

Stock No : 2812

Taichung Commercial Bank 2022 Investor Conference



March 20, 2023

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Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

2022 Financial Highlight

Profitability

- Net Profit after tax NT\$ 5.344 billions, 11.43% growth over the same period last year.
- EPS 1.12, 1.82% growth over the same period last year.

Asset quality

- NPL ratio 0.15%、NPL coverage ratio 850.67%.

Capital adequacy

- Consolidated : Self-assessed Capital Adequacy Ratio 15.77%、Tier I Capital Ratio 13.83%、Common Equity Ratio 11.84%.
- Individual : Self-assessed Capital Adequacy Ratio 15.95%、Tier I Capital Ratio 14.03%、Common Equity Ratio 12.01%.

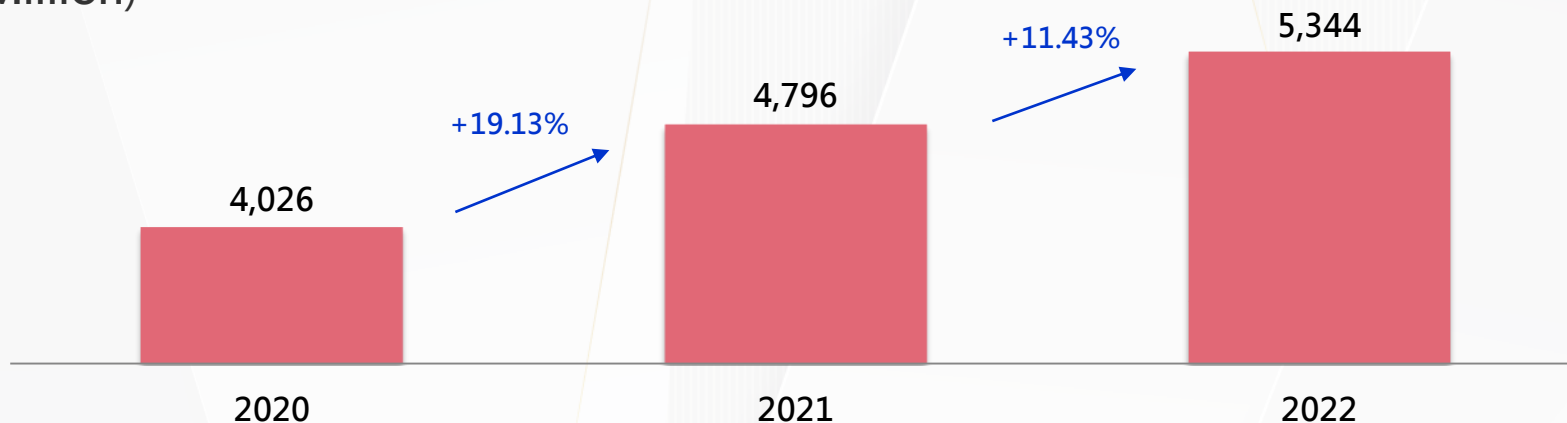
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Profitability

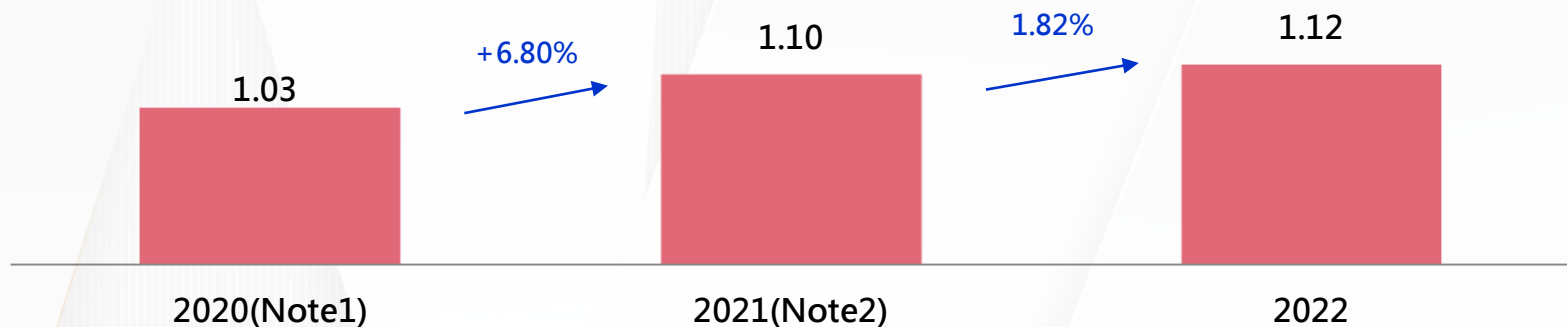
Net Profit

(NT\$ Million)



EPS

(NT\$)

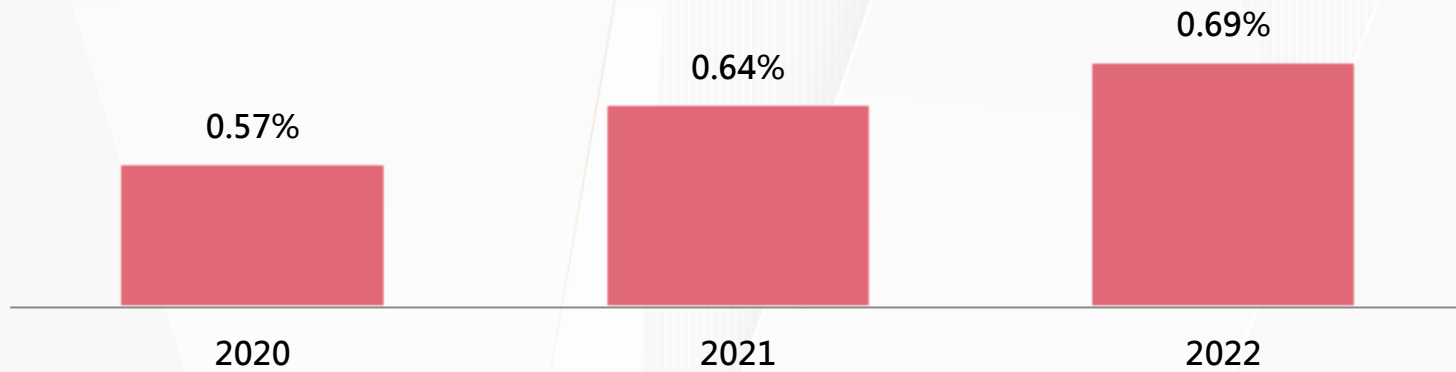


Note1 : The EPS in 2020 Financial statement was 1.03. After been retroactive adjusted, the EPS of 2020 was 0.98.
The growth rate of EPS in 2021 over 2020 was 12.24%.

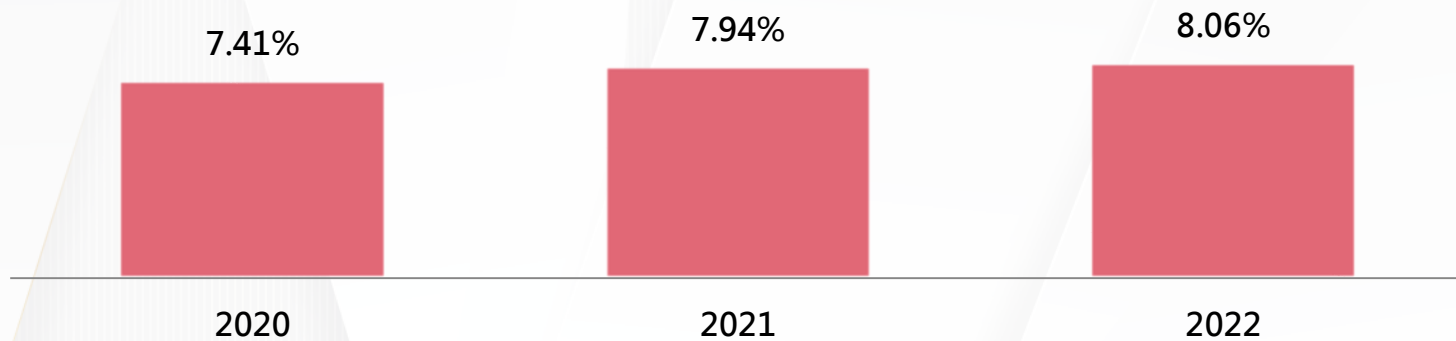
Note2 : The EPS in 2021 Financial statement was 1.10. After been retroactive adjusted, the EPS of 2021 was 1.05.
The growth rate of EPS in 2022 over 2021 was 6.67%.

