



# Financial Review of 2021 Q2

2021.09.16



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# Summary

- **Operations Review of 2021 Q2**
- **Financial Performance of 2021 Q2**
- **Prospects**





# Operations Review of 2021 Q2



# Operations Review of 2021 Q2

(in NT 100mn)

Items	2021.H1	2020.H1	Increase (Decrease) Amount or Ratio
Net income before tax	5.14	4.60	0.54
Net income	4.60	3.94	0.66
EPS after-tax (in NT dollar)	0.41	0.35	0.06
ROA (after-tax) (%)	0.16	0.15	0.01
ROE (after tax) (%)	2.74	2.52	0.22

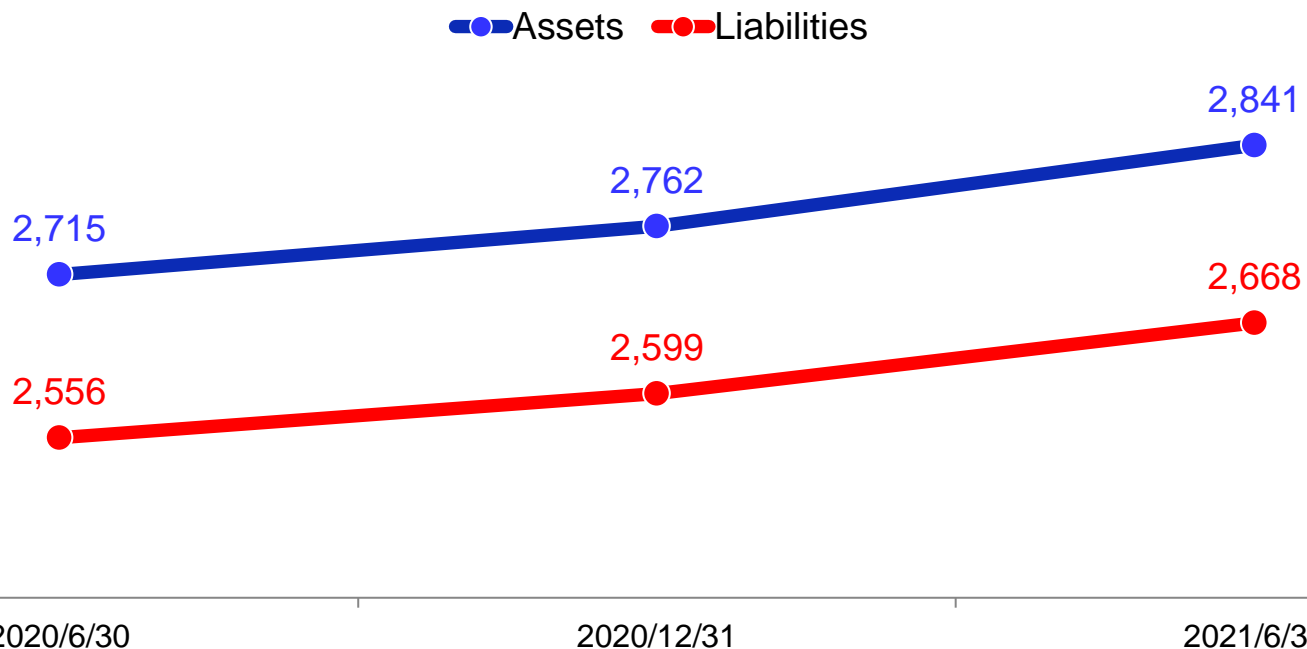


# Financial Performance of 2021 Q2



# Assets and Liabilities

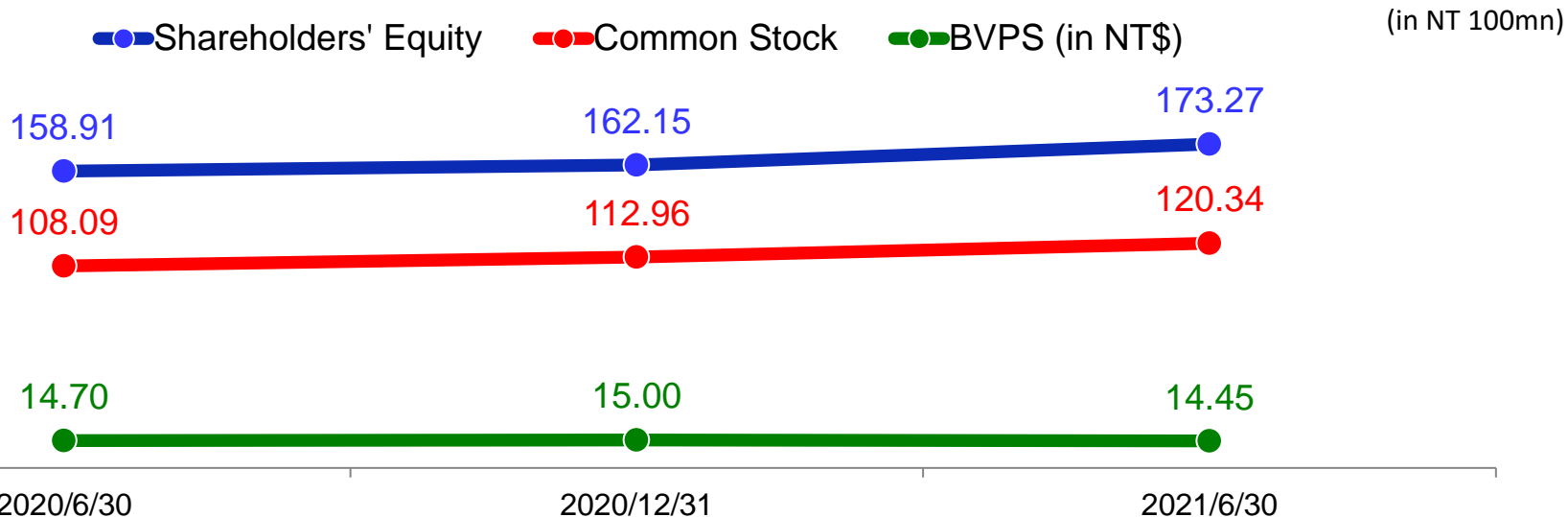
(in NT 100mn)



