

2Q/2024 Analyst Meeting

2024/08/26



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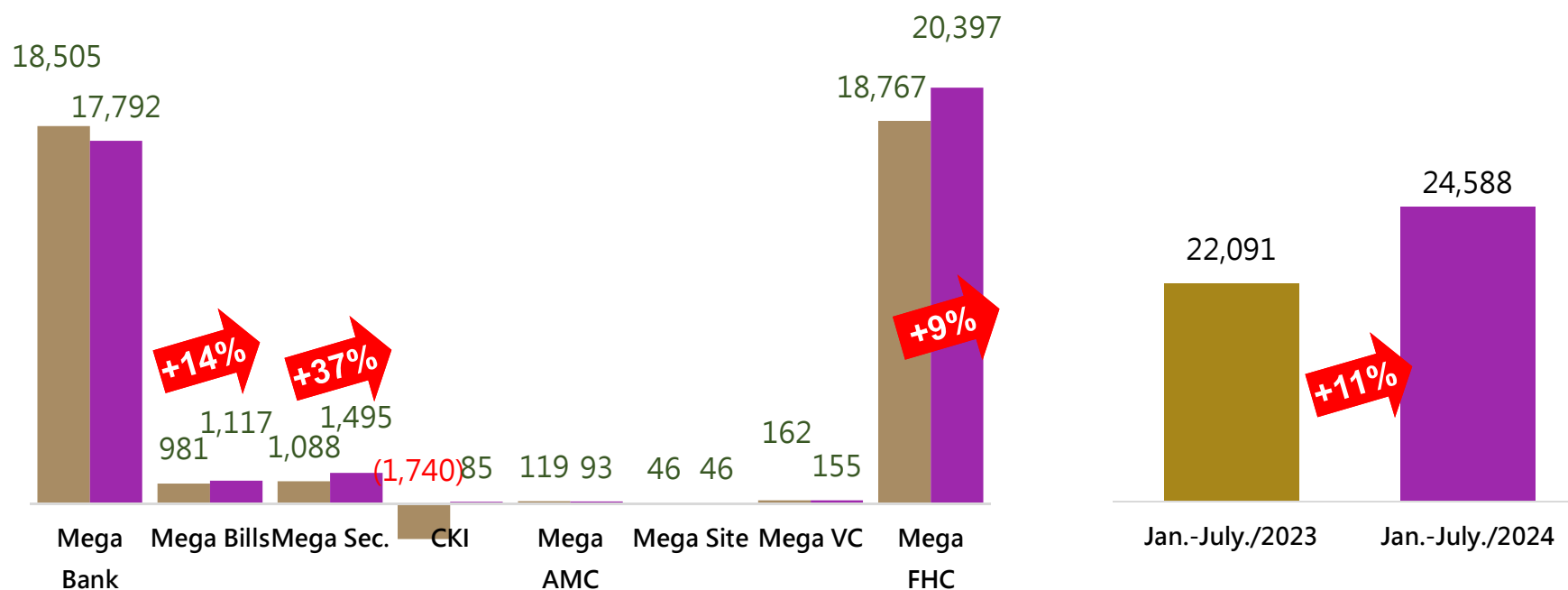
Mega FHC 1H/24 earning were up 9% YoY

Mega FHC & Subs. 1H/24 earning trend

Mega FHC Jan.-July/24 earning trend

Unit: NT\$MN

■ 1H/2023 ■ 1H/2024*



* 1H / 24 & Jan.-July. / 24 are unaudited numbers



兆豐金控 Mega Holdings

Mega 4 core strategies

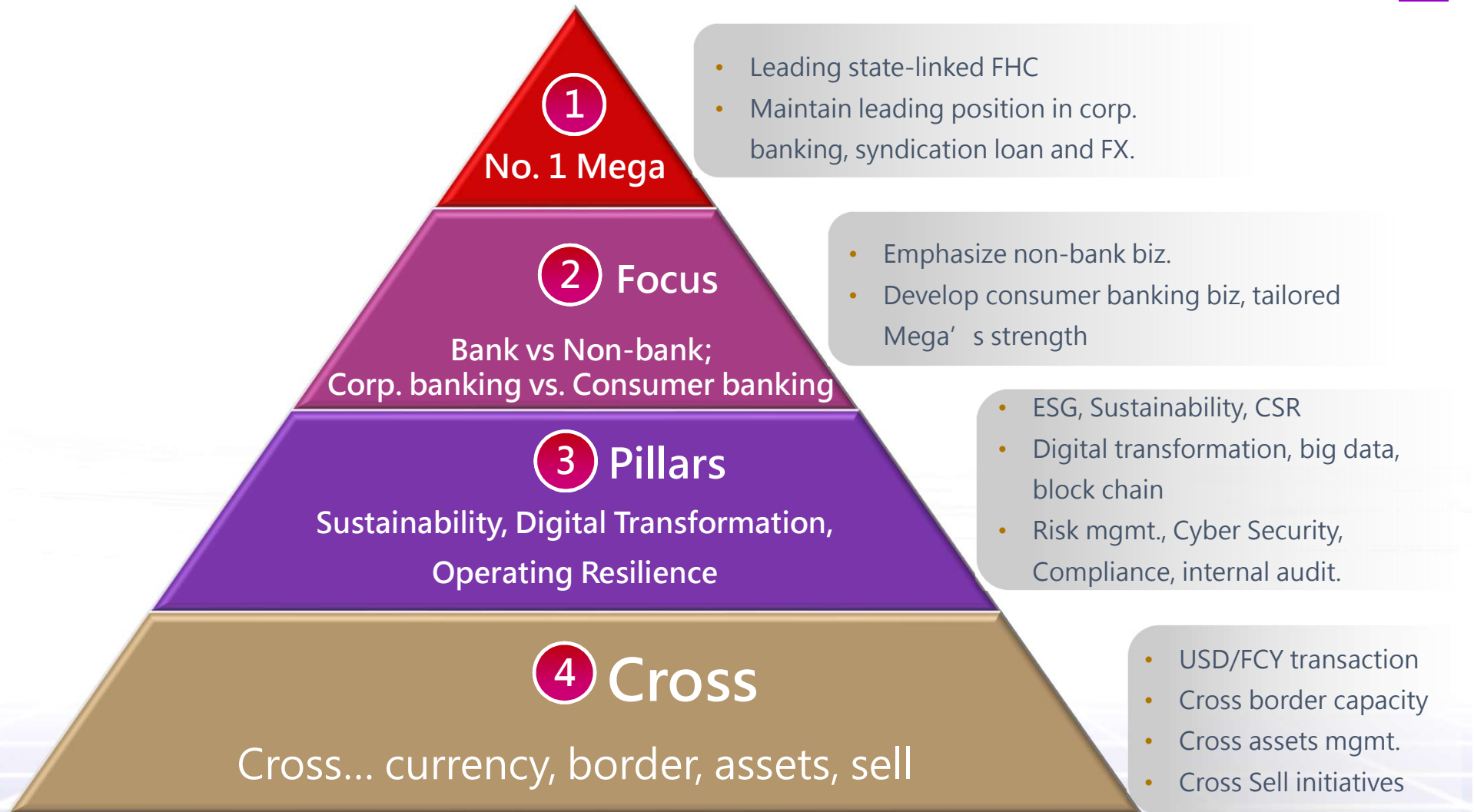




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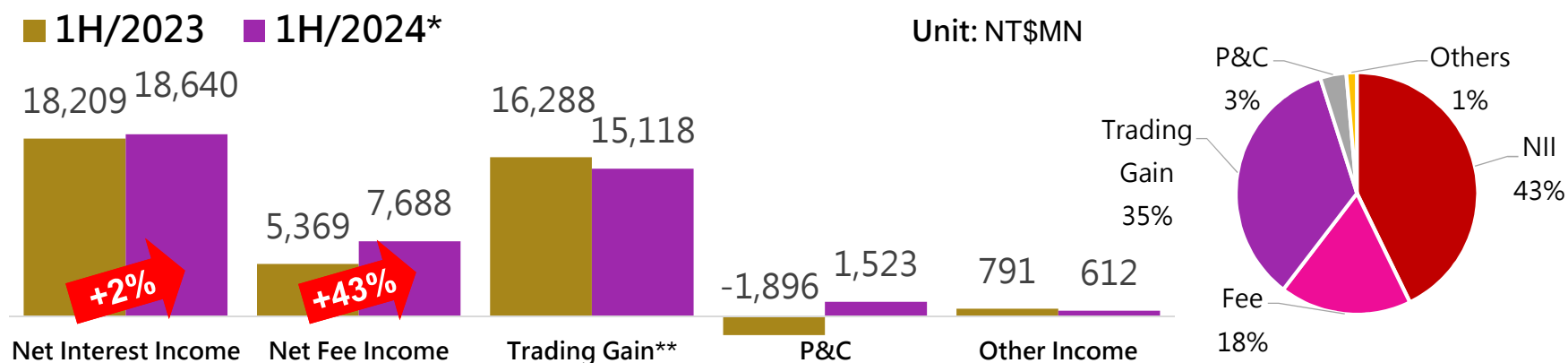


