

Taichung Commercial Bank

2023 Investor Conference



MAR. 18, 2024

股票代碼：2812

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Agenda

- Financial Highlights
- Financial Review
- Financial Information
- Appendix

Profitability

- Net Profit after tax NT\$ 6.821 billions, 27.64% growth over the same period last year.
- EPS 1.31, 16.96% growth over the same period last year.

Asset quality

- NPL ratio 0.14%、NPL coverage ratio 935.33%.

Capital adequacy

- Consolidated : Self-assessed Capital Adequacy Ratio 15.19%、Tier I Capital Ratio 13.38%、Common Equity Ratio 11.59%.
- Individual : Self-assessed Capital Adequacy Ratio 15.47%、Tier I Capital Ratio 13.67%、Common Equity Ratio 11.85%.

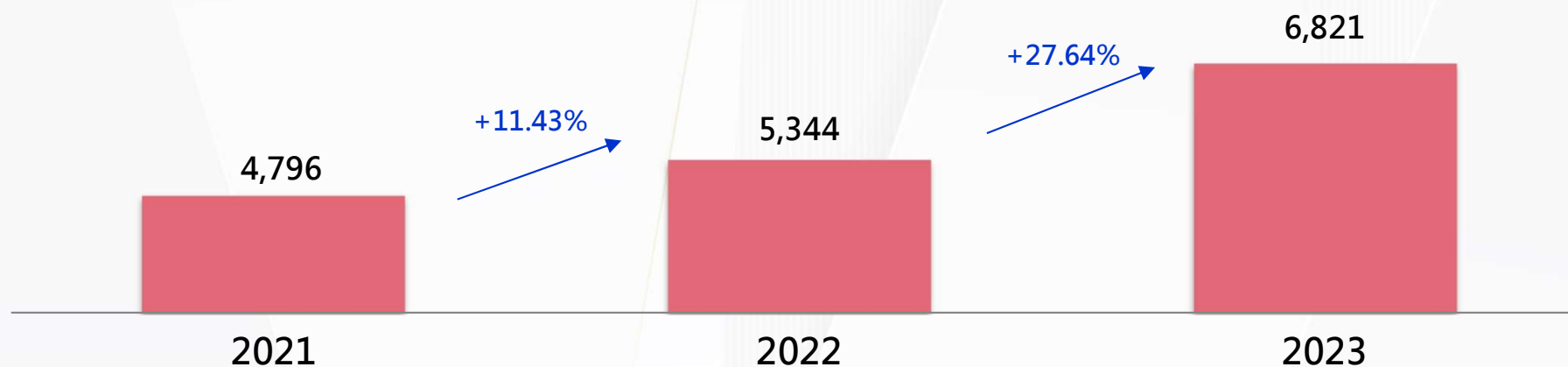
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Profitability

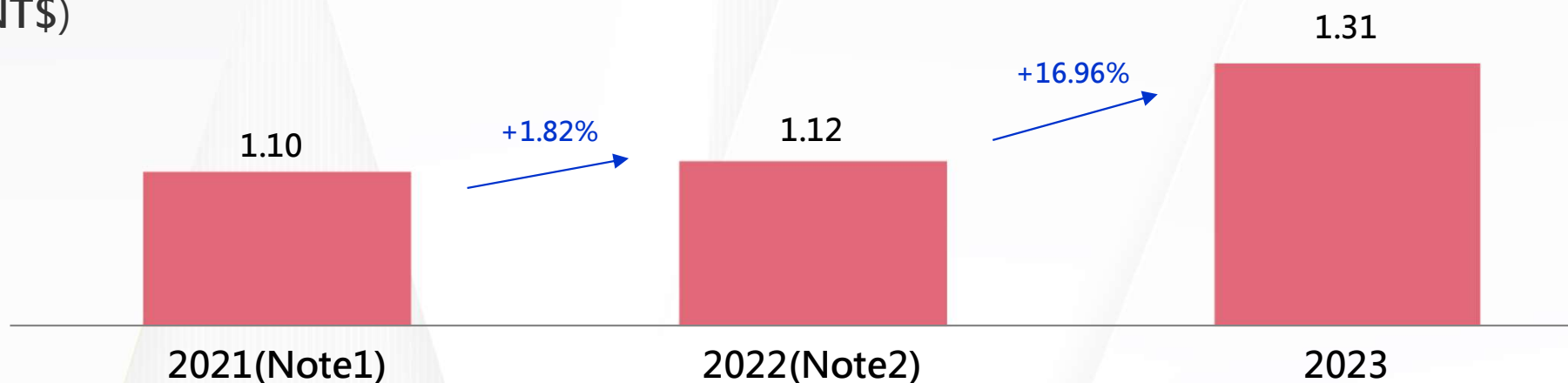
Net Profit

(NT\$ Million)



EPS

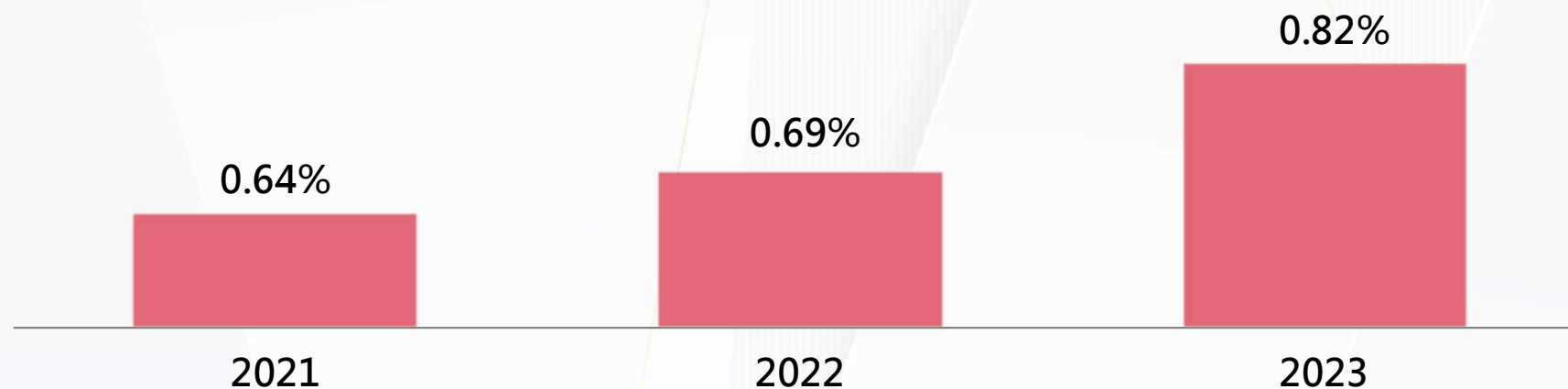
(NT\$)



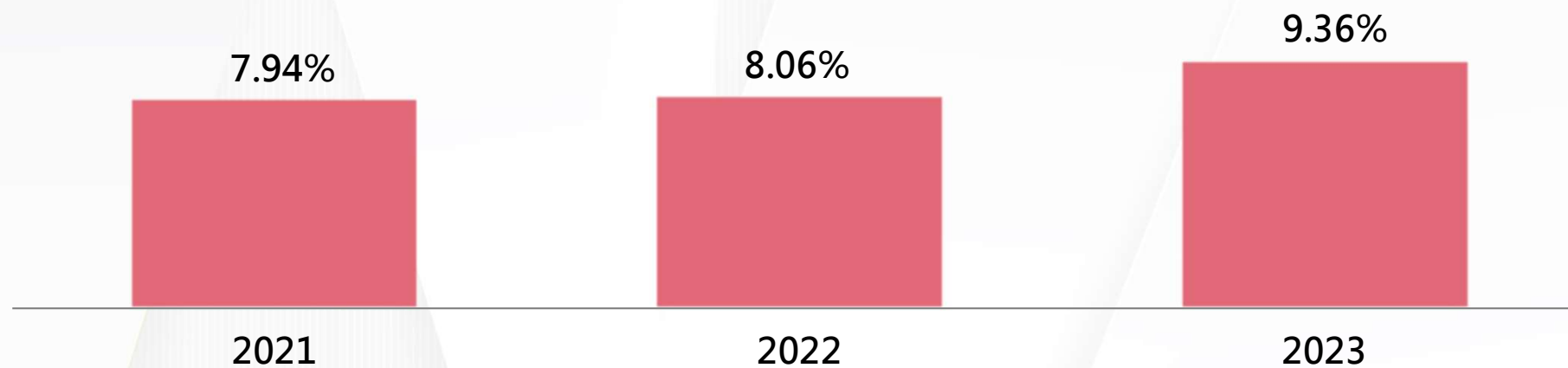
Note1 : The EPS in 2021 Financial statement was 1.10. After been retroactive adjusted, the EPS of 2021 was 1.05 The growth rate of EPS in 2022 over 2021 was 6.67%.
Note2 : The EPS in 2022 Financial statement was 1.12. After been retroactive adjusted, the EPS of 2022 was 1.07 The growth rate of EPS in 2023 over 2022 was 22.43%.

