

O-Bank

# 2023 9M Business Review

2023/11/27

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# Agenda

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2023 9M Operation Highlights

02

2023 9M Financial Results

03

Key Strategic Focuses

04

Appendix



# 01

2023 9M  
Operation Highlights





# 01

## 2023 9M Operation Highlights

### 1

#### Operating Performance

Both Consolidated and Standalone Net Profits After Tax Achieved Strong Growth

NTD millions

O-Bank	2023 9M	2022 9M	Growth Rate
Consolidated Net Revenues	7,507	6,980	8%
Consolidated Net Profits After Tax	2,950	2,386	24%
Standalone Net Revenues	5,583	4,575	22%
Standalone Net Profits After Tax	2,143	1,704	26%
Earnings Per Share (EPS, NT\$)	0.74	0.58	28%

- 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

## 2023 9M Operation Highlights

### 1

### Operating Performance

Standalone Net Profits Before Tax from Bank Only (excluding associated subsidiaries) Grew 49% YoY

O-Bank	NTD millions		
	2023 9M	2022 9M	Growth Rate
Standalone Net Revenues (Excluding share of profit of associates subsidiaries and accounted for using equity method)	4,656	3,675	27%
Standalone Net Profits Before Tax (Excluding share of profit of associates subsidiaries and accounted for using equity method)	1,506	1,009	49%



# 01

## 2023 9M Operation Highlights

### 1

### Operating Performance

Major Subsidiaries	Earnings Per Share(EPS)	Net Profits After Tax (NT\$ millions)		Growth Rate
	2023 9M	2023 9M	2022 9M	
China Bills Finance	NTD\$ 0.81	1,089	926	18%
EverTrust Bank	USD\$ 0.92	332	227	46%



# 01

## 2023 9M Operation Highlights

### 2

#### Capital Adequacy & Asset Quality

#### Maintained a Stable Capital Adequacy & Asset Quality Significantly Improved

- As of the end of September 2023, O-Bank's BIS Ratio was 13.32%, Tier1 Capital Ratio was 11.80%, and CET1 Ratio was 11.61%.
- As of the end of September 2023, O-Bank's NPL ratio was 0.34% and loan loss coverage ratio was 439.6%. The rise in NPL ratio was a result of the default of "New Site Industries Inc." in 2019. However, the bank has already collected the allotted amount of collateral in October this year. As of the end of October, the NPL ratio has significantly decreased to 0.16%, and the loan loss coverage ratio has increased to 965.4%.

### 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 October 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 "2022 Corporate Governance Evaluation" among TWSE listed companies.
- 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.
- Received the "Best Online Bank Award" of "2023 Excellent Bank Award".
- Received the "Best Digital Innovation Award" and "Best Digital Inclusive Financing Award" of "2023 Digital Financial Award" from Commercial Times.





# 02

## 2023 9M Financial Results

**02-1** Consolidated Financial Results

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

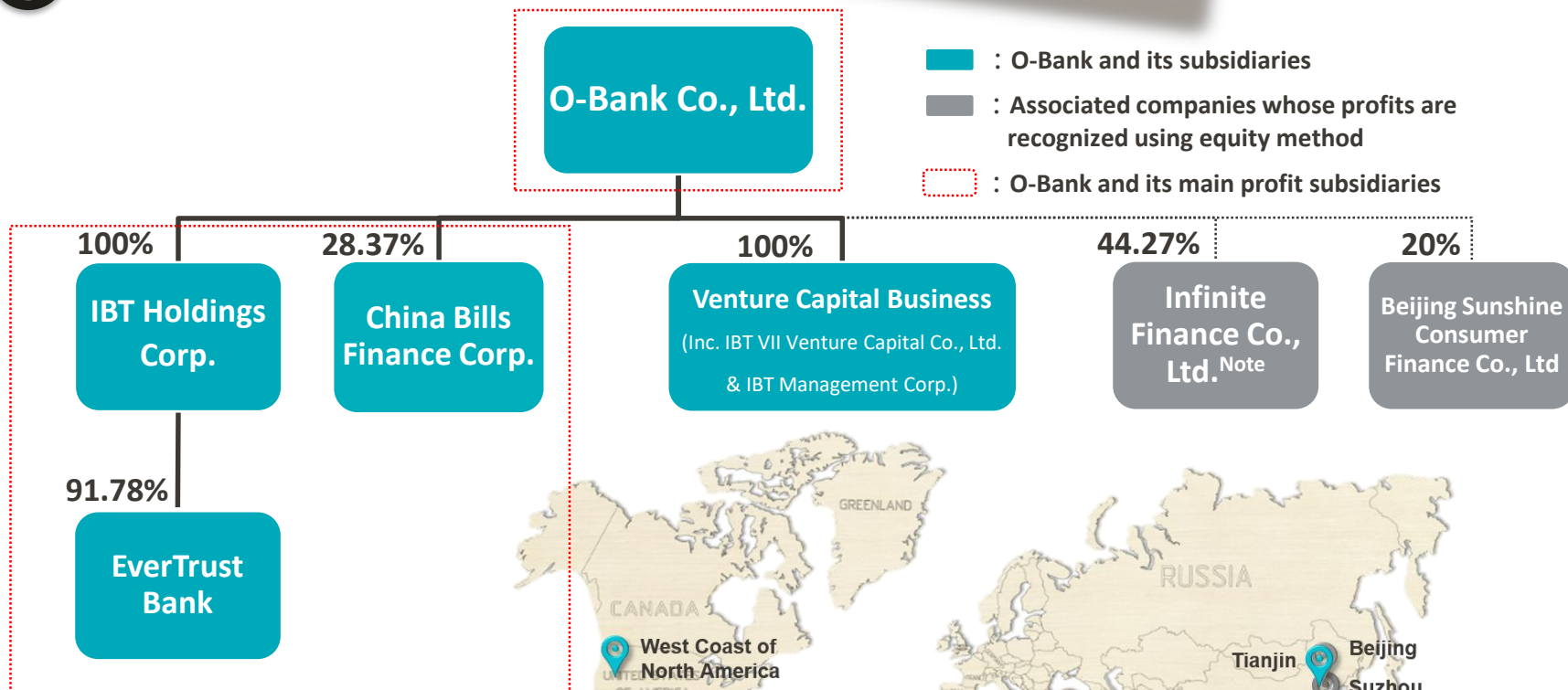
**02-3** Individual Financial Results:  
China Bills Finance Corp.

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



# 02

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



Note: In December 2022, O-Bank's subsidiary, IBT Leasing Co., Ltd., merged with Jih Sun International Leasing & Finance Co., Ltd. to form Infinite Finance Co., Ltd. O-Bank holds approximately 44% of the shares of Infinite Finance, and is the second largest shareholder. Therefore, O-Bank recognizes its share of profits from Infinite Finance under the equity methods starting from December 1, 2022.

