



Financial Review of 2023 Q2

2023.9.6





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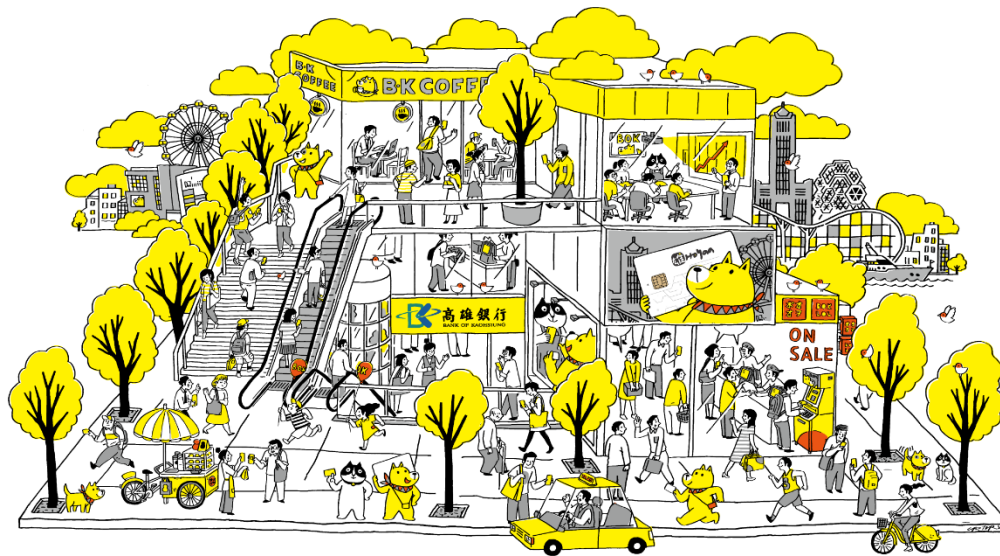
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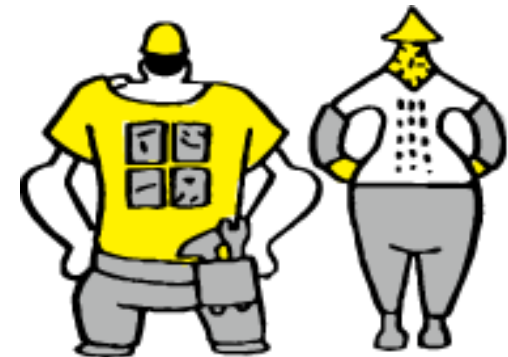
Summary

- **Operations Review of 2023 H1**
- **Financial Performance of 2023 H1**
- **Prospects**





Operations Review of 2023 H1





Operations Review of 2023 H1

Items	1H23	1H22	Increase (Decrease)	
			Amount	Ratio(%)
Net income before tax	6.34	6.47	(0.13)	(2.01)
Net income	4.71	5.73	(1.02)	(17.80)
EPS after-tax (in NT dollar)	0.38	0.44	(0.06)	(13.64)
ROA (after-tax) (%)	0.17	0.21	-	(0.04)
ROE (after tax) (%)	2.82	3.42	-	(0.60)





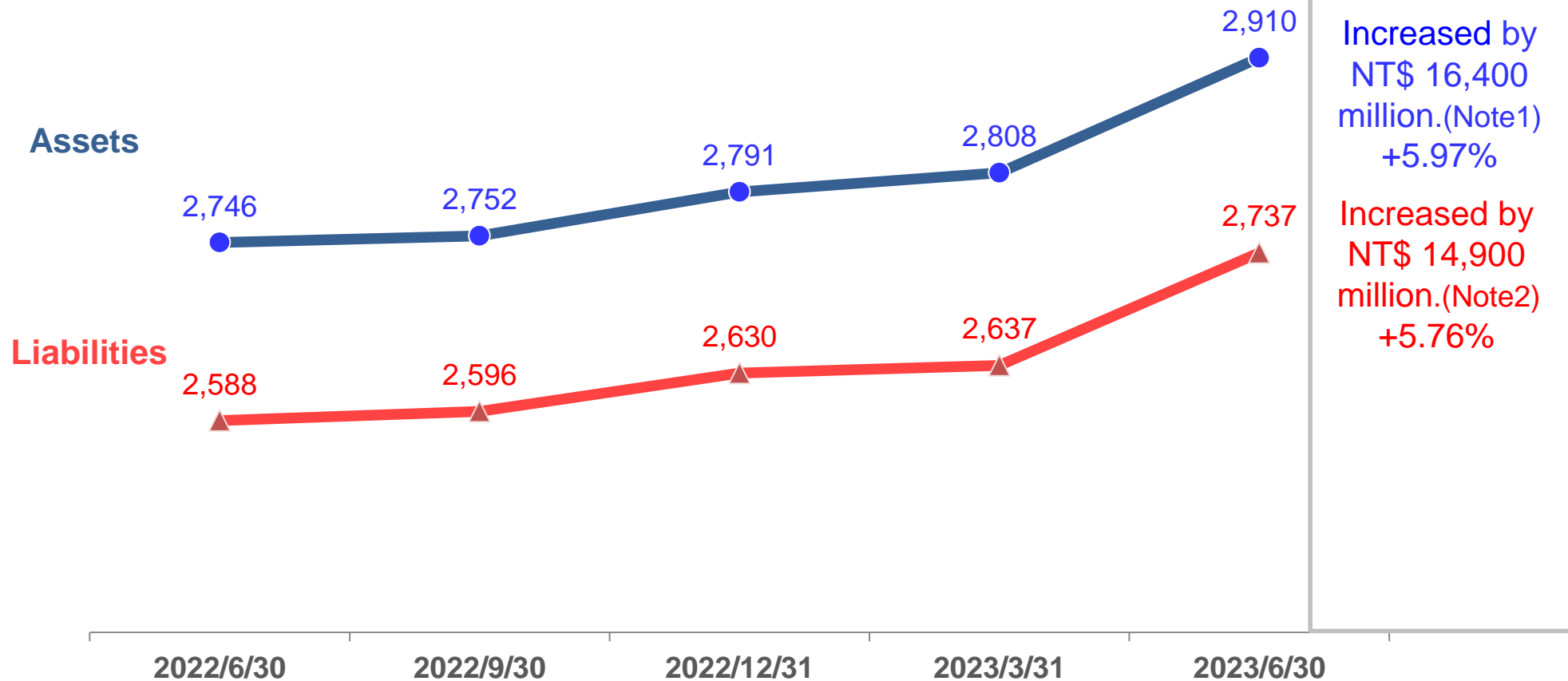
Financial Performance of 2023 Q2





Assets and Liabilities

(in NT 100mn)



Note 1: The increase in assets was mainly due to an increase of 14.1 billion in discounts and loans.

