

Capital Securities Corporation Institutional Investor Conference

Capital Care 群益關心您

September 2020

台北・香港・上海

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Presentation outline

Company profile

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Operation overview

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- Operational results

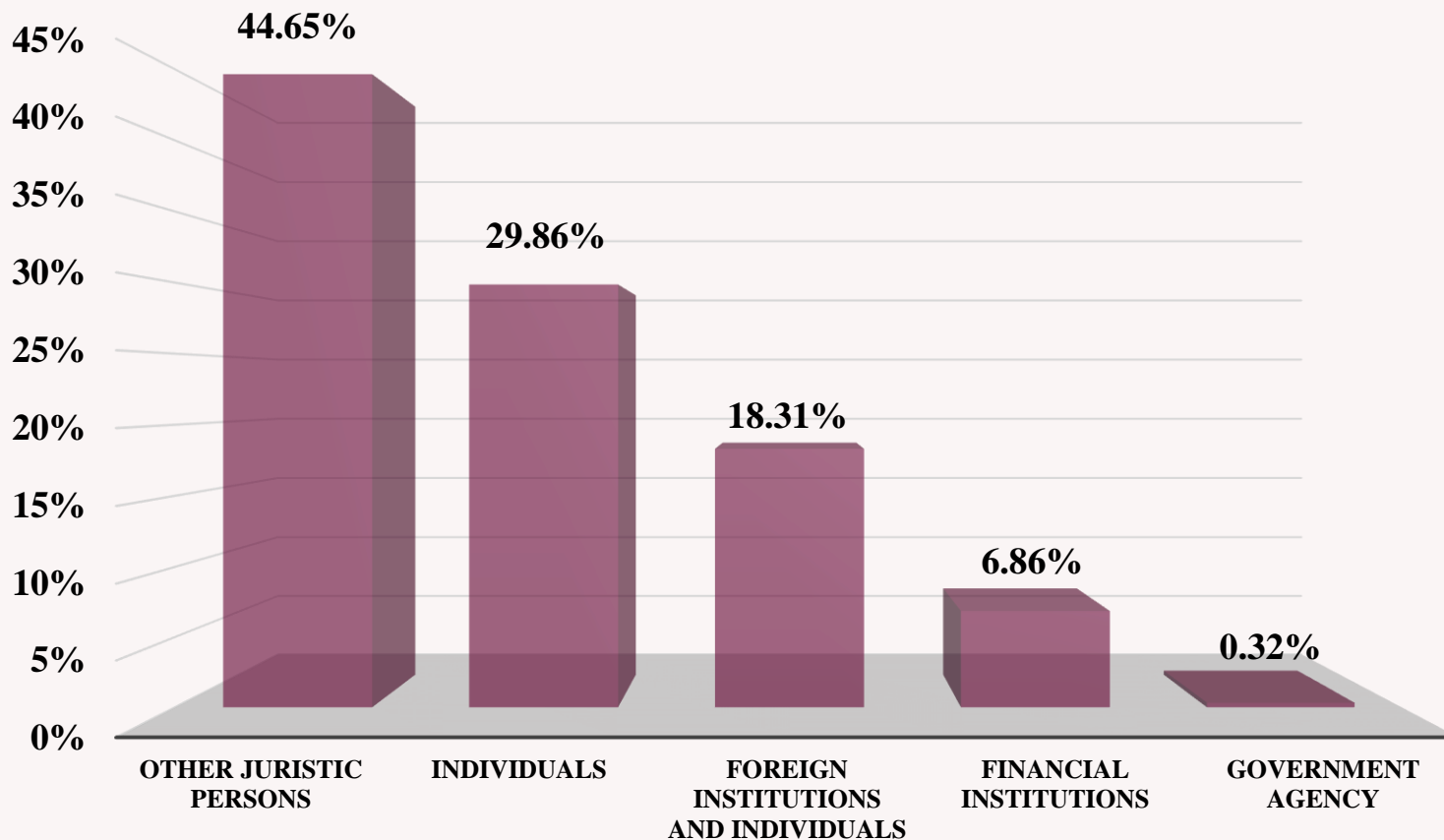
Prospect and outlook

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Company Profile

