

# Capital Securities Corporation Institutional Investor Conference

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*Capital Care* 群益關心您

May 2024

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# Presentation Outline

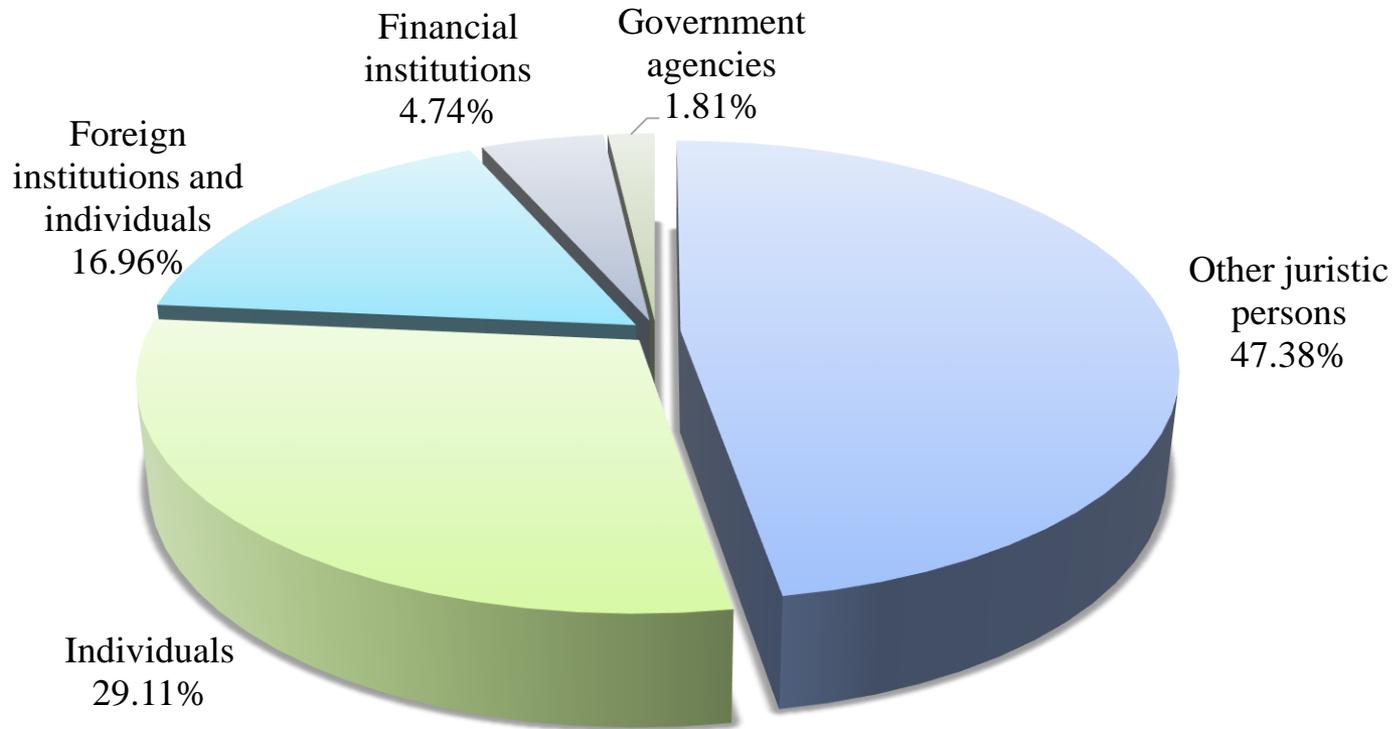
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- Company Profile
- Operation Overview
- Prospect and Outlook
- Sustainability Development & Capital Securities' Practices

# Company Profile

# Shareholder Structure

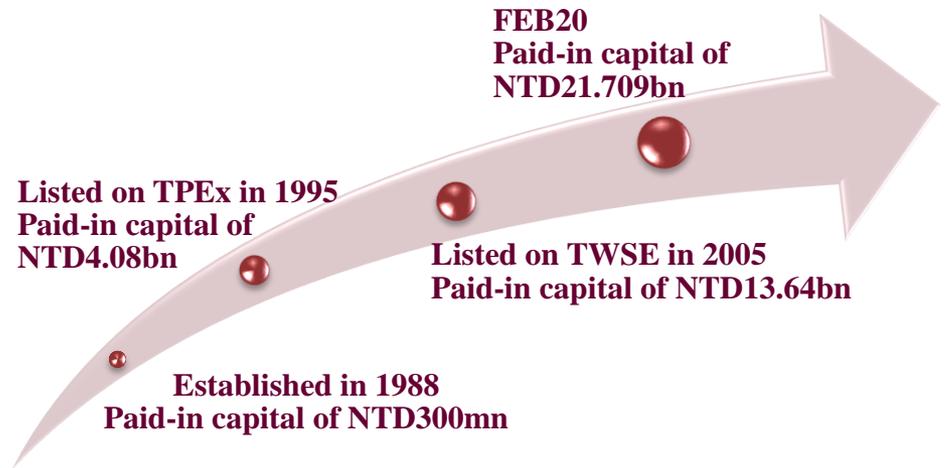
Data as of April 29, 2024



# Basic Information



- ✚ Stock code: **6005**
- ✚ Paid-in capital: **NTD21.709bn**
- ✚ Number of branches in Taiwan: **53**
- ✚ Number of employees: **1,851**



Data as of March 31, 2024

# Deployment in Asia

## Chengdu

TEL : 86 28 6555 2888  
 FAX : 86 28 6555 2999  
 Add : Units 408-410,4F,Poly  
 Center Tower C,No.1,Jinxiu  
 Road, Wuhou District  
 Chengdu, P.R.China



## Shanghai

TEL : 86 21 5888 7188  
 FAX : 86 21 5888 2929  
 Add : 18F., New Shanghai  
 International Tower, No. 360  
 Pudong Nan Road,  
 Shanghai, P.R.China