Items	Date	2021/6/30	2020/12/31	2020/6/30	2021/6/30 to 2020/6/30 Variation (%)
	Assets		2,841	2,762	2,715
Liabilities		2,668	2,599	2,556	4.38



# Shareholders' Equity



Items	Date			2021/6/30 to 2020/6/30 Variation (%)
	2021/6/30	2020/12/31	2020/6/30	
Shareholders' Equity	173.27	162.15	158.91	9.04
Common Stock	120.34	112.96	108.09	11.33 <sup>Note1</sup>
BVPS (in NT\$)	14.45	15.00	14.70	(1.70) <sup>Note2</sup>

Note1: Our equity share capital dated 2021.6.30 includes NTD 400 million preferred stock capital and NTD 338 million capital raising reserve ; while equity share capital dated 2020.12.31 includes NTD 487 million capital raising reserve .

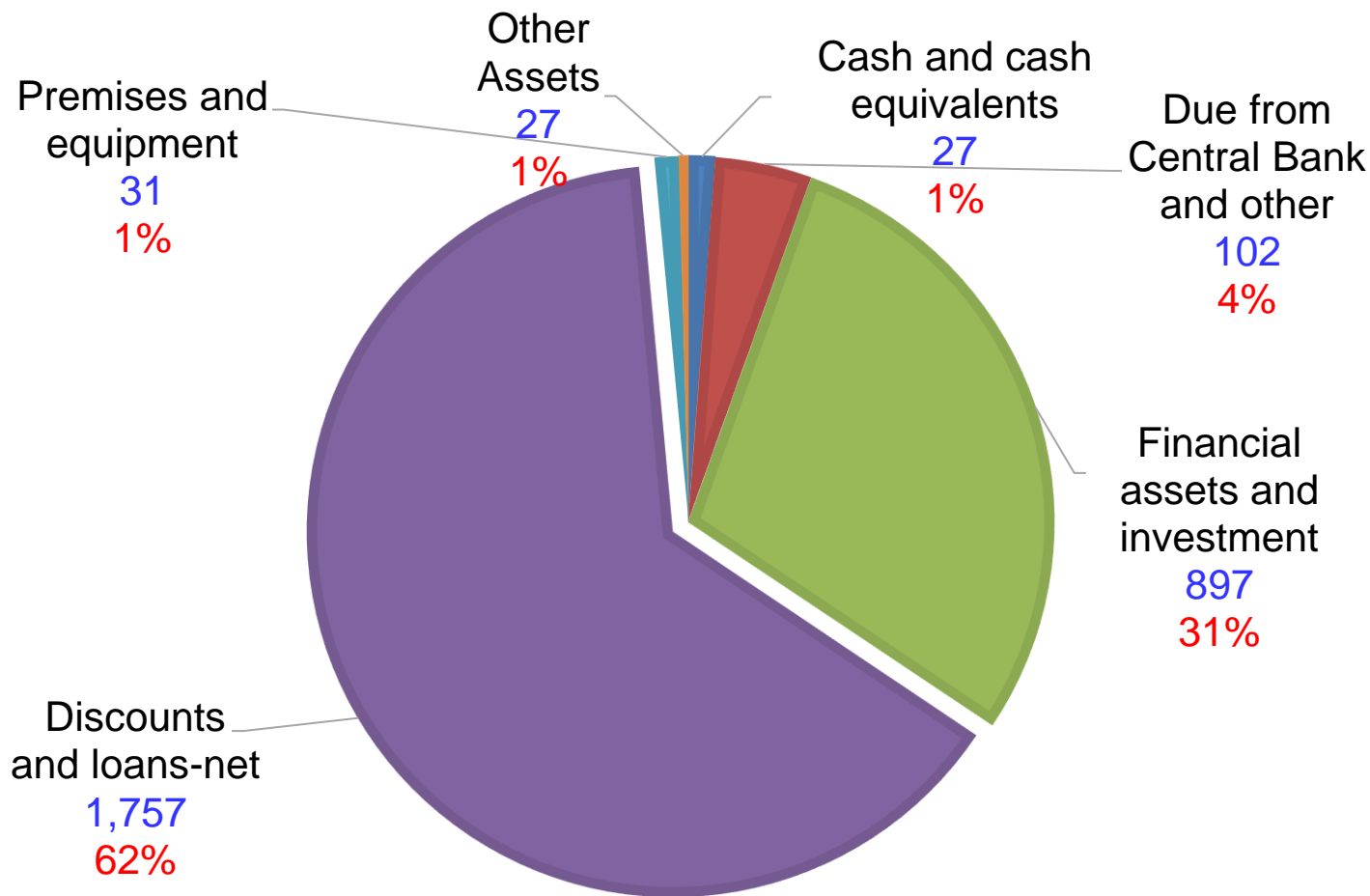
Note2: Net value of each share on 2021.6.30 is calculated based on the number of issued shares of 1,129,558 shares (in thousand) at the end of June ; while net value of each share on 2020.12.31 is calculated based on the number of issued shares of 1,080,916 shares (in thousand) at the end of December.





