

Capital Securities Corporation Institutional Investor Conference

Capital Care 群益關心您

September 2021

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Presentation outline

Company profile	Basic information
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Operation overview	Financial statements
	Operational results
Prospect and outlook	Operational plan
	List of awards

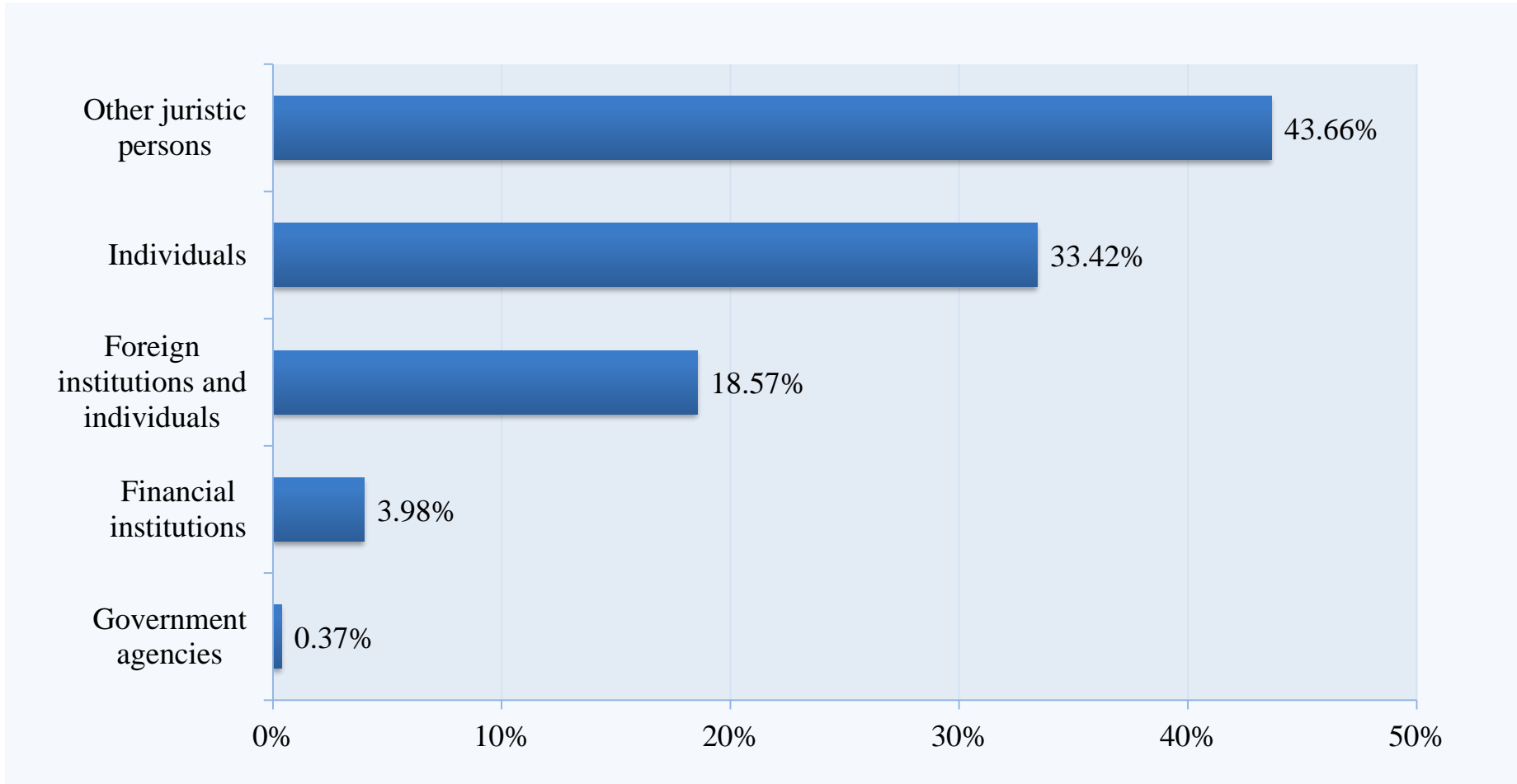
Company profile

Operation overview

Prospect and outlook

Shareholder structure

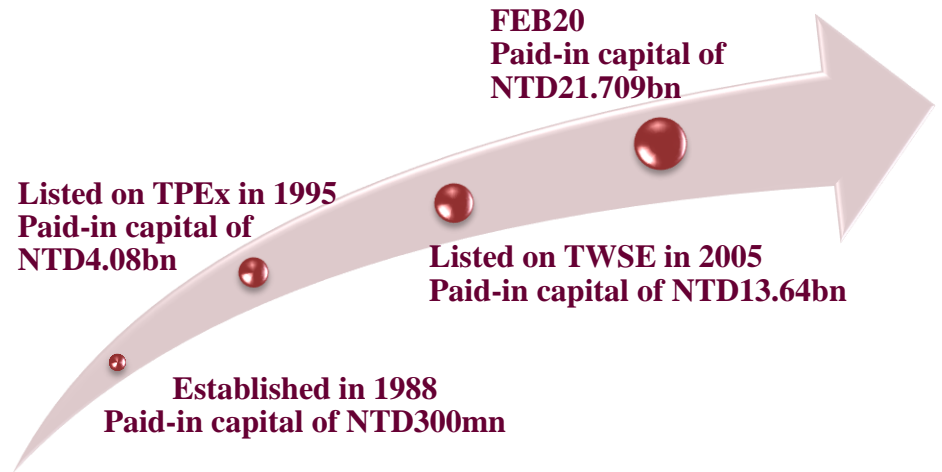
Data as of April 30, 2021



Basic information



- ✚ Stock code: 6005
- ✚ Paid-in capital: NTD21.709bn
- ✚ Number of branches in Taiwan: 53
- ✚ Number of employees: 1,994



