

4Q/2023 Analyst Meeting

2024/03/19



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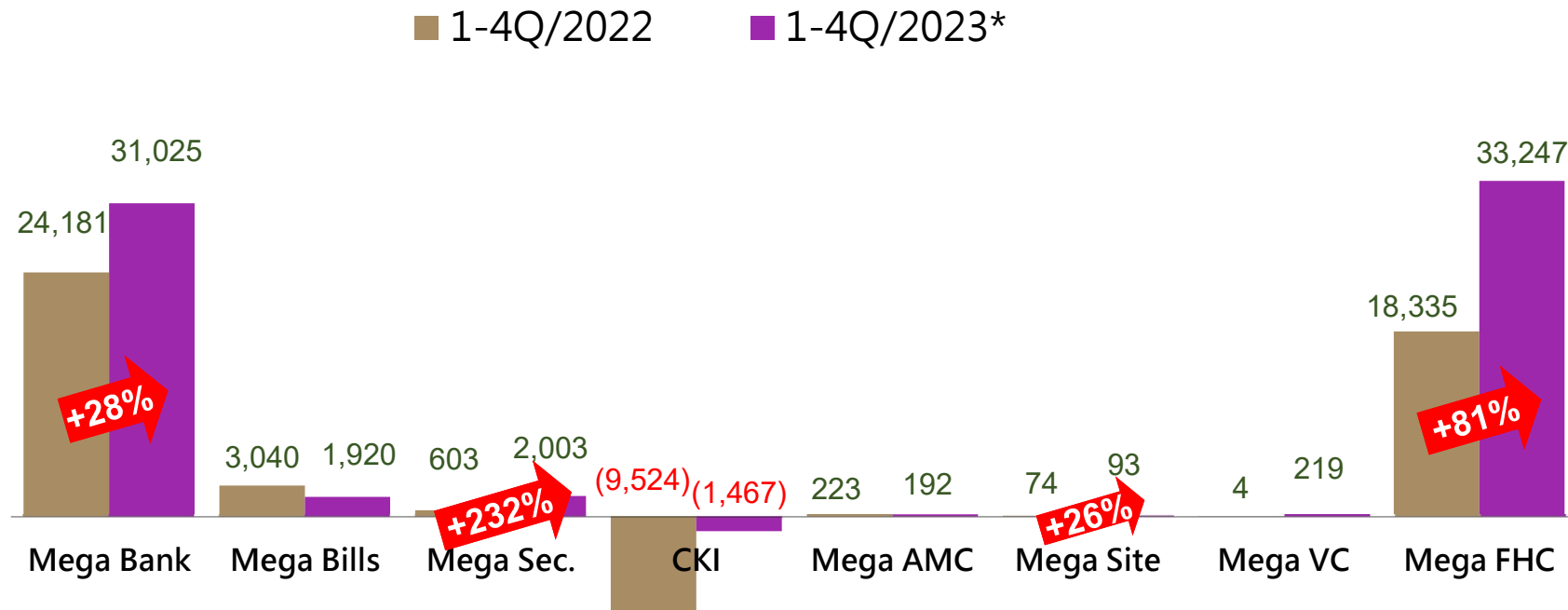
- 1** Overview and Strategic Focus
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Mega FHC 1~4Q/23 earning were up 81% YoY