Profitability

ROA

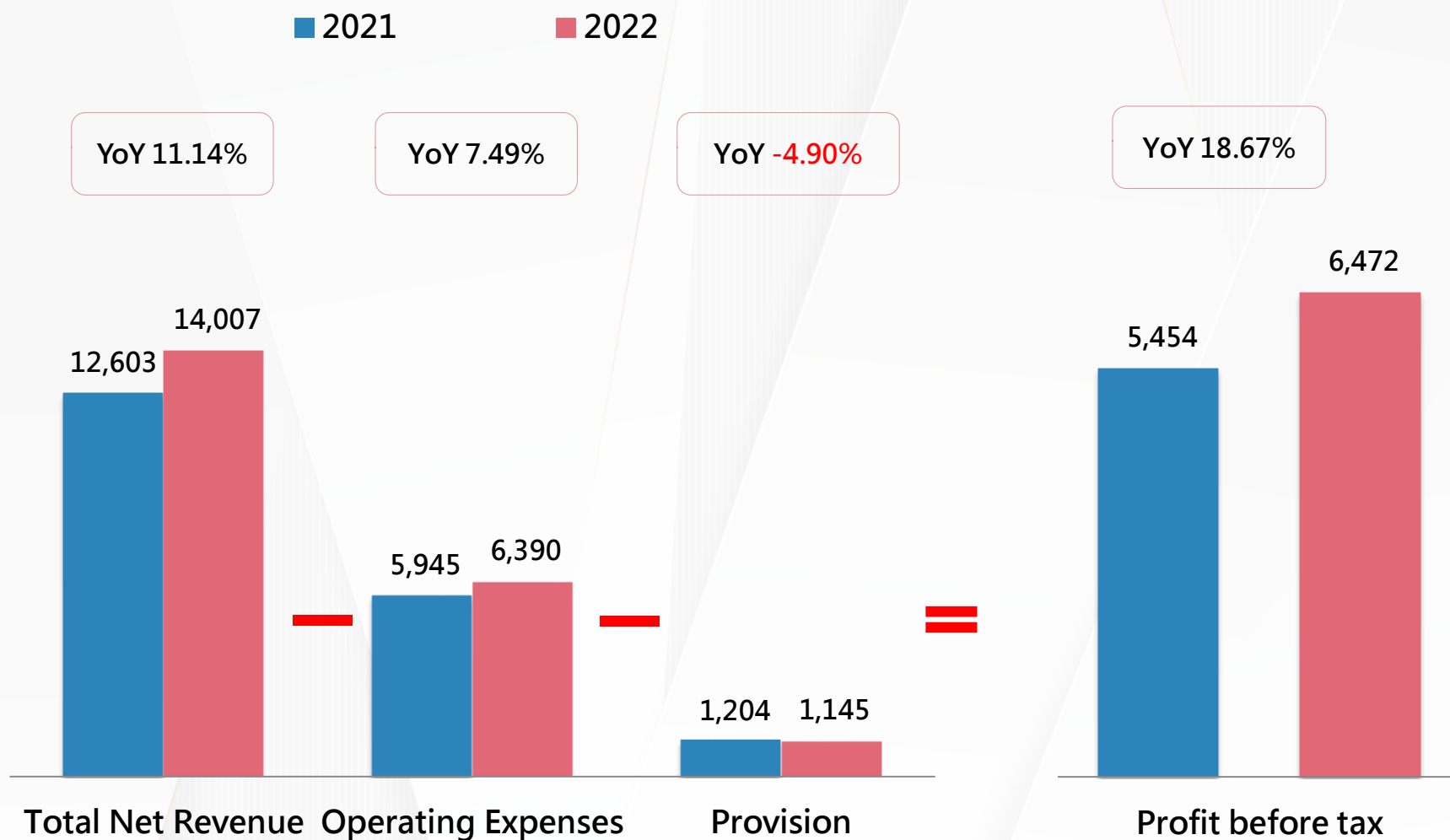


ROE

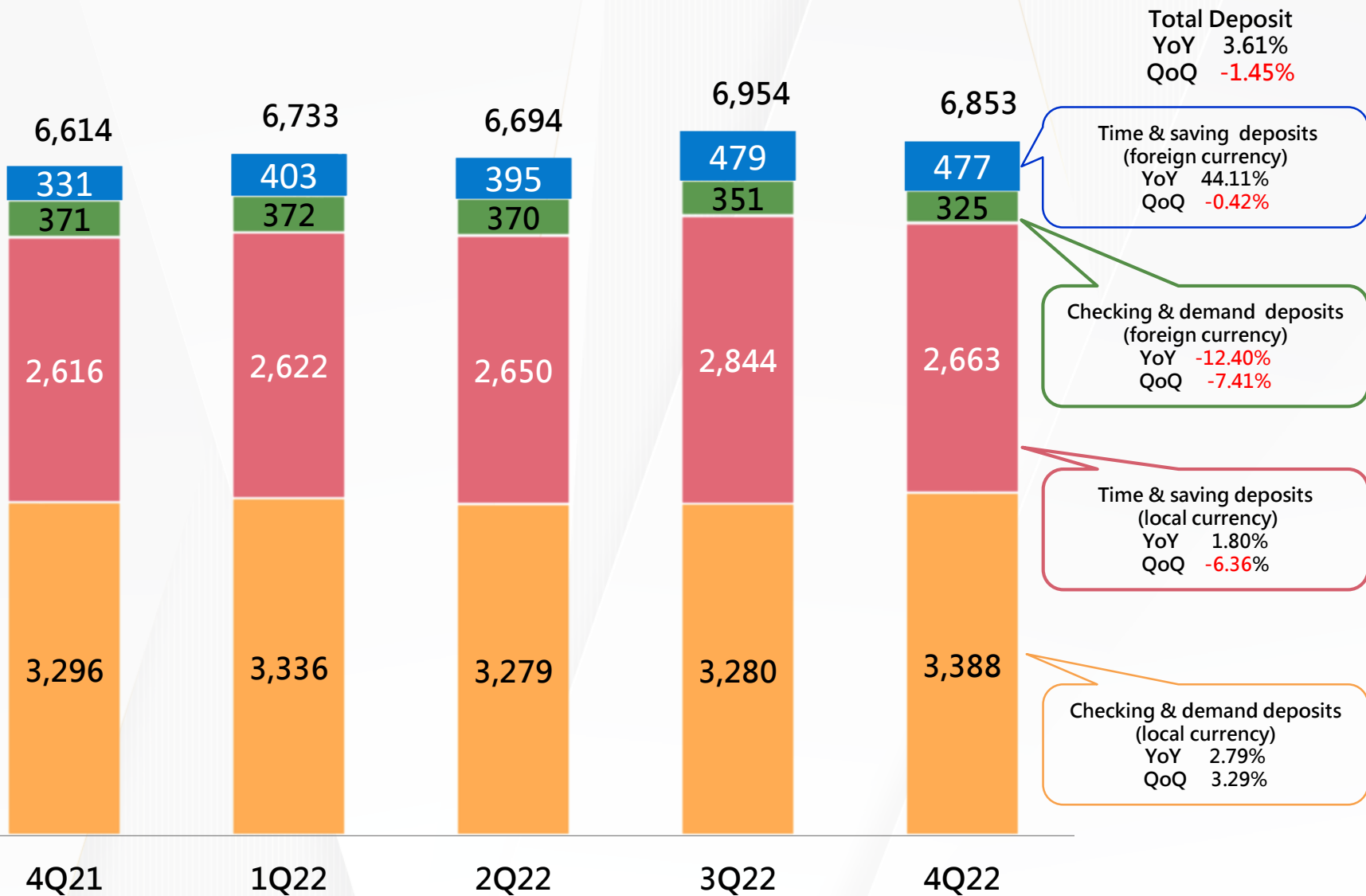


TCB's Change in Net Profit

(NT\$ Million)

