

Taichung Commercial Bank 2023 Half Year Investor Conference



Aug. 28 2023

股票代碼：2812

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- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Profitability

- Net Profit after tax NT\$3.076billions, 18.04% growth over the same period last year.
- EPS 0.59, 13.46% growth over the same period last year.

Asset quality

- NPL ratio 0.24% 、 NPL coverage ratio 571.98%.

Capital adequacy

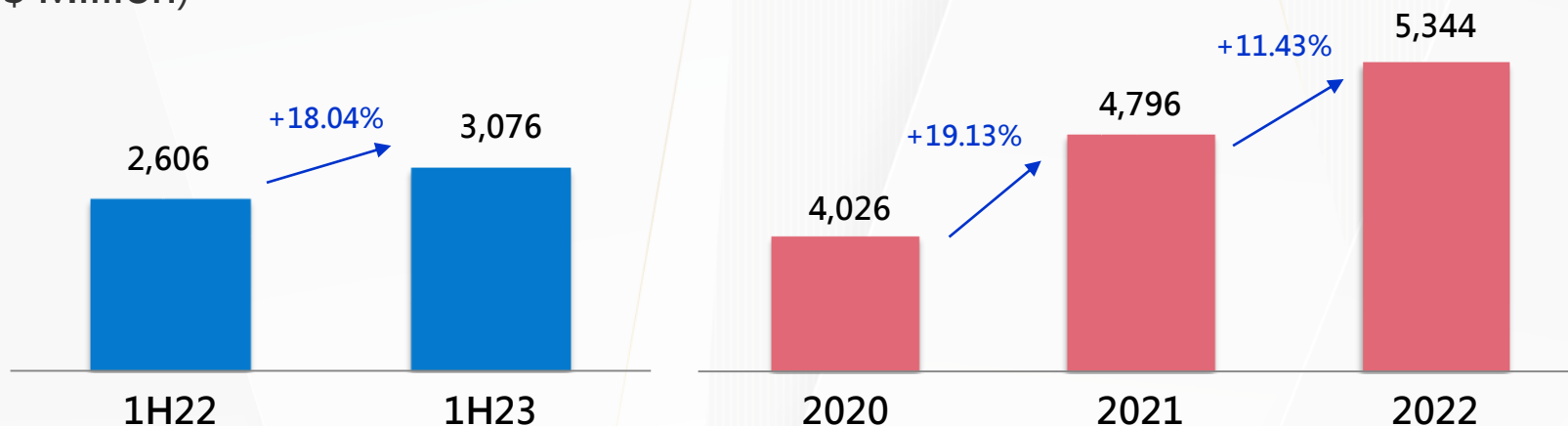
- Consolidated : Capital Adequacy Ratio 15.70% 、 Tier I Capital Ratio 13.79% 、 Common Equity Ratio 11.86%.
- Individual : Capital Adequacy Ratio 15.94% 、 Tier I Capital Ratio 14.04% 、 Common Equity Ratio 12.08%.

- Financial Highlights
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- Appendix

Profitability

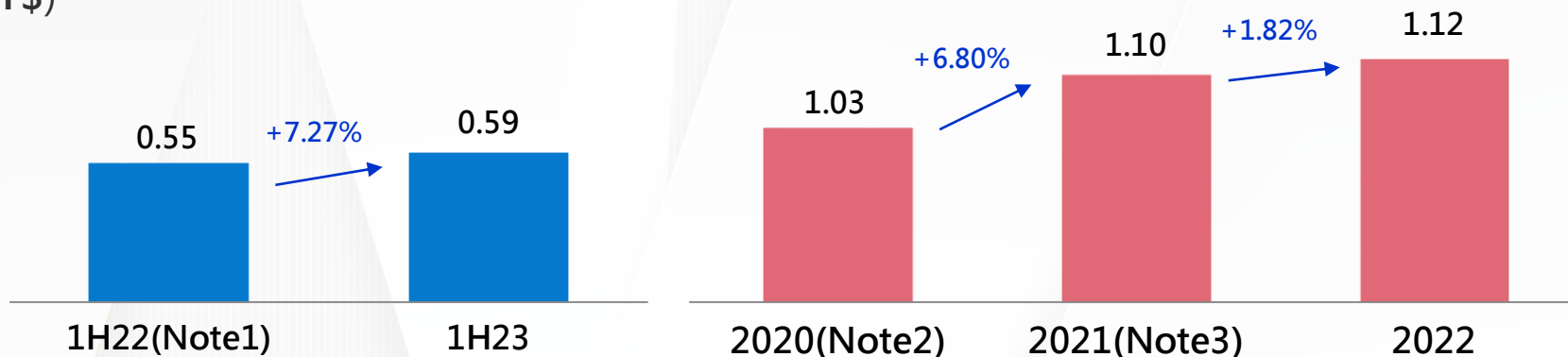
Net Profit

(NT\$ Million)



EPS

(NT\$)



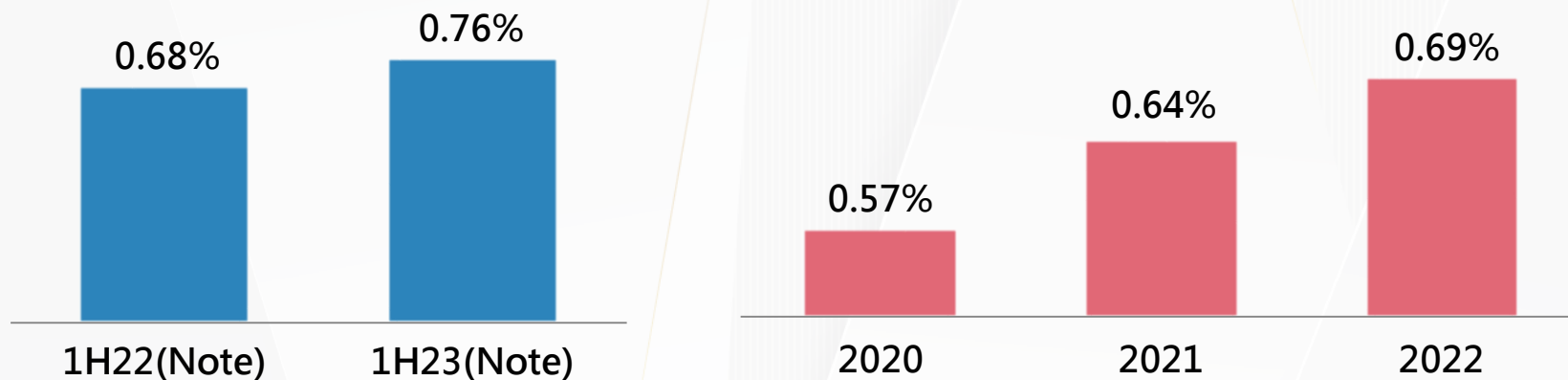
Note1 : The EPS in 2022Q2 Financial statement was 0.55. After been retroactive adjusted, the EPS of 2022Q2 was 0.52. The growth rate of EPS in 2023Q2 over 2022Q2 was 13.46%.

Note2 : 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%.

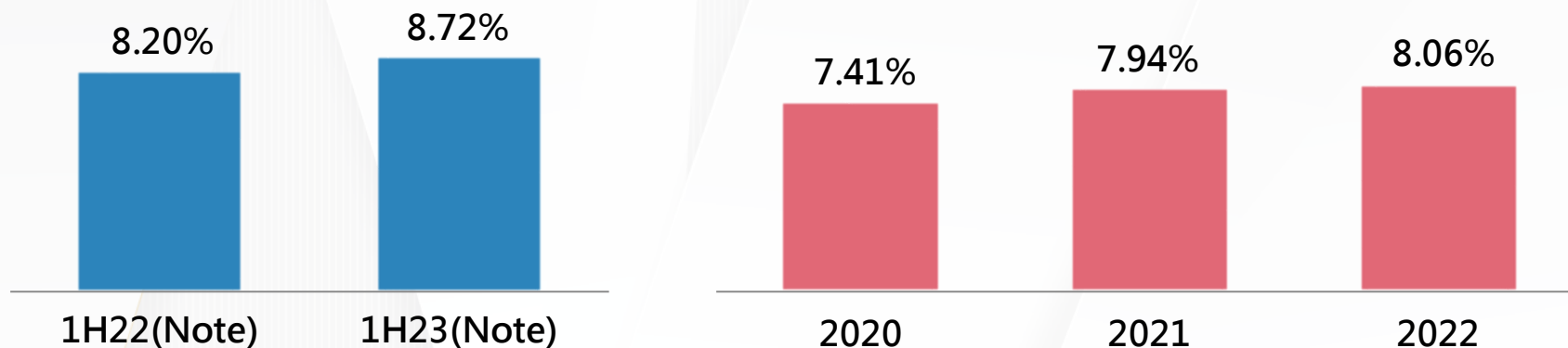
Note3 : The EPS in 2021 Financial statement was 1.10. After been retroactive adjusted, the EPS of 2021 was 1.05. The growth rate of EPS in 2022 over 2021 was 6.67%.

