

Stock No : 2812

Taichung Commercial Bank 2022 Q1 Investor Conference



2022.5.23

Disclaimer

- ◆ This presentation is provided by Taichung Commercial Bank(TCB). Users should read this material in conjunction with all other public financial and operational information filed to the competent authorities by TCB. While we endeavor to provide accurate, complete and consistent information herein, TCB makes no guarantee or warranties as to the accuracy or correctness of all the material contained. After this presentation is released to the public, we undertake no obligation to update any relevant data to reflect any change hereafter.
- ◆ Users should also notice that this presentation may contain forward-looking statements. Statements that are not historical facts, including statements relating to the implementation of strategic initiatives, future business development and economic performance are forward-looking statements. By their nature, forward-looking statements involve uncertainties, risks, assumptions and other factors that could cause actual developments and results to differ materially from our statement in this presentation. These factors include, but not limited to, regulatory developments, competitive conditions, technological developments, general economic conditions and management changes.
- ◆ The information, statements or opinions in this presentation do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation respect to such securities or other financial instruments. TCB and its affiliates representatives, no matter for their negligence or any other reasons, should not be liable for any loss or damages arising from the use of or interpretation by others of information contained within this presentation or any matter related to this document.



Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2022 Q1 Financial Highlight



Profitability

- Net Profit after tax 1.28 billions, 12.92% growth over the same period last year.
- EPS 0.28, 7.69% growth over the same period last year.

Asset quality

- NPL ratio 0.17%、NPL coverage ratio 858.03%.

Capital adequacy

- Consolidated : Self-assessed Capital Adequacy Ratio 16.16%、Tier I Capital Ratio 14.06%、Common Equity Ratio 11.91%.
- Individual : Self-assessed Capital Adequacy Ratio 16.32%、Tier I Capital Ratio 14.21%、Common Equity Ratio 12.03%.

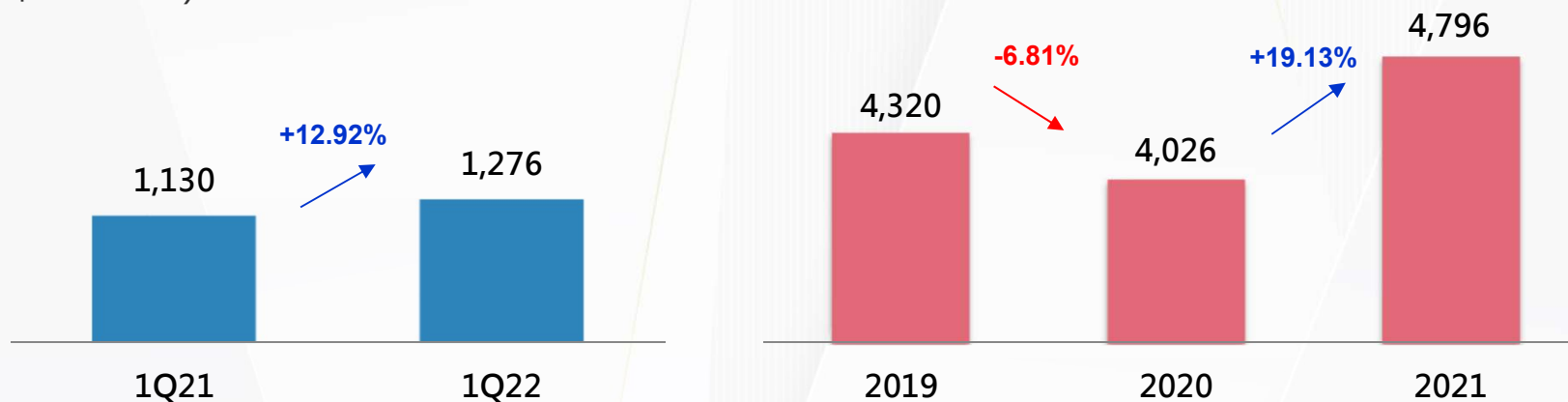
Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Profitability

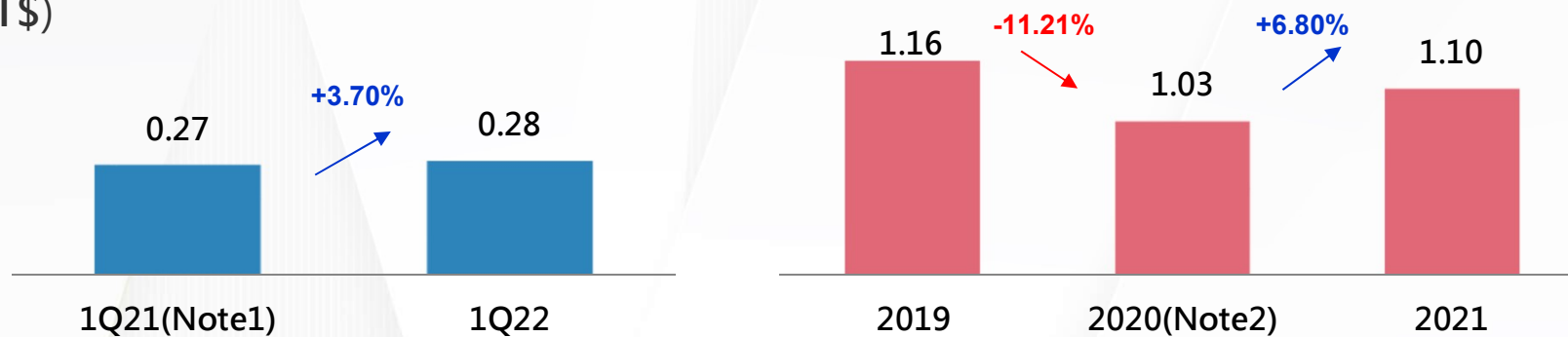
Net Profit

(NT\$ Million)



EPS

(NT\$)

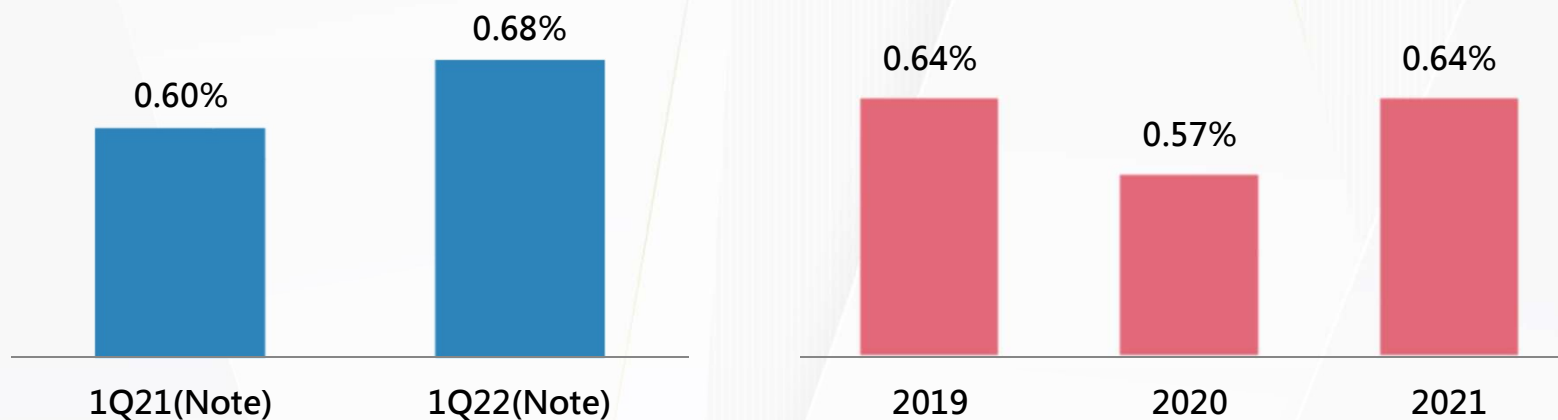


Note1 : The EPS in 2021Q1 Financial statement was 0.27. After been retroactive adjusted, the EPS of 2021Q1 was 0.26. The growth rate of EPS in 2022Q1 over 2021Q1 was 7.69%.

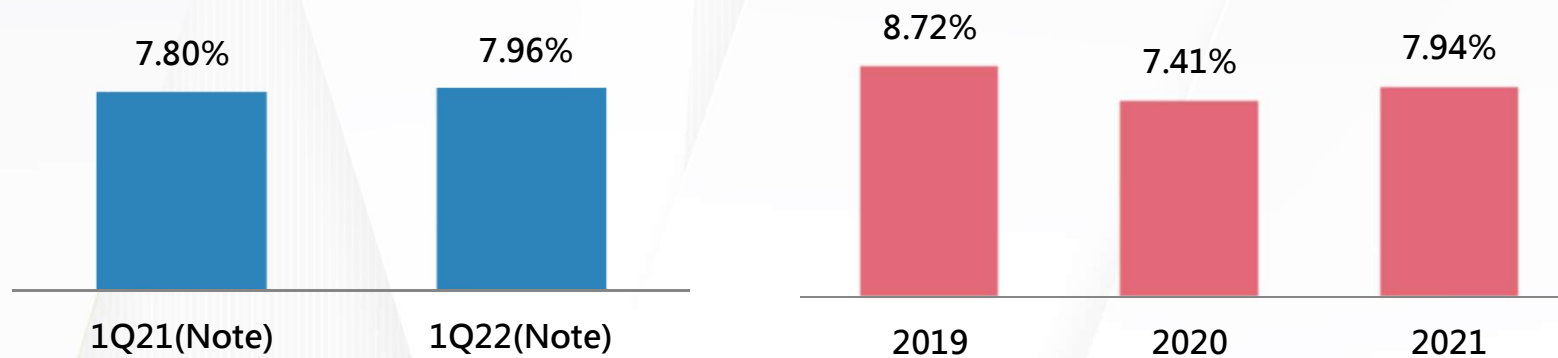
Note2 : The EPS in 2020 Financial statement was 1.03. After been retroactive adjusted, the EPS of 2020 was 0.98. The growth rate of EPS in 2021 over 2020 was 12.24%.

