

O-Bank

2022 9M Business Review

2022/12/07

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Agenda

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2022 9M Operation Highlights

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2022 9M Financial Results

03

Key Strategic Focuses

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01

2022 9M Operation Highlights

01 2022 9M Operation Highlights (1/5)

1 Operating Performance

NTD millions			
O-Bank	2022 9M	2021 9M	Growth Rate
Consolidated Net Revenues	6,980	7,039	-1%
Consolidated Net Profits After Tax	2,386	2,512	-5%
Standalone Net Revenues	4,575	4,165	10%
Standalone Net Profits After Tax	1,704	1,455	17%
Earnings Per Share (EPS, NT\$)	0.58	0.49	18%

- Since listed on TWSE in 2017, O-Bank was included as a constituent of the MSCI Taiwan Small Cap Index for five consecutive years.

01 2022 9M Operation Highlights (2/5)

1 Operating Performance

NTD millions			
O-Bank	2022 9M	2021 9M	Growth Rate
Standalone Net Revenues (Exclude Share of profit of associates subsidiaries and accounted for using equity method)	3,675	3,163	16%
Standalone Net Profits After Tax (Exclude Share of profit of associates subsidiaries and accounted for using equity method)	1,009	613	65%

01 2022 9M Operation Highlights (3/5)

1 Operating Performance

Major Subsidiaries	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ millions)		Growth Rate
	2022 9M	2022 9M	2021 9M	
China Bills Finance	NTD\$ 0.69	926	1,444	-36%
IBT Holdings Corp. (Holdings of US EverTrust Bank)	USD\$ 0.65	208	250	-17%
IBT Leasing and its subsidiaries*	NTD\$ 0.84	286	284	1%

2 Capital Adequacy & Asset Quality

- As of the end of September of 2022, O-Bank's BIS Ratio was 13.05%, Tier1 Capital Ratio was 12.01%, and CET1 Ratio was 11.78%.
- O-Bank's NPL ratio was 0.35% and loan loss coverage ratio was 405.94%, as of the end of September of 2022. The rise in NPL ratio was a result of the default of "New Site Industries Inc." in 2019. However, the collateral of this case has been auctioned off and the allotted amount has been decided by the court in the first instance. Once the allotted amount of the collateral is collected, O-Bank's NPL ratio is likely to drop significantly.

3 Awards & Recognitions

- As of the end of November of 2022, O-Bank scored 17.64 and ranked sixth among Taiwan's financial institutions in the publishing of **Sustainalytics'** ESG Risk Ratings.
- Ranked Top 5% in the TWSE's "**2021 Corporate Governance Evaluation**" among TWSE listed companies.
- Received four **2022 Taiwan Corporate Sustainability Awards** from the Taiwan Institute for Sustainable Energy (TAISE), including "**Corporate Comprehensive Performance Award**" in the Corporate Comprehensive Performance category, "**Gender Equality Leadership Award**" and "**Creativity Communication Leadership Award**" in the Sustainable Individual Performance category, and "**Corporate Sustainability Report -Silver Award**" in the Finance and Insurance category.
- Received the "**Best Online Bank Award**" of "2022 Excellent Bank Award".



02

2022 9M Financial Results

02-1 Consolidated Financial Results

02-2 Standalone Financial Results:
O-Bank

02-3 Individual Financial Results:
China Bills Finance Corp.

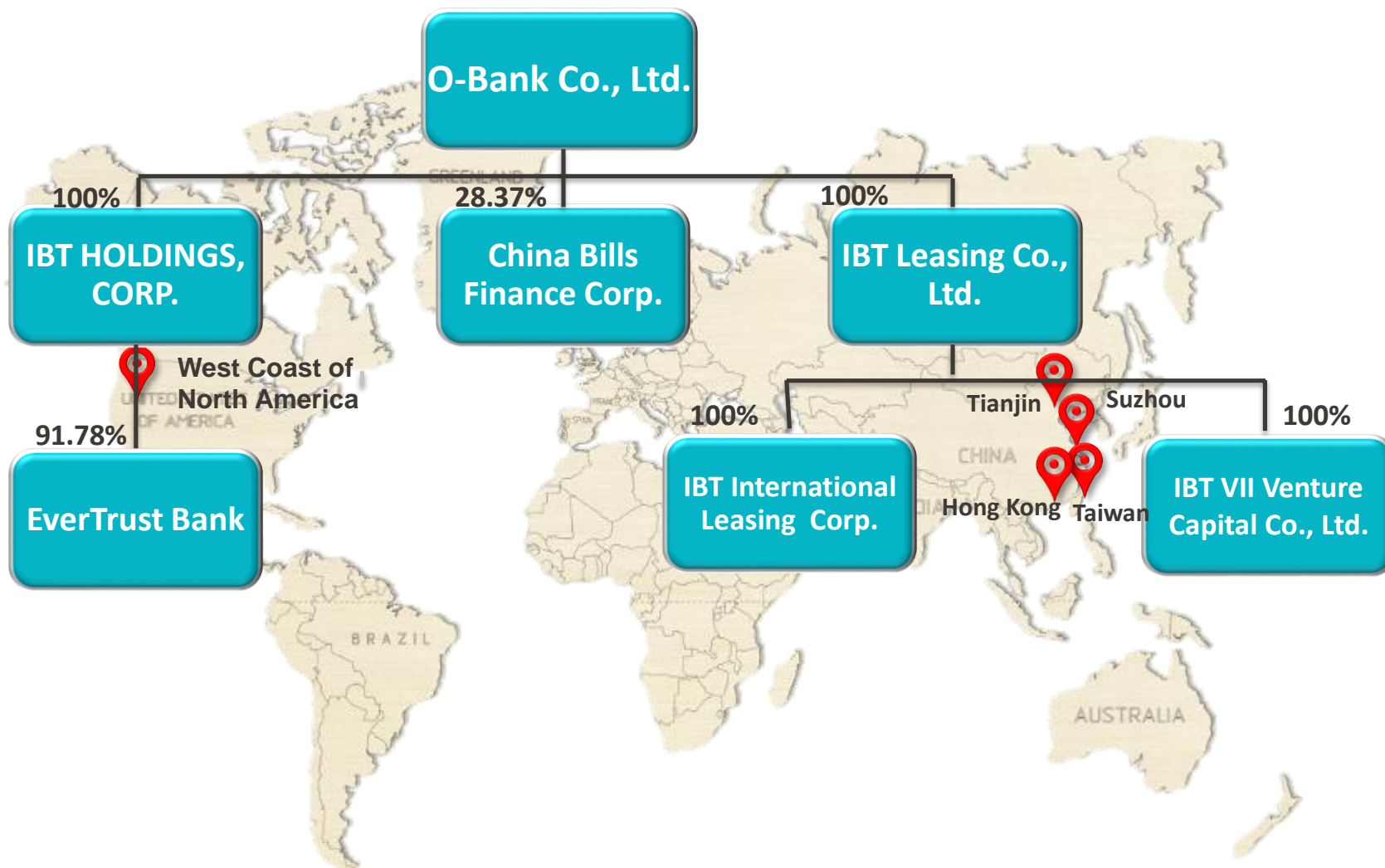
02-4 Individual Financial Results:
IBT Holdings Corp. and its Subsidiaries

02-5 Individual Financial Results:
IBT Leasing Co., Ltd. and its Subsidiaries



02

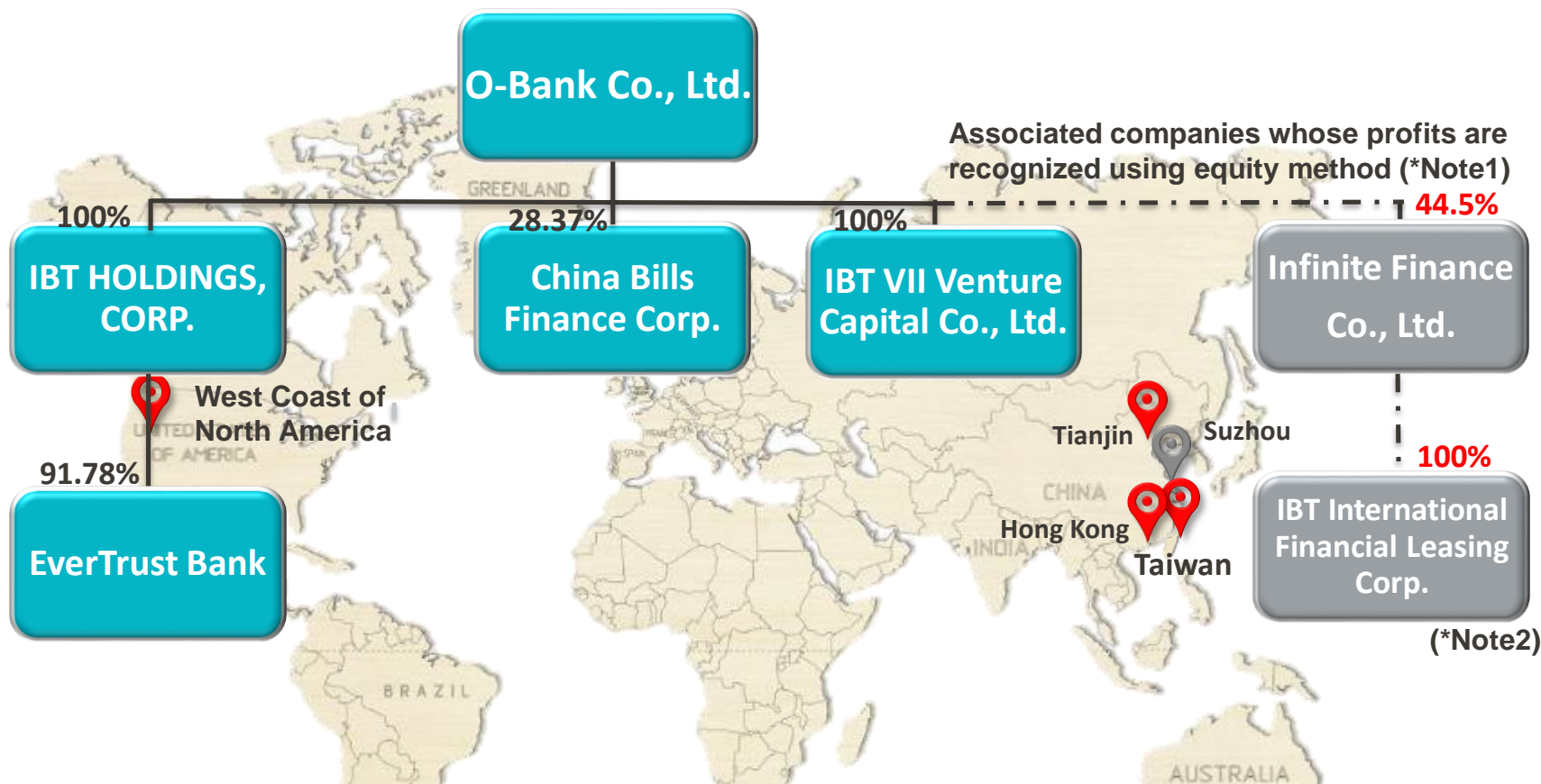
O-Bank and its Main Subsidiaries(As of 2022/09/30)





02

The Change of O-Bank's Main Subsidiaries Since 2022/12/01



- Note : 1. Highlighted in gray are associated companies whose profits are now recognized using equity method and no longer major subsidiaries in O-Bank's consolidated statement, starting 12/1. On the same day, IBT Leasing Co., Ltd. and Jih Sun International Leasing & Finance Co., Ltd. merged to become Infinite Finance Co., Ltd., of which O-Bank is the second largest shareholder, with around 44.5% of the shares.
2. Besides IBT International Financial Leasing Corp., Infinite Finance Co., Ltd.'s subsidiaries also include Jih Sun International Leasing & Finance Co., Ltd., Jih Sun Formosa Auto Leasing Co., Ltd., Jen Chung Co., Ltd. and Jih Sun Auto Leasing Co., Ltd. They were, however, never part of the O-Bank Group, and therefore were not shown here in this slide.

