

# Capital Securities Corporation Institutional Investor Conference

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*Capital Care* 群益關心您

June 2021

台北 · 香港 · 上海

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# Presentation outline

## Company profile

- Basic information
- Non-operating investments

## Operation overview

- Financial statements
- Operational results

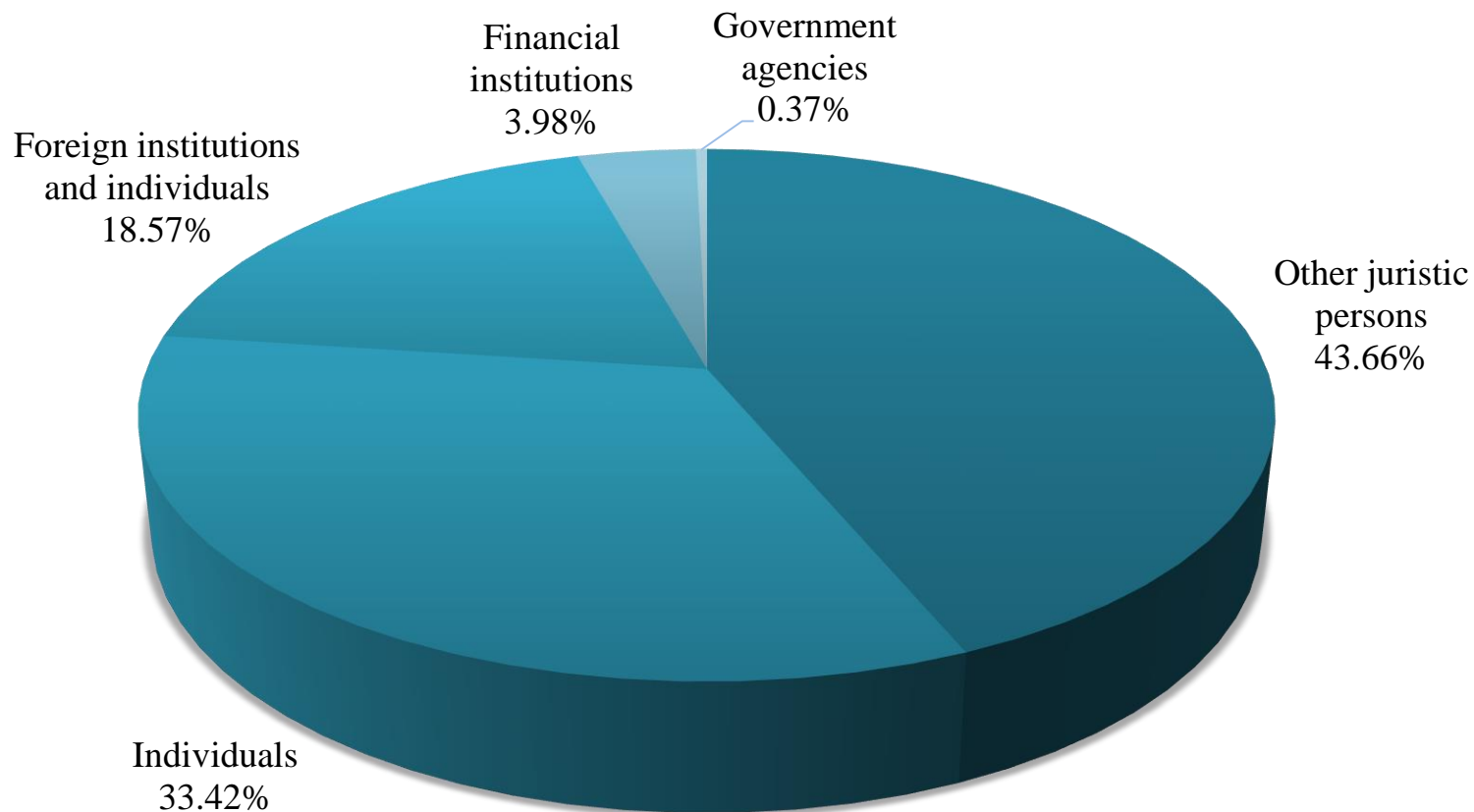
## Prospect and outlook

- Operational plan
- List of awards

