

Stock No : 2812

Taichung Commercial Bank 2020 Investor Conference



2021.3.15

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Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2020 Financial Highlight

Profitability

- Net Profit after tax 4.0billions, declined by 6.81% over the same period last year.
- EPS 1.03, declined by 7.21% over the same period last year.

Asset quality

- NPL ratio 0.21%、NPL coverage ratio 644.76%.

Capital adequacy

- Consolidated : Capital Adequacy Ratio 14.15%、Tier I Capital Ratio 13.08%、Common Equity Ratio 10.86%.
- Individual : Capital Adequacy Ratio 13.60%、Tier I Capital Ratio 13.06%、Common Equity Ratio 11.03%.

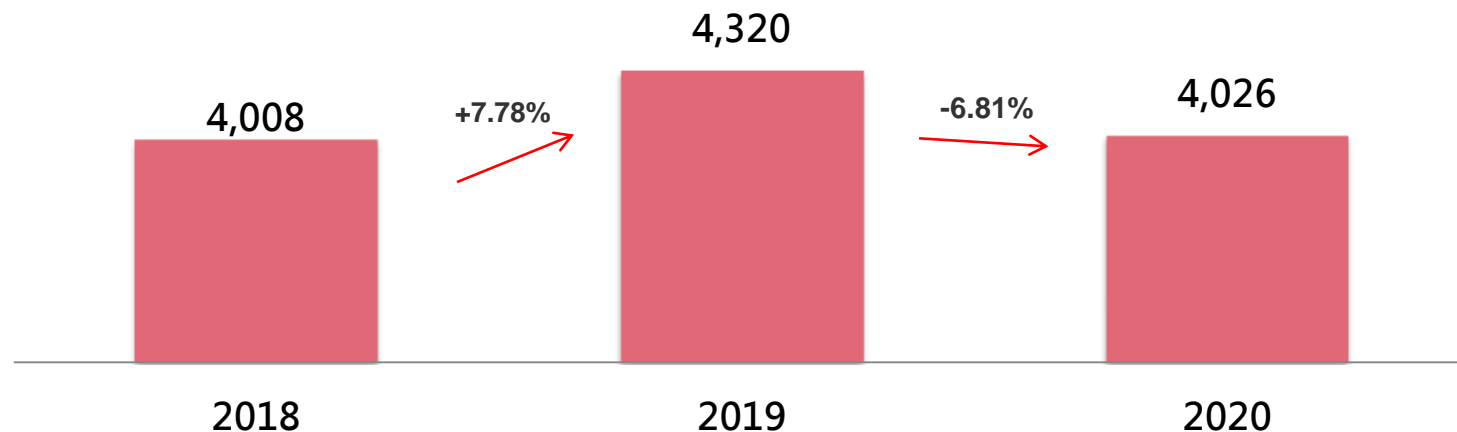
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Profitability

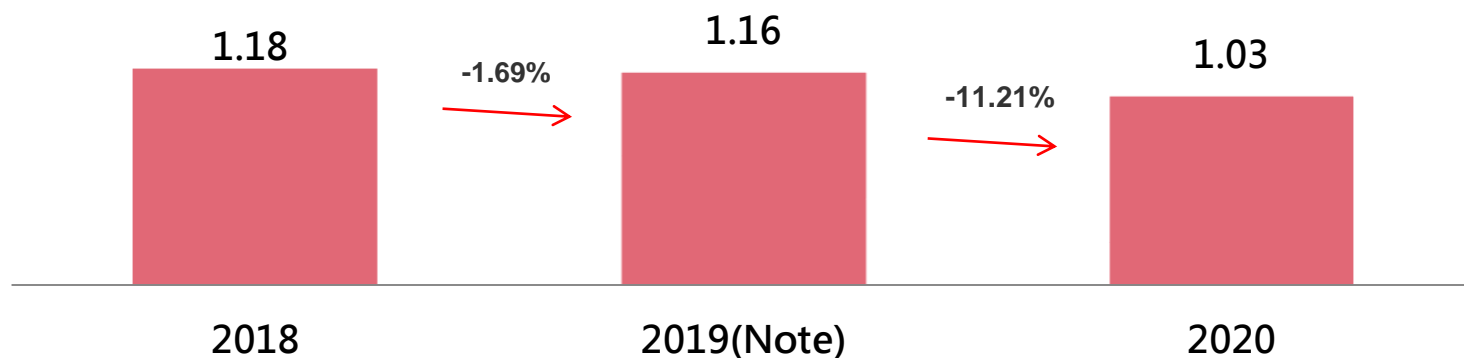
Net Profit

(NT\$ Million)



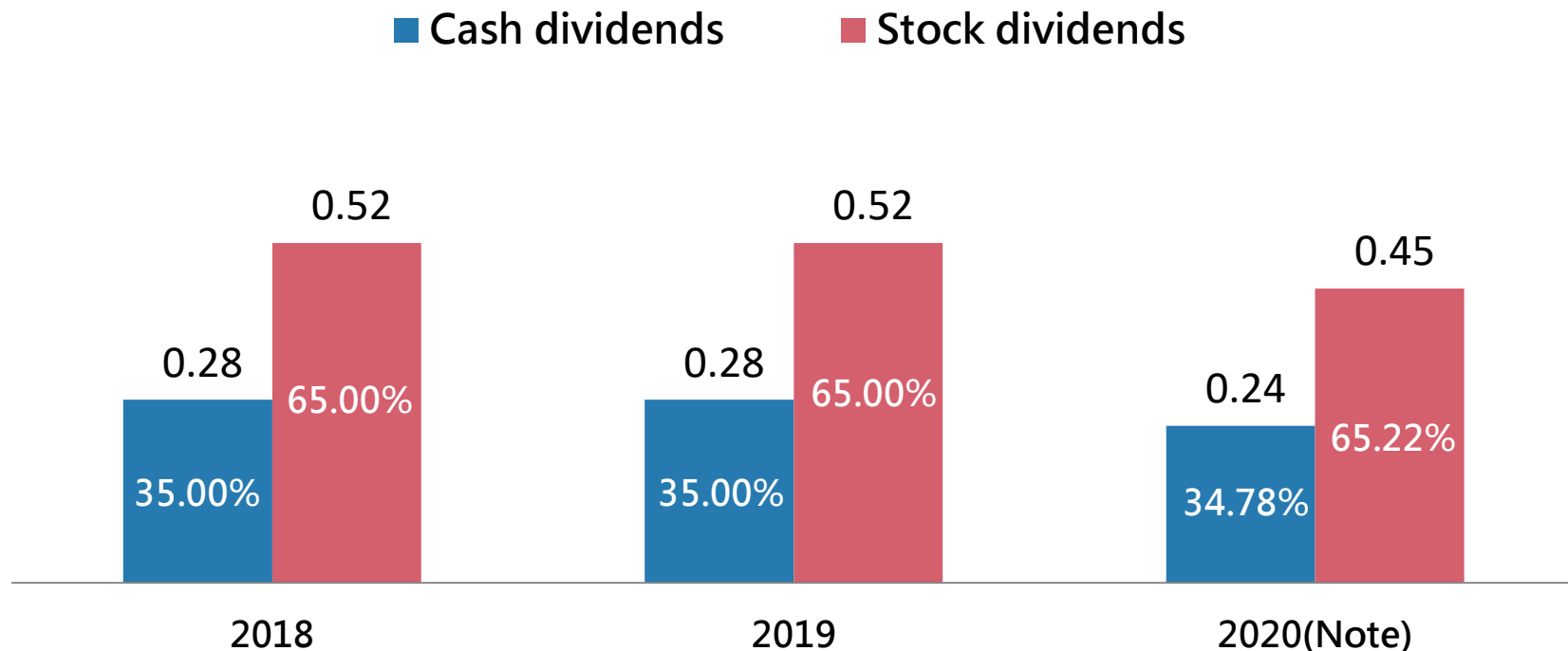
EPS

(NT\$)



Note : The EPS of 2019 was adjusted retroactively as 1.11. The growth rate between 2019 and 2020 declined by 7.21%.

Proposal for the distribution of earnings (NT\$)

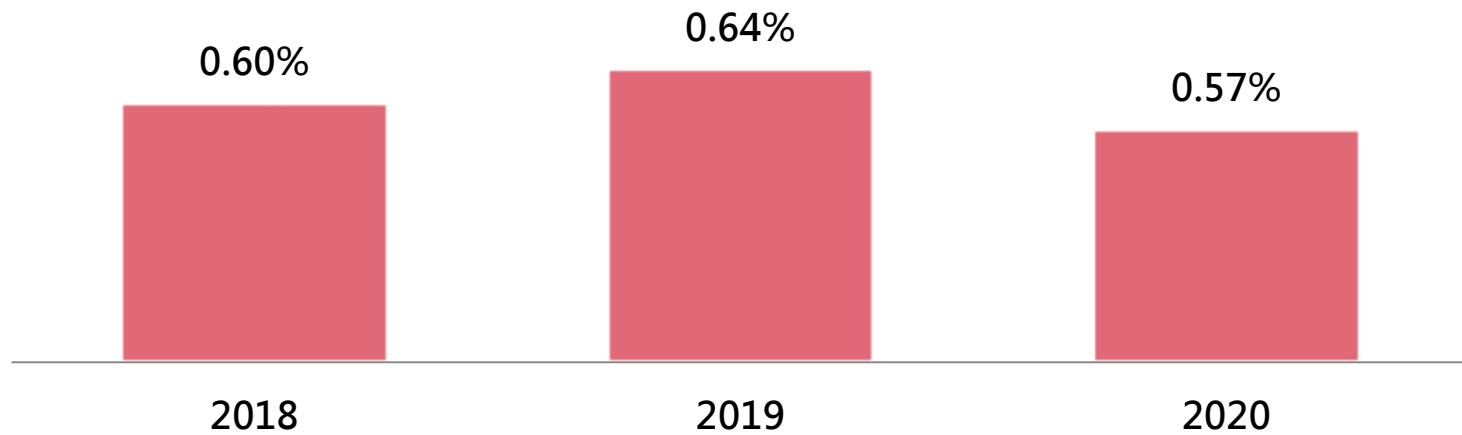


	2018	2019	2020
Dividend Per Share	0.80	0.80	0.69
Cash dividends	0.28	0.28	0.24
Stock dividends	0.52	0.52	0.45