Profitability

ROA



ROE

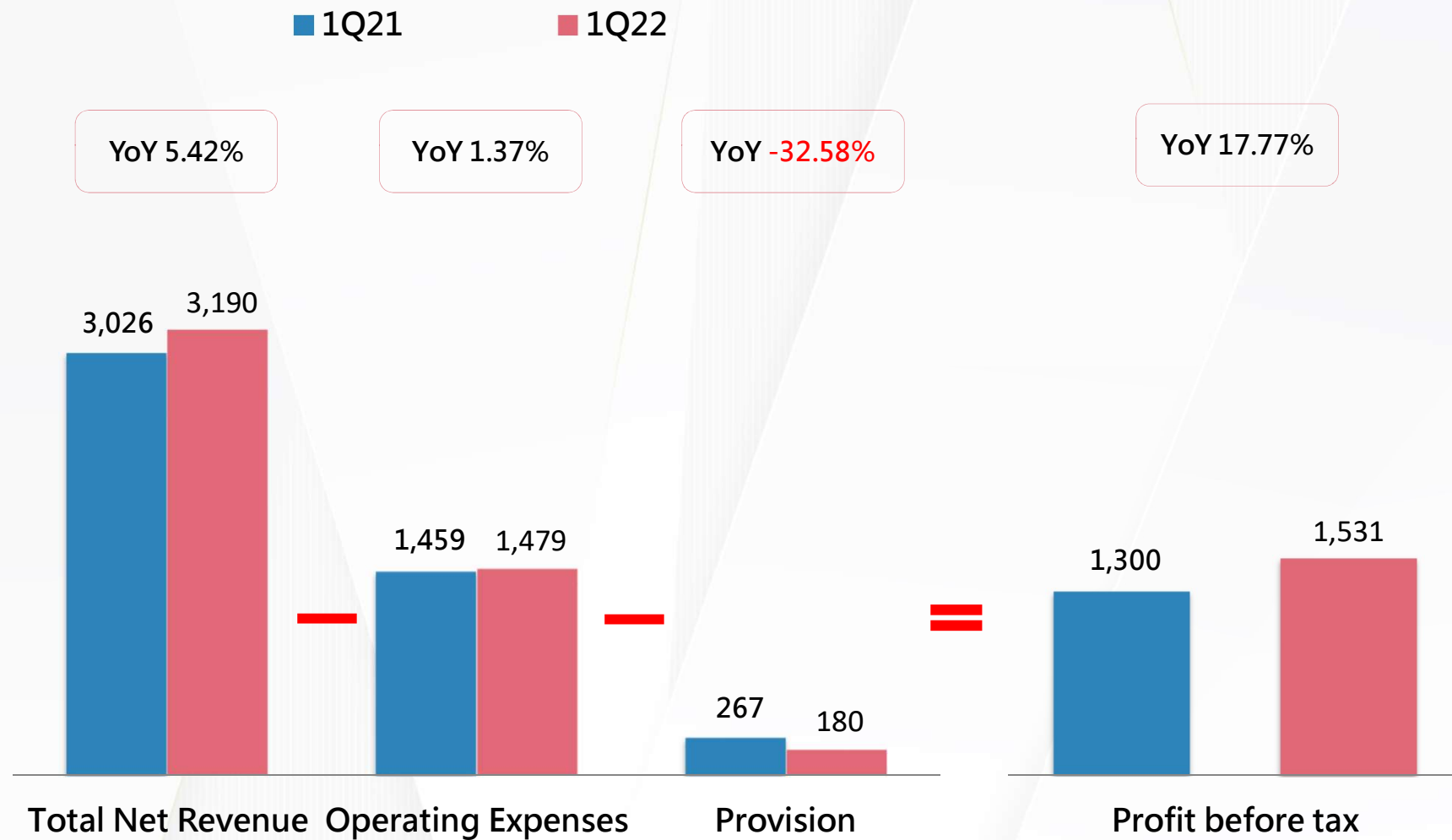


Note : ROE and ROA are annualized.

TCB 's Change in Net Profit

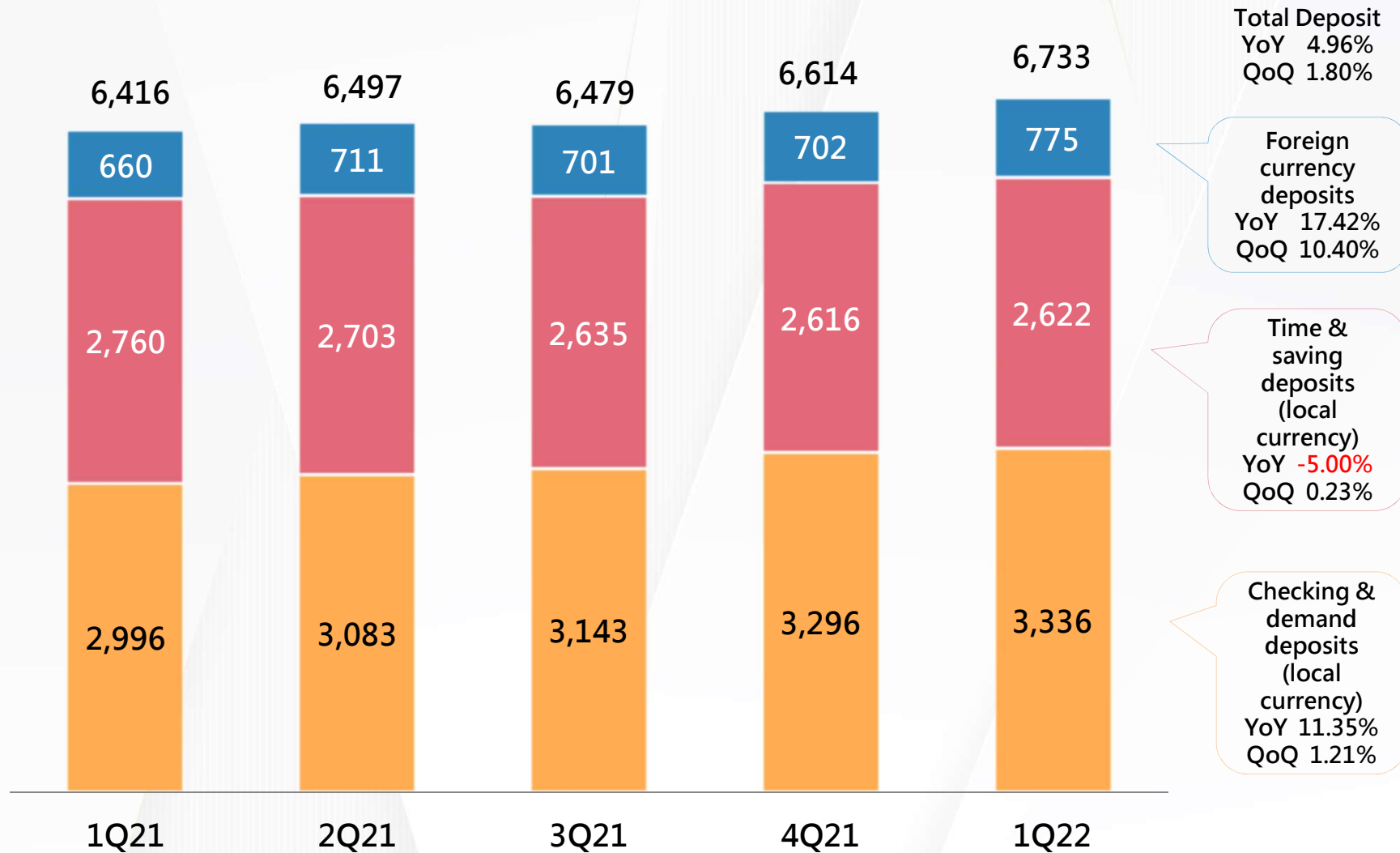


(NT\$ Million)

