



彰化銀行

# Financial Review

## 3Q 2020

(Bloomberg: 2801 TT)

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December 4, 2020



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# Agenda

● **Operational Highlights**

● Financial Performance

● Operating Results

● Appendix

# Operational Highlights (consolidated basis)

## Core Business

- Loans NT\$1,486 bn,+4.15% YoY,  
Corp.+4.33% YoY · Personal +13.30% YoY ·  
Overseas -10.03% YoY
- Deposits NT\$1,829 bn,+5.59% YoY,  
NTD Demand Deposit+8.80% YoY  
FX Demand Deposit+21.20% YoY

## Profitability

- Net Income Before Tax NT\$6.773 bn,-35.80% YoY
- EPS NT\$0.54 · ROA 0.35% · ROE 4.63%

## Asset Quality

- NPL ratio was 0.40%
- Coverage ratio was 314.60%

## Capital Adequacy Ratio

- BIS ratio was 14.53%

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

# Agenda

● Operational Highlights

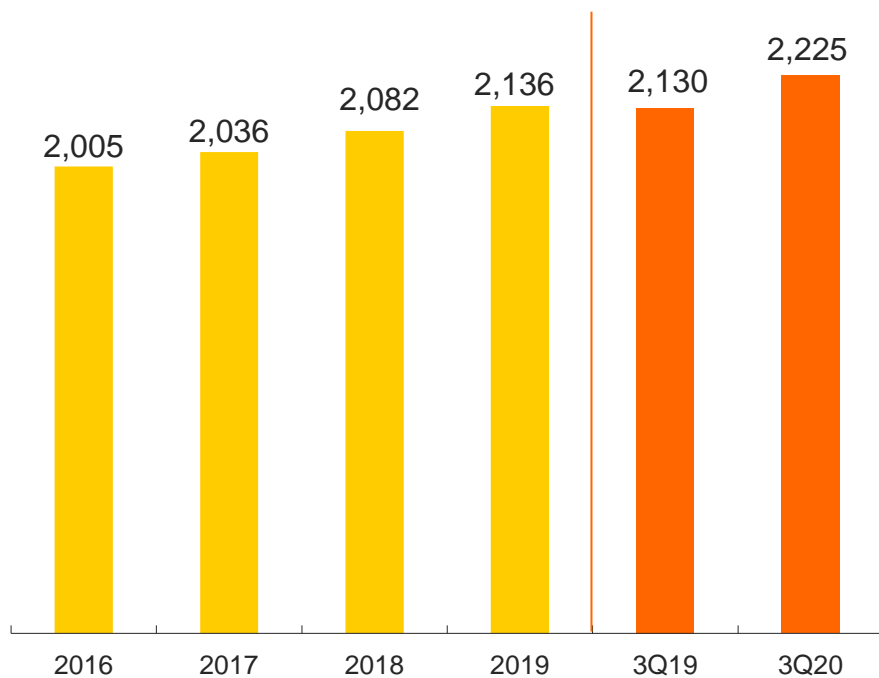
● **Financial Performance**

● Operating Results

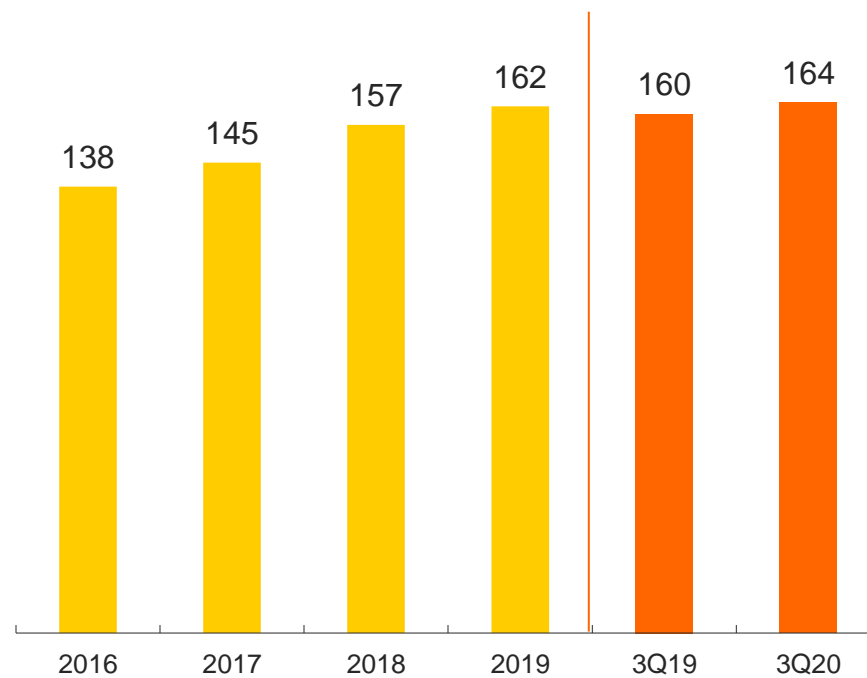
● Appendix

# Asset Size and Net Worth

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

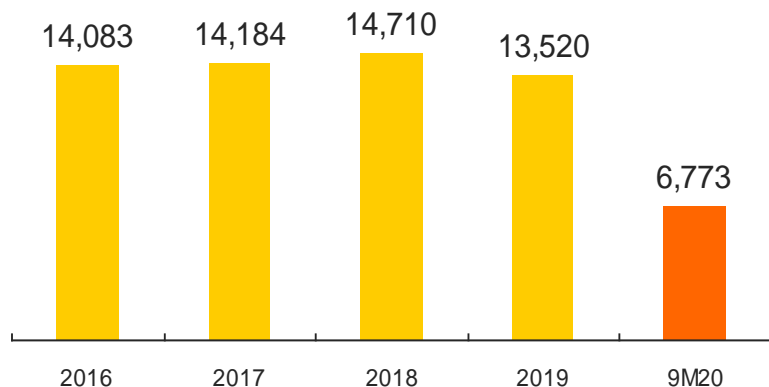


**Net Worth** (in NT\$ bn)

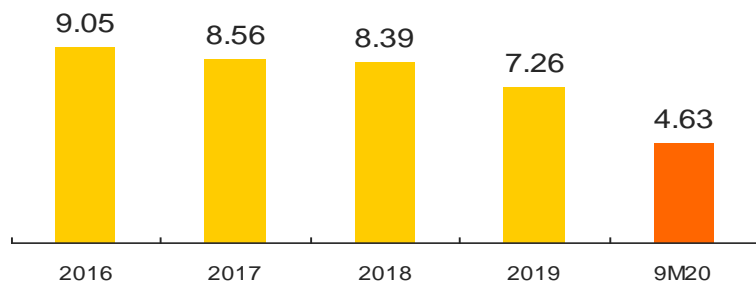


# Financial Performance

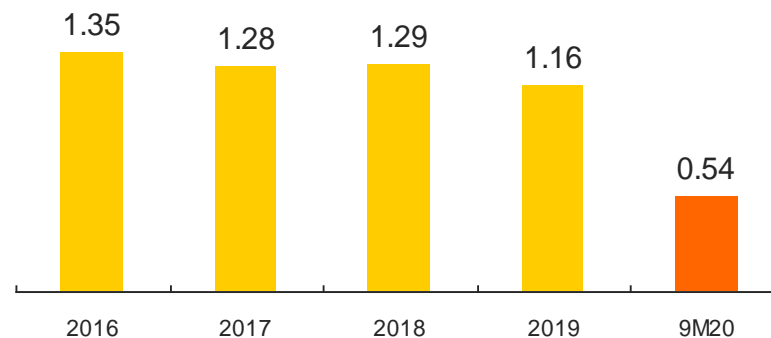
## Net Income Before Tax (in NT\$ mn)



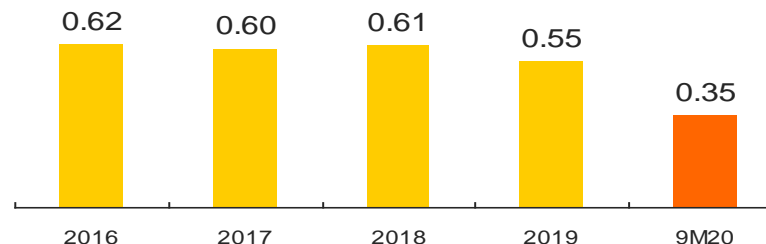
## ROE(%)



