

Stock No : 2812

Taichung Commercial Bank 2019 Investor Conference

2020.3.31

 台中銀行 夢想的重量 陪你一起扛



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Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2019 Financial Highlight

Profitability

- Net Profit after tax 4.32 billions, 7.78% growth over the same period last year.
- EPS 1.16, 3.57% growth over the same period last year.

Asset quality

- NPL rate 0.31% 、 Provision for bad debt coverage rate 475.54%.

Capital adequacy

- Consolidated : Capital Ratio 13.91% 、 Tier I Capital Ratio 12.77% ◦
- Individual : Capital Ratio 13.23% 、 Tier I Capital Ratio 12.64% ◦

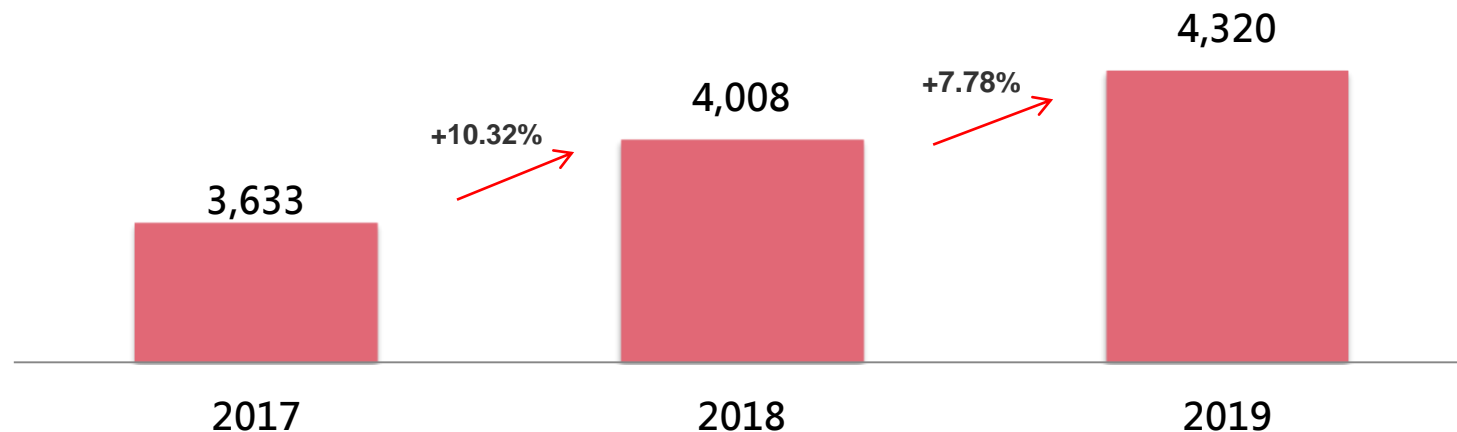
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Profitability

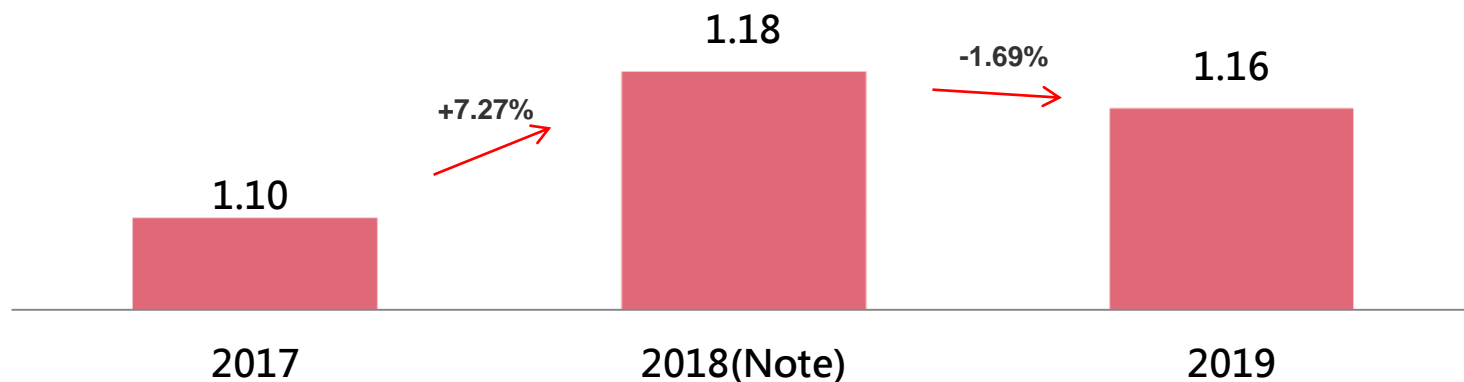
Net Profit

(NT\$ Million)



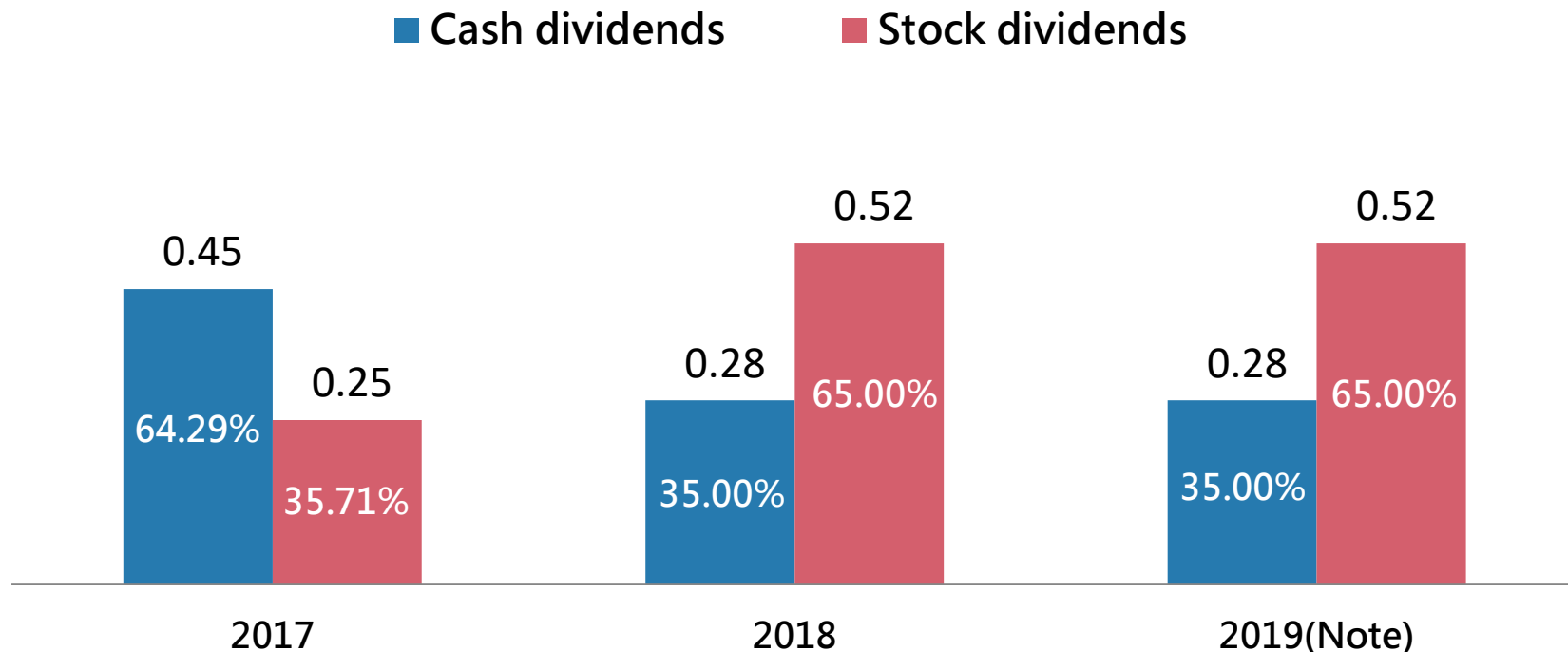
EPS

(NT\$)



Note : The EPS of 2018 was adjusted retroactively as 1.12. The growth rate between 2018 and 2019 increases 3.57%.

Proposal for the distribution of earnings (NT\$)

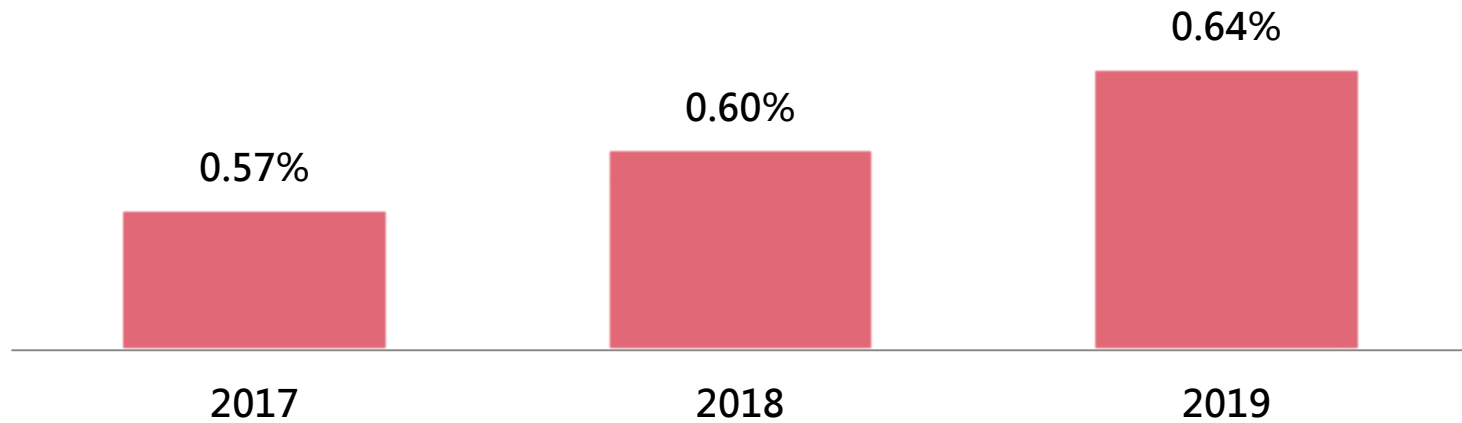


	2017	2018	2019
Dividend Per Share	0.70	0.80	0.80
Cash dividends	0.45	0.28	0.28
Stock dividends	0.25	0.52	0.52

