華南金控
HUA NAN FINANCIAL HOLDINGS

HNFHC
4Q 2023 Analyst Meeting
(Bloomberg: 2880 TT)

2024/03/20

Finance Dept
Senior Vice President &
General Manager
Mr. Shih-Wei Kuo





Disclaimer

- This document is provided by Hua Nan Financial Holdings Co. Ltd. ("HNFHC"). The information contained in this document is not audited or reviewed by any accountant or any independent expert. HNFHC makes no warranties or representations expressly or impliedly as to the fairness, accuracy, completeness or correctness of such information or opinions. The document is provided as of the date herein and will not be updated to reflect any change hereafter. No responsibility is accepted by HNFHC, its affiliates and their representatives, no matter for their negligence or any other reason, for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.

- This document may contain forward-looking statements, including but not limited to all statements that address activities, events or developments that HNFHC expects or anticipates to occur in the future, which is based on the projects of HNFHC toward the future, and various factors and uncertainness beyond HNFHC's control. Therefore, the actual results may differ materially from those contained in the forward-looking statements.

- This document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments.

- This document may not be directly or indirectly reproduced, redistributed or forwarded to any other person and may not be published in whole or in part for any purpose.

Agenda

Contents

FY2023 Highlights

FY2023 Financial Highlights

Profit relabeled a new height

- HNFHC set up a new milestone of a net profit NT$21.618 billion in FY23, which increased by 24.9% YoY. Its net revenue NT$59.467 billion raised by 10.8% YoY with EPS NT$1.58, ROE 11.01% and ROA 0.58% respectively.
- HNCB's net profit NT$20.051 billion increased by 19.9% YoY in FY23, which broke the historical record high, mainly driven by ample treasury income (up 158.4% YoY) and declining NII (down 15.1% YoY) with EPS NT$2.05.
- Benefited from the booming capital market, HNSC reported a net profit of NT$1.506 billion, increased by 36.0% YoY in FY23 under core revenues grew and injection of dividends income altogether. Its EPS was NT$2.30.
- SCIC reported a one-fold net profit NT$0.916 billion in FY23 with EPS NT$4.58, which not only casted away the negative impact caused by significant commercial fire insurance provisions in FY22, but also obtained capital operational revenue grew by 48.5% YoY.

Benign asset quality

- HNCB maintained benign asset quality with NPL ratio at 0.15% and coverage ratio at 846.33% as of the end of December 2023.

Stable and adequate capital structure

- HNFHC CAR: (2023/12) 122.77%
- HNCB CAR: (2023/12) 14.46%, Tier 1 ratio: 12.61%; CET 1 ratio: 10.48%
- HNFHC and HNCB's issuer credit ratings affirmed by Taiwan Ratings Corp.
  - HNFHC: (2023/7) Long-term: twAA-; short-term: twA-1+; outlook: stable.
  - HNCB: (2024/2) Long-term: twAA+; short-term: twA-1+; outlook: stable.
- HNCB also received issuer credit rating affirmed by:
  - Moody's: (2023/9) Long-term: A2; short-term: P-1; outlook: stable.
  - S&P: (2024/2) Long-term: A; short-term: A-1; outlook: stable.

華南金控 HUA NAN FINANCIAL HOLDINGS

Note： Financial figures were audited based on IFRS.

FY2023 Business Highlights

Business momentum prudently thriving; Fintech services actively optimizing

- HNCB's business momentum maintained solid in FY23 and crowned with good reputation in the industry:
  - Bancassurance fee income among pan state-owned banks: #1
  - The amount of MLA and JLA in domestic syndicated loan: #2
  - Urban renewal lending, unsafe and old buildings reconstruction lending amount in state-owned banks: #2
  - Reverse mortgage approved cases and amount: #3
- HNCB has an admiring performance in digital finance promotion with SnY digital accounts exceeded 300K users in FY23 and increased by nearly 60K brand new customers. The first-ever "APP User Experience Optimization Agile Team" has completed 110 journey transformations and continued to optimize processes for better user experience.
- HNSC held 2.88% and 4.92% market share in domestic brokerage business and financing balance respectively in 2023.
- HNSC launched a self-designed APP "Hua Nan eDay-Trading" which features 7 major highlights provides users with better investment experience.
- SCIC's written premium revenue NT$13.247 billion reached the record high in FY23, whose market share was 5.43% and ranked the top 6th.

Awards & Achievement in 4Q23

- HNFHC has awarded "Sports Promoter Award" for 12 consecutive years and has won the gold award in the sponsorship category and the bronze award in the promotion category for 7 consecutive years.
- HNCB won the Bronze Award in the "5th National Enterprise Environmental Protection Award" and the Ministry of Environment's green procurement performance commendation.
- HNSC won the "Broker Customer Recommendation Award" in the 2023 Taiwan Financial Awards by Wealth Magazine.

華南金控 HUA NAN FINANCIAL HOLDINGS

Note： Financial figures were audited based on IFRS.

Operating Results – HNFHC

HNFHC: Net profit soared by 24.9% YoY in FY23

(NT$ mn or NT$ dollor)	3Q2023	4Q2023	QoQ	2022	2023	YoY
Net profit	6,386	**4,726**	-26.0%	17,308	**21,618**	24.9%
Total assets	3,795,188	**3,869,202**	2.0%	3,630,162	**3,869,202**	6.6%
Book value	195,682	**207,812**	6.2%	184,827	**207,812**	12.4%
EPS	0.47	**0.34**	-27.7%	1.27	**1.58**	24.4%
Book value per share	14.34	**15.23**	6.2%	13.55	**15.23**	12.4%
Capital stock	136,427	**136,427**	-	136,427	**136,427**	-
Annualized ROA (%)	0.61	**0.58**	(0.03)	0.49	**0.58**	0.09
Annualized ROE (%)	11.84	**11.01**	(0.83)	8.98	**11.01**	2.03
CAR (%)	121.95	**122.77**	0.82	126.61	**122.77**	(3.84)
Double Leverage Ratio(%)	123.00	**121.81**	(1.19)	120.83	**121.81**	0.98

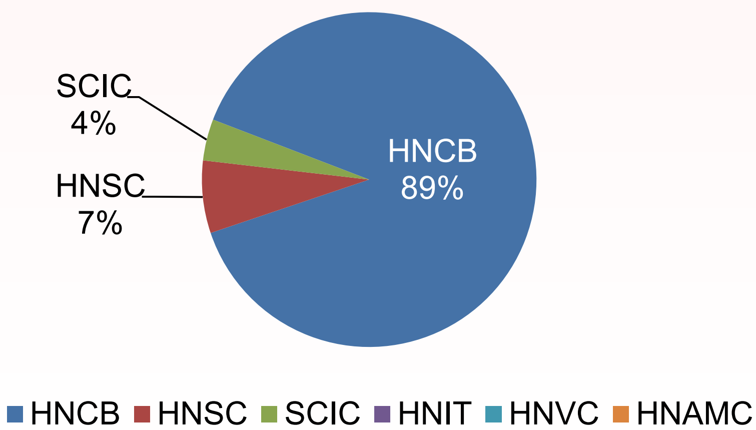
華南金控 HUA NAN FINANCIAL HOLDINGS

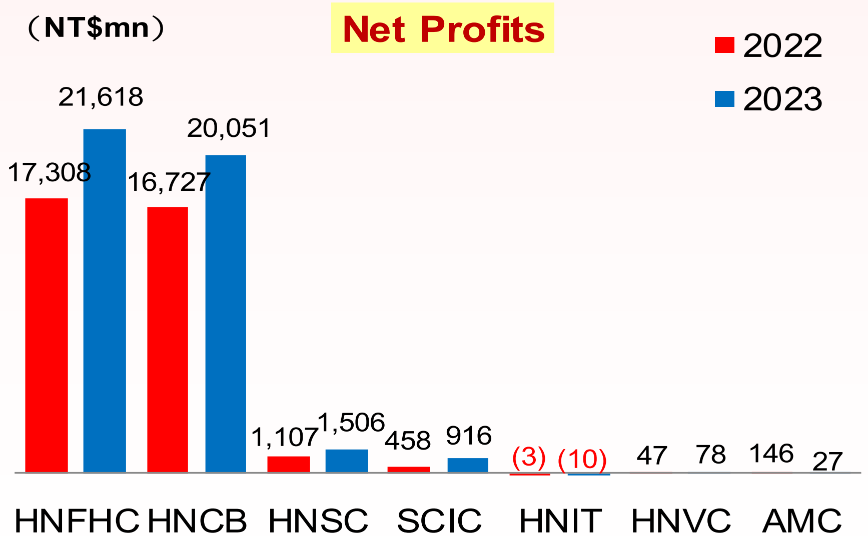
Note： Financial figures were audited or reviewed based on IFRS.

HNFHC: Net Profits of major subsidiaries

(NT$mn)	3Q2023 Net Profit	**4Q2023 Net Profit**	QoQ	2022 Net Profit	**2023 Net Profit**	YoY
HNCB	5,888	**4,414**	-25%	16,727	**20,051**	20%
HNSC	486	**332**	-32%	1,107	**1,506**	36%
SCIC	245	**255**	4%	458	**916**	100%
HNIT	7	**(22)**	-	(3)	**(10)**	-
HNVC	(10)	**44**	-	47	**78**	66%
HNAMC	5	**31**	520%	146	**27**	-82%
Total	6,621	**5,054**	-24%	18,482	**22,568**	22%

FY23 Profit contribution





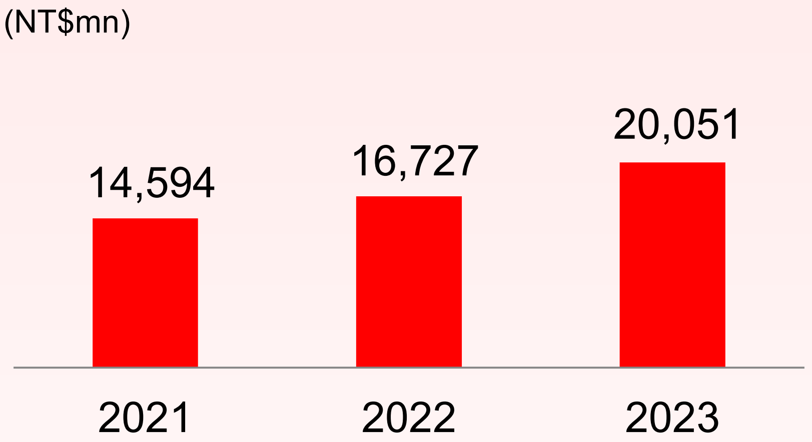
Note： Financial figures were audited or reviewed based on IFRS.

