

# O-Bank 2021 Business Review

2022/03/09

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# Agenda

01

**2021 Operation Highlights**

02

**2021 Financial Results**

03

**2022 Key Strategic Focuses**

04

**Appendix**



# 01

## 2021 Operation Highlights

# 02 2021 Operation Highlights (1/4)

## 1 Operating Performance

NTD millions			
O-Bank	2021	2020	Growth Rate
Consolidated Net Revenues	9,315	8,056	16%
Consolidated Net Profits After Tax	3,200	2,301	39%
Standalone Net Revenues	5,511	4,651	18%
Standalone Net Profits After Tax	1,841	1,147	60%
Earnings Per Share (EPS, NT\$)	0.63	0.41	54%

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

# 02 2021 Operation Highlights (2/4)

## 1 Operating Performance

Major Subsidiaries	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ millions)		Growth Rate
	2021	2021	2020	
China Bills Finance	NTD\$ 1.38	1,858	1,578	18%
IBT Holdings Corp. (Holdings of US EverTrust Bank)	USD\$ 1.04	317	257	23%
IBT Leasing and its subsidiaries*	NTD\$ 1.39	402	328	22%

## 2

### Capital Adequacy & Asset Quality

- As of the end of 2021, O-Bank's BIS Ratio was 14.71%, Tier1 Capital Ratio was 13.63%, and CET1 Ratio was 13.51%.
- O-Bank's NPL ratio was 0.41% and loan loss coverage ratio was 353.56%, as of the end of 2021. 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. After the court adjudicates the allocation amount of the collateral, O-Bank's NPL ratio is likely to drop significantly.

## 3 Awards & Recognitions

- As of the end of 2021, O-Bank scored 17.3 and ranked fourth among Taiwan's financial institutions in the publishing of **Sustainalytics'** ESG Risk Ratings.
- Awarded the Second Place in the Mid-Size Companies Division of the **2021 CommonWealth Magazine Corporate Citizen Award**.
- Ranked Top 5% in the TWSE's "**2020 Corporate Governance Evaluation**" among TWSE listed companies, also awarded a "excellent performance" certification by the Taiwan Corporate Governance Association under the Corporate Governance System Assessment.
- Received four **2021 Taiwan Corporate Sustainability Awards** from the Taiwan Institute for Sustainable Energy (TAISE), including "**Taiwanese Companies Sustainability Performance Award**" in the Corporate Comprehensive Performance category, "**Gender Equality Award**" and "**Creativity in Communication Award**" in the Best Practice category, and "**Corporate Sustainability Report - Golden Award**" in the Finance and Insurance category. In addition, we also received the **2021 Global Corporate Sustainability Awards** "Great Practice Award" in the World Class category for our "Social Impact Project."
- Received the "**Best Online Bank Award**" of "2021 Excellent Bank Award".





# 02

## 2021

### Financial Results

**02-1** Consolidated Financial Results

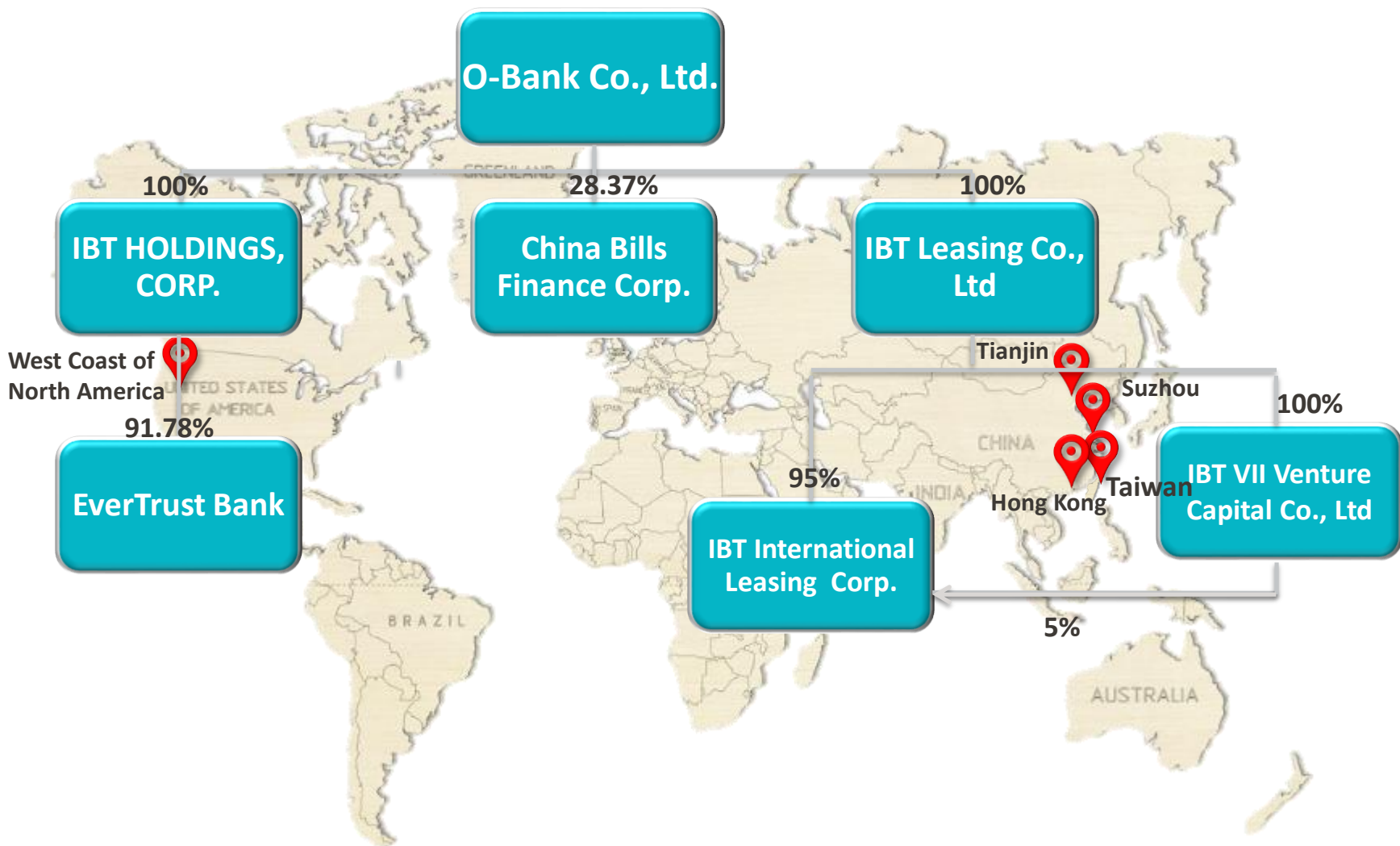
**02-2** Standalone Financial Results:  
O-Bank

