

Stock No : 2812

Taichung Commercial Bank 2019 Half Year Investor Conference

2019.8.27

 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

2019 Half Year Financial Highlight

Profitability

- Net Profit after tax 2.1billions, 10.26% growth over the same period last year.
- EPS 0.57, 5.56% growth over the same period last year.

Asset quality

- NPL rate 0.37% 、 Provision for bad debt coverage rate 403.68%.

Capital adequacy

- Consolidated : Capital Ratio 13.63% 、 Tier I Capital Ratio 12.48% ◦
- Individual : Capital Ratio 12.98% 、 Tier I Capital Ratio 12.37% ◦

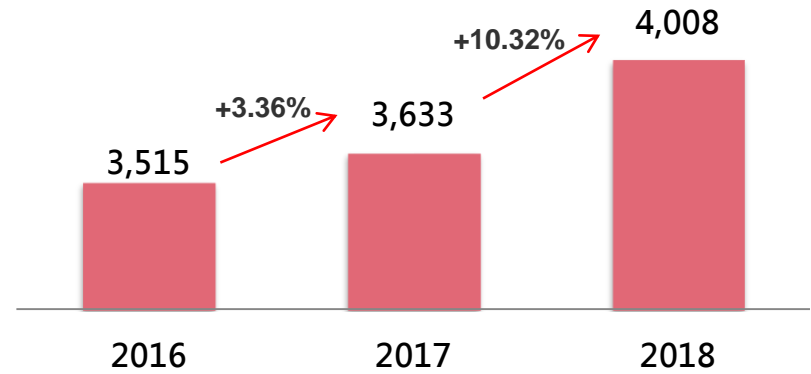
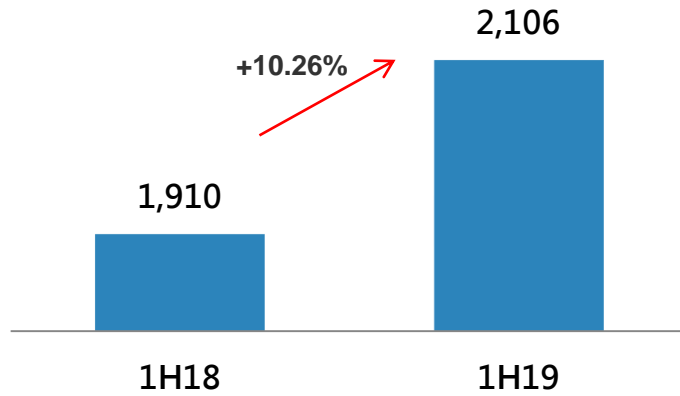
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Profitability

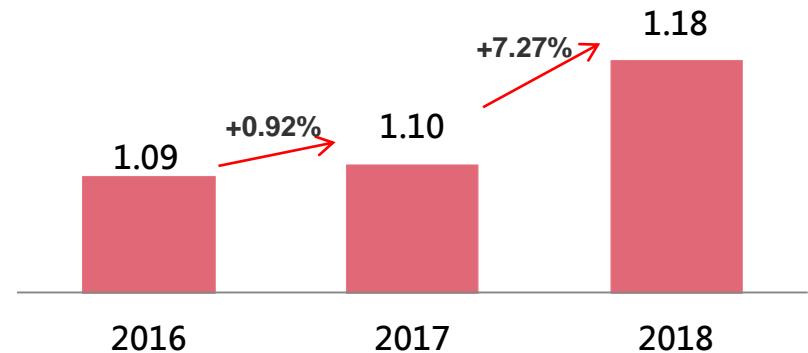
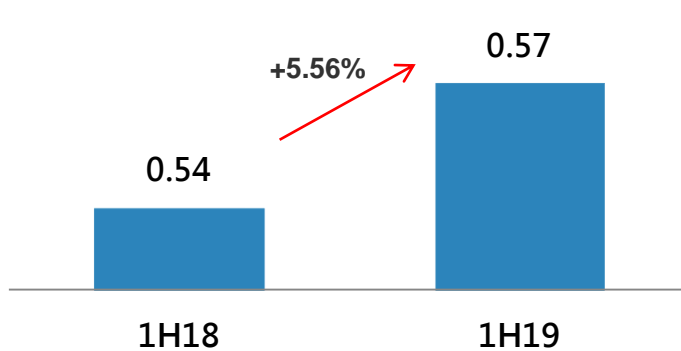
Net Profit

(NT\$ Million)



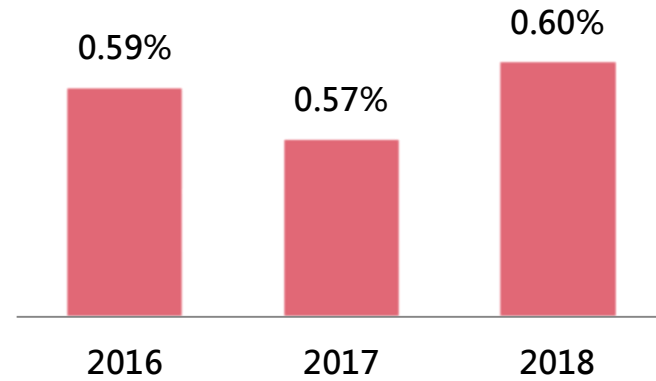
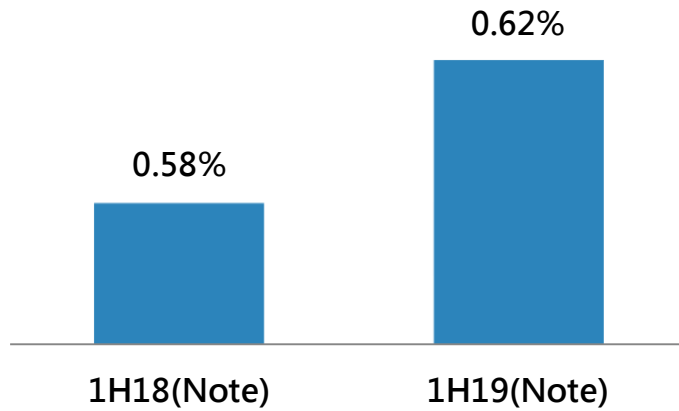
EPS

(NT\$)

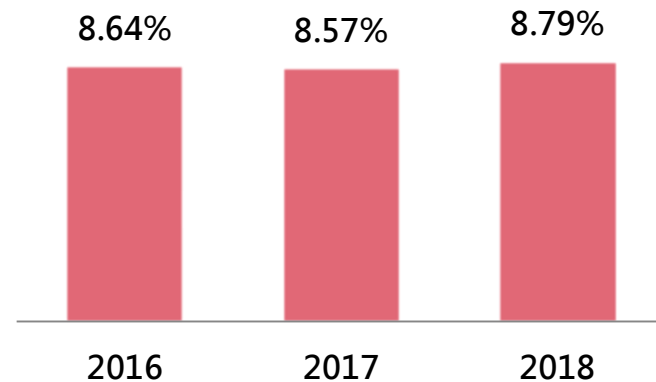
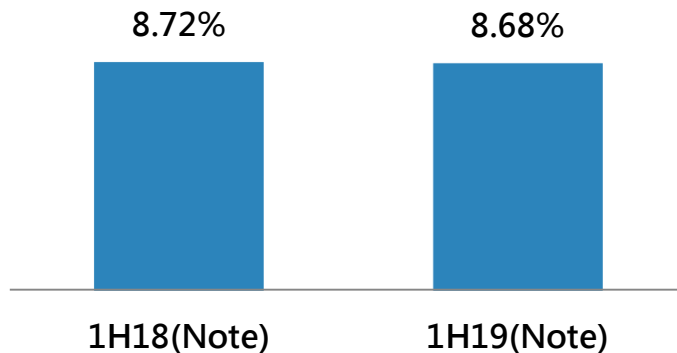


