



傳承

舊台幣到新台幣，
走過台灣金融半世紀，一家有故事的金控

SinoPac Holdings

August 5, 2020

Outline

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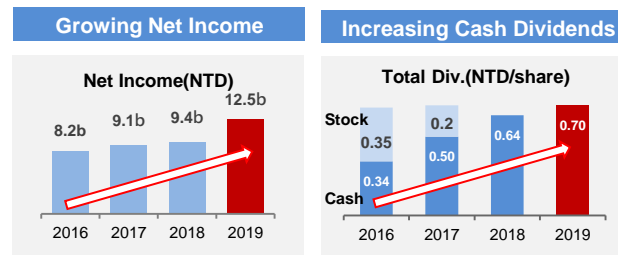


Company Overview

Highlights

1 Steady Financial Growth

- SPH 2019 net income, ROE, and EPS reached five-year highs
- The cash dividends have been increasing steadily
- SPH and subsidiaries have obtained record-high credit ratings



2 Sustainable Development Progress

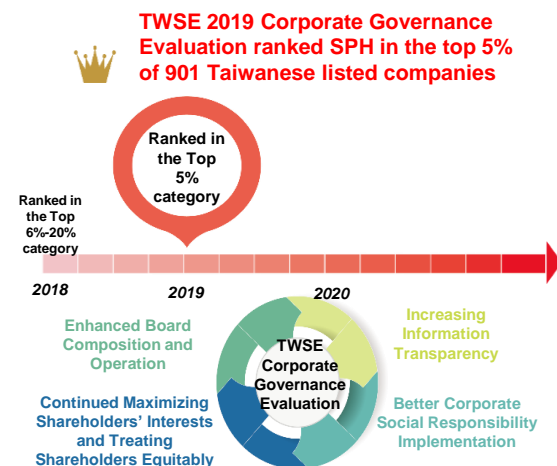
- BSP signed the Equator Principles in February 2020, and became the 102nd Equator Principle Financial Institution in the world
- SPH has corresponded our sustainability action plans with the UN SDGs as the SPH Three Sustainability Commitments with each respective short, medium and long-term goals
- SPH composed the SPH 2019 CSR report with the Integrated Report framework, the SASB commercial banks standard, and the TCFD index

3 Recognized Corporate Governance

- SPH was ranked in the top 5% of 901 TWSE listed companies by The TWSE 2019 Corporate Governance Evaluation
- SPH was recognized and added to the ESG Indexes, including FTSE4Good Emerging Indexes, FTSE4Good TIP Taiwan ESG Index, TWSE CG 100 Index, Taiwan HC 100 index, and Taiwan RAFI EMP99 Index

4 Diverse Board Members

- The new Board reflects an appropriate diversity of gender, age, and experience
- Under the supervision of the new Board, SinoPac Holdings will enhance corporate governance and be better positioned to realize our midterm strategic goals



Snapshot of SinoPac Holdings



Overseas Offices

Hong Kong, Macau, Nanjing, Shanghai, Guangzhou, Chongqing, Yinchuan, Tianjin, Dongguan, Kunshan, Xiamen, Chengdu, Vietnam, Thailand, Myanmar, Los Angeles, and London

Strong Capital Structure

	2017	2018	2019
CAR	130%	124%	118%
DLR	114%	114%	113%

Growing Operating Performance

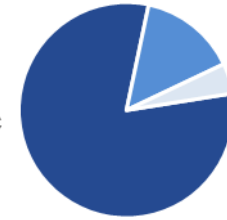
NT\$	2017	2018	2019
Net Income	9.1b	9.4b	12.5b
EPS	0.82	0.84	1.11
ROE	6.68%	6.72%	8.60%

External Recognition

	2017	2018	2019
S&P	BBB-/twA	BBB/twA+	BBB/twA+
Fitch	BBB/A+(tw)	BBB/A+(tw)	BBB+/AA-(tw)

