

Capital Securities Corporation Institutional Investor Conference

Capital Care 群益關心您

September 2022

台北・香港・上海

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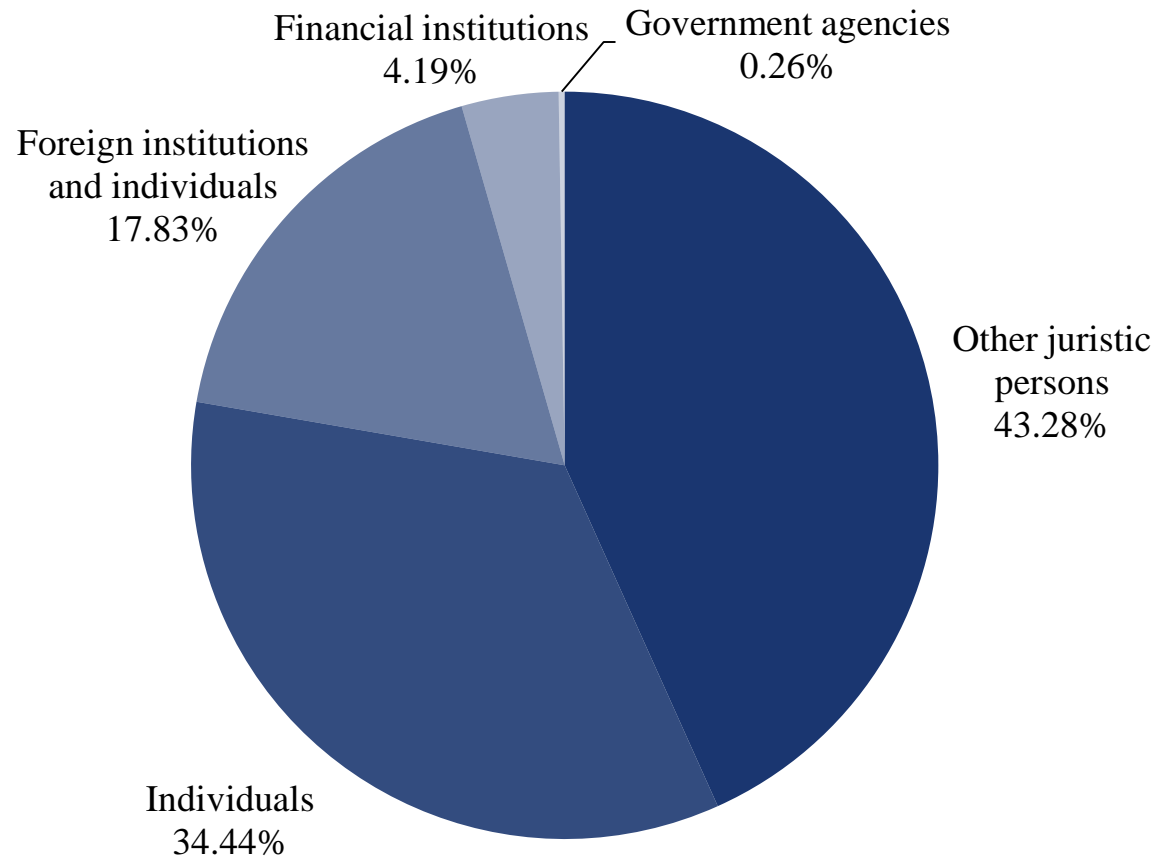
Presentation outline

- Company profile
- Operation overview
- Prospect and outlook

➤ Company profile

Shareholder structure

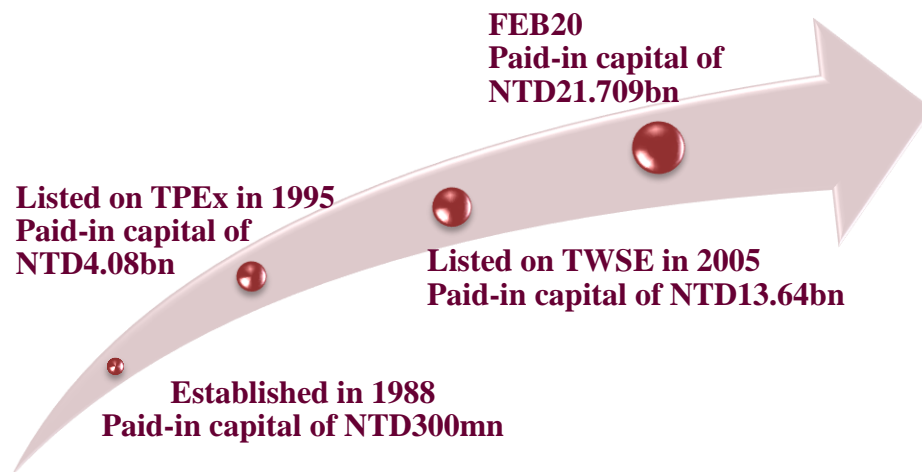
Data as of April 29, 2022



Basic information



✚	Stock code:	6005
✚	Paid-in capital:	NTD21.709bn
✚	Number of branches in Taiwan:	53
✚	Number of employees:	1,941



