



Financial Review of 2020 Q2

2020.09.09



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Summary

- **Operations Review of 2020 Q2**
- **Financial Performance of 2020 Q2**
- **Prospects**





Operations Review of 2020 Q2



Operations Review of 2020 Q2

(in NT 100mn)

Items	2020.1~6	2019.1~6	Increase amount
Net income before tax and provisions	6.40	7.33	(0.93)
Provisions ^{Note}	1.80	3.33	(1.53)
Net income before tax	4.60	4.00	0.60
Income tax	(0.66)	(0.35)	0.31
Net income	3.94	3.65	0.29
EPS after-tax (in NT dollar)	0.36	0.34	0.02

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

Items	2020/06/30	2019/06/30	Increase amount
Deposits	2,256	2,184	72
Loans ^{Note}	1,758	1,770	(12)

Note: Excluding collections.

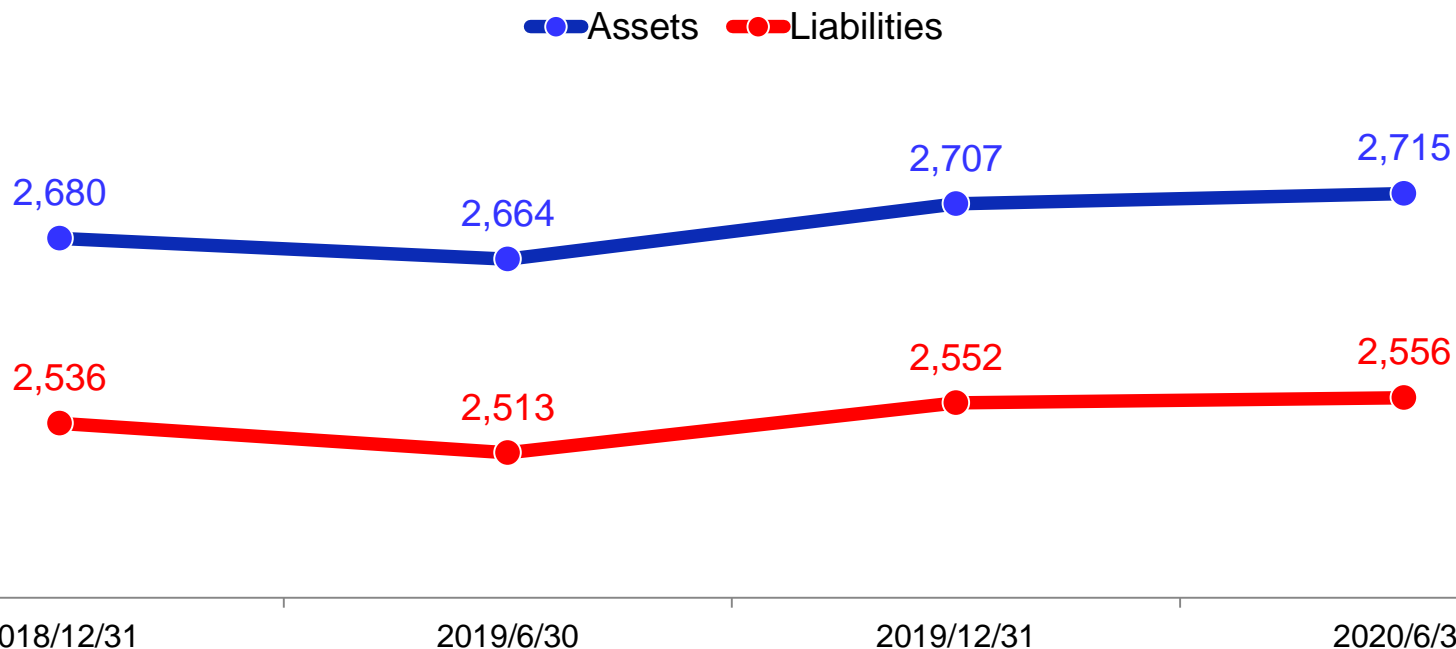


Financial Performance of 2020 Q2



Assets and Liabilities

(in NT 100mn)



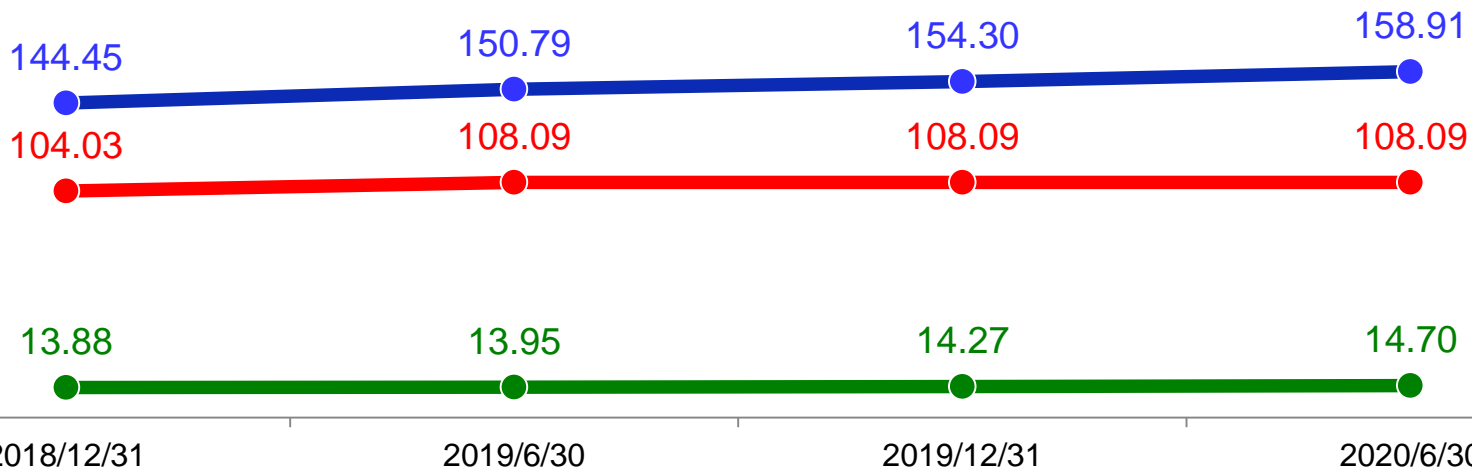
Items \ Date	2020/6/30	2019/12/31	2019/6/30	2018/12/31	2020/6/30 to 2018/12/31 variation
Assets	2,715	2,707	2,664	2,680	1.31%
Liabilities	2,556	2,552	2,513	2,536	0.79%