2019 Profit Contribution by Subsidiaries

Bank SinoPac
80.7%



SinoPac Securities
14.9%

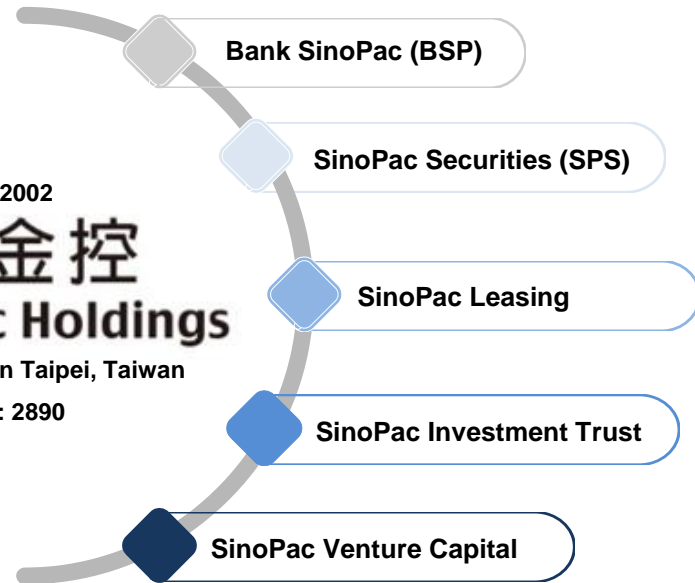
Others
4.4%



EST. 2002
永豐金控
SinoPac Holdings

Headquartered in Taipei, Taiwan

TWSE: 2890



FTSE4Good
TIP Taiwan
ESG Index

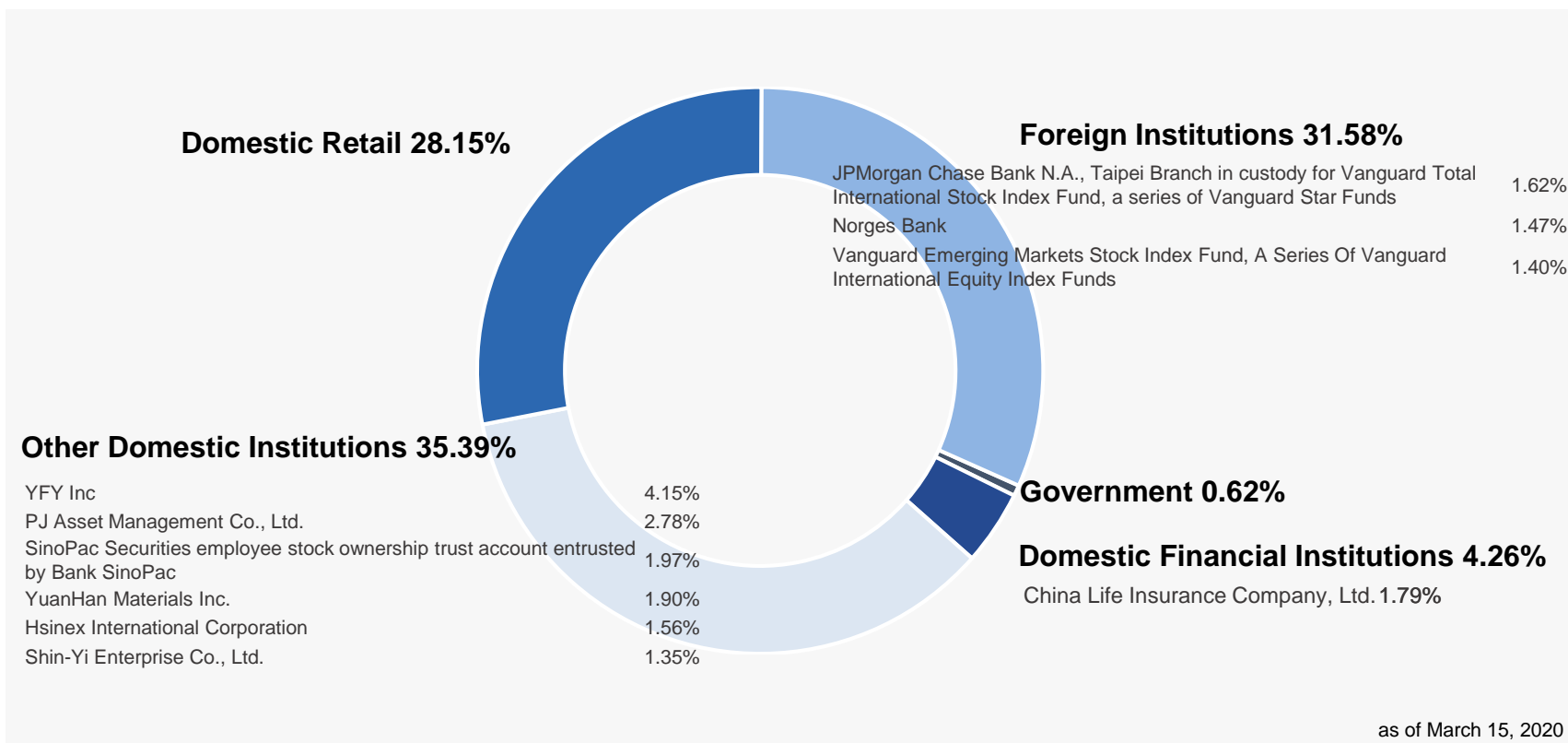
TWSE
Corporate
Governance
100 Index

Taiwan High
Compensation
100 Index

TWSE RA Taiwan
Employment
Creation 99 Index

Ownership Structure

Our Shareholders



Board of Directors – Overview

- The Seventh Term of the Board of Directors at SinoPac reflects the diversity of gender, age, and experience
- Under the supervision of the new Board, SinoPac Holdings will enhance corporate governance and be better positioned to realize our midterm strategic goals

Title	Name	Basic Information				Professional Background			Professional Skills							
		Nationality	Gender	Age			Period in Office	Financial Industry	Other Industries	Banking & Securities	Business Administration	Law	Accounting	Finance	Cybersecurity/ Information Technology	Risk Management
				<55	55 to 60	>60										
Chairperson	Shi-Kuan CHEN	Republic of China	Female		●			2020/5/13-	●	●	●	●		●		●
Independent Director	Chi SCHIVE	Republic of China	Male			●		2014/6/12-	●		●	●		●		●
Independent Director	James J. SHEU	Republic of China	Male			●		2014/6/12-	●		●	●	●			●
Independent Director	Wei-Ta PAN	Republic of China	Male			●		2020/5/13-	●	●	●	●	●			●
Director	Stanley CHU	Republic of China	Male	●		●		2017/12/5-	●		●	●		●		●
Director	Wei-Thyr TSAO	Republic of China	Male			●		2020/5/13-	●		●	●		●		●
Director	Chi-Hsing YEH	Republic of China	Male		●			2018/5/1-	●	●		●	●		●	●