華南金控
HUA NAN FINANCIAL HOLDINGS

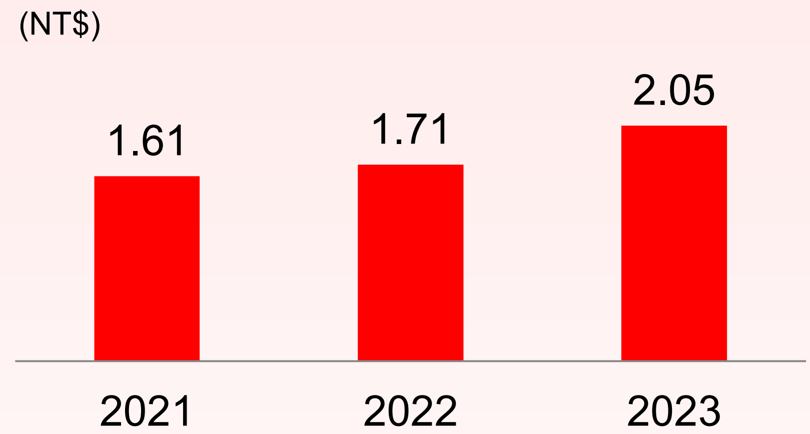
Operating Results – Subsidiaries

HNCB: Operating Results

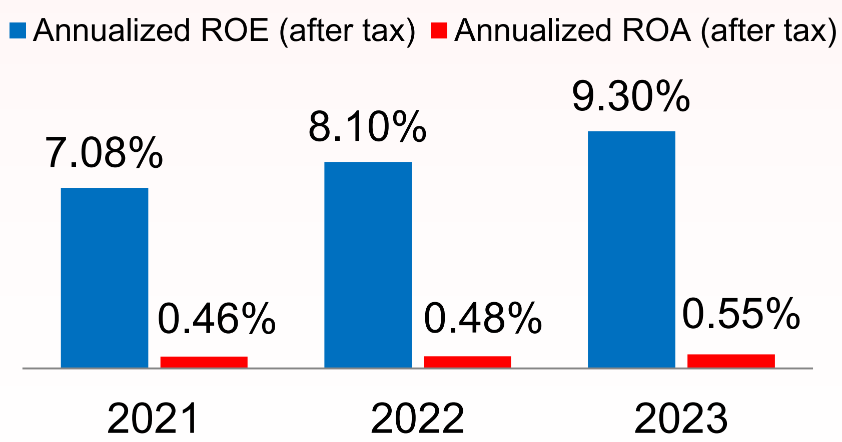
Net Profit (after tax)



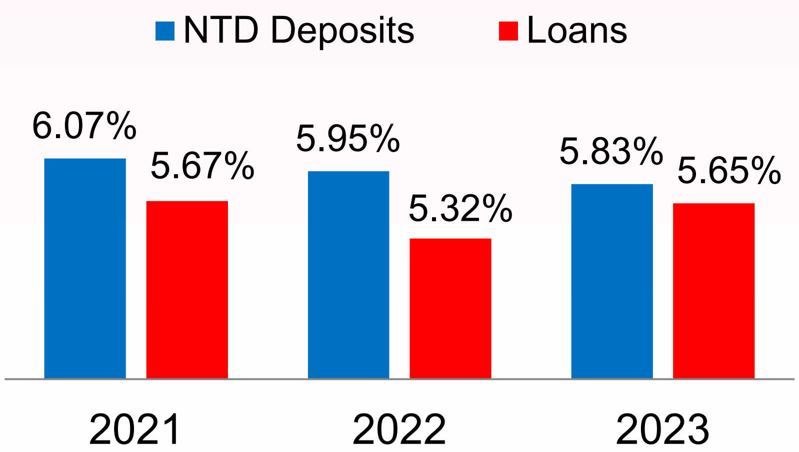
EPS



Returns



Market Share



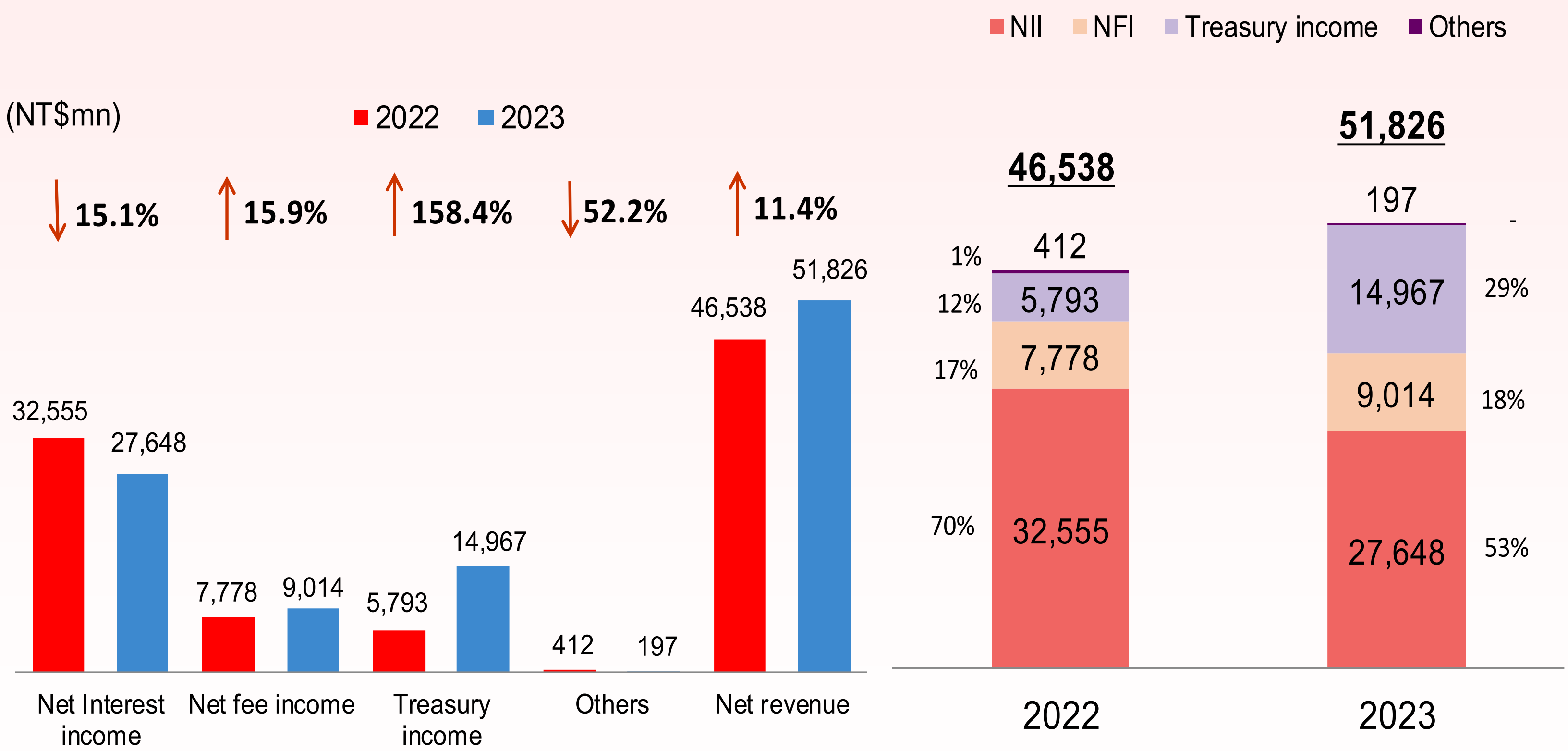
華南金控 HUA NAN FINANCIAL HOLDINGS

Note： Financial figures were audited based on IFRS.

HNCB: Net Revenue raised by 11.4% YoY

Revenue composition of Hua Nan Bank

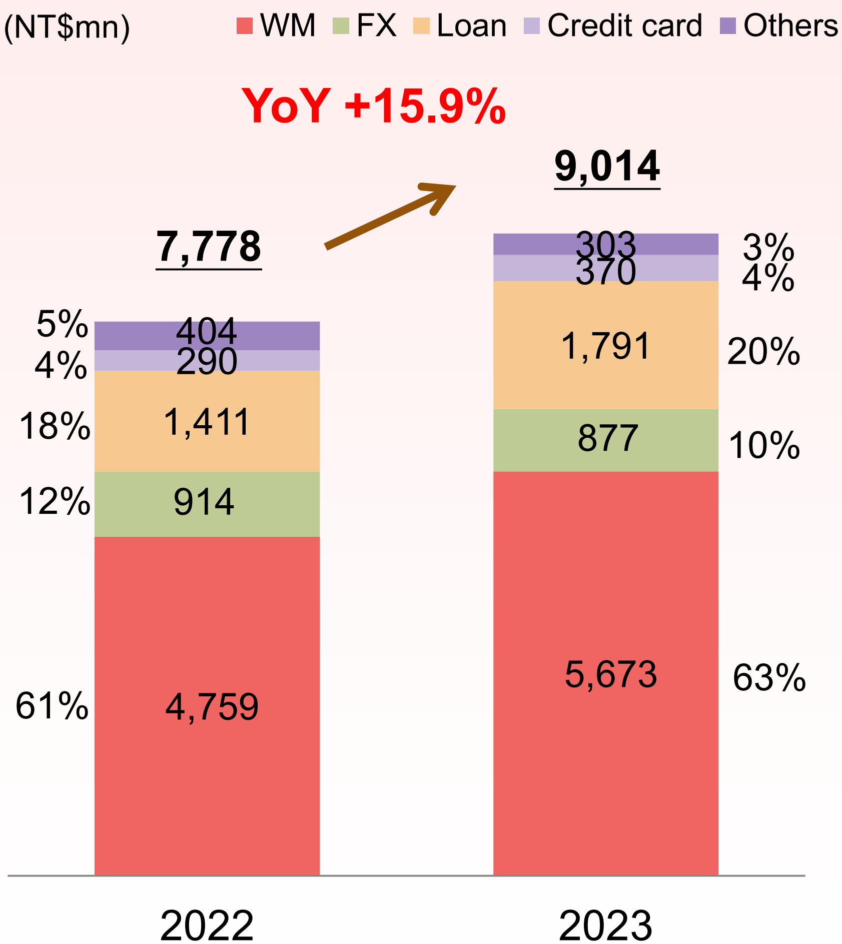
(NT$mn)



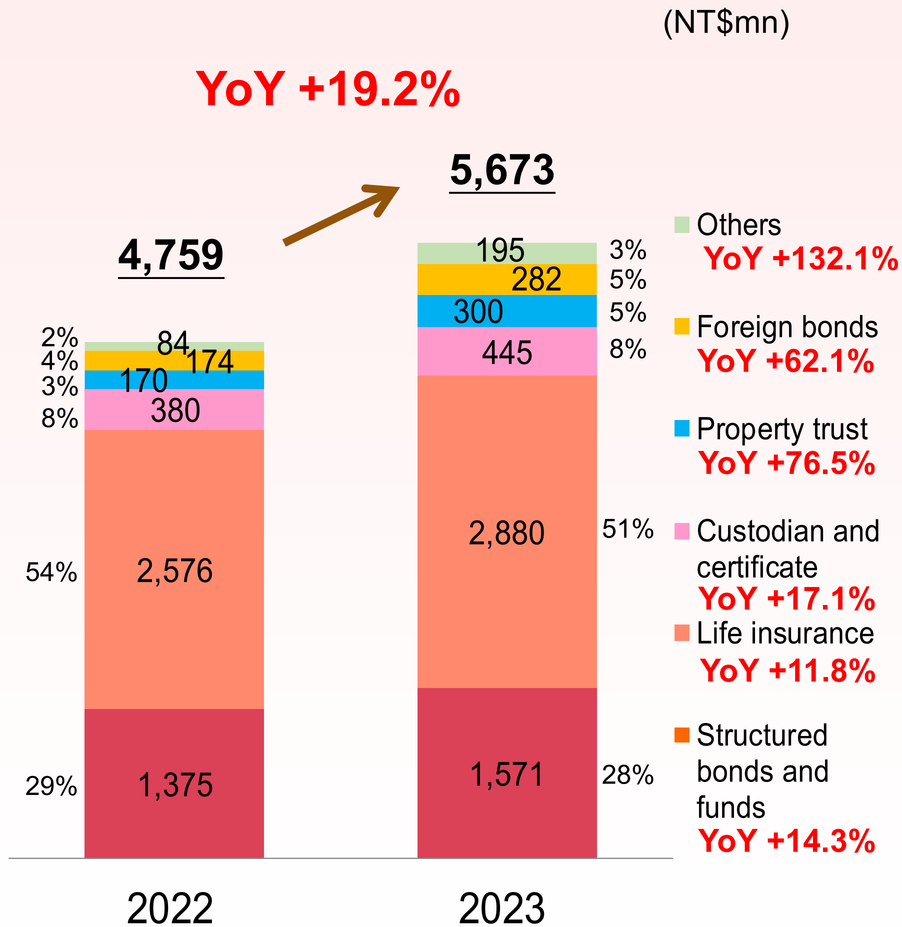
Note： Financial figures were audited based on IFRS.

