

Taichung Commercial Bank 2024 Q1 Investor Conference



MAY. 20, 2024

股票代碼：2812

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

Profitability

- Net Profit after tax NT\$ 2.090 billions, 41.89% growth over the same period last year.
- EPS 0.40, 37.93% growth over the same period last year.

Asset quality

- NPL ratio 0.13% 、 NPL coverage ratio 931.79%.

Capital adequacy

- Consolidated : Self-assessed Capital Adequacy Ratio 15.36% 、 Tier I Capital Ratio 13.61% 、 Common Equity Ratio 11.84%.
- Individual : Self-assessed Capital Adequacy Ratio 15.71% 、 Tier I Capital Ratio 13.97% 、 Common Equity Ratio 12.16%.

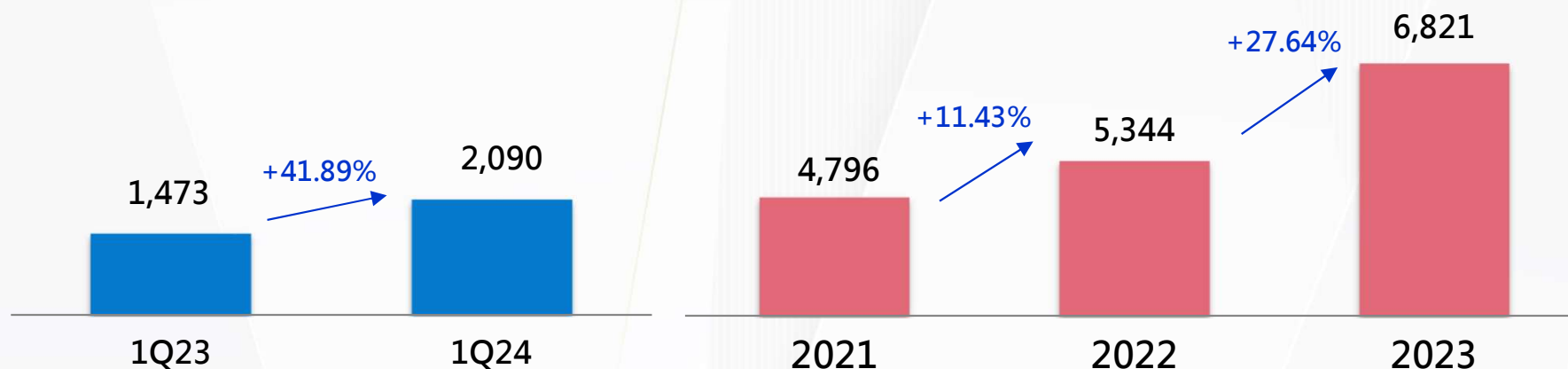
Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Profitability

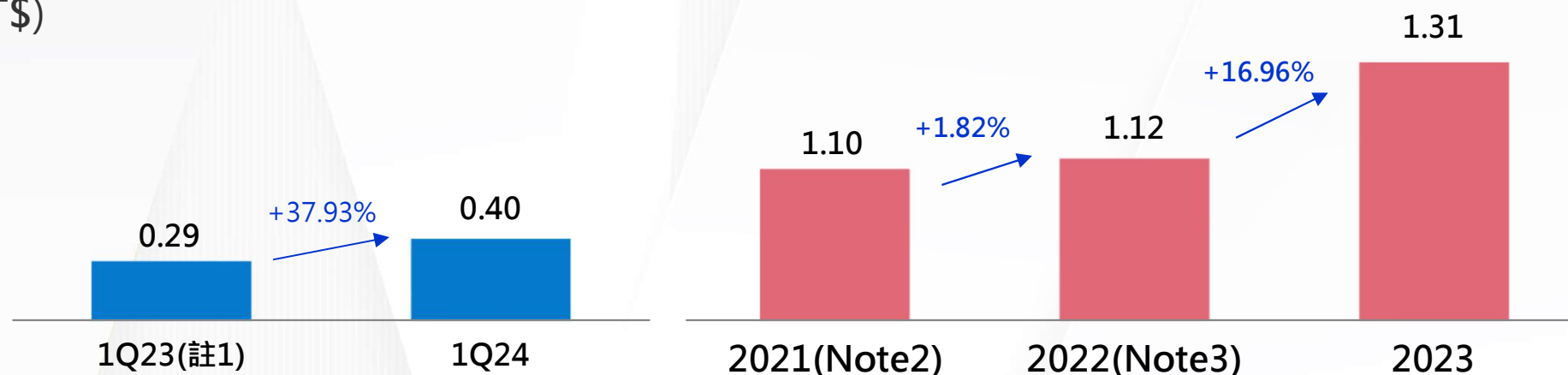
Net Profit

(NT\$ Million)



EPS

(NT\$)



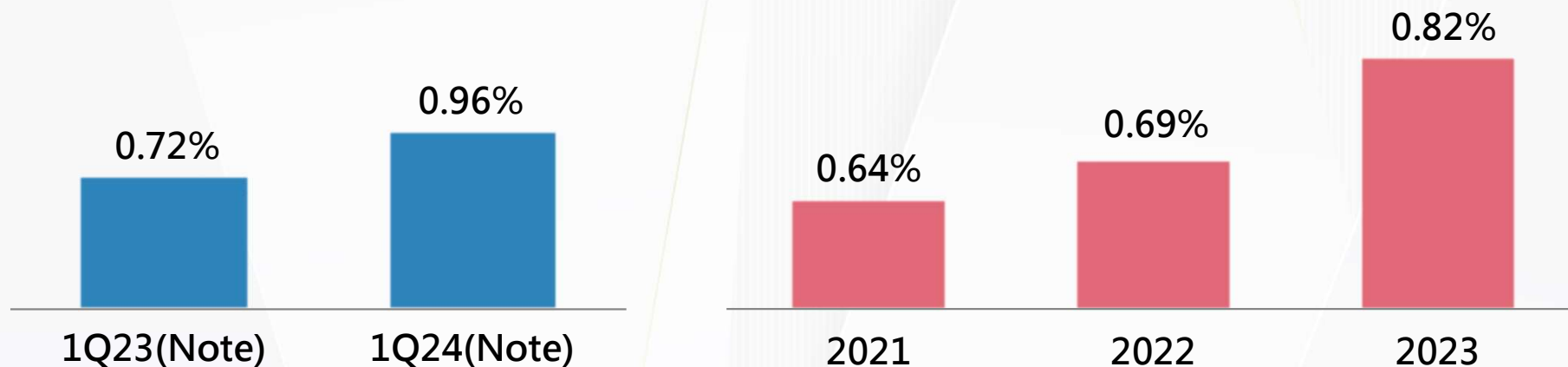
Note1 : The EPS in 2023Q1 Financial statement was 0.29. After been retroactive adjusted, the EPS of 2023Q1 was 0.28 The growth rate of EPS in 2024Q1 over 2023Q1 was 42.86%.

Note2 : The EPS in 2021 Financial statement was 1.10. After been retroactive adjusted, the EPS of 2022 was 1.05 The growth rate of EPS in 2022 over 2021 was 6.67%.

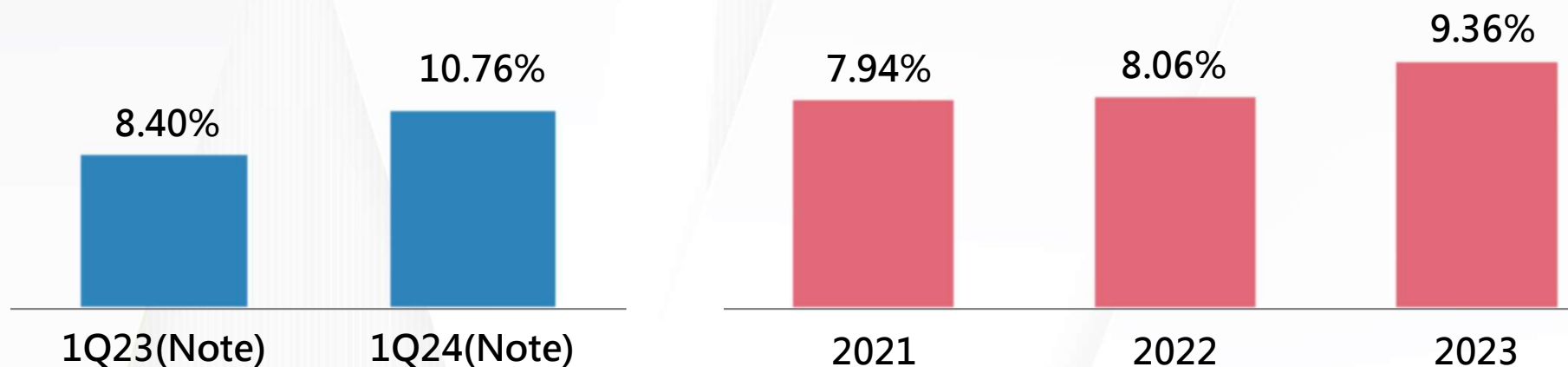
Note3 : The EPS in 2022 Financial statement was 1.12. After been retroactive adjusted, the EPS of 2022 was 1.07 The growth rate of EPS in 2023 over 2022 was 22.43%.