02-1

Consolidated Financial Results



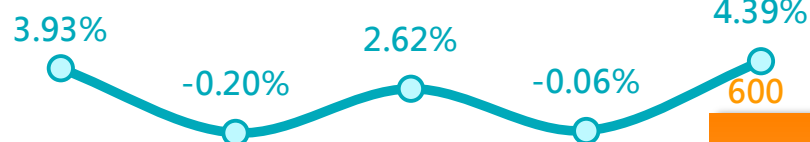
02-1

Consolidated Financial Results (1/3)

Total Assets

NT \$ billion

— Total Assets
— Growth Rate



562

561

575

575

600

2018

2019

2020

2021

9M22

Net Profit

NT \$ million

— Net Profit
— Net Profit Attributable to Parent Bank

1,942

955

2,027

1,100

2,301

1,147

3,200

1,841

2,512

1,455

2,386

1,704

2018

2019

2020

2021

9M21

9M22

YoY-4.99%

YoY+17.16%



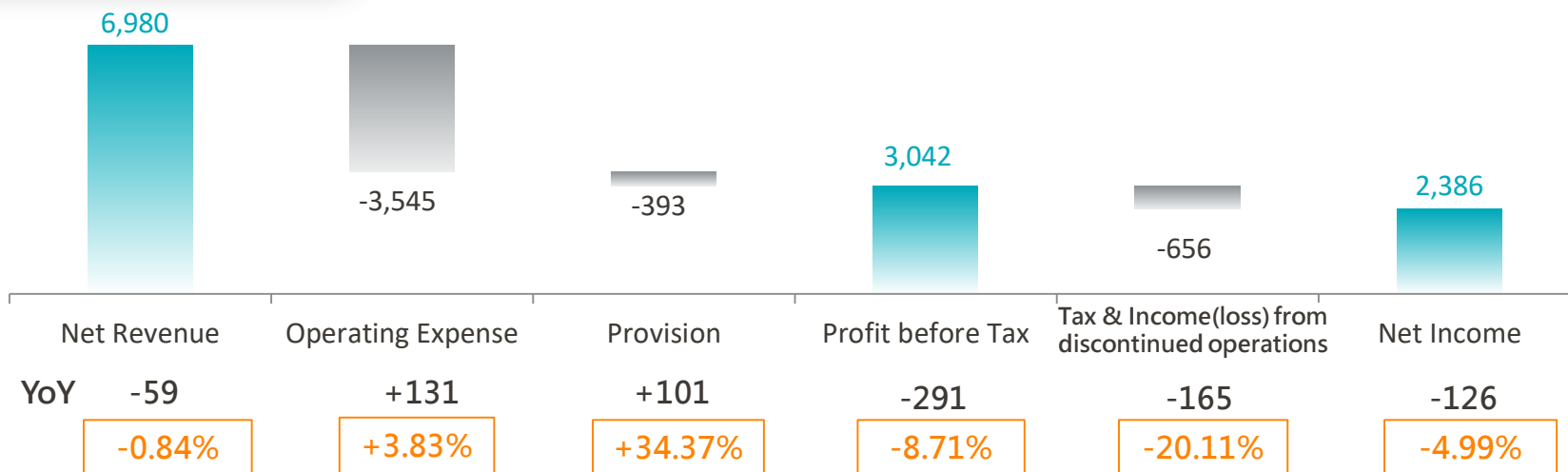
02-1

Consolidated Financial Results (2/3)

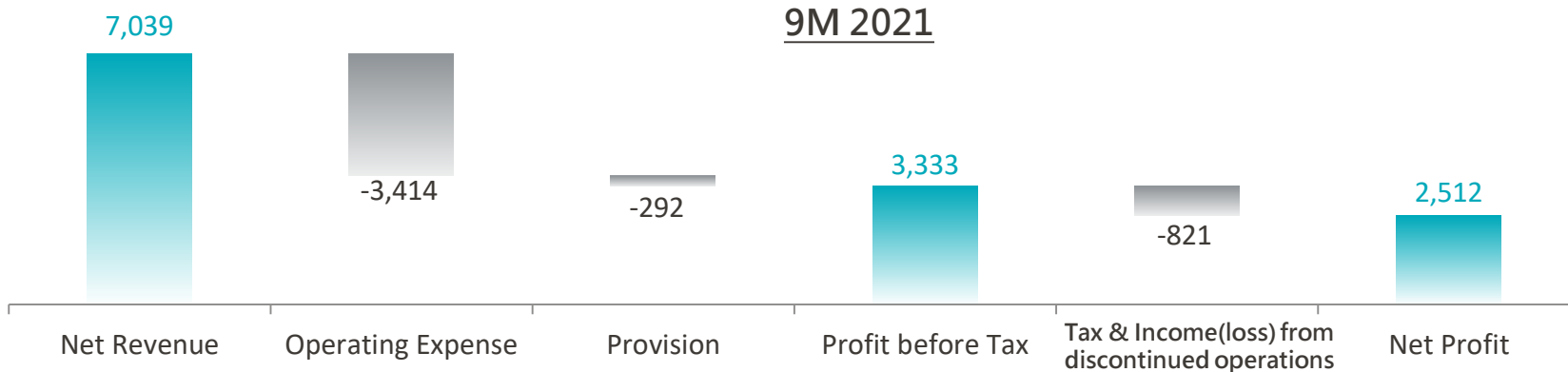
Net Profit Compositions

9M 2022

NT \$ million



9M 2021





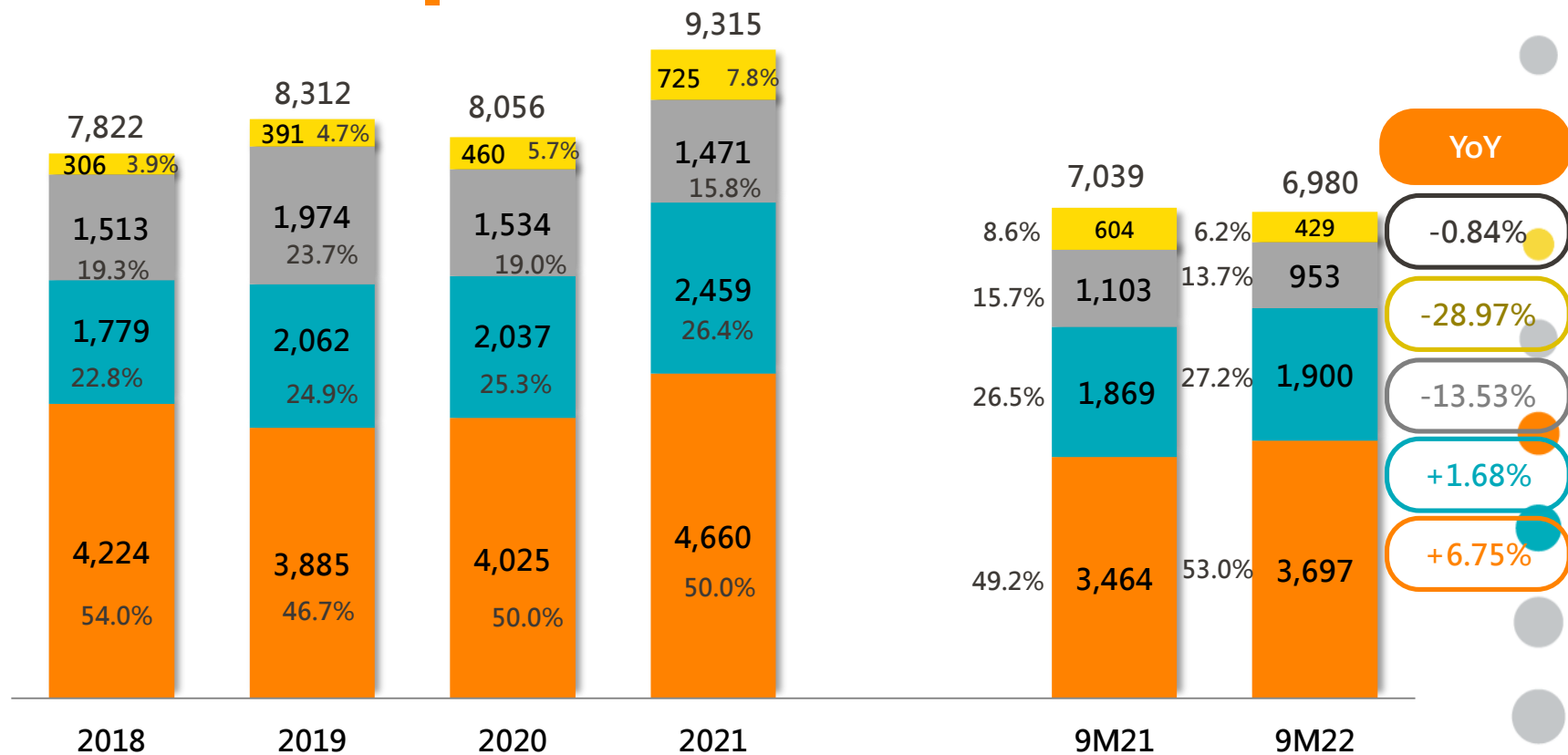
02-1

Consolidated Financial Results (3/3)

Net Revenue Breakdown

NT \$ million

- Others
- Gains on financial assets or liabilities measured at fair value / Foreign exchange gain(loss)
- Fee Income
- Net Interest Income





02-2

**Standalone Financial
Results**

-O-Bank-

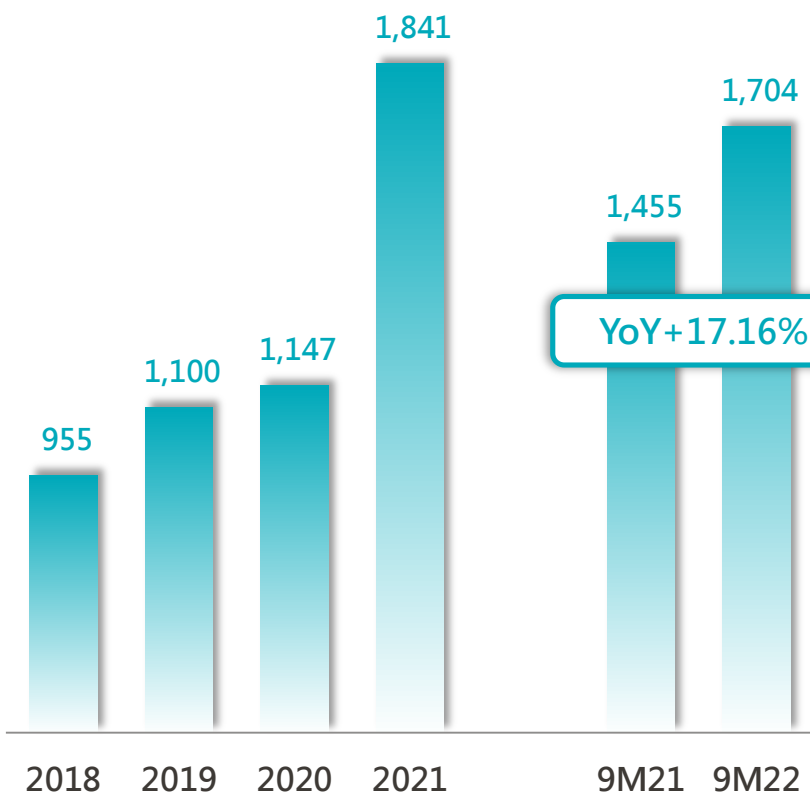


02-2

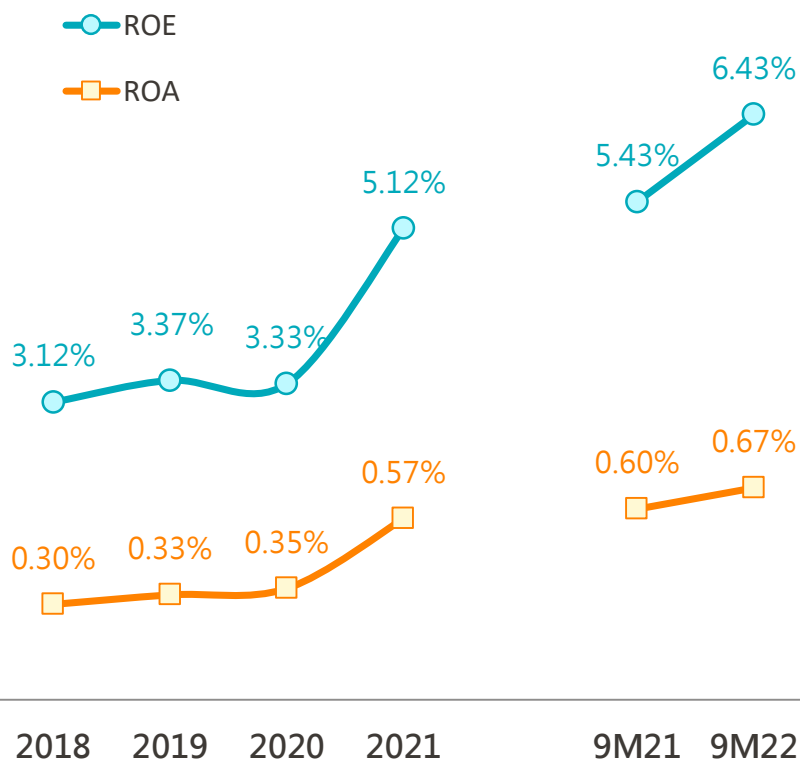
Standalone Financial Results: O-Bank (1/8)