**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





**02-1**

## **Consolidated Financial Results**

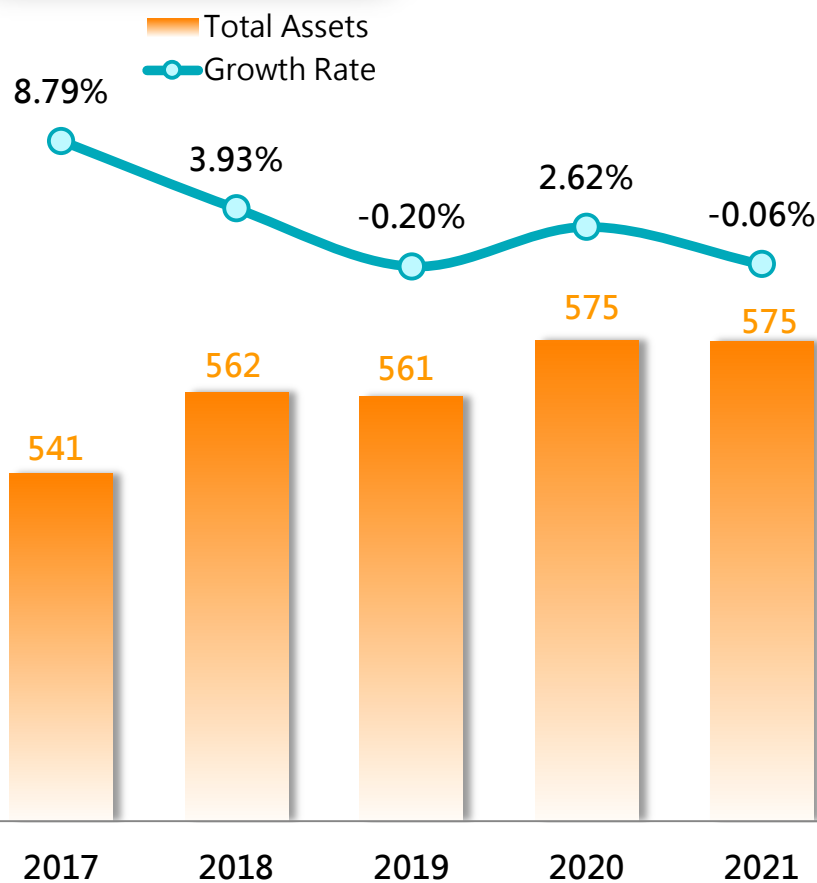


# 02-1

## Consolidated Financial Results (1/3)

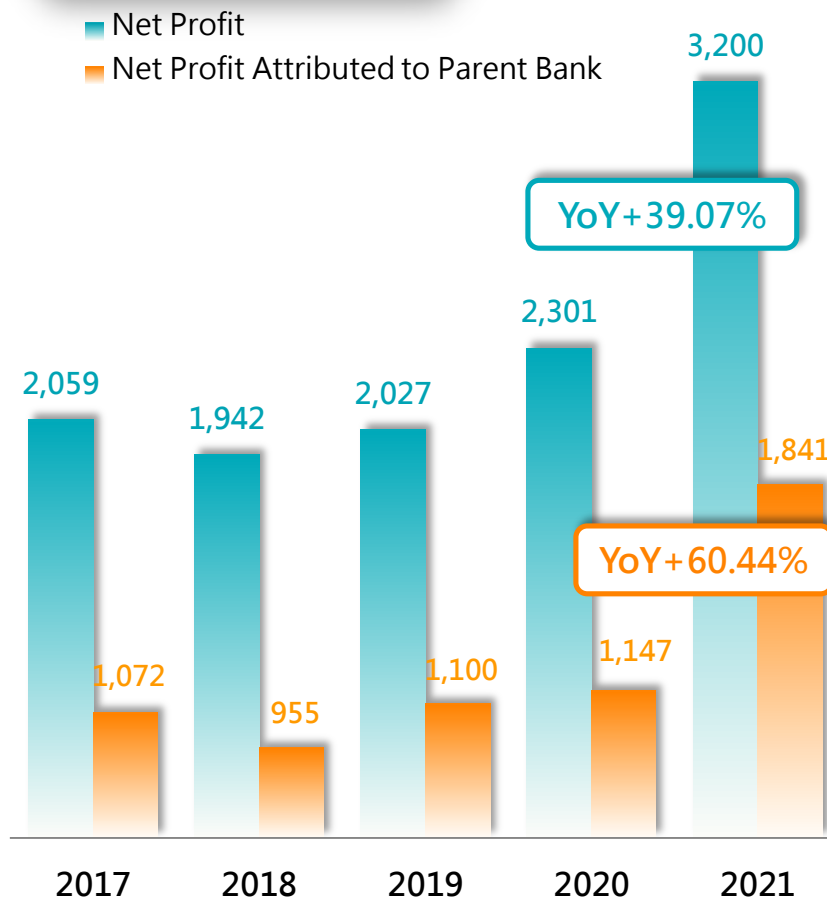
### Total Assets

NT \$ billion



### Net Profit

NT \$ million





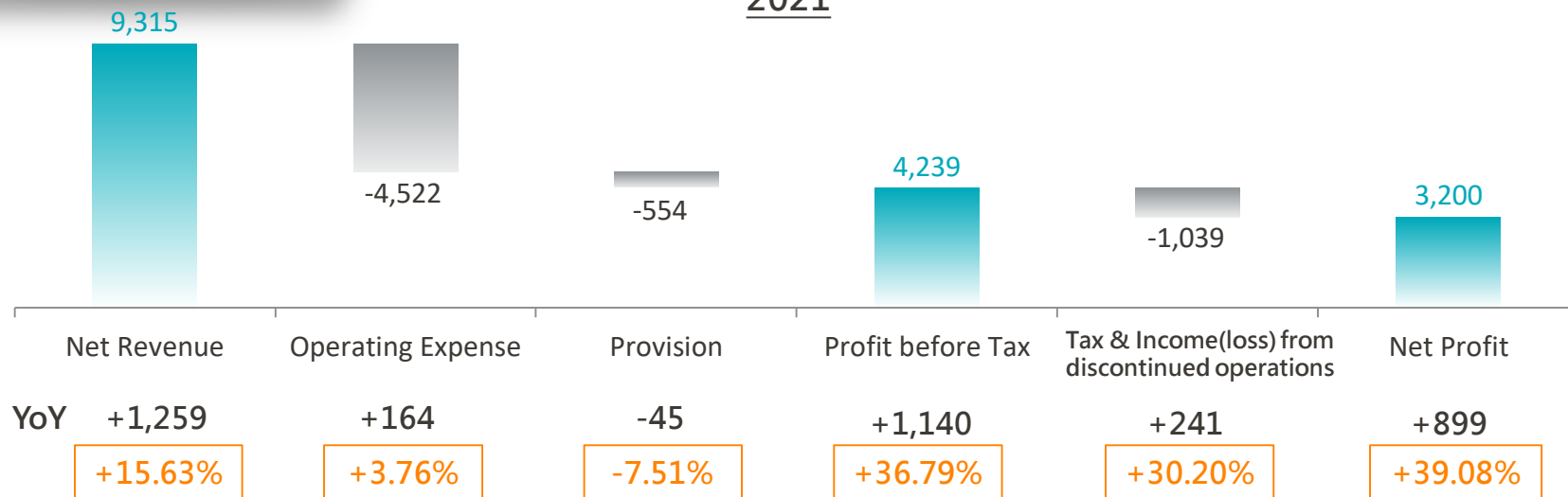
# 02-1

## Consolidated Financial Results (2/3)

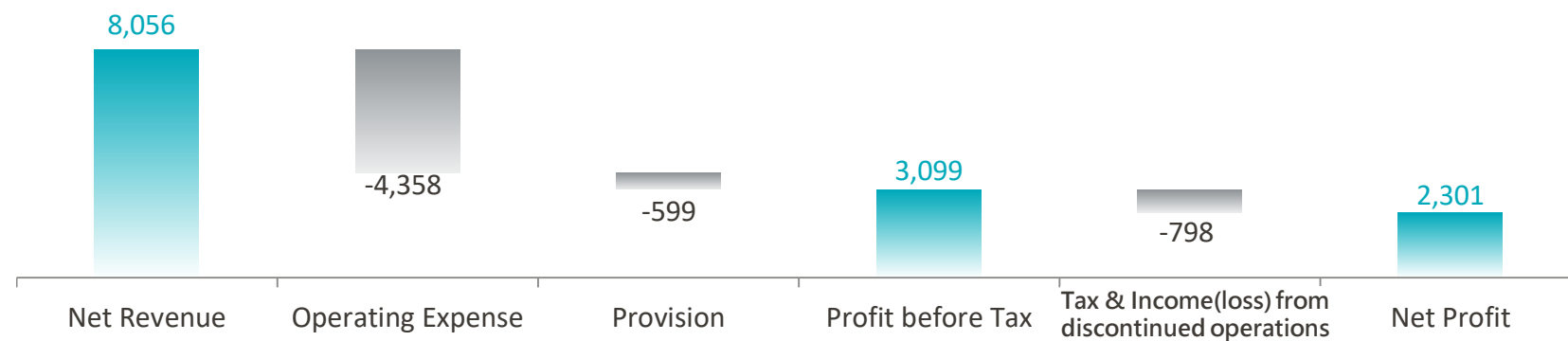
### Net Profit Compositions

NT \$ million

2021



2020





# 02-1

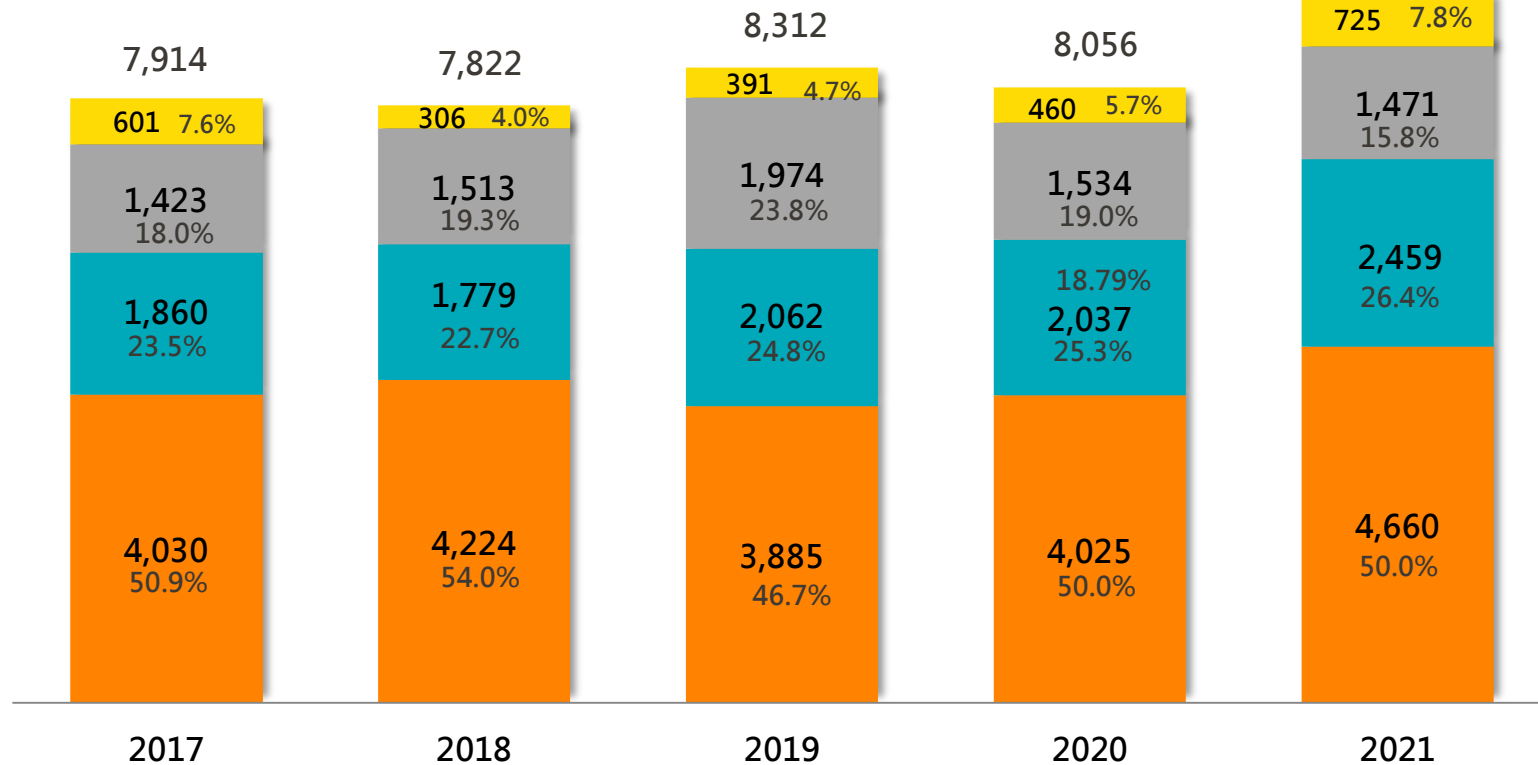
## Consolidated Financial Results (3/3)

### Net Revenue Breakdown

NT \$ million

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

YoY+15.63%





**02-2**

**Standalone Financial  
Results**

***-O-Bank-***

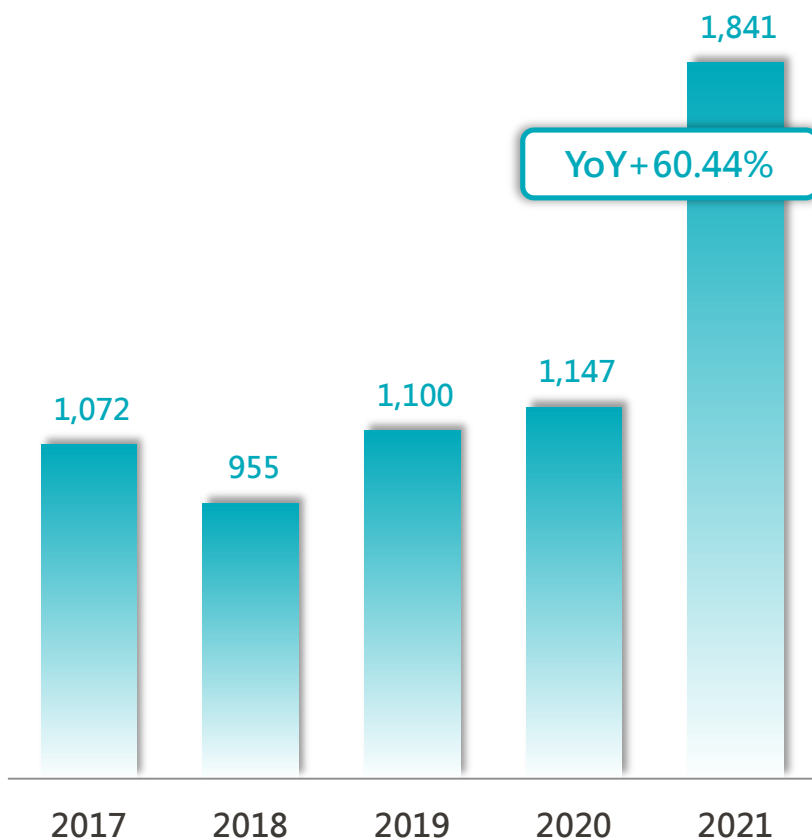


# 02-2

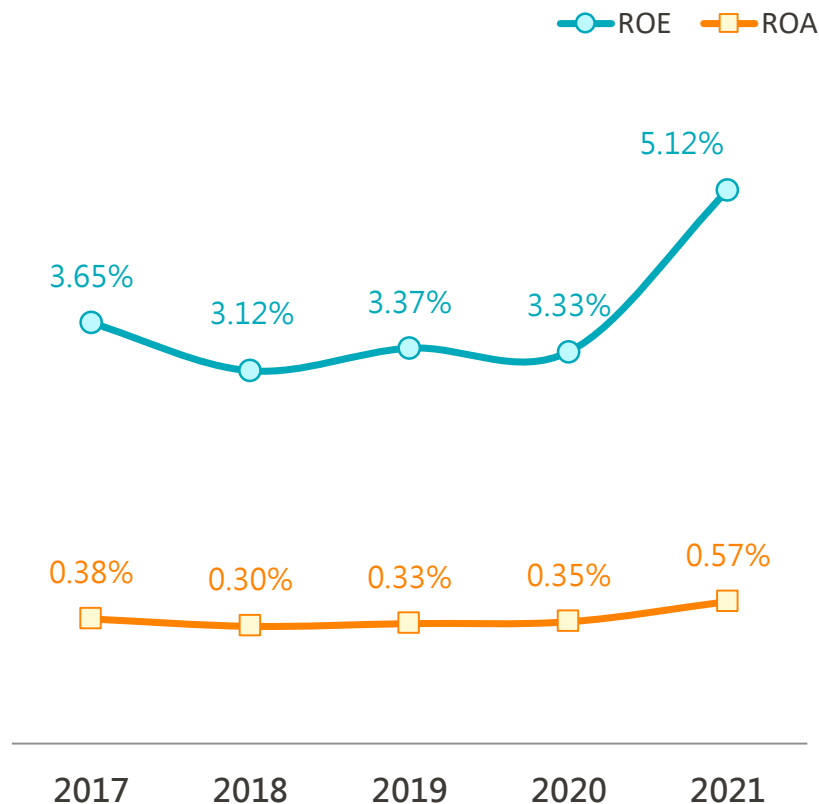
## Standalone Financial Results: O-Bank (1/7)

### Net Profit

NT \$ million



### ROE & ROA







# 02-2

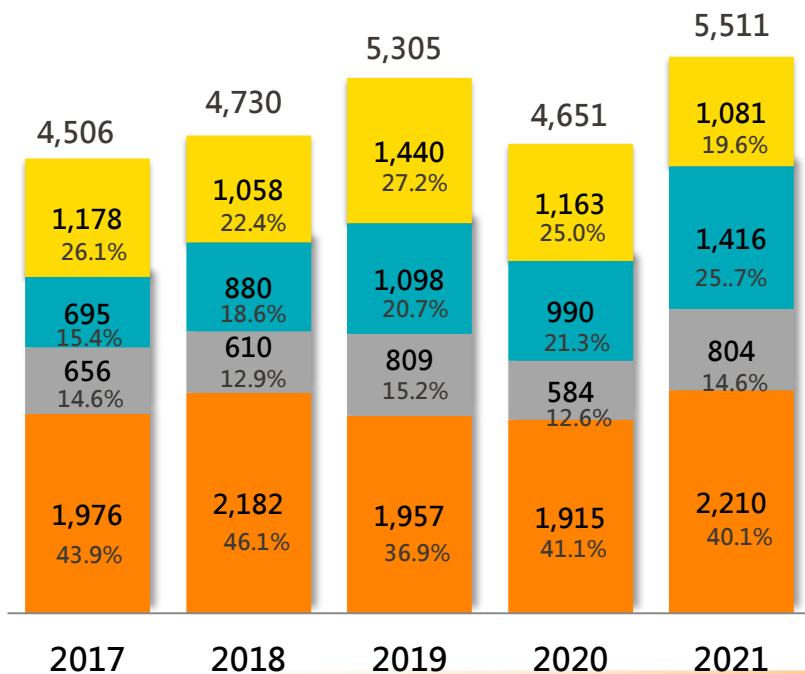
## Standalone Financial Results: O-Bank (2/7)

