

1Q/2024 Analyst Meeting

2024/05/29



DISCLAIMER

- This document is provided by Mega Financial Holding Co., Ltd. (the "Company"). Except for the numbers and information included in the Company's financial statements, the information contained in this document has not been audited or reviewed by any accountant or independent expert. The Company makes no express or implied representations or warranties as to the fairness, accuracy, completeness, or correctness of such information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. The Company, its affiliates and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.
- This document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that the Company expects or anticipates to take place in the future based on the projections of the Company toward the future, and various factors and uncertainty beyond the Company's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements.
- This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer.
- This document may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.





Table of Contents



- 1** Overview and Strategic Focus
- 2** Financial Performance
- 3** Operating Performance
- 4** Appendix



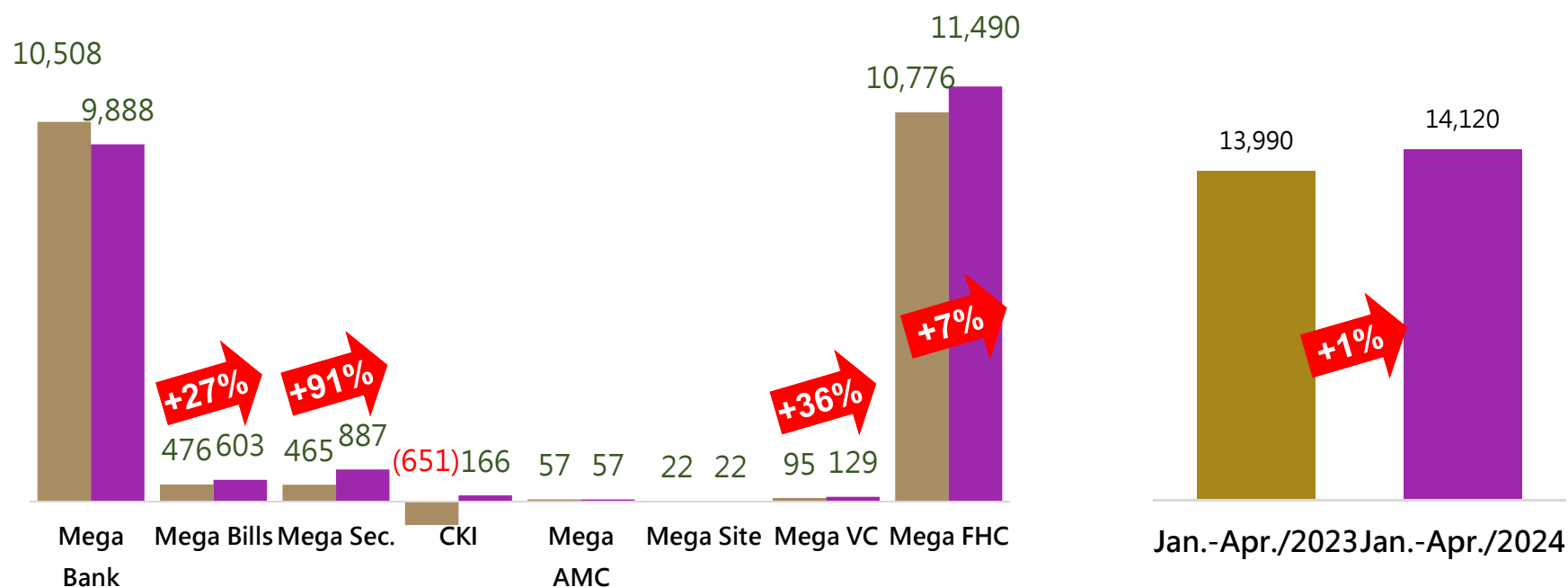
Mega FHC 1Q/24 earning were up 7% YoY

Mega FHC & Subs. 1Q/24 earning trend

Mega FHC Jan.-April/24 earning trend

Unit: NT\$MN

■ 1Q/2023 ■ 1Q/2024*



* 1Q / 24 are audited numbers



兆豐金控 Mega Holdings

Mega 4 core strategies

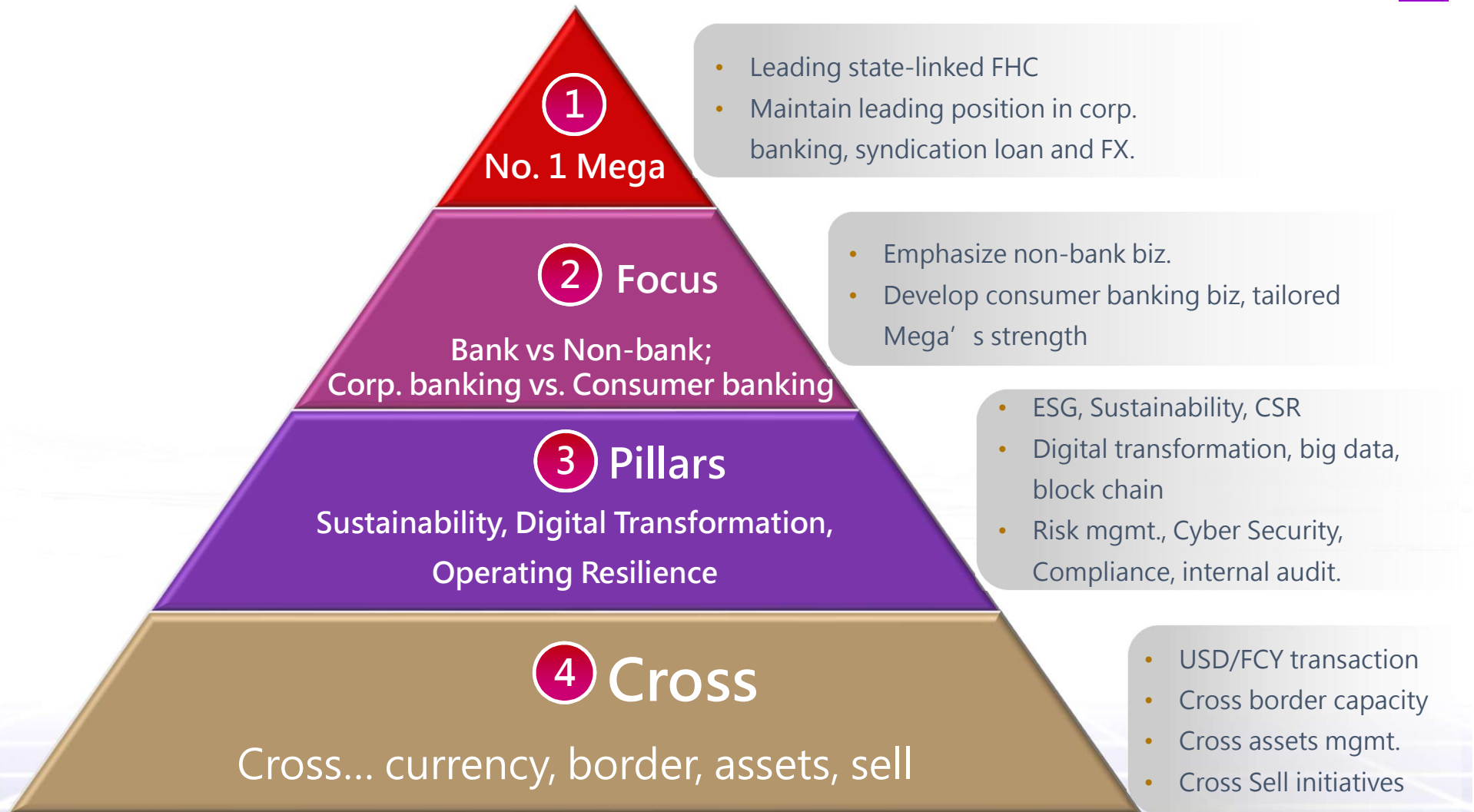




Table of Contents

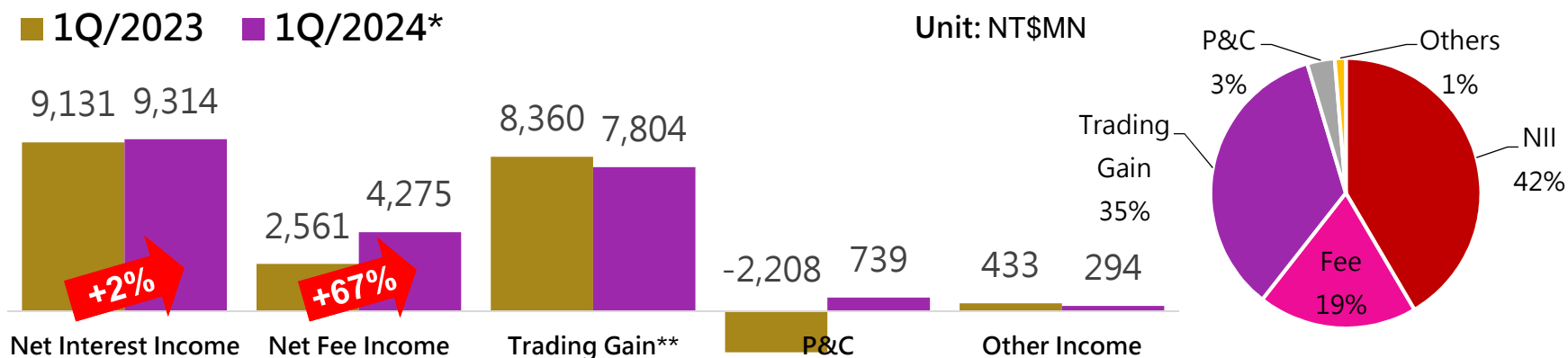


- 1 Overview and Strategic Focus
- 2 Financial Performance
- 3 Operating Performance
- 4 Appendix

