

Stock No : 2812

Taichung Commercial Bank

2018 Half Year Investor Conference

2018.9.3

 台中銀行 夢想的重量 陪你一起扛



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- ◆ The operating results still need to be audited by accountants.



Agenda



Financial Highlights



Financial Review



Financial Information



Appendix

2018 Half Year Financial Highlight

Profitability

Net Profit after tax 1.9billions, 14.4% growth over the same period last year.
EPS 0.57, 16.3% growth over the same period last year.

Asset quality

NPL rate 0.37% 、 Provision for bad debt coverage rate 378.28% ◦

Capital adequacy

Consolidated : Capital Ratio 12.41% 、 Tier I Capital Ratio 10.99% ◦
Individual : Capital Ratio 11.75% 、 Tier I Capital Ratio 10.82% ◦

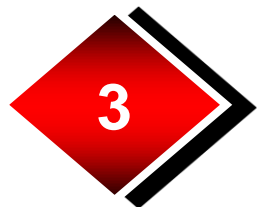
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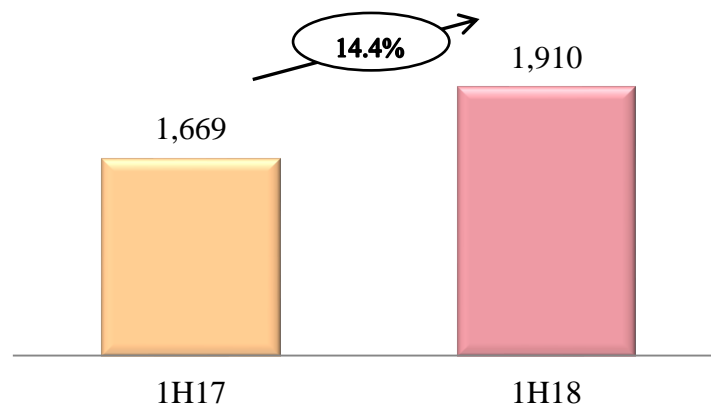
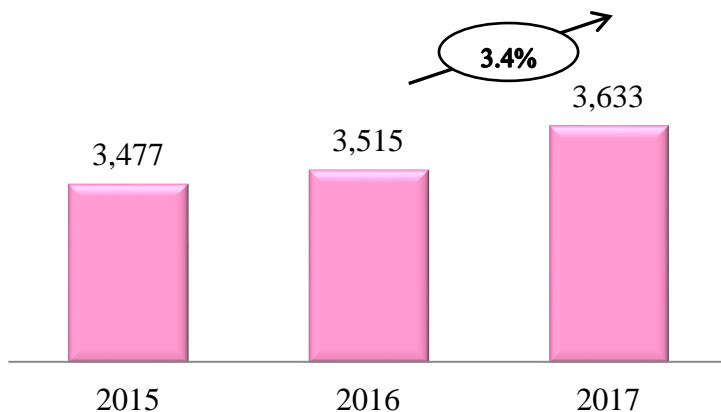
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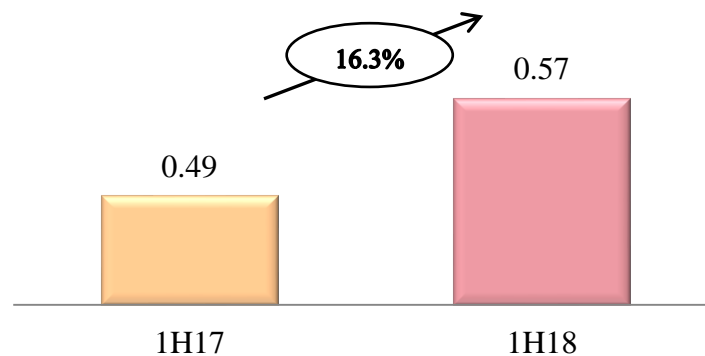
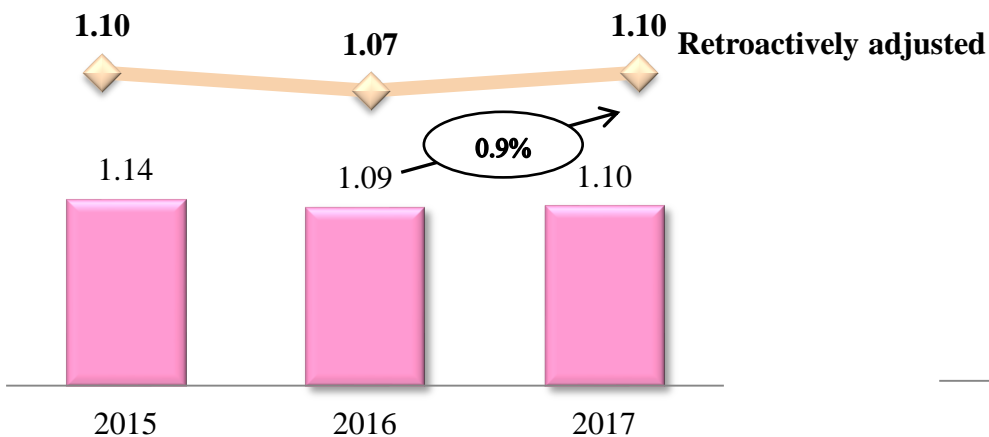
Appendix

Profitability (NT\$ Million, NT\$,%)