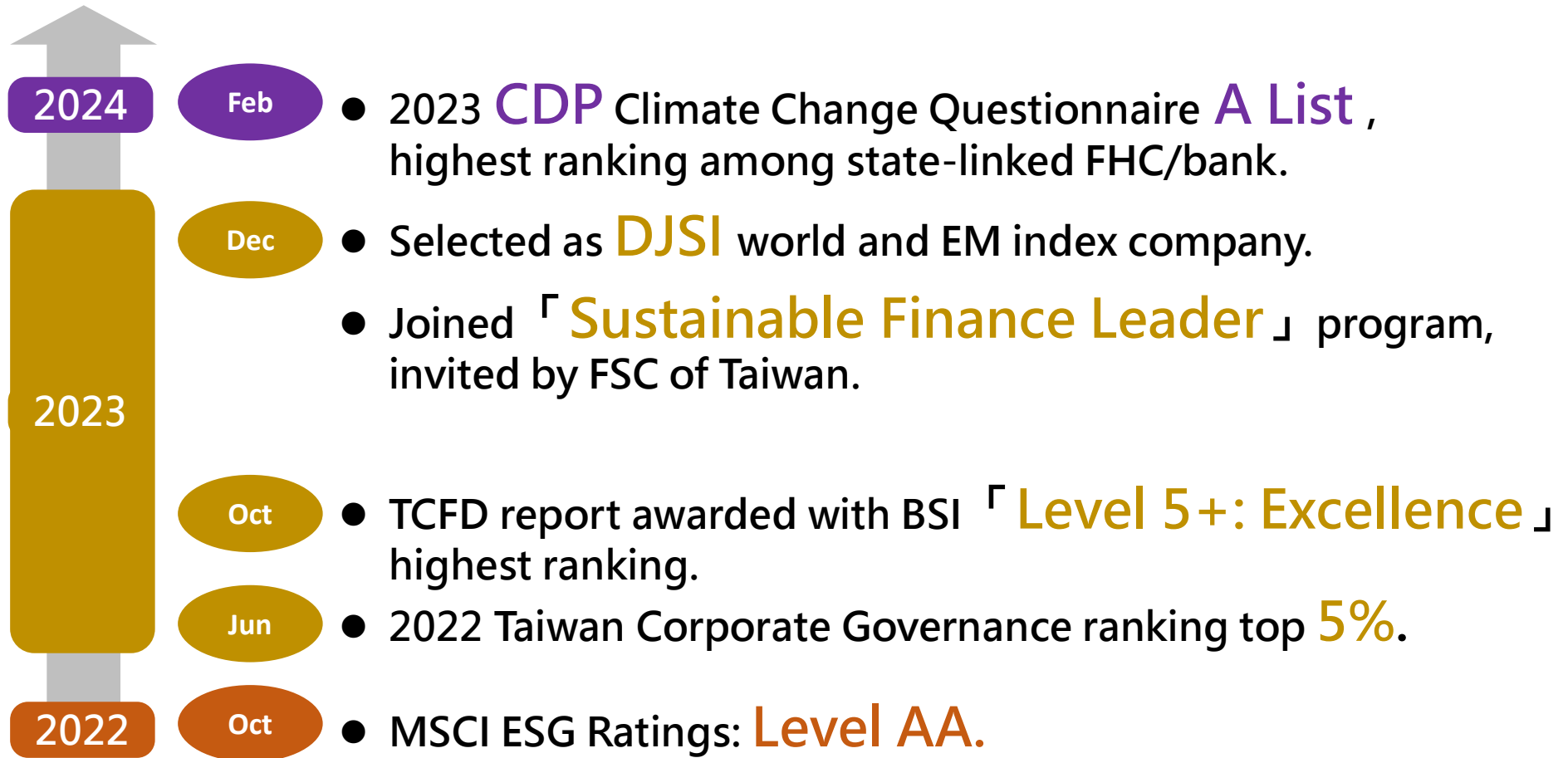
Mega FHC & Subs. 1-4Q/23 earning trend

Unit: NT\$MN



* 1-4Q / 23 are audited numbers

Mega FHC ESG recognition



Mega 4 core strategy

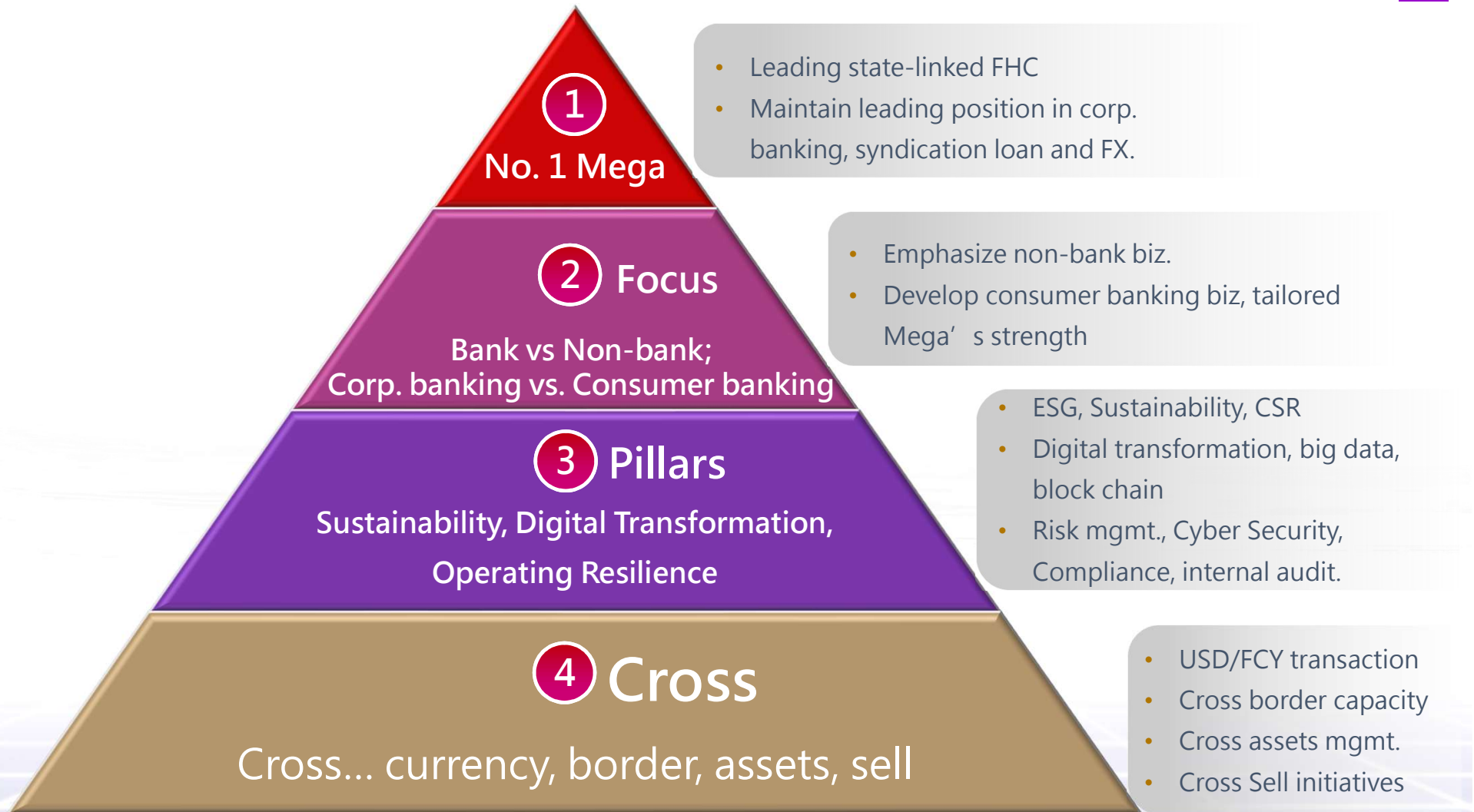




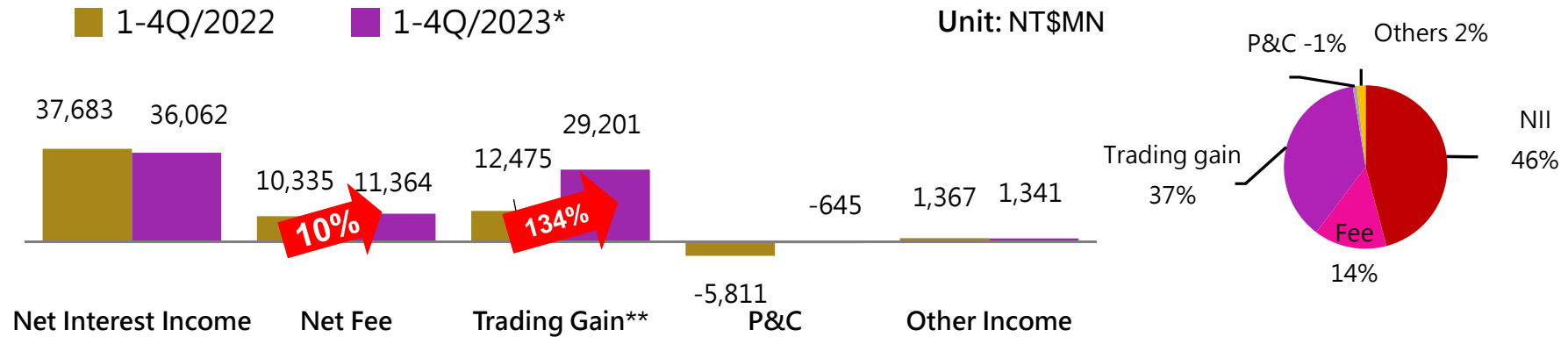
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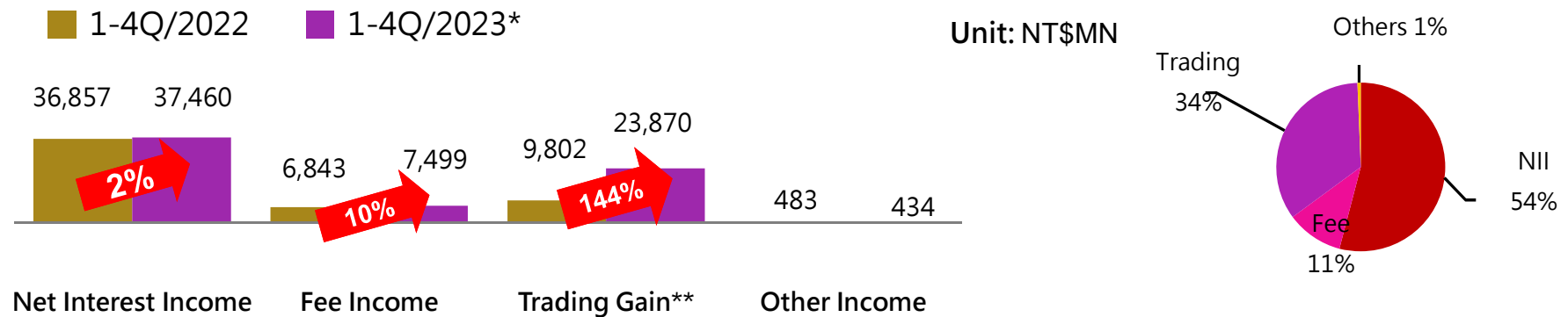


Core revenue were up; trading gain jumped higher

Mega FHC 1-4Q/23 net revenue breakdown*



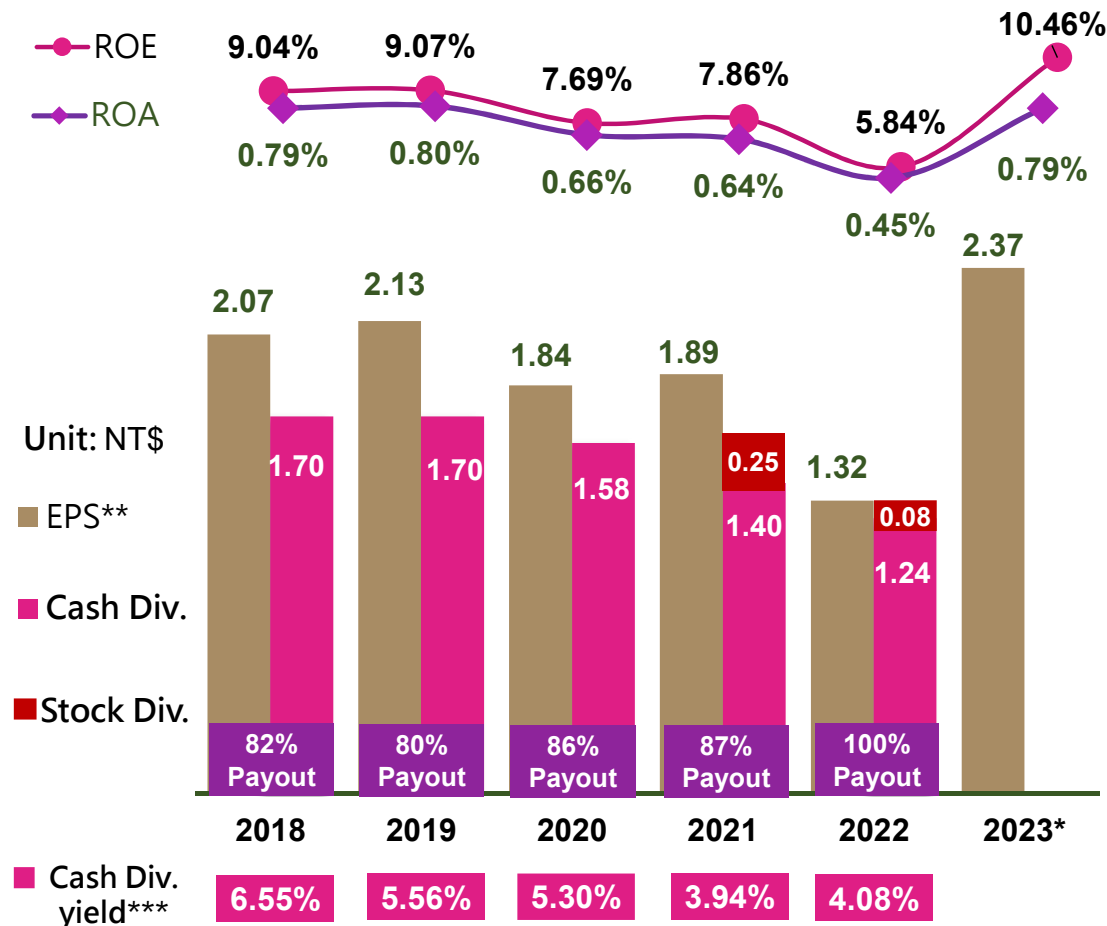
Mega Bank 1-4Q/23 net revenue breakdown*



* 1-4Q / 23 are audited numbers

2023 ROE reached 10.46%

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.

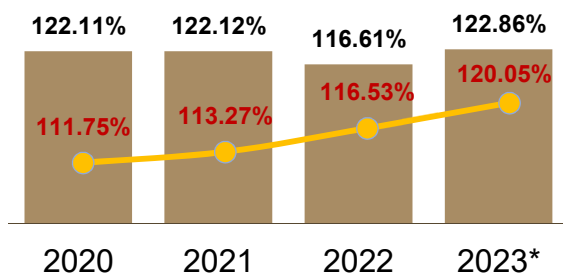
* 2023 are audited numbers; ROE and ROA are annualized numbers.
 ** Historical EPS were not adjusted for forward looking stock dividend distribution.
 *** Cash dividend yield = cash dividend / last trading day share price of that year

Strong capital position

Mega FHC

Moody's: A2

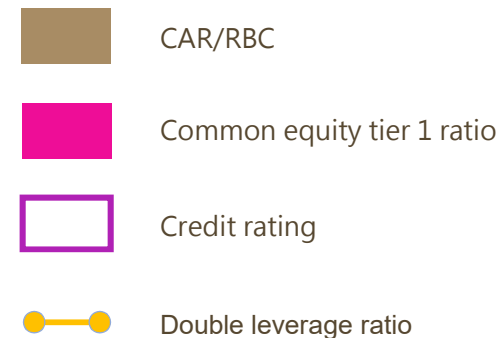
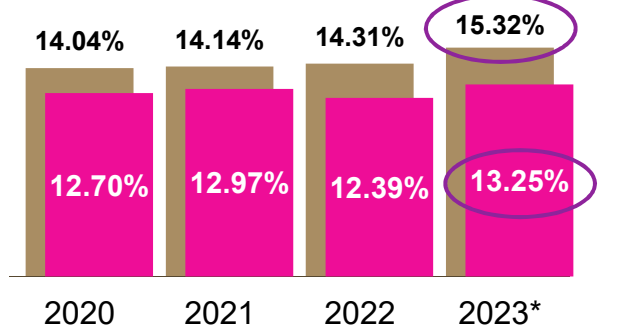
CAR Requirement : 100%



