

Proactive Behavior, Agile Response, Innovative Thinking



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Except for historical information contained herein, the matters set forth in this presentation are forward looking statements that are subject to risks and uncertainties that could cause actual results to differ materially. These forward looking statements are not based on historical facts but rather on management's expectations regarding future growth, results of operations, performance, future capital and other expenditures, competitive advantages, business prospects and opportunities. Statements in this presentation about our future plans and intentions, results, level of activities, performance, goals or achievements or other future events constitute forward looking statements. Wherever possible, words such as "anticipate", "believe", "expect", "may", "could", "will", "potential", "intend", "estimate", "should", "plan", "predict", or the negative or other variations of statements reflect management's current beliefs and assumptions and are based on the information currently available to our management. Investors are cautioned not to place undue reliance on these forward looking statements, which are made as of the date of this presentation and we assume no obligation to update or revise any forward looking statements.

Today's Presenter

CHAIRMAN Paul C.D. LEI

- Chairman
 Central Deposit Insurance Corporation
- Advisor
 International Cooperation and Development Fund
- Acting Chairman
 Bank of Kaohsiung
- Director General of the Finance Bureau Kaohsiung City Government
- Advisor Central Bank of the Republic of China (Taiwan)
- Assistant Director General
 Foreign Exchange Department
 Central Bank of the Republic of China (Taiwan)
- Executive Director Central American Bank for Economic Integration



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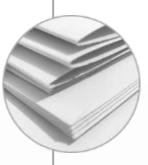
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A Comprehensive Financial Group



Founded in Dec, 2011

• Ticker: 5880.TT

Latest Period Credit Ratings

| | LT | ST | Outlook |
|----------------|-------|--------|---------|
| S&P Global | BBB | A-2 | Stable |
| Taiwan Ratings | twAA- | twA-1+ | Stable |



International Footprints



Europe

United Taiwan Bank

Savings, FX, Loans & Credit, International Syndicated Loan, Investment in Marketable Securities

Cambodia

Phnom Penh Branch: Sub branches in Tuek Thla, Khan Pur Senchey Siem Reap, City Center, Veng Sreng, Sihanouk Ville

Savings, FX, Loans & Credit, International Syndicated Loans.

Myanmar

Rep. Office in Yangon

Financial and intelligence consulting services

China & HK

Representative Office in Beijing

Financial and intelligence consulting services

Tianjin Branch, Changsha Branch, Suzhou New District Branch, Fuzhou Branch

Savings, FX, Loans & Credit, International Syndicated Loans.

HK Branch

Savings, FX, Asset Management, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

Seattle Branch

Savings (≥250k USD), FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

NewYork Branch

Savings (≥250k USD), FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

LA Branch

FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

Philippines

Manila Branch

FX Deposits (Non PHP), FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

Australia

Melbourne Branch

Savings (≥250k AUD), FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

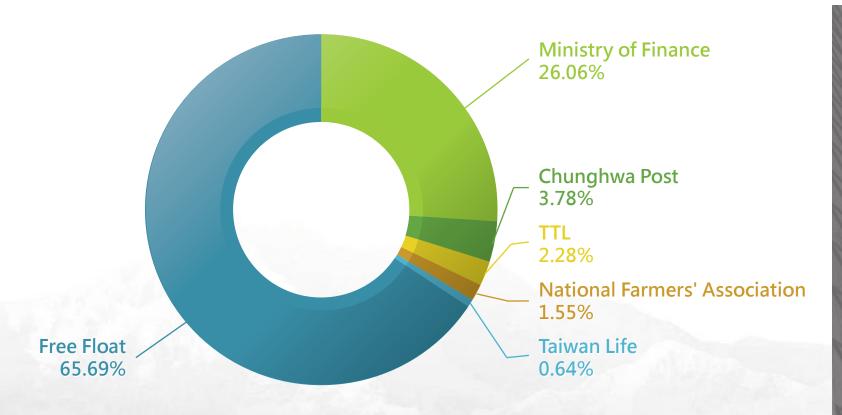
Sydney Branch

Savings (≥250k AUD), FX, Loans & Credit, International Syndicated Loans, Investment in Marketable Securities.