### Net Revenue Breakdown

NT \$ million

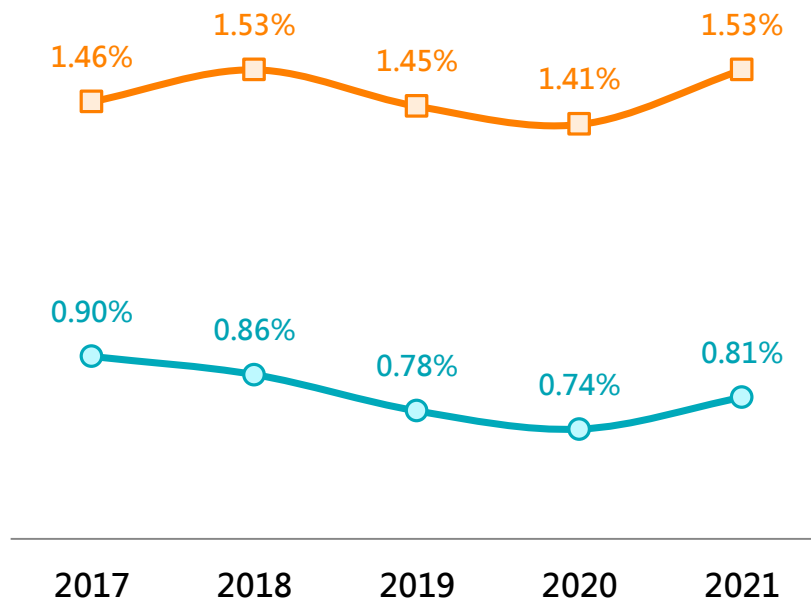
- Others
- Share of profit of associates subsidiaries and accounted for using equity method
- Fee Income
- Net Interest Income

YoY+18.48%



### NIM & Spread

NIM Spread





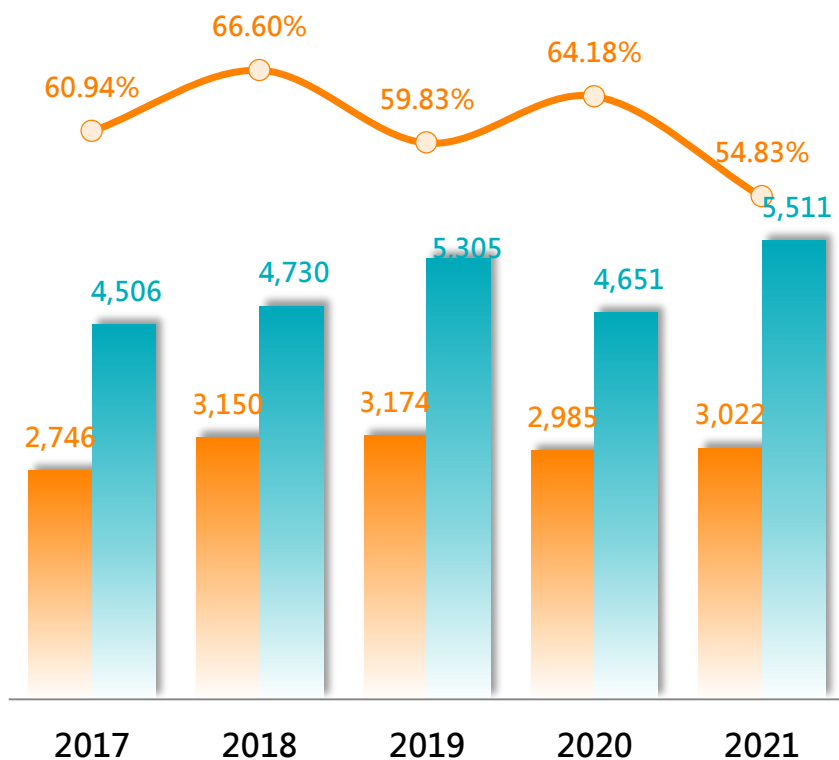
# 02-2

## Standalone Financial Results: O-Bank (3/7)

### Cost/Income Ratio

NT \$ million

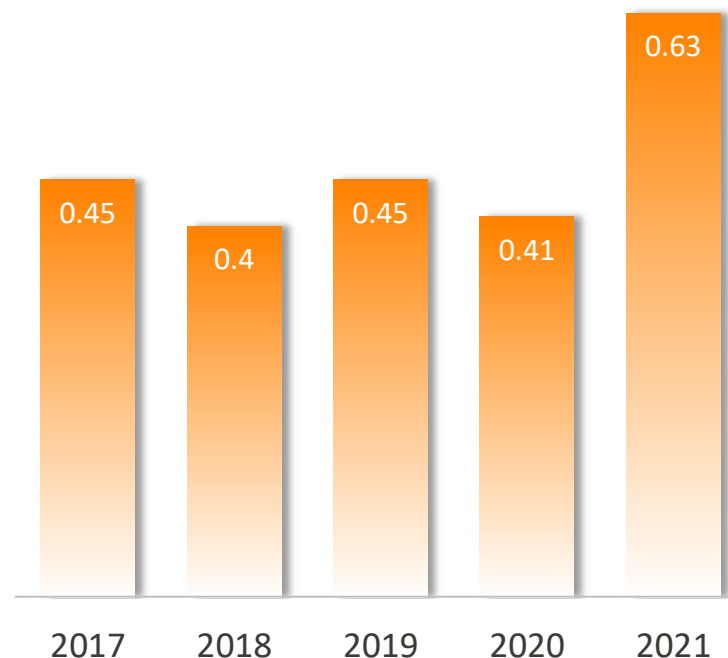
- Operating Expense
- Net Revenue
- Cost Income Ratio



