

**HNFHC**

**2Q 2024 Analyst Meeting  
(Bloomberg: 2880 TT)**

**2024/08/23**

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



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# Agenda

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# 1H2024 Highlights



# 1H24 Financial Highlights

## Group's operating continues gaining stem

- HNFHC's net profit NT\$11.215 billion increased by 6.8% YoY in 1H24, which was a result of its subsidiaries' ample profit momentum. Its EPS was NT\$0.82 with annualized ROE 10.79% and annualized ROA 0.56%.
- HNCB reported a net profit of NT\$10.268 billion increased by 5.3% YoY in 1H24, mainly triggered by rosy treasury income (up 35.9% YoY) and declining NII (down 12.0% YoY) with EPS NT\$1.05.
- Benefited from booming capital market, HNSC reported a net profit of NT\$1.060 billion, increased by 54.1% YoY in 1H24 with all core revenues grew. Its EPS was NT\$1.62.
- SCIC reported a net profit of NT\$0.886 billion rose by 113.0% YoY in 1H24, mainly due to capital operational revenue increase and loss ratio improvement. Its EPS was NT\$4.43.

## Benign asset quality

- HNCB maintained benign asset quality with NPL ratio at 0.15% and coverage ratio at 821.37% as of the end of June 2024.

## Stable and adequate capital structure

- HNFHC CAR: (2024/6) 116.07%
- HNCB CAR: (2024/6) 13.77%, Tier 1 ratio: 11.90%; CET 1 ratio: 9.87%
- HNFHC and HNCB's issuer credit ratings affirmed by Taiwan Ratings Corp.
  - HNFHC : (2024/6) Long-term: twAA-; short-term: twA-1+; outlook: stable
  - HNCB : (2024/7) Long-term: twAA+; short-term: twA-1+; outlook: stable
- HNCB also received issuer credit rating affirmed by:
  - Moody's : (2024/4) Long-term: A2; short-term: P-1; outlook: stable
  - S&P : (2024/7) Long-term: A; short-term: A-1; outlook: stable

# 1H24 Business Highlights

## Momentum continued ramping up

- HNCB's business momentum continued ramping up in 1H24:
  - The amount of MLA and JLA in domestic syndicated loan: #1
  - Urban renewal lending, unsafe and old buildings reconstruction lending amount in state-owned banks: #2
  - The scale of mutual fund custodian exceeded NT\$1.2 trillion, ranked the top 2<sup>nd</sup>.
  - The total assets exceeded NT\$4 trillion, grew by 11.8% YoY.
- HNCB launched High-asset Customers business on March 26 2024. As of the end of June 2024, the number of customers who applied and met the requirements accounted to 600, and the AUM exceeded NT\$60 billion. It made HNCB having the largest number of customers in 3 months among peers that launched relevant business.
- Hand in hand with sibling HNSC, HNCB launched "One Click To Open 2 Accounts" service, and the number of new customers surpassed 7,500.
- SCIC's written premium revenue NT\$7.516 billion in 1H24 was the historical high in the same period. SCIC's market share was 5.44%, ranked the top 6<sup>th</sup> among peers.

## Awards & Achievement in 2Q24

- HNFHC 's TCFD report review obtained the highest level of BSI "Level-5+: Excellence".
- HNCB honored by Taiwan OCGF: won "Excellent Award for Growth of Financing Amount in New-Southbound Countries" for 4 times, "Premium Award of Branch Guarantee" for 6 consecutive years, and "Excellent Award for the Total Insured Financing Amount" for 7 consecutive years.
- In "2024 The National Brand Yu Shan Award" ceremony: HNCB's Dual-pivot transformation empowerment platform and HNSC's self-designed APP "Hua Nan eDay-Trading" both won "The Most Popular Brand Award".



