



## 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

May 26, 2020

# Highlights

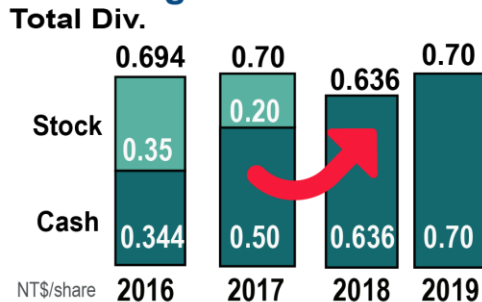
## 01 Steady Financial Growth

- SPH 2019 net income, ROE, and EPS reached **five-year highs**
- The capital adequacy ratio remains stable
- Increasing Cash Dividends
- Credit ratings **upgraded** by S&P Global and by Fitch Ratings in the past two years

### Net Income



### Increasing Cash Dividends



Note : All figures in this report are denominated in New Taiwan Dollar  
As of Dec 31, 2019, the USD/NTD FX rate was 30.106

## Recognized Corporate Governance

03

- The TWSE 2019 Corporate Governance Evaluation ranked SPH in the top 5% of 901 TWSE listed companies
- Completed SPH 2017-2019 Corporate Governance Inspection & Improvement Project
- Recognized by ESG Indexes, including FTSE4Good Emerging Indexes, FTSE4Good TIP Taiwan ESG Index, TWSE CG 100 Index, Taiwan HC 100 index, and Taiwan RAFI EMP99 Index

## HIGHLIGHTS



## Diverse Board Members

04

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

## 02 Sustainable Development Progress

- BSP signed the Equator Principles on February 27, 2020, becoming the 102nd Equator Principle Financial Institution in the world
- In Dec. 2019, SPH passed the ISO 50001 Energy Management System Certification Audit
- SPH was honored with two ESG Corporate Awards bestowed by *The Asset* for the Smart Wholesale Market Transaction Facilitation Platform and Solar Power Equipment Financing Project
- Integrated Report framework will be outlined in the SPH 2019 CSR report



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# Outline

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# Company Overview

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# Snapshot of SinoPac Holdings

## 16 Overseas Offices

Hong Kong, Macau, Nanjing, Shanghai, Guangzhou, Chongqing, 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	12.4b
EPS	0.81	0.84	1.10
ROE	6.68%	6.72%	8.55%

## External Recognition

### Credit Ratings

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

### ESG Performance



## Profit Contribution by Subsidiaries

### 5 Subsidiaries

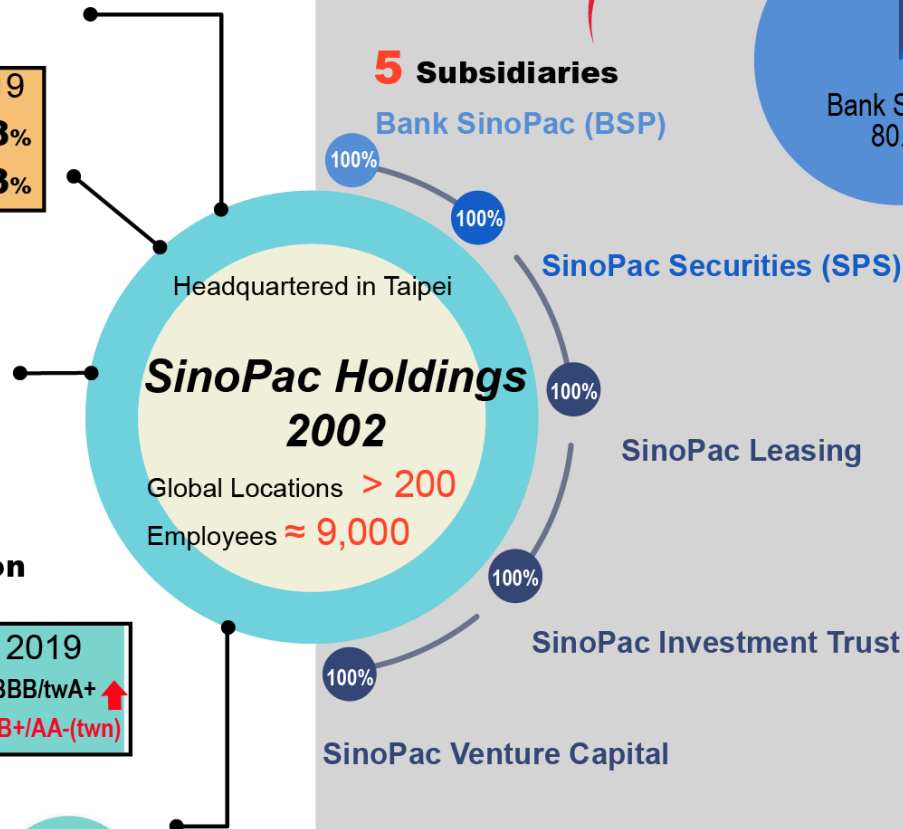
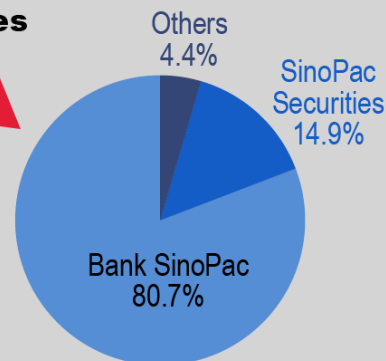
Bank SinoPac (BSP)

SinoPac Securities (SPS)