Net Profit

NT \$ million



ROE & ROA



Note: 9M21、9M22—annualized ROA & ROE



02-2

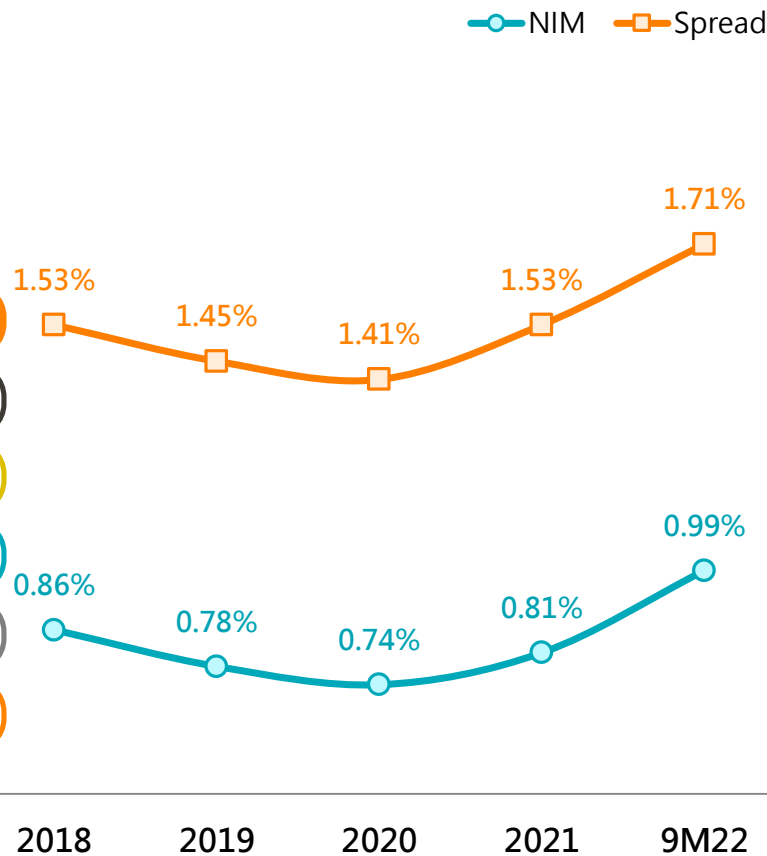
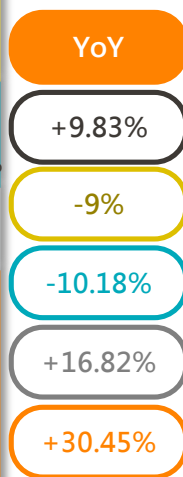
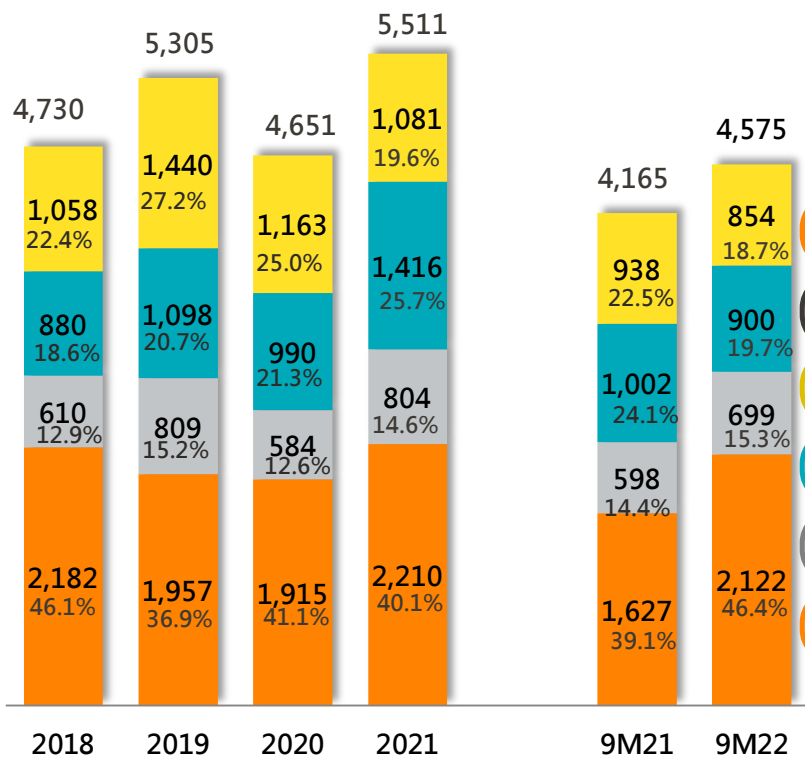
Standalone Financial Results: O-Bank (2/8)

Net Revenue Breakdown

NT \$ million

NIM & Spread

- Others
- Share of profit of associates subsidiaries and accounted for using equity method
- Fee Income
- Net Interest Income

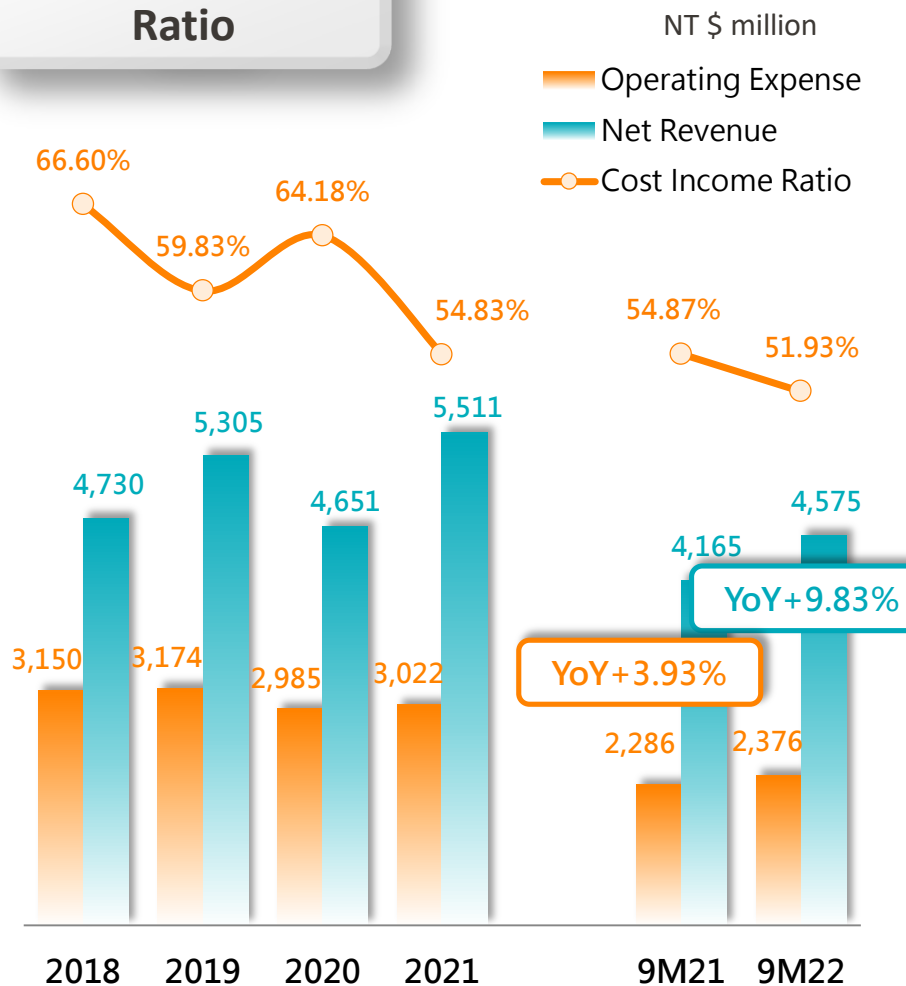




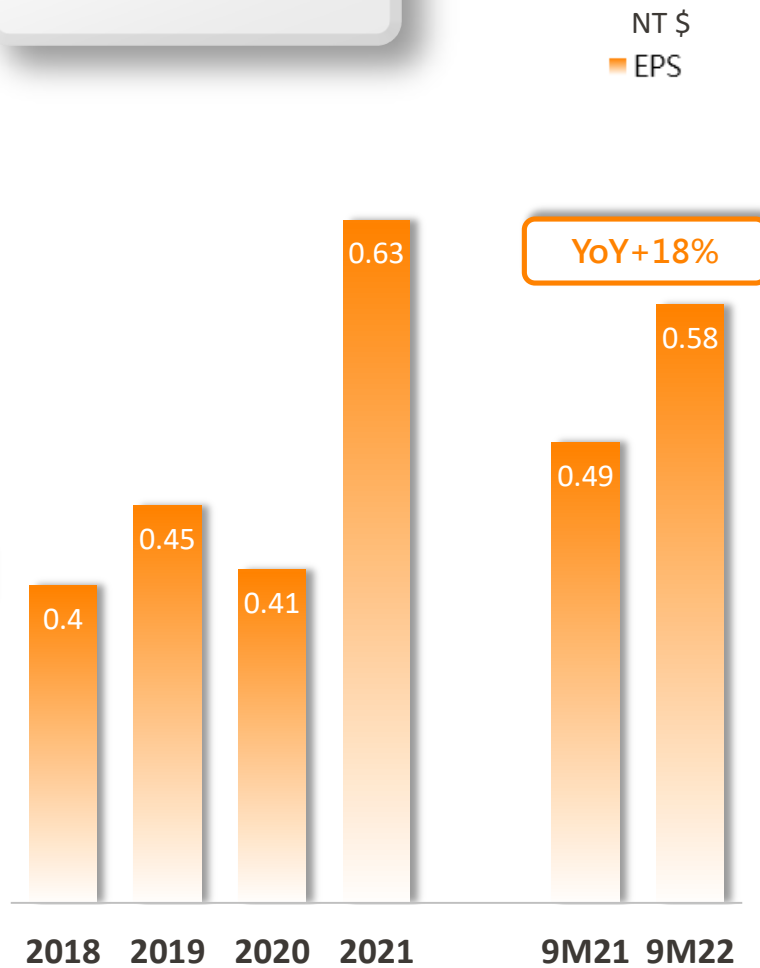
02-2

Standalone Financial Results: O-Bank (3/8)

Cost/Income Ratio



EPS





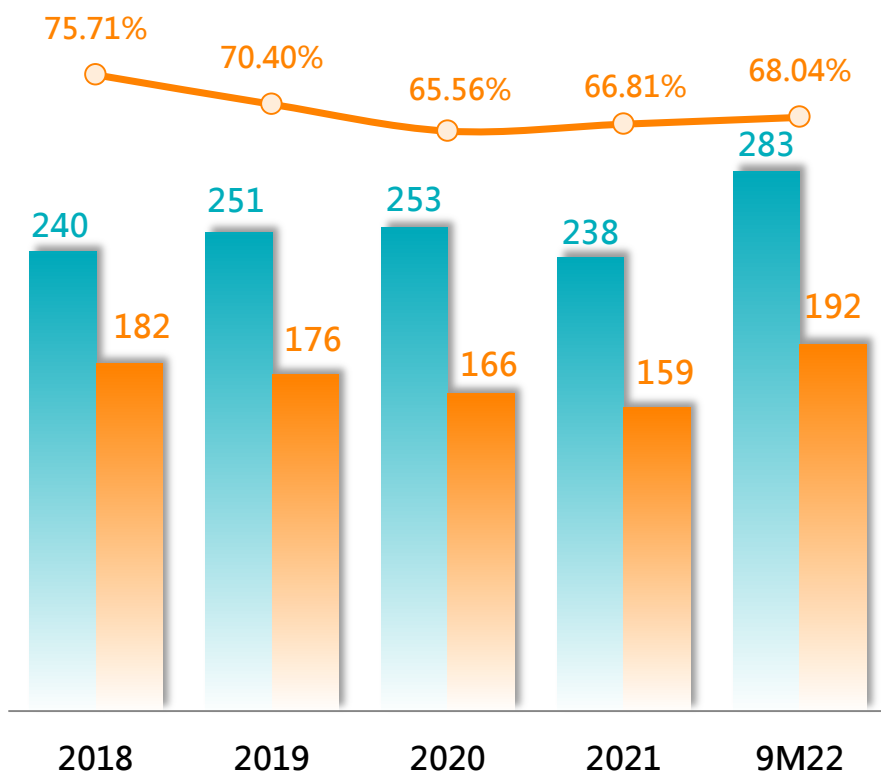
02-2

Standalone Financial Results: O-Bank (4/8)

Loan & Deposit Balances

NT \$ billion

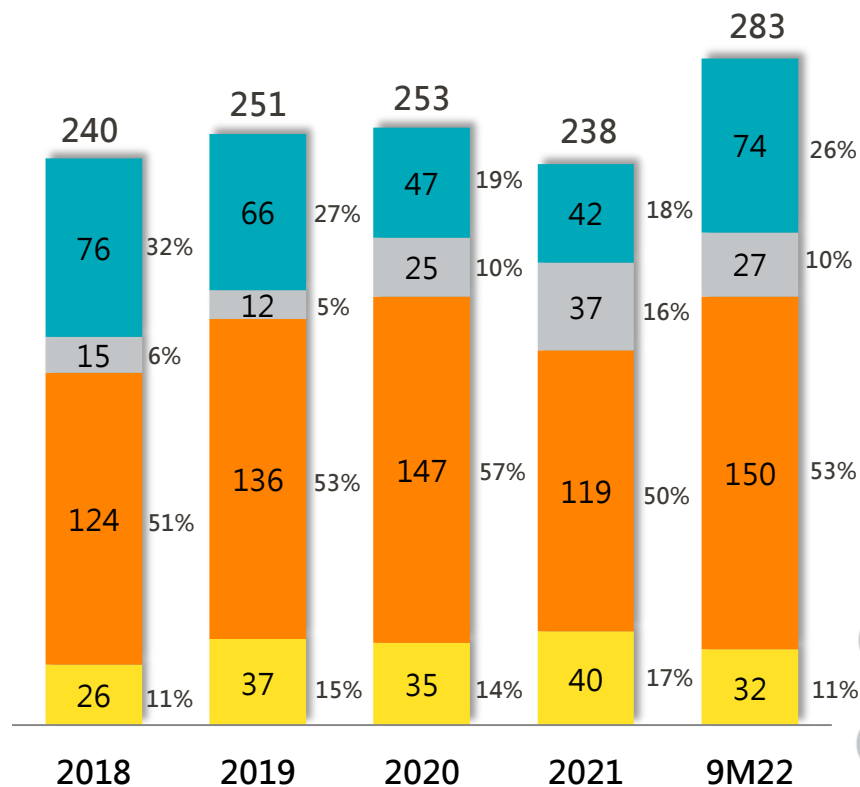
Deposits Loans LDR



Deposit Breakdown

NT \$ billion

FCY Time FCY Demand % Deposit structure percentages
NTD Time NTD Demand





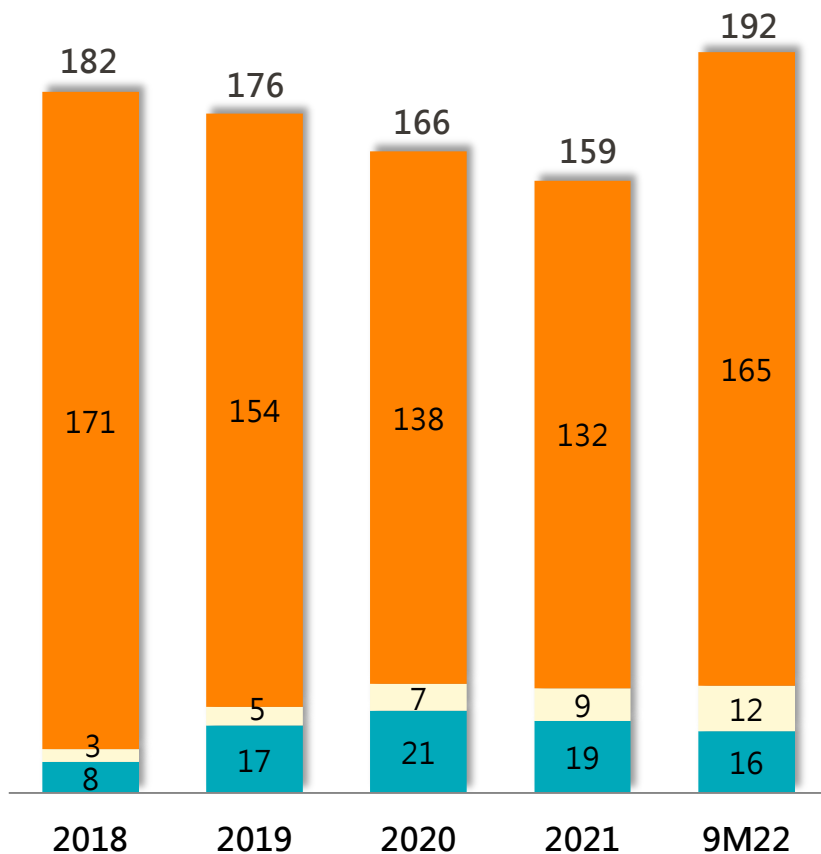
02-2

Standalone Financial Results: O-Bank (5/8)

