

Cross border business opportunities in Australia

(台資銀行在澳洲跨境金融服務商機)

Aug. 31 2018



中國信託
CTBC

Australia is a stable and well developed market that are attractive to foreign investments



Steady Economy

- 13th largest global economy
- AAA sovereign risk rating
- Stable political system & social economy



Abundant Resources

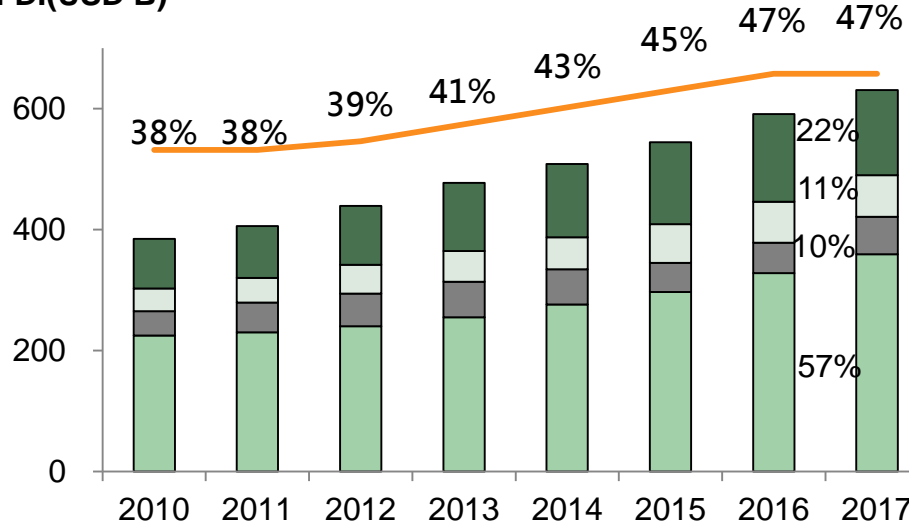
- Rich natural resources to support other countries



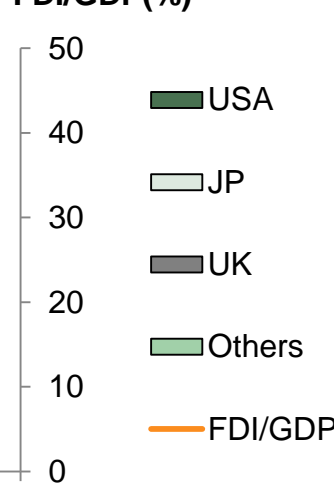
Transparent Financial Markets

- The largest financial market in Southern Hemisphere
- Robust legal system

FDI(USD B)



FDI/GDP(%)



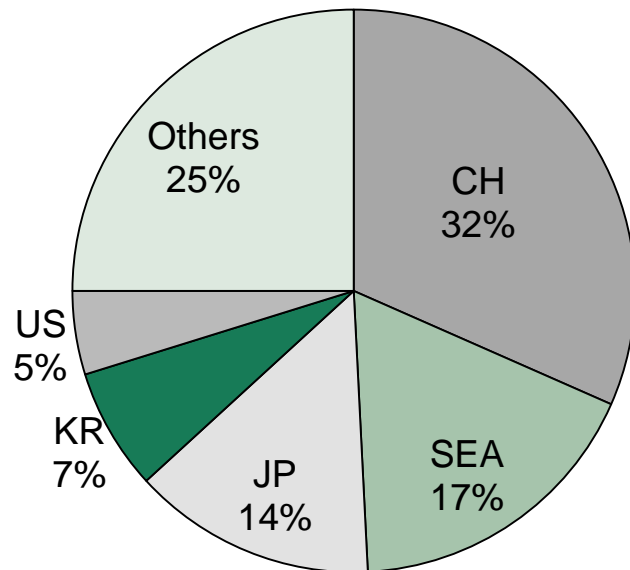
FDI continues to increase year over year and accounts for almost half of GDP

Australia's export / import industries are tightly linked to most of Asian countries

AU's top export countries

AU major merchandise trade :

