

# **SinoPac Holdings**

## **Company Profile**

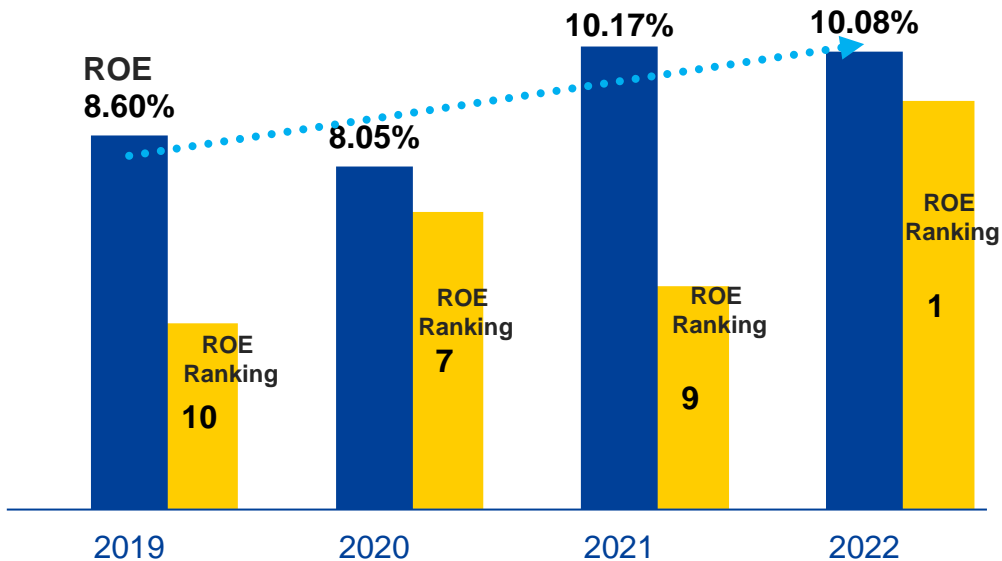
March 28, 2023

# Disclaimer

This presentation and the presentation materials distributed herewith may include forward-looking statements. All statements, other than statements of historical facts, that address activities, events or developments that SinoPac Financial Holdings Company (SinoPac) expects or anticipates will or may occur in the future (including but not limited to projections, targets, estimates and business plans) are forward-looking statements. SinoPac's actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to price fluctuations, actual demand, exchange rate fluctuations, market shares, competition, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, cost estimates and other risks and factors beyond its control. In addition, SinoPac makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

## ROE & ROE Ranking Continuously Advanced

- SinoPac Holdings ROE jumped to 10.1%
- 2022 ROE Ranking of SPH reached No.1 among total 14 financial holding companies in Taiwan



## ESG Ratings Continuously Enhanced

### ● Board With Diversified Expertise:

- Independent directors take 43% seats
- The first-ever female chairperson among private FHCs in Taiwan

### ● Committed to Net Zero Emissions:

- Pledge to net-zero emissions in our own operations by 2030 & reduce financed emissions to net-zero by 2050 and submitted the SBT in 2022

### ● TW Market leader in solar power financing

### ● ESG Ratings Continuously Enhanced:

- DJSI World & Emerging Markets Indexes
- MSCI ACWI ESG Leaders Index
- FTSE4Good TIP Taiwan ESG Index
- S&P Global Sustainability Award-Silver Class

Note: (1) All figures in this report are denominated in New Taiwan Dollar. As of December 30, 2022, the USD/NTD exchange rate was 30.71 ; (2) The 2022 financial data was audited

# Agenda

About SinoPac Holdings ● 01

Sustainable Development Strategy ● 02

# Agenda

About SinoPac Holdings



01

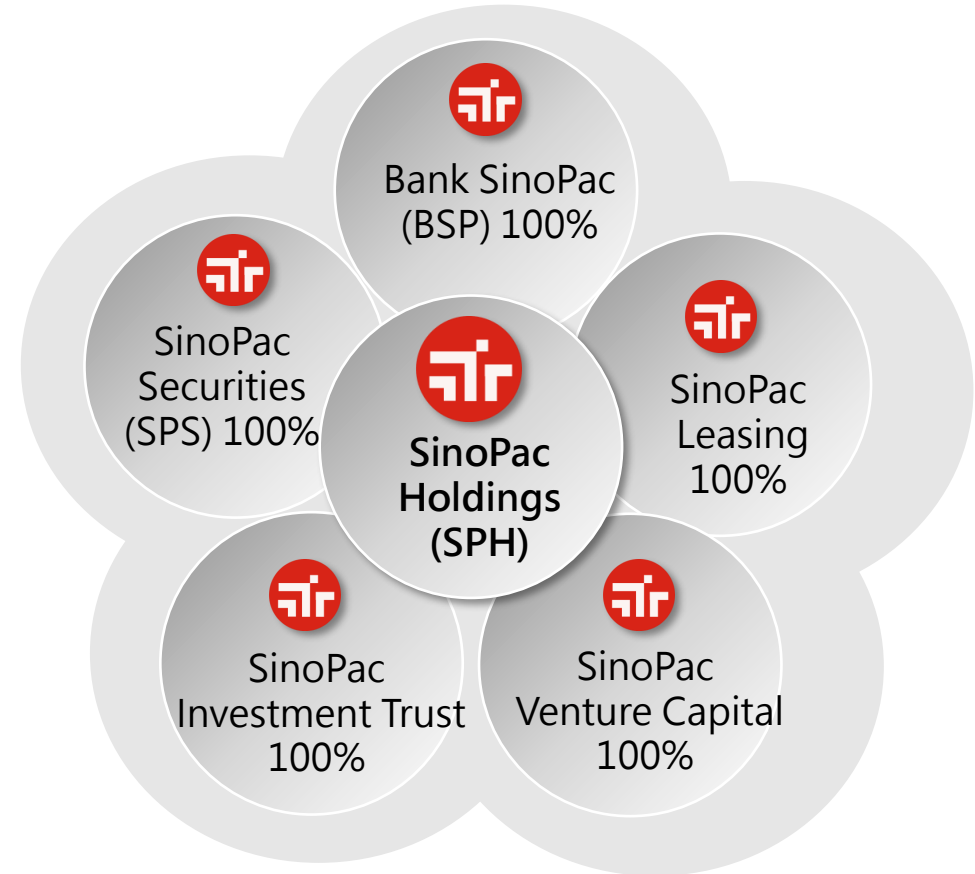
Sustainable Development Strategy



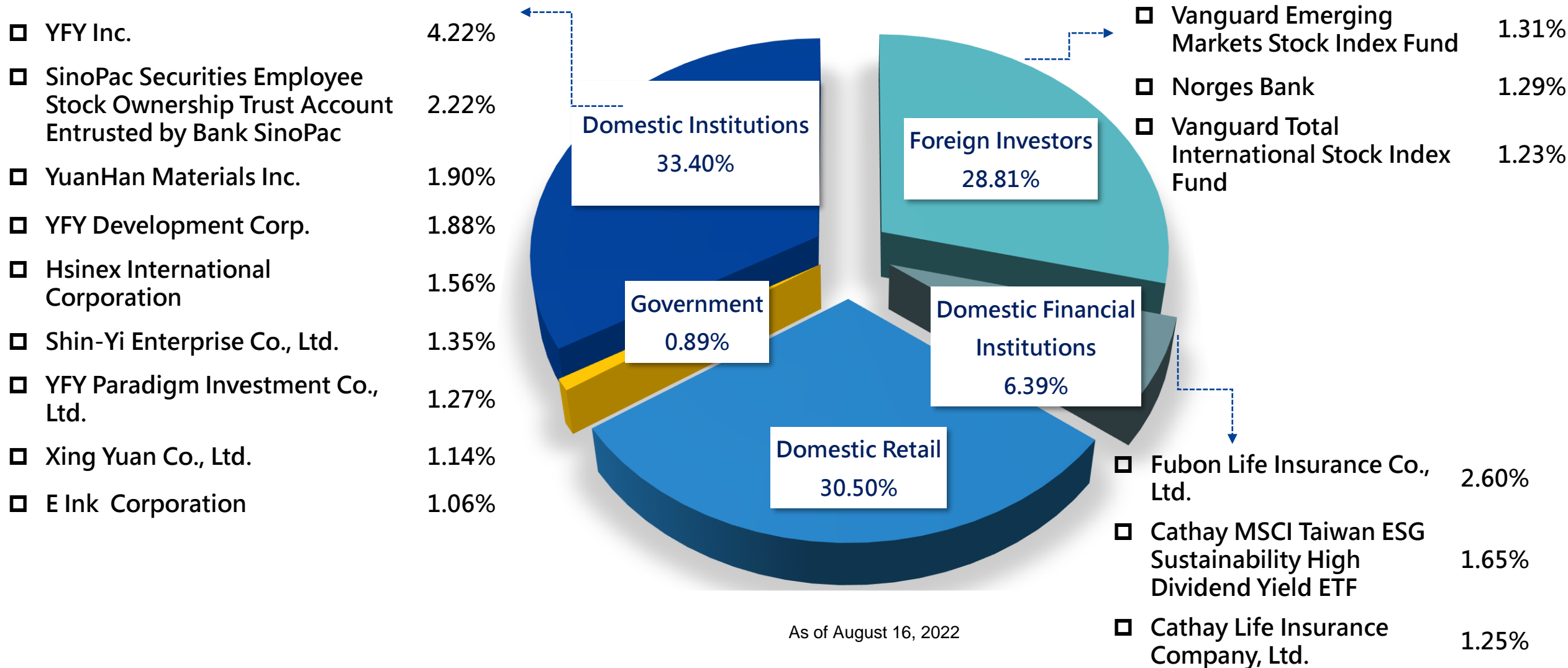
02

# Overview

- ❑ TWSE : 2890
- ❑ SinoPac Holdings (SPH) established in 2002 and headquartered in Taipei, Taiwan
- ❑ In 2022, 89% of profits came from Bank SinoPac (BSP) and 10% were contributed by SinoPac Securities (SPS)
- ❑ BSP runs 125 branches in Taiwan. In addition, banking business has further extended to China, Hong Kong, Southeast Asia, and America
- ❑ SPS runs 47 branches in Taiwan and has further extended its territories to China, Hong Kong, and UK
- ❑ Credit Rating reached BBB+(Fitch) and BBB (S&P)
- ❑ Being included in the DJSI World Index, DJSI Emerging Markets Index, MSCI ACWI ESG Leaders Index, FTSE4Good TIP Taiwan ESG Index, TWSE Corporate Governance 100 Index, and Bloomberg Gender Equality Index
- ❑ Obtained S&P Global Sustainability Award-Silver Class 2022, TABF Best ESG Award, *The Asset* Best ESG Award-Platinum, *HR Asia* Best Companies to Work for in Asia Award, and *Asiamoney* Best Bank for CSR