SinoPac Leasing

SinoPac Investment Trust

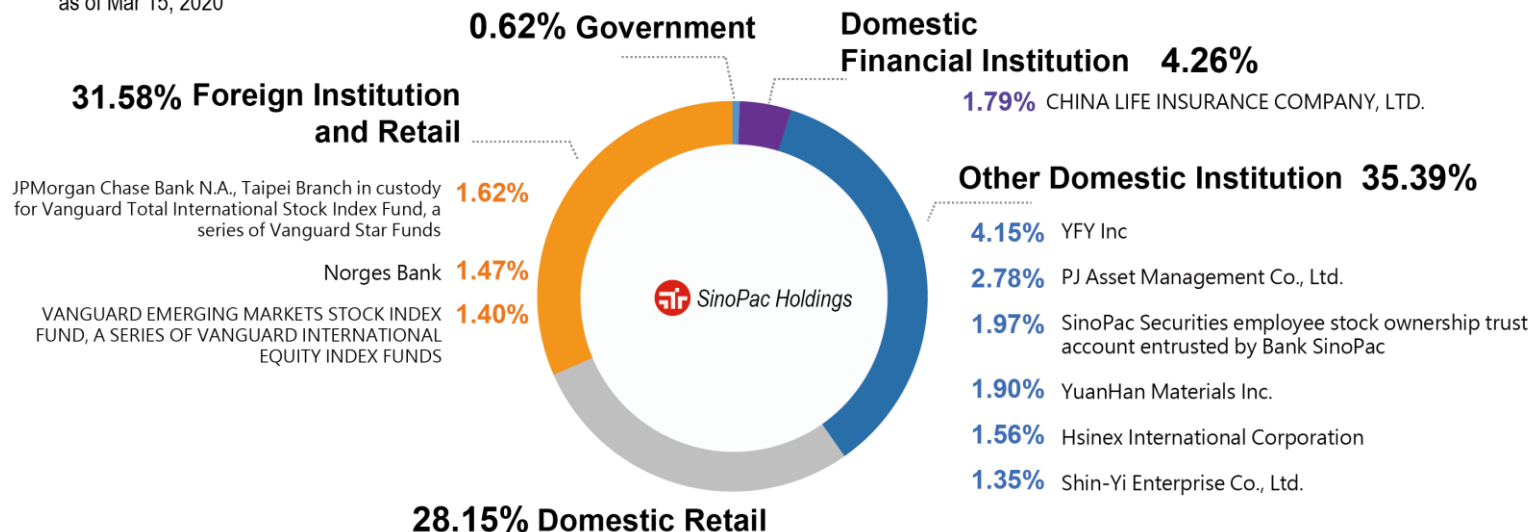
SinoPac Venture Capital



# Ownership Structure

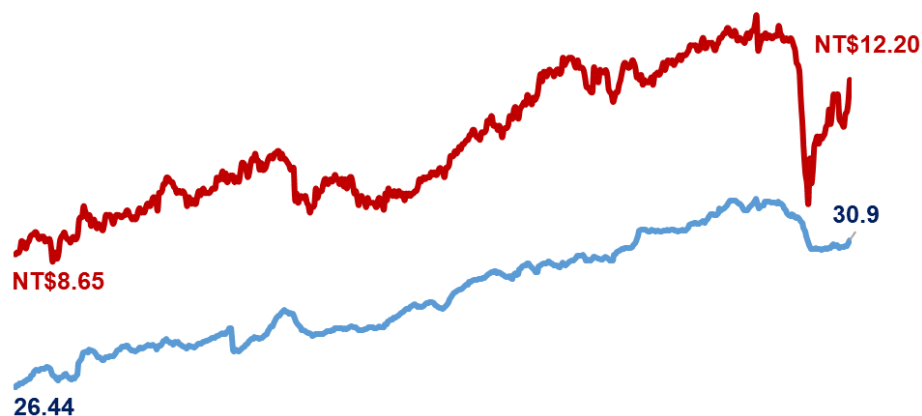
## Our Shareholders

as of Mar 15, 2020



## Foreign Shareholding Continues to Rise

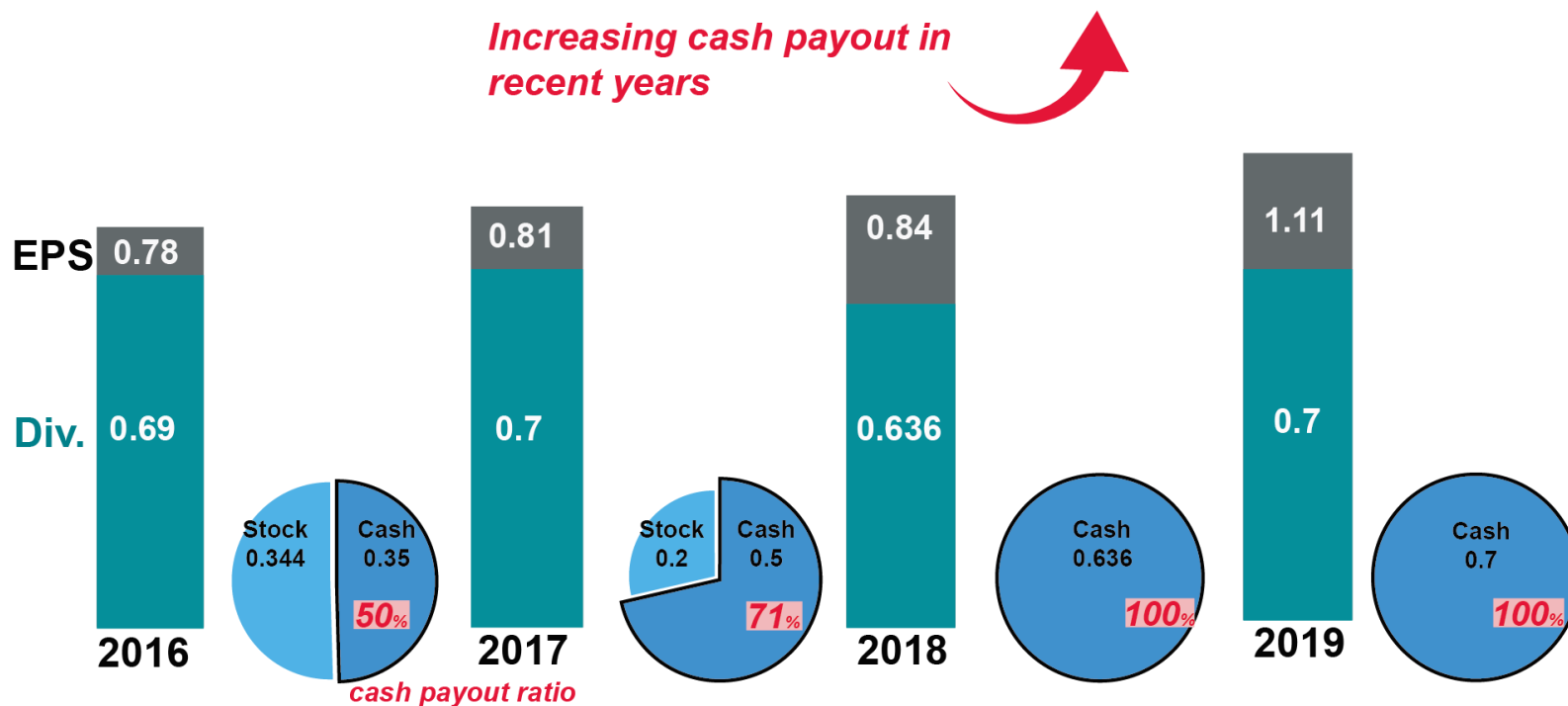
— Foreign Shareholding(%) — Share Closing Price(NT\$)



Data period: January 1, 2018 to April 30, 2020