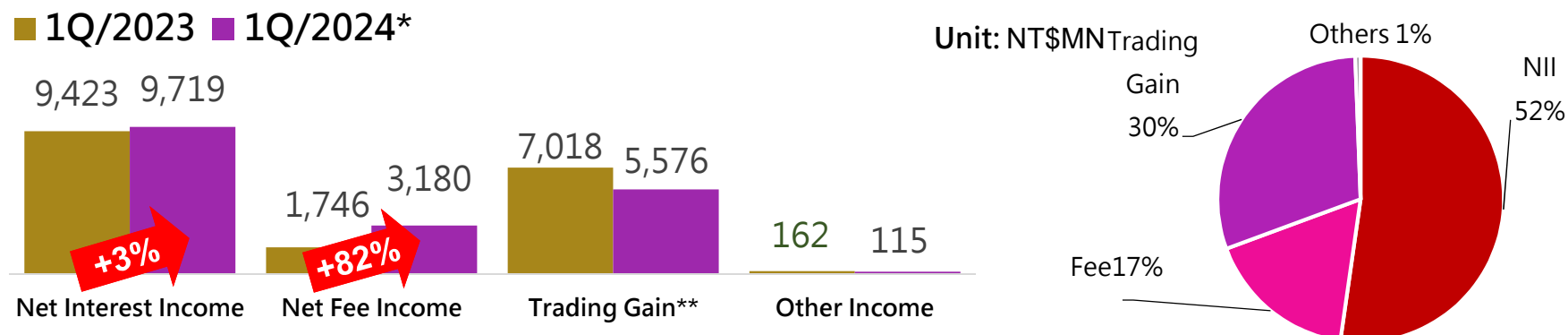


1Q/24 bank NII rose 3% YoY; Fee income bounced up 82% YoY

Mega FHC 1Q/24 net revenue breakdown*



Mega Bank 1Q/24 net revenue breakdown*

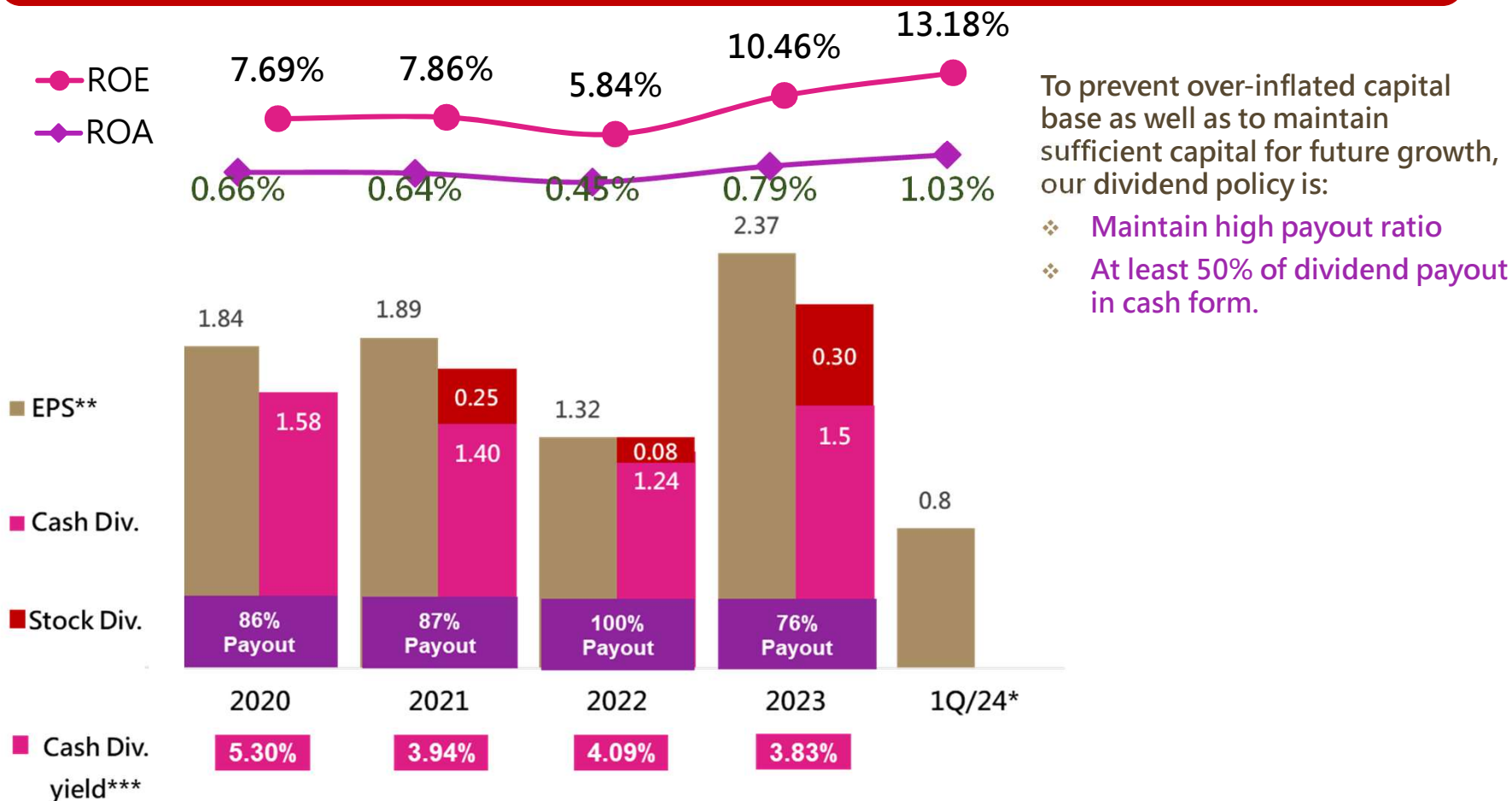


* 1Q / 24 are audited numbers



2023 EPS and dividend payout rate reached record high

Major earning matrixes



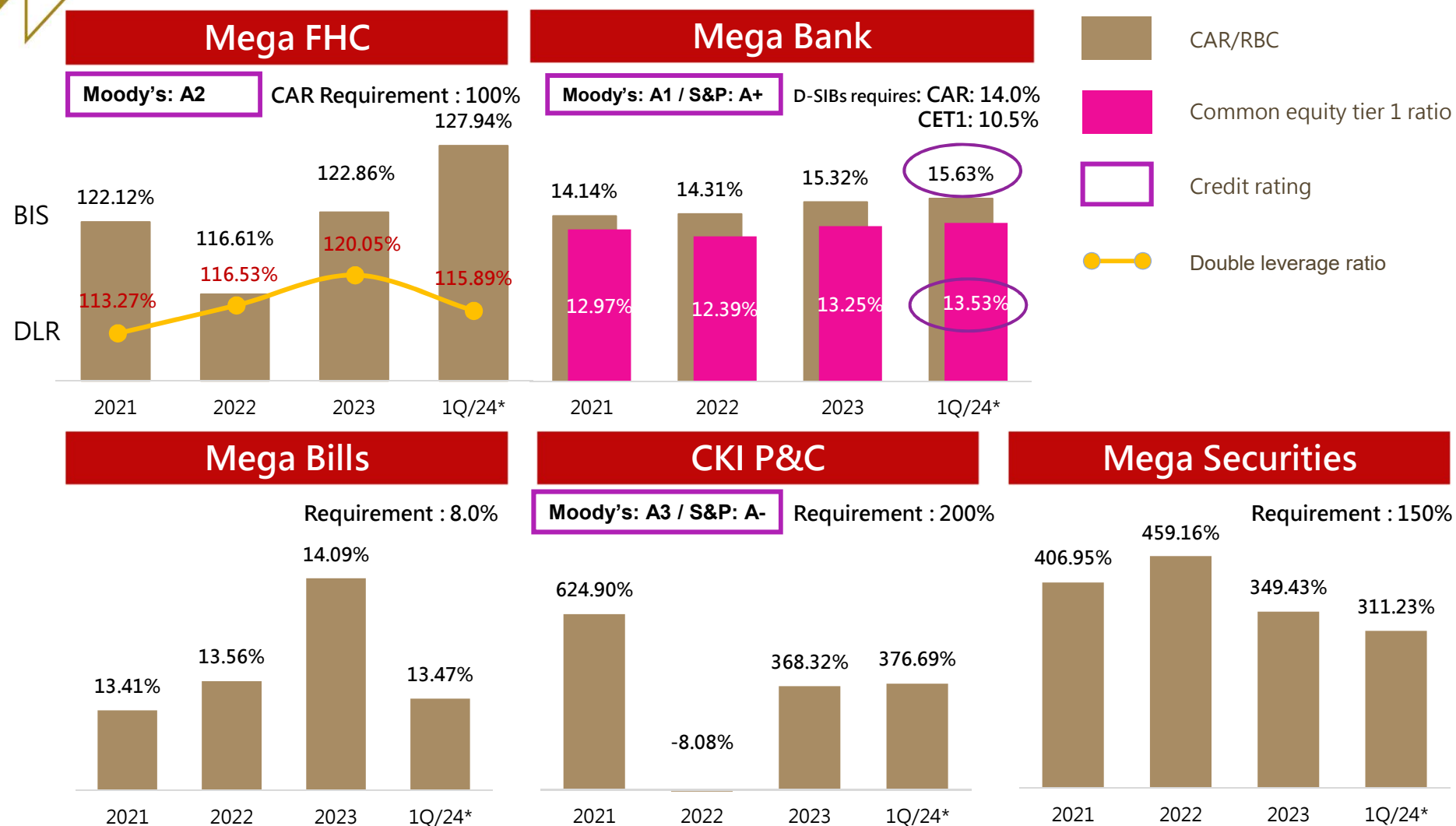
* 1Q/24 are audited numbers; ROE and ROA are annualized numbers.

