



彰化銀行

# Financial Review 2024Q3

(Bloomberg: 2801 TT)

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November 25, 2024



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# Economic Outlook

**The global economic situation is stable and cautious, but various uncertainties still need to be considered.**

- Economic growth rates in several major countries remain sluggish. While inflation has decreased, it is still above past levels, and recovery in global manufacturing will take time due to delayed monetary policy.
- Geopolitical conflicts, including those between Russia and Ukraine and in the Middle East, create uncertainty for inflation and international capital flows, with occasional escalations in tensions in the Korean Peninsula and Taiwan Strait.
- China's real estate market is depressed, slowing the recovery of domestic investment and consumption, while excess product overflow is likely to increase trade frictions with other countries.
- Global climate change may lead to green inflation, influencing the medium- to long-term monetary policies of major central banks.

**Taiwan's domestic economic growth remains moderate, and next year's performance is expected to show a 'dip and then rebound' pattern.**

- AI business opportunities and interest rate cuts will help stabilize Taiwan's exports and investment next year.
- The electronics industry, led by AI opportunities, including advanced processes and AI servers, is expected to remain optimistic.
- A strong stock market continues to support private consumption growth, with positive outlooks for consumption, travel, and the wholesale and retail sectors.
- Container and bulk shipping benefit from geopolitical conflicts, while increased investment in China is expected to boost demand for raw materials and support freight rates.

# Sustainable Performance

## Governance

- First-time selection for the Dow Jones Sustainability World Index.
- Winner of the National Sustainability Development Award - Corporate Category.
- Six major awards at the 2024 TSAA Taiwan Sustainability Action Awards.
- Recognized as a 'Top 10 Foreign-Selected Financial Institution' in Taiwan.
- Received the 'Best SME Service Award' and 'Best Wealth Enhancement Award' from the Excellence Banking Evaluation.

## Social

- Launched Taiwan's first credit card for the visually impaired to promote inclusive finance.
- Awarded by the Ministry of Labor for a diverse welfare system.
- Recognized by the Financial Supervisory Commission as an "Excellent Bank for SME Loans" and for agricultural credit under the New Southbound Policy.
- Received the "Elderly Care Trust Award - Group A, Third Place" from the Financial Supervisory Commission.

## Environmental

- Launched the "Carbon 4C Program" to reduce emissions by 42% from the 2020 baseline by 2030.
- Received the "6th National Enterprise Environmental Award - Silver Award" from the Ministry of the Environment.
- Awarded the "2024 4th Taiwan Sustainable Investment Award" Bronze for Sustainable Thematic Investment by the Taiwan Sustainable Energy Research Foundation.
- Honored with the "Carbon Disclosure Award" by ESG Business.
- Recognized by NCCU for the "1st TCFD Report Evaluation on Climate-Related Financial Disclosures."

# Agenda

● **Operational Highlights**

● Financial Performance

● Operating Results

● Appendix

# Operational Highlights (consolidated basis)

## Core Business

- Loans NT\$1,902 bn,+10.17% YoY,  
Corp.+7.42% YoY · Personal +10.56% YoY ·  
Overseas +5.90% YoY
- Deposits NT\$2,587 bn,+10.13% YoY,  
NTD Deposit +12.25% YoY  
FX Deposit + 4.38% YoY

## Profitability

- Net Income After Tax NT\$11.249bn,+9.89% YoY
- EPS NT\$1.00 · ROA 0.37% · ROE 5.80%

## Asset Quality

- NPL ratio was 0.16% · -0.03%YoY
- Coverage ratio was 796.59% · +146.77%YoY

## Capital Adequacy Ratio

- BIS ratio was 13.84%

\*ROE and ROA are after-tax figures.

# Agenda

● Operational Highlights

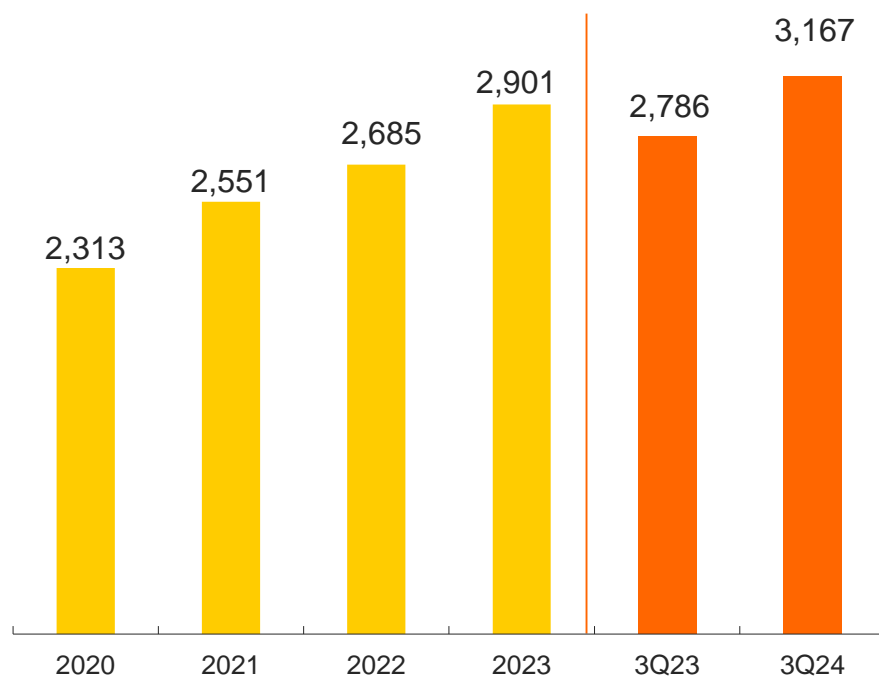
● **Financial Performance**

● Operating Results

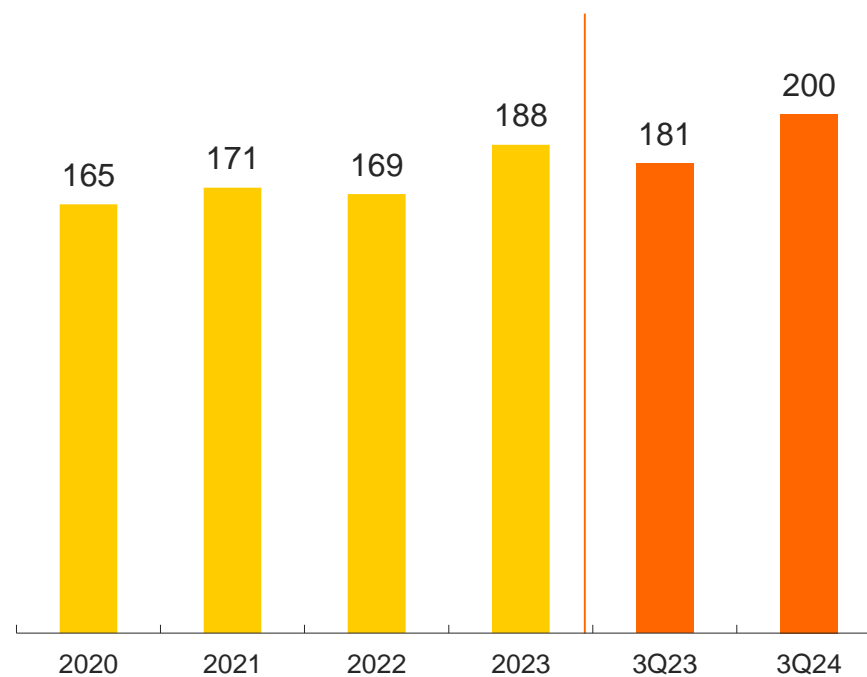
● Appendix

# Asset Size and Net Worth

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



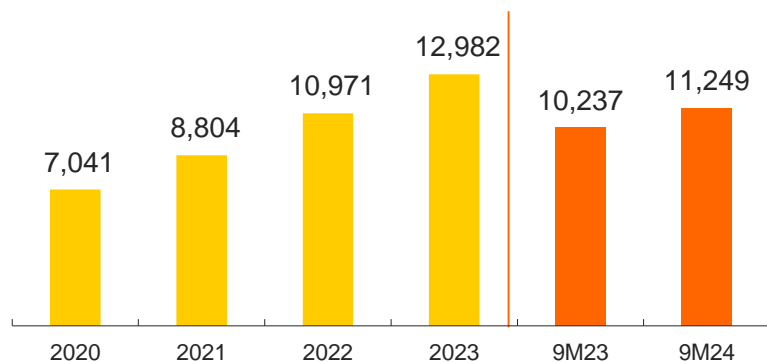
**Net Worth** (in NT\$ bn)