Profitability

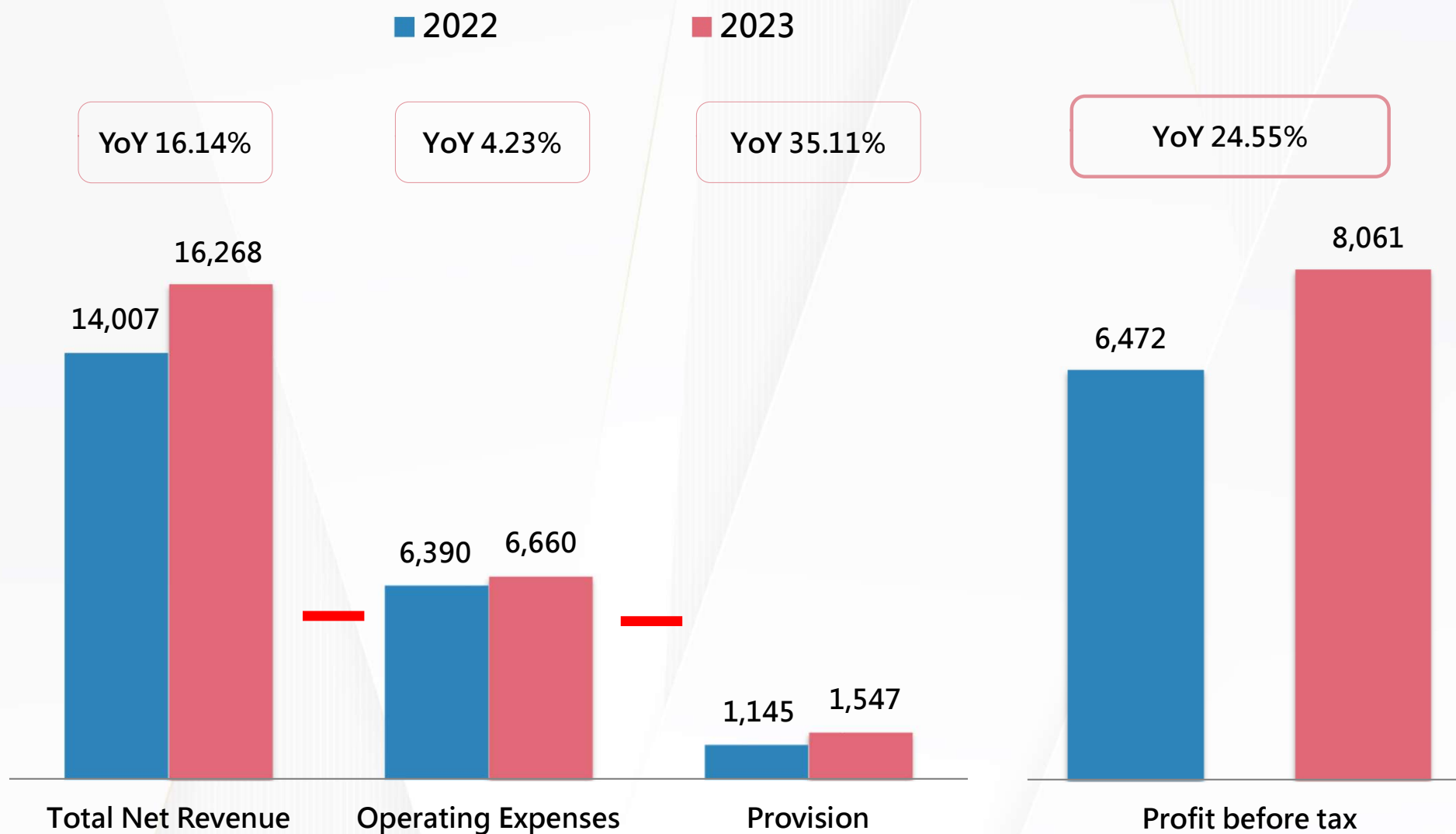
ROA



ROE



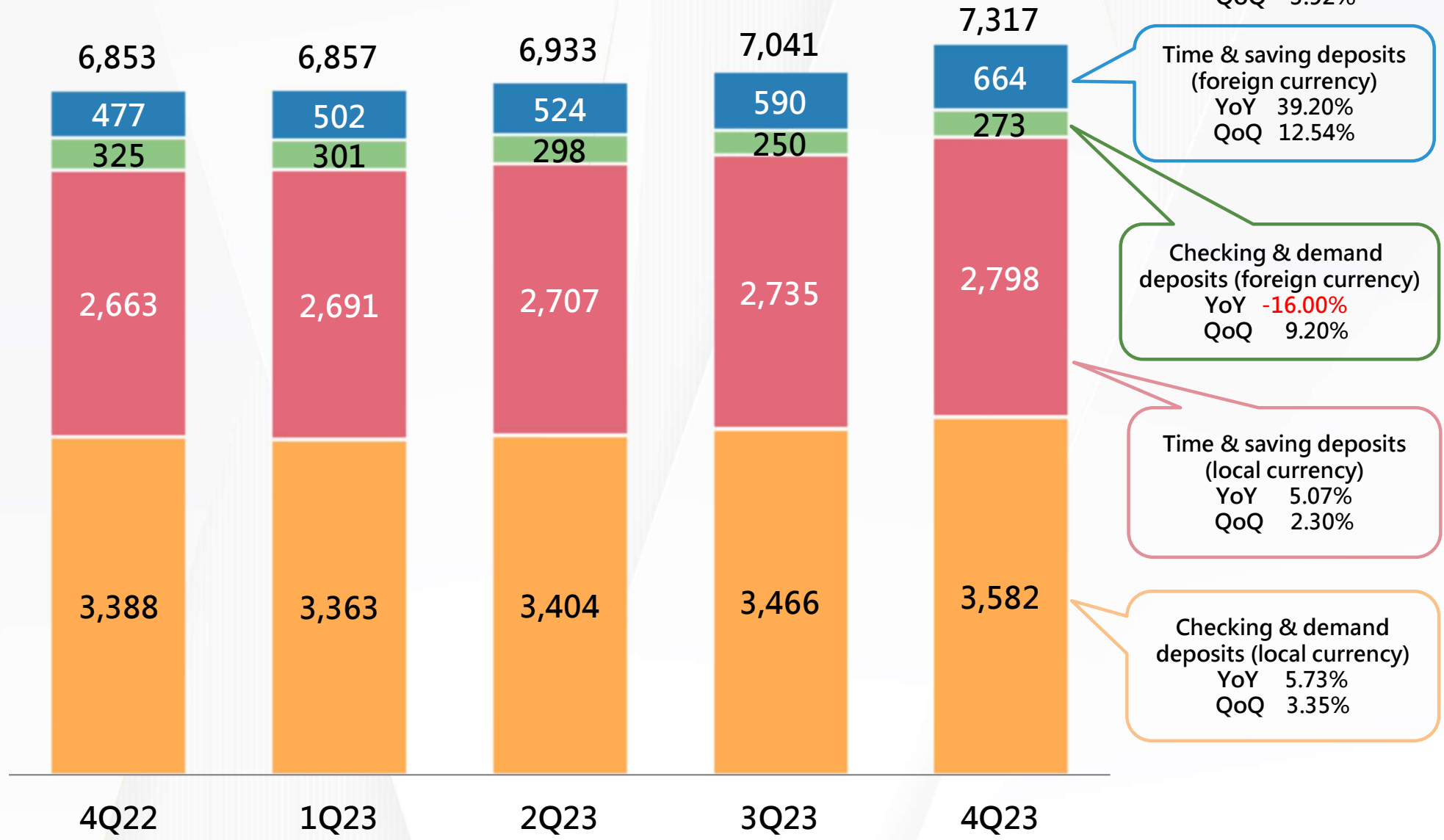
TCB's Change in Net Profit (NT\$ Million)



