

O-Bank

2022 Business Review

2023/03/09

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Agenda

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2022 Operation Highlights

02

2022 Financial Results

03

Key Strategic Focuses

04

Appendix



01

2022

Operation Highlights



01

2022 Operation Highlights

1

Operating Performance

EPS Grew 186% YoY &
EPS Excluding One-Off Gain Increased 9% YoY

NTD millions

O-Bank	2022	2021	Growth Rate
Consolidated Net Revenues	12,121	9,315	30%
Consolidated Net Profits After Tax	5,808	3,200	82%
Standalone Net Revenues	9,064	5,511	64%
Standalone Net Profits After Tax	5,034	1,841	173%
Earnings Per Share (EPS, NT\$)	1.80	0.63	186%

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



01

2022 Operation Highlights

1

Operating Performance

Net Profits from Bank Only
(excluding associated subsidiaries) Before Tax
Grew 59% YoY

NTD millions

O-Bank	2022	2021	Growth Rate
Standalone Net Revenues (Excluding Share of profit of associates subsidiaries and accounted for using equity method)	4,773	4,095	17%
Standalone Net Profits Before Tax (Excluding Share of profit of associates subsidiaries and accounted for using equity method)	951	599	59%



01

2022 Operation Highlights

1

Operating Performance

Major Subsidiaries	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ millions)		Growth Rate
	2022	2022	2021	
China Bills Finance	NTD\$ 0.77	1,040	1,858	-44%
IBT Holdings Corp. (Holdings of US EverTrust Bank)	USD\$ 0.98	317	317	0%
IBT Leasing and its subsidiaries ^{*Note1} (The finance results in 2022 is updated to the end of November) ^{*Note2}	NTD\$ 1.08 (11M2022)	289 (11M2022)	402	-

*Note1: IBT Leasing's and its subsidiaries' net profit excluded IBT VII.

*Note2: IBT Leasing Co., Ltd. and Jih Sun International Leasing & Finance Co., Ltd. have merged to become Infinite Finance Co., Ltd., of which O-Bank is the second largest shareholder, with around 44.5% of the shares, starting 2022/12/1. Besides, Infinite Finance Co., Ltd. is recognized using equity method and no longer major subsidiaries in O-Bank consolidated statement, so we only presented the operating performance of IBT Leasing and its subsidiaries as of the end of November of 2022.



01

2022 Operation Highlights

2

Capital Adequacy & Asset Quality

Maintained a Stable Capital Adequacy & Asset Quality Continuously Improved

- As of the end of 2022, O-Bank's BIS Ratio was 14.49%, Tier1 Capital Ratio was 12.72%, and CET1 Ratio was 12.09%.
- O-Bank's NPL ratio was 0.35% and loan loss coverage ratio was 431.51%, as of the end 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

Ranked No.1 among Taiwan's Financial Institutions, No.3 among All Listed Companies in Taiwan in Sustainalytics' ESG Risk Ratings

- As of the end of February of 2023, O-Bank scored 8.7, ranked No.1 among Taiwan's financial institutions, No.3 among all listed companies in Taiwan and Top 1% of globally rated companies in the publishing of **Morningstar 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

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

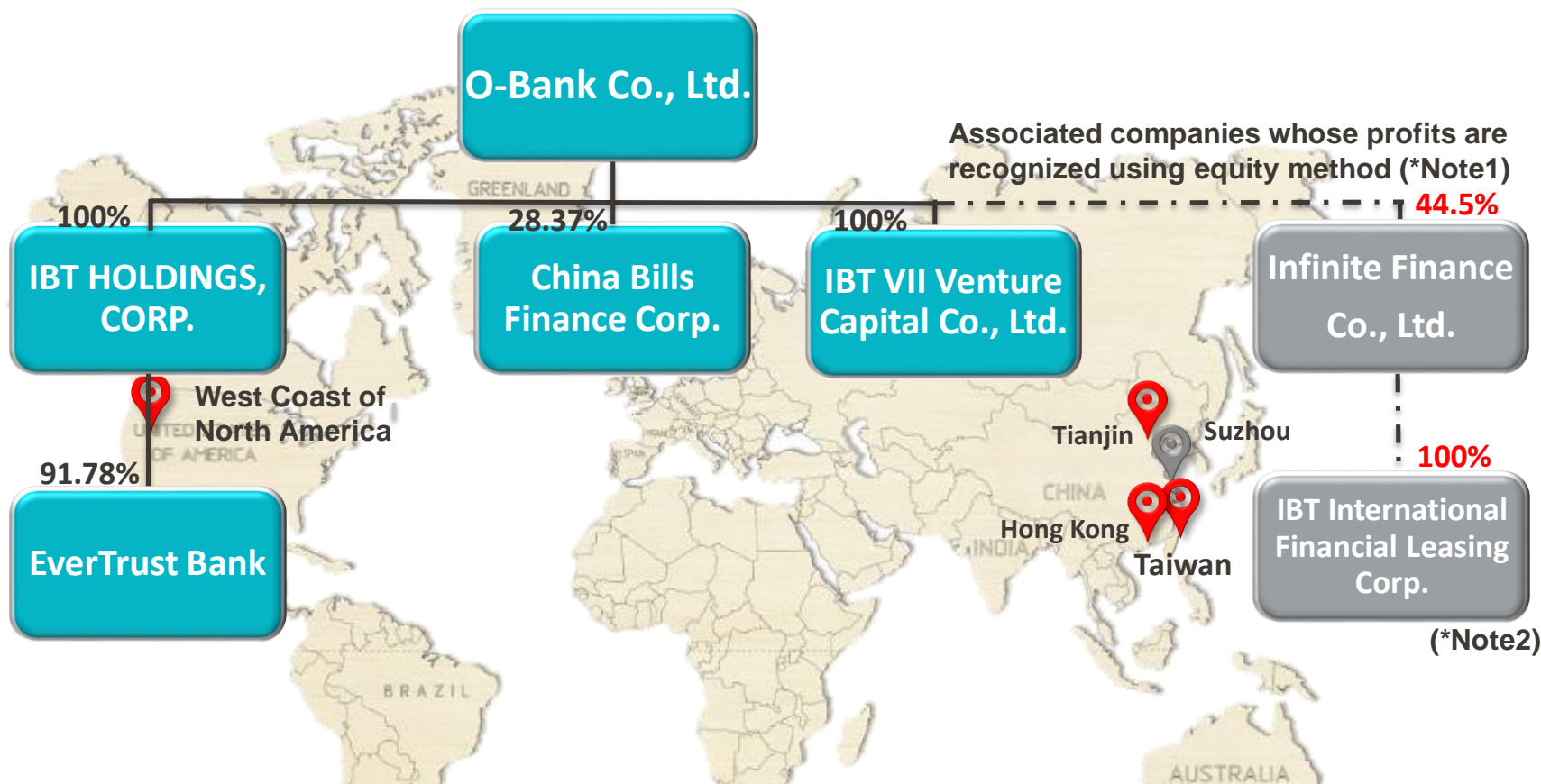
O-Bank and its Main Subsidiaries(As of 2022/11/30)





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 2022/12/1. 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.



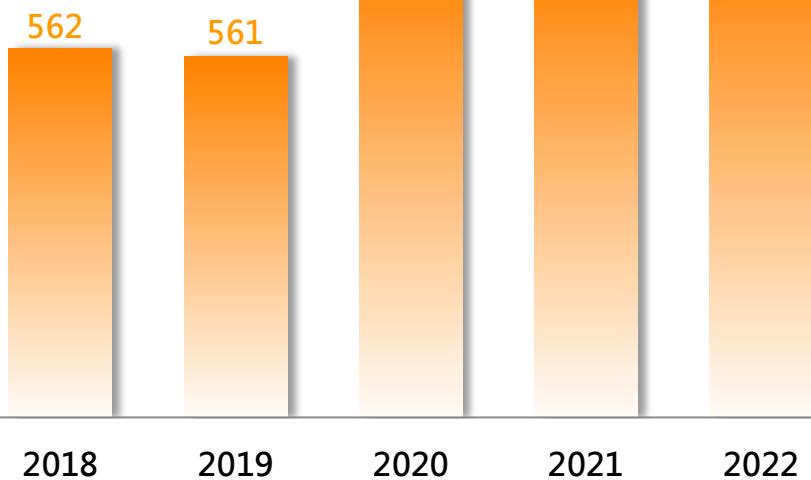
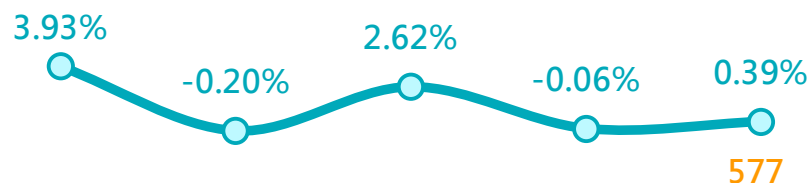
02-1