** 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



*1Q/24 are audited numbers





Table of Contents

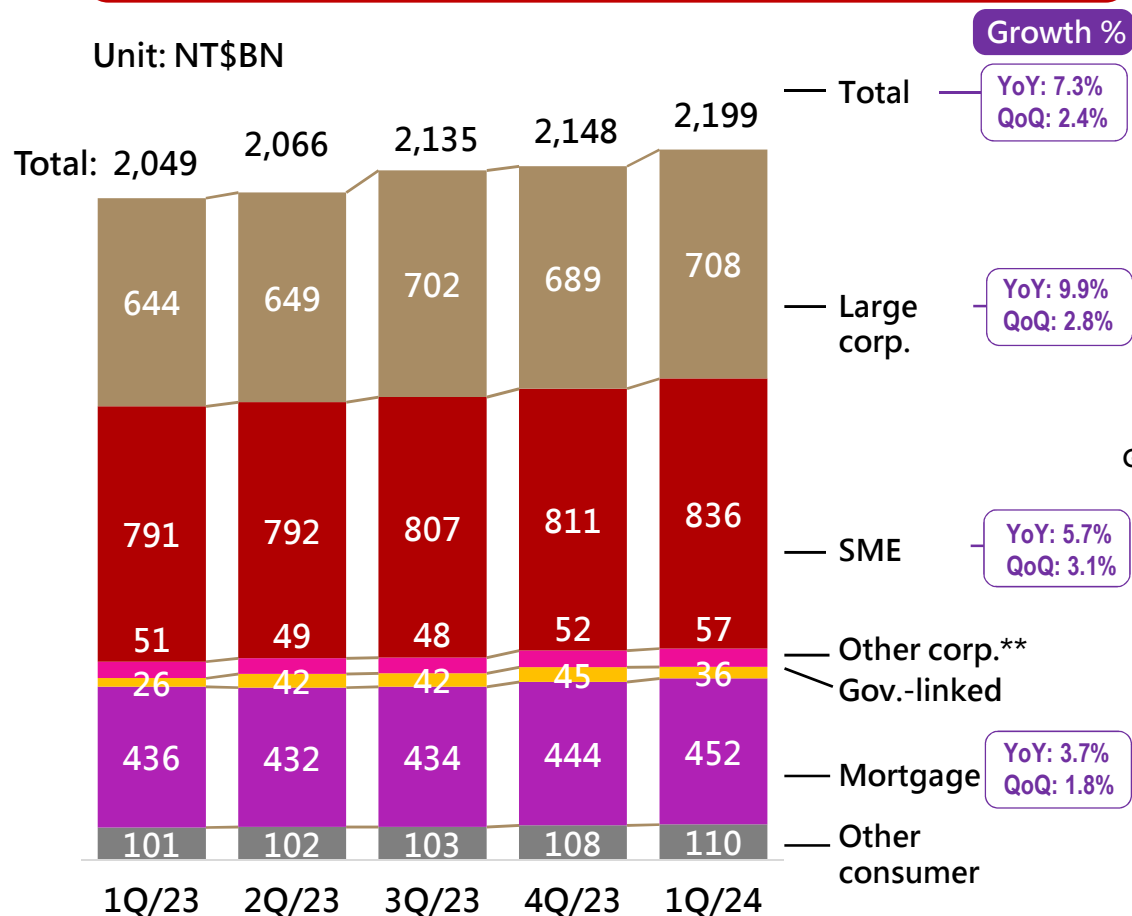
- 1 Overview and Strategic Focus
- 2 Financial Performance
- 3 Operating Performance
- 4 Appendix



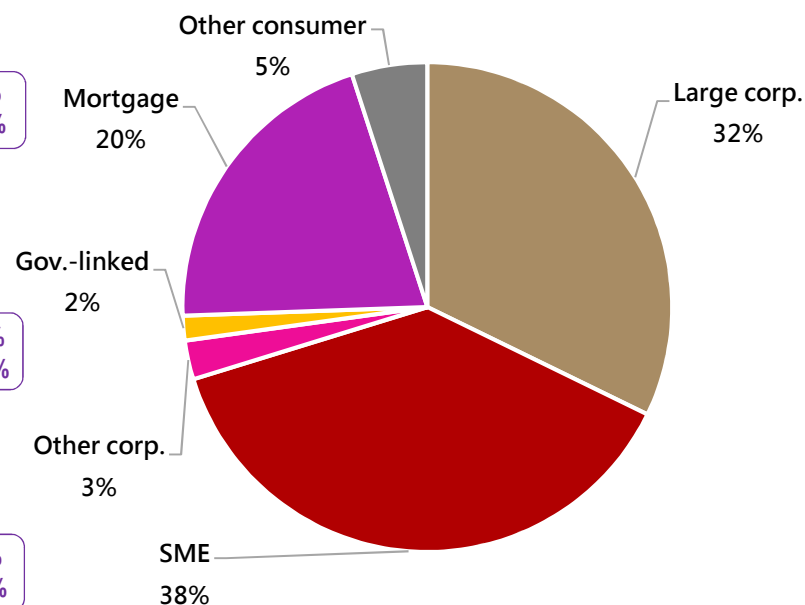
1Q/24 total loan were up 7.3% YoY, driven by large corp., SME and mortgage loan growth

Mega Bank quarterly loan balance*

Unit: NT\$BN



Mega Bank 1Q/24 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.

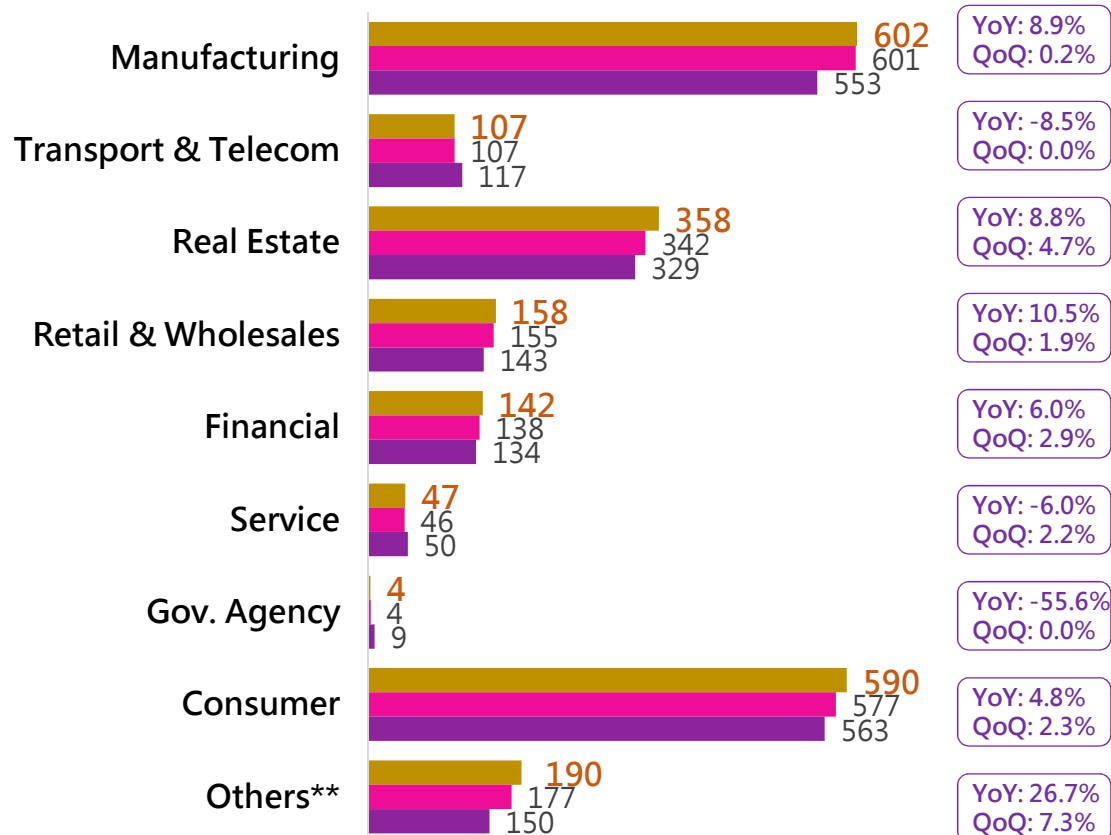
** Includes Gov-linked Non-Profit Organization and etc.