Data as of June 30, 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

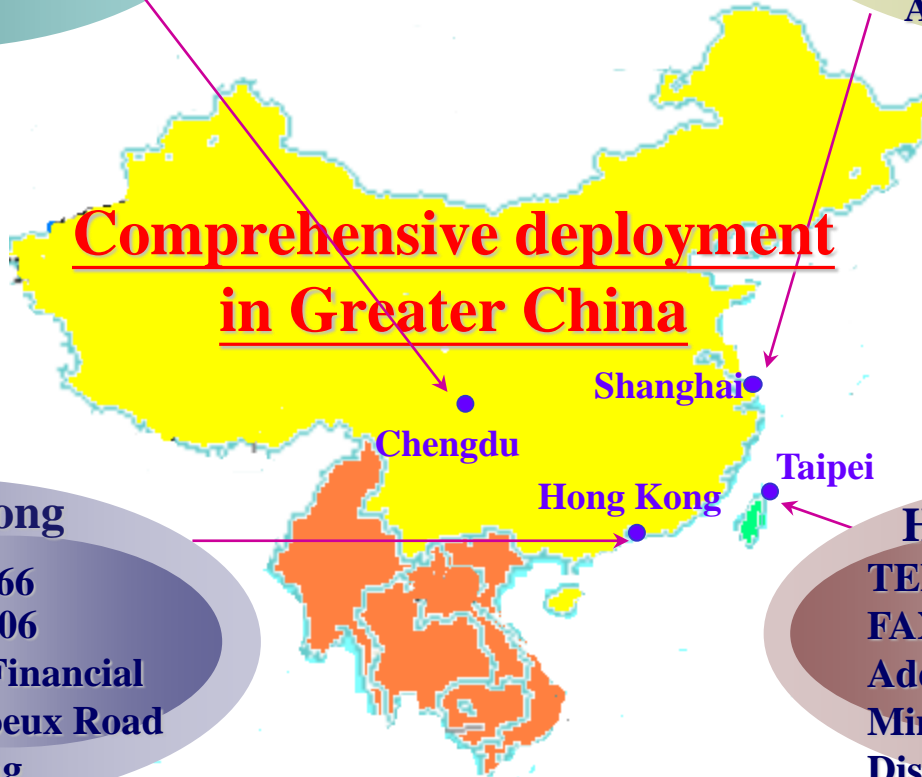


Shanghai

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

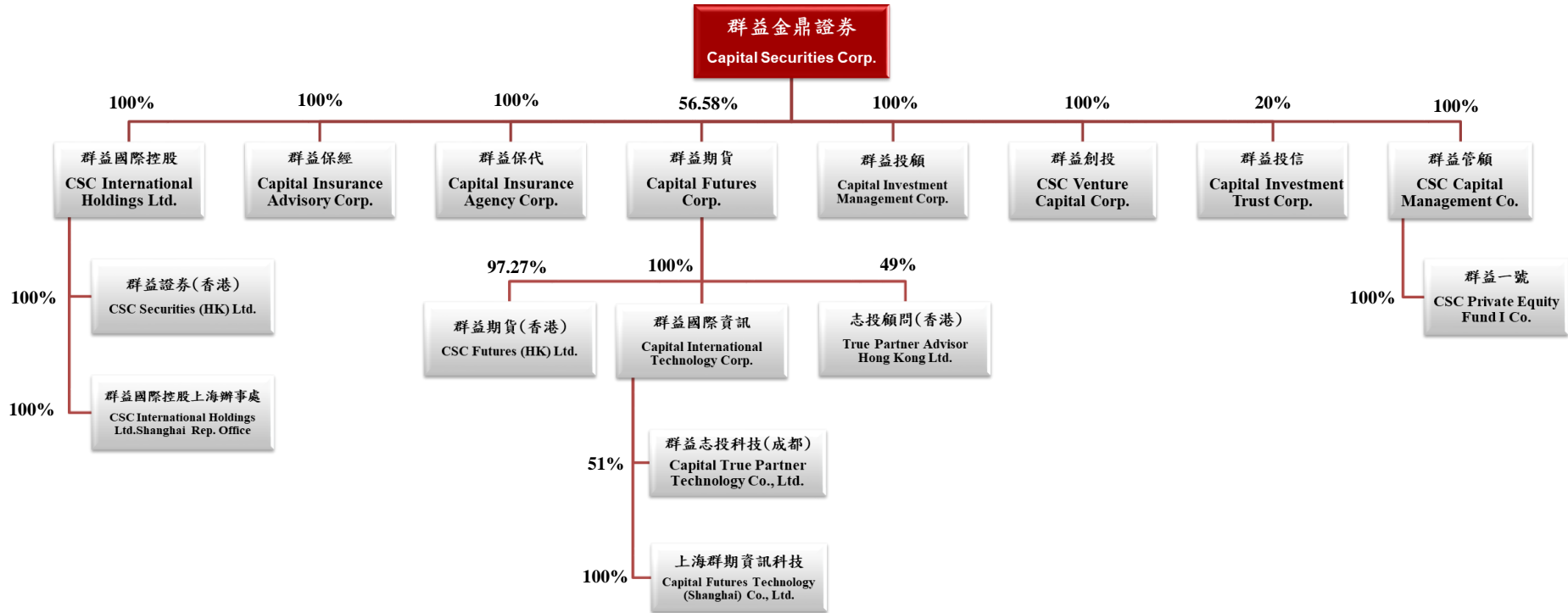
Headquarters in Taipei

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.

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Non-operating investments



Non-operating investments (continued)