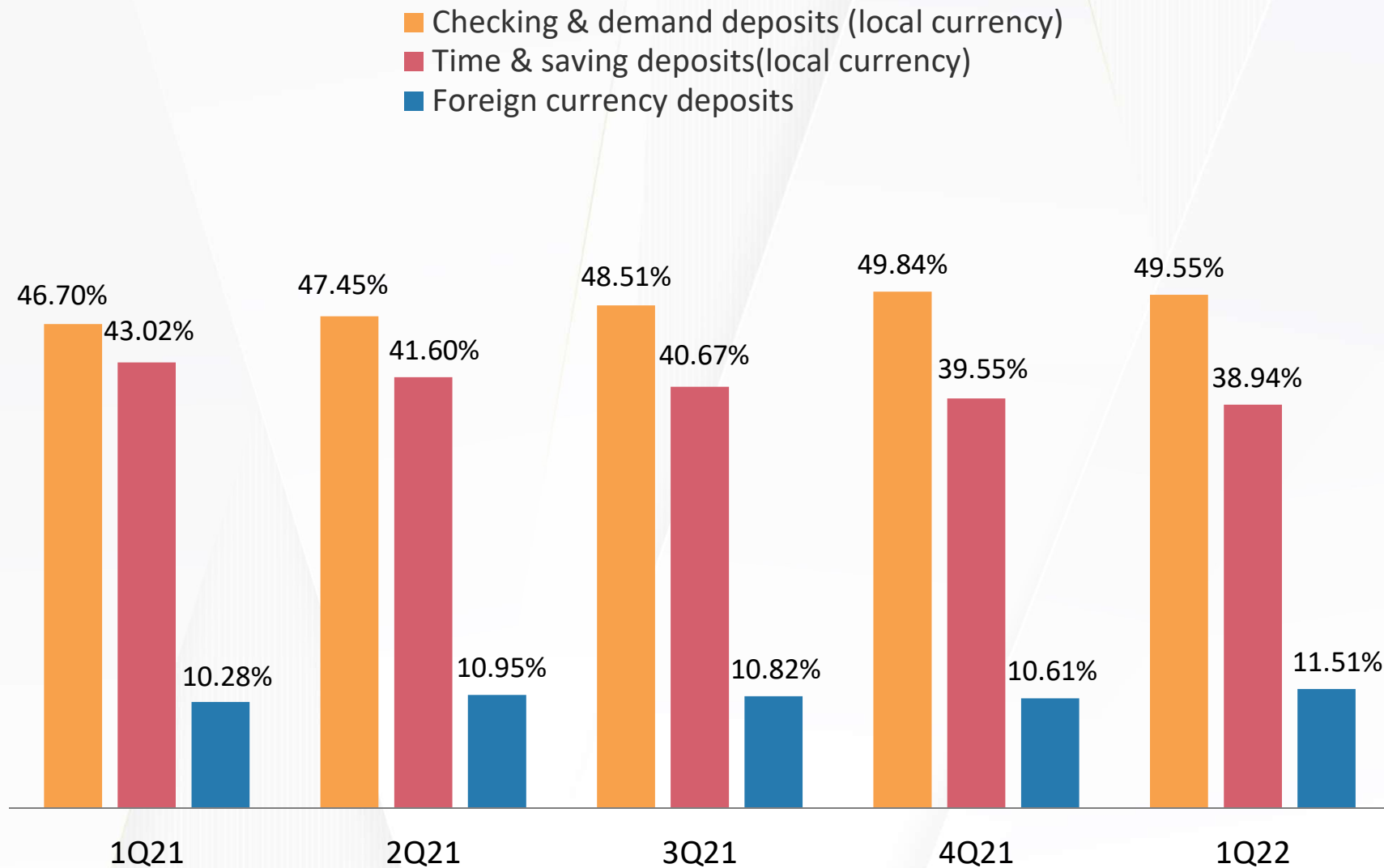


TCB's Deposit Breakdown

(NT\$ Hundred Million)



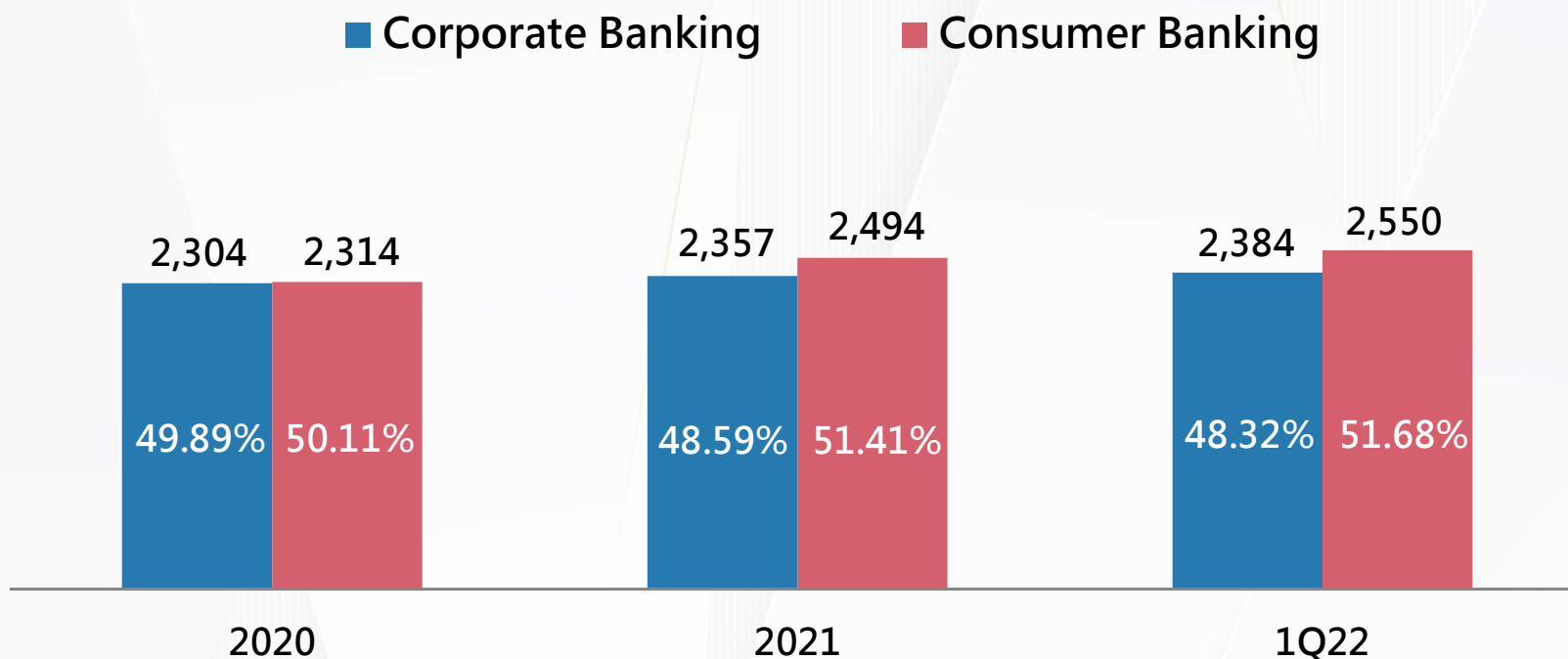
TCB 's Deposit Structure



TCB ' s Loan Structure



(NT\$ Hundred Million)



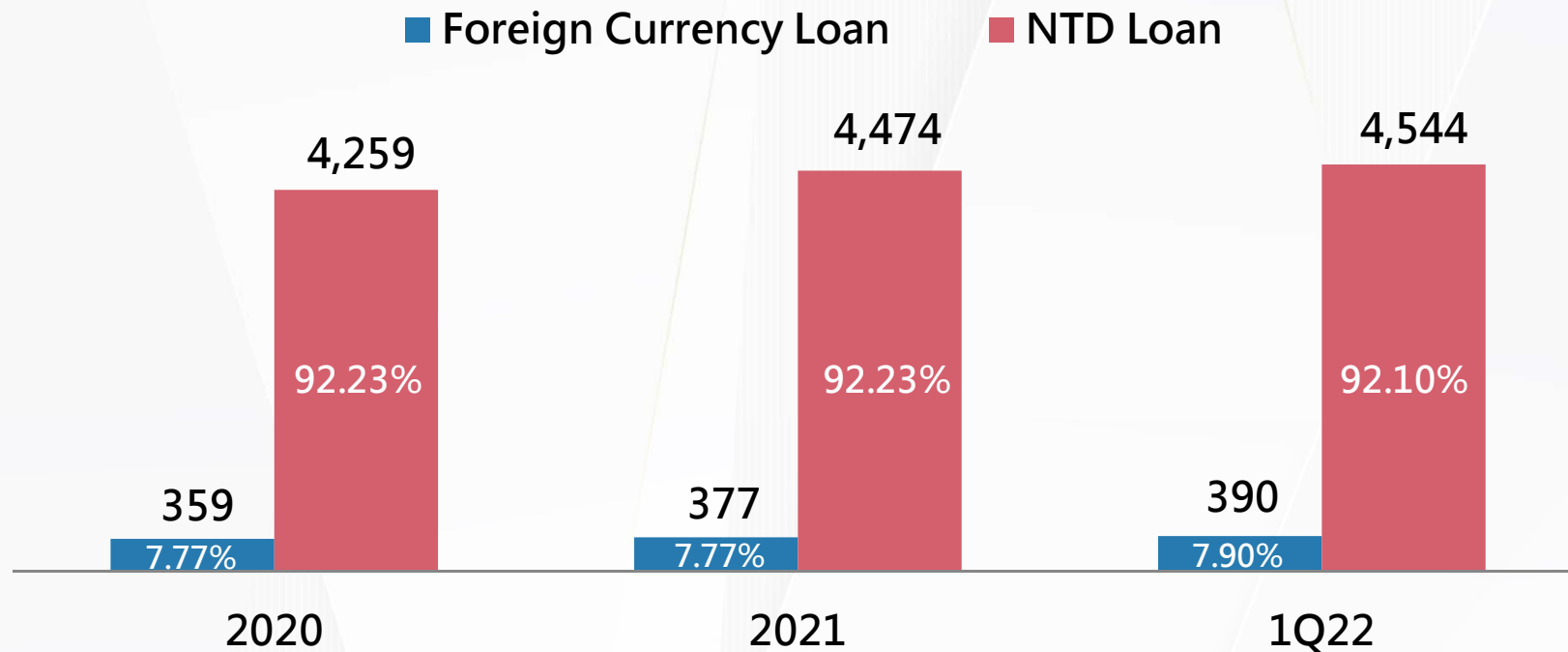
	2020	2021	1Q22	YTD
Corporate Banking	2,304	2,357	2,384	1.15%
Consumer Banking	2,314	2,494	2,550	2.25%
Total	4,618	4,851	4,934	1.71%

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)