as of Oct, 2019







DIVIDEND POLICY

- 1. Aiming at continuous and profitability expansion, as well as to be in line with the provisions of laws, the Company adopts a residual dividend policy. In principle, the distribution of annual shareholders dividend and bonus shall be in the range of 30 to 100% of the distributable earnings of the current year, subject to the Board and AGM's approval.
- 2. Shareholders dividend and bonus may be distributed in cash and/or by stock, provided the cash dividend shall not be less than 10% of the total dividends. The Company may retain the earnings if the cash dividend is less than NT\$0.1 per share.

Management Team





Paul C.D. LEI CHAIRMAN

Appointed as TCFH and TCB-Bank's Chairman in 2017. Mr. Lei also serves as the Director of Central Bank of the Republic of China (Taiwan), Chief Director of Trust Association of R.O.C, Executive Director of The Bankers Association of R.O.C, Director of Taiwan Futures Exchange, Supervisor of Securities & Futures Institute



Mei Tsu, CHEN PRESIDENT

Ms. Chen joined TCB-Bank in 2006 and has since been in charge of the asset management division, business development division, and has served as board secretary. She has also been the EVP of several business units of the group and has sit on the board of life insurance, securities and investment subsidiaries of TCFH.



Chun Long, CHOU

EXECUTIVE VP



Tso Cheng, **SU**



Kuan Cheyi, CHEN

CHIEF COMPLIANCE OFFICER

Strong Corporate Governance



Strong Core Business



- TCB-Bank awarded the 9th Taiwan Academy of Banking and Finance Award "Best Trust Award"
- TCB-Life awarded "The Asset Triple A Insurance Awards in 2018"

Stringent Compliance



- Consecutively ranked as the top 20% companies for 5 years in the "Taiwan Corporate Governance Evaluation"
- Bank, Life Insurance and Securities units of the Group all signed and follow the "Stewardship Principles for Institutional Investors"

Always Giving Something Back



- Crowed as the strongest propeller for enterprise lending to enterprises in the "5+2 Industrial Innovation Plan" with a balance of NT\$473,862mn domestically
- Supports the green energy industry by providing better financing terms
- TCB-Bank issues charitable credit card that cashes back to minority groups
- Sponsors baseball, table tennis, and badminton players more than NT\$100mn every year to cultivate professional athletes and to plan for them their retirement plans