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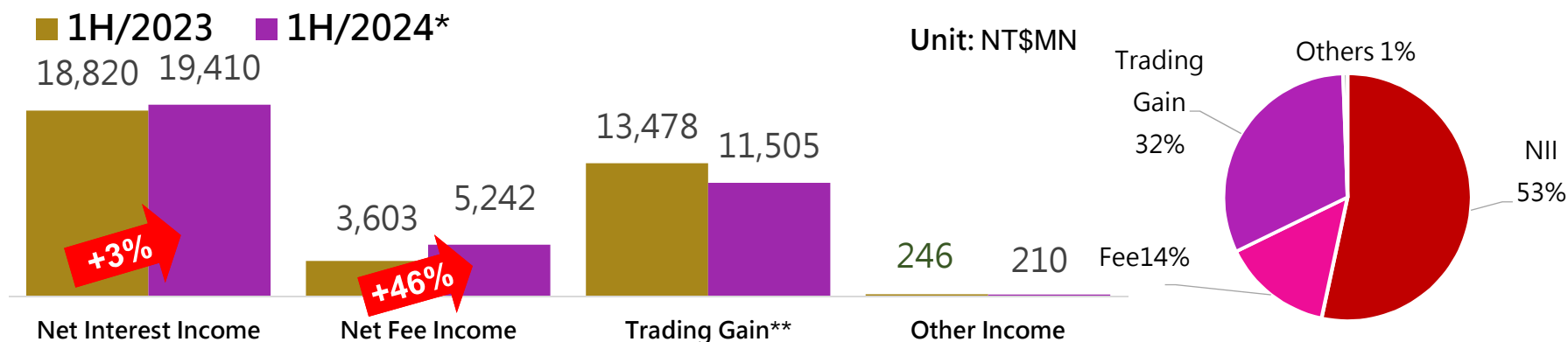


1H/24 bank NII rose 3% YoY; Fee income bounced up 46% YoY

Mega FHC 1H/24 net revenue breakdown*



Mega Bank 1H/24 net revenue breakdown*

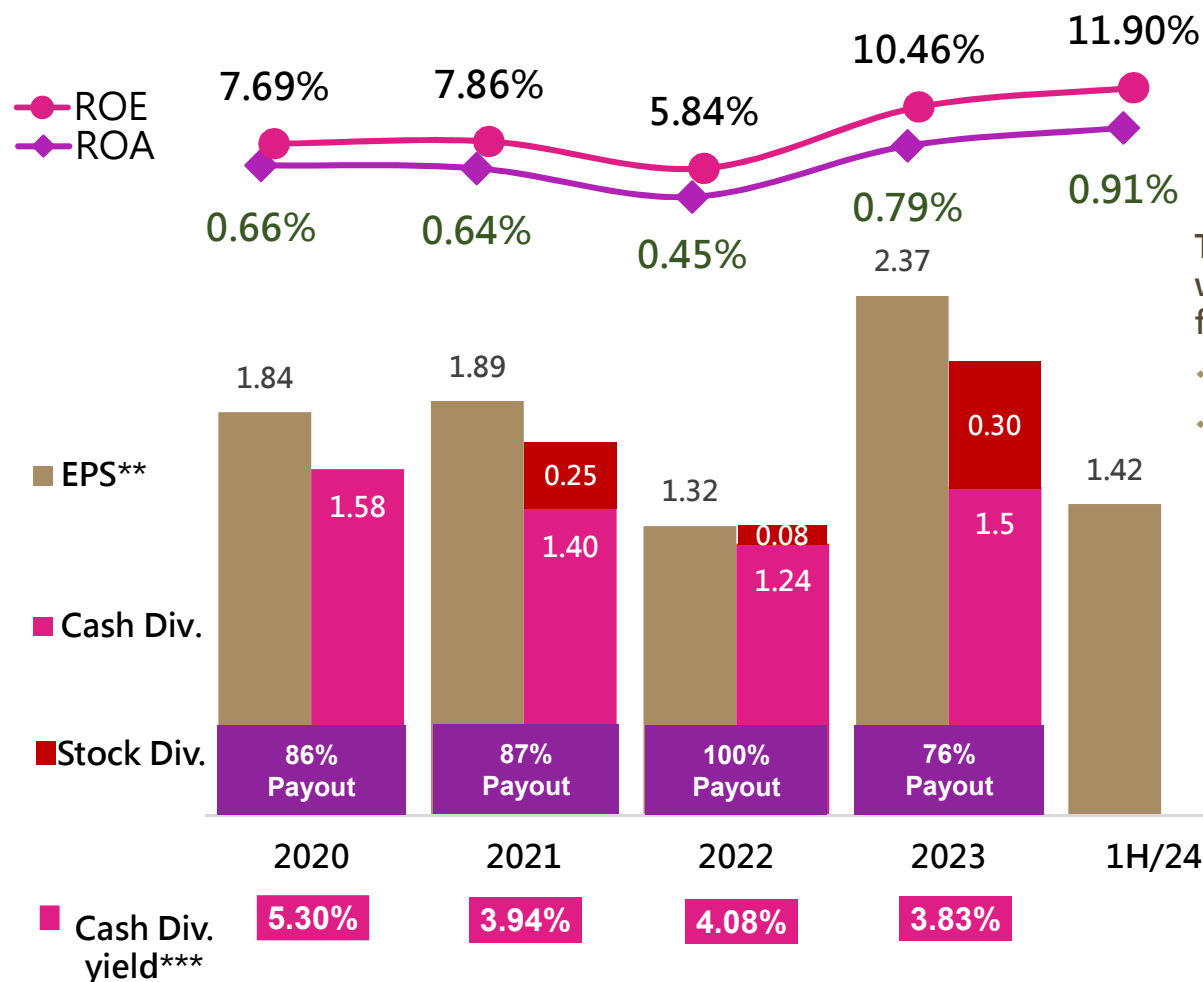


* 1H / 24 are unaudited numbers



1H/24 ROE & ROA Reached a 5-Year 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.