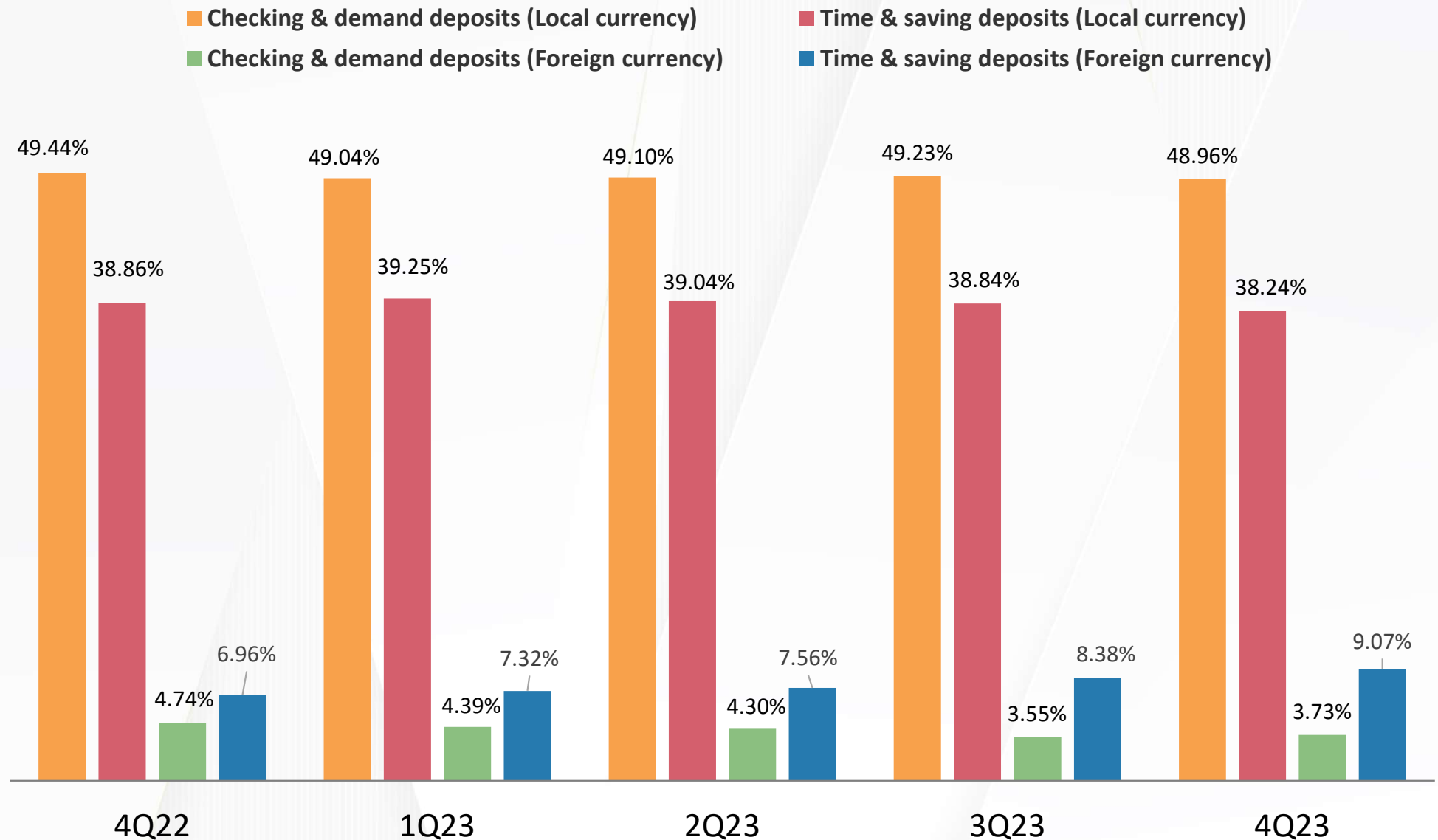
TCB 's Deposit Breakdown

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

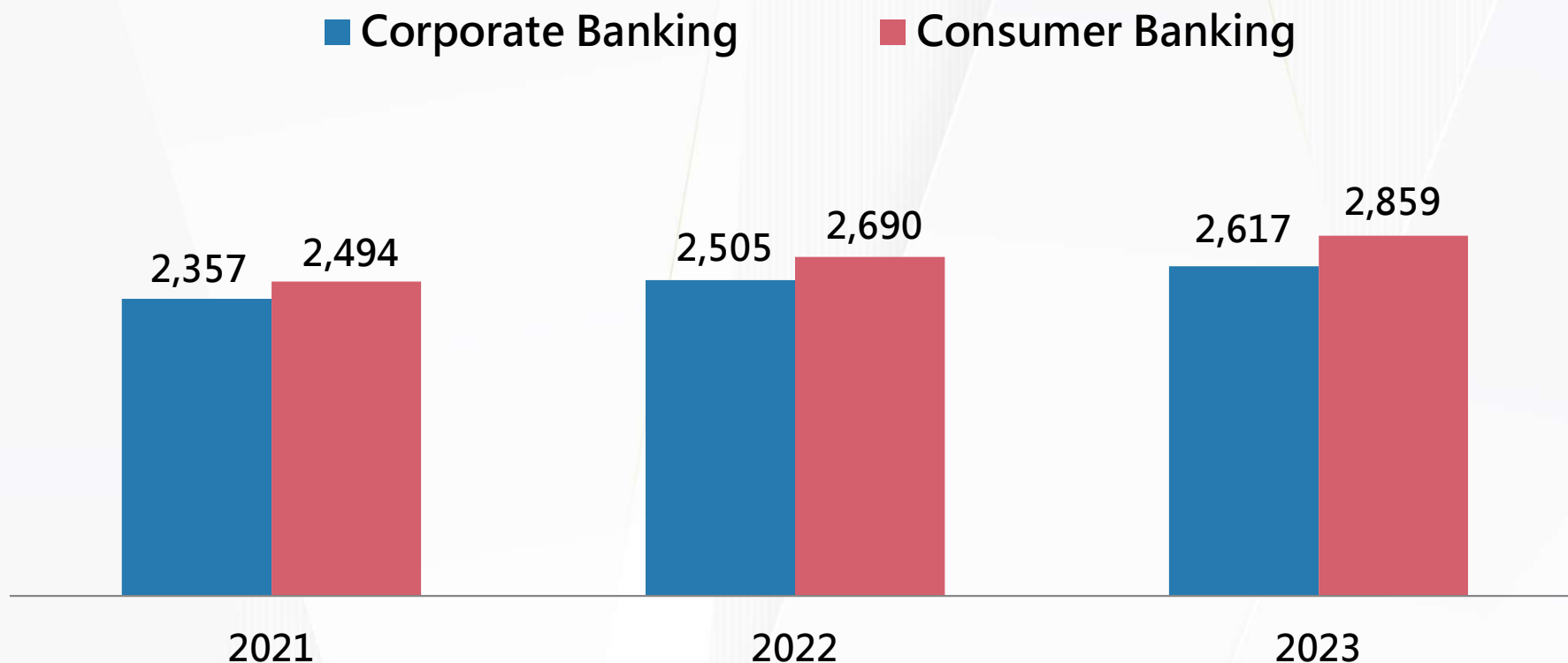
Total Deposit
YoY 6.77%
QoQ 3.92%



TCB 's Deposit Structure



TCB ' s Loan Structure (NT\$ Hundred Million)



	2021	2022	2023	YTD
Corporate Banking	2,357	2,505	2,617	4.47%
Consumer Banking	2,494	2,690	2,859	6.28%
Total	4,851	5,195	5,476	5.41%

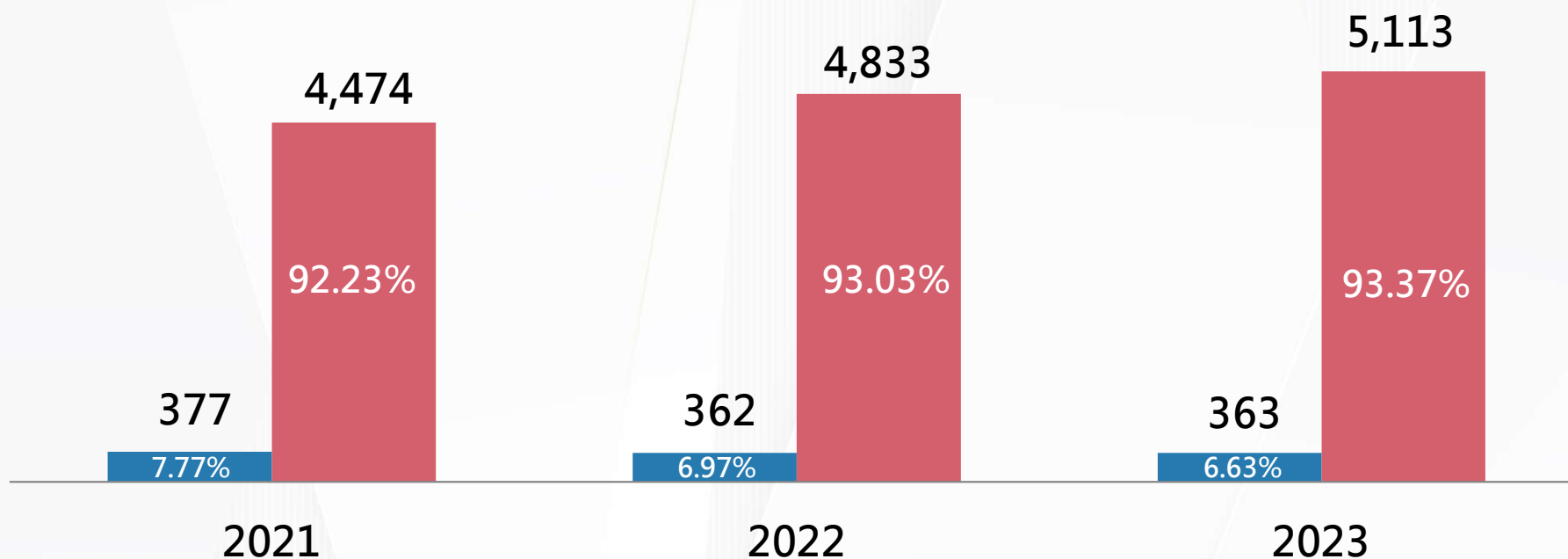
Note : The classification of Corporate Banking and Consumer Banking is based on the asset quality classification from the Article 16 in "Regulations Governing the Preparation of Financial Reports by Public Banks" .

TCB 's Loan Structure by Currency

(NT\$ Hundred Million)