International Recognition

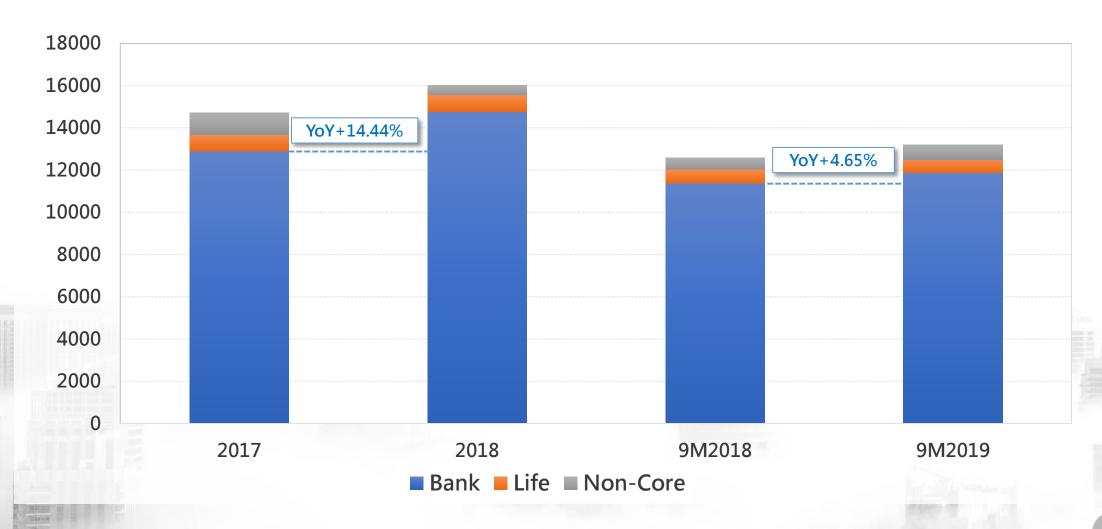


- Been included in FTSE4Good Index Series, emerging market, for 4 times
- An index stock of TWSE CG 100 Index, Taiwan HC 100 Index, and Taiwan Employment Creation 99 Index





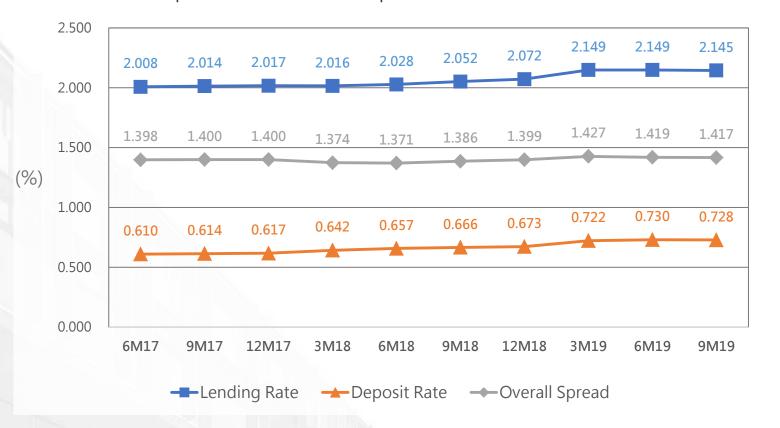
Core Business Profitability Continues to Grow

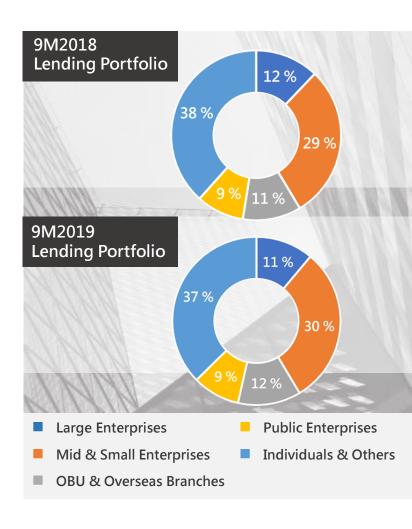




Steady Increase of Lending and Interest Rate Spreads

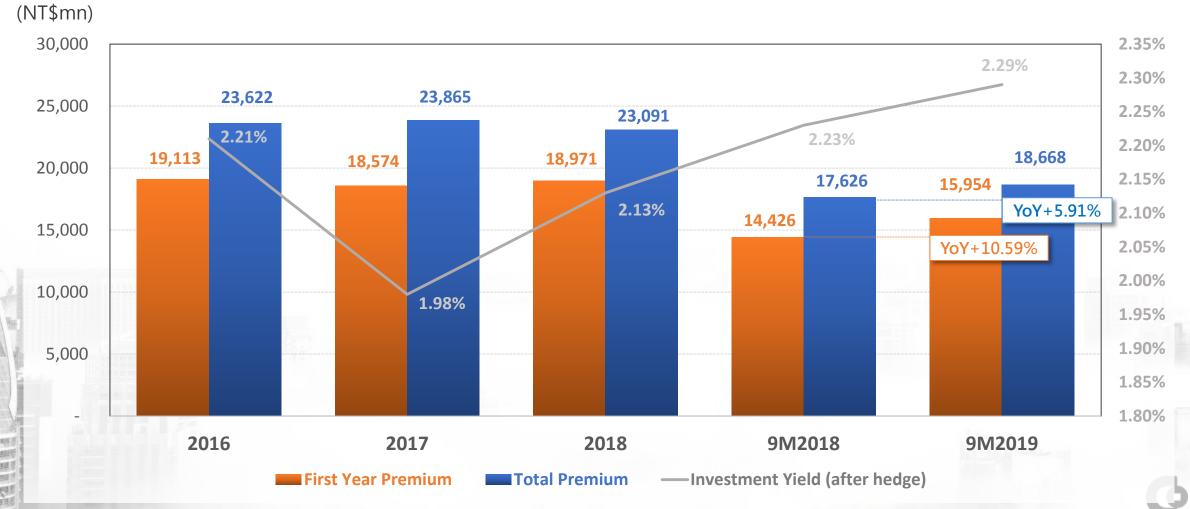
- Increase in lending mainly contributed by double digit growth of OBU and overseas branches
- Bank's overall spread for 2019 YTD outperforms historical numbers







