

Security Code : 2897.TW

# O-Bank Group

2018/6/4~7

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# Overview

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## ■ Group Introduction

- About O-Bank
- Major Events
- Group Affiliates
- Aspiration
- Awards
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## ■ Financial Performance

- The O-Bank Group
- O-Bank
- China Bills Finance Corporation
- IBT Holdings (EverTrust Bank)
- IBT Leasing



# About O-Bank

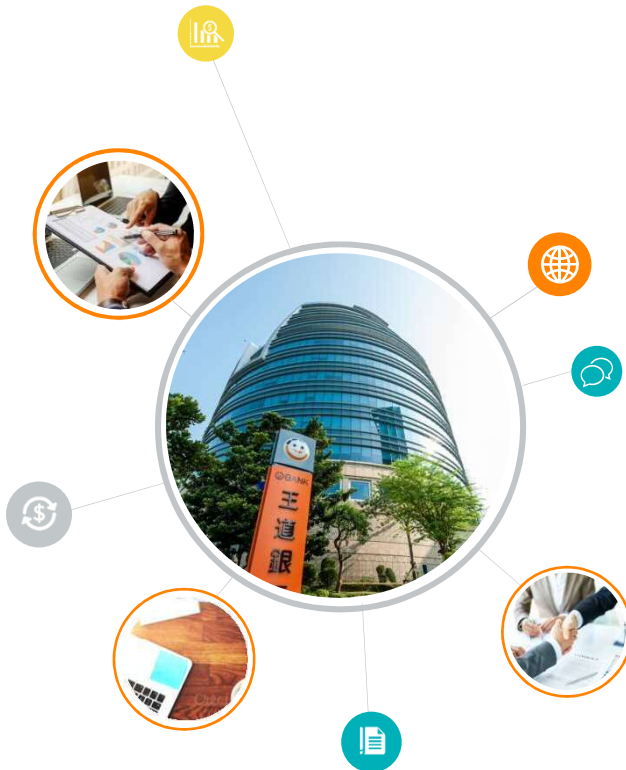
The first and only native digital bank in Taiwan.

## Predecessor: Industrial Bank of Taiwan (IBT)

The IBT was founded in 1999 by veteran financier Kenneth C.M. Lo and former Central Bank Governor Samuel C. Shieh. The principal mission of the IBT was to coordinate with the government's national economic development strategies by providing professional investment banking services designed to nurture strategic new business.

## Transform into O-Bank in January 2017

Building on its niche strength as a boutique bank specializing in corporate banking, O-Bank has branched out into retail banking as Taiwan's first digital native bank. The Bank uses digital channels to provide consumers with financial services that are more secure, convenient and fun.



# About O-Bank



Founder & Chairman  
**Kenneth C.M. Lo**

Mr. Lo currently serves as Chairman of O-Bank, Honorary Chairman of the Chinese National Association of Industry and Commerce, and Managing Director of the Cross-Strait CEO Summit. His past positions over an illustrious career of almost 50 years have included Independent Director of The Bank of East Asia, President of CTBC Bank, Co-Founder of the Chailease Holding Company, Chairman of the Asian Leasing Association, and Chairman of the Chinese National Association of Industry and Commerce.



Vice Chairman  
**Tina Y.C. Lo**






Ms. Lo currently serves as Vice Chairman of O-Bank, Vice Chairman of EverTrust Bank, member of the Board of Directors of the Chinese National Association of Industry and Commerce, member of the APEC Business Advisory Council, and member of the Asian Executive Board of the MIT Sloan School of Management. Ms. Lo was selected as a Young Global Leader by the World Economic Forum, and was also awarded the prestigious Eisenhower Fellowship.



President  
**Tony C.Y. Yang**

Mr. Yang currently serves as President of O-Bank and a member of the Board of Directors of EverTrust Bank, while past positions have included Managing Director of DBS Bank (China), as well as Senior Vice President and at the Hong Kong and Shanghai Banking Corporation. Mr. Yang has worked for over two decades in the financial services industry in Taiwan and overseas. He is one of the first Taiwanese bankers to develop the Mainland market, where he worked for 10 years.

# Major Events

- 1999**  Chairman Kenneth C.M. Lo and Samuel C. Shieh found the Industrial Bank of Taiwan.
- 2002**  Received "Best Risk Management" prize at First Taiwan Banking and Finance Best Practice Awards.
- 2003**  Completed Taiwan's first financial asset securitization – the IBT Collateralized Debt Obligation CLO-1
- 2004**  Led issuance of Taiwan's first real estate securitization, based on the IBM Building, and completes listing on the OTC. Received "Best Product Design" Award at the Second Taiwan Banking and Finance Best Practice Awards.
- 2006**  Became largest shareholder of China Bills Finance Corporation.



2007  
Acquired US-based EverTrust Bank.



2009  
Established Hong Kong Branch, IBT's first overseas branch.

2011  
Established IBT Leasing Co., Ltd.  
Established IBT International Leasing Corp. in Suzhou, China.



2012  
Established representative office in Tianjin (China) and became the first Taiwan-invested bank in that city.  
Received the Joint Credit Information Center's Golden Quality Award.

2013  
Established IBT Tianjin International Leasing Corp. in Tianjin.



2014  
Received the Joint Credit Information Center's Golden Quality Award.





2015

FSC approved IBT's transformation into commercial bank.

2017



**O-Bank commenced business operations.**

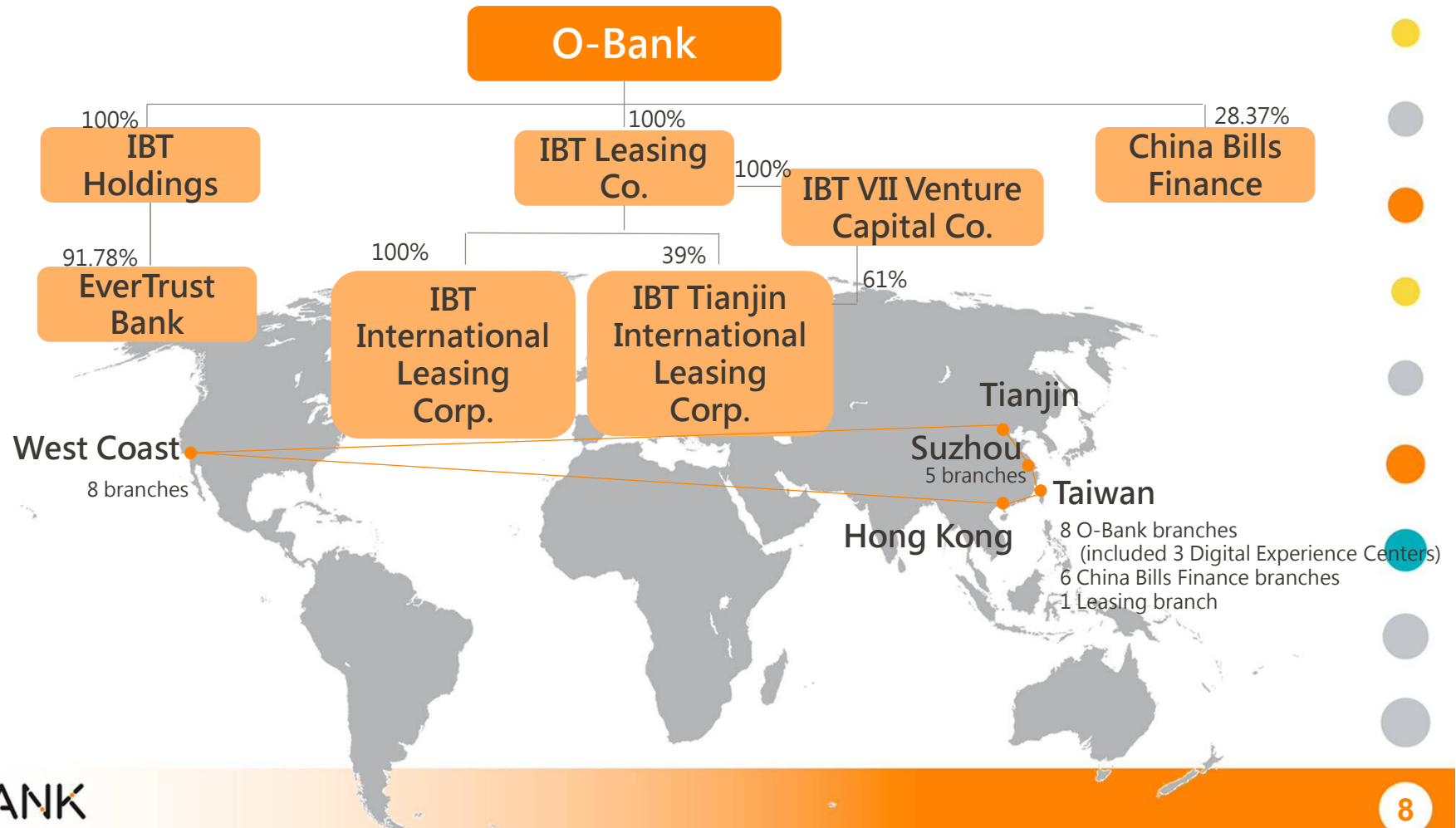
O-Bank listed on the Taiwan Stock Exchange. Received the Gartner Eye on Innovation Award for Asia Pacific, and named by Gartner as the Asia Pacific bank with the Most Innovative Digital Business Model. O-Bank was chosen as a component of MSCI World Small Cap Index after listed on Taiwan Stock Exchange publicly.





