

# 3Q/2024 Analyst Meeting

2024/11/28



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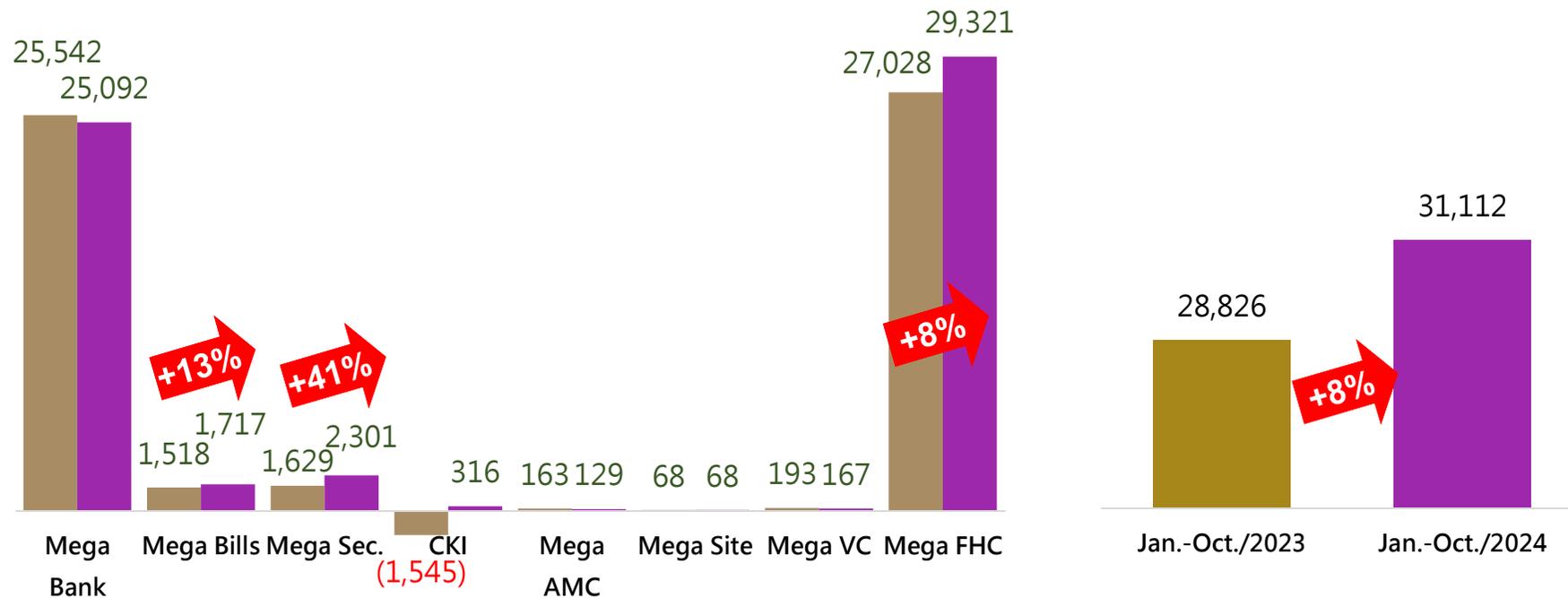
# Mega FHC 1-3Q/24 Earning were up 8% YoY

## Mega FHC & Subs. 1-3Q/24 earning trend

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

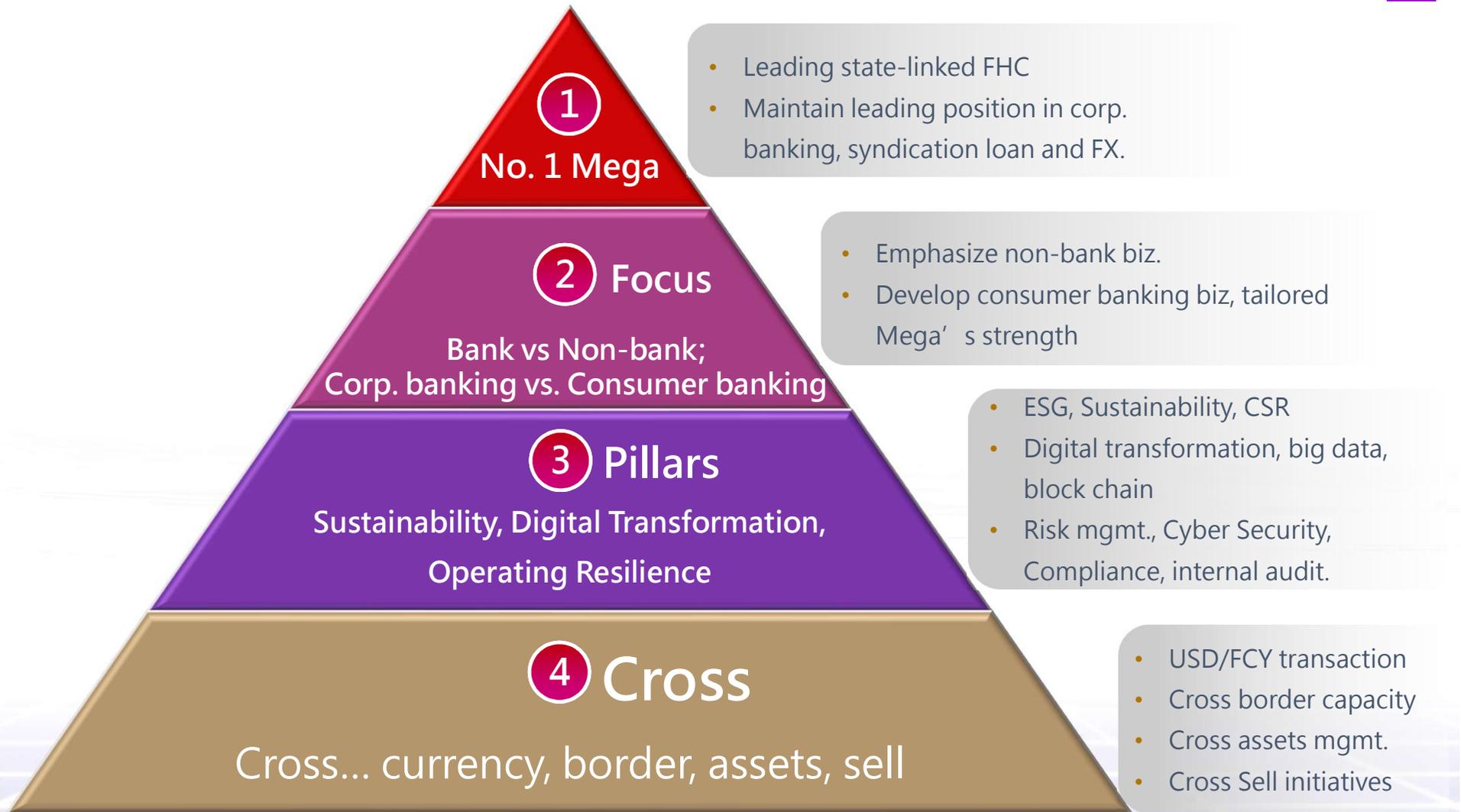
Unit: NT\$MN

■ 1-3Q/2023 ■ 1-3Q/2024\*



\* 1-3Q / 24 & Jan.-Oct. / 24 are unaudited numbers

# Mega 4 Core Strategies





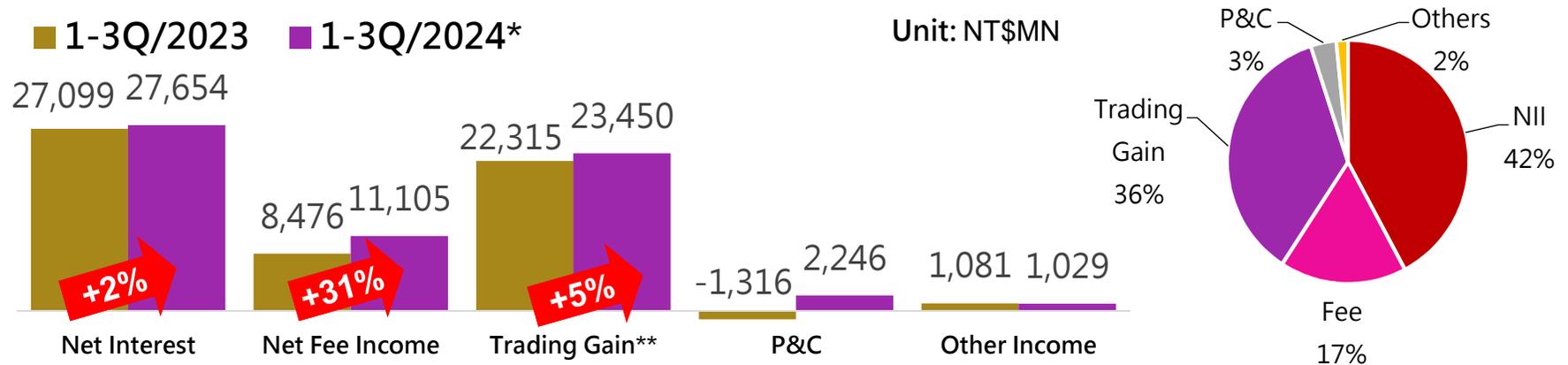
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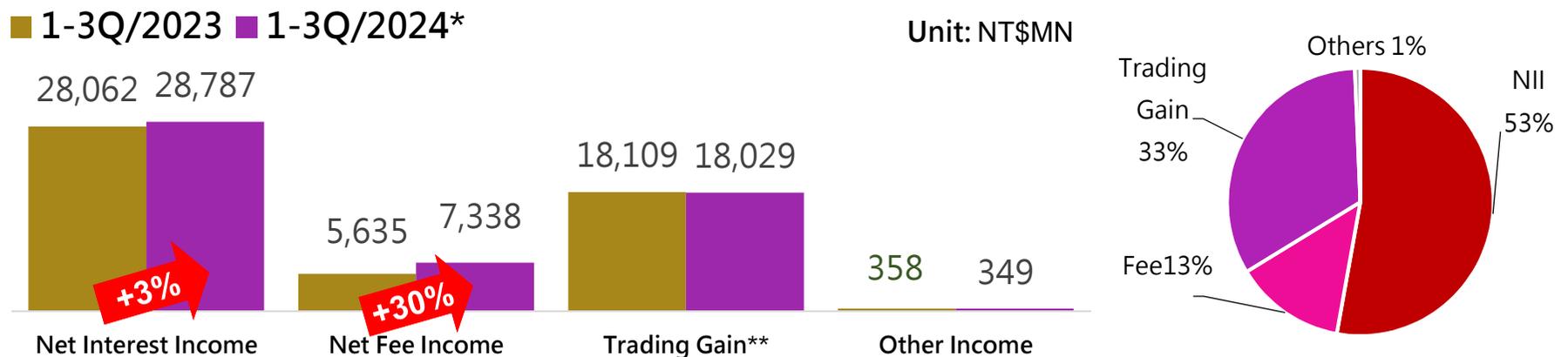


