



彰化銀行

# Financial Review 2Q 2020

(Bloomberg: 2801 TT)

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September 1, 2020



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# Agenda

● **Operational Highlights**

● Financial Performance

● Operating Results

● Appendix

# Operational Highlights (consolidated basis)

## Core Business

- Loans NT\$1,486 bn,+8.35% YoY,  
Corp.+8.05% YoY · Personal +10.81% YoY ·  
Overseas -5.65% YoY
- Deposits NT\$1,800 bn,+6.02% YoY,  
NTD Demand Deposit+8.37% YoY

## Profitability

- Net Income Before Tax NT\$5.217 bn,-25.98% YoY
- EPS NT\$0.41 · ROA 0.39% · ROE 5.24%

## Asset Quality

- NPL ratio was 0.43%
- Coverage ratio was 283.39%

## Capital Adequacy Ratio

- BIS ratio was 14.37%

\*.ROE and ROA are after-tax figures and annualized figures.

# Agenda

● Operational Highlights

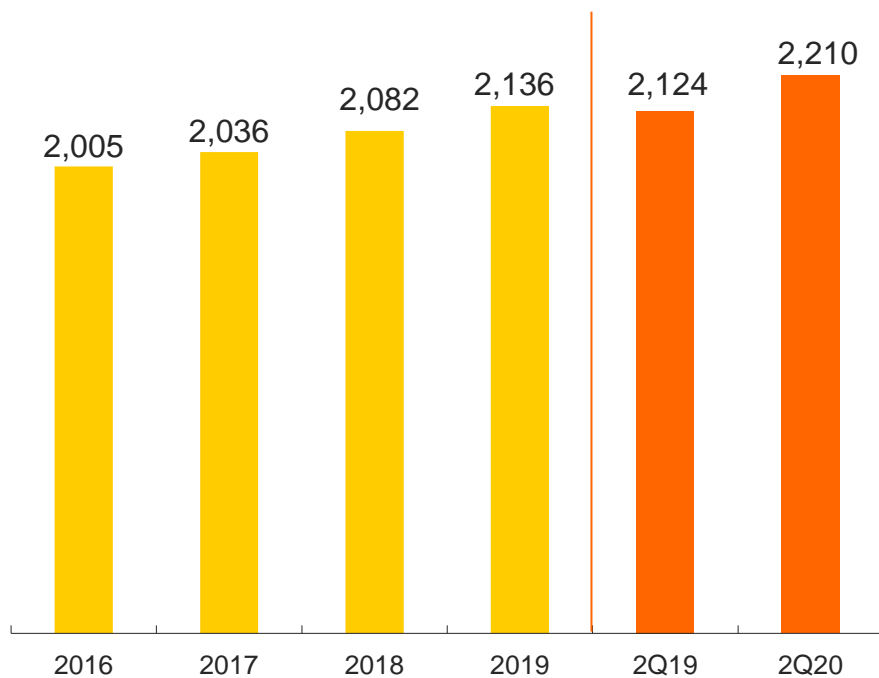
● **Financial Performance**

● Operating Results

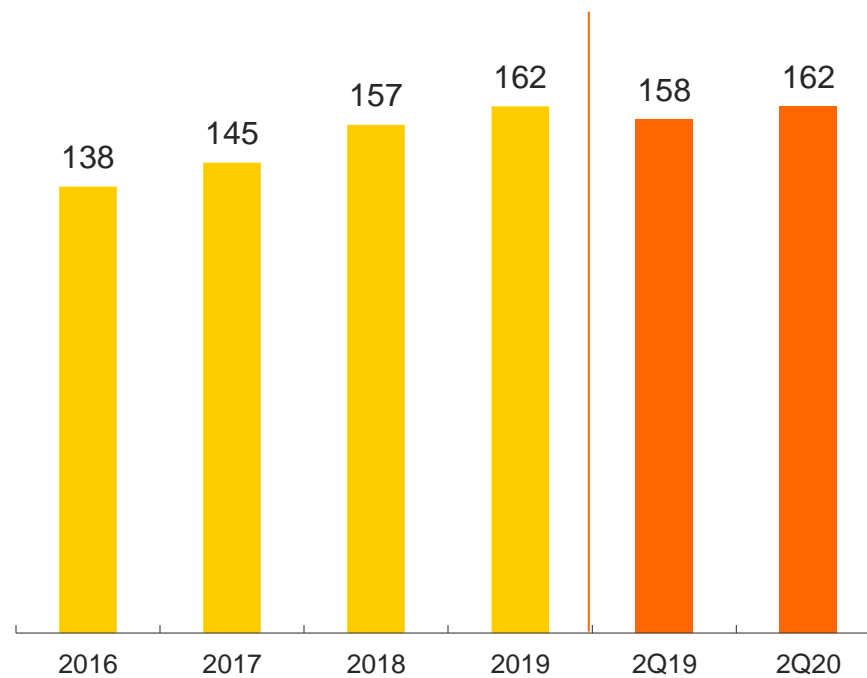
● Appendix

# Asset size and Net Worth

**Asset size** (in NT\$ bn)

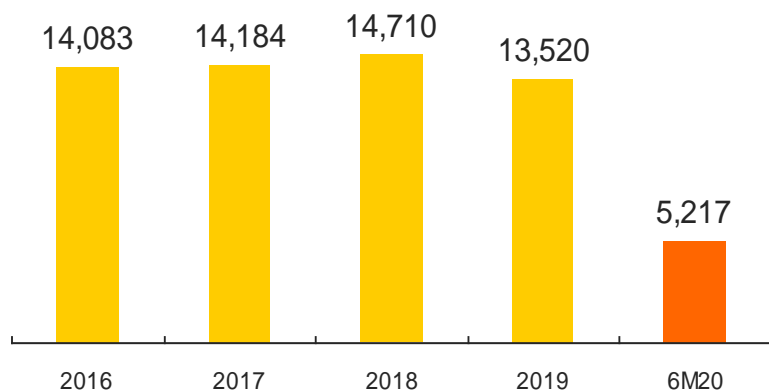


**Net Worth** (in NT\$ bn)

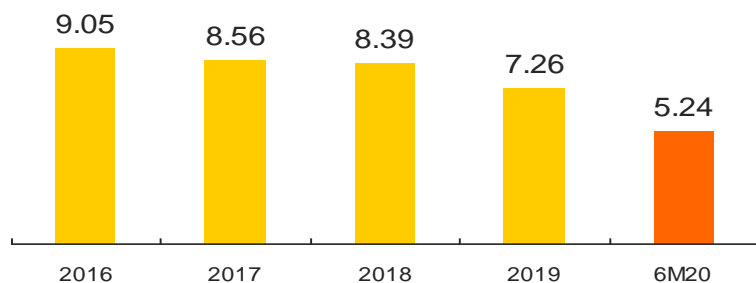


# Financial Performance

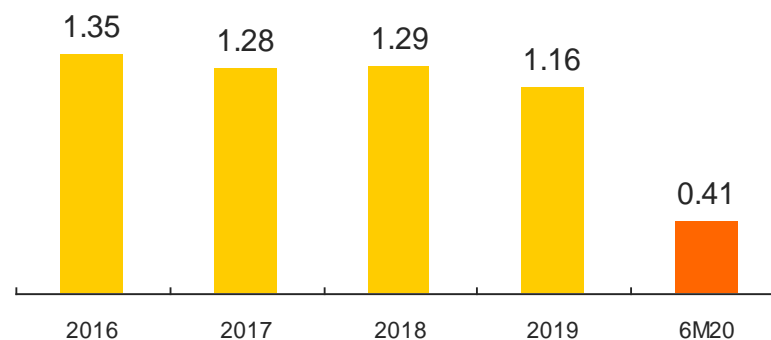
## Net Income Before Tax (in NT\$ mn)



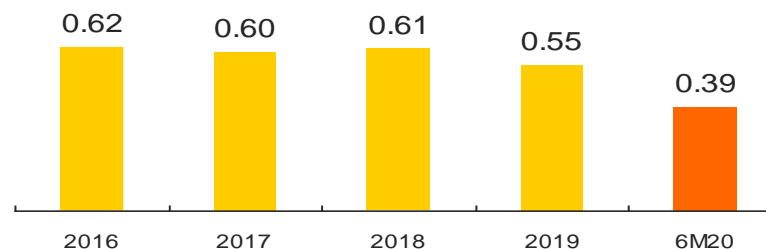
## ROE(%)



## EPS After tax (in NT\$)



## ROA(%)



\*ROE and ROA are after-tax figures and annualized figures.

