

Stock No : 2812

Taichung Commercial Bank 2021 Q3 Investor Conference



2021.11.22

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Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2021 Q3 Financial Highlight



Profitability

- Net Profit after tax 3.57 billions, 21.45% growth over the same period last year.
- EPS 0.82, 13.89% growth over the same period last year.

Asset quality

- NPL ratio 0.24%、NPL coverage ratio 560.64%.

Capital adequacy

- Consolidated : Capital Adequacy Ratio 15.06%、Tier I Capital Ratio 13.99%、Common Equity Ratio 11.72%.
- Individual : Capital Adequacy Ratio 14.54%、Tier I Capital Ratio 14.01%、Common Equity Ratio 11.92%.

Agenda

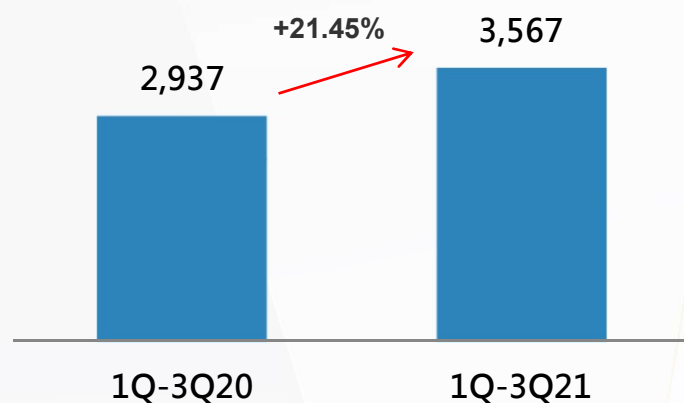
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Profitability



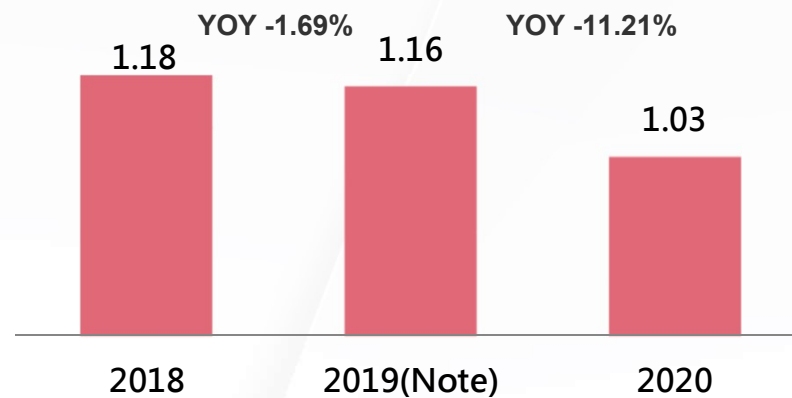
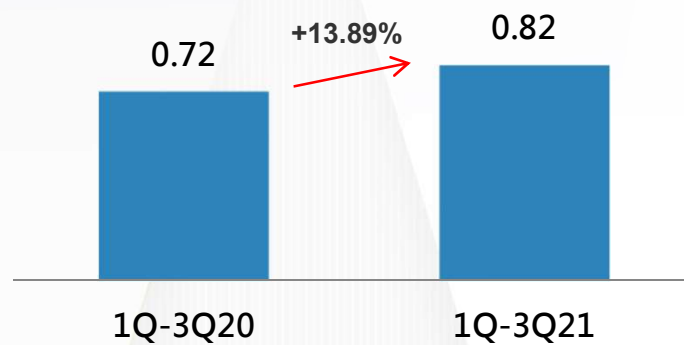
Net Profit

(NT\$ Million)



EPS

(NT\$)

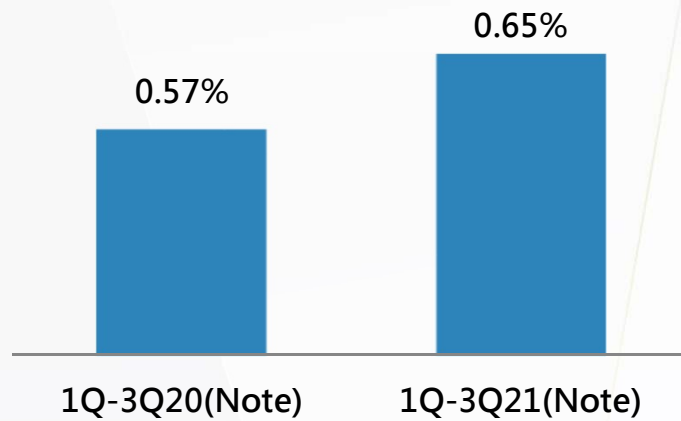


Note : The EPS of 2019 was adjusted retroactively as 1.11. The growth rate of EPS in 2020 over 2019 was -7.21%.

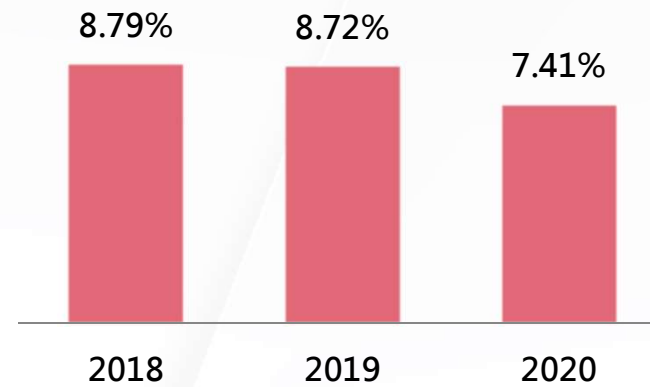
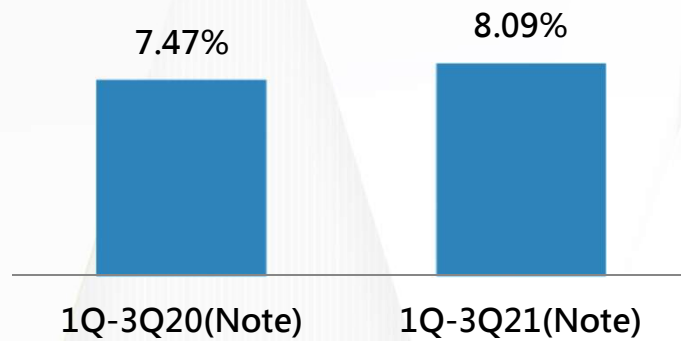
Profitability



ROA



ROE

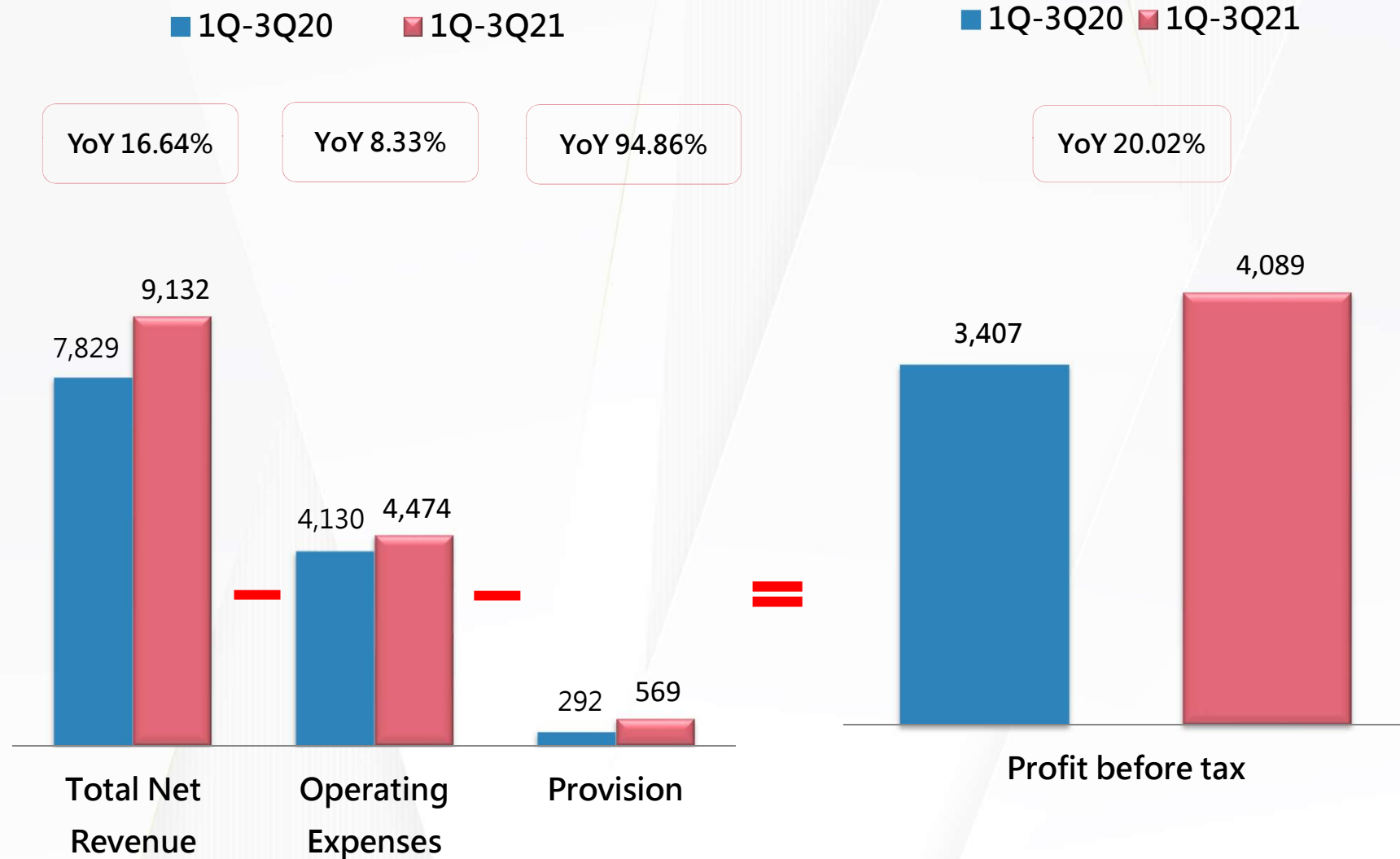


Note : ROE and ROA are annualized.