Life As The Second Largest Growth Driver





Successful Execution of Its Two Pronged Strategy

| | 2017 | 2018 | 9M2019 |
|---|--------|-------|--------|
| YoY Increase of Balance of Loans | 1.90% | 2.91% | 4.56% |
| YoY Increase of Bank Fee Income | -5.47% | 4.41% | 1.97% |
| YoY Increase of Bank NIM | 2.86% | 4.72% | 0.83% |
| Average Group ROA (after tax, annualized, consolidated) | 0.44% | 0.46% | 0.49% |
| Average Group ROE (after tax, annualized, consolidated) | 7.28% | 7.66% | 8.11% |
| Retroactively Adjusted Group EPS (NT\$) | 1.11 | 1.21 | 1.00 |





Strong in Capital And A Conservative B/S

- Healthy loan to deposit ratio throughout the years
- CAR and Tier 1 ration stand high as Company continues to focus on and prioritize strong capitalization and assets benign in quality; Bank issued non-cumulative perpetual subordinated debts for a total amount of NT\$5bn in 2018

| | 2017 | 2018 | 9M2019 |
|-----------------------------------|---------|---------|---------|
| NPL Ratio | 0.34% | 0.28% | 0.32% |
| Bank's common equity Tier 1 ratio | 10.32% | 10.74% | 10.88% |
| Bank's CAR | 13.44% | 13.59% | 13.43% |
| Group's CAR | 128.21% | 122.27% | 112.91% |
| Bank's coverage ratio | 366.39% | 448.38% | 383.00% |
| DLR | 109.04% | 110.12% | 112.60% |
| Reserve/NPL | 109.41% | 111.45% | 107.55% |

Bank's Overall Loan to Deposit Ratio





4 Pillars of Governance As A D-SIB Company

Focus on: (1) Core Business, (2) Assets Quality Remains Benign, and (3) CAR

Expand Profitability

- Adjust business strategies, diversify sources of income
- 2. Increase income from light RWA business, for example wealth management

Accelerate Capital Accumulation

- 1. Rapid accumulation of capital achieved by rapid accumulation of earnings
- 2. Increase of earnings to be faster than the increase of risk weighted assets

Allocated Risk-Weighted Assets Limit

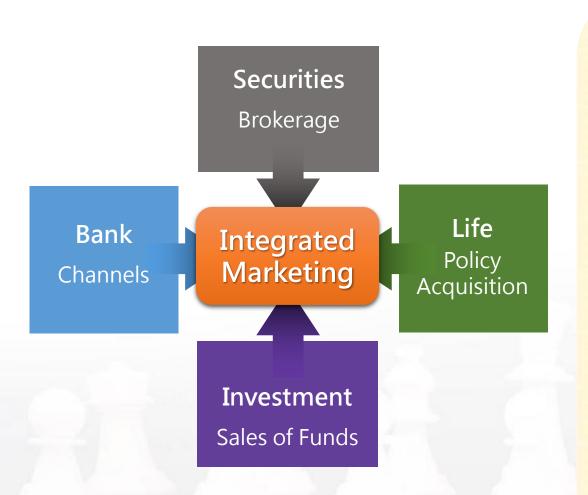
- Based on each business units RORAC, setting RWA limit
- 2. Monitor RWA allocations monthly