Profitability

ROA



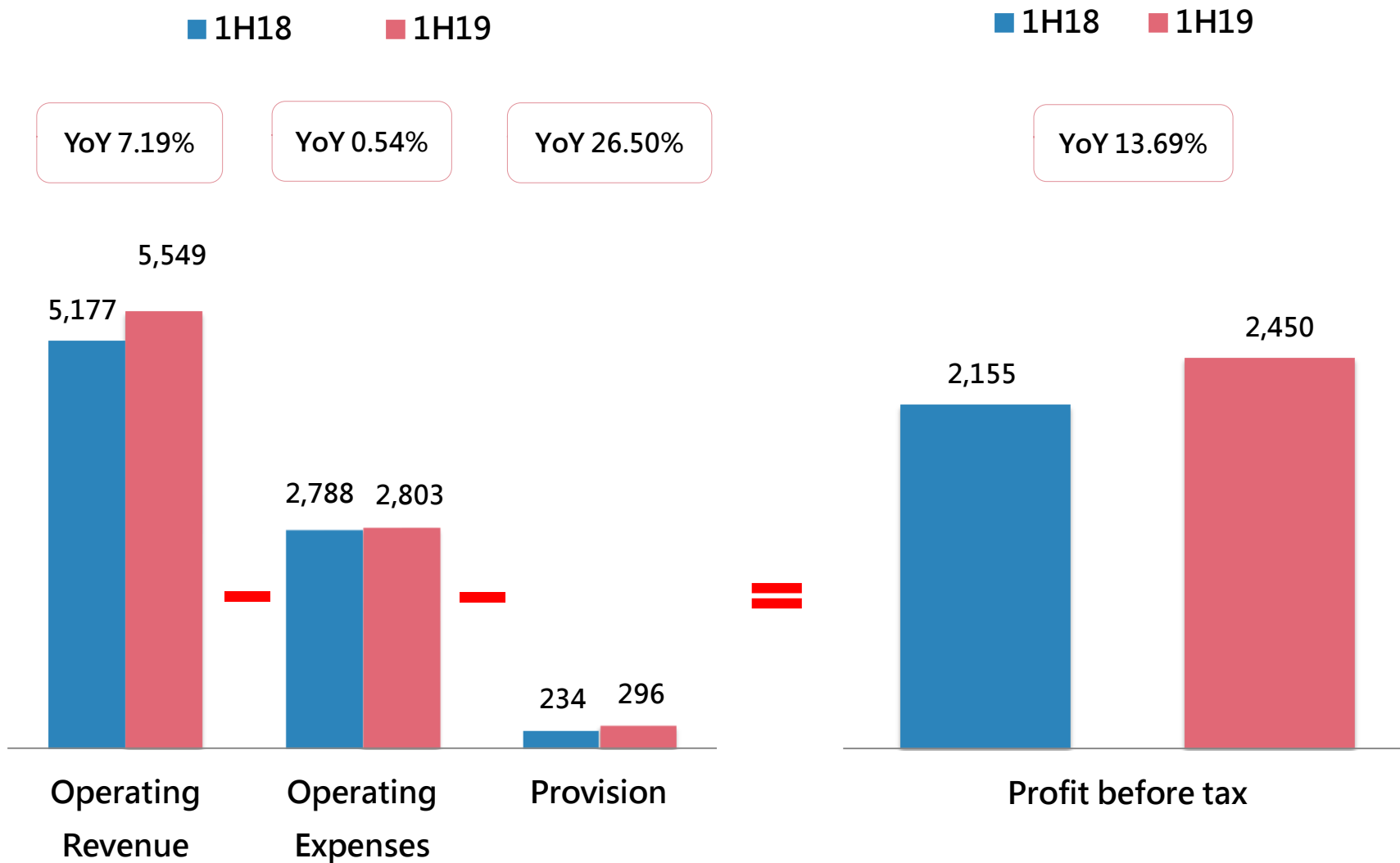
ROE



Note : ROE and ROA are annualized

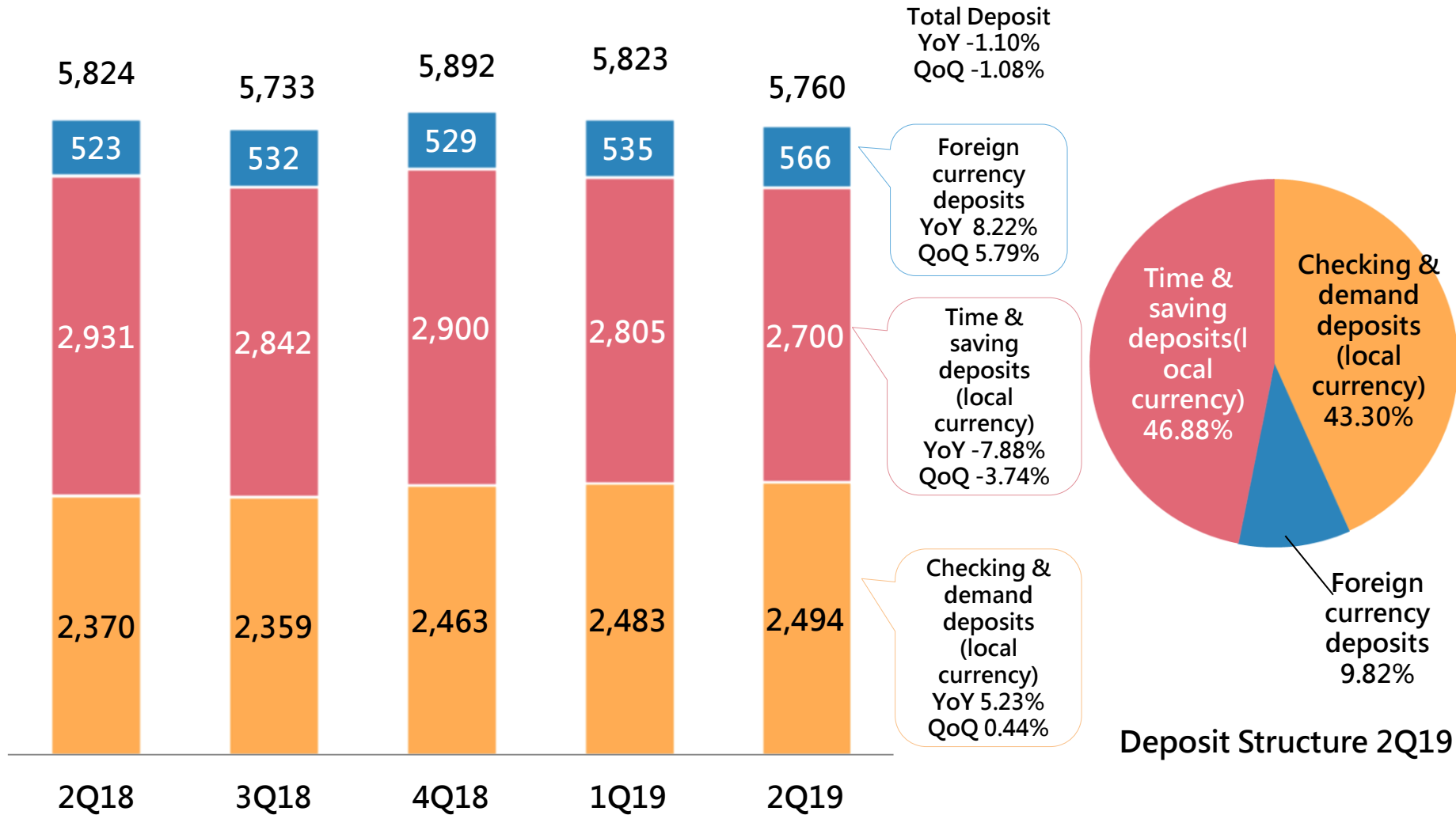
Change in Net Profit

(NT\$ Million)



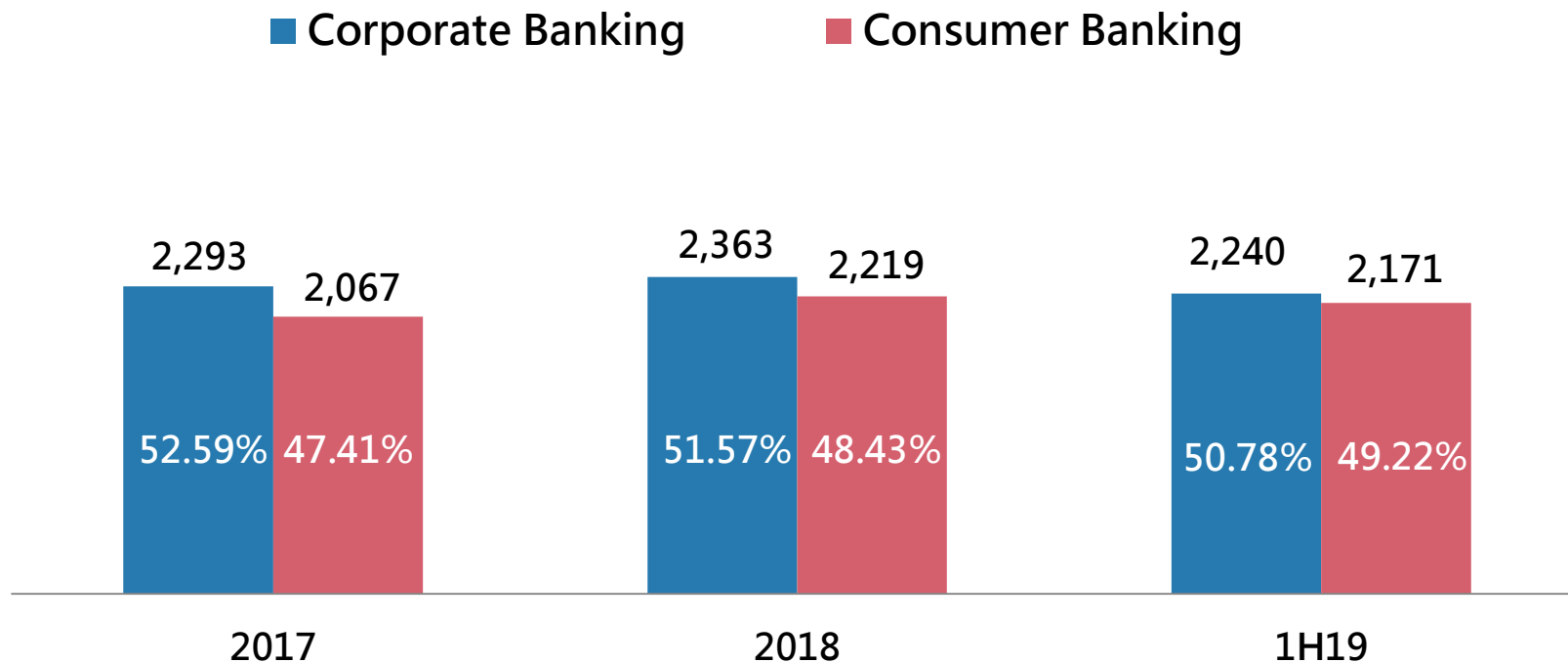
Deposit Breakdown

(NT\$ Hundred Million)