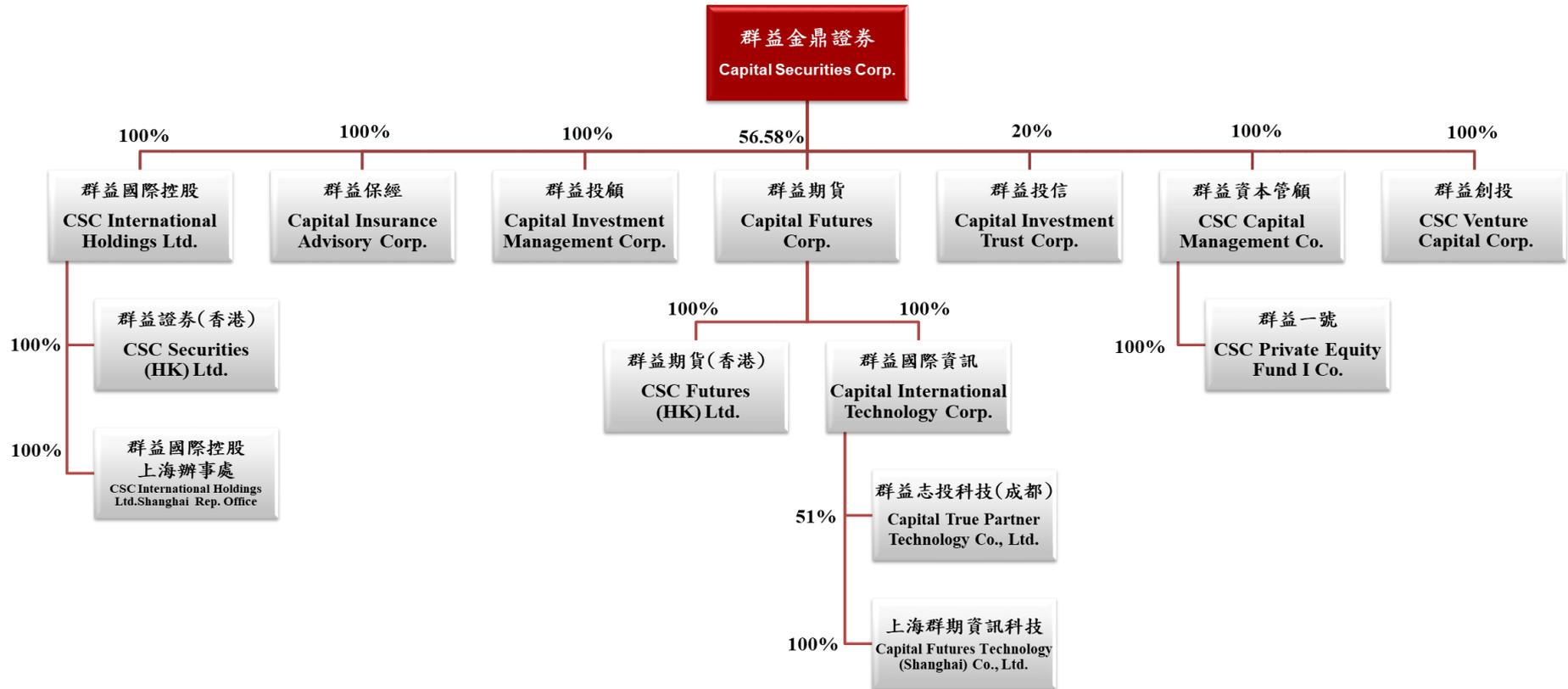
## Hong Kong

TEL : 852 2530 9966  
 FAX : 852 2104 6006  
 Add : 3F., FWD Financial  
 Centre, 308 Dex Voeux Road  
 Central, Hong Kong

## Headquarters in Taipei

TEL : 886 2 8789 8888  
 FAX : 886 2 8712 1219  
 Add : 11F, No. 156, Sec. 3,  
 Minsheng E. Rd., Songshan Dist.,  
 Taipei City 105402, Taiwan,  
 R.O.C.

# Non-operating Investments



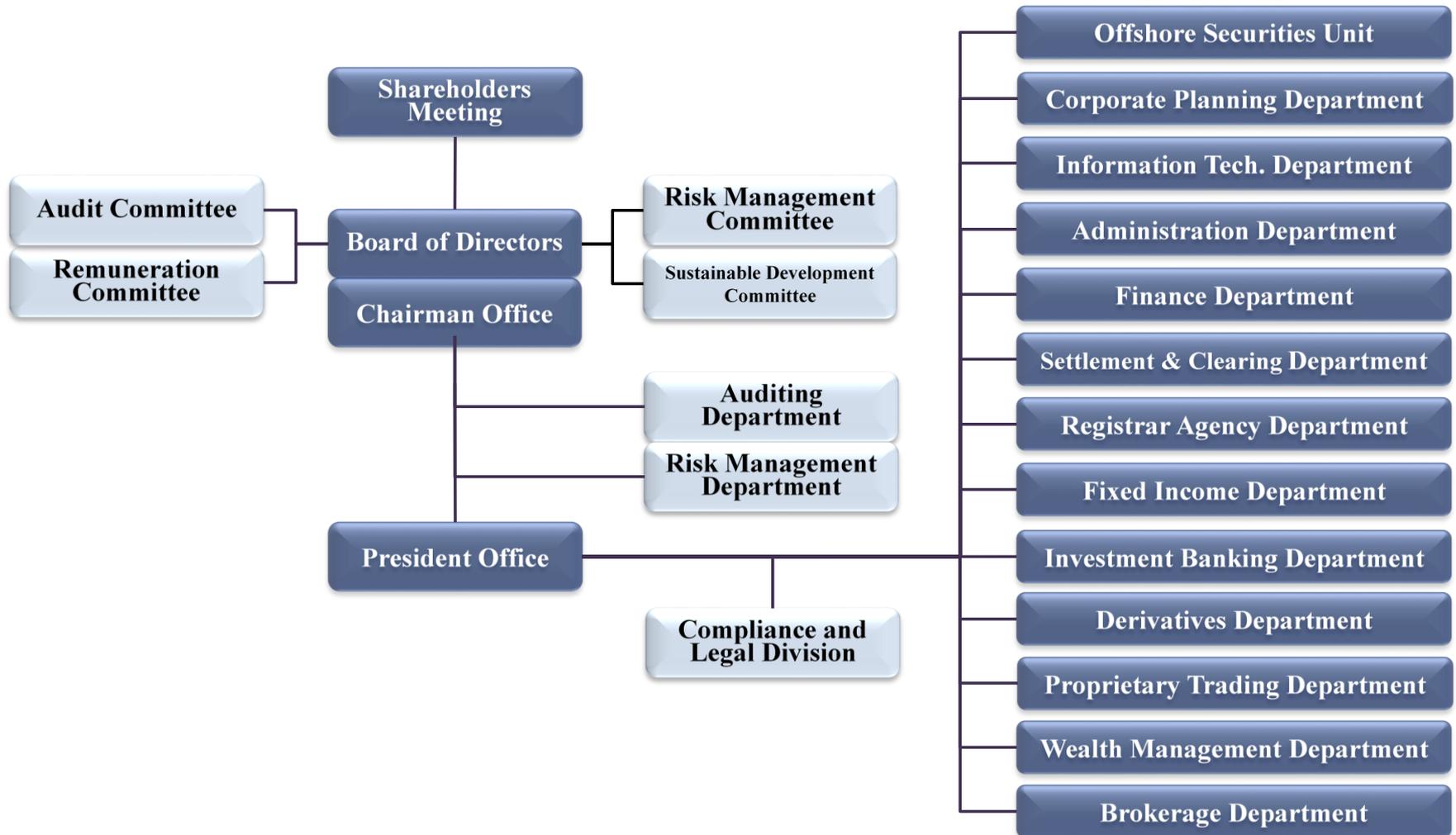
# Non-operating Investments (continued)

