

Stock No : 2812

# Taichung Commercial Bank

## 2020 Half Year Investor Conference

2020.8.28

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# Agenda

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- Financial Highlights
- Financial Review
- Financial Information
- Appendix

# 2019 Half Year Financial Highlight

## Profitability

- Net Profit after tax 1.8billions, declined by 12.58% over the same period last year.
- EPS 0.47, declined by 12.96% over the same period last year.

## Asset quality

- NPL ratio 0.44% 、NPL coverage ratio 324.25%.

## Capital adequacy

- Consolidated : Capital Adequacy Ratio 13.56% 、Tier I Capital Ratio 12.55% 。
- Individual : Capital Adequacy Ratio 12.94% 、Tier I Capital Ratio 12.45% 。

# Agenda

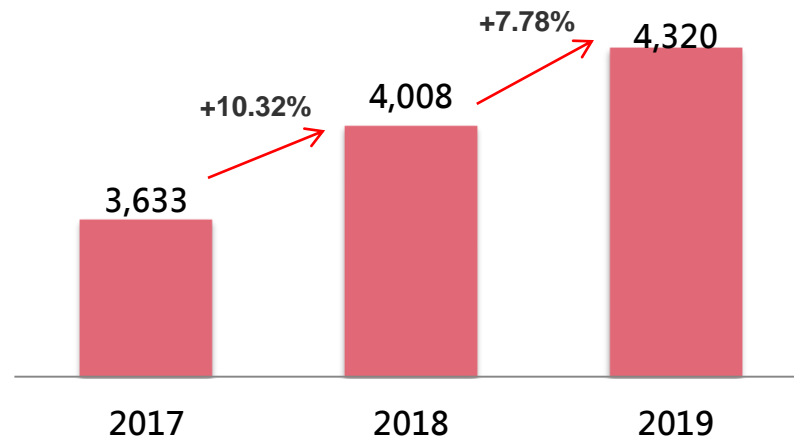
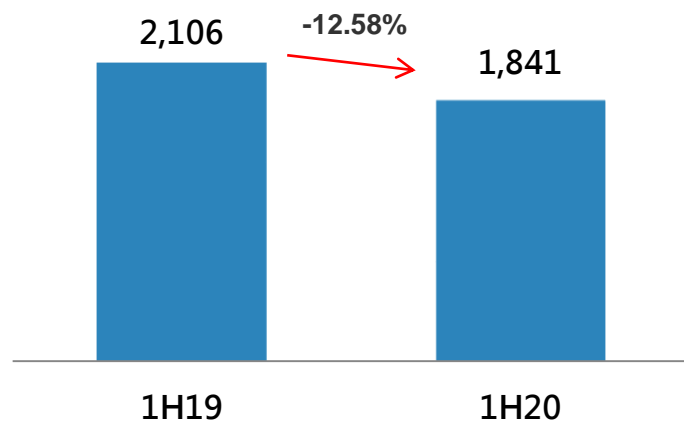
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# Profitability

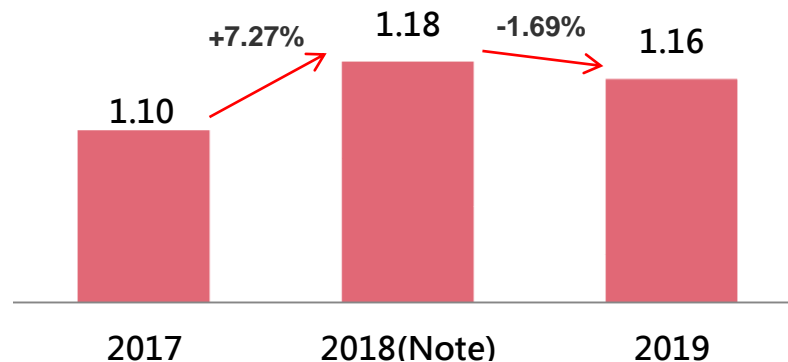
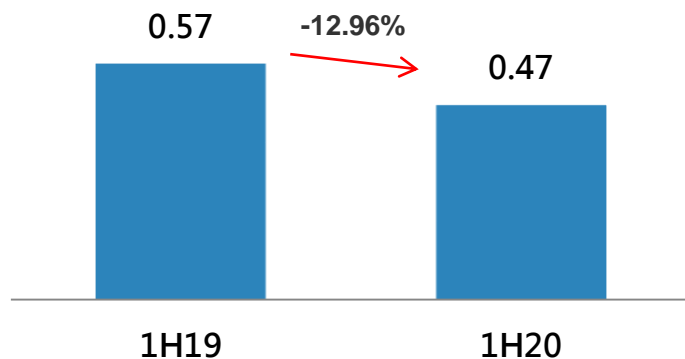
## Net Profit

(NT\$ Million)



## EPS

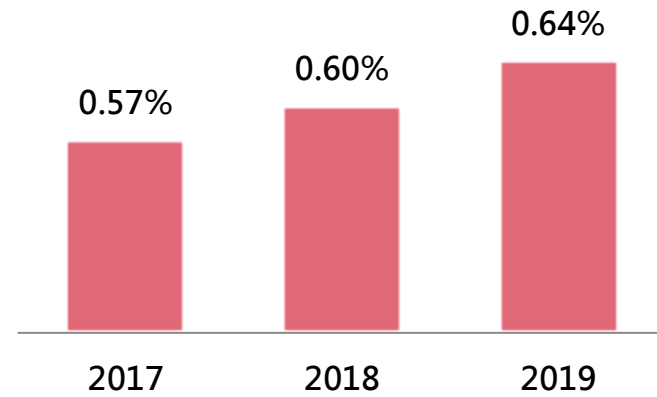
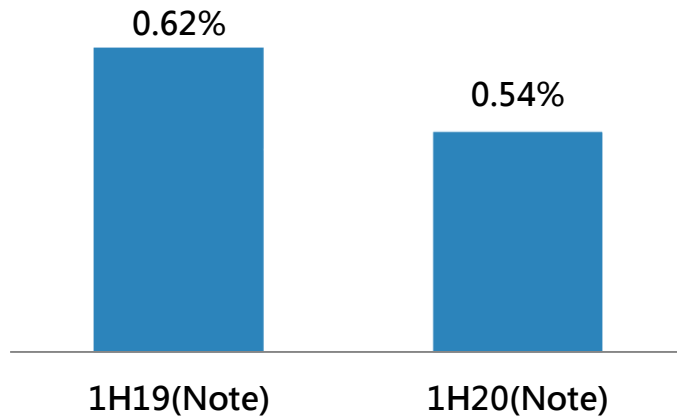
(NT\$)



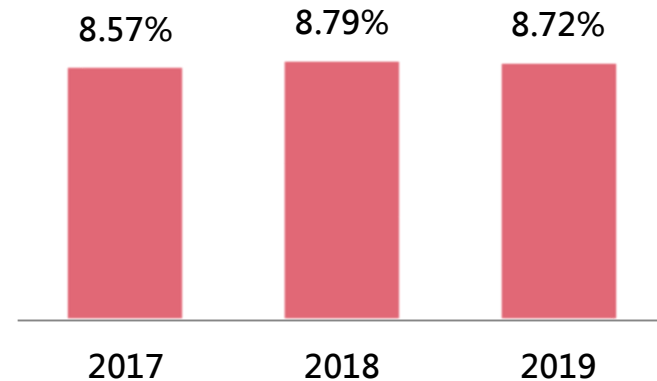
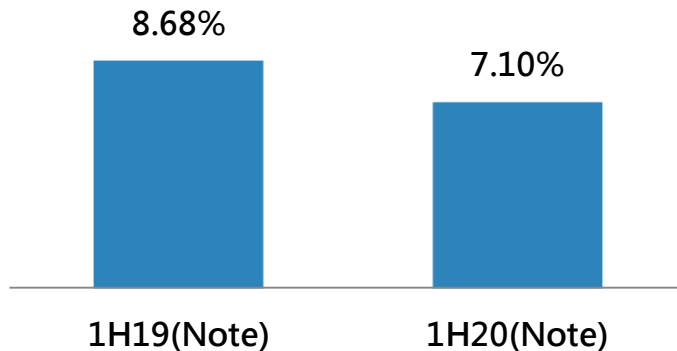
Note : The EPS of 2018 was adjusted retroactively as 1.12. The growth rate between 2018 and 2019 increases 3.57%.