HNCB: Net Fee income and wealth management income

Sources of net fee income

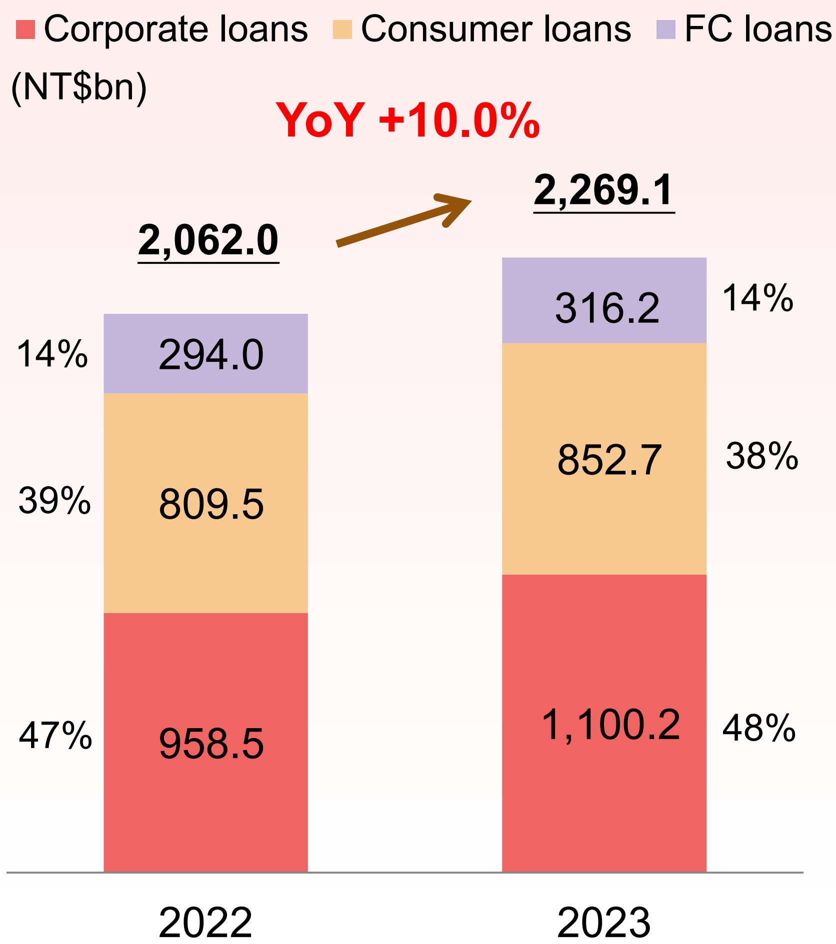


Net WM fee income

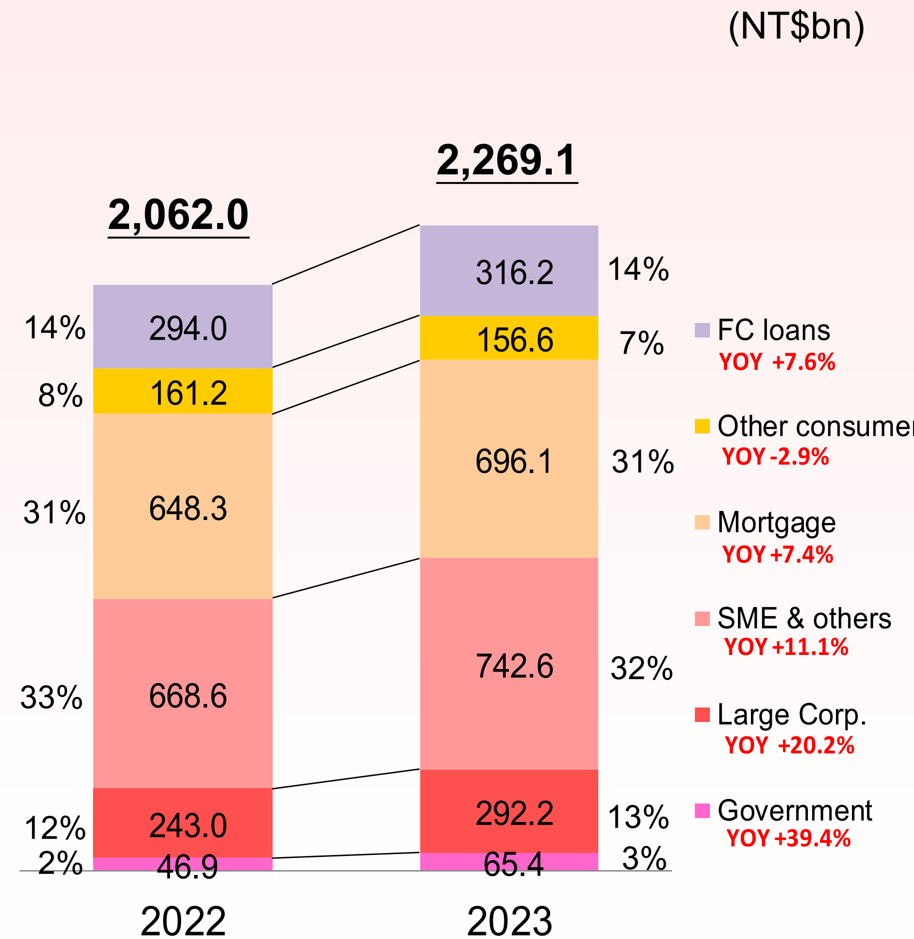


HNCB: loans continue expanding

Loan composition



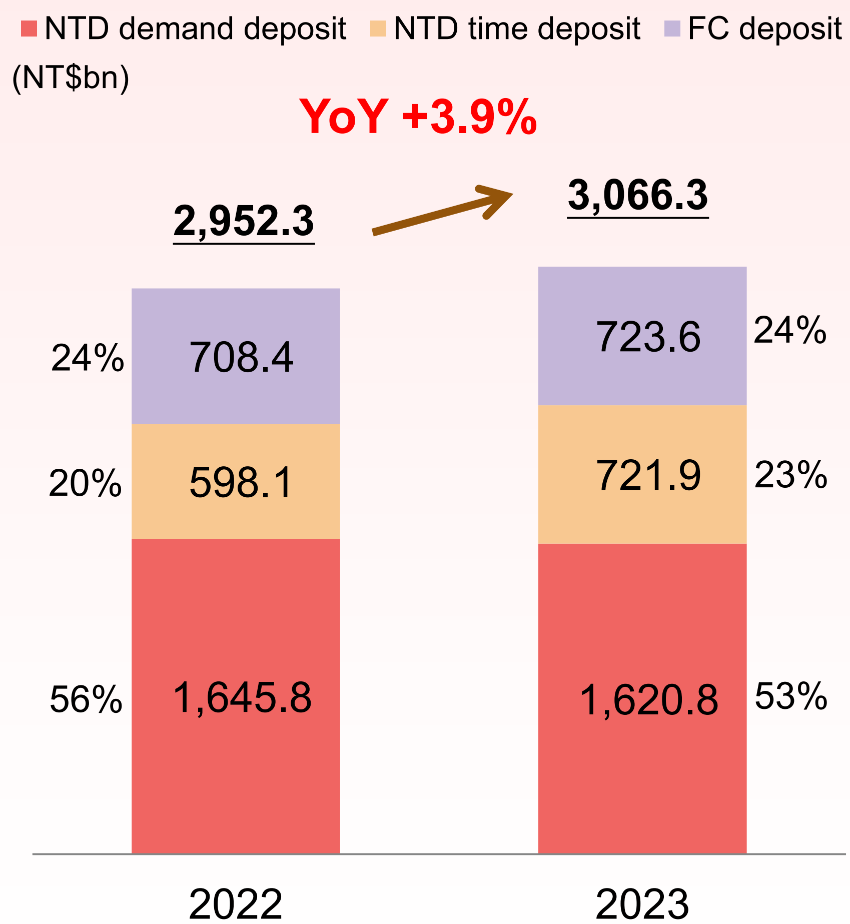
Loans by type



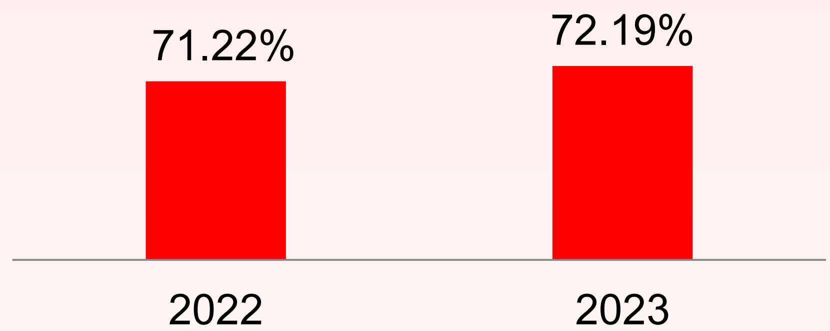
華南金控 HUA NAN FINANCIAL HOLDINGS

HNCB: Deposit and LDR

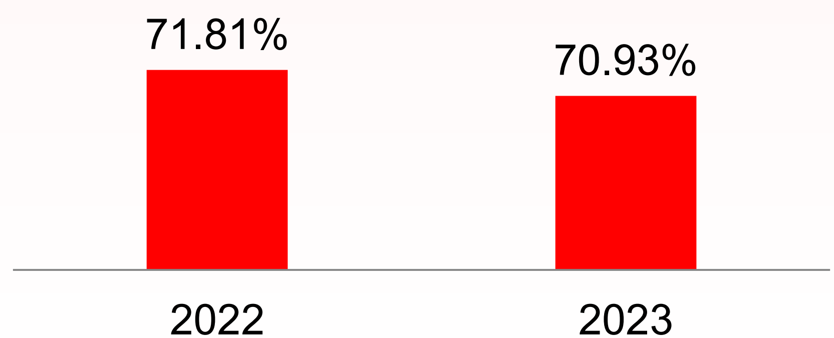
Deposit composition



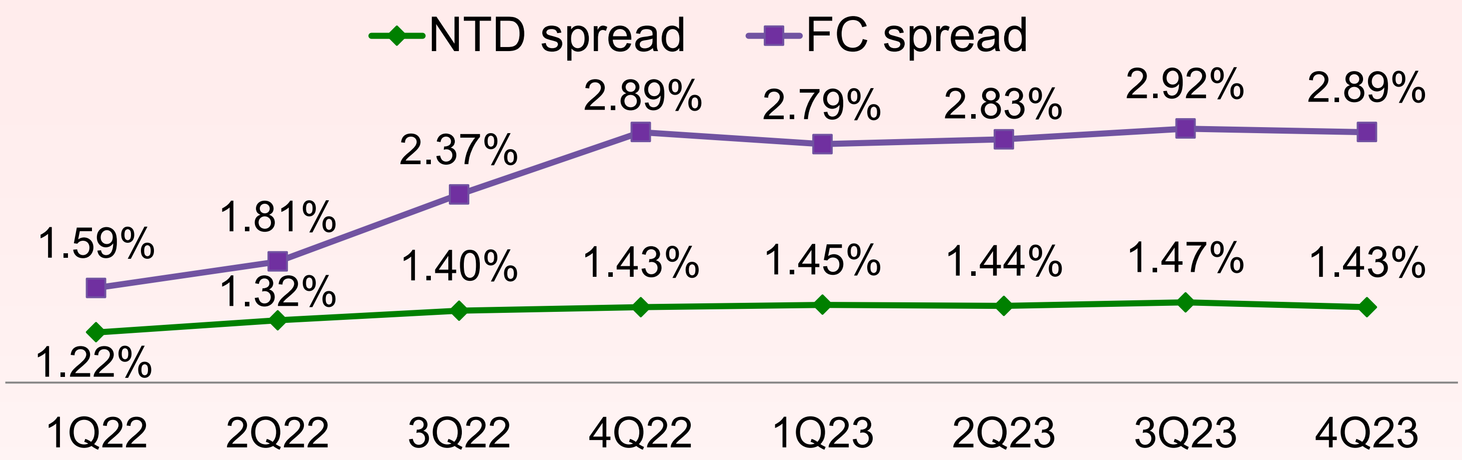
Loan-to-deposit ratio(LDR)



