

Security Code : 2897.TW

O-Bank

# 2023 Business Review

07 Mar 2024

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# Agenda

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**2023 Operation Highlights**

02

**2023 Financial Results**

03

**Key Strategic Focuses**

04

**Appendix**



# 01

2023

Operation Highlights



01

## 2023 Operation Highlights

1

## Operating Performance

Excluding the One-Off Gain Resulting from the Lease Merger Case in 2022, Both Standalone Net Profits After Tax and EPS Achieved Record Highs in 2023

NTD million

O-Bank	2023	2022	YoY	2022 Excluding the One-Off Gain	YoY Excluding the One-Off Gain
Consolidated Net Revenues	9,544	12,121	-21%	8,907	7%
Consolidated Net Profits After Tax	3,426	5,808	-41%	2,778	23%
Standalone Net Revenues	6,867	9,064	-24%	5,850	17%
Standalone Net Profits After Tax	2,492	5,034	-50%	2,004	24%
Earnings Per Share (EPS, NT\$)	0.87	1.80	-52%	0.69	26%

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



01

# 2023 Operation Highlights

1

## Operating Performance

Standalone Net Profits Before Tax  
from Bank Only (excluding associated subsidiaries)  
Reached a Record High

NTD million

O-Bank	2023	2022	YoY
<b>Standalone Net Revenues</b> (Excluding share of profit of associates subsidiaries and accounted for using equity method)	5,997	4,773	26%
<b>Standalone Net Profits Before Tax</b> (Excluding share of profit of associates subsidiaries and accounted for using equity method)	1,932	951	103%



# 01

## 2023 Operation Highlights

### 1

### Operating Performance

Main Subsidiaries	2023		2022		YoY (Net Profits After Tax)
	Net Profits After Tax (NT\$ million)	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ million)	Earnings Per Share(EPS)	
China Bills Finance	1,289	NTD \$0.96	1,040	NTD \$0.77	24%
EverTrust Bank	130	USD \$0.36	346	USD \$0.99	-63%

- EverTrust Bank's 2023 profits declined compared to 2022 due to a commercial real estate loan default. A full provision for this overdue case was completed by December 2023.



# 01

## 2023 Operation Highlights

### 2

#### Capital Adequacy & Asset Quality

#### Maintained a Stable Capital Adequacy & Exhibited a Favorable Asset Quality

- As of the end of 2023, O-Bank's BIS Ratio was 13.97%, Tier1 Capital Ratio was 12.54%, and CET1 Ratio was 12.36%.
- As of the end of 2023, O-Bank's NPL ratio was 0.09% and loan loss coverage ratio was 1,507%. The asset quality demonstrated strong performance.





# 01

## 2023 Operation Highlights

### 3

### Awards & Recognitions

Ranked No.1 among Taiwan's Financial Institutions, No.2 among All Listed Companies in Taiwan in Sustainalytics' ESG Risk Ratings



- As of the end of February 2024, O-Bank scored 7.6, ranked No.1 among Taiwan's financial institutions, No.2 among all listed companies in Taiwan and Top 1% of globally rated companies in the publishing of **Morningstar Sustainalytics' ESG Risk Ratings**. Based on the rankings, O-Bank was included within the "ESG Industry Top Rated" worldwide and among the "ESG Regional Top Rated" for Asia/Pacific.
- As of the end of February 2024, O-Bank achieved an excellent ESG rating of 4.3 out of 5 from **FTSE Russell**, a renowned index company under the London Stock Exchange Group.
- O-Bank participated for the first time in the **Carbon Disclosure Project (CDP)** assessment in 2023 and achieved an exemplary "A-" score, attaining the Leadership Level.
- Received six "**2023 Taiwan Corporate Sustainability Awards**" from the Taiwan Institute for Sustainable Energy (TAISE), including the "Excellent Sustainability Comprehensive Performance Award" in the Corporate Comprehensive Performance Awards category, the "Corporate Sustainability Report Silver Award" in the Finance and Insurance category, as well as the "Social Inclusion Leadership Award," "Gender Equality Leadership Award," "Workplace Wellbeing Leadership Award," and "Creative Communication Leadership Award" in the Corporate ESG Performance Awards category.
- Ranked Top 5% in the TWSE's "**2022 Corporate Governance Evaluation**" among TWSE listed companies. Also awarded the certificate of **Corporate Governance System Assessment CG6014(2023)** by the Taiwan Corporate Governance Association, recognizing the highest certification level as "Outstanding".
- Received the "Best Online Bank Award" of "**2023 Excellent Bank Award**," "Best Digital Innovation Award" and "Best Digital Inclusive Financing Award" of "**2023 Digital Financial Award**" from Commercial Times.



# 02

## 2023

### Financial Results

**02-1** Consolidated Financial Results

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

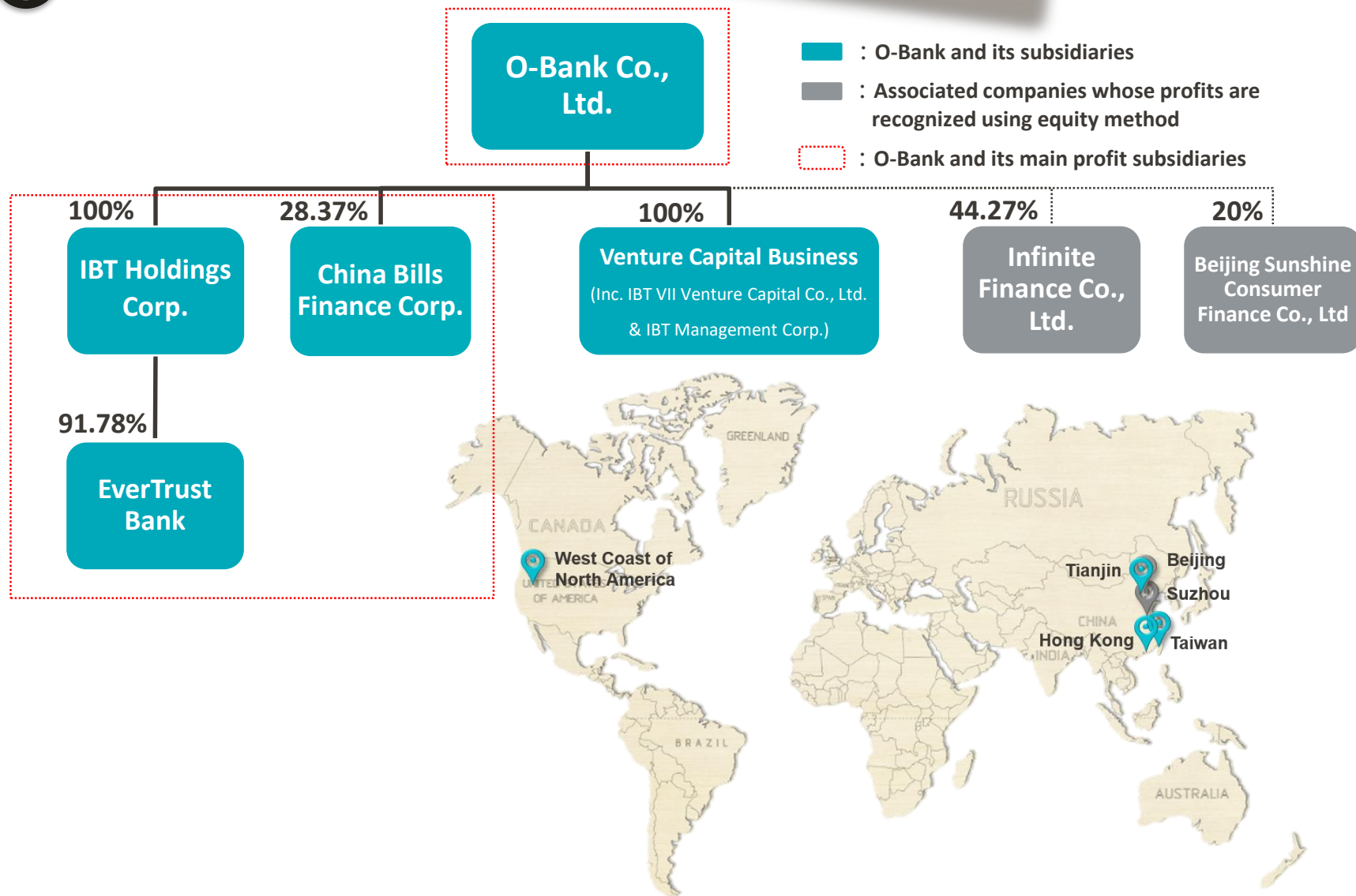
**02-3** Individual Financial Results:  
China Bills Finance Corp.