# O-Bank Group Affiliates

Well Established in Asia Pacific



## O-Bank Aspiration

A global strategy centering on greater China and the U.S.A.

Comprehensive coverage of clients and products

Well established cross-border financial services

Taiwan      China      Hong Kong      U.S.

- ✓ Cross selling across Banking, Leasing, Bill Finance, HK branch and EverTrust Bank in the U.S.A
- ✓ 8 branches in California U.S.A., and expanding greater San Francisco area.
- ✓ HK Branch localization, and lending assets over US\$ 1 billion with 30% CAGR
- ✓ Banking group with unique leasing platform
- ✓ Focusing structured finance, cross border financing and securitization products

## O-Bank Aspiration

### Focusing on fast-growing markets

Suzhou Nanjing Dongguan Zhongshan Tianjin

No.1 leasing  
company  
founded by  
Taiwanese banks  
in Mainland  
China

In-depth  
knowledge of SME  
clients and supply  
chains in China

- ✓ CNY 6 Trillion Market size with 24% CAGR
- ✓ Huge growth potentials from current market penetration rate of 6 %
- ✓ Covering Pearl river delta, Yantze river delta and Beijing, Tianjin, Hebei region
- ✓ Expanding SME financing in line with government policy
- ✓ Introducing digital credit approval and internal process on mobile platform
- ✓ Gateway for banking services in Mainland China

## O-Bank Aspiration

Crafting a digital bank that knows  
no boundaries

23.5% market  
share of the  
digital bank  
accounts

10% rate of  
penetration into  
robot advisory  
services

Secure

Fun

Convenient

Beneficial



No conventional bank branch and with 24-hour video customer service



Digital behavior analytics data from 80 million records



Leading clouds service and VM, developing container technologies, open API as well as DevOps



Precise cross-sector alliances and product development



One-stop shopping via mobile APP



A low-entry amount (NT\$1,000) for robot advisory service

## Awards



- O-Bank selected in the **MSCI World Small Cap Index** after listed on Taiwan Stock Exchange publicly for six months.



- Received "**the Most Innovative Digital Business Model** " and "**Eye on Innovation Award for Asia Pacific**" awards at the 2017 Gartner Symposium/ITxpo.



- Received "**Best Risk Management**" prize at First Taiwan Banking and Finance Best Practice Awards.



- Received "**Best Product Design**" Award at the Second Taiwan Banking and Finance Best Practice Awards.



- Received the **Joint Credit Information Center's Golden Quality Award** in 2012 & 2014



# Awards



- IBT International Leasing Co., Ltd.
  - Included on the "2012 list of top financial leasing firms in China" as an **outstanding new entrant to the industry**.
  - Included on the "2013 list of top financial leasing firms in China" for its **outstanding innovations**.
  - Included on the "2014 list of top financial leasing firms in China" for its **outstanding contributions**.
  - Included on the "2015 list of top financial leasing firms in China" for its **outstanding contributions**.
  - Annual award for **outstanding companies**, from the Jiangsu Province Award Financial Leasing Association in 2016.
  - Award for **distinctive use of financial technology**, from the Finance Office of Jiangsu Province in 2016.
  - Included on the "2016 list of top financial leasing firms in China" for **its outstanding innovations**.
  - Included on the "2017 list of top financial leasing firms in China" for its **outstanding achievements**.



# Sustainable Development Goals



- O-Bank seeks sustainability. In October 2017, **we obtained B Corp certification** from US-based B Lab. Besides being the first listed company and first financial services firm in Taiwan to become a B Corp, we are also **the first listed bank in the world to do so.**
- O-Bank received "**Corporate Sustainability Report Award - Gold Medal** " by Taiwan Institute for Sustainable Energy (TAISE)

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## ■ Financial Performance

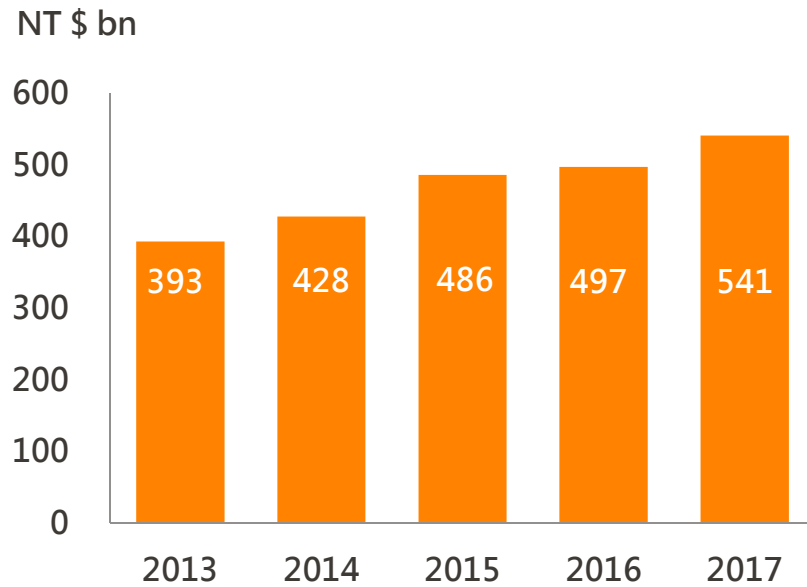
- The O-Bank Group
- O-Bank
- China Bills Finance Corporation
- IBT Holdings (EverTrust Bank)
- IBT Leasing





