

O-Bank

2021Q3 Business Review

2021/12/01

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Agenda

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2021 9M Operation Highlights

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2021 9M Financial Results

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2022 Key Strategic Focuses

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01

2021 9M Operation Highlights

01 2021 9M Operation Highlight (1/4)

1 Operating Performance

NTD millions			
O-Bank	2021 9M	2020 9M	Growth Rate
Consolidated Net Revenues	7,039	6,008	17%
Consolidated Net Profits After Tax	2,512	1,767	42%
Standalone Net Revenues	4,165	3,559	17%
Standalone Net Profits After Tax	1,455	896	62%
Earnings Per Share (EPS, NT\$)	0.49	0.32	53%

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

01 2021 9M Operation Highlight (2/4)

1 Operating Performance

Major Subsidiaries	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ millions)		Growth Rate
	2021 9M	2021 9M	2020 9M	
China Bills Finance	NTD\$ 1.08	1,444	1,194	21%
IBT Holdings Corp. (Holdings of US EverTrust Bank)	USD\$ 0.82	250	179	40%
IBT Leasing and its subsidiaries*	NTD\$ 1.07	284	279	2%

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Capital Adequacy & Asset Quality

- As of September 30, 2021, O-Bank's BIS Ratio was 14.30%, Tier1 Capital Ratio was 13.12%, and CET1 Ratio was 12.97%.
- O-Bank's NPL ratio was 0.53% and loan loss coverage ratio was 274.3%, as of September 30th 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 November 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.
- 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".
- Awarded a "excellent performance" certification by the Taiwan Corporate Governance Association under the Corporate Governance System Assessment.



02

2021 9M Financial Results

02-1 Consolidated Financial Results

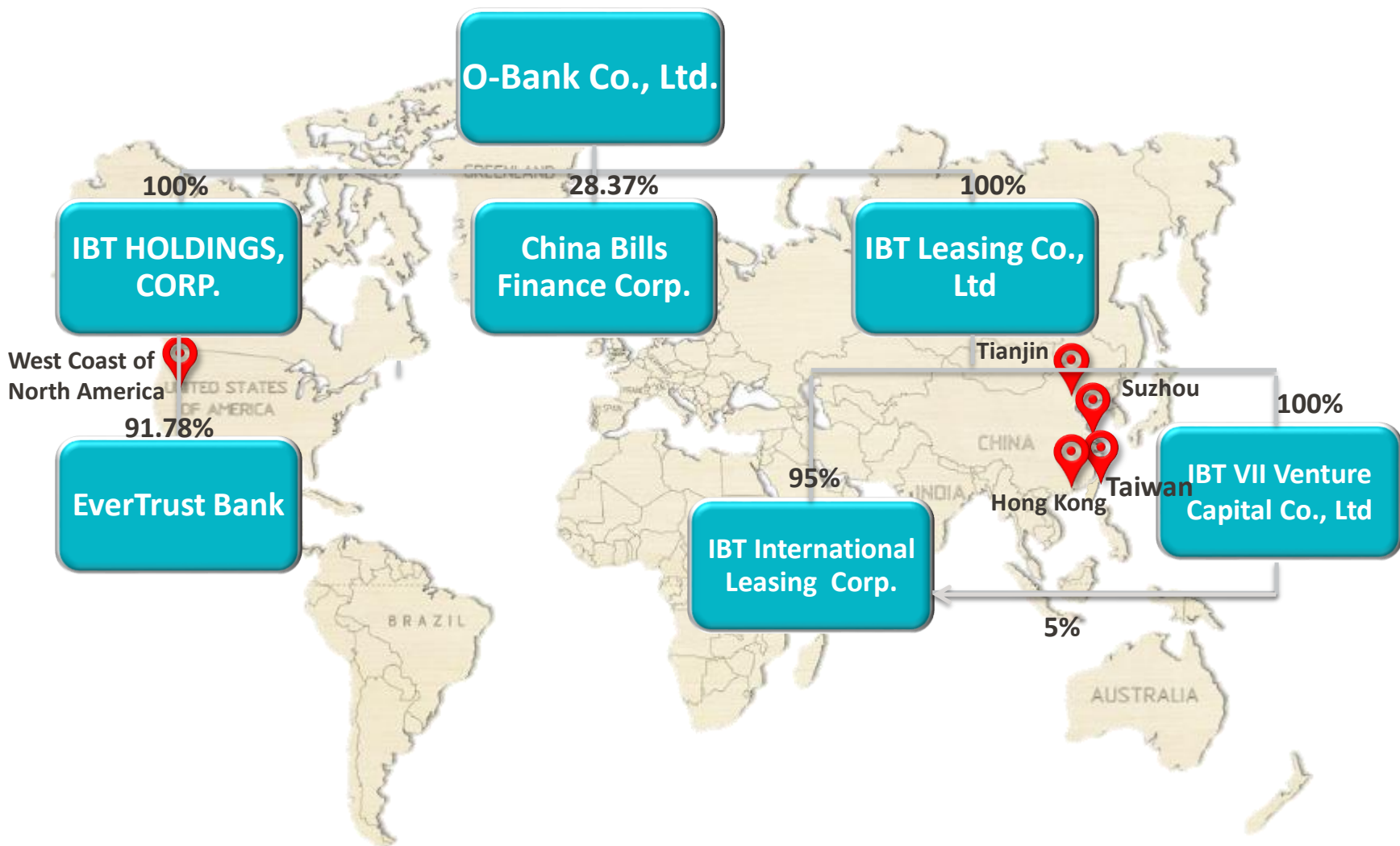
02-2 Standalone Financial Results:
O-Bank

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



02-1

Consolidated Financial Results

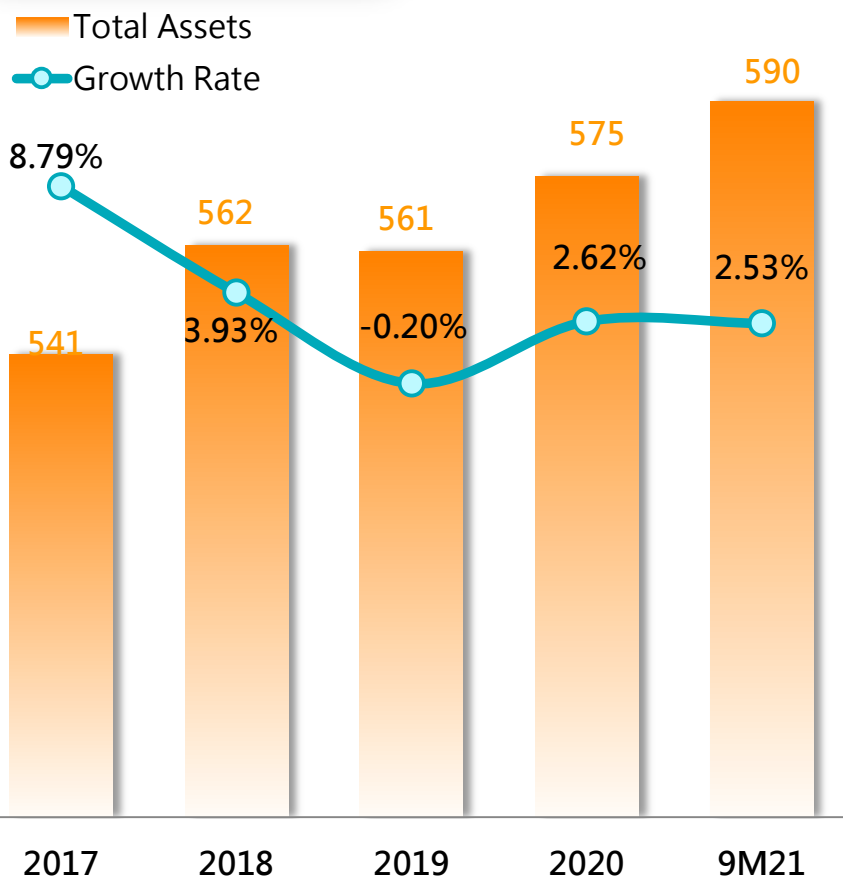


02-1

Consolidated Financial Results (1/3)

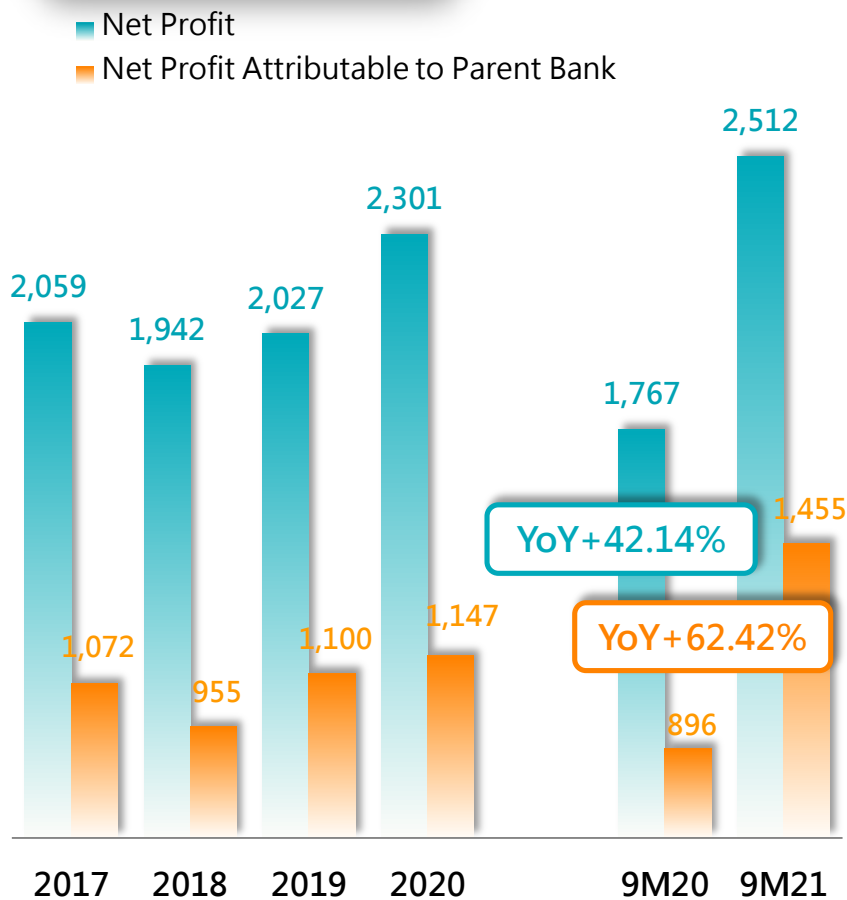
Total Assets

NT \$ billion



Net Profit

NT \$ million





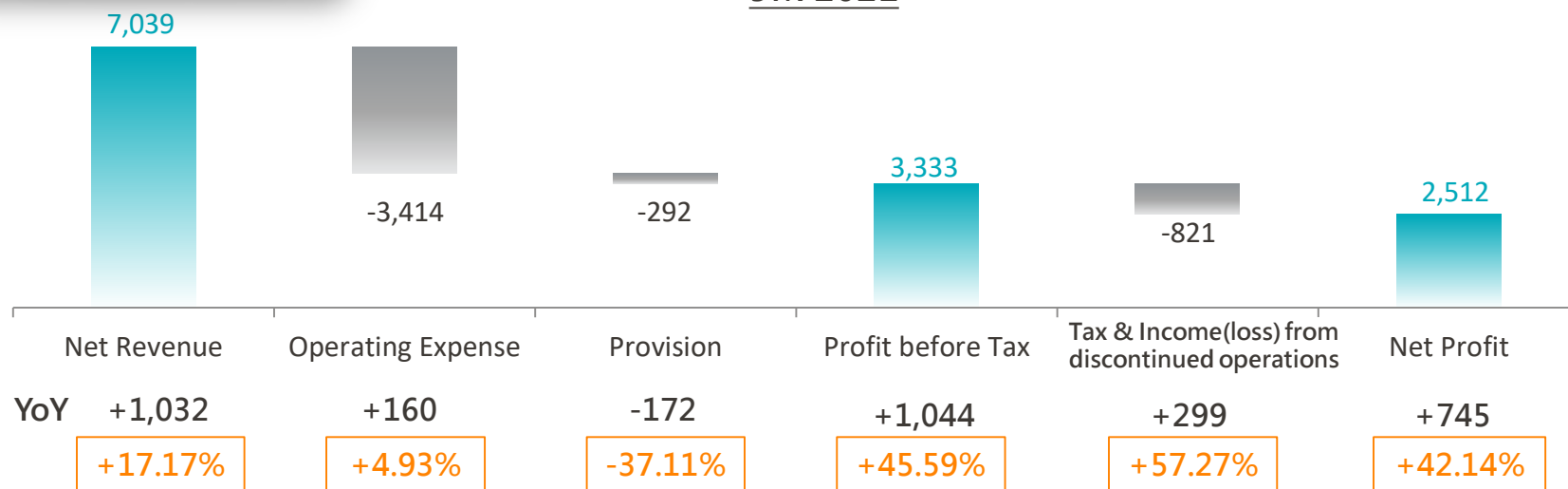
02-1

Consolidated Financial Results (2/3)