Consolidated Financial Results

Total Assets

NT \$ billion

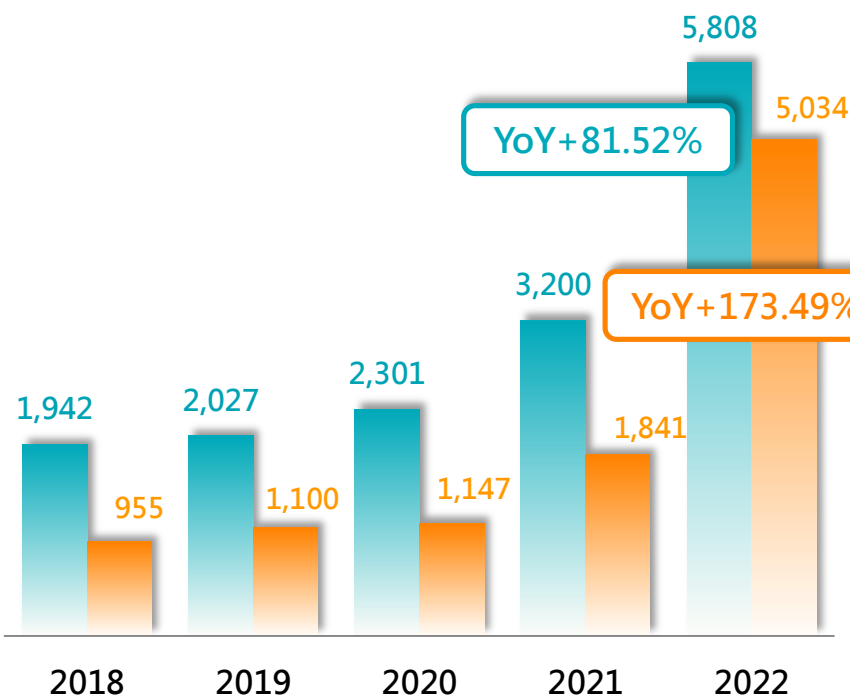
— Total Assets
— Growth Rate



Net Profit

NT \$ million

— Net Profit
— Net Profit Attributable to Parent Bank

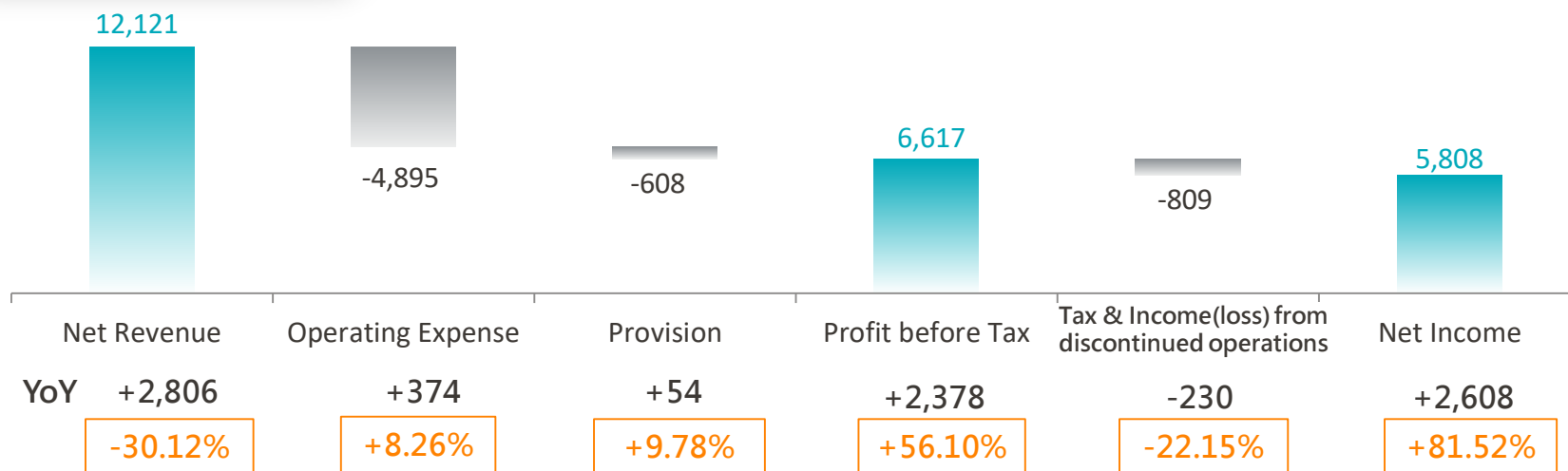


02-1 Consolidated Financial Results

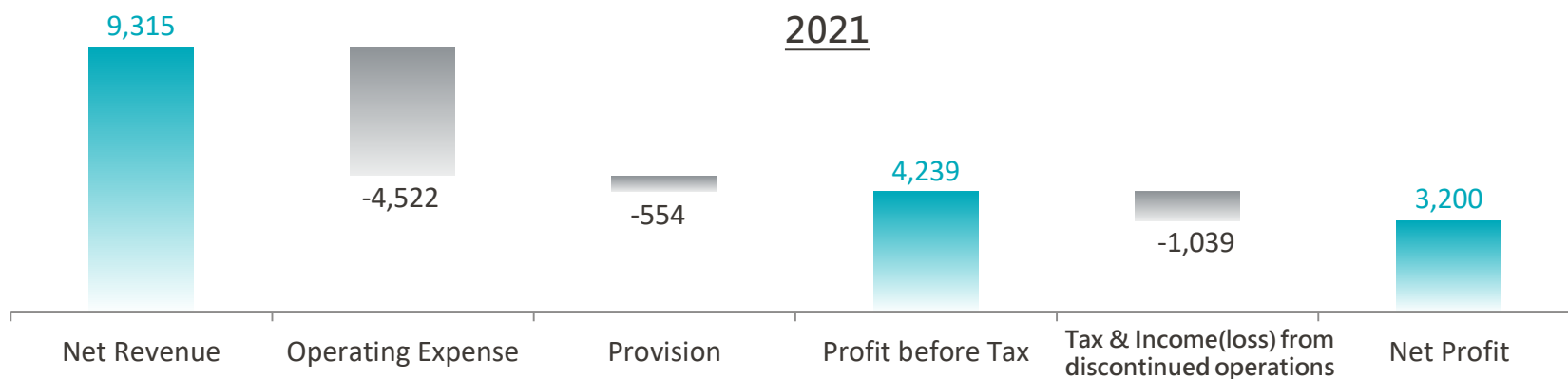
Net Profit Compositions

2022

NT \$ million



2021

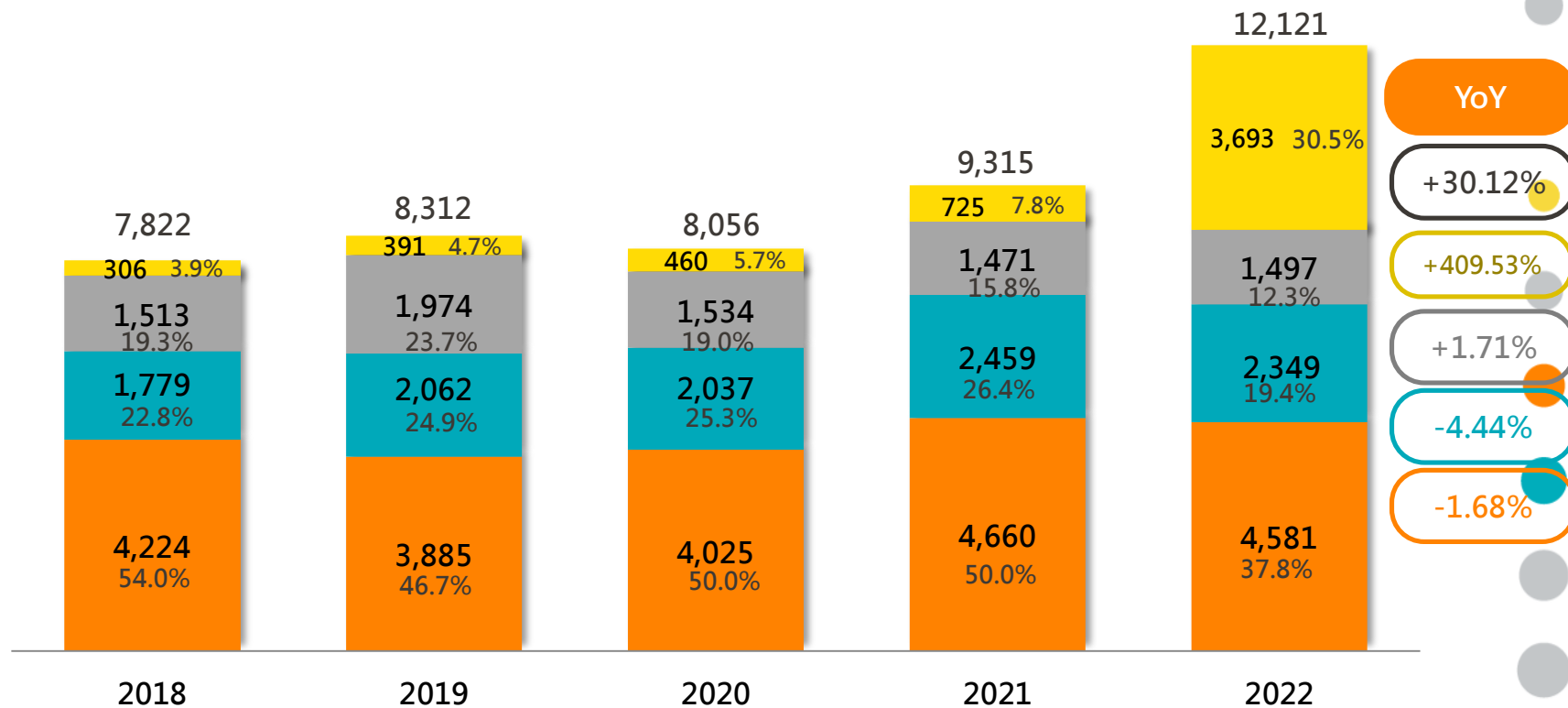


02-1 Consolidated Financial Results

Net Revenue Breakdown

NT \$ million

- 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-

Standalone Financial Results: O-Bank

Net Profit Grew 173% YoY

Net Profit before Tax

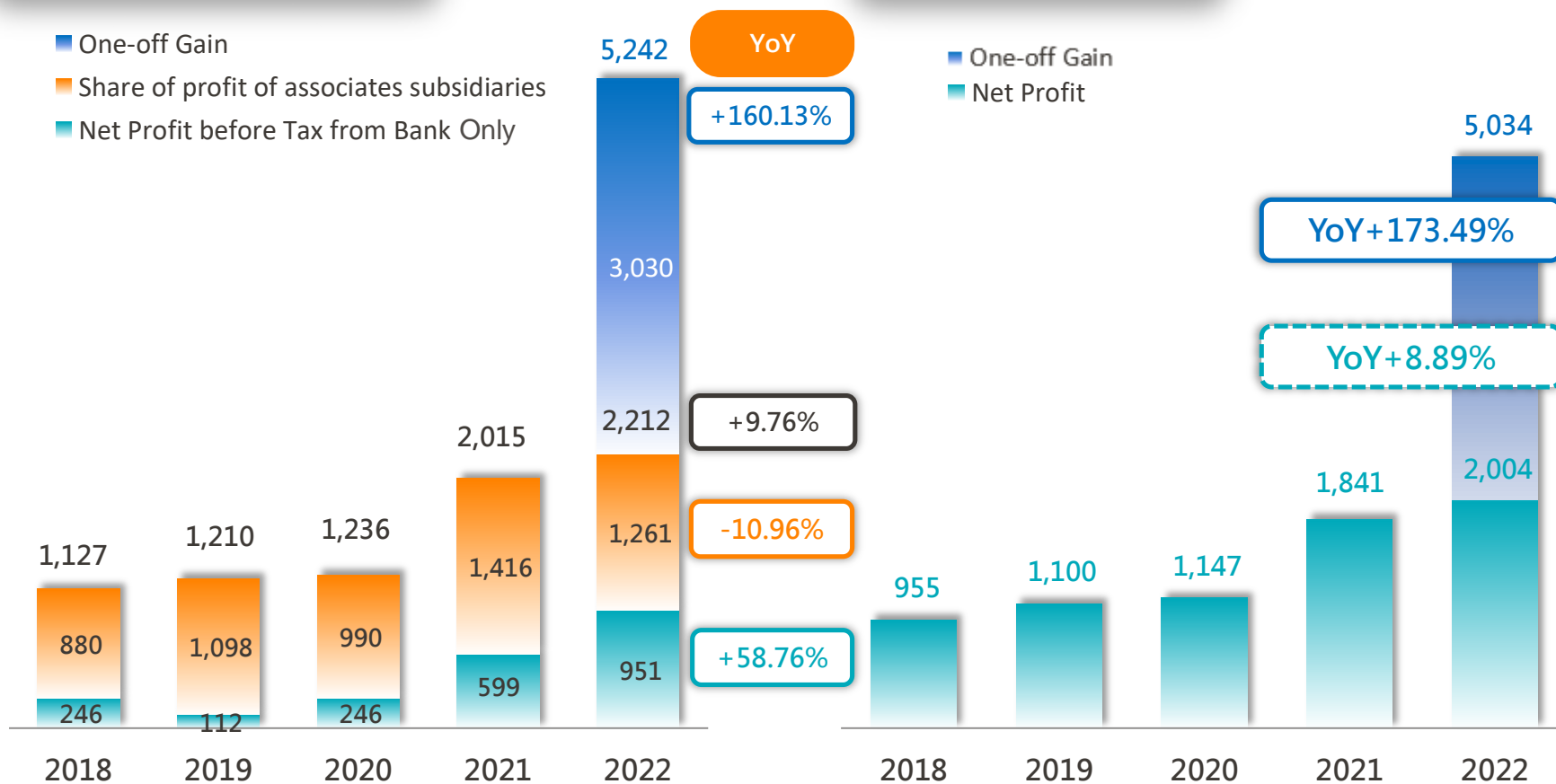
NT \$ million

Net Profit

NT \$ million

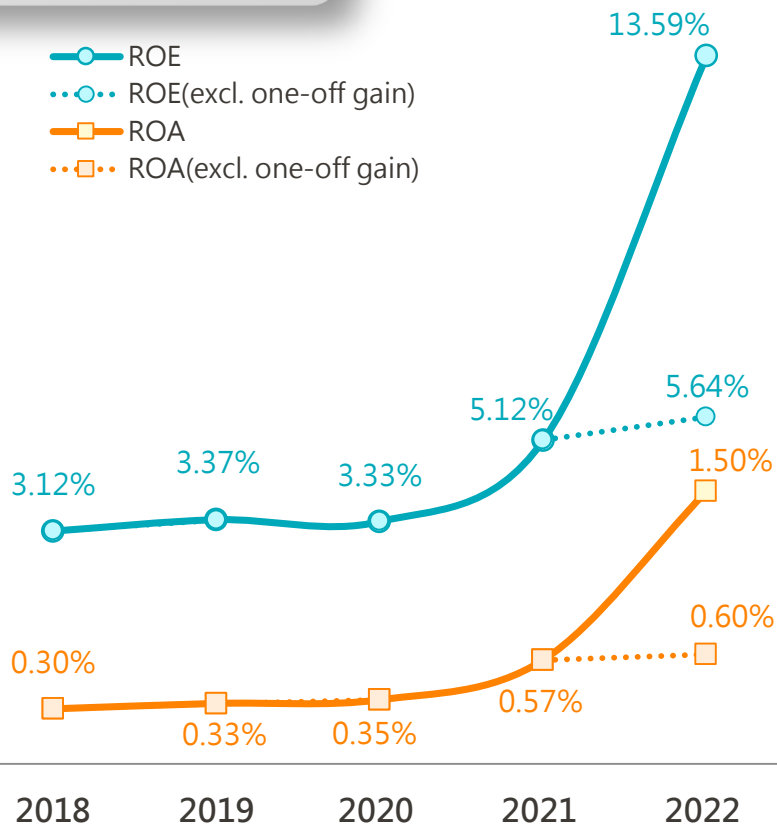
- One-off Gain
- Share of profit of associates subsidiaries
- Net Profit before Tax from Bank Only