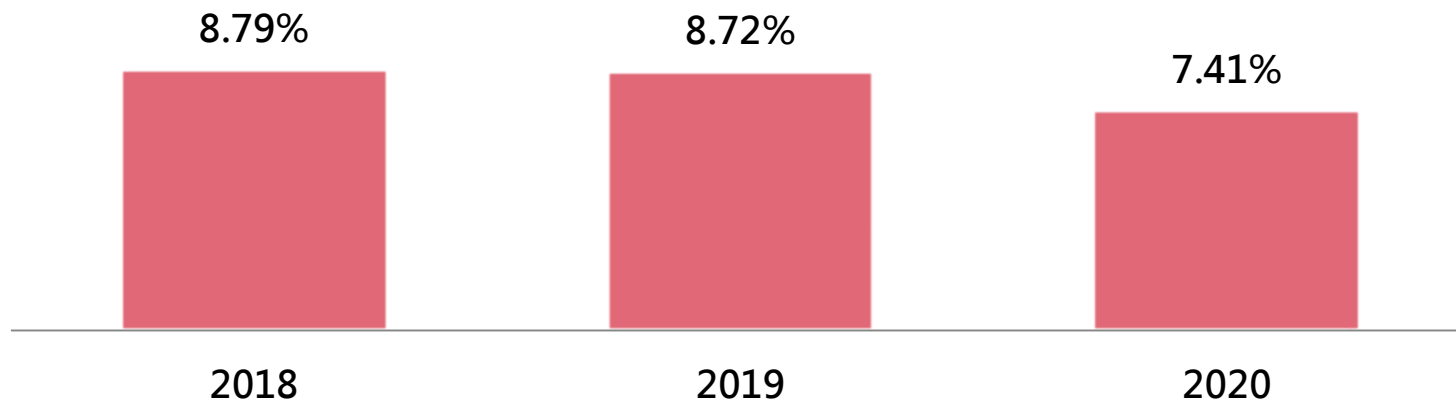
Note : The proposal for the distribution of earnings in 2020 is pending on the resolution of the General Meeting of shareholders scheduled to be held in May 28, 2021.

Profitability

ROA

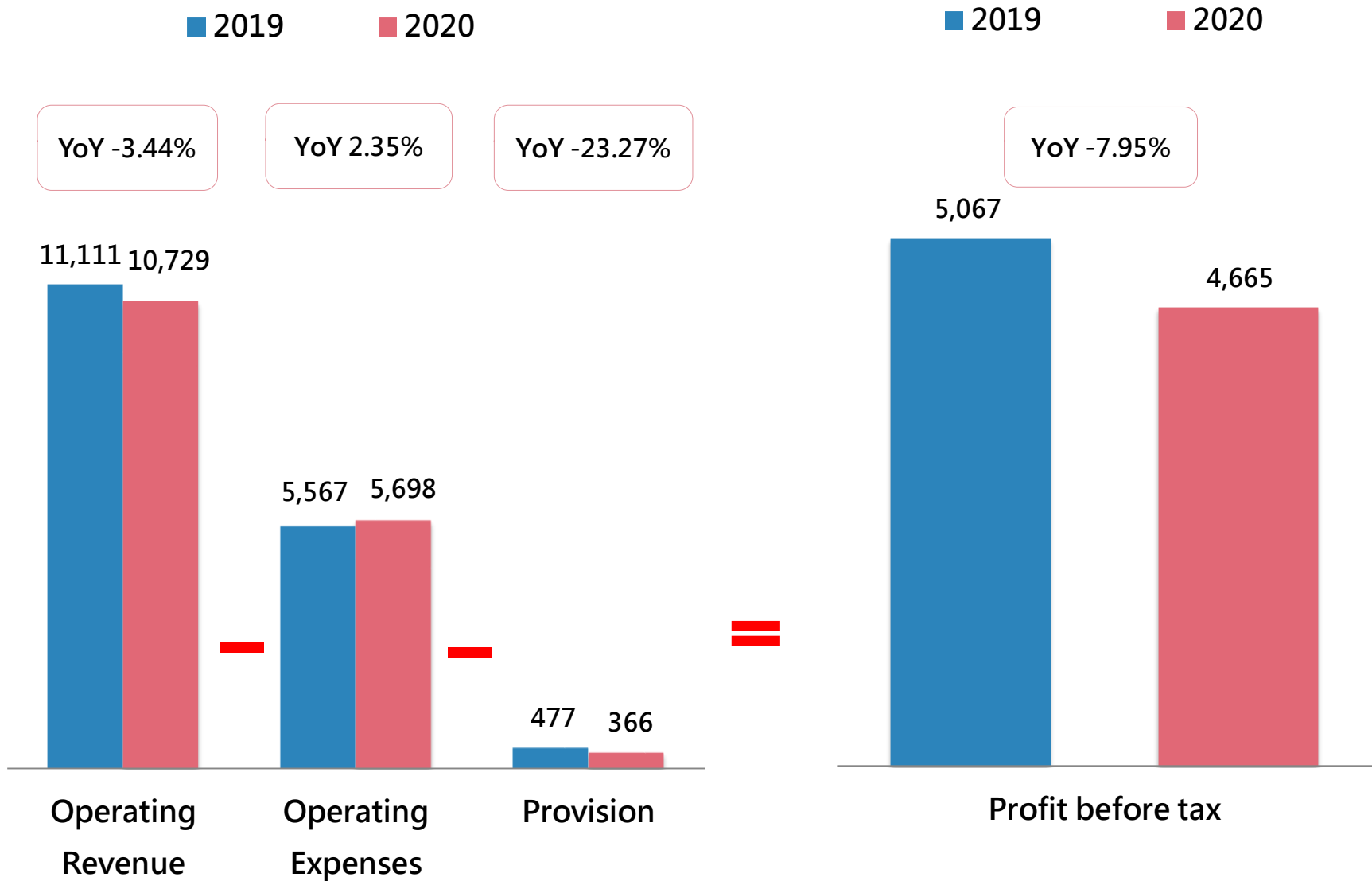


ROE



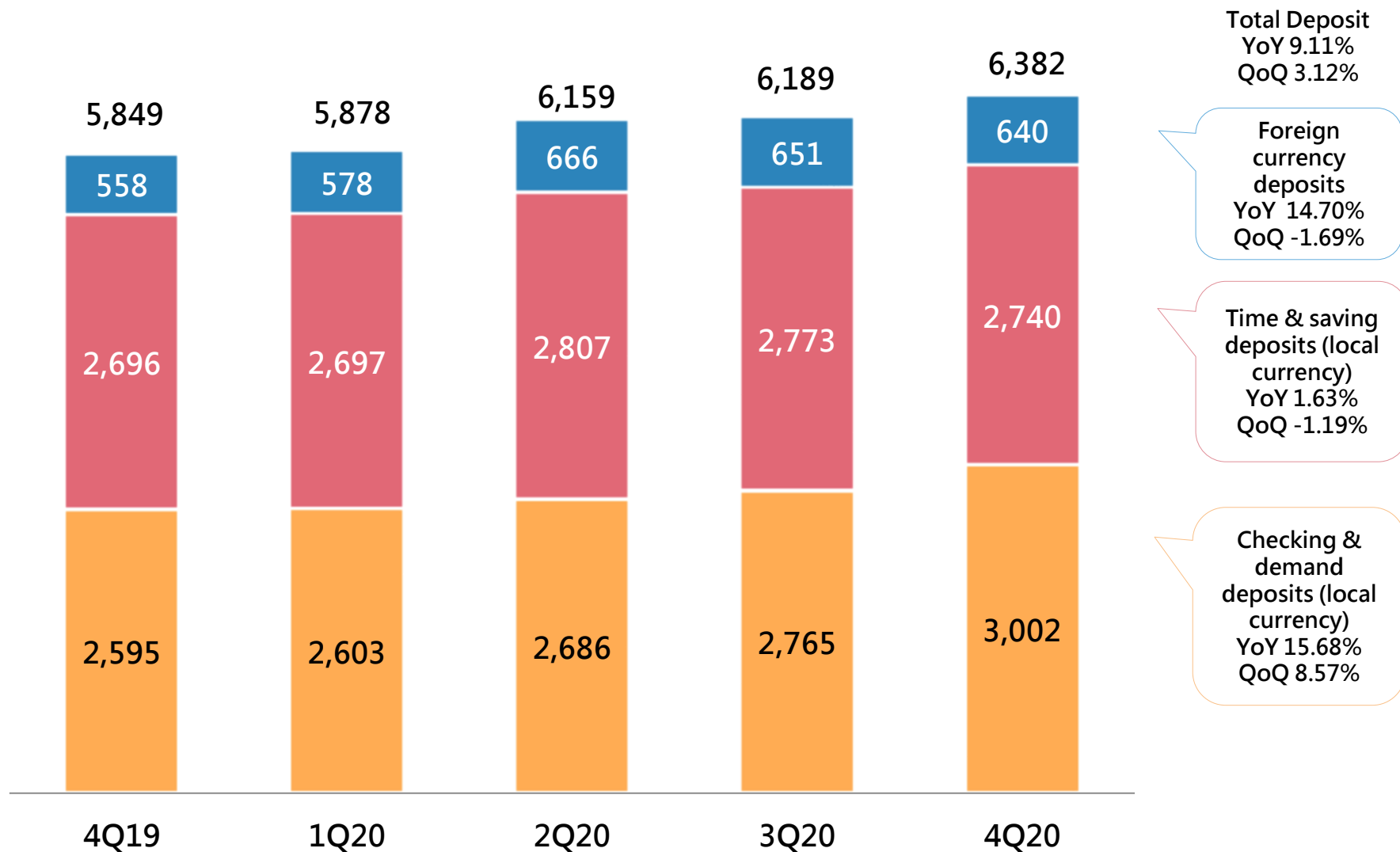
Change in Net Profit

(NT\$ Million)