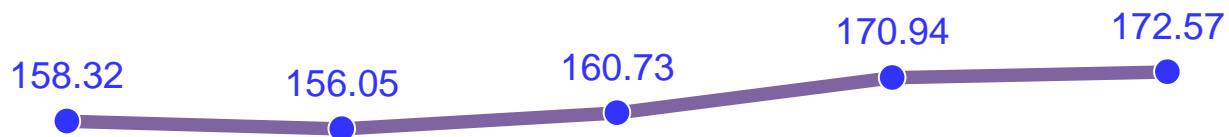
Note 2: Liabilities increased, mainly due to an increase of 12.2 billion in deposits and remittances.



Shareholders' Equity

(in NT 100mn)

Shareholders' Equity



Common Stock



BVPS (in NT\$)



YoY%

Increased by
NT\$1,425 million.
+9.00%

Increased by
NT\$360
million.(Note)
+2.91%

Increased by NTD
0.84
+6.59%

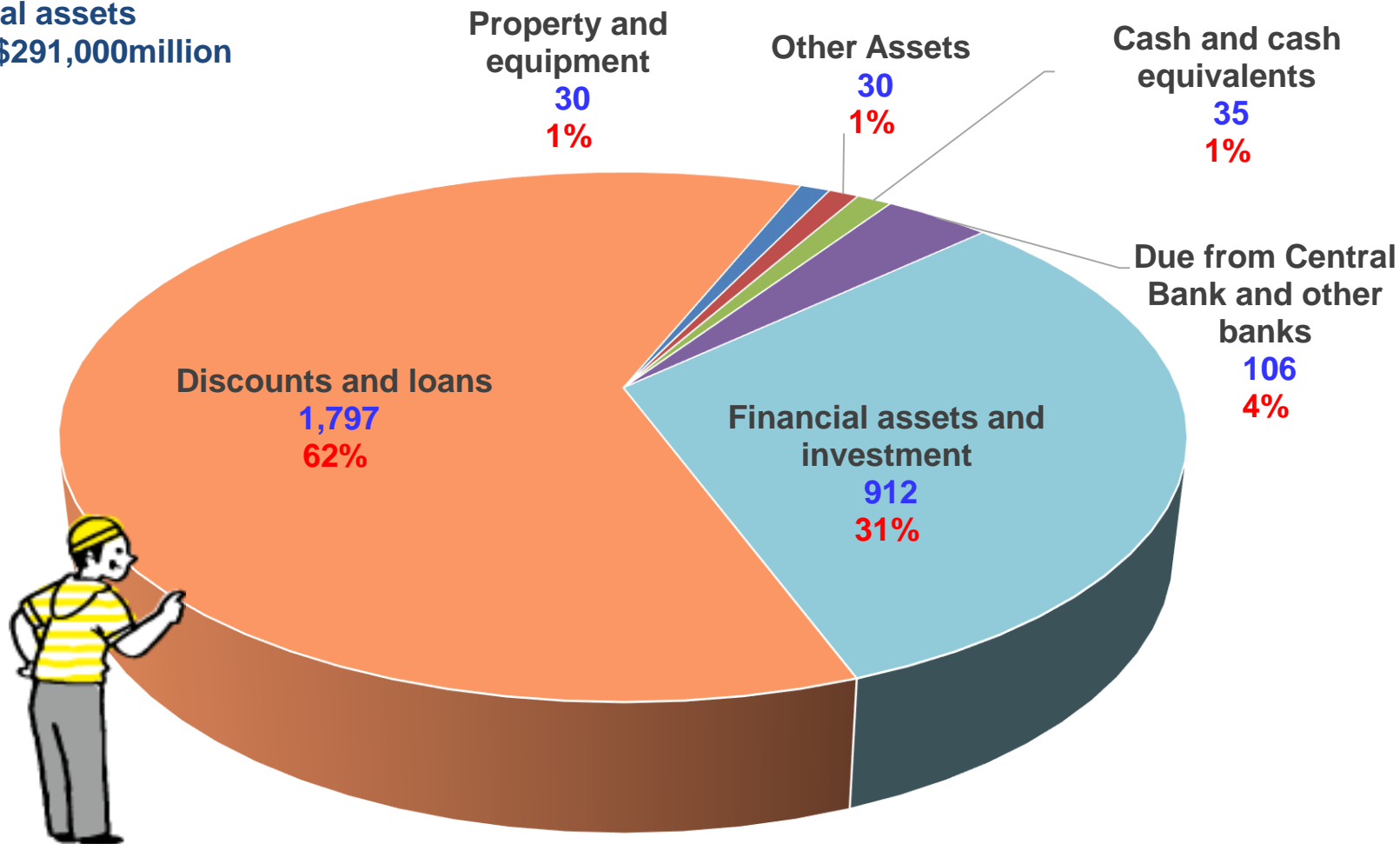
Note: The increase in capital is mainly due to additional paid in capital increase of 360 million in 2022.



Assets Breakdown(2023.6.30)

(in NT 100mn; %)