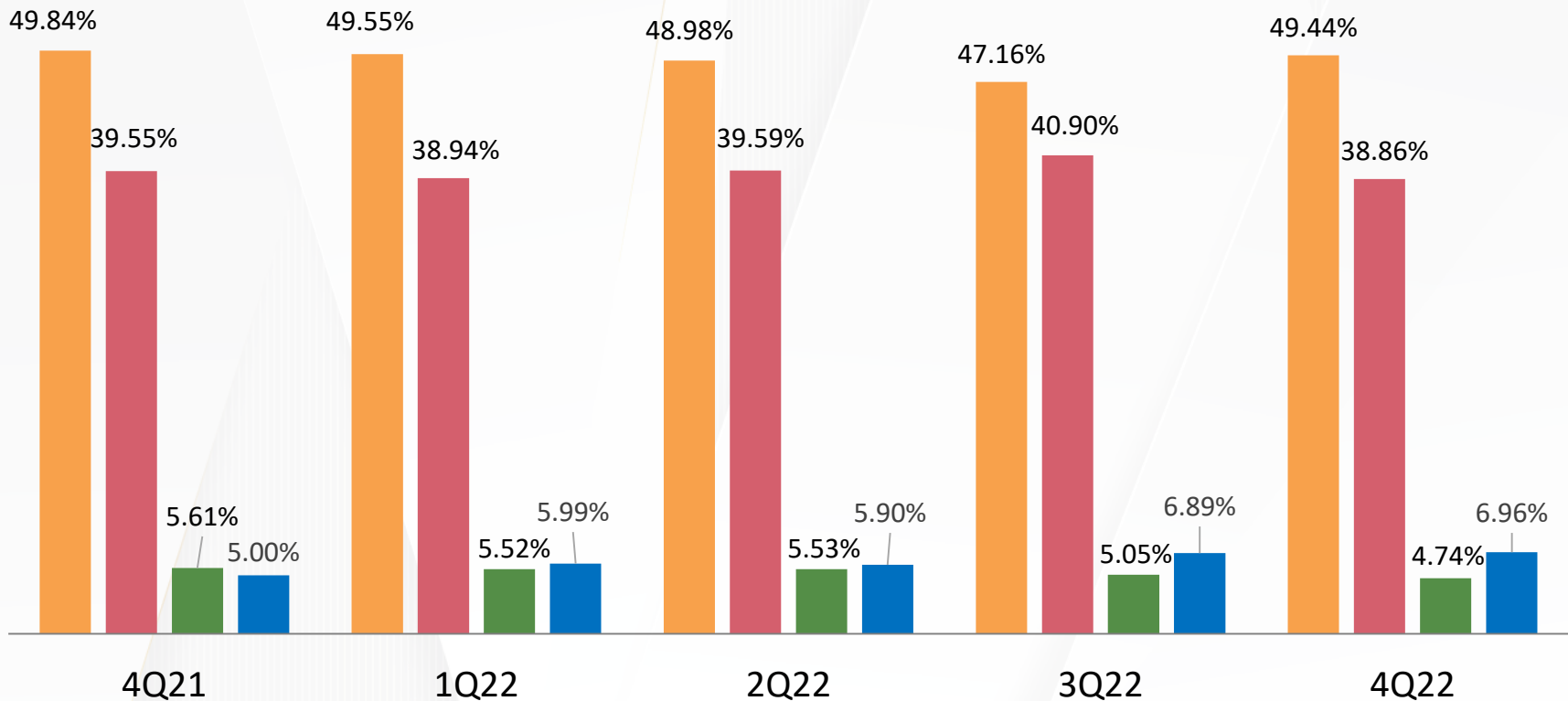


TCB's Deposit Breakdown



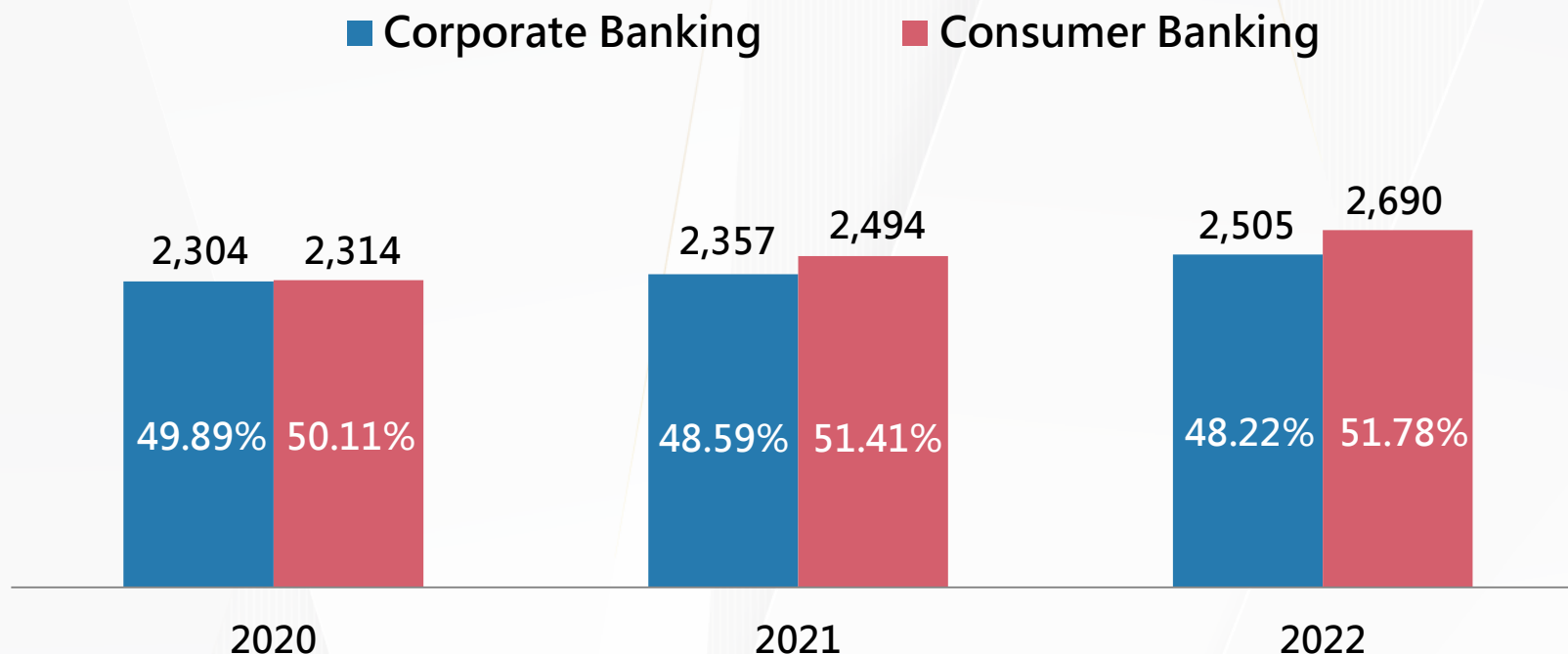
TCB's Deposit Structure

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



TCB ' s Loan Structure

(NT\$ Hundred Million)



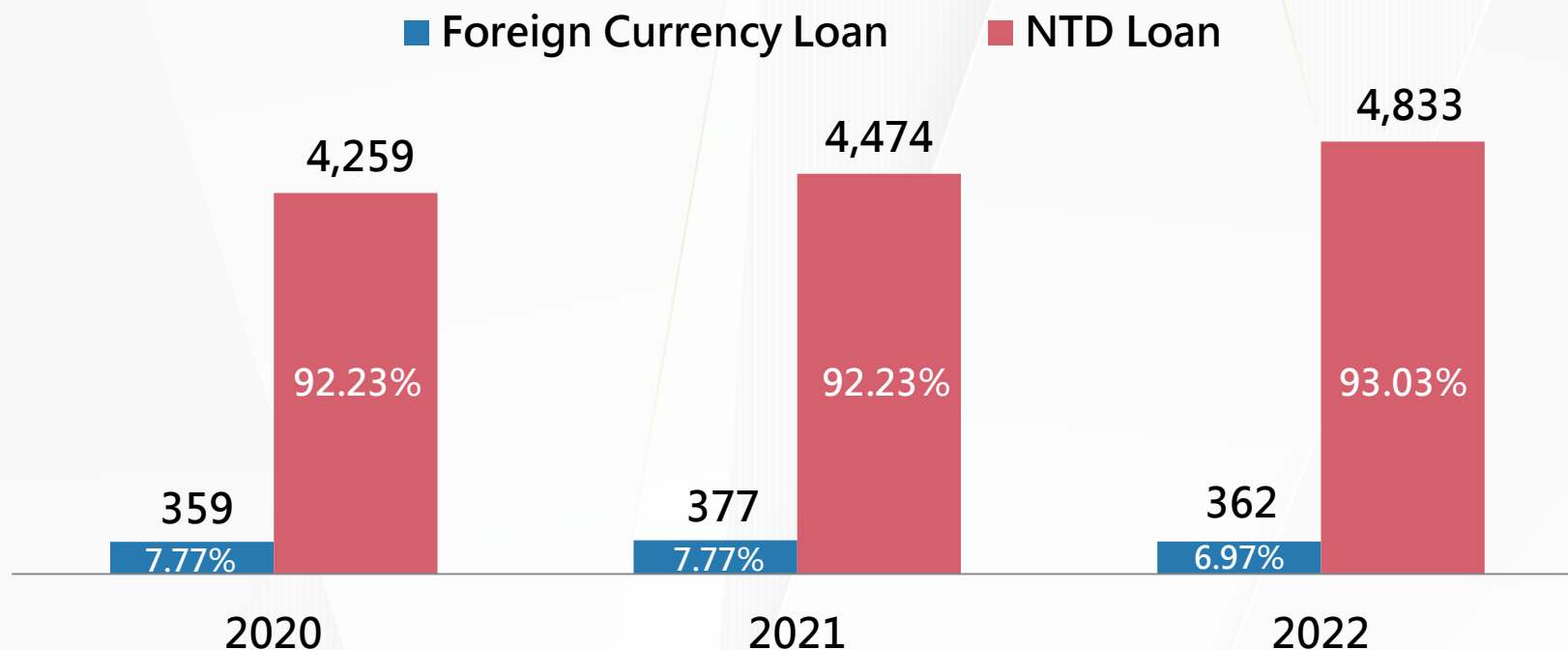
	2020	2021	2022	YTD
Corporate Banking	2,304	2,357	2,505	6.28%
Consumer Banking	2,314	2,494	2,690	7.86%
Total	4,618	4,851	5,195	7.09%

Note : The classification of Corporate Banking and Consumer Banking is based on the asset quality classification from the Article 16 in "Regulations Governing the Preparation of Financial Reports by Public Banks" .

TCB 's Loan Structure by Currency

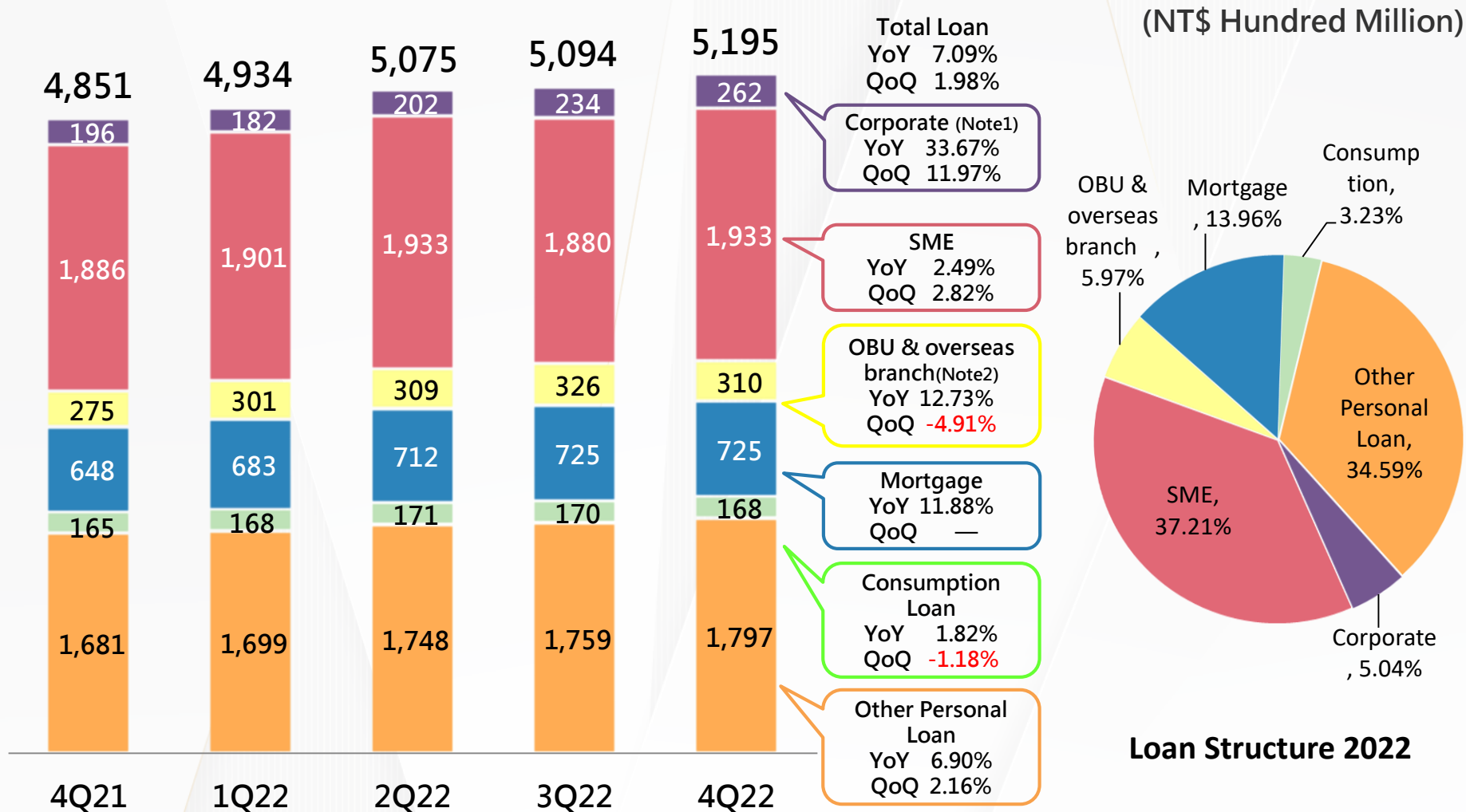


(NT\$ Hundred Million)



