



# **Investor Presentation**

**August 27, 2019**

# Disclaimer

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This presentation may include forward looking statements. All statements, other than statements of historical facts, that address activities, events or developments that Taishin Financial Holding Co. Ltd. (“Taishin”) expects or anticipates will or may occur in the future are forward-looking statements. Taishin’s actual results or developments may differ from those indicated by these forward-looking statements as a result of various factors and uncertainties which are beyond our control. In addition, Taishin makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

# 營運概況

## 1H19 金控營運概況

- 上半年稅後淨利82億元，去年同期為78億元
- 每股淨值12.67元，每股稅後盈餘0.70元，年化ROE為11.21%
- 投資收益穩定成長帶動淨收益較去年同期成長6.4%
- 淨手續費收入較去年同期成長4.8%，財富管理手續費收入較去年同期成長4.2%
- 營業費用較去年同期增加8.3%
- 金控資本適足率117.3%，銀行資本適足率14.3%

## 1H19 銀行營運概況

- 上半年淨利息收入93億元，較去年同期衰退1.1%，第二季NIM為1.23%，放款較去年同期成長8.6%
- 淨手續費收入60億元，較去年同期成長7.8%
- 營業費用105億元，較去年同期增加9.5%
- 逾放比0.15%，覆蓋率890.3%
- 銀行ROE為9.77%

## 2H19營運展望

- 預期放款穩定成長，主要成長動能來自房屋加值型放貸及中小企業
- 預期財富管理及證券手續費收入將帶動手續費收入正向成長
- Richart持續為驅動數位創新的領導品牌

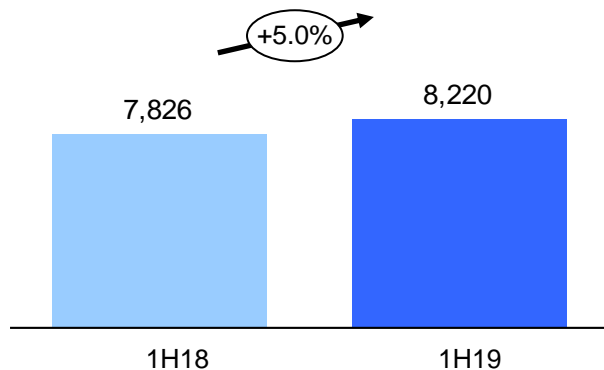
# Agenda

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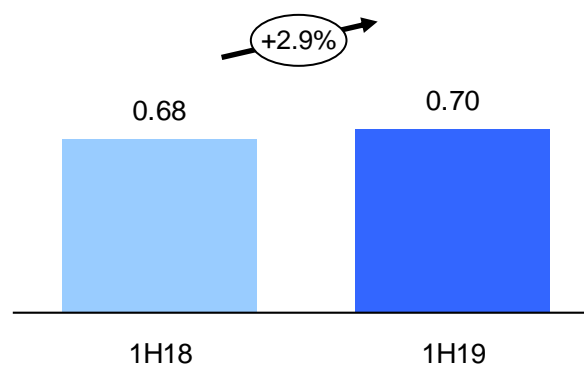
- 2019年上半年金控財務數字
- 2019年上半年銀行獲利動能
- 2019年下半年營運展望

# 金控財務數字

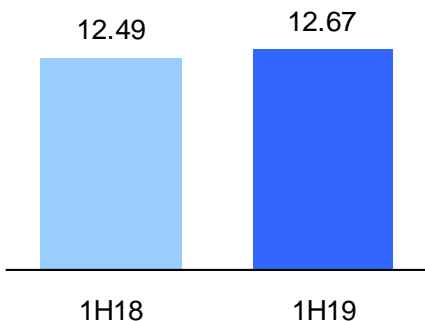
稅後淨利 (NT\$mn)



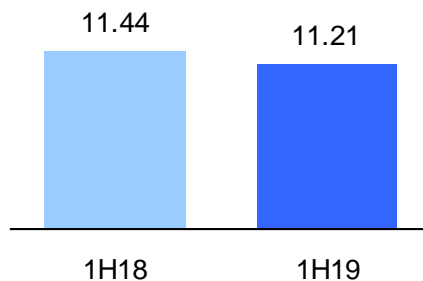
每股盈餘<sup>1</sup> (NT\$)



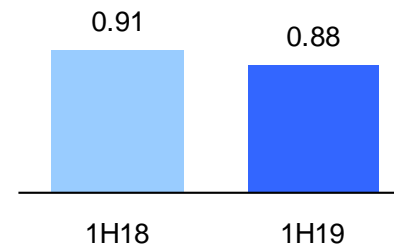
每股淨值<sup>1</sup> (NT\$)



股東權益報酬率<sup>1</sup> (%)



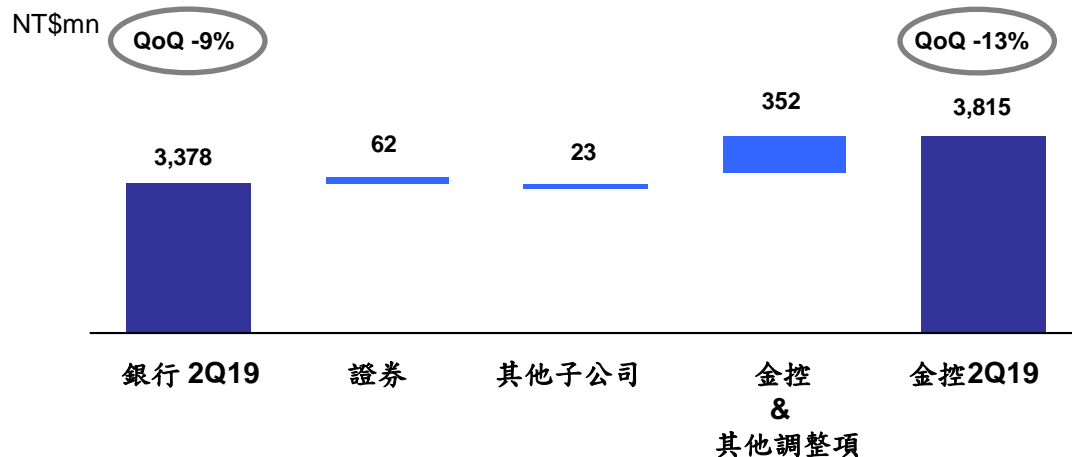
資產報酬率 (%)



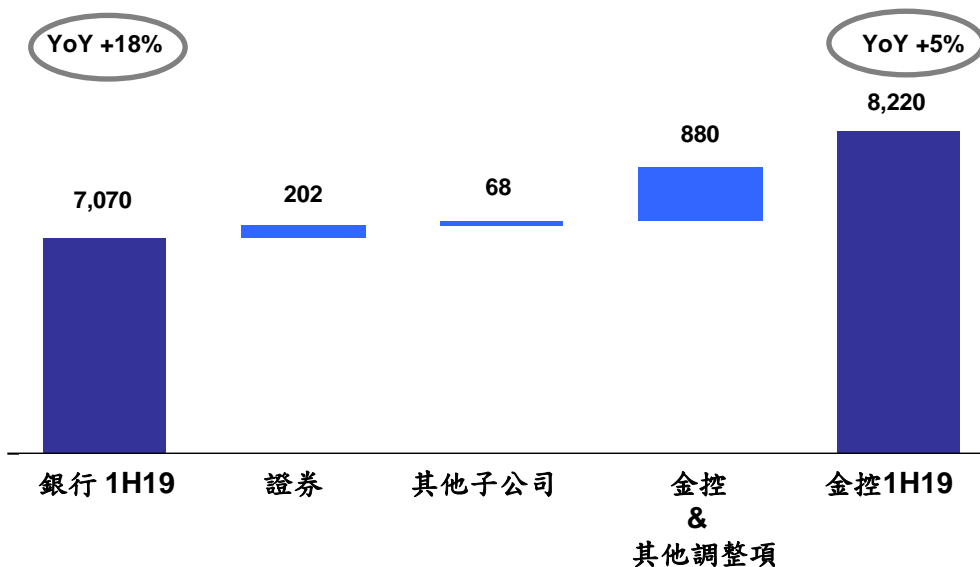
Note

1. EPS, BVPS and ROE are calculated for common shares only.

# 金控各子公司獲利表現



2Q19 各子公司獲利貢獻	%
銀行	89%
證券	1%
其他	10%

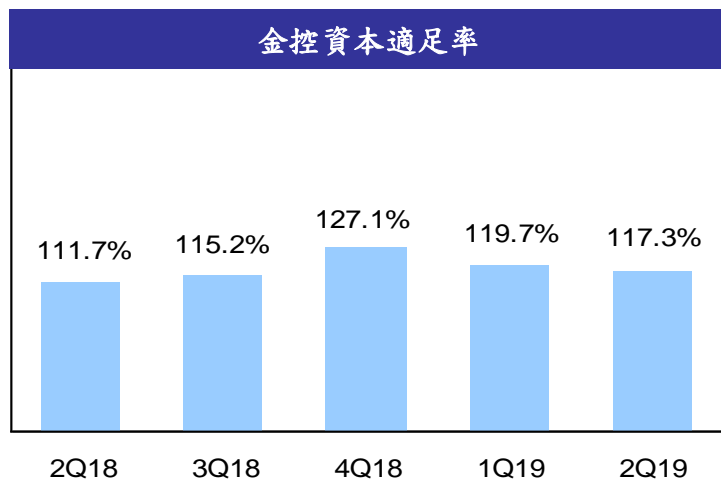


1H19 各子公司獲利貢獻	%
銀行	86%
證券	2%
其他	12%

Note

1. "Other subsidiaries" mainly includes Taishin Asset Management, Venture Capital Investment, Securities Investment Advisory and Securities Investment Trust.
2. "Holdings & other adjustments" include investment income under equity method from 22.55% stake in Chang Hwa Bank