# Profitability

## ROA



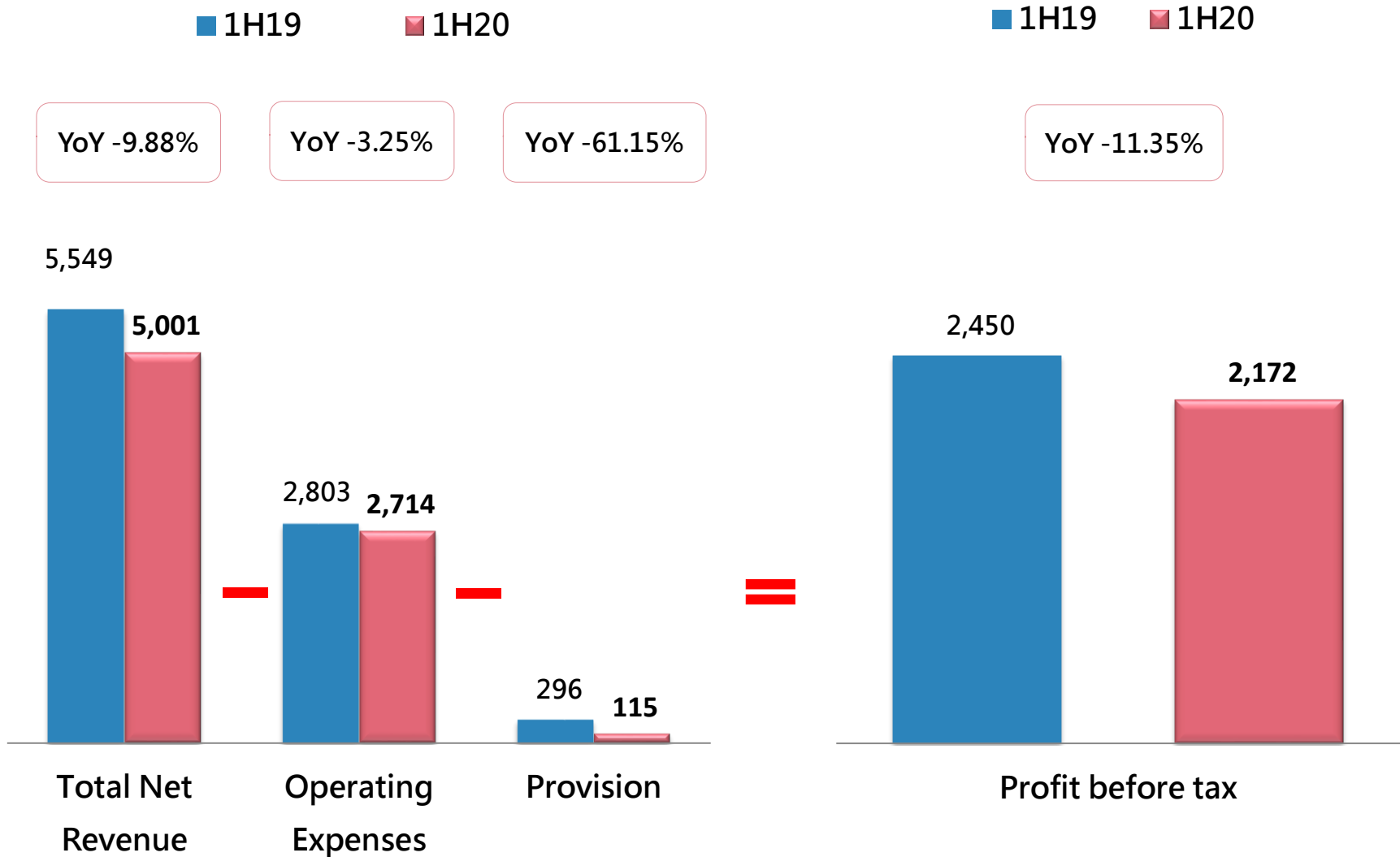
## ROE



Note : ROE and ROA are annualized

# Change in Net Profit

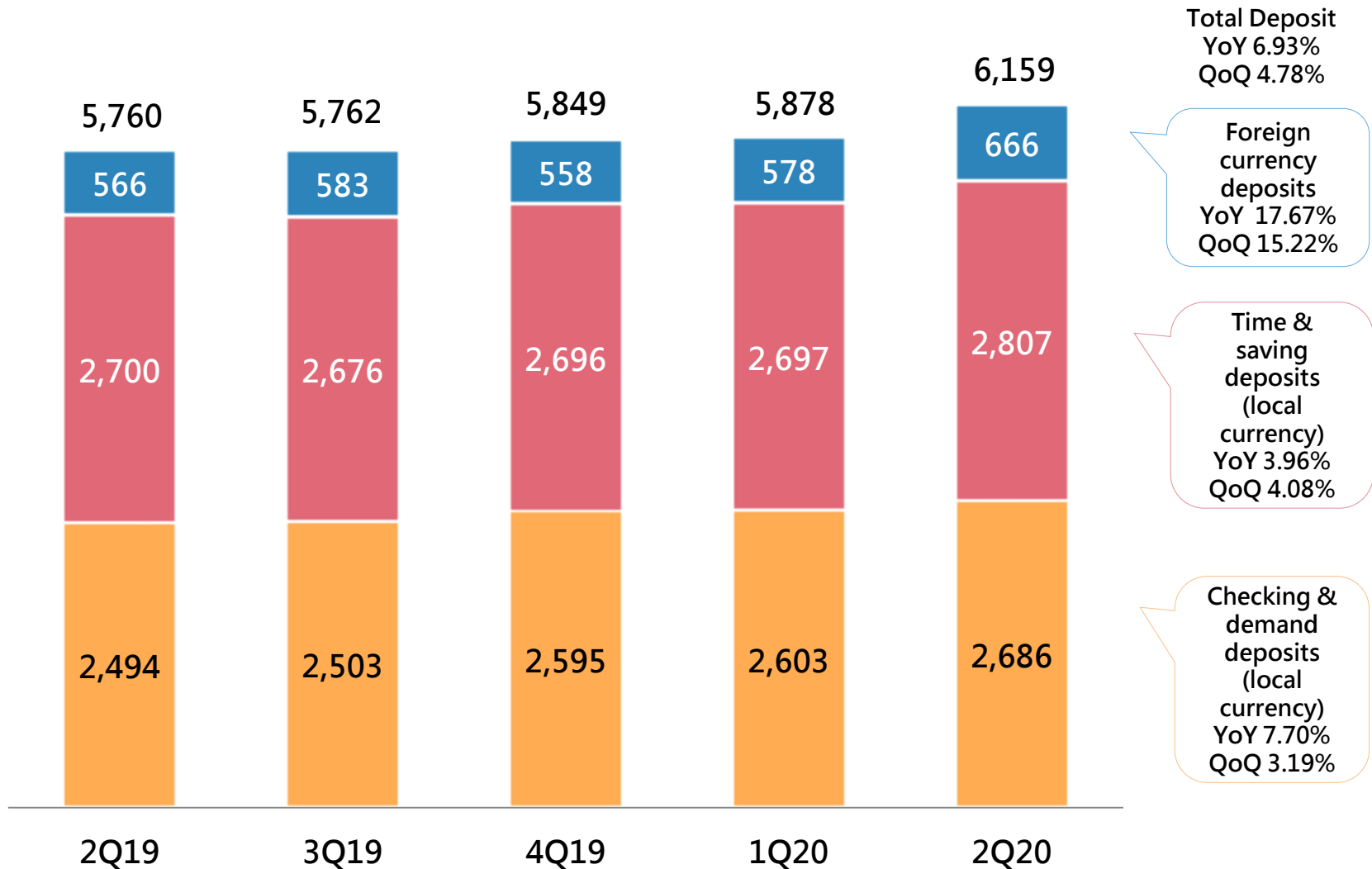
(NT\$ Million)





# Deposit Breakdown

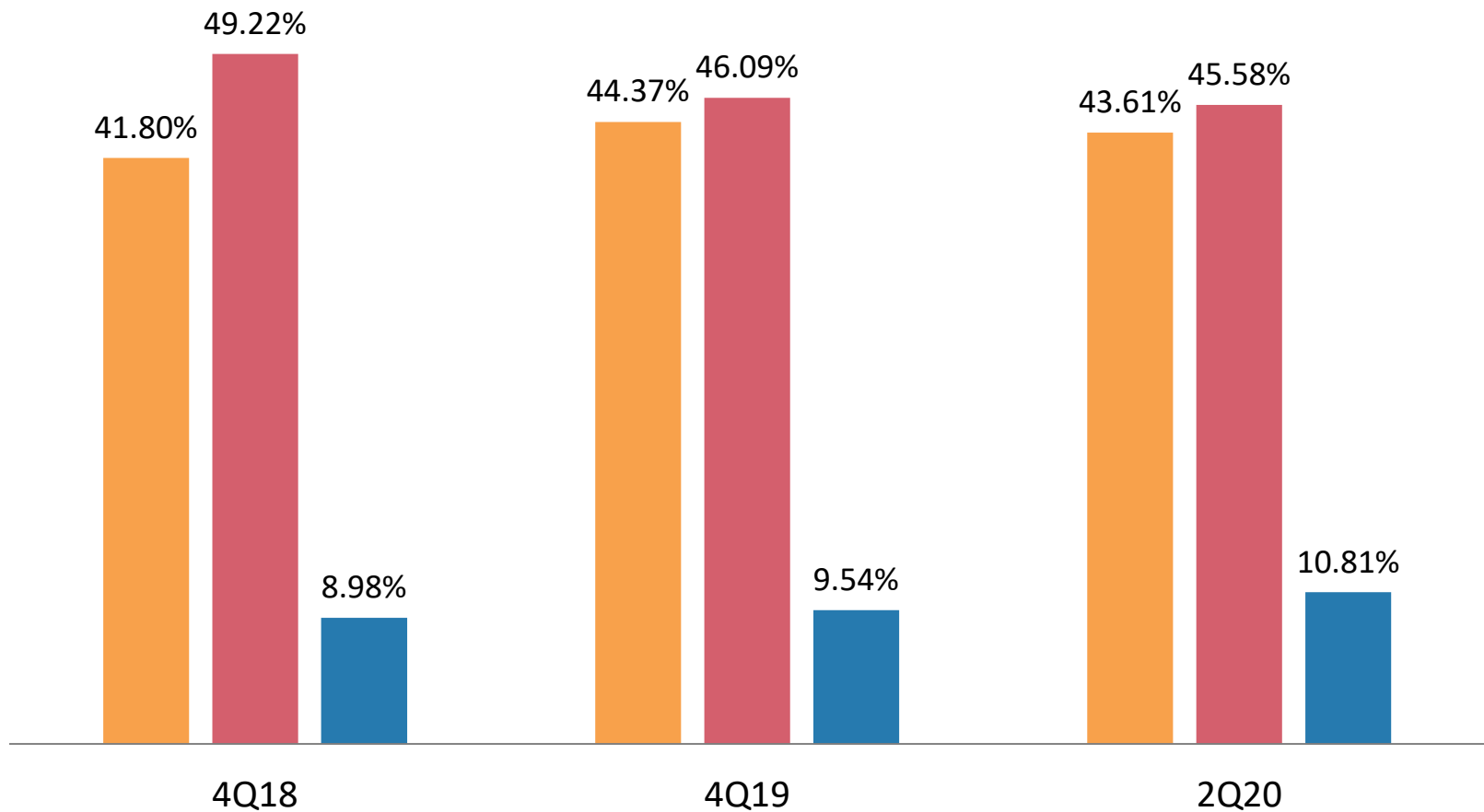
(NT\$ Hundred Million)