**02-4** Individual Financial Results:  
EverTrust Bank



# 02

## O-Bank's Main Subsidiaries and Associated Companies



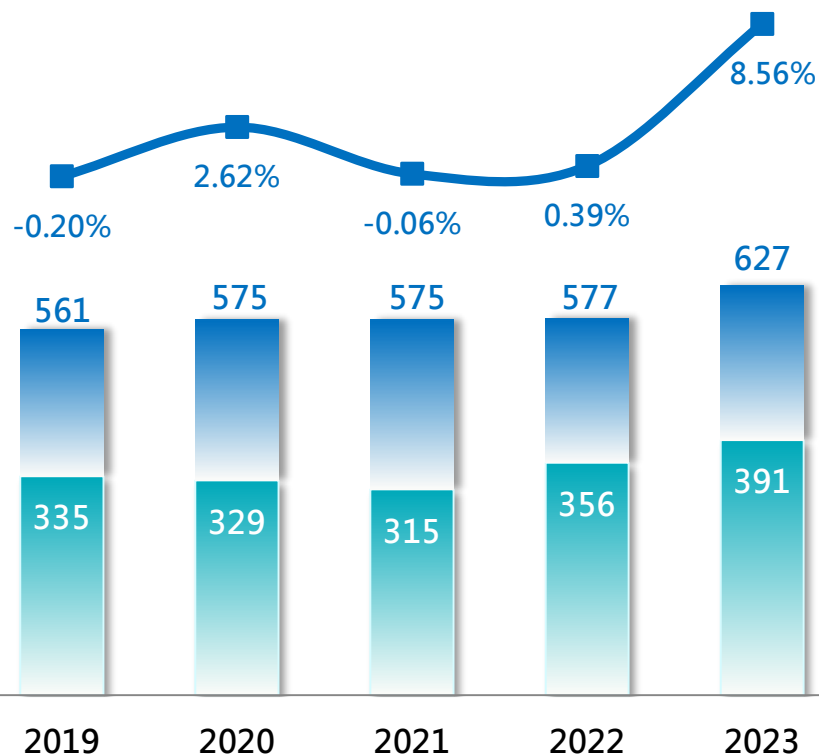
**02-1**

## **Consolidated Financial Results**

# 02-1 Consolidated Financial Results

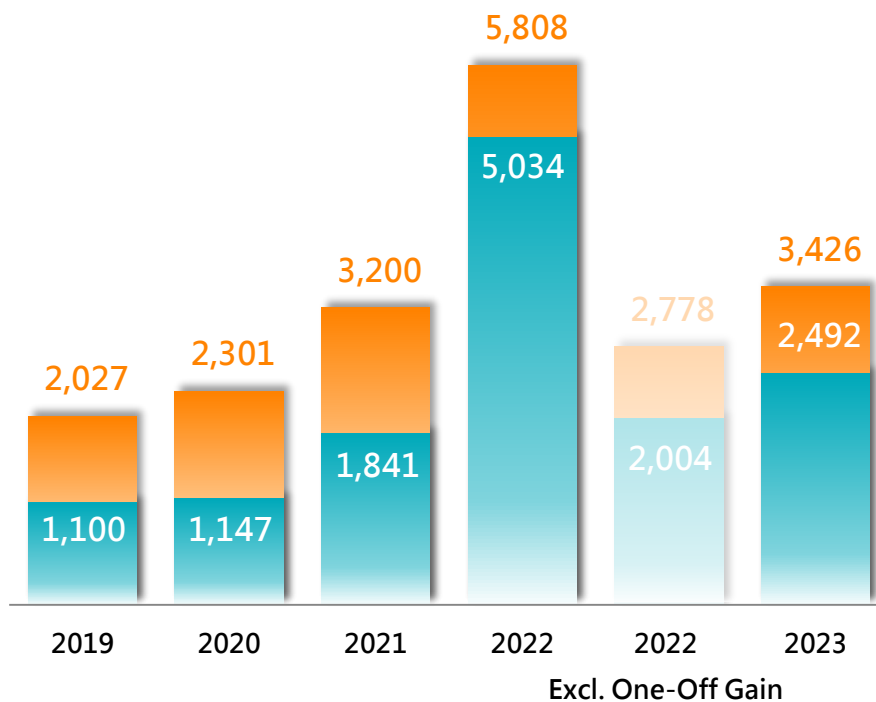
## Total Assets

■ Total Assets  
■ Total Assets to Parent Company  
■ Growth Rate



## Net Profit

■ Net Profit  
■ Net Profit Attributable to Parent Bank

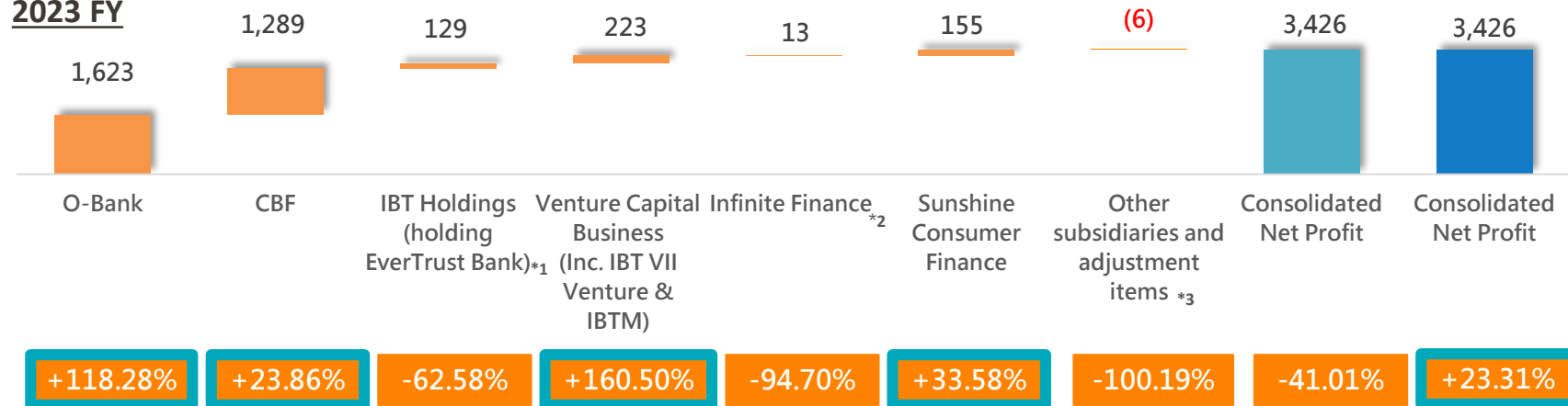


# 02-1 Consolidated Financial Results

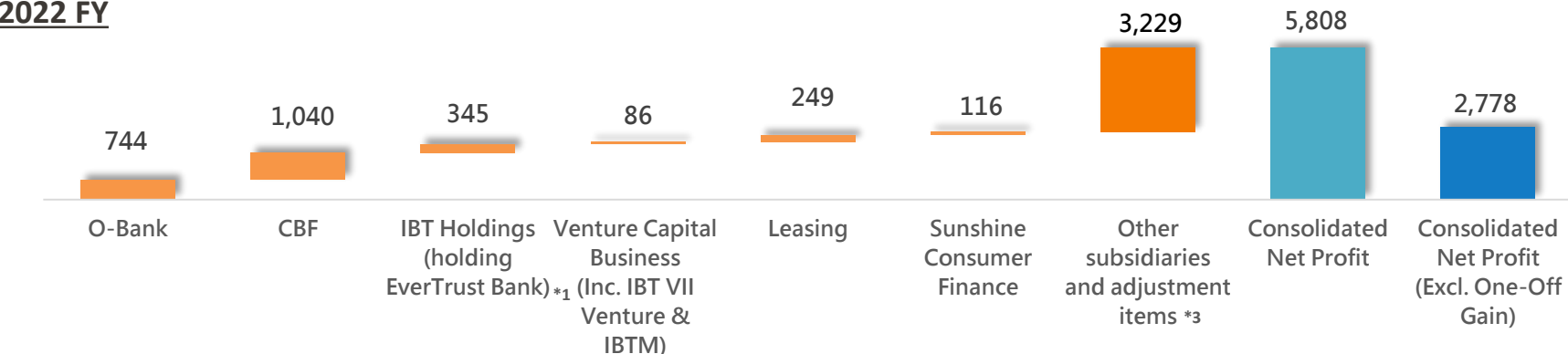
## Net Profit Compositions (by Business Unit)

NT \$ million

### 2023 FY



### 2022 FY



Note 1: The net profit on this page for IBT Holdings is presented on a consolidated base, including IBT Holdings itself and 100% EverTrust Bank.

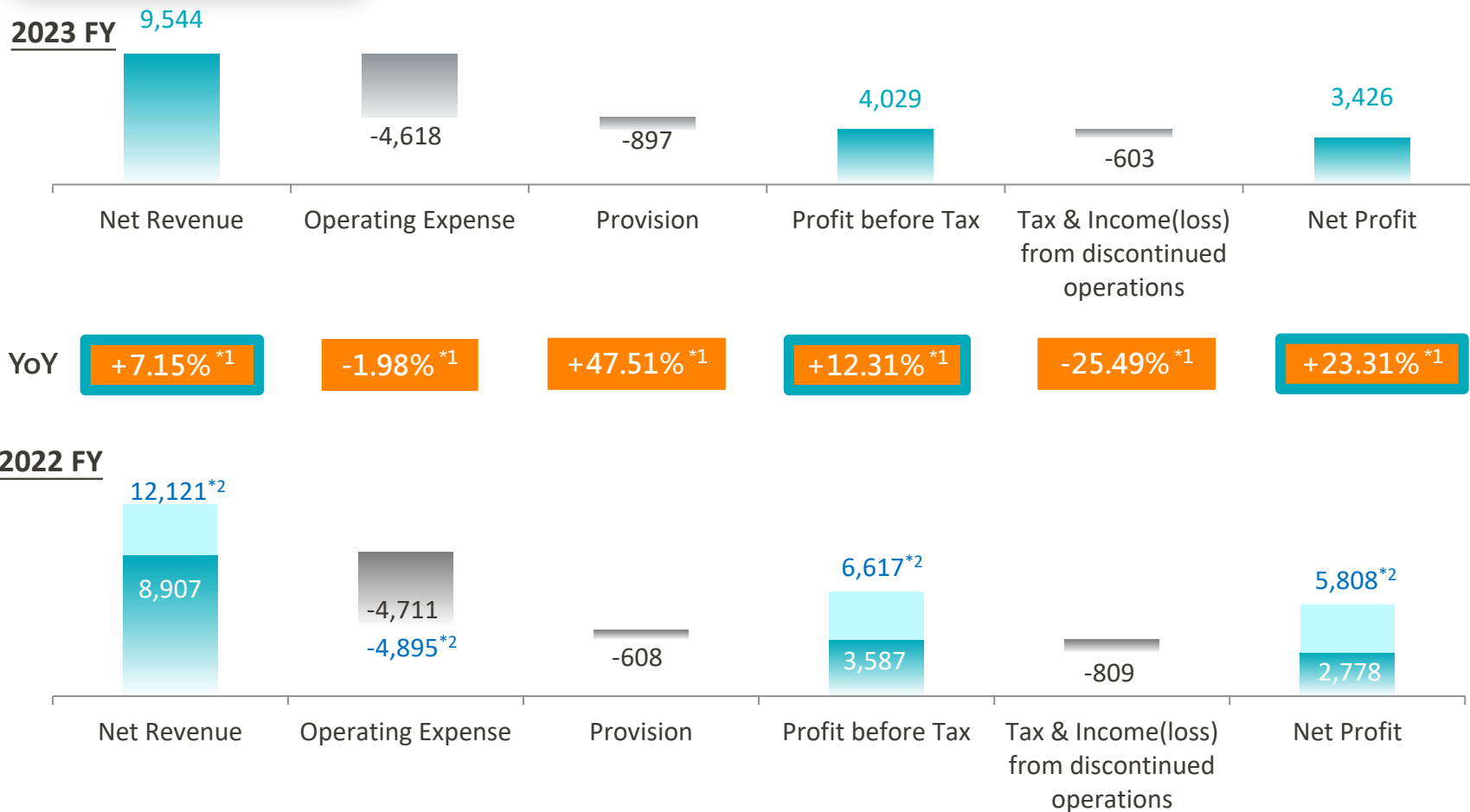
Note 2: In 2023, O-Bank recognized an investment income of NT\$233 million from Infinite Finance, net of amortization expenses related to Purchase Price Allocation (PPA) arising from leasing company merger. The Bank's net profit recognized from this investment amounted to approximately NT\$13 million.

Note 3: Other subsidiaries include Chun Teng New Century Co., Ltd.(in liquidation). Adjustment items primarily relate to accounting principle adjustments. 2022 FY also including one-off gain approximately NT\$ 3 billion.

# 02-1 Consolidated Financial Results

## Net Profit Compositions

NT \$ million

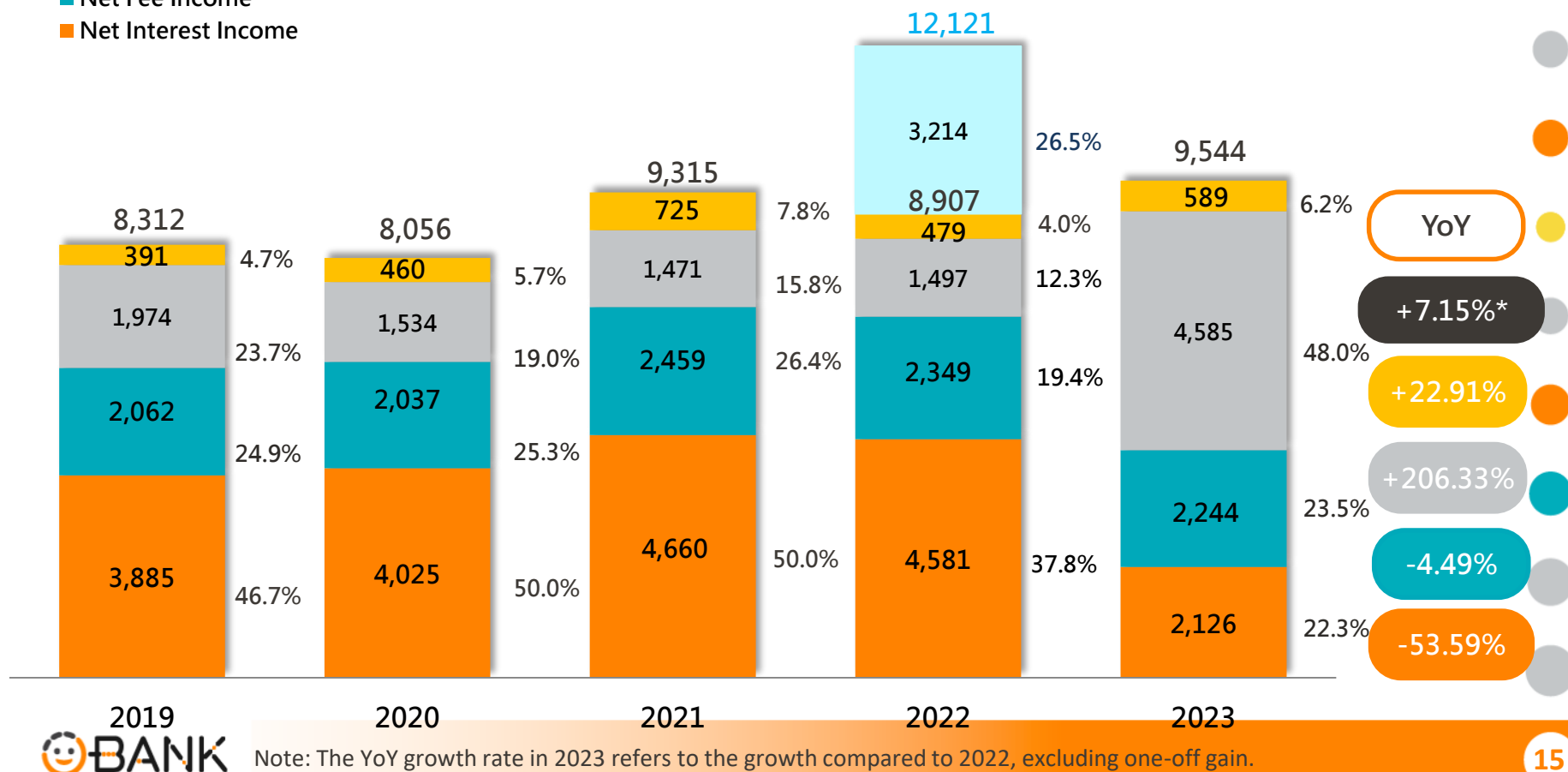


# 02-1 Consolidated Financial Results

## Net Revenue Breakdown

NT \$ million

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







**02-2**

**Standalone Financial  
Results**

***-O-Bank-***

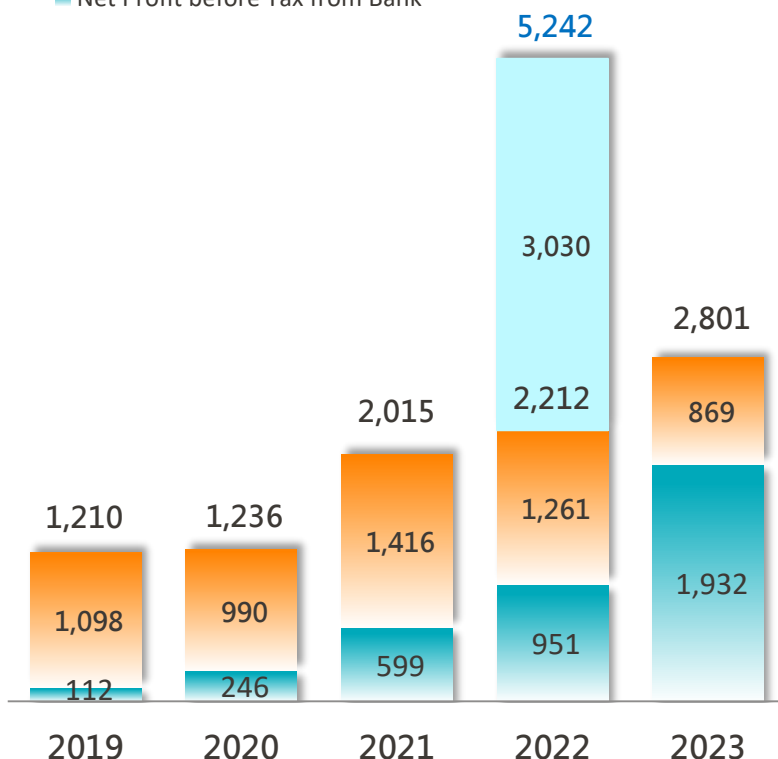
# 02-2 Standalone Financial Results: O-Bank

