

# Capital Securities Corporation Institutional Investor Conference

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*Capital Care* 群益關心您

MAR 2024

台北・香港・上海

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# Presentation Outline

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- I* Company Profile
  - II* Operation Overview
  - III* Prospect and Outlook
  - IV* Sustainability Development & Capital Securities' Practices

# *I* Company Profile

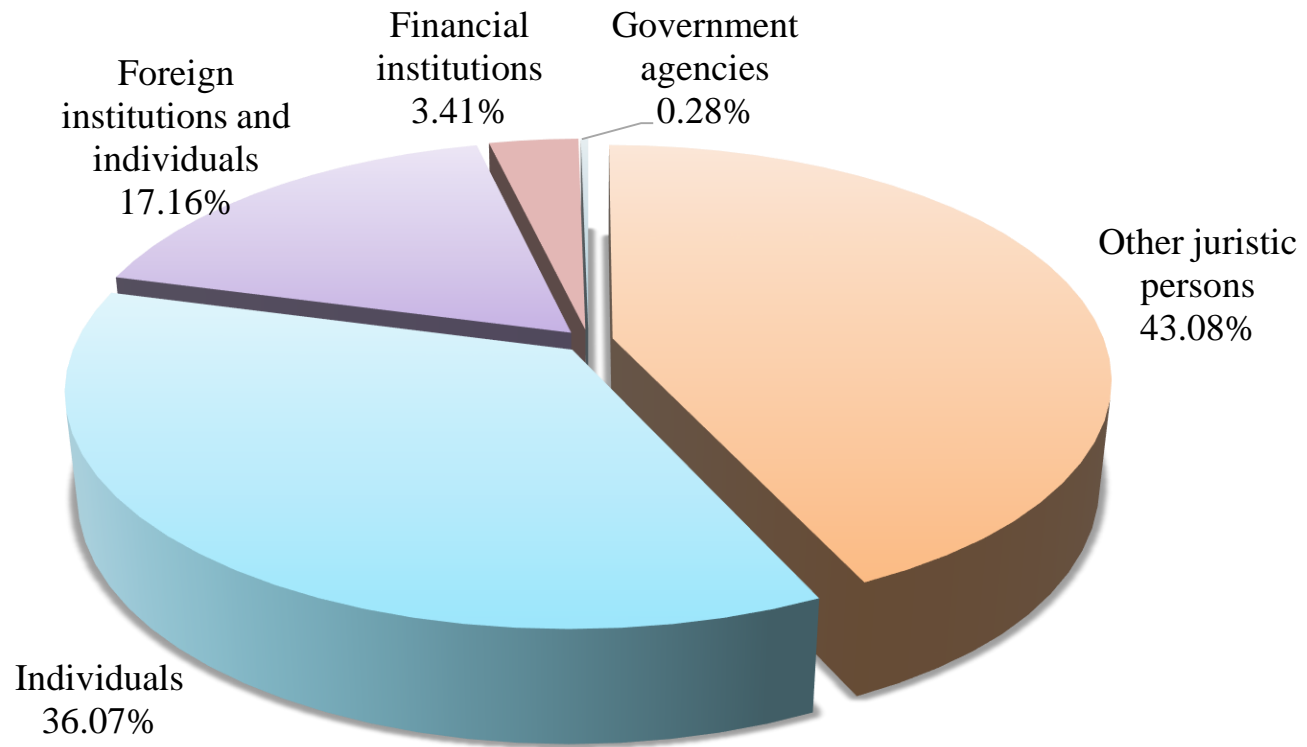
*II* Operation Overview

*III* Prospect and Outlook

*IV* Sustainability Development &  
Capital Securities' Practices

# Shareholder Structure

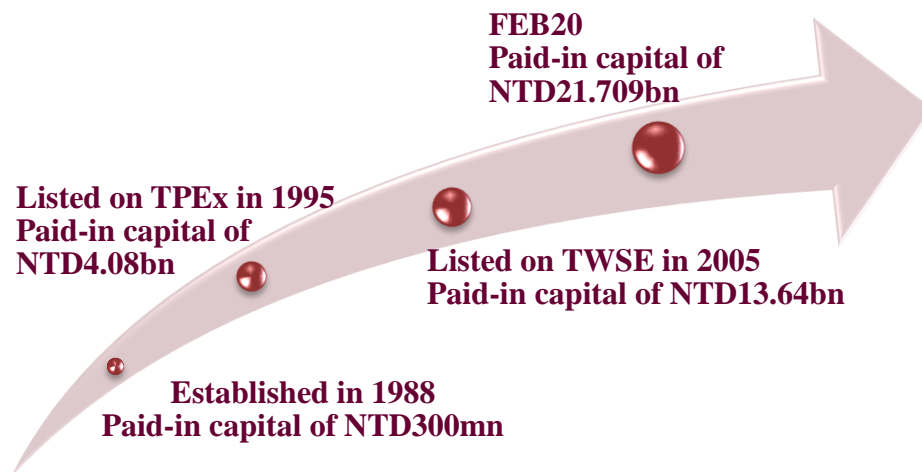
Data as of April 29, 2023



# Basic Information



|   |                               |             |
|---|-------------------------------|-------------|
| ✚ | Stock code:                   | 6005        |
| ✚ | Paid-in capital:              | NTD21.709bn |
| ✚ | Number of branches in Taiwan: | 53          |
| ✚ | Number of employees:          | 1,856       |