- One-off Gain
- Net Profit

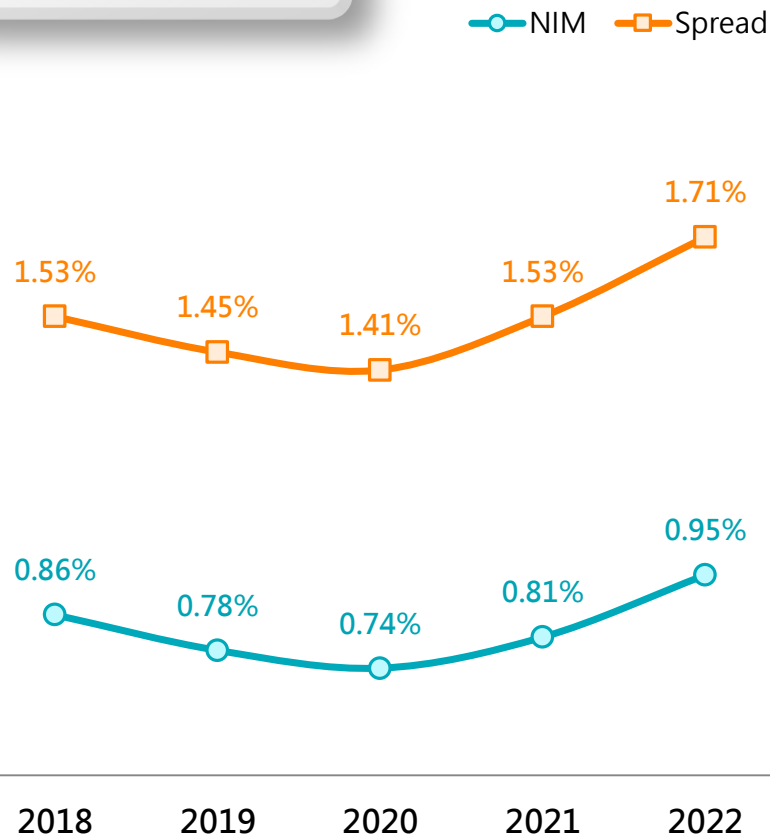


ROE & ROA, NIM & Spread All Reached a Record High since 2018

ROE & ROA



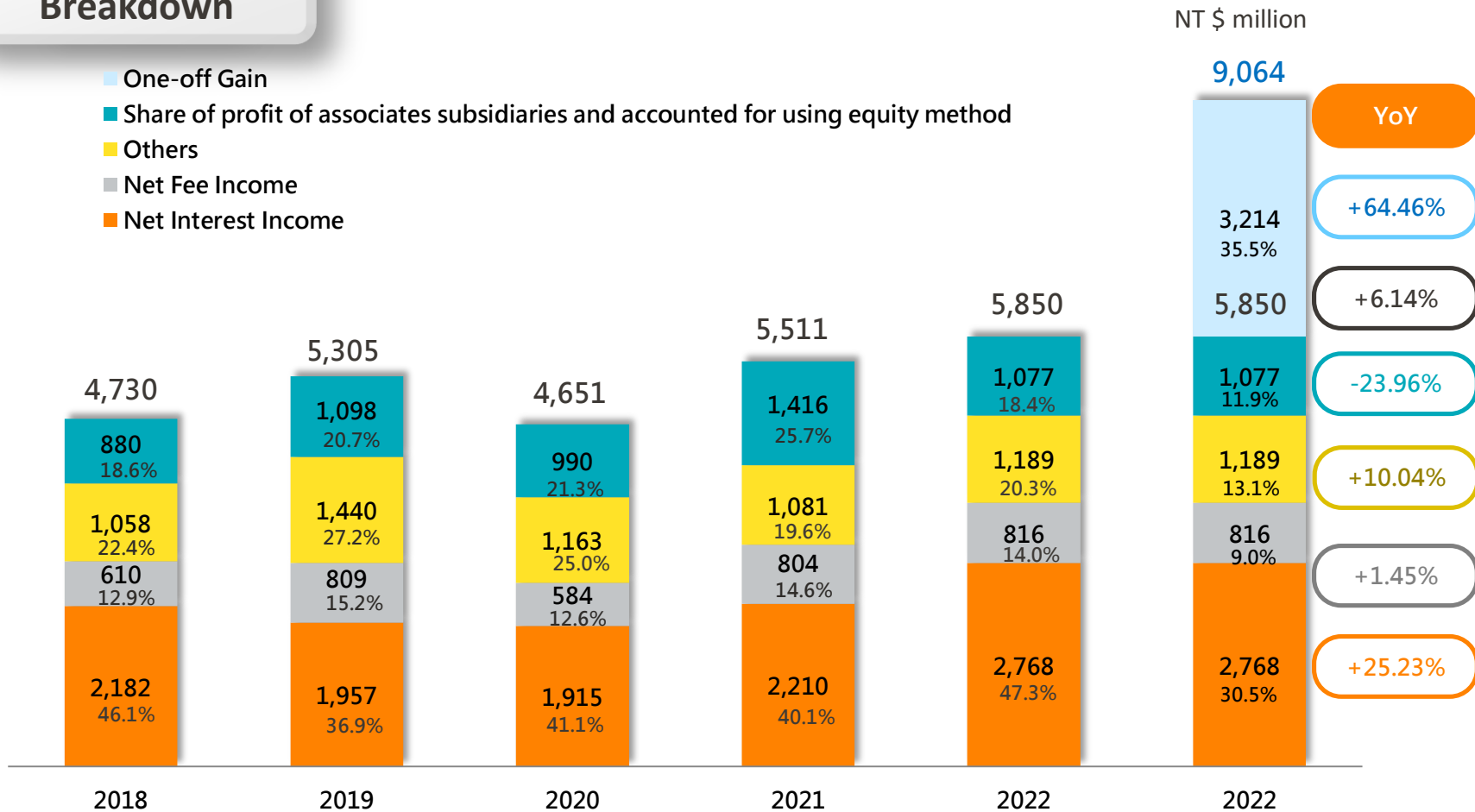
NIM & Spread



Continued Growth in NII, NFI & Others

Net Revenue Breakdown

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

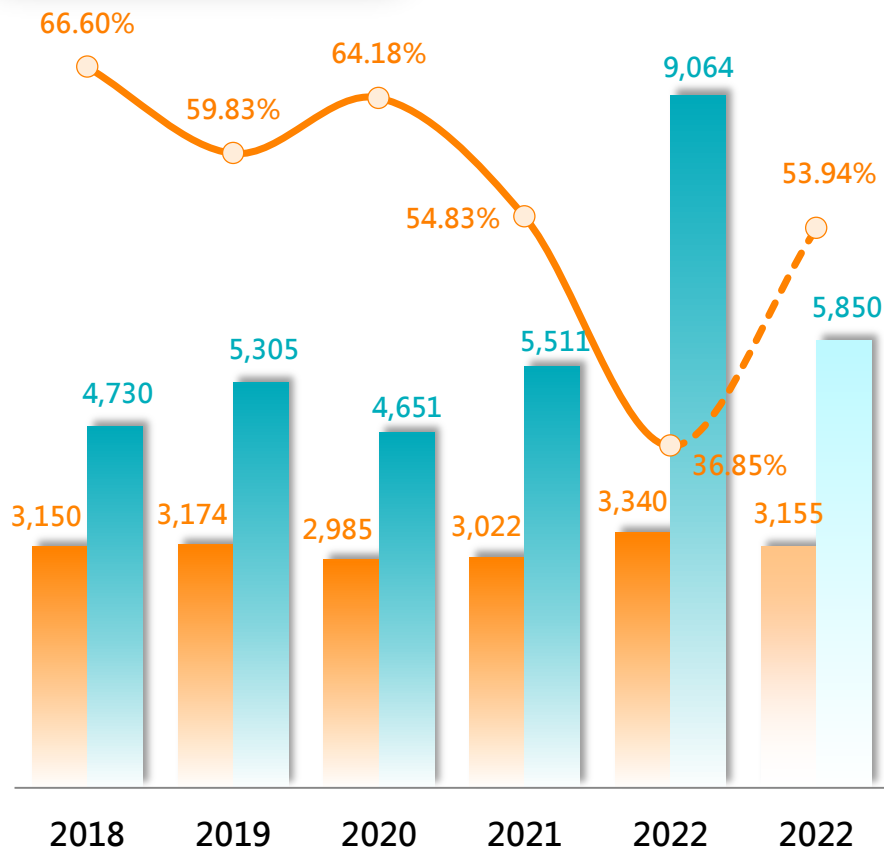


CI Ratio and EPS Delivered the Best Results in 5 years

Cost/Income Ratio

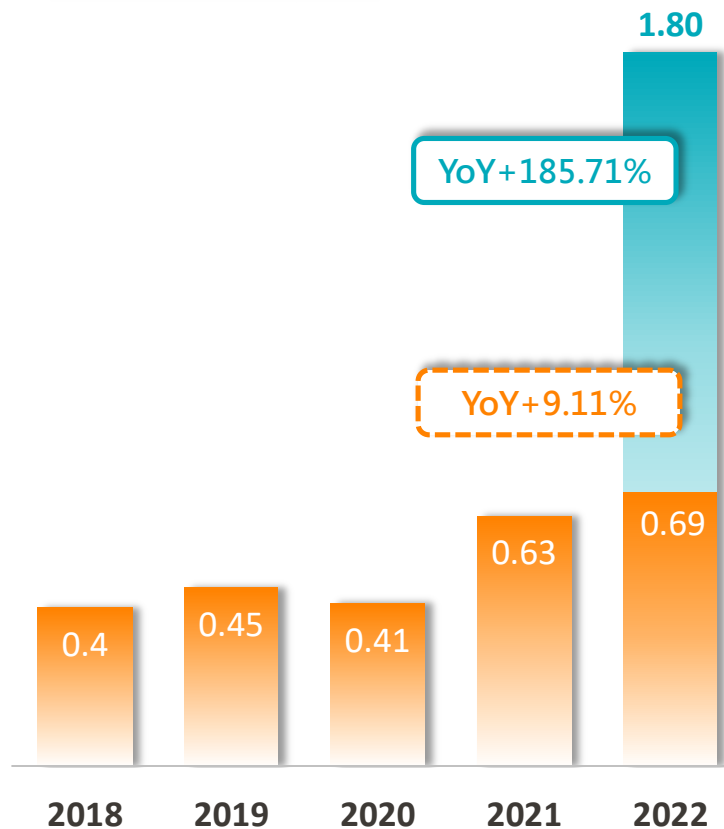
Operating Expense
Net Revenue
Cost Income Ratio