## EPS After tax (in NT\$)



## ROA(%)



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

# Comprehensive Income

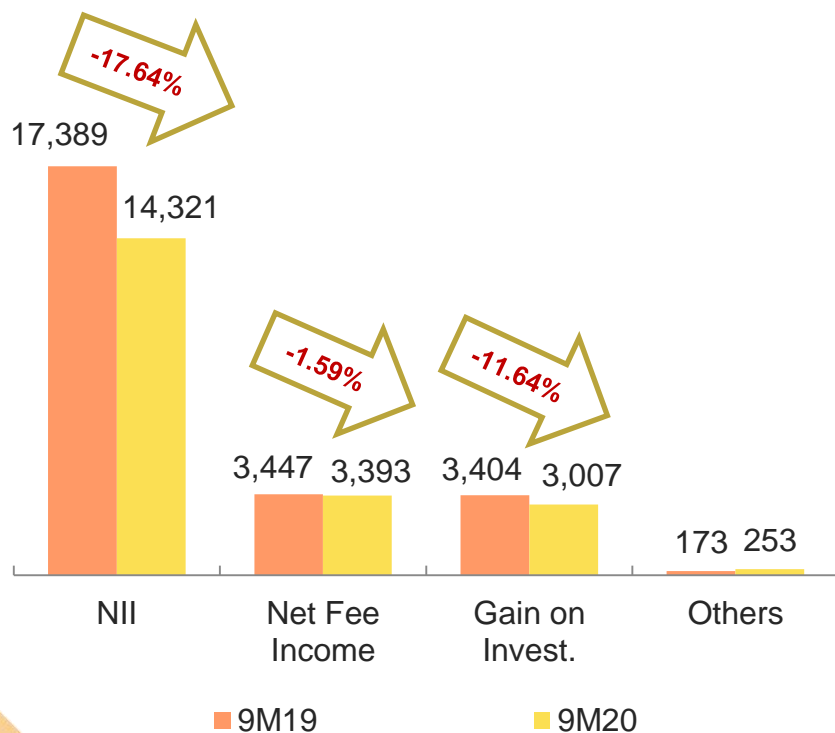
(In NT\$ mn )	9M19	9M20	YoY(%)
Net Revenue	24,413	20,974	-14.09%
Provision, Net	1,705	2,387	40.00%
Operating Expense	12,159	11,814	-2.83%
Net Income Before Tax	10,550	6,773	-35.80%
Income Tax Expense	1,567	1,118	-28.65%
Net Income After Tax	8,982	5,654	-37.05%
Other Comprehensive Income	634	-314	-149.60%
Total Comprehensive Income	9,616	5,340	-44.47%