Data as of December 31, 2023

# 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



**Comprehensive deployment  
in Greater China**



## Hong Kong

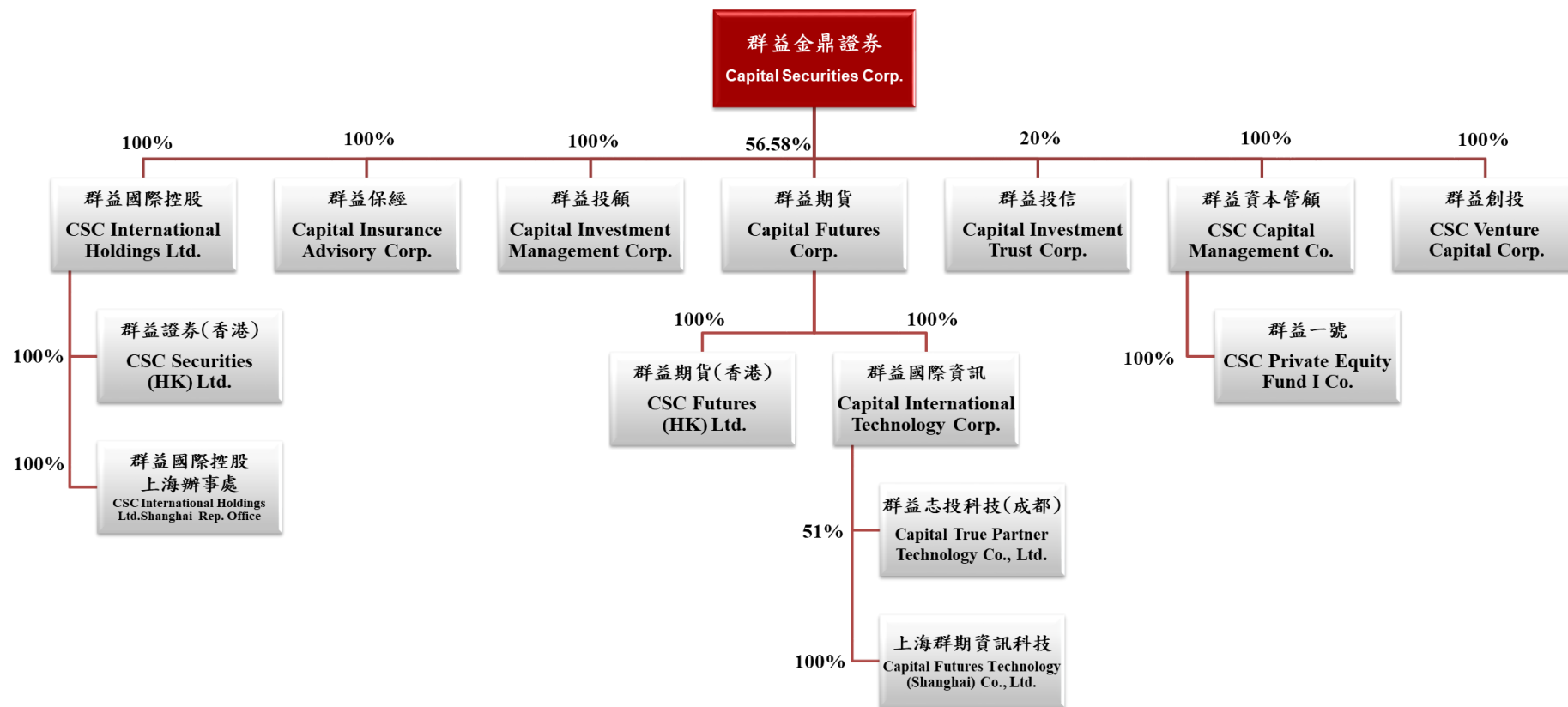
TEL : 852 2530 9966  
FAX : 852 2104 6006  
Add : 3F., FWD Financial Centre, 308 Dex Voeux Road Central, Hong Kong



## 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





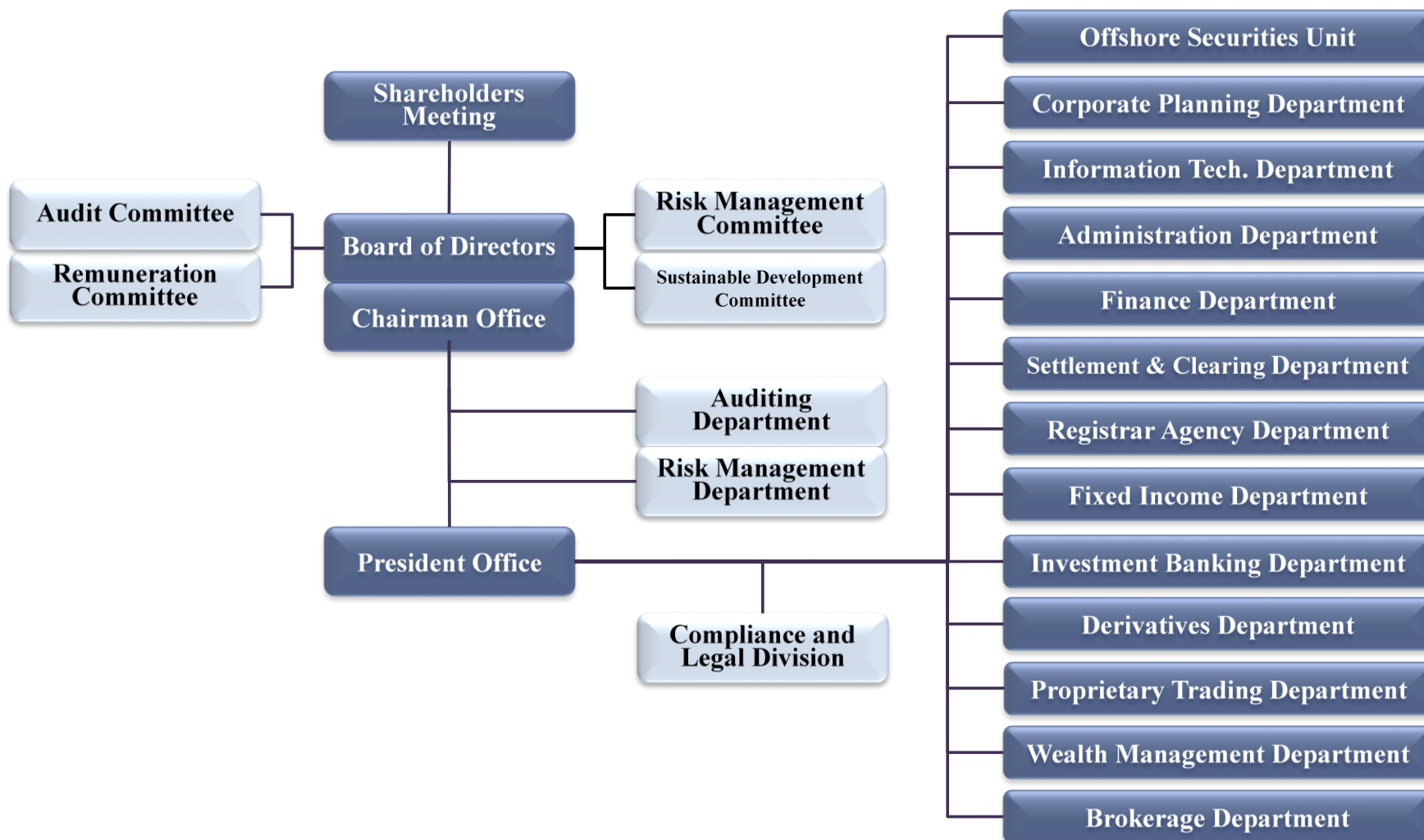
# Non-operating Investments (continued)

