

# 1Q/2024 Analyst Meeting

2024/05/29



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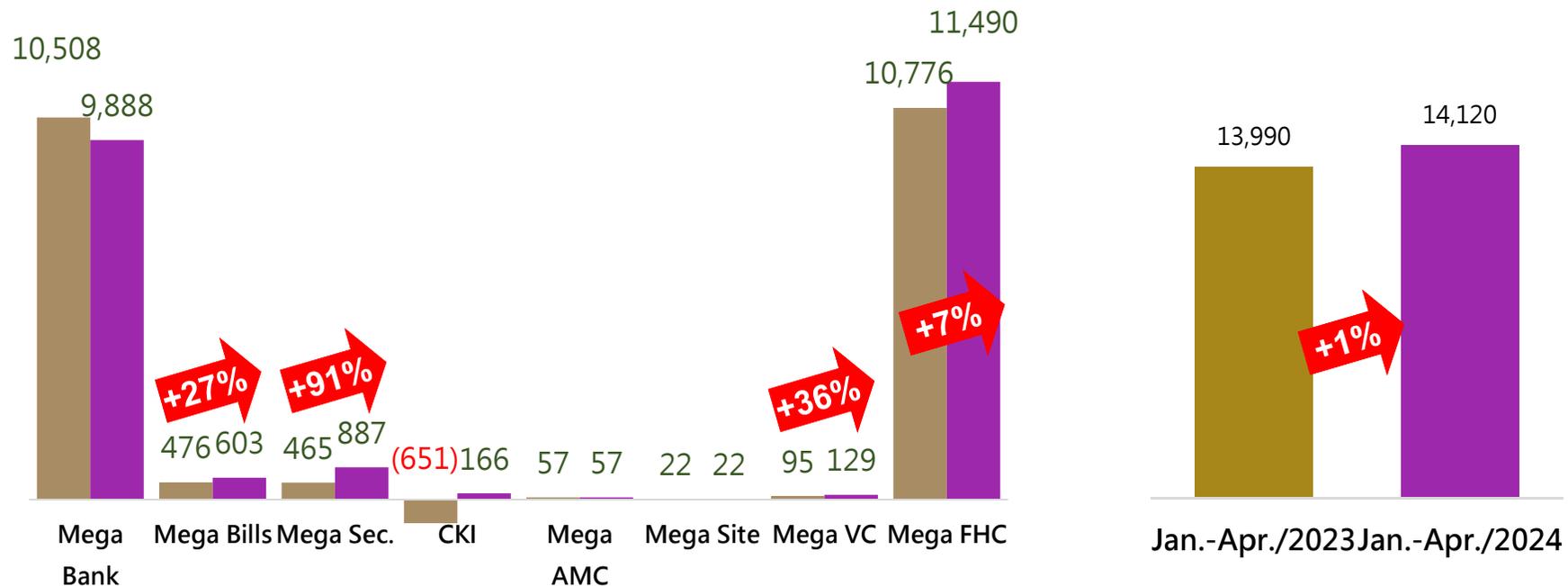
# Mega FHC 1Q/24 earning were up 7% YoY