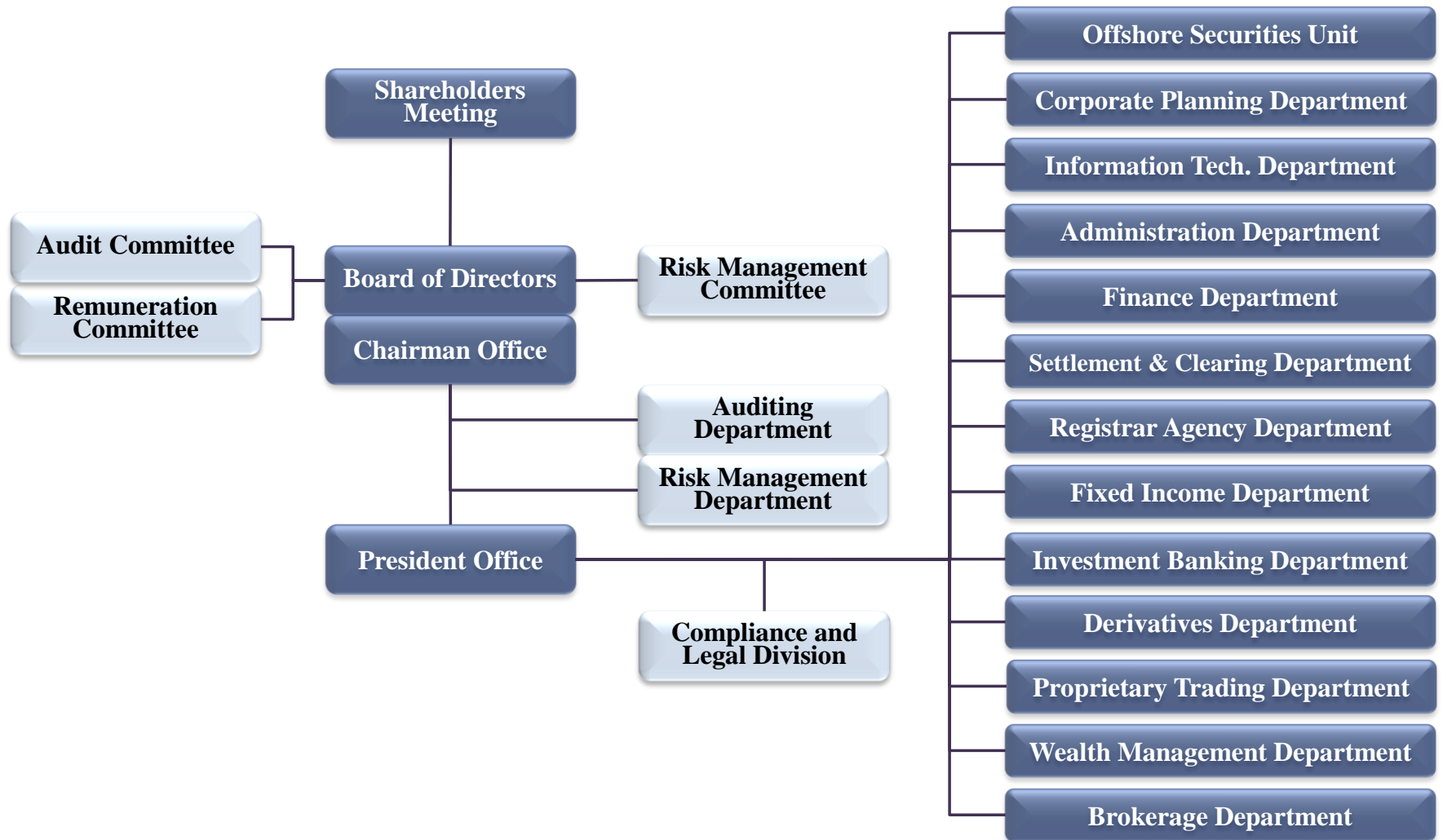
Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of Jun 30, 2021	Net income or loss for JAN~JUN21	Book value as of Aug 31, 2021	Net income or loss for JAN~AUG21
Taiwan	Capital Futures Corp.	NTD	2,104,376	6,062,051	286,244	6,139,551	373,019
	Capital Investment Management Corp.	NTD	70,000	79,627	3,747	78,284	2,404
	Capital Insurance Advisory Corp.	NTD	5,000	63,385	11,399	39,903	14,042
	Capital Insurance Agency Corp.	NTD	7,400	39,596	406	39,742	552
	Capital International Technology Corp.	NTD	50,000	37,307	(3,461)	36,302	(4,426)
	CSC Venture Capital Corp.	NTD	1,000,000	792,638	(6,630)	781,458	(3,345)
	Capital Investment Trust Corp.	NTD	1,653,375	4,594,052	457,878	4,067,062	592,238
	CSC Capital Management Co.	NTD	330,000	342,329	(1,507)	341,988	(1,848)
	CSC Private Equity Fund I Co. (Note 1)	NTD	300,000	313,935	(159)	313,300	(794)
	Hong Kong	CSC Futures (HK) Ltd.	HKD	220,000	245,012	(4,344)	243,302
CSC Securities (HK) Ltd.		HKD	128,000	173,488	659	180,893	8,065
True Partner Advisor Hong Kong Ltd.		HKD	500	11,081	434	10,960	313
China	Capital True Partner Technology Co., Ltd	CNY	1,000	1,235	64	1,318	148
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	3,131	(492)	2,977	(645)
	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	53,409	(316)	54,235	510