NTD CASA ratio

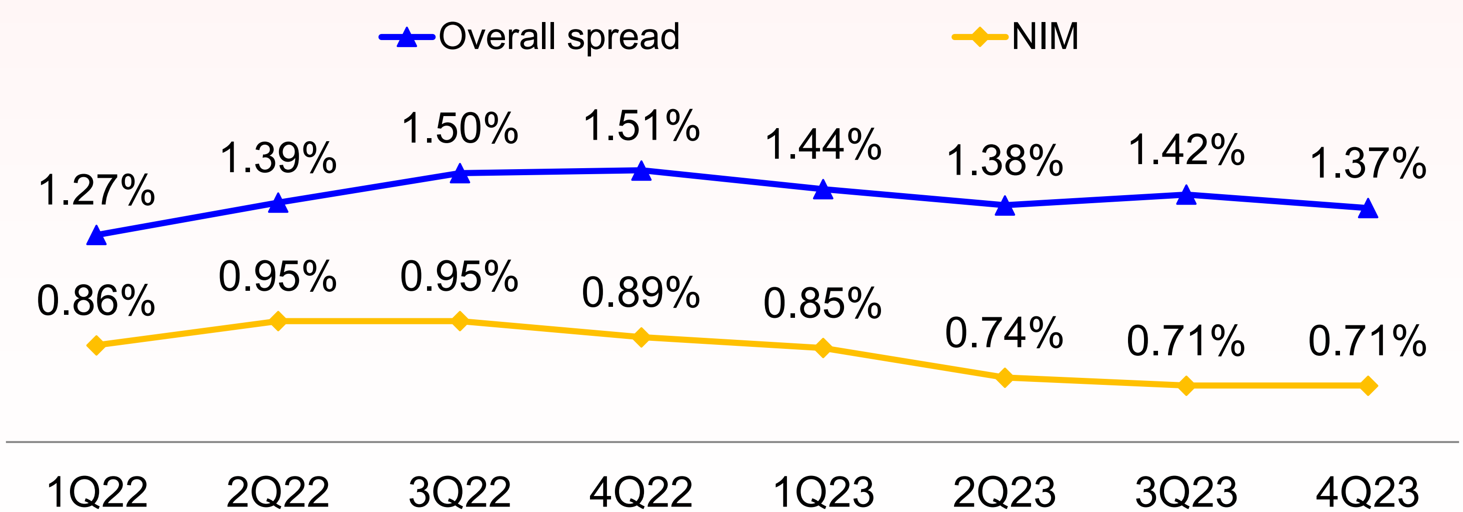


HNCB: Spreads and NIM



FC spread
YoY +0bp
QoQ -3bps

NTD spread
YoY +0bp
QoQ -4bps



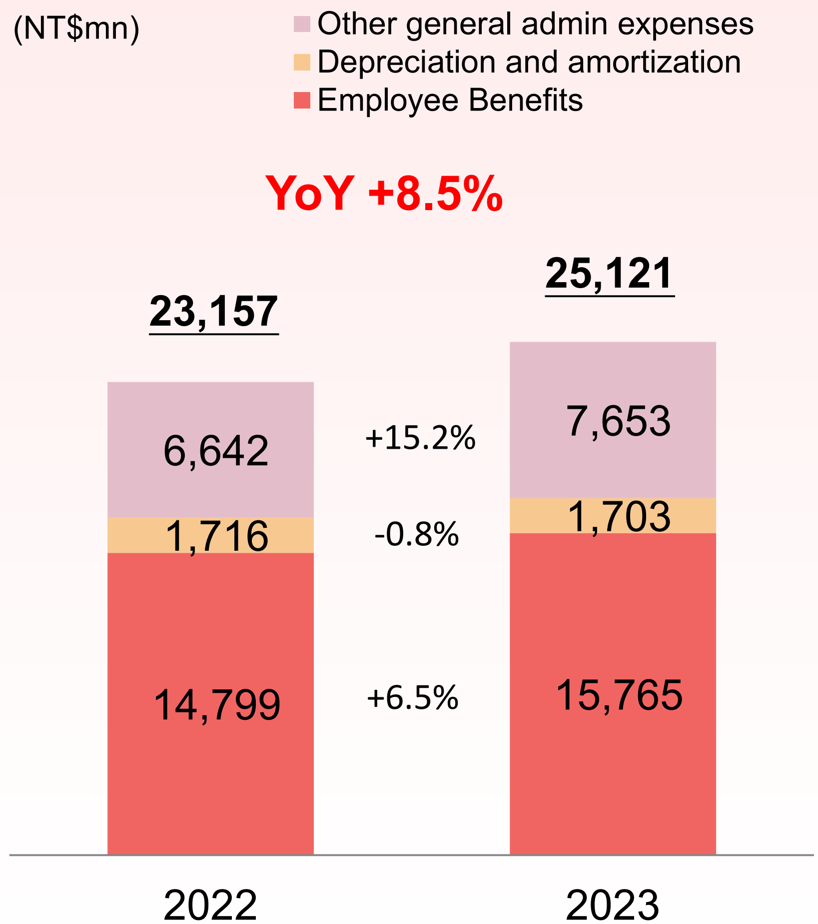
Overall spread
YoY -14bps
QoQ -5bps

NIM
YoY -18bps
QoQ +0bp

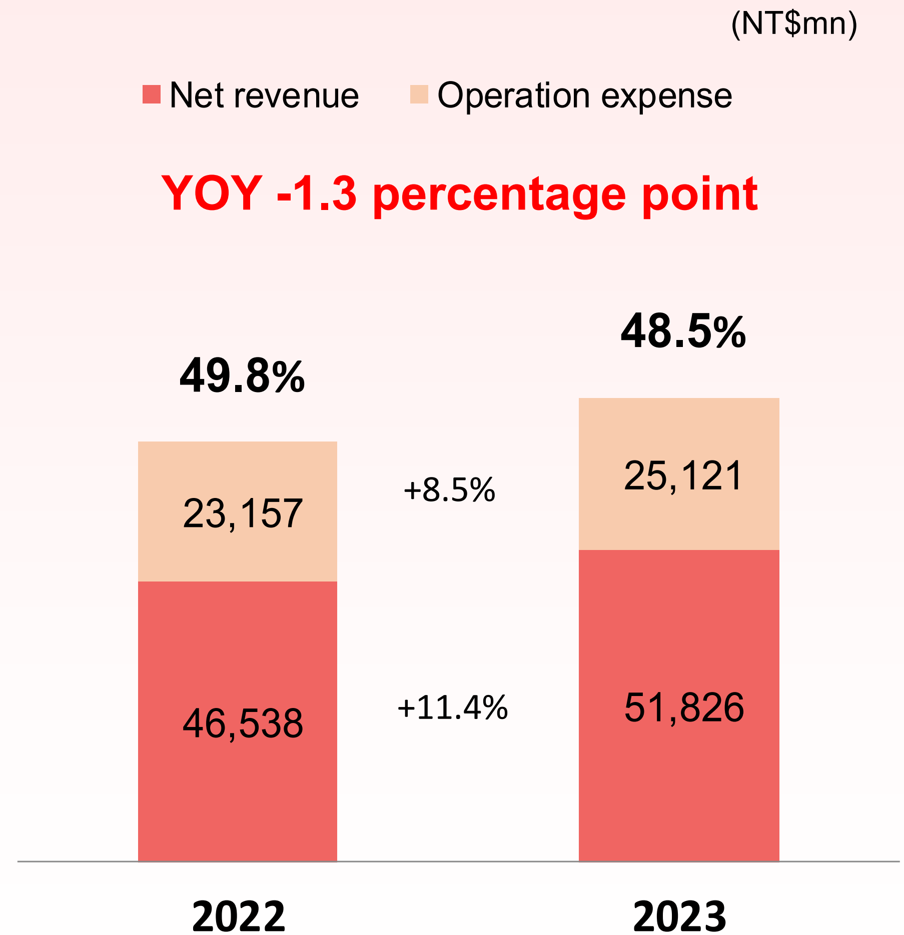
Note：Spread and NIM were based on quarterly average.

HNCB: Cost to income ratio

Operating expense



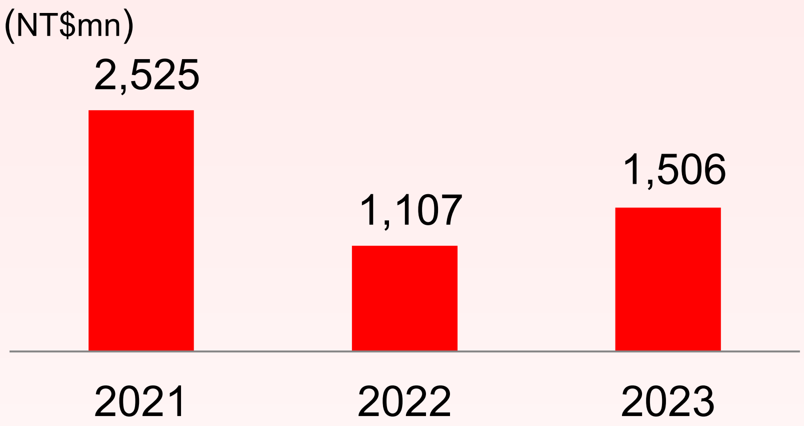
Cost-to-income ratio



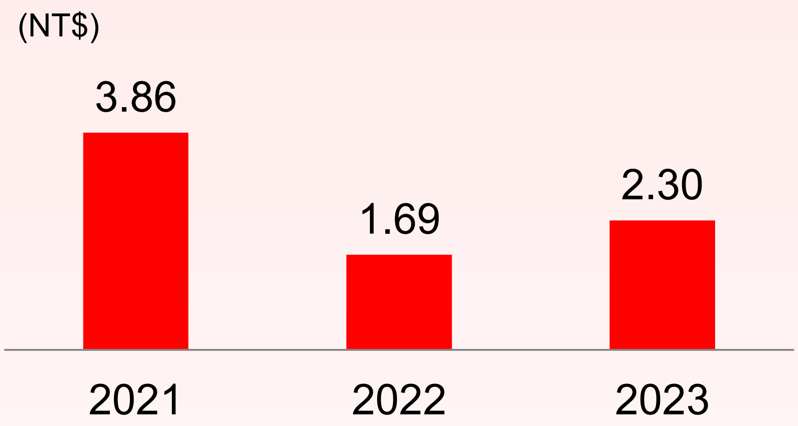
Note： Financial figures were audited based on IFRS.

HNSC: Operating results

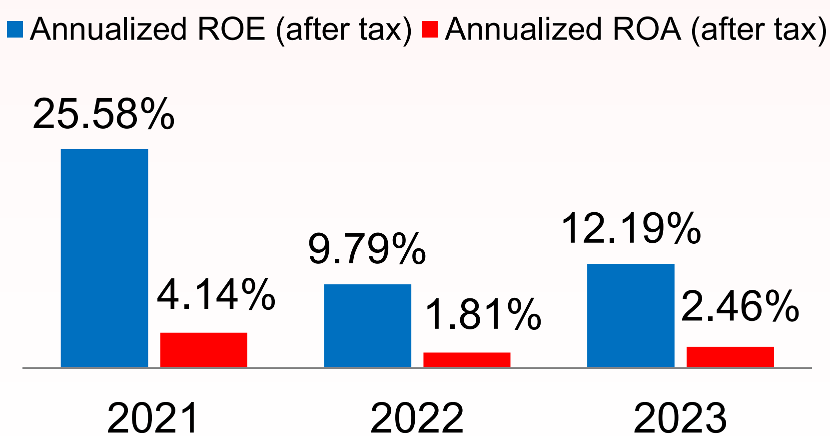
Net profit (after tax)