Profitability

ROA

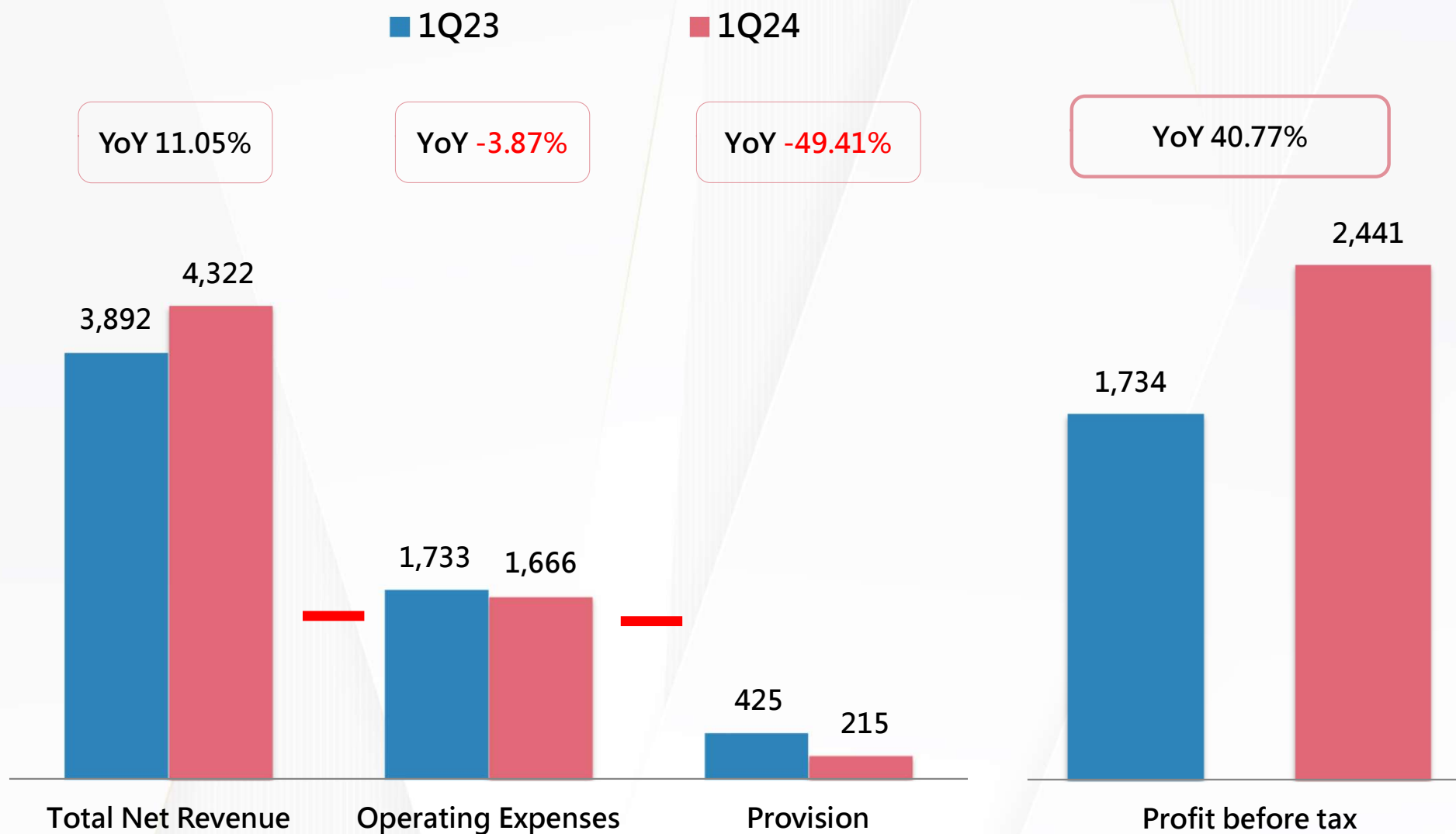


ROE



Note : ROE and ROA are annualized.

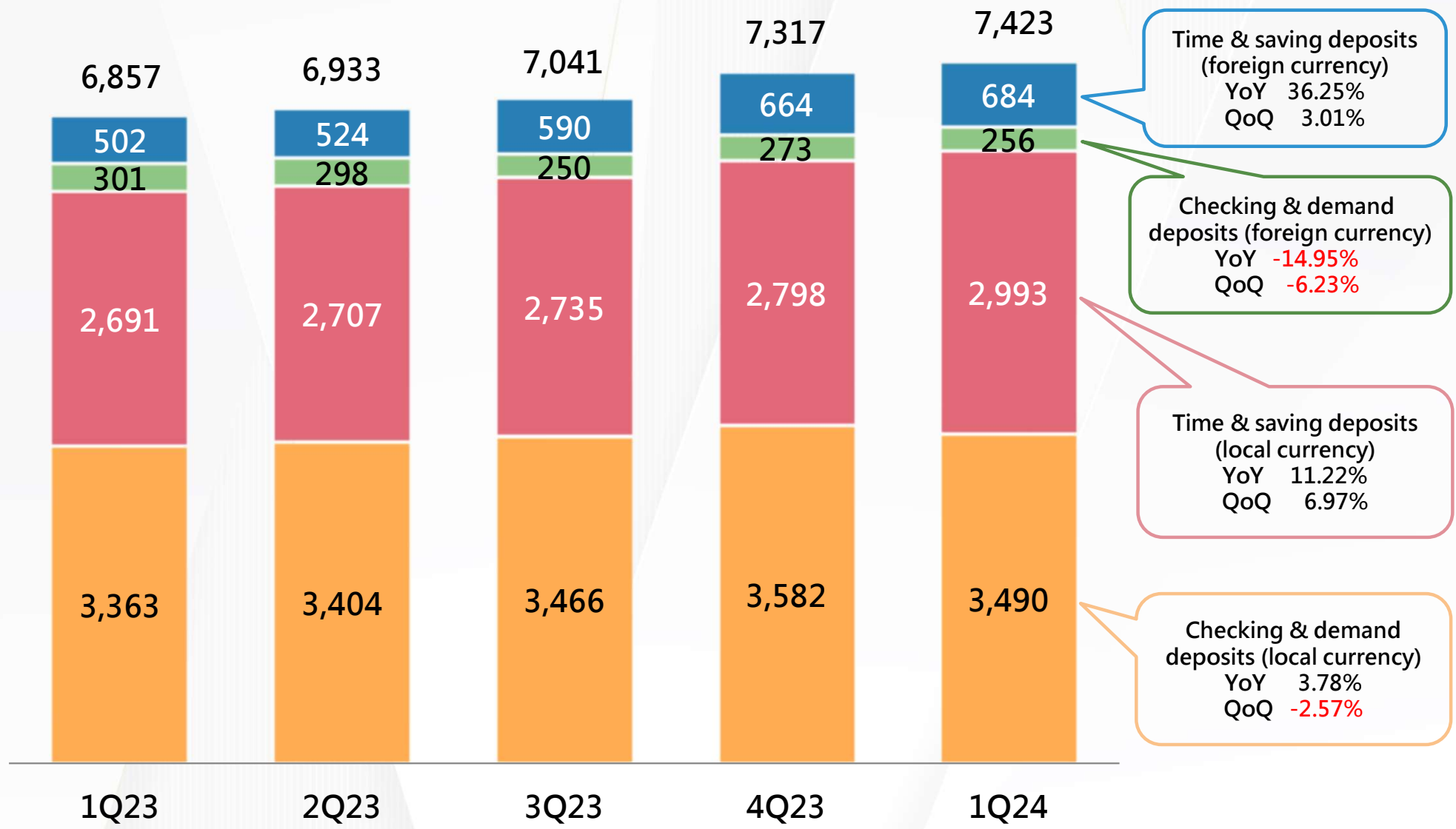
TCB's Change in Net Profit (NT\$ Million)