# Company profile

# Shareholder structure

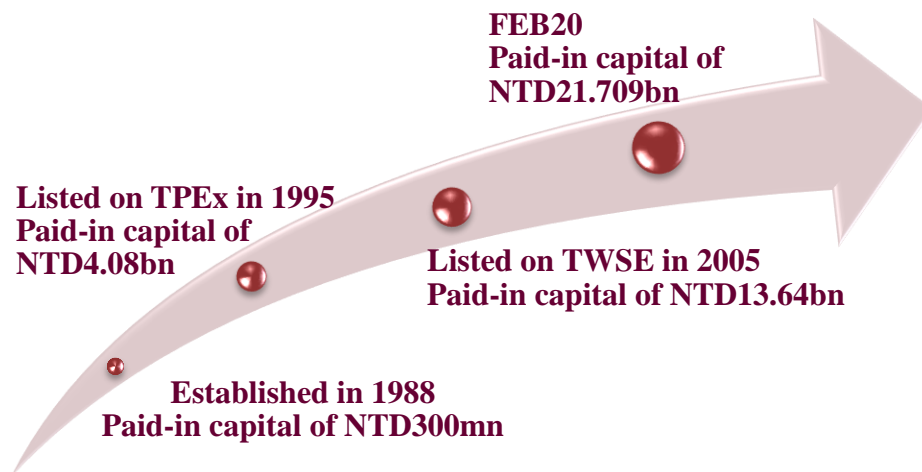
Data as of April 30, 2021



# Basic information



✚	Stock code:	6005
✚	Paid-in capital:	NTD21.709bn
✚	Number of branches in Taiwan:	53
✚	Number of employees:	1,940



Data as of March 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 : Unit 3204-07, 32F, Cosco Tower, 183 Queen's Road Central, Hong Kong

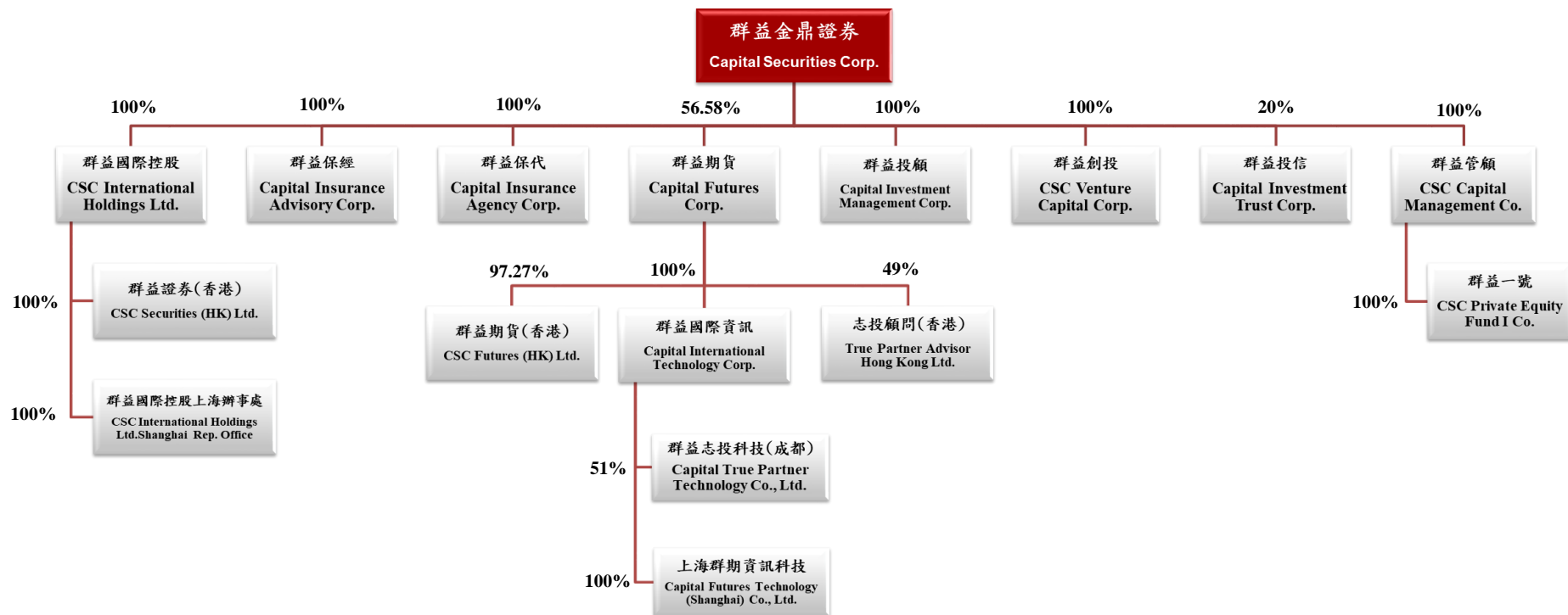
## Headquarters in Taipei

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.

