

2Q/2023 Analyst Meeting

2023/09/06



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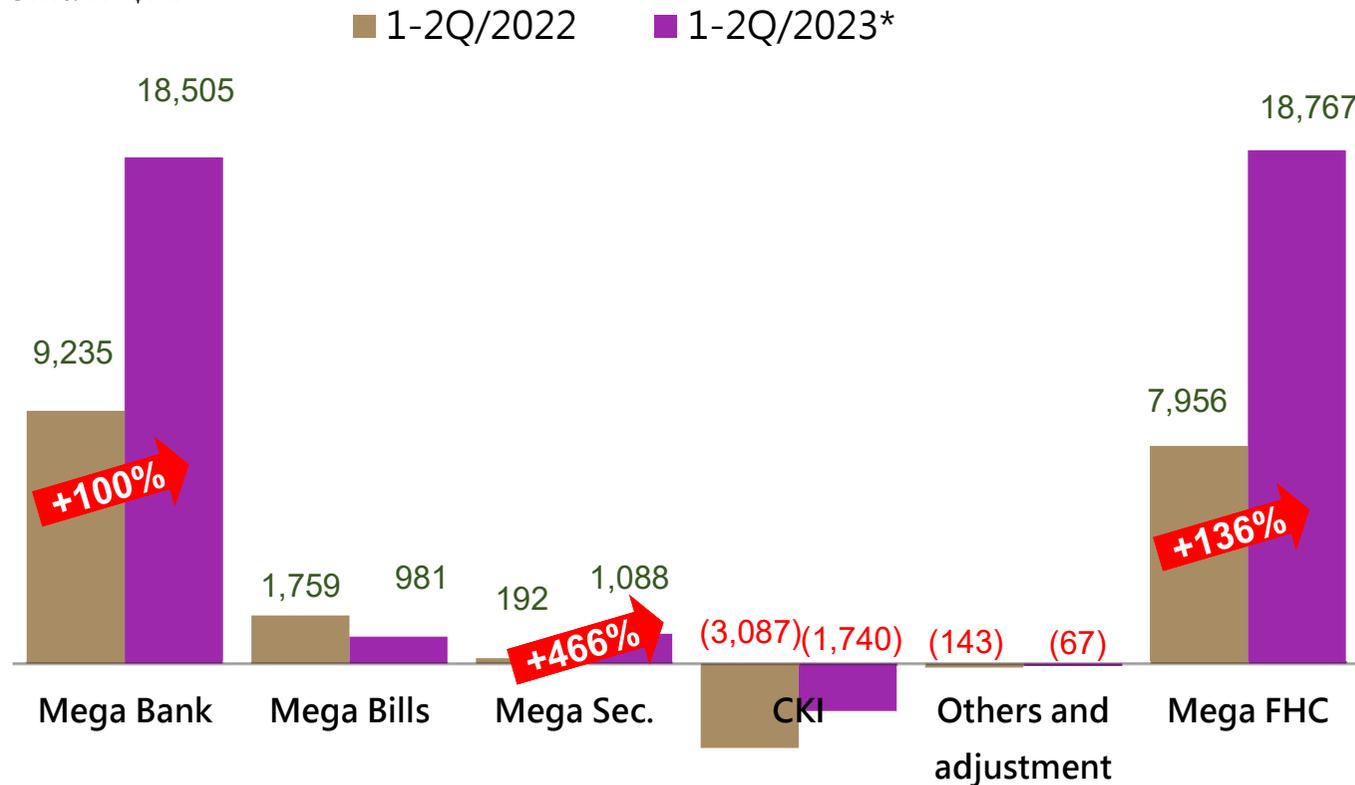
- 1** Overview and Strategic Focus
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Mega FHC 1~2Q/23 earning were up 136% YoY

Mega FHC & Subs. 1-2Q/23 earning trend

Unit: NT\$MN



* 1-2Q / 23 are audited numbers





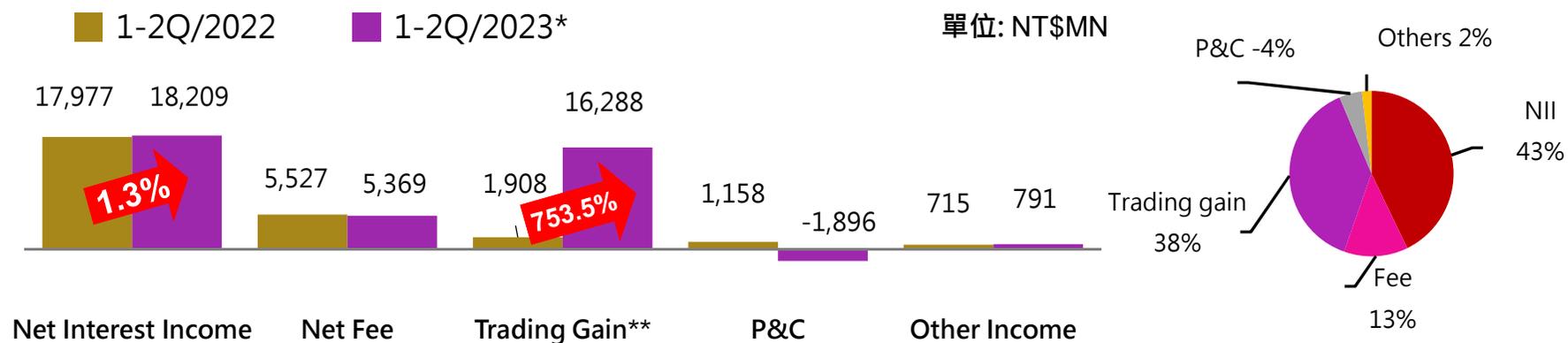
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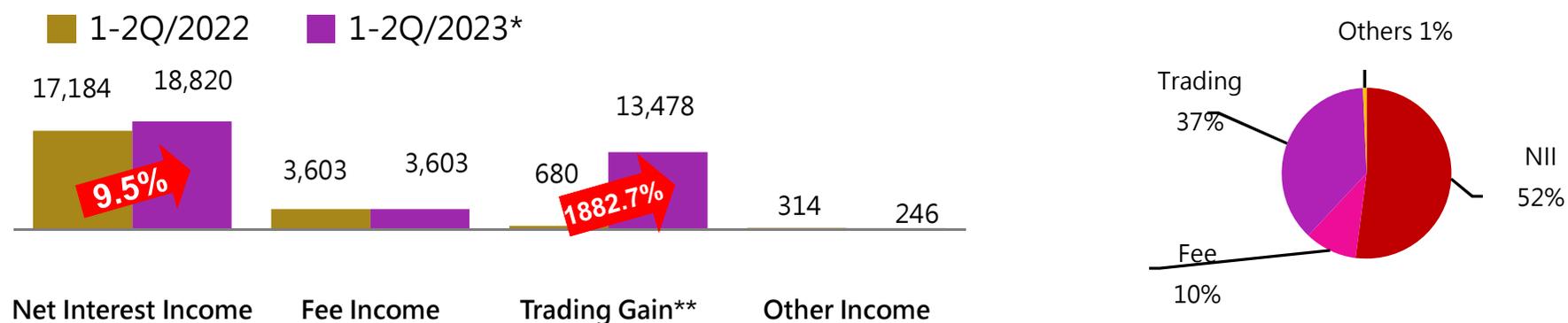