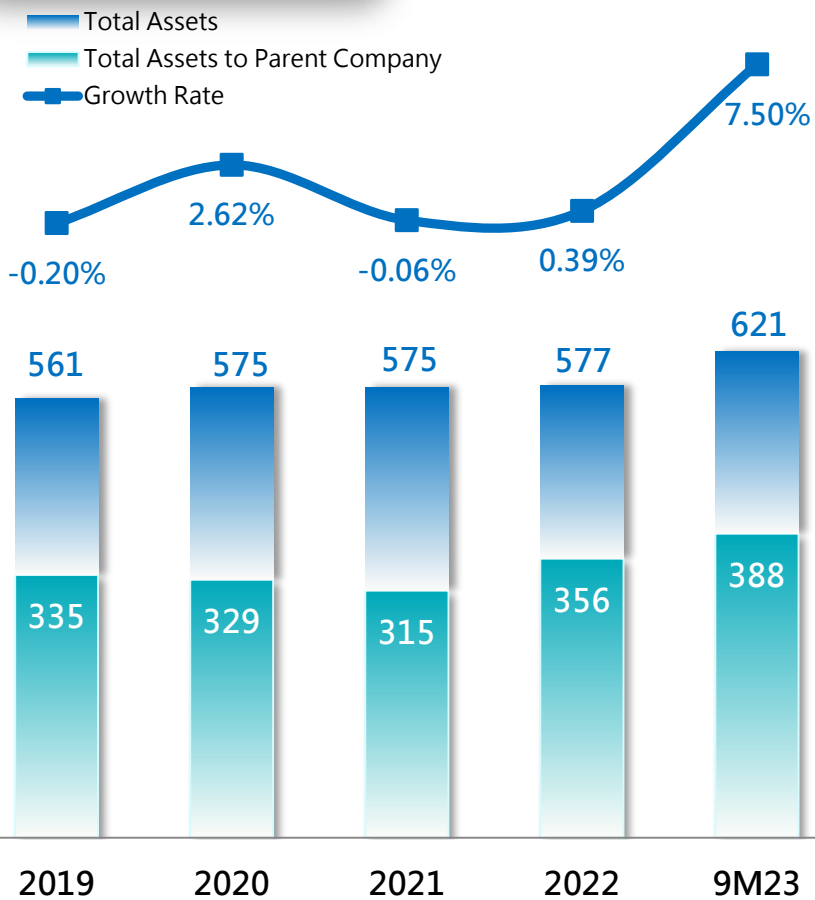
**02-1**

## **Consolidated Financial Results**

# 02-1 Consolidated Financial Results

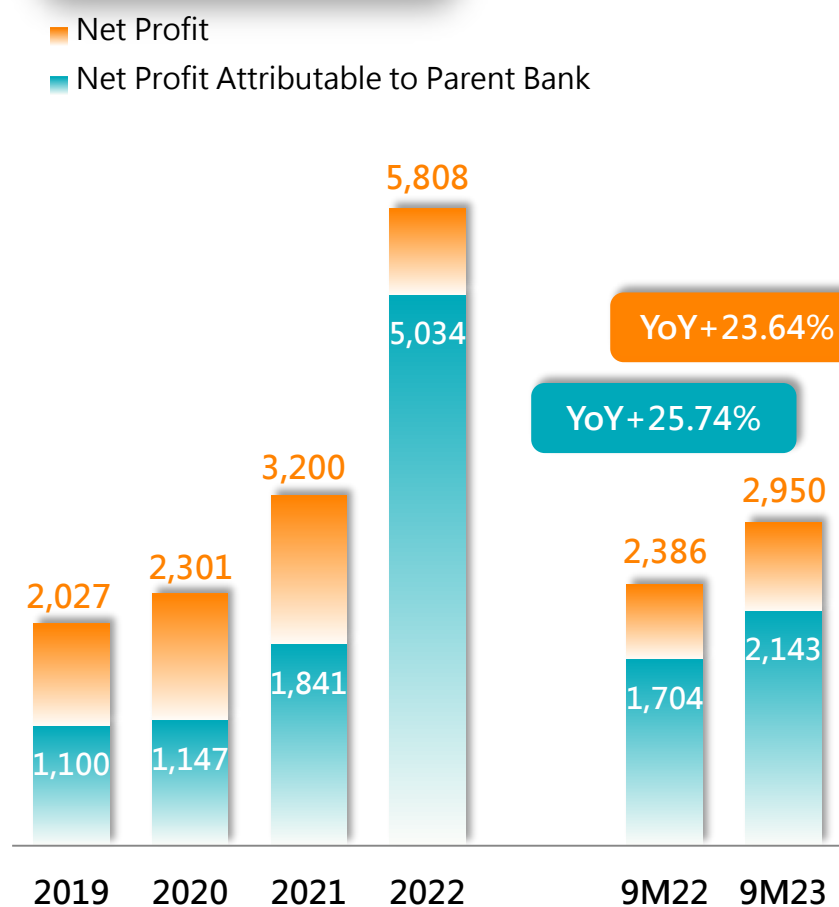
## Total Assets

NT \$ billion



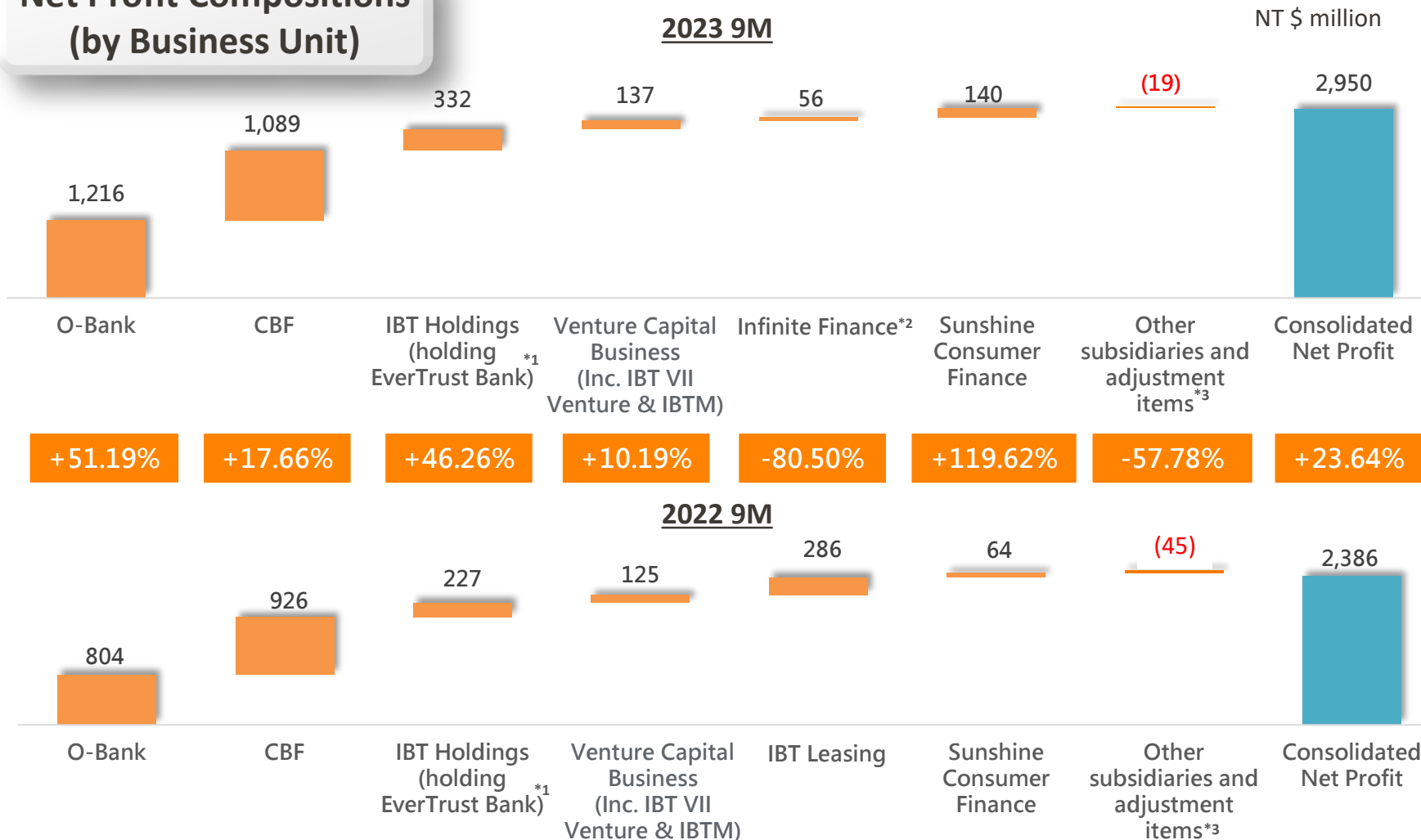
## Net Profit

NT \$ million



# 02-1 Consolidated Financial Results

## Net Profit Compositions (by Business Unit)



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

Note 2: In 9M23, O-Bank recognized an investment income of NT\$221 million from Infinite Finance, net of amortization expenses related to Purchase Price Allocation (PPA) arising from leasing company merger. The bank's recognized net profit from investment is approximately NT\$56 million.

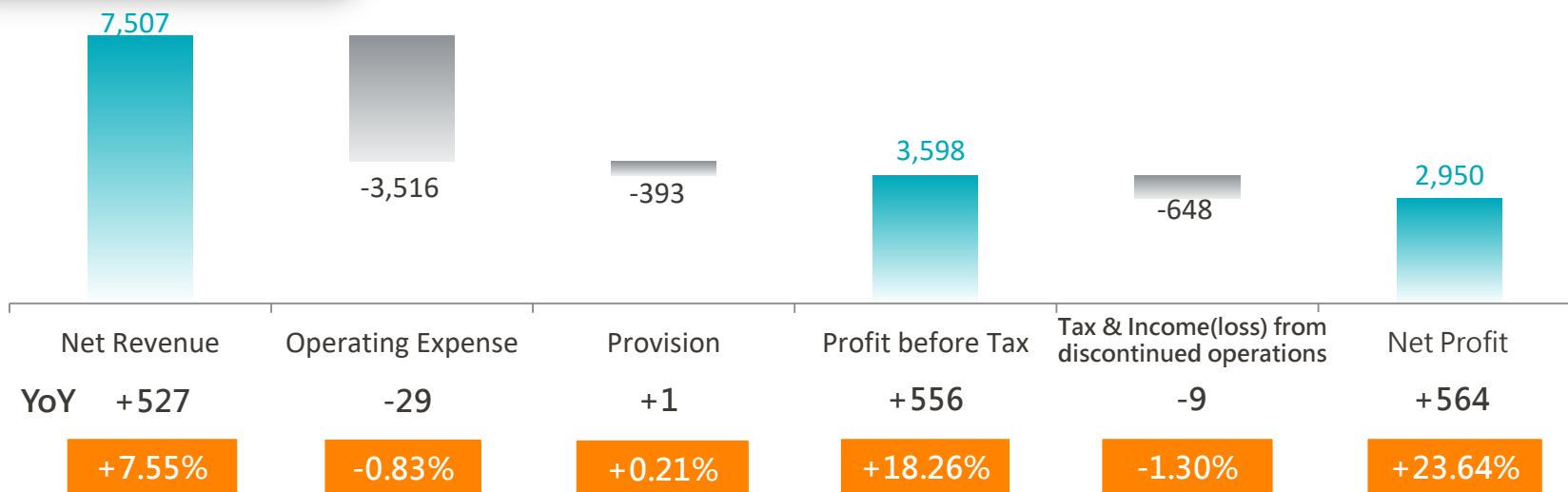
Note 3: Other subsidiaries include Chun Teng New Century Co., Ltd.(in liquidation); adjustment items primarily relate to accounting principle adjustments.