# SinoPac Historical Dividends

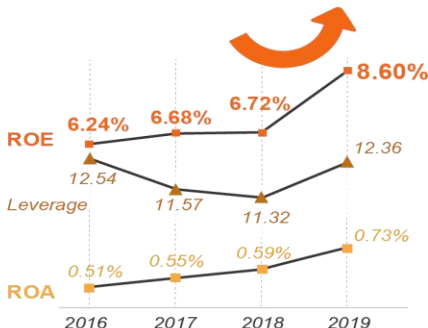
## Dividend Breakdown (NT\$)



# Business Strategies-*Five Major Themes*

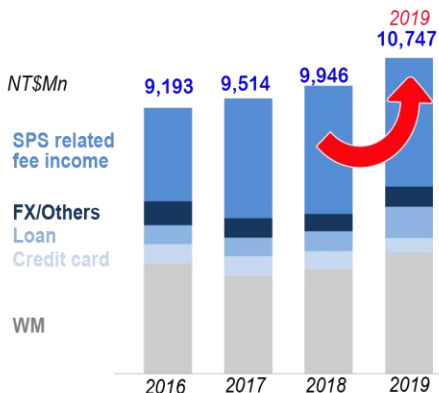
01.

- Optimize asset portfolios
- Increase demand deposit/ foreign currency deposit
- Merge subsidiaries



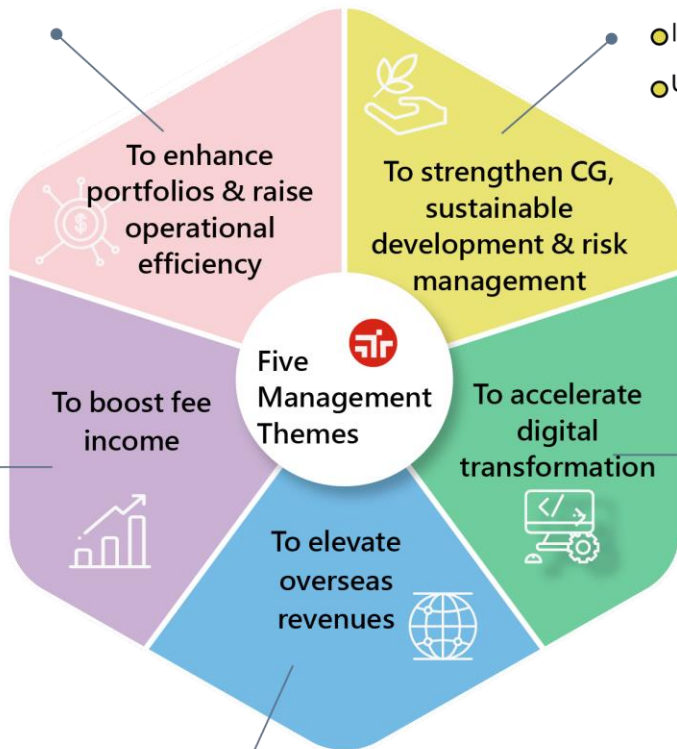
02.

- Enhance AUM size
- Develop SME wealth management strategy
- Increase recurring income



05.