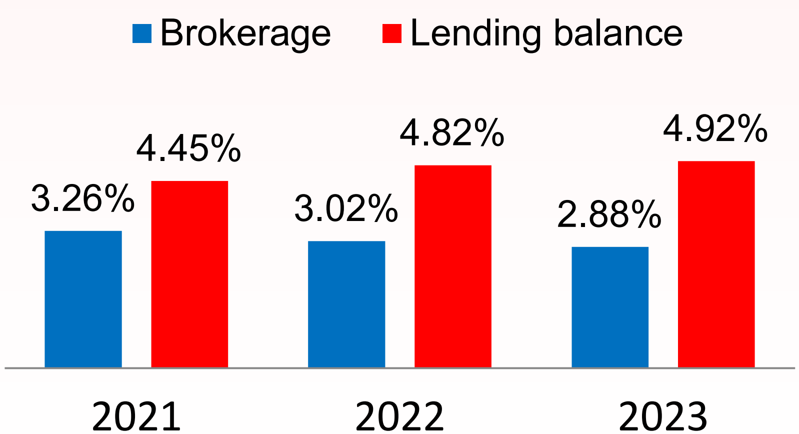
EPS



Returns



Market share

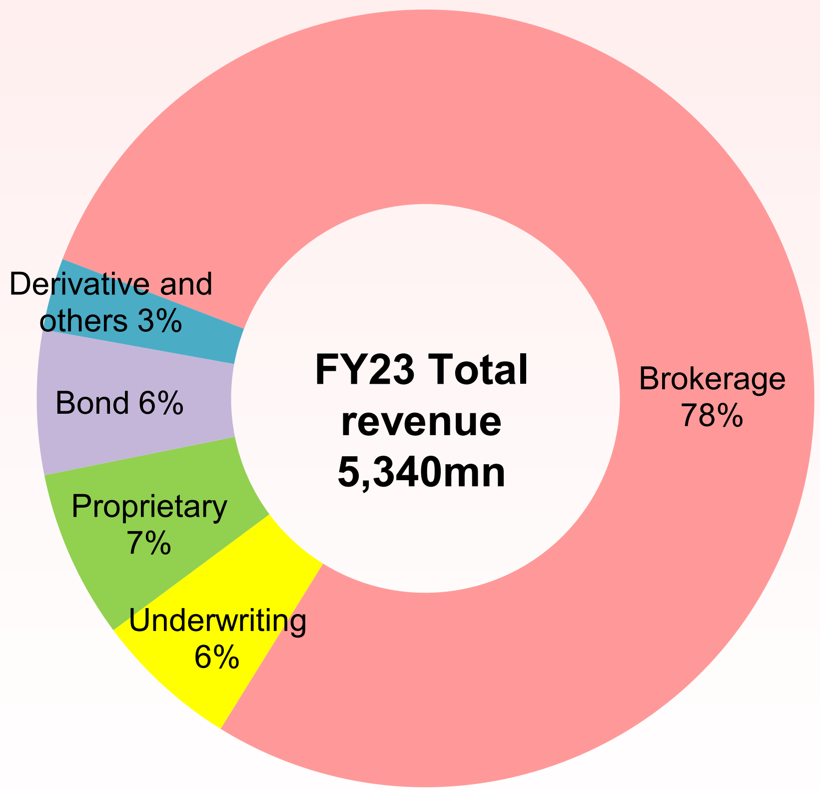


華南金控 HUA NAN FINANCIAL HOLDINGS

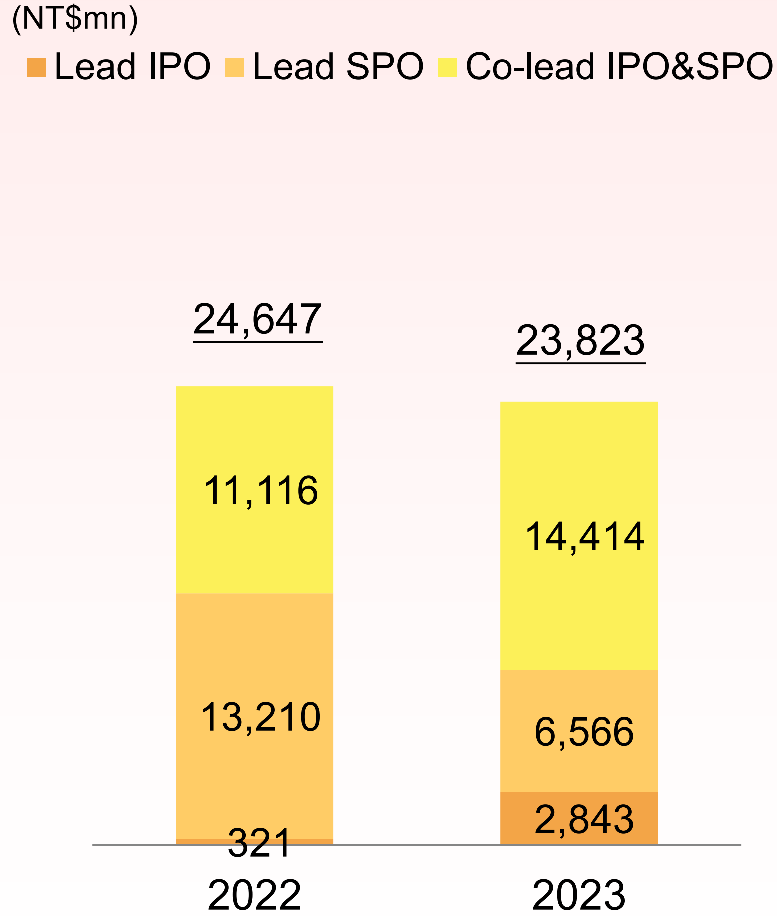
Note： Financial figures were audited based on IFRS.

HNSC: Operating results

Revenue contribution

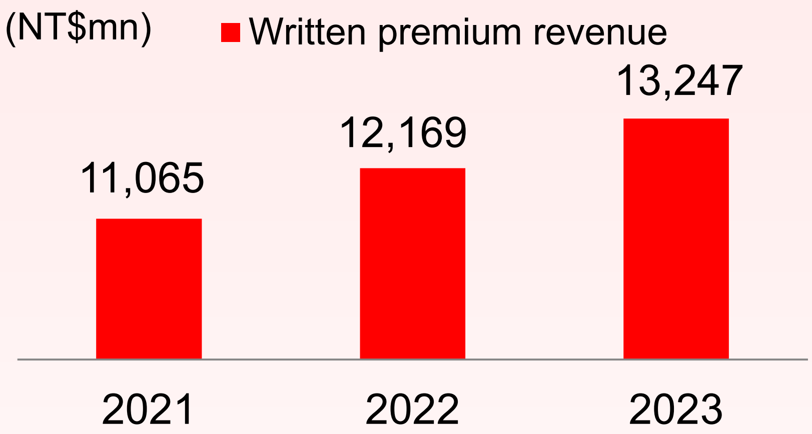


Underwriting performance

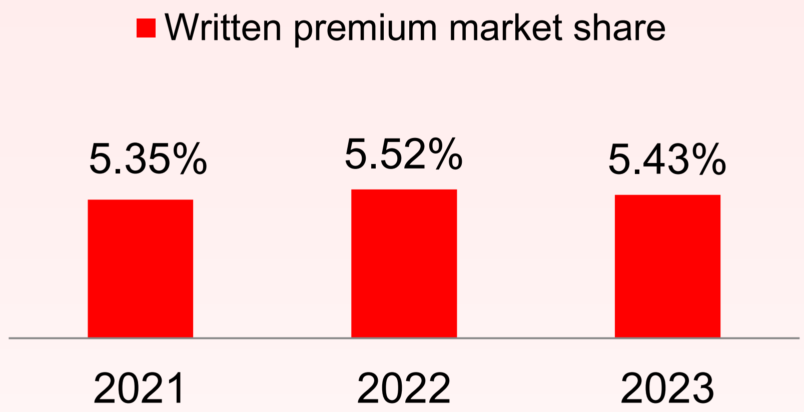


SCIC: Operating results

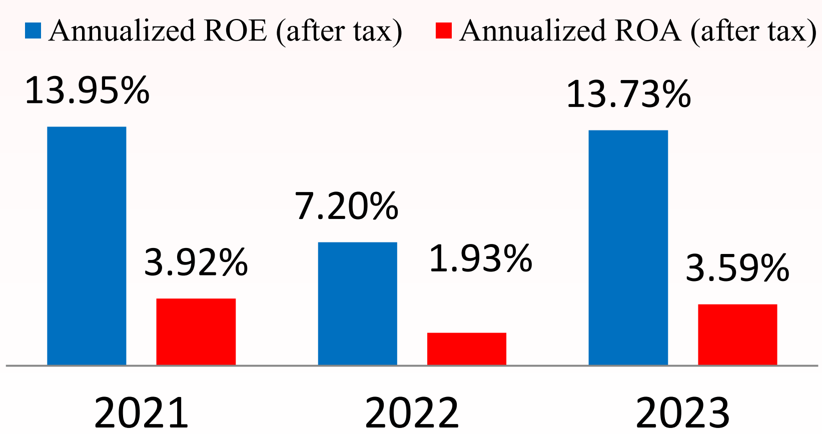
Business metrics



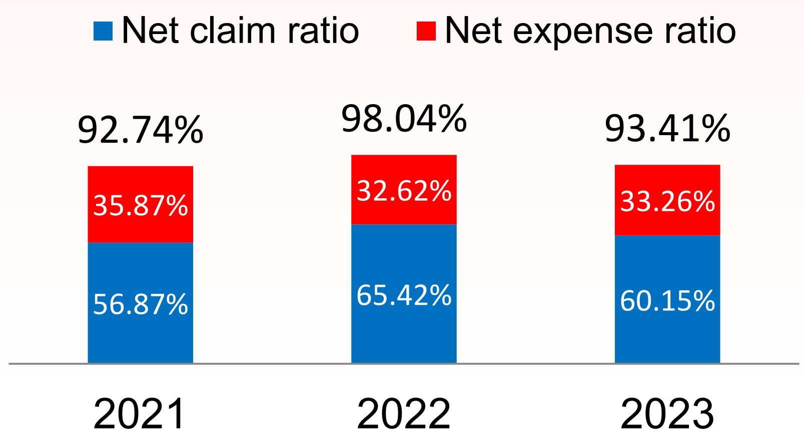
Market share



Returns



Net combined ratio



華南金控
HUA NAN FINANCIAL HOLDINGS

Note： Financial figures were audited based on IFRS.

Asset Quality

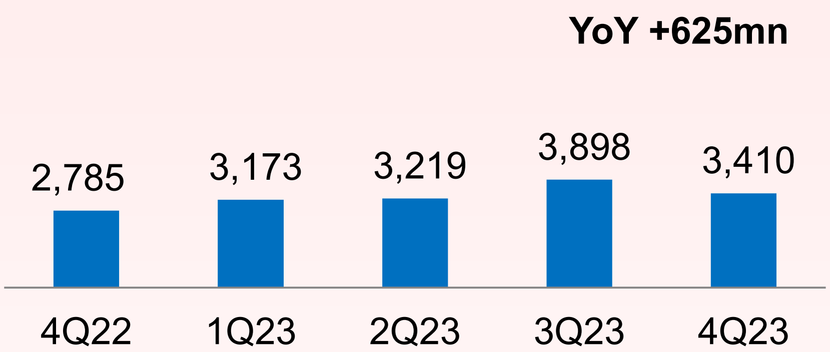
HNCB: Asset quality

Provision

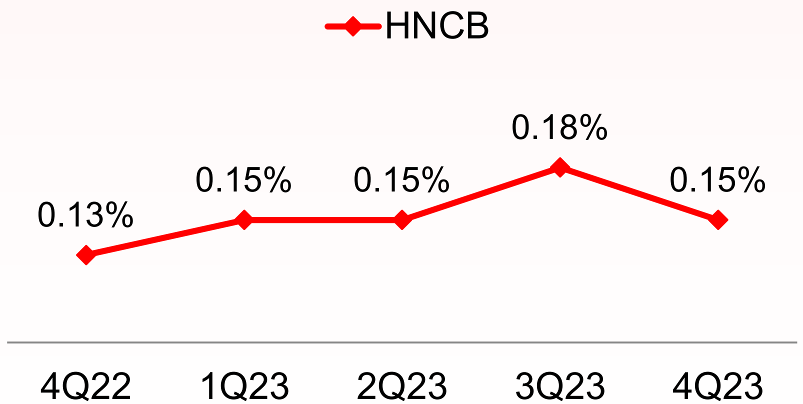
(NT$mn)	2022	**2023**	YoY
Provision	5,234	**4,811**	**-8.1%**
Write-off	2,247	**3,572**	**+59.0%**
Recovery	1,896	**2,579**	**+36.0%**
Reserve	27,673	**28,862**	**+4.3%**

NPL

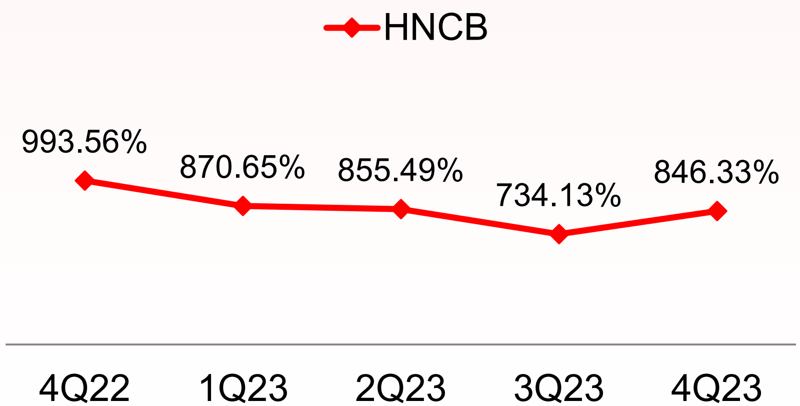
(NT$mn)