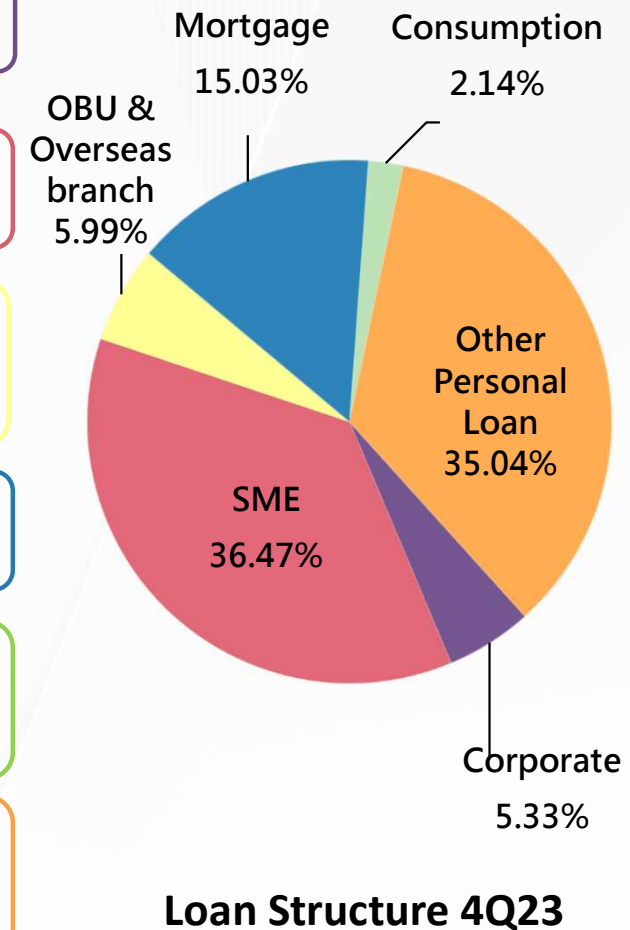
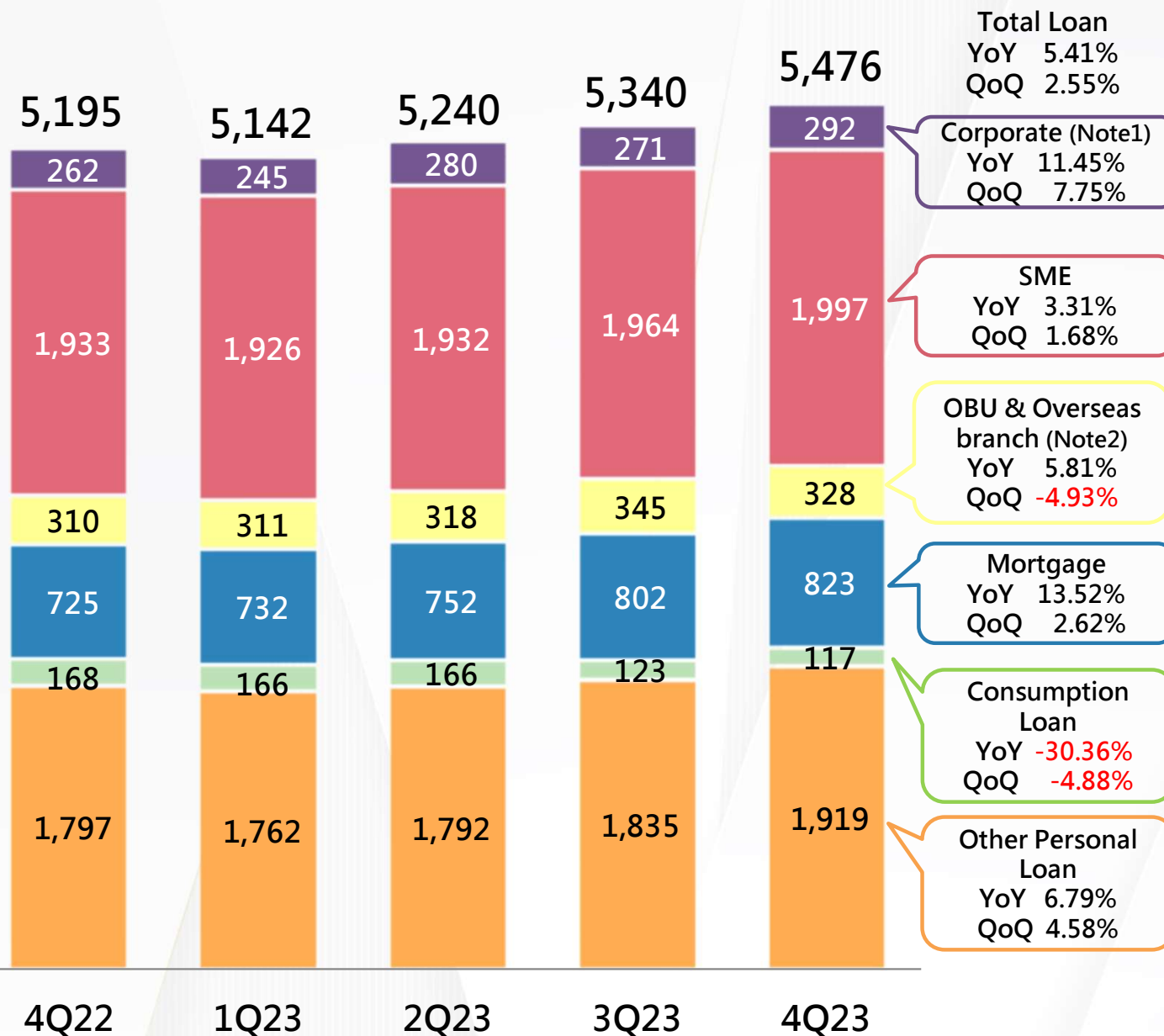
■ Foreign Currency Loan ■ NTD Loan



	2021	2022	2023	YTD
NTD Loan	4,474	4,833	5,113	5.79%
Foreign Currency Loan	377	362	363	0.28%
Total	4,851	5,195	5,476	5.41%

TCB's Loan Breakdown

(NT\$ Hundred Million)



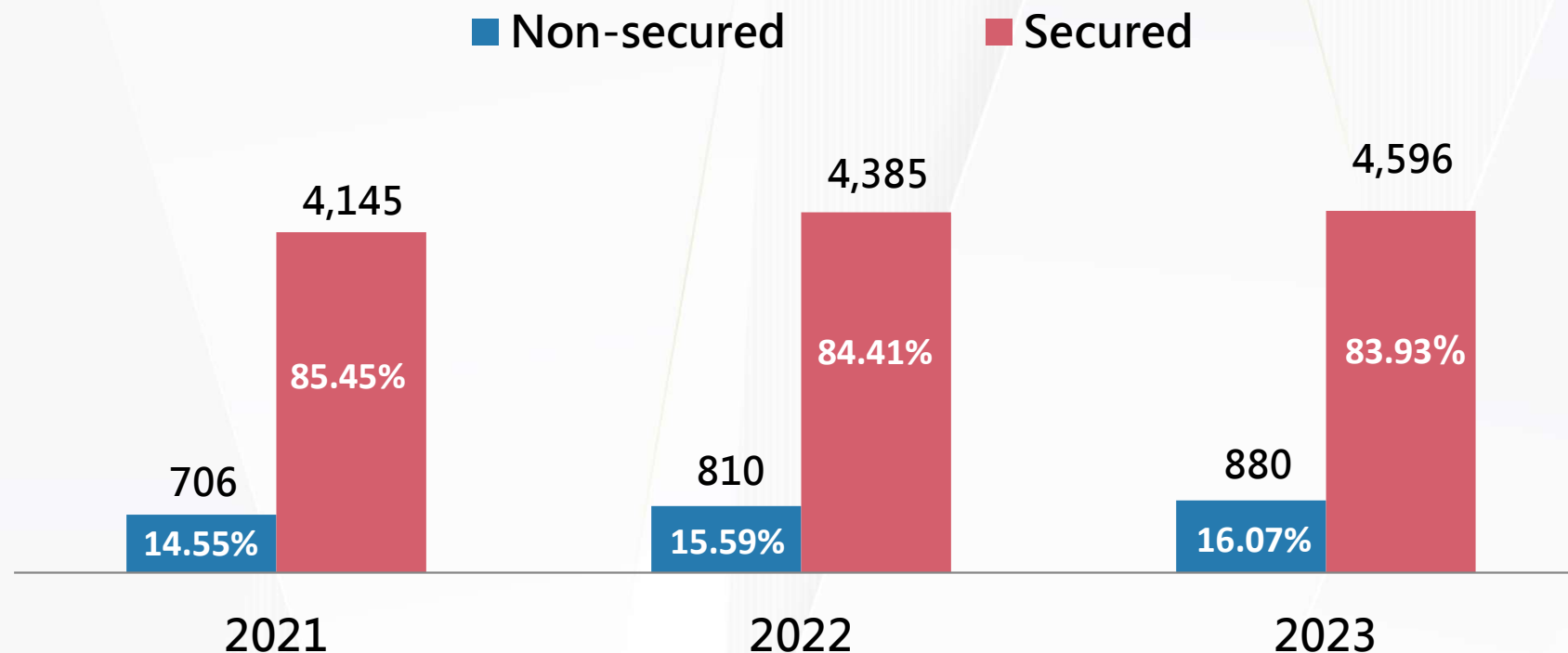
Note 1 : The balance of Corporate loan included government loans. (The balance in 2023Q4 was 1.293 billions in NT\$)

Note 2 : The loan balance of OBU & overseas branch in 2023Q4 were 26.1 billions and 6.7 billions in NT\$,respectively.

TCB 's Loan Breakdown by Secured

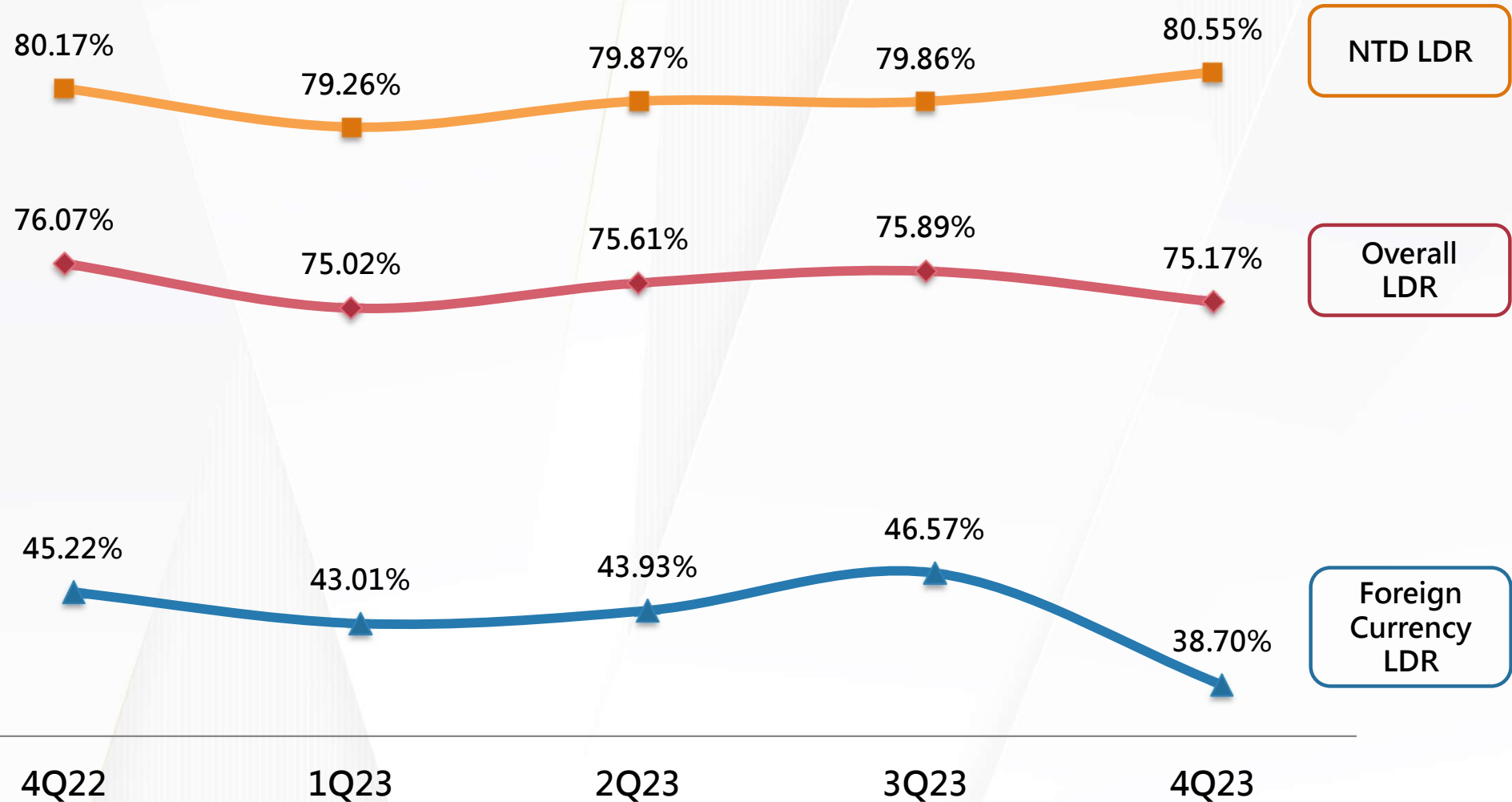


(NT\$ Hundred Million)