# Assets Breakdown(2021.6.30)

(in NT 100mn; %)

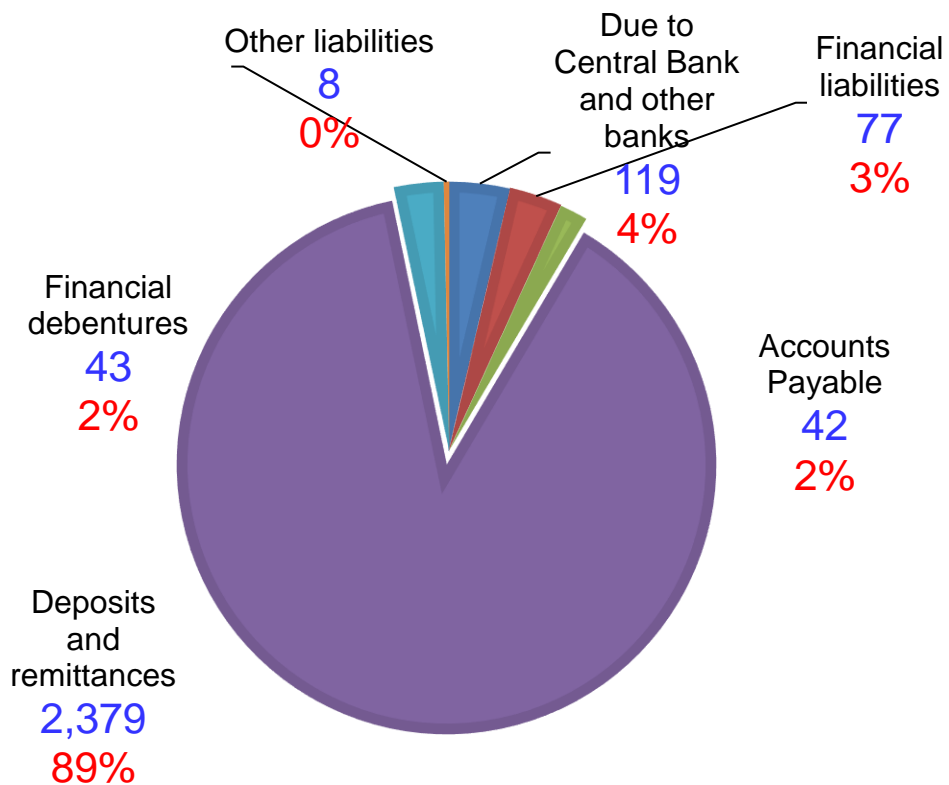




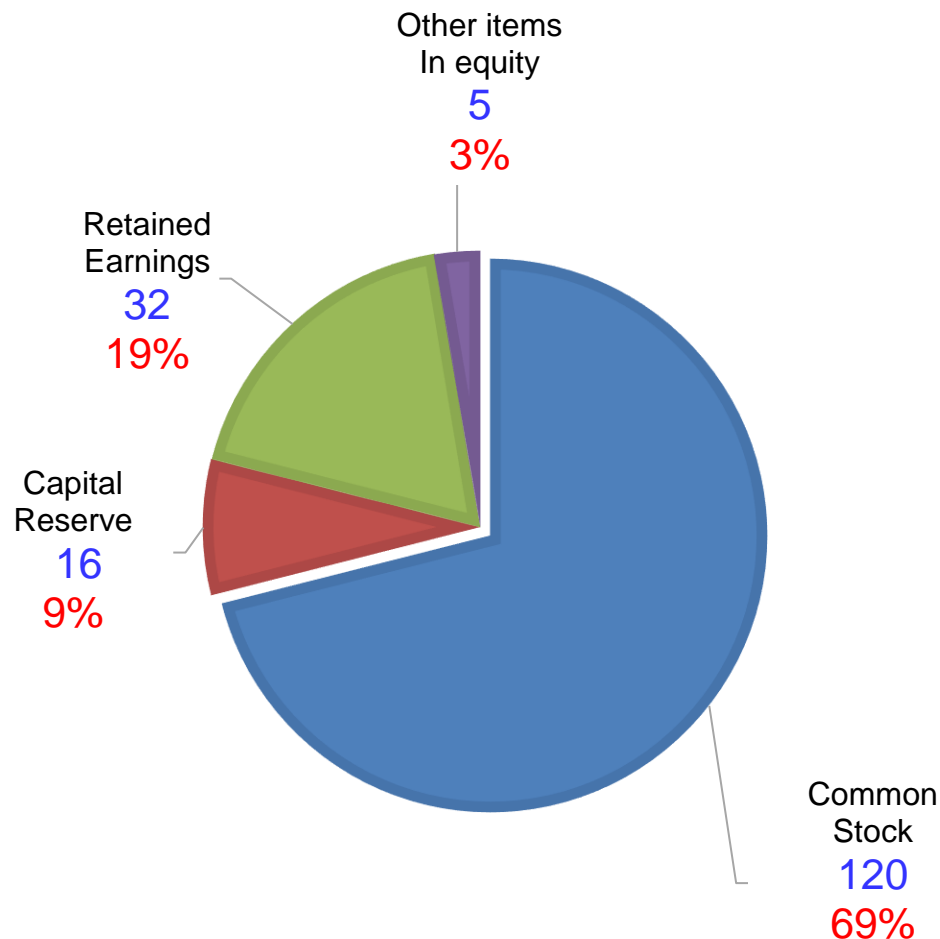
# Liabilities and Shareholders' Equity Breakdown(2021.6.30)

(in NT 100mn; %)