COMPANY PROFILE

Shareholder structure

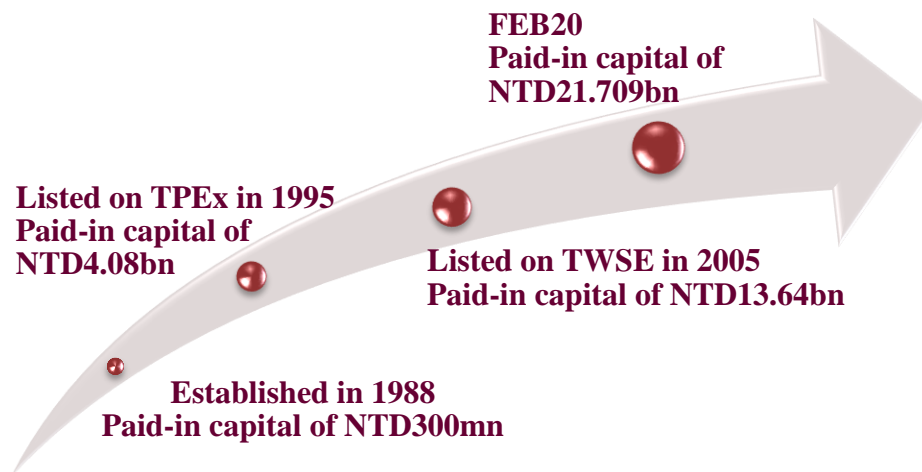


Data as of April 24, 2020

Basic information



✚	Stock code:	6005
✚	Paid-in capital:	NTD21.709bn
✚	Number of branches in Taiwan:	53
✚	Number of employees:	1,876



Data as of June 30, 2020

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

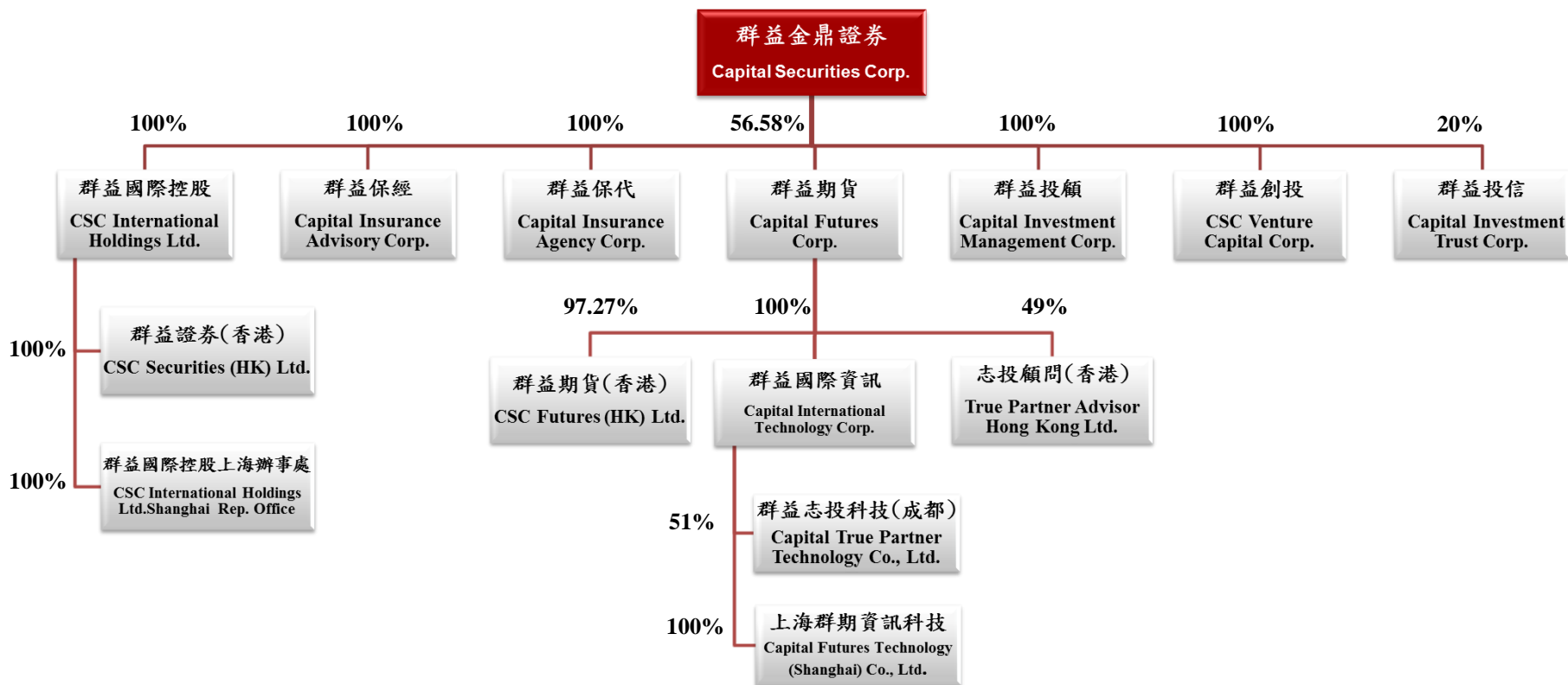
TEL : 852 2530 9966
 FAX : 852 2104 6006
 Add : Unit 3204-07, 32F, Cosco Tower, 183 Queen's Road Central, Hong Kong