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# Non-operating investments





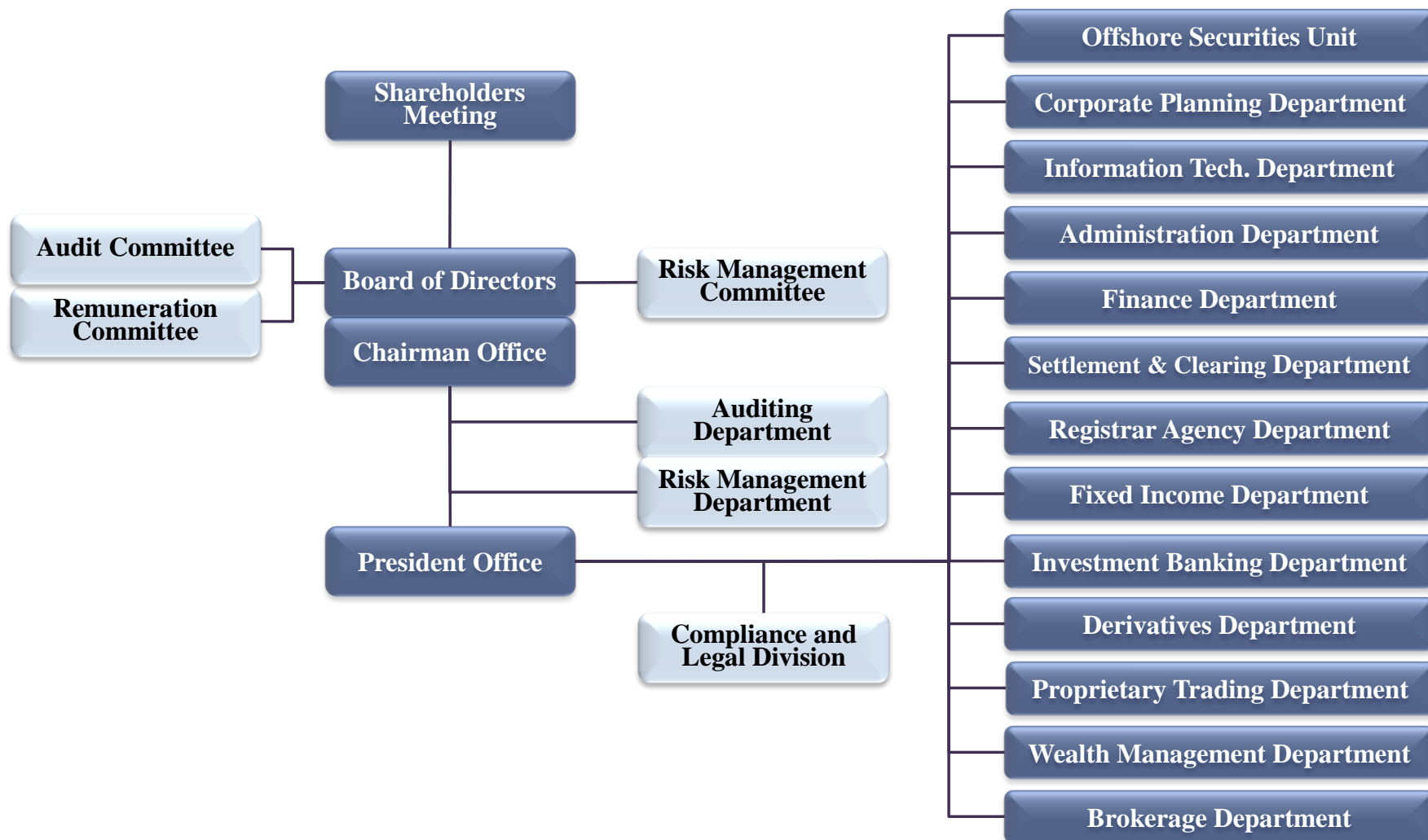
# Non-operating investments (continued)

Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of Mar 31, 2021	Net income or loss for JAN~MAR21	Book value as of May 31, 2021	Net income or loss for JAN~MAY21
<b>Taiwan</b>	Capital Futures Corp.	NTD	2,104,376	6,540,298	159,578	6,008,368	241,361
	Capital Investment Management Corp.	NTD	70,000	75,733	(147)	78,000	2,120
	Capital Insurance Advisory Corp.	NTD	5,000	58,363	6,377	62,407	10,421
	Capital Insurance Agency Corp.	NTD	7,400	39,644	454	39,957	767
	Capital International Technology Corp.	NTD	50,000	38,961	(1,939)	37,922	(2,988)
	CSC Venture Capital Corp.	NTD	1,000,000	838,945	(2,132)	818,301	(2,659)
	Capital Investment Trust Corp.	NTD	1,653,375	4,335,283	212,251	4,480,587	357,555
	CSC Capital Management Co.	NTD	330,000	329,114	(628)	328,579	(1,163)
	CSC Private Equity Fund I Co. (Note 2)	NTD	300,000	N/A	N/A	299,894	(106)
<b>Hong Kong</b>	CSC Futures (HK) Ltd.	HKD	220,000	245,871	(3,485)	245,933	(3,422)
	CSC Securities (HK) Ltd.	HKD	128,000	173,432	604	172,935	107
	True Partner Advisor Hong Kong Ltd.	HKD	500	10,926	279	10,755	107
<b>China</b>	Capital True Partner Technology Co., Ltd	CNY	1,000	1,158	(13)	1,201	31
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	3,356	(267)	3,206	(417)
	CSC International Holdings Ltd. Shanghai Rep. Office	N/A	N/A	N/A	N/A	N/A	N/A
<b>BVI</b>	CSC International Holdings Ltd.	USD	45,000	53,571	(128)	53,377	(323)