Data as of June 30, 2022

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



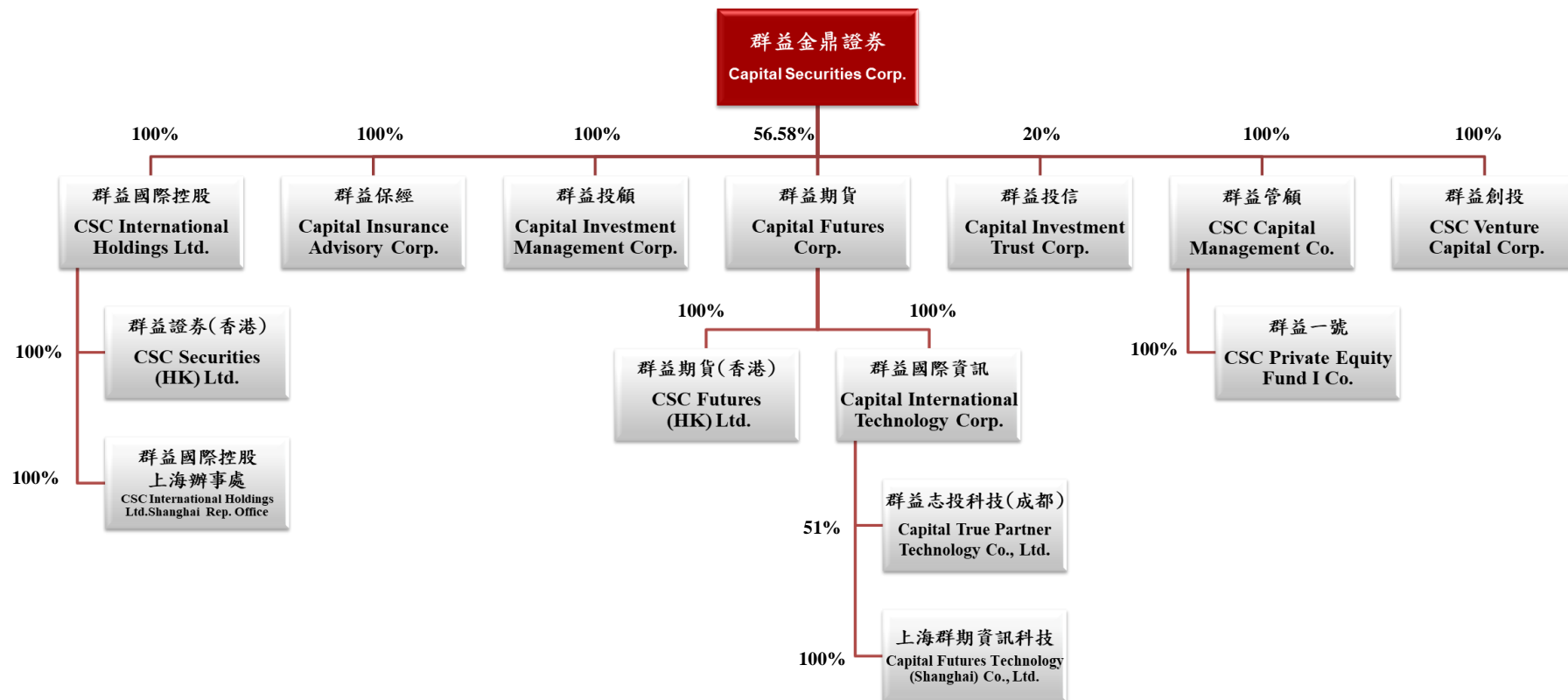
Hong Kong

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



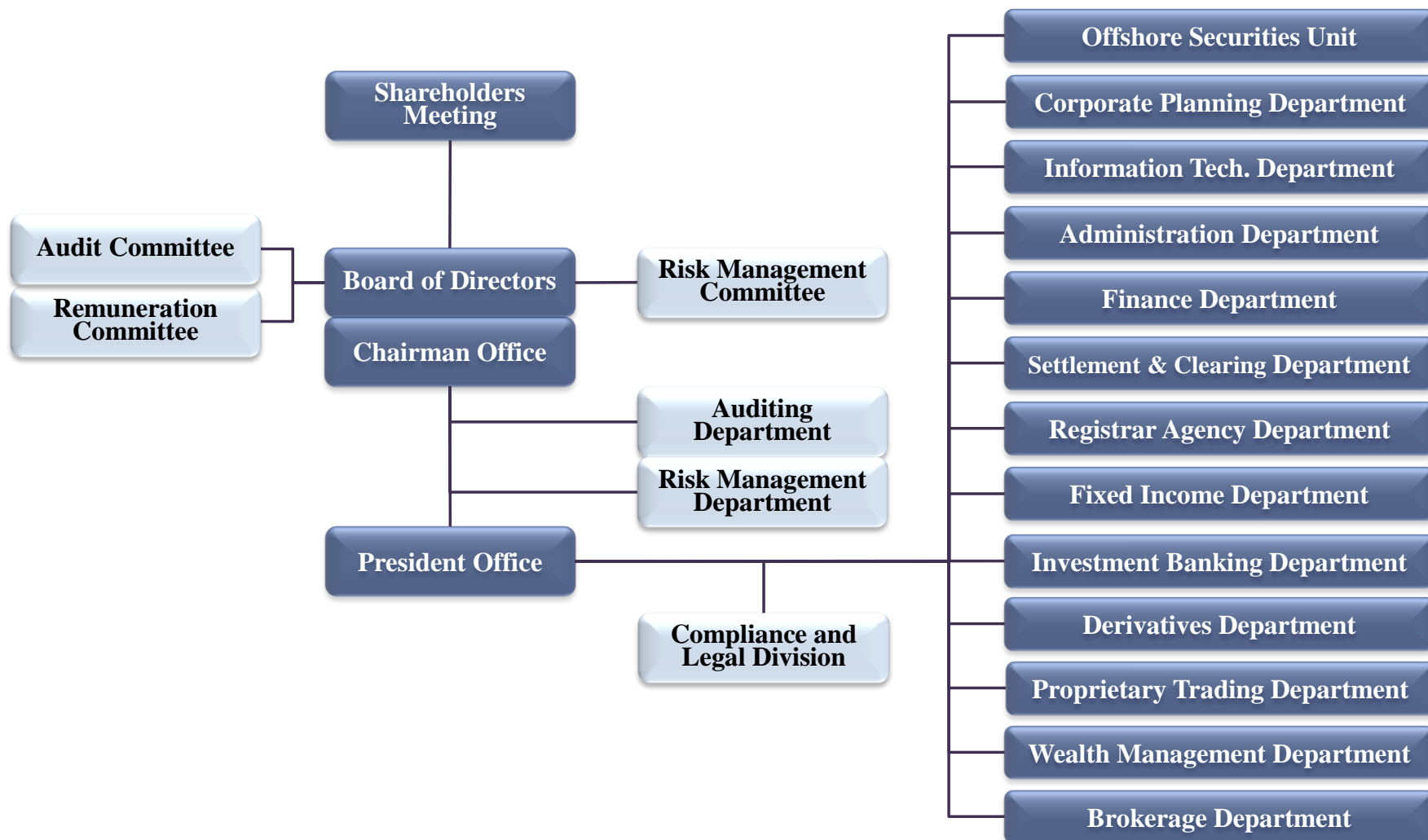
Non-operating investments (continued)

Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of Jun 30, 2022	Net income or loss for JAN~JUN22	Book value as of Aug 31, 2022	Net income or loss for JAN~AUG22
Taiwan	Capital Futures Corp.	NTD	2,104,376	6,276,693	314,844	6,433,875	446,875
	Capital Investment Management Corp.	NTD	70,000	82,343	6,111	87,172	10,939
	Capital Insurance Advisory Corp.	NTD	5,000	64,780	38,914	68,691	42,825
	Capital International Technology Corp.	NTD	50,000	30,455	(3,664)	29,175	(4,851)
	CSC Venture Capital Corp.	NTD	1,000,000	845,750	(1,922)	870,407	1,634
	Capital Investment Trust Corp.	NTD	1,653,375	3,880,151	391,576	4,002,092	513,518
	CSC Capital Management Co.	NTD	330,000	307,427	944	314,361	(1,553)
	CSC Private Equity Fund I Co.	NTD	300,000	276,438	(535)	282,981	(3,423)
Hong Kong	CSC Futures (HK) Ltd.	HKD	220,000	240,902	(1,183)	241,416	(670)
	CSC Securities (HK) Ltd.	HKD	128,000	168,158	(9,446)	166,447	(11,157)
China	Capital True Partner Technology Co., Ltd	CNY	1,000	1,159	(12)	1,176	5
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	2,223	(471)	2,061	(632)
	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	51,862	(1,489)	51,556	(1,795)

Note : JAN~JUN22 figures were audited by CPA; JAN~AUG22 figures were unaudited

Organizational structure



➤ Operation overview

Financial data over the past three years

(NTD'000)

Item	2019	2020	2021	JAN~JUN22
Consolidated net income before tax	3,228,097	4,382,700	6,227,509	536,093
Consolidated net income	2,829,234	3,840,679	5,461,649	156,637
Net income attributable to shareholders of the parent company	2,566,823	3,569,529	5,249,590	20,074
EPS (NTD)	1.11	1.64	2.42	0.01