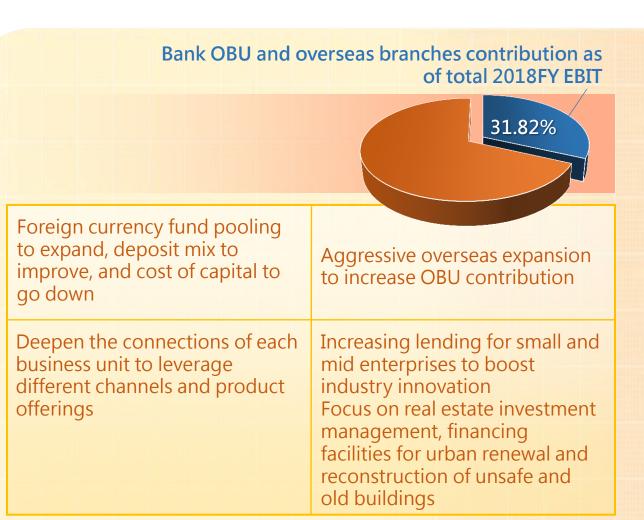
Lifting Capital Adequacy

- L. Capital increase by retained earning
- Issuance of non-cumulative perpetual subordinated debts for lifting capital adequacy



We Grow As A Group







Win-Win Policy Cooperation Strategy



Growth Strategy

Diversifying and Linking Up With The World

Invest in Fintech :

- ✓ Introduce digital signature and smart contracts that make digital data immutable to traditional auditing process and continues to evaluate other fintech opportunities
- ✓ Introduce mobile apps for new policy initiation and management
- ✓ Life insurance policies secured by blockchain smart contracts and a service management platform API established

Started an IFRS 17 team to timely respond to new changes:

- ✓ No immediate impact identified as fair value of insurance contract liabilities now stands lower than lawfully required provision balance while CAR and net assets ratio stand higher
- ✓ IFRS 17 team is in charge of reviewing data across systems and accounting cycles to make sure the Company stays alert to any exposure