Note 1 : CSC Private Equity Fund I Co. completed its incorporation registration in APR21

Note 2 : JAN~JUN21 figures were audited by CPA; JAN~AUG21 figures were unaudited

Organizational structure



Company profile

Operation overview

Prospect and outlook

Financial data over the past three years

(NTD'000)

Item	2018	2019	2020	JAN~JUN21
Consolidated net income before tax	2,326,530	3,228,097	4,382,700	3,113,798
Consolidated net income	1,777,510	2,829,234	3,840,679	2,676,705
Net income attributable to shareholders of the parent company	1,408,865	2,566,823	3,569,529	2,552,712
EPS (NTD)	0.61	1.11	1.64	1.18

※ Audited by CPA

Consolidated balance sheet (summary)

(NTD'000)

Item	Jun 30, 2020	Jun 30, 2021
Current assets	138,163,820	175,379,323
Non-current assets	16,603,821	17,584,974
Total assets	154,767,641	192,964,297
Current liabilities	116,854,623	151,614,293
Non-current liabilities	2,185,171	2,297,673
Total liabilities	119,039,794	153,911,966
Capital stock	21,709,081	21,709,081
Capital surplus	2,743,205	2,743,465
Retained earnings	6,879,207	9,868,587
Other equity interests	1,726,879	2,072,672
Equity attributable to shareholders of the parent company	33,058,372	36,393,805
Non-controlling interests	2,669,475	2,658,526
Total equity	35,727,847	39,052,331