	2020	2021	2022	YTD
NTD Loan	4,259	4,474	4,833	8.02%
Foreign Currency Loan	359	377	362	-3.98%
Total	4,618	4,851	5,195	7.09%

TCB's Loan Breakdown



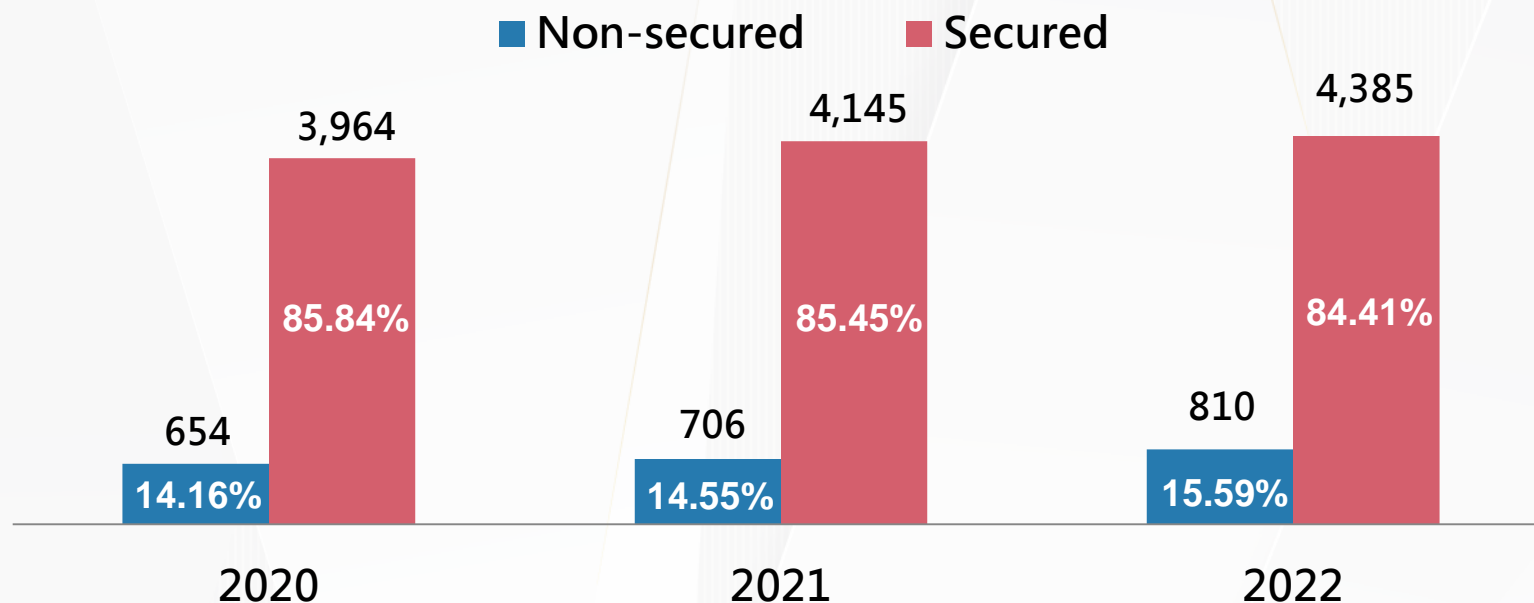
Note 1 : The balance of Corporate loan included government loans. (The balance in 2022Q4 was 1.26 billions in NT\$)

Note 2 : The loan balance of OBU & overseas branch in 2022Q4 were 27.3 billions and 3.7 billions in NT\$, respectively.

TCB 's Loan Breakdown by Secured

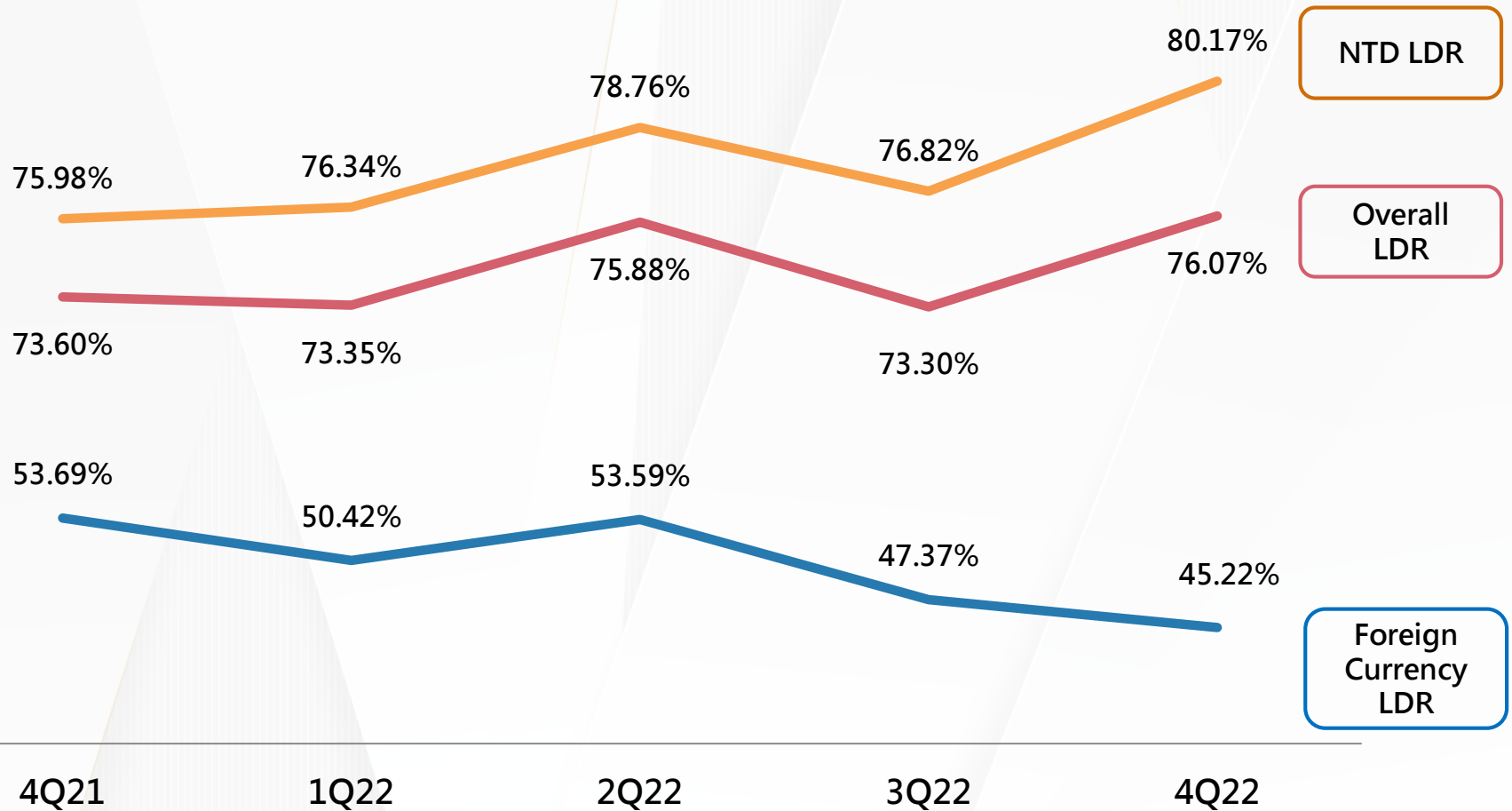


(NT\$ Hundred Million)