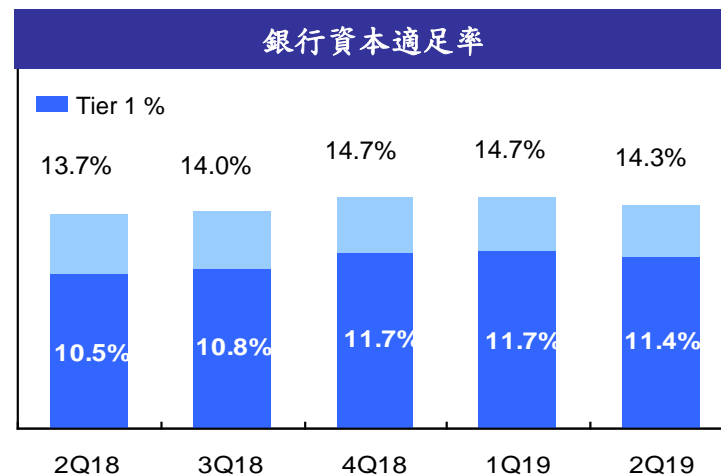
# 資本與風險指標



2019/03    2019/06

雙重槓桿比率:            113.5%    117.4%

債股比率:                15.6%    19.9%



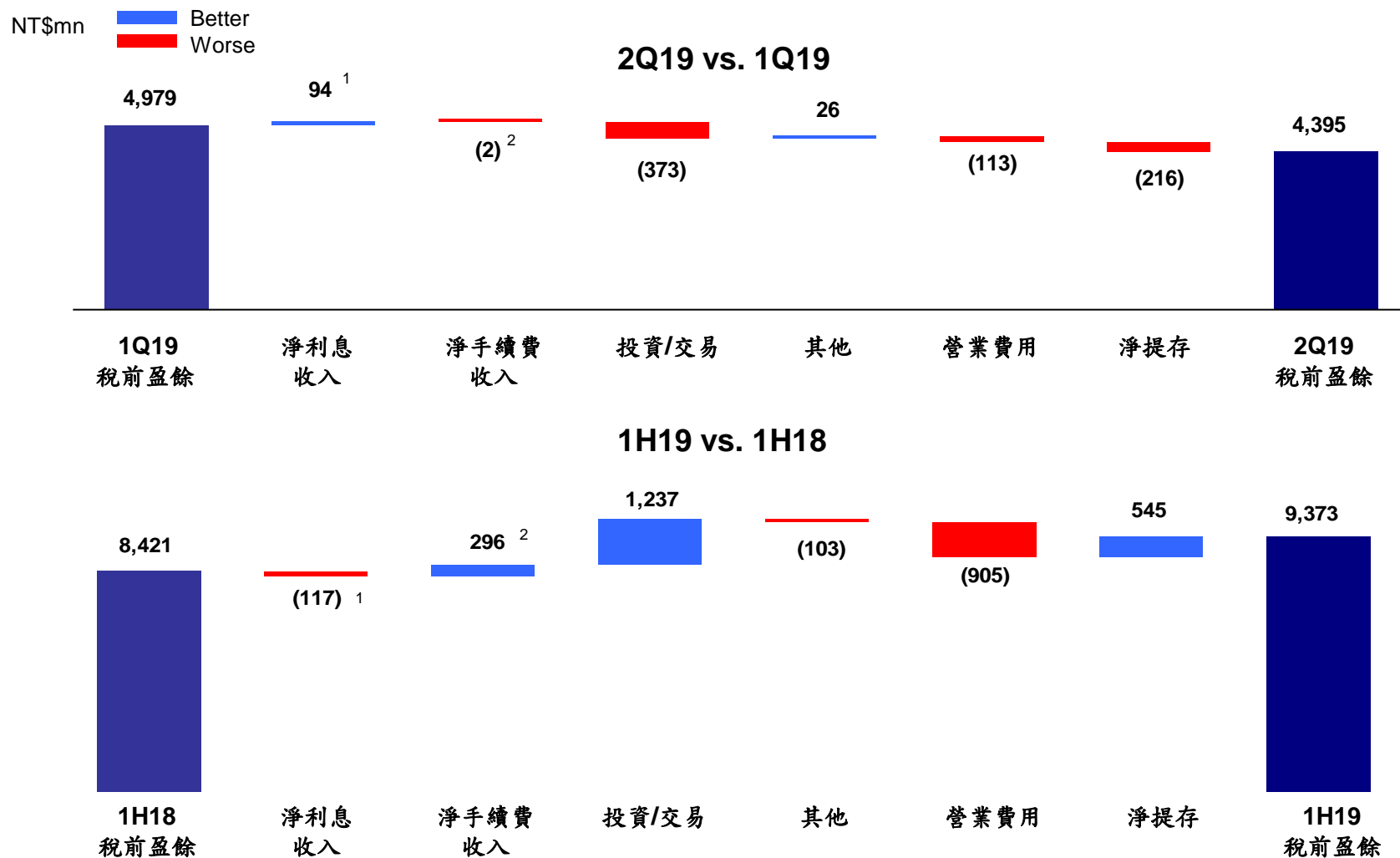
2019/03    2019/06

逾放比率:                0.16%    0.15%

覆蓋率:                 821.5%    890.3%

備呆/放款比率:        1.31%    1.31%

# 金控盈餘



Note :

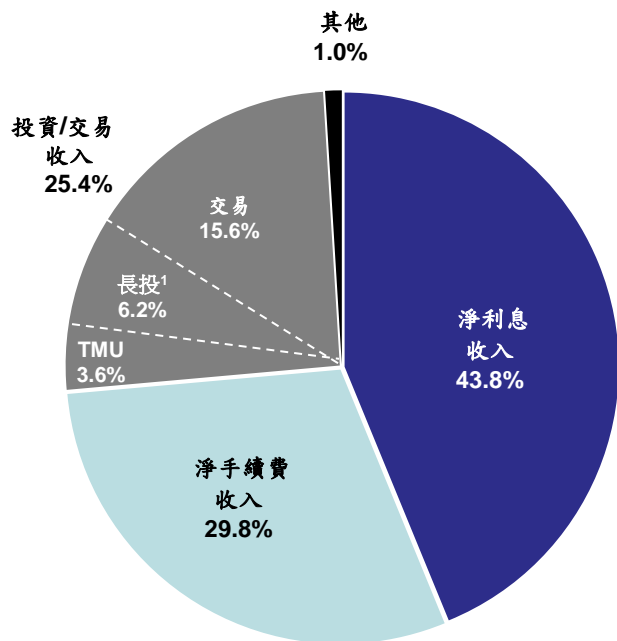
1. NII would decrease by NT\$35mn QoQ and increase by NT\$164mn YoY if reclassifying swap income of funding activities from investment income to NII.
2. Net fee income would increase by NT\$135mn QoQ and NT\$559mn YoY, if reclassifying income from selling treasury structured products from investment income to NFI.



# 金控淨收益結構

## 金控淨收益結構

1H19 淨收益 : NT\$21.8bn, YoY +6.4%

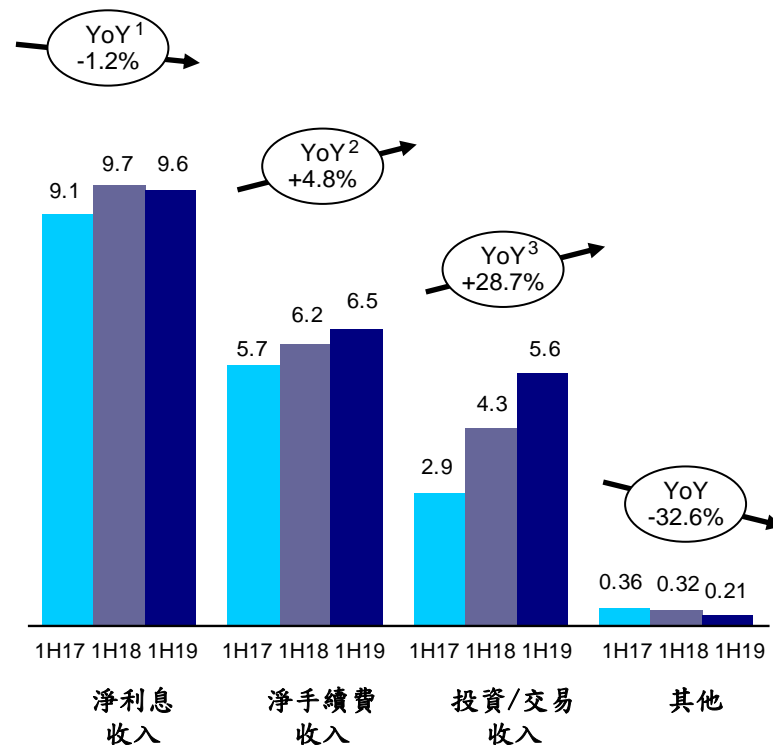


Note:

1. LT-Investment mainly comes from investment income of 22.55% stake in CHB under equity method.
2. YoY : 1H19 vs. 1H18.

## 過去三年同期比較

NT\$bn

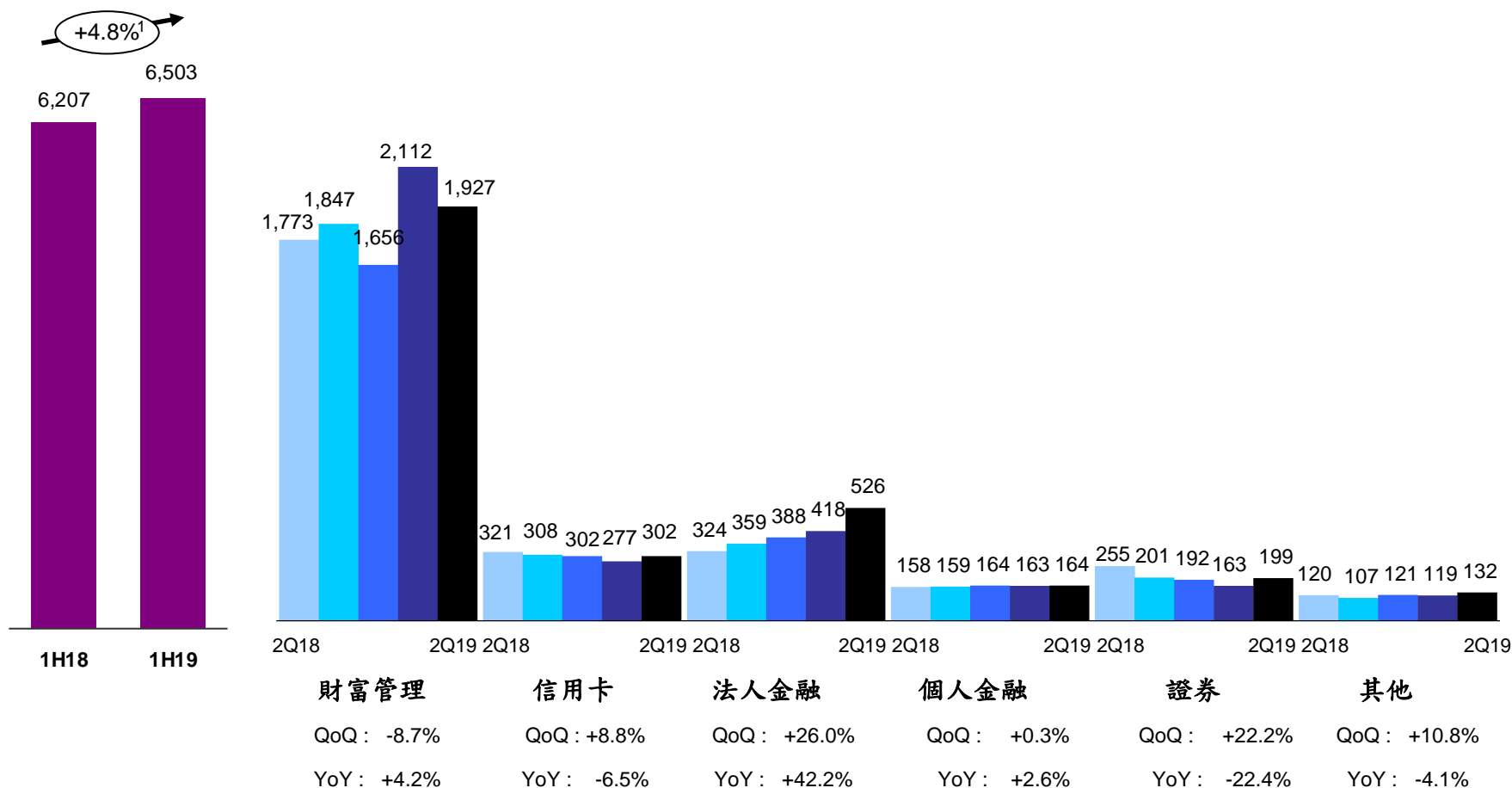


Note:

1. NII YoY +1.6% if reclassifying swap income from funding activities from investment income to NII.
2. Net fee income YoY +8.7% if reclassifying income from selling treasury structured products from investment income to NFI.
3. Investment income YoY +20.6% after adjusting swap income and income from selling treasury structured products.

# 金控淨手續費收入

NT\$mn



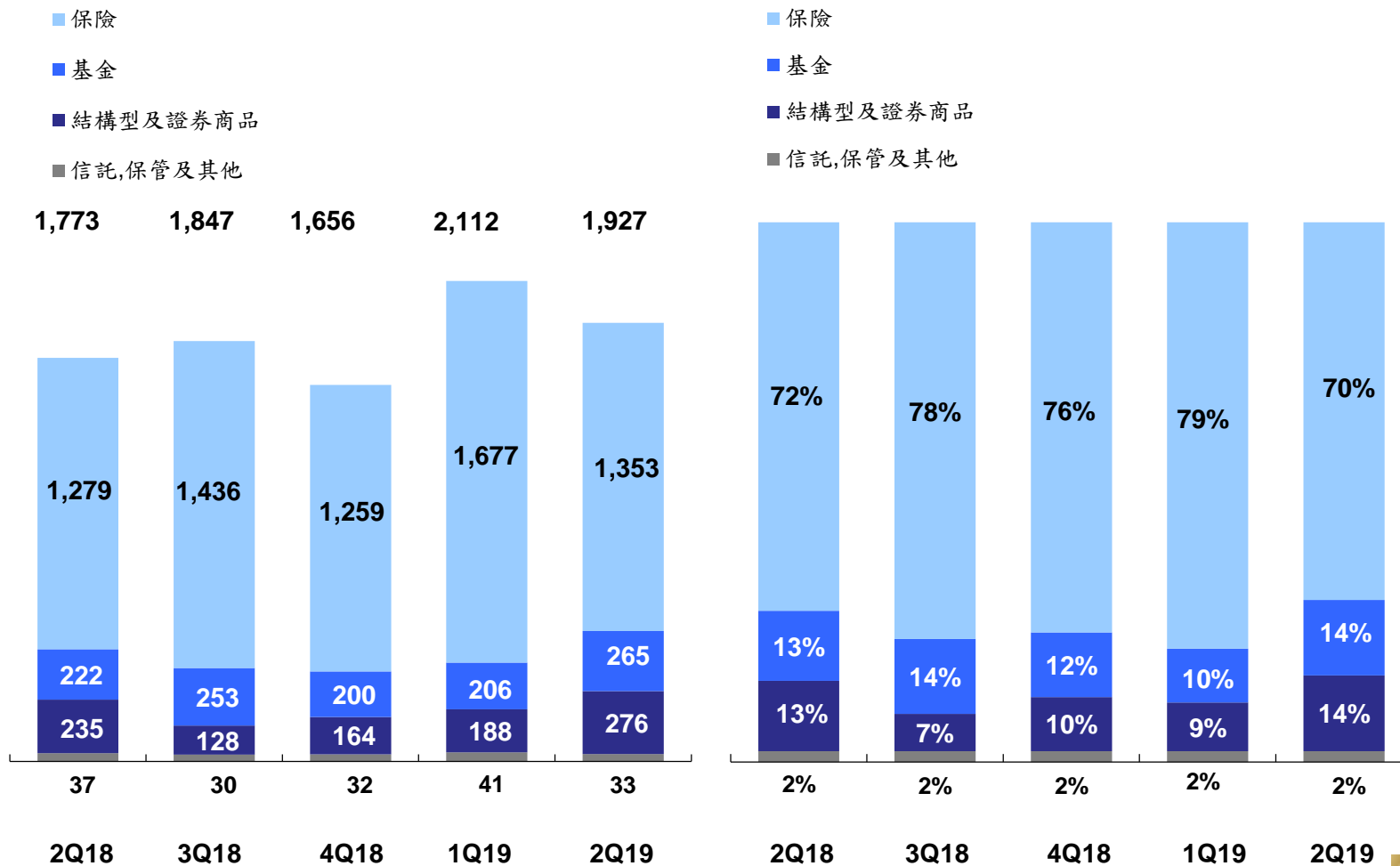
Note:

1. Net fee income YoY+8.7% if reclassifying income from selling treasury structured products from investment income to NFI.
2. Wealth management net fee income would -2.1% QoQ and +10.5% YoY if reclassifying income from selling treasury structured products from investment income to NFI.
3. YoY: 1H19 vs. 1H18.