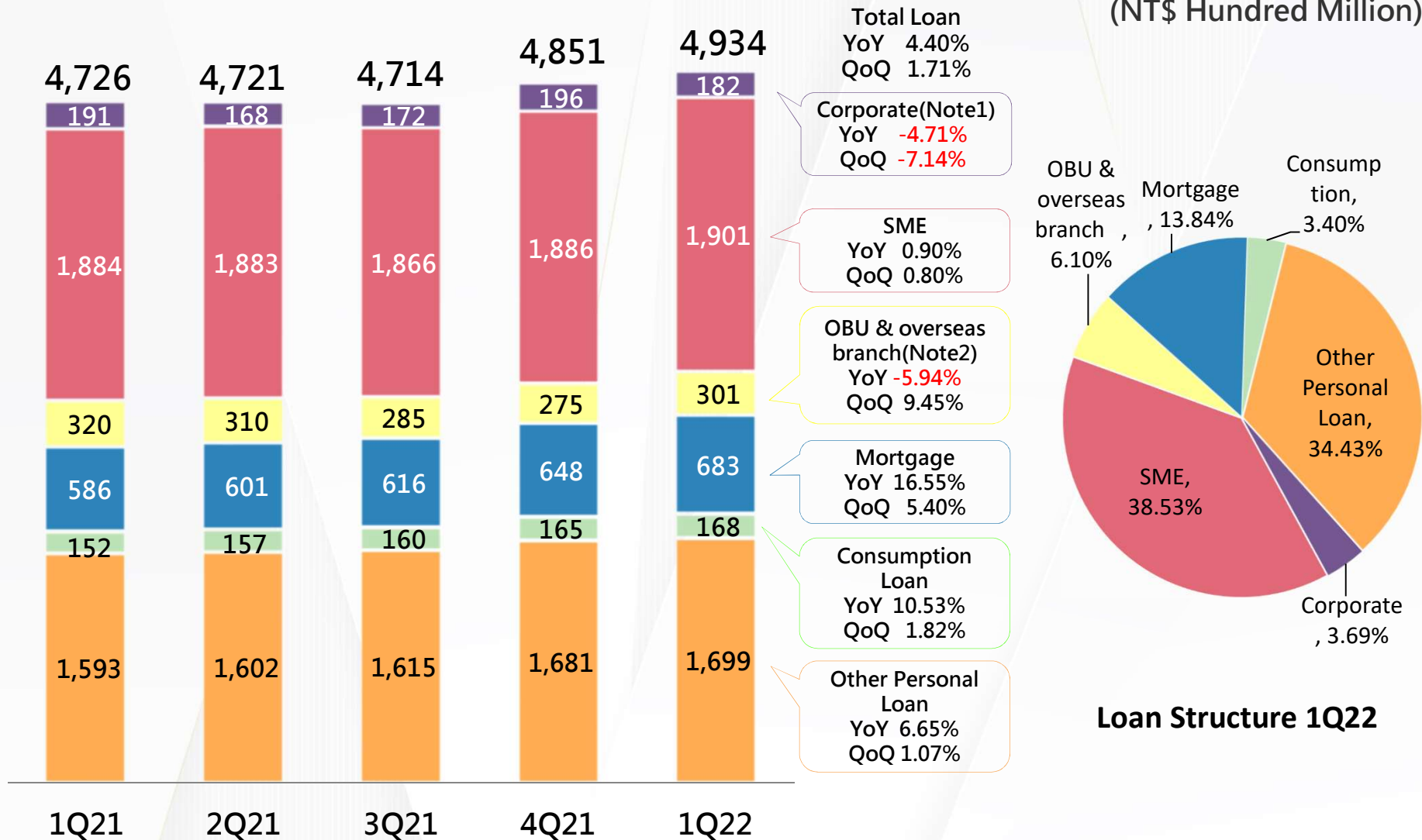


	2020	2021	1Q22	YTD
NTD Loan	4,259	4,474	4,544	1.56%
Foreign Currency Loan	359	377	390	3.45%
Total	4,618	4,851	4,934	1.71%

TCB 's Loan Breakdown



(NT\$ Hundred Million)



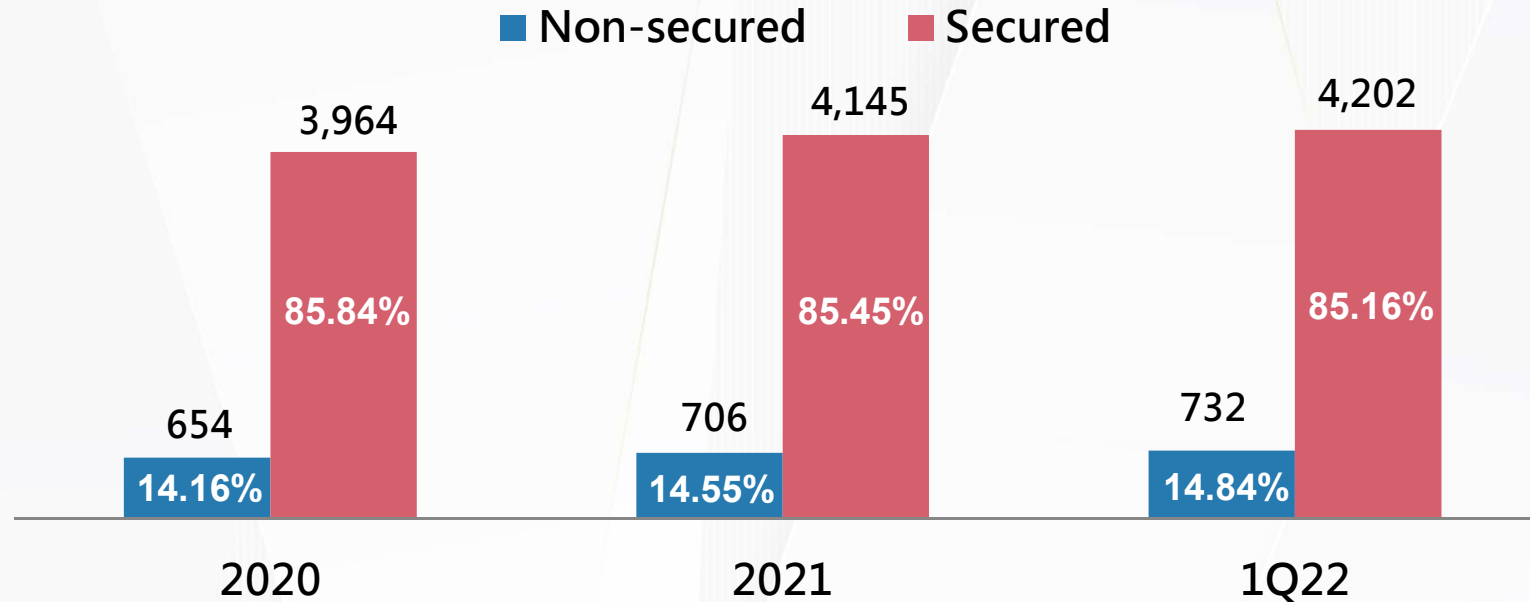
Note 1 : The balance of Corporate loan included government loans.

Note 2 : The loan balance of OBU & overseas branch were 26.8 billions and 3.3 billions in NT\$,respectively.

TCB 's Loan Breakdown by Secured 台中銀行

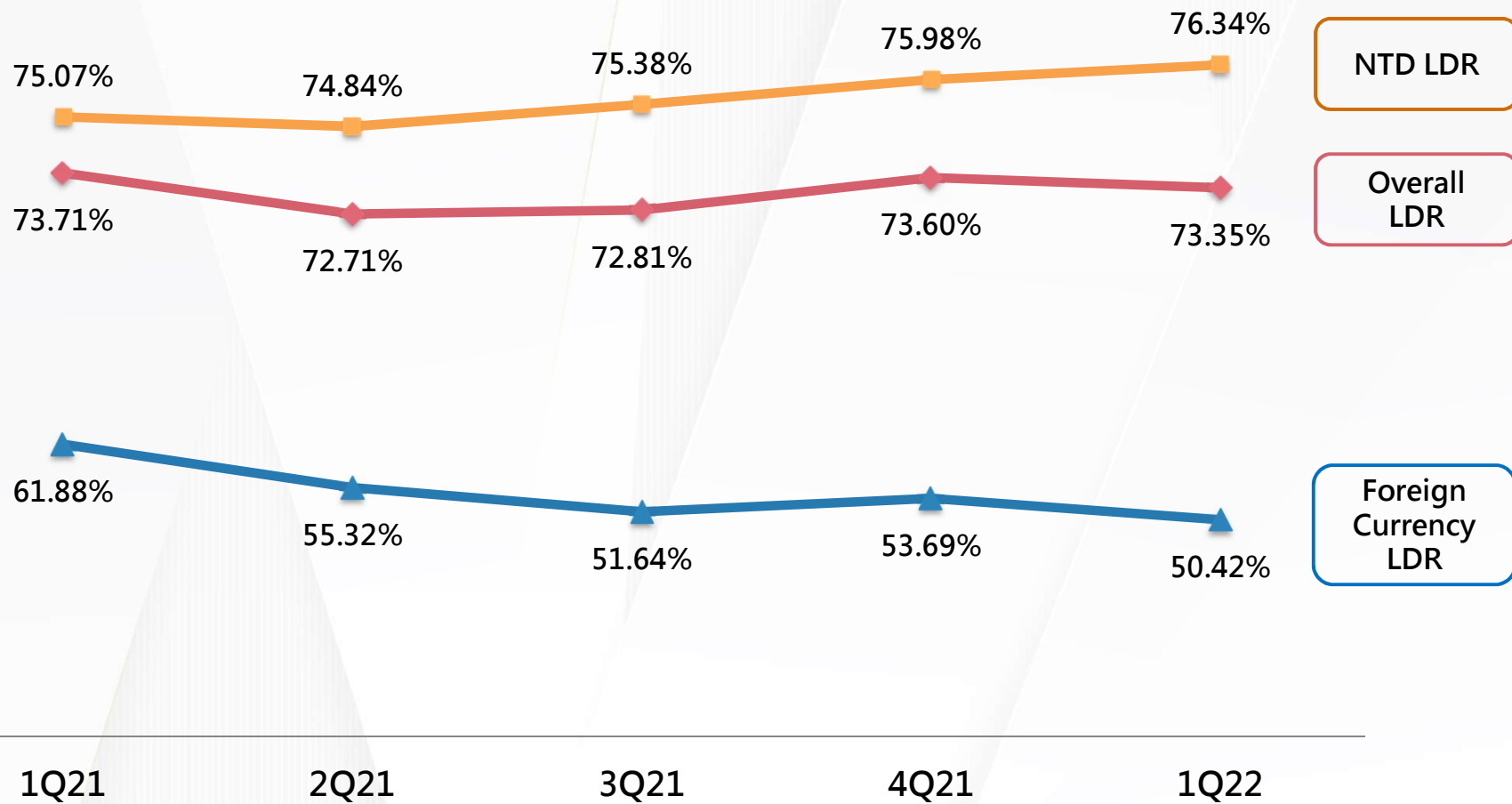
TAICHUNG BANK

(NT\$ Hundred Million)