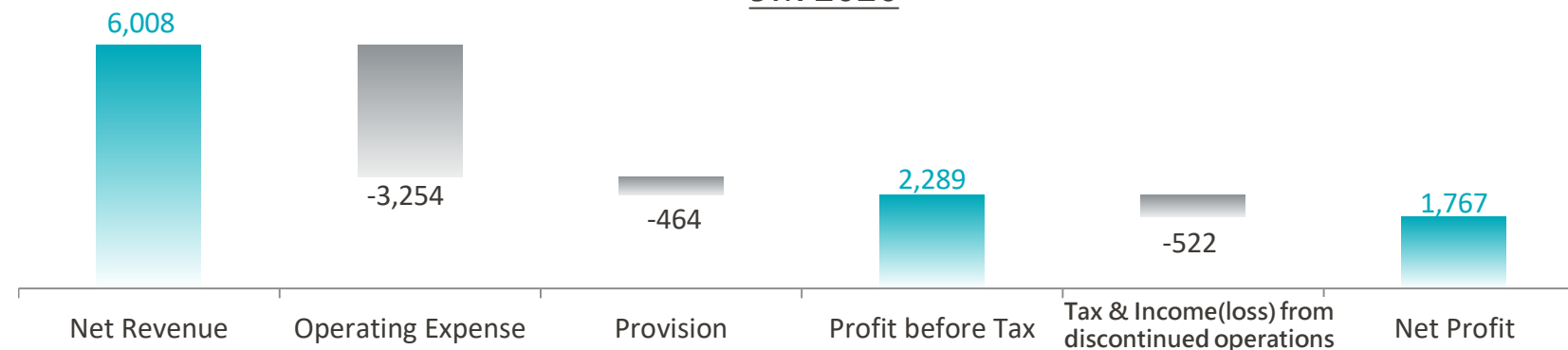
Net Profit Compositions

NT \$ million

9M 2021



9M 2020





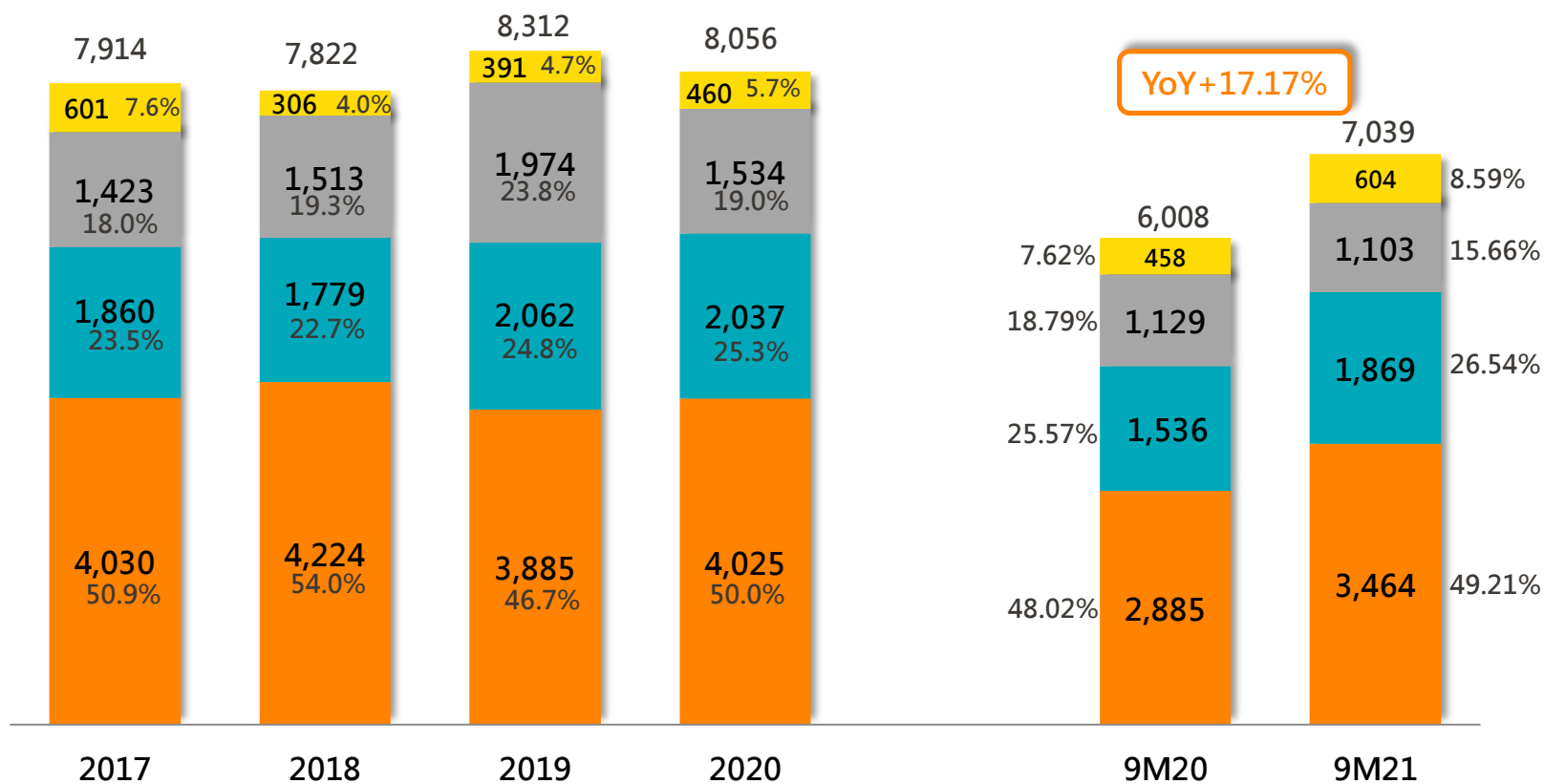
02-1

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-

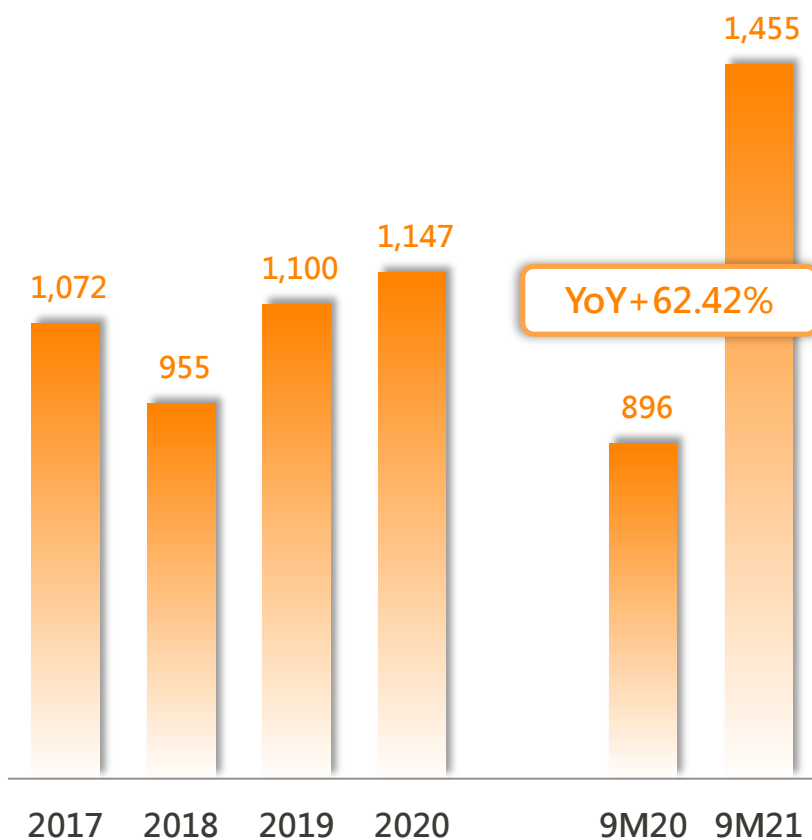


02-2

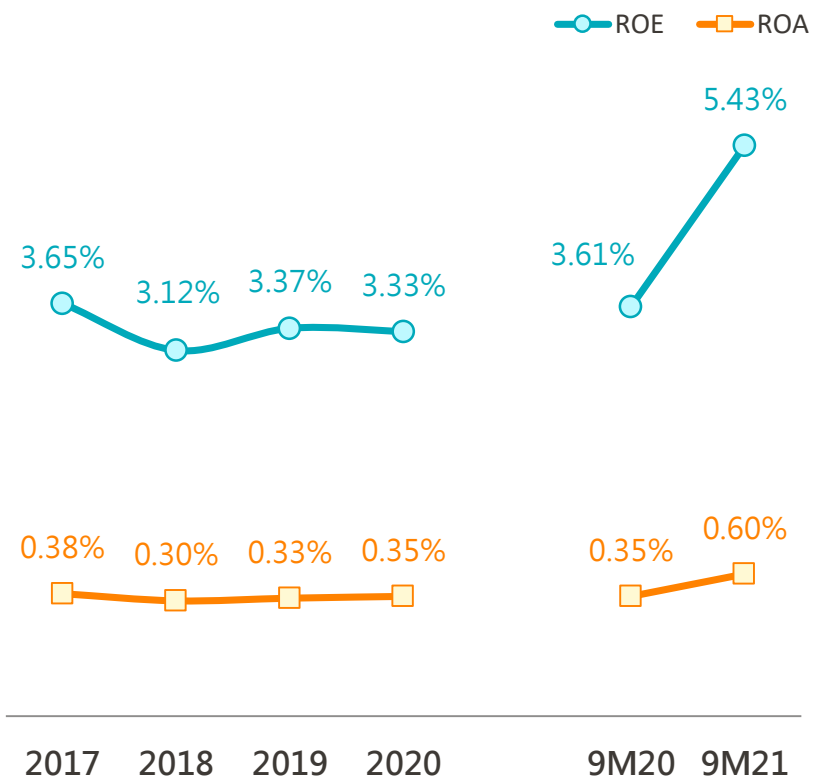
Standalone Financial Results: O-Bank (1/7)

Net Profit

NT \$ million



ROE & ROA



Note : 9M20、9M21—annualized ROA & ROE



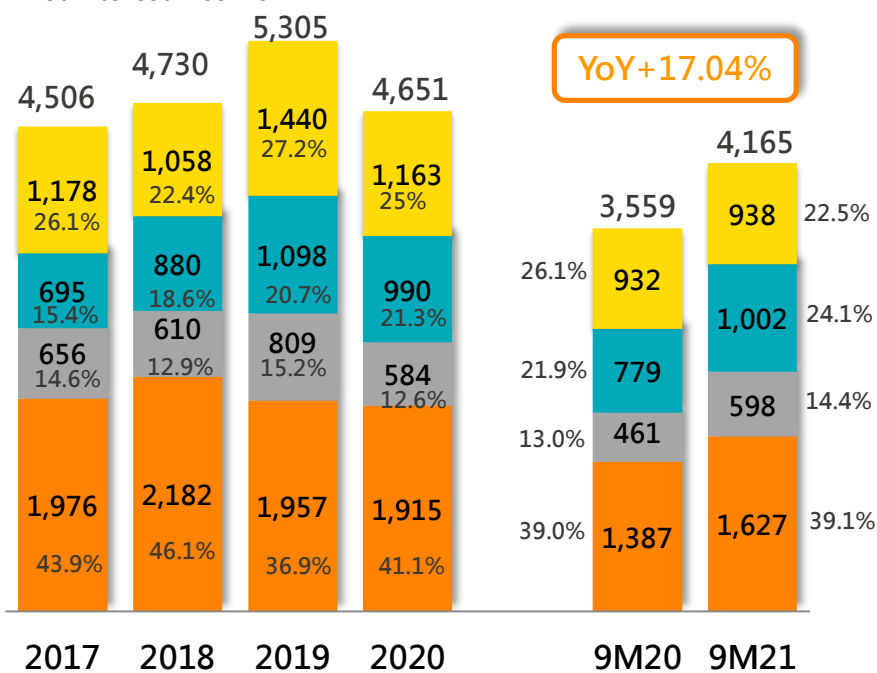
02-2

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

Net Revenue Breakdown

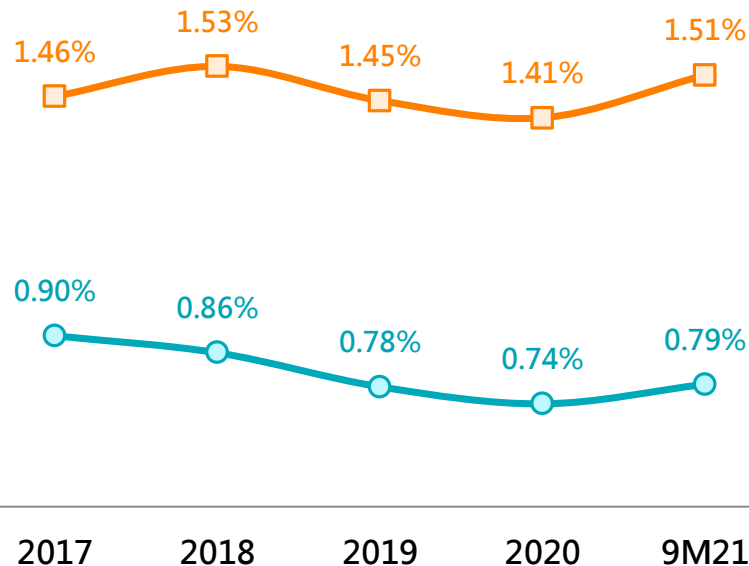
NT \$ million

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



NIM & Spread

NIM Spread



Note : 9M21—annualized NIM & Spread.