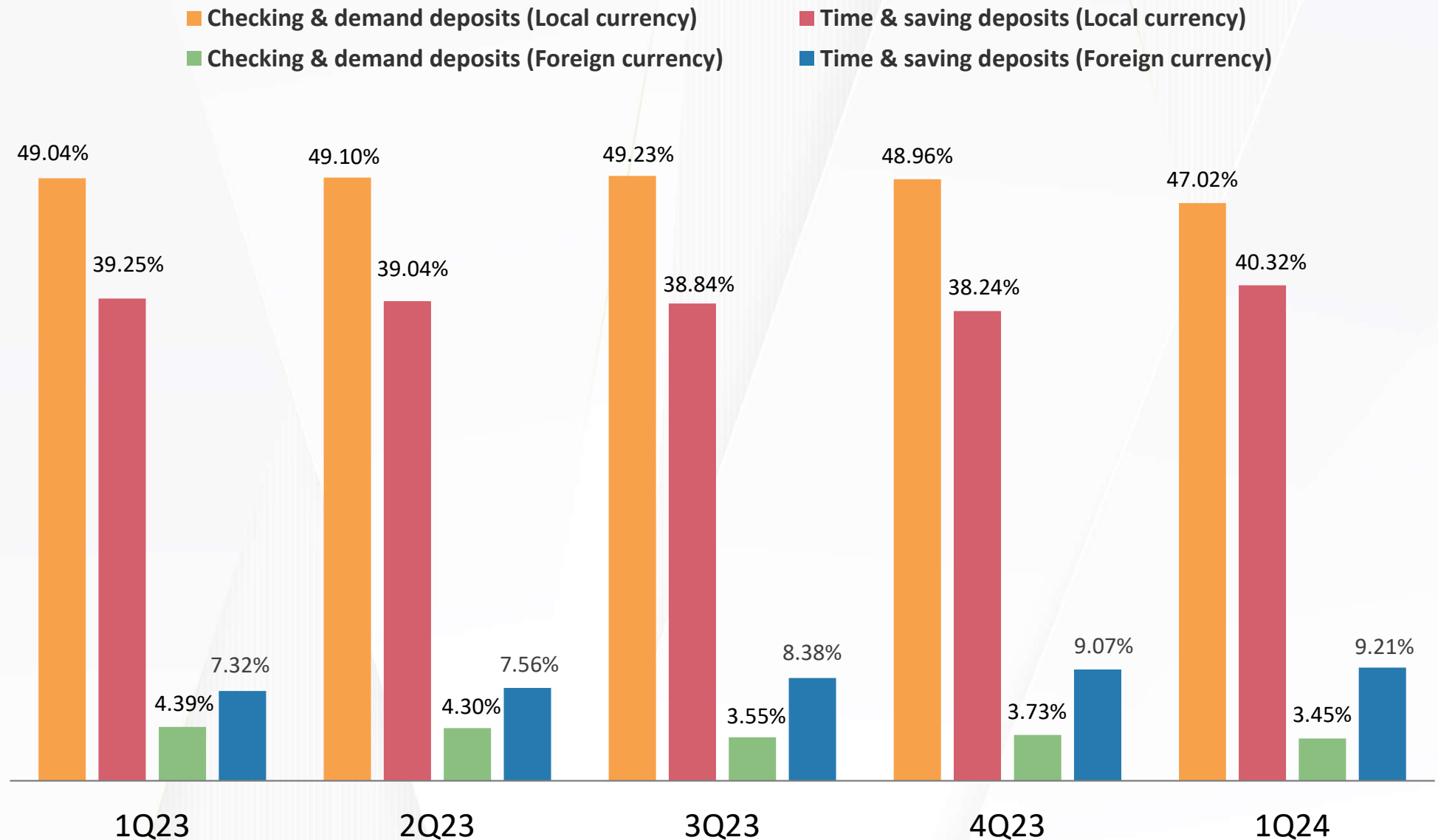
TCB 's Deposit Breakdown

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

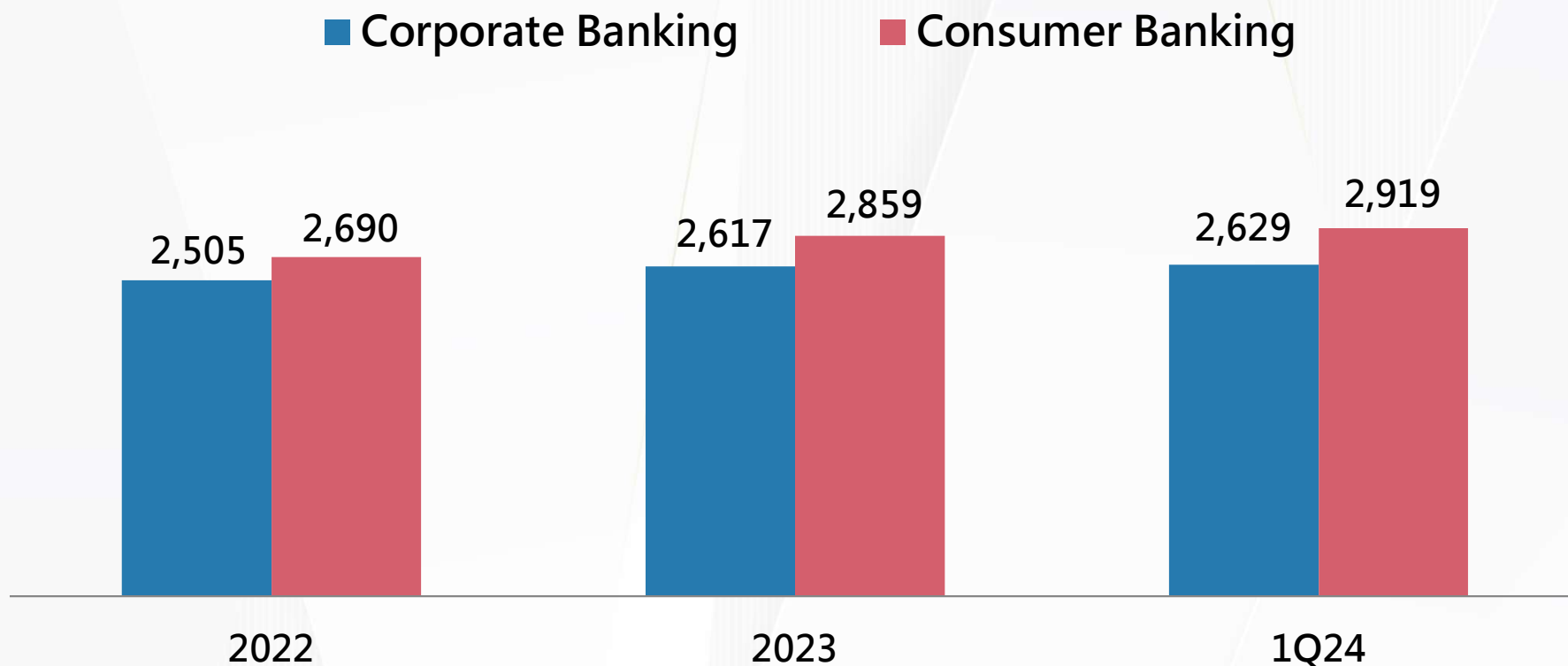
Total Deposit
YoY 8.25%
QoQ 1.45%



TCB's Deposit Structure



TCB 's Loan Structure (NT\$ Hundred Million)



	2022	2023	1Q24	YTD
Corporate Banking	2,505	2,617	2,629	0.46%
Consumer Banking	2,690	2,859	2,919	2.10%
Total	5,195	5,476	5,548	1.31%

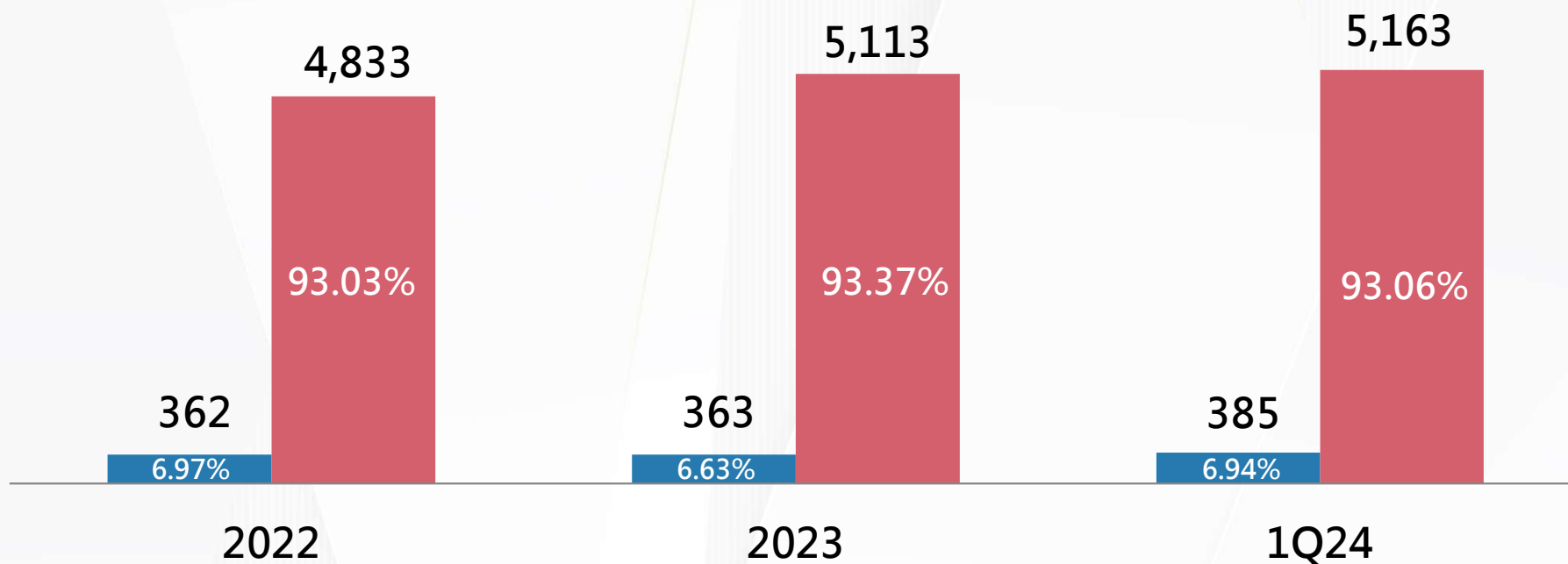
Note : The classification of Corporate Banking and Consumer Banking is based on the asset quality classification from the Article 16 in "Regulations Governing the Preparation of Financial Reports by Public Banks" .

TCB 's Loan Structure by Currency

(NT\$ Hundred Million)



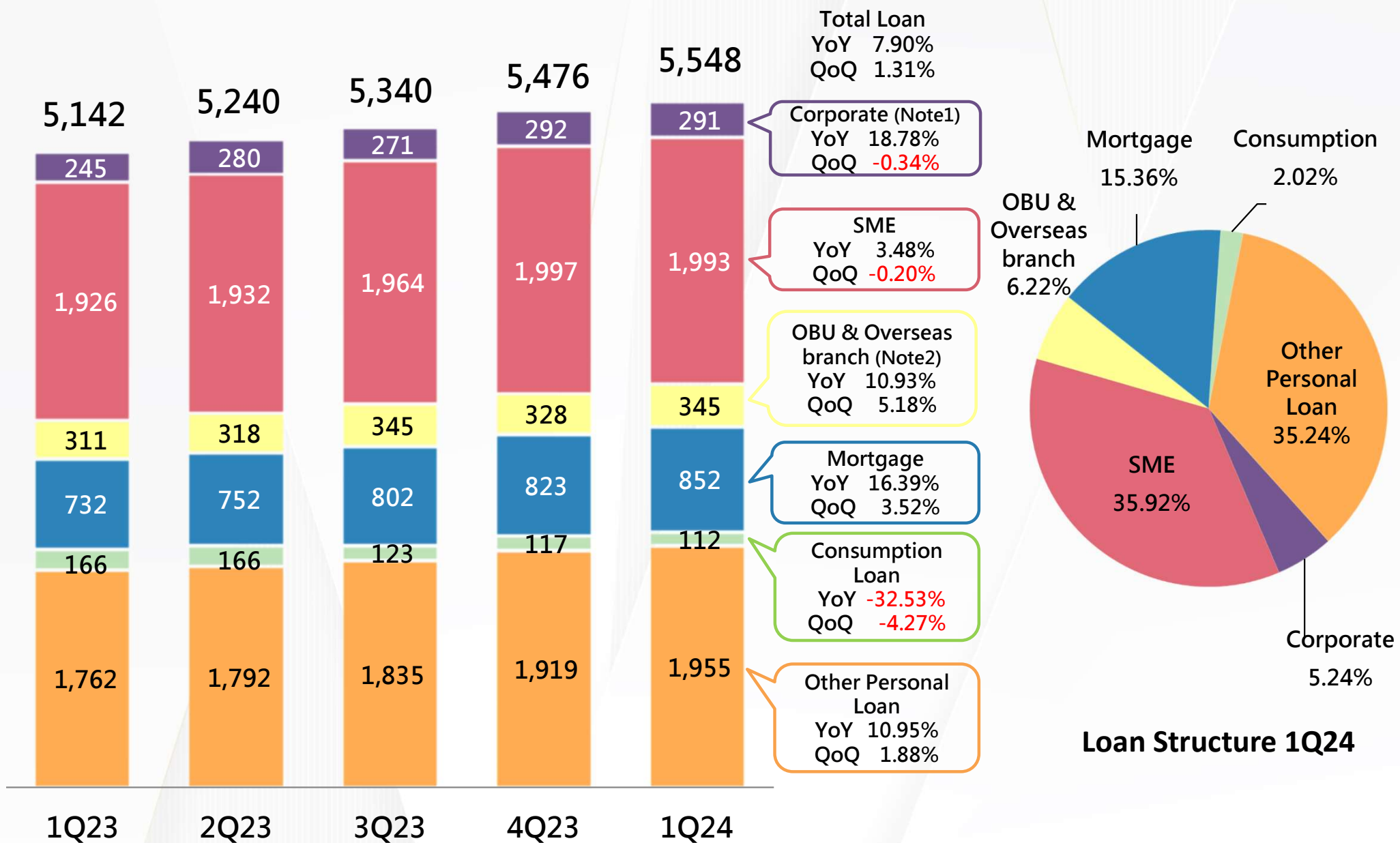
■ Foreign Currency Loan ■ NTD Loan



	2022	2023	1Q24	YTD
NTD Loan	4,833	5,113	5,163	0.98%
Foreign Currency Loan	362	363	385	6.06%
Total	5,195	5,476	5,548	1.31%