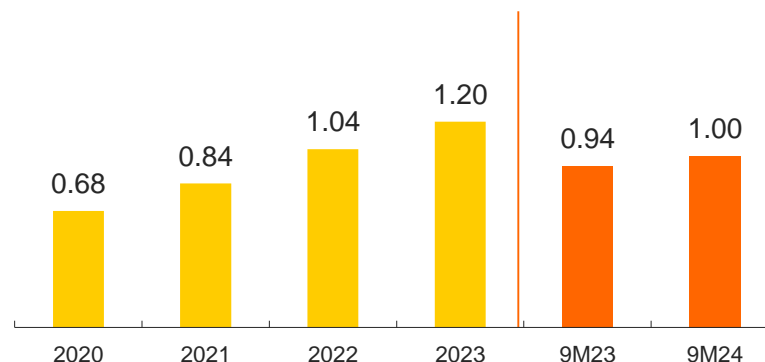


# Financial Performance

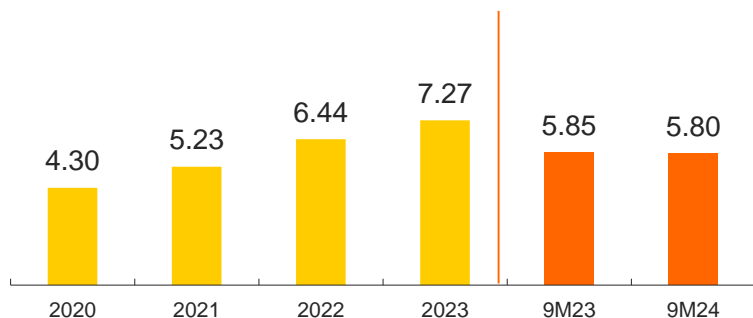
## Net Income After Tax (in NT\$ mn)



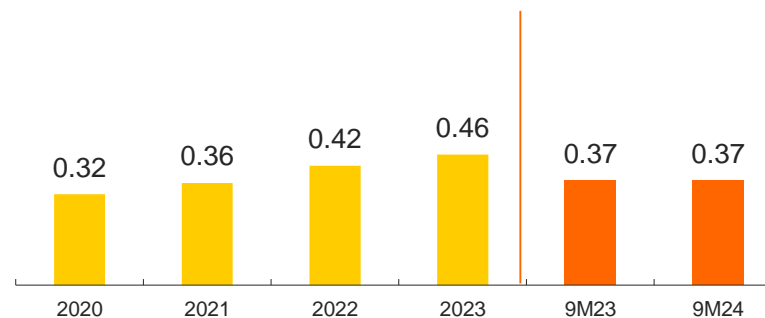
## EPS After tax (in NT\$)



## ROE(%)



## ROA(%)



\*ROE and ROA are after-tax figures.

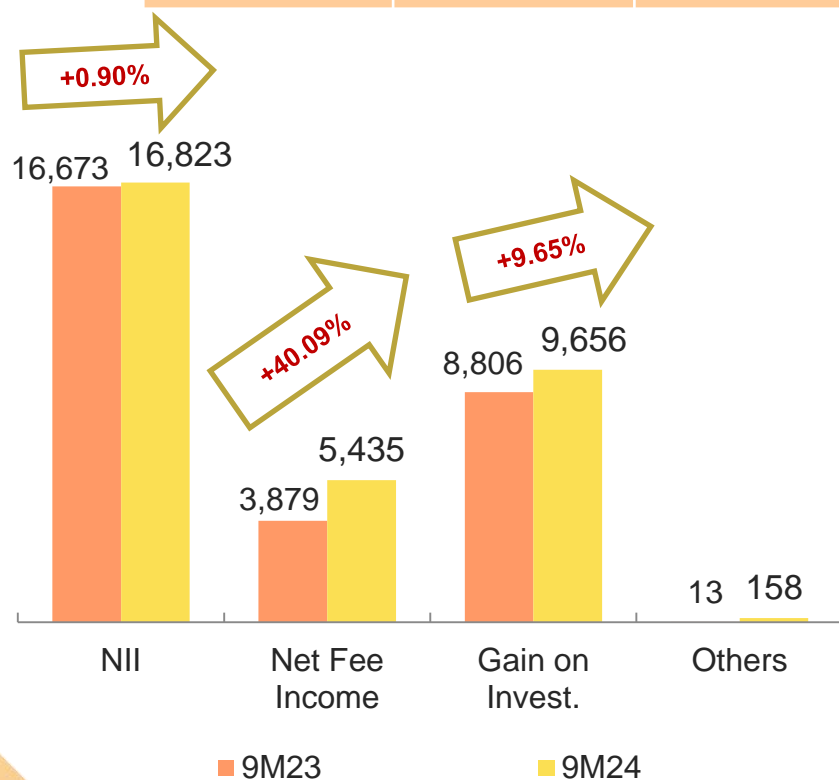
# Comprehensive Income

(In NT\$ mn )	9M23	9M24	YoY(%)
Net Revenue	29,371	32,071	9.19%
Provision, Net	2,308	2,947	27.69%
Operating Expense	14,300	15,127	5.78%
Net Income Before tax	12,763	13,997	9.67%
Income Tax Expense	2,526	2,749	8.79%
Net Income After tax	10,237	11,249	9.89%
Other comprehensive income	7,476	6,543	-12.48%
Total comprehensive income	17,712	17,792	-0.45%

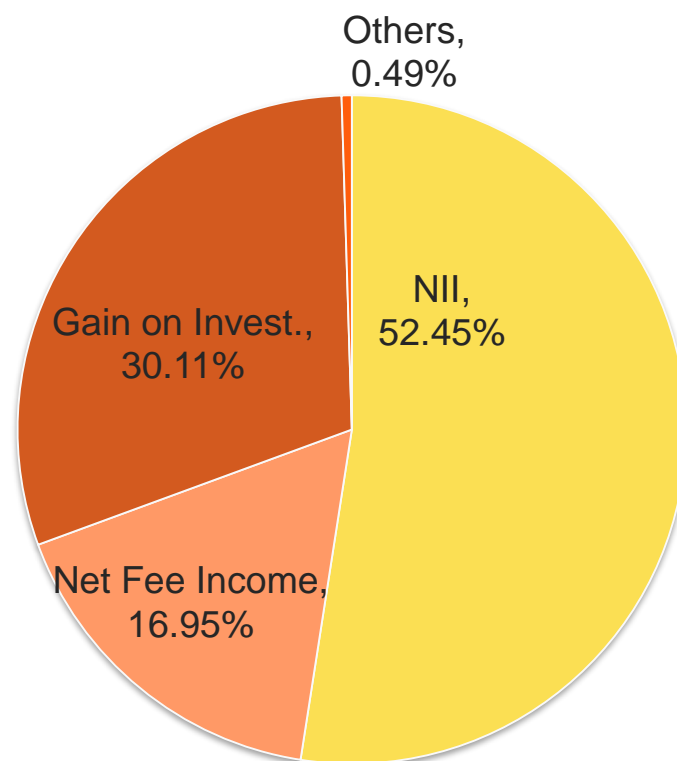
# Net Revenue

## Net Revenue (in NT\$ mn)

9M23	9M24	YoY
29,371	32,071	+9.19%



## 9M24 Net Revenue Breakdown

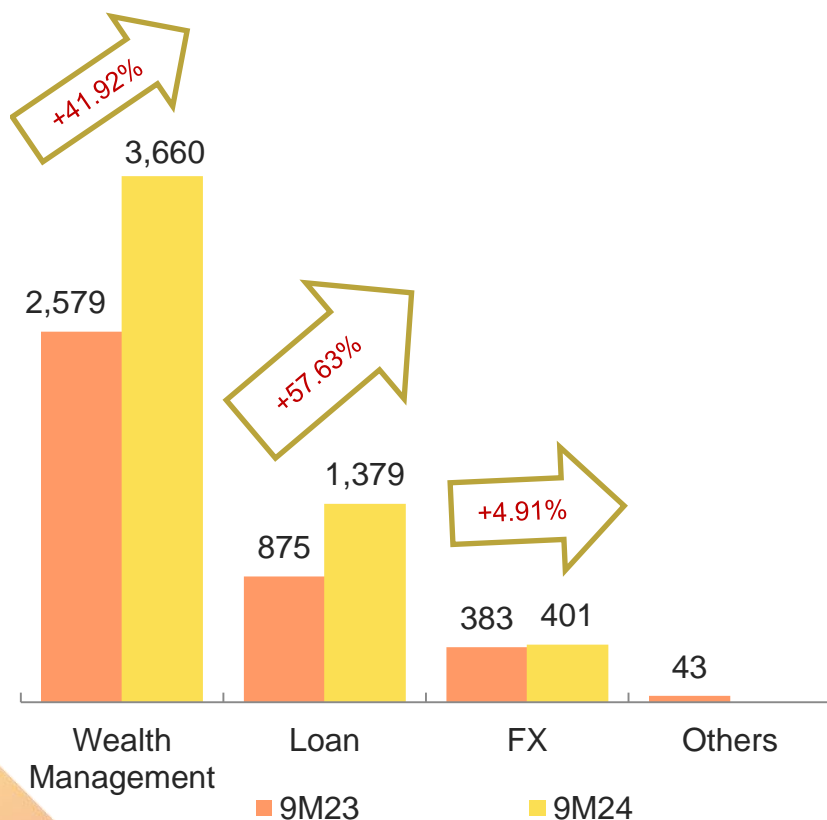
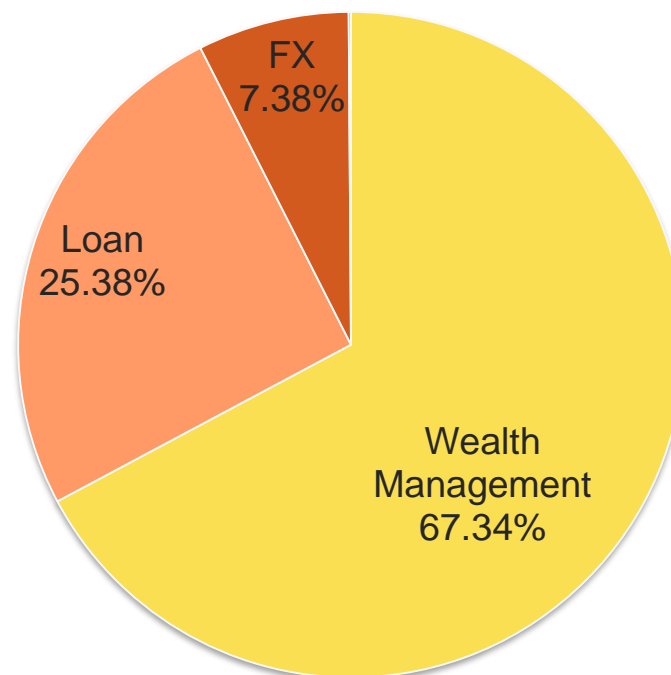