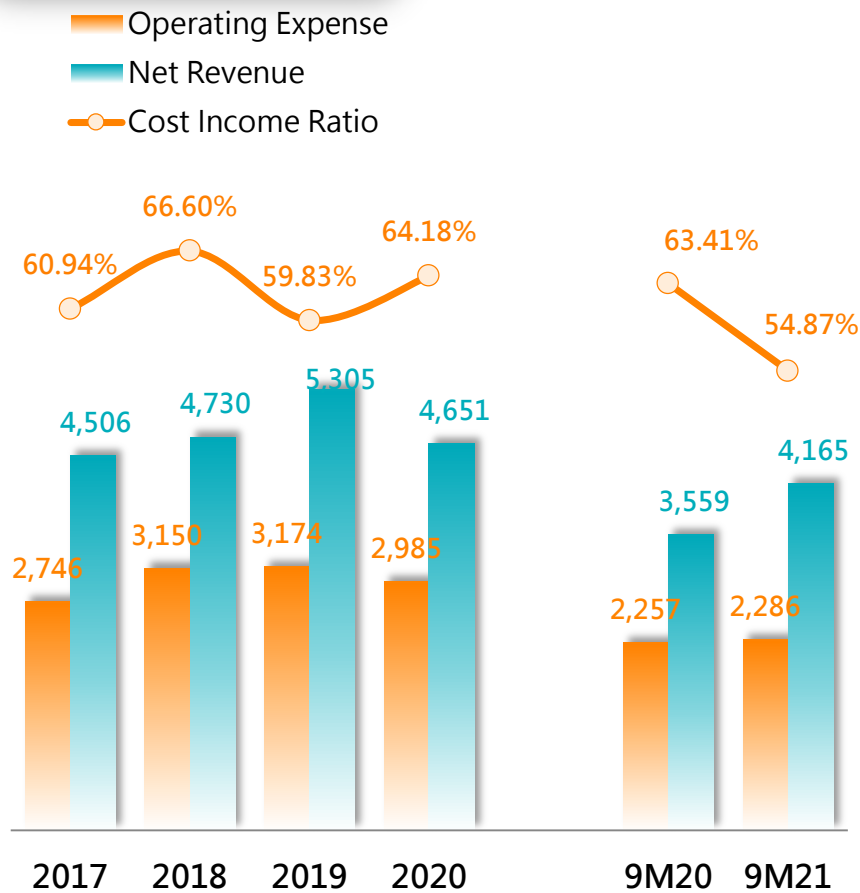


02-2

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

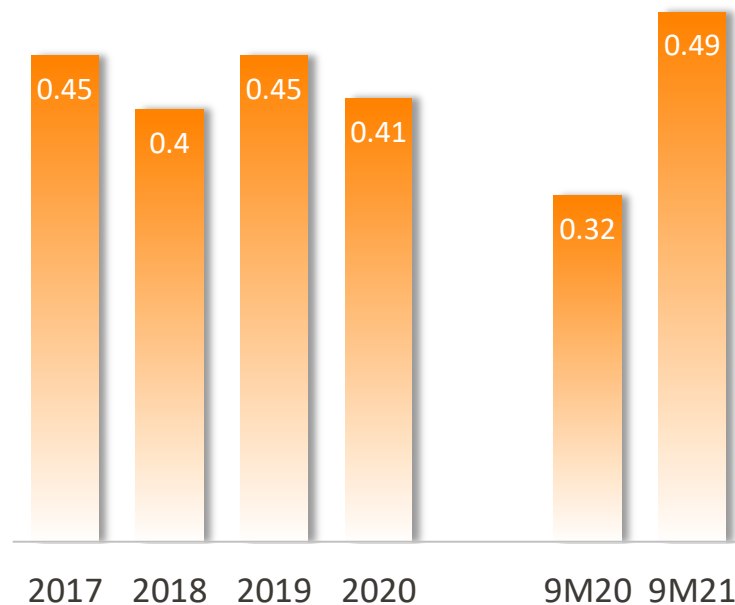
Cost/Income Ratio

NT \$ million



EPS

NT \$ EPS



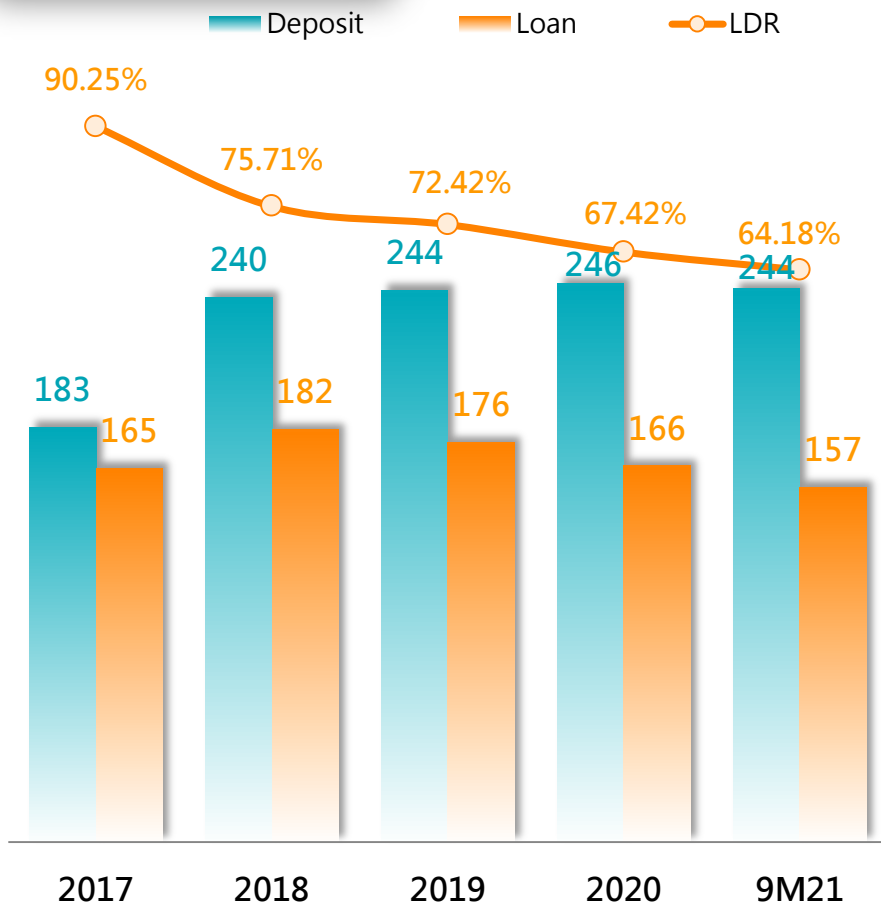


02-2

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

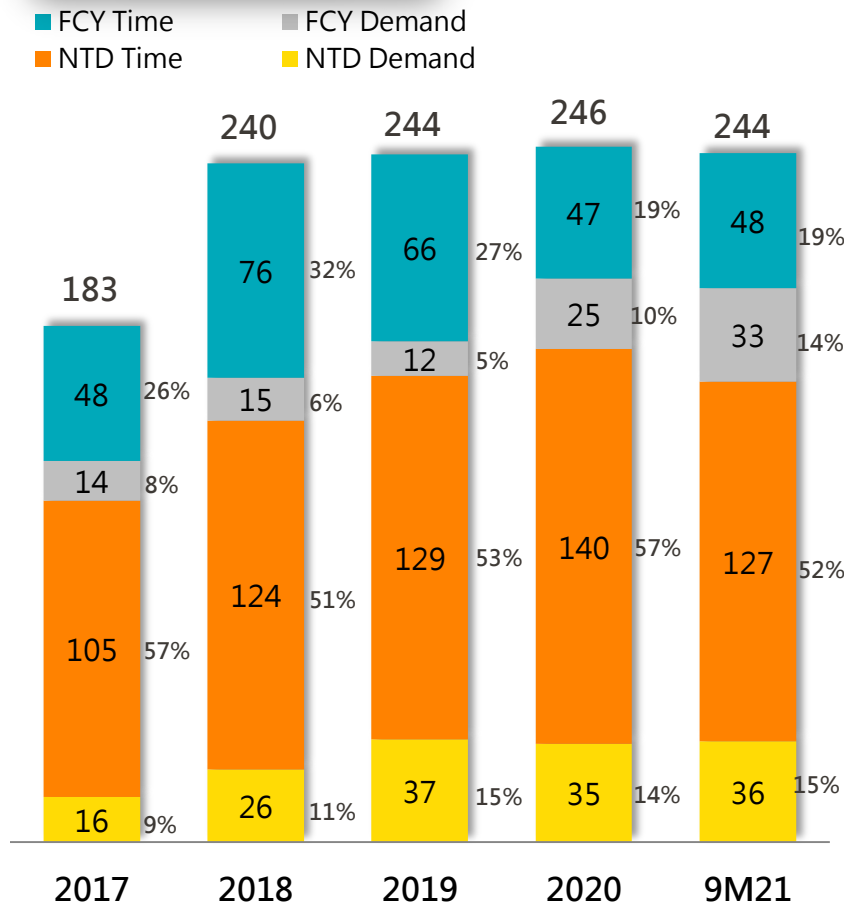
Loan & Deposit

NT \$ billion



Deposit Breakdown

NT \$ billion





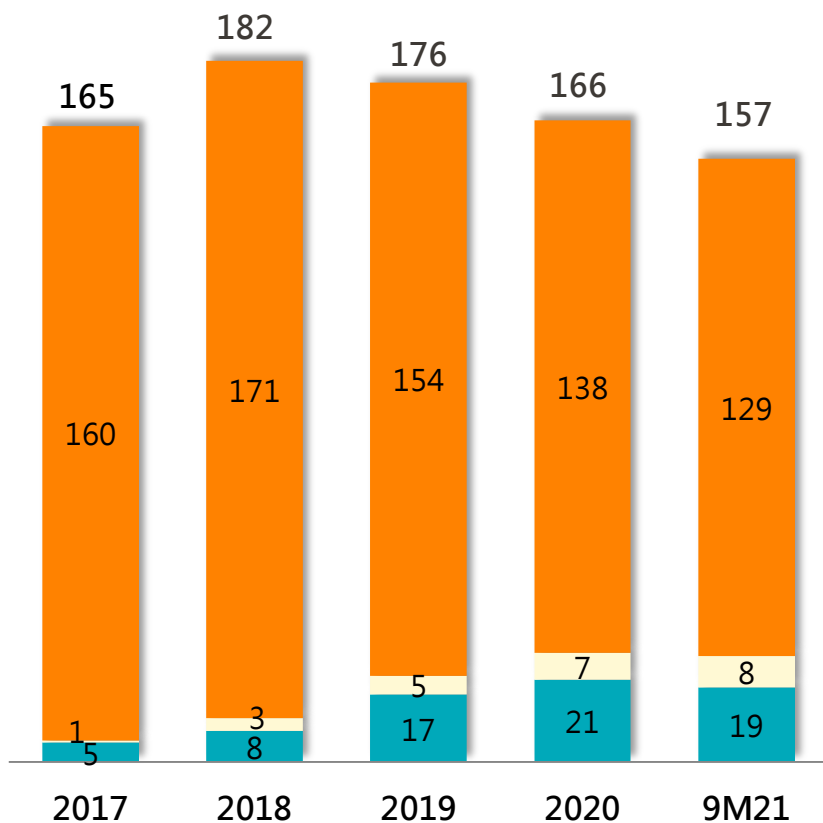
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Standalone Financial Results: O-Bank (5/7)