※ Audited by CPA

Consolidated balance sheet (summary)

(NTD'000)

Item	Jun 30, 2021	Jun 30, 2022
Current assets	175,379,323	178,298,865
Non-current assets	17,584,974	17,109,509
Total assets	192,964,297	195,408,374
Current liabilities	151,614,293	155,287,716
Non-current liabilities	2,297,673	2,704,998
Total liabilities	153,911,966	157,992,714
Capital stock	21,709,081	21,709,081
Capital surplus	2,743,465	2,743,256
Retained earnings	9,868,587	8,601,192
Other equity interests	2,072,672	1,634,284
Equity attributable to shareholders of the parent company	36,393,805	34,687,813
Non-controlling interests	2,658,526	2,727,847
Total equity	39,052,331	37,415,660

※ Audited by CPA

Consolidated comprehensive income statement (summary)

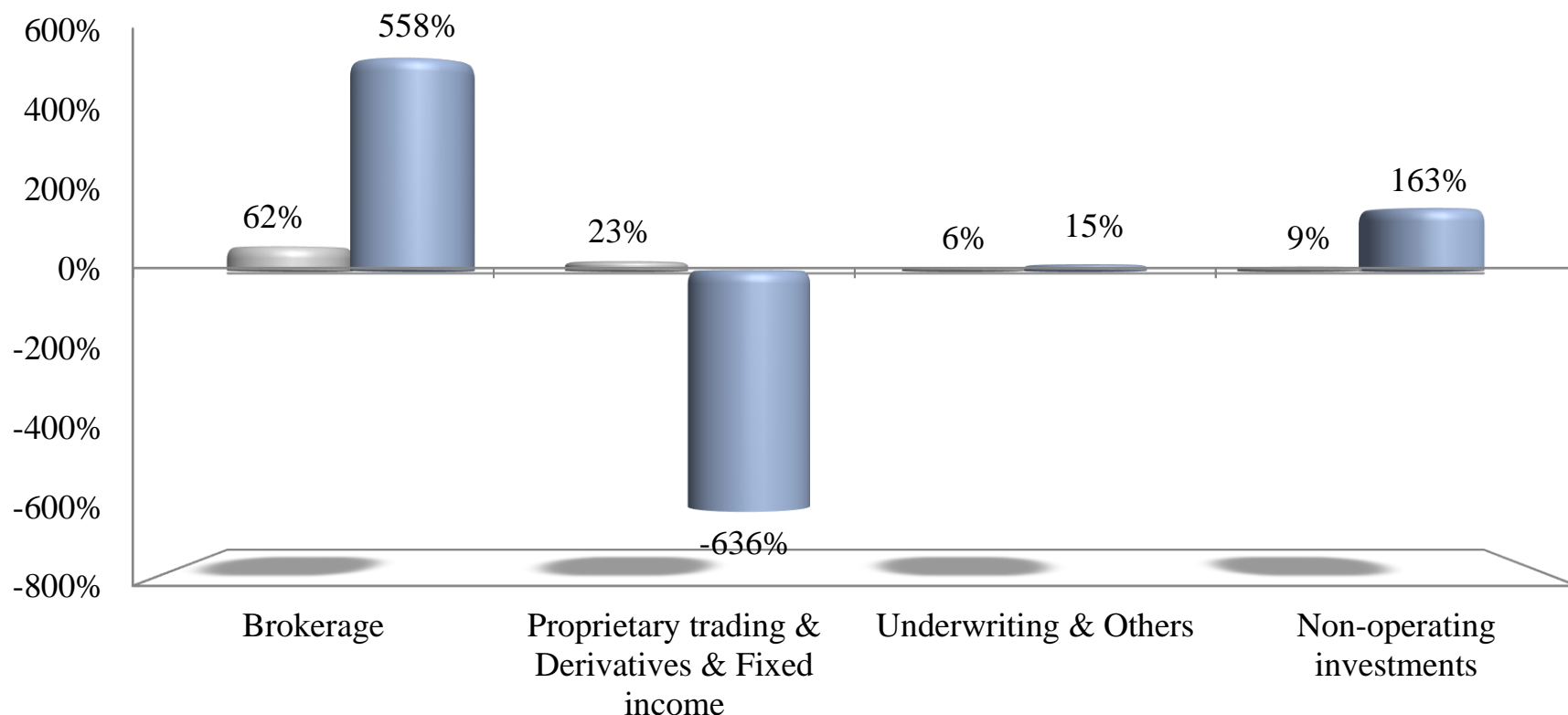
(NTD'000)