※ Audited by CPA

Consolidated comprehensive income statement (summary)

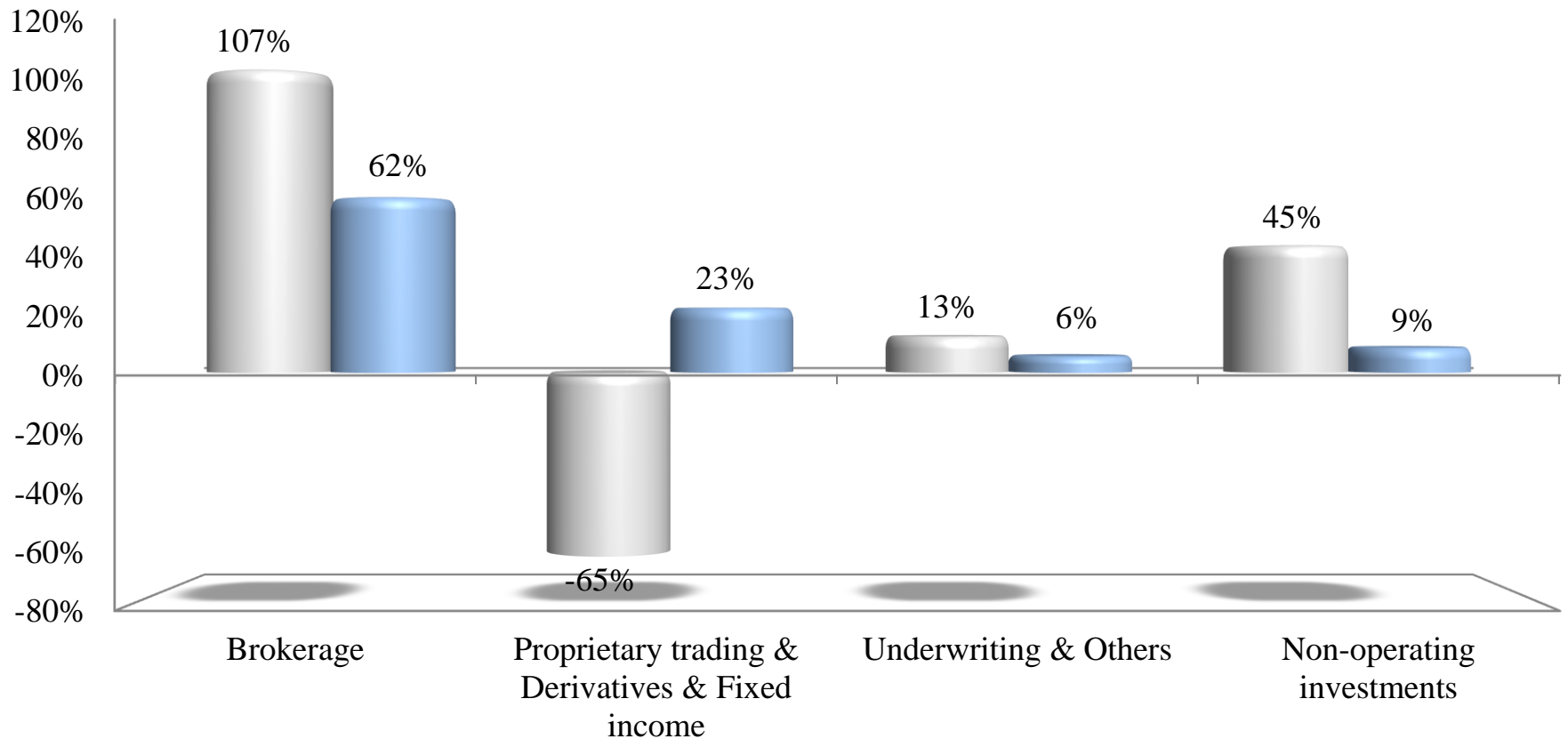
(NTD'000)

Item	JAN~JUN20	JAN~JUN21
Revenue	3,457,747	6,636,862
Operating expenses and costs	3,045,570	3,951,836
Operating income	412,177	2,685,026
Other income and expenses	607,603	428,772
Net income before tax	1,019,780	3,113,798
Income tax expense	225,358	437,093
Net income	794,422	2,676,705
Other comprehensive income	175,747	351,070
Total comprehensive income	970,169	3,027,775
Net income attributable to shareholders of the parent company	658,534	2,552,712
Earnings per share (NTD)	0.30	1.18