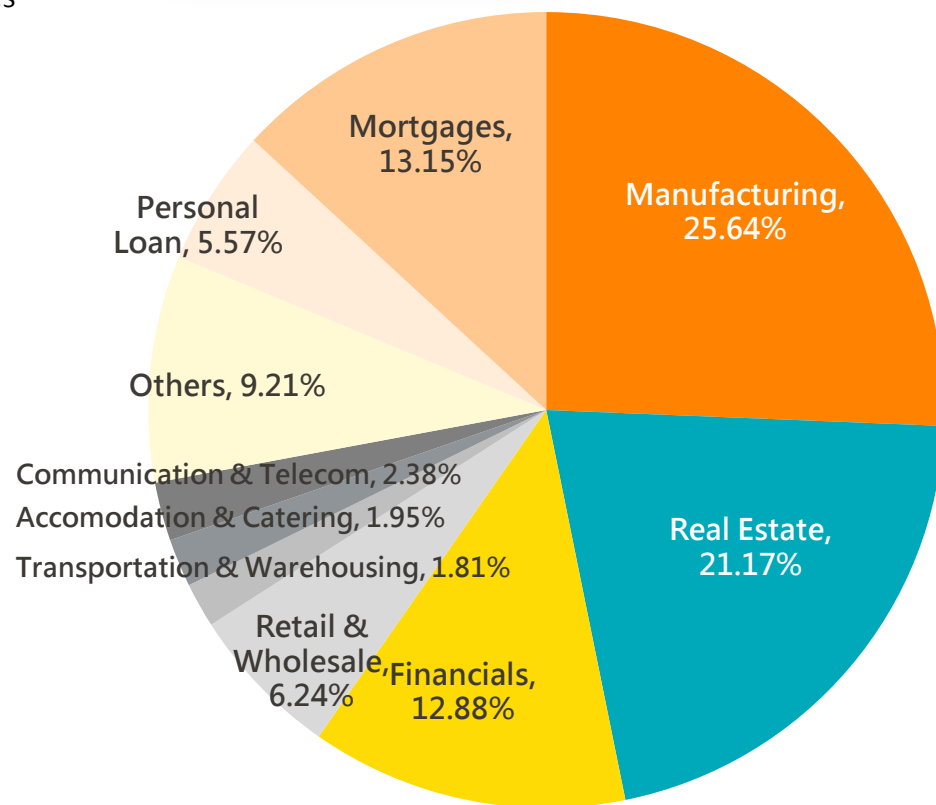
Loan Breakdown

NT \$ billion

Corporate Loan Personal Loan Mortgages



Loan Breakdown by Industry



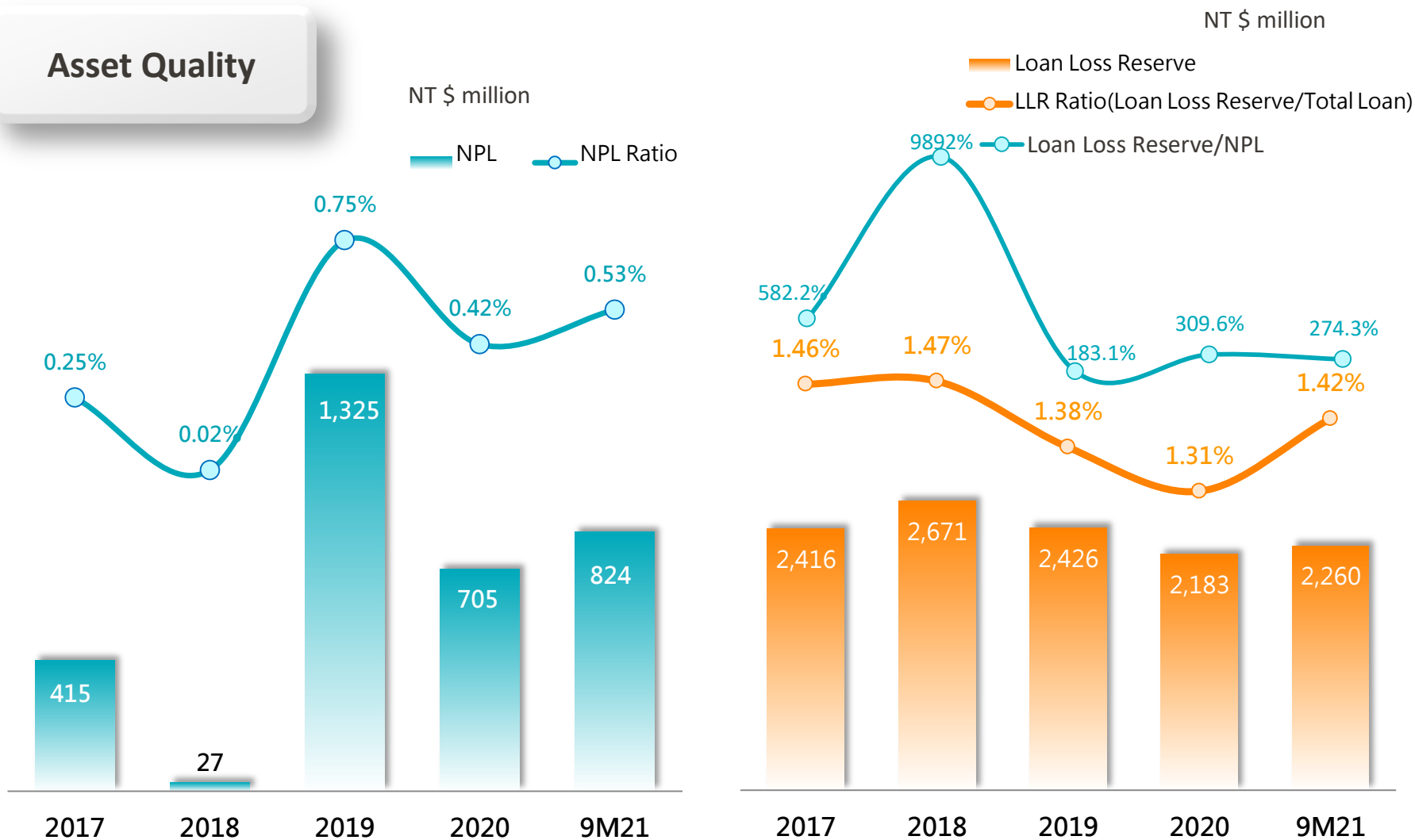
Note: 9M21 data



02-2

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

Asset Quality



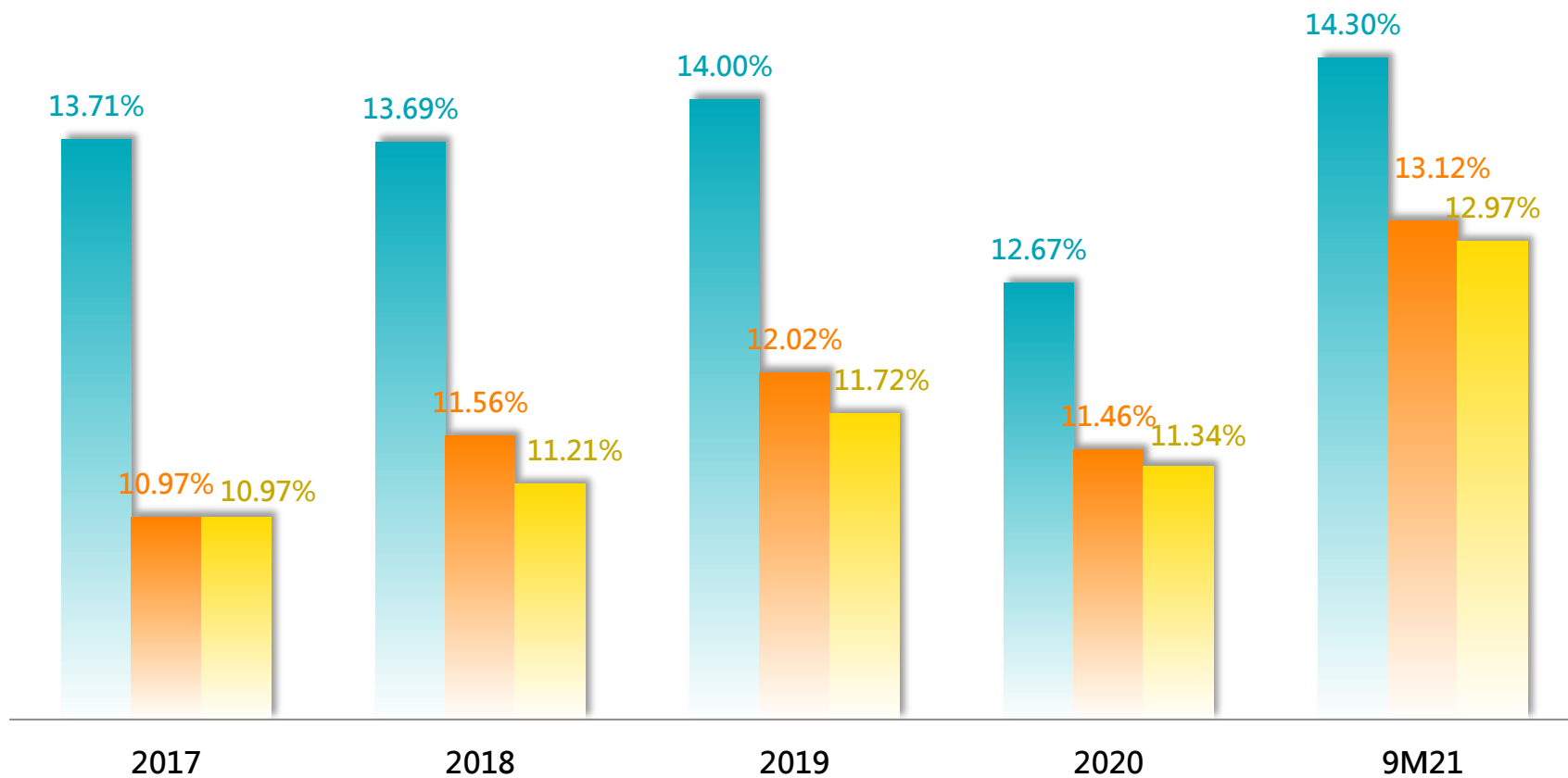


02-2

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

Capital Structure

- BIS Capital Adequacy Ratio
- Tier I
- CET1





02-3

Individual Financial Results

-China Bills Finance Corp.-

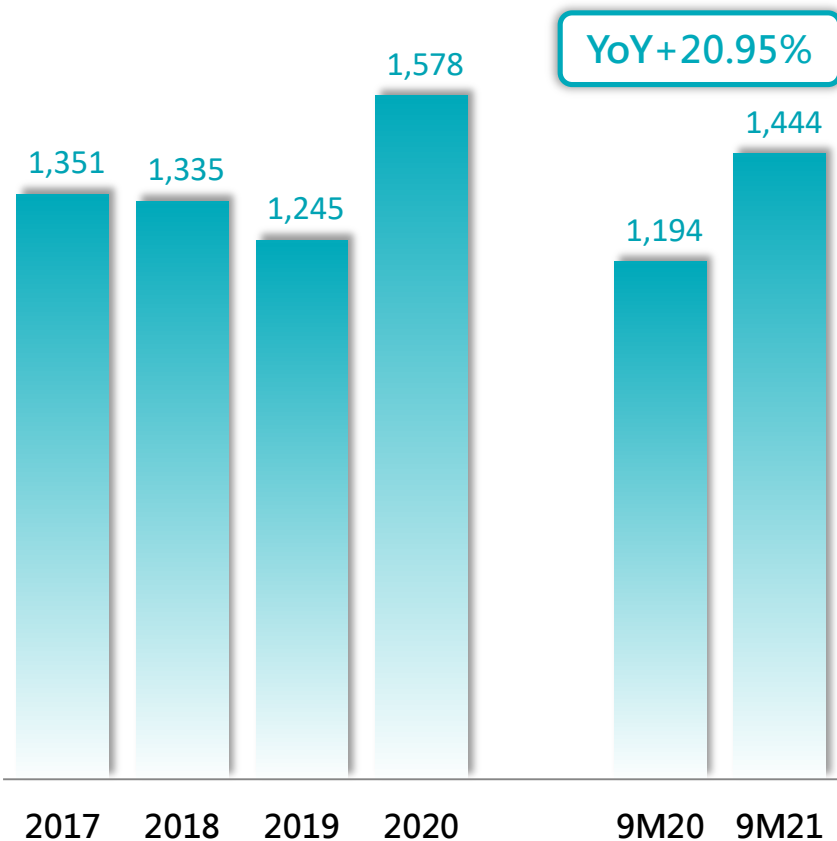


02-3

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

Net Profit

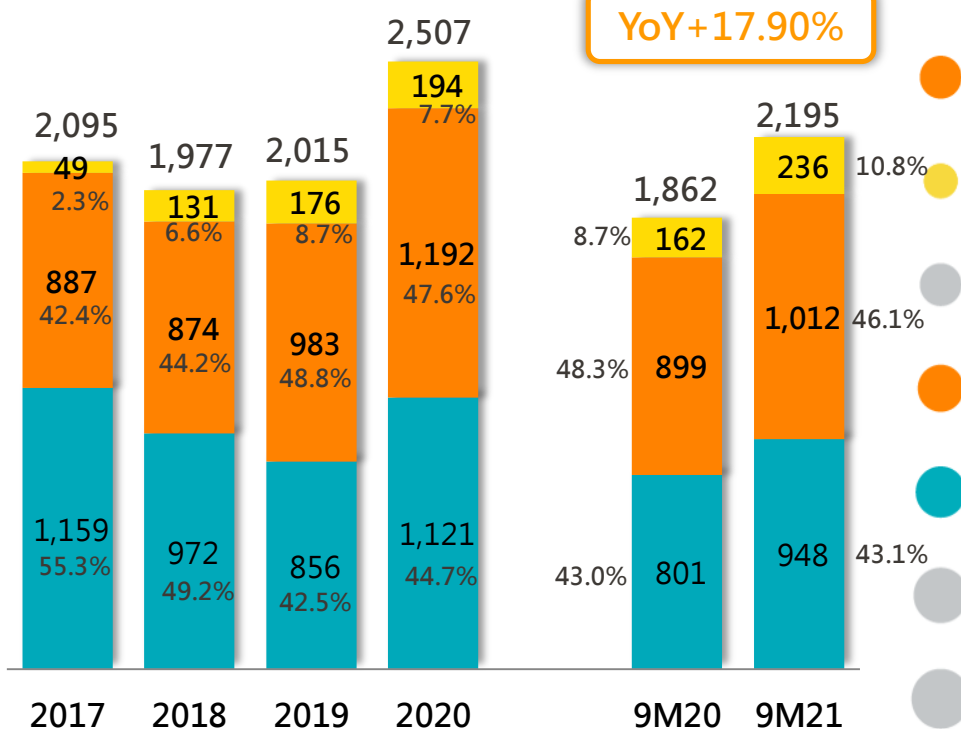
NT \$ million



Net Revenue

NT \$ million

Others Fee Income Net Interest Income





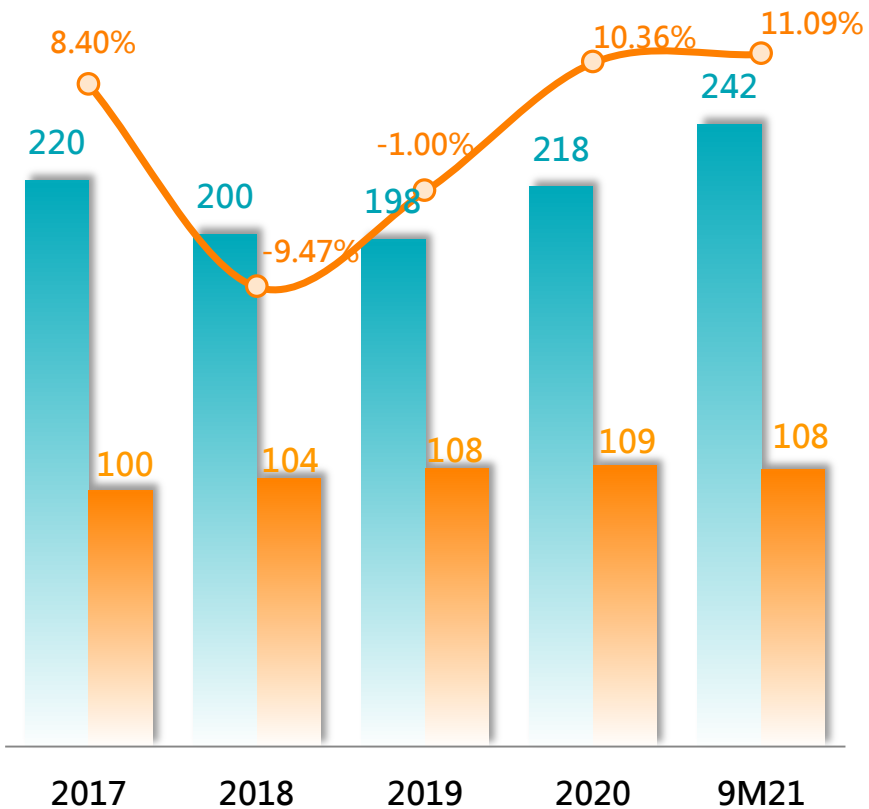
02-3