## Mega FHC & Subs. 1Q/24 earning trend

## Mega FHC Jan.-April/24 earning trend

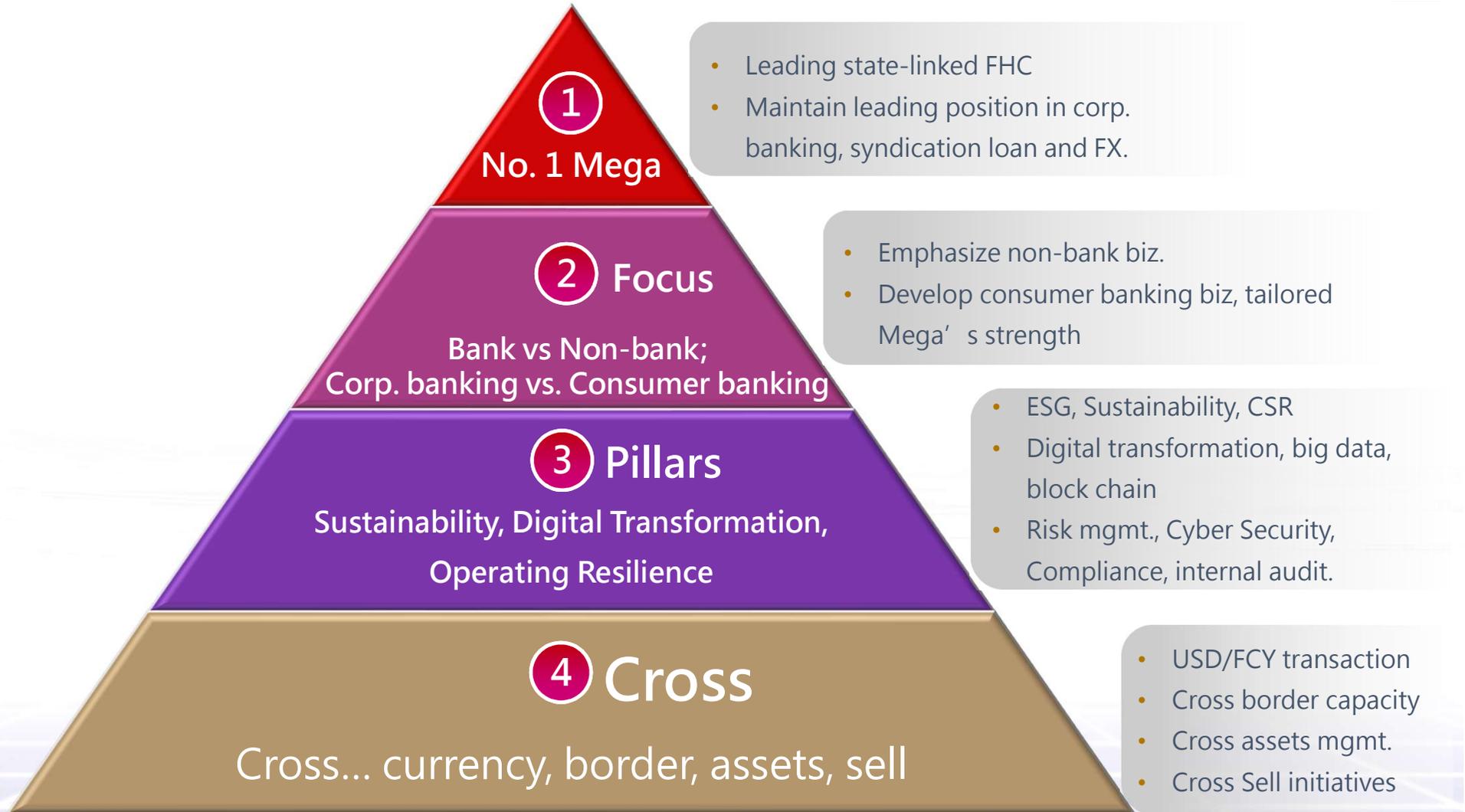
Unit: NT\$MN

■ 1Q/2023 ■ 1Q/2024\*



\* 1Q / 24 are audited numbers

# Mega 4 core strategies





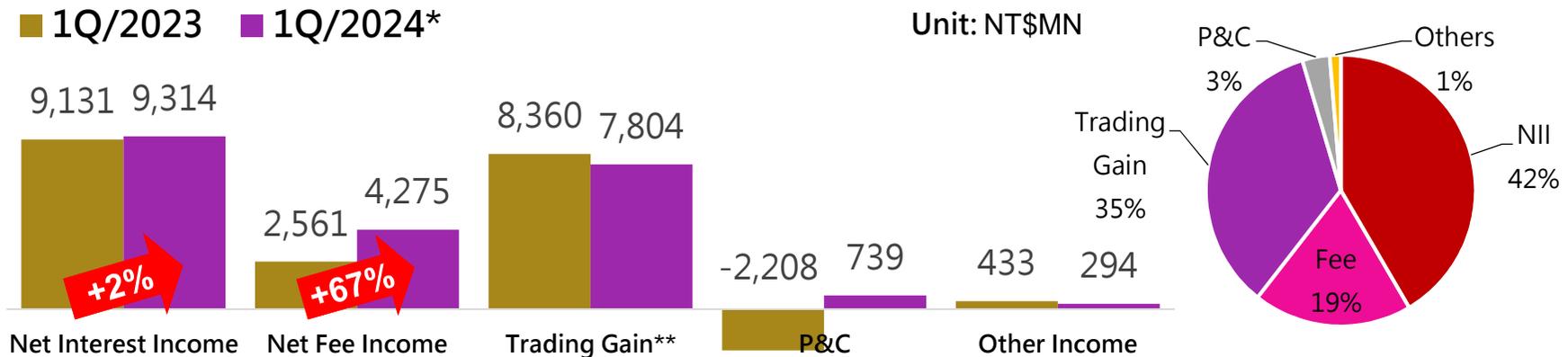
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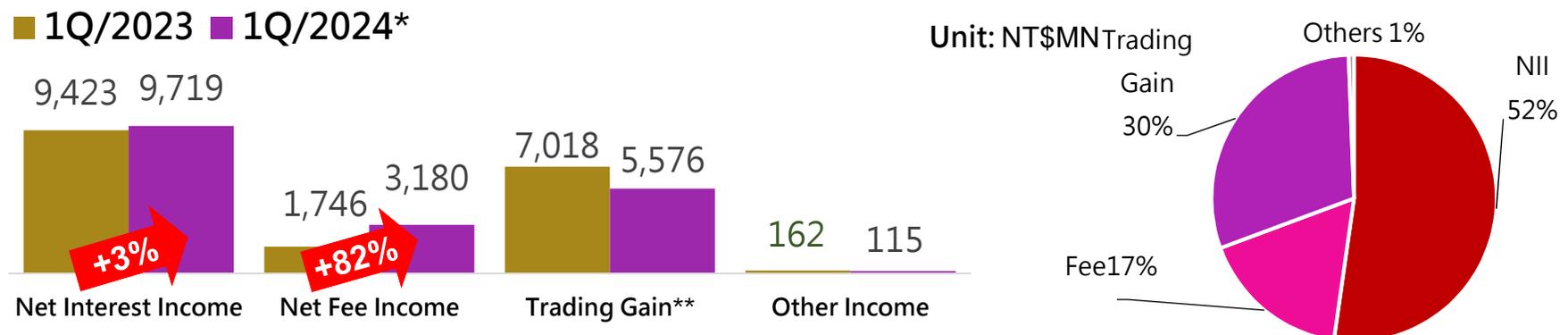


# 1Q/24 bank NII rose 3% YoY; Fee income bounced up 82% YoY

## Mega FHC 1Q/24 net revenue breakdown\*



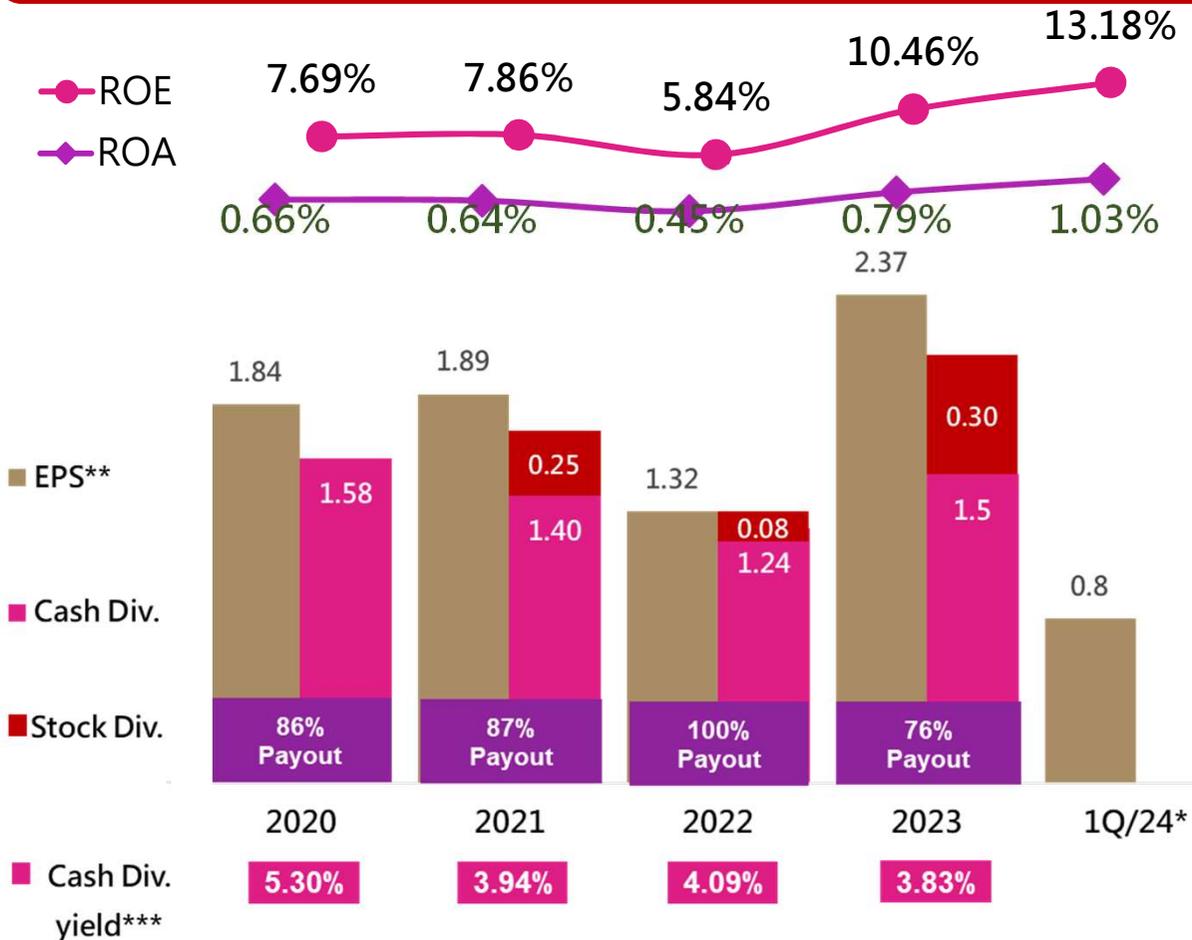
## Mega Bank 1Q/24 net revenue breakdown\*



\* 1Q / 24 are audited numbers

# 2023 EPS and dividend payout rate reached record high

## Major earning matrixes



To prevent over-inflated capital base as well as to maintain sufficient capital for future growth, our dividend policy is:

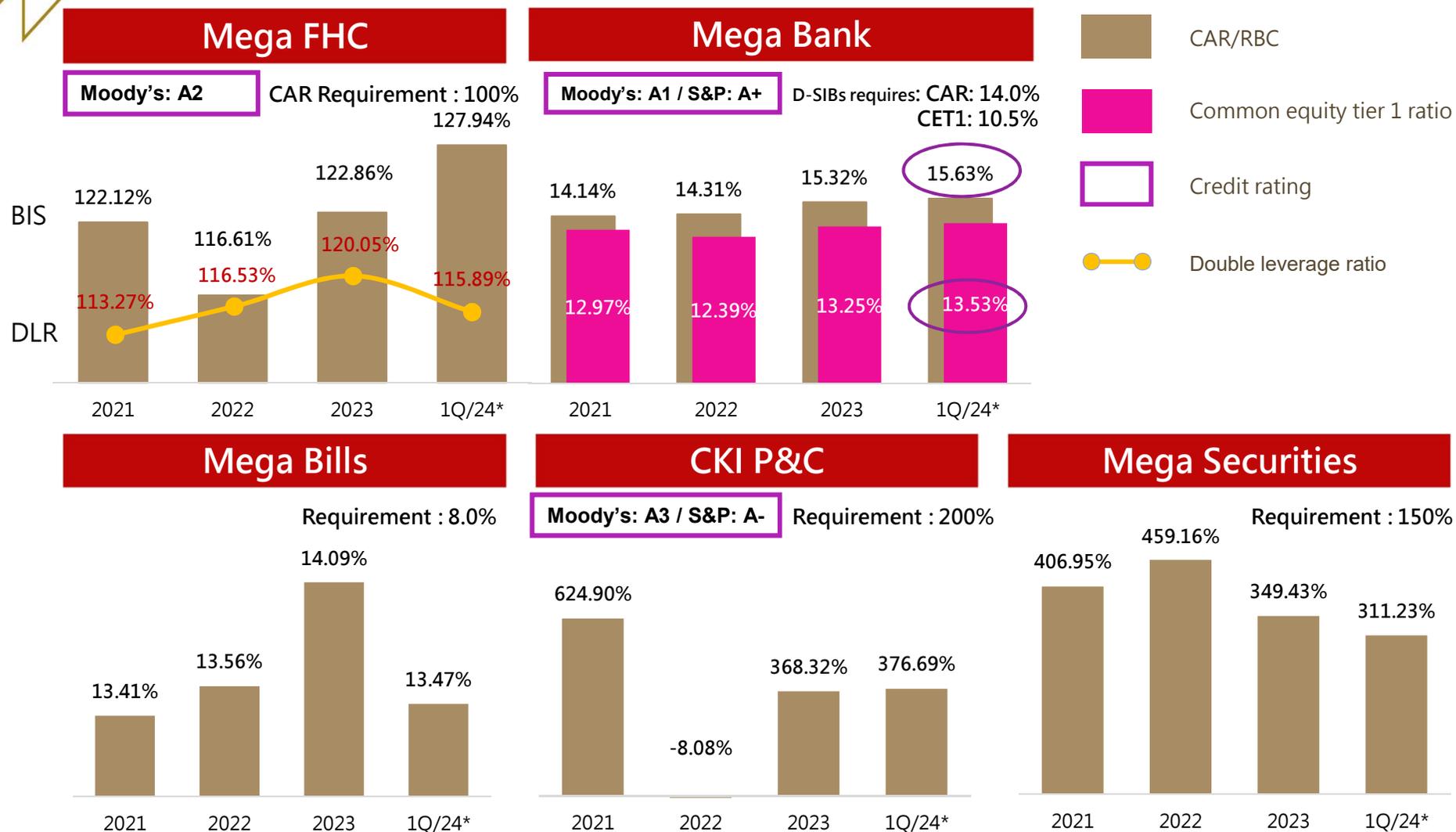
- ❖ Maintain high payout ratio
- ❖ At least 50% of dividend payout in cash form.