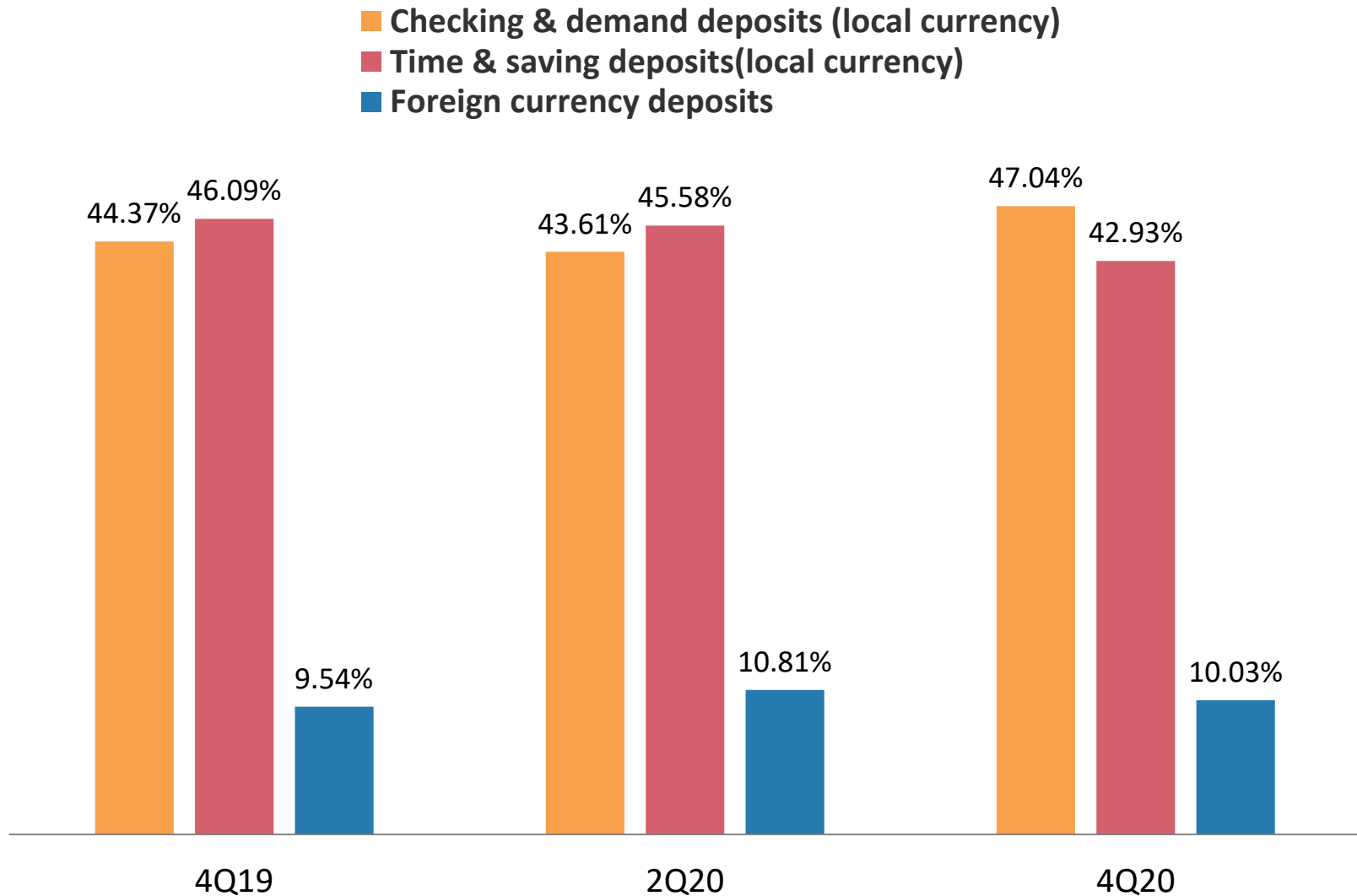
Deposit Breakdown

(NT\$ Hundred Million)



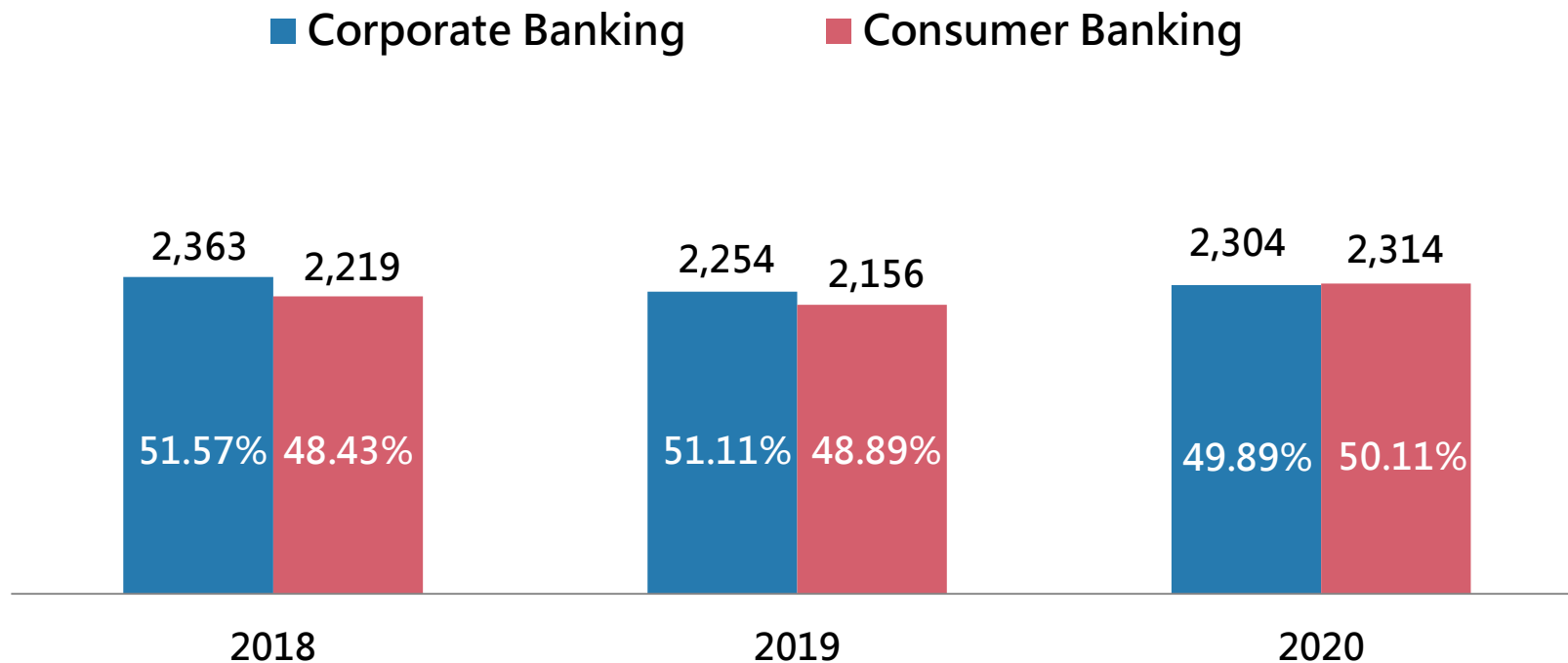
Deposit Structure

(%)



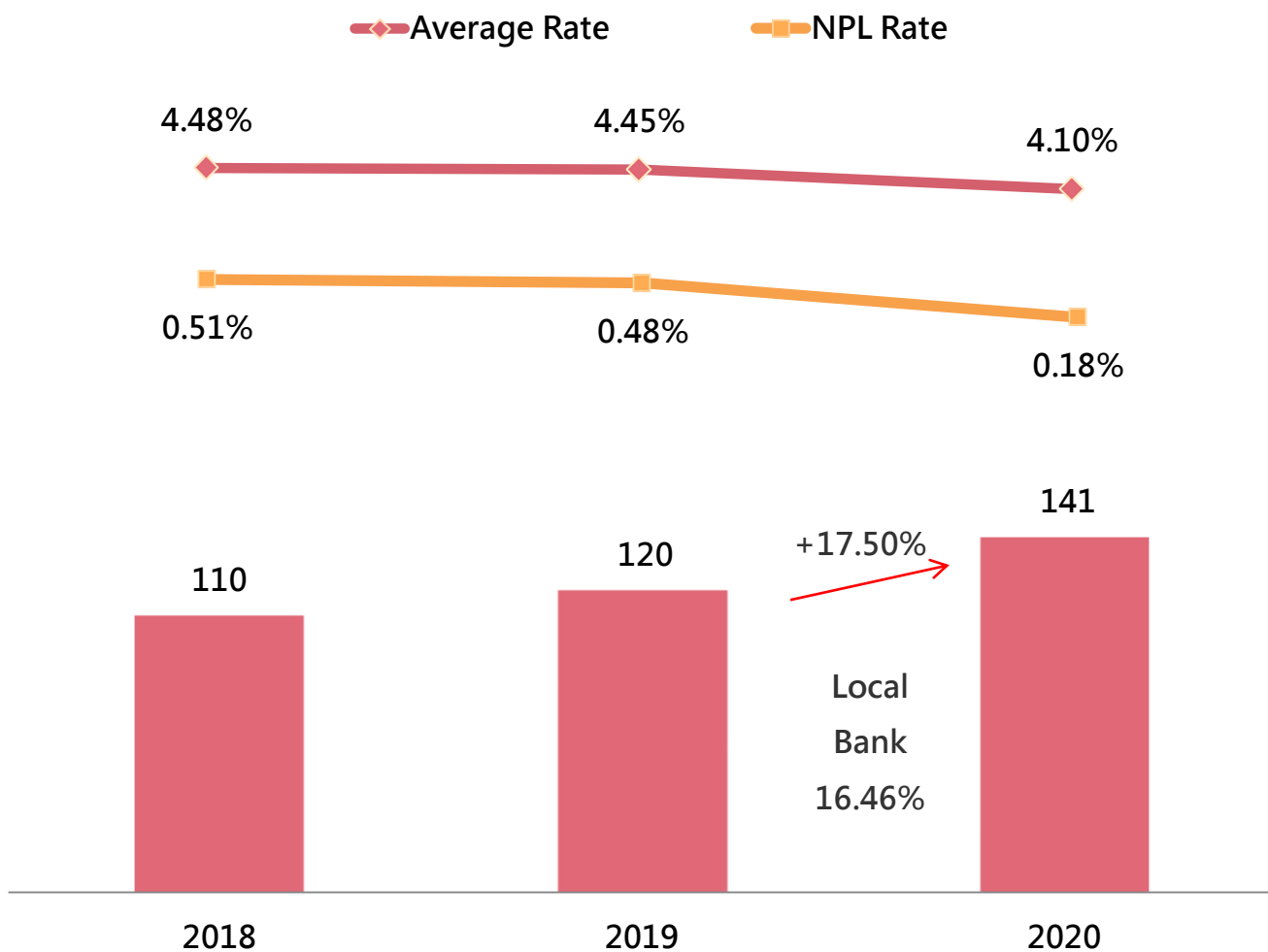
Loan Structure

(NT\$ Hundred Million)



	2018	2019	2020	YoY
Corporate Banking	2,363	2,254	2,304	2.22%
Consumer Banking	2,219	2,156	2,314	7.33%
Total	4,582	4,410	4,618	4.72%