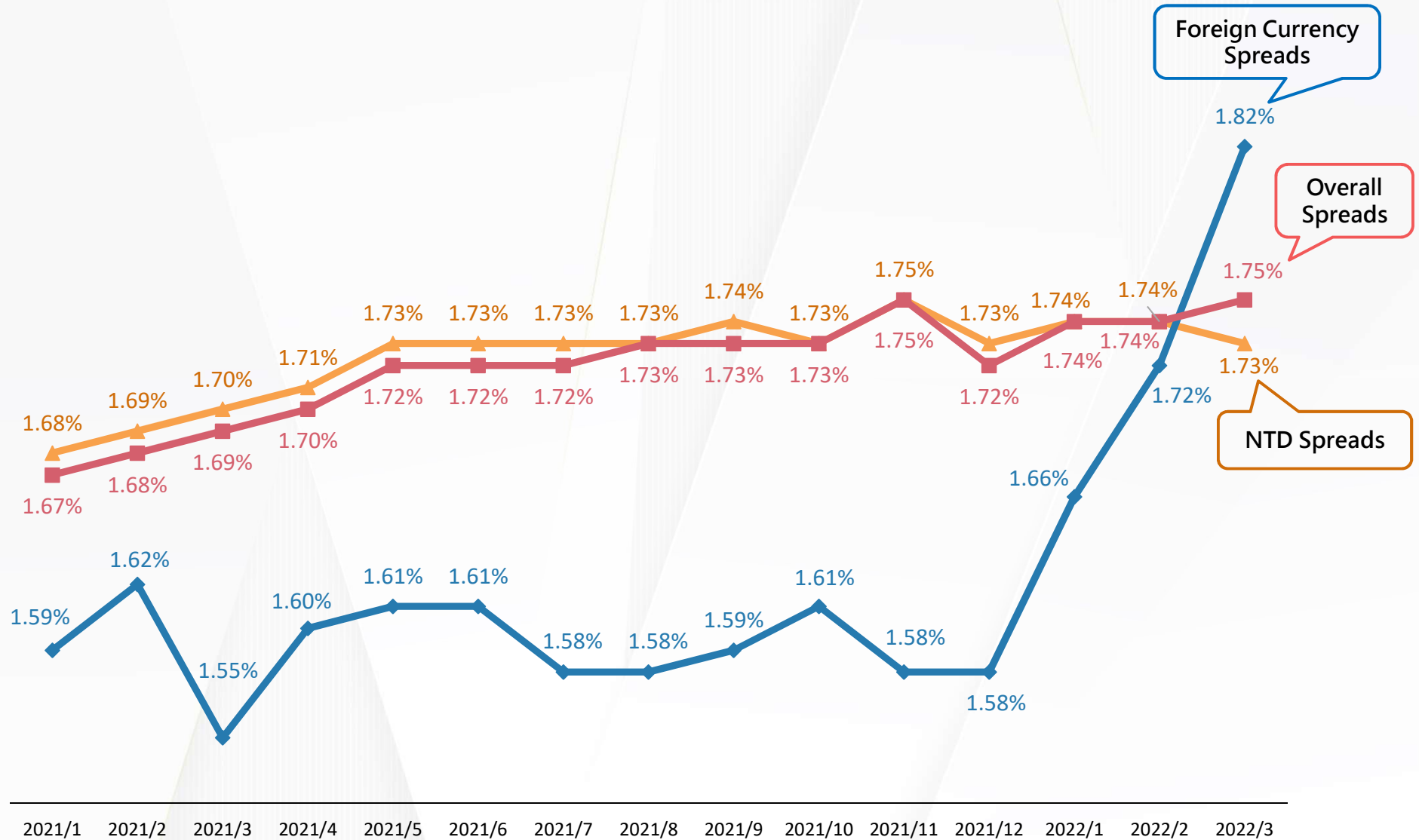


	2020	2021	1Q22	YTD
Non-secured	654	706	732	3.68%
Secured	3,964	4,145	4,202	1.38%
Secured by property	3,622	3,767	3,821	1.43%
Secured by Letter of Guarantee	166	175	171	-2.29%
Others	176	203	210	3.45%
Total	4,618	4,851	4,934	1.71%

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



TCB 's Spreads

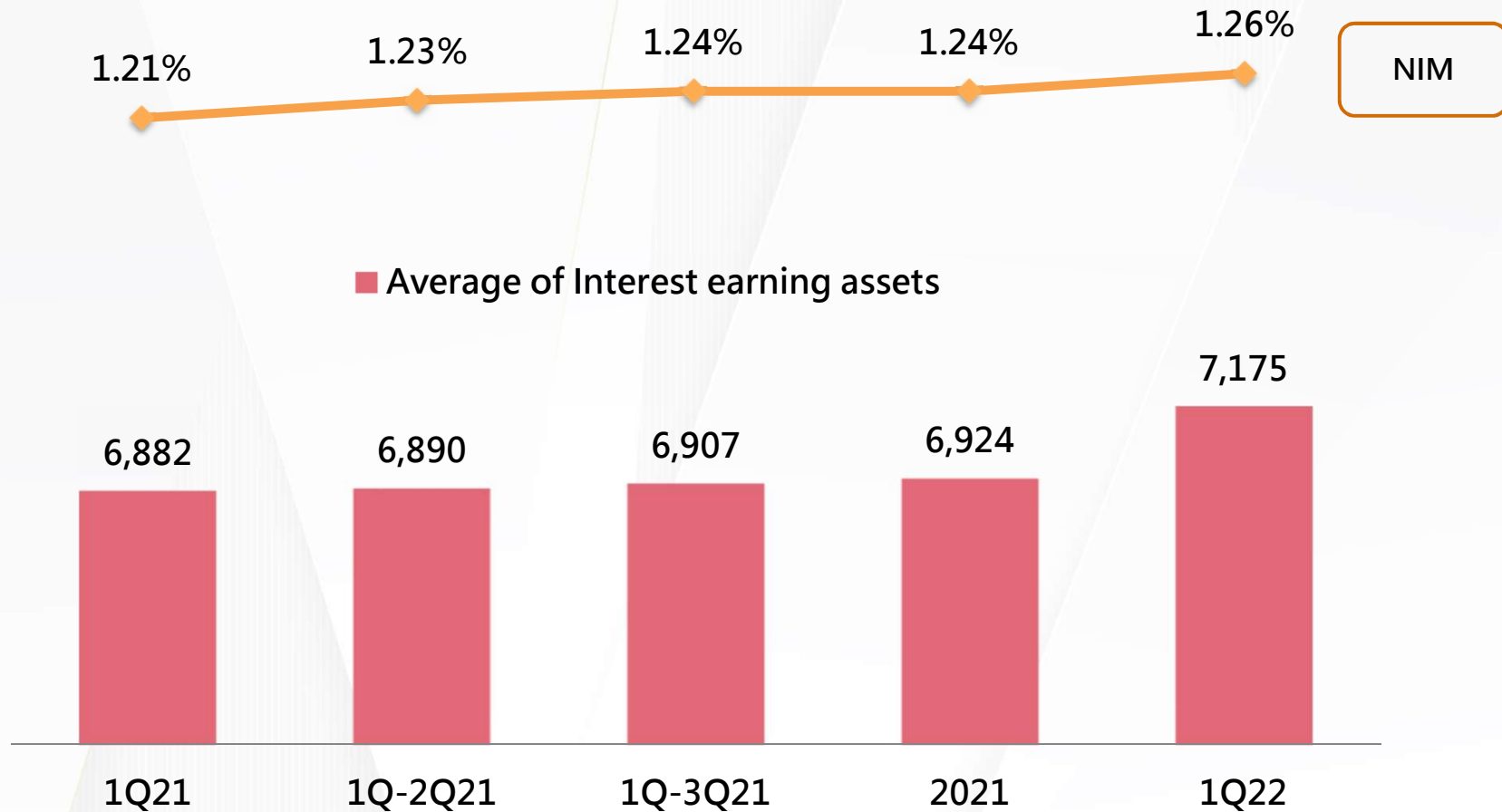


TCB 's Net Interest Margin(NIM)



(NT\$ Hundred Million)