Profitability

ROA



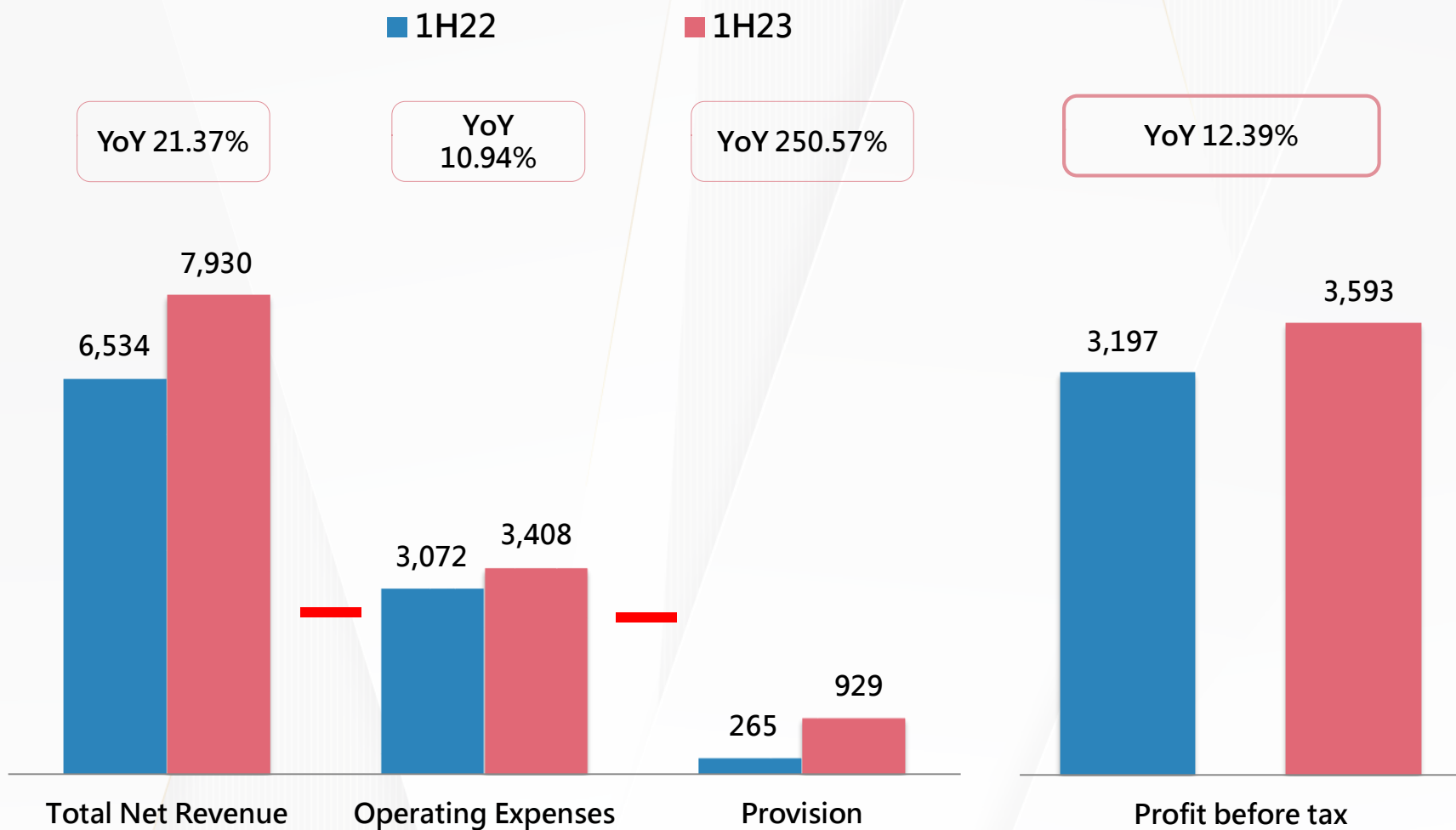
ROE



Note : ROE and ROA are annualized.

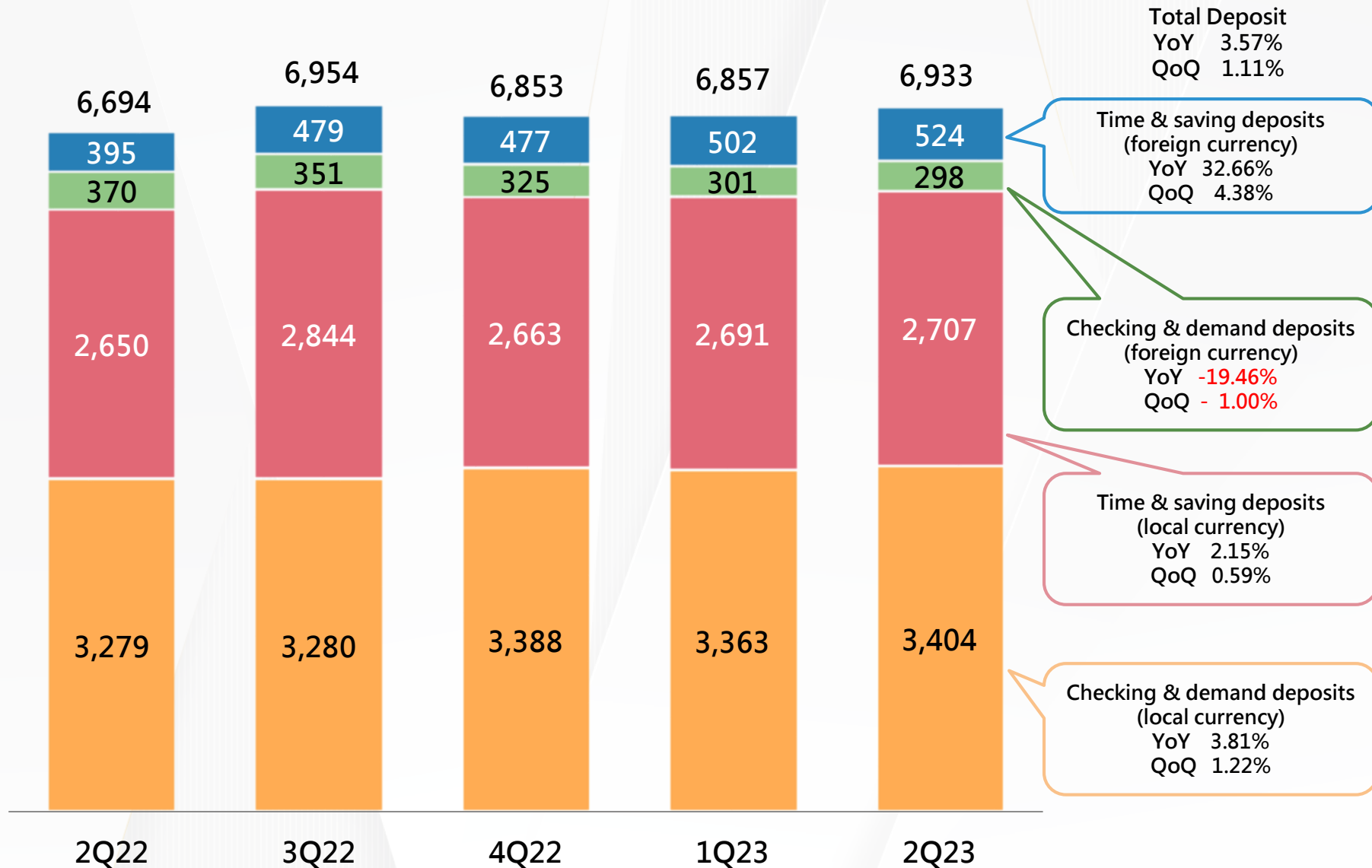
TCB's Change in Net Profit

(NT\$ Million)