* 1H/24 are unaudited 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

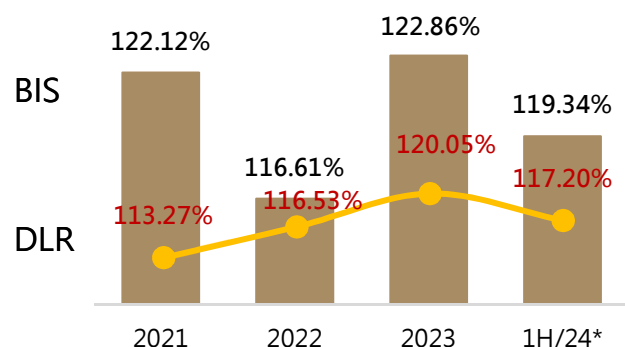


Strong capital position

Mega FHC

Moody's: A2

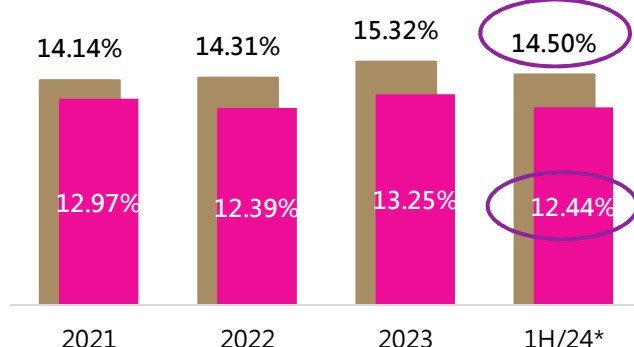
CAR Requirement : 100%



Mega Bank

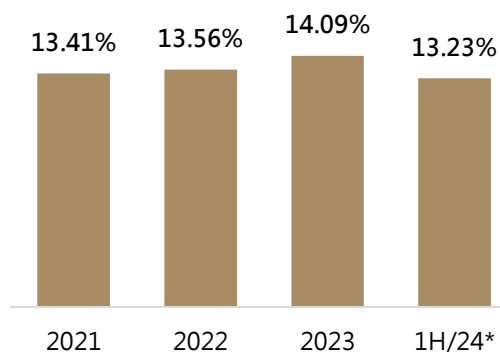
Moody's: A1 / S&P: A+

D-SIBs requires: CAR: 14.0%
CET1: 10.5%



Mega Bills

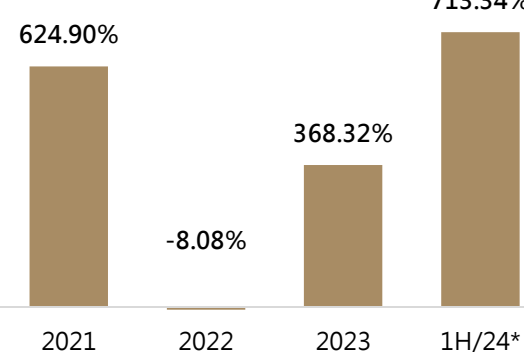
Requirement : 8.0%



CKI P&C

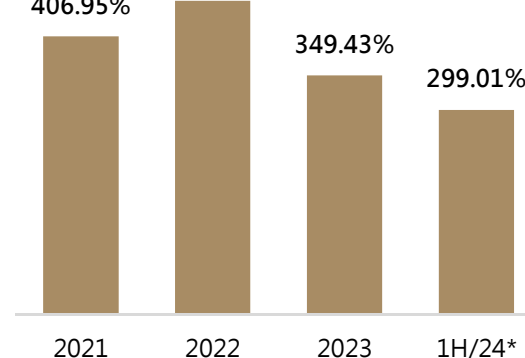
Moody's: A3 / S&P: A-

Requirement : 200%



Mega Securities

Requirement : 150%



*1H/24 are unaudited numbers



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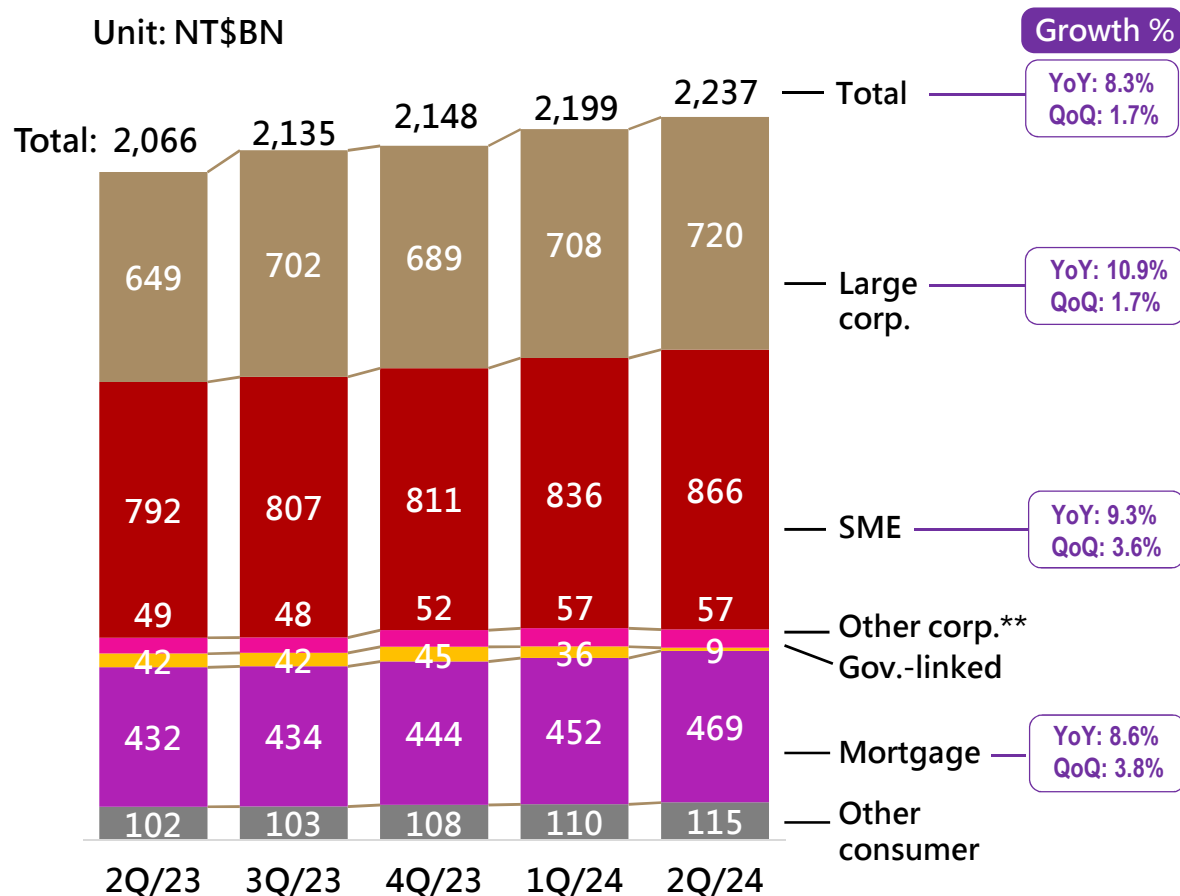
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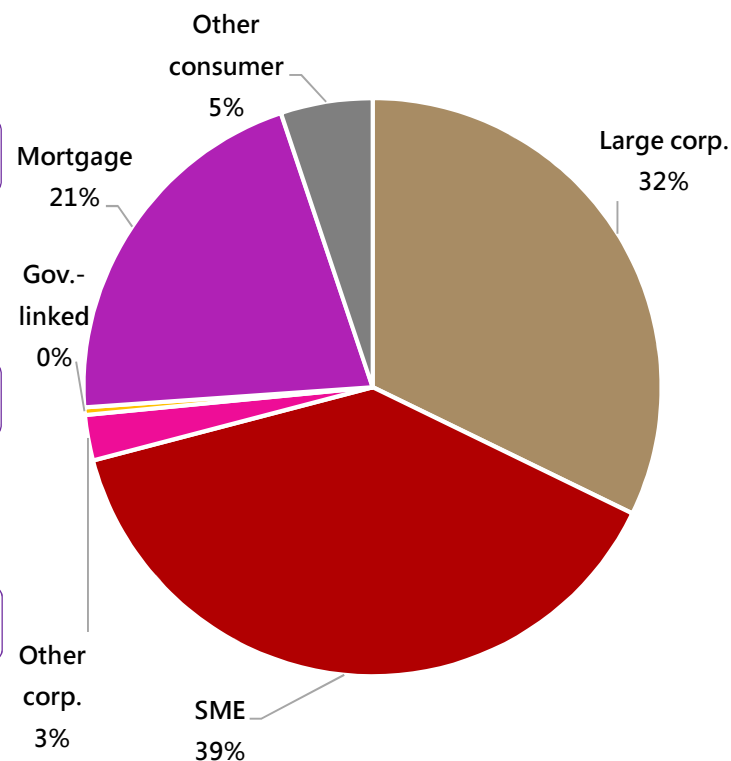
2Q/24 total loan were up 8.3% YoY, as large corp., SME and mortgage loan grew higher

Mega Bank quarterly loan balance*

Unit: NT\$BN



Mega Bank 2Q/24 loan breakdown by customers



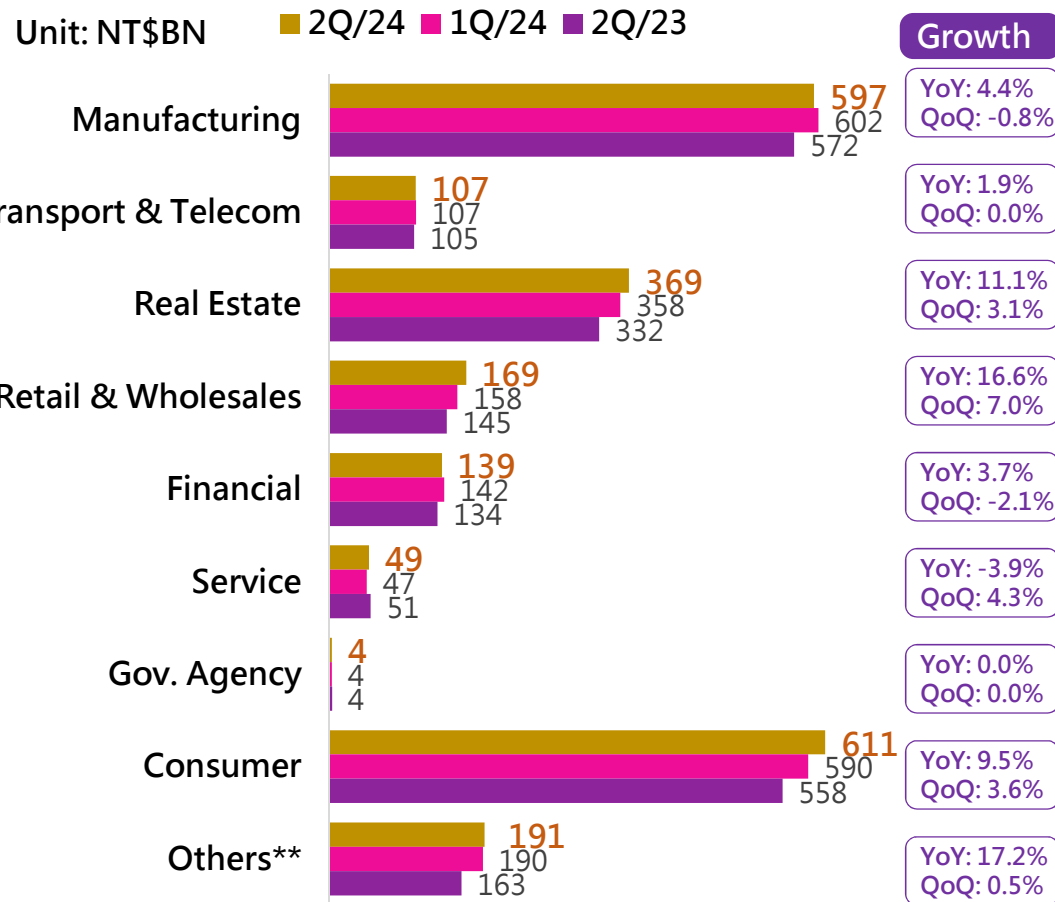
* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

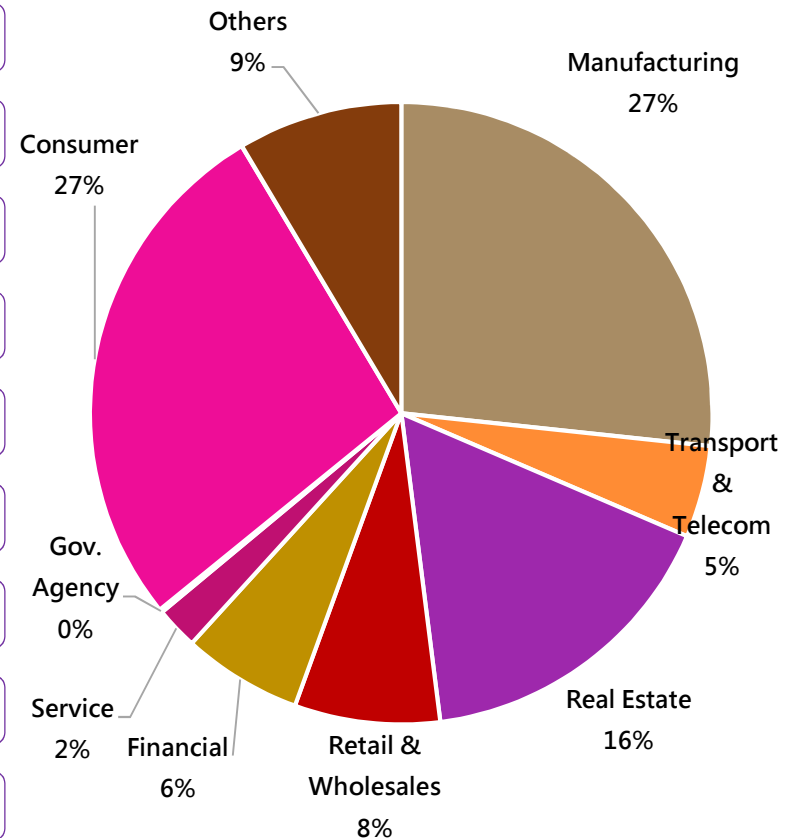


2Q/24 manufacturing loans were up 4.4% YoY; while retail & wholesales loans were up 16.6% YoY

Mega Bank loan balance trend by industry*



2Q/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.