Note: Duration of the Seventh Term of the Board of Directors will be May 13, 2020 to May 12, 2023

as of August 5, 2020

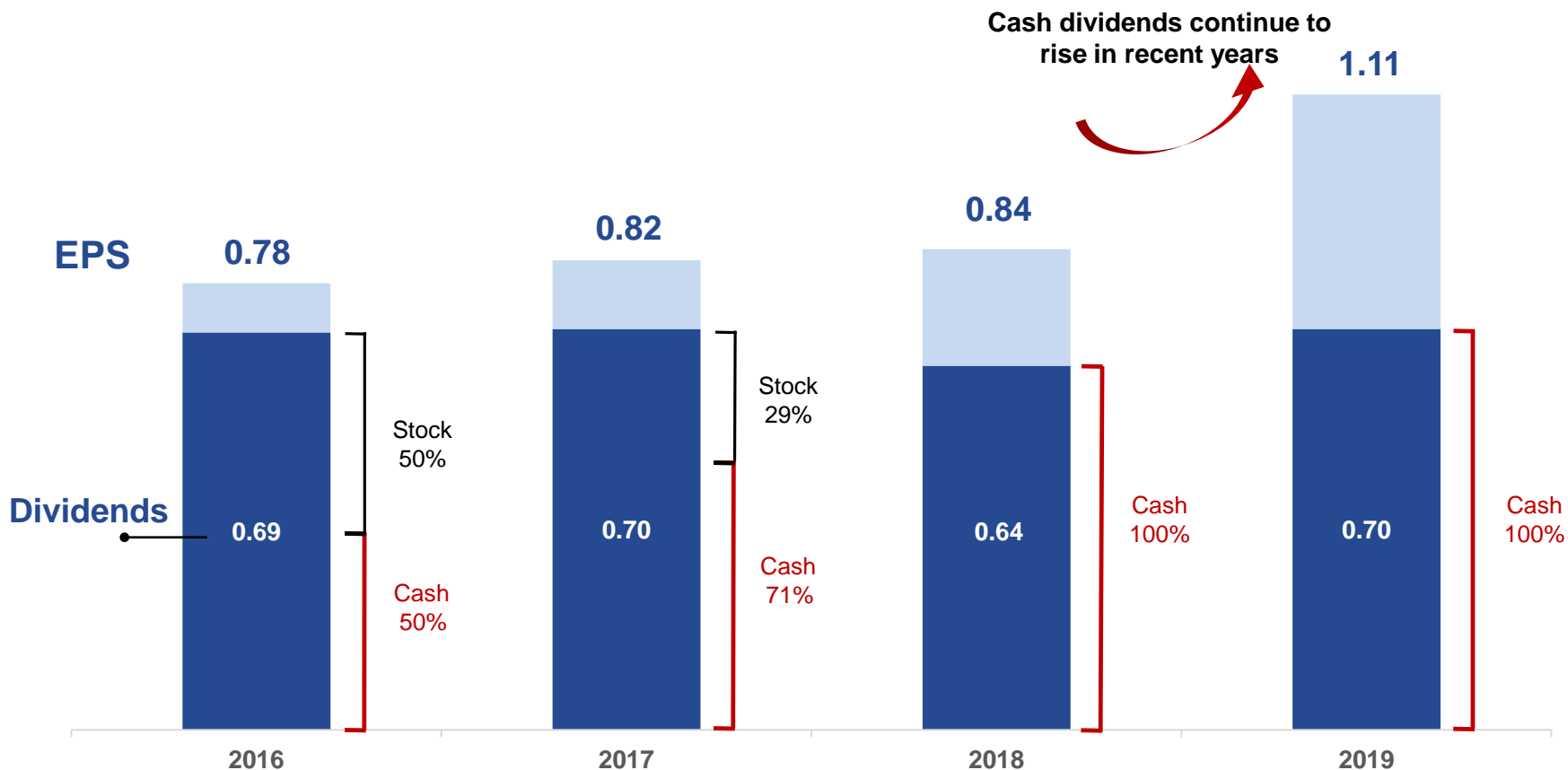
Board of Directors – Education and Experience