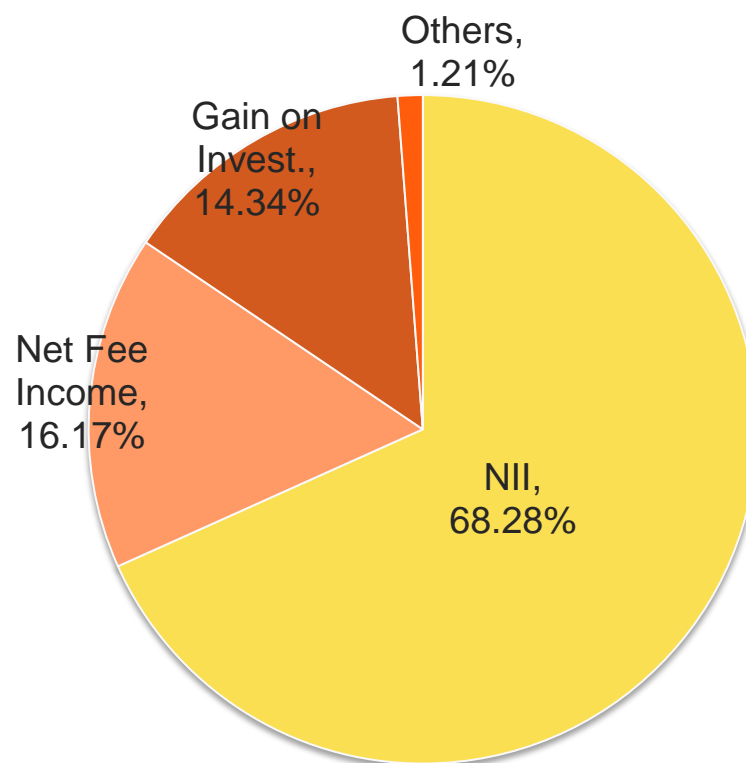
# Net Revenue

## Net Revenue (in NT\$ mn)

9M19	9M20	YoY
24,413	20,974	-14.09%



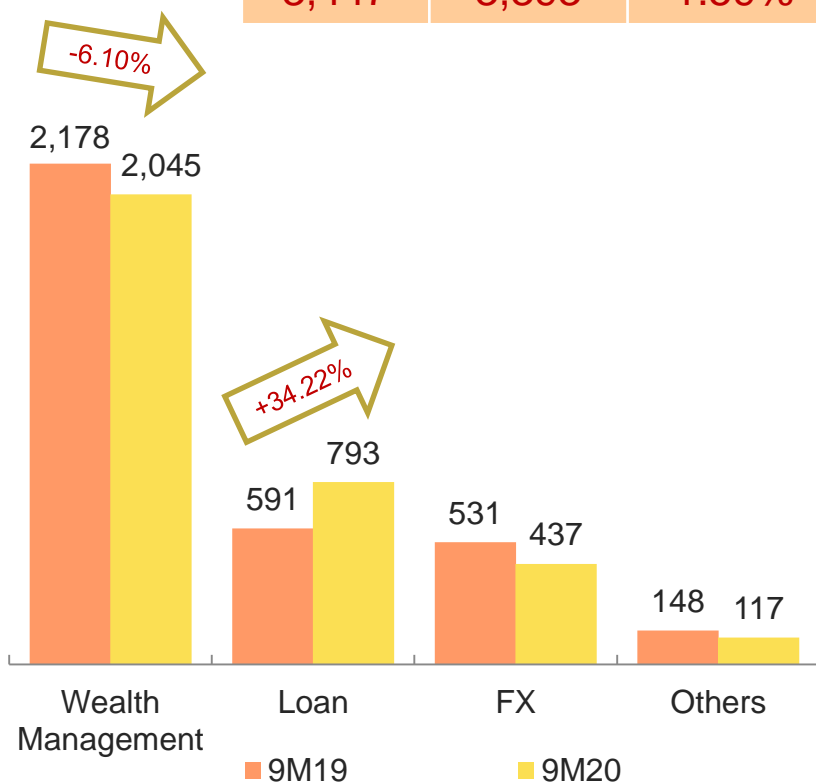
## 9M20 Net Revenue Breakdown



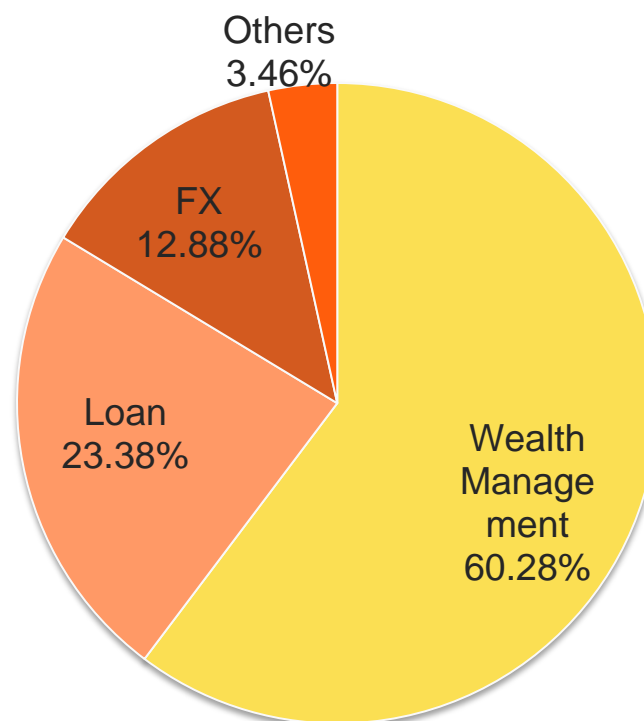
# Net Fee Income

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

9M19	9M20	YoY
3,447	3,393	-1.59%



## 6M20 Net Fee Income Breakdown



# Agenda

● Operational Highlights

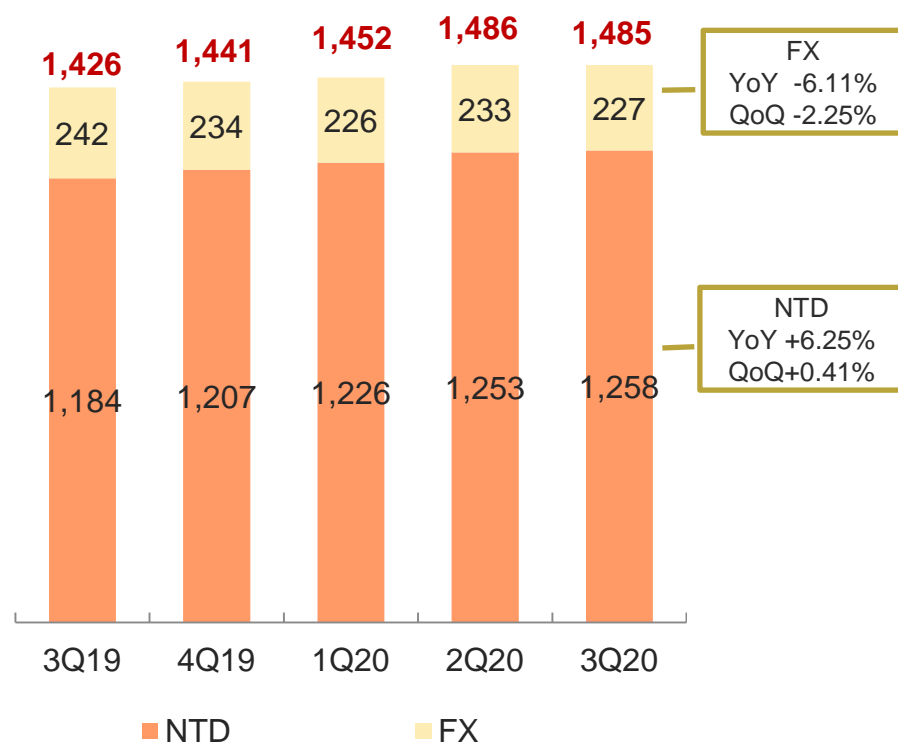
● Financial Performance

● **Operating Results**

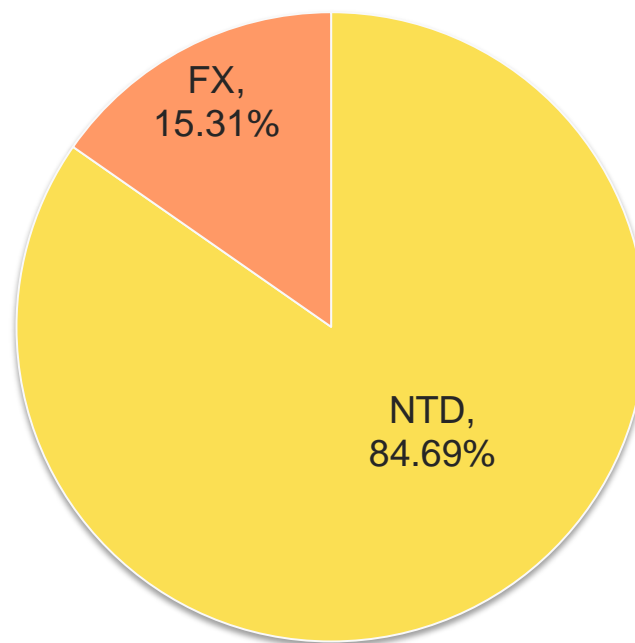
● Appendix

# Loan Breakdown by Currency

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



## 3Q20 Loan Breakdown by Currency

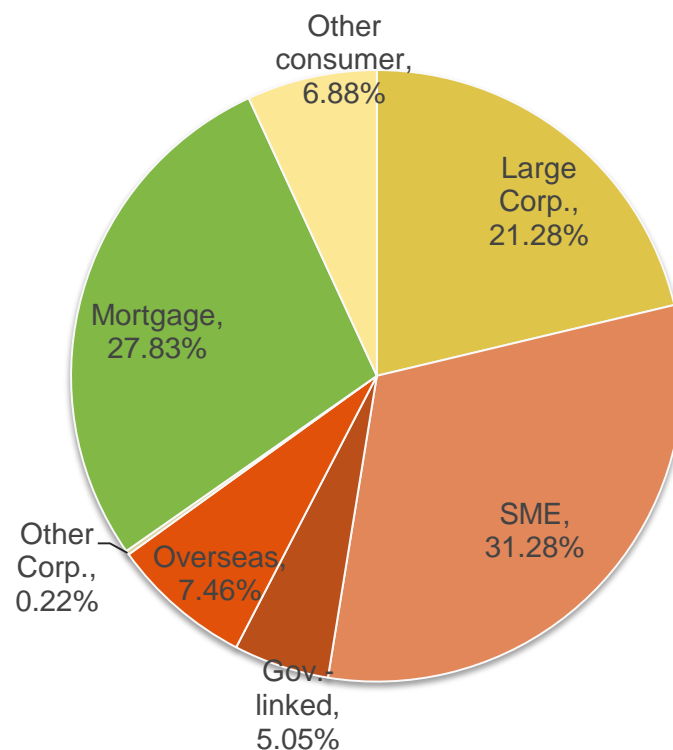
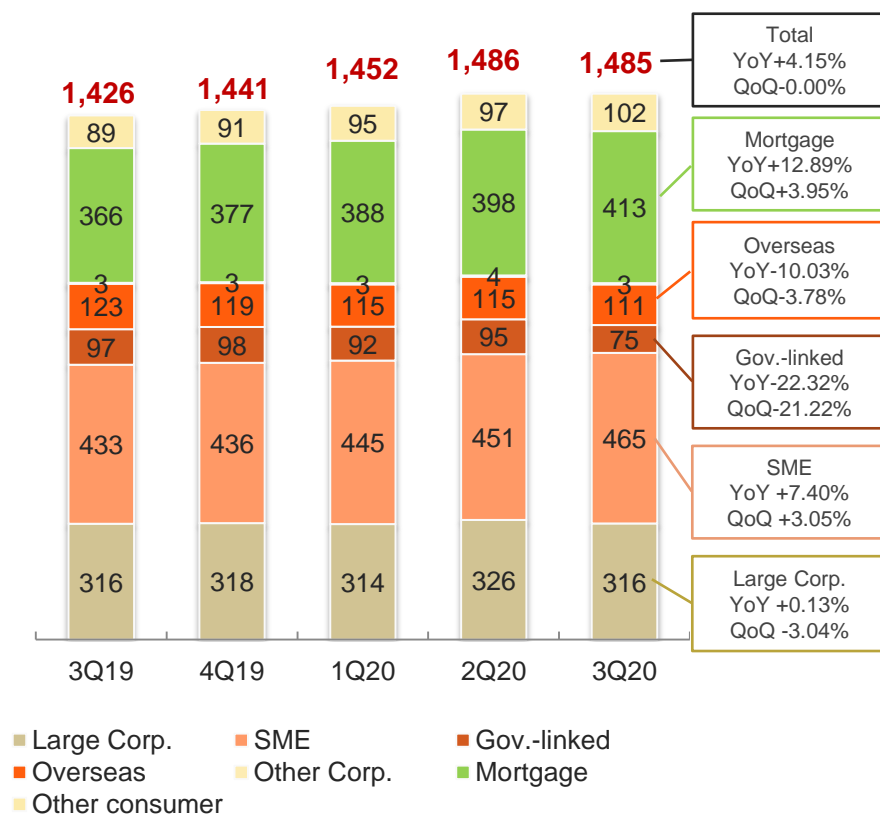


1. Loan is included ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excluded overdue loans.
2. Quarterly loan balance is single quarter average balance basis.
3. YoY is compared with the average on third quarter of 2019 and 2020.

# Loan Breakdown by Customer

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

## 3Q20 Loan Breakdown by Customer

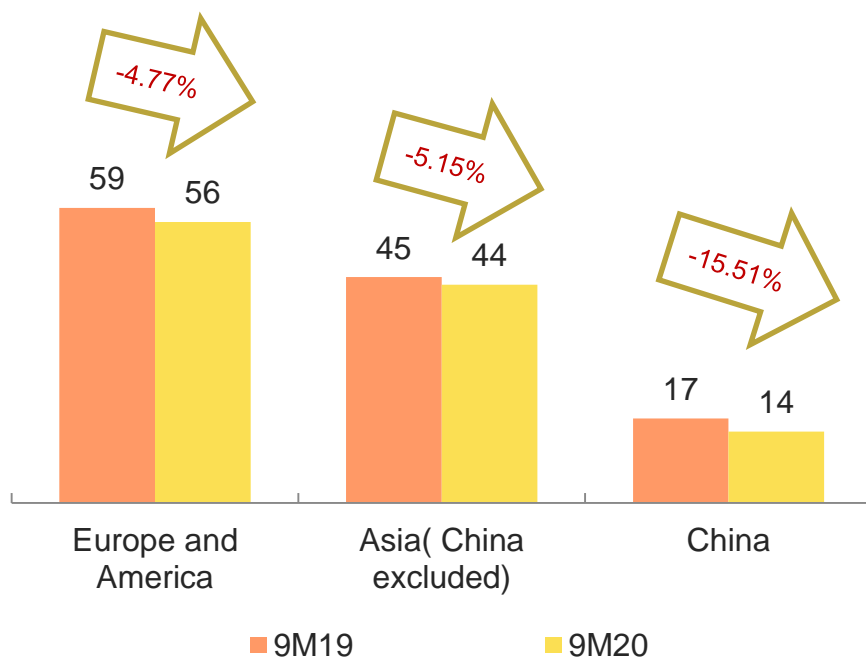


1. Loan is included ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excluded overdue loans.
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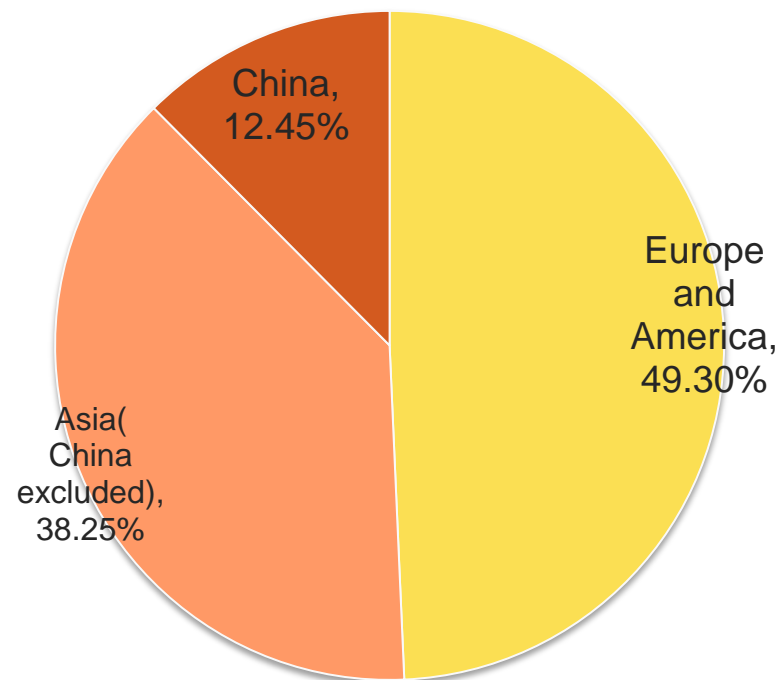
# Overseas Loan Breakdown by Regions