Unit : 1000

| Region    | Name   | Currency | Paid-in capital | Book value as of<br>Mar 31, 2024 | Net income or<br>loss for<br>JAN~MAR24 | Book value as of<br>Apr 30, 2024 | Net income or<br>loss for<br>JAN~APR24 |
|-----------|--|----------|-----------------|----------------------------------|--|----------------------------------|--|
| Taiwan    | Capital Futures Corp.                                | NTD      | 2,104,376       | 7,490,962                        | 267,176                                | 7,625,094                        | 383,440                                |
|           | Capital Investment Management Corp.                  | NTD      | 70,000          | 83,810                           | 5,911                                  | 85,278                           | 7,379                                  |
|           | Capital Insurance Advisory Corp.                     | NTD      | 5,000           | 53,439                           | 8,958                                  | 55,842                           | 11,361                                 |
|           | Capital International Technology Corp.               | NTD      | 50,000          | 16,666                           | (1,738)                                | 16,504                           | (1,999)                                |
|           | CSC Venture Capital Corp.                            | NTD      | 1,000,000       | 858,022                          | (682)                                  | 855,555                          | (308)                                  |
|           | Capital Investment Trust Corp.                       | NTD      | 1,653,375       | 4,849,245                        | 330,052                                | 4,971,816                        | 452,623                                |
|           | CSC Capital Management Co.                           | NTD      | 330,000         | 310,053                          | 365                                    | 312,388                          | (781)                                  |
|           | CSC Private Equity Fund I Co.                        | NTD      | 300,000         | 276,725                          | 73                                     | 278,945                          | (1,188)                                |
| Hong Kong | CSC Futures (HK) Ltd.                                | HKD      | 220,000         | 268,370                          | 2,837                                  | 270,562                          | 5,029                                  |
|           | CSC Securities (HK) Ltd.                             | HKD      | 128,000         | 174,186                          | 1,365                                  | 174,615                          | 1,794                                  |
| China     | Capital True Partner Technology Co., Ltd             | CNY      | 1,000           | 1,717                            | 327                                    | 1,740                            | 350                                    |
|           | Capital Futures Technology (Shanghai) Co., Ltd.      | CNY      | 4,000           | 303                              | (278)                                  | 328                              | (253)                                  |
|           | CSC International Holdings Ltd. Shanghai Rep. Office | N/A      | N/A             | N/A                              | N/A                                    | N/A                              | N/A                                    |
| BVI       | CSC International Holdings Ltd.                      | USD      | 45,000          | 51,774                           | 19                                     | 51,773                           | 18                                     |

Note : JAN~MAR24 figures of Capital Futures Corp. and CSC Futures (HK) Ltd. were reviewed by CPA; other figures were unaudited; JAN~APR24 figures were unaudited.

# Organizational Structure



# Operation Overview

# Financial Data Over the Past Three Years

(NTD'000)

| Item  | 2021      | 2022      | 2023      | JAN~MAR24 |
|---|-----------|-----------|-----------|-----------|
| Consolidated net income before tax                            | 6,227,509 | 1,846,051 | 5,108,776 | 1,608,826 |
| Consolidated net income                                       | 5,461,649 | 1,179,016 | 4,570,993 | 1,473,515 |
| Net income attributable to shareholders of the parent company | 5,249,590 | 840,040   | 4,131,510 | 1,356,808 |
| EPS (NTD)   | 2.42      | 0.39      | 1.90      | 0.62      |

※ Audited or reviewed by CPA

# Consolidated Balance Sheet (summary)

(NTD'000)

| Item   | Mar 31, 2023       | Mar 31, 2024       |
|--|--------------------|--------------------|
| Current assets   | 183,367,022        | 269,472,593        |
| Non-current assets   | 22,172,192         | 24,163,865         |
| <b>Total assets</b>  | <b>205,539,214</b> | <b>293,636,458</b> |
| Current liabilities  | 163,220,378        | 247,027,371        |
| Non-current liabilities  | 2,020,153          | 1,728,275          |
| <b>Total liabilities</b>   | <b>165,240,531</b> | <b>248,755,646</b> |
| Capital stock  | 21,709,081         | 21,709,081         |
| Capital surplus  | 2,743,256          | 2,743,256          |
| Retained earnings  | 11,036,754         | 14,560,855         |
| Other equity interests   | 1,761,152          | 2,611,358          |
| <b>Equity attributable to shareholders of the parent company</b> | <b>37,250,243</b>  | <b>41,624,550</b>  |
| Non-controlling interests  | 3,048,440          | 3,256,262          |
| <b>Total equity</b>  | <b>40,298,683</b>  | <b>44,880,812</b>  |

