

O-Bank 2020 & 2021Q1 Business Review

2021/05/06

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2020 & 2021Q1 Operation Highlights

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2020 & 2021Q1 Financial Results

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2021 Key Strategic Focuses

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01

2020 & 2021Q1 Operation Highlights



01

2020 & 2021Q1 Operation Highlights(1/4)

1

Operating Performance

□ O-Bank :

- O-Bank Group's consolidated net revenue was NT\$8,056 million, and consolidated net profit after tax was NT\$2,301 million(+13.54% YoY) in 2020.
O-Bank Group's 1Q21 consolidated net revenue was NT\$2,305 million, and 1Q21 consolidated net profit after tax was NT\$841 million (+122.83% YoY).
- O-Bank's net revenue was NT\$4,651 million, and net profit after tax was NT\$1,147 million(+4.27% YoY) in 2020.
O-Bank's 1Q21 net revenue was NT\$1,334 million, and 1Q21 net profit after tax was NT\$454 million (+293.11% YoY).
- O-Bank's 2020 EPS was NT\$0.41, and 1Q21 EPS was NT\$0.17.
- Since IPO in 2017, O-Bank stock was included as a constituent of the MSCI Taiwan Small Cap Index for four consecutive years, and also included as a constituent of TWSE Corporate Governance 100 (CG 100) Index for two consecutive years since 2019.



01

2020 & 2021Q1 Operation Highlights(2/4)

1

Operating Performance

□ Key Affiliated Companies :

□ IBT Leasing Co., Ltd. and its Subsidiaries :

- Net profit after tax was NT\$328 million(-6.47% YoY) in 2020.
1Q21 net profit after tax was NT\$102 million(+57.97% YoY).

□ EverTrust Bank :

- Net profit after tax was NT\$280 million(-33.43% YoY) in 2020.
1Q21 net profit after tax was NT\$89 million(+14.09% YoY).

□ China Bills Finance Corp. :

- Net profit after tax was NT\$1,578 million(+26.80% YoY) in 2020.
1Q21 net profit after tax was NT\$531 million(+48.71% YoY).
- 2020 EPS was NT\$1.18, and 1Q21 EPS was NT\$0.4.



01

2020 & 2021Q1 Operation Highlights(3/4)

2

Capital Adequacy & Asset Quality

- As of March 31th of 2021, O-Bank's BIS Ratio was 12.89%, Tier1 Capital Ratio was 11.68%, and CET1 Ratio was 11.58%.
- O-Bank's NPL ratio was 0.44% and loan loss coverage ratio was 314.12%, as of March 31th 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 to the industry average with the recovery of bad debt.



3

Awards & Recognitions

- Scored 18.15 and ranked No. 4 among Taiwan's financial institutions in the latest publishing of **Sustainalytics'** ESG Risk Ratings in April, 2021.
- Ranked Top 5% in the "**TWSE Corporate Governance Evaluation**" among TWSE listed companies.
- Awarded the Second Place Winner by "The Medium-Sized Enterprises Division Award" of Commonwealth Magazine's "**Excellence in Corporate Social Responsibility**".
- Received four **2020 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 - Silver Award**" in the Finance and Insurance category.



02

2020 & 2021Q1 Financial Results

02-1 Consolidated Financial Results

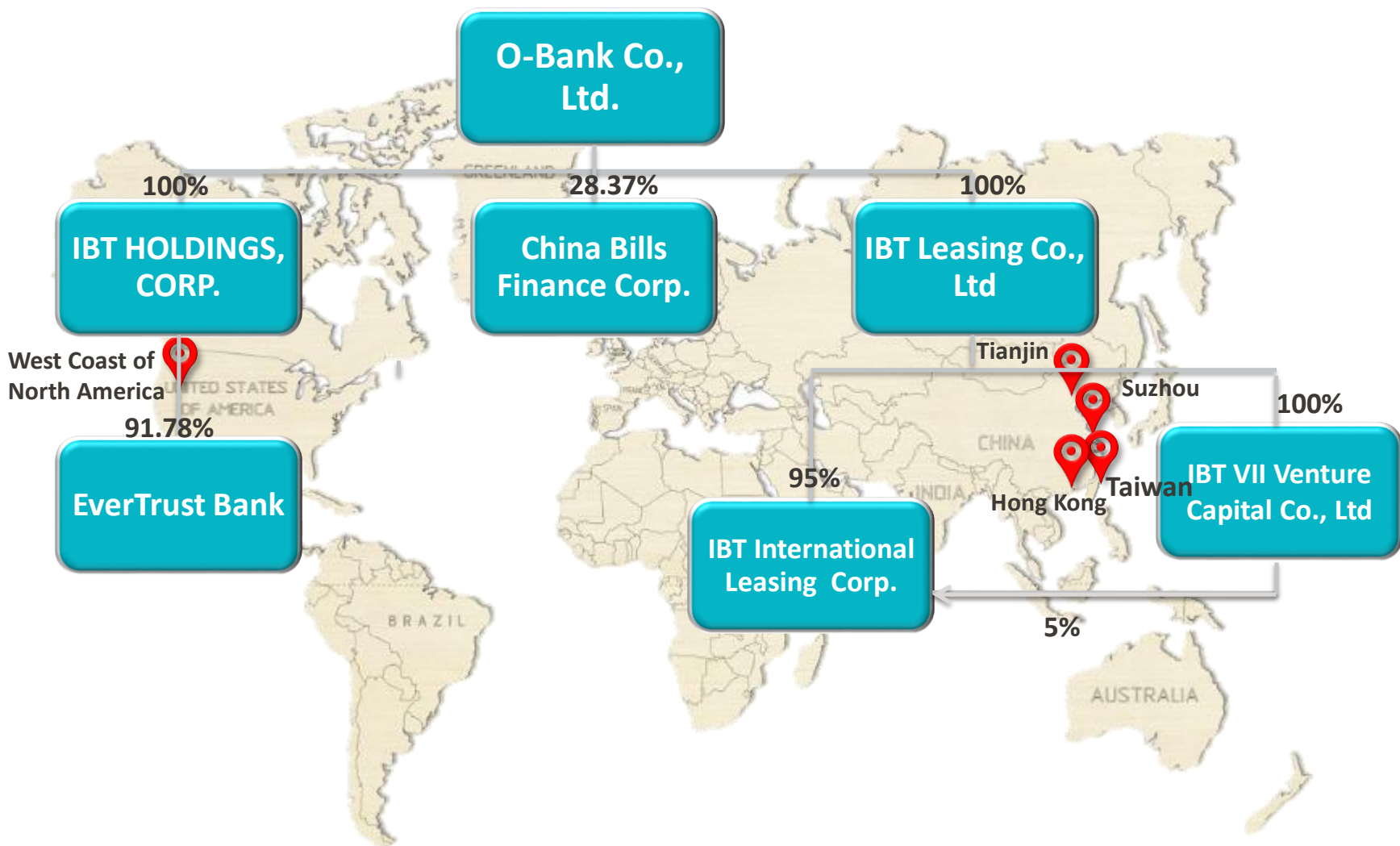
02-2 Individual Financial Results: O-Bank

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



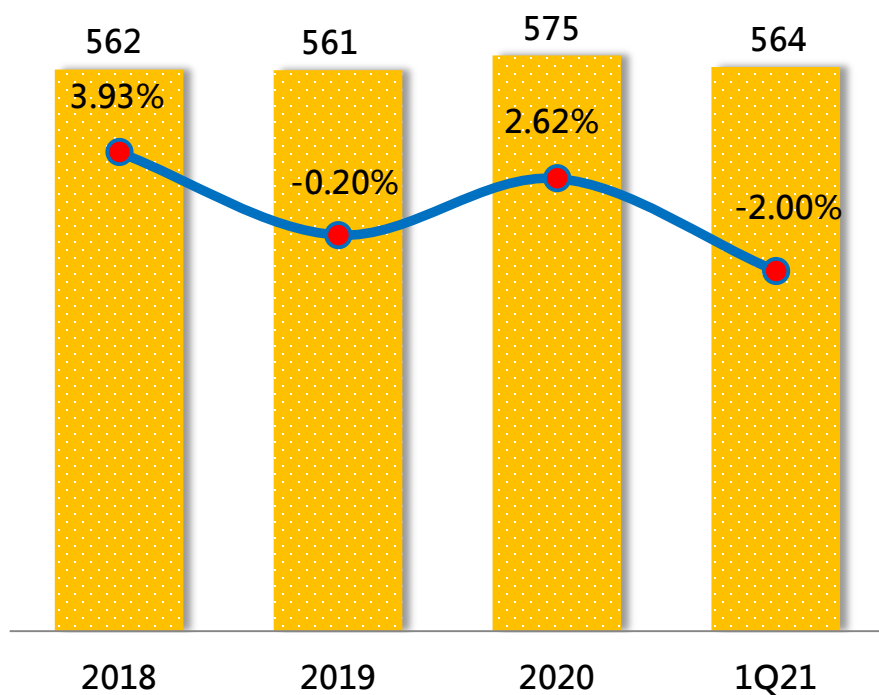
02-1

Consolidated Financial Results (1/4)

Total Assets

NT \$ billion

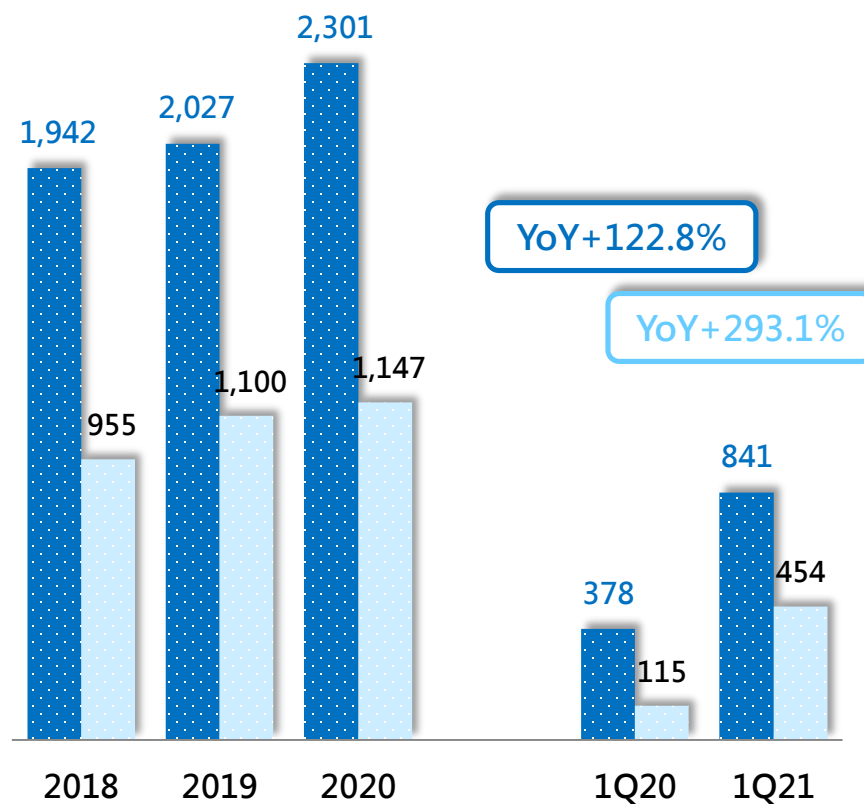
■ Total Assets
● Growth Rate



Net Income

NT \$ million

■ Net Income
■ Net Income Attributable to Parent Bank





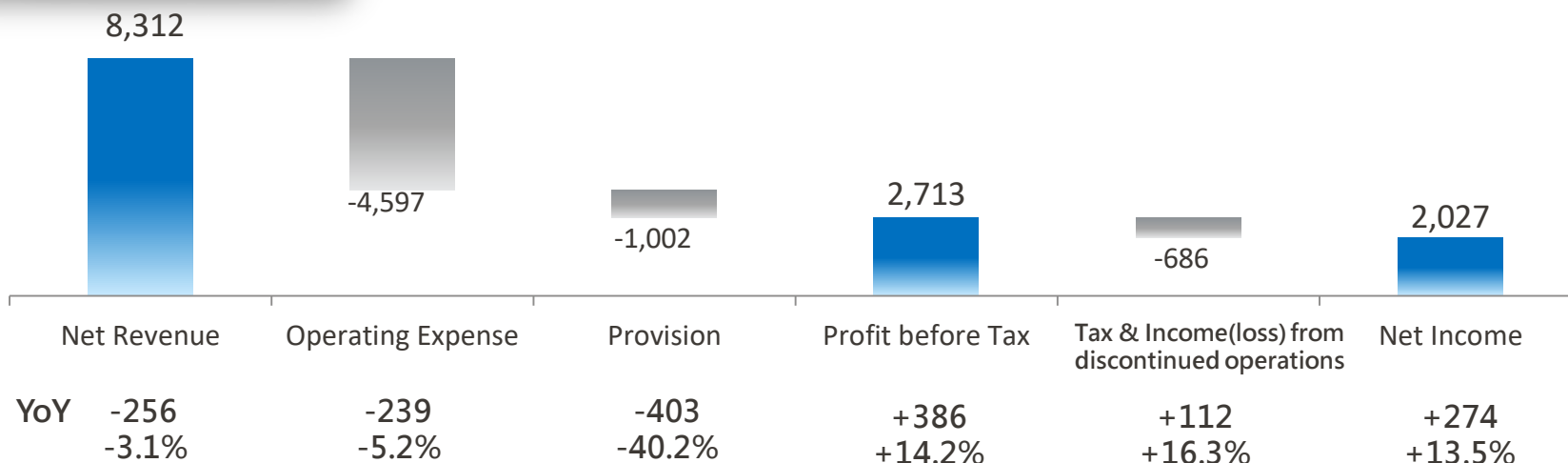
02-1

Consolidated Financial Results (2/4)