Mega Bank

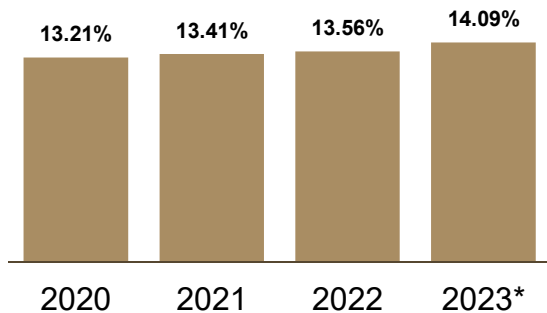
Moody's: A1 / S&P: A+

D-sib requires: CAR: 13.50%
CET1: 10.00%



Mega Bills

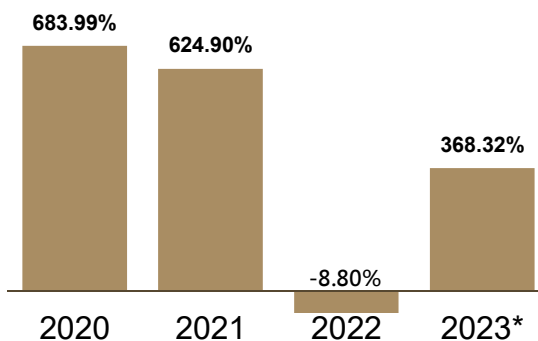
Requirement : 8.0%



CKI P&C

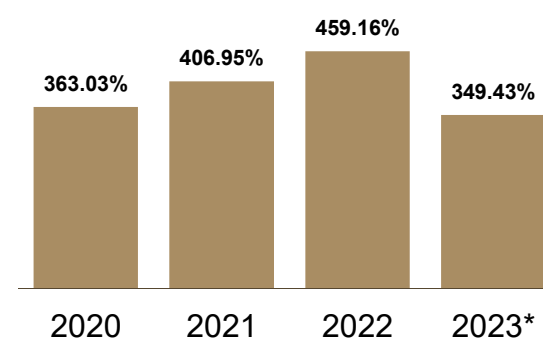
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



*1-4Q/23 are audited numbers



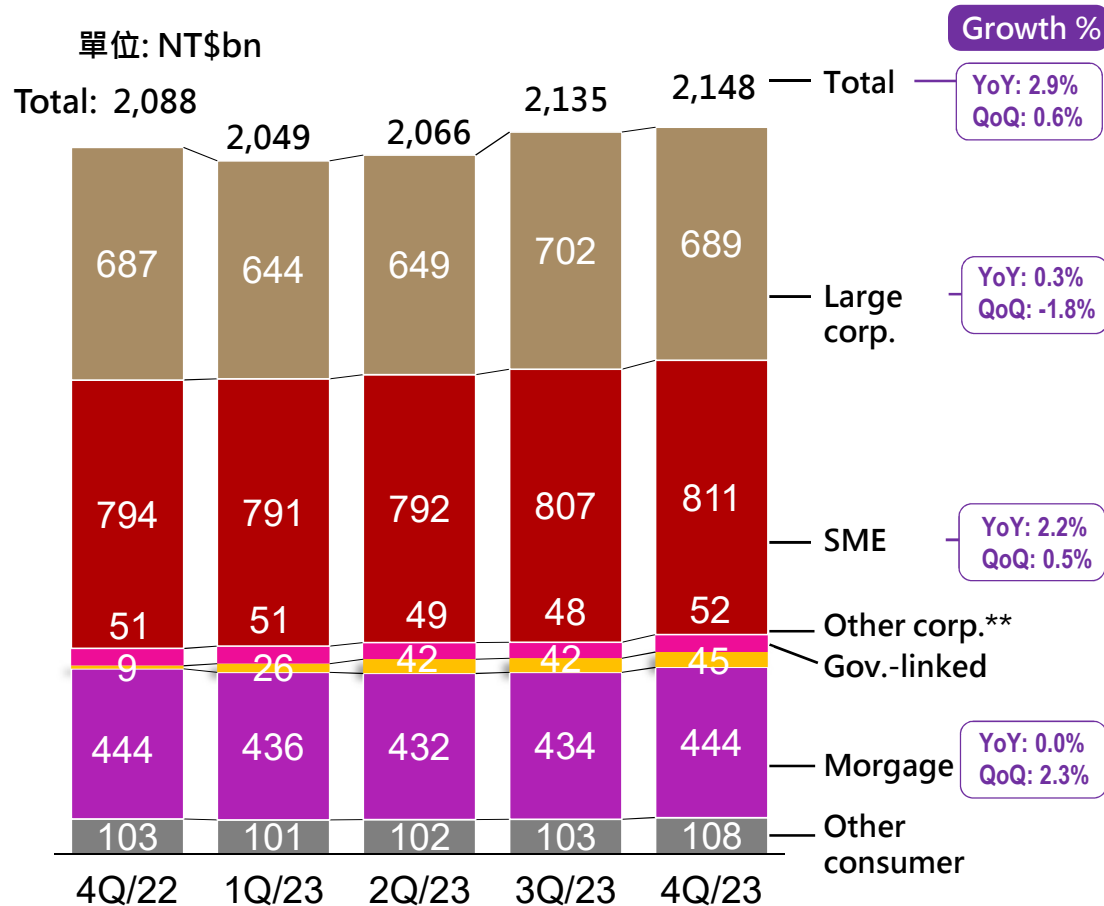
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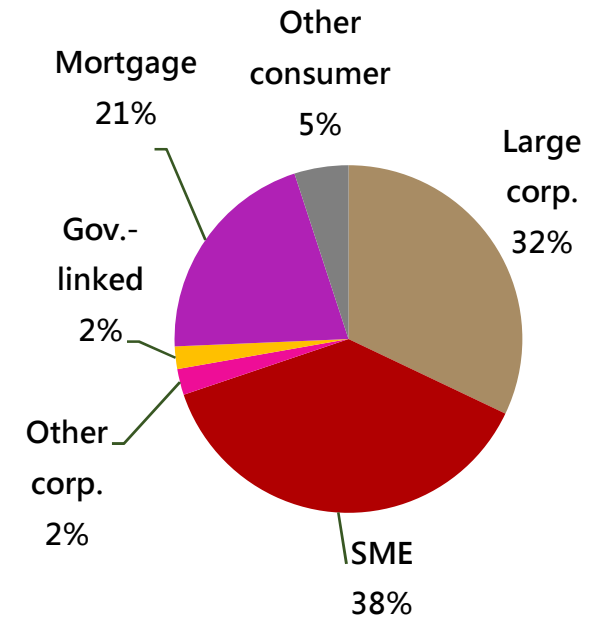


4Q/23 total loan were up 2.9% YoY, driven by large corp. and SME loan growth

Mega Bank quarterly loan balance*



Mega Bank 4Q/23 loan breakdown by customers

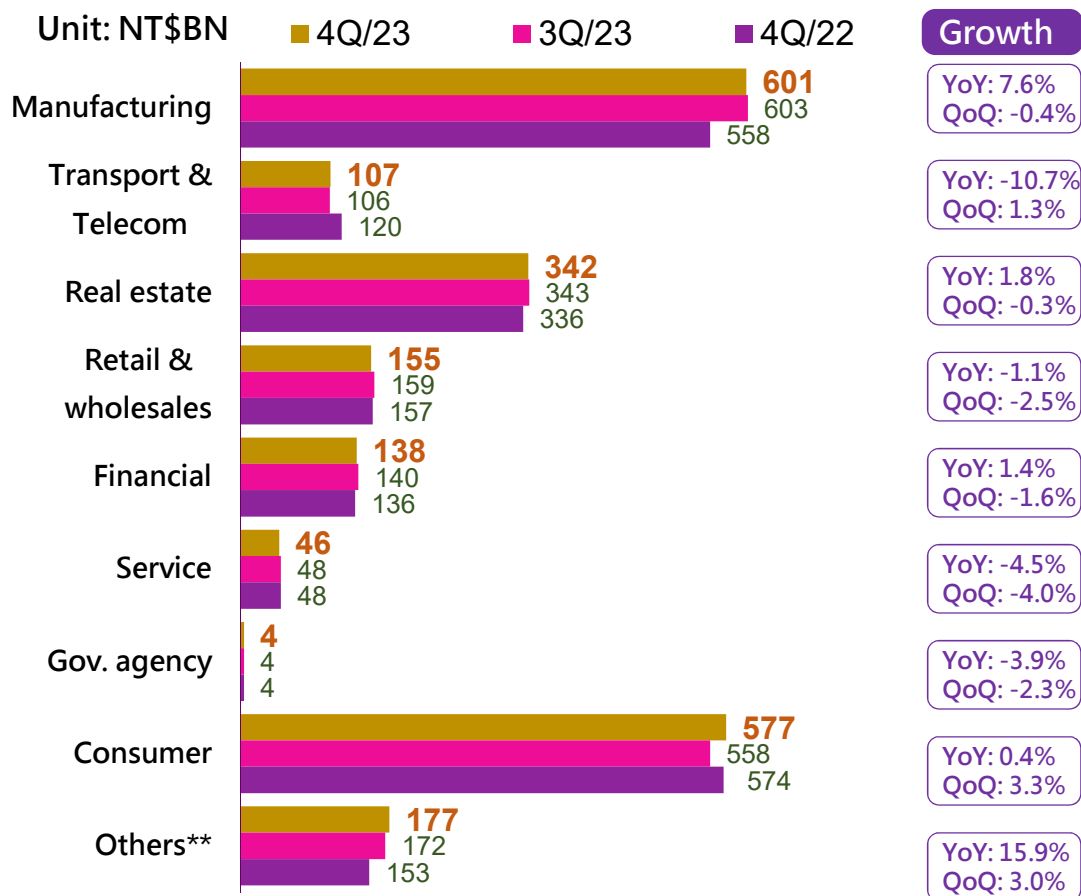


* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

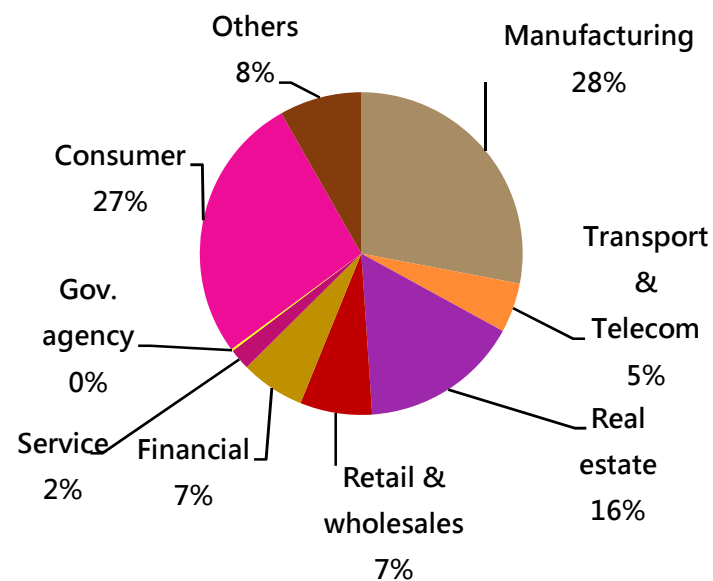
** Includes Gov-linked Non-Profit Organization and etc.