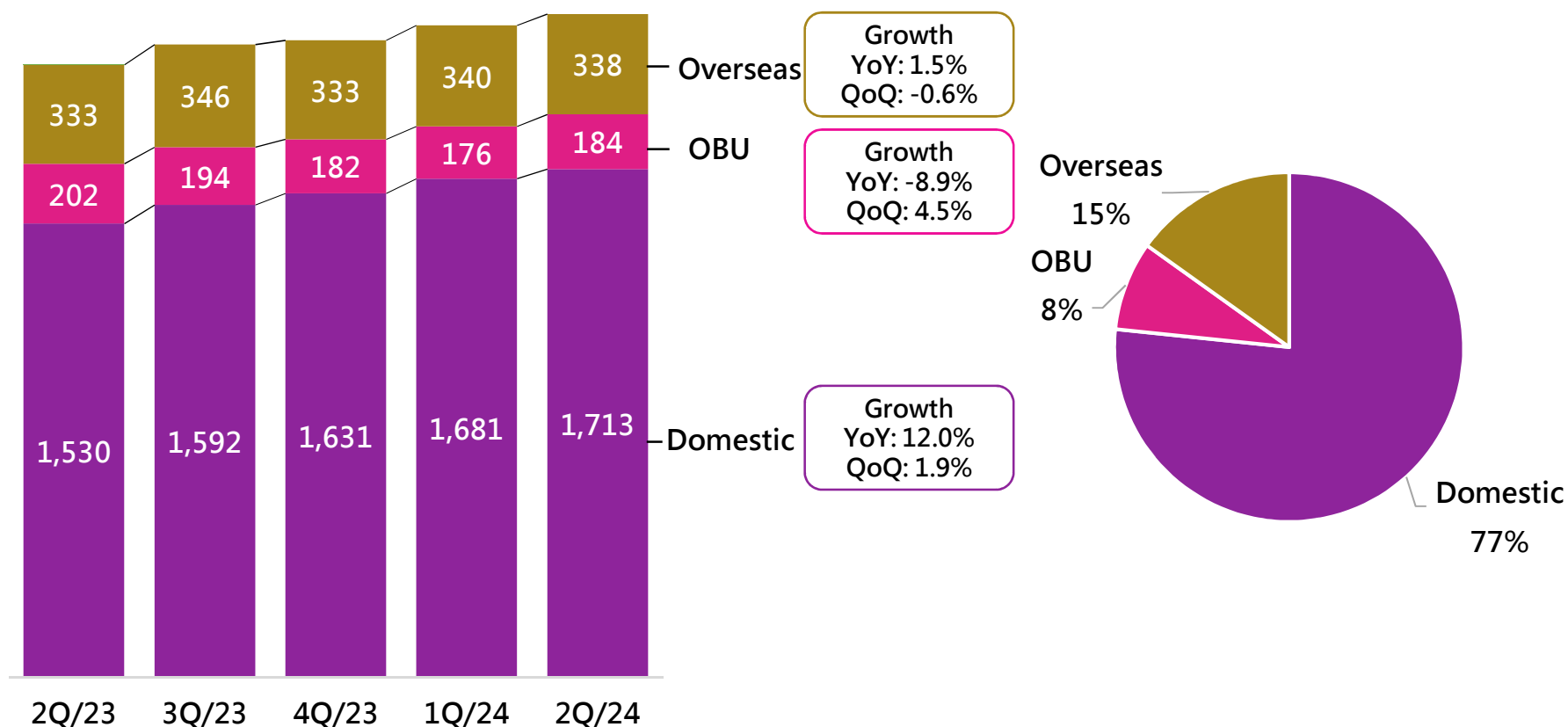
** Main component for "Other Industry": leisure (hotel & restaurant) industry



2Q/24 OBU loans grew 4.5% QoQ;
while domestic loans rose 1.9% QoQ / 12.0%YoY

Mega Bank 2Q/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.

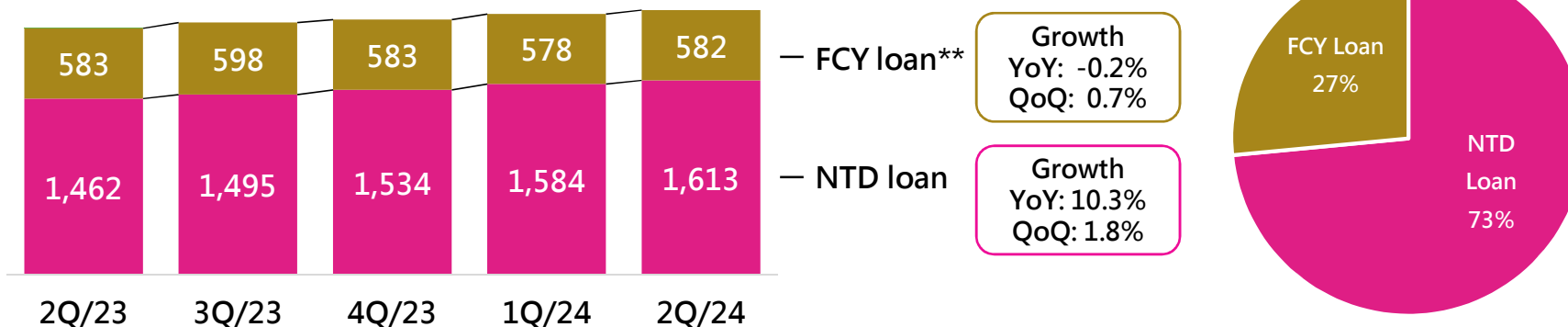
** OBU stands for Off-shore Banking Unit



2Q/24 NTD loan grew 1.8% QoQ

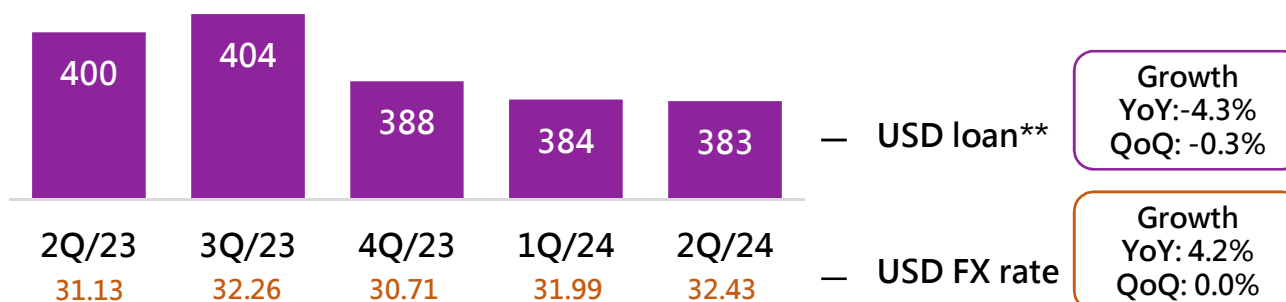
Mega Bank 2Q/24 loan breakdown by currency: NTD vs. foreign currency loan *

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.

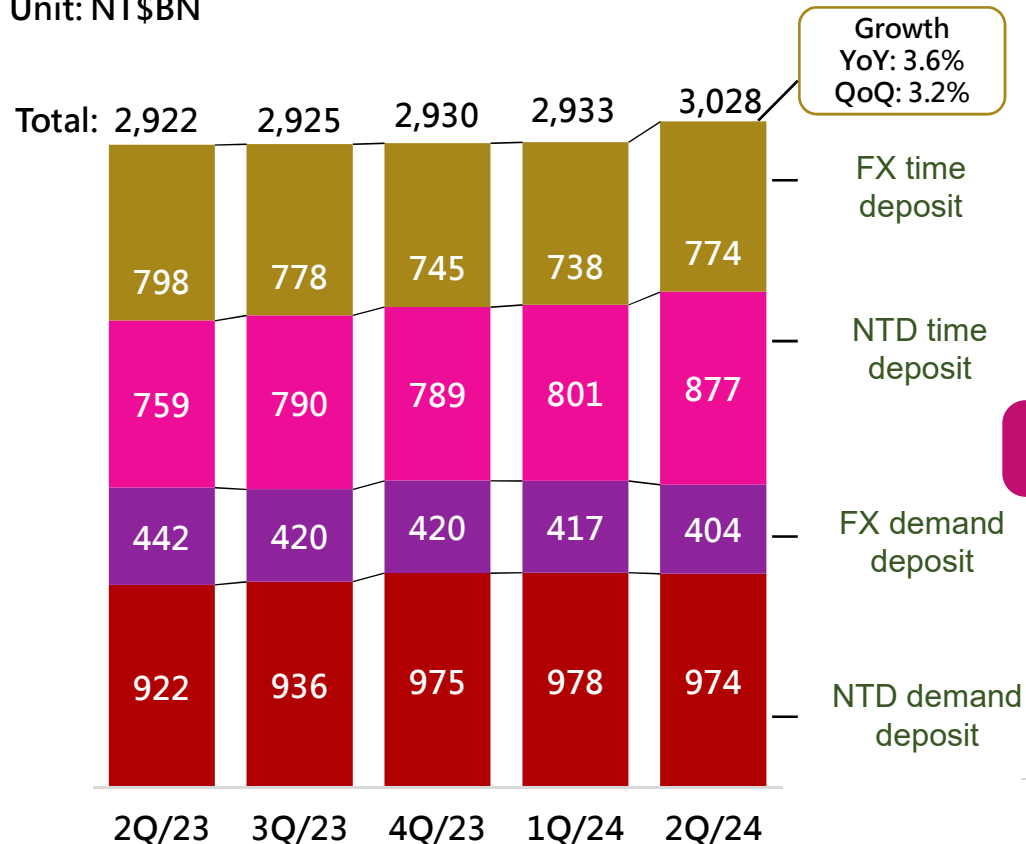
** Foreign currency and USD loans include OBU, overseas branched and some domestic branched loans.