**Net Profit before Tax from Bank Only Reached a Record High**

## Net Profit before Tax

NT \$ million

- One-off Gain
- Share of profit of associates subsidiaries
- Net Profit before Tax from Bank



YoY

+26.64%\*2

-31.06%

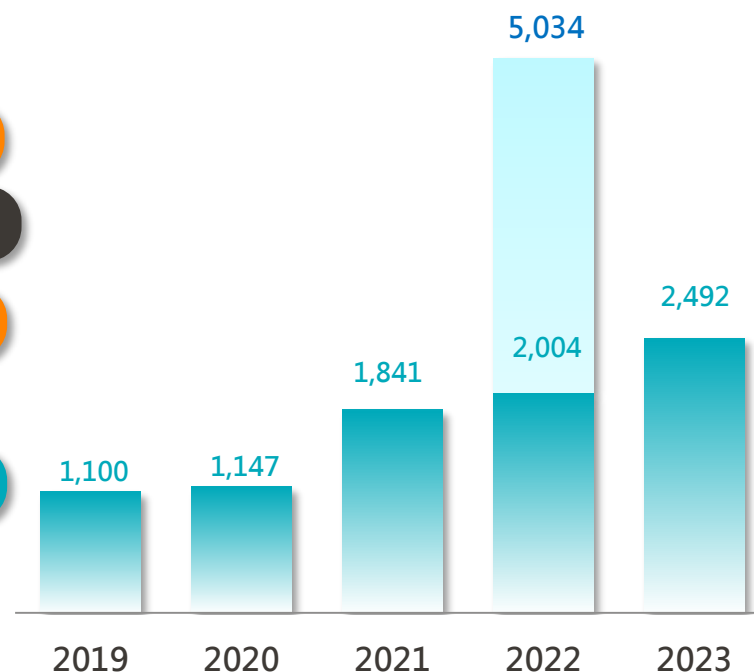
+103.1%

## Net Profit

NT \$ million

- One-off Gain
- Net Profit

YoY+24.34%\*2



Note1: In December 2022, the original subsidiary of O-Bank, IBT Leasing Co., Ltd., merged with Jih Sun International Leasing and Finance Co., Ltd. O-Bank recognized gains from the disposal of investments using equity method and related expenses, as referred to in this section as an "one-off gain".

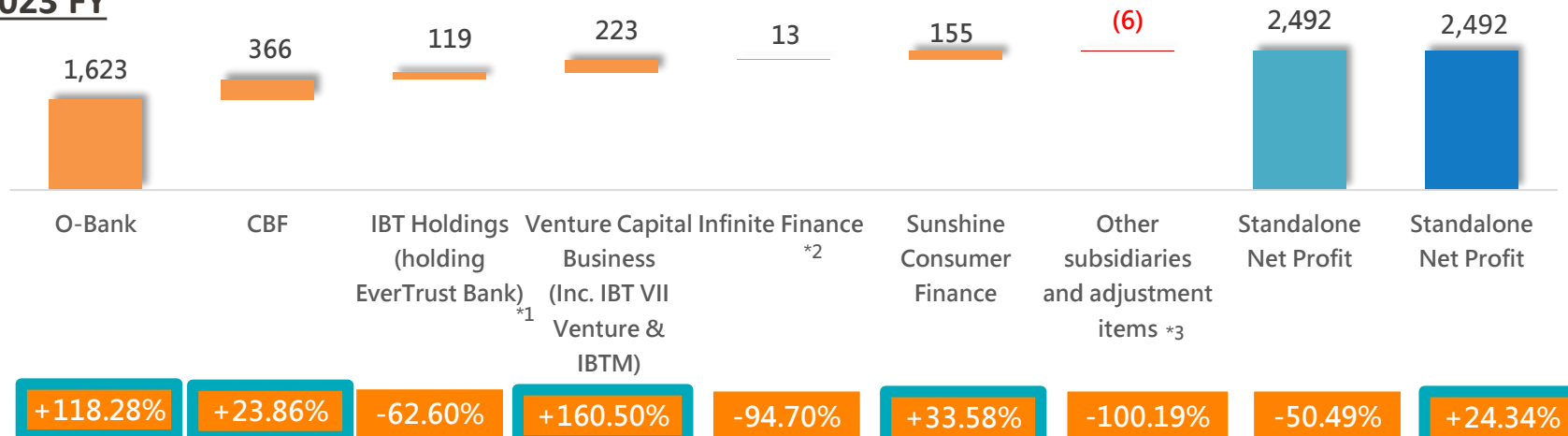
Note2: The YoY growth rate in 2023 refers to the growth compared to 2022, excluding one-off gain.

# 02-2 Standalone Financial Results: O-Bank

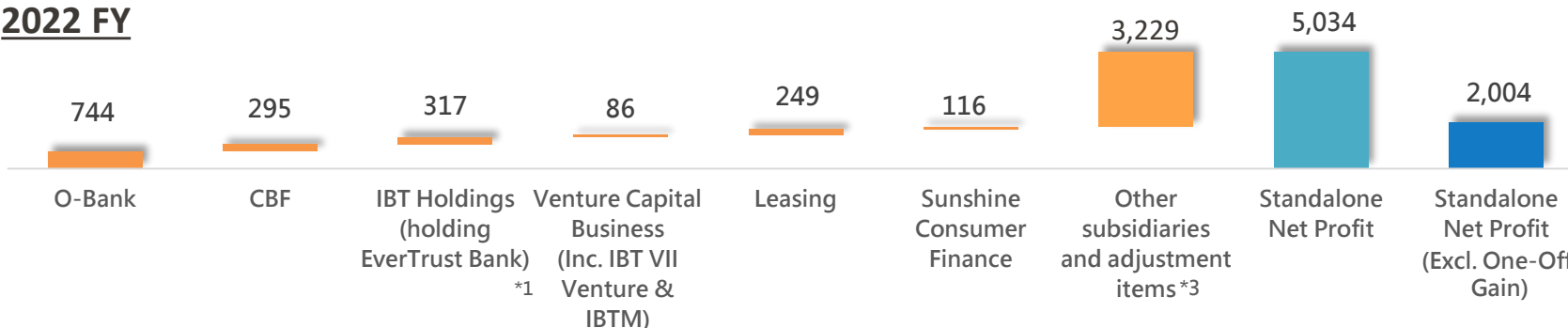
## Net Profit Compositions (by Business Unit)

NT \$ million

### 2023 FY



### 2022 FY



Note 1: The net profit on this page for IBT Holdings is presented on standalone base, including IBT Holdings itself and the profit from EverTrust Bank using the equity method.

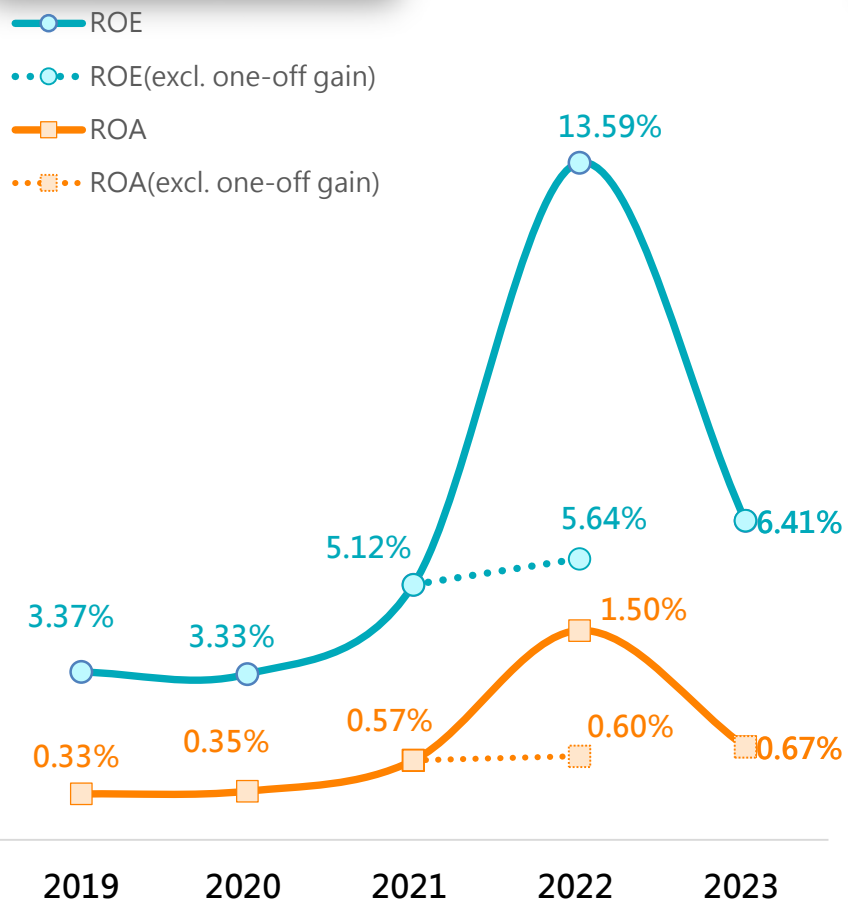
Note 2: In 2023, O-Bank recognized an investment income of NT\$233 million from Infinite Finance, net of amortization expenses related to Purchase Price Allocation (PPA) arising from leasing company merger. The Bank's net profit recognized from this investment amounted to approximately NT\$13 million.

Note 3: Other subsidiaries include Chun Teng New Century Co., Ltd.(in liquidation). Adjustment items primarily relate to accounting principle adjustments. 2022 FY also including one-off gain NT\$ 3 billion.

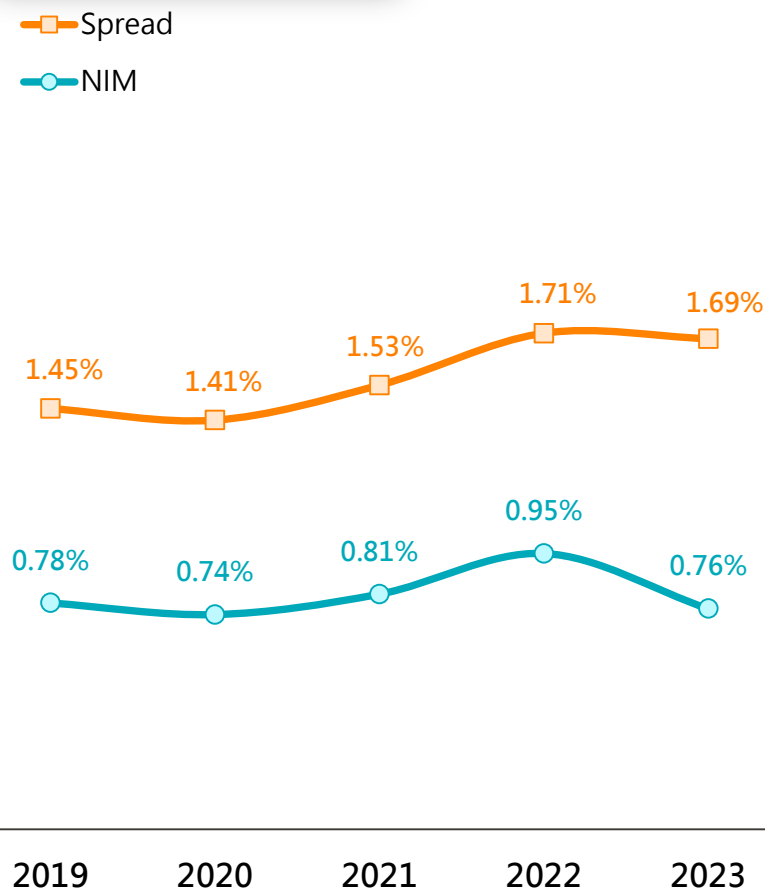
# Standalone Financial Results: O-Bank

Excluding the One-Off Gain Resulting from the Lease Merger Case in 2022, ROE & ROA Continued to Grow