Total assets
NT\$291,000million

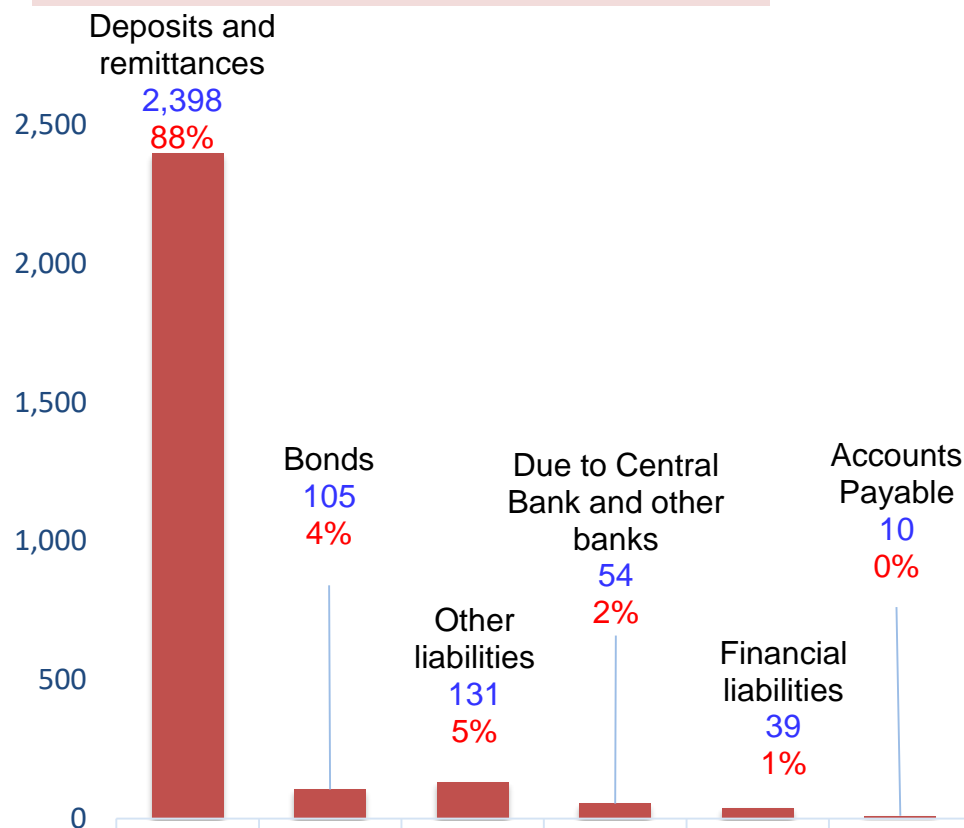




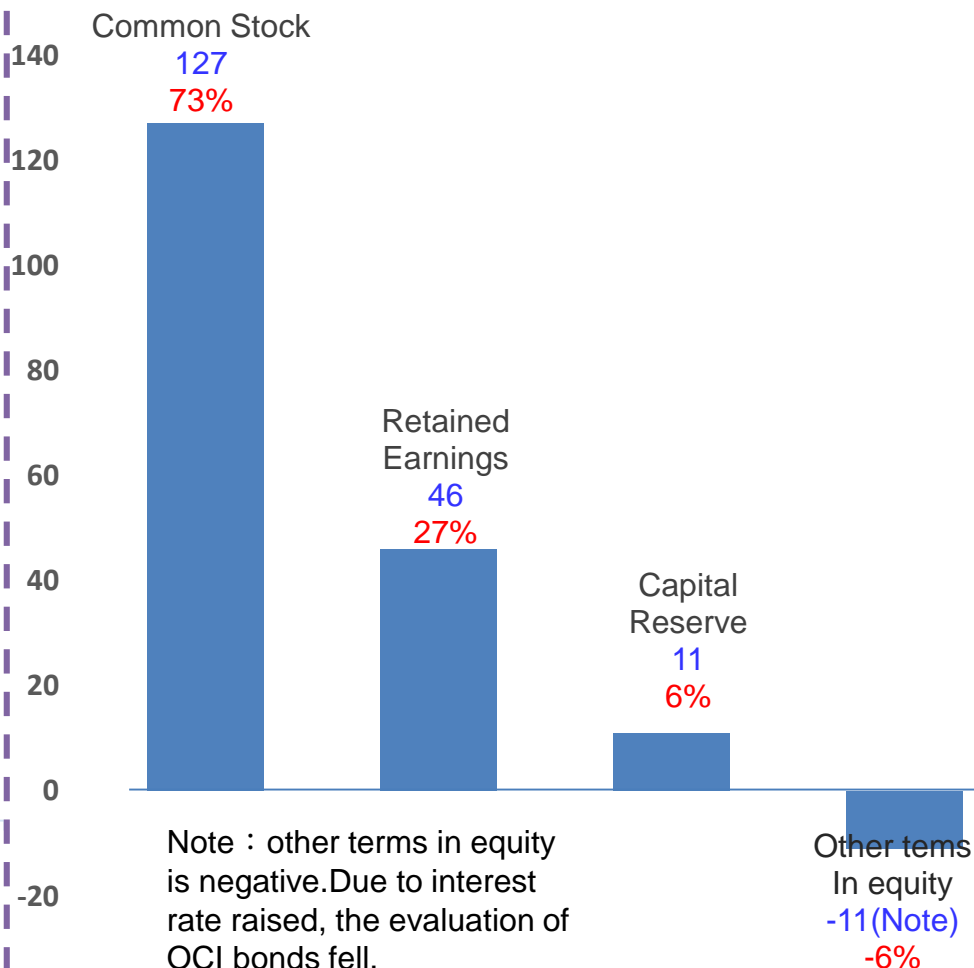
Liabilities and Shareholders' Equity Breakdown(2023.6.30)

(in NT 100mn)