# 1-3Q/24 Bank NII rose 3% YoY; Fee Income Bounced up 30% YoY

## Mega FHC 1-3Q/24 net revenue breakdown\*



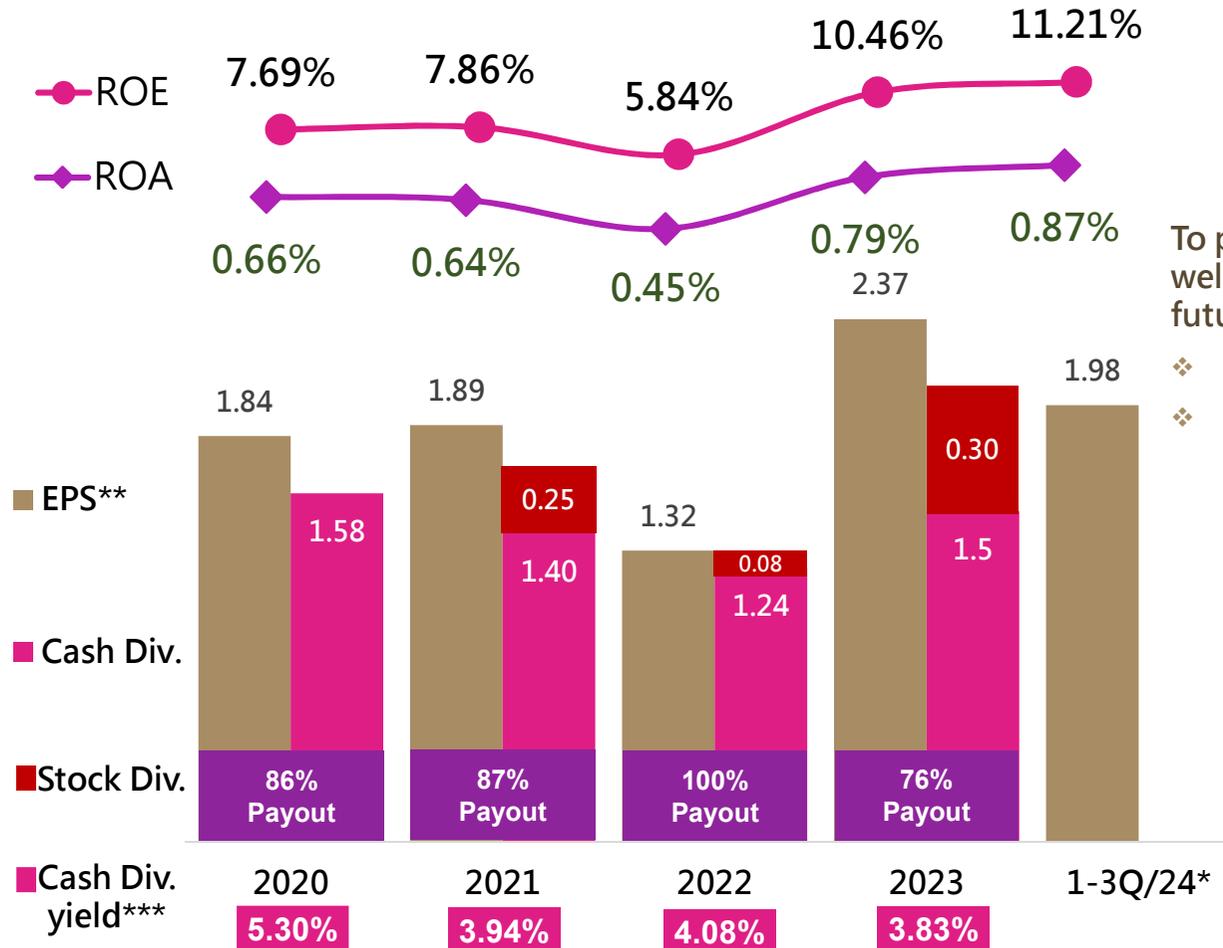
## Mega Bank 1-3Q/24 net revenue breakdown\*



\* 1-3Q / 24 are unaudited numbers

# 1-3Q/24 ROE & ROA Reached a 5-Year High

## Major earning matrixes

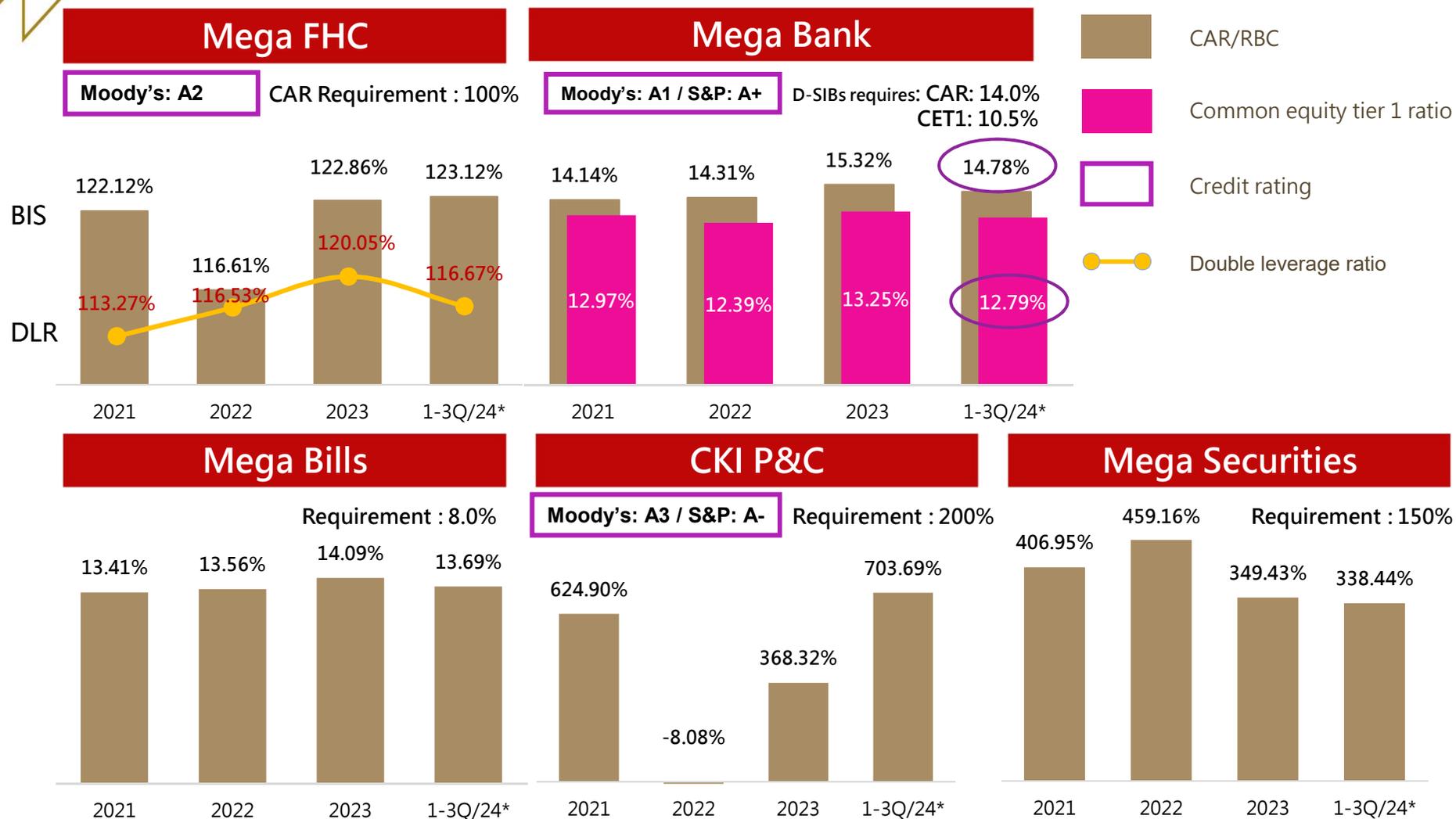


To prevent over-inflated capital base as well as to maintain sufficient capital for future growth, our dividend policy is:

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

\* 1-3Q/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



\*1-3Q/24 are unaudited numbers



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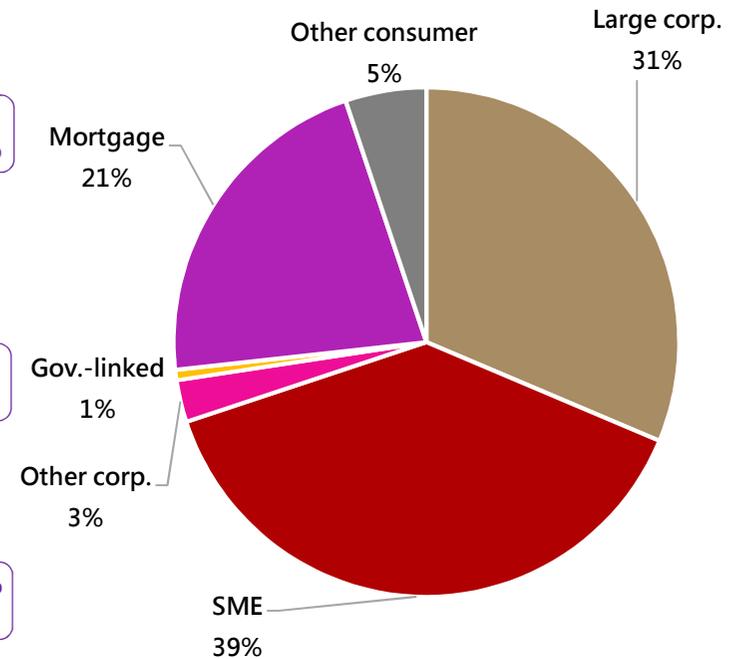
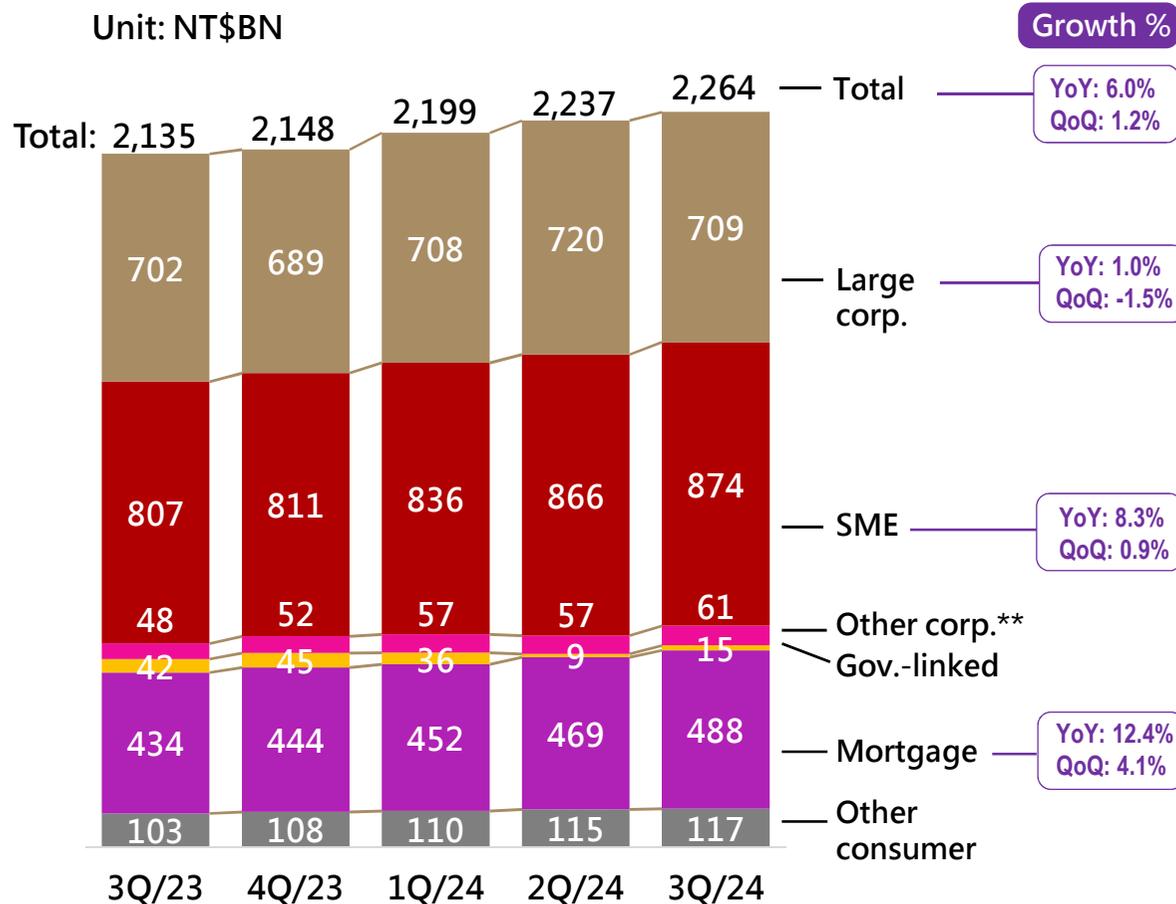


# 6% YoY Growth in Total Loans Driven by Steady Increases in Large Corp, SME, and Mortgage Loans

## Mega Bank quarterly loan balance\*

## Mega Bank 1-3Q/24 loan breakdown by customers

Unit: NT\$BN



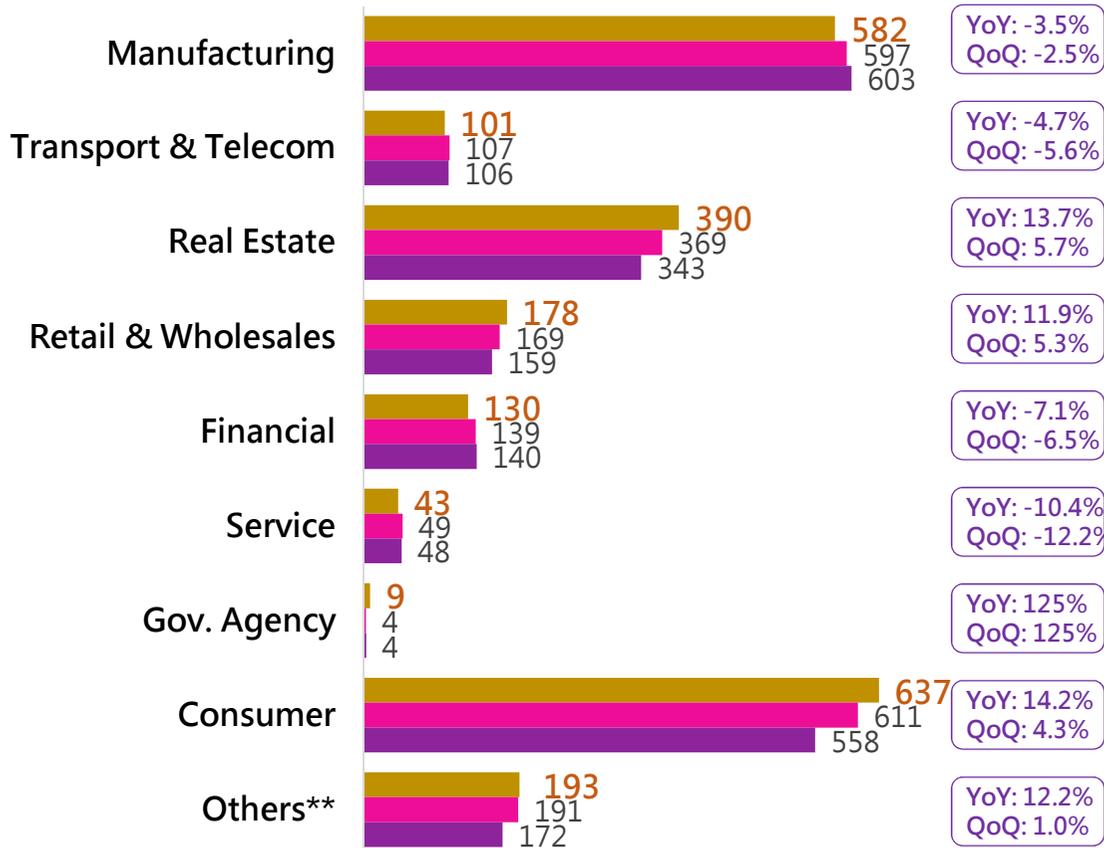
\* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

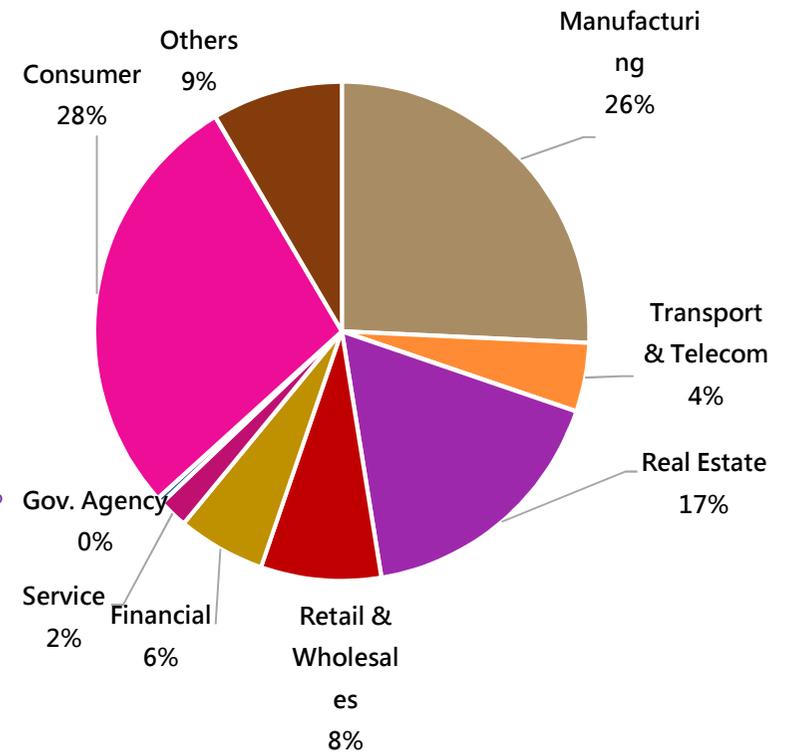
# 3Q/24 Real Estate Loans were up 13.7% YoY; while Retail & Wholesales/Consumer were up 16.6%/14.2% YoY