NIM & Average of Interest earning assets

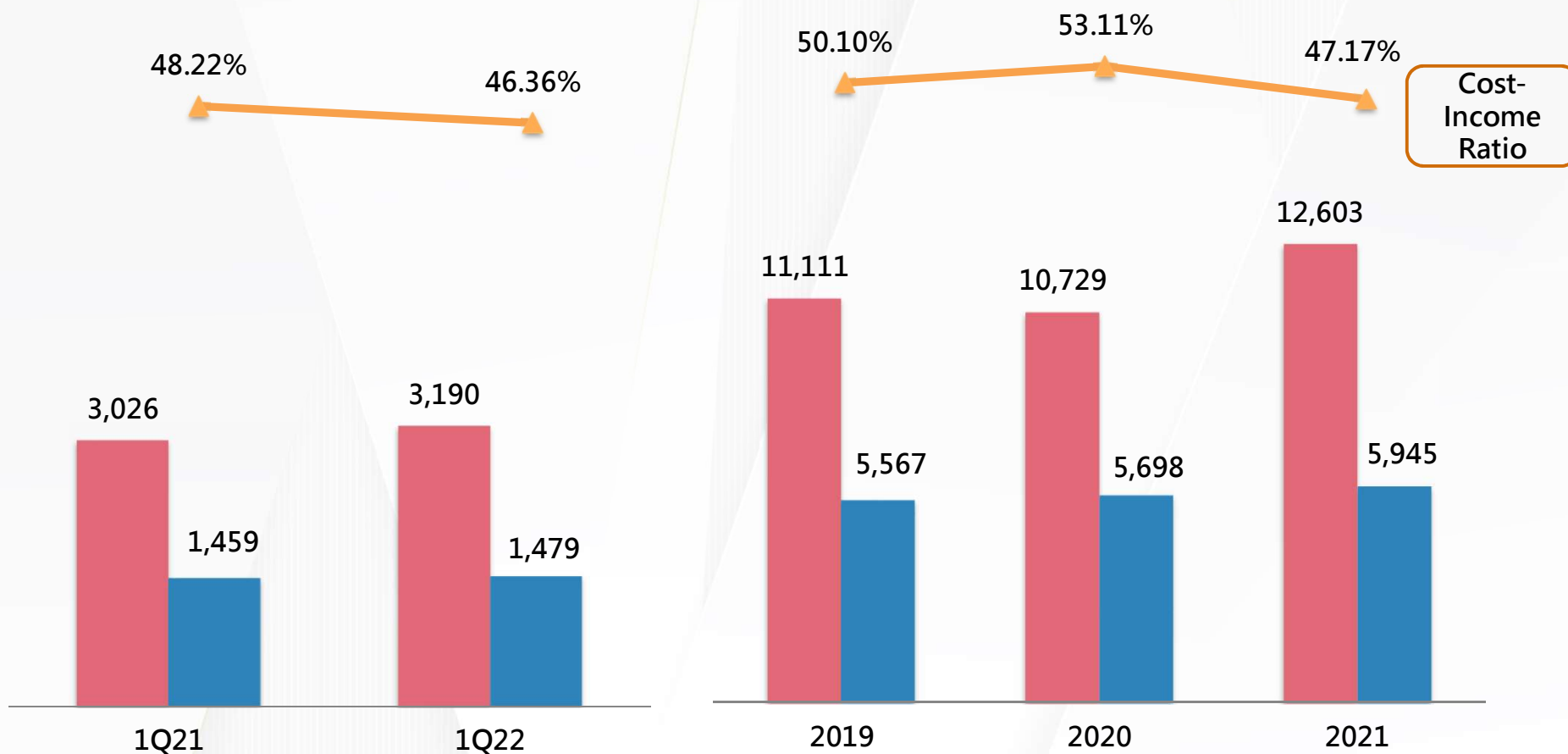


TCB's Operating Expenses to Net Income



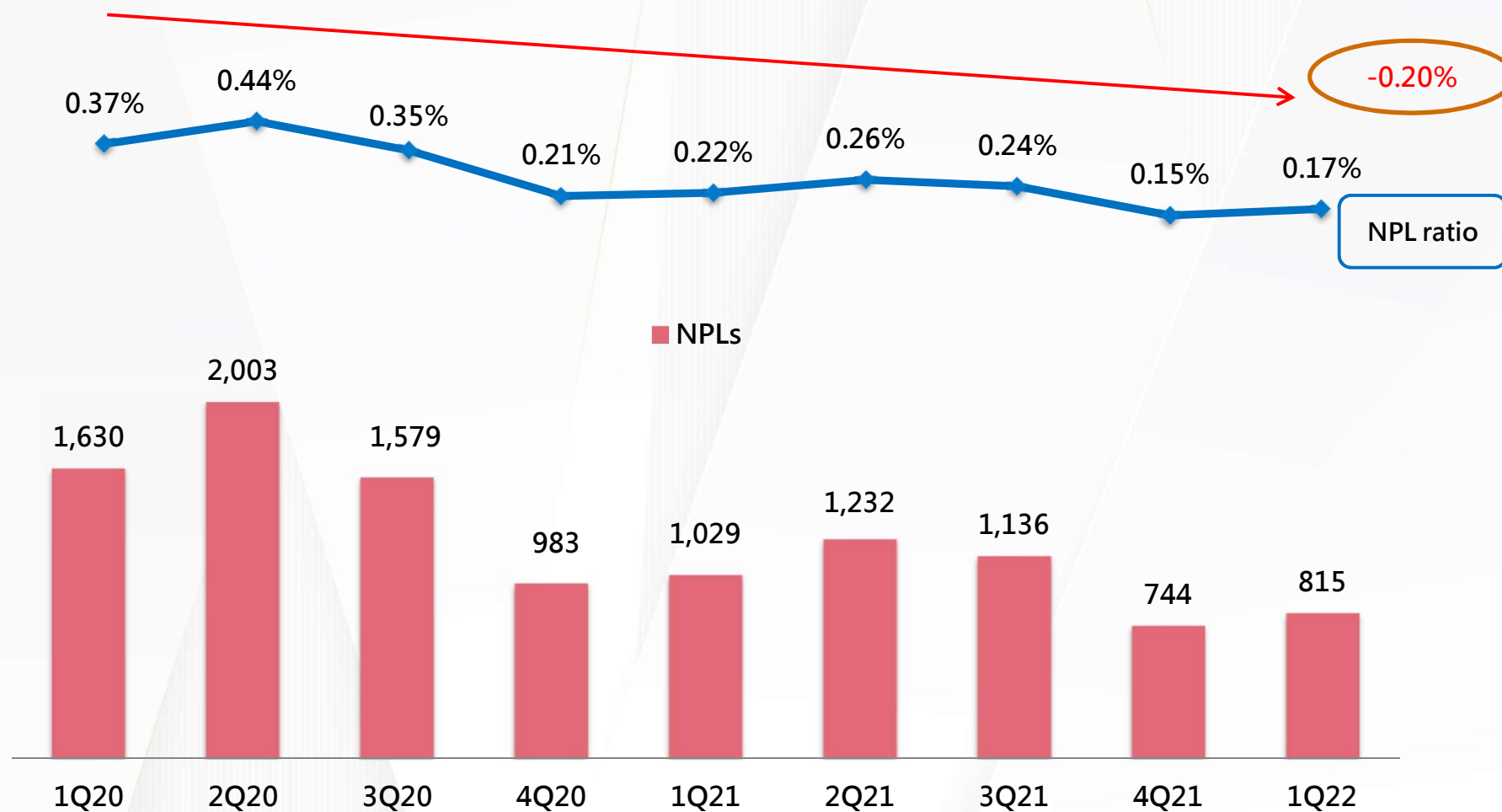
(NT\$ Million)