## Liabilities



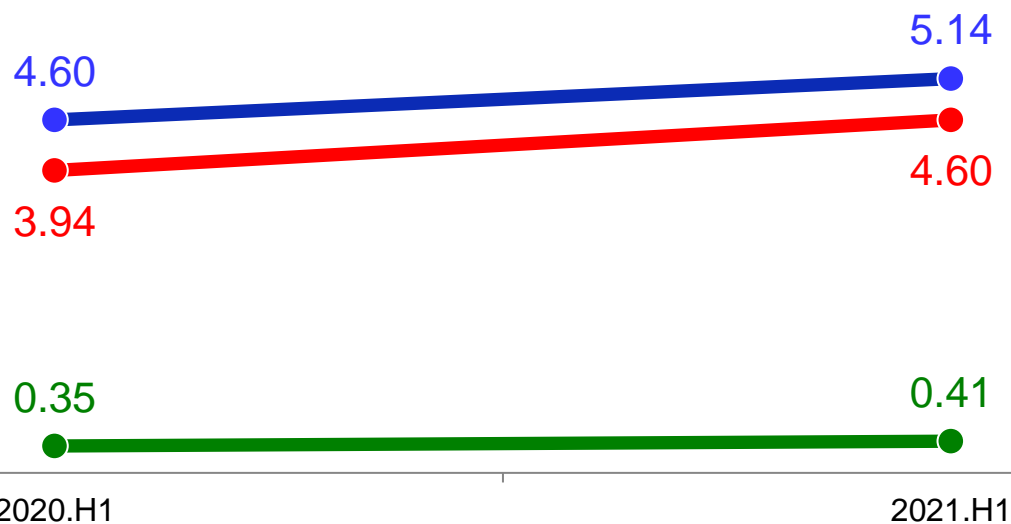
## Shareholders' Equity





# Income Growth

● Net income before tax    
 ● Net income    
 ● EPS after-tax (in NT dollar) (in NT 100mn)



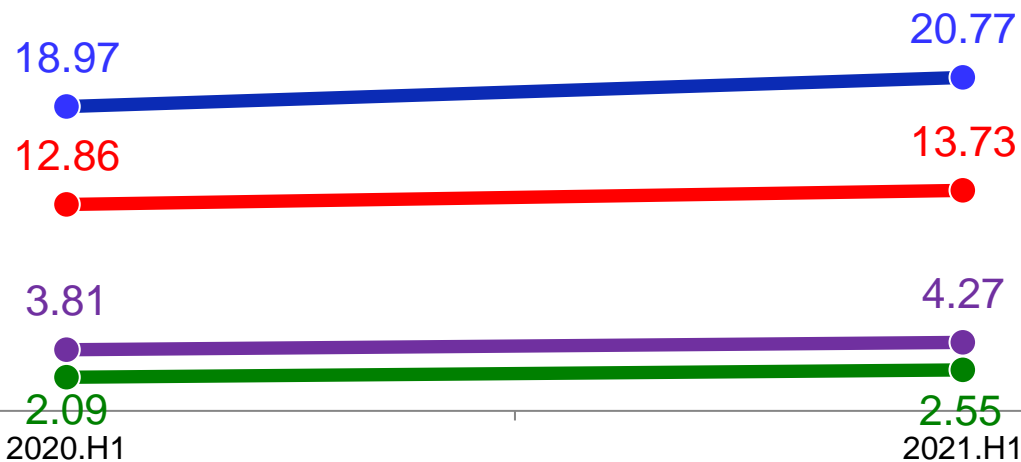
Items \ Date	2021.H1	2020.H1	2021.H1 to 2020.H1 Variation (%)
Net income before tax	5.14	4.60	11.74
Net income	4.60	3.94	16.75
EPS after-tax (in NT dollar)	0.41	0.35	17.14



# Net Revenue Growth

- Net Revenue
- Net Interest Income
- Net Financial operations Income
- Net Fee Income

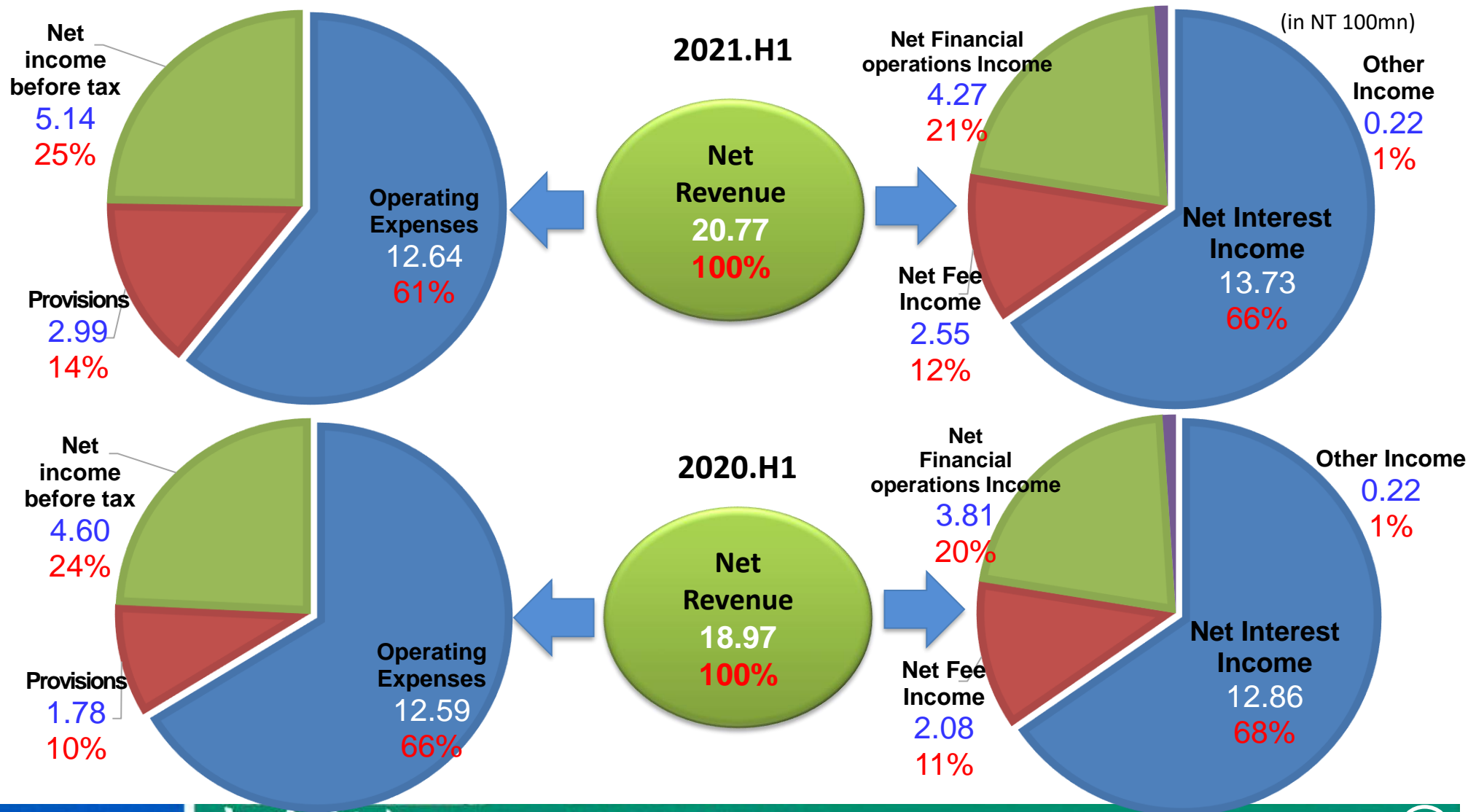
(in NT 100mn)