Note 1 : JAN~MAR21 figures of Capital Futures Corp. and CSC Futures (HK) Ltd. were reviewed by CPA; other figures were unaudited; JAN~MAY21 figures were unaudited  
 Note 2 : CSC Private Equity Fund I Co. completed its incorporation registration in APR21

# Organizational structure



# Operation overview

# Financial data over the past three years

(NTD'000)

Item	2018	2019	2020	JAN~MAR21
Consolidated net income before tax	2,326,530	3,228,097	4,382,700	1,546,363
Consolidated net income	1,777,510	2,829,234	3,840,679	1,360,809
Net income attributable to shareholders of the parent company	1,408,865	2,566,823	3,569,529	1,291,896
EPS (NTD)	0.61	1.11	1.64	0.60

※ Audited or reviewed by CPA

# Consolidated balance sheet (summary)

(NTD'000)

Item	Mar 31, 2020	Mar 31, 2021
Current assets	127,157,204	158,391,812
Non-current assets	16,502,382	17,278,685
<b>Total assets</b>	<b>143,659,586</b>	<b>175,670,497</b>
Current liabilities	106,335,142	133,170,073
Non-current liabilities	2,205,081	2,288,230
<b>Total liabilities</b>	<b>108,540,223</b>	<b>135,458,303</b>
Capital stock	21,709,081	21,709,081
Capital surplus	2,745,094	2,743,465
Retained earnings	7,075,634	10,952,857
Other equity interests	799,677	1,940,111
<b>Equity attributable to shareholders of the parent company</b>	<b>32,329,486</b>	<b>37,345,514</b>
Non-controlling interests	2,789,877	2,866,680
<b>Total equity</b>	<b>35,119,363</b>	<b>40,212,194</b>

※Reviewed by CPA

# Consolidated comprehensive income statement (summary)

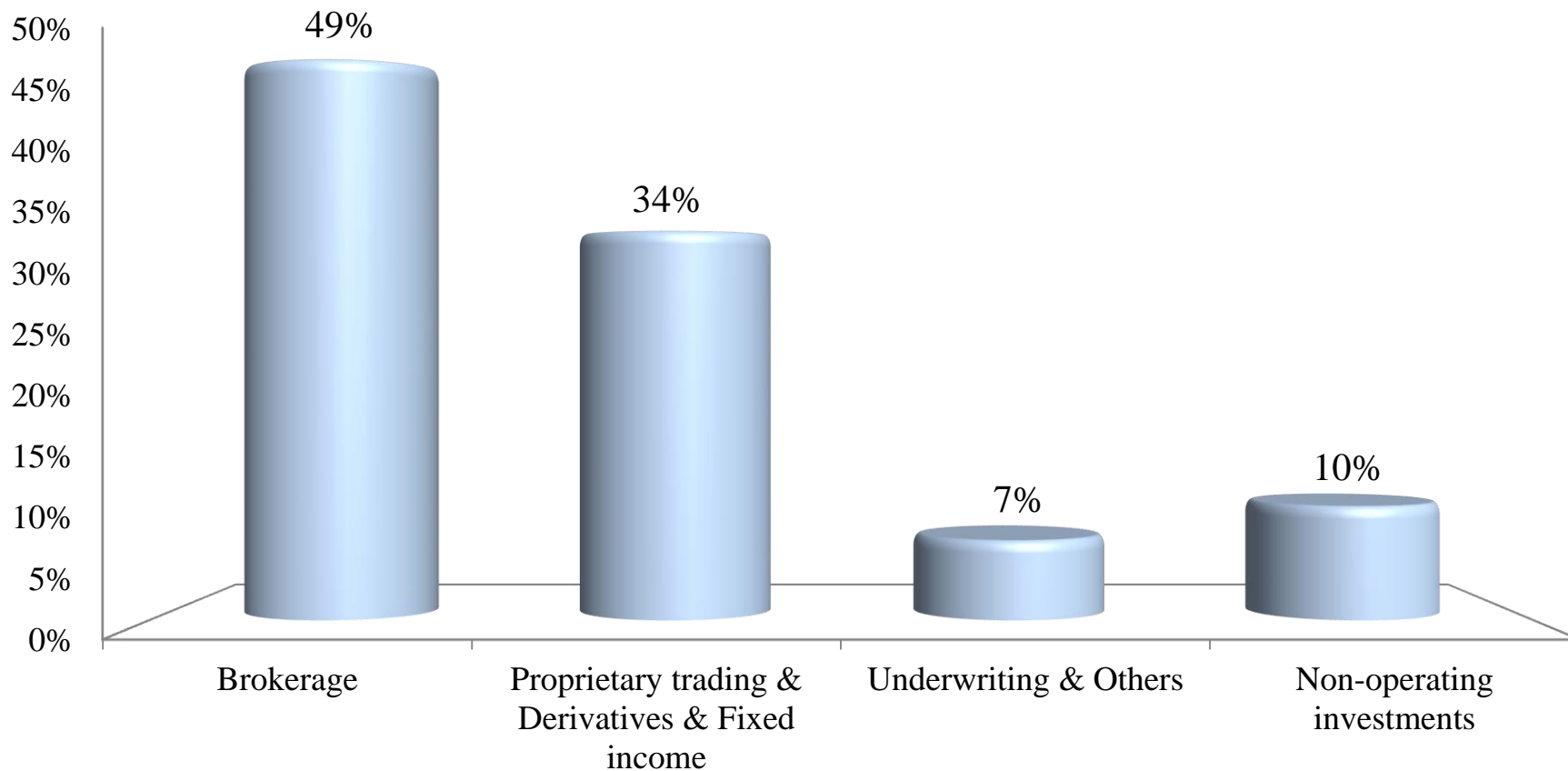
(NTD'000)