Liabilities NT\$273,700million

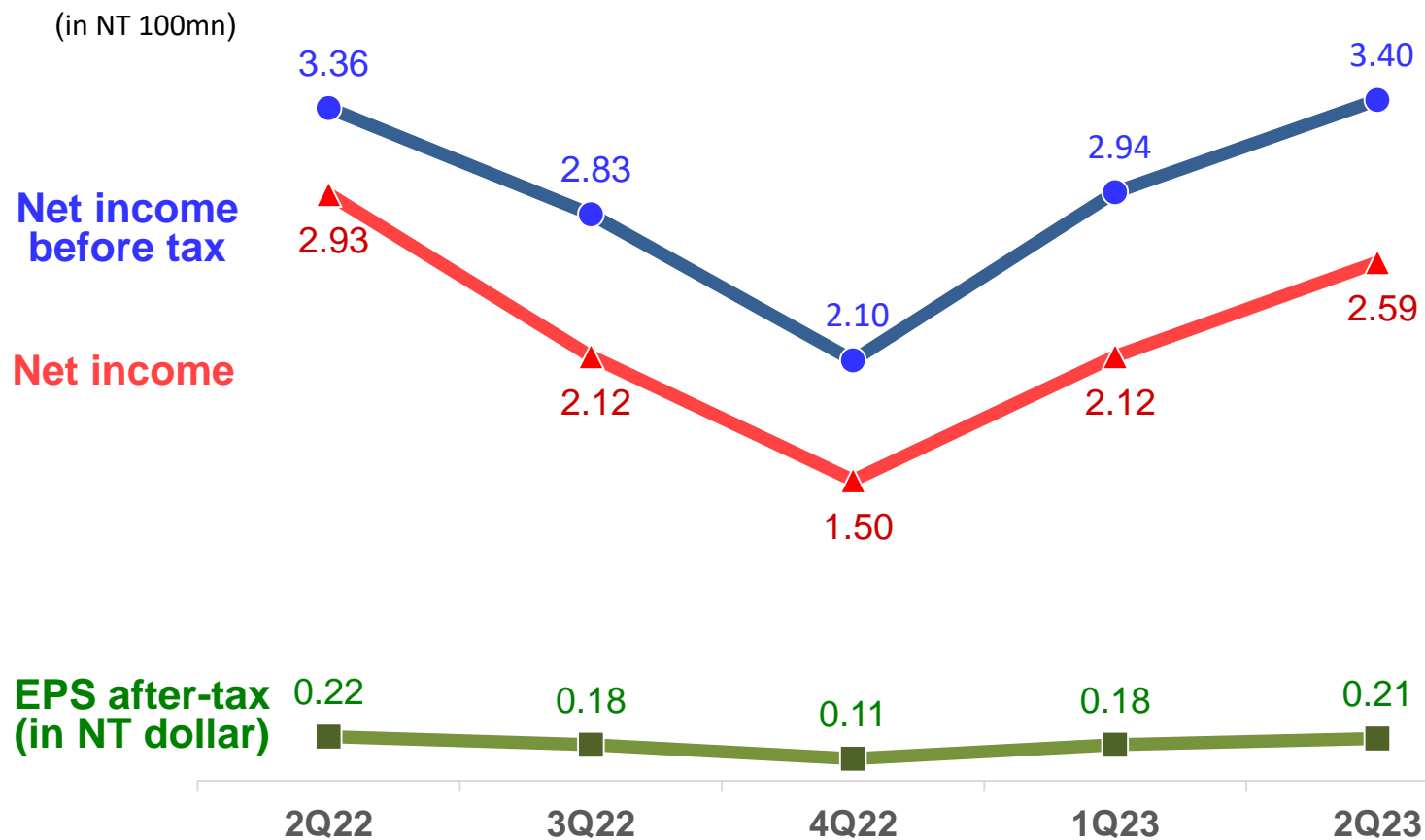


Shareholders' Equity NT\$17,300million





Income Growth



YoY %

Increased by
NT\$4 million
+1.19%

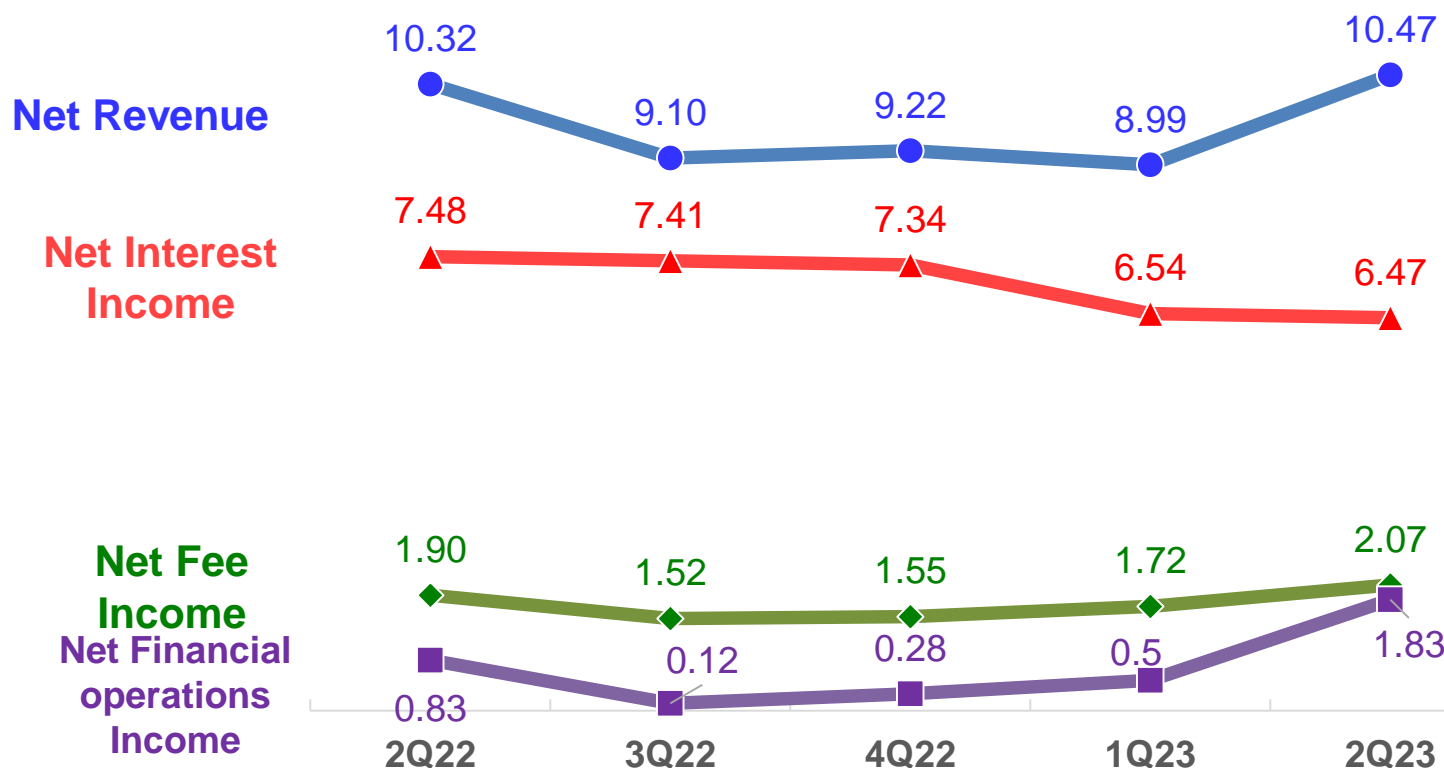
Decreased by
NT\$34 million
-11.60%

Decreased by
NTD 0.01
-4.55%



Net Revenue Growth

(in NT 100mn)