Item	JAN~JUN21	JAN~JUN22
Revenue	6,636,862	3,510,469
Operating expenses and costs	3,951,836	3,530,653
Operating income	2,685,026	(20,184)
Other income and expenses	428,772	556,277
Net income before tax	3,113,798	536,093
Income tax expense	437,093	379,456
Net income	2,676,705	156,637
Other comprehensive income	351,070	(464,845)
Total comprehensive income	3,027,775	(308,208)
Net income attributable to shareholders of the parent company	2,552,712	20,074
Earnings per share (NTD)	1.18	0.01

※ Audited by CPA

Earnings breakdown by major business

■ JAN-JUN21 ■ JAN-JUN22

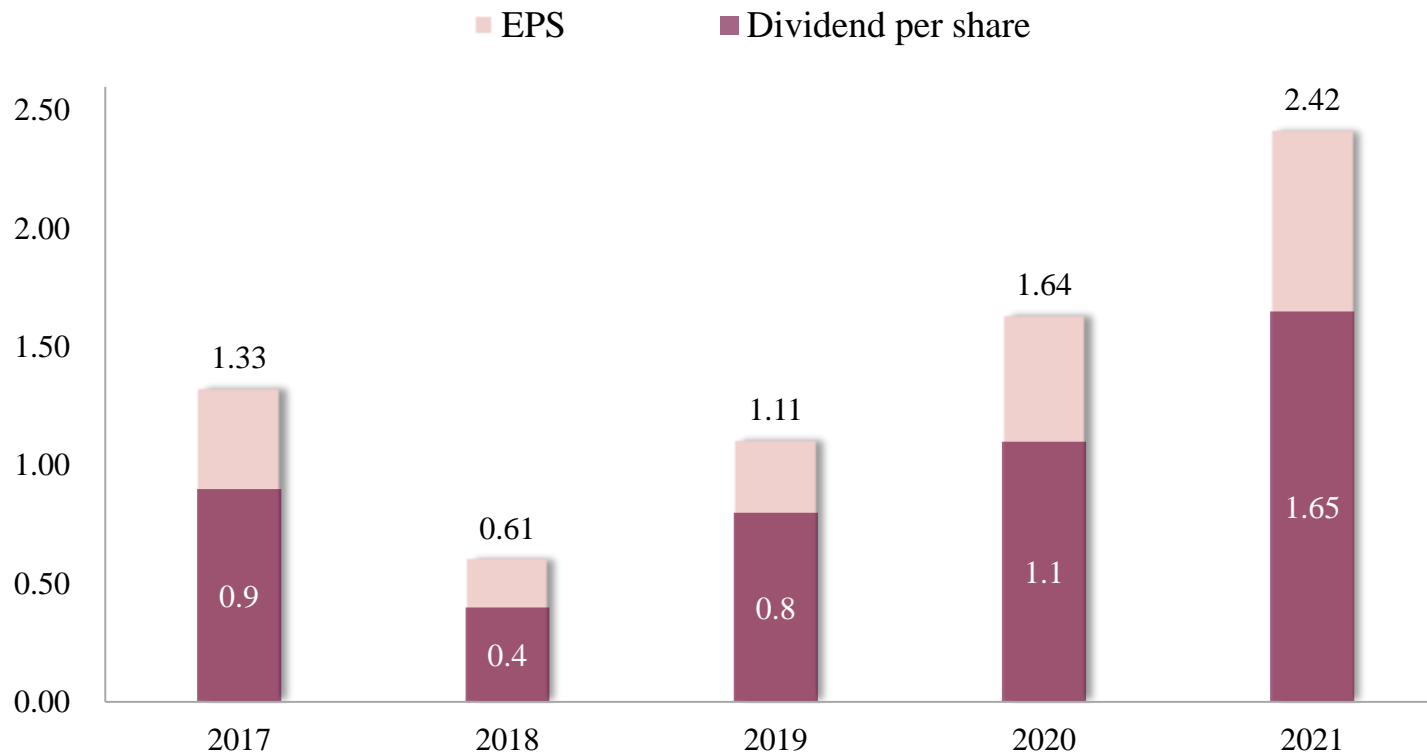


Business performance and market ranking

Item	Figures in JAN~JUN22	Market ranking in JAN~JUN22
Market share in brokerage	3.73%	8
Market share in margin financing	5.36%	5
Trust business-AUM	NTD12.49bn	6
Number of warrants issued	3,335	3
Value of warrants issued	NTD39.2bn	3
Value of structured products issued	NTD7bn	6
Number of NTD corporate bond underwritten (as lead underwriter)	5	1
Value of NTD corporate bonds underwritten	NTD19.54bn	3
Number of clients in stock registrar and transfer service	363	3