※ Audited by CPA

Earnings breakdown by major business

■ JAN-JUN20 ■ JAN-JUN21



AUG21 operating results

Unit: NTD'000

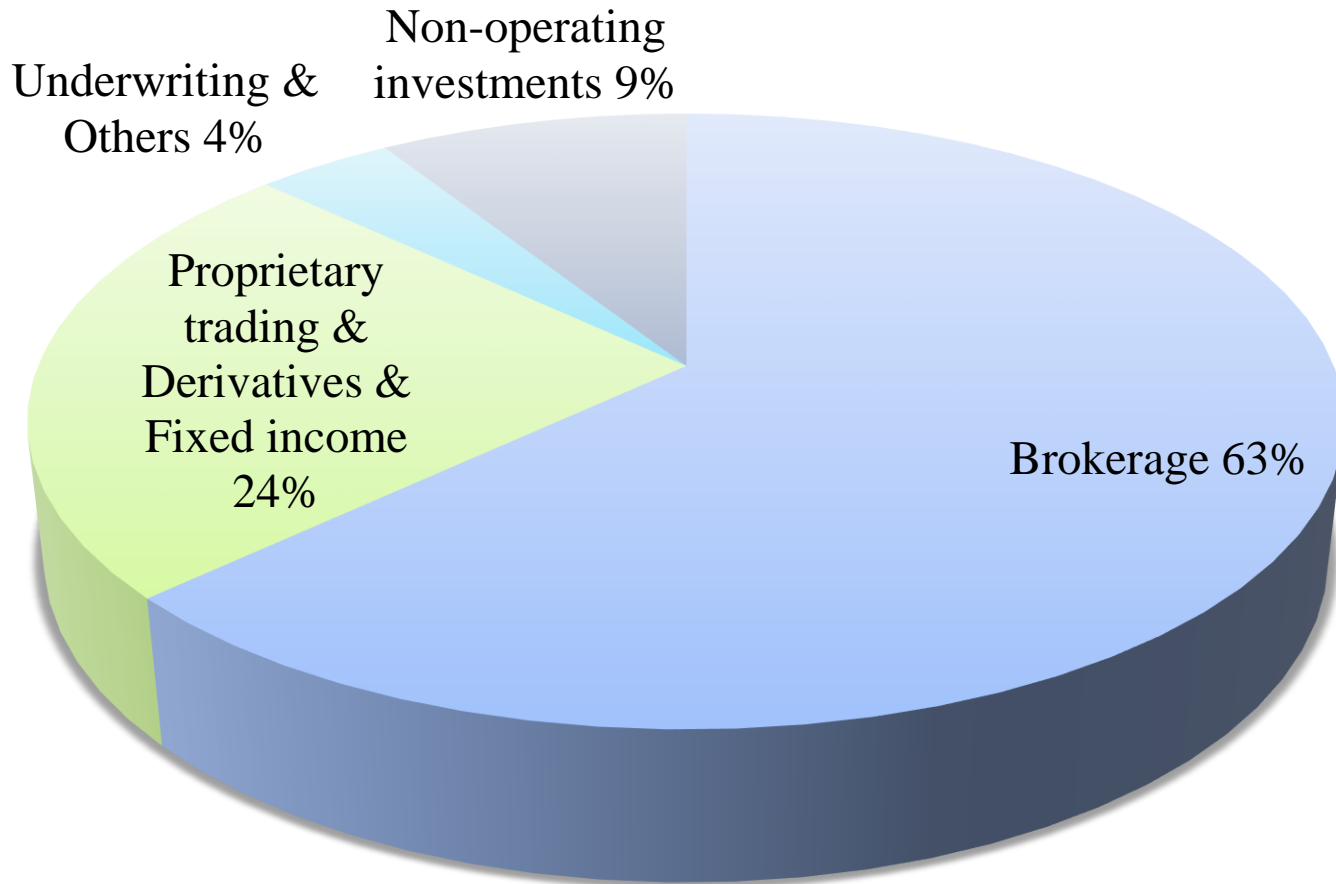
Entity	AUG21	JAN~AUG21
Net income before tax	423,657	4,057,747
Net income	365,578	3,592,250
EPS (NTD)	0.17	1.65

Consolidated	AUG21	JAN~AUG21
Net income before tax	446,882	4,315,839
Net income	379,005	3,753,930