TCB 's Change in Net Profit

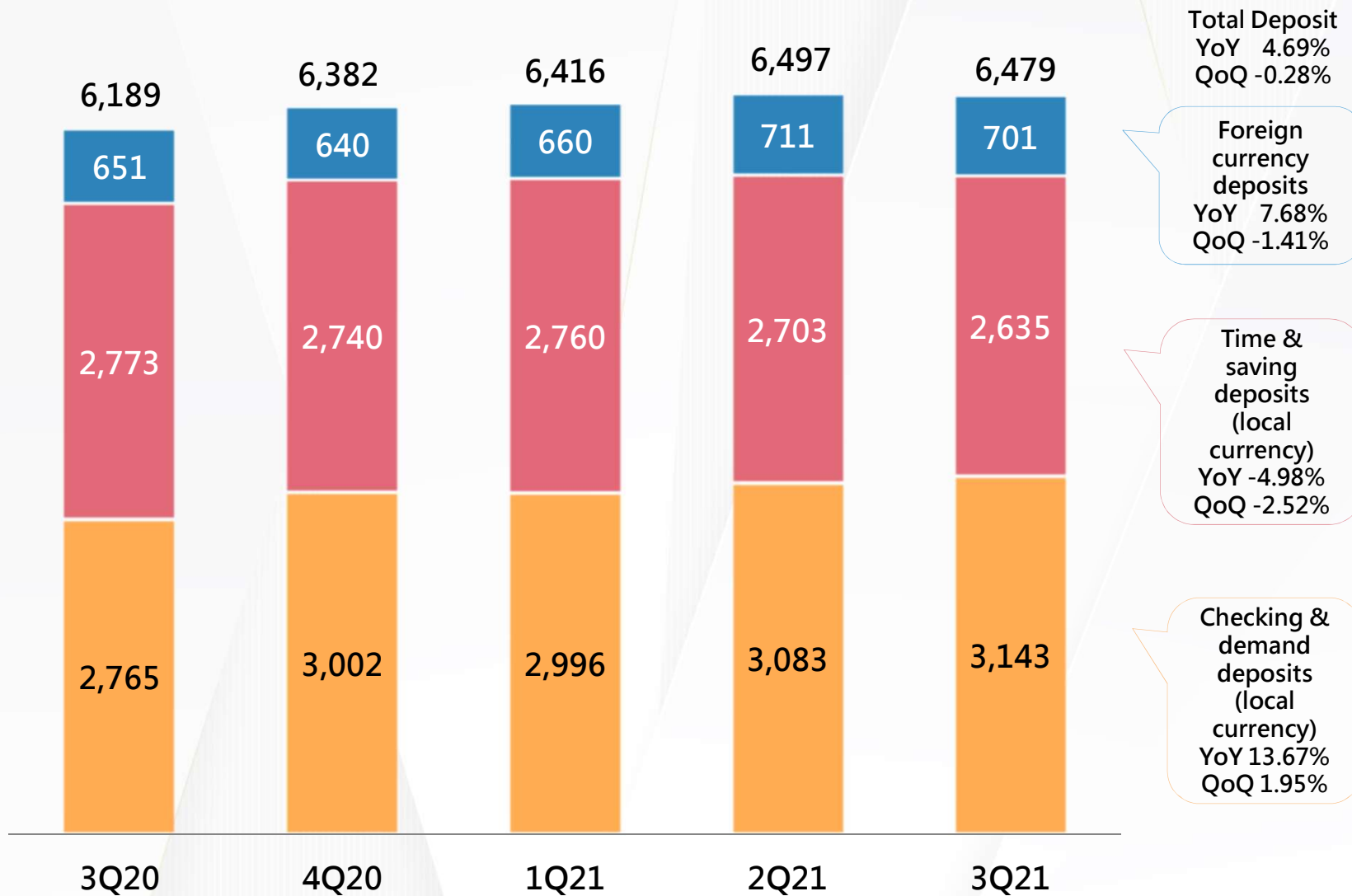


(NT\$ Million)



TCB 's Deposit Breakdown

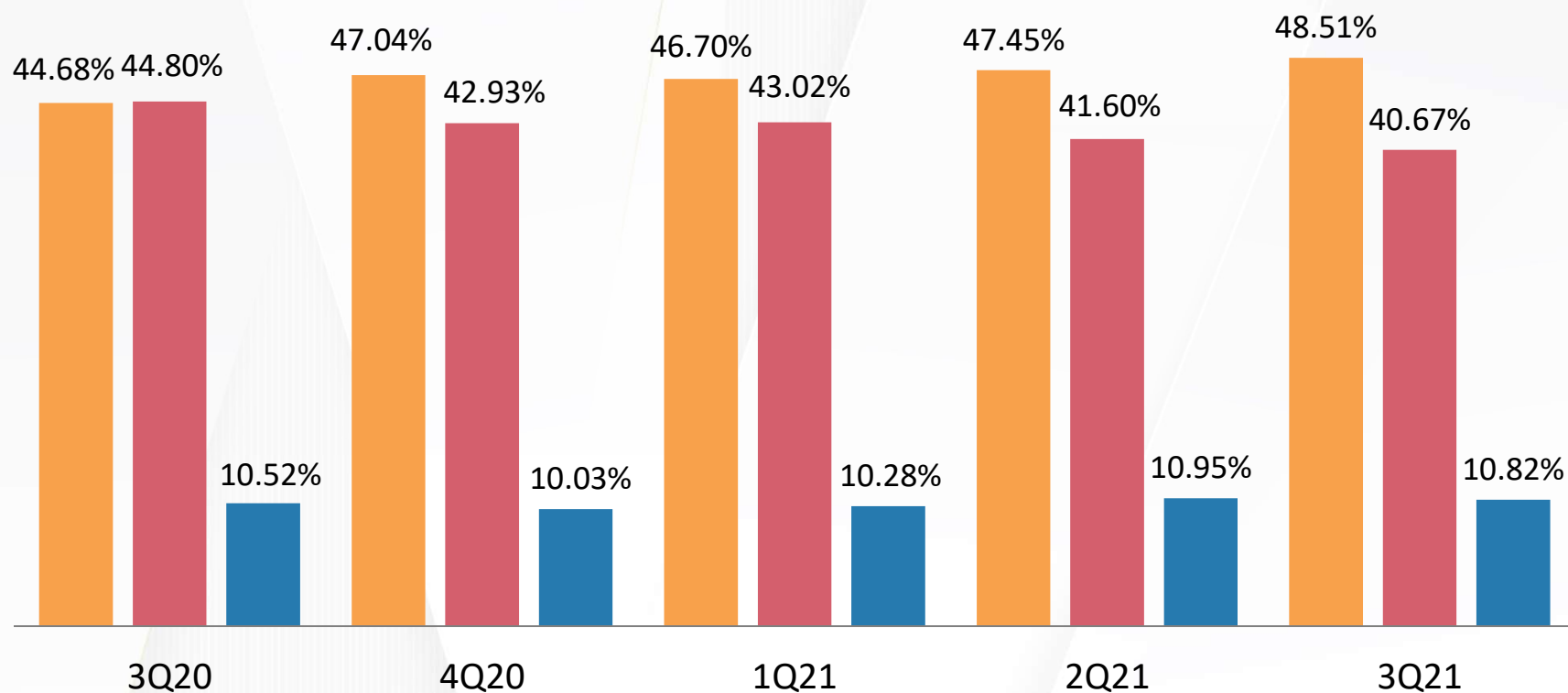
(NT\$ Hundred Million)



TCB 's Deposit Structure



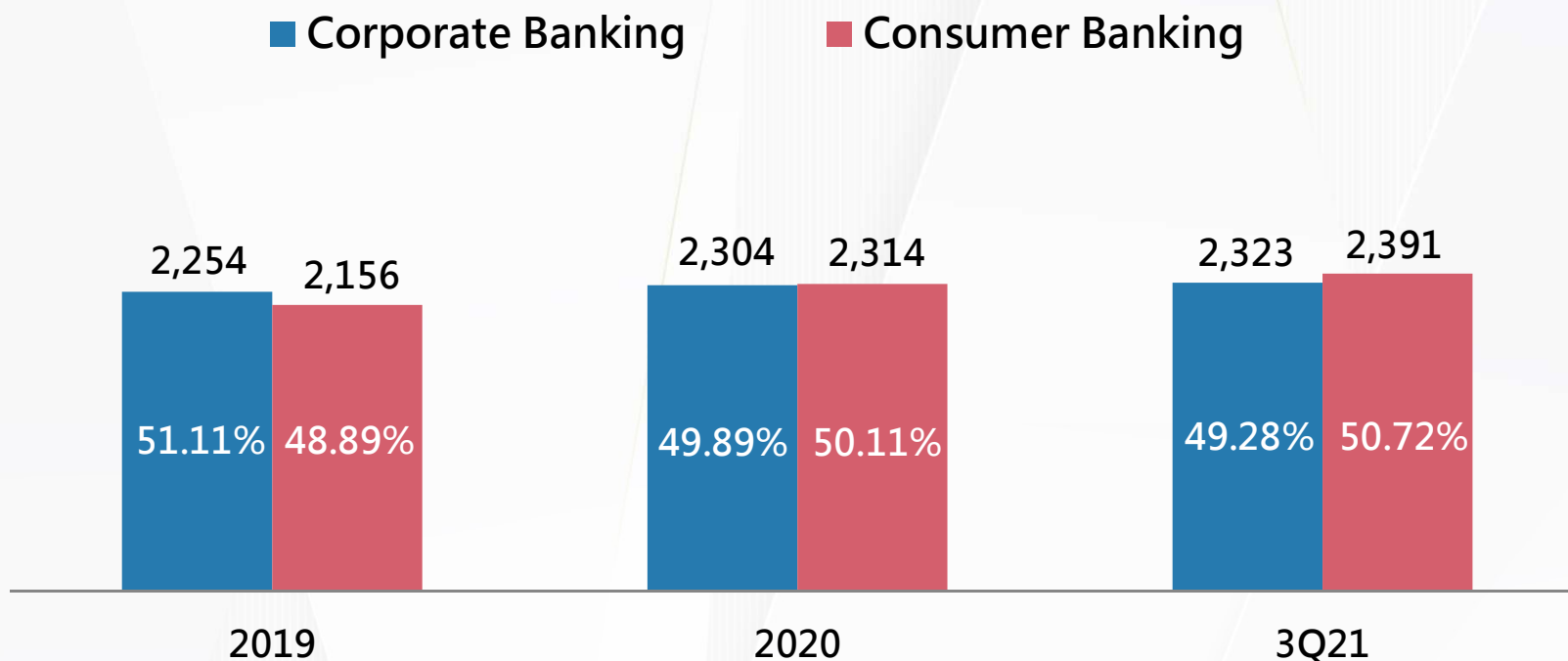
- Checking & demand deposits (local currency)
- Time & saving deposits(local currency)
- Foreign currency deposits