4Q/23 consumer loan were up 3.3% QoQ; while manufacturing loan were up 7.6% YoY

Mega Bank loan balance trend by industry*



4Q/23 loan breakdown by industry*



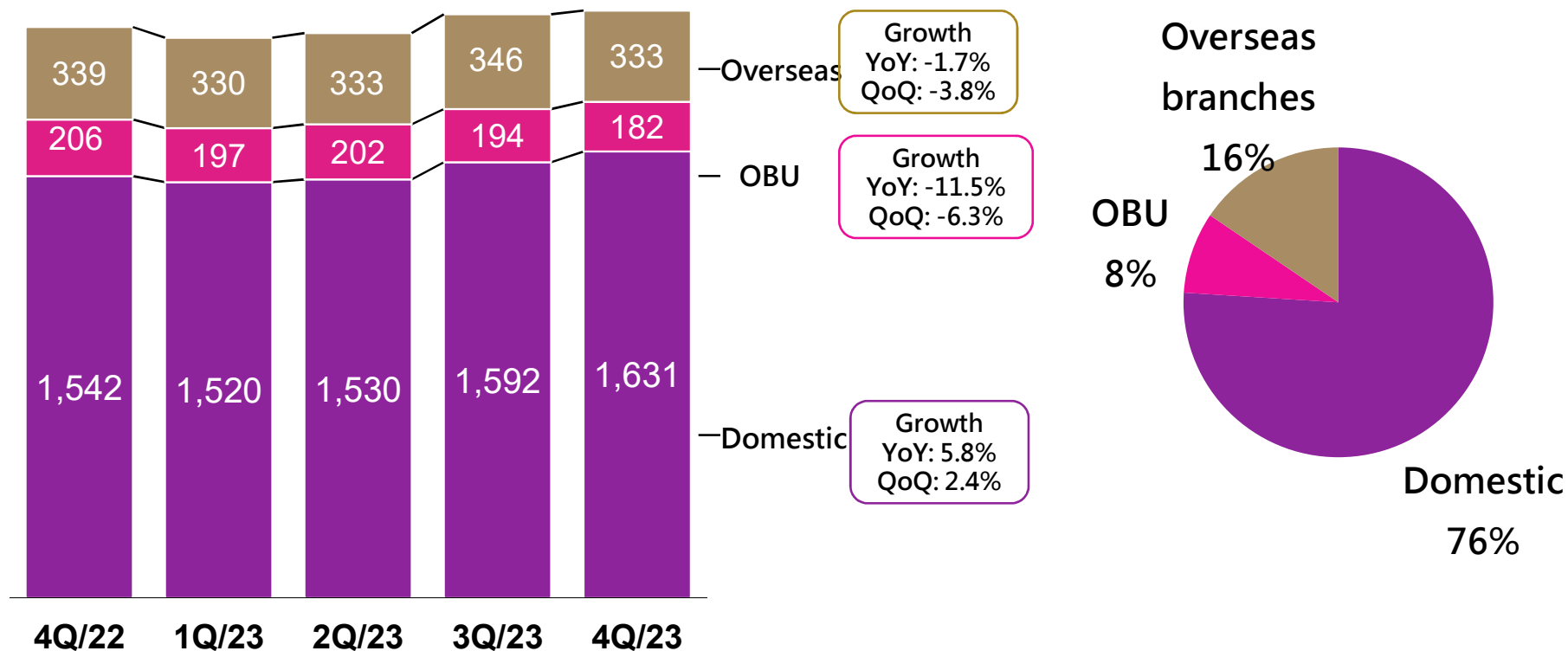
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

4Q/23 domestic loans shown relative strength

Mega Bank 4Q/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.

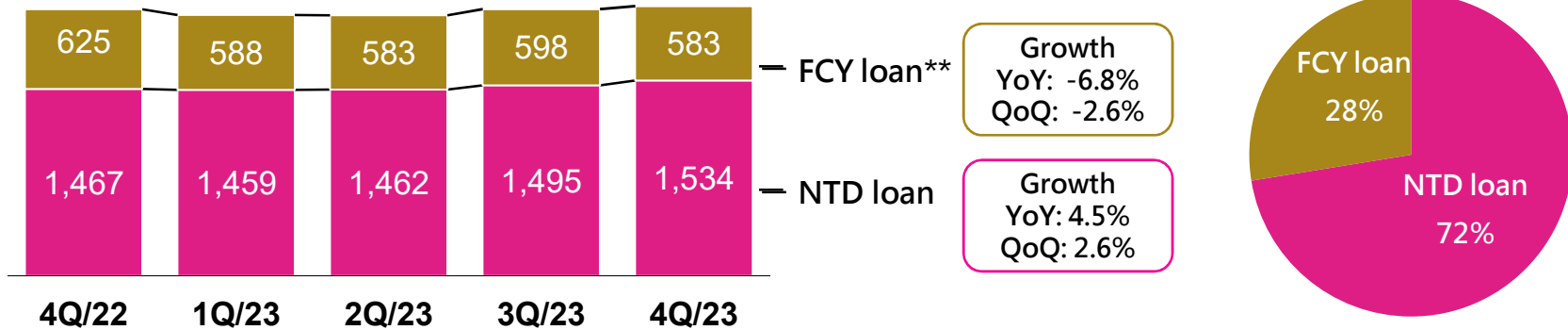
** OBU stands for Off-shore Banking Unit



NTD loan demand remained strong

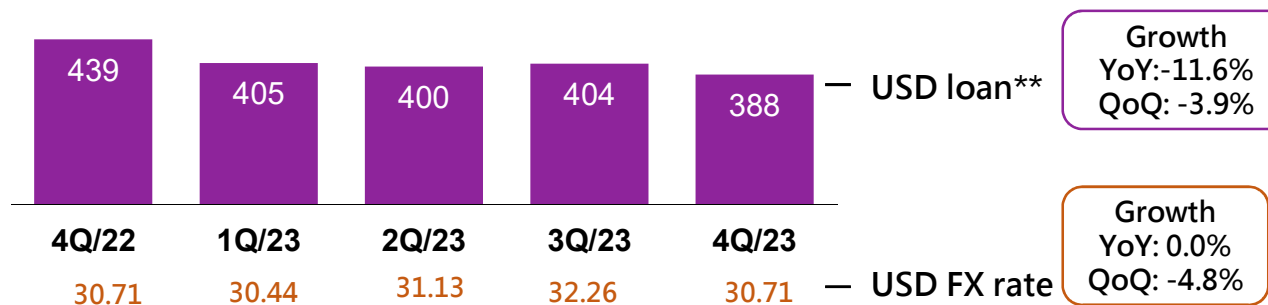
Mega Bank 4Q/23 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$ billion



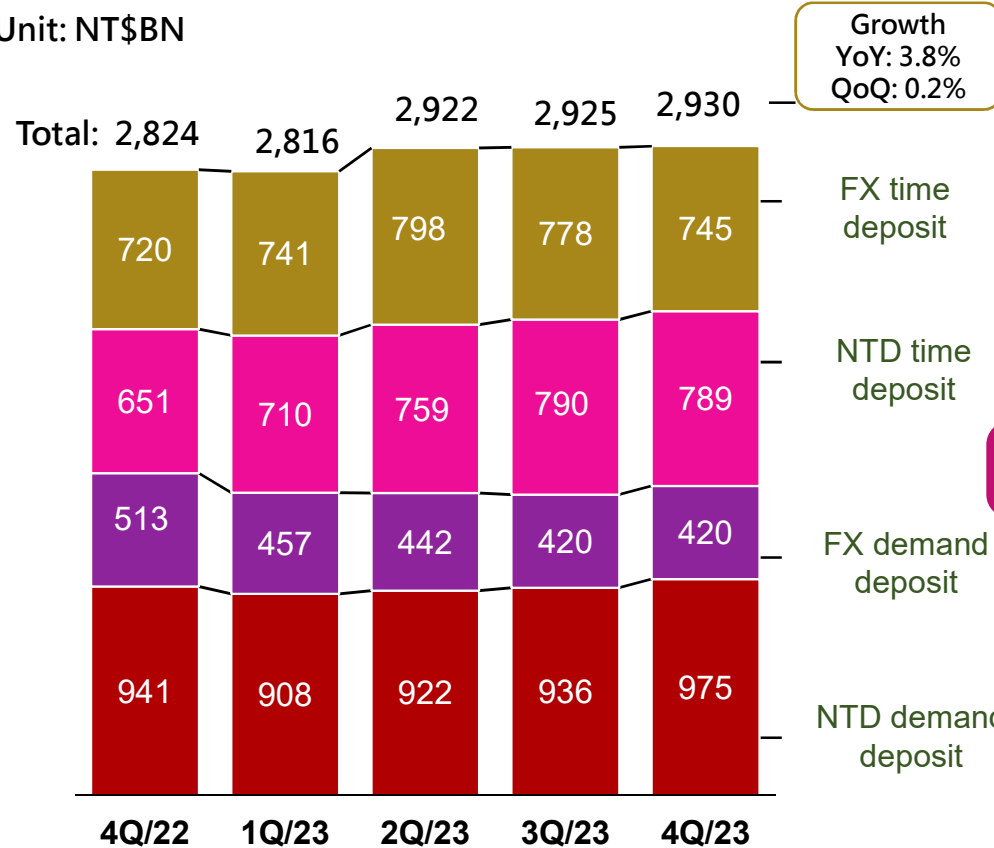
* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