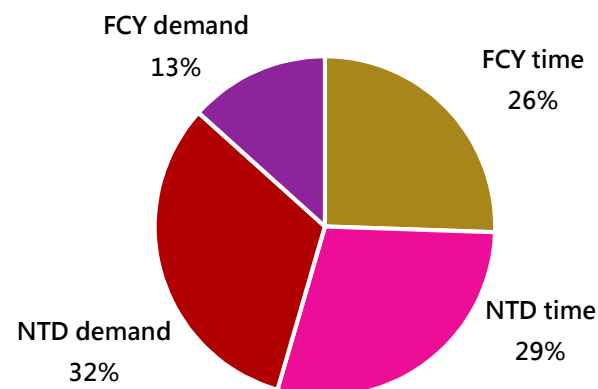
2Q/24 total deposit were up 3.2% QoQ

Mega Bank deposit balance *

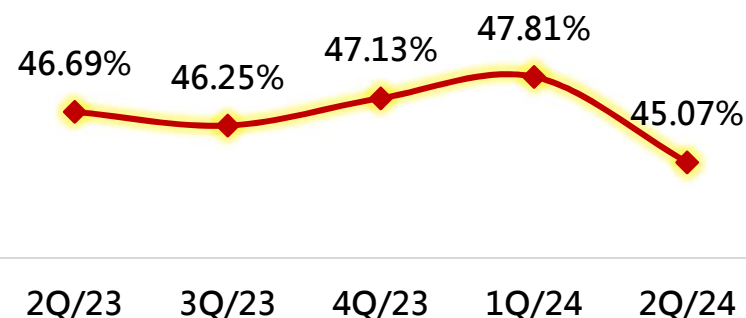
Unit: NT\$BN



Mega Bank 2Q/24 deposit breakdown



Mega Bank demand deposit % trend



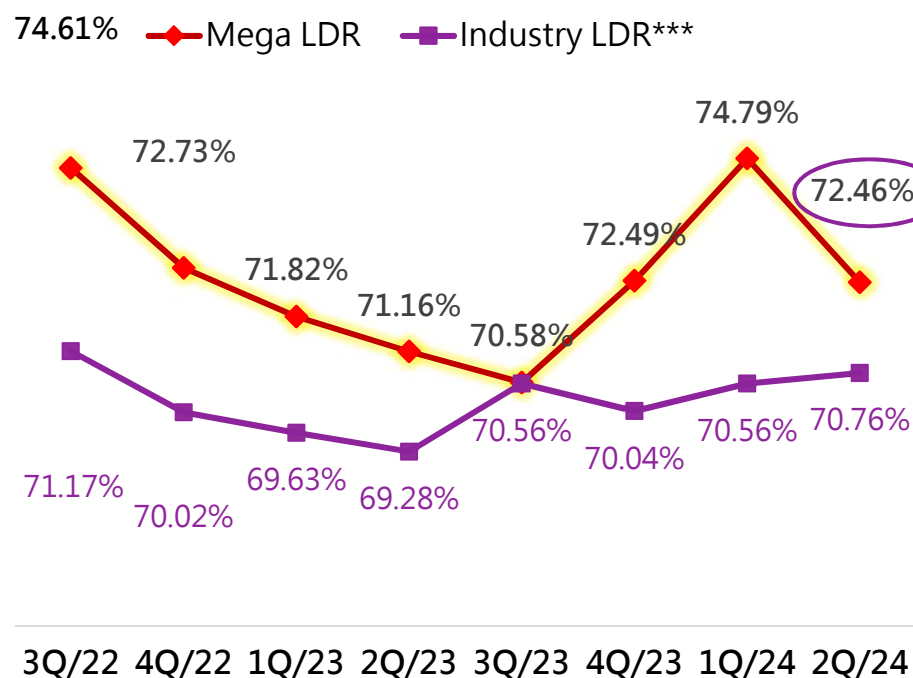
* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

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

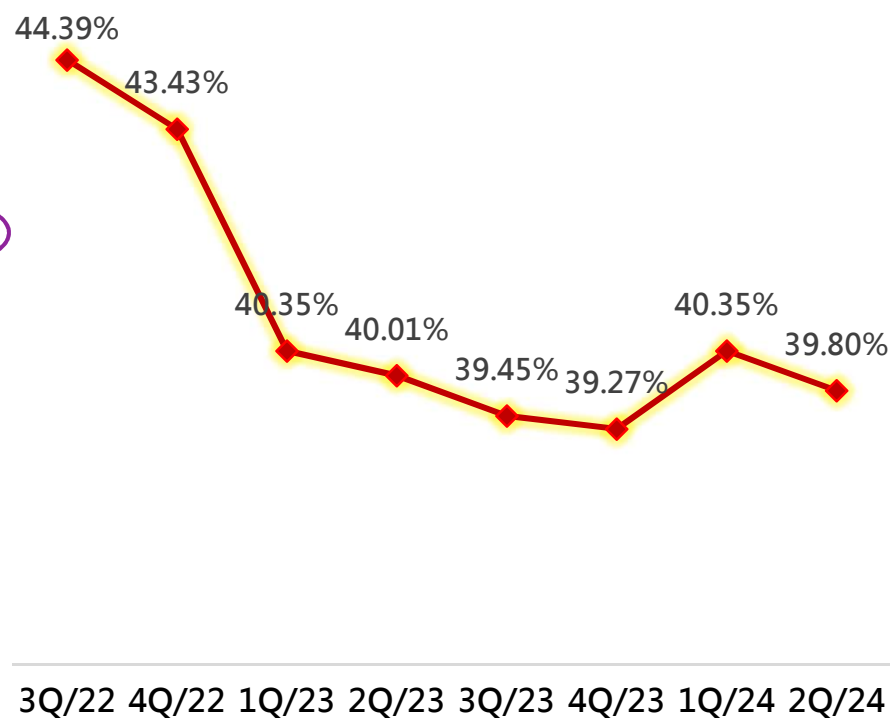


2Q/24 Total LDR reached 72.46%

Mega Bank's total LDR*



Mega Bank's USD LDR**



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

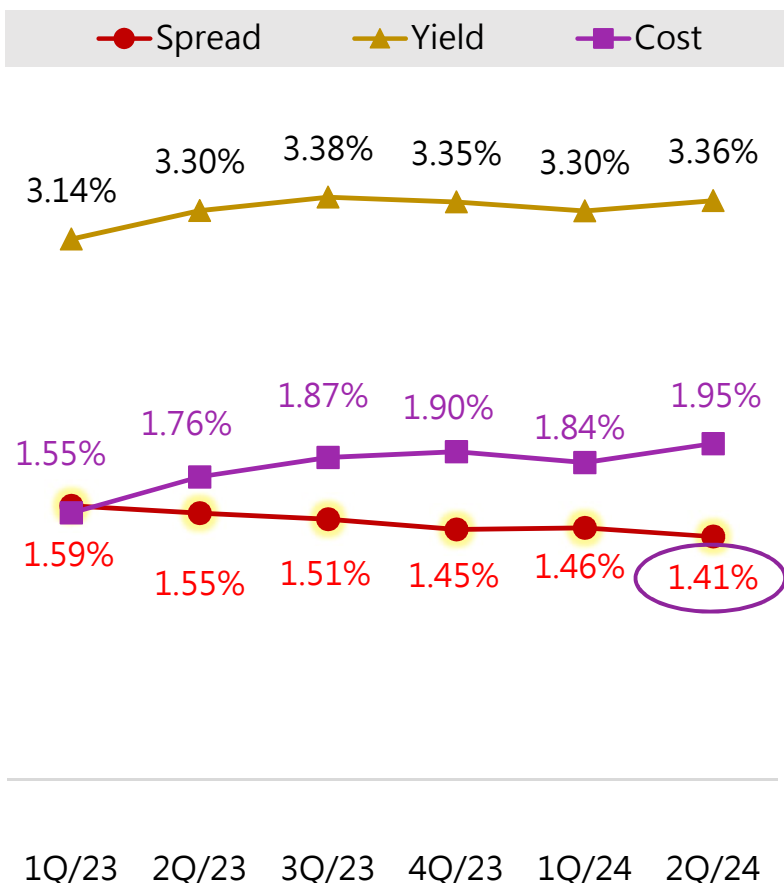
** USD LDR calculation is based on average loan/deposit balance of that quarter