Unit : 1000

| Region    | Name   | Currency | Paid-in capital | Book value as of<br>Dec 31, 2023 | Net income or<br>loss for current<br>period 2023 | Book value as of<br>Feb 29, 2024 | Net income or<br>loss for<br>JAN~FEB24 |
|-----------|--|----------|-----------------|----------------------------------|--|----------------------------------|--|
| Taiwan    | Capital Futures Corp.                                | NTD      | 2,104,376       | 7,173,449                        | 1,010,196  | 7,367,031                        | 155,285                                |
|           | Capital Investment Management Corp.                  | NTD      | 70,000          | 77,899                           | 572  | 82,667                           | 4,768                                  |
|           | Capital Insurance Advisory Corp.                     | NTD      | 5,000           | 44,481                           | 18,610   | 52,310                           | 7,539                                  |
|           | Capital International Technology Corp.               | NTD      | 50,000          | 18,301                           | (8,048)  | 16,764                           | (1,605)                                |
|           | CSC Venture Capital Corp.                            | NTD      | 1,000,000       | 841,425                          | 1,837  | 853,233                          | (982)                                  |
|           | Capital Investment Trust Corp.                       | NTD      | 1,653,375       | 4,519,192                        | 934,342  | 4,719,800                        | 200,607                                |
|           | CSC Capital Management Co.                           | NTD      | 330,000         | 308,660                          | 19,039   | 307,521                          | (290)                                  |
|           | CSC Private Equity Fund I Co.                        | NTD      | 300,000         | 275,624                          | 17,548   | 274,291                          | (484)                                  |
|           |  |          |                 |                                  |  |                                  |  |
| Hong Kong | CSC Futures (HK) Ltd.                                | HKD      | 220,000         | 265,533                          | 20,179   | 267,305                          | 1,773                                  |
|           | CSC Securities (HK) Ltd.                             | HKD      | 128,000         | 172,822                          | 7,562  | 173,760                          | 939                                    |
| China     | Capital True Partner Technology Co., Ltd             | CNY      | 1,000           | 1,390                            | 400  | 1,643                            | 253                                    |
|           | Capital Futures Technology (Shanghai) Co., Ltd.      | CNY      | 4,000           | 581                              | (1,181)  | 276                              | (305)                                  |
|           | 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          | 51,791                           | 462  | 51,800                           | 9                                      |

Note : 2023 figures were audited by CPA, JAN~FEB24 figures were unaudited.

# Organizational Structure





# Financial Data Over the Past Three Years

(NTD'000)

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

※ Audited by CPA

# Consolidated Balance Sheet (summary)

(NTD'000)

| Item   | Dec 31, 2022       | Dec 31, 2023       |
|--|--------------------|--------------------|
| Current assets   | 171,397,616        | 223,526,822        |
| Non-current assets   | 20,219,025         | 23,383,910         |
| <b>Total assets</b>  | <b>191,616,641</b> | <b>246,910,732</b> |
| Current liabilities  | 150,886,125        | 201,651,712        |
| Non-current liabilities  | 2,039,403          | 1,894,496          |
| <b>Total liabilities</b>   | <b>152,925,528</b> | <b>203,546,208</b> |
| Capital stock  | 21,709,081         | 21,709,081         |
| Capital surplus  | 2,743,256          | 2,743,256          |
| Retained earnings  | 9,884,681          | 13,140,393         |
| Other equity interests   | 1,407,491          | 2,654,153          |
| <b>Equity attributable to shareholders of the parent company</b> | <b>35,744,509</b>  | <b>40,246,883</b>  |
| Non-controlling interests  | 2,946,604          | 3,117,641          |
| <b>Total equity</b>  | <b>38,691,113</b>  | <b>43,364,524</b>  |

※ Audited by CPA

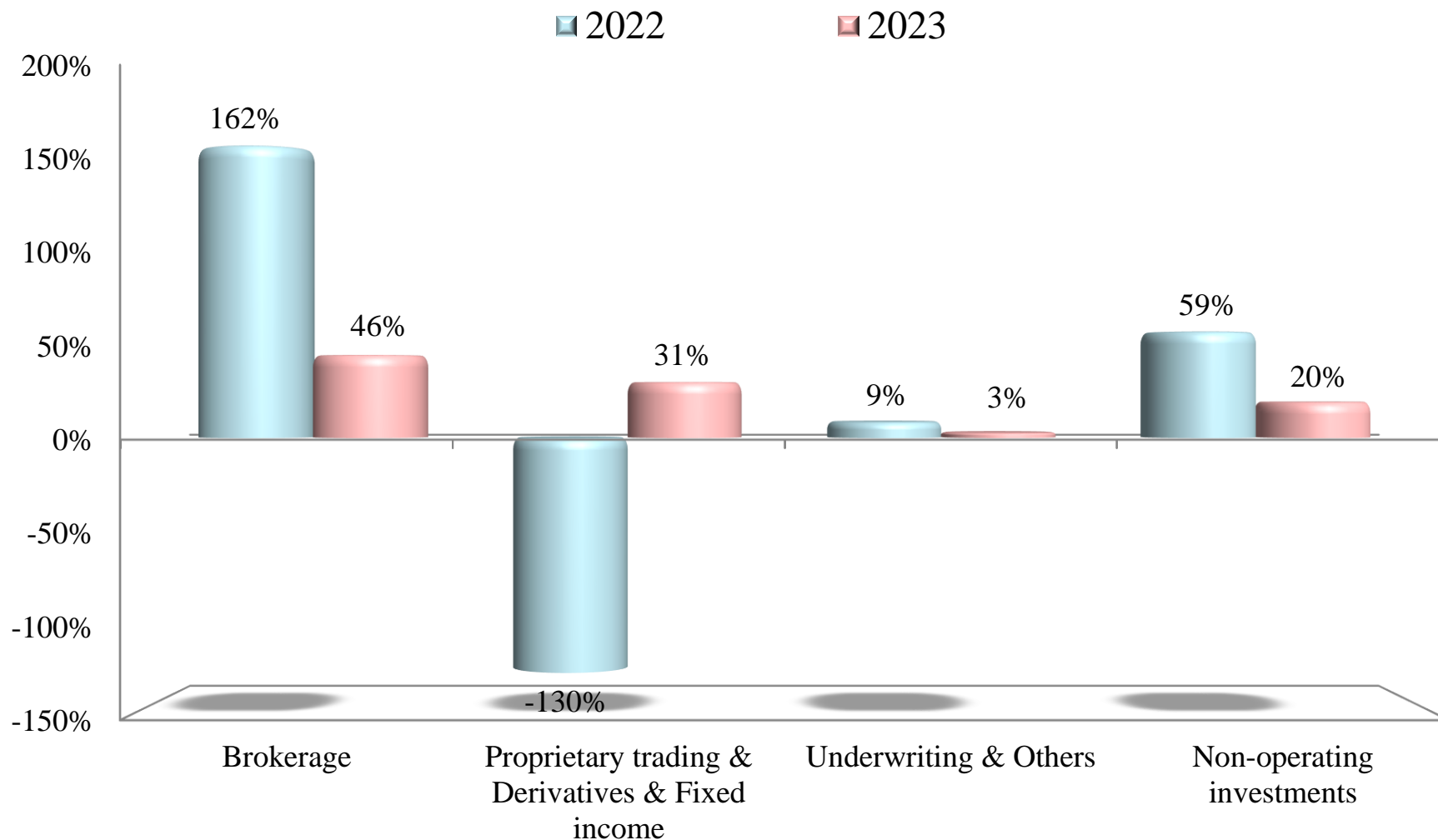
# Consolidated Comprehensive Income Statement (summary)