1-2Q/23 NII was up; trading gain jumped higher

Mega FHC 1-2Q/23 net revenue breakdown*



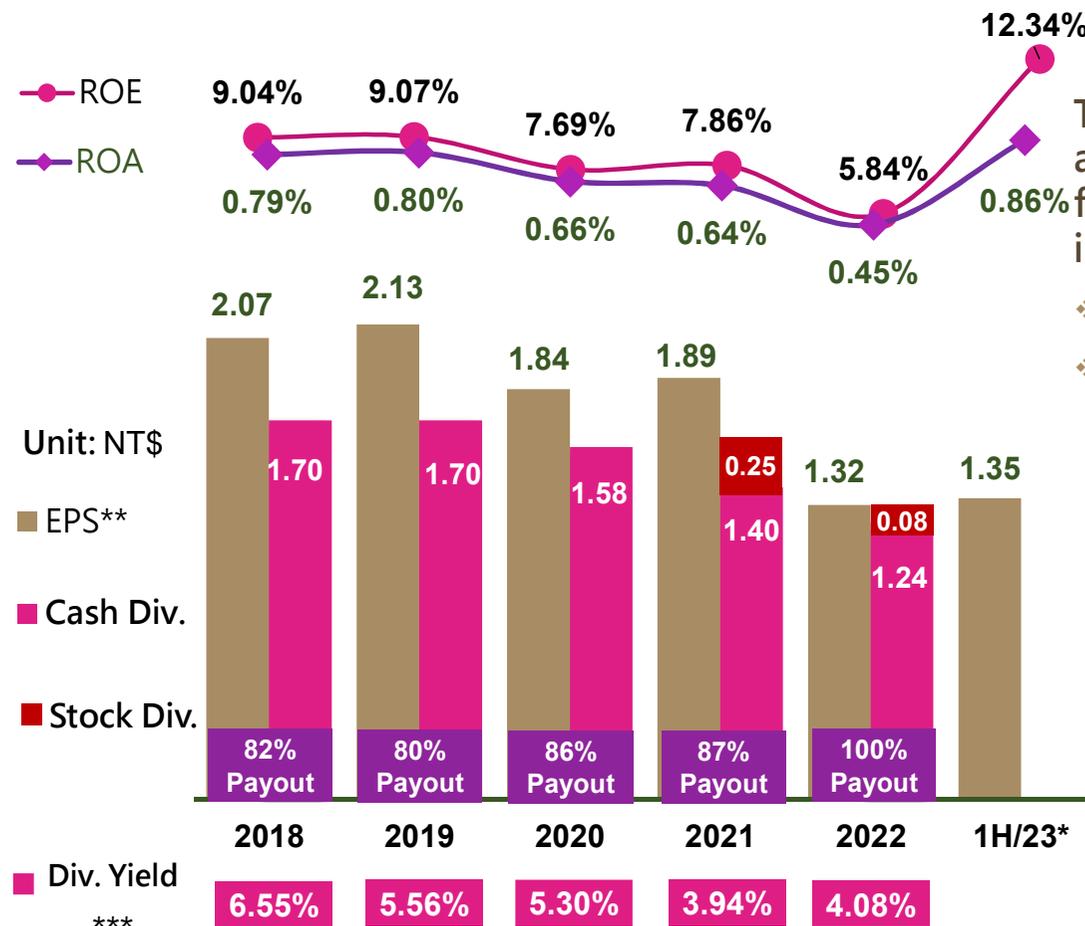
Mega Bank 1-2Q/23 net revenue breakdown*



* 1-2Q / 23 are audited numbers

1H/23 ROE reached 12.34%

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.

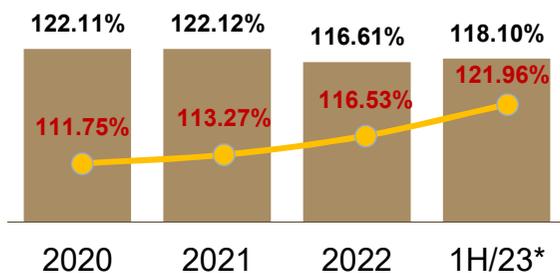
* 1-2Q/23 are audited numbers; ROE and ROA are annualized numbers.
 ** Historical EPS were not adjusted for forward looking stock dividend distribution.
 *** Cash dividend yield = cash dividend / last trading day share price of that year

Strong capital position

Mega FHC

Moody's: A2

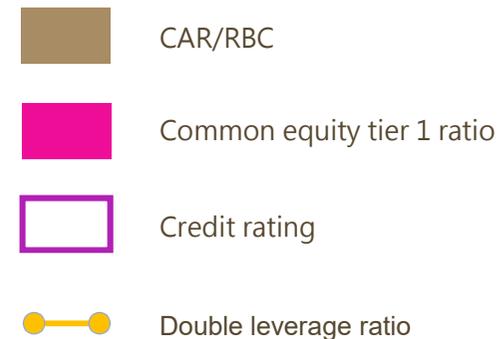
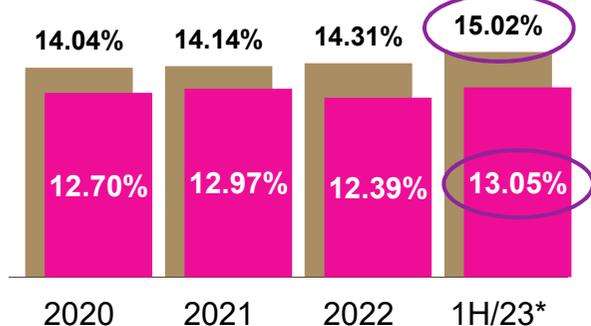
CAR Requirement : 100%



Mega Bank

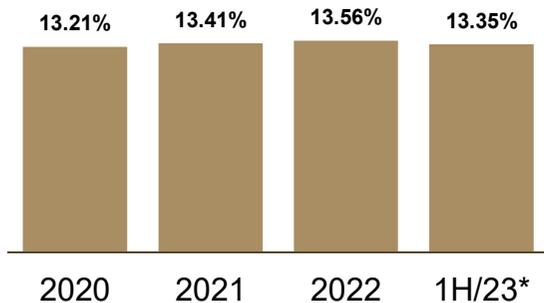
Moody's: A1 / S&P: A+

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



Mega Bills

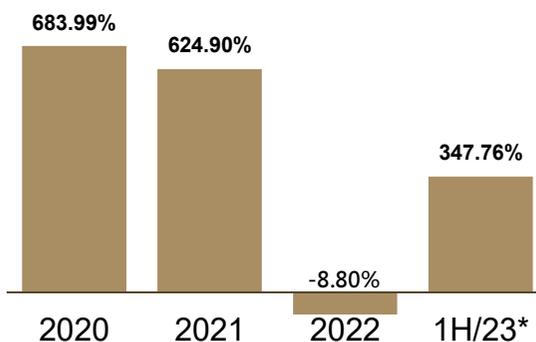
Requirement : 8.0%



CKI P&C

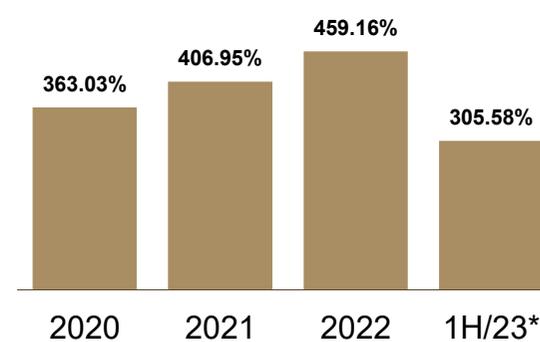
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