Title*	Name	Gender	Education	Experience
Chairperson	Shi-Kuan CHEN	Female	Ph.D. in Economics, Yale University, U.S.A.	President of Chung-Hua Institution for Economic Research; Professor of Department of International Business, National Taiwan University; Independent Director of DBS Bank (Taiwan); Director of Mega Holdings; Supervisor of Mega International Commercial Bank
ID	Chi SCHIVE	Male	Ph. D. ,Case Western Reserve University Master degree in Economics, National Taiwan University	Adjunct Professor of National Taiwan University; Chair Professor of Shih Hsin University and Soochow University; Director of Pegatron Corporation; Minister without Portfolio of the Executive Yuan; Chairman of Taiwan Stock Exchange
ID	James J. SHEU	Male	MBA, The Wharton School of the University of Pennsylvania, USA Passed the Senior Professional and Technical Examinations for Certified Public Accountants of R.O.C.(Taiwan)	Chief Risk Officer of Chinatrust Financial Holding Co., Ltd. President of Chinatrust Financial Holding Co., Ltd.
ID	Wei-Ta PAN	Male	Juris Doctor (J.D.), University of Nebraska	President of Soochow University; Professor of Law, Law School, Soochow University; Chairman of Private School Promotion Foundation; Independent Director of China Life
ED	Stanley CHU	Male	EMBA, National Taiwan University	President of SinoPac Holdings; Chairman of SinoPac Securities Corp.; Director of Taiwan Stock Exchange Corporation; Adjunct Professional Expert, Graduate Institute of International Business, National Taiwan University; Chairman of Cathay Securities Corporation; Senior Executive Vice President of Taiwan Futures Exchange; Director of Taiwan Futures Exchange
NED	Wei-Thyr TSAO	Male	MBA, National Taiwan University Bachelor of Power Mechanical Engineering, National Tsing Hua University CFA holder	Director of Bank SinoPac; Senior Consultant of Taipei Fubon Commercial Bank Co., Ltd.; Managing Director, Acting President in Taiwan, and Head of Global Finance and Risk Solutions for Greater China, Barclays Capital Asia Ltd.; Managing Director of Morgan Stanley Asia Ltd; Executive Vice President and Head of Group Fixed Income, China Development Financial Holding Co.
NED	Chi-Hsing YEH	Male	Master degree in School of Law, Soochow University Bachelor of Electronics Engineering, National Chiao Tung University Passed the Civil Service Special Examination for Judges and Prosecutors of R.O.C(Taiwan) Passed the Senior Professional and Technical Examination for Lawyers of R.O.C(Taiwan)	Founder and Managing partner of DaVinci Personal Data and High-Tech Law Firm; Representative of DaVinci Management Consulting firm Co.,Ltd.; Assistant Professor of School of Law, Soochow University; Consultant of Personal Data Protection Act for National Development Council; Supervisor of Taiwan Internet and E-Commerce Association; Director of Taiwan Cyber Security Alliance (TWCSA)

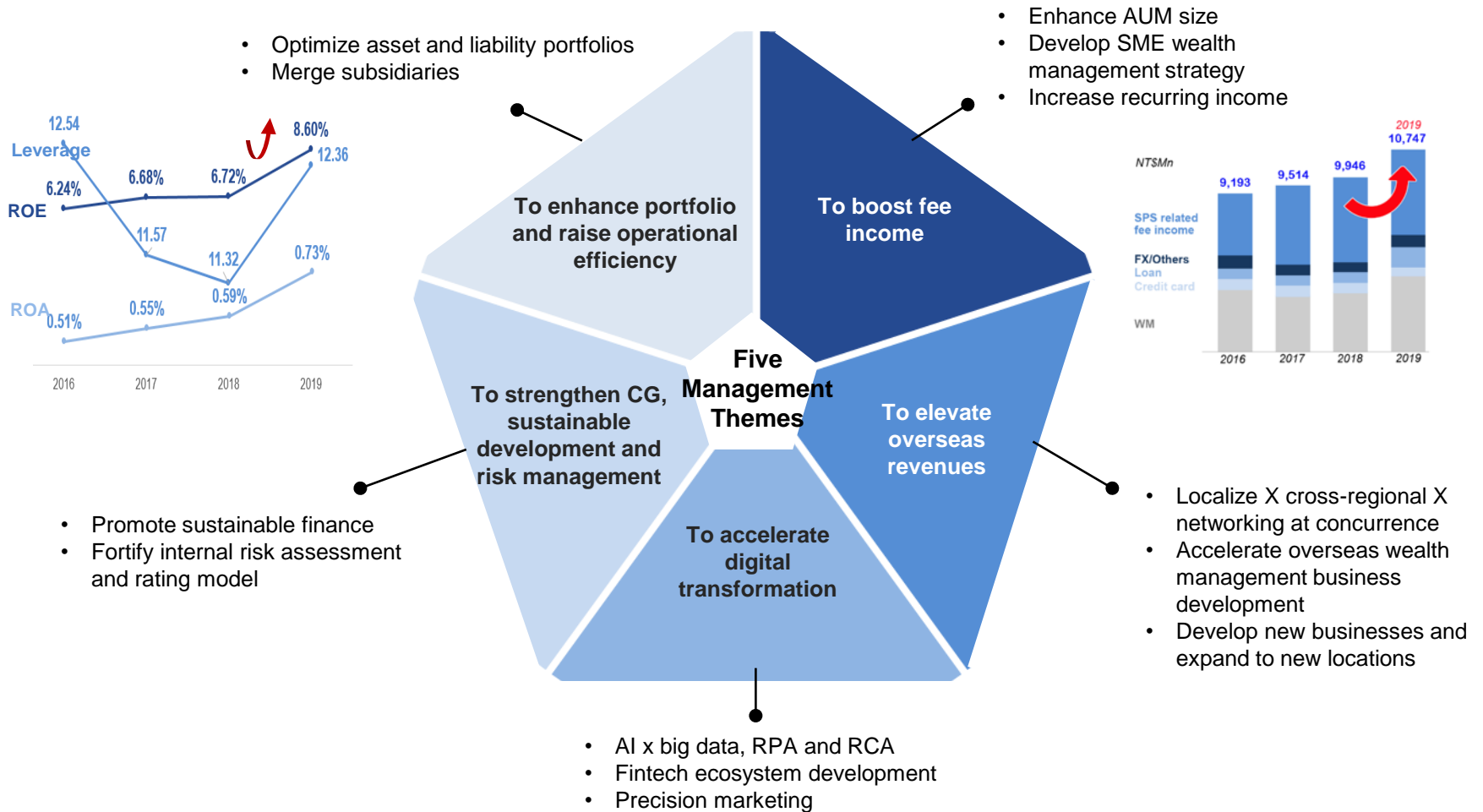
*ID: Independent Director; NED: Non-executive Director; ED: Executive Director