NT \$ million



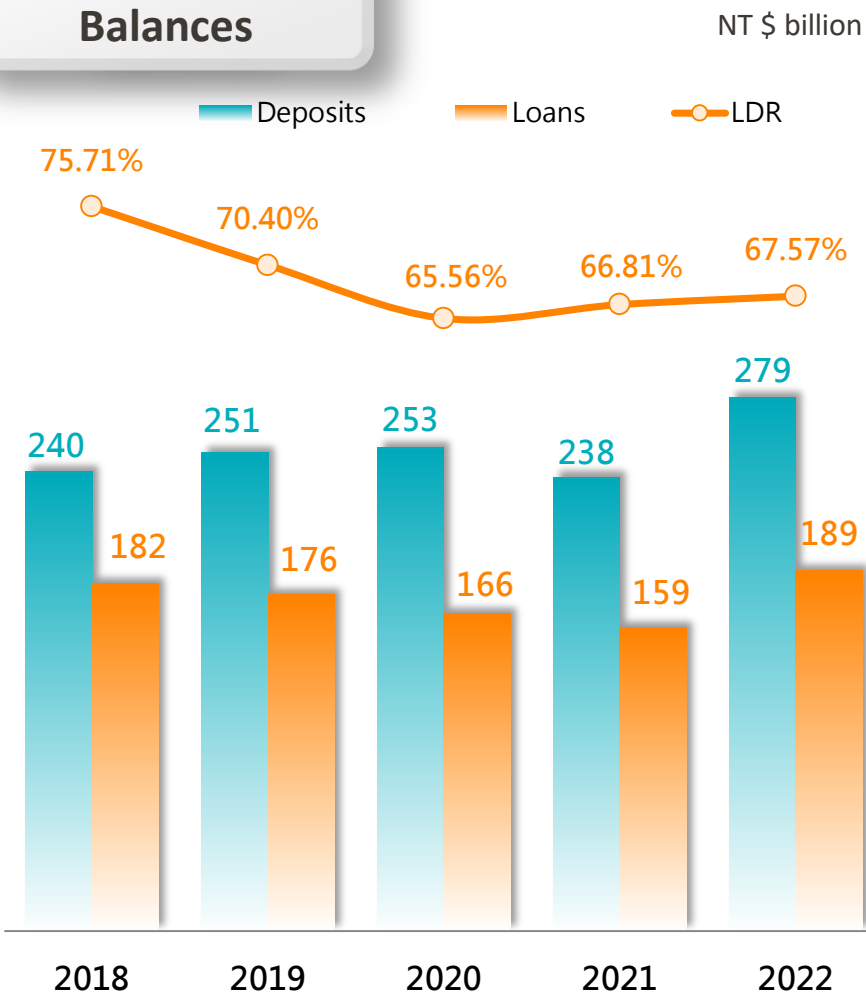
EPS

NT \$
EPS

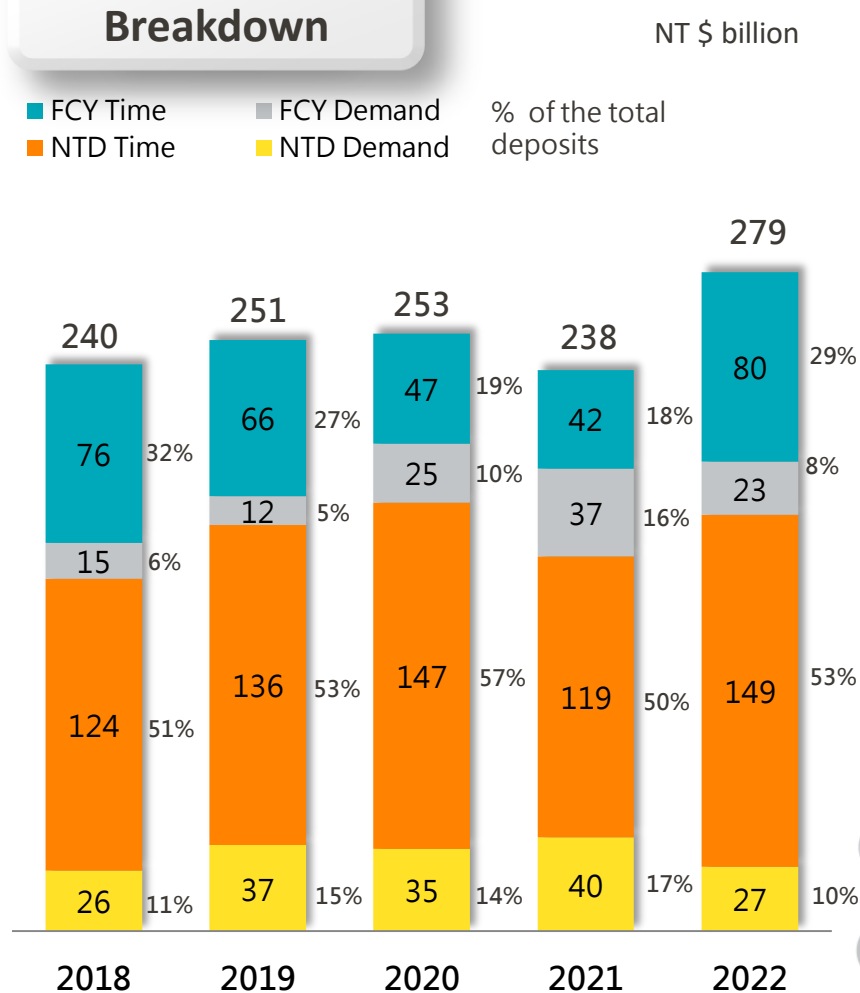


02-2 Standalone Financial Results: O-Bank

Loan & Deposit Balances



Deposit Breakdown

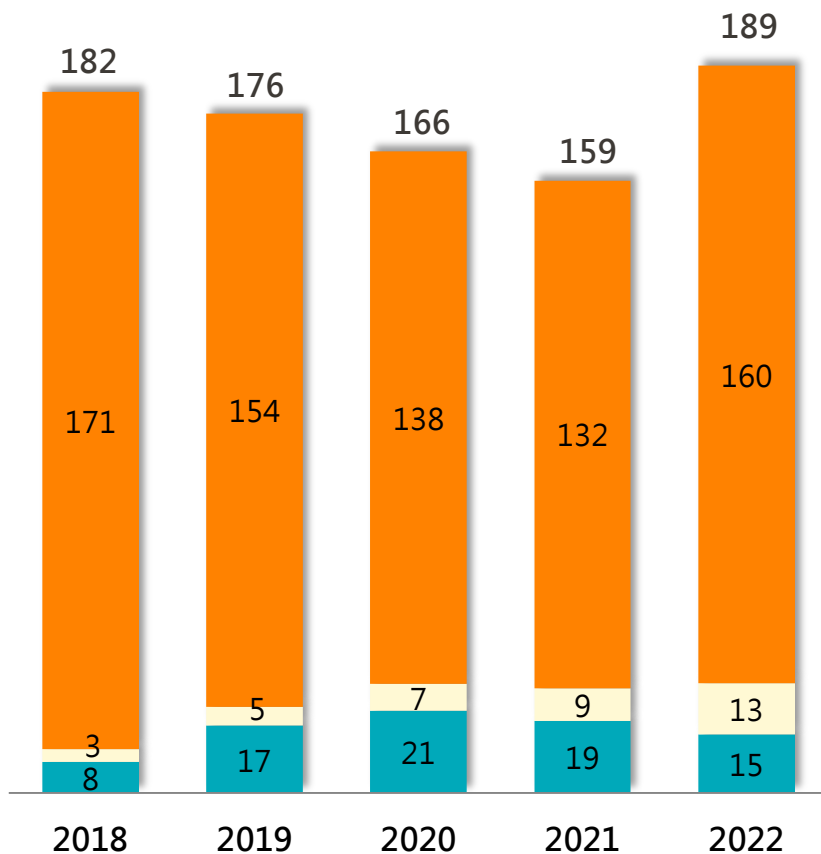


02-2 Standalone Financial Results: O-Bank

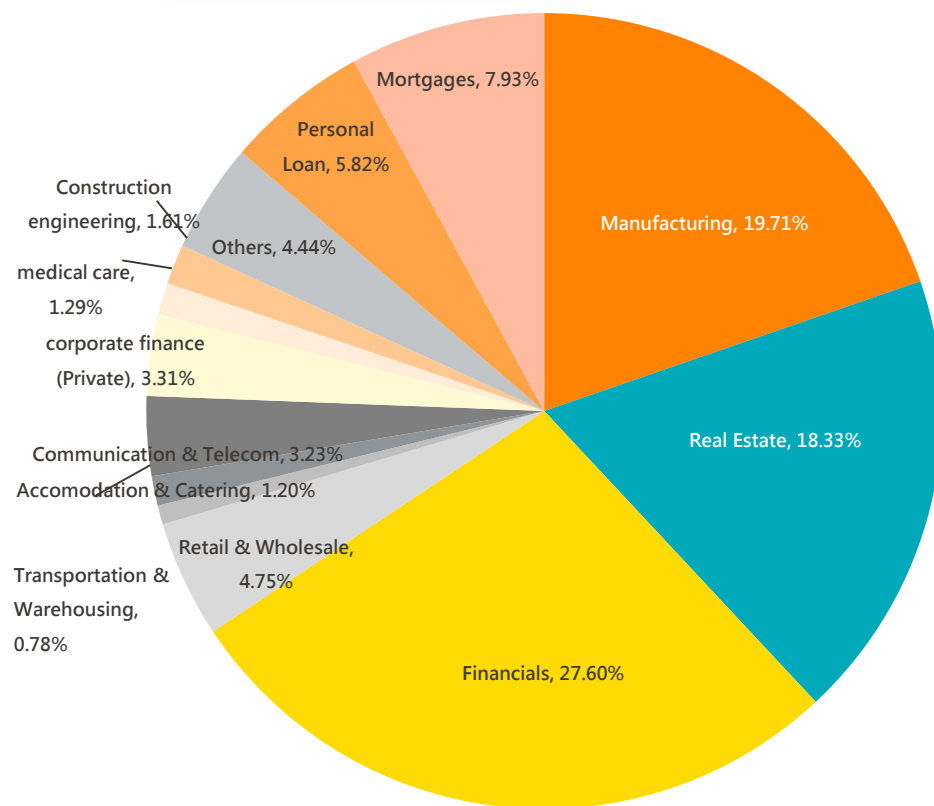
Loan Breakdown

NT \$ billion

Corporate Loans Personal Loans Mortgages



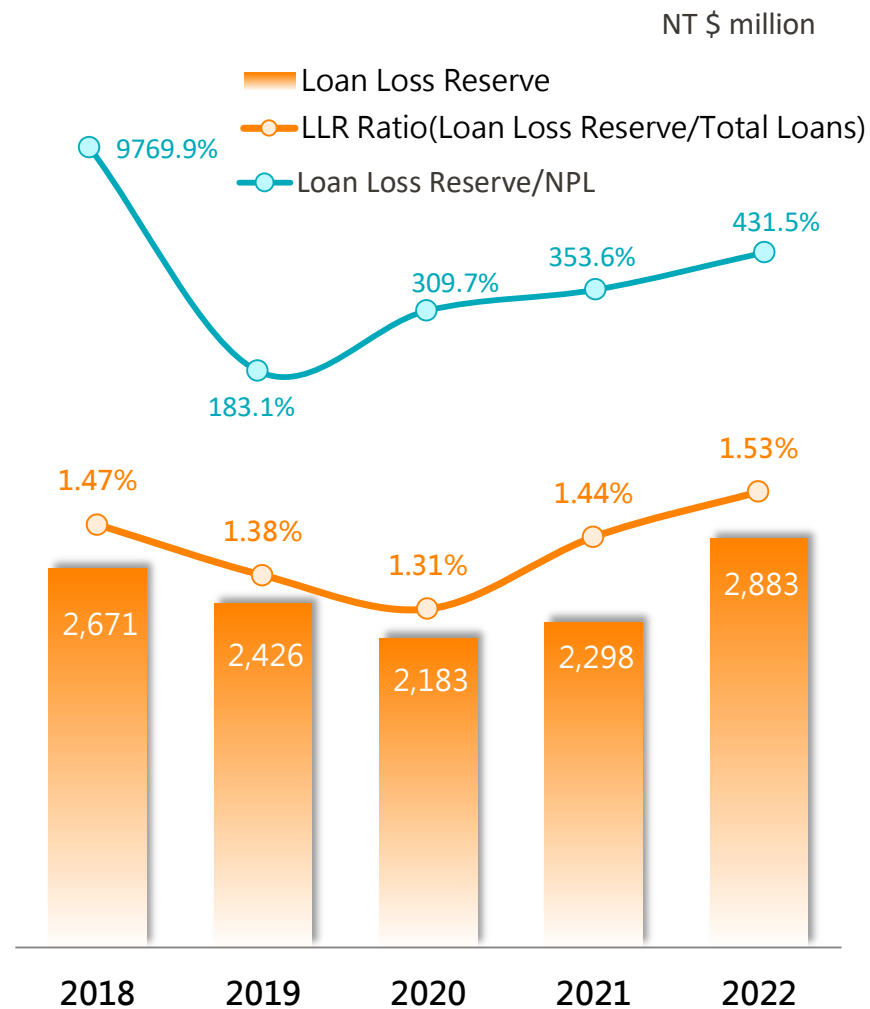
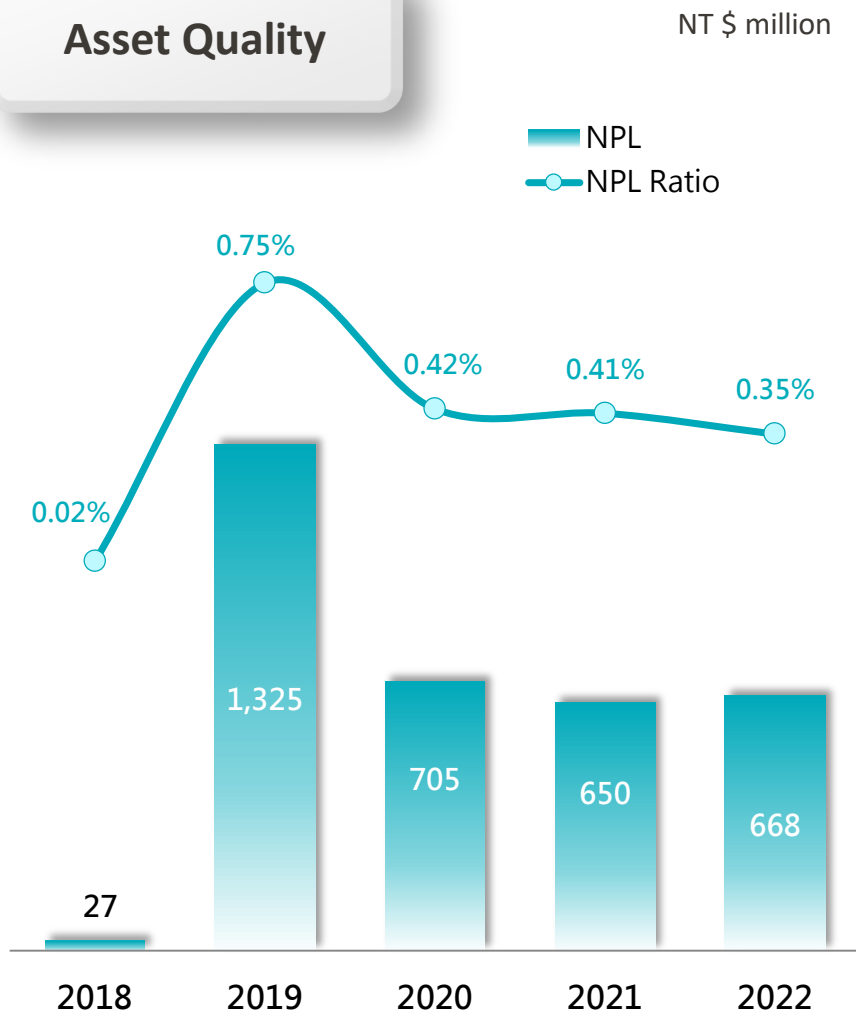
Loan Breakdown by Industry



Note: Data as of year end of 2022.

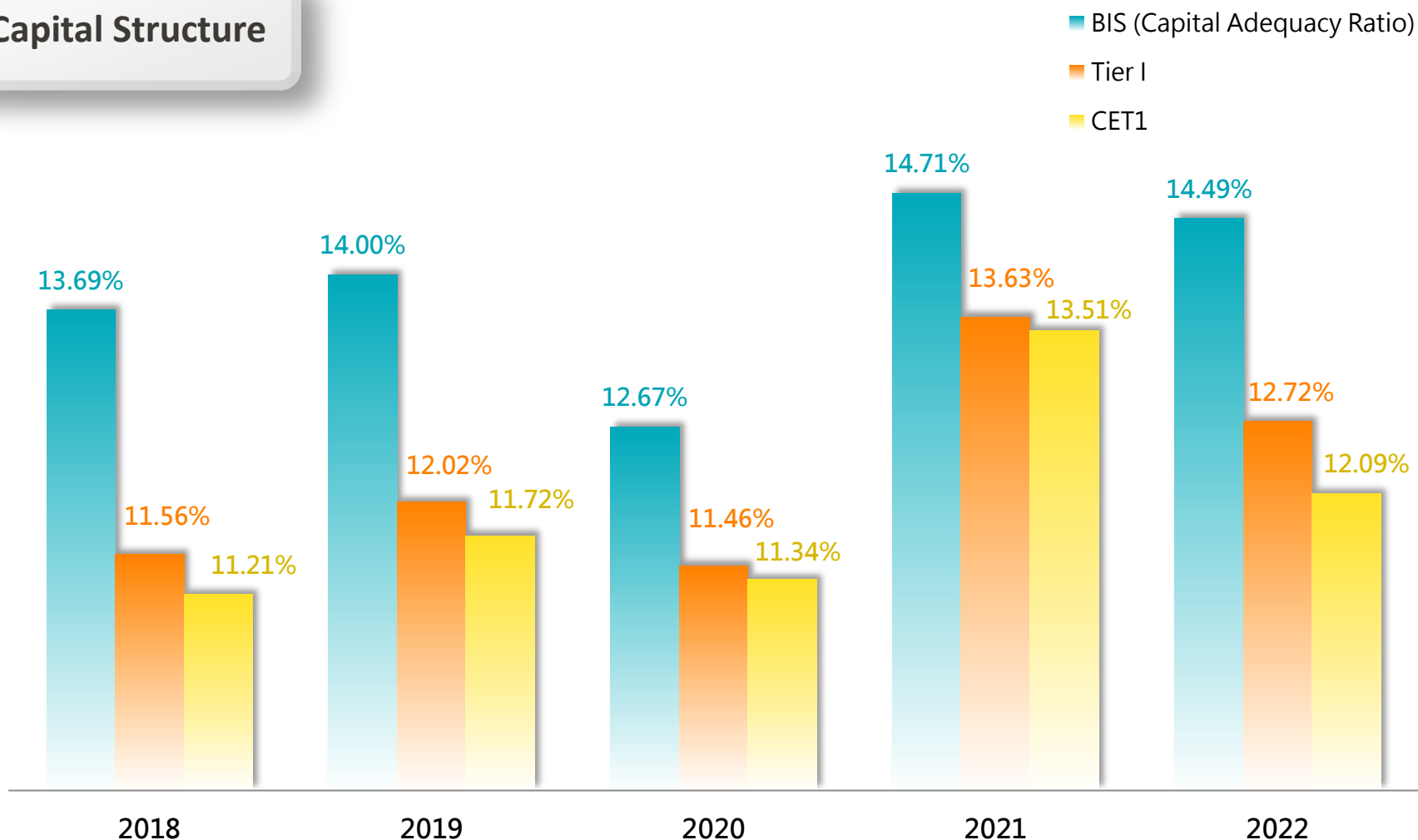
02-2 Standalone Financial Results: O-Bank