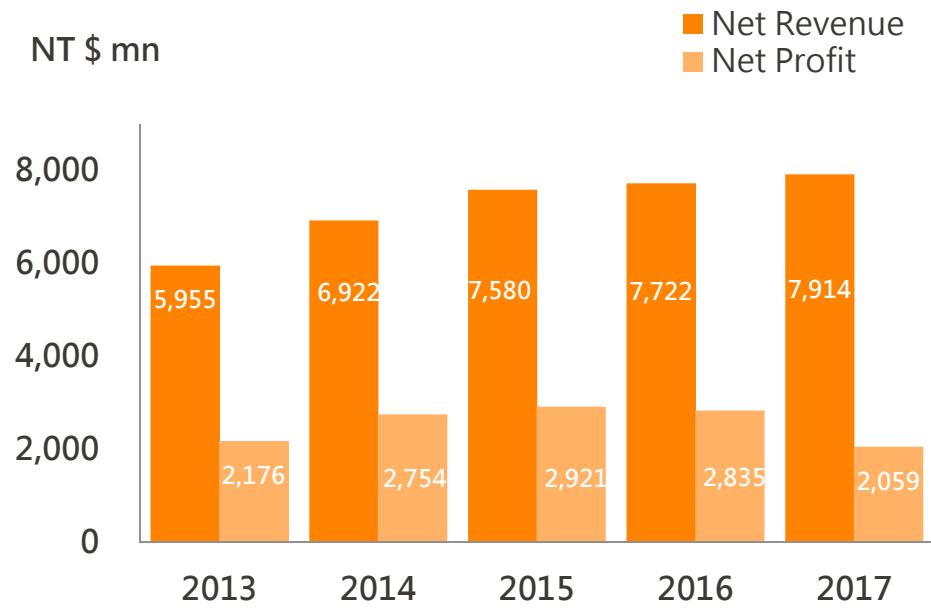
# The O-Bank Group

## ➤ Asset



Note : The Compound Annual Growth Rate (CAGR) from 2013 to 2017 is 8.29%

## ➤ Net Revenue & Net Profit



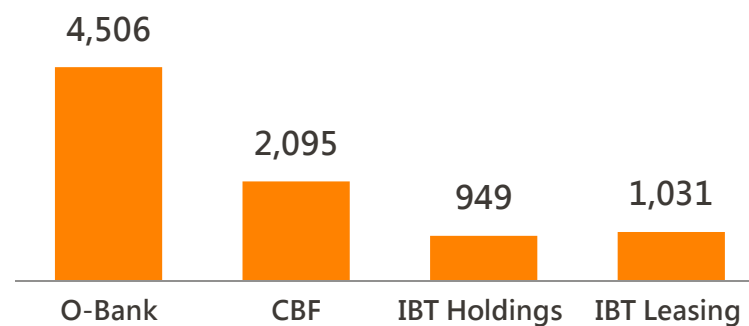
Note : The Compound Annual Growth Rate (CAGR) for net revenue from 2013 to 2017 is 7.37%

# The O-Bank Group

## ➤ Business Performance of O-Bank and its Subsidiaries in 2017

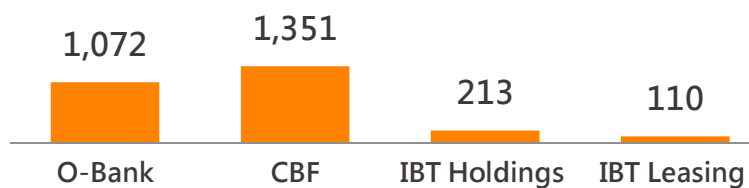
### Net Revenue

NT \$ mn



### Net Profit

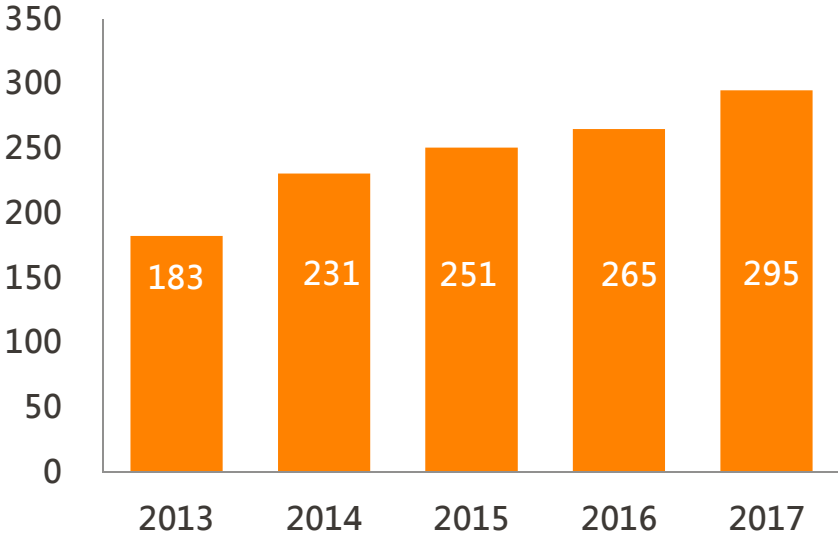
NT \$ mn



# O-Bank

## ➤ Asset

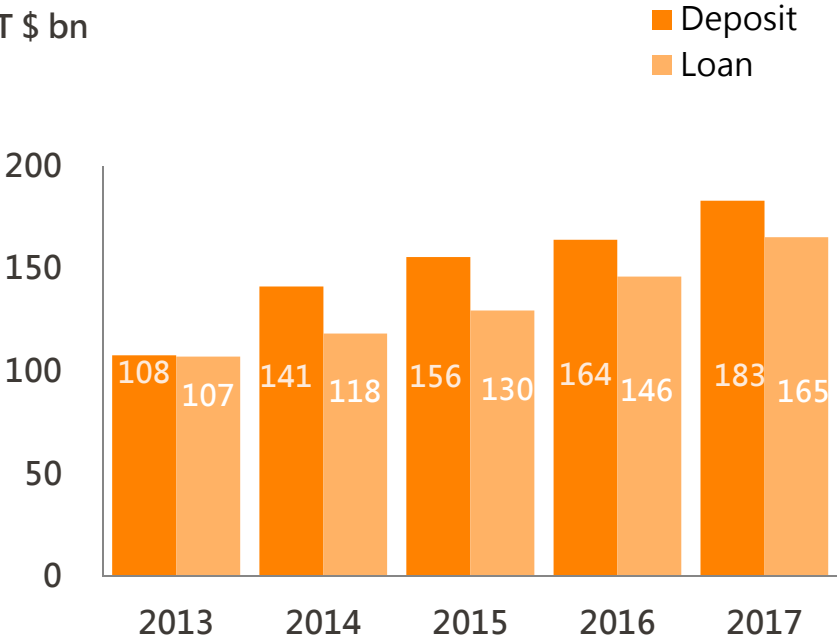
NT \$ bn



Note : The Compound Annual Growth Rate (CAGR) from 2013 to 2017 is 12.72%

## ➤ Loan & Deposit

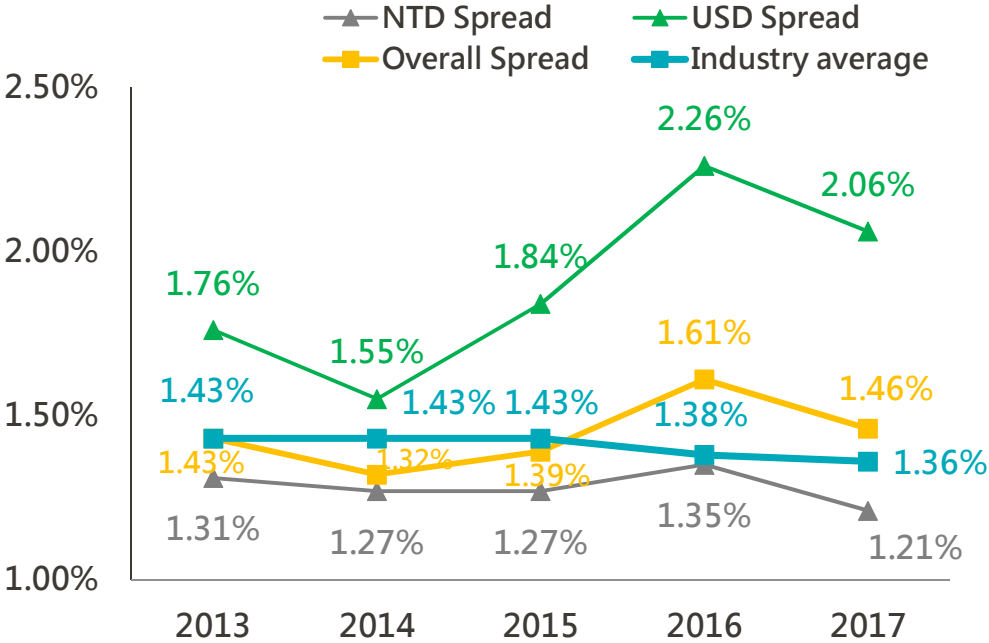
NT \$ bn



Note : The Compound Annual Growth Rate (CAGR) for loans from 2013 to 2017 is 11.58%

