



# **SinoPac Holdings**

## **Company Profile**

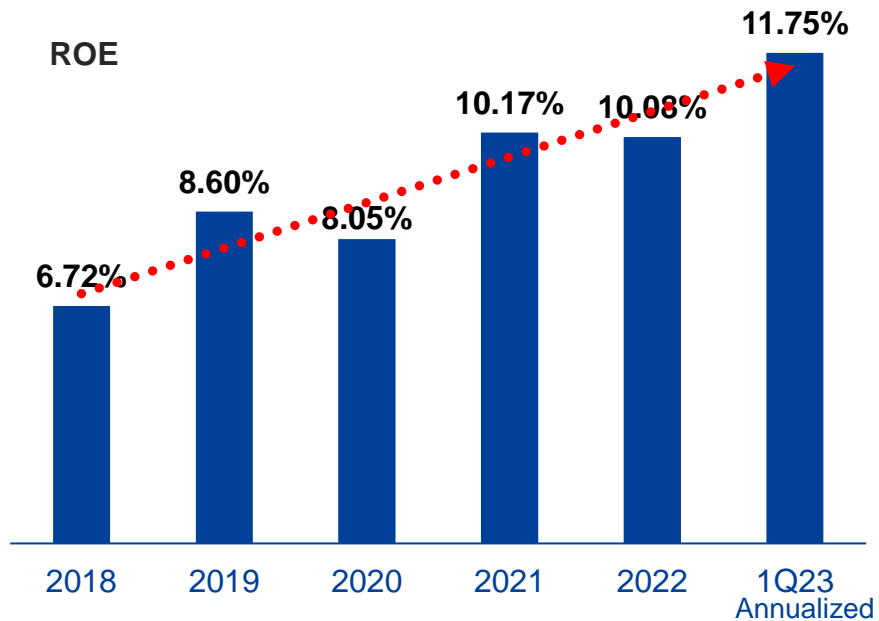
June 1, 2023

# 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.

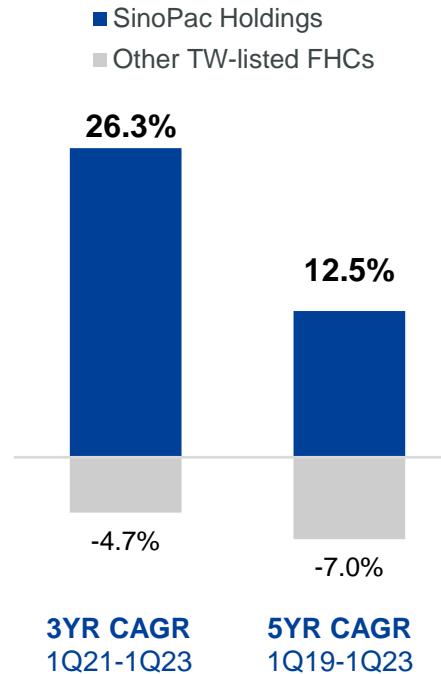
## ROE Continuously Advanced

- SinoPac Holdings' return on equity (ROE) continues to improve in recent years

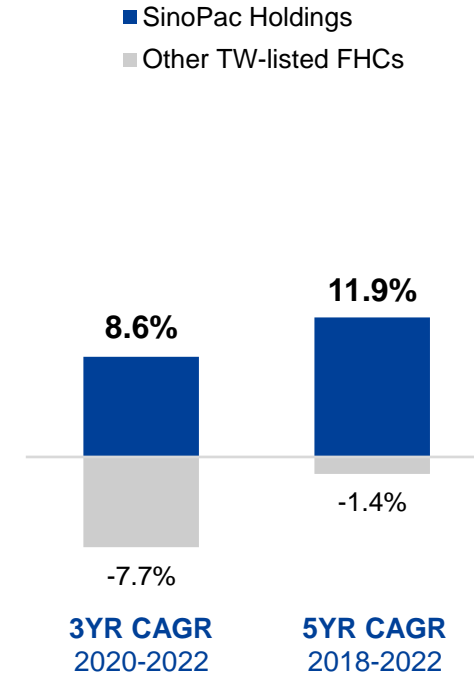


## Net Income 3YR & 5YR CAGR Outperform Peers

### Net Income As of 1Q23



### Net Income As of 2022



Note: (1) All figures in this report are denominated in New Taiwan Dollar. As of March 31, 2023, the USD/NTD exchange rate was 30.454 ; (2) The 1Q23 financial data was audited

## ESG Ratings Continuously Enhanced

### ● Board With Diversified Expertise:

- Independent directors take 43% seats; female directors account for 43%
- Two new independent directors specialize in sustainable development and international asset management, in line with corporate strategy

### ● 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

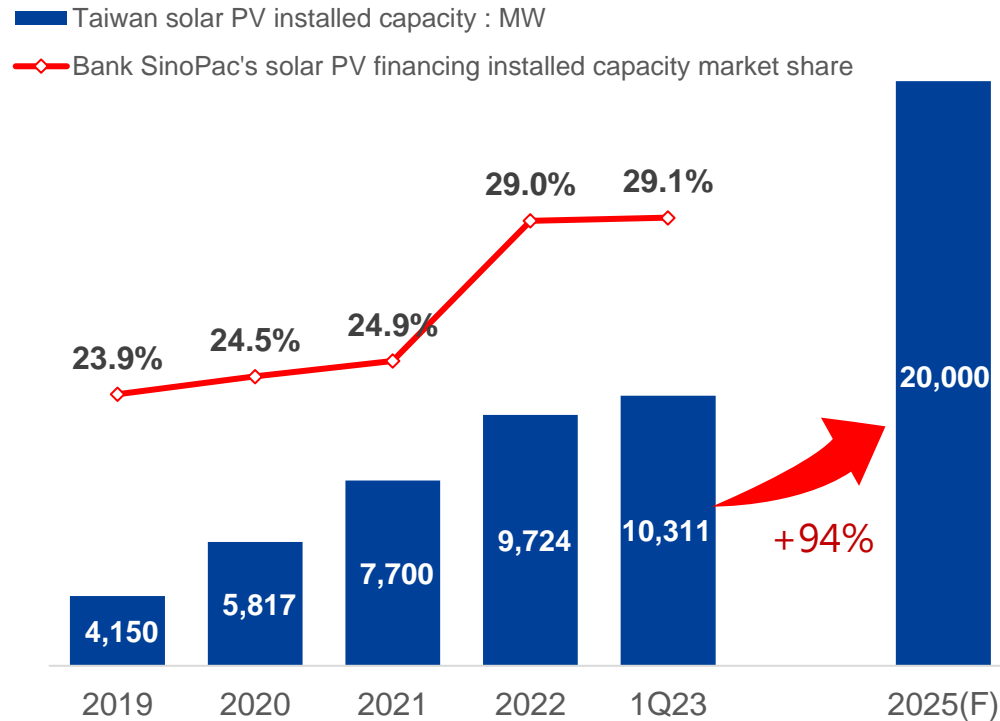
### ● TW Market leader in solar power financing

### ● 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

## Solar PV Financing Market Share Continues to Rise

### Market Share No.1 in Solar PV Financing



Source: Bureau of Energy, Ministry of Economic Affairs, R.O.C.;  
Taiwan's Pathway to Net-Zero Emissions in 2050 by National Development Council (March 30, 2022)