Net Profit

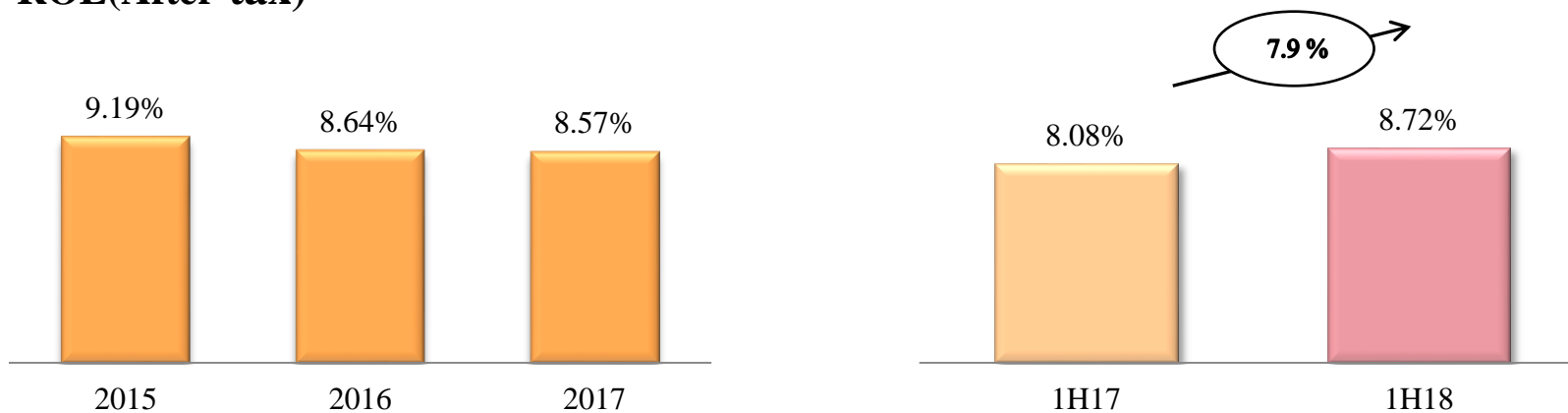


EPS(After tax)

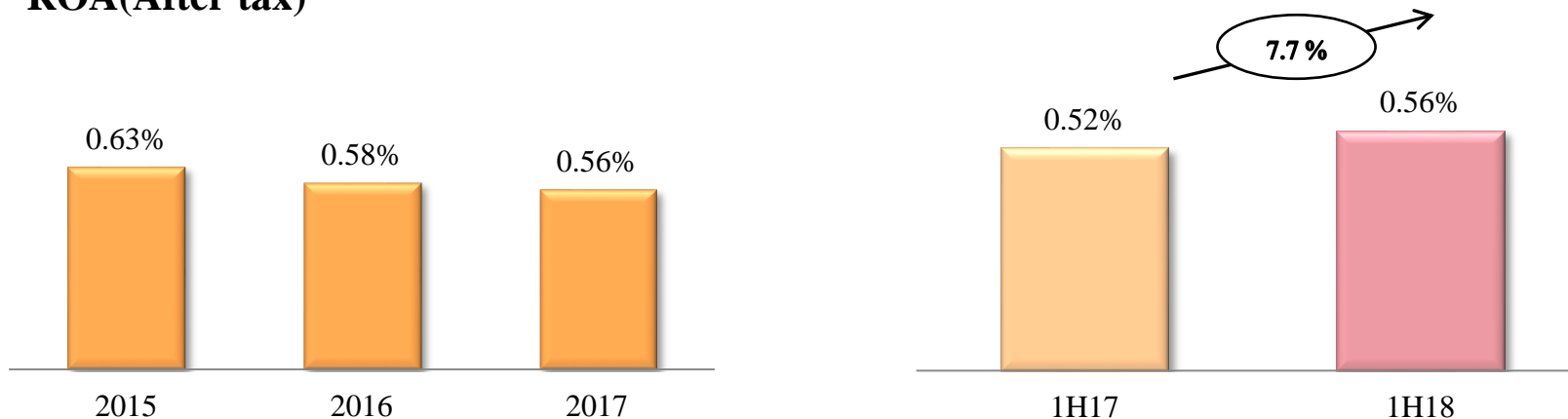


Profitability (NT\$ Million, NT\$,%)

ROE(After tax)



ROA(After tax)



* ROE and ROA are annualized

Change in Net Profit (NT\$ Million)