Shareholders' Equity

● Shareholders' Equity ● Common Stock ● BVPS (in NT\$)

(in NT 100mn)



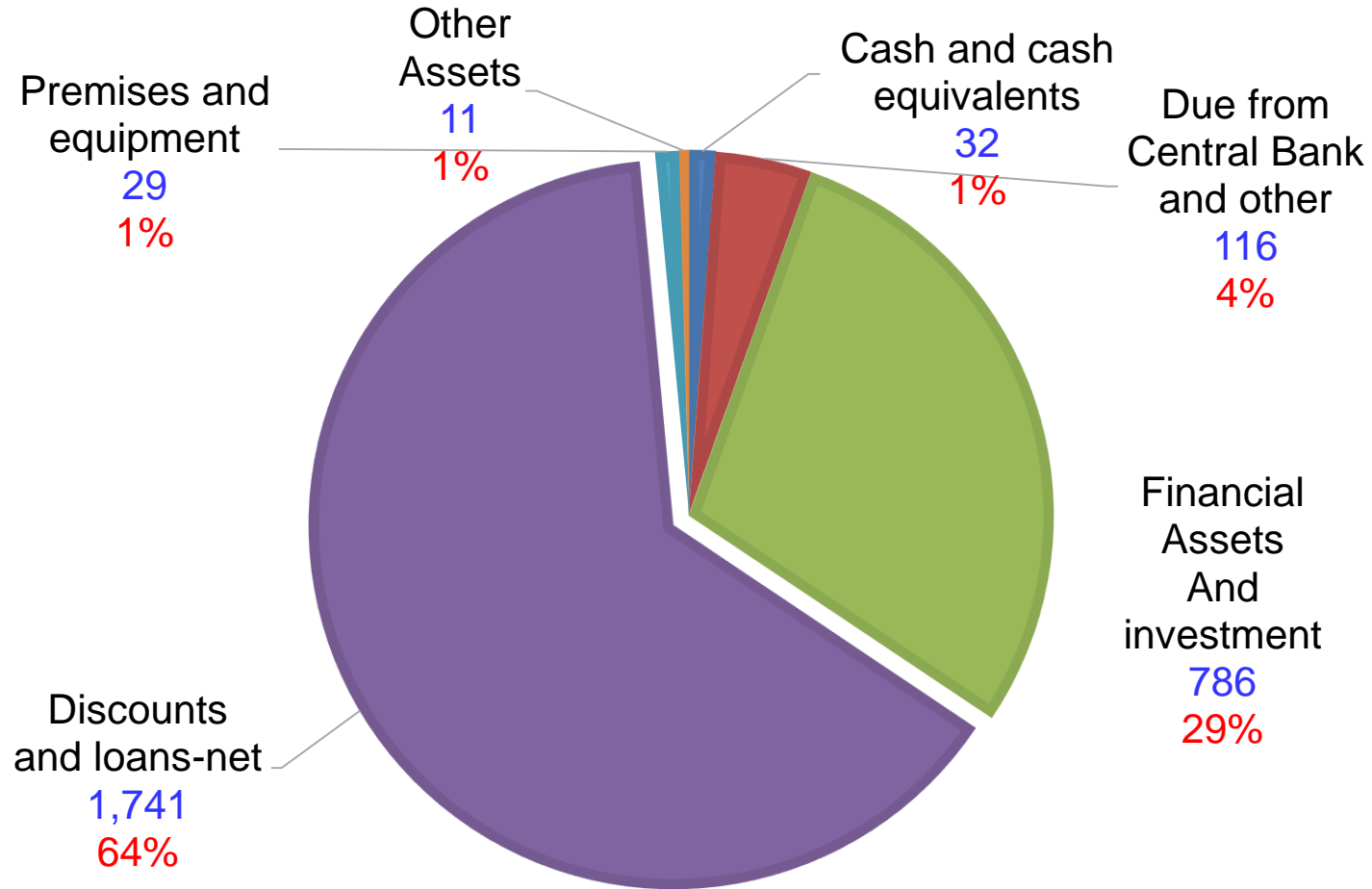
Items	Date	2020/6/30	2019/12/31	2019/6/30	2018/12/31	2020/6/30 to 2018/12/31 variation
	Shareholders' Equity		158.91	154.30	150.79	144.45
Common Stock		108.09	108.09	108.09	104.03	3.90%
BVPS (in NT\$)		14.70	14.27	13.95	13.88	5.91%

Note: In 2019, surplus and capital reserves were transferred to capital increase of NT\$406 million.