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

Assets

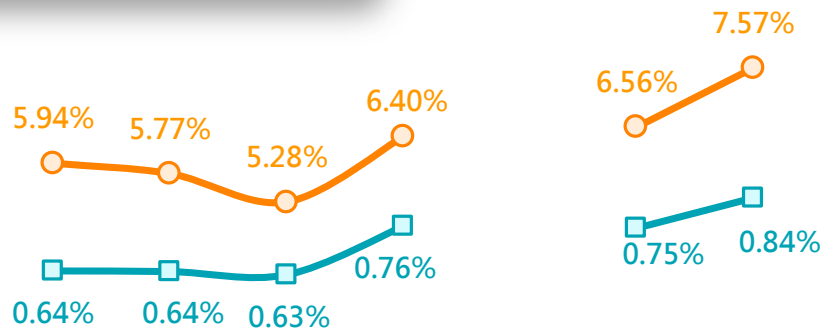
NT \$ billion

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



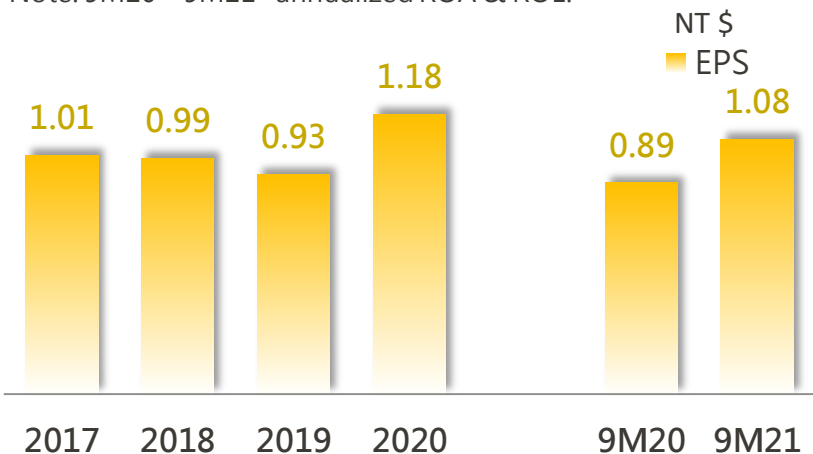
ROE 、 ROA & EPS

ROA ROE



2017 2018 2019 2020 9M20 9M21

Note: 9M20 、 9M21 –annualized ROA & ROE.





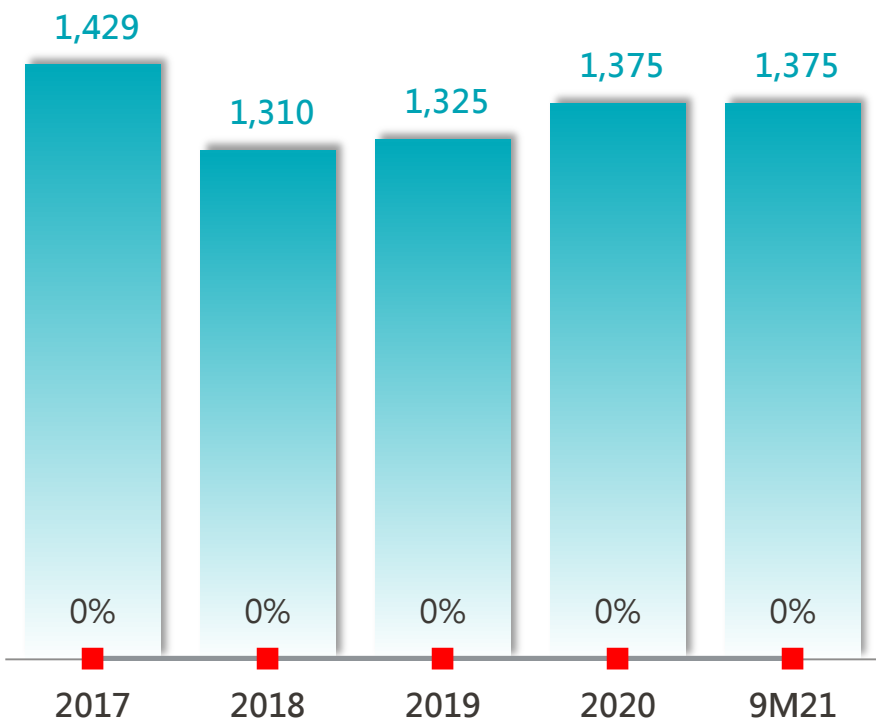
02-3

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

NPL & Reserve for Guarantee Liabilities

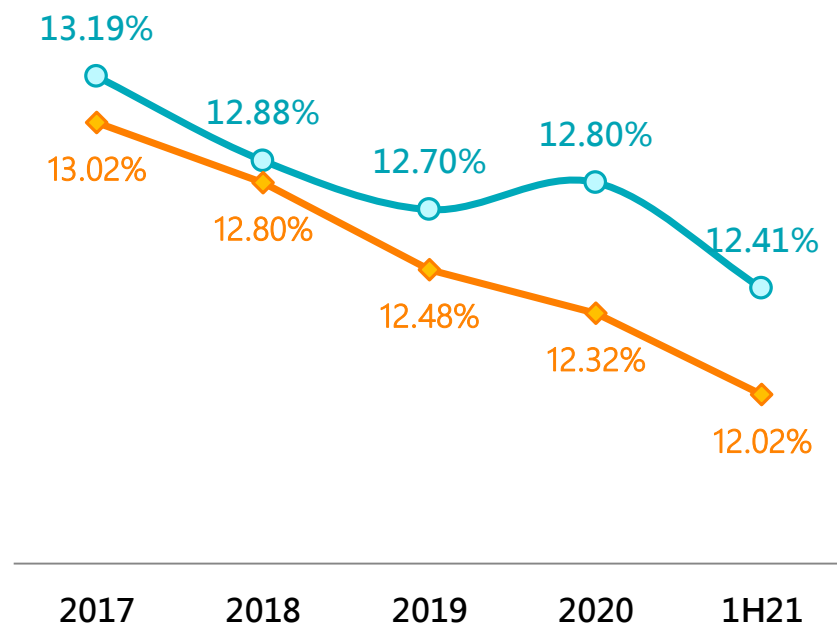
NT \$ million

Reserve for Guarantee Liabilities
NPL Ratio



CAR

CAR
Tier I





02-4

Individual Financial Results

*-IBT Holdings Corp. and
its Subsidiaries -*

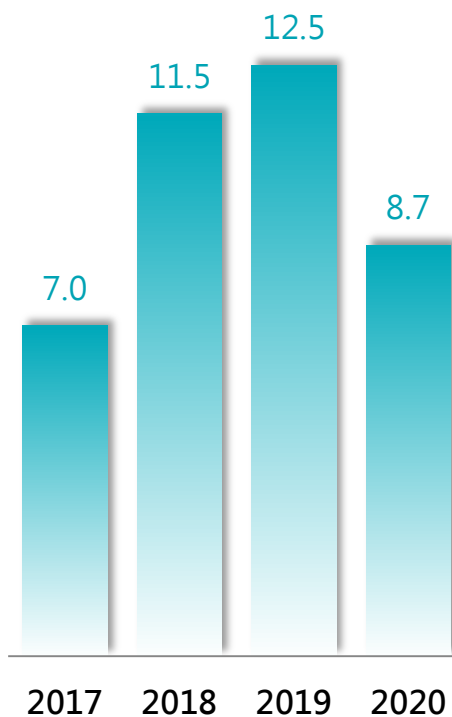


02-4

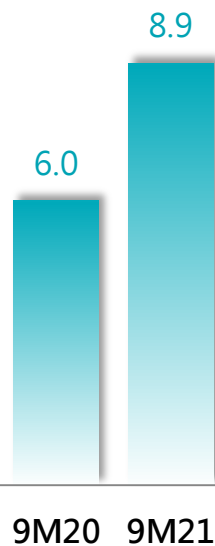
Individual Financial Results:(1/3) IBT Holdings Corp. and its Subsidiaries