# O-Bank

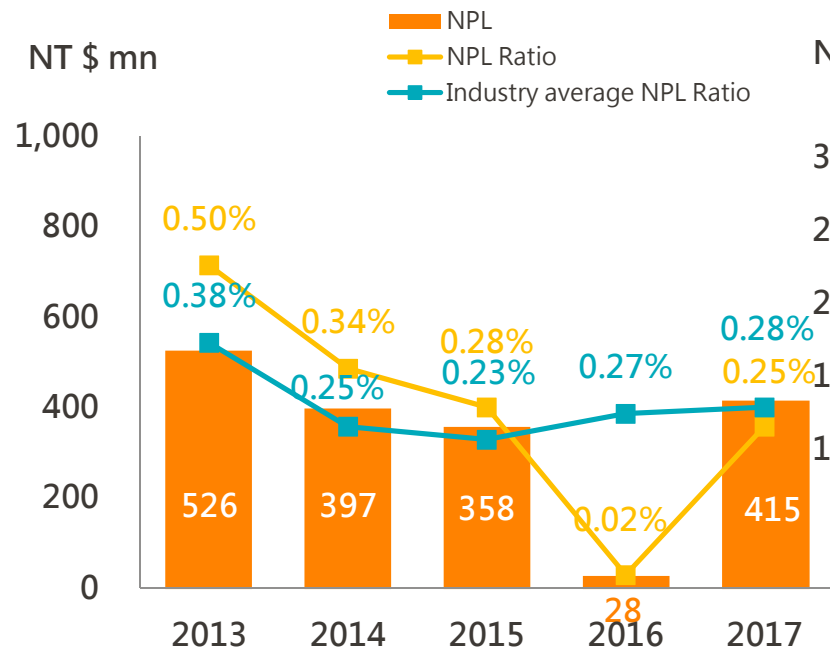
## ➤ Interest Spread



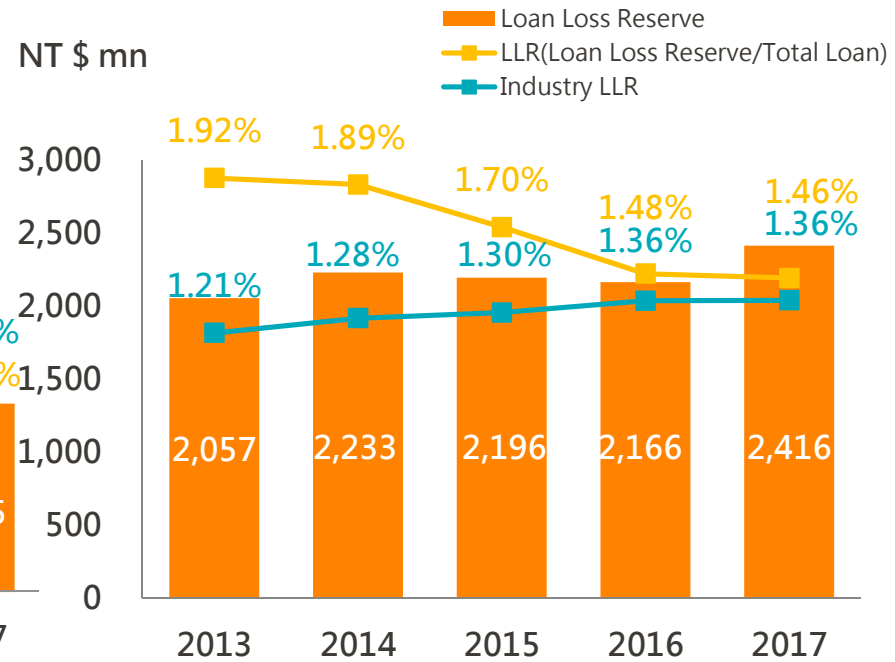
Note: Source of industry average : the Central Bank of China (Taiwan)

# O-Bank

## ➤ NPL



## ➤ Loan Loss Reserve

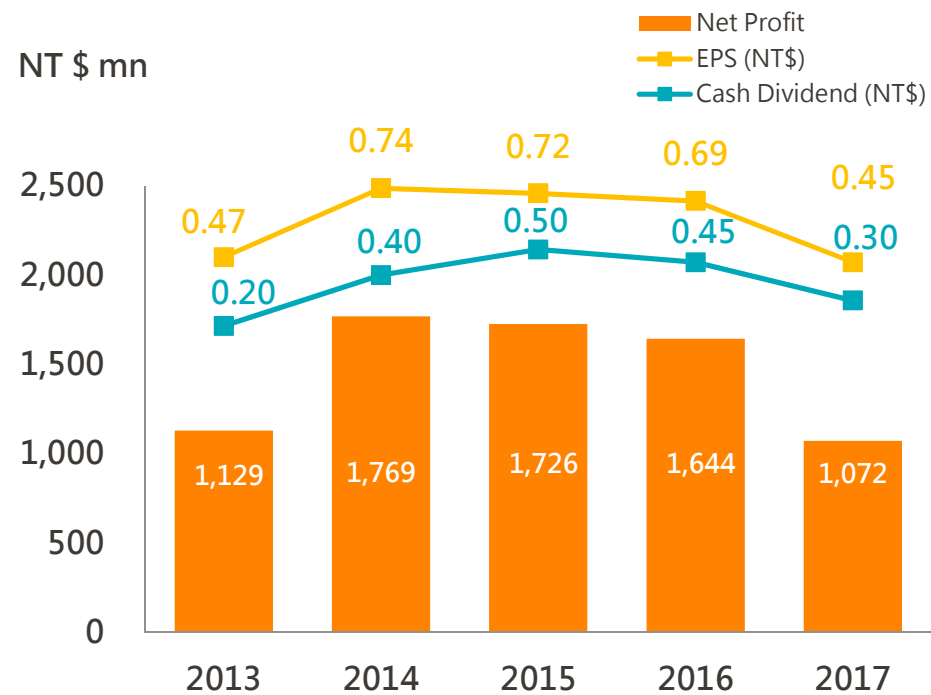


Note 1: Source of industry average: the Banking Bureau.

Note 2: After deducting "TransAsia Airways Co." in 2017, the NPL Ratio was 0.01%.