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

9M19	9M20	YoY
121	114	-6.39%



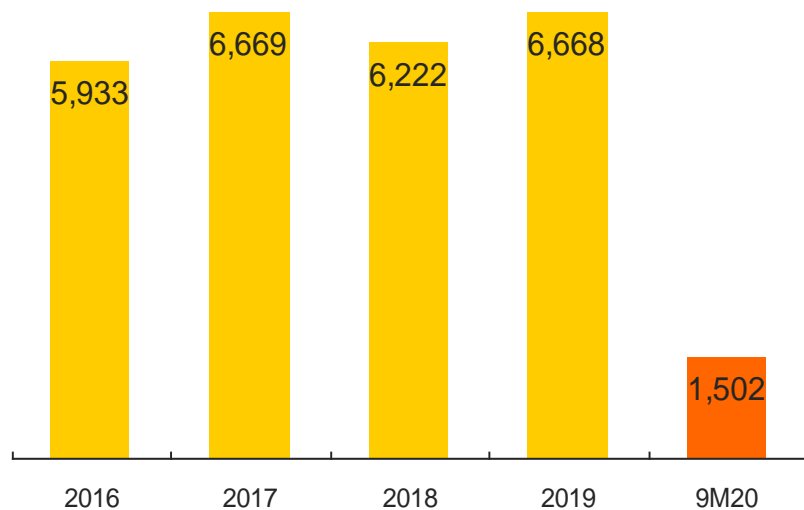
## 9M20 Overseas Loan Breakdown by Regions



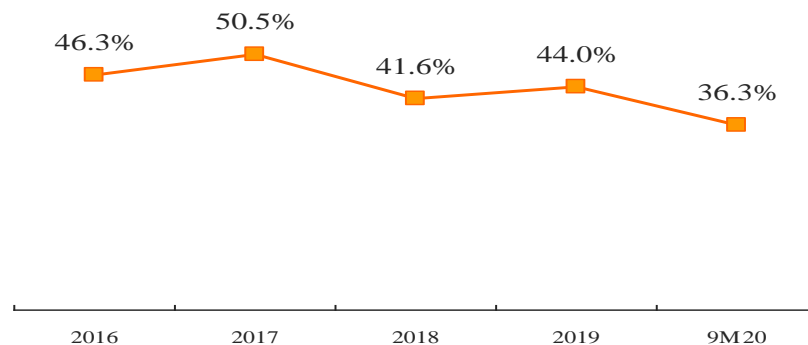
1. Loan is included ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excluded overdue loans.
2. The figures are the average of nine months.
3. Including China subsidiary.

# Overseas & OBU Performance

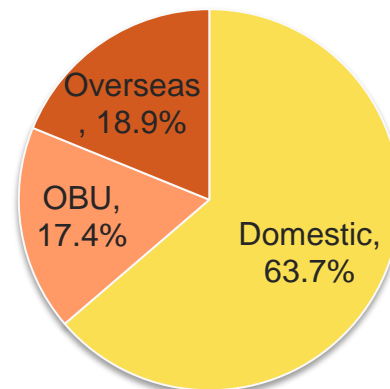
## Overseas & OBU Net Income Before Tax (in NT\$ mn)



## Overseas & OBU PPOP proportion

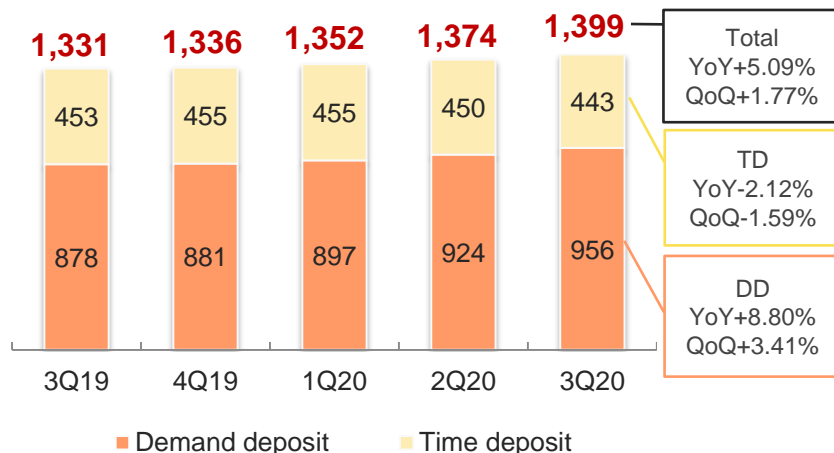


## 9M20 PPOP Breakdown

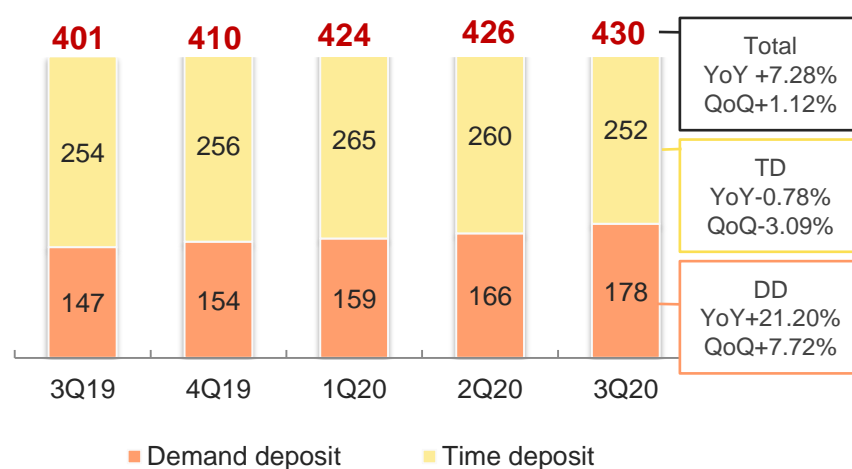


# Deposit Breakdown by Currency

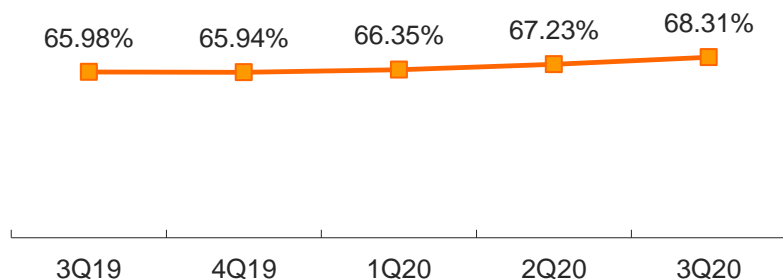
## Quarterly NTD Deposit Balance (in NT\$ bn)



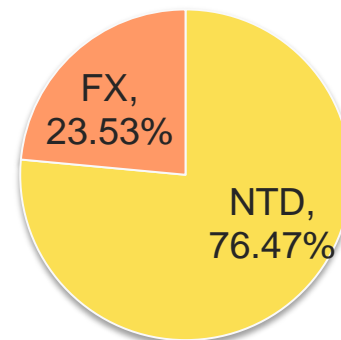
## Quarterly FX Deposit Balance (in NT\$ bn)



## Quarterly NTD Demand Deposit Proportion



## 2Q20 Deposit Breakdown by Currency

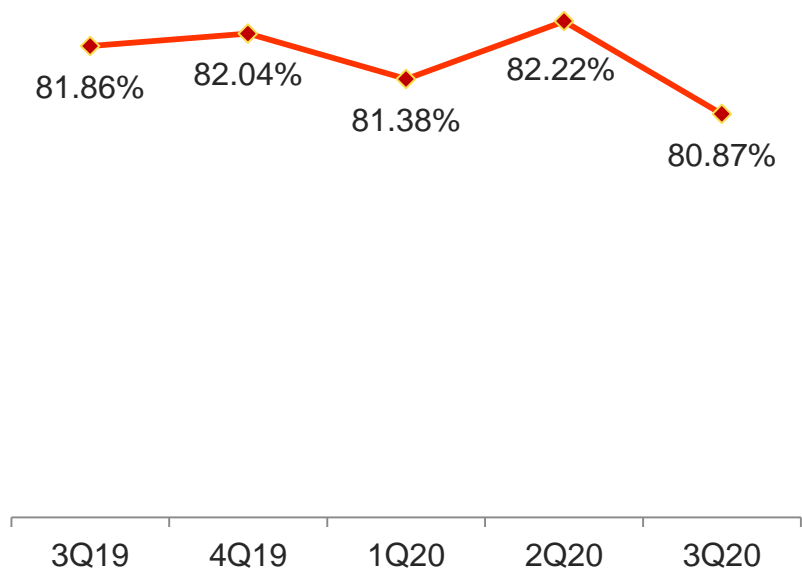


1. Quarterly deposit balance is single quarter average balance basis.
2. YoY is compared with the average on third quarter of 2019 and 2020.