TCB's Loan Structure



(NT\$ Hundred Million)



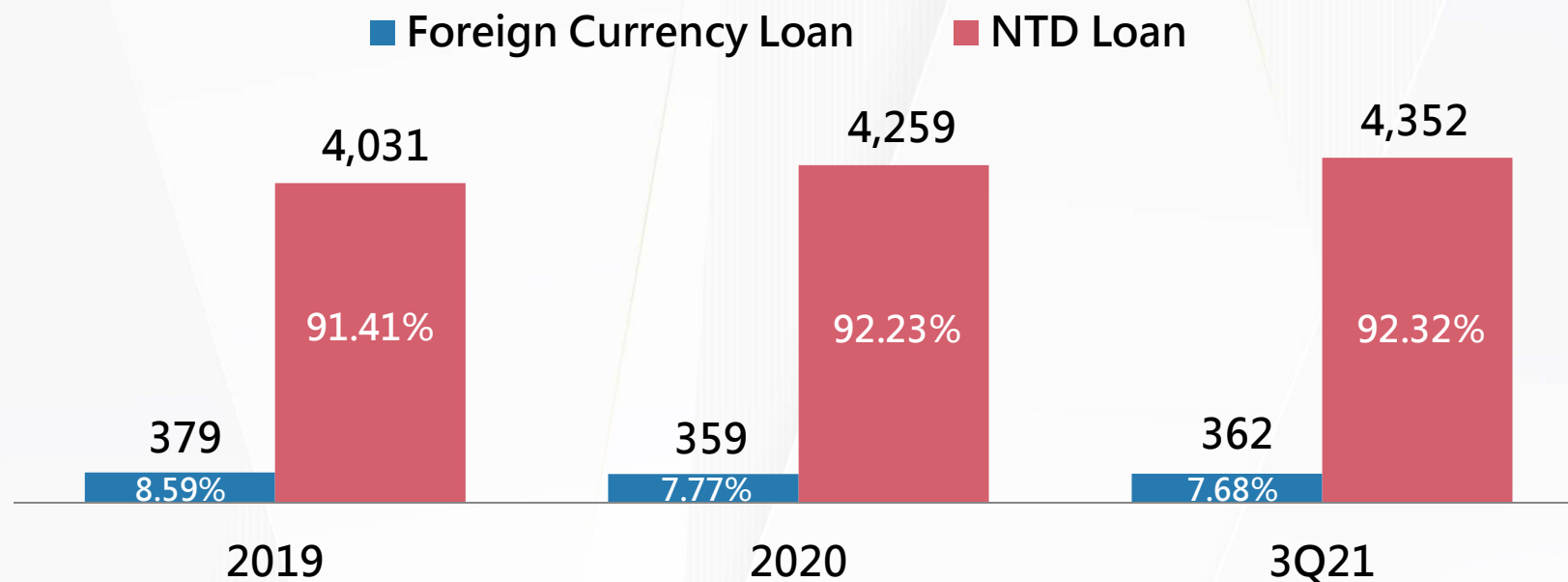
	2019	2020	3Q21	YTD
Corporate Banking	2,254	2,304	2,323	0.82%
Consumer Banking	2,156	2,314	2,391	3.33%
Total	4,410	4,618	4,714	2.08%

[Note] The classification of Corporate Banking and Consumer Banking is based on the asset quality classification from the Article 16 in "Regulations Governing the Preparation of Financial Reports by Public Banks" .

TCB ' s Loan Structure by Currency



(NT\$ Hundred Million)

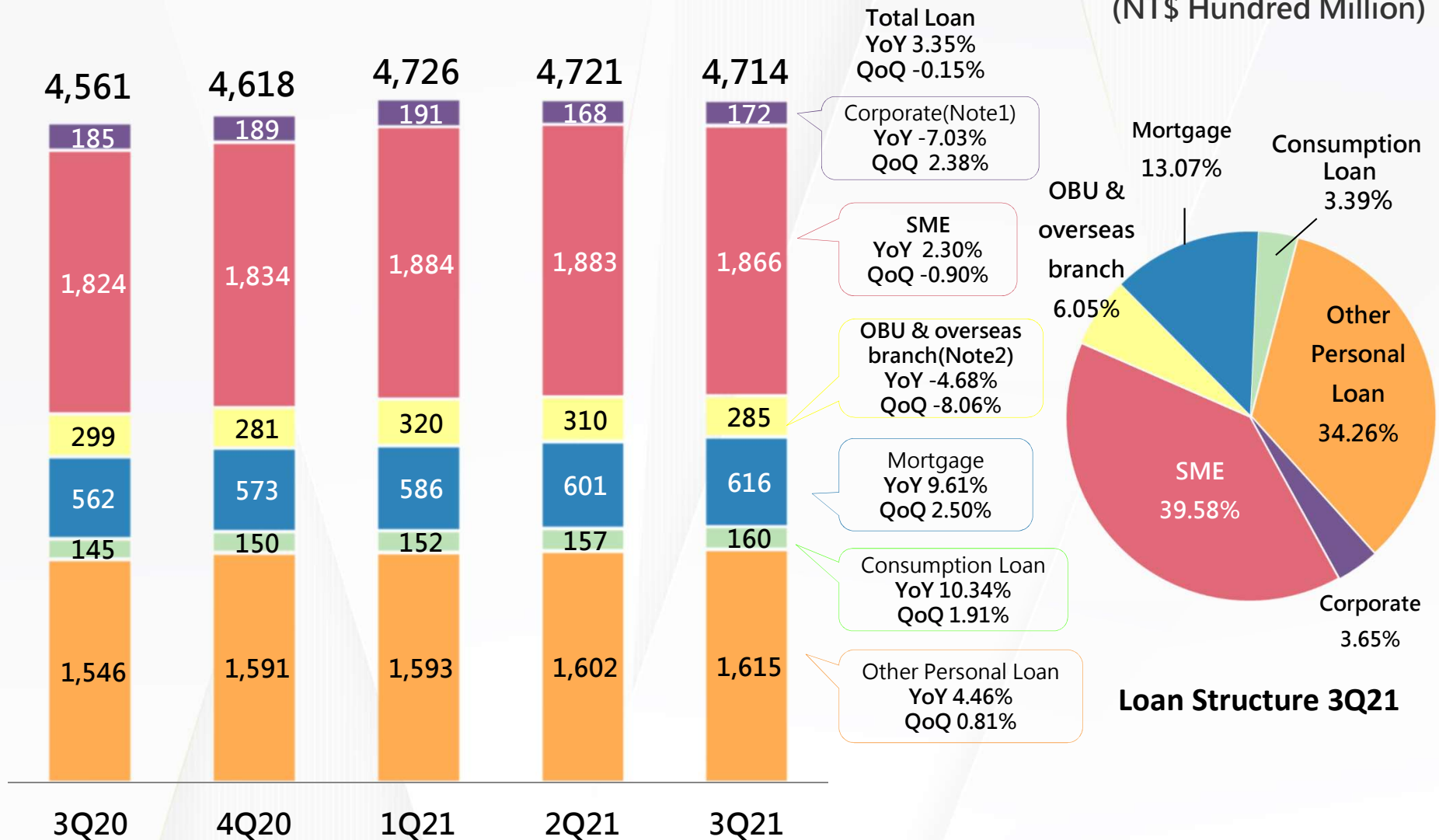


	2019	2020	3Q21	YTD
NTD Loan	4,031	4,259	4,352	2.18%
Foreign Currency Loan	379	359	362	0.84%
Total	4,410	4,618	4,714	2.08%

TCB 's Loan Breakdown



(NT\$ Hundred Million)