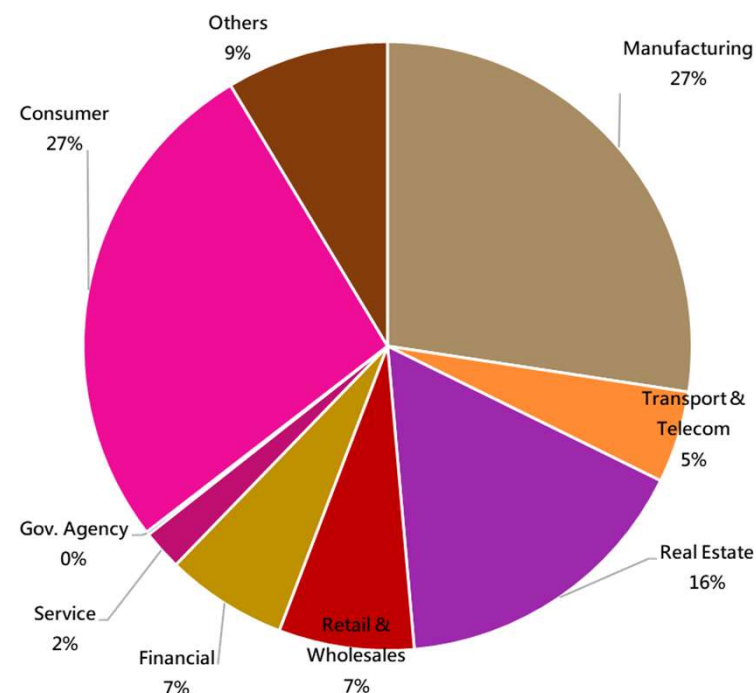
1Q/24 real estate loans were up 4.7% QoQ; while financial loans were up 2.9% QoQ

Mega Bank loan balance trend by industry*

Unit: NT\$BN ■ 1Q/24 ■ 4Q/23 ■ 1Q/23



1Q/24 loan breakdown by industry*



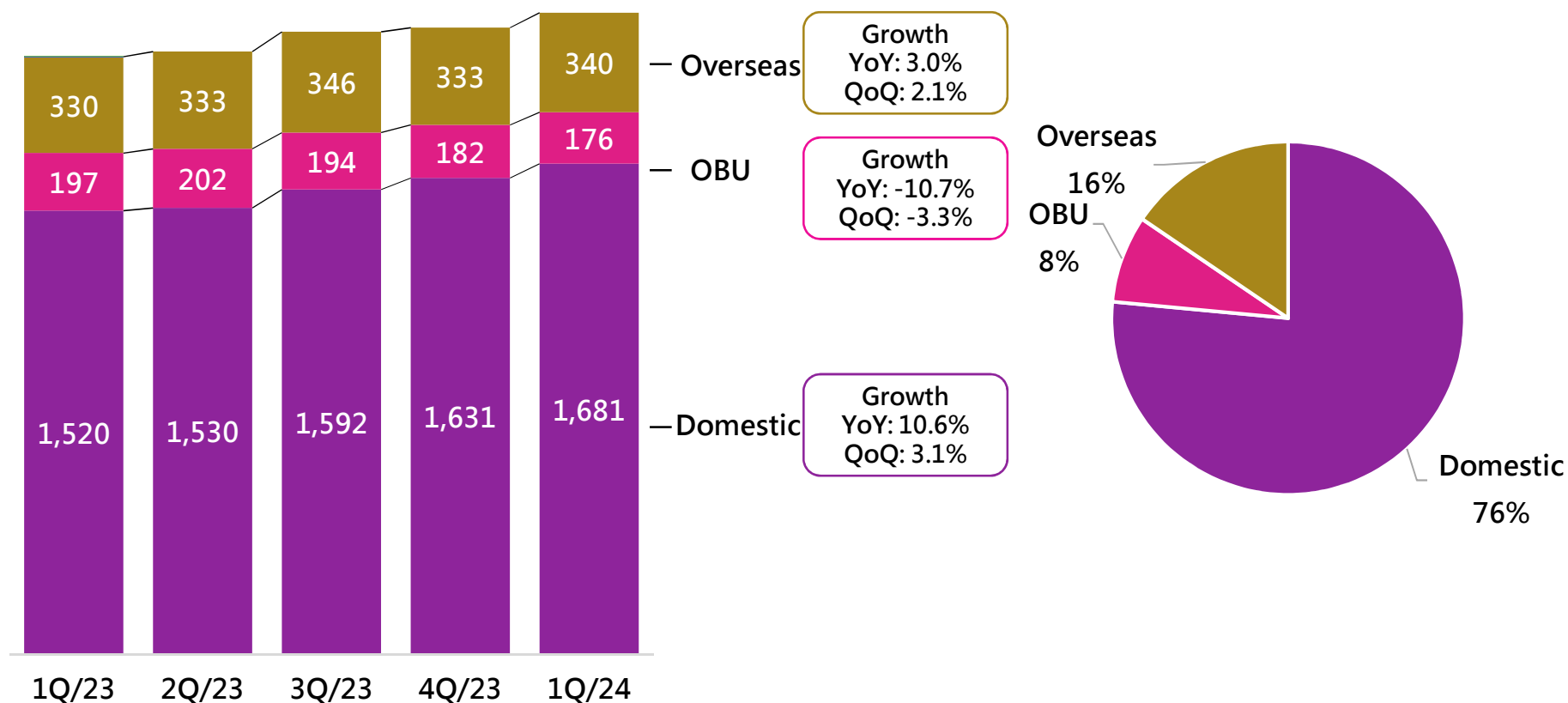
* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

1Q/24 overseas loans grew 2.1% QoQ;
while domestic loans rose 3.1% QoQ

Mega Bank 1Q/24 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.

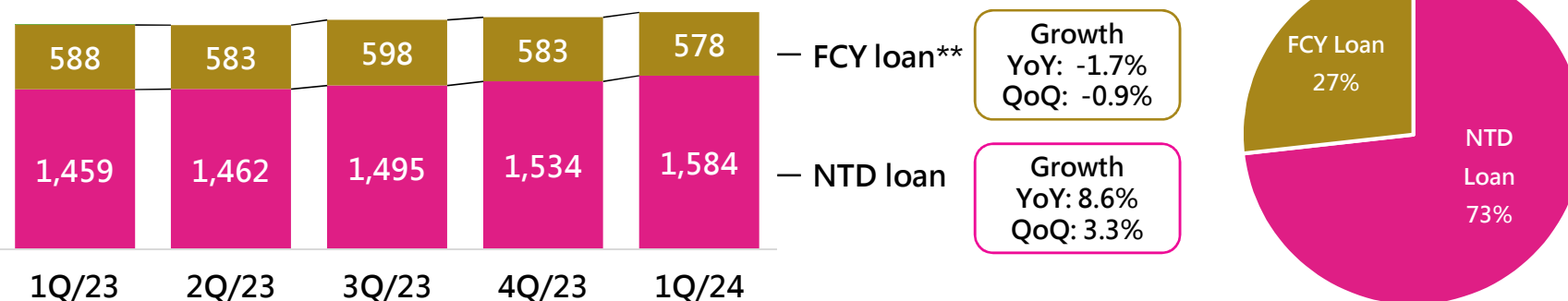
** OBU stands for Off-shore Banking Unit



NTD loan surged 3.3% QoQ

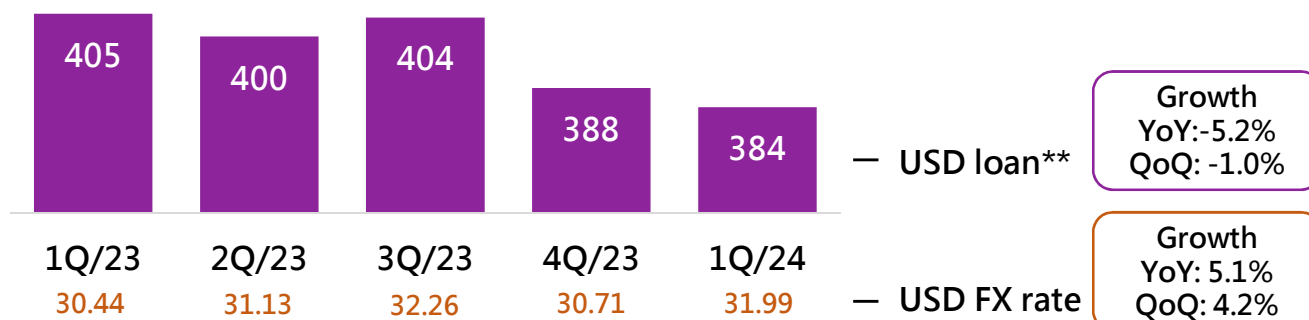
Mega Bank 1Q/24 loan breakdown by currency: NTD vs. foreign currency loan *