# 金控財富管理手續費收入

財富管理手續費收入 (NT\$m)

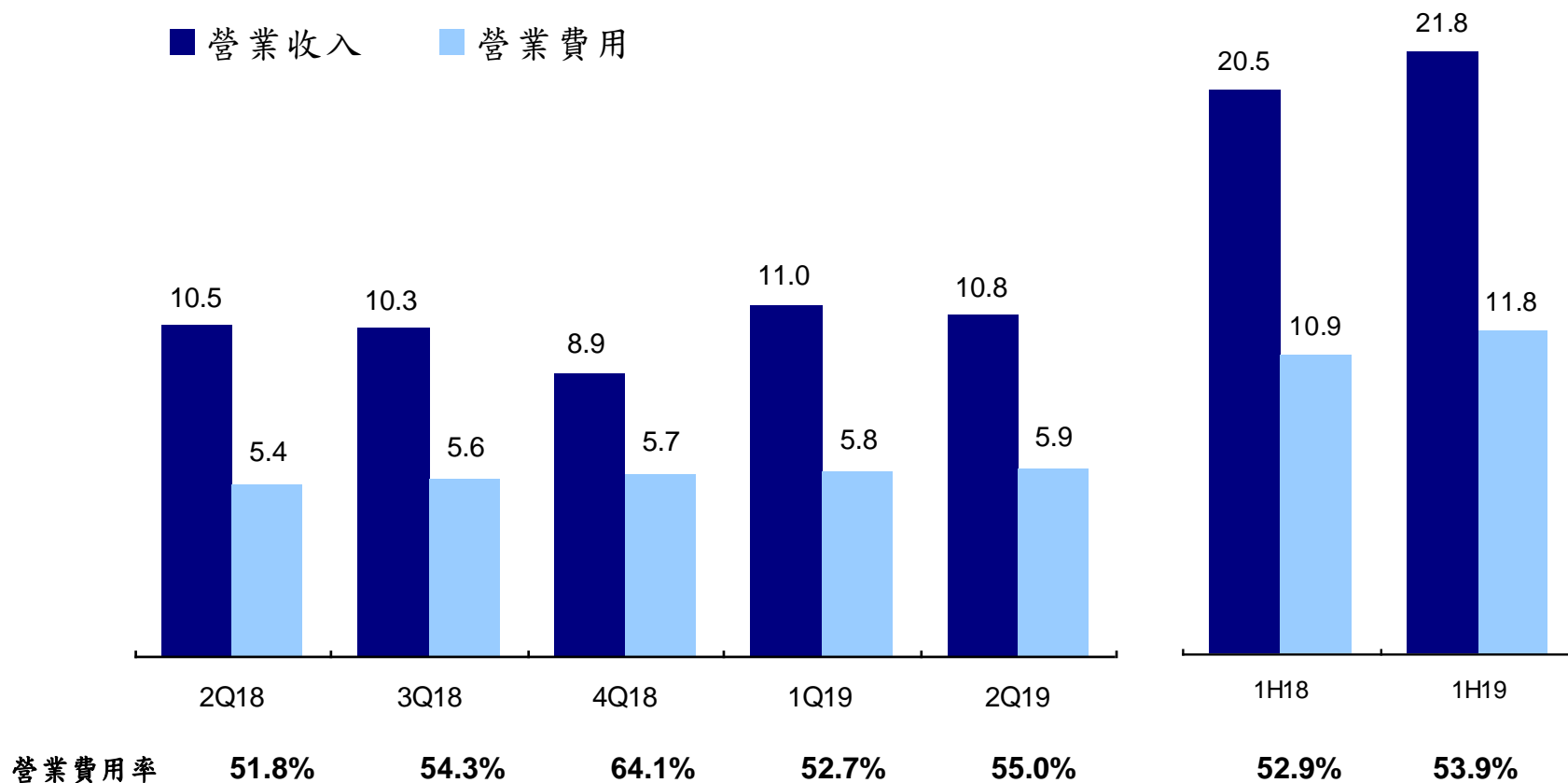
財富管理手續費收入組合 (%)



# 金控營業費用率

NT\$bn

■ 營業收入    ■ 營業費用



# 金控主要獲利因子

NT\$mn



Note:

1. If adjusting swap income from funding activities and income from selling treasury structured products, quarter-on-quarter, NII -0.7%, NFI +3.9%, Investment/Trading & Others -15.4%.
2. If adjusting swap income from funding activities and income from selling treasury structured products, year-on-year, NII +1.6%, NFI +8.7%, Investment/Trading & Others +16.1%.
3. YoY: 1H19 vs. 1H18.

# Agenda

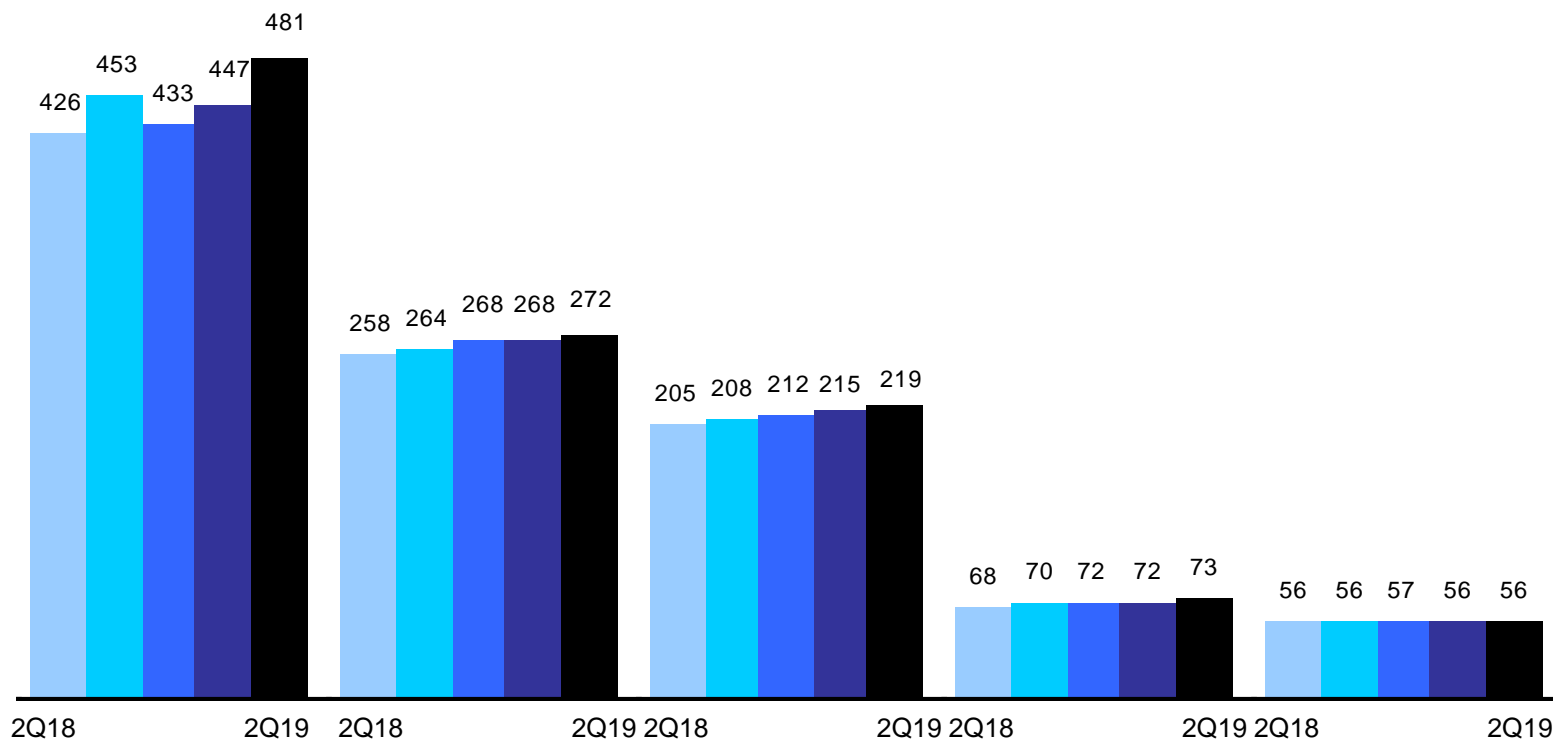
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- 2019年上半年金控財務數字
- 2019年上半年銀行獲利動能
- 2019年下半年營運展望

# 放款穩定成長

NT\$bn

**2Q19 總放款餘額 : NT\$1,101bn, QoQ +4.2%, YoY +8.6%, YTD +5.7%**



企業放款

QoQ: +7.5%  
YoY: +12.7%  
YTD: +11.0%

購屋貸款

QoQ: +1.6%  
YoY: +5.4%  
YTD: +1.4%

房屋加值型貸款<sup>1</sup>

QoQ: +1.9%  
YoY: +6.6%  
YTD: +3.2%

消金無擔放款

QoQ: +2.4%  
YoY: +7.4%  
YTD: +2.6%

其他<sup>2</sup>

QoQ: +0.6%  
YoY: +1.0%  
YTD: -0.5%

Note:

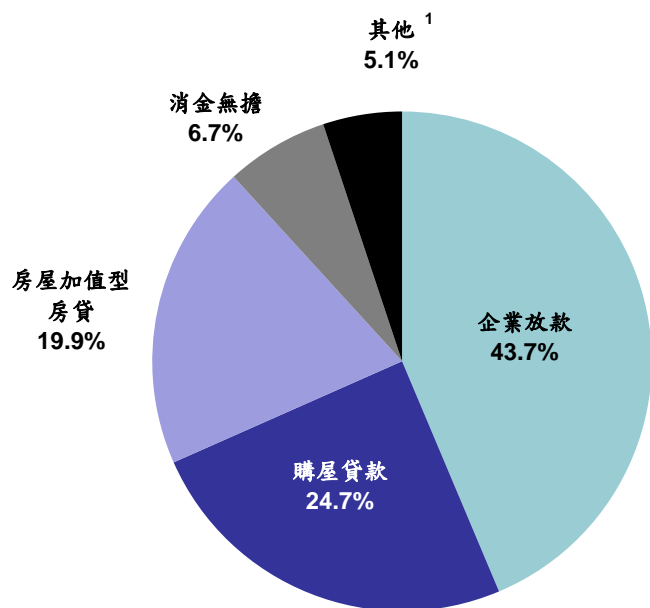
1. Home equity loan is in first-lien position on the property.