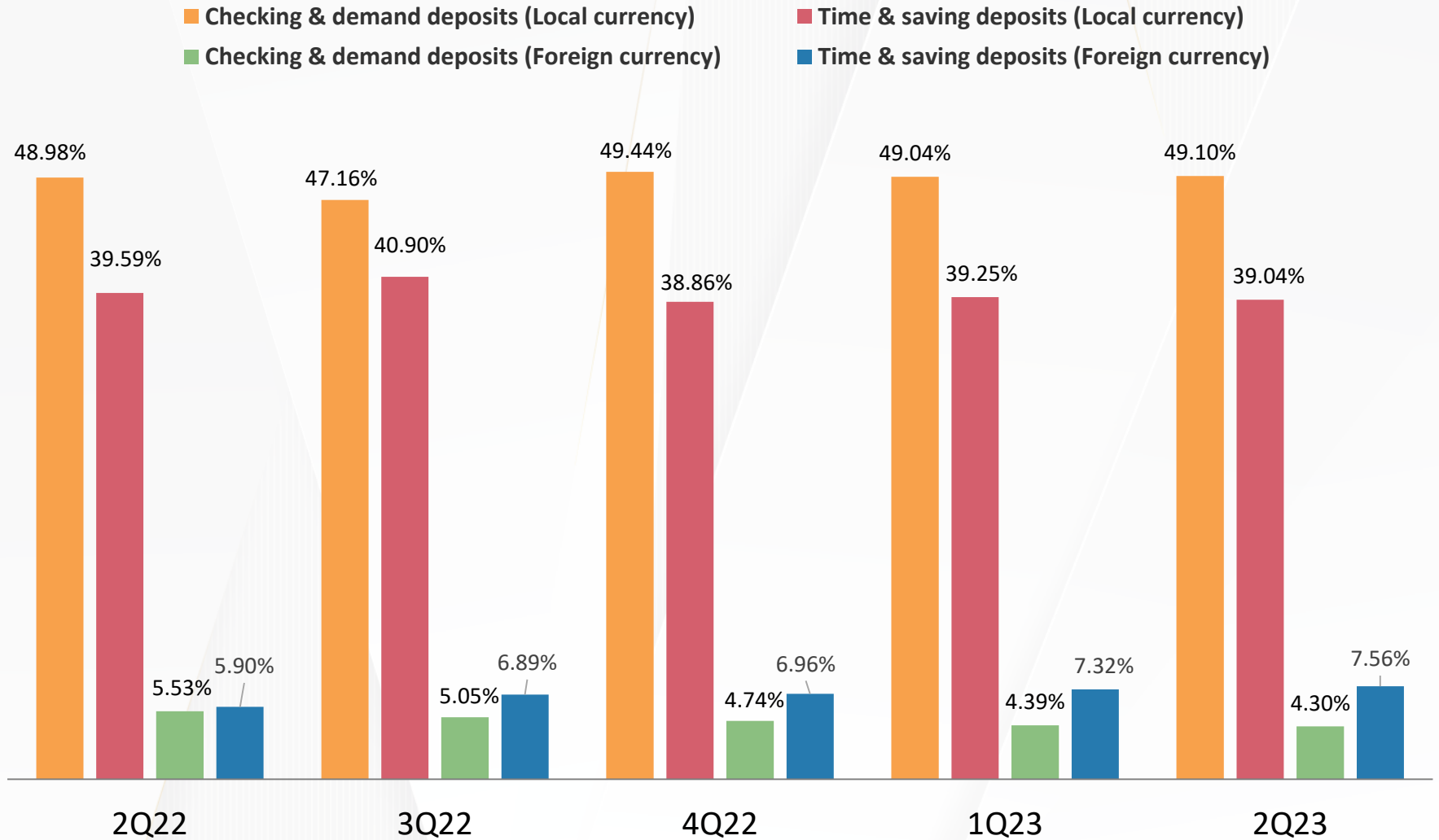


TCB's Deposit Breakdown

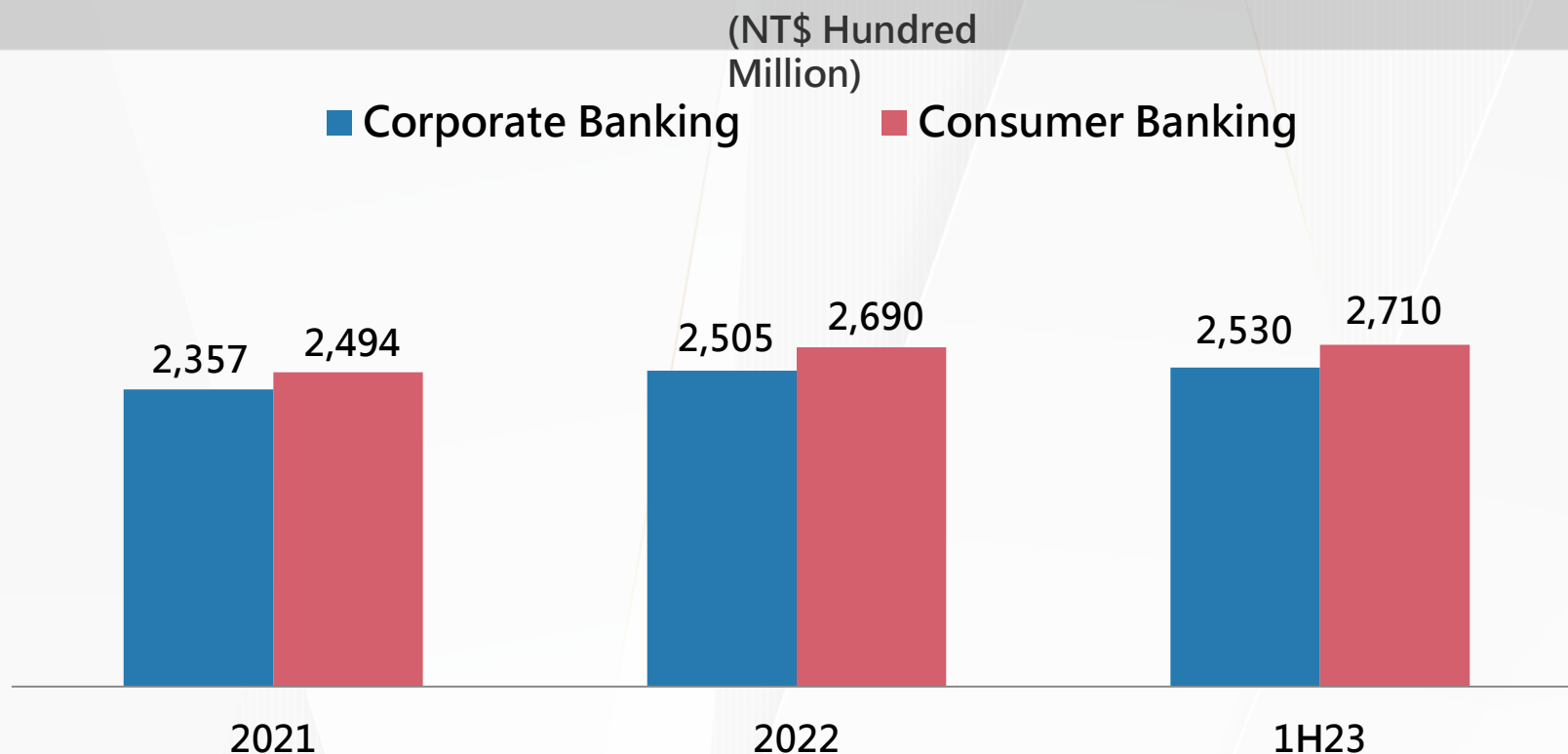
(NT\$ Hundred Million)



TCB 's Deposit Structure



TCB 's Loan Structure

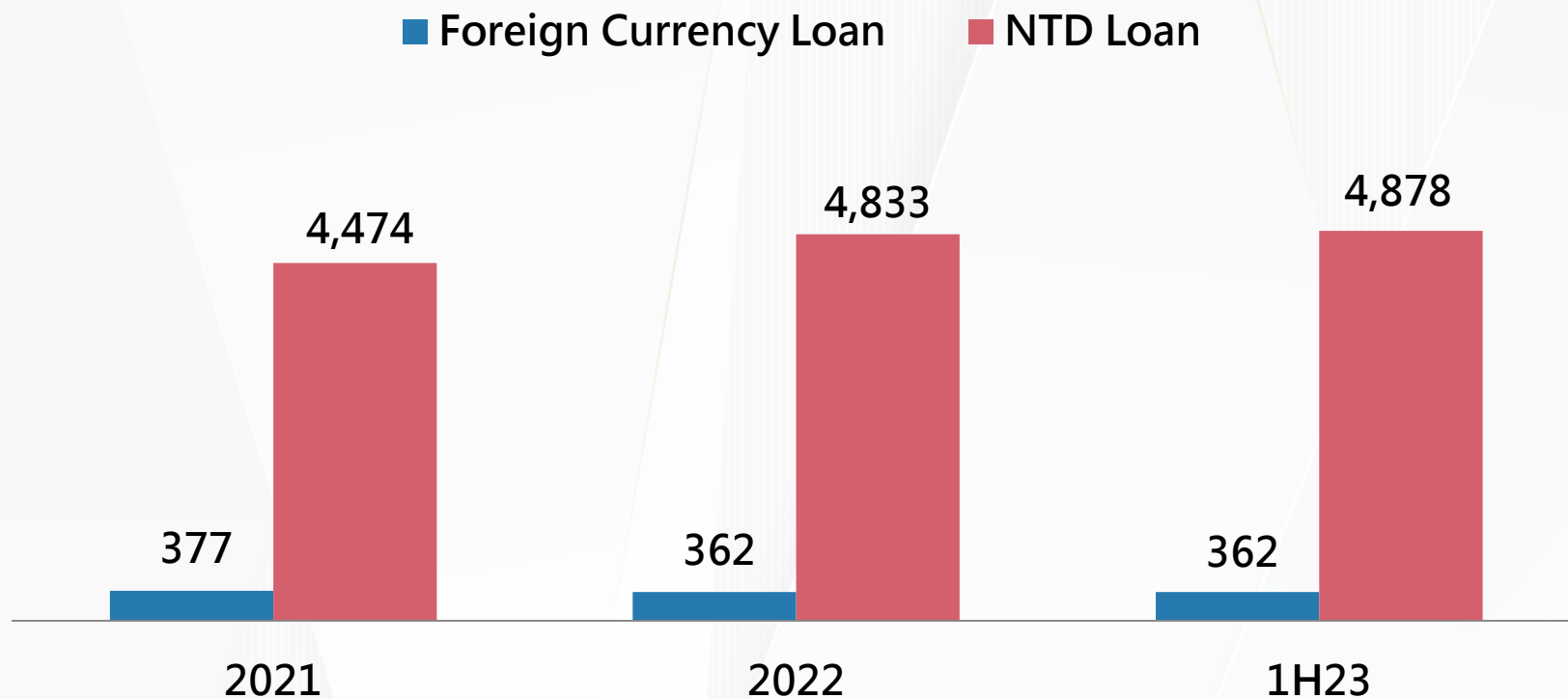


	2021	2022	1H23	HoH
Corporate Banking	2,357	2,505	2,530	1.00%
Consumer Banking	2,494	2,690	2,710	0.74%
Total	4,851	5,195	5,240	0.87%

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 台中銀行

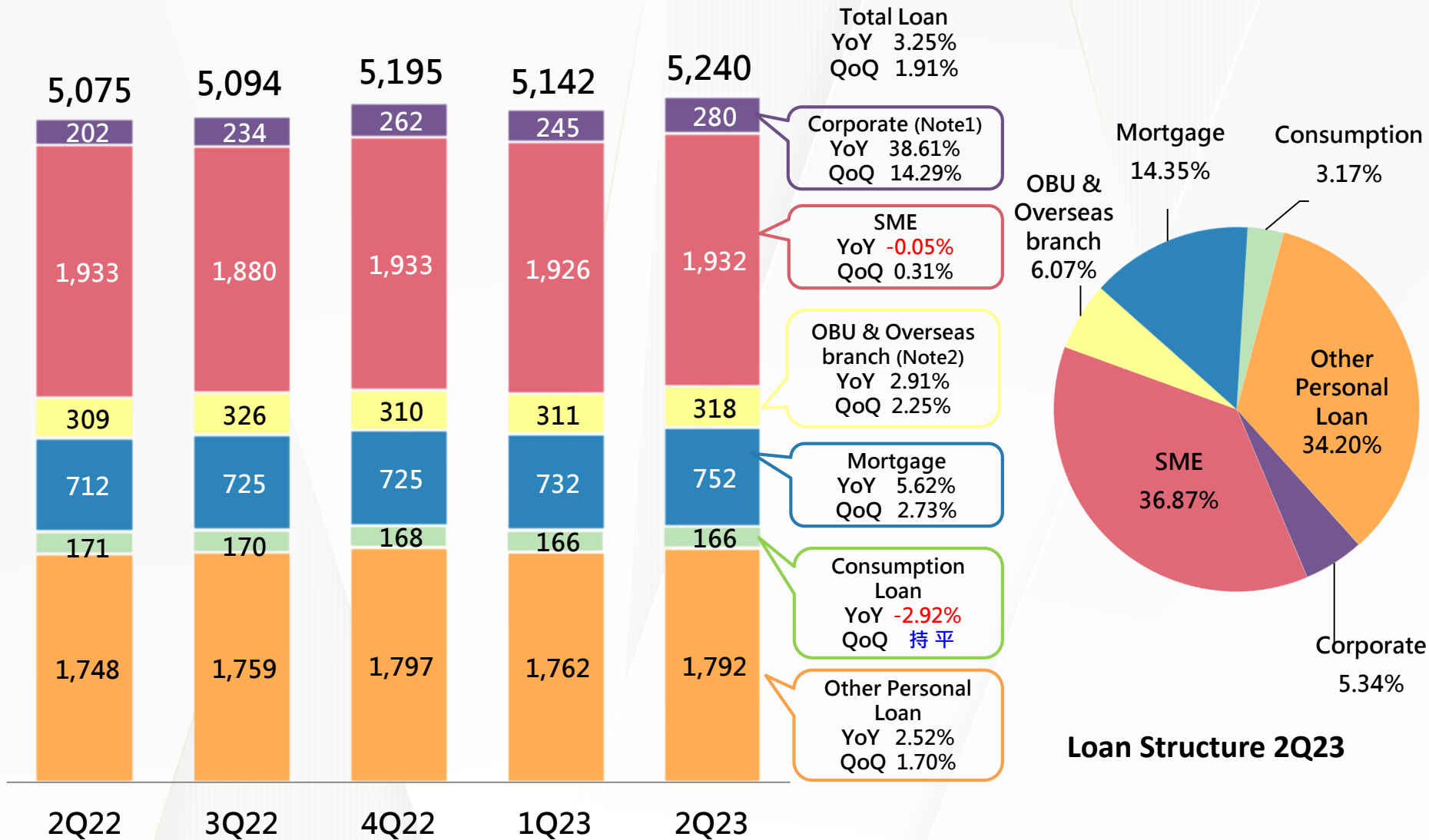
(NT\$ Hundred Million)