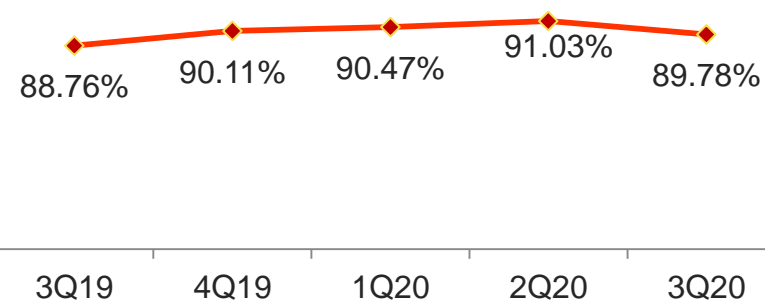


# LDR

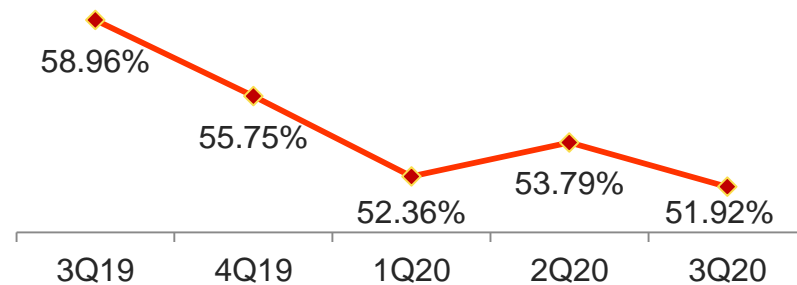
## Total LDR



## NTD LDR

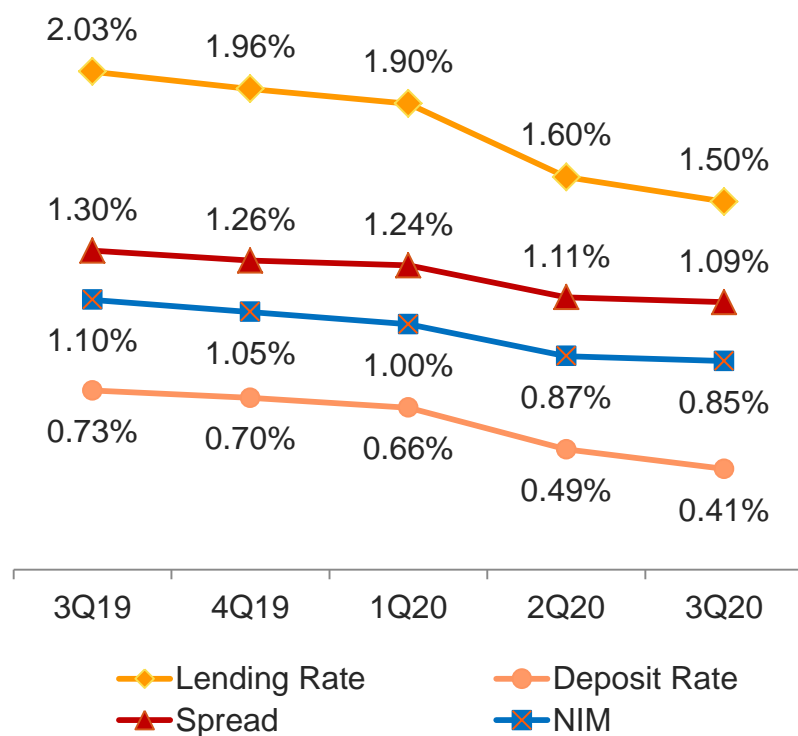


## FX LDR

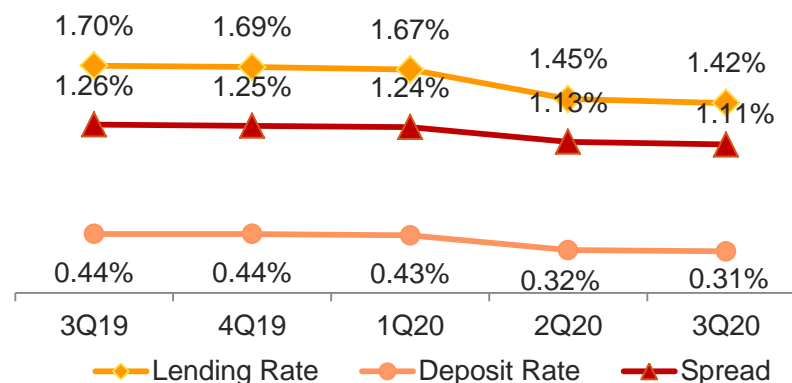


# Spread and NIM

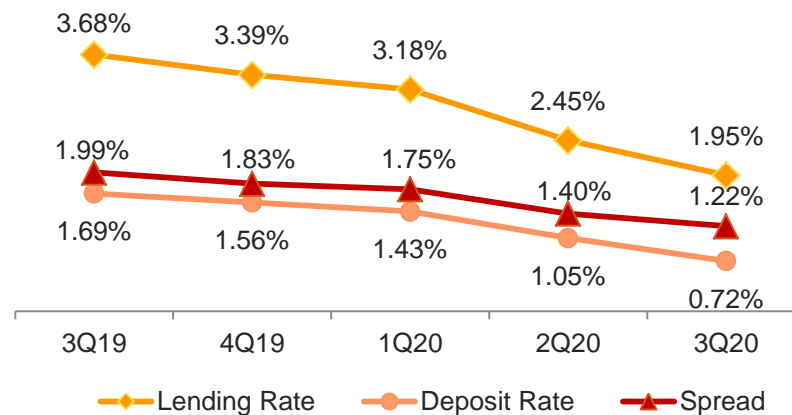
## Quarterly Total Loan to Deposit Spread and NIM



## NTD Loan to Deposit Spread



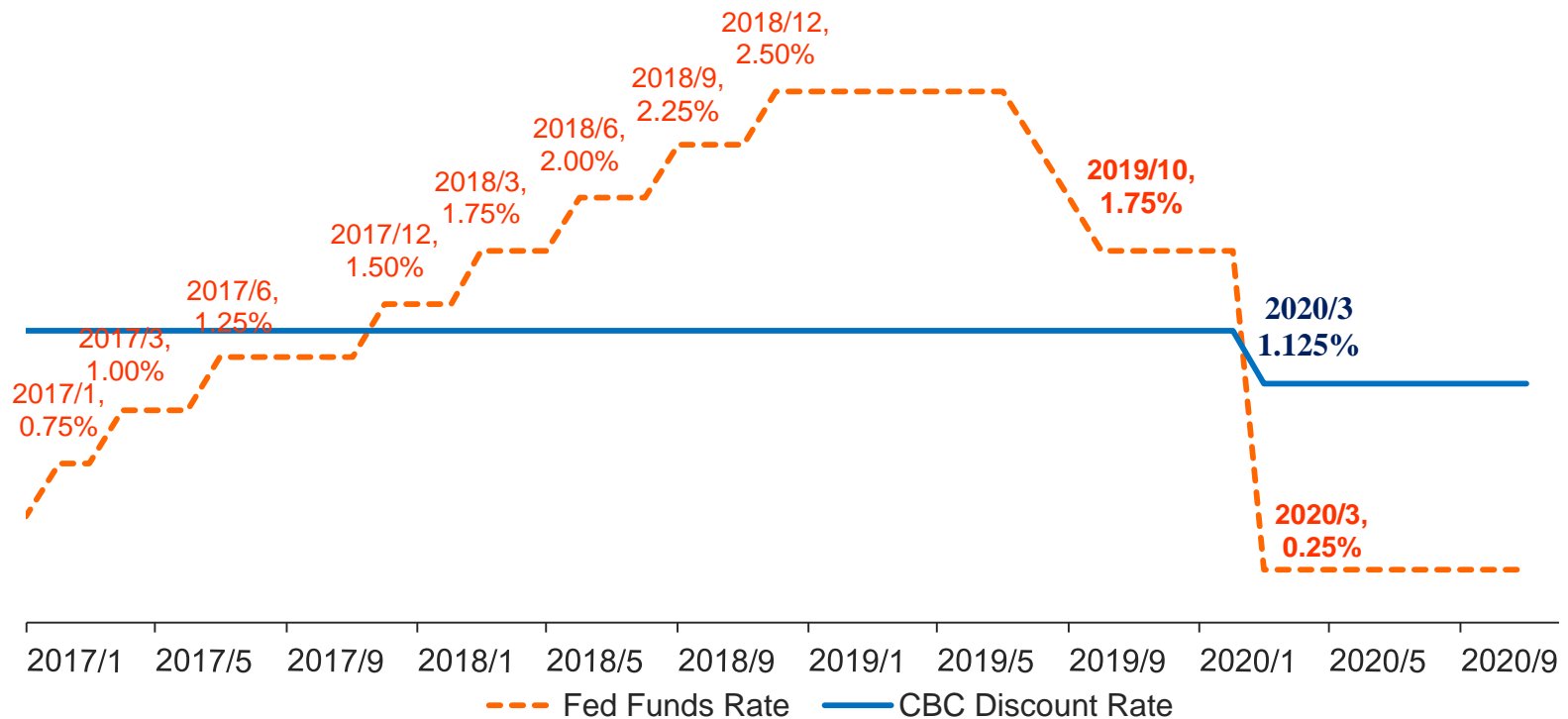
## FX Loan to Deposit spread



\*.IFRS and quarterly basis.