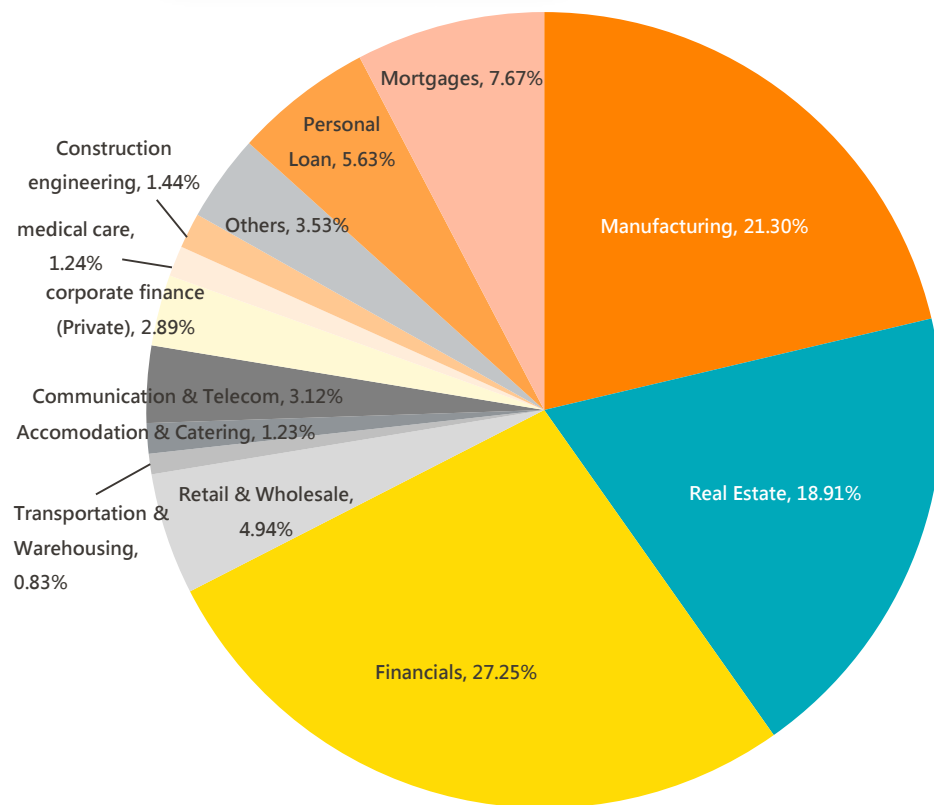
Loan Breakdown

NT \$ billion

Corporate Loans Personal Loans Mortgages



Loan Breakdown by Industry



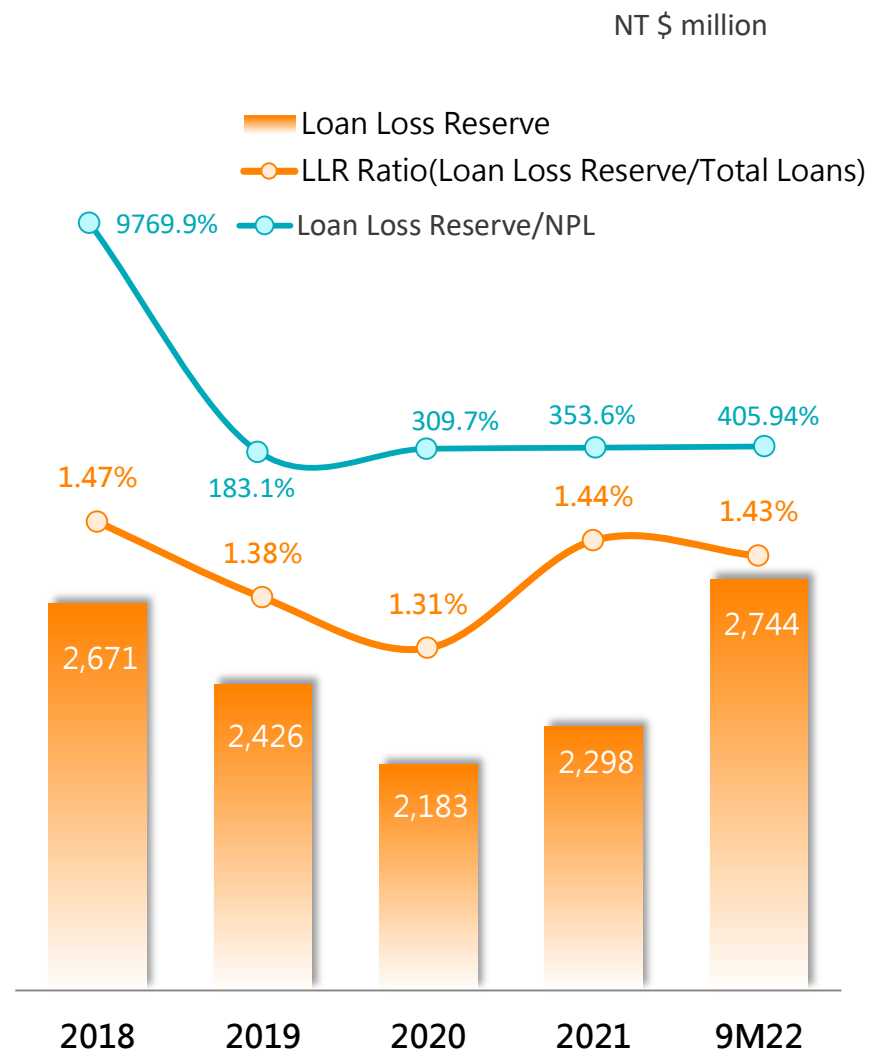
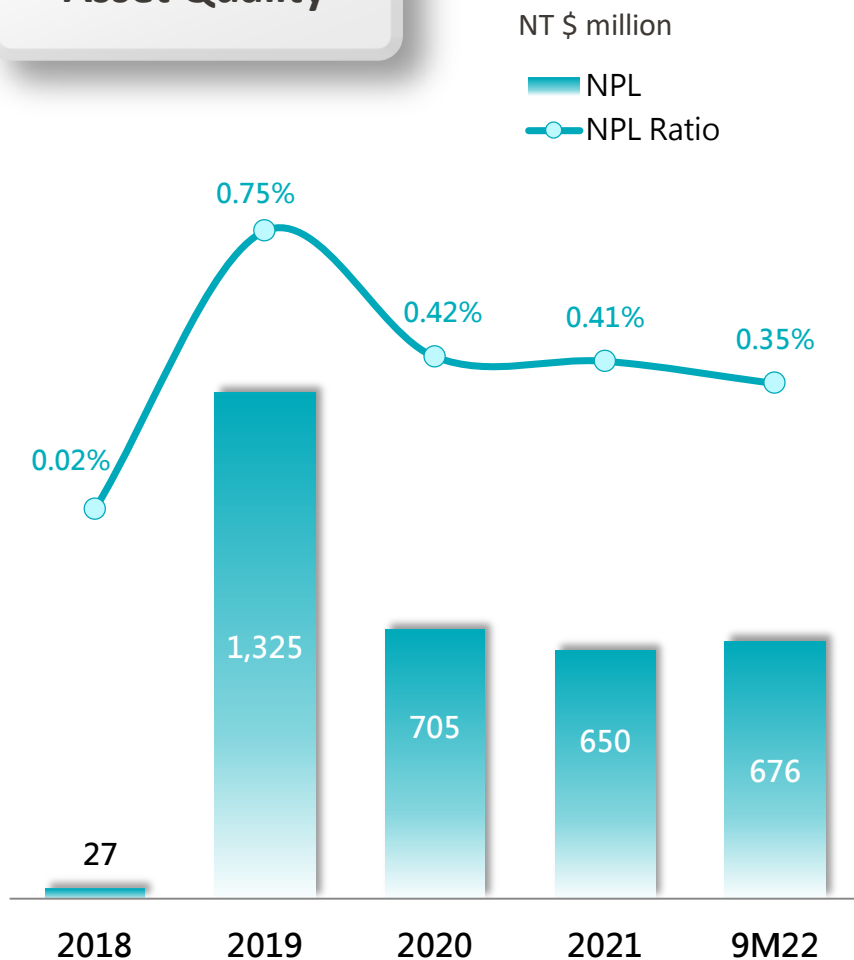
Note: 2022 9M data



02-2

Standalone Financial Results: O-Bank (6/8)

Asset Quality

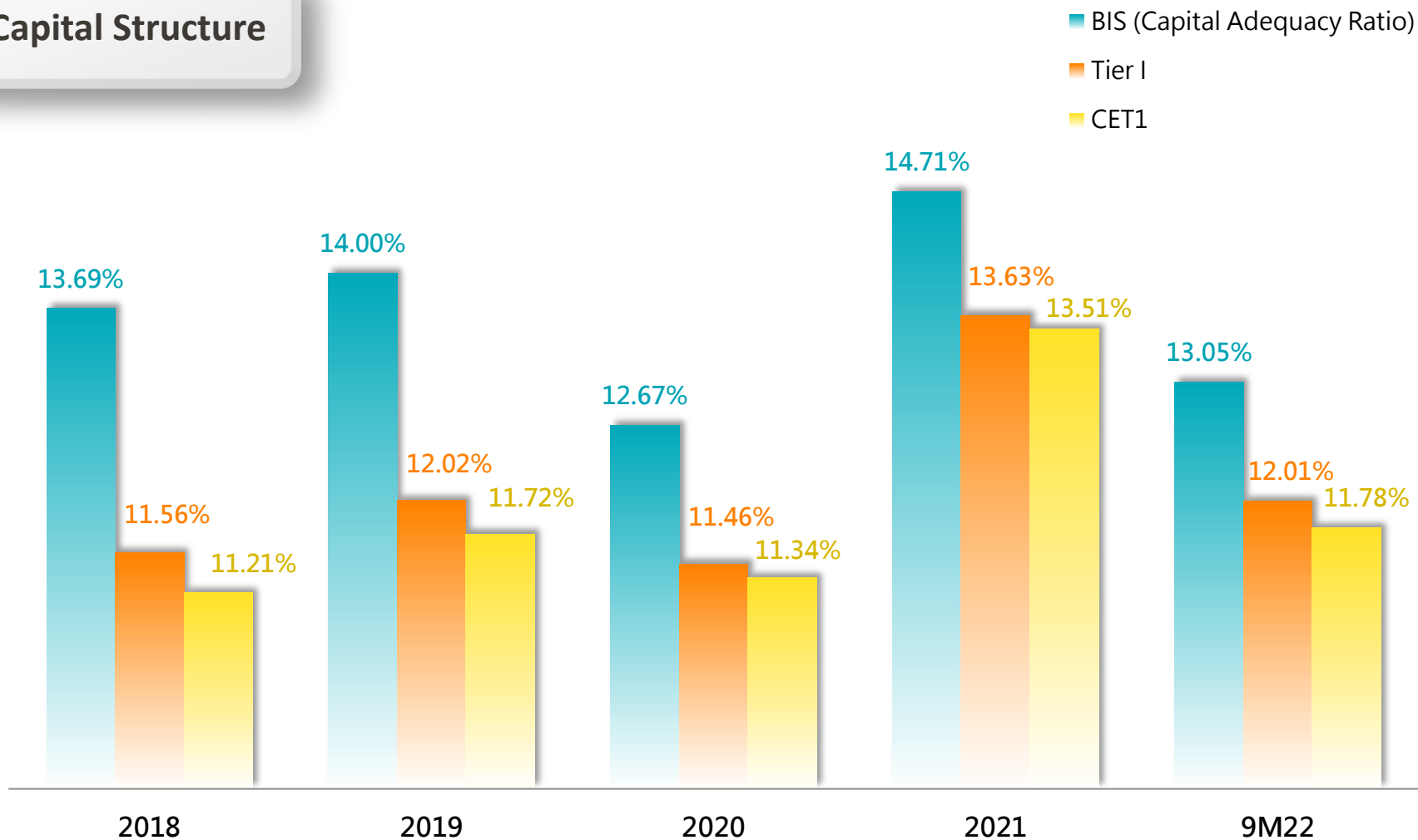




02-2

Standalone Financial Results: O-Bank (7/8)