Asset Quality



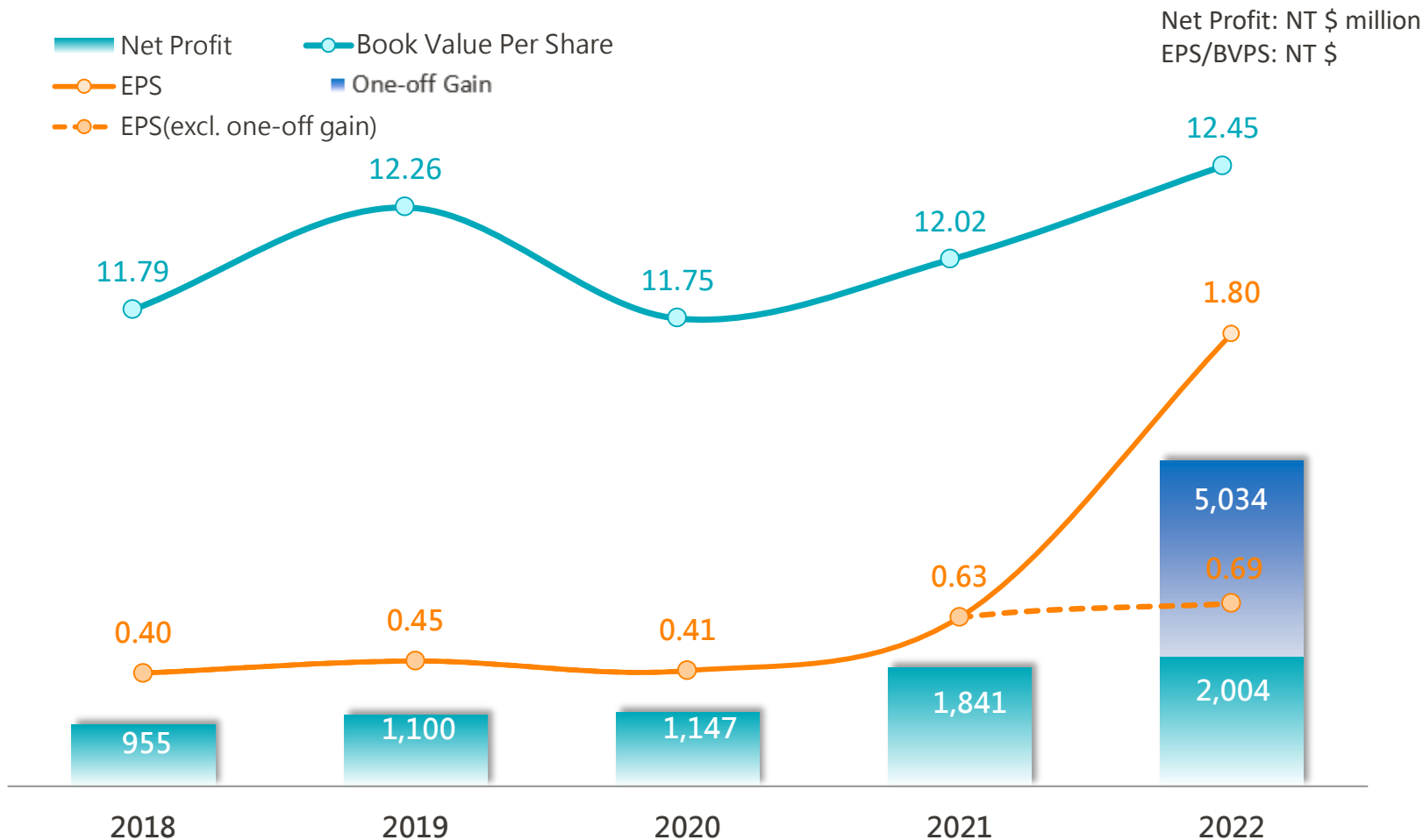
02-2 Standalone Financial Results: O-Bank

Capital Structure



02-2 Standalone Financial Results: O-Bank

2022 Net Profit, EPS and BVPS
Were Strongest since 2018





02-3

Individual Financial Results

-China Bills Finance Corp.-

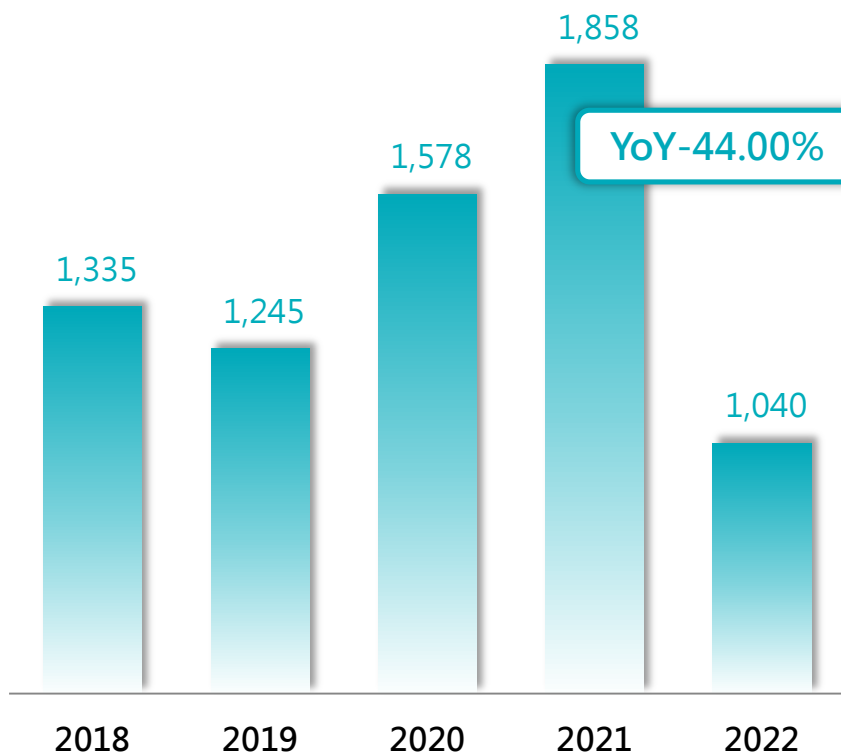


02-3

Individual Financial Results: China Bills Finance Corp.

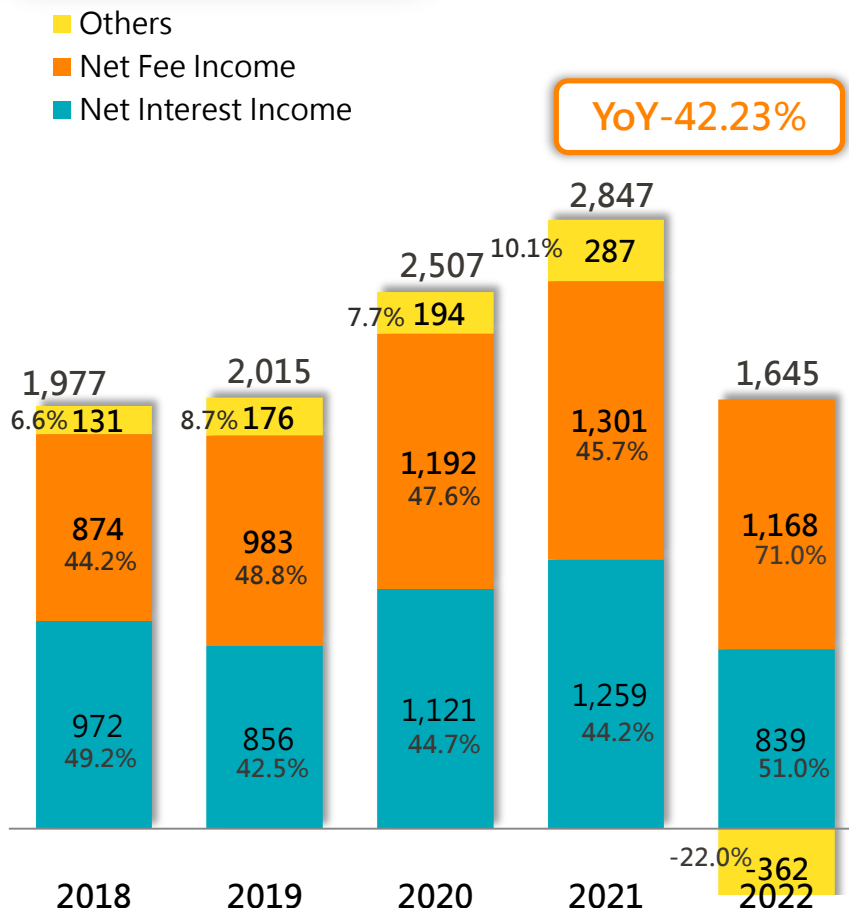
Net Profit

NT \$ million



Net Revenue

NT \$ million

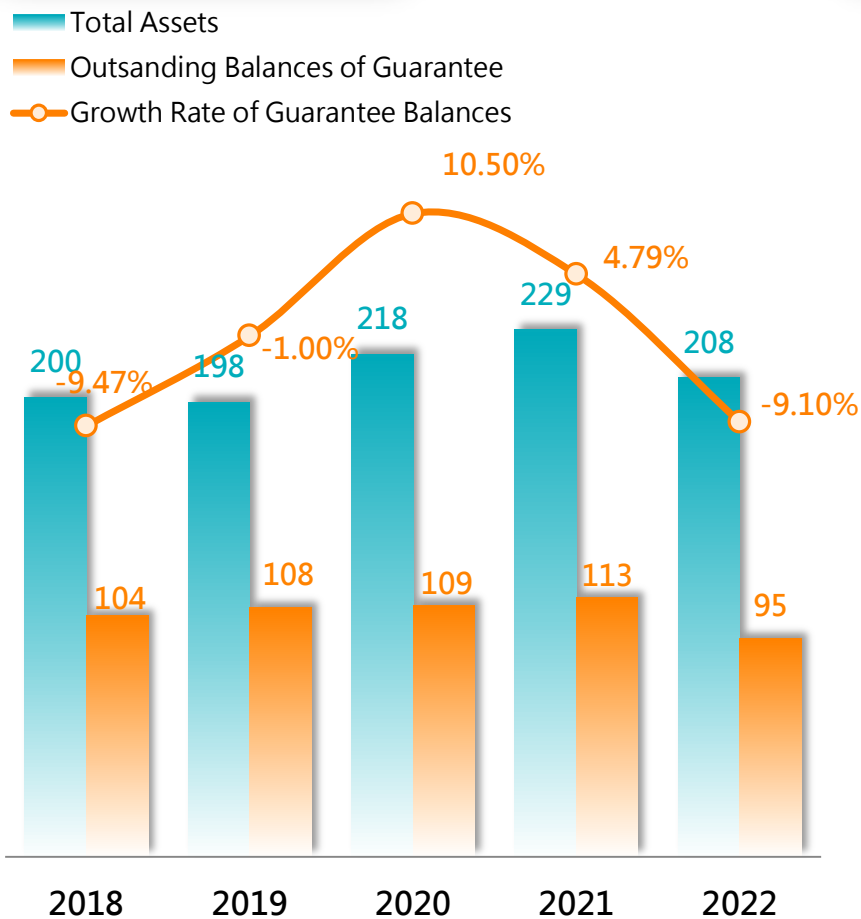




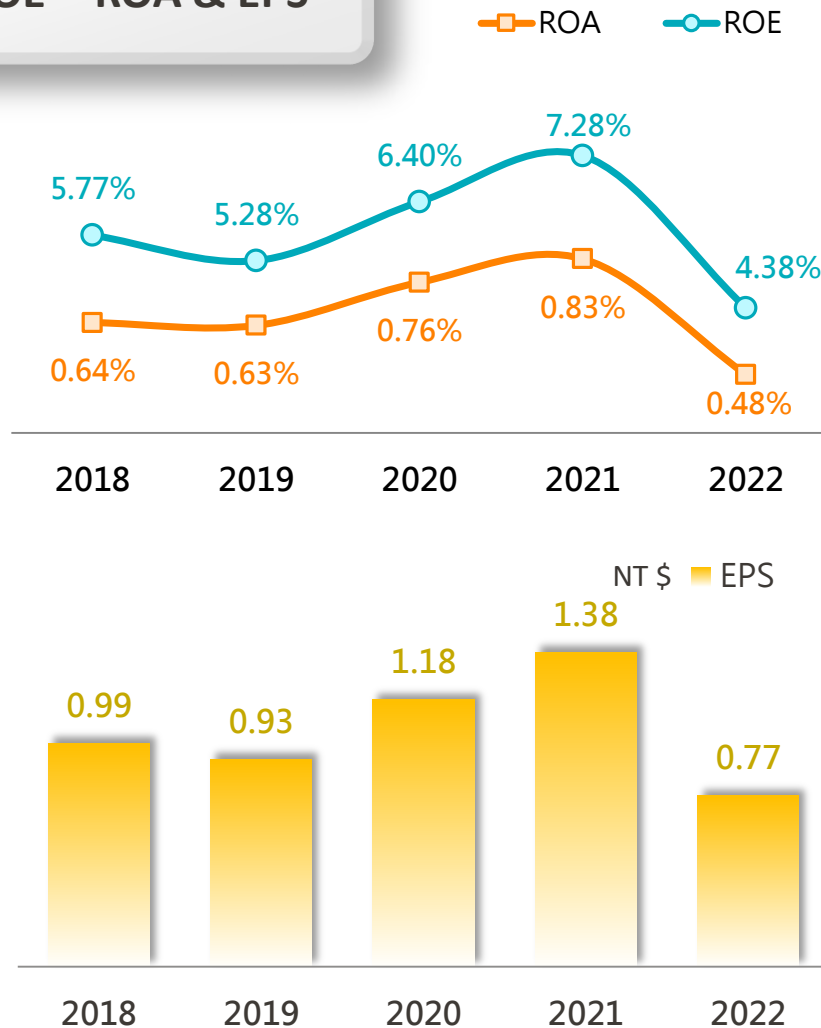
02-3

Individual Financial Results: China Bills Finance Corp.

Assets



ROE 、 ROA & EPS





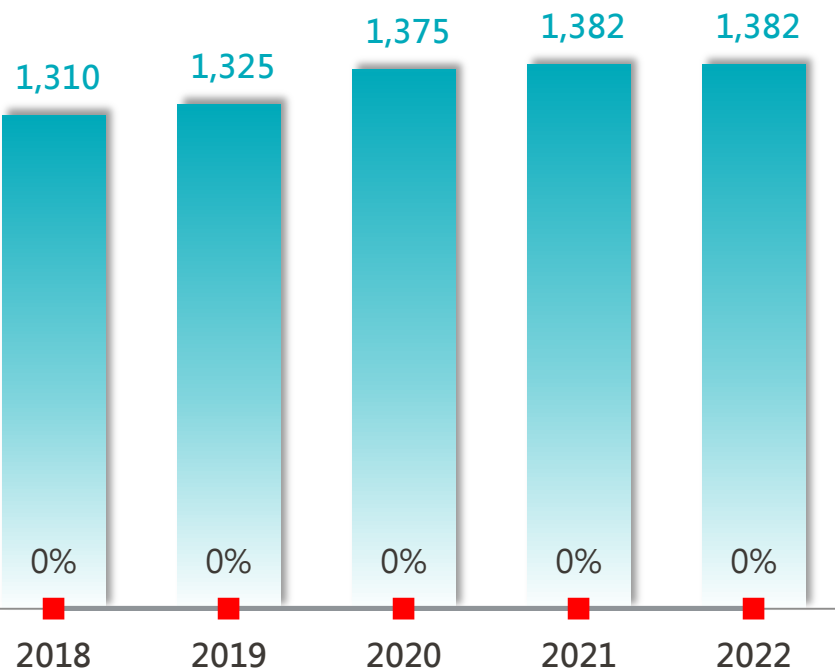
02-3

Individual Financial Results: China Bills Finance Corp.

