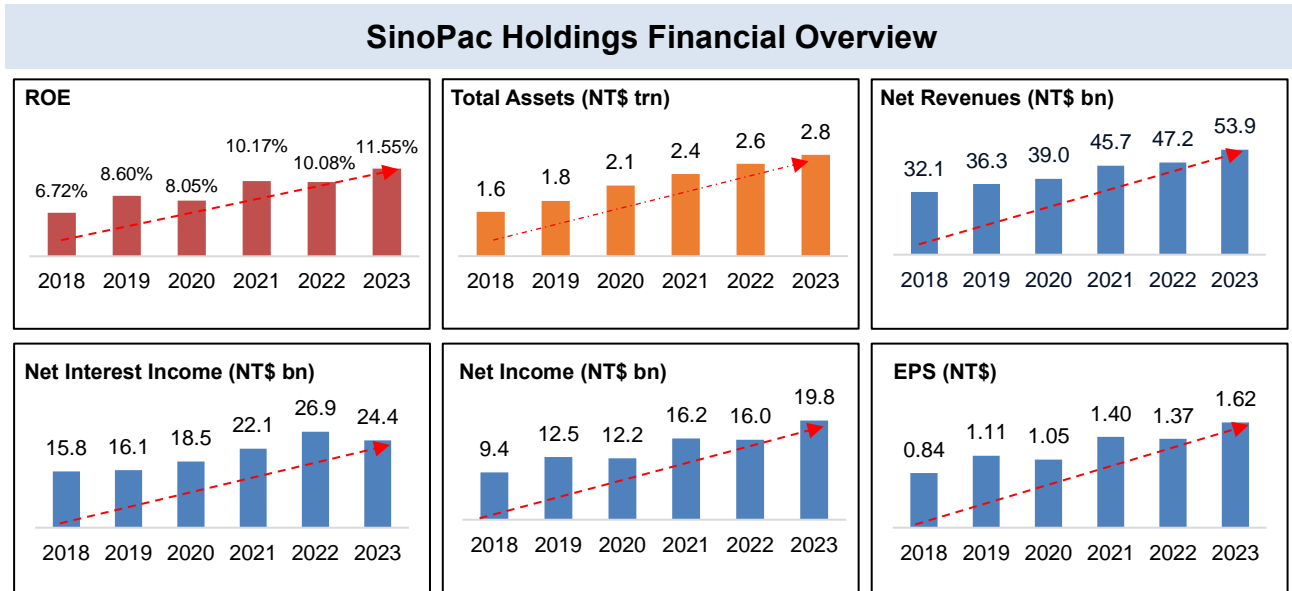


Fourth Quarter 2023 Earnings Results

SPH 2023 Net Revenues and Net Income Reached New Highs; ROE of 11.55% Maintained Above 10% for Three Consecutive Years

【2024.03.25】



SinoPac Holdings (SPH) 2023 net revenues of NT\$53.9 billion (+14.1%YoY) and the net income of NT\$19.76 billion (+23.8%YoY) both set new highs. Earnings per share were NT\$1.62, return on equity (ROE) was 11.55%, and a book value per share was NT\$15.22.

SPH 2023 net revenues reached historical new highs, mainly because Bank SinoPac achieved record-high profits and SinoPac Securities demonstrated a more than double growth rate. The net interest income of NT\$24.44 billion decreased by 9.1% YoY due to rising funding cost. The net fee income of NT\$14.75 billion grew by 6.3% YoY, mainly thanks to the increase in securities brokerage fee income and loan-related fee income. Other income of NT\$14.71 billion (+127.5% YoY) was mainly contributed by the well-managed trading portfolios of Bank SinoPac and the capital gains of SinoPac Securities.

Bank SinoPac (BSP) 2023 net revenue, pre-provision operating profits, and net income set new highs. The net income of NT\$16.07 billion (+9.2% YoY) was mainly driven by trading revenues. The BSP's net income 3-year CAGR was 18%, which was better than the 10% of peers' (subsidiary banks of TW-listed FHCs). The ROE of BSP also surpassed 10% for two consecutive years. Asset quality remained benign, with a mere NPL ratio of 0.10% and the NPL coverage ratio at 1350%.

SinoPac Securities (SPS) reported a 2023 net income of NT\$3.84 billion (+142.4% YoY), mainly supported by capital gains that grew 1440.5% YoY and recurring income increased 6.1% YoY. In addition, SPS continued to develop diversified fee revenues. The 2023 wealth management fee income, including sub-brokerage, SBL, and trust, accounted for 35% of the total fee income.

The growth of the long-term profitability of SPH was better than other TW-listed FHCs. The SPH's 2023 net income boasted a three-year CAGR of 17%, which was better than the other TW-listed FHCs of -2%. In terms of net zero progress, SPH's SBTs were approved by SBTi in January 2024, and we will continue to strengthen decarbonization policy and assist clients in reaching net zero. Regarding green financing, BSP's solar PV financing installed capacity reached 3.43GW with a market share of nearly 30%, and the solar financing loan balance reached NT\$103.9 billion. By providing green products and net zero consultant service, we hope to expand the SME customer base and further enhance our competitiveness.

Executive Summary

2023 SPH ROE was 11.55%; net revenues and net income both reached new highs

NT\$Mn	4Q23	QoQ	YoY	12M23	YoY
Net Revenues	12,867	-11.0%	26.0%	53,901	14.1%
Net Income	4,053	-27.8%	34.0%	19,764	23.8%

2023 net fee income was benefited from the increase of securities brokerage revenue; others were mainly contributed by robust trading income

NT\$Mn	4Q23	QoQ	YoY	12M23	YoY
Net Interest Income	5,816	-5.5%	-17.9%	24,444	-9.1%
Net Fee Income	3,241	-20.6%	39.4%	14,750	6.3%
Others	3,810	-9.9%	374.3%	14,707	127.5%

SPH's total assets continued growing, and capital level remained steady

- SPH 4Q total assets NT\$2.8 trn, +1.3% QoQ; +7.1% YoY
- BSP 4Q total loans NT\$1.45 trn, -0.8% QoQ; +7.2% YoY
- SPH 4Q CAR 134%; BSP consolidated BIS ratio 15.61%; Tier 1 ratio 12.99%

Awards and Achievements

SPH and its subsidiaries won 80 awards in 4Q23 (231 awards in 2023). Some are listed below:

- SPH was selected in the Dow Jones Sustainability World Index, Dow Jones Sustainability Emerging Markets Index, and Sustainability Yearbook- Silver Award for three consecutive years
- SPH was honored by TCSA with Top 100 Sustainable Corporation Award, Sustainability Report-Platinum Award, Climate Leader Award, Information Security Leadership Award, Talent Development Leadership Award, CSA Sustainability Reporting- Bronze Class, Human Rights Leadership Award, Social Inclusion Leadership Award, Gender Equality Leadership Award, and Aging-Friendly Leadership Award
- BSP was honored by Bureau of Energy, Ministry of Economic Affairs (R.O.C.) with Top Solar System Awards for eight consecutive years
- BSP and SinoPac Inv. Service were honored by *Harvard Business Review* with Digital Transformation Award: BSP-Excellence Award for Business Models in Large Enterprise Group; SinoPac Inv. Service-Excellence Award for Business Models in SME Group