# Comprehensive Income

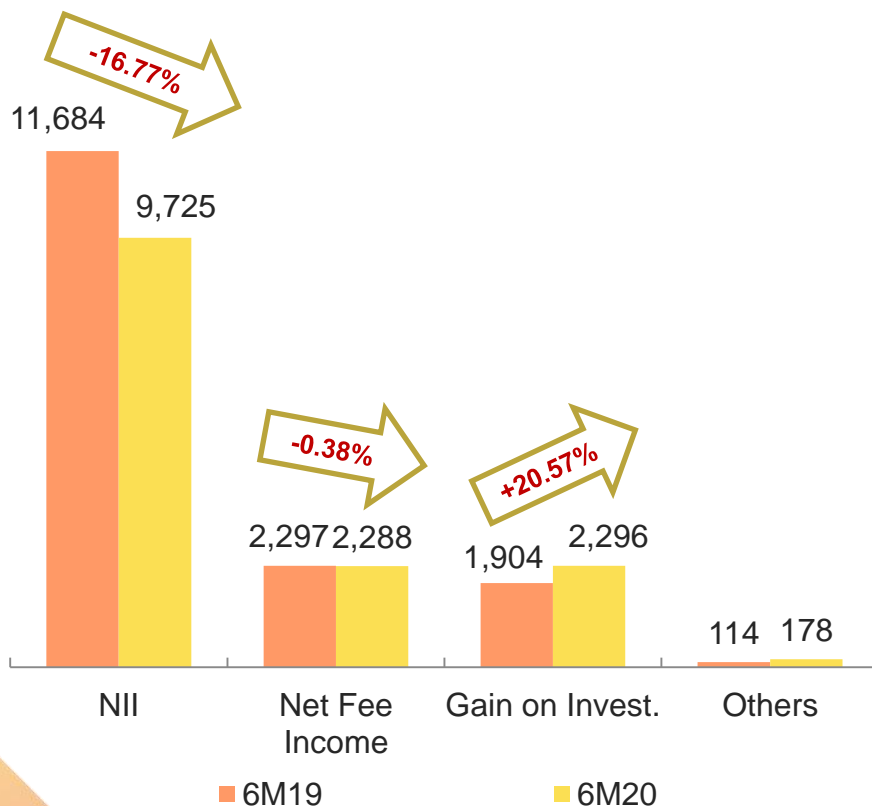
(In NT\$ mn )	6M19	6M20	YoY(%)
Net Revenue	15,999	14,487	-9.45%
Provision, Net	995	1,417	42.41%
Operating Expense	7,956	7,853	-1.30%
Net Income Before Tax	7,047	5,217	-25.98%
Income Tax Expense	1,048	971	-7.39%
Net Income After Tax	5,999	4,246	-29.23%
Other Comprehensive Income	1,976	-408	-120.64%
Total Comprehensive Income	7,975	3,838	-51.87%



