

Capital Securities Corporation Institutional Investor Conference

Capital Care 群益關心您

December 2021

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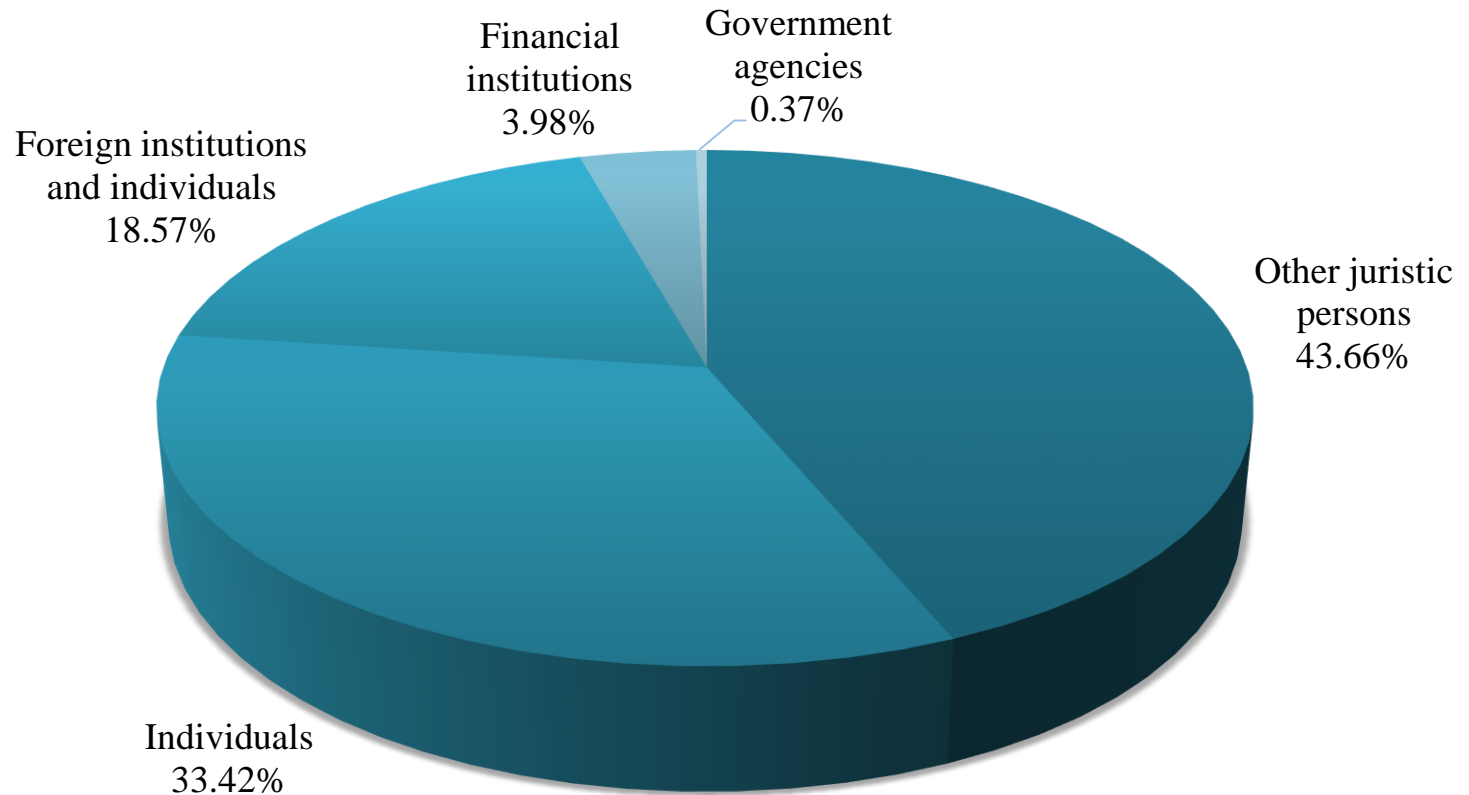
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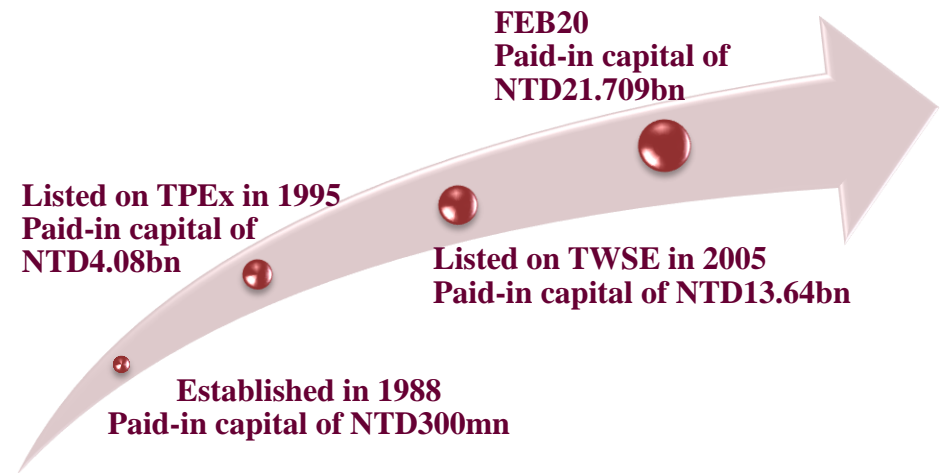
Data as of April 30, 2021