# Deposit Structure

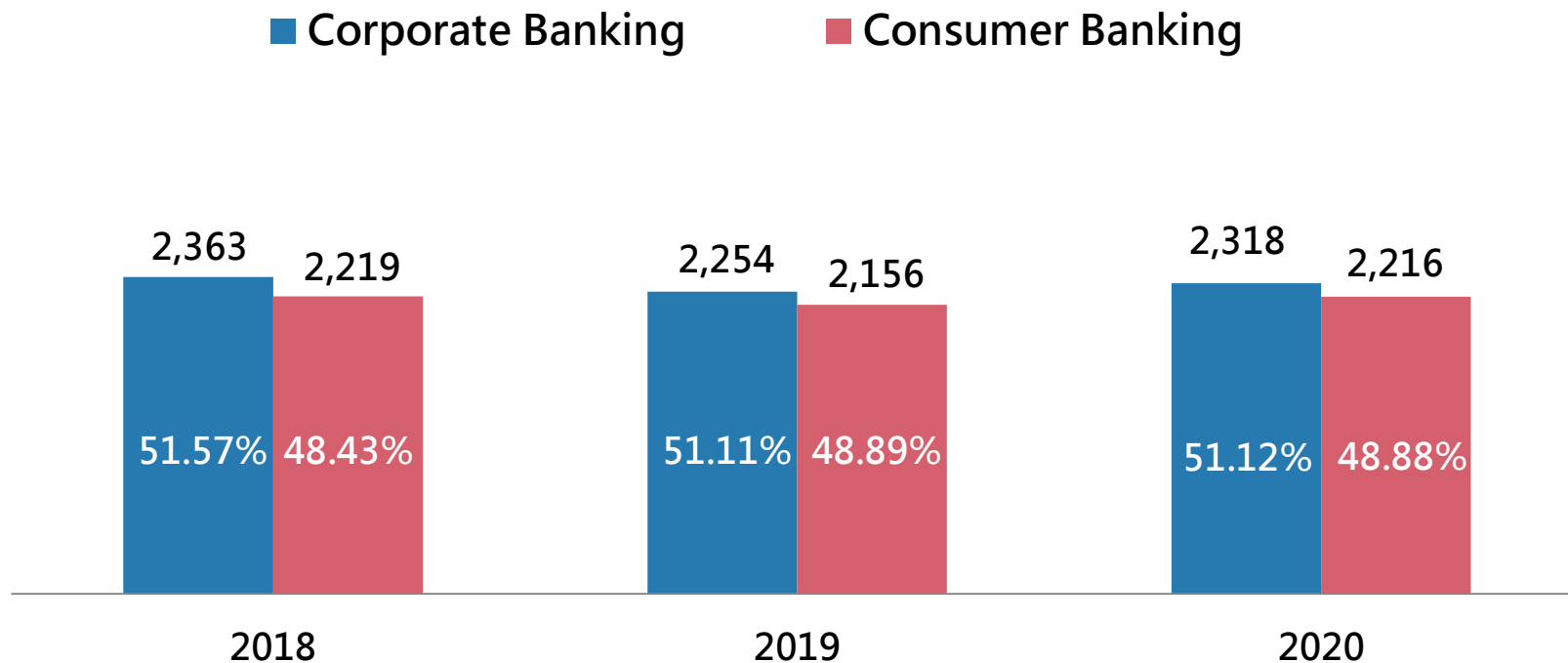
(%)

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



# Loan Structure

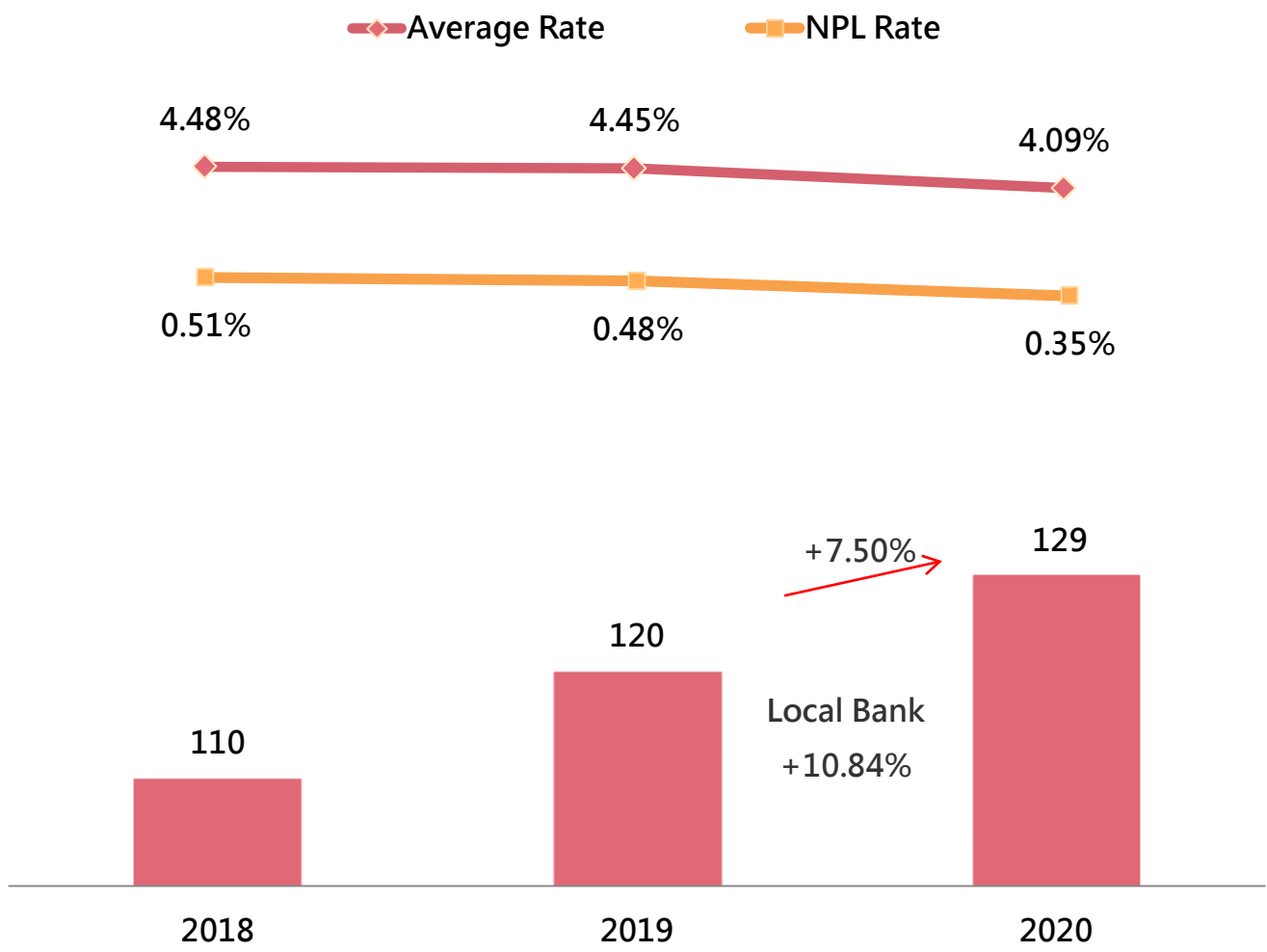
(NT\$ Hundred Million)



	2018	2019	1H20	HoH
Corporate Banking	2,363	2,254	2,318	2.84%
Consumer Banking	2,219	2,156	2,216	2.78%
Total	4,582	4,410	4,534	2.81%

# Consumer Banking-Consumption Loans

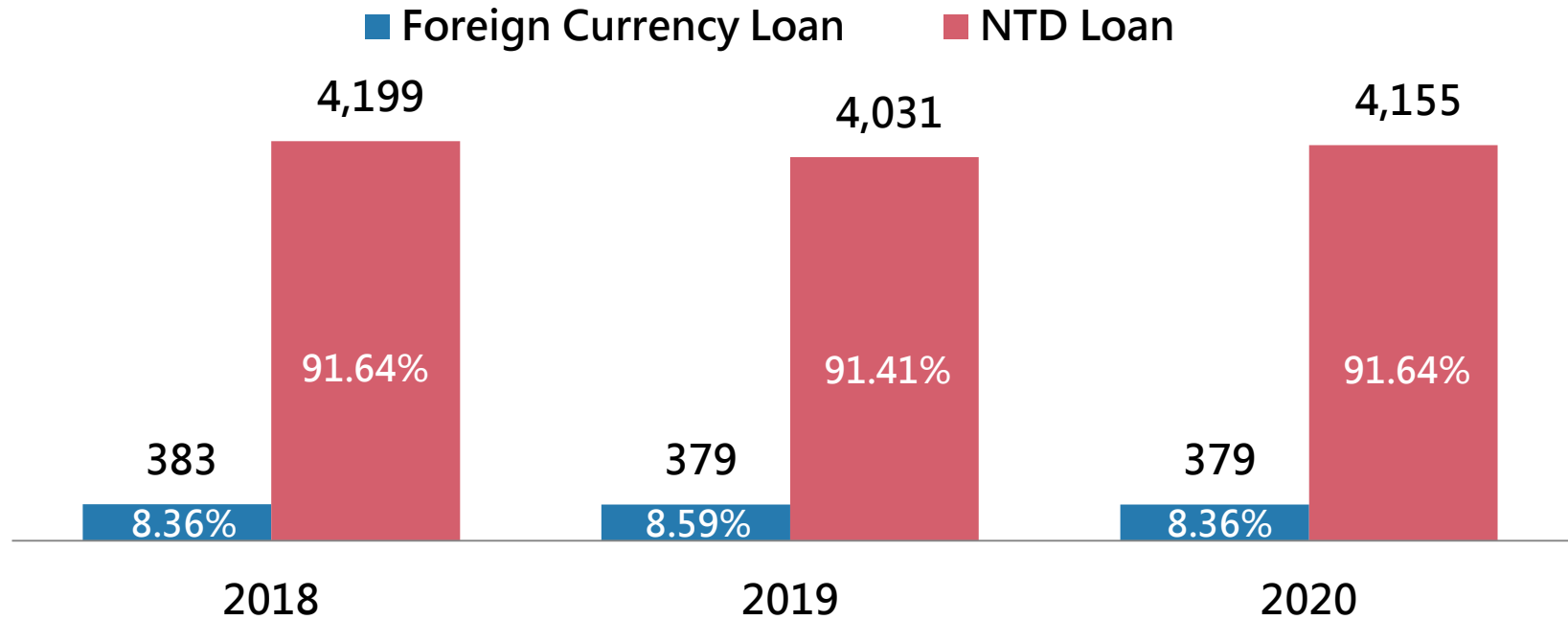
(NT\$ Hundred Million)



Note : Consumption loans are excluding residential mortgage loans 、 loan of cash card 、 credit card and debit card.