	2021	2022	1H23	HoH
NTD Loan	4,474	4,833	4,878	0.93%
Foreign Currency Loan	377	362	362	-
Total	4,851	5,195	5,240	0.87%

TCB 's Loan Breakdown

(NT\$ Hundred Million)



Note 1 : The balance of Corporate loan included government loans. (The balance in 2023Q2 was 2.048 billions in NT\$)

Note 2 : The loan balance of OBU & overseas branch in 2023Q2 were 27 billions and 4.8 billions in NT\$,respectively.

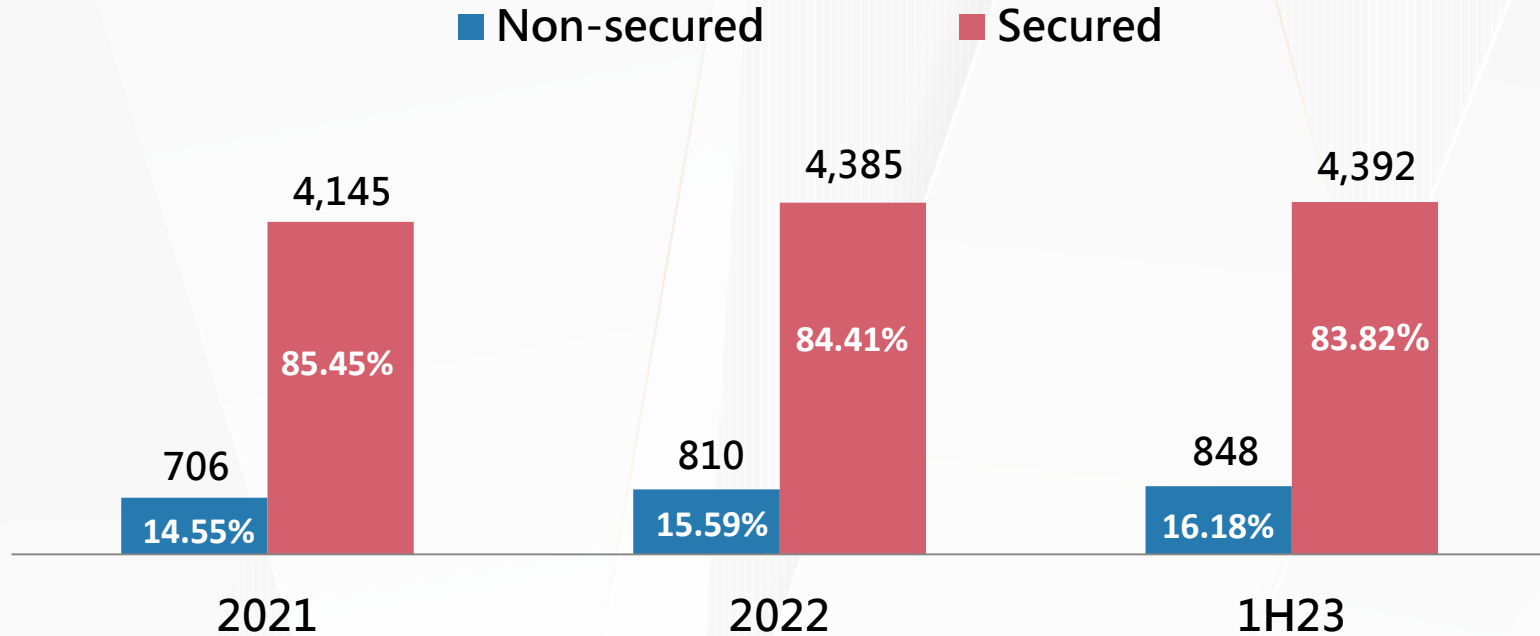
TCB 's Loan Breakdown by Secured



台中銀行

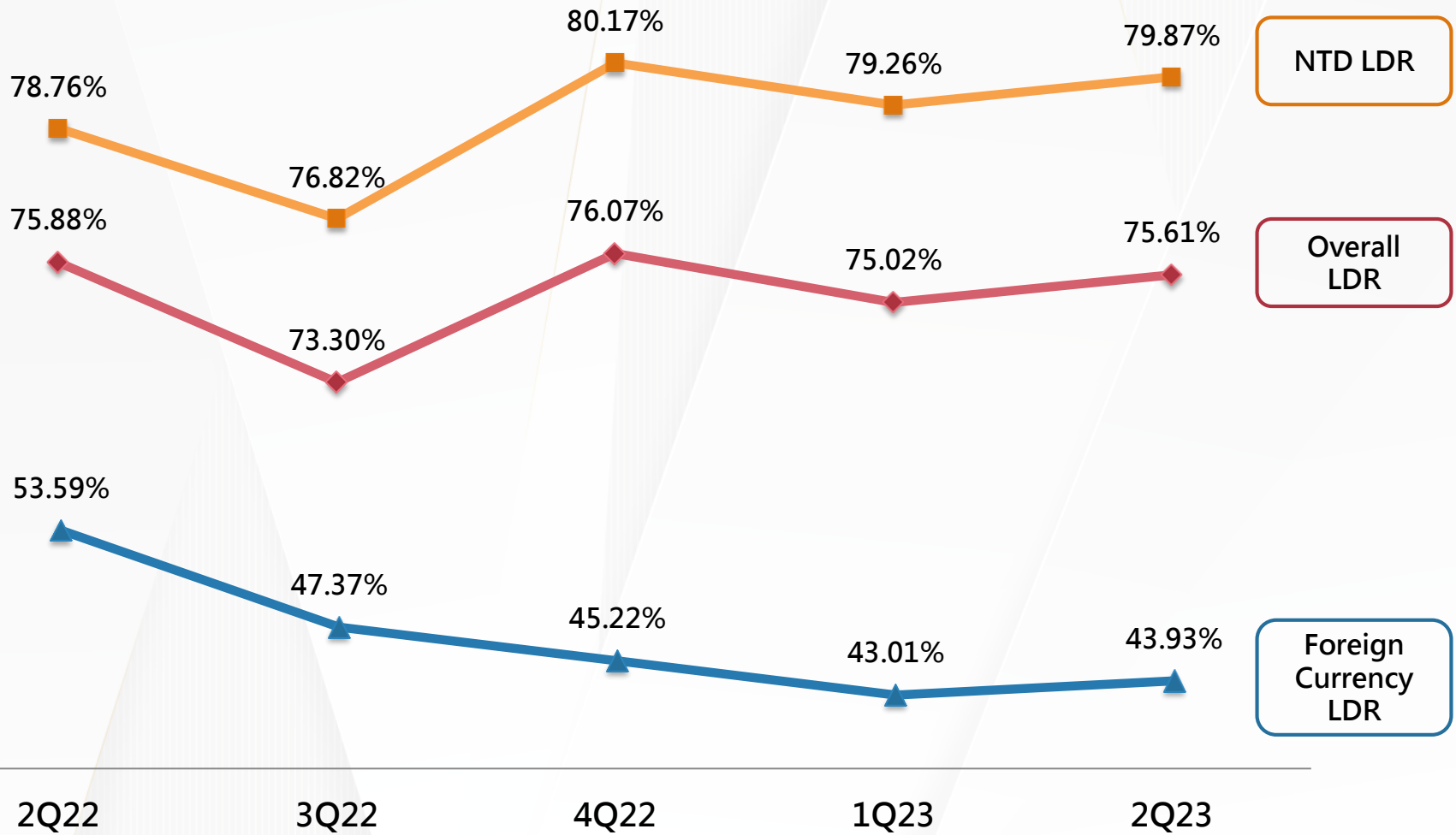


(NT\$ Hundred Million)

