



Financial Review of 2019 Q3

2019.11.20



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Summary

- **Operations Review of 2019 Q3**
- **Financial Performance of 2019 Q3**
- **Prospects**





Operations Review of 2019 Q3



Operations Review of 2019 Q3

(in NT 100mn)

Items	2019.1~9	2018.1~9	Increase amount
Net income before tax and provisions	9.94	9.57	0.37
Provisions	3.53	6.35	(2.82)
Net income before tax	6.41	3.22	3.19
Income tax	(0.69)	0.44	1.13
Net income	5.72	3.66	2.06
EPS after-tax (in NT dollar)	0.53	0.34	0.19

Note:1. Affected by the NPL of Ching Fu Shipbuilding Co., Ltd and strengthening financial structure, Net income and EPS after-tax of 2018Q1-Q3 decline due to increasing provisions.

2. 「Provisions」 for bad debt expense、commitment、guarantee liability and reversal of impairment loss on assets.

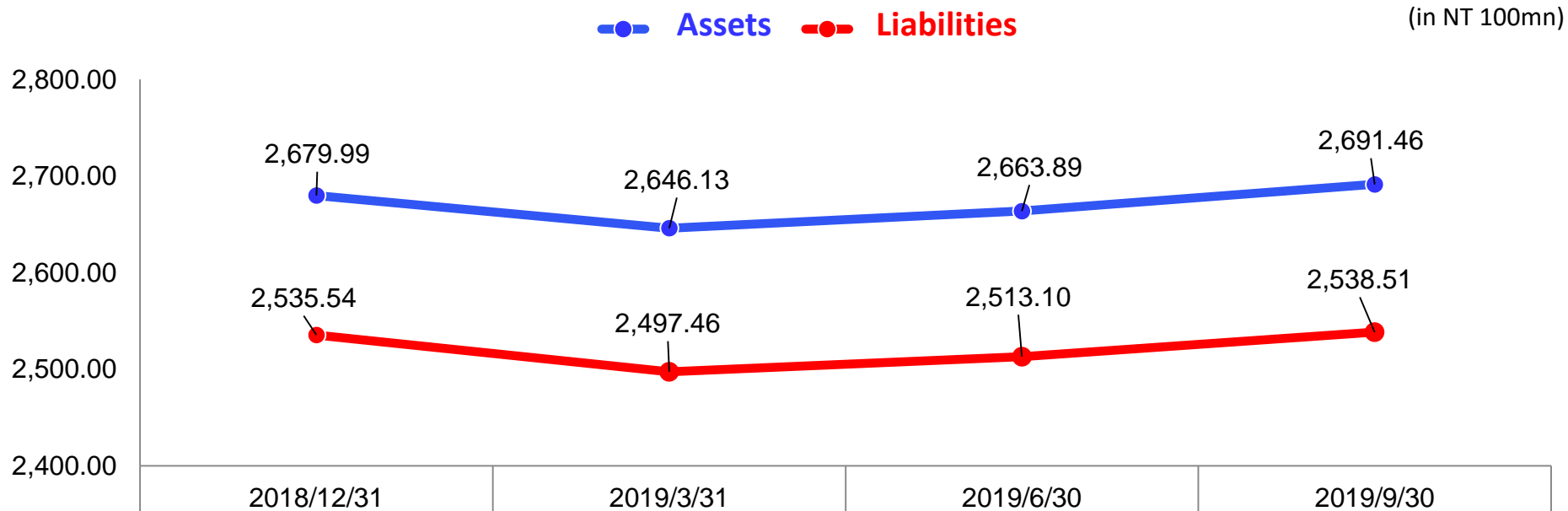
Items	2019.1~9	2018.1~9	Increase amount
Average Deposits	2,198.37	2,324.94	(126.57)
Average Loans	1,777.56	1,762.46	15.10
FX volumes (in USD 100mn)	55.88	66.13	(10.25)



Financial Performance



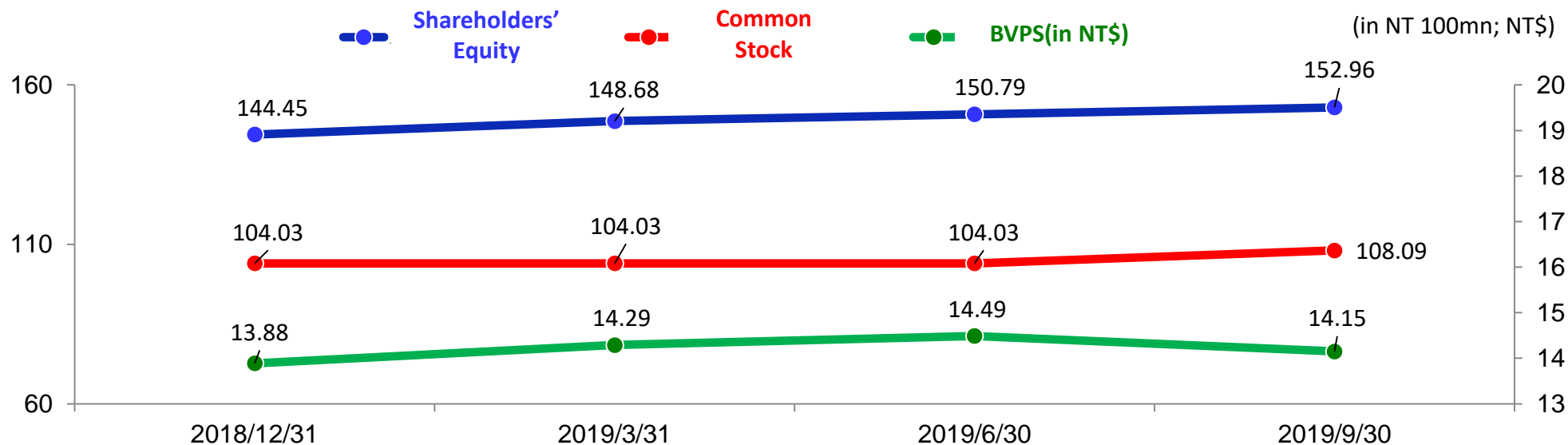
Assets and Liabilities



Month	2019/9/30	2019/6/30	2019/3/31	2018/12/31	2019/9/30 to 2018/12/31 Growth Rate
Assets	2,691.46	2,663.89	2,646.13	2,679.99	0.43%
Liabilities	2,538.51	2,513.10	2,497.46	2,535.54	0.12%