(NTD'000)

| Item   | 2022             | 2023             |
|--|------------------|------------------|
| Revenue  | 8,219,057        | 12,746,224       |
| Operating expenses and costs   | 7,681,534        | 9,870,663        |
| <b>Operating income</b>  | <b>537,523</b>   | <b>2,875,561</b> |
| Other income and expenses  | 1,308,528        | 2,233,215        |
| <b>Net income before tax</b>   | <b>1,846,051</b> | <b>5,108,776</b> |
| Income tax expense   | 667,035          | 537,783          |
| <b>Net income</b>  | <b>1,179,016</b> | <b>4,570,993</b> |
| Other comprehensive income   | (211,771)        | 1,225,017        |
| <b>Total comprehensive income</b>                                    | <b>967,245</b>   | <b>5,796,010</b> |
| <b>Net income attributable to shareholders of the parent company</b> | <b>840,040</b>   | <b>4,131,510</b> |
| <b>Earnings per share (NTD)</b>                                      | <b>0.39</b>      | <b>1.90</b>      |

※ Audited by CPA

# Earnings Breakdown by Major Business



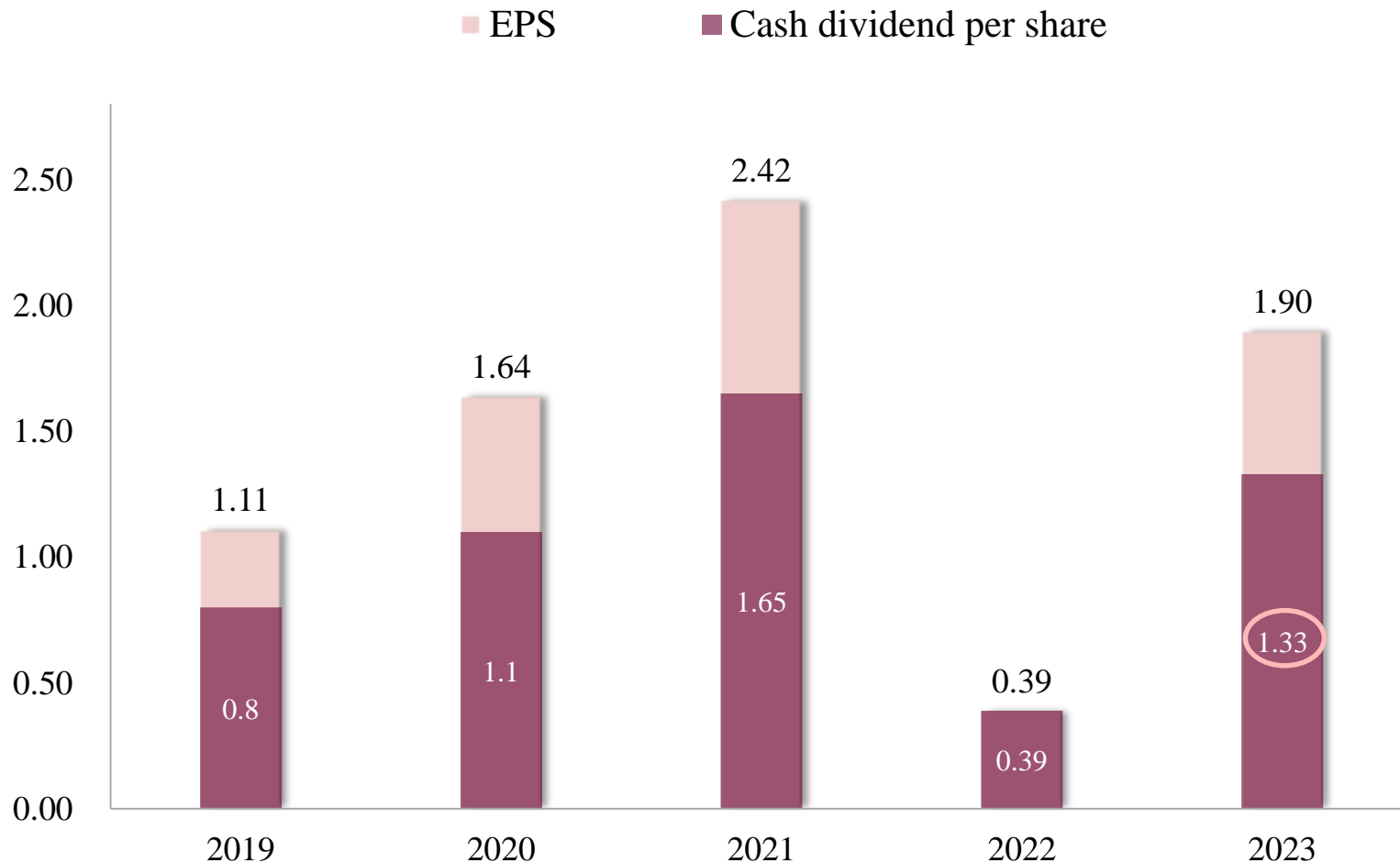
# Business Performance and Market Ranking

| Item   | Figures in<br>2023 | Market ranking in<br>2023 |
|--|--------------------|---------------------------|
| Market share in brokerage  | 3.44%              | 10                        |
| Market share in margin financing                                   | 5.15%              | 6                         |
| Trust business-AUM   | NTD15.05bn         | 7                         |
| Number of warrants issued  | 9,960              | 3                         |
| Value of warrants issued   | NTD89bn            | 3                         |
| Value of structured products issued                                | NTD26.1bn          | 4                         |
| Number of NTD corporate bond<br>underwritten (as lead underwriter) | 8                  | 5                         |
| Value of NTD corporate bonds underwritten                          | NTD48.6bn          | 4                         |
| Number of clients in stock registrar<br>and transfer service       | 356                | 4                         |