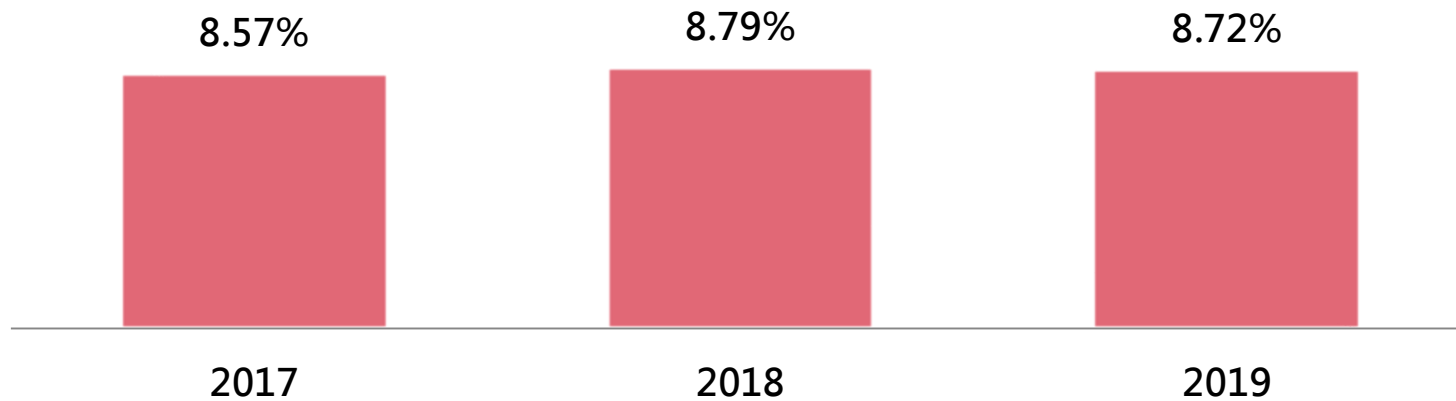
Note : The proposal for the distribution of earnings in 2019 is pending on the resolution of the General Meeting of shareholders scheduled to be held in June 11, 2020.

Profitability

ROA

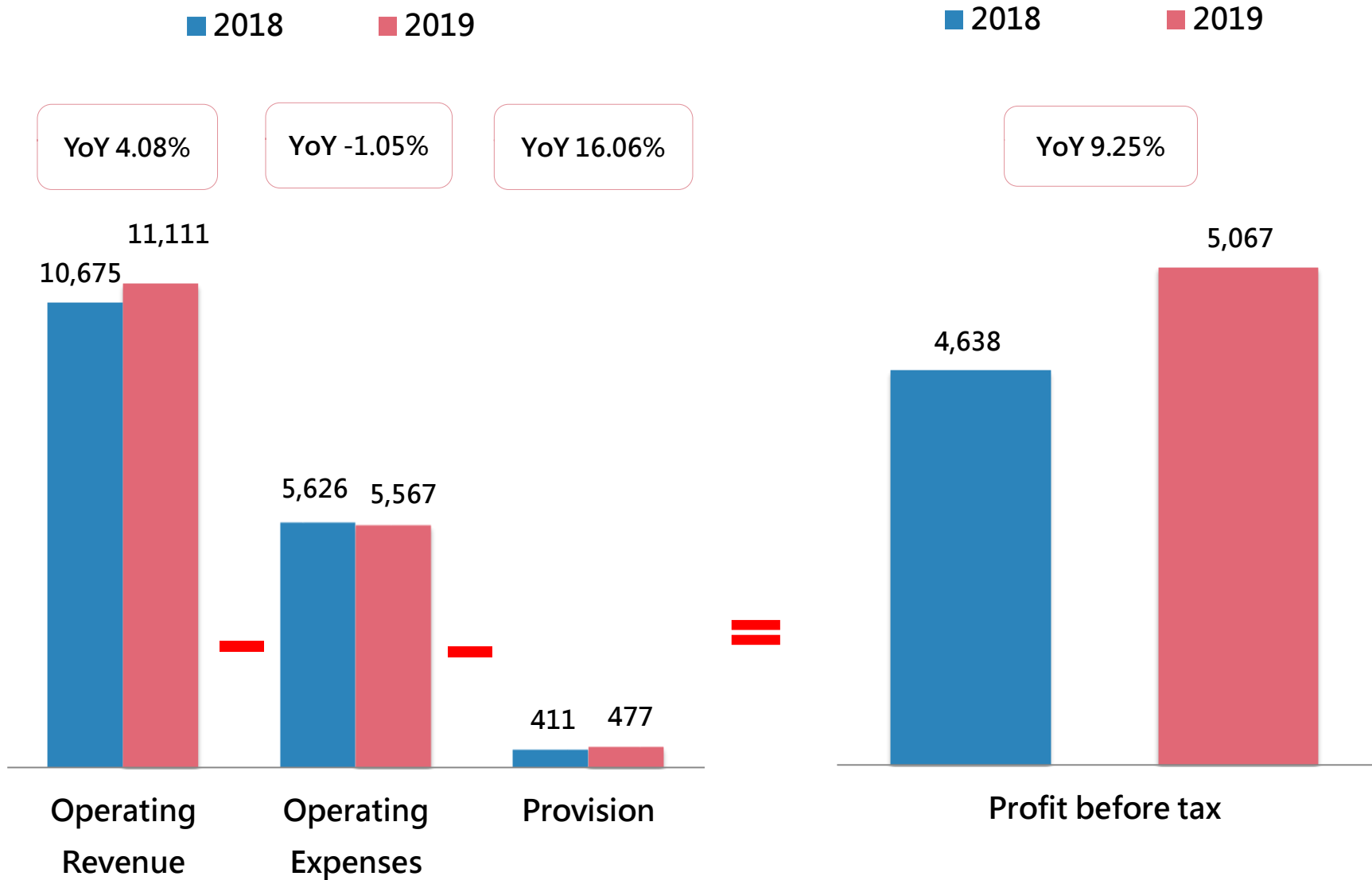


ROE



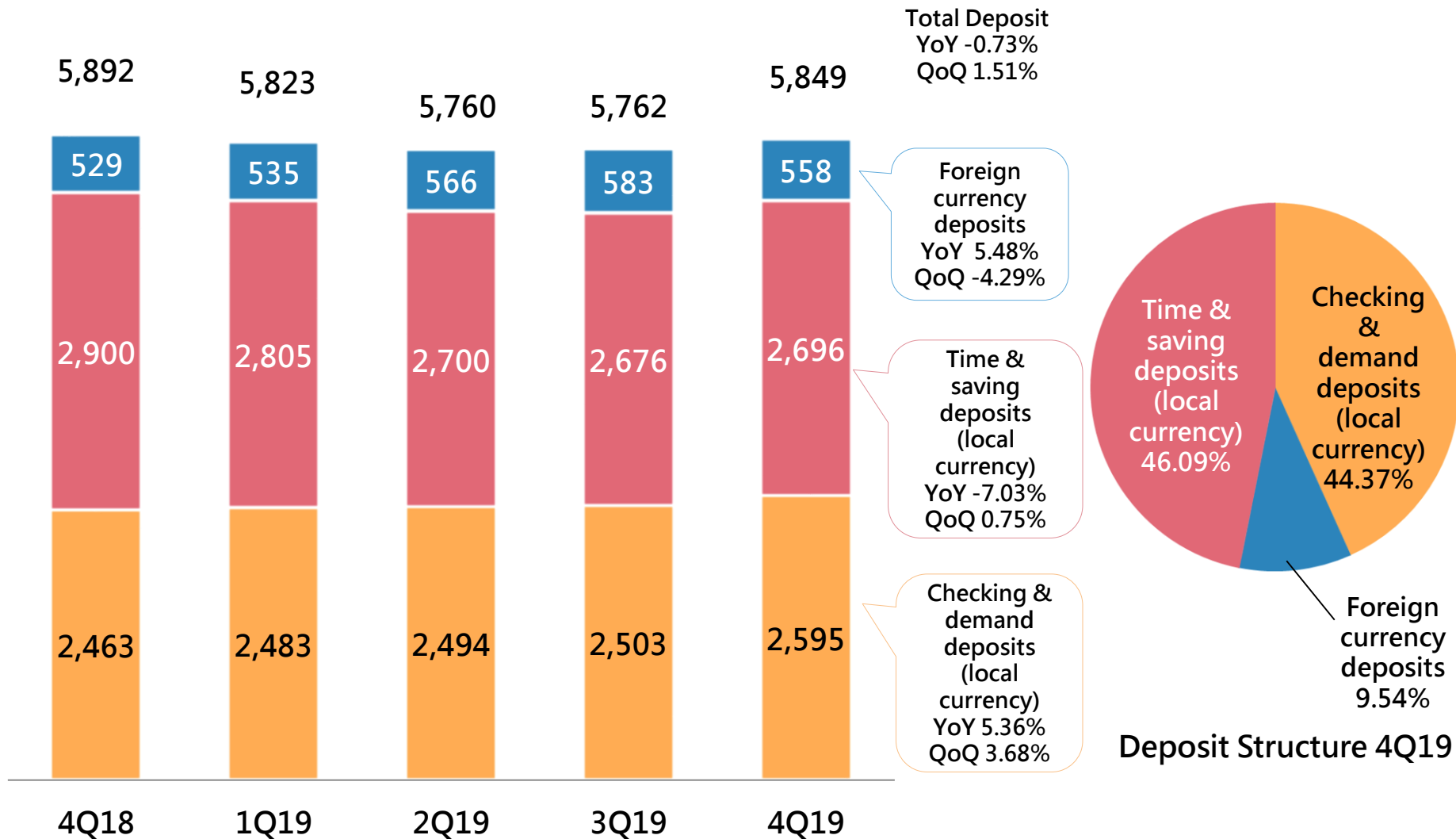
Change in Net Profit

(NT\$ Million)