Assets Breakdown(2020.6.30)

(in NT 100mn; %)

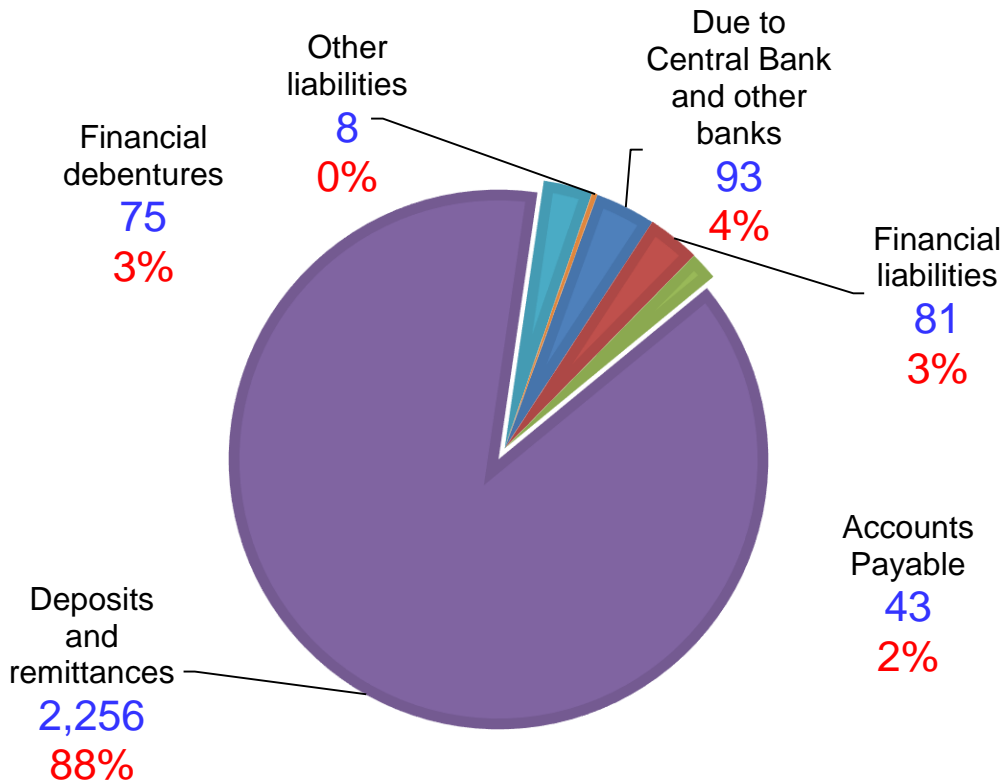




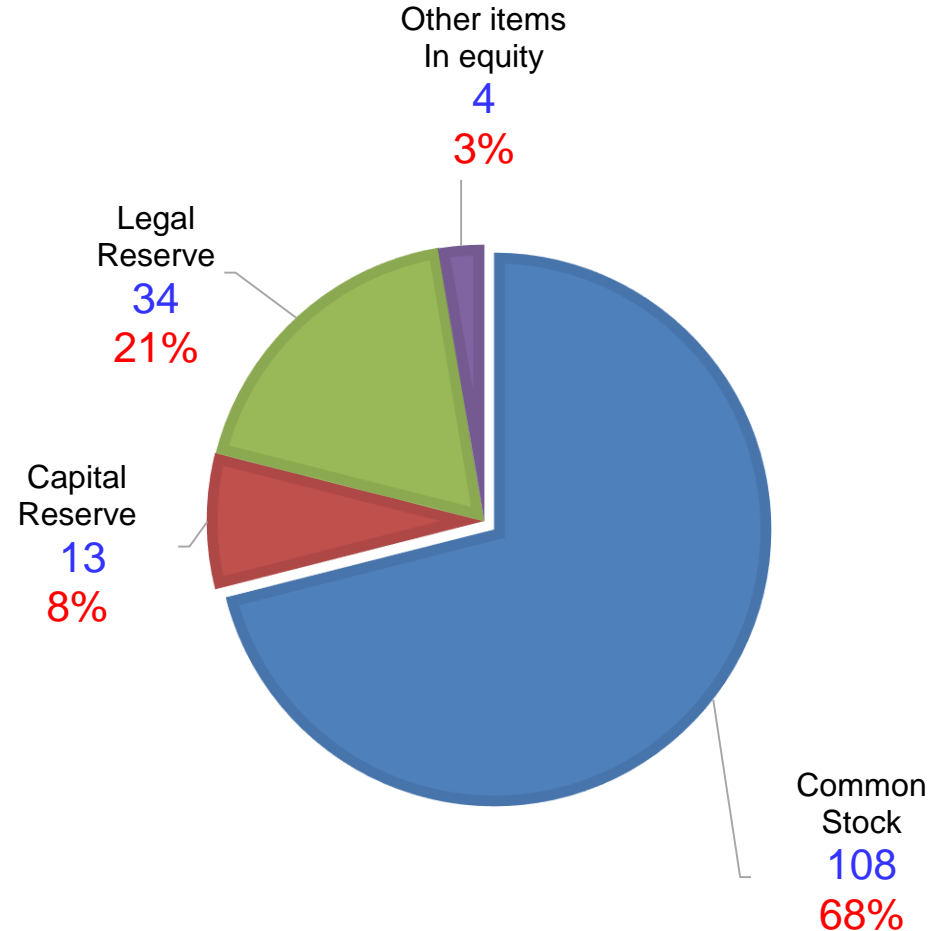
Liabilities and Shareholders' Equity Breakdown(2020.6.30)

(in NT 100mn; %)