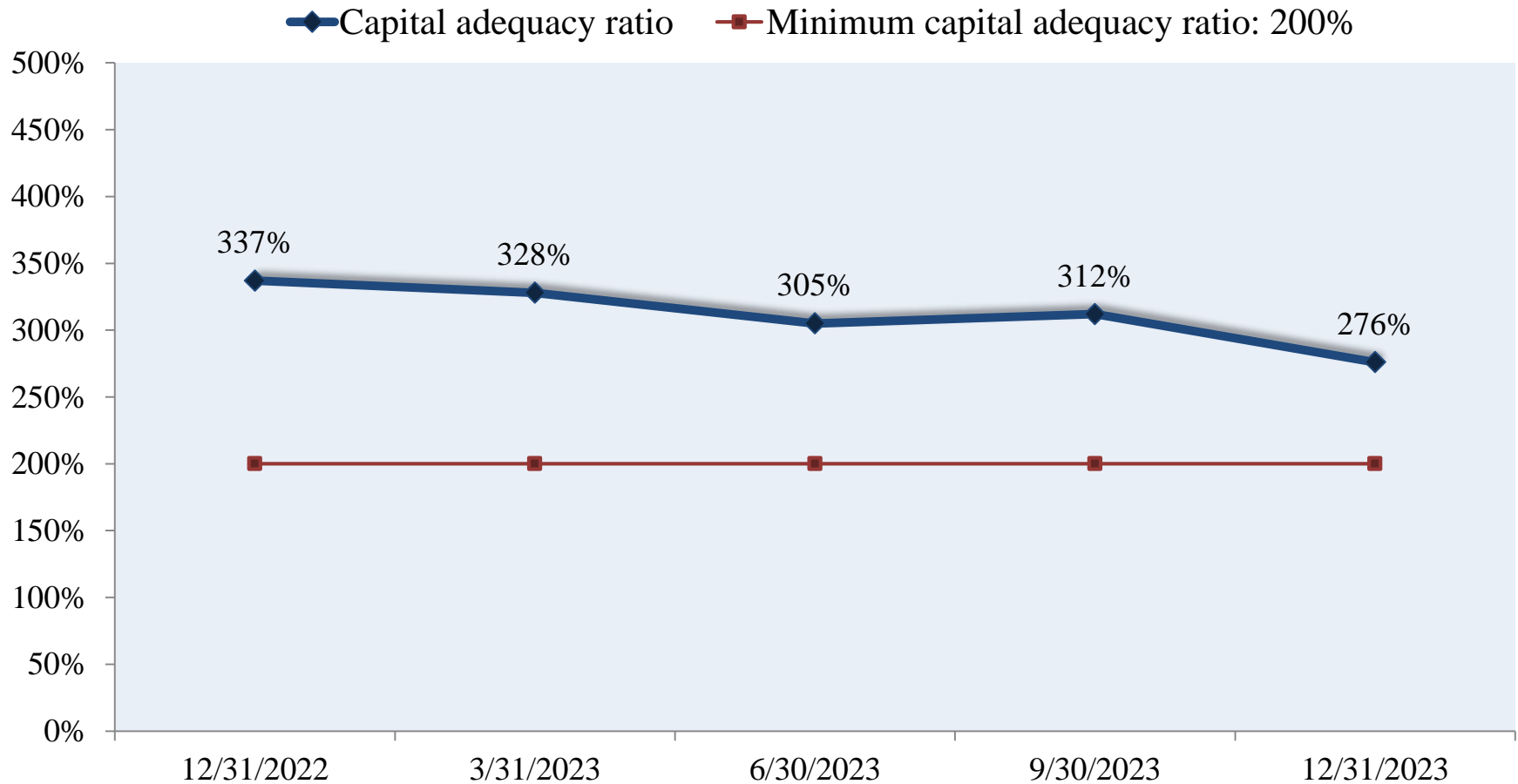
# Dividend Payout

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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# FEB24 Operating Results