### EPS

NT \$

EPS



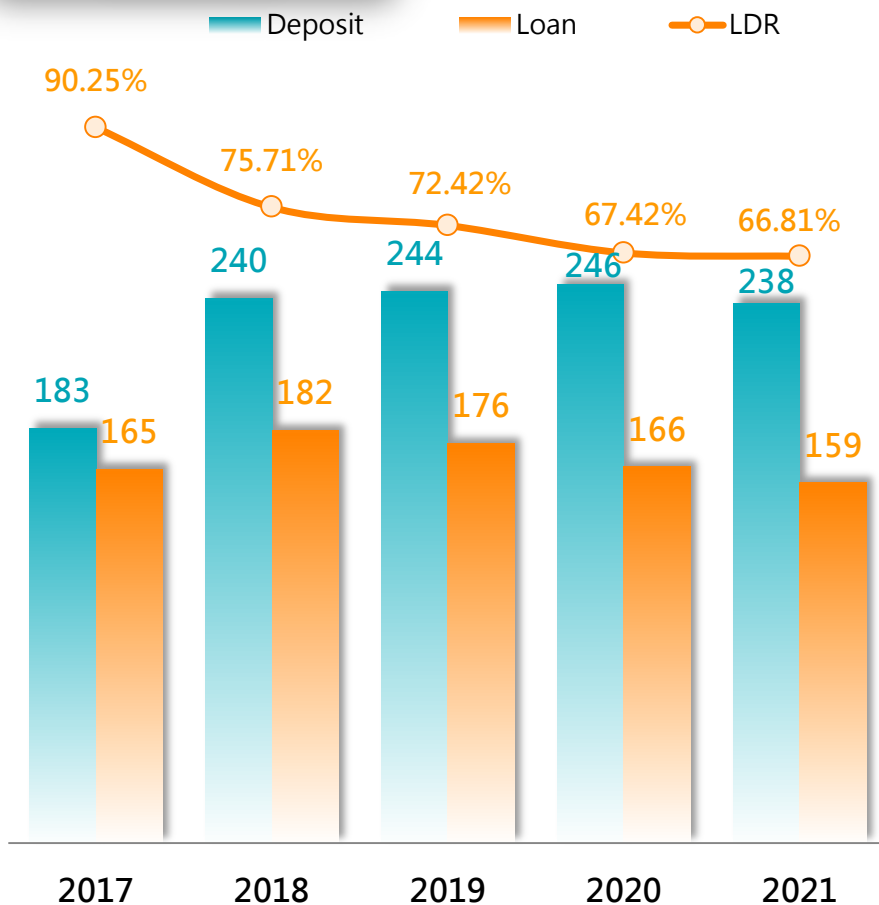


# 02-2

## Standalone Financial Results: O-Bank (4/7)

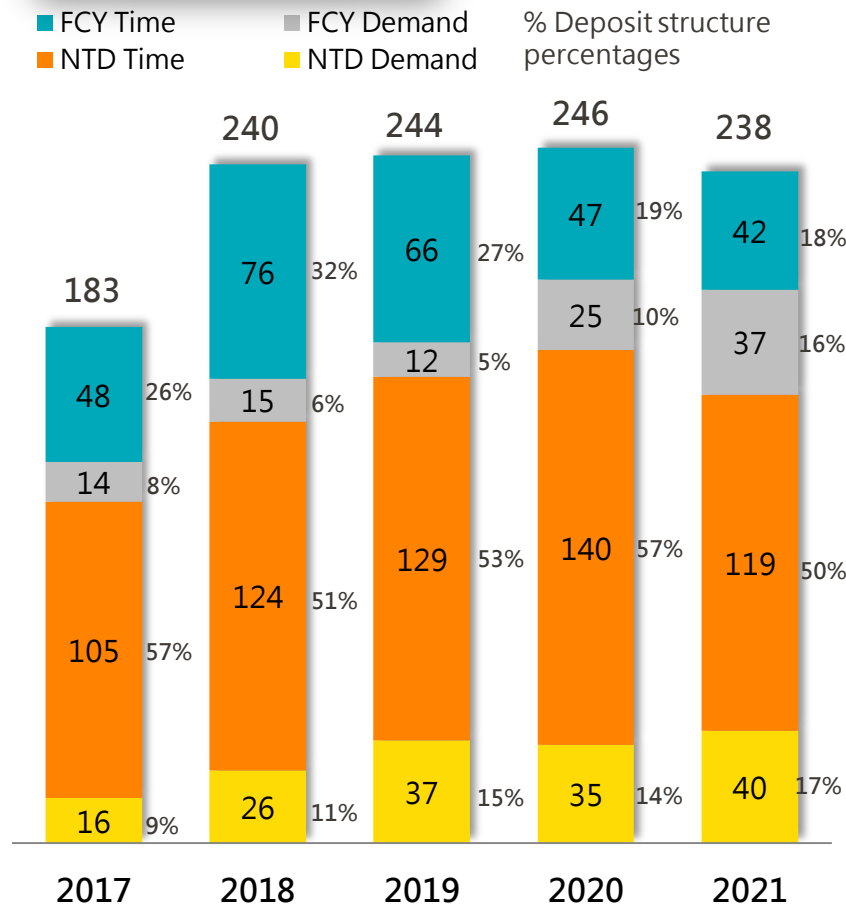
### Loan & Deposit Balances

NT \$ billion



### Deposit Breakdown

NT \$ billion





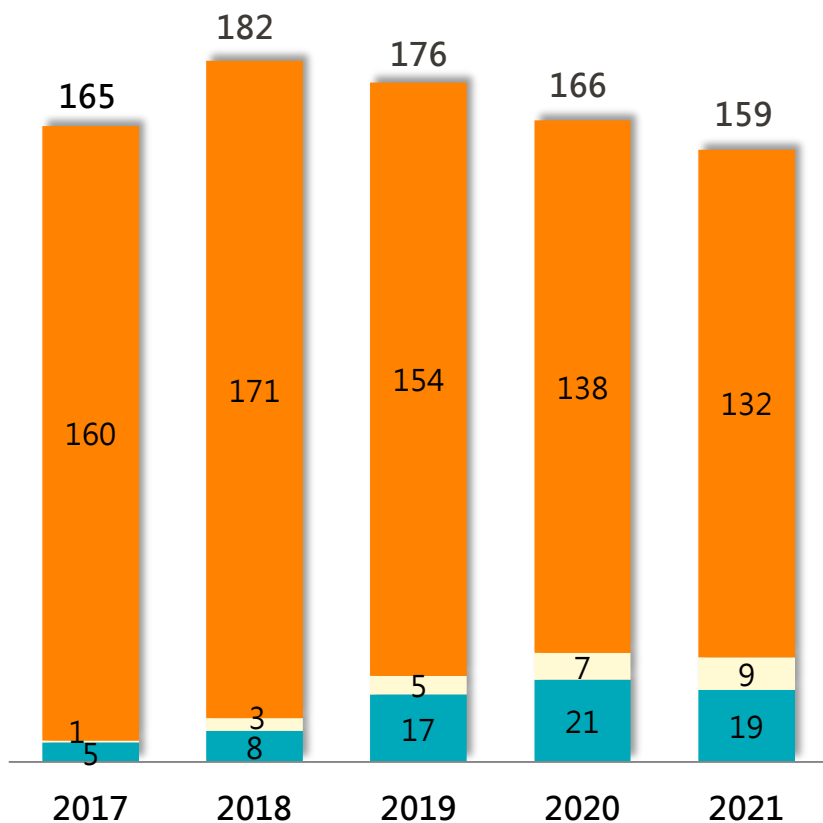
# 02-2

## Standalone Financial Results: O-Bank (5/7)

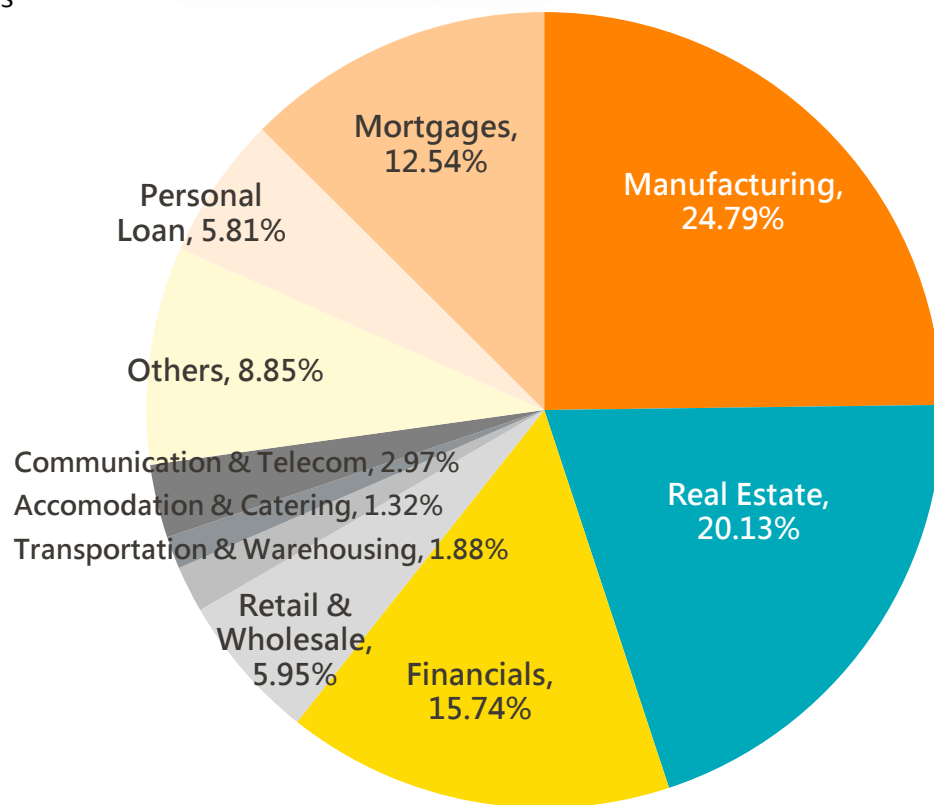
### Loan Breakdown

NT \$ billion

Corporate Loan   Personal Loan   Mortgages



### Loan Breakdown by Industry



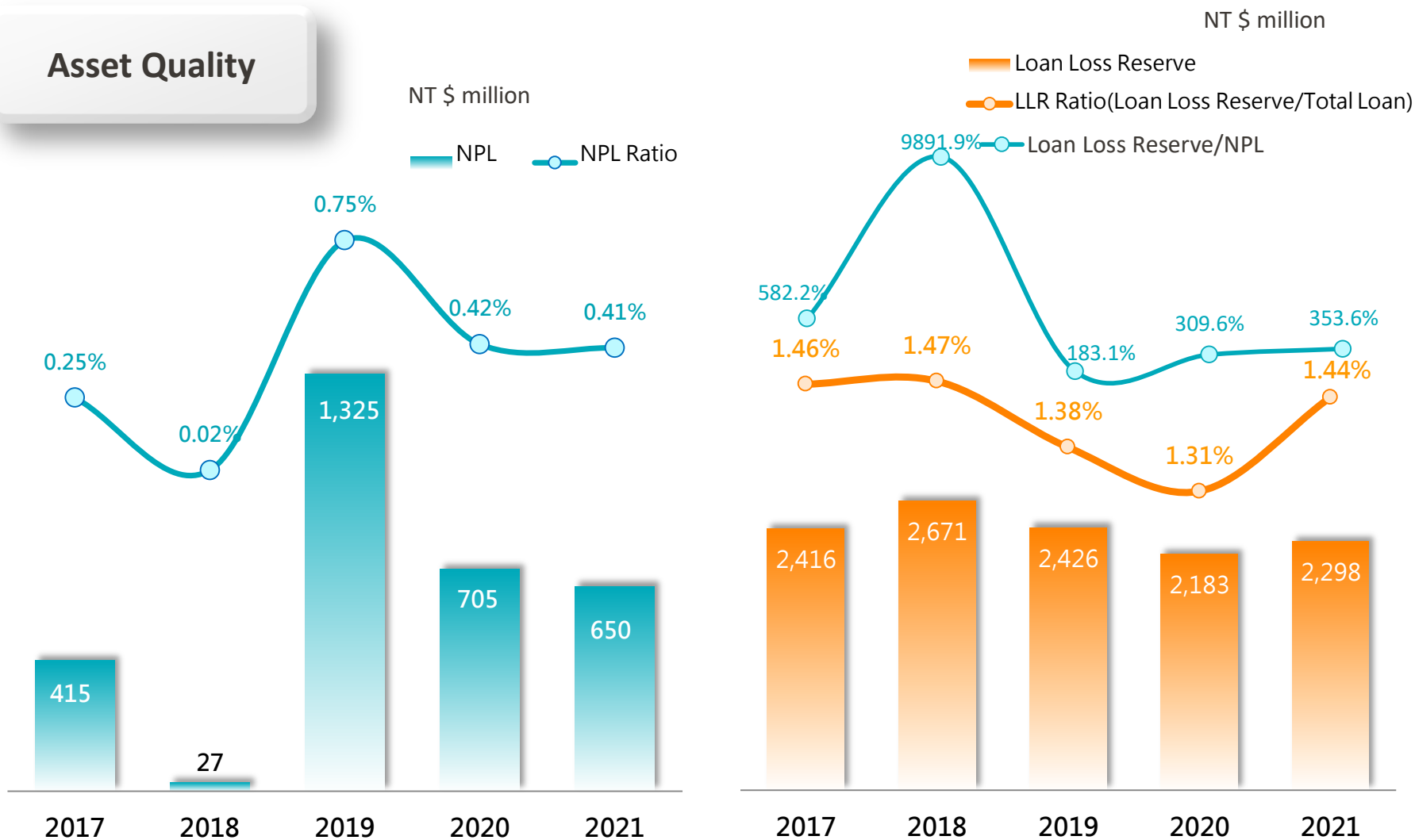
Note: 2021 data



# 02-2

## Standalone Financial Results: O-Bank (6/7)

### Asset Quality



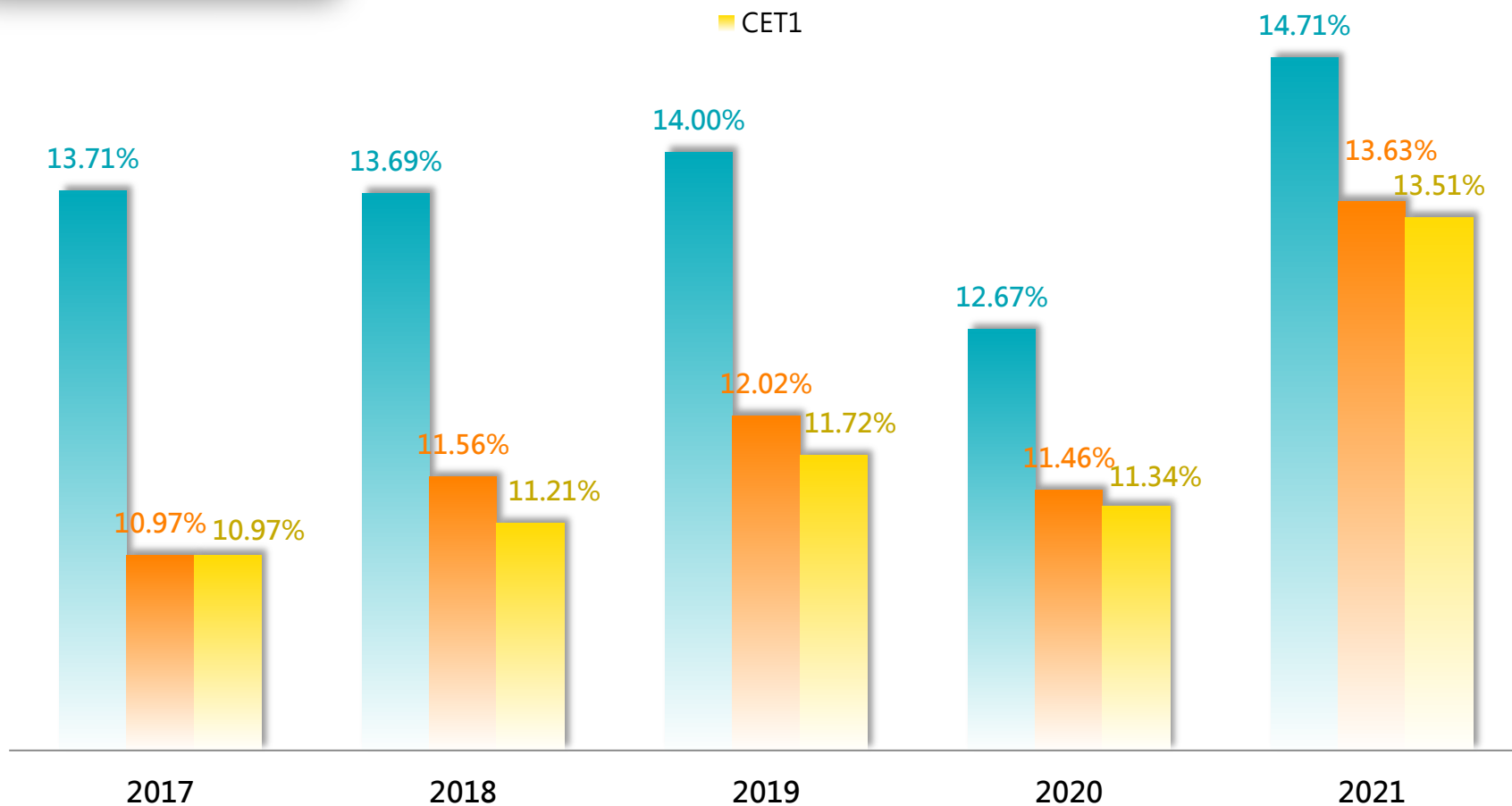


# 02-2

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

### Capital Structure

- Total Capital Adequacy Ratio
- Tier I
- CET1