Item	JAN~MAR20	JAN~MAR21
Revenue	542,135	3,175,945
Operating expenses and costs	1,478,046	1,849,785
<b>Operating income (loss)</b>	<b>(935,911)</b>	<b>1,326,160</b>
Other income and expenses	283,868	220,203
<b>Net income (loss) before tax</b>	<b>(652,043)</b>	<b>1,546,363</b>
Income tax expense	125,449	185,554
<b>Net income (loss)</b>	<b>(777,492)</b>	<b>1,360,809</b>
Other comprehensive income	(774,505)	176,593
<b>Total comprehensive income</b>	<b>(1,551,997)</b>	<b>1,537,402</b>
<b>Net income (loss) attributable to shareholders of the parent company</b>	<b>(850,018)</b>	<b>1,291,896</b>
<b>Earnings (loss) per share (NTD)</b>	<b>(0.39)</b>	<b>0.60</b>

※Reviewed by CPA

# Earnings breakdown by major business

■ JAN~MAR21





# MAY21 operating results

Unit: NTD'000

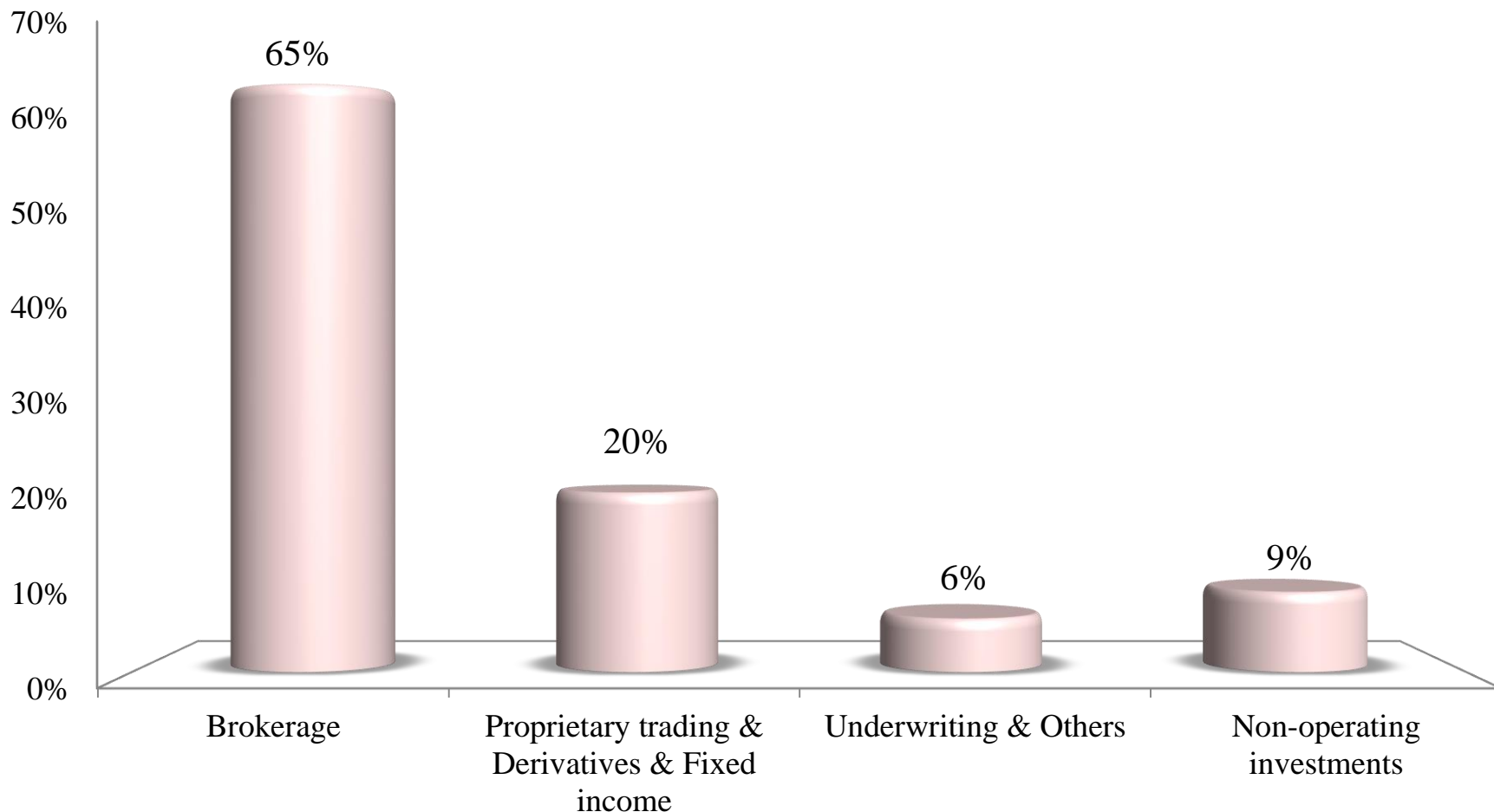
Entity	MAY21	JAN~MAY21
Net income before tax	270,246	2,177,163
Net income	201,018	1,886,331
EPS (NTD)	0.09	0.87