## Operating Results – HNFHC





# HNFHC: Net profit raised by 6.8% YoY in 1H24

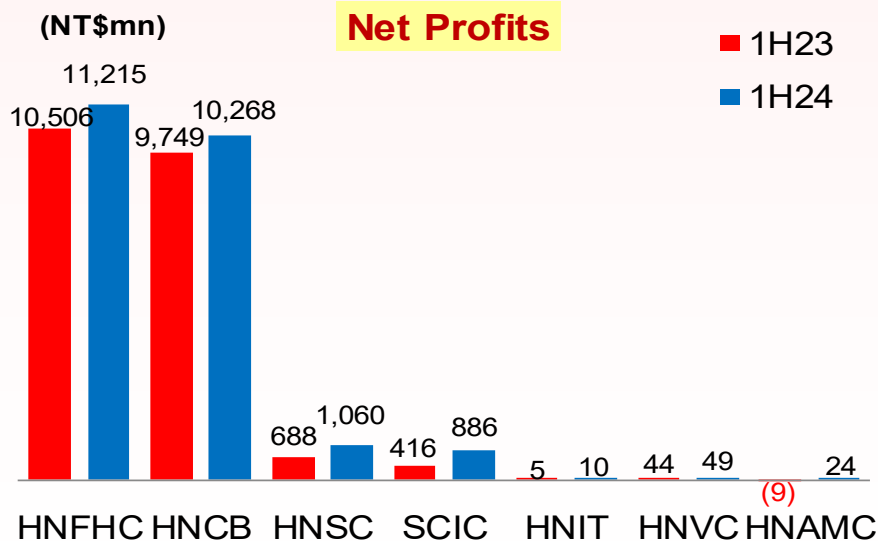
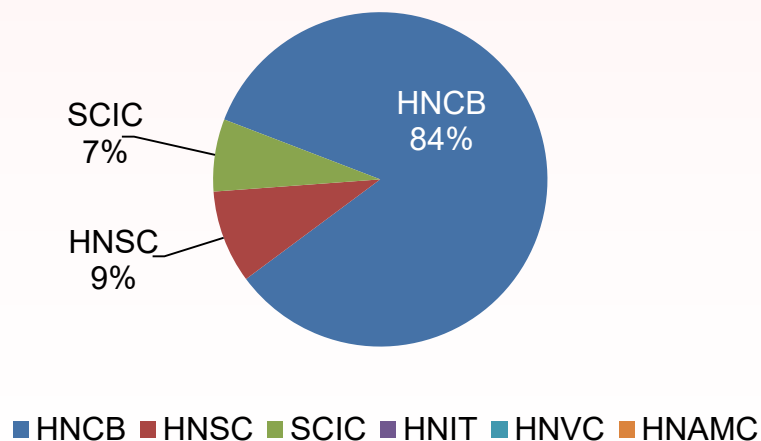
(NT\$ mn or NT\$ dollar)	1Q2024	2Q2024	QoQ	1H2023	1H2024	YoY
Net profit	5,629	5,586	-0.8%	10,506	11,215	6.8%
Total assets	4,152,128	4,173,527	0.5%	3,731,541	4,173,527	11.8%
Book value	217,457	207,969	-4.4%	191,177	207,969	8.8%
EPS	0.41	0.41	-	0.77	0.82	6.5%
Book value per share	15.94	15.24	-4.4%	14.01	15.24	8.8%
Capital stock	136,427	136,427	-	136,427	136,427	-
Annualized ROA (%)	0.56	0.56	-	0.57	0.56	(0.01)
Annualized ROE (%)	10.59	10.79	0.20	11.18	10.79	(0.39)
CAR (%)	122.77	116.07	(6.70)	121.95	116.07	(5.88)
Double Leverage Ratio(%)	121.00	122.36	1.36	123.42	122.36	(1.06)



# HNFHC: Net Profits of major subsidiaries

(NT\$m)	1Q2023 Net Profit	2Q2024 Net Profit	QoQ	1H2023 Net Profit	1H2024 Net Profit	YoY
HNCB	5,045	5,223	3.5%	9,749	10,268	5.3%
HNSC	490	570	16.3%	688	1,060	54.1%
SCIC	399	487	22.1%	416	886	113.0%
HNIT	14	(4)	-	5	10	100.0%
HNVC	46	3	-93.5%	44	49	11.4%
HNAMC	(33)	57	-	(9)	24	-
<b>Total</b>	<b>5,961</b>	<b>6,336</b>	<b>6.3%</b>	<b>10,893</b>	<b>12,297</b>	<b>12.9%</b>

## 1H2024 Profit contribution



Note : 1H24 figures were preliminary based on IFRS. The others were audited or reviewed based on IFRS.