2. Others include auto loans, second mortgage, retail SME, and other consumer products.

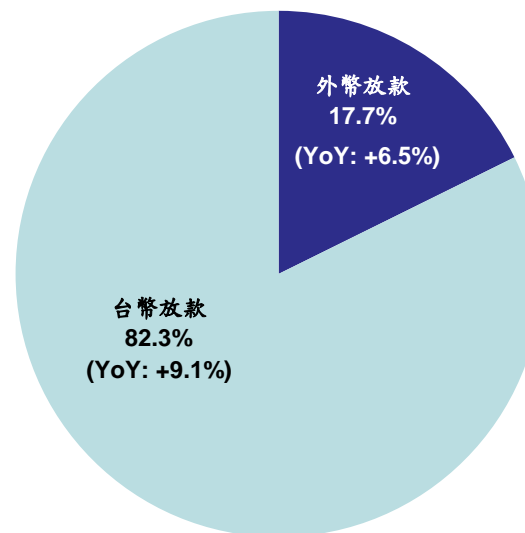
3. YoY : 2Q19 vs. 2Q18

# 2Q19放款結構

產品別



幣別



Note:

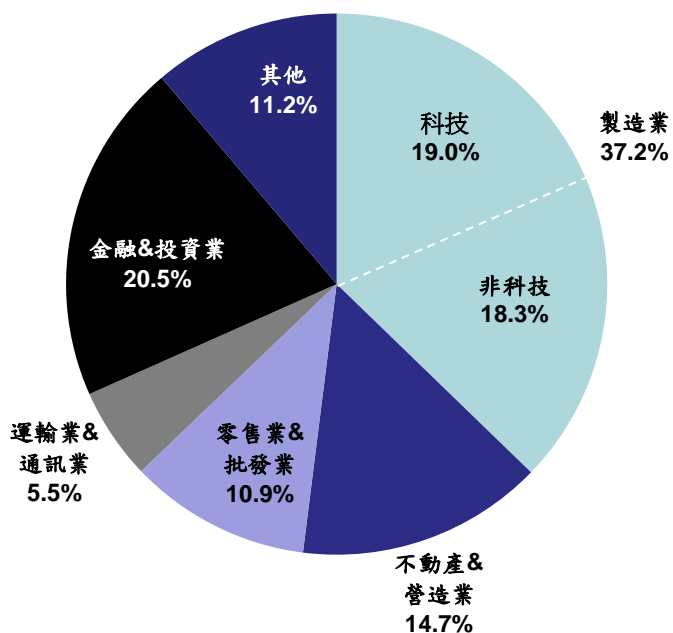
1. Others include auto loans, second mortgage, retail SME, and other consumer products.

2. YoY: 2Q19 vs. 2Q18



# 法金授信及消金無擔放款明細

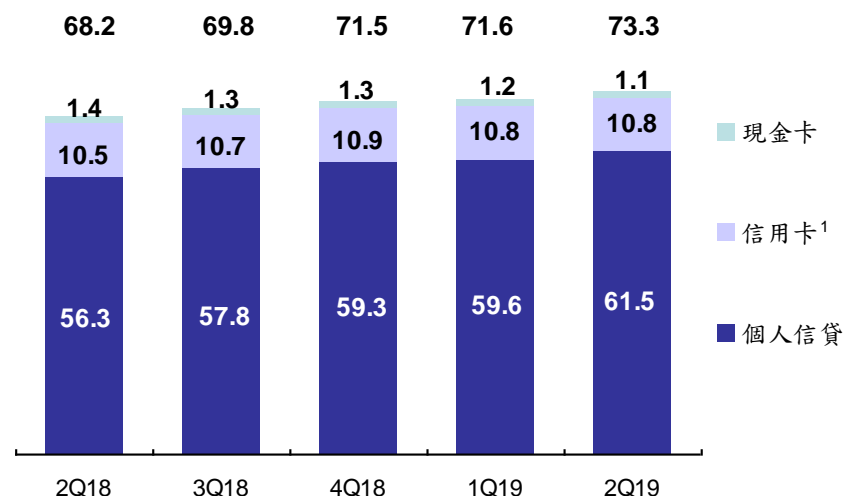
## 法金授信產業分布



## 消金無擔放款

	QoQ	YoY
個人信貸	+3.2%	+9.1%
信用卡 <sup>1</sup>	-0.7%	+2.4%
現金卡	-5.8%	-22.2%
消金無擔放款	+2.4%	+7.4%

NT\$bn



Note:

1. Credit card includes credit card revolving and credit card loan.

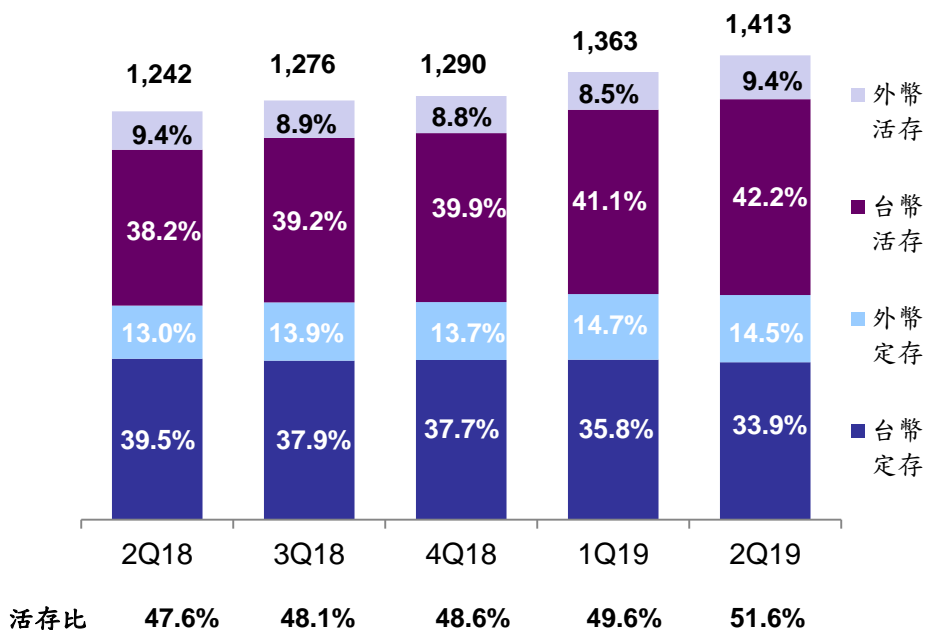
2. YoY: 2Q19 vs. 2Q18

# 存款結構

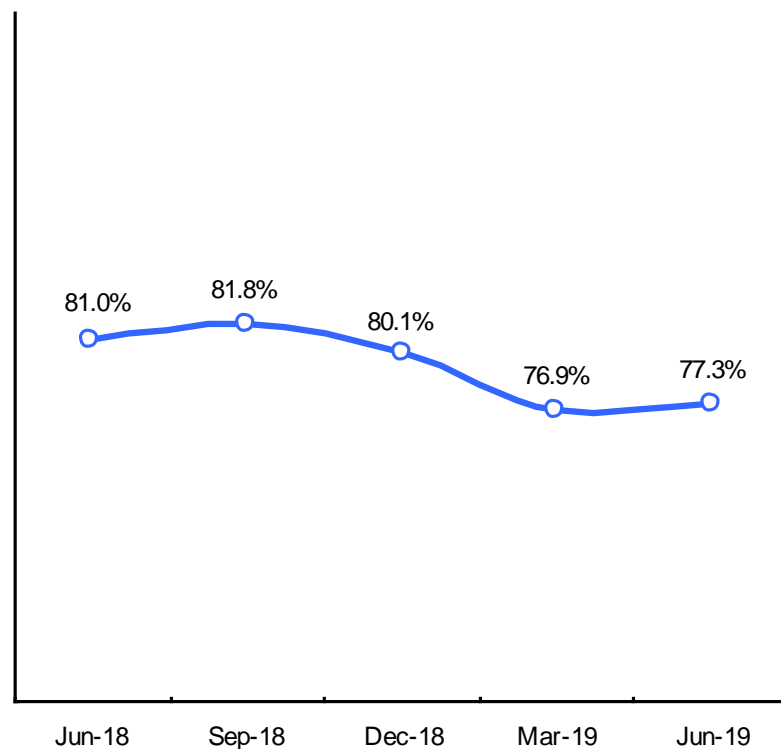
存款結構 (%)