■ 1H17

■ 1H18

■ 1H17

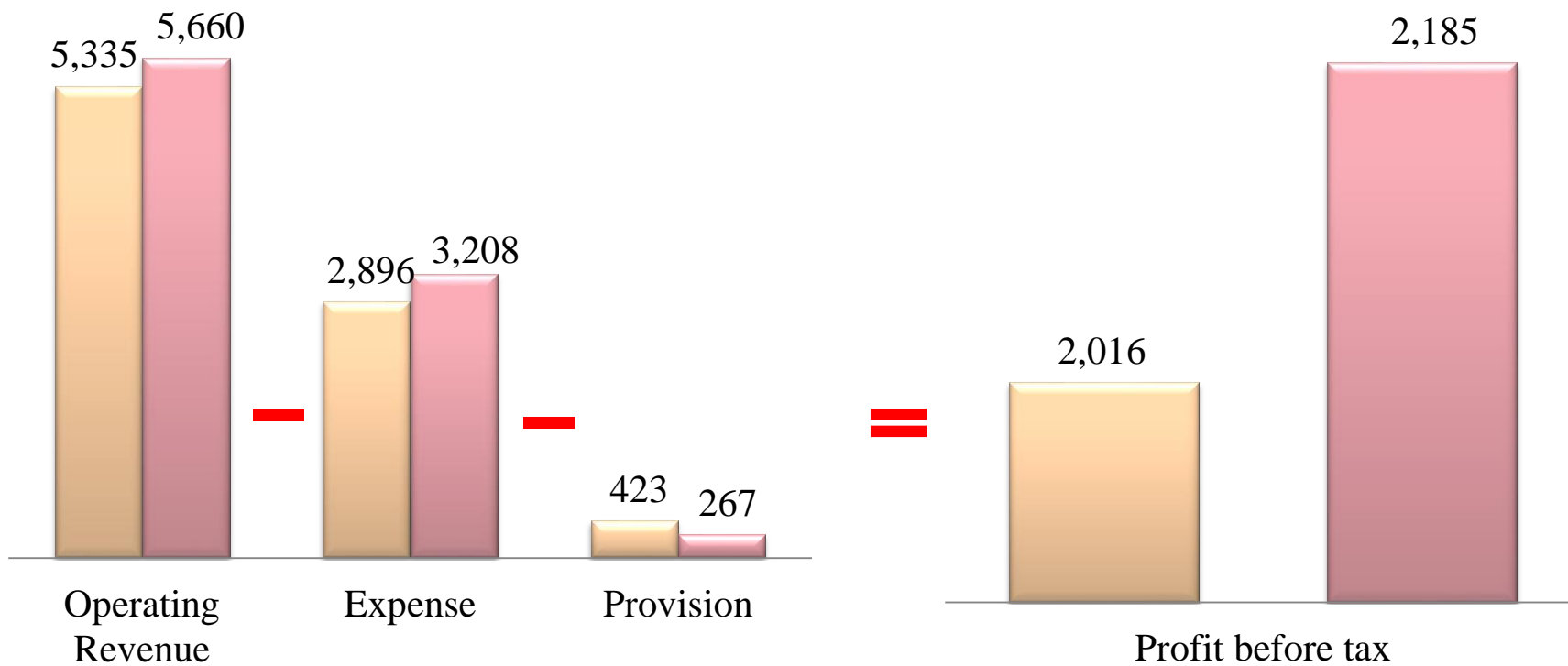
■ 1H18

YoY 6.1%

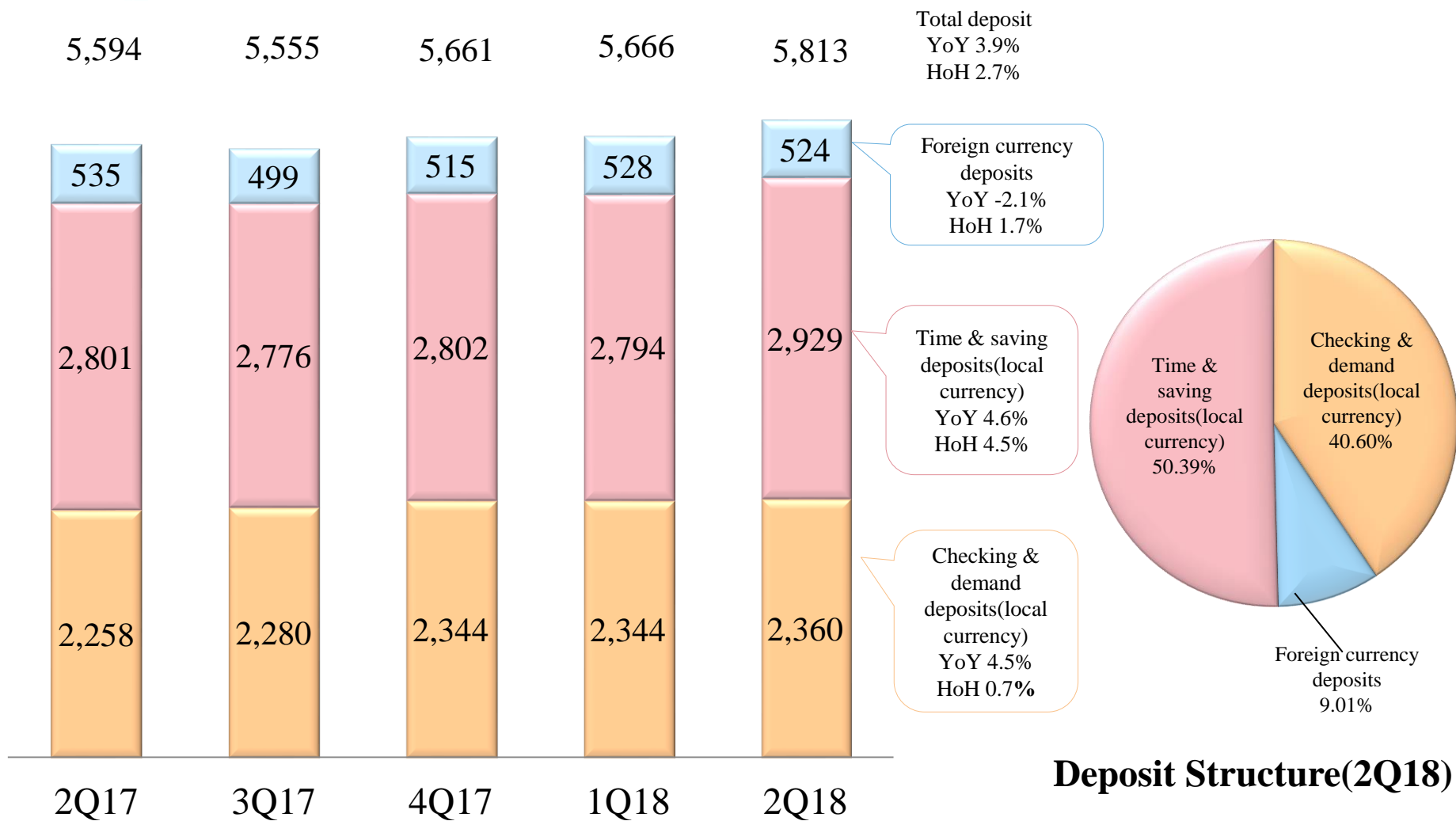
YoY 10.8%

YoY -36.9%