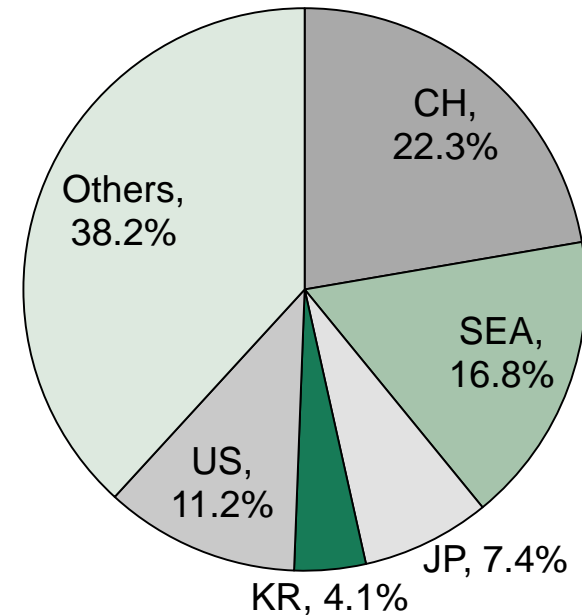
- Coal Mining / Iron Ore Mining
- Oil and Gas Extraction
- Agriculture



AU's top import countries

AU major merchandise trade :

- Passenger motor vehicles
- Refined petroleum / Crude petroleum
- Ships, boats & floating structures
- Telecom equipment & parts



Complementary relationships in funding, resources, and trade needs

As of 2017

Comparison factors

Australia

Taiwan

Funding & liquidity

• LDR ratio	143.1%	72.7%
• Household saving rate	2.7%	20.3%

Resources

• Coal Mining	NO. 5	
• Iron Ore Mining (Global ranking)	NO. 1	Absent
• Oil and Gas Extraction	NO. 33	

Export

Taiwan is AU's **8th** largest export market, with major exports of **Coal / Iron ores & concentrates / Copper / Zinc**

AU is Taiwan's **16th** largest export market

Import

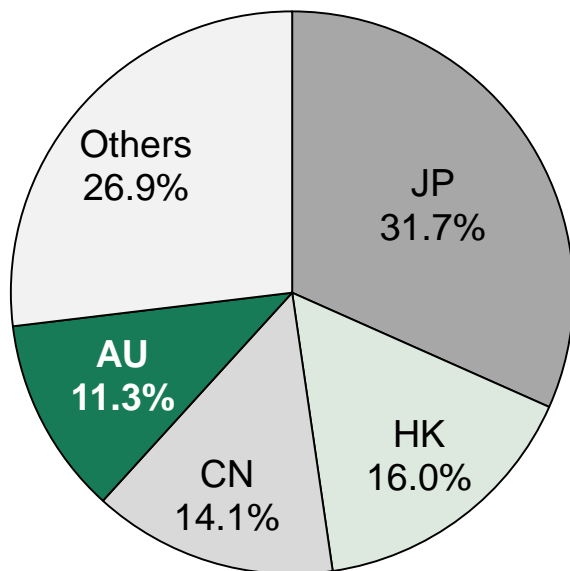
Taiwan is AU's **15th** largest import market with major imports of **Telecom equipment & parts / Computers Motorcycles & cycles / Nails, screws, nuts, bolts & rivets**

AU is Taiwan's **7th** largest import market

Australia ranks No 4 in Asia Pacific syndication market

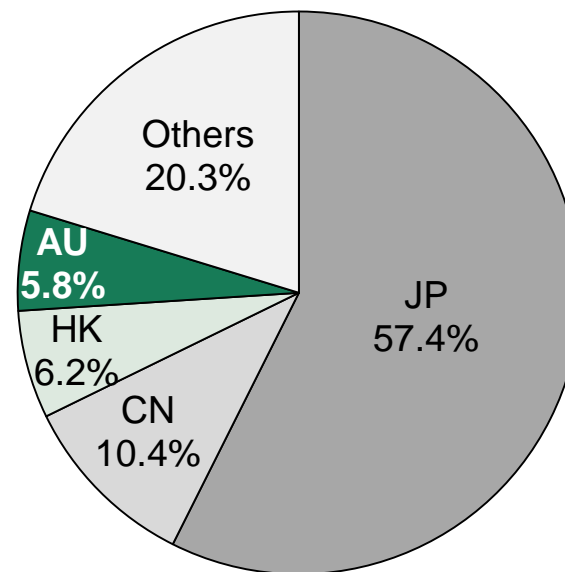
Asia Pacific syndication loans by volume