NT\$bn

QoQ: +3.7%  
YoY: +13.7%

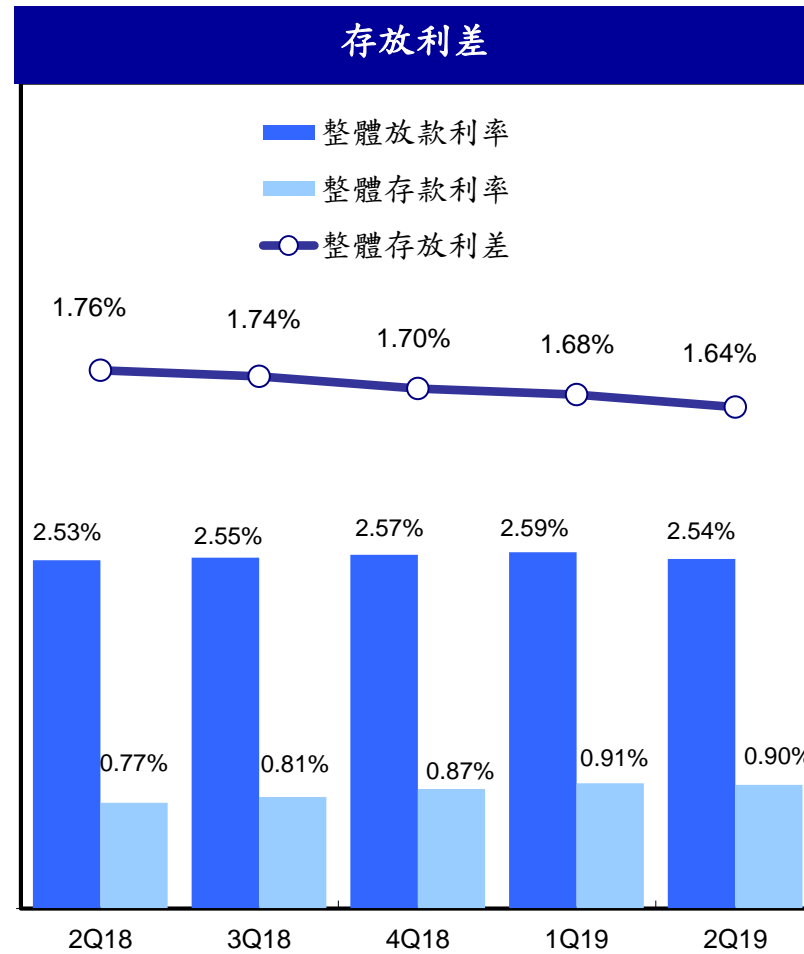
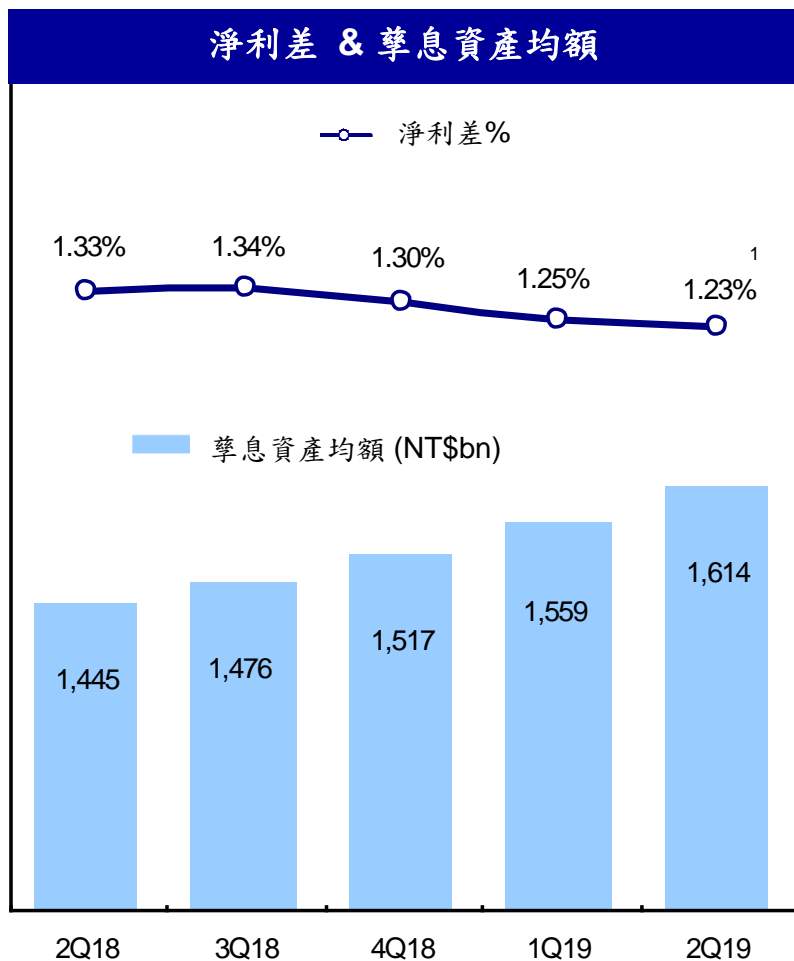


存放比 (%) <sup>1</sup>



1. Calculation of Loan-to-deposit ratio is based on regulator definition.

# 銀行淨利差及存放利差

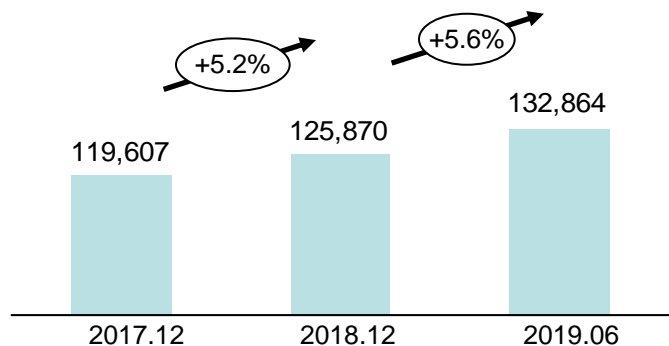


Note:

1. NIM of 1Q19 and 2Q19 would be 1.32% and 1.26%, respectively, if reclassifying swap income and principal of funding activities.
2. NIM & Spread figures are quarterly average.