**02-3**

## **Individual Financial Results**

***-China Bills Finance Corp.-***



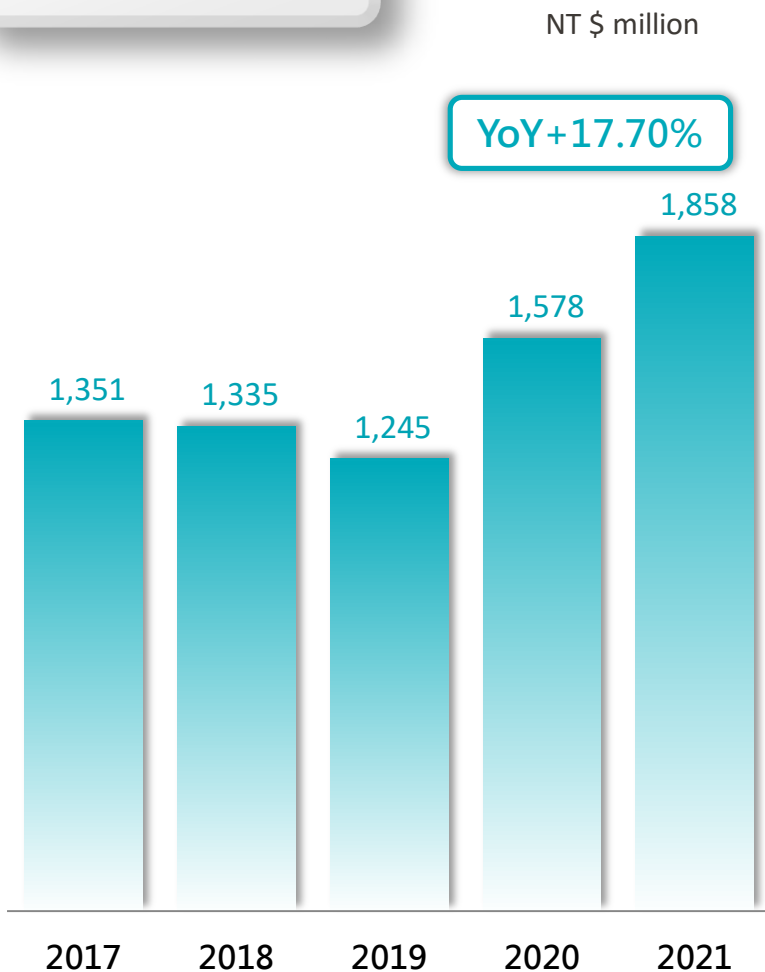
# 02-3

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

### Net Profit

NT \$ million

YoY+17.70%

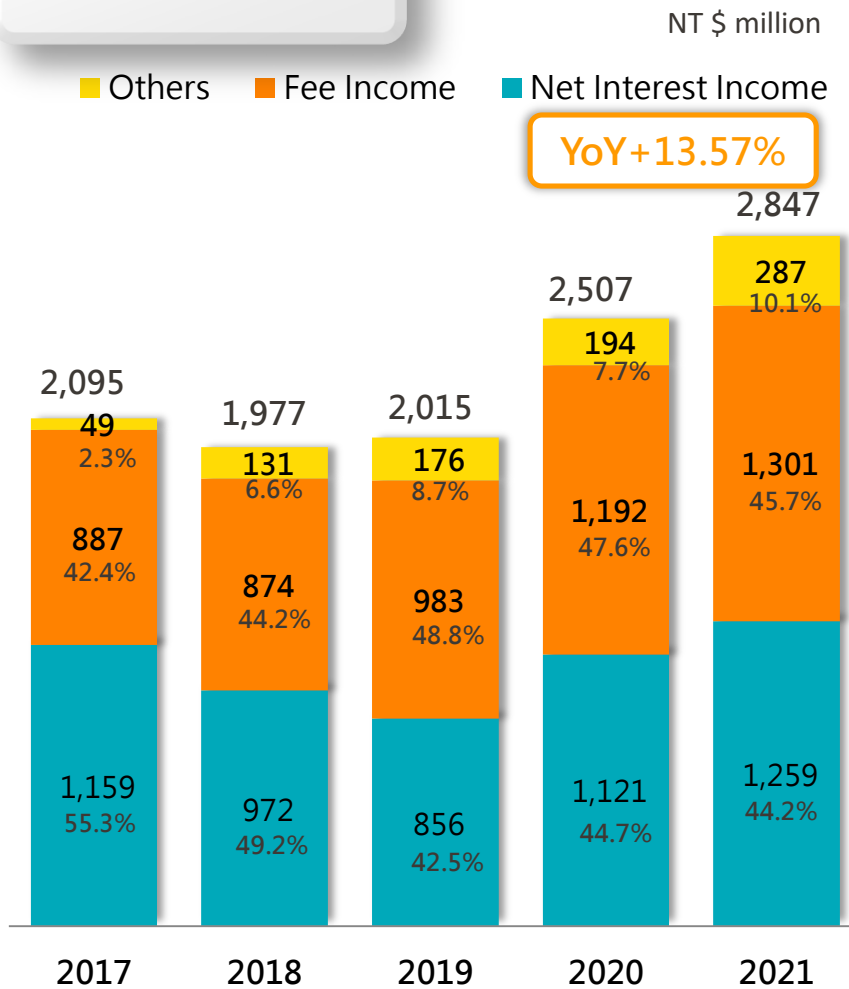


### Net Revenue

NT \$ million

Others Fee Income Net Interest Income

YoY+13.57%





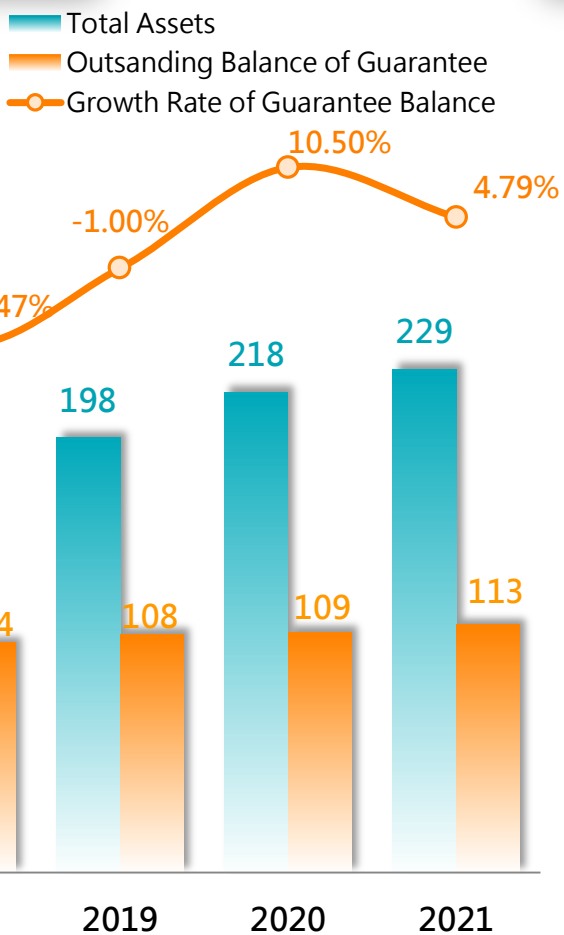


# 02-3

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

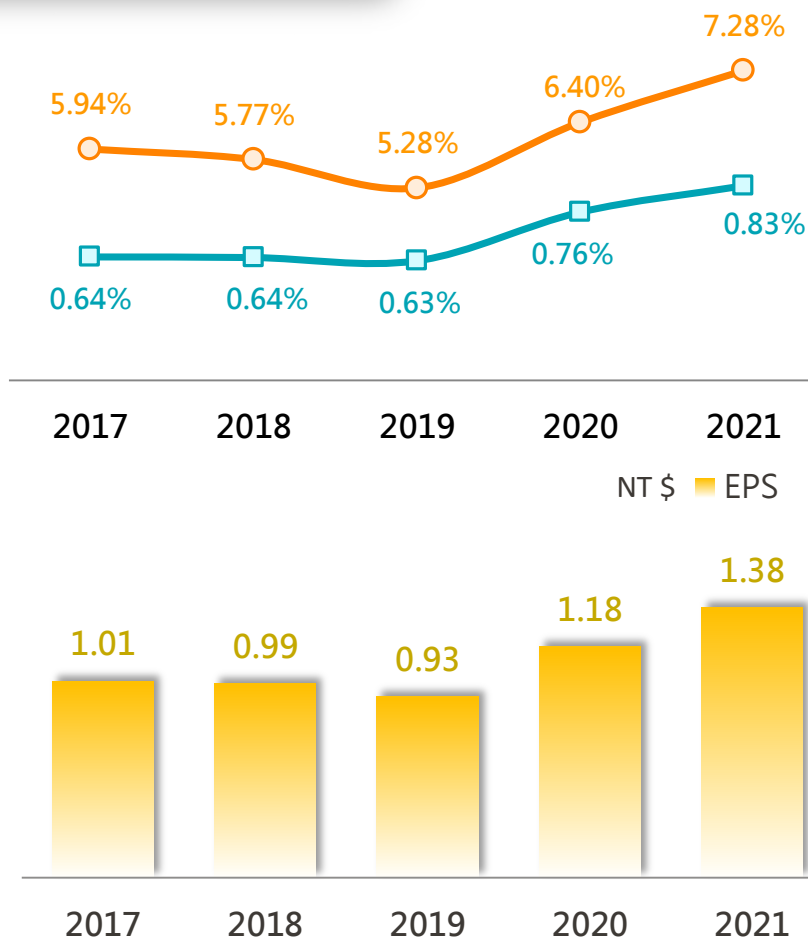
### Assets

NT \$ billion



### ROE 、 ROA & EPS

ROA ROE





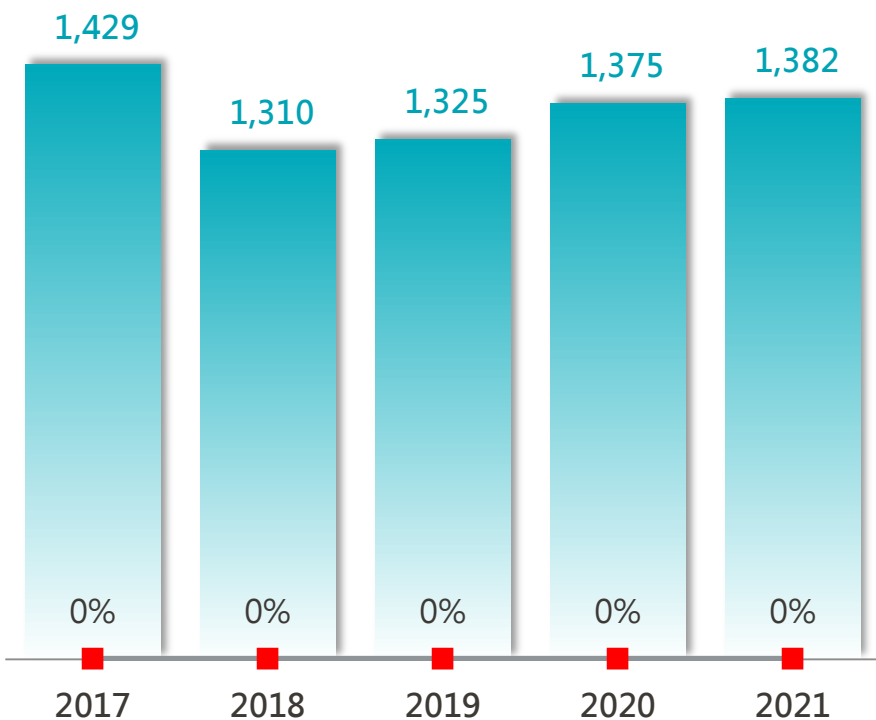
# 02-3

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

### NPL & Reserve for Guarantee Liabilities

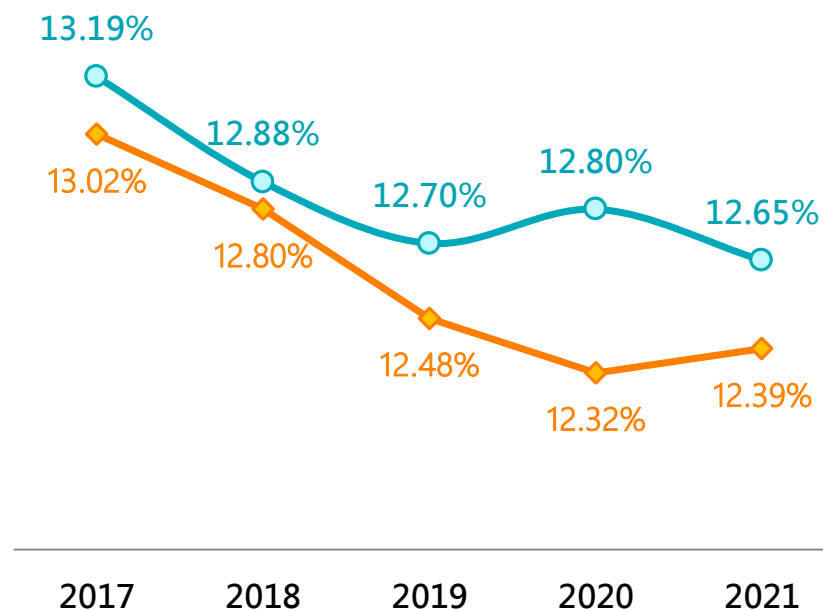
NT \$ million

Reserve for Guarantee Liabilities  
NPL Ratio



### CAR

CAR (Total Capital)  
Tier I Capital