\* 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



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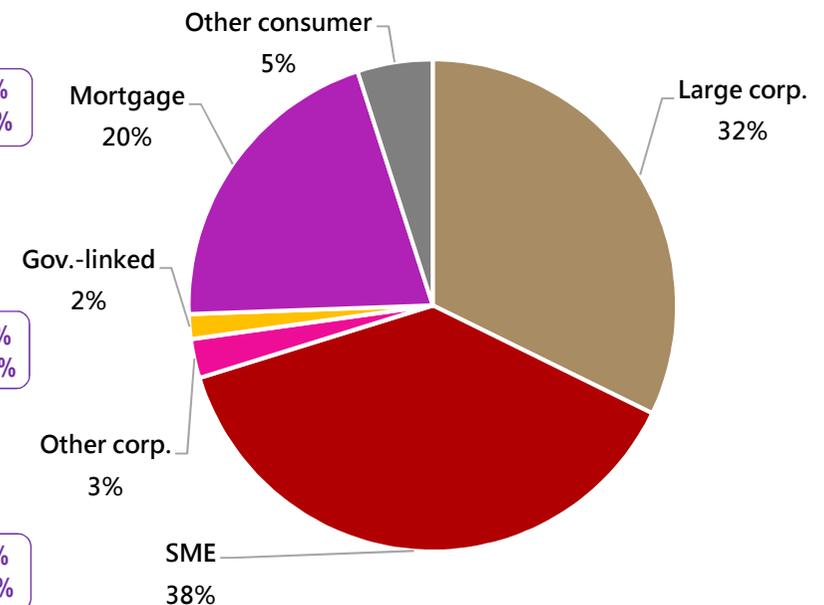
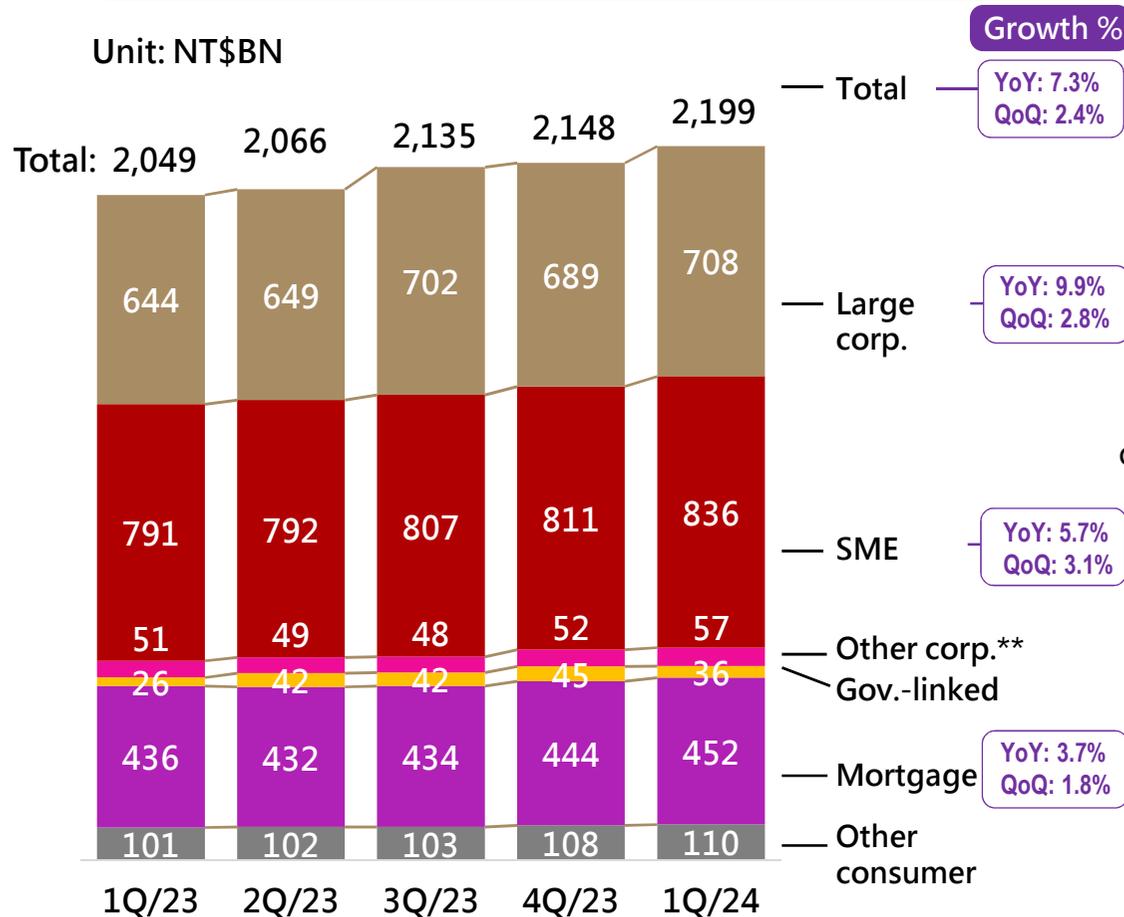
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# 1Q/24 total loan were up 7.3% YoY, driven by large corp., SME and mortgage loan growth

## Mega Bank quarterly loan balance\*

## Mega Bank 1Q/24 loan breakdown by customers



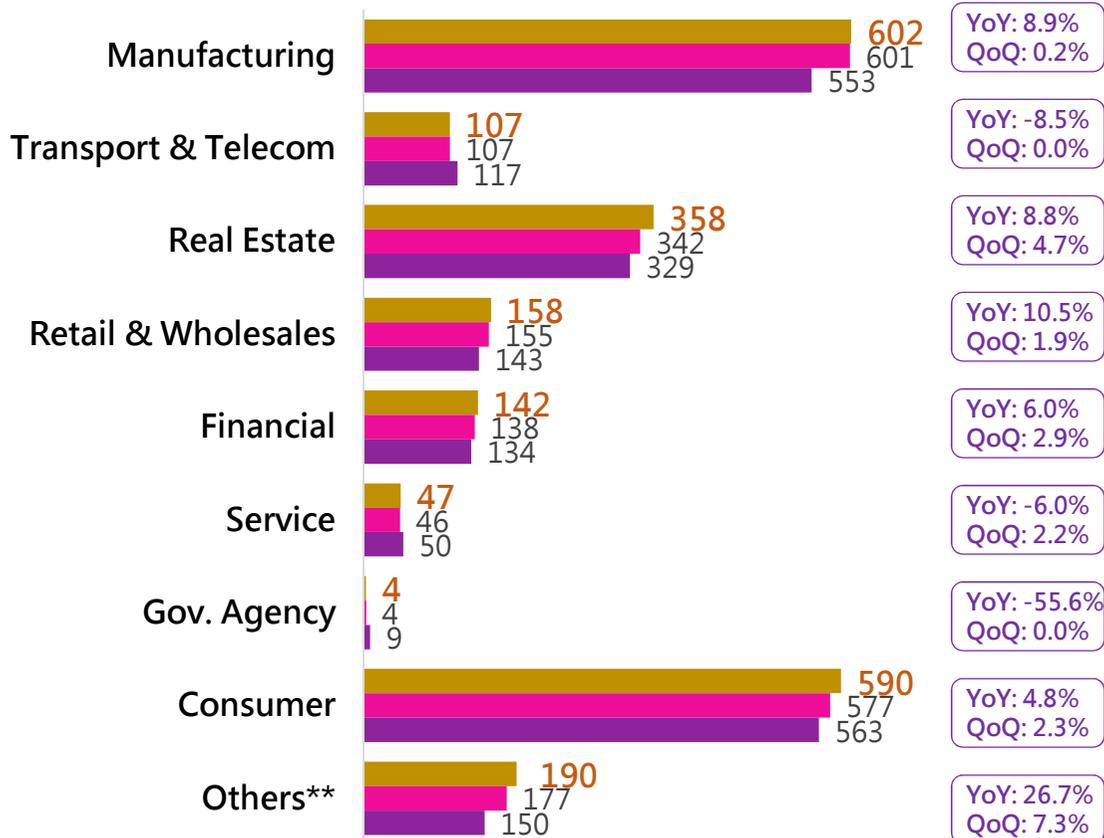
\* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