YoY %

Increased by
NT\$ 15 million
+1.45%

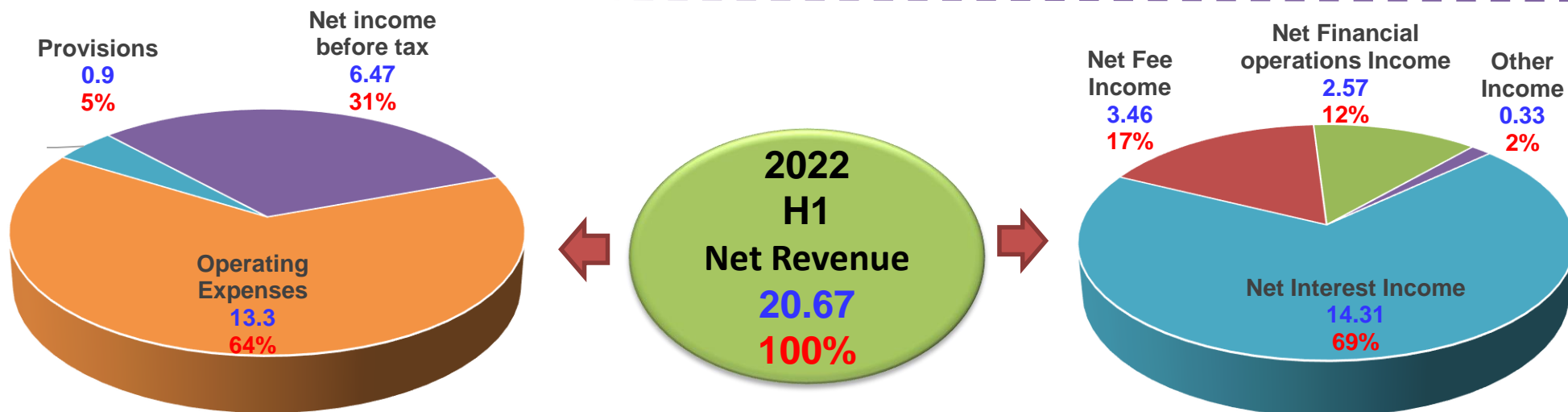
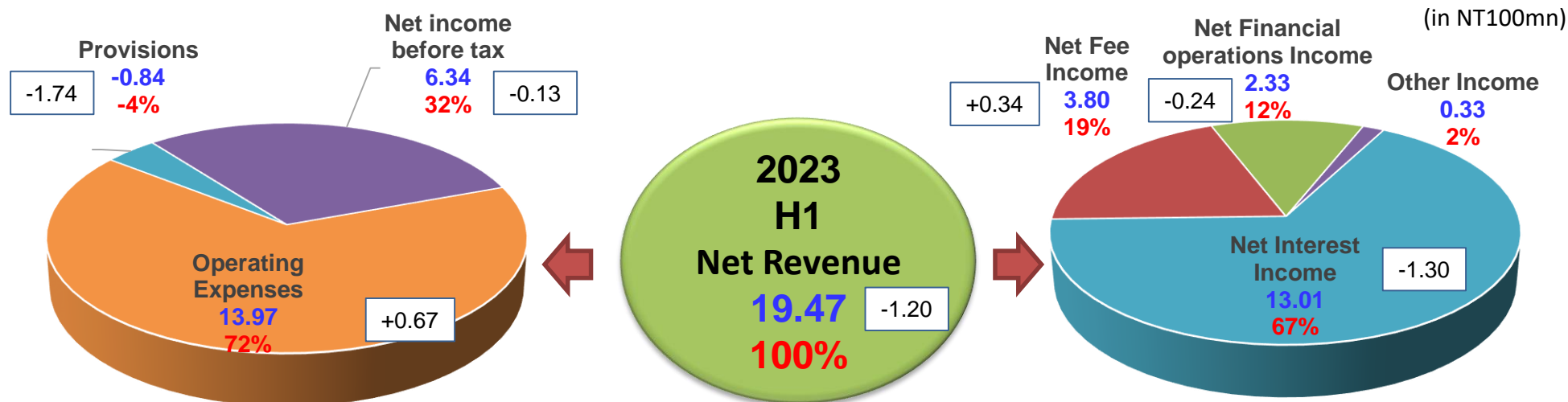
Decreased by
NT\$101 million
-13.50%

Increased by
NT\$ 17 million
+8.95%

Increased by
NT\$ 100 million
+120.48%



Net Revenue Breakdown





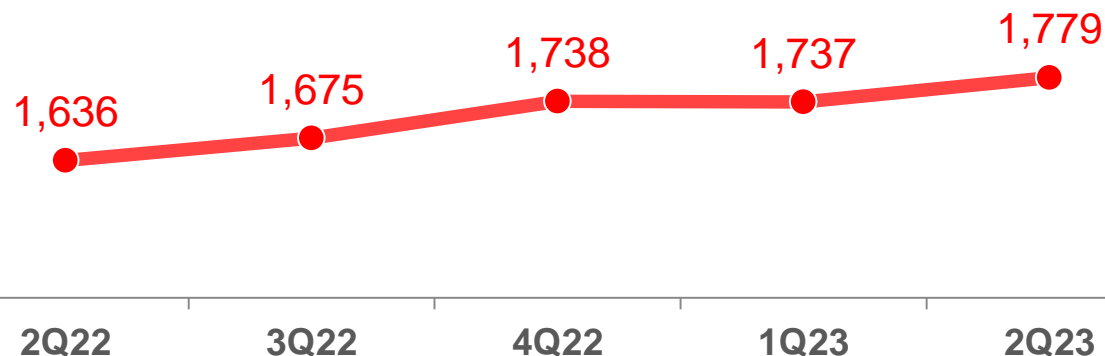
Deposits and Loans - Average balance

(in NT 100mn)

Average deposit balance



Average loan balance



YoY %

Increased by
NT\$2,500million
(Note1)
+1.06%

Increased by
NT\$14,300
million (Note2)
+8.74%

Note1: Refer to deposit analysis for more detail.

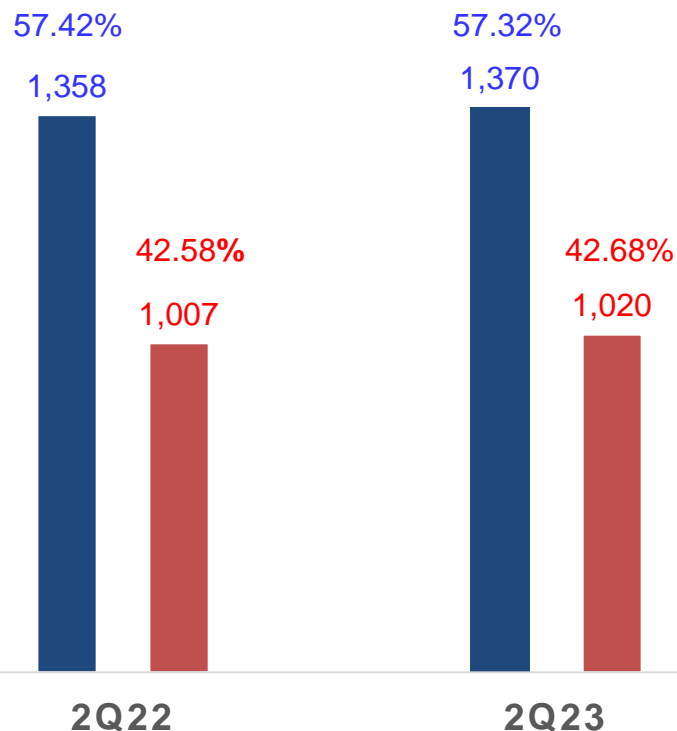
Note2: Refer to loans analysis for more detail.