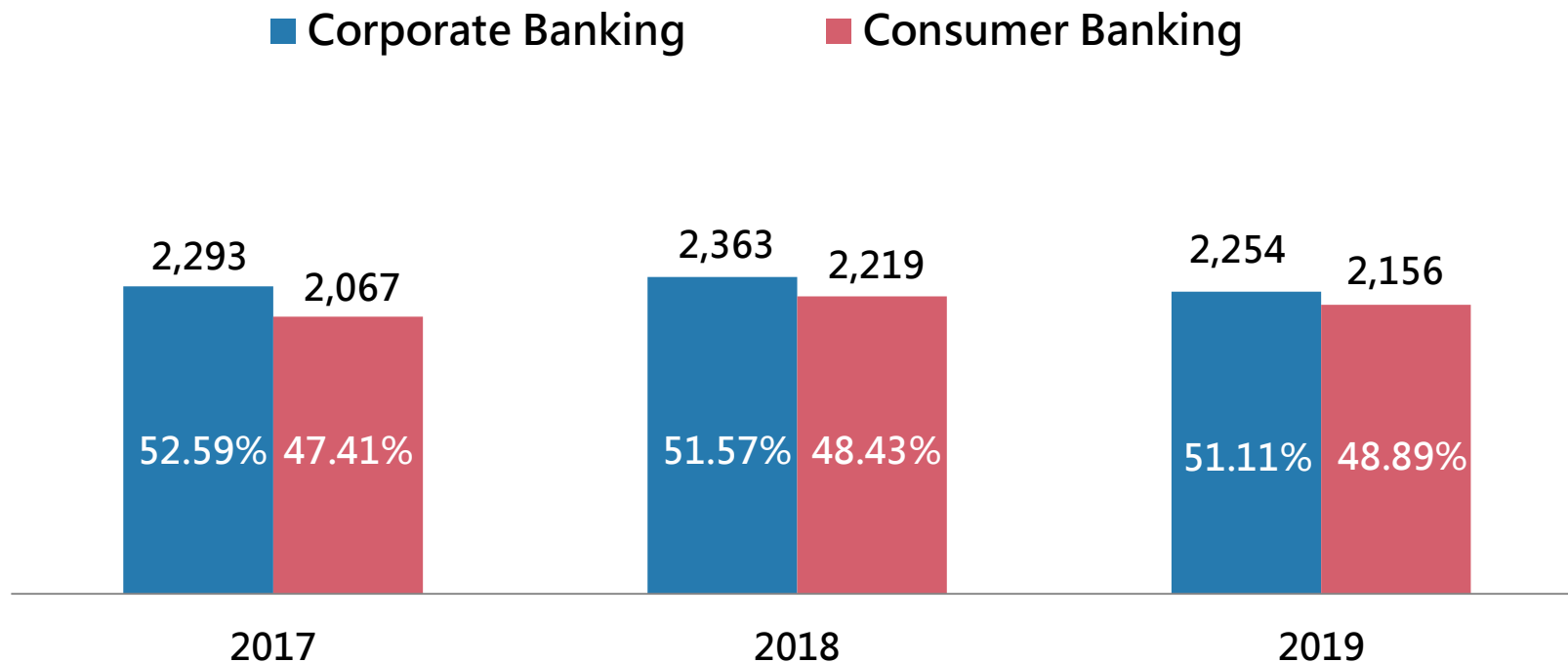
Deposit Breakdown

(NT\$ Hundred Million)



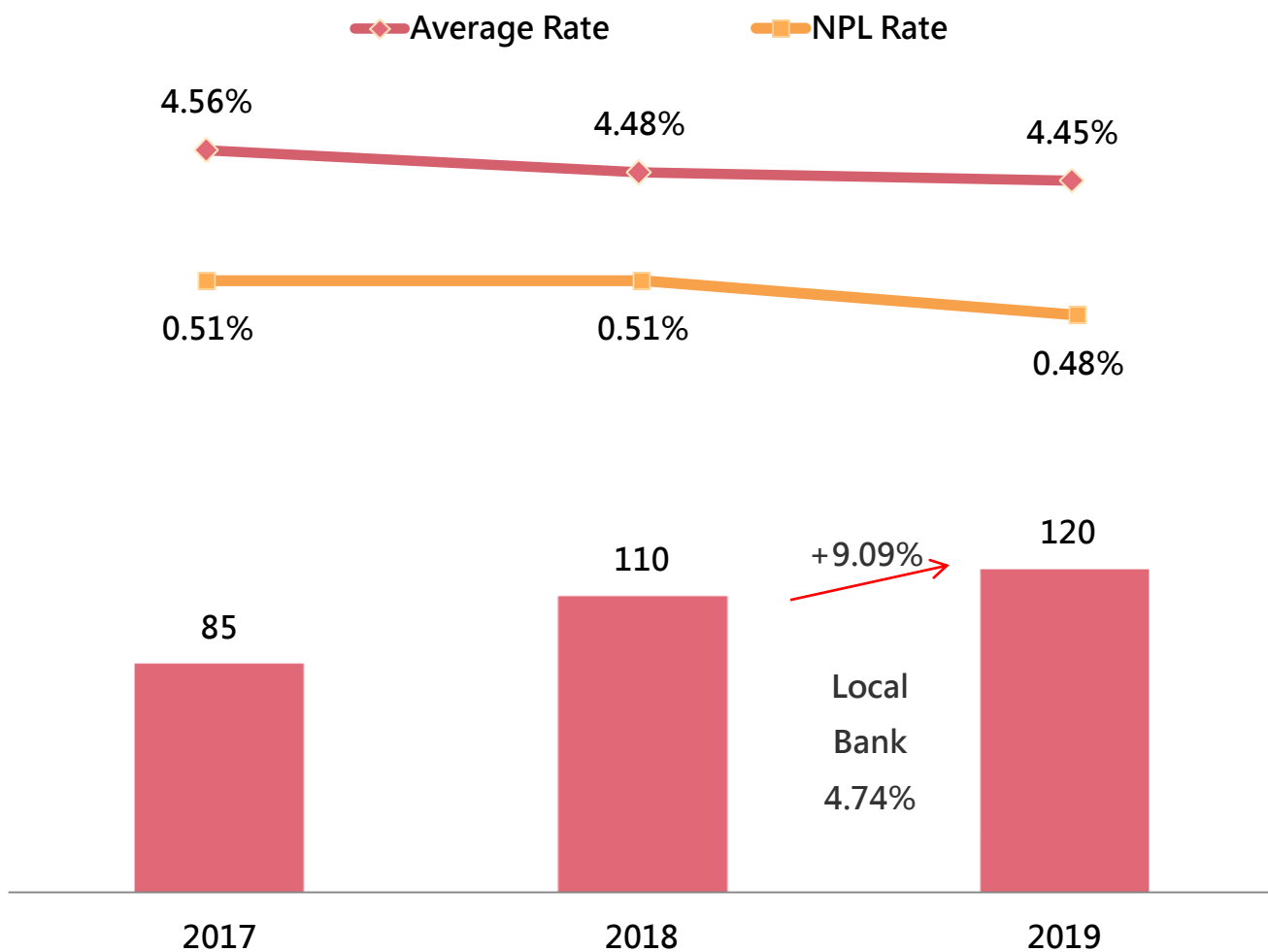
Loan Structure

(NT\$ Hundred Million)



	2017	2018	2019	YoY
Corporate Banking	2,293	2,363	2,254	-4.61%
Consumer Banking	2,067	2,219	2,156	-2.84%
Total	4,360	4,582	4,410	-3.75%

Consumer Banking-Consumption Loans (NT\$ Hundred Million)

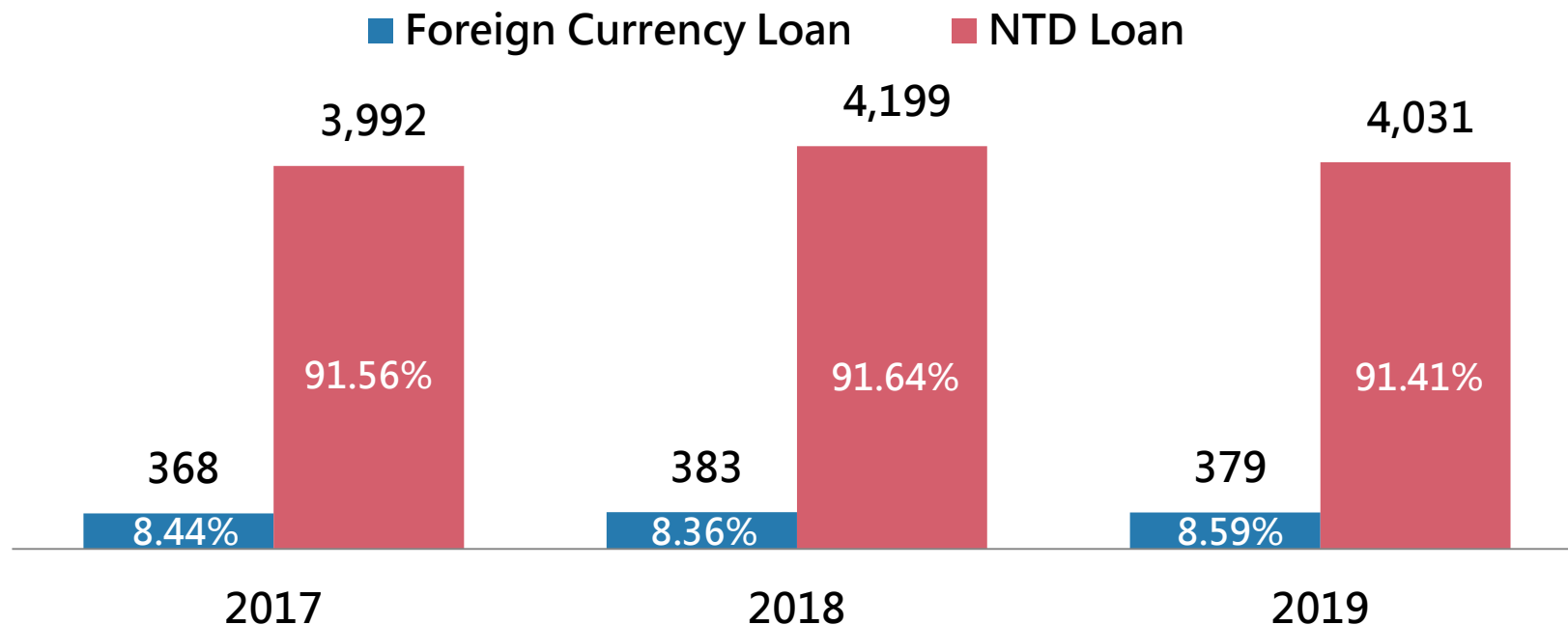


Note : Customption loans are not contain residential mortgage loans 、 loan of cash card 、 credit card and debit card.