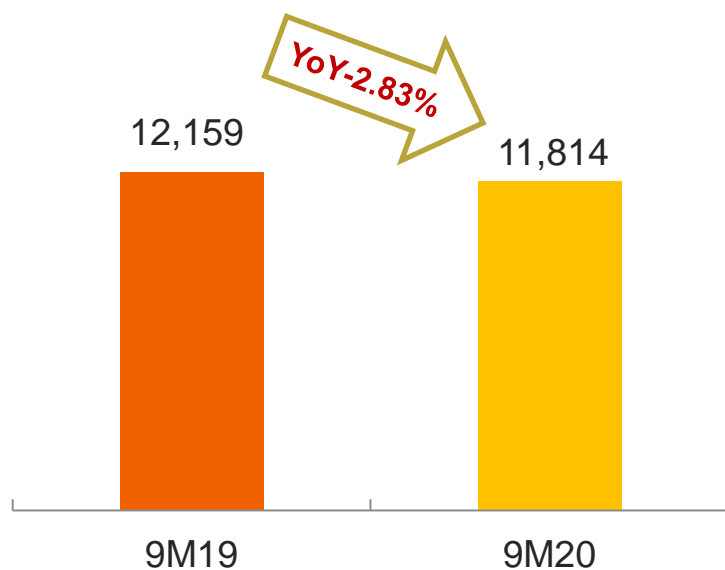
# Fed Funds Rate vs. CBC Discount Rate Trends

## Fed Funds Rate VS. CBC Discount Rate

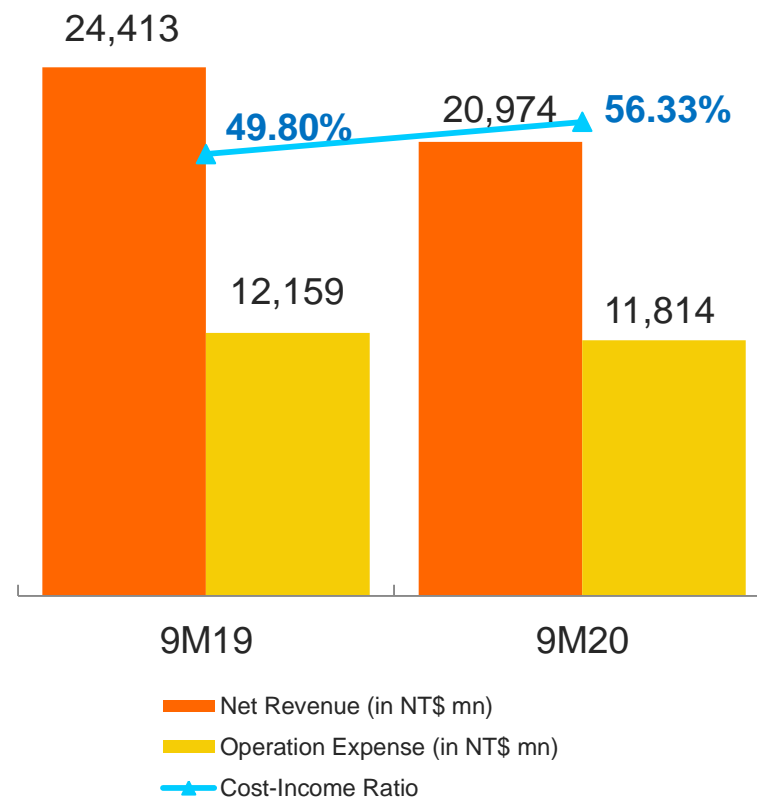


# Cost-Income Ratio

## Operating Expense (in NT\$ mn)

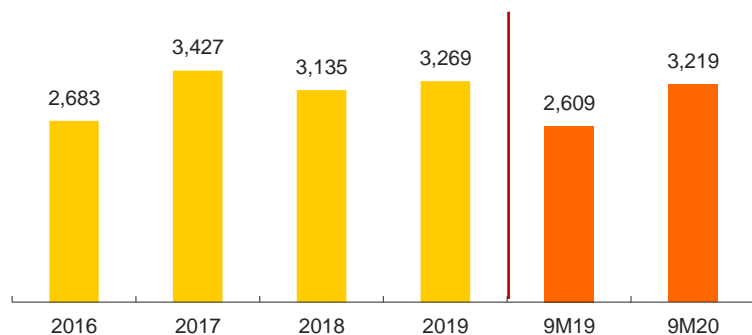


## Cost-Income Ratio

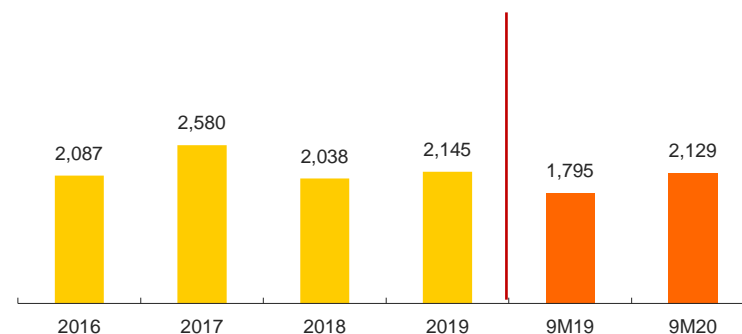


# Loan Provision, Write-off and Recovery

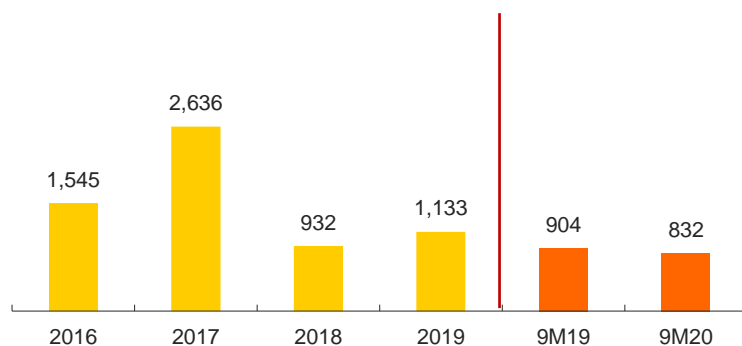
**Provision** (in NT\$ mn)



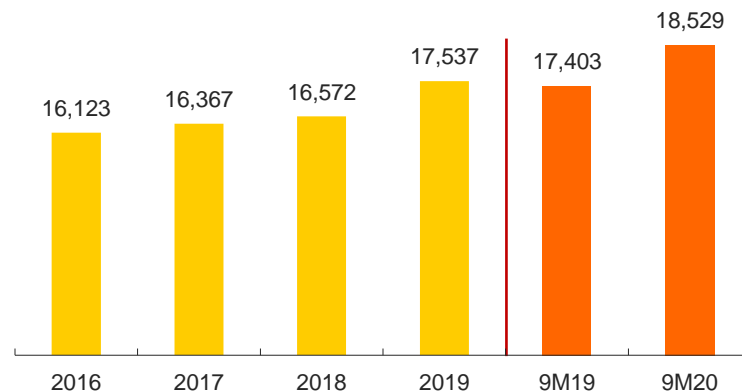
**Write-Off** (in NT\$ mn)