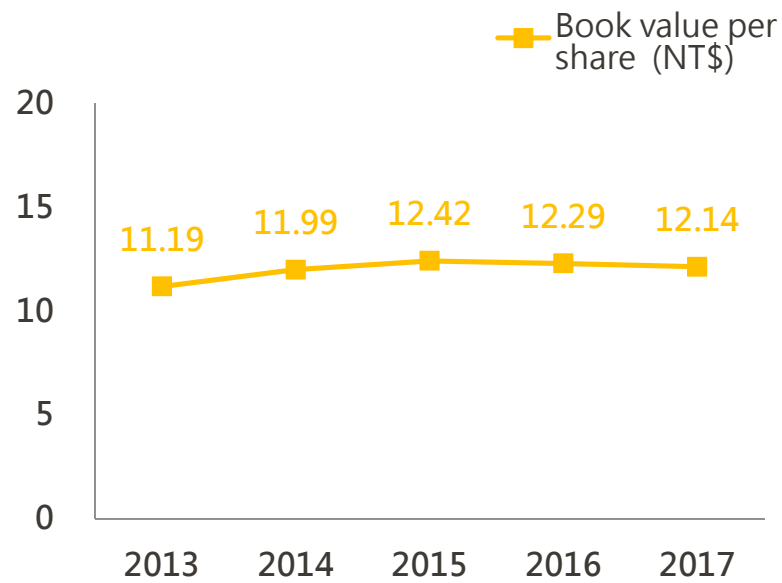
# O-Bank

## ➤ Net Profit

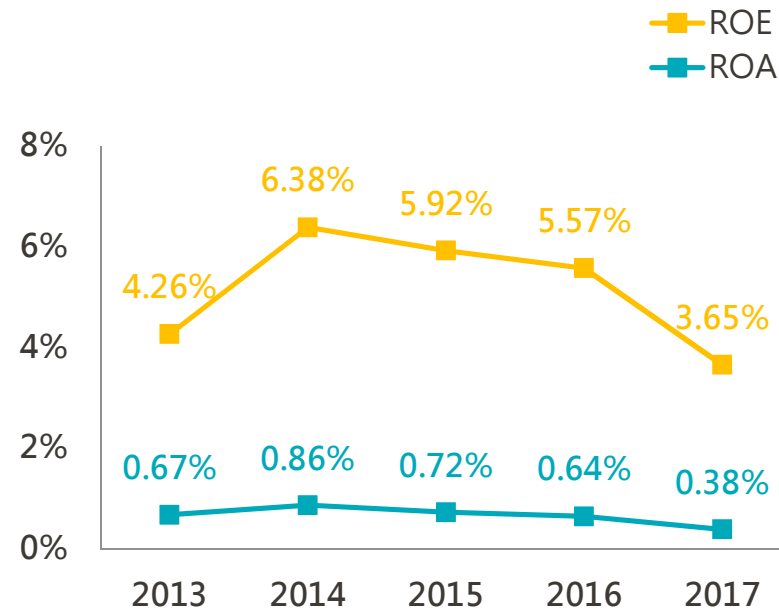


# O-Bank

## ➤ Book value per share

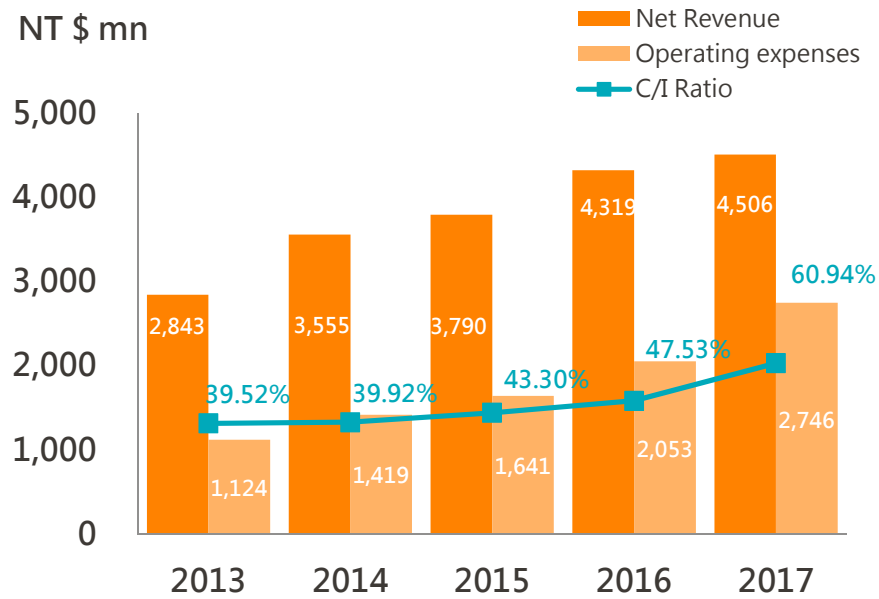


## ➤ ROE & ROA

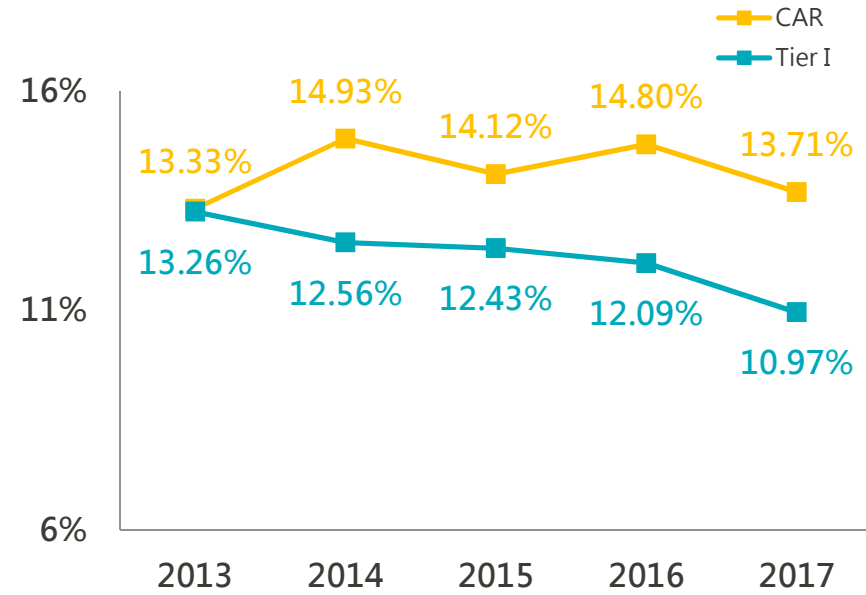


# O-Bank

## ➤ C/I Ratio



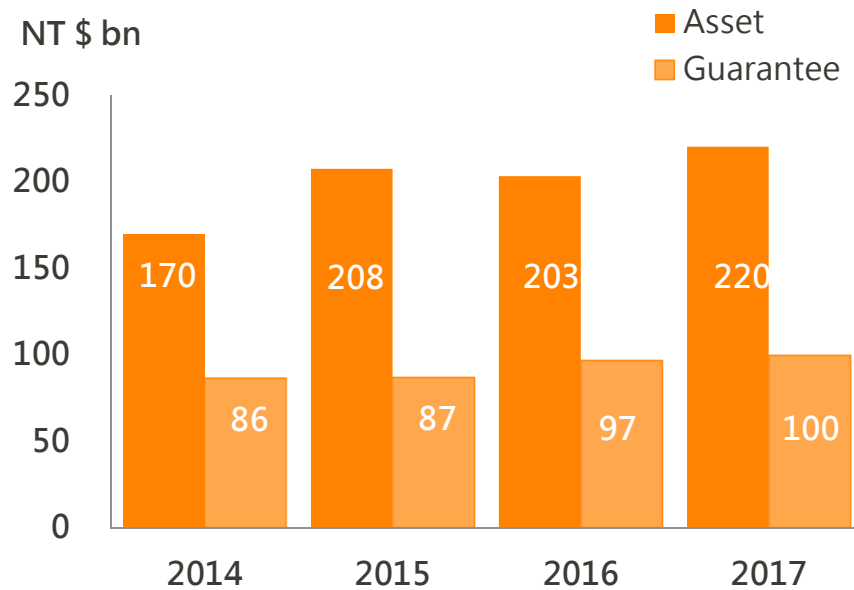
## ➤ Capital Structure



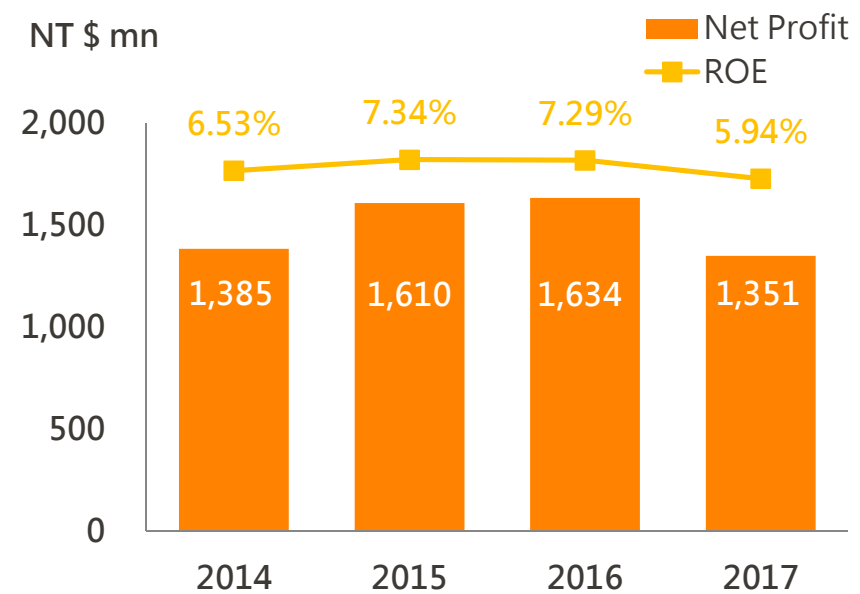