■ Net Income ■ Operating Expenses



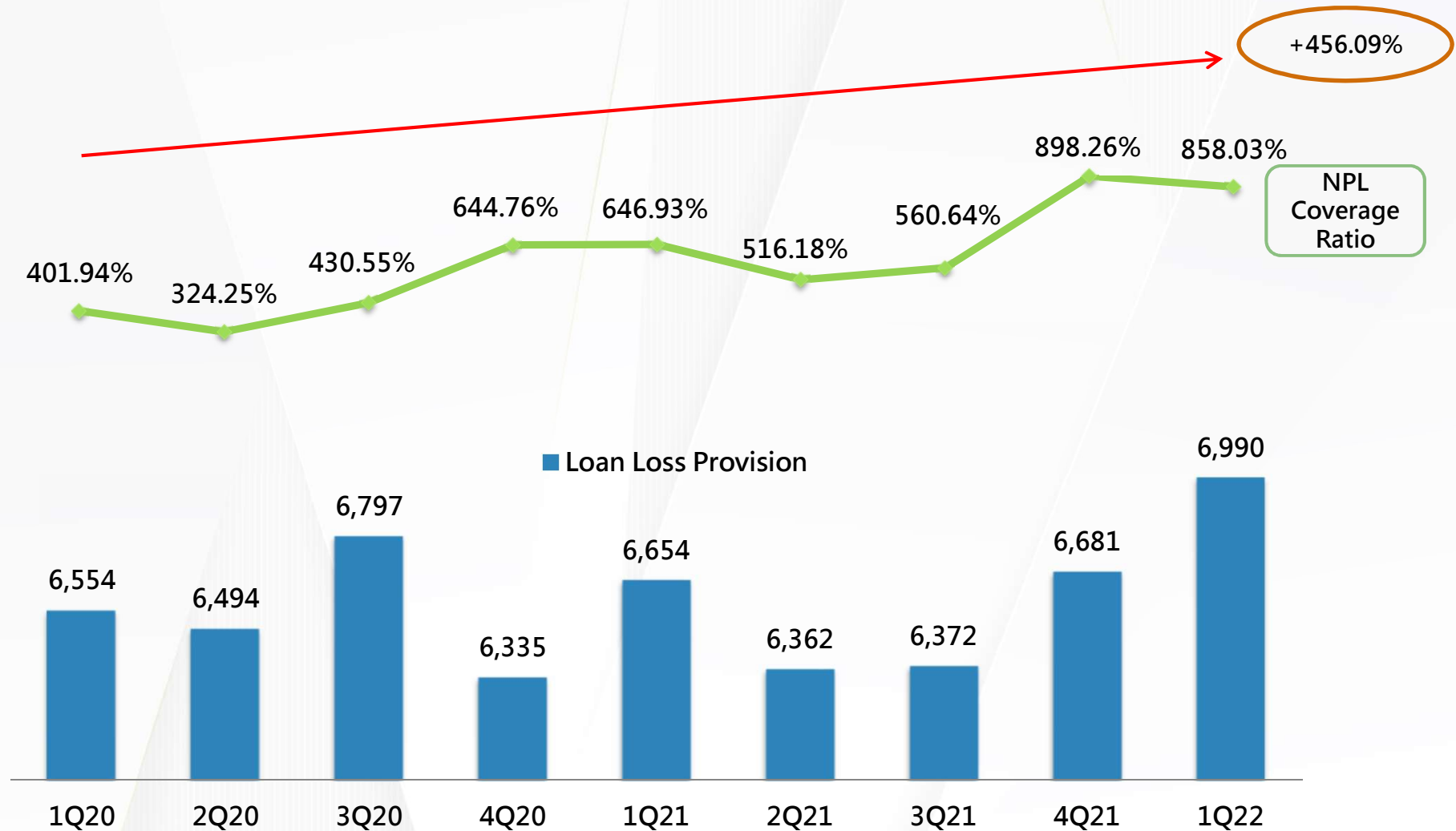
TCB's Asset quality

NPL ratio & NPLs



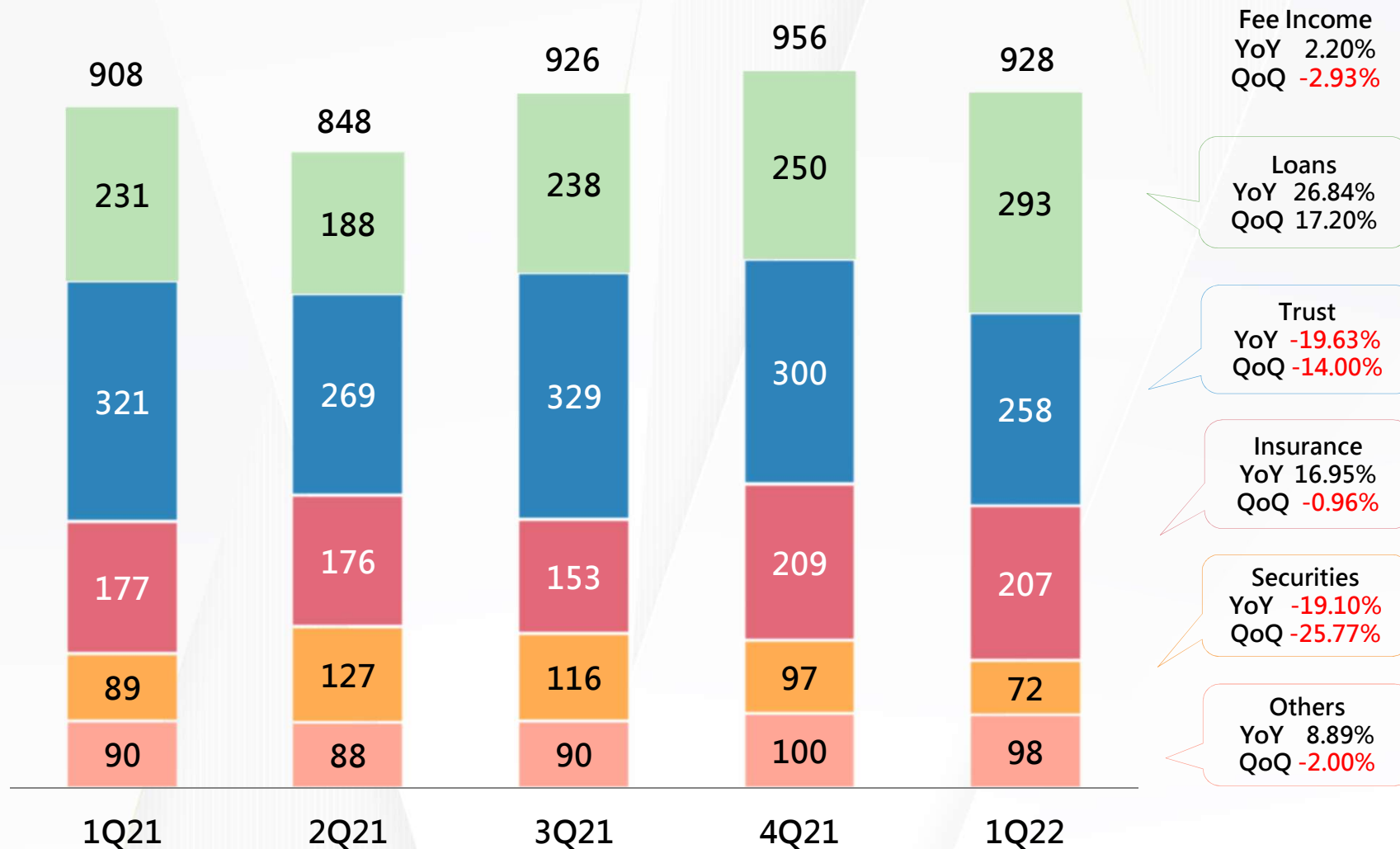
TCB 's Asset quality

NPL Coverage Ratio & Loan Loss Provision



Fee Income Breakdown

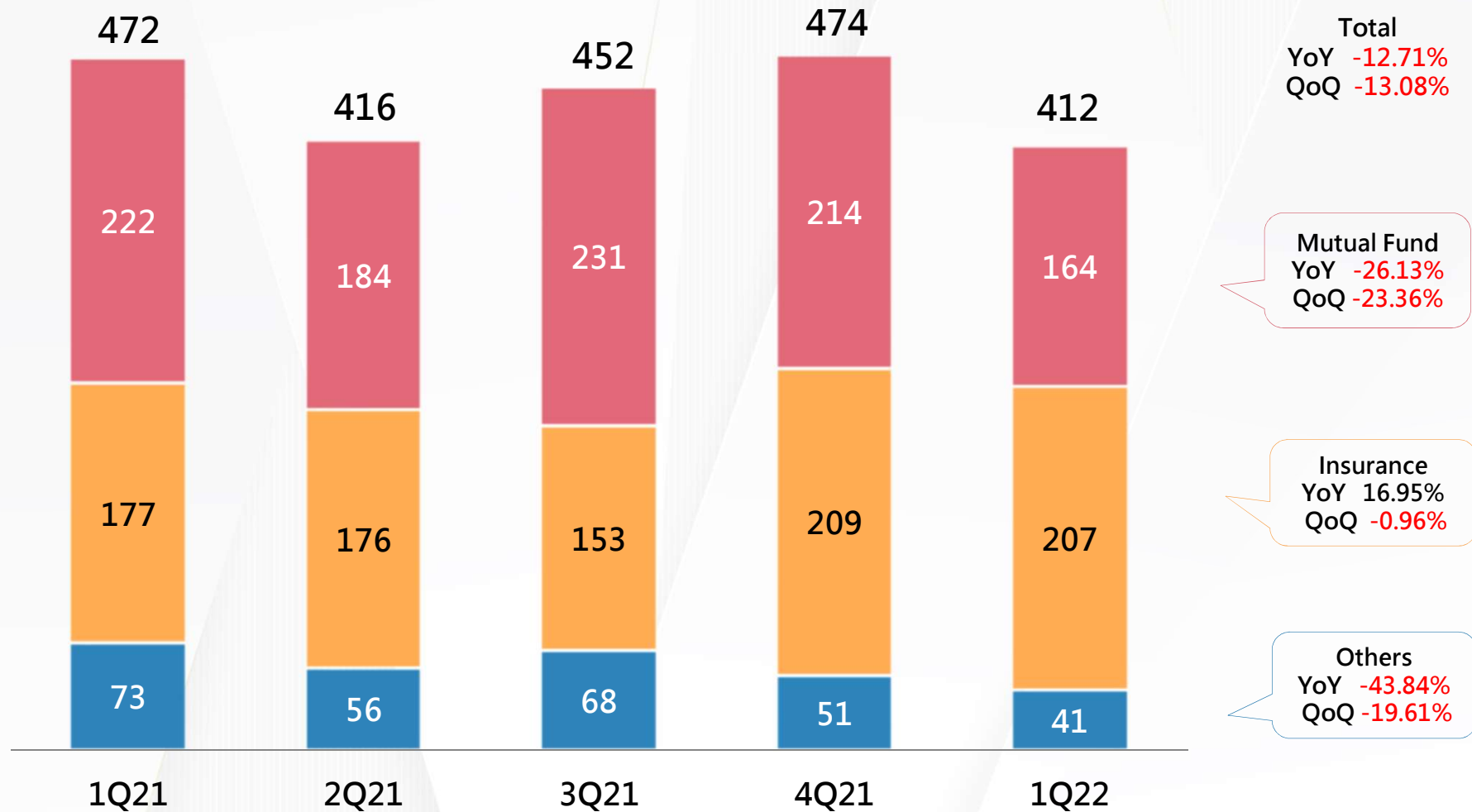
(NT\$ Million)  台中銀行
TAICHUNG BANK



Wealth Management Fee Income



(NT\$ Million)



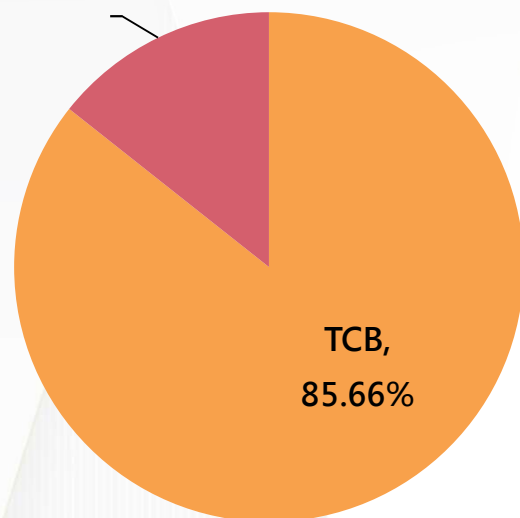
Profit of Subsidiary to TCB



(NT\$ Million)

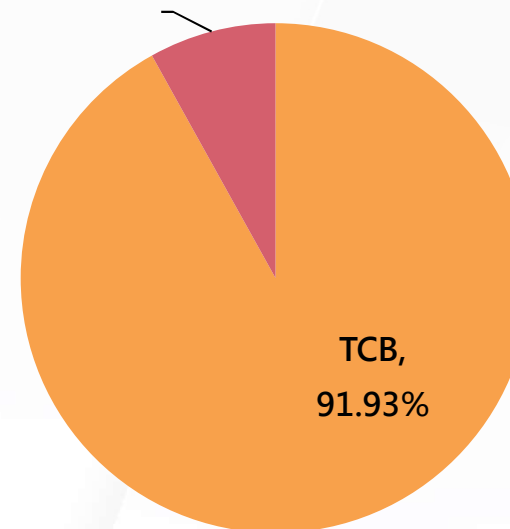
Net Profit after tax	1Q21	1Q22	YoY
TCB	968	1,173	21.18%
Subsidiary	162	103	-36.42%
Total	1,130	1,276	12.92%