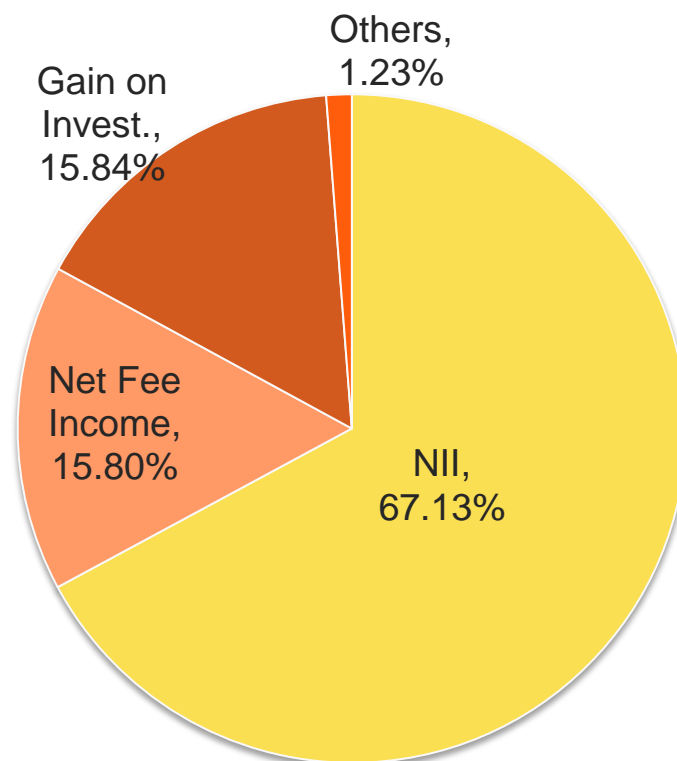
# Net Revenue

## Net Revenue (in NT\$ mn)

6M19	6M20	YoY
15,999	14,487	-9.45%



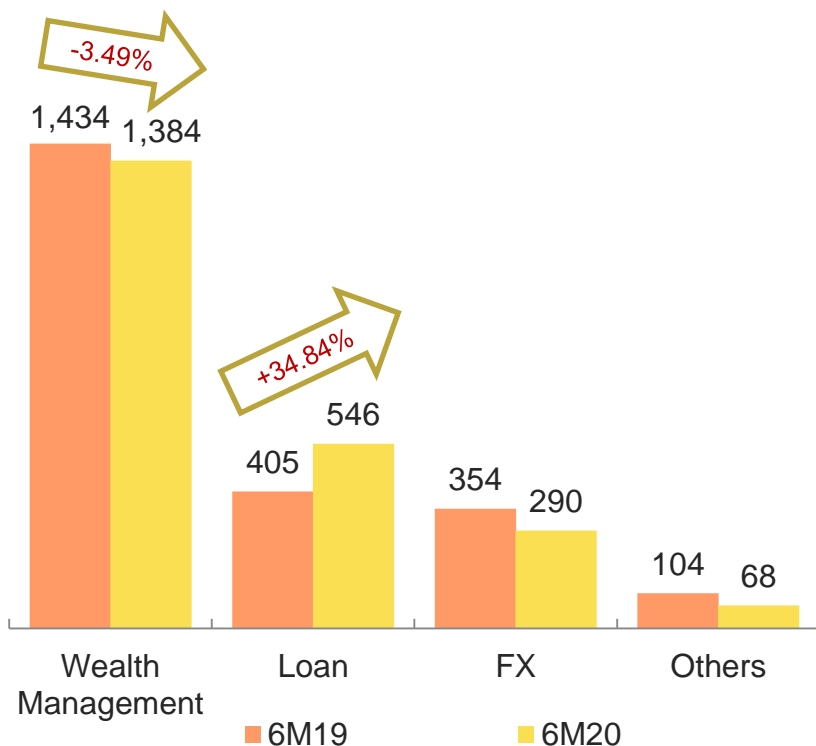
## 6M20 Net Revenue Breakdown



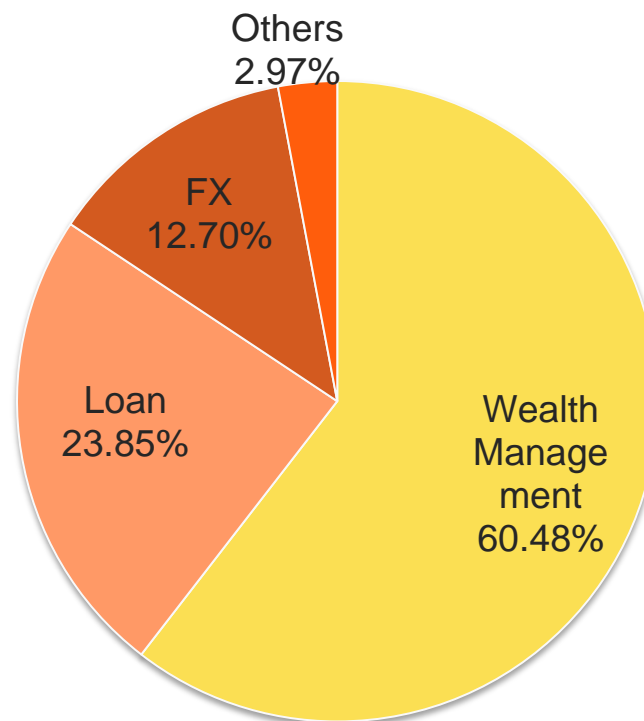
# Net Fee Income

## Net Fee Income (in NT\$ mn)

6M19	6M20	YoY
2,297	2,288	-0.38%



## 6M20 Net Fee Income Breakdown



# Agenda

● Operational Highlights

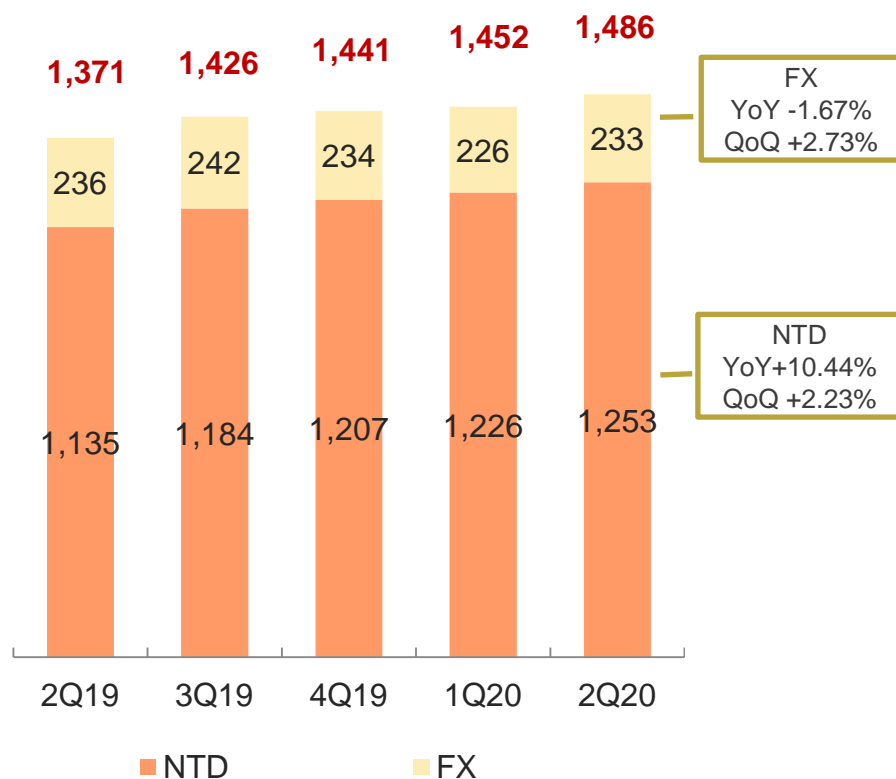
● Financial Performance

● **Operating Results**

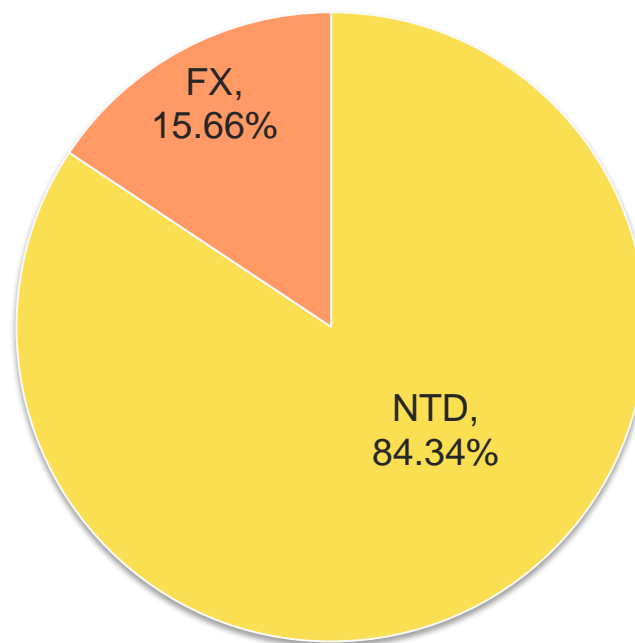
● Appendix

# Loan Breakdown by Currency

## Quarterly Loan Balance (in NT\$ bn)



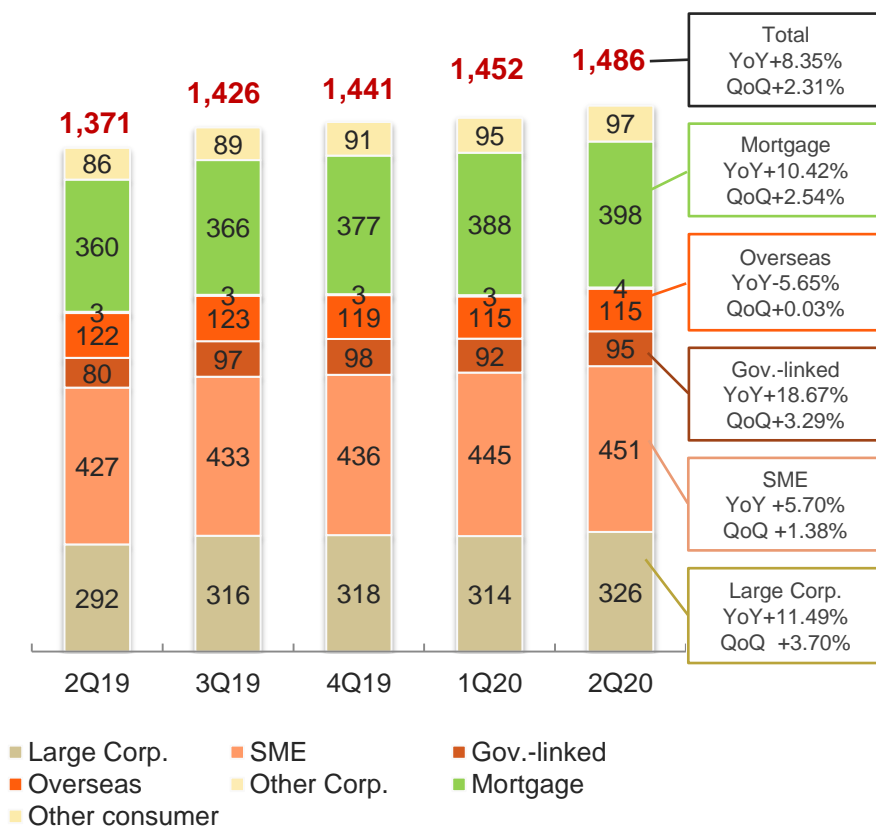
## 2Q20 Loan Breakdown by Currency



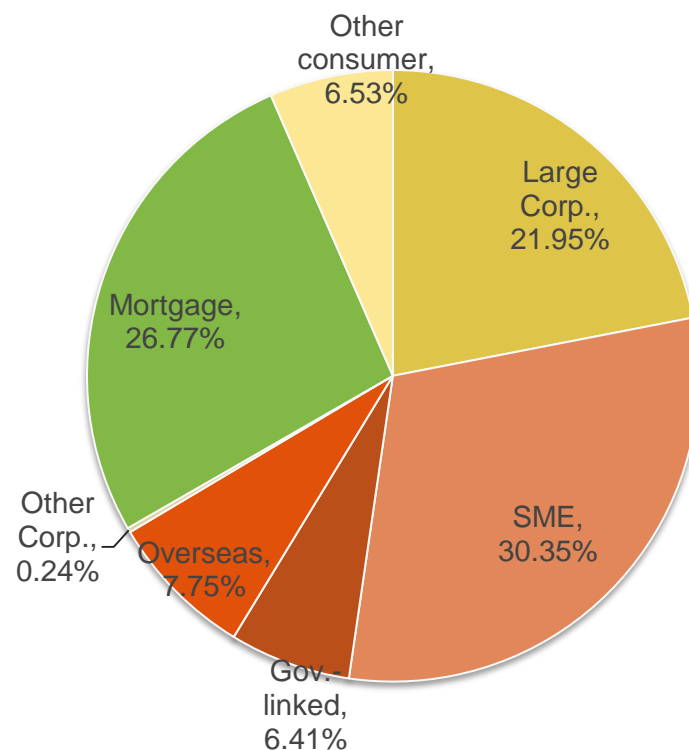
1. Loan is included ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excluded overdue loans.
2. Quarterly loan balance is single quarter average balance basis.
3. YoY is compared with the average on second quarter of 2019 and 2020.

# Loan Breakdown by Customer

## Quarterly Loan Balance (in NT\$ bn)



## 2Q20 Loan Breakdown by Customer

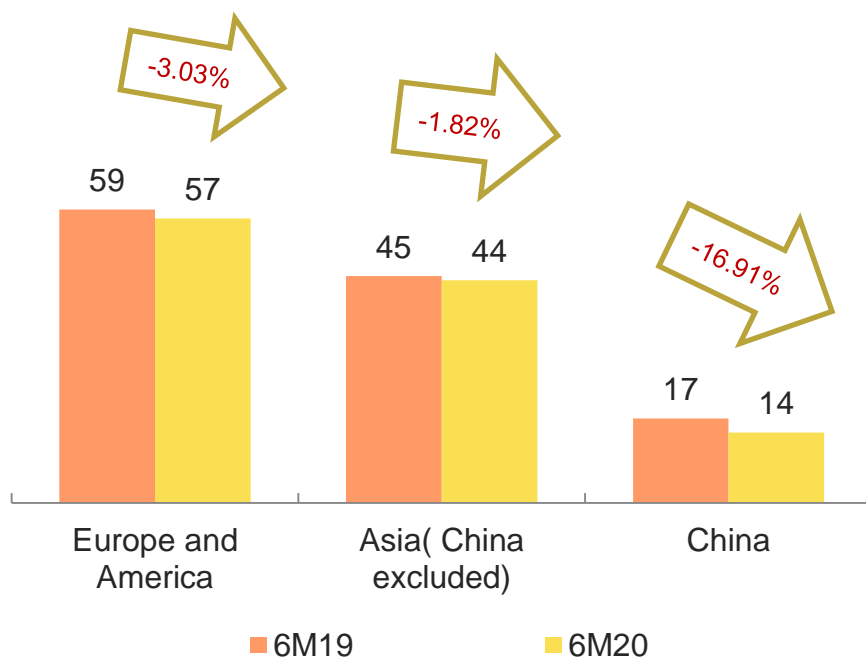


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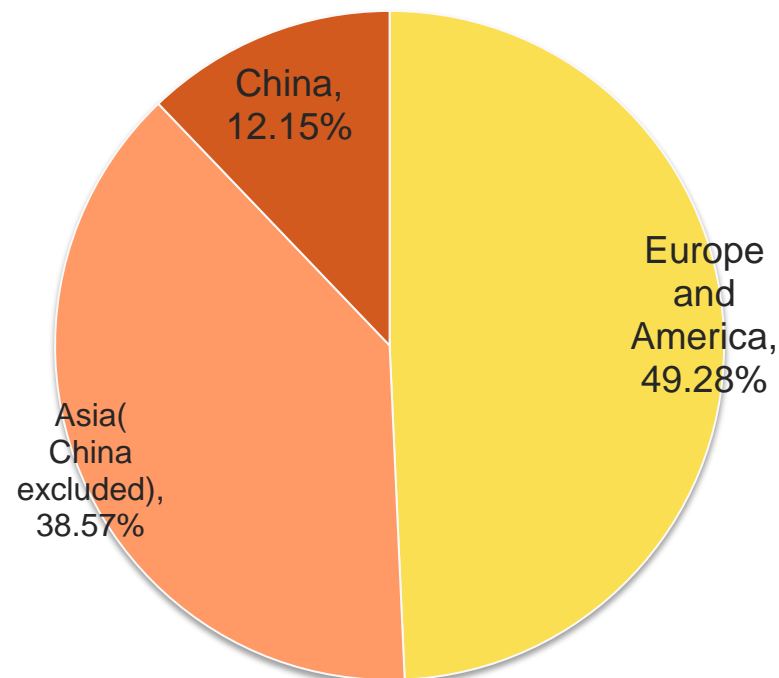
# Overseas Loan Breakdown by Regions