Shareholders' Equity



Month Items	2019/9/30	2019/6/30	2019/3/31	2018/12/31	2019/9/30 to 2018/12/31 Growth Rate
Shareholders' Equity	152.96	150.79	148.68	144.45	5.89%
Common Stock	108.09	104.03	104.03	104.03	3.90%
BVPS (in NT\$)	14.15	14.49	14.29	13.88	1.95%

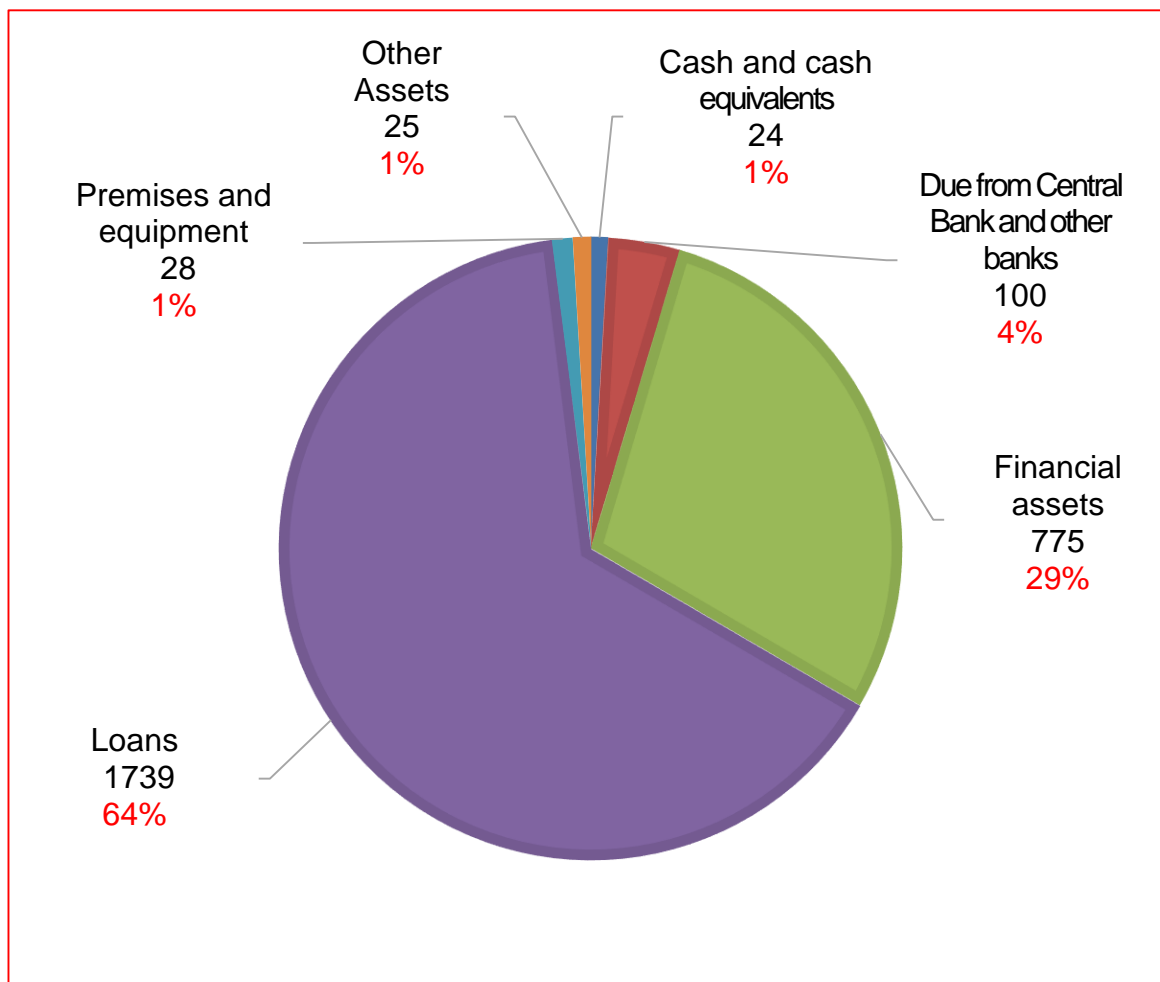
Note: Retained earnings and capital surplus were transferred to capital by NTD 406 million in 2019.



Assets、Liabilities and Shareholders' Equity Breakdown(2019.9.30)

Assets

(in NT 100mn)