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

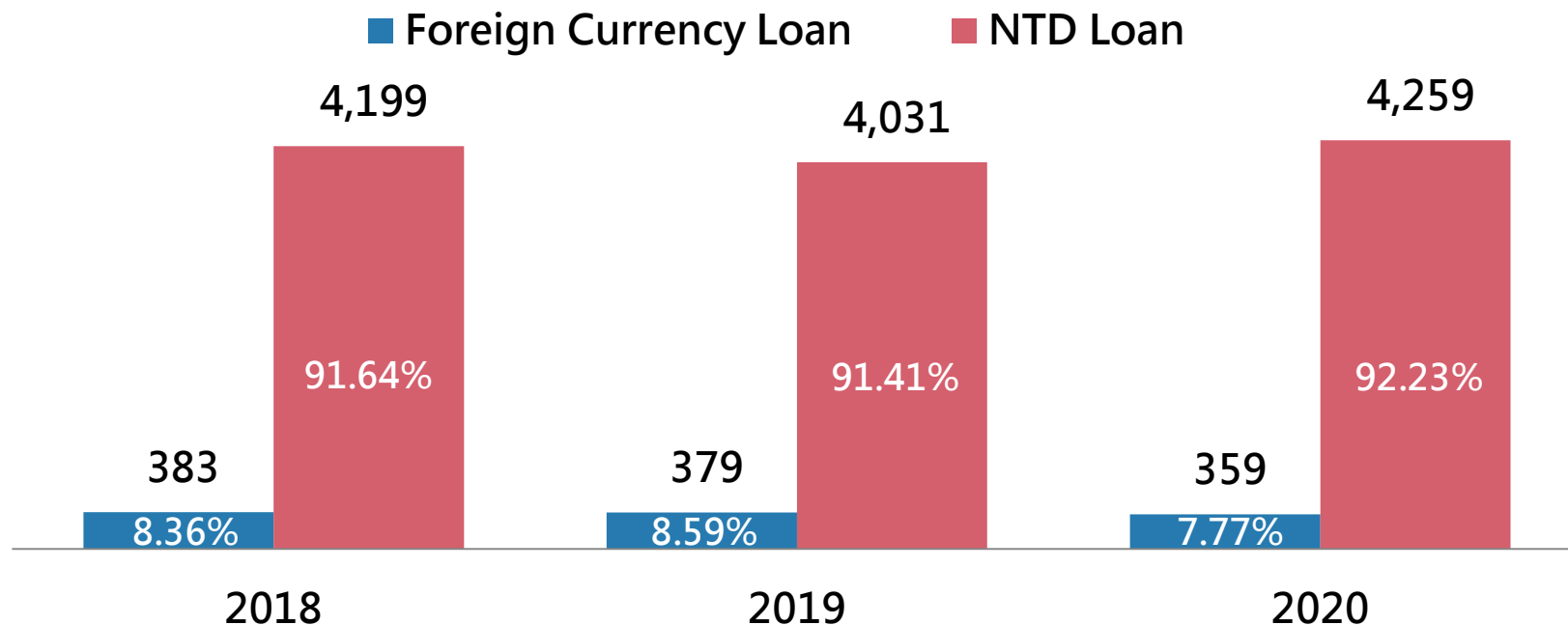


Note : Customption loans are not contain residential mortgage loans 、 loan of cash card 、 credit card and debit card.



Loan Structure by Currency

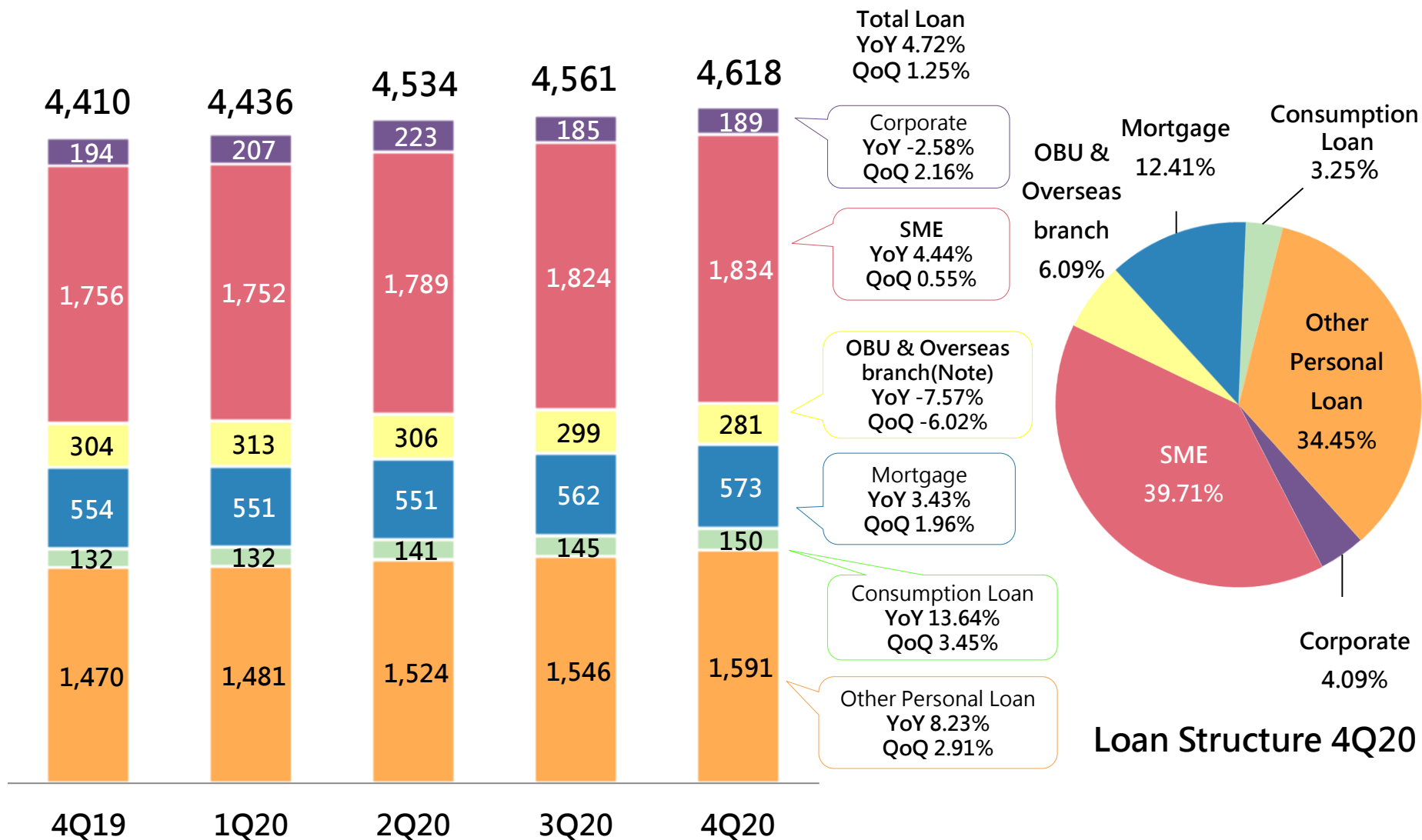
(NT\$ Hundred Million)



	2018	2019	2020	YoY
NTD Loan	4,199	4,031	4,259	5.66%
Foreign Currency Loan	383	379	359	-5.28%
Total	4,582	4,410	4,618	4.72%

Loan Breakdown

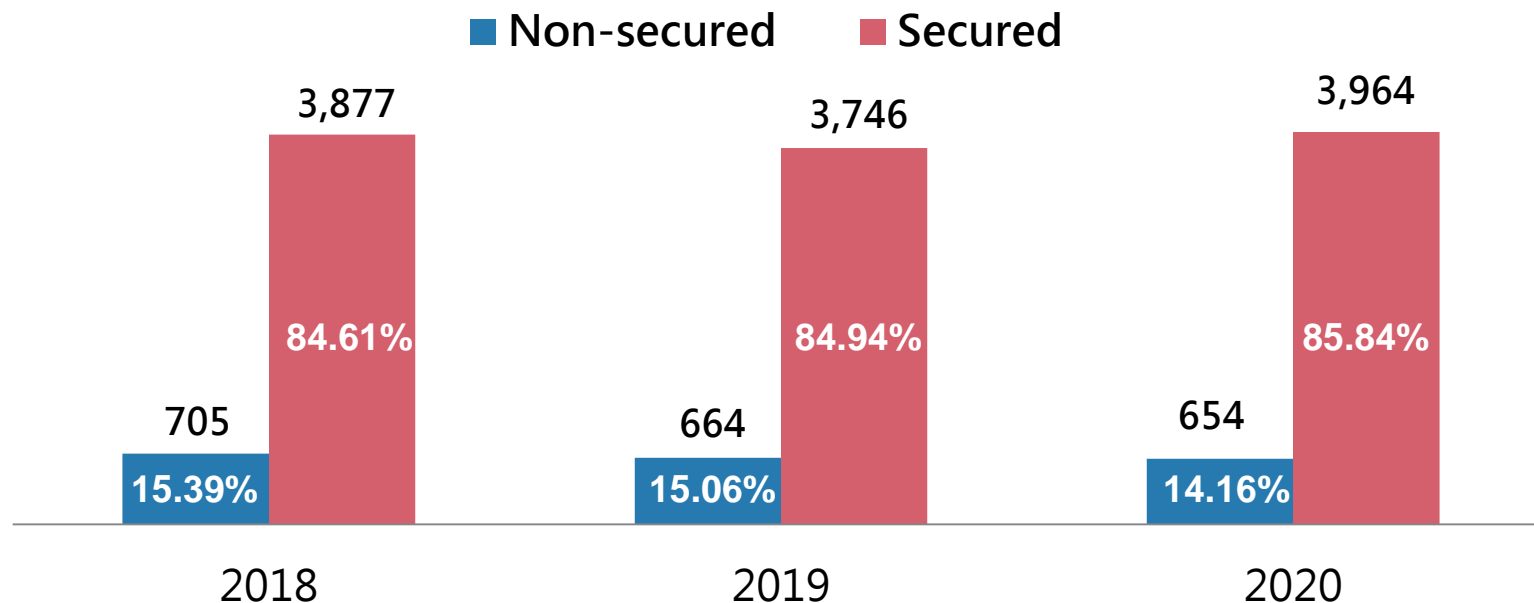
(NT\$ Hundred Million)



Note : The balances of loan of OBU and Overseas branch on December 31, 2020 were 25.5 billion and 2.6 billion, respectively.