*1H/23 are audited numbers



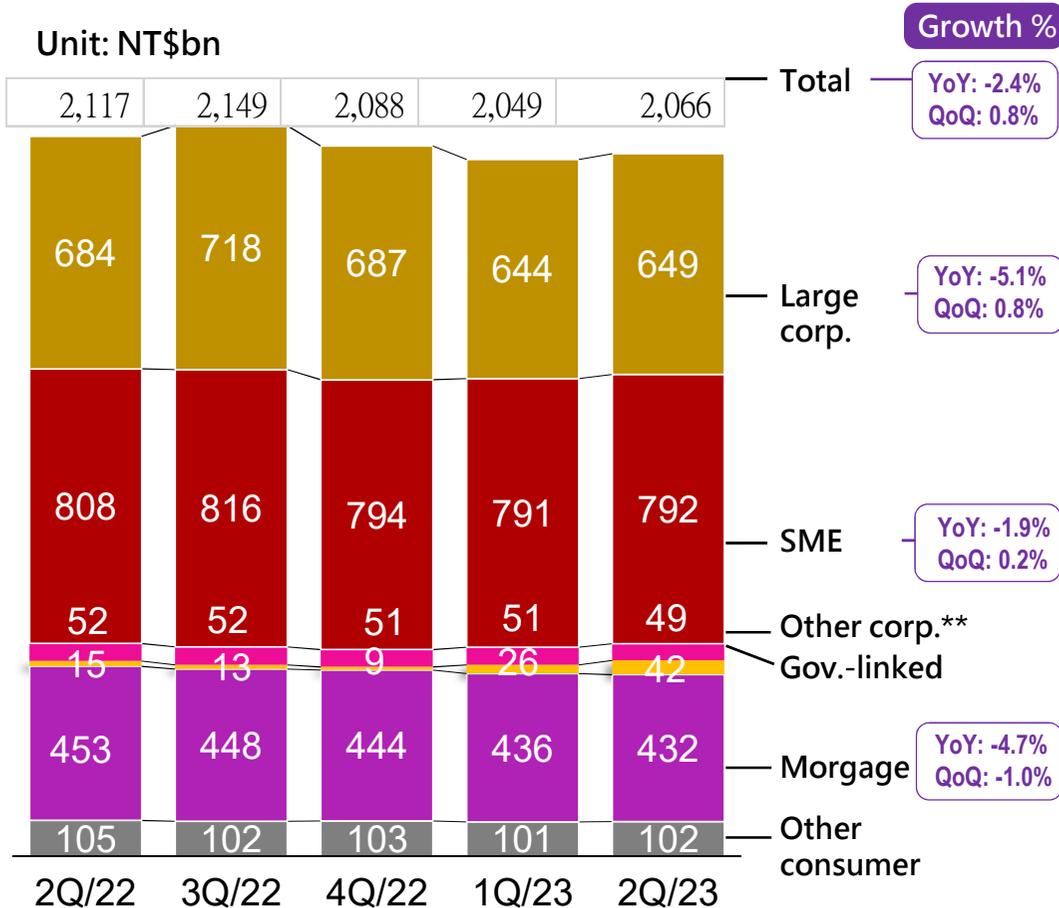
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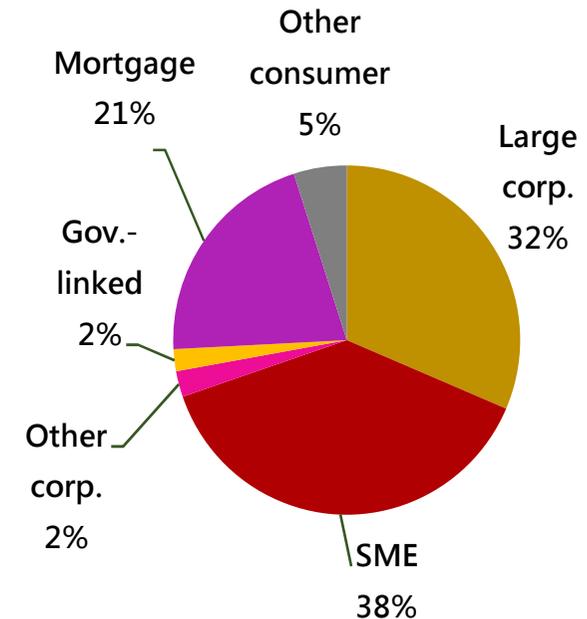


2Q/23 total loan were up 0.8% YoY, driven by large corp. loan growth

Mega Bank quarterly loan balance*



Mega Bank 2Q/23 loan breakdown by customers

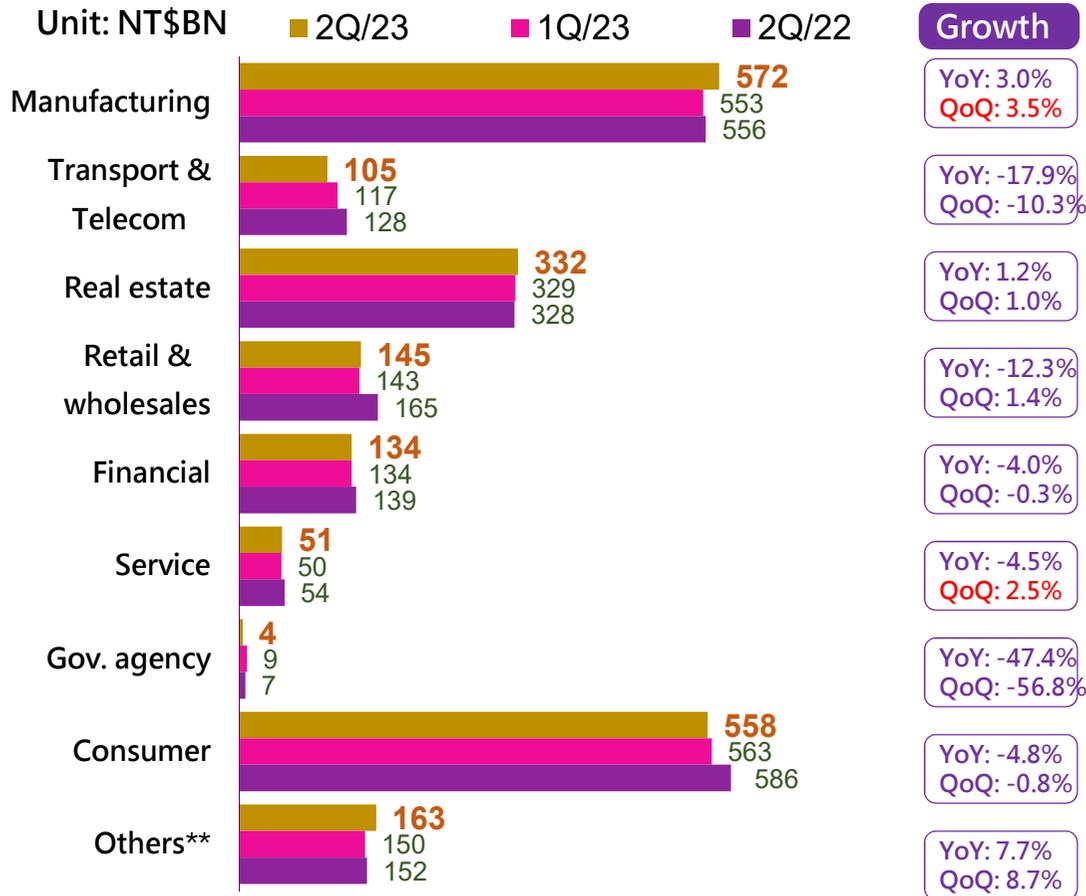


* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

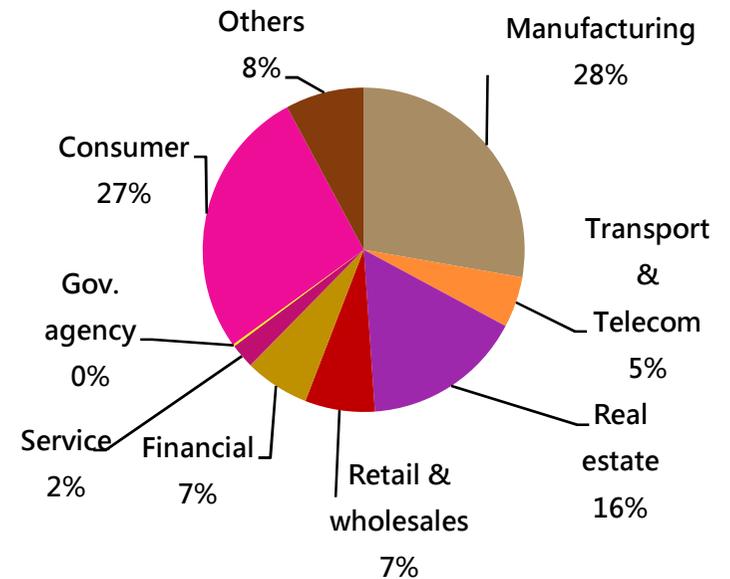
** Includes Gov-linked Non-Profit Organization and etc.