*** Source: Central Bank of Taiwan

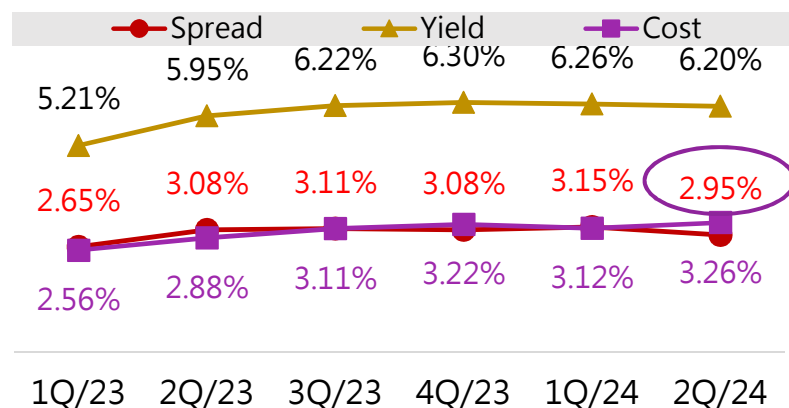


Cost and yield both extended higher in 2Q/24; putting pressure on spread

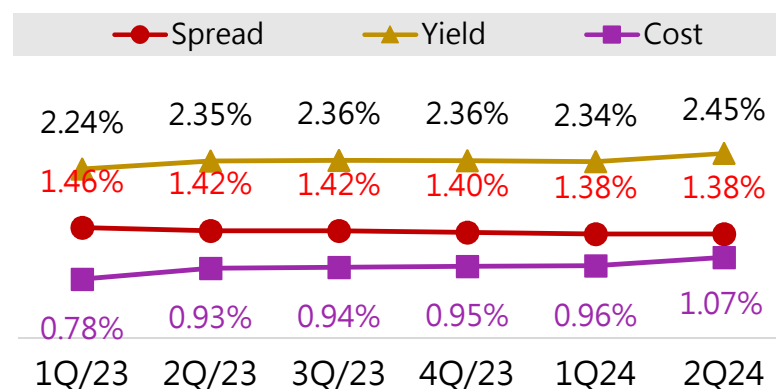
Mega Bank total loan interest spread



Mega Bank overseas loan interest spread*



Mega Bank domestic loan interest spread*

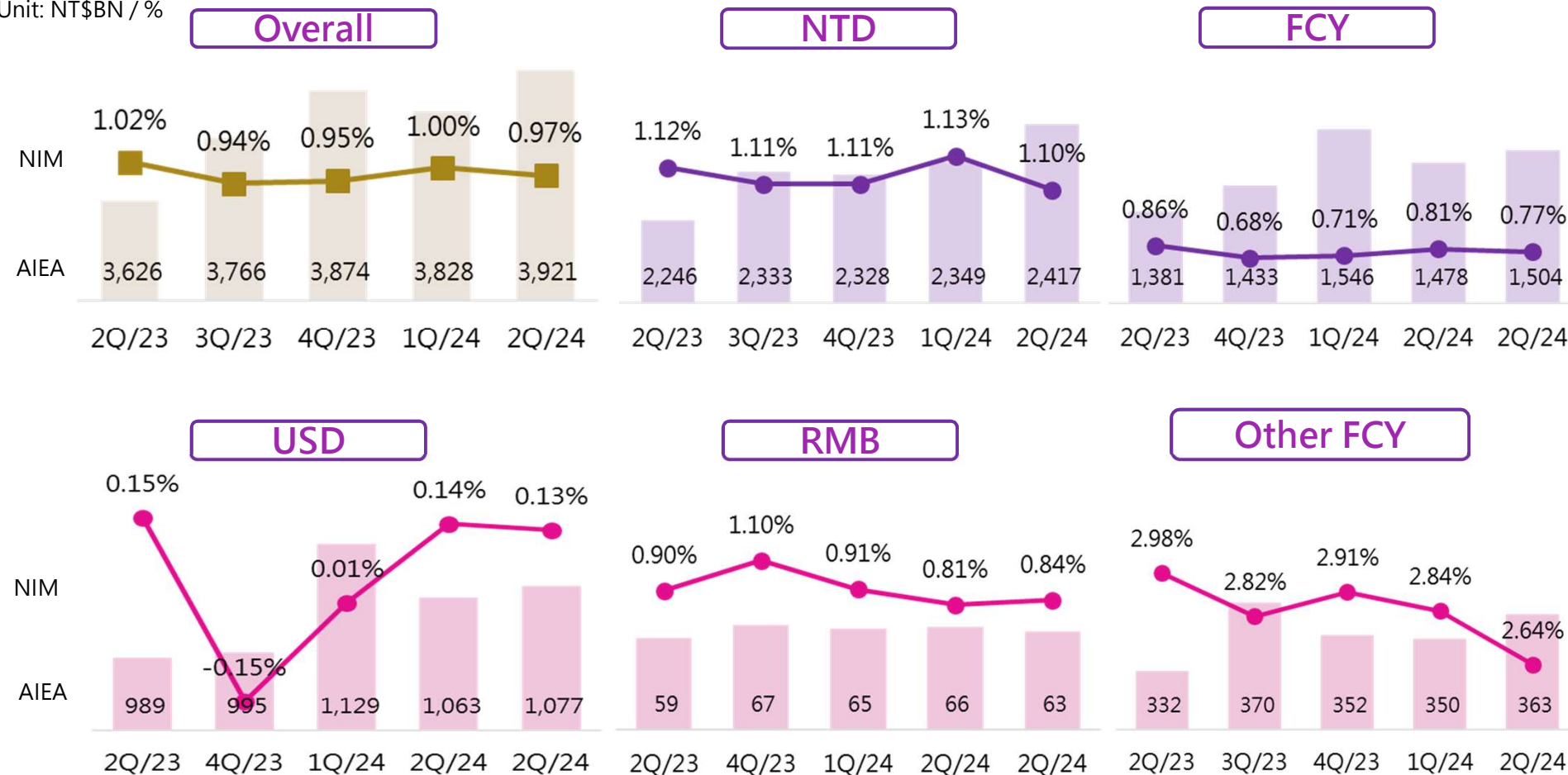


* Overseas loan includes overseas branches and OBU loan; internal numbers.

NIM moved sideways as NTD and Other FCY AIEA increased

Mega Bank quarter NIM and average interest earning assets*

Unit: NT\$BN / %

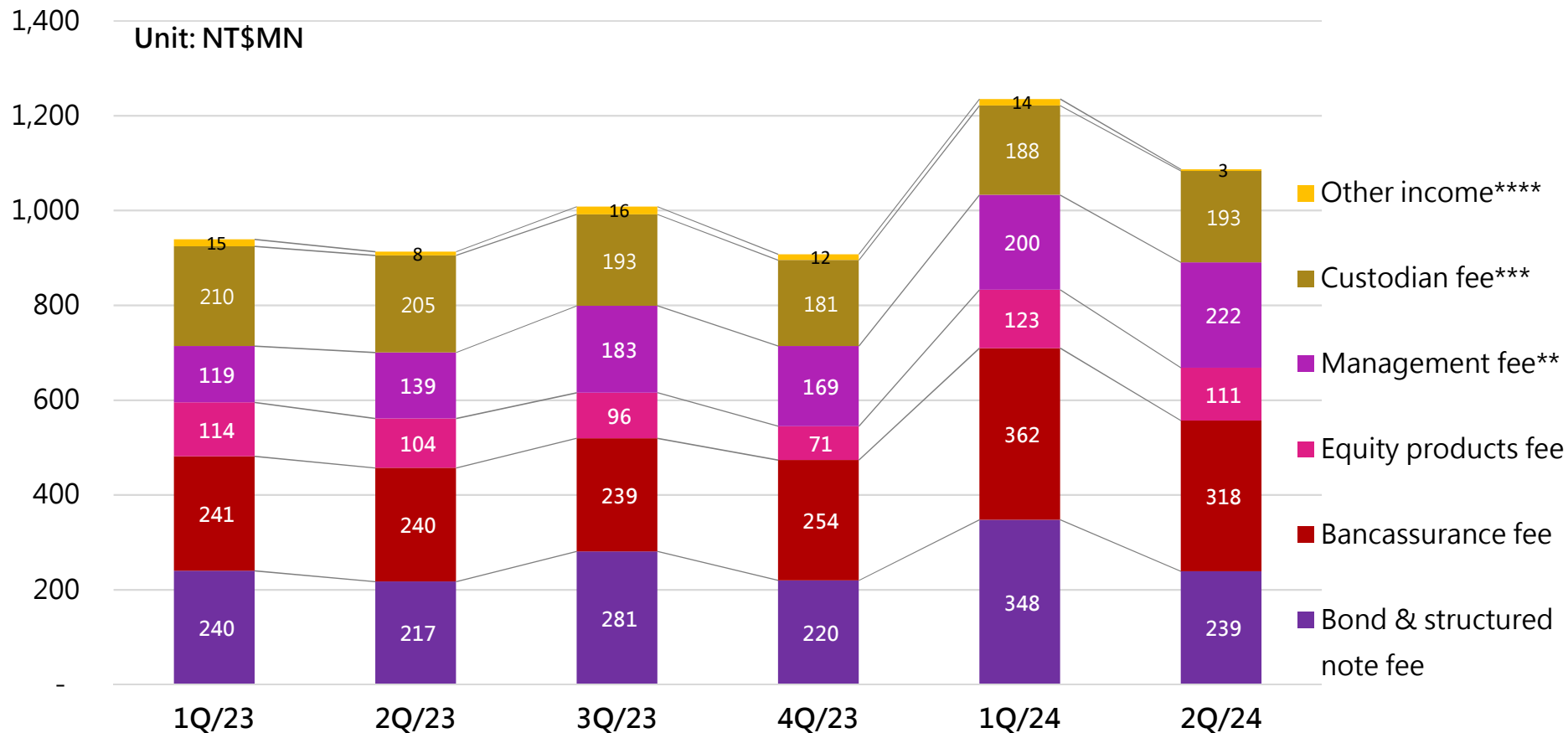


* NIM = annualized net interest income / average interest earning assets (AIEA) of that quarter; internal numbers; Unit: NT\$BN / %



WM quarterly run rate remained to be robust versus last year

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.