# Net Fee Income

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

9M23	9M24	YoY
3,879	5,435	+40.09%

## 9M24 Net Fee Income Breakdown



# Agenda

● Operational Highlights

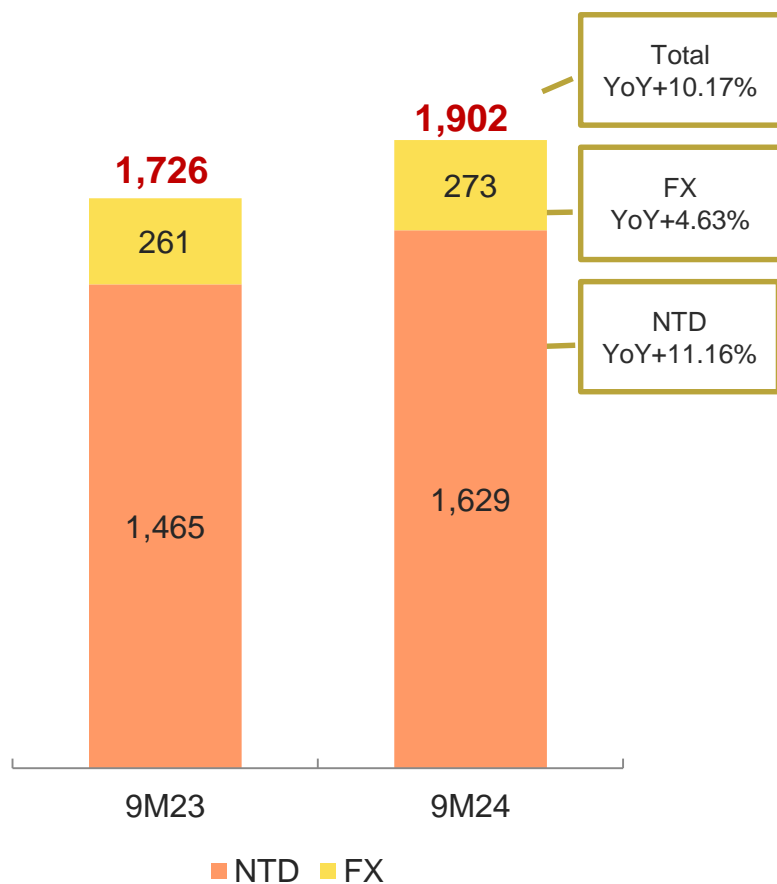
● Financial Performance

● **Operating Results**

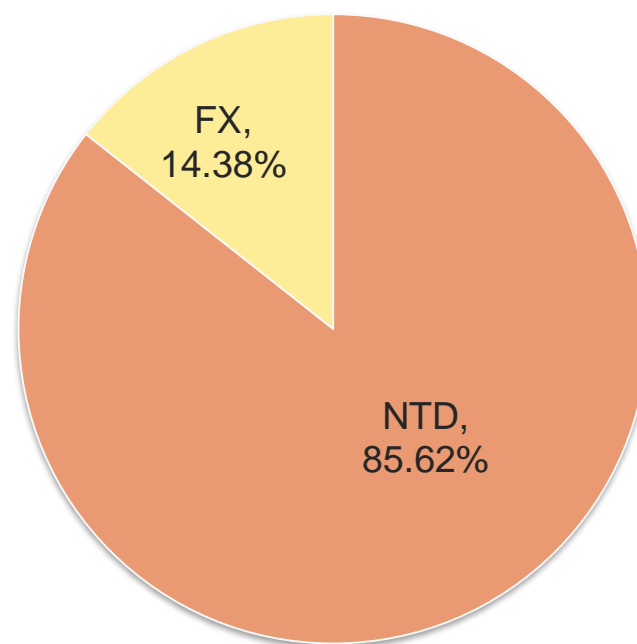
● Appendix

# Loan Breakdown by Currency

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



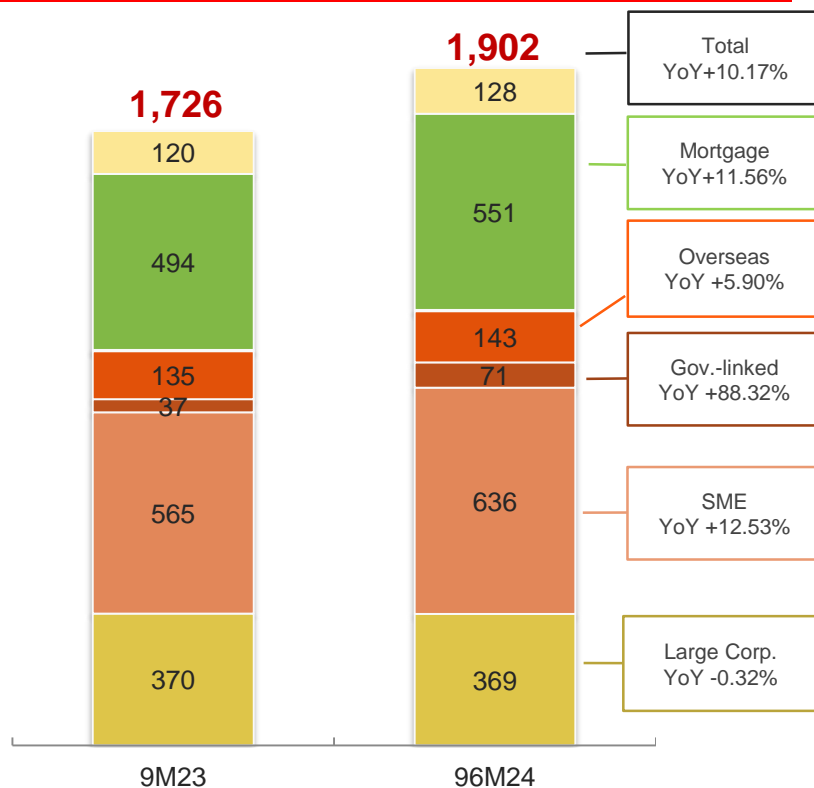
## 9M24 Loan Breakdown by Currency



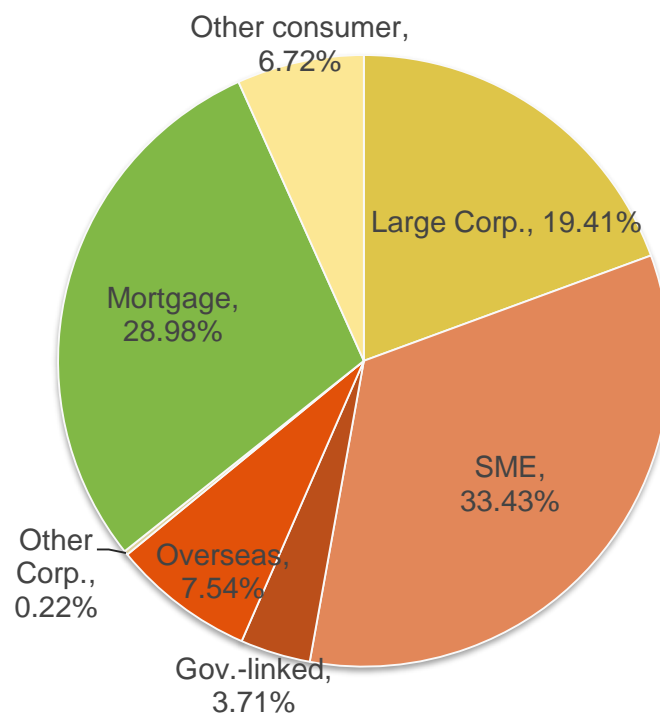
\*.Loan includes ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excludes overdue loans.

# Loan Breakdown by Customer

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



## 9M24 Loan Breakdown by Customer



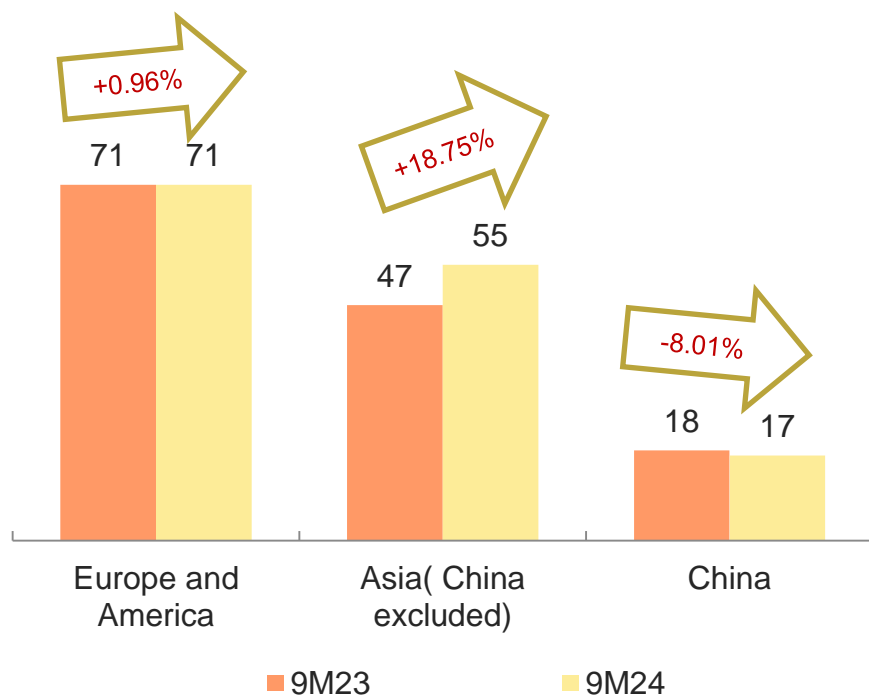
- Large Corp.
- SME
- Gov.-linked
- Overseas
- Mortgage
- Other consumer

\*.Loan includes ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excludes overdue loans.