## Mega Bank loan balance trend by industry\*

Unit: NT\$BN    ■ 3Q/24   ■ 2Q/24   ■ 3Q/23



## 3Q/24 loan breakdown by industry\*



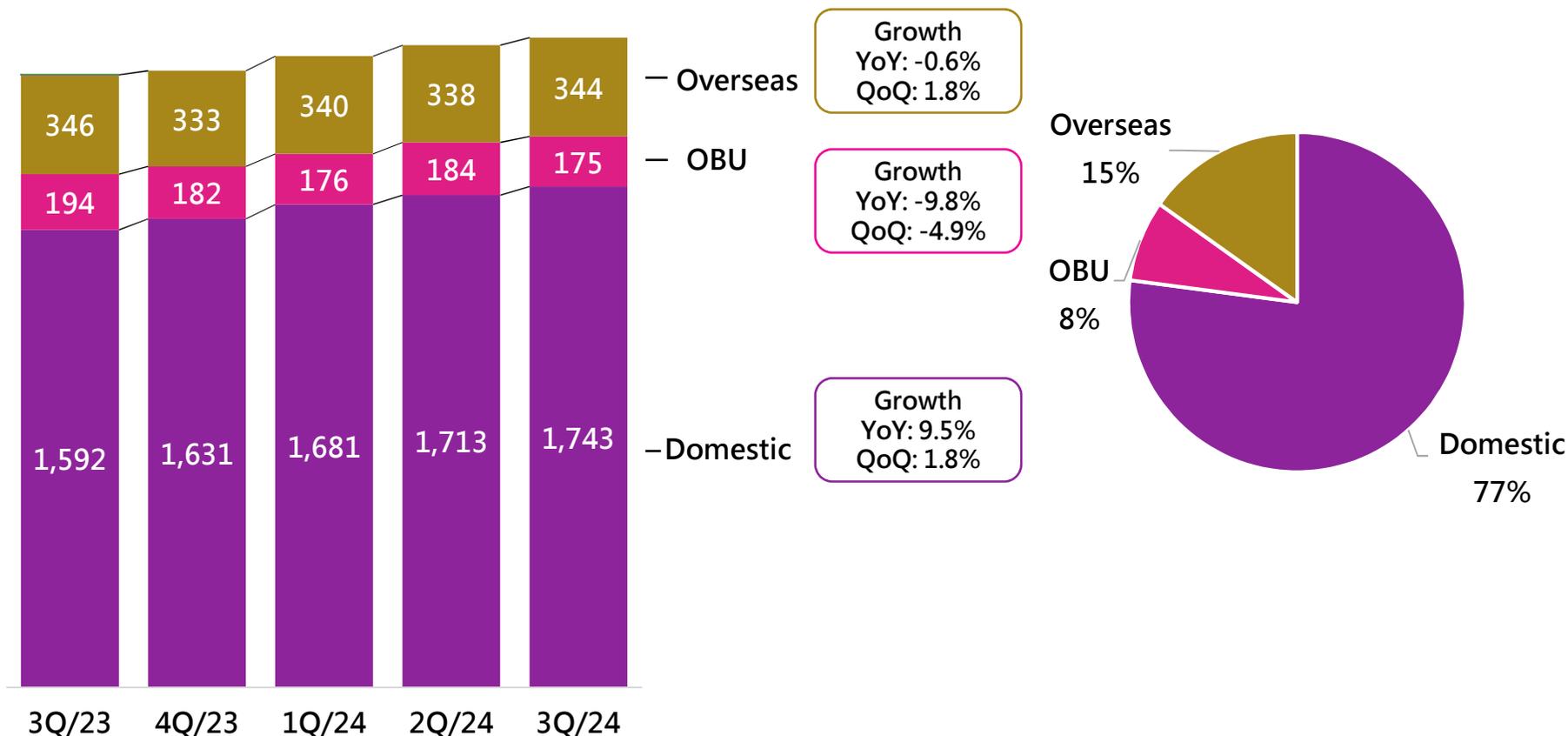
\* Mega Bank internal numbers, includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

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

# 3Q/24 Overseas Loans Grew 1.8% QoQ; while Domestic Loans Rose 1.8% QoQ / 9.5%YoY

## Mega Bank 3Q/24 loan breakdown by regions \*

Unit: NT\$BN



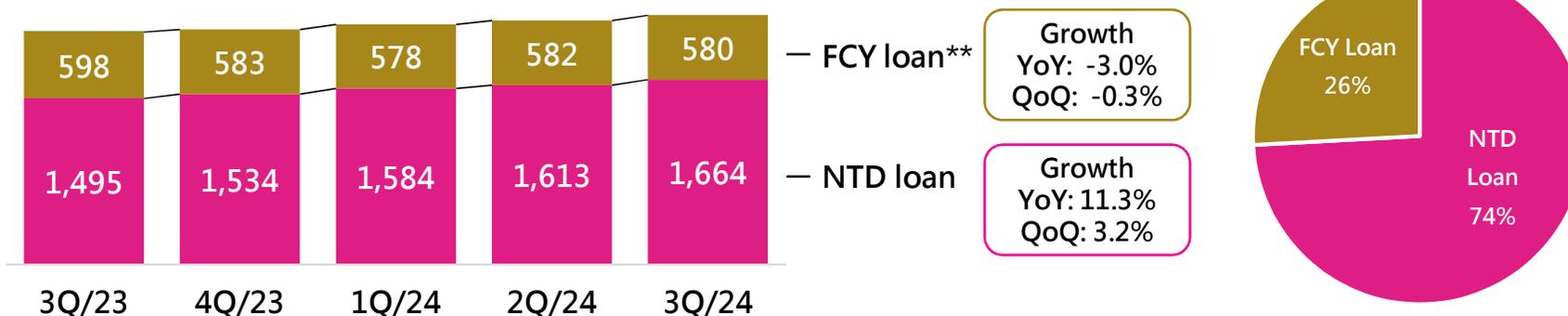
\* Mega Bank quarterly end balance, internal numbers; includes loan, factoring, A/R financing, L/C, credit card revolving and non-accrual loan but excludes guarantee.

\*\* OBU stands for Off-shore Banking Unit

# 3Q/24 NTD Loan Grew 3.2% QoQ

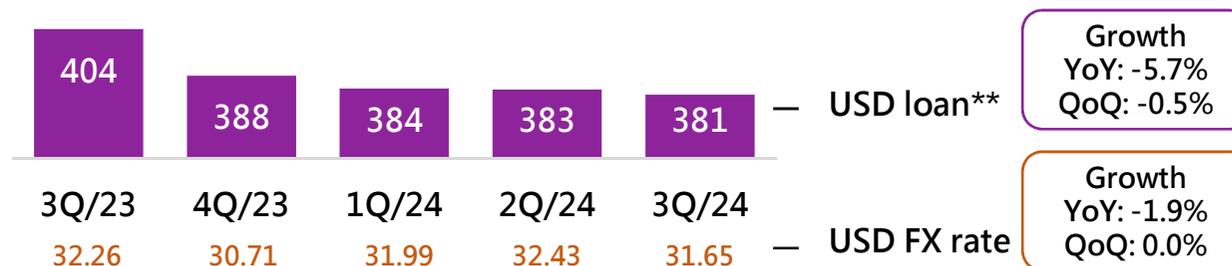
## Mega Bank 3Q/24 loan breakdown by currency: NTD vs. foreign currency loan \*

Unit: NT\$BN



## Mega Bank USD Loan balance\*

Unit: NT\$BN



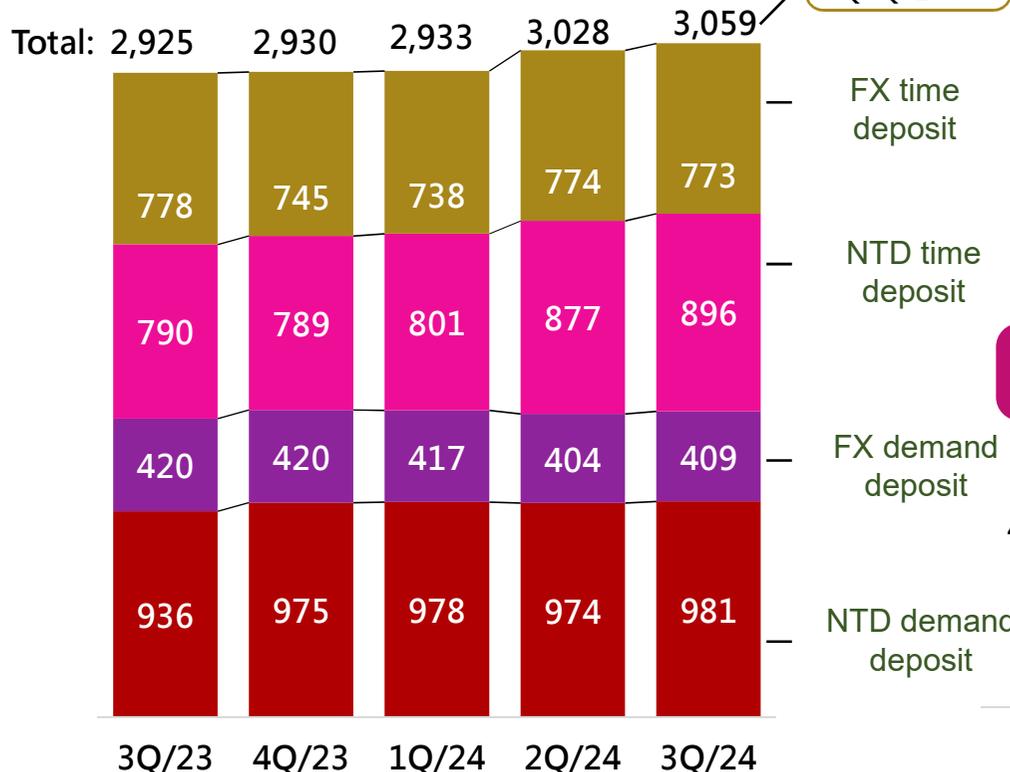
\* Mega Bank quarterly average balance, internal numbers; includes loan, factoring, A/R financing, L/C, and non-accrual loan but excludes credit card & guarantee.

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

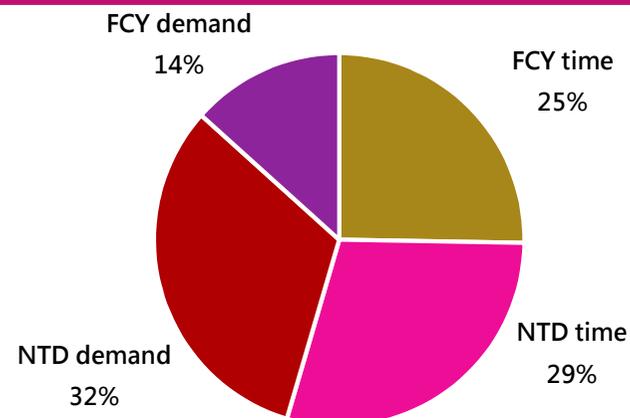
# 3Q/24 Total Deposits Up 1% QoQ with Demand Deposits Rising to 45.41%