NPL ratio



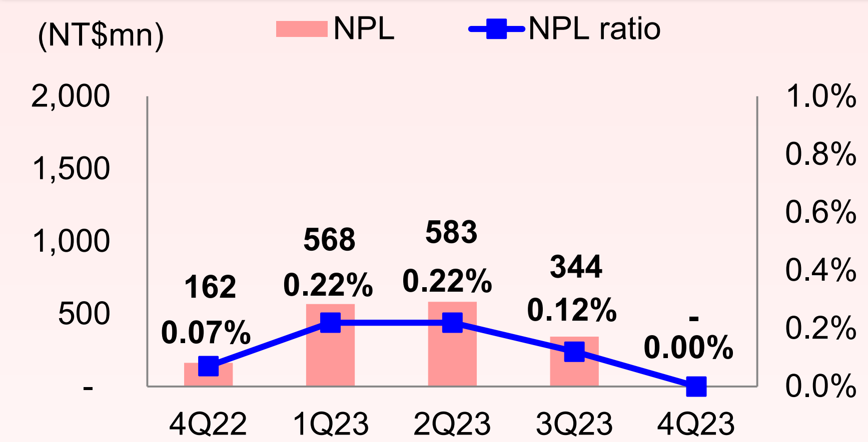
Coverage ratio



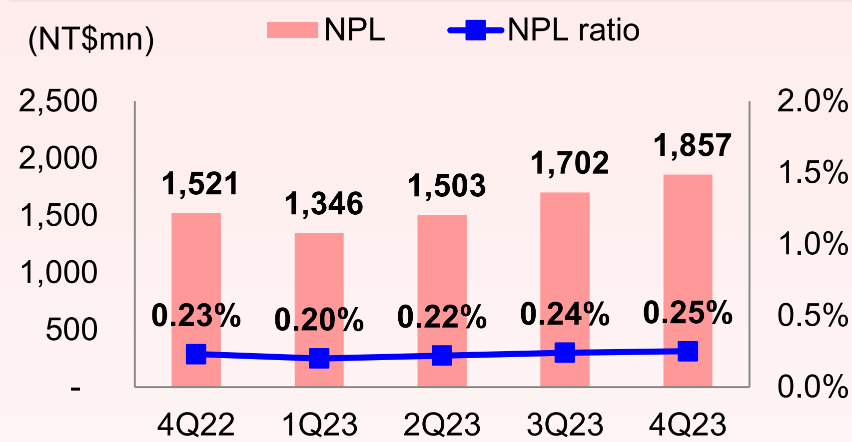
Note： Financial figures were audited based on IFRS.

HNCB: NPL composition

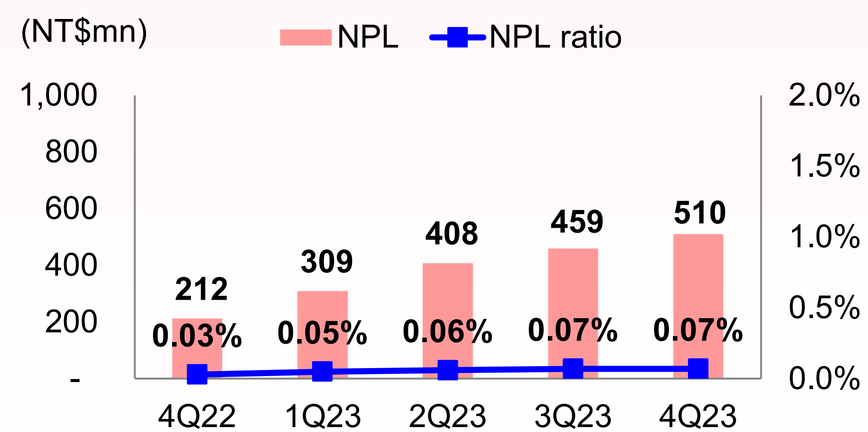
Large Corp NPL ratio



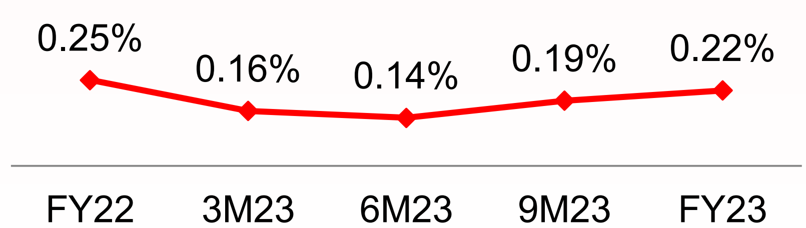
SME NPL ratio



Mortgage NPL ratio



Credit cost ratio (annualized)



2024 Year Ahead Outlook

2024 Year Ahead Outlook

HNCB

- Continue to seize opportunities from government policies, optimize corporate loan composition, deepen SME customer interaction, strengthen high quality syndicated loan cases development, and tighten peers cooperation. Select cases with better credit under full-consideration of risk and profit for profitability improvement and capital efficiency enhancement.
- Planning to launch High-asset Customers business by 2Q24 and aiming to be the comprehensive financial manager for high-asset customers by refined and exclusive services.
- Construct a leading retirement profession name which oriented from customer's demand by a professional consultant planner team in wealth management business.
- Promote digital transformation, focus on digital channel optimization and digital customer management, and improve customer experience with heart-touching and high-quality services.

HNSC

- Promote the self-designed APP "Hua Nan eDay-Trading" with all-out effort, provide a number of market-leading transaction functions to improve customer's investment winning rate. Continue to optimize the digital trading platform to provide customers with a better trading environment.
- Integrating internal and external resources in underwriting business with consideration of balanced long-term and short-term gains. Strive for business opportunities, strengthen in-stock position management, strictly adhere to stop-loss and take-profit mechanism, and seize the best bid/sell timing for decent trading gains.

SCIC

- Proactive to improve overall employee's professionalism and expand the proportion of high-quality business. Continue to optimize online insurance functions and products. Diversify risks through co-insurance cooperation with peers and expand underwriting scale to increase core profits.
- Continue to upgrade IT infrastructure to strengthen information security, increase business performance and improve operating procedure.

Sustainable Development

HNFHC's Core value – H.E.A.R.T

Honesty
Efficiency
Activeness
Responsibility
Teamwork

Sustainalytics ESG risk rating
(0-100, 0=lowest rick)
25.14

MSCI ESG rating
(AAA-CCC, AAA=the best)
AA

FTSE Russell ESG rating
(0-5, 5=the best)
3.2

Selected as a constituent stock in multiple ESG Indexes, including-
-FTSE4Good Emerging Index
-FTSE4Good TIP Taiwan ESG Index
-TWSE Corporate Governance 100 index
-Taiwan HC 100 Index, and etc.

Core value

Strengthen corporate governance and implement corporate sustainability

Goal

Align corporate sustainability with business practices

Strategies

1. Pay attention to international sustainability trends
2. Plan green financial products
3. Respond to public expecta-tions

Process of Implementing Sustainability

2014
- Established Corporate Social Responsibility (CSR) Committee.

2015
- Included all 6 subsidiaries in the scope of the corporate social responsibility report.

2016
- Established the Integrity Management Committee and set up an official website for reporting integrity violations.
- Formulated "Supplier Commitment Letter" of the Group.

2017
- Introduced of the Equator Principles (EP) Initiative.
- Headquarters of HNFHC and each subsidiary introduced ISO 14064-1 greenhouse gas inventory.

2018
- Established the Group Legal Compliance Committee.
- HNCB issued NT$1,000 MN green bonds.
- HNCB headquarters building introduced the ISO 50001 energy management system.

2019
- HNFHC, HNCB, HNSC, and SCIC have completed the establishment of corporate governance supervisors.
- Formulated the "Guidelines for Compliance with the Sustainable Credit Principle"

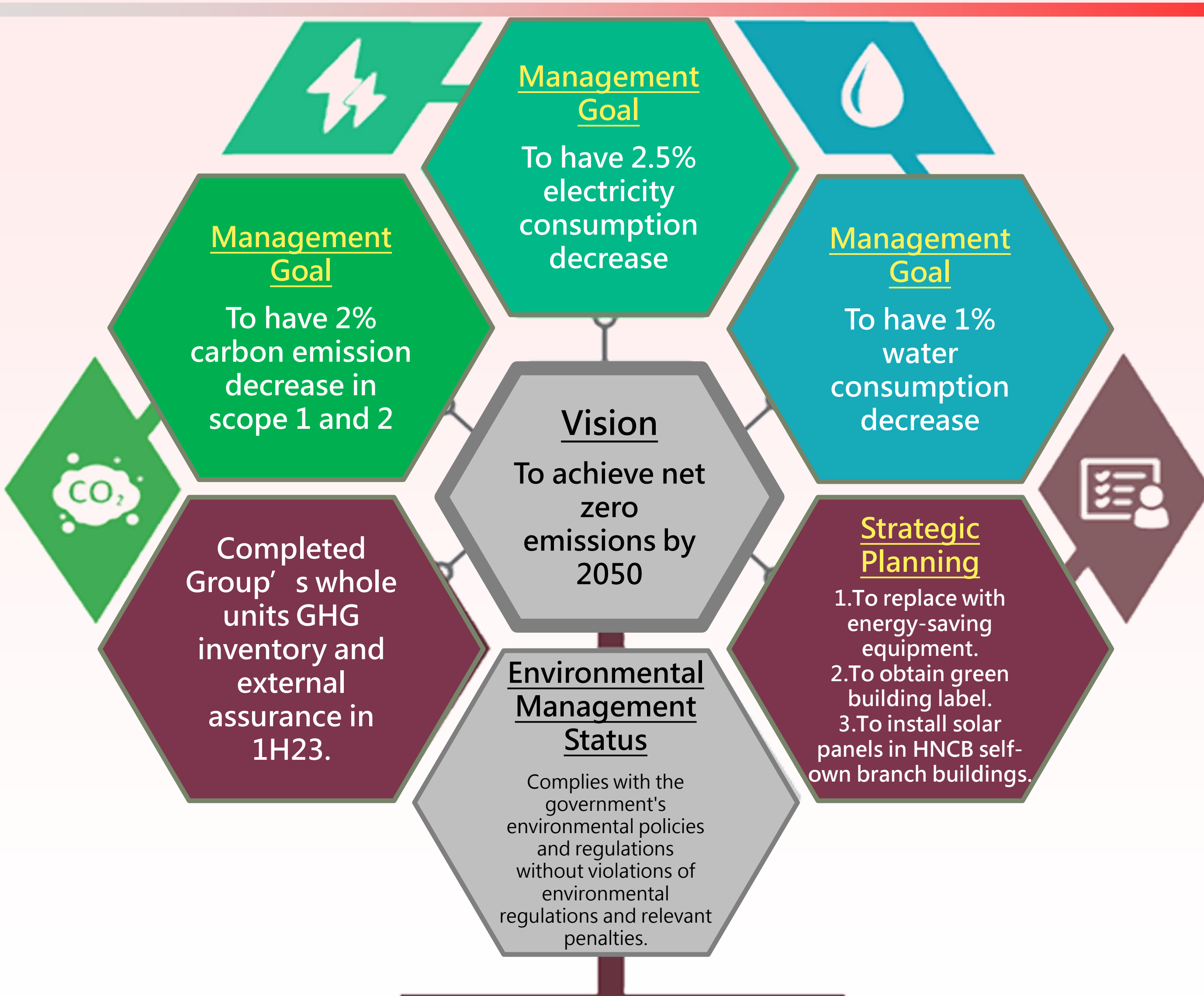
2020
- First response to the CDP questionnaire, achieving a B rating.
- Preliminary use TCFD Framework to assess the opportunities and risks brought about by climate change.

2021
- Implement TCFD and SASB guidelines into the planning process.
- HNCB issued NT$1,000 MN green bonds.

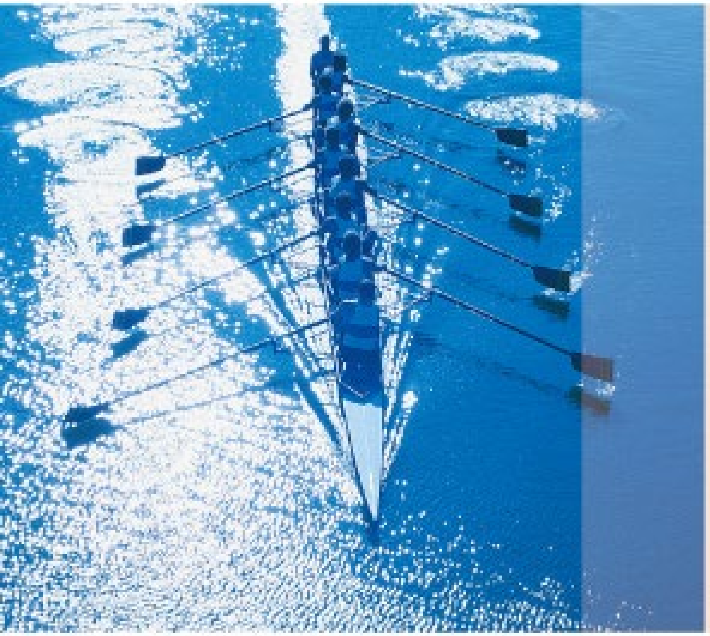
2022
- All operating locations in the Group have completed the ISO 14064-1 GHG inventory and verification.
- Disclosing ESG Performance in accordance with SASB's 'Commercial Banks' Standard
- Sign and implement the TCFD framework.
- HNCB has signed the EP.

