

Capital Securities Corporation Institutional Investor Conference

Capital Care 群益關心您

April 2022

Disclaimer

The information (except numbers in financial statements) contained within the document has not been audited or reviewed by any accountant or independent third party. Capital Securities Corporation (the Company) makes no guarantee or warranties as to the accuracy, completeness or correctness of the information. The document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that the Company expects or anticipates to occur in the future, which are made according to the projection of future operation and various political, economic and market factors beyond the Company's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements. This document is provided as of the date herein and will not be updated to reflect any changes hereafter. This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer. The Company, its affiliates and their representatives shall not be responsible or liable for any loss or damages arising from use of this document or the information contained in this document. In addition, the copyright of this document belongs to the Company. This document must not be copied, reproduced, distributed or passed to others at any time, in whole or in part, without the prior written consent of the Company.

Presentation outline

Company profile

- Basic information
- Non-operating investments

Operation overview

- Financial statements
- Operational results

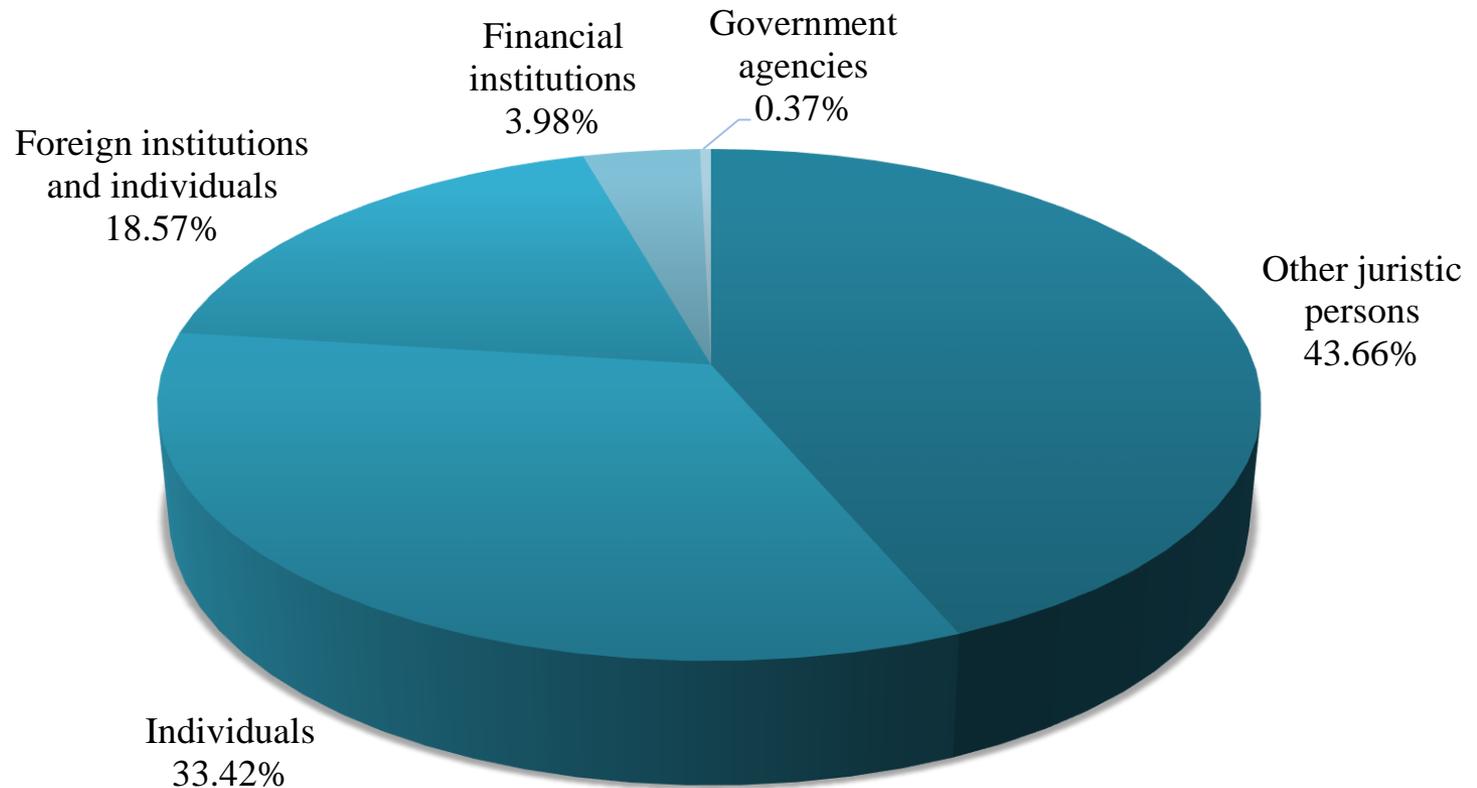
Prospect and outlook

- Operational plan
- List of awards

➤ Company Profile

Shareholder structure

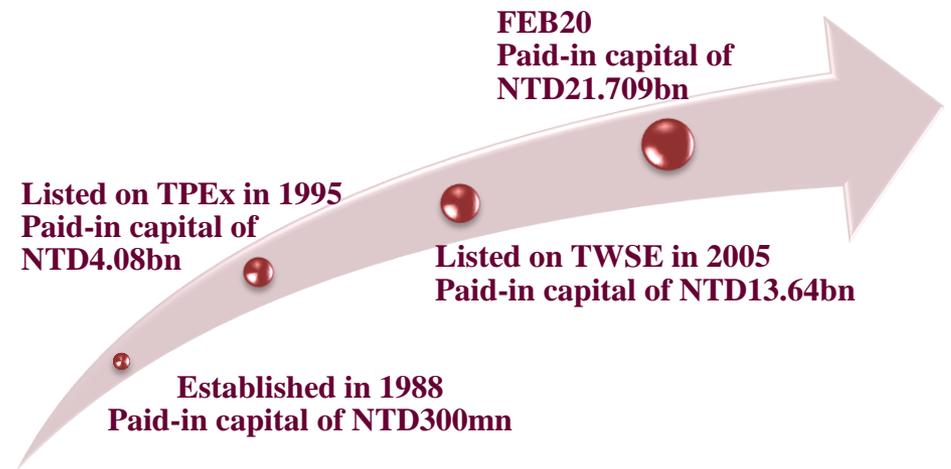
Data as of April 30, 2021



Basic information



- ✚ Stock code: **6005**
- ✚ Paid-in capital: **NTD21.709bn**
- ✚ Number of branches in Taiwan: **53**
- ✚ Number of employees: **2,010**



Data as of Dec 31, 2021

Deployment in Asia

Chengdu

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



Shanghai

TEL : 86 21 5888 7188
 FAX : 86 21 5888 2929
 Add : 18F, New Shanghai Int'l Tower, No. 360, Pu Dong Nan Road, Pudong New Area, Shanghai, China



Comprehensive deployment in Greater China



Hong Kong

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

Headquarters in Taipei

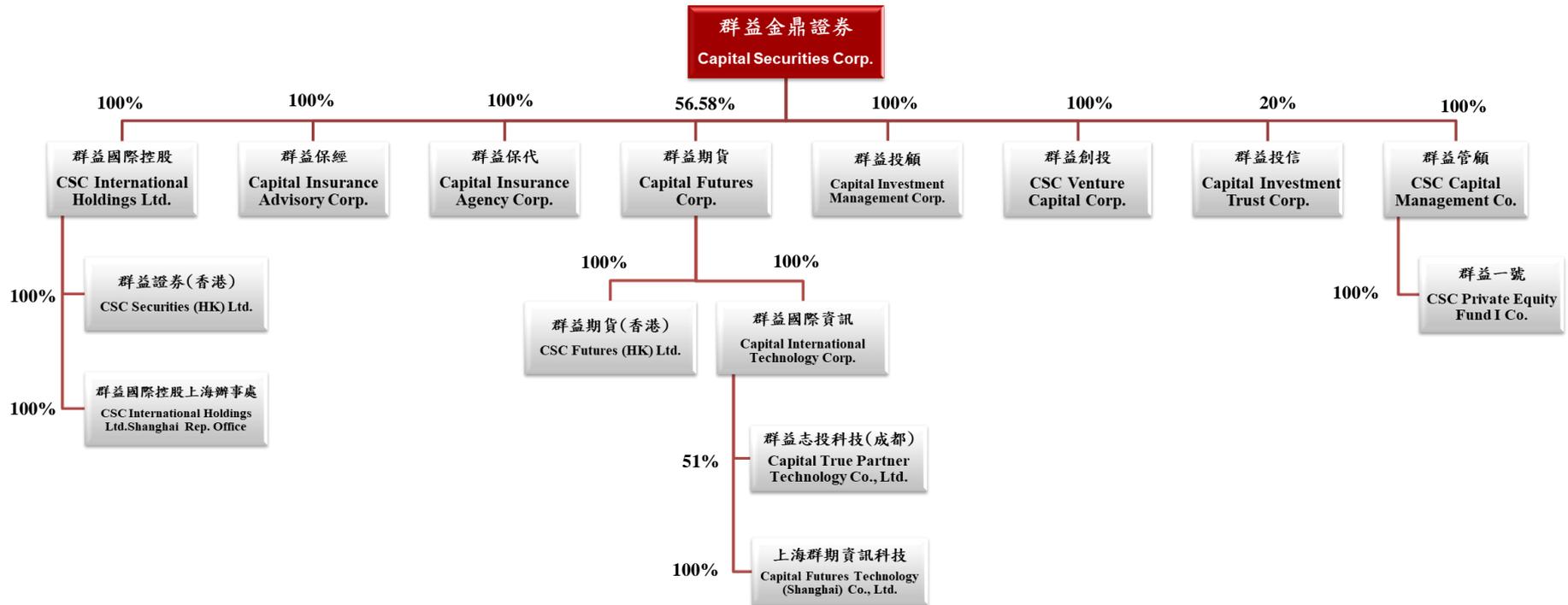
TEL : 886 2 8789 8888
 FAX : 886 2 8712 1219
 Add : 11F, No. 156, Sec. 3, Minsheng E. Rd., Songshan Dist., Taipei City 105, Taiwan, R.O.C.