Liabilities



Shareholders' Equity

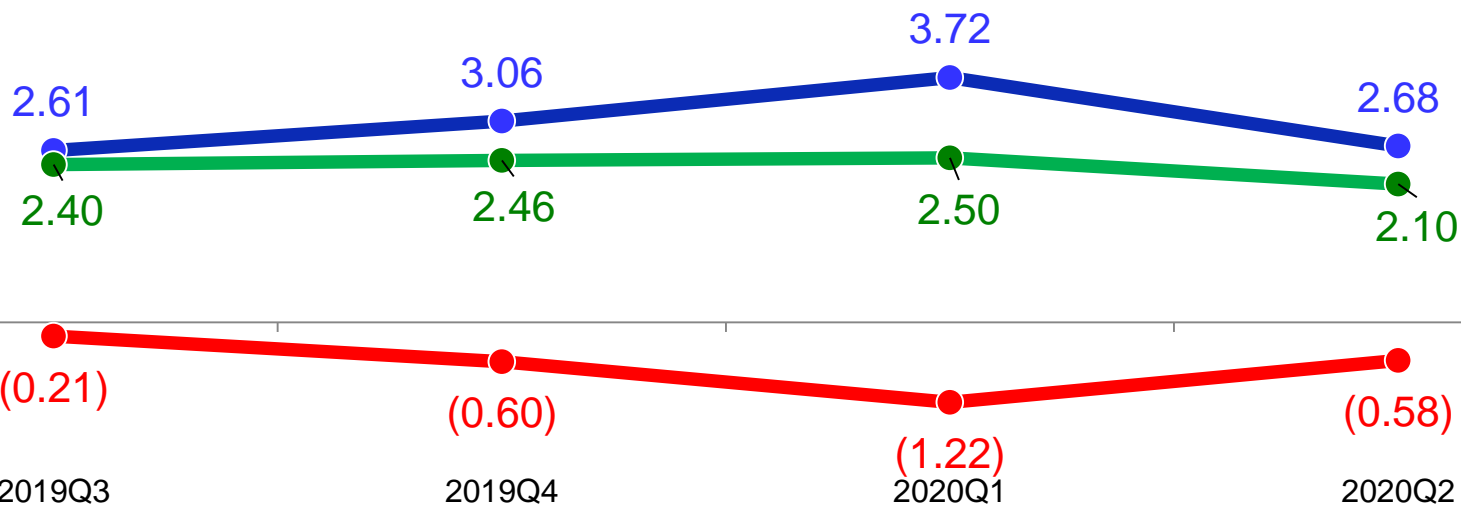




Income Growth

● Net Income before tax ● Provisions ● Pre-tax income

(in NT 100mn)



Quarterly Items	2020Q2	2020Q1	2019Q4	2019Q3
Net Income before tax and provisions	2.68	3.72	3.06	2.61
Provisions	(0.58)	(1.22)	(0.60)	(0.21)
Pre-tax Income	2.10	2.50	2.46	2.40

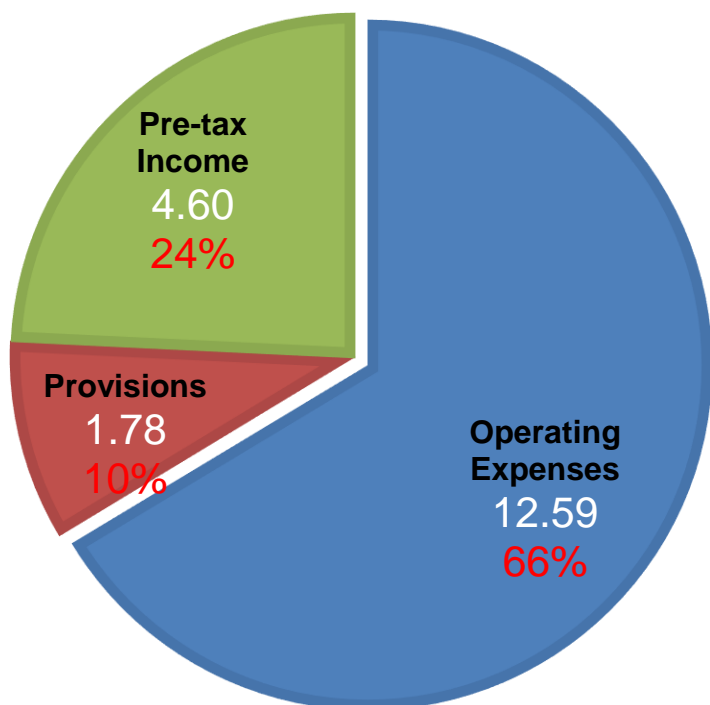
Note: 2020 Q2 is affected by the CBC's interest rate cut and COVID-19, resulting in a decrease Net Income.



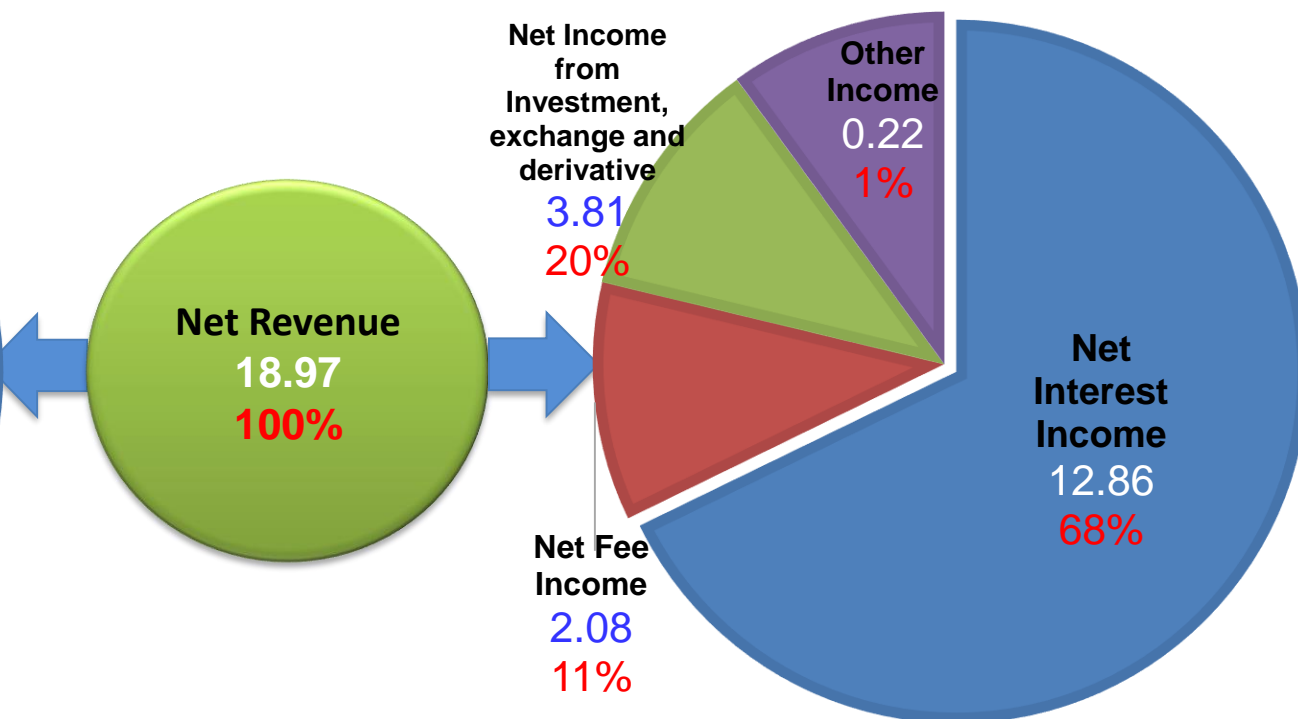
Net Revenue Breakdown(2020.1~6)