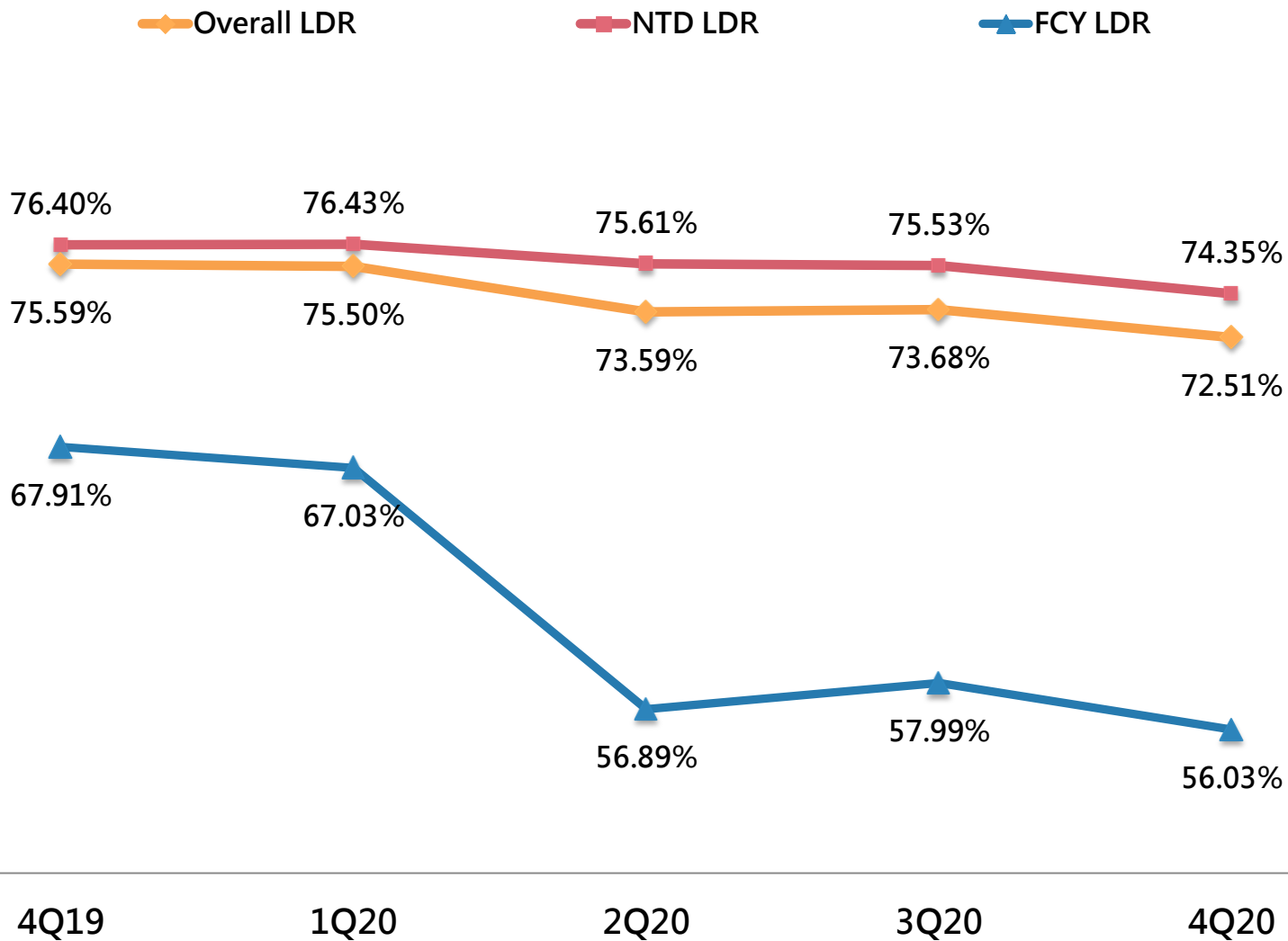
Loan Breakdown

(NT\$ Hundred Million)

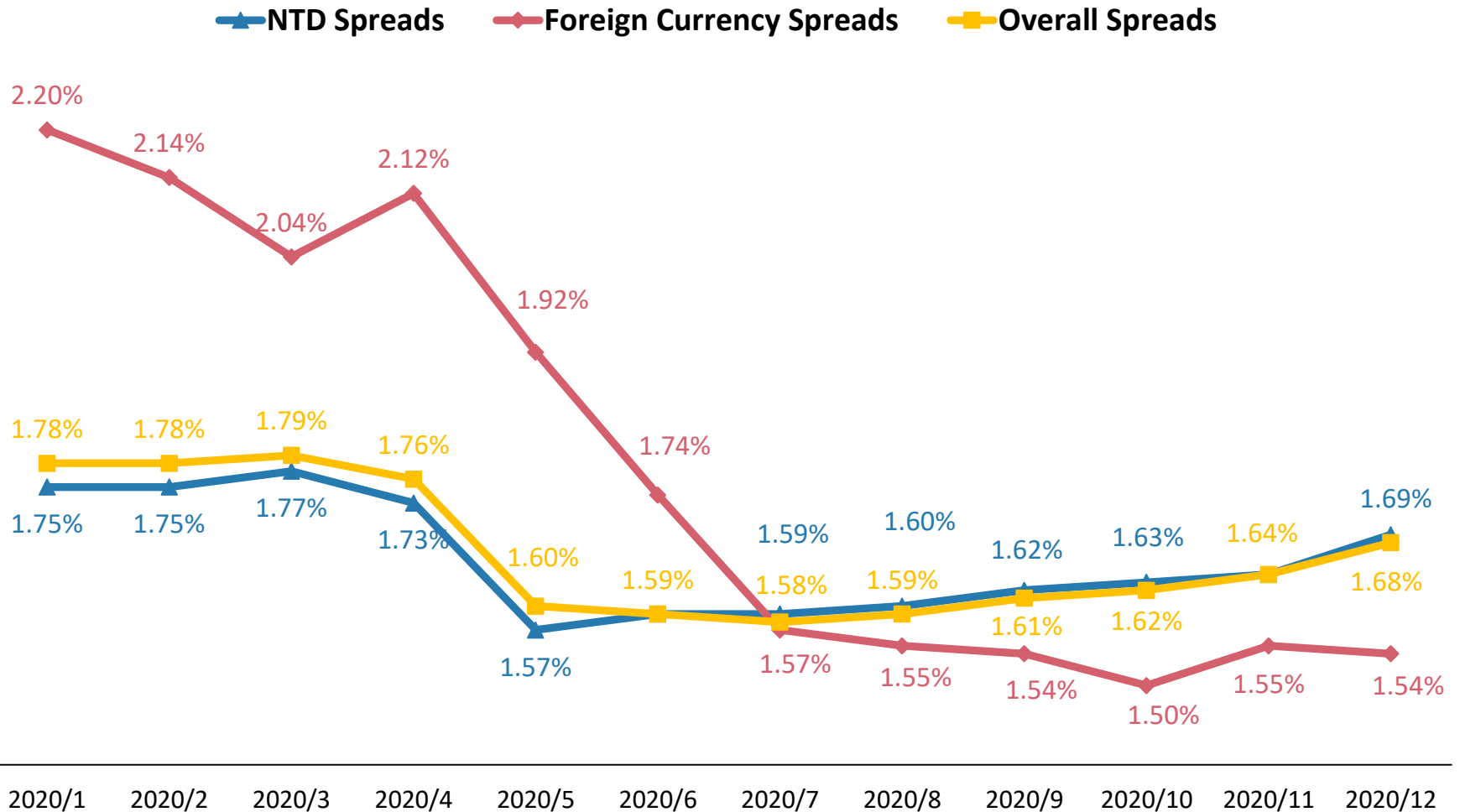


	2018	2019	2020	YoY
Non-secured	705	664	654	-1.51%
Secured	3,877	3,746	3,964	5.82%
Secured by property	3,536	3,437	3,622	5.38%
Secured by Letter of Guarantee	164	149	166	11.41%
Others	177	160	176	10.00%
Total	4,582	4,410	4,618	4.72%

LDR



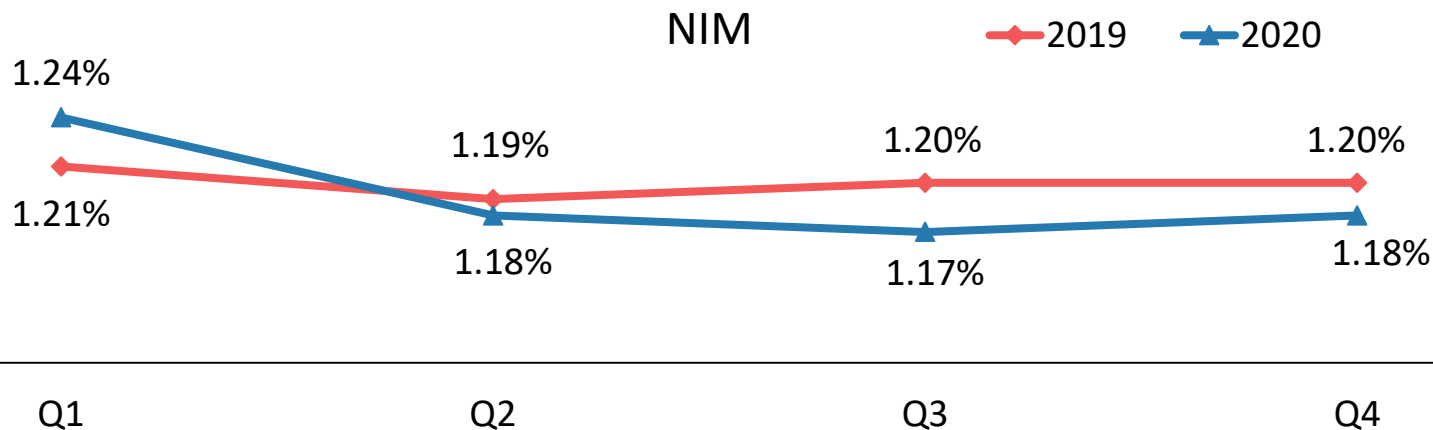
Spreads



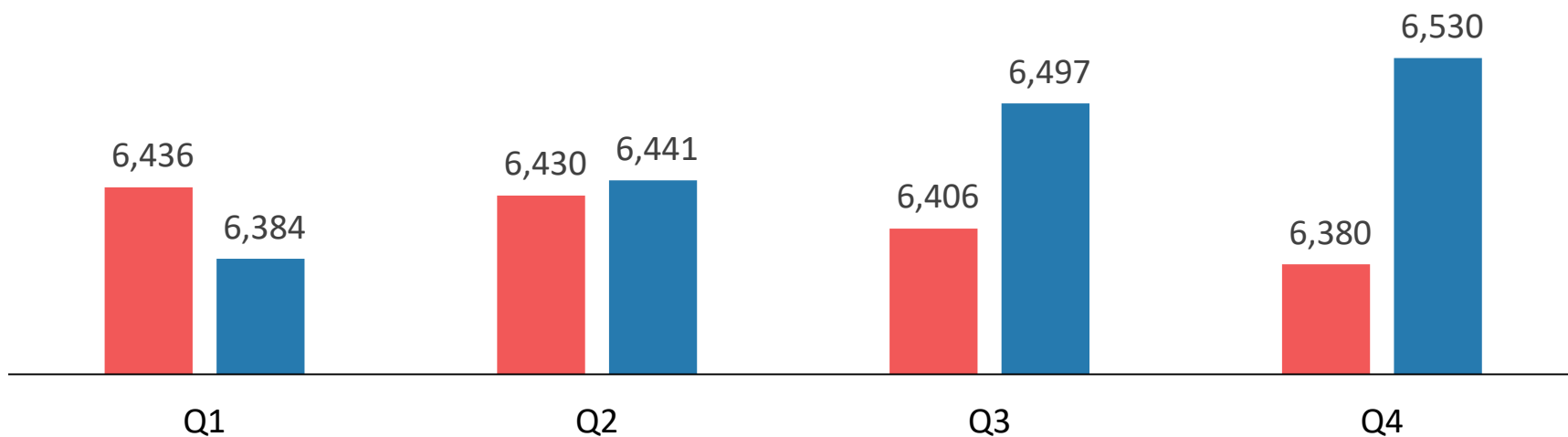
TCB Bank's NIM

(NT\$ Hundred million)