Unit: NT\$BN



Mega Bank USD Loan balance*

Unit: NT\$BN



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

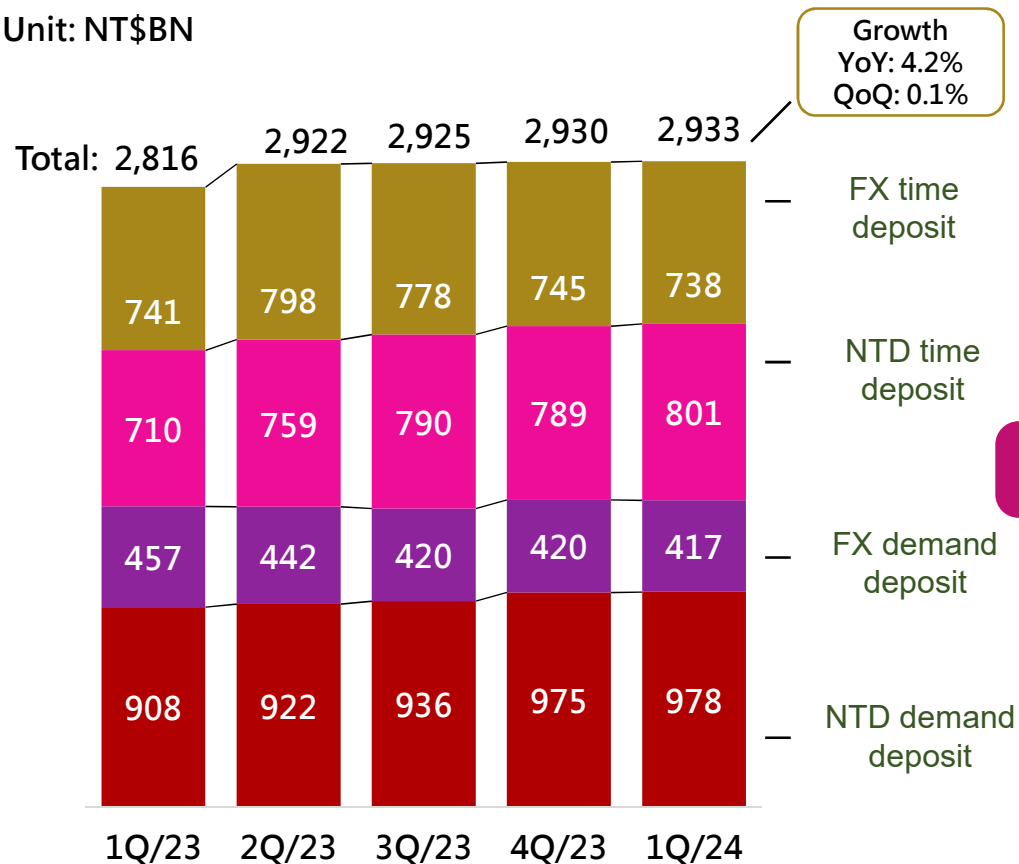
** Foreign currency and USD loans include OBU, overseas branched and some domestic branched loans.



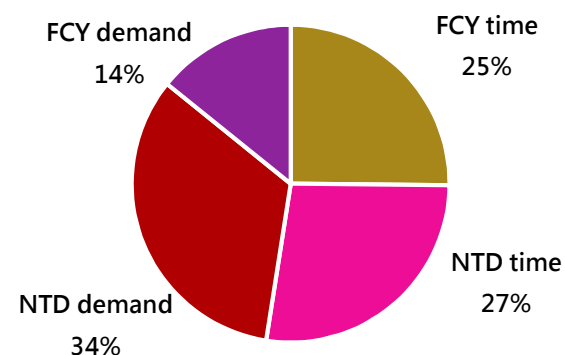
FCY time deposit slightly decreased; while NTD demand deposit went up

Mega Bank deposit balance *

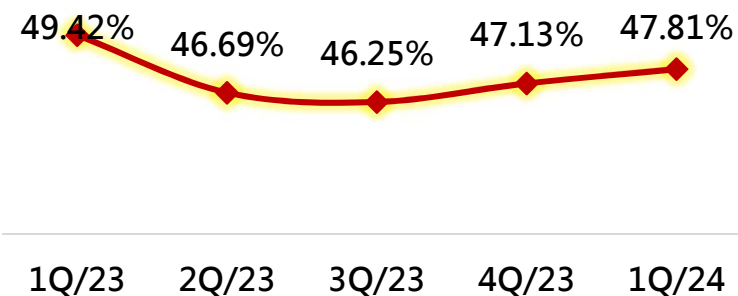
Unit: NT\$BN



Mega Bank 1Q/24 deposit breakdown



Mega Bank demand deposit % trend



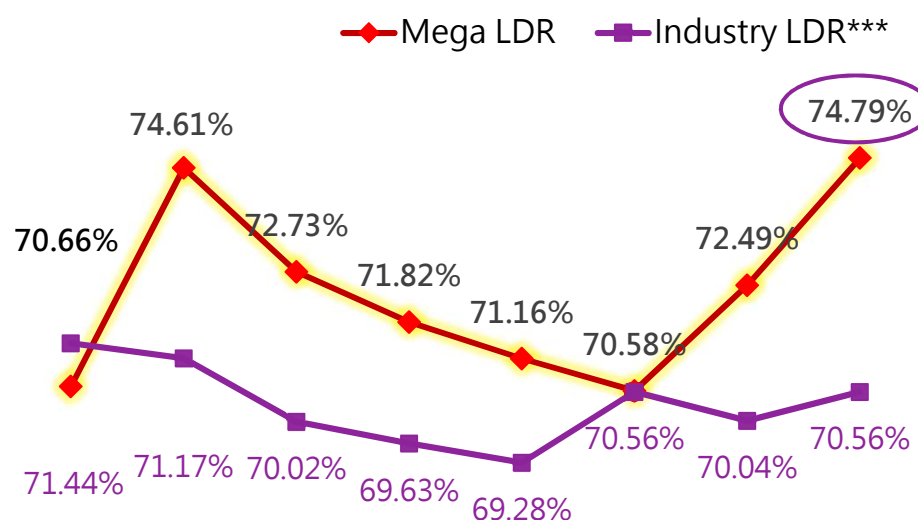
* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

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



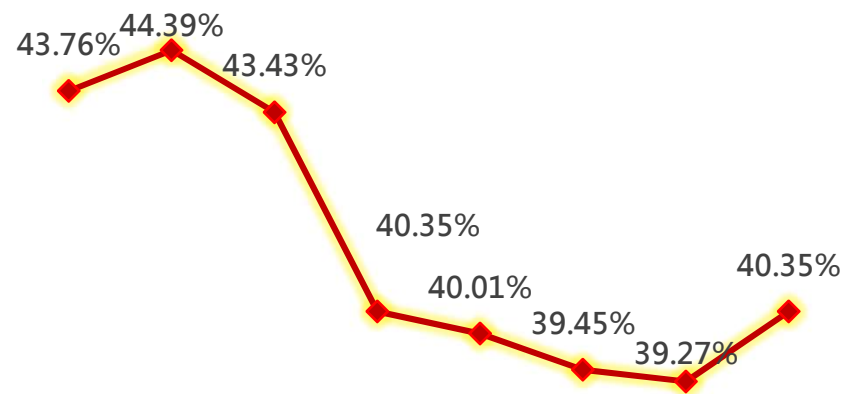
Total LDR & USD LDR extended higher

Mega Bank's total LDR*



2Q/22 3Q/22 4Q/22 1Q/23 2Q/23 3Q/23 4Q/23 1Q/24

Mega Bank's USD LDR**



2Q/22 3Q/22 4Q/22 1Q/23 2Q/23 3Q/23 4Q/23 1Q/24

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

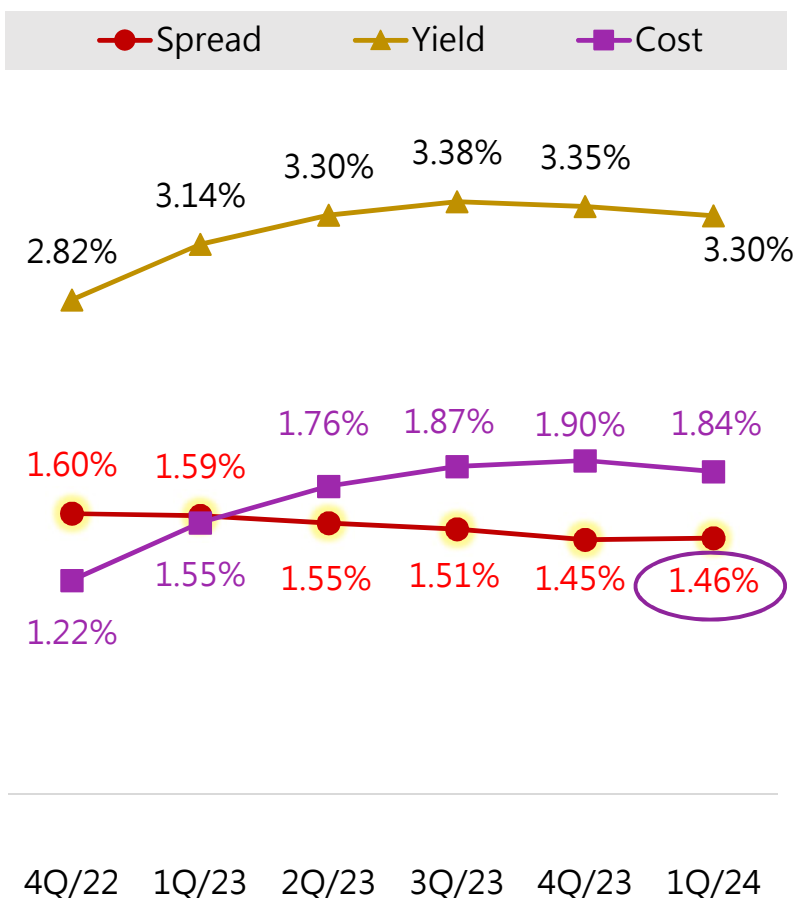
** USD LDR calculation is based on average loan/deposit balance of that quarter