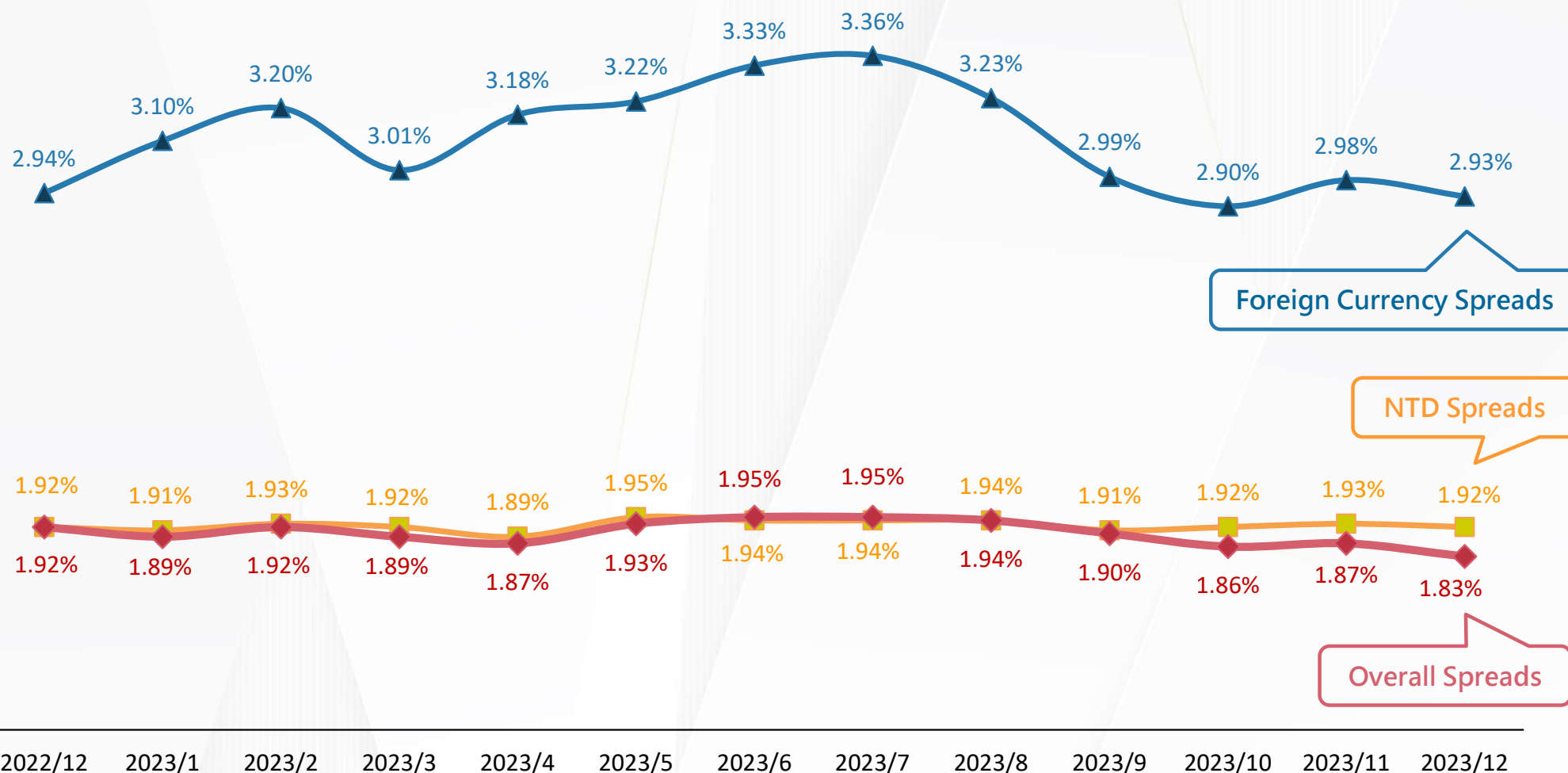


	2021	2022	2023	YOY
Non-secured	706	810	880	8.64%
Secured	4,145	4,385	4,596	4.81%
Secured by property	3,767	3,984	4,192	5.22%
Secured by Letter of Guarantee	175	161	164	1.86%
Others	203	240	240	-
Total	4,851	5,195	5,476	5.41%

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%, 2023/7/27 raised 0.25%.

Note3 : The schedule of Central Bank of the Republic of China (Taiwan) adjusted CBC rates :

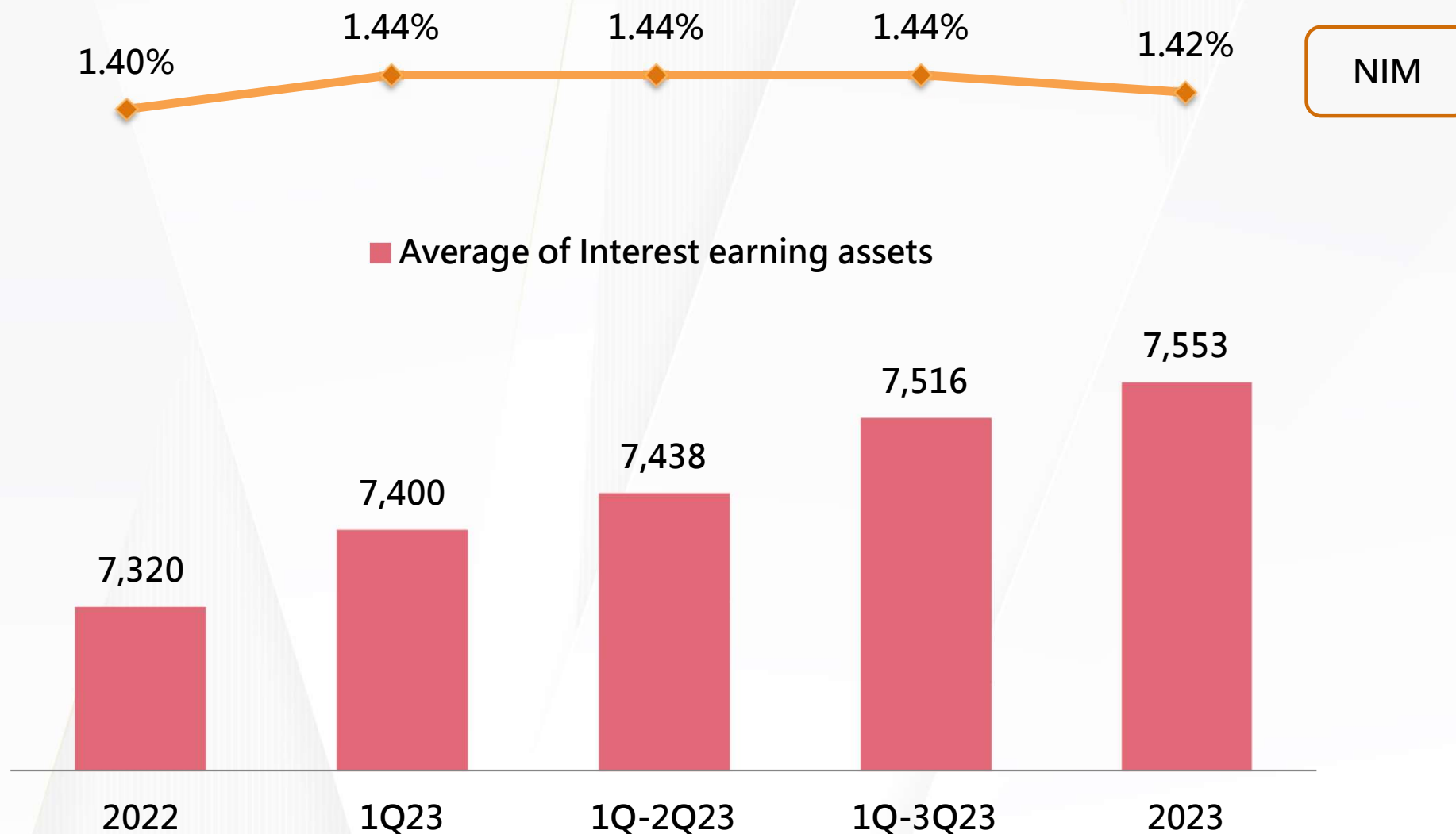
2022/3/17 raised 0.25%, 2022/6/16 raised 0.125%, 2022/9/22 raised 0.125%, 2022/12/15 raised 0.125%, 2023/3/23 raised 0.125%.