Loan Structure

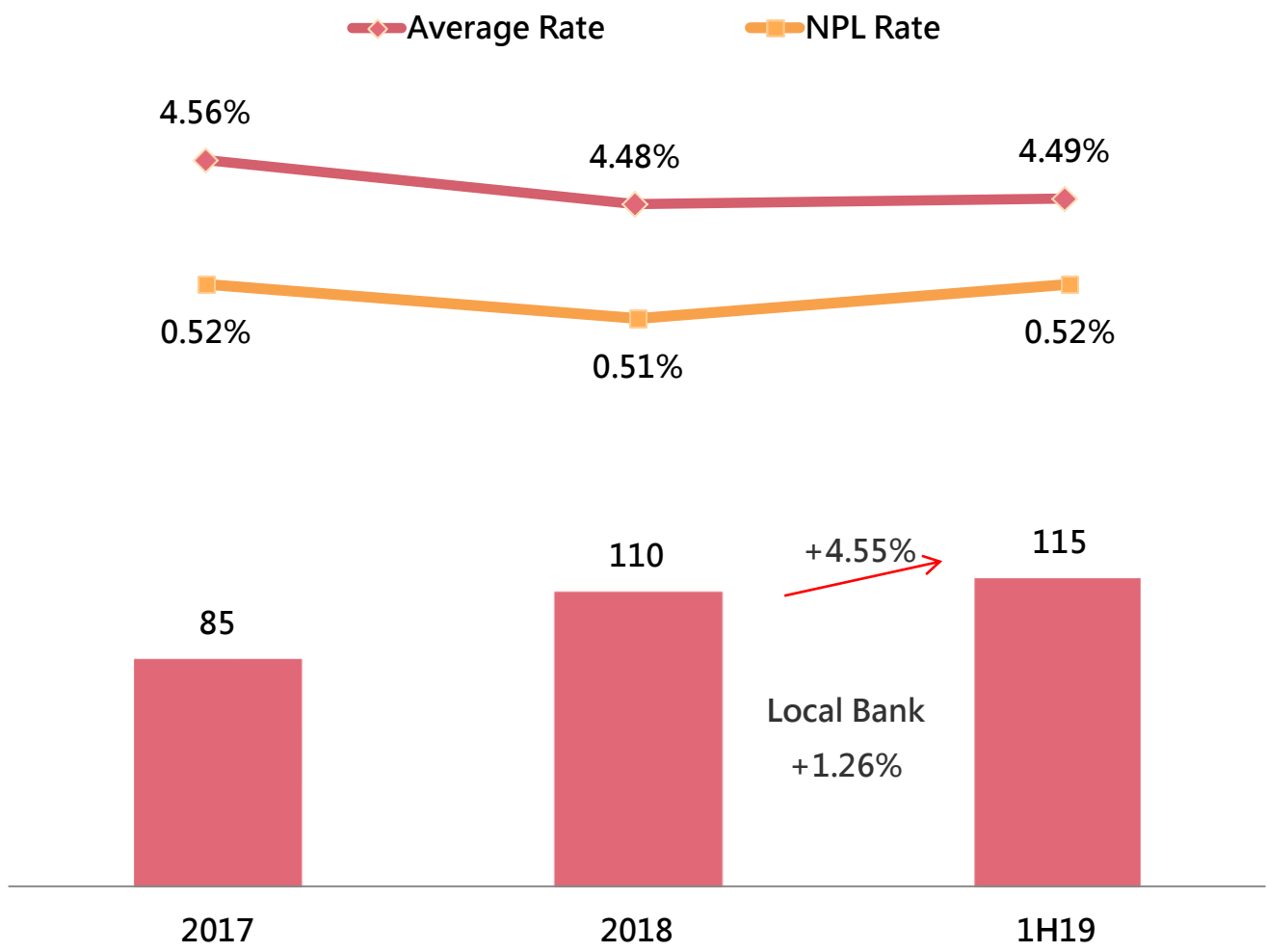
(NT\$ Hundred Million)



	2017	2018	1H19	HoH
Corporate Banking	2,293	2,363	2,240	-5.21%
Consumer Banking	2,067	2,219	2,171	-2.16%
Total	4,360	4,582	4,411	-3.73%

Consumer Banking-Consumption Loans

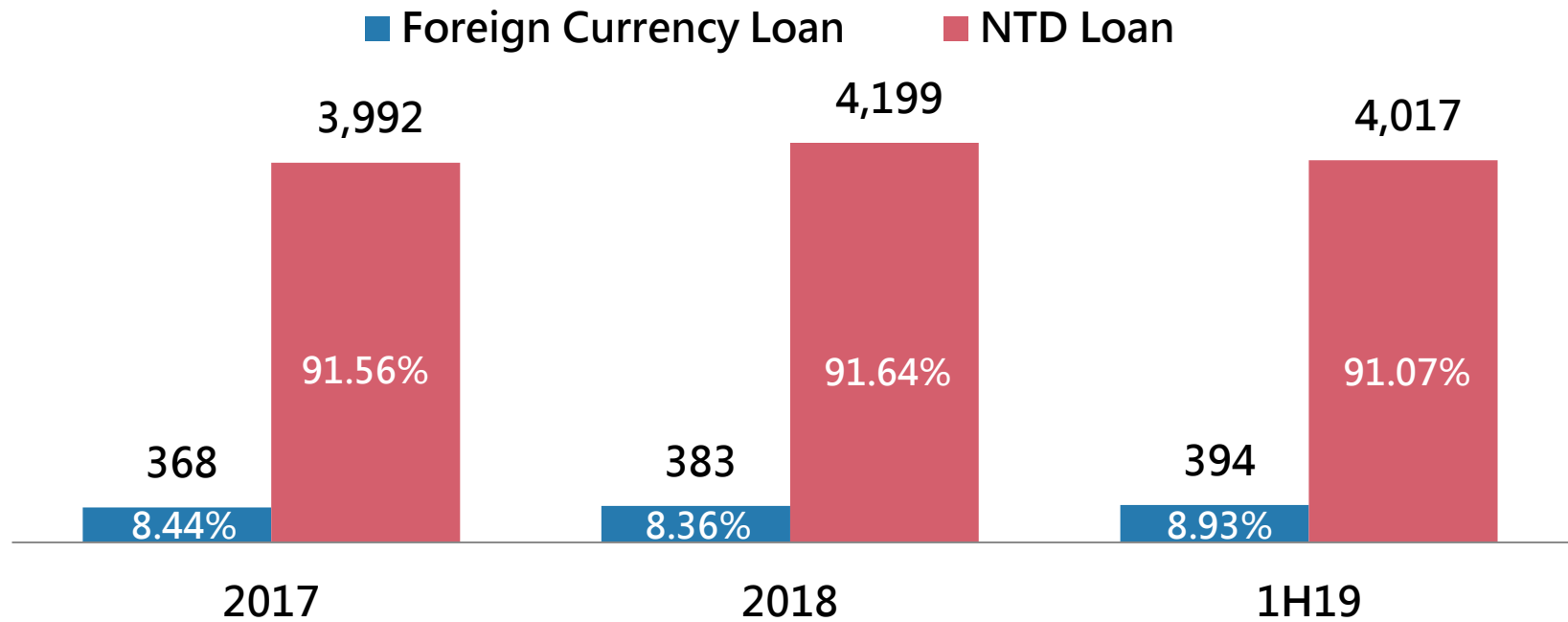
(NT\$ Hundred Million)



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

Loan Structure by Currency

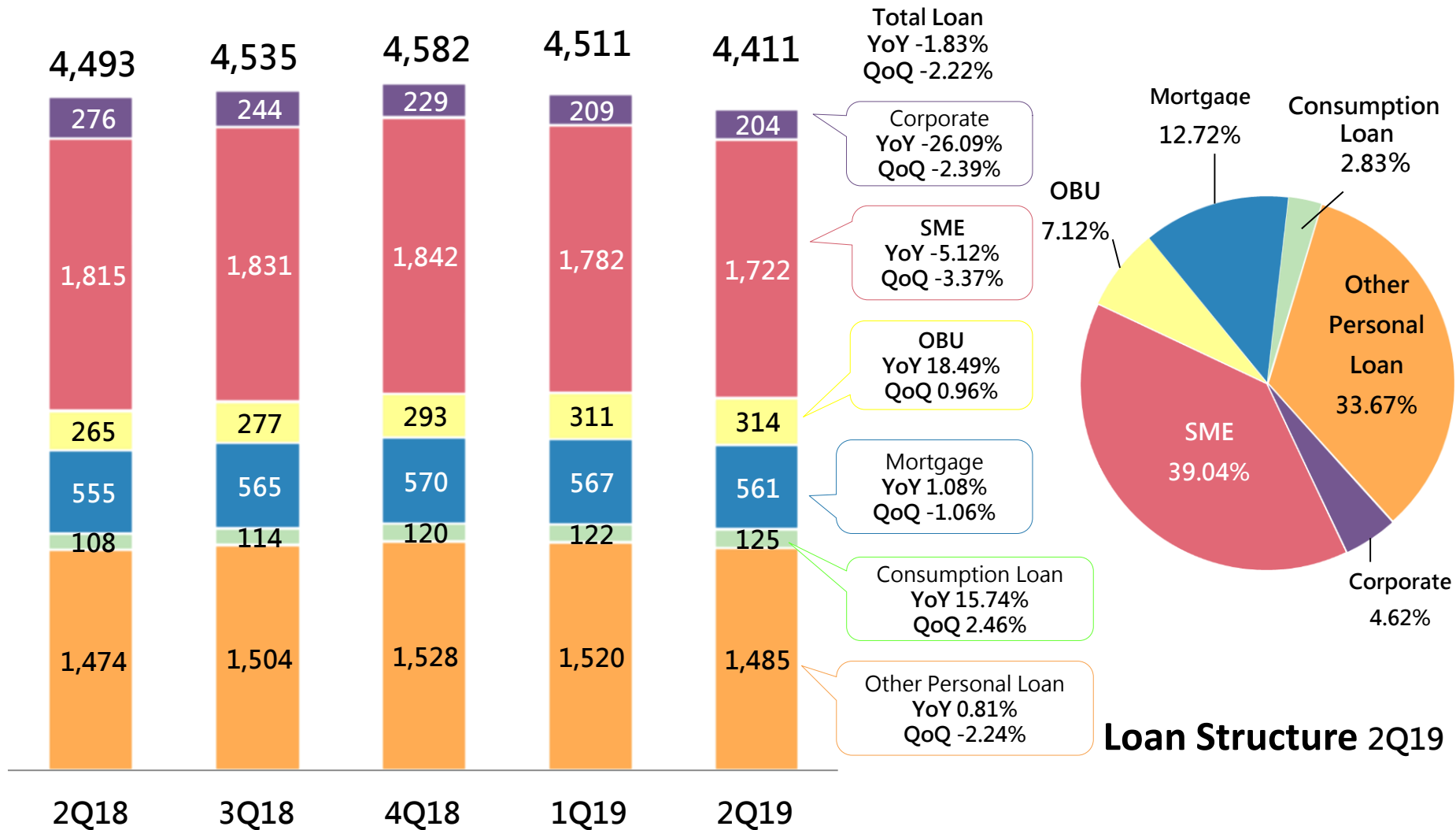
(NT\$ Hundred Million)