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

FCY deposit growth stabilized

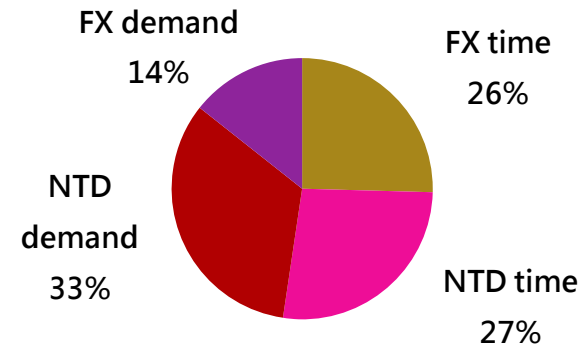
Mega Bank deposit balance *

Unit: NT\$BN

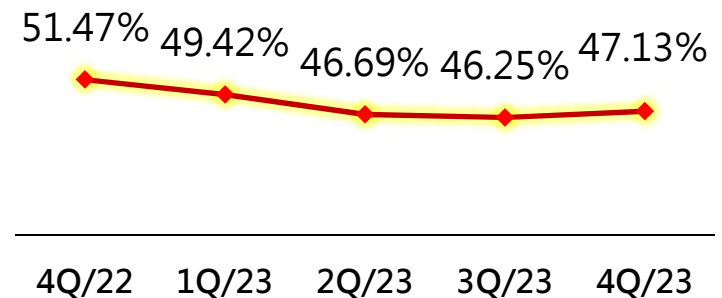


Growth
YoY: 3.8%
QoQ: 0.2%

Mega Bank 4Q/23 deposit breakdown



Mega Bank demand deposit % trend

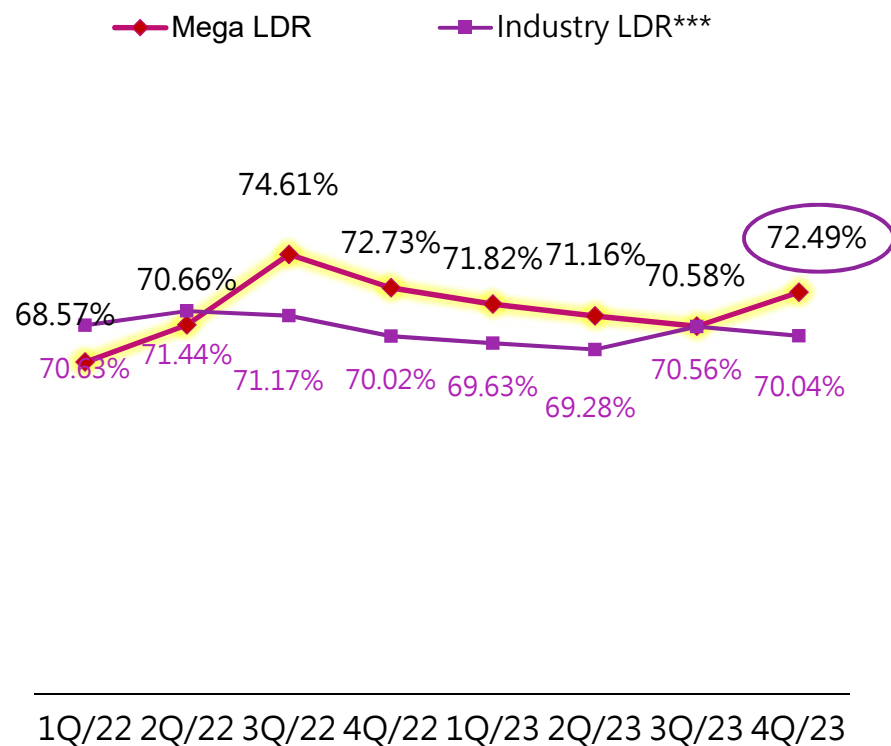


* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

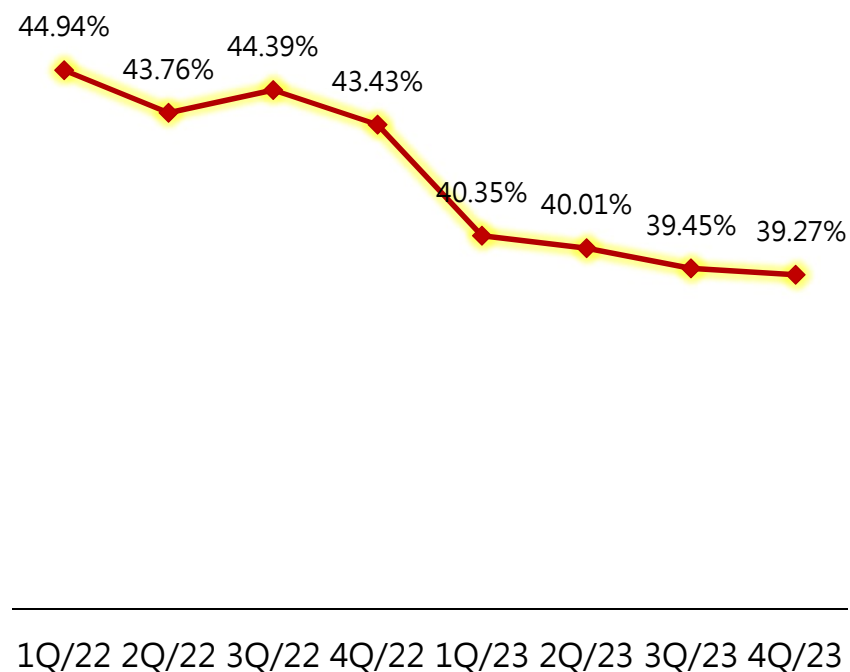
** Includes retail and corporate deposit but excludes due from central banks and banks

Total LDR extended higher

Mega Bank's total LDR*



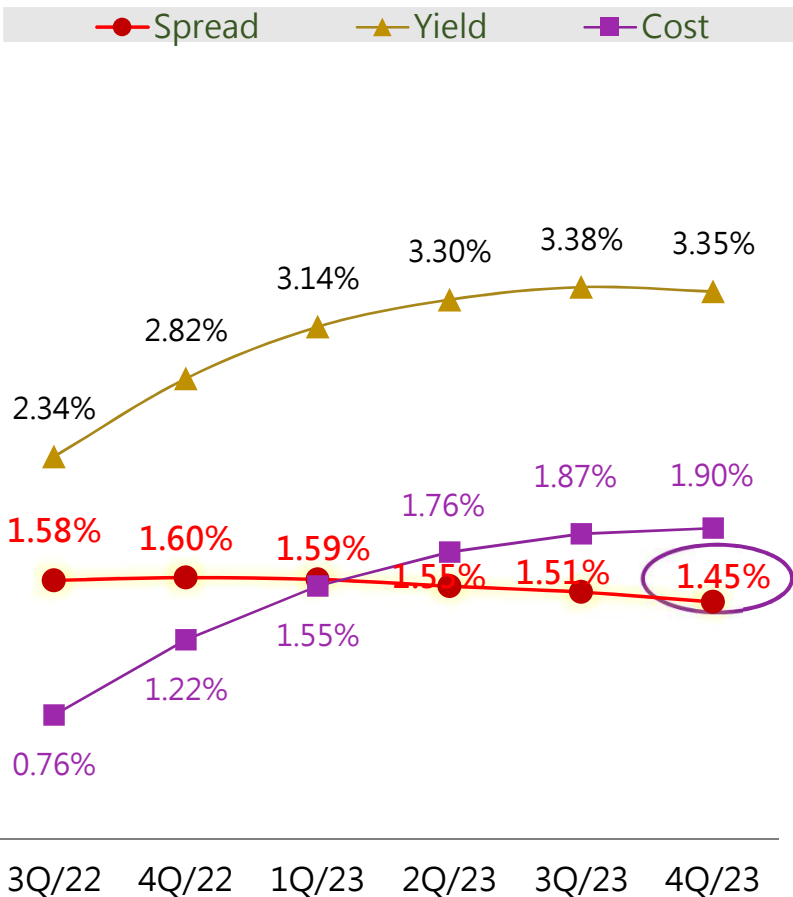
Mega Bank's USD LDR**



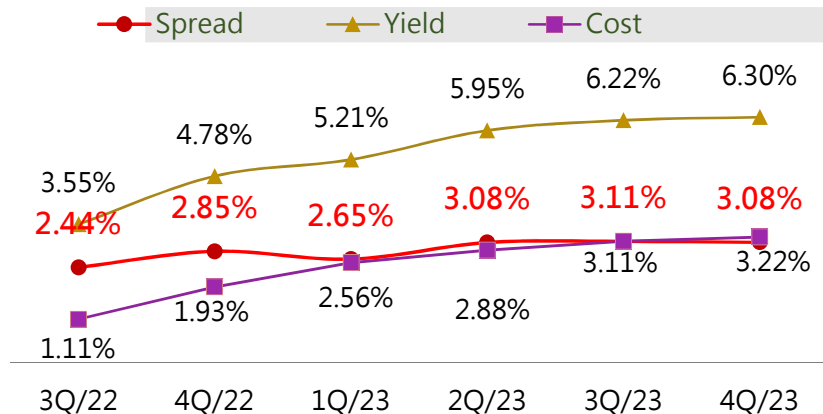
* Total LDR calculation is based on loan/deposit end balance
 ** USD LDR calculation is based on average loan/deposit balance of that quarter
 *** Source: Central Bank of Taiwan