Loan Structure by Currency

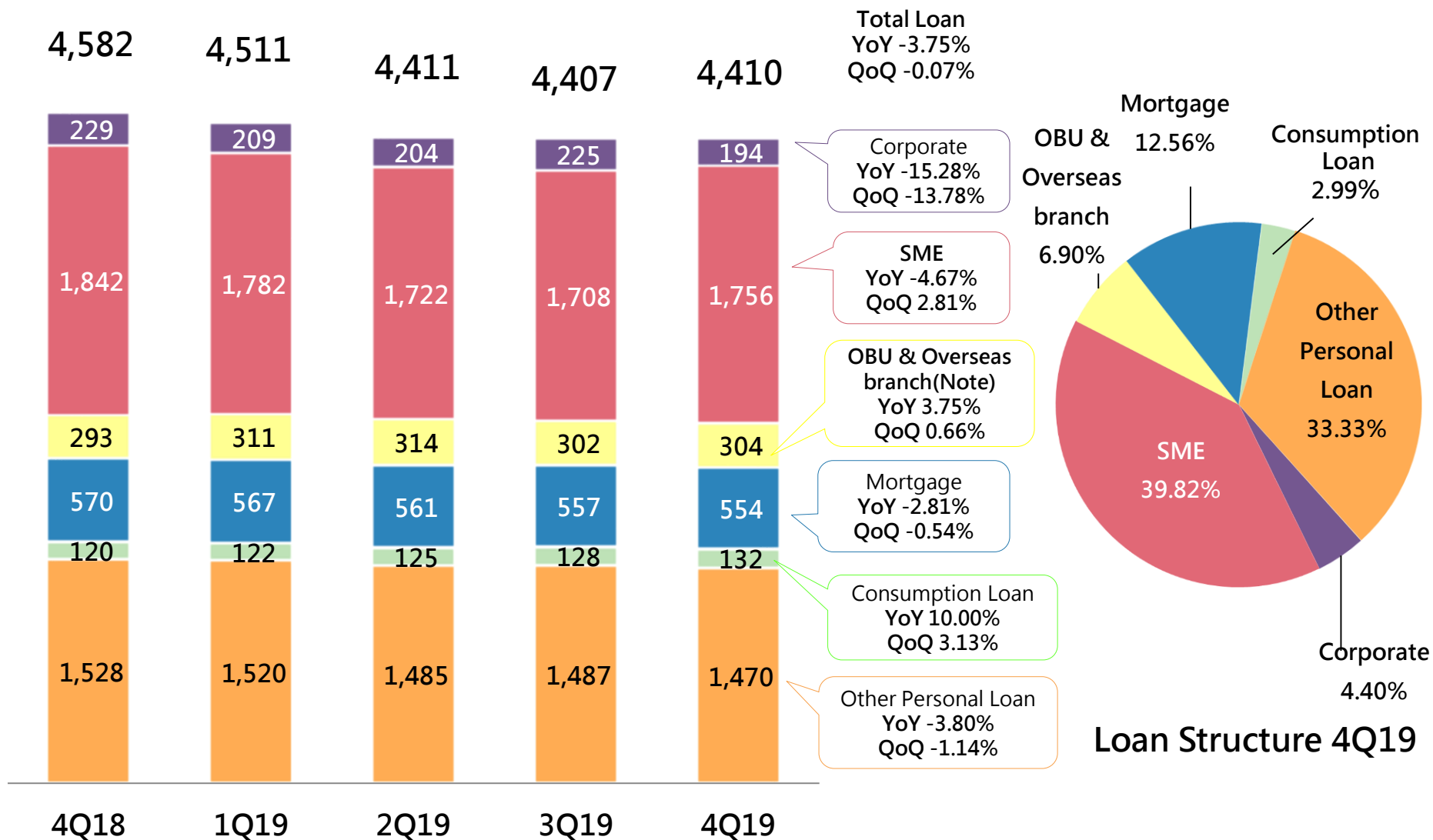
(NT\$ Hundred Million)



	2017	2018	2019	YoY
NTD Loan	3,992	4,199	4,031	-4.00%
Foreign Currency Loan	368	383	379	-1.04%
Total	4,360	4,582	4,410	-3.75%

Loan Breakdown

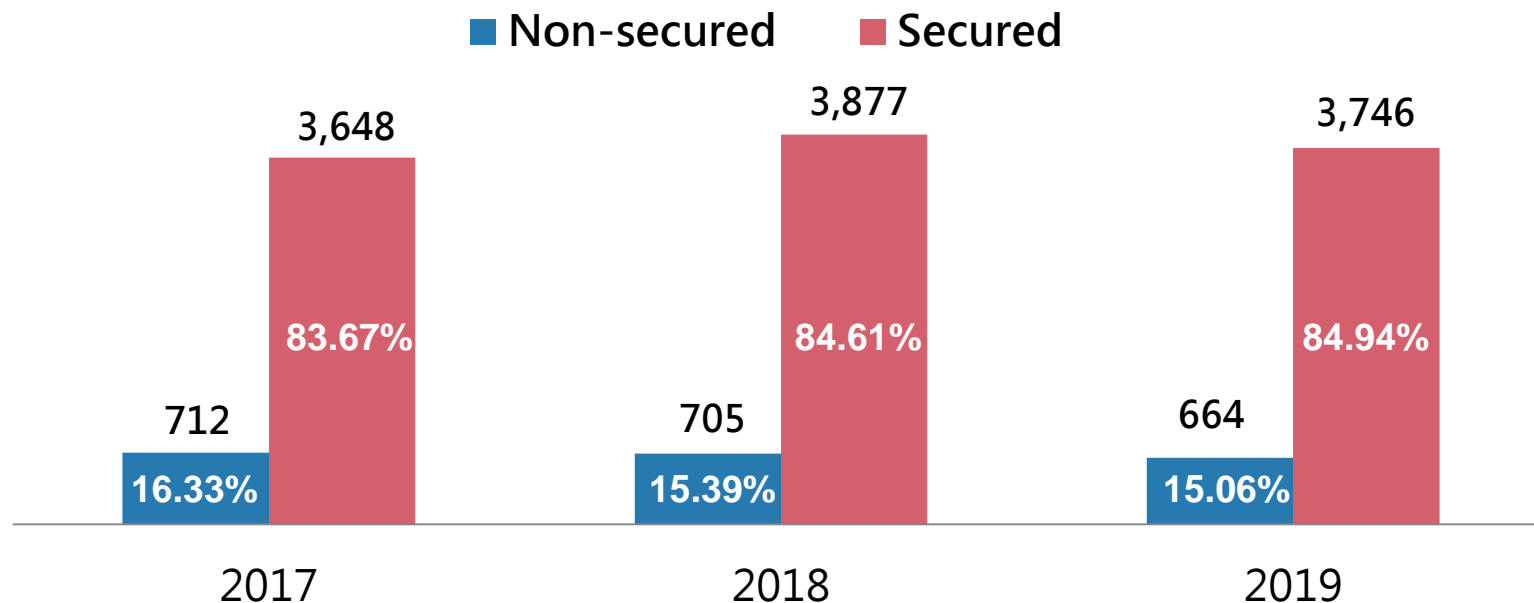
(NT\$ Hundred Million)



Note : The balances of loan of OBU and Overseas branch on December 31, 2019 were 28.7 billion and 1.7 billion, respectively.

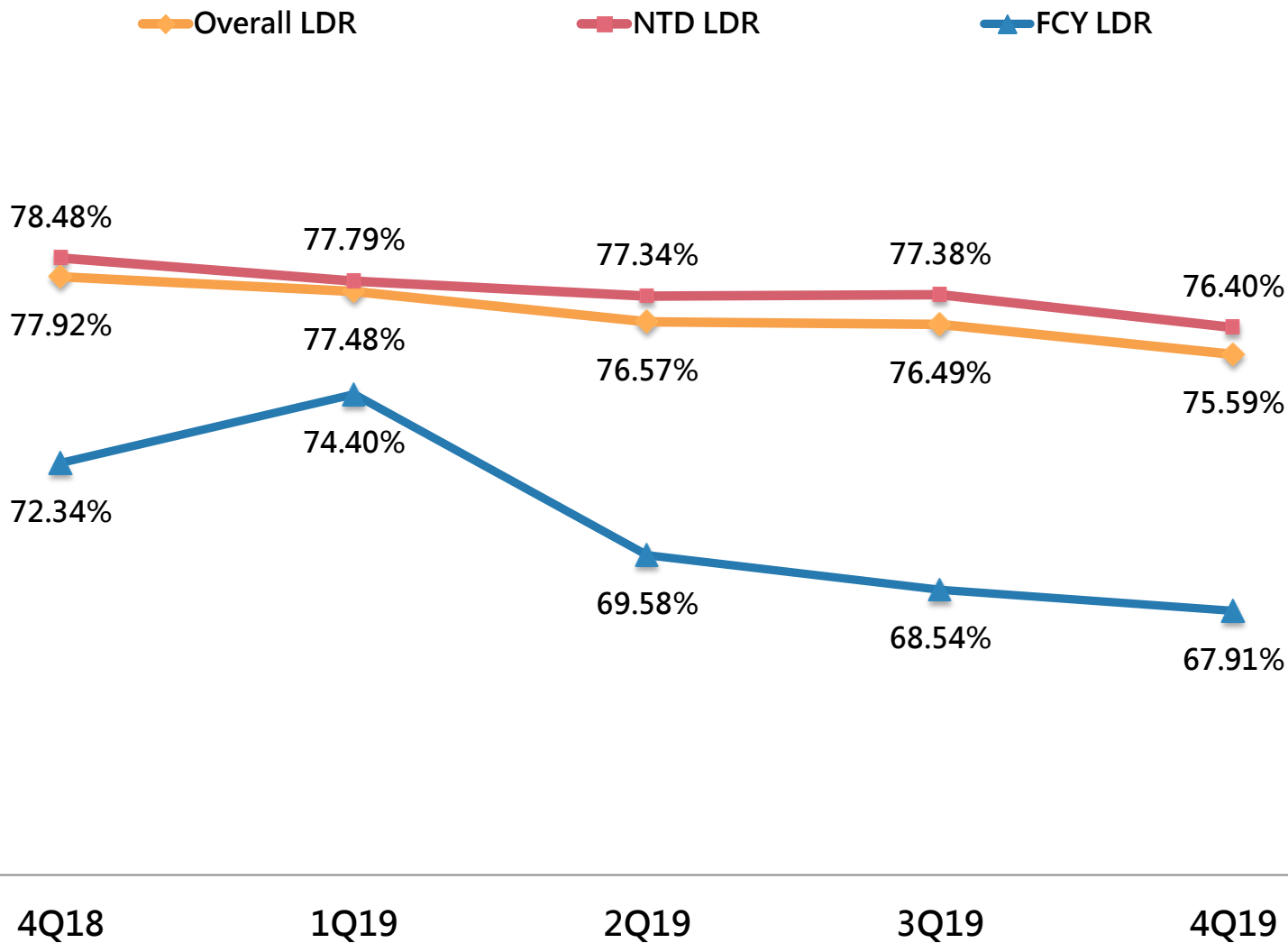
Loan Breakdown

(NT\$ Hundred Million)