Basic information



- ✚ Stock code: 6005
- ✚ Paid-in capital: NTD21.709bn
- ✚ Number of branches in Taiwan: 53
- ✚ Number of employees: 2,045



Data as of September 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

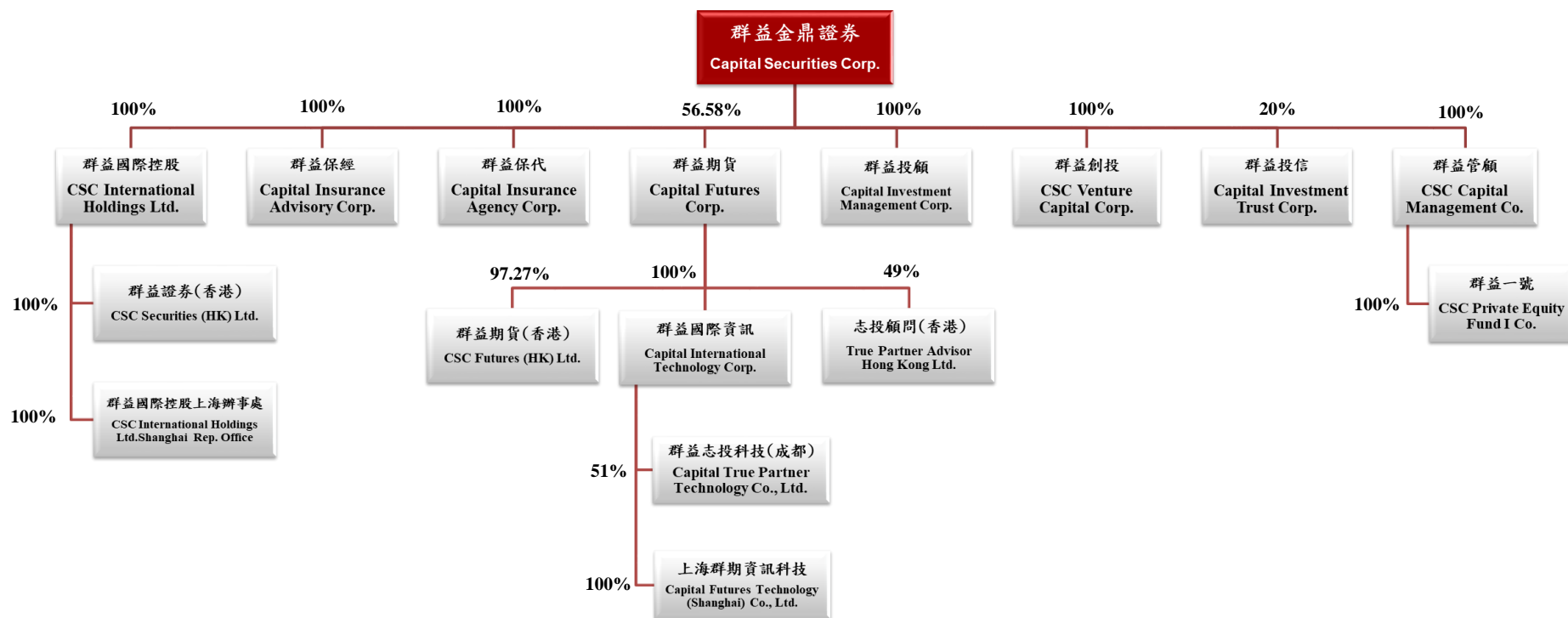
Headquarters in Taipei

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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台北 · 香港 · 上海

Data as of September 30, 2021



Note : A resolution that the subsidiary Capital Futures Corp. acquired 2.73% of the outstanding shares in CSC Futures (HK) Ltd. and disposed of 49% of the equity shares in the associate, True Partner Advisor Hong Kong Ltd., was passed during the board meeting held on November 11, 2021.