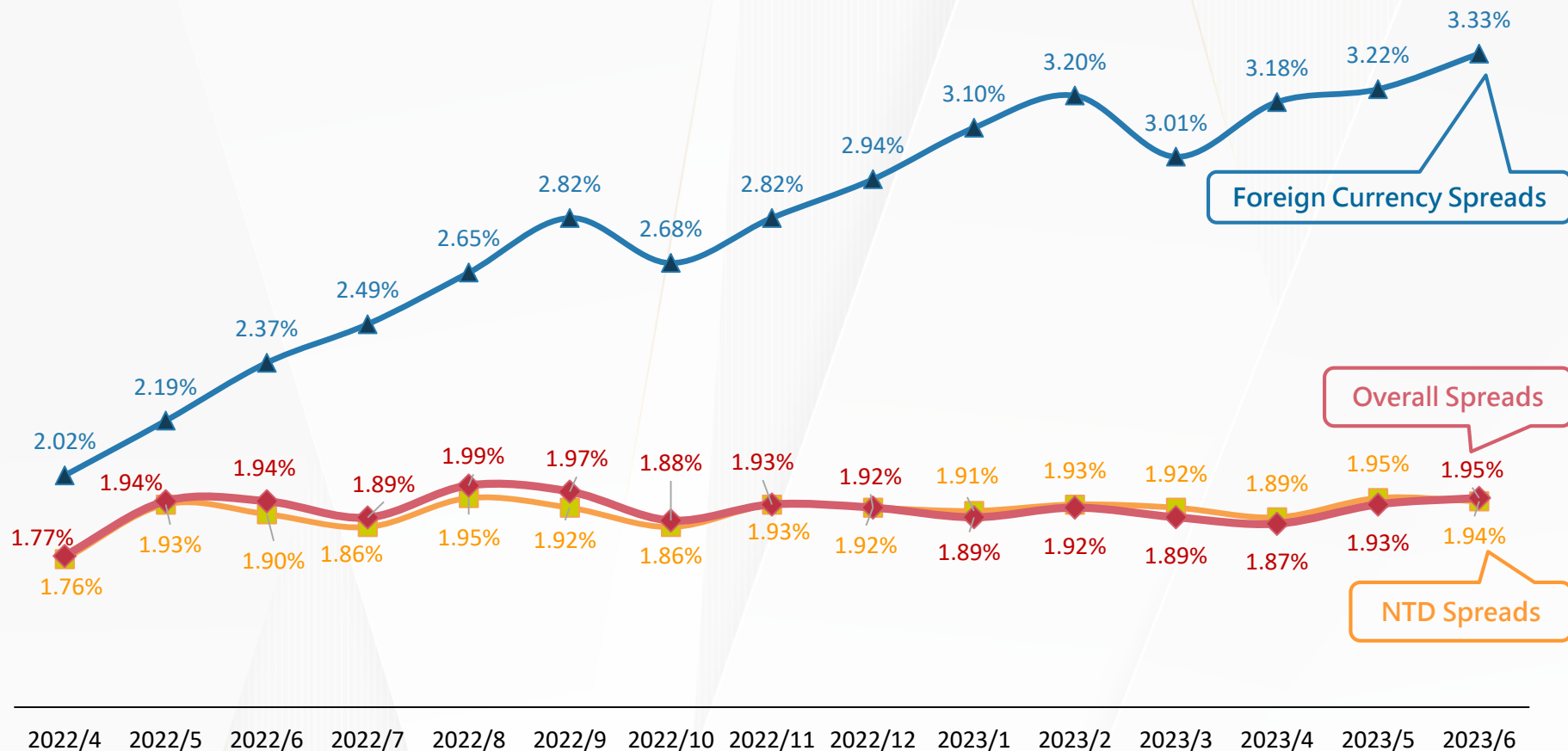


	2021	2022	1H23	HoH
Non-secured	706	810	848	4.69%
Secured	4,145	4,385	4,392	0.16%
Secured by property	3,767	3,984	4,005	0.53%
Secured by Letter of Guarantee	175	161	152	-5.59%
Others	203	240	235	-2.08%
Total	4,851	5,195	5,240	0.87%

TCB's Loan to Deposit Ratio(LDR)



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%, 2022/12/15 raised 0.50%, **2023/2/2 raised 0.25%, 2023/3/23 raised 0.25%, 2023/5/4 raised 0.25%.**

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%, 2022/12/15 raised 0.125%, **2023/3/23 raised 0.125%.**

TCB's Net Interest Margin(NIM)

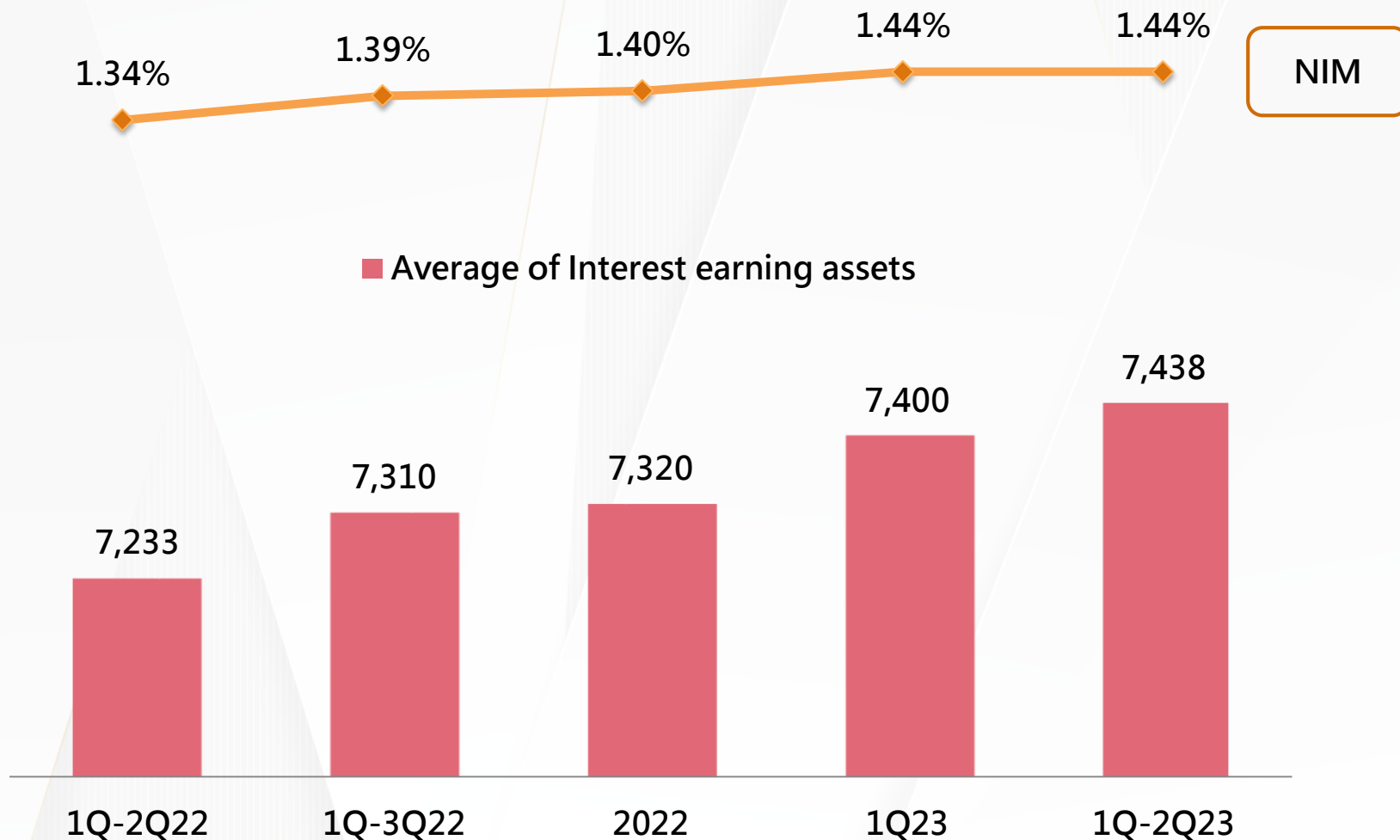


台中銀行

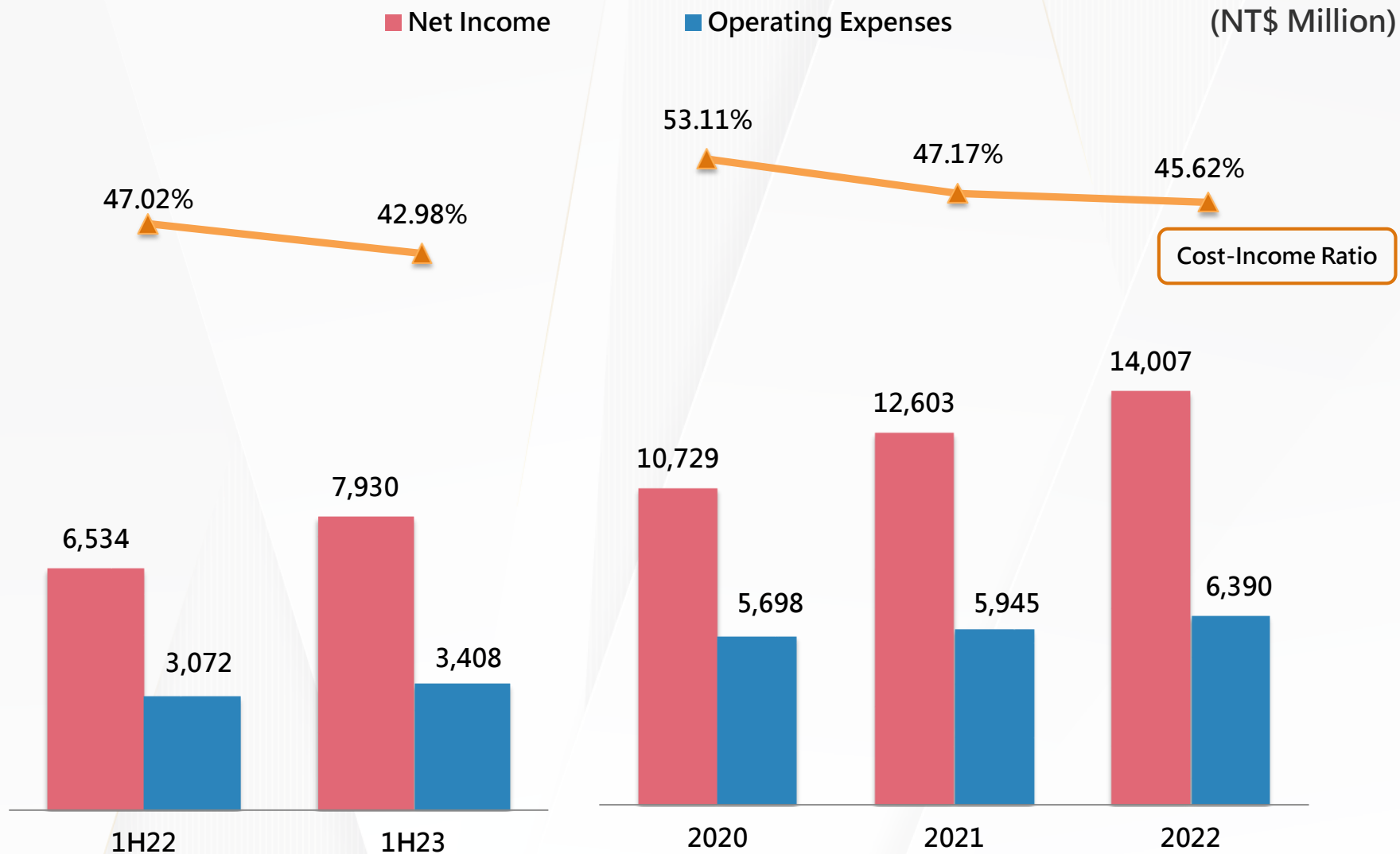


(NT\$ Hundred Million)