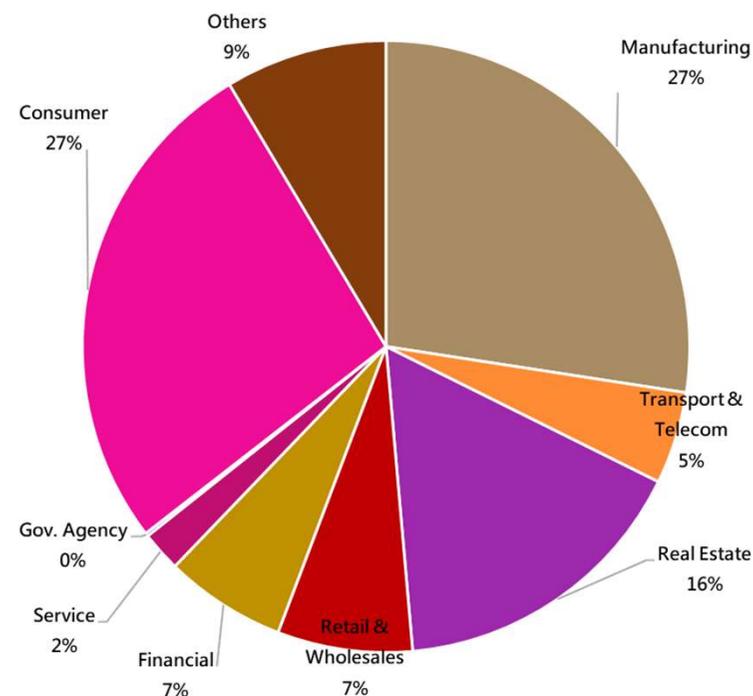
# 1Q/24 real estate loans were up 4.7% QoQ; while financial loans were up 2.9% QoQ

## Mega Bank loan balance trend by industry\*

Unit: NT\$BN    ■ 1Q/24   ■ 4Q/23   ■ 1Q/23



## 1Q/24 loan breakdown by industry\*



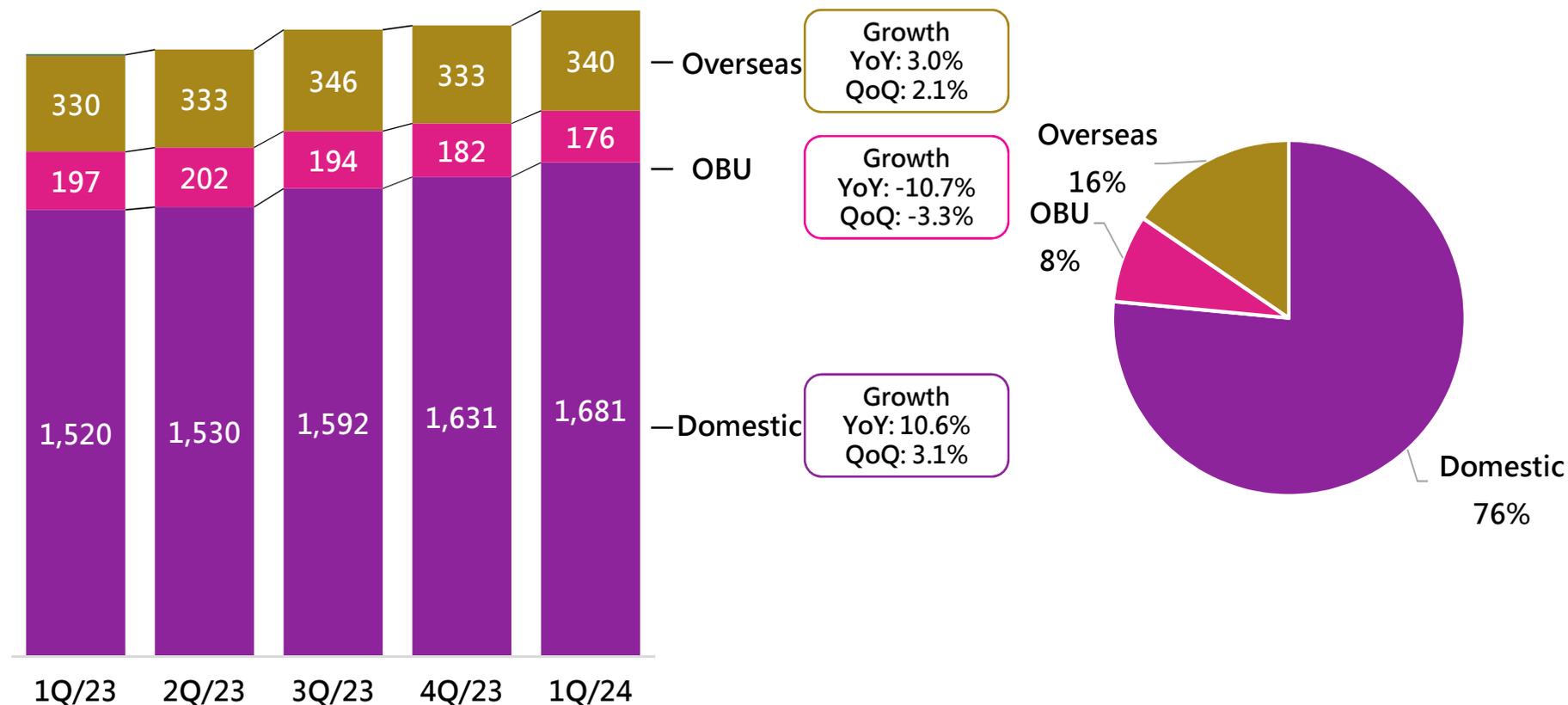
\* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

\*\* 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



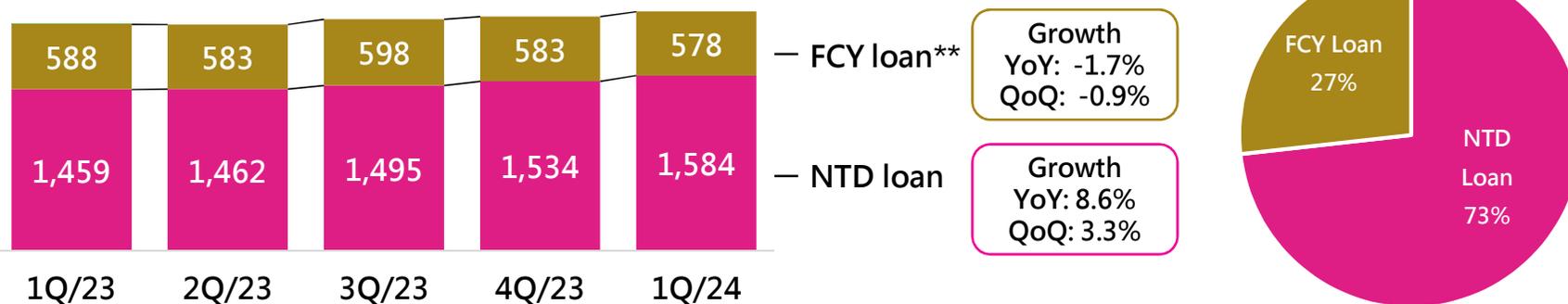
\* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

