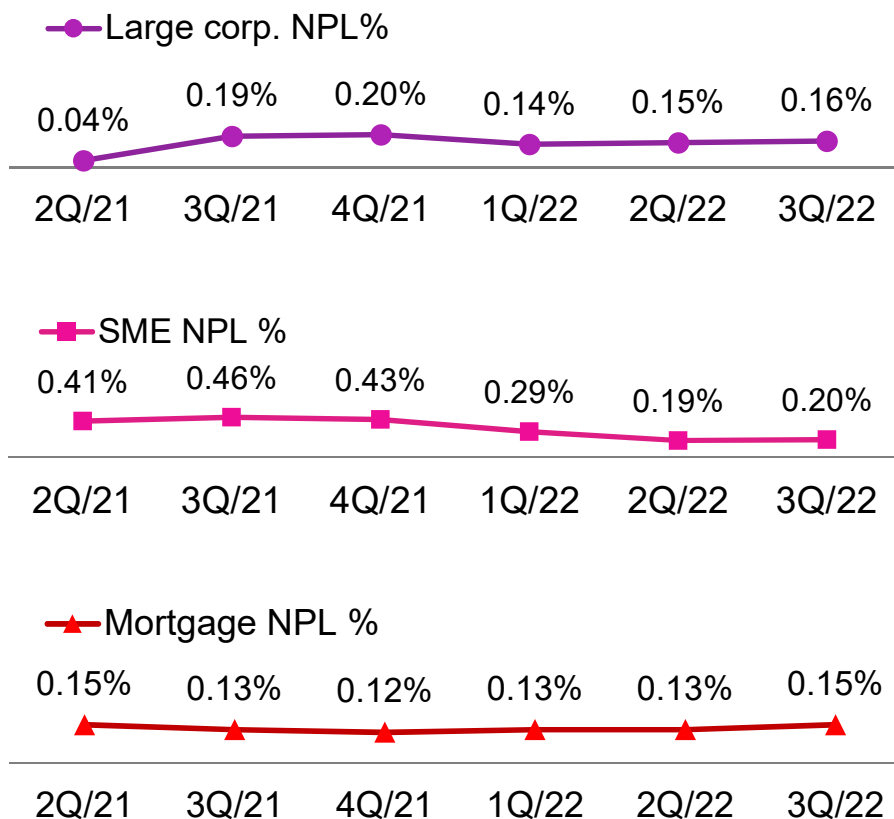


Unit: NT\$MN

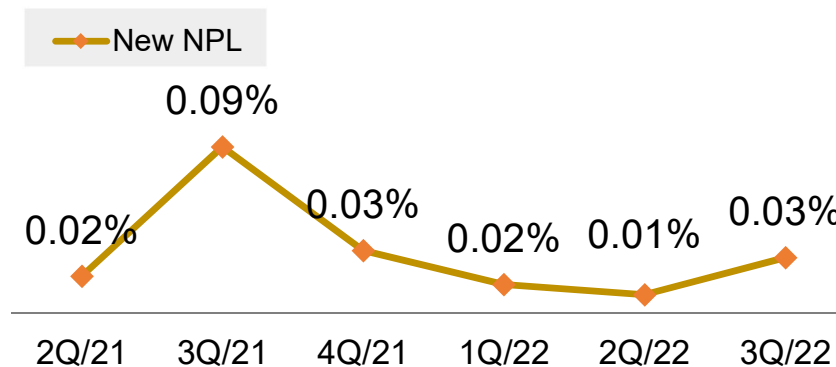


New NPL remained low

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/2022 Mega FHC consolidated P&L statement

<i>NT\$MN, EPS:NT\$</i>	1-3Q/2022*	1-3Q/2021	YoY
Net interest income	27,916	24,196	15%
Net fee revenue	7,982	8,999	-11%
Insurance revenue	-1,986	1,630	-222%
Financial assets and liabilities at fair value thru P&L	602	5,411	-89%
Gain from fin. assets at fair value through other comprehensive income	3,548	2,910	22%
Gain from debt investment measured by amortized cost	-12	-39	
Equity method investment gain	-62	44	-244%
Gain on reclassification under the overlay approach	265	21	1191%
FX spread gain	2,638	1,065	148%
Asset impairment loss (write-back)	127	27	366%
Property gain	16	17	-6%
Other non-interest revenue (net)	1,039	883	18%
Operating net revenue	42,075	45,165	-7%
Operating expense	-22,003	-22,236	-1%
Pre-provision operating profit	20,072	22,929	-12%
Provision expense on loan	-1,593	-383	316%
Reserved on insurance	-3,229	4	-
Pretax profit	15,250	22,550	-32%
Tax	-1,590	-2,844	-44%
Net profit	13,660	19,706	-31%
EPS (NT\$)	0.98	1.45	-32%