# Our Shareholders



# The Board and Functional Committees

Board of Directors	Remuneration Committee	Audit Committee	Ethical Corporate Management Committee
<ul style="list-style-type: none"><li>At least 3 seats of independent directors</li><li>At least 1 seat for female directors</li><li>The selection of board members is mainly based on professional skills, industry experience, ethics, and reputation in society. The Company also sets diversity criteria, including gender and age</li></ul>	<ul style="list-style-type: none"><li>Established in 2010</li><li>All members are independent directors</li><li>Evaluate the remuneration policy, system, standard, and structure for directors and managers</li><li>Assess and set the remuneration for directors and managers regularly</li></ul>	<ul style="list-style-type: none"><li>Established in 2014</li><li>All members are independent directors</li><li>Supervise the implementation of internal control</li><li>Supervise the company's compliance with laws and regulations and the control of existing or potential risks</li></ul>	<ul style="list-style-type: none"><li>Established in 2018</li><li>All members are independent directors</li><li>Responsible for the review of ethical corporate management policies and prevention programs, supervision of the performance of the managerial departments</li><li>Incorporate ethics and moral values into the company's business strategy</li><li>Establish a whistleblowing system and supervision of the effectiveness of its implementation</li></ul>

# Diversified Board of Directors

Title	Name	Basic Information						Period in Office	Industry Experience					Professional Skills						
		Nationality	Gender	Concurrent Role as Manager	Age				Financial Holding	Bank	Securities	Insurance	Other Industries	Banking and Securities	Business	Law	Accounting	Finance	Information Security/Information Technology	Risk Management
					50-59	60-69	70-79													
Chairperson	Shi-kuan CHEN	R.O.C.	Female		●			2020/5/13-	●	●			●	●				●	●	●
Independent Director	Chi SCHIVE	R.O.C.	Male				●	2014/6/12-	●		●		●	●				●		●
Independent Director	James J. SHEU	R.O.C.	Male			●		2014/6/12-	●	●				●	●		●			●
Independent Director	Wei-ta PAN	R.O.C.	Male			●		2020/5/13-	●			●	●	●						●
Director	Stanley CHU	R.O.C.	Male	●	●			2017/12/5-	●	●	●			●	●			●		●
Director	Chi-hsing YEH	R.O.C.	Male		●			2018/5/1-	●				●	●	●			●		●
Director	Wei-thyr TSAO	R.O.C.	Male			●		2020/5/13-	●	●	●		●	●				●		●

As of December 31, 2022

Note : Duration of the Seventh Term of the Board of Directors will be from 2020/5/13 to 2023/5/12

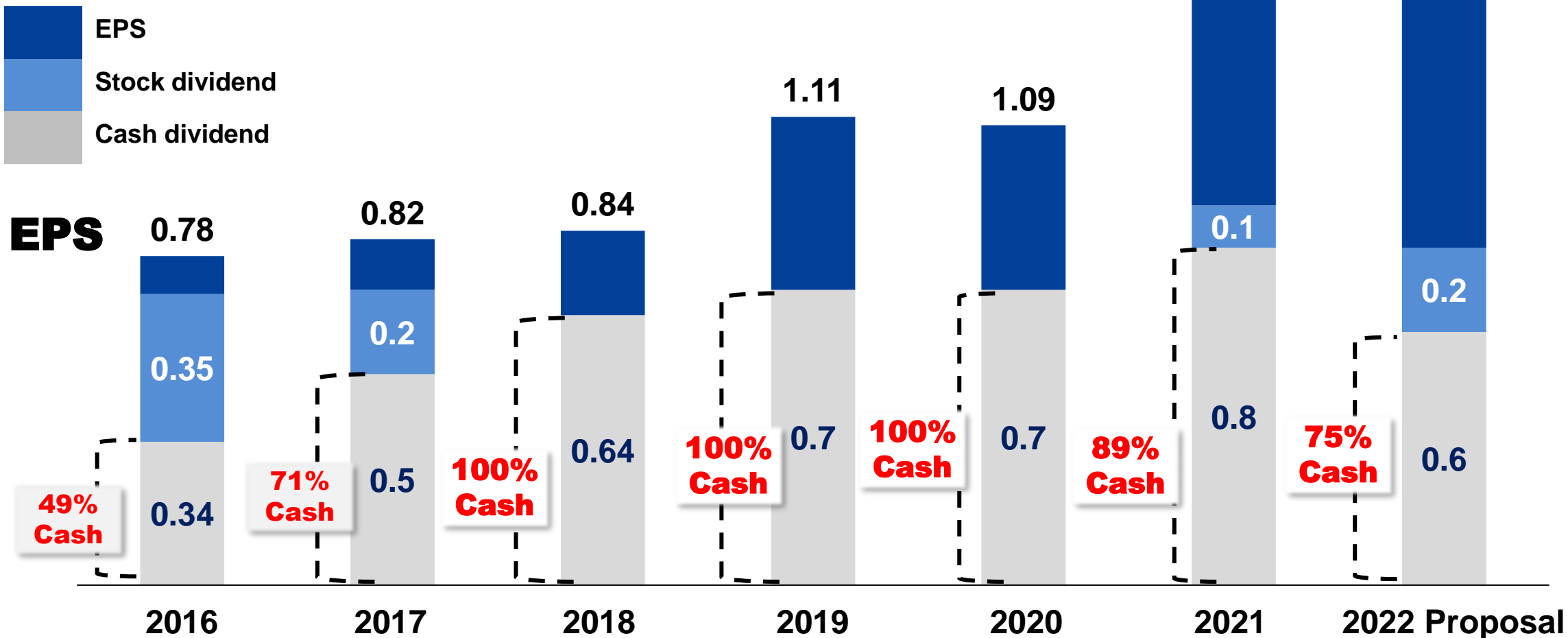
# Professional and Experienced Directors

Title*	Name	Gender	Education	Key Past Positions
<b>Chairperson</b>	<b>Shi-kuan CHEN</b>	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) Ltd.; Director of Mega Financial Holding Co., Ltd.; Supervisor of Mega International Commercial Bank Co, Ltd.
<b>ID</b>	<b>Chi SCHIVE</b>	Male	Ph. D. ,Case Western Reserve University Master degree in Economics, National Taiwan University	Minister without Portfolio of the Executive Yuan, R.O.C.; Chairman of Taiwan Stock Exchange Corporation
<b>ID</b>	<b>James J. SHEU</b>	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)	President of Chinatrust Financial Holding Co., Ltd.; Chief Risk Officer of Chinatrust Financial Holding Co., Ltd.
<b>ID</b>	<b>Wei-ta PAN</b>	Male	Juris Doctor (J.D.), University of Nebraska	President of Soochow University; Dean of Department of Law, Soochow University; Independent Director of China Life Insurance Co., Ltd.; Commissioner of Central Election Committee, R.O.C.
<b>ED</b>	<b>Stanley CHU</b>	Male	EMBA, National Taiwan University	Chairman of Cathay Securities Corporation; Director / Senior Executive Vice President of Taiwan Stock Exchange Corporation; Director / Senior Executive Vice President of Taiwan Futures Exchange
<b>NED</b>	<b>Chi-hsing YEH</b>	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)	General Manager of Goods Come Co., Ltd.; Chief Operating Officer of PChome eBay Co., Ltd.; Prosecutor of Ministry of Justice and Taiwan New Taipei District Prosecutors Office
<b>NED</b>	<b>Wei-thyr TSAO</b>	Male	MBA, National Taiwan University Bachelor of Power Mechanical Engineering, National Tsing Hua University CFA holder	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 of Barclays Capital Asia Ltd.; Managing Director of Morgan Stanley Asia Ltd; Executive Vice President and Head of Group Fixed Income of China Development Financial Holding Co.

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

# Maintain A Stable Dividend Payout Policy

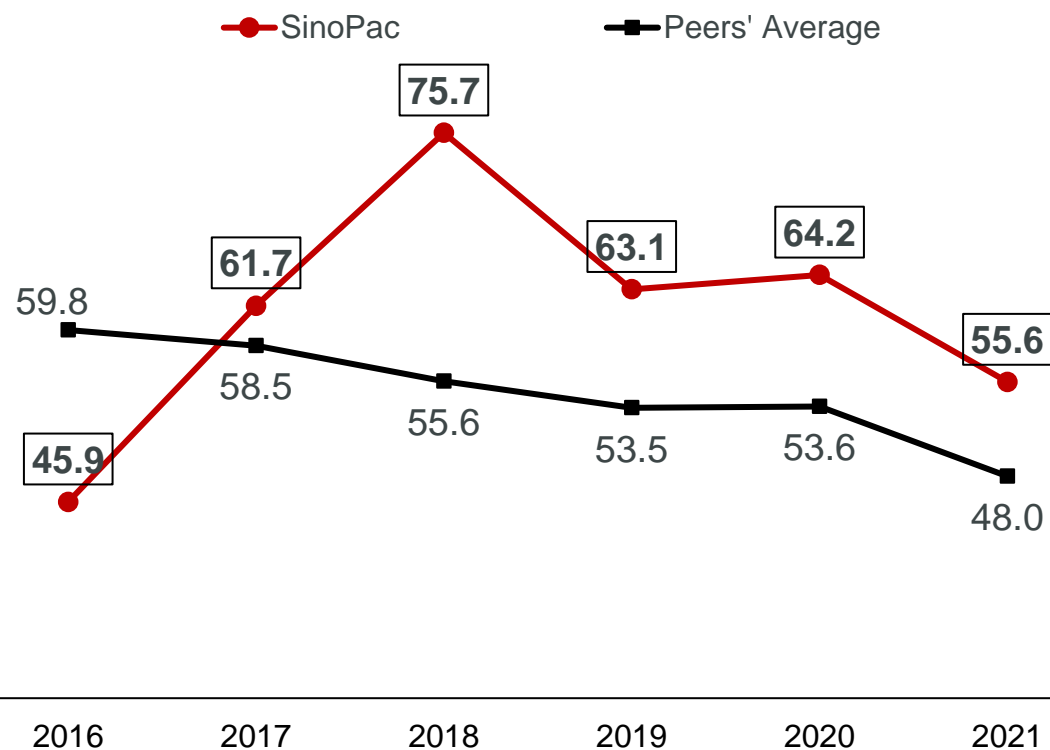
(NTD / per share)