2023
- Integrated climate change risks into Group's climate risks management process on Jan 31st 2023.
- Obtained the highest level of BSI "Level-5+: Excellence" in June 2023.
- Held the United Supplier Meeting on Sep 20th 2023.
- HNCB initially issued NT$1,000 MN sustainability bonds on Dec 22nd 2023.

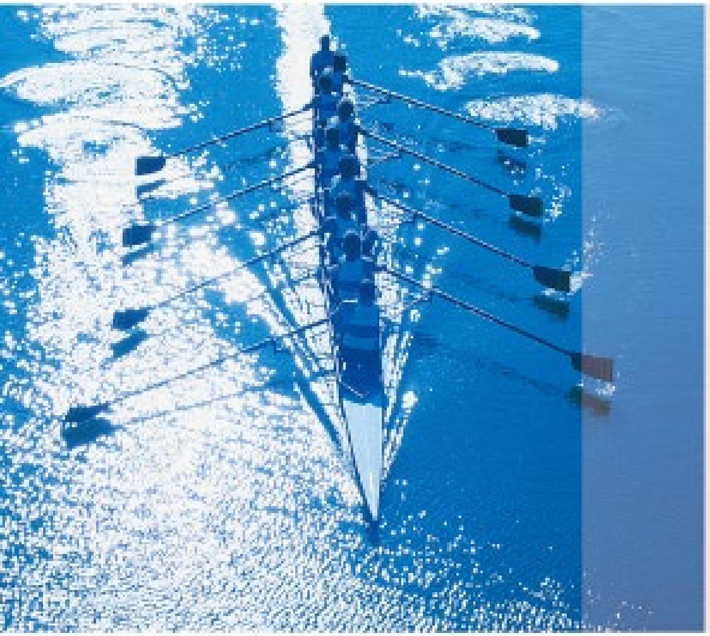
Environmental sustainability policy and goal



Note：Management Goals are set to be compared to the previous year.



Q & A



Appendix

HNFHC Condensed Consolidated Income Statements

Expressed In Millions of New Taiwan Dollars, Except Earnings Per Share

	Year (IFRSs)			Quarter (IFRSs)								
	2022	2023	Change (%)	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	Change (%)
Interest Income	54,852	87,744	59.96%	9,903	12,349	14,919	17,681	19,776	21,535	22,844	23,589	3.26%
Interest Expense	(21,674)	(59,876)	176.26%	(2,273)	(3,702)	(6,298)	(9,401)	(12,226)	(14,721)	(16,133)	(16,796)	4.11%
Interest Income, Net	**33,178**	**27,868**	**-16.00%**	**7,630**	**8,647**	**8,621**	**8,280**	**7,550**	**6,814**	**6,711**	**6,793**	**1.22%**
Service fee and commission income, net	9,752	11,316	16.04%	2,708	2,491	2,351	2,202	2,506	2,662	3,163	2,985	-5.63%
Income from insurance premiums, net	3,928	3,607	-8.17%	1,232	1,105	876	715	1,346	1,040	814	407	-50.00%
Gains(losses) on financial assets and liabilities at fair value through profit or loss	18,220	12,915	-29.12%	4,953	4,760	14,956	(6,449)	780	8,384	13,330	(9,579)	-
Gains on investment properties	461	639	38.61%	98	106	141	116	150	123	156	210	34.62%
Realized gains(losses) from sale of fair value through other comprehensive income financial assets	1,292	2,045	58.28%	471	410	1,597	(1,186)	92	852	1,133	(32)	-
Gains(losses) on derecognition of financial assets at amortized cost	8	(2)	-	8	-	-	-	(2)	-	-	-	-
Foreign exchange gains, net	(13,881)	1,760	-	(4,732)	(4,592)	(12,707)	8,150	2,156	(4,733)	(9,657)	13,994	-
Impairment loss	(22)	(31)	-40.91%	(7)	3	(17)	-	(2)	(9)	(4)	(16)	-300.00%
Share of the profit or loss of associates and joint ventures	9	(2)	-	1	3	4	1	(2)	1	4	(5)	-
Realized gains(losses) of financial assets for overlay approach	629	(517)	-	69	366	190	4	(298)	(216)	173	(176)	-
Other non-interest income(losses)	93	(131)	-	43	41	16	(7)	(6)	20	(55)	(90)	-63.64%
Net Income Excluding Interest Income	**20,489**	**31,599**	**54.22%**	**4,844**	**4,693**	**7,407**	**3,545**	**6,720**	**8,124**	**9,057**	**7,698**	**-15.00%**
Net Revenues	**53,667**	**59,467**	**10.81%**	**12,474**	**13,340**	**16,028**	**11,825**	**14,270**	**14,938**	**15,768**	**14,491**	**-8.10%**
Bad-debt expenses	(3,312)	(2,294)	-30.74%	(389)	(766)	(1,659)	(498)	(397)	(358)	(314)	(1,225)	290.13%
Provisions for the insurance reserve	(1,096)	(188)	-82.85%	(691)	(283)	(120)	(2)	(451)	(181)	(92)	536	-
Operating Expenses	**(28,266)**	**(30,790)**	**8.93%**	**(6,833)**	**(7,130)**	**(7,422)**	**(6,881)**	**(7,355)**	**(7,684)**	**(7,878)**	**(7,873)**	**-0.06%**
Employee Benefits	(18,012)	(19,276)	7.02%	(4,405)	(4,633)	(4,775)	(4,199)	(4,657)	(4,929)	(4,916)	(4,774)	-2.89%
Depreciation and amortization	(2,080)	(2,092)	0.58%	(508)	(529)	(521)	(522)	(513)	(519)	(528)	(532)	0.76%
Other general and administrative expenses	(8,174)	(9,422)	15.27%	(1,920)	(1,968)	(2,126)	(2,160)	(2,185)	(2,236)	(2,434)	(2,567)	5.46%
Consolidated income before income tax from continuing operations	**20,993**	**26,195**	**24.78%**	**4,561**	**5,161**	**6,827**	**4,444**	**6,067**	**6,715**	**7,484**	**5,929**	**-20.78%**
Income Tax Expense	(3,685)	(4,577)	24.21%	(867)	(871)	(917)	(1,030)	(1,067)	(1,209)	(1,098)	(1,203)	9.56%
Consolidated net income	**17,308**	**21,618**	**24.90%**	**3,694**	**4,290**	**5,910**	**3,414**	**5,000**	**5,506**	**6,386**	**4,726**	**-25.99%**
Basic earnings per share	1.27	1.58	24.41%	0.27	0.31	0.43	0.25	0.37	0.40	0.47	0.34	-27.66%
Other comprehensive income	**(22,896)**	**9,414**	**-**	**(6,281)**	**(13,810)**	**(6,393)**	**3,588**	**3,166**	**727**	**(1,881)**	**7,402**	**-**
Othe comprehensive income for the period, net of income tax	**(5,588)**	**31,032**	**-**	**(2,587)**	**(9,520)**	**(483)**	**7,002**	**8,166**	**6,233**	**4,505**	**12,128**	**169.21%**
Attributable to：												
Owner of the Company	17,308	21,618	24.90%	3,694	4,290	5,910	3,414	5,000	5,506	6,386	4,726	-25.99%
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

華南金控 HUA NAN FINANCIAL HOLDINGS

HNFHC Condensed Balance Sheets
Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)								
Balance Sheets	2022	2023	Change (%)	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	Change (%)
Investments accounted for using equity method	222,230	251,774	13.29%	229,104	215,304	215,095	222,230	230,365	234,590	239,032	251,774	5.33%
Total assets	233,946	256,821	9.78%	233,390	222,743	218,952	233,946	236,133	240,373	243,483	256,821	5.48%
Total liabilities	49,121	49,011	-0.22%	35,272	44,437	41,129	49,121	43,142	49,198	47,803	49,011	2.53%
Total Stockholders' equity	184,825	207,810	12.44%	198,118	178,306	177,823	184,825	192,991	191,175	195,680	207,810	6.20%
Consolidated Balance Sheets												
Total assets	3,630,162	3,869,202	6.58%	3,549,845	3,632,588	3,618,930	3,630,162	3,676,924	3,731,541	3,795,188	3,869,202	1.95%
Total liabilities	3,445,335	3,661,390	6.27%	3,351,725	3,454,280	3,441,105	3,445,335	3,483,931	3,540,364	3,599,506	3,661,390	1.72%
Total Stockholders' equity												
Parent stockholders' equity	184,825	207,810	12.44%	198,118	178,306	177,823	184,825	192,991	191,175	195,680	207,810	6.20%
Minority Interest	2	2	-	2	2	2	2	2	2	2	2	-
Capital Stock	136,427	136,427	-	131,941	131,941	136,427	136,427	136,427	136,427	136,427	136,427	-
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

華南金控 HUA NAN FINANCIAL HOLDINGS

HNFHC Condensed Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)								
Operating Income	**2022**	**2023**	**Change (%)**	**2022Q1**	**2022Q2**	**2022Q3**	**2022Q4**	**2023Q1**	**2023Q2**	**2023Q3**	**2023Q4**	**Change (%)**
Income from investments accounted for using equity method	18,203	22,572	24.00%	3,882	4,552	6,169	3,600	5,141	5,754	6,622	5,055	-23.66%
Other revenue	36	43	19.44%	(1)	-	39	(2)	(1)	(1)	47	(2)	-
Operating Expenses	(589)	(627)	6.45%	(126)	(127)	(205)	(131)	(138)	(145)	(197)	(147)	-25.38%
Interest and Other Expenses And Losses	(349)	(644)	84.53%	(61)	(70)	(93)	(125)	(152)	(148)	(165)	(179)	8.48%
Income before income tax	17,301	21,343	23.36%	3,694	4,355	5,910	3,342	4,850	5,460	6,307	4,726	-25.07%
Income after income tax	17,308	21,618	24.90%	3,694	4,290	5,910	3,414	5,000	5,506	6,386	4,726	-25.99%
Basic earnings per share (before tax)	1.27	1.56	22.83%	0.27	0.32	0.43	0.25	0.36	0.40	0.46	0.34	-26.09%
Basic earnings per share (after tax)	1.27	1.58	24.41%	0.27	0.32	0.43	0.25	0.37	0.40	0.47	0.34	-27.66%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

HNFHC Key Financial Ratios(Standalone)

UNIT：%

	Year(IFRSs)			Quarter (IFRSs)								
	2022	**2023**	**Change**	**3M2022**	**6M2022**	**9M2022**	**FY2022**	**3M2023**	**6M2023**	**9M2023**	**FY2023**	**Change**
Annualised ROA(after tax)	7.38	8.81	1.43	6.32	6.98	8.16	7.38	8.52	8.86	9.44	8.81	-0.63
Annualised ROE(after tax)	8.98	11.01	2.03	7.40	8.42	9.79	8.98	10.60	11.18	11.84	11.01	-0.83
Capital Adequacy Ratio (Consolidated basis) (Note 1)	126.61	122.77	-3.84	122.18	108.82	108.82	126.61	126.61	121.95	121.95	122.77	0.82
Double Leverage Ratio (Note 2)	120.83	121.81	0.98	116.13	121.34	121.55	120.83	120.02	123.42	123.00	121.81	-1.19
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

Note1：Revise semiannually.