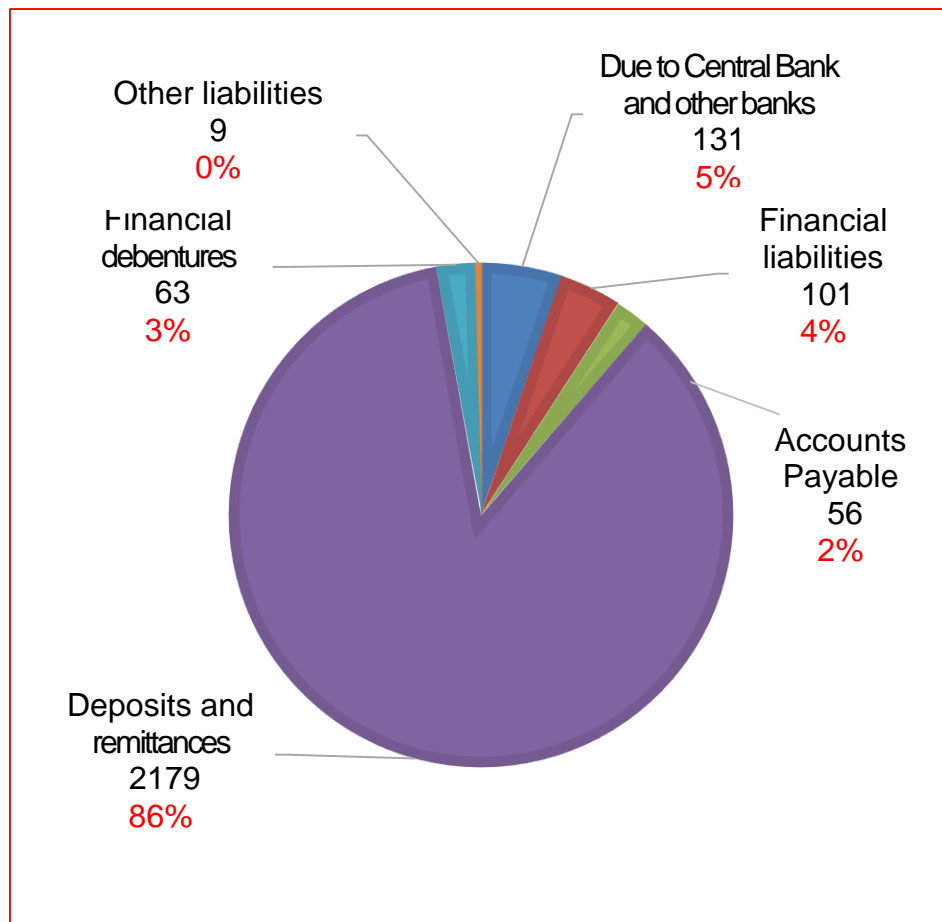




Assets 、 Liabilities and Shareholders' Equity Breakdown(2019.9.30)

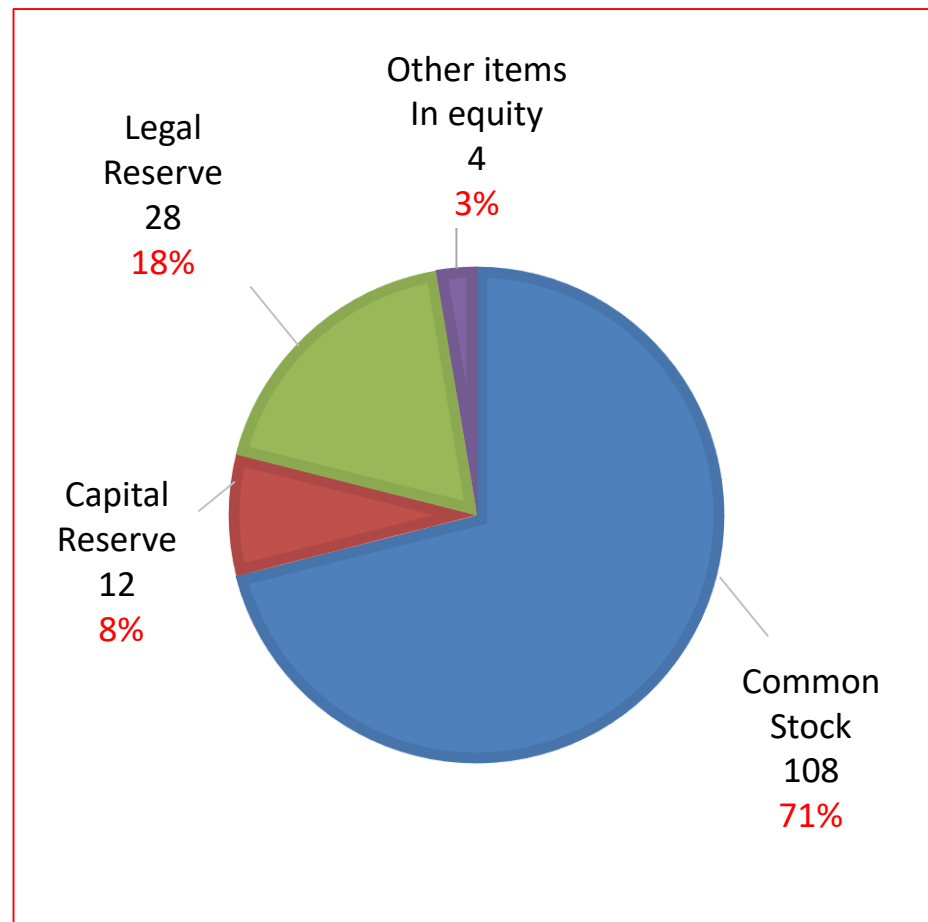
Liabilities

(in NT 100mn)