\*\* 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



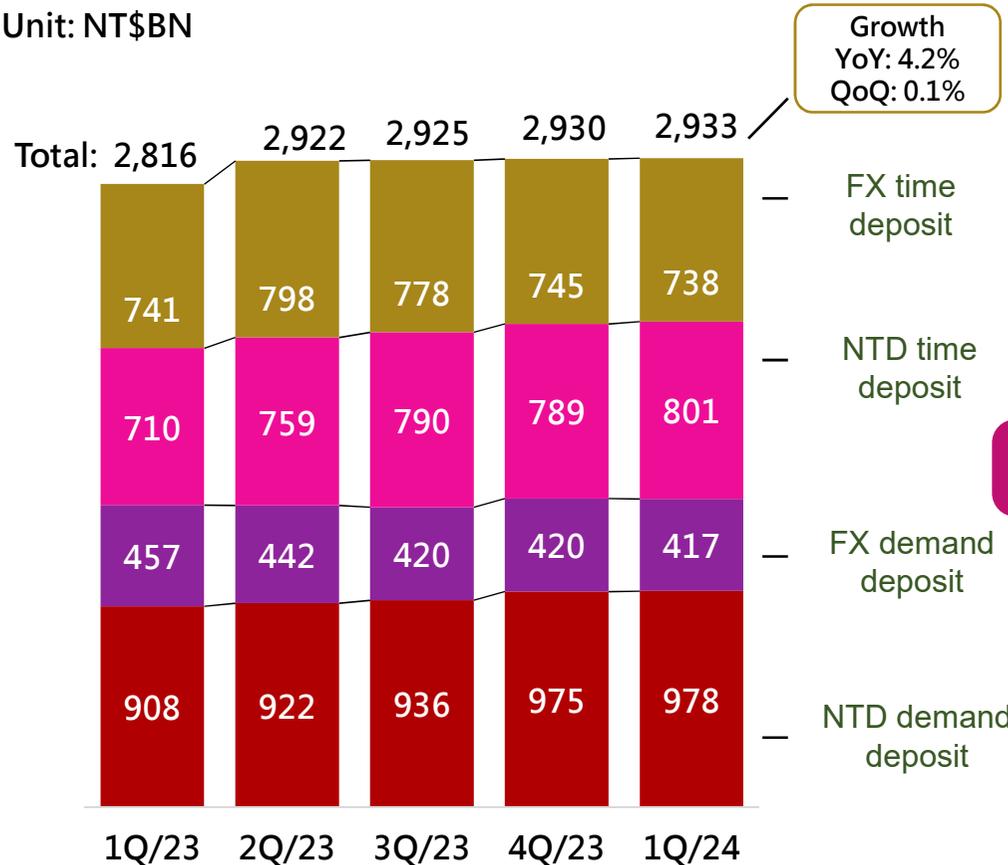
\* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

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

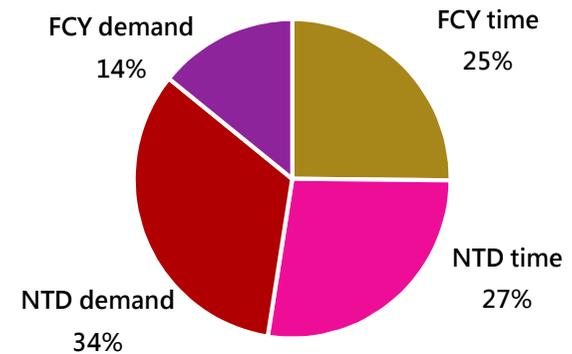
# FCY time deposit slightly decreased; while NTD demand deposit went up

## Mega Bank deposit balance \*

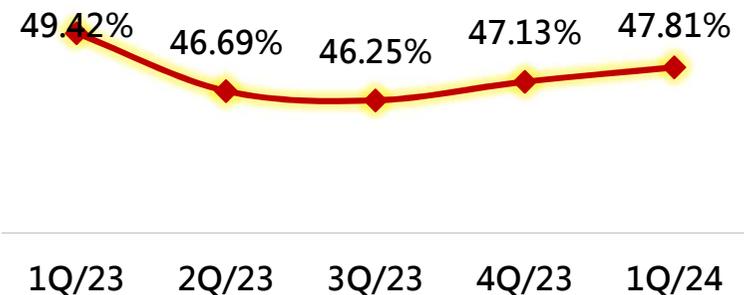
Unit: NT\$BN



## Mega Bank 1Q/24 deposit breakdown



## Mega Bank demand deposit % trend

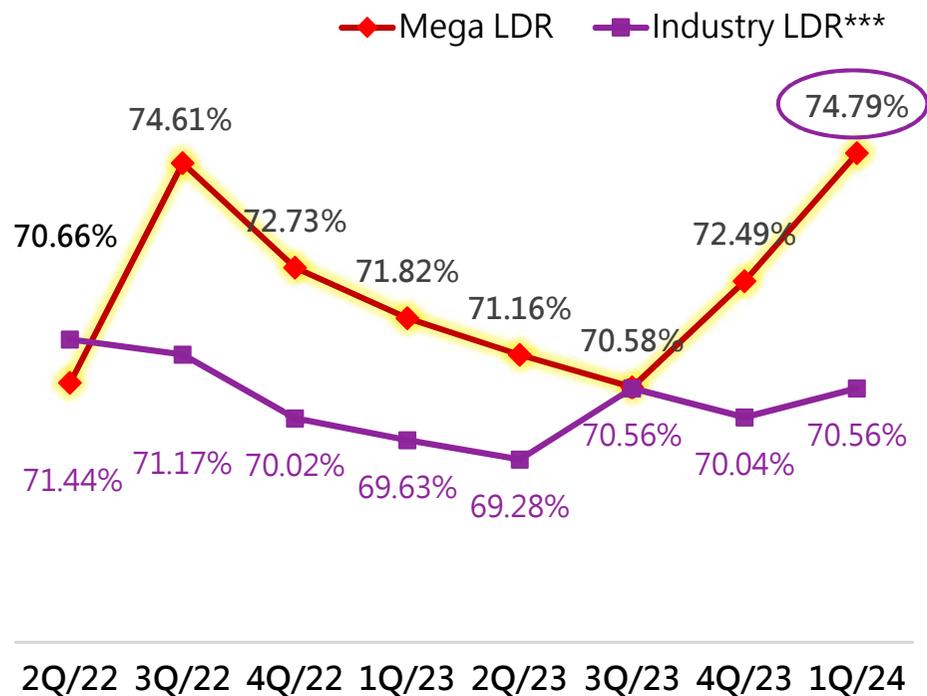


\* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

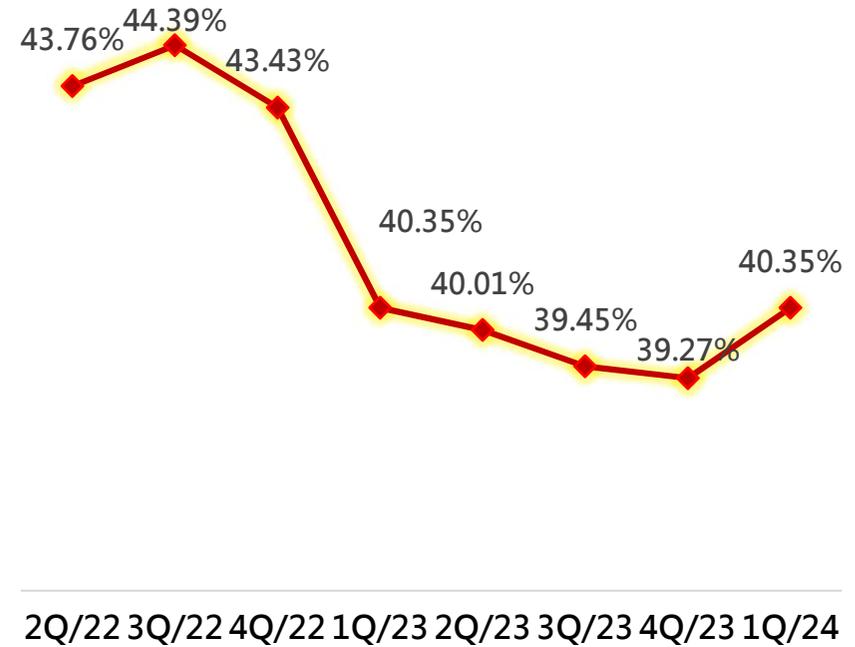
\*\* Includes retail and corporate deposit but excludes due from central banks and banks