Dividend payout

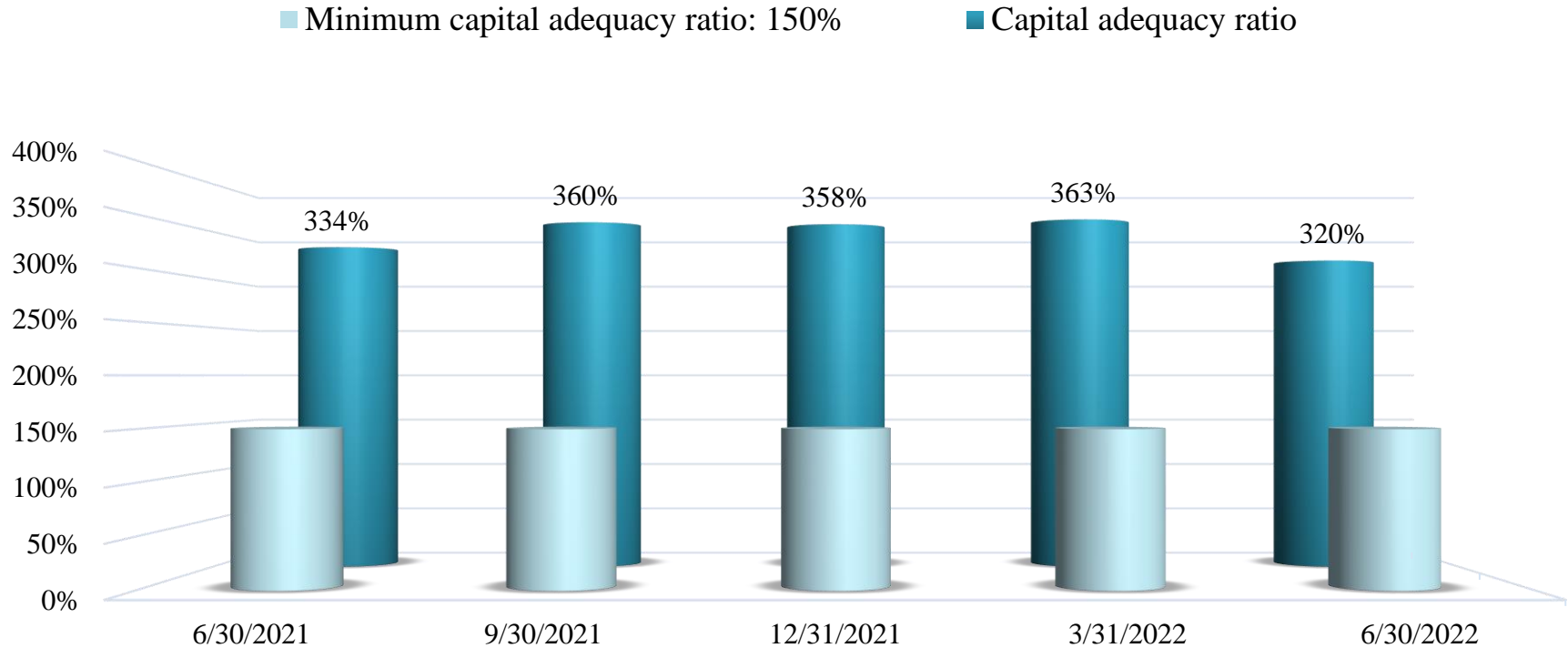
Unit: NTD



Item	2017	2018	2019	2020	2021
EPS	1.33	0.61	1.11	1.64	2.42
Cash dividend per share	0.20	0.40	0.80	1.10	1.65
Stock dividend per share	0.70	-	-	-	-