Capital Structure





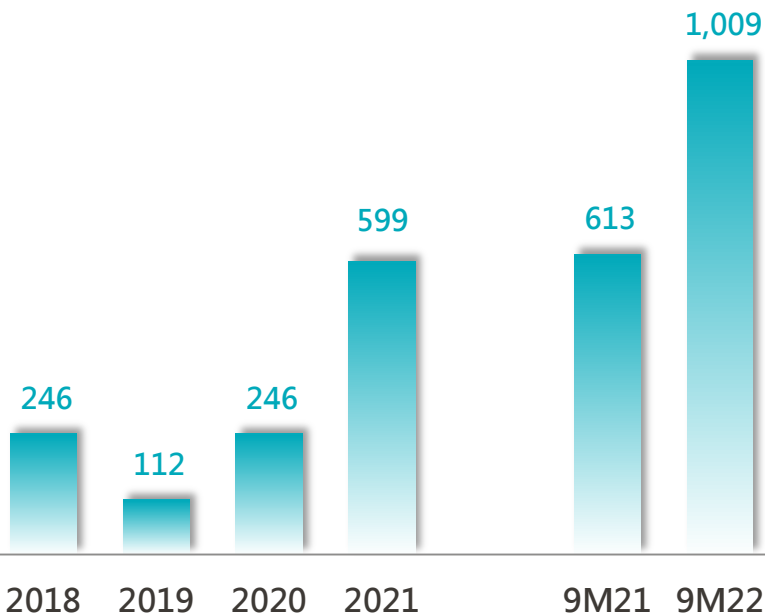
02-2

Standalone Financial Results: O-Bank (8/8)

Net Profit from Bank only (excluding associated subsidiaries)

NT \$ million

YoY +64.64%

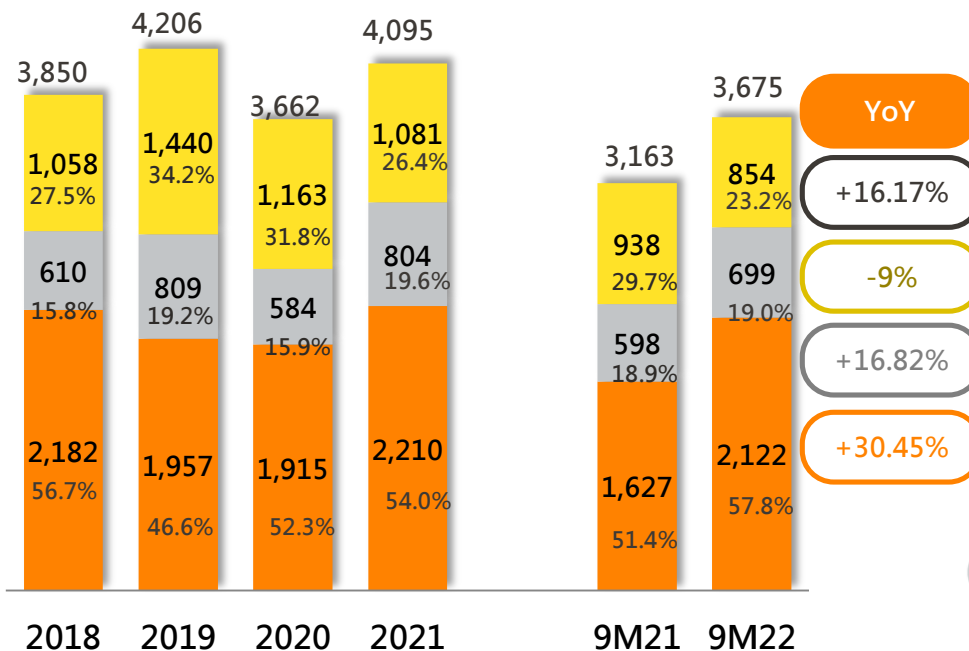


Net Profit Exclude Share of profit of associates subsidiaries and accounted for using equity method

Net Revenue Breakdown from Bank only (excluding associated subsidiaries)

NT \$ million

- Net Interest Income
- Fee Income
- Others



Net Profit Exclude Share of profit of associates subsidiaries and accounted for using equity method



02-3

Individual Financial Results

-China Bills Finance Corp.-

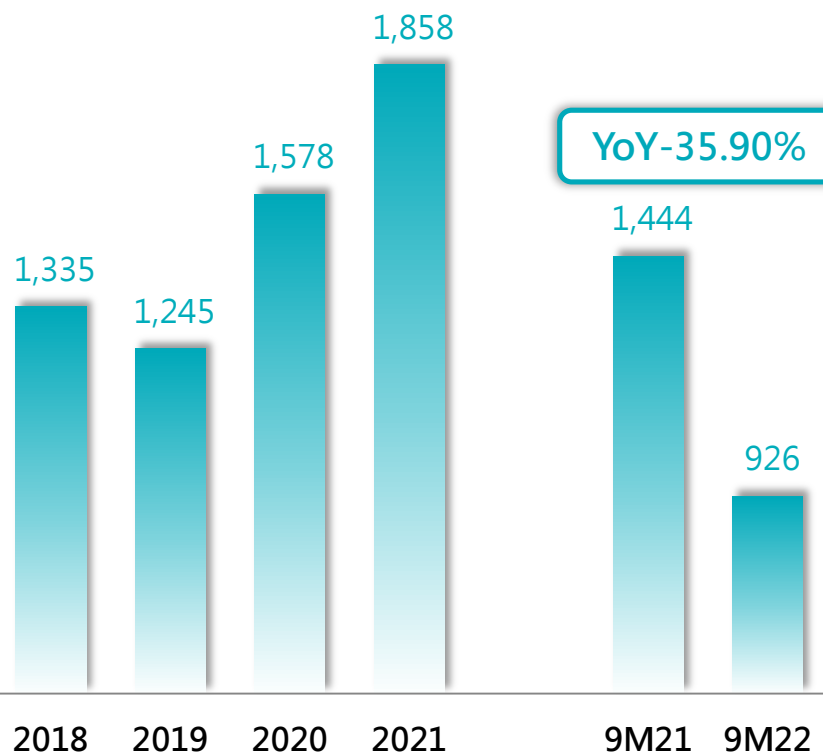


02-3

Individual Financial Results: China Bills Finance Corp.(1/3)

Net Profit

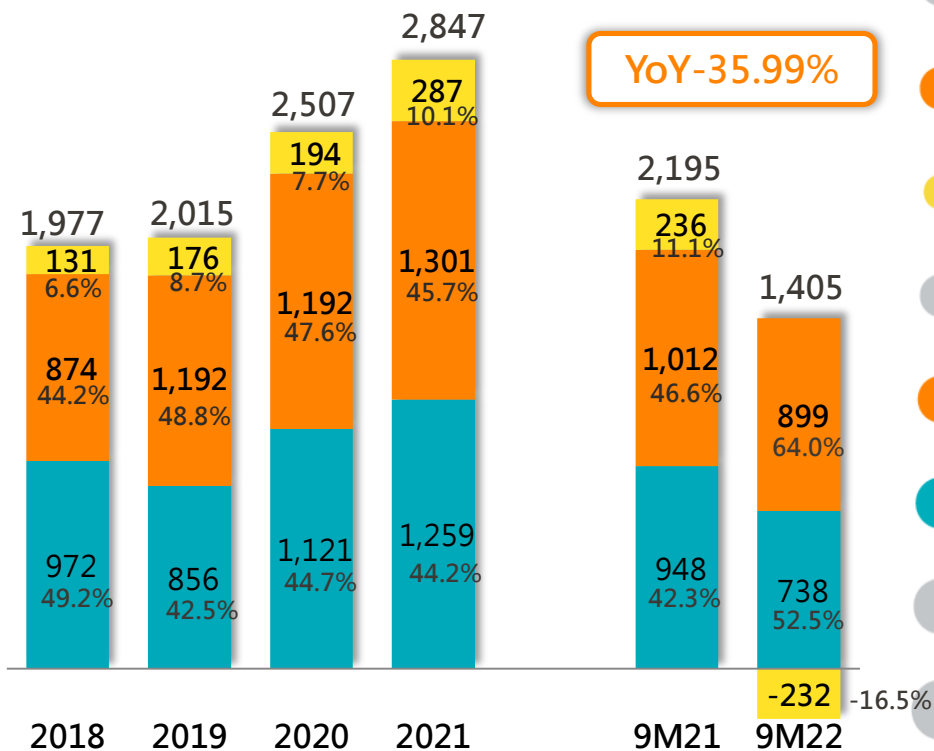
NT \$ million



Net Revenue

NT \$ million

- Others
- Fee Income
- Net Interest Income



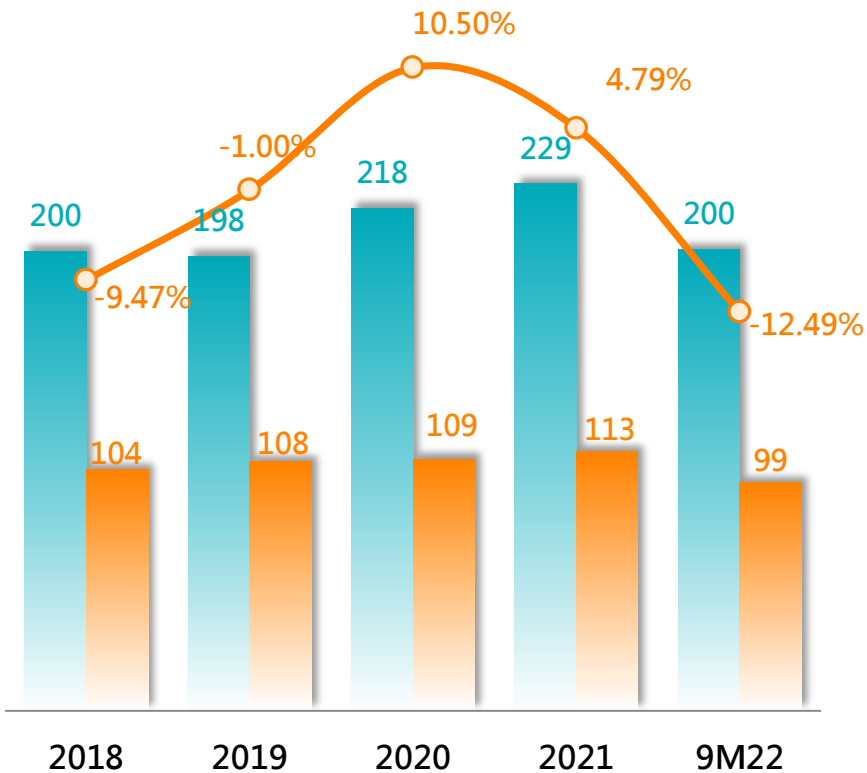


02-3

Individual Financial Results: China Bills Finance Corp.(2/3)

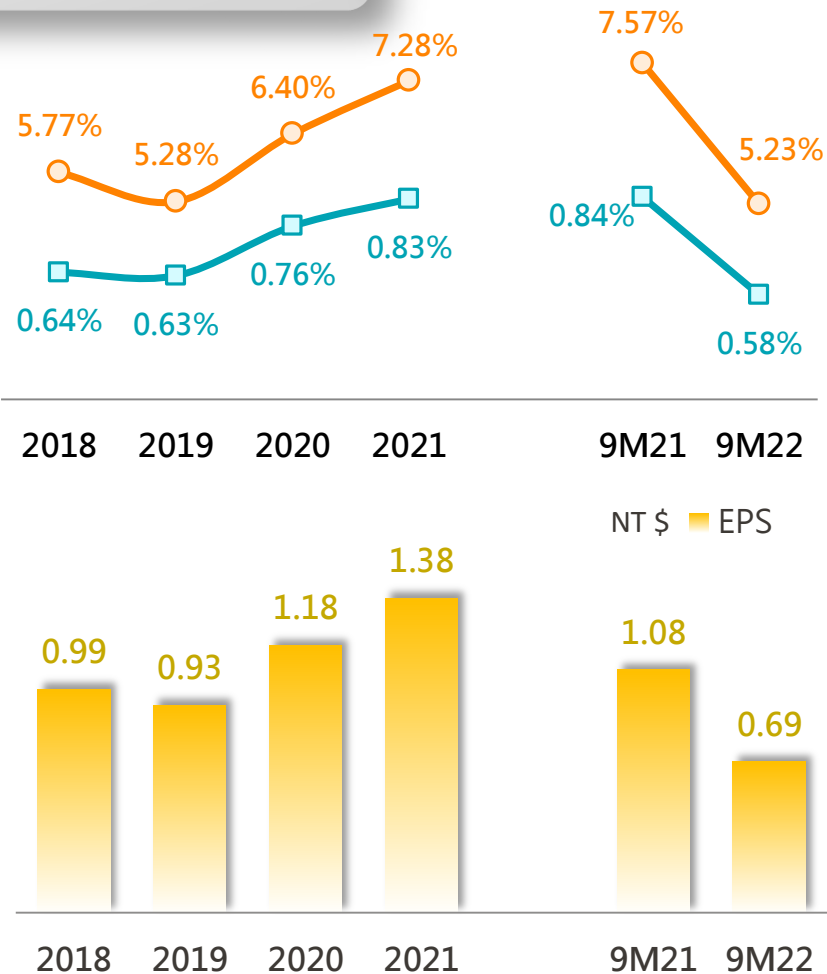
Assets

- Total Assets
- Outstanding Balances of Guarantee
- Growth Rate of Guarantee Balances