# Agenda

About SinoPac Holdings ● 01

Sustainable Development Strategy ● 02

# Agenda

About SinoPac Holdings



01

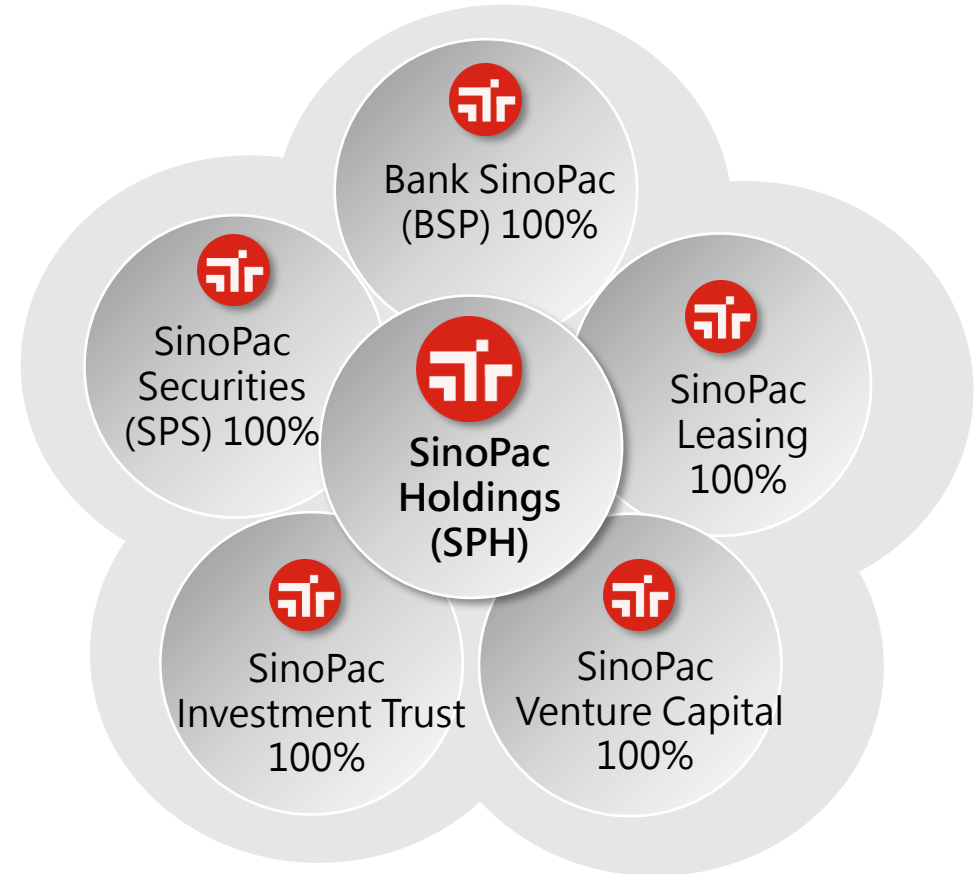
Sustainable Development Strategy



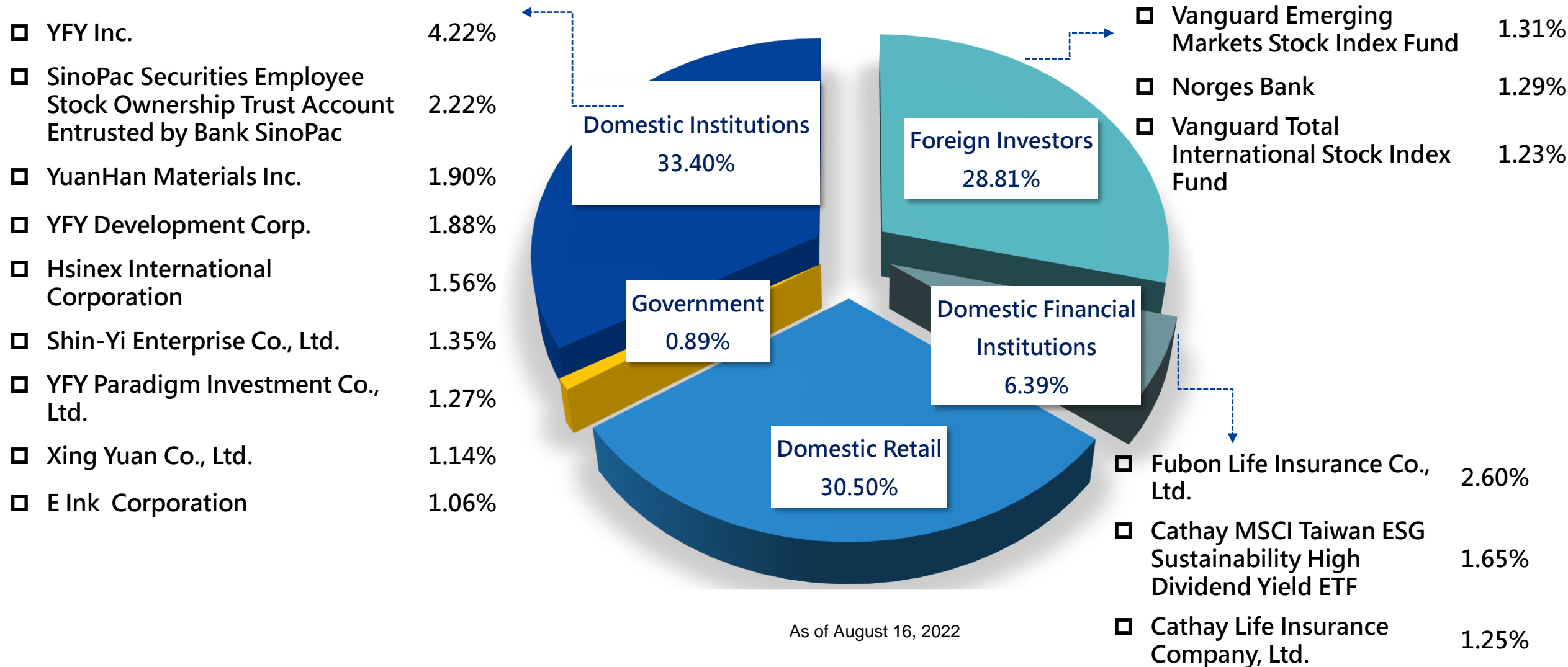
02

# 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						Term	Industry Experience						Professional Skills					
		Nationality	Gender	Concurrent Role as Manager	55-60	61-65	66-70		Financial Holding Company	Bank	Securities	Insurance	Investment Trust	Other Industries	Banking	Commerce	Law	Finance/Accounting	Information Security/Information Technology	Climate Change/Environmental Protection
Chairperson	Shi-kuan CHEN	R.O.C.	Female		●			2020/5/13-	●	●			●	●			●	●		●
Independent Director	Wei-ta PAN	R.O.C.	Male				●	2020/5/13-	●			●		●		●				●
Independent Director	Huey-jen SU	R.O.C./U.S	Female				●	2023/5/24-						●					●	●
Independent Director	Wen-ling MA (Michelle Maa)	R.O.C.	Female		●			2023/5/24-		●			●		●	●				●
Director	Stanley CHU	R.O.C.	Male	●	●			2017/12/5-	●	●	●				●	●				●
Director	Wei-thyr TSAO	R.O.C.	Male				●	2020/5/13-	●	●	●			●		●				●
Director	Chi-hsing YEH	R.O.C.	Male		●			2018/5/1-	●					●		●	●	●		●

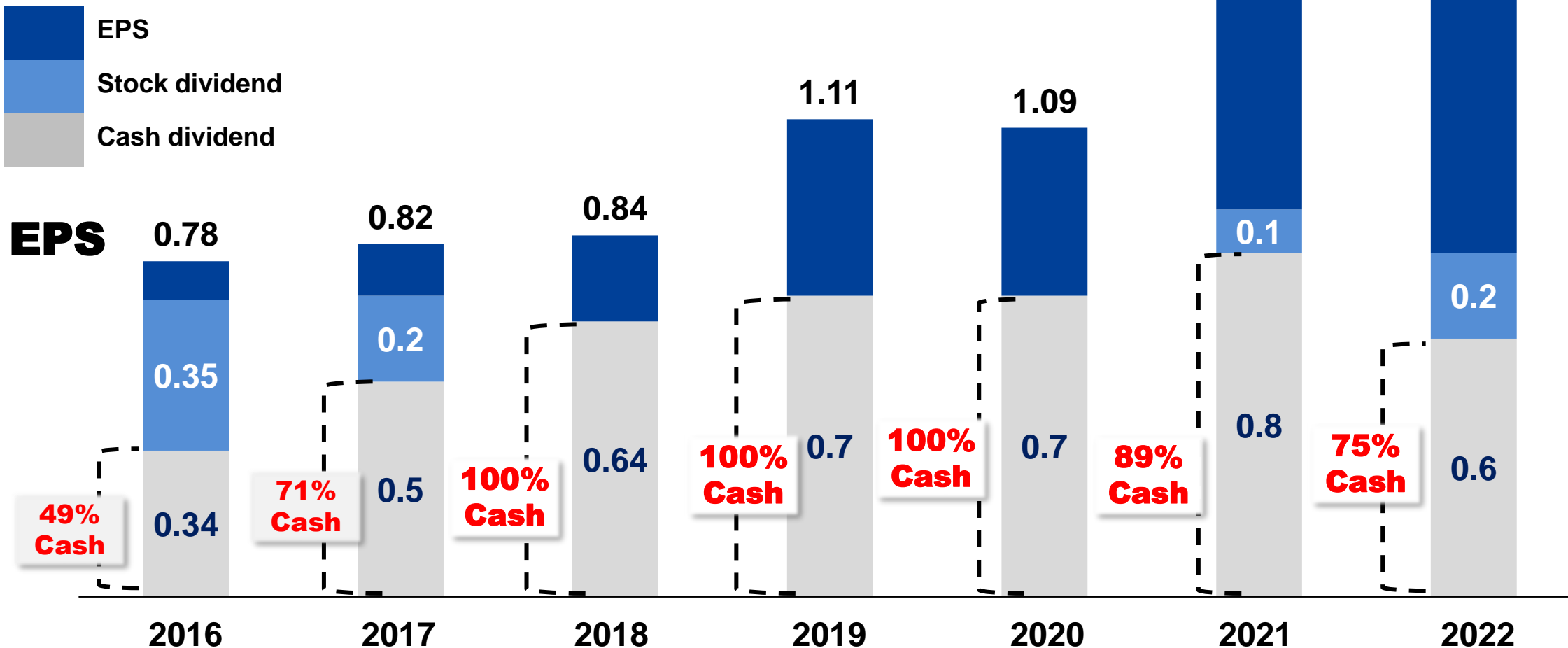
As of May 24, 2023  
Note : Duration of the Eighth Term of the Board of Directors will be from 2023/5/24 to 2026/5/23