※EPS are pre-adjustment figures

Capital adequacy ratio



Fitch Ratings 2021

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

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

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

Outlook **Stable**

AUGY22 operating results

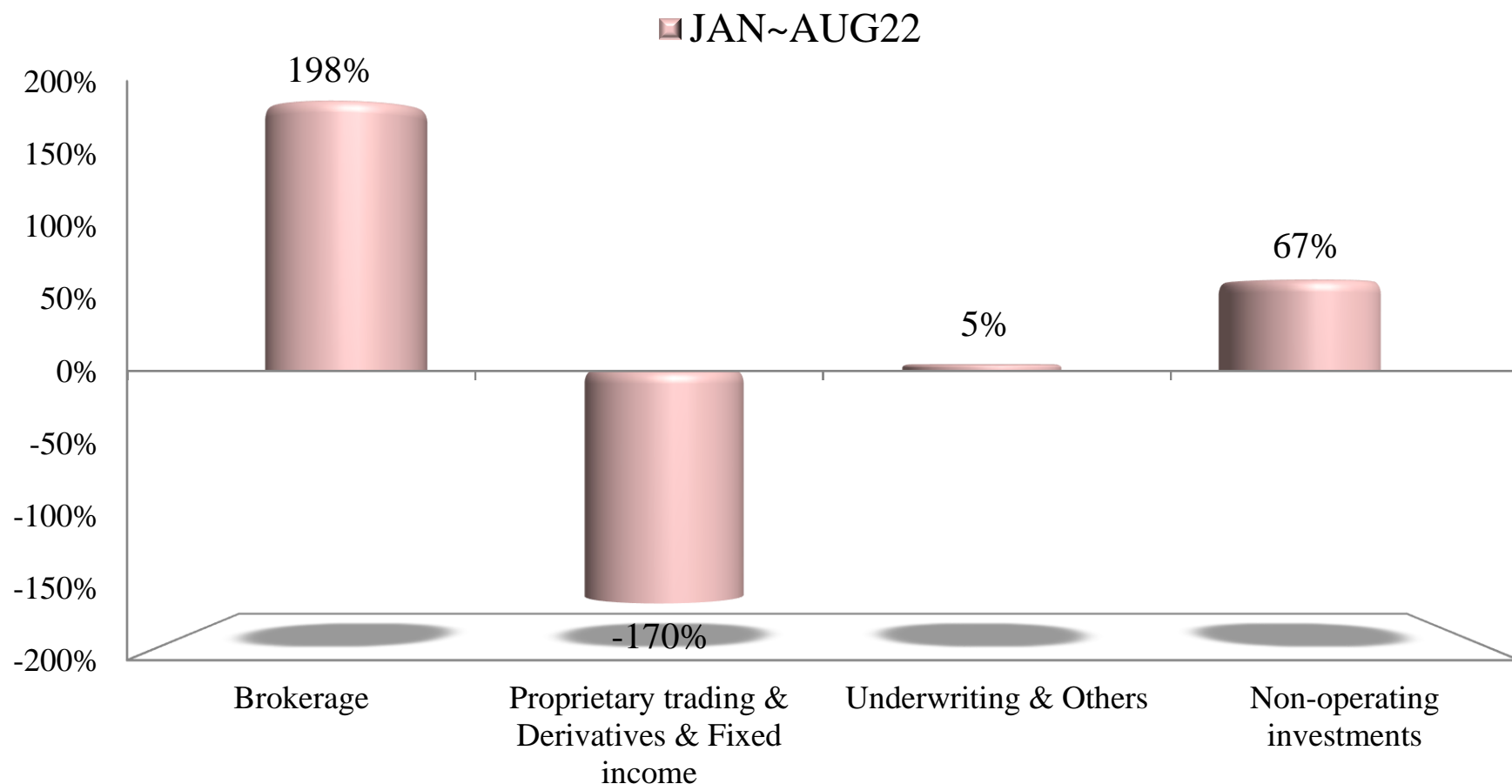
Unit: NTD'000

Entity	AUG22	JAN~AUG22
Net income before tax	324,811	884,051
Net income	315,035	595,735
EPS (NTD)	0.15	0.27

Consolidated	AUG22	JAN~AUG22
Net income before tax	366,089	1,170,958
Net income	340,837	789,661

※ Unaudited

JAN~AUG22 earnings breakdown by major business



※ Unaudited

Business performance and market ranking

Item	Figures in JAN~AUG22	Market ranking in JAN~AUG22
Market share in brokerage	3.70%	8
Market share in margin financing	5.32%	6
Trust business-AUM	NTD12.55bn	5
Number of warrants issued	4,321	3
Value of warrants issued	NTD49.6bn	3
Value of structured products issued	NTD8.2bn	6
Number of NTD corporate bond underwritten (as lead underwriter)	7	1
Value of NTD corporate bonds underwritten	NTD28.3bn	3
Number of clients in stock registrar and transfer service	361	3

➤ 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

I. Enhance coordination and create synergies among affiliates such as Capital Futures, Capital Investment Trust, and Capital Insurance Advisory.

II. Integrate sub-brokerage financing, foreign exchange securities firms, subsidiary accounts for foreign currency trading and real-time US stock market sentiment to strengthen the sub-brokerage business and better manage clients' foreign currency flow.

III. Enhance the speed of warrant order deletion to provide the quickest service in the market and issue diverse derivatives (ELN/PGN/OTC options) for business and profit diversification.

IV. Provide digital application and high-frequency trading services, integrate smart orders of securities and futures, and improve system stability to attract clients trading with apps and focusing on high-frequency trading and increase our market share and profits of the brokerage business.

V. Establish a securities borrowing center under the Settlement and Clearing Department to maximize the efficiency of securities and increase the Company's profit.

VI. Provide services of investing a specific amount or purchasing a specific number of shares in Taiwan's and the US stock market at fixed times to attract young clients.

VII. Continue to carry on digital optimization and further digital transformation for specific sectors, such as brokerage and investment management businesses.

VIII. Continue to optimize subsidiary accounts functions by combining saving accounts and trading accounts to increase the number of account holders and the amount of deposit for higher interest income and more wealth management business opportunities.

IX. Seize the business opportunities of wealth management for high net worth clients and continue to develop new services and products available for them to diversify wealth management business with practical strategies and increase the amount of asset under management (AUM) for the Company.