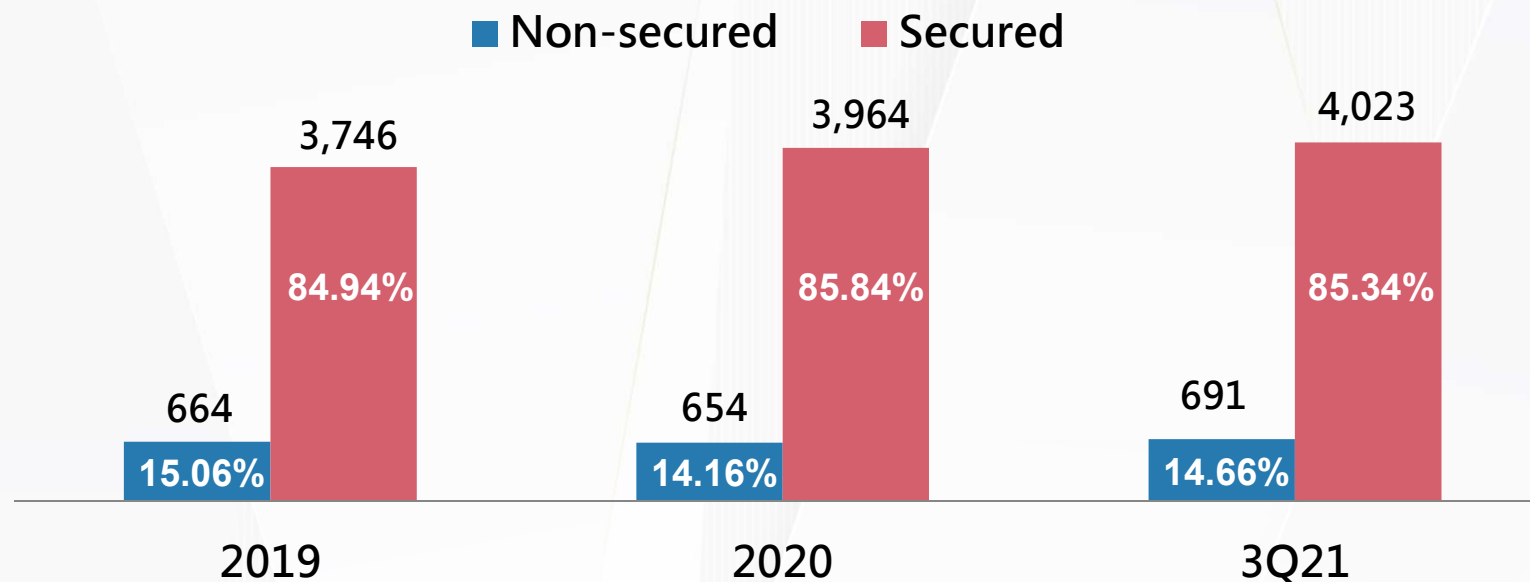
Note 1 : The balance of Corporate loan included government loans.

Note 2 : The loan balance of OBU & overseas branch were 25.5 billions and 3 billions in NT\$, respectively.

TCB's Loan Breakdown

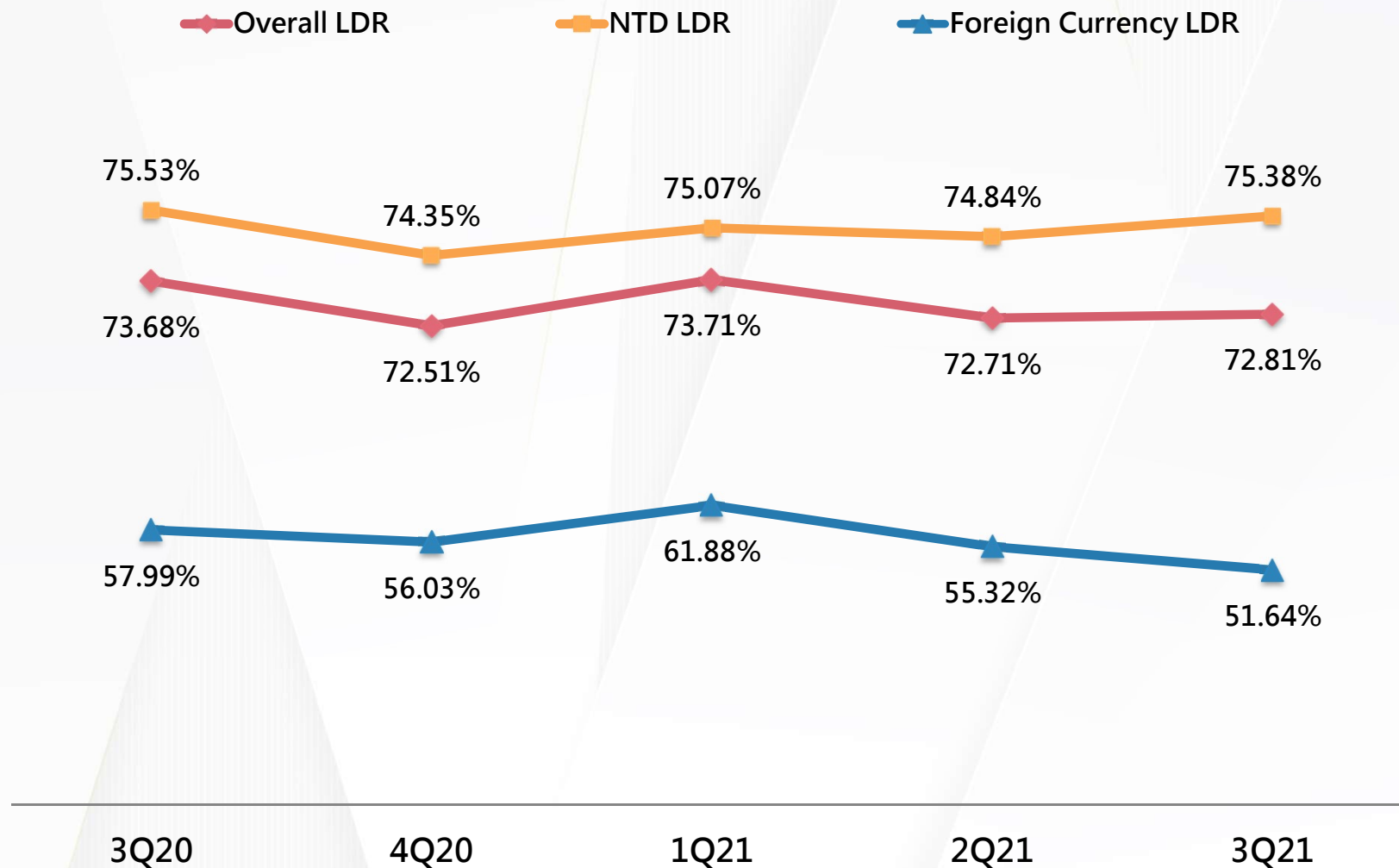


(NT\$ Hundred Million)

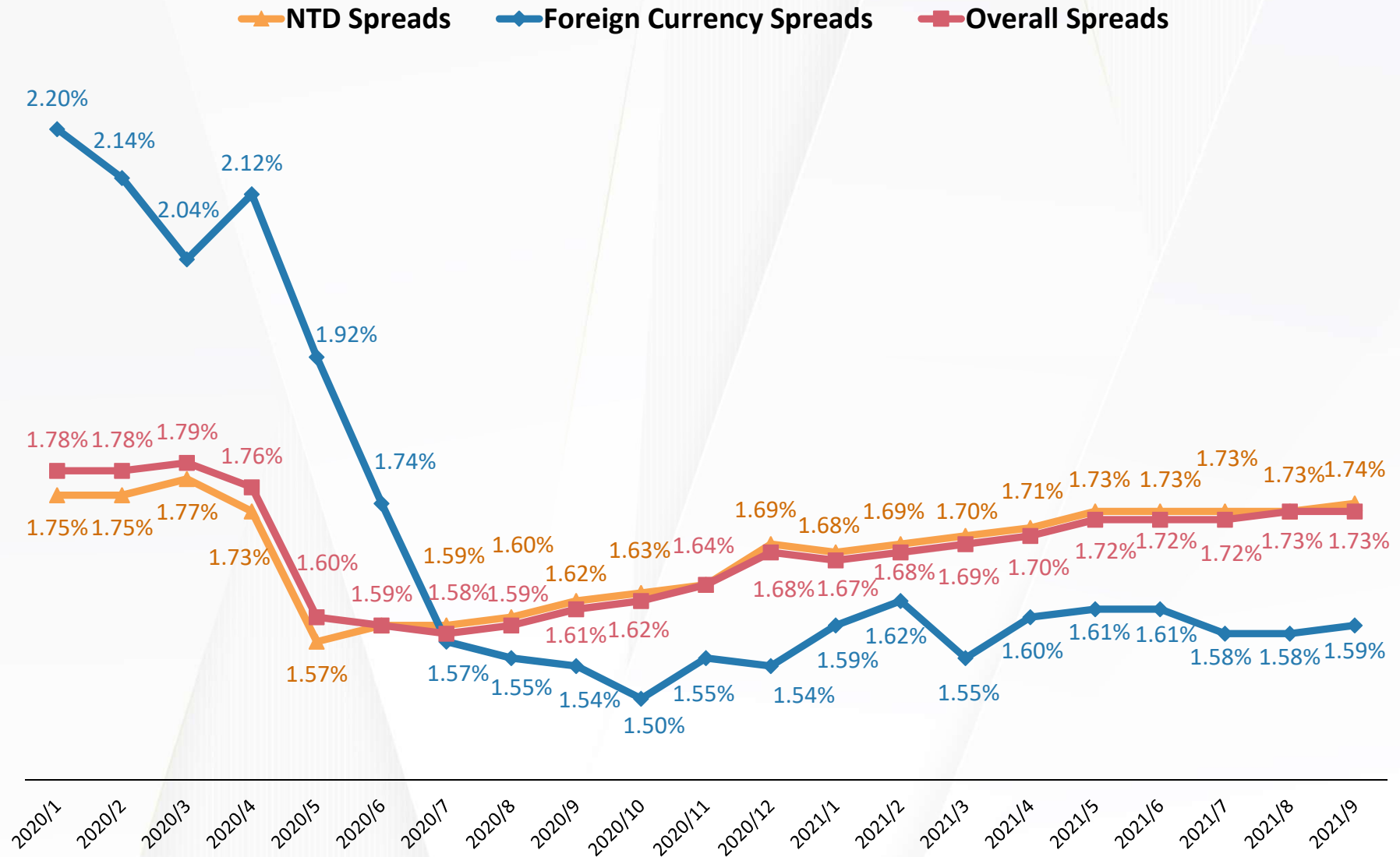


	2019	2020	3Q21	YTD
Non-secured	664	654	691	5.66%
Secured	3,746	3,964	4,023	1.49%
Secured by property	3,437	3,622	3,653	0.86%
Secured by Letter of Guarantee	149	166	173	4.22%
Others	160	176	197	11.93%
Total	4,410	4,618	4,714	2.08%