Non-operating investments (continued)

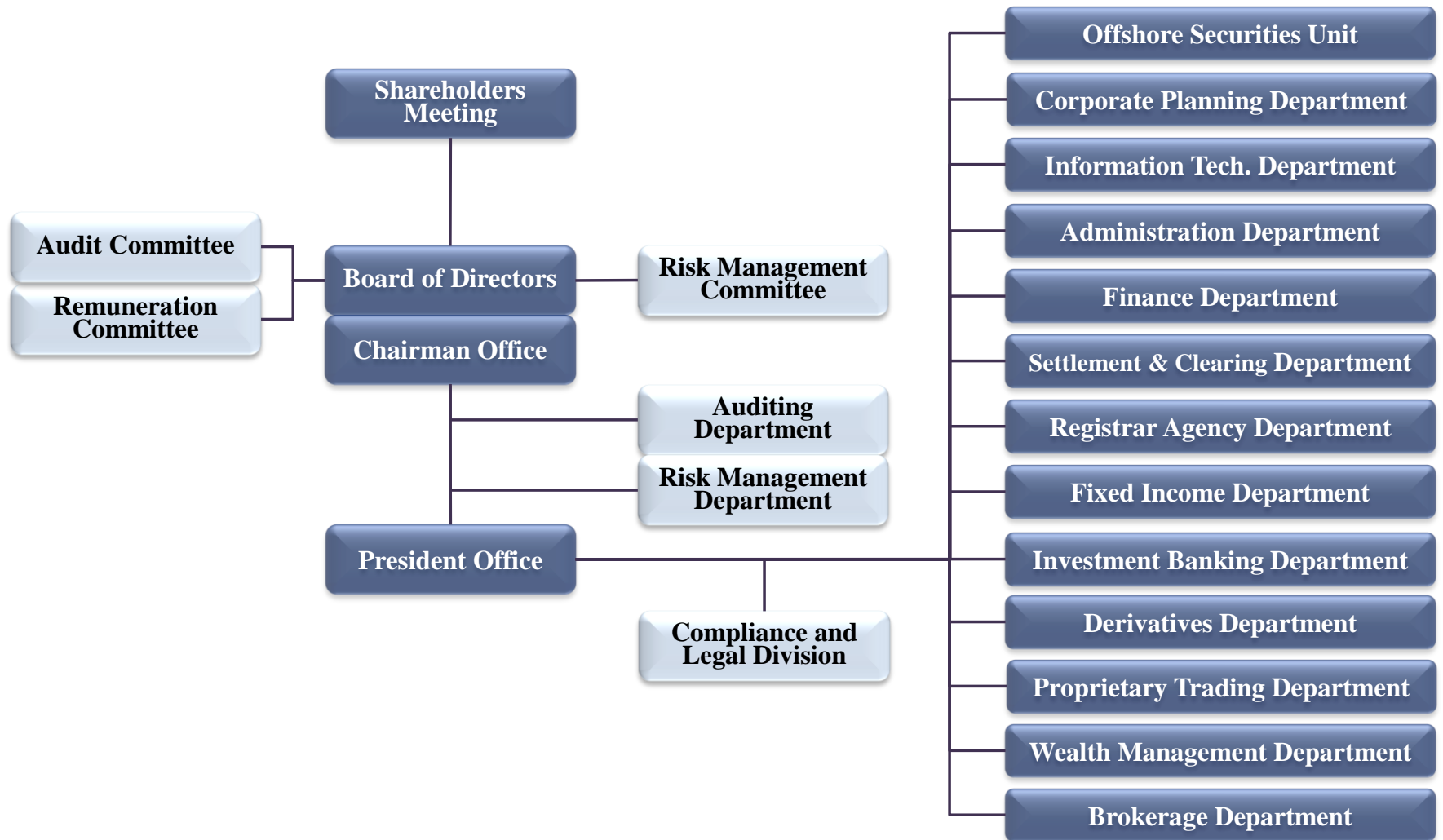
Unit : 1000

Region	Name	Currency	Paid-in capital	Book value as of Sep 30, 2021	Net income or loss for JAN~SEP21	Book value as of Nov 30, 2021	Net income or loss for JAN~NOV21
Taiwan	Capital Futures Corp.	NTD	2,104,376	6,155,667	393,525	6,217,080	457,414
	Capital Investment Management Corp.	NTD	70,000	79,283	3,403	79,609	3,729
	Capital Insurance Advisory Corp.	NTD	5,000	41,120	15,259	52,839	26,978
	Capital Insurance Agency Corp.	NTD	7,400	39,248	59	38,716	(473)
	Capital International Technology Corp.	NTD	50,000	35,944	(4,816)	34,941	(6,041)
	CSC Venture Capital Corp.	NTD	1,000,000	777,721	(3,928)	780,771	(4,376)
	Capital Investment Trust Corp.	NTD	1,653,375	4,125,443	650,618	4,261,594	786,769
	CSC Capital Management Co.	NTD	330,000	350,490	(1,942)	349,064	(3,368)
	CSC Private Equity Fund I Co. (Note 2)	NTD	300,000	321,561	(1,130)	319,606	(3,085)
Hong Kong	CSC Futures (HK) Ltd.	HKD	220,000	242,604	(6,752)	241,967	(7,389)
	CSC Securities (HK) Ltd.	HKD	128,000	178,216	5,388	178,014	5,185
	True Partner Advisor Hong Kong Ltd.	HKD	500	11,266	619	11,152	504
China	Capital True Partner Technology Co., Ltd	CNY	1,000	1,425	255	1,408	238
	Capital Futures Technology (Shanghai) Co., Ltd.	CNY	4,000	2,899	(723)	2,749	(873)