- Enhance risk management for BSP and customers
- Internal risk measurement & rating model
- Utilize the digital risk management database



04.

- Cross-business cooperation x big data x AI
- Channel digital operation service model
- Data analysis/ Precision marketing

03.

- Localise x cross-regional x networking at concurrence
- Accelerate overseas wealth management business development
- New locations / new businesses development

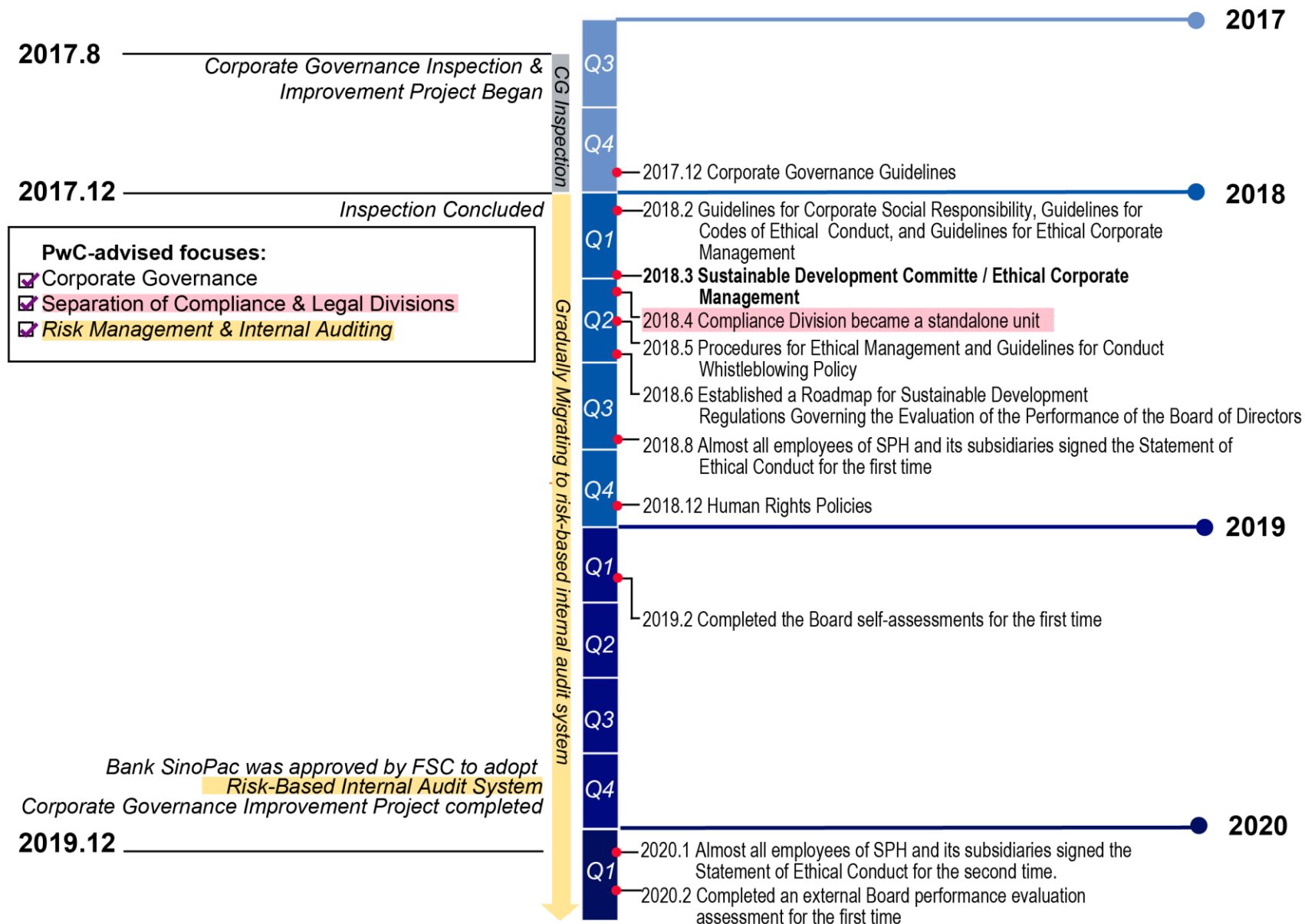




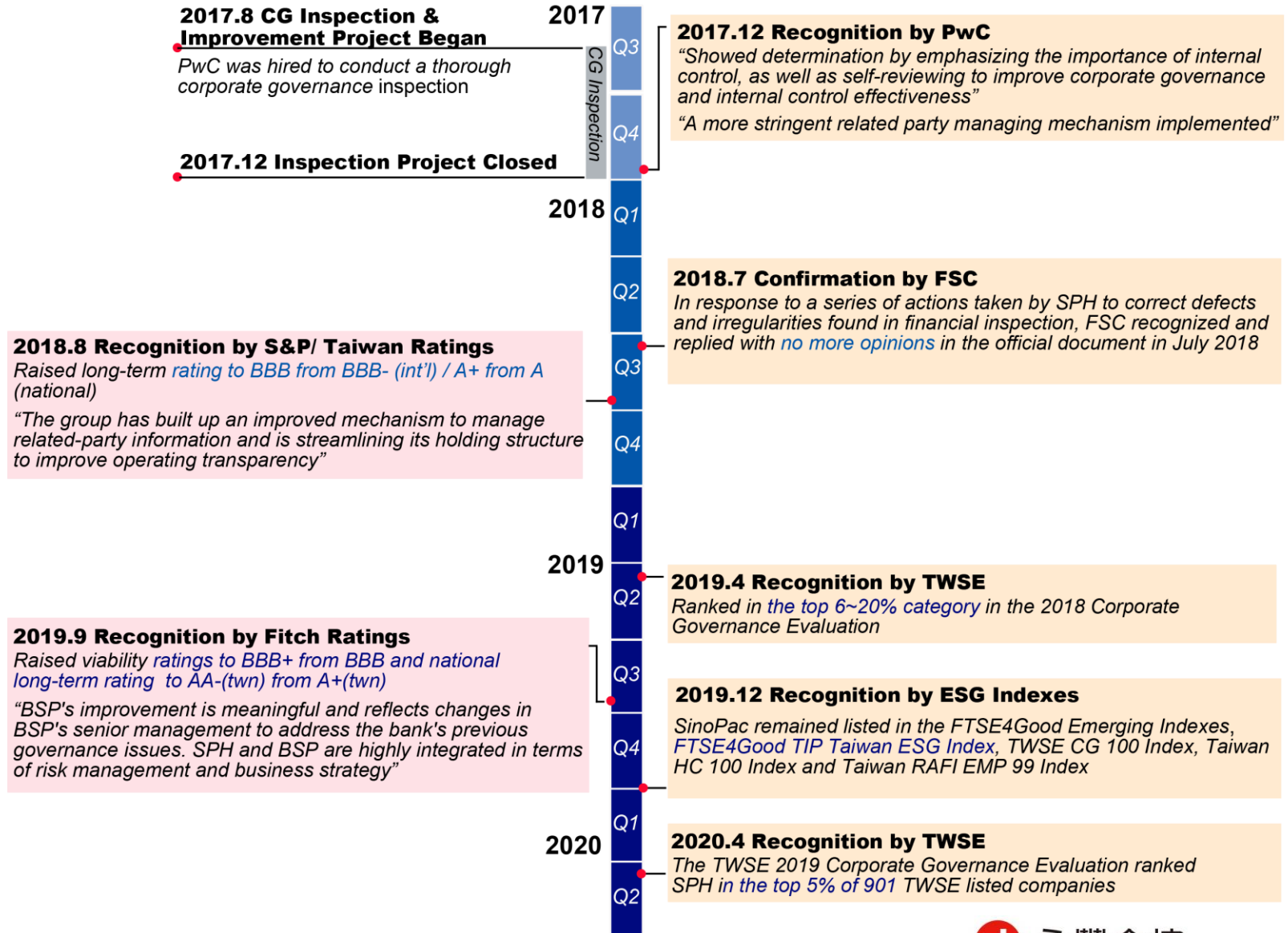
# Corporate Governance Action Plan and Recognition

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# Timelines of Action Plan



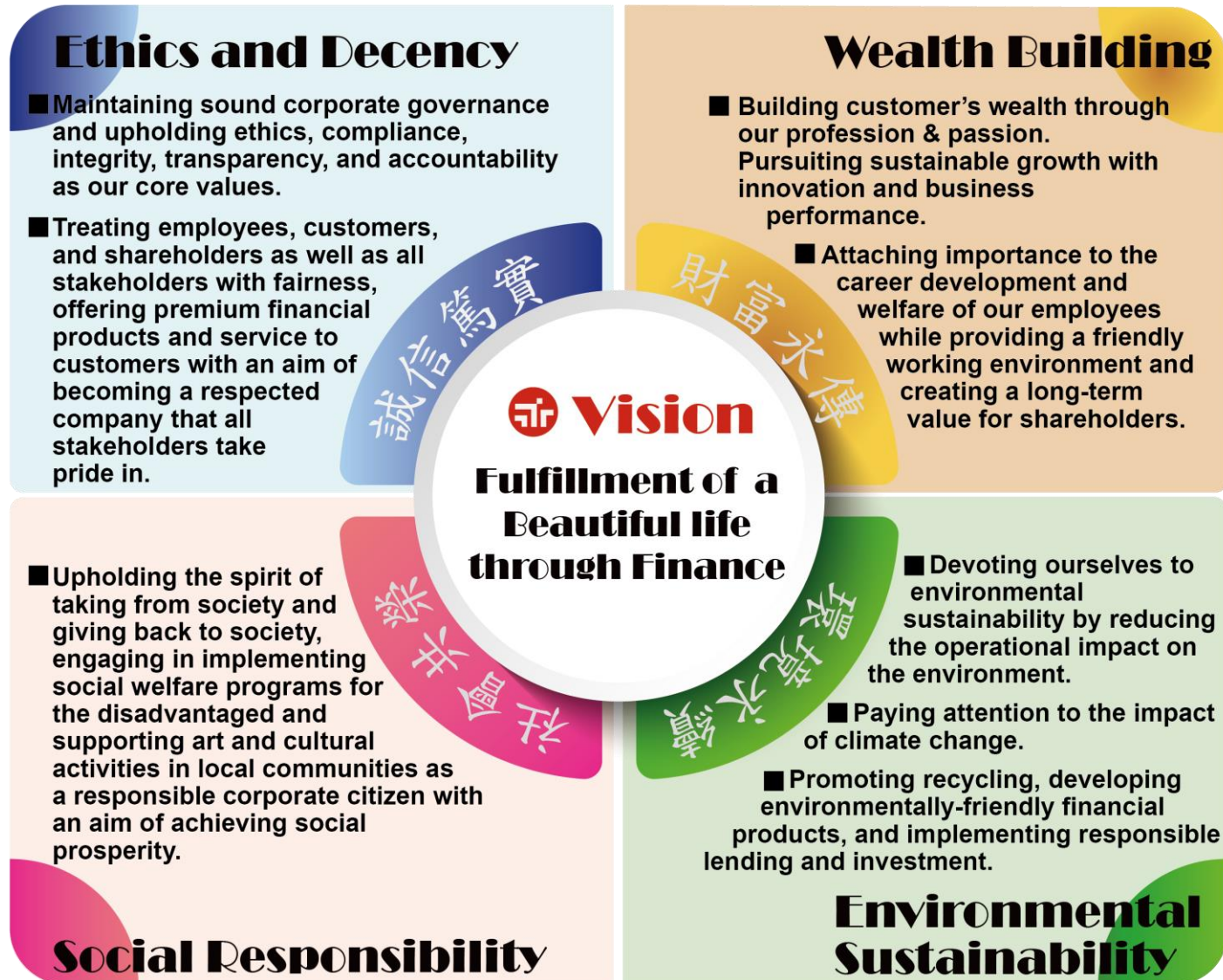
# Recognition from External Organizations