**02-4**

## **Individual Financial Results**

*-IBT Holdings Corp. and  
its Subsidiaries -*

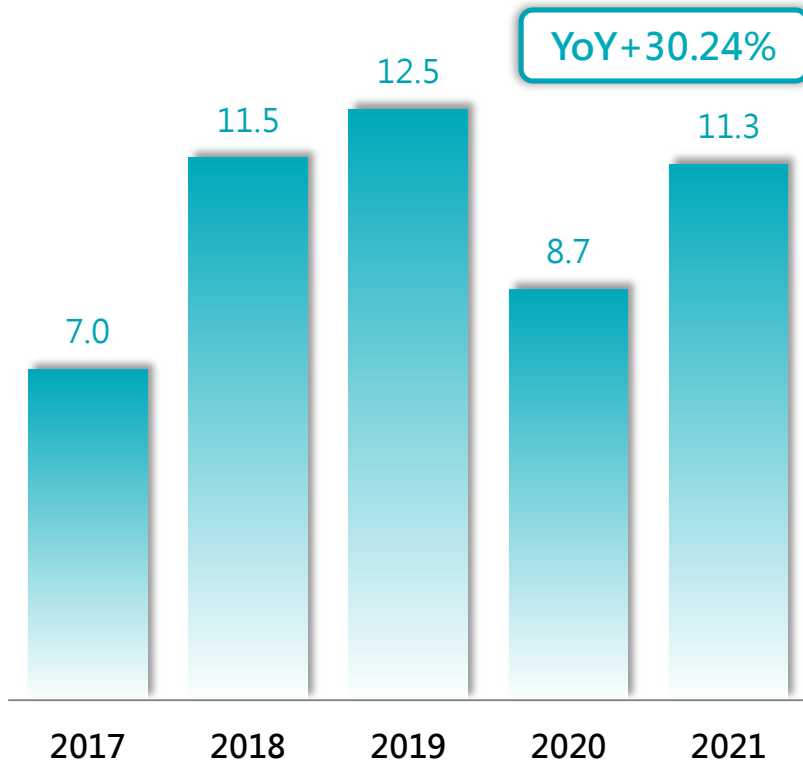


# 02-4

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

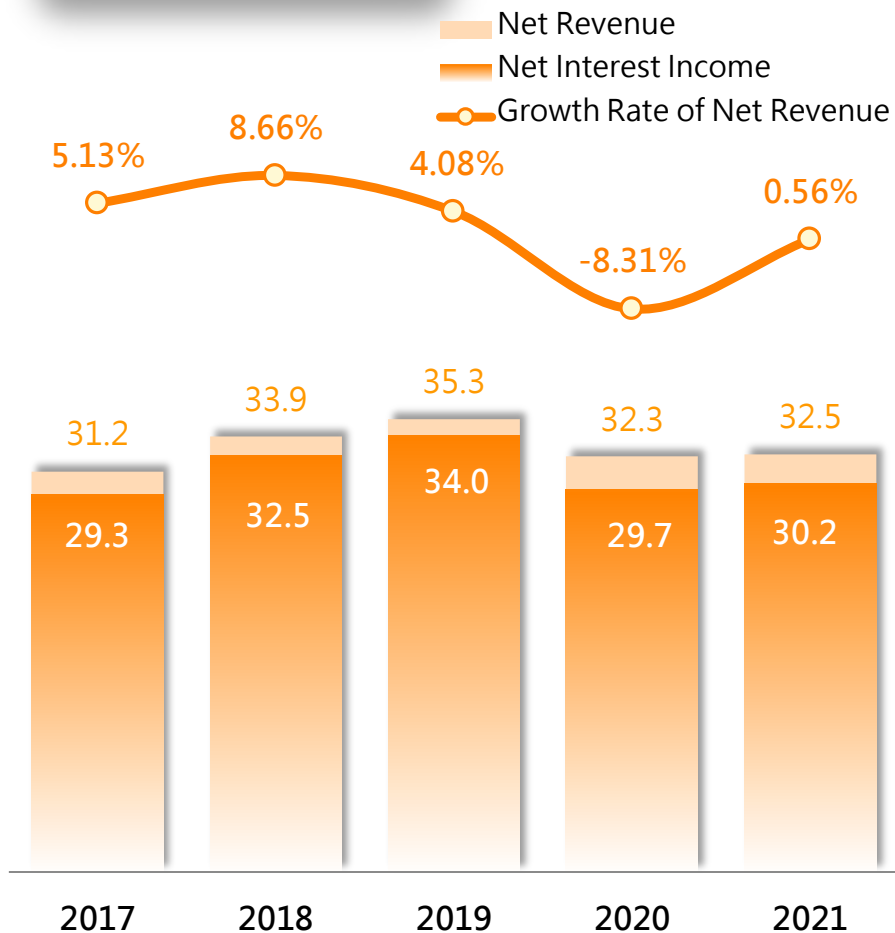
### Net Profit

USD \$ million



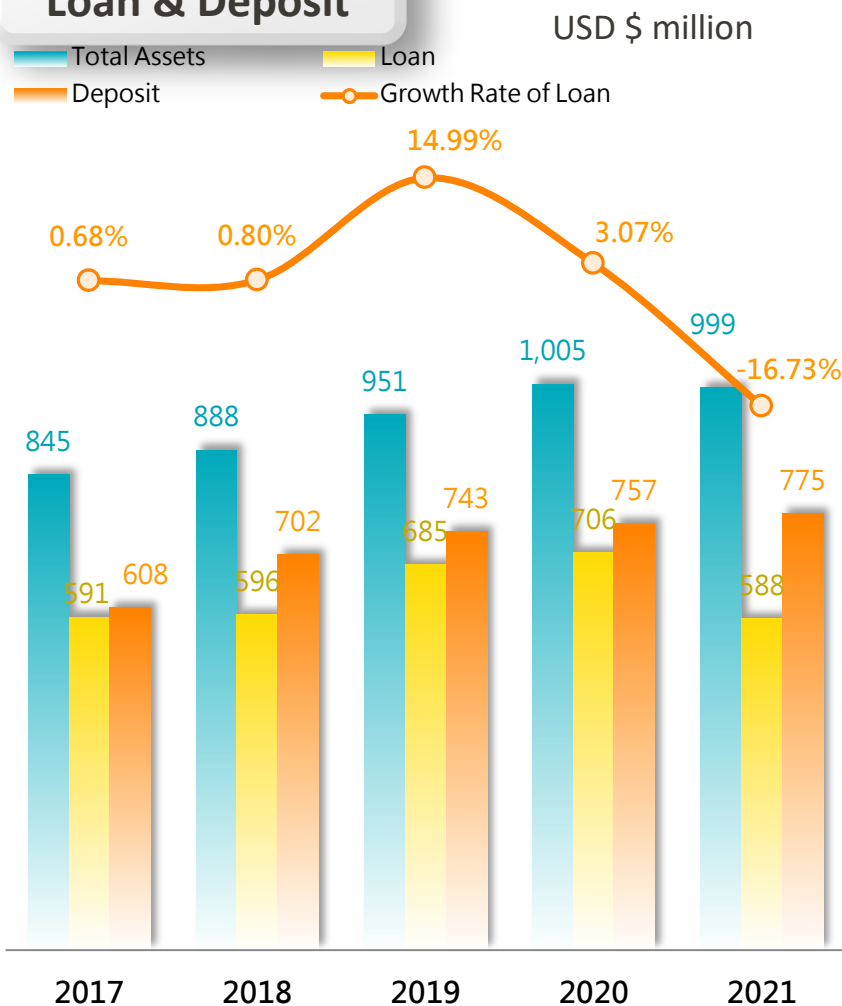
### Net Revenue

USD \$ million

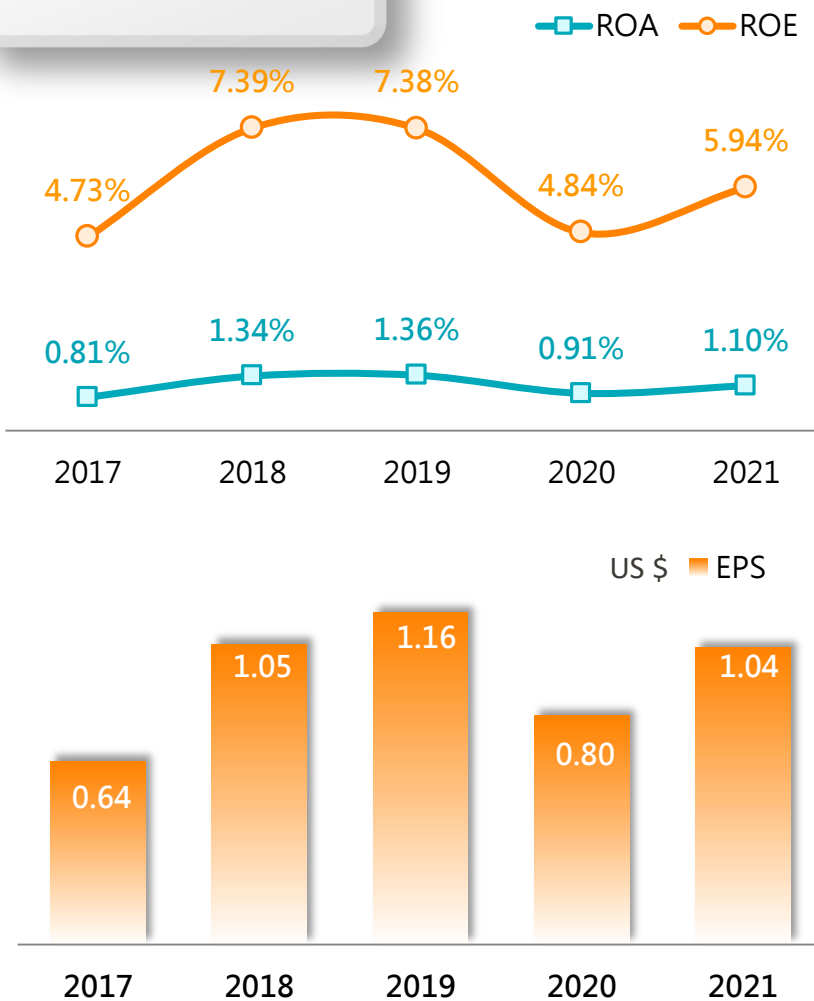


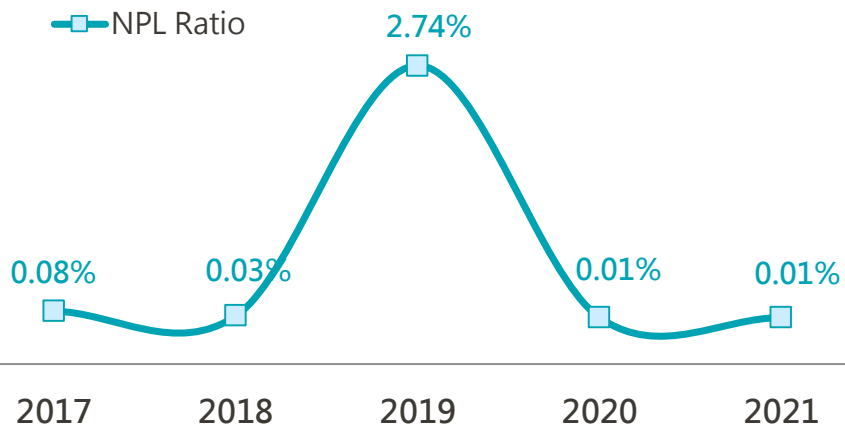
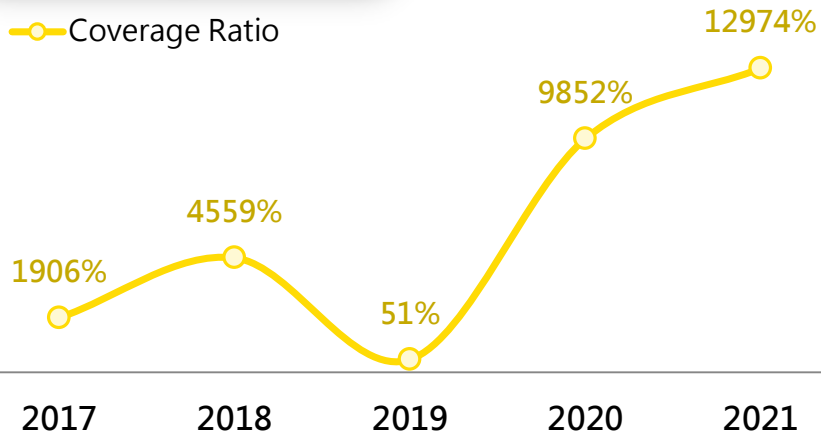
## Individual Financial Results:(2/3) IBT Holdings Corp. and its Subsidiaries

### Assets 、 Loan & Deposit

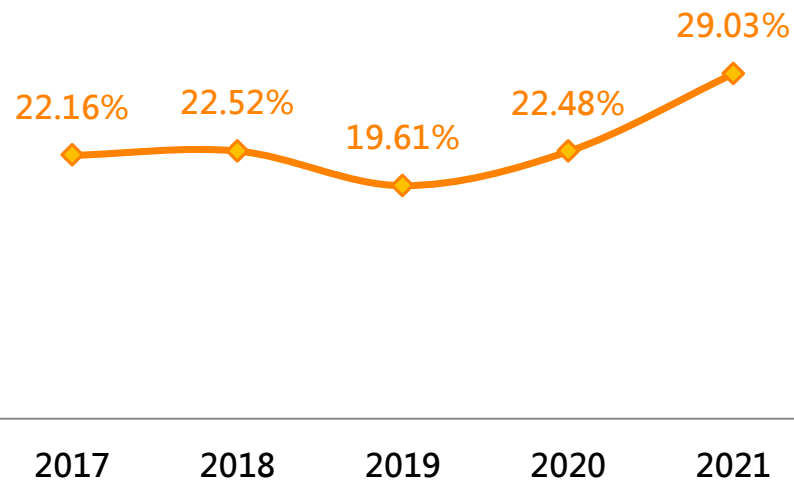


### ROE 、 ROA & EPS



NPL Ratio &  
Coverage Ratio

## CAR





**02-5**

## **Individual Financial Results**

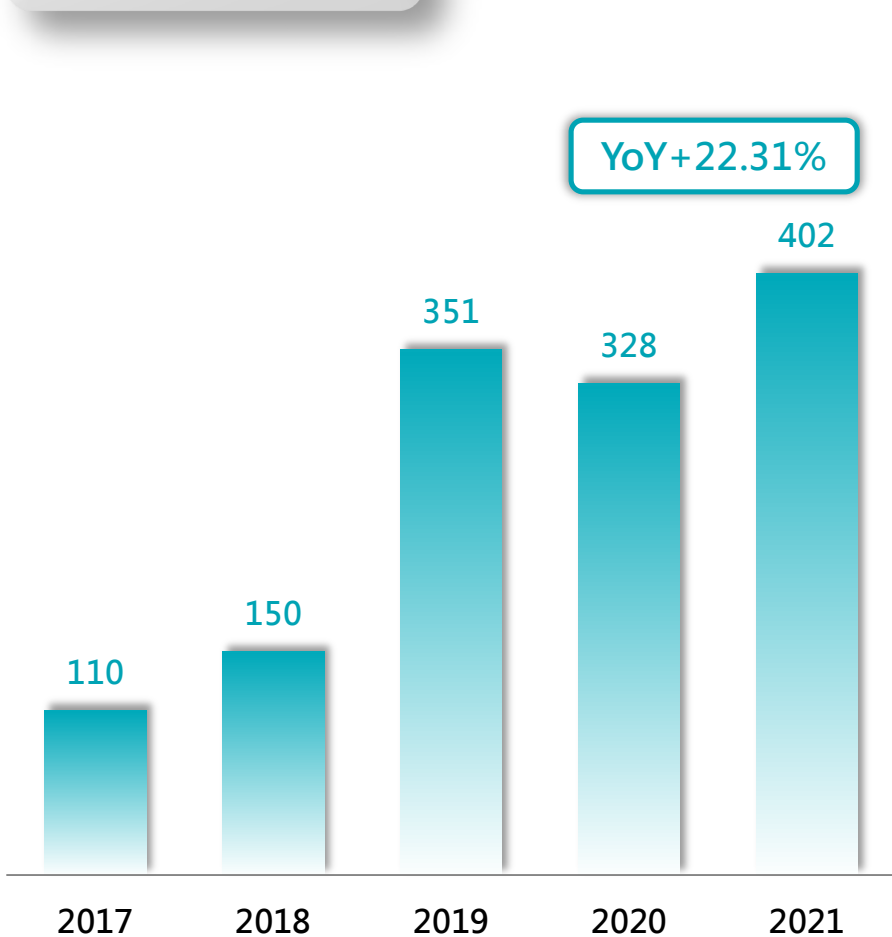
***-IBT Leasing Co., Ltd.  
and its Subsidiaries-***