## Mega Bank deposit balance \*

Unit: NT\$BN



## Mega Bank 3Q/24 deposit breakdown



## Mega Bank demand deposit % trend

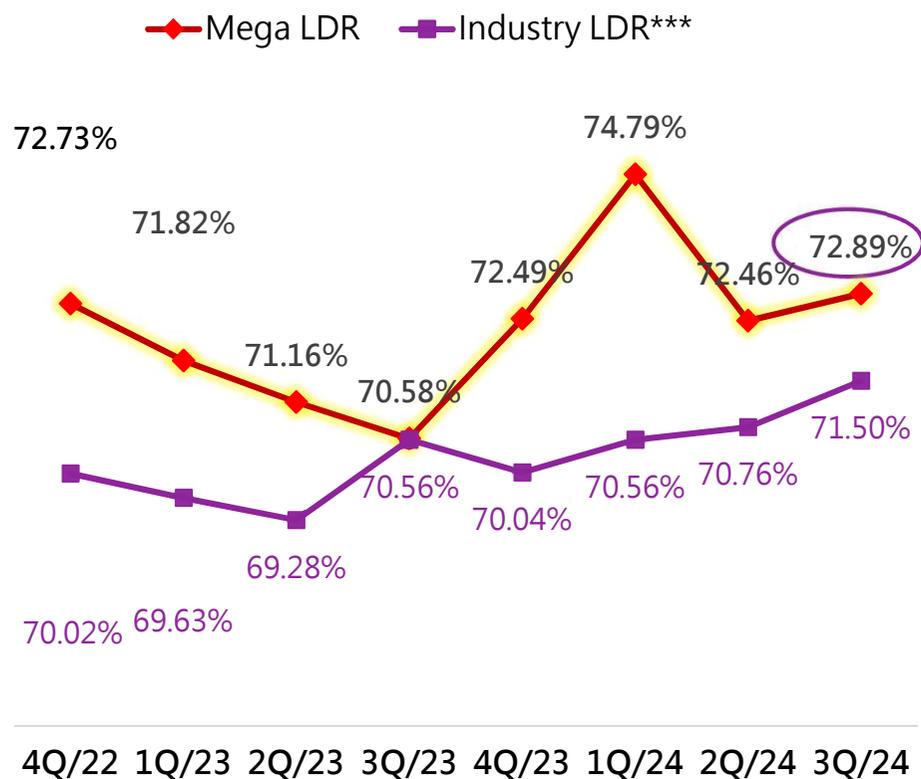


\* Excludes interbank deposit, Central Bank deposit & Chunghwa Post re-deposit ; internal numbers.

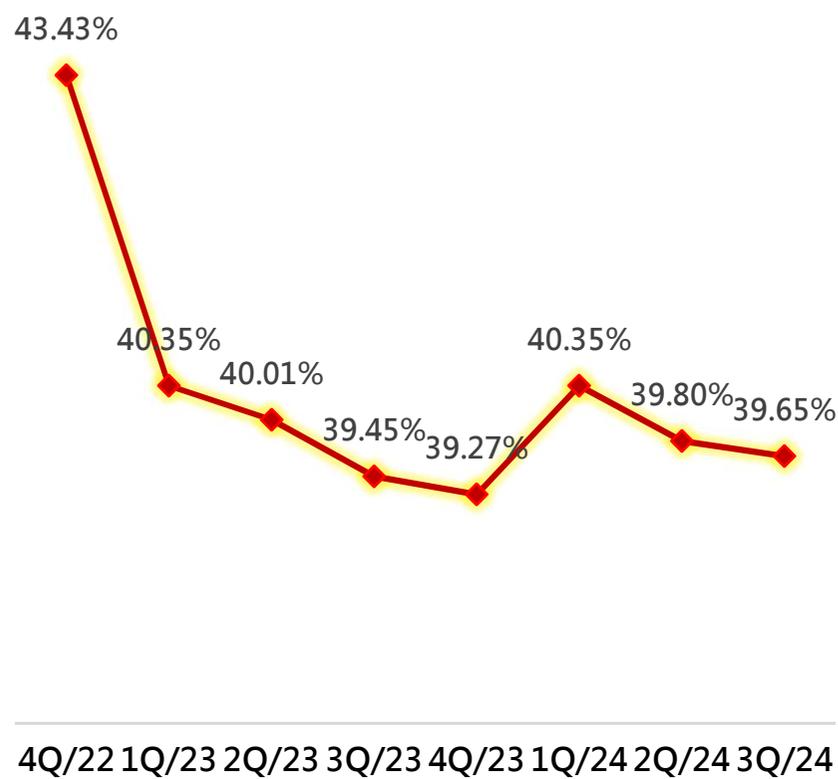
\*\* Includes retail and corporate deposit but excludes due from central banks and banks

# 3Q/24 Total LDR Reaches 72.46%; USD LDR Hits 39.65%

## Mega Bank's total LDR\*



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



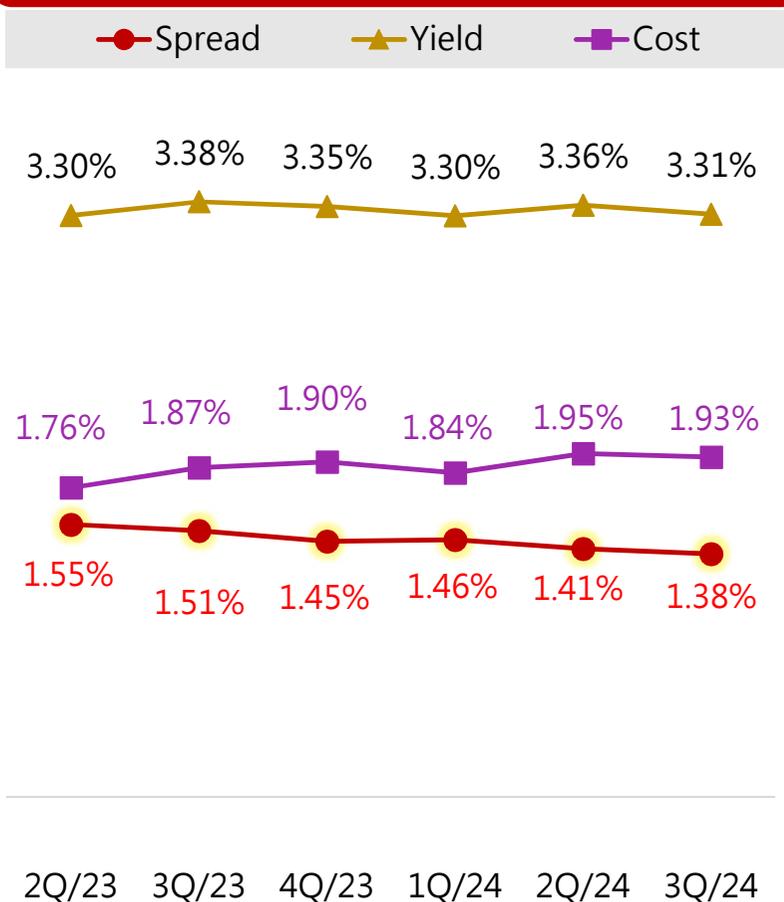
\* Total LDR calculation is based on loan/deposit end balance