※ Reviewed by CPA

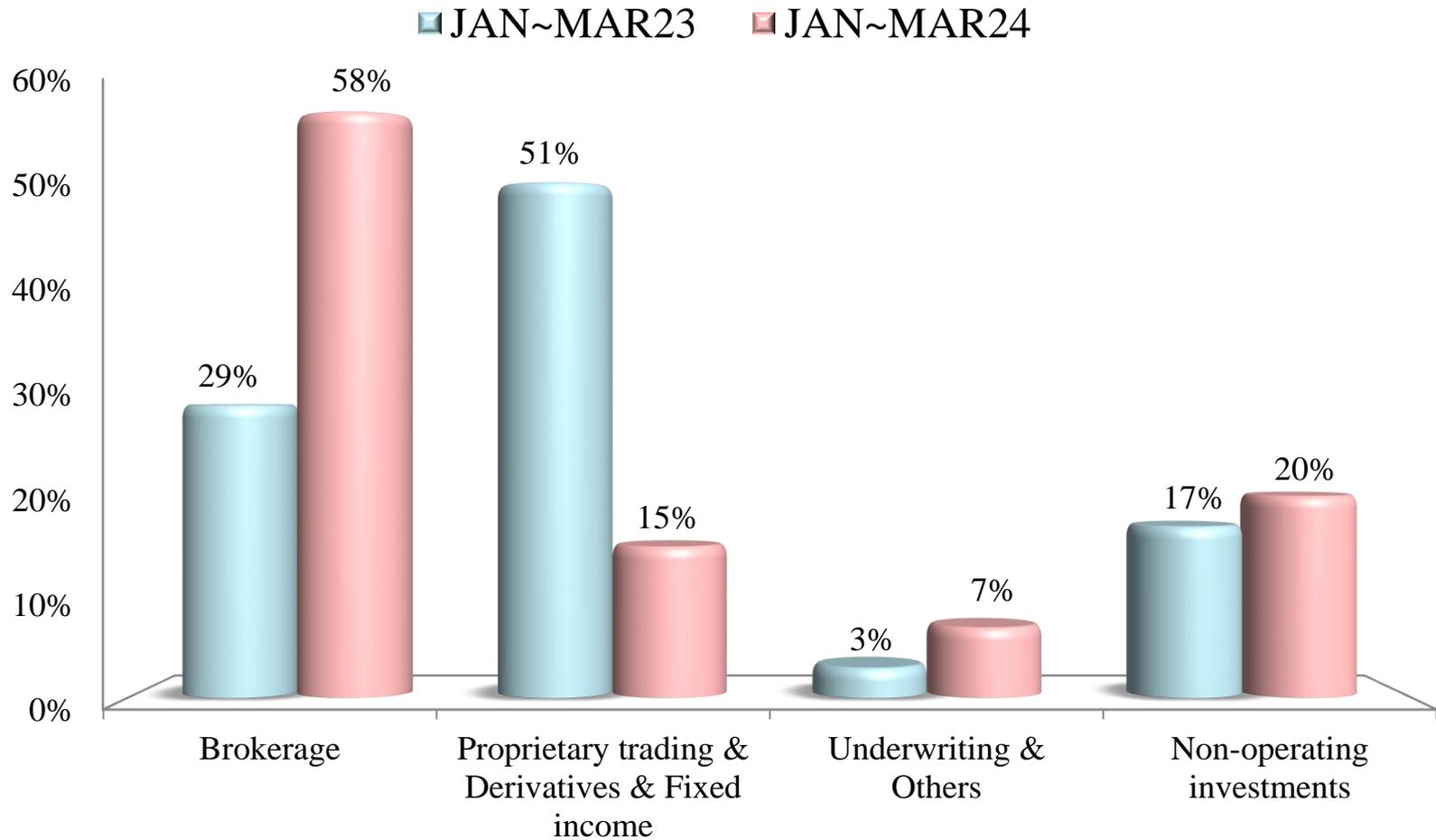
# Consolidated Comprehensive Income Statement (summary)

(NTD'000)

| Item   | JAN~MAR23        | JAN~MAR24        |
|--|------------------|------------------|
| Revenue  | 2,830,885        | 4,015,447        |
| Operating expenses and costs   | 2,060,262        | 3,023,501        |
| <b>Operating income</b>  | <b>770,623</b>   | <b>991,946</b>   |
| Other income and expenses  | 486,877          | 616,880          |
| <b>Net income before tax</b>   | <b>1,257,500</b> | <b>1,608,826</b> |
| Income tax expense   | 42,909           | 135,311          |
| <b>Net income</b>  | <b>1,214,591</b> | <b>1,473,515</b> |
| Other comprehensive income   | 392,979          | 42,773           |
| <b>Total comprehensive income</b>                                    | <b>1,607,570</b> | <b>1,516,288</b> |
| <b>Net income attributable to shareholders of the parent company</b> | <b>1,109,499</b> | <b>1,356,808</b> |
| <b>Earnings per share (NTD)</b>                                      | <b>0.51</b>      | <b>0.62</b>      |