# 02-1 Consolidated Financial Results

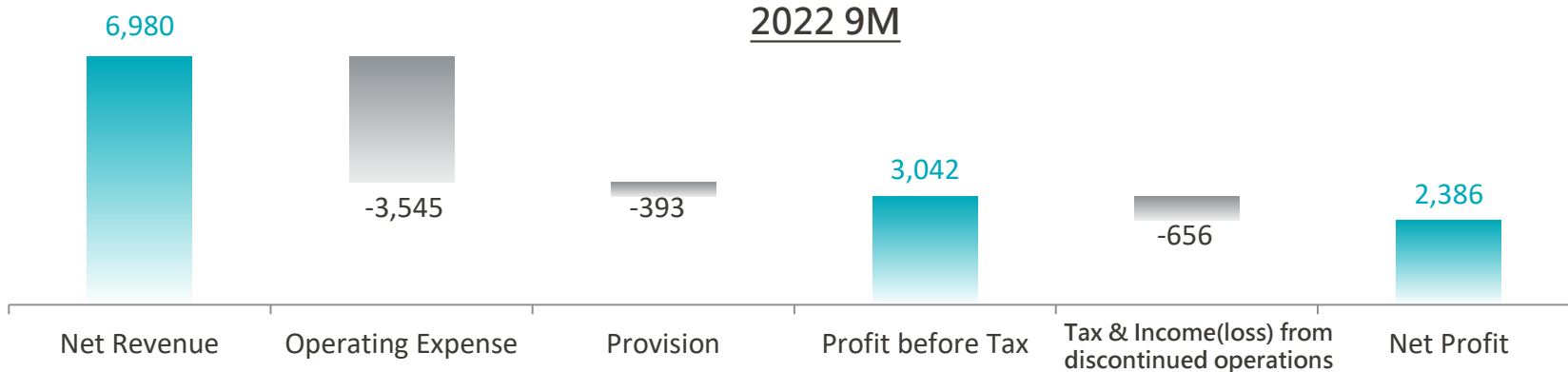
## Net Profit Compositions

2023 9M

NT \$ million



2022 9M

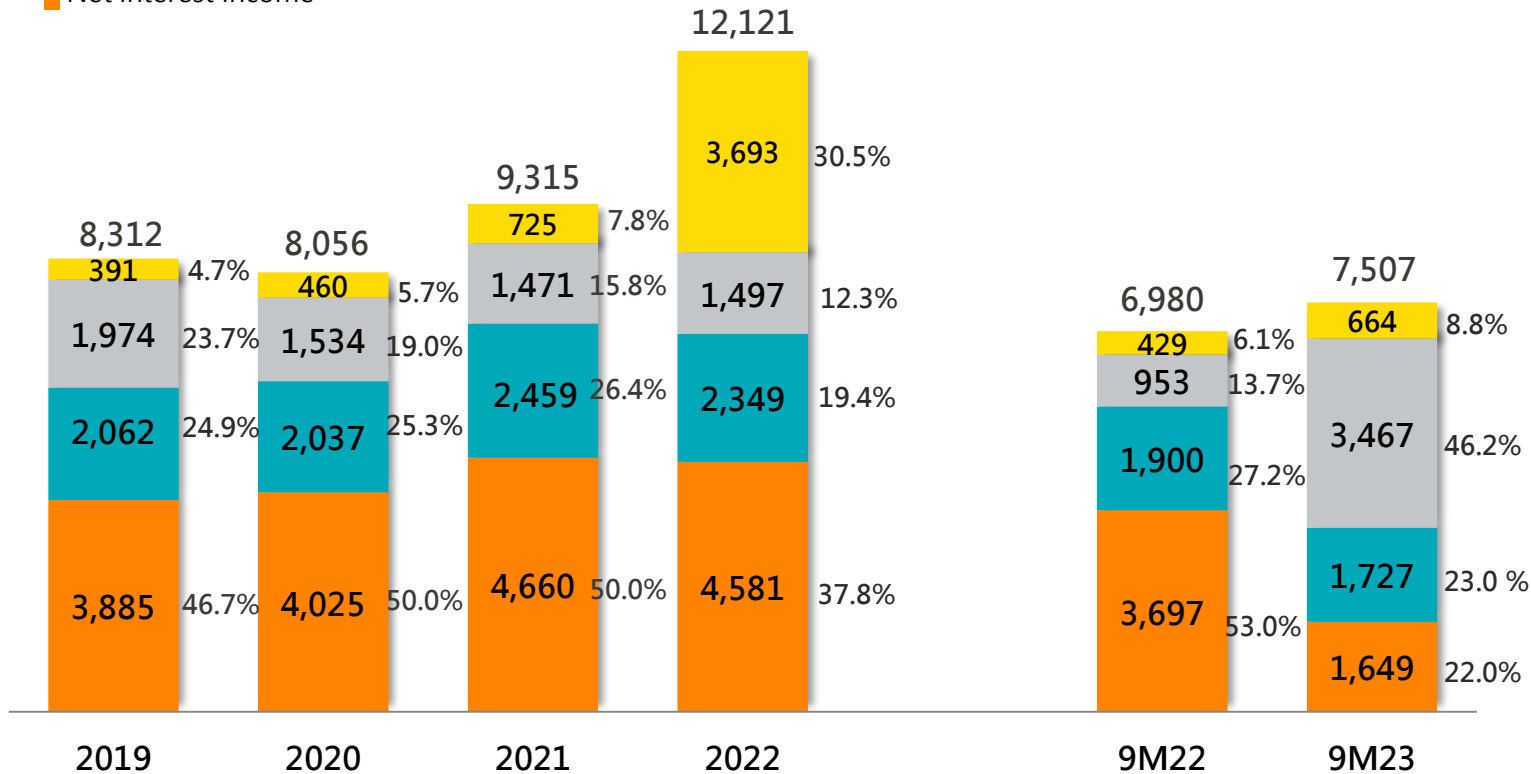


# 02-1 Consolidated Financial Results

## 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



YoY

+7.55%

+54.64%

+263.64%

-9.11%

-55.39%

**02-2**

**Standalone Financial  
Results**  
*-O-Bank-*



# Standalone Financial Results: O-Bank

Net Profit Grew 25.7% YoY

## Net Profit before Tax

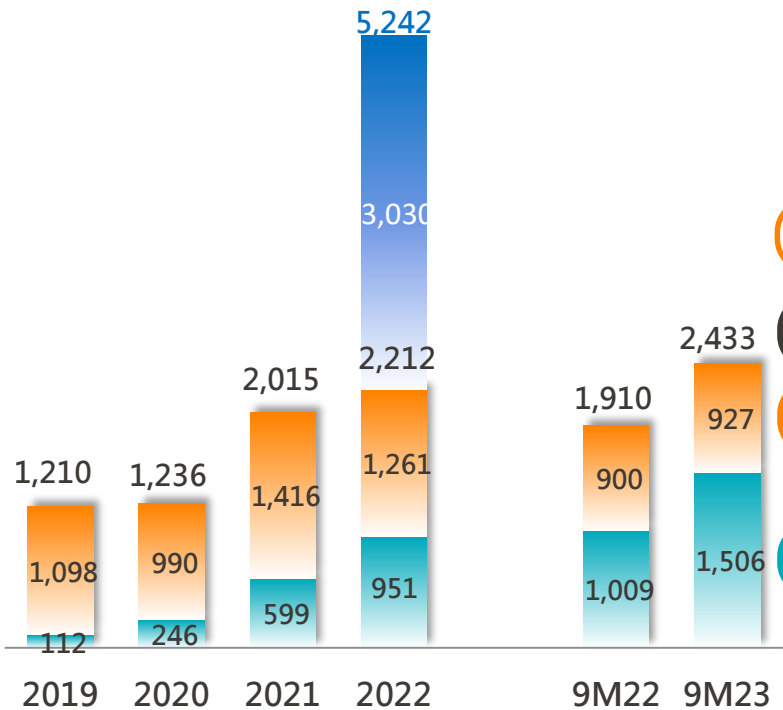
NT \$ million

## Net Profit

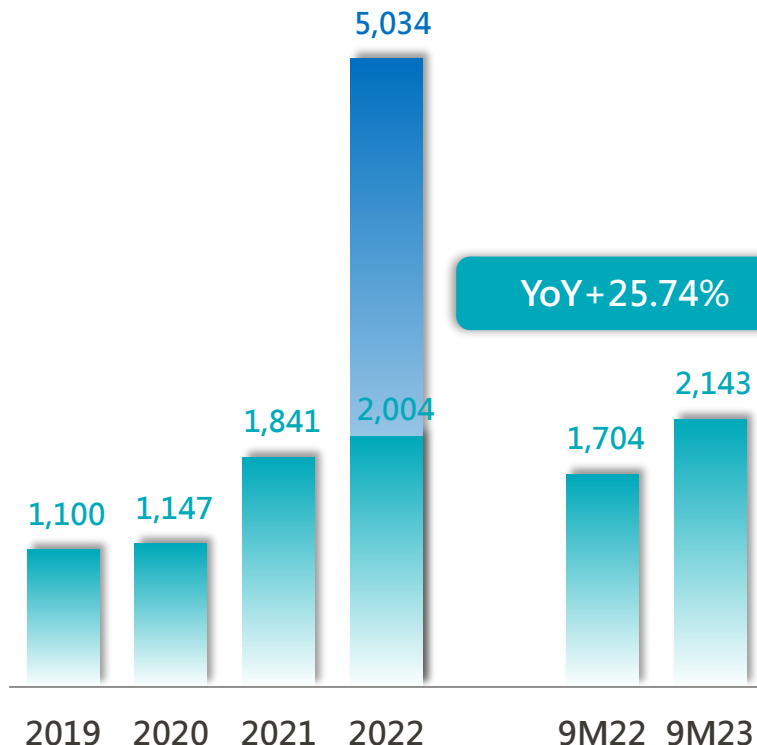
NT \$ million

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

- Net Profit
- One-off Gain



YoY  
+27.42%  
+3.01%  
+49.20%

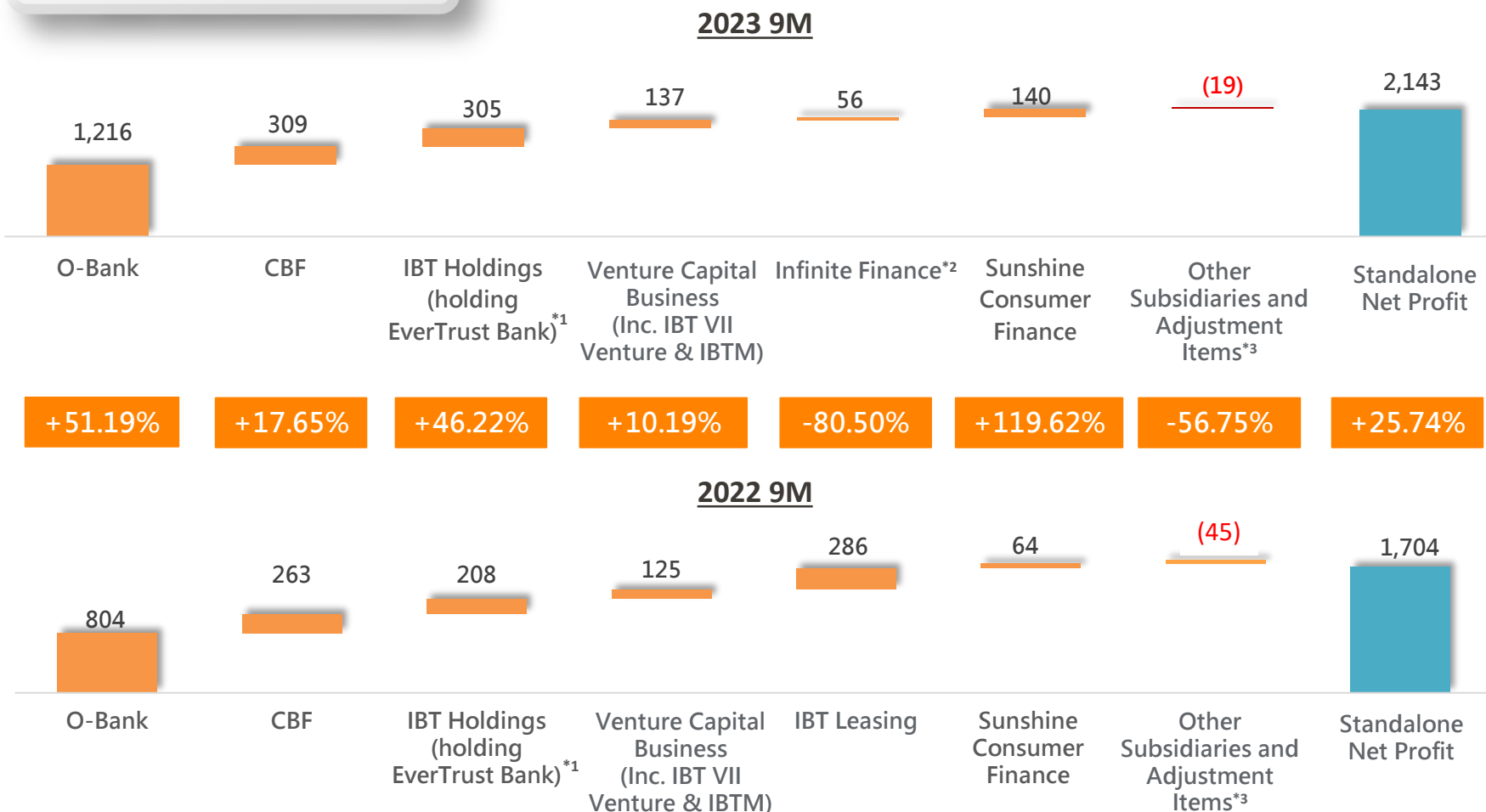


YoY+25.74%

# 02-2 Standalone Financial Results: O-Bank

## Net Profit Compositions (by Business Unit)

NT \$ million



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

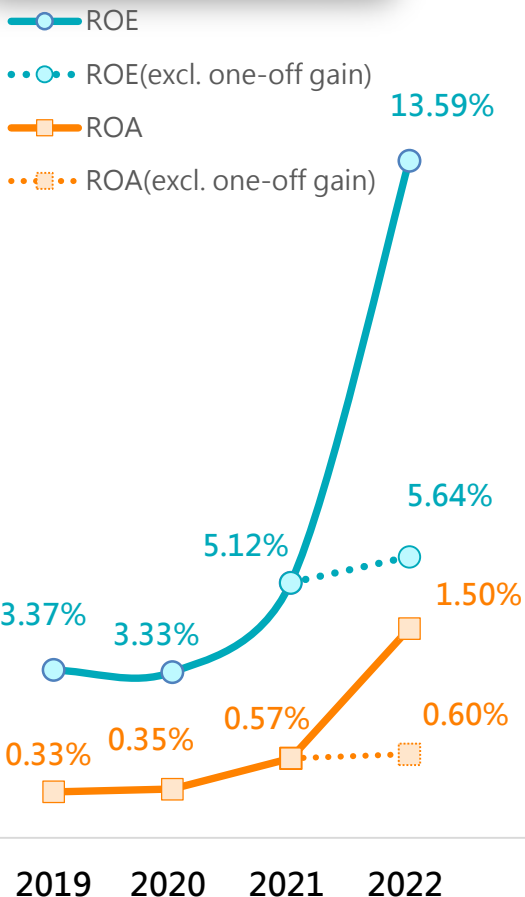
Note 2: In 9M23, O-Bank recognized an investment income of NT\$221 million from Infinite Finance, net of amortization expenses related to Purchase Price Allocation (PPA) arising from leasing company merger. The bank's recognized net profit from investment is approximately NT\$56 million.

Note 3: Other subsidiaries include Chun Teng New Century Co., Ltd.(in liquidation); adjustment items primarily relate to accounting principle adjustments.

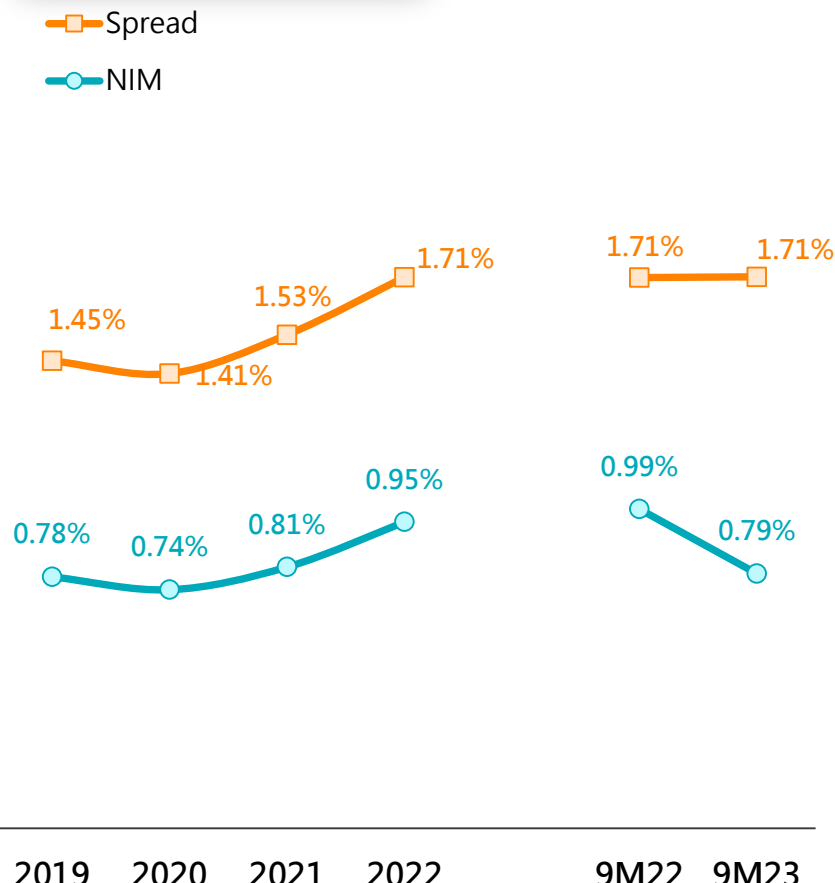
# Standalone Financial Results: O-Bank

ROE & ROA Continued to Grow Compared to the Same Period Last Year

## ROE & ROA



## NIM & Spread



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 investments gain on disposal of accounted for using equity method and related expenses. This is referred to as a one-off gain in this section.

Note2: ROA and ROE for 9M23 and 9M22 are annualized figures.

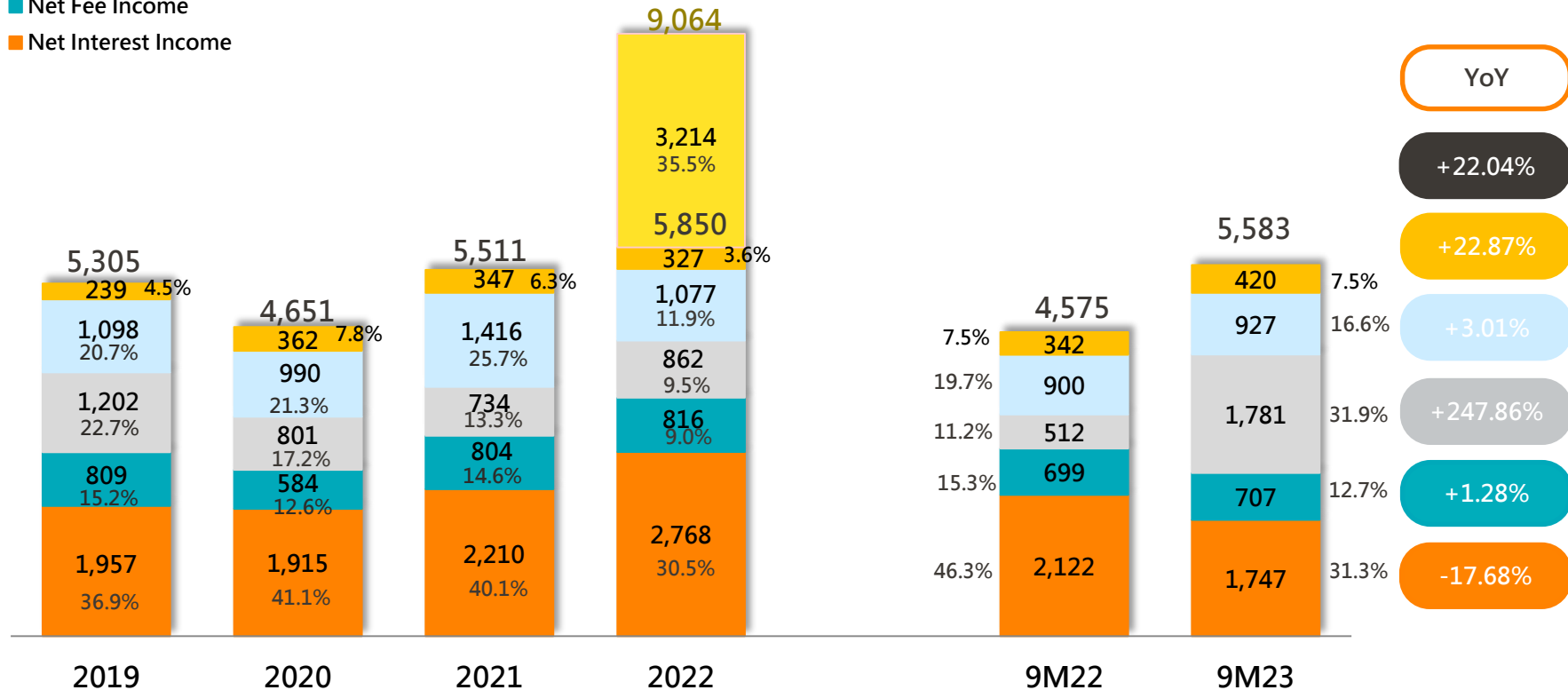
# 02-2 Standalone Financial Results: O-Bank

## Net Revenue Breakdown

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

- 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

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 investments gain on disposal of accounted for using equity method and related expenses. This is referred to as a one-off gain in this section.  
 Note2: 9M23 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.