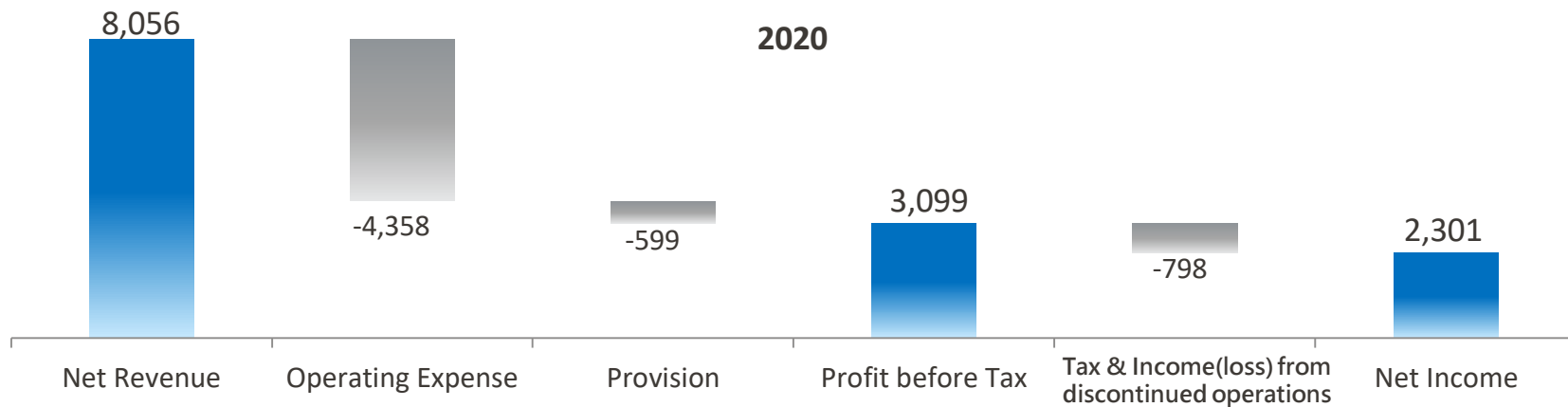
Net Income Compositions

NT \$ million

2019



2020





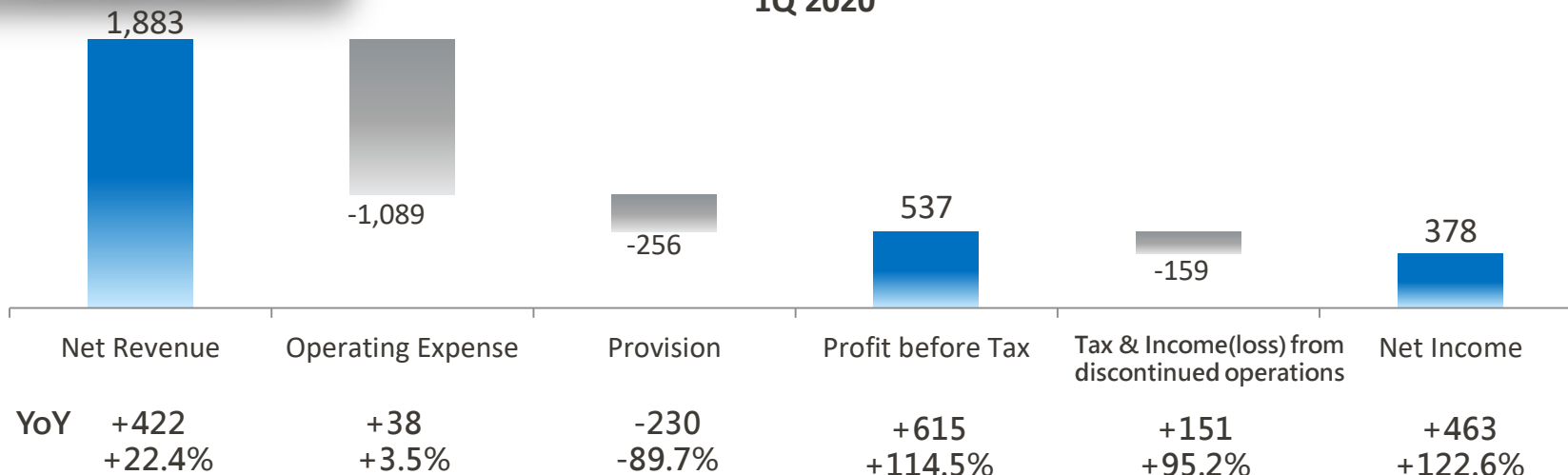
02-1

Consolidated Financial Results (3/4)

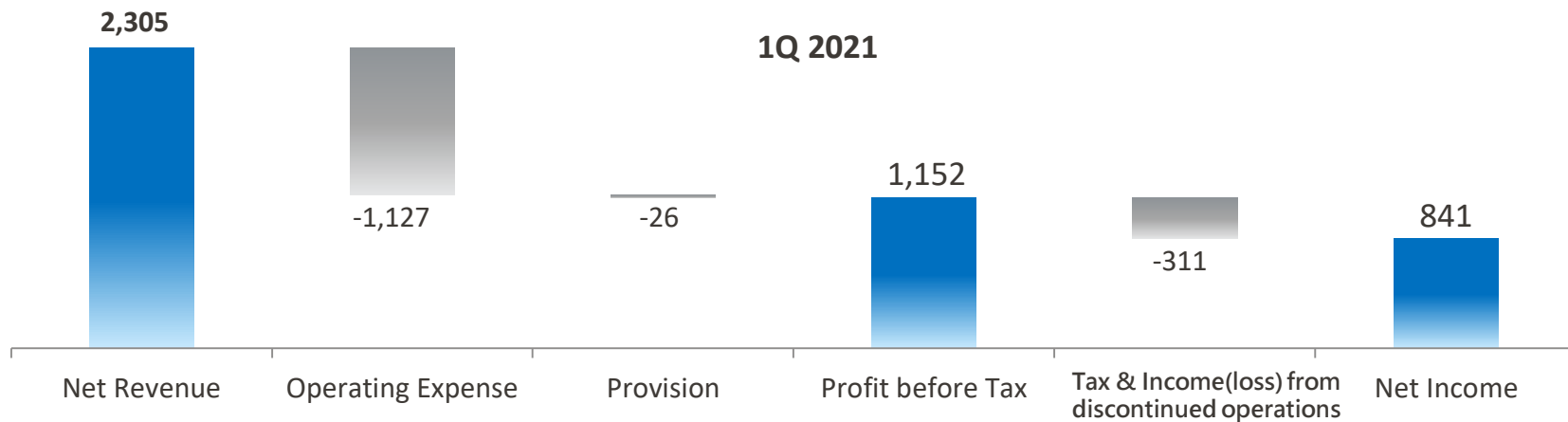
Net Income Compositions

NT \$ million

1Q 2020



1Q 2021





02-1

Consolidated Financial Results (4/4)