## Overseas Loan Balance (in NT\$ bn)

6M19	6M20	YoY
121	115	-4.51%



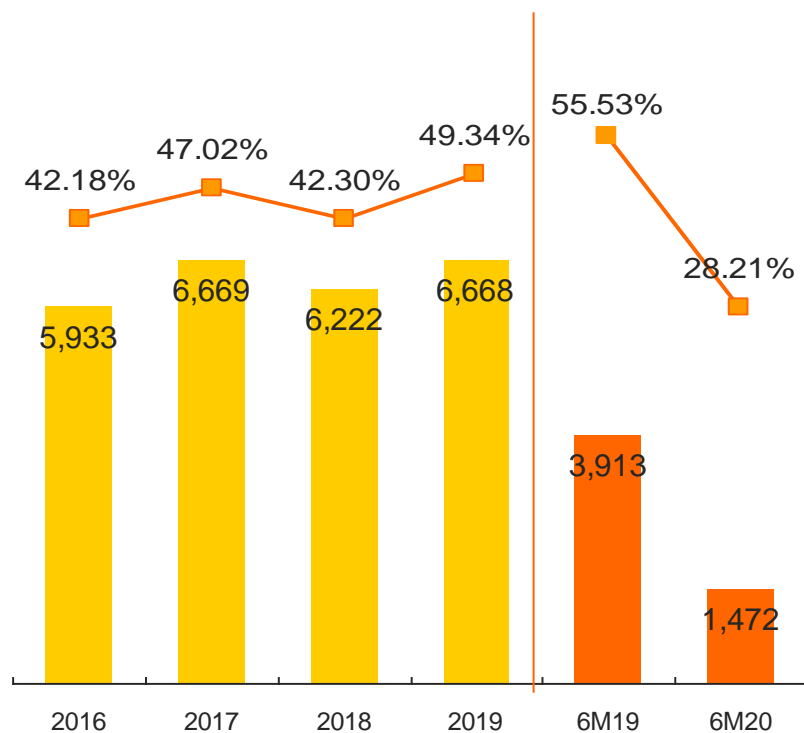
## 6M20 Overseas Loan Breakdown by Regions



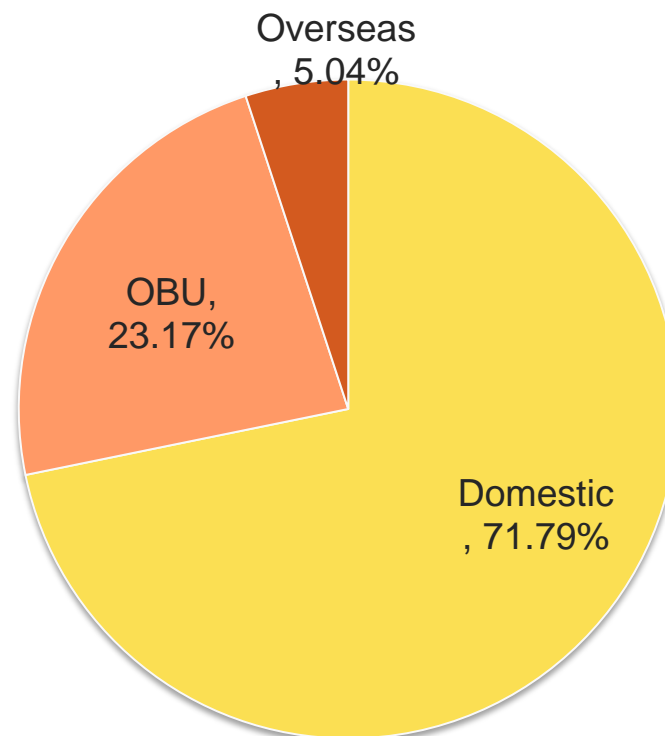
1. Loan is included ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excluded overdue loans.
2. The figures are the average of six months.
3. Including China subsidiary.

# Overseas & OBU Performance

**Overseas & OBU  
Net Income Before Tax (in NT\$ mn)**

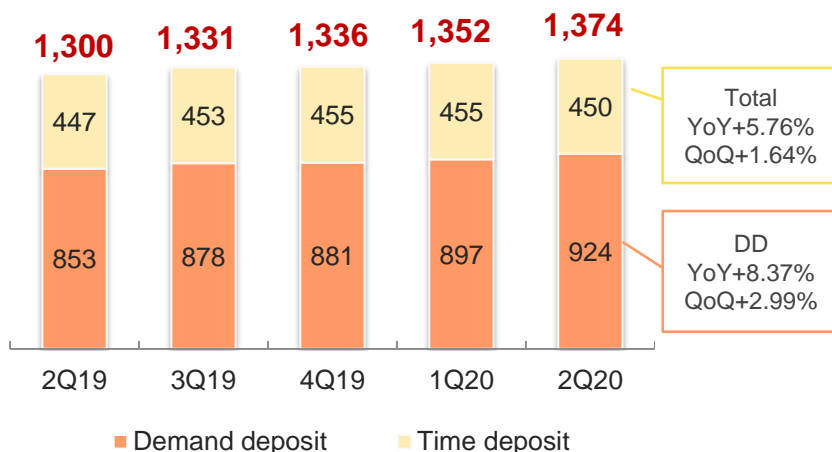


**6M20 Net Income Before Tax  
Breakdown**

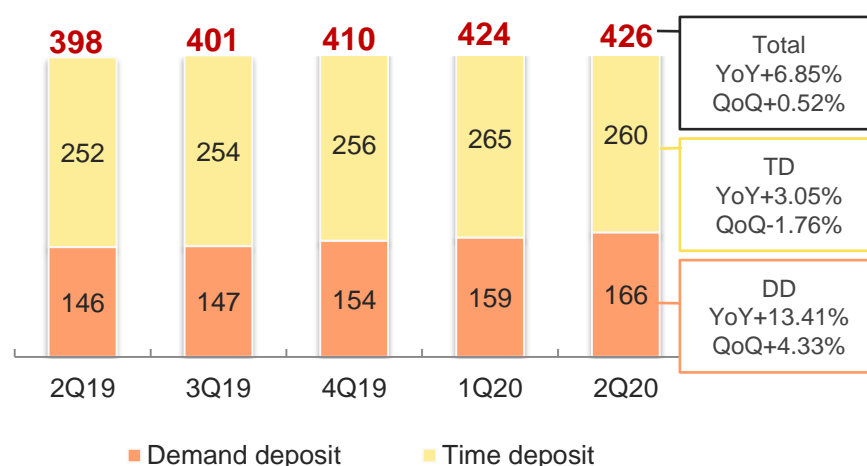


# Deposit Breakdown by Currency

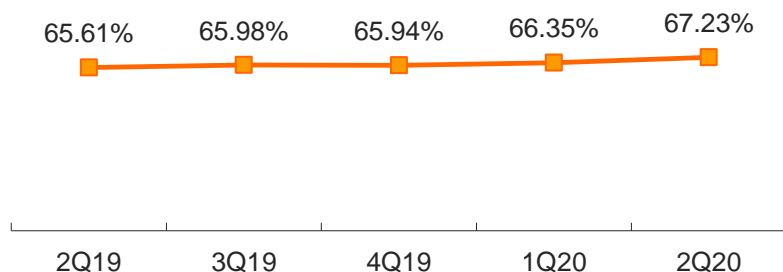
## Quarterly NTD Deposit Balance (in NT\$ bn)



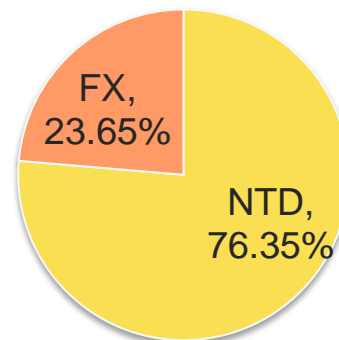
## Quarterly FX Deposit Balance (in NT\$ bn)



## Quarterly NTD Demand Deposit Proportion



## 2Q20 Deposit Breakdown by Currency

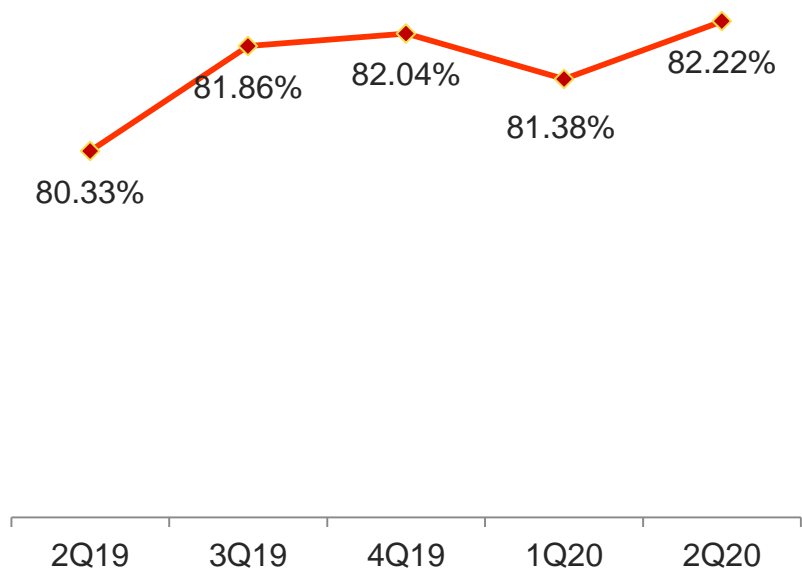


1. Quarterly deposit balance is single quarter average balance basis.
2. YoY is compared with the average on second quarter of 2019 and 2020.