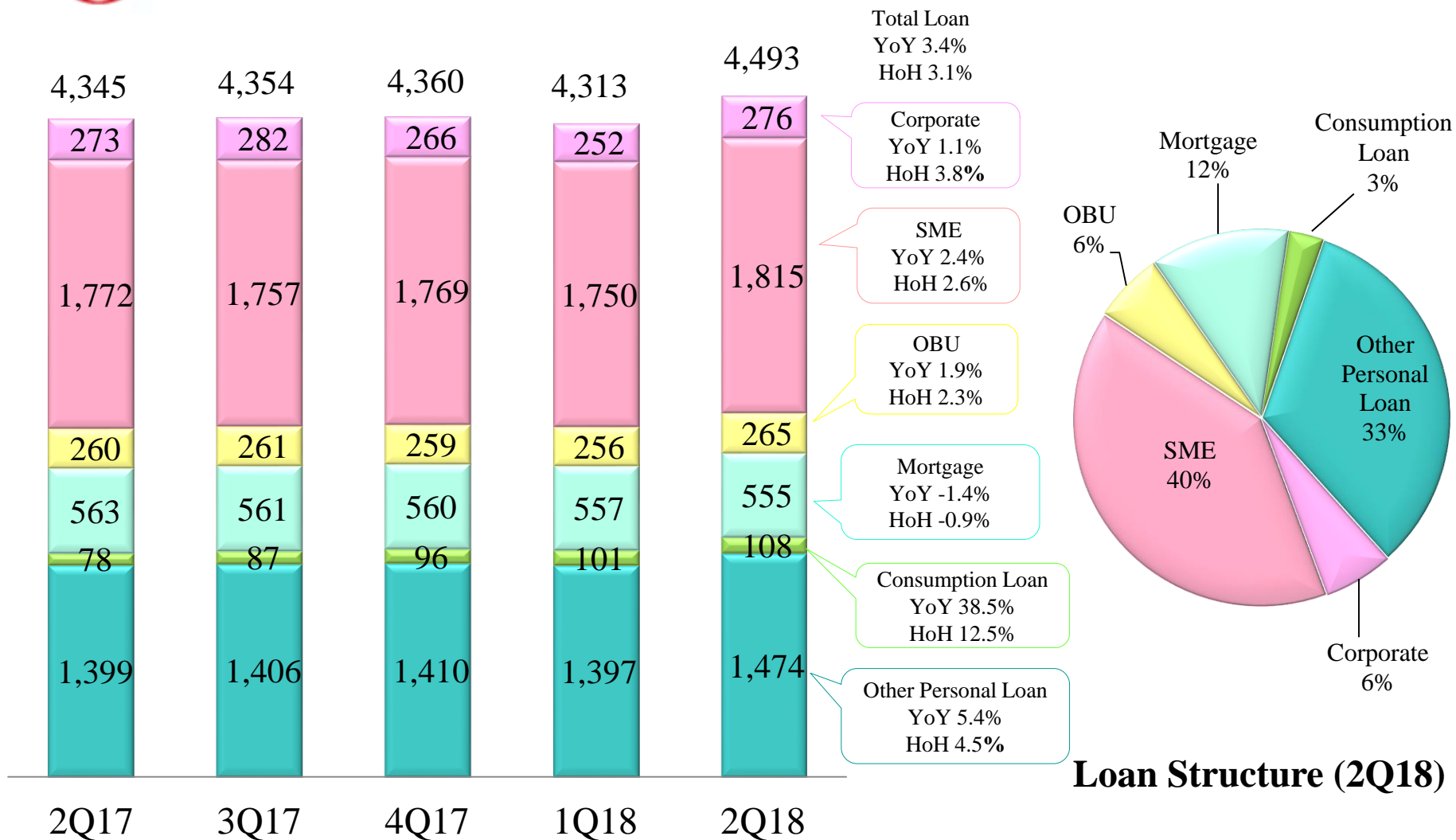
YoY 8.4%



Deposit breakdown (NT\$ Hundred Million, %)



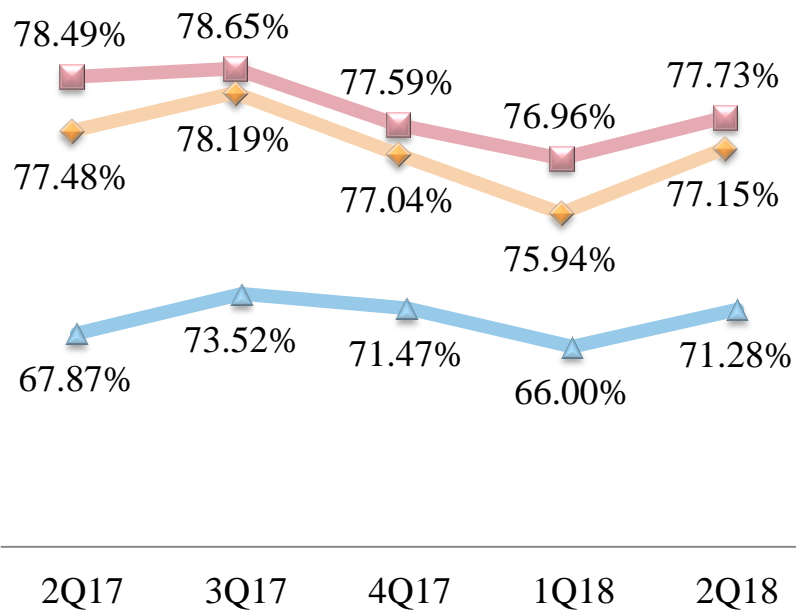
Loan breakdown (NT\$ Hundred Million, %)