# Loan Structure by Currency

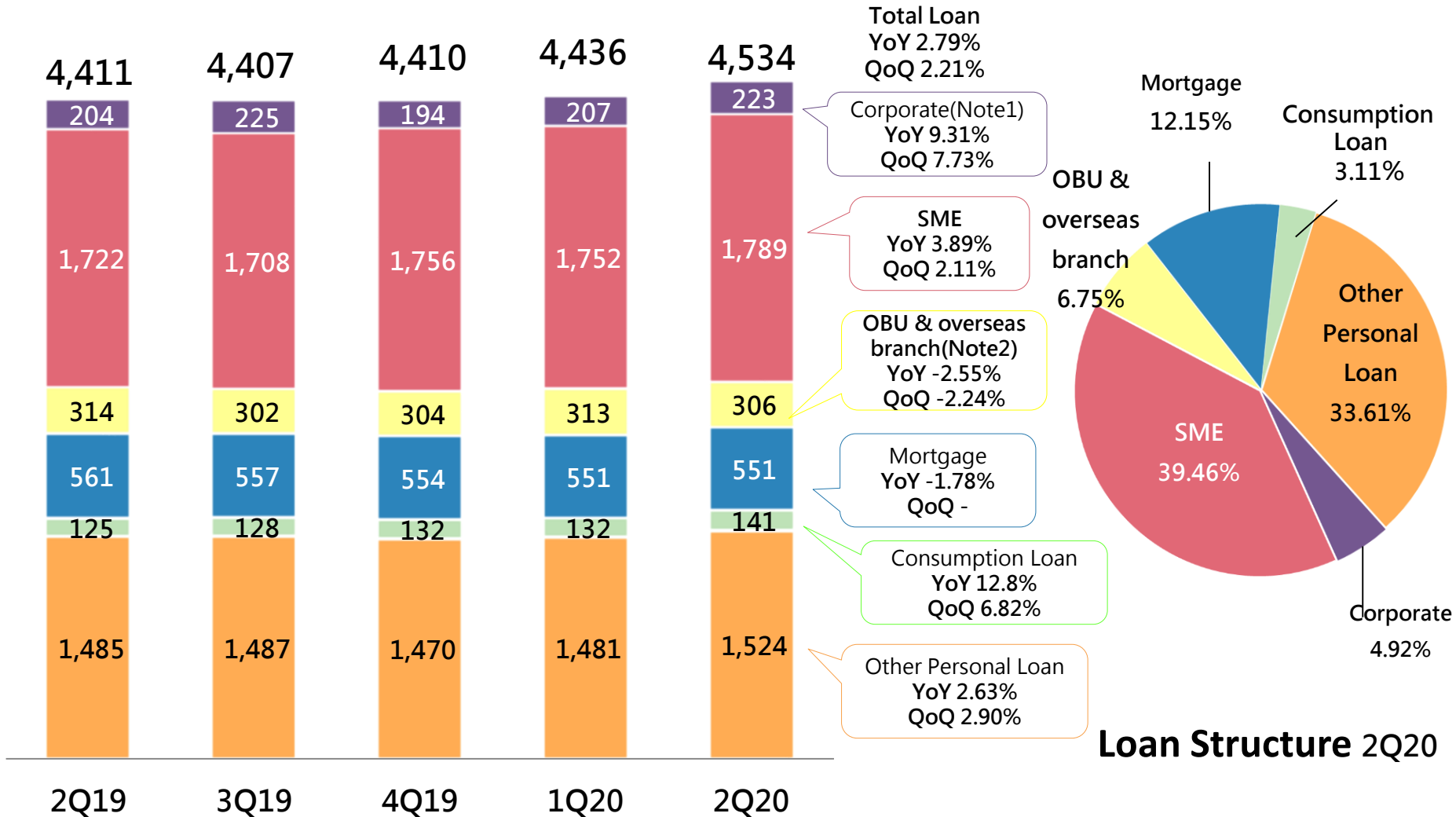
(NT\$ Hundred Million)



	2018	2019	1H20	HoH
NTD Loan	4,199	4,031	4,155	3.08%
Foreign Currency Loan	383	379	379	-
Total	4,582	4,410	4,534	2.81%

# Loan Breakdown

(NT\$ Hundred Million)

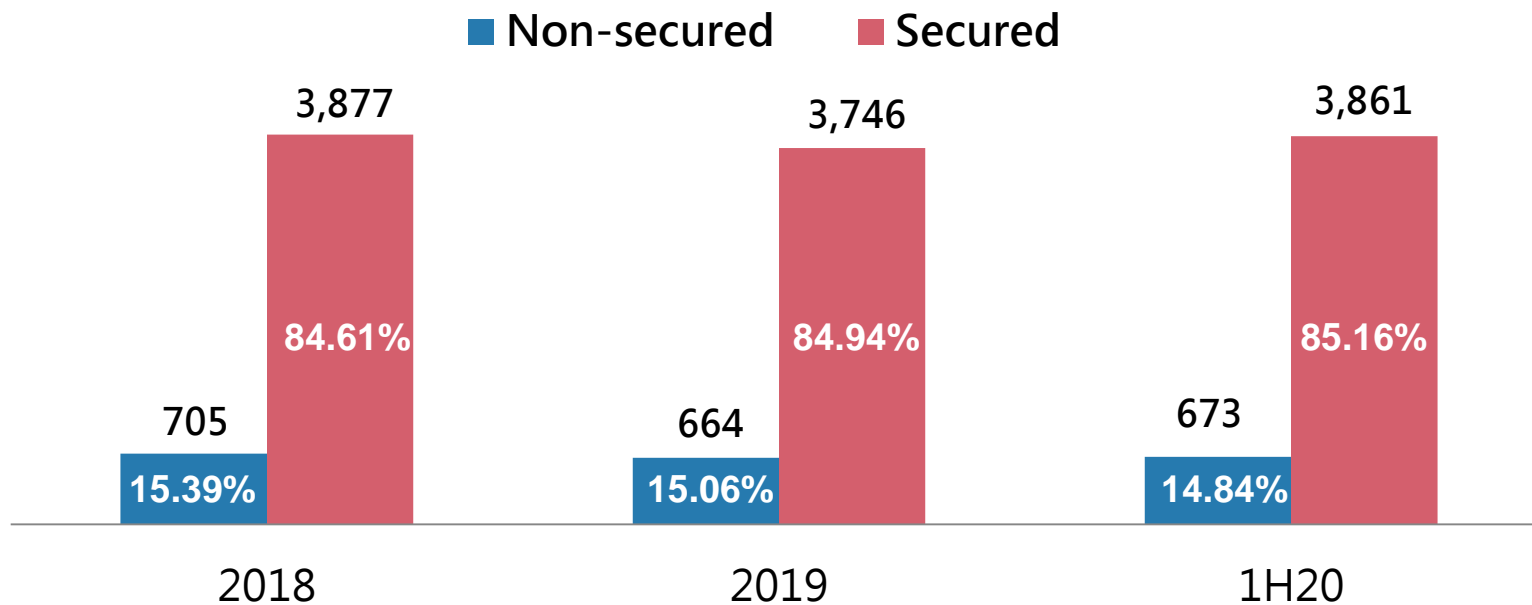


Note 1 : The balance of Corporate loan included NT\$ 1 billion government loans.

Note 2 : The loan balance of OBU & overseas branch were 28.2 billions and 2.4 billions in NT\$, respectively.

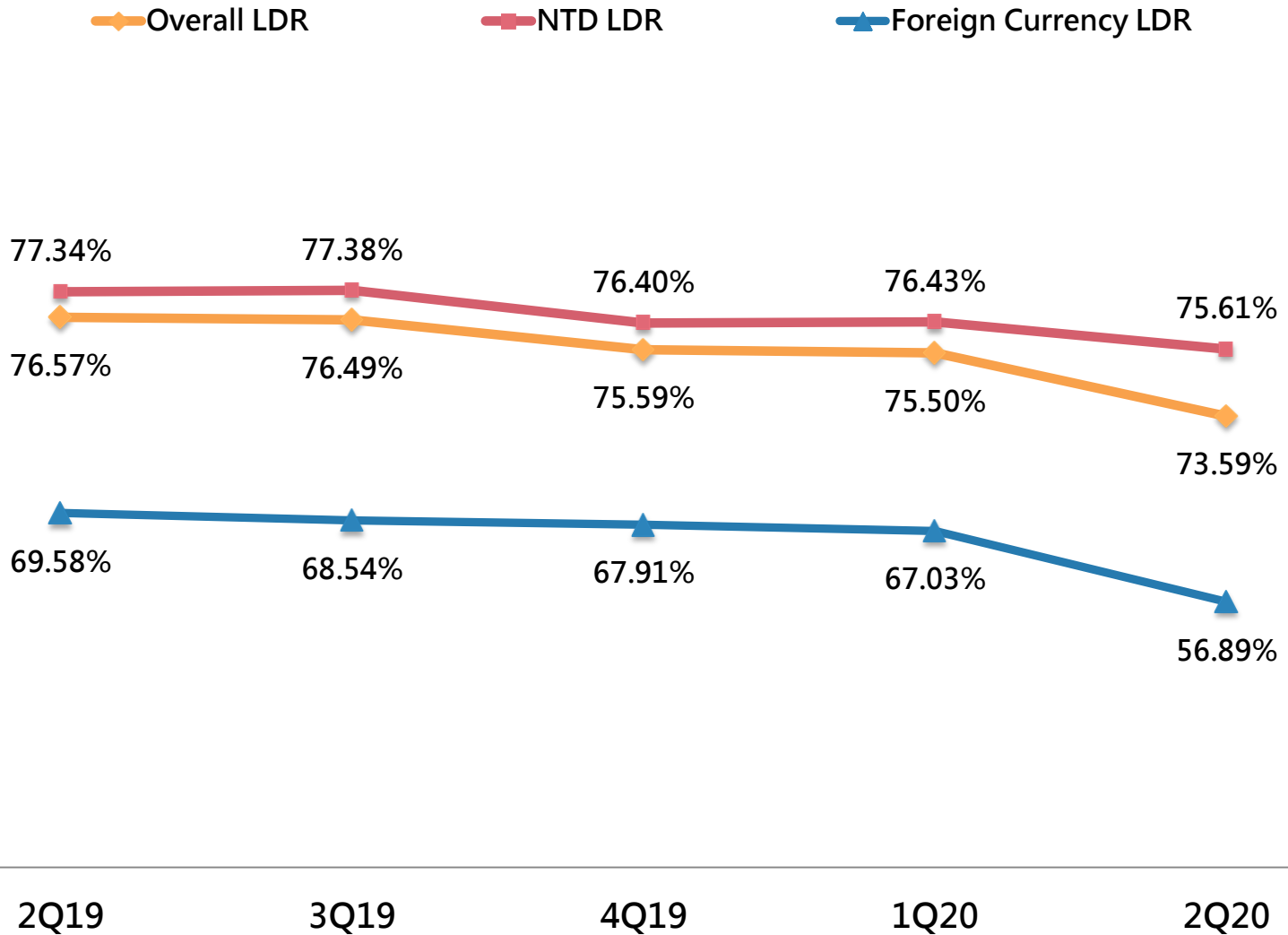
# Loan Breakdown

(NT\$ Hundred Million)