(in NT 100mn)

Net Income



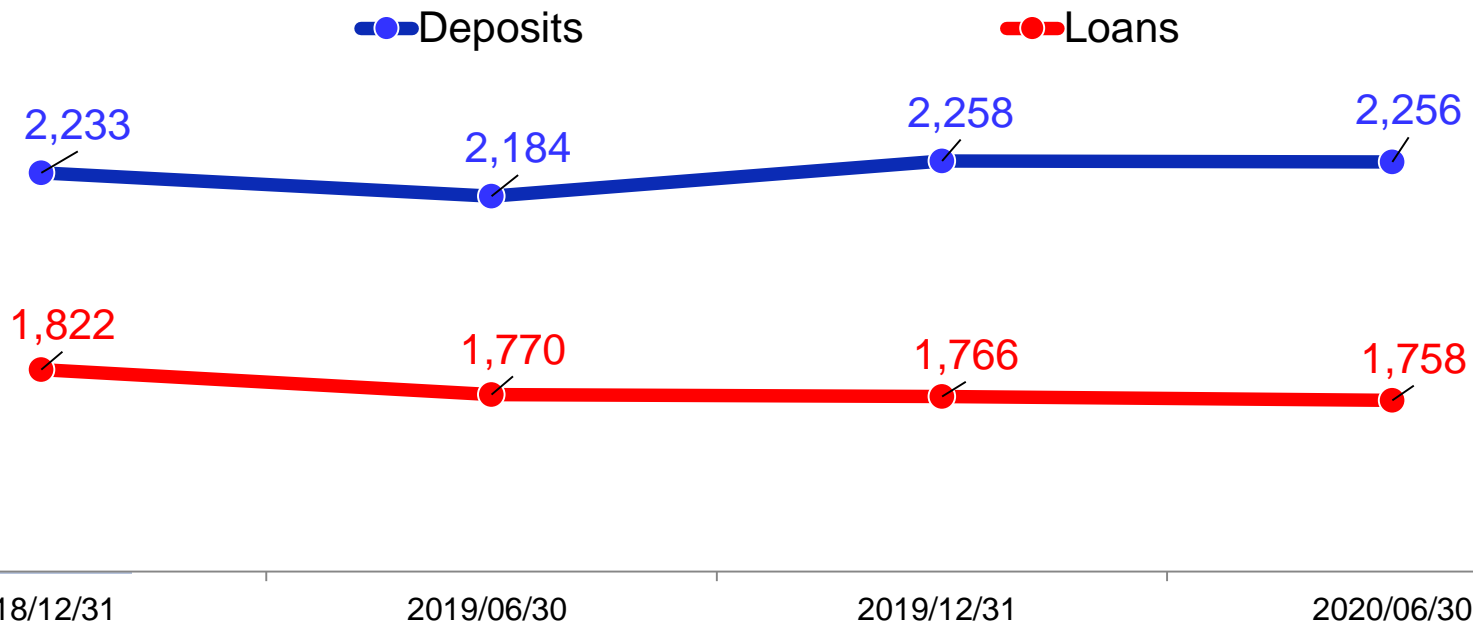
Net Revenue





Deposits and Loans

(in NT 100mn)



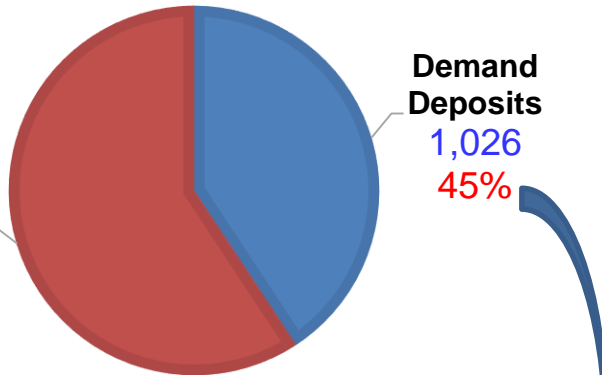
Items \ Date	2020/06/30	2019/12/31	2019/06/30	2018/12/31
Deposits	2,256	2,258	2,184	2,233
Loans	1,758	1,766	1,770	1,822