2Q/23 manufacturing loan were up 3.5% QoQ

Mega Bank loan balance trend by industry*



2Q/23 loan breakdown by industry*



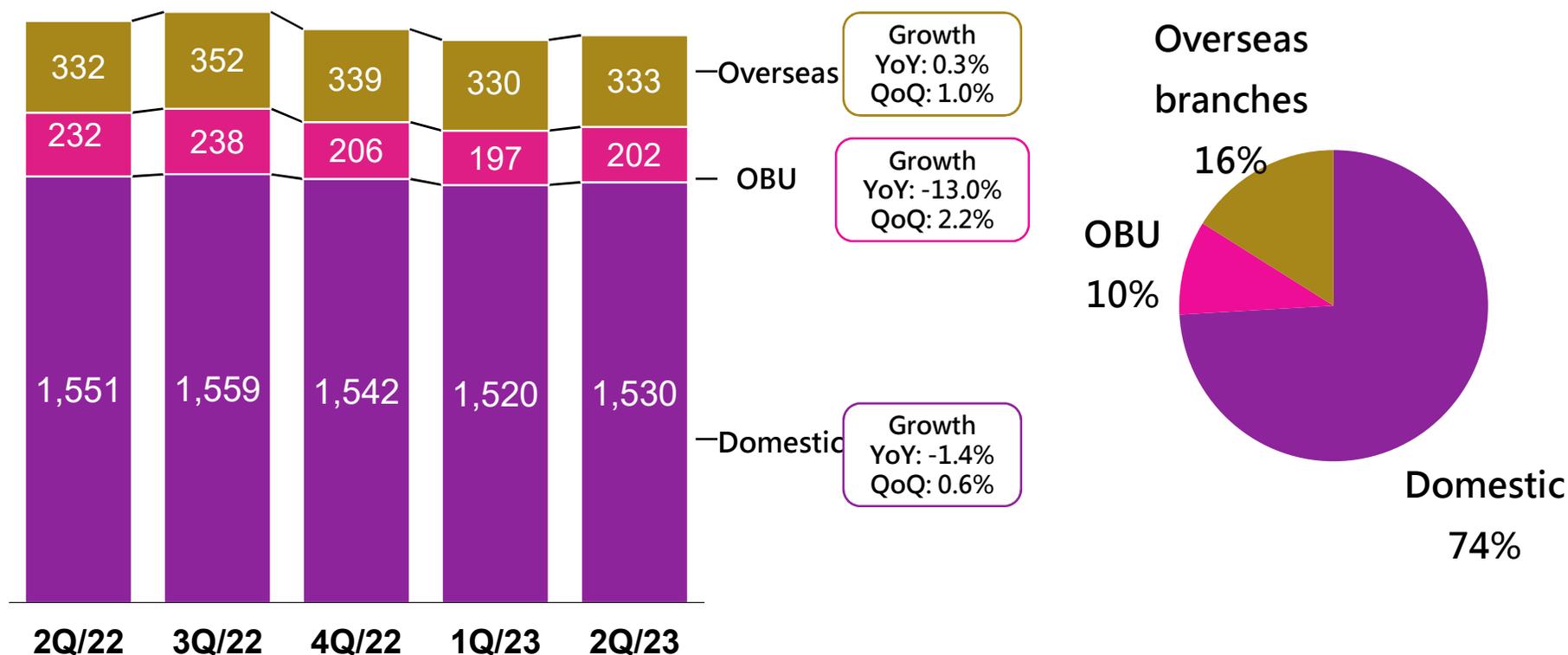
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

OBU and overseas branches loans were up in 2Q/23

Mega Bank 2Q/23 loan breakdown by regions *

Unit: NT\$BN



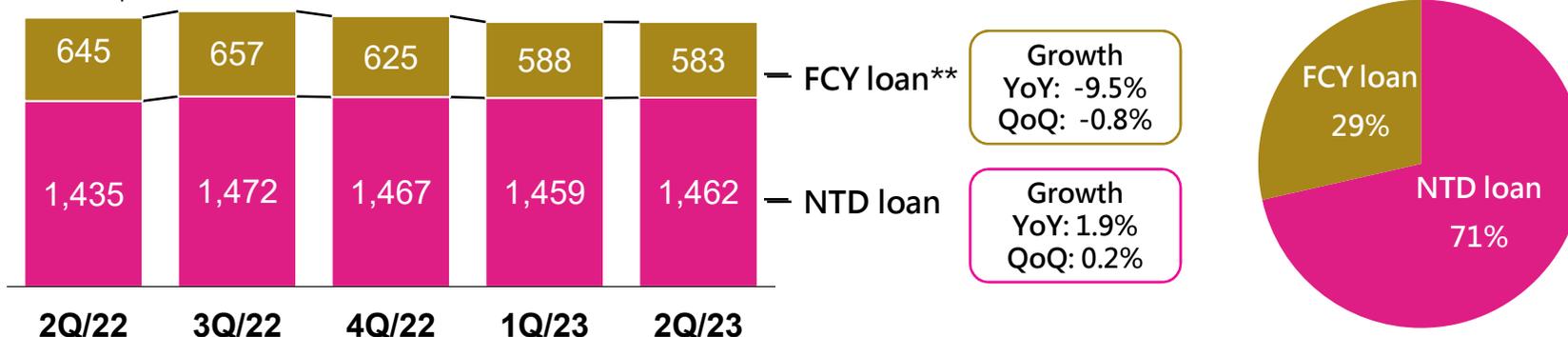
* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

** OBU stands for Off-shore Banking Unit

FCY/USD loan demand were flattish

Mega Bank 2Q/23 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$ billion



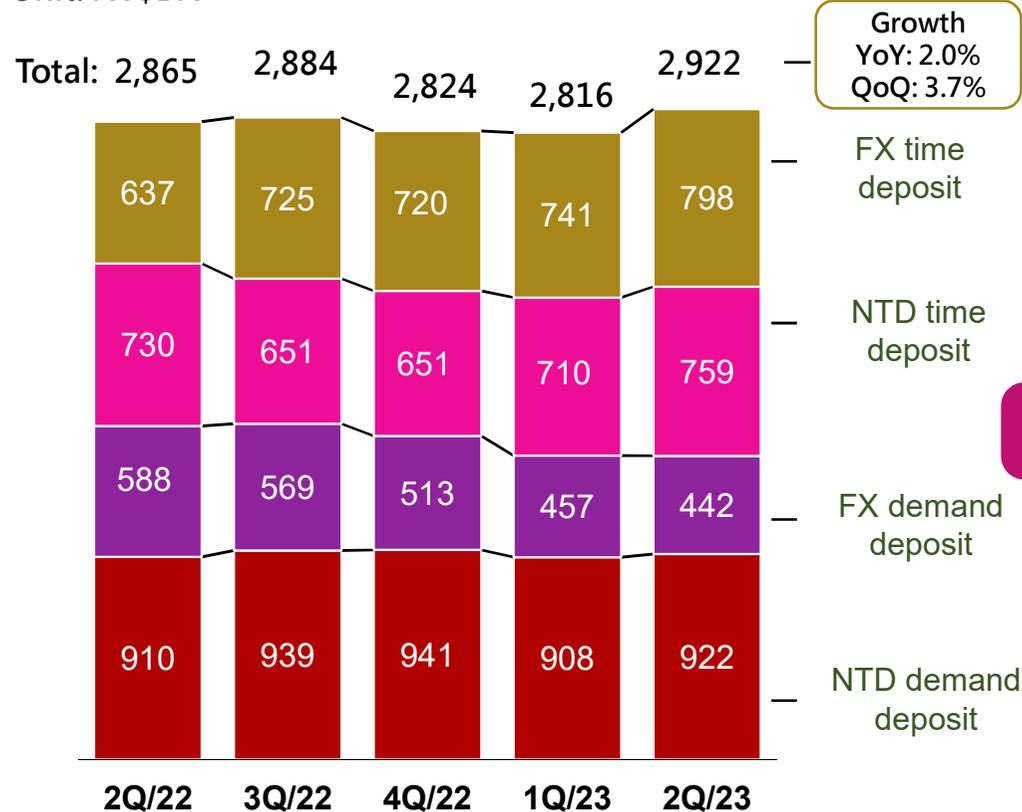
* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