Note2：Double Leverage Ratio=Long-term Investment/Stockholders' Equity

HNCB Condensed Income Statements

Expressed In Millions of New Taiwan Dollars, Except Earnings Per Share

	Year(IFRSs)			Quarter (IFRSs)								
	2022	2023	Change (%)	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	Change (%)
Interest Income	53,622	86,185	60.73%	9,639	12,048	14,702	17,233	19,472	21,171	22,424	23,118	3.09%
Interest Expense	(21,067)	(58,537)	177.86%	(2,180)	(3,584)	(6,131)	(9,172)	(11,946)	(14,413)	(15,773)	(16,405)	4.01%
Interest Income, Net	**32,555**	**27,648**	**-15.07%**	**7,459**	**8,464**	**8,571**	**8,061**	**7,526**	**6,758**	**6,651**	**6,713**	**0.93%**
Service fee and commission income, net	7,778	9,014	15.89%	2,128	1,973	1,916	1,761	2,187	2,143	2,363	2,321	-1.78%
Gains(losses) on financial assets and liabilities at fair value through profit or loss	18,860	11,407	-39.52%	5,080	5,164	15,044	(6,428)	211	8,059	13,383	(10,246)	-
Realized gains(losses) from sale of fair value through other comprehensive income financial assets	1,176	1,759	49.57%	453	359	1,533	(1,169)	88	663	1,001	7	-99.30%
Gains(losses) on derecognition of financial assets at amortized cost	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange gains, net	(14,272)	1,796	-	(4,861)	(4,694)	(12,960)	8,243	2,195	(4,825)	(9,777)	14,203	-
Impairment reversal gain (losses) on assets	(6)	(18)	-200.00%	(7)	3	(1)	(1)	(1)	(7)	(4)	(6)	-50.00%
Share of the profit or loss of associates and joint ventures	35	23	-34.29%	9	8	19	(1)	4	8	7	4	-42.86%
Other non-interest income, net	412	197	-52.18%	114	80	138	80	64	106	25	2	-92.00%
Net revenues other than interest	**13,983**	**24,178**	**72.91%**	**2,916**	**2,893**	**5,689**	**2,485**	**4,748**	**6,147**	**6,998**	**6,285**	**-10.19%**
Net Revenues	**46,538**	**51,826**	**11.36%**	**10,375**	**11,357**	**14,260**	**10,546**	**12,274**	**12,905**	**13,649**	**12,998**	**-4.77%**
Bad-debt expenses	(3,338)	(2,232)	-33.13%	(399)	(770)	(1,678)	(491)	(402)	(365)	(300)	(1,165)	288.33%
Operating Expenses	**(23,157)**	**(25,121)**	**8.48%**	**(5,566)**	**(5,845)**	**(6,113)**	**(5,633)**	**(6,094)**	**(6,307)**	**(6,387)**	**(6,333)**	**-0.85%**
Employee Benefits	(14,799)	(15,765)	6.53%	(3,593)	(3,816)	(3,946)	(3,444)	(3,857)	(4,053)	(3,988)	(3,867)	-3.03%
Depreciation and amortization	(1,716)	(1,703)	-0.76%	(419)	(438)	(429)	(430)	(419)	(426)	(430)	(428)	-0.47%
Other general and administrative expenses	(6,642)	(7,653)	15.22%	(1,554)	(1,591)	(1,738)	(1,759)	(1,818)	(1,828)	(1,969)	(2,038)	3.50%
Income before income tax from continuing operations	**20,043**	**24,473**	**22.10%**	**4,410**	**4,742**	**6,469**	**4,422**	**5,778**	**6,233**	**6,962**	**5,500**	**-21.00%**
Income Tax Expense	(3,316)	(4,422)	33.35%	(761)	(697)	(847)	(1,011)	(1,115)	(1,147)	(1,074)	(1,086)	1.12%
Net income	**16,727**	**20,051**	**19.87%**	**3,649**	**4,045**	**5,622**	3,411	**4,663**	**5,086**	**5,888**	**4,414**	**-25.03%**
Basic earnings per share	1.71	2.05	19.88%	0.37	0.42	0.57	0.35	0.48	0.52	0.60	0.45	-25.00%
Other comprehensive income	**(21,239)**	**7,516**	**-**	**(5,618)**	**(13,073)**	**(5,873)**	**3,325**	**2,387**	**358**	**(2,078)**	**6,849**	**-**
Total comprehensive income for the period	**(4,512)**	**27,567**	**-**	**(1,969)**	**(9,028)**	**(251)**	**6,736**	**7,050**	**5,444**	**3,810**	**11,263**	**195.62%**
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

HNCB Condensed Balance Sheets

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)								
	2022	**2023**	**Change (%)**	**2022Q1**	**2022Q2**	**2022Q3**	**2022Q4**	**2023Q1**	**2023Q2**	**2023Q3**	**2023Q4**	**Change (%)**
Assets												
Cash and cash equivalents, due from the Central Bank and other banks	292,248	282,557	-3.32%	271,350	261,756	274,197	292,248	272,743	244,448	276,914	282,557	2.04%
Financial assets at fair value through profit or loss, net	82,284	107,107	30.17%	94,739	74,397	89,432	82,284	92,279	108,374	122,143	107,107	-12.31%
Financial assets from sale of fair value through other comprehensive income	337,248	351,840	4.33%	362,567	344,140	347,324	337,248	336,756	352,617	350,462	351,840	0.39%
Debt instrument investment measured by amortized cost	714,672	685,304	-4.11%	610,209	702,930	727,030	714,672	723,457	741,845	690,835	685,304	-0.80%
Investments accounted for using equity method	1,544	1,519	-1.62%	1,576	1,533	1,558	1,544	1,556	1,498	1,536	1,519	-1.11%
Receivables, net	26,114	32,067	22.80%	24,653	27,292	26,236	26,114	25,934	31,983	31,542	32,067	1.66%
Loans, net	2,037,252	2,243,344	10.12%	2,036,666	2,079,995	2,012,350	2,037,252	2,076,483	2,092,768	2,159,627	2,243,344	3.88%
Plant, property, and equipment	29,649	27,700	-6.57%	29,192	29,950	29,803	29,649	29,731	27,134	27,477	27,700	0.81%
Other assets	28,019	31,458	12.27%	30,056	26,378	28,572	28,019	29,066	31,692	32,857	31,458	-4.26%
Total Assets	3,549,030	3,762,896	6.03%	3,461,008	3,548,371	3,536,502	3,549,030	3,588,005	3,632,359	3,693,393	3,762,896	1.88%
Liabilities												
Deposits and remittances	2,953,569	3,067,662	3.86%	2,860,037	2,902,042	2,854,070	2,953,569	2,933,950	2,918,648	2,999,801	3,067,662	2.26%
Other liabilities	393,079	466,552	18.69%	392,460	450,432	486,786	393,079	444,623	500,102	476,173	466,552	-2.02%
Total Liabilities	3,346,648	3,534,214	5.60%	3,252,497	3,352,474	3,340,856	3,346,648	3,378,573	3,418,750	3,475,974	3,534,214	1.68%
Stockholders' Equity	202,382	228,682	13.00%	208,511	195,897	195,646	202,382	209,432	213,609	217,419	228,682	5.18%
Total Liabilities and Stockholders' Equity	3,549,030	3,762,896	6.03%	3,461,008	3,548,371	3,536,502	3,549,030	3,588,005	3,632,359	3,693,393	3,762,896	1.88%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

HNSC Consolidated Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year (IFRSs)			Quarter (IFRSs)								
	2022	2023	Change (%)	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	Change (%)
Operating Revenue												
Commissions and Fees - Brokerage	3,240	3,490	7.72%	932	836	763	709	672	857	1,048	913	-12.88%
Security lendinig income	210	208	-0.95%	55	53	53	49	51	53	52	52	0.00%
Commissions and Fees - Underwriting	90	171	90.00%	9	18	14	49	13	13	116	29	-75.00%
Commissions and Fees - WM business	4	4	-	1	1	1	1	1	1	1	1	-
Gains (Losses) on sales of securities	(78)	321	-	(33)	(56)	56	(45)	71	91	58	101	74.14%
Stock affairs agent fees	35	38	8.57%	7	10	10	8	8	11	10	9	-10.00%
Interest Income (Net)	927	1,114	20.17%	251	247	219	210	219	253	304	338	11.18%
Dividend Income	119	298	150.42%	12	39	67	1	5	168	115	10	-91.30%
Gains (Loss) on valuation of securities	12	21	75.00%	23	(57)	(4)	50	27	20	(28)	2	-
Gains (Loss) on Derivative Instruments	46	(1)	-	(6)	26	14	12	(19)	(5)	1	22	-
Others	41	27	-34.15%	15	6	(15)	35	21	7	(12)	11	-
Operating Revenue	4,646	5,691	22.49%	1,266	1,123	1,178	1,079	1,069	1,469	1,665	1,488	-10.63%
Operating Expenses	(3,560)	(4,268)	19.89%	(887)	(895)	(881)	(897)	(868)	(1,053)	(1,179)	(1,168)	-0.93%
Others Non-operating Gains or Loss	292	363	24.32%	56	98	69	69	69	115	93	86	-7.53%
Profit Before Tax	**1,378**	**1,786**	**29.61%**	**435**	**326**	**366**	**251**	**270**	**531**	**579**	**406**	**-29.88%**
Tax Expense	(271)	(280)	3.32%	(92)	(77)	(46)	(56)	(50)	(63)	(93)	(74)	-20.43%
Net Income (Loss)	**1,107**	**1,506**	**36.04%**	**343**	**249**	**320**	**195**	**220**	**468**	**486**	**332**	**-31.69%**
Other Comprehensive Income	**(527)**	**959**	**-**	**(153)**	**(298)**	**(168)**	**92**	**249**	**85**	**149**	**476**	**219.46%**
Total Comprehensive Income for the year	**580**	**2,465**	**325.00%**	**190**	**(49)**	**152**	**287**	**469**	**553**	**635**	**808**	**27.24%**
EPS	1.69	2.30	36.09%	0.52	0.38	0.49	0.30	0.34	0.71	0.74	0.51	-31.08%
Total Assets	51,147	71,311	39.42%	58,407	53,961	52,492	51,147	57,094	66,145	66,218	71,311	7.69%
Total Liabilities	39,635	58,104	46.60%	47,103	42,888	41,267	39,635	45,113	54,381	53,819	58,104	7.96%
Total Stockholder's Equity	11,512	13,207	14.72%	11,304	11,073	11,225	11,512	11,981	11,764	12,399	13,207	6.52%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	

SCIC Condensed Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year (IFRSs)			Quarter (IFRSs)								
	2022	2023	Change (%)	2022Q1	2022Q2	2022Q3	2022Q4	2023Q1	2023Q2	2023Q3	2023Q4	Change (%)
Operating Revenue	9,635	10,593	9.94%	2,223	2,400	2,576	2,436	2,492	2,629	2,818	2,654	-5.82%
Operating Cost	(7,350)	(7,631)	3.82%	(1,875)	(1,670)	(1,855)	(1,950)	(1,791)	(1,892)	(2,090)	(1,858)	-11.10%
Gross Profit Margin	2,285	2,962	29.63%	348	730	721	486	701	737	728	796	9.34%
Operating Expense	(1,748)	(1,950)	11.56%	(452)	(447)	(443)	(406)	(486)	(466)	(485)	(513)	5.77%
Operating Net Income (Loss)	537	1,012	88.45%	(104)	283	278	80	215	271	243	283	16.46%
Nonoperating Gains (Loss)	3	2	-33.33%	1	-	-	2	-	1	(1)	2	-
Income (Loss) Before Income Tax from continuing operations	**540**	**1,014**	**87.78%**	**(103)**	**283**	**278**	**82**	**215**	**272**	**242**	**285**	**17.77%**
Income Tax Benefit (Expense)	(82)	(98)	19.51%	(9)	(22)	(17)	(34)	(36)	(35)	3	(30)	-
Net Income (Loss)	**458**	**916**	**100.00%**	**(112)**	**261**	**261**	**48**	**179**	**237**	**245**	**255**	**4.08%**
Other Comprehensive Income	**(997)**	**658**	**-**	**(252)**	**(524)**	**(336)**	**115**	**357**	**195**	**(250)**	**356**	**-**
Total Comprehensive Income For The Year	**(539)**	**1,574**	**-**	**(364)**	**(263)**	**(75)**	**163**	**536**	**432**	**(5)**	**611**	**-**
EPS	2.29	4.58	100.00%	(0.56)	1.30	1.30	0.24	0.89	1.18	1.23	1.28	4.07%
Total Assets	24,378	27,016	10.82%	23,357	25,115	25,181	24,378	25,893	26,545	28,230	27,016	-4.30%
Total Liabilities	18,491	19,555	5.75%	18,889	19,316	19,457	18,491	19,470	19,689	21,379	19,555	-8.53%
Total Stockholder's Equity	5,887	7,461	26.74%	6,468	5,799	5,724	5,887	6,423	6,856	6,851	7,461	8.90%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Audited)	