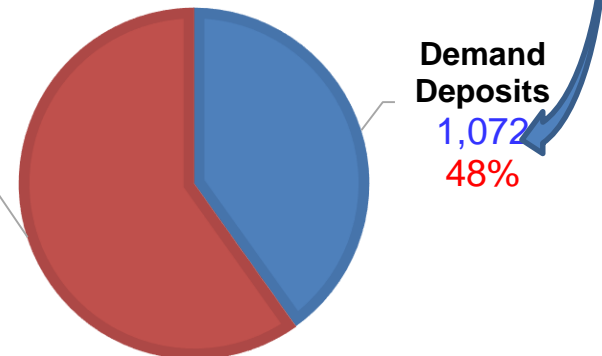
Deposit Breakdown

By period

2019/12/31



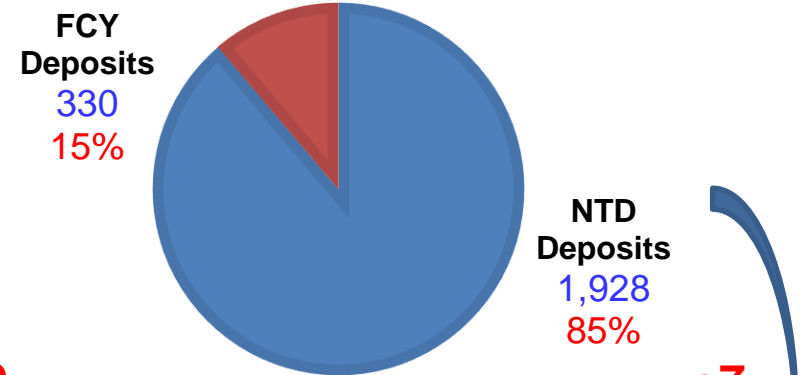
2020/06/30



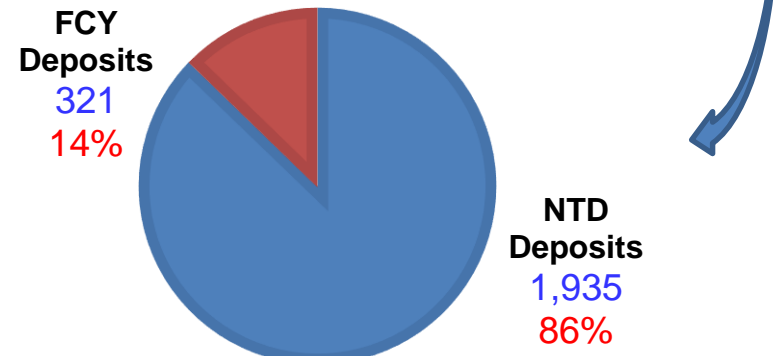
By currency

(in NT 100mn)