## ROE & ROA



## NIM & Spread



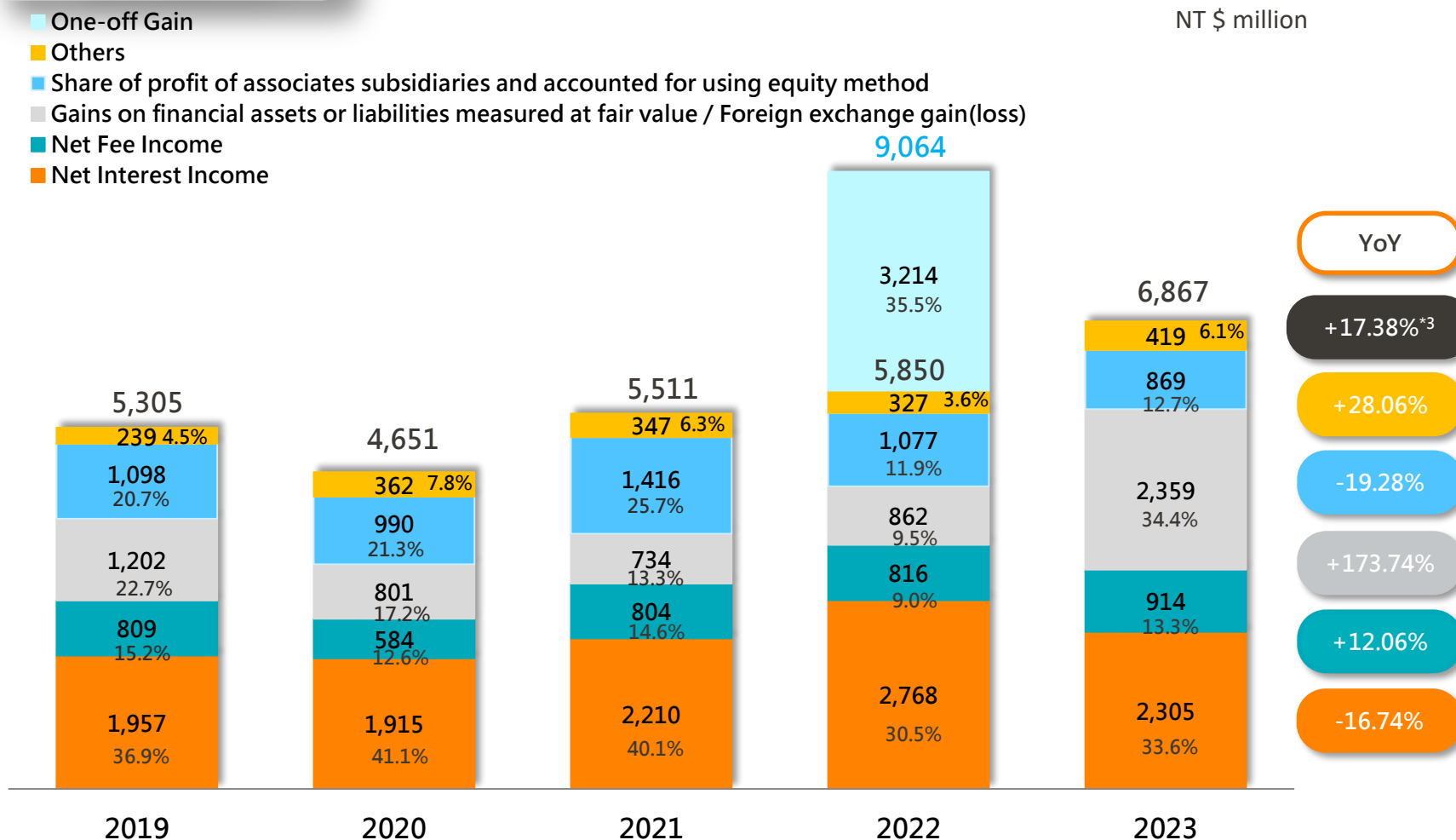
# 02-2 Standalone Financial Results: O-Bank

## Net Revenue Breakdown

- One-off Gain
- Others
- Share of profit of associates subsidiaries and accounted for using equity method
- Gains on financial assets or liabilities measured at fair value / Foreign exchange gain(loss)
- Net Fee Income
- Net Interest Income

Gains from FVPL A/L and Fees from Distributing Financial Products Also the Highest in Five Years

NT \$ million



Note1: In December 2022, the original subsidiary of O-Bank, IBT Leasing Co., Ltd., merged with Jih Sun International Leasing and Finance Co., Ltd. O-Bank recognized gains from the disposal of investments using equity method and related expenses, as referred to in this section as an "one-off gain".

Note2: 2023FY YoY increase in gains on financial assets or liabilities measured at fair value/ foreign exchange gain is largely attributed by treasury products sales and derivatives trading gains.

Note3: The YoY growth rate in 2023 refers to the growth compared to 2022, excluding one-off gain.

# Standalone Financial Results: O-Bank

Excluding the One-Off Gain Resulting from the Lease Merger Case in 2022, 2023 EPS Hit Record High

## Cost/Income Ratio

NT \$ million

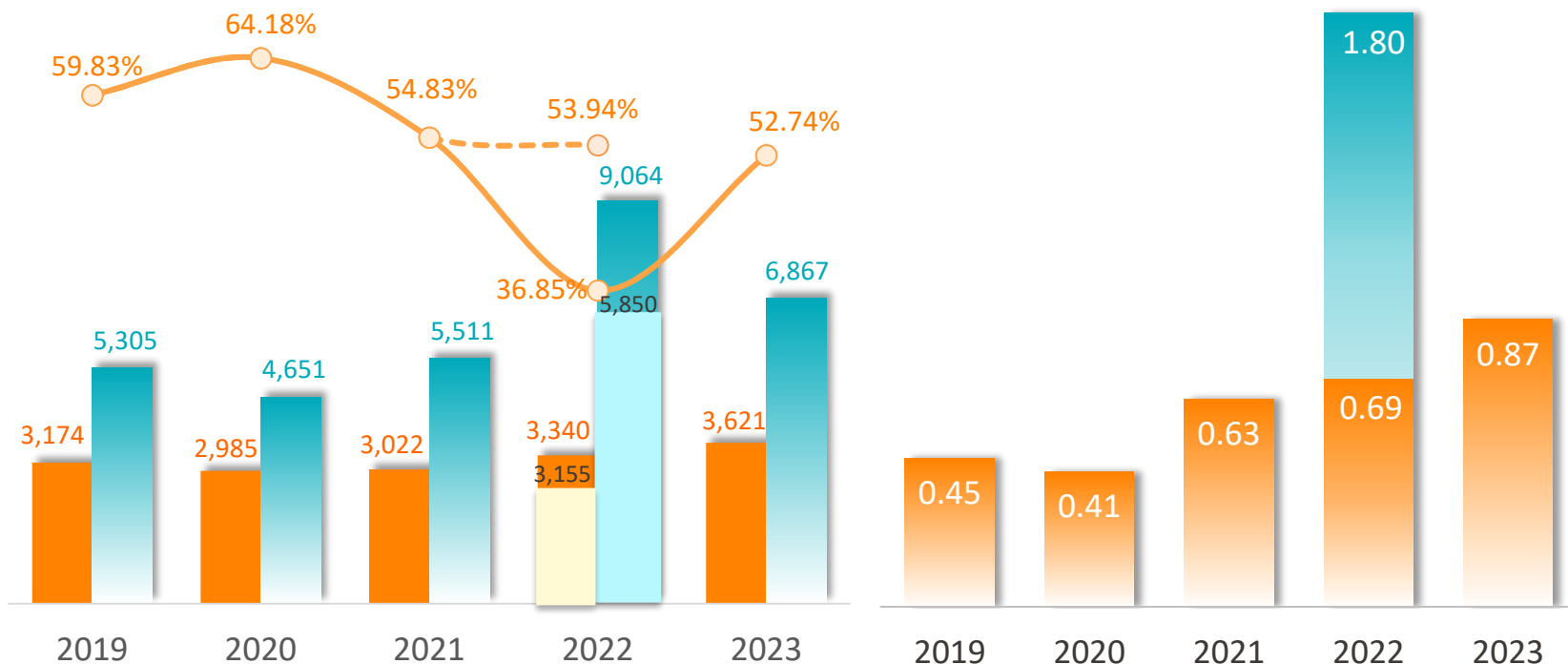
## EPS

NT \$

- Operating Expense
- Net Revenue
- Cost Income Ratio(excl. one-off gain)
- Cost Income Ratio
- Operating Expense(excl. one-off exp.)
- Net Revenue(excl. one-off gain)