LDR and Spreads

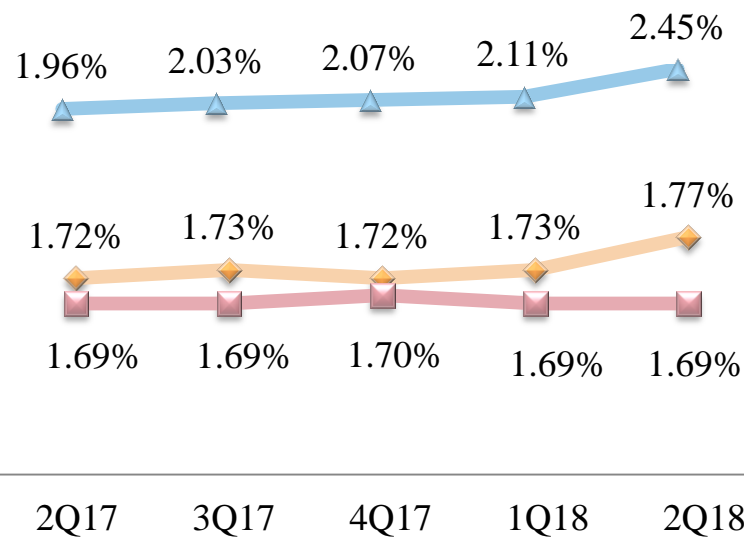
LDR

Overall LDR NTD LDR FCY LDR



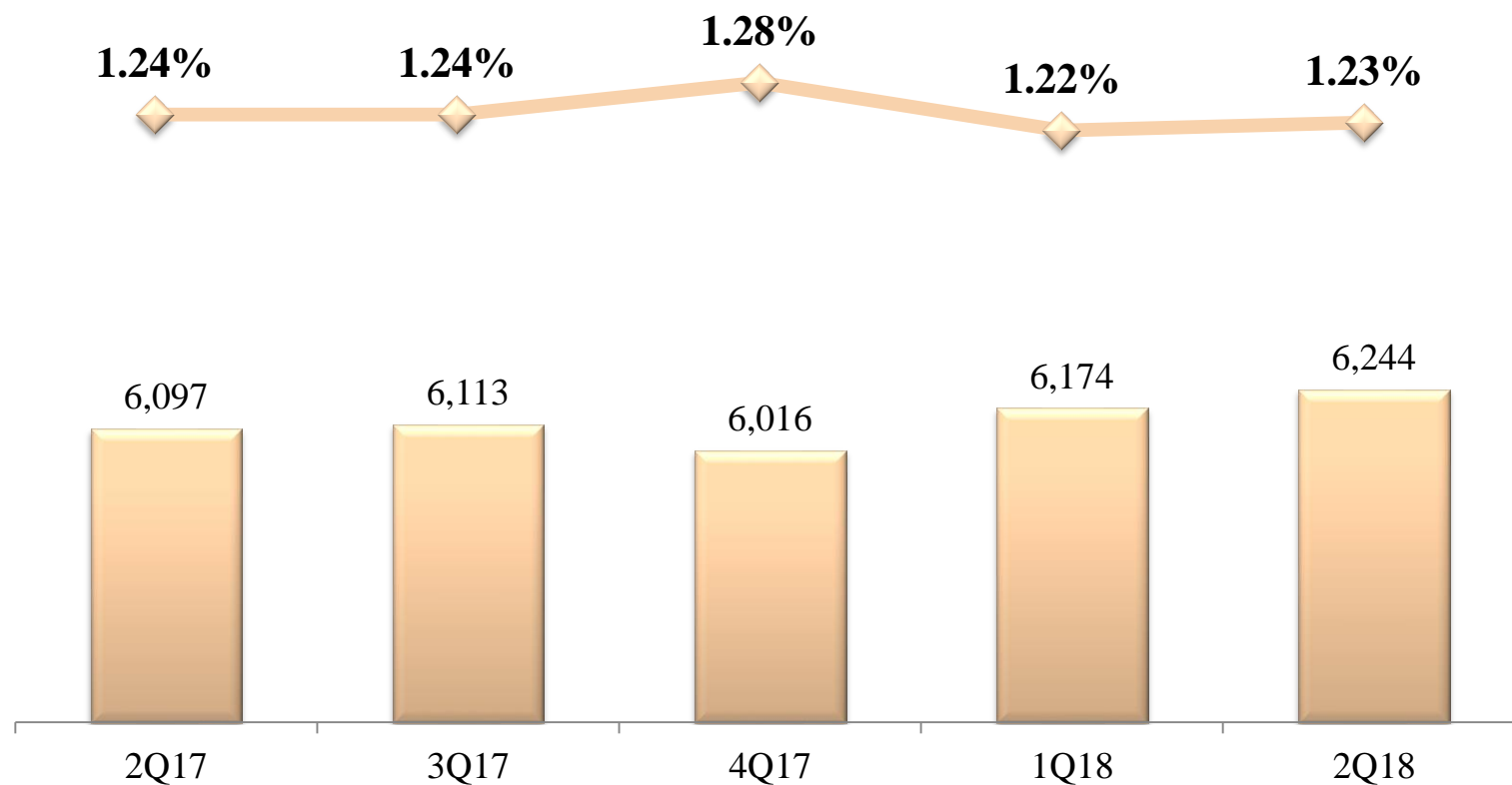
Spreads

Overall spread NTD spread FCY spread

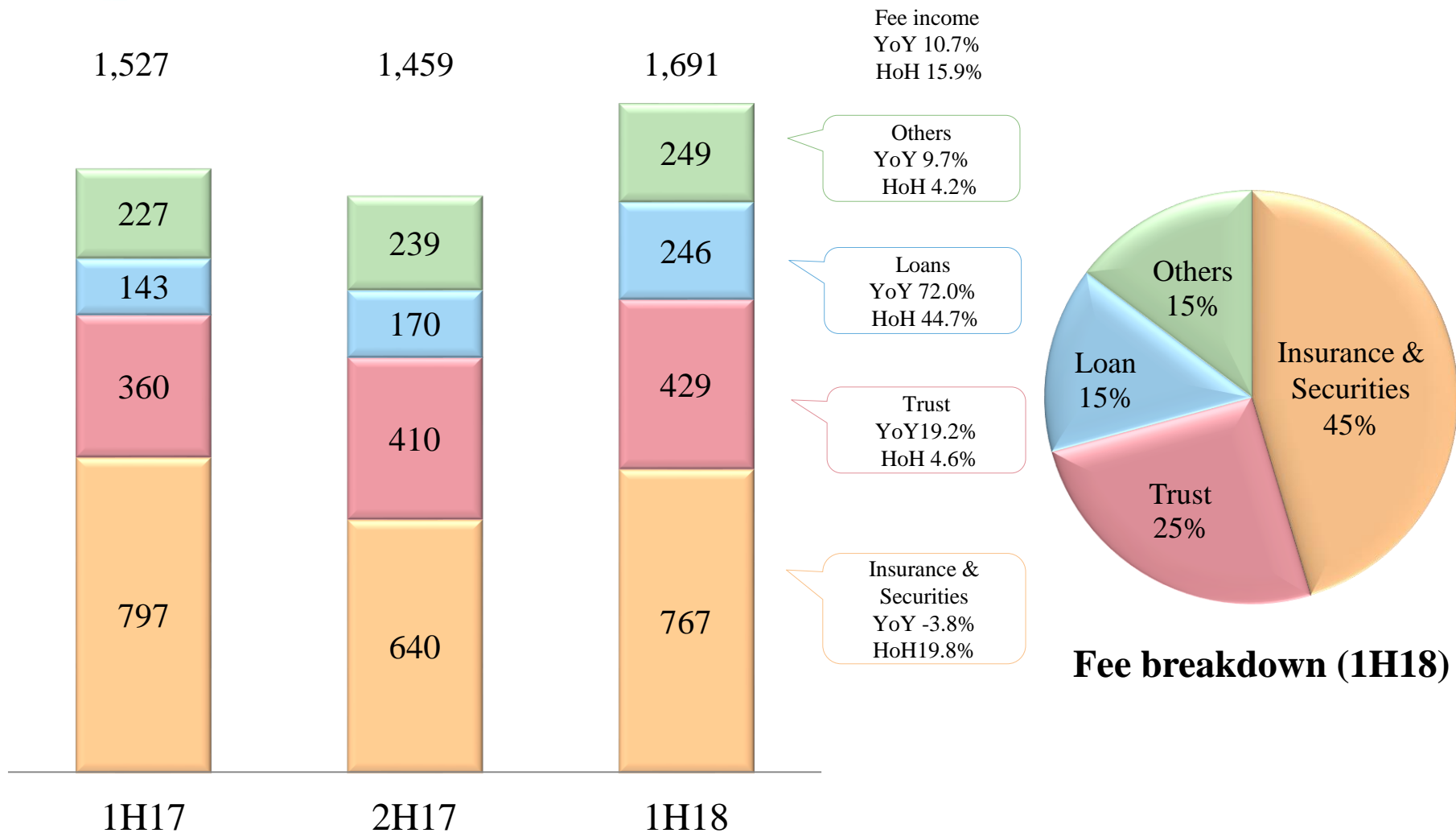