Net Profit

USD \$ million

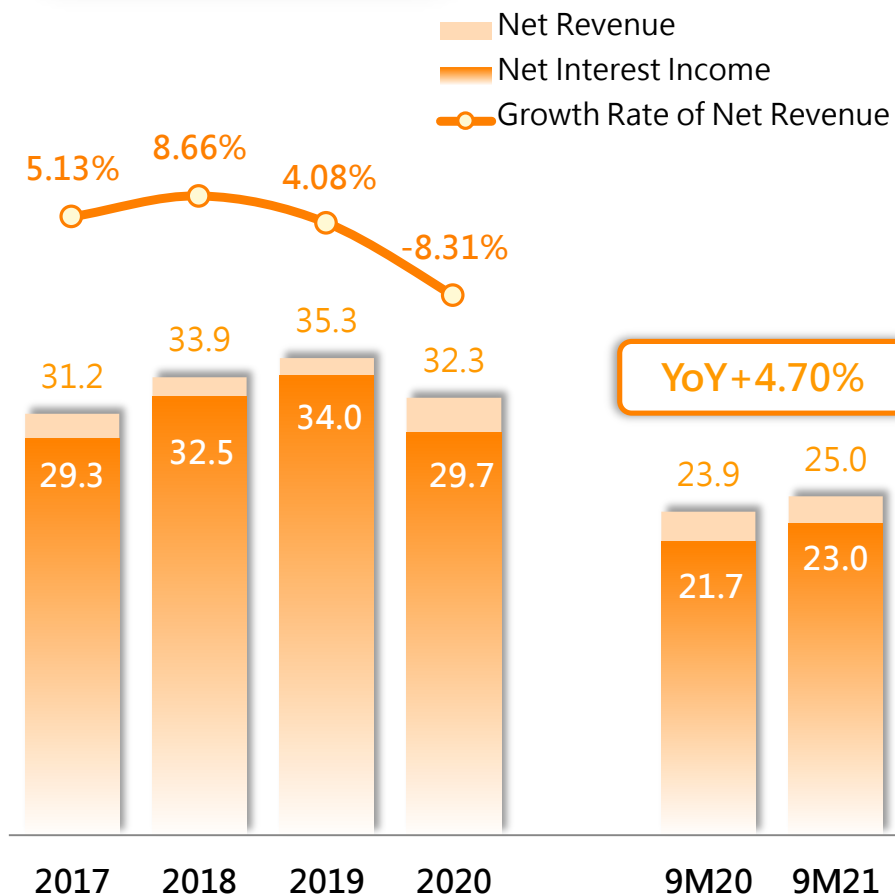


YoY+48.38%



Net Revenue

USD \$ million



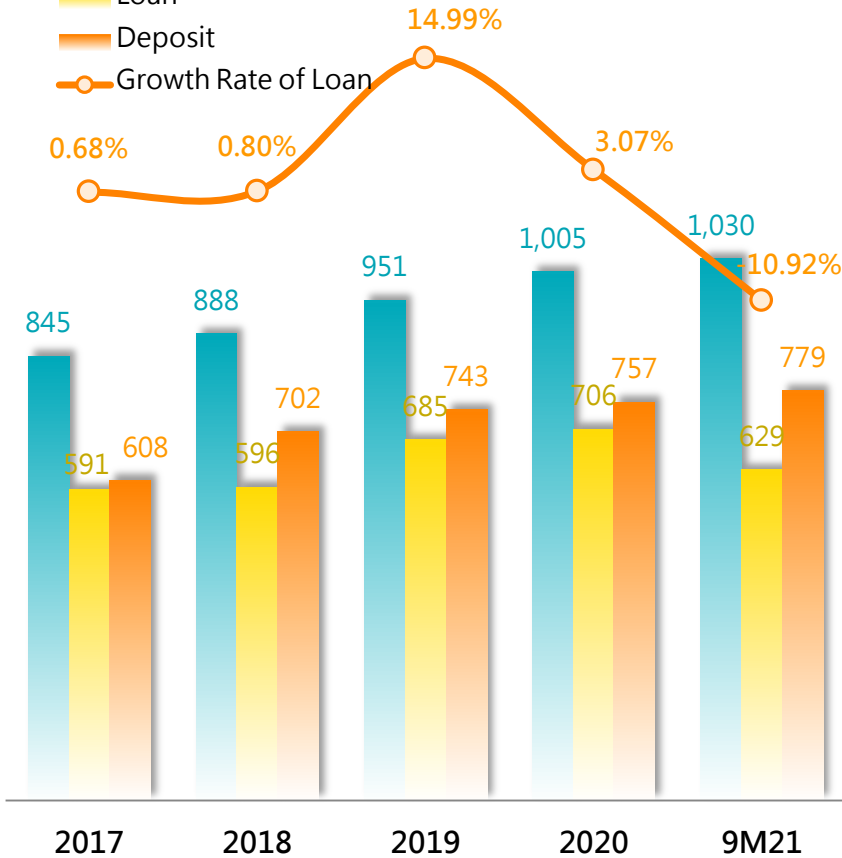
YoY+4.70%

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

Assets 、 Loan & Deposit

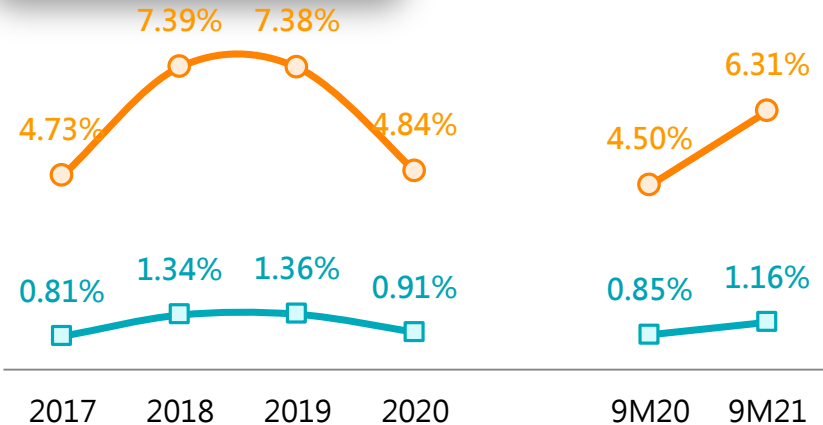
USD \$ million

- Total Assets
- Loan
- Deposit
- Growth Rate of Loan



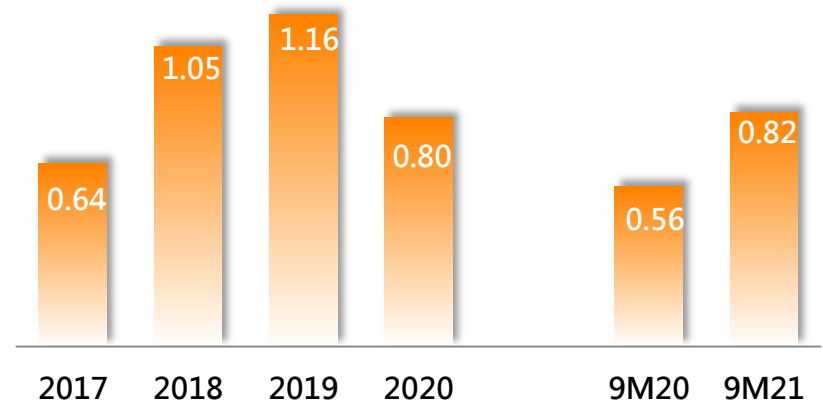
ROE 、 ROA & EPS

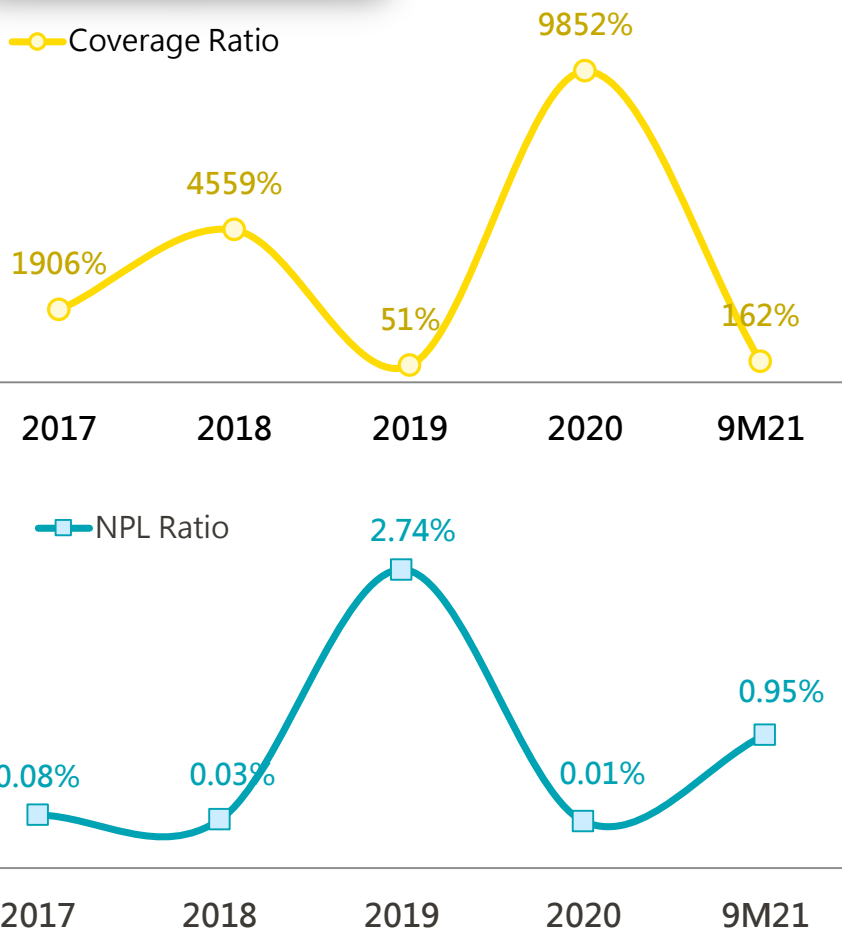
ROA ROE



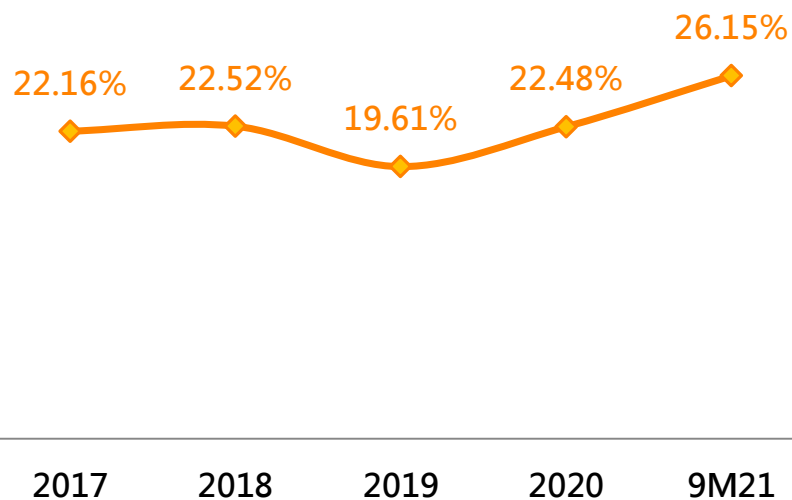
Note: 9M20 、 9M21 –annualized ROA & ROE.

US \$ EPS



NPL Ratio &
Coverage Ratio

CAR





02-5

Individual Financial Results

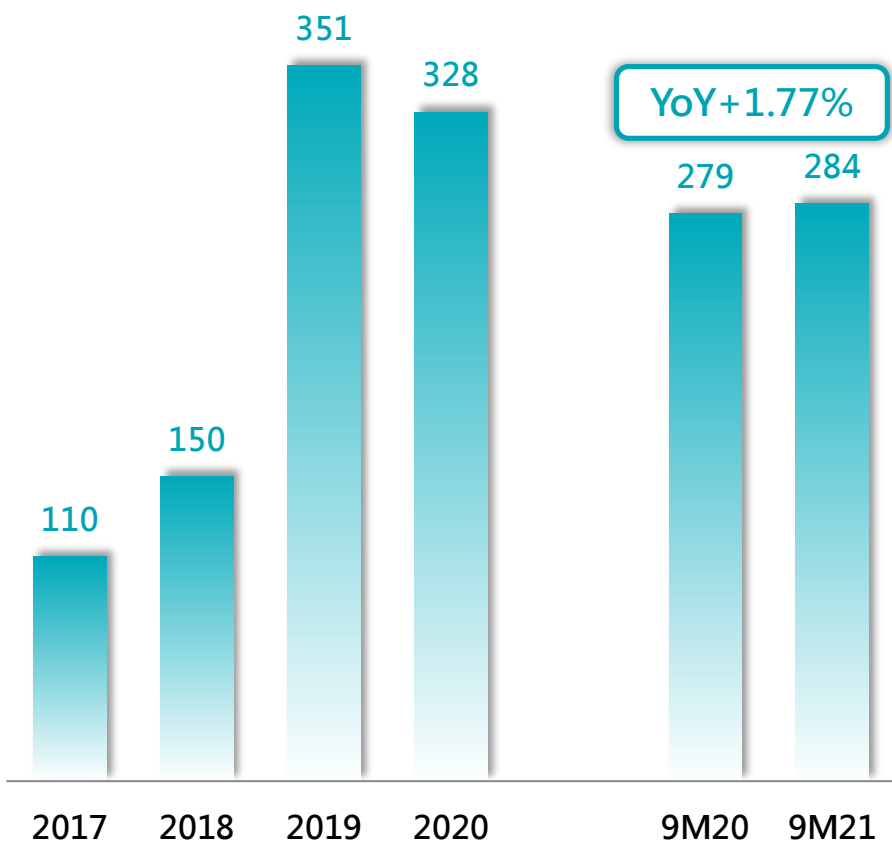
*-IBT Leasing Co., Ltd.
and its Subsidiaries-*

Individual Financial Results:(1/3)