# Standalone Financial Results: O-Bank

C/I Ratio Hit a Five-Year Low (below 50%)  
and EPS Up 27.6% YoY

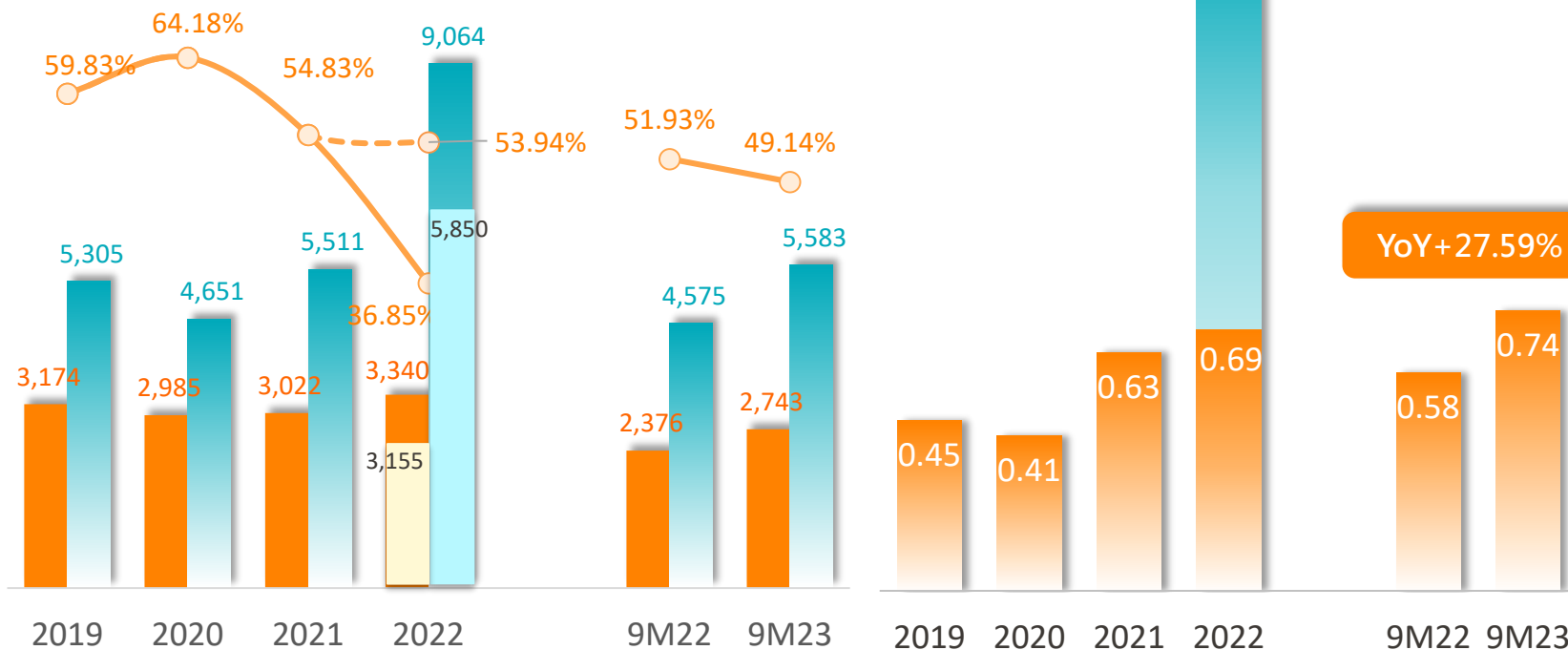
## Cost/Income Ratio

NT \$ million

## EPS

NT \$  
EPS

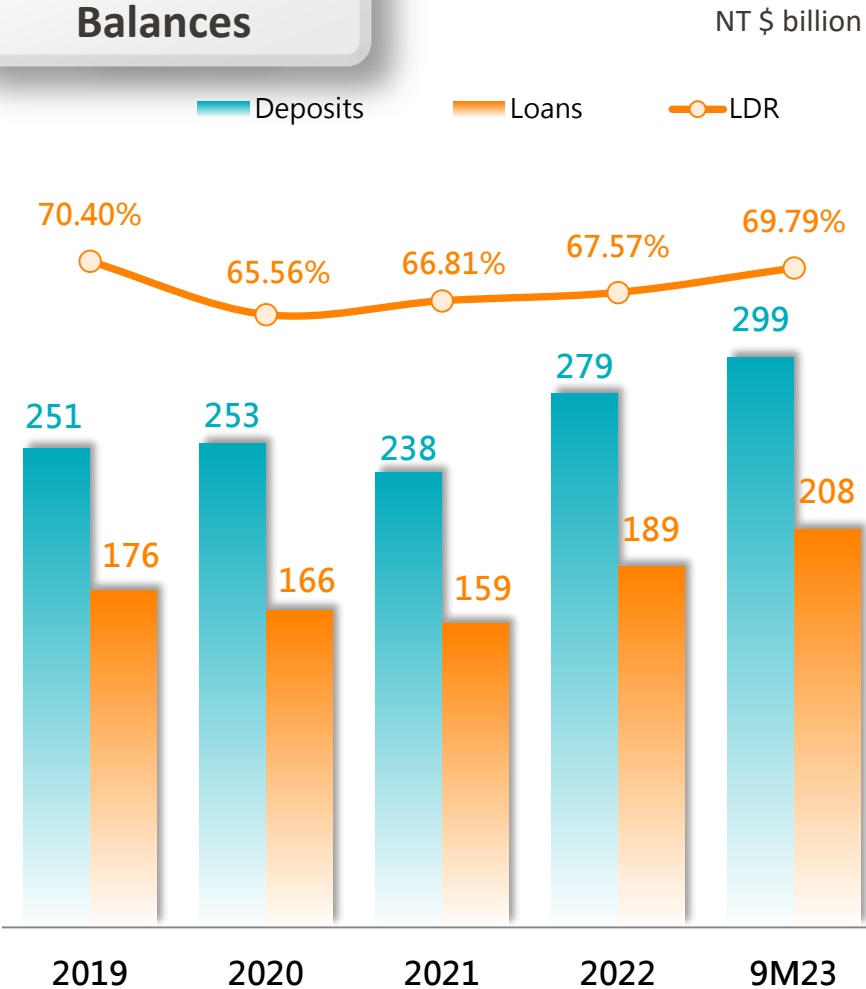
- Operating Expense
- Operating Expense(excl. one-off exp.)
- Net Revenue
- Net Revenue(excl. one-off gain)
- Cost Income Ratio(excl. one-off gain)
- Cost Income Ratio