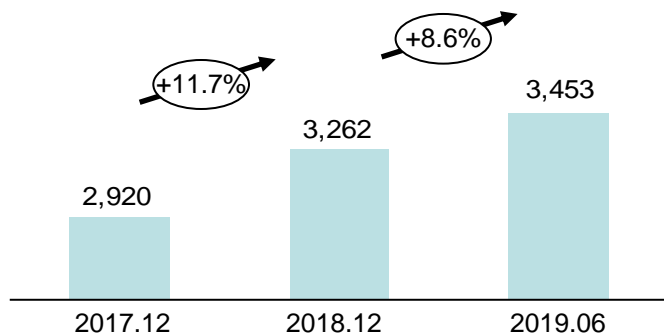
# 信用卡業務

## 收單家數



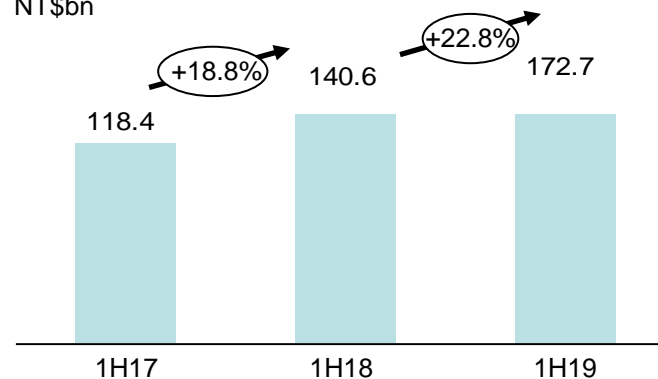
## 有效卡數

thousands



## 簽帳金額

NT\$bn

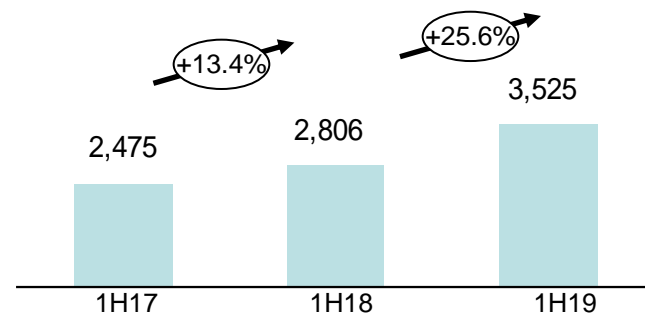


Note

1. Total spending excludes cash advance.

## 毛手續費收入

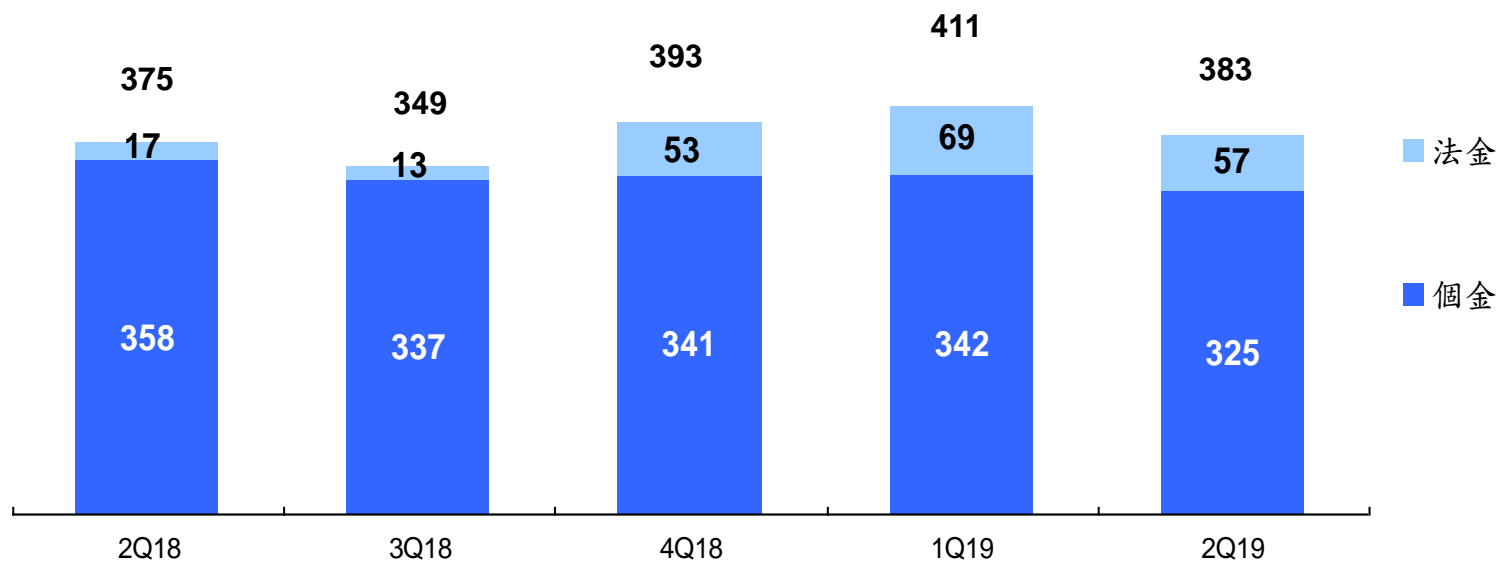
NT\$m



# 呆帳回收

NT\$mn

QoQ: -6.8%  
YoY: +2.5%

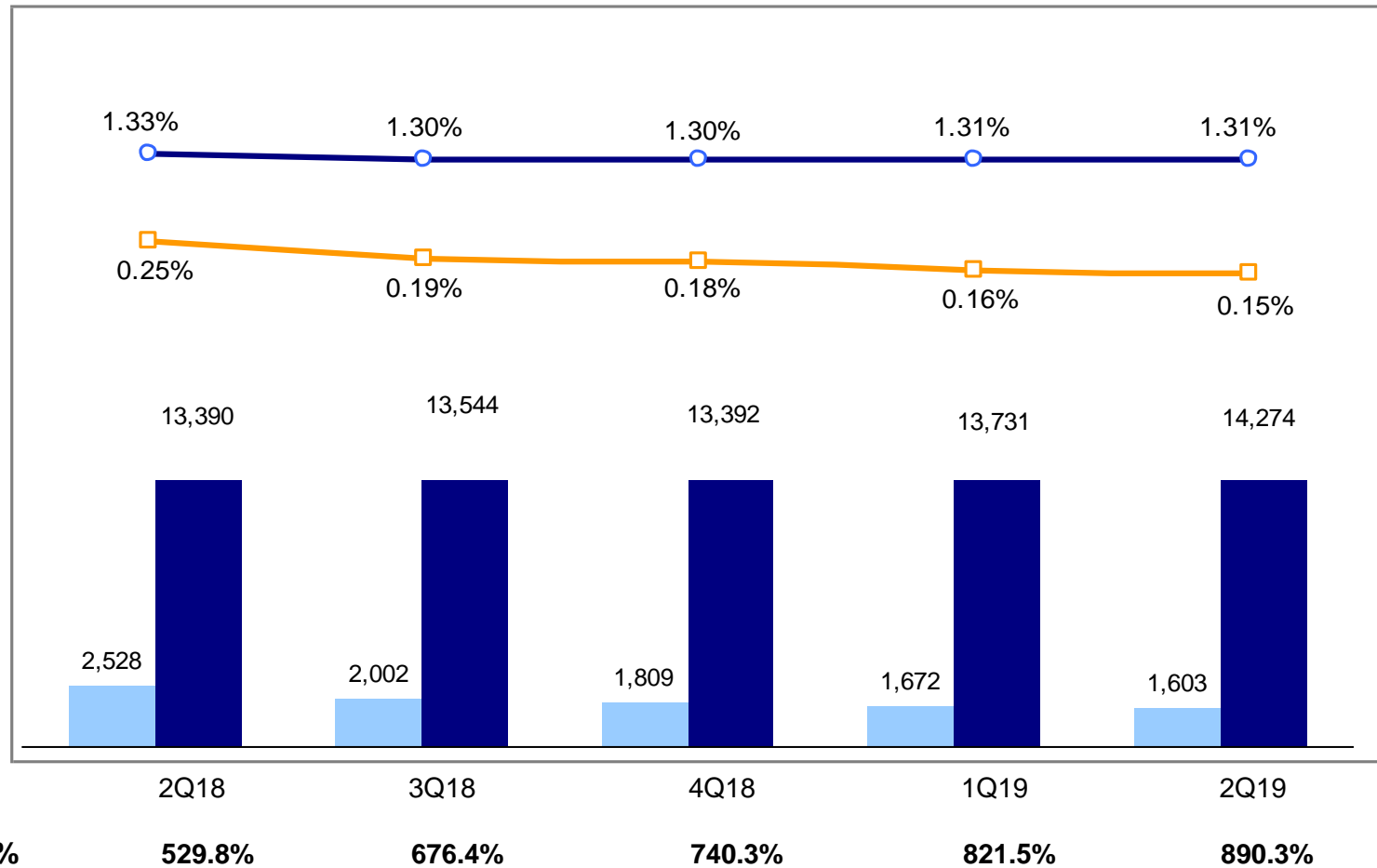


Note:

1. YoY: 2H19 vs. 2H18

# 銀行逾放比及覆蓋率

□ 逾放比%   
 ○ 備抵呆帳/放款比率%   
 ■ 逾放金額 NT\$m



Note: NPL%, coverage%, NPL amount and reserve amount exclude A/R.

# Agenda

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- 2019年上半年金控財務數字
- 2019年上半年銀行獲利動能
- 2019年下半年營運展望

# 2H19 vs. 1H19 營運展望

業務	展望	↗↗	> +15%
		↗	+5% ~ +15%
		=	-5% ~ +5%
		↘	-5% ~ -15%
		↘↘	< -15%
消金放款	=		
消金擔保放款	=		
■ 購屋貸款	=		
■ 房屋加值型房貸	=		
■ 汽車貸款	=		
消金無擔放款	↗		
企業放款	=		
■ 中小企業放款	↗		
財富管理	=		



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# APPENDIX

# Balance Sheet of Taishin Holding and its subsidiaries as of June 30, 2019

NT\$mn	Taishin Bank (Consolidated)	Taishin Securities (Consolidated)	Others Subsidiaries	Holding & Other Adjustments	Taishin Holding (Consolidated)
<b>Assets</b>					
Cash & due from banks	79,050	716	2,267	(639)	81,394
Securities, net	510,697	22,019	2,375	2	535,093
Loans, net	1,077,204	0	0	0	1,077,204
A/R, net	130,594	11,638	10,910	1,405	154,547
Long-term investment, net	533	0	134	39,821	40,488
Land, premises and equipments, net	18,366	323	222	5	18,916
Others	21,666	2,119	2,853	(1,305)	25,333
<b>Total Assets</b>	<b>1,838,110</b>	<b>36,815</b>	<b>18,761</b>	<b>39,289</b>	<b>1,932,975</b>
<b>Liabilities</b>					
Deposits	1,388,142	0	0	(3,197)	1,384,945
Other Liabilities	300,993	28,416	12,547	32,759	374,715
<b>Total Liabilities</b>	<b>1,689,135</b>	<b>28,416</b>	<b>12,547</b>	<b>29,562</b>	<b>1,759,660</b>
<b>Minority interests</b>	<b>235</b>	<b>0</b>	<b>0</b>	<b>(102)</b>	<b>133</b>
<b>Total Stockholders' equity(incl. non-controlling)</b>	<b>148,975</b>	<b>8,399</b>	<b>6,214</b>	<b>9,727</b>	<b>173,315</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,838,110</b>	<b>36,815</b>	<b>18,761</b>	<b>39,289</b>	<b>1,932,975</b>

# P&L of Taishin Holding and its subsidiaries for the period ended June 30, 2019

NT\$mn	Taishin Bank (Consolidated)	Taishin Securities (Consolidated)	Others Subsidiaries	Holding & Other Adjustments	Taishin Holding (Consolidated)
<b>Operating income</b>					
Net interest income	9,252	70	456	(217)	9,561
Net fee income	5,976	360	214	(47)	6,503
Long-term investment income	21	0	6	1,347	1,374
Net trading income(loss) & Derivatives & FX	3,734	441	12	0	4,187
Others income(loss)	124	(1)	149	(66)	206
<b>Total operating income</b>	19,107	870	837	1,017	21,831
<b>Operating expenses</b>	(10,535)	(662)	(527)	(36)	(11,760)
<b>Credit loss provisions, net</b>	(472)	0	(226)	0	(698)
<b>Profit before income tax</b>	8,100	208	84	981	9,373
<b>Net profit after income tax</b>	7,070	202	68	880	8,220

# Financial Summary – Taishin FHC (Consolidated)

NT\$m, except for percentages

Income Statement Data	Full-Year Comparison			Half-Year Comparison			Quarterly Comparison		
	2017	2018	change	1H18	1H19 <sup>3</sup>	change	1Q19	2Q19 <sup>3</sup>	change
Interest income	30,621	34,485	12.6%	16,459	18,321	11.3%	9,097	9,224	1.4%
Interest expense	(11,886)	(14,894)	25.3%	(6,781)	(8,760)	29.2%	(4,363)	(4,397)	0.8%
Net interest income	18,735	19,591	4.6%	9,678	9,561	-1.2%	4,734	4,827	2.0%
Net fee income	11,510	12,012	4.4%	6,207	6,503	4.8%	3,252	3,251	0.0%
Other income	7,557	8,145	7.8%	4,633	5,767	24.5%	3,057	2,710	-11.4%
Total revenue	37,802	39,748	5.1%	20,518	21,831	6.4%	11,043	10,788	-2.3%
Operating expense	(21,141)	(22,171)	4.9%	(10,854)	(11,760)	8.3%	(5,823)	(5,937)	2.0%
Provisions, net	(1,851)	(3,341)	80.5%	(1,243)	(698)	-43.8%	(241)	(457)	89.6%
Net Income before Income Tax	14,810	14,236	-3.9%	8,421	9,373	11.3%	4,979	4,394	-11.7%
Tax Expense	(1,740)	(1,306)	-24.9%	(595)	(1,153)	93.8%	(574)	(579)	0.9%
Net Income after Tax	13,070	12,930	-1.1%	7,826	8,220	5.0%	4,405	3,815	-13.4%
Net Income to Parent Company	13,061	12,931	-1.0%	7,826	8,220	5.0%	4,405	3,815	-13.4%
Net Income to Non-controlling Interests	9	(1)	-111.1%	0	0	-	0	0	-
Net Income	13,070	12,930	-1.1%	7,826	8,220	5.0%	4,405	3,815	-13.4%
EPS(NT\$) <sup>1</sup>	1.10	1.09	-0.9%	0.68	0.70	2.9%	0.37	0.33	-10.8%
<b>Balance Sheet Data</b>									
Total Assets	1,677,520	1,786,894	6.5%	1,749,213	1,932,975	10.5%	1,883,006	1,932,975	2.7%
Shareholders' Equity(incl. Non-controlling)	155,322	174,518	12.4%	154,795	173,315	12.0%	175,666	173,315	-1.3%
Shareholders' Equity-Common Stock	123,016	128,654	4.6%	124,717	132,248	6.0%	133,507	132,248	-0.9%
<b>Summary Ratios</b>									
Equity/Assets	9.26%	9.77%		8.85%	8.97%		9.33%	8.97%	
Return on average assets	0.80%	0.75%							
Return on average equity <sup>2</sup>	9.61%	9.06%							