4Q/23 overall interest spread was 1.45%

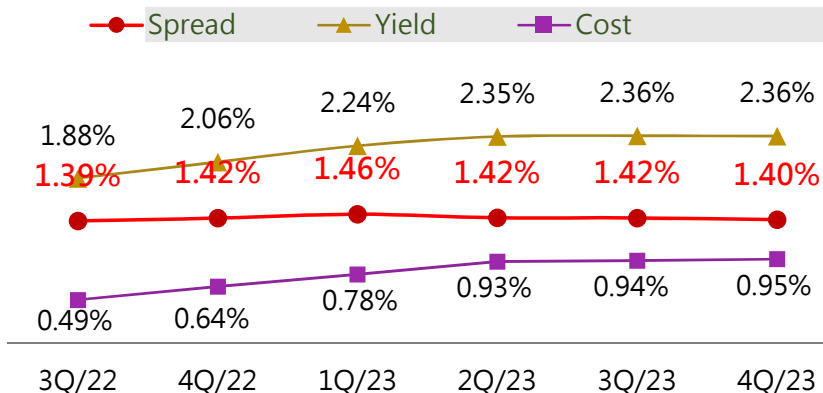
Mega Bank total loan interest spread



Mega Bank overseas loan interest spread*



Mega Bank domestic loan interest spread*



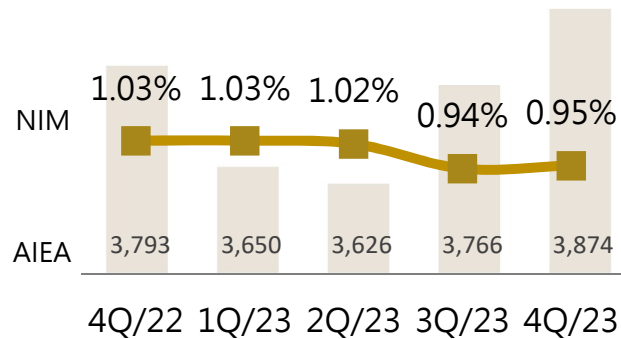
* Overseas loan includes overseas branches and OBU loan; internal numbers.

Overall NIM stabilized; USD NIM bounced back

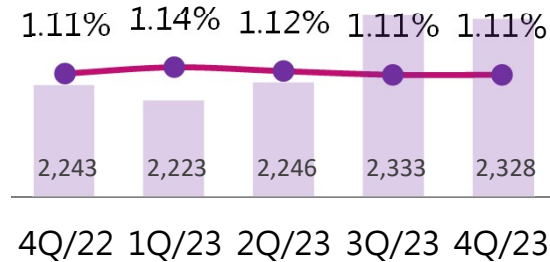
Mega Bank quarter NIM and average interest earning assets*

Unit: NT\$BN / %

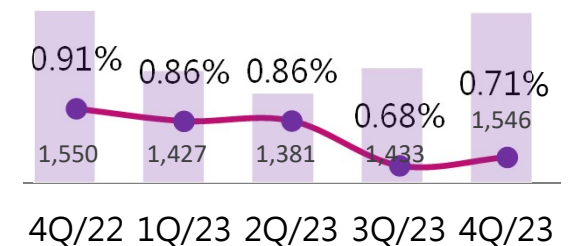
Overall



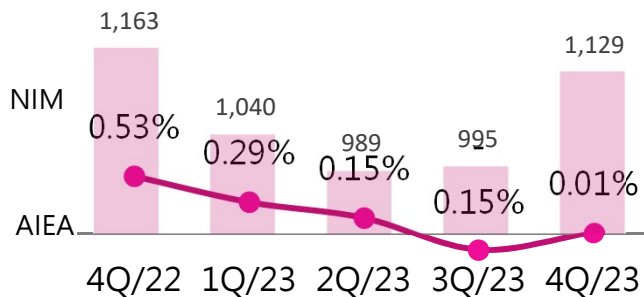
NTD



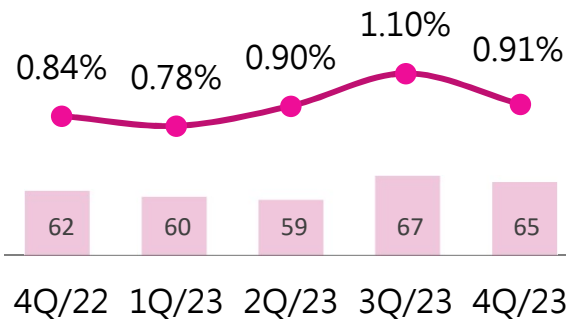
FCY



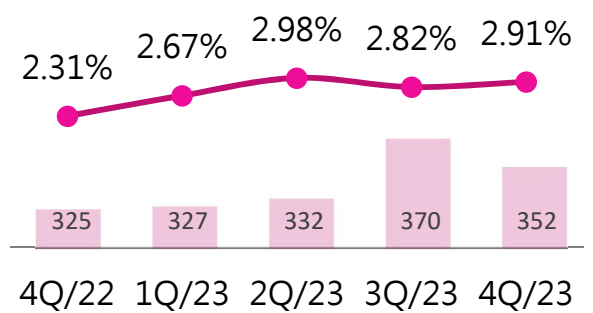
USD



RMB



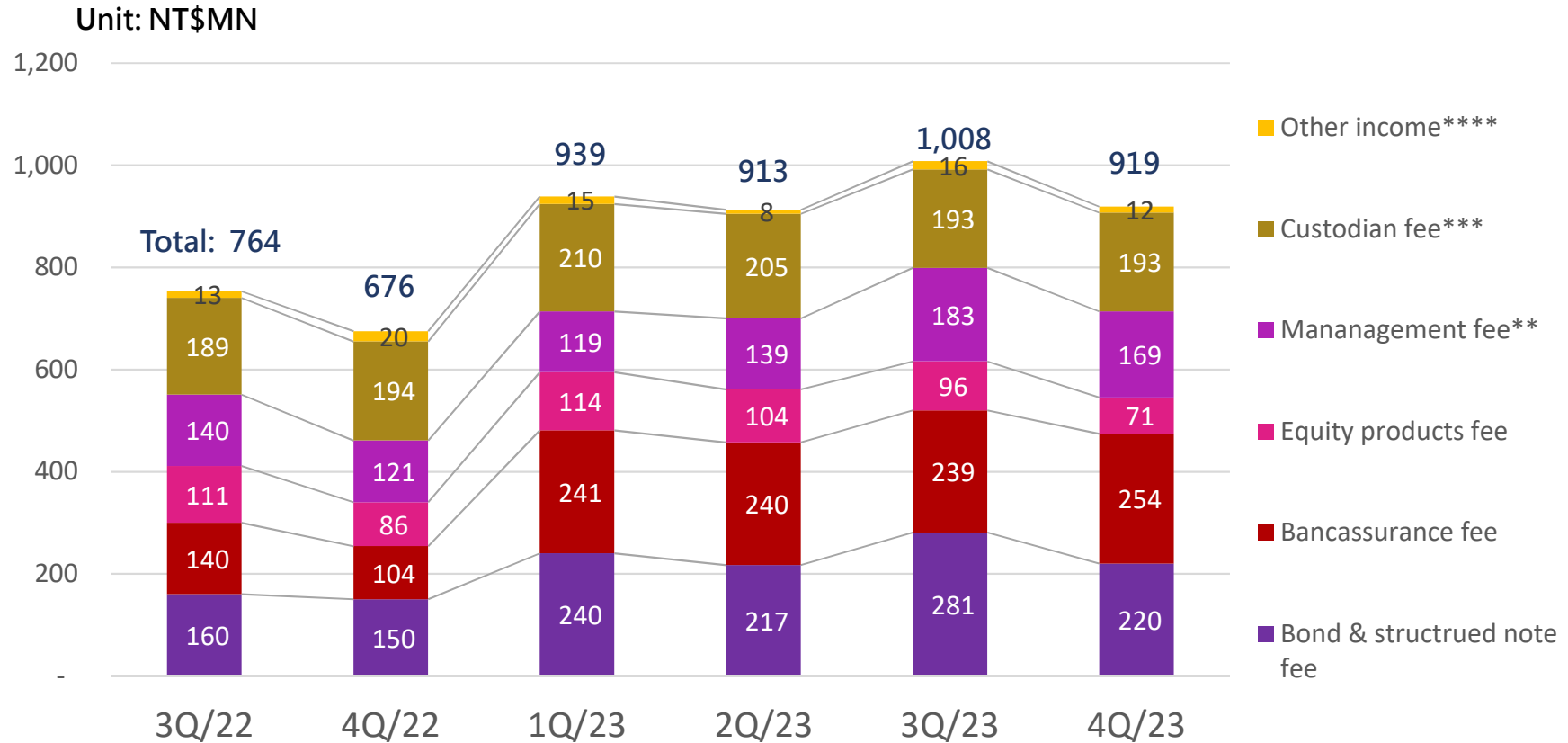
Other FCY



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

WM fee income remained steady

Mega Bank wealth management gross fee breakdown*



* 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.