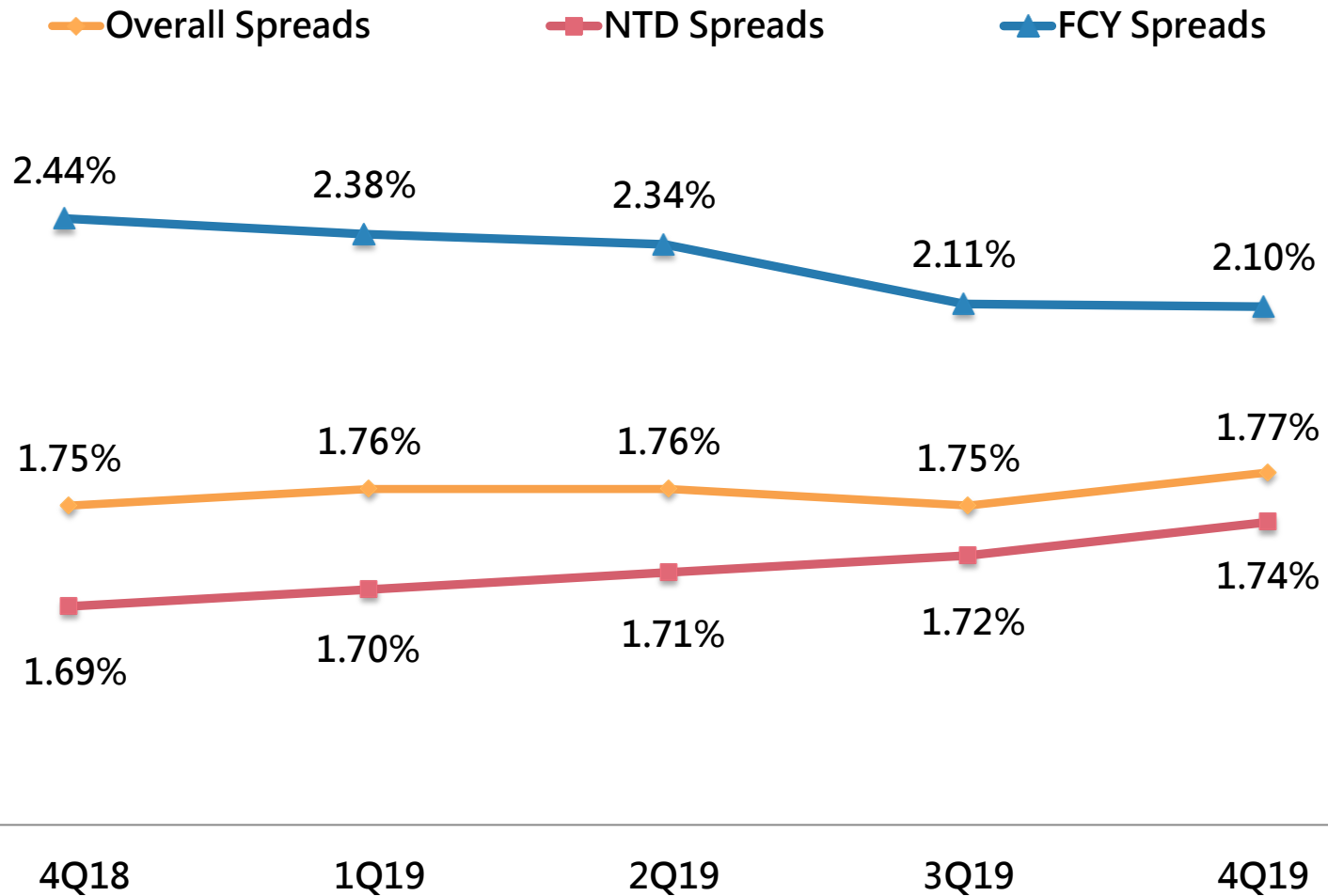


	2017	2018	2019	YoY
Non-secured	712	705	664	-5.82%
Secured	3,648	3,877	3,746	-3.38%
Secured by property	3,321	3,536	3,437	-2.80%
Secured by Letter of Guarantee	170	164	149	-9.15%
Others	157	177	160	-9.60%
Total	4,360	4,582	4,410	-3.75%

LDR



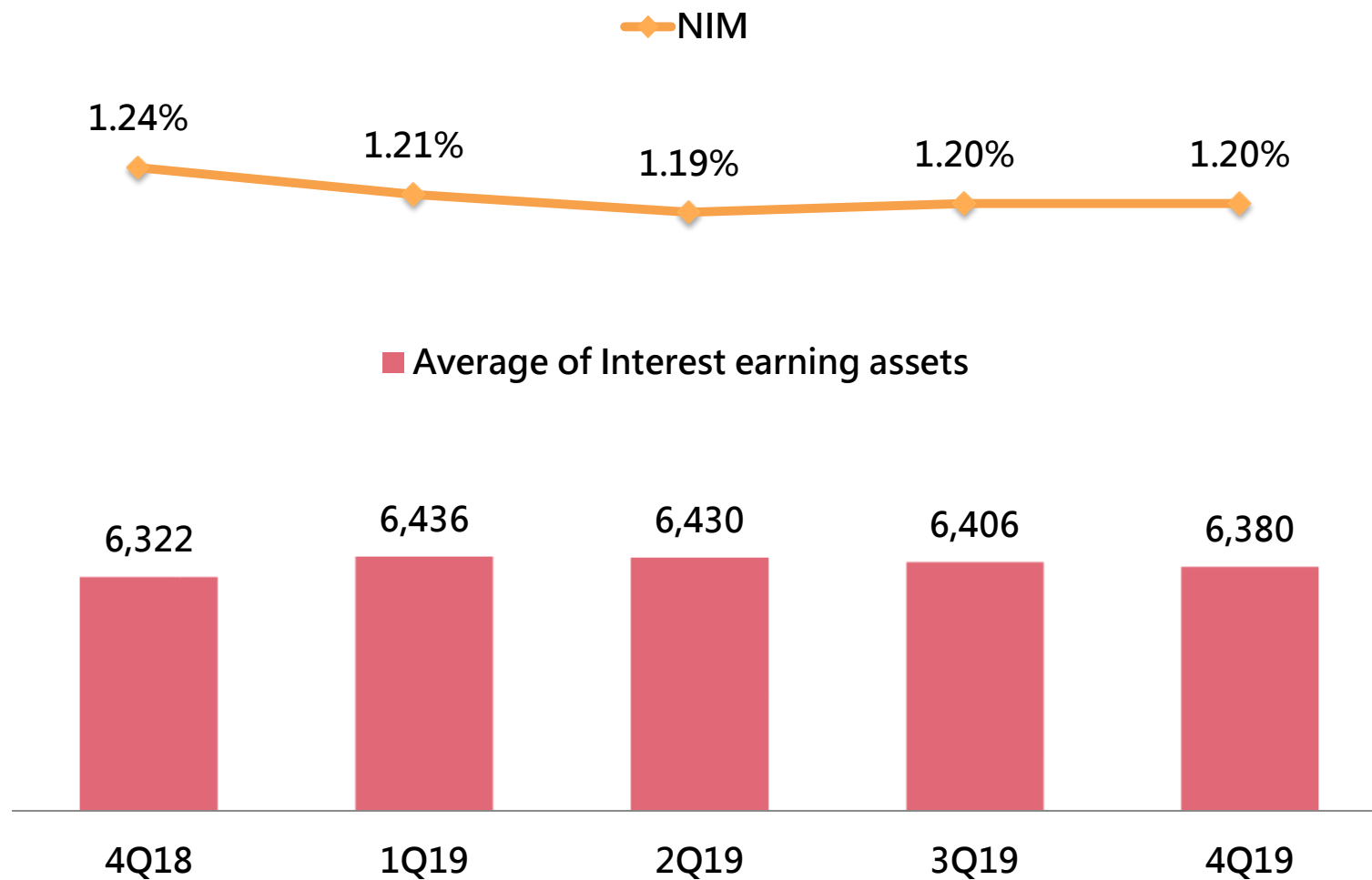
Spreads



TCB Bank's NIM

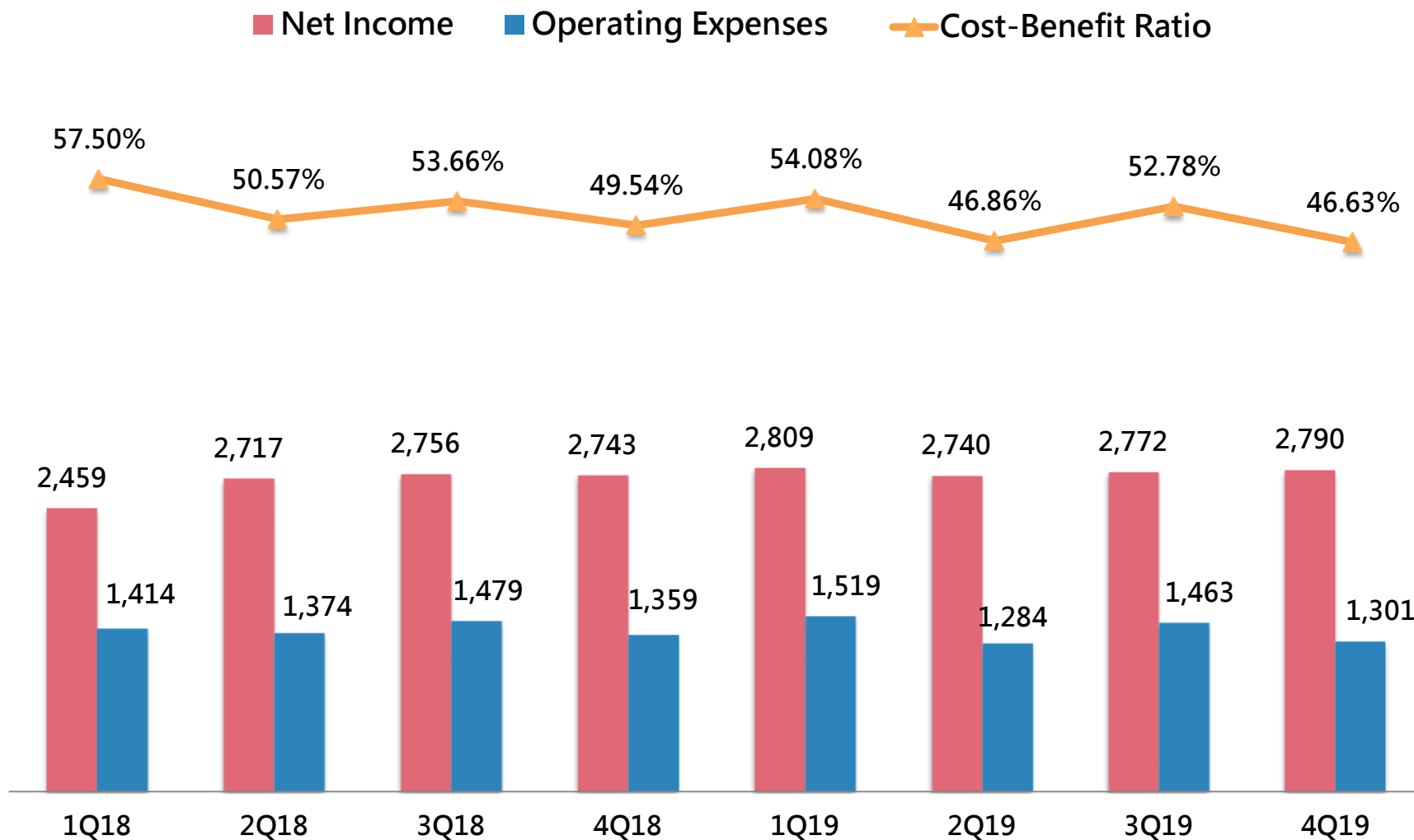
(NT\$ Hundred million)