# Individual Financial Results:(1/3)

## IBT Leasing Co., Ltd. and its Subsidiaries

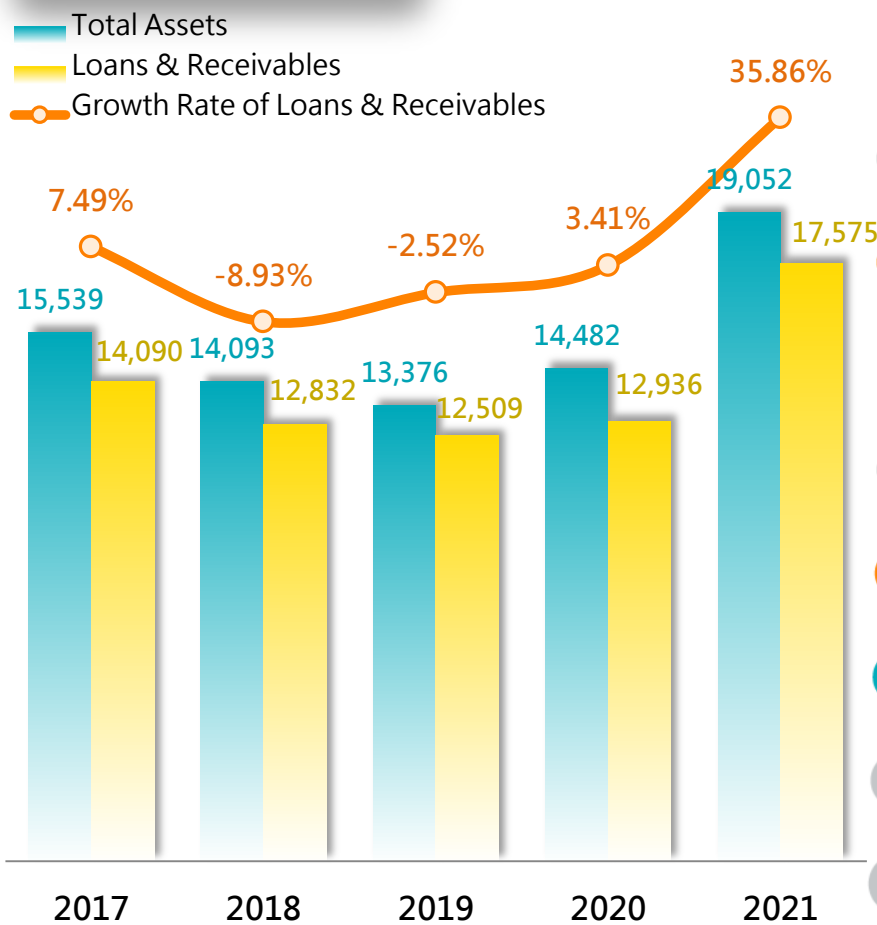
### Net Profit

NT \$ million



### Assets

NT \$ million

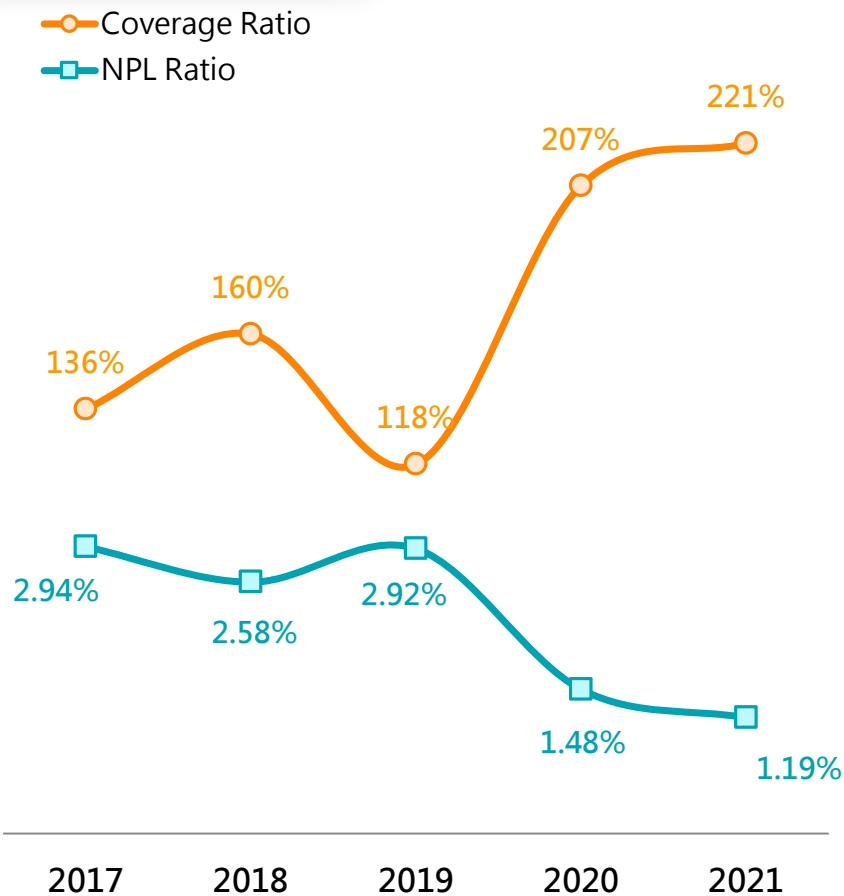




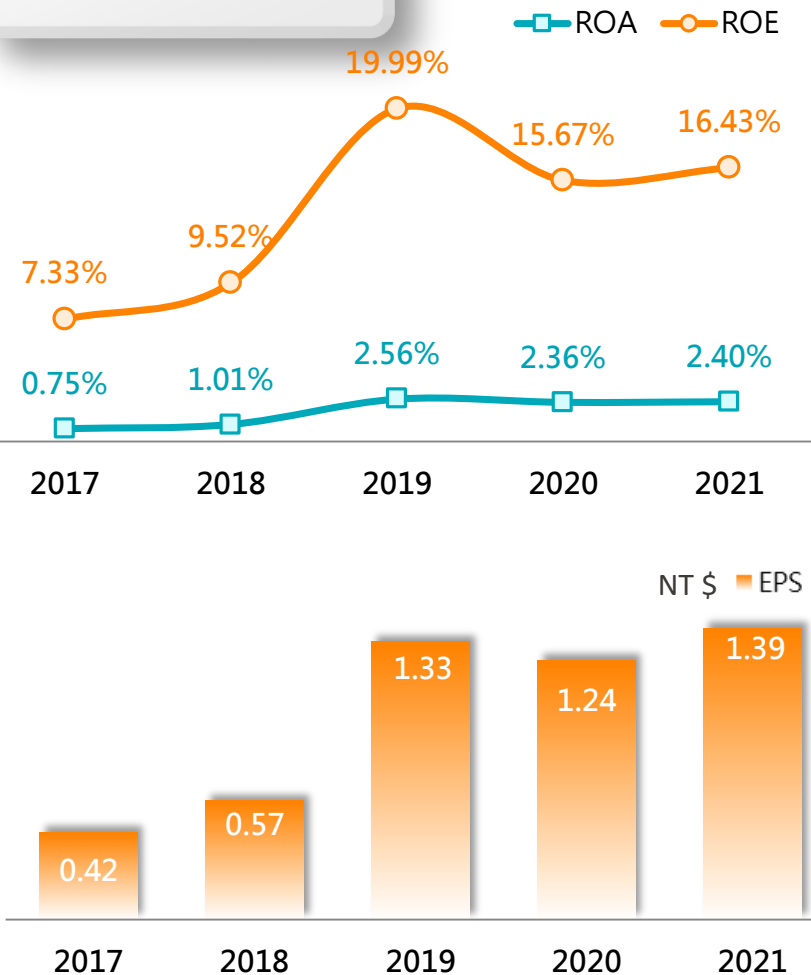
# Individual Financial Results:(2/3)