Consolidated	MAY21	JAN~MAY21
Net income before tax	297,629	2,339,251
Net income	218,648	1,990,857

※ Unaudited

# MAY21 earnings breakdown by major business

■ JAN-MAY21

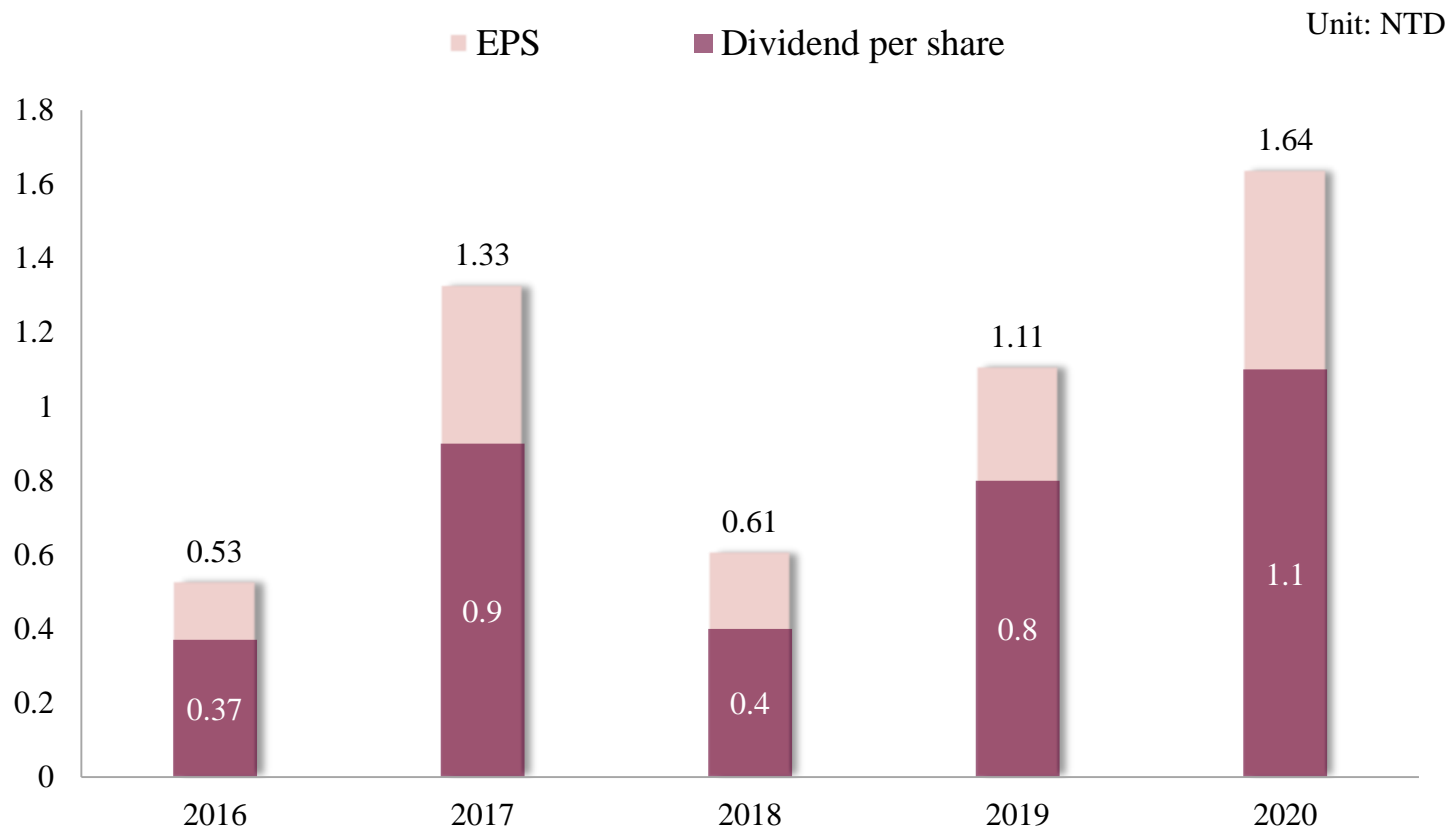


※ Unaudited

# Business performance and market ranking

Item	Figures in JAN~MAR21	Market ranking in JAN~MAR21
Market share in brokerage	3.96%	7
Market share in margin financing	5.68%	4
Trust business-AUM	NTD13.281bn	5
Number of underwriting cases	2	4
Number of warrants issued	1,382	4
Value of warrants issued	NTD13.3bn	3
Value of structured products issued	NTD5.8bn	6
Number of NTD corporate bond underwritten (as lead underwriter)	2	2
Value of NTD corporate bonds underwritten	NTD11.85bn	1
Number of clients in stock registrar and transfer service	360	3