NIM and Interest earning assets



Operating Expenses to Net Income

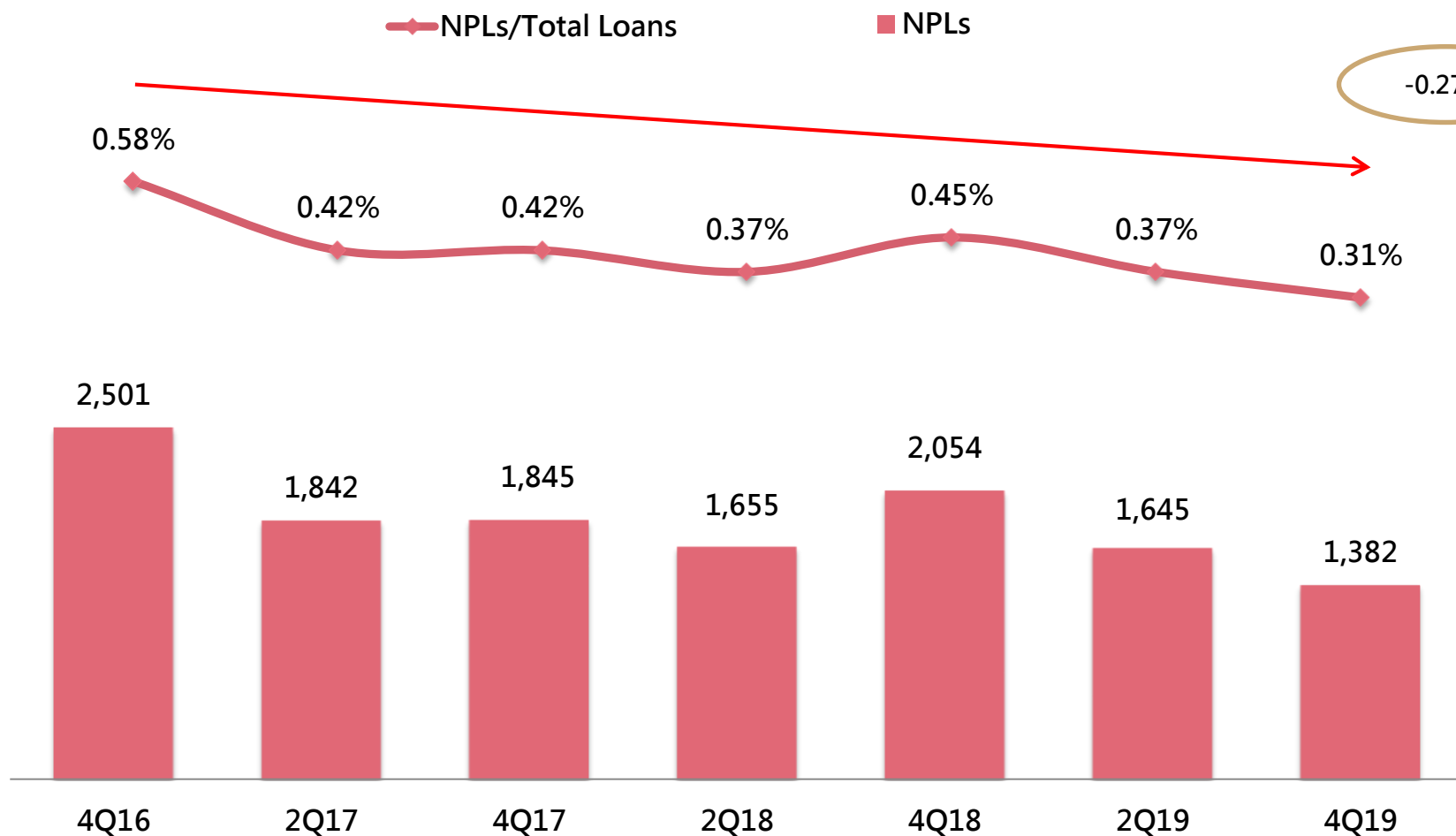
(NT\$ million)



Asset quality

(NT\$ Million)