Items	Date		2021.H1 to 2020.H1 Variation (%)
	2021.H1	2020.H1	
Net Revenue	20.77	18.97	9.49
Net Interest Income	13.73	12.86	6.77
Net Financial operations Income	4.27	3.81	12.07
Net Fee Income	2.55	2.09	22.01



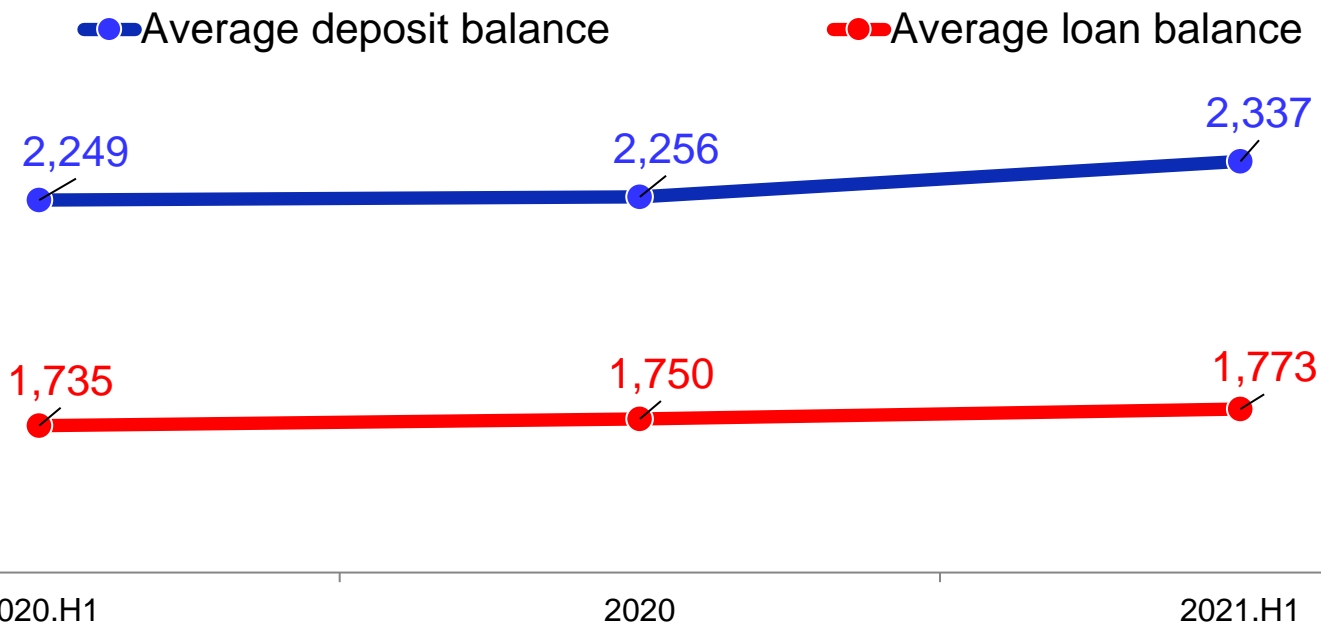
# Net Revenue Breakdown(2021.H1)





# Deposits and Loans

(in NT 100mn)



Items	Date	2021.H1	2020	2020.H1	2021.H1 to 2020.H1 Variation (%)
	Average deposit balance		2,337	2,256	2,249
Average loan balance		1,773	1,750	1,735	2.19