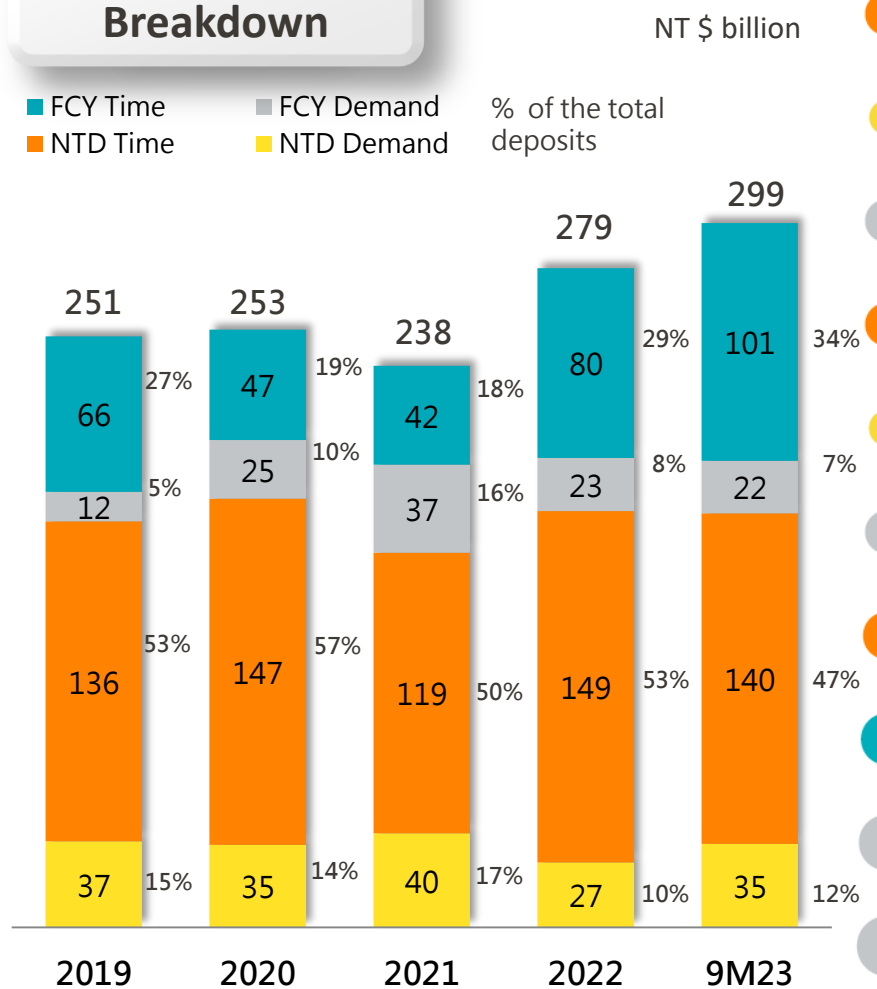
YoY +27.59%

# 02-2 Standalone Financial Results: O-Bank

## Loan & Deposit Balances



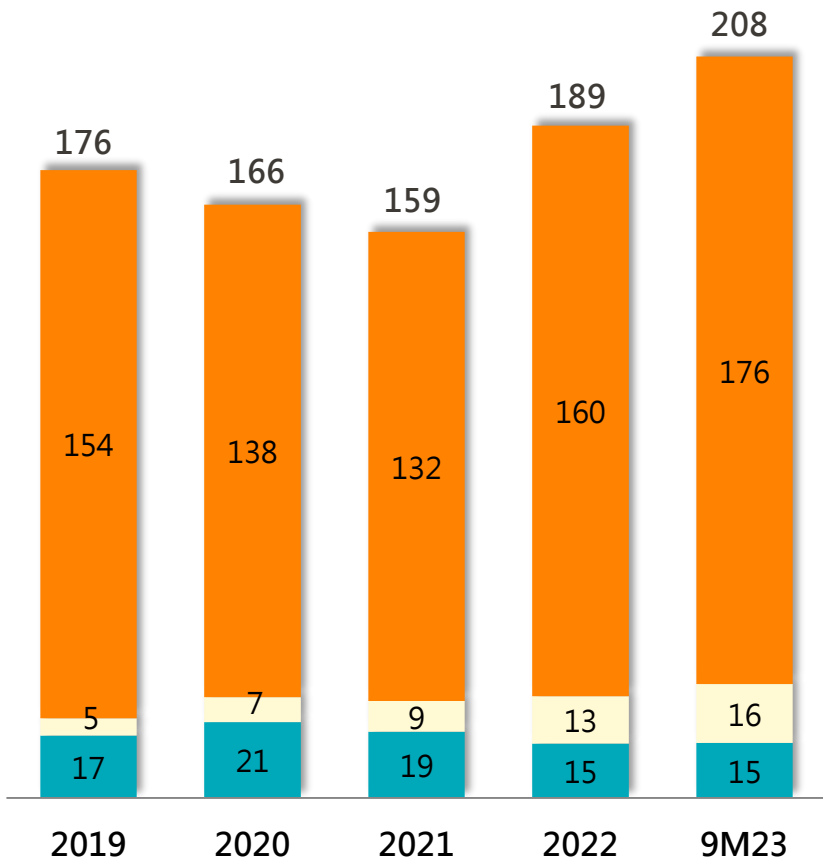
## Deposit Breakdown



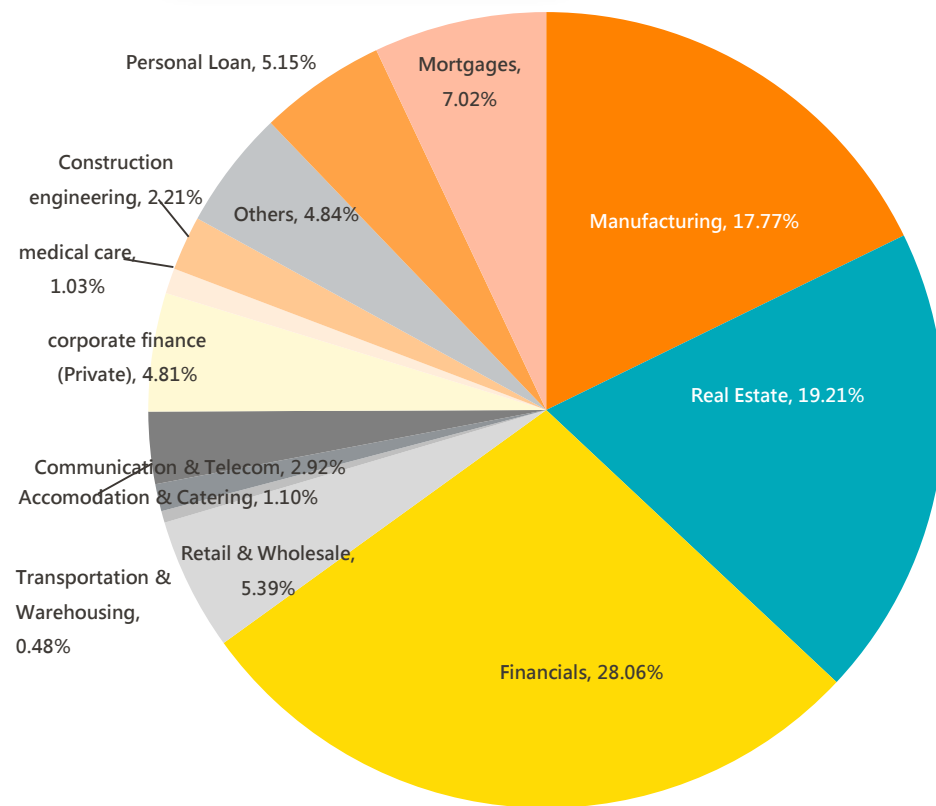
## Loan Breakdown

NT \$ billion

Corporate Loans   Personal Loans   Mortgages



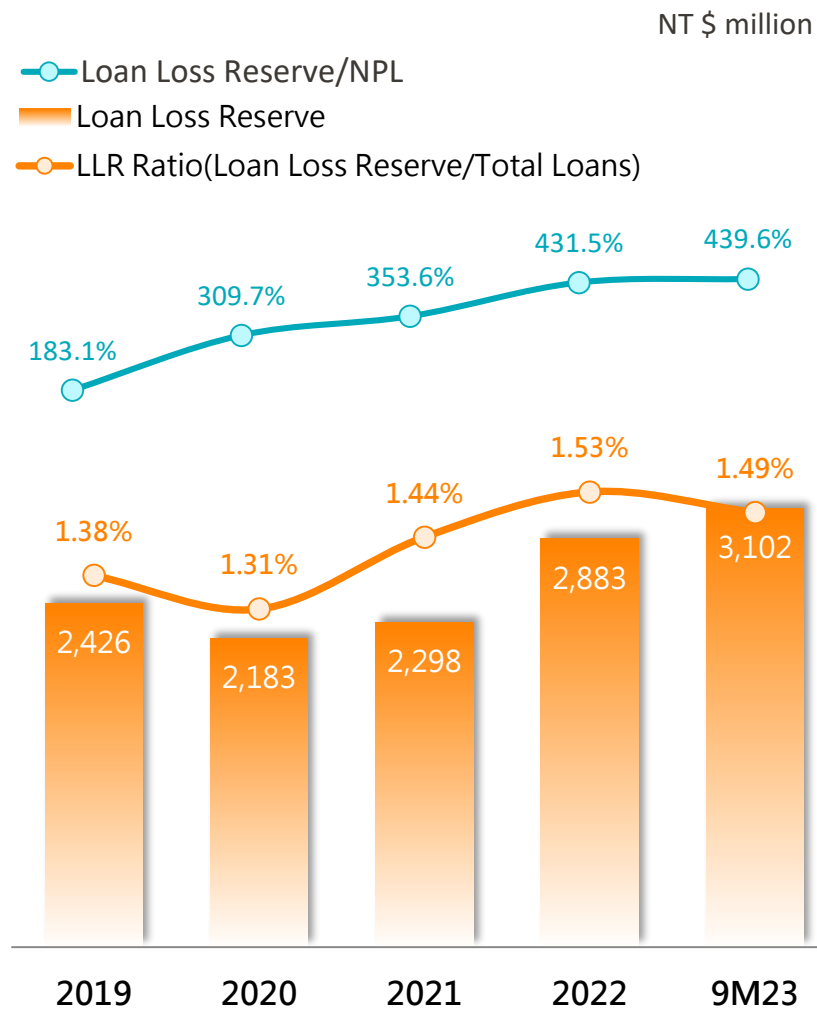
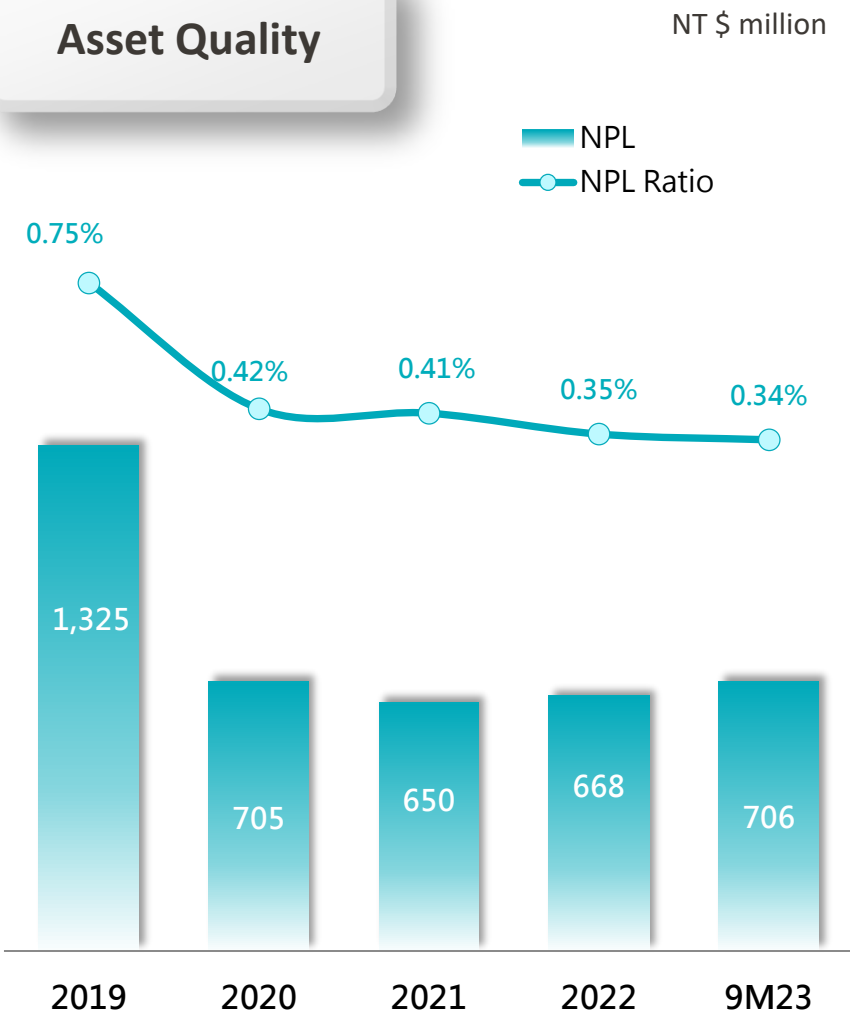
## Loan Breakdown by Industry



Note: Data as of year end of 2023 9M.