NIM & Average of Interest earning assets



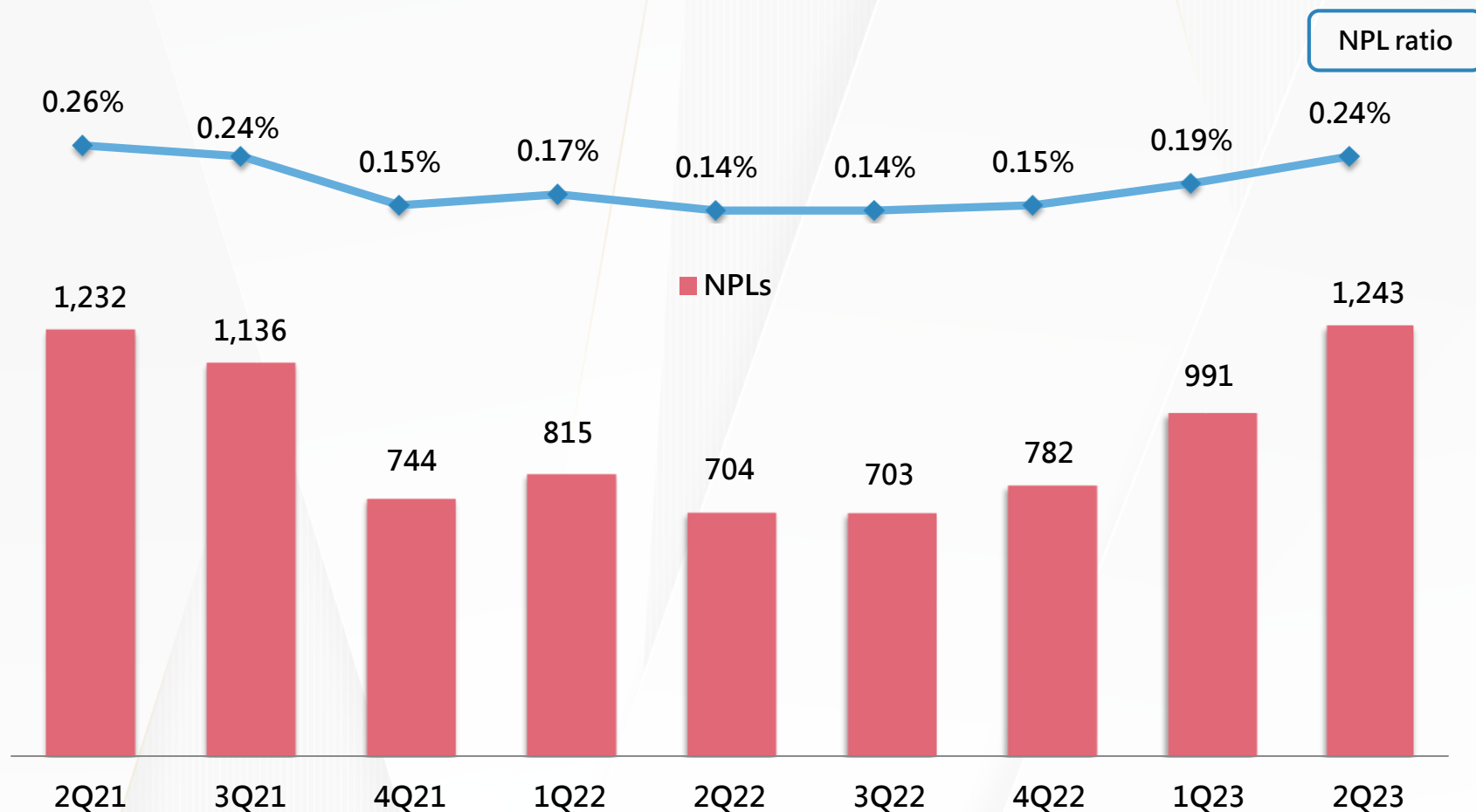
TCB's Operating Expenses to Net Income 台中銀行 |



TCB 's Asset quality

(NT\$ Million)