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



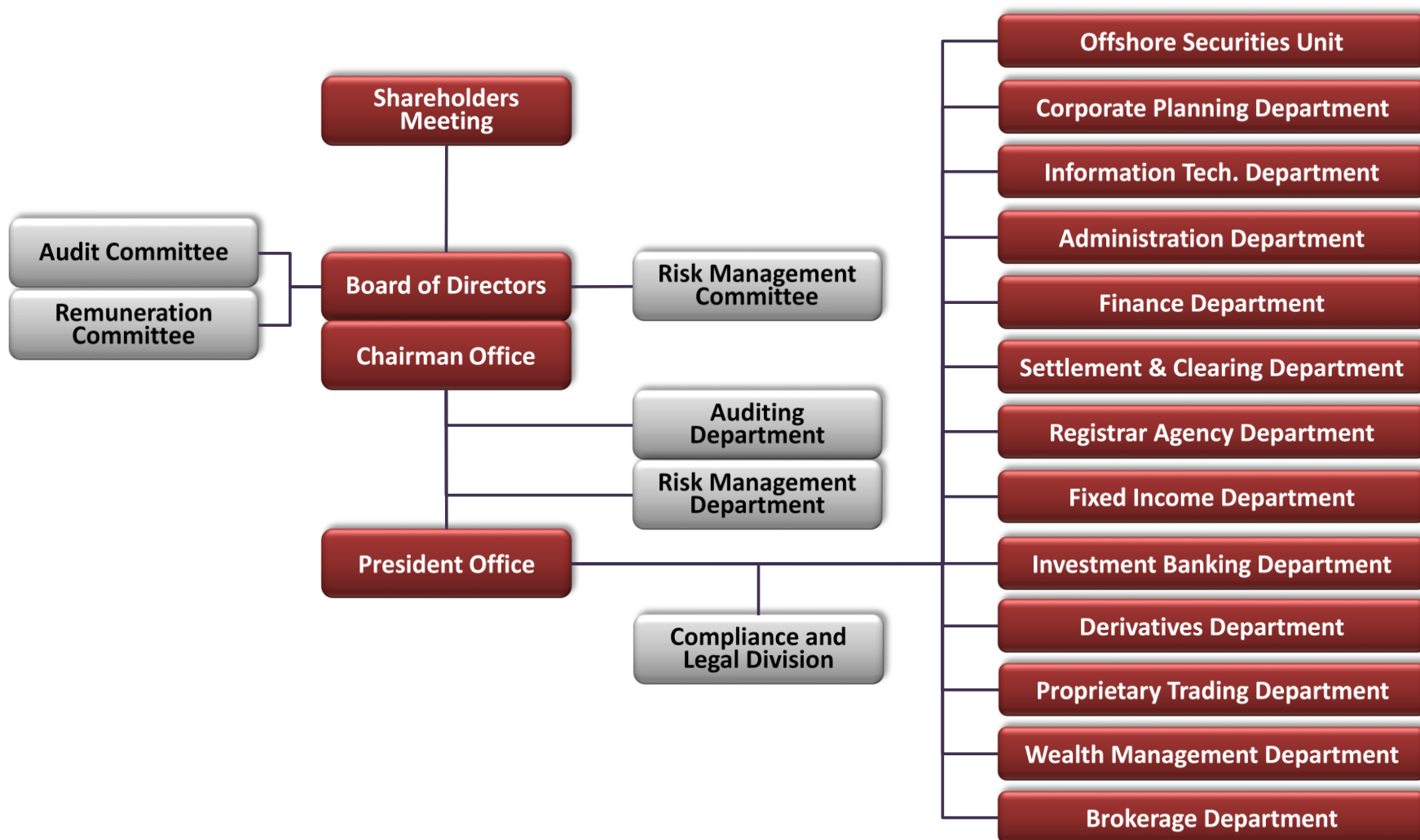
Non-operating investments (continued)

Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of JUN 30, 2020	Net income or loss for JAN~JUN20	Book value as of AUG 31, 2020	Net income or loss for JAN~AUG20
Taiwan	Capital Futures Corp.	NTD	2,104,376	6,081,181	308,770	6,211,444	443,057
	Capital Investment Management Corp.	NTD	70,000	84,084	(8,361)	81,335	(11,110)
	Capital Insurance Advisory Corp.	NTD	5,000	42,961	17,100	47,308	21,448
	Capital Insurance Agency Corp.	NTD	7,400	40,366	959	40,600	1,194
	Capital International Technology Corp.	NTD	50,000	43,287	1,585	44,121	1,902
	CSC Venture Capital Corp.	NTD	1,000,000	826,065	(3,155)	820,016	(1,969)
	Capital Investment Trust Corp.	NTD	1,653,375	3,699,904	356,335	3,845,244	501,675
Hong Kong	CSC Futures (HK) Ltd.	HKD	220,000	248,702	(4,376)	250,335	(2,743)
	CSC Securities (HK) Ltd.	HKD	128,000	166,936	234	169,525	2,823
	True Partner Advisor Hong Kong Ltd.	HKD	500	10,369	972	10,198	801
China	Capital True Partner Technology Co., Ltd	CNY	1,000	1,604	697	1,689	782
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	4,050	(107)	3,994	(163)
	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	53,395	(343)	53,605	(134)

Note: JAN~JUN20 figures of Capital Insurance Advisory Corp. and Capital Insurance Agency were unaudited; other figures were audited by CPA;
JAN~AUG20 figures were unaudited

Organizational structure



Operation overview

Operation overview

Financial data over the past three years

(NTD'000)

Item	2017	2018	2019	JAN~JUN20	JAN~AUG20
Consolidated net income before tax	3,503,637	2,326,530	3,228,097	1,019,780	2,341,492
Consolidated net income	3,215,395	1,777,510	2,829,234	794,422	2,026,871
Net income attributable to shareholders of the parent company	2,893,600	1,408,865	2,566,823	658,534	1,832,305
EPS (NTD)	1.25	0.61	1.11	0.30	0.84

Note: 2017~2019 and JAN~JUN20 figures were audited by CPA; JAN~AUG20 figures were unaudited

Consolidated balance sheet (summary)

(NTD'000)

Item	Jun 30, 2019	Jun 30, 2020
Current assets	110,331,995	138,163,820
Non-current assets	16,941,318	16,603,821
Total assets	127,273,313	154,767,641
Current liabilities	88,958,333	116,854,623
Non-current liabilities	2,346,596	2,185,171
Total liabilities	91,304,929	119,039,794
Capital stock	23,209,081	21,709,081
Capital surplus	2,852,299	2,743,205
Retained earnings	6,238,472	6,879,207
Other equity interests	1,555,808	1,726,879
Equity attributable to shareholders of the parent company	33,855,660	33,058,372
Non-controlling interests	2,112,724	2,669,475
Total equity	35,968,384	35,727,847