TCB Bank's NIM (NT\$ Hundred million,%)

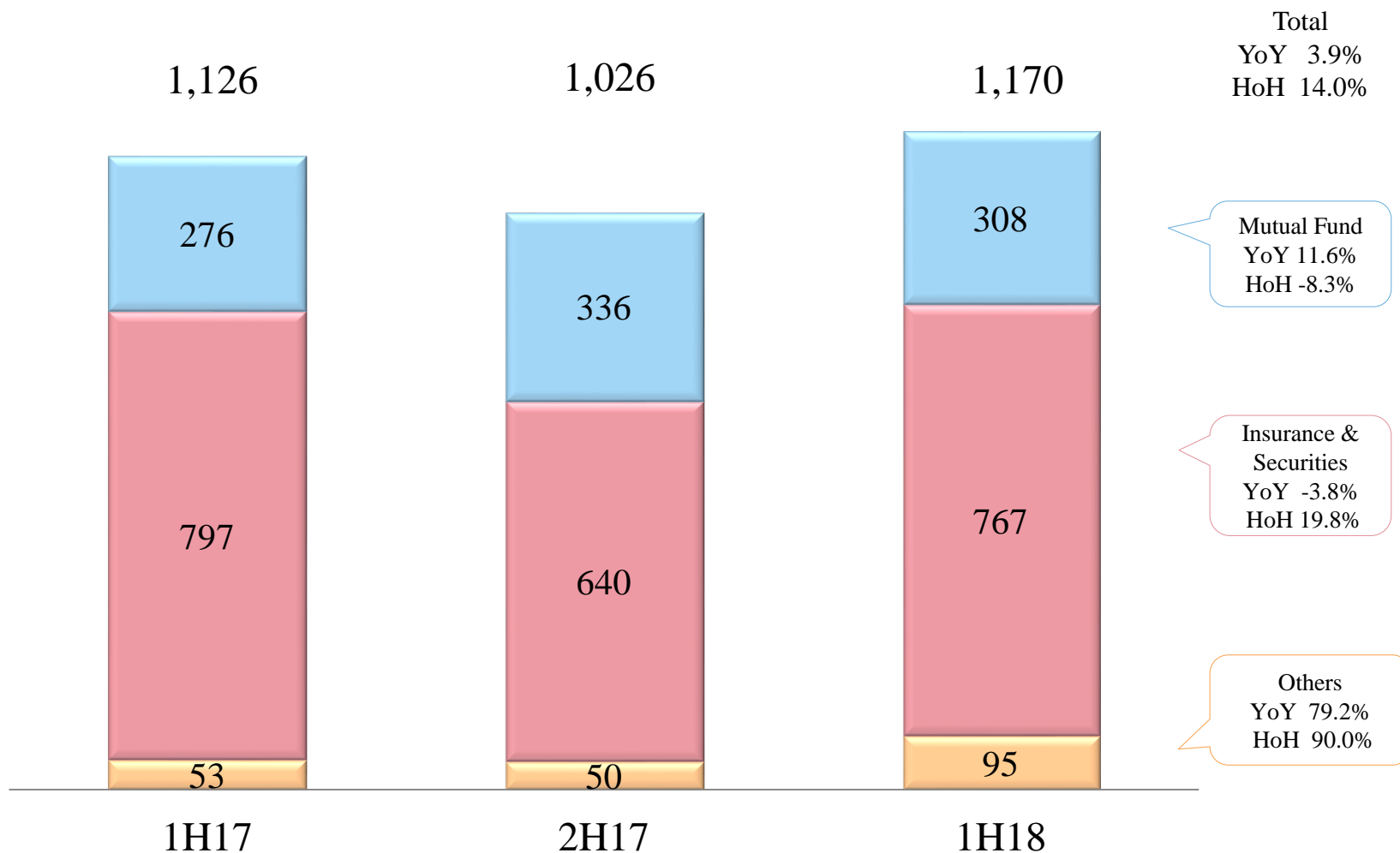
NIM & interest earning assets



Fee income breakdown (NT\$ Million,%)

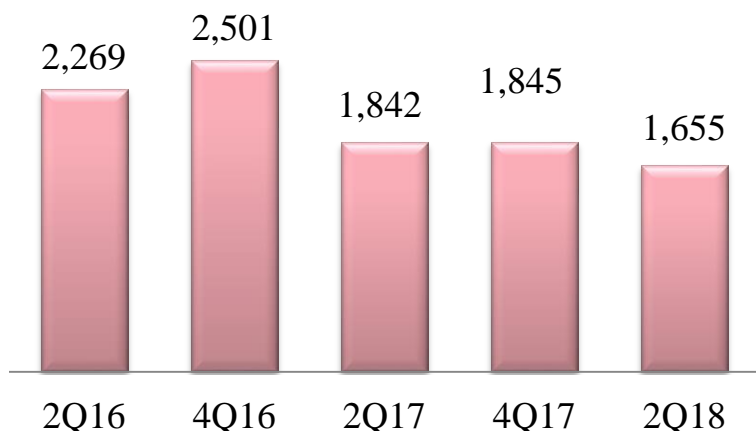
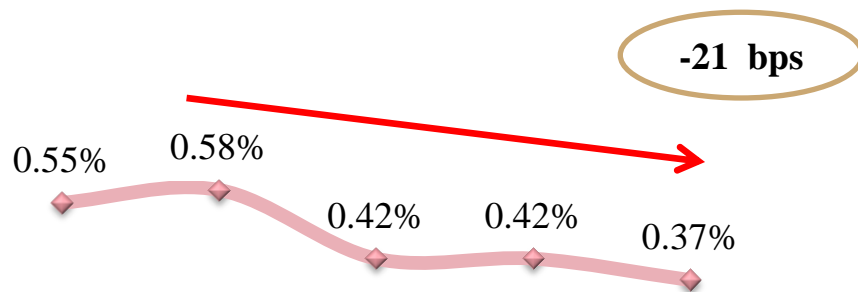