X. Pay attention to the adoption schedule on quantitative easing, balance sheet reduction and interest rate hikes and refer to market outlook analysis and fundamentals of individual stocks conducted by research institutions for profitable stock trading and related earnings growth.

XI. Steadily increase foreign currency bond positions and develop new products and distribution networks to secure the opportunities for selling fixed-income products and issuing corporate bonds.

XII. Focus on clients' needs in corporate finance businesses, and become a stable and profitable investment bank in conjunction with private equity funds and management and consulting companies for non-operating investments.

XIII. In the post-pandemic era, CSC Securities (HK) is expected to expand its business more aggressively in Taiwan, Hong Kong, China and Southeast Asia to strive for profits.

XIV. Continue to pay attention to the Russia-Ukraine war, the impacts of oil and raw material prices fluctuations and inflation on stock markets, and take necessary countermeasures.

XV. Develop the app, e-Counter, with more comprehensive functions, including trading, account opening, data change and so forth; hence clients need not arrive at the counter in person for mentioned services.

List of awards

- 2022: awarded No.1 in the “Best Sustainable Development Award” and No.3 in the “Best Intelligence Wealth Management Award” in the 2022 Wealth Management Award organized by Business Today Magazine
- 2022: received “Best Client Referral Award”, “Best Digital Smart System Award” and “Best Charity Promotion Award” in the 2022 Wealth Management Award organized by Wealth Magazine
- 2022: received “Best Securities Firm Award” from Excellence Magazine in the 2021 Excellent Securities Firm Evaluation for Non-FHC securities firms
- 2021: received “Quality Award” from the Commercial Times in the 2021 Wealth Management and Trust Innovation Evaluation at the Trust Innovation Award
- 2021: our data team received three patents for prediction model, key information service and fuzzy matching system for anti-money laundering
- 2021: received “Gold Medal” and “Special Award” from 1111 Job Bank for 2021 Happiest Employees
- 2021: received “Taiwan-iSports” icon/certification from the Sports Administration, Ministry of Education
- 2021: received “Digital Transformation Model Award”, “Digital Inclusive Finance Award”, “Digital Business Optimization Award” and “Digital Information Service Award” in the 2021 Digital Financial Service Award organized by the Commercial Times
- 2021: received “Best Product Award” in the 2021 Wealth Management Award organized by Business Today Magazine
- 2021: awarded No.3 in the “Futures IB Trading Volume Diamond Award” by Taiwan Futures Exchange at the 7th Futures Diamond Award
- 2021: received “Best Sales Team Award”, “Best Digital Smart System Award” and “Best Charity Promotion Award” in the 2021 Wealth Management Award organized by Wealth Magazine

- Held blood donation event “Love from Capital for Charity” to deliver happiness to all corners of the society.
- Promoted “Capital Securities Love Reading Program” to care for rural education with employees volunteering in story book pair-reading and city tours.
- To promote rural education in Taiwan and close the gap between rural and urban resources, Capital Securities adopted and made donations to rural elementary schools.
- Developed industry-academia cooperation programs to cultivate financial talents that are well versed in theory and practice.

Capital Care



Recognized for sustainable development and corporate governance

Selected as a constituent of FTSE4Good TIP Taiwan ESG Index

Selected as a constituent of FTSE4Good Emerging Index

Selected as a constituent of TWSE RA Taiwan Employment Creation 99 Index

Selected as a constituent of TWSE Corporate Governance 100 Index

Ranked among the top 6%~20% in the 2021 Corporate Governance Evaluation

Recent event



2022.07 Capital Securities holds a press conference for blood donation event Love from Capital for Charity. *Capital Care* 群益關心您

Recent event



2022.07 Capital Securities kicks off blood donation event Love from Capital for Charity.

Recent event



2022.07 Robust participation is seen at Capital Securities' blood donation event Love from Capital for Charity.

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Recent event



2022.07 Capital Securities' broker from Jiayi Branch is honored publicly for successfully protecting her client from scams.

Recent event



2022.08 Capital Securities was awarded No.1 in the “Best Sustainable Development Award” and No.3 in the “Best Intelligence Wealth Management Award” in the 2022 Wealth Management Award organized by Business Today Magazine.

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Recent event



2022.08 Capital Securities was awarded No.1 in the “Best Sustainable Development Award” and No.3 in the “Best Intelligence Wealth Management Award” in the 2022 Wealth Management Award organized by Business Today Magazine.

Recent event



2022.09 Capital Securities' Love Reading Program provide city tours, antique exploration at the National Palace Museum and sponsorship for schools.

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Recent event



2022.09 Capital Securities' Love Reading Program provide city tours, antique exploration at the National Palace Museum and wealth management books for students from every grade.

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Recent event



2022.09 Capital Securities' Love Reading Program provide city tours, antique exploration at the National Palace Museum and gifts to students of all grades.

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Thank you