TCB's Loan Breakdown

(NT\$ Hundred Million)



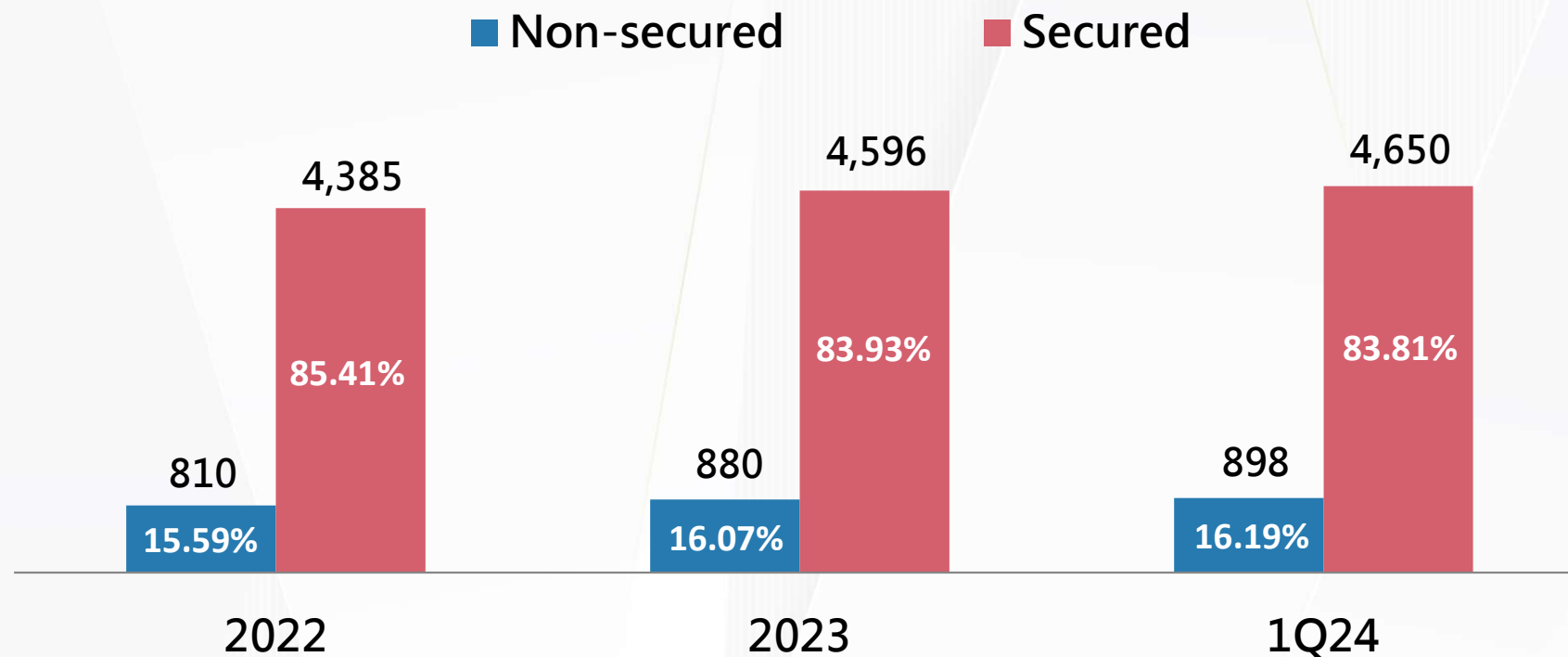
Note 1 : The balance of Corporate loan included government loans. (The balance in 2024Q1 was 1.340 billions in NT\$)

Note 2 : The loan balance of OBU & overseas branch in 2024Q1 were 27.1 billions and 7.4 billions in NT\$, respectively.

TCB 's Loan Breakdown by Secured

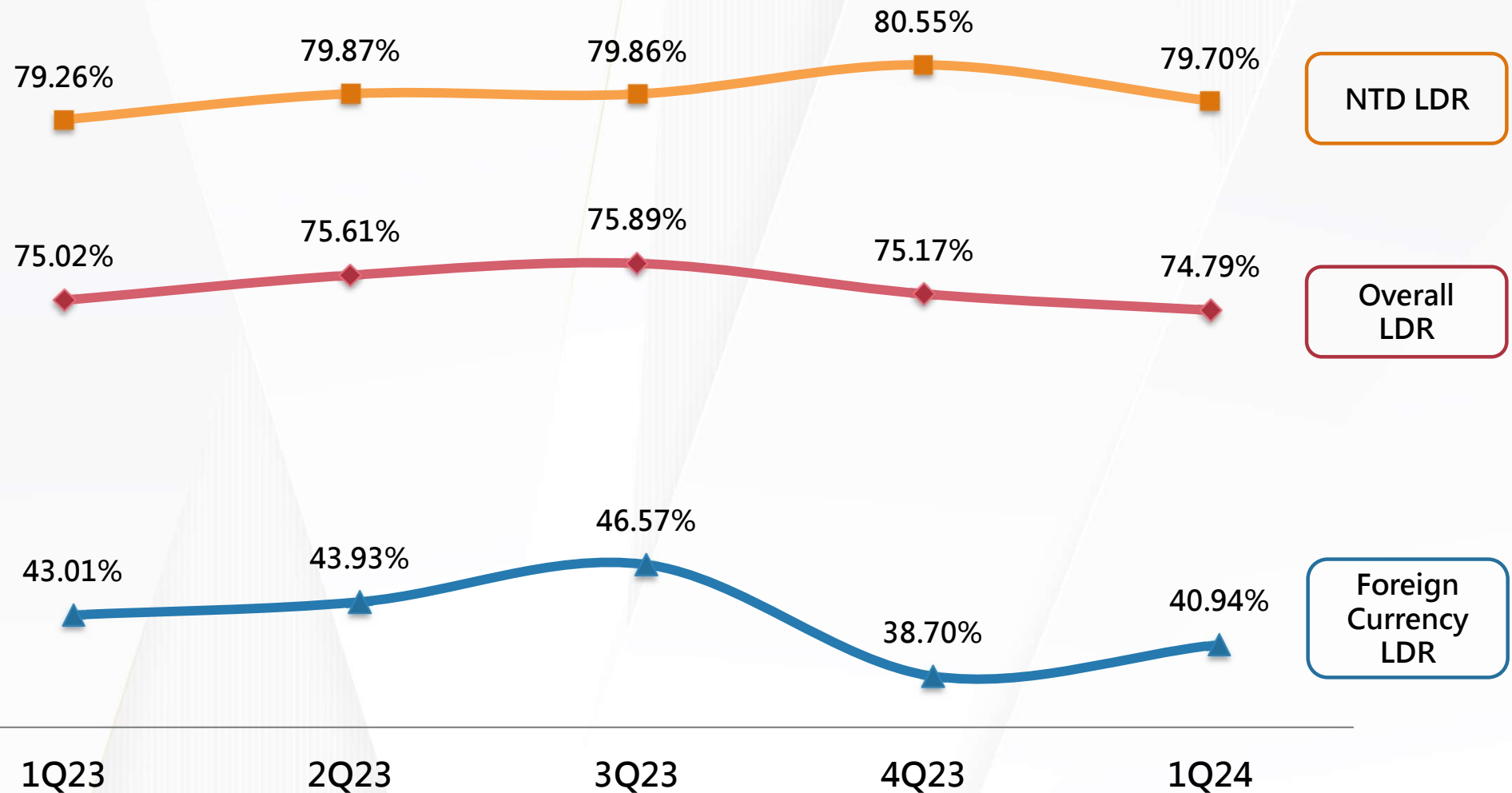


(NT\$ Hundred Million)