Note

1. EPS has been retroactively adjusted with 4.43% of stock dividend in August 2018.

2. Common shares only.

3. Preliminary figures.

# Financial Summary – Taishin Bank

NT\$m, except for percentages	Full-Year Comparison			Half-Yearly Comparison			Quarterly Comparison		
	2017	2018	Change	1H18	1H19 <sup>6</sup>	Change	1Q19	2Q19 <sup>6</sup>	Change
<b>Income Statement Data</b>									
Interest income	29,420	32,773	11.4%	15,620	17,453	11.7%	8,653	8,800	1.7%
Interest expense	(11,016)	(13,788)	25.2%	(6,263)	(8,201)	30.9%	(4,081)	(4,120)	1.0%
Net interest income	18,404	18,985	3.2%	9,357	9,252	-1.1%	4,572	4,680	2.4%
Net fee income	10,733	10,800	0.6%	5,546	5,976	7.8%	3,010	2,966	-1.5%
Other income <sup>1</sup>	4,042	4,862	20.3%	2,625	3,878	47.7%	2,036	1,842	-9.5%
Total revenue	33,179	34,647	4.4%	17,528	19,106	9.0%	9,618	9,488	-1.4%
Operating expense	(19,029)	(19,698)	3.5%	(9,621)	(10,535)	9.5%	(5,225)	(5,310)	1.6%
Net Provisions <sup>1</sup>	(1,842)	(3,254)	76.7%	(1,249)	(471)	-62.3%	(137)	(334)	143.8%
Net income before income tax	12,308	11,695	-5.0%	6,658	8,100	21.7%	4,256	3,844	-9.7%
Net income after tax	10,578	10,420	-1.5%	6,008	7,070	17.7%	3,692	3,378	-8.5%
<b>Balance Sheet Data</b>									
Gross loans <sup>2</sup>	972,870	1,032,486	6.1%	1,005,858	1,092,053	8.6%	1,048,137	1,092,053	4.2%
Credit revolving loans	10,305	10,731	4.1%	10,306	10,608	2.9%	10,668	10,608	-0.6%
NPL	2,183	1,809	-17.1%	2,528	1,603	-36.6%	1,672	1,603	-4.1%
Allowance for Loan losses	12,633	13,392	6.0%	13,390	14,274	6.6%	13,731	14,274	4.0%
Total assets	1,598,886	1,701,427	6.4%	1,660,533	1,838,110	10.7%	1,789,879	1,838,110	2.7%
Deposits <sup>3</sup>	1,195,906	1,265,550	5.8%	1,216,168	1,388,141	14.1%	1,337,441	1,388,141	3.8%
Shareholders' equity	124,740	140,795	12.9%	126,722	148,976	17.6%	145,125	148,976	2.7%
<b>Summary Ratios</b>									
Loan-to Deposit Spread	1.83%	1.75%		1.78%	1.66%		1.68%	1.64%	
Net interest margin	1.37%	1.33%		1.34%	1.24%		1.25%	1.23%	
Net fee income / Total revenue	32.3%	31.2%		31.6%	31.3%		31.3%	31.3%	
Cost-to-Income ratio	57.4%	56.9%		54.9%	55.1%		54.3%	56.0%	
NPLs / Gross loans	0.22%	0.18%		0.25%	0.15%		0.16%	0.15%	
Allowance / Gross loans	1.30%	1.30%		1.33%	1.31%		1.31%	1.31%	
Allowance / NPLs	578.7%	740.3%		529.8%	890.3%		821.5%	890.3%	
Loan to deposit ratio <sup>4</sup>	79.7%	80.1%		81.0%	77.3%		76.9%	77.3%	
Equity / Assets	7.8%	8.3%		7.6%	8.1%		8.1%	8.1%	
Return on average assets (Annualized)	0.68%	0.63%		0.74%	0.80%		0.85%	0.77%	
Return on average equity (Annualized) <sup>5</sup>	8.63%	7.85%		9.56%	9.77%		10.34%	9.33%	

Note:

- Gain on collection of nonperforming loans figures are adjusted including in provision for credit losses from 2012 for auditing bases.
- Gross loans exclude credit card revolving and factoring NR but include over-due loans.
- Deposits exclude postal deposits and interbank deposits.
- Calculation of loan-to-deposit ratio is based on regulatory definition.
- Return on net equity (ROE) calculated as income after tax (annualized) divided by average net equity for auditing bases.
- Preliminary figures.

# Deposit Mix

NT\$bn	2Q18	3Q18	4Q18	1Q19	2Q19	%	2Q19 vs 1Q19	2Q19 vs 2Q18
Current Deposits	590.9	614.4	627.2	675.5	729.2	51.6%	7.9%	23.4%
• Checking	6.7	7.3	7.2	6.7	8.7	0.6%	30.5%	29.7%
• Demand	139.3	143.3	147.3	154.8	165.2	11.7%	6.7%	18.6%
• Current Savings	328.7	349.9	359.5	398.6	422.3	29.9%	6.0%	28.5%
• Foreign Currency	116.2	113.9	113.2	115.4	133.0	9.4%	15.2%	14.4%
Time Deposits	651.5	661.6	662.6	687.2	683.6	48.4%	-0.5%	4.9%
• Time	185.7	183.9	187.7	182.6	170.3	12.1%	-6.8%	-8.3%
• Time Savings	279.6	275.2	273.9	280.1	284.4	20.1%	1.5%	1.7%
• Interbank <sup>1</sup>	24.9	24.8	24.7	24.7	24.7	1.7%	0.0%	-0.9%
• Foreign Currency	161.2	177.8	176.4	199.8	204.2	14.5%	2.2%	26.7%
Total Deposits (excl. structured deposit)	1,242.4	1,276.0	1,289.8	1,362.7	1,412.7	100.0%	3.7%	13.7%
Total Deposits (incl. structured deposit)	1,294.5	1,330.8	1,348.0	1,429.3	1,481.3		3.6%	14.4%

Note:

1. Including postal deposits

2. Outstanding balance

# Loan Mix

NT\$bn	2Q18	3Q18	4Q18	1Q19	2Q19	%	2Q19 vs 1Q19	2Q19 vs 2Q18
Corporate Loans	426.3	452.8	432.9	447.0	480.6	43.7%	7.5%	12.7%
Consumer Loans	587.2	597.5	608.4	610.0	620.4	56.3%	1.7%	5.6%
• First Mortgage	258.1	263.6	268.4	267.7	272.1	24.7%	1.6%	5.4%
• Home Equity	205.1	208.1	211.9	214.7	218.7	19.9%	1.9%	6.6%
• Unsecured Loans <sup>1</sup>	68.2	69.8	71.5	71.6	73.3	6.7%	2.4%	7.4%
- Good Bank	67.1	68.7	70.4	70.6	72.4	6.6%	2.6%	8.0%
- Bad Bank	1.2	1.1	1.0	0.9	0.9	0.1%	-7.8%	-26.5%
• Other Consumer Loans	55.8	56.0	56.6	56.0	56.3	5.1%	0.6%	1.0%
- Auto Loan	44.1	44.5	45.4	45.2	45.9	4.2%	1.7%	4.3%
- Second Mortgage	5.0	4.8	4.6	4.4	4.0	0.4%	-7.6%	-19.1%
- Others	6.7	6.7	6.6	6.4	6.3	0.6%	-1.7%	-5.8%
<b>Total Loans</b>	<b>1013.6</b>	<b>1050.3</b>	<b>1041.3</b>	<b>1057.0</b>	<b>1101.0</b>	<b>100.0%</b>	<b>4.2%</b>	<b>8.6%</b>

Note:

1. Unsecured loans include cash card, credit card revolving & loan products and personal lending.

# NPL Ratios by Loan Book

		Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
<b>Corporate Loan<sup>1</sup></b>	NPL % <sup>2</sup>	0.24%	0.14%	0.10%	0.13%	0.12%
<b>Consumer Loan<sup>1</sup></b>	NPL % <sup>2</sup>	0.26%	0.24%	0.23%	0.18%	0.17%
<b>- First Mortgage Loan</b>	NPL %	0.23%	0.19%	0.17%	0.15%	0.13%
<b>Consumer Unsecured IDR<sup>3</sup></b>	Default % <sup>3</sup>	0.04%	0.02%	0.02%	0.03%	0.04%
	NPL %	0.83%	0.90%	0.79%	0.78%	0.72%

*Note*

1. NPL for corporate loan and overall consumer loan excludes AR.
2. NPL calculation is NPL / (total loan + overdue loan).
3. IDR monthly default rate is calculated as (current month default OS / last month pay).