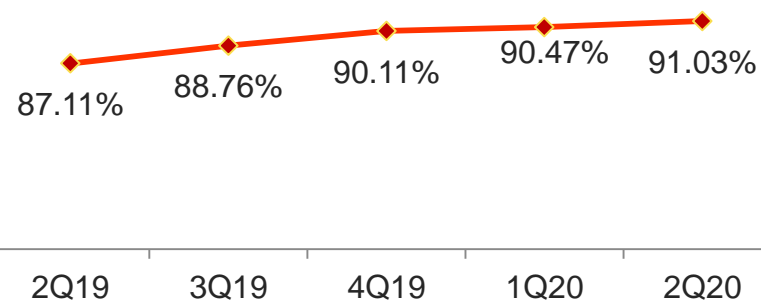


# LDR

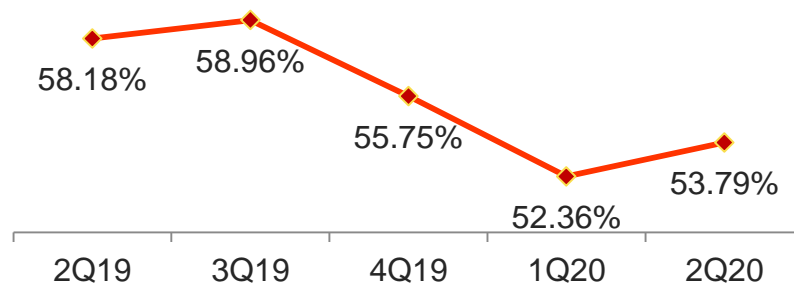
## Total LDR



## NTD LDR

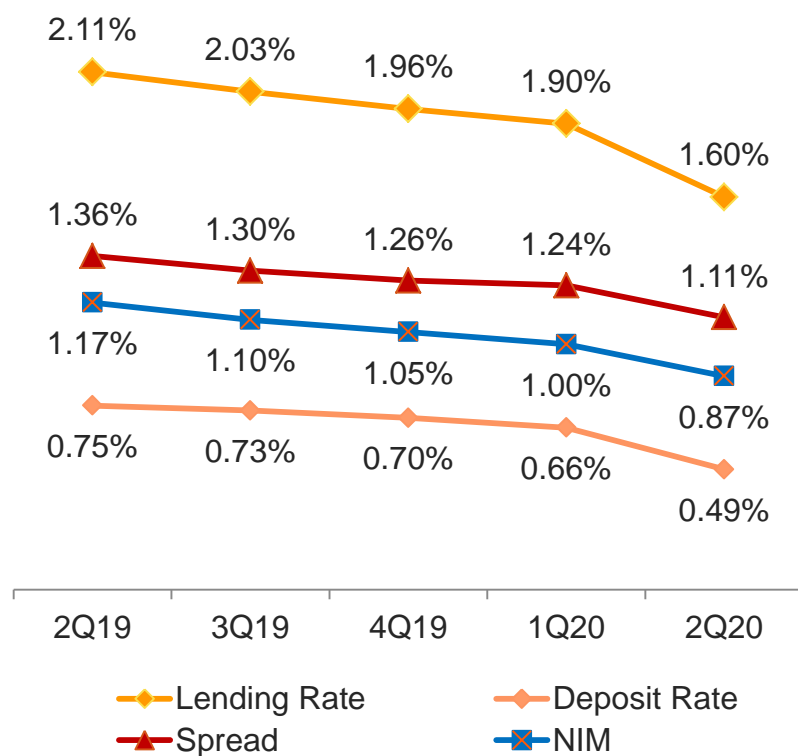


## FX LDR

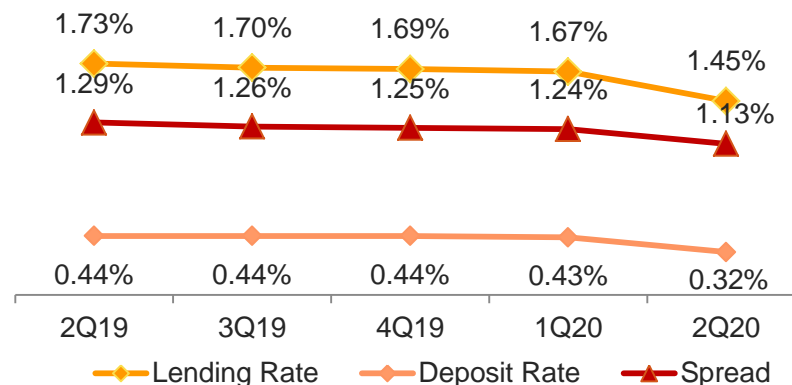


# Spread and NIM

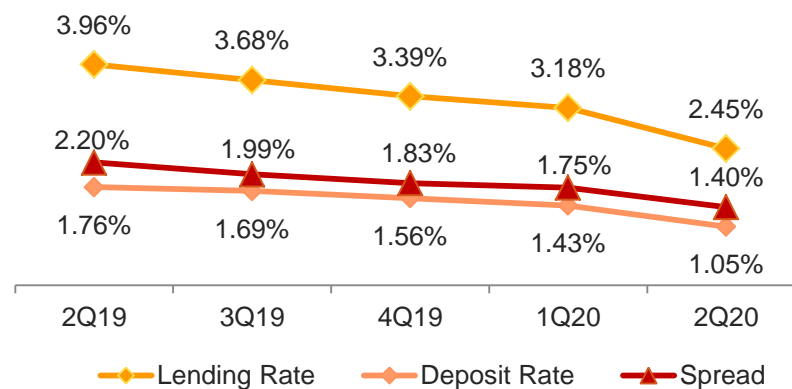
## Quarterly Total Loan to Deposit Spread and NIM



## NTD Loan to Deposit Spread



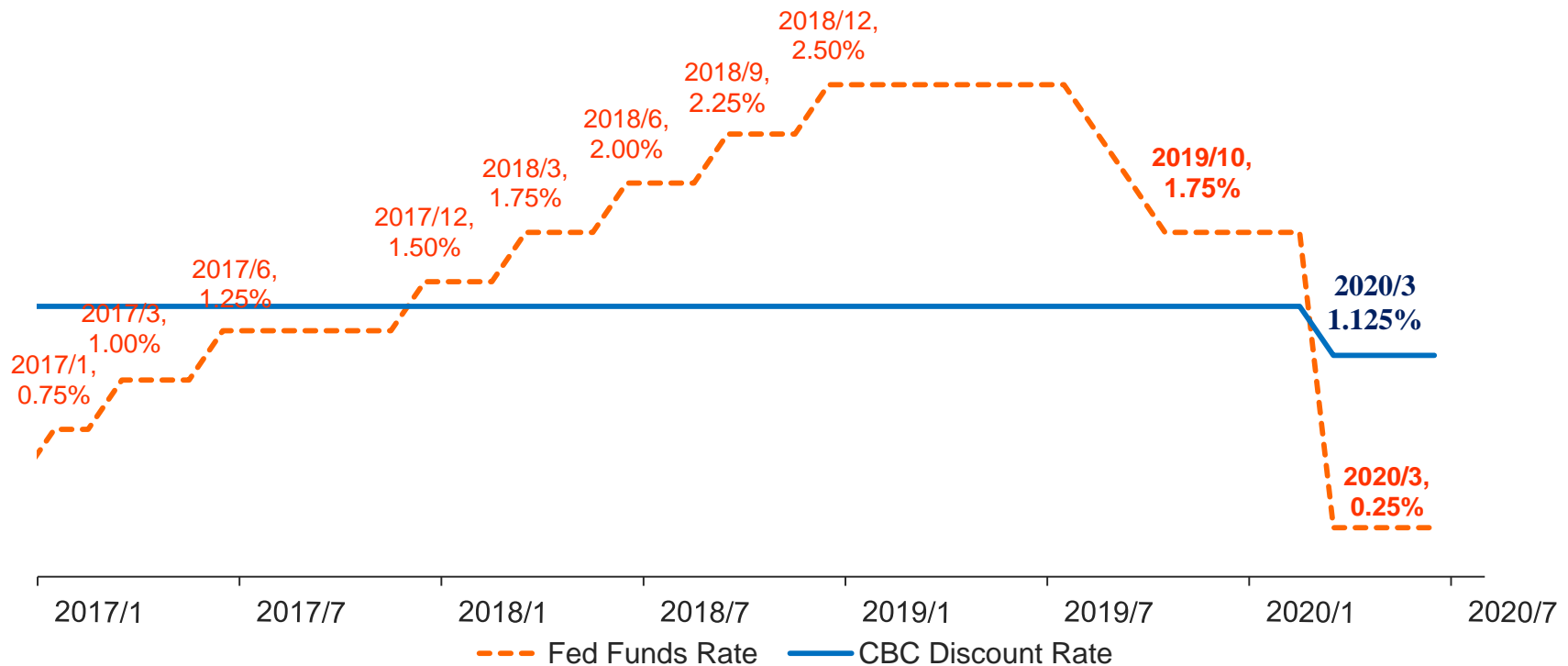
## FX Loan to Deposit spread



\*.IFRS and quarterly basis.