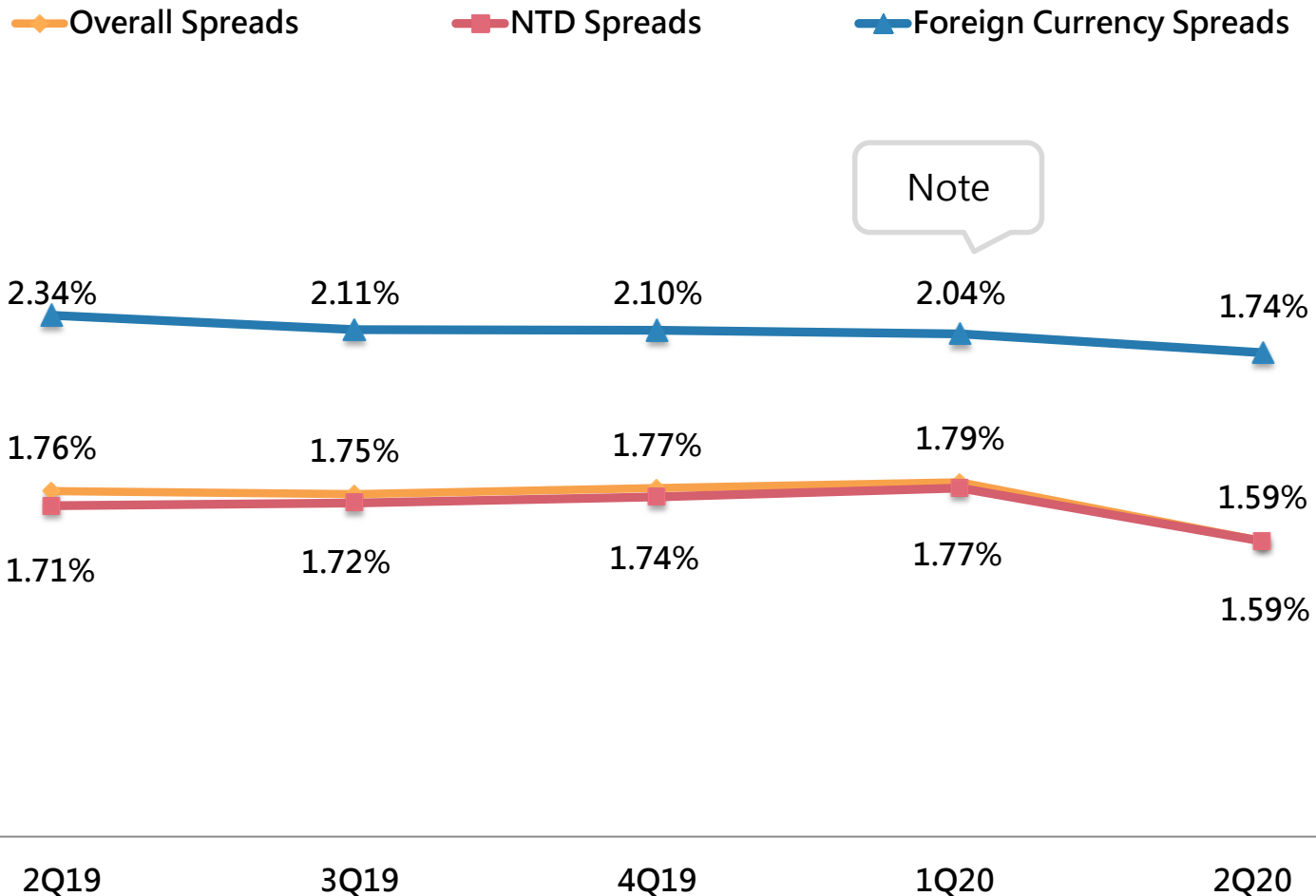
	2018	2019	1H20	HoH
Non-secured	705	664	673	1.36%
Secured	3,877	3,746	3,861	3.07%
Secured by property	3,536	3,437	3,530	2.71%
Secured by Letter of Guarantee	164	149	164	10.07%
Others	177	160	167	4.38%
Total	4,582	4,410	4,534	2.81%

# Loan to Deposit Ratio(LDR)





# Spreads



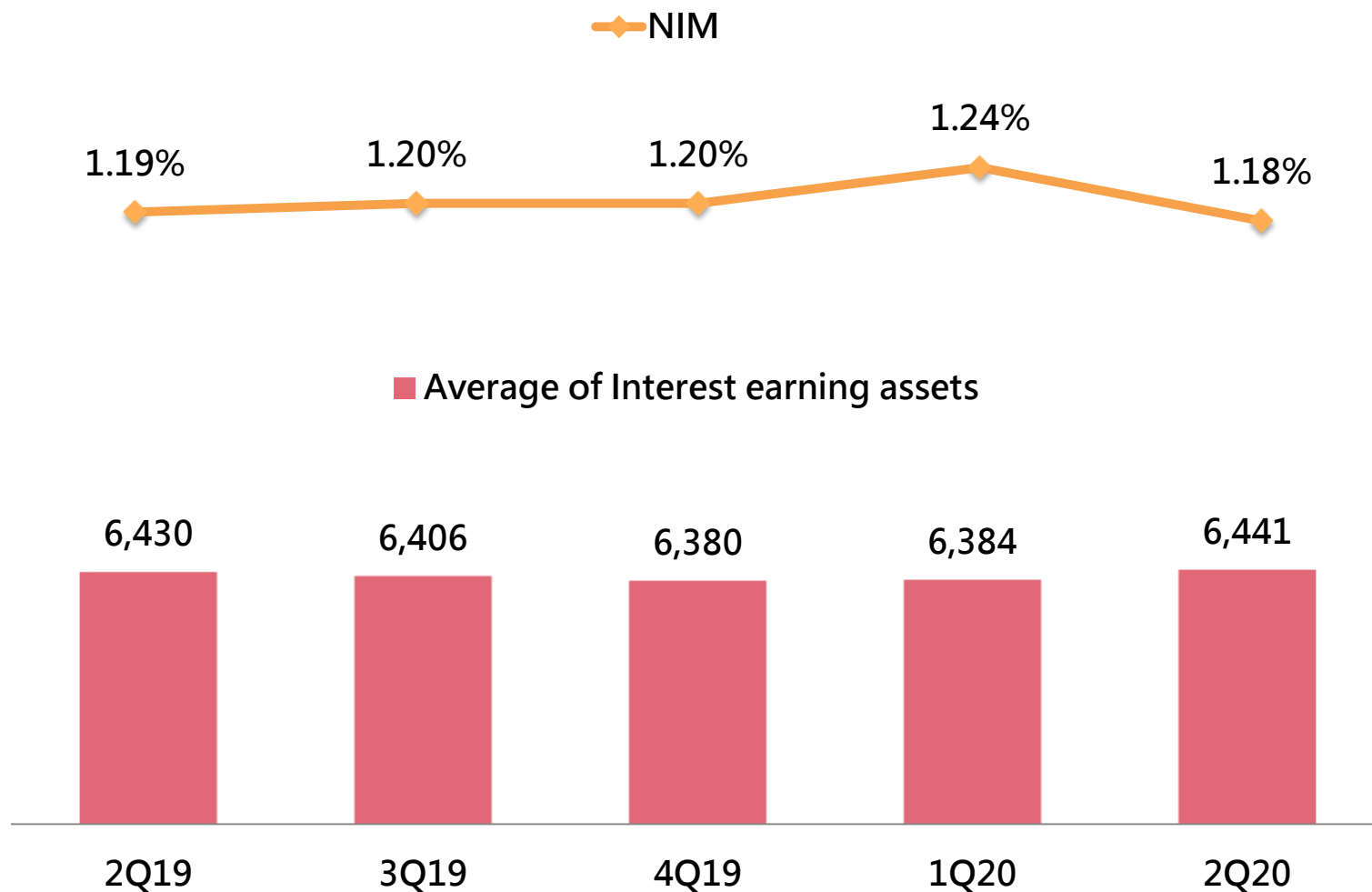
Note :

1. Central Bank of the R.O.C(Taiwan) announced the discount rate be reduced by 0.25 percentage points to 1.125% in March 19 2020.
2. The US Fed cut the FOMC's target federal funds rate by 0.5 percentage from 1.50%-1.75% to 1.00%-1.25% in March 3 2020, and then cut the federal fund rate by 1 percentage to 0%-0.25% again in March 16 2020.