Net Revenue Breakdown

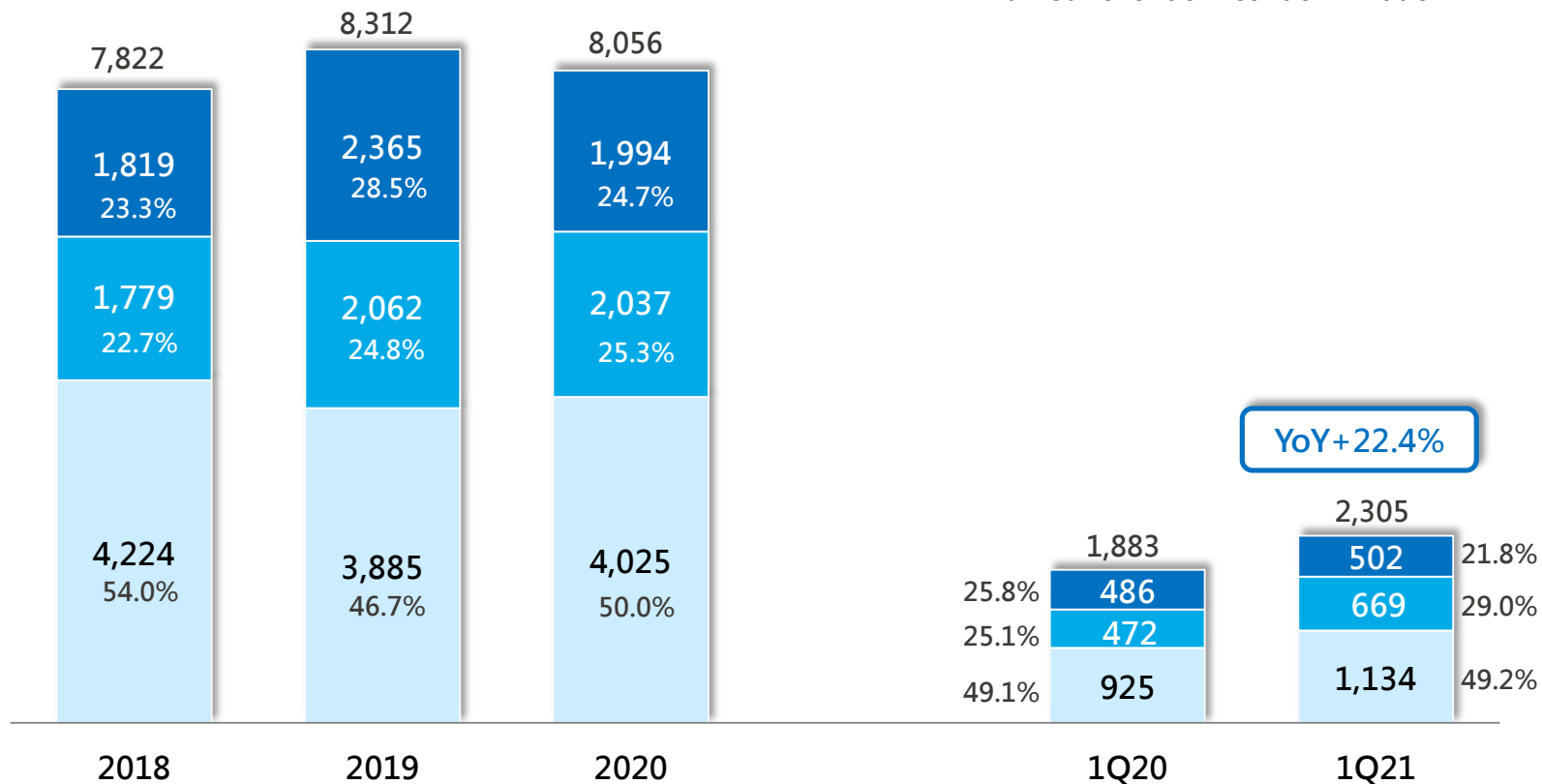
NT \$ million

Net Interest Income

Fee Income

Others

% Net Revenue Breakdown Ratio



02-2

Individual Financial Results

-O-Bank-

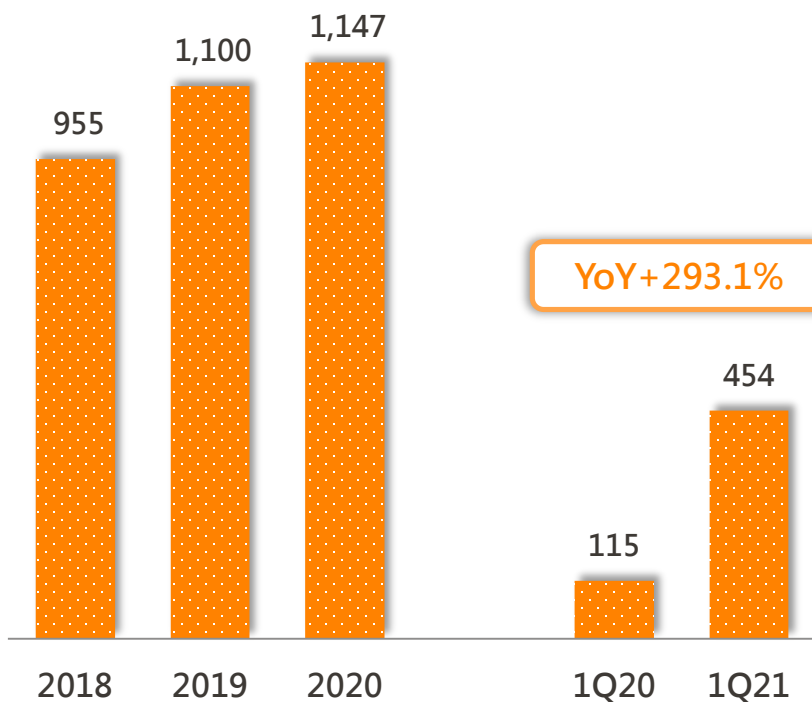


02-2

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

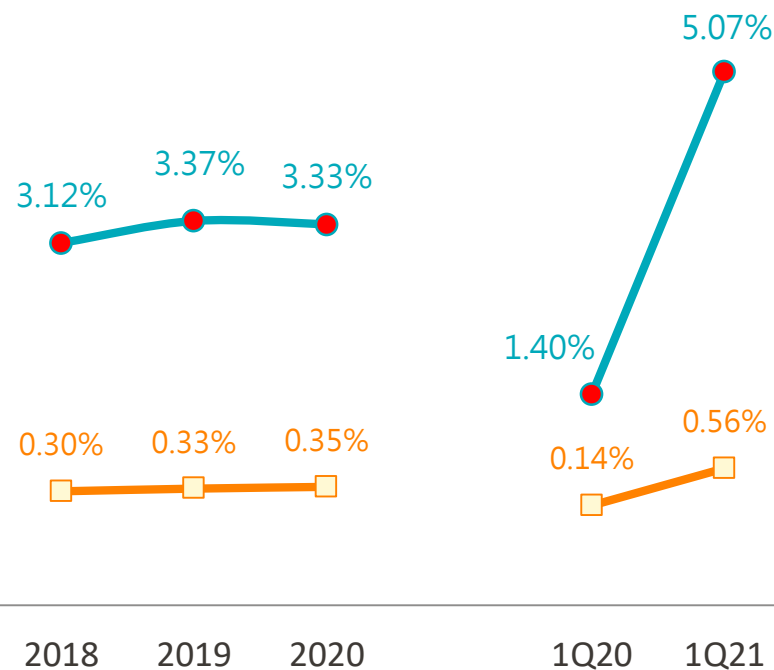
Net Income

NT \$ million



ROE & ROA

● ROE □ ROA



Note : 1Q20、1Q21—annualized ROA & ROE



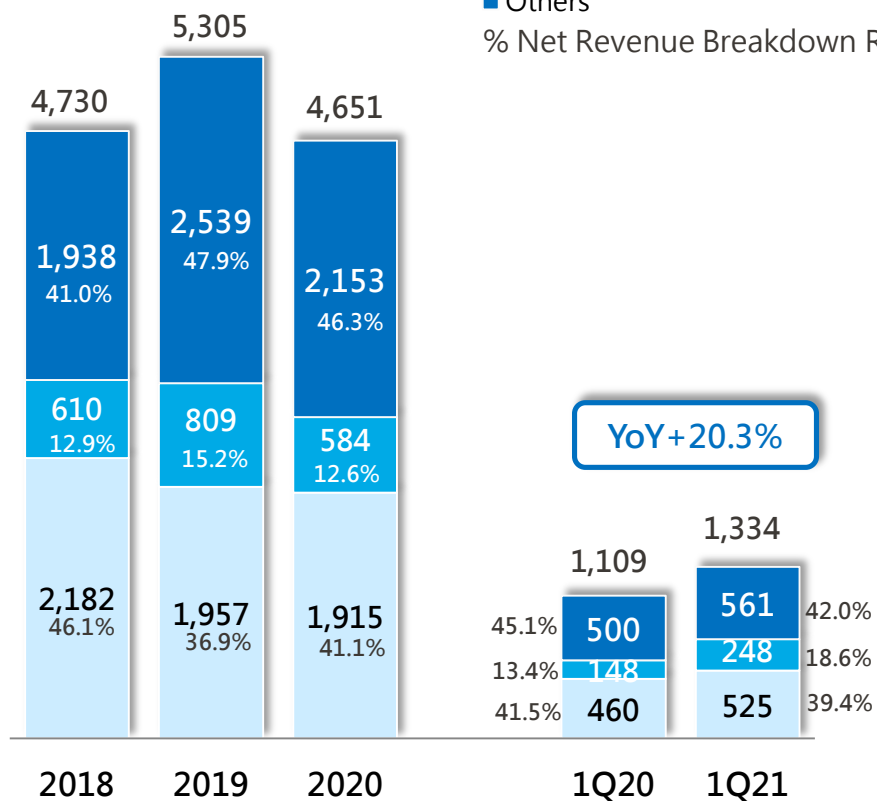
02-2

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

Net Revenue Breakdown

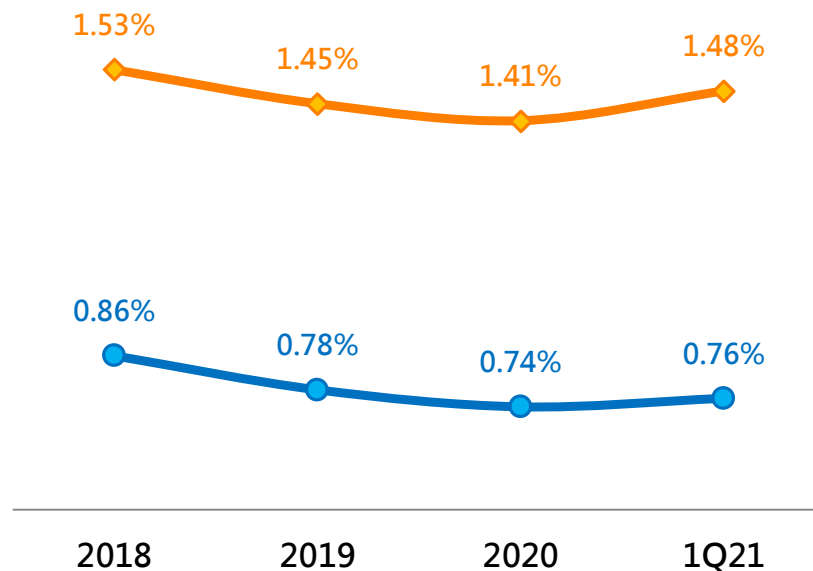
NT \$ million

■ Net Interest Income
■ Fee Income
■ Others
% Net Revenue Breakdown Ratio



NIM & Spread

● NIM ● Spread



Note : 1Q21—annualized NIM & Spread.