Consolidated Income Statement

Appendix

| | | | | | | | | | | | | | | | | | A | Appendix |
|--|-------------------|----------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|-----------|
| | Yearly Comparison | | | | 20 | 17 | | | 20 | 18 | | | : | 2019 | | Yo | on | |
| UNIT: in NT\$ million, NT\$, or % | 2017 | 2018 | Change | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Change | 9M2018 | 9M2019 | Change |
| Interest revenue | 53,170 | 57,145 | 7.48% | 12,903 | 13,046 | 13,614 | 13,607 | 13,806 | 14,364 | 14,698 | 14,277 | 14,914 | 15,365 | 15,186 | -1.16% | 42,868 | 45,465 | 6.06% |
| Interest expense | (18,804) | (22,037) | -17.19% | (4,581) | (4,607) | (4,761) | (4,855) | (5,074) | (5,444) | (5,706) | (5,813) | (6,238) | (6,423) | (6,372) | 0.79% | (16,224) | (19,033) | -17.31% |
| Net Income of Interest | 34,366 | 35,108 | 2.16% | 8,322 | 8,439 | 8,853 | 8,752 | 8,732 | 8,920 | 8,992 | 8,464 | 8,676 | 8,942 | 8,814 | -1.43% | 26,644 | 26,432 | -0.80% |
| Net Non-Interest Income | 12,262 | 11,765 | -4.05% | 2,601 | 3,131 | 3,312 | 3,218 | 3,564 | 1,645 | 3,121 | 3,435 | 3,534 | 2,944 | 3,360 | 14.13% | 8,330 | 9,838 | 18.10% |
| Service fee and commission income, net | 6,374 | 6,472 | 1.54% | 1,396 | 1,546 | 1,786 | 1,646 | 1,601 | 1,549 | 1,695 | 1,627 | 1,608 | 1,764 | 1,676 | -4.99% | 4,845 | 5,048 | 4.19% |
| Insurance income, net | 1,189 | 150 | -87.38% | 637 | 199 | 150 | 203 | 253 | (314) | 81 | 130 | 24 | (345) | (152) | 55.94% | 20 | (473) | -2465.00% |
| Gains (losses) on financial assets and liabilities at fair value through profit or loss | (4) | 3,248 | 81300.00% | (1,062) | 593 | 336 | 129 | 509 | 1,649 | 412 | 678 | 2,164 | 1,043 | 865 | -17.07% | 2,570 | 4,072 | 58.44% |
| Gains on derecognition of financial assets at amortized cost, net | - | - | - | - | - | - | - | 0 | 0 | 0 | 0 | 1 | 0 | 18 | - | 0 | 19 | - |
| Gains on disposal of investment properties | 16 | 1 | -93.75% | 0 | 0 | 16 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 | - | 1 | 2 | 100.00% |
| Realized gains on available-for-sale financial assets | 1,312 | - | -100.00% | 205 | 266 | 563 | 278 | - | - | - | - | - | - | - | - | - | - | - |
| Realized gains on financial assets at fair value through other comprehensive income gains (losses) | - | 1,861 | - | - | - | - | - | 374 | 396 | 788 | 303 | 323 | 572 | 1,245 | 117.66% | 1,558 | 2,140 | 37.36% |
| Foreign exchange gains (losses), net | 3,185 | (918) | -128.82% | 1,446 | 364 | 474 | 901 | 841 | (1,876) | 250 | (133) | (286) | (307) | (242) | 21.17% | (785) | (835) | -6.37% |
| Reversal of impairment gains (losses) on assets | 7 | (18) | -357.14% | 8 | 0 | (1) | 0 | 0 | 1 | (8) | (11) | 4 | (7) | (15) | -114.29% | (7) | (18) | -157.14% |
| Share of gains of associates and joint ventures accounted for using the equity method | 5 | 11 | 120.00% | 3 | 0 | 2 | 0 | 3 | 1 | 9 | (2) | 3 | 6 | 1 | -83.33% | 13 | 10 | -23.08% |
| Loss on reclassification of overlay approach | - | 381 | - | - | - | - | - | (8) | 49 | (112) | 452 | (351) | 51 | (89) | -274.51% | (71) | (389) | -447.89% |
| Gains on financial assets carried at cost, net | 283 | - | -100.00% | 0 | 186 | 97 | 0 | - | - | - | - | - | - | - | - | - | - | - |
| Other noninterest gains, net | (105) | 577 | 649.52% | (32) | (23) | (111) | 61 | (9) | 190 | 5 | 391 | 44 | 167 | 51 | -69.46% | 186 | 262 | 40.86% |