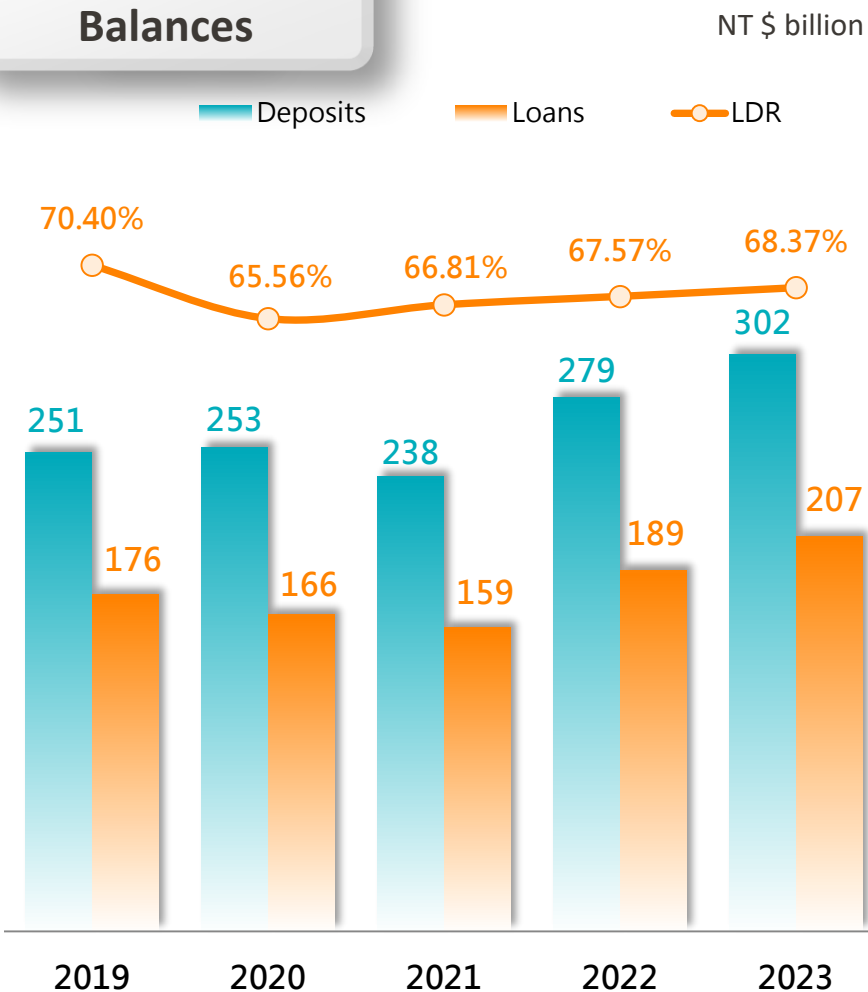
EPS

YoY+26.09%\*2

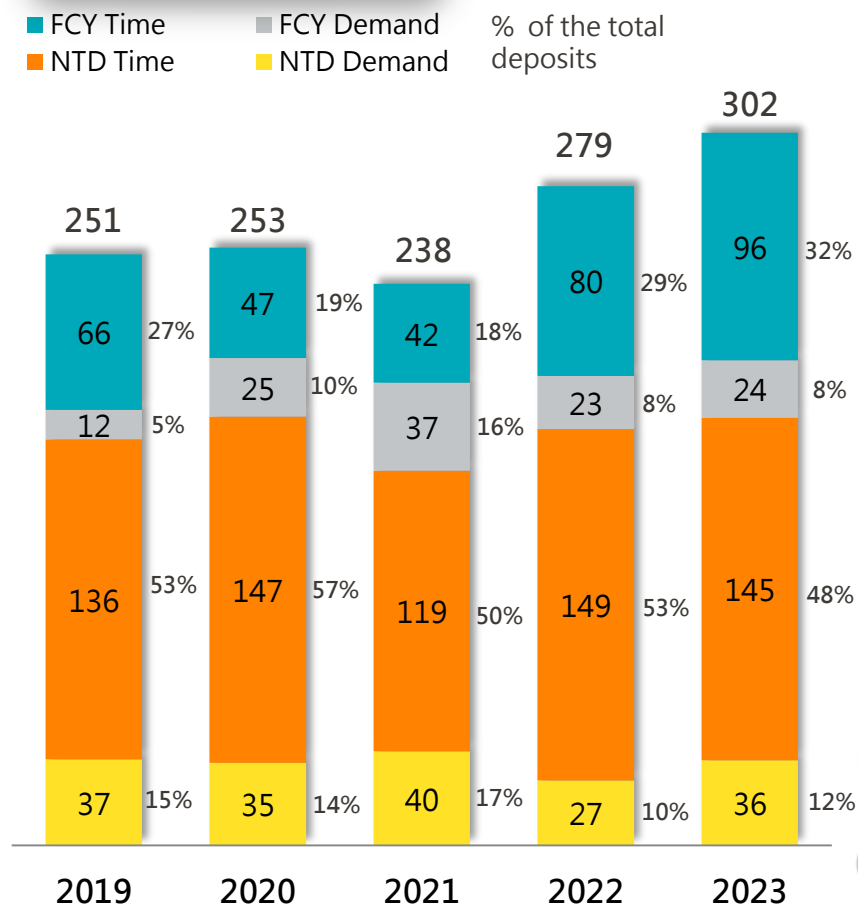


# 02-2 Standalone Financial Results: O-Bank

## Loan & Deposit Balances



## Deposit Breakdown

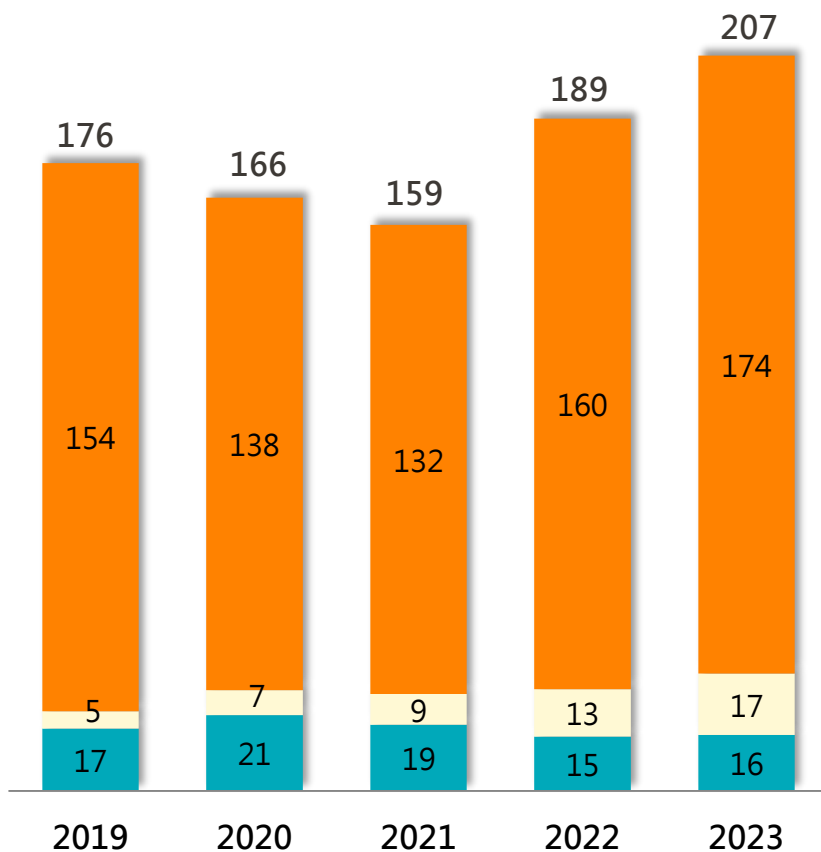


# 02-2 Standalone Financial Results: O-Bank

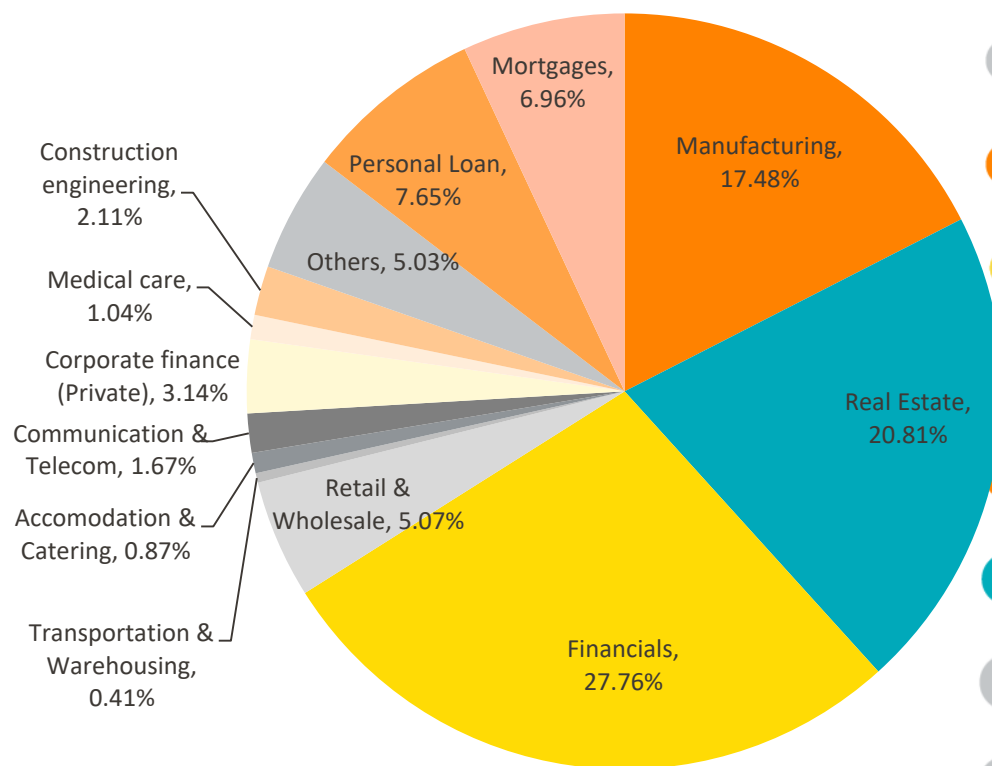
## Loan Breakdown

NT \$ billion

Corporate Loans Personal Loans Mortgages



## Loan Breakdown by Industry

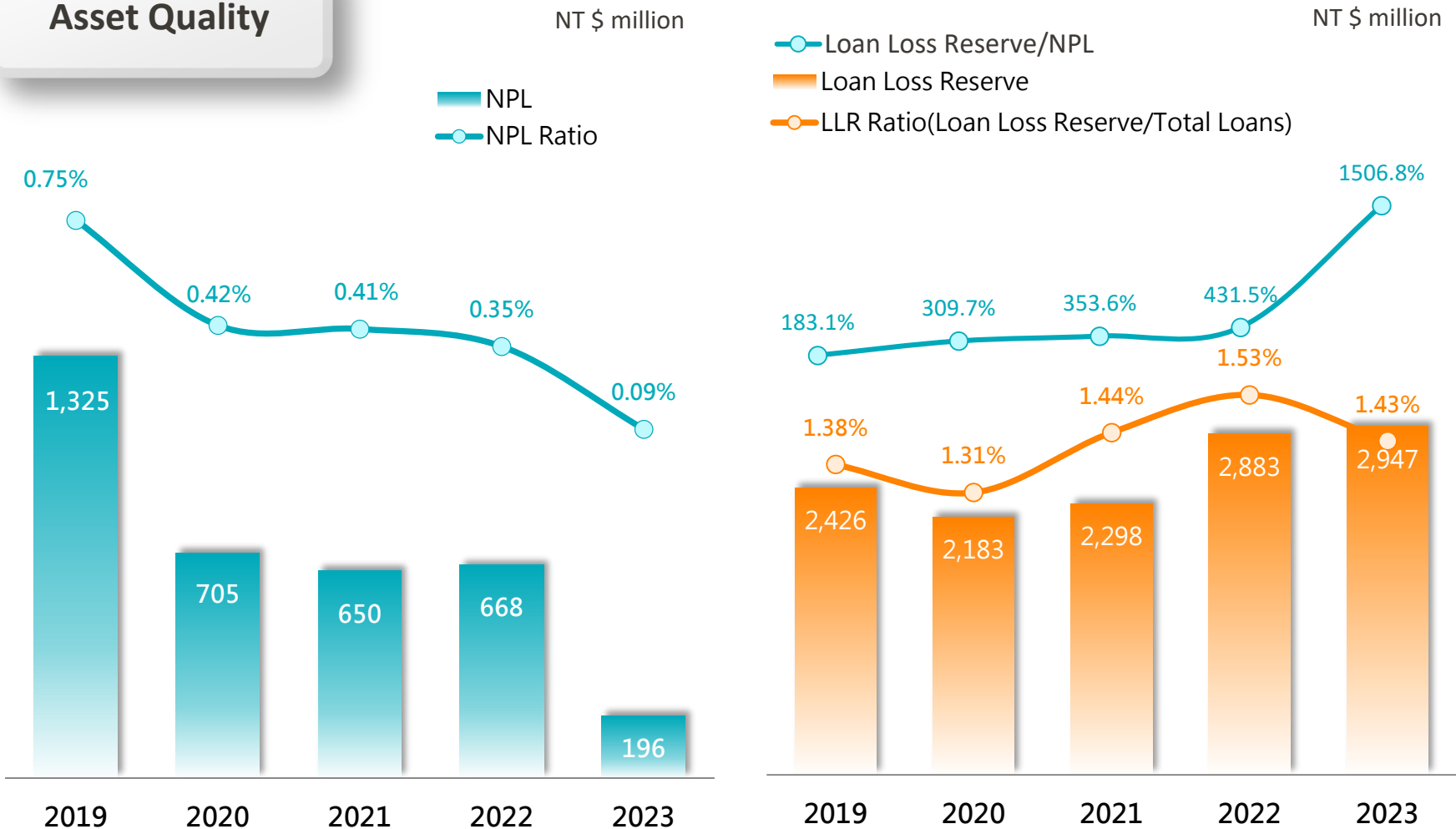


Note: Data as of end of 2023.



### Asset Quality Has Recovered to a Satisfactory Level

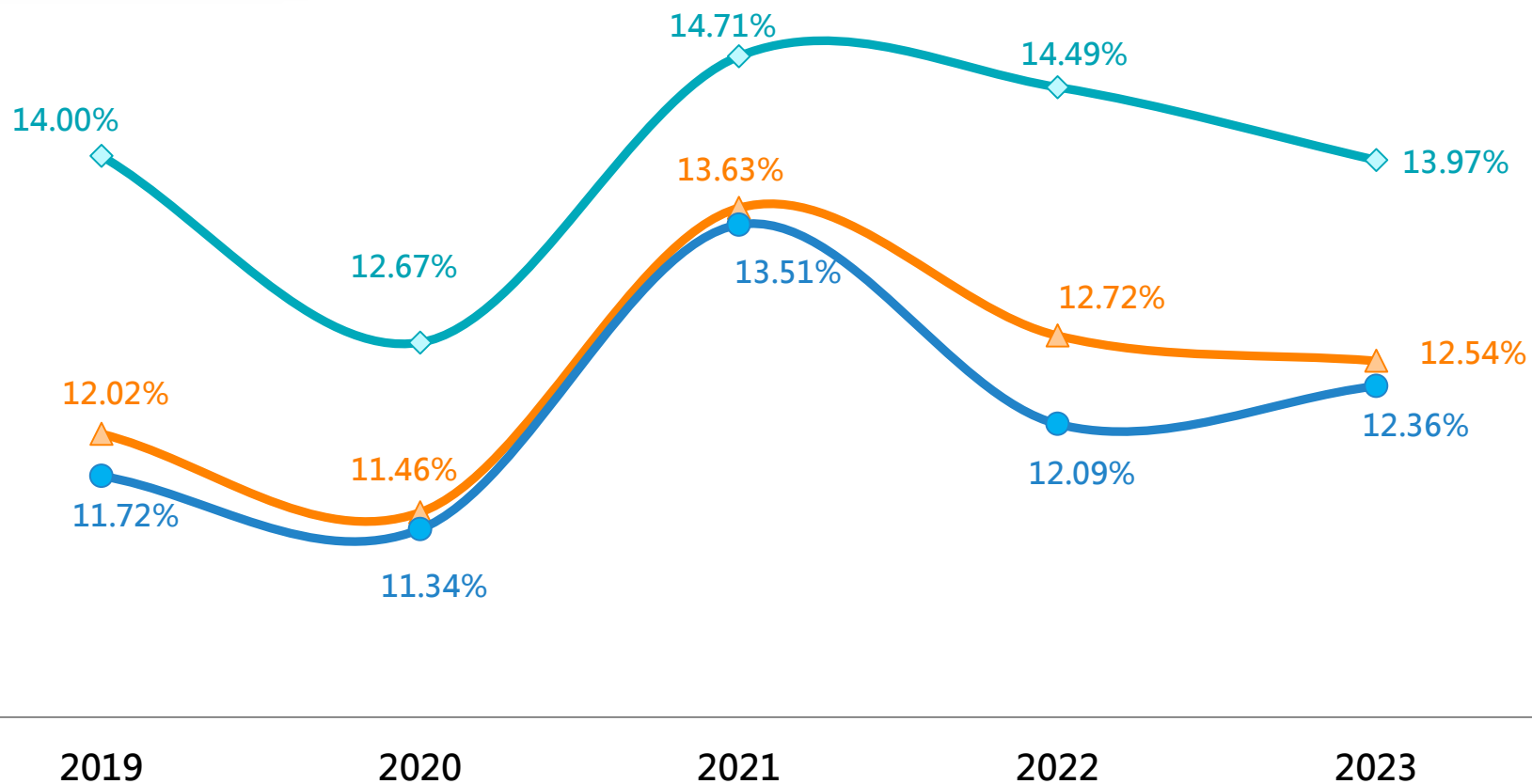
#### Asset Quality



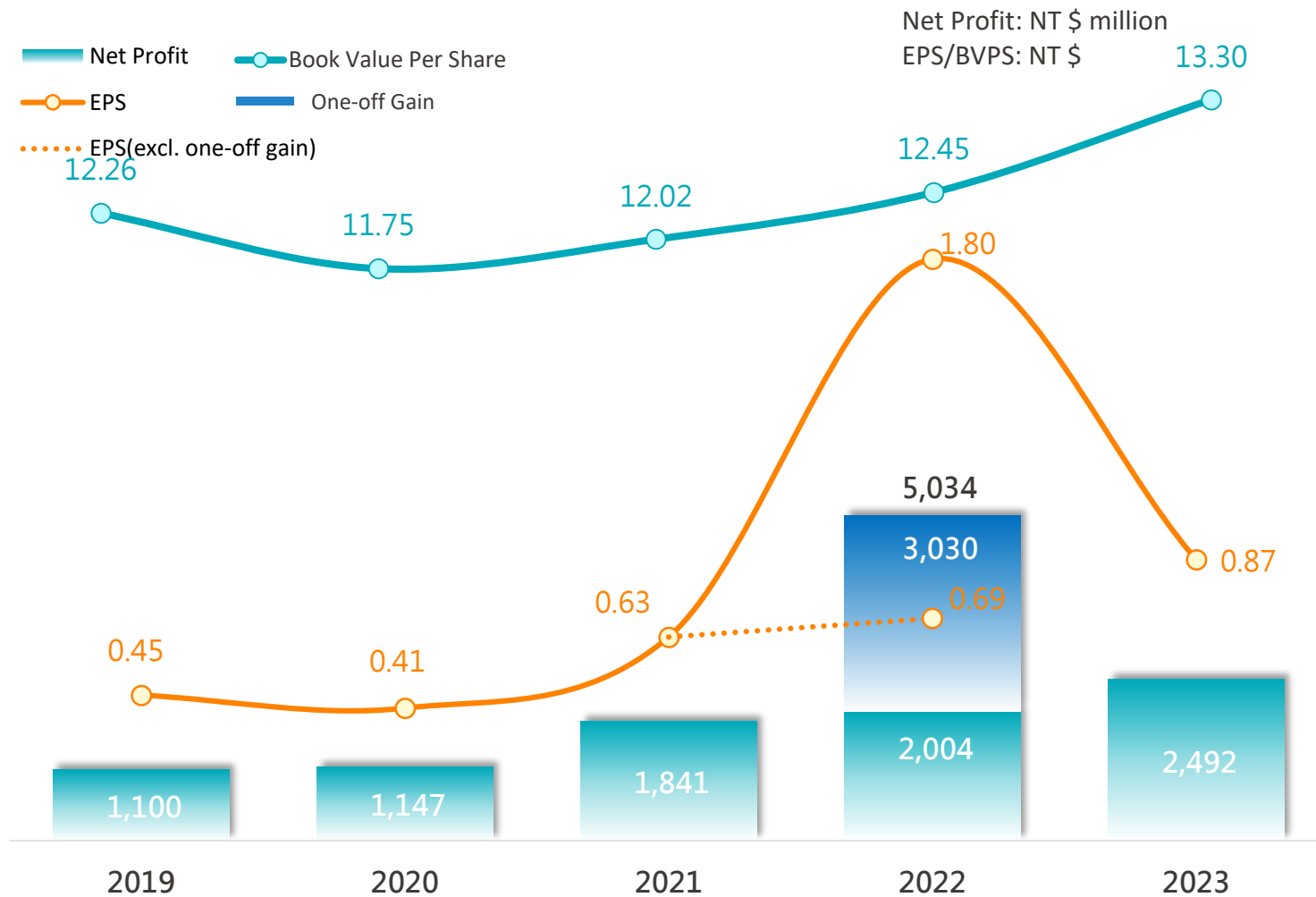
# 02-2 Standalone Financial Results: O-Bank