Subsidiary of TCB,
14.34%



1Q21 Profit Breakdown

Subsidiary of TCB,
8.07%

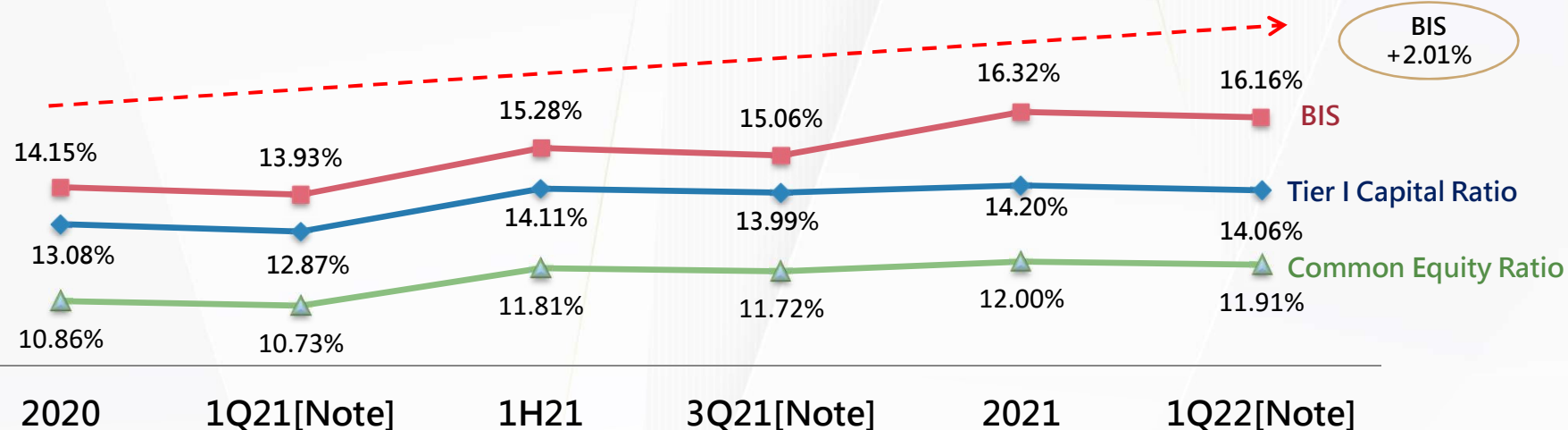


1Q22 Profit Breakdown

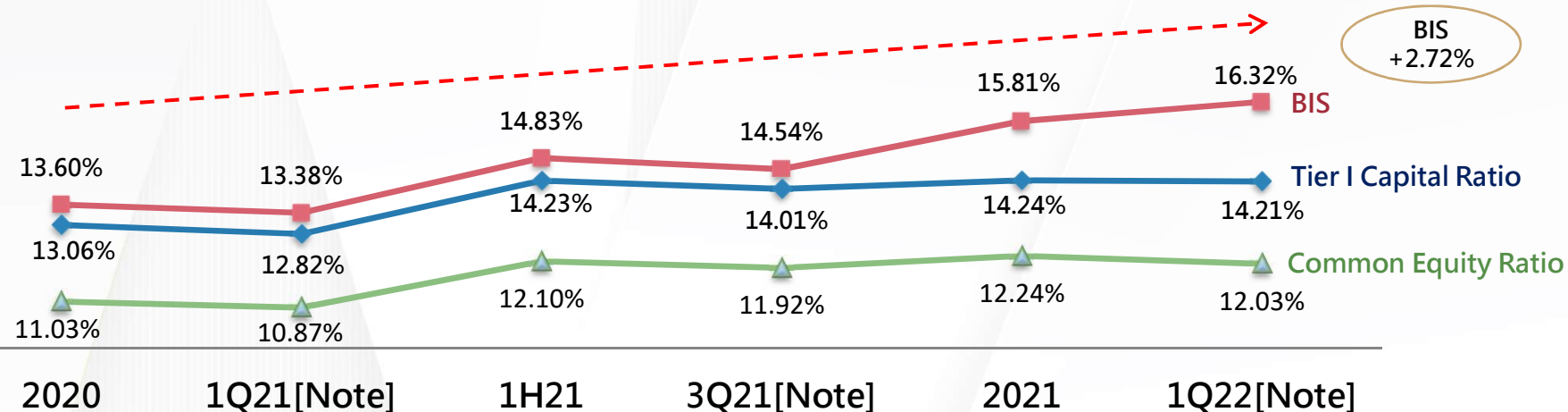
Capital Adequacy



Consolidated



Individual



Note : Self-assessed

Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Balance Sheet (Individual)



(NT\$ Million)

	2019	2020	2021	1Q22	YTD
Assets :					
Cash and due from banks	44,134	51,588	55,821	55,255	-1.01%
Financial investment, net	173,347	195,628	201,027	203,074	1.02%
Loans, net	434,469	455,442	478,441	486,479	1.68%
A/R, net	4,064	3,546	3,176	3,346	5.35%
LT investments, net	5,491	5,440	6,064	5,964	-1.65%
Properties and equipment , net	10,620	12,277	13,708	13,983	2.01%
Others	2,898	3,755	4,101	4,086	-0.37%
Total Assets	675,023	727,676	762,338	772,187	1.29%
Liabilities :					
Deposits	584,866	638,274	661,383	673,344	1.81%
Other liabilities	38,848	32,080	37,495	34,275	-8.59%
Total Liabilities	623,714	670,354	698,878	707,619	1.25%
Total Equity	51,309	57,322	63,460	64,568	1.75%
Total Liabilities and Equity	675,023	727,676	762,338	772,187	1.29%

P&L (Individual)



(NT\$ Million)

	2019	2020	2021	1Q21	1Q22	YoY
Net interest income	7,902	7,848	8,696	2,111	2,272	7.63%
Net fee income	1,926	2,117	2,482	649	654	0.77%
Other income	1,283	764	1,425	266	264	-0.75%
Total Operating Income	11,111	10,729	12,603	3,026	3,190	5.42%
Operating Expenses	(5,567)	(5,698)	(5,945)	(1,459)	(1,479)	1.37%
Pre-provision Profit	5,544	5,031	6,658	1,567	1,711	9.19%
Credit Loss Provisions, net	(477)	(366)	(1,204)	(267)	(180)	-32.58%
Profit Before Income Tax	5,067	4,665	5,454	1,300	1,531	17.77%
Income Tax Expense	(747)	(639)	(658)	(170)	(255)	50.00%
Net Profit After Income Tax	4,320	4,026	4,796	1,130	1,276	12.92%
Other Comprehensive Income	153	448	88	291	(168)	-157.73%
Total Comprehensive Income for the Year	4,473	4,474	4,884	1,421	1,108	-22.03%

Balance Sheet (Consolidated)



(NT\$ Million)

	2019	2020	2021	1Q22	YTD
Assets :					
Cash and due from banks	45,237	52,081	56,159	56,021	-0.25%
Financial investment, net	174,356	197,275	202,664	204,835	1.07%
Loans, net	435,398	456,541	479,806	487,908	1.69%
A/R, net	12,820	13,484	14,352	14,434	0.57%
LT investments, net	157	163	165	170	3.03%
Properties and equipment, net	10,684	12,333	13,755	14,031	2.01%
Others	4,037	4,893	5,777	5,101	-11.70%
Total Assets	682,689	736,770	772,678	782,500	1.27%
Liabilities :					
Deposits	583,322	636,589	659,116	671,447	1.87%
Other liabilities	48,058	42,859	50,102	46,485	-7.22%
Total Liabilities	631,380	679,448	709,218	717,932	1.23%
Total Equity	51,309	57,322	63,460	64,568	1.75%
Total Liabilities and Equity	682,689	736,770	772,678	782,500	1.27%

P&L(Consolidated)



(NT\$ Million)

	2019	2020	2021	1Q21	1Q22	YoY
Net interest income	8,351	8,279	9,278	2,247	2,418	7.61%
Net fee income	2,913	2,906	3,375	849	863	1.65%
Other income	831	459	1,069	192	156	-18.75%
Total Operating Income	12,095	11,644	13,722	3,288	3,437	4.53%
Operating Expenses	(6,273)	(6,366)	(6,784)	(1,646)	(1,657)	0.67%
Pre-provision Profit	5,822	5,278	6,938	1,642	1,780	8.40%
Credit Loss Provisions, net	(615)	(519)	(1,369)	(320)	(218)	-31.88%
Profit Before Income Tax	5,207	4,759	5,569	1,322	1,562	18.15%
Income Tax Expense	(887)	(733)	(773)	(192)	(286)	48.96%
Net Profit After Income Tax	4,320	4,026	4,796	1,130	1,276	12.92%
Other Comprehensive Income	153	448	88	291	(168)	-157.73%
Total Comprehensive Income for the Year	4,473	4,474	4,884	1,421	1,108	-22.03%

Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2022 Credit Rating



Date: 2022.4.12

Fitch Ratings	Long term	Short term	Outlook
National Rating	A (twn)	F1 (twn)	Stable
International Rating	BBB-	F3	Stable
Viability Rating(VR)		bbb-	

Honors and Recognition



- **Ranked among the top 5% of outstanding listed companies in the 8th (2021) Corporate Governance Evaluation and passed the Taiwan Intellectual Property Management System A-level certification.**

The Bank is committed to improving corporate governance and has achieved good results. It ranked among the top 5% outstanding listed companies in the 8th (2021) Corporate Governance Evaluation announced by the Taiwan Stock Exchange, and ranked 11% to 20% in the financial and insurance category. The evaluation results have affirmed our efforts and investments in corporate governance.

In order to achieve various evaluation indicators and implement corporate governance and regulatory compliance, the Taiwan Intellectual Property Management System (TIPS) was introduced in 2021. We established a set of the intellectual property management systems linked to the operational objectives through the “PDCA cycle” (Plan-Do-Check-Act) model, which has been reviewed and passed TIPS certification (Level A).

Honors and Recognition



- **Won the “Excellent Debt Collection Performance Award for Credit Guarantee Cases” of the financial institutions with outstanding performance in credit guarantee financing business for SMEs**

We have been assisting small and medium-sized enterprises for a long time, using the financing guarantee mechanism of the “Small and Medium Enterprise Credit Guarantee Fund of Taiwan” (Credit Guarantee Fund) to enable these enterprises to develop soundly and improve their financial structure. At the same time, we adhere to the same philosophy, sparing no effort to actively conduct debt settlement negotiations with credit extension clients possessing abnormal creditability to help them regain a new life.

The Bank had outstanding performance in the debt collection for Credit Guarantee Fund cases in 2021. After being reviewed by the Credit Guarantee Fund, the Bank was awarded among the top 5 “Excellent Debt Collection Performance Award for Credit Guarantee Cases” of the financial institutions with an outstanding performance in credit guarantee financing for small and medium-sized enterprises in 2022.



Thanks for your
listening!