SinoPac Historical Dividends

Dividend Breakdown (NTD/share)

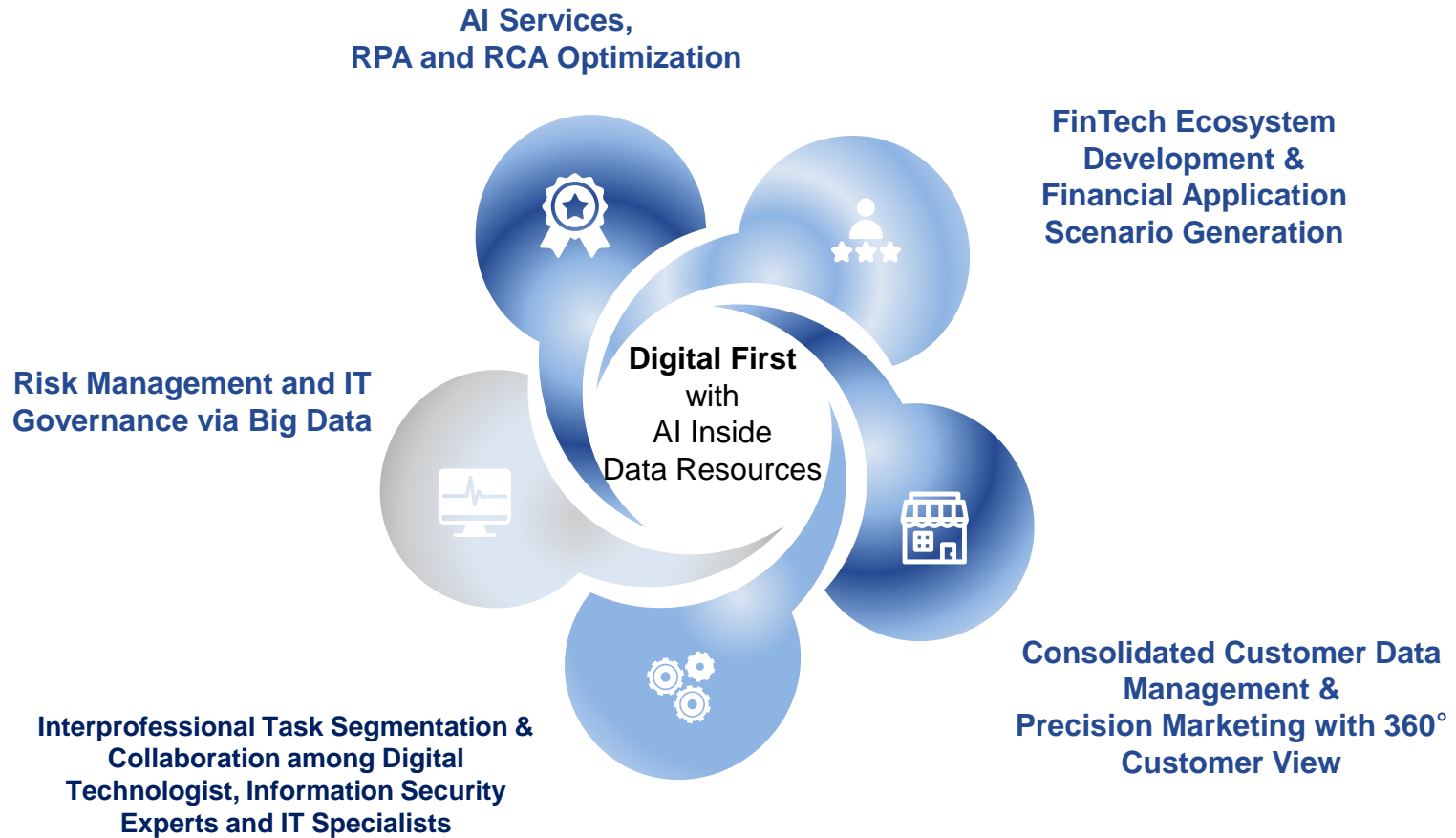


Business Strategies – Five Management Themes



Fintech

Enhance Customized Service via Fintech



Digital + Information Technology Investment



Platform

Mobile Banking App
DAWHO App
Business/Personal
Banking App

Biometric

Palm Vein &
Facial Recognition
In DAWHO App



Open

Open API
DevOps Infra
API Management

AI/Data

Digital Footprints
Customer 360° view
RPA & RCA

Product

AI Investment & Learning
Platform in SinoPac Securities
(大戶投/豐存股/豐雲學堂)
Digital Account
E-Payment



FINTECH

Sustainable Development

SinoPac CSR Vision and Four Missions

Maintaining sound corporate governance and upholding ethics, compliance, integrity, transparency, and accountability as our core values. Treating employees, customers, and shareholders as well as all stakeholders with fairness, offering premium financial products and service to customers with an aim of becoming a respected company that all stakeholders take pride in.