# Deposit Breakdown - Average balance

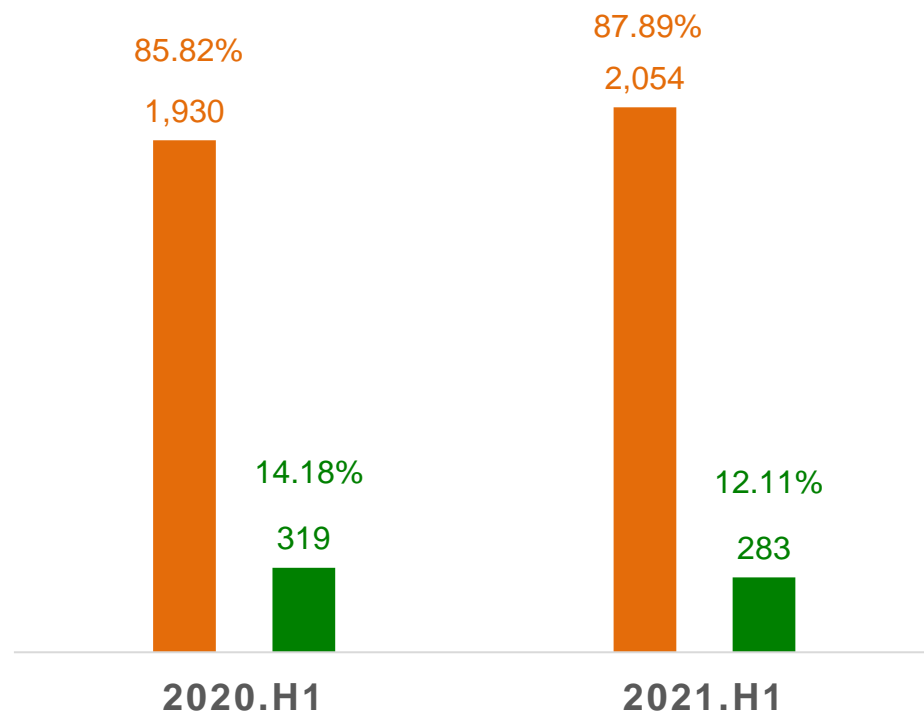
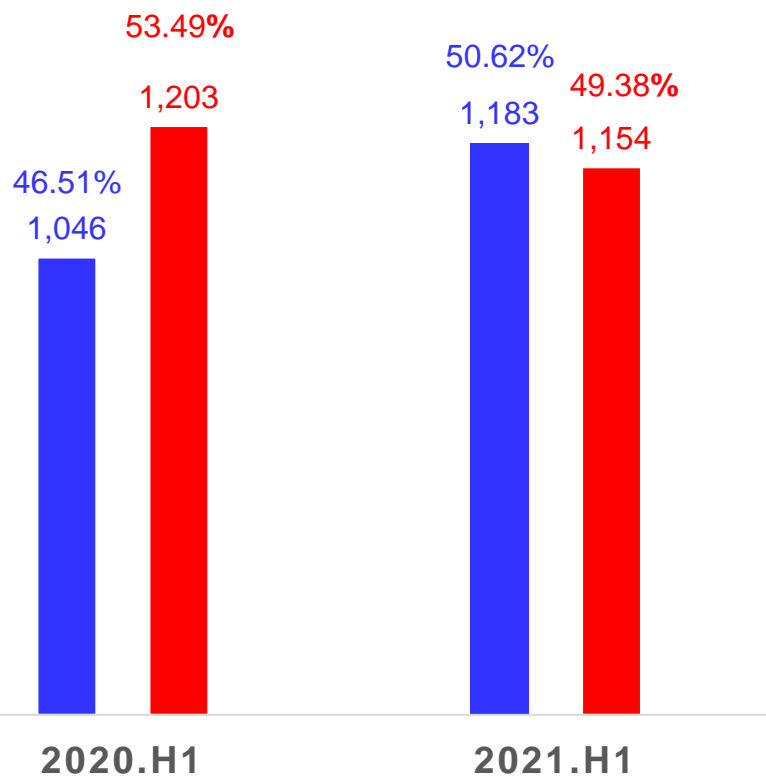
## By type

## By currency

(in NT 100mn)

■ Demand Deposits ■ Time Deposits

■ NTD Deposits ■ FCY Deposits



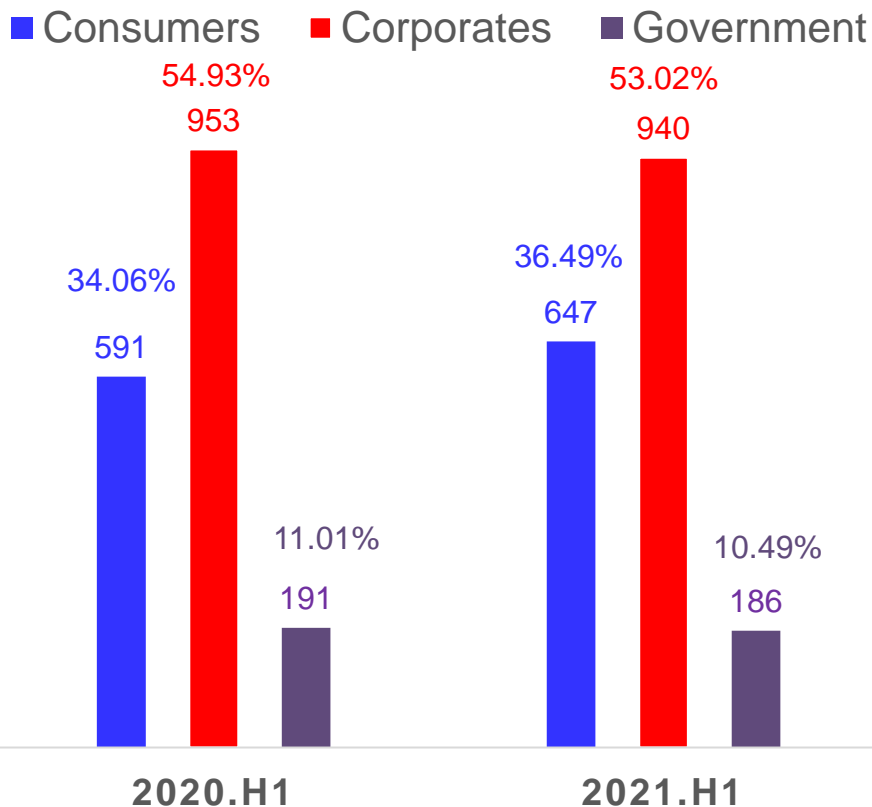
Demand Deposits Increase NT\$13,700 million.  
Time Deposits Decrease NT\$4,900 million.

NTD Deposits Increase NT\$12,400 million.  
FCY Deposits Decrease NT\$3,600 million.