Wealth Management fee income (NT\$ Million)

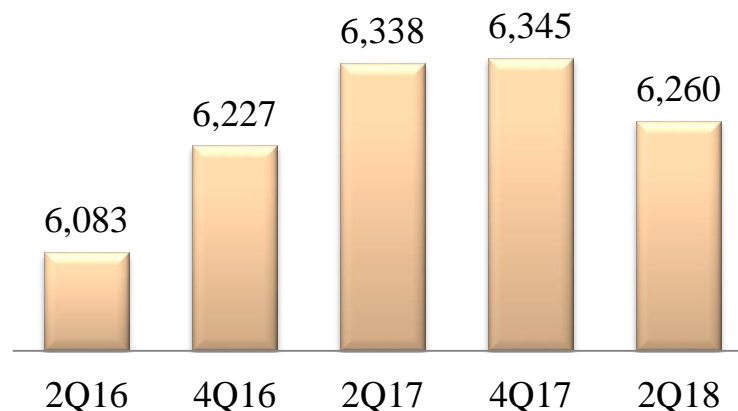
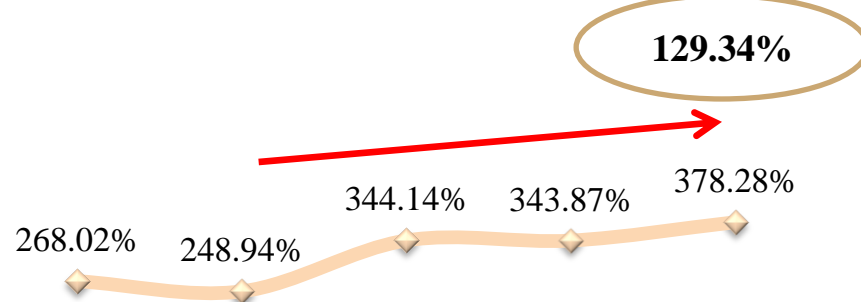


Asset quality (NT\$ Million, %)