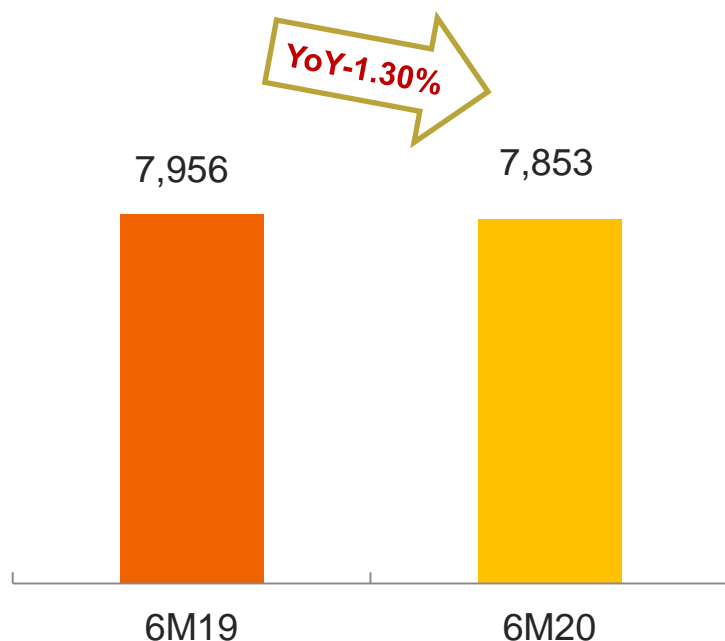
# Fed Funds Rate vs. CBC Discount Rate Trends

## Fed Funds Rate VS. CBC Discount Rate

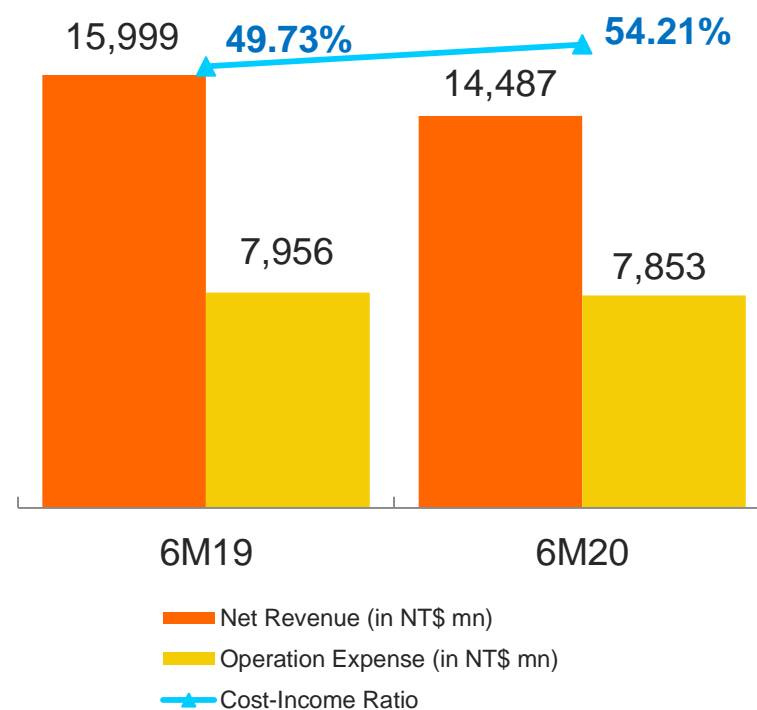


# Cost-Income Ratio

## Operating Expense (in NT\$ mn)

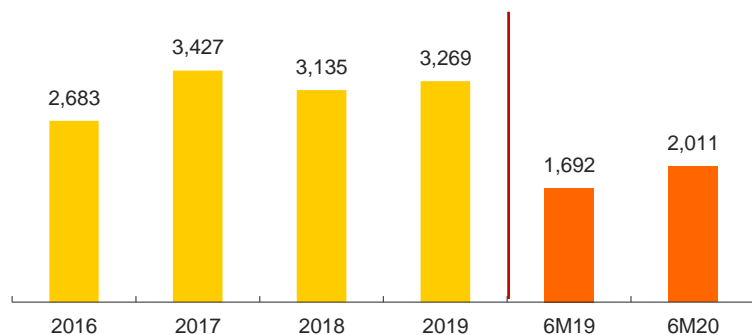


## Cost-Income Ratio

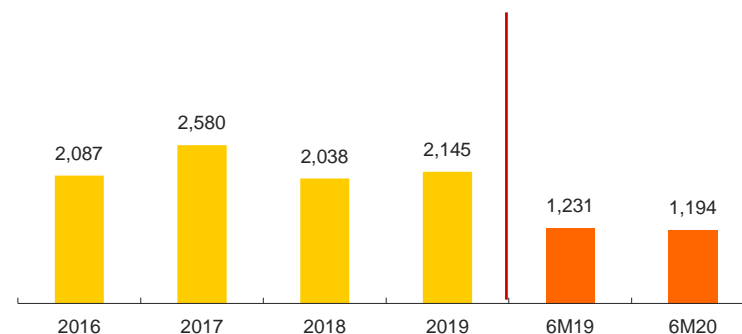


# Loan Provision, Write-off and Recovery

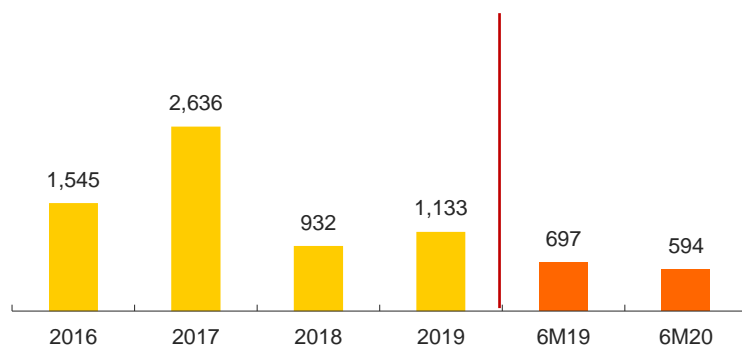
**Provision** (in NT\$ mn)



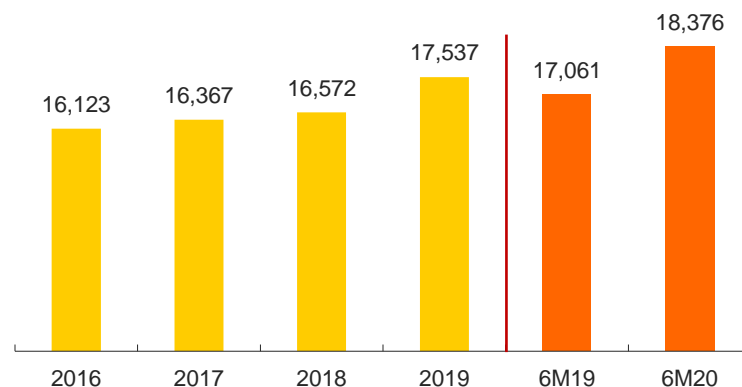
**Write-Off** (in NT\$ mn)