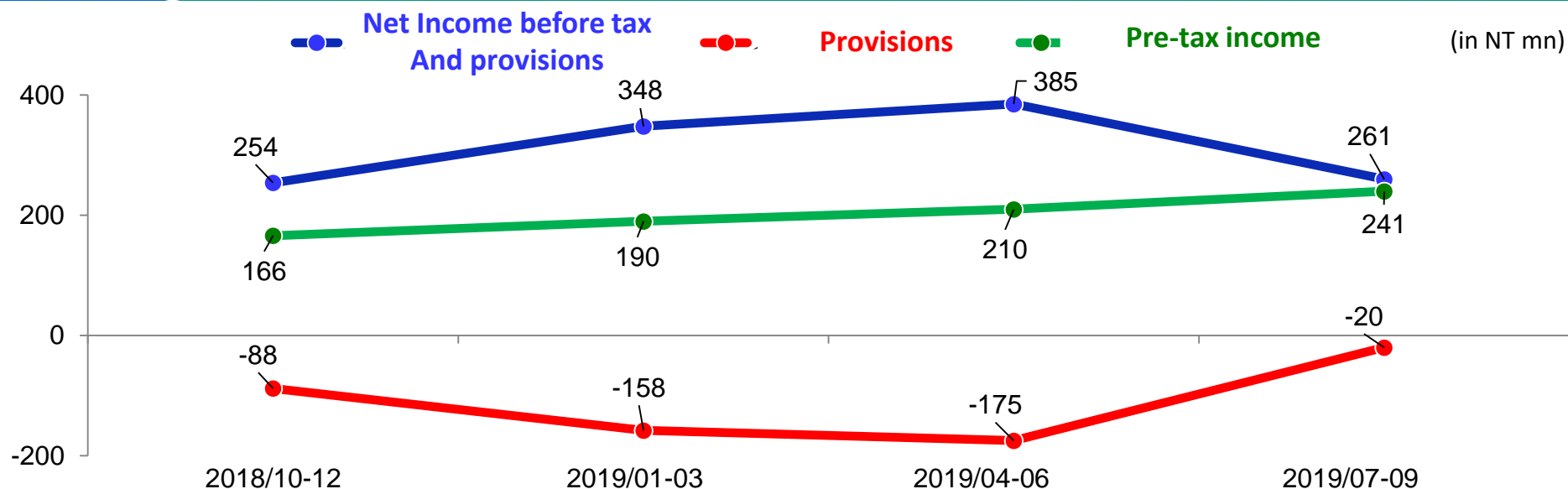
Shareholders' Equity

(in NT 100mn)





Income Growth



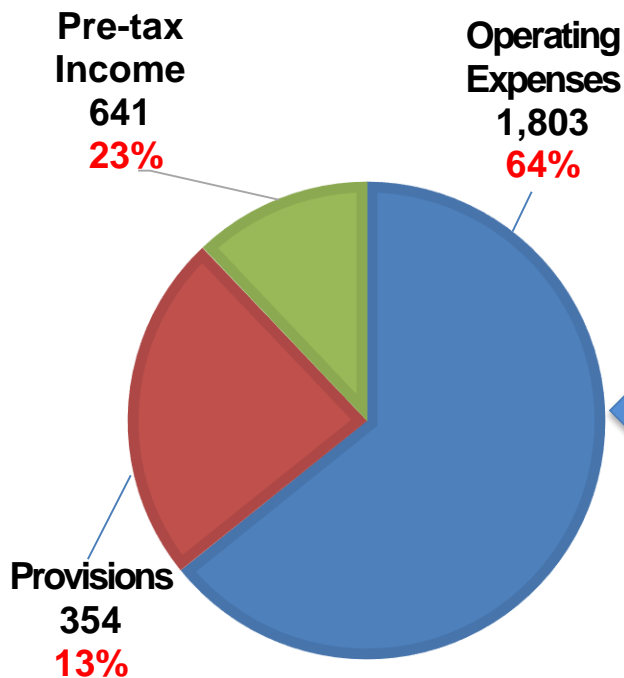
Items \ Month	2019/07-09	2019/04-06	2019/01-03	2018/10-12
Net Income before tax and provisions	261	385	348	254
Provisions	(20)	(175)	(158)	(88)
Pre-tax Income	241	210	190	166



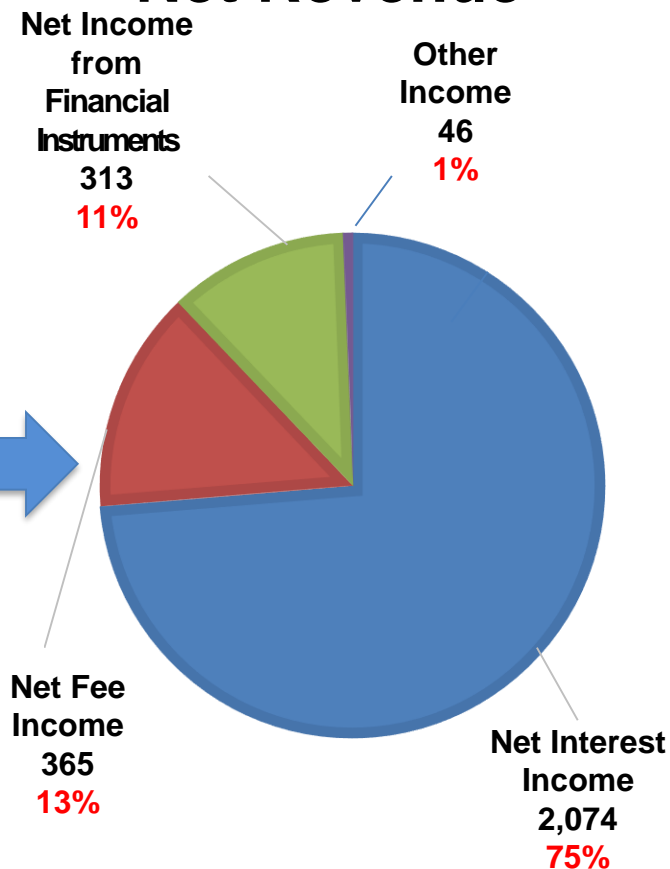
Net Revenue Breakdown (2019.1~9)

(in NT mn)