### Asset Quality Continued Improving

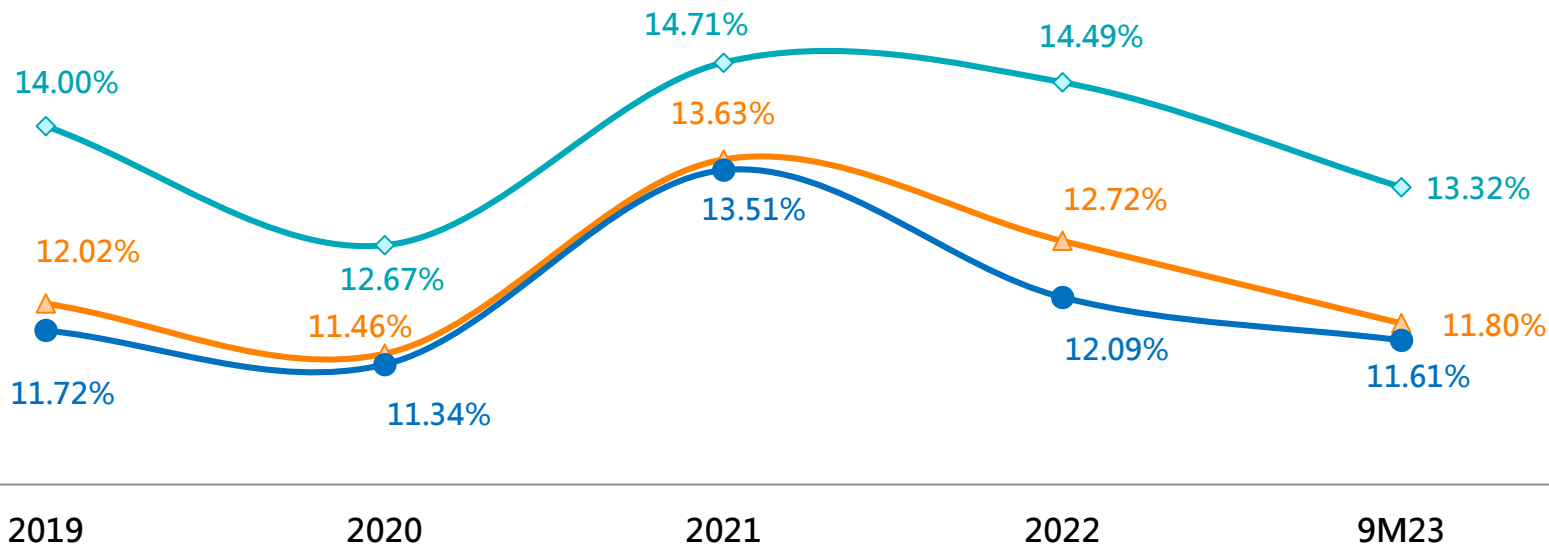
#### Asset Quality



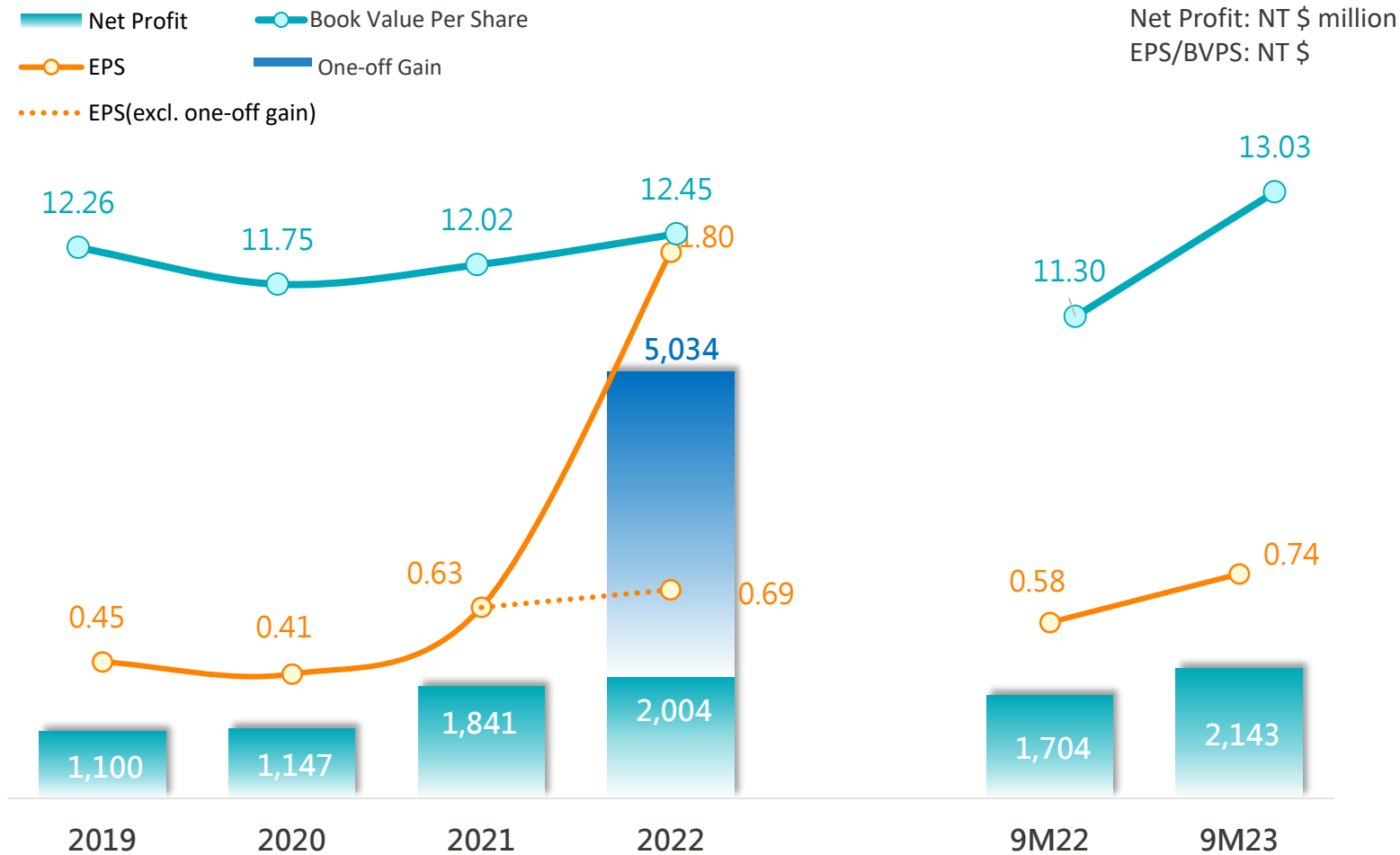


### Capital Structure

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



## BV Per Share Also the Highest in Five Years





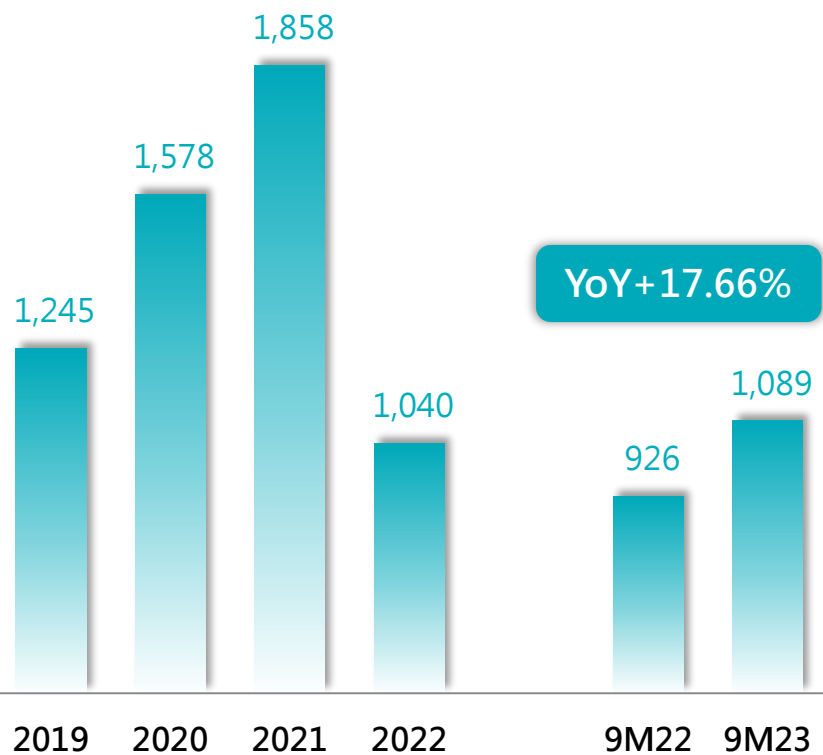
**02-3**

## Individual Financial Results

*-China Bills Finance Corp.-*

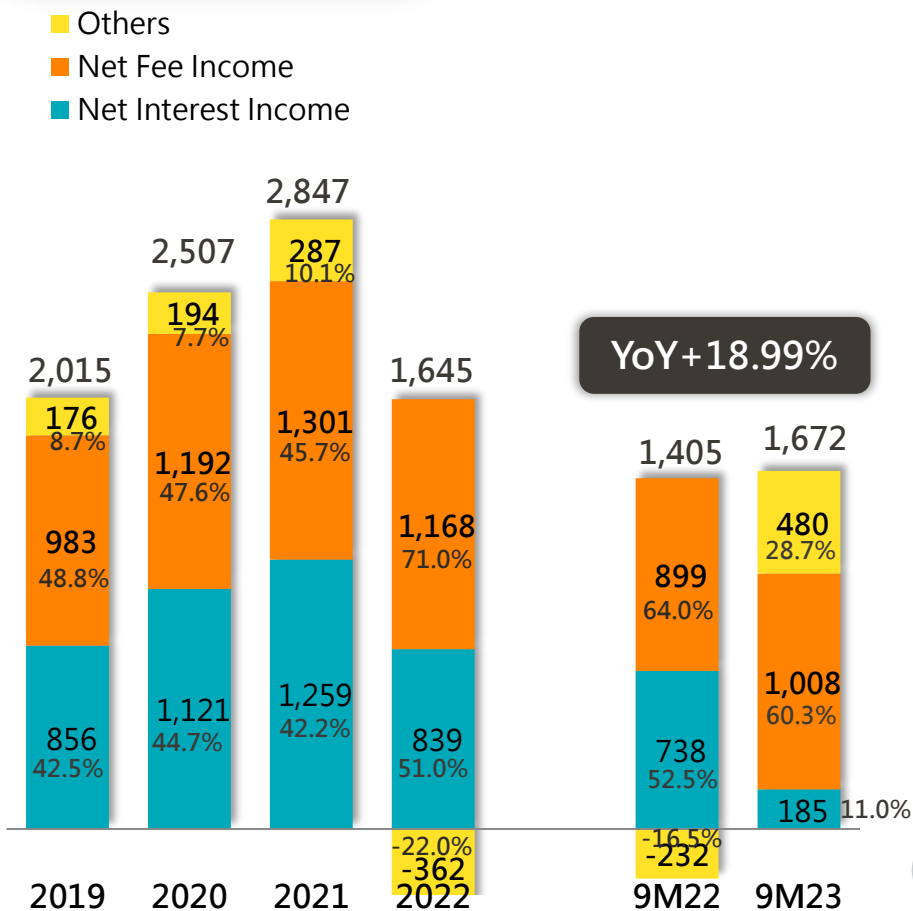
## Net Profit

NT \$ million

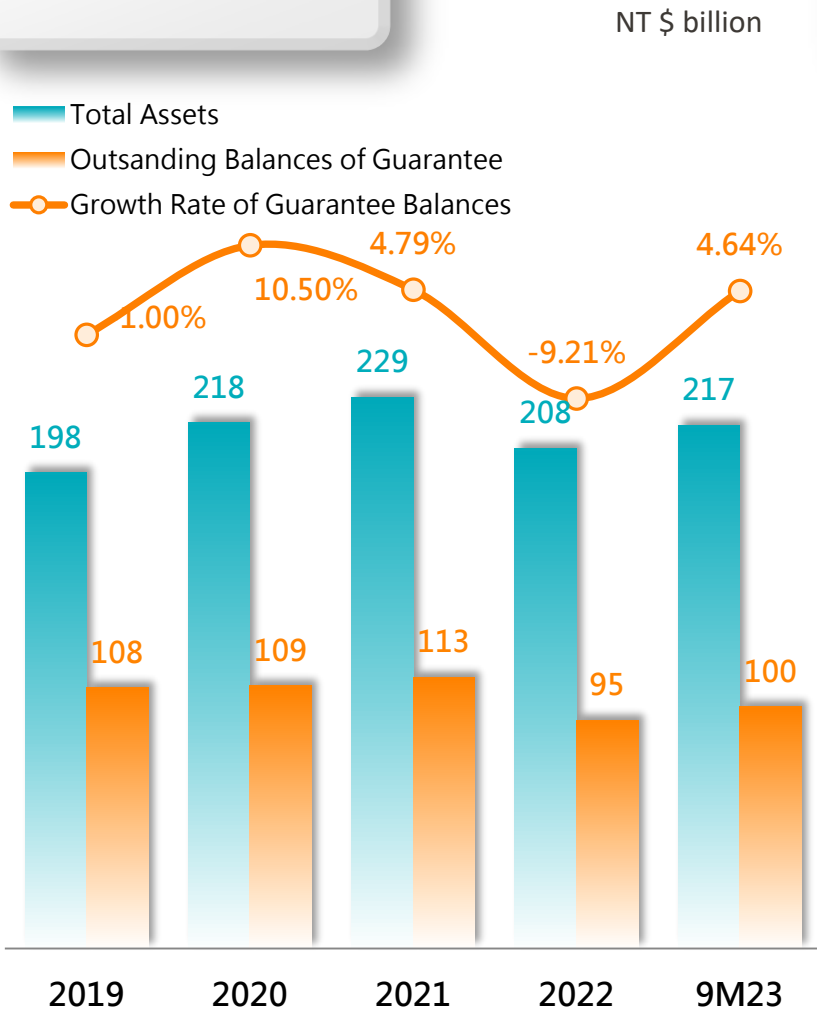