Capital Care 群益關心您

台北 · 香港 · 上海

Non-operating investments

Data as of March 31, 2022



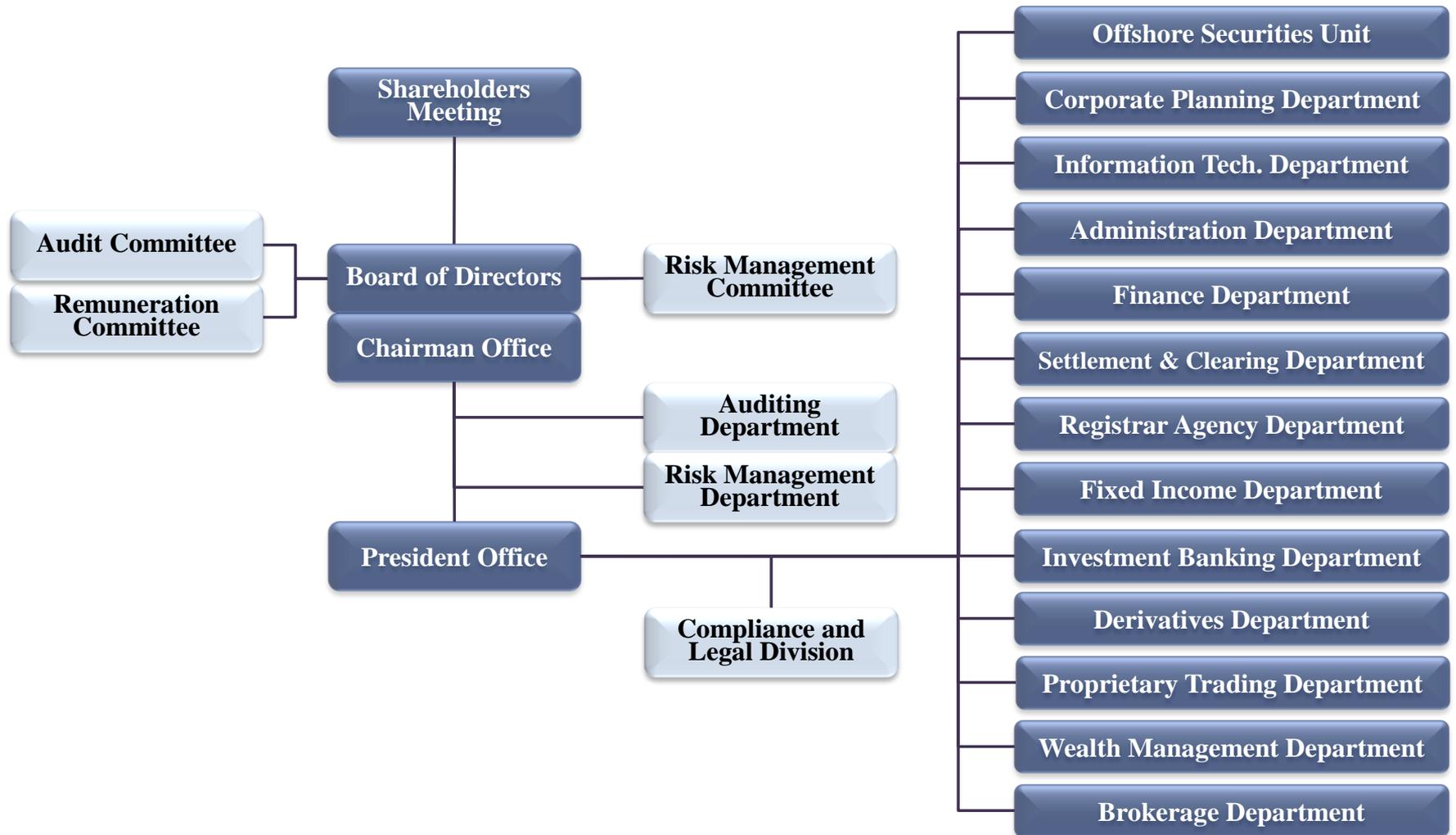
Non-operating investments (continued)

Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of Dec 31, 2021	Net income or loss for current period 2021	Book value as of Mar 31, 2022	Net income or loss for JAN~MAR22
Taiwan	Capital Futures Corp.	NTD	2,104,376	6,248,364	490,039	6,429,648	154,884
	Capital Investment Management Corp.	NTD	70,000	79,368	3,488	82,802	3,434
	Capital Insurance Advisory Corp.	NTD	5,000	60,571	34,710	76,702	16,131
	Capital Insurance Agency Corp.	NTD	7,400	38,364	(826)	39,409	1,044
	Capital International Technology Corp.	NTD	50,000	33,816	(7,112)	32,403	(1,932)
	CSC Venture Capital Corp.	NTD	1,000,000	791,454	(642)	890,584	(2,478)
	Capital Investment Trust Corp.	NTD	1,653,375	4,312,033	859,776	4,509,732	197,698
	CSC Capital Management Co.	NTD	330,000	348,207	(3,506)	318,811	(4,018)
	CSC Private Equity Fund I Co.	NTD	300,000	318,697	(3,274)	288,411	(4,908)
	Hong Kong	CSC Futures (HK) Ltd.	HKD	220,000	242,085	(7,270)	241,387
CSC Securities (HK) Ltd.		HKD	128,000	177,604	4,776	170,390	(7,215)
China	Capital True Partner Technology Co., Ltd	CNY	1,000	1,171	0.4	1,151	(19)
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	2,693	(929)	2,440	(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	53,484	(142)	52,336	(1,061)

Note : 2021 figures were audited by CPA, JAN~MAR22 figures were unaudited

Organizational structure



➤ Operation overview

Financial data over the past three years

(NTD Million)

(NTD)



※ Audited by CPA

Consolidated balance sheet (summary)

(NTD'000)

Item	Dec 31, 2020	Dec 31, 2021
Current assets	146,258,737	185,983,038
Non-current assets	16,803,897	17,710,901
Total assets	163,062,634	203,693,939
Current liabilities	121,864,300	159,485,189
Non-current liabilities	2,523,604	2,735,166
Total liabilities	124,387,904	162,220,355
Capital stock	21,709,081	21,709,081
Capital surplus	2,743,430	2,743,465
Retained earnings	9,639,333	12,155,572
Other equity interests	1,794,225	2,126,692
Equity attributable to shareholders of the parent company	35,886,069	38,734,810
Non-controlling interests	2,788,661	2,738,774
Total equity	38,674,730	41,473,584