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

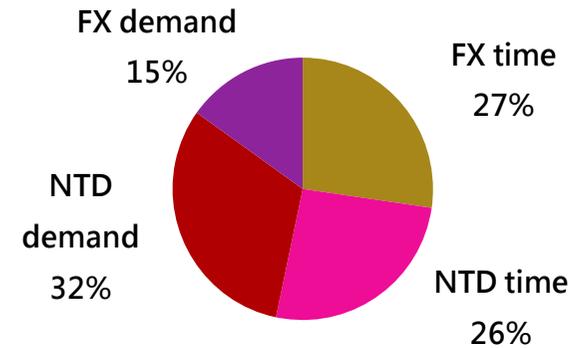
Time deposit demand remained strong

Mega Bank deposit balance *

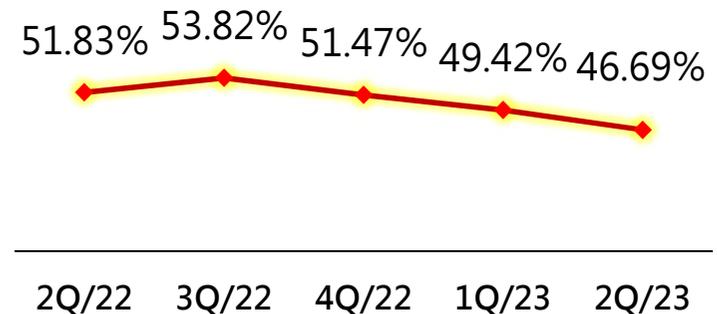
Unit: NT\$BN



Mega Bank 2Q/23 deposit breakdown



Mega Bank demand deposit % trend



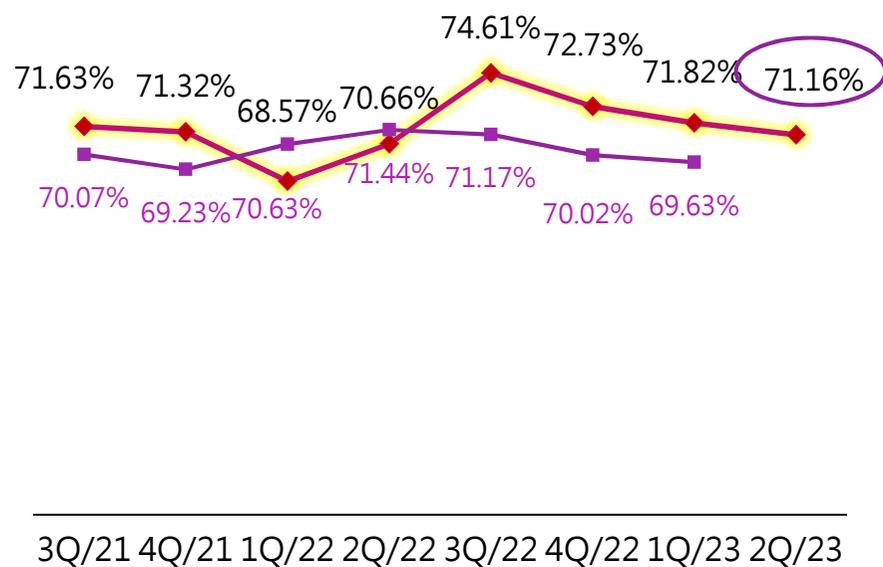
* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