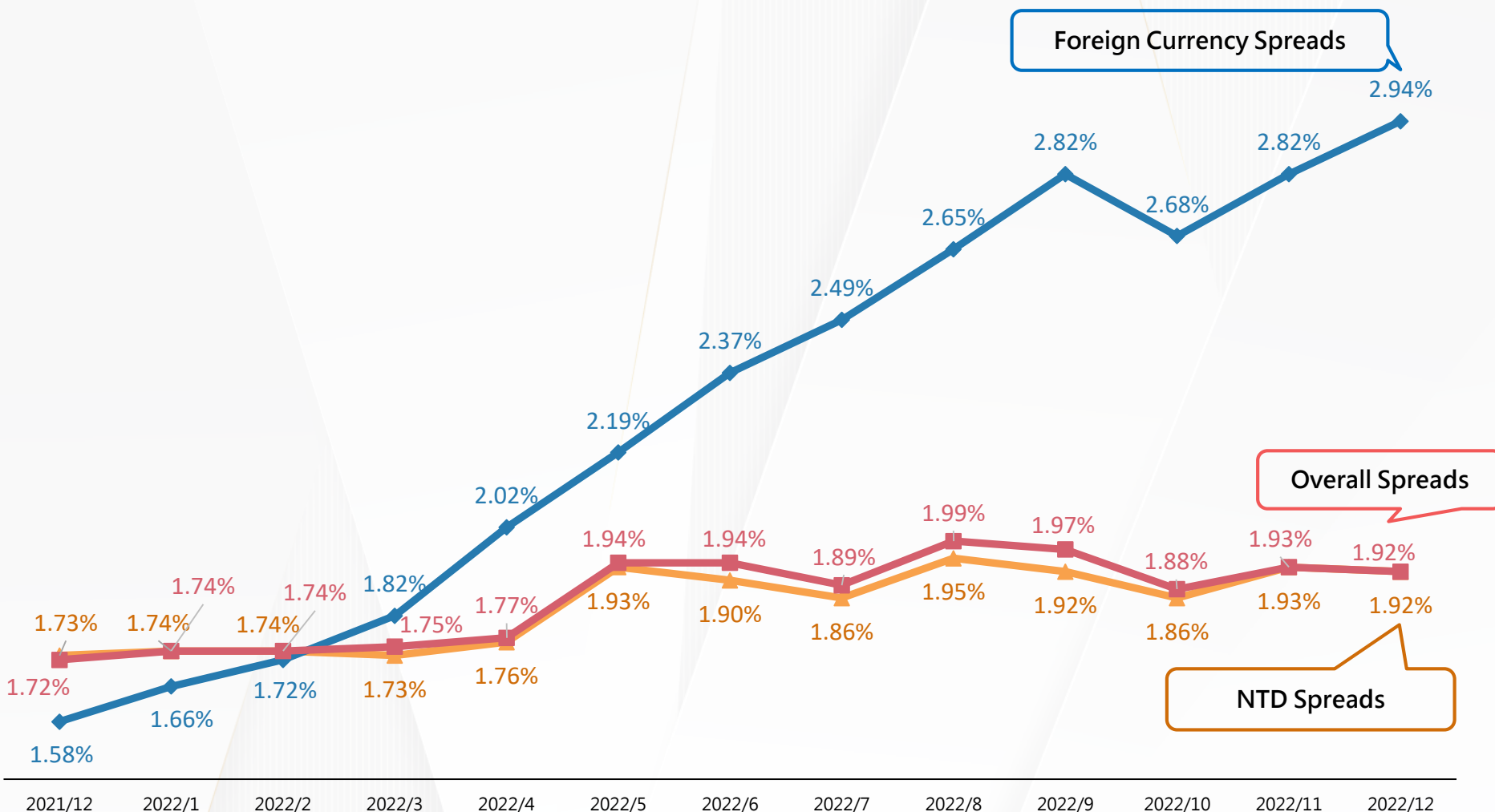


	2020	2021	2022	YTD
Non-secured	654	706	810	14.73%
Secured	3,964	4,145	4,385	5.79%
Secured by property	3,622	3,767	3,984	5.76%
Secured by Letter of Guarantee	166	175	161	-8.00%
Others	176	203	240	18.23%
Total	4,618	4,851	5,195	7.09%

TCB's Loan to Deposit Ratio(LDR) 台中銀行 TAICHUNG BANK



TCB 's Spreads



Note1 : Monthly Information.

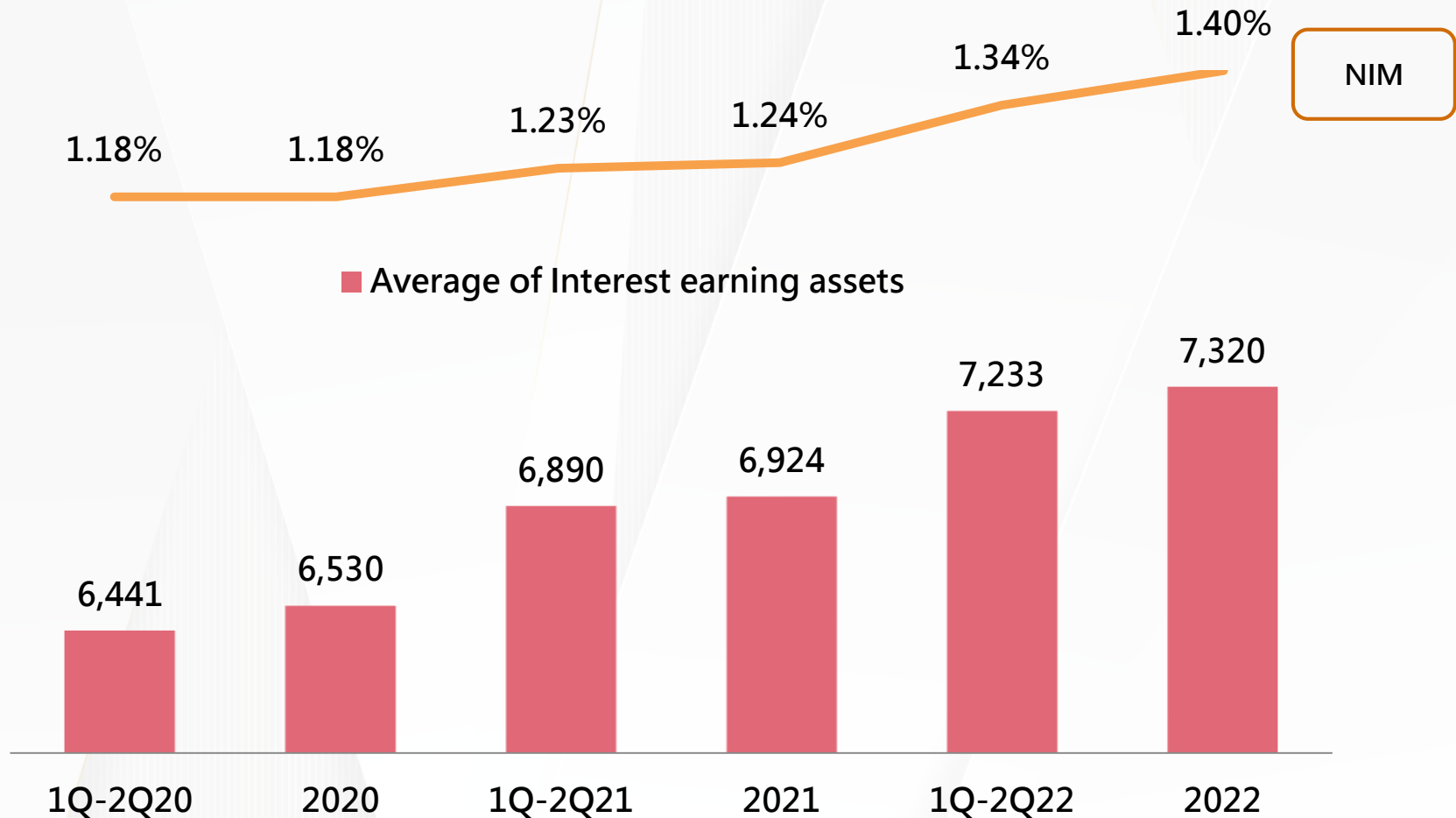
Note2 : The schedule of the Federal Reserve System adjusted target federal fund rates : 2022/3/17 raised 0.25%, 2022/5/4 raised 0.50%, 2022/6/16 raised 0.75%, 2022/7/28 raised 0.75%, 2022/9/22 raised 0.75%, 2022/11/3 raised 0.75% and 2022/12/15 raised 0.50%.

Note3 : The schedule of Central Bank of the Republic of China (Taiwan) adjusted CBC rates : 2022/3/17 raised 0.25%, 2022/6/16 raised 0.125%, 2022/9/22 raised 0.125% and 2022/12/15 raised 0.125%.

TCB's Net Interest Margin(NIM)

(NT\$ Hundred Million)

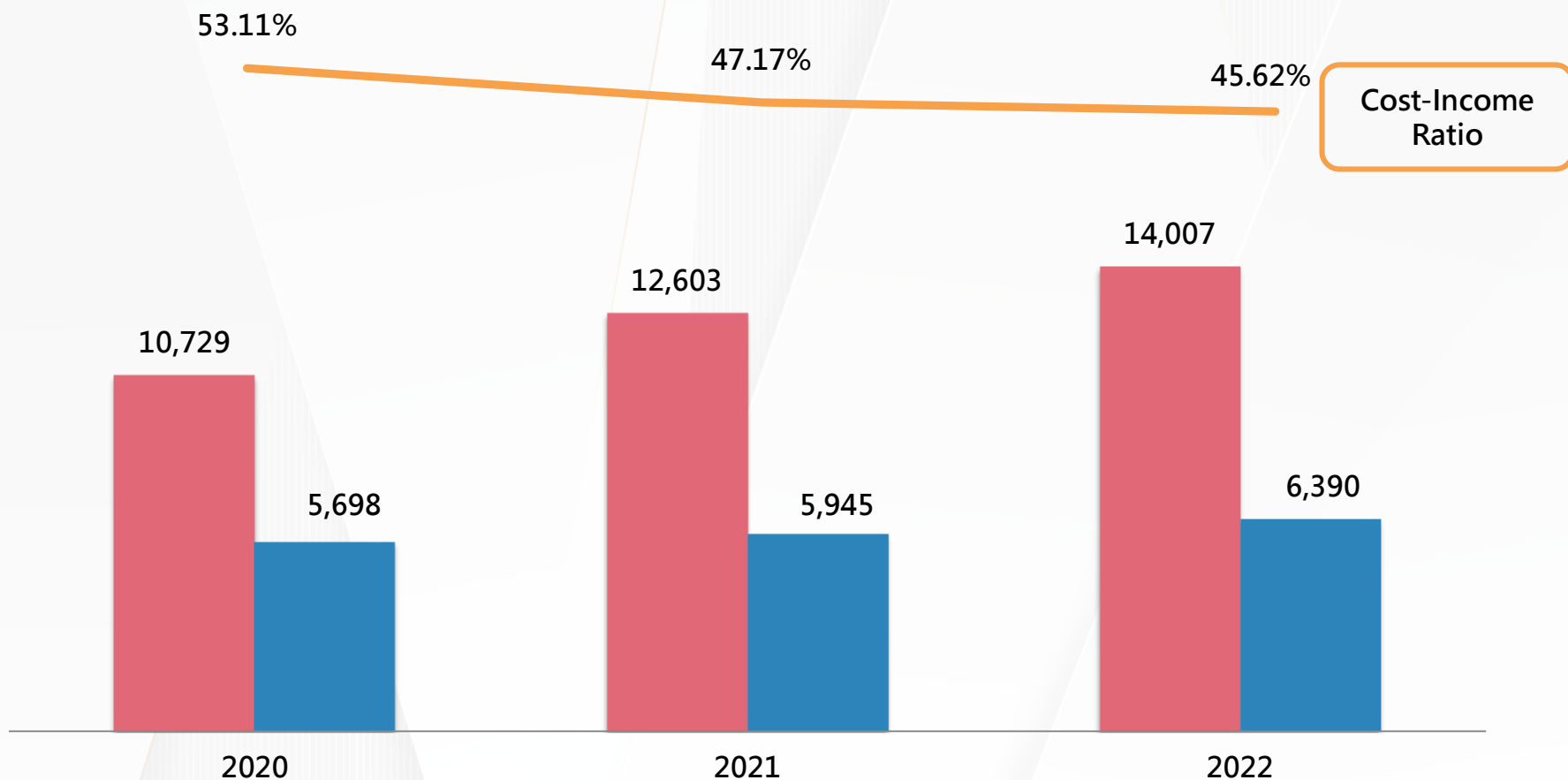
NIM & Average of Interest earning assets