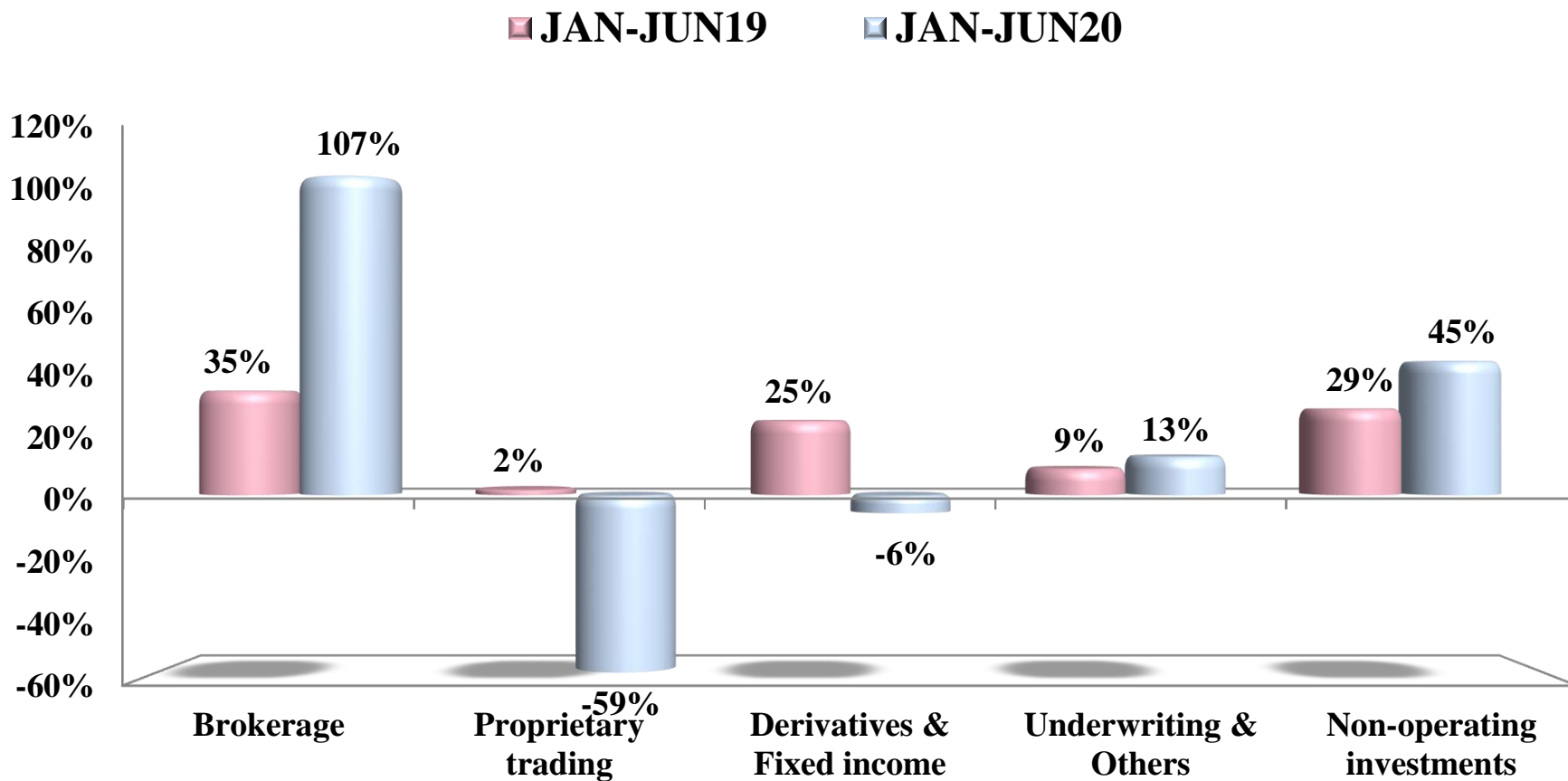
Note: Figures were audited by CPA

Consolidated comprehensive income statement (summary)

	(NTD'000)	
Item	JAN~JUN19	JAN~JUN20
Revenue	3,431,833	3,457,747
Operating expenses and costs	2,784,017	3,045,570
Operating income	647,816	412,177
Other income and expenses	652,311	607,603
Net income before tax	1,300,127	1,019,780
Income tax expense	201,942	225,358
Net income	1,098,185	794,422
