

# Taishin Financial Holding Co., Ltd at a Glance: 1Q23

## ● Company Profile

· Taishin Financial Holding Co., Ltd (TFHC) is a bank-centric financial holding company. The flagship subsidiary, Taishin International Bank (TSIB), contributes approx. 80% to the Group's revenue. In June 2021, TFHC completed its acquisition of 100% of Prudential Life Insurance of Taiwan (POT) and subsequently renamed the company "Taishin Life Insurance Co., Ltd" (TS Life), thus fulfilling the Group's universal banking strategy. In addition to commercial banking, securities, and life insurance, TFHC's other subsidiaries operate in diversified financial business segments that include venture capital, investment trusts, investment advisory, asset management, and leasing activities.

## ● Distribution Networks

- TSIB: 101 branches in Taiwan and 5 overseas branches in Hong Kong, Singapore, Tokyo, Brisbane, and Labuan. One marketing office is in operation in Kuala Lumpur, and representative offices have been established in Ho Chi Minh City, Yangon, Shanghai, and Bangkok.
- Taishin Securities (TSS): 12 branches. In April 2023, TSS established "Taishin Futures Co., Ltd" to further develop its futures brokerage business.
- TS Life: 19 service offices in Taiwan.

## ● ESG Developments and Recognitions

- TFHC has been listed as a constituent of the DJSI World and DJSI Emerging Markets indices since 2018 and has maintained an "AA" MSCI ESG Rating since 2020. TFHC has supported the Task Force on Climate-related Financial Disclosures since 2019, and TFHC's science-based net-zero targets received official validation from the SBTi in July 2022. In January 2023, TFHC was added to the 2023 Bloomberg Gender Equality Index (GEI).
- TSIB has been a signatory to the Equator Principles since 2019.

## ● Business Highlights

- In 1Q23, TFHC delivered a net income after tax of NT\$5.1bn (vs. NT\$2.1bn in 1Q22; YoY +136.2%), marking a record-high first quarter result. If excluding MTM adjustment of contingent consideration on the POT acquisition in 1Q22, YoY growth is 68.1%.
- Net interest income (NII) (NT\$6.3bn) grew 4.8% YoY, on the back of steady loan growth. NII accounted for 46.6% of total revenue (when excluding TS Life's financial results).
- Net fee income (NFI) (NT\$3.6bn) declined by 14.3% YoY and accounted for 26.3% of total revenue (when excluding TS Life's financial results). A strong QoQ increase of 50.6% was posted in wealth management NFI, despite the capital market volatility which curtailed YoY growth. The credit card business' resilient NFI grew 13.5% YoY.
- Trading and other income (NT\$3.7bn) increased by 252.2% YoY and accounted for 27.1% of total revenue (when excluding TS Life's financial results). The increase was boosted by strong FX Swap income and MTM gains from Taishin Venture Capital's equity positions.

## ● Loan, Deposit, and Asset Quality of TSIB

- As at March 31<sup>st</sup>, 2023, TSIB's total loan reached NT\$1,469bn, an increase of 4.0% YoY, supported by stable growth in 1Q23 from both corporate and retail. Total deposit reached NT\$2,042bn, an increase of 15.3% YoY, with CASA of 53.2%.
- Overall NPL ratio remained benign at 0.11%. NPL Coverage ratio stayed above 1000%.

## ● Capital

- As at March 31<sup>st</sup>, 2023, TFHC's CAR was at 133.3%. TSIB's CET1%, Tier1%, and BIS% were 10.7%, 12.5%, and 14.8%, respectively.
- TSS' CAR was at 300%, and TS Life's RBC was at 311%.

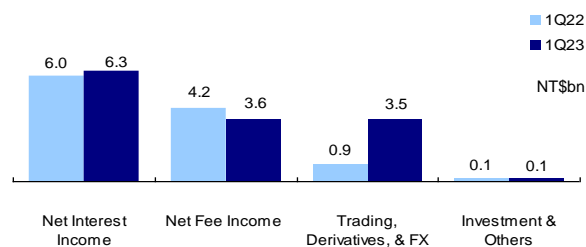
## ● Non-Bank Subsidiaries Highlights

- TSS' 1Q23 net income after tax was NT\$0.4bn (vs. NT\$0.2bn in 1Q22), an increase of 104.9% YoY, boosted by higher trading income in 1Q23. TSS' brokerage business market share remained stable at 2.2% in 1Q23.
- TS Life posted a strong 1Q23 QoQ rebound in net income after tax (NT\$20mn), driven by strong First Year Premium growth (QoQ +126.9%). The cost of liability decreased to 3.88% (vs. 3.98% in 1Q22).

	1Q23	1Q22
<b>TFHC</b>		
Total Revenue (NT\$bn)	14.0	10.6
PPOP (NT\$bn)	6.2	3.5
Net Income (NT\$bn)	5.1	2.1
EPS <sup>1</sup> (NT\$)	0.38	0.14
ROE <sup>1</sup>	11.48%	4.33%
ROA	0.72%	0.33%
Total Asset (NT\$bn)	2,892	2,634
Capital Adequacy ratio	133.3%	118.6%
<b>TSIB</b>		
Total Revenue (NT\$bn)	11.5	10.0
PPOP (NT\$bn)	5.2	4.3
Net Income (NT\$bn)	4.3	3.2
Total Loan (NT\$bn)	1,469	1,413
Total Deposit (NT\$bn)	2,042	1,771
BIS%	14.8%	14.5%
Tier 1%	12.5%	12.0%
Cost / Income ratio	54.3%	56.9%

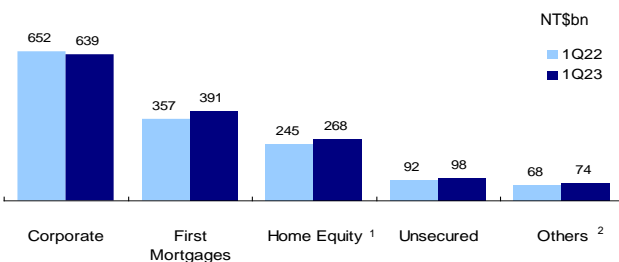
Note: EPS and ROE are calculated for common shares only.

## TFHC Revenue Breakdown excl. TS Life



Note: If adjusting swap income from funding activities and income from selling structured investment products, NII +19.8% YoY, NFI -10.3% YoY, and Trading, Derivatives & FX YoY +191.0% YoY.

## TSIB Loan



Notes:

1. Home equity loan is in first-lien position on the property.

2. "Others" includes auto loans, second mortgages, retail SME, and other consumer products.

## ● Credit Ratings

		Rating	Outlook
TFHC	Fitch Rating	BBB	Stable
	S&P	BBB	Stable
TSIB	Fitch Rating	BBB+	Stable
	S&P	BBB+	Stable