Total volume: USD 721B



Asia Pacific syndication loans by # of deals

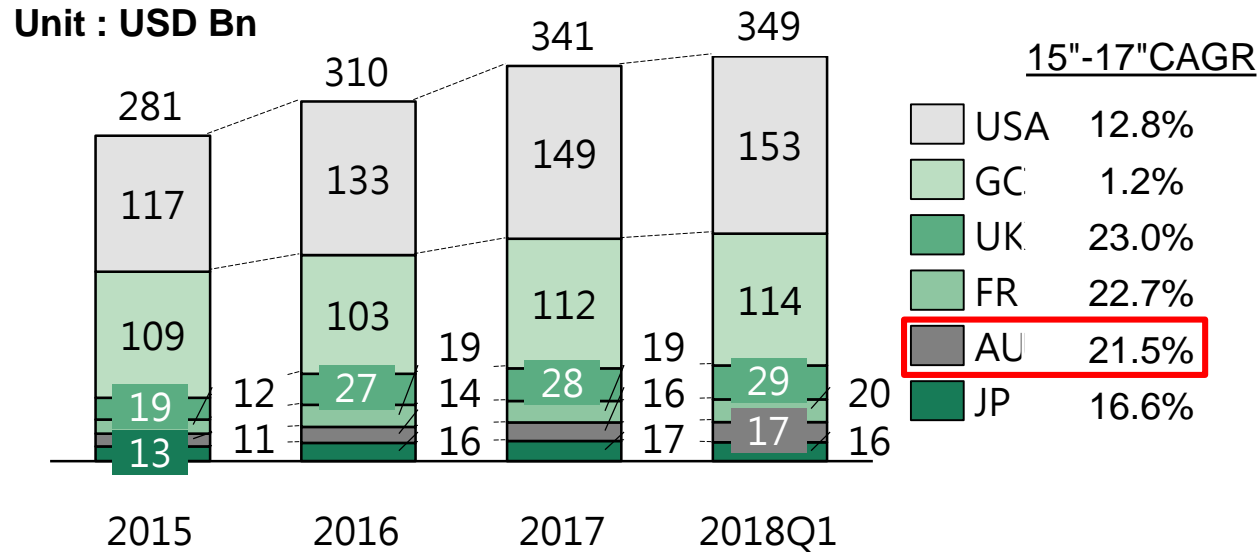
of total deals: 3,493



AU is ranked 4th in 2017, and the top 5 sectors are Energy & Power / Financials / Industrials / Real Estate / Materials

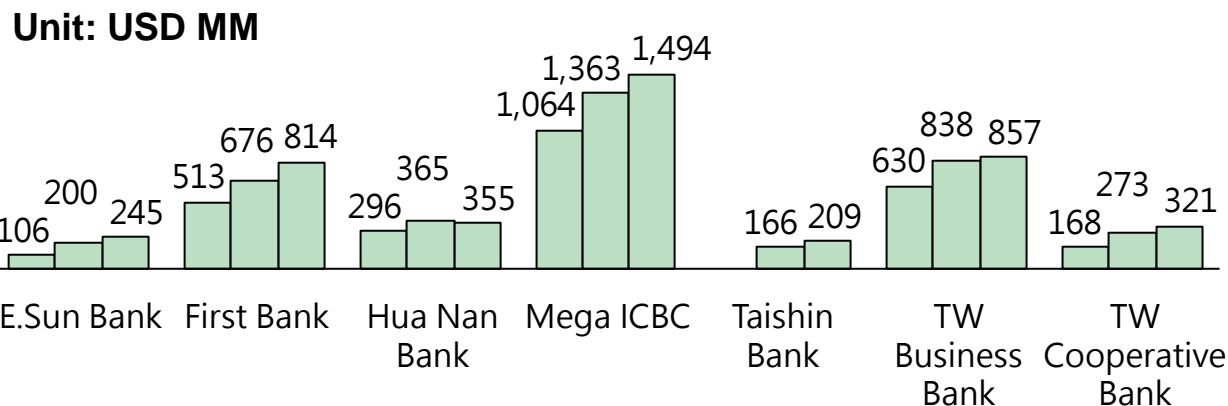
Financing from Taiwan continues to grow and the lending support from Taiwan Australian branches grew significantly from 2016 to 2018

Australia is 5th largest overseas exposure country of Taiwan with 3rd highest growth rate



Australia is the 5th largest overseas exposure country of Taiwan with 3rd highest ranking in growth momentum.