TCB's Net Interest Margin(NIM)

(NT\$ Hundred Million)

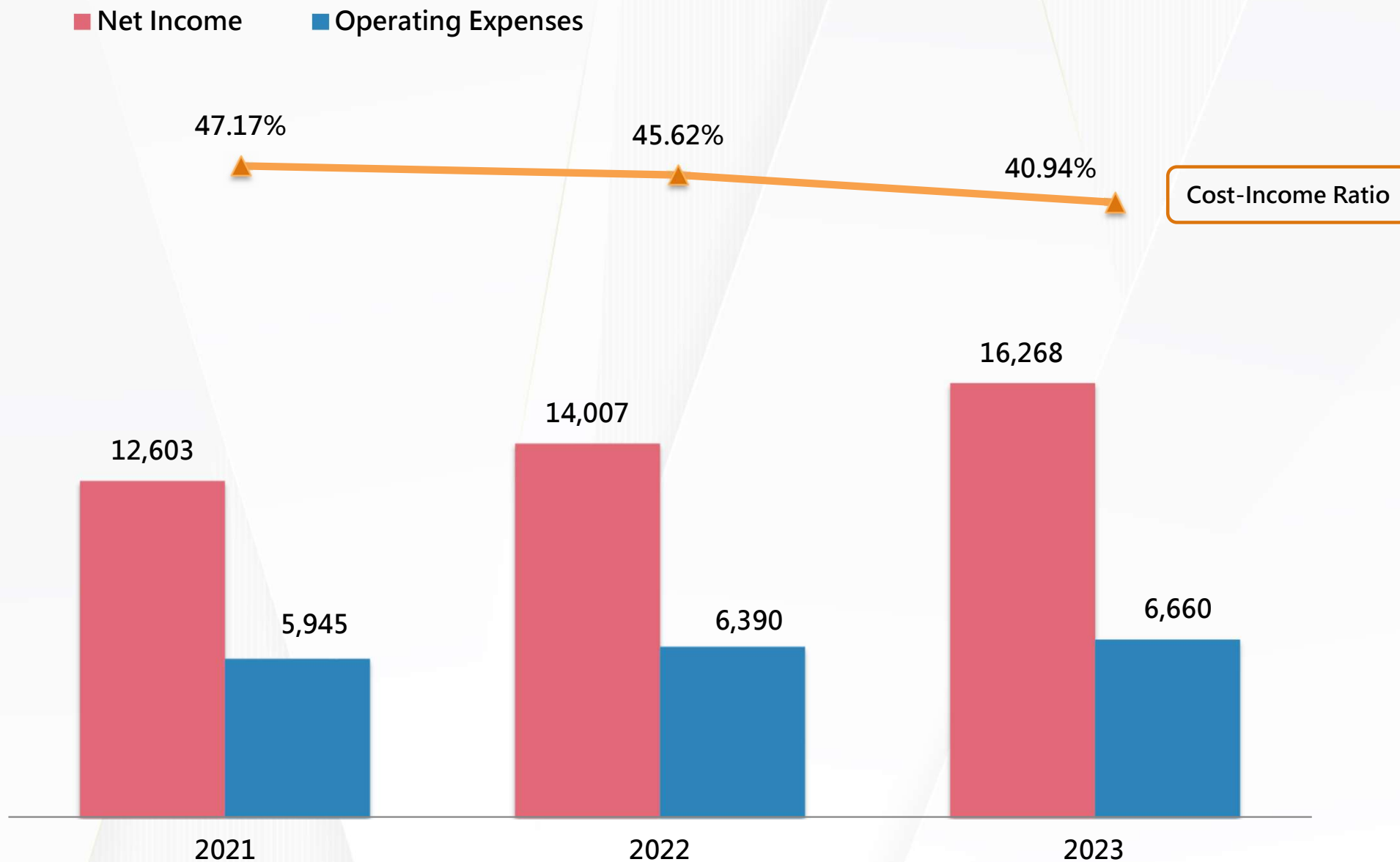


NIM & Average of Interest earning assets



TCB's Operating Expenses to Net Income

(NT\$ Million)

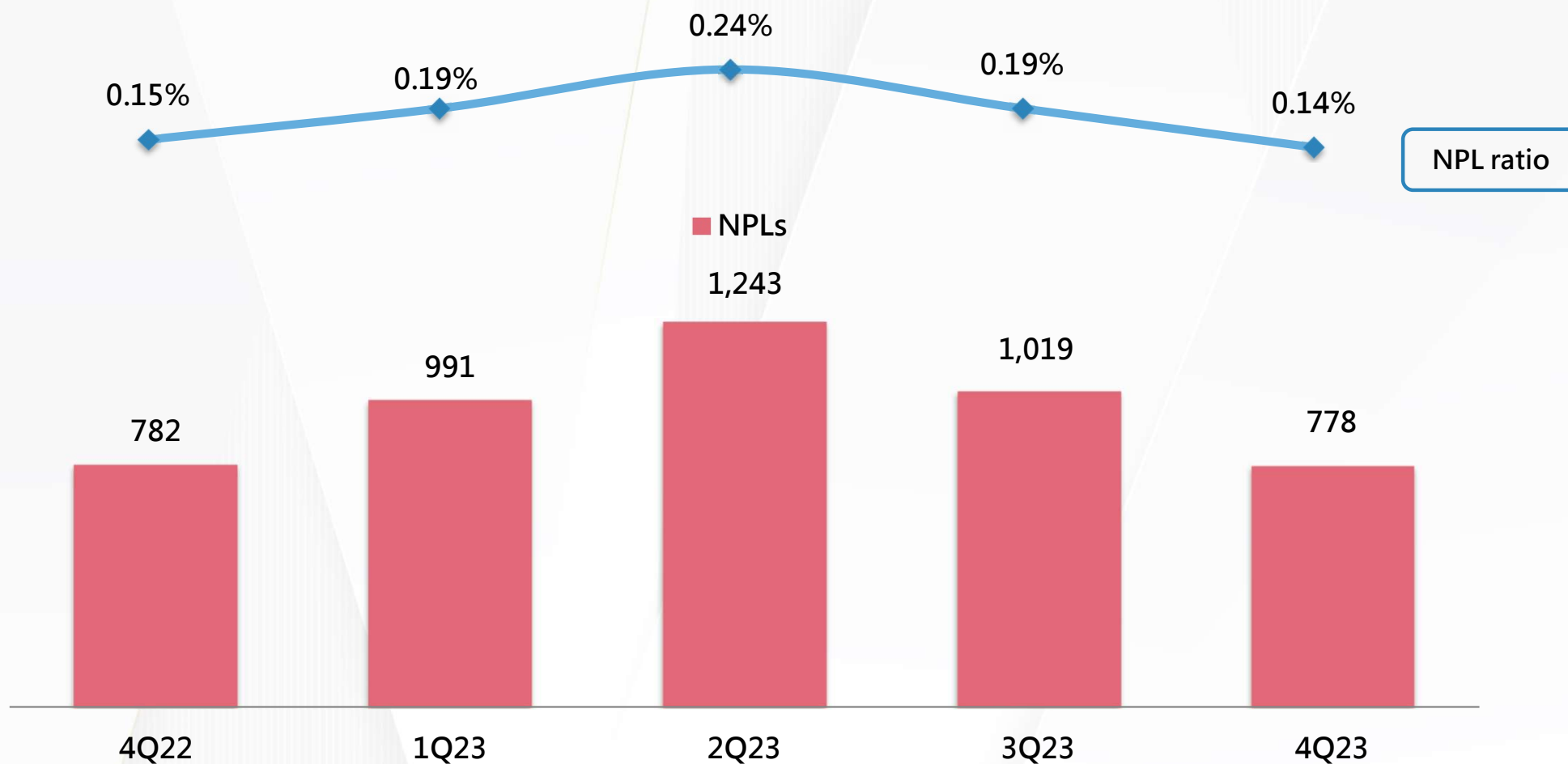


TCB's Asset quality

(NT\$ Million)



NPL ratio & NPLs



TCB's Asset quality

(NT\$ Million)