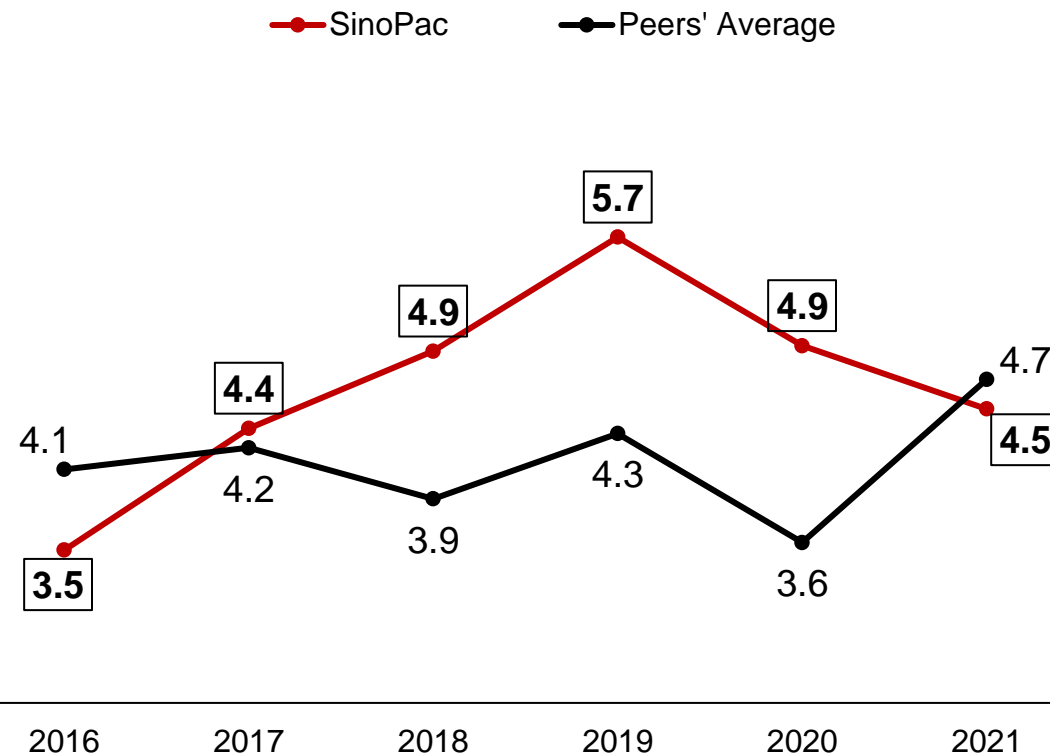
Note: The 2022 payout proposal is pending 2023 AGM approval

# Steady Cash Dividend Yield

## Cash Dividend Payout Ratio(%)



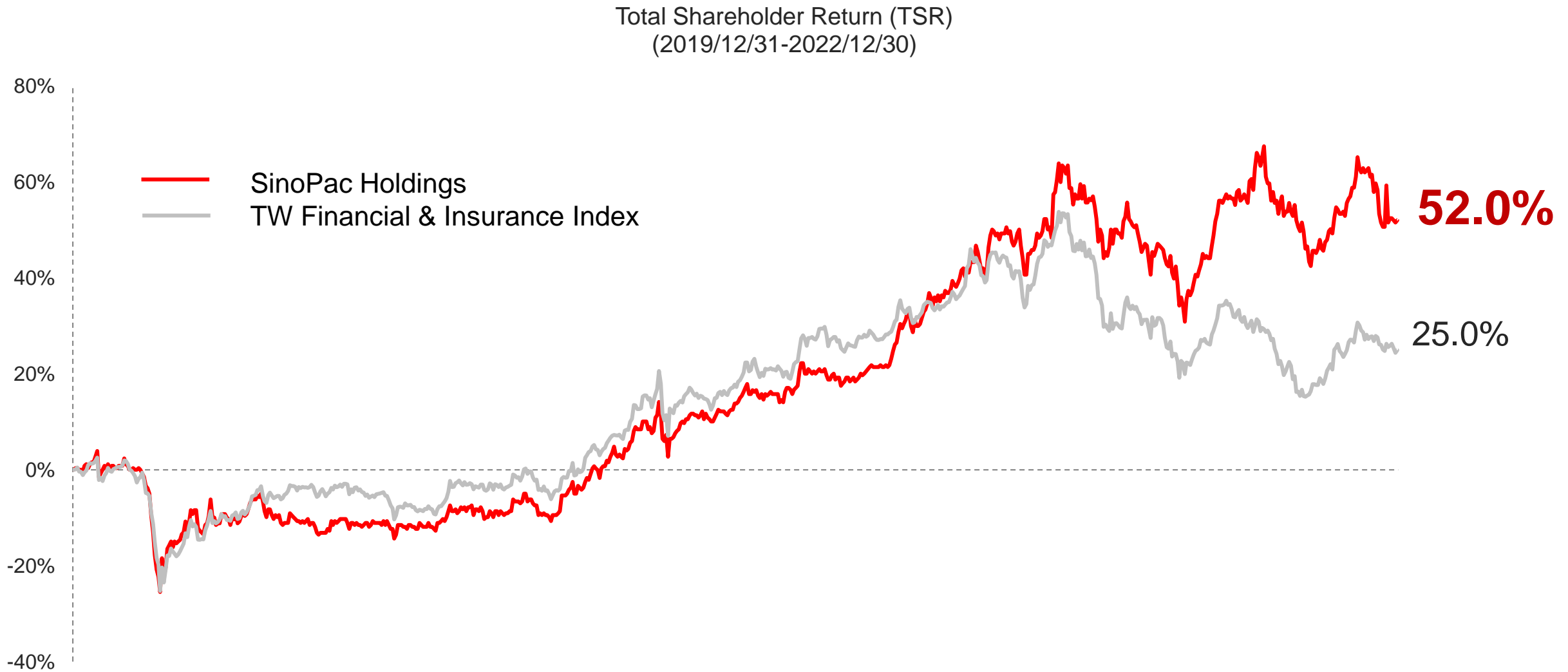
## Cash Dividend Yield(%)



Note 1 : Peer Average includes 14 TW Financial Holdings Companies –Hua Nan, Fubon, Cathay, China Development, E. Sun, Yuanta, Mega, Taishin, Shin Kong, IBF, CTBC, First, Jih Sun, Taiwan Cooperative

Note 2 : Cash Dividend Yield calculated as cash dividend / share closing price at the day before ex-dividend date

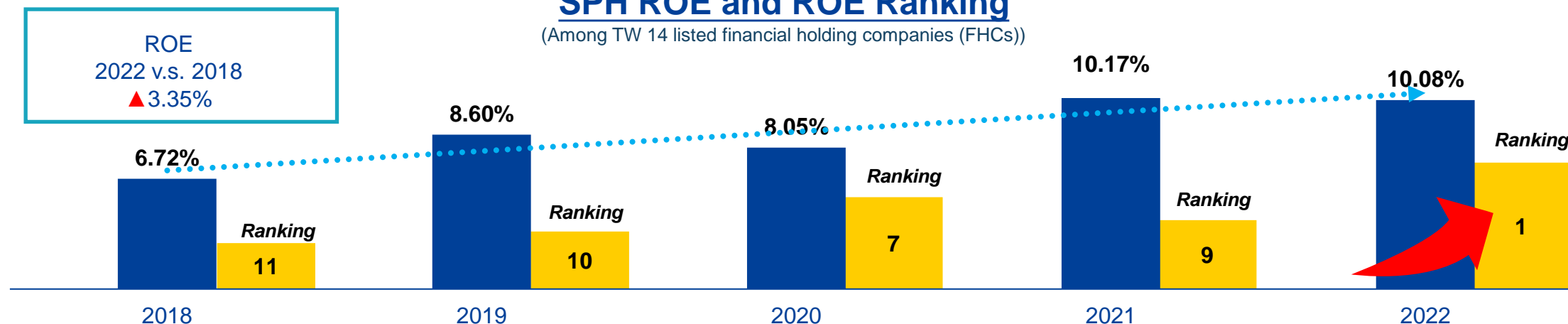
# Three-Year TSR Outperform Sector Index



# Profitability Boost Significantly

## SPH ROE and ROE Ranking

(Among TW 14 listed financial holding companies (FHCs))



### Total Assets

2018~2022  
CAGR+13%

### Net Interest Income

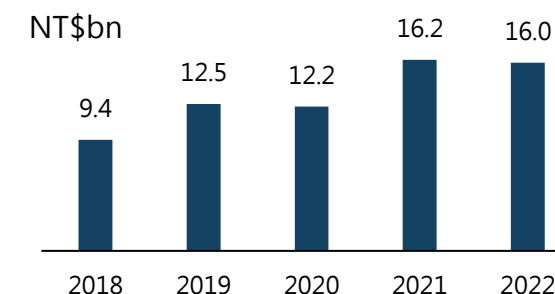
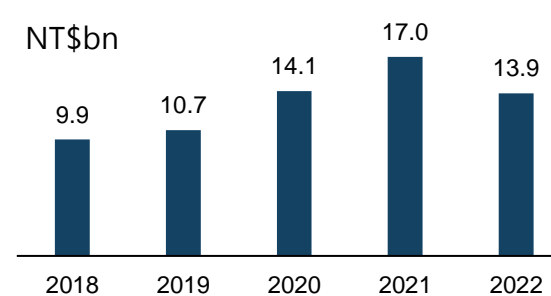
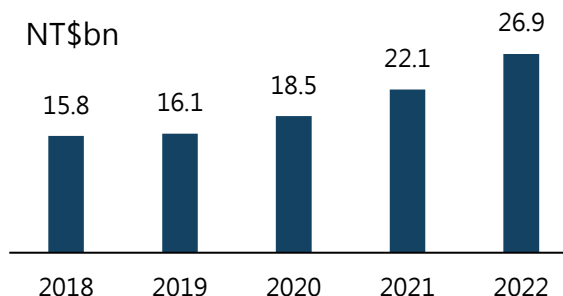
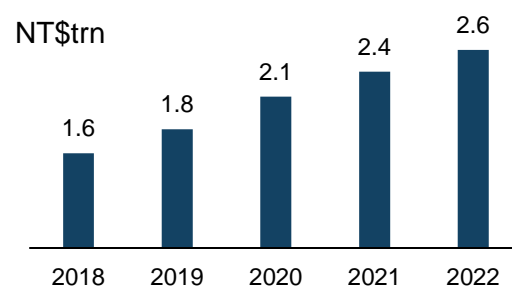
2018~2022  
CAGR+14%