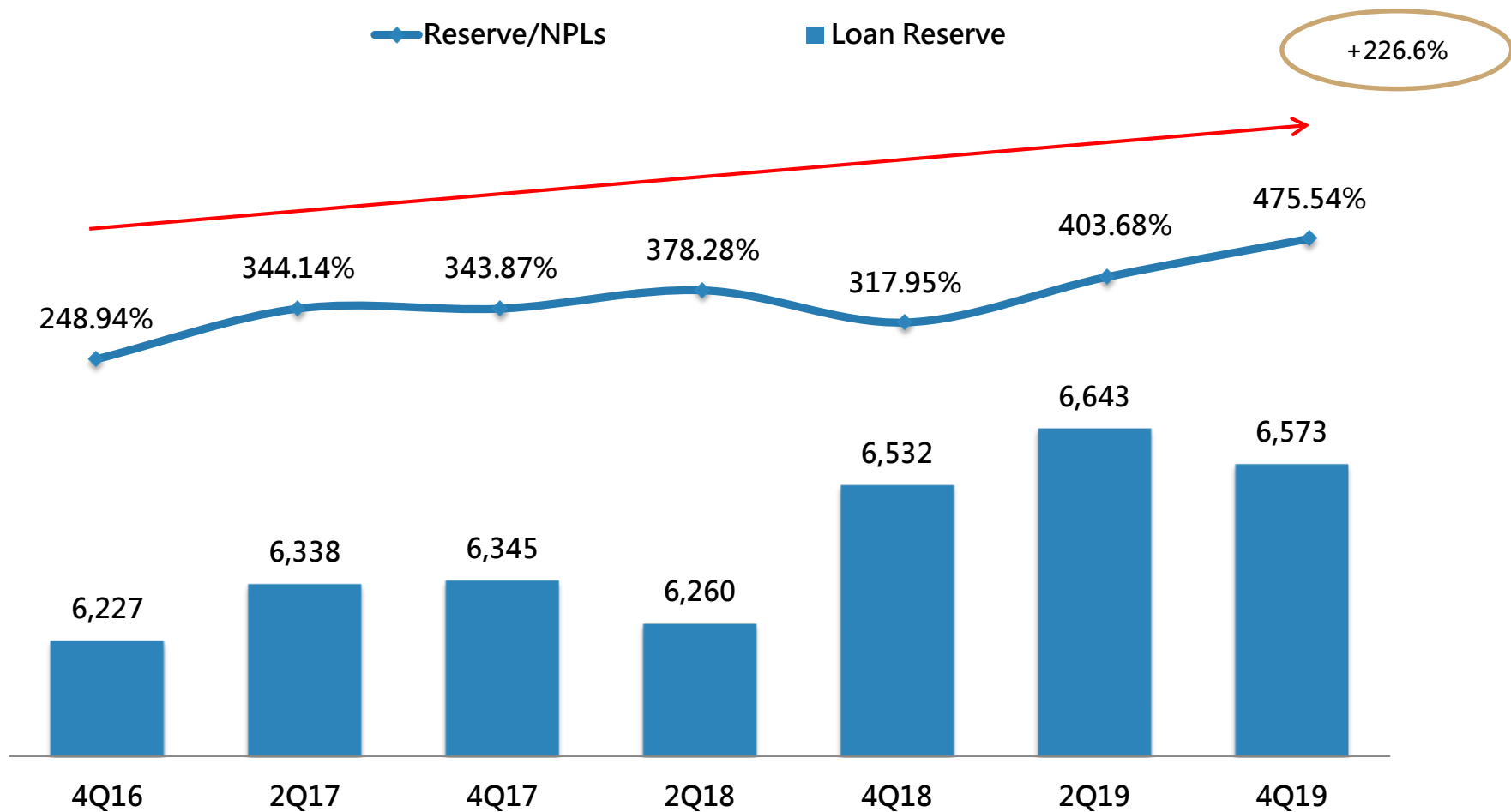
NPLs/Total Loans & NPLs



Asset quality

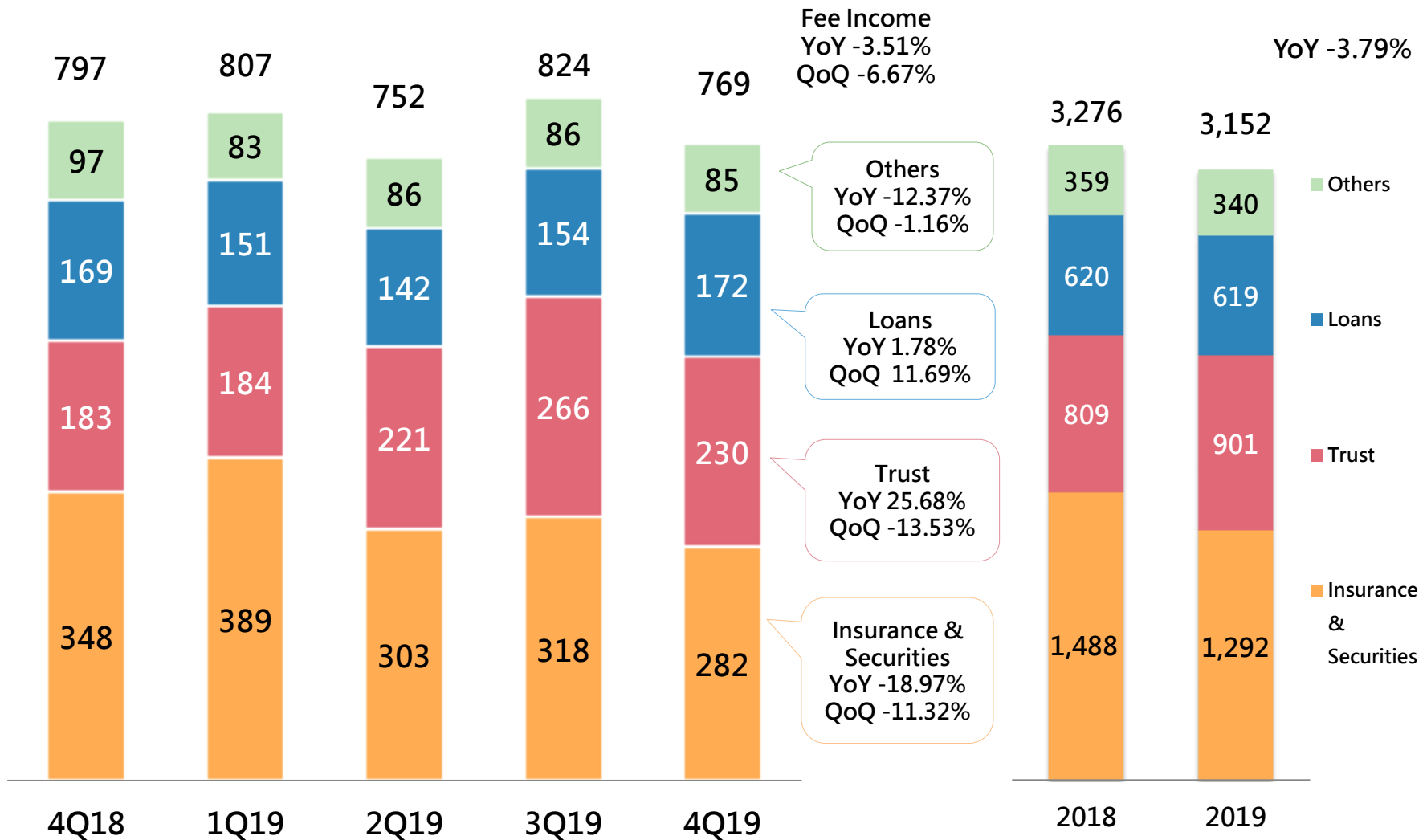
(NT\$ Million)

Reserve/NPLs & Loan Reserve

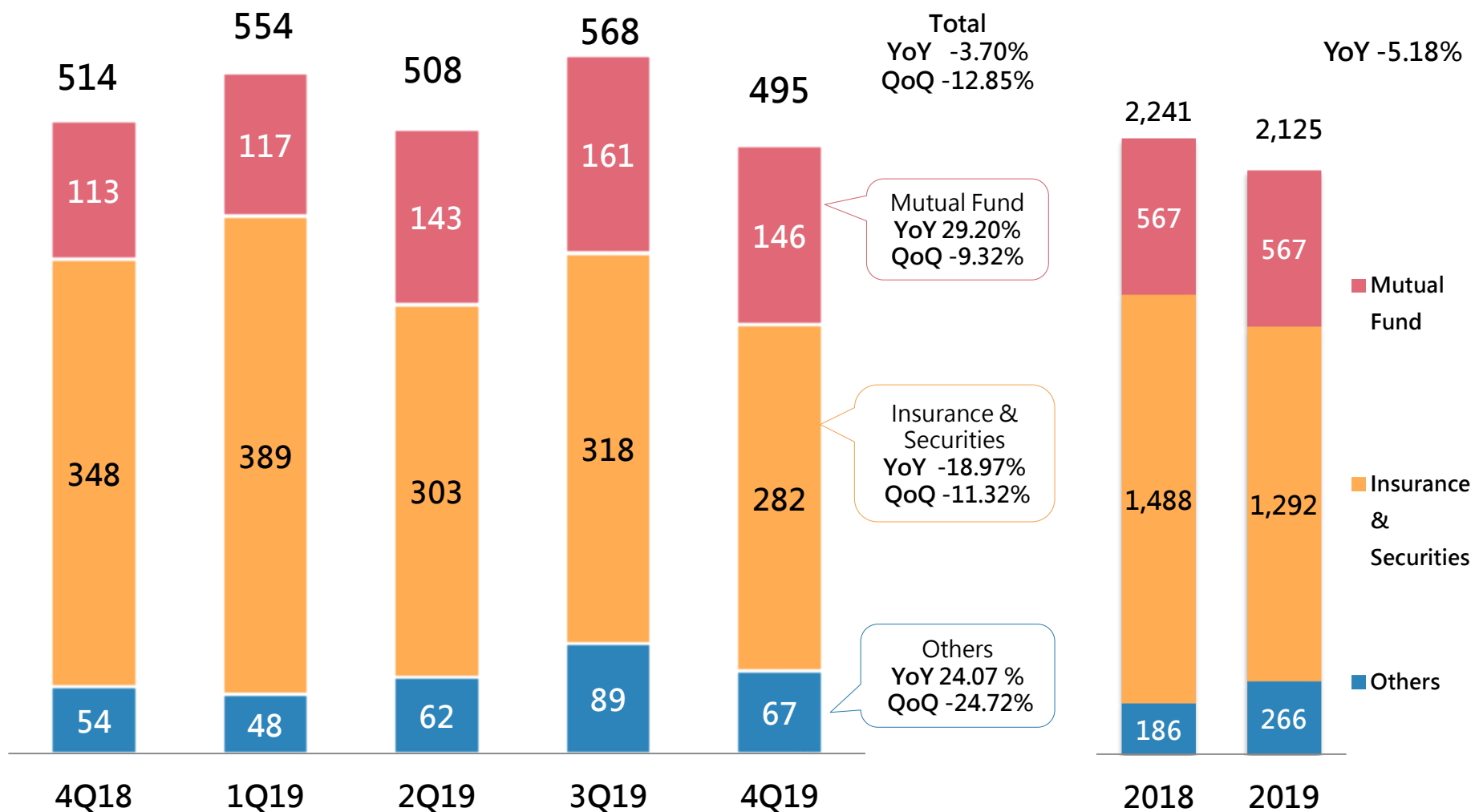


Fee Income Breakdown

(NT\$ Million)



Wealth Management Fee Income (NT\$ Million)



Profit of Subsidiary to TCB

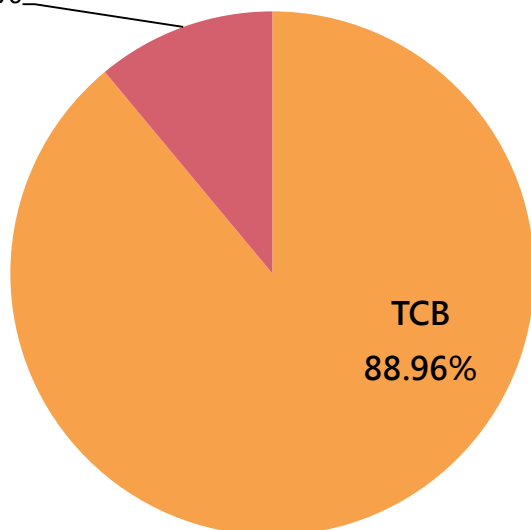
(NT\$ Million)

Net Profit after tax	2018	2019	YoY
TCB	3,566	3,753	5.24%
Subsidiary	442	567	28.28%
Total	4,008	4,320	7.78%