## IBT Leasing Co., Ltd. and its Subsidiaries

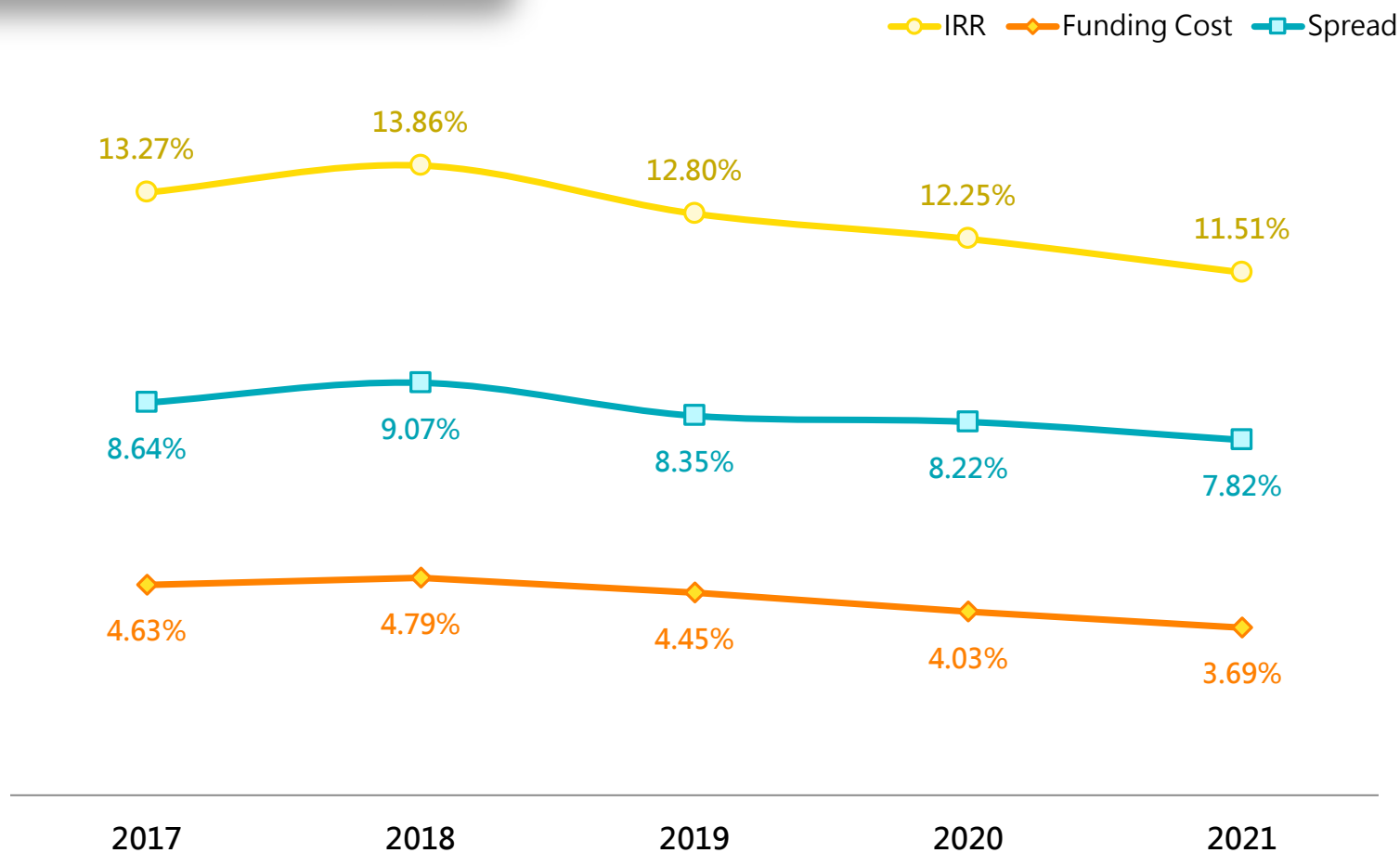
### NPL Ratio & Coverage Ratio



### ROE 、 ROA & EPS



## IRR 、 Funding Cost 、 Spread





**03**

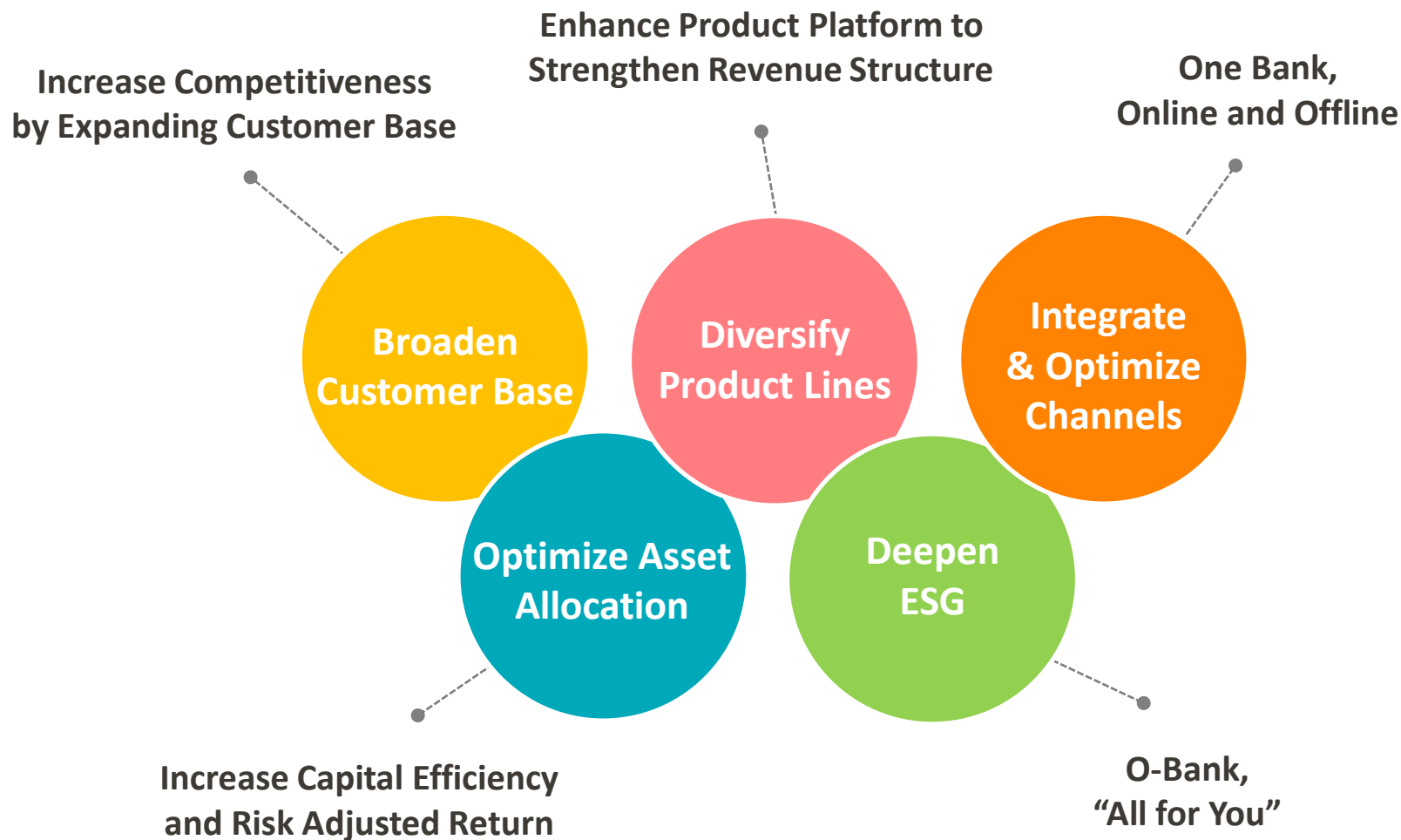
2022

Key Strategic Focuses



# 03

## 2022 “Boutique Digital Bank” Strategy(1/3)





# 03

## 2022 “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 strengthening OBU team and expanding offshore banking business and syndicated loans.

### 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, and strive to become corporate clients' operating bank.
- Add new stock and bond 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

## 2022 “Boutique Digital Bank” Strategy(3/3)

### Optimize Asset Allocation

**Increase capital efficiency  
and risk adjusted return**

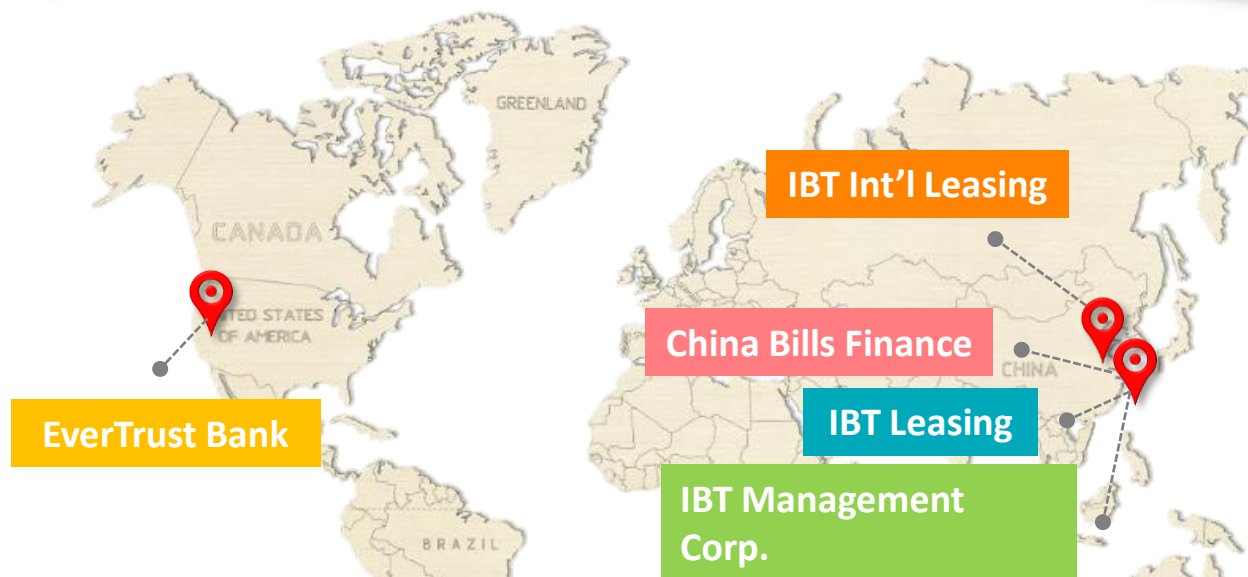
- Keep closely monitoring on market trend and dynamically adjust bond and bill positions.
- Develop potential investment opportunities of high-tech and emerging industries.
- Explore strategic investment opportunities to achieve higher return and generate innovative growth drives and synergies.

### 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 2022 Subsidiaries Strategy Overview



## EverTrust Bank

- Optimize asset portfolio and enhance the diversity of products to strengthen revenue stream structure.
- 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.

## IBT Int'l Leasing

- Continue to focus on East China and South China markets upon the business foundation in Jiangsu and Guangdong, and grow business scale.
- Grow business base through new business development and diversified product offerings.
- Maintain strict control of risk and asset quality.

## 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.

## IBT Leasing

- Expand sales and marketing teams, and extend footprint to overseas market.
- Diversify business line to increase revenue streams.
- Proactively explore M&A and partnership opportunities.



ALL FOR YOU

[www.o-bank.com](http://www.o-bank.com)





# 04

## Appendix

## O-Bank-Financial Summary

(NT \$ million)	4Q21	3Q21	2Q21	1Q21
<b>Income Statement</b>				
Interest income	868	864	854	885
Interest expense	(284)	(297)	(320)	(360)
Net interest income	584	567	535	525
Fee income	206	167	183	248
Equity in the income of investees	414	365	301	336
Other income	142	310	404	225
Net revenue	1,346	1,409	1,423	1,334
Provision expense	(210)	(109)	(105)	(50)
Operating expense	(736)	(769)	(759)	(758)
Net profit B/T	400	530	559	527
Net profit A/T	386	482	519	454

### Balance Sheet

Loans, net	156,748	154,404	156,281	157,505
Deposits	238,194	244,222	236,628	241,091
Total assets	315,064	316,354	316,936	321,247
Total stockholders' equity	36,381	35,937	35,750	36,090

### Key Ratios(%)

ROA(A/T)	0.13	0.15	0.16	0.14
ROE(A/T)	1.04	1.34	1.46	1.27
NPL	0.41	0.53	0.42	0.44
Tier I	13.63	13.12	13.20	11.68
CAR	14.71	14.30	14.43	12.89

Note : ROA & ROE-unannualized

2021	2020	YoY
3,471	4,360	-20%
(1,261)	(2,445)	-48%
2,210	1,915	15%
804	584	38%
1,416	990	43%
1,081	1,163	-7%
5,511	4,651	18%
(474)	(430)	10%
(3,022)	(2,985)	1%
2,015	1,236	63%
1,841	1,147	60%
156,748	163,917	-4%
238,194	246,421	-3%
315,064	328,854	-4%
36,381	35,556	2%
0.57	0.35	
5.12	3.33	
0.41	0.42	
13.63	11.46	
14.71	12.67	

## CBF-Financial Summary

(NT \$ million)	4Q21	3Q21	2Q21	1Q21	2021	2020	YoY
<b>Income Statement</b>							
Interest income	443	424	416	436	1,720	1,902	-10%
Interest expense	(132)	(109)	(103)	(117)	(461)	(781)	-41%
Net interest income	311	315	314	319	1,259	1,121	12%
Fee income	290	315	341	356	1,301	1,192	9%
Other income	52	69	50	116	287	194	48%
Net revenue	652	699	704	792	2,847	2,507	14%
Reversal	1	(1)	(1)	(6)	(7)	32	-122%
Operating expense	(133)	(130)	(131)	(129)	(522)	(484)	8%
Net profit B/T	518	571	575	668	2,332	1,992	17%
Net profit A/T	414	455	458	531	1,858	1,578	18%
<b>Balance Sheet</b>							
Total assets	228,734	242,179	213,185	213,904	228,734	218,284	5%
Total stockholders' equity	25,557	25,412	25,165	25,680	25,557	25,449	0%

## IBT Holdings-Financial Summary

(USD \$ thousand)	4Q21	3Q21	2Q21	1Q21
<b>Income Statement</b>				
Interest income	7,994	8,429	8,830	9,018
Interest expense	(805)	(941)	(1,083)	(1,247)
Net interest income	7,189	7,488	7,747	7,771
Fee income	279	128	210	174
Other income	7	1,063	424	23
Net revenue	7,475	8,679	8,381	7,968
Provision expense	0	0	0	0
Operating expense	(3,814)	(3,865)	(3,858)	(3,538)
Net profit B/T	3,661	4,814	4,523	4,430
Net profit A/T	2,617	3,395	3,190	3,127
Minority interest	(215)	(279)	(263)	(257)
Consolidated net income	2,401	3,115	2,927	2,870

### Balance Sheet

Loans, net	577,084	629,020	662,131	698,394
Deposits	775,382	778,784	785,747	780,055
Total assets	999,021	1,030,375	1,033,872	1,030,690
Total stockholders' equity	194,965	192,930	189,948	186,727

	2021	2020	YoY
Interest income	34,271	37,332	-8%
Interest expense	(4,076)	(7,589)	-46%
Net interest income	30,195	29,743	2%
Fee income	792	705	12%
Other income	1,517	1,873	-19%
Net revenue	32,504	32,322	1%
Provision expense	0	(4,080)	-100%
Operating expense	(15,076)	(14,842)	2%
Net profit B/T	17,428	13,400	30%
Net profit A/T	12,328	9,465	30%
Minority interest	(1,015)	(779)	30%
Consolidated net income	11,313	8,686	30%

## IBT Leasing-Financial Summary\*

(NT \$ million)	4Q21	3Q21	2Q21	1Q21	2021	2020	YoY
<b>Income Statement</b>							
Interest income	347	314	277	259	1,197	920	30%
Fee income	87	86	99	61	332	241	38%
Other income	(2)	(1)	57	8	62	25	149%
Sales revenue, net	432	399	433	327	1,592	1,186	34%
Operating costs	(106)	(97)	(100)	(70)	(373)	(260)	43%
Gross Profit	326	302	333	257	1,218	926	32%
Provision expense	(49)	(30)	(21)	10	(90)	(12)	658%
Operating expense	(137)	(153)	(155)	(135)	(581)	(481)	21%
Non-operating income	151	100	102	86	440	269	63%
Non-operating expense	(23)	(42)	(77)	(37)	(180)	(145)	24%
Net profit B/T	268	177	182	181	808	556	45%
Net profit A/T	198	119	130	118	565	389	45%
Minority interest	0	0	0	0	0	0	-
Consolidated net income	198	119	130	118	565	389	45%
<b>Balance Sheet</b>							
Total assets	19,805	18,937	17,162	15,387	19,805	15,062	31%
Total stockholders' equity	3,306	3,093	2,959	2,876	3,306	2,784	19%

\*Include IBT VII Venture Capital Co.,Ltd