※ Reviewed by CPA

# Earnings Breakdown by Major Business

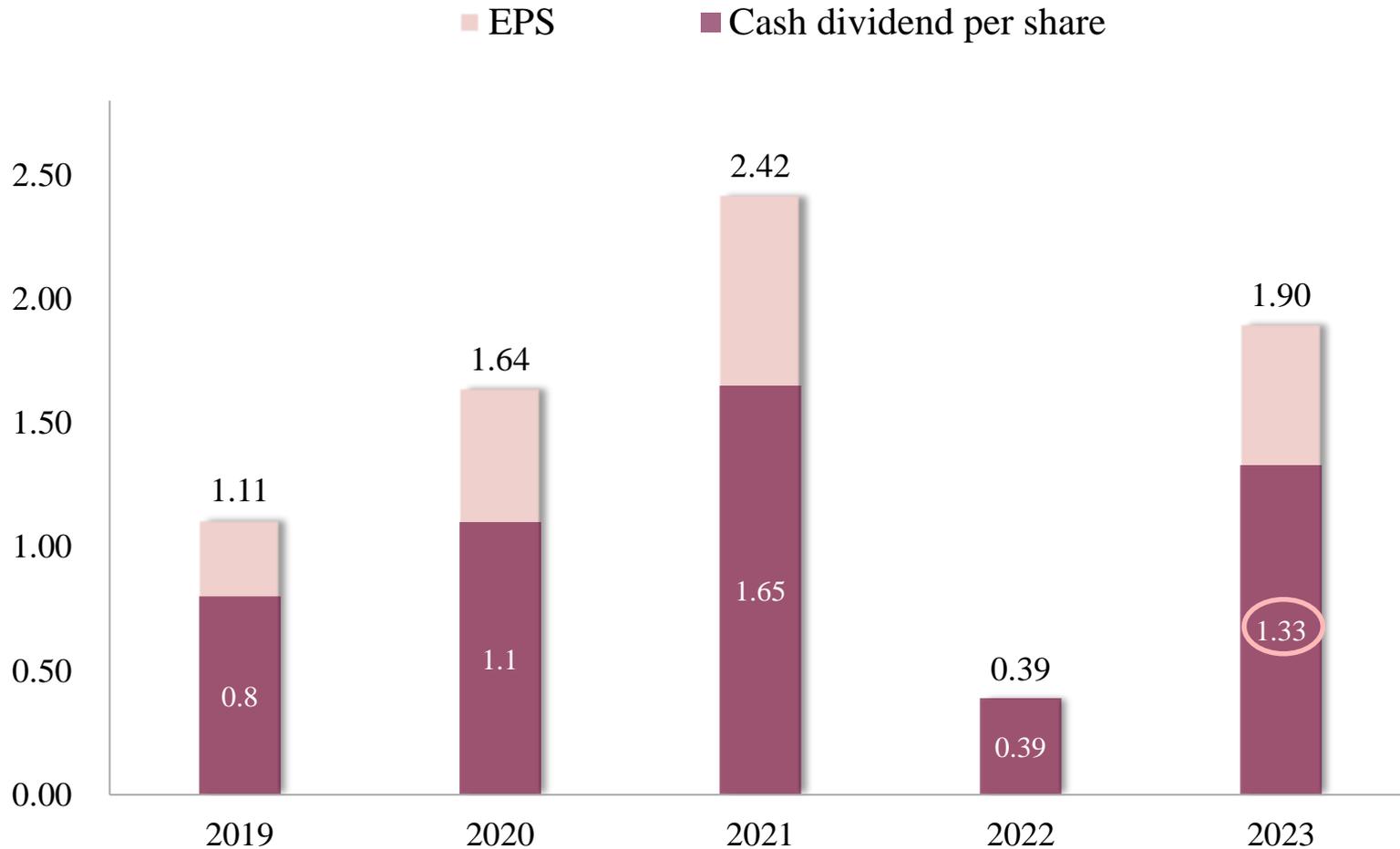


# Business Performance and Market Ranking

| Item   | Figures in<br>JAN~MAR24 | Market ranking in<br>JAN~MAR24 |
|--|-------------------------|--------------------------------|
| Market share in brokerage  | 3.47%                   | 9                              |
| Market share in margin financing                                   | 5.10%                   | 7                              |
| Trust business-AUM   | NTD14.829bn             | 7                              |
| Number of warrants issued  | 2,951                   | 3                              |
| Value of warrants issued   | NTD23.9bn               | 2                              |
| Value of structured products issued                                | NTD5.4bn                | 5                              |
| Number of NTD corporate bond<br>underwritten (as lead underwriter) | 5                       | 1                              |
| Value of NTD corporate bonds underwritten                          | NTD11.85bn              | 3                              |
| Number of clients in stock registrar<br>and transfer service       | 357                     | 4                              |