## Capital Adequacy

◆ BIS (Capital Adequacy Ratio)  
▲ Tier I  
● CET1



## Standalone Financial Results: O-Bank

BV Per Share Also the Highest in Five Years



**02-3**

## **Individual Financial Results**

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

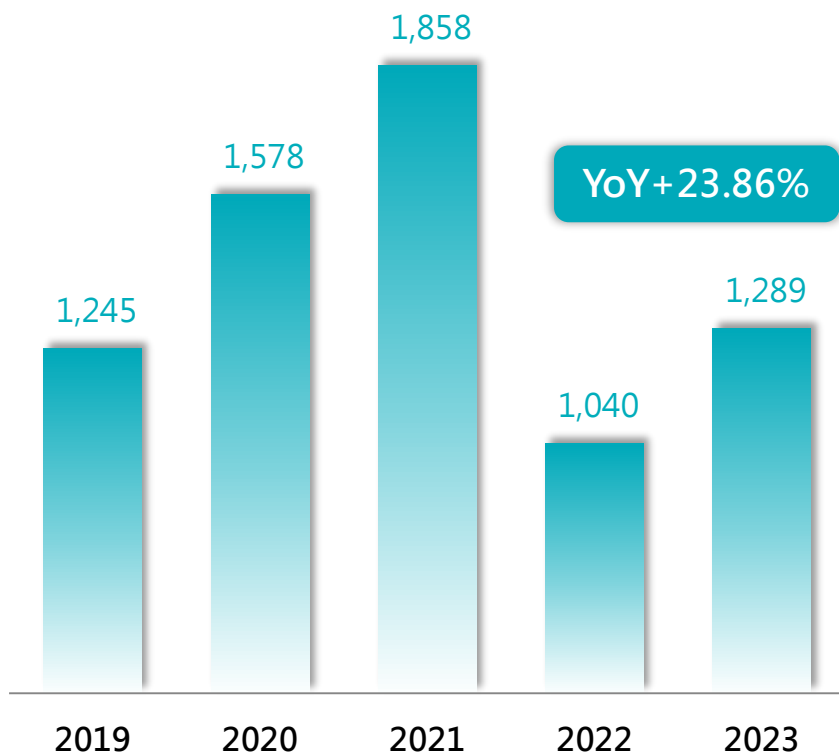


# 02-3

## Individual Financial Results: China Bills Finance Corp.

### Net Profit

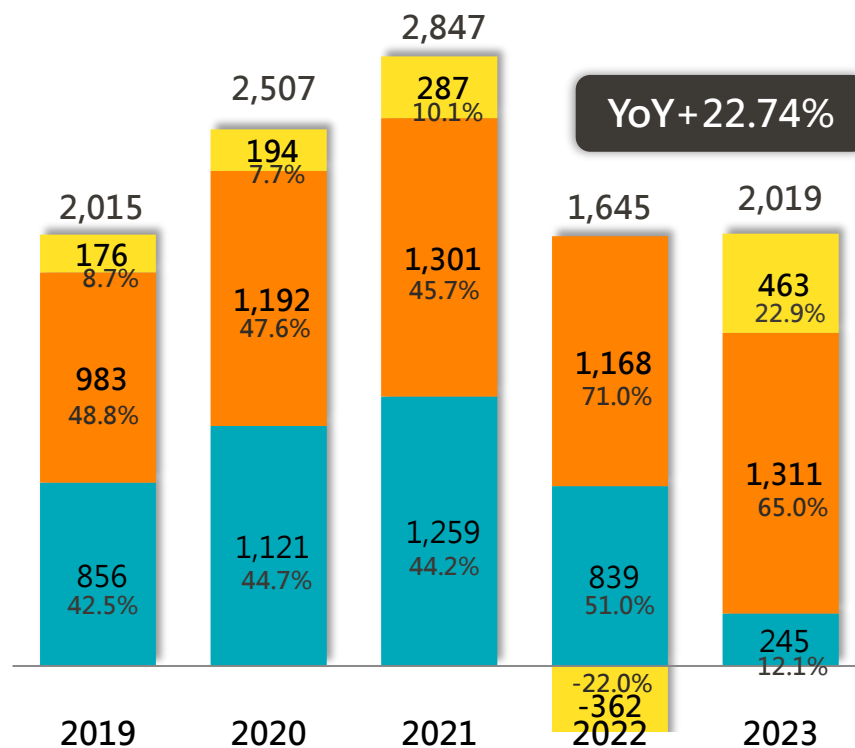
NT \$ million



### Net Revenue

NT \$ million

- Others
- Net Fee Income
- Net Interest Income

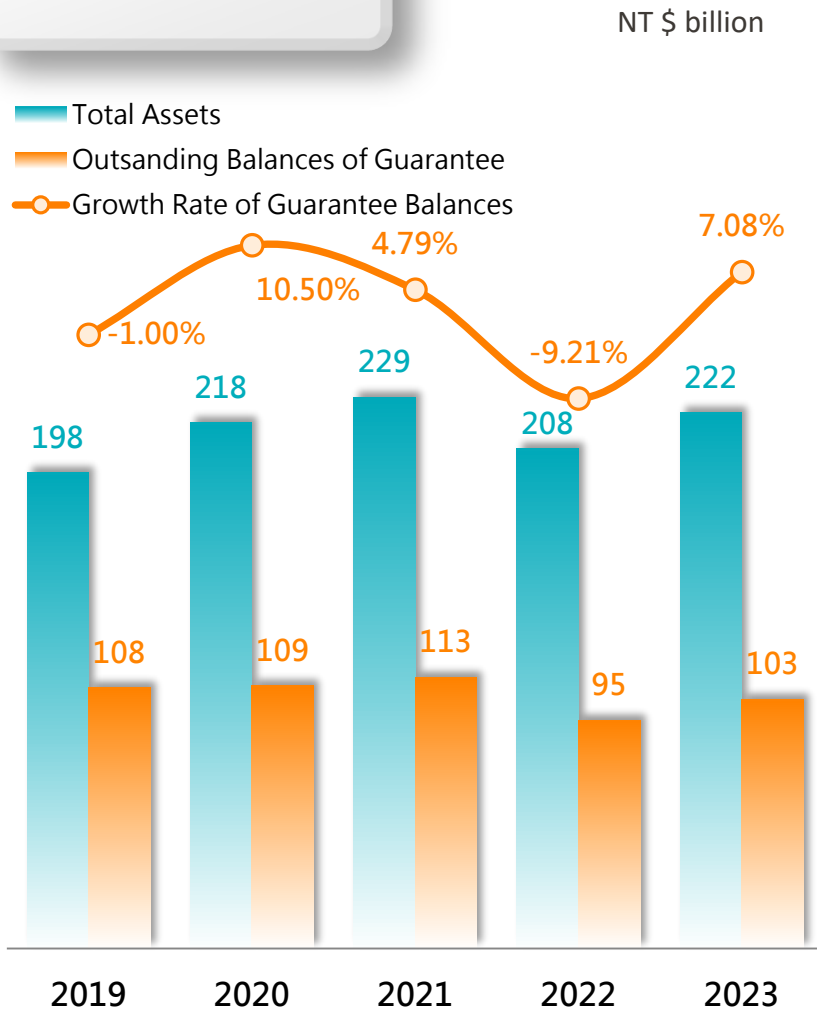




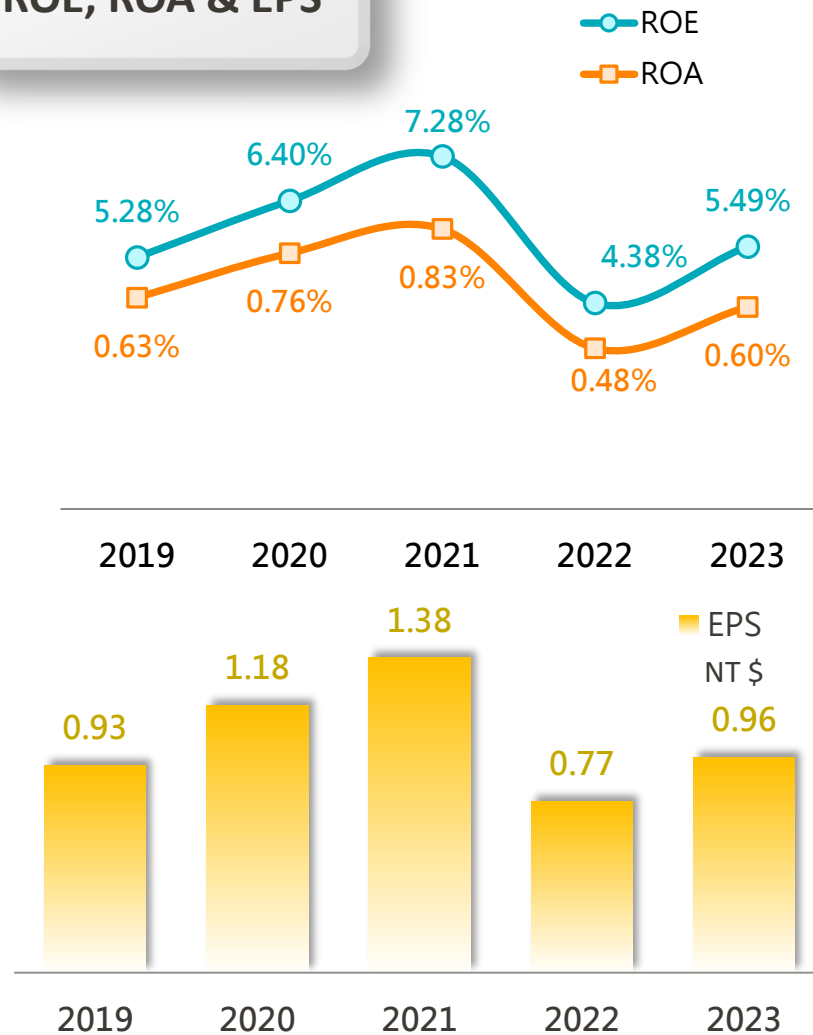
# 02-3

## Individual Financial Results: China Bills Finance Corp.

### Assets



### ROE, ROA & EPS





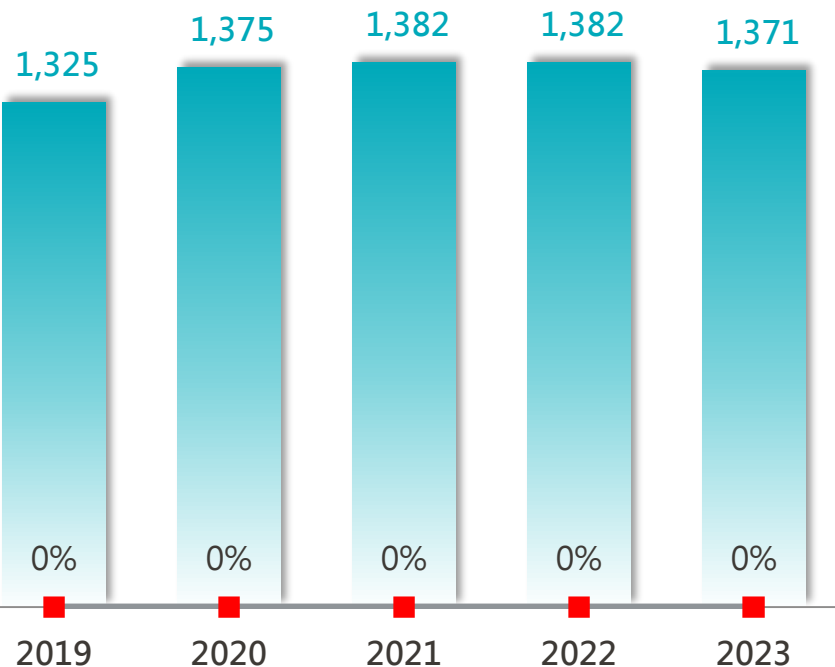
# 02-3

## Individual Financial Results: China Bills Finance Corp.

### NPL & Reserve for Guarantee Liabilities

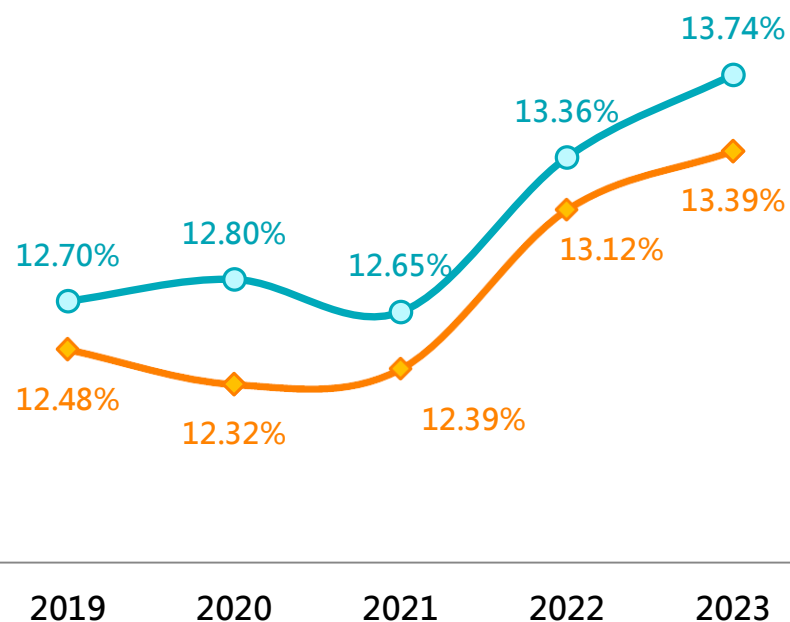
NT \$ million

- Reserve for Guarantee Liabilities