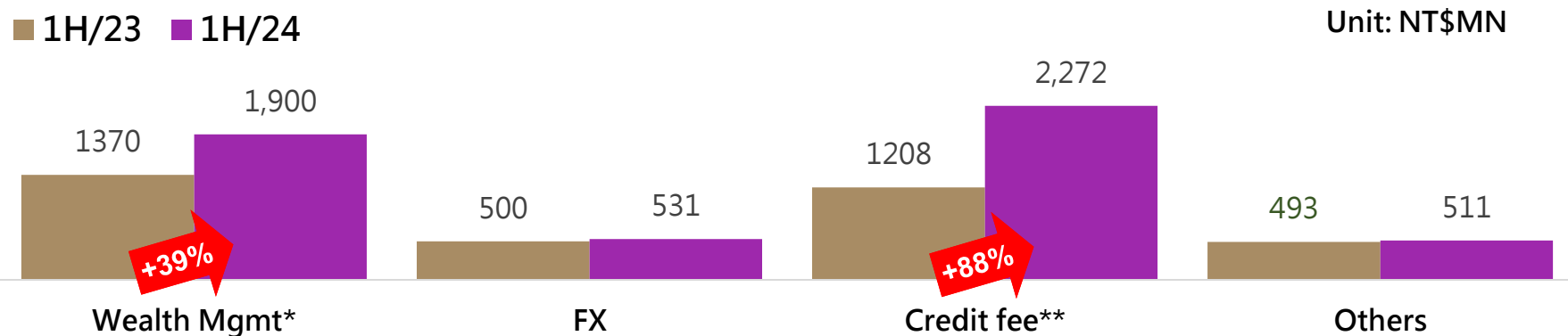
*** Custodian acc. fee associated with WM biz

**** Includes FX spread gain and etc.

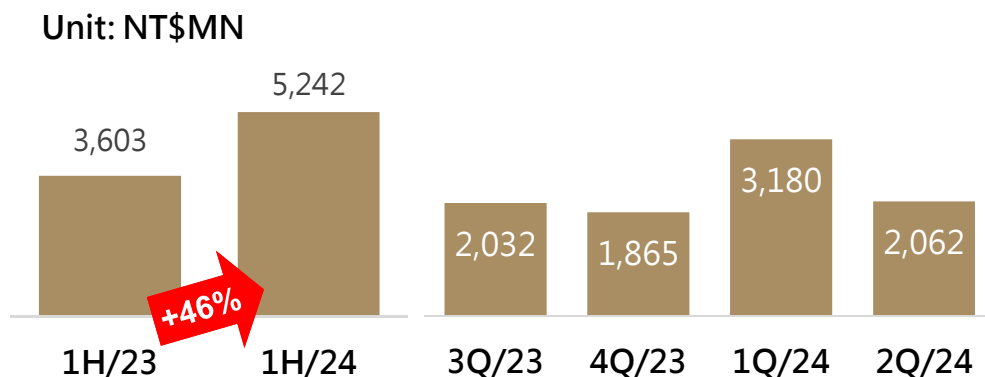


1H/24 bank fee were up 46% YoY, primarily due to a surge in WM and Credit fee

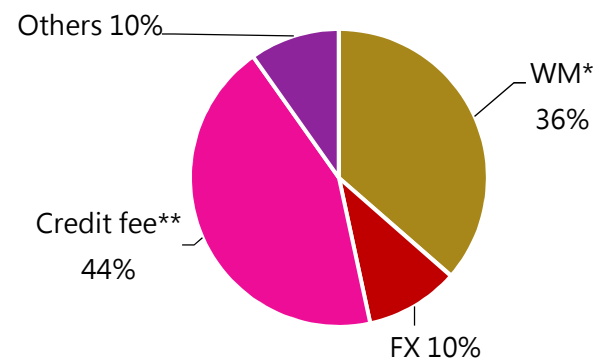
Mega Bank net fee breakdown



Mega Bank net fee trend***



Mega Bank 1H/24 net fee breakdown



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

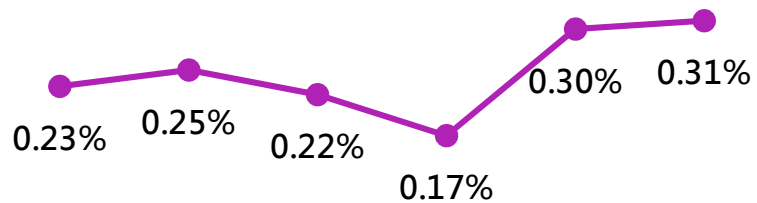
** Includes corporate loan fee, consumer loan fee, guarantee fee and factoring fee

***Total net fees are unaudited numbers.



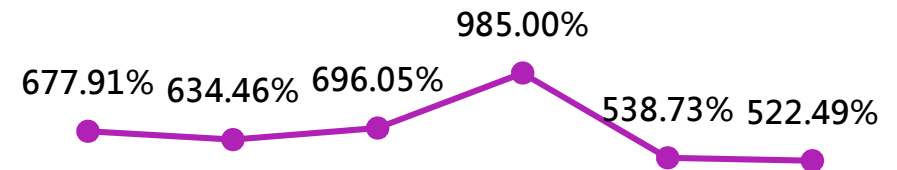
2Q/24 asset quality overview

Mega Bank NPL balance & NPL ratio

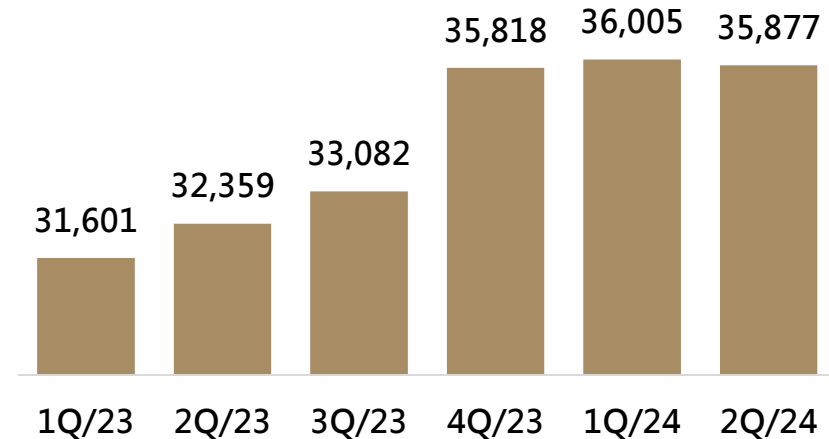
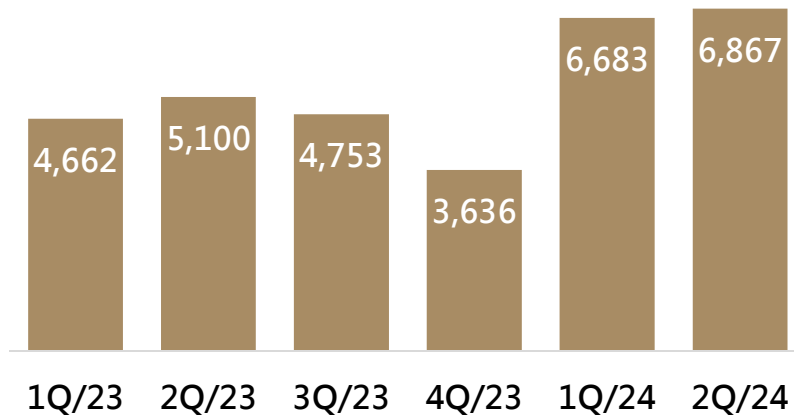