Ethics and Decency

Devoting ourselves to environmental sustainability by reducing the operational impact on the environment. Paying attention to the impact of climate change. Promoting recycling, developing environmentally-friendly financial products, and implementing responsible lending and investment.

Environmental Sustainability

Fulfillment of a Beautiful Life Through Finance

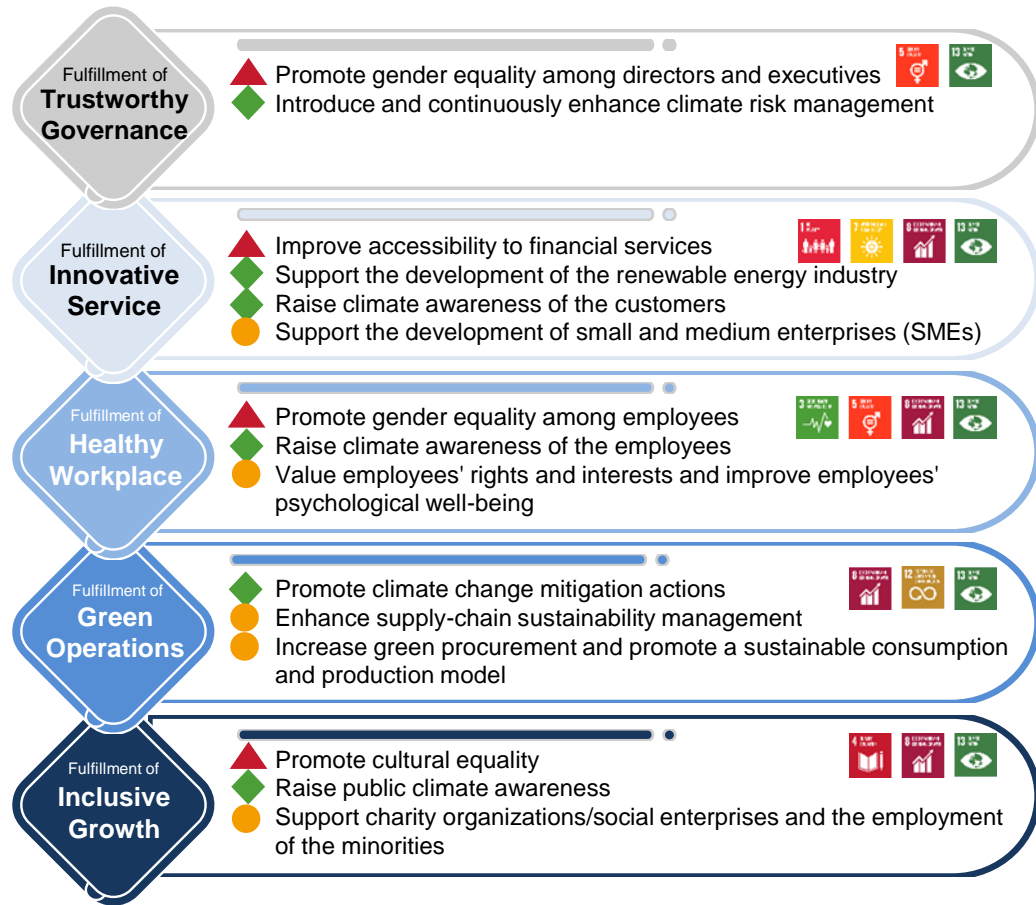
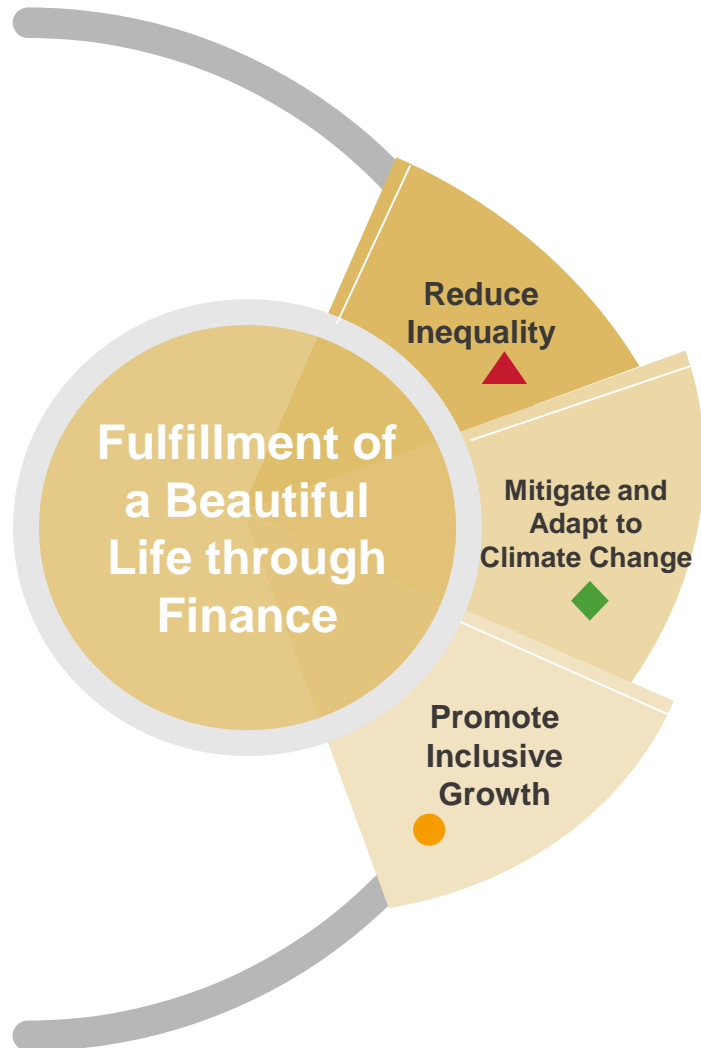
Upholding the spirit of taking from society and giving back to society, engaging in implementing social welfare programs for the disadvantaged and supporting art and cultural activities in local communities as a responsible corporate citizen with an aim of achieving social prosperity.