Unit: NTD'000

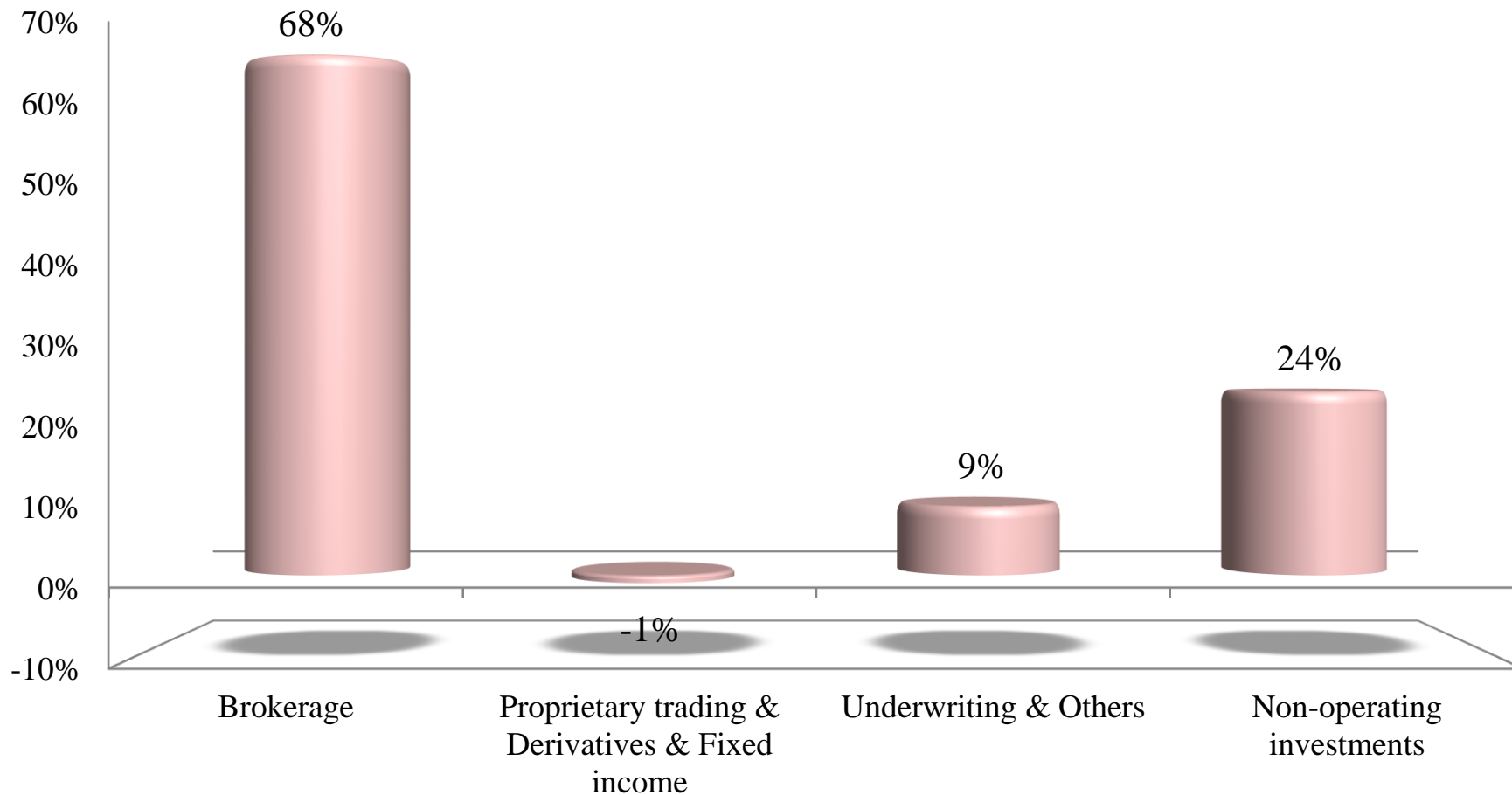
| Entity                | FEB24   | JAN~FEB24 |
|-----------------------|---------|-----------|
| Net income before tax | 507,496 | 910,894   |
| Net income            | 513,331 | 876,729   |
| EPS (NTD)             | 0.24    | 0.40      |

| Consolidated          | FEB24   | JAN~FEB24 |
|-----------------------|---------|-----------|
| Net income before tax | 557,915 | 1,019,877 |
| Net income            | 545,068 | 944,693   |

※ Unaudited

# JAN~FEB24 Earnings Breakdown by Major Business

■ JAN~FEB24



※ Unaudited

# Business Performance and Market Ranking

| Item   | Figures in<br>JAN~FEB24 | Market ranking in<br>JAN~FEB24 |
|--|-------------------------|--------------------------------|
| Market share in brokerage  | 3.47%                   | 9                              |
| Market share in margin financing                                   | 5.05%                   | 7                              |
| Trust business-AUM   | NTD15.8bn               | 7                              |
| Number of warrants issued  | 1,796                   | 3                              |
| Value of warrants issued   | NTD15.4bn               | 2                              |
| Value of structured products issued                                | NTD3.2bn                | 5                              |
| Number of NTD corporate bond<br>underwritten (as lead underwriter) | 1                       | 2                              |
| Value of NTD corporate bonds underwritten                          | NTD2.4bn                | 4                              |
| Number of clients in stock registrar<br>and transfer service       | 356                     | 4                              |



## *Our Vision*

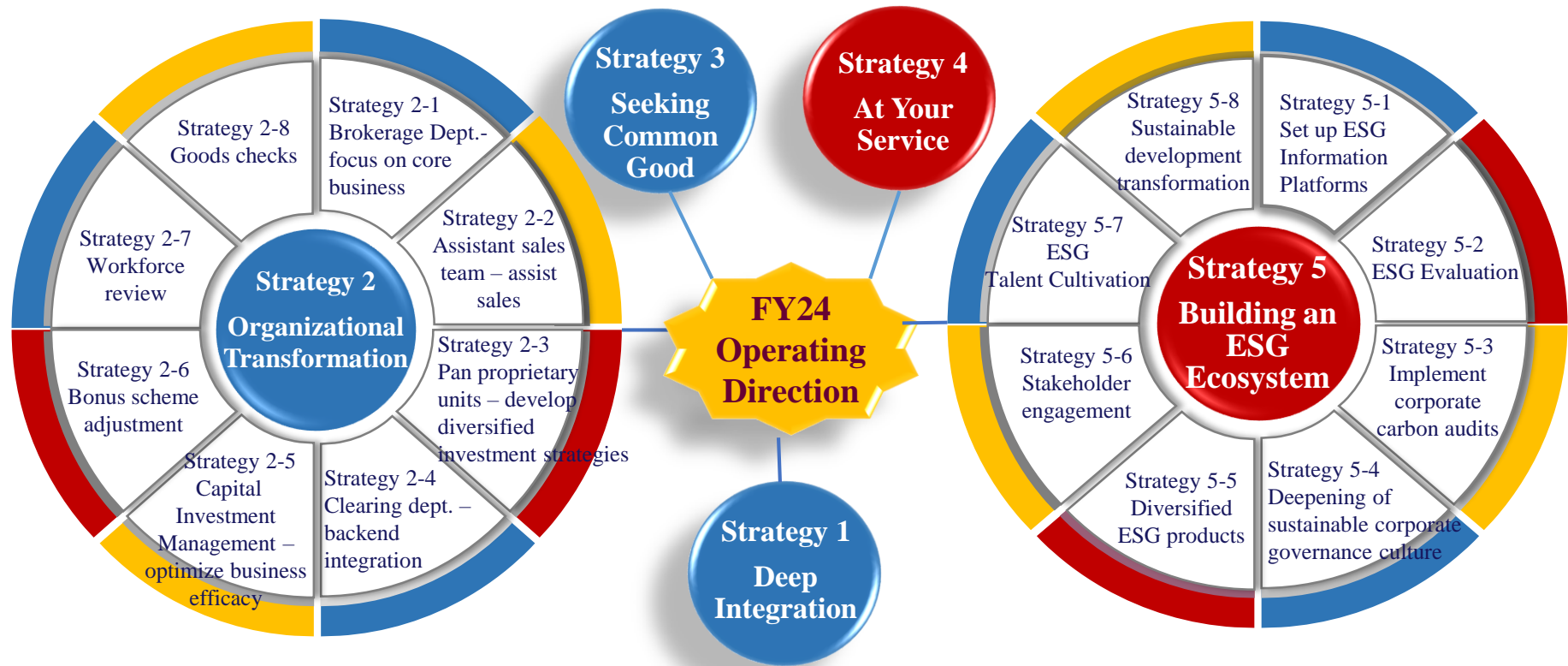
- To create long-term and rewarding partnerships with our clients by offering high value-added financial services which exceed client expectations