ROE 、 ROA & EPS

ROA ROE





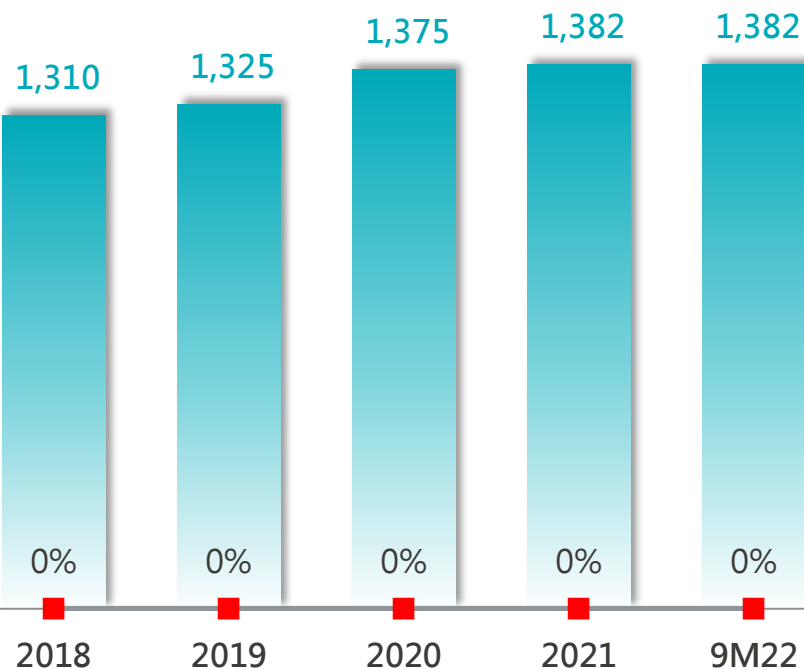
02-3

Individual Financial Results: China Bills Finance Corp.(3/3)