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

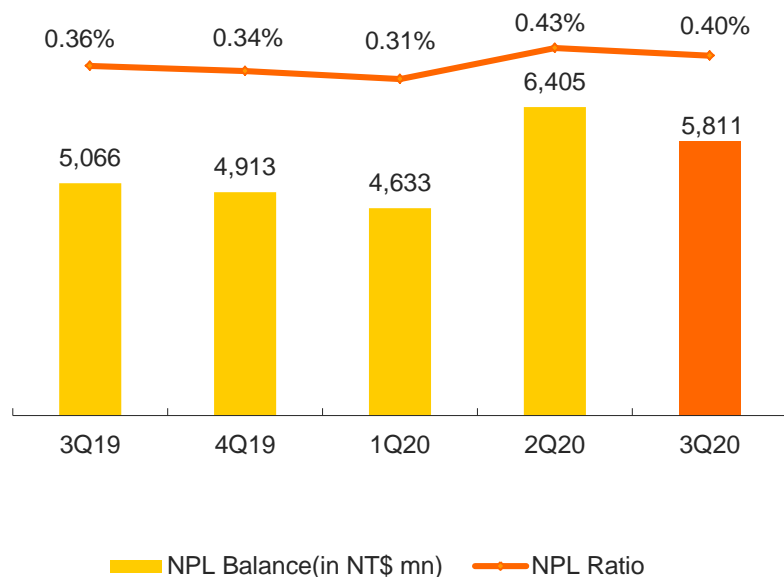


**Reserve** (in NT\$ mn)

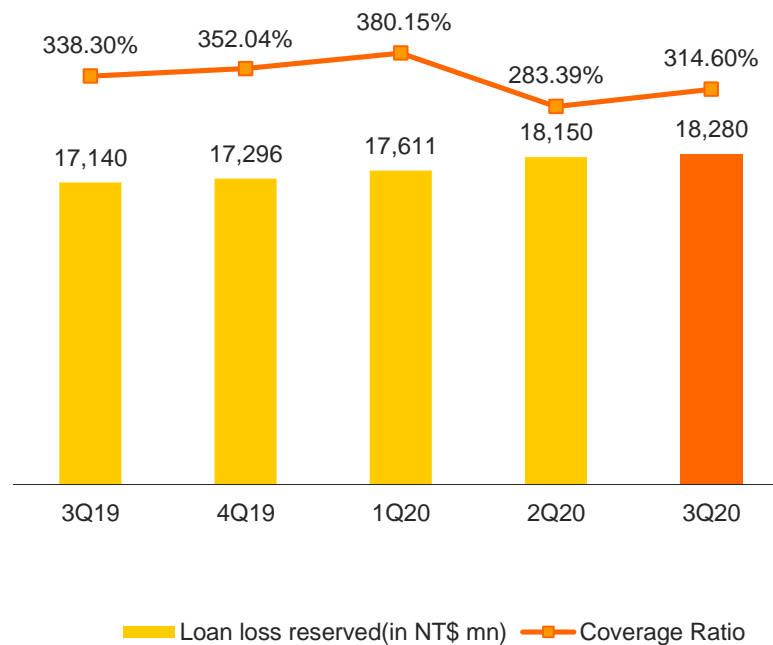


# NPL Ratio and Coverage Ratio

## NPL Ratio

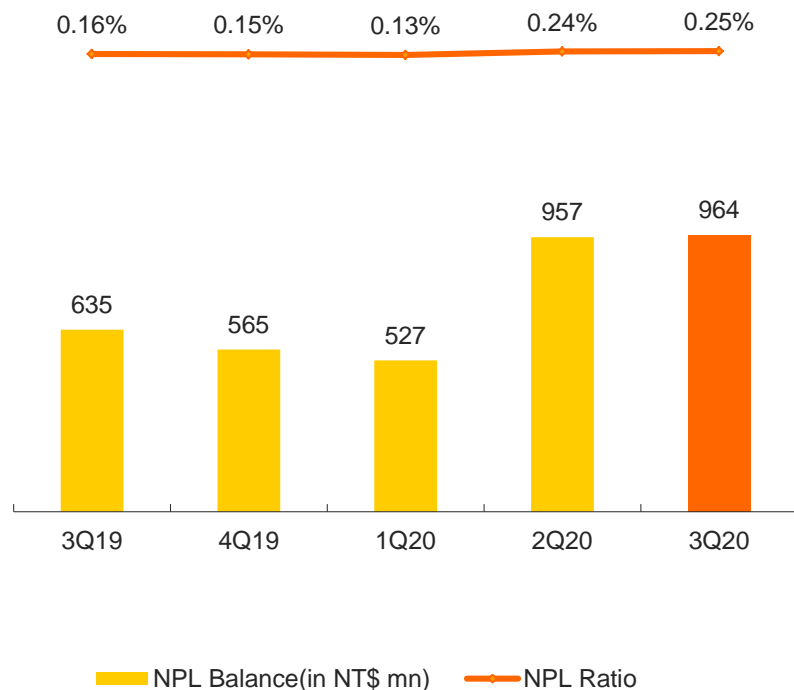


## Coverage Ratio

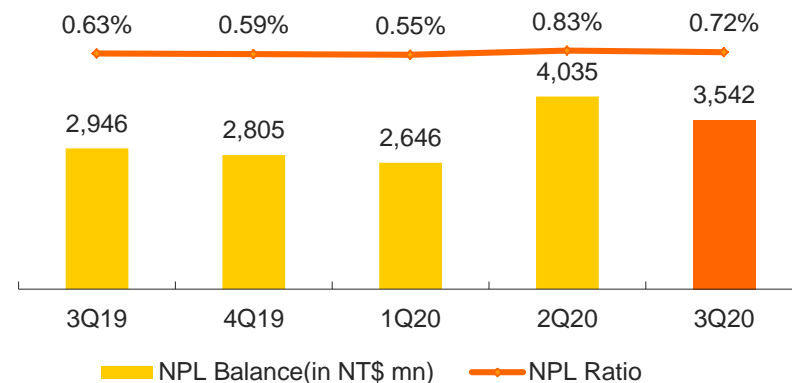


# Asset Quality

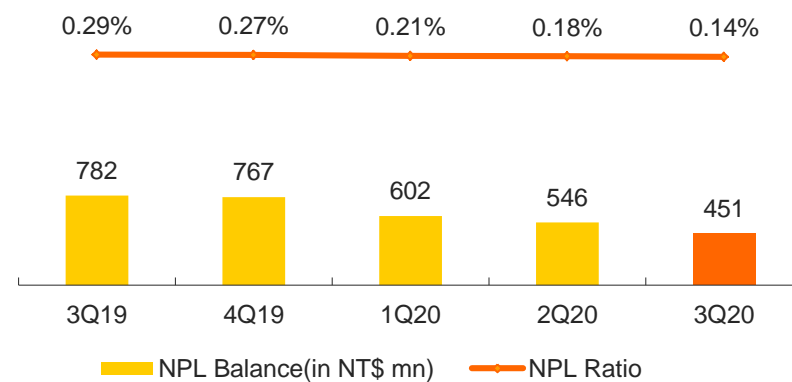
## Large Corp.



## SME



## Mortgage



# Credit Rating & CAR

## Credit Rating

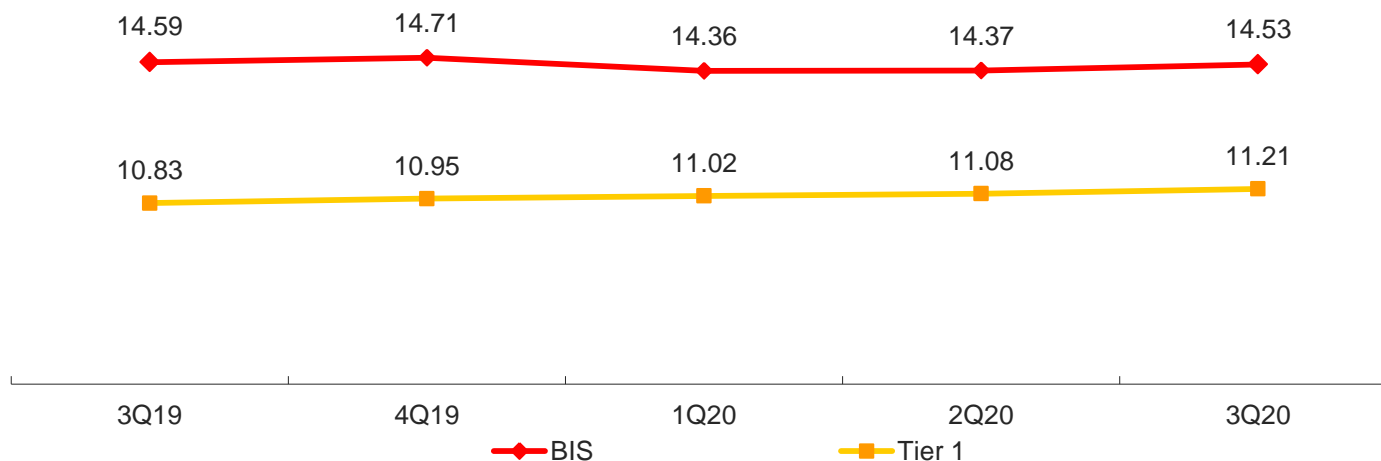
■ **Moody's** (2020/2,Review) :

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

■ **S&P** (2020/11,Review) :

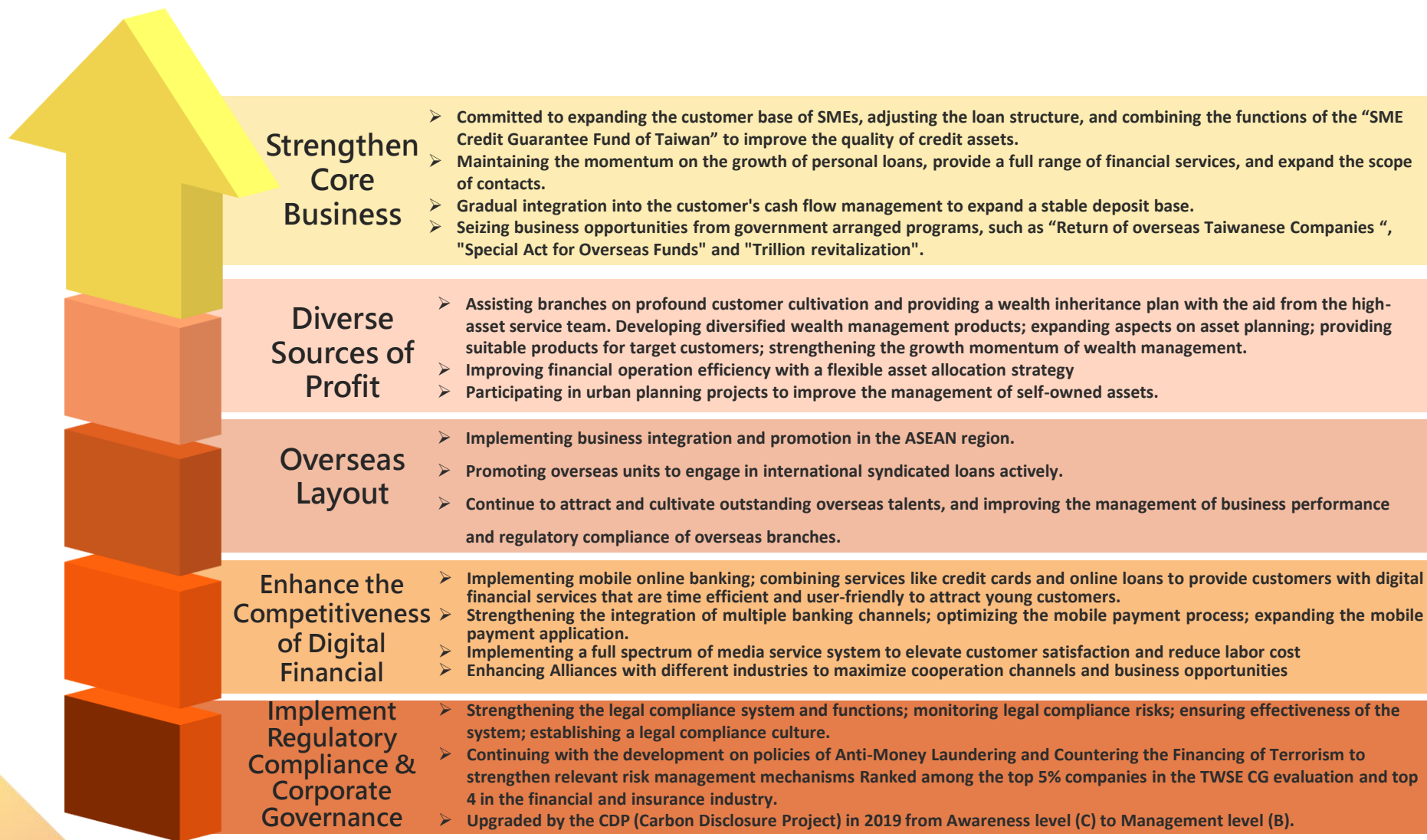
- Long Term Rating : A-
- Short Term Rating : A-2
- Outlook : Stable