# Sustainable Development

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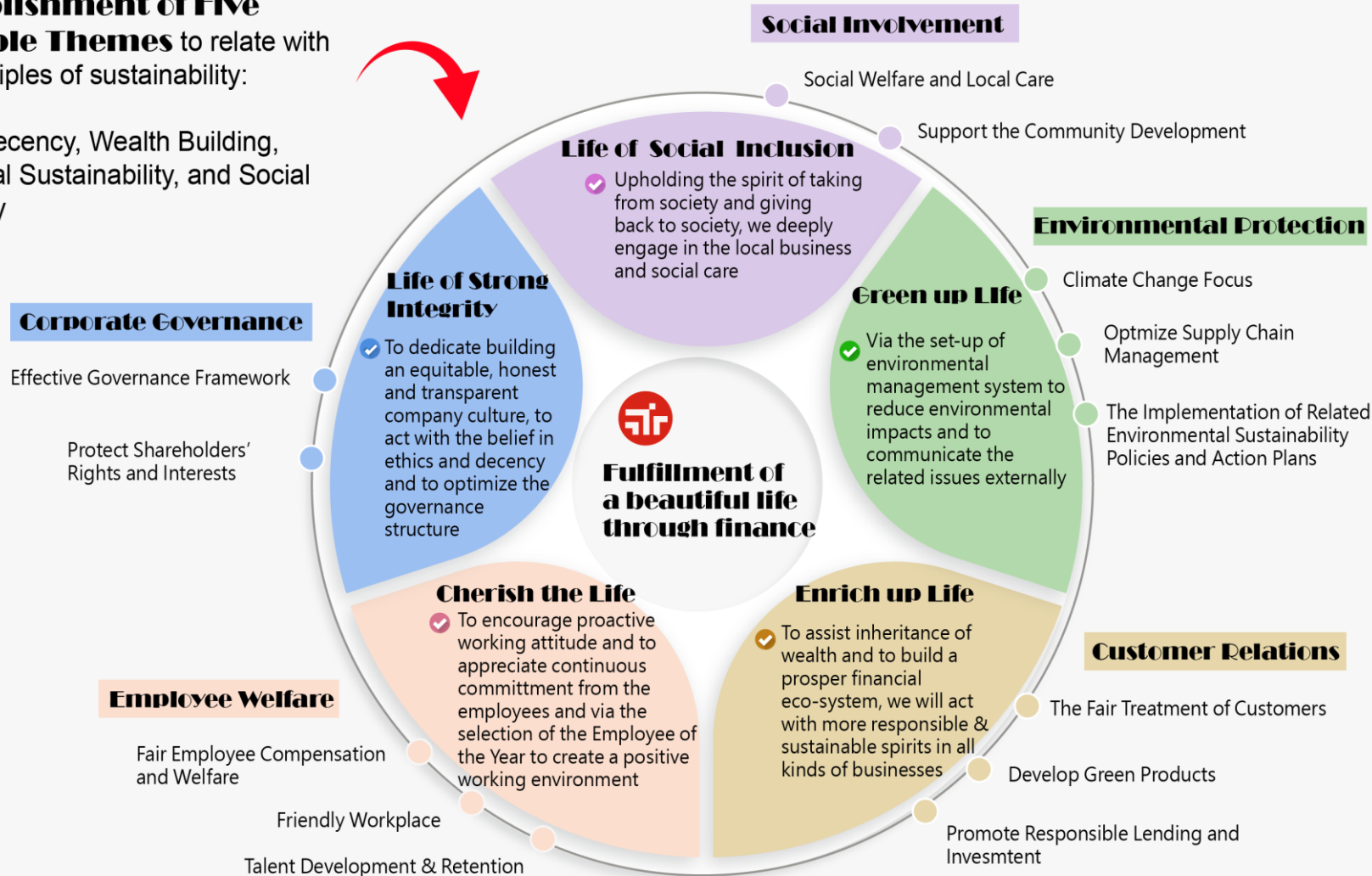
# Corporate Responsibility Vision



# The Five Sustainable Themes

**The Establishment of Five Sustainable Themes** to relate with our four principles of sustainability:

Ethics and Decency, Wealth Building, Environmental Sustainability, and Social Responsibility





# Sustainable Development Goals

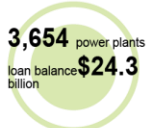


## 2020 Sustainability Development

- To continue improving CG effectiveness
- To continue strengthening information disclosure
- To continue joining or signing-up ESG global initiatives
- To be globally certified and increase GHG inventory coverage rate

### 2019 Achievement

#### Green Finance



The Market Share of Green Energy Financing 25%



To Assist the corporate clients to Have Insurance Coverage



The Installment Service of Electric Passenger Car in Kinmen

#### Green Investment



15.51% of outstanding investment

#### Green Bond



#### Green Fund



2019.6

SPH formulated the basic principle of SinoPac Holdings Guidelines on Responsible Investment Management and disclosed a roadmap for sustainable finance on the website.