# Professional and Experienced Directors

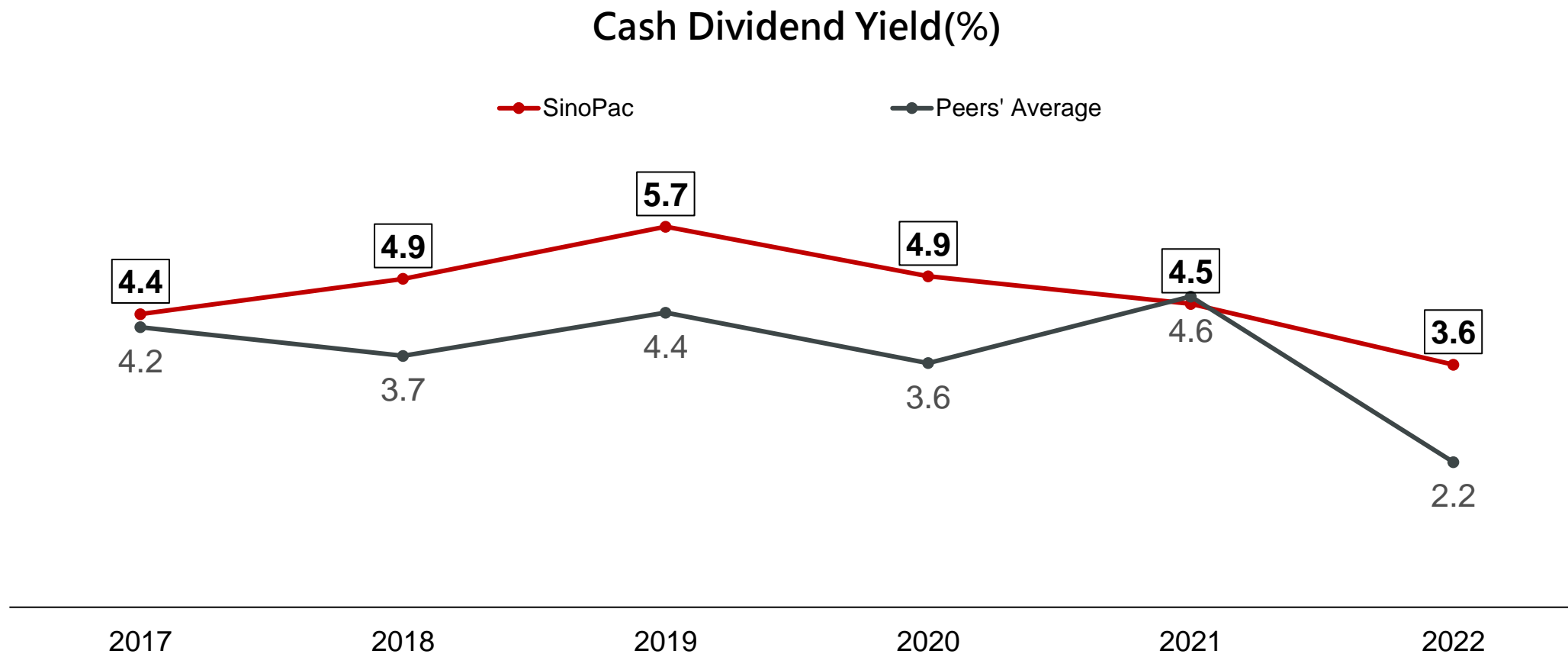
Title*	Name	Gender	Education	Key Past Positions
<b>Chairperson</b>	<b>Shi-kuan CHEN</b>	Female	Ph.D. in Economics, Yale University, U.S.A.	President, Chung-Hua Institution for Economic Research; Independent Director, DBS Bank (Taiwan) Ltd.; Director, Mega Financial Holding Co., Ltd.; Supervisor, Mega International Commercial Bank Co., Ltd.; Deputy Dean of College of Management, National Taiwan University; Director, Chairperson and Professor, Department of International Business, National Taiwan University
<b>ID</b>	<b>Wei-ta PAN</b>	Male	Juris Doctor (J.D.), University of Nebraska	Independent Director of China Life; Dean of Law School, Soochow University; Member of Central Election Committee; Member of Taipei City Government Regulation Commission; Member of Consultation Committee, Mainland Affairs Council; Member of Legal Affairs Committee and Administrative Appeal Review Committee, Public Construction Commission
<b>ID</b>	<b>Huey-jen SU</b>	Female	Sc.D., Environmental Health Sciences, School of Public Health, Harvard University	President, National Cheng Kung University, Tainan, Taiwan; Chairperson, Foundation for International Cooperation in Higher Education of Taiwan; Standing Committee, The Committee of Future Earth, Academia Sinica, Taipei; Convener, The 25th-26th National Quality Award; Final Review Committee, National Industrial Innovation Award Ministry of Economic Affairs, R.O.C.; President, Academia-Industry Consortium For Southern Taiwan Science Park
<b>ID</b>	<b>Wen-ling MA</b> (Michelle Maa)	Female	MBA, Institute of Management Science, National Chiao Tung University	CEO, Nomura Asset Management, Taiwan; General Manager, Aberdeen Standard Investments, Taiwan; Head of Distribution, Aberdeen Standard Investments, Taiwan; Managing Director and General Manager of Wealth Management, Standard Chartered Bank, Taiwan; Executive Director and Head of Investment Products and Services, UBS Taiwan; Head of Wealth Management, HSBC Taiwan; Head of Investment & Insurance, HSBC Taiwan; Manager, Investment Strategies Development, Consumer Banking, Citibank Taiwan
<b>ED</b>	<b>Stanley CHU</b>	Male	EMBA, National Taiwan University	Chairman, Cathay Securities Corporation; Executive Vice President, Spokesperson and Director, Taiwan Stock Exchange Corporation; Senior Executive Vice President and Director, Taiwan Futures Exchange; Chairman and President, KGI Futures; Director of National Performing Arts Center
<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.; Senior Consultant of Barclays Capital Asia 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.; President of China Development Industrial Bank; Managing Director of UBS AG Ltd.; Executive Director of Goldman Sachs LLC Hong Kong
<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 Mybenefit; COO of Ruten (JV of PChome and eBay); The prosecutor served in Ministry of Justice and Taiwan New Taipei District Prosecutors Office

# Maintain A Stable Dividend Payout Policy

(NTD / per share)



# Competitive Cash Dividend Yield

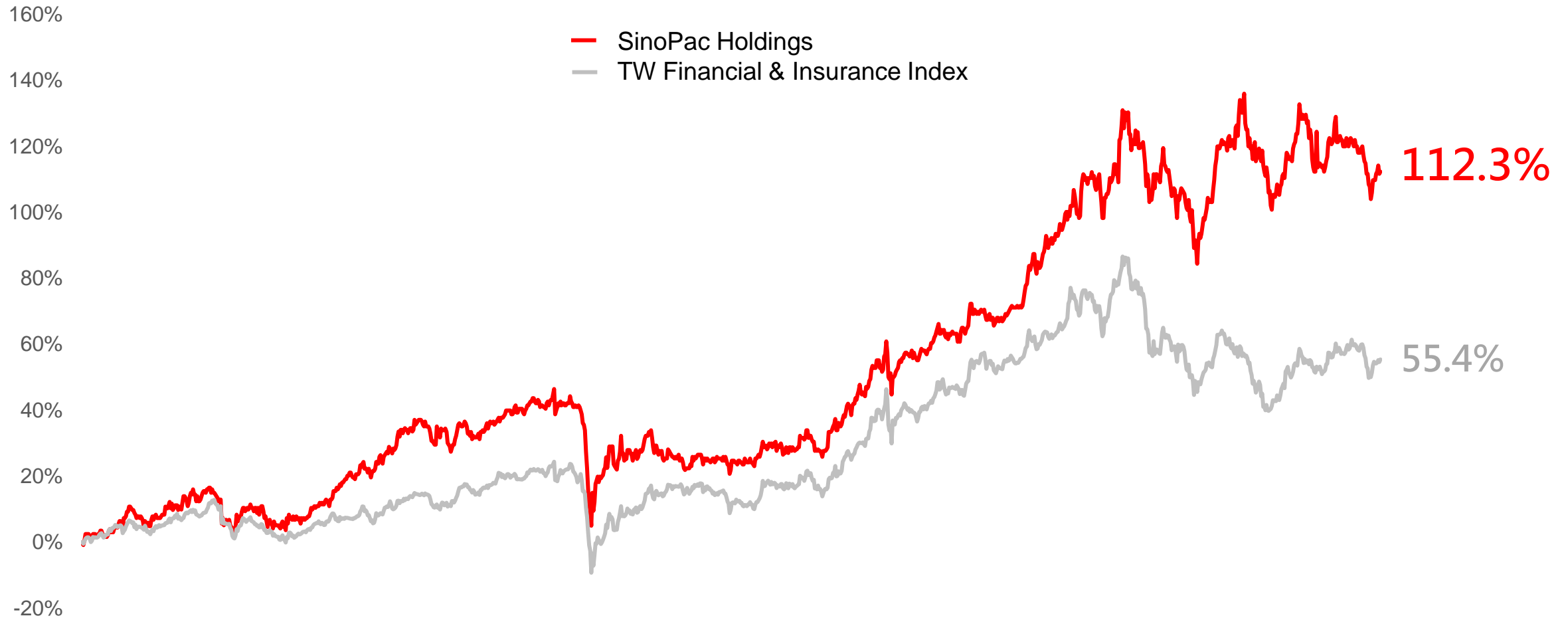


Note 1 : Peer Average includes 13 listed TW Financial Holdings Companies –Hua Nan, Fubon, Cathay, China Development, E. Sun, Yuanta, Mega, Taishin, Shin Kong, IBF, CTBC, First, Taiwan Cooperative