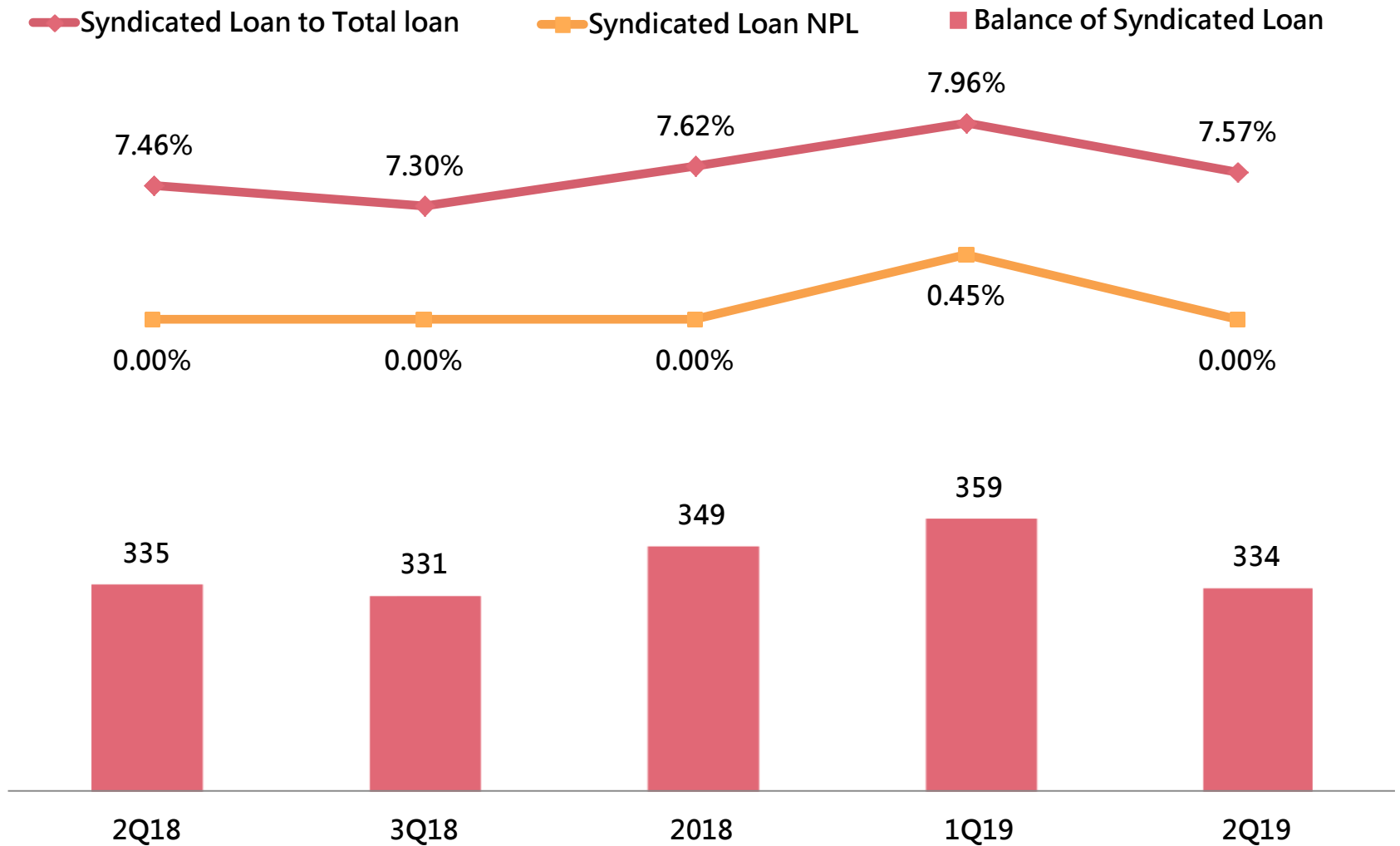
	2017	2018	1H19	HoH
NTD Loan	3,992	4,199	4,017	-4.33%
Foreign Currency Loan	368	383	394	2.87%
Total	4,360	4,582	4,411	-3.73%

Loan Breakdown

(NT\$ Hundred Million)

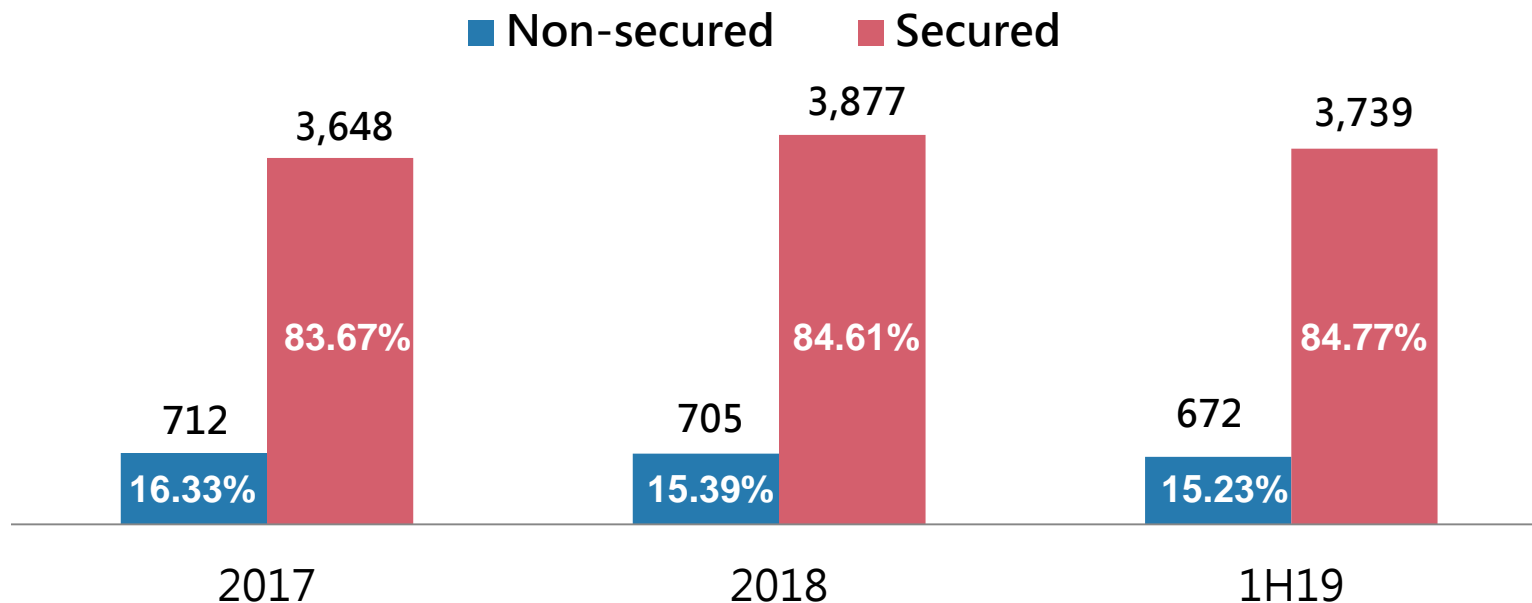


Syndicated Loan of Banking (NT\$ Hundred Million)



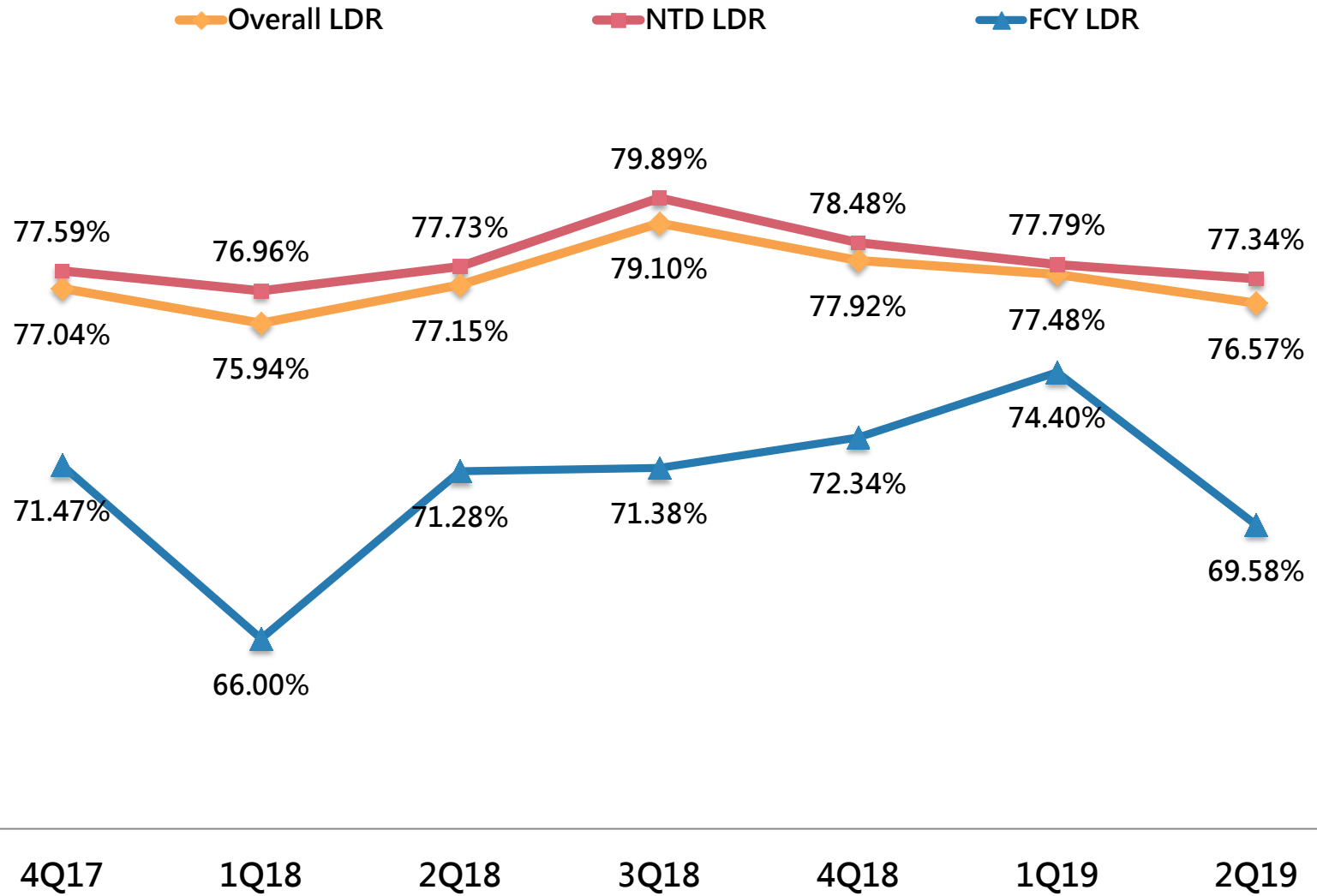
Loan Breakdown

(NT\$ Hundred Million)