	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	53,779	121	53,653	(5)

Note 1 : JAN~SEP21 figures of Capital Futures Corp. and CSC Futures (HK) Ltd. were reviewed by CPA; other figures were unaudited; JAN~NOV21 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~SEP21
Consolidated net income before tax	2,326,530	3,228,097	4,382,700	4,635,744
Consolidated net income	1,777,510	2,829,234	3,840,679	4,020,467
Net income attributable to shareholders of the parent company	1,408,865	2,566,823	3,569,529	3,849,724
EPS (NTD)	0.61	1.11	1.64	1.77

※ Audited or reviewed by CPA

Consolidated balance sheet (summary)

(NTD'000)

Item	Sep 30, 2020	Sep 30, 2021
Current assets	146,098,134	173,848,035
Non-current assets	16,664,632	17,506,476
Total assets	162,762,766	191,354,511
Current liabilities	123,032,468	148,670,836
Non-current liabilities	2,402,089	2,374,287
Total liabilities	125,434,557	151,045,123
Capital stock	21,709,081	21,709,081
Capital surplus	2,743,205	2,743,465
Retained earnings	8,413,905	11,172,515
Other equity interests	1,725,401	1,985,062
Equity attributable to shareholders of the parent company	34,591,592	37,610,123
Non-controlling interests	2,736,617	2,699,265
Total equity	37,328,209	40,309,388

※Reviewed by CPA

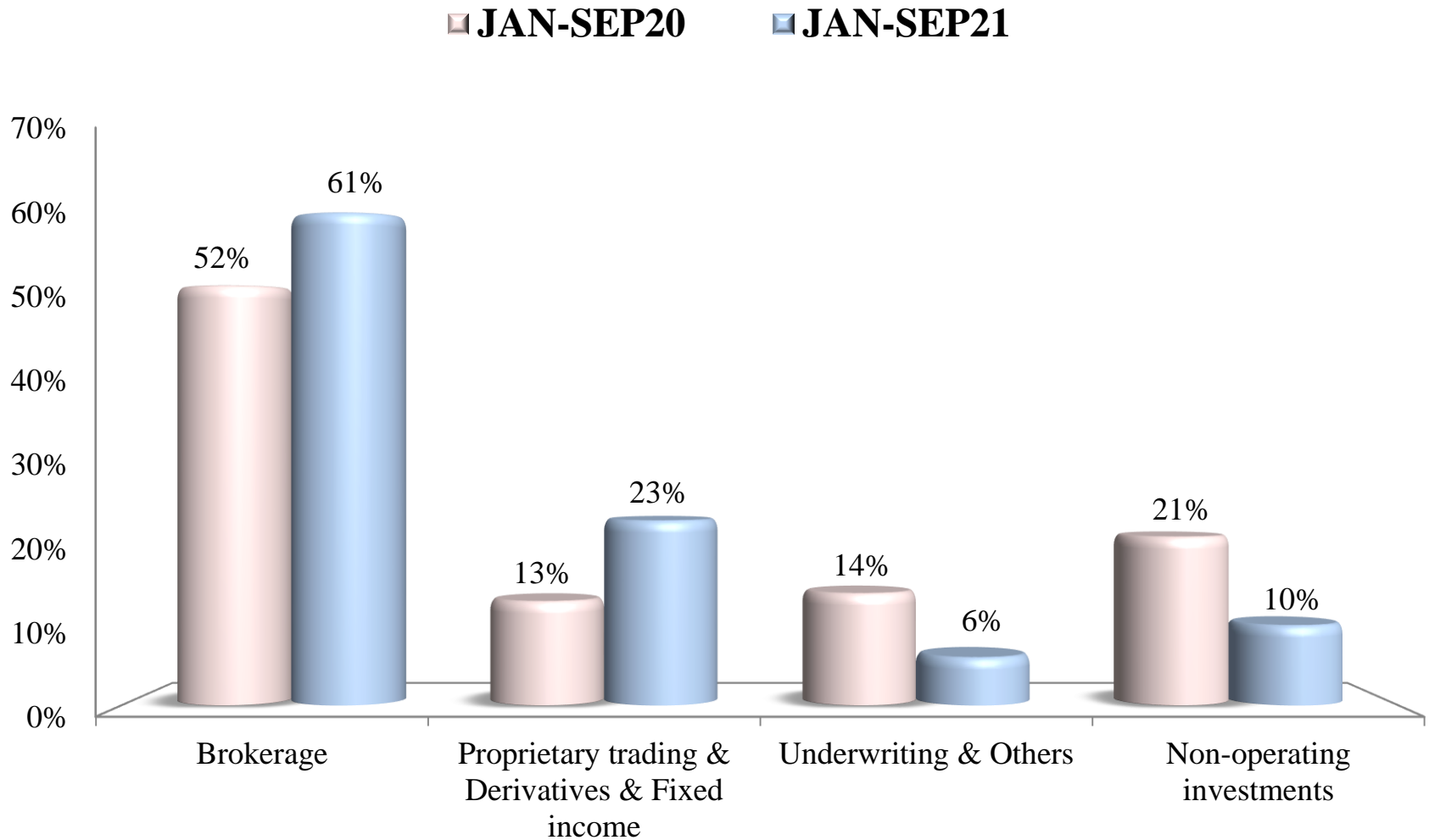
Consolidated comprehensive income statement (summary)