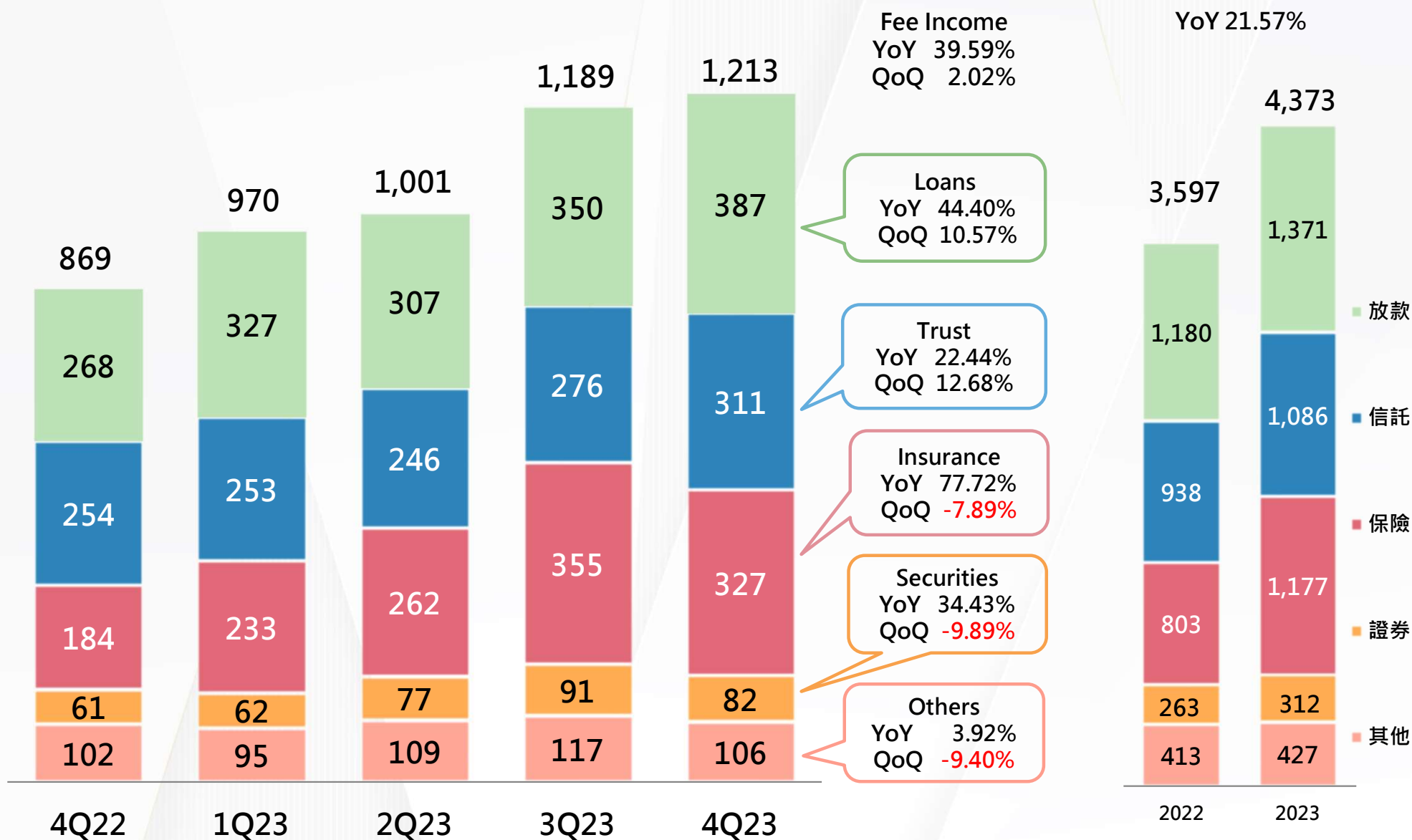


NPL Coverage Ratio & Loan Loss Provision

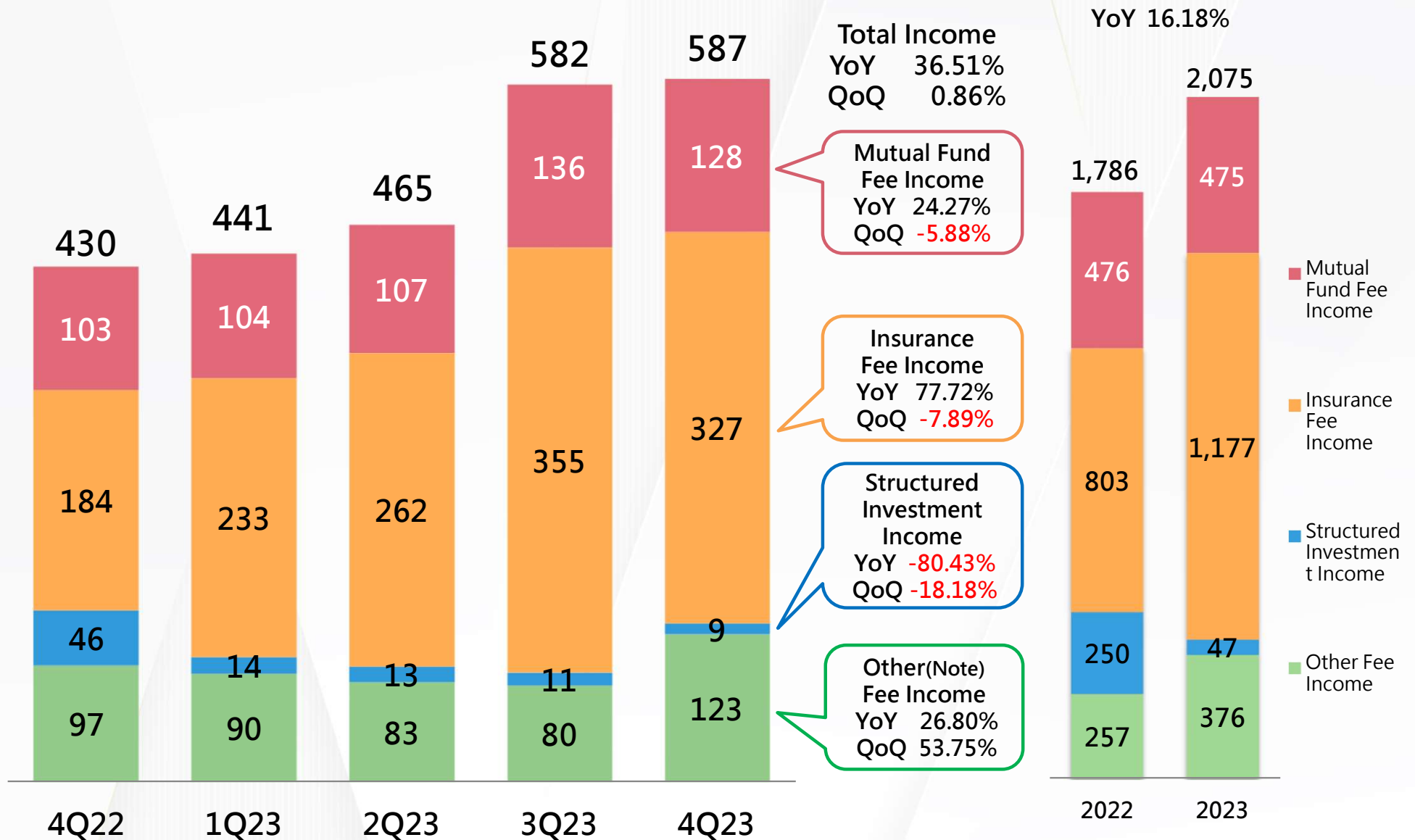


Fee Income Breakdown

(NT\$ Million)



Wealth Management Income



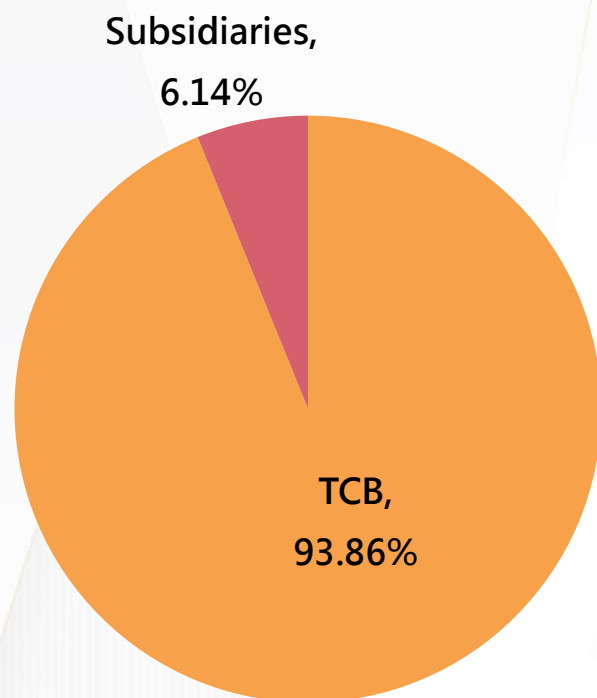
Note : Others are comprised of foreign bond, structured note, exchange traded fund , preferred stock, and etc.

Profit of Subsidiaries

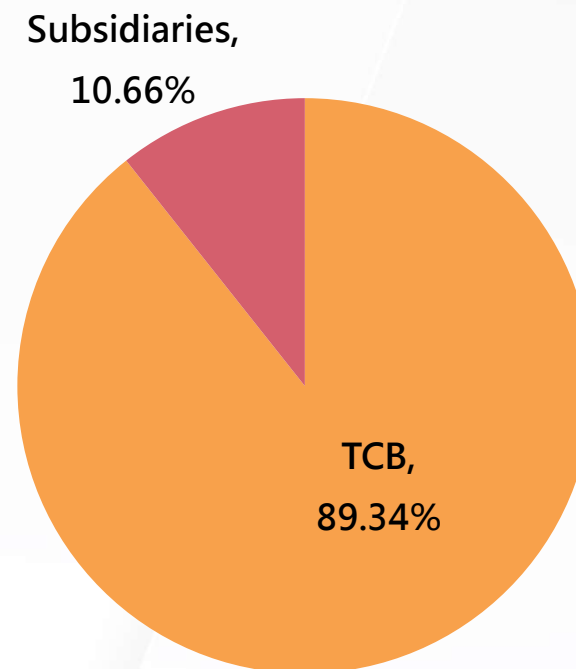
(NT\$ Million)



Net Profit after Tax	2022	2023	YoY
TCB	5,016	6,094	21.49%
Subsidiaries	328	727	121.65%
Total	5,344	6,821	27.64%