# China Bills Finance Corporation

## ➤ Asset & Guarantee

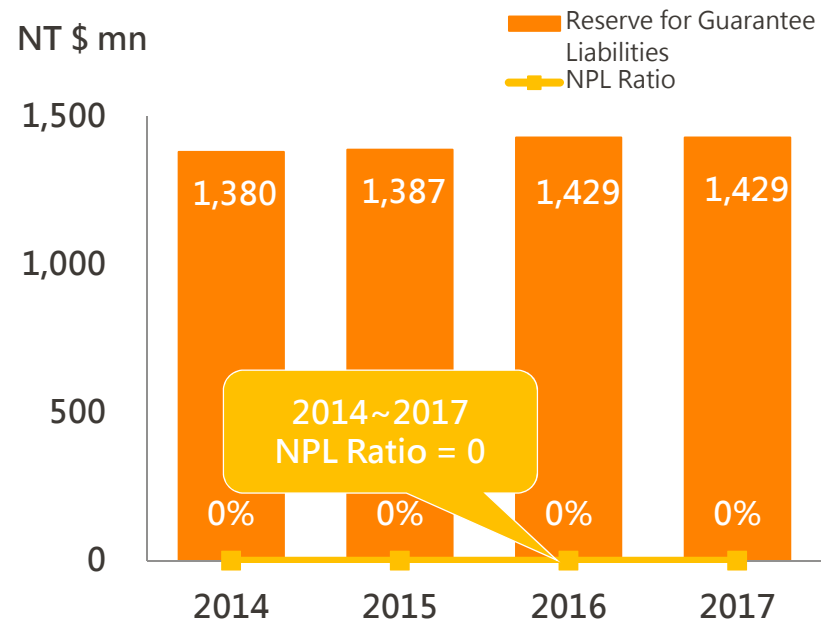


## ➤ Net Profit & ROE



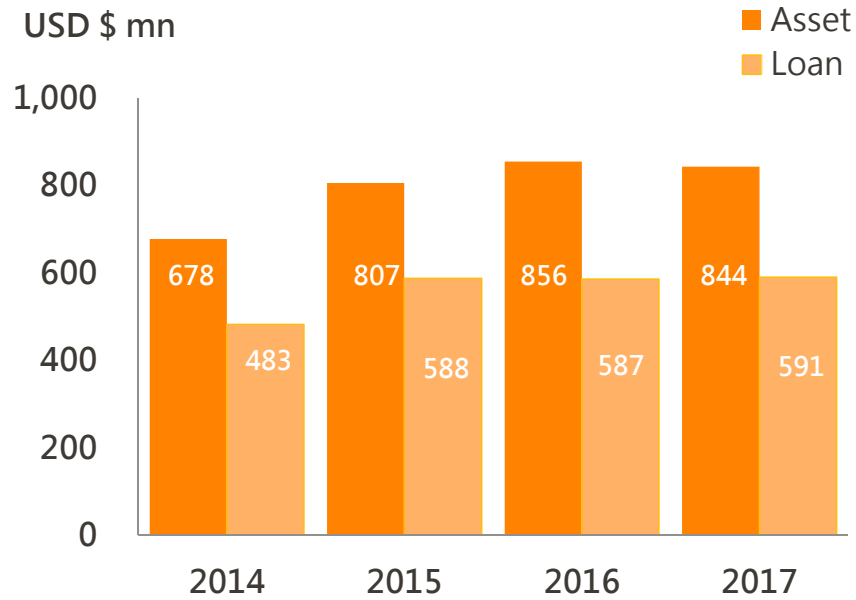
# China Bills Finance Corporation

## ➤ Asset Quality

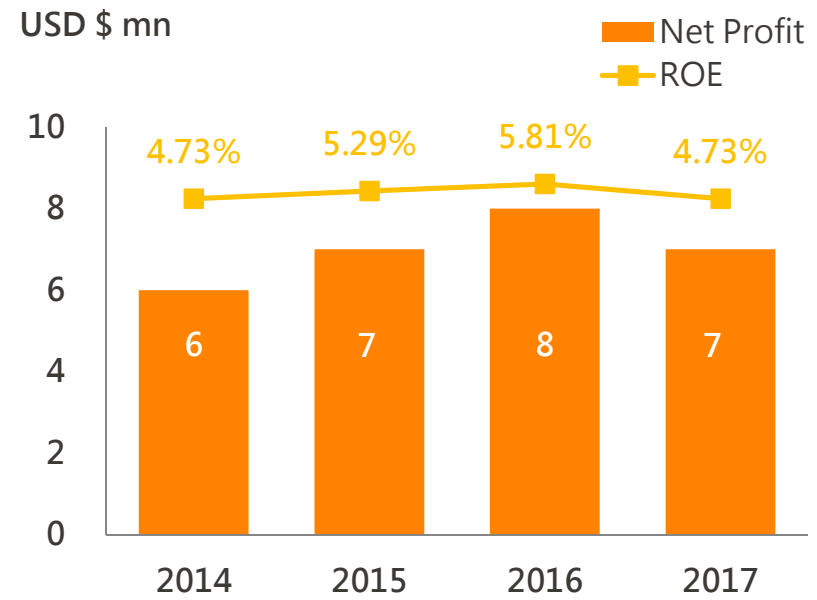


# IBT Holdings (EverTrust Bank)

## ➤ Asset & Loan

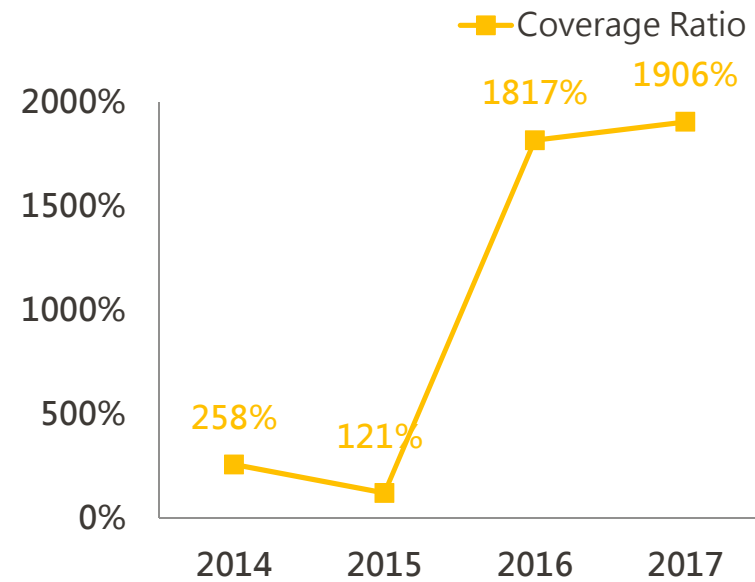
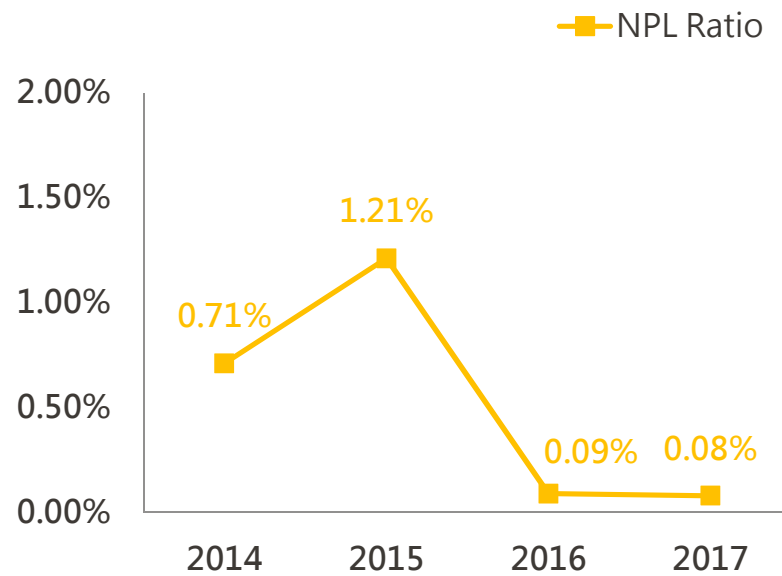