※ Unaudited

AUG21 earnings breakdown by major business

JAN-AUG21

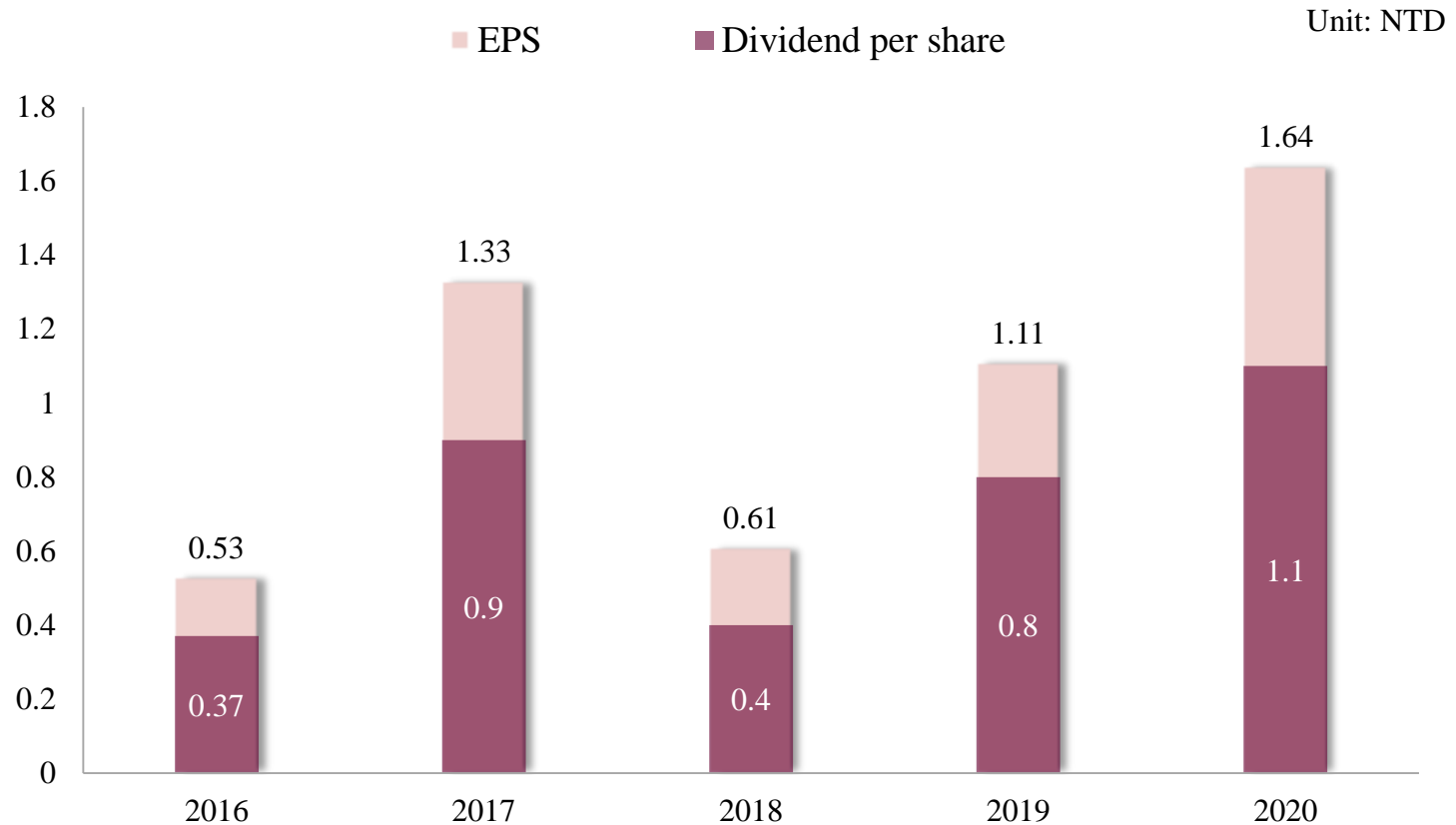


※ Unaudited

Business performance and market ranking

Item	Figures in JAN~JUN21	Market ranking in JAN~JUN21
Market share in brokerage	4.16%	6
Market share in margin financing	5.81%	4
Trust business-AUM	NTD13.224bn	5
Number of warrants issued	2,722	3
Value of warrants issued	NTD24.2bn	3
Value of structured products issued	NTD8.5bn	6
Number of NTD corporate bond underwritten (as lead underwriter)	6	3
Value of NTD corporate bonds underwritten	NTD24.45bn	4
Number of clients in stock registrar and transfer service	360	3