*** Source: Central Bank of Taiwan

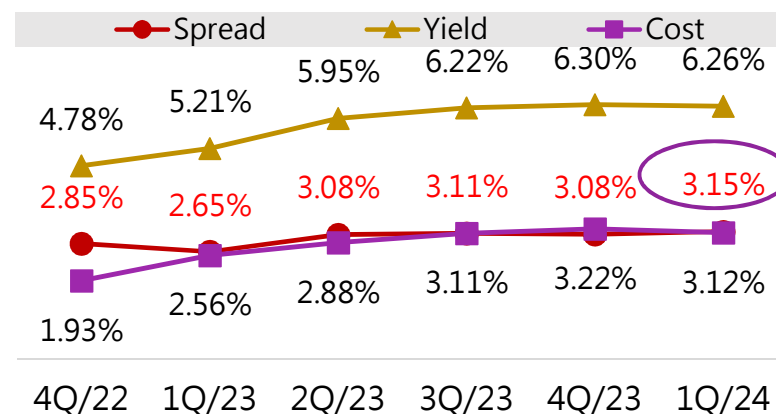


1Q/24 overall interest spread was 1.46% (+1bp QoQ);
while overseas loan interest spread was 3.15% (+7bps QoQ)

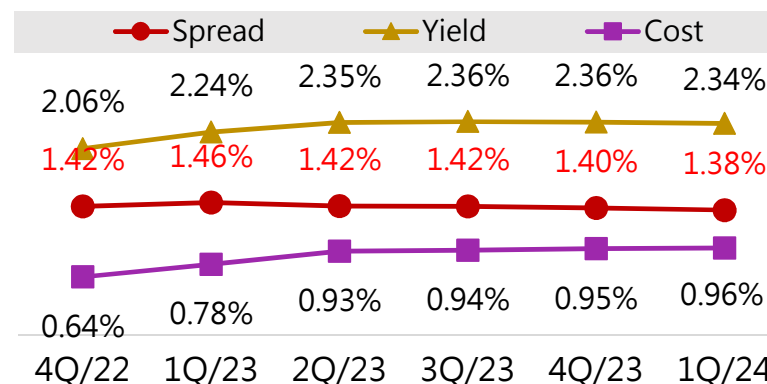
Mega Bank total loan interest spread



Mega Bank overseas loan interest spread*



Mega Bank domestic loan interest spread*



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

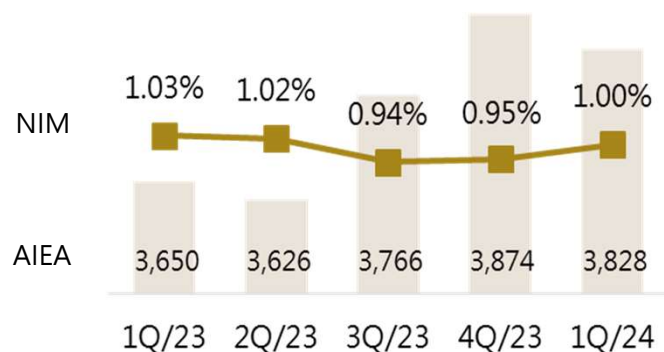


1Q/24 Overall NIM reached 1.00% (+5bps QoQ);
while FCY NIM reached 0.81% (+10bps QoQ)

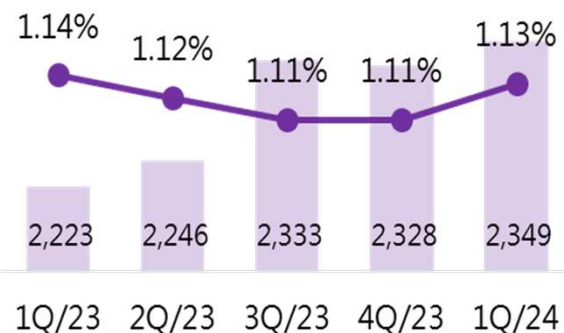
Mega Bank quarter NIM and average interest earning assets*

Unit: NT\$BN / %

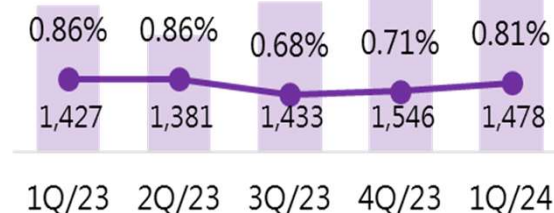
Overall



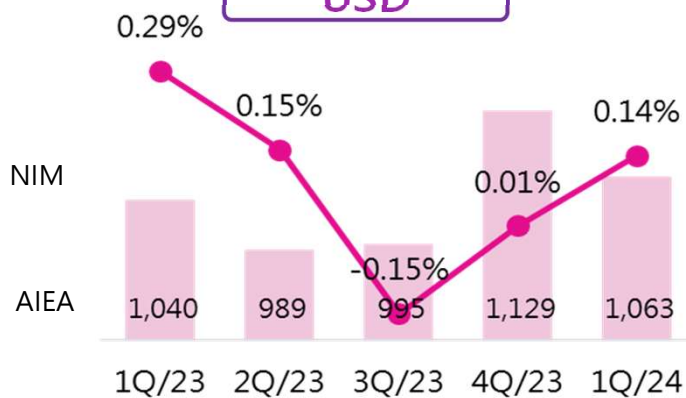
NTD



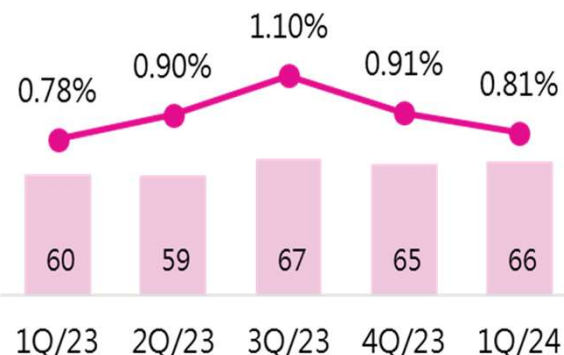
FCY



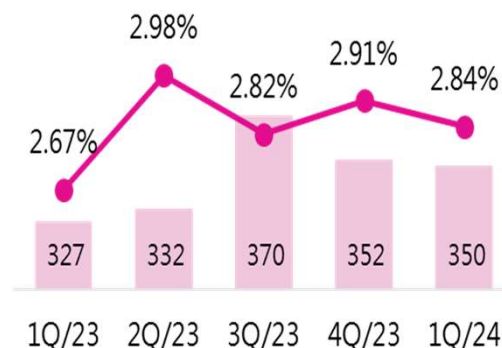
USD



RMB



Other FCY

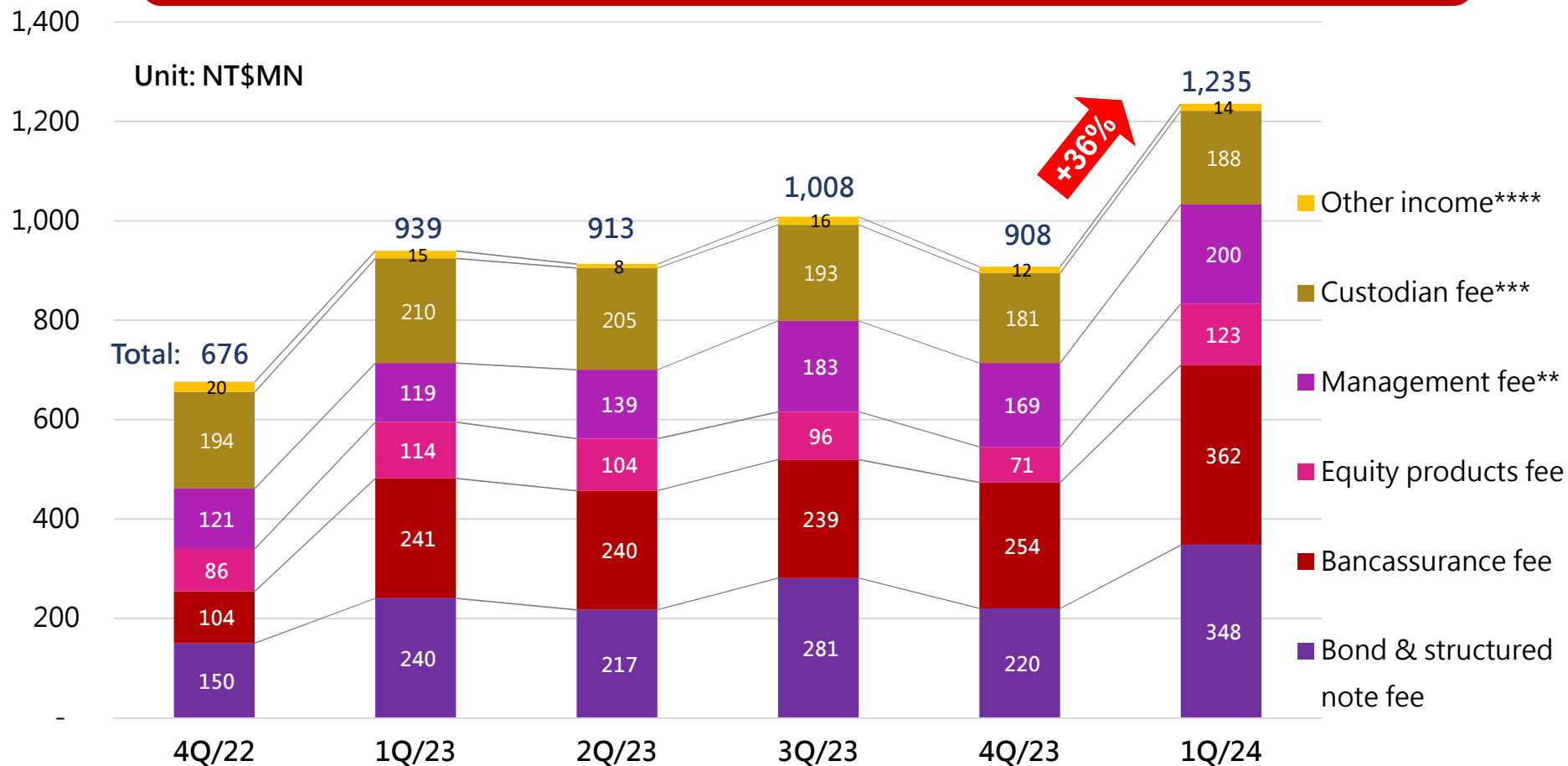


* NIM = annualized net interest income / average interest earning assets (AIEA) of that quarter; internal numbers; Unit: NT\$BN / %



WM fee income bounced up 36% QoQ

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.