(NTD'000)

Item	JAN~SEP20	JAN~SEP21
Revenue	6,688,589	9,976,280
Operating expenses and costs	4,797,329	6,014,159
Operating income	1,891,260	3,962,121
Other income and expenses	884,285	673,623
Net income before tax	2,775,545	4,635,744
Income tax expense	381,528	615,277
Net income	2,394,017	4,020,467
Other comprehensive income	176,514	264,365
Total comprehensive income	2,570,531	4,284,832
Net income attributable to shareholders of the parent company	2,183,329	3,849,724
Earnings per share (NTD)	1.01	1.77

※Reviewed by CPA

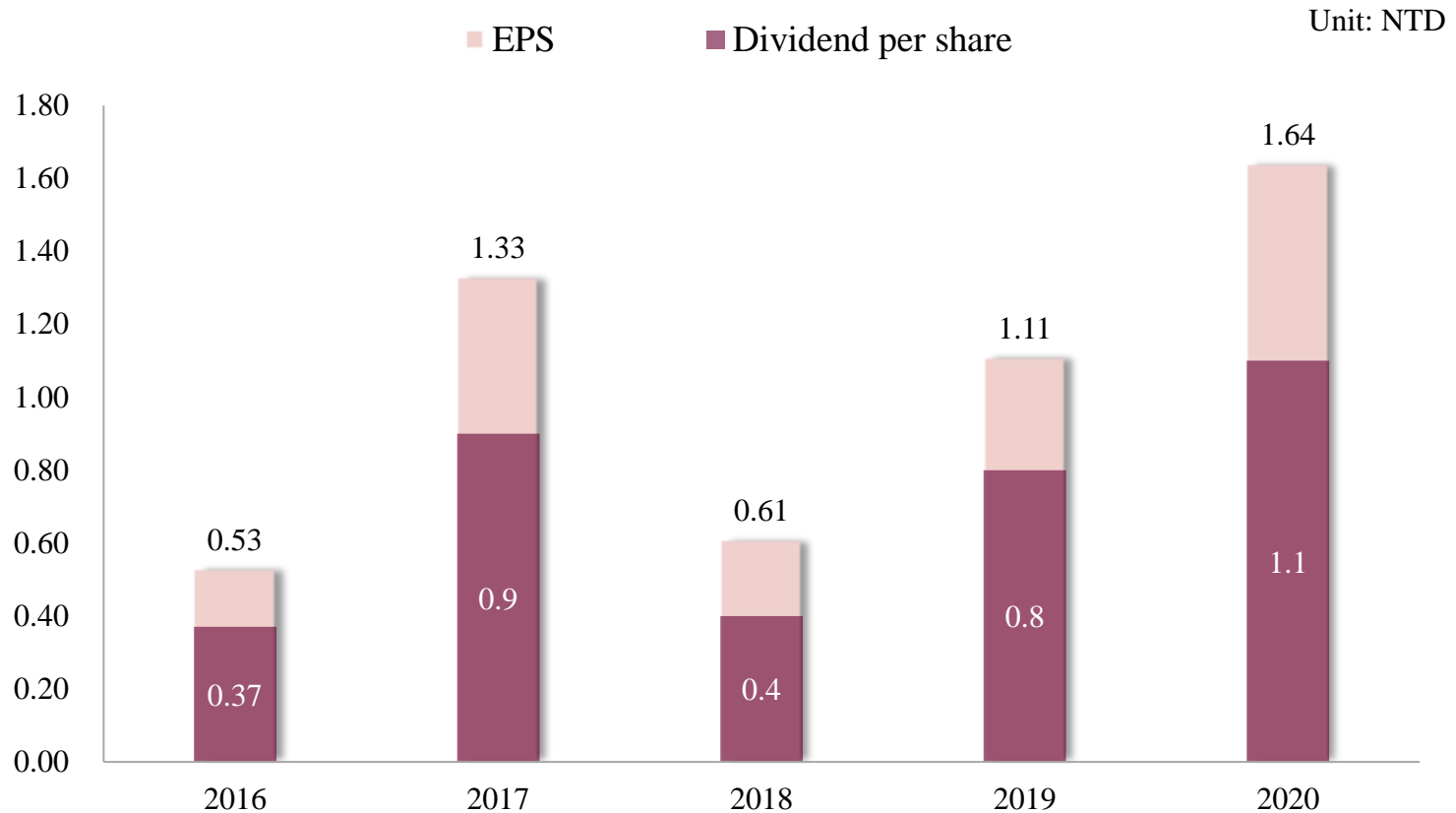
Earnings breakdown by major business



Business performance and market ranking

Item	Figures in JAN~SEP21	Market ranking in JAN~SEP21
Market share in brokerage	4.23%	6
Market share in margin financing	5.75%	4
Trust business-AUM	NTD13.008bn	5
Number of warrants issued	4,284	3
Value of warrants issued	NTD38.6bn	3
Value of structured products issued	NTD15.6bn	5
Number of NTD corporate bond underwritten (as lead underwriter)	8	3
Value of NTD corporate bonds underwritten	NTD34.85bn	4
Number of clients in stock registrar and transfer service	362	3