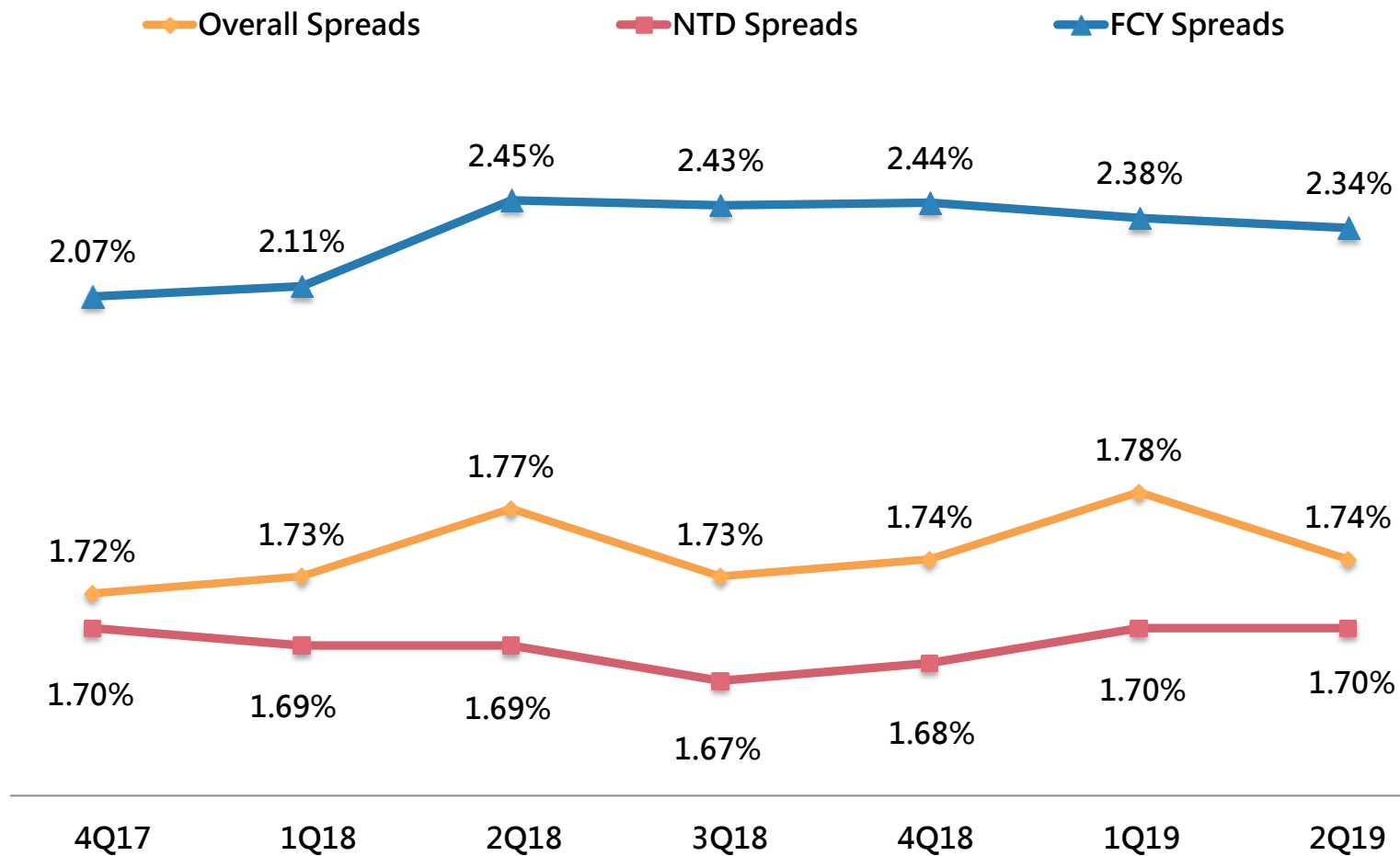


	2017	2018	1H19	HoH
Non-secured	712	705	672	-4.68%
Secured	3,648	3,877	3,739	-3.56%
Secured by property	3,321	3,536	3,428	-3.05%
Secured by Letter of Guarantee	170	164	158	-3.66%
Others	157	177	153	-13.56%
Total	4,360	4,582	4,411	-3.73%

LDR



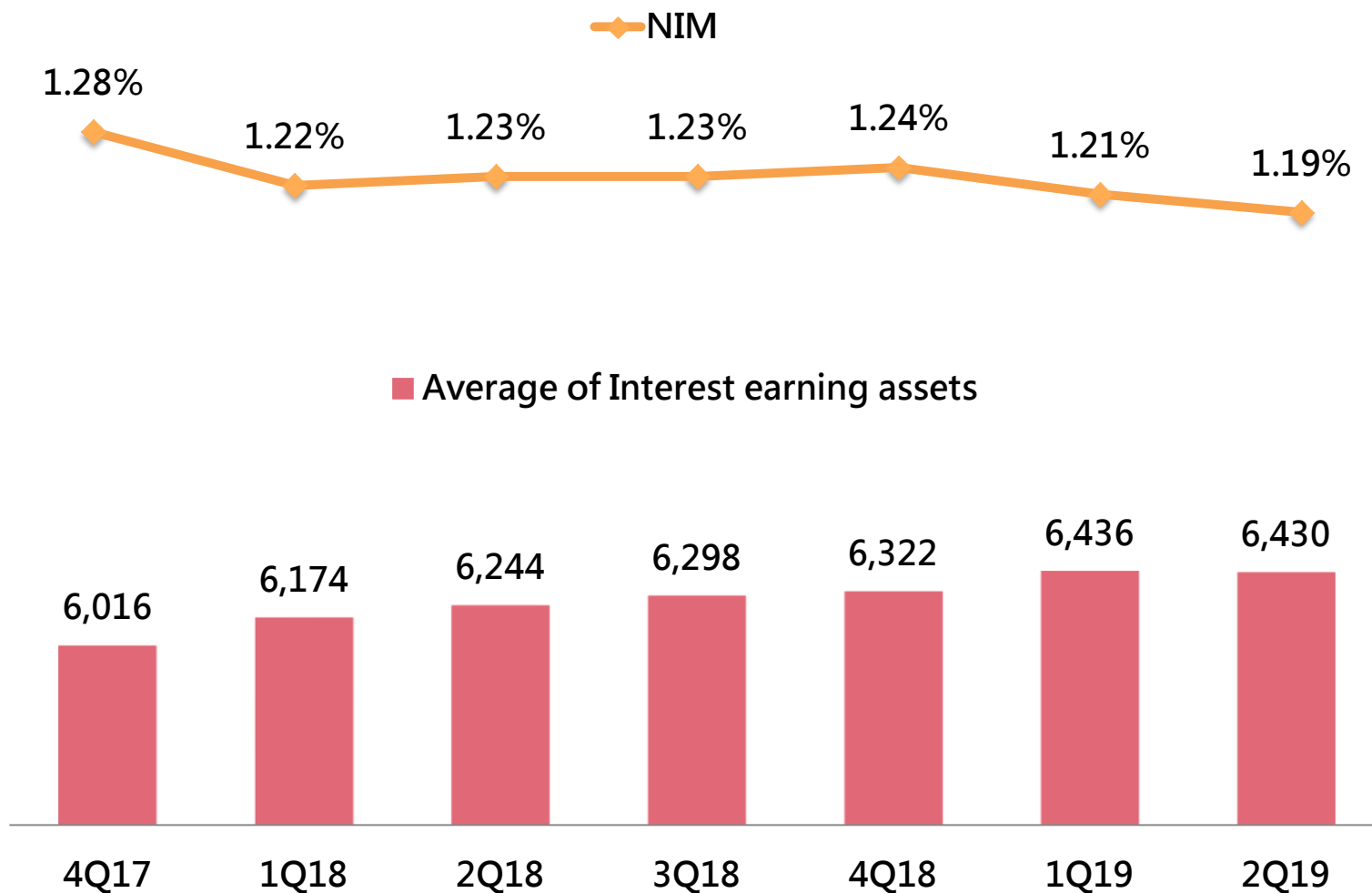
Spreads



TCB Bank's NIM

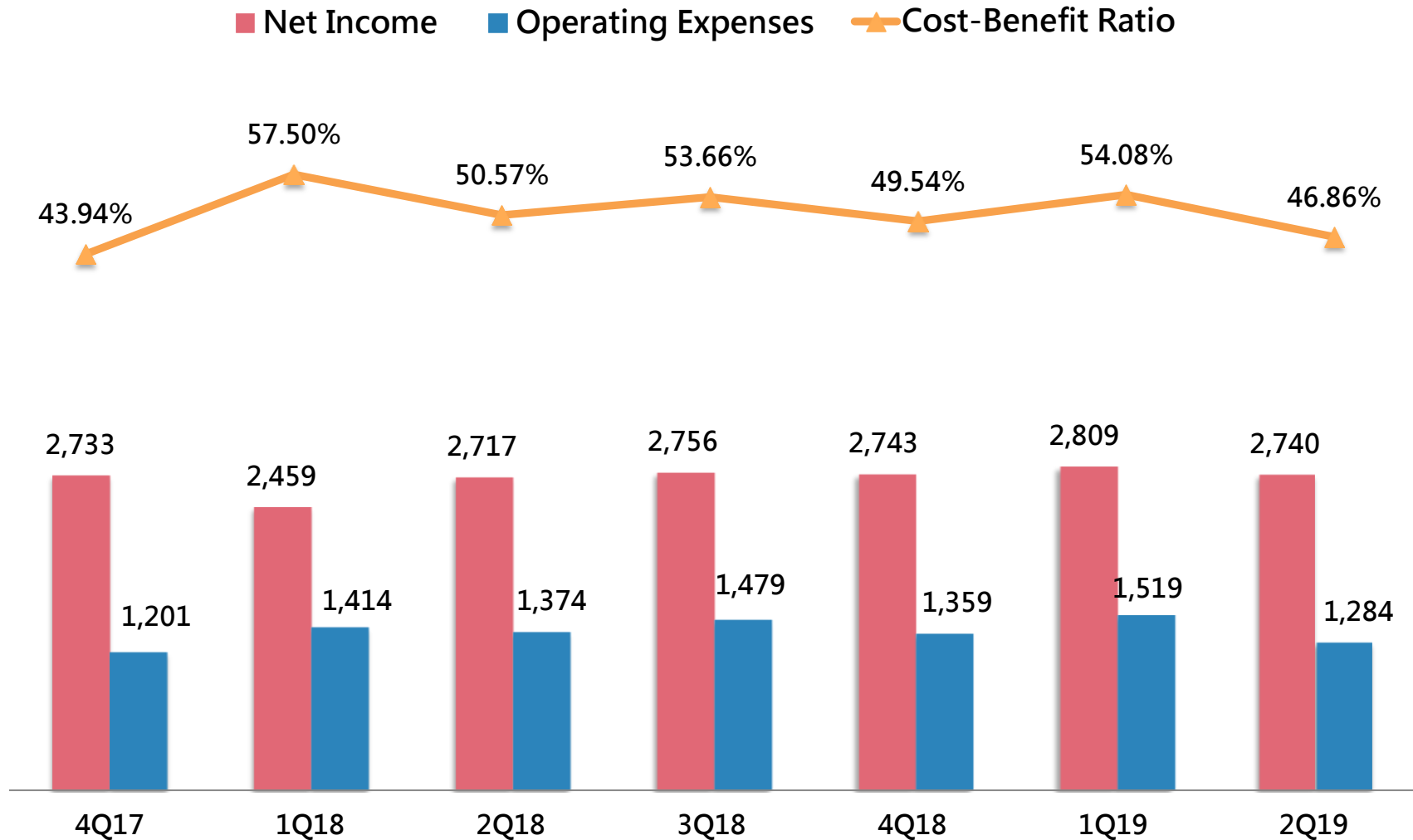
(NT\$ Hundred million)