- NPL Ratio



### CAR

- CAR (Total Capital)
- Tier I Capital





**02-4**

**Individual Financial  
Results**  
*-EverTrust Bank*



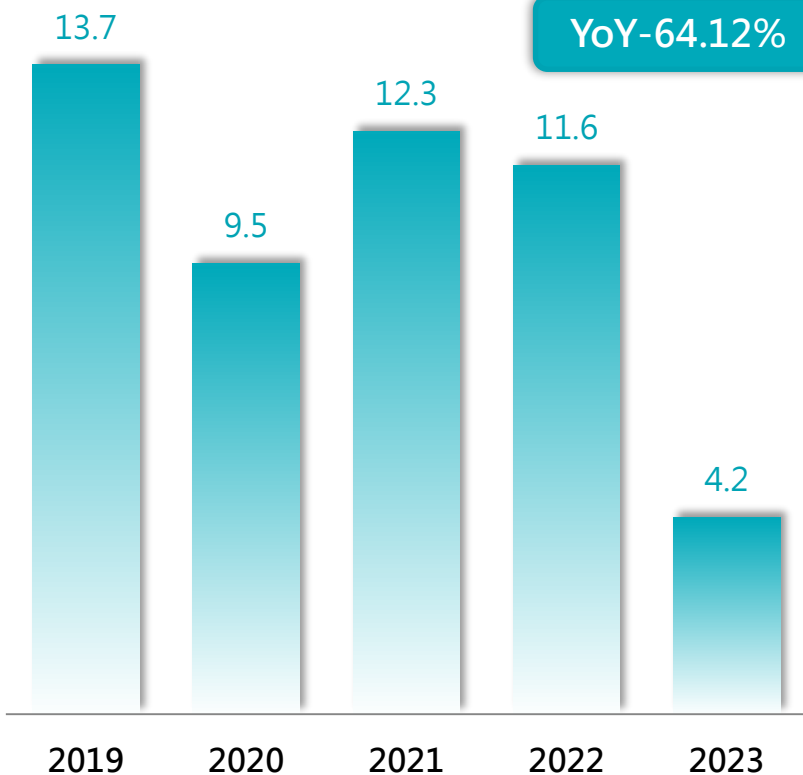


# 02-4

## Individual Financial Results: EverTrust Bank

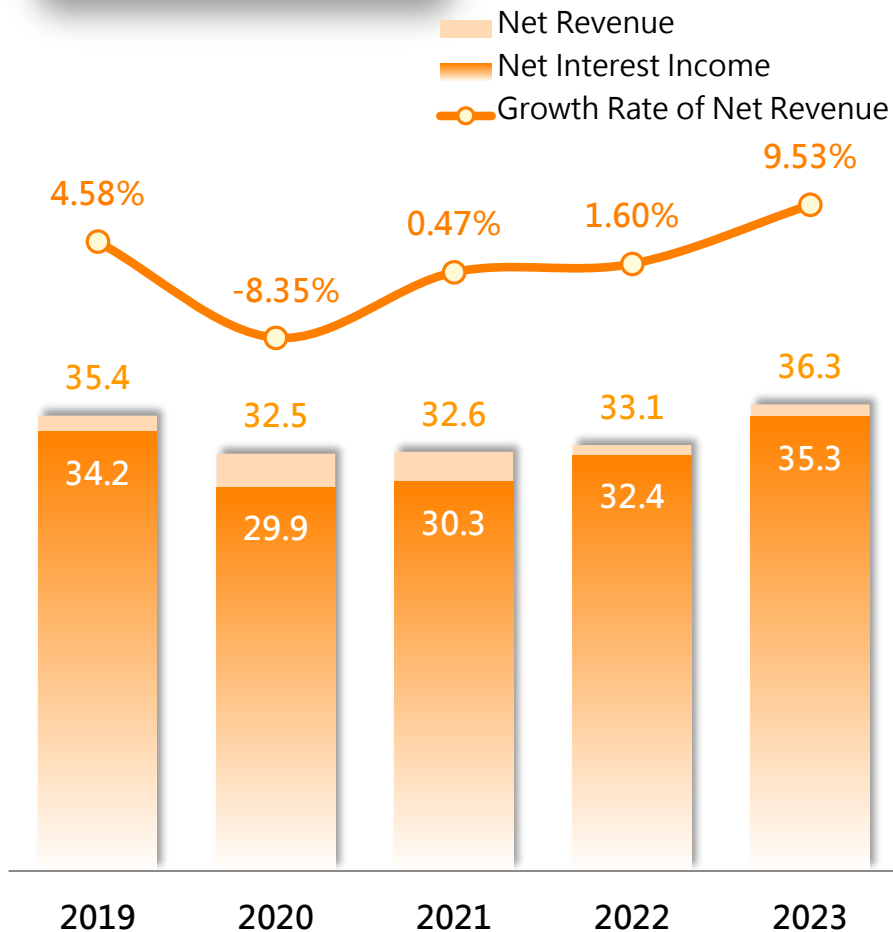
### Net Profit

USD \$ million



### Net Revenue

USD \$ million

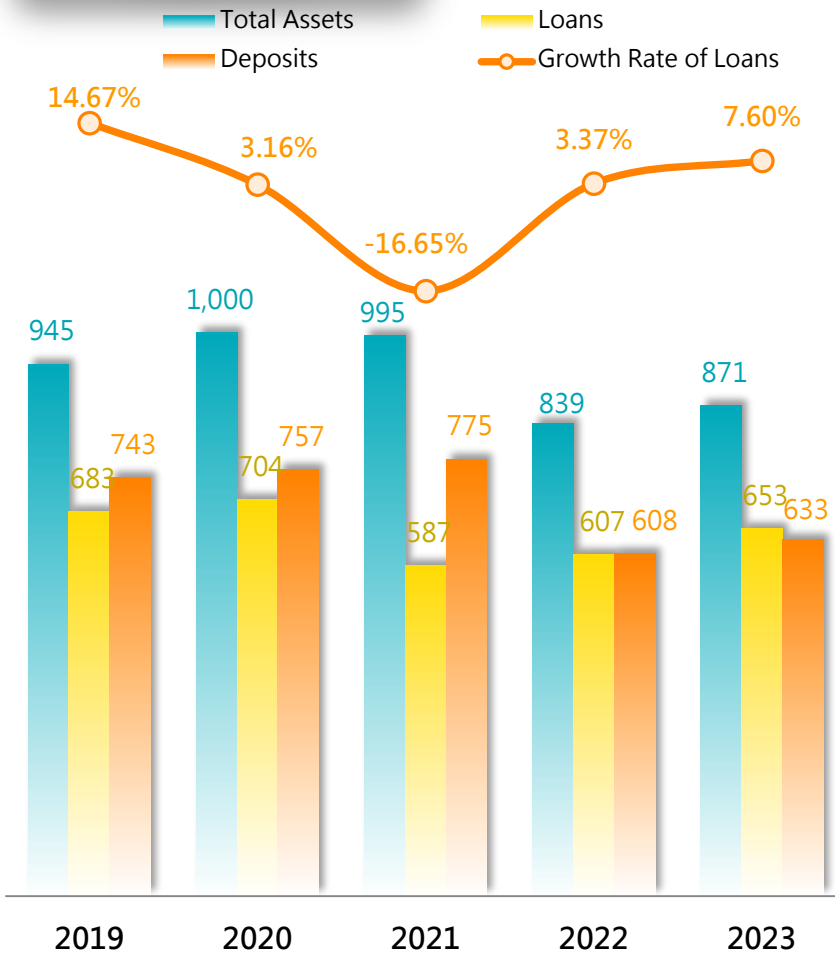


## Individual Financial Results: EverTrust Bank

### Assets, Loans & Deposits

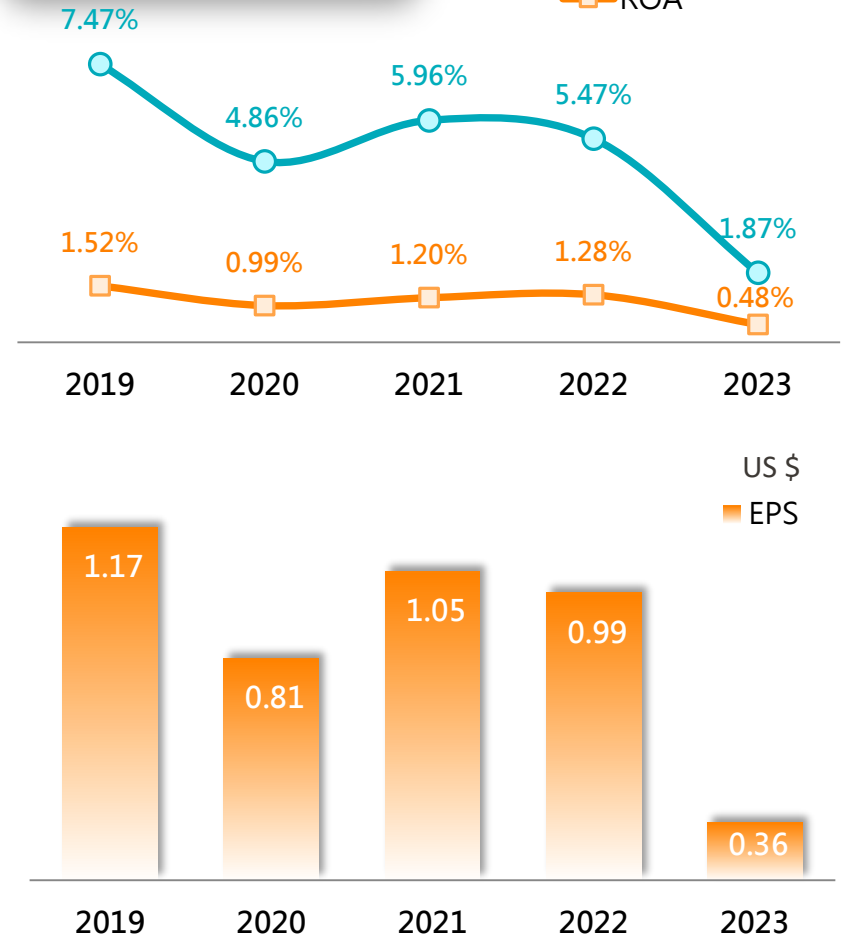
USD \$ million

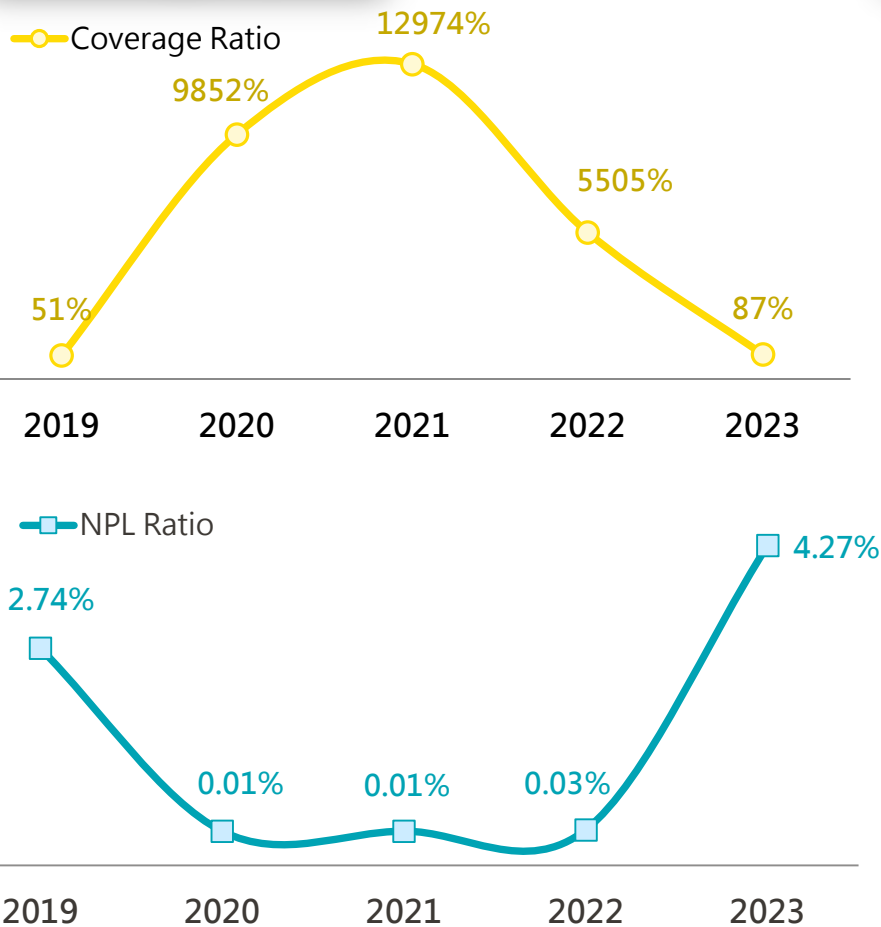
■ Total Assets  
■ Loans  
■ Deposits  
○ Growth Rate of Loans



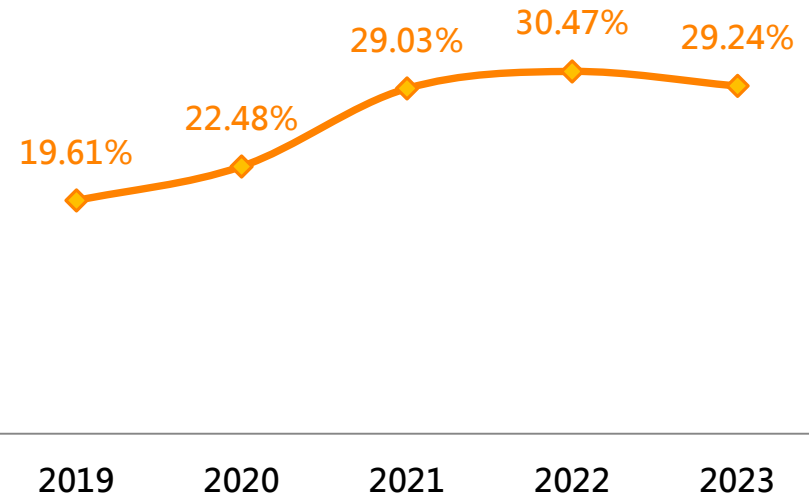
### ROE, ROA & EPS

○ ROE  
□ ROA



NPL Ratio &  
Coverage Ratio

## CAR





# 03

## Key Strategic Focuses

# 03 “Boutique Digital Bank” Strategy

## Grow Light-Capital Businesses

Strengthen sales of products that utilize zero or low risk-weighted capital to improve the quality of profit structures.