# TCB Bank's NIM

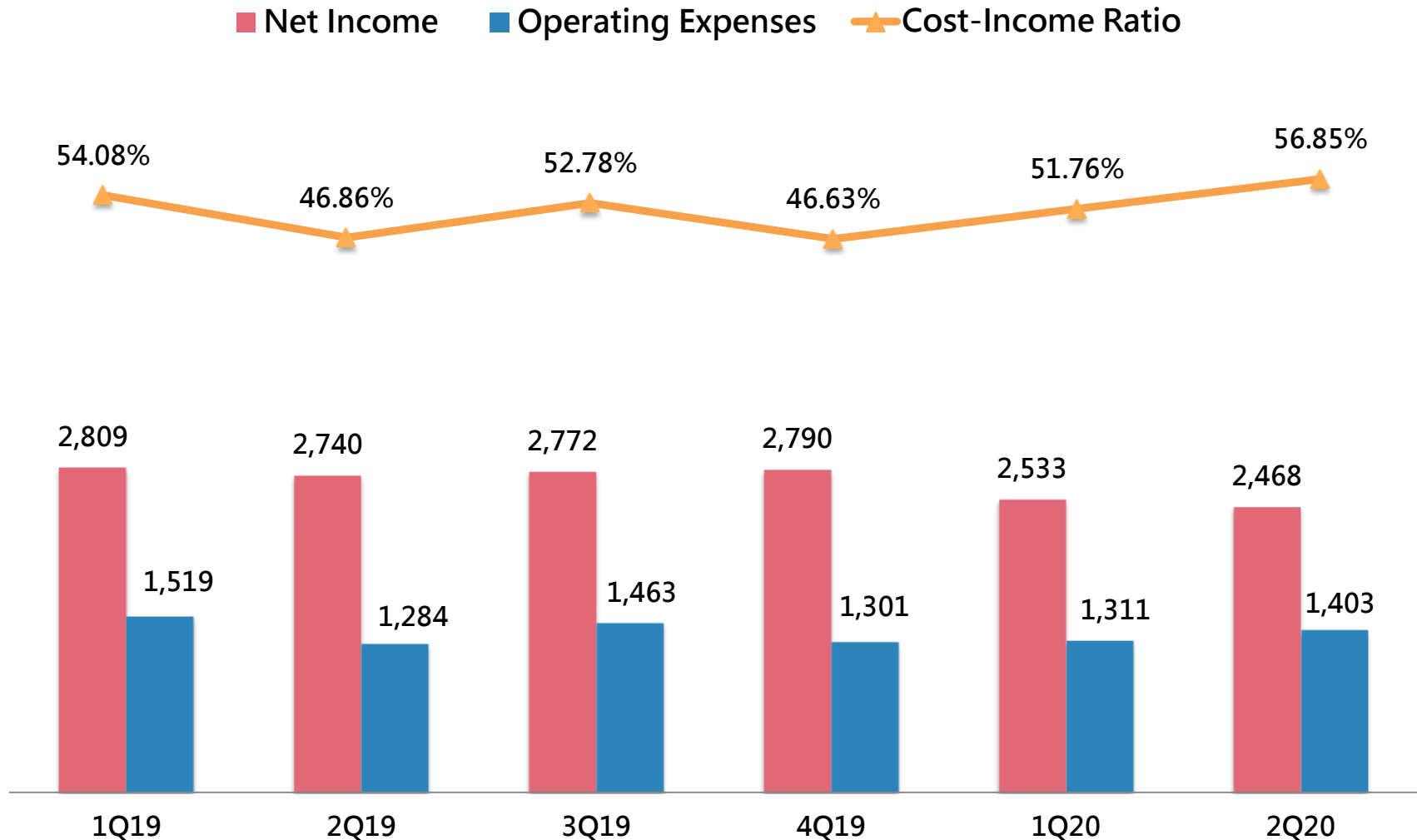
(NT\$ Hundred million)

## NIM and Interest earning assets



# Operating Expenses to Net Income

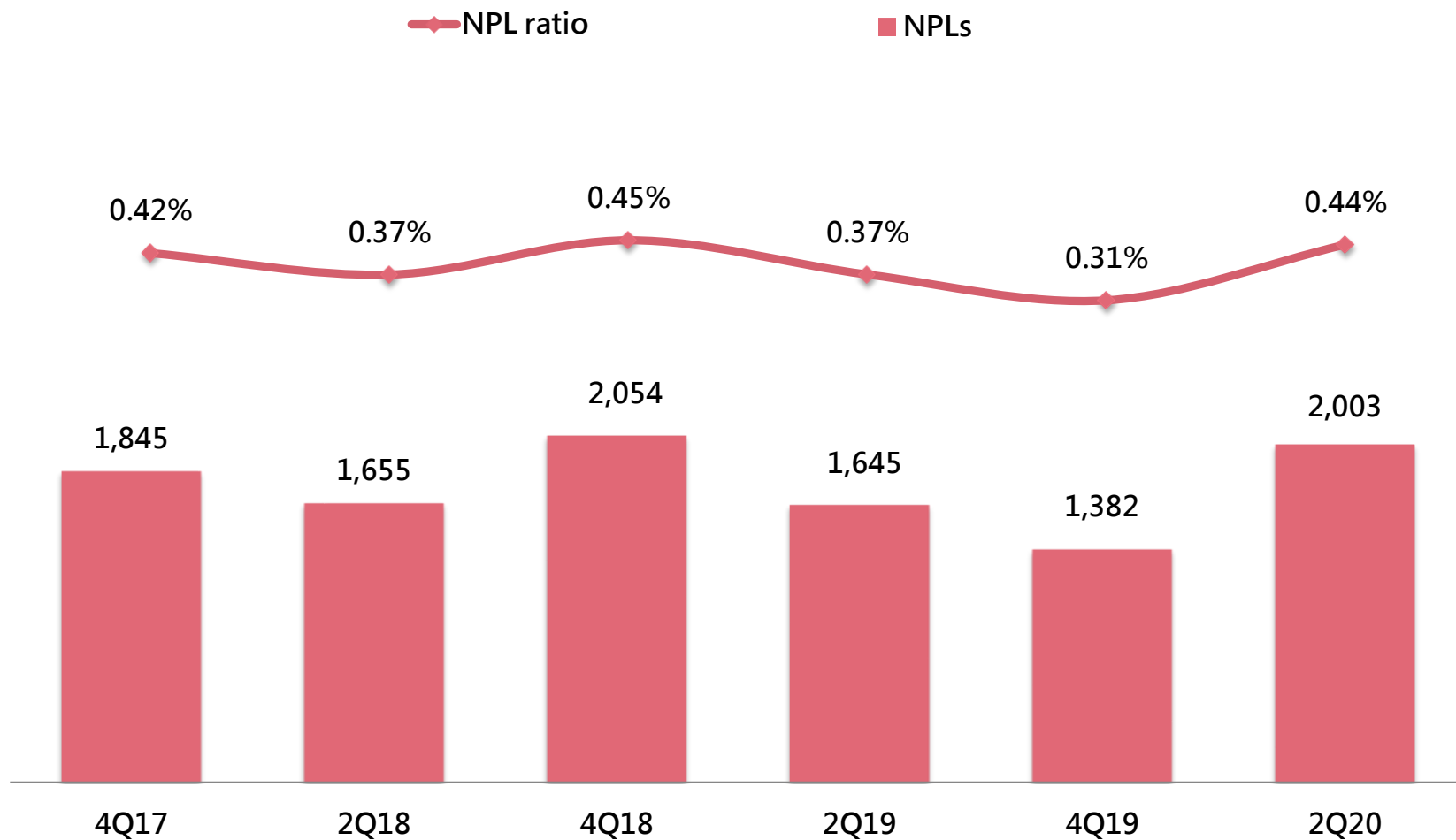
(NT\$ million)



# Asset quality

(NT\$ Million)