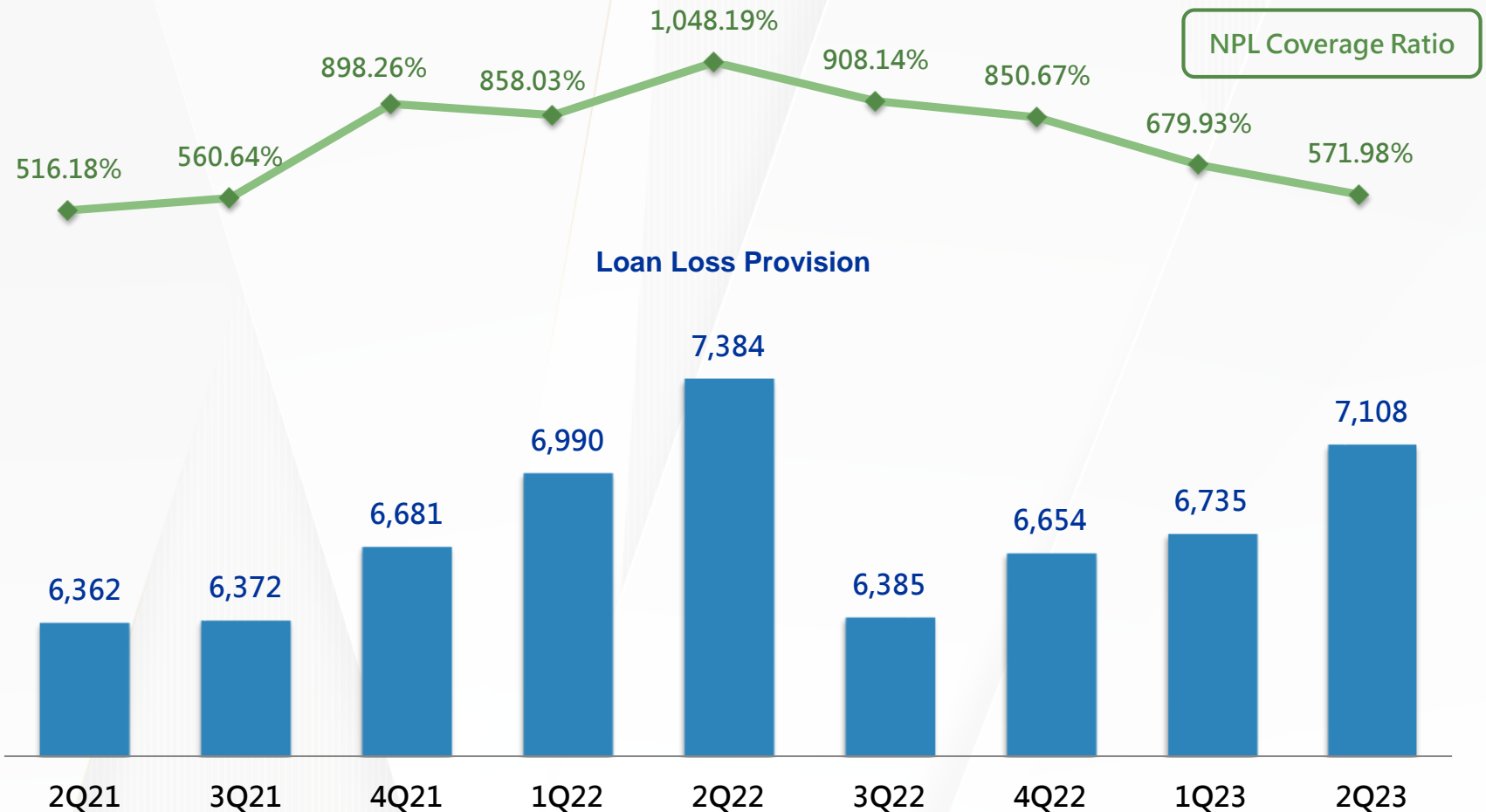
NPL ratio & NPLs



TCB's Asset quality

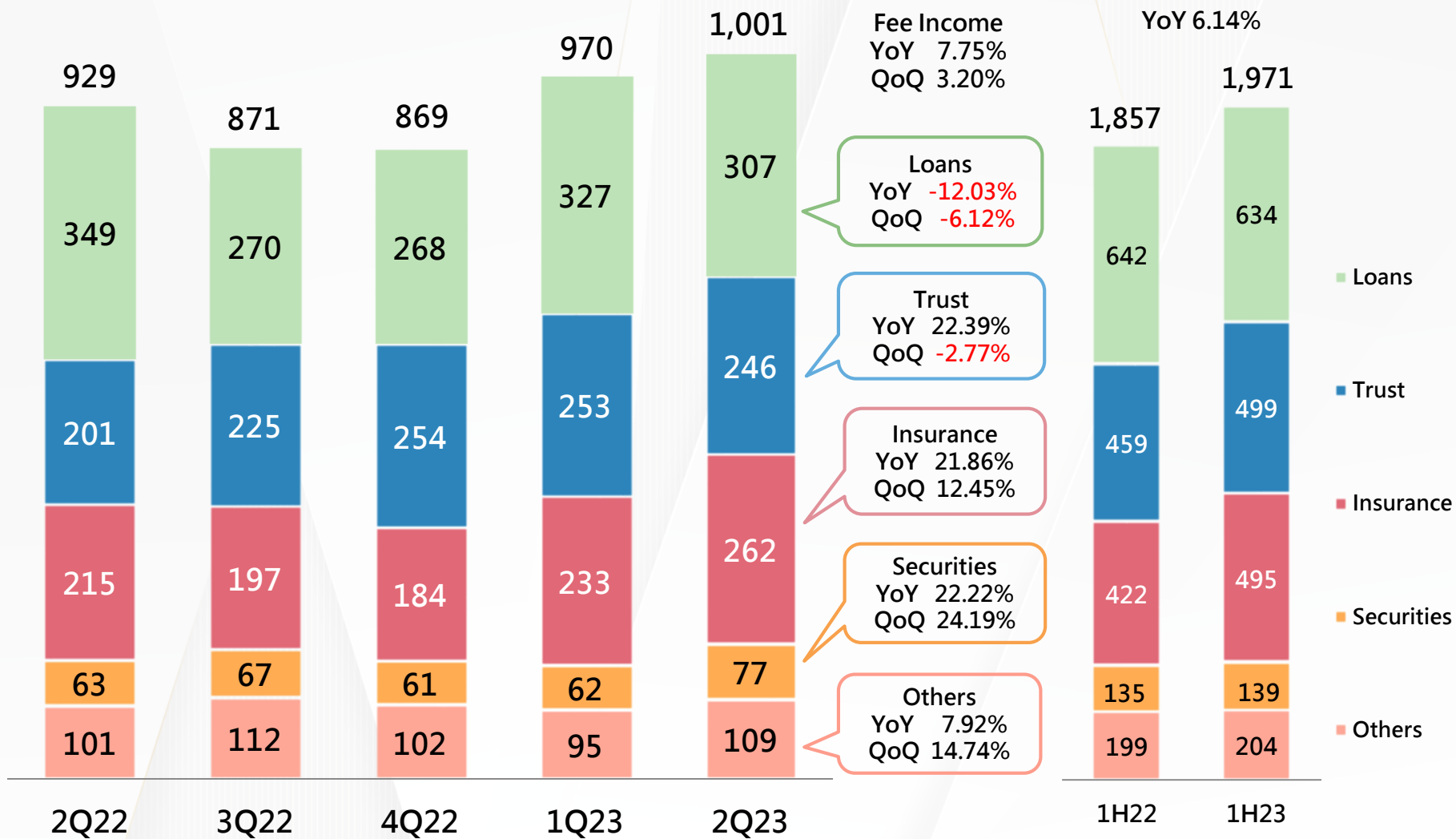
(NT\$ Million)

NPL Coverage Ratio & Loan Loss Provision



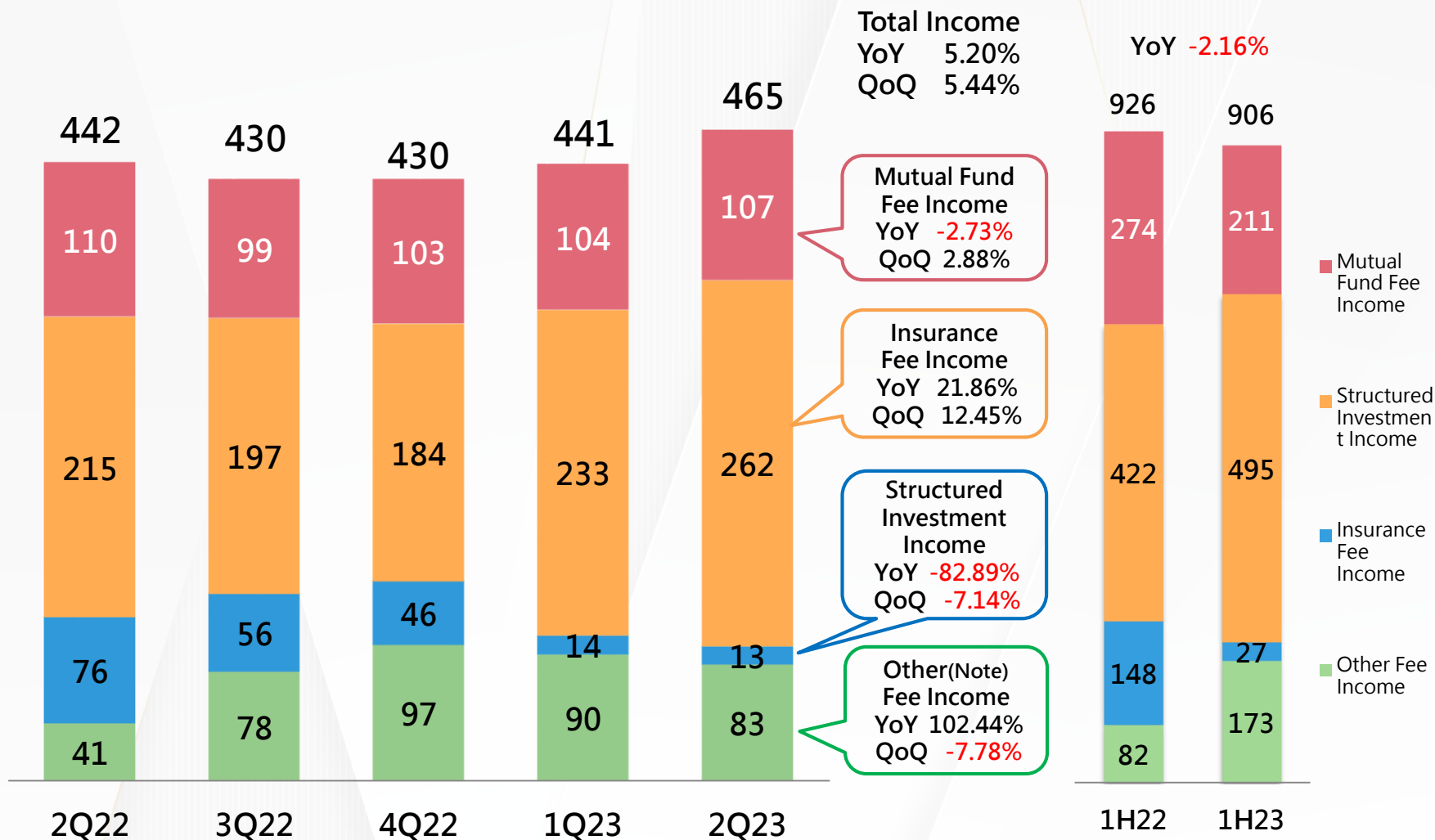
Fee Income Breakdown

(NT\$ Million)



Wealth Management Income 台中銀行 | 70th

(NT\$ Million)

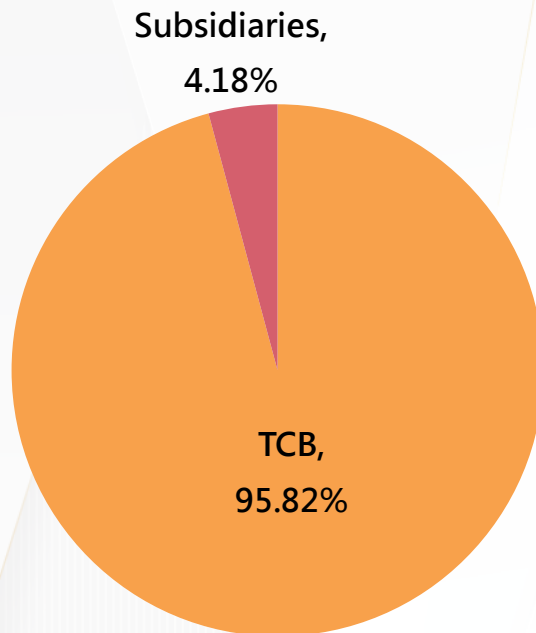


Note : Others are comprised of foreign bond, structured note, exchange traded fund , preferred stock, and etc.

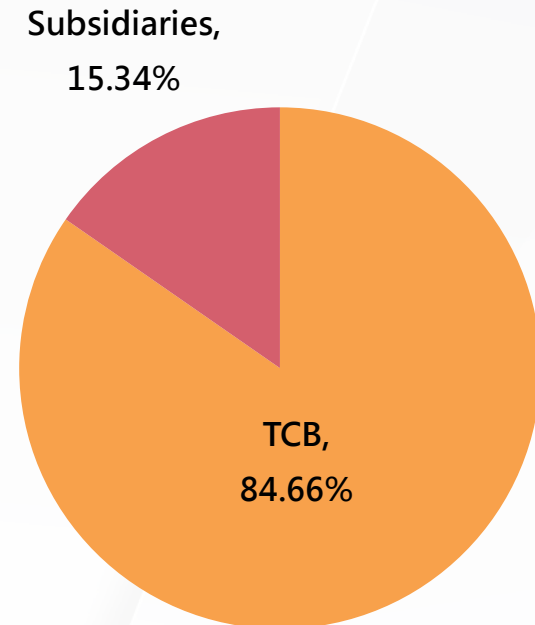
Profit of Subsidiaries

(NT\$ Million)

Net Profit after Tax	1H22	1H23	YoY
TCB	2,497	2,604	4.29%
Subsidiaries	109	472	333.03%
Total	2,606	3,076	18.04%