**Recovery** (in NT\$ mn)

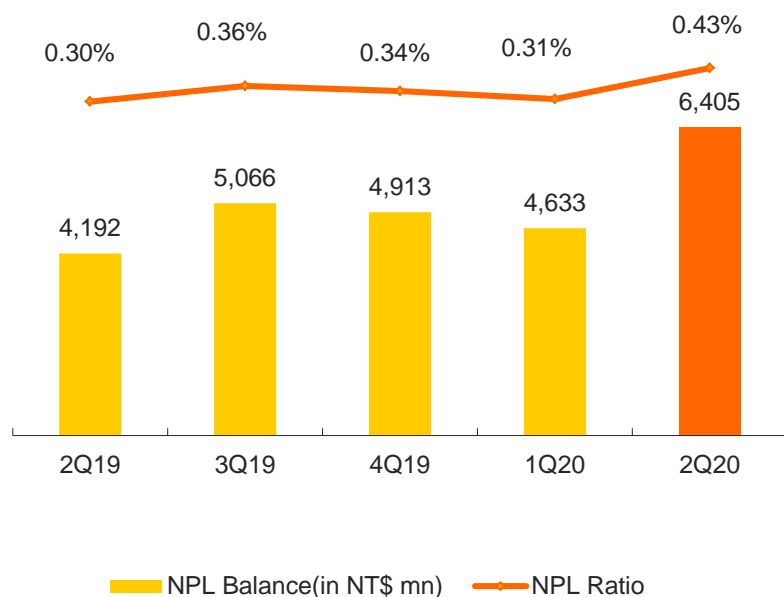


**Reserve** (in NT\$ mn)

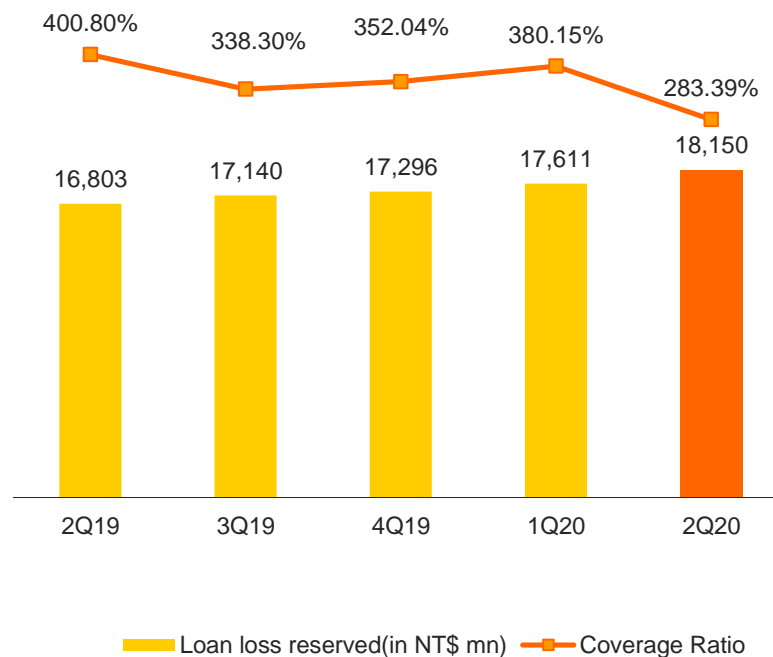


# NPL Ratio and Coverage Ratio

## NPL Ratio

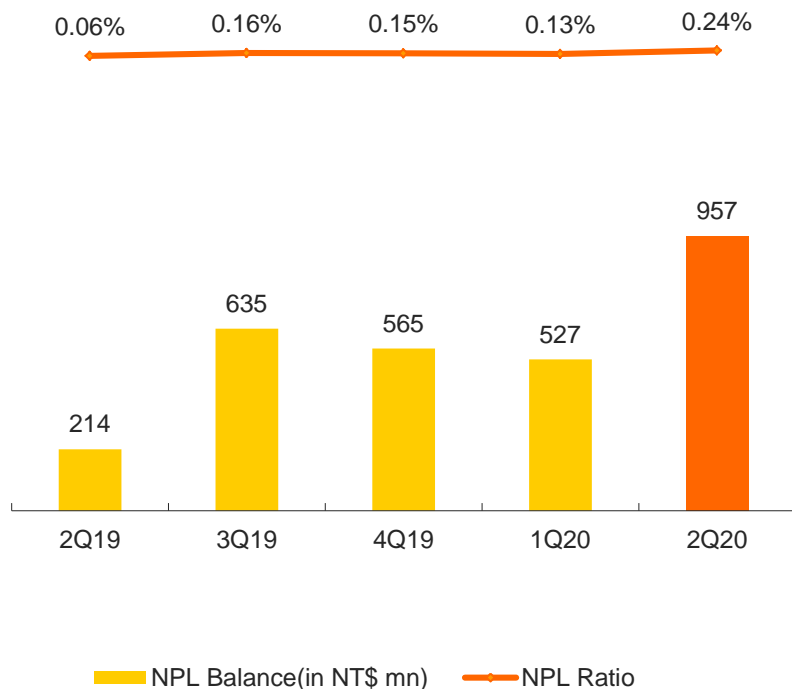


## Coverage Ratio

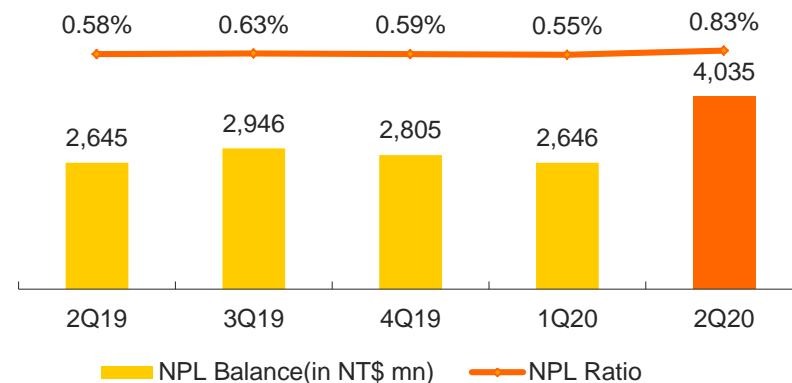


# Asset Quality

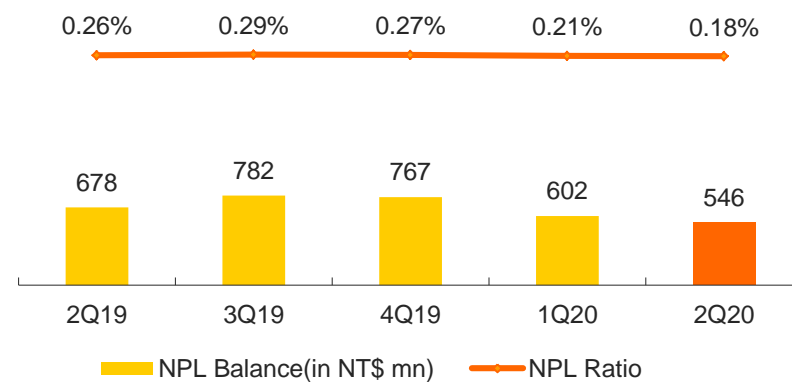
## Large Corp.



## SME



## Mortgage



# Credit Rating & CAR

## Credit Rating

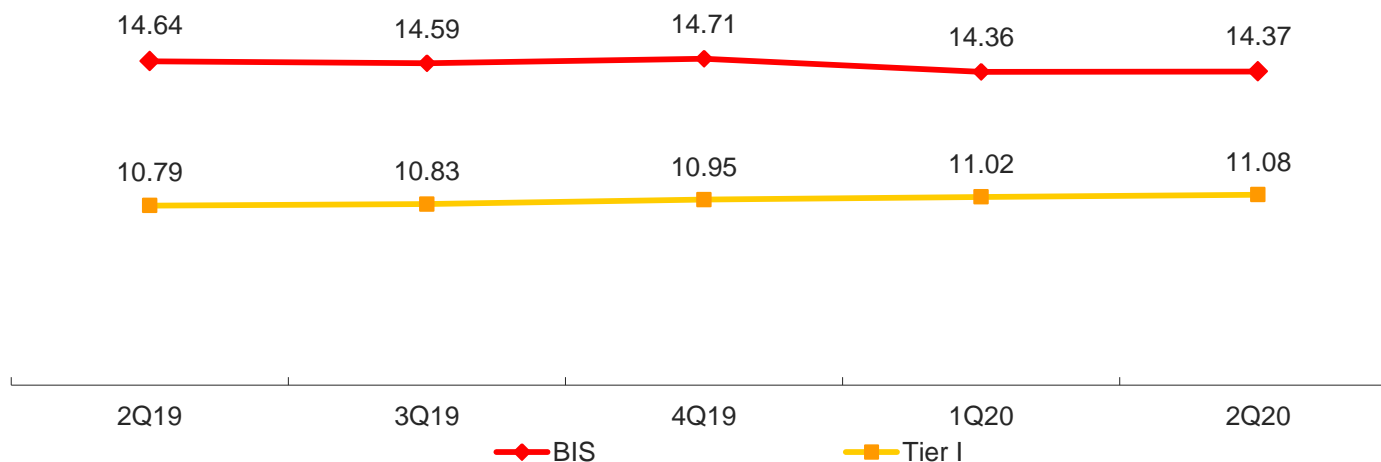
■ **Moody's** (2020/2,Review) :

- Long Term Rating : A2
- Short Term Rating : P-1
- Outlook : Stable

■ **S&P** (2019/11,Review) :

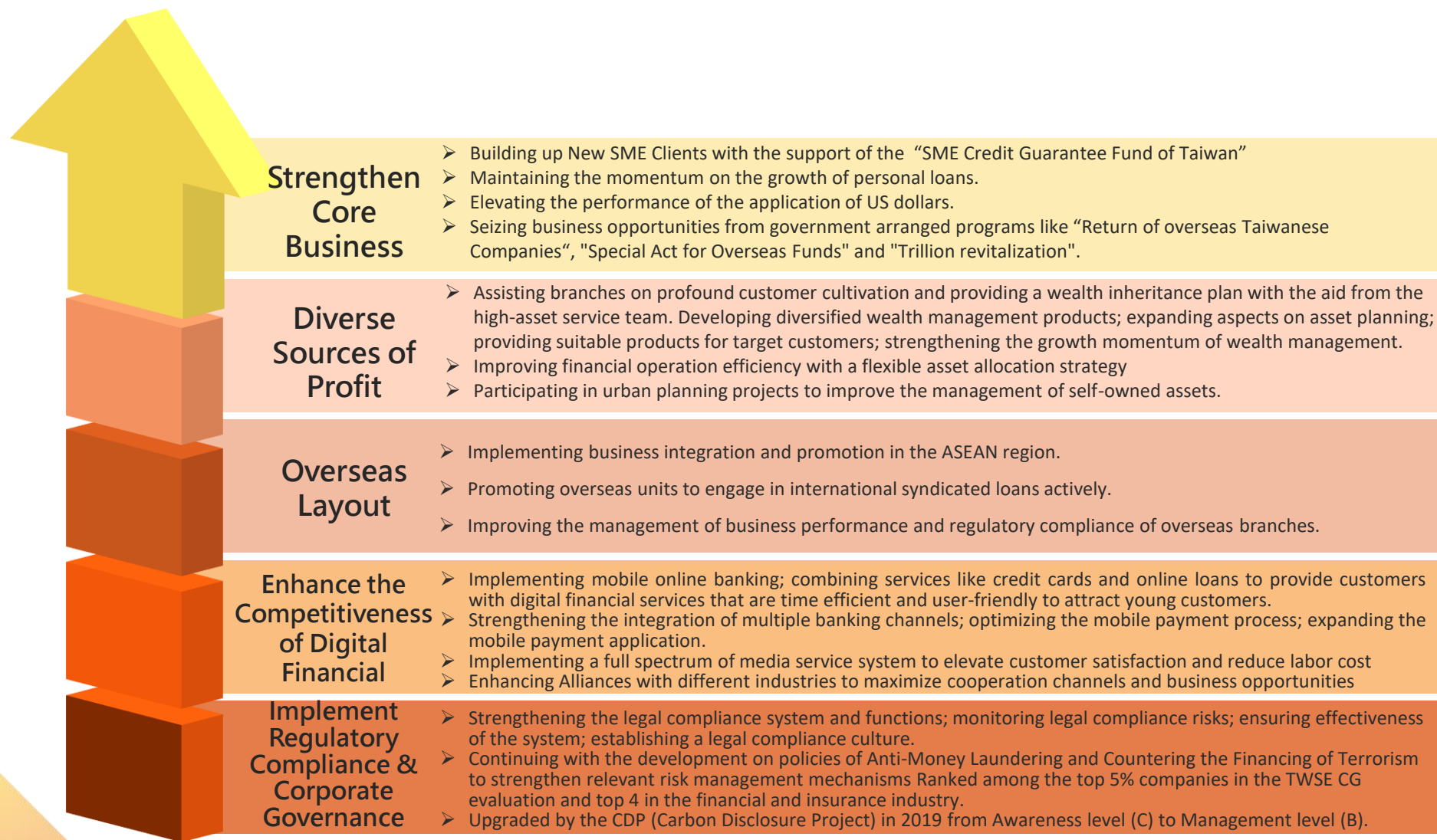
- Long Term Rating : A-
- Short Term Rating : A-2
- Outlook : Stable