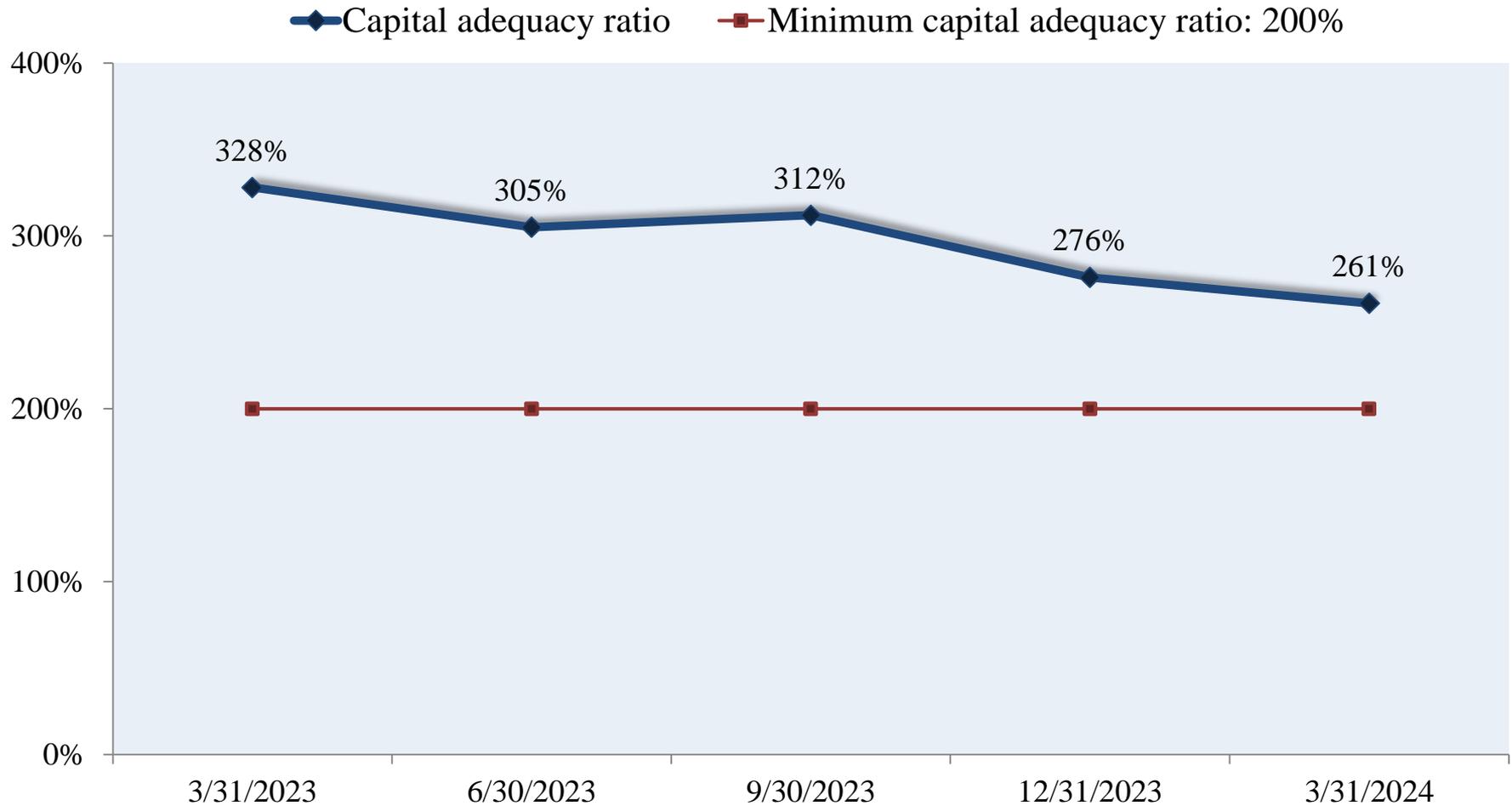
# Dividend Payout

Unit: NTD



※ The distribution of FY23 earnings has been approved by the BoD on March 13, 2024, pending the general shareholder meeting's approval.

# Capital Adequacy Ratio



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## Fitch Ratings 2023

Long-term Issuer Default Rating  
(IDR) **BBB-**

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National Long-term Rating **A(twn)**

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National Short-term Rating **F1(twn)**

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Outlook **Stable**

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# APR24 Operating Results

Unit: NTD'000

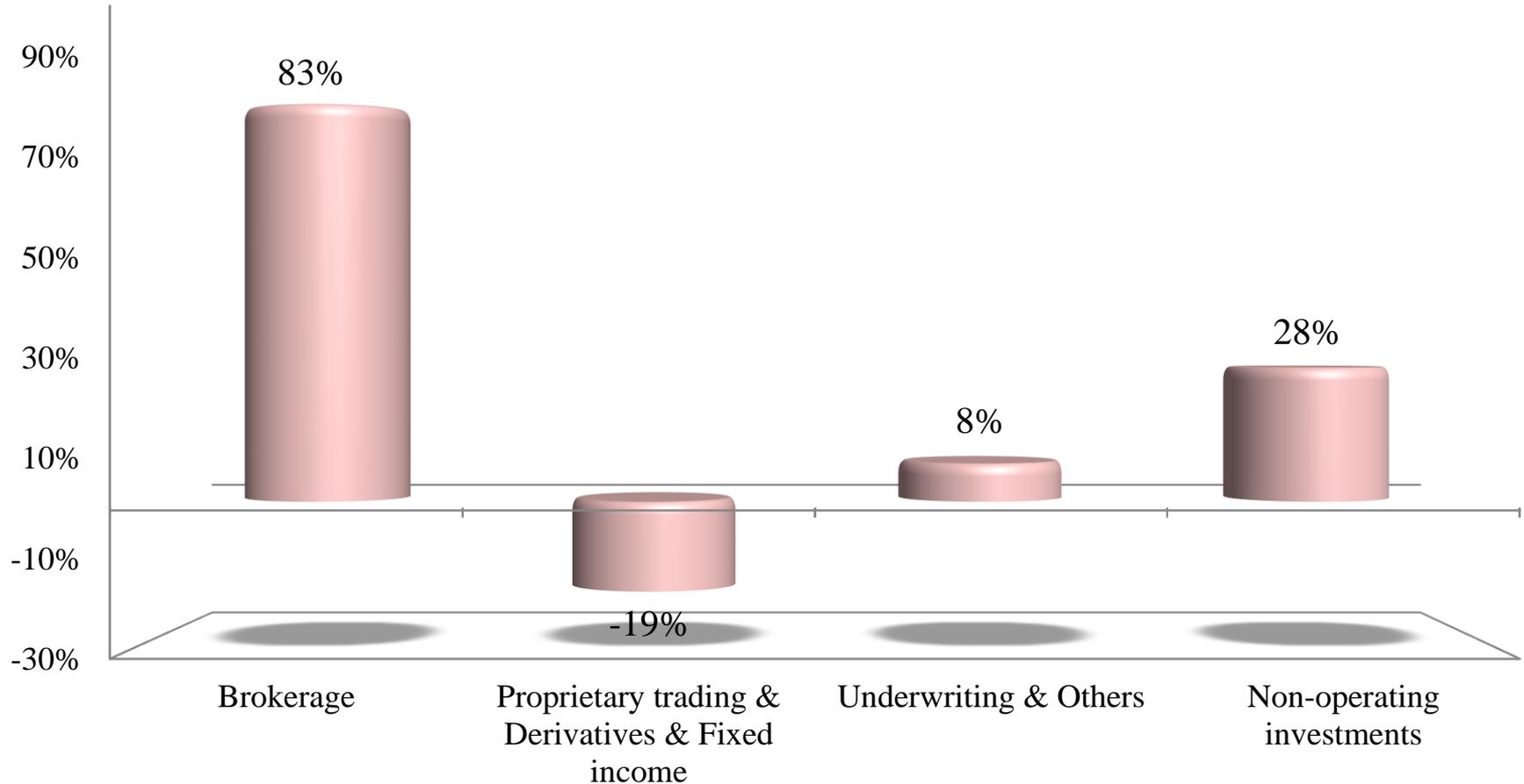
| Entity                | APR24   | JAN~APR24 |
|-----------------------|---------|-----------|
| Net income before tax | 433,300 | 1,845,810 |
| Net income            | 348,475 | 1,693,223 |
| EPS (NTD)             | 0.16    | 0.78      |

| Consolidated          | APR24   | JAN~APR24 |
|-----------------------|---------|-----------|
| Net income before tax | 510,197 | 2,106,963 |
| Net income            | 399,013 | 1,860,468 |