IBT Leasing Co., Ltd. and its Subsidiaries

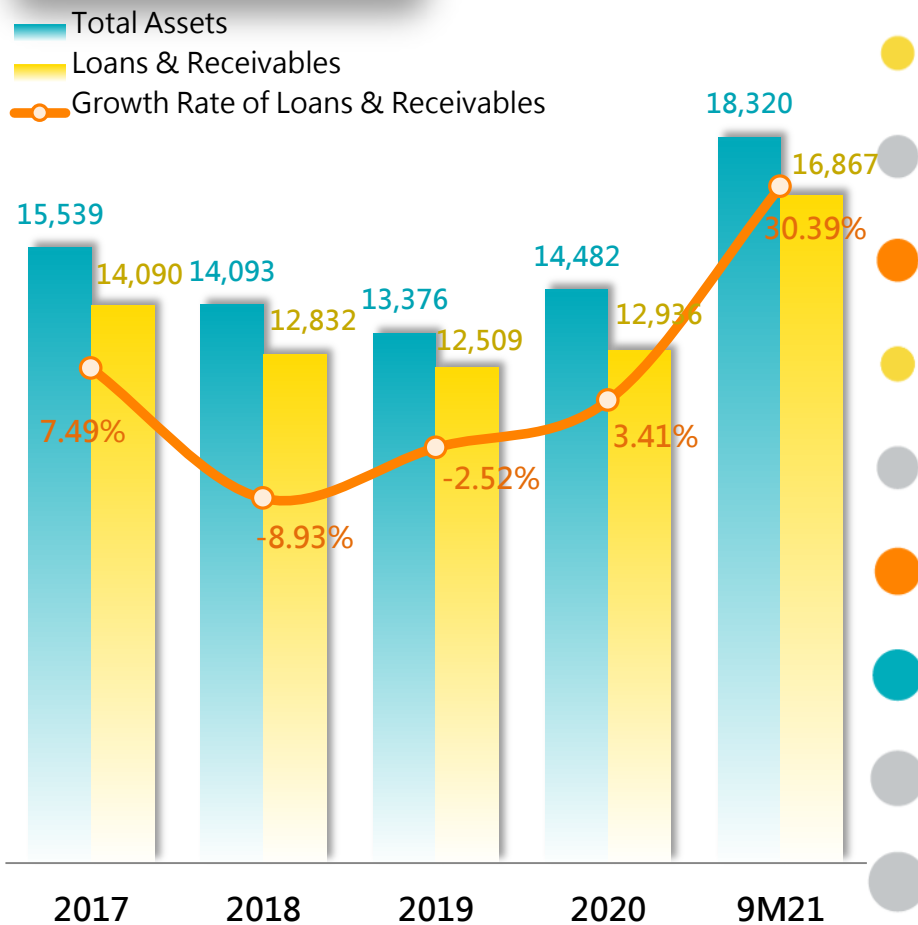
Net Profit

NT \$ million



Assets

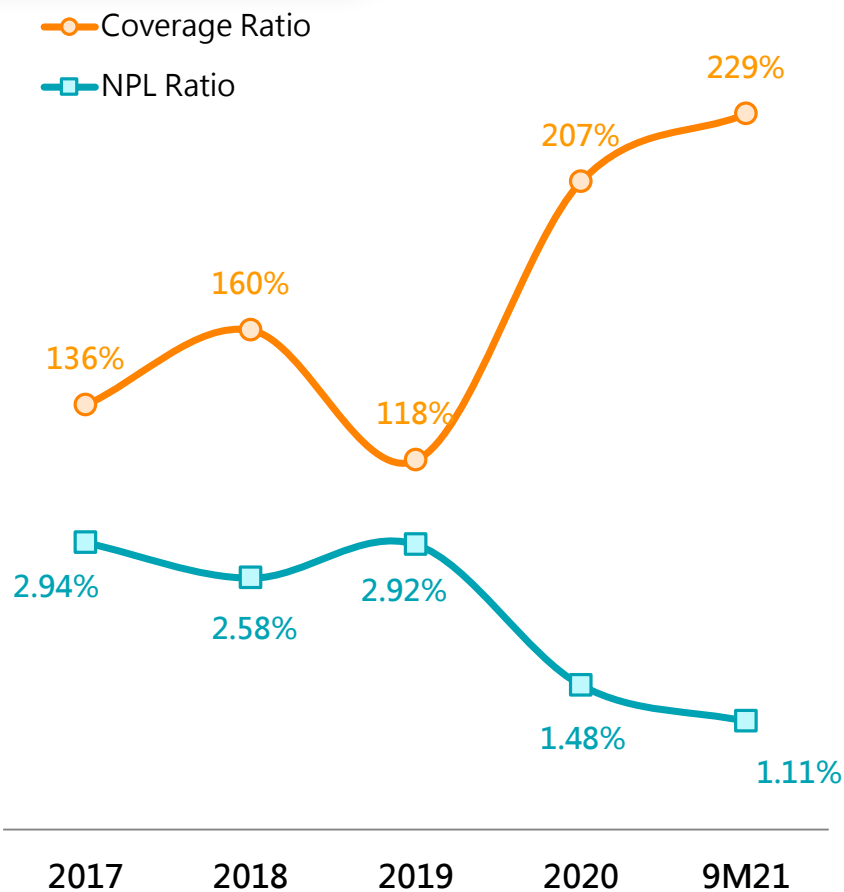
NT \$ million



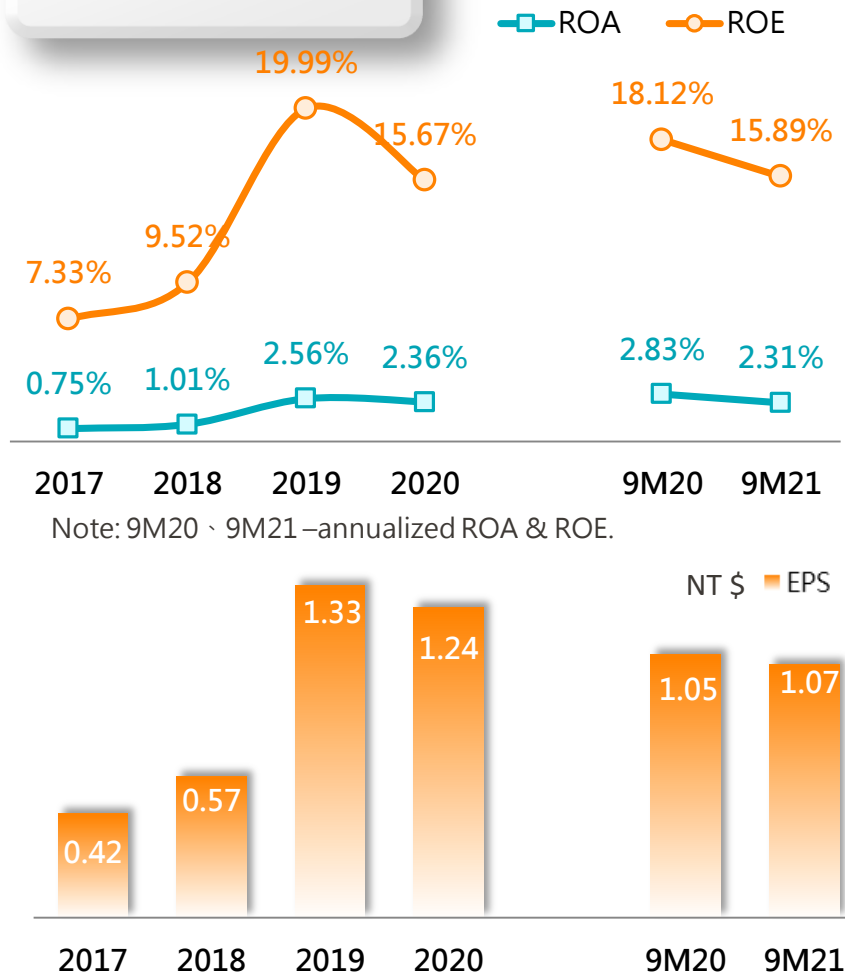
Individual Financial Results:(2/3)

IBT Leasing Co., Ltd. and its Subsidiaries

NPL Ratio & Coverage Ratio

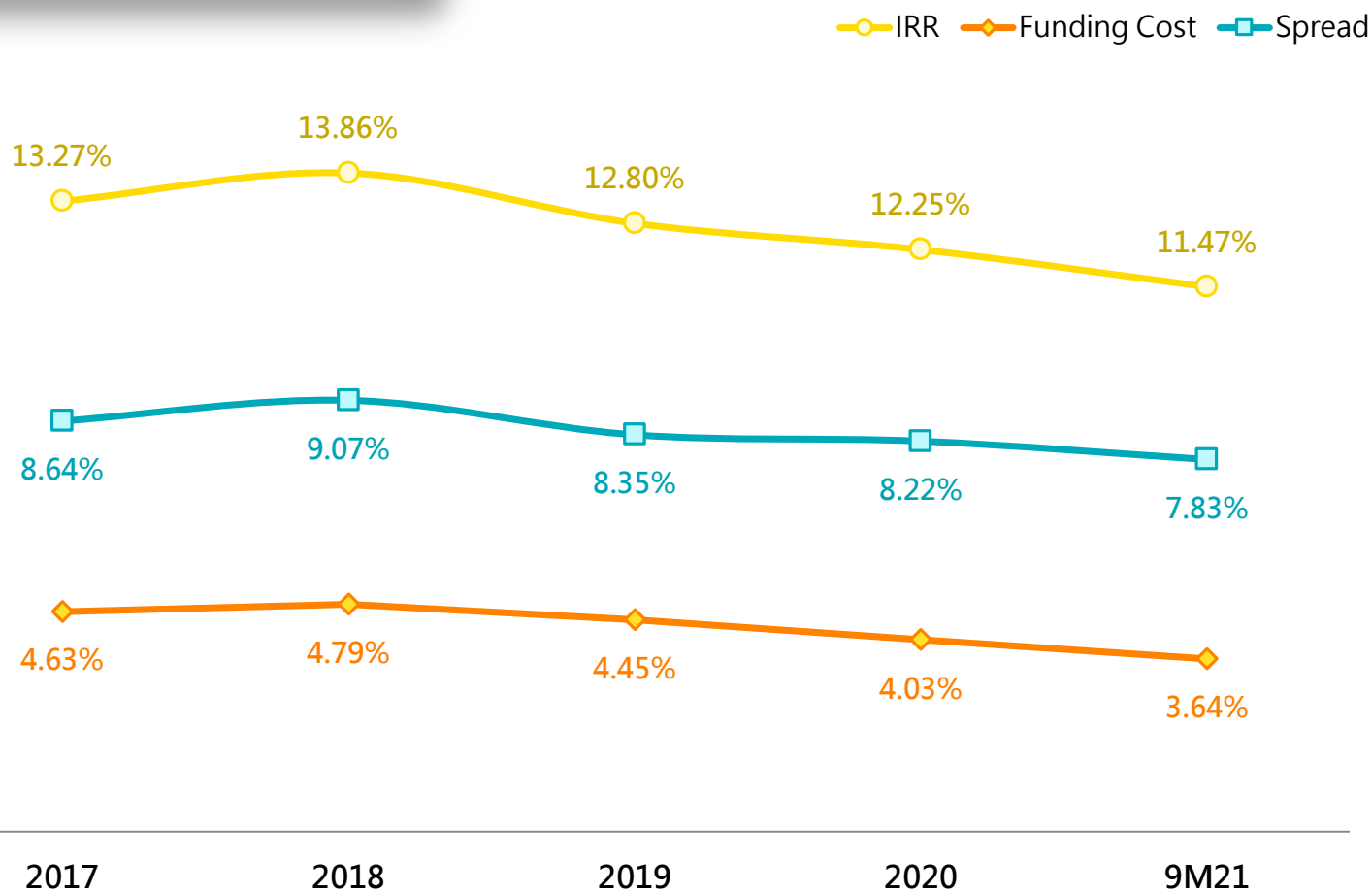


ROE 、 ROA & EPS



02-5 Individual Financial Results:(3/3) IBT Leasing Co., Ltd. and its Subsidiaries