Note 2 : 2017-2021 Cash Dividend Yield calculated as cash dividend / share closing price at the day before ex-dividend date; 2022 Dividend Yield calculated as the cash dividend per share approved by the board of directors divided by the share closing price of March 31, 2023

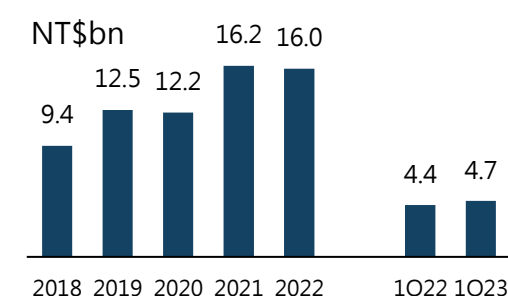
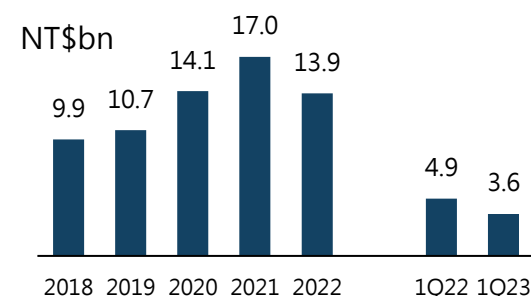
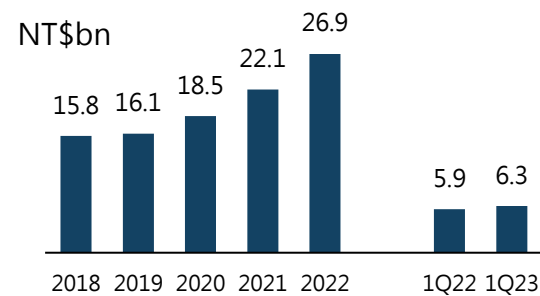
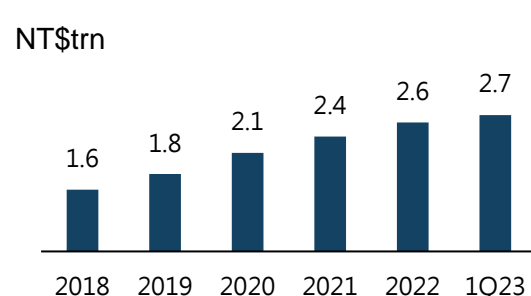
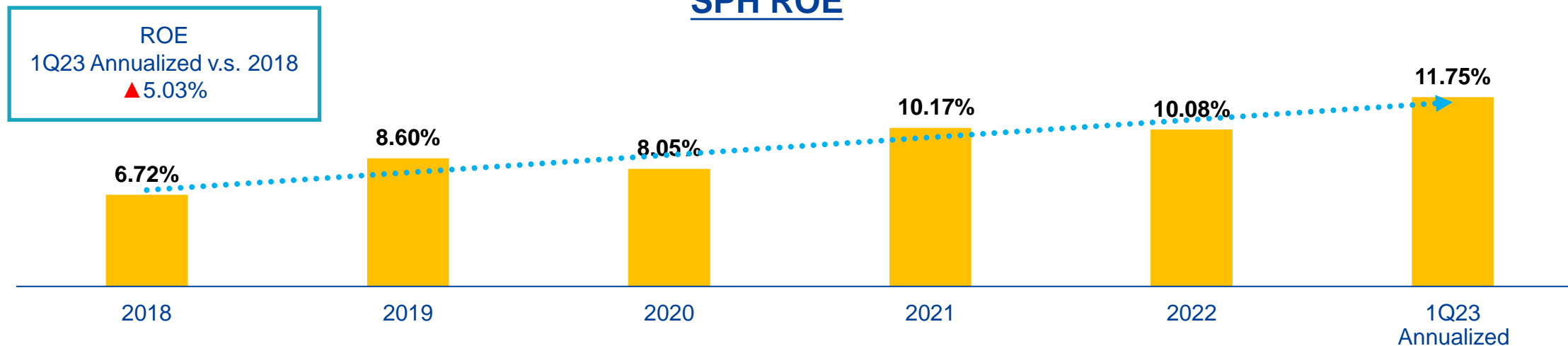
# TSR Outperform Sector Index

Total Shareholder Return (TSR)  
(2018/3/31-2023/3/31)