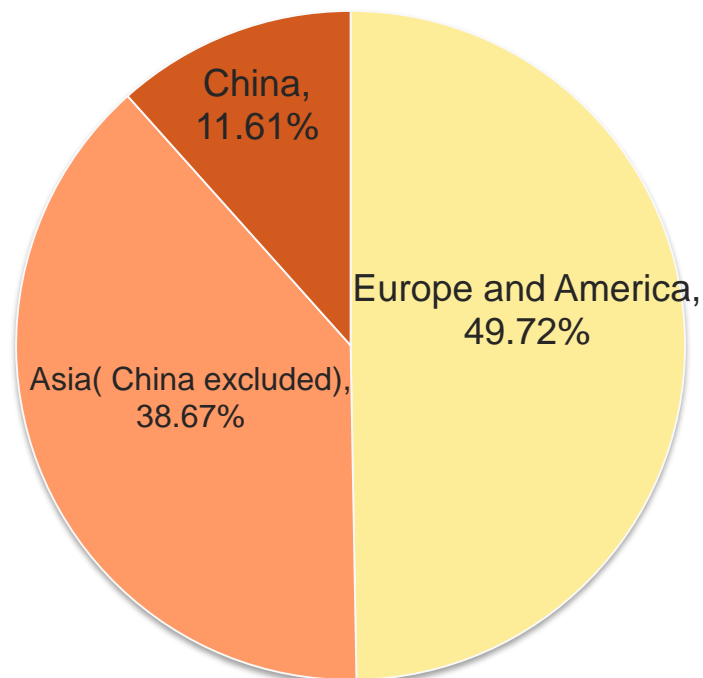
# Overseas Loan Breakdown by Regions

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

9M23	9M24	YoY
135	143	+5.90%



## 9M24 Overseas Loan Breakdown by Regions

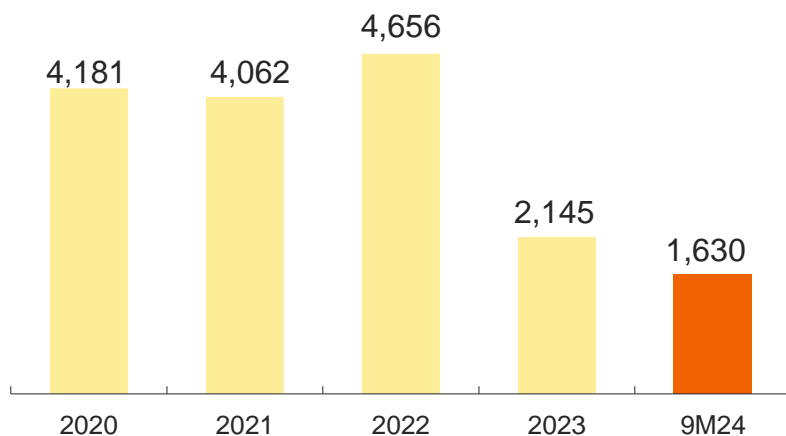


\*.Loan includes ordinary loans, advances (credit card), factoring A/R, exchange bills negotiated, and import / export bills negotiated, and excludes overdue loans.

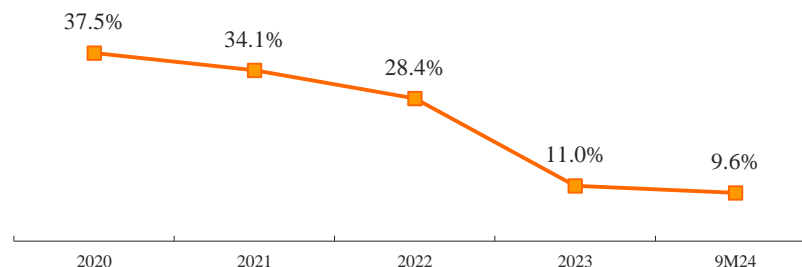


# Overseas & OBU Performance

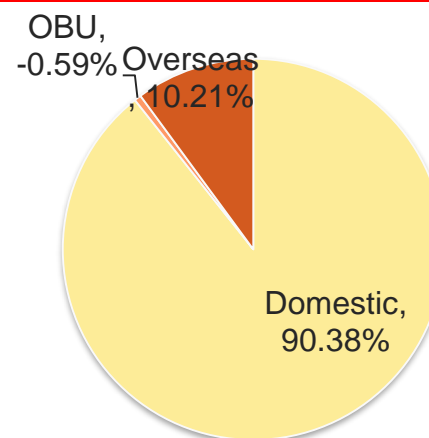
## Overseas & OBU Net Income After Tax (in NT\$ mn)



## Overseas & OBU PPOP proportion

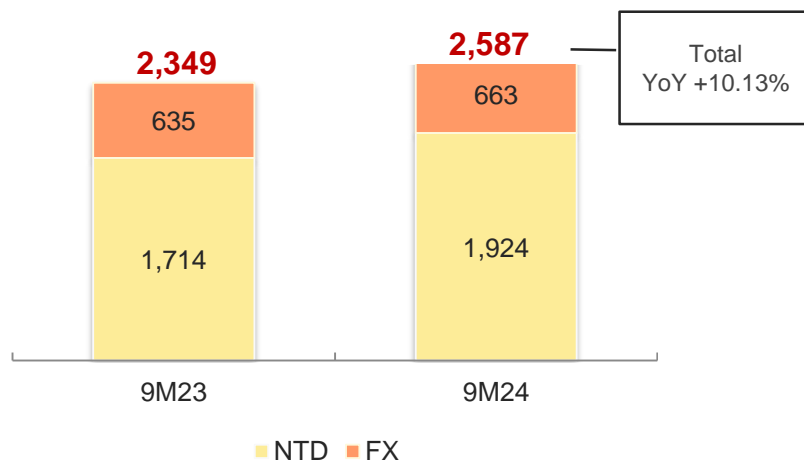


## 9M24 PPOP Breakdown

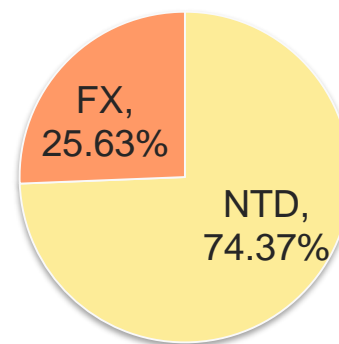


# Deposit Breakdown by Currency

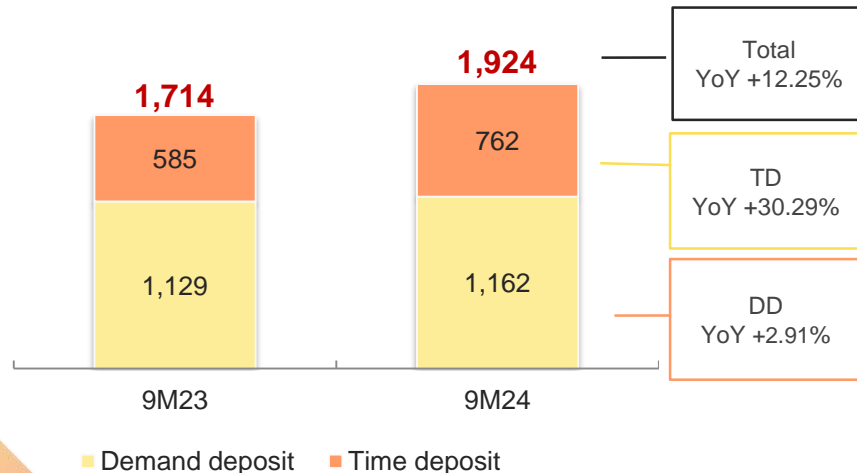
Deposit Balance (in NT\$ bn)



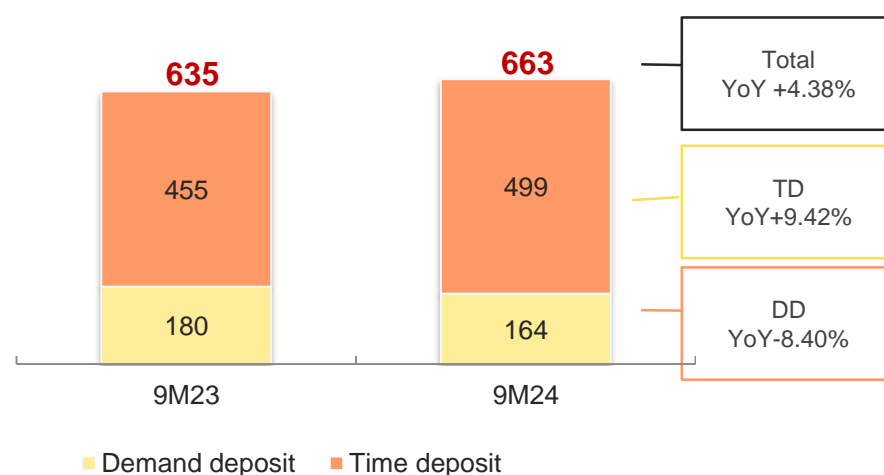
9M24 Deposit Breakdown by Currency



NTD Deposit Balance (in NT\$ bn)