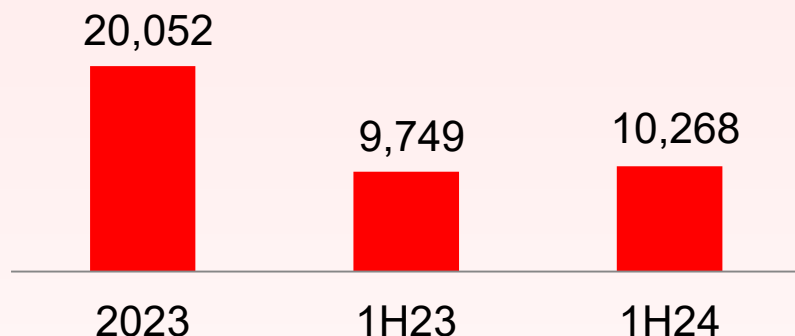
## Operating Results – Subsidiaries



# HNCB: Operating Results

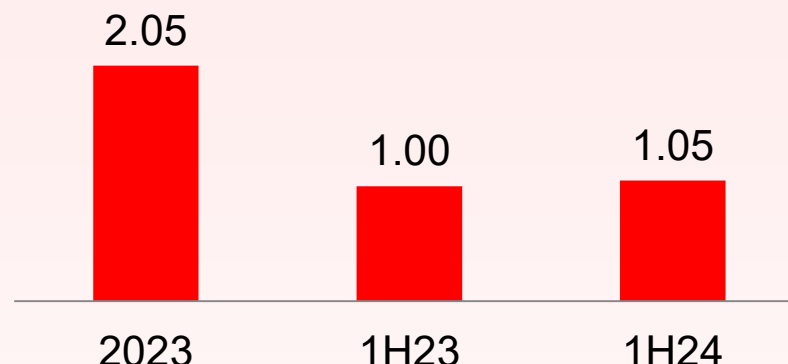
## Net Profit (after tax)

(NT\$mn)



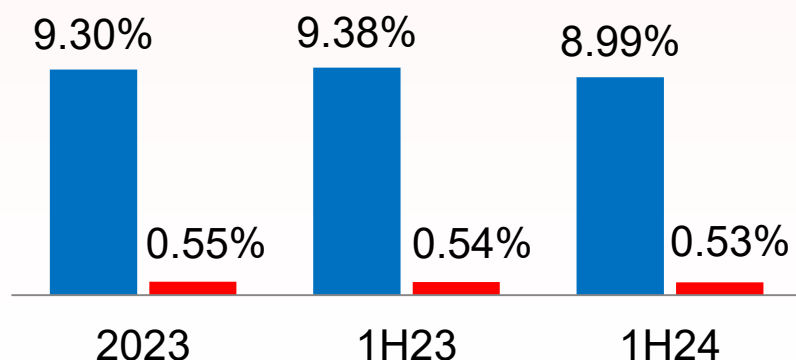
## EPS

(NT\$)



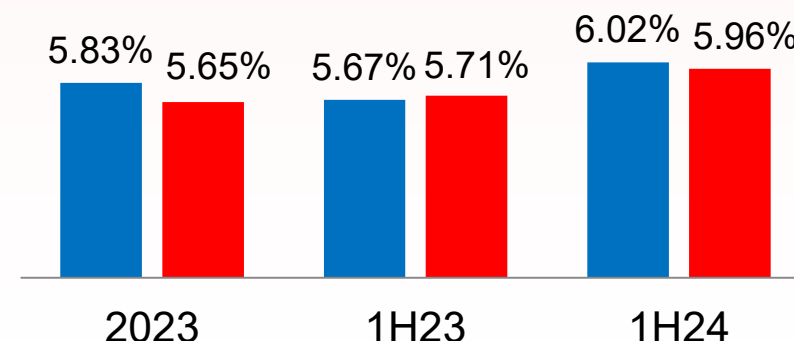
## Returns

■ Annualized ROE (after tax) ■ Annualized ROA (after tax)



## Market Share

■ NTD Deposits ■ Loans



Note : 1H24 figures were preliminary based on IFRS. The others were audited or reviewed based on IFRS.