NIM and Interest earning assets



Operating Expenses to Net Income

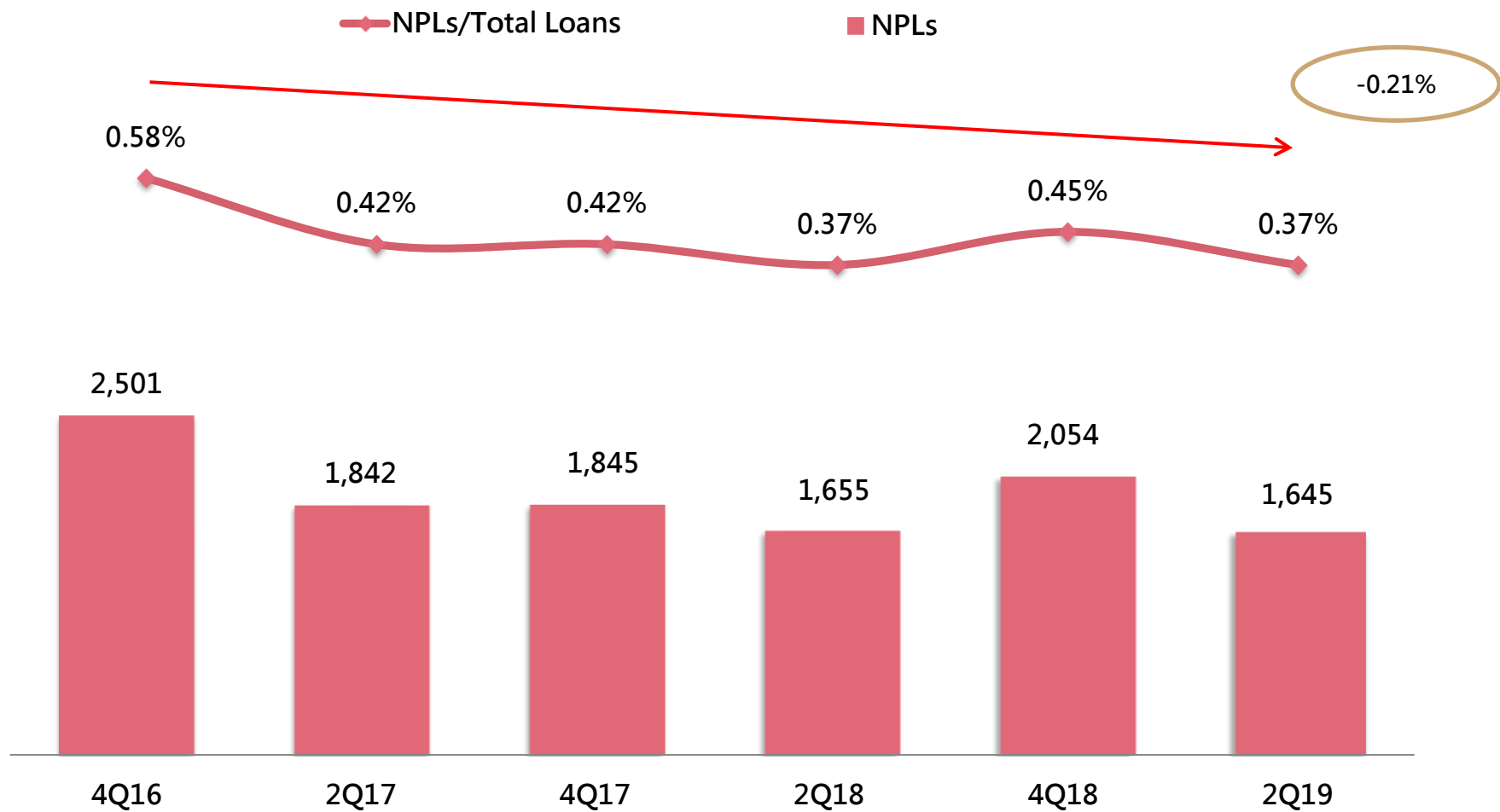
(NT\$ million)



Asset quality

(NT\$ Million)