TCB's Loan to Deposit Ratio(LDR) 台中銀行 TAICHUNG BANK



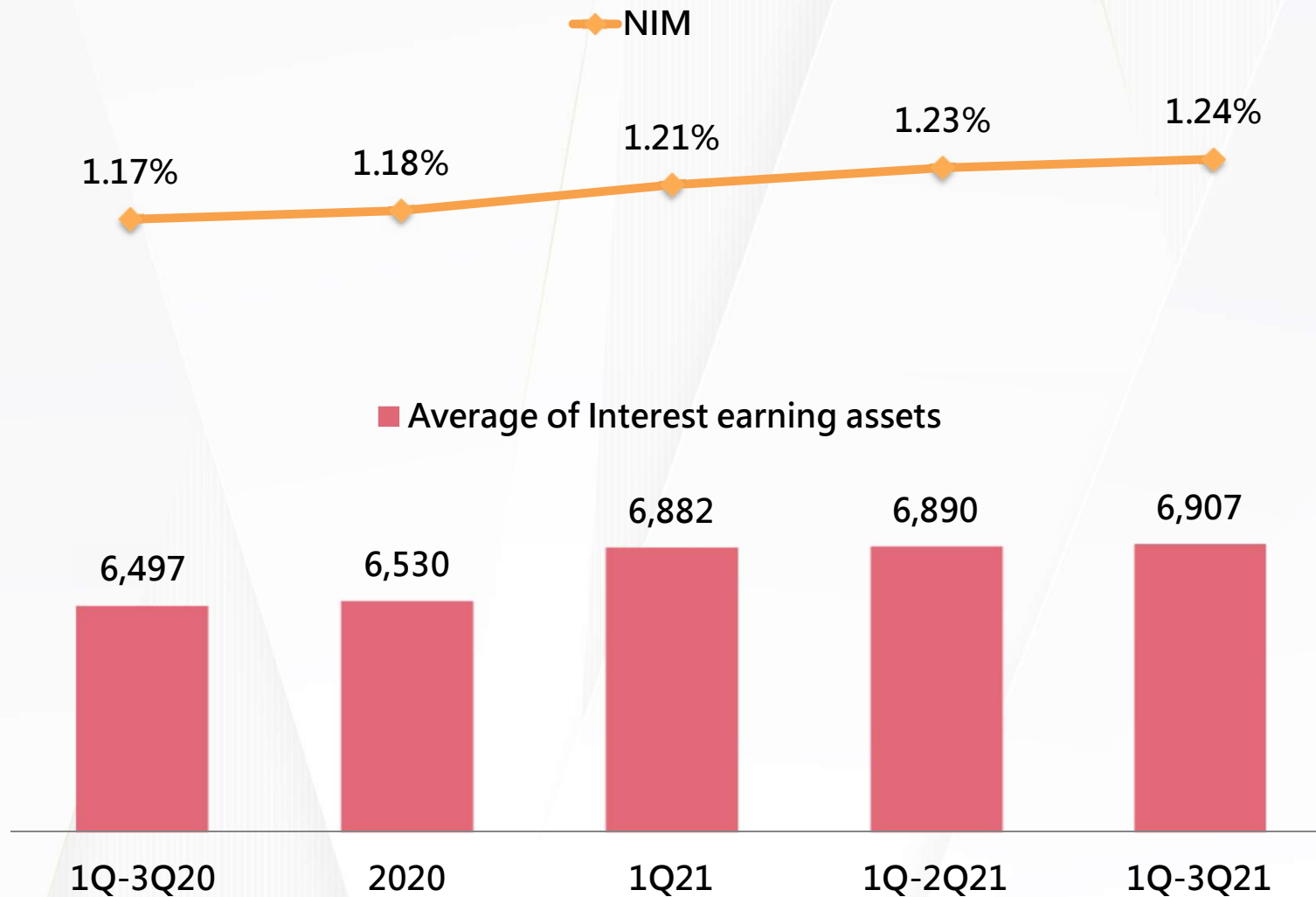
TCB 's Spreads



TCB's Net Interest Margin(NIM)



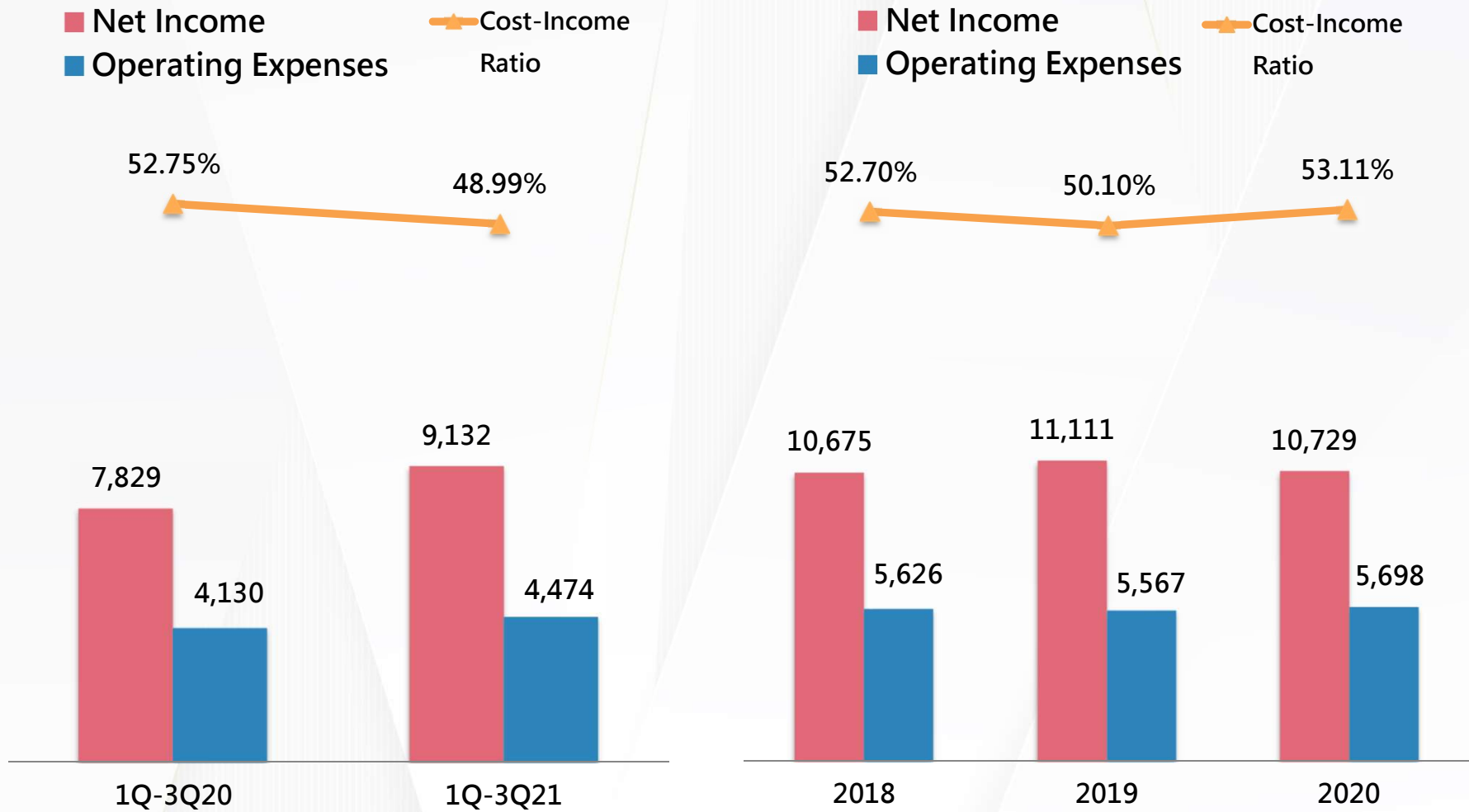
(NT\$ Hundred Million)