## Optimize Deposits Structure

Focus on cultivating small business and retail deposits to improve the efficiency of asset-liability allocation.

# Dig Deep

Strengthen Overall Infrastructure, Deepen Customer Relationships

## Further Digital Transformation

Empower banking operations with technology, deepen data governance and applications, and commercialize scenario-based user cases.

## Accelerate Overseas Expansion

Extend O-Bank Group’s footprint to Australia & Southeast Asia for better asset diversification.

## Embrace Mindset of Sustainability

Incorporate banking services to implement sustainable finance and climate change mitigation measures.

# 03 “Boutique Digital Bank” Strategy

## Grow Light-Capital Businesses

**Strengthen sales of products that utilize zero or low risk-weighted capital to improve the quality of profit structures.**

## Optimize Deposits Structure

**Focus on cultivating small business and retail deposits to improve the efficiency of asset-liability allocation.**

## Further Digital Transformation

**Empower banking operations with technology, deepen data governance and applications, and commercialize scenario-based user cases.**

- Strengthen corporate banking services platform, with a focus on low risk-weighted capital products such as TMU and trade financing.
- Enhance wealth management services platform by enriching product offerings and increasing customization capabilities.
- Deepen customer services, enlarge customer base, and strengthen integrated marketing capabilities, with the aim of becoming the main operating bank for both corporate and retail clients.
- Expand online and offline retail deposit base through channels such as salary transfer accounts and securities accounts.
- Target business owners with trade financing and wealth management needs, increase the volume of small business deposits(< NT\$ 40 million) and the duration of retention.
- Enhance asset-liability management to effectively guide internal resource allocation and reduce liquidity risk.
- Optimize and integrate core and application systems, and implement technologies such as Robotic Process Automation(RPA) and cloud deployment to enhance operational stability and efficiency.
- Expand external data sources and data technologies, expand applications of user cases, strengthen the infrastructure of data platforms, and cultivate data talents.
- Promote the commercialization of scenario-based user cases, prioritize targeting scenario business opportunities surrounding SMEs and franchisees, and emphasize on the expansion of external cooperation networks.

# 03 “Boutique Digital Bank” Strategy

## Accelerate Overseas Expansion

**Extend O-Bank Group’s footprint to Australia & Southeast Asia for better asset diversification.**

## Embrace Mindset of Sustainability

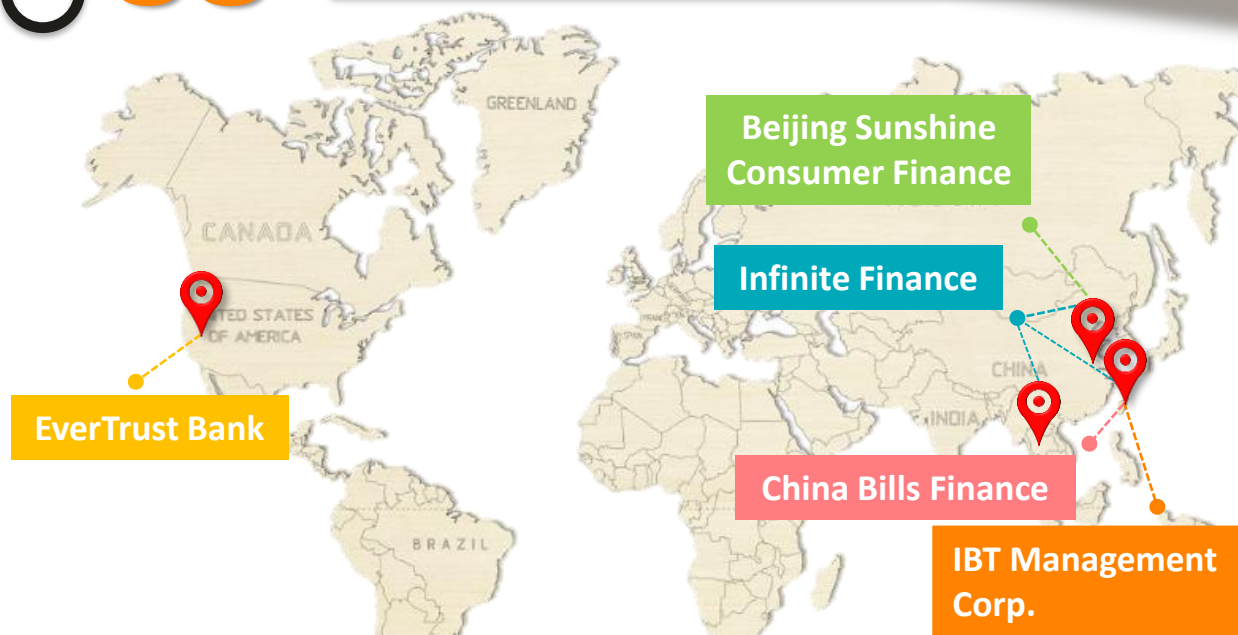
**Incorporate banking services to implement sustainable finance and climate change mitigation measures.**

- Leveraging resources in all of O-Bank Group, explore business and investment opportunities in Australia and Southeast Asia, for more diversified assets allocation and robust profit structure.
- Establish overseas expansion support measures, including the implementation of risk management mechanisms, talent development plans for corresponding capabilities.
- Proactively address climate change risk, conduct carbon emissions inventory of the Bank’s loan and investment portfolio, and implement climate risk management to carbon-intensive clients. Simultaneously, the Bank adopts an internal carbon pricing regime, and includes the carbon emissions of our investment and loan recipients into the internal pricing system in the form of carbon fees. Additionally, the Bank has set investment and loan carbon reduction targets, towards working together with clients to enhance sustainability.
- Continue to incorporate ESG risk evaluations into the decision-making processes of loan underwriting and investing, while increasing the proportion of credits to environmentally and socially friendly industries. Expand sustainable linkage loans and related bond investments.
- Continue to promote environmentally and socially-friendly financial products integrated into the Bank’s core businesses.
- Further deepen the Bank’s efforts in corporate governance, employee care, customer relationships, environmental protection, social engagement, and green finance to improve the Bank’s international ESG evaluation performance.



# 03

## Strategic Investment Portfolio Business Overview



EverTrust Bank

Beijing Sunshine  
Consumer Finance

Infinite Finance

China Bills Finance

IBT Management  
Corp.

### EverTrust Bank (Subsidiary)

- Optimize asset portfolio and enrich product offerings to reduce the concentration risk and bolster revenue sources.
- Continue to deepen customer relationships and raise brand awareness.
- Strengthen capital efficiency and rigorously control asset quality to drive up profitability.

### China Bills Finance (Subsidiary)

- Heighten risk control while cautiously monitoring changes in the markets, dynamically observe to increase trading positions to improve return on investment.
- Adjust composition of clientele, increase self-insured spread, and develop underwriting of guarantee-free business as well as RP clients.
- Increase market share in syndicated loans and project financing to diversify revenue sources.

### IBTM/IBT VII VC (Subsidiary)

- Seize investment opportunities of emerging industries such as green energy, eco-friendly, high-tech, and healthcare.
- Explore overseas investment opportunities, target forward-looking early-stage projects in developed countries, and establish networks in emerging markets in Southeast Asia.

### Beijing Sunshine

(Investment under Equity Method)

- Deepen B2B2C collaboration with various scenario-based platforms to bolster the consumer finance ecosystem and improve profit structures.
- Further improve risk control over platforms as well as individual consumers, promote product innovations to boost profit margin.

### Infinite Finance

(Investment under Equity Method)

- Boost size and scale of existing businesses including equipment leasing, AR, vehicle installments and long-term financing, etc.
- Develop unique specialty businesses, in addition to the existing green energy businesses, venture into personal consumer installment businesses.
- To enter Southeast Asian markets with establishment of leasing entity in Thailand.





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# 04

## **Appendix:** Financial Summary of O-Bank and Its Main Subsidiaries

## O-Bank-Financial Summary

(NT \$ million)	4Q23	3Q23	2Q23	1Q23
<b>Income Statement</b>				
Interest income	2,728	3,081	2,619	2,321
Interest expense	(2,171)	(2,418)	(2,045)	(1,810)
Net interest income	558	662	574	511
Fee income	207	232	180	295
Equity in the income of investees	(58)	216	303	407
Other income	577	721	886	595
Net revenue	1,283	1,832	1,943	1,809
Provision expense	(38)	(184)	(142)	(80)
Operating expense	(878)	(945)	(917)	(882)
Net profit B/T	368	703	883	847
Net profit A/T	349	645	759	738

### Balance Sheet

Loans, net	203,605	205,186	200,549	191,481
Deposits	297,141	293,670	296,134	287,449
Total assets	390,584	387,680	387,273	379,794
Total stockholders' equity	40,102	39,364	38,673	38,986

### Key Ratios(%)

ROA(A/T)	0.09	0.17	0.20	0.20
ROE(A/T)	0.85	1.64	2.00	1.93
NPL	0.09	0.34	0.31	0.34
Tier I	12.54	11.80	11.60	12.72
CAR	13.97	13.32	13.10	14.38

Note : The ROA and ROE for 1Q23-4Q23 are not annualized.

2023	2022	YoY
10,749	5,812	85%
(8,444)	(3,044)	177%
2,305	2,768	-17%
914	816	12%
869	4,291	-80%
2,778	1,189	134%
6,867	9,064	-24%
(444)	(482)	-8%
(3,621)	(3,340)	8%
2,801	5,242	-47%
2,492	5,034	-50%

203,605	185,977	9%
297,141	274,504	8%
390,584	355,954	10%
40,102	37,722	6%

0.67	1.50
6.41	13.59
0.09	0.35
12.54	12.72
13.97	14.49

## CBF-Financial Summary

(NT \$ million)	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
<b>Income Statement</b>							
Interest income	864	801	743	726	3,135	2,047	53%
Interest expense	(803)	(751)	(695)	(640)	(2,890)	(1,207)	139%
Net interest income	60	50	49	86	245	839	-71%
Fee income	303	322	323	363	1,311	1,168	12%
Other income	(17)	112	82	285	463	(362)	-228%
Net revenue	347	484	454	734	2,019	1,645	23%
Reversal	(11)	(7)	(0)	(0)	(18)	(23)	-21%
Operating expense	(137)	(117)	(132)	(129)	(515)	(466)	10%
Net profit B/T	222	373	322	605	1,523	1,201	27%
Net profit A/T	199	314	269	506	1,289	1,040	24%
<b>Balance Sheet</b>							
Total assets	222,356	217,292	200,338	211,781	222,356	207,660	7%
Total stockholders' equity	24,933	23,376	22,713	23,076	24,933	21,978	13%

## ETB-Financial Summary

(USD \$ thousand)	4Q23	3Q23	2Q23	1Q23	2023	2022	YoY
<b>Income Statement</b>							
Interest income	12,644	13,399	12,529	11,674	50,246	35,491	42%
Interest expense	(4,526)	(4,218)	(3,559)	(2,596)	(14,899)	(3,130)	376%
Net interest income	8,118	9,181	8,970	9,078	35,347	32,361	9%
Fee income	223	59	200	133	616	498	24%
Other income	96	103	14	128	341	286	19%
Net revenue	8,437	9,344	9,184	9,339	36,304	33,145	10%
Provision expense	(15,291)	0	0	200	(15,091)	0	-
Operating expense	(2,615)	(4,216)	(4,203)	(4,435)	(15,469)	(16,208)	-5%
Net profit B/T	(9,469)	5,128	4,981	5,104	5,744	16,937	-66%
Net profit A/T	(6,571)	3,617	3,513	3,600	4,158	11,589	-64%
<b>Balance Sheet</b>							
Loans, net	628,515	584,088	587,471	576,825	628,515	596,838	5%
Deposits	632,730	637,383	664,280	604,892	632,730	608,227	4%
Total assets	871,052	887,197	907,682	842,888	871,052	839,386	4%
Total stockholders' equity	220,731	224,913	222,281	219,422	220,731	214,844	3%