※ Audited by CPA

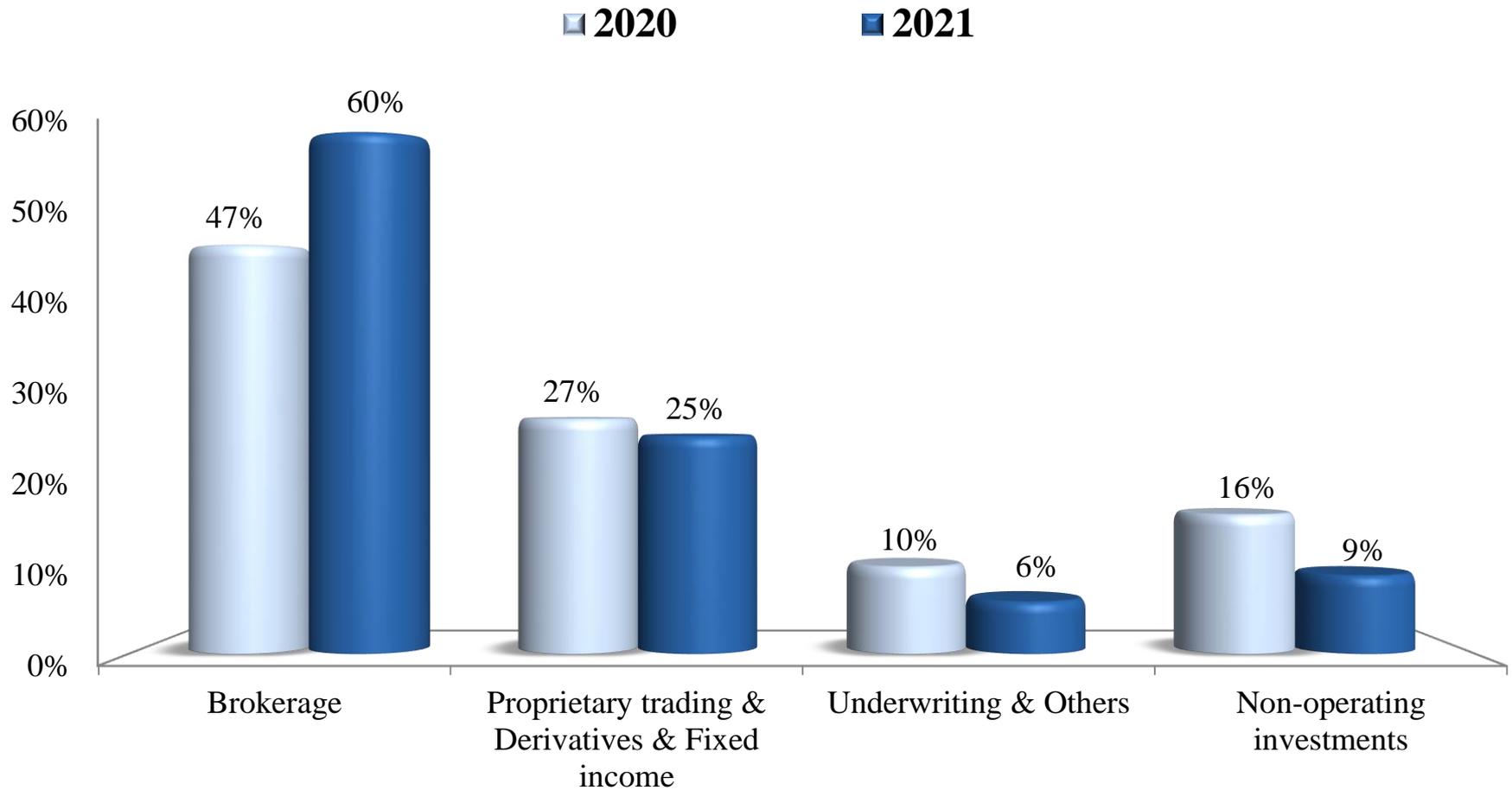
Consolidated comprehensive income statement (summary)

(NTD'000)

Item	2020	2021
Revenue	9,724,095	13,281,753
Operating expenses and costs	6,471,900	7,961,426
Operating income	3,252,195	5,320,327
Other income and expenses	1,130,505	907,182
Net income before tax	4,382,700	6,227,509
Income tax expense	542,021	765,860
Net income	3,840,679	5,461,649
Other comprehensive income	75,975	(12,622)
Total comprehensive income	3,916,654	5,449,027
Net income attributable to shareholders of the parent company	3,569,529	5,249,590
Earnings per share (NTD)	1.64	2.42