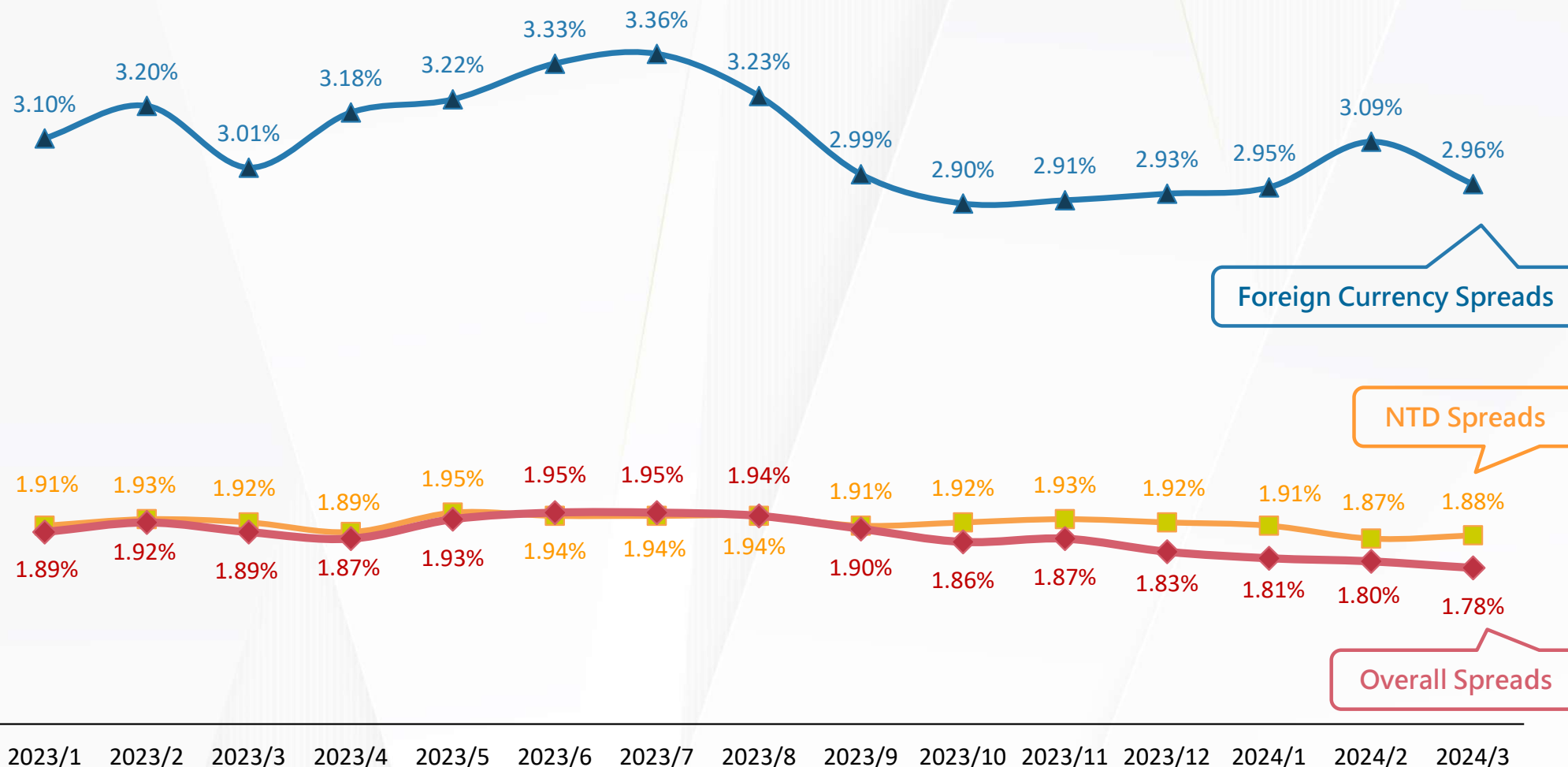


	2022	2023	1Q24	YTD
Non-secured	810	880	898	2.05%
Secured	4,385	4,596	4,650	1.17%
Secured by property	3,984	4,192	4,237	1.07%
Secured by Letter of Guarantee	161	164	166	1.22%
Others	240	240	247	2.92%
Total	5,195	5,476	5,548	1.31%

TCB's Loan to Deposit Ratio(LDR)



TCB 's Spreads



Note1 : Monthly Information.

Note2 : The schedule of the Federal Reserve System adjusted target federal fund rates :
2023/2/2 raised 0.25%, 2023/3/23 raised 0.25%, 2023/5/4 raised 0.25%, 2023/7/27 raised 0.25%.

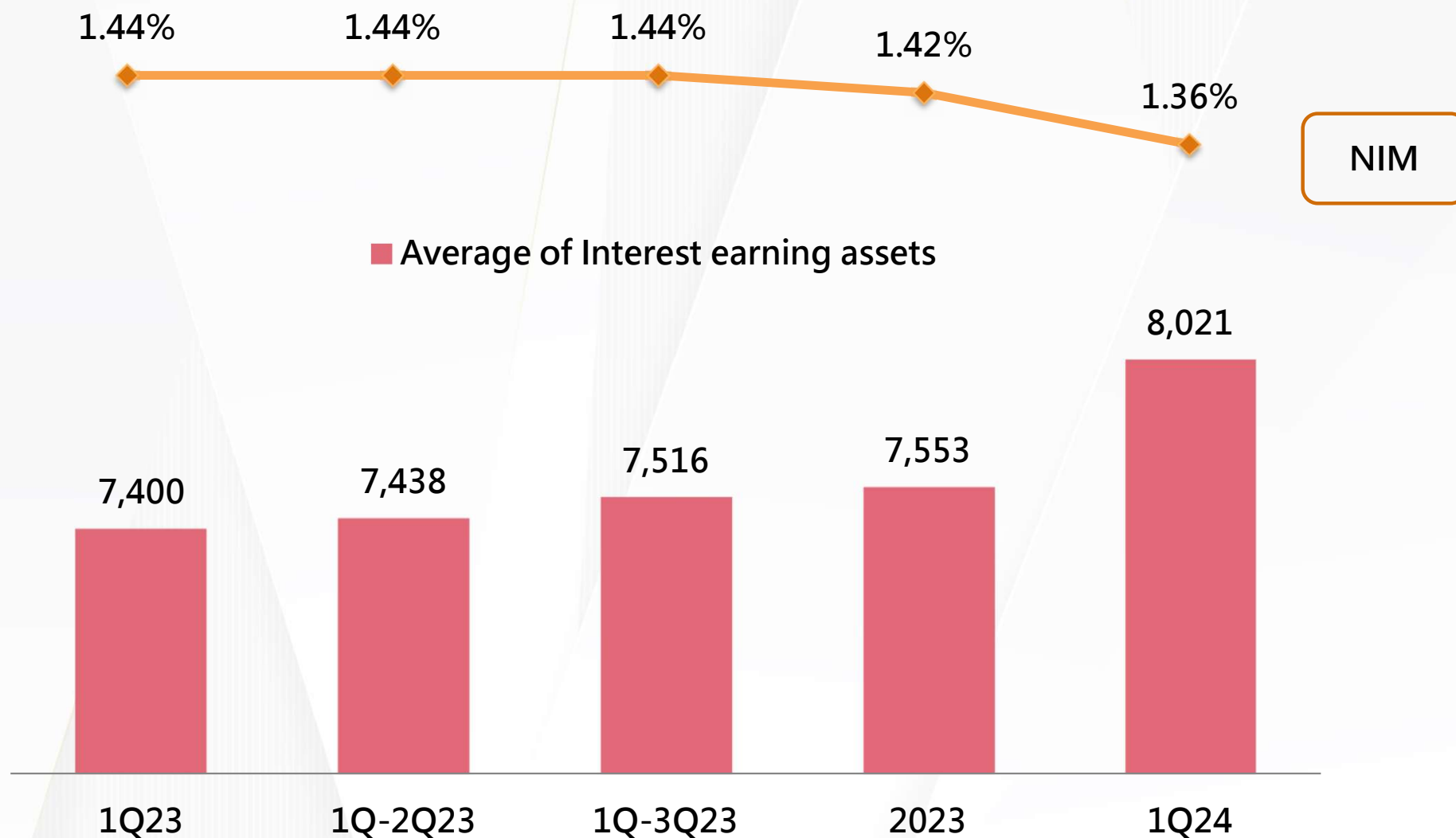
Note3 : The schedule of Central Bank of the Republic of China (Taiwan) adjusted CBC rates :
2023/3/23 raised 0.125%.
2024/3/21 raised 0.125%.

TCB's Net Interest Margin(NIM)

(NT\$ Hundred Million)

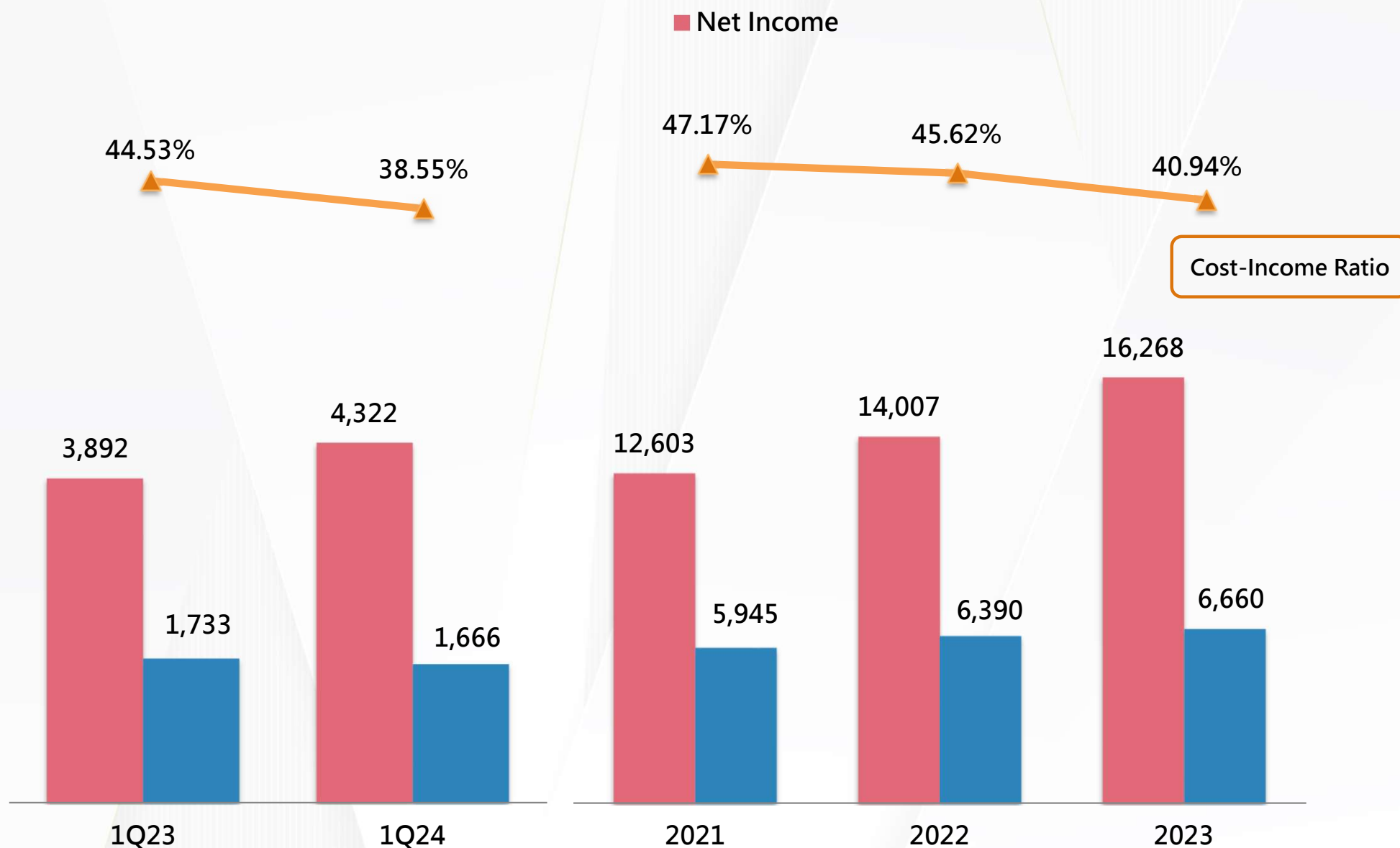


NIM & Average of Interest earning assets



TCB's Operating Expenses to Net Income

(NT\$ Million)