| Total net revenues and gains other than interest | 46,628 | 46,873 | 0.53% | 10,923 | 11,570 | 12,165 | 11,970 | 12,296 | 10,565 | 12,113 | 11,899 | 12,210 | 11,886 | , | 2.42% | 34,974 | 36,270 | 3.71% |
| Bad-debt expenses and provision for losses on commitment and guarantees | (5,221) | (4,355) | 16.59% | (714) | (868) | (865) | (2,774) | (1,595) | (22) | (774) | (1,964) | (1,575) | (893) | (698) | 21.84% | (2,391) | (3,166) | -32.41% |
| Net change in reserves for insurance liabilities | (340) | 978 | 387.65% | (535) | 23 | 145 | 27 | (76) | 565 | 370 | 119 | 203 | 623 | 529 | -15.09% | 859 | 1,355 | 57.74% |
| Operating expenses | (24,265) | (25,115) | -3.50% | (5,728) | (6,146) | (6,131) | (6,260) | (6,074) | (6,111) | (6,397) | (6,533) | (6,022) | (6,361) | (6,455) | -1.48% | (18,582) | (18,838) | -1.38% |
| Employee benefits | (15,758) | (16,335) | -3.66% | (3,858) | (4,149) | (3,967) | (3,784) | (4,022) | (4,022) | (4,156) | (4,135) | (3,983) | (4,198) | (, - , | -0.29% | (12,200) | (12,391) | -1.57% |
| Depreciation and amortization expenses | (1,159) | (1,339) | -15.53% | (279) | (272) | (269) | (339) | (340) | (338) | (335) | (326) | (449) | (465) | (473) | -1.72% | (1,013) | (1,387) | -36.92% |
| General and administrative expenses | (7,348) | (7,441) | -1.27% | (1,591) | (1,725) | (1,895) | (2,137) | (1,712) | (1,751) | (1,906) | (2,072) | (1,590) | (1,698) | (1,772) | -4.36% | (5,369) | (5,060) | 5.76% |
| Income before income tax | 16,802 | 18,381 | 9.40% | 3,946 | 4,579 | 5,314 | 2,963 | 4,551 | 4,997 | 5,312 | 3,521 | 4,816 | 5,255 | 5,550 | 5.61% | 14,860 | 15,621 | 5.12% |
| Income tax expense | (2,090) | (2,365) | -13.16% | (451) | (615) | (725) | (299) | (708) | (746) | (816) | (95) | (750) | (826) | (827) | -0.12% | (2,270) | (2,403) | -5.86% |
| Net income | 14,712 | 16,016 | 8.86% | 3,495 | 3,964 | 4,589 | 2,664 | 3,843 | 4,251 | 4,496 | 3,426 | 4,066 | 4,429 | 4,723 | 6.64% | 12,590 | 13,218 | 4.99% |
| Other comprehensive income | 1,318 | (2,396) | -281.79% | 261 | 1,376 | (73) | (246) | (, , | 570 | 845 | (, , | 4,211 | 2,766 | (770) | -127.84% | (152) | 6,207 | 4183.55% |
| Total comprehensive income | 16,030 | 13,620 | -15.03% | 3,756 | 5,340 | 4,516 | 2,418 | 2,276 | 4,821 | 5,341 | 1,182 | 8,277 | 7,195 | 3,953 | -45.06% | 12,438 | 19,425 | 56.17% |
| | | | | | | | | | | | | | | | | | | |
| Net income attributable to: | 1.4.21.0 | 15.610 | 0.000/ | 2 277 | 2.045 | 4 400 | 2.61.6 | 2712 | 4450 | 4 20 4 | 2 260 | 2.024 | 4 225 | 4.647 | 7.450/ | 10.050 | 12.006 | F 260/ |
| Owners of TCFHC | 14,318 | 15,618 | 9.08% | 3,377 | 3,845 | 4,480 | 2,616 | - , | 4,153 | 4,384 | 3,368 | 3,934 | 4,325 | 4,647 | 7.45% | 12,250 | 12,906 | 5.36% |
| Non-controlling interests | 394 | 398 | 1.02% | 118 | 119 | 109 | 48 | 130 | 98 | 112 | 58 | 132 | 104 | 76 | -26.92% | 340 | 312 | -8.24% |
| Total comprehensive income attributable to: | 45.000 | 1074- | 40.5407 | 2.622 | F 0.67 | 4.20= | 0.070 | 0.461 | 4.00= | E 400 | 1 202 | 7.60- | 6.070 | 2.726 | 45.000 | 10.00- | 100:0 | 47.500/ |
| Owners of TCFHC | 15,360 | 13,745 | -10.51% | 3,623 | 5,067 | 4,397 | 2,273 | 2,401 | 4,835 | 5,129 | 1,380 | 7,637 | 6,873 | 3,739 | -45.60% | 12,365 | 18,249 | 47.59% |
| Non-controlling interests | 670 | (125) | -118.66% | 133 | 273 | 119 | 145 | (125) | (14) | 212 | (198) | 640 | 322 | 214 | -33.54% | 73 | 1,176 | 1510.96% |
| EPS (after tax, NT\$) | 1.11 | 1.21 | 9.01% | 0.26 | 0.29 | 0.35 | 0.21 | 0.29 | 0.32 | 0.34 | 0.26 | 0.31 | 0.33 | 0.36 | 9.09% | 0.95 | 1.00 | 5.26% |