Deposit Breakdown - Average balance

By type

■ Demand Deposits ■ Time Deposits



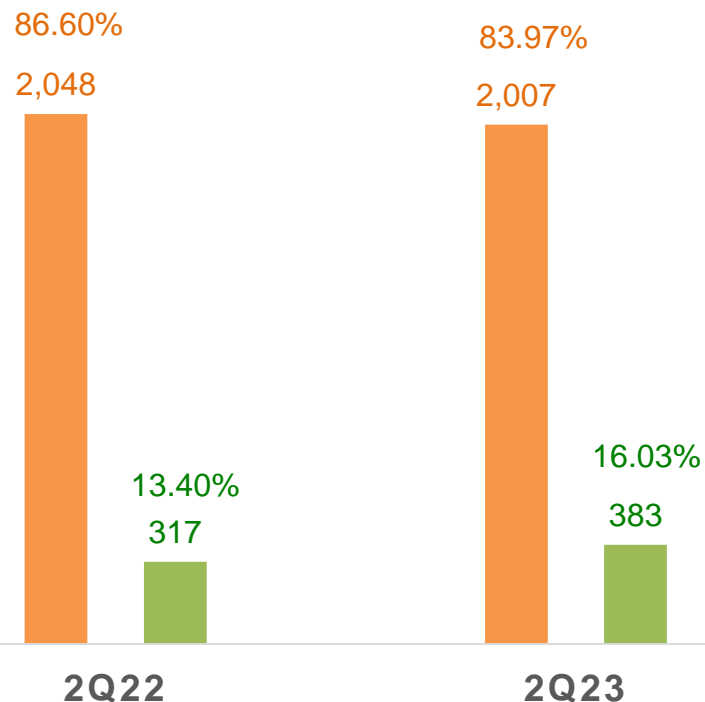
Demand Deposits Increased by NT\$1,200million.

Time Deposits Increased by NT\$1,300million.

By currency

(in NT 100mn)

■ NTD Deposits ■ FCY Deposits



NTD Deposits Decreased by NT\$4,100 million.

Demand Deposits Increased by NT\$2,000million.

Term deposit of large amount decreased by NT\$6,900 million.

Other term deposit increased by NT\$800 million.

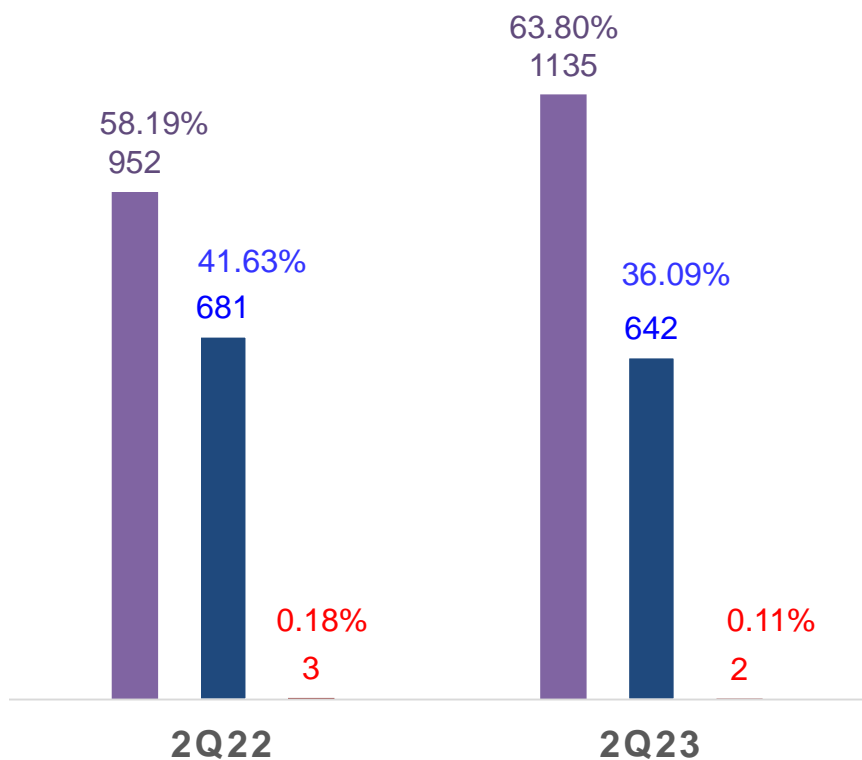
FCY Deposits Increased by NT\$6,600 million.



Loan Breakdown - Average balance

By customer

■ Corporates ■ Consumers ■ Government

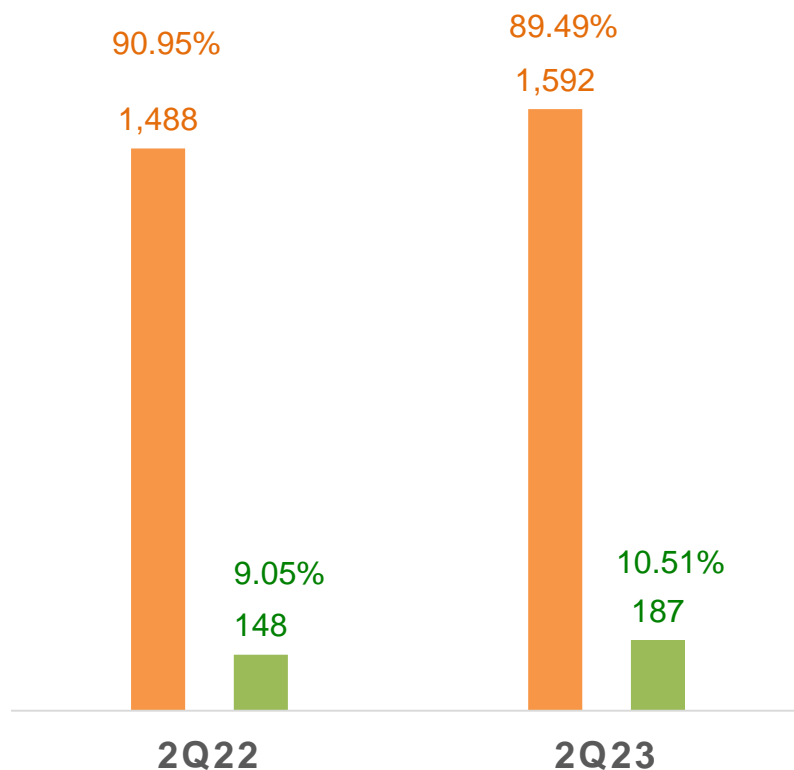


Corporates Loans Increased by NT\$18,300 million.
Consumers Loans Decreased by NT\$3,900 million.
Government Loans Decreased by NT\$100 million.