### Net Fee Income

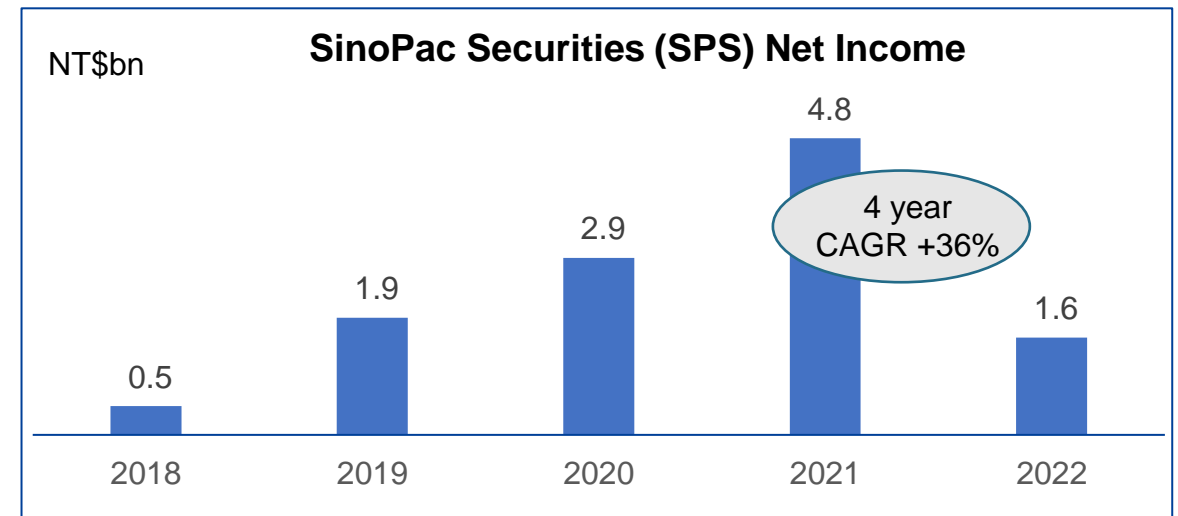
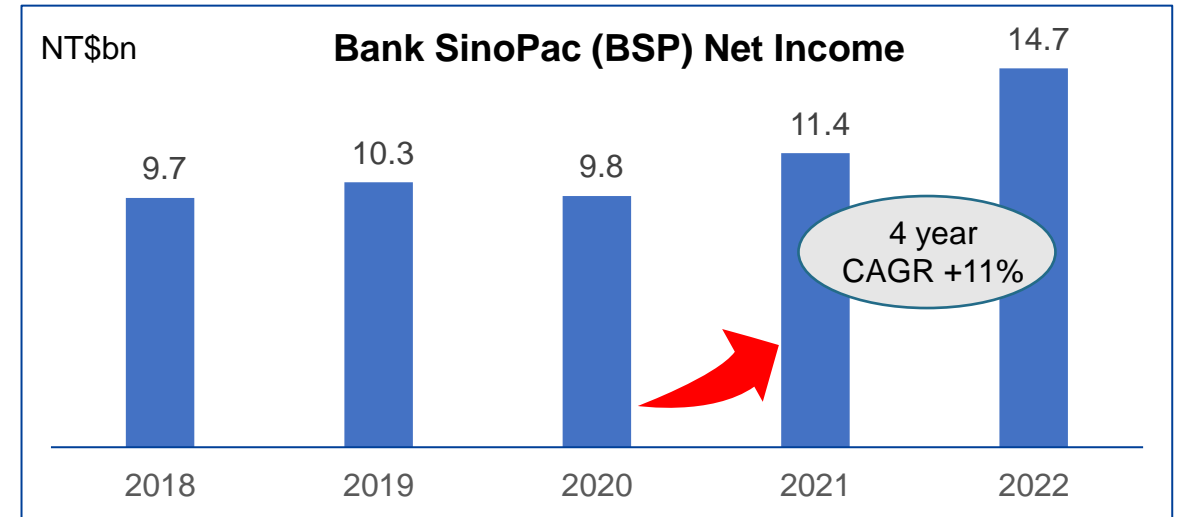
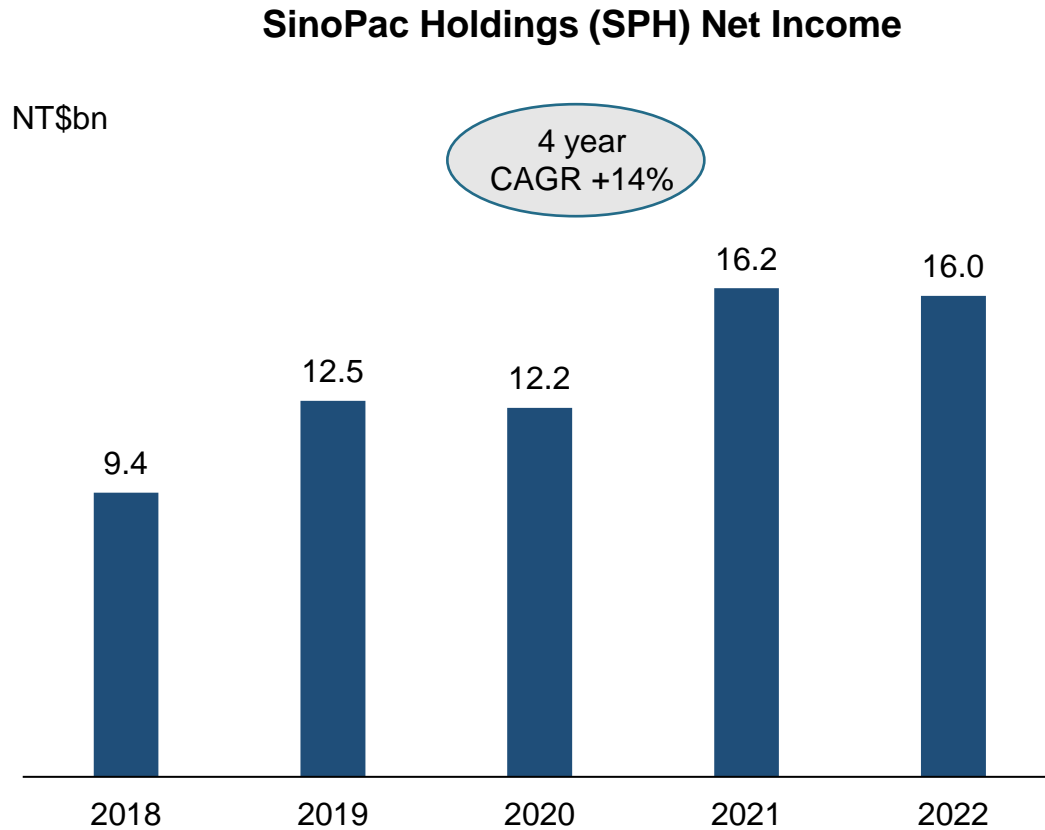
2018~2022  
CAGR+9%

### Net Profit after Tax

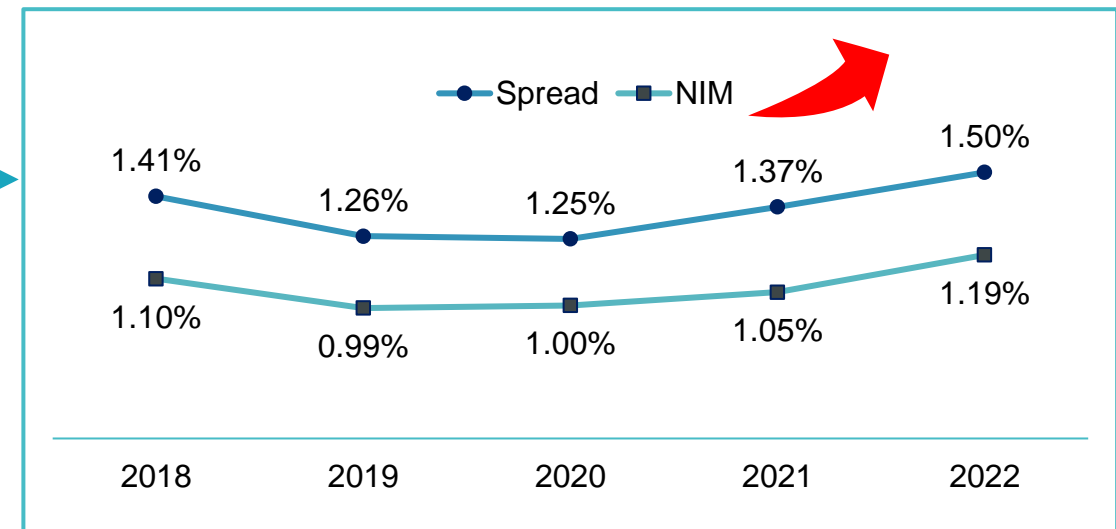
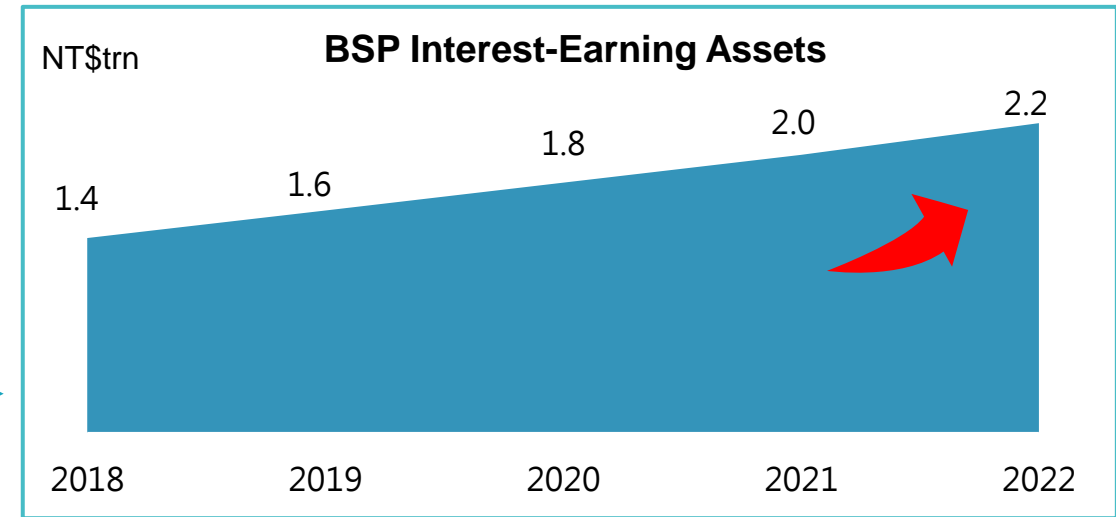
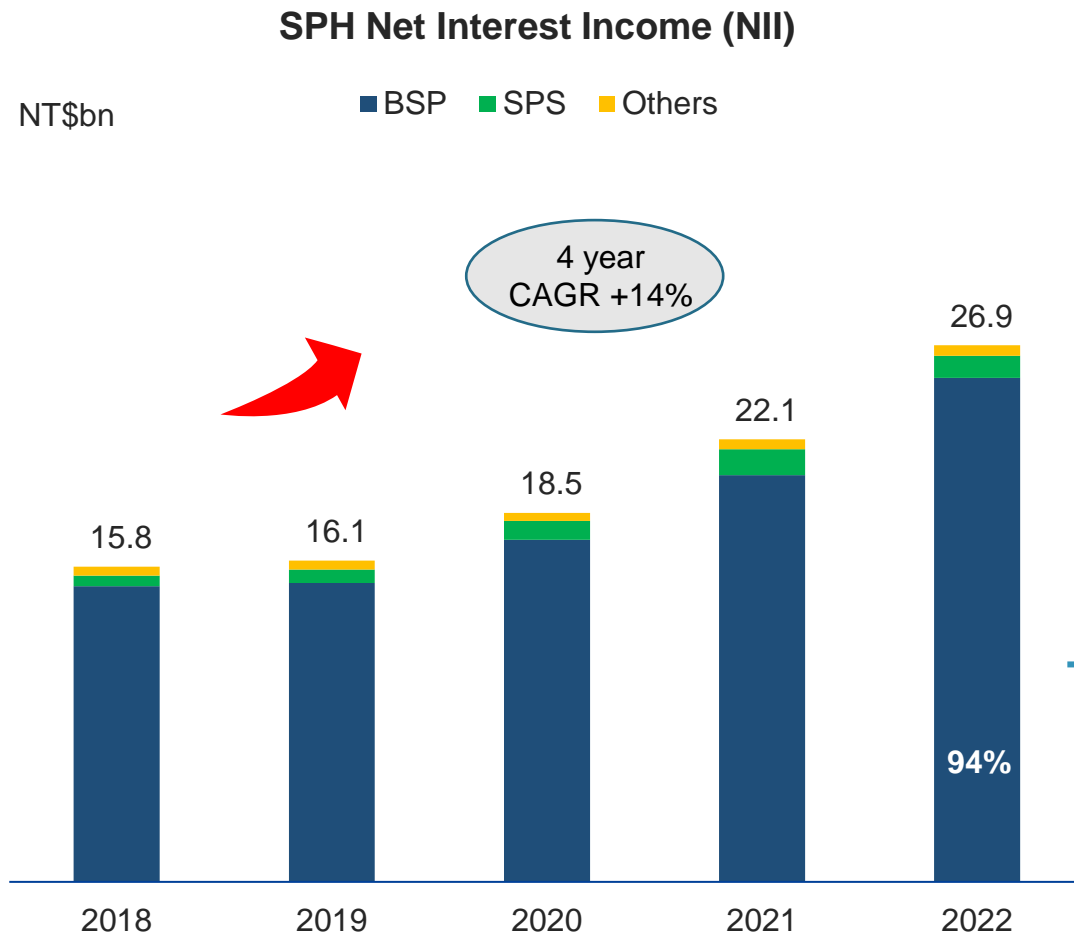
2018~2022  
CAGR+14%