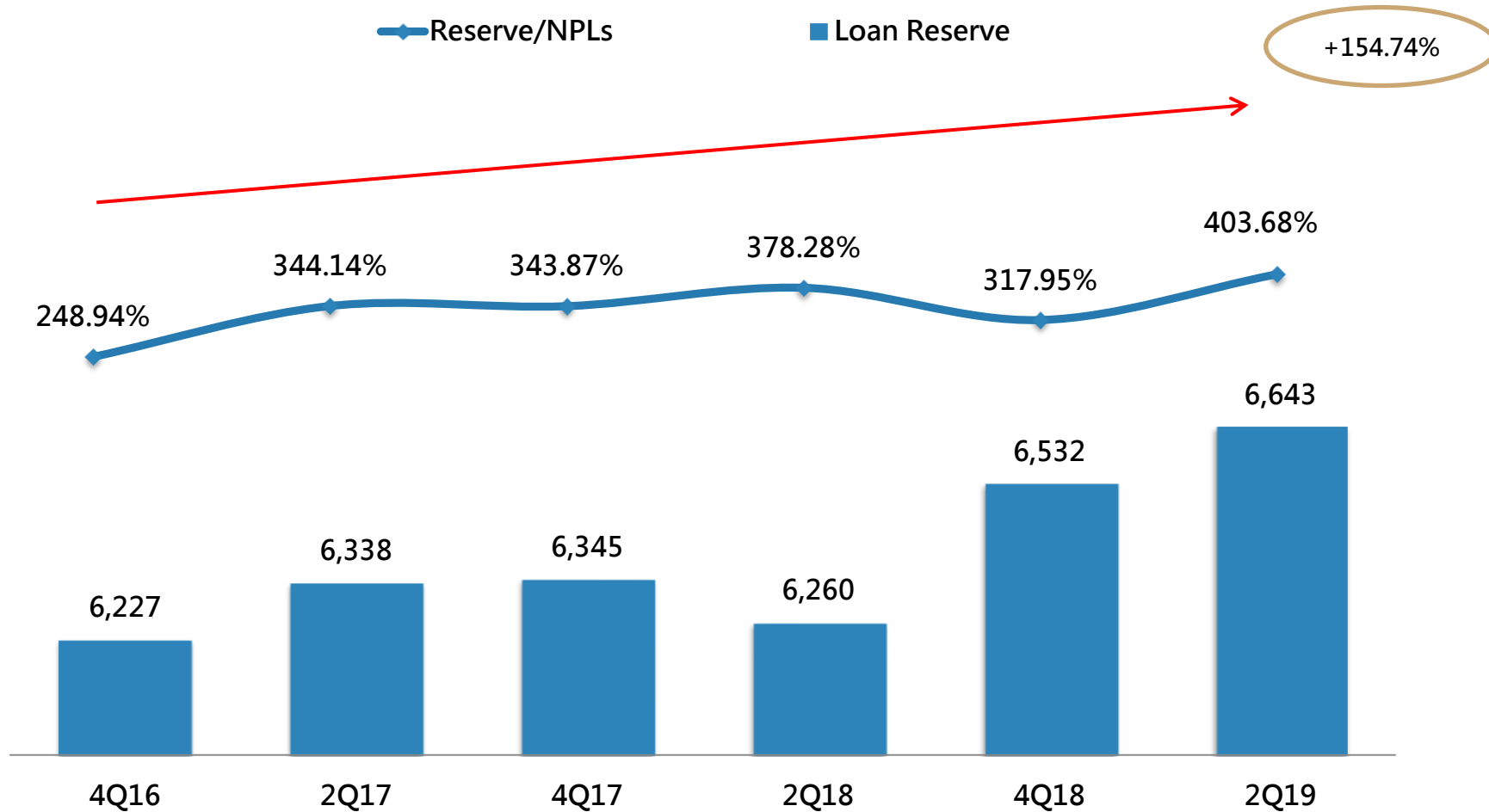
NPLs/Total Loans & NPLs



Asset quality

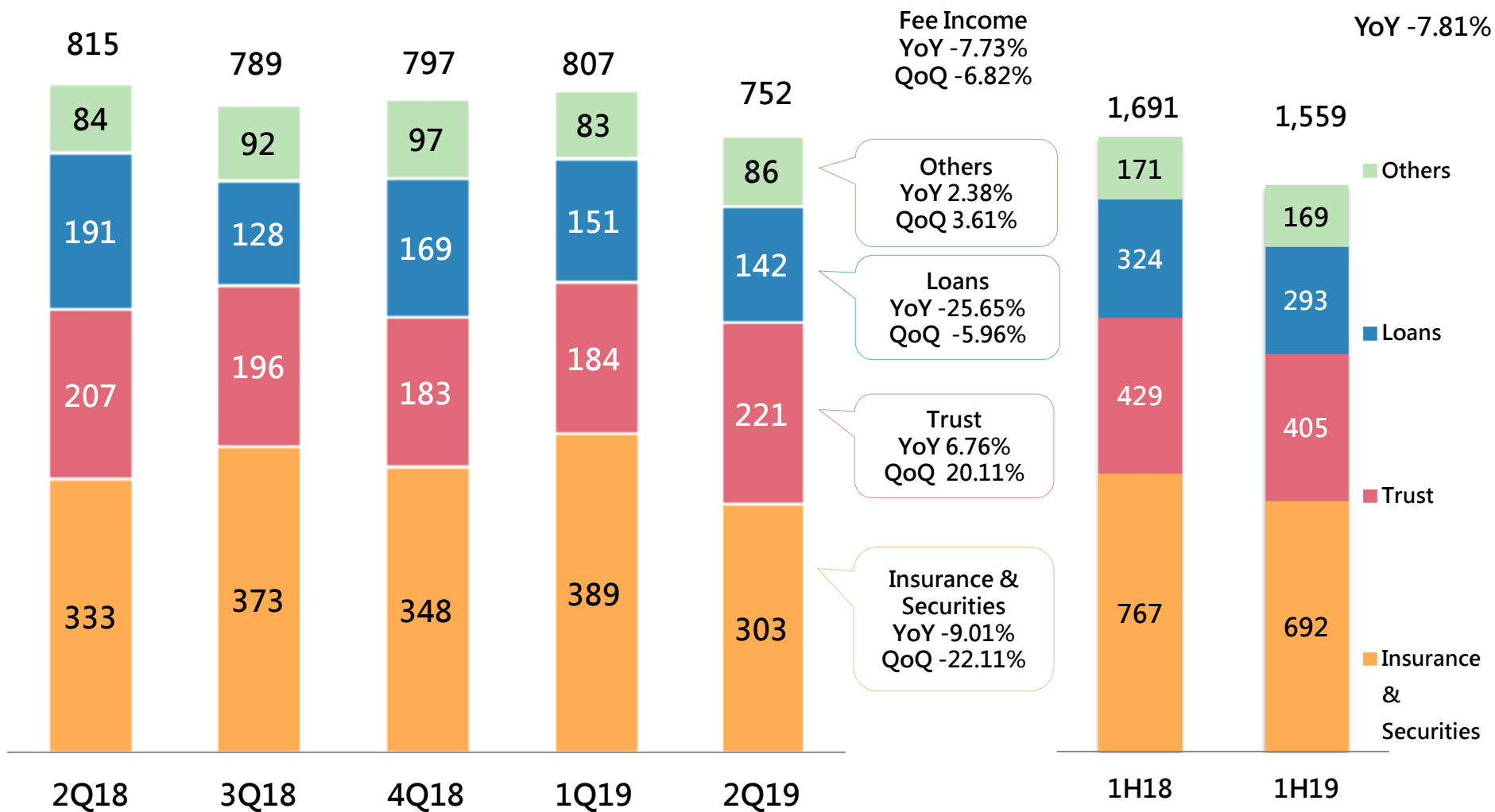
(NT\$ Million)

Reserve/NPLs & Loan Reserve

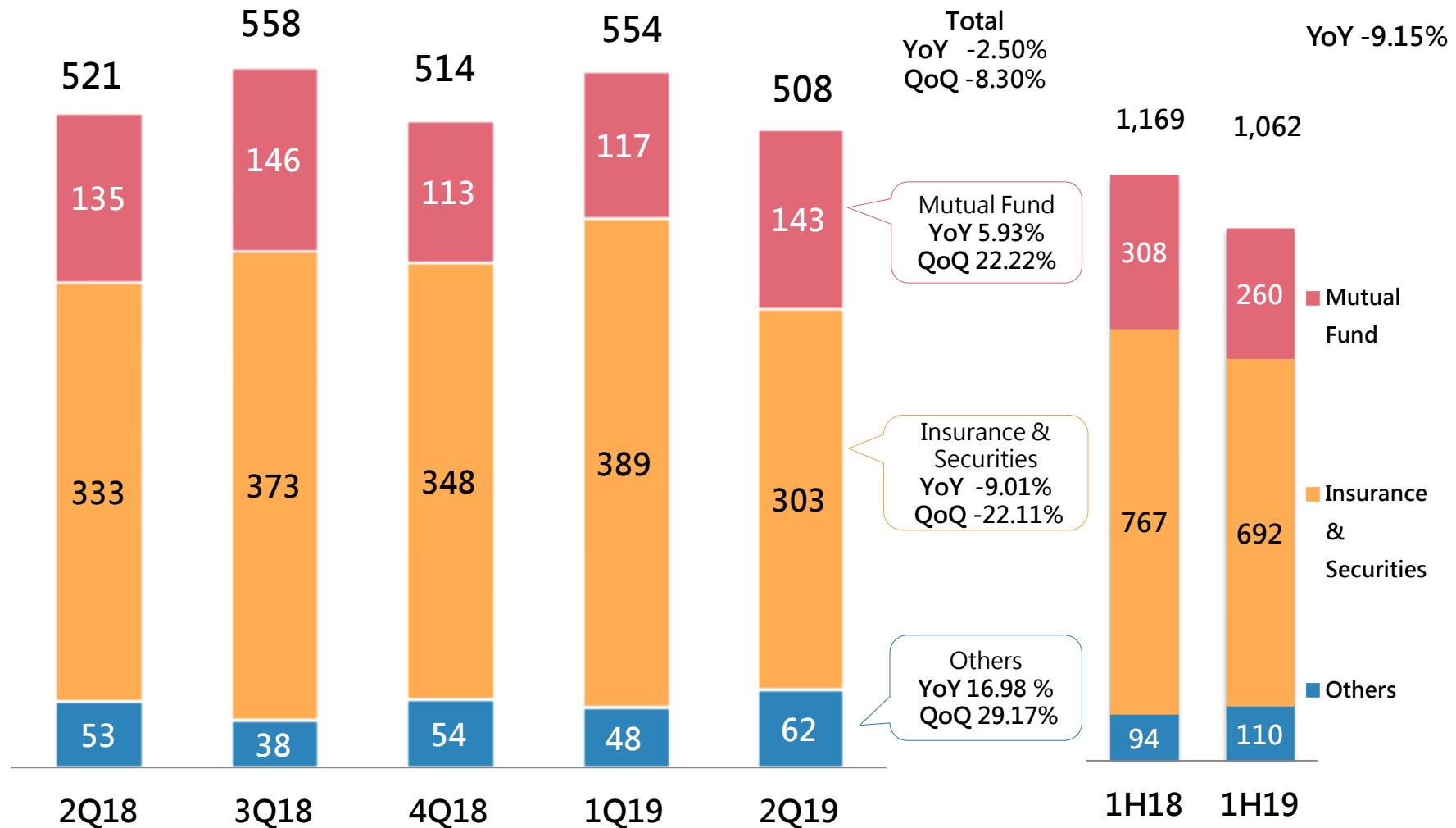


Fee Income Breakdown

(NT\$ Million)



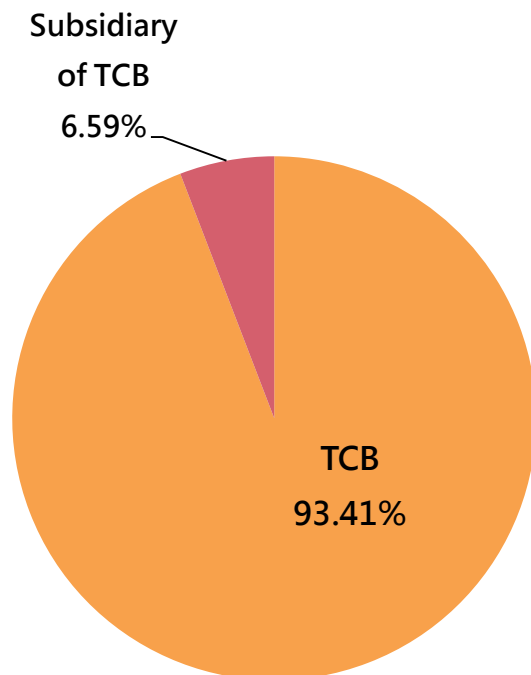
Wealth Management Fee Income (NT\$ Million)



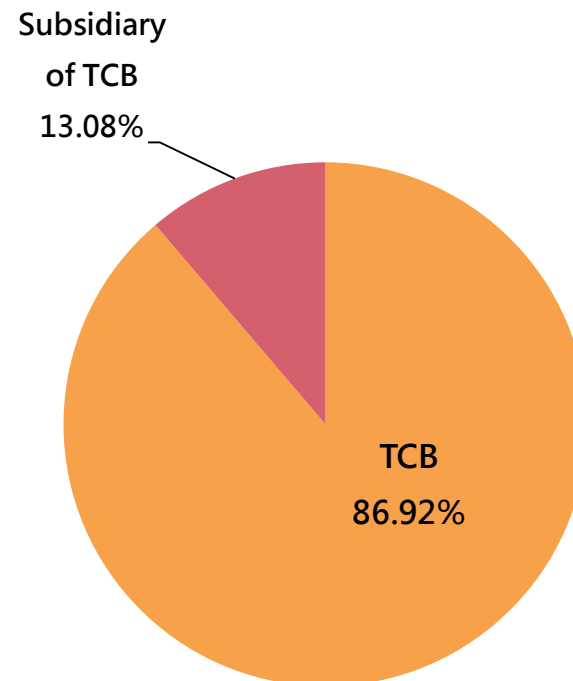
Profit of Subsidiary to TCB

(NT\$ Million)

Net Profit after tax	1H18	1H19	HoH
TCB	1,784	1,831	2.63%
Subsidiary	126	275	118.25%
Total	1,910	2,106	10.26%