※ Unaudited

# JAN~APR24 Earnings Breakdown by Major Business

■ JAN~APR24



※ Unaudited

# Business Performance and Market Ranking

| Item   | Figures in<br>JAN~APR24 | Market ranking in<br>JAN~APR24 |
|--|-------------------------|--------------------------------|
| Market share in brokerage  | 3.47%                   | 10                             |
| Market share in margin financing                                   | 5.09%                   | 7                              |
| Trust business-AUM   | NTD15.302bn             | 7                              |
| Number of warrants issued  | 4,192                   | 3                              |
| Value of warrants issued   | NTD32.8bn               | 2                              |
| Value of structured products issued                                | NTD7bn                  | 5                              |
| Number of NTD corporate bond<br>underwritten (as lead underwriter) | 5                       | 1                              |
| Value of NTD corporate bonds underwritten                          | NTD13.4bn               | 3                              |
| Number of clients in stock registrar<br>and transfer service       | 358                     | 4                              |

# Prospect and Outlook

## *Our vision*

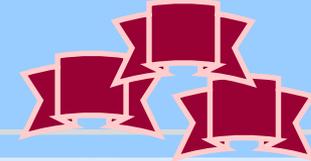
- To create long-term and rewarding partnerships with our clients by offering high value-added financial services which exceed client expectations

## *Our belief*

- The Capital Group in Chinese means "benefit for many" which embodies our commitment to public interests and contribution to the capital market

# Business Development Plans





- Won 5 Prizes in the 14th Call (Put) Warrants Issuer Competition of *Economic Daily*:  
“King of Performance Award”  
“Warrant Sales Promotion Award”: Taichung Branch & Tongta Branch  
“Warrant Sales Progress Award”: Chongde Branch & Xisong Branch
- Awarded “Excellent Blood Donation Organization of the Year 2023” by the Taiwan Blood Service Foundation.



# Sustainability Development & Capital Securities' Practices

# Why Do We Promote Sustainable Development?

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*“Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs,” according to the Our Common Future Report released on the 42nd General Assembly of the United Nations (UN) in 1987.*

Since the beginning of the 20th century, rapid technology and economic advancements have brought high-level urbanization and significant improvement in human lives. However, this development also brought about impacts and damages on wildlife and the natural environment **with extreme weather conditions worldwide** and worsening **resource scarcity** and **uneven distribution**. Hence, the global community started to realize the importance of sustainable development.

“Sustainable development” is a reappraisal of the aforesaid development. While pursuing economic growth, humans should also maintain **social inclusion** and **environmental suitability** and take inter-generational equity into consideration. The well-being of future generations should not be compromised when promoting and creating benefits for today’s generation. The use of natural resources should secure biological and ecological sustainability for the proliferation of life.

# Sustainable Development Goals (SDGs)

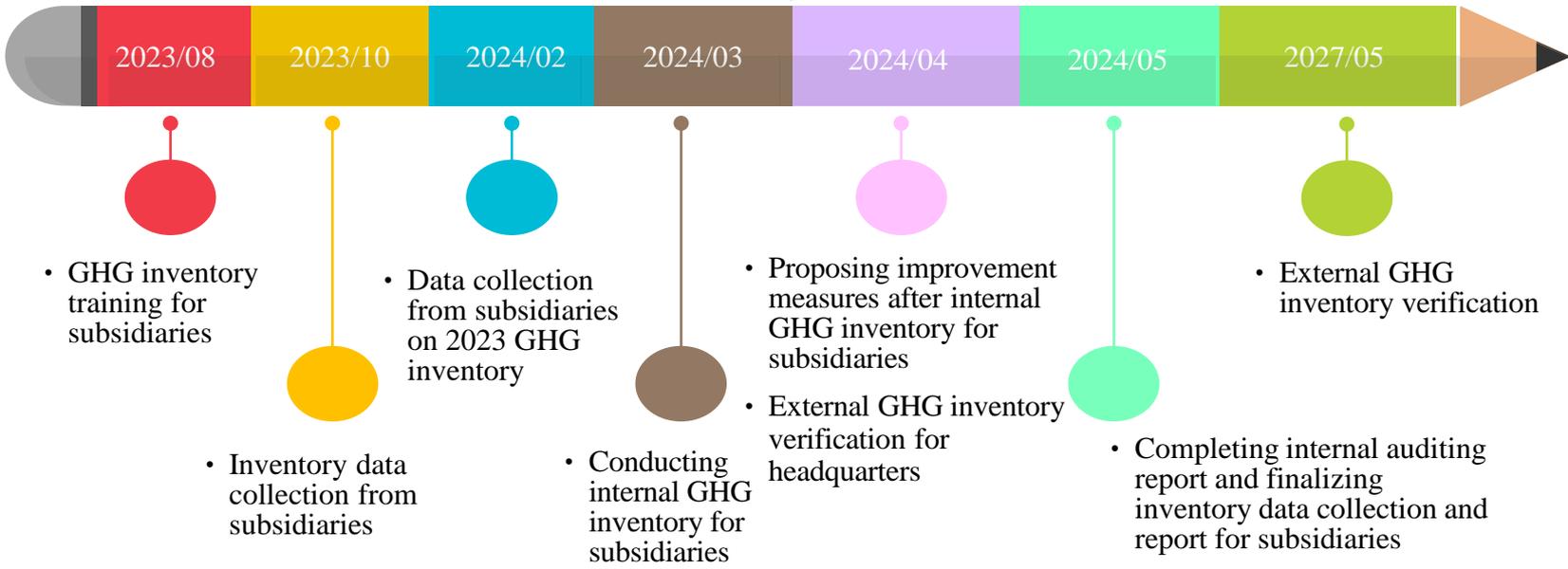
The UN has proposed the 2030 Sustainable Development Agenda in 2015 with 17 Sustainable Development Goals (SDGs) that are key indicators of global sustainable development.



These goals serve as indispensable indicators for the international community. As they are expected to facilitate sustainable development in societies by 2030 and effectively reduce poverty and hunger worldwide, global communities may find stabilization and balance as early as possible.

# Sustainable Development Practices

## Greenhouse Gas Inventory and Verification Status



### Environmental Protection

- Completed 2023 inventory data collection for subsidiaries
- Completed 2023 internal verification for subsidiaries
- Completed internal verifier training for subsidiaries in MAR24
- Completed external verification of GHG inventory in APR24

## Social Responsibility

- 2024.03 We turned off all lights for 1 hr & planted trees for the World Earth Day.
- 2024.05 We have long cared about children's education in rural areas. For the 11th year this year, we implemented the "Loves of Reading" campaign by inviting over 100 students from remote townships to watch films and visit bookstores together. In addition to giving out reading grants, we also provide these students with books on financial management and SDGs in hopes that they would cultivate a proper understanding of financial management and sustainable development.