By currency

(in NT 100mn)

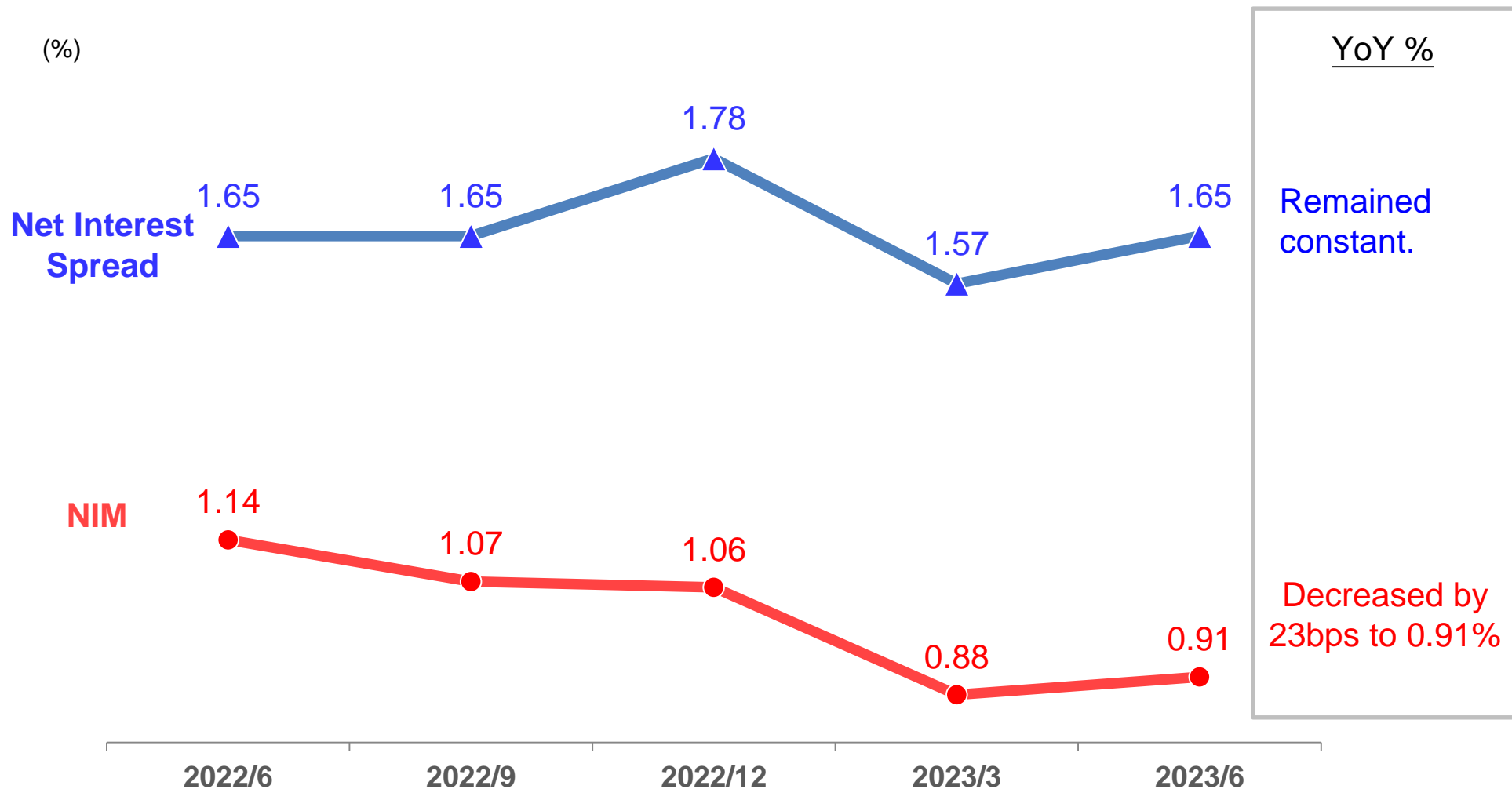
■ NTD Loans ■ FCY Loans



NTD Loans Increased by NT\$10,400 million.
FCY Loans Increased by NT\$3,900 million.