TCB's Operating Expenses to Net Income

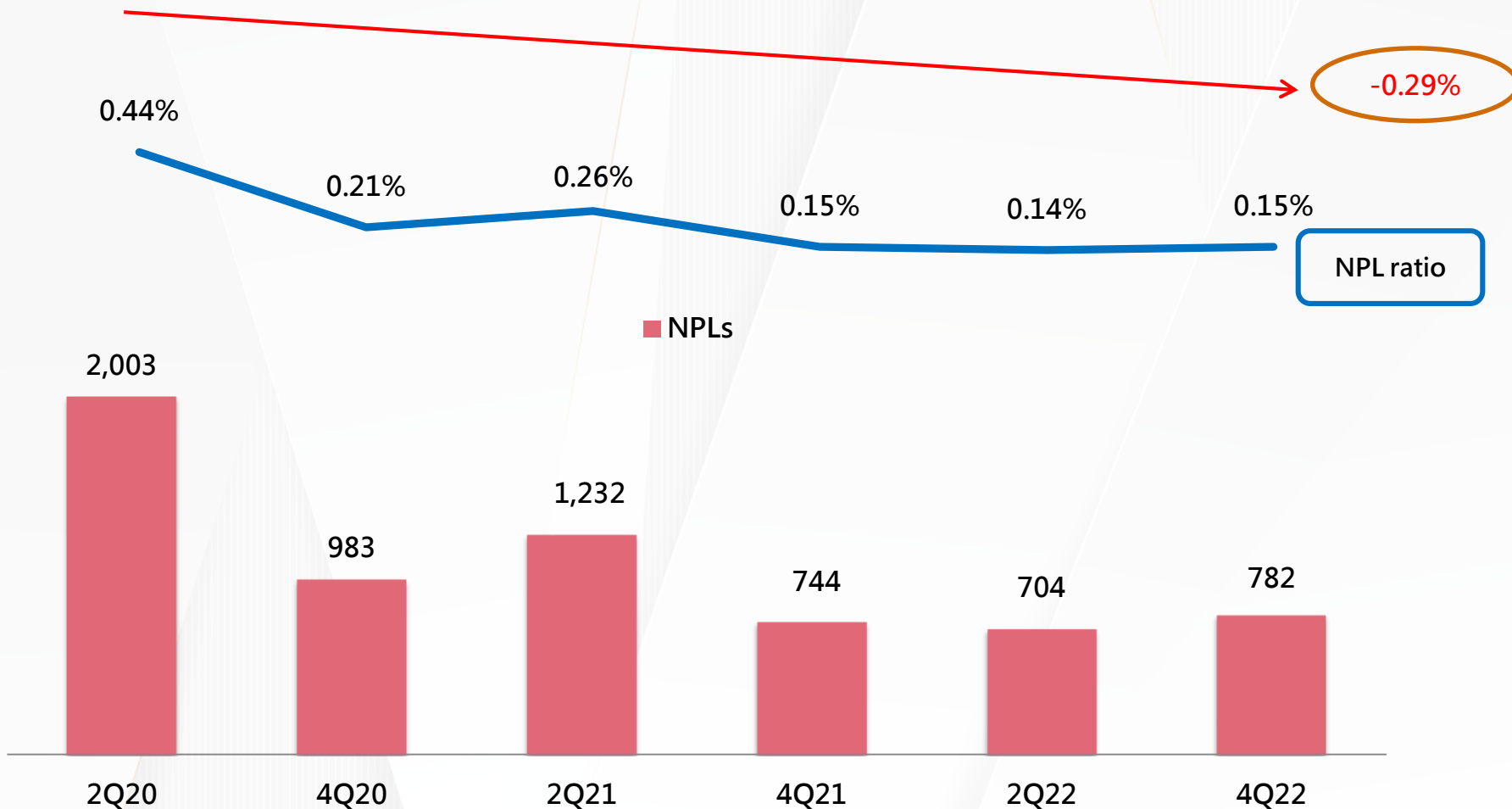
(NT\$ Million)