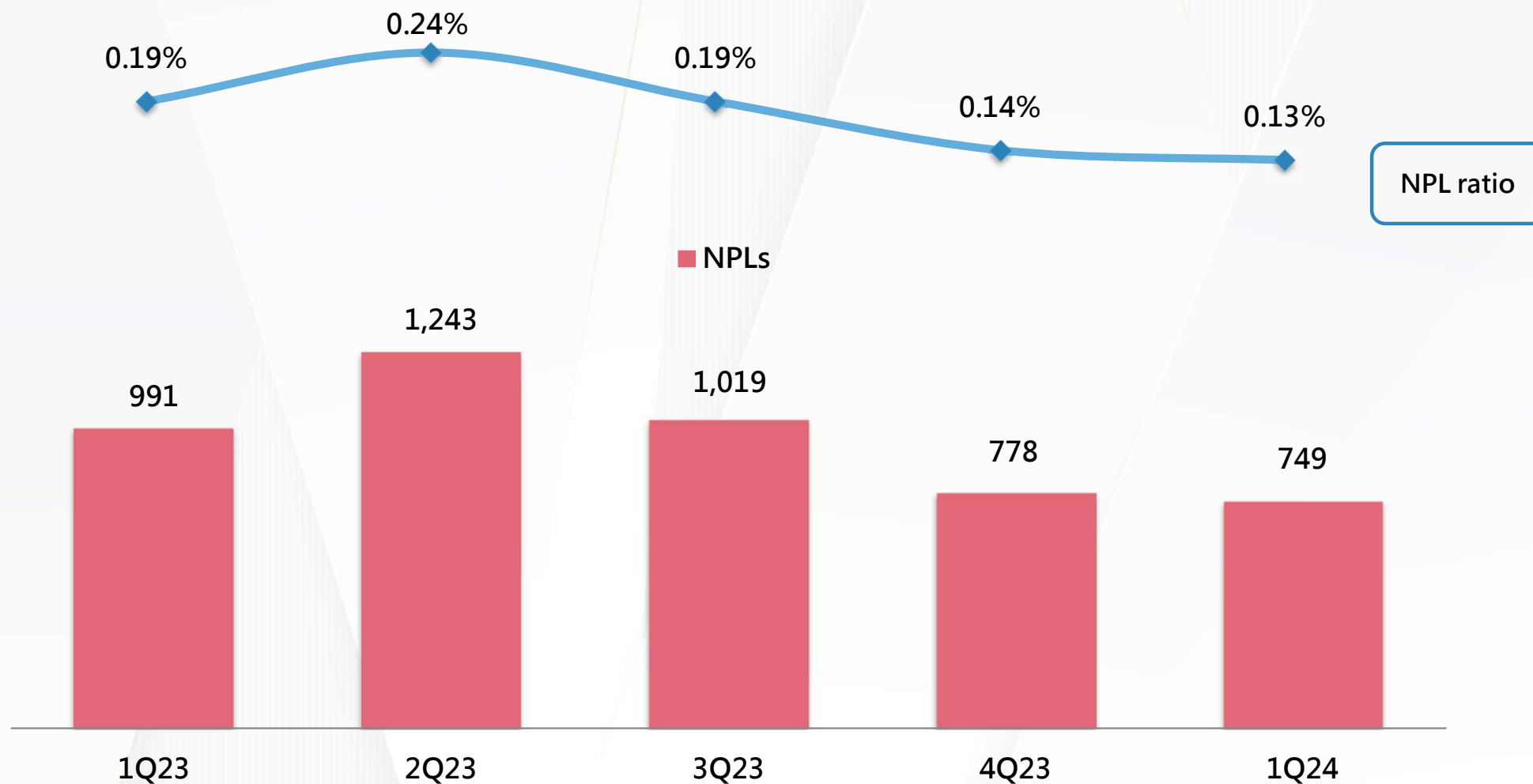


TCB's Asset quality

(NT\$ Million)



NPL ratio & NPLs

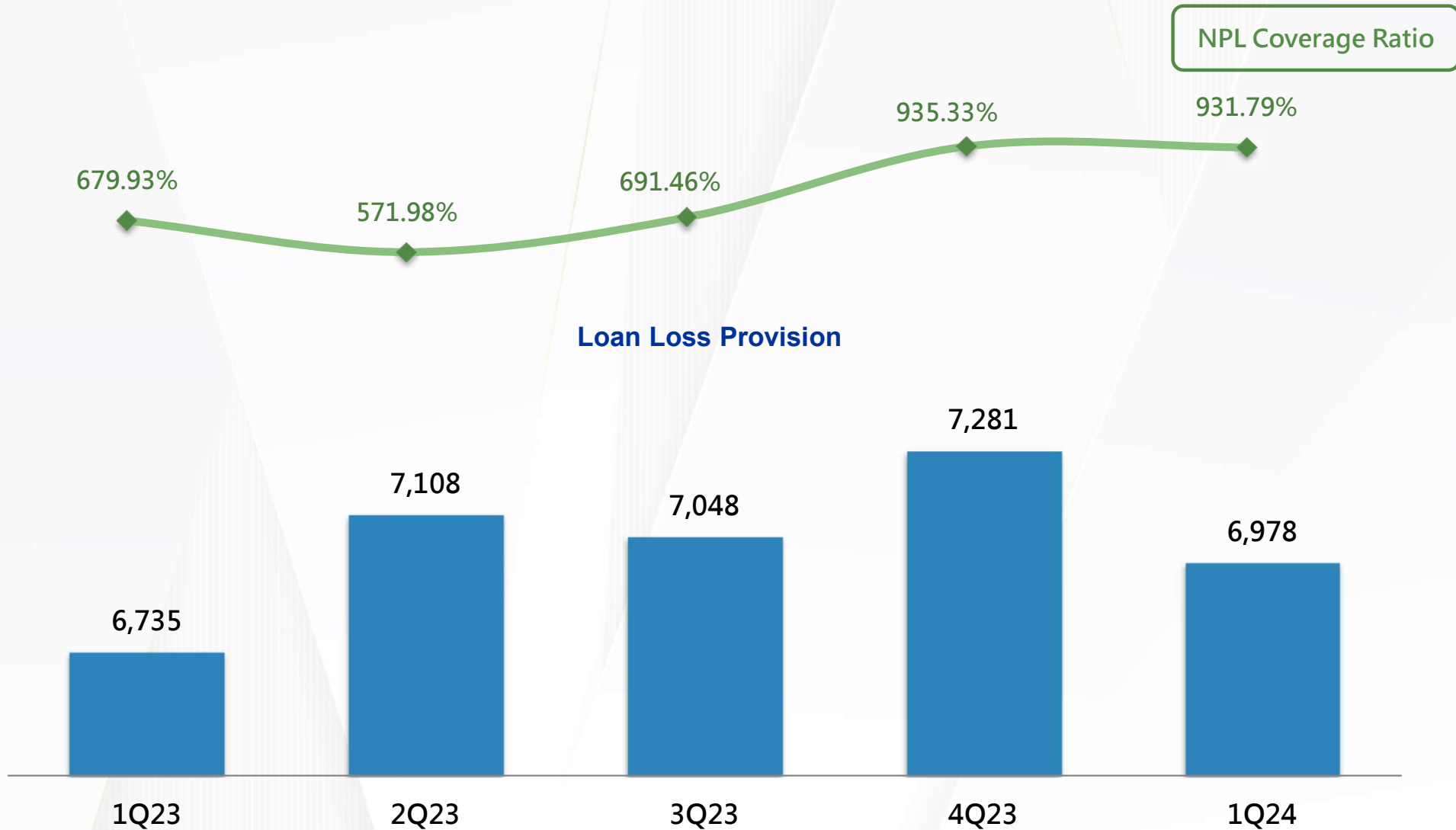


TCB's Asset quality

(NT\$ Million)