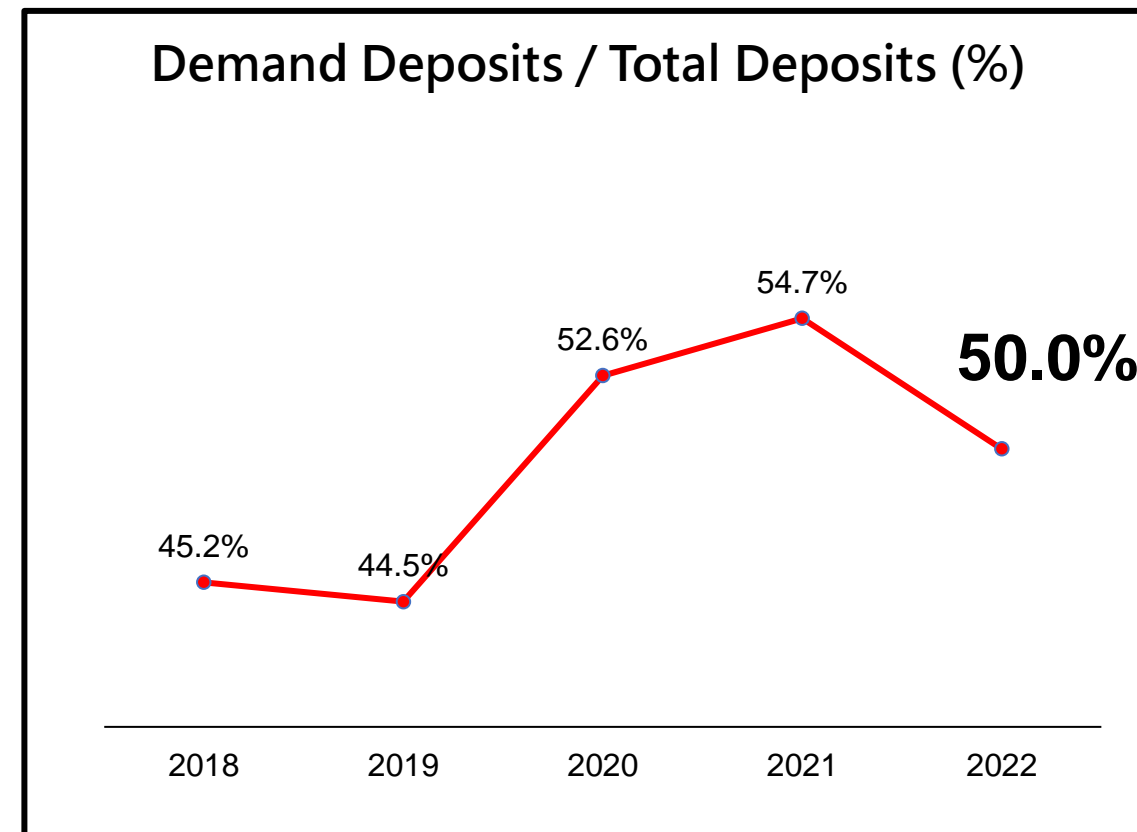
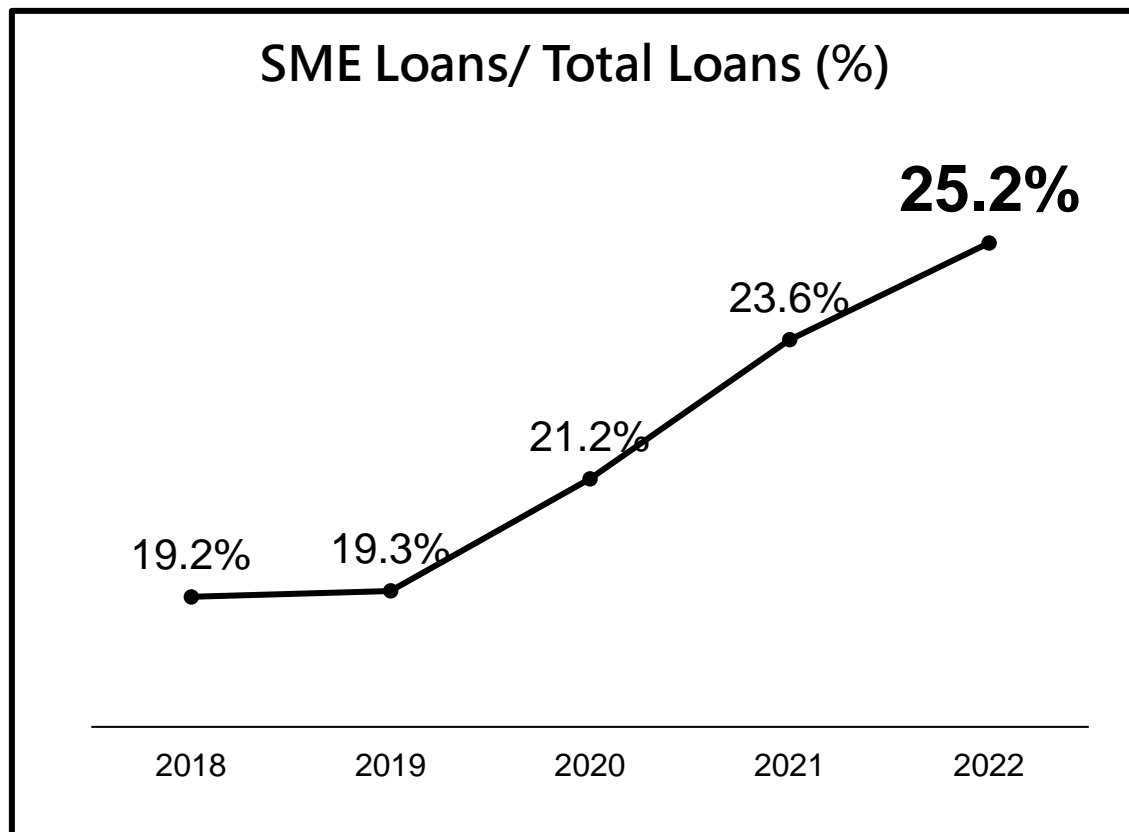
# Two Profit Contributors