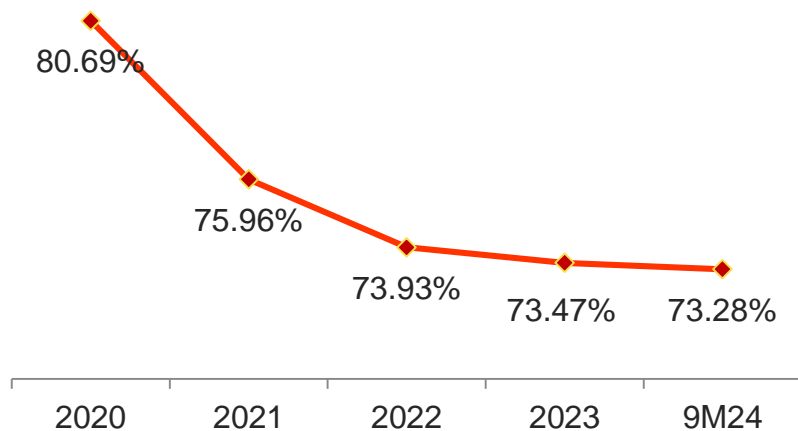


FX Deposit Balance (in NT\$ bn)

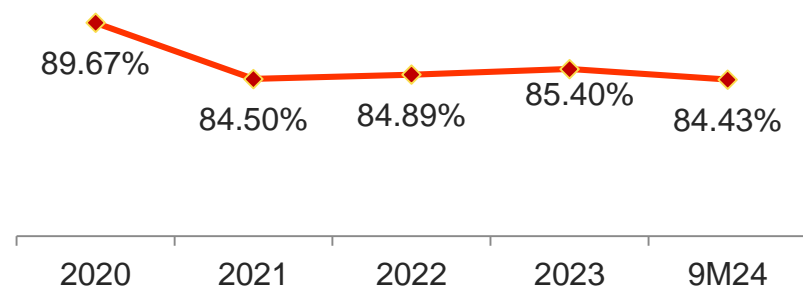


# LDR

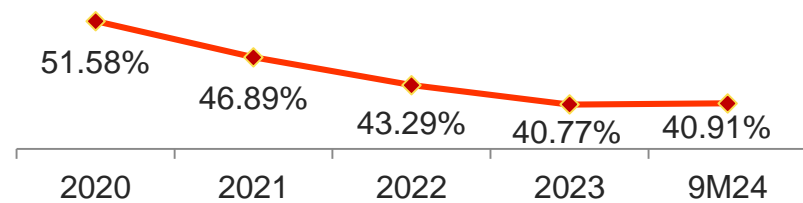
## Total LDR



## NTD LDR

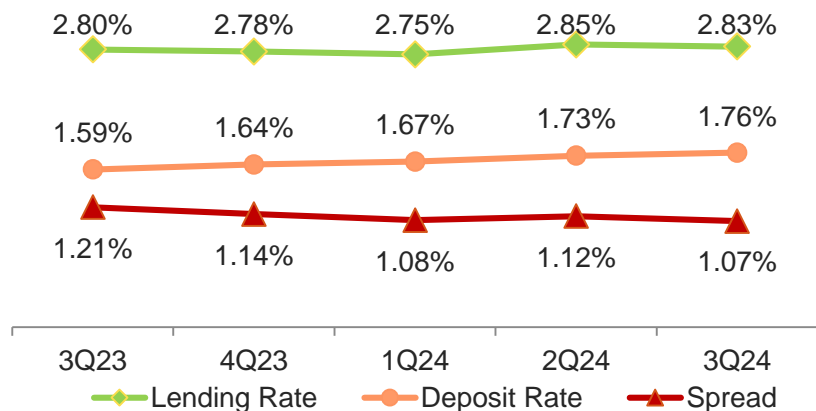


## FX LDR

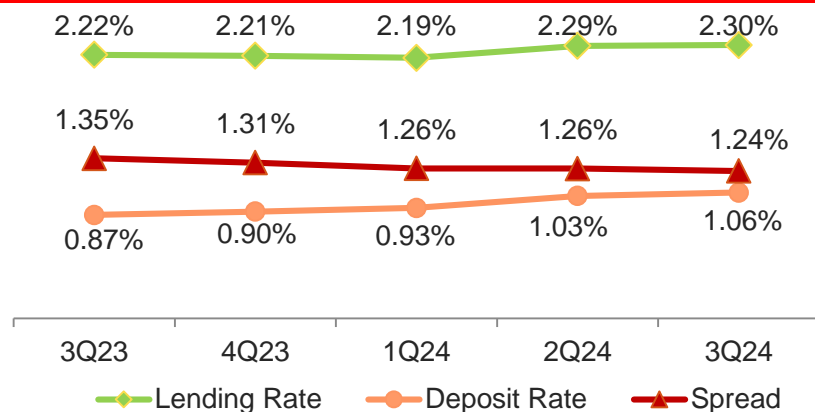


# Spread and NIM

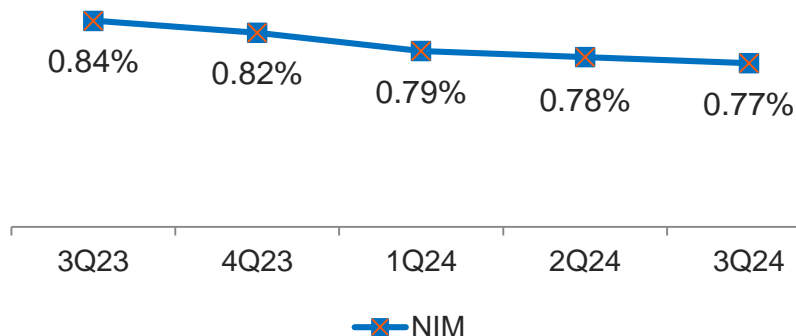
## Total Loan to Deposit Spread



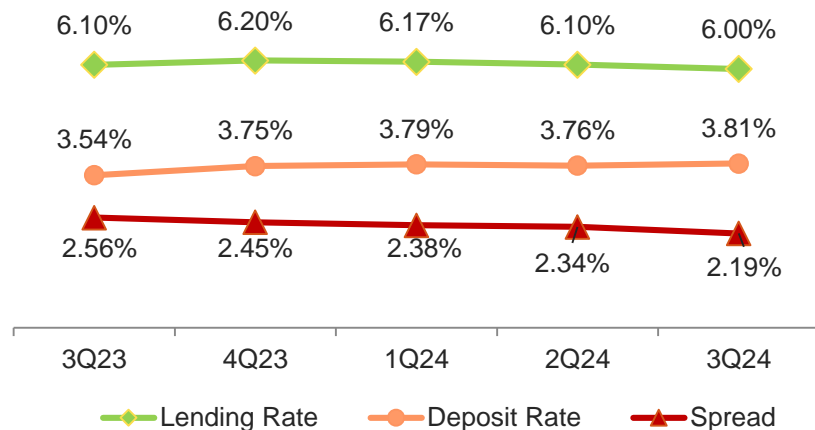
## NTD Loan to Deposit Spread



## NIM



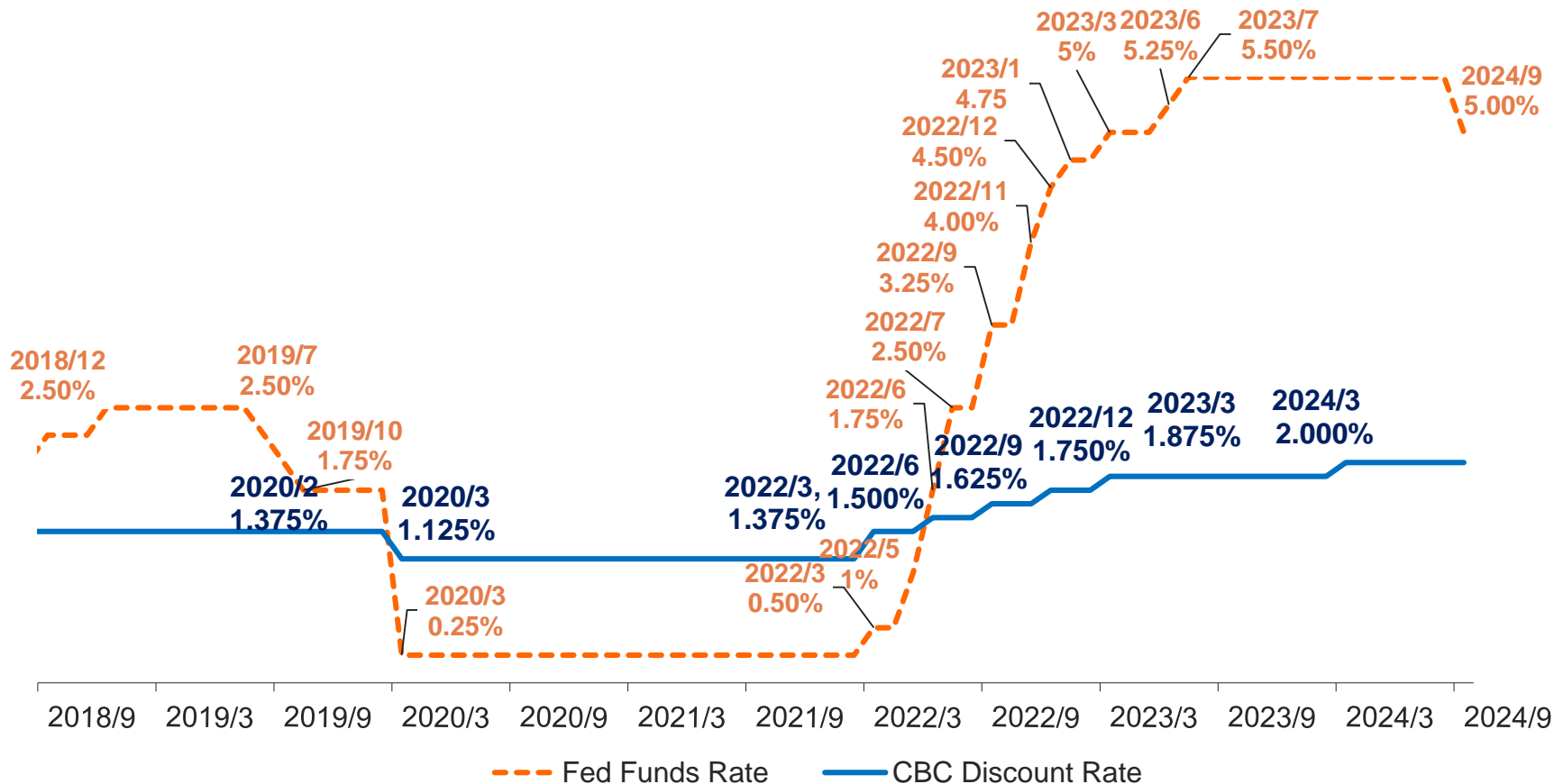
## FX Loan to Deposit spread



\*.IFRS and quarterly basis.