02-2

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

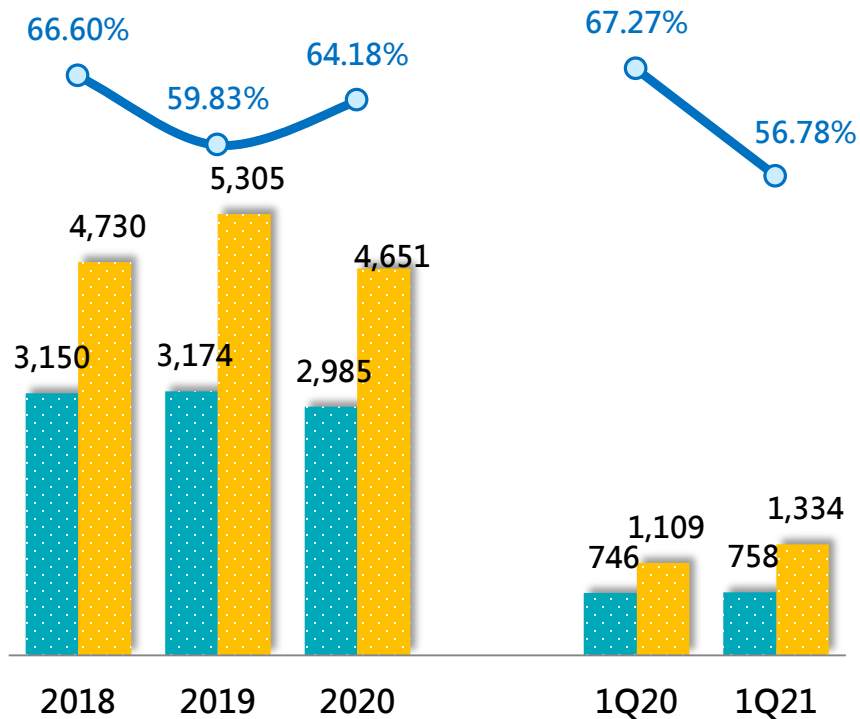
Cost/Income Ratio

NT \$ million

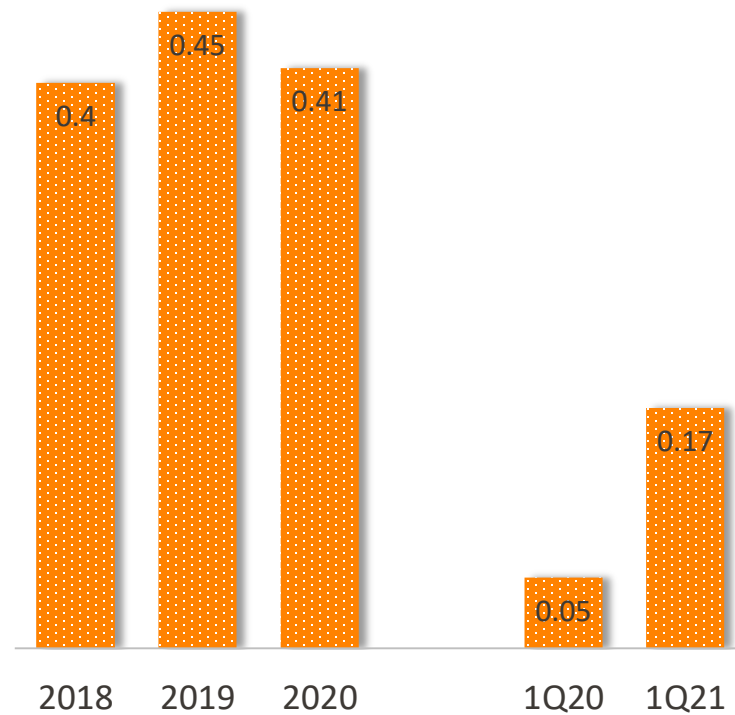
EPS

NT \$

- Operating Expense
- Net Revenue
- Cost Income Ratio



EPS





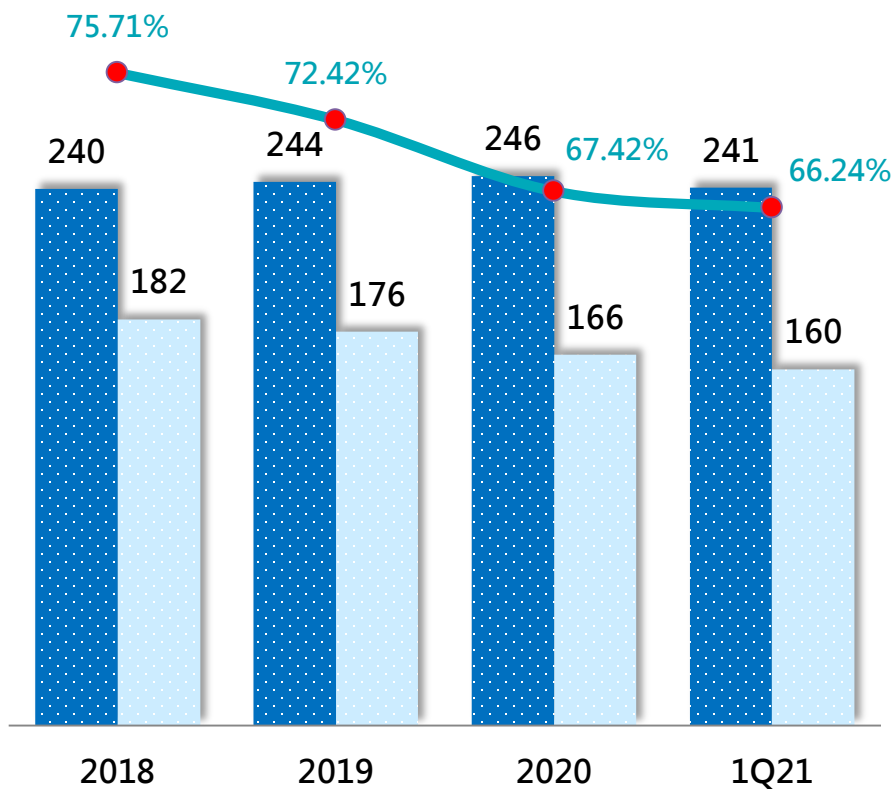
02-2

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

Loan & Deposit

NT \$ billion

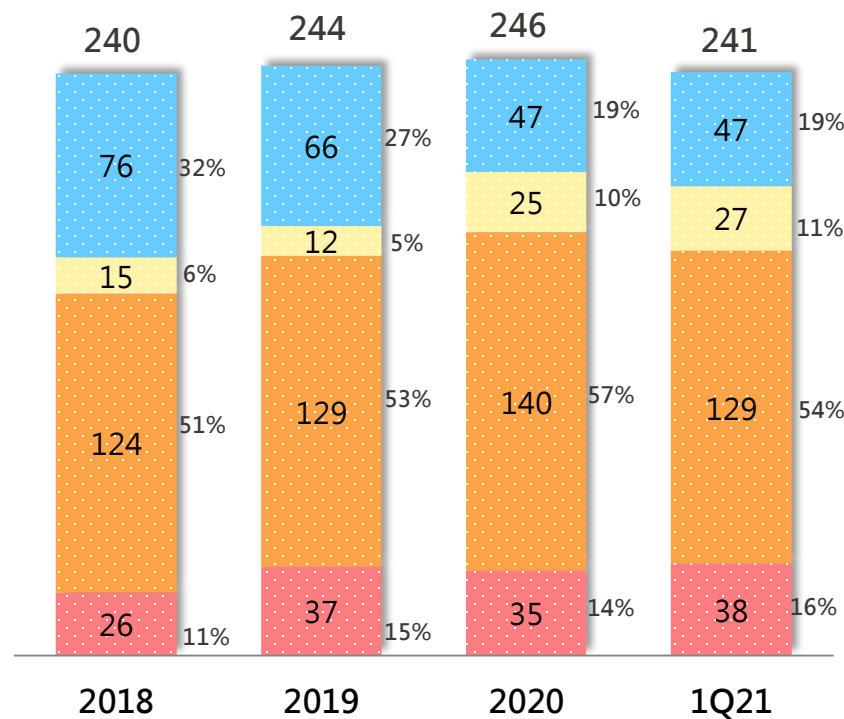
■ Deposit ■ Loan ● LDR



Deposit Breakdown

NT \$ billion

■ FCY Time ■ FCY Demand
■ NTD Time ■ NTD Demand
% Deposit Breakdown Ratio





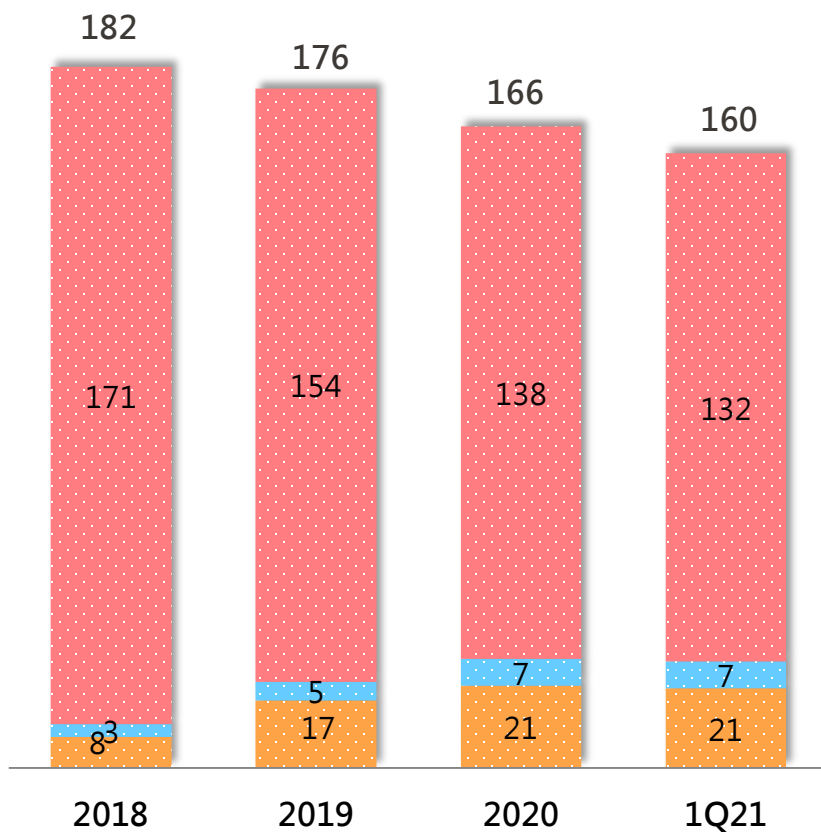
02-2

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

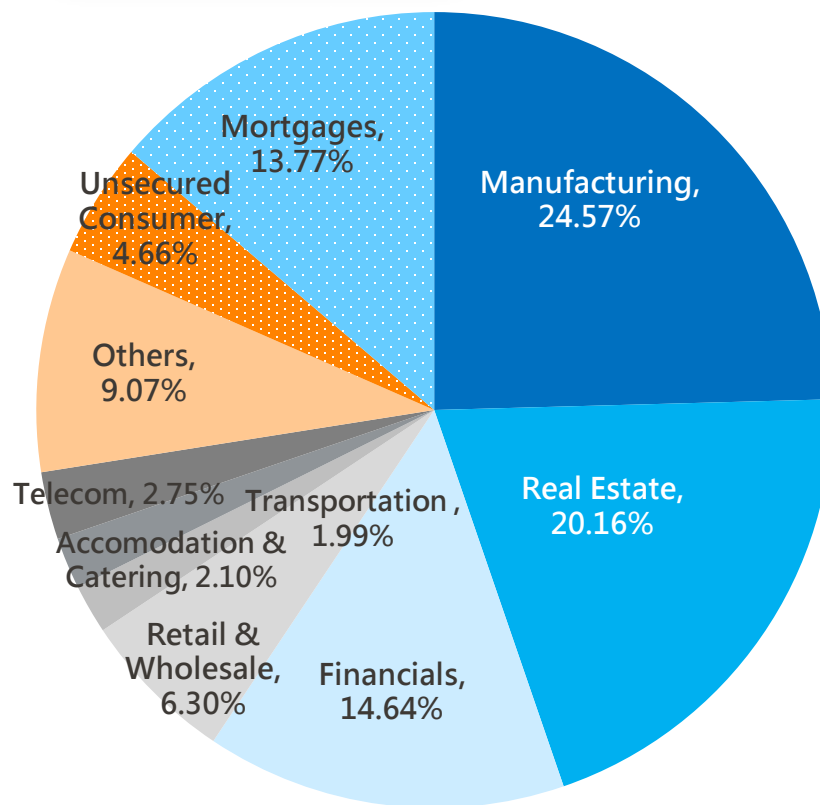
Loan Breakdown

NT \$ billion

■ Corporate Loan ■ Unsecured Consumer ■ Mortgages



Loan Breakdown by Industry



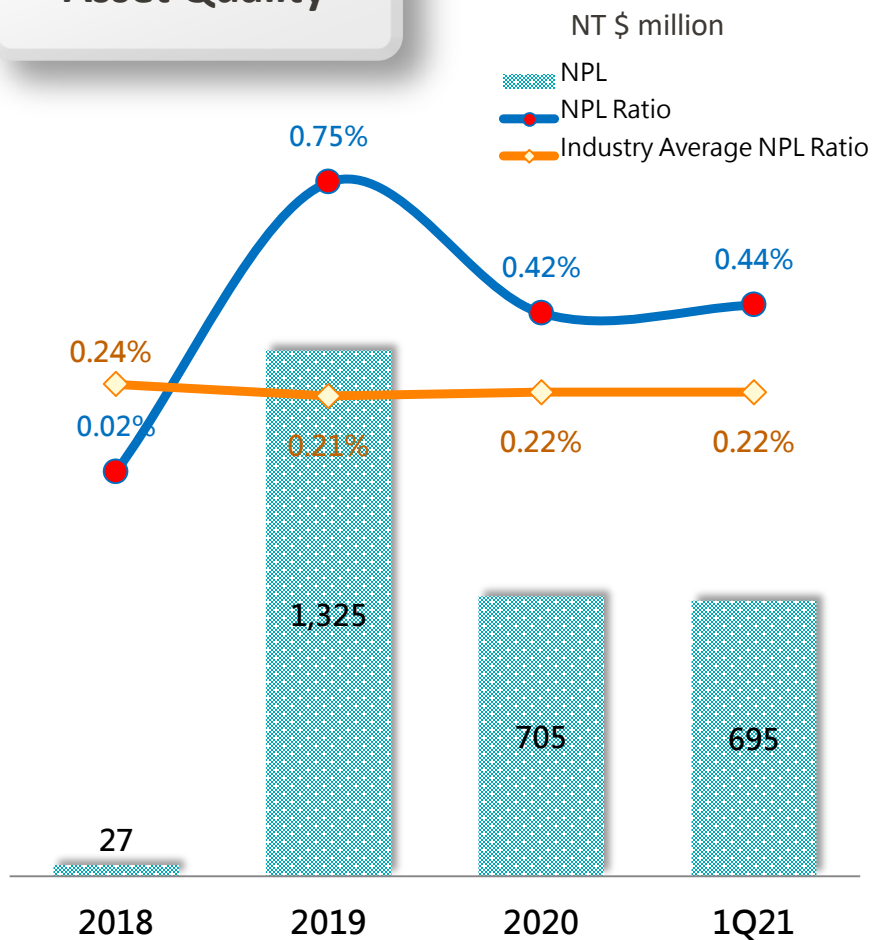
Note: 1Q21 data



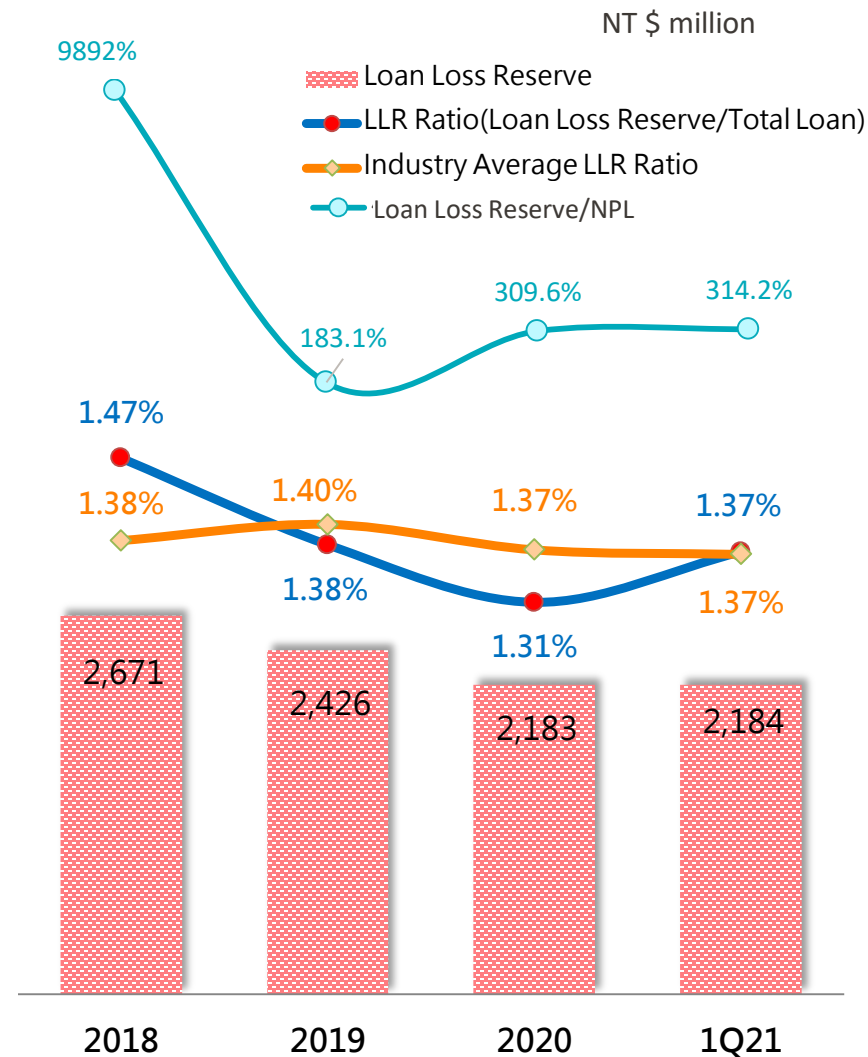
02-2

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

Asset Quality



Note : Source of industry average(2021/02): the Banking Bureau.