# Profitability Boost Significantly

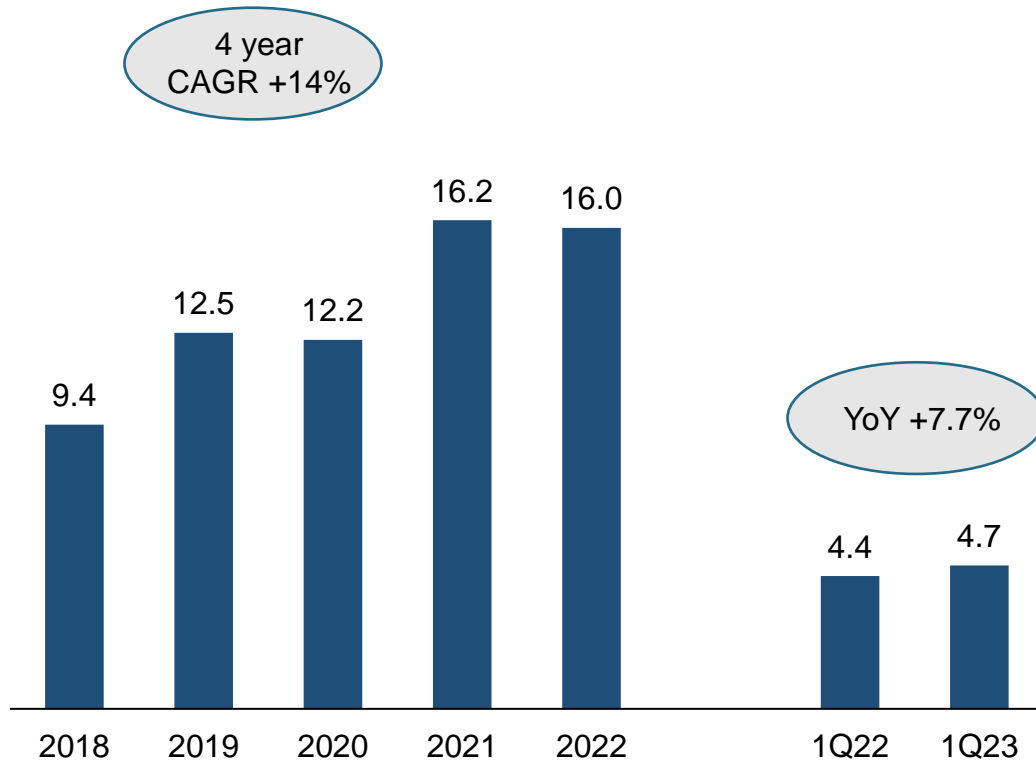
## SPH ROE



# Two Profit Contributors

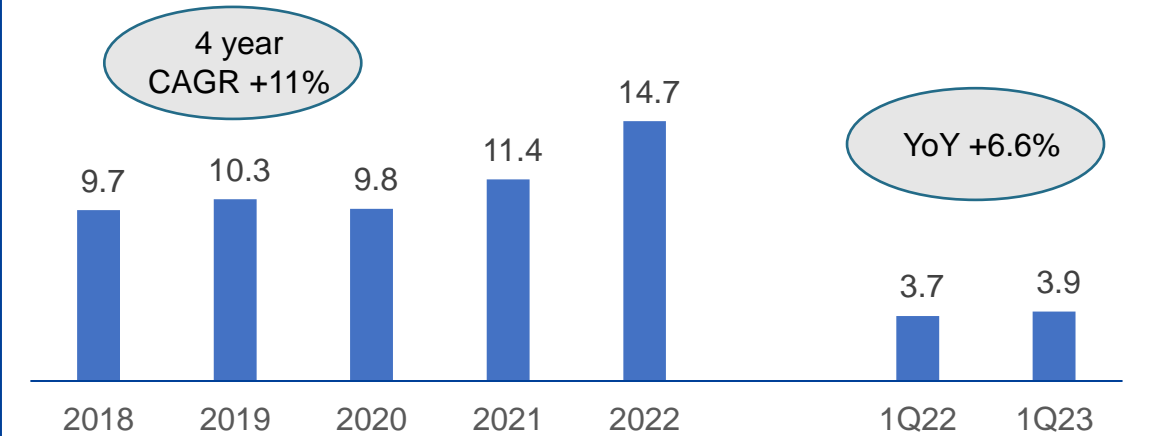
## SinoPac Holdings (SPH) Net Income

NT\$bn



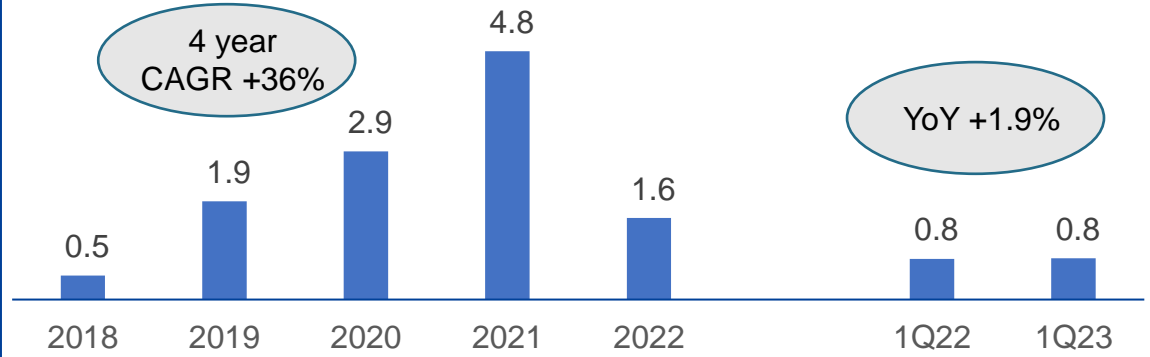
NT\$bn

## Bank SinoPac (BSP) Net Income



NT\$bn

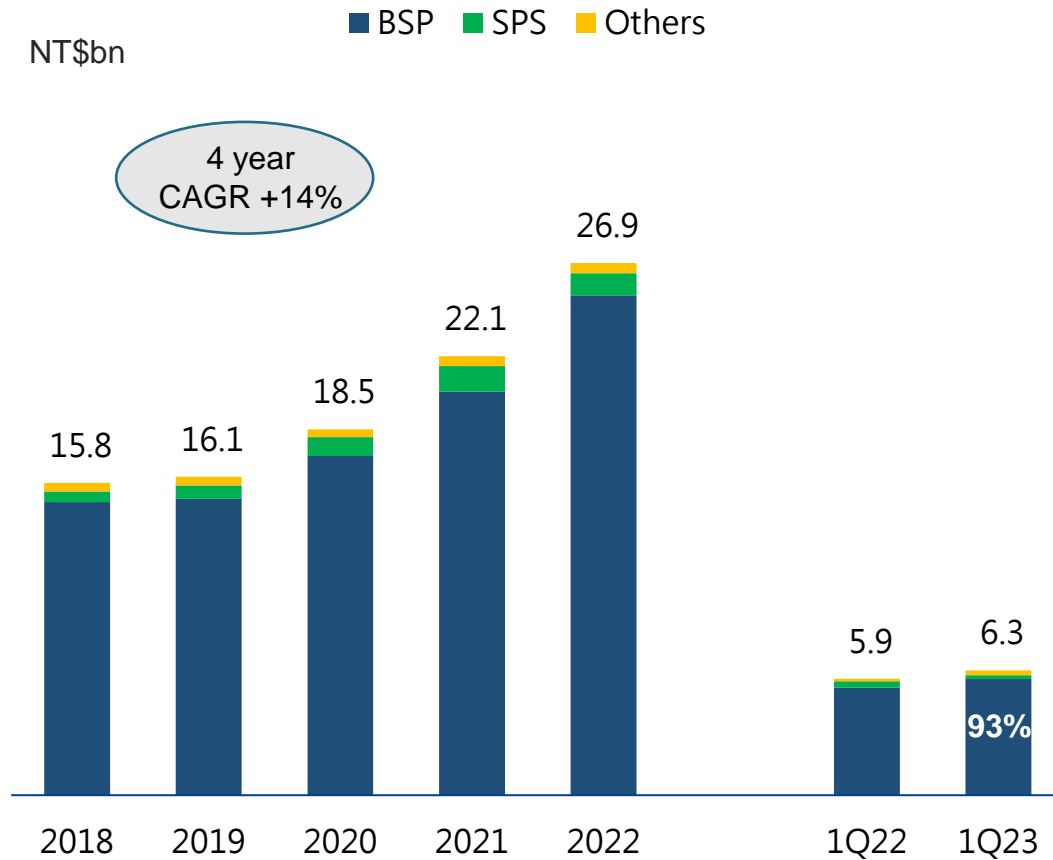
## SinoPac Securities (SPS) Net Income





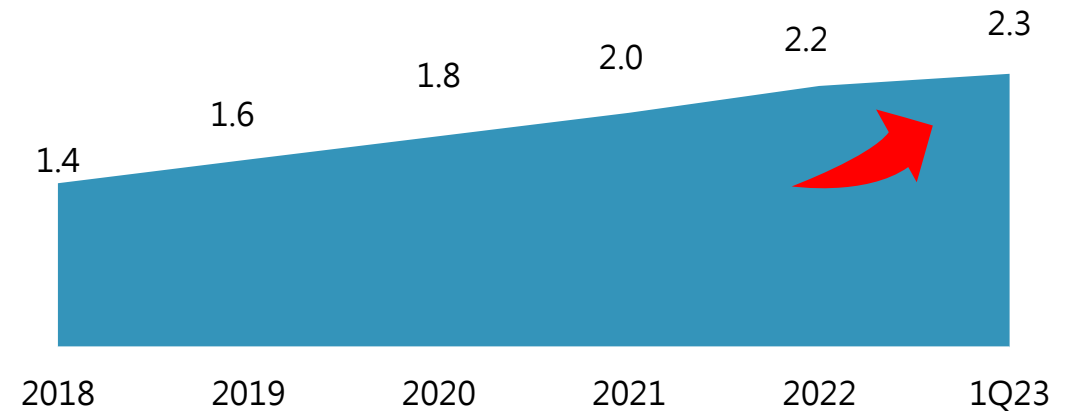
# Growing Net Interest Income

## SPH Net Interest Income (NII)

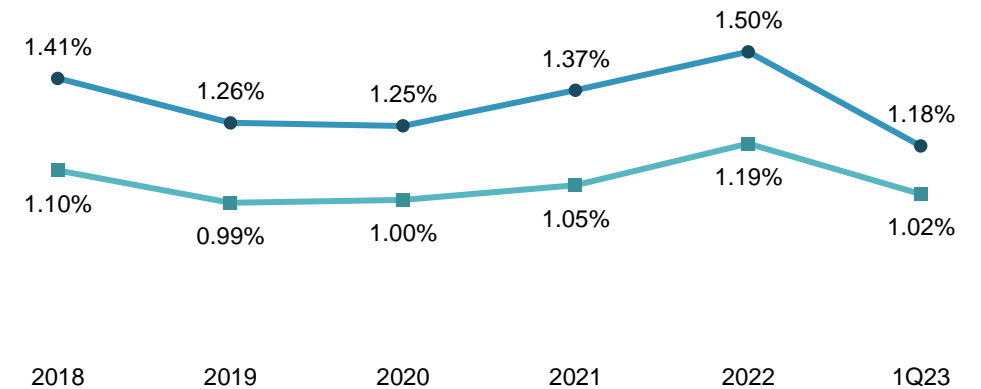


NT\$trn

## BSP Interest-Earning Assets

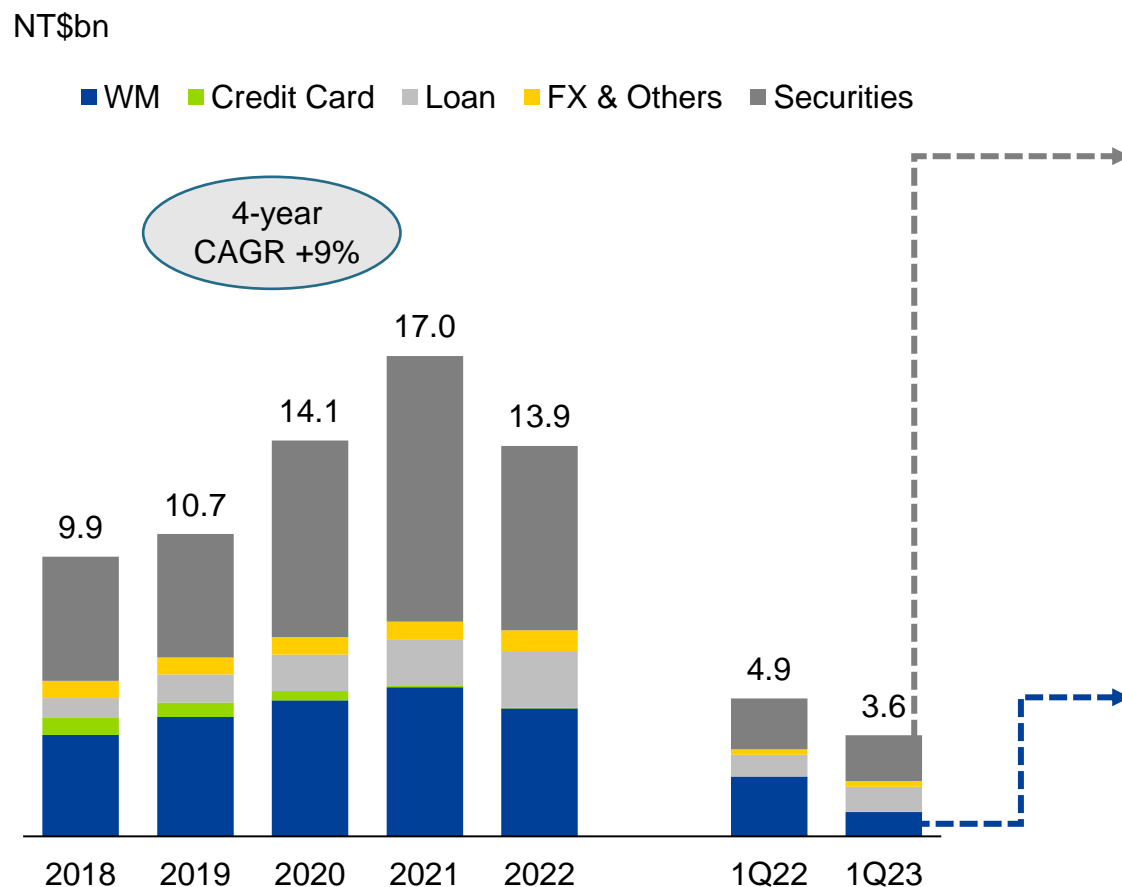


● Spread ■ NIM



# Diversified Fee Income

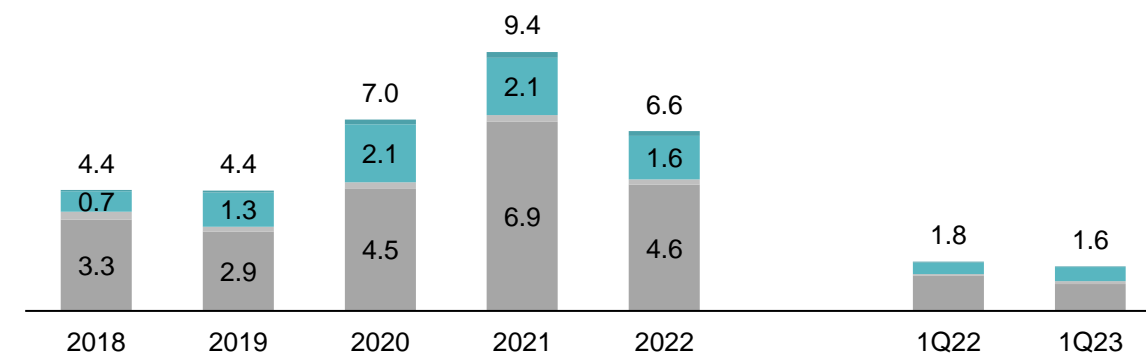
## SPH Net Fee Income



NT\$bn

## Securities Net Fee Income

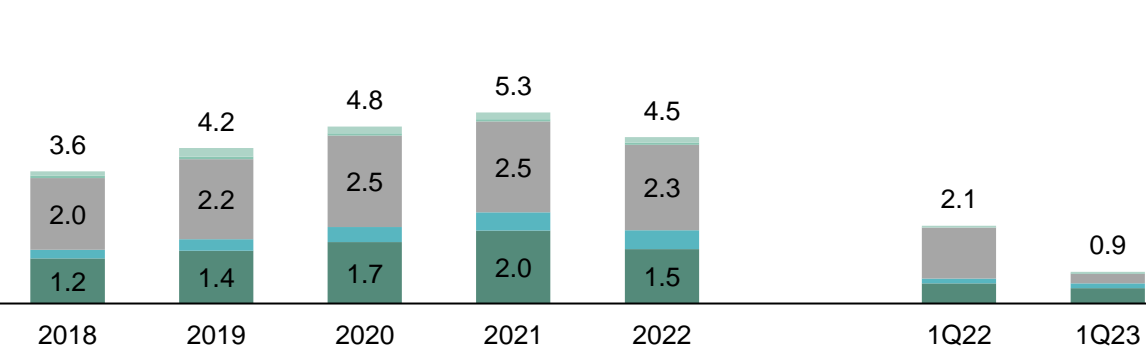
■ Brokerage ■ Underwriting ■ Sub-Brokerage ■ Others



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	2019	2020	2021	2022	1Q23
Balance sheet	Share capital	112,711	112,711	112,711	113,838	121,338
	Total assets	1,833,121	2,143,349	2,382,675	2,588,763	2,684,164
	Total equity	148,366	155,870	162,804	154,019	173,761
Valuation	BVPS (NT\$)	13.16	13.83	14.44	13.53	14.32
	PB ratio (x)	0.99	0.83	1.12	1.24	1.16
	Foreign holdings	32.09%	26.67%	29.71%	28.25%	27.18%