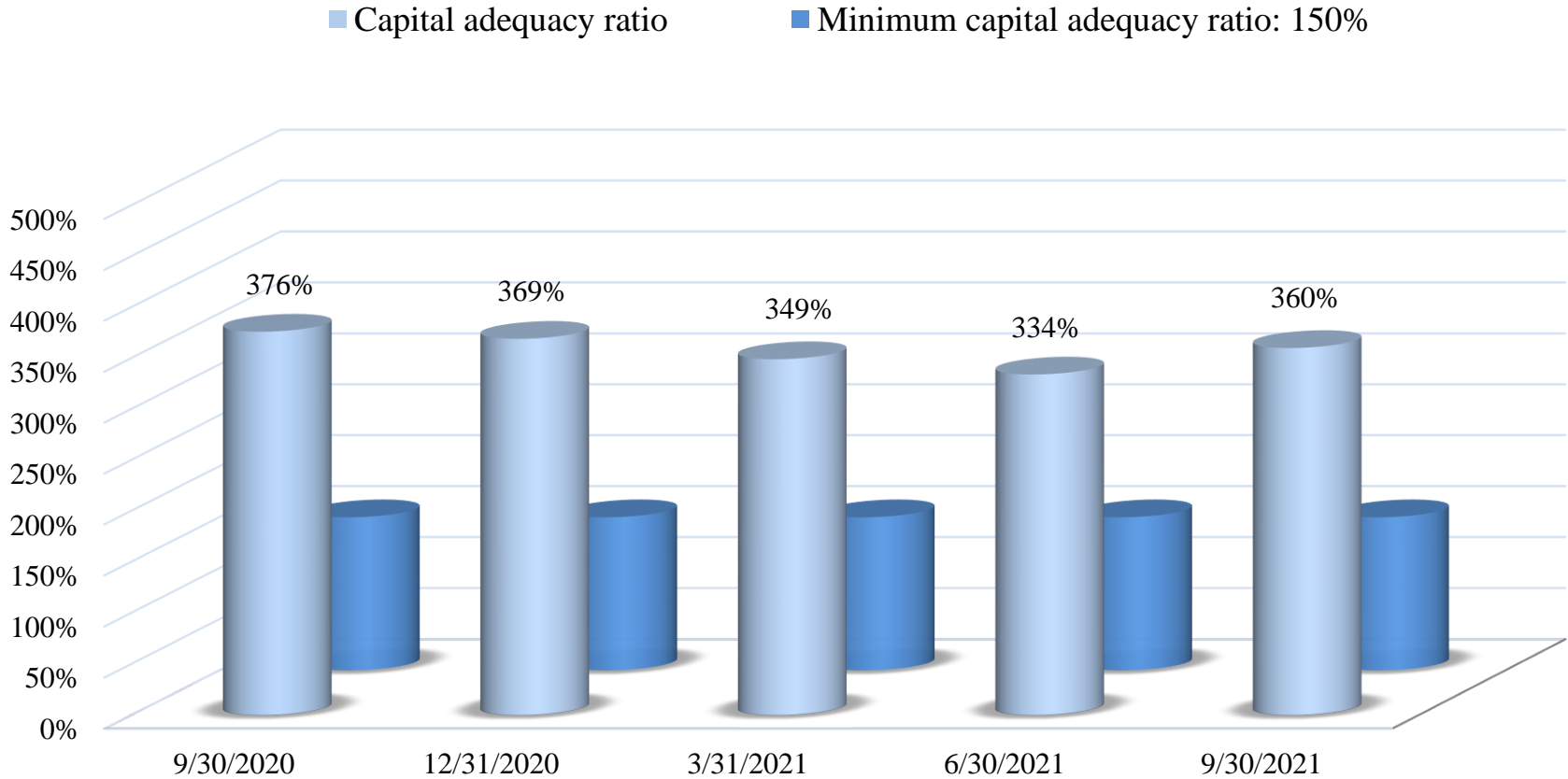
Dividend payout



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



Fitch Ratings 2021

Long-term Issuer Default Rating
(IDR) **BBB-**

National Long-term Rating **A(twn)**

National Short-term Rating
F1(twn)