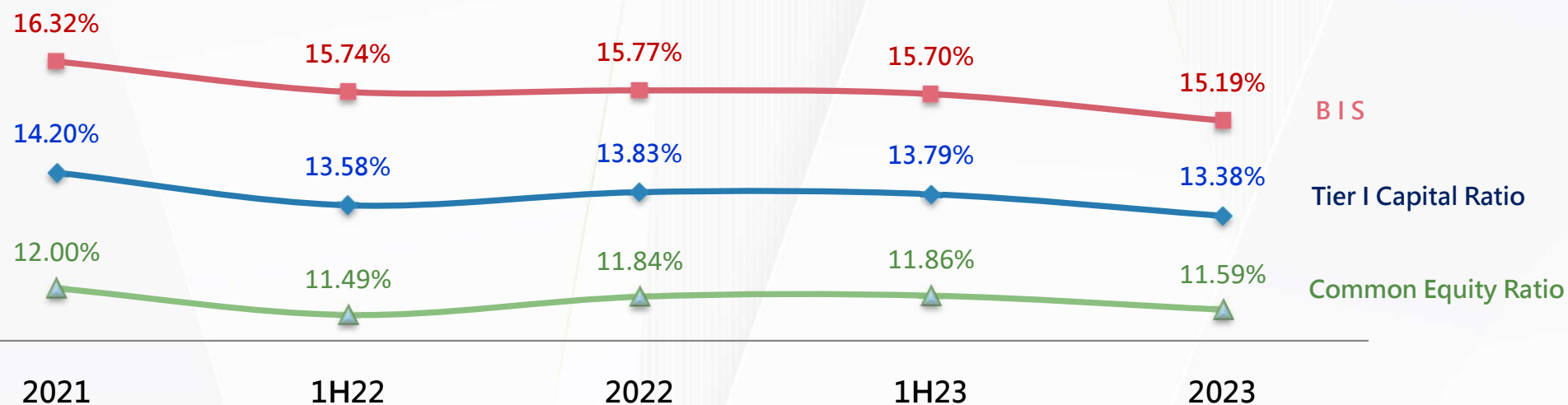
2022 Profit Breakdown



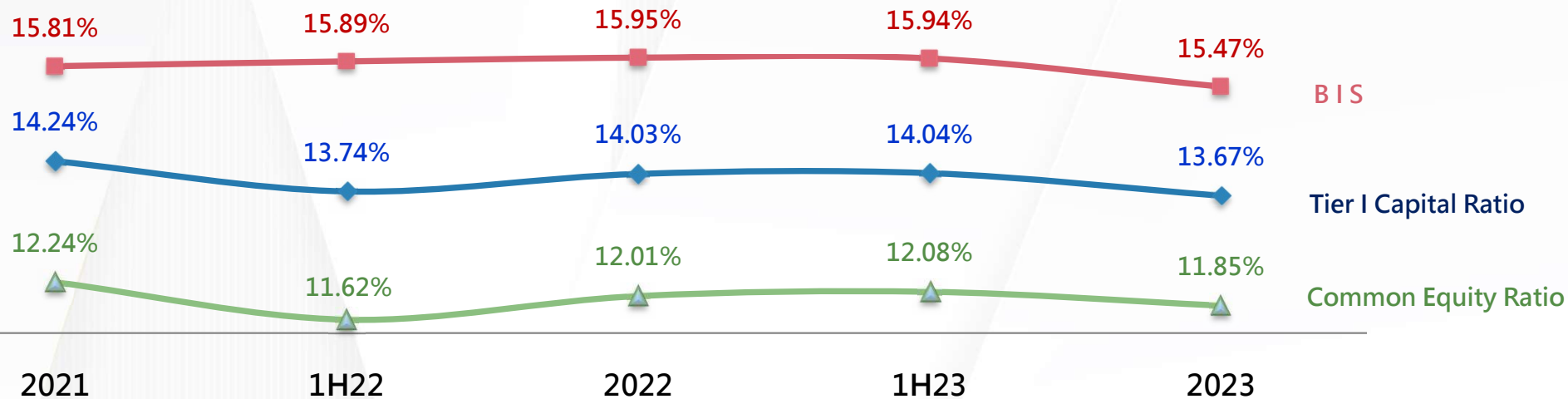
2023 Profit Breakdown

Capital Adequacy

Consolidated



Individual



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Balance Sheets (Parent Company Only)



(NT\$ Million)

	2021	2022	2023	YTD
Assets :				
Cash and due from banks	55,821	65,306	70,249	7.57%
Financial investment, net	201,027	188,991	217,657	15.17%
Loans, net	478,441	512,879	540,324	5.35%
A/R, net	3,176	3,245	4,286	32.08%
LT investments, net	6,064	6,043	6,541	8.24%
Properties and equipment, net	13,708	16,216	17,891	10.33%
Others	4,101	3,925	4,494	14.50%
Total Assets	762,338	796,605	861,442	8.14%
Liabilities :				
Deposits	661,383	685,335	731,665	6.76%
Other liabilities	37,495	42,040	53,262	26.69%
Total Liabilities	698,878	727,375	784,927	7.91%
Total Equity	63,460	69,230	76,515	10.52%
Total Liabilities and Equity	762,338	796,605	861,442	8.14%

Statements of Comprehensive Income

(Parent Company Only)



(NT\$ Million)

	2021	2022	2023	YoY
Net Interest	8,696	10,221	10,648	4.18%
Service Fee Income, net	2,482	2,495	2,969	19.00%
Other Net Revenue	1,425	1,291	2,651	105.34%
Total Net Revenue	12,603	14,007	16,268	16.14%
Operating Expenses	(5,945)	(6,390)	(6,660)	4.23%
Pre-provision Profit	6,658	7,617	9,608	26.14%
Provision for Bad Debts	(1,204)	(1,145)	(1,547)	35.11%
Profit Before Income Tax	5,454	6,472	8,061	24.55%
Income Tax Expense	(658)	(1,128)	(1,240)	9.93%
Net Profit After Income Tax	4,796	5,344	6,821	27.64%
Other Comprehensive Income [Note]	88	(1,414)	1,969	239.25%
Total Comprehensive Income for the Year	4,884	3,930	8,790	123.66%

Note : 2023 Other Comprehensive Income NT\$ 1,969 million is mainly comprised of Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income NT\$ 1,065 million and Unrealized (losses) gains on investments in debt instruments designated as at fair value through other comprehensive income NT\$ 996 million.

Balance Sheets (Consolidated)



(NT\$ Million)

	2021	2022	2023	YTD
Assets :				
Cash and due from banks	56,159	66,682	70,929	6.37%
Financial investment, net	202,664	190,639	218,533	14.63%
Loans, net	479,806	514,113	541,844	5.39%
A/R, net	14,352	14,435	22,156	53.49%
LT investments, net	165	172	172	-
Properties and equipment, net	13,755	16,256	17,924	10.26%
Others	5,777	5,666	6,390	12.78%
Total Assets	772,678	807,963	877,948	8.66%
Liabilities :				
Deposits	659,116	683,104	728,916	6.71%
Other liabilities	50,102	55,629	72,517	30.36%
Total Liabilities	709,218	738,733	801,433	8.49%
Total Equity	63,460	69,230	76,515	10.52%
Total Liabilities and Equity	772,678	807,963	877,948	8.66%

Statements of Comprehensive Income

(Consolidated)



(NT\$ Million)

	2021	2022	2023	YoY
Net Interest	9,278	10,775	11,325	5.10%
Service Fee Income, net	3,375	3,317	3,937	18.69%
Other Net Revenue	1,069	925	2,235	141.62%
Total Net Revenue	13,722	15,017	17,497	16.51%
Operating Expenses	(6,784)	(7,164)	(7,596)	6.03%
Pre-provision Profit	6,938	7,853	9,901	26.08%
Provision for Bad Debts	(1,369)	(1,253)	(1,668)	33.12%
Profit Before Income Tax	5,569	6,600	8,233	24.74%
Income Tax Expense	(773)	(1,256)	(1,412)	12.42%
Net Profit After Income Tax	4,796	5,344	6,821	27.64%
Other Comprehensive Income [Note]	88	(1,414)	1,969	239.25%
Total Comprehensive Income for the Year	4,884	3,930	8,790	123.66%

Note : The note is the same as P.27

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2023 Honors and Affirmations



- ★ **Ranked among the top 6–20% of listed companies in the Taiwan Stock Exchange’s 9th (2022) Corporate Governance Evaluation.**
- ★ **Passed the A-level review of the 2022 Taiwan Intellectual Property Management System (TIPS).**
- ★ **Won the Sponsorship Class Gold Award and Long-term Sponsorship Award in the Ministry of Education’s Sports Promoter Awards for the 4th consecutive year.**
- ★ **Named an Excellent Performance Bank for the New Southbound Policy Target Countries Credit Extension Program by the Financial Supervisory Commission for the 3rd consecutive year.**
- ★ **Won Buying Power’s Procurement Award – Third Prize for Social Innovation Products and Service Procurement Incentive Mechanisms for the 2nd consecutive year.**
- ★ **Won the 2022 Green Credit Promotion Award for Financial Institutions with Outstanding Performance in Credit Guarantee Financing for Small & Medium Enterprises.**
- ★ **Won the Sustainability Report Category - Silver Award for Financial and Insurance Industry Category I in the Taiwan Institute for Sustainable Energy’s Taiwan Corporate Sustainability Awards (TCSA).**
- ★ **Won the Best Social Integration Award and the Best Sustainable Operations Award in the Excellent Bank Evaluation.**
- ★ **Won the Financial Management and Consulting Industry Silver Award in the 1111 Human Resources Bank Happy Enterprise Vote.**

2023 Honors and Affirmations



- ★ **Won the Digital Financial Award - Digital Information Security Excellent Quality Award from the Commercial Times.**
- ★ **Won the Gold Excellence Award from the Joint Credit Information Center for the 2nd consecutive year.**
- ★ **Won the Outstanding Talent Award - Financial Planning Advisor for the Elderly from the Trust Association.**
- ★ **Won the Wealth Management Award - Best Customer Recommendation Award from Wealth Magazine.**
- ★ **Won the Corporate Social Responsibility Award in the China Times Financial Awards.**
- ★ **Won the Euro Clearing Elite Quality Recognition Award from JPMorgan Chase Bank.**
- ★ **Won the Straight-Through Processing (STP) Award from BNY Mellon.**
- ★ **Ranked 453 among the world's top 1000 banks by The Banker magazine.**
- ★ **Ranked among the Top 5000 Large Enterprises in Taiwan by CRIF.**
- ★ **Won the Contribution to Statistics Award from the Directorate-General of Budget, Accounting and Statistics, Executive Yuan in its Employee Salary Survey.**
- ★ **Won the Outstanding Internship Institution for 2023 Industry–University Cooperation Award from Overseas Chinese University.**

2024 Strategy Outlook



- ⊙ **Operate steadily, deploy actively, and focus on both quality and quantity to expand profits**
- ⊙ **Deepen economic and trade relations in the Asia Pacific region; positively exert sustainable influence**
- ⊙ **Operate in groups and integrate marketing; meet customer asset planning needs**
- ⊙ **Build a brand-new digital banking brand; optimize digital financial services**
- ⊙ **Practice sustainable finance; strengthen climate risk management**
- ⊙ **Create a friendly and inclusive culture; jointly ensure accessibility and equity in finance**

Thanks for your
listening!



台中銀行

TAICHUNG BANK

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