NIM and Interest earning assets

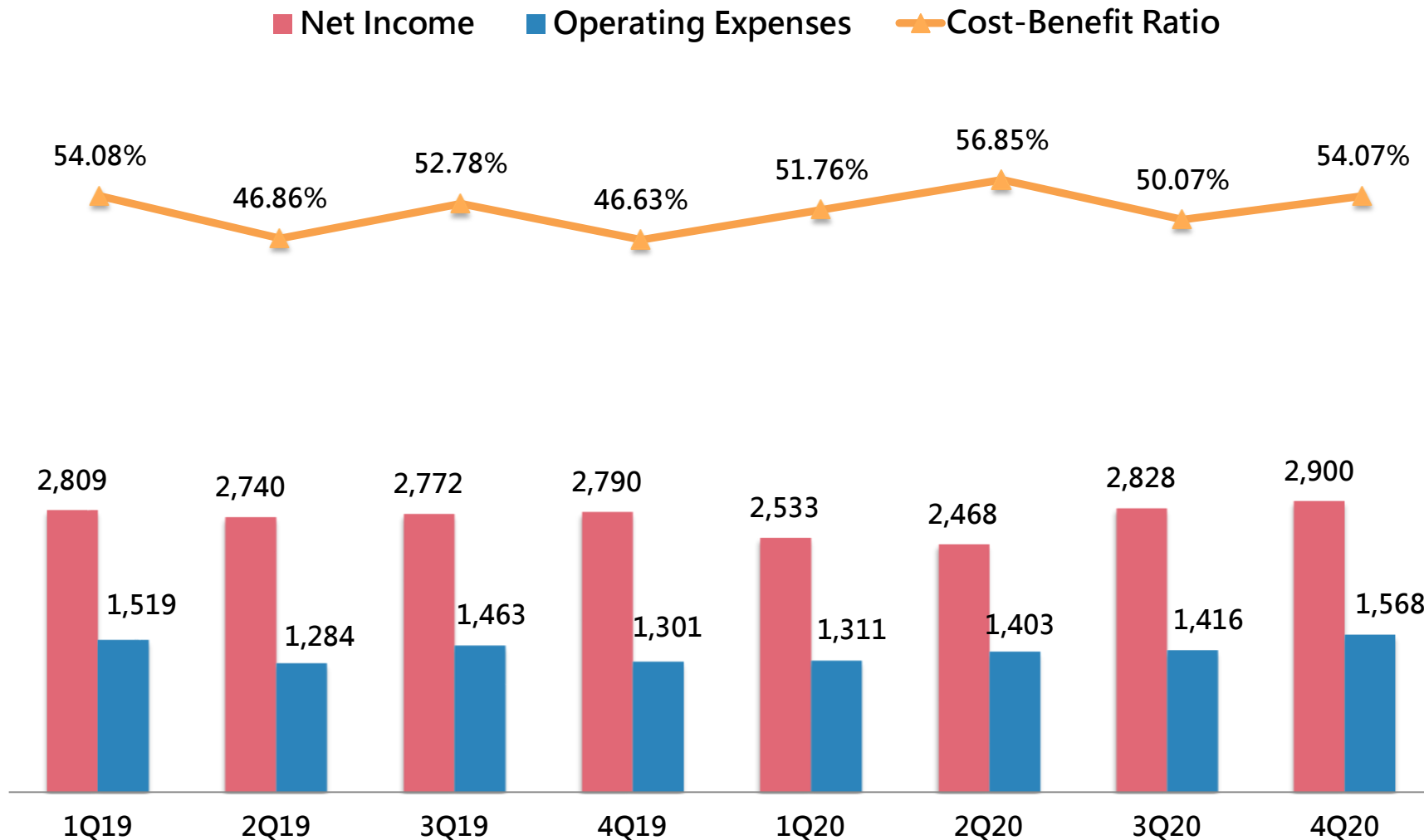


Average of Interest earning assets



Operating Expenses to Net Income

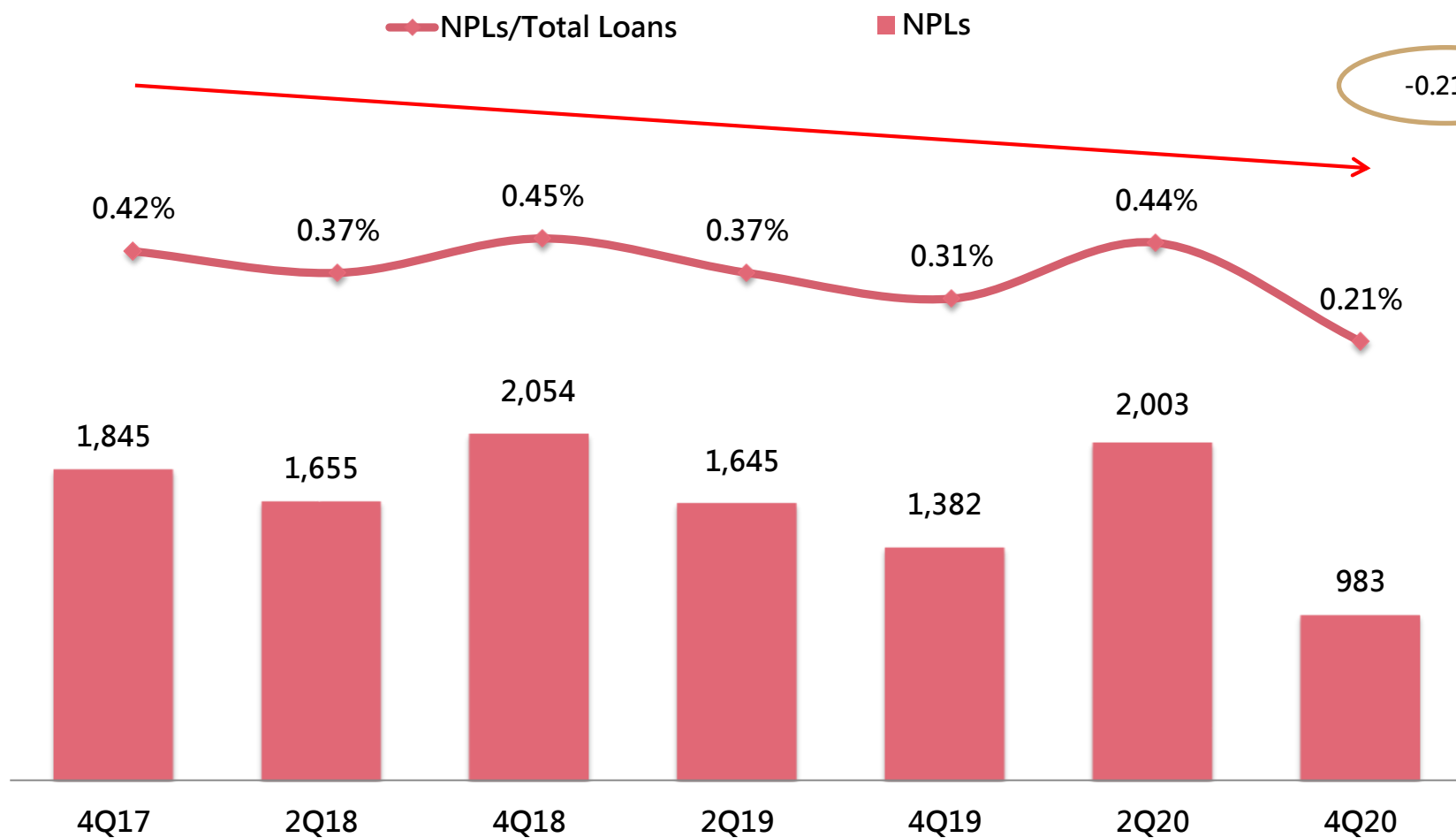
(NT\$ million)



Asset quality

(NT\$ Million)