# Total LDR & USD LDR extended higher

## Mega Bank's total LDR\*



## Mega Bank's USD LDR\*\*



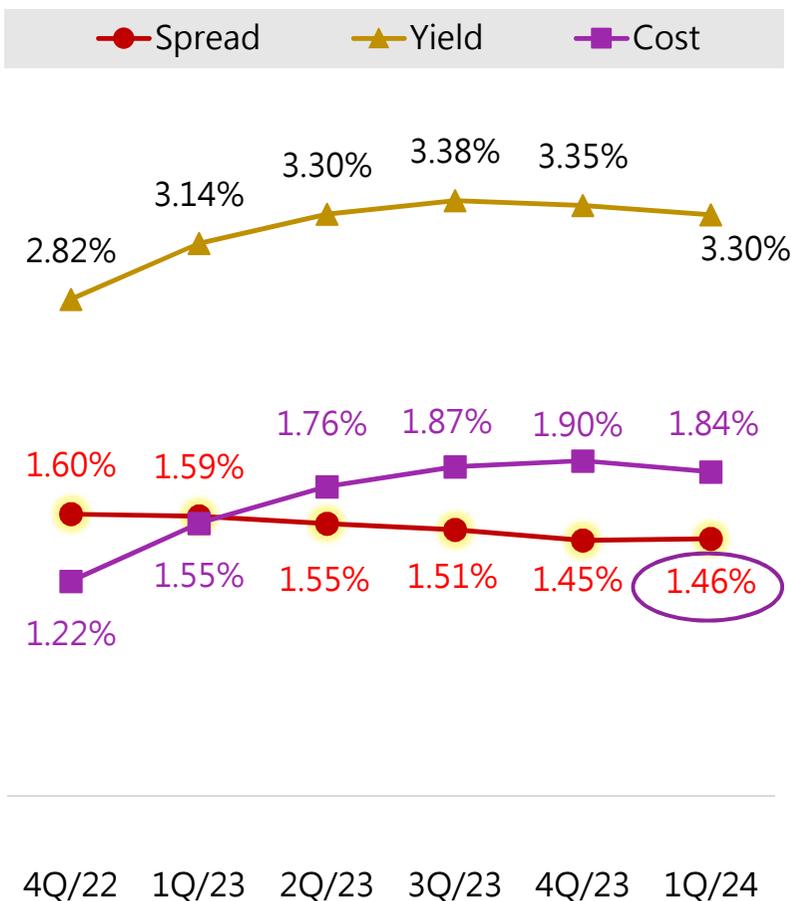
\* Total LDR calculation is based on loan/deposit end balance

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

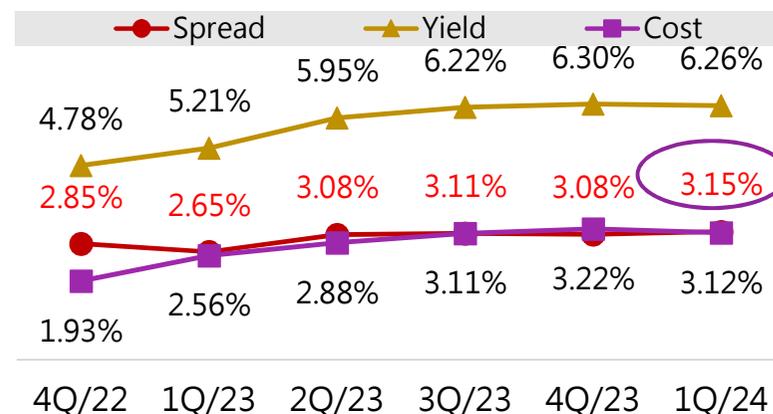
\*\*\* Source: Central Bank of Taiwan

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

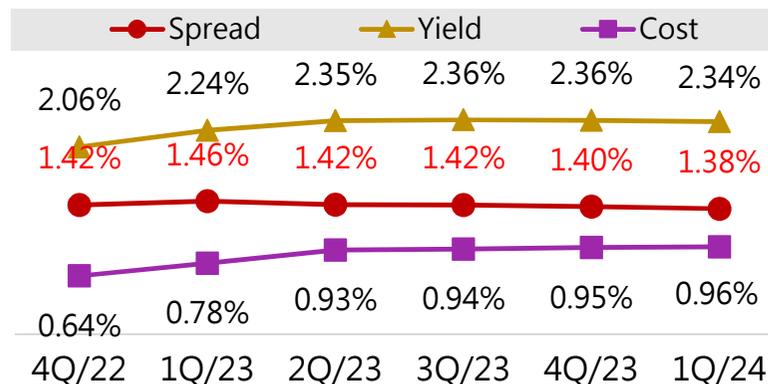
### Mega Bank total loan interest spread



### Mega Bank overseas loan interest spread\*



### Mega Bank domestic loan interest spread\*



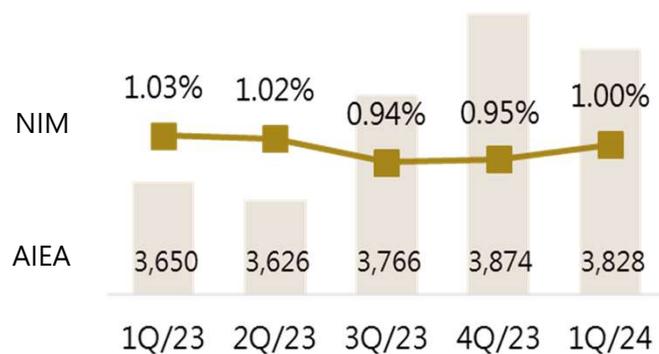
\* Overseas loan includes overseas branches and OBU loan; internal numbers.

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

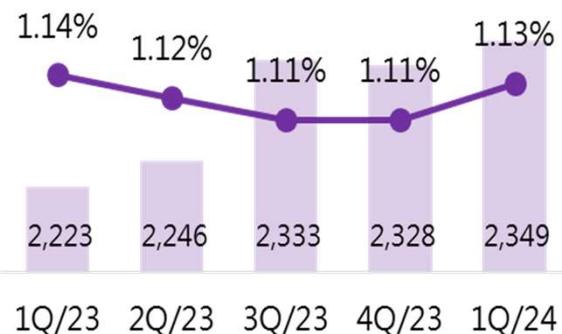
## Mega Bank quarter NIM and average interest earning assets\*