2019/12/31



2020/06/30



-48

+46

-9

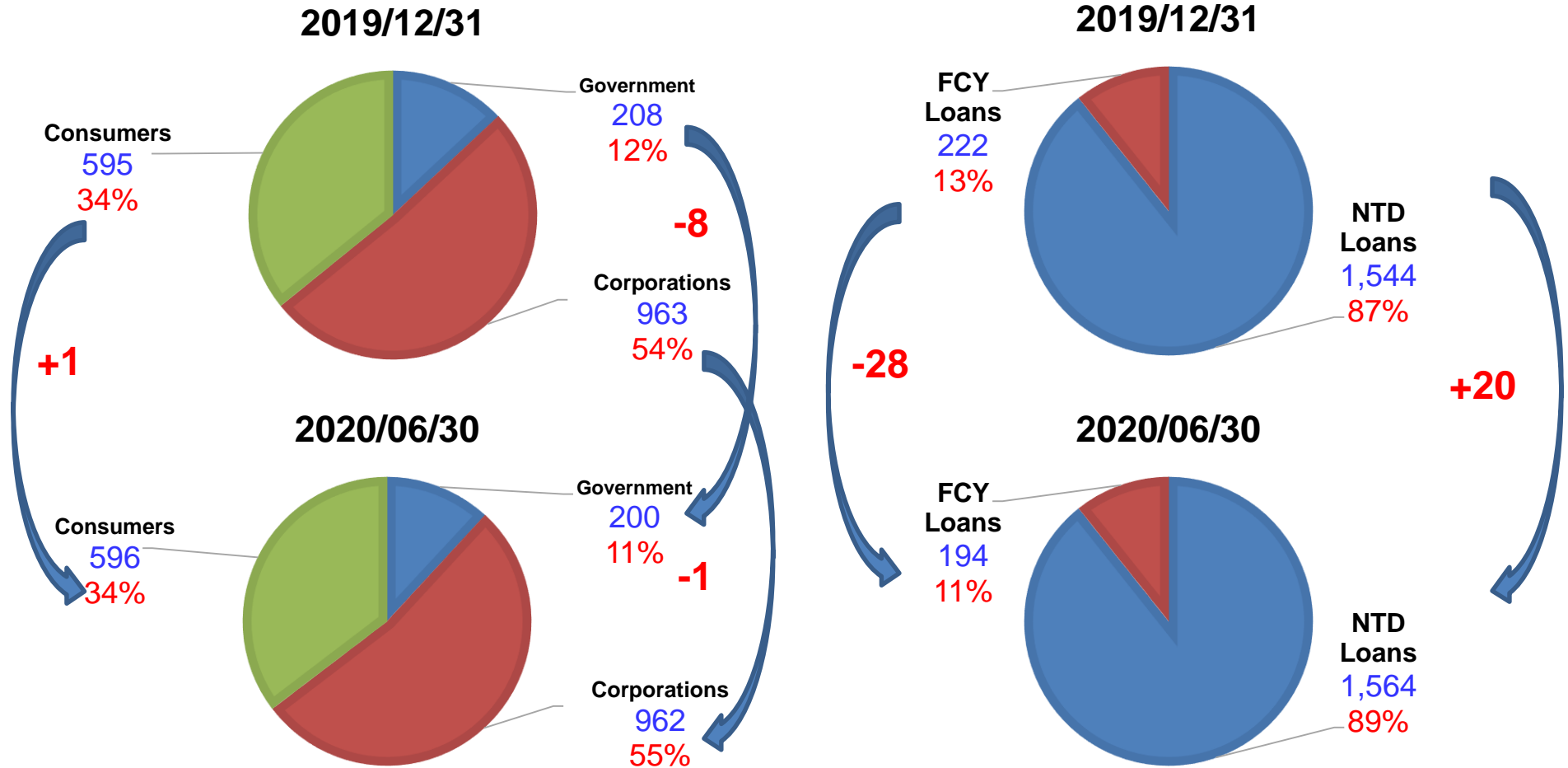
+7



Loan Breakdown

By customer

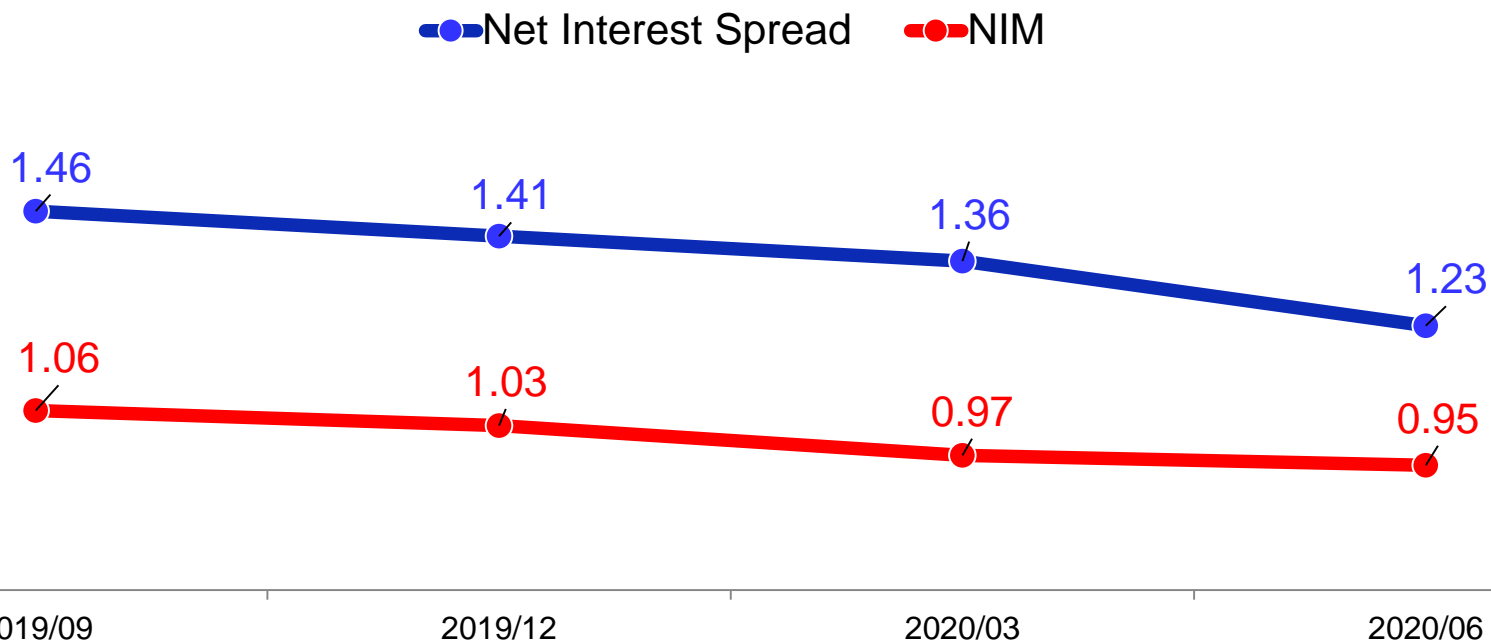
By currency (in NT 100mn)





Net Interest Spread and NIM

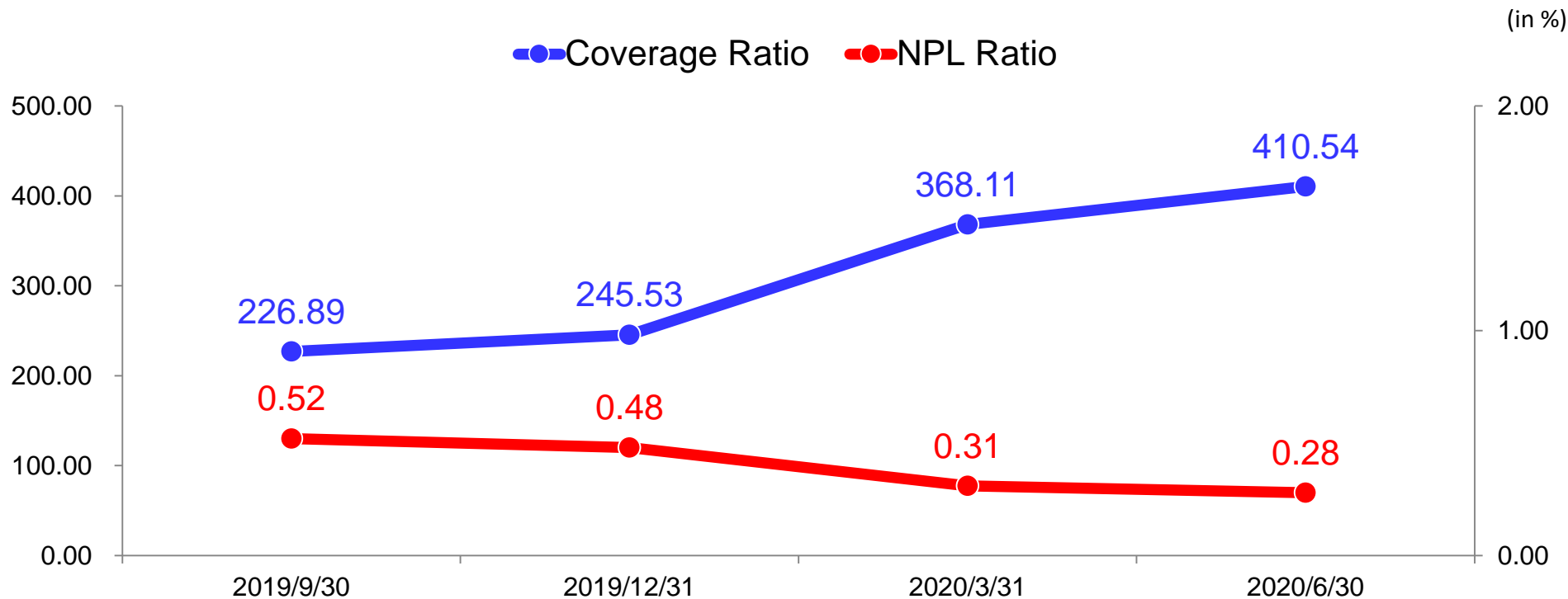
(in %)