※ Audited by CPA

Earnings breakdown by major business

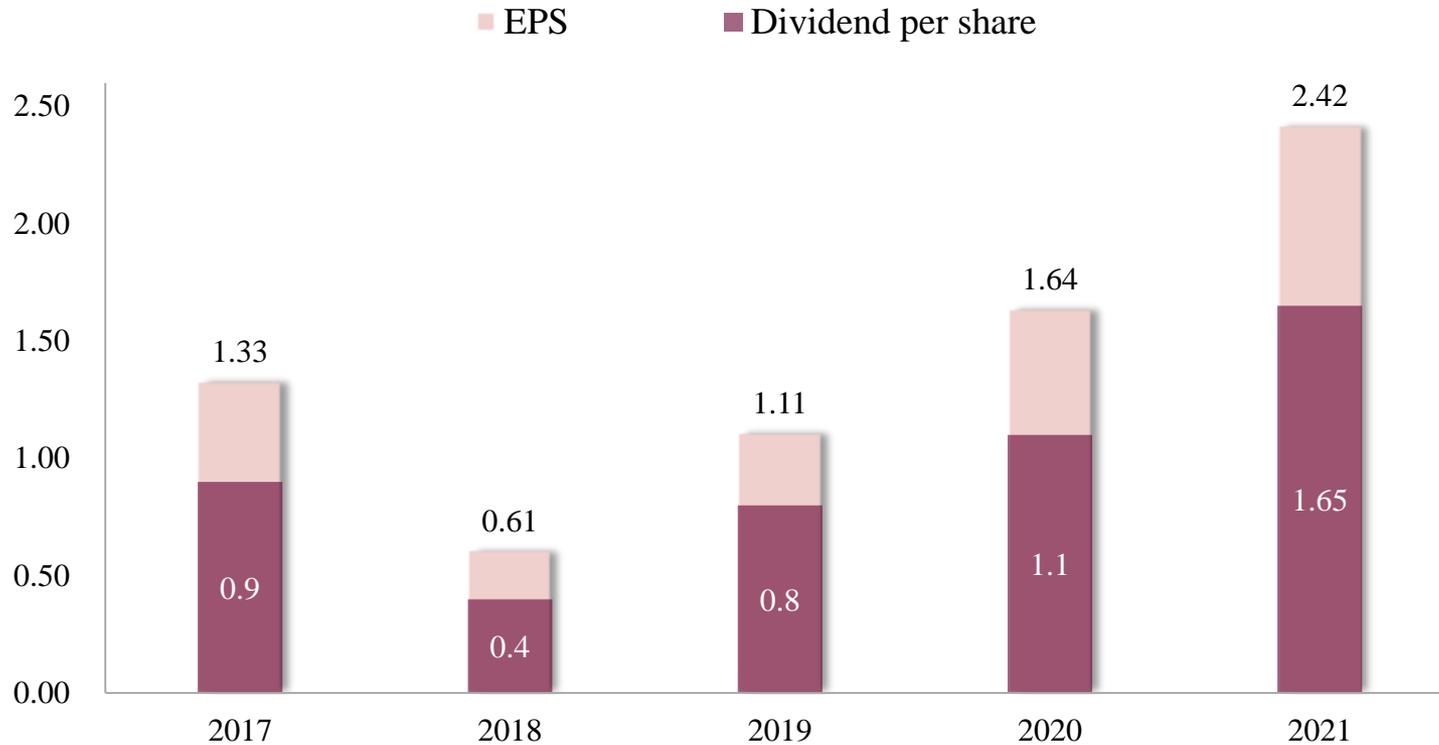


Business performance and market ranking

Item	Figures in 2021	Market ranking in 2021
Market share in brokerage	4.22%	6
Market share in margin financing	5.73%	4
Trust business-AUM	NTD12.378bn	5
Number of warrants issued	6,137	3
Value of warrants issued	NTD56.8bn	3
Value of structured products issued	NTD19.2bn	5
Number of NTD corporate bond underwritten (as lead underwriter)	11	4
Value of NTD corporate bonds underwritten	NTD48.89bn	4
Number of clients in stock registrar and transfer service	364	3