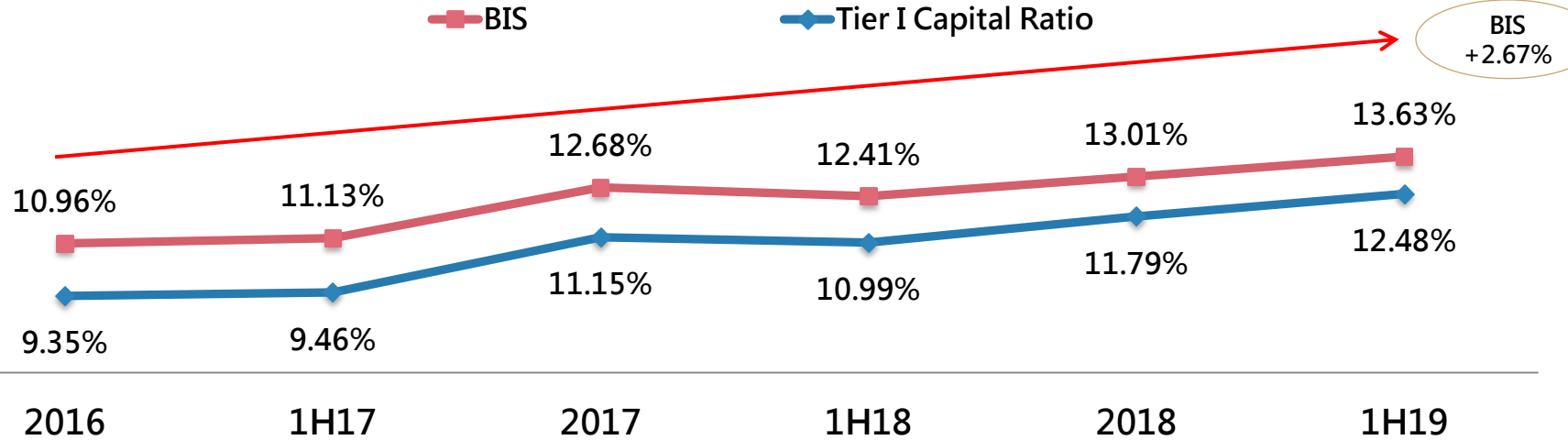
1H18 Profit Breakdown



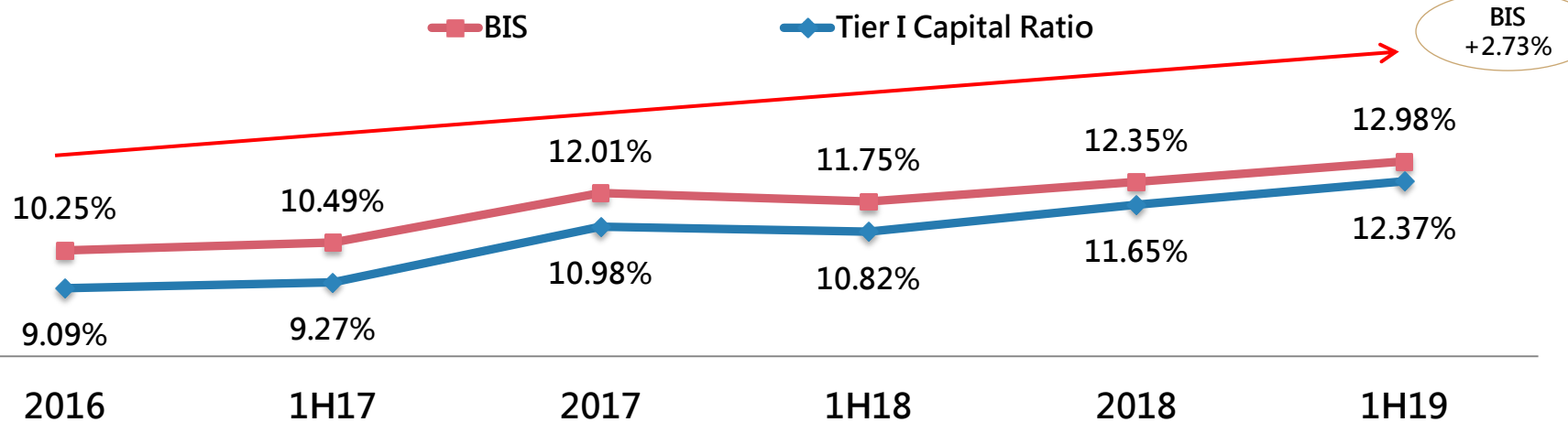
1H19 Profit Breakdown

Capital Adequacy

Consolidated



Individual



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Balance Sheet (Individual)

(NT\$ Million)

	2016	2017	2018	1H19	HoH
Assets :					
Cash and due from banks	99,539	44,066	46,740	45,894	-1.81%
Financial investment, net	77,450	158,984	163,891	171,735	4.79%
Loans, net	423,901	429,656	451,729	434,509	-3.81%
A/R, net	4,075	6,329	5,028	3,591	-28.58%
LT investments, net	4,498	4,735	5,225	5,237	0.23%
Land, premises and equipment, net	9,372	9,296	9,368	9,371	0.03%
Others	3,714	3,424	2,178	3,010	38.20%
Total assets	622,549	656,490	684,159	673,347	-1.58%
Liabilities :					
Deposits	541,243	567,256	589,243	576,043	-2.24%
Other Liabilities	39,924	45,832	47,092	47,991	1.91%
Total Liabilities	581,167	613,088	636,335	624,034	-1.93%
Total stockholders' equity	41,382	43,402	47,824	49,313	3.11%
Total liabilities and stockholders' equity	622,549	656,490	684,159	673,347	-1.58%

P&L (Individual)

(NT\$ Million)

	2016	2017	2018	1H18	1H19	HoH
Net interest income	7,499	7,823	7,991	3,898	3,964	1.69%
Net fee income	1,294	1,554	1,793	938	902	-3.84%
Others	985	971	891	341	683	100.29%
Total Operating Income	9,778	10,348	10,675	5,177	5,549	7.19%
Operating expenses	(5,005)	(5,131)	(5,626)	(2,788)	(2,803)	0.54%
Pre-provision Profit	4,773	5,217	5,049	2,389	2,746	14.94%
Credit Loss Provisions, net	(690)	(947)	(411)	(234)	(296)	26.50%
Profit Before Income Tax	4,083	4,270	4,638	2,155	2,450	13.69%
Tax Fee	(568)	(637)	(630)	(245)	(344)	40.41%
Net Profit After Income Tax	3,515	3,633	4,008	1,910	2,106	10.26%
Other Profits	(487)	168	34	110	371	237.27%
Current period other comprehensive income	3,028	3,801	4,042	2,020	2,477	22.62%

Balance Sheet (Consolidated)

(NT\$ Million)

	2016	2017	2018	1H19	HoH
Assets :					
Cash and due from banks	100,323	45,123	47,644	46,960	-1.44%
Financial investment, net	77,742	159,651	165,027	172,719	4.66%
Loans, net	425,166	430,858	452,595	435,604	-3.75%
A/R, net	9,802	13,658	12,781	11,939	-6.59%
LT investments, net	131	128	153	154	0.65%
Land, premises and equipment, net	9,437	9,388	9,447	9,439	-0.08%
Others	4,502	4,218	3,185	4,234	32.94%
Total assets	627,103	663,024	690,832	681,049	-1.42%
Liabilities :					
Deposits	539,809	566,095	587,968	574,767	-2.25%
Other Liabilities	45,912	53,527	55,040	56,969	3.50%
Total Liabilities	585,721	619,622	643,008	631,736	-1.75%
Total stockholders' equity	41,382	43,402	47,824	49,313	3.11%
Total liabilities and stockholders' equity	627,103	663,024	690,832	681,049	-1.42%

P&L(Consolidated)

(NT\$ Million)

	2016	2017	2018	1H18	1H19	HoH
Net interest income	7,787	8,186	8,434	4,100	4,171	1.73%
Net fee income	2,272	2,449	2,846	1,347	1,430	6.16%
Others	734	760	409	213	468	119.72%
Total Operating Income	10,793	11,395	11,689	5,660	6,069	7.23%
Operating expenses	(5,848)	(5,915)	(6,457)	(3,208)	(3,191)	-0.53%
Pre-provision Profit	4,945	5,480	5,232	2,452	2,878	17.37%
Credit Loss Provisions, net	(801)	(1,125)	(472)	(267)	(365)	36.70%
Profit Before Income Tax	4,144	4,355	4,760	2,185	2,513	15.01%
Tax Fee	(629)	(722)	(752)	(275)	(407)	48.00%
Net Profit After Income Tax	3,515	3,633	4,008	1,910	2,106	10.26%
Other Profits	(487)	168	34	110	371	237.27%
Current period other comprehensive income	3,028	3,801	4,042	2,020	2,477	22.62%

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2019 Credit Rating



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Fitch Ratings	Long-term	Short-term	Outlook
Domestic Rating	A- (tw)	F1 (tw)	Stable
International Rating	BB+	B	Stable
Viability Rating		bb+	
Support Rating		4	

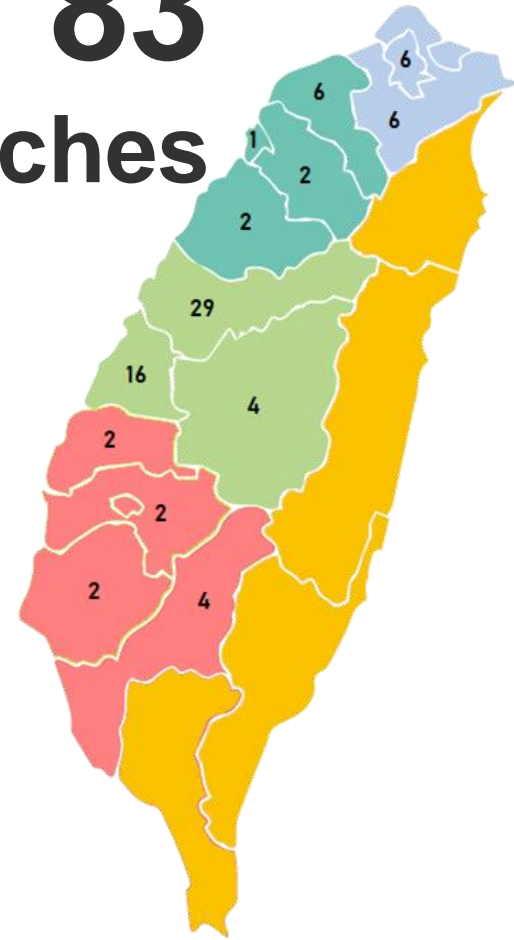


Cultivating deeply in Taiwan
Expanding towards South
East Asia

83
Branches

Opening of the Yanchao Branch on April 2019.

- **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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Our Pride and Achievements



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- ★ Received Overseas Credit Guarantee Fund (Taiwan)'s "2018 Financing Amount Growth for New Southern Policy Countries Excellent Award".
- ★ Received Wealth Magazine's 2019 Wealth Management Award- "Best Financial Technology" and "Best Public Welfare Promotion".
- ★ Received Excellence magazine 2019 Outstanding Bank Evaluation Poll - the "Best Corporate Social Responsibility Award" and "Best Customer Recommendation Award" .
- ★ Received double awards of "Internet Popularity Award" and "Most Creative Filming Award" in the 2019 3rd Taipei Golden Eagle Micro-Movie Festival.



Our prospects for the second-half of 2019



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- Implement financial governance, strengthen corporate compliance.
- Grow our business prudently, optimize assets management.
- Deepen customer relationship management, expand our customer base .
- Expand the international financial market, Strengthen our competitive advantage on foreign exchange market.
- Refine the financial technology, optimize the customer experiences.



Thanks for your listening!



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