Simplified Consolidated Balance Sheet

| in NT\$ million or % | | | son | | 20 | 17 | | 2018 | | | | 2019 | | | | YoY Comparison | | |
|---------------------------------|-----------|-----------|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|----------------|-----------|--------|
| III IVI \$ IIIIIIOII OI 76 | 2017 | 2018 | Change | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Change | 9M2018 | 9M2019 | Change |
| Total assets | 3,411,539 | 3,508,288 | 2.84% | 3,310,314 | 3,329,285 | 3,354,752 | 3,411,539 | 3,443,501 | 3,513,571 | 3,502,390 | 3,508,288 | 3,613,693 | 3,649,488 | 3,680,903 | 0.86% | 3,502,390 | 3,680,903 | 5.10% |
| Total liabilities | 3,206,043 | 3,295,814 | 2.80% | 3,108,077 | 3,130,723 | 3,151,674 | 3,206,043 | 3,233,116 | 3,307,620 | 3,291,098 | 3,295,814 | 3,392,933 | 3,431,062 | 3,458,524 | 0.80% | 3,291,098 | 3,458,524 | 5.09% |
| Total equity | 205,496 | 212,474 | 3.40% | 202,237 | 198,562 | 203,078 | 205,496 | 210,385 | 205,951 | 211,292 | 212,474 | 220,760 | 218,426 | 222,379 | 1.81% | 211,292 | 222,379 | 5.25% |
| Attributable to owners of TCFHC | 201,152 | 208,274 | 3.54% | 198,301 | 194,482 | 198,879 | 201,152 | 206,081 | 201,765 | 206,894 | 208,274 | 215,920 | 213,366 | 217,105 | 1.75% | 206,894 | 217,105 | 4.94% |
| Non-controlling interests | 4,344 | 4,200 | -3.31% | 3,936 | 4,080 | 4,199 | 4,344 | 4,304 | 4,186 | 4,398 | 4,200 | 4,840 | 5,060 | 5,274 | 4.23% | 4,398 | 5,274 | 19.92% |
| Capital Stock | 122,027 | 125,688 | 3.00% | 118,473 | 118,473 | 122,027 | 122,027 | 122,027 | 122,027 | 125,688 | 125,688 | 125,688 | 125,688 | 129,458 | 3.00% | 125,688 | 129,458 | 3.00% |



Financial Performance Summary of Subsidiaries

| (Unit: in NTD mn; %) | ТСВ | TCS | TCBF | CAM | TCSITE | TCVC | TCB Life |
|-----------------------------|-----------|--------|--------|-------|--------|-------|----------|
| Assets | 3,442,008 | 28,718 | 52,822 | 7,172 | 480 | 1,032 | 152,421 |
| Equity | 223,113 | 5,344 | 6,634 | 3,256 | 405 | 1,006 | 10,318 |
| NI | 11,896 | 279 | 355 | 170 | 28 | 58 | 625 |
| 9M 2019 EPS | 1.23 | 0.59 | 0.78 | 0.60 | 0.93 | 0.58 | 0.93 |
| ROA (after tax, annualized) | 0.47% | 1.38% | 0.93% | 3.28% | 8.40% | 7.79% | 0.57% |
| ROE (after tax, annualized) | 7.33% | 7.16% | 7.35% | 6.83% | 9.57% | 7.92% | 9.04% |

As of Sep, 2019