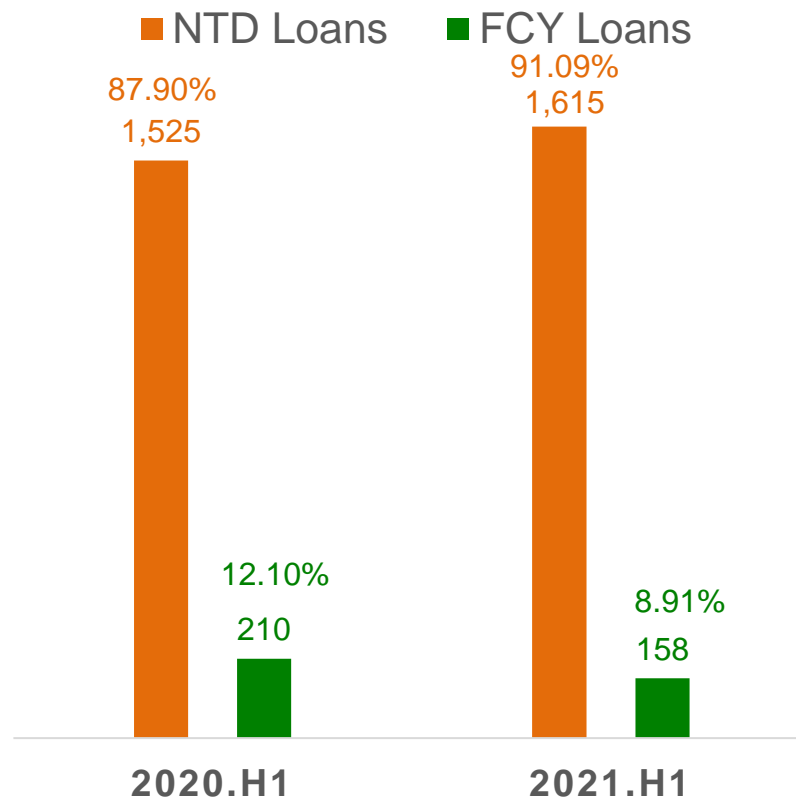
# Loan Breakdown - Average balance

## By customer



Consumers Loans Increase NT\$5,600 million.  
Corporates Loans Decrease NT\$1,300 million.  
Government Loans Decrease NT\$500 million.

## By currency <sup>(in NT 100mn)</sup>



NTD Loans Increase NT\$9,000 million.  
FCY Loans Decrease NT\$5,200 million.

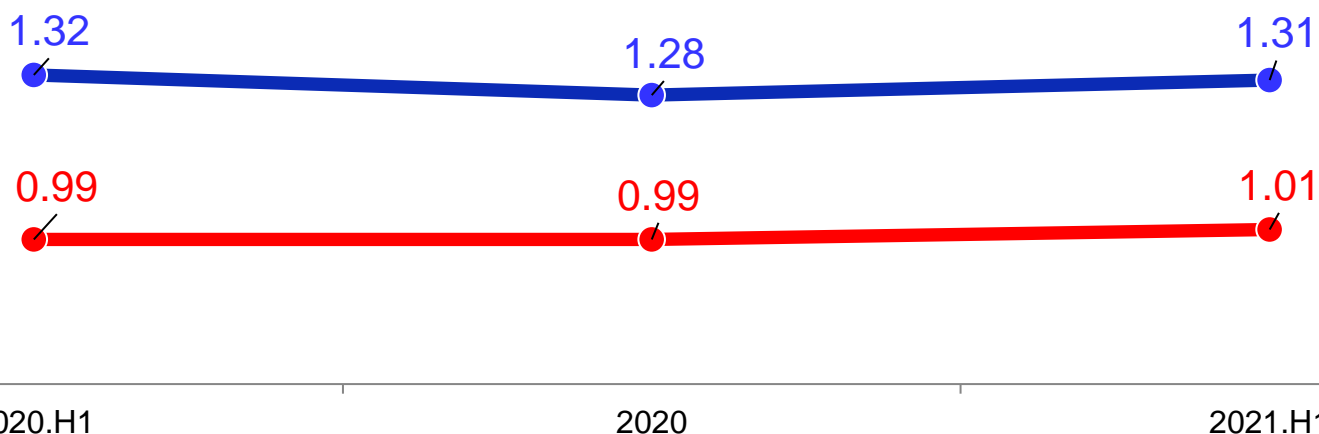




# Net Interest Spread and NIM

(in %)