Net Income



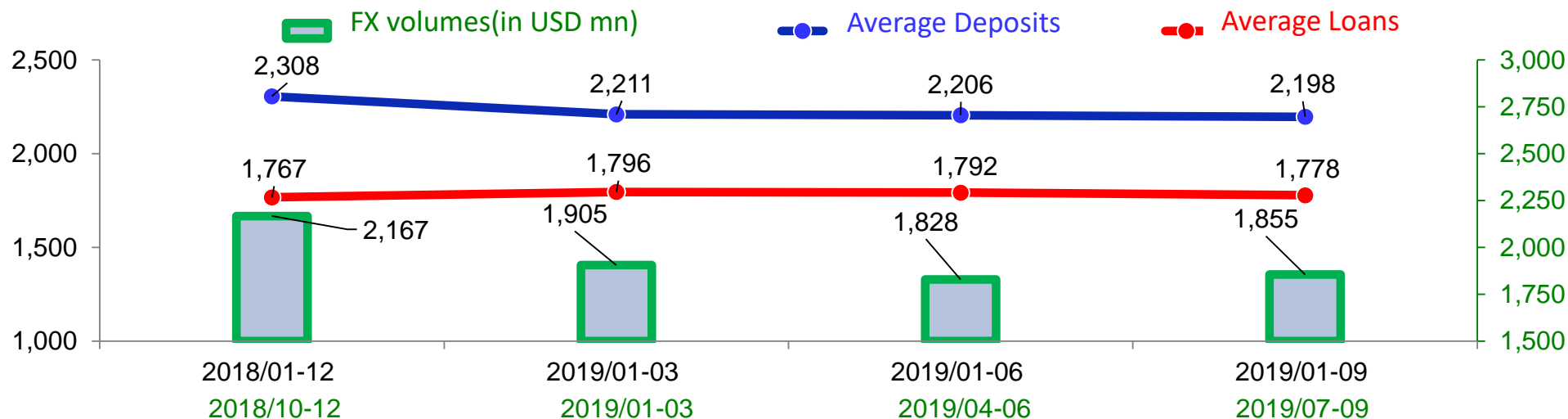
Net Revenue





Deposits 、 Loans and FX Volumes

(in NT 100mn ; USD mn)

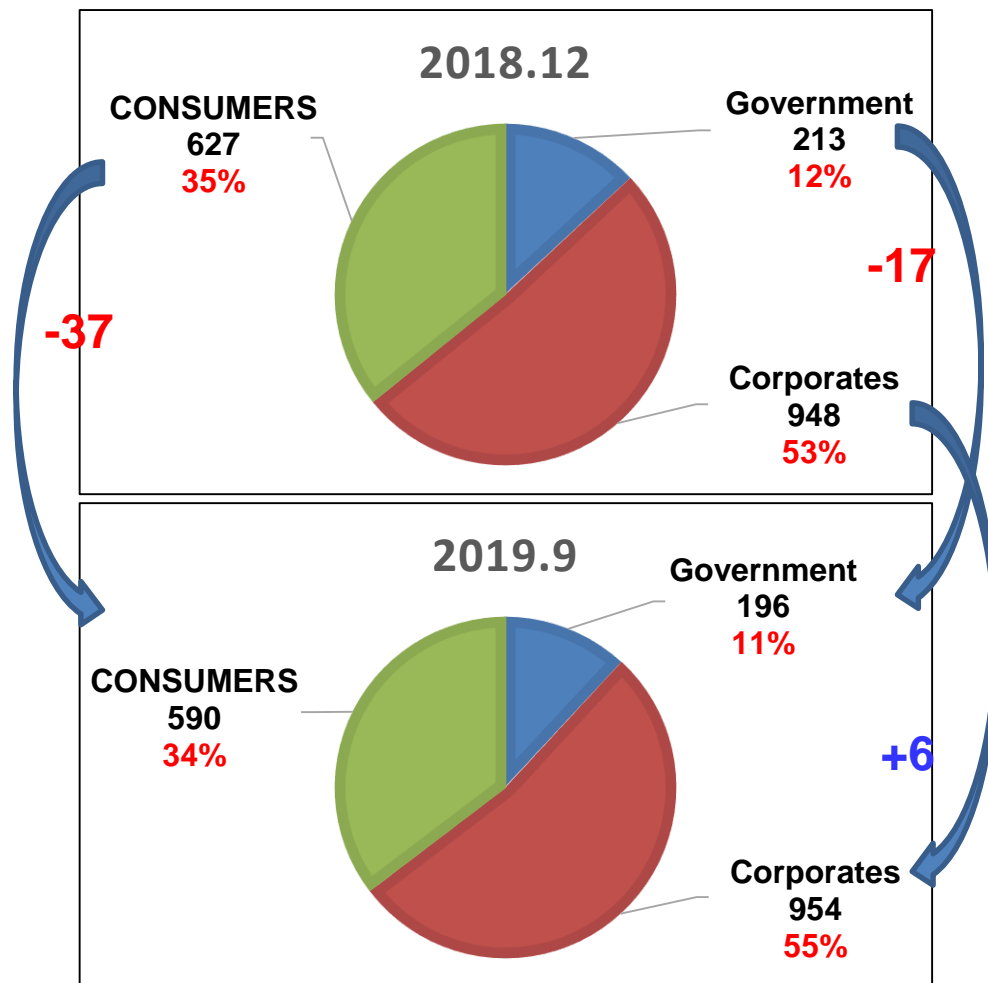


Month	2019/01-09	2019/01-06	2019/01-03	2018/01-12
Average Deposits	2,198	2,206	2,211	2,308
Average Loans	1,778	1,792	1,796	1,767
Month	2019/07-09	2019/04-06	2019/01-03	2018/10-12
FX volumes (in USD mn)	1,855	1,828	1,905	2,167



