

Taishin Financial Holding Co., Ltd at a Glance: 9M23



● 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 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: 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 9M23, TFHC delivered a net income after tax of NT\$12.1bn (vs. NT\$8.3bn in 9M22) (YoY+46.3%). If excluding MTM adjustment of contingent consideration (NT\$1.2bn) on the 9M22 POT acquisition, YoY growth is 27.6%.
- Net interest income (NII) (NT\$19.4bn) grew 1.8% YoY, on the back of steady loan growth. NII accounted for 51.5% of total revenue (when excluding TS Life's financial results).
- Net fee income (NFI) (NT\$11.2bn) increased by 4.4% YoY and accounted for 29.8% of total revenue (when excluding TS Life's financial results). NFI growth in 9M23 is supported by decent momentum from TSIB's wealth management fees (+7.8% YoY) and TSS' brokerage fees (+17.5% YoY).
- Trading and other income (NT\$7.0bn) increased by 87.0% YoY and accounted for 18.7% of total revenue (when excluding TS Life's financial results). The increase in 9M23 was boosted by strong FX Swap income and bond trading, partially offsetting MTM loss from Taishin Venture Capital's equity positions (largely due to the IPO of Diamond Biofund).

● Loan, Deposit, and Asset Quality of TSIB

- As at September 30th, 2023, TSIB's total loan reached NT\$1,509bn, an increase of 3.8% YoY, supported by stable growth in consumer lending. Total deposit reached NT\$2,089bn, an increase of 12.4% YoY, with CASA of 52.6%.
- Overall NPL ratio remained benign at 0.13%. NPL Coverage ratio stayed above 1000%.

● Capital

- As at September 30th, 2023, TFHC's CAR was at 137.0%. TSIB's CET1%, Tier1%, and BIS% were 10.8%, 12.5%, and 14.6%, respectively.
- TSS' CAR was at 351%, and TS Life's RBC was at 361%.

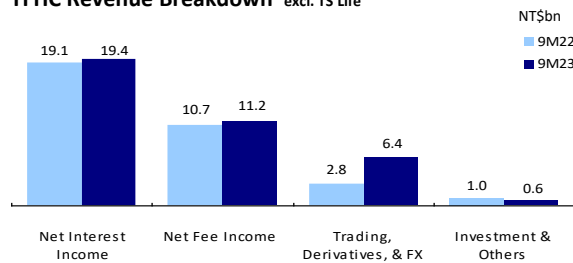
● Non-Bank Subsidiaries Highlights

- TSS' 9M23 net income after tax was NT\$1.1bn, an increase of 114% YoY, boosted by higher trading income in 9M23. TSS' brokerage business market share further advanced to 2.26% in 9M23, up from 2.23% in 9M22.
- TS Life's 3Q23 net income after tax was NT\$0.8bn, an increase of 223% QoQ boosted by higher investment income. The cost of liability in 9M23 decreased to 3.82% (vs. 3.92% in 9M22).

	9M23	9M22
TFHC		
Total Revenue (NT\$bn)	40.1	34.0
PPOP (NT\$bn)	15.9	12.3
Net Income (NT\$bn)	12.1	8.3
EPS ¹ (NT\$)	0.85	0.55
ROE ¹	8.90%	6.06%
ROA	0.56%	0.42%
Total Asset (NT\$bn)	2,989	2,745
Capital Adequacy ratio	137.0%	132.4%
TSIB		
Total Revenue (NT\$bn)	34.6	29.7
PPOP (NT\$bn)	15.3	12.3
Net Income (NT\$bn)	12.1	9.3
Total Loan (NT\$bn)	1,509	1,453
Total Deposit (NT\$bn)	2,089	1,858
BIS%	14.6%	14.2%
Tier 1%	12.5%	11.9%
Cost / Income ratio	55.8%	58.5%

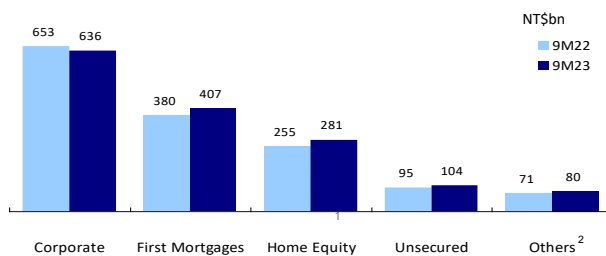
Note: EPS and ROE are calculated for common shares only.

TFHC Revenue Breakdown excl. TS Life



Note: If adjusting swap income from funding activities and income from selling structured investment products, NII +12.4% YoY; NFI +6.3% YoY; and Trading, Derivatives, & FX +65.7% YoY.

TSIB Loan



Notes:

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