Capital structure	Leverage (x)	12.36	13.75	14.64	16.81	15.45
	CAR	118%	132%	131%	122%	130%
	DLR	113%	112%	112%	113%	111%
Profitability	Net income	12,477	12,241	16,211	15,961	4,749
	EPS (\$)	1.10	1.08	1.42	1.40	0.41
	ROE	8.60%	8.05%	10.17%	10.08%	11.75%
Credit rating	S&P/ Taiwan Ratings	BBB/ twA+	BBB/ twA+	BBB/ twA+	BBB/ twA+	BBB/ twA+
	Fitch	BBB+/AA-(tw)	BBB+/AA-(tw)	BBB+/AA-(tw)	BBB+/AA-(tw)	BBB+/AA-(tw)

Note: share price (NT\$16.6) and foreign holdings as of March 31, 2023; 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 2023 - Best Digital Private Bank 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 Country Awards for Sustainable Finance**

**BSP**-2022 Best LBO in Taiwan and India

**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 2023

**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)

**Ministry of Economic Affairs**

**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

**International Business Magazine**

**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

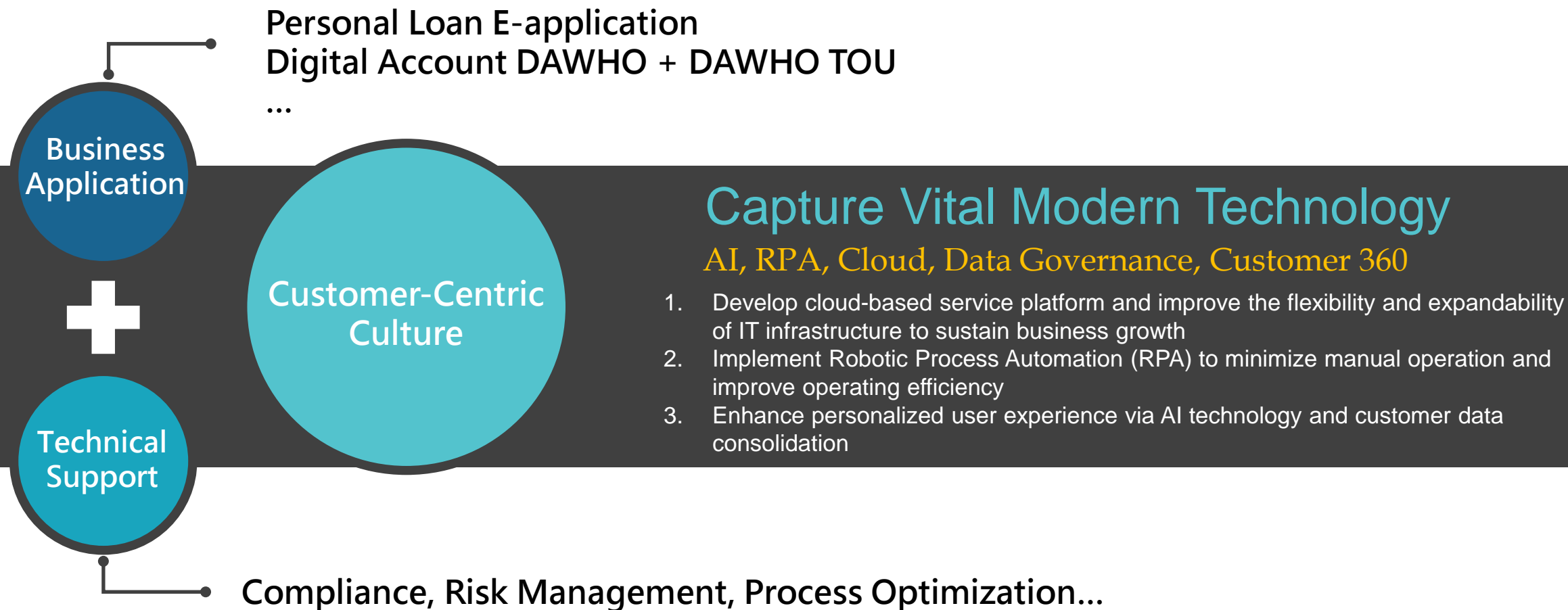
## ■ Accelerate Digital Transformation

- Optimizing overseas digital services

## ■ Expand International Presence

- Continuous looking for good opportunities that come across Greater China and Southeast Asia