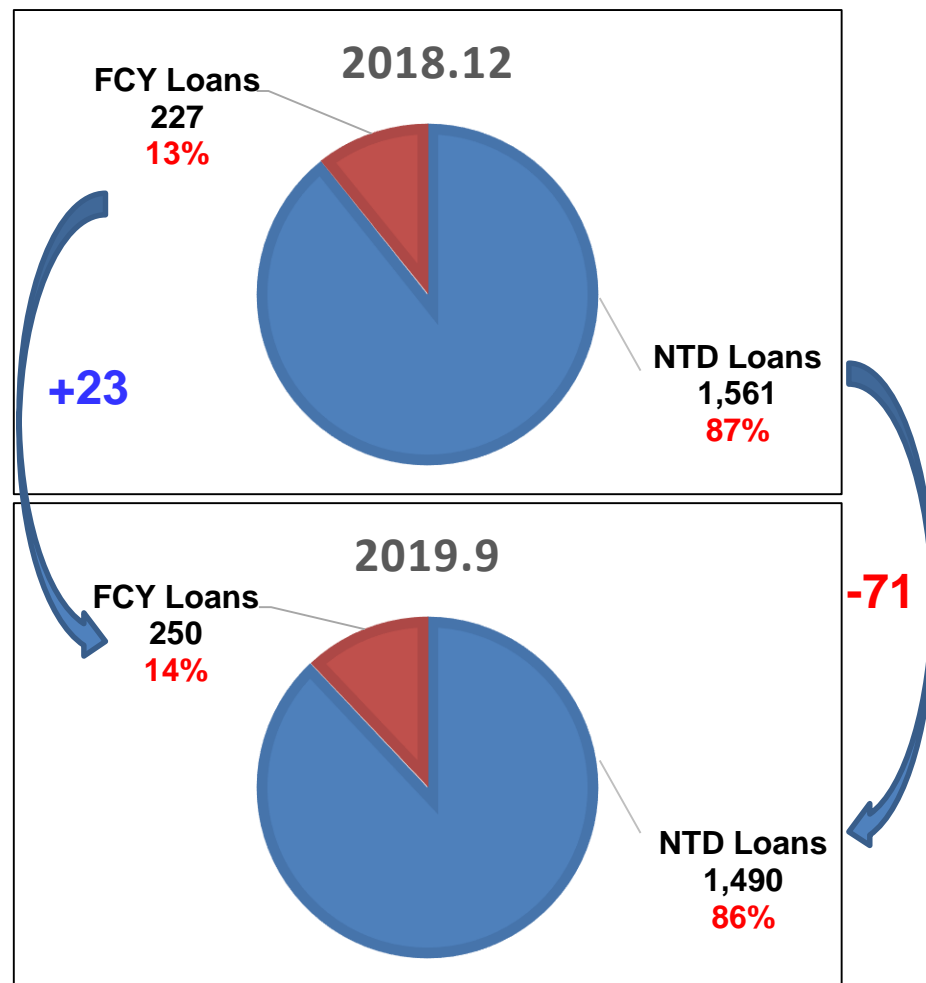
Loan Breakdown

By customer



By currency

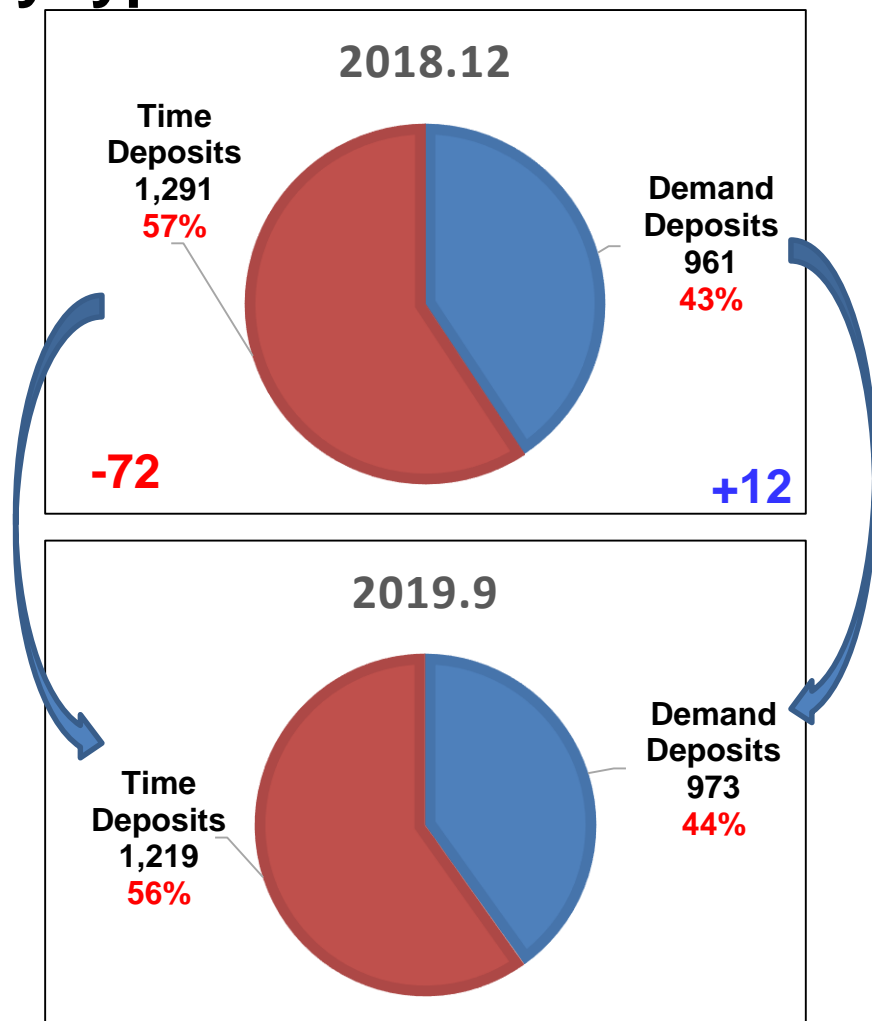
(in NT 100mn)