## *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



# List of Awards

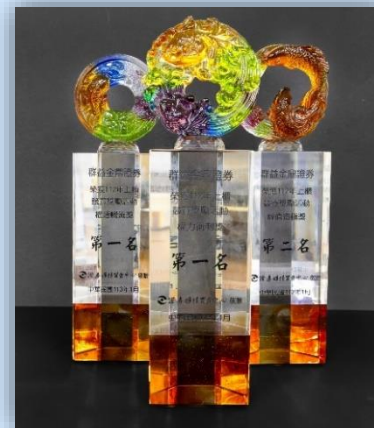
- Capital Pay & Happy Trade APP received the International Innovation Award in the Service & Solution Category from Enterprise Asia



- Ranked 2nd in the 2023 Best Partner Award of Pioneer Stock Board from Taipei Exchange



- Received 2023 Warrants Awards (Top 3 Issuers of the Year, Top 3 Highest Turnover of the Year and Top 3 Highest Growth of the Year) from Taipei Exchange



# List of Awards (continued)

- Excellence Award, Best Performance Award (1st place for Keelung and 3rd place for Chongde Branch) and Warrant King Warfare Award (1st place for Taichung and 2nd place for Tongta Branch) from the 14th Taiwan Warrant King Competition (TWKC) of *Commercial Times*



- Information security upgrade accredited ISO 27001-2022 by British Standards Institution (the first Taiwanese securities house to be certified with this standard)



- Ranked 3rd in the Excellence Award and 5th in the Growth Award from the TWSE in the 2023 Warrant Issuer Incentive Programs



- Best Wealth Management Award and Best Securities Firm Award in the non-FHC category in the 2024 Excellent Securities Evaluation held by *Excellence Magazine*







# 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)

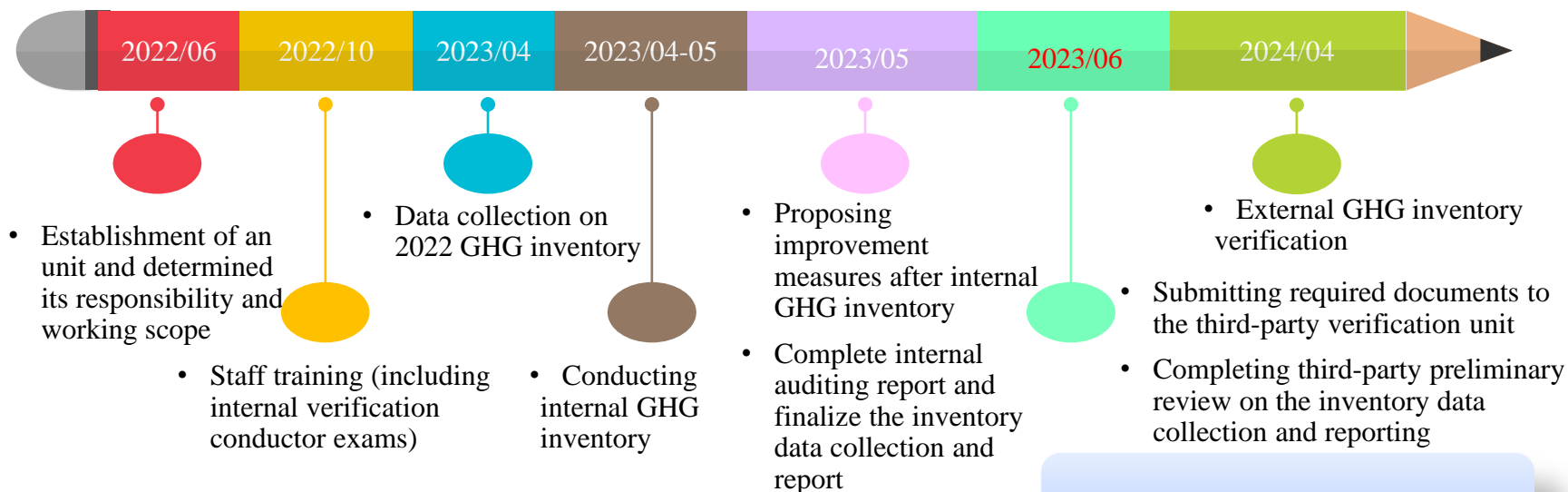
The UN has proposed the 2030 Sustainable Development Agenda in 2015 with 17 Sustainable Development Goals (SDGs) that are key indicators of global sustainable development.



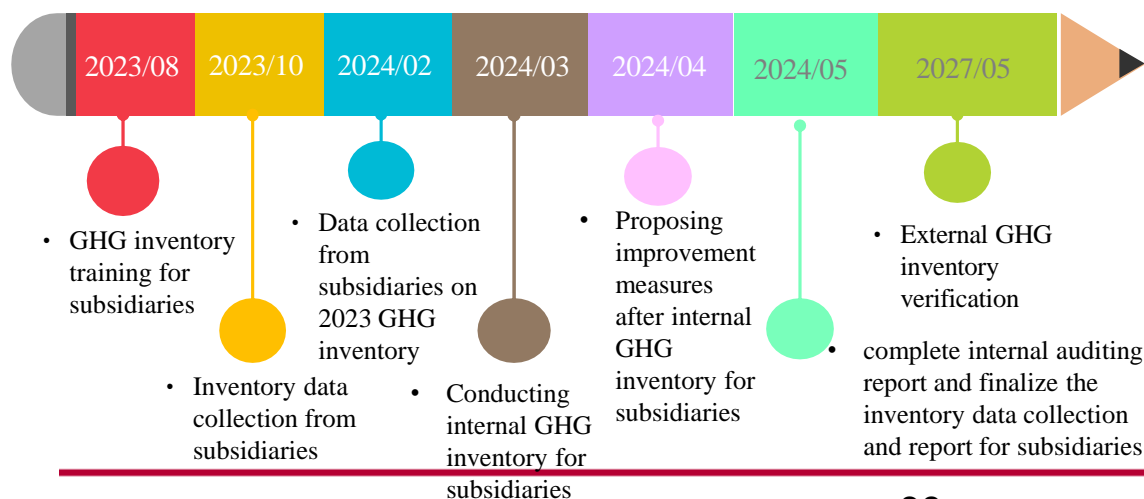
These goals serve as indispensable indicators for the international community. As they are expected to facilitate sustainable development in societies by 2030 and effectively reduce poverty and hunger worldwide, global communities may find stabilization and balance as early as possible.