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

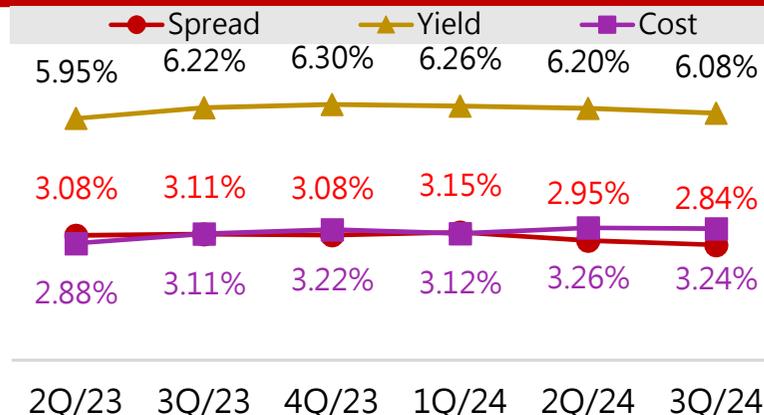
\*\*\* Source: Central Bank of Taiwan

# 3Q24 Loan Yield and Deposit Cost Rate Decrease; Spread at 1.38%

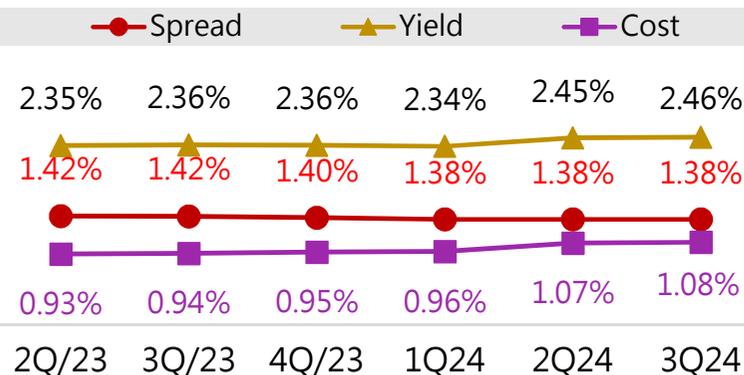
Mega Bank total loan interest spread



Mega Bank overseas loan interest spread\*



Mega Bank domestic loan interest spread\*

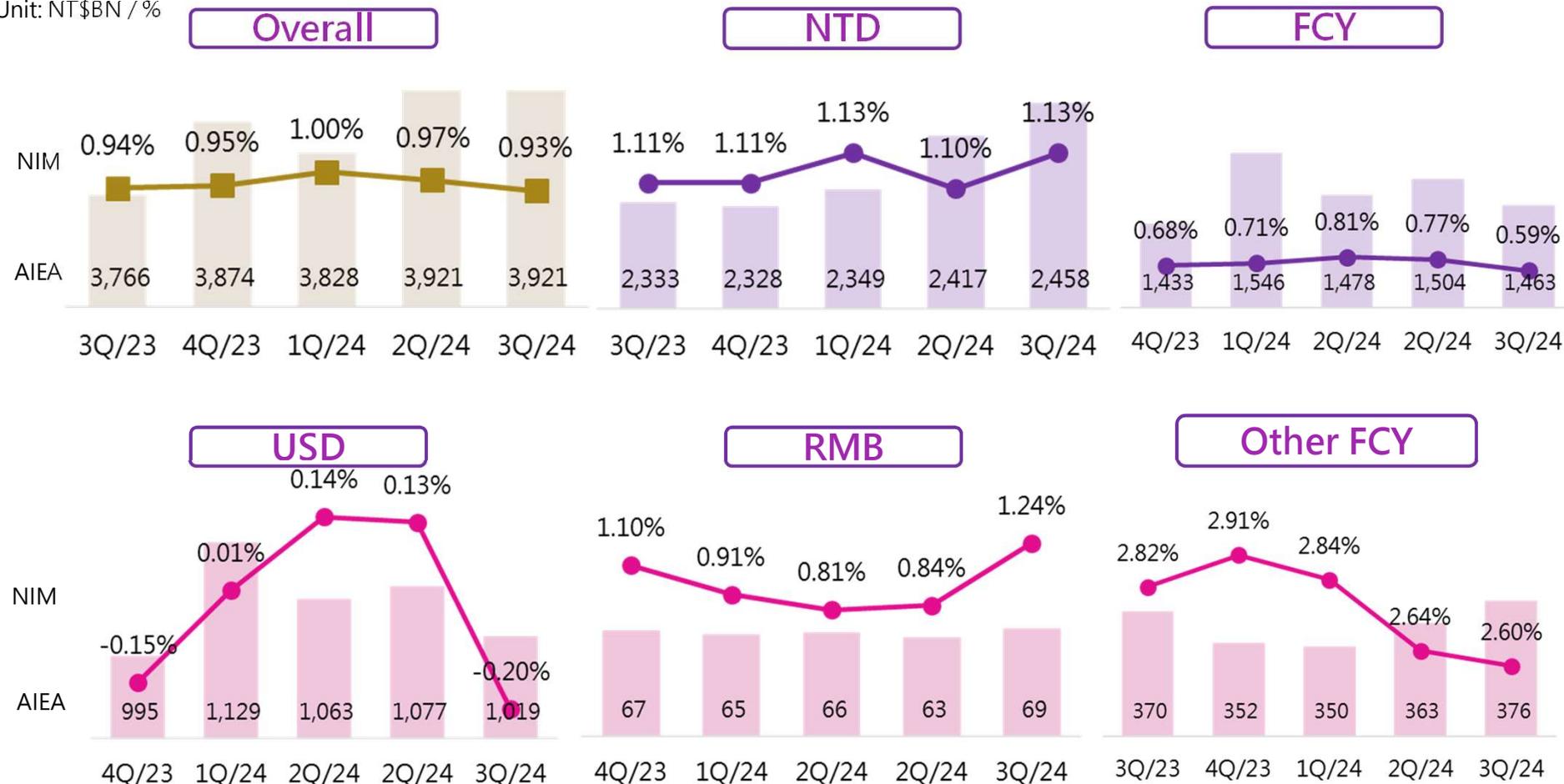


\* Overseas loan includes overseas branches and OBU loan; internal numbers.

# NIM Slightly Down Due to Decline in TWD and USD Interest Spreads

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

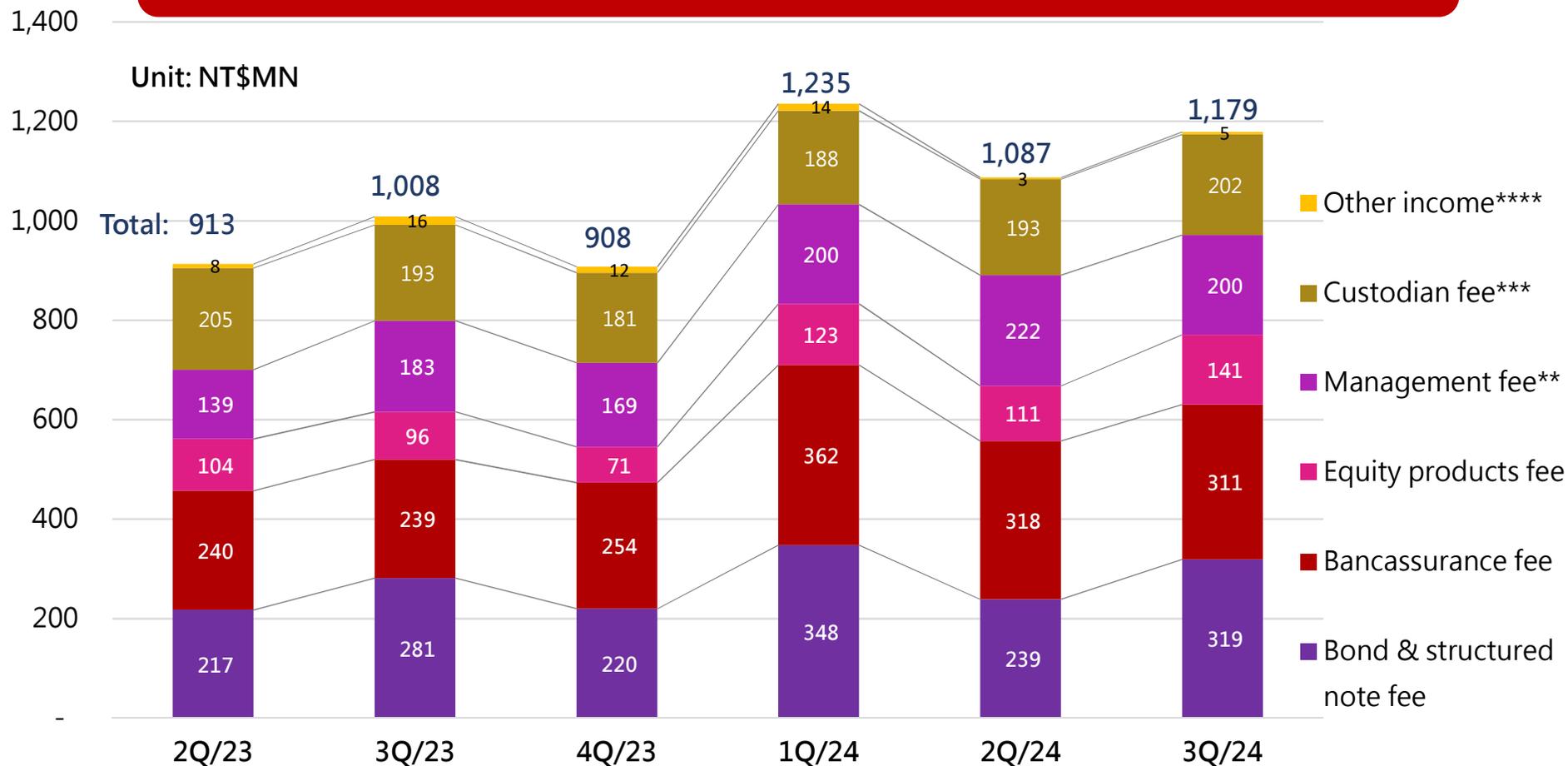
Unit: NT\$BN / %



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

# 3Q/24 Wealth Management Fees Surpass All Quarters of Last Year

## Mega Bank wealth management gross fee breakdown\*

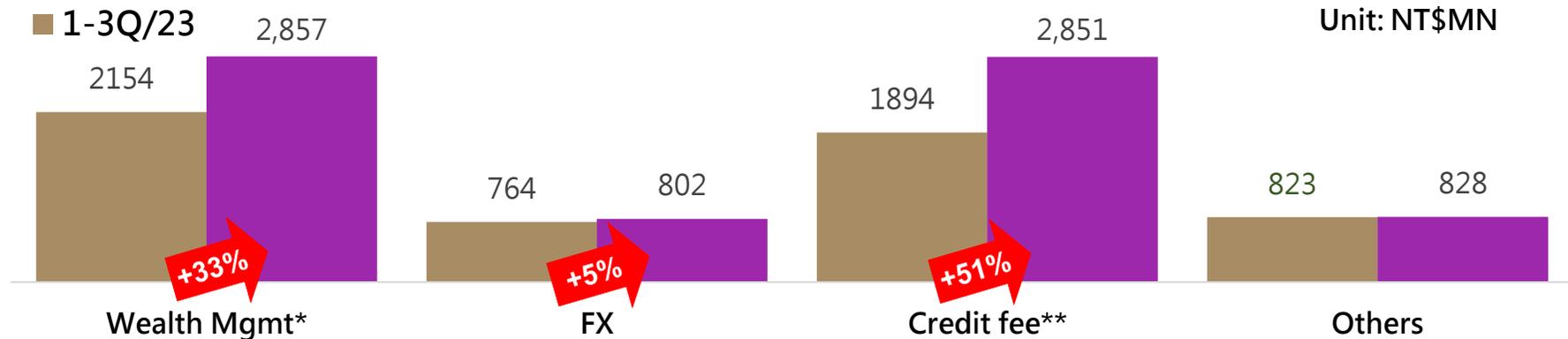


\* Mega Bank internal data; gross wealth mgmt. fee, NOT net wealth mgmt. fee.  
 \*\* Profit sharing scheme of fund mgmt. fee and trust account mgmt. fee.

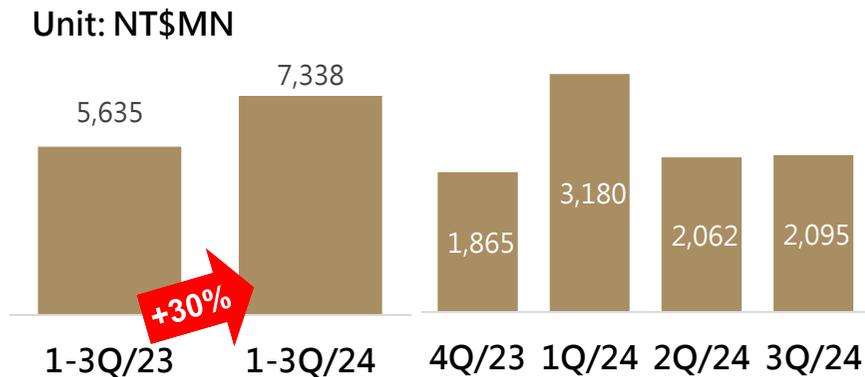
\*\*\* Custodian acc. fee associated with WM biz  
 \*\*\*\* Includes FX spread gain and etc.

# 1-3Q/24 Net Fee Income Up 30% YoY, Driven by 33% WM and 51% Credit Fee Growth

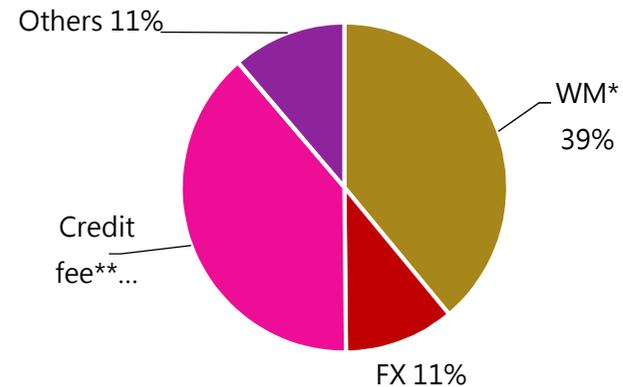
## Mega Bank net fee breakdown



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



## Mega Bank 1-3Q/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

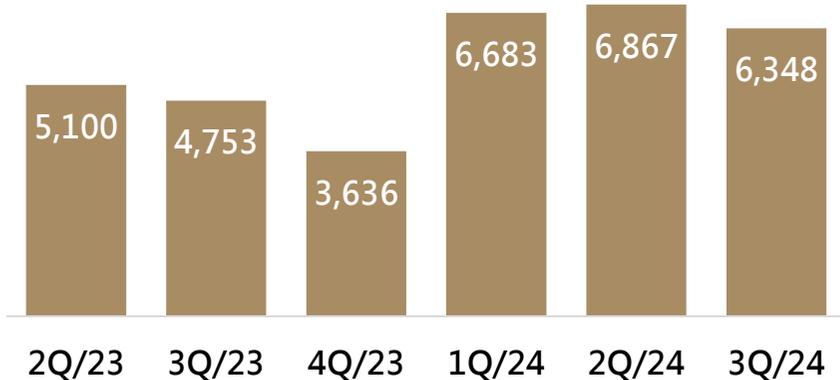
\*\*\*Total net fees are unaudited numbers.