* 1-3Q /2022 are un-audited numbers



1-3Q/2022 Mega FHC consolidated balance sheet

<i>NT\$MN</i>	1-3Q/2022*	1-3Q/2021*	YoY
Assets:			
Cash and due from banks	673,596	666,386	1%
Bills and bonds under RP agreement	1,135	1,489	-24%
Fin. assets at fair value through P&L	212,756	221,185	-4%
Fin. Assets at fair value through other comprehensive income	552,307	533,923	3%
Debt instrument investment measured by amortized cost	561,518	603,531	-7%
Other financial assets	7,268	6,235	17%
A/R, net	126,767	98,449	29%
Loan, net	2,140,936	2,024,232	6%
Equity method LT investments, net	4,906	5,406	-9%
Land, premises and equipments, net	25,126	24,849	1%
Others	30,010	18,527	62%
Total assets	4,336,326	4,204,214	3%
Liabilities			
Due to banks	559,836	554,282	1%
Deposits	2,901,172	2,865,326	1%
CP & Bond payable	30,670	34,793	-12%
Bills & bonds sold under repurchase agreement	295,225	234,324	26%
Other liabilities	256,644	192,034	34%
Total liabilities	4,043,548	3,880,759	4%
Capital stock (common stock)	139,398	135,998	2%
Capital surplus	68,194	68,194	0%
Retain earning	102,880	106,515	-3%
Equity adjustment items	-17,694	12,747	-239%
Total stockholders' equity	292,778	323,455	-9%
Total liabilities and stockholders' equity	4,336,326	4,204,214	3%
Book value per share (NT\$)	21.00	23.78	-12%

* 1-3Q /2022 are un-audited numbers

1-3Q/2022 Mega Bank consolidated P&L statement

<i>NT\$MN, EPS: \$NT</i>	1-3Q/2022*	1-3Q/2021*	YoY
Net interest income	27,004	22,520	20%
Net fee revenue	5,238	4,879	7%
Financial assets and liabilities at fair value thru P&L	-26	3,323	
Gain from fin. assets at fair value through other comprehensive income	2,329	1,474	58%
Gain from debt investment measured by amortized cost	-12	-39	
FX spread gain	-69	41	
Equity method investment gain	2,451	1,078	127%
Asset impairment loss (write-back)	119	10	
Other non-interest revenue (net)	410	279	47%
Operating net revenue	37,444	33,566	12%
Operating expense	-17,815	-17,292	3%
Pre-provision operating profit	19,629	16,274	21%
Provision expense on loan	-1,722	-356	383%
Pretax profit	17,907	15,918	12%
Tax	-1,465	-1,971	-26%
Net profit	16,442	13,947	18%
EPS (NT\$)	1.93	1.63	18%