Items \ Date	2020/06	2020/03	2019/12	2019/09	2020/06 to 2019/09 variation
Net Interest Spread	1.23	1.36	1.41	1.46	(0.23)
NIM	0.95	0.97	1.03	1.06	(0.11)



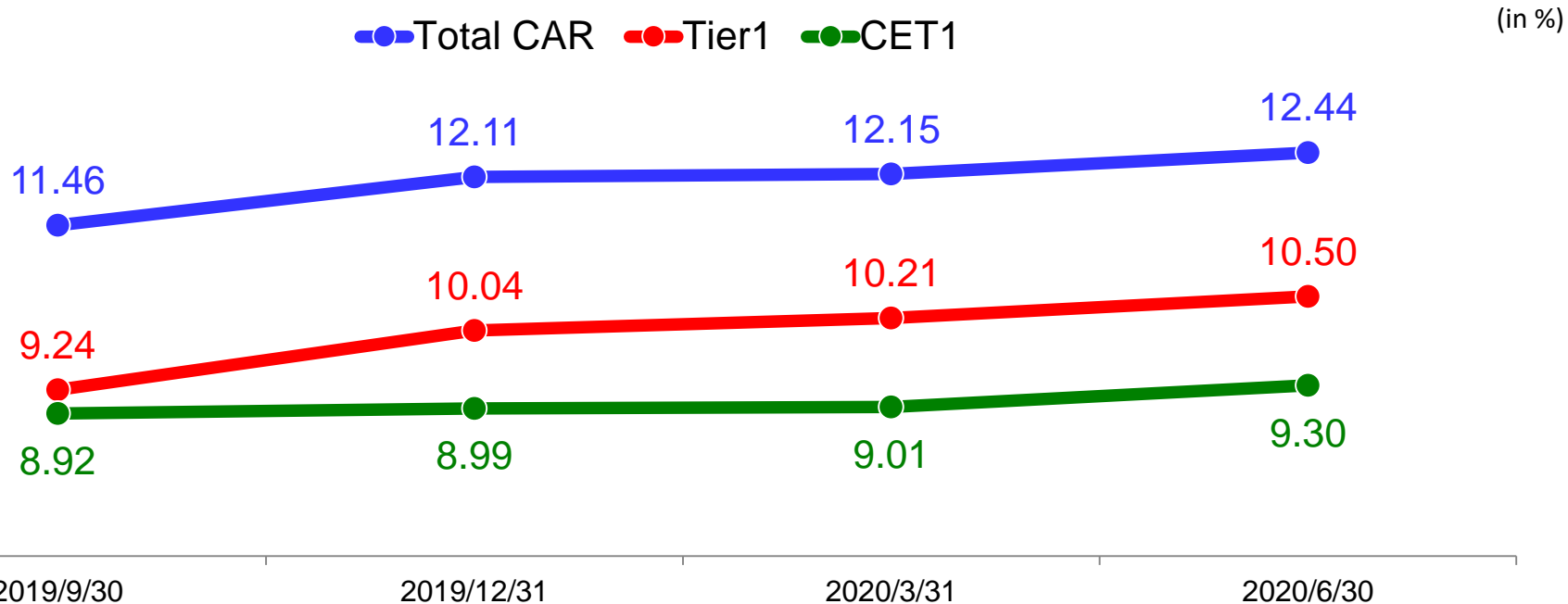
Asset Quality



Items \ Date	2020/6/30	2020/3/31	2019/12/31	2019/09/30	2020/6/30 to 2019/09/30 variation
Coverage Ratio	410.54	368.11	245.53	226.89	183.65
NPL Ratio	0.28	0.31	0.48	0.52	(0.24)



Capital Adequacy Ratio



Items \ Date	2020/6/30	2020/03/31	2019/12/31	2019/09/30	2020/6/30 to 2019/09/30 variation
Total CAR	12.44	12.15	12.11	11.46	0.98
Tier1	10.50	10.21	10.04	9.24	1.26
CET1	9.30	9.01	8.99	8.92	0.38



Credit Ratings

Fitch Ratings	Long term	Short term	Outlook
2018	AA-(twn)	F1+(twn)	Stable
2019	AA-(twn)	F1+(twn)	Stable
2020	AA-(twn)	F1+(twn)	Stable

國際評等

Fitch Ratings	Long term (IDR)	Short term (IDR)	Outlook
2018	BBB+	F2	Stable
2019	BBB+	F1	Stable
2020	BBB+	F1	Stable





Business Results in 2020 Q2

Steady Performance , Expand Profit.

Increase Demand deposits , Decrease Time deposits.

Increase NTD Loans , Decrease FCY Loans.

Asset Quality Optimization , Capital Adequacy Ratio Improvement.

Unaffected by COVID-19 , the Credit Rating Remains Stable.

The 3rd place winner in ratio approved amount of self-organized bailout which cooperating with the government.



高雄銀行

Prospects



Prospects

- Improve the quality of loans, expand civil construction financing and SME credit insurance cases.
- Increase foreign currency deposits, increase the proportion of live deposits, and reduce capital costs.
- Increase the proportion of fee income and improve the revenue structure.
- Strengthen financial investment and improve operational performance.
- Optimize the virtual and real channels and strengthen the digital layout.
- Strictly control the capital ratio and increase capital.



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Thanks for Listening