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

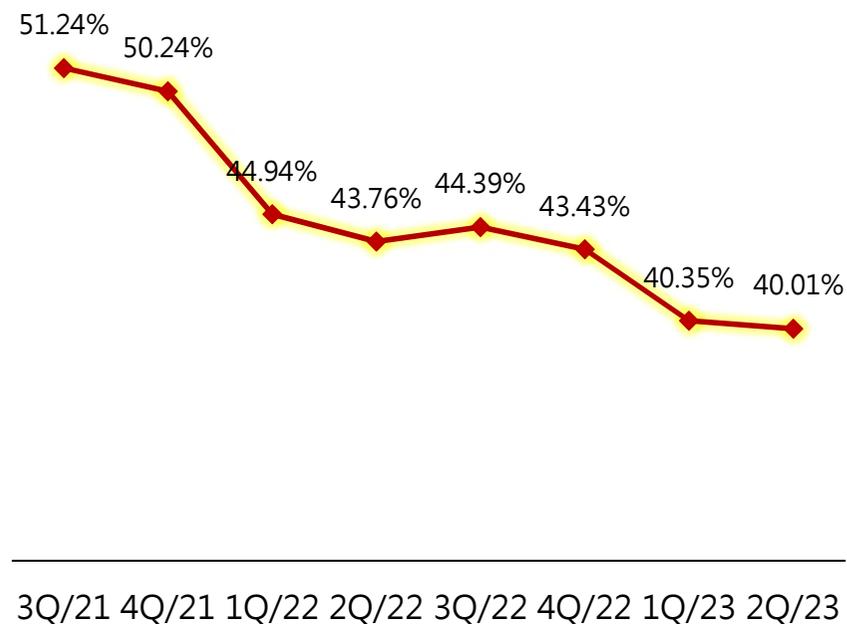
LDR trended down slightly

Mega Bank's total LDR*

◆ Mega LDR ■ Industry LDR***



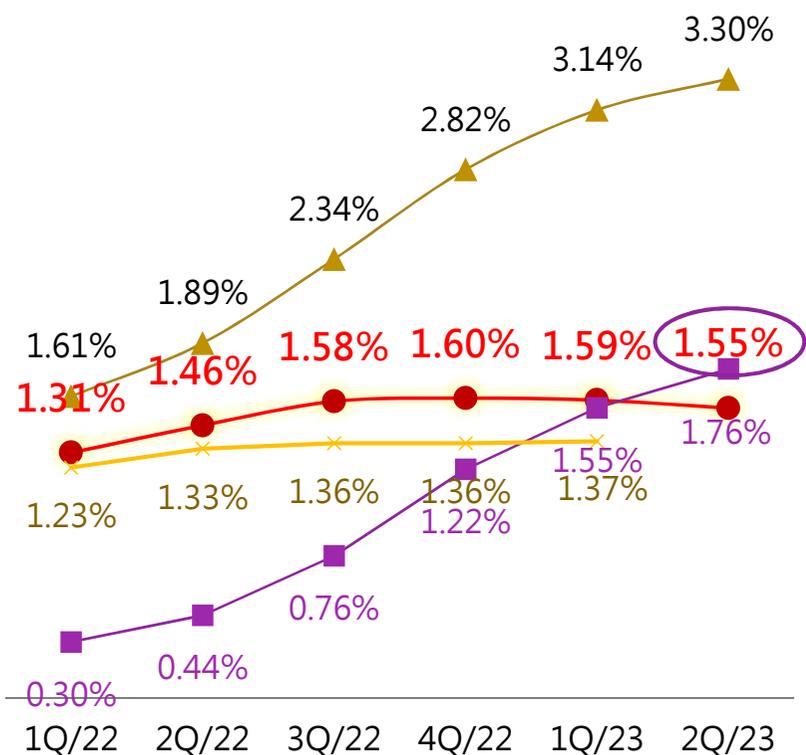
Mega Bank's USD LDR**



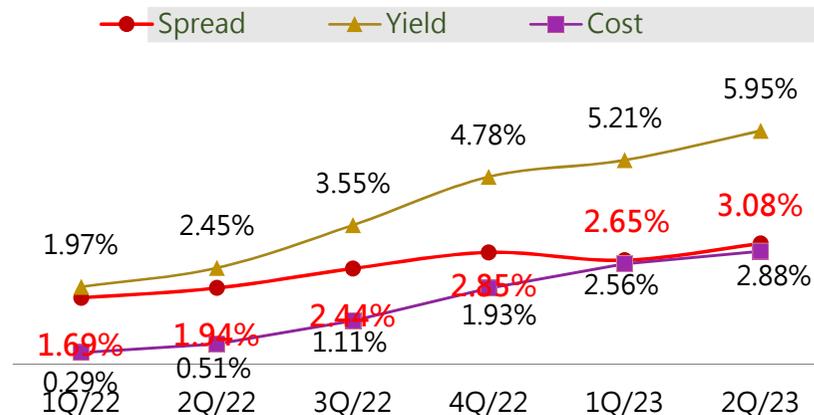
* Total LDR calculation is based on loan/deposit end balance
 ** USD LDR calculation is based on average loan/deposit balance of that quarter
 *** Source: Central Bank of Taiwan

2Q/23 overseas loan interest spread extended higher

Mega Bank total loan interest 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

2Q/23 overall NIM was flat

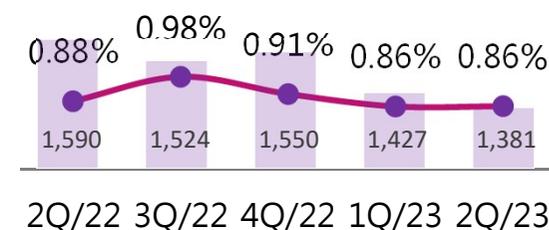
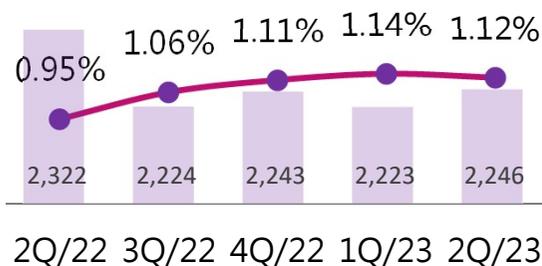
Mega Bank quarter NIM and average interest earning assets*

Unit: NT\$BN / %

Overall

NTD

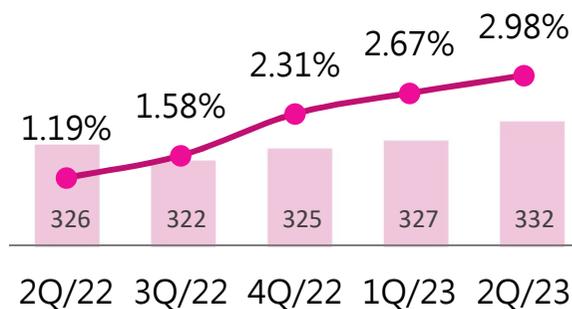
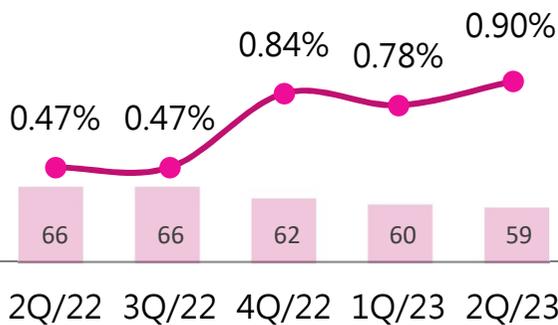
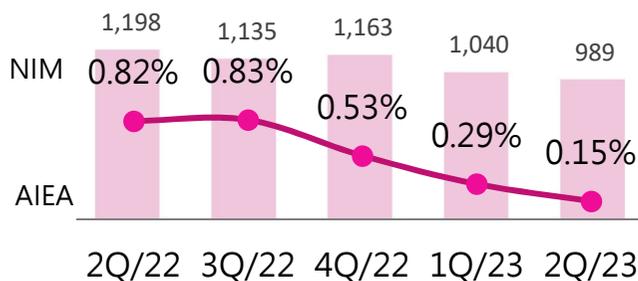
FCY



USD

RMB

Other FCY

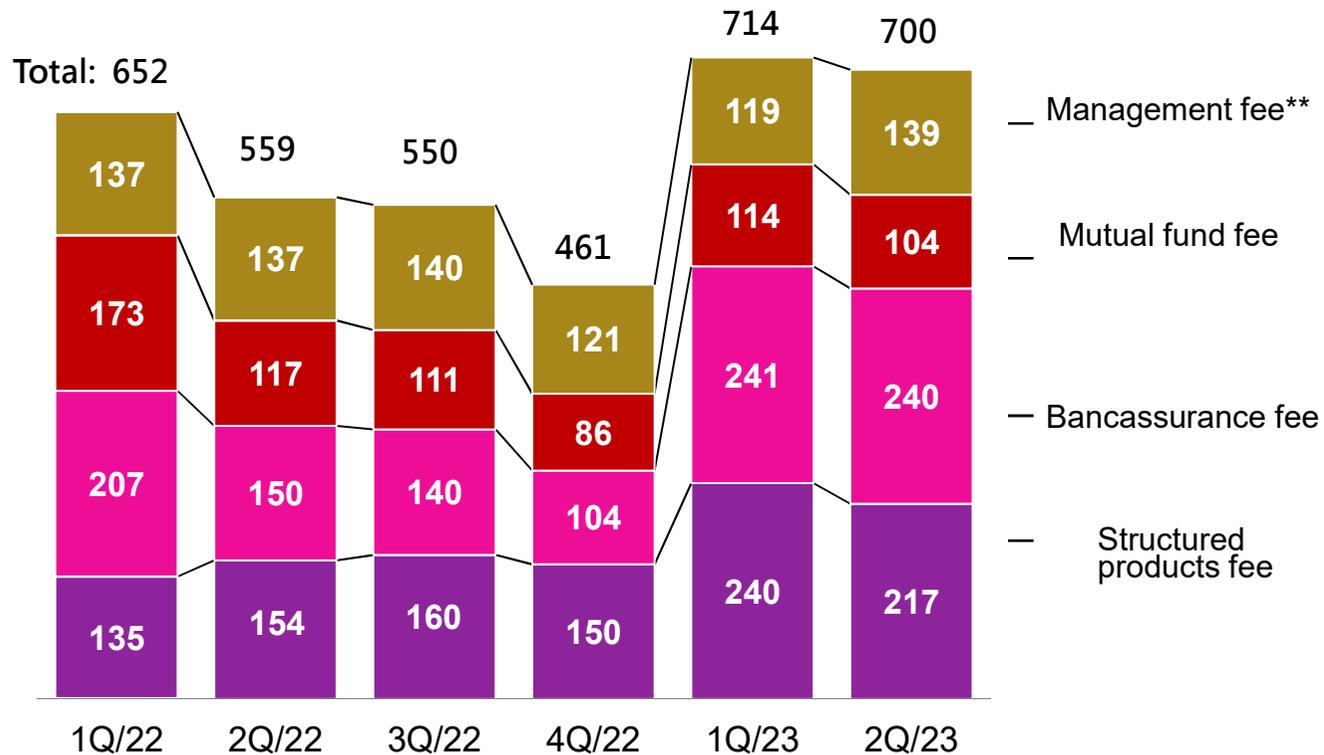


* NIM = annualized net interest income / average interest earning assets (AIEA) of that quarter; internal numbers; Unit: NT\$BN / %