TCB's Operating Expenses to Net Income

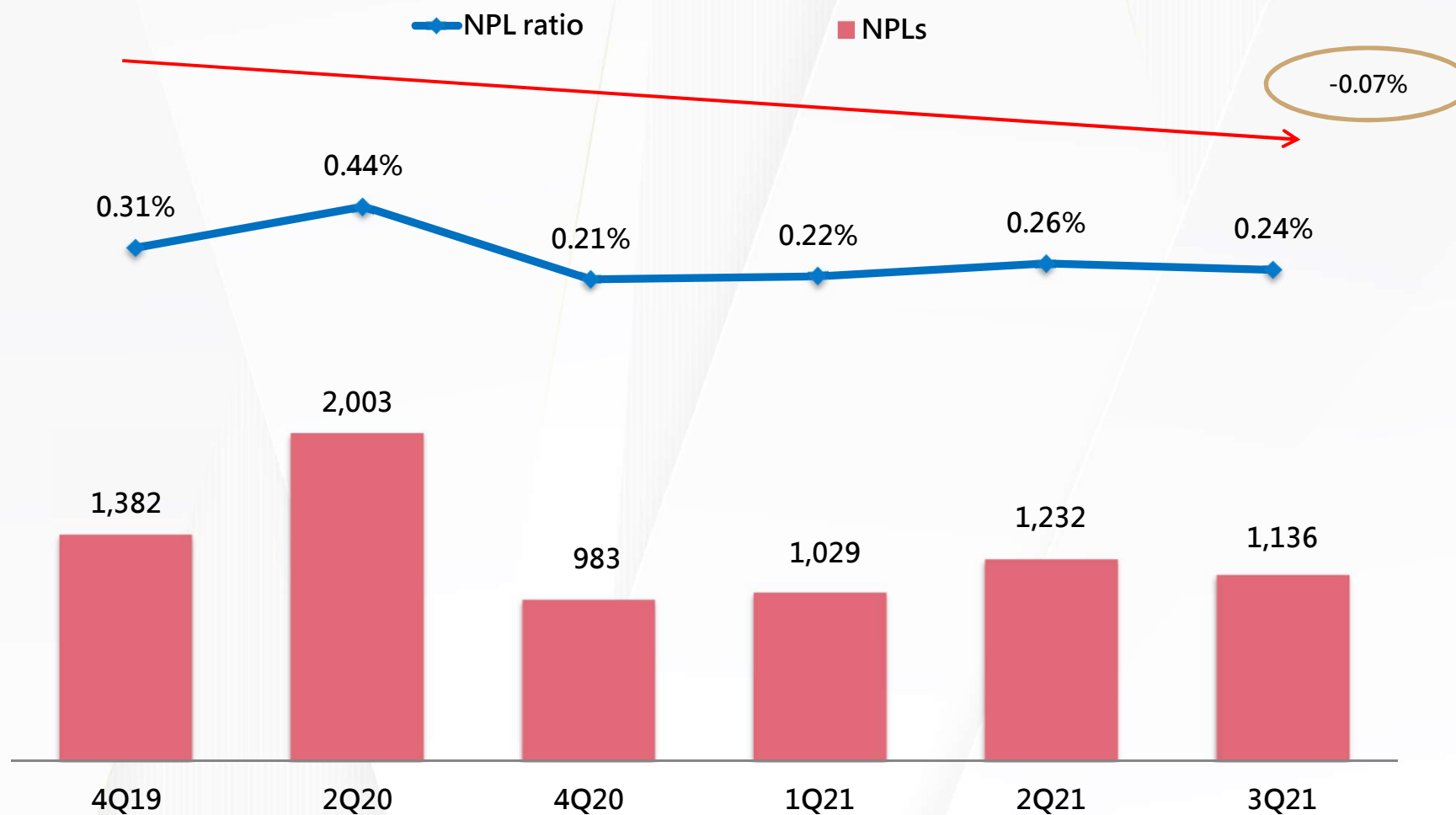


(NT\$ Million)