# 3Q/24 Improved Asset Quality with Lower NPL Ratio and Higher Coverage Ratio

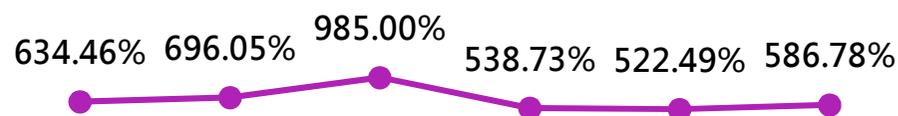
Mega Bank NPL balance & NPL ratio



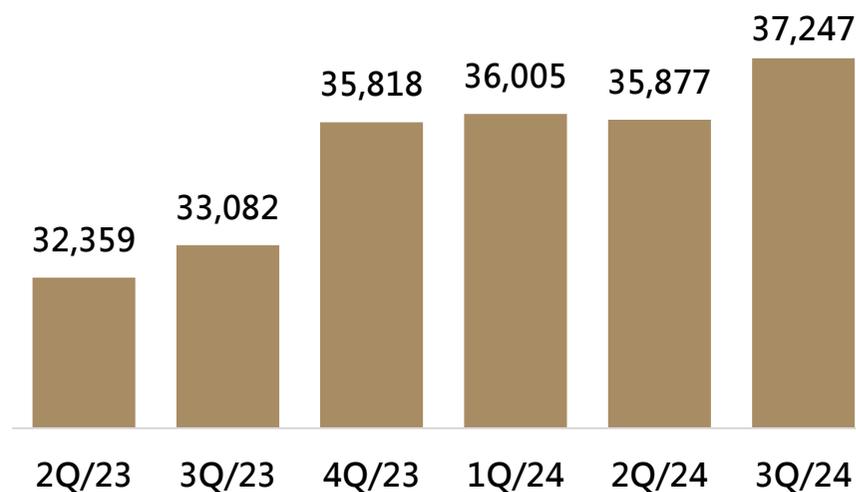
Unit: NT\$MN



Mega Bank loan loss reserved and coverage ratio

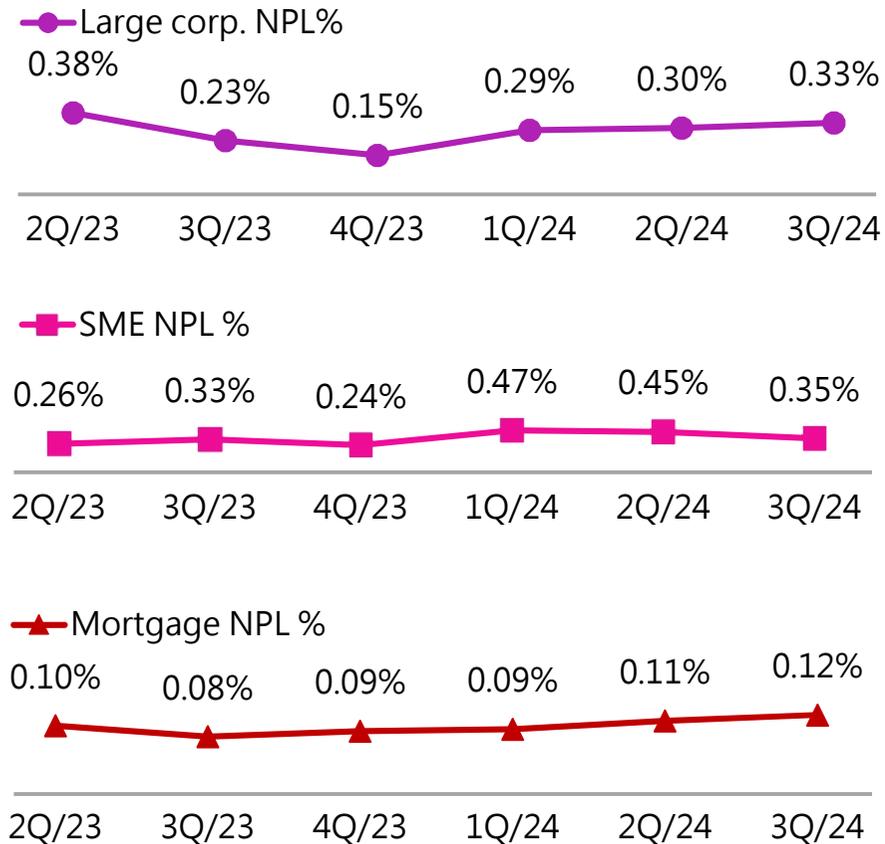


Unit: NT\$MN

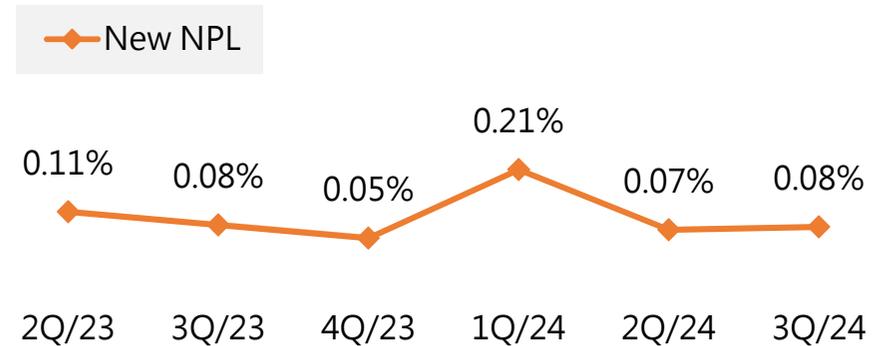


# 3Q/24 Stable New NPL formation, Slight Decline in SME NPL Ratio

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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# 1-3Q/24 Mega FHC consolidated P&L statement

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

	1-3Q/2024*	1-3Q/2023	YoY
Interest income	97,095,679,484	84,900,267,438	14%
Less: interest expense	69,441,595,201	57,801,144,209	20%
<b>Net interest revenue</b>	<b>27,654,084,283</b>	<b>27,099,123,229</b>	<b>2%</b>
<b>Net revenue other than interest</b>	<b>37,830,294,093</b>	<b>30,555,802,841</b>	<b>24%</b>
Net fee and commissions	11,105,257,321	8,476,104,982	31%
Net insurance revenue	2,246,069,821	(1,316,027,322)	-
Gain on financial assets and liabilities at fair value thru P&L	17,442,696,847	17,460,423,662	0%
Gain on investment property	17,315,309	16,775,148	3%
Realized gain on financial assets at fair value thru OCI	3,203,417,197	2,683,809,375	19%
Gain/loss arising from derecognition of fin. assets measured at AC	178,288,166	2,435	-
Equity method profit/loss	88,931,101	(31,023,043)	-
Foreign exchange gains	2,487,935,287	2,223,338,956	12%
Reversal of loss on assets	30,252,024	(40,664,588)	-
Gain on reclassification under the overlay approach	957,196	2,207,037	-
Net other revenue other than interest income	1,029,173,824	1,080,856,199	-5%
<b>Net revenue</b>	<b>65,484,378,376</b>	<b>57,654,926,070</b>	<b>14%</b>
Bad debts expense, guarantee provision	4,513,881,329	5,817,128,762	-22%
Net change in provisions for insurance liabilities	366,711,881	(2,421,887,285)	-
Operating expenses	26,910,730,569	24,312,163,084	11%
Profit from continuing operations before tax	33,693,054,597	29,947,521,509	13%
Income tax expense	(4,372,287,029)	(2,919,715,156)	50%
<b>Profit</b>	<b>29,320,767,568</b>	<b>27,027,806,353</b>	<b>8%</b>
EPS	1.98	1.91	4%

\* 1-3Q / 24 are unaudited numbers



# 1-3Q/24 Mega FHC consolidated balance sheet

<i>Unit: NT\$MN</i>	1-3Q/2024*	1-3Q/2023	YoY
Cash and cash equivalents, net	71,508,891,458	72,566,790,076	-1%
Due from central bank and interbank assets	621,367,031,002	434,847,328,833	43%
Financial assets at fair value thru P&L	239,523,134,460	231,594,363,309	3%
Financial assets at fair value thru OCI	567,075,650,599	562,101,980,167	1%
Investments in debts at amortized cost	673,208,699,917	643,696,013,807	5%
REPO securities	8,134,157,480	500,000,000	1527%
Receivables	113,753,759,205	107,240,915,403	6%
Current tax assets	6,207,279	341,897,388	-
Loans	2,247,987,003,748	2,121,879,428,022	6%
Other assets	70,114,608,914	69,221,786,632	1%
<b>Total Assets</b>	<b>4,612,679,144,062</b>	<b>4,243,990,503,637</b>	<b>9%</b>
Deposits from central bank and banks	567,918,327,412	504,353,012,377	13%
Due to central bank and banks	2,671,746,274	3,143,497,050	-15%
Financial liabilities at fair value thru P&L	26,087,331,071	25,098,069,497	4%
Securities sold under repurchase agreements	281,799,285,883	281,982,039,370	0%
Commercial paper issued	40,477,215,381	39,686,565,735	2%
Payable	170,794,378,553	95,340,707,205	79%
Current tax liabilities	6,752,825,175	10,919,650,682	-38%
Deposits and remittances	3,044,229,581,376	2,844,393,892,318	7%
Bond payable	33,000,000,000	30,500,000,000	8%
Other liabilities	77,414,748,408	90,202,076,532	-14%
<b>Total Liabilities</b>	<b>4,251,145,439,533</b>	<b>3,925,619,510,766</b>	<b>8%</b>
Common stock	148,333,782,820	140,513,381,380	6%
Capital surplus	76,547,152,176	68,194,233,375	12%
Retain earnings	130,456,577,021	117,024,154,699	11%
Other equity interest	6,196,192,512	(7,360,776,583)	-
<b>Total Equity</b>	<b>361,533,704,529</b>	<b>318,370,992,871</b>	<b>14%</b>