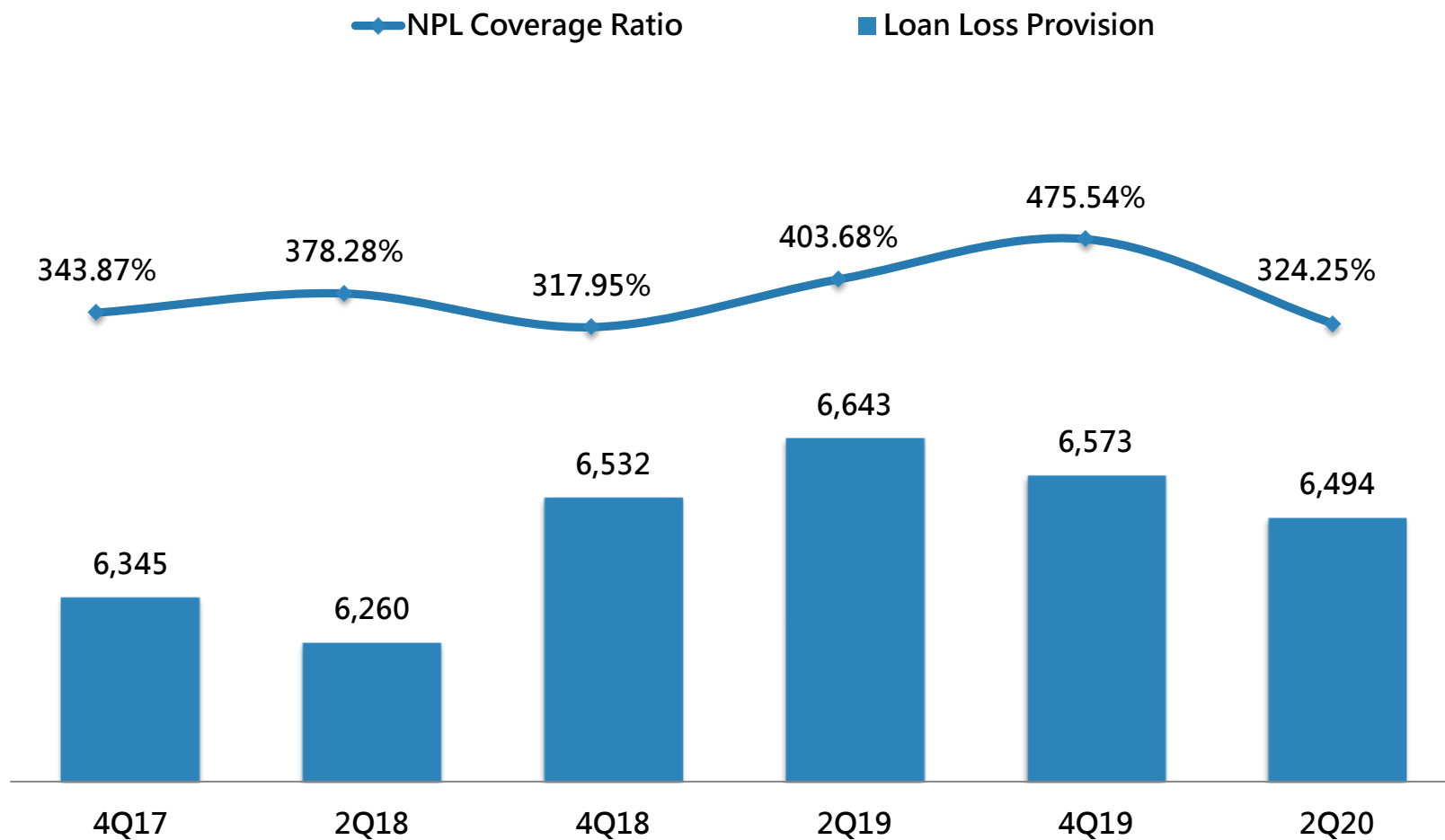
## NPL ratio & NPLs



# Asset quality

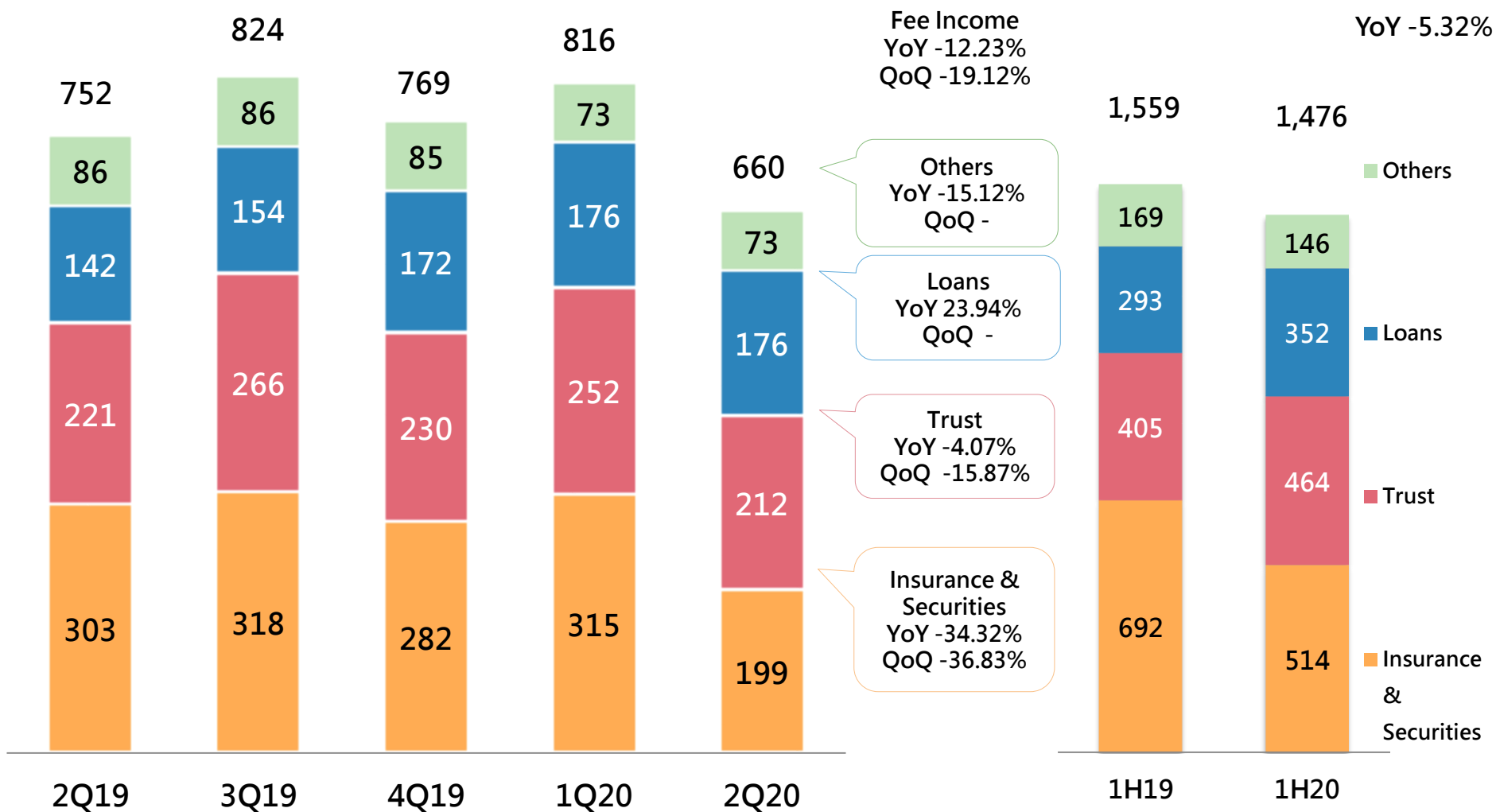
(NT\$ Million)

## NPL Coverage Ratio & Loan Loss Provision

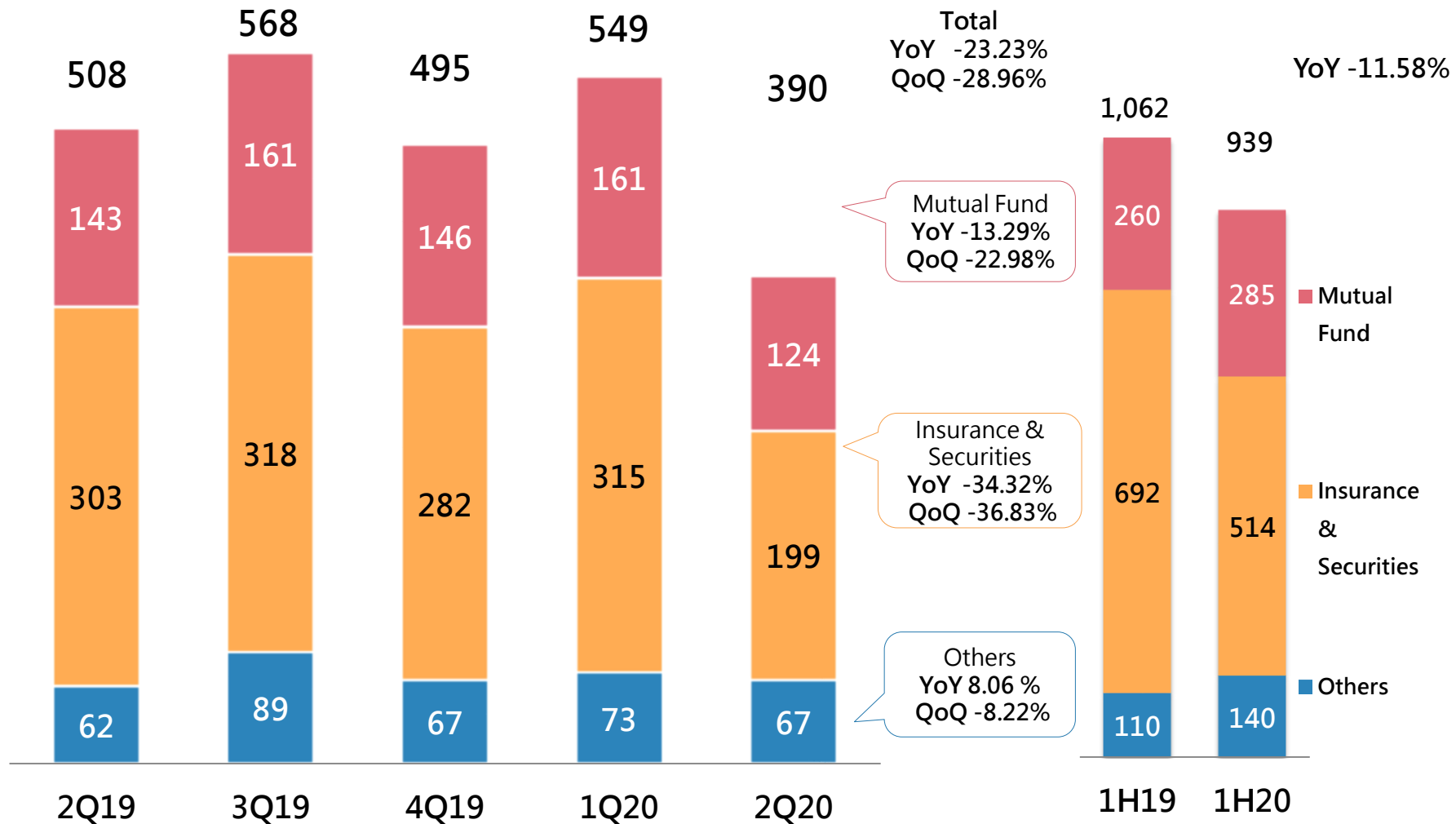


# Fee Income Breakdown

(NT\$ Million)



# Wealth Management Fee Income (NT\$ Million)



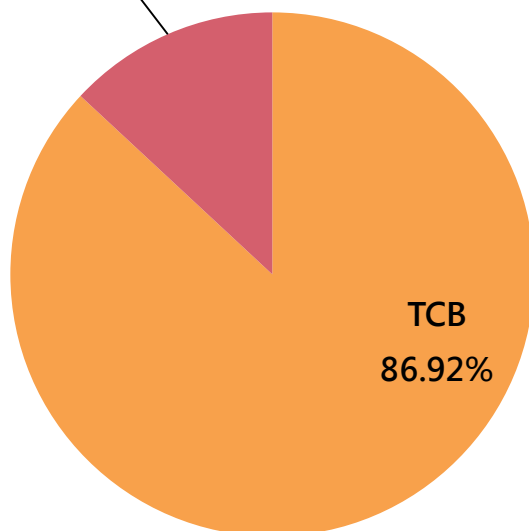
# Profit of Subsidiary to TCB

(NT\$ Million)

Net Profit after tax	1H19	1H20	HoH
TCB	1,831	1,697	-7.32%
Subsidiary	275	144	-47.64%
Total	2,106	1,841	-12.58%