## Social Responsibility

- 2024.03 As a sports-loving enterprise certified by the Sports Administration, we have supported sports events all over Taiwan for years. Recently, we have partnered with the professional basketball team TSG GhostHawks for a series of events to promote sports and leisure, and create a new lifestyle filled with vitality, sports and leisure, as well as fun financial management.
- 2024.04 We had a company sports day in southern Taiwan to promote sports and fitness. At this event, nearly 300 staffs and their family members exercised together for fun and relaxation. Designed to advocate environmental protection, we encouraged all the participants to also bring their own mugs to reduce wastes, love our mother Earth, and fulfill the ESG concept.



## Social Responsibility

- 2024.05 With our green procurement model, we prioritize buying domestic products to minimize carbon emissions in the shipping process. For example, we bought carnations from Tianwei Township, Changhua County, as a gift for all our staffs before Mother's Day, to support local small farmers and fulfill our ESG responsibilities.
- 2024.05 We have placed automatic blood pressure monitors at all our 52 branches in Taiwan for our staffs and clients to monitor their health at any time, which not only establishes a friendly work environment, but demonstrates our commitment to the well being of our staffs and clients.



## Social Responsibility & Corporate Governance

- 2024.05 Two-day executive consensus camp on leadership in adversity & ways to experience inconveniences associated with disability and advocate for disability rights
  - Our three independent directors and senior executives participated in the event, experiencing the meaning of diversity and inclusion through four top leadership strategies to deal with adversity and obstacles associated with disability, as well as conducting in-depth discussions on sustainable leadership, to build an even better foundation for our ESG sustainable development ecosystem.

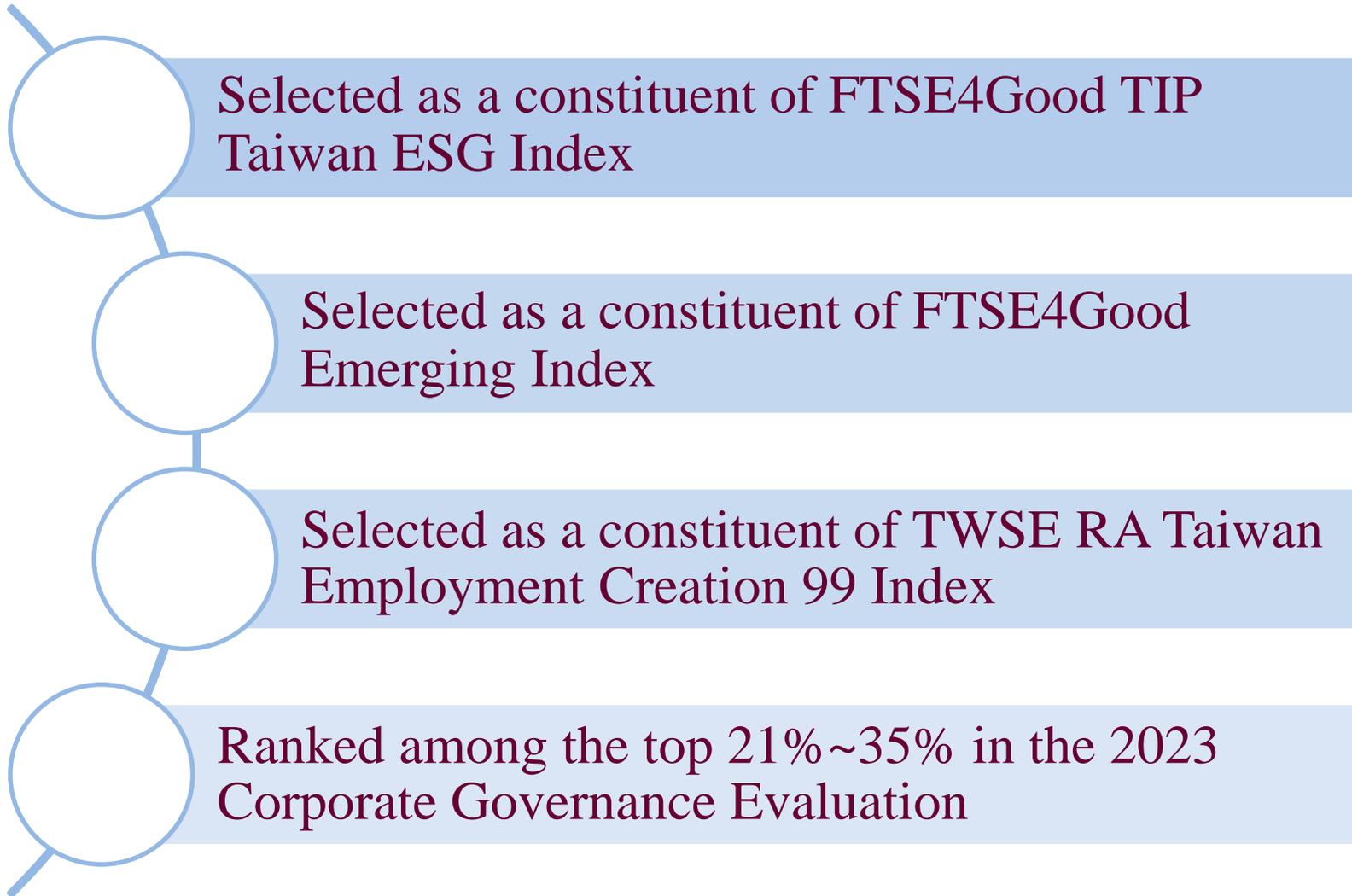


Chairwoman of Capital Securities Chou, Hsiu-Chen (second from left), General Manager Lee, Wen-Chu (first from left), together with Independent Director Lin, Tsalm-Hsiang (second from right), Independent Director Shea, Jia-Dong (third from right), Chairman of Capital Futures Chia Chung-Tao (first from right), and the lecturer Lee, Ho-chuan (third from left) led a group photo of senior executives.



Through the “Visual Impairment Maze” and other experiential activities, our senior executives learnt to think differently in order to realize sustainable integration.

# Recognized for Sustainable Development and Corporate Governance



**Thank you**