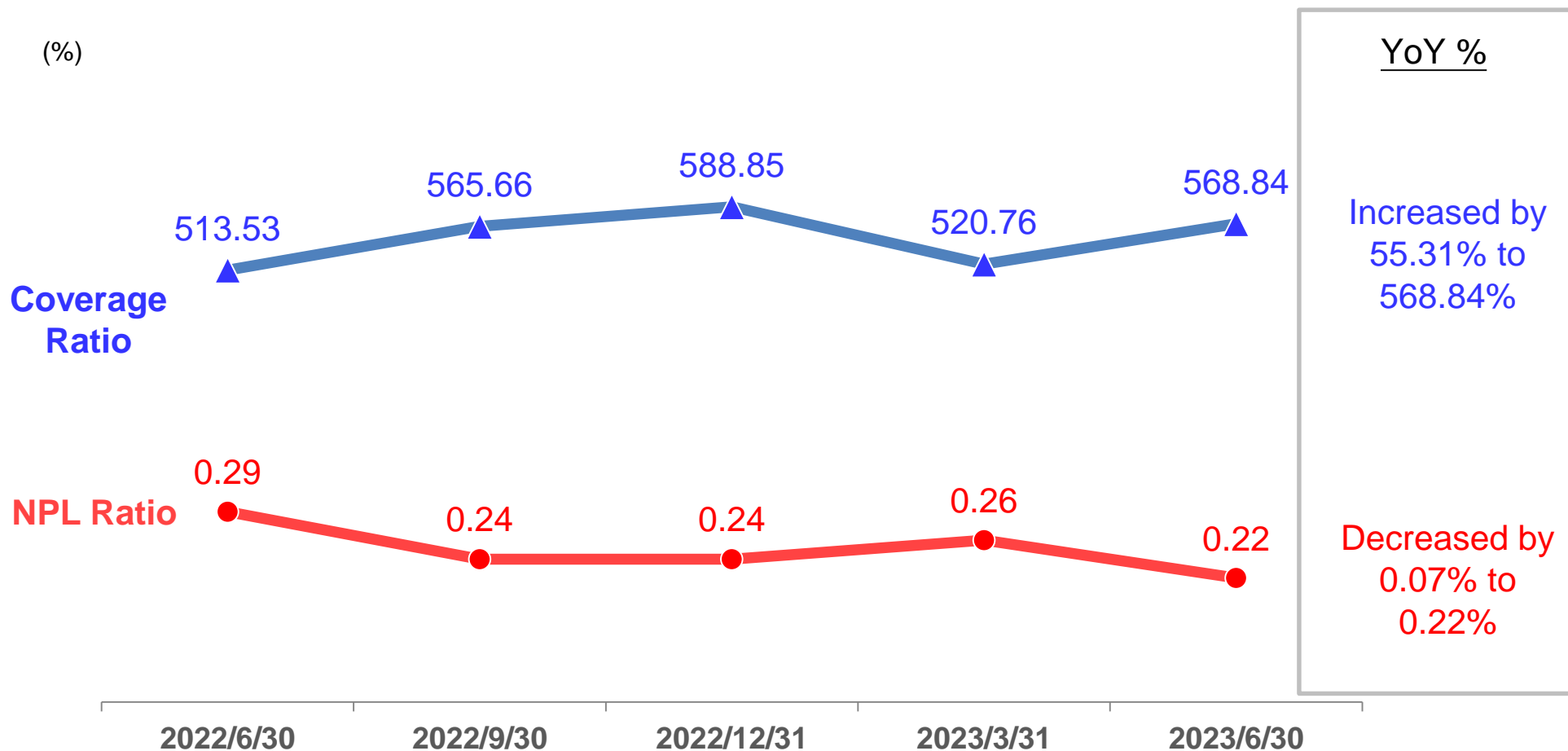


Net Interest Spread and NIM





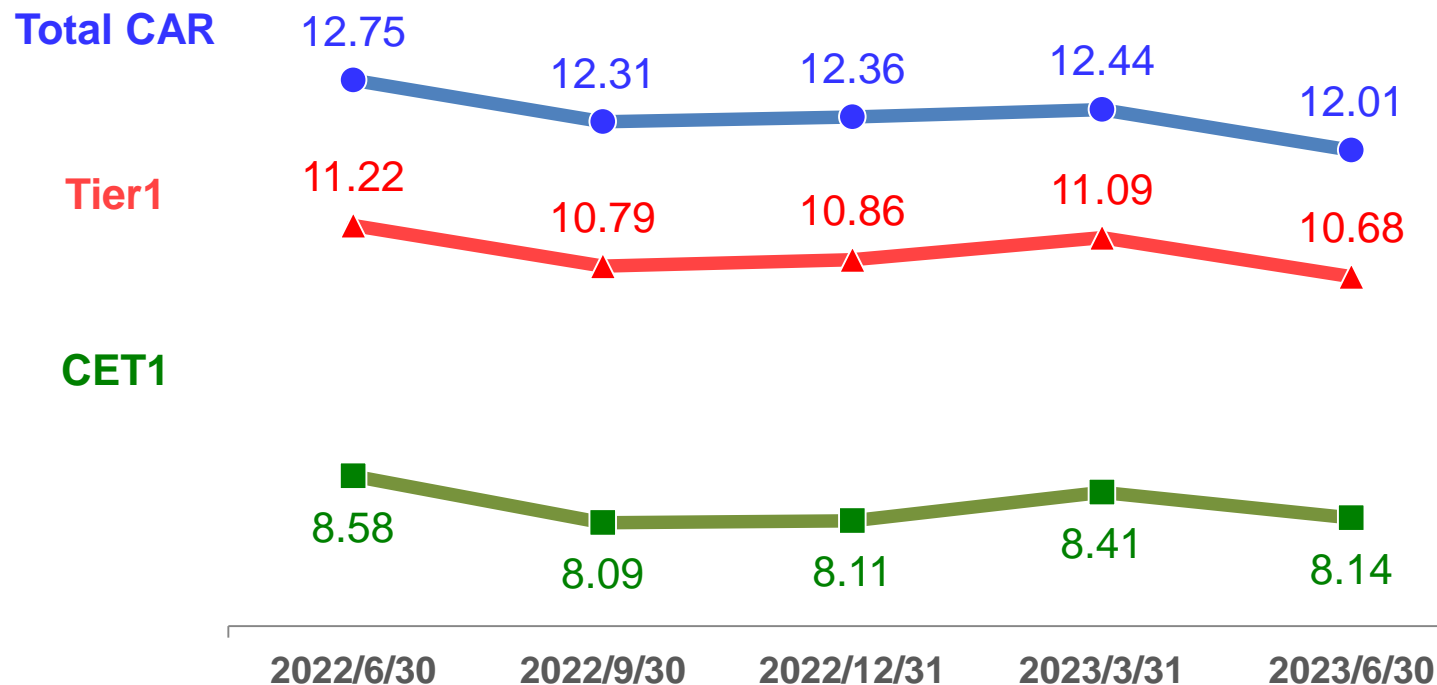
Asset Quality keeps improving





Capital Adequacy Ratio

(%)



YoY %

Decreased by
0.74% to
12.01%

Decreased by
0.54% to
10.68%

Decreased by
0.44% to
8.14%

Note : Audited report in March and September.



Credit Ratings



Fitch Ratings	Long term (Domestic)	Short term (Domestic)	Outlook
2020	AA-(twn)	F1+(twn)	stable
2021	AA-(twn)	F1+(twn)	stable
2022	AA-(twn)	F1+(twn)	stable

Fitch Ratings	Long term (IDR)	Short term (IDR)	Outlook
2020	BBB+	F1	stable
2021	BBB+	F1	stable
2022	BBB+	F1	stable



Business Results in 2023 Q2




- The quality of assets gradually improves.



- Wealth management business income is outstanding, and continues to hit new highs.



- Held trust lectures in finance departments, letting knowledge take root downward.



- Customized trust contract, "tailor-made planning, dedicated management" to protect the disadvantaged groups.



- Combined with the Kaohsiung City Government and local enterprises to donate blood for public welfare, practice the spirit of ESG.



- Selected as a constituent stock of "Taiwan High Salary 100 Index".



Prospects





Prospects



1.

Improving business performance, including prudent financial operations, adjusting deposit structure and loan portfolio, strengthening customer base, and expanding the scale of operations.

2.

Cooperate with Kaohsiung city government to actively participate in and provide local enterprises with low-carbon transformation financing and services

3.

Accelerate digital transformation to cope with the rapid development of digital environment.

4.

Strengthen risks and asset quality control, and strengthen investment and financing risk management to reduce the negative impact on bank asset quality and financial operations.

5.

Strengthen staff training and talent cultivation, especially the cultivation of information, digital and business-related talents.

6.

Internalize ESG into corporate culture, integrate business into the daily operation of the bank, and implement the concept of ESG sustainable management.





親切・真誠・好夥伴

Thanks for Listening