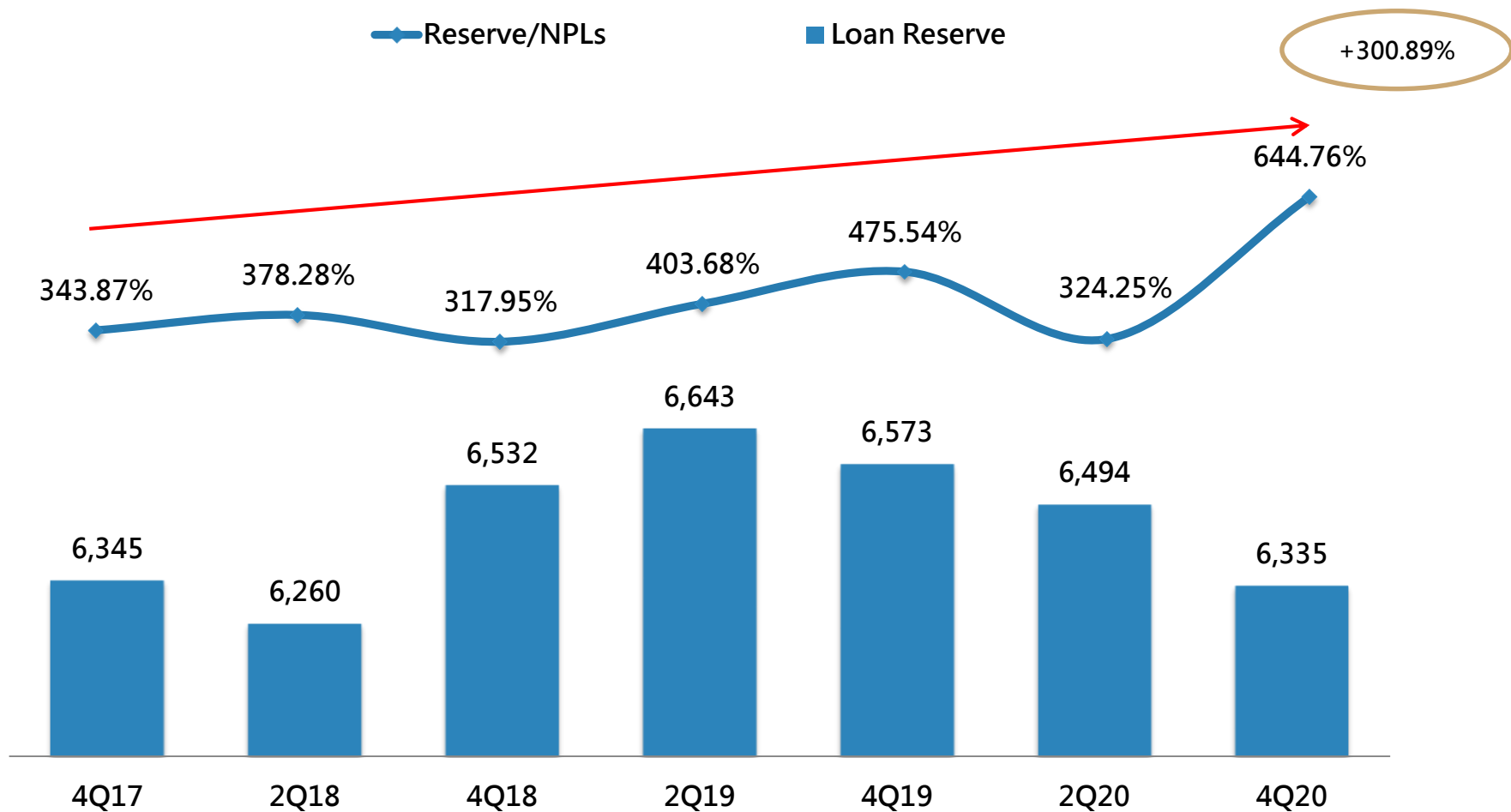
NPLs/Total Loans & NPLs



Asset quality

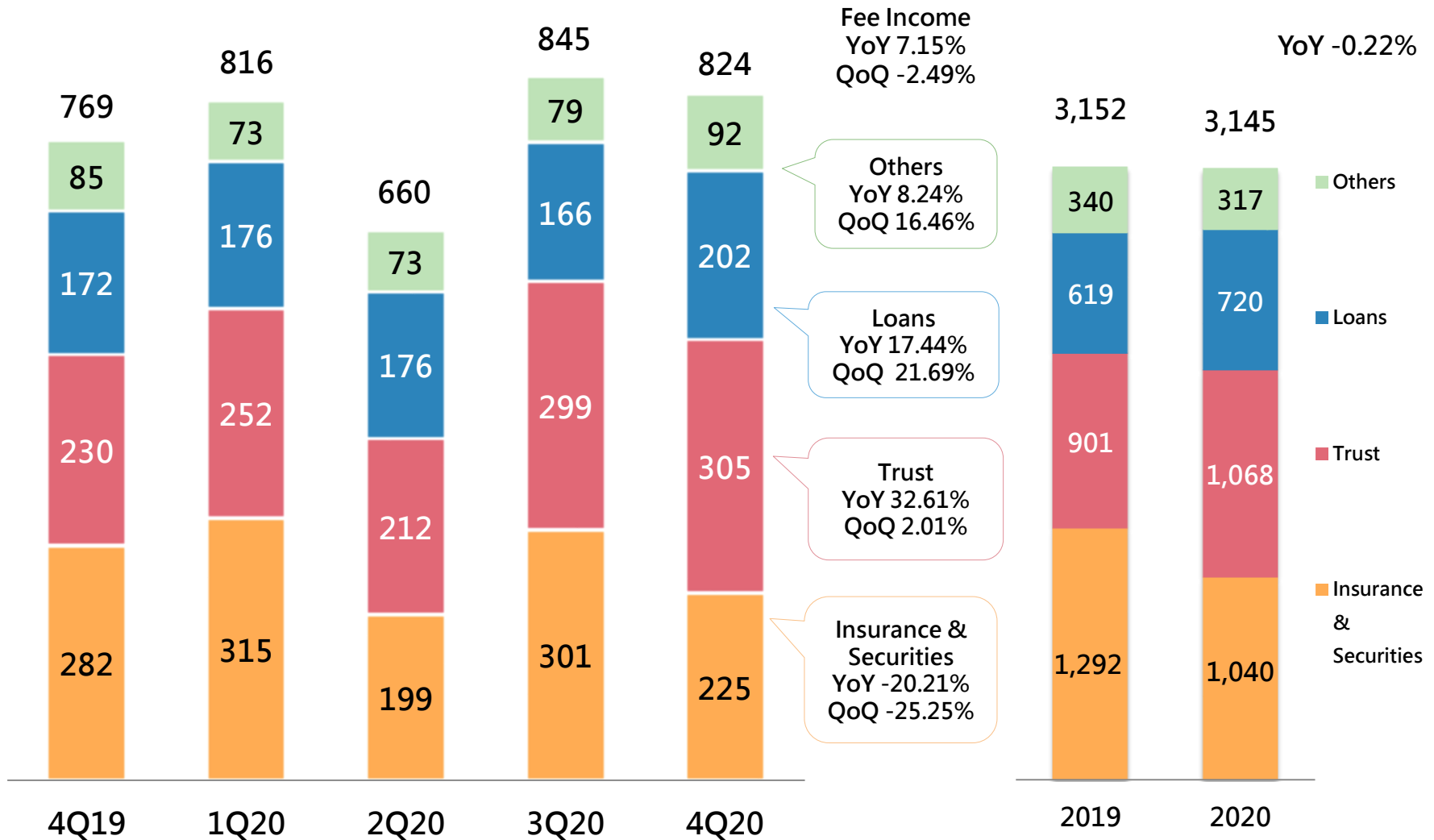
(NT\$ Million)

Reserve/NPLs & Loan Reserve

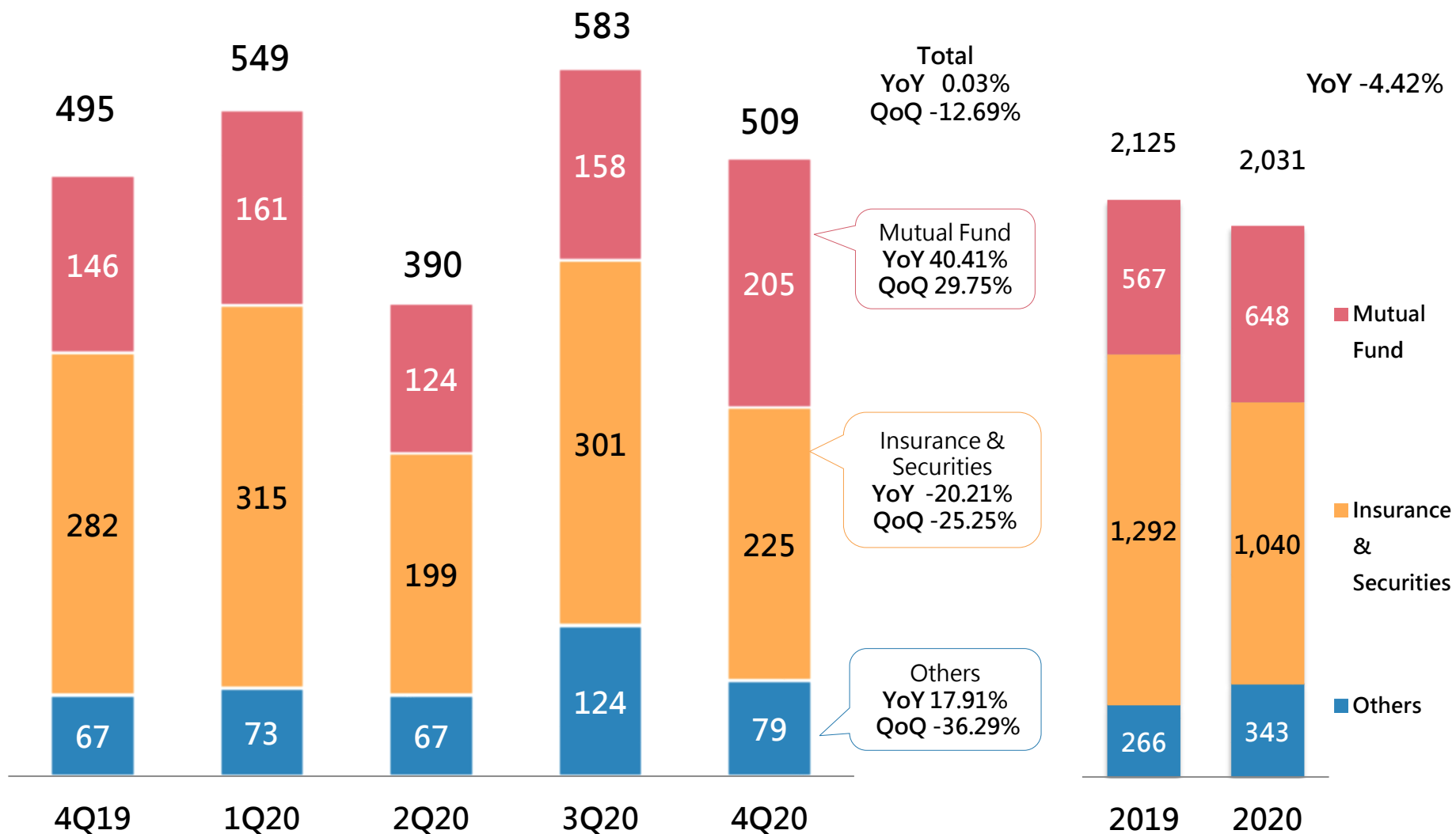


Fee Income Breakdown

(NT\$ Million)



Wealth Management Fee Income (NT\$ Million)



Profit of Subsidiary to TCB

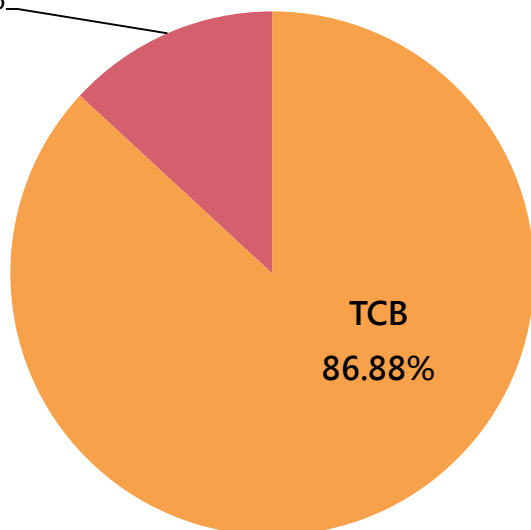
(NT\$ Million)