2019.12

Following BSP and SPS, SPH has also established effective communication between the labor and management and has signed the collective bargaining agreement with the Labor Union.

2019.12

SPH organized the supplier conference for the first time attracting more than 100 participants and resulted in valuable interactions.



2019Q1~Q4

SPH has completed the identification of human rights risk issues and has made human rights risk mitigation and remedy plans.

### 2020 & Future Planning to fulfill

- To Optimize Risk Management Mechanism
  - To continue reviewing the completeness of risk management mechanism
  - To build emerging risk identification system
  - To implement TCFD, to identify the risk and opportunities of climate risk
- To Improve Information Disclosure
  - Integrated Report framework will be outlined in the SPH 2019 CSR Report
- To Sign-up the Equator Principles
  - BSP signed the Equator Principles in February 2020 to implement responsible lending
- To Continue Promoting Environmental and Greenhouse Gas Management
  - To increase the suppliers' sustainability commitment to 80%
  - SPH passed the ISO 50001 Energy Management System Certification Audit
- To Improve Occupational Safety and Health Management
  - To implement ISO 45001 occupational health and safety management systems



# The Board of Directors

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# Board of Directors–Overview

- The Seventh Term of the Board of Directors at SinoPac reflects the diversity of gender, age and experience
- The expertise of our directors are in line with our five midterm strategic themes

Title	Name	Basic Information			Professional Background			Professional Skills						
		Nationality	Gender	Concurrently Serving as Managerial Officer	Age	Financial Industry	Other Industries	Banking & Securities	Business Administration	Law	Accounting	Finance	Cybersecurity/ Information Technology	Risk Management
Chairperson	Shi-Kuan CHEN	Republic of China	Female		55	●		●				●		●
Independent Director	Chi SCHIVE	Republic of China	Male		72	●		●	●			●		●
Independent Director	James J. SHEU	Republic of China	Male		66	●		●	●		●	●		●
Independent Director	Wei-Ta PAN	Republic of China	Male		64	●	●	●	●	●				●
Director	Stanley CHU	Republic of China	Male	●	55	●		●	●			●		●
Director	Wei-Thyr TSAO	Republic of China	Male		59	●		●	●			●		●
Director	Chi-Hsing YEH	Republic of China	Male		51	●	●		●	●			●	●

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



# Board of Directors–Experience

Title*	Name	Gender	Age**	Years** in Office	Principal Occupation***	Experience and expertise
Chairperson	Shi-Kuan CHEN	Female	55	NEW	Chairperson of SPH	Dr. CHEN is an expert in international economics, macroeconomics, and international finance. She is a director of Taiwan's central bank and was the president of Chung-Hua Institution for Economic Research. She is familiar with the financial industry and previously served as director of Mega Holdings and DBS Bank (Taiwan). Her expertise would lend itself to SinoPac's portfolio enhancement and overseas strategies.
ID	Chi SCHIVE	Male	72	6	Independent Director of SPH and SPS	Dr. SHIVE is a renowned economist. He previously served as Deputy Minister of the Council for Economic Planning and Development under the Executive Yuan where his expertise helped shape economic policies. He actively participates in SinoPac activities and is the Convenor of SinoPac Holding's Remuneration Committee and Ethical Corporate Management Committee.
ID	James J. SHEU	Male	66	6	Independent Director of SPH	Mr. SHEU was the former president of Chinatrust Financial Holdings. He boasts over 30 years of work experience in the banking sector as Chief Risk Officer and CEO. He is the Convenor of SinoPac Holding's Audit Committee and has contributed substantial insight into business strategies, accounting, and risk management to SinoPac.
ID	Wei-Ta PAN	Male	64	NEW	President of Soochow University	Dr. Pan is the president of Soochow University. His academic expertise is in Anglo-American tort law, Anglo-American contract law, and medical law. He has also published a number of books on commercial and civil law. We believe that he would enhance SinoPac's corporate governance and international compliance culture.
ED	Stanley CHU	Male	55	2.5	Director and President of SPH; Chairman of SPS; Director of BSP	Mr. CHU is an experienced leader in the financial services industry. As president of SinoPac Holdings, he understands the entire scope of SinoPac's business activities. In addition, his significant experience in strategic planning and corporate governance resulted in SinoPac Holdings' 2019 net income achieving a five-year high, credit ratings reaching record highs, and SinoPac being selected as a constituent of several ESG indexes.
NED	Wei-Thyr TSAO	Male	59	NEW	Director of BSP	Mr. TSAO is a well-known investment banker. His expertise in fixed income, including trading and sales, would assist SinoPac with asset allocation and fee revenue strategies. His leadership in renowned global financial institutions, including UBS, Goldman Sachs, and Barclays would also be beneficial to SinoPac's overseas development.
NED	Chi-Hsing YEH	Male	51	2	Founder and Managing partner of DaVinci Personal Data and High-Tech Law Firm; Director of SPH	Mr. YEH is a cybersecurity, RegTech, and anti-money laundering expert. He was a prosecutor for Taiwan New Taipei District Prosecutors Office, and he was COO of Ruten, which is an e-commerce company (JV of PChome and eBay). Since joining the Board in 2018, he has provided valuable insights and recommendations to the Information Security Committee and has aided SinoPac enhance cybersecurity, develop RegTech, and accelerate digital transformation.