* 1-3Q/2022 are CPA reviewed numbers

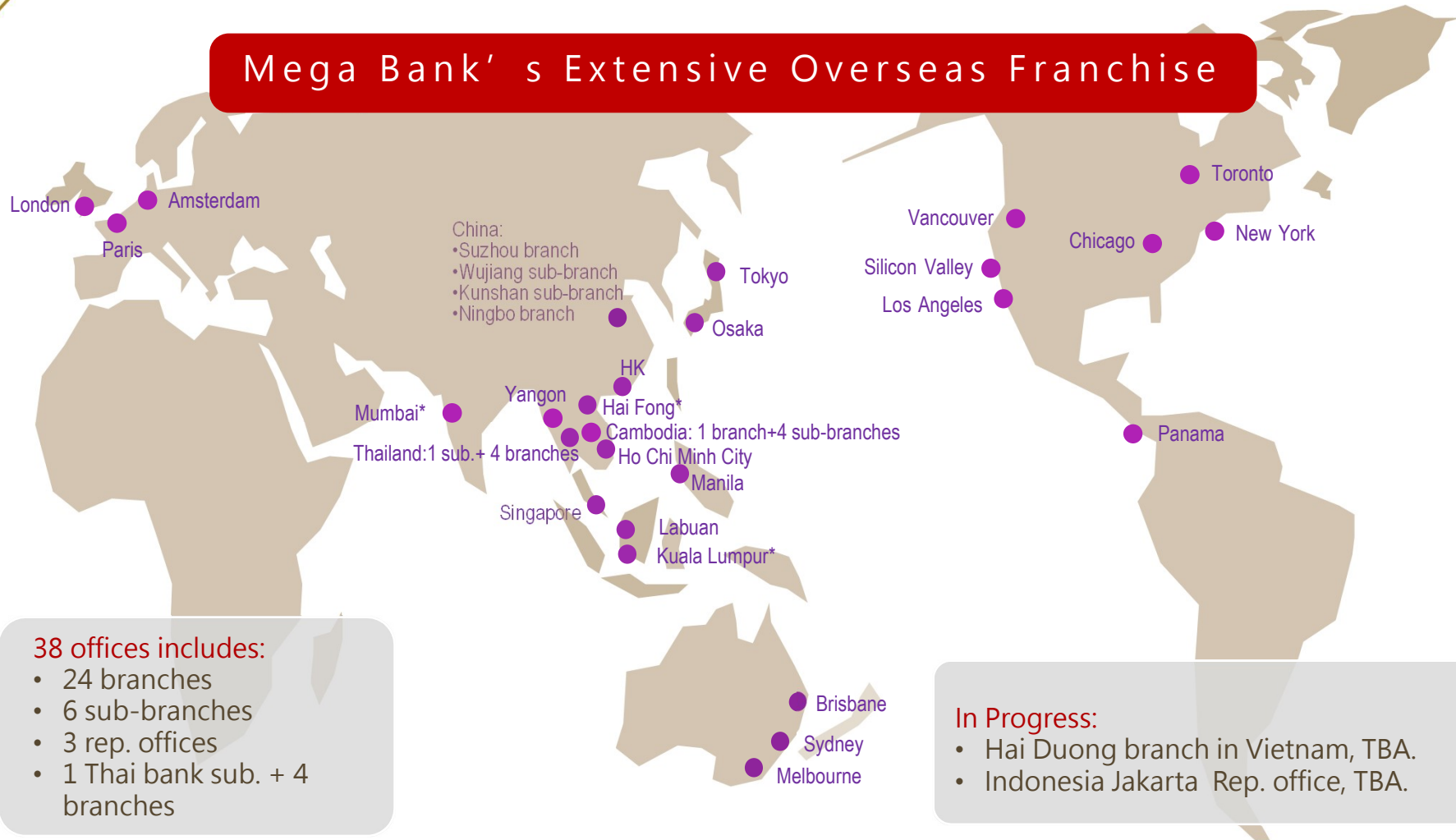
1-3Q/2022 Mega Bank consolidated balance sheet

<i>Unit: NT\$MN</i>	1-3Q/2022*	1-3Q/2021*	YoY
Assets:			
Cash and due from banks	671,455	661,540	1%
Bills and bonds under RP agreement	2,008	8,315	-76%
Fin. assets at fair value through P&L	59,521	50,087	19%
Fin. Assets at fair value through other comprehensive income	428,438	397,206	8%
Debt instrument investment measured by amortized cost	556,836	599,079	-7%
Other financial assets	471	166	184%
AVR, net	79,807	42,043	90%
Loan, net	2,140,936	2,024,232	6%
Equity method LT investments, net	4,818	5,297	-9%
Land, premises and equipments, net	17,677	17,210	3%
Others (net)	12,343	10,793	14%
Total assets	3,974,311	3,815,967	4%
Liabilities			
Due to banks	551,104	524,242	5%
Deposits	2,908,669	2,869,672	1%
CP & Bond payable	2,500	1,000	150%
Bills & bonds sold under repurchase agreement	75,911	16,265	367%
Other liabilities	154,659	109,376	41%
Total liabilities	3,692,842	3,520,556	5%
Capital stock (common stock)	85,362	85,362	0%
Capital surplus	62,220	62,220	0%
Retain earning	148,267	140,756	5%
Equity adjustment items	-14,380	7,074	
Total stockholders' equity	281,468	295,412	-5%
Total liabilities and stockholders' equity	3,974,311	3,815,967	4%
Book value per share (NT\$)	32.97	34.61	-5%

* 1-3Q/2022 are CPA reviewed numbers

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

Mega Bank’s Extensive Overseas Franchise



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