Social Responsibility

Building customer's wealth through our profession and passion. Pursuing sustainable growth with innovation and business performance. Attaching importance to the career development and welfare of our employees while providing a friendly working environment and creating a long-term value for shareholders.

Wealth Building

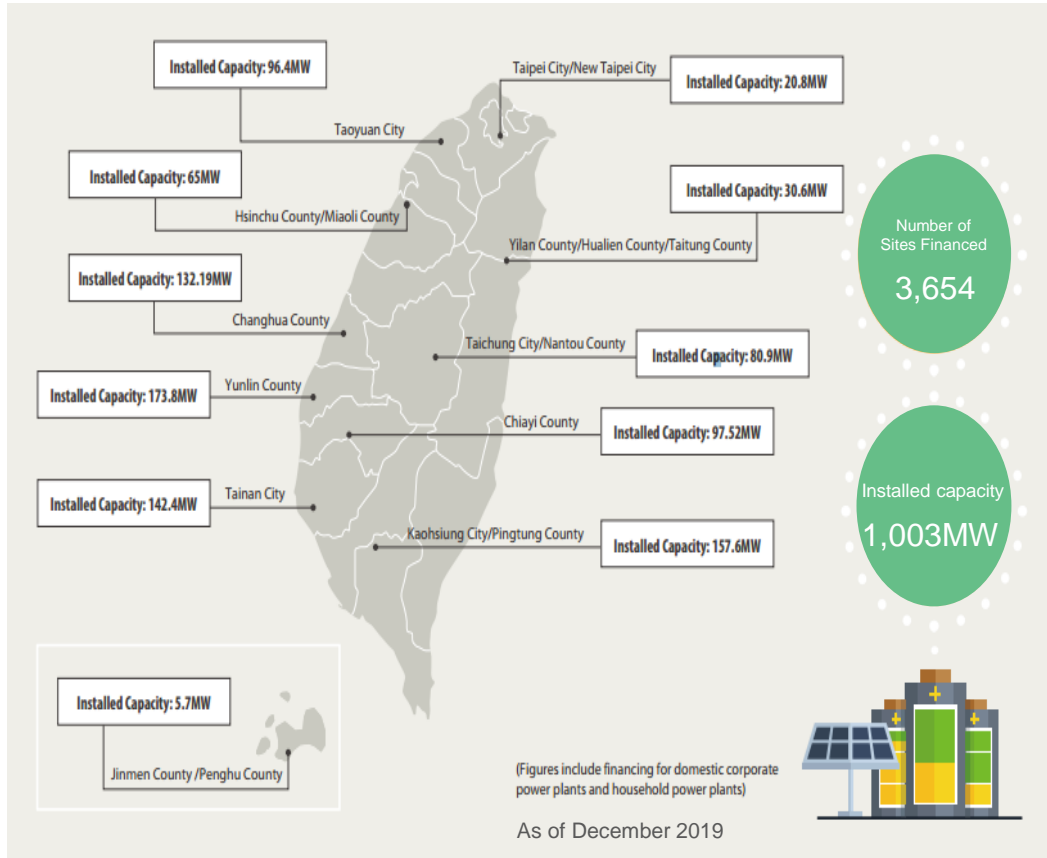
Three Commitments and SDGs



Sustainable Finance Highlights



Solar Energy Equipment Financing Projects



Green Financing Products

Enterprise solar power generation equipment financing As of the end of 2019, Bank SinoPac assisted a total of 3,440 domestic power plants, with a total installed capacity of 993.7MW. BSP's loan balance of facilities for solar power generation equipment was approximately NT\$24.45 billion with a market share of 25%.

Household solar energy equipment financing As of the end of 2019, loans for 214 personal power plants have been approved, with installation capacity being 9.21MW, and the balance of financing household solar energy equipment being NT\$294 million.

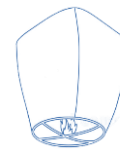
Electric vehicle financing As of the end of 2019, the accumulated financing balance was approximately NT\$28 million, and the credit extended in the year reached NT\$40 million.

ESCO energy storage equipment financing In October 2019, SinoPac Leasing commenced business with ESCO manufacturers. As of the end of 2019, the financing balance for ESCO energy storage equipment was NT\$4.6 million.

Eco-textile financing As of the end of 2019, Bank SinoPac has provided financing to 21 Bluesign certified domestic textile companies, accounting for a market share of 17.2%, with a cumulative financing balance of NT\$4.7 billion.

Green Bond Issuance In addition to the development of various green financing commodities, following the initial issuance of green bonds in 2017, Bank SinoPac issued green bonds amounting to NT\$3 billion in 2019. The funds raised will be used for loans to investment projects related to energy conservation and environmental protection.