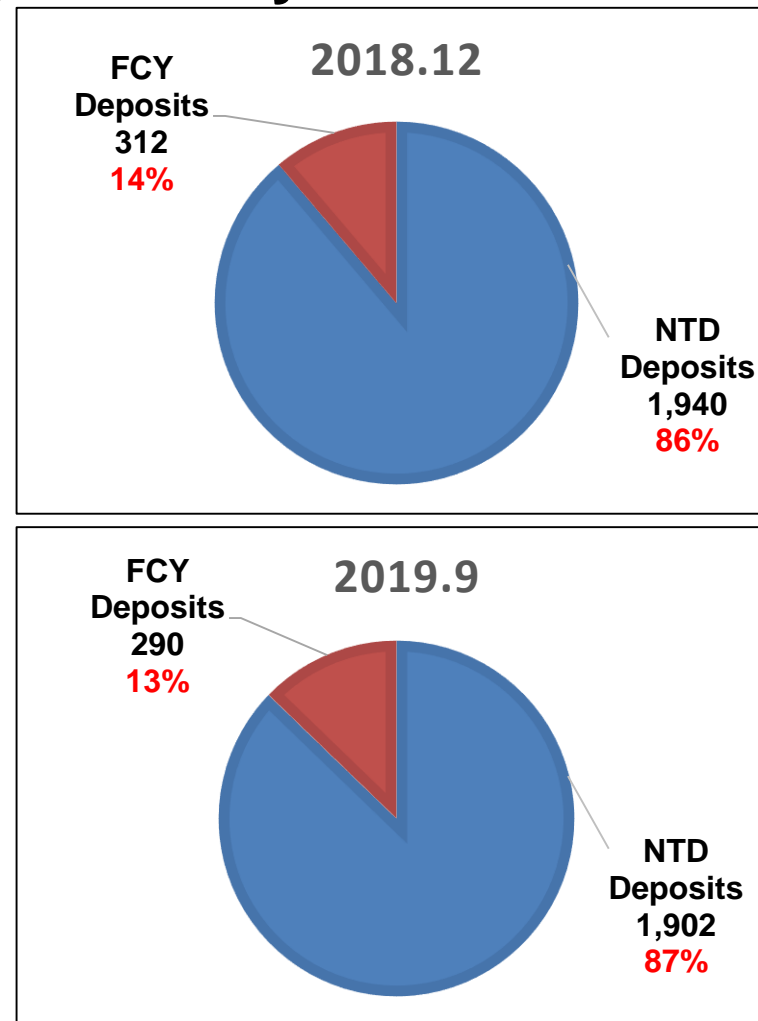
Deposit Breakdown

By type



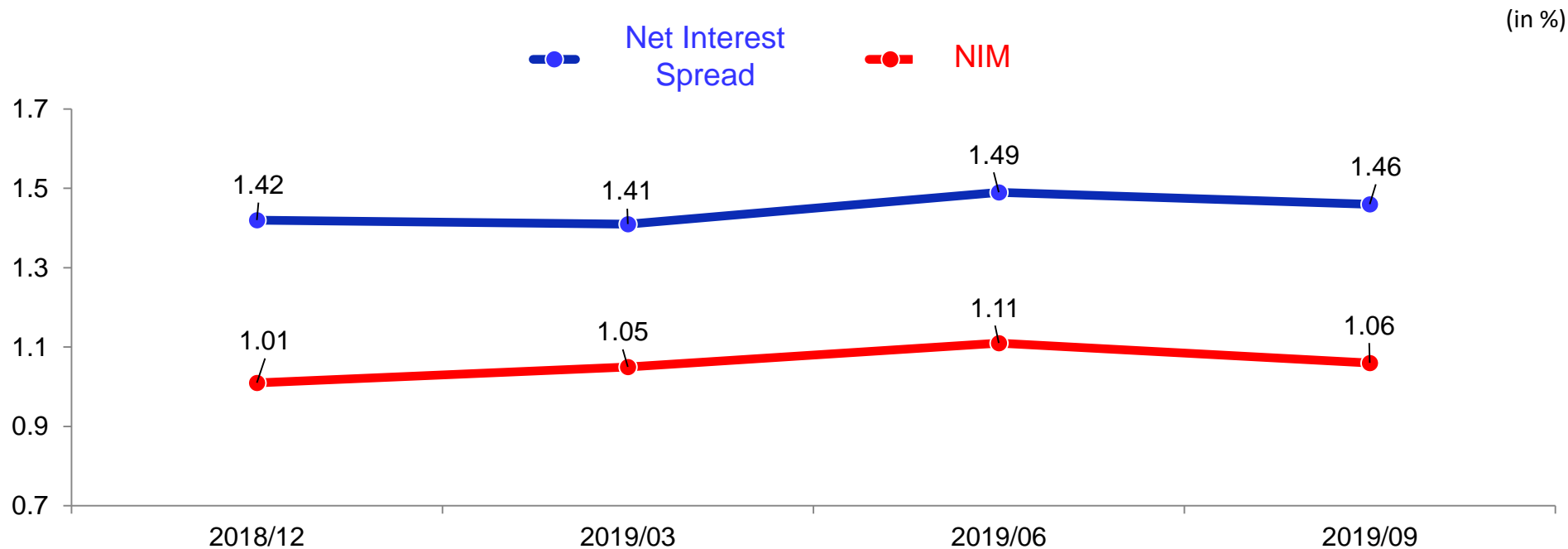
By currency

(in NT 100mn)