## Net Revenue

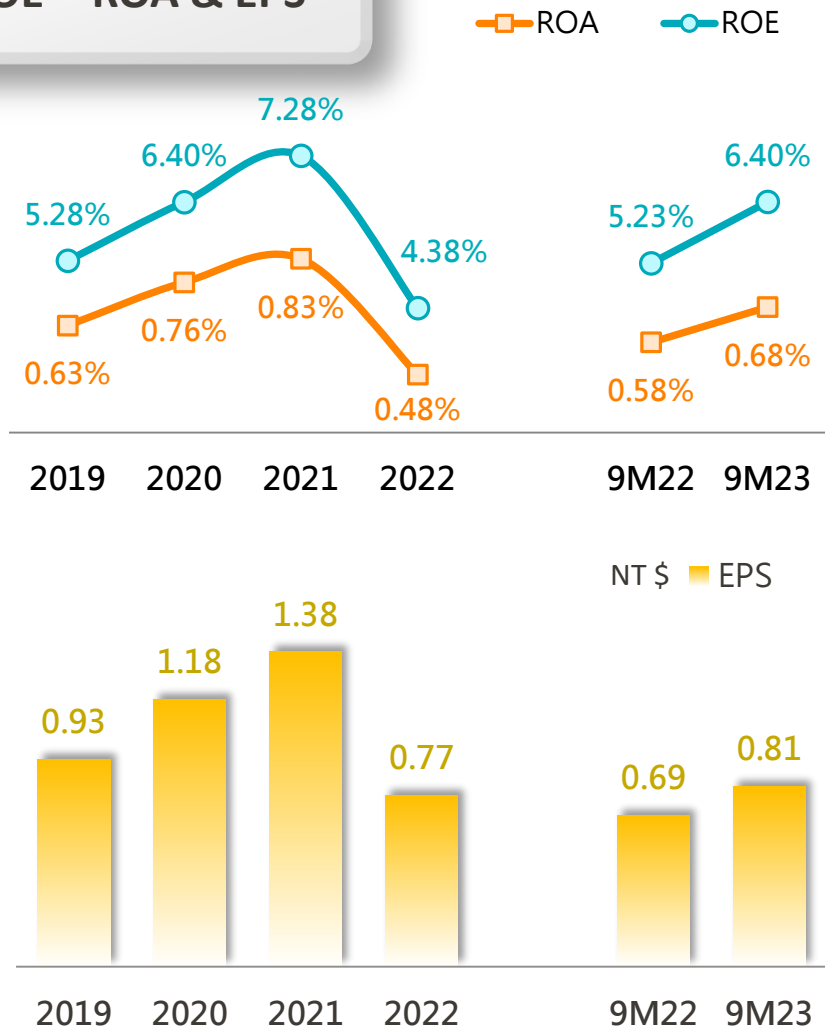
NT \$ million



### Assets



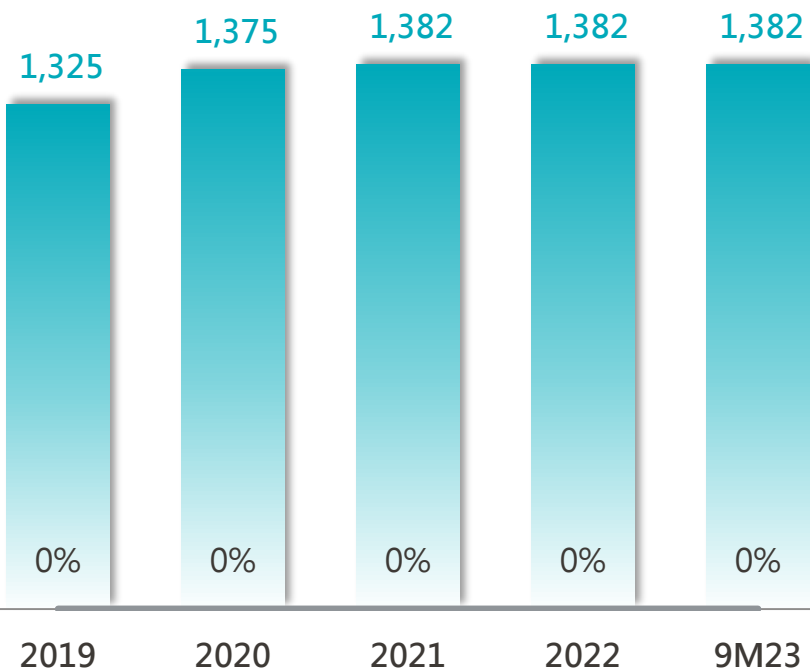
### ROE \ ROA & EPS



### NPL & Reserve for Guarantee Liabilities

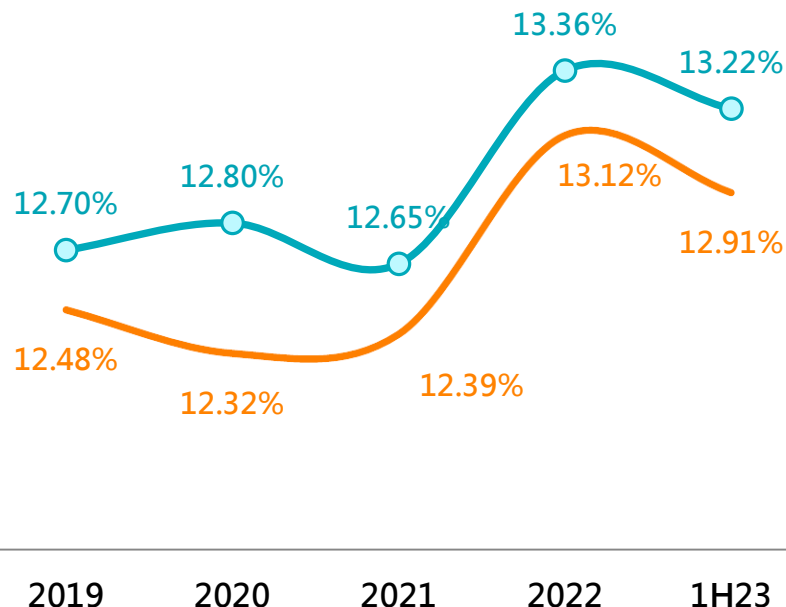
NT \$ million

Reserve for Guarantee Liabilities  
NPL Ratio



### CAR

CAR (Total Capital)  
Tier I Capital



**02-4**

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

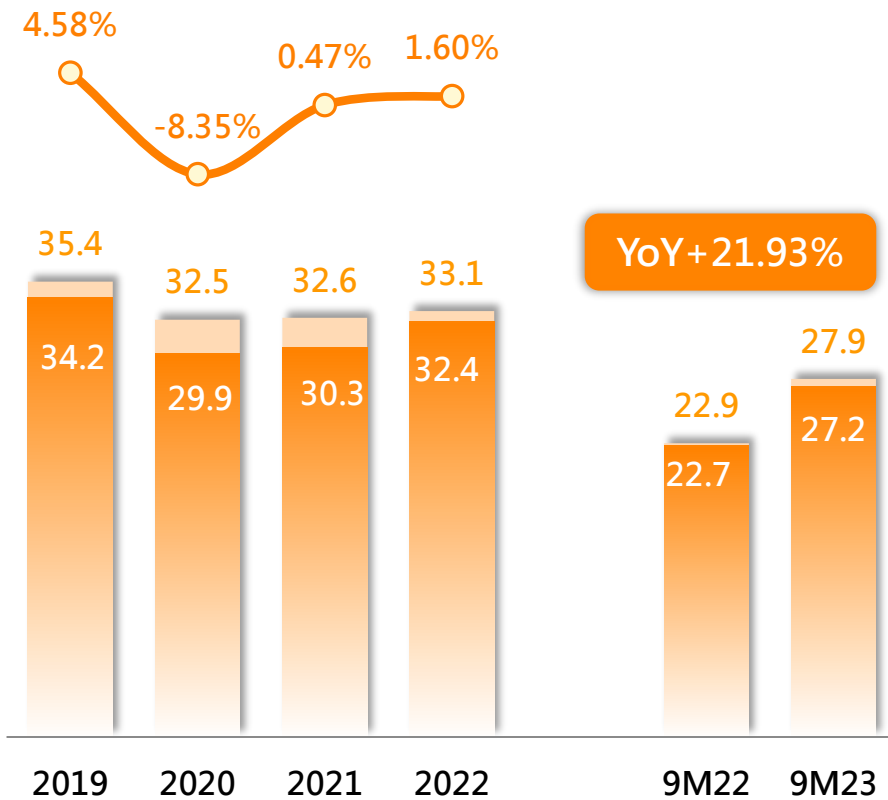
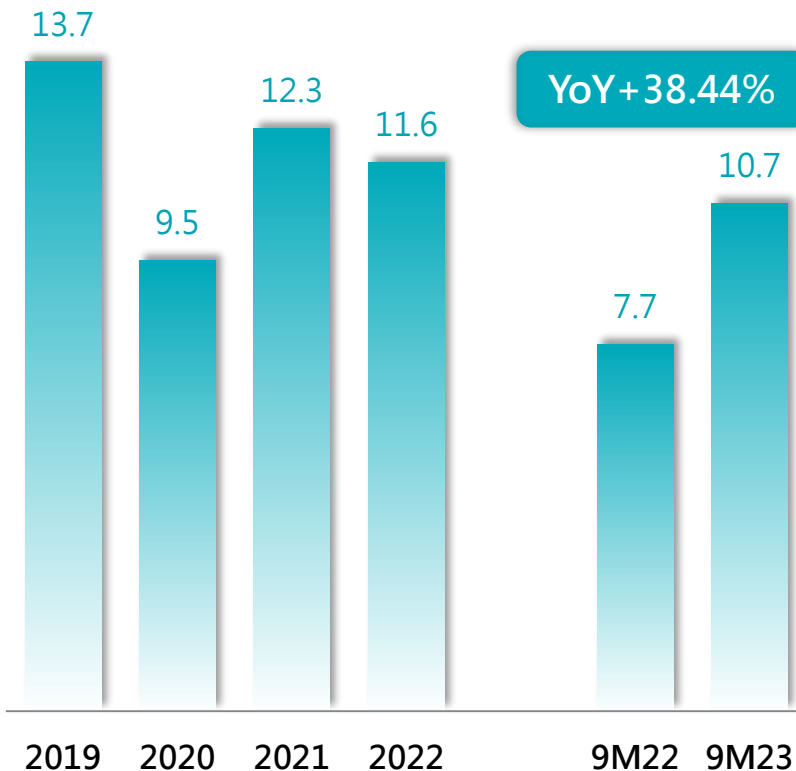
# Individual Financial Results: EverTrust Bank