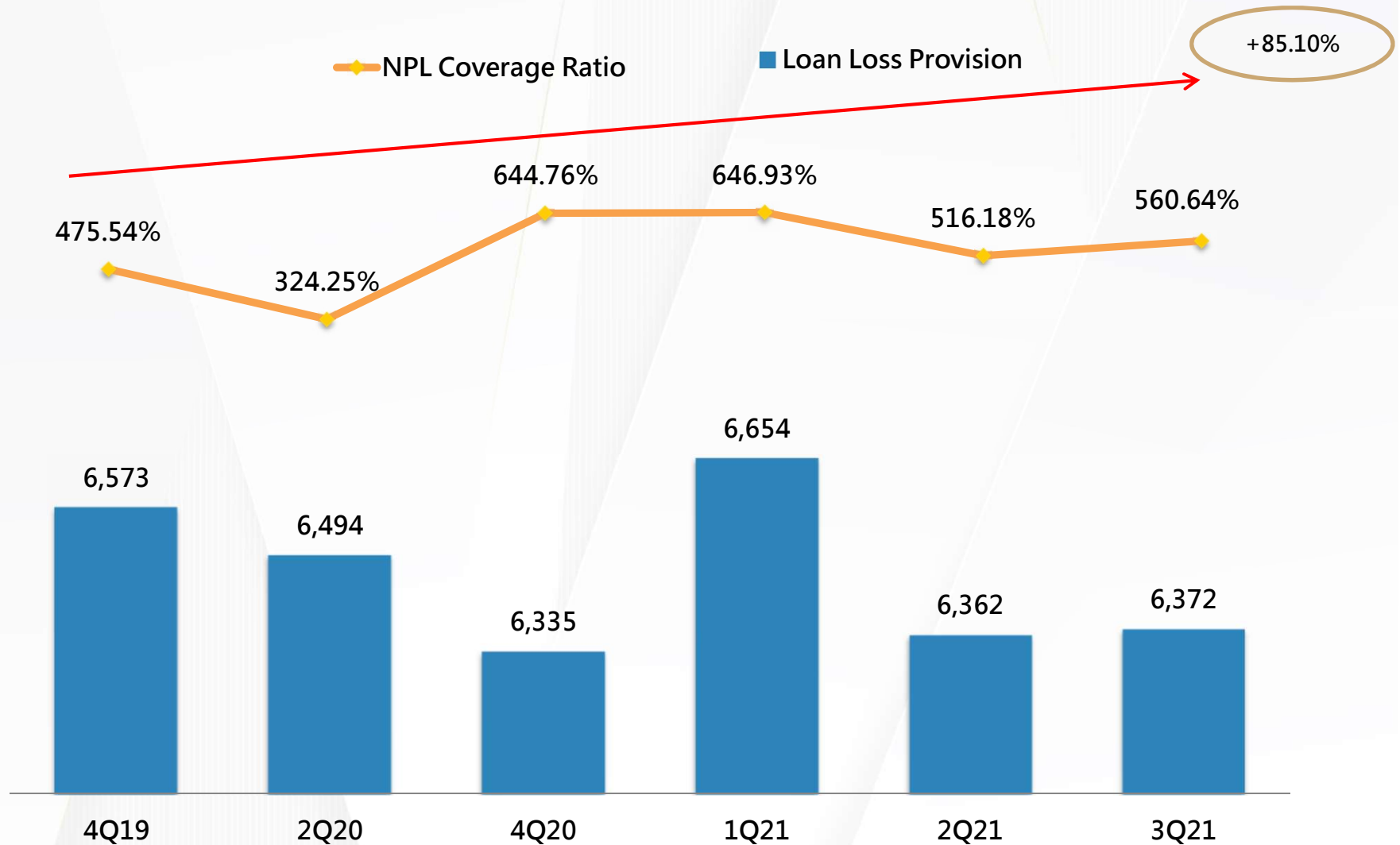
TCB's Asset quality

NPL ratio & NPLs



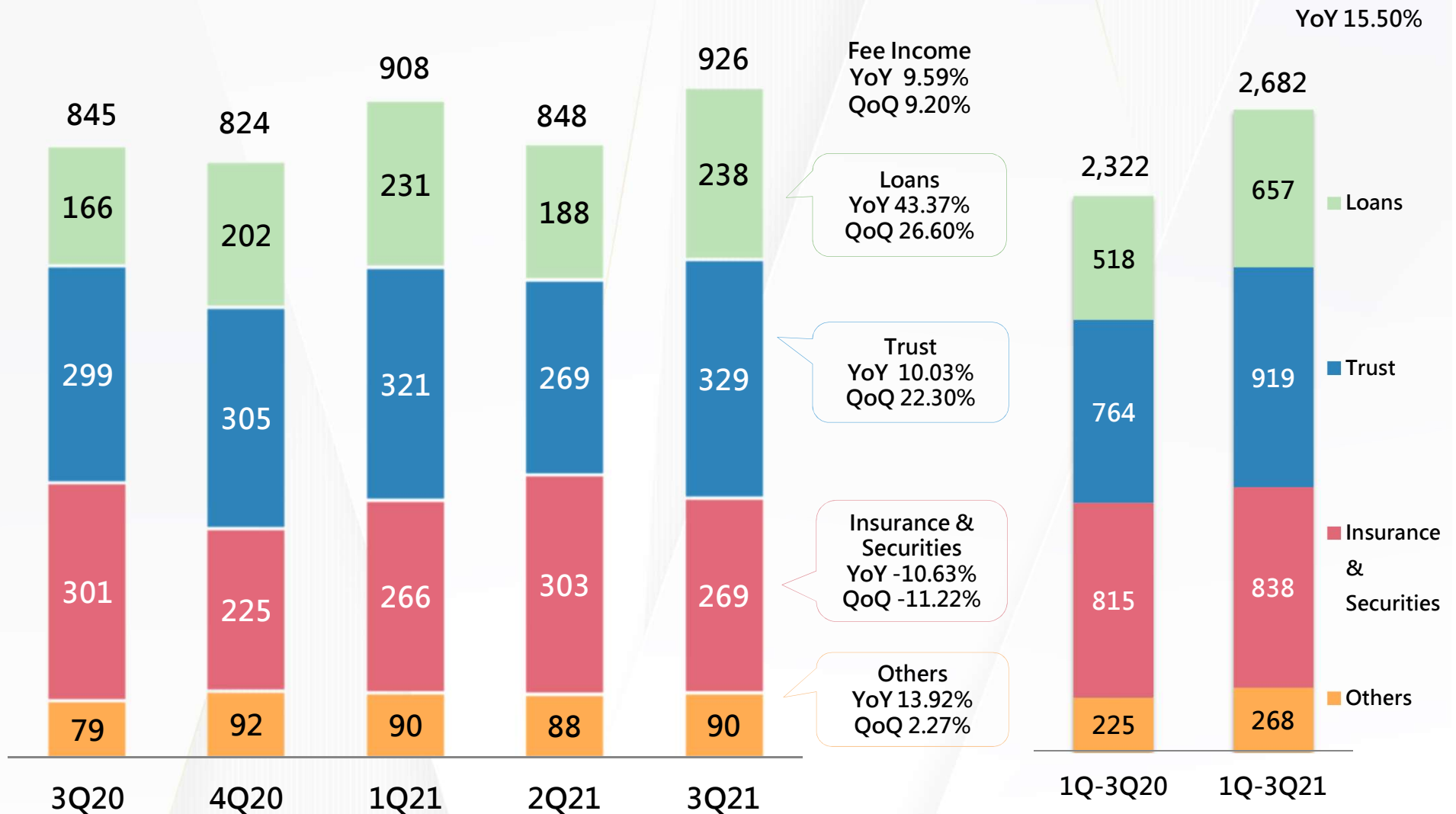
TCB 's Asset quality

NPL Coverage Ratio & Loan Loss Provision



Fee Income Breakdown

(NT\$ Million)  台中銀行
TAICHUNG BANK

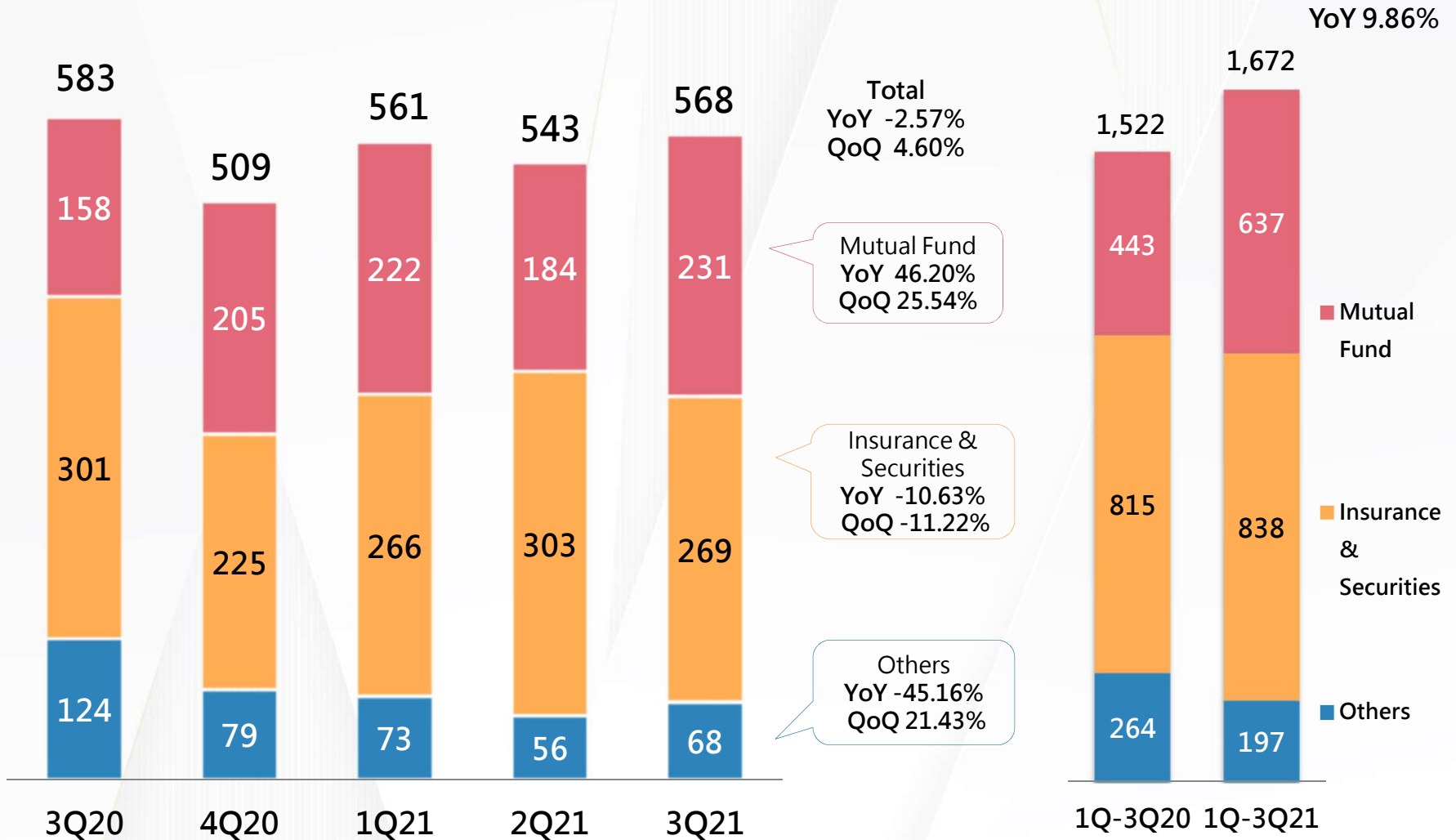


Wealth Management Fee Income



TAICHUNG BANK

(NT\$ Million)



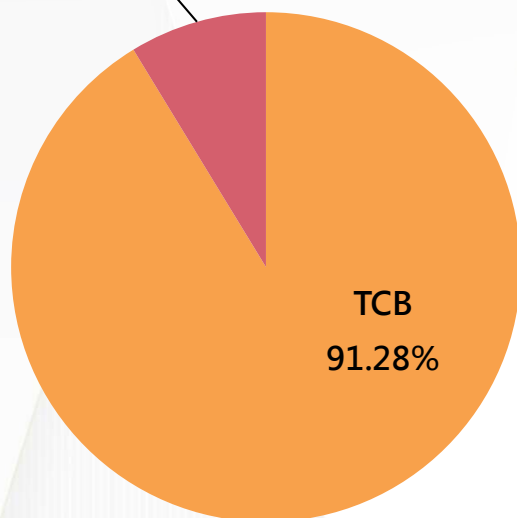
Profit of Subsidiary to TCB



(NT\$ Million)

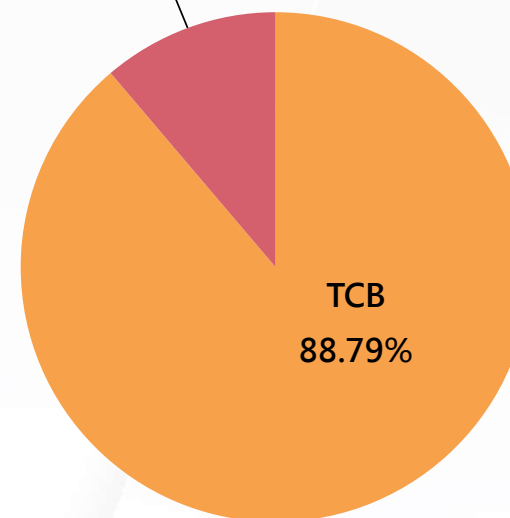
Net Profit after tax	1Q-3Q20	1Q-3Q21	YoY
TCB	2,681	3,167	18.13%
Subsidiary	256	400	56.25%
Total	2,937	3,567	21.45%