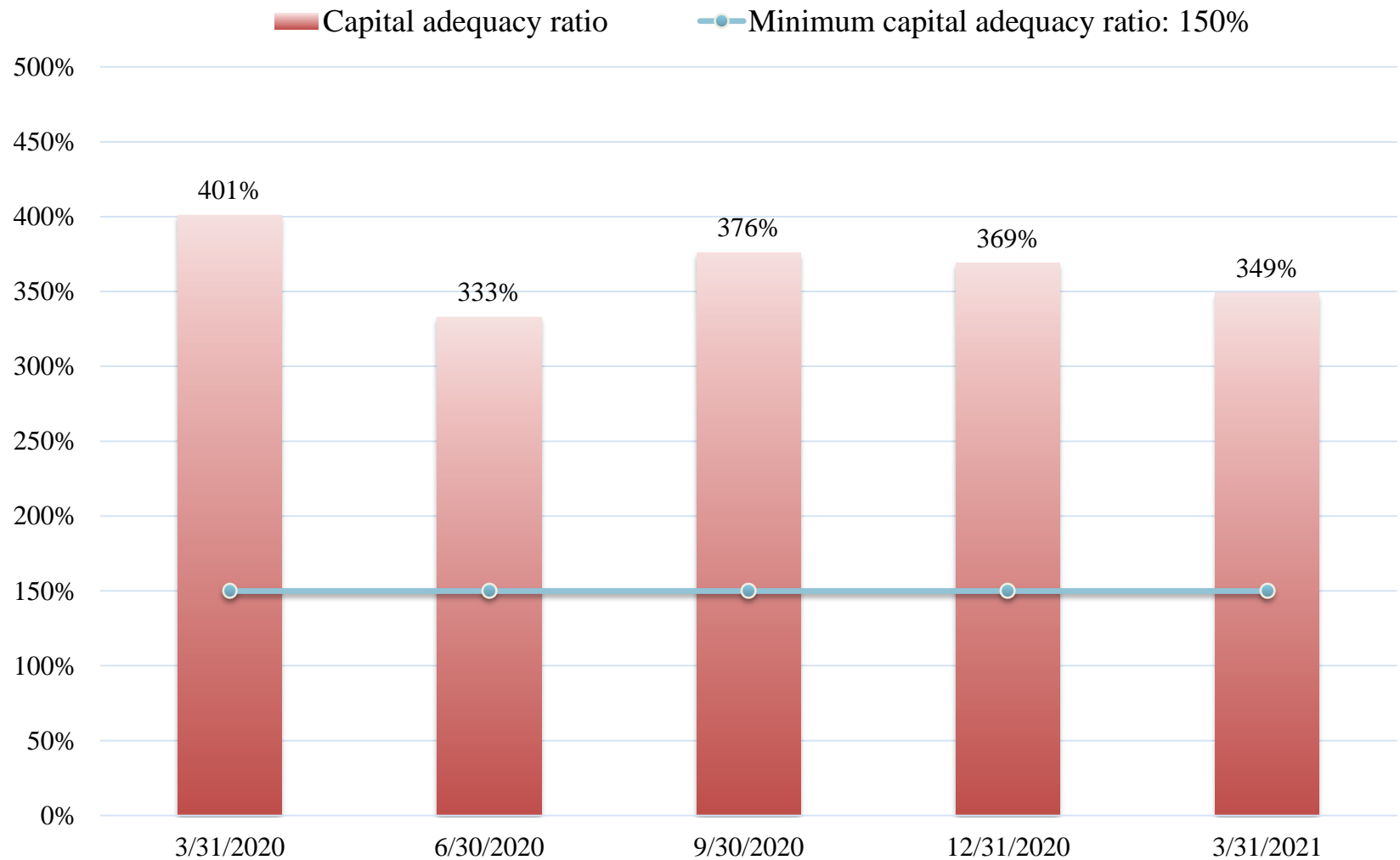
# Dividend payout



Item	2016	2017	2018	2019	2020
EPS	0.53	1.33	0.61	1.11	1.64
Cash dividend per share	0.37	0.20	0.40	0.80	1.1
Stock dividend per share	-	0.70	-	-	-

※EPS are pre-adjustment figures; the distribution of FY20 earnings has been approved by the BoD on March 25, 2021, pending the general shareholder meeting's approval.

# Capital adequacy ratio



## 2020 Fitch Ratings

- Long-term Issuer Default Rating (IDR) **BBB-**
- National Long-term Rating **A(twn)**
- National Short-term Rating **F1(twn)**
- Outlook **Stable**

# Prospect and outlook

outlook



# Business philosophy

## *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. Expedite optimization of smart order services, one-account-for-all-products platform and digital services platform in the brokerage business for a better competitiveness in the market.
- II. Launch the Systematic Investment Plan (SIP) business in response to intra-day odd lot trading to attract young customers.
- III. Continue to promote the one-account-for-all-products platform and boost the number of new users and the deposits of their accounts so as to enhance the Company's interest income and wealth management business.
- IV. Maximize the sub-brokerage business and improve its services to corporations.
- V. Grasp opportunities to manage the wealth of high-asset clients while continue to develop new services and products for these clients in order to diversify wealth management strategies and increase the wealth management AUM.
- VI. Stay abreast of the development of the pandemic and vaccination efforts and reference the analyses released by research institutes on the trends and fundamentals of individual stocks in order to select outperforming targets and improve profitability.

# Business development plans(continued)

VII. Steadily trade foreign-currency debt positions while developing products and sales channels in order to optimize the opportunities to sell fixed-income products and launch corporate bonds.

VIII. Maintain a leading position in the warrant market and launch more derivative products (ELN/PGN/OTC options) to boost business and profitability.

IX. Focus on meeting clients' needs for corporate financing and utilize the resources from its non-operating capital management business and private equity fund to develop an investment banking business.