## Net Profit

USD \$ million

## Net Revenue

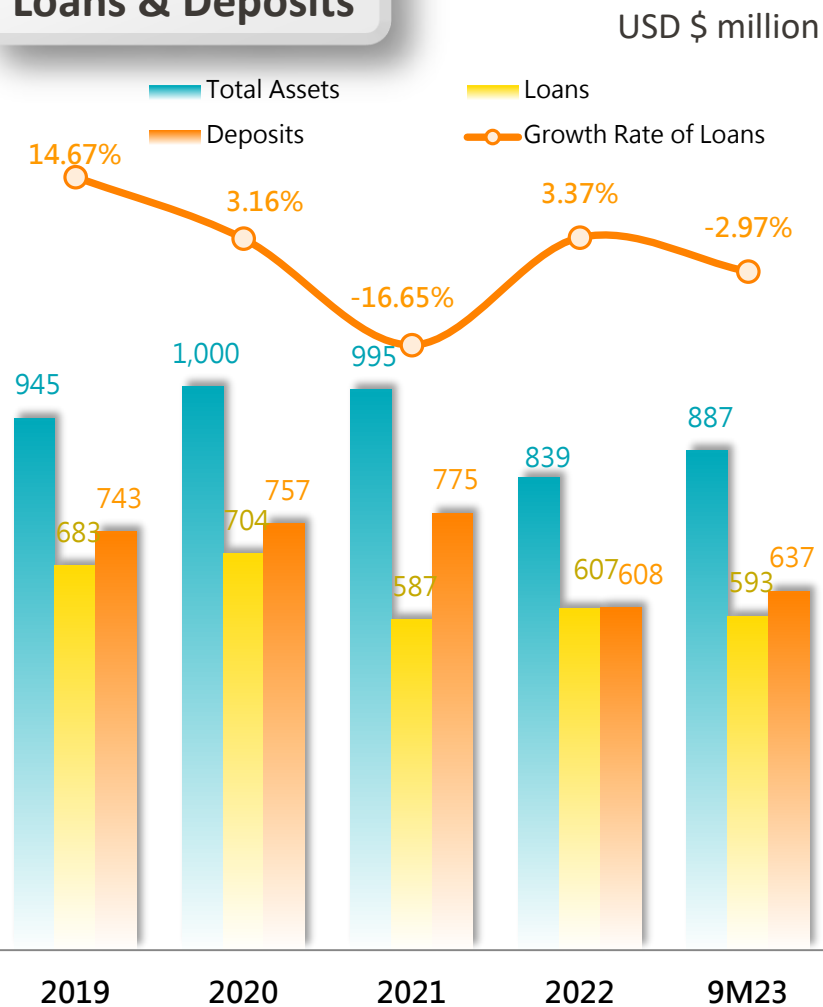
USD \$ million



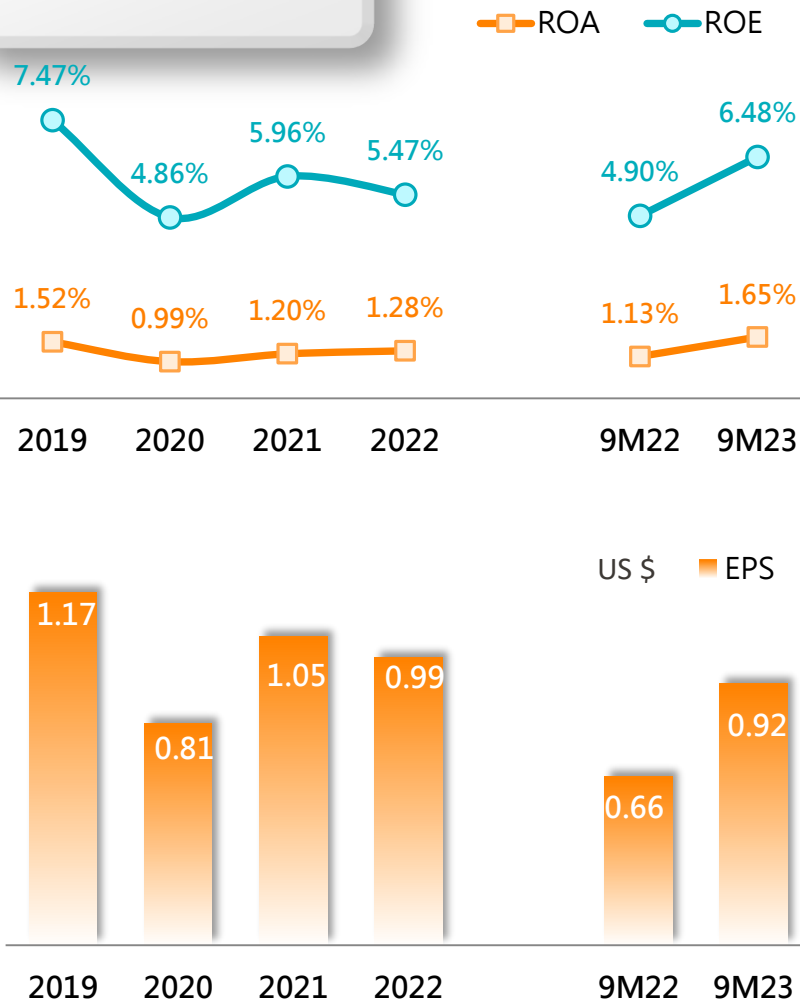


## Individual Financial Results: EverTrust Bank

### Assets \ Loans & Deposits



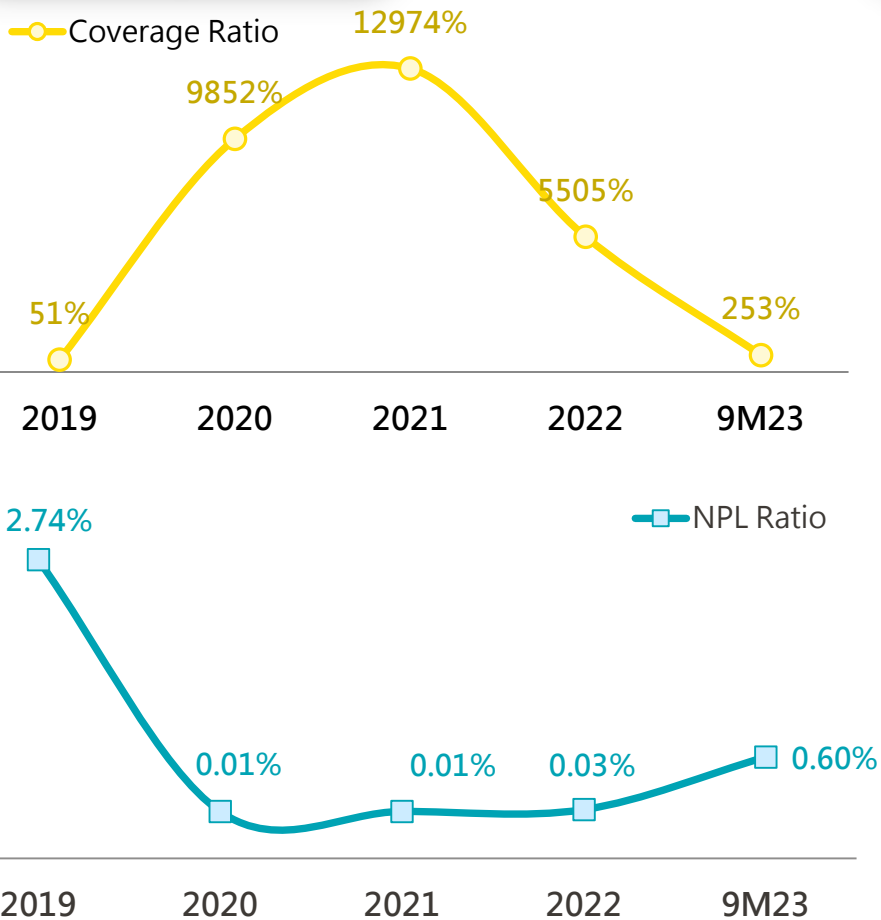
### ROE \ ROA & EPS



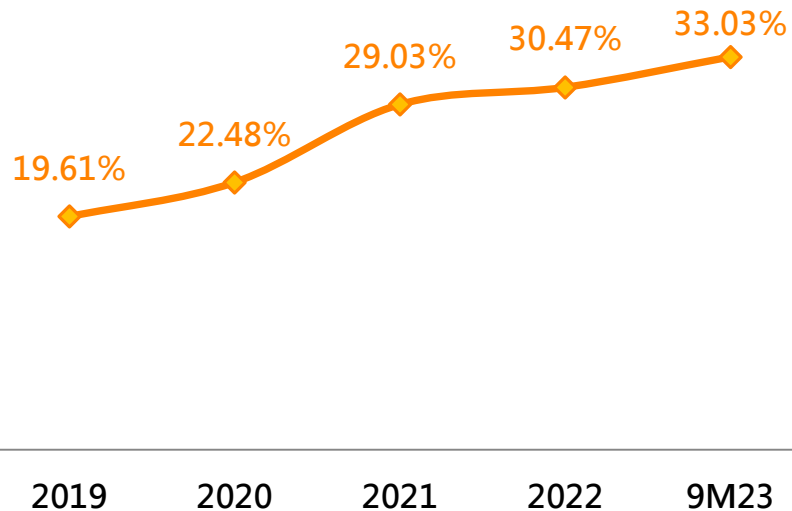


# Individual Financial Results: EverTrust Bank

### NPL Ratio & Coverage Ratio



### CAR





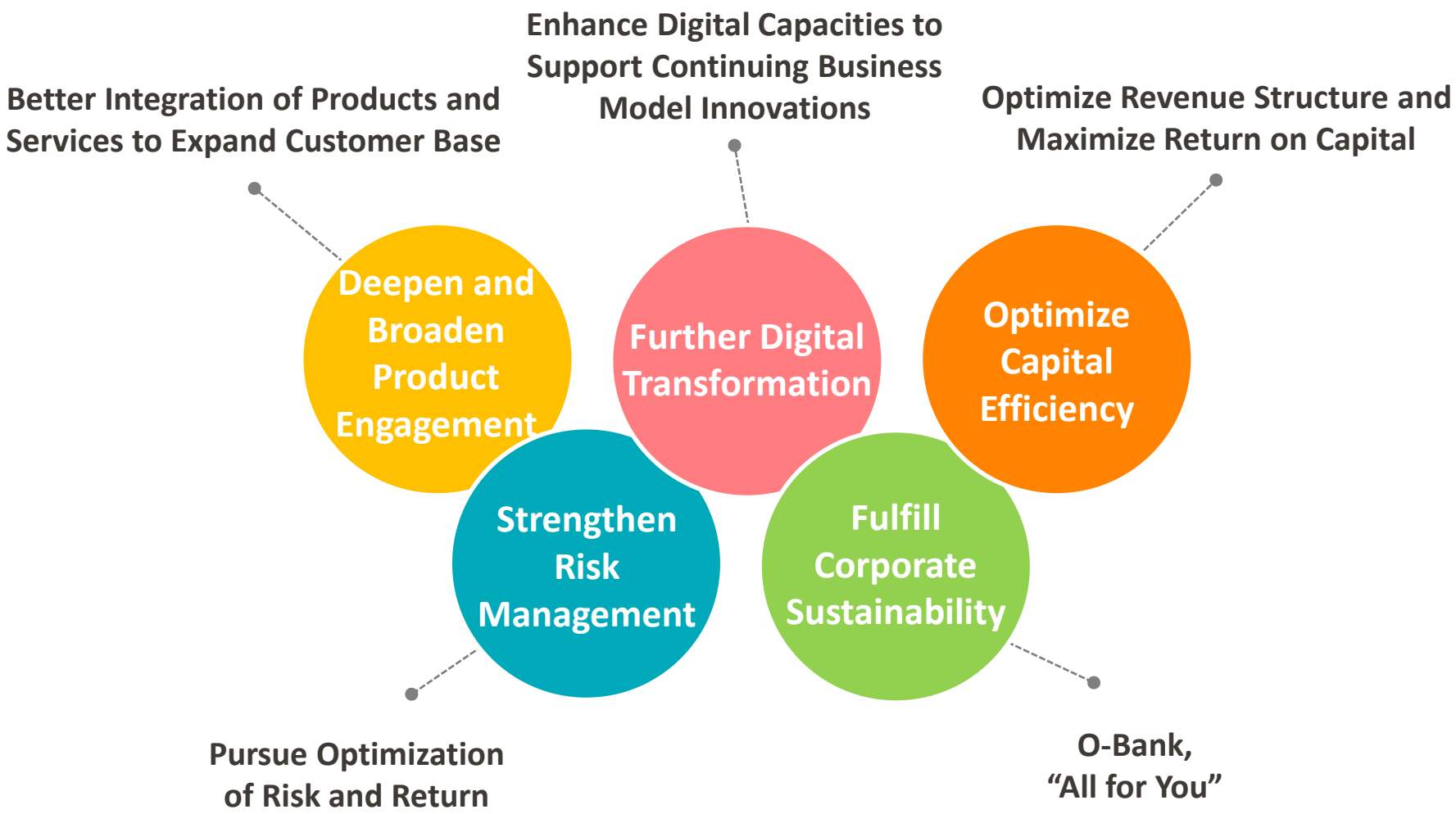
**03**

**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

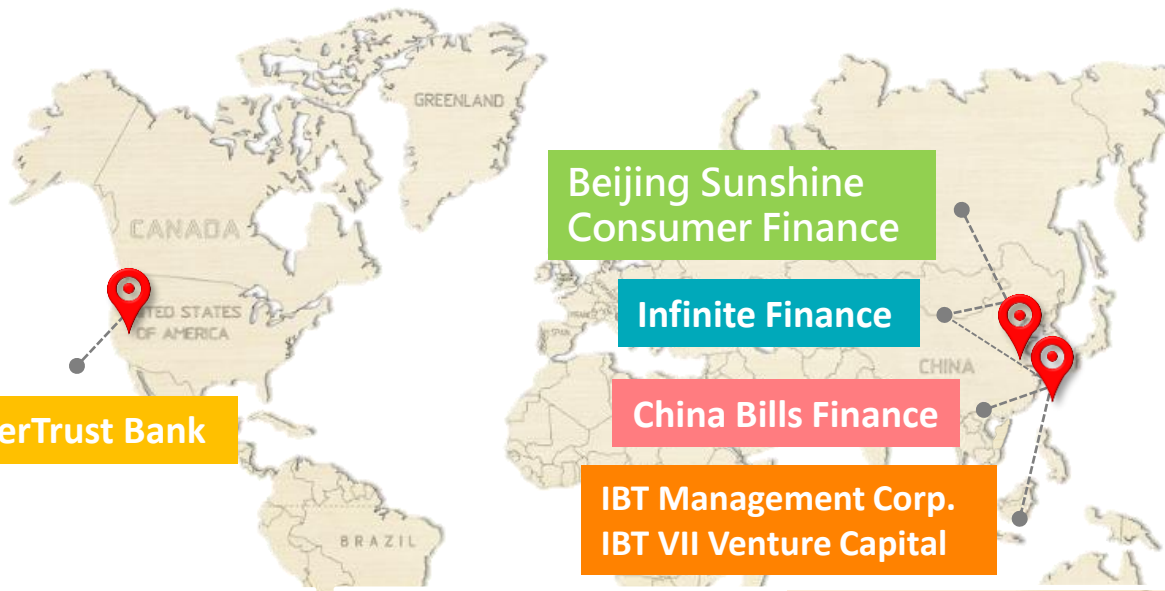
#### O-Bank, “All for You”

- 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.
- Continue to incorporate ESG risk evaluations into the decision-making processes of loan underwriting and investing, adopt an internal carbon pricing regime, and include 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.
- 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



### 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

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

 O-BANK 王道銀行





# 04

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



## O-Bank-Financial Summary

(NT \$ million)	3Q23	2Q23	1Q23	4Q22	2022	2021	YoY	9M23	9M22	YoY
<b>Income Statement</b>										
Interest income	3,081	2,619	2,321	2,044	5,812	3,471	67%	8,020	3,768	113%
Interest expense	(2,418)	(2,045)	(1,810)	(1,398)	(3,044)	(1,261)	141%	(6,274)	(1,646)	281%
Net interest income	662	574	511	646	2,768	2,210	25%	1,747	2,122	-18%
Fee income	232	180	295	117	816	804	1%	707	699	1%
Equity in the income of investees	216	303	407	3,391	4,291	1,416	203%	927	900	3%
Other income	721	886	595	335	1,189	1,081	10%	2,201	854	158%
Net revenue	1,832	1,943	1,809	4,489	9,064	5,511	64%	5,583	4,575	22%
Provision expense	(184)	(142)	(80)	(193)	(482)	(474)	2%	(406)	(290)	40%
Operating expense	(945)	(917)	(882)	(964)	(3,340)	(3,022)	11%	(2,743)	(2,376)	15%
Net profit B/T	703	883	847	3,332	5,242	2,015	160%	2,433	1,910	27%
Net profit A/T	645	759	738	3,330	5,034	1,841	173%	2,143	1,704	26%
<b>Balance Sheet</b>										
Loans, net	205,186	200,549	191,481	185,977	185,977	156,748	19%	205,186	189,681	8%
Deposits	293,670	296,134	287,449	274,504	274,504	238,194	15%	293,670	277,871	6%
Total assets	387,680	387,273	379,794	355,954	355,954	315,064	13%	387,680	367,131	6%
Total stockholders' equity	39,364	38,673	38,986	37,722	37,722	36,381	4%	39,364	34,250	15%
<b>Key Ratios(%)</b>										
ROA(A/T)	0.17	0.20	0.20	1.00	1.50	0.57		0.58	0.50	
ROE(A/T)	1.64	2.00	1.93	8.76	13.59	5.12		5.56	4.83	
NPL	0.34	0.31	0.34	0.35	0.35	0.41		0.34	0.35	
Tier I	11.80	0.12	12.72	12.72	12.72	13.63		11.80	12.01	
CAR	13.32	0.13	14.38	14.49	14.49	14.71		13.32	13.05	

Note : ROA & ROE-unannualized

## CBF-Financial Summary

(NT \$ million)	3Q23	2Q23	1Q23	4Q22	2021	2021	YoY	9M23	9M22	YoY
<b>Income Statement</b>										
Interest income	801	743	726	624	2,047	1,720	19%	2,271	1,422	60%
Interest expense	(751)	(695)	(640)	(524)	(1,207)	(461)	162%	(2,086)	(684)	205%
Net interest income	50	49	86	101	839	1,259	-33%	185	738	-75%
Fee income	322	323	363	269	1,168	1,301	-10%	1,008	899	12%
Other income	112	82	285	(130)	(362)	287	-226%	480	(232)	-306%
Net revenue	484	454	734	240	1,645	2,847	-42%	1,672	1,405	19%
Reversal	(7)	(0)	(0)	(0)	(23)	(7)	228%	(7)	(22)	-70%
Operating expense	(117)	(132)	(129)	(120)	(466)	(522)	-11%	(378)	(347)	9%
Net profit B/T	373	322	605	120	1,201	2,332	-48%	1,301	1,081	20%
Net profit A/T	314	269	506	115	1,040	1,858	-44%	1,089	926	18%
<b>Balance Sheet</b>										
Total assets	217,292	200,338	211,781	207,660	207,660	228,734	-9%	217,292	200,169	9%
Total stockholders' equity	23,376	22,713	23,076	21,978	21,978	25,557	-14%	23,376	21,617	8%

## ETB-Financial Summary

(USD \$ thousand)	3Q23	2Q23	1Q23	4Q22	2022	2021	YoY	9M23	9M22	YoY
<b>Income Statement</b>										
Interest income	13,399	12,529	11,674	11,177	35,491	34,271	4%	37,602	24,313	55%
Interest expense	(4,218)	(3,559)	(2,596)	(1,467)	(3,130)	(3,970)	-21%	(10,373)	(1,663)	524%
Net interest income	9,181	8,970	9,078	9,710	32,361	30,301	7%	27,230	22,650	20%
Fee income	59	200	133	82	498	1,185	-58%	392	416	-6%
Other income	103	14	128	497	286	1,137	-75%	245	(210)	-216%
Net revenue	9,344	9,184	9,339	10,289	33,145	32,623	2%	27,867	22,856	22%
Provision expense	0	0	200	0	0	0	-	200	0	-
Operating expense	(4,216)	(4,203)	(4,435)	(4,477)	(16,208)	(15,216)	7%	(12,854)	(11,731)	10%
Net profit B/T	5,128	4,981	5,104	5,812	16,937	17,407	-3%	15,213	11,125	37%
Net profit A/T	3,617	3,513	3,600	3,839	11,589	12,304	-6%	10,729	7,750	38%
<b>Balance Sheet</b>										
Loans, net	584,088	587,471	576,825	596,838	596,838	577,084	3%	584,088	601,309	-3%
Deposits	637,383	664,280	604,892	608,227	608,227	775,382	-22%	637,383	646,705	-1%
Total assets	887,197	907,682	842,888	839,386	839,386	995,389	-16%	887,197	868,731	2%
Total stockholders' equity	224,913	222,281	219,422	214,844	214,844	211,258	2%	224,913	210,237	7%