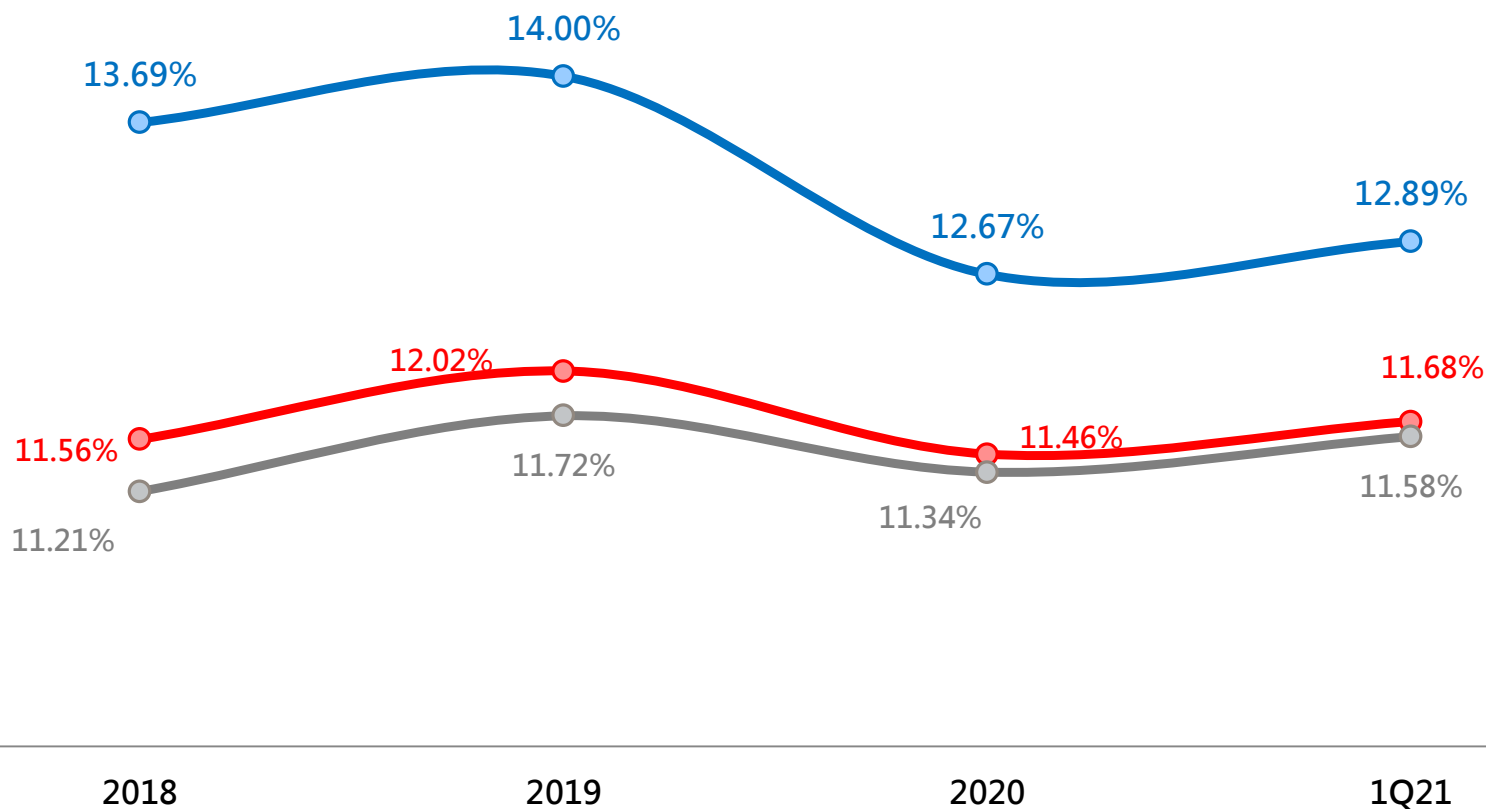


02-2

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

Capital Structure

—●— BIS
—●— Tier I
—●— CET1





02-3

Individual Financial Results

-China Bills Finance Corp.-

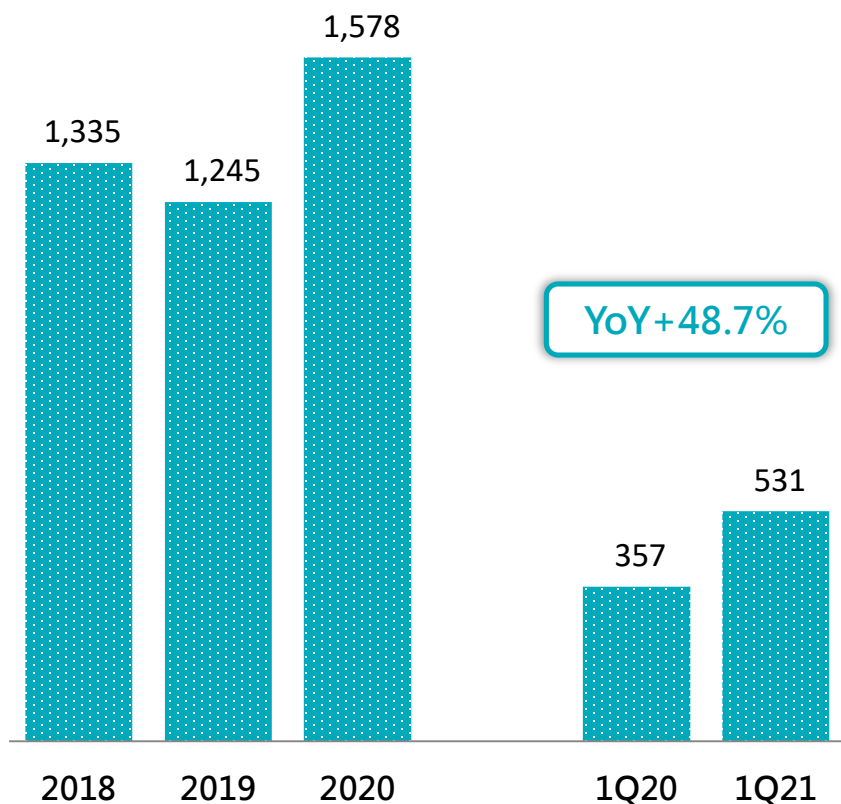


02-3

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

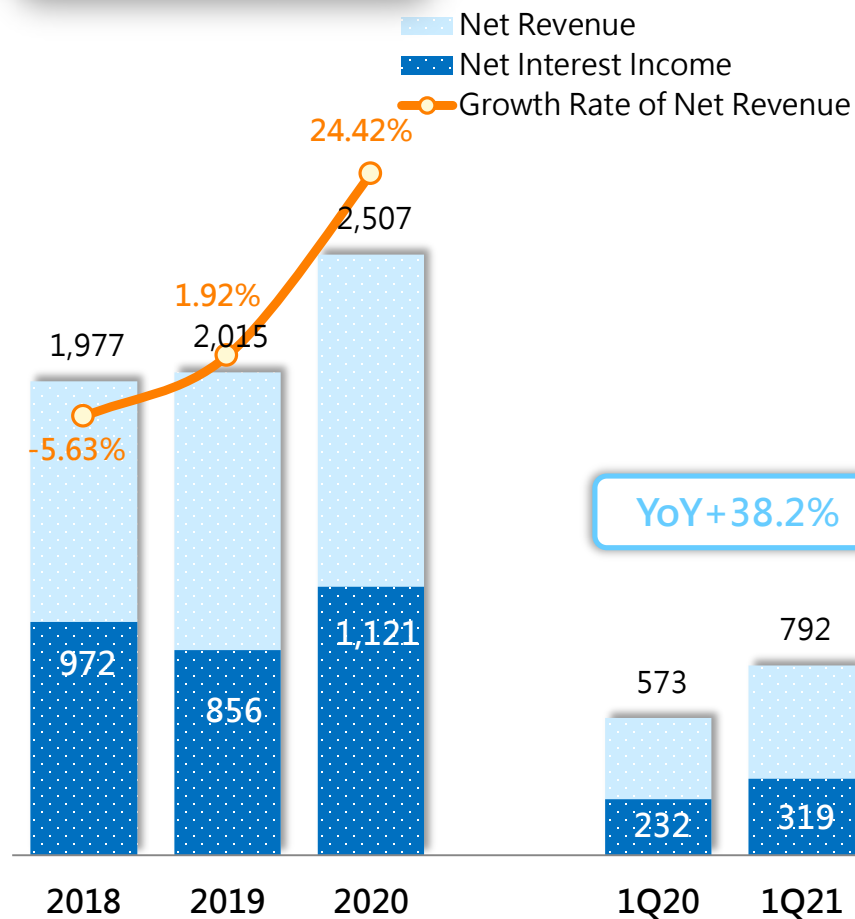
Net Income

NT \$ million



Net Revenue

NT \$ million





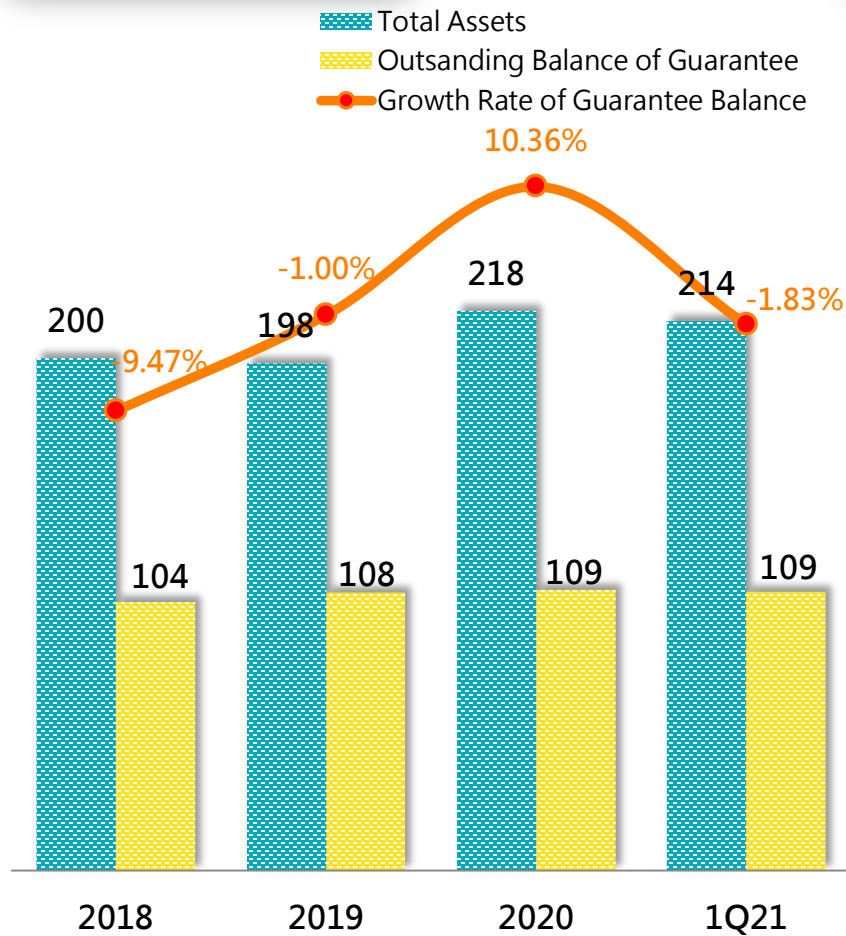
02-3

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

Assets

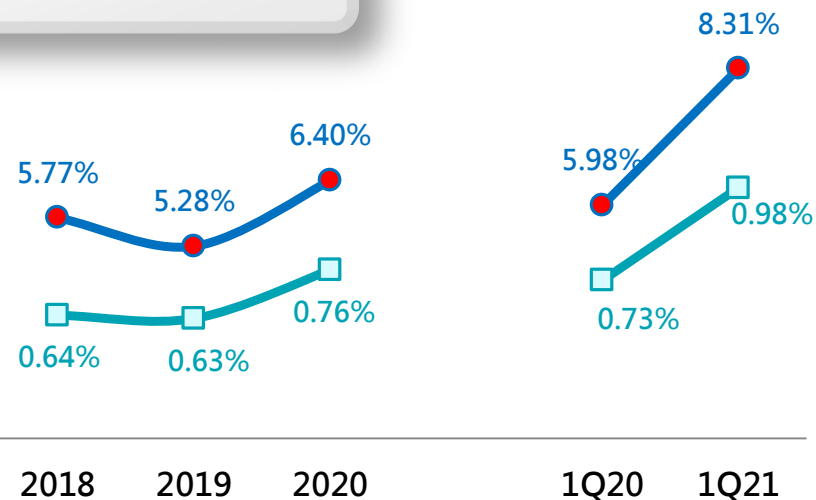
NT \$ billion

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

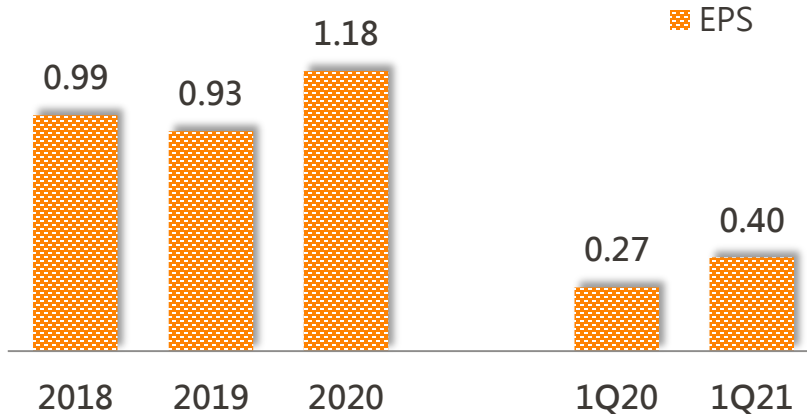


ROE 、 ROA & EPS

ROA ROE



Note: 1Q20 、 1Q21 –annualized ROA & ROE.