Unit: NT\$BN / %

### Overall



### NTD



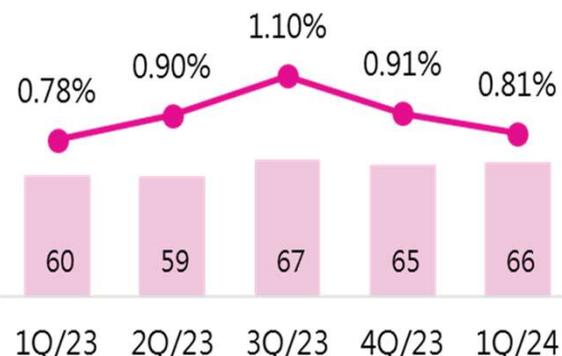
### FCY



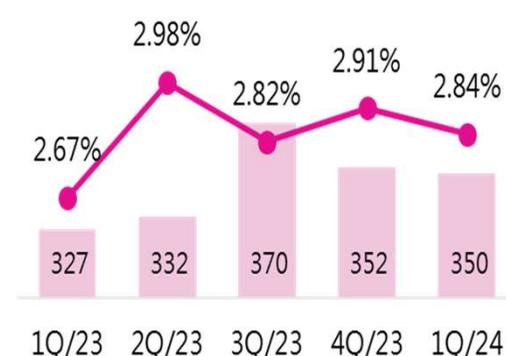
### USD



### RMB



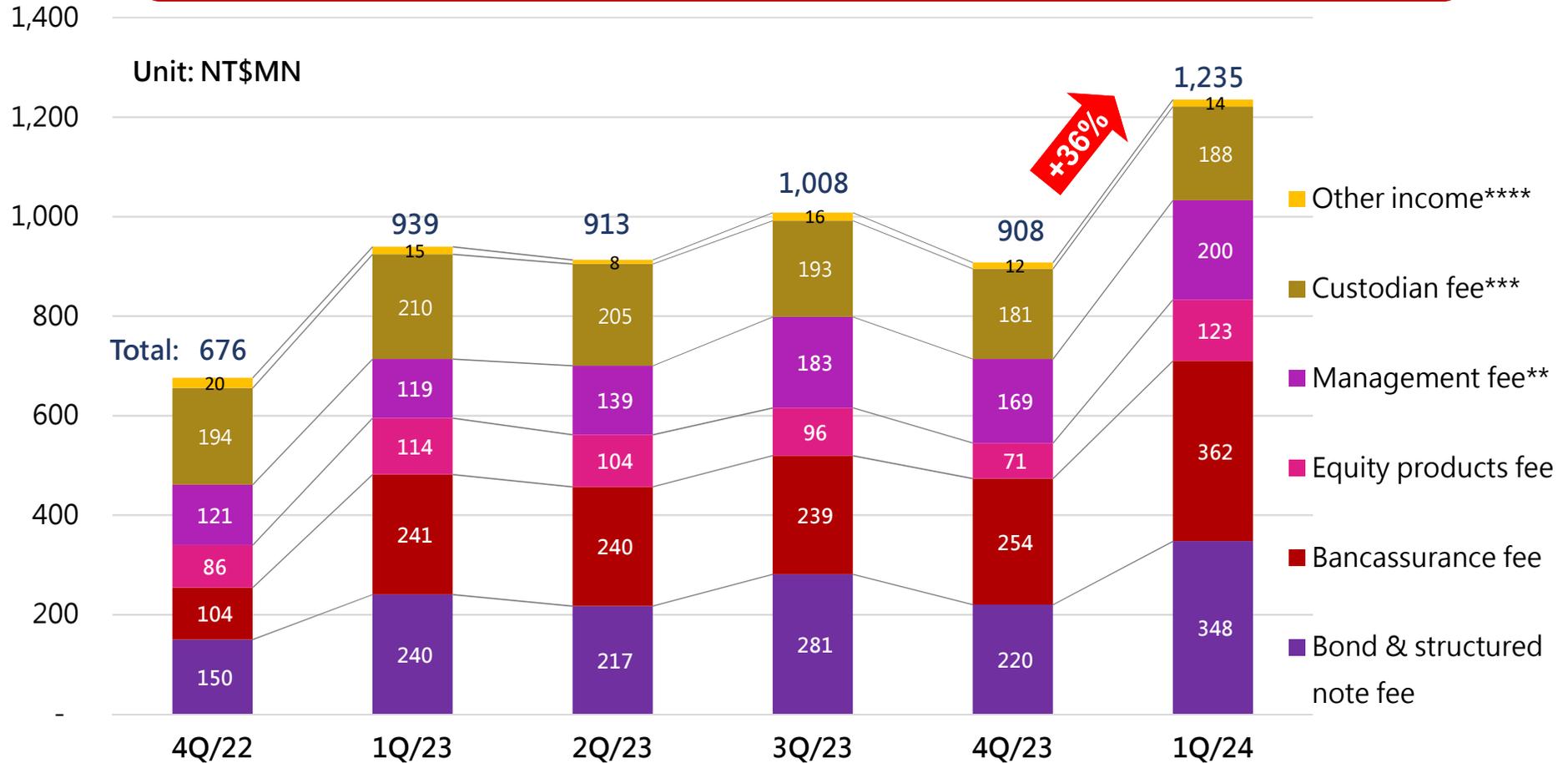
### Other FCY



\* 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.

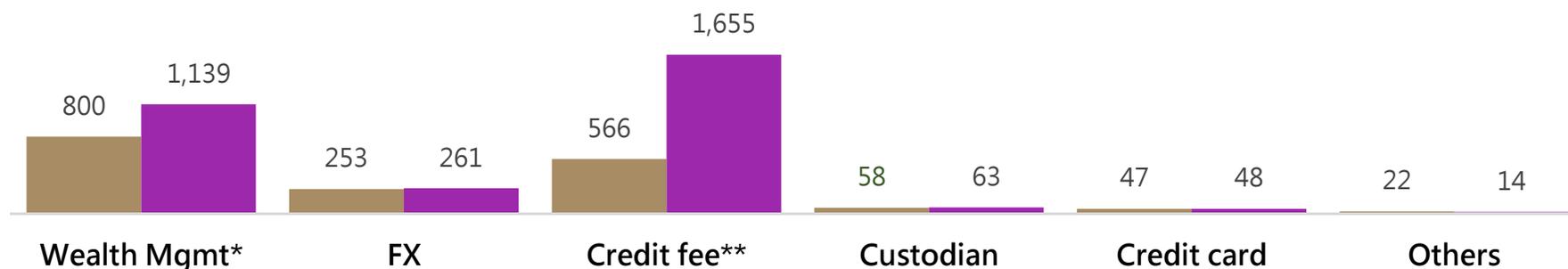


# 1Q/24 bank fee were up 82% YoY, primarily due to a surge in WM and Credit fee

## Mega Bank net fee breakdown

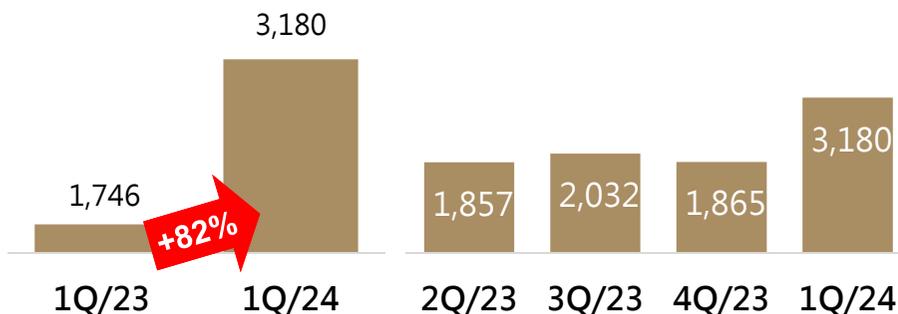
■ 1Q/23 ■ 1Q/24

Unit: NT\$MN

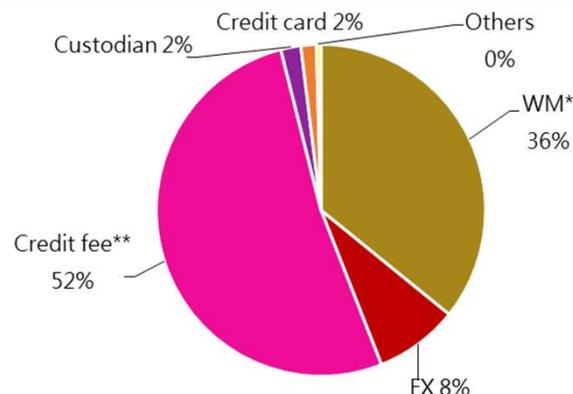


## Mega Bank net fee trend\*\*\*

Unit: NT\$MN



## Mega Bank 1Q/24 net fee breakdown



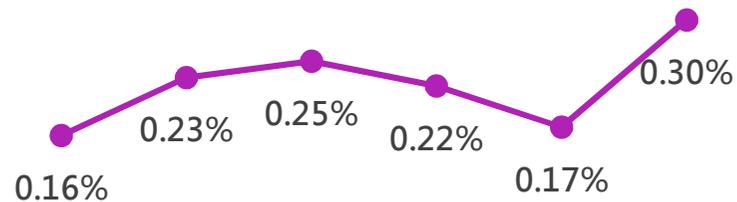
\* Net wealth mgmt. fee, plus/deduct adjustment for marketing cost, rebate, and profit sharing with partners.

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

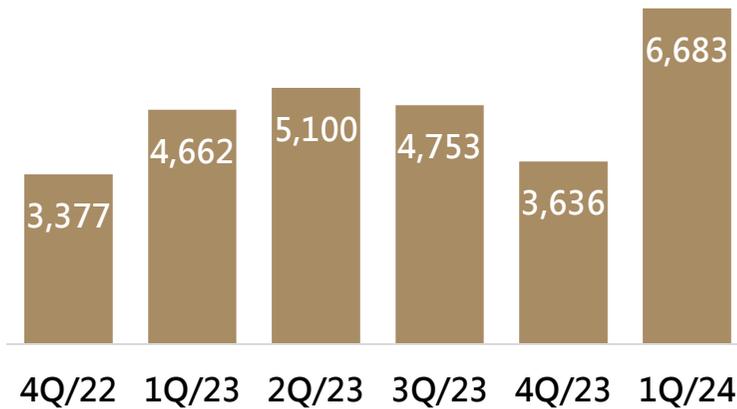
\*\*\*Total net fees are audited numbers.

# Benign asset quality

Mega Bank NPL balance & NPL ratio



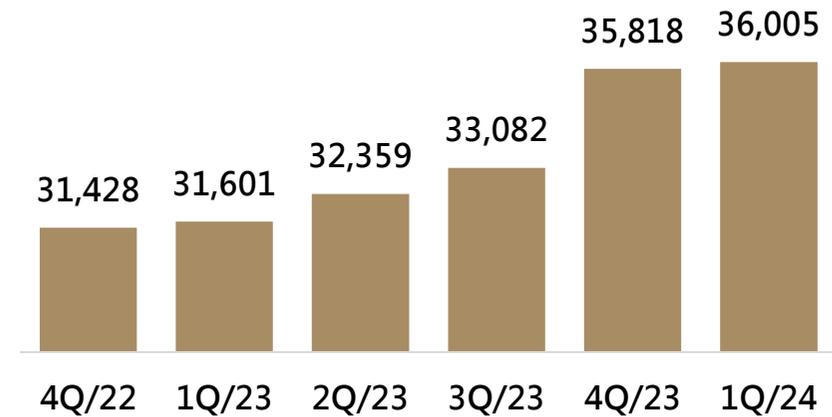
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