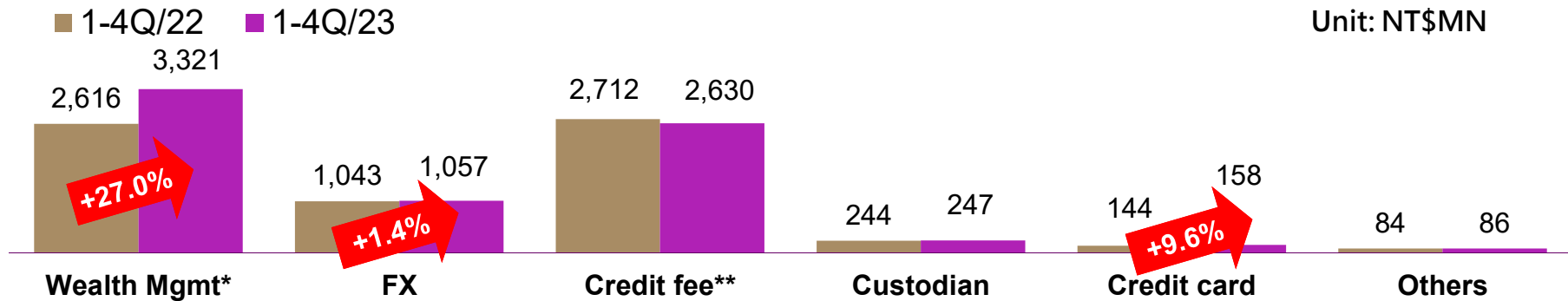
*** Custodian acc. fee associated with WM biz

**** Includes FX spread gain and etc.



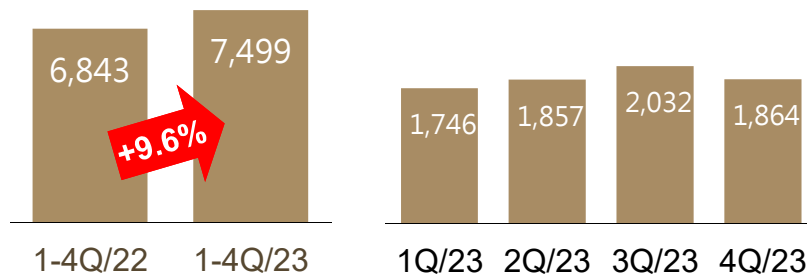
1-4Q/23 bank fee were up 9.6% YoY; driven by WM, FX and credit card fee growth

Mega Bank net fee breakdown

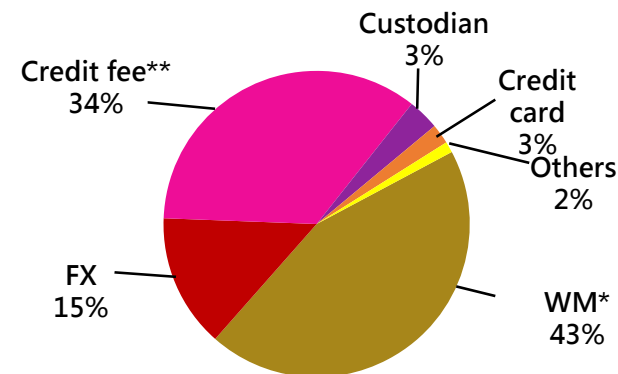


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1-4Q/23 net fee breakdown



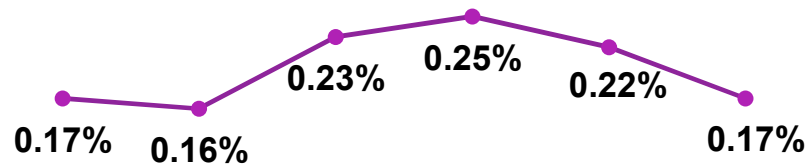
* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

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

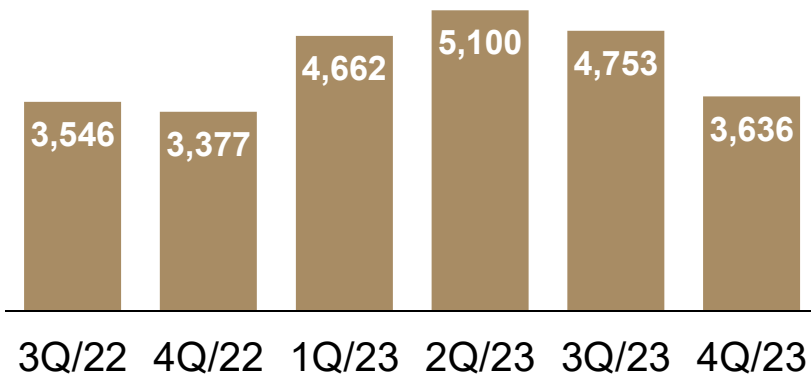
***Total net fees are audited numbers.

NPL ratio was down; coverage was up

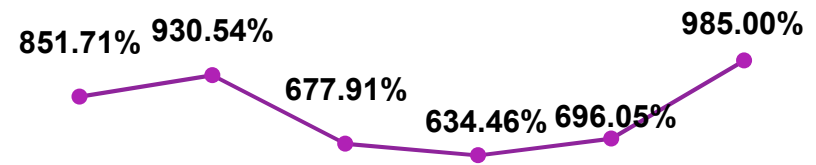
Mega Bank NPL balance & NPL ratio



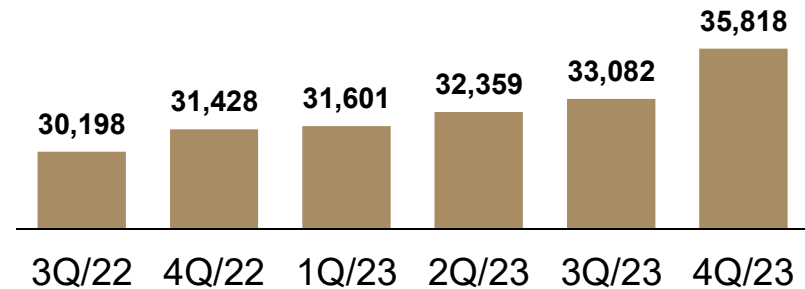
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

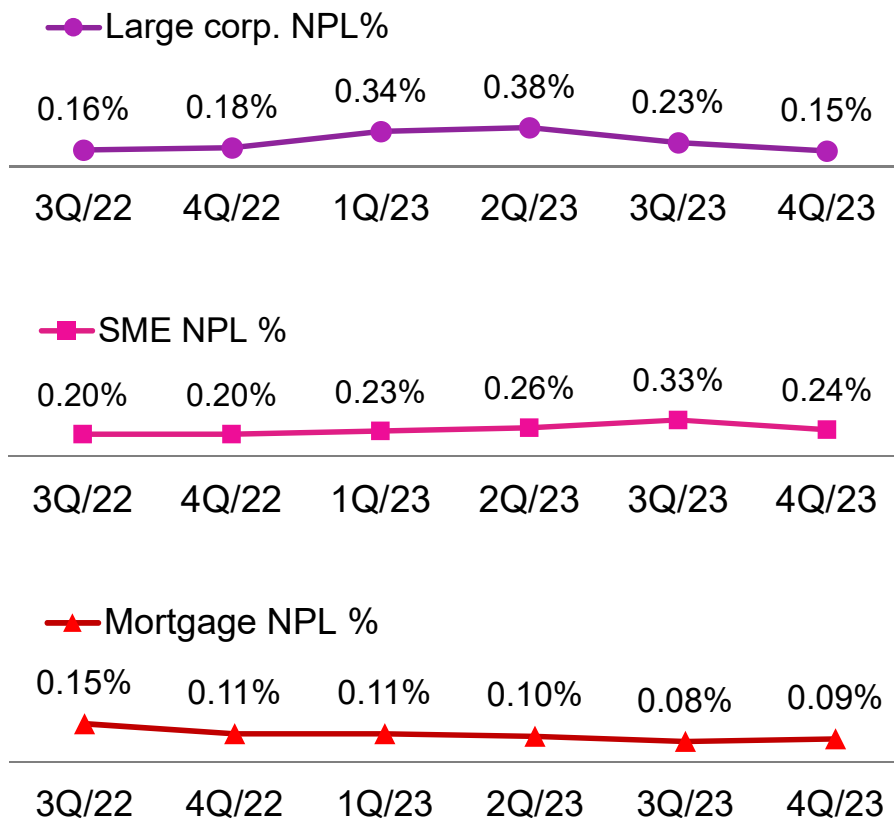


Unit: NT\$MN

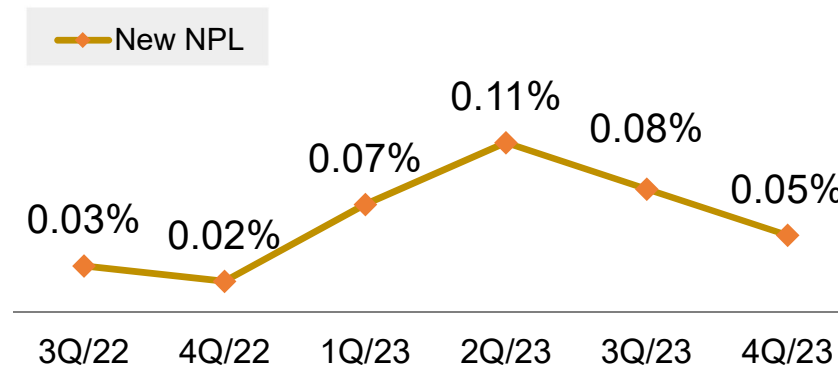


NPL formation was down

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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1-4Q/2023 Mega FHC consolidated P&L statement

<i>Unit: NT\$MN; EPS: NT\$</i>	1-4Q/2023*	1-4Q/2022	YoY
Interest income	117,567,629,937	69,936,166,969	68%
Less: interest expense	81,506,052,522	32,253,072,922	153%
Net interest revenue	36,061,577,415	37,683,094,047	-4%
Net revenue other than interest	41,260,343,384	18,366,558,873	125%
Net fee and commissions	11,363,741,659	10,335,498,626	10%
Net insurance revenue	(644,881,902)	(5,811,266,062)	-
Gain on financial assets and liabilities at fair value thru P&L	24,070,386,603	6,121,167,191	293%
Gain on investment property	22,370,388	21,377,595	5%
Realized gain on financial assets at fair value thru OCI	2,735,587,841	3,563,994,694	-23%
Gain/loss arising from derecognition of fin. assets measured at AC	2,444	(38,866,781)	-
Equity method profit/loss	(78,453,628)	(127,281,890)	-38%
Foreign exchange gains	2,529,540,360	2,789,496,357	-9%
Reversal of loss on assets	(80,538,201)	139,864,977	-
Gain on reclassification under the overlay approach	1,947,386	5,502,018	-65%
Net other revenue other than interest income	1,340,640,434	1,367,072,148	-2%
Net revenue	77,321,920,799	56,049,652,920	38%
Bad debts expense, guarantee provision	9,114,959,994	2,876,571,268	217%
Net change in provisions for insurance liabilities	(2,339,212,304)	2,357,830,345	-
Operating expenses	33,498,208,179	29,670,950,015	13%
Profit from continuing operations before tax	37,047,964,930	21,144,301,292	75%
Income tax expense	(3,800,987,657)	(2,809,342,854)	35%
Profit	33,246,977,273	18,334,958,438	81%
EPS	2.37	1.32	79%