WM product demand were stable

Mega Bank wealth management gross fee breakdown*

Unit: NT\$MN

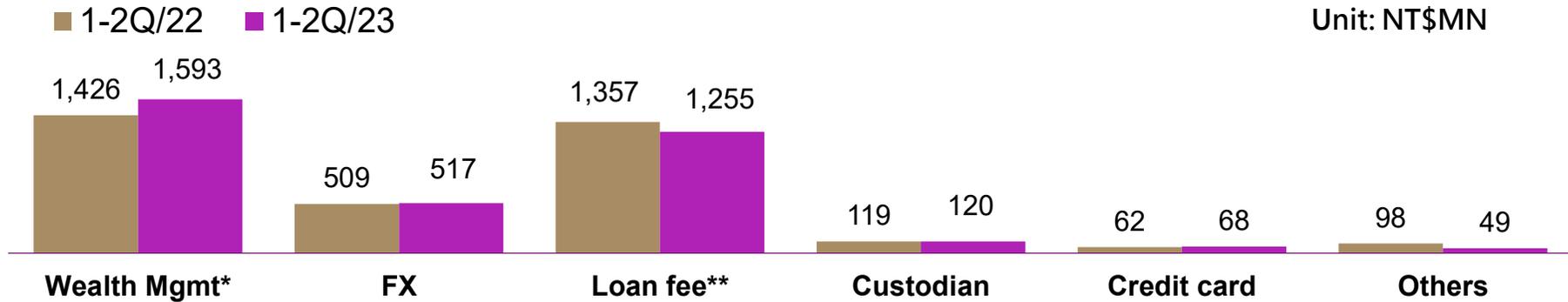


* Mega Bank internal data; gross wealth mgmt fee, NOT net wealth mgmt fee.

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

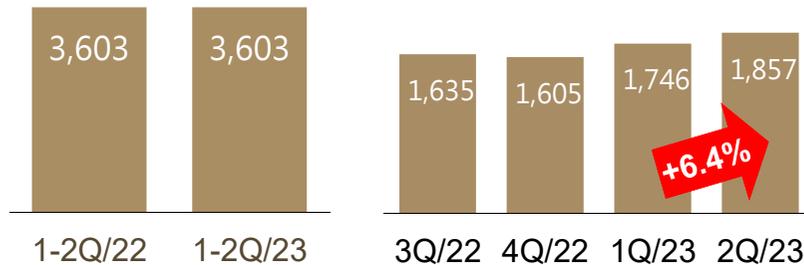
2Q/23 bank fee income was up 6.4% QoQ

Mega Bank net fee breakdown

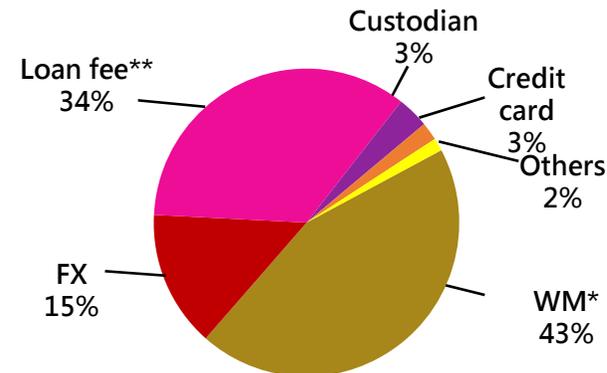


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1-2Q/23 net fee breakdown



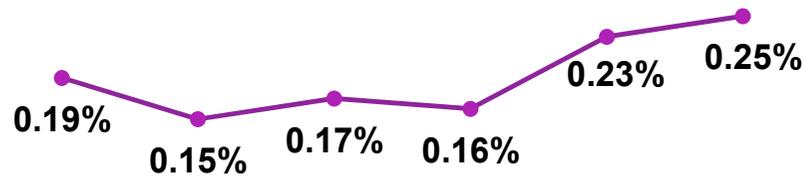
* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

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

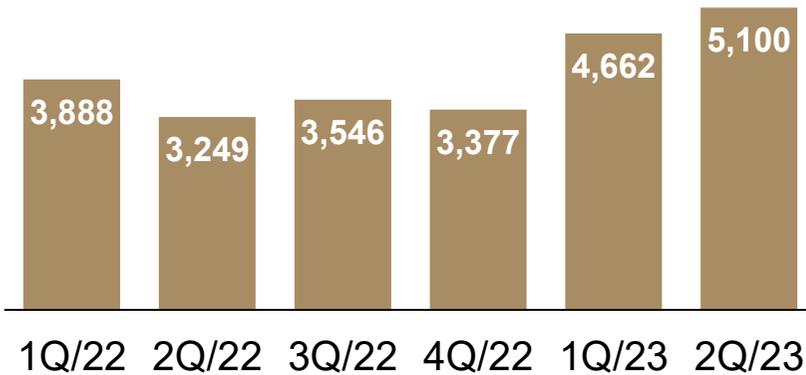
***Total net fees are audited numbers.

Asset quality remained stable

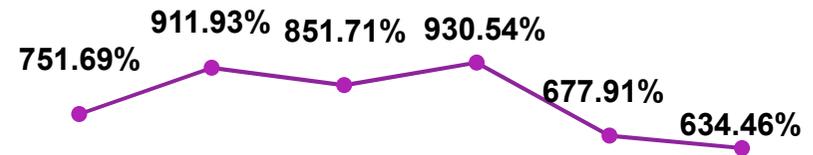
Mega Bank NPL balance & NPL ratio



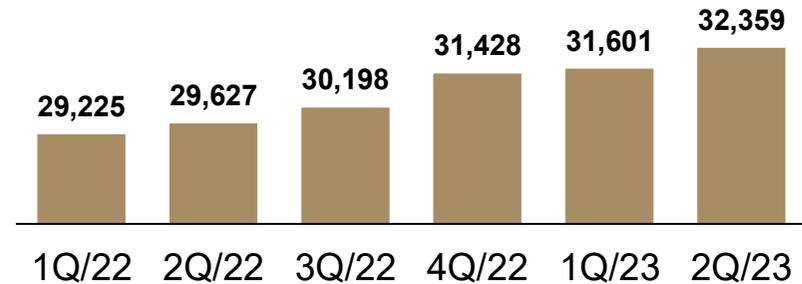
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio



Unit: NT\$MN

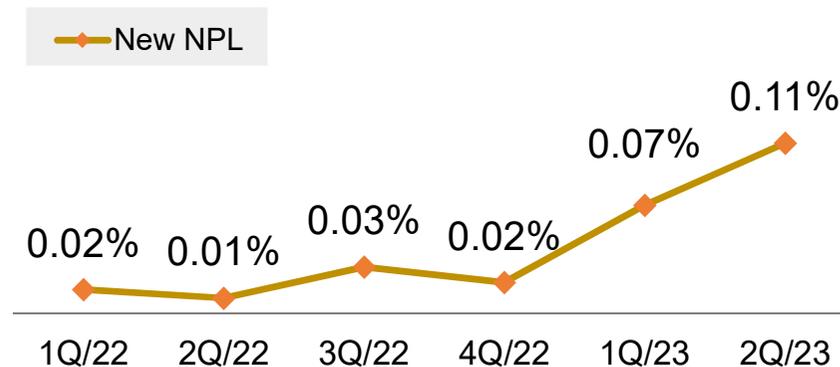


Benign asset quality

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/2023 Mega FHC consolidated P&L statement