## ➤ Net Profit & ROE



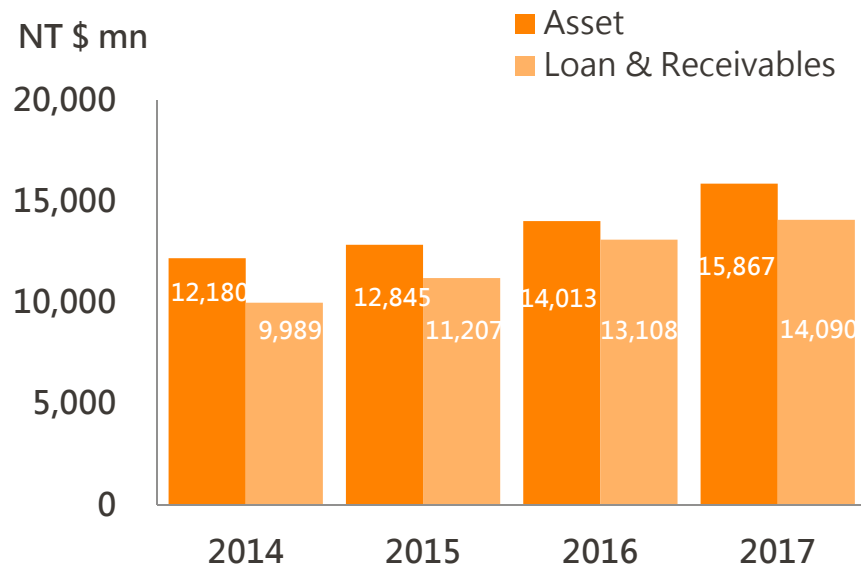
## IBT Holdings (EverTrust Bank)