Other comprehensive income	856,517	175,747
Total comprehensive income	1,954,702	970,169
Net income attributable to shareholders of the parent company	962,578	658,534
EPS (NTD)	0.41	0.30

Note: Figures were audited by CPA

Earnings breakdown by major business



AUG20 operating results

Unit: NTD'000

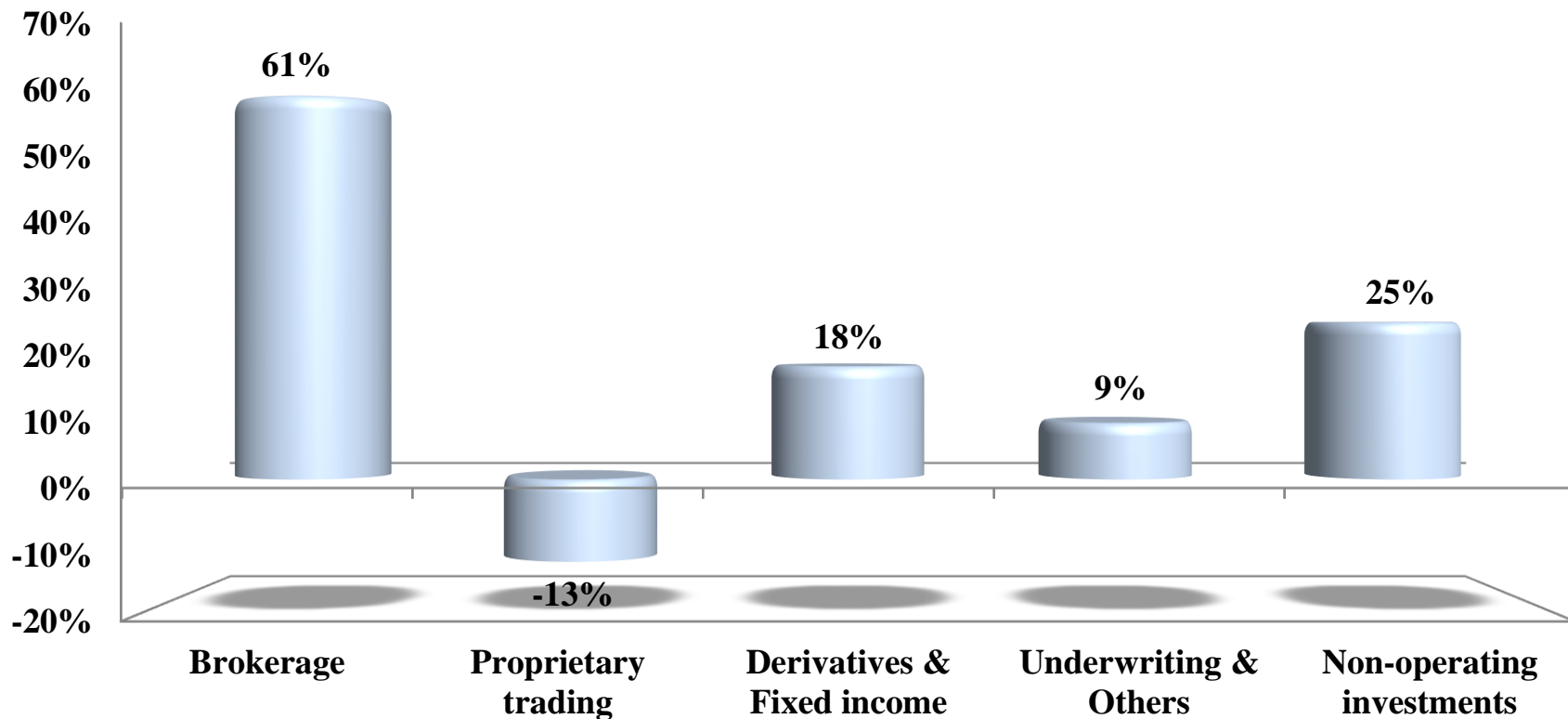
Entity	AUG20	JAN~AUG20
Net income before tax	550,623	2,025,539
Net income	516,429	1,832,305
EPS (NTD)	0.24	0.84