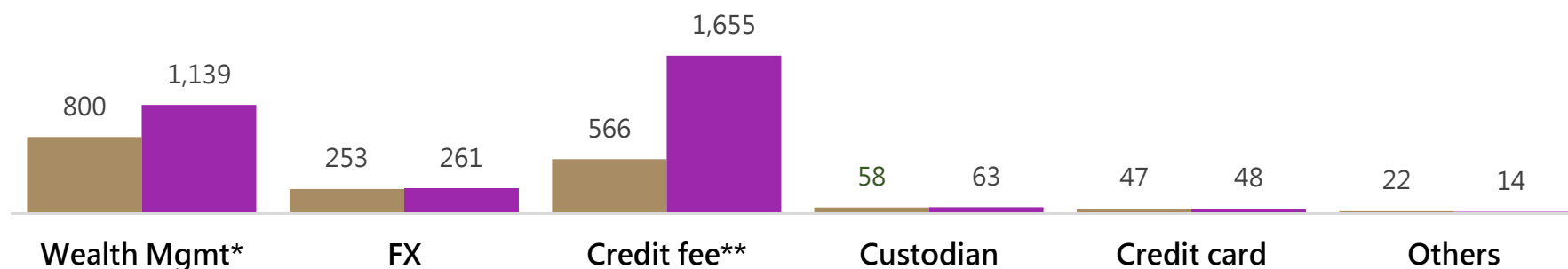


1Q/24 bank fee were up 82% YoY, primarily due to a surge in WM and Credit fee

Mega Bank net fee breakdown

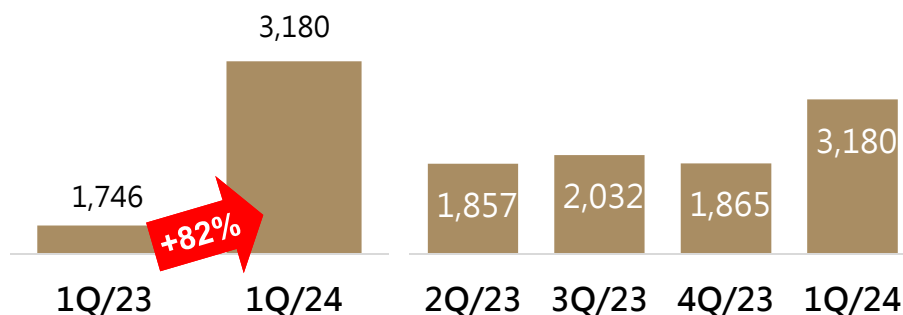
■ 1Q/23 ■ 1Q/24

Unit: NT\$MN

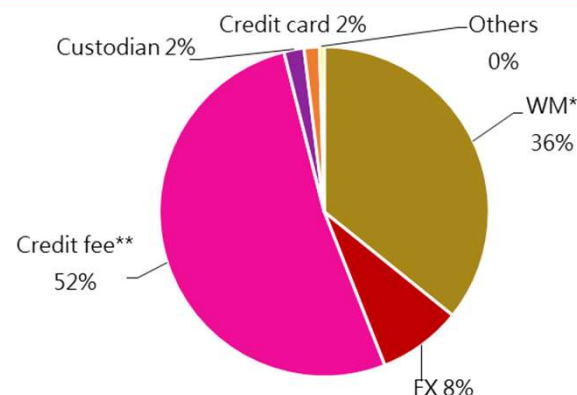


Mega Bank net fee trend***

Unit: NT\$MN



Mega Bank 1Q/24 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

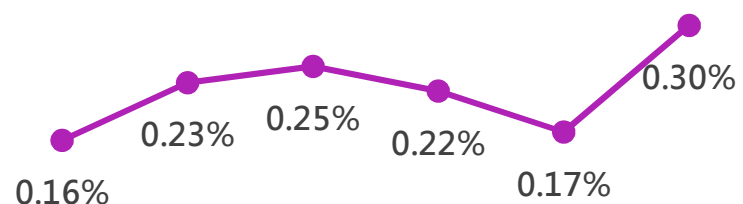
***Total net fees are audited numbers.



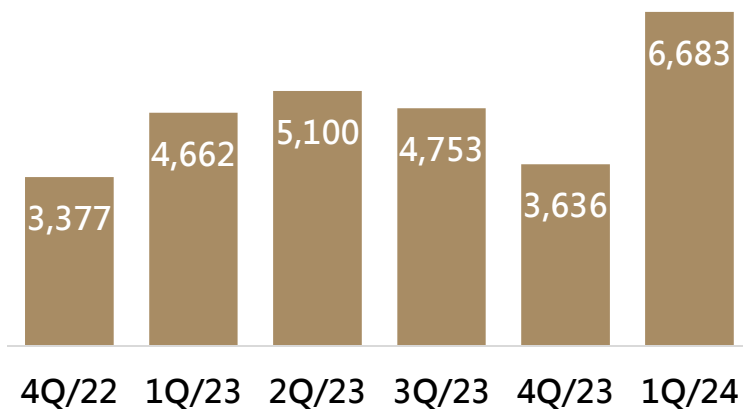
兆豐金控 Mega Holdings

Benign asset quality

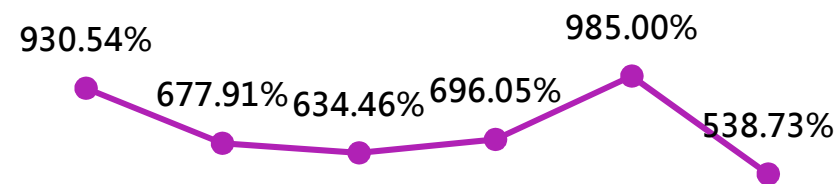
Mega Bank NPL balance & NPL ratio



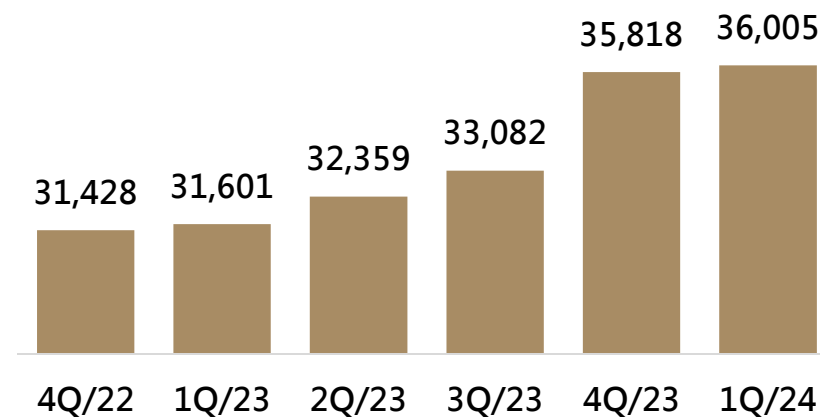
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