Outlook **Stable**

NOV21 operating results

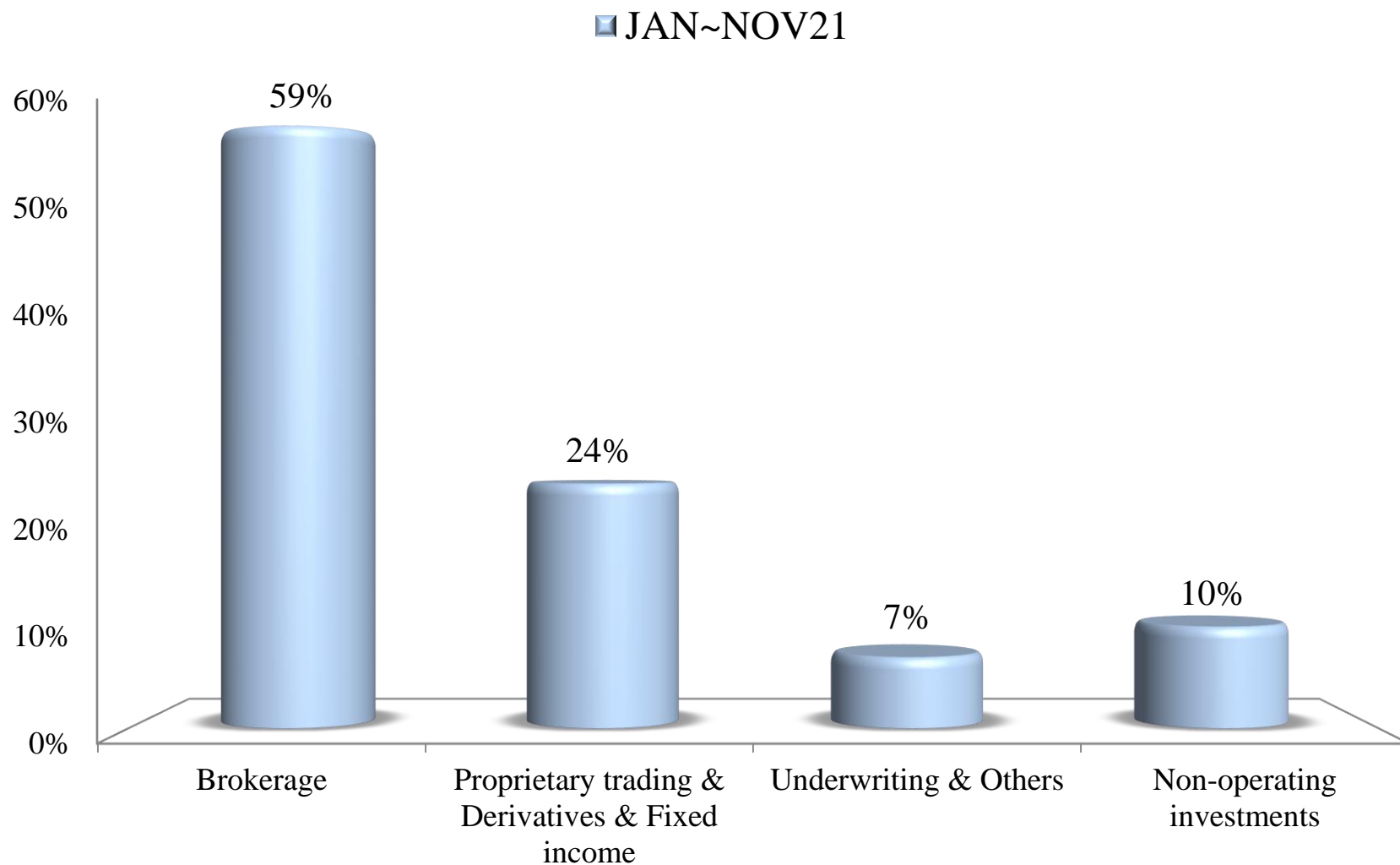
Unit: NTD'000

Entity	NOV21	JAN~NOV21
Net income before tax	663,008	5,355,065
Net income	584,310	4,704,994
EPS (NTD)	0.27	2.17

Consolidated	NOV21	JAN~NOV21
Net income before tax	680,973	5,663,863
Net income	598,659	4,903,382

※ Unaudited

JAN~NOV21 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. 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. Expand the Systematic Investment Plan (SIP) business 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.

List of awards

Capital Securities

- NOV21: our data team received three patents for prediction model, key information service and fuzzy matching system for anti-money laundering
- NOV21: received “Gold Medal” and “Special Award” from 1111 Job Bank for 2021 Happiest Employees
- NOV21: received “Taiwan-iSports” icon/certification from the Sports Administration, Ministry of Education
- SEP21: 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
- SEP21: received “Best Product Award” in the 2021 Wealth Management Award organized by Business Today Magazine
- AUG21: awarded No.3 in the “Futures IB Trading Volume Diamond Award” by Taiwan Futures Exchange at the 7th Futures Diamond Award
- MAR21: 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