# Accelerate Digital Transformation

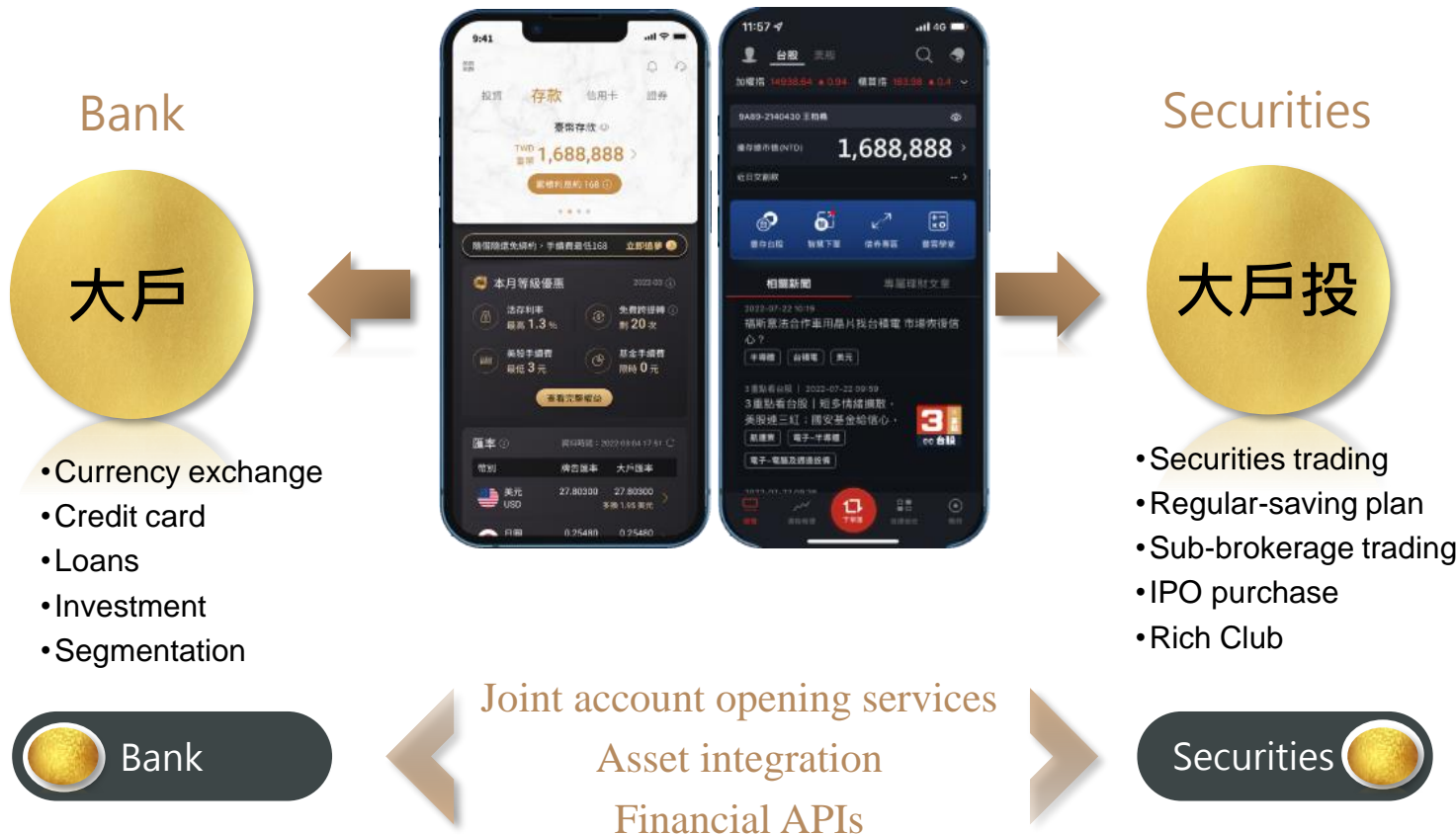


# Provide Integrated Services

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 %

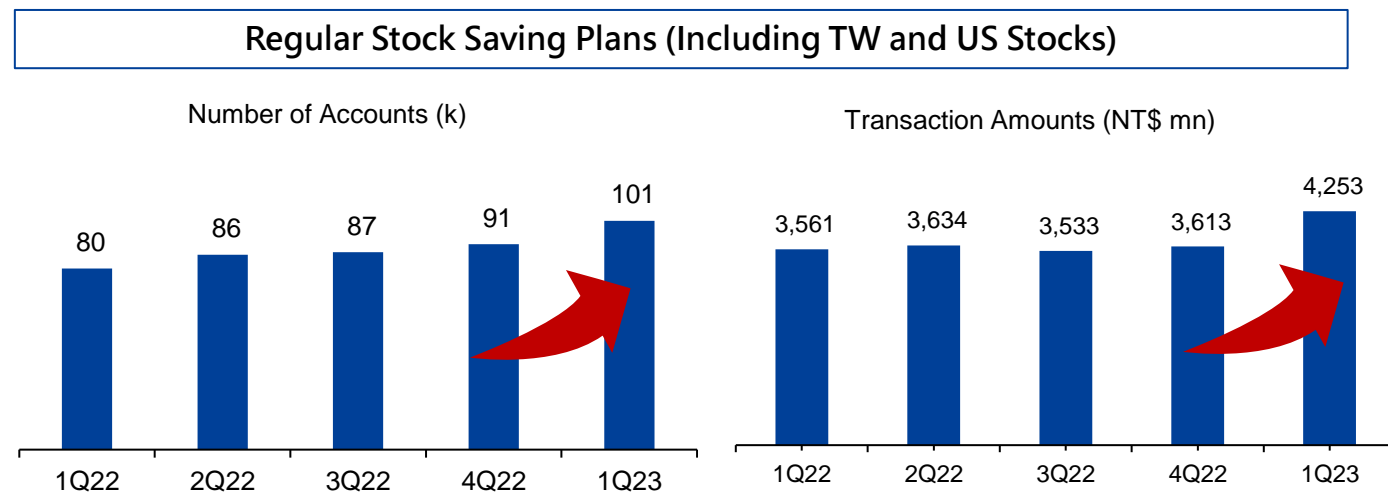
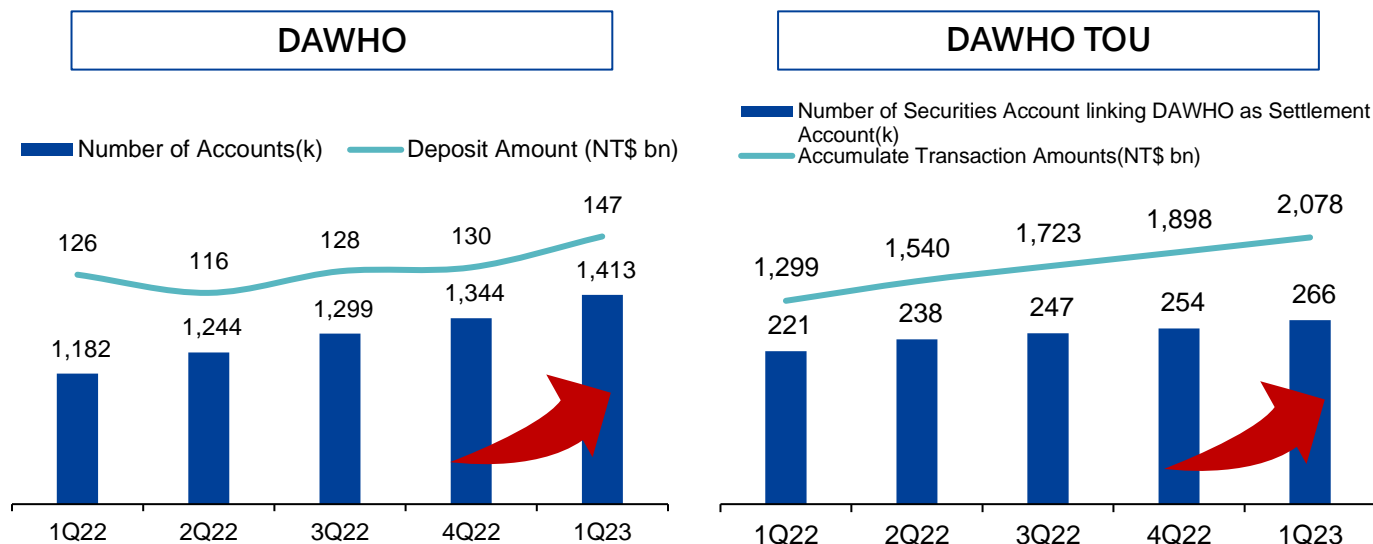
**78%**