Dividend payout

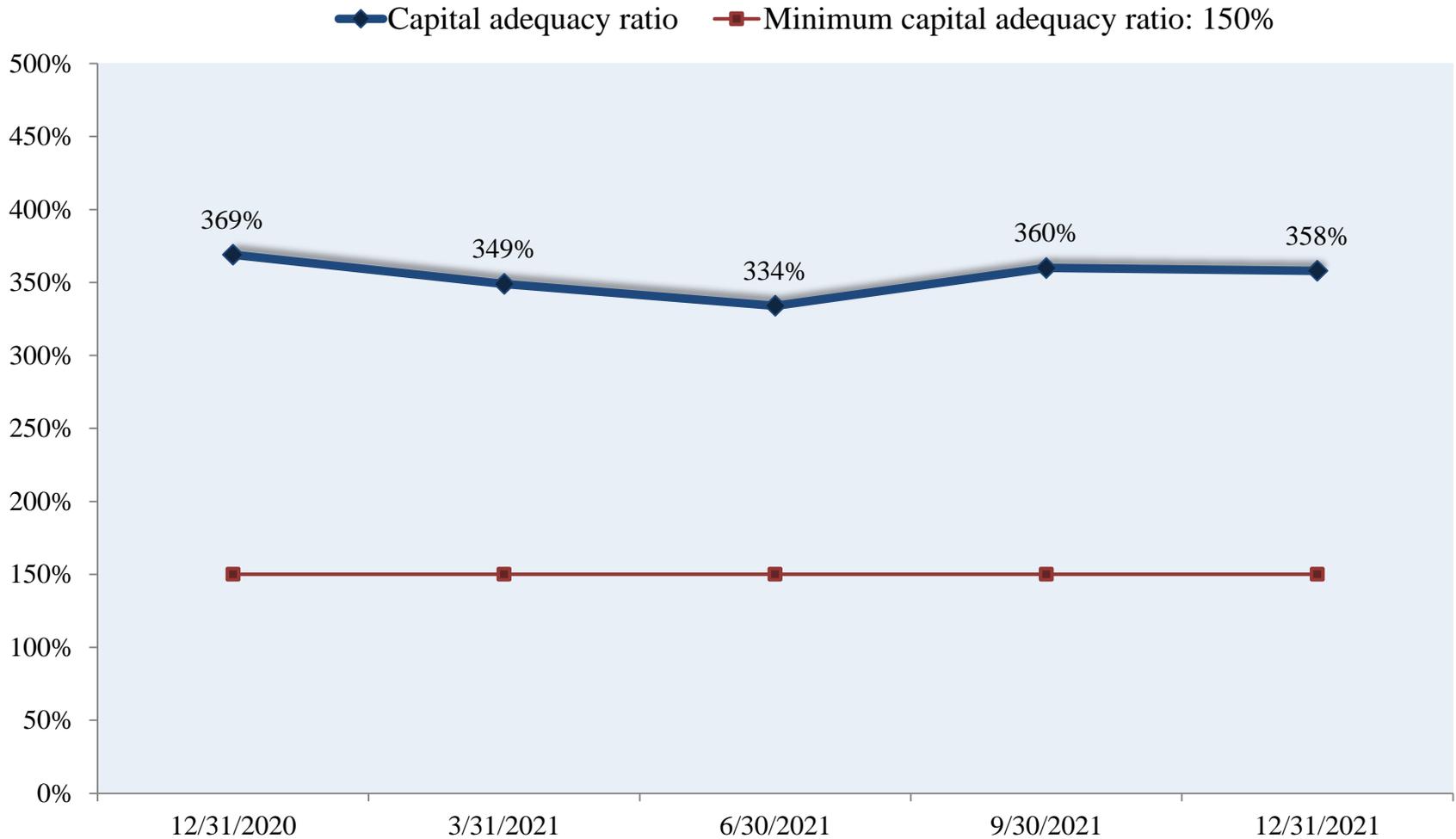
Unit: NTD



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; the distribution of FY21 earnings has been approved by the BoD on April 7, 2022, pending the general shareholder meeting's approval.