Consolidated	AUG20	JAN~AUG20
Net income before tax	581,058	2,341,492
Net income	535,793	2,026,871

※ Unaudited

AUG20 earnings breakdown by major business

■ JAN-AUG20

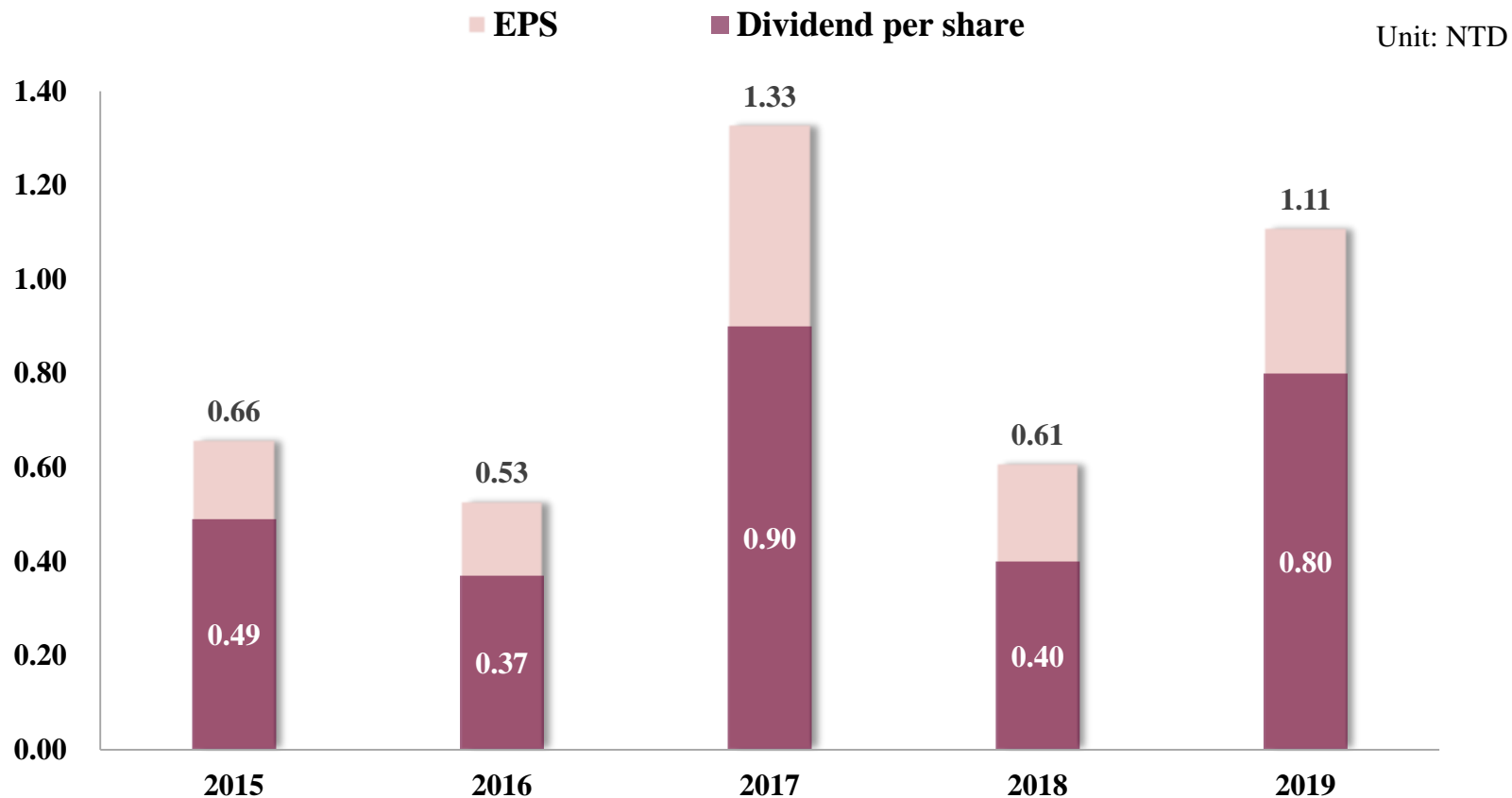


※ Unaudited

Business performance and market ranking

Item	Figures in JAN~JUN20	Market ranking in JAN~JUN20
Market share in brokerage	3.98%	6
Market share in margin financing	5.89%	4
Trust business-AUM	NTD13.663bn	5
Number of underwritten (as lead underwriter)	3	6
Number of warrants issued	2,080	3
Value of warrants issued	NTD21.78bn	3
Number of NTD corporate bond underwritten (as lead underwriter)	6	3
Value of NTD corporate bonds underwritten	NTD25.47bn	4
Number of clients in stock registrar and transfer service	363	3