## 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%	3Q19	4Q19	1Q20	2Q20	3Q20	Change%	3Q19	3Q20	Change%
<b>Assets</b>												
Cash & due from Banks	249,016	199,336	-19.95%	187,982	199,336	208,434	188,282	210,244	11.66%	187,982	210,244	11.84%
Financial assets at FVPL, net	10,918	11,483	5.18%	11,114	11,483	19,466	15,475	22,100	42.81%	11,114	22,100	98.85%
Financial assets at FVOCI, net	91,938	116,296	26.49%	124,472	116,296	106,589	112,222	116,512	3.82%	124,472	116,512	-6.40%
Financial assets for hedging	245	247	0.97%	267	247	302	288	262	-8.77%	267	262	-1.79%
Financial assets at amortized cost, net	268,060	276,059	2.98%	272,616	276,059	294,020	310,472	307,368	-1.00%	272,616	307,368	12.75%
Receivables, net	29,934	23,201	-22.49%	35,177	23,201	20,150	19,294	22,373	15.96%	35,177	22,373	-36.40%
Loans, net	1,336,701	1,427,351	6.78%	1,422,235	1,427,351	1,469,115	1,491,585	1,463,346	-1.89%	1,422,235	1,463,346	2.89%
Other financial assets, net	55,045	40,134	-27.09%	34,609	40,134	33,282	29,652	40,308	35.94%	34,609	40,308	16.47%
Property and equipment, net	21,071	20,739	-1.58%	20,701	20,739	20,672	20,658	20,682	0.11%	20,701	20,682	-0.09%
Right-of-use asset	-	1,620	-	1,643	1,620	1,670	1,616	1,575	-2.58%	1,643	1,575	-4.14%
Investment property, net	13,742	13,873	0.95%	13,875	13,873	13,871	13,869	13,868	-0.01%	13,875	13,868	-0.05%
Other assets	5,142	5,303	3.14%	5,530	5,303	6,025	6,096	6,248	2.48%	5,530	6,248	12.99%
<b>Total Assets</b>	<b>2,081,812</b>	<b>2,135,643</b>	<b>2.59%</b>	<b>2,130,220</b>	<b>2,135,643</b>	<b>2,193,595</b>	<b>2,209,511</b>	<b>2,224,887</b>	<b>0.70%</b>	<b>2,130,220</b>	<b>2,224,887</b>	<b>4.44%</b>
<b>Liabilities</b>												
Due to banks	113,039	102,306	-9.50%	104,986	102,306	120,633	132,971	113,808	-14.41%	104,986	113,808	8.40%
Financial liabilities at FVPL	11,047	4,247	-61.55%	13,412	4,247	2,537	5,101	5,536	8.53%	13,412	5,536	-58.72%
RP	5,286	1,547	-70.73%	1,968	1,547	1,831	1,847	1,753	-5.11%	1,968	1,753	-10.93%
Payables	36,678	21,847	-40.44%	41,833	21,847	23,286	30,982	29,131	-5.98%	41,833	29,131	-30.36%
Deposits and remittances	1,689,581	1,765,948	4.52%	1,730,495	1,765,948	1,805,747	1,800,588	1,836,094	1.97%	1,730,495	1,836,094	6.10%
Bank notes payable	49,549	55,521	12.05%	55,539	55,521	55,577	54,604	54,580	-0.04%	55,539	54,580	-1.73%
Provisions	5,296	5,341	0.84%	5,149	5,341	5,229	5,189	5,159	-0.59%	5,149	5,159	0.20%
Lease liabilities	-	1,420	-	1,445	1,420	1,476	1,426	1,402	-1.68%	1,445	1,402	-2.98%
Other liabilities	14,774	15,229	3.08%	15,480	15,229	15,139	14,721	13,841	-5.97%	15,480	13,841	-10.59%
<b>Total Liabilities</b>	<b>1,925,250</b>	<b>1,973,406</b>	<b>2.50%</b>	<b>1,970,307</b>	<b>1,973,406</b>	<b>2,031,454</b>	<b>2,047,430</b>	<b>2,061,303</b>	<b>0.68%</b>	<b>1,970,307</b>	<b>2,061,303</b>	<b>4.62%</b>
<b>Stockholders' Equity</b>	<b>156,562</b>	<b>162,237</b>	<b>3.62%</b>	<b>159,913</b>	<b>162,237</b>	<b>162,141</b>	<b>162,081</b>	<b>163,583</b>	<b>0.93%</b>	<b>159,913</b>	<b>163,583</b>	<b>2.30%</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>2,081,812</b>	<b>2,135,643</b>	<b>2.59%</b>	<b>2,130,220</b>	<b>2,135,643</b>	<b>2,193,595</b>	<b>2,209,511</b>	<b>2,224,887</b>	<b>0.70%</b>	<b>2,130,220</b>	<b>2,224,887</b>	<b>4.44%</b>

# STATEMENTS OF COMPREHENSIVE INCOME(Consolidated)

(in NT\$ mn)	Year(IFRSs)			Quarter(IFRSs)						Period(IFRSs)		
	2018	2019	Change%	3Q19	4Q19	1Q20	2Q20	3Q20	Change%	9M19	9M20	Change%
Interest Income	38,422	39,190	2.00%	9,858	9,340	8,797	7,377	6,832	-16.14%	29,850	23,006	-22.93%
Interest Expense	15,232	16,341	7.28%	4,153	3,880	3,659	2,789	2,237	-23.79%	12,461	8,685	-30.30%
<b>Net Interest Income</b>	<b>23,190</b>	<b>22,850</b>	<b>-1.47%</b>	<b>5,705</b>	<b>5,461</b>	<b>5,137</b>	<b>4,588</b>	<b>4,596</b>	<b>-10.69%</b>	<b>17,389</b>	<b>14,321</b>	<b>-17.64%</b>
Net Service fee and commissions income	4,868	4,635	-4.79%	1,151	1,187	1,223	1,065	1,104	-12.97%	3,448	3,393	-1.59%
Gains(losses) on financial assets and liabilities at FVPL	2,712	1,837	-32.27%	387	648	323	842	262	160.78%	1,188	1,427	20.09%
Realized gains of financial assets at FVOCI	782	1,365	0.75	725	176	386	452	366	17.07%	1,190	1,203	1.16%
Gains(losses) on disposal of credit assets measured at AC	-101	-	-	-	-	-	0	0	-	-	-	-
Foreign exchange gains(losses)	1,181	919	-22.19%	373	-75	235	-2	65	-100.67%	994	298	-70.01%
Other miscellaneous net income	476	473	-0.64%	74	268	150	87	94	-41.90%	205	332	62.00%
<b>Net income other than net interest income</b>	<b>9,918</b>	<b>9,229</b>	<b>-6.95%</b>	<b>2,710</b>	<b>2,204</b>	<b>2,317</b>	<b>2,445</b>	<b>1,892</b>	<b>5.50%</b>	<b>7,025</b>	<b>6,653</b>	<b>-5.29%</b>
<b>Net Revenues and gains</b>	<b>33,108</b>	<b>32,078</b>	<b>-3.11%</b>	<b>8,415</b>	<b>7,665</b>	<b>7,454</b>	<b>7,032</b>	<b>6,487</b>	<b>-5.66%</b>	<b>24,414</b>	<b>20,974</b>	<b>-14.09%</b>
Credit loss provisions, net	2,203	2,136	-3.02%	710	432	572	845	970	47.70%	1,705	2,387	40.01%
<b>Operating Expenses</b>	<b>16,195</b>	<b>16,422</b>	<b>1.40%</b>	<b>4,202</b>	<b>4,263</b>	<b>3,783</b>	<b>4,070</b>	<b>3,962</b>	<b>7.61%</b>	<b>12,158</b>	<b>11,814</b>	<b>-2.83%</b>
Employee Benefits expenses	10,797	10,868	0.65%	2,787	2,812	2,505	2,700	2,650	7.75%	8,056	7,855	-2.49%
Depreciation and amortization expenses	716	1,437	100.68%	365	355	354	350	352	-1.18%	1,082	1,056	-2.42%
Other general and administrative expenses	4,682	4,117	-12.06%	1,050	1,097	923	1,021	959	10.62%	3,020	2,903	-3.87%
<b>Income before income tax from continuing operations</b>	<b>14,710</b>	<b>13,520</b>	<b>-8.09%</b>	<b>3,502</b>	<b>2,970</b>	<b>3,100</b>	<b>2,117</b>	<b>1,556</b>	<b>-31.70%</b>	<b>10,550</b>	<b>6,773</b>	<b>-35.81%</b>
Income Tax Expense	2,064	1,949	-5.60%	519	380	607	364	147	-40.03%	1,568	1,118	-28.68%
<b>Net Income</b>	<b>12,646</b>	<b>11,572</b>	<b>-8.49%</b>	<b>2,983</b>	<b>2,589</b>	<b>2,493</b>	<b>1,753</b>	<b>1,409</b>	<b>-29.68%</b>	<b>8,982</b>	<b>5,654</b>	<b>-37.05%</b>
Basic EPS(NT\$)	1.29	1.16	-10.08%	0.30	0.26	0.25	0.17	0.14	-32.00%	0.90	0.54	-40.00%
Other comprehensive income	110	369	235.52%	-1,342	-265	-2,589	2,181	93	-184.25%	634	-314	-149.58%
<b>Total comprehensive income</b>	<b>12,756</b>	<b>11,941</b>	<b>-6.39%</b>	<b>1,641</b>	<b>2,324</b>	<b>-96</b>	<b>3,934</b>	<b>1,502</b>	<b>-4201.21%</b>	<b>9,616</b>	<b>5,340</b>	<b>-44.47%</b>



彰化銀行

THANK YOU