NPL & Reserve for Guarantee Liabilities

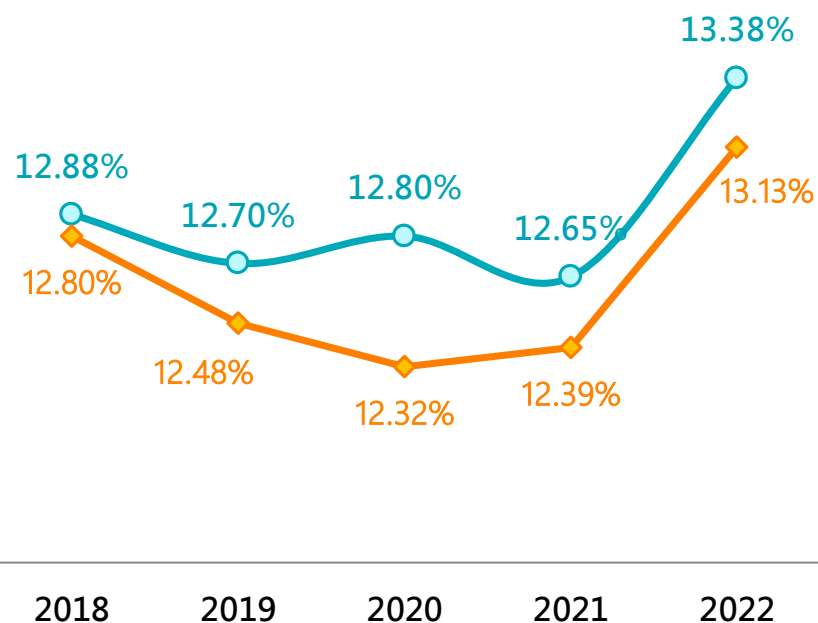
NT \$ million

- Reserve for Guarantee Liabilities
- NPL Ratio



CAR

- CAR (Total Capital)
- Tier I Capital





02-4

Individual Financial Results

*-IBT Holdings Corp. and
its Subsidiaries -*

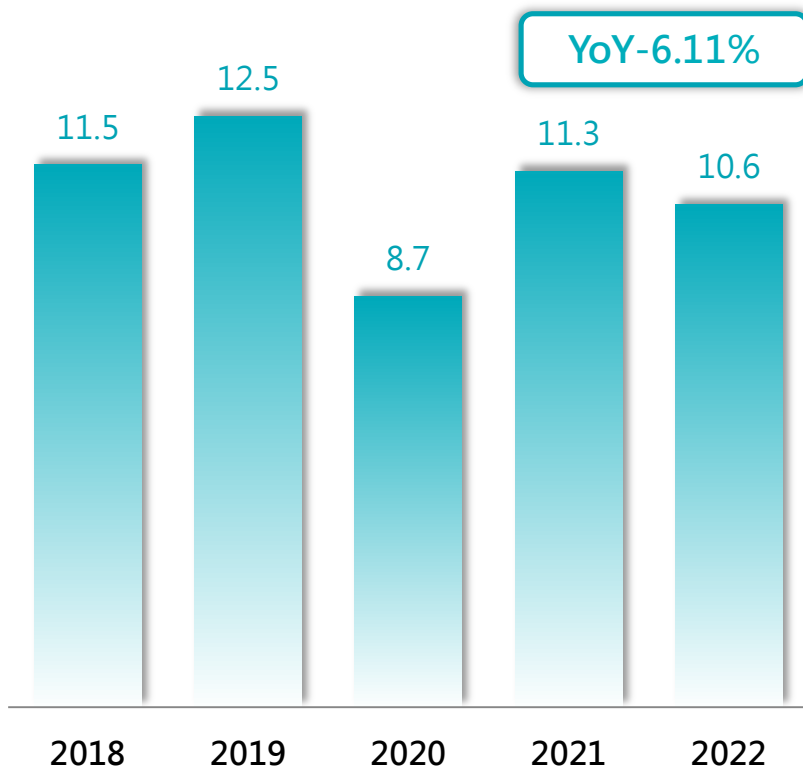


02-4

Individual Financial Results: IBT Holdings Corp. and its Subsidiaries

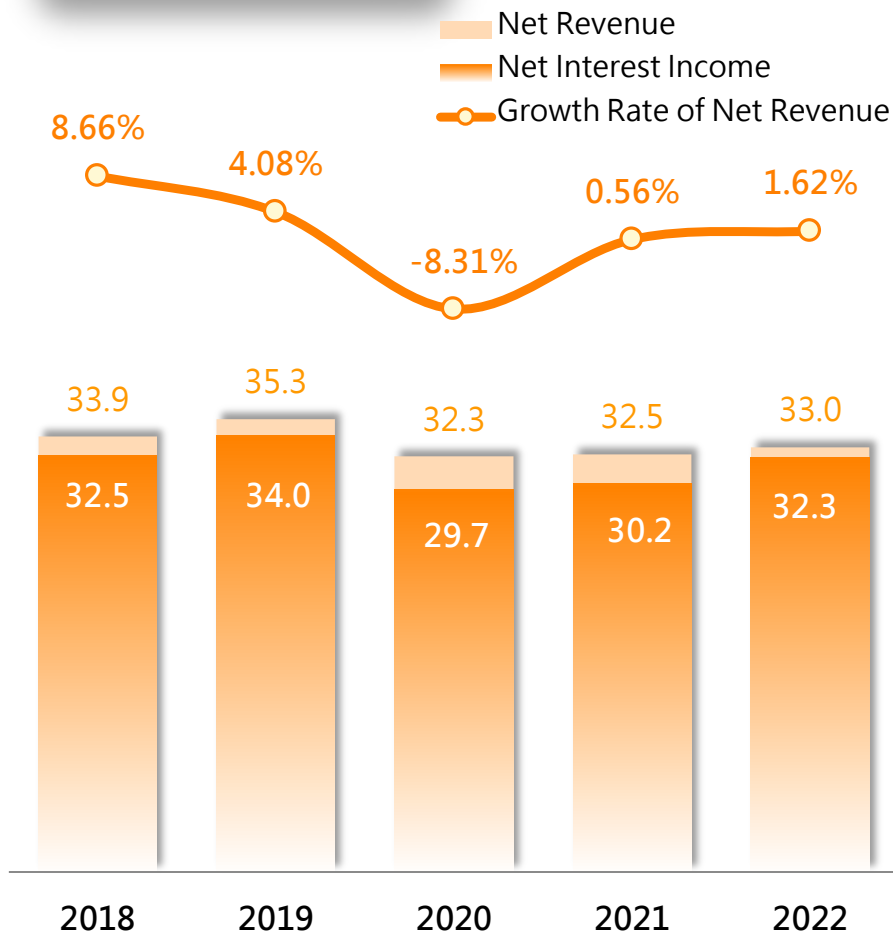
Net Profit

USD \$ million



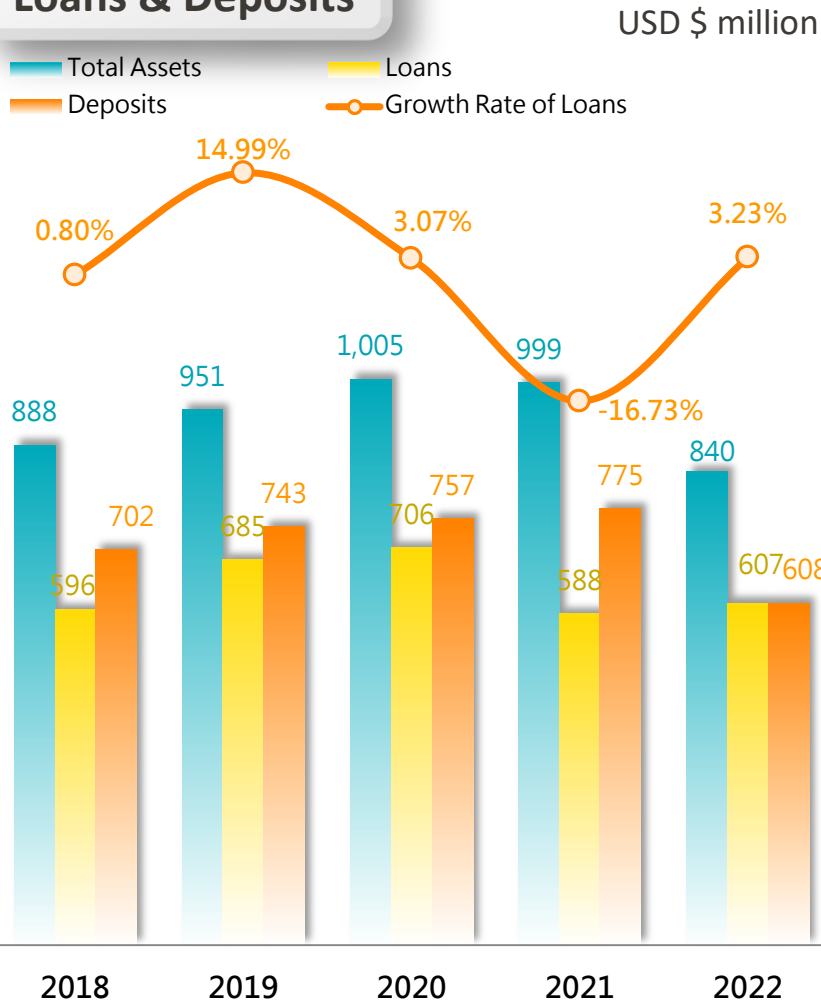
Net Revenue

USD \$ million

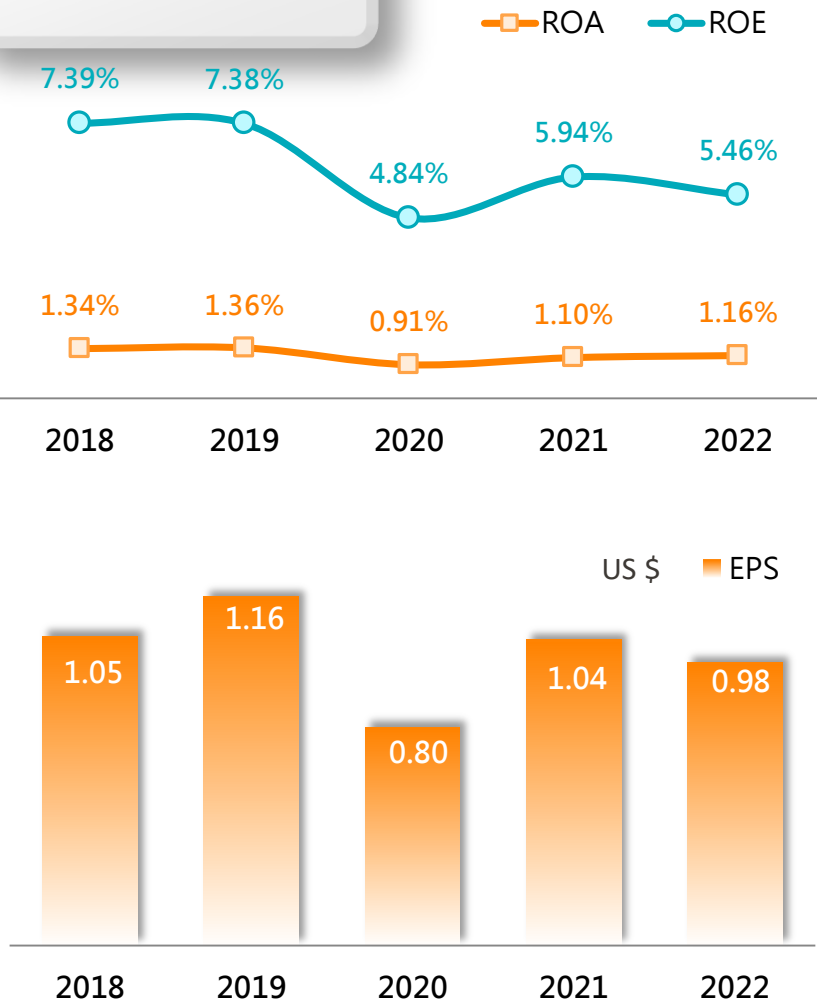


Individual Financial Results: IBT Holdings Corp. and its Subsidiaries

Assets、 Loans & Deposits