* 1-4Q /23 are audited numbers

1-4Q/2023 Mega FHC consolidated balance sheet

Unit: NT\$MN	1-4Q/2023*	1-4Q/2022	YoY
Cash and cash equivalents, net	139,031,497,862	113,662,305,786	22%
Due from central bank and interbank assets	552,414,511,136	416,665,722,770	33%
Financial assets at fair value thru P&L	228,463,860,226	204,901,888,918	11%
Financial assets at fair value thru OCI	557,265,509,316	524,826,589,554	6%
Investments in debts at amortized cost	616,356,586,984	565,528,607,312	9%
REPO securities	5,444,958,998	618,306,160	781%
Receivables	92,724,480,339	86,258,655,974	7%
Current tax assets	15,357,338	329,711,938	-95%
Held for sale assets	-	12,379,896	-
Loans	2,133,342,010,827	2,079,441,292,388	3%
Other assets	69,706,419,766	68,741,886,204	1%
Total Assets	4,394,765,192,792	4,060,987,346,900	8%
Deposits from central bank and banks	634,098,237,238	417,271,578,560	52%
Due to central bank and banks	2,870,805,161	3,250,380,253	-12%
Financial liabilities at fair value thru P&L	25,587,296,090	21,447,467,468	19%
Securities sold under repurchase agreements	282,478,904,677	252,342,652,952	12%
Commercial paper issued	40,385,793,324	22,637,681,452	78%
Payable	97,890,226,089	73,475,047,501	33%
Current tax liabilities	10,532,725,172	10,752,027,941	-2%
Deposits and remittances	2,853,818,393,481	2,847,366,547,372	0%
Bond payable	30,500,000,000	20,000,000,000	53%
Other liabilities	80,791,723,594	92,634,509,916	-13%
Total Liabilities	4,058,954,104,826	3,761,177,893,415	8%
Common stock	141,904,775,527	139,398,195,820	2%
Capital surplus	68,502,383,662	68,194,233,375	0%
Retain earnings	122,260,989,433	107,542,619,834	14%
Other equity interest	3,142,939,344	(15,325,595,544)	-
Total Equity	335,811,087,966	299,809,453,485	12%

1-4Q/2023 Mega Bank consolidated P&L statement

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

	1-4Q/2023*	1-4Q/2022	YoY
Interest income	113,882,667,117	67,164,223,418	70%
Less: interest expense	76,422,960,649	30,306,775,006	152%
Net interest revenue	37,459,706,468	36,857,448,412	2%
Net revenue other than interest	31,803,974,479	17,127,418,008	86%
Net fee and commissions	7,499,494,019	6,842,716,835	10%
Gain on financial assets and liabilities at fair value thru P&L	19,545,512,755	4,828,579,710	305%
Realized gain on financial assets at fair value thru OCI	1,929,565,595	2,344,156,255	-18%
Gain/loss arising from derecognition of fin. assets measured at AC	2,444	(38,866,781)	-
Equity method profit/loss	(81,084,648)	(131,987,815)	-39%
Foreign exchange gains	2,542,876,821	2,671,954,456	-5%
Reversal of loss on assets	(66,689,990)	127,812,573	-
Net other revenue other than interest income	434,297,483	483,052,775	-10%
Net revenue	69,263,680,947	53,984,866,420	28%
Bad debts expense, guarantee provision	6,742,483,061	3,100,135,869	117%
Operating expenses	27,070,378,400	24,083,514,416	12%
Profit from continuing operations before tax	35,450,819,486	26,801,216,135	32%
Income tax expense	(4,426,225,605)	(2,619,781,578)	69%
Profit	31,024,593,881	24,181,434,557	28%

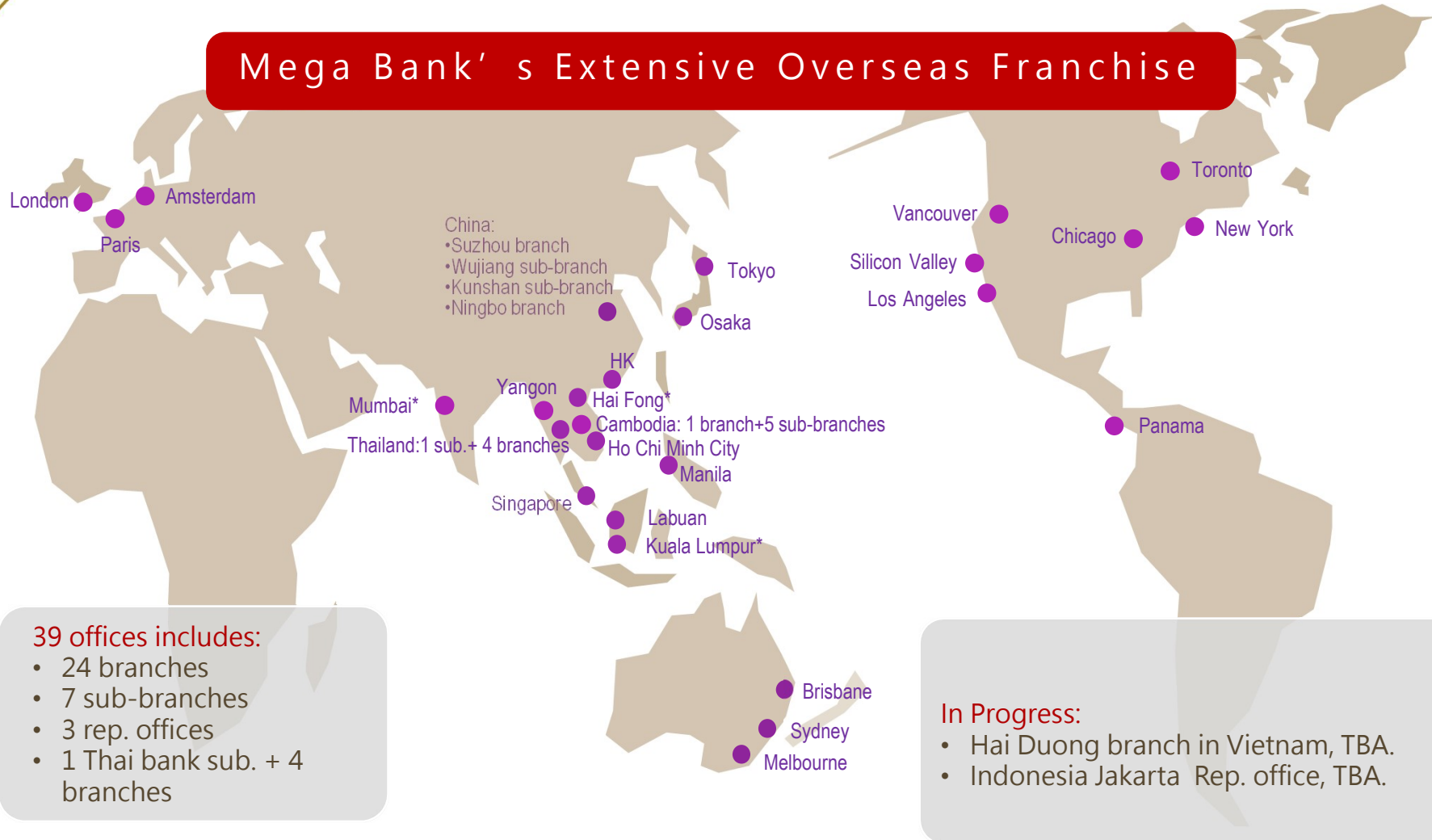
* 1-4Q /2023 are audited numbers

1-4Q/2023 Mega Bank consolidated balance sheet

Unit: NT\$MN	1-4Q/2023*	1-4Q/2022	YoY
Cash and cash equivalents, net	133,879,647,242	109,395,867,986	22%
Due from central bank and interbank assets	554,414,511,136	416,665,722,770	33%
Financial assets at fair value thru P&L	56,784,719,143	56,560,187,630	0%
Financial assets at fair value thru OCI	407,864,306,272	404,518,469,252	1%
Investments in debts at amortized cost	611,637,901,544	560,759,936,424	9%
REPO securities	11,317,300,606	1,221,779,896	826%
Receivables	39,813,113,335	45,401,972,157	-12%
Current tax assets	1,129,941	5,019,464	-77%
Loans	2,133,342,010,827	2,079,441,292,388	3%
Other assets	39,263,186,198	34,617,462,060	13%
Total Assets	3,988,317,826,244	3,708,587,710,027	8%
Deposits from central bank and banks	616,869,181,238	409,289,256,060	51%
Due to central bank and banks	2,870,805,161	3,250,380,253	-12%
Financial liabilities at fair value thru P&L	24,715,664,852	21,031,585,478	18%
Securities sold under repurchase agreements	39,912,828,047	34,830,460,863	15%
Payable	43,478,914,684	29,046,186,657	50%
Current tax liabilities	8,960,131,330	9,405,200,685	-5%
Deposits and remittances	2,857,119,005,209	2,849,503,485,714	0%
Bond payable	15,500,000,000	15,000,000,000	3%
Other liabilities	47,671,729,696	47,274,615,012	1%
Total Liabilities	3,657,098,260,217	3,418,631,170,722	7%
Common stock	85,362,336,310	85,362,336,310	0%
Capital surplus	62,437,396,348	62,219,539,564	0%
Retain earnings	182,386,109,769	156,356,954,970	17%
Other equity interest	1,033,723,600	(13,982,291,539)	-
Total Equity	331,219,566,027	289,956,539,305	14%

39 offices in 18 countries/areas; 22 offices in "New South Bond Area"

Mega Bank's Extensive Overseas Franchise



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

Thank you~

Q & A