■ Net Income ■ Operating Expenses



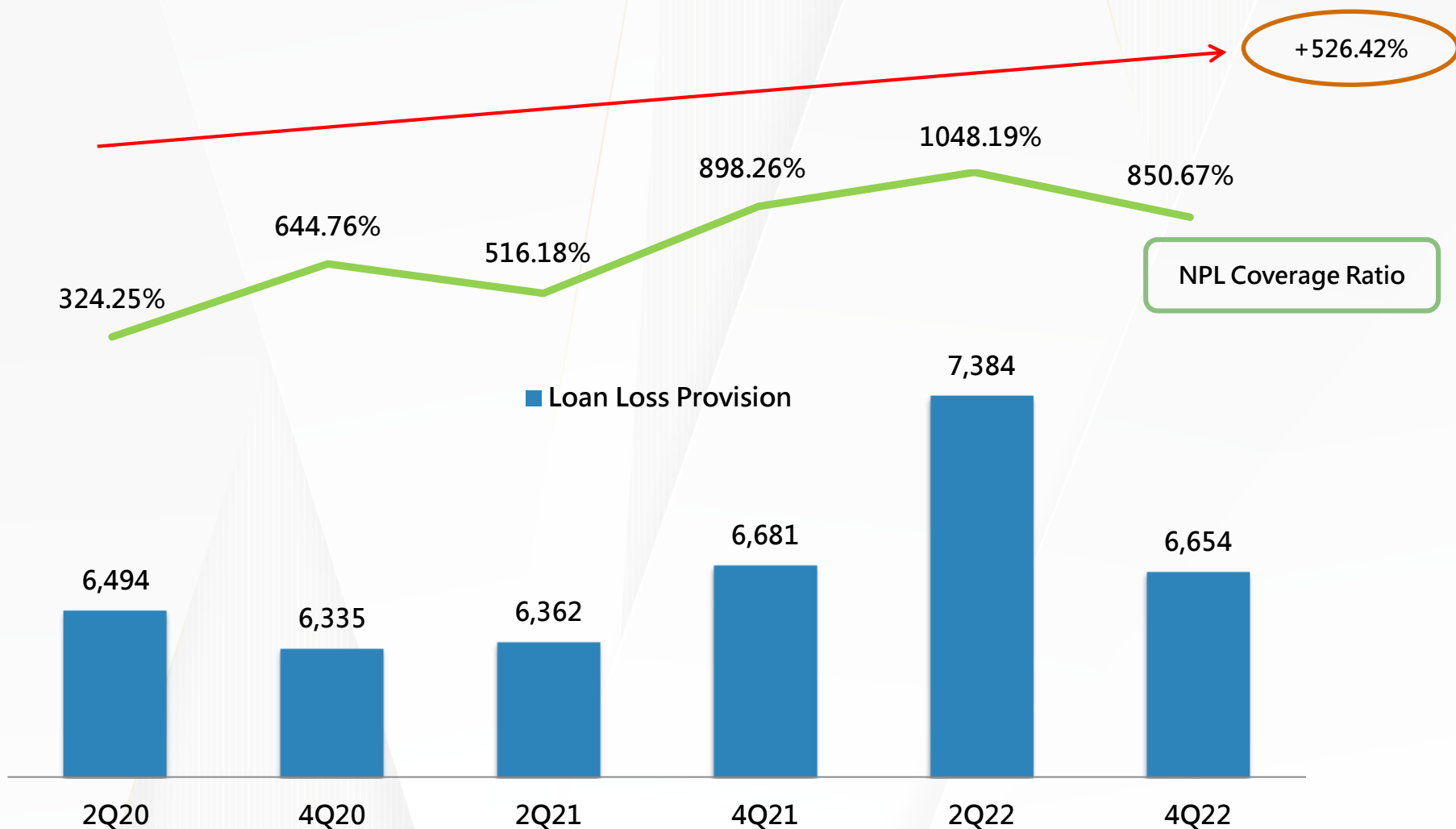
TCB's Asset quality

NPL ratio & NPLs



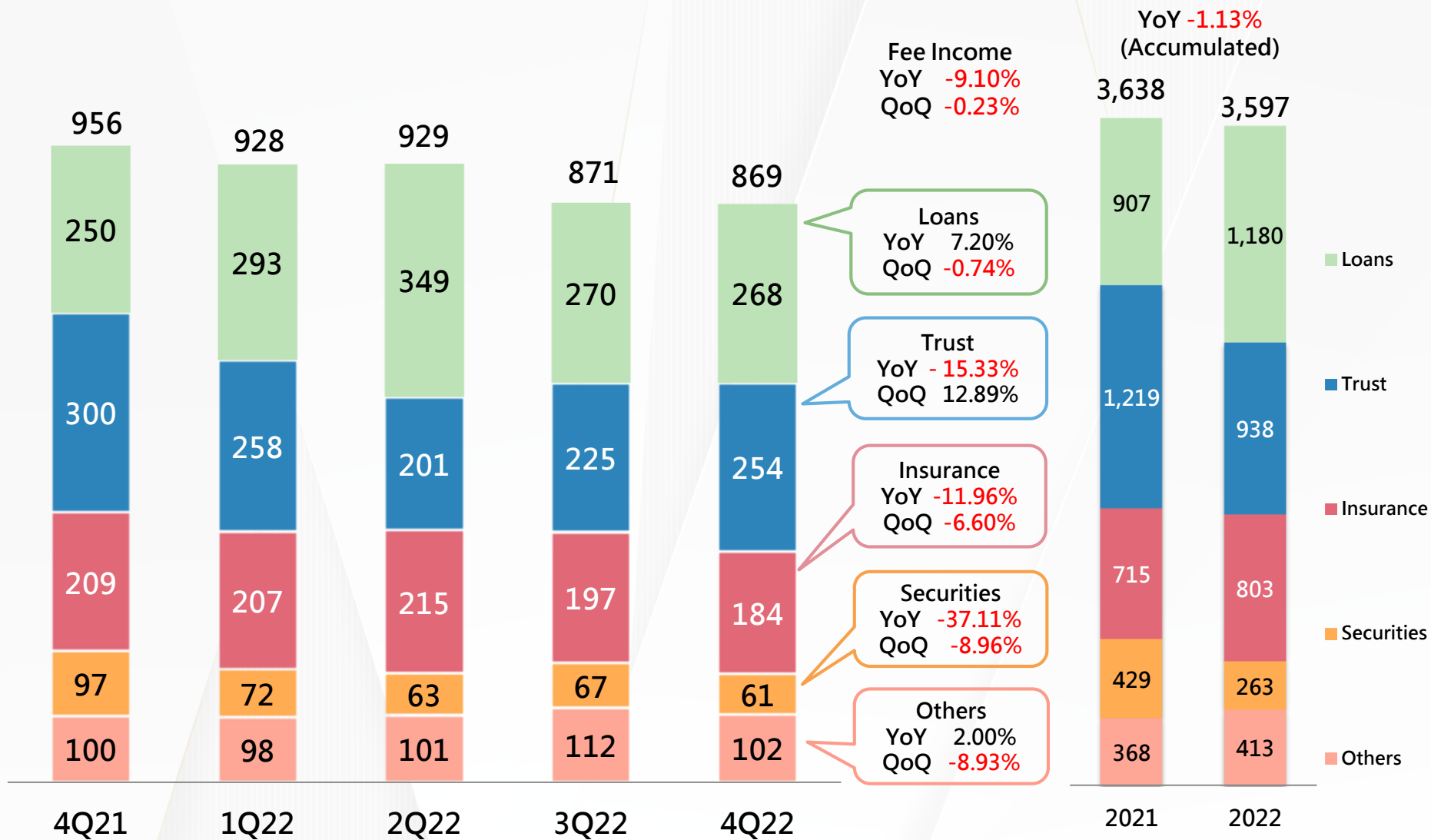
TCB's Asset quality

NPL Coverage Ratio & Loan Loss Provision



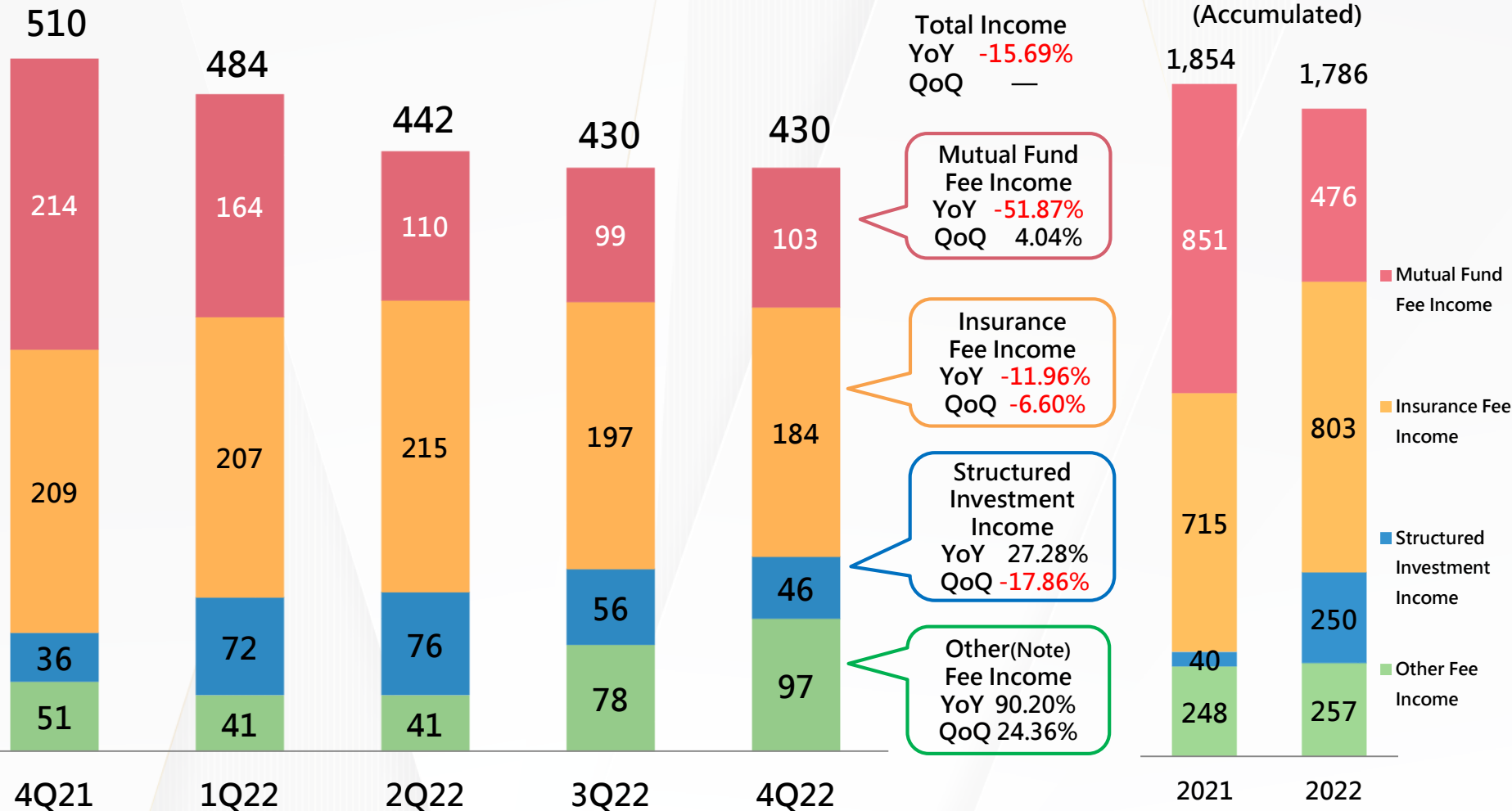
Fee Income Breakdown

(NT\$ Million)  台中銀行
TAICHUNG BANK



Wealth Management Income

(NT\$ Million)



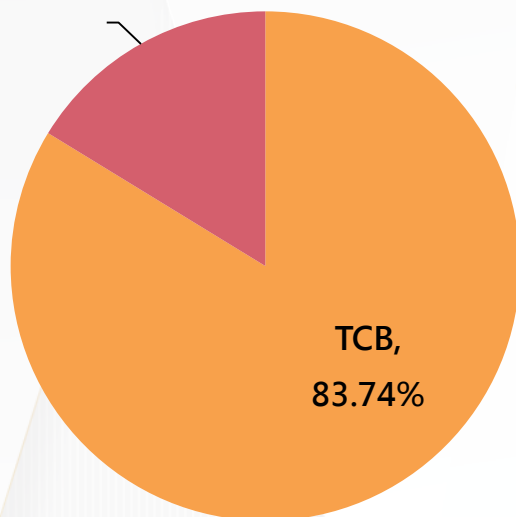
Note : Others are comprised of foreign bond, structured note, exchange traded fund , preferred stock, and etc.

Profit of Subsidiary to TCB

(NT\$ Million)

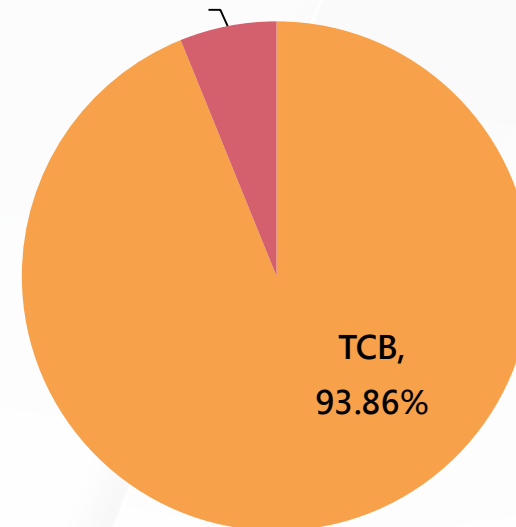
Net Profit after tax	2021	2022	YoY
TCB	4,016	5,016	24.90%
Subsidiary	780	328	-57.95%
Total	4,796	5,344	11.43%