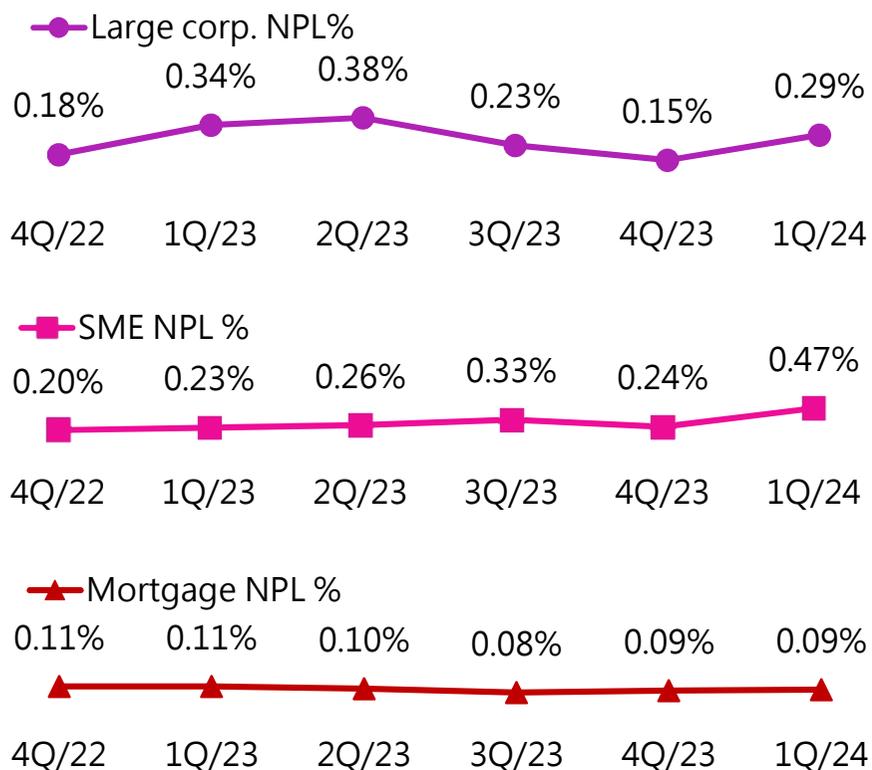


Unit: NT\$MN

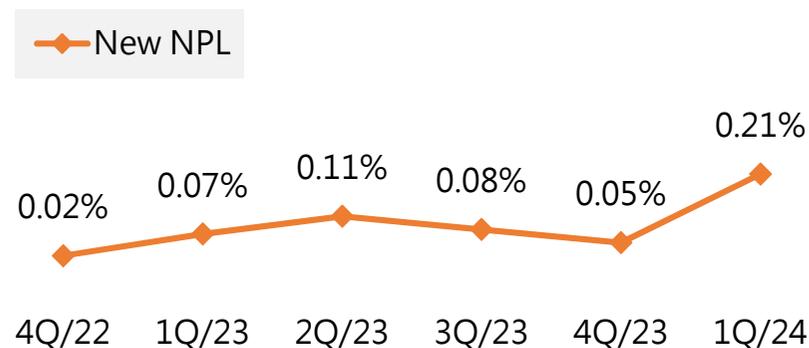


# NPL formation was steady

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.



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# 1Q/2024 Mega FHC consolidated P&L statement

<i>Unit: NT\$MN; EPS: NT\$</i>	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%
<b>Net interest revenue</b>	<b>9,314,480,887</b>	<b>9,131,323,934</b>	2%
<b>Net revenue other than interest</b>	<b>13,111,202,294</b>	<b>9,146,289,601</b>	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%
<b>Net revenue</b>	<b>22,425,683,181</b>	<b>18,277,613,535</b>	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%
<b>Profit</b>	<b>11,490,181,038</b>	<b>10,775,868,759</b>	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%
<b>Total Assets</b>	<b>4,484,756,596,043</b>	<b>4,085,771,162,043</b>	<b>10%</b>
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%
<b>Total Liabilities</b>	<b>4,123,195,906,330</b>	<b>3,770,653,916,677</b>	<b>9%</b>
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)	-
<b>Total Equity</b>	<b>361,560,689,713</b>	<b>315,117,245,366</b>	<b>15%</b>

# 1Q/2024 Mega Bank consolidated P&L statement

<i>Unit: NT\$MN; EPS: NT\$</i>	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%
<b>Net interest revenue</b>	<b>9,719,390,752</b>	<b>9,423,100,321</b>	3%
<b>Net revenue other than interest</b>	<b>8,870,974,632</b>	<b>8,925,109,854</b>	-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%
<b>Net revenue</b>	<b>18,590,365,384</b>	<b>18,348,210,175</b>	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)	-
<b>Profit</b>	<b>9,887,927,664</b>	<b>10,507,993,384</b>	-6%

\* 1Q /2024 are audited numbers



# 1Q/2024 Mega Bank consolidated balance sheet

<i>Unit: NT\$MN</i>	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%
<b>Total Assets</b>	<b>4,028,948,297,188</b>	<b>3,726,120,501,290</b>	<b>8%</b>
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%
<b>Total Liabilities</b>	<b>3,684,138,784,747</b>	<b>3,422,375,455,766</b>	<b>8%</b>
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)	-
<b>Total Equity</b>	<b>344,809,512,441</b>	<b>303,745,045,524</b>	<b>14%</b>

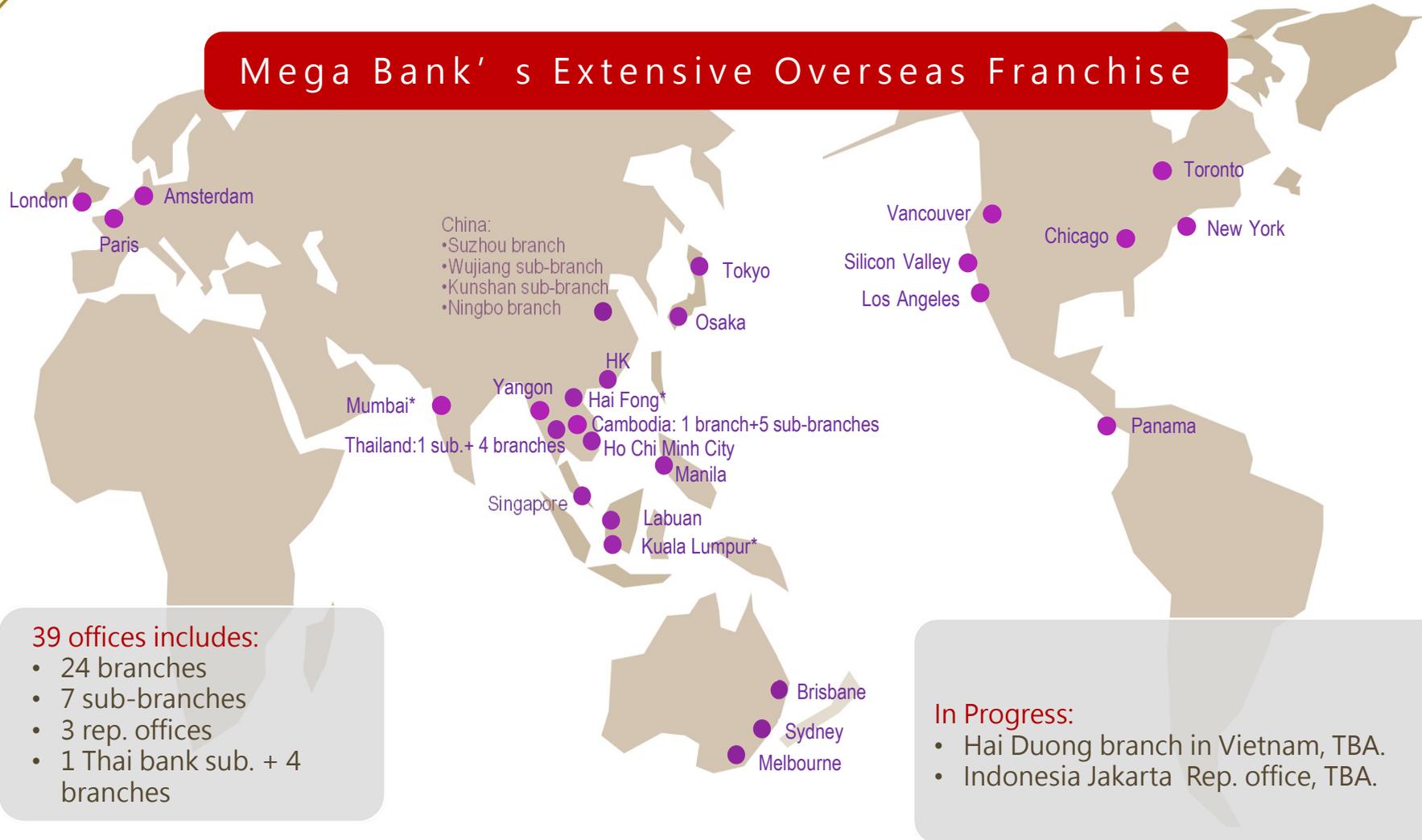


# Mega FHC ESG recognition



# 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