### ➤ Asset Quality

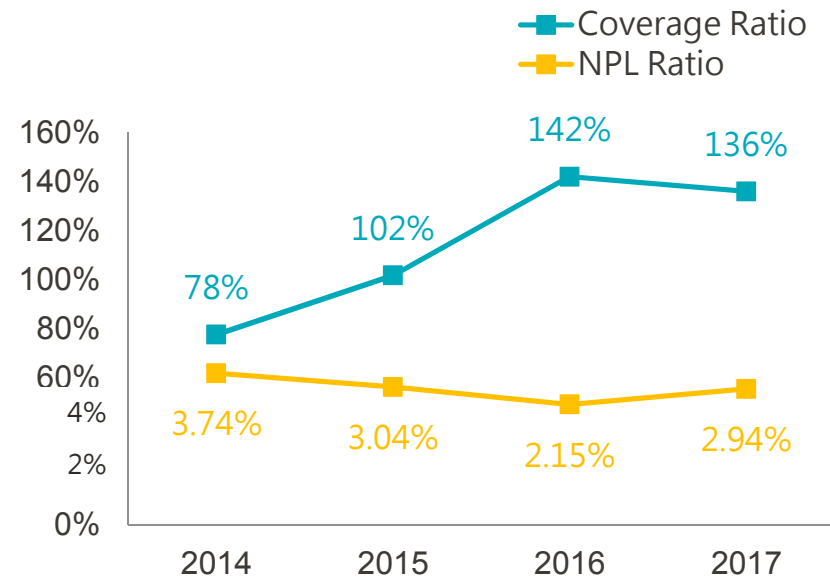


# IBT Leasing

## ➤ Asset, Loan & Receivables

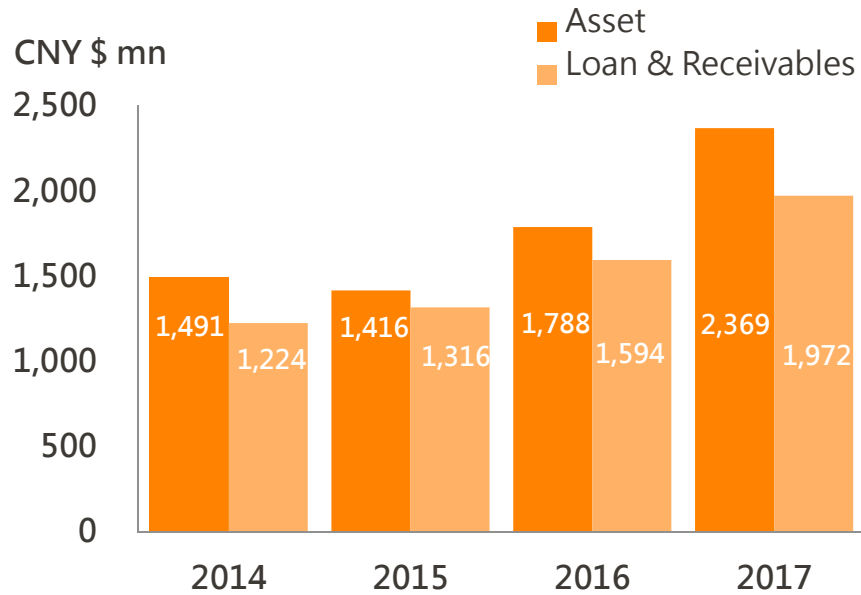


## ➤ Asset Quality

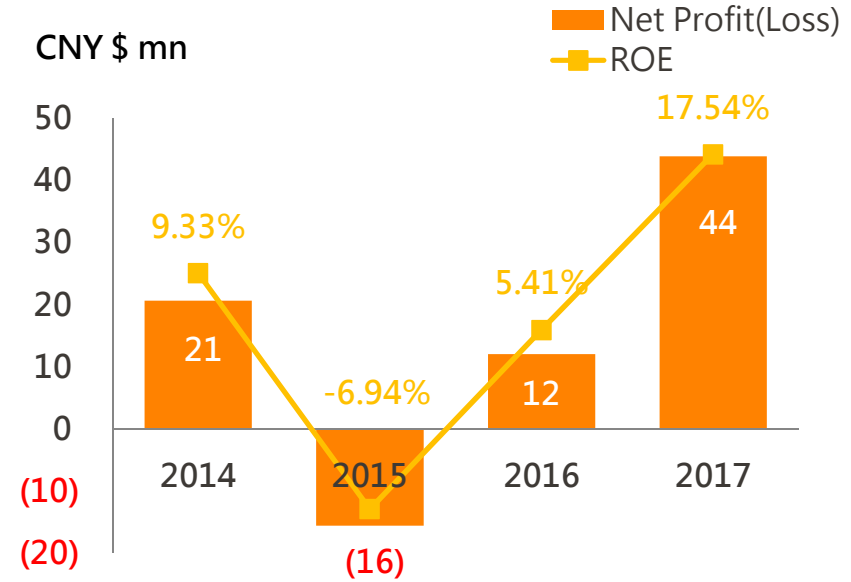


# IBT Leasing (IBT International Leasing Co., Ltd.)

## ➤ Asset, Loan & Receivables

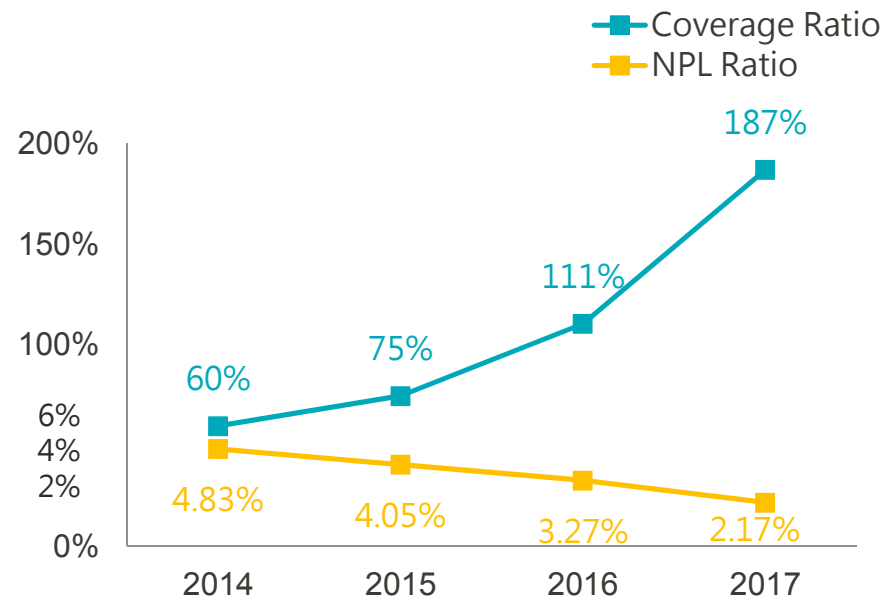


## ➤ Net Profit(Loss) & ROE



## IBT Leasing (IBT International Leasing Co., Ltd.)

### ➤ Asset Quality



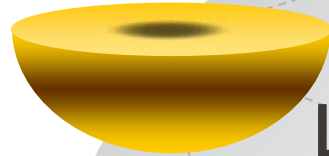
# Key Takeaways



Banking

Cross-Border Banking

- Greater China & the U.S.A. footprint
- Banking group with unique leasing platform cultivating cross-straits SME markets
- Developing cross-border niche products



Leasing

Fast-Growing Markets

- No.1 leasing company founded by Taiwanese banks in Mainland China
- Digital credit approval and internal process on mobile platform
- Huge potentials from merely 6% penetration rate in Mainland China

Inclusive Finance

Digital Banking

- Light assets via mobile channel
- 23.5% market share of digital bank accounts
- Low-entry amount (NT\$1,000) for robot advisory service
- Big data analysis, Fintech application



ALL FOR YOU

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

E-Mail : [IR@o-bank.com](mailto:IR@o-bank.com)

 BANK 王道銀行

## O-Bank-Financial Summary

(NT \$ billion)	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b>Income Statement</b>							
Interest income	1,123	1,079	970	966	4,138	3,629	14%
Interest expense	(602)	(575)	(497)	(488)	(2,162)	(1,545)	40%
Net interest income	521	504	473	478	1,976	2,084	-5%
Fee income	209	119	148	180	656	824	-20%
Equity in the income of investees	88	188	238	181	695	735	-5%
Other income	210	367	330	272	1,179	676	74%
Net revenue	1,028	1,178	1,189	1,111	4,506	4,319	4%
Provision expense	(220)	(106)	(157)	(51)	(534)	(409)	31%
Operating expense	(786)	(710)	(657)	(593)	(2,746)	(2,053)	34%
Net profit B/T	22	362	375	467	1,226	1,857	-34%
Net profit A/T	25	301	286	460	1,072	1,644	-35%
<b>Balance Sheet</b>							
Loans, net	162,757	159,365	152,339	142,448	162,757	143,940	13%
Deposits	183,021	179,271	170,805	164,965	183,021	164,057	12%
Total assets	295,020	301,770	276,756	255,041	295,020	265,155	11%
Total stockholders' equity	29,283	29,306	29,272	29,590	29,283	29,389	0%
<b>Key Ratios(%)</b>							
ROA(A/T)	0.01	0.09	0.1	0.18	0.38	0.64	
ROE(A/T)	0.08	1.02	0.99	1.56	3.65	5.57	
NPL	0.25	0.36	0.36	0.38	0.25	0.02	
Tier I	10.97	10.54	11.13	12.28	10.97	12.09	
BIS	13.71	13.18	13.10	14.88	13.71	14.80	

## CBF-Financial Summary

(NT \$ billion)	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b>Income Statement</b>							
Interest income	501	500	492	487	1,980	1,963	1%
Interest expense	(223)	(210)	(193)	(195)	(821)	(683)	20%
Net interest income	278	290	299	292	1,159	1,280	-9%
Fee income	216	227	228	216	887	923	-4%
Other income	26	40	14	(31)	49	109	(55%)
Net revenue	520	557	541	477	2,095	2,312	-9%
Reversal	0	5	0	2	7	185	-96%
Operating expense	(124)	(123)	(119)	(110)	(476)	(497)	-4%
Net profit B/T	396	439	422	369	1,626	2,000	-19%
Net profit A/T	327	366	355	303	1,351	1,634	-17%
<b>Balance Sheet</b>							
Total assets	220,412	219,810	211,210	209,015	220,412	203,339	8%
Total stockholders' equity	23,025	22,675	22,229	22,867	23,025	22,437	3%

## IBT Holdings-Financial Summary

(USD \$ thousand)	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b>Income Statement</b>							
Interest income	9,026	9,180	8,469	8,531	35,206	32,373	9%
Interest expense	(1,440)	(1,482)	(1,499)	(1,439)	(5,860)	(5,187)	13%
Net interest income	7,586	7,698	6,970	7,092	29,346	27,186	8%
Fee income	635	141	206	143	1,125	624	80%
Other income	(811)	216	759	533	697	1,838	-62%
Net revenue	7,410	8,055	7,935	7,768	31,168	29,648	5%
Provision expense	0	0	0	(280)	(280)	(230)	22%
Operating expense	(3,673)	(3,687)	(3,639)	(3,943)	(14,942)	(14,258)	5%
Net profit B/T	3,737	4,368	4,296	3,545	15,946	15,160	5%
Net profit A/T	279	2,576	2,684	2,073	7,612	8,887	-14%
Minority interest	(23)	(212)	(220)	(174)	(629)	(735)	-14%
Consolidated net income	256	2,364	2,464	1,899	6,983	8,152	-14%
<b>Balance Sheet</b>							
Loans, net	580,450	574,718	576,787	549,525	580,450	576,261	1%
Deposits	608,490	625,130	670,591	678,050	608,490	656,881	-7%
Total assets	844,635	830,506	873,229	877,243	844,635	854,619	-1%
Total stockholders' equity	150,358	150,306	147,878	145,162	150,358	143,138	5%

## IBT Leasing-Financial Summary

(NT \$ billion)	4Q17	3Q17	2Q17	1Q17	2017	2016	YoY
<b>Income Statement</b>							
Interest income	302	286	267	271	1,126	994	13%
Fee income	71	81	93	56	301	258	17%
Other income	13	29	14	0	56	40	40%
Sales revenue, net	386	396	374	327	1,483	1,292	15%
Operating costs	(124)	(119)	(101)	(103)	(447)	(357)	25%
Gross Profit	262	277	273	224	1,036	935	11%
Provision expense	(126)	(105)	(81)	(42)	(354)	(374)	-5%
Operating expense	(135)	(146)	(118)	(120)	(519)	(529)	-2%
Non-operating income	31	39	17	1	88	39	126%
Non-operating expense	(17)	(23)	(5)	(24)	(69)	(110)	-37%
Net profit B/T	15	42	86	39	182	(39)	-
Net profit A/T	20	23	61	28	132	(91)	-
Minority interest	0	0	0	0	0	(19)	-
Consolidated net income	20	23	61	28	132	(110)	-
<b>Balance Sheet</b>							
Total assets	15,867	15,735	15,154	13,890	15,867	14,337	11%
Total stockholders' equity	2,130	2,113	2,103	1,981	2,130	2,033	5%