Sustainable Finance Highlights



Development of Responsible Lending

2014

The spirit of Equator Principles (EP) was incorporated into the standards for the review and evaluation of project financing

2017

Screen and assess ESG risks for all lending cases and set credit limits accordingly

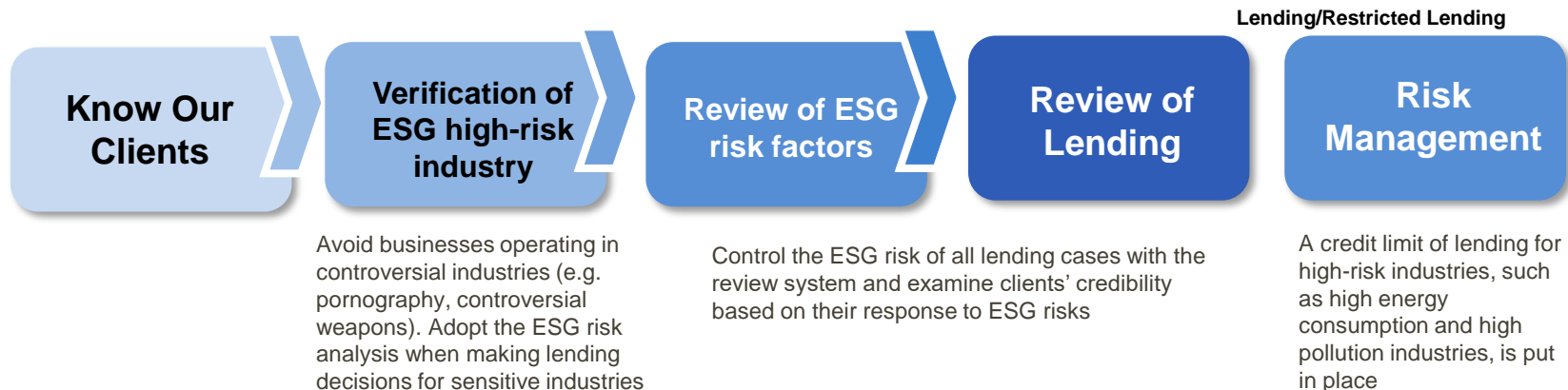
2019

Principles for Responsible Lending Management has been promulgated, stipulating exclusion policy to avoid business engaging in controversial industries while paying attention to the borrowers' strategies in response to the risks and opportunities brought by climate changes

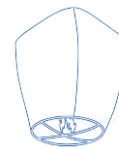
2020

Signed the Equator Principles

Responsible Lending Review Process



Risk Management Model developed with the TCFD index



SPH have identified the emerging climate risks and developed corresponding response measures

Task Force on Climate-related Financial Disclosures (TCFD) announced by the Financial Stability Board divides climate-related risks into two major categories:

- (1) risks related to the transition to a lower-carbon economy
- (2) risks related to the physical impacts of climate change

Transition Risks

Description

Policy and legal risks, technology risk, market risk, and reputational risk

Potential Effect

Transition risks may pose different levels of financial and reputational impact to the company

Physical Risks

Description

Acute risk and chronic risk

Potential Effect

The potential financial impacts of physical risks include direct damages to assets and indirect effects from supply chain interruption.

Response Measures

The Sustainable Development Committee of SinoPac Holdings will stay up-to-date on domestic and overseas trends in sustainable development issues and climate change, formulate the sustainable development blueprint, short-, mid- and long-term plans, and track with them periodically.

The identification and management of climate-related risks and opportunities have been included in the short-term, mid-term, and long-term goals. TCFD was incorporated in the short-term goals to identify the financial risks caused by climate change. Scenario analysis and financial quantification on physical/transition risks of climate change have been included for the mid- and long-term goals.

Climate risk is included in the scope of SinoPac Holdings' risk management policy. The Risk Management Division evaluates the climate risks and opportunities of each subsidiary, and coordinate the climate risks/opportunities and their response measures at the group-level.

[For more details, please refer to the SinoPac 2019 CSR Report \[2.3.4 Management policy and response strategies for climate related risks and opportunities\]](#)

Appendix

SPH Historical Financial Performance

NT\$ Million

Category	Indicator	2017	2018	2019	6M20
Balance sheet	Share capital	110,501	112,711	112,711	112,711
	Total assets	1,599,161	1,604,926	1,833,121	1,982,676
	Total equity	138,260	141,821	148,366	146,309
Valuation	BVPS (NT\$)	12.51	12.58	13.16	12.98
	PB ratio (x)	0.77	0.82	0.99	0.84
	Foreign holdings	26.42%	28.29%	32.09%	28.35%
Capital structure	Debt/ equity (x)	10.57	10.32	11.36	12.55
	CAR	130%	124%	118%	116%
	DLR	114%	114%	113%	113%
Profitability	Net income	9,084	9,428	12,477	5,666
	EPS (\$)	0.81	0.84	1.11	0.50
	ROE	6.68%	6.72%	8.60%	7.73%
Credit rating	S&P/ Twn Ratings	BBB-/ twA	BBB/ twA+	BBB/ twA+	BBB/ twA+
	Fitch	BBB/A+(twn)	BBB/A+(twn)	BBB+/AA-(twn)	BBB+/AA-(twn)

Special Recognitions