# 1-3Q/24 Mega Bank consolidated P&L statement

<i>Unit: NT\$MN; EPS: NT\$</i>	1-3Q/2024*	1-3Q/2023	YoY
Interest income	93,192,714,295	82,256,523,518	13%
Less: interest expense	64,405,555,968	54,194,218,049	19%
<b>Net interest revenue</b>	<b>28,787,158,327</b>	<b>28,062,305,469</b>	3%
<b>Net revenue other than interest</b>	<b>25,715,697,138</b>	<b>24,101,652,614</b>	7%
Net fee and commissions	7,337,546,556	5,634,819,100	30%
Gain on financial assets and liabilities at fair value thru P&L	13,271,701,606	14,137,003,556	-6%
Realized gain on financial assets at fair value thru OCI	2,019,115,051	1,895,911,364	6%
Gain/loss arising from derecognition of fin. assets measured at AC	178,288,166	2,435	-
Equity method profit/loss	85,522,601	(32,196,444)	-
Foreign exchange gains	2,447,216,807	2,136,808,769	15%
Reversal of loss on assets	27,334,379	(28,360,630)	-
Net other revenue other than interest income	348,971,972	357,664,464	-2%
<b>Net revenue</b>	<b>54,502,855,465</b>	<b>52,163,958,083</b>	4%
Bad debts expense, guarantee provision	4,422,728,355	3,397,440,648	30%
Operating expenses	21,345,964,996	19,665,085,379	9%
Profit from continuing operations before tax	28,734,162,114	29,101,432,056	-1%
Income tax expense	(3,642,263,786)	(3,559,572,218)	-
<b>Profit</b>	<b>25,091,898,328</b>	<b>25,541,859,838</b>	-2%
EPS	2.61	2.99	-13%

\* 1-3Q / 24 are unaudited numbers

# 1-3Q/24 Mega Bank consolidated balance sheet

<i>Unit: NT\$MN</i>	1-3Q/2024*	1-3Q/2023	YoY
Cash and cash equivalents, net	64,439,779,022	67,275,813,654	-4%
Due from central bank and interbank assets	623,667,031,002	440,247,328,833	42%
Financial assets at fair value thru P&L	55,546,386,477	59,647,512,693	-7%
Financial assets at fair value thru OCI	399,178,899,963	410,541,303,587	-3%
Investments in debts at amortized cost	668,414,489,433	638,846,408,029	5%
REPO securities	4,133,439,451	5,039,024,408	-
Receivables	42,638,618,181	56,798,792,474	-25%
Current tax assets	313,092	17,812,611	-
Loans	2,247,987,003,748	2,121,879,428,022	6%
Other assets	37,742,991,934	36,884,940,278	2%
<b>Total Assets</b>	<b>4,143,748,952,303</b>	<b>3,837,178,364,589</b>	<b>8%</b>
Deposits from central bank and banks	535,885,132,412	487,096,718,377	10%
Due to central bank and banks	2,671,746,274	3,143,497,050	-15%
Financial liabilities at fair value thru P&L	24,840,423,472	24,361,308,987	2%
Securities sold under repurchase agreements	16,318,426,356	34,619,166,869	-53%
Payable	107,529,697,299	42,276,504,151	154%
Current tax liabilities	3,883,119,453	9,289,053,936	-58%
Deposits and remittances	3,049,376,962,731	2,846,224,874,720	7%
Bond payable	18,000,000,000	15,500,000,000	16%
Other liabilities	44,000,612,340	56,385,193,015	-22%
<b>Total Liabilities</b>	<b>3,802,506,120,337</b>	<b>3,518,896,317,105</b>	<b>8%</b>
Common stock	96,118,000,000	85,362,336,310	13%
Capital surplus	62,432,164,863	62,219,539,563	0%
Retain earnings	179,290,768,337	177,857,350,213	1%
Other equity interest	3,401,898,766	(7,157,178,602)	-
<b>Total Equity</b>	<b>341,242,831,966</b>	<b>318,282,047,484</b>	<b>7%</b>



# Mega FHC ESG recognition

## ◆ Mega Group ESG Awards and Achievements

2024/2

CDP Climate Change  
A  
Leadership Level

- Achieved A-Leadership Level in CDP Climate Change Questionnaire, best among public financial institutions.



2024/3

Insurance Dragon  
and Phoenix Award

- Awarded the Insurance Dragon and Phoenix Award for being the most desired financial holding company by finance and insurance graduates.

2024  
保險龍鳳獎



2024/6

SBTi Approval  
1.5°C Company

- Approved by SBTi and selected by Commonwealth Magazine as an outstanding 1.5°C company.



2024/9

CommonWealth  
Sustainable Citizen  
Award

- Ranked in the top 10 of the financial industry for the Commonwealth Sustainable Citizen Award and Talent Sustainability Award.
- Received the Bronze Award in the National Enterprise Environmental Protection Award from the Ministry of Environment.



2024/10

YuShan Award  
TCFD Benchmark

- Financial holding and subsidiaries won 24 awards at the 21st National Brand YuShan Awards, a record high.
- Climate and Environmental Report received the highest TCFD Benchmark certification from SGS Taiwan.



# Mega FHC ESG recognition

## ◆ Mega Group ESG Awards and Achievements(cont' d)

2022/10

MSCI AA Rating

- Received 'MSCI ESG Ratings' AA Grade



2022/11

Occupational Safety Excellence  
TCSA 8 Awards

- Recognized as a "Sustainable Workforce Leading Enterprise" by the Occupational Safety Administration.
- Won TCSA Platinum for Sustainability Report and Comprehensive Performance, totaling 8 awards.



2023/6

Top 5% Corporate Governance Evaluation

- Ranked in the top 5% in the 9th Corporate Governance Evaluation (2022).



2023/10

Highest Certification for TCFD Report

- TCFD report received BSI "Level 5+: Excellence" certification.



2023/12

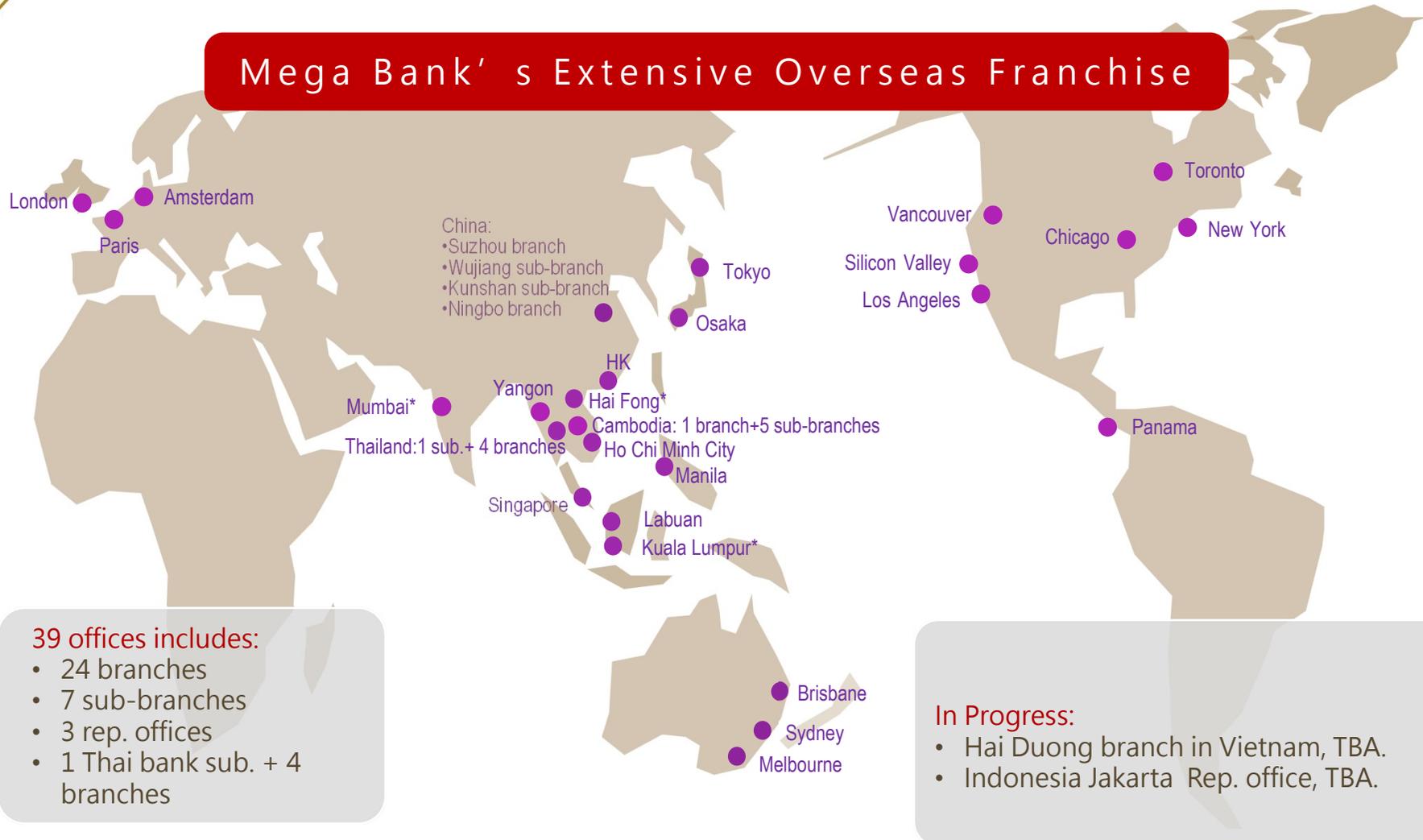
DJSI Component, Sustainable Finance Pioneer Alliance

- Retained as a component of DJSI World and Emerging Markets Indices.
- Joined the FSC's Sustainable Finance Pioneer Alliance, leading subsidiaries in sustainable development and supporting the government's 2050 net-zero emissions goal.



# 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