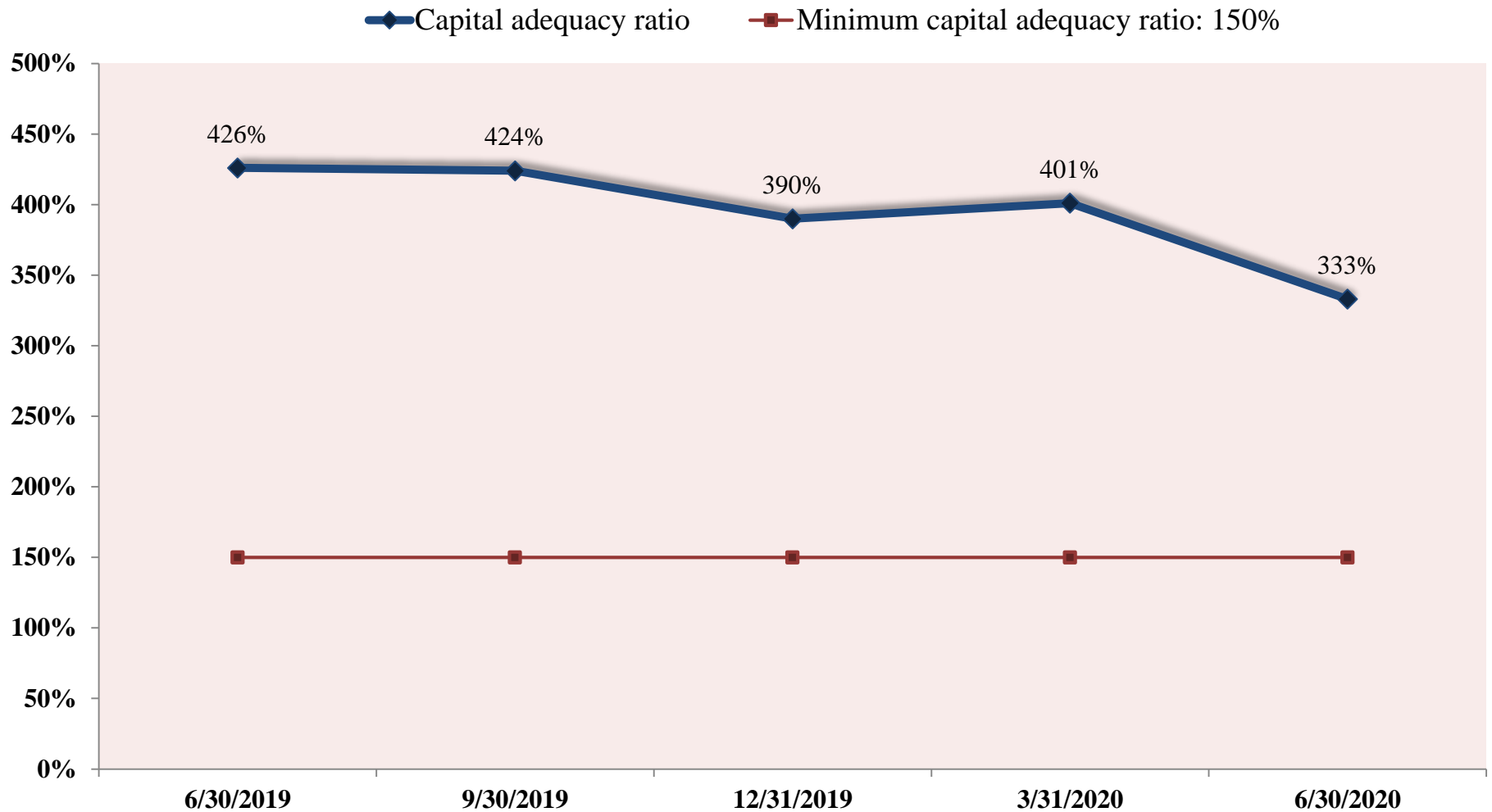
Dividend payout



Item	2015	2016	2017	2018	2019
EPS	0.66	0.53	1.33	0.61	1.11
Cash dividend per share	0.49	0.37	0.20	0.40	0.80
Stock dividend per share	-	-	0.70	-	-

※EPS are pre-adjustment figures

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)**

Prospect and outlook

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

1. Continuously promote customer ledger business to increase sources of interest income, manage clients' cash flows and boost wealth management business.
2. Maximize channel value, implement client tiering, continuously develop professional investors, elevate self-design capability of wealth management products and provide customized products depending on customers' attributes to become their top pick in wealth management and steadily increase clients' asset management scale.
3. Strengthen the service contents for clients and accelerate the service speed in response to continuous trading system.
4. Expand the scale of sub-brokerage business and prepare for sub-brokerage margin trading business.
5. Advance businesses of investment banking and corporate finance to cooperate with CSC Venture Capital and seize the business opportunities in private equity.
6. Trade stocks in accordance with research resources to avoid resource dispersion and accumulate outperforming stocks with high dividend yields to steadily generate profits in the long run.
7. Pay attention to rate changes of NTD and foreign currencies to opportunistically adjust the proportion of bond assets and steadily generate profits and interest income.
8. Maintain leadership in the warrant market and issue diverse derivatives for profit diversification.
9. Centralize the clearing process, optimize operating procedures and enhance operational risk control.
10. Enhance coordination and create synergies among affiliates such as Capital Futures, Capital Investment Trust, CSC Venture Capital, Capital Investment Management and Capital Insurance Agency.

List of awards

Capital Securities

- 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”
- DEC19: received the “Best Digital Innovation Award” from Excellence Magazine in the 2019 Securities Evaluation for non-FHC securities firms
- NOV19: received the “Corporate Social Responsibility Award” in the 15th Golden Goblet Award
- OCT19: awarded No.1 in the “API Promotion Award” by TWSE in the Electronic Order Competition
- AUG19: selected as the top happiness enterprise in the “investment and wealth management” field in “2019 happiness enterprise election—service sector” held by 1111 Job Bank

Capital Futures

- AUG20: awarded No.3 in the “Futures Trading Volume Diamond Award” by Taiwan Futures Exchange at the 6th Diamond Award
- DEC19: received the “Best Stocks and Futures Award” from Excellence Magazine in the 2019 Securities Evaluation for non-FHC securities firms
- AUG19: selected as the top happiness enterprise in the “investment and wealth management” field in “2019 happiness enterprise election—service sector” held by 1111 Job Bank

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”
- NOV19: received several awards in the 2019 Caijing Investoday Awards, including No. 1 in the “Most Accurate Analyst in Estimating Earnings of the Food and Beverage Sector” and No.1 in the “Most Accurate Analyst in Estimating Earnings of 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 2019 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.

Capital Care



Recent event



2020.07 Press conference of Capital Securities' blood donation event

Recent event



2020.08 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.

Recent event



2020.08 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.

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Recent event



2020.07 At 2H20 Investment Seminar, Capital Securities provided analyses on the global economic outlook and 2H20 investment trends in Taiwan's stock market.

Recent event



2020.07 Employees participated Capital Securities' 13th blood donation event

Recent event



2020.06 Capital Securities promoted wealth management education in rural areas and gave away books to the graduates of Da Cheng Elementary School.

Thank you