# Assets and NIM Support NII Growth



# Optimize Loan and Deposit Structure

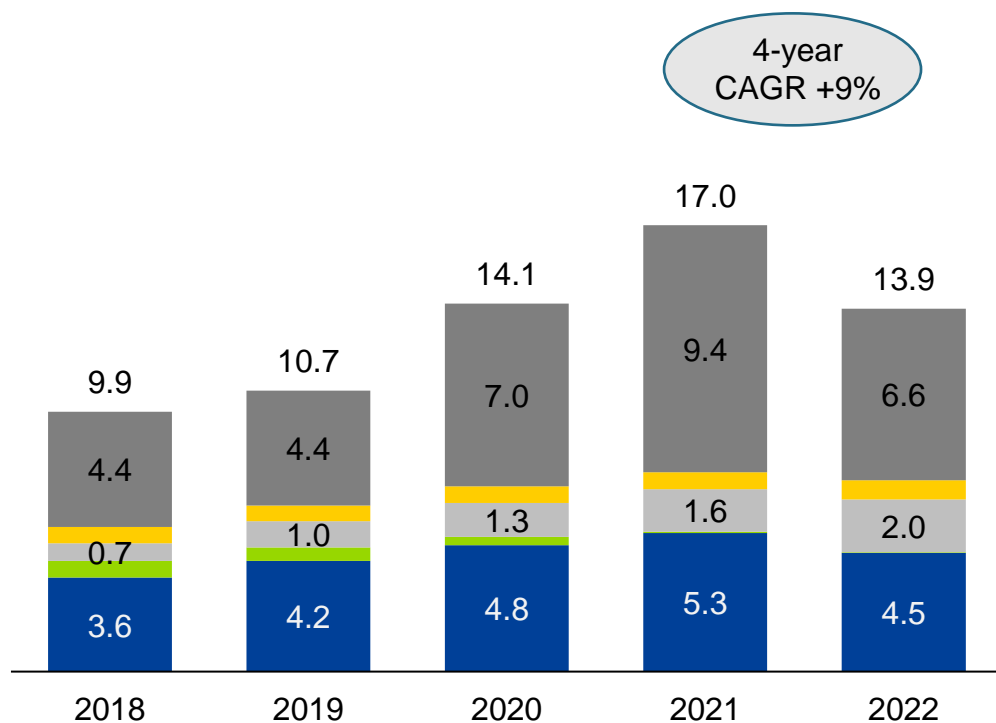


# Increasing Fee Income

NT\$bn

## SPH Net Fee Income

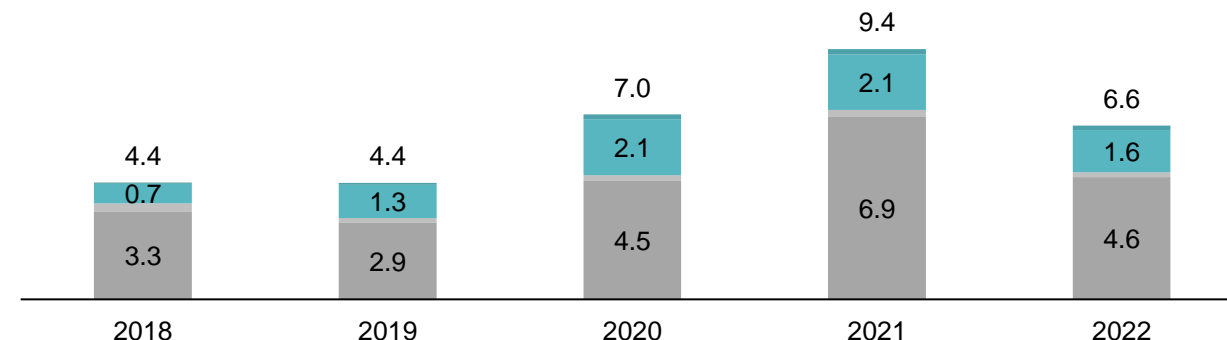
■ WM ■ Credit Card ■ Loan ■ FX & Others ■ Securities



NT\$bn

## Securities Net Fee Income

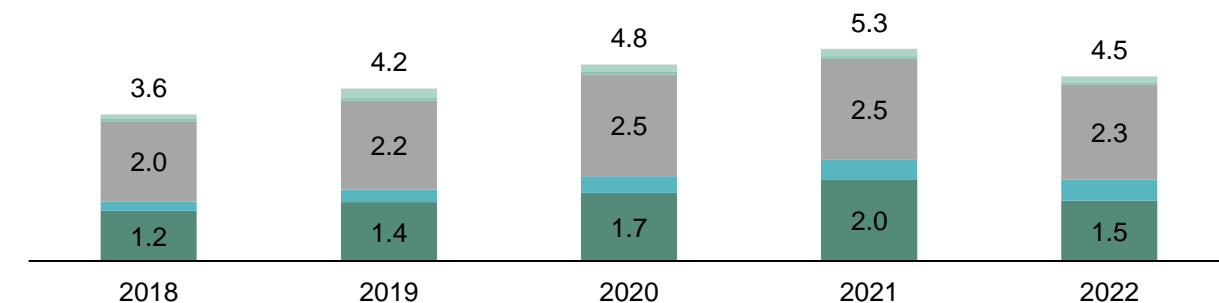
■ Brokerage ■ Underwriting ■ Sub-Brokerage ■ Others



NT\$bn

## SPH Wealth Management Net Fee Income

■ Mutual Fund ■ Trust & Custodian ■ Life Insur ■ Property Insur ■ Securities WM



# SPH Financial Performance

NT\$mn

Category	Indicator	2018	2019	2020	2021	2022
Balance sheet	Share capital	112,711	112,711	112,711	112,711	113,838
	Total assets	1,604,926	1,833,121	2,143,349	2,382,675	2,588,763
	Total equity	141,821	148,366	155,870	162,804	154,019
Valuation	BVPS (NT\$)	12.58	13.16	13.83	14.44	13.53
	PB ratio (x)	0.82	0.99	0.83	1.12	1.24
	Foreign holdings	28.29%	32.09%	26.67%	29.71%	28.25%
Capital structure	Leverage (x)	11.32	12.36	13.75	14.64	16.81
	CAR	124%	118%	132%	131%	122%
	DLR	114%	113%	112%	112%	113%
Profitability	Net income	9,428	12,477	12,241	16,211	15,961
	EPS (\$)	0.84	1.10	1.08	1.42	1.40
	ROE	6.72%	8.60%	8.05%	10.17%	10.08%
Credit rating	S&P/ Taiwan Ratings	BBB/ twA+	BBB/ twA+	BBB/ twA+	BBB/ twA+	BBB/ twA+
	Fitch	BBB/A+(twn)	BBB+/AA-(twn)	BBB+/AA-(twn)	BBB+/AA-(twn)	BBB+/AA-(twn)

Note: share price (NT\$16.75) and foreign holdings as of December 30, 2022; the EPS is backdated

# Awards & Recognitions

**S&P Global Sustainability Award- Silver Class 2023**

**BSP**

Taiwan's Best Bank for CSR 2022  
Private Banking Awards 2022 -Highly Regarded for  
Wealth Transfer / Succession Planning in Taiwan

**Asiamoney**

**CDP  
A- Rating**  
( Carbon Disclosure  
Project )

**The  
Asset**

**The Asset Triple A Sustainable Investing Awards for  
Institutional Investor, ETF, and Asset Servicing Providers 2022**  
**SPS**-Best ETF Market Maker - Highly Commended in Taiwan  
**The Asset Triple A Digital Awards**  
**BSP**-Best Digital Branch Project · Best Mobile Banking Application,  
Best Retail Payment Project  
**The Asset Triple A Private Capital Awards for Investment  
Solutions 2022**  
**SPS**-Editors' Triple Star

**The Digital  
Banker**

**BSP**-Global Transaction Banking  
Innovation Awards 2022 - 「 Outstanding  
Digital Transformation by a Transaction  
/ Wholesale Bank in COVID-19

**Bloomberg Gender Equality Index**

**Forbes**

**BSP** -World's Best Banks 2022

**DJSI World Index  
DJSI Emerging Markets Index**

**Global Banking  
& Finance  
Review**

**BSP**-Excellence in Innovation – Banking  
Product : DACARD App Taiwan 2022  
**SPH**-Best Corporate Governance Company  
Taiwan 2022  
**SPS**-Brokerage Brand of the Year Awards  
Taiwan 2022

**The Asian Banker**

**BSP**-Taiwan Awards 2022 -  
「 Best Digital Account Opening  
/ Onboarding Initiative 」

**Finance Asia**

**BSP**  
Country Awards 2022 - Most  
Innovative Use of Technology  
(Taiwan)

**International  
Business  
Magazine**

**SPH**-Cybersecurity Excellence Award  
**BSP**-The Most Innovative Digital Experience  
Award : DACARD APP  
**SPS**-Sustainable Development Action Awards -  
Green Deal of the Year Taiwan 2022

**Ministry of  
Economic  
Affairs**

**SPH**  
A grade of Taiwan Intellectual  
Property Management System (TIPS)  
**BSP**  
Top Solar System

**Newsweek**

**BSP**-World's Most Socially Responsible Banks 2022

**HR Asia**

**SPH**-Best Companies to Work For in Asia

# Agenda

About SinoPac Holdings



01

**Sustainable Development Strategy**



02

Our Vision

# 翻轉金融 共創美好生活

**Together, a better life.**

**SPH is working to create a better future by connecting finance to life and empowering all people to keep pace with the times and practice happiness. SPH has an expansive vision and respects employees, customers, communities, and the environment.**

# Stakeholders and Material Topics

## Growth Topics

- Business Performance
- Digital Financial Innovation
- Sustainable Finance
- ...



## Resilience Topics

- Corporate Governance & Integrity Management
- Risk Management
- Information Security & Cybersecurity
- ...

# Business Strategies for 2022 to 2024

## Accelerate digital transformation

- Enhancing customer journey
- Integrating data warehousing for precision marketing
- Constructing a flexible cloud service infrastructure
- Sharpening the application of artificial intelligence and robotic process automation
- Developing fintech talent pool and activating digital empowerment plan for all staff

## Provide integrated services and Optimize customer experience

- Creating superb user experience
- Offering seamless premium services
- Building trust and enhancing customer loyalty



## Boost overseas revenues and Expand our international presence

- Cultivating cross-border and localized services
- Employing digital capability for enlarging retail business
- Expanding overseas territories

## Explore green opportunities and Fulfill sustainability commitments

- Responsible lending
- Actively investing in green industries
- Strengthening green financial products and services

# Boost Overseas Revenues

# +25%

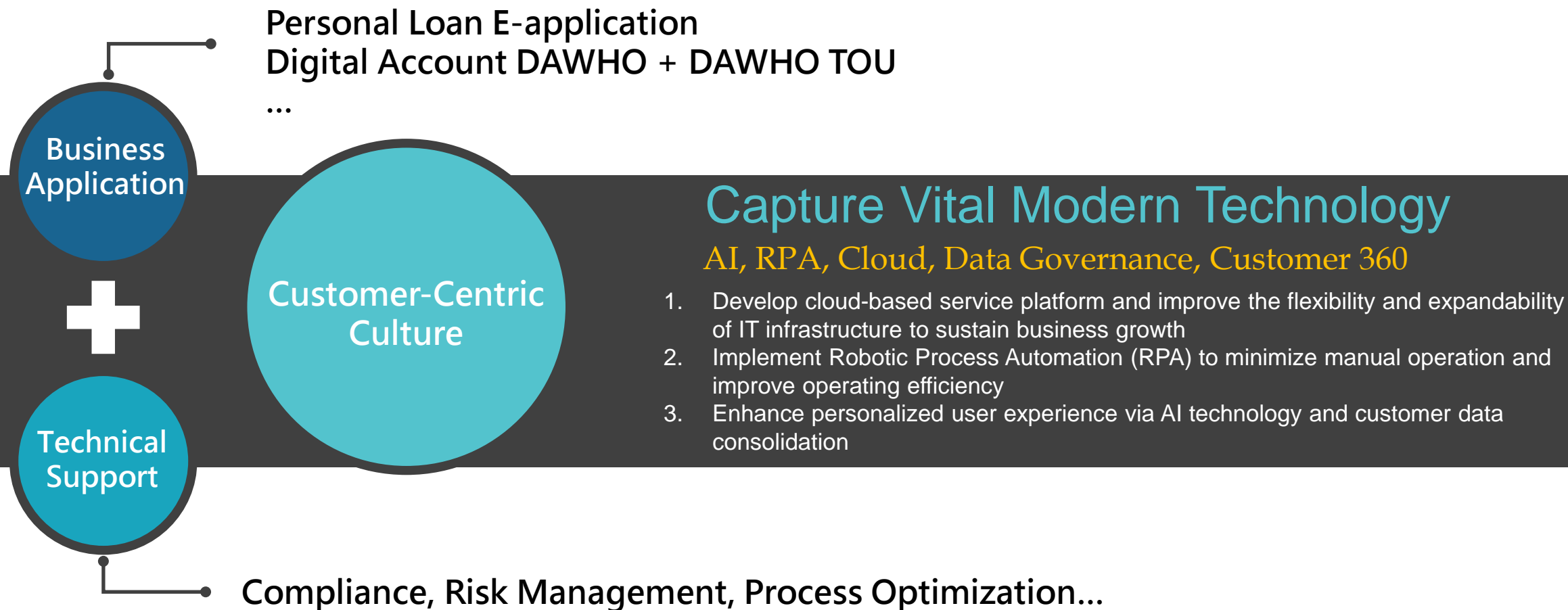
2022 SPH overseas net revenues  
(excluding trading-related revenues)  
increased 25% YoY