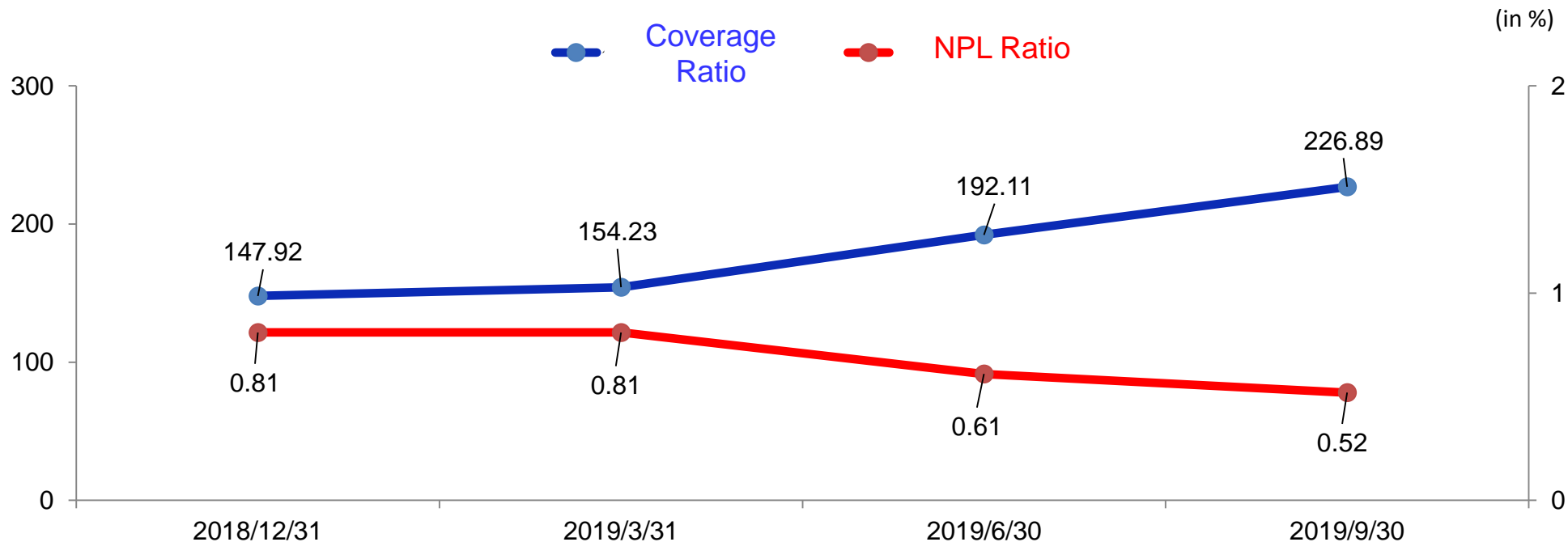
Net Interest Spread and NIM



Items \ Month	2019/09	2019/06	2019/03	2018/12	2019/09 to 2018/12 Growth
Net Interest Spread	1.46	1.49	1.41	1.42	0.04
NIM	1.06	1.11	1.05	1.01	0.05



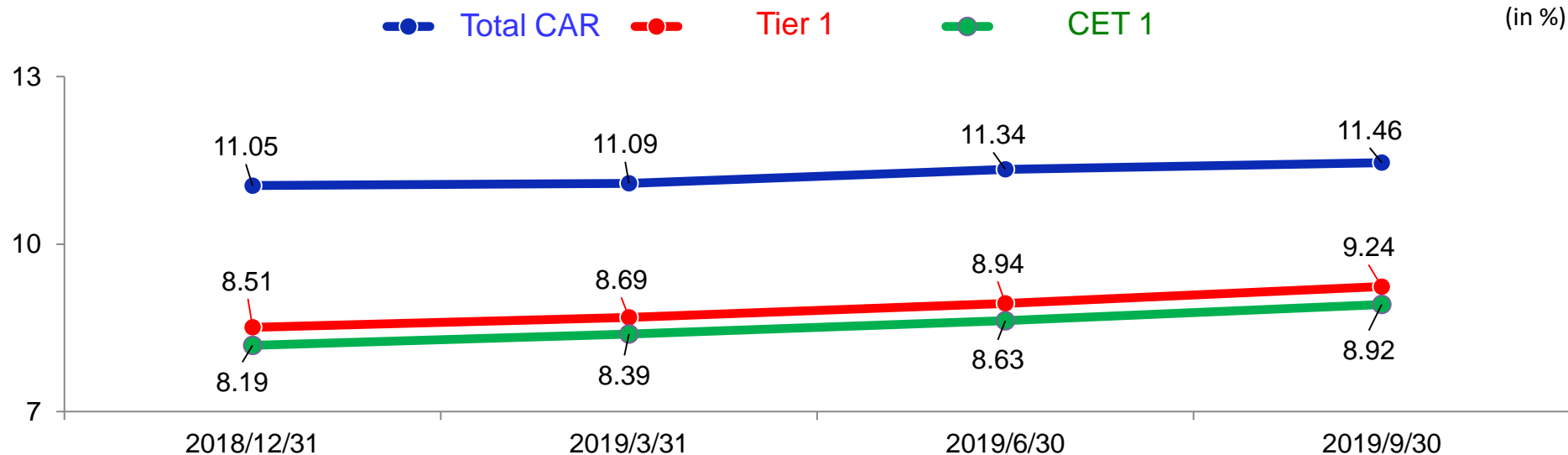
Asset Quality



Items \ Month	2019/9/30	2019/6/30	2019/3/31	2018/12/31	2019/09 to 2018/12 Growth
Coverage Ratio	226.89	192.11	154.23	147.92	78.97
NPL Ratio	0.52	0.61	0.81	0.81	(0.29)



Capital Adequacy Ratio



Quarter Items	2019/9/30	2019/6/30	2019/3/31	2018/12/31	2019/9/30 to 2018/12/31 Growth
Total CAR	11.46	11.34	11.09	11.05	0.41
Tier1	9.24	8.94	8.69	8.51	0.73
CET1	8.92	8.63	8.39	8.19	0.73



Credit Ratings

Fitch Ratings	Long term	Short term	Outlook
2018	AA-(twn)	F1+(twn)	Stable
2019 Feb	AA-(twn)	F1+(twn)	Stable
2019 Oct	AA-(twn)	F1+(twn)	Stable

Fitch Ratings	Long term (IDR)	Short term (IDR)	Outlook
2019 Feb	BBB+	F2	Stable
2019 Oct	BBB+	F1 ↑	Stable



Asset-liability adjustment strategy works

Steady Performance , Expand Profit.

Decrease Time deposits , Increase Demand deposits.

Decrease Consumers Loans , Increase Corporates Loans.

Decrease NTD Loans , Increase FCY Loans.

Upgrade Rating.



Prospects



Prospects

- 1. Increase profit ability , strengthen assets quality.
- 2. Keep promote loan project (SME loan 、 mortgage loan and consumer loan).
- 3. Increase SME loans and enhance proportion.
- 4. Increase demand deposits and reduce capital costs.
- 5. Strengthen foreign currency deposits , loans and foreign exchange business. Expand interest margin.
- 6. Enhance legal compliance, anti-money laundry and counter-terrorist financing.



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Thanks for Listening