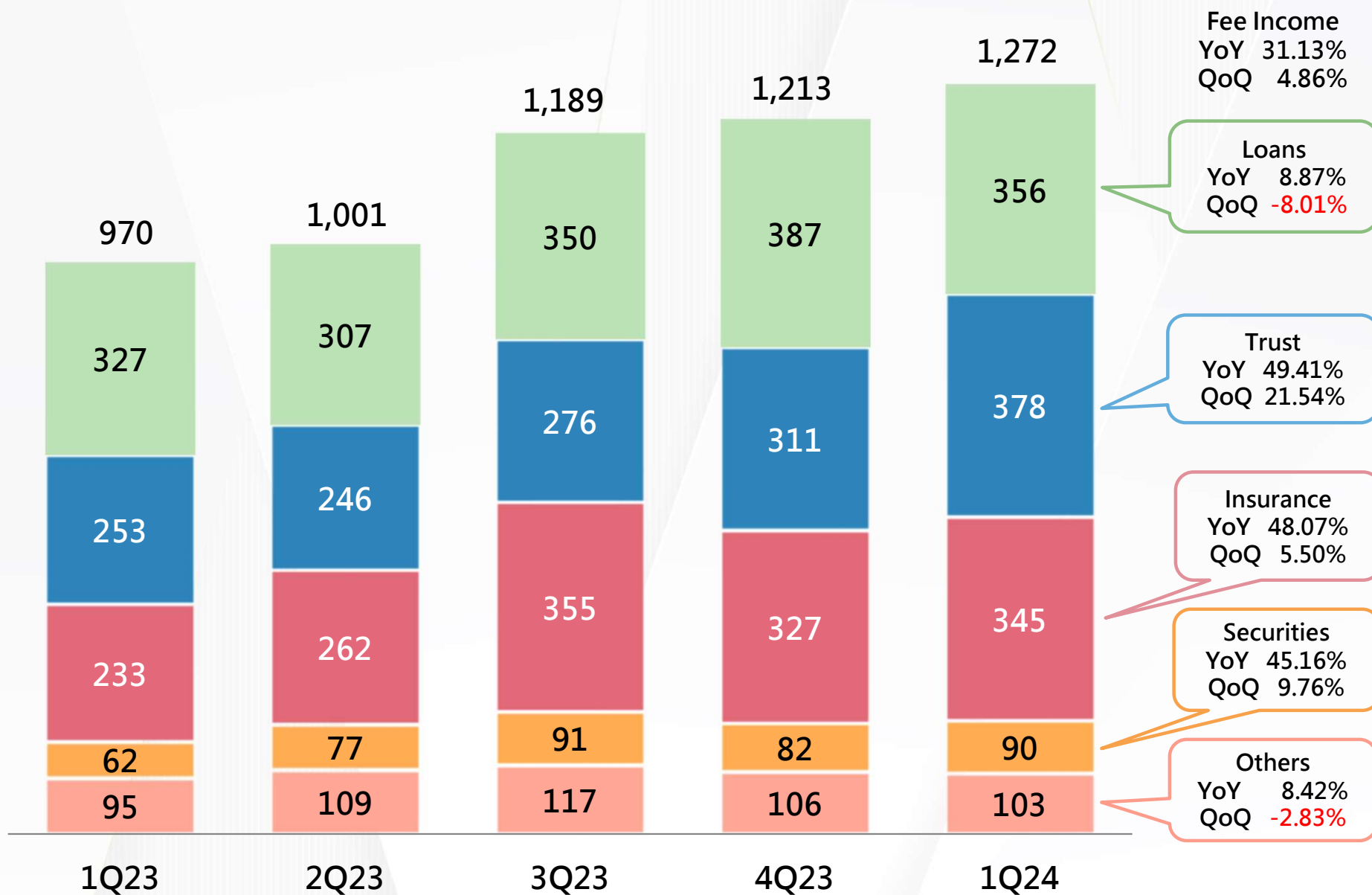


NPL Coverage Ratio & Loan Loss Provision

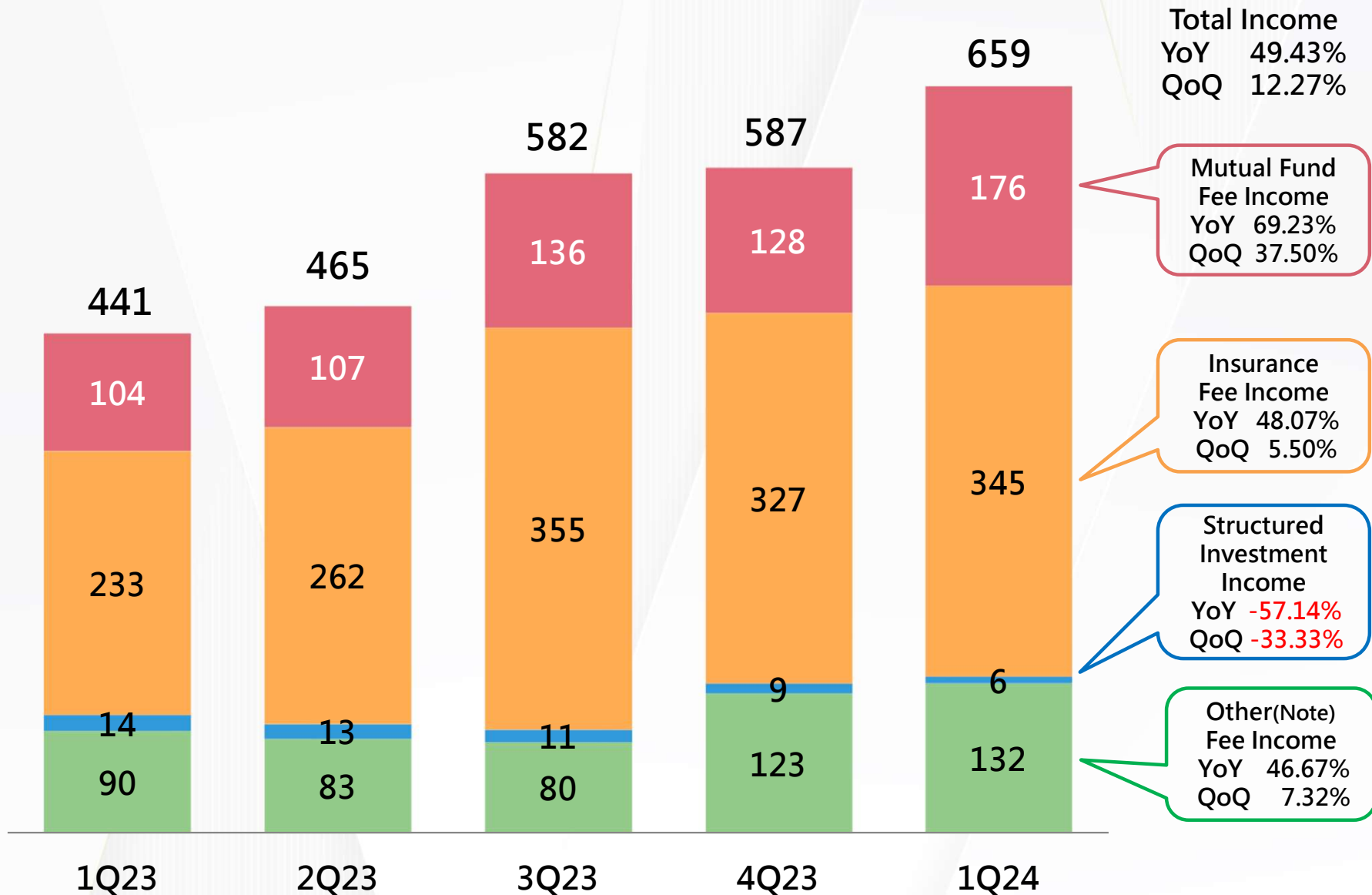


Fee Income Breakdown

(NT\$ Million)



Wealth Management Income



Note : Others are comprised of foreign bond, structured note, exchange traded fund , preferred stock, and etc.

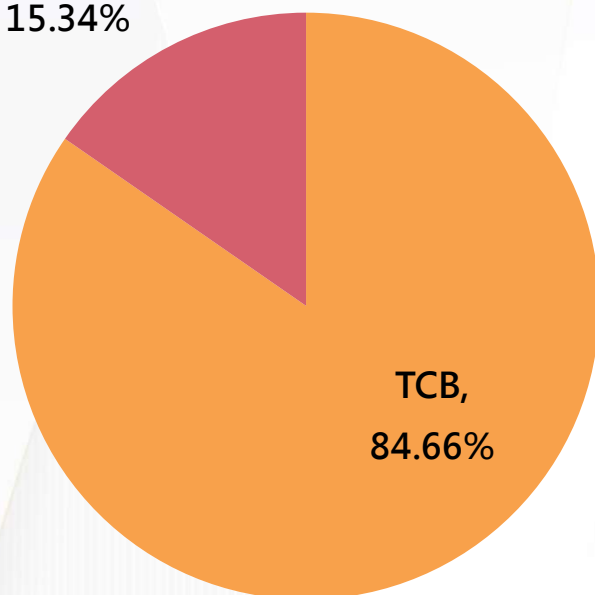
Profit of Subsidiaries

(NT\$ Million)



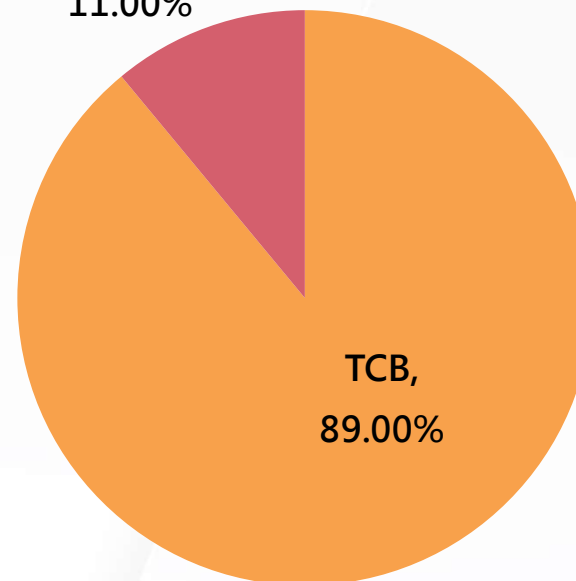
Net Profit after Tax	1Q23	1Q24	YoY
TCB	1,247	1,860	49.16%
Subsidiaries	226	230	1.77%
Total	1,473	2,090	41.89%