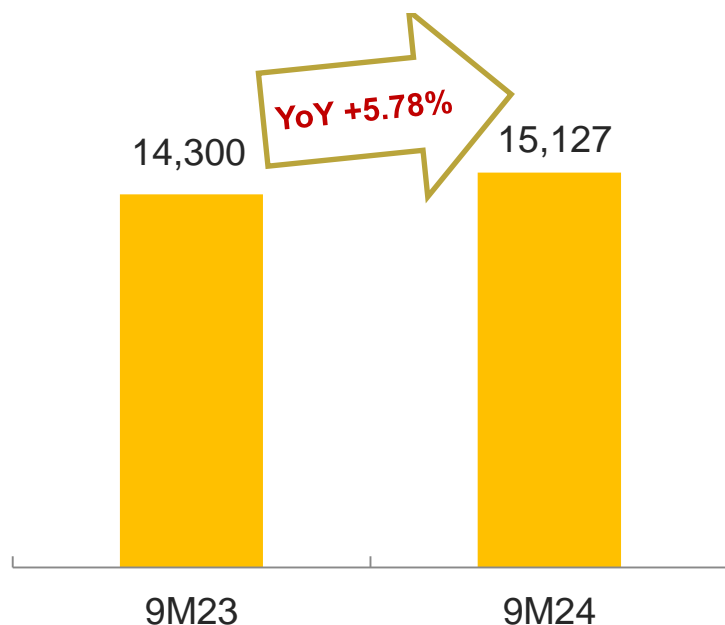
# Fed Funds Rate vs. CBC Discount Rate Trends

## Fed Funds Rate VS. CBC Discount Rate

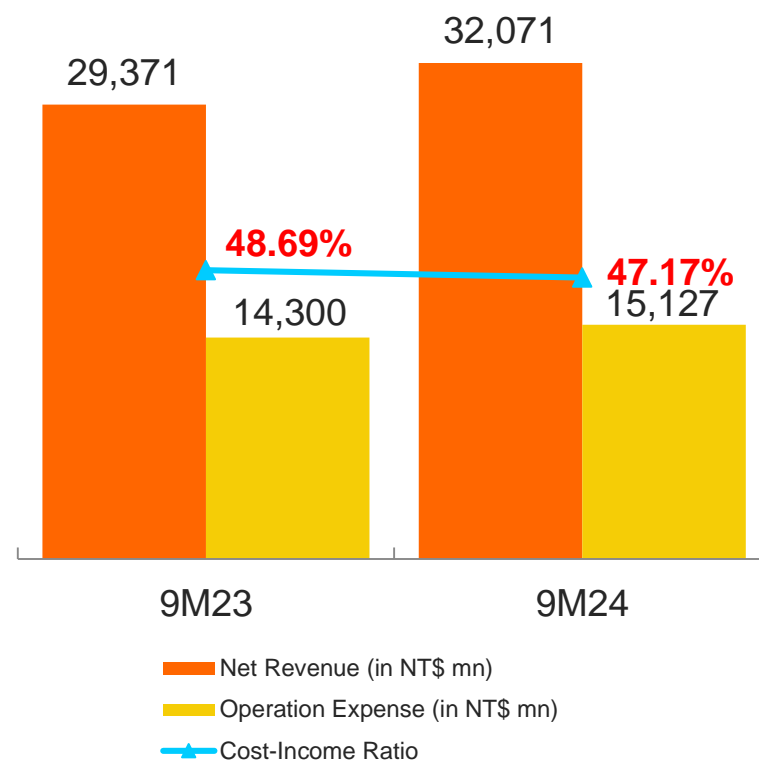


# Cost-Income Ratio

## Operating Expense (in NT\$ mn)

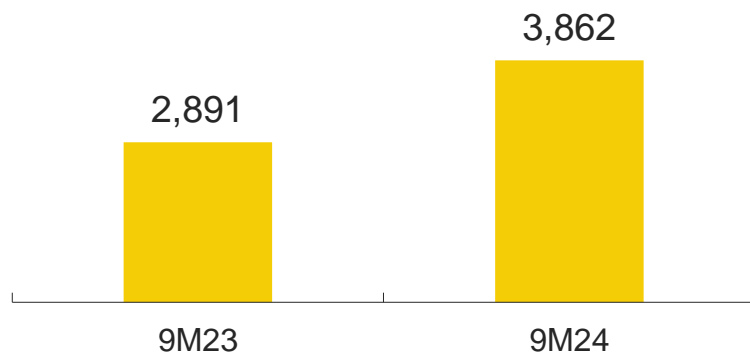


## Cost-Income Ratio

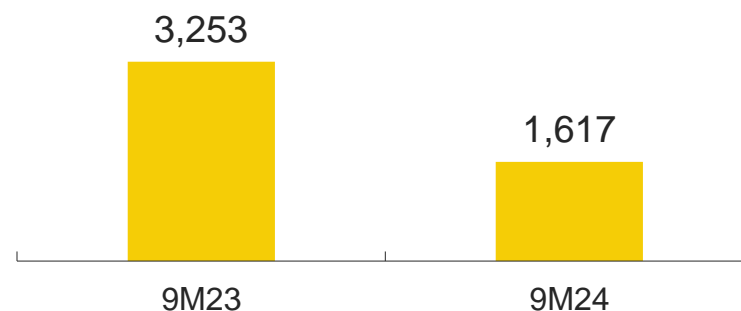


# Loan Provision, Write-off and Recovery

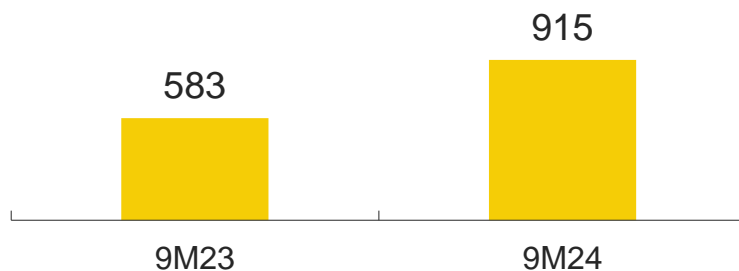
**Provision** (in NT\$ mn)



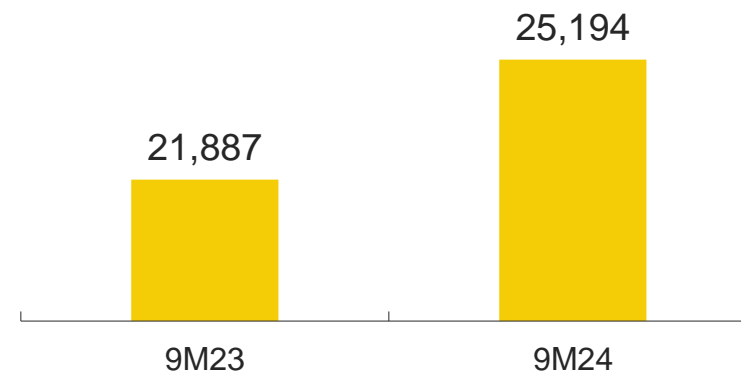
**Write-Off** (in NT\$ mn)