# Sustainable Development Practices

## Parent company's Greenhouse Gas Inventory and Verification Status



## Subsidiaries' Greenhouse Gas Inventory and Verification Status



## Environment Protection

- Providing GHG inventory and verification training for inventory personnel and internal verifiers at subsidiaries so that all subsidiaries may take part in the net-zero emissions campaign.
- Completing GHG inventory for subsidiaries and promoting data collection methods for each source of emission.

## Social Responsibility

- In our 16th year of blood donation, we held 19 such events in 2023, giving more than 1,100 bags of blood.
- Our “Love of Reading” celebrates a decade of success in caring for rural townships. We organize city tours to enhance the reading abilities of students from remote areas. We devote to social care, which is our core value.
- Committed to inclusive finance, we held five talks under our “Global Investment Forum” across Taiwan in 4Q23. We share high-quality, professional knowledge in the financial market and grow with our investors to fulfill sustainable finance.





## Corporate Governance

- We received the honorable Outstanding Talent Cultivation Prize from the 17th Golden Goblet Award. This symbolizes acknowledgement to our effort in cultivating talents in the financial sector, our commitment to ESG practices and social contribution, and our resolution to long-term growth of clients' investment.
- The reception of the Happiness Enterprise Golden Award shows that we care about staff welfare deeply. We make sure our work environment is safe and healthy, and we hold events from time to time to gather employees together. This is how we build a company of happiness.

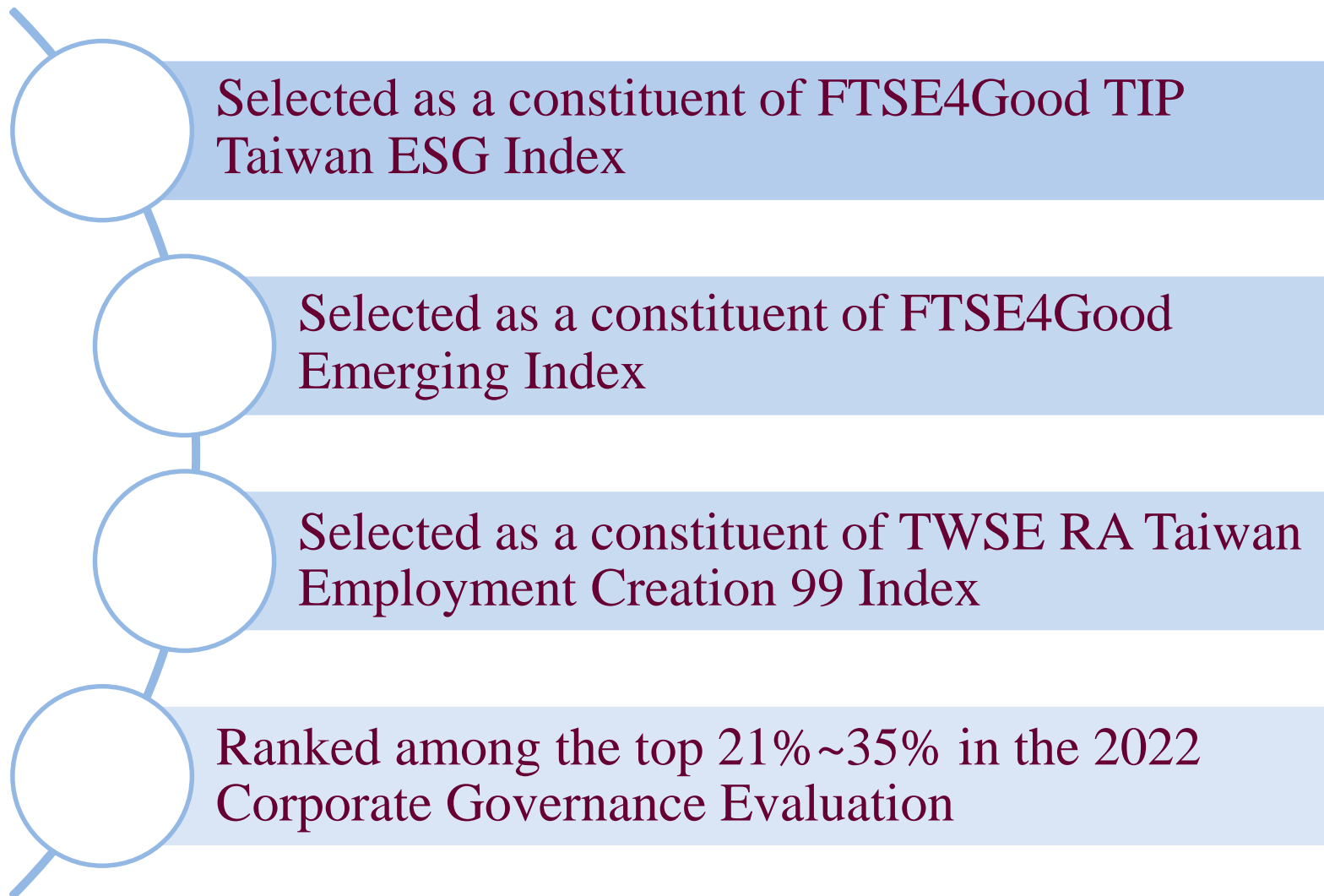


## Corporate Governance & Social Responsibility

- The board of directors attended a year-end party to enjoy time together with employees. During this event, they expressed dedication to staff welfare and commitment to gender equity. They also affirmed a strong stance on sustainable development and ESG practices.
- The company is enhancing its gender equity initiatives in 2024. A range of new welfare policies have been implemented, such as “artificial reproduction leaves,” “care-for-mommy packs,” and “pregnancy safety tags”. Additionally, more days off are being provided to family caregivers. The company is devoted to meeting the needs of its staff comprehensively.



# Recognized for Sustainable Development and Corporate Governance



**Thank you**