NPL & Reserve for Guarantee Liabilities

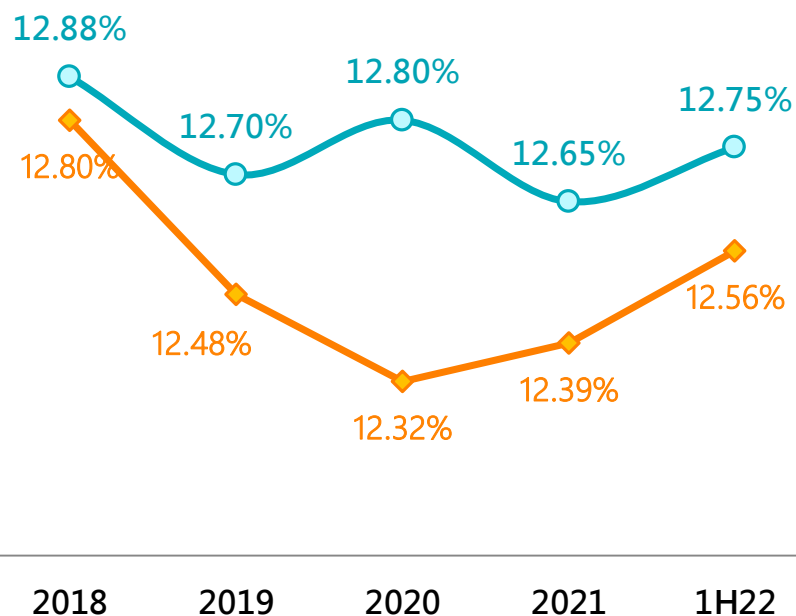
NT \$ million

Reserve for Guarantee Liabilities
NPL Ratio



CAR

CAR (Total Capital)
Tier I Capital





02-4

Individual Financial Results

*-IBT Holdings Corp. and
its Subsidiaries -*

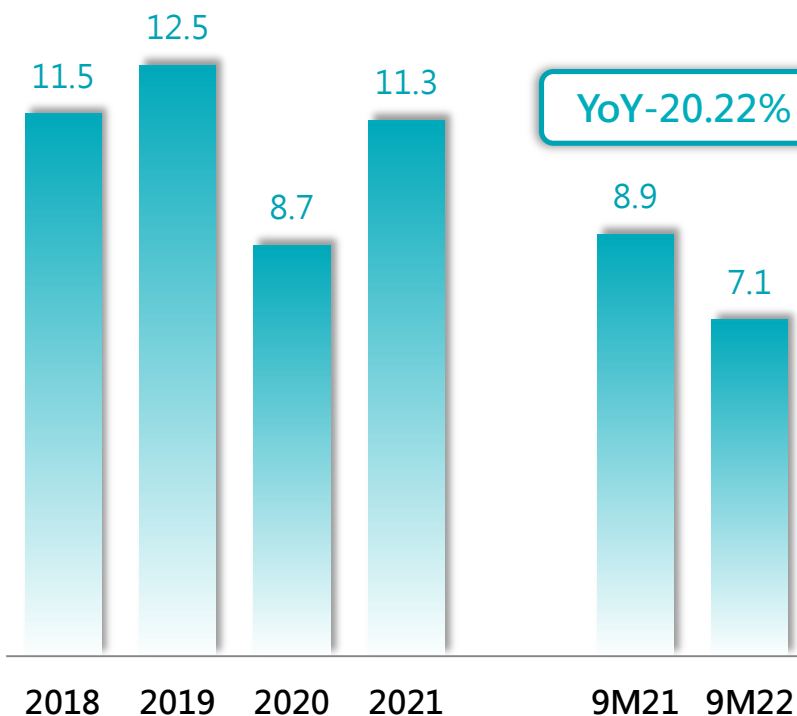


02-4

Individual Financial Results:(1/3) IBT Holdings Corp. and its Subsidiaries

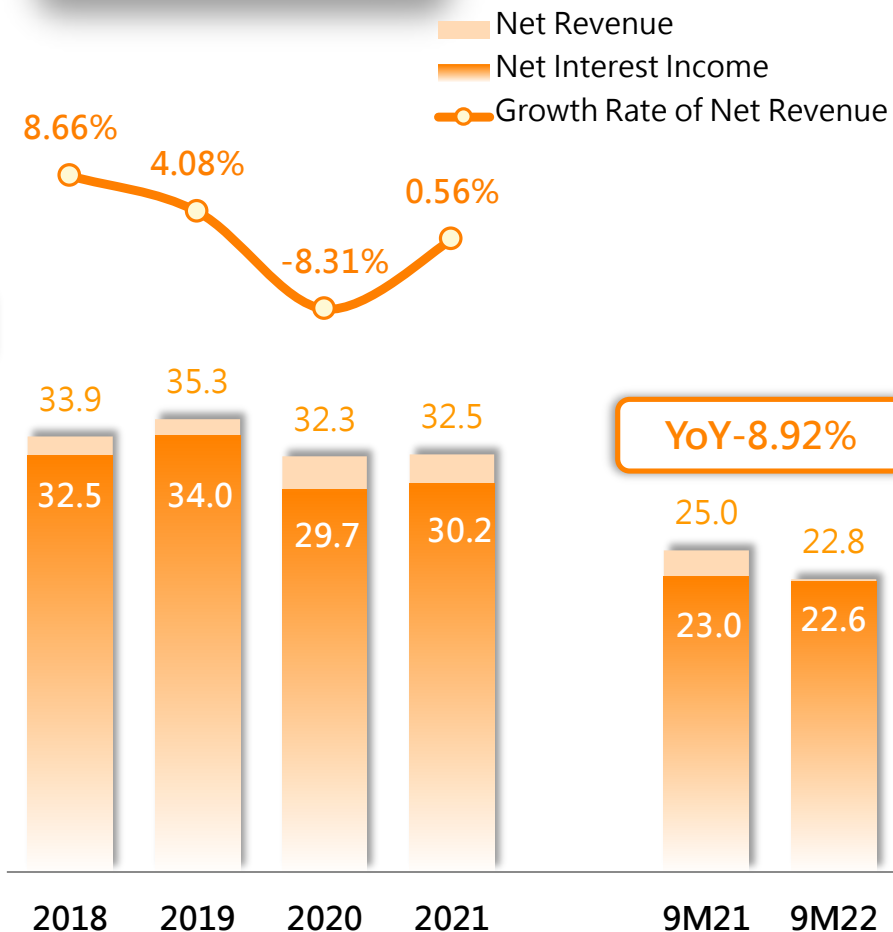
Net Profit

USD \$ million



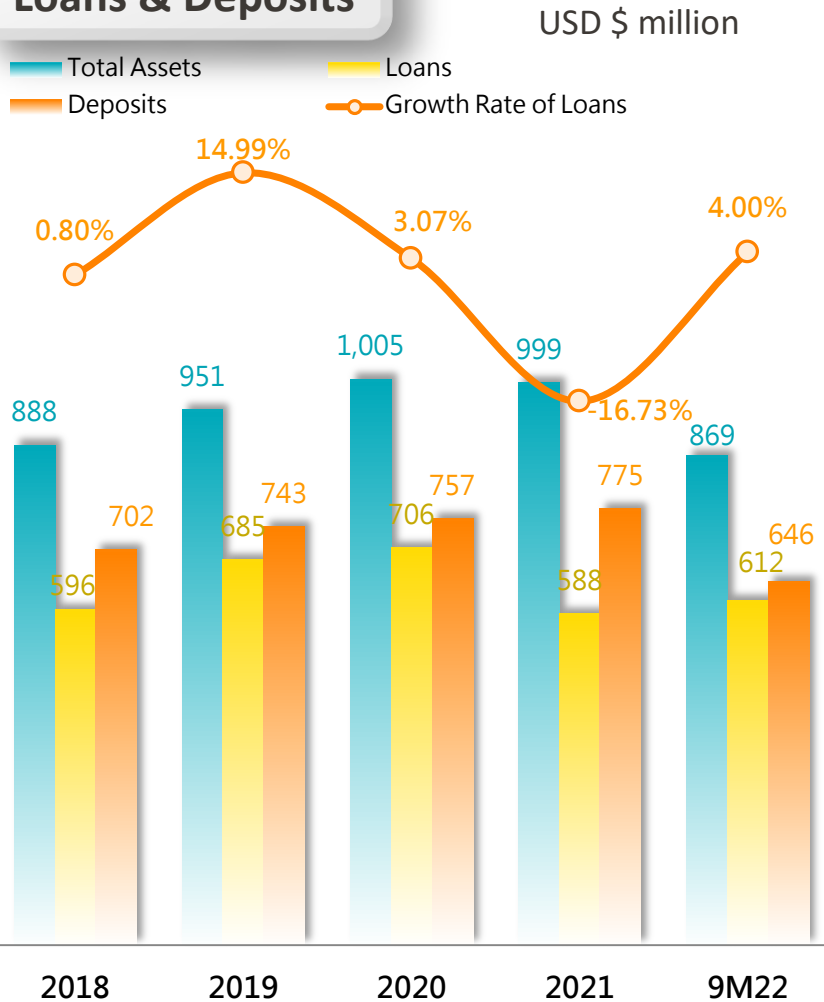
Net Revenue

USD \$ million

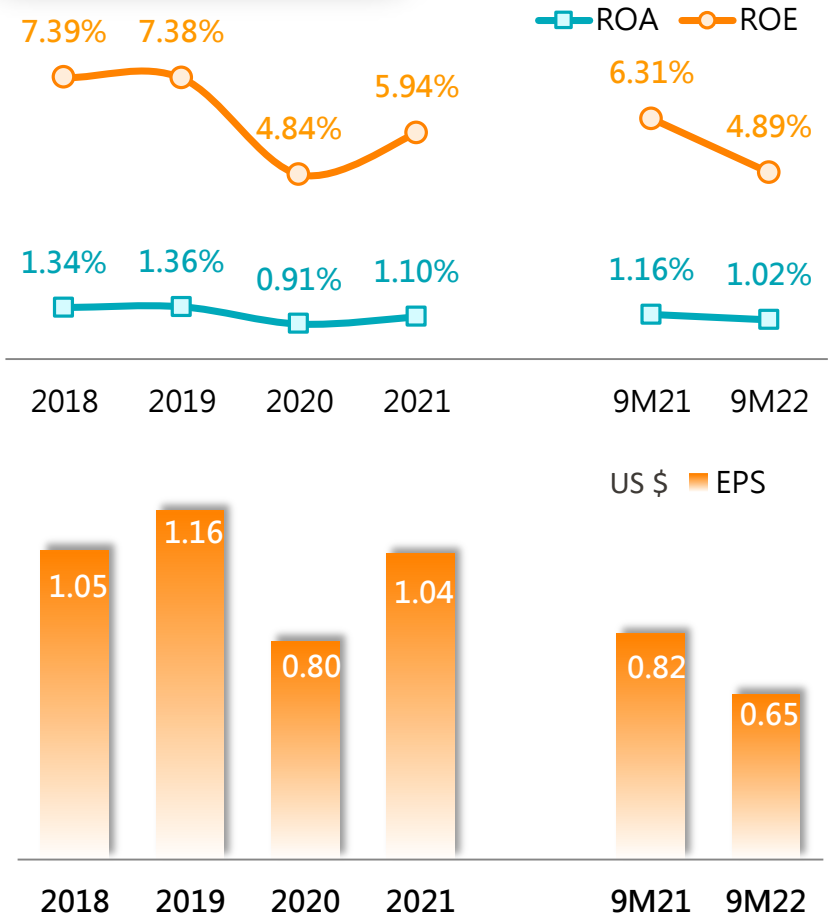


Individual Financial Results:(2/3) IBT Holdings Corp. and its Subsidiaries

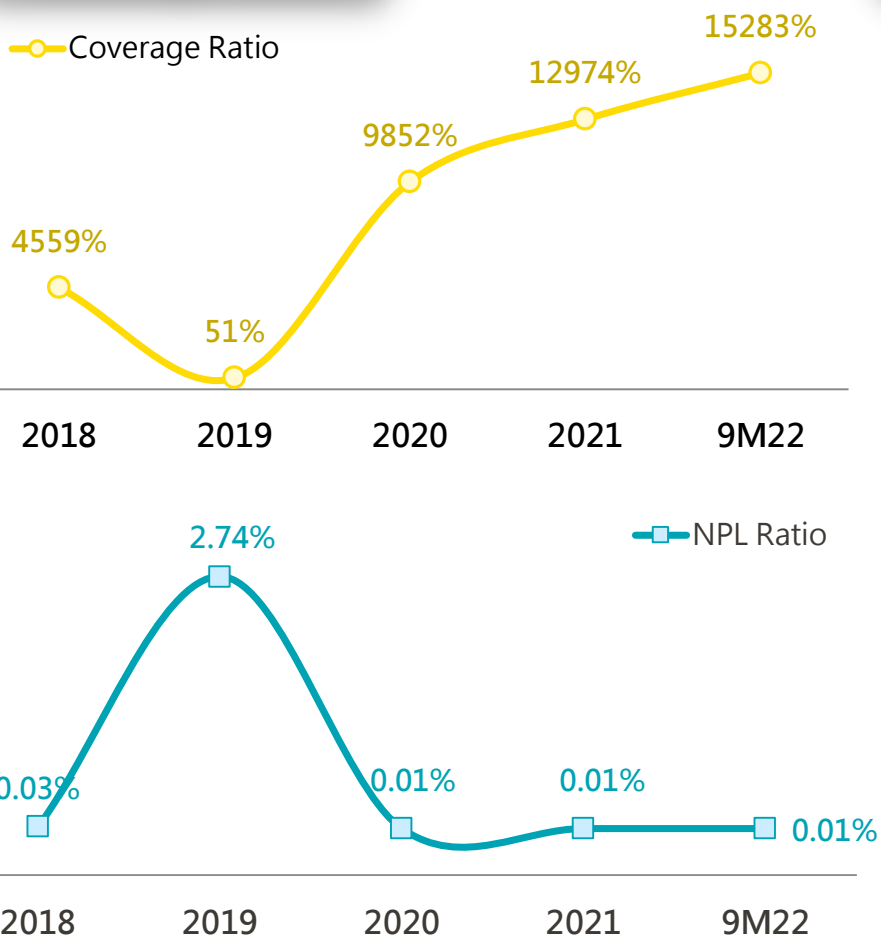
Assets 、 Loans & Deposits



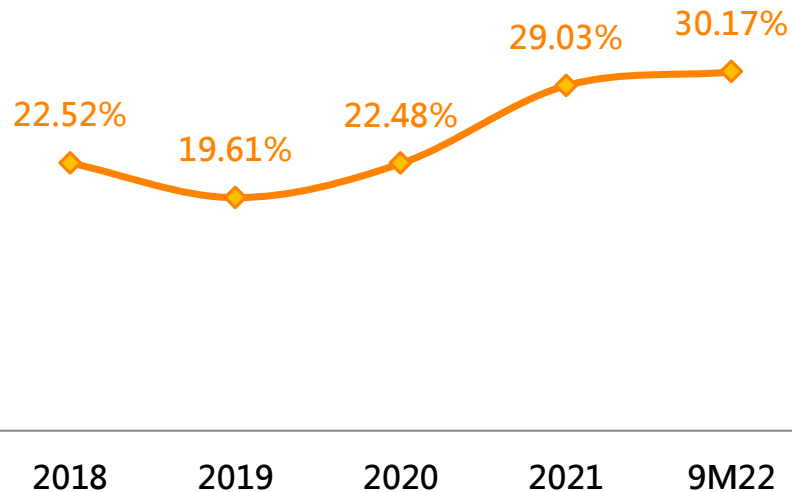
ROE 、 ROA & EPS



NPL Ratio & Coverage Ratio



CAR





02-5

Individual Financial Results

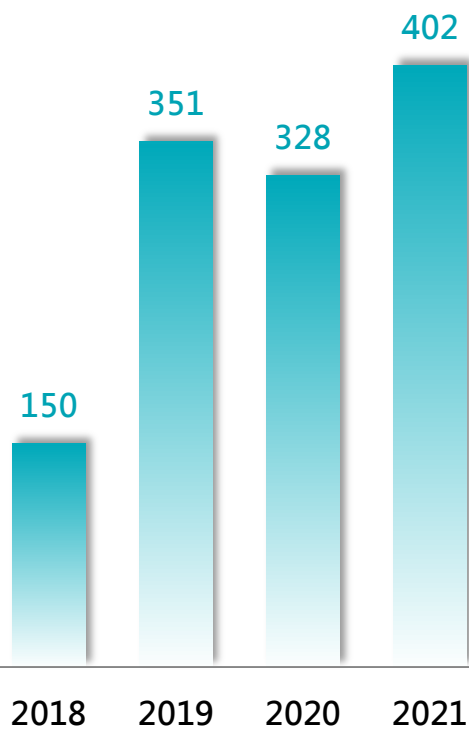
***-IBT Leasing Co., Ltd.
and its Subsidiaries-***

Individual Financial Results:(1/2)

IBT Leasing Co., Ltd. and its Subsidiaries

Net Profit

NT \$ million



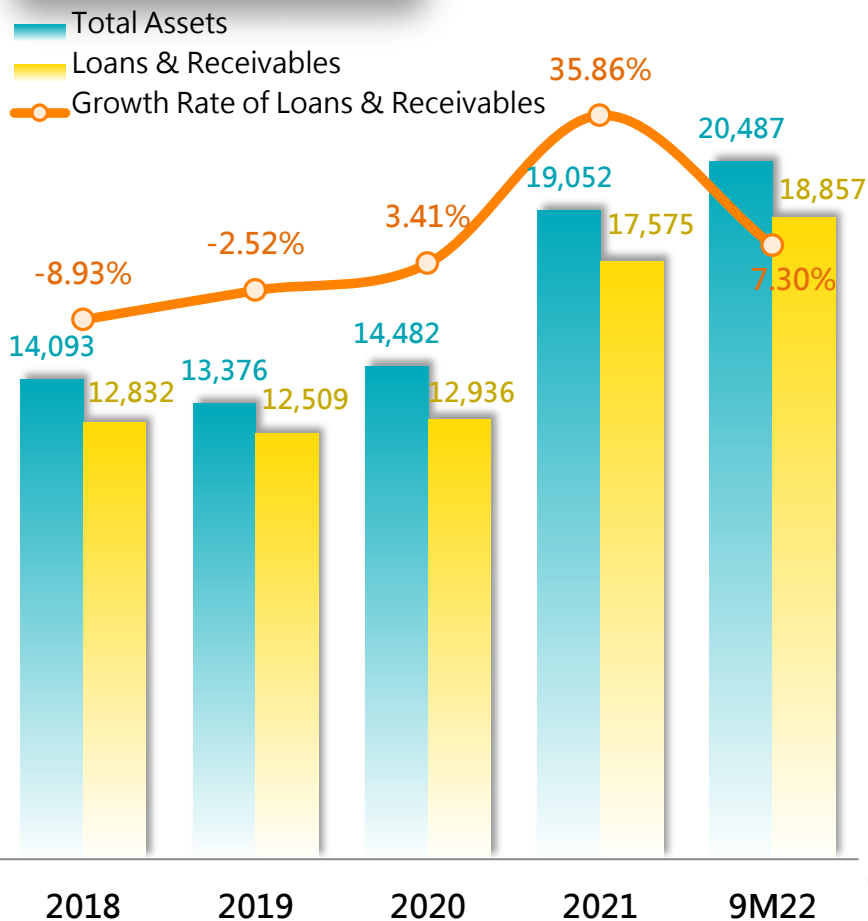
YoY +0.70%

284 286

9M21 9M22

Assets

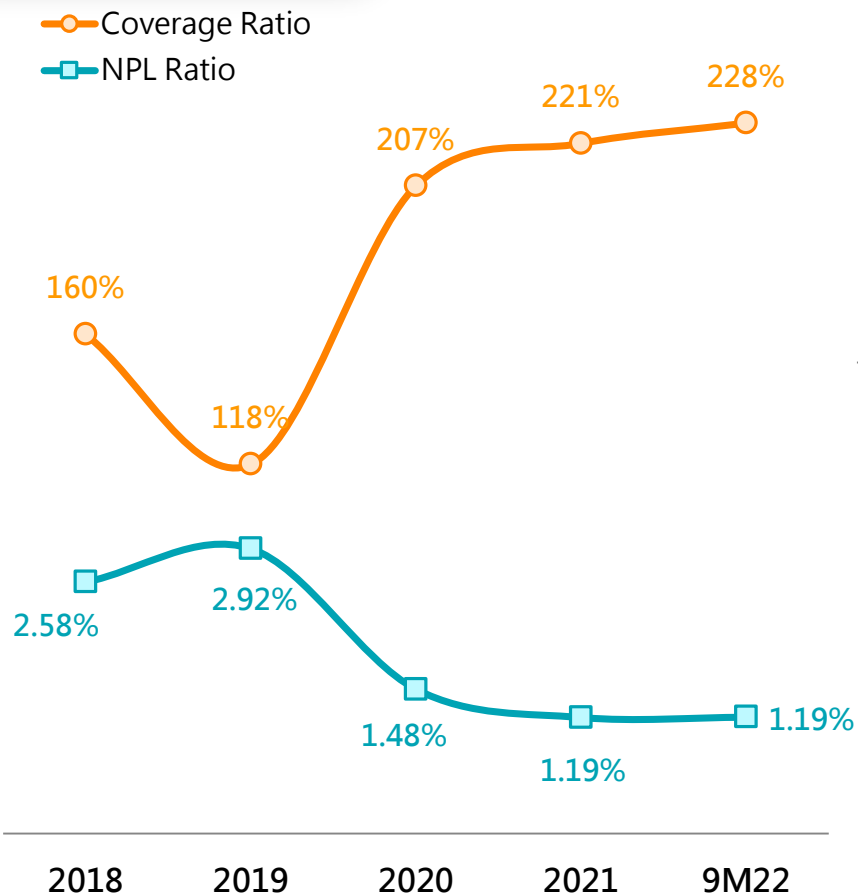
NT \$ million



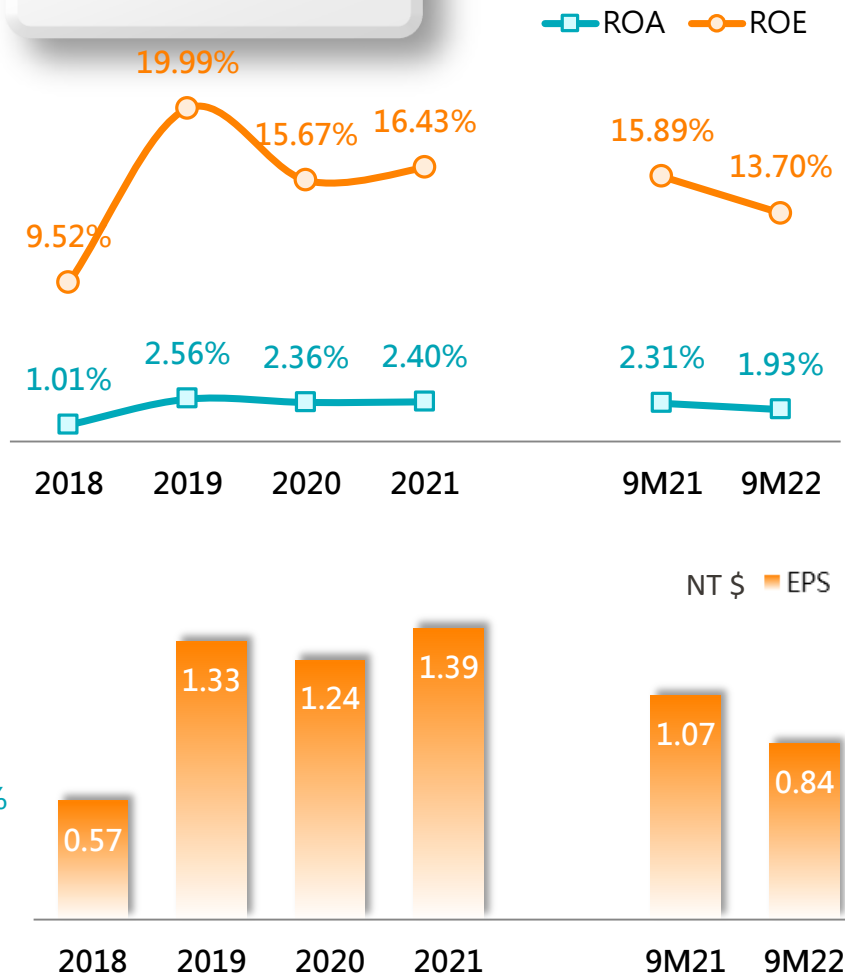
Individual Financial Results:(2/2)