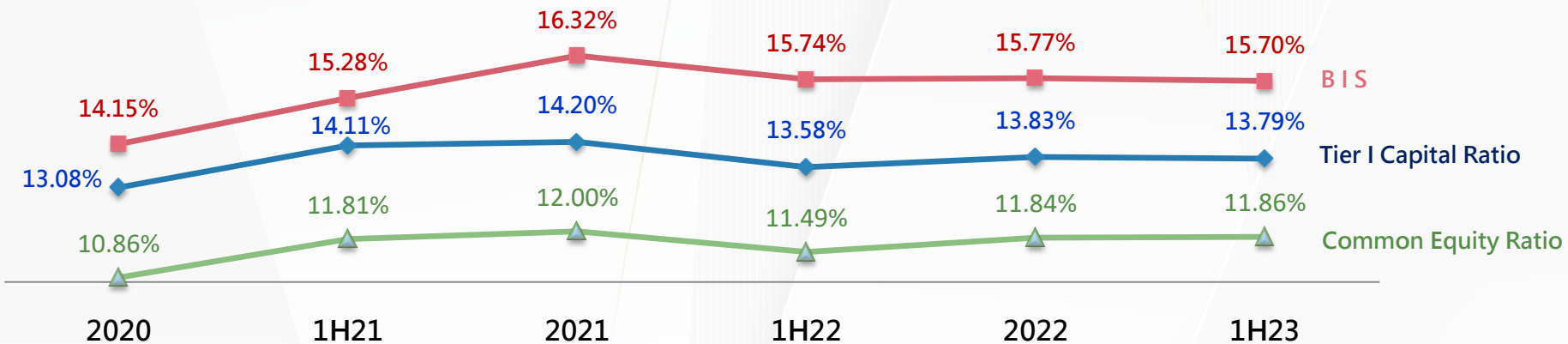
1H22 Profit Breakdown



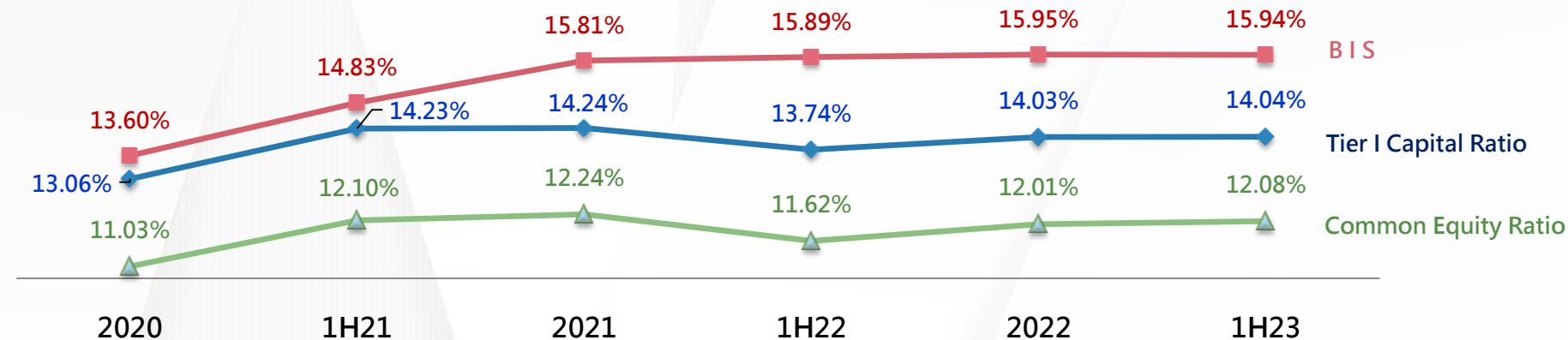
1H23 Profit Breakdown

Capital Adequacy

Consolidated



Individual



Agenda

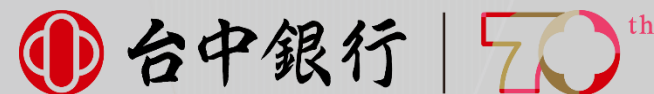
- Financial Highlights

- Financial Review

- Financial Information

- Appendix

Balance Sheets (Parent Company Only)



(NT\$ Million)

	2020	2021	2022	1H23	YTD
Assets :					
Cash and due from banks	51,588	55,821	65,306	50,919	-22.03%
Financial investment, net	195,628	201,027	188,991	205,733	8.86%
Loans, net	455,442	478,441	512,879	516,888	0.78%
A/R, net	3,546	3,176	3,245	3,713	14.42%
LT investments, net	5,440	6,064	6,043	6,285	4.00%
Properties and equipment, net	12,277	13,708	16,216	17,292	6.64%
Others	3,755	4,101	3,925	3,764	-4.10%
Total Assets	727,676	762,338	796,605	804,594	1.00%
Liabilities :					
Deposits	638,274	661,383	685,335	693,315	1.16%
Other liabilities	32,080	37,495	42,040	39,533	-5.96%
Total Liabilities	670,354	698,878	727,375	732,848	0.75%
Total Equity	57,322	63,460	69,230	71,746	3.63%
Total Liabilities and Equity	727,676	762,338	796,605	804,594	1.00%

Statements of Comprehensive Income 台中銀行 |

(Parent Company Only)

(NT\$ Million)

	2020	2021	2022	1H22	1H23	YoY
Net Interest	7,848	8,696	10,221	4,854	5,244	8.03%
Service Fee Income, net	2,117	2,482	2,495	1,299	1,282	-1.31%
Other Net Revenue	764	1,425	1,291	381	1,404	268.50%
Total Net Revenue	10,729	12,603	14,007	6,534	7,930	21.37%
Operating Expenses	(5,698)	(5,945)	(6,390)	(3,072)	(3,408)	10.94%
Pre-provision Profit	5,031	6,658	7,617	3,462	4,522	30.62%
Provision for Bad Debts	(366)	(1,204)	(1,145)	(265)	(929)	250.57%
Profit Before Income Tax	4,665	5,454	6,472	3,197	3,593	12.39%
Income Tax Expense	(639)	(658)	(1,128)	(591)	(517)	-12.52%
Net Profit After Income Tax	4,026	4,796	5,344	2,606	3,076	18.04%
Other Comprehensive Income [Note]	448	88	(1,414)	(1,190)	945	179.41%
Total Comprehensive Income for the Year	4,474	4,884	3,930	1,416	4,021	183.97%

Note1 : 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\$ -1,390 million.

Note2 : 2023Q2 Other Comprehensive Income NT\$ 944 million is mainly comprised of Unrealized (losses) gains on investments in debt instruments designated as at fair value through other comprehensive income NT\$ 636 million and Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income NT\$ 309 million.

Balance Sheets (Consolidated)

(NT\$ Million)

	2020	2021	2022	1H23	YTD
Assets :					
Cash and due from banks	52,081	56,159	66,682	52,178	-21.75%
Financial investment, net	197,275	202,664	190,639	206,942	8.55%
Loans, net	456,541	479,806	514,113	518,118	0.78%
A/R, net	13,484	14,352	14,435	19,358	34.10%
LT investments, net	163	165	172	174	1.16%
Properties and equipment, net	12,333	13,755	16,256	17,328	6.59%
Others	4,893	5,777	5,666	5,399	-4.71%
Total Assets	736,770	772,678	807,963	819,497	1.43%
Liabilities :					
Deposits	636,589	659,116	683,104	691,315	1.20%
Other liabilities	42,859	50,102	55,629	56,436	1.45%
Total Liabilities	679,448	709,218	738,733	747,751	1.22%
Total Equity	57,322	63,460	69,230	71,746	3.63%
Total Liabilities and Equity	736,770	772,678	807,963	819,497	1.43%

Statements of Comprehensive Income

(Consolidated)



台中銀行



(NT\$ Million)

	2020	2021	2022	1H22	1H23	YoY
Net Interest	8,279	9,278	10,775	5,144	5,547	7.83%
Service Fee Income, net	2,906	3,375	3,317	1,723	1,794	4.12%
Other Net Revenue	459	1,069	925	178	1,167	555.62%
Total Net Revenue	11,644	13,722	15,017	7,045	8,508	20.77%
Operating Expenses	(6,366)	(6,784)	(7,164)	(3,445)	(3,843)	11.55%
Pre-provision Profit	5,278	6,938	7,853	3,600	4,665	29.58%
Provision for Bad Debts	(519)	(1,369)	(1,253)	(336)	(984)	192.86%
Profit Before Income Tax	4,759	5,569	6,600	3,264	3,681	12.78%
Income Tax Expense	(733)	(773)	(1,256)	(658)	(605)	-8.05%
Net Profit After Income Tax	4,026	4,796	5,344	2,606	3,076	18.04%
Other Comprehensive Income [Note]	448	88	(1,414)	(1,190)	945	179.41%
Total Comprehensive Income for the Year	4,474	4,884	3,930	1,416	4,021	183.97%

Note : The note is the same as P.27

Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Actively promoted sustainable finance and won the “China Times Financial Awards Corporate Social Responsibility Award”

□ Taichung Bank operates on the basis of fine corporate governance and integrity management, integrating the concept of sustainable management into our core business, actively promoting sustainable finance (e.g., green investment and financing, sustainable supply chain management, and gradual construction of solar photovoltaic projects), and practicing inclusive finance. We were the 2023 recipient of the Want Want China Times Financial Services Evaluation Awards Corporate Social Responsibility Reward.



□ In terms of social care, Taichung Bank has been deeply and locally engaged for many years, and has profound affection for the local community. Through more than 100 social welfare activities such as spontaneous organization of blood donation campaigns, purchases of agricultural produce and specialty products from disadvantaged families, tree planting, land cleaning, and turning off lights to reduce carbon emissions, Taichung Bank has joined hands with an increasing number of people to address public issues. We have properly fulfilled our corporate social responsibilities so as to practice sustainable value and achieve the ideal of the common good in society.

Responded to the government' s New Southbound Policy and won the Excellent Performance Bank Award again

- The Financial Supervisory Commission (FSC) encourages domestic banks to strengthen credit extension undertakings to target countries of the New Southbound Policy. Taichung Bank has responded positively and achieved good results. It was the winner of the 6th (2022) Excellent Performance Bank Award, which was presented with commendation by the competent authority at the meeting between the FSC and presidents of domestic banks on July 11, 2023. Taichung Bank has won this award successively since the 3rd year of the award, thanks to the contribution of our overseas branches.
- In 2018, Taichung Bank launched the medium and long-term overseas business expansion plan and established the Labuan Branch in Malaysia. At present, Taichung Bank has four bases in Malaysia. The representative office in Ho Chi Minh City, Vietnam was also officially opened in June 2023. In the future, we will continue to follow the overseas footsteps of Taiwanese businessmen and actively develop our overseas bases in major Asian countries based on the New Southbound Policy. In doing so, we will mark a new milestone on our journey toward becoming a centennial enterprise and ascending to the status of an international commercial bank.



Implemented inclusive finance and launched our LINE Official Account

- This year marks the 70th anniversary since the Bank's founding. Adhering to the brand spirit of "We Do Our Best for You", we have officially launched the "Taichung Bank LINE Official Account" in the hope that when customers use LINE, they can also enjoy the warmest and most convenient financial services of Taichung Bank.
- After adding Taichung Bank as a LINE friend (@tcbbank) and completing the binding of personalized services, customers can swiftly query relevant account information. Customers can also be notified of transactions and changes to their account at the first moment, so as to reduce the risk of account theft and protect customers' rights and interests.



Thanks for your
listening!



台中銀行

TAICHUNG BANK

用心 關懷 璀璨 其中