Subsidiary of TCB,
16.26%



2021 Profit Breakdown

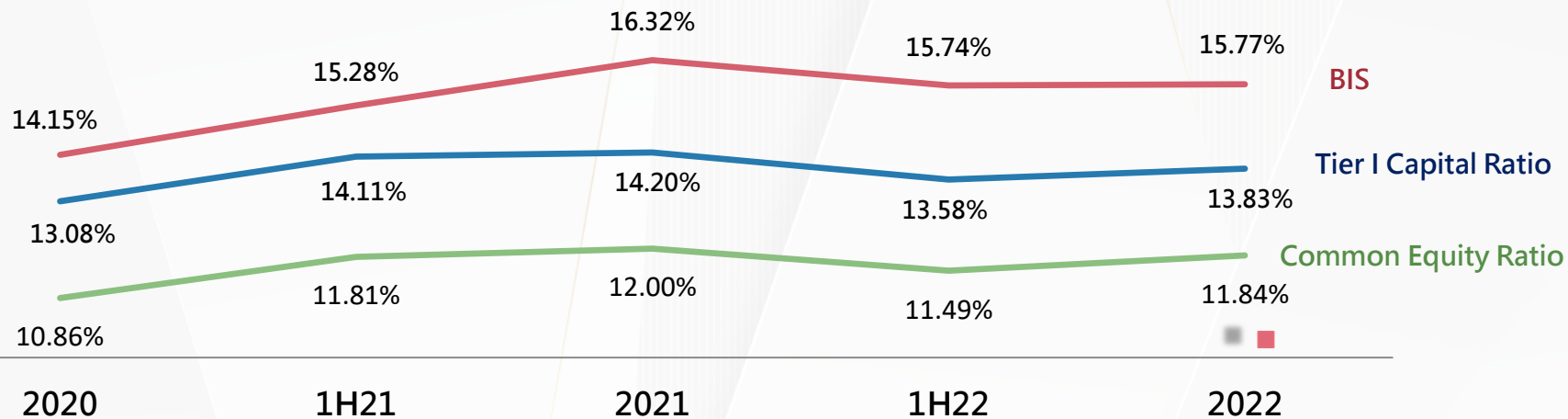
Subsidiary of TCB,
6.14%



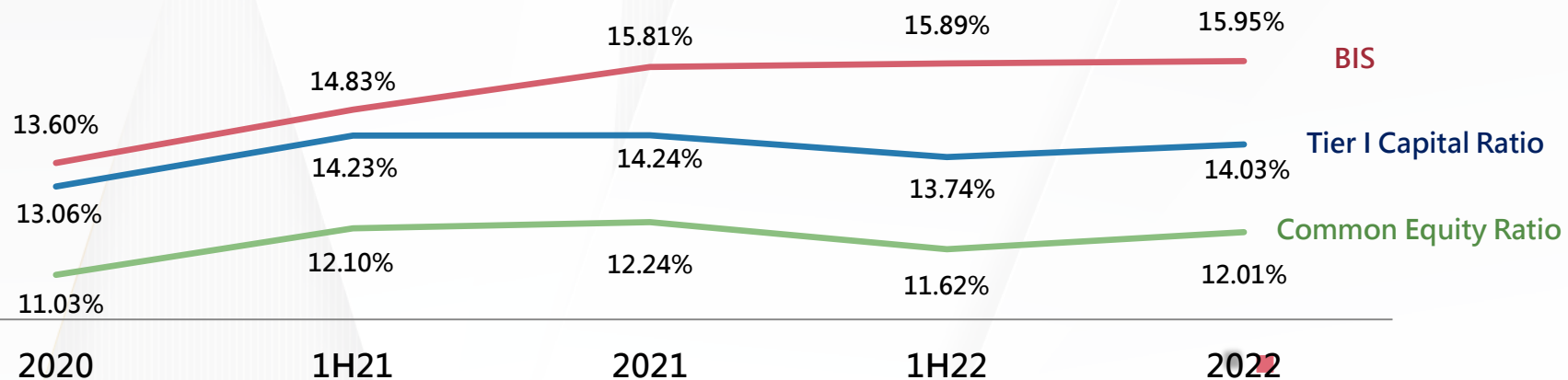
2022 Profit Breakdown

Capital Adequacy

Consolidated



Individual



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Balance Sheet (Individual)

(NT\$ Million)

	2020	2021	2022	YTD
Assets :				
Cash and due from banks	51,588	55,821	65,306	16.99%
Financial investment, net	195,628	201,027	188,991	-5.99%
Loans, net	455,442	478,441	512,879	7.20%
A/R, net	3,546	3,176	3,245	2.17%
LT investments, net	5,440	6,064	6,043	-0.35%
Properties and equipment , net	12,277	13,708	16,216	18.30%
Others	3,755	4,101	3,925	-4.29%
Total Assets	727,676	762,338	796,605	4.49%
Liabilities :				
Deposits	638,274	661,383	685,335	3.61%
Other liabilities	32,080	37,495	42,040	12.12%
Total Liabilities	670,354	698,878	727,375	4.08%
Total Equity	57,322	63,460	69,230	9.09%
Total Liabilities and Equity	727,676	762,338	796,605	4.49%

P&L (Individual)

(NT\$ Million)

	2020	2021	2022	YoY
Net Interest	7,848	8,696	10,221	17.54%
Service Fee Income, net	2,117	2,482	2,495	0.52%
Other Net Revenue	764	1,425	1,291	-9.40%
Total Net Revenue	10,729	12,603	14,007	11.14%
Operating Expenses	(5,698)	(5,945)	(6,390)	7.49%
Pre-provision Profit	5,031	6,658	7,617	14.40%
Provision for Bad Debts	(366)	(1,204)	(1,145)	-4.90%
Profit Before Income Tax	4,665	5,454	6,472	18.67%
Income Tax Expense	(639)	(658)	(1,128)	71.43%
Net Profit After Income Tax	4,026	4,796	5,344	11.43%
Other Comprehensive Income ^[Note]	448	88	(1,414)	-1,706.82%
Total Comprehensive Income for the Year	4,474	4,884	3,930	-19.53%

Note : 2022 Other Comprehensive Income NT\$ -1,414 million is mainly comprised of Unrealized (losses) gains on investments in debt instruments designated as at fair value through other comprehensive income NT\$ -1,390million.

Balance Sheet (Consolidated)

(NT\$ Million)

	2020	2021	2022	YTD
Assets :				
Cash and due from banks	52,081	56,159	66,682	18.74%
Financial investment, net	197,275	202,664	190,639	-5.93%
Loans, net	456,541	479,806	514,113	7.15%
A/R, net	13,484	14,352	14,435	0.58%
LT investments, net	163	165	172	4.24%
Properties and equipment, net	12,333	13,755	16,256	18.18%
Others	4,893	5,777	5,666	-1.92%
Total Assets	736,770	772,678	807,963	4.57%
Liabilities :				
Deposits	636,589	659,116	683,104	3.64%
Other liabilities	42,859	50,102	55,629	11.03%
Total Liabilities	679,448	709,218	738,733	4.16%
Total Equity	57,322	63,460	69,230	9.09%
Total Liabilities and Equity	736,770	772,678	807,963	4.57%

P&L(Consolidated)

(NT\$ Million)

	2020	2021	2022	YoY
Net Interest	8,279	9,278	10,775	16.13%
Service Fee Income, net	2,906	3,375	3,317	-1.72%
Other Net Revenue	459	1,069	925	-13.47%
Total Net Revenue	11,644	13,722	15,017	9.44%
Operating Expenses	(6,366)	(6,784)	(7,164)	5.60%
Pre-provision Profit	5,278	6,938	7,853	13.19%
Provision for Bad Debts	(519)	(1,369)	(1,253)	-8.47%
Profit Before Income Tax	4,759	5,569	6,600	18.51%
Income Tax Expense	(733)	(773)	(1,256)	62.48%
Net Profit After Income Tax	4,026	4,796	5,344	11.43%
Other Comprehensive Income[Note]	448	88	(1,414)	-1,706.82%
Total Comprehensive Income for the Year	4,474	4,884	3,930	-19.53%

Note : The note is the same as P.27

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2022 Glory and Affirmation



- ★ **Won the Golden Security Award for Outstanding Institutions given by the Joint Credit Information Center for the 8th consecutive year**
- ★ **Won the Sponsorship Class Gold Award and the Long-term Sponsorship Award in the Sports Promoter Awards given by the Ministry of Education for the 3rd consecutive year**
- ★ **Won the Financial Management and Consulting Industry - Gold Award in the 1111 Job Bank's Lohas Enterprise Poll for 2nd consecutive year**
- ★ **Won the Star Award - Three Star Award and the Five-Star Award for Promoting Happiness (Group Award) in the Taichung City Happy Workplace Selections for the 2nd consecutive year**
- ★ **Awarded as an Excellent Performance Bank for New Southbound Policy Target Countries Credit Extension Programs by the Financial Supervisory Commission for 2nd consecutive year**
- ★ **Ranked a Top 5% of TWSE-Listed Companies in the 8th Corporate Governance Evaluations**
- ★ **Given the Excellent Award for COVID-19 Credit Guarantee Projects and the Excellent Award for the Growth of New South Countries Credit Guarantee Financing Amounts by the Overseas Credit Guarantee Fund (Taiwan)**

2022 Glory and Affirmation



- ★ **Won the Excellent Performance Award for Debt Collection in Credit Guarantee Cases given by the Small & Medium Enterprise Credit Guarantee Fund of Taiwan**
- ★ **Won the Happiness Creativity Award in the Taichung City Happy Workplace Selection**
- ★ **Given a Golden Excellence Award by the Joint Credit Information Center**
- ★ **Won the Best Customer Recommendation Award and the Best New Southbound Contribution Award in Excellence Magazine's bank evaluations**
- ★ **Won the Best Customer Recommendation Award in Wealth Magazine's Wealth Management Awards**
- ★ **Given a Financial Institution eFCS Specific Write-off Processing Business Promotion Award by Taiwan Clearing House**
- ★ **Won the Sustainability Report Category – Class 1 Silver Award in Finance and Insurance Industry in the Taiwan Institute for Sustainable Energy's TCSA Taiwan Enterprise Sustainability Awards**
- ★ **Won Buying Power's Procurement Award – Third Prize for social innovation products and service procurement incentive mechanisms**
- ★ **Won the Innovative Design Excellence Award in the Taiwan Excellent Trademark Awards, organized by Economic Daily News under the guidance of Taichung City Government's Economic Development Bureau**

2023 Strategy & Outlook



- ◎ **Seek stability amidst change to diversify revenue sources; reinforce and consolidate the asset structure**
- ◎ **Independent and transparent financial supervision; move toward a comprehensive regulatory compliance system**
- ◎ **Deepen the digital financial ecology; meet customer needs with warmth**
- ◎ **Expand overseas territories of finance; refine diversified foreign exchange services**
- ◎ **Precise grouping and differentiated services; intelligent investment and smart wealth management**
- ◎ **Low-carbon development and green symbiosis; value investing and sustainable empowerment**
- ◎ **Fulfill the mission of inclusive finance; cater to the vision of all-age friendliness**

Thanks for your
listening!