IBT Leasing Co., Ltd. and its Subsidiaries

NPL Ratio & Coverage Ratio



ROE 、 ROA & EPS





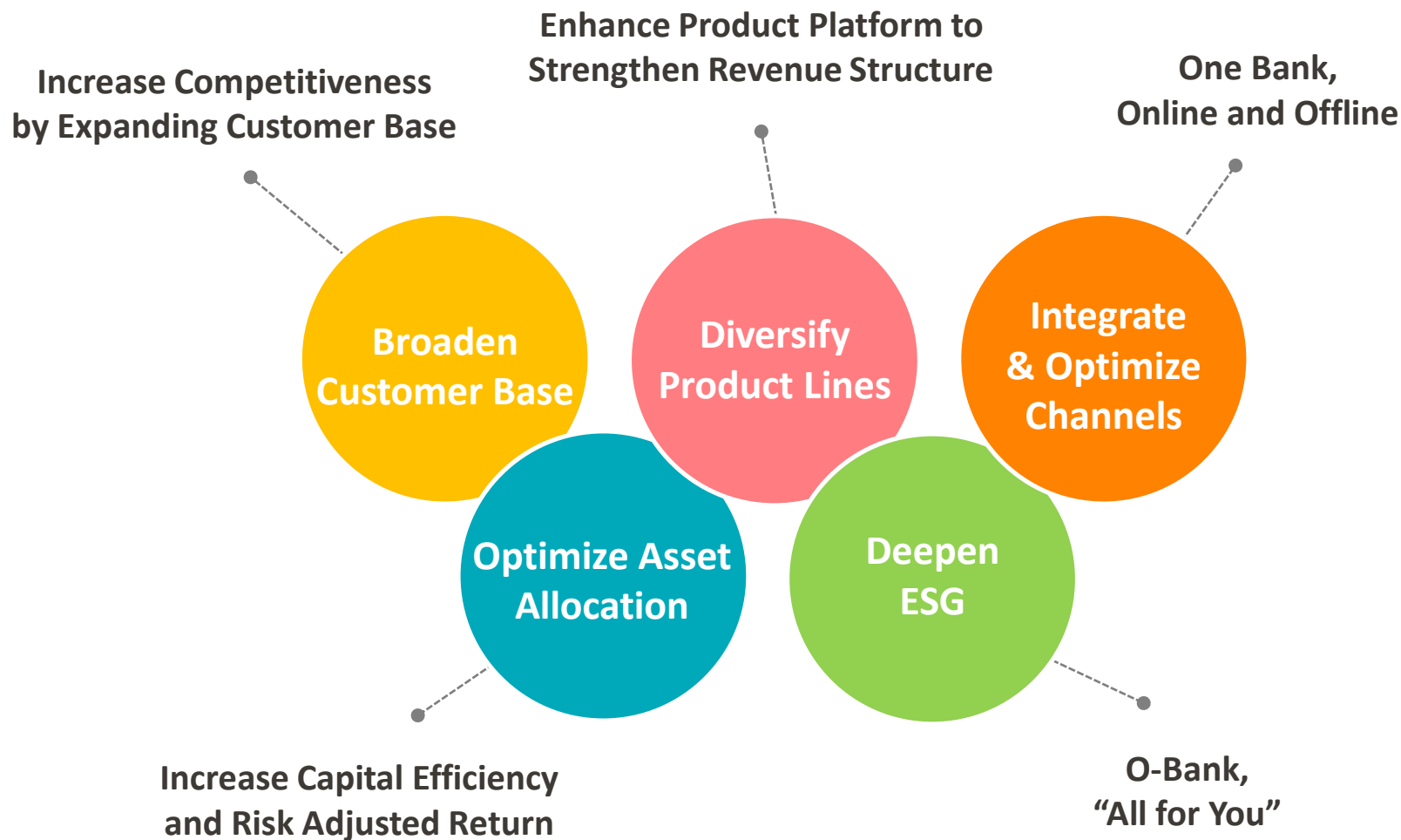
03

Key Strategic Focuses



03

“Boutique Digital Bank” Strategy(1/3)





03

“Boutique Digital Bank” Strategy(2/3)

Broaden Customer Base

Increase competitiveness by expanding customer base

- Extend business opportunities from group enterprises to their upstream and downstream partners.
- Expand MME clientele and provide integrated wealth management services.
- Implement financial inclusion by developing micro SME service platform and expanding credit loan clientele.
- Increase overseas footprint by expanding OBU business and international syndicated loan participation, as well as enhancing cross-border cooperation.

Diversify Product Lines

Enhance product platform to strengthen revenue structure

- Build comprehensive corporate finance platform with services such as structured finance, trade finance, TMU and cash management, enrich product and service offerings, and strive to become corporate clients' operating bank.
- Add new stock, bond and structured investment products to the wealth management service platform for individuals, and enhance customization capability.
- Expand the breadth of credit loan products and enhance the automation level.

Integrate and Optimize Channels

One Bank, Online & Offline

- Expand sales and marketing teams, and strengthen cross-departmental collaboration and cross-selling capability.
- Continue to optimize the IBMB effectiveness and customer experiences, and implement scenario financial application through strategic alliances and the adoption of innovative B2B2C business models.
- Enhance data governance and the depth of data management, and increase the efficiency and precision of operations.



03

“Boutique Digital Bank” Strategy(3/3)

Optimize Asset Allocation

**Increase capital efficiency
and risk adjusted return**

- Keep closely monitoring on market trend and dynamically adjust bond, bill and stock positions.
- Develop potential investment opportunities of high-tech and emerging industries.
- Explore strategic investment opportunities to achieve higher return and generate innovative growth drives and synergies.

Deepen ESG

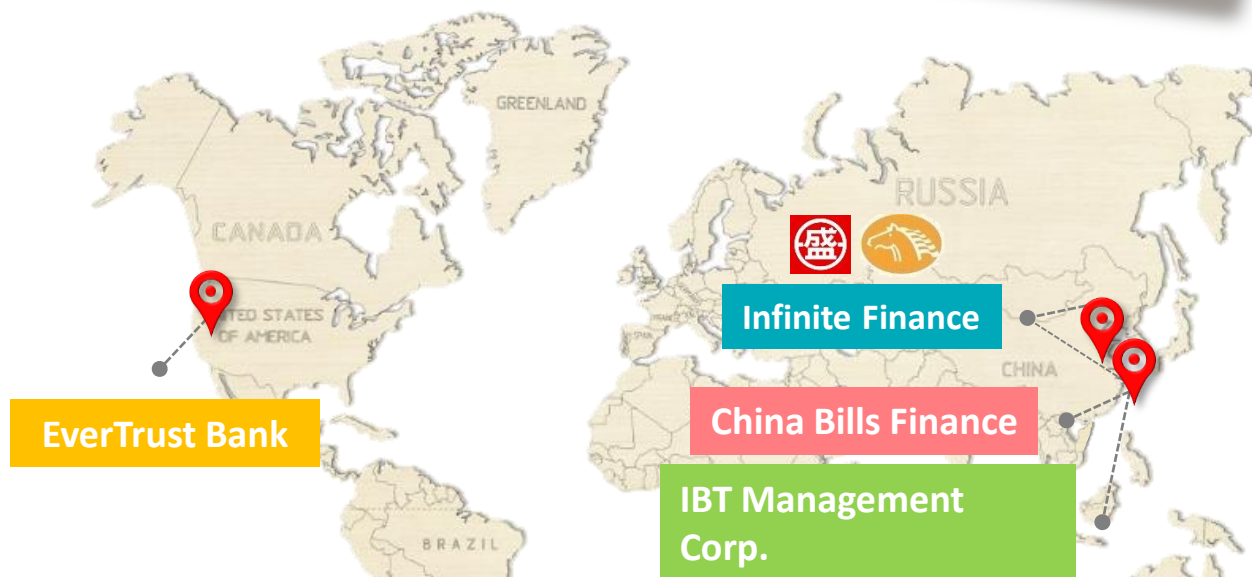
O-Bank, “All for You”

- Integrate core business with ESG idea, and continue to launch environmental and social impact products and services.
- Advance green financing practices, implement the Equator Principles, and set up policies to integrate ESG risk factors into the decision-making processes of loan underwriting and investing.
- Apply international standards to seize emerging business opportunities and monitor risks under the threat of climate change, and introduce carbon emissions of asset portfolio into the Bank’s carbon inventory scope; Meanwhile, commit to achieve Net Zero Carbon Emissions by implementing 100% green energy program into all the bank offices in Taiwan by 2050.



03

Subsidiaries Strategy Overview



EverTrust Bank

- Optimize asset portfolio and enhance the diversity of products to strengthen revenue stream structure.
- Keep cultivating clientele relationships to adjust deposit structure and enhance the proposition of demand deposits.
- Strengthen capital efficiency and asset quality to drive profitability.

China Bills Finance

- Heighten risk control while maintaining flexible positions amidst the looming rate hike environment.
- Continuously expand RP clientele to cope with increasing volatility.
- Adjust composition of clientele, optimize guarantee business revenue and expand underwriting business of bank guaranteed and unsecured CPs.

Infinite Finance

- IBT Leasing Group and Jih Sun International Leasing & Finance Co., Ltd. have officially merged to become Infinite Finance Co., Ltd. on 2022/12/1.
- The highly synergetic merger creates the 4th largest leasing company in Taiwan, and achieves better economies of scale that allows for further expansion abroad.

IBTM/IBT VII VC

- Leverage external and internal networks to advance deal sourcing and enhance ROI.
- Seize investment opportunities of emerging industries such as green energy, eco-friendly, and health care industry.



ALL FOR YOU

www.o-bank.com



04

Appendix

O-Bank-Financial Summary

(NT \$ million)	3Q22	2Q22	1Q22	4Q21	2021	2020	YoY
Income Statement							
Interest income	1,685	1,170	913	868	3,471	4,360	-20%
Interest expense	(889)	(451)	(306)	(284)	(1,261)	(2,445)	-48%
Net interest income	796	719	607	584	2,210	1,915	15%
Fee income	156	217	326	206	804	584	38%
Equity in the income of investees	251	244	405	414	1,416	990	43%
Other income	546	185	123	142	1,081	1,163	-7%
Net revenue	1,749	1,365	1,461	1,346	5,511	4,651	18%
Provision expense	(144)	(99)	(47)	(210)	(474)	(430)	10%
Operating expense	(845)	(772)	(759)	(736)	(3,022)	(2,985)	1%
Net profit B/T	761	494	656	400	2,015	1,236	63%
Net profit A/T	697	425	582	386	1,841	1,147	60%
Balance Sheet							
Loans, net	189,681	178,945	164,960	156,748	156,748	163,917	-4%
Deposits	277,871	271,033	245,283	238,194	238,194	246,421	-3%
Total assets	367,131	345,260	324,558	315,064	315,064	328,854	-4%
Total stockholders' equity	34,250	33,882	35,996	36,381	36,381	35,556	2%
Key Ratios(%)							
ROA(A/T)	0.19	0.12	0.18	0.13	0.57	0.35	
ROE(A/T)	1.96	1.26	1.61	1.04	5.12	3.33	
NPL	0.35	0.36	0.32	0.41	0.41	0.42	
Tier I	12.01	12.25	13.20	13.63	13.63	11.46	
CAR	13.05	13.08	14.47	14.71	14.71	12.67	

CBF-Financial Summary

(NT \$ million)	3Q22	2Q22	1Q22	4Q21	2021	2020	YoY
Income Statement							
Interest income	533	456	433	443	1,720	1,902	-10%
Interest expense	(353)	(198)	(134)	(132)	(461)	(781)	-41%
Net interest income	180	258	300	311	1,259	1,121	12%
Fee income	272	295	332	290	1,301	1,192	9%
Other income	17	(220)	(29)	52	287	194	48%
Net revenue	469	334	603	652	2,847	2,507	14%
Reversal	(1)	(2)	(20)	1	(7)	32	-122%
Operating expense	(113)	(113)	(121)	(133)	(522)	(484)	8%
Net profit B/T	357	223	501	518	2,332	1,992	17%
Net profit A/T	324	175	427	414	1,858	1,578	18%
Balance Sheet							
Total assets	200,169	197,632	216,516	228,734	228,734	218,284	5%
Total stockholders' equity	21,617	21,891	24,517	25,557	25,557	25,449	0%

IBT Holdings-Financial Summary

(USD \$ thousand)	3Q22	2Q22	1Q22	4Q21
Income Statement				
Interest income	9,339	7,743	7,231	7,994
Interest expense	(628)	(506)	(577)	(805)
Net interest income	8,711	7,237	6,655	7,189
Fee income	162	156	86	279
Other income	(213)	1	2	7
Net revenue	8,660	7,393	6,743	7,475
Provision expense	0	0	0	0
Operating expense	(3,917)	(4,012)	(3,753)	(3,814)
Net profit B/T	4,743	3,382	2,990	3,661
Net profit A/T	3,253	2,381	2,105	2,617
Minority interest	(268)	(196)	(173)	(215)
Consolidated net income	2,985	2,185	1,932	2,401

Balance Sheet

Loans, net	601,309	600,649	596,413	577,084
Deposits	646,095	707,042	728,605	775,382
Total assets	869,235	929,184	949,219	999,021
Total stockholders' equity	194,377	194,054	193,780	194,965

2021	2020	YoY
34,271	37,332	-8%
(4,076)	(7,589)	-46%
30,195	29,743	2%
792	705	12%
1,517	1,873	-19%
32,504	32,322	1%
0	(4,080)	-100%
(15,076)	(14,842)	2%
17,428	13,400	30%
12,328	9,465	30%
(1,015)	(779)	30%
11,313	8,686	30%

IBT Leasing-Financial Summary*

(NT \$ million)	3Q22	2Q22	1Q22	4Q21	2021	2020	YoY
Income Statement							
Interest income	352	342	343	347	1,197	920	30%
Fee income	116	115	60	87	332	241	38%
Other income	20	11	27	(2)	62	25	149%
Sales revenue, net	488	467	430	432	1,592	1,186	34%
Operating costs	(139)	(114)	(107)	(106)	(373)	(260)	43%
Gross Profit	349	353	323	326	1,218	926	32%
Provision expense	(72)	(37)	(17)	(49)	(90)	(12)	658%
Operating expense	(173)	(177)	(148)	(137)	(581)	(481)	21%
Non-operating income	184	103	58	151	440	269	63%
Non-operating expense	(96)	(71)	(29)	(23)	(180)	(145)	24%
Net profit B/T	192	172	187	268	808	556	45%
Net profit A/T	144	86	125	198	565	389	45%
Minority interest	0	0	0	0	0	0	-
Consolidated net income	144	86	125	198	565	389	45%
Balance Sheet							
Total assets	21,531	20,589	19,419	19,805	19,805	15,062	31%
Total stockholders' equity	3,750	3,578	3,538	3,306	3,306	2,784	19%

*Include IBT VII Venture Capital Co.,Ltd