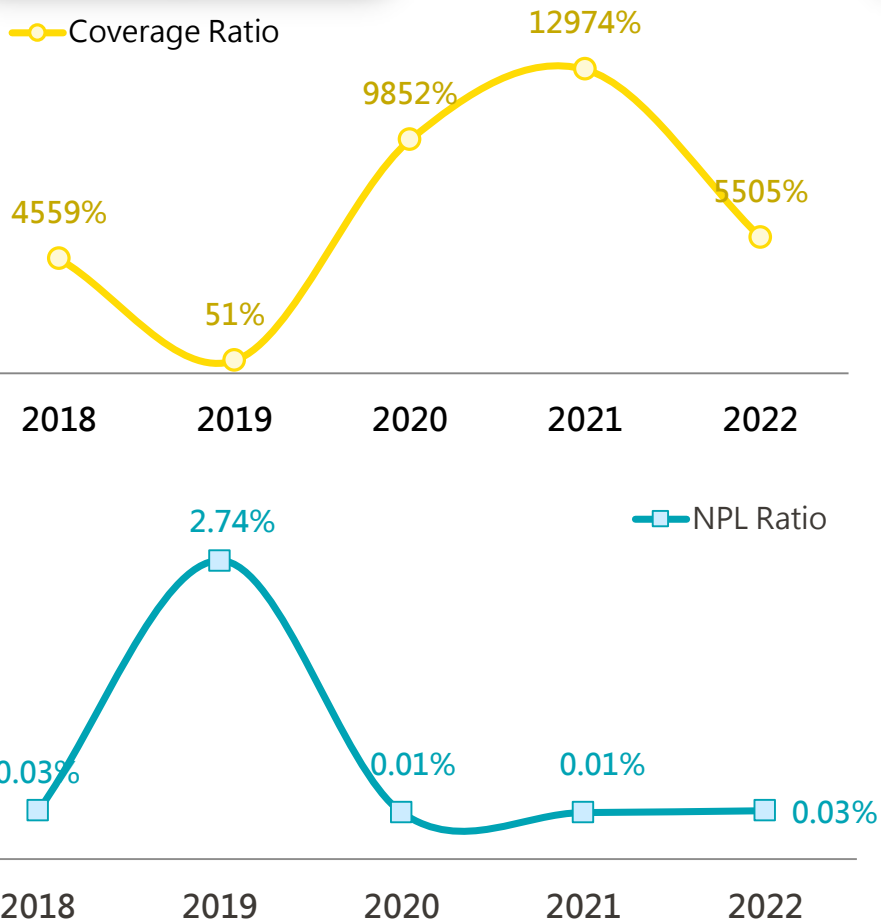


ROE、ROA & EPS

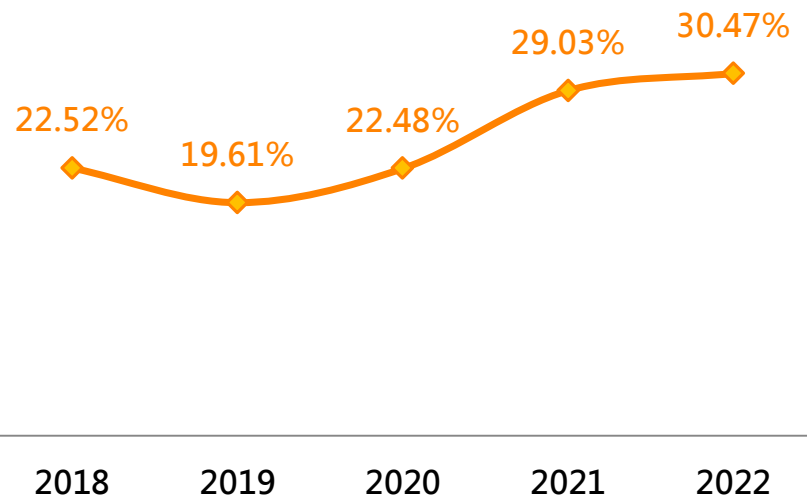


Individual Financial Results: IBT Holdings Corp. and its Subsidiaries

NPL Ratio & Coverage Ratio



CAR





02-5

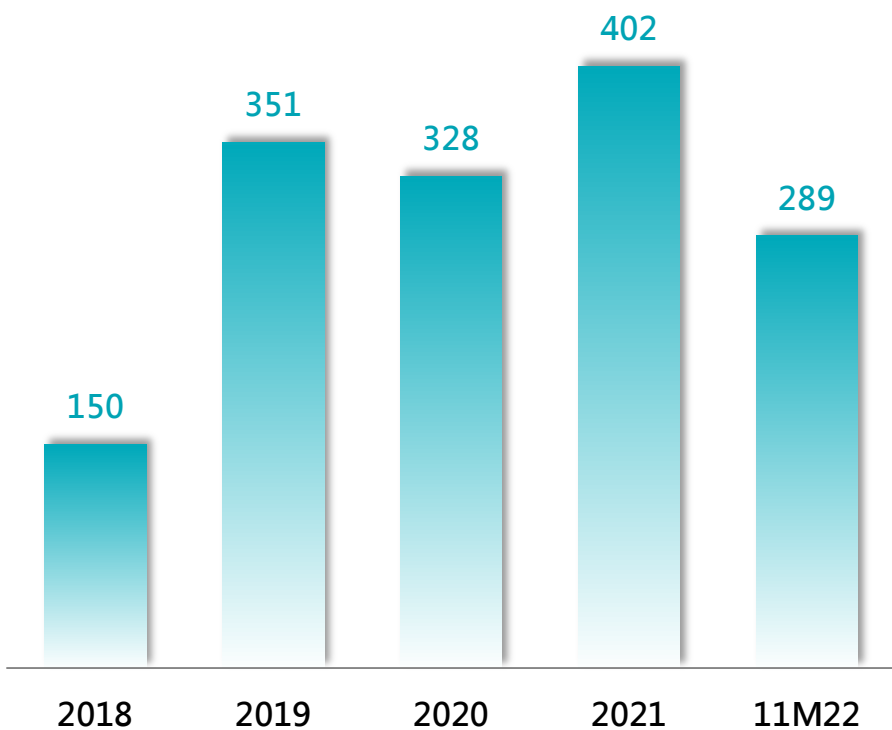
Individual Financial Results

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

Individual Financial Results: IBT Leasing Co., Ltd. and its Subsidiaries (As of 2022/11/30)

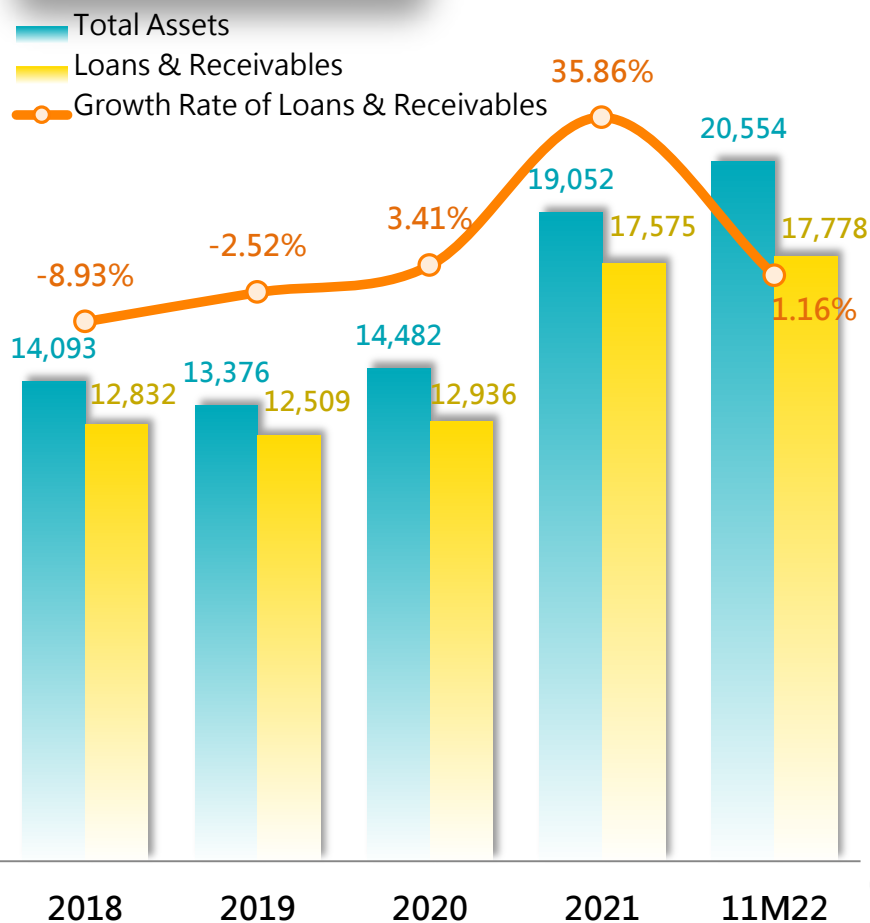
Net Profit

NT \$ million



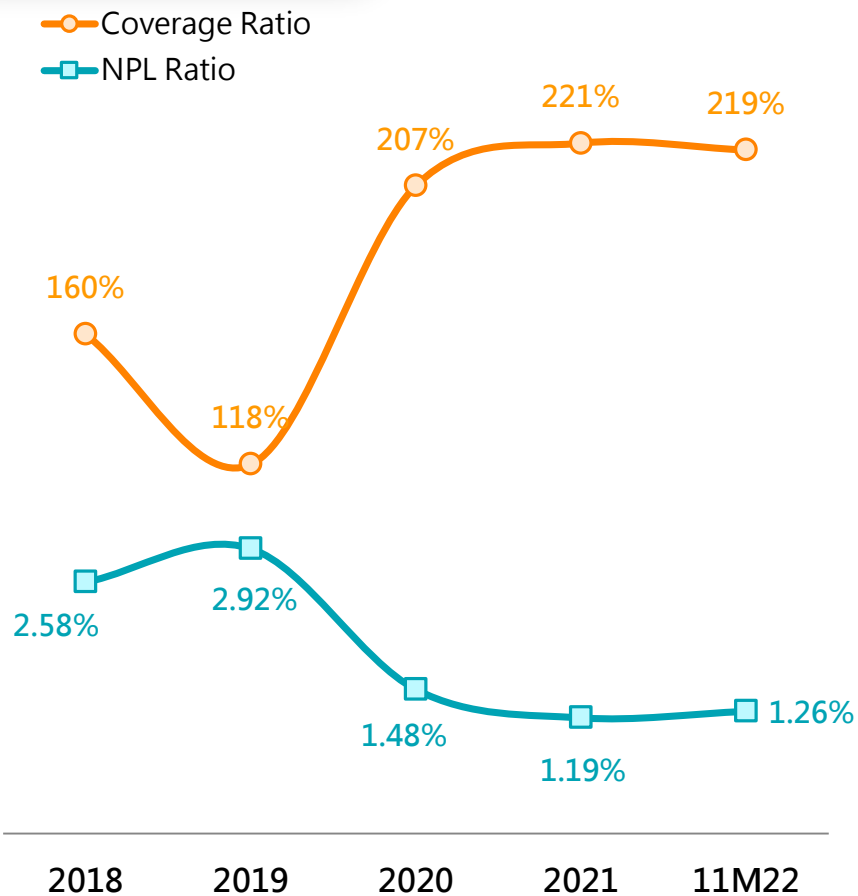
Assets

NT \$ million

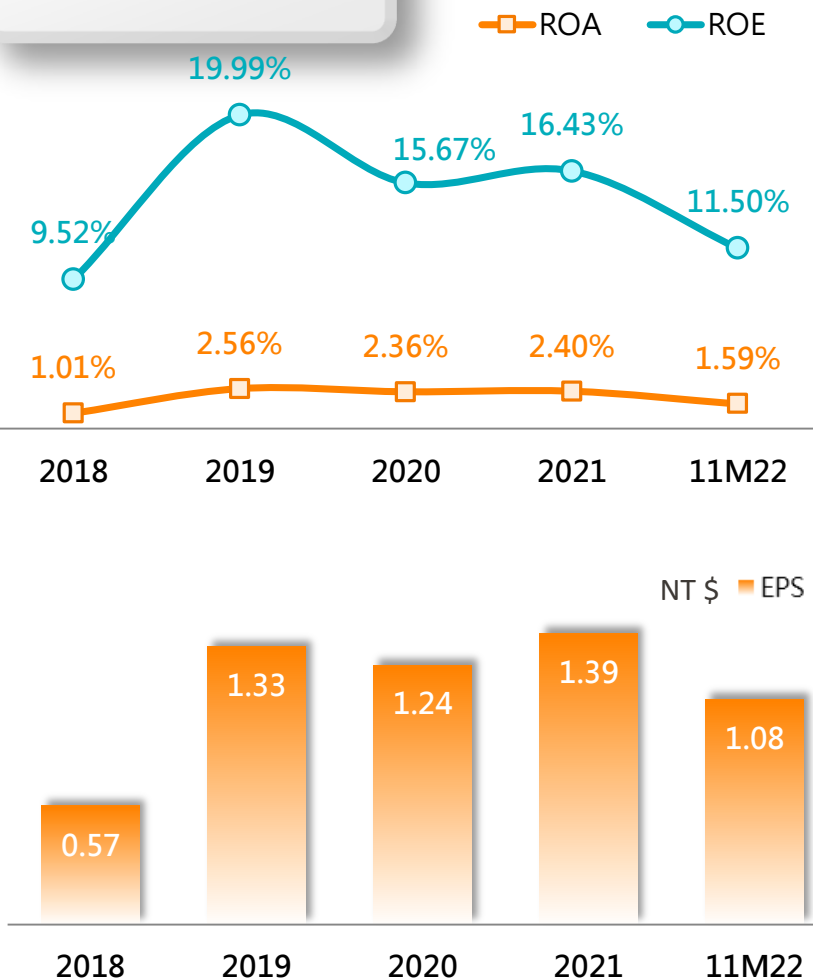


Individual Financial Results: IBT Leasing Co., Ltd. and its Subsidiaries (As of 2022/11/30)