Subsidiary of TCB
8.72%



1Q-3Q20 Profit Breakdown

Subsidiary of TCB
11.21%

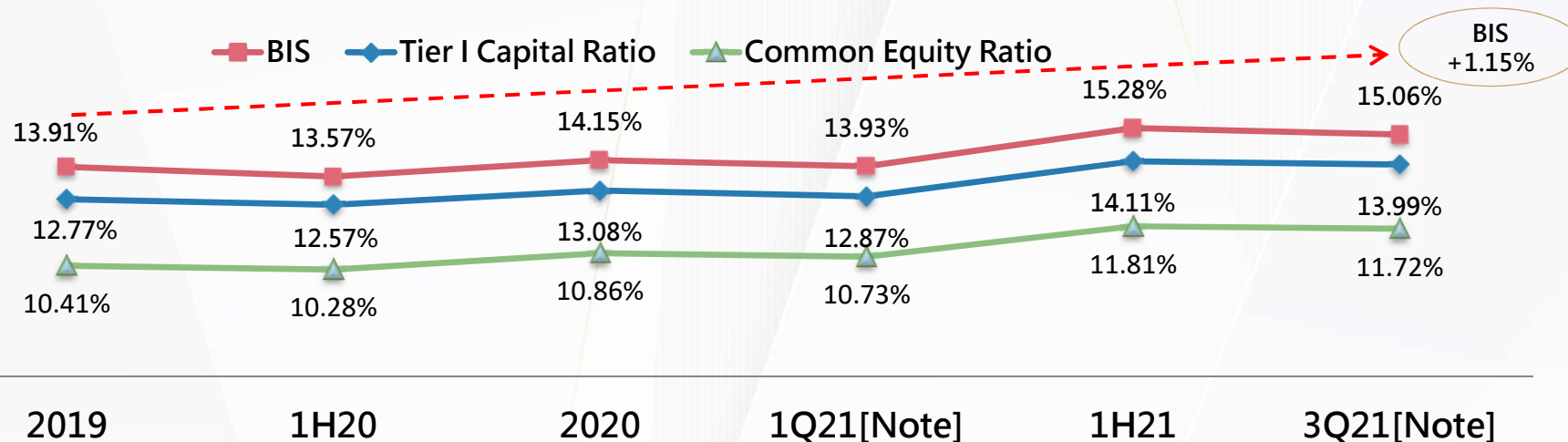


1Q-3Q21 Profit Breakdown

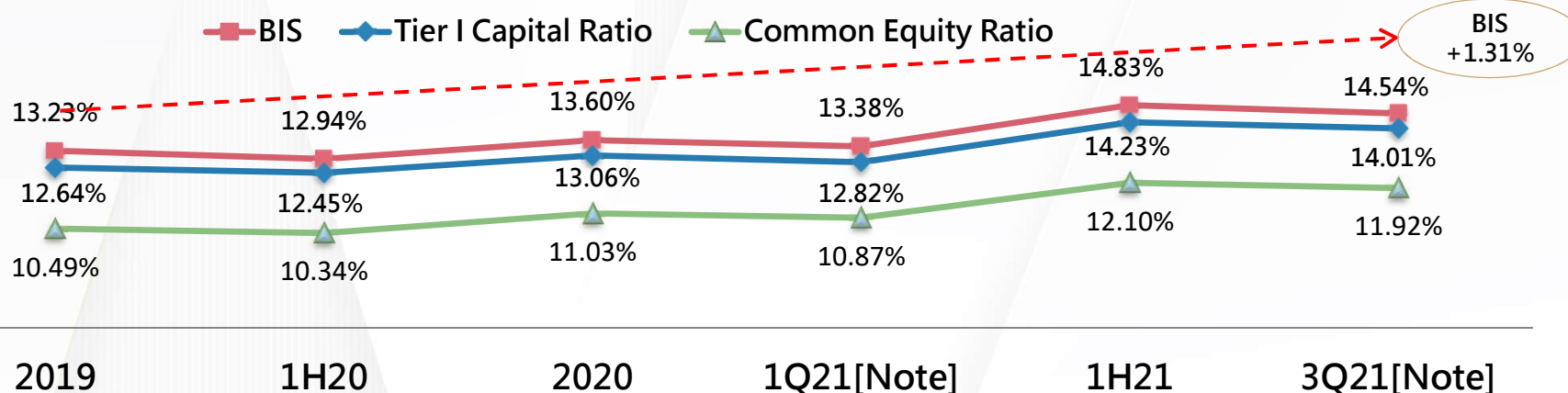
Capital Adequacy



Consolidated



Individual



Note : It was exposed by our company without accountant review

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Balance Sheet (Individual)



(NT\$ Million)

	2018	2019	2020	3Q21	YTD
Assets :					
Cash and due from banks	46,740	44,134	51,588	49,960	-3.16%
Financial investment, net	163,891	173,347	195,628	196,826	0.61%
Loans, net	451,729	434,469	455,442	465,106	2.12%
A/R, net	5,028	4,064	3,546	2,846	-19.74%
LT investments, net	5,225	5,491	5,440	5,702	4.82%
Properties and equipment , net	9,368	10,620	12,277	13,243	7.87%
Others	2,178	2,898	3,755	3,750	-0.13%
Total assets	684,159	675,023	727,676	737,433	1.34%
Liabilities :					
Deposits	589,243	584,866	638,274	647,856	1.50%
Other Liabilities	47,092	38,848	32,080	29,385	-8.40%
Total Liabilities	636,335	623,714	670,354	677,241	1.03%
Total Equity	47,824	51,309	57,322	60,192	5.01%
Total liabilities and equity	684,159	675,023	727,676	737,433	1.34%

P&L (Individual)



(NT\$ Million)

	2018	2019	2020	1Q-3Q20	1Q-3Q21	YoY
Net interest income	7,991	7,902	7,848	5,840	6,480	10.96%
Net fee income	1,793	1,926	2,117	1,525	1,842	20.79%
Others	891	1,283	764	464	810	74.57%
Total Operating Income	10,675	11,111	10,729	7,829	9,132	16.64%
Operating expenses	(5,626)	(5,567)	(5,698)	(4,130)	(4,474)	8.33%
Pre-provision Profit	5,049	5,544	5,031	3,699	4,658	25.93%
Credit Loss Provisions, net	(411)	(477)	(366)	(292)	(569)	94.86%
Profit Before Income Tax	4,638	5,067	4,665	3,407	4,089	20.02%
Tax Fee	(630)	(747)	(639)	(470)	(522)	11.06%
Net Profit After Income Tax	4,008	4,320	4,026	2,937	3,567	21.45%
Other Profits	34	153	448	430	300	-30.23%
Current period other comprehensive income	4,042	4,473	4,474	3,367	3,867	14.85%

Balance Sheet (Consolidated)



(NT\$ Million)

	2018	2019	2020	3Q21	YTD
Assets :					
Cash and due from banks	47,644	45,237	52,081	50,467	-3.10%
Financial investment, net	165,027	174,356	197,275	198,280	0.51%
Loans, net	452,595	435,398	456,541	466,432	2.17%
A/R, net	12,781	12,820	13,484	14,868	10.26%
LT investments, net	153	157	163	167	2.45%
Properties and equipment, net	9,447	10,684	12,333	13,293	7.78%
Others	3,185	4,037	4,893	4,793	-2.04%
Total assets	690,832	682,689	736,770	748,300	1.56%
Liabilities :					
Deposits	587,968	583,322	636,589	646,174	1.51%
Other Liabilities	55,040	48,058	42,859	41,934	-2.16%
Total Liabilities	643,008	631,380	679,448	688,108	1.27%
Total Equity	47,824	51,309	57,322	60,192	5.01%
Total liabilities and equity	690,832	682,689	736,770	748,300	1.56%

P&L(Consolidated)



(NT\$ Million)

	2018	2019	2020	1Q-3Q20	1Q-3Q21	YoY
Net interest income	8,434	8,351	8,279	6,150	6,911	12.37%
Net fee income	2,846	2,913	2,906	2,135	2,487	16.49%
Others	409	831	459	230	580	152.17%
Total Operating Income	11,689	12,095	11,644	8,515	9,978	17.18%
Operating expenses	(6,457)	(6,273)	(6,366)	(4,643)	(5,115)	10.17%
Pre-provision Profit	5,232	5,822	5,278	3,872	4,863	25.59%
Credit Loss Provisions, net	(472)	(615)	(519)	(399)	(696)	74.44%
Profit Before Income Tax	4,760	5,207	4,759	3,473	4,167	19.98%
Tax Fee	(752)	(887)	(733)	(536)	(600)	11.94%
Net Profit After Income Tax	4,008	4,320	4,026	2,937	3,567	21.45%
Other Profits	34	153	448	430	300	-30.23%
Current period other comprehensive income	4,042	4,473	4,474	3,367	3,867	14.85%

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Operational highlights in 2021

Co-creating economic and trade value

Strengthening the sense of economic community

In response to changes in global situations and regional integration trends, the New Southbound Policy of Taiwan has played an important role in the nation's diplomacy, economy and trade. To comply with the core beliefs of "long-term deep cultivation, diversified development, and mutual benefit" in the New Southbound Policy promotion plan, Taichung Bank continues to cultivate the Southeast Asian market. In September 2021, the "Penang Marketing Office" was set up in Malaysia. Together with the Labuan Branch and the Kuala Lumpur Marketing Office, Taichung Bank has established 3 overseas offices in Malaysia.

In October 2021, Taichung Bank was awarded as the outstanding bank of "Lending Service to Enterprises in Target Countries of the New Southbound Policy" by the Financial Supervisory Commission. In the future, by providing of various financial products and services, we will continuously promote the growth of small and medium-sized enterprises to jointly create regional economic development and prosperity, building a new model for Taiwan's economic development.



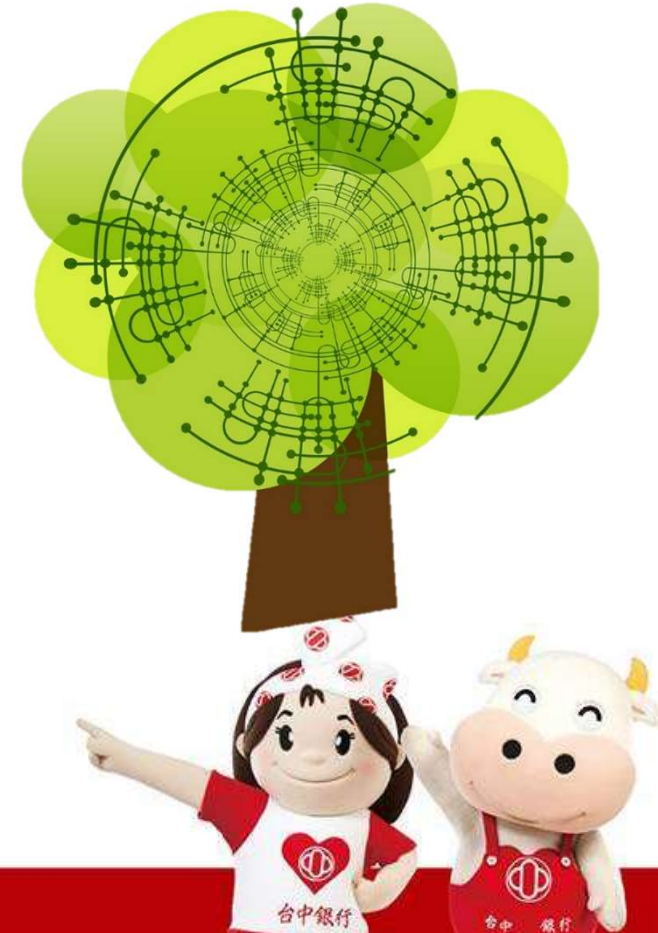
Operational highlights in 2021

Life in an environmentally friendly and low-carbon world

Resource recycling and environmental protection

In response to the greenhouse gas reduction targets of the Paris Agreement, Taichung Bank took the initiative to promote green workplace and **passed the greenhouse gas inventory external verification conducted by BSI for three consecutive years** since 2018. **In 2020, the boundary of the inventory verification was expanded** from the head office buildings (the Minquan Building and the Minzu Building) to the South Taichung Branch, the Taiping Branch, the staff dormitory and the staff training center.

Through the incorporation of systematic calculation methods, the management for energy and carbon emission is improved. To comply with the government's policy in renewable energy development, Taichung Bank has installed solar photovoltaic systems on the roof top some branch buildings to meet the requirements of low-carbon operation and environmental sustainability, continuing to pay attention to the ESG issues.





Thanks for your
listening!