X. Create a comprehensive fund depository system for providing customers with more complete services in response to the launch of its foreign-currency securities business.

XI. Include ESG as part of the Company's investment targets/strategies, business aims, and corporate governance processes.

XII. Enhance coordination and create synergies among affiliates such as Capital Futures, Capital Investment Trust, CSC Venture Capital, Capital Investment Management, CSC Capital Management, Capital Insurance Advisory and Capital Insurance Agency.

# List of awards

## Capital Securities

- MAR21: received the “Best Sales Team Award”, the “Best Digital Smart System Award” and the “Best Charity Promotion Award” in the 2021 Wealth Management Award
- DEC20: received the “Best Warrant Award” in the Evaluation on Non-FHC Securities held by Excellence Magazine
- AUG20: received the “Best Client Satisfaction Award”, the “Best Risk Control Award” and the “Best Marketing Innovation Award” in the Evaluation on Wealth Management Securities held by Business Today Magazine
- MAR20: received the “Best Client Referral Award”, the “Best Digital Finance Award” and the “Best Charity Promotion Award” in the 2020 Wealth Management Award
- FEB20: awarded No.3 in the “Warrant Sales Award” and No.5 in the “Warrant Issuance Award” by Taiwan Stock Exchange at the “2019 Trading Incentives for Warrant Issuer and Securities Broker”

## Capital Futures

- AUG20: awarded No.3 in the “Futures Trading Volume Diamond Award” by Taiwan Futures Exchange at the 6<sup>th</sup> Diamond Award

## Shanghai Rep. Office

- APR20: received 1 nomination in the “Top 100 Analysts” of the 1Q20 “Top Analysts Award” held by East Money
- JAN20: received several awards in the 2019 “Top Analysts” held by East Money, including 3 nominations in the “Top 100 Analysts” and No.1 in the “Top Analysts for the Banking Sector”

## 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

# CSR programs and achievements



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 weekly 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.



# Recent event



APR21: Capital Securities supported rural education by sponsoring funds for reading education



# Recent event



APR21 : Capital Securities organized the charity event to promote reading

**Thank you**