Loan balance of Australian branches of Taiwan banks grew significantly from 2016 to 2018 (USD 4.3 B)

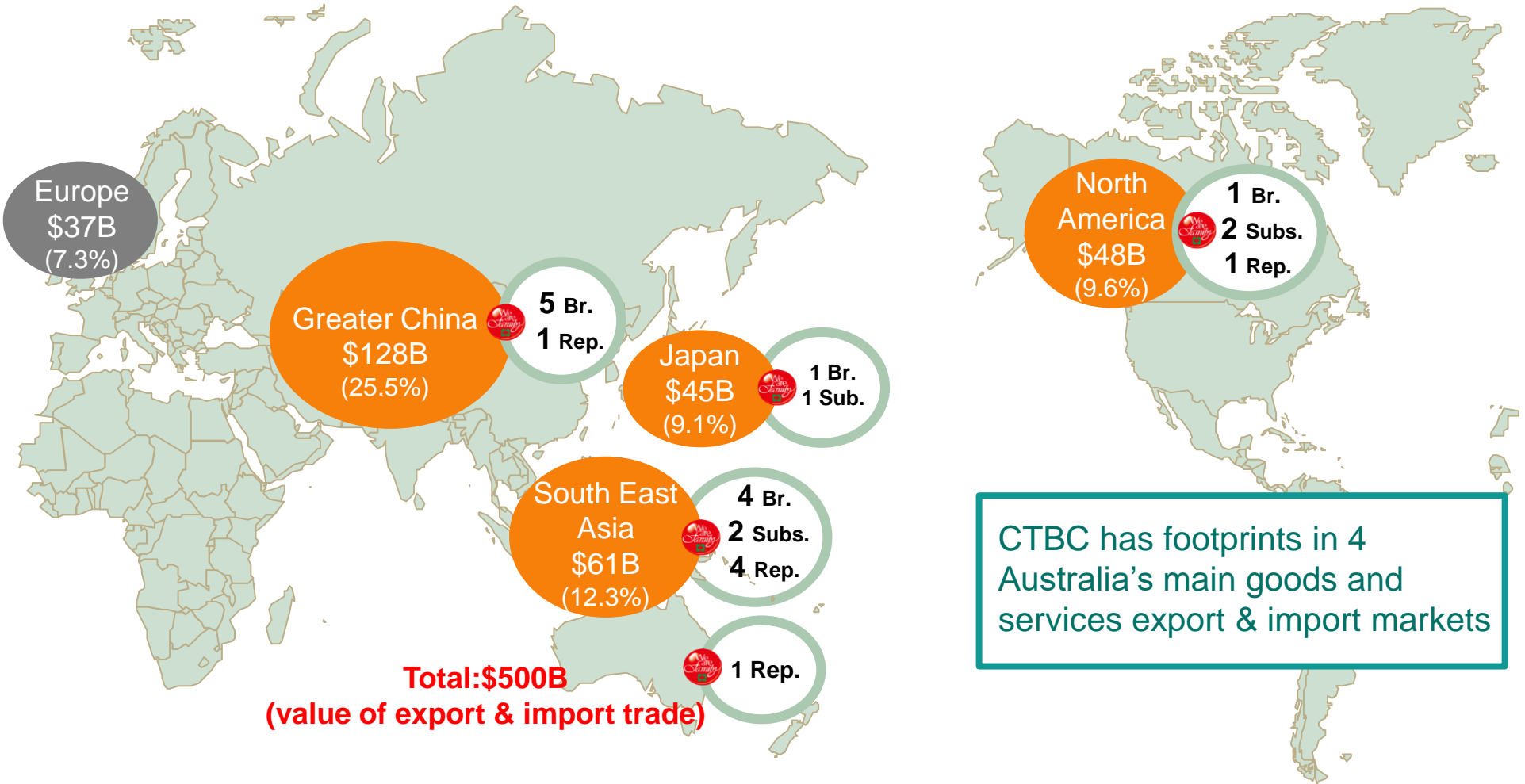


CTBC's AU exposure
 CTBC group actively participate in AU financing market with USD 1,302 M exposure as of May 2018.