As of March 31, 2023

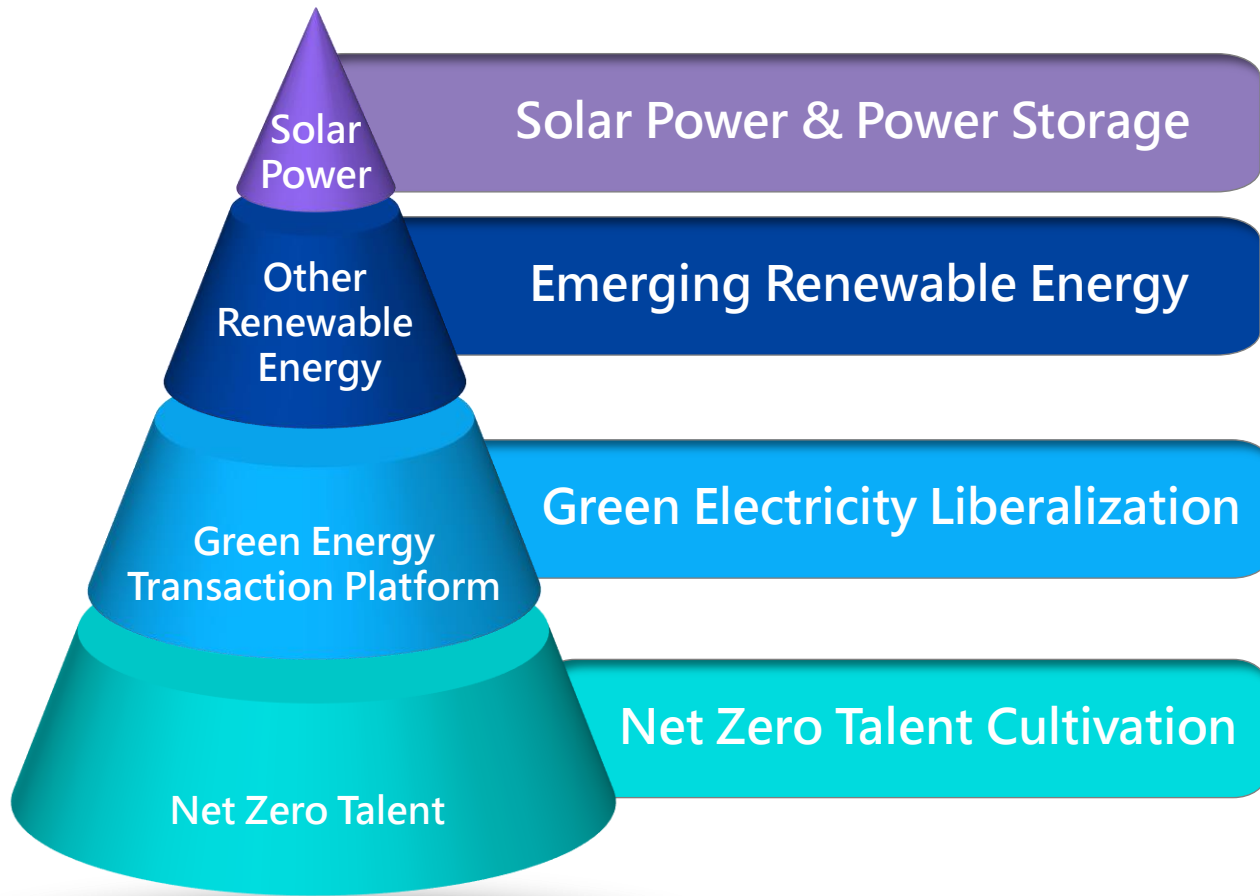
**1.41<sub>m</sub>**

Joint account opening of  
DAWHO TOU \* DAWHO

**77%**



# Explore Green Opportunities



Installed capacity of  
financed solar power plants



**7,324** plants

Number of power storage  
facilities clients



**40** clients

Installed capacity of  
financed solar power plants



**3,001** MW

Installed capacity of financed  
power storage facilities



**817** MW

Loan balance of  
solar power financing



**NT\$89.6** bn

Loan balance of power  
storage facilities financing



**NT\$3.7** bn

As of March 31, 2023, data only included corporate loans

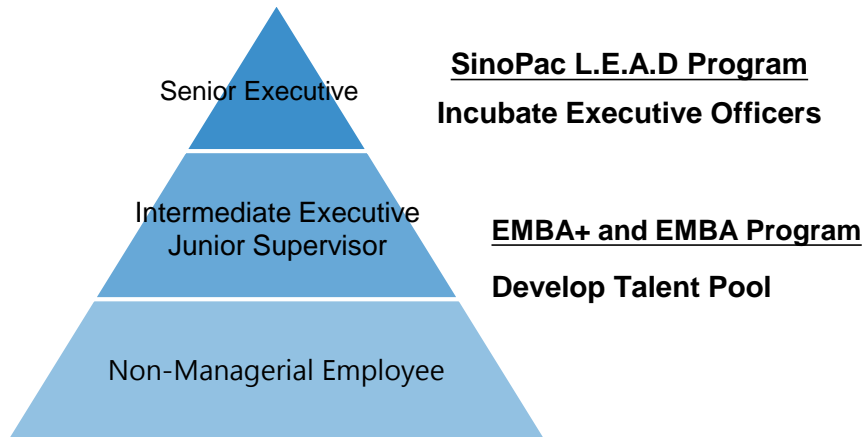
# We Value Human Capital

Human capital development is in line with our business strategies

## Sustainable Growth

Cultivate Leadership Pipeline

- ✓ Nurture management associates
- ✓ Actively establishing a talent pool for executives



## Digital Transformation

FinTech Talent Development Program

- ✓ Strategically develop digital & technology team
- ✓ The first financial institution to initiate a computer science industrial master program with a tier 1 university(NCKU) in TW
- ✓ Turing Plan incubates the top AI scientists
- ✓ Activate digital empowerment plan for all staff

## Global Expansion

Reinforce Global Competitiveness

- ✓ Recruit international talents
- ✓ Build offshore connections
- ✓ Establish an overseas executive pool
- ✓ Cumulate cross-border experience

Human Capital is the key to overseas business



# 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.

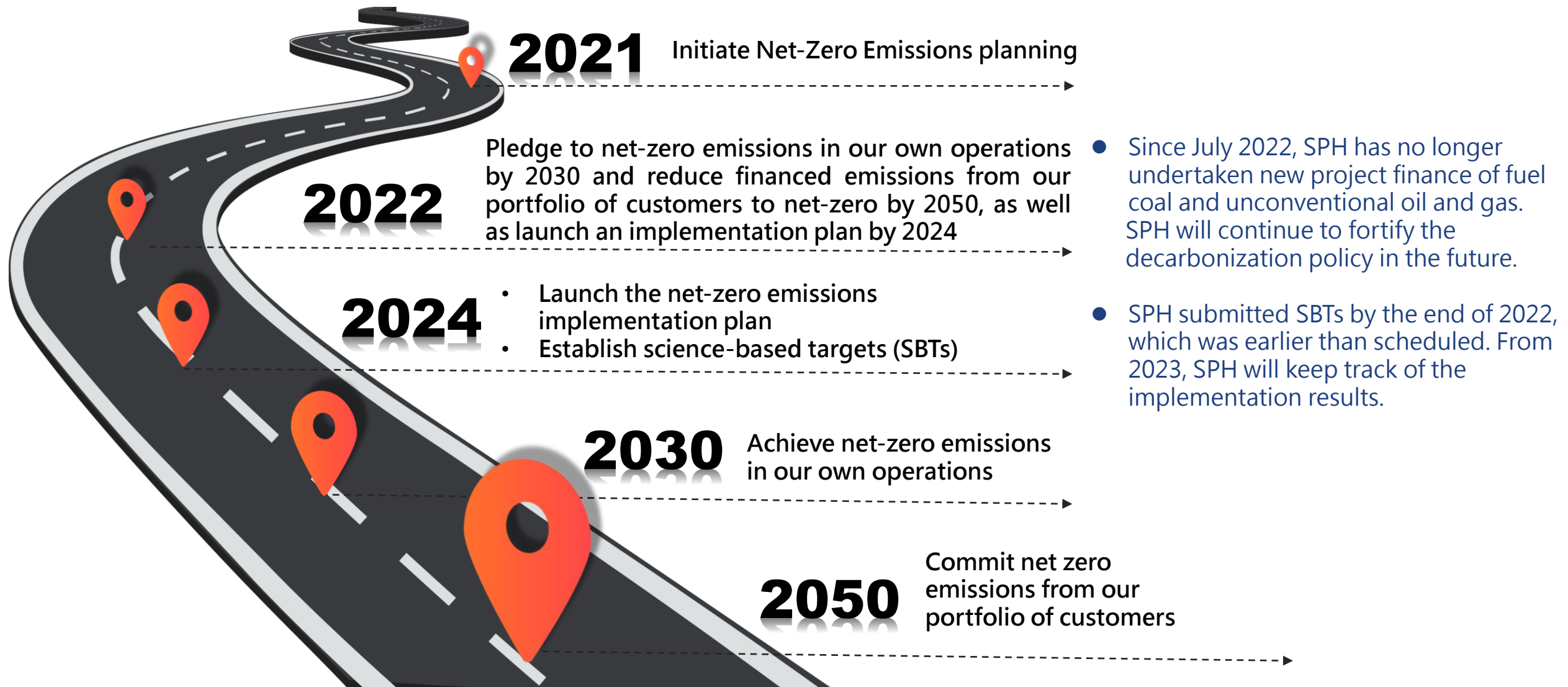
## Risk Management

- **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



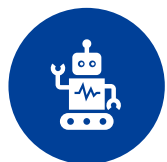
Achieve cyber security compliance through top management's support and commitment



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