02-3

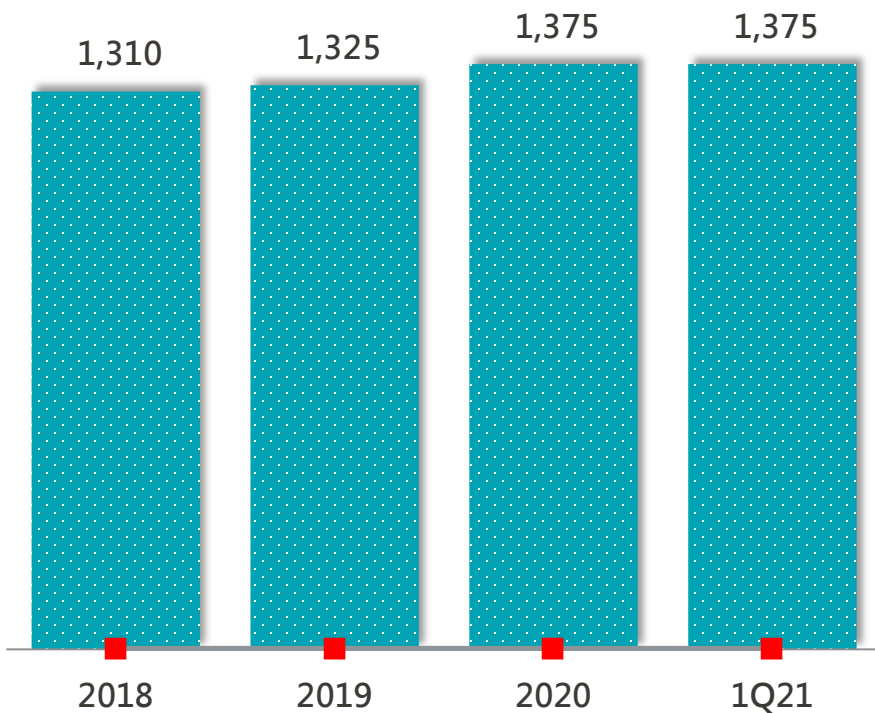
Individual Financial Results: China Bills Finance Corp.(3/3)

NPL & Reserve for Guarantee Liabilities

NT \$ million

■ Reserve for Guarantee Liabilities

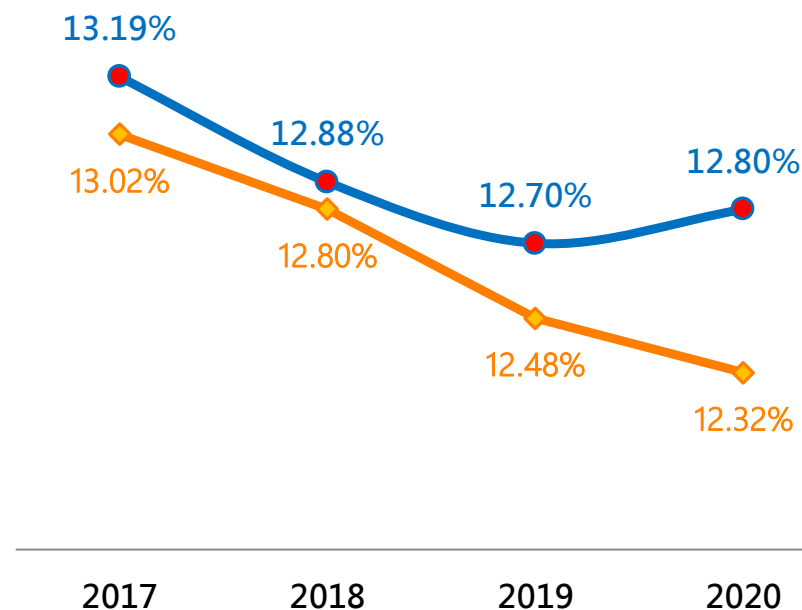
■ NPL Ratio



CAR

● CAR

◆ Tier I





02-4

Individual Financial Results

*-IBT Holdings Corp.
and its Subsidiaries-*

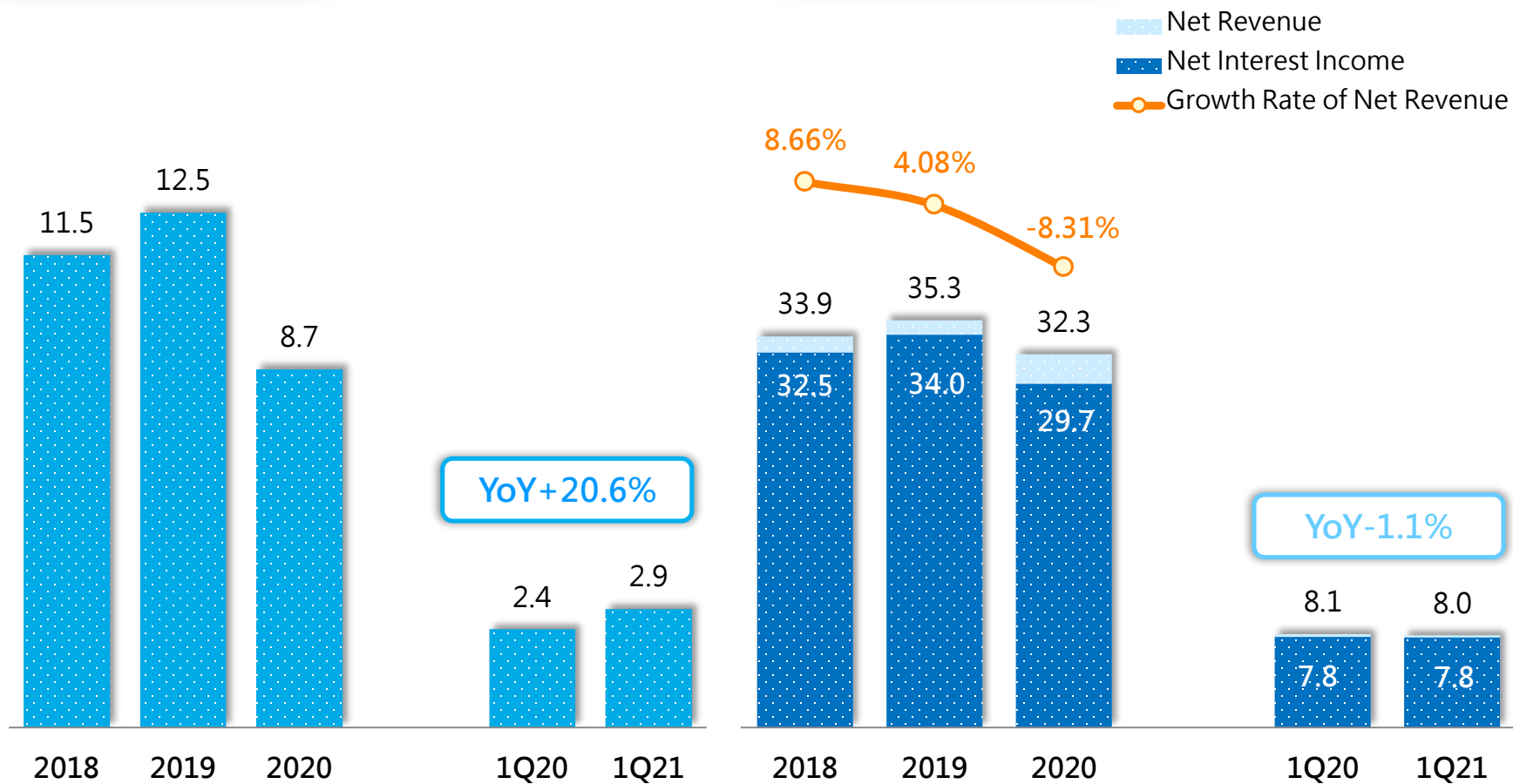
Individual Financial Results:(1/3) IBT Holdings Corp. and its Subsidiaries

Net Income

USD \$ million

Net Revenue

USD \$ million

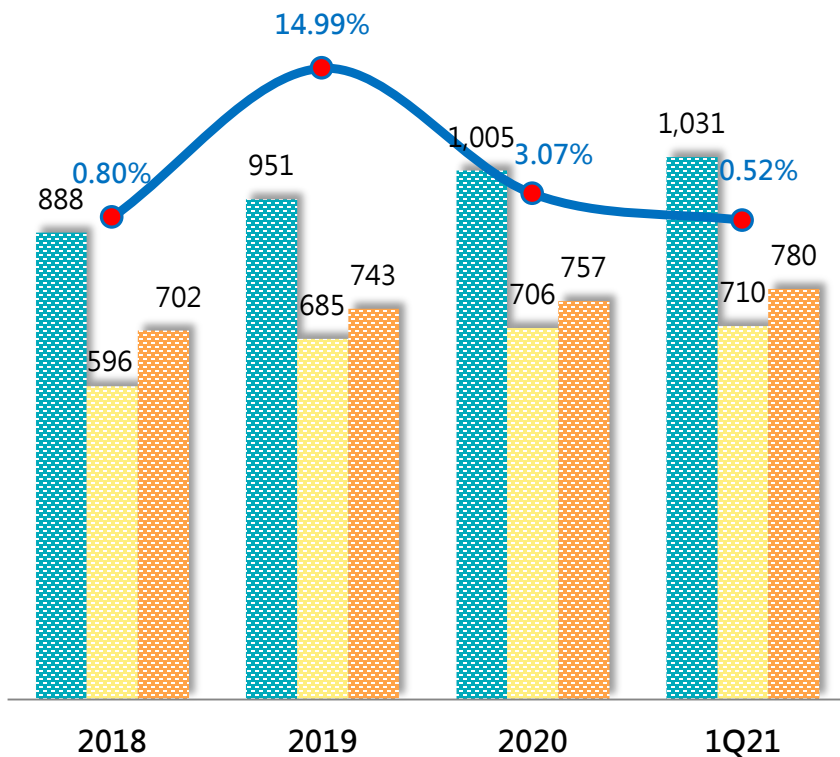


Individual Financial Results:(2/3) IBT Holdings Corp. and its Subsidiaries

Assets 、 Loan & Deposit

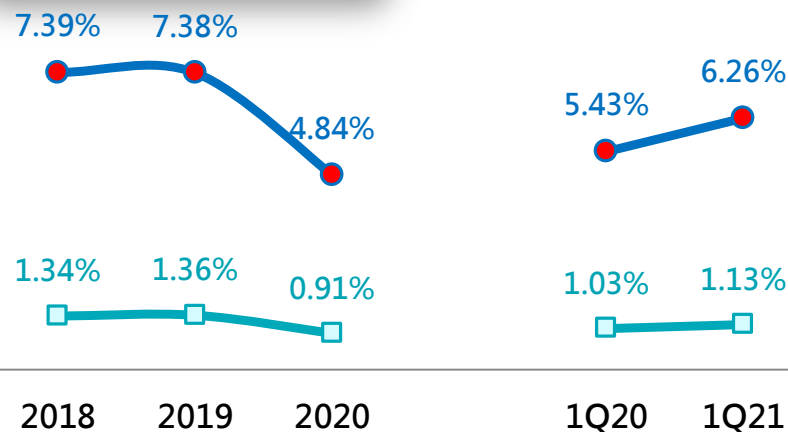
USD \$ million

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



ROE 、 ROA & EPS

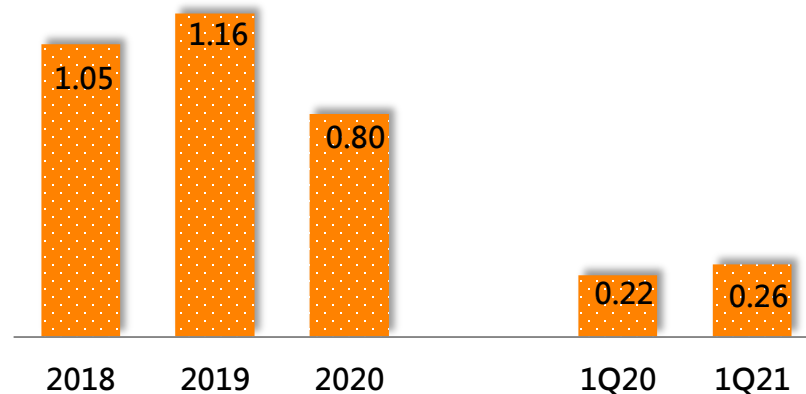
ROE ROA

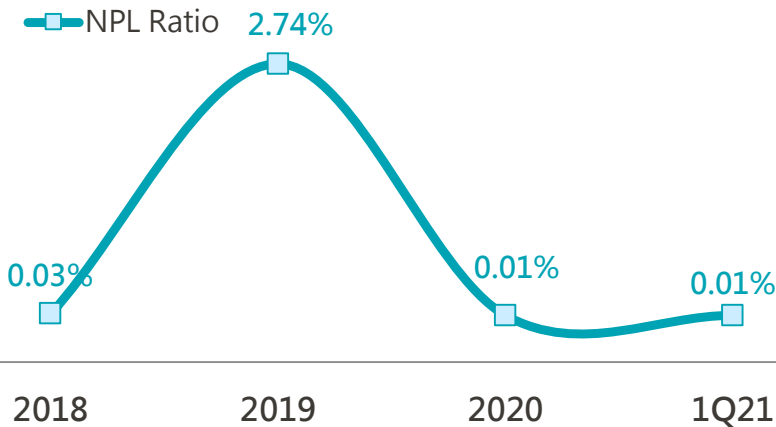
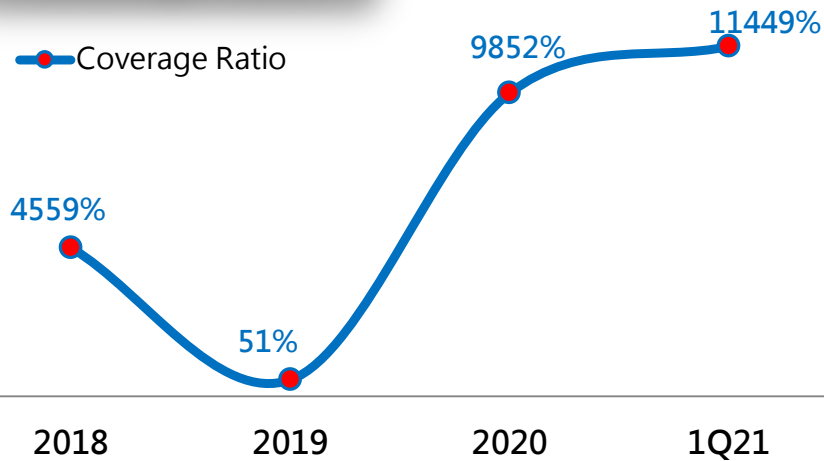