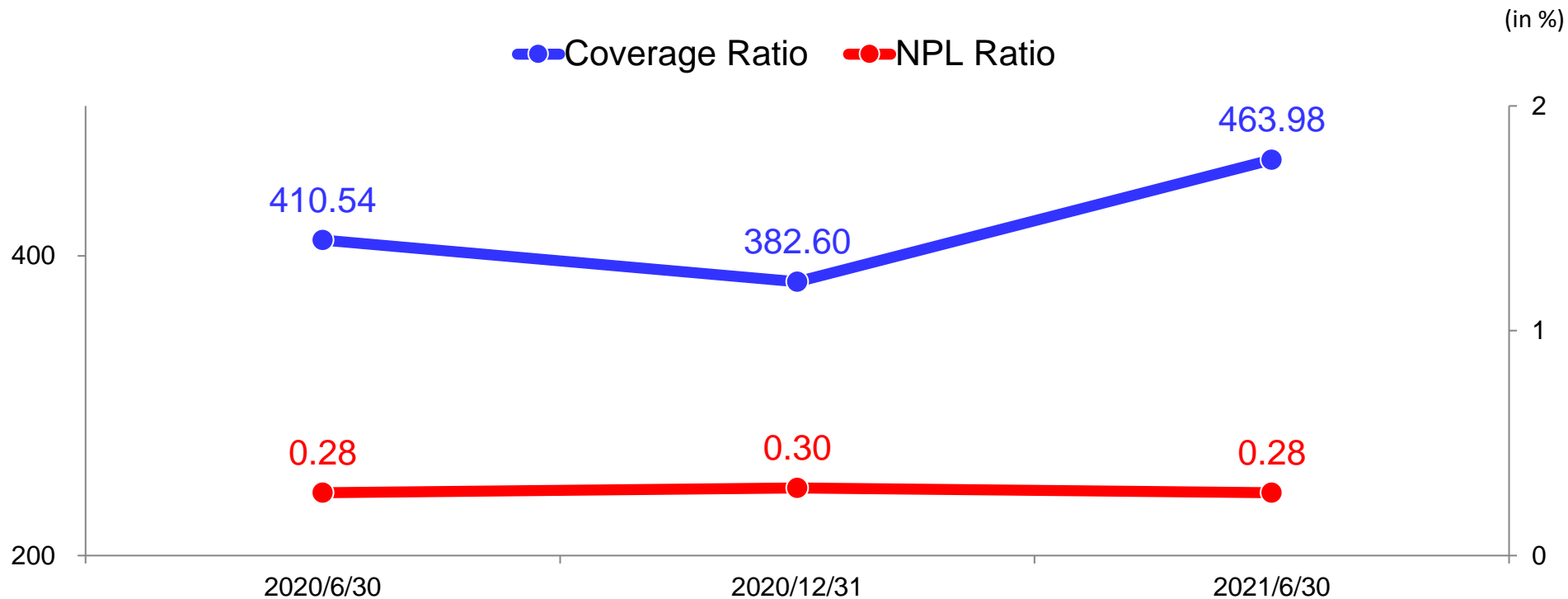
● Net Interest Spread ● NIM



Items	Date	2021.H1	2020	2020.H1	2021.H1 to 2020.H1 variation
	Net Interest Spread		1.31	1.28	1.32
NIM		1.01	0.99	0.99	0.02



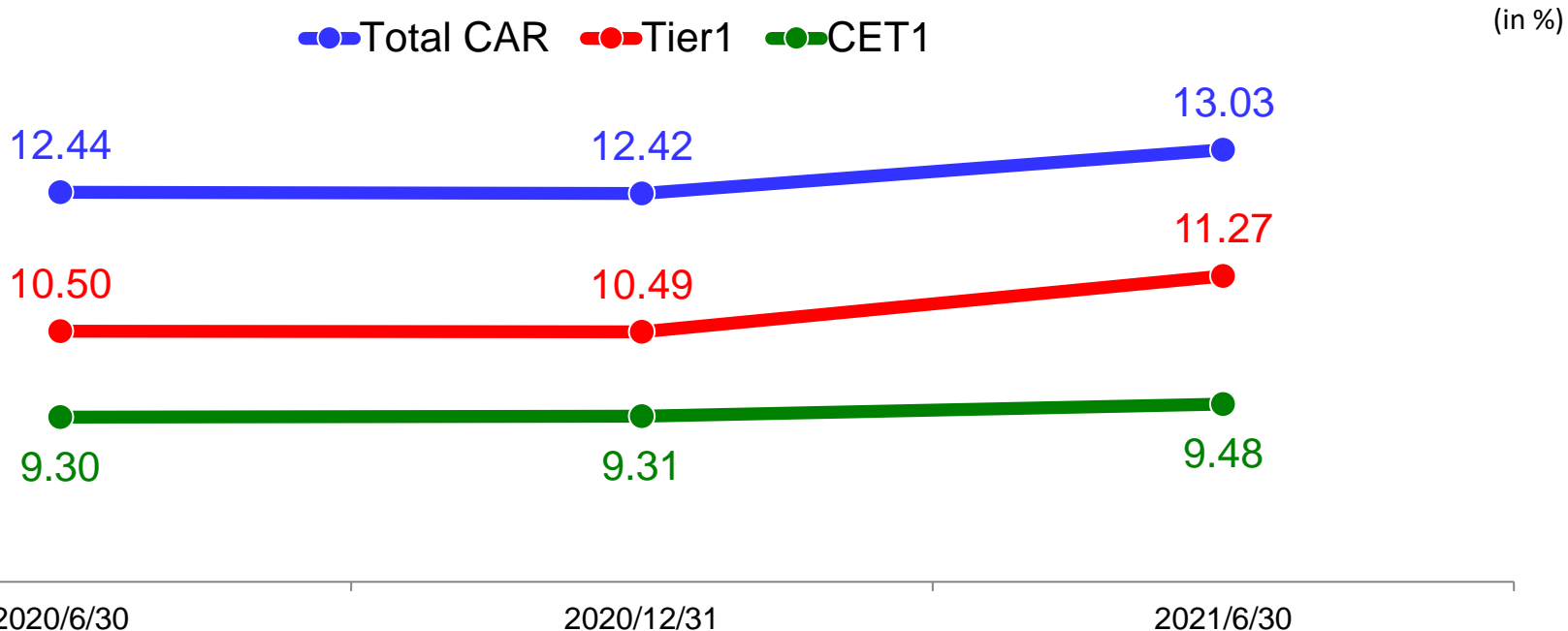
# Asset Quality



Items \ Date	2021/6/30	2020/12/31	2020/6/30	2021/6/30 to 2020/6/30 variation
Coverage Ratio	463.98	382.60	410.54	53.44
NPL Ratio	0.28	0.30	0.28	0



# Capital Adequacy Ratio




Items	Date	2021/6/30	2020/12/31	2020/6/30	2021/6/30 to 2020/6/30 Variation
	Total CAR		13.03	12.42	12.44
Tier1		11.27	10.49	10.50	0.77
CET1		9.48	9.31	9.30	0.18



# Credit Ratings

Fitch Ratings	Long term (Domestic)	Short term (Domestic)	Outlook
2018	AA-(twn)	F1+(twn)	Stable
2019	AA-(twn)	F1+(twn)	Stable
<b>2020</b>	<b>AA-(twn)</b>	<b>F1+(twn)</b>	<b>Stable</b>

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



# Business Results in 2021 Q2

**Robust Performance with Steady Profit Growth.**

Net Revenue structure steadily optimized , and the proportion of financial operation and fee income increased.

Deposit structure improved , and the proportion of low-interest demand deposits is higher than that of time deposits.

Asset - debt structure's optimization taking effect , NIM starting to increase.

Asset Quality Optimized , Capital Adequacy Ratio Improved.

Credit Rating remains unchanged with stable outlook.



高雄銀行

**Prospects**



# Prospects

- Improve credit quality of loans, expand deals guaranteed by Taiwan SMEG.
- Continue to increase the proportion of demand deposit , and reduce capital costs.
- Increase fee based revenue.
- Strengthen financial operations performance.
- Strengthen digital banking.



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# Thanks for Listening