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

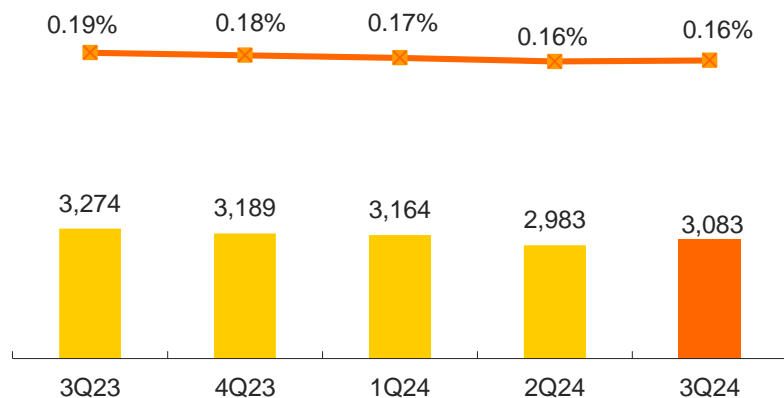


**Reserve** (in NT\$ mn)



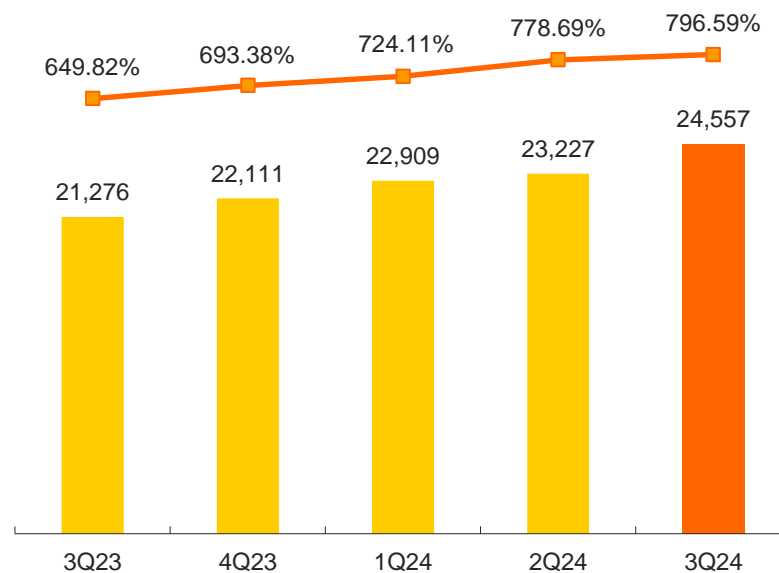
# NPL Ratio and Coverage Ratio

## NPL Ratio



■ NPL Balance(in NT\$ mn) ■ NPL Ratio

## Coverage Ratio

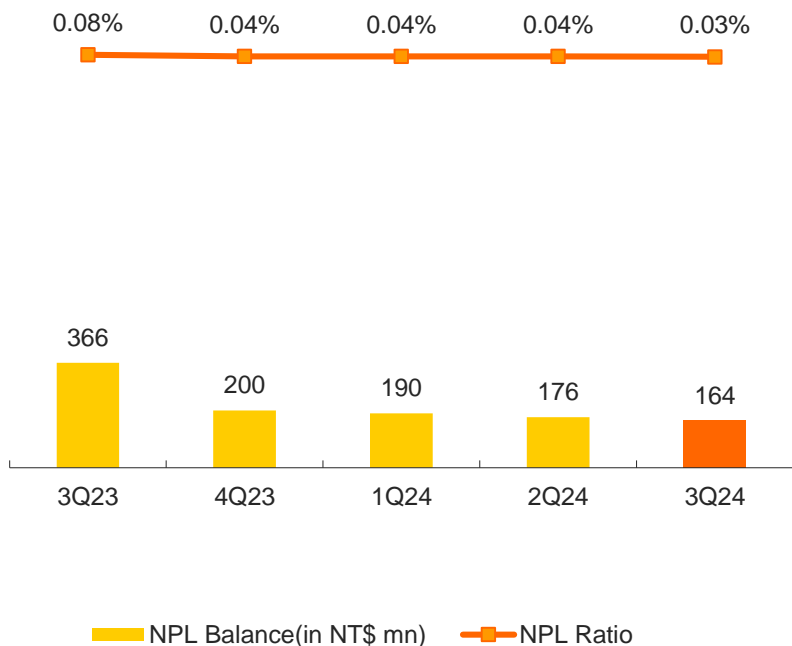


■ Loan loss reserved(in NT\$ mn) ■ Coverage Ratio

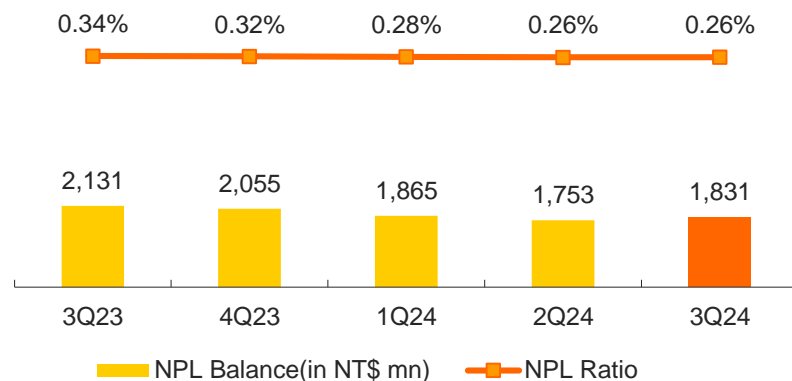


# Asset Quality

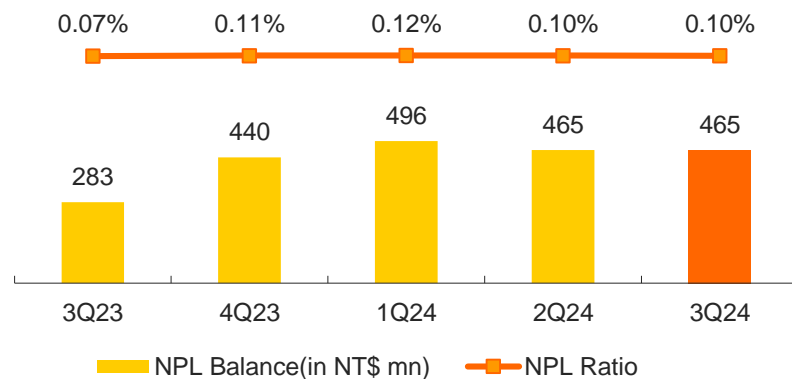
## Large Corp.



## SME



## Mortgage



# Credit Rating & CAR

## Credit Rating

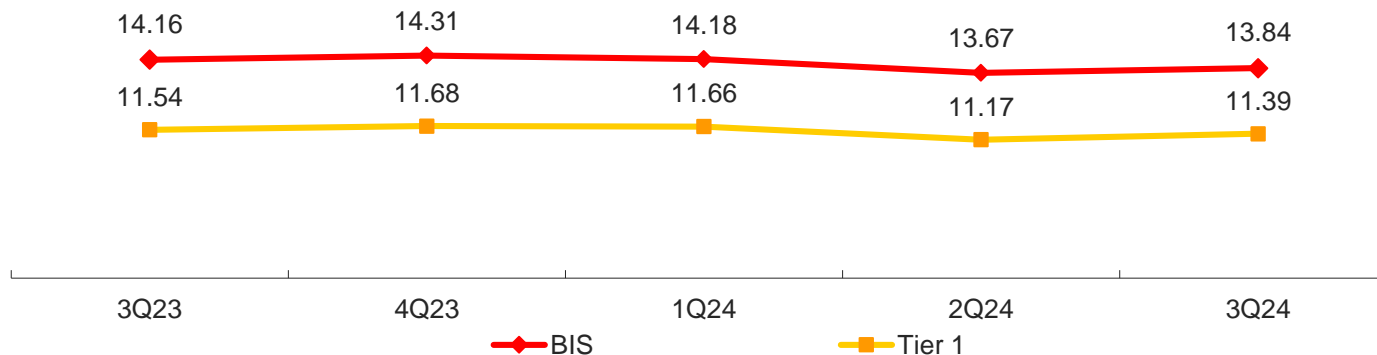
■ **Moody's** (2024/3,Review) :

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

■ **S&P** (2023/12,Review) :

- Long Term Rating : A
- Short Term Rating : A-1
- Outlook : Stable

## Capital Adequacy Ratio (%)



# Operating Strategy

CHB continue to strengthen "Corporate Banking", while improving "Personal Banking" and "Wealth Management", and taking "4C" as the Sustainable Goal, which are Carbon, Capital, Credit and Customer.

## Carbon

Expand greenhouse gas inventory and take action to reduce carbon emissions.

## Capital

Create investment value and exert long-term sustainable influence.

## Credit

Follow the Equator Principles and assist enterprises in transformation through green finance.

## Customer

Value the Principle to Treat Clients Fairly and optimize financial friendly services.

## FIVE MAJOR BUSINESS MANAGEMENT POLICIES

1. Continue to adjust the credit structure, increase interest income and deposits, and prevent the impact of interest rate cuts.
2. Strengthen the wealth management team, develop new customers, and secure high-end customers.
3. Optimize online loan services, increase cross-industry cooperation, and establish a complete digital ecosystem.
4. Increase the proportion of overseas profits, strengthen the absorption of local deposits, and actively expand overseas operating bases..
5. We attach great importance to risk control and set various capital adequacy ratio targets.