Net Profit after tax	2019	2020	YoY
TCB	3,753	3,613	-3.73%
Subsidiary	567	413	-27.16%
Total	4,320	4,026	-6.81%

Subsidiary

of TCB

13.12%

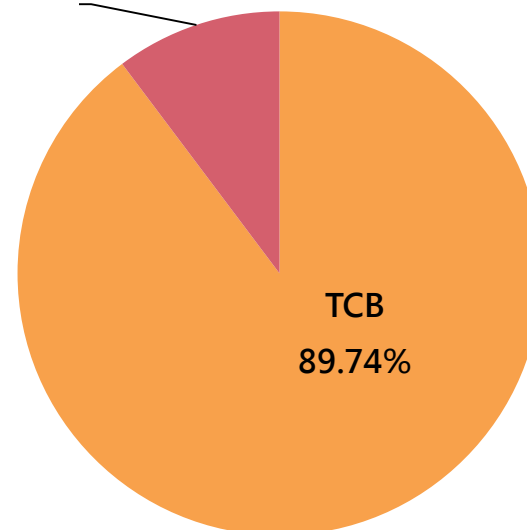


2019 Profit Breakdown

Subsidiary

of TCB

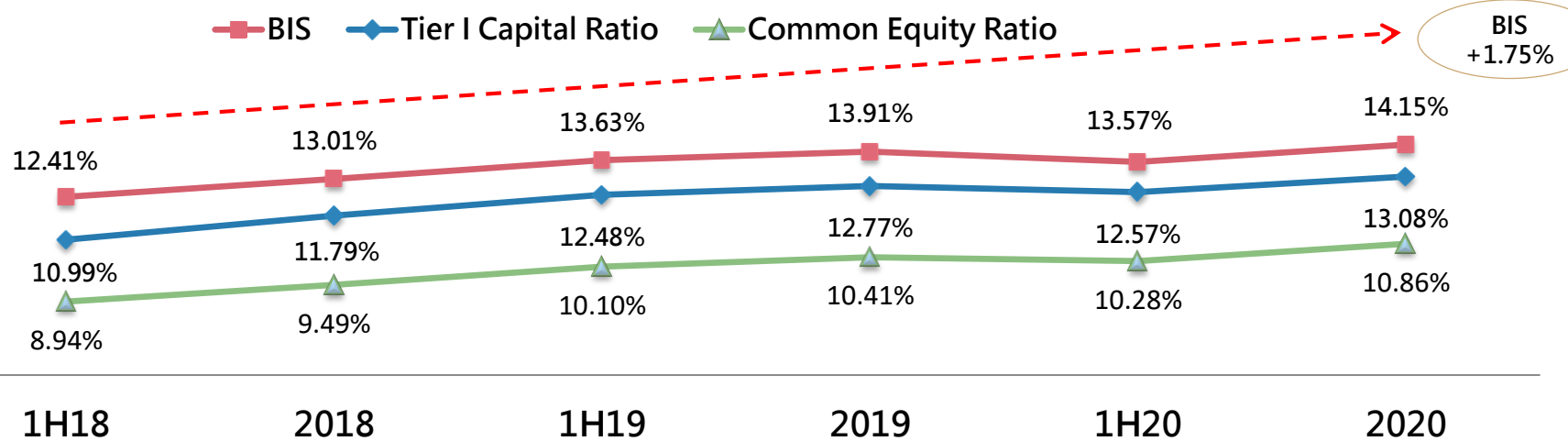
10.26%



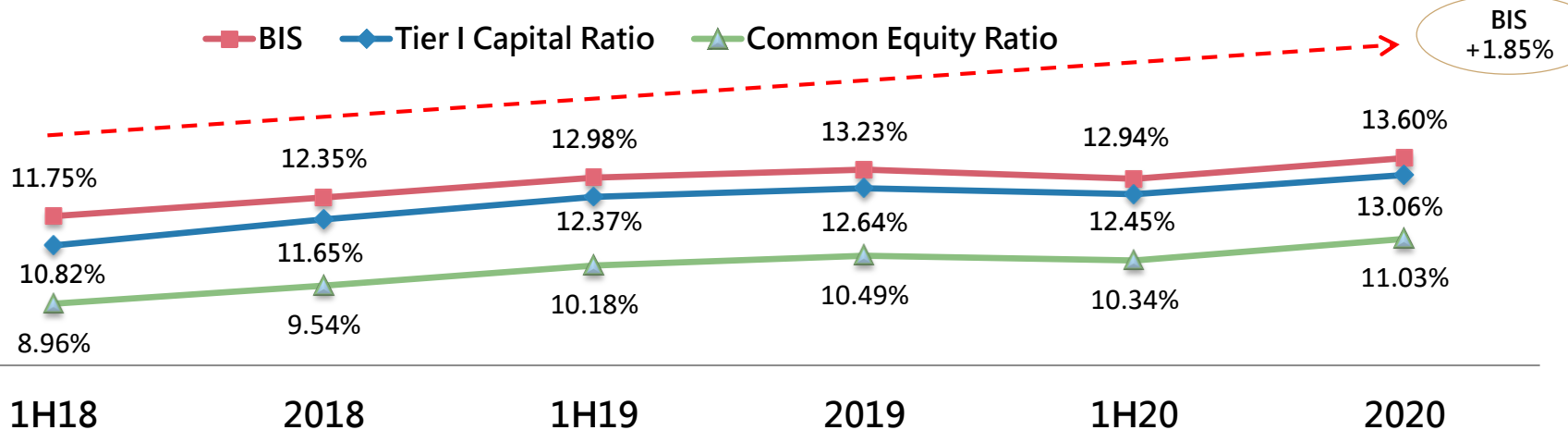
2020 Profit Breakdown

Capital Adequacy

Consolidated



Individual



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Balance Sheet (Individual)

(NT\$ Million)

	2018	2019	2020	YoY
Assets :				
Cash and due from banks	46,740	44,134	51,588	16.89%
Financial investment, net	163,891	173,347	195,628	12.85%
Loans, net	451,729	434,469	455,442	4.83%
A/R, net	5,028	4,064	3,546	-12.75%
LT investments, net	5,225	5,491	5,440	-0.93%
Land, premises and equipment, net	9,368	10,620	12,277	15.60%
Others	2,178	2,898	3,755	29.57%
Total assets	684,159	675,023	727,676	7.80%
Liabilities :				
Deposits	589,243	584,866	638,274	9.13%
Other Liabilities	47,092	38,848	32,080	-17.42%
Total Liabilities	636,335	623,714	670,354	7.48%
Total stockholders' equity	47,824	51,309	57,322	11.72%
Total liabilities and stockholders' equity	684,159	675,023	727,676	7.80%

P&L (Individual)

(NT\$ Million)

	2018	2019	2020	YoY
Net interest income	7,991	7,902	7,848	-0.68%
Net fee income	1,793	1,926	2,117	9.92%
Others	891	1,283	764	-40.45%
Total Operating Income	10,675	11,111	10,729	-3.44%
Operating expenses	(5,626)	(5,567)	(5,698)	2.35%
Pre-provision Profit	5,049	5,544	5,031	-9.25%
Credit Loss Provisions, net	(411)	(477)	(366)	-23.27%
Profit Before Income Tax	4,638	5,067	4,665	-7.93%
Tax Fee	(630)	(747)	(639)	-14.46%
Net Profit After Income Tax	4,008	4,320	4,026	-6.81%
Other Profits	34	153	448	192.81%
Current period other comprehensive income	4,042	4,473	4,474	0.02%

Balance Sheet (Consolidated)

(NT\$ Million)

	2018	2019	2020	YoY
Assets :				
Cash and due from banks	47,644	45,237	52,081	15.13%
Financial investment, net	165,027	174,356	197,275	13.14%
Loans, net	452,595	435,398	456,541	4.86%
A/R, net	12,781	12,820	13,484	5.18%
LT investments, net	153	157	163	3.82%
Land, premises and equipment, net	9,447	10,684	12,333	15.43%
Others	3,185	4,037	4,893	21.20%
Total assets	690,832	682,689	736,770	7.92%
Liabilities :				
Deposits	587,968	583,322	636,589	9.13%
Other Liabilities	55,040	48,058	42,859	-10.82%
Total Liabilities	643,008	631,380	679,448	7.61%
Total stockholders' equity	47,824	51,309	57,322	11.72%
Total liabilities and stockholders' equity	690,832	682,689	736,770	7.92%

P&L(Consolidated)

(NT\$ Million)

	2018	2019	2020	YoY
Net interest income	8,434	8,351	8,279	-0.86%
Net fee income	2,846	2,913	2,906	-0.24%
Others	409	831	459	-44.77%
Total Operating Income	11,689	12,095	11,644	-3.73%
Operating expenses	(6,457)	(6,273)	(6,366)	1.48%
Pre-provision Profit	5,232	5,822	5,278	-9.34%
Credit Loss Provisions, net	(472)	(615)	(519)	-15.61%
Profit Before Income Tax	4,760	5,207	4,759	-8.60%
Tax Fee	(752)	(887)	(733)	-17.36%
Net Profit After Income Tax	4,008	4,320	4,026	-6.81%
Other Profits	34	153	448	192.81%
Current period other comprehensive income	4,042	4,473	4,474	0.02%

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Honors and Recognitions 2020



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- Awarded the “Golden Security Award” for member institutes with excellent performance by Joint Credit Information Center for 6 consecutive years.
- Awarded the “Outstanding Bank Award” for the Phase III Program to Incentivize Lending by Domestic Banks to Enterprises in Target Countries of the New Southbound Policy by the Financial Supervisory Commission.
- Awarded the “Outstanding Potential Award” and “Outstanding Sustainable Management Award” by Excellent Bank.
- Awarded the “Best Customer Recommendations” and “Best Charity Promotion” awarded by the Wealth Magazine on the Wealth Management Awards.
- Awarded the “Bronze” in “Corporate Sustainability Report” in the TCSA held by Taiwan Institute for Sustainable Energy.
- Awarded the “Gold & Long-term Partner” in Sponsorship in the Sports Activist Awards held by the Ministry of Education.



Annual Strategy Outlook 2021



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- Implement a financial supervision system with enhanced corporate governance.
- Refine organizational resilience to achieve sustainable development goals.
- Strengthen risk management efficiency to maintain sound asset quality.
- Focus on customer experience to create better banking experiences.
- Stabilize the growth of the core business and create multiple sources of income.
- Build up profound competitive advantages in foreign exchange and gradually expand overseas markets.
- Refine financial planning services and develop full functions of trust services.



Thanks for your
listening!

