

# Taishin Financial Holding Co., Ltd at a Glance: 2023



## 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. In November 2023, the Financial Services Agency of Japan approved the application from TSIB's Tokyo branch to establish a sub-branch in Fukuoka, which is slated to begin operation in April 2024.
- 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). 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 2023, TFHC delivered a net income after tax of NT\$14.6bn (vs. NT\$14.9bn in 2022) (YoY-1.8%). If excluding MTM adjustment of contingent consideration (NT\$1.2bn) on the POT acquisition and unrealized MTM gain/loss from Taishin VC's investment in Diamond Biofund (+NT\$3.8bn in 2022 and -NT\$1.2bn in 2023), core business YoY growth is 28.6%.
- Net interest income (NII) (NT\$25.9bn) was flat (-0.2% YoY). Despite narrowed spreads and FCY LDR declines in the rate-hiking cycle, NII held steady on the back of decent NTD loan growth and proper funding cost management. NII accounted for 51.1% of total revenue (when excluding TS Life's financial results).
- Net fee income (NFI) (NT\$14.9bn) increased by 8.6% YoY and accounted for 29.4% of total revenue (when excluding TS Life's financial results). NFI growth in 2023 was propelled by recovery momentum from TSIB's wealth management fees (+13.0% YoY) and TSS' brokerage fees (+23.2% YoY).
- Trading and other income (NT\$9.9bn) increased by 31.2% YoY and accounted for 19.5% of total revenue (when excluding TS Life's financial results). The increase in 2023 was boosted by strong FX Swap income and bond trading, partially offsetting MTM losses from Taishin Venture Capital's equity positions (largely due to the Diamond Biofund IPO).

## Loan, Deposit, and Asset Quality of TSIB

- As at December 31, 2023, TSIB's total loan reached NT\$1,548bn, an increase of 7.7% YoY, supported by stable growth from both corporate and retail. Total deposit reached NT\$2,134bn, an increase of 9.5% YoY, with CASA of 52.8%.
- Overall NPL ratio remained benign at 0.12%. NPL Coverage ratio stayed above 1000%.

## Capital

- As at December 31, 2023, TFHC's CAR was at 136.8%. TSIB's CET1%, Tier1%, and BIS% were 11.3%, 13.0%, and 15.1%, respectively.
- TSS' CAR was at 317%, and TS Life's RBC was at 352%.

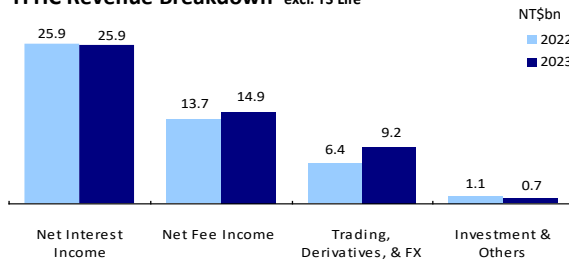
## Non-Bank Subsidiaries Highlights

- TSS' 2023 net income after tax was NT\$1.55bn, an increase of 196% YoY, boosted by higher trading income and brokerage fee income in 2023. TSS' brokerage business market share further advanced to 2.28% in 2023, up from 2.21% in 2022.
- TS Life delivered an FYP of NT\$12.69bn, ranking 13th among peers, with market share at 1.89% (vs. 14th among peers with 1.7% market share in Dec. 2022)
- The cost of liability in 2023 decreased to 3.81% (vs. 3.90% in 2022).

	2023	2022
<b>TFHC</b>		
Total Revenue (NT\$bn)	52.4	48.4
PPOP (NT\$bn)	19.5	19.2
Net Income (NT\$bn)	14.6	14.9
EPS <sup>1</sup> (NT\$)	1.01	1.04
ROE <sup>1</sup>	7.78%	8.34%
ROA	0.50%	0.56%
Total Asset (NT\$bn)	3,036	2,765
Capital Adequacy ratio	136.8%	135.6%
<b>TSIB</b>		
Total Revenue (NT\$bn)	46.5	40.8
PPOP (NT\$bn)	19.7	16.7
Net Income (NT\$bn)	14.9	12.5
Total Loan (NT\$bn)	1,548	1,437
Total Deposit (NT\$bn)	2,134	1,948
BIS%	15.1%	14.9%
Tier 1%	13.0%	12.6%
Cost / Income ratio	57.6%	59.0%

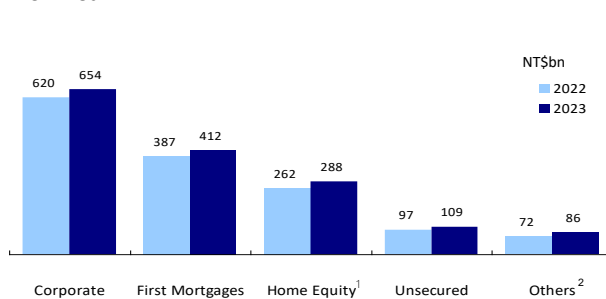
Note: EPS and ROE are calculated for common shares only.

## TFHC Revenue Breakdown excl. TS Life



Note: If adjusting swap income from funding activities and income from selling structured investment products, NII +7.8% YoY; NFI +9.4% YoY; and Trading, Derivatives, & FX +9.0% 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