2018 2019 2020

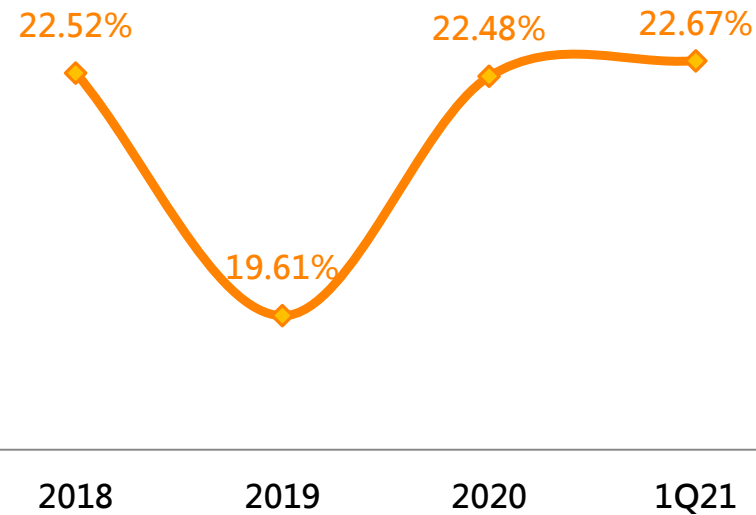
Note: 1Q20 、 1Q21 –annualized ROA & ROE.

EPS



NPL Ratio &
Coverage Ratio

CAR





02-5

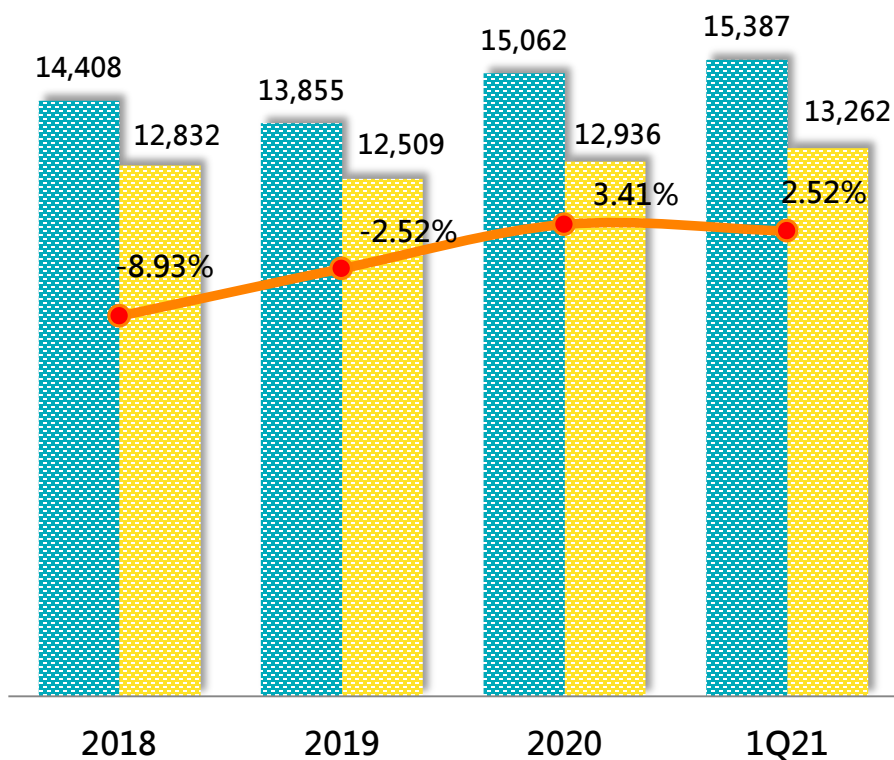
Individual Financial Results

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

Assets

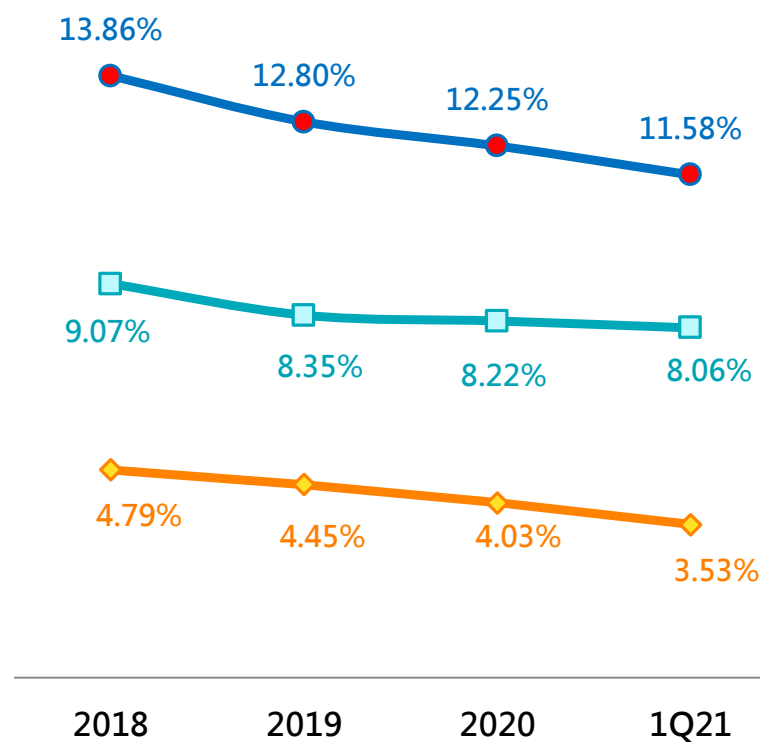
NT \$ million

- Total Assets
- Loan & Receivables
- Growth Rate of Loan & Receivables



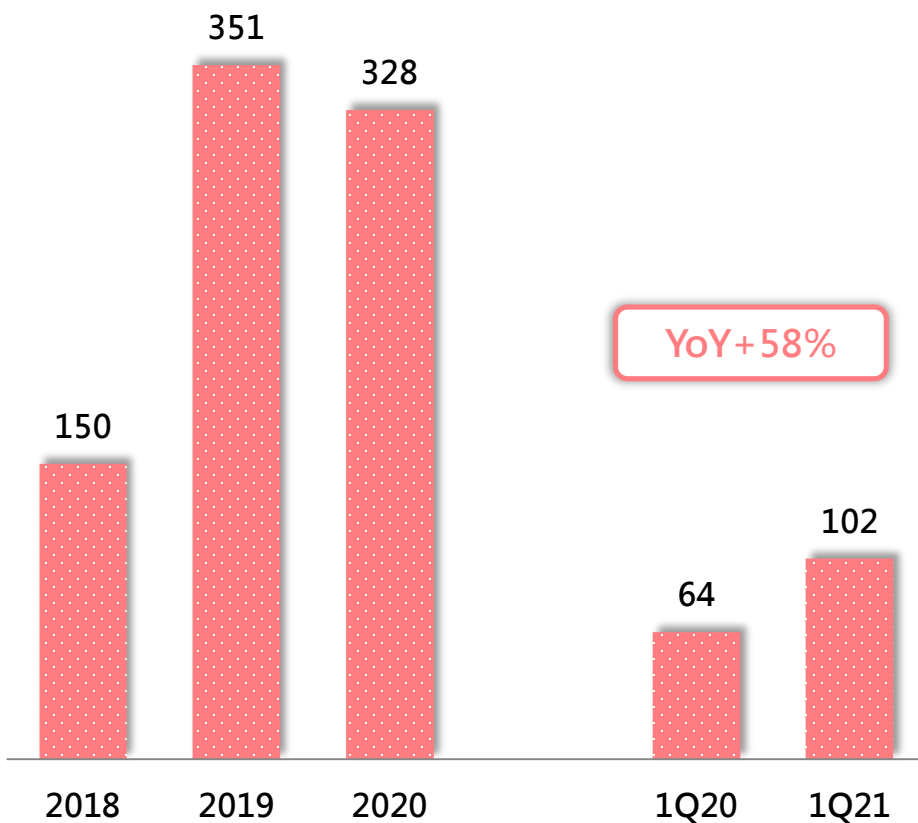
IRR 、 Funding Cost 、 Spread

- IRR
- Funding Cost
- Spread



Net Income

NT \$ million



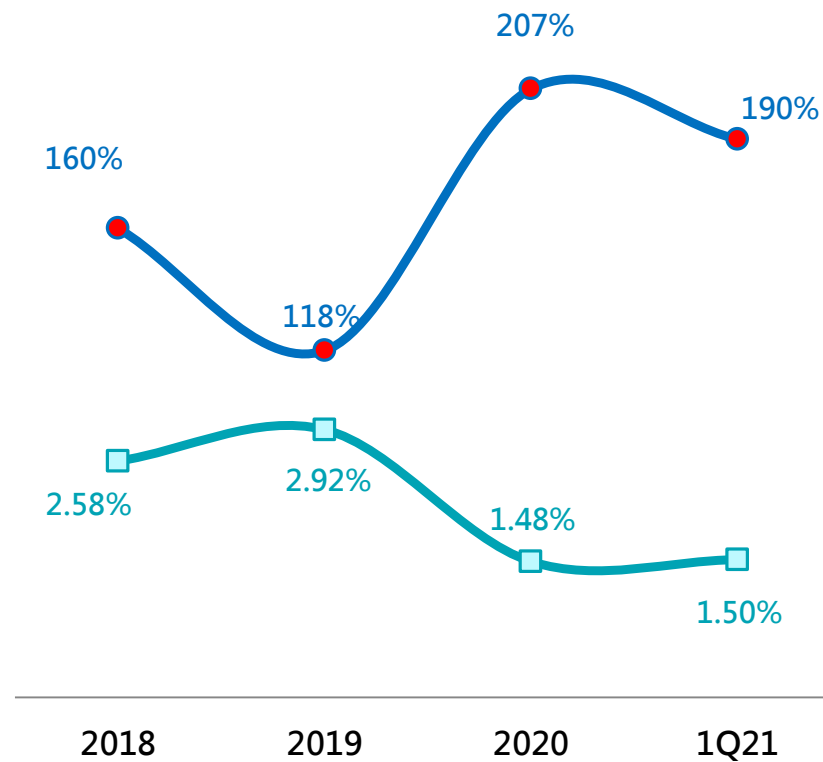
YoY +58%

Note: Net Income exclude IBT VII.