Unit: NT\$MN

Mega Bank loan loss reserved and coverage ratio

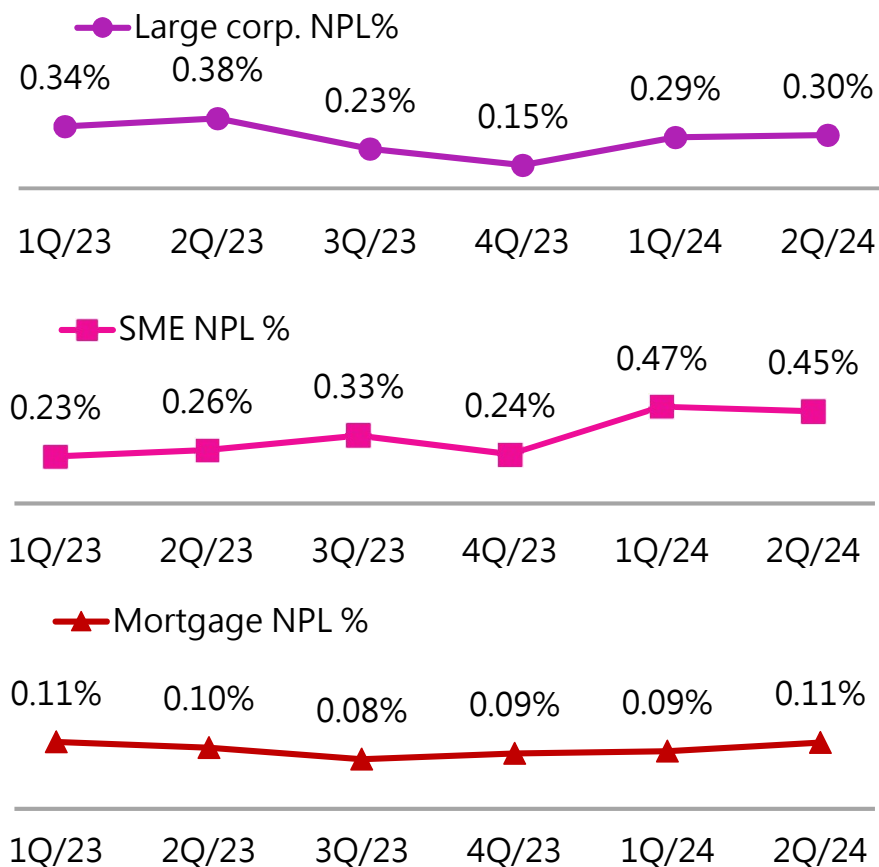


Unit: NT\$MN

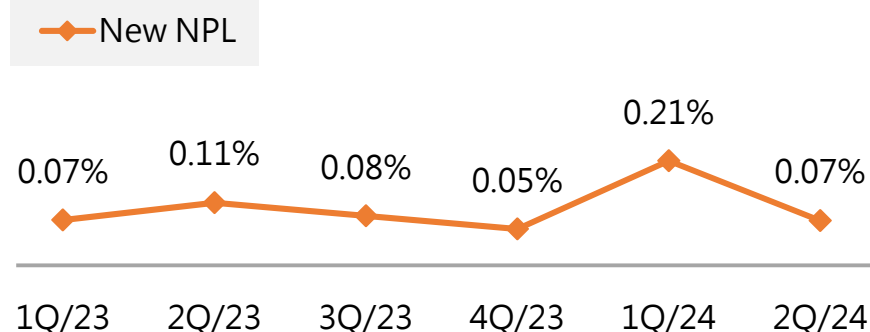


2Q/24 new NPL formation has seen a significant improvement

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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1H/24 Mega FHC consolidated P&L statement

Unit: NT\$MN; EPS: NT\$	1H/2024*	1H/2023	YoY
Interest income	64,605,866,067	54,690,704,677	18%
Less: interest expense	45,965,920,688	36,481,244,433	26%
Net interest revenue	18,639,945,379	18,209,460,244	2%
Net revenue other than interest	24,940,419,750	20,551,839,342	21%
Net fee and commissions	7,688,170,674	5,368,890,833	43%
Net insurance revenue	1,522,706,190	(1,895,625,841)	-
Gain on financial assets and liabilities at fair value thru P&L	12,263,891,679	14,014,831,138	-12%
Gain on investment property	11,443,427	11,275,691	1%
Realized gain on financial assets at fair value thru OCI	862,598,153	1,107,334,398	-22%
Gain/loss arising from derecognition of fin. assets measured at AC	175,435,407	2,401	-
Equity method profit/loss	(11,648,985)	(22,924,054)	-
Foreign exchange gains	1,773,053,405	1,244,304,788	42%
Reversal of loss on assets	43,037,343	(69,066,742)	-
Gain on reclassification under the overlay approach	194,739	2,077,211	-
Net other revenue other than interest income	611,537,718	790,739,519	-23%
Net revenue	43,580,365,129	38,761,299,586	12%
Bad debts expense, guarantee provision	2,309,709,766	4,934,448,803	-53%
Net change in provisions for insurance liabilities	366,456,926	(2,330,357,718)	-
Operating expenses	17,880,617,754	15,717,348,559	14%
Profit from continuing operations before tax	23,023,580,683	20,439,859,942	13%
Income tax expense	(2,626,906,359)	(1,673,049,241)	57%
Profit	20,396,674,324	18,766,810,701	9%
EPS	1.42	1.34	6%

* 1H / 24 are unaudited numbers



1H/24 Mega FHC consolidated balance sheet

Unit: NT\$MN	1H/2024*	1H/2023	YoY
Cash and cash equivalents, net	89,722,188,956	78,986,280,191	14%
Due from central bank and interbank assets	611,503,799,058	499,887,786,443	22%
Financial assets at fair value thru P&L	228,377,716,317	195,431,634,306	17%
Financial assets at fair value thru OCI	592,565,846,543	563,788,956,432	5%
Investments in debts at amortized cost	625,039,401,722	652,471,914,930	-4%
REPO securities	1,100,641,551	2,619,982,582	-58%
Receivables	123,417,432,808	97,360,453,346	27%
Current tax assets	2,939,317	329,801,615	-
Loans	2,220,872,551,516	2,055,490,927,548	8%
Other assets	70,330,687,704	66,991,582,273	5%
Total Assets	4,562,933,205,492	4,213,359,319,666	8%
Deposits from central bank and banks	582,846,578,642	549,846,840,331	6%
Due to central bank and banks	2,838,894,810	3,088,162,252	-8%
Financial liabilities at fair value thru P&L	26,552,570,961	22,987,671,900	16%
Securities sold under repurchase agreements	314,891,243,485	232,033,353,656	36%
Commercial paper issued	26,006,962,437	33,436,421,063	-22%
Payable	118,297,575,236	100,689,478,468	17%
Current tax liabilities	8,027,008,977	9,910,141,619	-19%
Deposits and remittances	3,014,426,835,507	2,844,646,660,860	6%
Bond payable	33,000,000,000	20,500,000,000	61%
Other liabilities	86,228,569,270	84,853,450,099	2%
Total Liabilities	4,213,116,239,325	3,901,992,180,248	8%
Common stock	148,333,782,820	140,513,381,380	6%
Capital surplus	76,552,383,662	68,194,233,375	12%
Retain earnings	121,172,673,628	107,779,578,268	12%
Other equity interest	3,758,126,057	(5,120,053,605)	-
Total Equity	349,816,966,167	311,367,139,418	12%



1H/24 Mega Bank consolidated P&L statement

Unit: NT\$MN; EPS: NT\$	1H/2024*	1H/2023	YoY
Interest income	62,096,041,815	53,067,355,603	17%
Less: interest expense	42,686,005,319	34,247,068,140	25%
Net interest revenue	19,410,036,496	18,820,287,463	3%
Net revenue other than interest	16,957,084,172	17,326,368,397	-2%
Net fee and commissions	5,242,312,078	3,602,996,626	45%
Gain on financial assets and liabilities at fair value thru P&L	9,148,386,048	11,591,273,670	-21%
Realized gain on financial assets at fair value thru OCI	533,358,822	791,005,493	-33%
Gain/loss arising from derecognition of fin. assets measured at AC	175,435,407	2,401	-
Equity method profit/loss	(13,678,878)	(22,738,703)	-
Foreign exchange gains	1,619,692,068	1,183,087,241	37%
Reversal of loss on assets	41,755,100	(65,021,605)	-
Net other revenue other than interest income	209,823,527	245,763,274	-15%
Net revenue	36,367,120,668	36,146,655,860	1%
Bad debts expense, guarantee provision	2,218,172,488	2,461,343,716	-10%
Operating expenses	14,201,514,612	12,697,581,928	12%
Profit from continuing operations before tax	19,947,433,568	20,987,730,216	-5%
Income tax expense	(2,155,092,242)	(2,483,105,323)	-
Profit	17,792,341,326	18,504,624,893	-4%
EPS	2.08	2.17	-4%

* 1H / 24 are unaudited numbers



1H/24 Mega Bank consolidated balance sheet

Unit: NT\$MN	1H/2024*	1H/2023	YoY
Cash and cash equivalents, net	81,881,184,082	74,022,302,323	11%
Due from central bank and interbank assets	611,503,799,058	500,787,786,443	22%
Financial assets at fair value thru P&L	51,128,849,476	55,722,884,936	-8%
Financial assets at fair value thru OCI	414,679,492,039	417,413,027,844	-1%
Investments in debts at amortized cost	620,245,456,923	647,504,479,595	-4%
REPO securities	1,198,664,751	11,273,677,723	-
Receivables	53,270,921,297	49,777,735,010	7%
Current tax assets	26,149	7,921,872	-
Loans	2,220,872,551,516	2,055,490,927,548	8%
Other assets	37,714,611,686	34,796,569,130	8%
Total Assets	4,092,495,556,977	3,846,797,312,424	6%
Deposits from central bank and banks	564,217,051,342	539,244,849,331	5%
Due to central bank and banks	2,838,894,810	3,088,162,252	-8%
Financial liabilities at fair value thru P&L	24,934,429,050	22,329,503,745	12%
Securities sold under repurchase agreements	38,362,905,373	18,986,177,087	102%
Payable	34,319,299,444	31,286,936,394	10%
Current tax liabilities	5,699,583,074	8,339,874,889	-32%
Deposits and remittances	3,019,787,644,488	2,846,309,666,021	6%
Bond payable	18,000,000,000	15,500,000,000	16%
Other liabilities	52,659,963,752	49,792,664,066	6%
Total Liabilities	3,760,819,771,333	3,534,877,833,785	6%
Common stock	96,118,000,000	85,362,336,310	13%
Capital surplus	62,437,396,348	62,219,539,564	0%
Retain earnings	171,689,592,599	170,445,604,188	1%
Other equity interest	1,430,796,697	(6,108,001,423)	-
Total Equity	331,675,785,644	311,919,478,639	6%



Mega FHC ESG recognition



39 offices in 18 countries/areas; 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

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