## Capital Adequacy Ratio (%)





# Operational Perspective





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Q&A



# Agenda

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● Operational Highlights

● Financial Performance

● Operating Results

● Appendix

# BALANCE SHEETS(Consolidated)

(in NT\$ mn)	Year(IFRSs)			Quarter(IFRSs)						Period(IFRSs)		
	2018	2019	Change%	2Q19	3Q19	4Q19	1Q20	2Q20	Change%	2Q19	2Q20	Change%
<b>Assets</b>												
Cash & due from Banks	249,016	199,336	-19.95%	229,311	187,982	199,336	208,434	188,282	-9.67%	229,311	188,282	-17.89%
Financial assets at FVPL, net	10,918	11,483	5.18%	9,090	11,114	11,483	19,466	15,475	-20.50%	9,090	15,475	70.25%
Financial assets at FVOCI, net	91,938	116,296	26.49%	119,839	124,472	116,296	106,589	112,222	5.28%	119,839	112,222	-6.36%
Financial assets for hedging	245	247	0.97%	275	267	247	302	288	-4.68%	275	288	4.59%
Financial assets at amortized cost, net	268,060	276,059	2.98%	270,059	272,616	276,059	294,020	310,472	5.60%	270,059	310,472	14.96%
Receivables, net	29,934	23,201	-22.49%	26,581	35,177	23,201	20,150	19,294	-4.24%	26,581	19,294	-27.41%
Loans, net	1,336,701	1,427,351	6.78%	1,383,681	1,422,235	1,427,351	1,469,115	1,491,585	1.53%	1,383,681	1,491,585	7.80%
Other financial assets, net	55,045	40,134	-27.09%	44,118	34,609	40,134	33,282	29,652	-10.91%	44,118	29,652	-32.79%
Property and equipment, net	21,071	20,739	-1.58%	20,827	20,701	20,739	20,672	20,658	-0.07%	20,827	20,658	-0.81%
Right-of-use asset	-	1,620	-	1,684	1,643	1,620	1,670	1,616	-3.19%	1,684	1,616	-4.01%
Investment property, net	13,742	13,873	0.95%	13,876	13,875	13,873	13,871	13,869	-0.01%	13,876	13,869	-0.05%
Other assets	5,142	5,303	3.14%	4,829	5,530	5,303	6,025	6,096	1.18%	4,829	6,096	26.24%
Total Assets	2,081,812	2,135,643	2.59%	2,124,170	2,130,220	2,135,643	2,193,595	2,209,511	0.73%	2,124,170	2,209,511	4.02%
<b>Liabilities</b>												
Due to banks	113,039	102,306	-9.50%	132,529	104,986	102,306	120,633	132,971	10.23%	132,529	132,971	0.33%
Financial liabilities at FVPL	11,047	4,247	-61.55%	12,143	13,412	4,247	2,537	5,101	101.08%	12,143	5,101	-57.99%
RP	5,286	1,547	-70.73%	2,181	1,968	1,547	1,831	1,847	0.91%	2,181	1,847	-15.30%
Payables	36,678	21,847	-40.44%	39,781	41,833	21,847	23,286	30,982	33.05%	39,781	30,982	-22.12%
Deposits and remittances	1,689,581	1,765,948	4.52%	1,700,423	1,730,495	1,765,948	1,805,747	1,800,588	-0.29%	1,700,423	1,800,588	5.89%
Bank notes payable	49,549	55,521	12.05%	55,544	55,539	55,521	55,577	54,604	-1.75%	55,544	54,604	-1.69%
Provisions	5,296	5,341	0.84%	5,136	5,149	5,341	5,229	5,189	-0.76%	5,136	5,189	1.04%
Lease liabilities	-	1,420	-	1,475	1,445	1,420	1,476	1,426	-3.38%	1,475	1,426	-3.31%
Other liabilities	14,774	15,229	3.08%	16,687	15,480	15,229	15,139	14,721	-2.76%	16,687	14,721	-11.78%
Total Liabilities	1,925,250	1,973,406	2.50%	1,965,899	1,970,307	1,973,406	2,031,454	2,047,430	0.79%	1,965,899	2,047,430	4.15%
<b>Stockholders' Equity</b>	156,562	162,237	3.62%	158,271	159,913	162,237	162,141	162,081	-0.04%	158,271	162,081	2.41%
Total Liabilities and Stockholders' Equity	2,081,812	2,135,643	2.59%	2,124,170	2,130,220	2,135,643	2,193,595	2,209,511	0.73%	2,124,170	2,209,511	4.02%

# STATEMENTS OF COMPREHENSIVE INCOME(Consolidated)

(in NT\$ mn)	Year(IFRSs)			Quarter(IFRSs)						Period(IFRSs)		
	2018	2019	Change%	2Q19	3Q19	4Q19	1Q20	2Q20	Change%	6M19	6M20	Change%
Interest Income	38,422	39,190	2.00%	10,122	9,858	9,340	8,797	7,377	-16.14%	19,992	16,173	-19.10%
Interest Expense	15,232	16,341	7.28%	4,169	4,153	3,880	3,659	2,789	-23.79%	8,308	6,448	-22.38%
<b>Net Interest Income</b>	<b>23,190</b>	<b>22,850</b>	<b>-1.47%</b>	<b>5,953</b>	<b>5,705</b>	<b>5,461</b>	<b>5,137</b>	<b>4,588</b>	<b>-10.69%</b>	<b>11,684</b>	<b>9,725</b>	<b>-16.77%</b>
Net Service fee and commissions income	4,868	4,635	-4.79%	1,132	1,151	1,187	1,223	1,065	-12.97%	2,297	2,288	-0.38%
Gains(losses) on financial assets and liabilities at FVPL	2,712	1,837	-32.27%	234	387	648	323	842	160.78%	801	1,166	45.51%
Realized gains of financial assets at FVOCI	782	1,365	0.75	271	725	176	386	452	17.07%	465	837	80.05%
Gains(losses) on disposal of credit assets measured at AC	-101	-	-	-	-	-	-	0	-	-	0	-
Foreign exchange gains(losses)	1,181	919	-22.19%	291	373	-75	235	-2	-100.67%	621	233	-62.47%
Other miscellaneous net income	476	473	-0.64%	65	74	268	150	87	-41.90%	131	238	81.44%
<b>Net income other than net interest income</b>	<b>9,918</b>	<b>9,229</b>	<b>-6.95%</b>	<b>1,993</b>	<b>2,710</b>	<b>2,204</b>	<b>2,317</b>	<b>2,445</b>	<b>5.50%</b>	<b>4,315</b>	<b>4,762</b>	<b>10.35%</b>
<b>Net Revenues and gains</b>	<b>33,108</b>	<b>32,078</b>	<b>-3.11%</b>	<b>7,946</b>	<b>8,415</b>	<b>7,665</b>	<b>7,454</b>	<b>7,032</b>	<b>-5.66%</b>	<b>15,999</b>	<b>14,487</b>	<b>-9.45%</b>
Credit loss provisions, net	2,203	2,136	-3.02%	621	710	432	572	845	47.70%	995	1,417	42.41%
<b>Operating Expenses</b>	<b>16,195</b>	<b>16,422</b>	<b>1.40%</b>	<b>4,054</b>	<b>4,202</b>	<b>4,263</b>	<b>3,783</b>	<b>4,070</b>	<b>7.61%</b>	<b>7,956</b>	<b>7,853</b>	<b>-1.30%</b>
Employee Benefits expenses	10,797	10,868	0.65%	2,654	2,787	2,812	2,505	2,700	7.75%	5,269	5,205	-1.22%
Depreciation and amortization expenses	716	1,437	100.68%	356	365	355	354	350	-1.18%	717	704	-1.78%
Other general and administrative expenses	4,682	4,117	-12.06%	1,044	1,050	1,097	923	1,021	10.62%	1,970	1,944	-1.34%
<b>Income before income tax from continuing operations</b>	<b>14,710</b>	<b>13,520</b>	<b>-8.09%</b>	<b>3,271</b>	<b>3,502</b>	<b>2,970</b>	<b>3,100</b>	<b>2,117</b>	<b>-31.70%</b>	<b>7,047</b>	<b>5,217</b>	<b>-25.97%</b>
Income Tax Expense	2,064	1,949	-5.60%	408	519	380	607	364	-40.03%	1,048	971	-7.39%
<b>Net Income</b>	<b>12,646</b>	<b>11,572</b>	<b>-8.49%</b>	<b>2,863</b>	<b>2,983</b>	<b>2,589</b>	<b>2,493</b>	<b>1,753</b>	<b>-29.68%</b>	<b>5,999</b>	<b>4,246</b>	<b>-29.23%</b>
Basic EPS(NT\$)	1.29	1.16	-10.08%	0.29	0.30	0.25	0.25	0.17	-32.00%	0.58	0.41	-29.31%
Other comprehensive income	110	369	235.52%	871	-1,342	-265	-2,589	2,181	-184.25%	1,976	-408	-120.64%
<b>Total comprehensive income</b>	<b>12,756</b>	<b>11,941</b>	<b>-6.39%</b>	<b>3,734</b>	<b>1,641</b>	<b>2,324</b>	<b>-96</b>	<b>3,934</b>	<b>-4201.21%</b>	<b>7,975</b>	<b>3,838</b>	<b>-51.87%</b>



彰化銀行

THANK YOU

