

# Taishin Financial Holding Co., Ltd at a Glance: 1Q24



## Company Profile

Taishin Financial Holding Co., Ltd (TFHC) is a bank-centric financial holding company. The flagship subsidiary, Taishin International Bank (TSIB), contributes the majority of 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 sub-branch is in operation in Fukuoka, Japan; 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 Taiwan. In April 2023, TSS established "Taishin Futures Co., Ltd" to further develop its futures brokerage business.

TS Life: 18 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). In the recently published S&P Global Sustainability Yearbook 2024, Taishin FHC was ranked in the top 1% of the banking industry and was the only member of Taiwan's financial industry to receive such a recognition.

TSIB has been a signatory to the Equator Principles since 2019.

## Business Highlights

In 1Q24, TFHC delivered a net income after tax of NT\$5.01bn (vs. NT\$5.06bn in 1Q23) (YoY -1.0%). If excluding unrealized MTM gain/loss from Taishin VC's investment in Diamond Biofund (+NT\$0.65bn in 1Q23 and -NT\$0.5bn in 1Q24), core business YoY growth is 24.9%.

Net interest income (NII) (NT\$7.0bn) increased by 10.6% YoY, on the back of higher LDR and double-digit growth in both NTD and FCY loans, and accounted for 50.3% of total revenue (when excluding TS Life's financial results).

Net fee income (NFI) (NT\$4.7bn) increased by 30.8% YoY and accounted for 33.5% of total revenue (when excluding TS Life's financial results). NFI growth in 1Q24 was propelled by strong recovery momentum from TSIB's wealth management fees (+36.6% YoY).

Trading and other income (NT\$2.3bn) decreased by 38.6% YoY and accounted for 16.2% of total revenue (when excluding TS Life's financial results). The decrease in 1Q24 was mainly due to MTM losses from Taishin Venture Capital's equity positions (largely attributable to the Diamond Biofund IPO) and lowered funding SWAP income.

## Loan, Deposit, and Asset Quality of TSIB

As at March 31, 2024, TSIB's total loan reached NT\$1,663bn, an increase of 13.1% YoY, supported by stable growth from both corporate and retail. Total deposit reached NT\$2,247bn, an increase of 10.1% YoY, with CASA of 51.6%.

Overall NPL ratio remained benign at 0.10%. NPL Coverage ratio stayed above 1000%.

## Capital

As at March 31, 2024, TFHC's CAR was at 133.1%. TSIB's CET1%, Tier1%, and BIS% were 11.0%, 12.6%, and 14.6%, respectively.

TSS' CAR was at 309%, and TS Life's RBC was at 334%.

## Non-Bank Subsidiaries Highlights

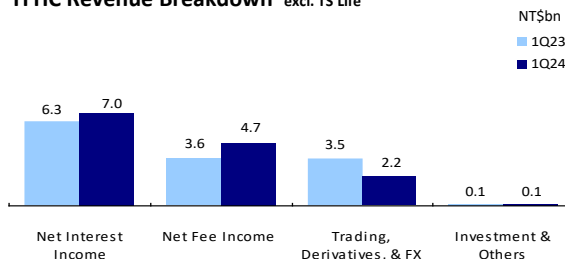
TSS' 1Q24 net income after tax was NT\$0.6bn, an increase of 49.3% YoY, boosted by higher trading income and brokerage fee income in 1Q24. Compared with 1Q23, TSS' brokerage business market share remained stable at 2.27%.

TS Life delivered a 1Q24 net income after tax of NT\$817mn (YoY +4085.7%) and an FYP of NT\$5.1bn, ranking 13th among peers, with its market share advancing to 2.85% (vs. 1.89% in Dec. 2023). The cost of liability in 1Q24 decreased to 3.80% (vs. 3.88% in 1Q23).

	1Q24	1Q23
<b>TFHC</b>		
Total Revenue (NT\$bn)	15.2	13.9
PPOP (NT\$bn)	6.7	6.2
Net Income (NT\$bn)	5.0	5.1
EPS <sup>1</sup> (NT\$)	0.36	0.37
ROE <sup>1</sup>	10.53%	11.48%
ROA	0.64%	0.72%
Total Asset (NT\$bn)	3,202	2,892
Capital Adequacy ratio	133.1%	133.6%
<b>TSIB</b>		
Total Revenue (NT\$bn)	12.9	11.7
PPOP (NT\$bn)	6.0	5.3
Net Income (NT\$bn)	4.4	4.3
Total Loan (NT\$bn)	1,663	1,469
Total Deposit (NT\$bn)	2,247	2,042
BIS%	14.6%	14.8%
Tier 1%	12.6%	12.5%
Cost / Income ratio	53.6%	54.3%

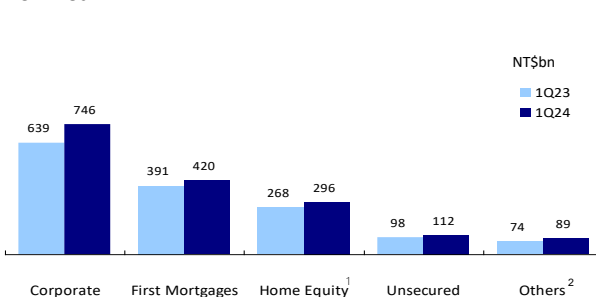
Note: EPS and ROE are calculated for common shares only.

## TFHC Revenue Breakdown excl. TS Life



Note: If adjusting swap income from funding activities and income from selling structured investment products, NII +2.1% YoY; NFI +27.2% YoY; and Trading, Derivatives, & FX -34.0% 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