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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)		
	2022	2023	Change%	3Q23	4Q23	1Q24	2Q24	3Q24	Change%	3Q23	3Q24	Change%
<b>Assets</b>												
Cash & due from Banks	201,747	243,280	20.59%	196,057	243,280	284,847	235,691	280,542	19.03%	196,057	280,542	43.09%
Financial assets at FVPL, net	31,486	73,576	133.68%	70,660	73,576	83,166	80,600	79,914	-0.85%	70,660	79,914	13.10%
Financial assets at FVOCI, net	214,616	261,736	21.96%	259,633	261,736	284,980	307,605	300,213	-2.40%	259,633	300,213	15.63%
Financial assets at amortized cost, net	485,011	453,143	-6.57%	442,350	453,143	454,312	485,725	472,944	-2.63%	442,350	472,944	6.92%
Receivables, net	22,447	20,992	-6.48%	21,253	20,992	23,410	31,447	28,226	-10.24%	21,253	28,226	32.81%
Loans, net	1,685,320	1,802,525	6.95%	1,751,223	1,802,525	1,857,165	1,915,206	1,963,576	2.53%	1,751,223	1,963,576	12.13%
Other financial assets, net	1,769	1,236	-30.14%	1,271	1,236	1,127	1,143	458	-59.97%	1,271	458	-64.00%
Property and equipment, net	21,031	21,048	0.08%	21,081	21,048	20,909	20,946	21,163	1.03%	21,081	21,163	0.39%
Right-of-use asset	1,954	1,938	-0.83%	1,982	1,938	1,853	1,915	1,861	-2.82%	1,982	1,861	-6.07%
Investment property, net	13,846	13,873	0.20%	13,841	13,873	13,930	13,928	13,926	-0.01%	13,841	13,926	0.61%
Other assets	5,626	7,528	33.82%	6,332	7,528	5,254	8,224	4,307	-47.63%	6,332	4,307	-31.98%
<b>Total Assets</b>	<b>2,684,852</b>	<b>2,900,874</b>	<b>8.05%</b>	<b>2,785,683</b>	<b>2,900,874</b>	<b>3,030,954</b>	<b>3,102,430</b>	<b>3,167,130</b>	<b>2.09%</b>	<b>2,785,683</b>	<b>3,167,130</b>	<b>13.69%</b>
<b>Liabilities</b>												
Due to banks	52,877	113,218	114.12%	104,295	113,218	148,753	117,353	184,579	57.29%	104,295	184,579	76.98%
Financial liabilities at FVPL	6,920	6,595	-4.70%	2,643	6,595	2,036	2,761	4,407	59.58%	2,643	4,407	66.73%
RP	941	11,138	1083.65%	17,545	11,138	23,257	20,277	1,569	-92.26%	17,545	1,569	-91.06%
Payables	31,965	36,499	14.18%	44,702	36,499	41,053	45,193	52,866	16.98%	44,702	52,866	18.26%
Deposits and remittances	2,349,883	2,475,789	5.36%	2,358,249	2,475,789	2,549,815	2,655,924	2,663,850	0.30%	2,358,249	2,663,850	12.96%
Bank notes payable	51,219	49,164	-4.01%	49,175	49,164	48,622	40,816	40,810	-0.01%	49,175	40,810	-17.01%
Provisions	3,023	3,307	9.38%	3,230	3,307	3,284	3,142	3,079	-2.01%	3,230	3,079	-4.67%
Lease liabilities	1,795	1,783	-0.65%	1,831	1,783	1,707	1,775	1,729	-2.55%	1,831	1,729	-5.54%
Other liabilities	17,200	15,384	-10.56%	23,098	15,384	18,131	21,525	14,423	-32.99%	23,098	14,423	-37.56%
<b>Total Liabilities</b>	<b>2,515,824</b>	<b>2,712,876</b>	<b>7.83%</b>	<b>2,604,769</b>	<b>2,712,876</b>	<b>2,836,658</b>	<b>2,908,766</b>	<b>2,967,312</b>	<b>2.01%</b>	<b>2,604,769</b>	<b>2,967,312</b>	<b>13.92%</b>
<b>Stockholders' Equity</b>	<b>169,028</b>	<b>187,998</b>	<b>11.22%</b>	<b>180,914</b>	<b>187,998</b>	<b>194,296</b>	<b>193,664</b>	<b>199,818</b>	<b>3.18%</b>	<b>180,914</b>	<b>199,818</b>	<b>10.45%</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>2,684,852</b>	<b>2,900,874</b>	<b>8.05%</b>	<b>2,785,683</b>	<b>2,900,874</b>	<b>3,030,954</b>	<b>3,102,430</b>	<b>3,167,130</b>	<b>2.09%</b>	<b>2,785,683</b>	<b>3,167,130</b>	<b>13.69%</b>

# STATEMENTS OF COMPREHENSIVE INCOME(Consolidated)

(in NT\$ mn)

	Year(IFRSs)			Quarter(IFRSs)						Period(IFRSs)		
	2022	2023	Change%	3Q23	4Q23	1Q24	2Q24	3Q24	Change%	9M23	9M24	Change%
Interest Income	41,612	64,843	55.83%	16,848	17,552	18,043	19,197	19,720	2.72%	47,291	56,959	20.44%
Interest Expense	16,967	42,610	151.14%	11,292	11,993	12,554	13,623	13,960	2.48%	30,618	40,136	31.09%
<b>Net Interest Income</b>	<b>24,645</b>	<b>22,233</b>	<b>-9.79%</b>	<b>5,555</b>	<b>5,560</b>	<b>5,489</b>	<b>5,574</b>	<b>5,760</b>	<b>3.33%</b>	<b>16,673</b>	<b>16,823</b>	<b>0.90%</b>
Net Service fee and commissions income	4,256	5,142	20.82%	1,333	1,263	2,285	1,553	1,598	2.90%	3,879	5,435	40.09%
Gains(losses) on financial assets and liabilities at FVPL	3,312	9,610	190.17%	2,063	2,861	1,916	2,578	2,895	12.28%	6,750	7,390	9.49%
Realized gains of financial assets at FVOCI	70	906	1187.37%	458	-480	243	364	866	138.30%	1,386	1,473	6.27%
Gains(losses) on disposal of credit assets measured at AC	-2	-234	-14186%	-190	-1	-14	-26	0	101%	-233	-40	83%
Foreign exchange gains(losses)	1,640	736	-55.14%	360	55	352	297	150	-49.43%	681	799	17.25%
Other miscellaneous net income	216	177	-18.10%	75	-58	16	127	49	-61.68%	235	192	-18.08%
<b>Net income other than net interest income</b>	<b>9,493</b>	<b>16,337</b>	<b>72.10%</b>	<b>4,099</b>	<b>3,639</b>	<b>4,798</b>	<b>4,893</b>	<b>5,558</b>	<b>13.59%</b>	<b>12,698</b>	<b>15,248</b>	<b>20.08%</b>
<b>Net Revenues and gains</b>	<b>34,139</b>	<b>38,570</b>	<b>12.98%</b>	<b>9,654</b>	<b>9,199</b>	<b>10,287</b>	<b>10,467</b>	<b>11,317</b>	<b>8.12%</b>	<b>29,371</b>	<b>32,071</b>	<b>9.19%</b>
Credit loss provisions, net	3,319	3,241	-2.34%	855	933	724	815	1,408	72.76%	2,308	2,947	27.69%
<b>Operating Expenses</b>	<b>17,769</b>	<b>19,092</b>	<b>7.45%</b>	<b>4,636</b>	<b>4,792</b>	<b>4,762</b>	<b>5,024</b>	<b>5,341</b>	<b>6.31%</b>	<b>14,300</b>	<b>15,127</b>	<b>5.78%</b>
Employee Benefits expenses	11,721	12,265	4.64%	2,958	2,876	3,072	3,172	3,544	11.75%	9,389	9,788	4.25%
Depreciation and amortization expenses	1,571	1,650	5.07%	416	410	396	405	410	1.17%	1,240	1,211	-2.32%
Other general and administrative expenses	4,476	5,177	15.64%	1,262	1,506	1,293	1,447	1,386	-4.18%	3,671	4,127	12.43%
<b>Income before income tax from continuing operations</b>	<b>13,051</b>	<b>16,237</b>	<b>24.41%</b>	<b>4,163</b>	<b>3,473</b>	<b>4,801</b>	<b>4,628</b>	<b>4,568</b>	<b>-1.29%</b>	<b>12,763</b>	<b>13,997</b>	<b>9.67%</b>
Income Tax Expense	2,080	3,254	56.50%	937	728	970	1,015	763	-24.83%	2,526	2,749	8.79%
<b>Net Income</b>	<b>10,971</b>	<b>12,982</b>	<b>18.33%</b>	<b>3,226</b>	<b>2,746</b>	<b>3,831</b>	<b>3,613</b>	<b>3,805</b>	<b>5.32%</b>	<b>10,237</b>	<b>11,249</b>	<b>9.89%</b>
Basic EPS(NT\$)	1.04	1.20	15.38%	0.30	0.24	0.35	0.32	0.34	6.25%	0.94	1.00	6.38%
Other comprehensive income	-8,151	11,814	244.94%	1,958	4,338	2,467	1,728	2,349	35.96%	7,476	6,543	-12.48%
<b>Total comprehensive income</b>	<b>2,820</b>	<b>24,796</b>	<b>779.28%</b>	<b>5,185</b>	<b>7,084</b>	<b>6,298</b>	<b>5,340</b>	<b>6,154</b>	<b>15.23%</b>	<b>17,712</b>	<b>17,792</b>	<b>0.45%</b>



彰化銀行

THANK YOU