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**

MAR22 operating results

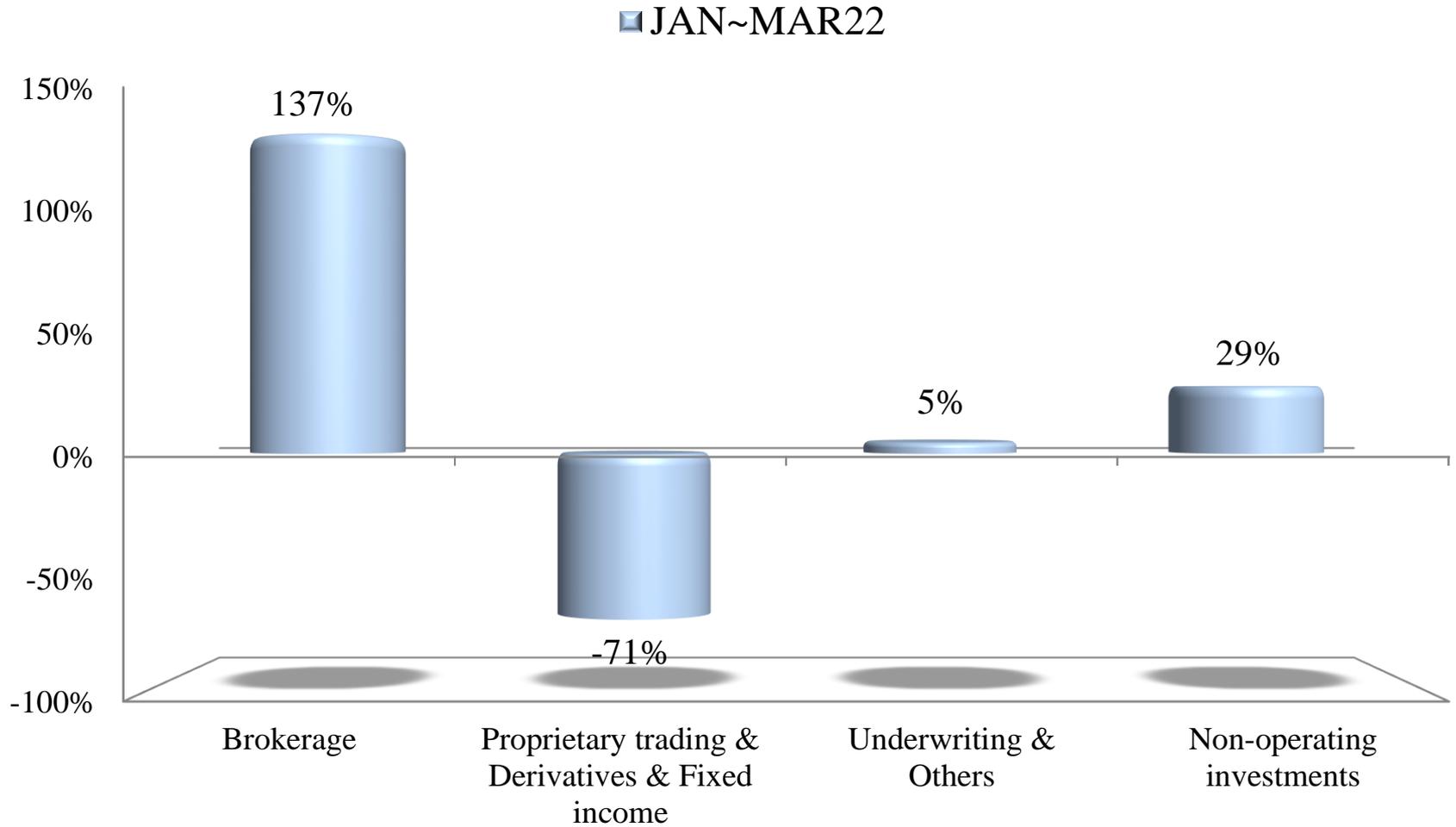
Unit: NTD'000

Entity	MAR22	JAN~MAR22
Net income before tax	134,491	370,730
Net income	137,012	281,977
EPS (NTD)	0.06	0.13

Consolidated	MAR22	JAN~MAR22
Net income before tax	176,496	469,970
Net income	167,657	349,070

※ Unaudited

JAN~MAR22 earnings breakdown by major business



※ Unaudited

➤ 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 Capital Futures, Capital Investment Trust, Capital Insurance Advisory ,and Capital Insurance Agency.
- 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/PNG/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 combing 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.

Capital Securities

- 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 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

Capital Futures

- 2021: received “Digital Transformation Model Award”, “Digital Information Service Award” and “Digital Innovation Award” in the 2021 Digital Financial Service Award organized by Commercial Times
- 2021: Chairman Lee, Wen-Chu received the “Outstanding Enterprise Leader Award” in the 16th Golden Goblet Award
- 2021: awarded No.1 in the “Futures Dealers Trading Volume Growth Diamond Award” and No.3 in the “Futures Brokers Trading Volume Diamond Award” by Taiwan Futures Exchange at the 7th Futures Diamond Award

CSC International Holdings Ltd. Shanghai Rep. Office

- 2021: awarded No.78 in the “Top 100 Analysts” of the 1H21 “Top Analysts Award” held by East Money
- 2021: received several awards in the 2020 “Top Analysts” held by East Money, including No.80 and No.85 in the “Top 100 Analysts” and No.1 in the “Top Analyst for the Banking Sector” and No.4 in the “Top Analysts for the Pharmaceutical and Biological Sector” and No.7 in the “Top Analysts for the Automotive Sector” and No.7 in the “Top Analysts for the Electronics Sector” and No.7 in the “Top Analysts for the Communications Sector”

- Held blood donation event “Love from Capital for Charity” to deliver happiness to all corners of the society.
- Cooperated with New Taipei City Blind Welfare Association and provide massage service for employees.
- 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 2020 Corporate Governance Evaluation

Recent event



JAN22: Capital Securities' industry-academia cooperation program with Soochow University on financial activities and practices in the capital market

Recent event



JAN22: Capital Securities' industry-academia cooperation program with Soochow University: the final presentation and excellent presenters

Recent event



MAR22: 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

Recent event



MAR22: 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

Recent event



JAN22: received “Best Securities Firm Award” from Excellence Magazine in the 2021 Excellent Securities Firm Evaluation for Non-FHC securities firms

Recent event



DEC21: received "Quality Award" from the Commercial Times in the 2021 Wealth Management and Trust Innovation Evaluation at the Trust Innovation Award

Thank you