Data sources: TW Financing Supervisory Commission(above) / APRA 2018.5(below)

Note: CTBC's AU exposure incl. CTBC Lending & TSB & capital market investment

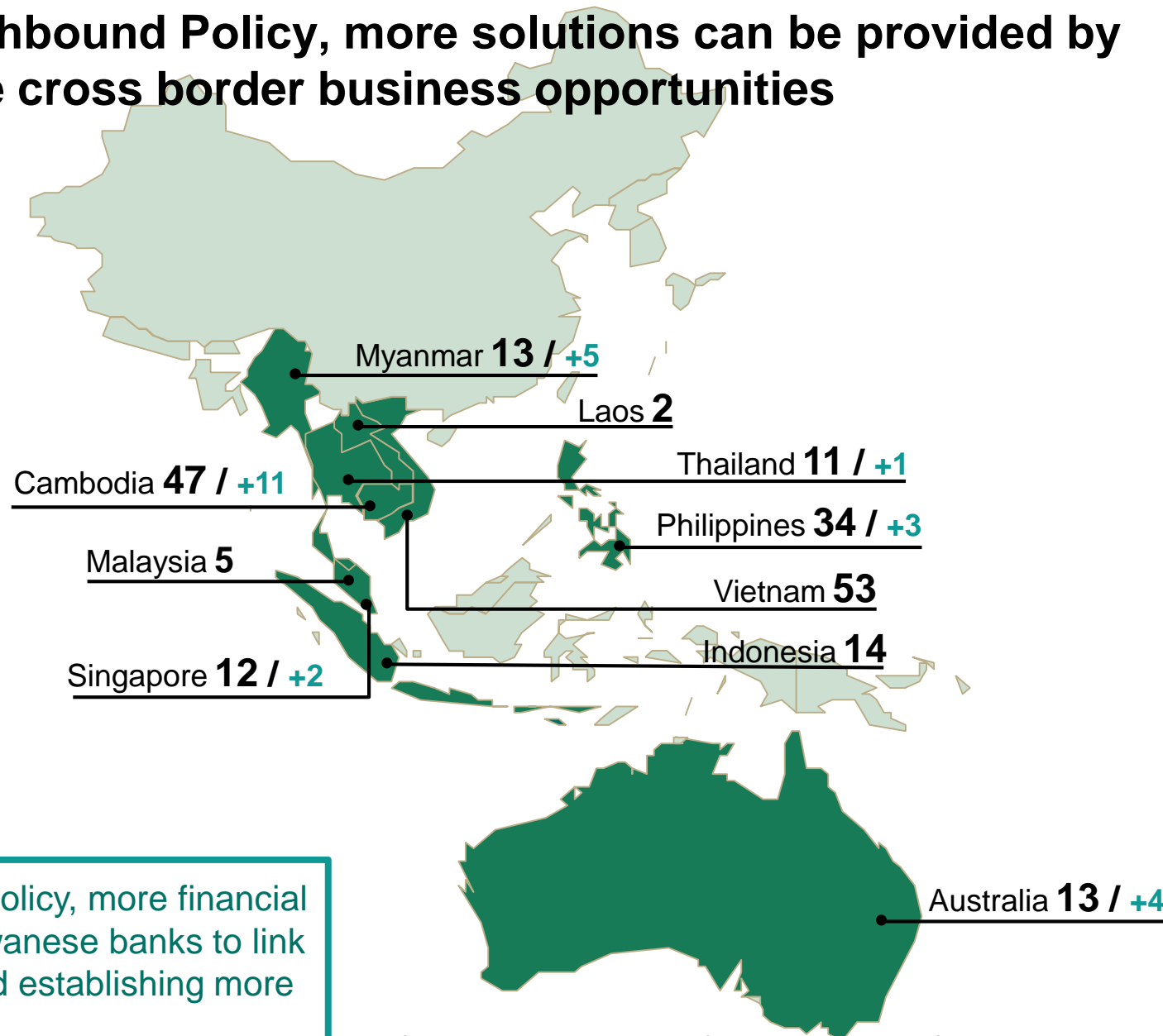
CTBC's overseas footprints cover 57% of Australia's global export & import trade and 88% in Asia market respectively



USD, as of 2016

With Taiwan's New Southbound Policy, more solutions can be provided by TW banks to support the cross border business opportunities

SEA countries	# of TW banks
Indonesia	1 
India	1 
Cambodia	5
Thailand	2 
Malaysia	2
Philippines	7 
Vietnam	9 
Singapore	12 
Laos	2
Myanmar	1
Total	42



Under the New Southbound Policy, more financial solutions are provided by Taiwanese banks to link cross border opportunities and establishing more networks in SEA countries.

of overseas branches of TW banks, as of 2018.3
 # of increased branches since the New Southbound Policy

Note: Overseas branches include branches, sub-branches and representative office