NPL Ratio & Coverage Ratio



ROE 、 ROA & EPS

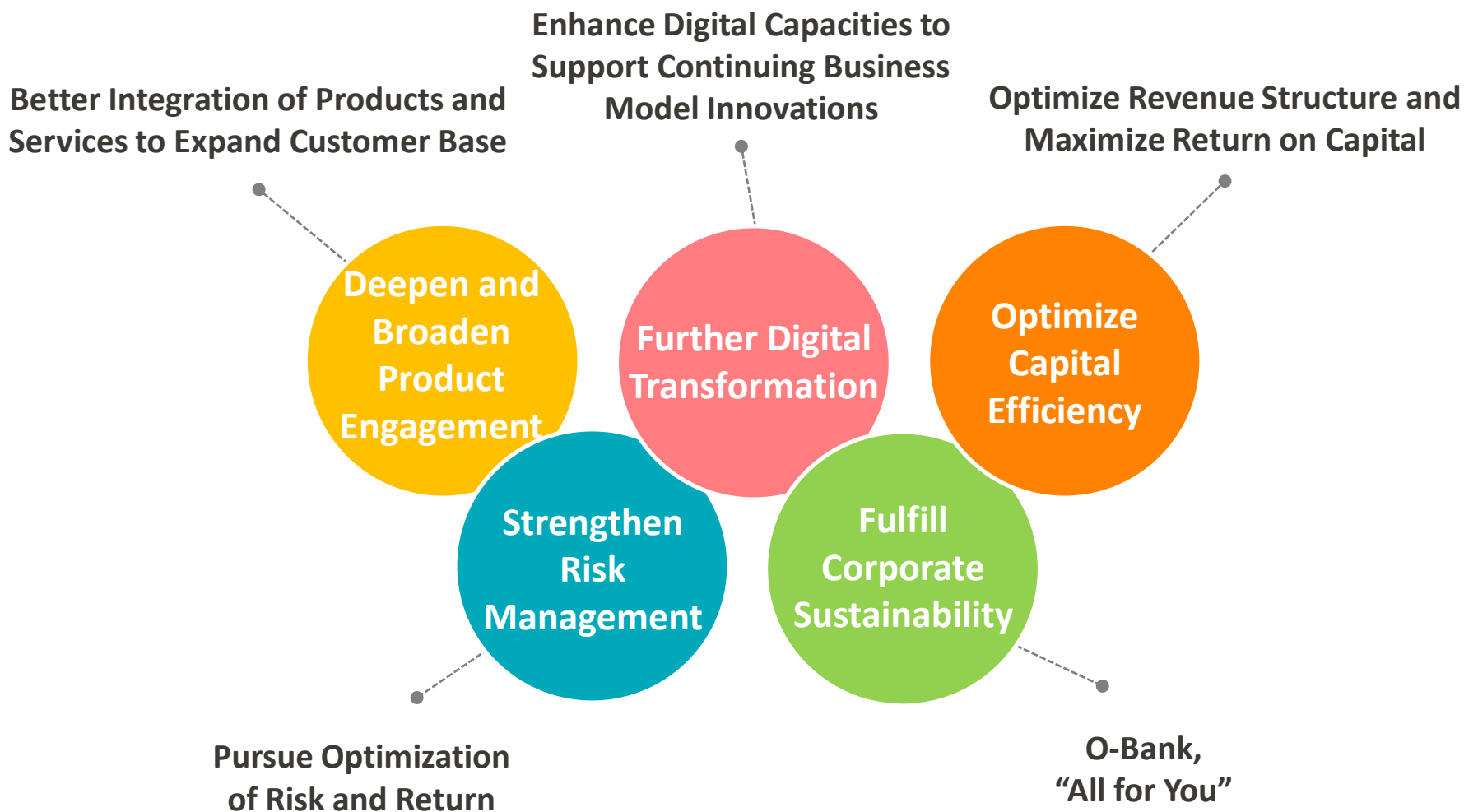




03

Key Strategic Focuses

03 “Boutique Digital Bank” Strategy



03 “Boutique Digital Bank” Strategy

Deepen and Broaden Product Engagement

Better Integration of Products and Services to Expand Customer Base

- Expand client base with high frequency of interactions.
- Strengthen corporate banking service platform with products such as structured finance, trade finance, TMU and cash management, fulfill client needs with tailor-made product offerings, and strive to become corporate clients' main operating bank.
- Further improve wealth management service platform with featured stock, bond and structured investment products to enhance customization capability.
- Expand sales and marketing teams with focus on cross-selling capability.

Further Digital Transformation

Enhance Digital Capacities to Support Continuing Business Model Innovations

- Implement wide-ranging scenario financial applications through strategic alliances and the adoption of flexible B2B2C business models and innovative payment techs.
- Deepen financial inclusion practices by developing micro SME service platform and bolstering credit loan risk-based pricing capability.
- Enhance data governance and data applications to increase effectiveness of channel and client management, and the efficiency of the Bank's overall operations.
- Optimize the structure and functions of the IT system to enhance system stability as well as agility.

Optimize Capital Efficiency

Optimize Revenue Structure and Maximize Return on Capital

- Improve investment portfolio by injecting innovative growth momentum, balancing short-term profit growth with medium to long-term operational synergy.
- Master market trend and timing to improve stock and bond positions and allocations, creating stable high returns.
- Advance asset and liability management and the application of FTP strategy to control funding cost, reduce liquidity risk, and promote a more robust business structure.
- Actively enhance fee income and develop high interest income clients.

03 “Boutique Digital Bank” Strategy

Strengthen Risk Management

Pursue Optimization of Risk and Return

- Strengthen the control of corporate credit concentration risk, focus on post-loan management to maintain asset quality.
- Enhance the capabilities and efficiency of retail banking credit risk control by optimizing risk prediction and scoring models, and introducing third-party data and process automation.
- Improve market risk monitoring and management, better application of hedging strategy, and enhance stock portfolio stability.

Fulfill Corporate Sustainability

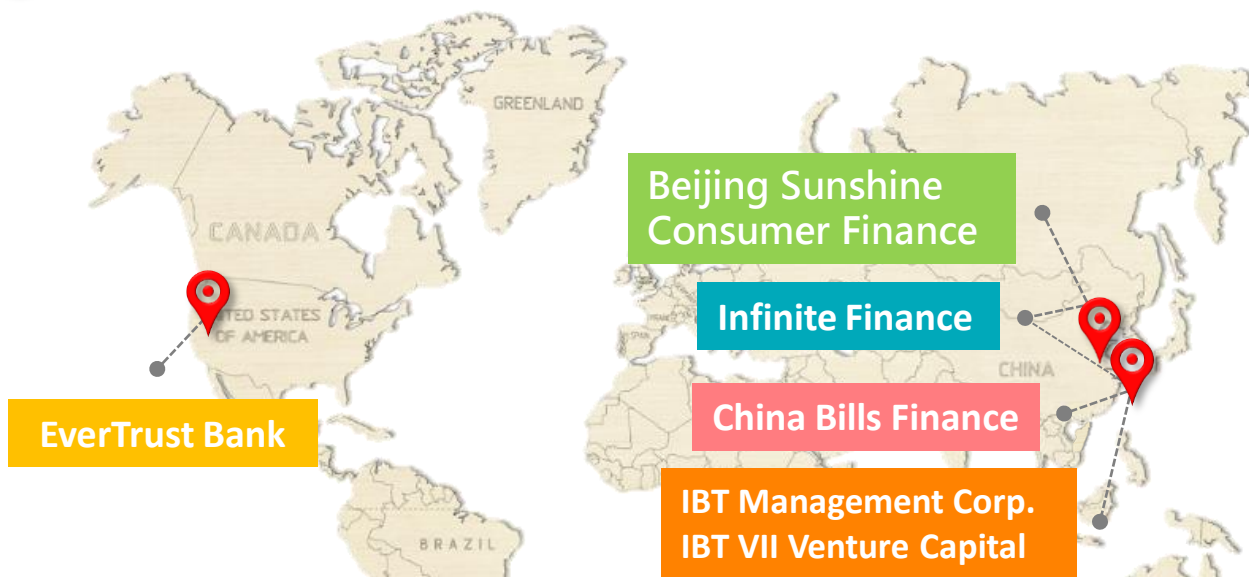
O-Bank, “All for You”

- Proactively address climate change risk, conduct carbon emissions of the Bank’s loan and investment portfolio, and implement climate risk management to carbon-intensive clients.
- Continuously integrate ESG risk evaluations into the decision-making processes of loan underwriting and investing, and introduce ESG factors into FTP mechanism, to achieve the goal of working with clients to enhance sustainability.
- Continuously promote environmentally and socially-friendly financial products and combine them with the company's core business to create a win-win situation.
- 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.
- Launch various talent development plans to meet the needs of the Bank’s medium to long-term domestic and overseas strategy.



03

Strategic Investment Portfolio Business Overview



EverTrust Bank

**Beijing Sunshine
Consumer Finance**

Infinite Finance

China Bills Finance

**IBT Management Corp.
IBT VII Venture Capital**

Beijing Sunshine

(Investment under Equity Method)

- Deepen the B2B2C collaboration model with various partner platforms to bolster the consumer finance ecosystem and improve profitability.
- Further improve risk control and management over platforms and individual consumers while promoting product innovations to increase the profit margin.

EverTrust Bank

(Subsidiary)

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

China Bills Finance

(Subsidiary)

- Heighten risk control while dynamically adjusting and optimizing positions amidst the uncertain market environment.
- Continuously expand RP customer base to cope with increasing volatility.
- Adjust clientele composition, increase revenue of guarantee spread, and develop underwriting business of bank guaranteed and unsecured CPs.

IBTM/IBT VII VC

(Subsidiary)

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

Infinite Finance

(Investment under Equity Method)

- Rapidly grow asset through comprehensive offerings of integrated products and services across leasing and financing, AR, automobile rental and leasing, and vendor programs, etc..
- Focus on green energy sector.
- Explore overseas market such as South-East Asia while deepening position in Taiwan and China.



ALL FOR YOU

www.o-bank.com



04

Appendix

O-Bank-Financial Summary

(NT \$ million)	4Q22	3Q22	2Q22	1Q22
Income Statement				
Interest income	2,044	1,685	1,170	913
Interest expense	(1,398)	(889)	(451)	(306)
Net interest income	646	796	719	607
Fee income	117	156	217	326
Equity in the income of investees	3,391	251	244	405
Other income	335	546	185	123
Net revenue	4,489	1,749	1,365	1,461
Provision expense	(193)	(144)	(99)	(47)
Operating expense	(964)	(845)	(772)	(759)
Net profit B/T	3,332	761	494	656
Net profit A/T	3,330	697	425	582

Balance Sheet

Loans, net	185,977	189,681	178,945	164,960
Deposits	274,504	277,871	271,033	245,283
Total assets	355,954	367,131	345,260	324,558
Total stockholders' equity	37,722	34,250	33,882	35,996

Key Ratios(%)

ROA(A/T)	1.00	0.19	0.12	0.18
ROE(A/T)	8.76	1.96	1.26	1.61
NPL	0.35	0.35	0.36	0.32
Tier I	12.72	12.01	12.25	13.20
CAR	14.48	13.05	13.08	14.47

Note : ROA & ROE-unannualized

2022	2021	YoY
5,812	3,471	67%
(3,044)	(1,261)	141%
2,768	2,210	25%
816	804	1%
4,291	1,416	203%
1,189	1,081	10%
9,064	5,511	64%
(482)	(474)	2%
(3,340)	(3,022)	11%
5,242	2,015	160%
5,034	1,841	173%
185,977	156,748	19%
274,504	238,194	15%
355,954	315,064	13%
37,722	36,381	4%
1.50	0.57	
13.59	5.12	
0.35	0.41	
12.72	13.63	
14.48	14.71	

CBF-Financial Summary

(NT \$ million)	4Q22	3Q22	2Q22	1Q22	2021	2021	YoY
Income Statement							
Interest income	624	533	456	433	2,047	1,720	19%
Interest expense	(524)	(353)	(198)	(134)	(1,207)	(461)	162%
Net interest income	101	180	258	300	839	1,259	-33%
Fee income	269	272	295	332	1,168	1,301	-10%
Other income	(130)	17	(220)	(29)	(362)	287	-226%
Net revenue	240	469	334	603	1,645	2,847	-42%
Reversal	(0)	(1)	(2)	(20)	(23)	(7)	228%
Operating expense	(120)	(113)	(113)	(121)	(466)	(522)	-11%
Net profit B/T	120	357	223	501	1,201	2,332	-48%
Net profit A/T	115	324	175	427	1,040	1,858	-44%
Balance Sheet							
Total assets	207,919	200,169	197,632	216,516	207,919	228,734	-9%
Total stockholders' equity	21,981	21,617	21,891	24,517	21,981	25,557	-14%

IBT Holdings-Financial Summary

(USD \$ thousand)	4Q22	3Q22	2Q22	1Q22
Income Statement				
Interest income	11,177	9,339	7,743	7,231
Interest expense	(1,518)	(628)	(506)	(577)
Net interest income	9,659	8,711	7,237	6,655
Fee income	79	162	156	86
Other income	497	(213)	1	2
Net revenue	10,235	8,660	7,393	6,743
Provision expense	0	0	0	0
Operating expense	(4,426)	(3,917)	(4,012)	(3,753)
Net profit B/T	5,809	4,743	3,382	2,990
Net profit A/T	3,836	3,253	2,381	2,105
Minority interest	(316)	(268)	(196)	(173)
Consolidated net income	3,520	2,985	2,185	1,932

Balance Sheet

Loans, net	596,838	601,309	600,649	596,413
Deposits	607,620	646,095	707,042	728,605
Total assets	840,251	869,235	929,184	949,219
Total stockholders' equity	198,936	194,377	194,054	193,780

2022	2021	YoY
35,491	34,271	4%
(3,229)	(4,076)	-21%
32,261	30,195	7%
484	792	-39%
286	1,517	-81%
33,031	32,504	2%
0	0	-
(16,108)	(15,076)	7%
16,924	17,428	-3%
11,575	12,328	-6%
(953)	(1,015)	-6%
10,622	11,313	-6%

IBT Leasing-Financial Summary*

(NT \$ million)	10~11/22	3Q22	2Q22	1Q22	2022	2021	YoY
Income Statement							
Interest income	233	352	342	343	1,270	1,197	6%
Fee income	61	116	115	60	351	332	6%
Other income	(88)	20	11	27	(30)	62	-148%
Sales revenue, net	206	488	467	430	1,591	1,592	0%
Operating costs	(34)	(139)	(114)	(107)	(394)	(373)	6%
Gross Profit	171	349	353	323	1,197	1,218	-2%
Provision expense	(25)	(72)	(37)	(17)	(152)	(90)	68%
Operating expense	(110)	(173)	(177)	(148)	(607)	(581)	5%
Non-operating income	38	184	103	58	383	440	-13%
Non-operating expense	(31)	(96)	(71)	(29)	(227)	(180)	26%
Net profit B/T	43	192	172	187	594	808	-26%
Net profit A/T	3	144	86	125	359	565	-37%
Minority interest	0	0	0	0	0	0	-
Consolidated net income	3	144	86	125	359	565	-37%
Balance Sheet							
Total assets	20,554	21,531	20,589	19,419	20,554	19,805	4%
Total stockholders' equity	2,855	3,750	3,578	3,538	2,855	3,306	-14%

*Including IBT VII Venture Capital Co., Ltd.