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

\*\* as to May 2020.

\*\*\*SPH: SinoPac Holdings; BSP: Bank SinoPac; SPS: SinoPac Securities

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



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# Board of Directors-Functional Committees

## Remuneration Committee

- Evaluate remuneration policy
- Establish standards and structure for director and manager remuneration
- Set director and manager remuneration

## Audit Committee

- Supervise the implementation of internal control and compliance with laws and regulations
- Control existing or potential risks
- Contribute to the Board of Directors through its expertise and independent status

## Ethical Corporate Management Committee

- Review the ethical corporate management policies and prevention programs
- Supervise the implementation performance of the managerial departments
- Report compliance status to the board regularly

Established Year

100% of Ind. Directors

2010

### Members

Chi SCHIVE  
James J. SHEU  
Wei-Ta PAN

2014

### Members

James J. SHEU  
Chi SCHIVE  
Wei-Ta PAN

2018

### Members

*SPH Ind. Directors* : Chi SCHIVE and James J. SHEU

*BSP Ind. Directors* : Yu-Fen LIN, Chih-Cheng SU, and Paul Chao-Hsiang CHU

*SPS Ind. Directors* : Tzu-Wen HO and Tsung-Hsun LU

# Appendix

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# SPH Historical Financial Performance

NT\$ Million

Category	Indicator	2017	2018	2019	2020Q1
Balance sheet	Share capital	110,501	112,711	112,711	112,711
	Total assets	1,599,161	1,604,926	1,833,121	1,915,510
	Total equity	138,260	141,821	148,366	145,974
Valuation	BVPS (NT\$)	12.51	12.58	13.16	12.95
	PB ratio (x)	0.77	0.82	0.99	0.85
	Foreign holdings	26.42%	28.29%	32.09%	30.64%
Capital structure	Debt/ equity (x)	10.57	10.32	11.36	12.12
	CAR	130%	124%	118%	116%
	DLR	114%	114%	113%	113%
Profitability	Net income	9,084	9,428	12,477	2,354
	EPS (\$)	0.81	0.84	1.11	0.21
	ROE	6.68%	6.72%	8.60%	6.43%
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 Recognition

- 【SinoPac Holdings】won Social Empowerment Award bestowed by 2019 Asia Responsible Enterprise Awards (AREA)



With the Sunshine Social Welfare Foundation to help victims of the dust explosion at the Formosa Fun Coast rehabilitate, find employment, and start businesses

- 【SinoPac Securities】won Best ETF Market Maker, Best Equity Derivatives House – Highly Commended, and Best Private Bank-Rising Star, Taiwan at *The Asset* Triple A Private Banking, Wealth Management, Investment and ETF Awards

- 【Bank SinoPac】won Best Flow Derivatives House – Highly Commended, Taiwan by *The Asset*

- 【SinoPac Holdings】won Social Responsibility Highly Commended Initiative: Smart Wholesale Market Transaction Facilitation Platform; Environmental Responsibility Highly Commended Initiative: Solar Power Equipment Financing Project by *The Asset*.



Smart Wholesale Market Transaction Facilitation Platform;  
Solar Power Equipment Financing Project

- 【SinoPac Holdings】passed the ISO 50001 Energy Management System Certification Audit



Passed the ISO 50001 Energy Management System Certification Audit

2019

Apr.

- 【Bank SinoPac】won Best Retail Digital Payments Experience, Most Innovative ATM Project, and Most Innovative Corporate Payment Project at *The Asset* Triple A Digital Awards



QR Pay in the traditional markets

May

Jul.

- 【Bank SinoPac】was named the winner of the Taiwan Domestic Technology & Operations Bank of the Year at the *Asian Banking & Finance magazine's* Wholesale Banking Awards 2019



A Million Acts of Green

Sep.

- 【SinoPac Holdings】won Corporate Sustainability Report- English Report Gold Award, Corporate Sustainability Report, Corporate Sustainability Report Silver Award, Corporate Comprehensive Performance- Domestic Enterprises- TOP 50 Corporate Sustainability Award, Best Performance of Specific Category- Gender Equality Award, and Two Awards under Best Performance of Specific Category- Social Inclusion Awards at TCSA

Nov.

- 【SinoPac Securities】won The 15th Golden Goblet Award for Outstanding Green Investment in the Republic of China bestowed by the Securities & Futures Institute

- 【SinoPac Securities】won the first place for Top Sellside Firms in Secondary Market - Government Bonds in Taiwan and the second place for Top Arrangers - Investors' Choice for Primary Issues - Government Bonds in Taiwan in *The Asset* Benchmark Research Awards 2019

Dec.

- 【Bank SinoPac】won the third CSR Impact Award by PwC

2020

Jan.

- 【Bank SinoPac】was honored with five awards by Refinitiv for Top CNH ( SPOT ) Entity-2019, Trading Innovation Award 2019, Top Asian NDF Entity 2019, Top Asian NDF Trader-2019, and Top CNH ( SPOT ) Trader-2019.

Mar.

- 【Bank SinoPac】won the Asset Triple A Awards for two digital projects - Best ATM Project and Best Retail Payment Project.



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