Dividend payout



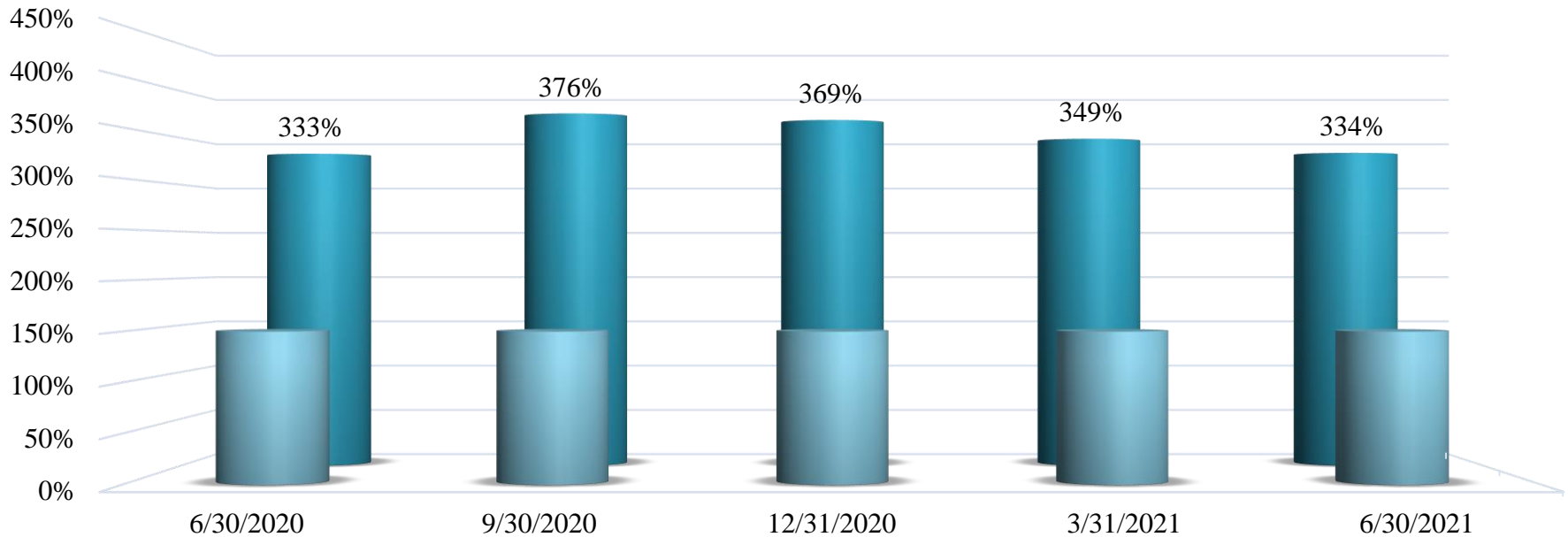
Item	2016	2017	2018	2019	2020
EPS	0.53	1.33	0.61	1.11	1.64
Cash dividend per share	0.37	0.20	0.40	0.80	1.1
Stock dividend per share	-	0.70	-	-	-

※EPS are pre-adjustment figures

Capital adequacy ratio

■ Minimum capital adequacy ratio: 150%

■ 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**

Company profile

Operation overview

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. 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.

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.

Capital Securities

- SEP21: awarded No.3 in the “Trading Volume Diamond Award of Futures Introducing Brokers“ by Taiwan Futures Exchange at the 7th Diamond Award
- SEP21: received the “Best Product Award” in the 2021 Wealth Management Award by Business Today Magazine
- 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 by Wealth Magazine
- DEC20: received the “Best Warrant Award” in the Evaluation on Non-FHC Securities held by Excellence Magazine”

Capital Futures

- SEP21: awarded No.1 in the “Trading Volume Growth Diamond Award of Futures dealers“ by Taiwan Futures Exchange at the 7th Diamond Award
- SEP21: awarded No.3 in the “Trading Volume Diamond Award of Futures Brokers“ by Taiwan Futures Exchange at the 7th Diamond Award
- SEP21: Chairman Lee, Wen-Chu received the “Outstanding Enterprise Leader Award” in the 16th Golden Goblet Award

Shanghai Rep. Office

- AUG21: awarded No.78 in the “Top 100 Analysts” of the 1H21 “Top Analysts Award” held by East Money
- JAN21: 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.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”

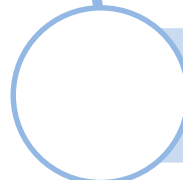
Recognized for sustainable development and corporate governance



Selected as a constituent of FTSE4Good TIP Taiwan ESG Index



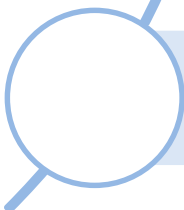
Selected as a constituent of FTSE4Good Emerging Index



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

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.

Recent event



AUG21: Capital Securities participated in the charity event of blood donation

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Thank you