IRR 、 Funding Cost 、 Spread





03

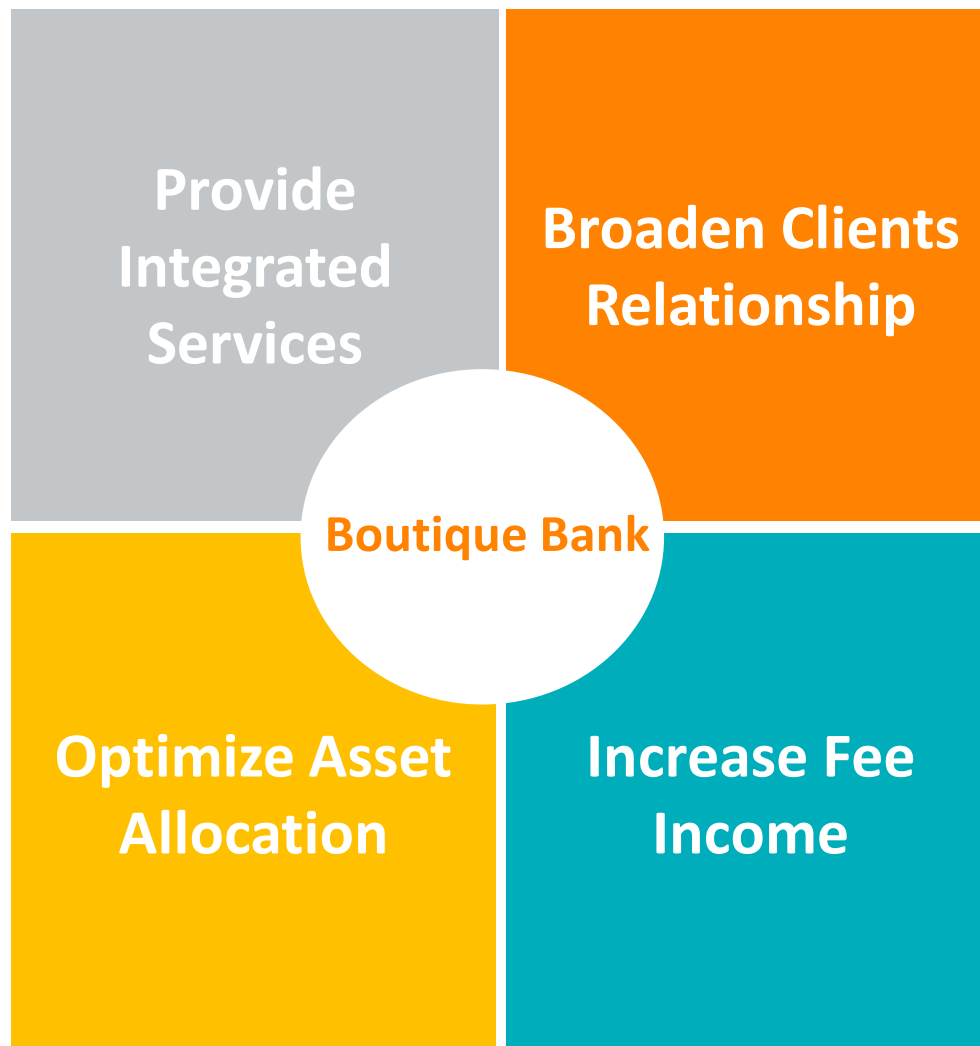
2022

Key Strategic Focuses



03

Corporate Banking Business Strategies



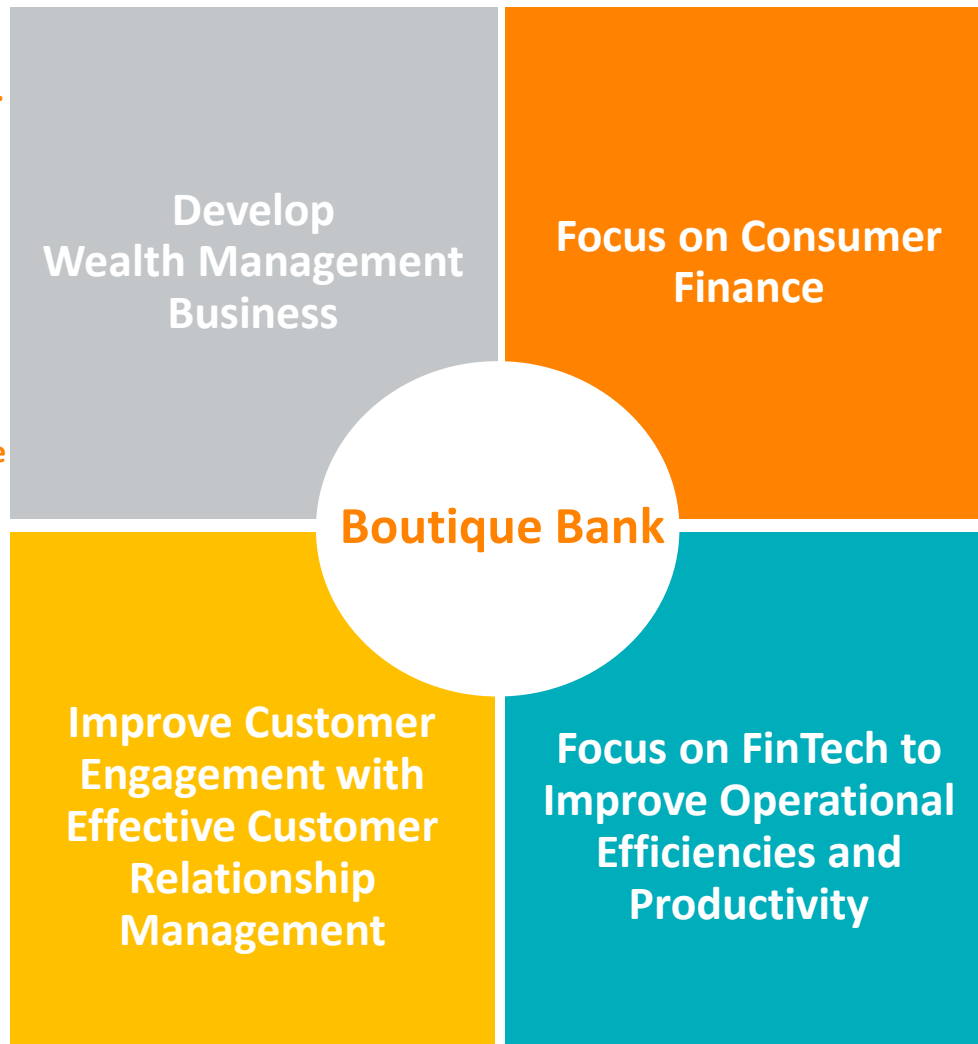
- Strengthen cross-departmental collaboration, promote both corporate and consumer products, and exert synergies.
- Provide **Integrated products and services**, and become clients' main bank.

- Expand small and medium enterprise(SME) accounts and increase demand deposits.
- Increase return on equity.

- Deepen relationships with group enterprises while developing mid-market enterprises and green energy clientele.
- Extending relationships from corporate customers to affiliated high-asset family customers.
- Develop project and **structured finance** and syndicated loan portfolio to maximize fee income.
- Enhance **trade finance and foreign exchange business**.
- Strengthen cross-selling business with **wealth management products**.

03 Retail Banking Business Strategies

- Establish **Wealth Management Business Units**.
- Cooperate with corporate banking to deepen the wealth management relationship and provide **diversified services, increasing product penetration**.
- Optimize product lines and integrate systems to **enhance customer experience**.
- Increase customer engagement by providing differentiated products and services for different customer segments by **big data analysis**.
- Strengthen the depth and breadth of customer relationship management.
- **Optimize online and offline processes to enhance customer experience**.



- Increase competitiveness by **expanding interest spread** according to the optimal risk and reward level.
- Optimize customer experiences and improve process efficiencies.
- **Implement Inclusive Financing to provide lending for young customers**.
- Continue adopting and **developing new Fintech**.
- **Strengthen strategic alliances to expand scenario application**.



03

Subsidiaries Strategic Overview

- Adjust composition of clientele to improve revenue.
- Maintain zero % NPL ratio.
- Adjust investment portfolio with US rate rising in the future.
- Improve capital efficiency to maximize shareholder value.

China Bills Finance

EverTrust Bank (U.S.A.)

O-Bank Group

IBT Leasing

IBT Int'l Leasing

- Strengthen risk management and strict control of asset quality.
- Diversify loan portfolio with market volatility.
- Grow business scale through hiring top talent.
- Grow deposit by enhance mobile banking and digital services.
- Strick control of asset quality and liquidity management.
- Grow business scale through branch expansion.
- Maintain high NIM approach.
- Seize domestic market opportunities in China.



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04

Appendix

O-Bank-Financial Summary

(NT \$ million)	3Q21	2Q21	1Q21	4Q20	2020	2019	YoY
Income Statement							
Interest income	864	854	885	942	4,360	5,764	-24%
Interest expense	(297)	(320)	(360)	(415)	(2,445)	(3,806)	-36%
Net interest income	567	535	525	527	1,915	1,957	-2%
Fee income	167	183	248	123	584	809	-28%
Equity in the income of investees	365	301	336	211	990	1,098	-10%
Other income	310	404	225	231	1,163	1,440	-19%
Net revenue	1,409	1,423	1,334	1,092	4,651	5,305	-12%
Provision expense	(109)	(105)	(50)	(70)	(430)	(921)	-53%
Operating expense	(769)	(759)	(758)	(728)	(2,985)	(3,174)	-6%
Net profit B/T	530	559	527	294	1,236	1,210	2%
Net profit A/T	482	519	454	252	1,147	1,100	4%
Balance Sheet							
Loans, net	154,404	156,281	157,505	163,917	163,917	173,981	-6%
Deposits	244,222	236,628	241,091	246,421	246,421	243,645	1%
Total assets	316,354	316,936	321,247	328,854	328,854	335,253	-2%
Total stockholders' equity	35,937	35,750	36,090	35,556	35,556	33,259	7%
Key Ratios(%)							
ROA(A/T)	0.15	0.16	0.14	0.08	0.35	0.33	
ROE(A/T)	1.34	1.46	1.27	0.73	3.33	3.37	
NPL	0.53	0.42	0.44	0.42	0.42	0.75	
Tier I	13.12	13.20	11.68	11.46	11.46	12.02	
CAR	14.30	14.43	12.89	12.67	12.67	14.00	

Note : ROA & ROE-unannualized

CBF-Financial Summary

(NT \$ million)	3Q21	2Q21	1Q21	4Q20	2020	2019	YoY
Income Statement							
Interest income	424	416	436	455	1,902	2,010	-5%
Interest expense	(109)	(103)	(117)	(135)	(781)	(1,154)	-32%
Net interest income	315	314	319	320	1,121	856	31%
Fee income	315	341	356	293	1,192	983	21%
Other income	69	50	116	32	194	175	11%
Net revenue	699	704	792	645	2,507	2,015	24%
Reversal	(1)	(1)	(6)	36	32	4	612%
Operating expense	(130)	(131)	(129)	(123)	(484)	(457)	6%
Net profit B/T	571	575	668	486	1,992	1,553	28%
Net profit A/T	455	458	531	384	1,578	1,245	27%
Balance Sheet							
Total assets	242,179	213,185	213,904	218,284	218,284	197,540	11%
Total stockholders' equity	25,412	25,165	25,680	25,449	25,449	23,855	7%

IBT Holdings-Financial Summary

(USD \$ thousand)	3Q21	2Q21	1Q21	4Q20
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Income Statement

Interest income	8,429	8,830	9,018	9,467
Interest expense	(941)	(1,083)	(1,247)	(1,429)
Net interest income	7,488	7,747	7,771	8,038
Fee income	128	210	174	163
Other income	1,063	424	23	215
Net revenue	8,679	8,381	7,968	8,416
Provision expense	0	0	0	(170)
Operating expense	(3,865)	(3,858)	(3,538)	(4,114)
Net profit B/T	4,814	4,523	4,430	4,133
Net profit A/T	3,395	3,190	3,127	2,920
Minority interest	(279)	(263)	(257)	(240)
Consolidated net income	3,115	2,927	2,870	2,680

Balance Sheet

Loans, net	629,020	662,131	698,394	694,328
Deposits	778,784	785,747	780,055	756,907
Total assets	1,030,375	1,033,872	1,030,690	1,005,173
Total stockholders' equity	192,930	189,948	186,727	184,555

2020	2019	YoY
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37,332	45,803	-18%
(7,589)	(11,800)	-36%
29,743	34,003	-13%
705	651	8%
1,873	596	214%
32,322	35,250	-8%
(4,080)	(370)	1003%
(14,842)	(15,501)	-4%
13,400	19,379	-31%
9,465	13,598	-30%
(779)	(1,119)	-30%
8,686	12,479	-30%

IBT Leasing-Financial Summary*

(NT \$ million)	3Q21	2Q21	1Q21	4Q20
Income Statement				
Interest income	314	277	259	248
Fee income	86	99	61	81
Other income	(1)	57	8	3
Sales revenue, net	399	433	327	331
Operating costs	(97)	(100)	(70)	(58)
Gross Profit	302	333	257	274
Provision expense	(30)	(21)	10	(27)
Operating expense	(153)	(155)	(135)	(136)
Non-operating income	100	102	86	190
Non-operating expense	(42)	(77)	(37)	(96)
Net profit B/T	177	182	181	204
Net profit A/T	119	130	118	109
Minority interest	0	0	0	0
Consolidated net income	119	130	118	109
Balance Sheet				
Total assets	18,937	17,162	15,387	15,062
Total stockholders' equity	3,093	2,959	2,876	2,784

2020	2019	YoY
920	1,046	-12%
241	253	-5%
25	35	-29%
1,186	1,335	-11%
(260)	(377)	-31%
926	957	-3%
(12)	(87)	-86%
(481)	(488)	-1%
269	128	110%
(145)	(57)	157%
556	453	23%
389	369	5%
0	0	-
389	369	5%
15,062	13,855	9%
2,784	2,361	18%

*Include IBT VII Venture Capital Co.,Ltd