- Headquarter: Taipei
- International Offices:
  - Greater China:  
Hong Kong, Macau, Nanjing, Shanghai,  
Guangzhou, Chongqing, Chengdu,  
Tianjin, Dongguan, Kunshan, Xiamen,  
Yinchuan
  - Southeast Asia: Ho Chi Minh City, Hanoi, Yangon, Bangkok
  - America and Europe: Los Angeles, London



- Develop localized services
  - Expanding our retail customer base in Greater China and Southeast Asia
- Accelerate Digital Transformation
  - Optimizing overseas digital services
- Expand International Presence
  - Continuous looking for good opportunities that come across Greater China and Southeast Asia

# Accelerate digital transformation

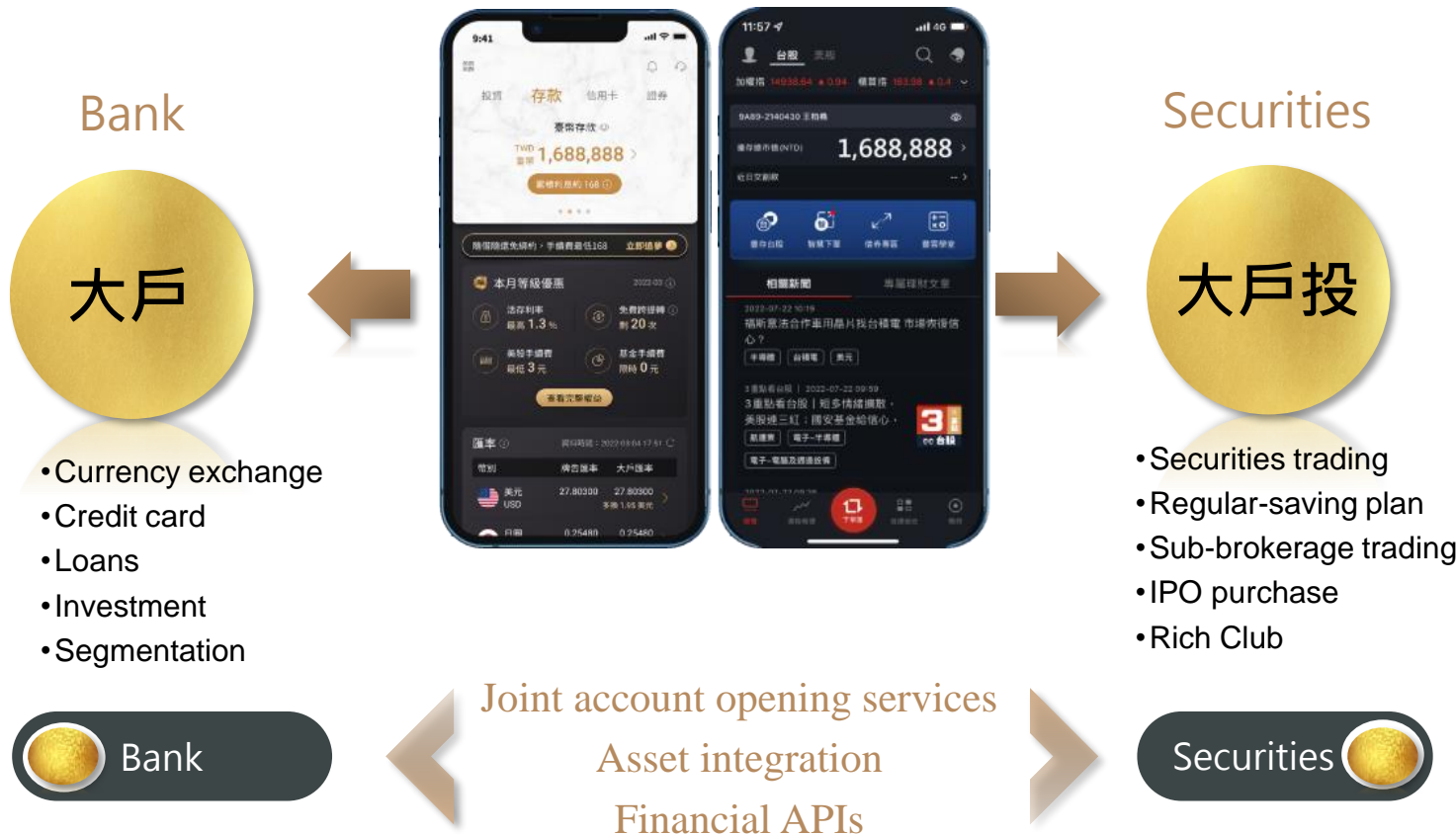


# Provide Integrated Services

The SPH data sharing system was completed in 2022  
The cross-subsidiary premium for VIP customers launched in 2022Q4

Asset combination • Segmentation • Open APIs • 360-degree view

- Strengthen the product information integration of DAWHO App and overseas securities asset overview services



- Providing young generation seamless and comprehensive digital investment service

# Provide Integrated Services

## DAWHO x DAWHO TOU

First and Only in Taiwan,  
combining digital banking accounts with great yield  
and securities accounts with comprehensive services

DAWHO Customer  
Loyalty Program  
-Mind share enhancing

Investment Navigators  
-Superb investment  
experience

Market Pioneer  
-Asset integration  
BSP X SPS

Digital Account Market Share    Number of Digital Accounts Opened

**No.4**

New customer %

**78%**

As of December 31, 2022

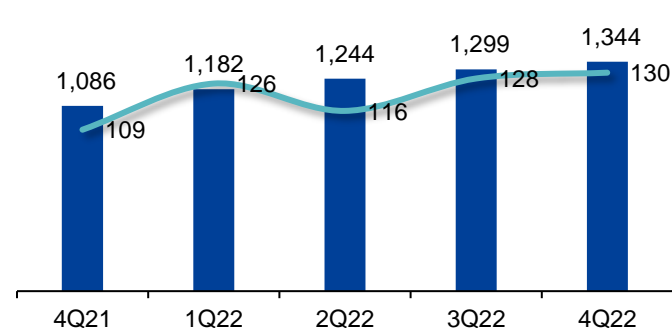
**1.34<sub>m</sub>**

Joint account opening of  
DAWHO TOU \* DAWHO

**80%**

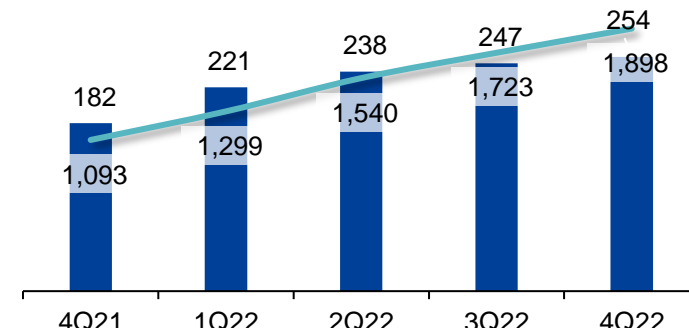
### DAWHO

■ Number of Accounts(k)    ■ Deposit Amount (NT\$ bn)



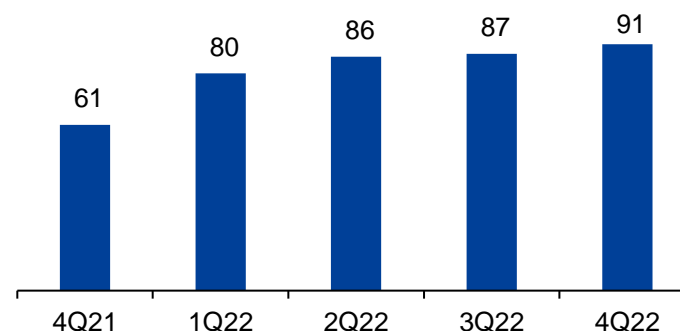
### DAWHO TOU

■ Number of Securities Account linking DAWHO as Settlement Account(k)  
■ Accumulate Transaction Amounts(NT\$ bn)