Subsidiary of TCB

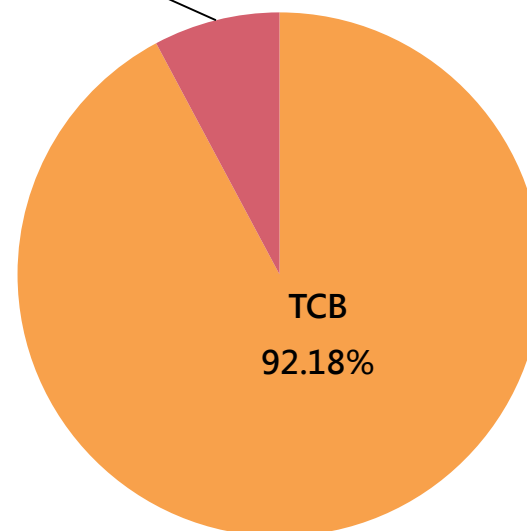
13.08%



1H19 Profit Breakdown

Subsidiary of TCB

7.82%

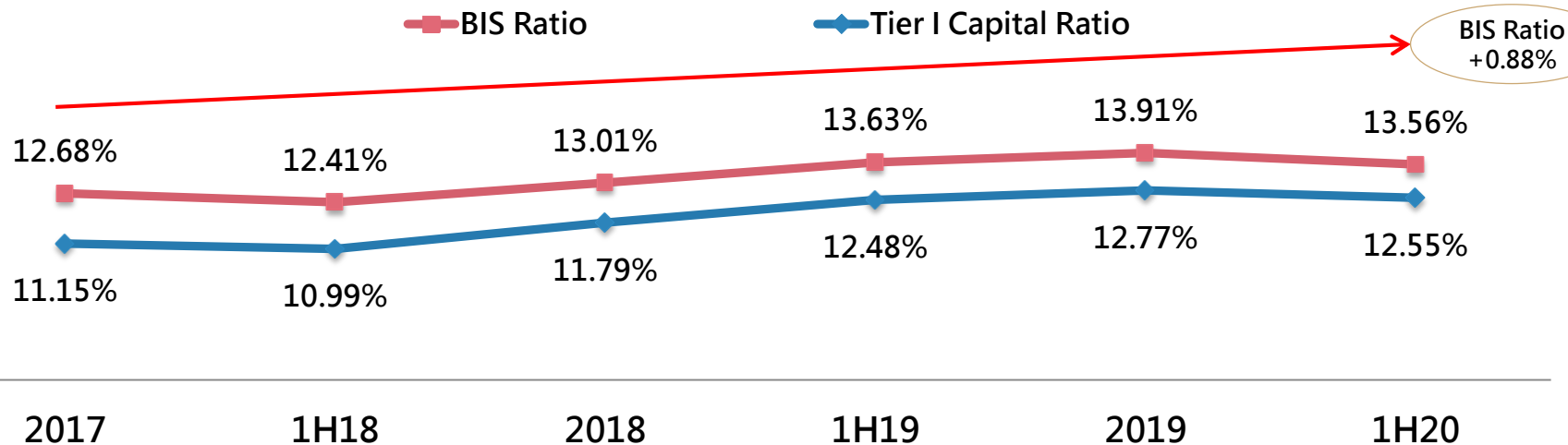


1H20 Profit Breakdown

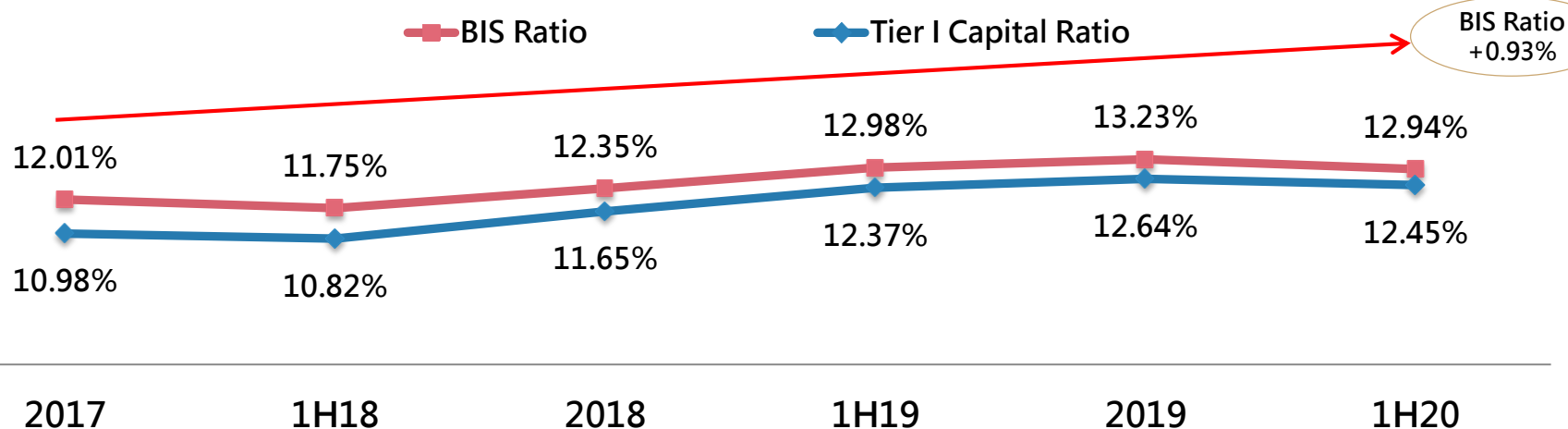


# Capital Adequacy

## Consolidated



## Individual



# Agenda

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# Balance Sheet (Individual)

(NT\$ Million)

	2017	2018	2019	1H20	YTD
Assets :					
Cash and due from banks	44,066	46,740	44,134	47,527	7.69%
Financial investment, net	158,984	163,891	173,347	184,295	6.32%
Loans, net	429,656	451,729	434,469	446,944	2.87%
Receivables, net	6,329	5,028	4,064	7,104	74.80%
Equity method investments, net	4,735	5,225	5,491	5,100	-7.12%
Properties and equipment, net	9,296	9,368	10,620	11,932	12.35%
Others	3,424	2,178	2,898	3,168	9.32%
Total assets	656,490	684,159	675,023	706,070	4.60%
Liabilities :					
Deposits	567,256	589,243	584,866	615,940	5.31%
Other Liabilities	45,832	47,092	38,848	37,736	-2.86%
Total Liabilities	613,088	636,335	623,714	653,676	4.80%
Total Equity	43,402	47,824	51,309	52,394	2.11%
Total Liabilities and Equity	656,490	684,159	675,023	706,070	4.60%

# P&L (Individual)

(NT\$ Million)

	2017	2018	2019	1H19	1H20	HoH
Net interest income	7,823	7,991	7,902	3,964	3,927	-0.93%
Net fee income	1,554	1,793	1,926	902	972	7.76%
Others	971	891	1,283	683	102	-85.07%
Total Net Revenue	10,348	10,675	11,111	5,549	5,001	-9.88%
Operating Expenses	(5,131)	(5,626)	(5,567)	(2,803)	(2,714)	-3.18%
Pre-provision Profit	5,217	5,049	5,544	2,746	2,287	-16.72%
Credit Loss Provisions, net	(947)	(411)	(477)	(296)	(115)	-61.15%
Profit Before Income Tax	4,270	4,638	5,067	2,450	2,172	-11.35%
Income Tax Expense	(637)	(630)	(747)	(344)	(331)	-3.78%
Net Profit After Income Tax	3,633	4,008	4,320	2,106	1,841	-12.58%
Other Comprehensive Income	168	34	153	371	282	-23.99%
Total Comprehensive Income for the Year	3,801	4,042	4,473	2,477	2,123	-14.29%

# Balance Sheet (Consolidated)

(NT\$ Million)

	2017	2018	2019	1H20	YTD
Assets :					
Cash and due from banks	45,123	47,644	45,237	48,245	6.65%
Financial investment, net	159,651	165,027	174,356	185,497	6.39%
Loans, net	430,858	452,595	435,398	447,794	2.85%
Receivables, net	13,658	12,781	12,820	15,827	23.46%
Equity method investments, net	128	153	157	162	3.18%
Properties and equipment, net	9,388	9,447	10,684	11,985	12.18%
Others	4,218	3,185	4,037	4,416	9.39%
Total assets	663,024	690,832	682,689	713,926	4.58%
Liabilities :					
Deposits	566,095	587,968	583,322	614,692	5.38%
Other Liabilities	53,527	55,040	48,058	46,840	-2.53%
Total Liabilities	619,622	643,008	631,380	661,532	4.78%
Total Equity	43,402	47,824	51,309	52,394	2.11%
Total Liabilities and Equity	663,024	690,832	682,689	713,926	4.58%

# P&L(Consolidated)

(NT\$ Million)

	2017	2018	2019	1H19	1H20	HoH
Net interest income	8,186	8,434	8,351	4,171	4,126	-1.08%
Net fee income	2,449	2,846	2,913	1,430	1,357	-5.10%
Others	760	409	831	468	(36)	-107.69%
Total Net Revenue	11,395	11,689	12,095	6,069	5,447	-10.25%
Operating Expenses	(5,915)	(6,457)	(6,273)	(3,191)	(3,056)	-4.23%
Pre-provision Profit	5,480	5,232	5,822	2,878	2,391	-16.92%
Credit Loss Provisions, net	(1,125)	(472)	(615)	(365)	(180)	-50.68%
Profit Before Income Tax	4,355	4,760	5,207	2,513	2,211	-12.02%
Income Tax Expense	(722)	(752)	(887)	(407)	(370)	-9.09%
Net Profit After Income Tax	3,633	4,008	4,320	2,106	1,841	-12.58%
Other Comprehensive Income	168	34	153	371	282	-23.99%
Total Comprehensive Income for the Year	3,801	4,042	4,473	2,477	2,123	-14.29%

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# 2020 Credit Rating



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Date : 2020.05.12

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





# 2020

## Operational Highlights

# Facilitating Digital Service!! Go to 'MyData Platform' now

With the aim of actively improving the digital service level for customers' convenience, the Bank has participated in the "MyData", a digital service personalization platform, jointly promoted by the Financial Supervisory Commission and the National Development Council. It was one of the seven banks providing the first wave of online operations, announced by the Financial Supervisory Commission on July 29, 2020.

The platform mainly provides two service applications, which are 'Credit Card Online Application and Loan Online Application.' It is in the hope of assisting the public in speeding up the processing of financial services and saving their valuable time, allowing customers to experience the convenience.



### Credit Card Online Application



### Loan Online Application

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# Strategic Outlook for the Second Half of 2020



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- **Deepen Corporate Governance & Reinforce Corporate Culture of Fair Customer Treatment.**
- **Improve Capital Risk Management & Optimize Credit Asset Quality.**
- **Consolidate Core Competitive Advantages & Expand International Financial Territories.**
- **Strengthen Financial Investment Capabilities & Develop Diversified Profit Engines.**
- **Grasp Fintech Business Opportunities & Facilitate Innovative Operations and Digital Transformation.**



# Thanks for your listening!



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