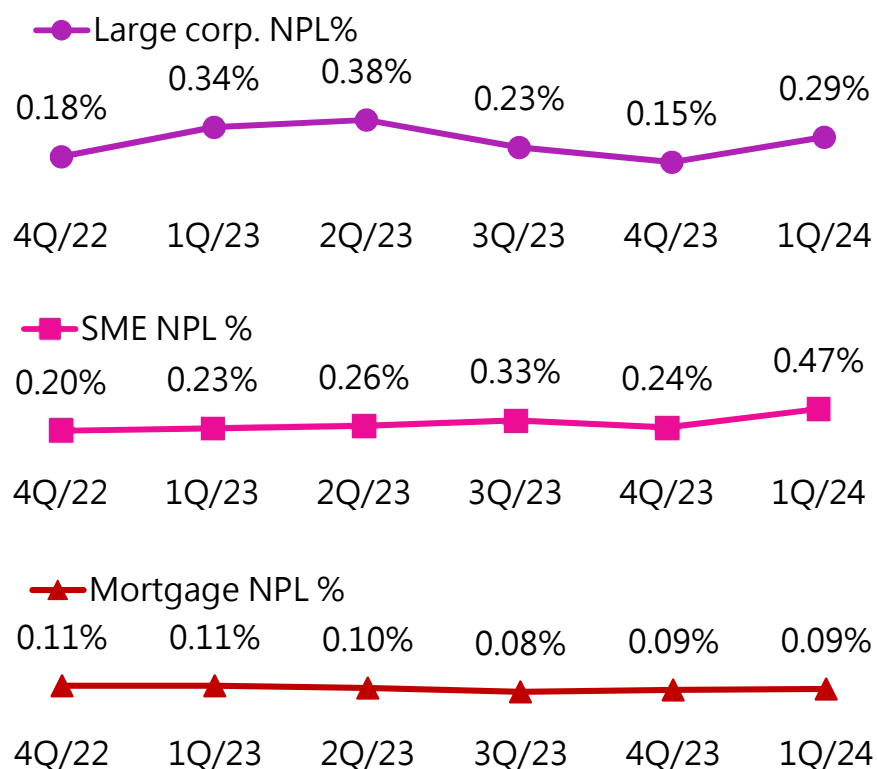


Unit: NT\$MN

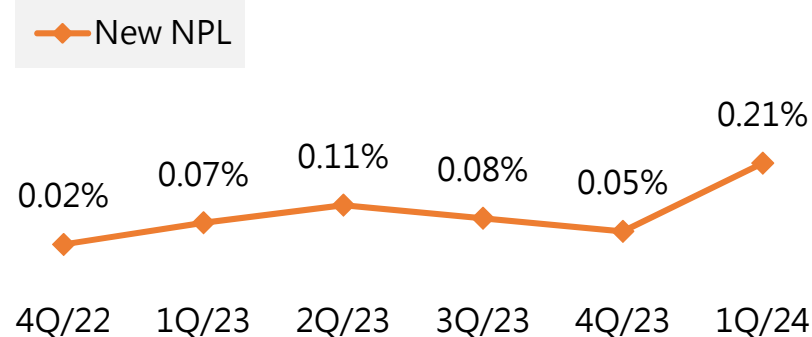


NPL formation was steady

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.



Table of Contents



- 1** Overview and Strategic Focus
- 2** Financial Performance
- 3** Operating Performance
- 4** Appendix



1Q/2024 Mega FHC consolidated P&L statement

Unit: NT\$MN; EPS: NT\$	1Q/2024*	1Q/2023	YoY
Interest income	31,752,946,590	26,481,590,307	20%
Less: interest expense	22,438,465,703	17,350,266,373	29%
Net interest revenue	9,314,480,887	9,131,323,934	2%
Net revenue other than interest	13,111,202,294	9,146,289,601	43%
Net fee and commissions	4,274,615,989	2,560,592,805	67%
Net insurance revenue	738,817,855	(2,207,633,485)	-
Gain on financial assets and liabilities at fair value thru P&L	6,527,055,025	7,680,933,299	-15%
Gain on investment property	5,661,004	5,071,253	12%
Realized gain on financial assets at fair value thru OCI	185,790,131	77,670,402	139%
Gain/loss arising from derecognition of fin. assets measured at AC	11,324,500	2,379	-
Equity method profit/loss	(14,299,470)	(25,087,622)	-
Foreign exchange gains	1,060,398,585	711,408,720	49%
Reversal of loss on assets	27,773,339	(91,537,521)	-
Gain on reclassification under the overlay approach	-	1,882,473	-
Net other revenue other than interest income	294,065,336	432,986,898	-32%
Net revenue	22,425,683,181	18,277,613,535	23%
Bad debts expense, guarantee provision	1,131,911,526	395,211,973	186%
Net change in provisions for insurance liabilities	15,791,357	(2,113,501,366)	-
Operating expenses	8,496,356,035	7,749,623,598	10%
Profit from continuing operations before tax	12,781,624,263	12,246,279,330	4%
Income tax expense	(1,291,443,225)	(1,470,410,571)	-12%
Profit	11,490,181,038	10,775,868,759	7%
EPS	0.80	0.77	4%

* 1Q /24 are audited numbers



1Q/2024 Mega FHC consolidated balance sheet

Unit: NT\$MN	1Q/2024*	1Q/2023	YoY
Cash and cash equivalents, net	77,153,488,384	111,824,873,563	-31%
Due from central bank and interbank assets	625,533,731,778	438,067,830,781	43%
Financial assets at fair value thru P&L	236,757,505,414	209,131,711,205	13%
Financial assets at fair value thru OCI	588,271,134,297	542,336,585,016	8%
Investments in debts at amortized cost	587,205,422,367	587,999,590,122	0%
REPO securities	2,866,964,218	3,546,189,023	-19%
Receivables	115,345,905,212	84,534,485,648	36%
Current tax assets	8,087,614	331,980,396	-
Held for sale assets	-	220,377	-
Loans	2,182,832,402,217	2,039,363,902,446	7%
Other assets	68,781,954,542	68,633,793,466	0%
Total Assets	4,484,756,596,043	4,085,771,162,043	10%
Deposits from central bank and banks	576,194,740,446	508,677,989,140	13%
Due to central bank and banks	10,914,325,855	7,020,236,913	55%
Financial liabilities at fair value thru P&L	26,304,788,751	21,825,371,085	21%
Securities sold under repurchase agreements	317,243,869,018	236,383,076,210	34%
Commercial paper issued	38,013,255,545	33,138,387,165	15%
Payable	107,572,820,785	85,029,993,177	27%
Current tax liabilities	11,082,434,538	11,376,255,308	-3%
Deposits and remittances	2,912,052,120,571	2,763,403,843,850	5%
Bond payable	31,500,000,000	20,500,000,000	54%
Other liabilities	92,317,550,821	83,298,763,829	11%
Total Liabilities	4,123,195,906,330	3,770,653,916,677	9%
Common stock	144,013,381,380	139,398,195,820	3%
Capital surplus	76,552,383,662	68,194,233,375	12%
Retain earnings	136,527,508,890	118,205,195,498	16%
Other equity interest	4,467,415,781	(10,680,379,327)	-
Total Equity	361,560,689,713	315,117,245,366	15%



1Q/2024 Mega Bank consolidated P&L statement

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

	1Q/2024*	1Q/2023	YoY
Interest income	30,585,348,800	25,728,307,993	19%
Less: interest expense	20,865,958,048	16,305,207,672	28%
Net interest revenue	9,719,390,752	9,423,100,321	3%
Net revenue other than interest	8,870,974,632	8,925,109,854	-1%
Net fee and commissions	3,180,406,731	1,745,556,109	82%
Gain on financial assets and liabilities at fair value thru P&L	4,538,468,811	6,404,670,491	-29%
Realized gain on financial assets at fair value thru OCI	100,376,066	46,601,612	115%
Gain/loss arising from derecognition of fin. assets measured at AC	11,324,500	2,379	-
Equity method profit/loss	(13,985,416)	(24,035,684)	-
Foreign exchange gains	907,016,672	677,504,821	34%
Reversal of loss on assets	32,381,122	(87,231,943)	-
Net other revenue other than interest income	114,986,146	162,042,069	-29%
Net revenue	18,590,365,384	18,348,210,175	1%
Bad debts expense, guarantee provision	1,036,870,838	320,501,977	224%
Operating expenses	6,733,175,820	6,286,091,318	7%
Profit from continuing operations before tax	10,820,318,726	11,741,616,880	-8%
Income tax expense	(932,391,062)	(1,233,623,496)	-
Profit	9,887,927,664	10,507,993,384	-6%

* 1Q /2024 are audited numbers



1Q/2024 Mega Bank consolidated balance sheet

Unit: NT\$MN	1Q/2024*	1Q/2023	YoY
Cash and cash equivalents, net	67,959,736,691	107,344,442,248	-37%
Due from central bank and interbank assets	630,253,731,778	440,967,830,781	43%
Financial assets at fair value thru P&L	57,481,567,024	58,870,231,795	-2%
Financial assets at fair value thru OCI	417,477,591,705	408,986,933,549	2%
Investments in debts at amortized cost	582,419,871,207	583,089,406,174	0%
REPO securities	4,849,302,418	11,216,107,152	-
Receivables	47,405,432,525	41,380,727,556	15%
Current tax assets	1,097,750	6,661,925	-
Loans	2,182,832,402,217	2,039,363,902,446	7%
Other assets	38,267,563,873	34,894,257,664	10%
Total Assets	4,028,948,297,188	3,726,120,501,290	8%
Deposits from central bank and banks	559,362,740,446	501,762,134,640	11%
Due to central bank and banks	10,914,325,855	7,020,236,913	55%
Financial liabilities at fair value thru P&L	24,976,352,122	21,395,173,728	17%
Securities sold under repurchase agreements	49,572,386,875	18,288,453,057	171%
Payable	44,152,641,450	36,296,290,087	22%
Current tax liabilities	9,473,135,556	9,884,432,485	-4%
Deposits and remittances	2,914,397,504,445	2,765,289,248,132	5%
Bond payable	16,500,000,000	15,500,000,000	6%
Other liabilities	54,789,697,998	46,939,486,724	17%
Total Liabilities	3,684,138,784,747	3,422,375,455,766	8%
Common stock	85,362,336,310	85,362,336,310	0%
Capital surplus	62,437,396,348	62,219,539,563	0%
Retain earnings	194,840,255,689	166,745,931,012	17%
Other equity interest	2,169,524,094	(10,582,761,361)	-
Total Equity	344,809,512,441	303,745,045,524	14%



Mega FHC ESG recognition



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