Subsidiaries,
15.34%



1Q23 Profit Breakdown

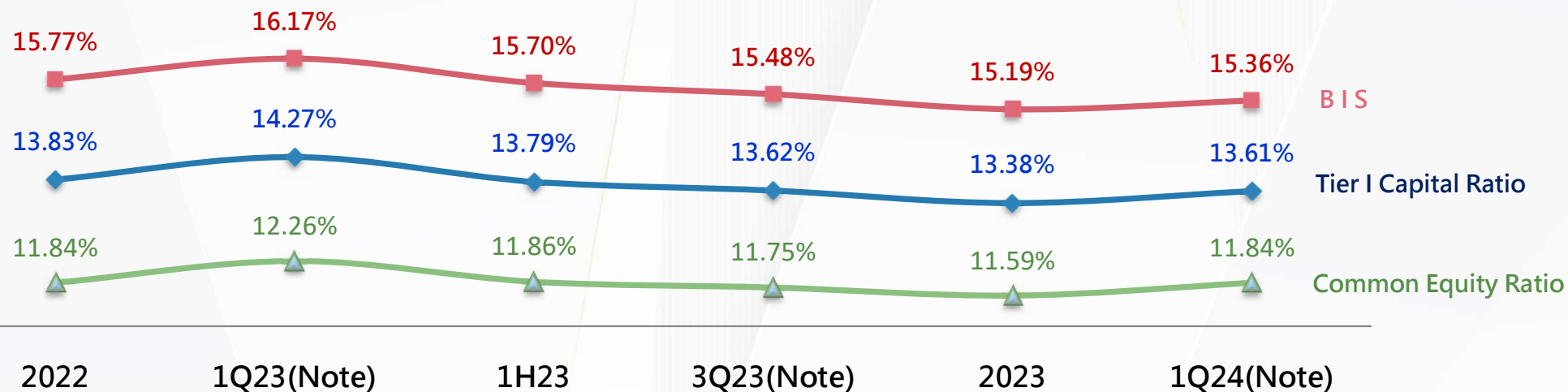
Subsidiaries,
11.00%



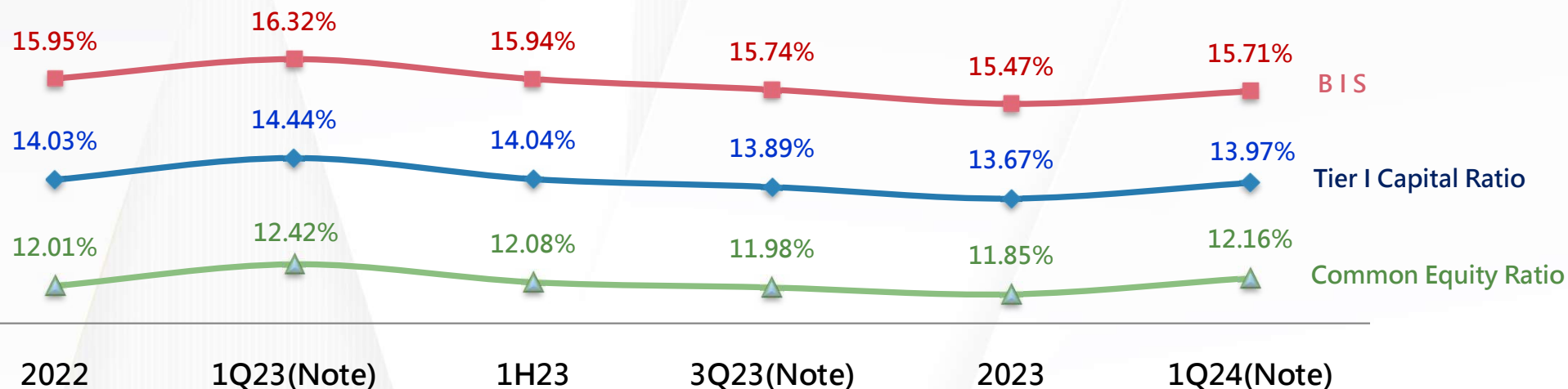
1Q24 Profit Breakdown

Capital Adequacy

Consolidated



Individual



Note : Self-assessed

Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Balance Sheets (Parent Company Only)



(NT\$ Million)

	2021	2022	2023	1Q24	YTD
Assets :					
Cash and due from banks	55,821	65,306	70,249	62,260	-11.37%
Financial investment, net	201,027	188,991	217,657	229,151	5.28%
Loans, net	478,441	512,879	540,324	547,865	1.40%
A/R, net	3,176	3,245	4,286	4,586	7.00%
LT investments, net	6,064	6,043	6,541	6,012	-8.09%
Properties and equipment, net	13,708	16,216	17,891	18,143	1.41%
Others	4,101	3,925	4,494	4,333	-3.58%
Total Assets	762,338	796,605	861,442	872,350	1.27%
Liabilities :					
Deposits	661,383	685,335	731,665	742,302	1.45%
Other liabilities	37,495	42,040	53,262	51,125	-4.01%
Total Liabilities	698,878	727,375	784,927	793,427	1.08%
Total Equity	63,460	69,230	76,515	78,923	3.15%
Total Liabilities and Equity	762,338	796,605	861,442	872,350	1.27%

Statements of Comprehensive Income

(Parent Company Only)



(NT\$ Million)

	2021	2022	2023	1Q23	1Q24	YoY
Net Interest	8,696	10,221	10,648	2,633	2,747	4.33%
Service Fee Income, net	2,482	2,495	2,969	656	862	31.40%
Other Net Revenue	1,425	1,291	2,651	603	713	18.24%
Total Net Revenue	12,603	14,007	16,268	3,892	4,322	11.05%
Operating Expenses	(5,945)	(6,390)	(6,660)	(1,733)	(1,666)	-3.87%
Pre-provision Profit	6,658	7,617	9,608	2,159	2,656	23.02%
Provision for Bad Debts	(1,204)	(1,145)	(1,547)	(425)	(215)	-49.41%
Profit Before Income Tax	5,454	6,472	8,061	1,734	2,441	40.77%
Income Tax Expense	(658)	(1,128)	(1,240)	(261)	(351)	34.48%
Net Profit After Income Tax	4,796	5,344	6,821	1,473	2,090	41.89%
Other Comprehensive Income [Note]	88	(1,414)	1,969	621	318	-48.79%
Total Comprehensive Income for the Year	4,884	3,930	8,790	2,094	2,408	15.00%

Note : 2024Q1 Other Comprehensive Income NT\$ 318 million is mainly comprised of Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income NT\$ 534 million and Unrealized (losses) gains on investments in debt instruments designated as at fair value through other comprehensive income NT\$ -253 million.

Balance Sheets (Consolidated)



(NT\$ Million)

	2021	2022	2023	1Q24	YTD
Assets :					
Cash and due from banks	56,159	66,682	70,929	62,750	-11.53%
Financial investment, net	202,664	190,639	218,533	230,119	5.30%
Loans, net	479,806	514,113	541,844	549,378	1.39%
A/R, net	14,352	14,435	22,156	24,199	9.22%
LT investments, net	165	172	172	180	4.65%
Properties and equipment, net	13,755	16,256	17,924	18,177	1.41%
Others	5,777	5,666	6,390	6,302	-1.38%
Total Assets	772,678	807,963	877,948	891,105	1.50%
Liabilities :					
Deposits	659,116	683,104	728,916	740,374	1.57%
Other liabilities	50,102	55,629	72,517	71,808	-0.98%
Total Liabilities	709,218	738,733	801,433	812,182	1.34%
Total Equity	63,460	69,230	76,515	78,923	3.15%
Total Liabilities and Equity	772,678	807,963	877,948	891,105	1.50%

Statements of Comprehensive Income

(Consolidated)



(NT\$ Million)

	2021	2022	2023	1Q23	1Q24	YoY
Net Interest	9,278	10,775	11,325	2,757	2,933	6.38%
Service Fee Income, net	3,375	3,317	3,937	893	1,166	30.57%
Other Net Revenue	1,069	925	2,235	499	578	15.83%
Total Net Revenue	13,722	15,017	17,497	4,149	4,677	12.73%
Operating Expenses	(6,784)	(7,164)	(7,596)	(1,942)	(1,927)	-0.77%
Pre-provision Profit	6,938	7,853	9,901	2,207	2,750	24.60%
Provision for Bad Debts	(1,369)	(1,253)	(1,668)	(438)	(261)	-40.41%
Profit Before Income Tax	5,569	6,600	8,233	1,769	2,489	40.70%
Income Tax Expense	(773)	(1,256)	(1,412)	(296)	(399)	34.80%
Net Profit After Income Tax	4,796	5,344	6,821	1,473	2,090	41.89%
Other Comprehensive Income [Note]	88	(1,414)	1,969	621	318	-48.79%
Total Comprehensive Income for the Year	4,884	3,930	8,790	2,094	2,408	15.00%

Note : The note is the same as P.27

Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2024 Credit Rating



Date: March 22, 2024

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

- **Implemented corporate social responsibility by donating NT\$10 million to students affected by the Hualien earthquake and providing favorable financing terms to affected households**

On April 3, 2024, a magnitude 7.2 earthquake struck Taiwan. In order to help students affected by the earthquake in Hualien overcome this difficulty and to protect the children's rights and interests in learning, the Bank donated NT\$10 million to the Department of Education, Hualien County Government. Through concrete actions, the Bank is helping the students get back to normal.

For persons who are seriously injured, who need to be hospitalized for treatment, or whose houses need to be renovated or reconstructed due to this earthquake, the Bank provides favorable financing terms such as loan limits up to a maximum of NT\$500,000, zero interest for the first year, maximum loan terms of 7 years, free handling fees, no prepayment penalty, and more. In addition, for households with mortgages affected by this earthquake, the Bank also provides principal payment deferrals, principal and interest payment deferrals, 6-month repayment period extensions, and other programs aimed at reducing repayment pressure on households in areas hit by the earthquake.

- **Launched Trust 2.0 Program for Trust Promotion Activities by Local Village and Town Offices**

In response to the Financial Supervisory Commission's Trust 2.0 Comprehensive Trust implementation plan, and in cooperation with the Trust Association of R.O.C in its Program for Trust Promotion Activities by Local Village and Town Offices, the Bank has held briefing sessions in a number of villages starting from April to help the public understand the importance of elder care trusts. On April 19, 2024, the Bank, led by the independent director Pi-Ta Chen and the Executive Vice President Chun-Yin Wang, organized an advocacy event in Biantou Village, Xihu Township, with the theme of "Trusts Are Here to Help: Protect property, prevent fraud, and provide elder care". The event included an introduction to elder care trusts, understanding the risks of aging, treating customers fairly, prevention of digital banking fraud, etc.

The Bank has long been concerned about social issues such as aging, treating customers fairly, fraud prevention, and consumer protection. For this program, we have planned a series of advocacy activities including 8 sessions at locations in northern, central, and southern Taiwan. Through these activities, we will make direct contact with local people in a way that goes deep into neighborhoods. In addition to sharing financial knowledge, we also hope that our interactions and communications with the public will bring consumers more friendly, fair and considerate financial experiences.

- **Awarded the Green Credit Promotion Award and the Batch-Type Credit Guarantee Golden Quality Award for small and medium-sized enterprises**

The Bank achieved great results at the 2024 Small and Medium Enterprises Credit Guarantee Financing Business Outstanding Financial Institutions and Credit Extension Managers Award Ceremony held by the Small and Medium Enterprises Credit Guarantee Fund of Taiwan on March 20, 2024. Not only has the Bank received the Green Credit Promotion Award for two consecutive years, but we have also won the Batch-Type Credit Guarantee Golden Quality Award for the first time. These awards recognize the Bank's outstanding capabilities in supporting small and medium-sized enterprise financing, and in extending green credit.

The Bank has spared no efforts to deeply cultivate the field of green credit. Our results from promoting green credit are not only in line with the international trend toward sustainable development, but also provide more green financing opportunities for domestic small and medium-sized enterprises. The Bank's performance in batch-type credit guarantee financing is also impressive. With financing reaching at least NT\$3 billion, this demonstrates the Bank's understanding of and support for the financing needs of small and medium-sized enterprises. The Bank will continue to exert our specialized advantages, to contribute more to Taiwan's economic development and environmental sustainability.

Thanks for your
listening!



台中銀行

TAICHUNG BANK

用心關懷 璀璨其中