<i>Unit: NT\$MN; EPS: NT\$</i>	1-2Q/2023*	1-2Q/2022	YoY
Interest income	54,690,704,677	25,633,794,493	113%
Less: interest expense	36,481,244,433	7,656,375,868	376%
Net interest revenue	18,209,460,244	17,977,418,625	1%
Net revenue other than interest	20,551,839,342	9,308,149,357	121%
Net fee and commissions	5,368,890,833	5,526,596,053	-3%
Net insurance revenue	(1,895,625,841)	1,158,311,985	
Gain on financial assets and liabilities at fair value thru P&L	14,014,831,138	(1,126,226,786)	-1344%
Gain on investment property	11,275,691	10,954,939	3%
Realized gain on financial assets at fair value thru OCI	1,107,334,398	1,294,237,736	-14%
Gain/loss arising from derecognition of fin. assets measured at AC	2,401	(11,199,642)	-100%
Equity method profit/loss	(22,924,054)	(51,199,894)	-55%
Foreign exchange gains	1,244,304,788	1,475,053,228	-16%
Reversal of loss on assets	(69,066,742)	66,297,791	
Gain on reclassification under the overlay approach	2,077,211	250,432,351	-99%
Net other revenue other than interest income	790,739,519	714,891,596	11%
Net revenue	38,761,299,586	27,285,567,982	42%
Bad debts expense, guarantee provision	4,934,448,803	308,029,961	1502%
Net change in provisions for insurance liabilities	(2,330,357,718)	4,203,917,866	
Operating expenses	15,717,348,559	14,573,282,798	8%
Profit from continuing operations before tax	20,439,859,942	8,200,337,357	149%
Income tax expense	(1,673,049,241)	(243,883,768)	586%
Profit	18,766,810,701	7,956,453,589	136%
EPS	1.35	0.59	129%

* 1-2Q /23 are audited numbers

1-2Q/2023 Mega FHC consolidated balance sheet

Unit: NT\$MN	1-2Q/2023*	1-2Q/2022*	YoY
Cash and cash equivalents, net	78,986,280,191	142,661,700,689	-45%
Due from central bank and interbank assets	499,887,786,443	508,395,110,552	-2%
Financial assets at fair value thru P&L	195,431,634,306	224,599,689,123	-13%
Financial assets at fair value thru OCI	563,788,956,432	565,340,603,570	0%
Investments in debts at amortized cost	652,471,914,930	613,456,173,512	6%
REPO securities	2,619,982,582	299,605,500	774%
Receivables	97,360,453,346	112,912,891,540	-14%
Current tax assets	329,801,615	336,085,756	-2%
Held for sale assets	-	15,812,832	-
Loans	2,055,490,927,548	2,108,783,986,698	-3%
Other assets	66,991,582,273	61,952,990,263	8%
Total Assets	4,213,359,319,666	4,338,754,650,035	-3%
Deposits from central bank and banks	549,846,840,331	551,872,593,314	0%
Due to central bank and banks	3,088,162,252	33,470,594,233	-91%
Financial liabilities at fair value thru P&L	22,987,671,900	20,794,636,390	11%
Securities sold under repurchase agreements	232,033,353,656	283,951,224,070	-18%
Commercial paper issued	33,436,421,063	15,016,432,097	123%
Payable	100,689,478,468	140,021,821,812	-28%
Current tax liabilities	9,910,141,619	10,236,329,398	-3%
Deposits and remittances	2,844,646,660,860	2,889,359,899,417	-2%
Bond payable	20,500,000,000	7,500,000,000	173%
Other liabilities	84,853,450,099	90,248,477,271	-6%
Total Liabilities	3,901,992,180,248	4,042,472,008,002	-3%
Common stock	140,513,381,380	139,398,195,820	1%
Capital surplus	68,194,233,375	68,194,233,375	0%
Retain earnings	107,779,578,268	98,238,811,737	10%
Other equity interest	(5,120,053,605)	(9,548,598,899)	-46%
Total Equity	311,367,139,418	296,282,642,033	5%

1-2Q/2023 Mega Bank consolidated P&L statement

Unit: NT\$MN; EPS: NT\$

	1-2Q/2023*	1-2Q/2022	YoY
Interest income	53,067,355,603	24,323,306,094	118%
Less: interest expense	34,247,068,140	7,139,654,912	380%
Net interest revenue	18,820,287,463	17,183,651,182	10%
Net revenue other than interest	17,326,368,397	4,596,321,735	277%
Net fee and commissions	3,602,996,626	3,602,906,358	0%
Gain on financial assets and liabilities at fair value thru P&L	11,591,273,670	(1,141,850,541) -	
Realized gain on financial assets at fair value thru OCI	791,005,493	476,907,276	66%
Gain/loss arising from derecognition of fin. assets measured at AC	2,401	(11,199,642) -	
Equity method profit/loss	(22,738,703)	(54,635,512) -	
Foreign exchange gains	1,183,087,241	1,353,281,464	-13%
Reversal of loss on assets	(65,021,605)	57,257,143 -	
Net other revenue other than interest income	245,763,274	313,655,189	-22%
Net revenue	36,146,655,860	21,779,972,917	66%
Bad debts expense, guarantee provision	2,461,343,716	414,850,003	493%
Operating expenses	12,697,581,928	11,765,832,884	8%
Profit from continuing operations before tax	20,987,730,216	9,599,290,030	119%
Income tax expense	(2,483,105,323)	(364,049,919)	582%
Profit	18,504,624,893	9,235,240,111	100%

* 1-2Q /2023 are audited numbers

1-2Q/2023 Mega Bank consolidated balance sheet

Unit: NT\$MN	1-2Q/2023*	1-2Q/2022*	YoY
Cash and cash equivalents, net	74,022,302,323	135,902,514,818	-46%
Due from central bank and interbank assets	500,787,786,443	512,395,110,552	-2%
Financial assets at fair value thru P&L	55,722,884,936	56,247,521,433	-1%
Financial assets at fair value thru OCI	417,413,027,844	438,615,304,078	-5%
Investments in debts at amortized cost	647,504,479,595	608,940,444,760	6%
REPO securities	11,273,677,723	2,703,924,546	317%
Receivables	49,777,735,010	60,564,077,804	-18%
Current tax assets	7,921,872	6,015,760	32%
Loans	2,055,490,927,548	2,108,783,986,698	-3%
Other assets	34,796,569,130	34,045,744,913	2%
Total Assets	3,846,797,312,424	3,958,204,645,362	-3%
Deposits from central bank and banks	539,244,849,331	536,123,193,314	1%
Due to central bank and banks	3,088,162,252	33,470,594,233	-91%
Financial liabilities at fair value thru P&L	22,329,503,745	20,367,527,157	10%
Securities sold under repurchase agreements	18,986,177,087	59,037,223,354	-68%
Payable	31,286,936,394	70,991,037,692	-56%
Current tax liabilities	8,339,874,889	9,326,466,060	-11%
Deposits and remittances	2,846,309,666,021	2,892,282,001,834	-2%
Bond payable	15,500,000,000	2,500,000,000	520%
Other liabilities	49,792,664,066	52,948,795,287	-6%
Total Liabilities	3,534,877,833,785	3,677,046,838,931	-4%
Common stock	85,362,336,310	85,362,336,310	0%
Capital surplus	62,219,539,564	62,219,539,563	0%
Retain earnings	170,445,604,188	142,014,179,002	20%
Other equity interest	(6,108,001,423)	(8,438,248,444)	-28%
Total Equity	311,919,478,639	281,157,806,431	11%

39 offices in 17 countries; 22 offices in “New South Bond Area”

Mega Bank’s Extensive Overseas Franchise



39 offices includes:

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

Newly opened:

- Cambodia Phnom Penh Kandal sub-branch opened on Mar/6, 2023

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