NPLs/Total Loans & NPLs

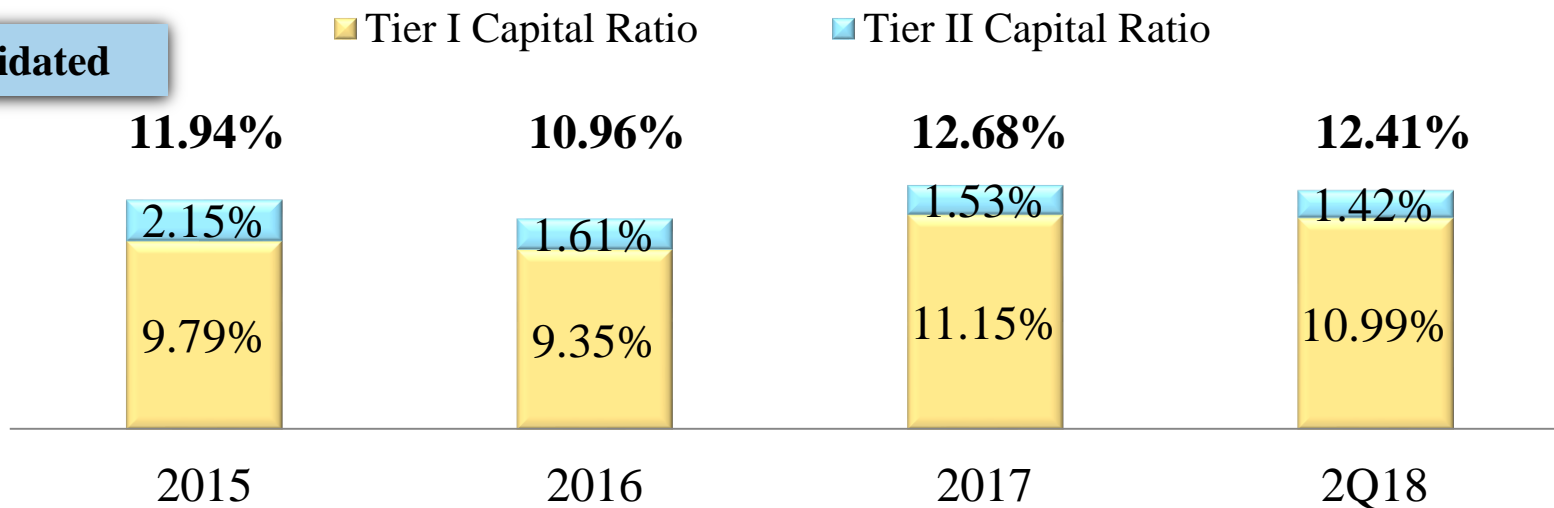


Reserve/NPLs & Loan Reserve

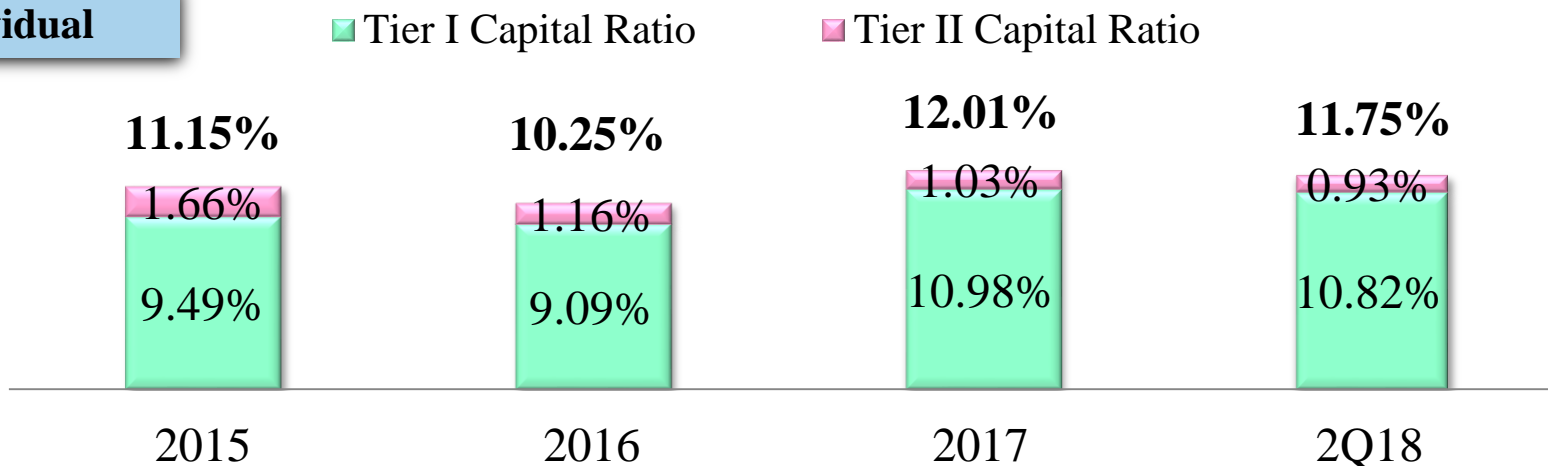


Capital adequacy (%)

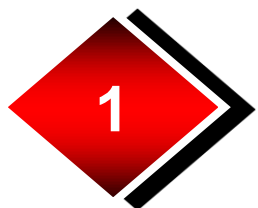
Consolidated



Individual



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Balance Sheet (Consolidated)

NT\$ million	Yearly Results				
	2015	2016	2017	1H18	HoH
Assets :					
Cash and due from banks	96,325	100,323	45,123	44,777	-0.77%
Financial investment, net	68,017	77,742	159,651	168,614	5.61%
Loans, net	391,084	425,166	430,858	444,338	3.13%
A/R, net	6,653	9,802	13,658	12,808	-6.22%
LT investments, net	137	131	128	157	22.66%
Land, premises and equipments, net	9,272	9,437	9,388	9,395	0.07%
Others	4,143	4,502	4,218	3,356	-20.44%
Total assets	575,631	627,103	663,024	683,445	3.08%
Liabilities :					
Deposits	504,864	539,809	566,095	581,279	2.68%
Other liabilities	30,821	45,912	53,527	57,907	8.18%
Total liabilities	535,685	585,721	619,622	639,186	3.16%
Total stockholders' equity	39,946	41,382	43,402	44,259	1.97%
Total liabilities and stockholders' equity	575,631	627,103	663,024	683,445	3.08%

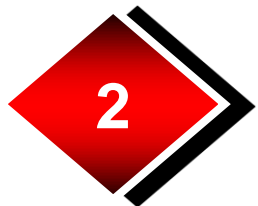
P&L (Consolidated)

NT\$million	Year Results					
	2015	2016	2017	1H17	1H18	YoY
Operating income						
Net interest income	7,475	7,787	8,186	4,058	4,100	1.03%
Net fee income	2,043	2,272	2,449	1,123	1,347	19.9%
LT investment income	(4)	(6)	(3)	(1)	(3)	-200.0%
Net trading income/(loss)	309	663	491	315	63	-80.0%
Asset impairment loss or reversal profit	39	106	(51)	(23)	(6)	73.9%
Others	241	(29)	323	(137)	159	216.1%
Total operating income	10,103	10,793	11,395	5,335	5,660	6.09%
Non interest expenses						
Operating expenses	(5,222)	(5,848)	(5,915)	(2,896)	(3,208)	10.8%
Total non interest expenses	(5,222)	(5,848)	(5,915)	(2,896)	(3,208)	10.8%
Pre-provision Profit	4,881	4,945	5,480	2,439	2,452	0.53%
Credit Loss Provisions, net	(744)	(801)	(1,125)	(423)	(267)	-36.9%
Profit Before Income Tax	4,137	4,144	4,355	2,016	2,185	8.4%
Net Profit After Income Tax	3,477	3,515	3,633	1,669	1,910	14.4%

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Appendix

2018 Half Year

Spot light of operation



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EXPLOIT OUR MARKET ABROAD, CARRIED OUT THE VERY FIRST FOREIGN BANK IN LABUAN, MALAYSIA

In view of expanding the niche for market abroad and the new southbound policy cooperation by government that we approved to set up the first overseas branch in Malaysia. Furthermore, we have obtained the approval letter from LFSA to set up Labuan branch in April,2018. The operational objective will be focus on foreign currency loan and we are highly proactive about tapping overseas market to develop International business.



2018 Half Year

Spot light of operation



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AGGRESSIVELY ADJUSTED AND SET UP THE BRANCHES IN TAIWAN .

SEIZE AN OPPORTUNITY TO TOWARD COMPETITIVE MARKET.

To balance the north and south Taiwan's business territory and expand the scope the sales channel ,in the first half we were active in establishing the branches which located in Xindian Dist ,New Taipei city and Zuoying Dist Kaoshiung city . By this strategy ,we exploit our advantages that we have the experience of long-term serving SME. Besides, the overall size of bank and the revenue contribution will be promoted.



2018 Half Year Achievements



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- Long-term credit rating 2018 A-(tw) and the outlook is stable.
- Quality improvement for operation and credit risk reduction by centralized loan.
- Connected to sales channel with completed the establishment of the “North Taiwan Consumer Banking Center” “South Taiwan Consumer Banking Center” and “Central Taiwan Consumer Banking Center”.
- To serve the diversified service for our clients through combined to the mobile payment platform.



2018 Second Half Business Strategy



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- **Bolstering risk control. Reverently observing the law.**
- **Making good use of our advantages. Strengthening the development of the business.**
- **The talent training and planning. Emphasizing an increase in the number of employee and promoted the quality of the service.**



Our vision



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BE THE FOREFRONT OF TAIWAN'S BANK

THE MOST EXPECTED BANK IN SOCIETY

THE MOST TRUSTED BANK BY CUSTOMERS



Thanks for your listening.