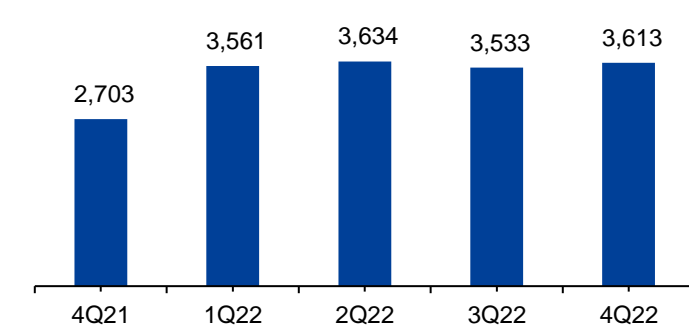


### Regular Stock Saving Plans (Including TW and US Stocks)

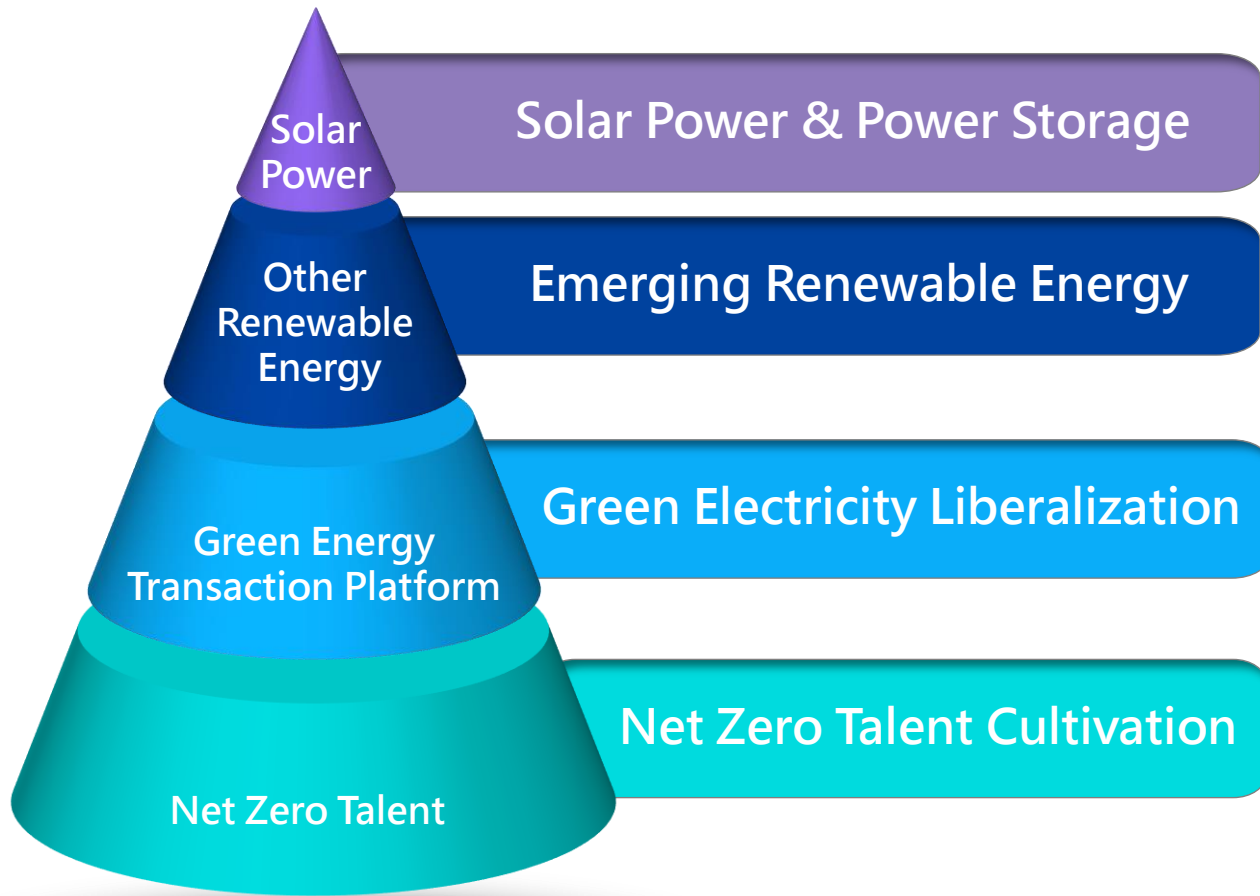
Number of Accounts (k)



Transaction Amounts (NT\$ mn)



# Explore Green Opportunities



Installed capacity of  
financed solar power plants



**7,145** plants

Number of power storage  
facilities clients



**38** clients

Installed capacity of  
financed solar power plants



**2,822** MW

Installed capacity of financed  
power storage facilities



**806** MW

Loan balance of  
solar power financing



**NT\$82.6** bn

Loan balance of power  
storage facilities financing



**NT\$1,738** mm

As of December 31, 2022, data only included corporation loan

## 30

30

## 30

## 30

## 30

30

# Stakeholders and Material Topics

## Growth Topics

- Business Performance
- Digital Financial Innovation
- Sustainable Finance
- ...



## Resilience Topics

- Corporate Governance & Integrity Management
- Risk Management
- Information Security & Cybersecurity
- ...



# Corporate Governance and Integrity Management



- **Performance evaluation for the board of directors, functional committees, and individual directors**

- External: At least once every 3 years by professional independent institutions or well-known scholars
- Internal: Mandatory self assessment every year

- **Executive remuneration aligns with company strategy**

- Metrics of Variable Compensation, including financial, strategic, internal control, and management indicators
- Long-Term Incentive Program: more than 20% of the executive bonus is deferred up to five years and in the form of virtual stocks and employee share ownership trusts. The mechanism includes adjusting distribution ratio and clawback policies

- **100% of directors and employees signed** the compliance statements for the Ethical Corporate Management Policy
- **The Ethical Corporate Management Committee is composed of 100% independent directors**

# Climate Risk Management with TCFD

## Governance

- Under the governance of the Chairman, the "Sustainable Development Committee" and the "Risk Management Committee" take charge of critical issues such as the supervision of sustainable development and climate change.
- Climate change risks have been incorporated into the "Risk Management Policy," and the "Guidelines for the Management of Climate-Related Risks and Opportunities" is established to improve the management mechanisms of climate risks and opportunities.
- The TCFD team is established under the Risk Management Division to integrate climate-related financial data and evaluate quantified financial impact to increase the climate resilience of operation and business.
- The overall climate change risks shall be disclosed in the quarterly Risk Management Report and report to the Risk Management Committee and the Board of Directors.
- Climate-related targets have been incorporated as a key metric for the variable remuneration of senior executives, and accounts for 10%.

## Strategy

- SinoPac Holdings has adopted practical measures in response to the challenges brought forth by climate-related risks and opportunities. The Company starts by reducing its own carbon emissions by setting SBTs, gradually increasing the use of renewable electricity, expanding renewable energy financing, and green bond distribution. It also adjusts the investment and financing strategies (e.g., withdraw from financing industries with high carbon emissions, support clean energy and innovative technologies, help customers with the reduction of carbon emissions and transformation into low carbon operations for energy conservation) to expand the scope, uncover climate-related opportunities, and promote the low-carbon transformation of the entire value chain. Related plans have been incorporated into the SinoPac Holdings short, medium, and long-term key tasks for sustainable development. The Sustainable Development Committee of SinoPac Holdings reviews and tracks the attainment of indicators and targets each quarter, and implements continuous adjustments based on actual development trends.

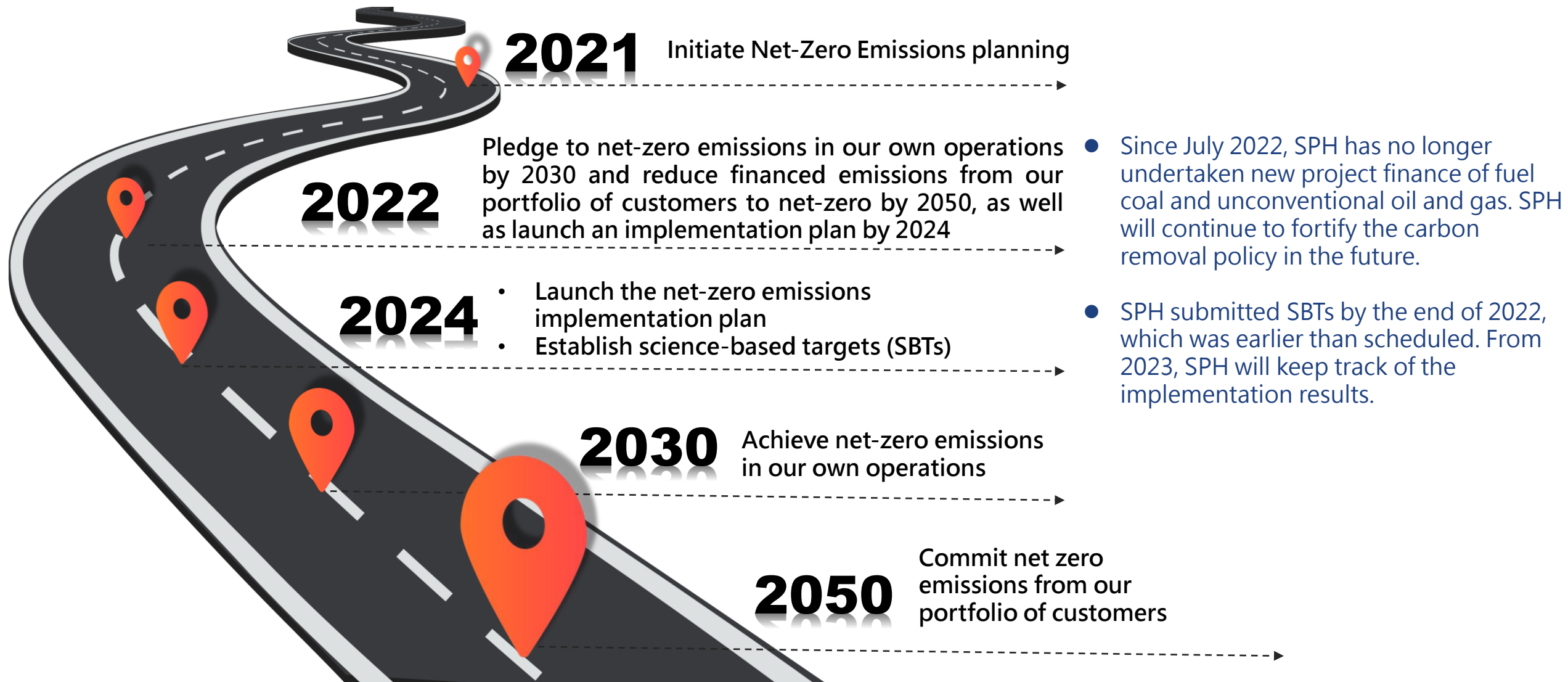
## Risk Management

- **Climate Risk Identification and Assessment:** The management procedures for the identification of climate risks and opportunities can be divided into four steps, including compilation of a list of climate risks and opportunities, identification of risks/opportunities at the subsidiary level, identification of risks/opportunities at the group level, proposing mitigation or adaptation measures, and disclosure and communication with the public.
- SinoPac Holdings uses the three lines of defense in internal control to manage climate change risks:
  - First line of defense: Incorporate climate-related risks in business consideration
  - Second line of defense: Effective monitoring and control in climate risk management
  - Third line of defense: Evaluate the effectiveness of climate risk monitoring and control
- For different parts of the overall value chain (suppliers, own operations, investment and financing business) in different climate scenarios and time scales, the Company conducts climate scenario analysis of physical risks and transition risks and evaluate the potential financial impact quantitatively. With the responsible unit(s) preparing mitigation or adaptation measures for business, strategy, and financial climate resilience to boost overall climate resilience.

## Metrics and Targets

- SinoPac Holdings will realize net zero emissions in own operations by 2030 and all financial portfolios by 2050, long-term goals (3-5 years or more) are as below:
  - Continue to improve the renewable energy industry and scale of related businesses that meet climate targets.
  - Incorporate climate risk into other risk management mechanisms, including credit risk stress tests, market risks (e.g., Climate VaR), liquidity risks, and operational risks.
  - Reduce greenhouse gas emissions in own operations by 6% (2020 as the baseline year).
  - Increase renewable energy use to 15% in own operations.

# Pledge to Net-zero Emissions



# Enhance Cyber Security and Network Management



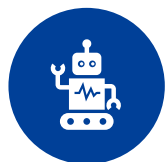
Achieve cyber security compliance through top management's support and commitment



Conduct periodic risk assessment and threat response to strengthen cyber security governance



Implement a business continuity strategy and exercise programme to strengthen cyber security resilience



Enhance comprehensive monitoring and protection of information systems to implement cyber security joint defense

# Thank You



IR E-mail



SPH Official  
Website