Subsidiary

of TCB

11.04%

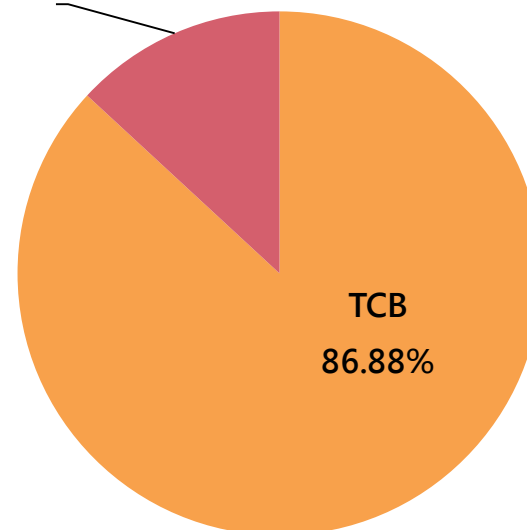


2018 Profit Breakdown

Subsidiary

of TCB

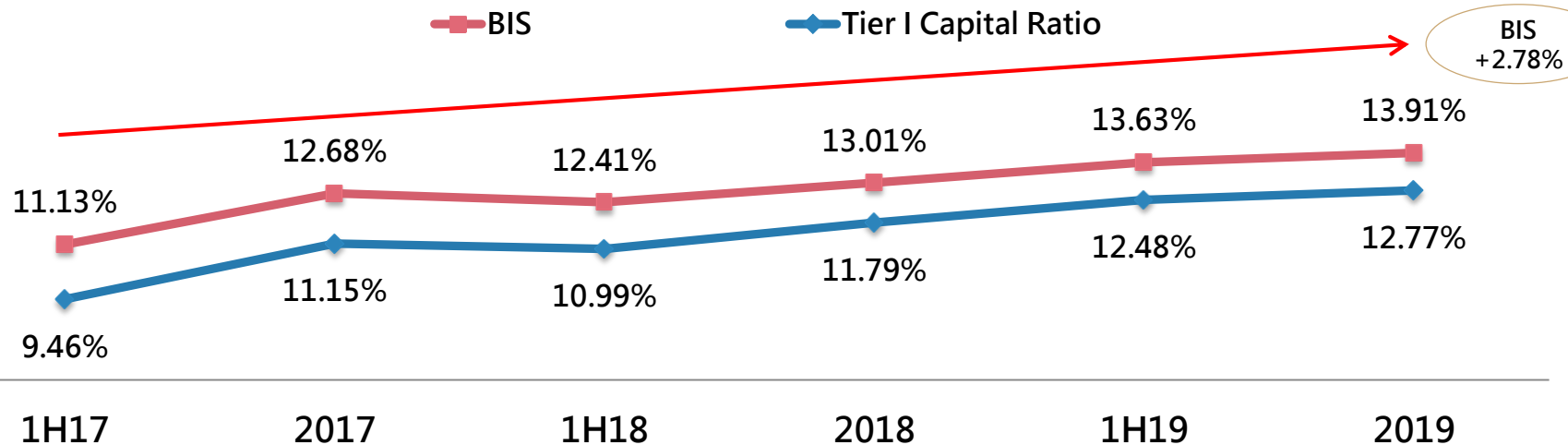
13.12%



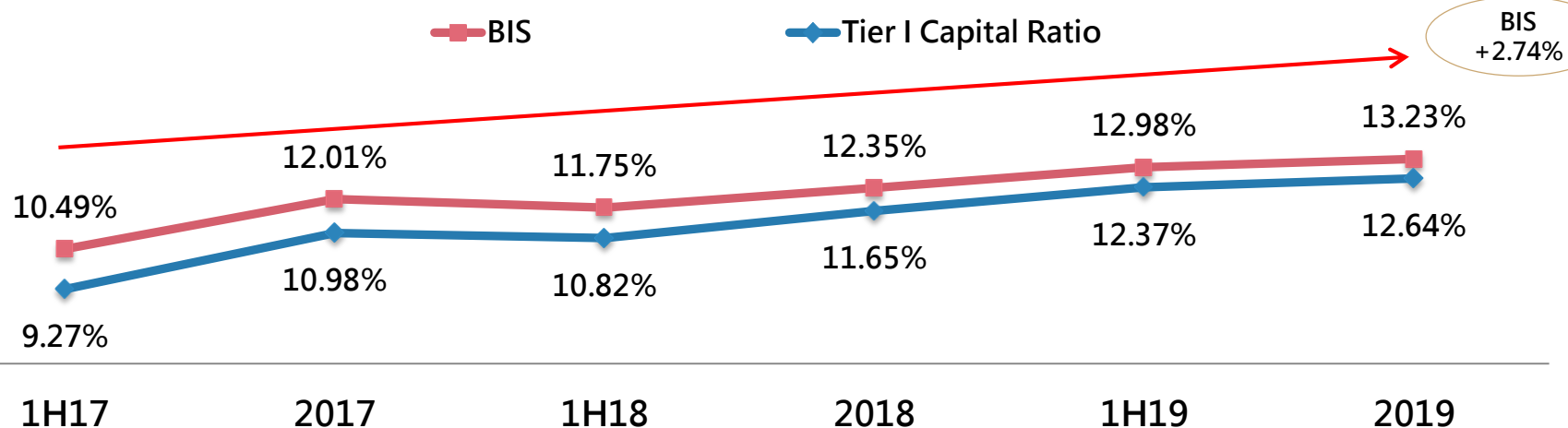
2019 Profit Breakdown

Capital Adequacy

Consolidated



Individual



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Balance Sheet (Individual)

(NT\$ Million)

	2017	2018	2019	YoY
Assets :				
Cash and due from banks	44,066	46,740	44,134	-5.58%
Financial investment, net	158,984	163,891	173,347	5.77%
Loans, net	429,656	451,729	434,469	-3.82%
A/R, net	6,329	5,028	4,064	-19.17%
LT investments, net	4,735	5,225	5,491	5.09%
Land, premises and equipment, net	9,296	9,368	10,620	13.36%
Others	3,424	2,178	2,898	33.06%
Total assets	656,490	684,159	675,023	-1.34%
Liabilities :				
Deposits	567,256	589,243	584,866	-0.74%
Other Liabilities	45,832	47,092	38,848	-17.51%
Total Liabilities	613,088	636,335	623,714	-1.98%
Total stockholders' equity	43,402	47,824	51,309	7.29%
Total liabilities and stockholders' equity	656,490	684,159	675,023	-1.34%

P&L (Individual)

(NT\$ Million)

	2017	2018	2019	YoY
Net interest income	7,823	7,991	7,902	-1.11%
Net fee income	1,554	1,793	1,926	7.42%
Others	971	891	1,283	44.00%
Total Operating Income	10,348	10,675	11,111	4.08%
Operating expenses	(5,131)	(5,626)	(5,567)	-1.05%
Pre-provision Profit	5,217	5,049	5,544	9.80%
Credit Loss Provisions, net	(947)	(411)	(477)	16.06%
Profit Before Income Tax	4,270	4,638	5,067	9.25%
Tax Fee	(637)	(630)	(747)	18.57%
Net Profit After Income Tax	3,633	4,008	4,320	7.78%
Other Profits	168	34	153	350.00%
Current period other comprehensive income	3,801	4,042	4,473	10.66%

Balance Sheet (Consolidated)

(NT\$ Million)

	2017	2018	2019	YoY
Assets :				
Cash and due from banks	45,123	47,644	45,237	-5.05%
Financial investment, net	159,651	165,027	174,356	5.65%
Loans, net	430,858	452,595	435,398	-3.80%
A/R, net	13,658	12,781	12,820	0.31%
LT investments, net	128	153	157	2.61%
Land, premises and equipment, net	9,388	9,447	10,684	13.09%
Others	4,218	3,185	4,037	26.75%
Total assets	663,024	690,832	682,689	-1.18%
Liabilities :				
Deposits	566,095	587,968	583,322	-0.79%
Other Liabilities	53,527	55,040	48,058	-12.69%
Total Liabilities	619,622	643,008	631,380	-1.81%
Total stockholders' equity	43,402	47,824	51,309	7.29%
Total liabilities and stockholders' equity	663,024	690,832	682,689	-1.18%

P&L(Consolidated)

(NT\$ Million)

	2017	2018	2019	YoY
Net interest income	8,186	8,434	8,351	-0.98%
Net fee income	2,449	2,846	2,913	2.35%
Others	760	409	831	103.18%
Total Operating Income	11,395	11,689	12,095	3.47%
Operating expenses	(5,915)	(6,457)	(6,273)	-2.85%
Pre-provision Profit	5,480	5,232	5,822	11.28%
Credit Loss Provisions, net	(1,125)	(472)	(615)	30.30%
Profit Before Income Tax	4,355	4,760	5,207	9.39%
Tax Fee	(722)	(752)	(887)	17.95%
Net Profit After Income Tax	3,633	4,008	4,320	7.78%
Other Profits	168	34	153	350.00%
Current period other comprehensive income	3,801	4,042	4,473	10.66%

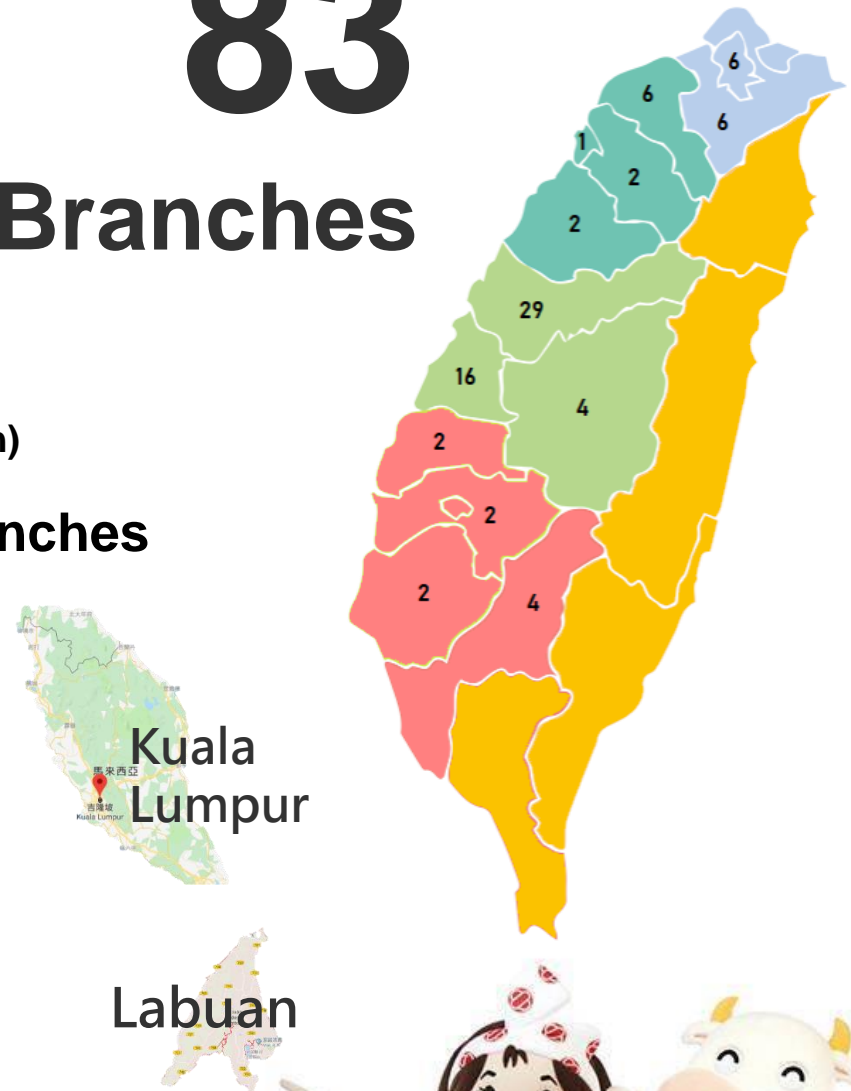
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Cultivating deeply in Taiwan
Expanding towards
South East Asia

83 Branches

- **Greater Taipei : 12 Branches**
(Taipei and New Taipei, Excluding OBU Branch)
- **Taoyuan/Hsinchu/Miaoli : 11 Branches**
- **Central Taiwan : 49 Branches**
(Taichung 、Changhua and Nantou)
- **Southern Taiwan : 10 Branches**
(Yunlin 、Chiayi 、Tainan and Kaohsiung)
- **Overseas Branches : Malaysia**



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Honors and Recognitions 2019



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- Received the "Outstanding Institution Golden Security Award" from Joint Credit Information Center for five consecutive years.
- Received "New Southbound Nation Financing Growth Outstanding Prize 2018" from Overseas Credit Guarantee Fund (Taiwan).
- Awarded "Best Service Innovation Award in Electronic Finance Sector" from Financial Information Service CO., LTD.
- Received "Sports Promotor Award" - Silver Prize in Sponsorship Category from the Ministry of Education.
- Received "Wealth Management Grand Prize 2019" – "Best Digital Finance" and "Best Public Welfare Promotion" from <Wealth Magazine>.
- Received the "Best Corporate Social Responsibility Award" and "Best Client Recommendation Award" from <Excellence Banking Rating>.
- Received "Internet Popularity Award" and "Best Creativity Filming" from Taipei Golden Eagle Micro-Movie Festival 2019.



Annual Strategy Outlook 2020



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- Strengthening the ideas of compliance, fully implementing money-laundering prevention mechanisms.
- Perfecting capital risk management, optimizing qualities of asset-based loans.
- Consolidating core competency' s strength, expanding international finance territory.
- Cultivating niche product business, developing diversified profitable engines.
- Grasping financial technology business, digital transformation for innovative operations.
- Nurturing financial talents with multiple cores, investing in human capital.



Thanks for your listening!



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