- SEP21: received “Digital Transformation Model Award”, “Digital Information Service Award” and “Digital Innovation Award” in the 2021 Digital Financial Service Award organized by Commercial Times
- SEP21: Chairman Lee, Wen-Chu received the “Outstanding Enterprise Leader Award” in the 16th Golden Goblet Award
- AUG21: 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

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”

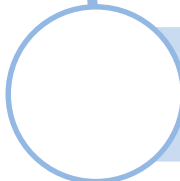
Recognized for sustainable development and corporate governance



Selected as a constituent of FTSE4Good TIP Taiwan ESG Index



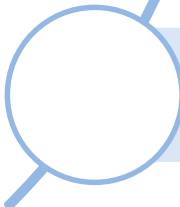
Selected as a constituent of FTSE4Good Emerging Index



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

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 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



In OCT21, Capital Securities signed a memorandum of industry-academia cooperation with Soochow University to build a platform to fosters talents for digital finance and capital market.

Recent event



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Recent event



In OCT21, Capital Securities received several awards in the 2021 Digital Financial Service Award, representing the best digital finance brand.

Recent event

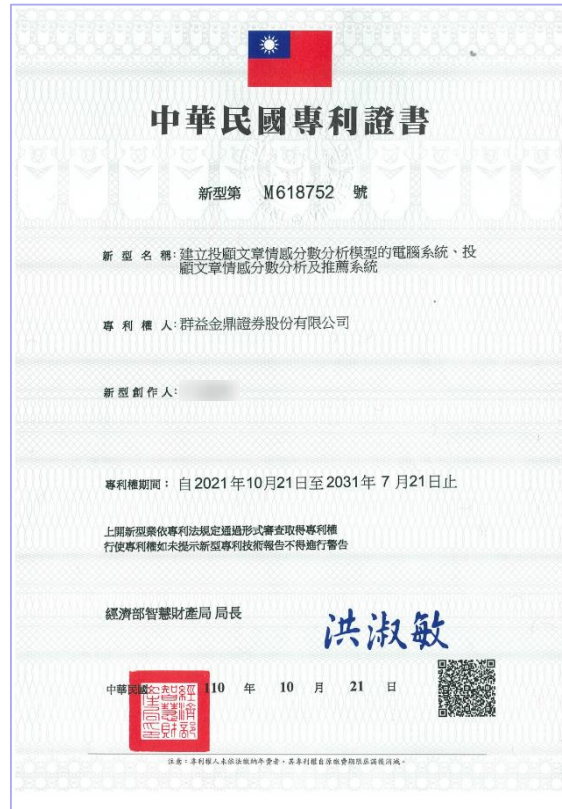


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Thank you