NPL Ratio & Coverage Ratio

● Coverage Ratio

■ NPL Ratio





03

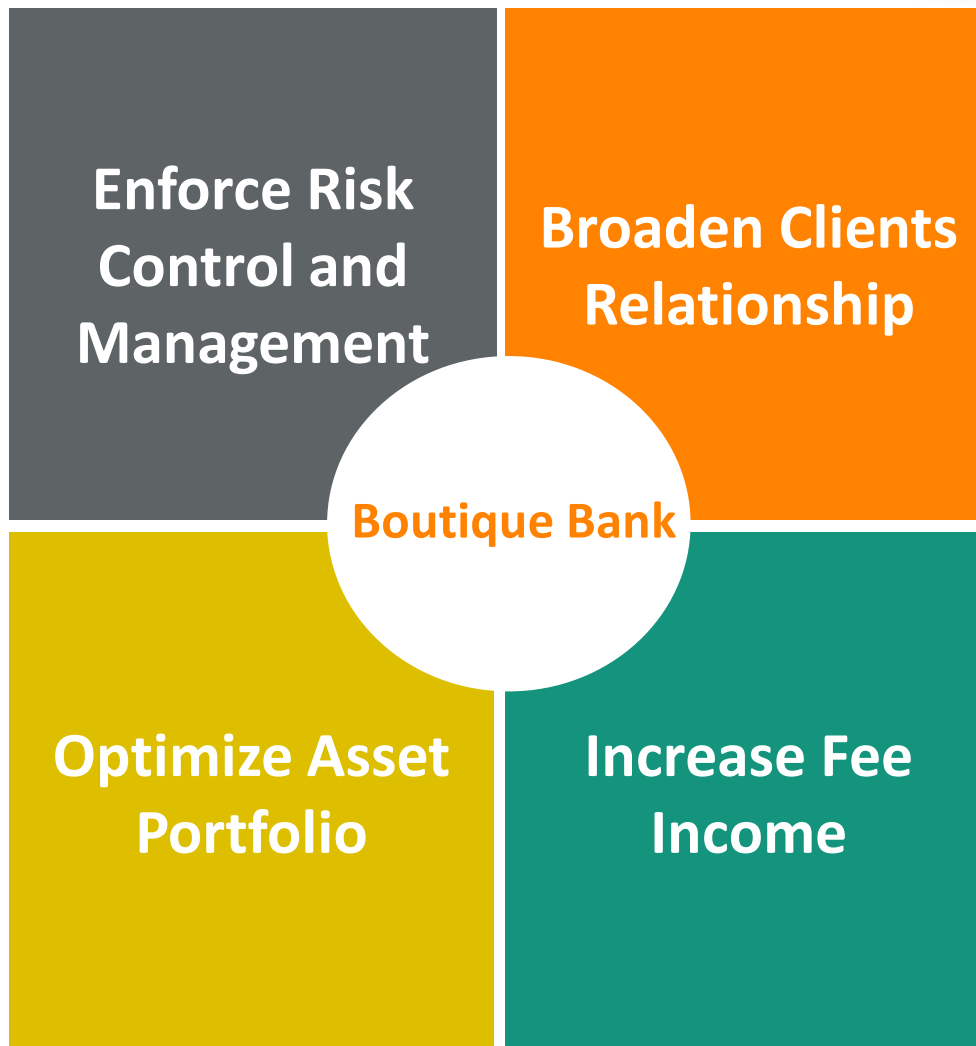
2021

Key Strategic Focuses



03

Corporate Banking Business Strategies



- Strengthen risk management measures.
- Enhance credit quality.

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

- Deepen relationships with jumbo clients while developing mid-market enterprises and green energy companies clientele.
- Provide total solution and become clients' main bank.
- Cultivate various project finance and structured finance and syndicated loan portfolio to maximize fee income.
- Enhance trade finance and foreign exchange.
- Strengthen cross-sale business with wealth management products.

03 Retail Banking Business Strategies

- Establish wealth management business units.
- Leverage on existing corporate banking relationships to wealth management and boost revenue levels.
- Provide customized products and services.
- Increase customer engagement by providing differentiated products and services for different customer segments with the help of big data.
- Strengthen the depth and breadth of customer relationship management.
- Optimize online and offline processes to enhance customer experience.

**Develop
Wealth Management
Business**

**Focus on Consumer
Finance**

Boutique Bank

**Improve Customer
Engagement with
Effective Customer
Relationship
Management**

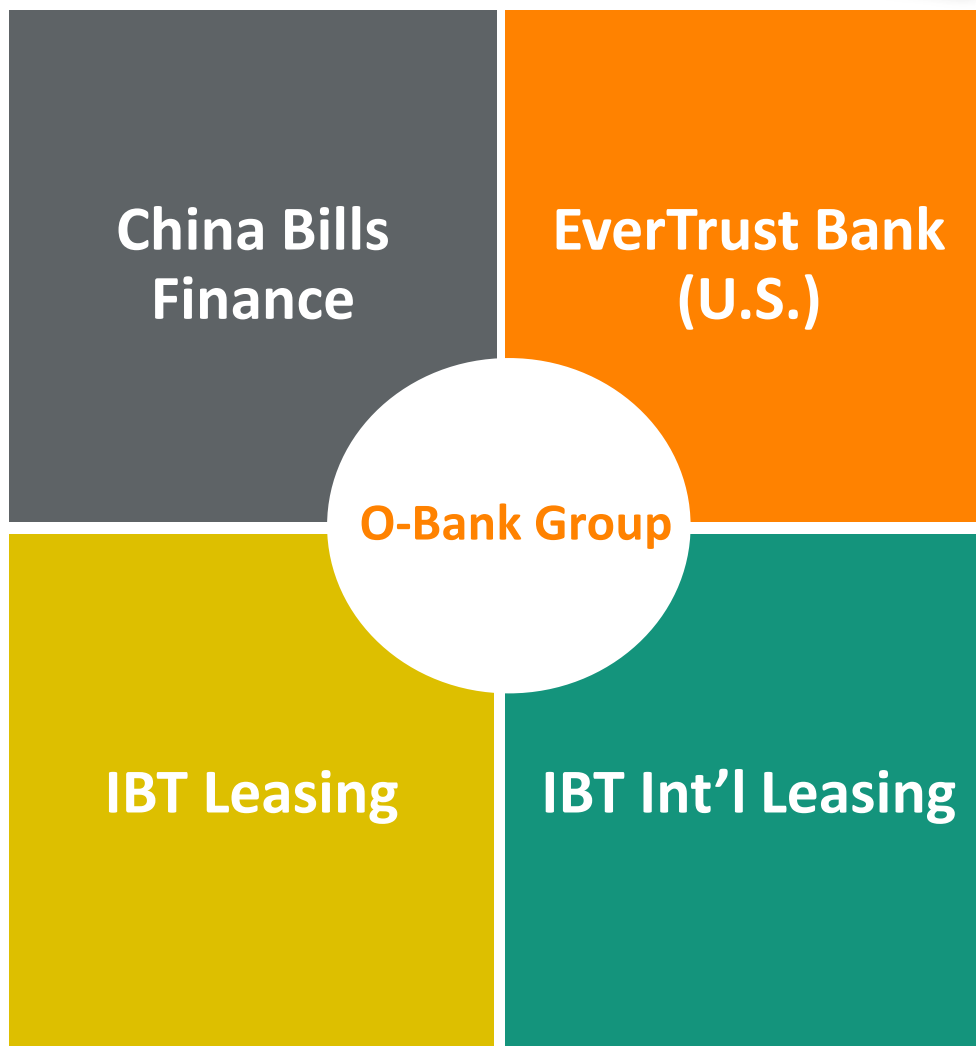
**Focus on FinTech to
Improve Operational
Efficiencies and
Productivity**

- Boost competitiveness by increasing interest spread according to the optimal risk and reward level.
- Optimize customer experiences and improve process efficiencies.
- Continue adopting and develop new technologies.
- Strengthen strategic alliances to expand use case application.



03

Subsidiaries Strategic Overview



- Adjust structure of clientele to improve revenue.
- Maintain zero % NPL ratio.
- Leverage monetary easing and build up investment portfolio.
- Utilize capital synergy to maximize shareholder value.

- Diversify product offerings and build quality portfolio.
- Discover hidden demand in underserved sectors.
- Strive to secure stable earnings.
- Balance between risk management and business growth.

- Strengthen risk management and strict control on asset quality.
- Implement effective spreads management in low interest rate environment.
- Expand mortgage portfolio.
- 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 opportunities in Chinese domestic market.



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04

Appendix

O-Bank-Financial Summary

(NT \$ million)	1Q21	4Q20	3Q20	2Q20	2020	2019	YoY
Income Statement							
Interest income	885	942	960	1,147	4,360	5,764	-24%
Interest expense	(360)	(415)	(495)	(685)	(2,445)	(3,806)	-36%
Net interest income	525	527	465	462	1,915	1,957	-2%
Fee income	248	123	176	137	584	809	-28%
Equity in the income of investees	336	211	347	218	990	1,098	-10%
Other income	225	231	296	349	1,163	1,440	-19%
Net revenue	1,334	1,092	1,284	1,167	4,651	5,305	-12%
Provision expense	(50)	(70)	(59)	(53)	(430)	(921)	-53%
Operating expense	(758)	(728)	(762)	(749)	(2,985)	(3,174)	-6%
Net profit B/T	527	294	462	366	1,236	1,210	2%
Net profit A/T	454	252	441	339	1,147	1,100	4%
Balance Sheet							
Loans, net	157,505	163,917	171,497	174,728	163,917	173,981	-6%
Deposits	241,091	246,421	251,482	252,371	246,421	243,645	1%
Total assets	321,247	328,854	340,806	348,766	328,854	335,253	-2%
Total stockholders' equity	36,090	35,556	33,000	32,567	35,556	33,259	7%
Key Ratios(%)							
ROA(A/T)	0.14	0.08	0.13	0.10	0.35	0.33	
ROE(A/T)	1.27	0.73	1.32	1.03	3.33	3.37	
NPL	0.44	0.42	0.57	0.72	0.42	0.75	
Tier I	11.68	11.46	10.74	10.69	11.46	12.02	
CAR	12.89	12.67	12.12	12.32	12.67	14.00	

CBF-Financial Summary

(NT \$ million)	1Q21	4Q20	3Q20	2Q20	2020	2019	YoY
Income Statement							
Interest income	436	455	460	476	1,902	2,010	-5%
Interest expense	(117)	(135)	(158)	(209)	(781)	(1,154)	-32%
Net interest income	319	320	301	267	1,121	856	31%
Fee income	356	293	309	302	1,192	983	21%
Other income	116	32	78	32	194	175	11%
Net revenue	792	645	687	601	2,507	2,015	24%
Reversal	(6)	36	(3)	(0)	32	4	612%
Operating expense	(129)	(123)	(123)	(119)	(484)	(457)	6%
Net profit B/T	668	486	568	482	1,992	1,553	28%
Net profit A/T	531	384	456	381	1,578	1,245	27%
Balance Sheet							
Total assets	213,904	218,284	224,527	199,786	218,284	197,540	11%
Total stockholders' equity	25,680	25,449	24,678	24,069	25,449	23,855	7%

IBT Holdings-Financial Summary

(USD \$ thousand)	1Q21	4Q20	3Q20	2Q20	2020	2019	YoY
Income Statement							
Interest income	9,018	9,467	8,588	8,740	37,332	45,803	-18%
Interest expense	(1,247)	(1,429)	(1,585)	(1,878)	(7,589)	(11,800)	-36%
Net interest income	7,771	8,038	7,002	6,862	29,743	34,003	-13%
Fee income	174	163	208	196	705	651	8%
Other income	23	215	919	658	1,873	596	214%
Net revenue	7,968	8,416	8,129	7,716	32,322	35,250	-8%
Provision expense	0	(170)	0	(3,500)	(4,080)	(370)	1003%
Operating expense	(3,538)	(4,114)	(3,756)	(3,001)	(14,842)	(15,501)	-4%
Net profit B/T	4,430	4,133	4,373	1,214	13,400	19,379	-31%
Net profit A/T	3,127	2,920	3,088	865	9,465	13,598	-30%
Minority interest	(257)	(240)	(254)	(71)	(779)	(1,119)	-30%
Consolidated net income	2,870	2,680	2,834	793	8,686	12,479	-30%
Balance Sheet							
Loans, net	698,394	694,328	681,060	657,582	694,328	673,018	3%
Deposits	780,055	756,907	738,137	676,774	756,907	742,556	2%
Total assets	1,030,690	1,005,173	988,895	924,394	1,005,173	950,879	6%
Total stockholders' equity	186,727	184,555	181,962	179,837	184,555	175,566	5%

IBT Leasing-Financial Summary*

(NT \$ million)	1Q21	4Q20	3Q20	2Q20	2020	2019	YoY
Income Statement							
Interest income	259	248	219	211	920	1,046	-12%
Fee income	61	81	69	60	241	253	-5%
Other income	8	3	21	1	25	35	-29%
Sales revenue, net	327	331	309	272	1,186	1,335	-11%
Operating costs	(70)	(58)	(52)	(67)	(260)	(377)	-31%
Gross Profit	257	274	257	205	926	957	-3%
Provision expense	10	(27)	27	(17)	(12)	(87)	-86%
Operating expense	(135)	(136)	(126)	(110)	(481)	(488)	-1%
Non-operating income	86	190	44	12	269	128	110%
Non-operating expense	(37)	(96)	(24)	31	(145)	(57)	157%
Net profit B/T	181	204	178	121	556	453	23%
Net profit A/T	118	109	140	108	389	369	5%
Minority interest	0	0	0	0	0	0	-
Consolidated net income	118	109	140	108	389	369	5%
Balance Sheet							
Total assets	15,387	15,062	13,363	12,649	15,062	13,855	9%
Total stockholders' equity	2,876	2,784	2,634	2,437	2,784	2,361	18%

*Include IBT VII Venture Capital Co.,Ltd