# HNCB: Net Revenue went up by 9.3% YoY

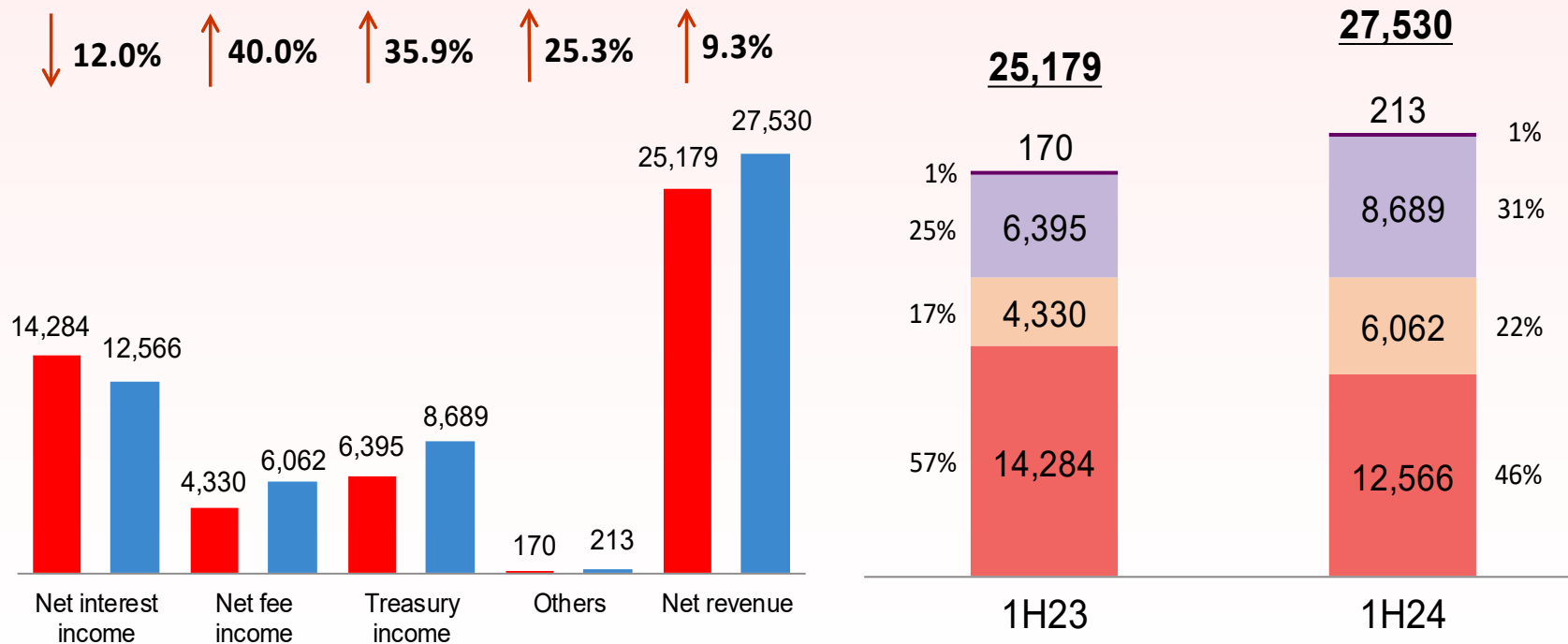
## Revenue composition of Hua Nan Bank

(NT\$mn)

(NT\$mn)

■ 1H23 ■ 1H24

■ NII ■ NFI ■ Treasury income ■ Others



Note : 1H24 figures were preliminary based on IFRS. The others were audited or reviewed based on IFRS.

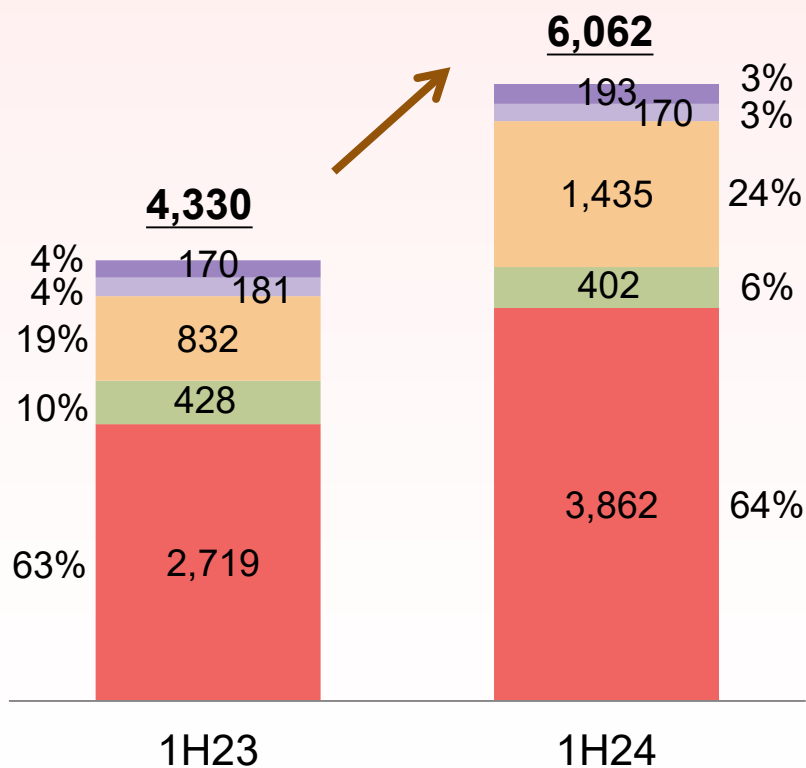
# HNCB: Net Fee income and wealth management income

## Sources of net fee income

WM FX Loans Credit card Others

(NT\$mn)

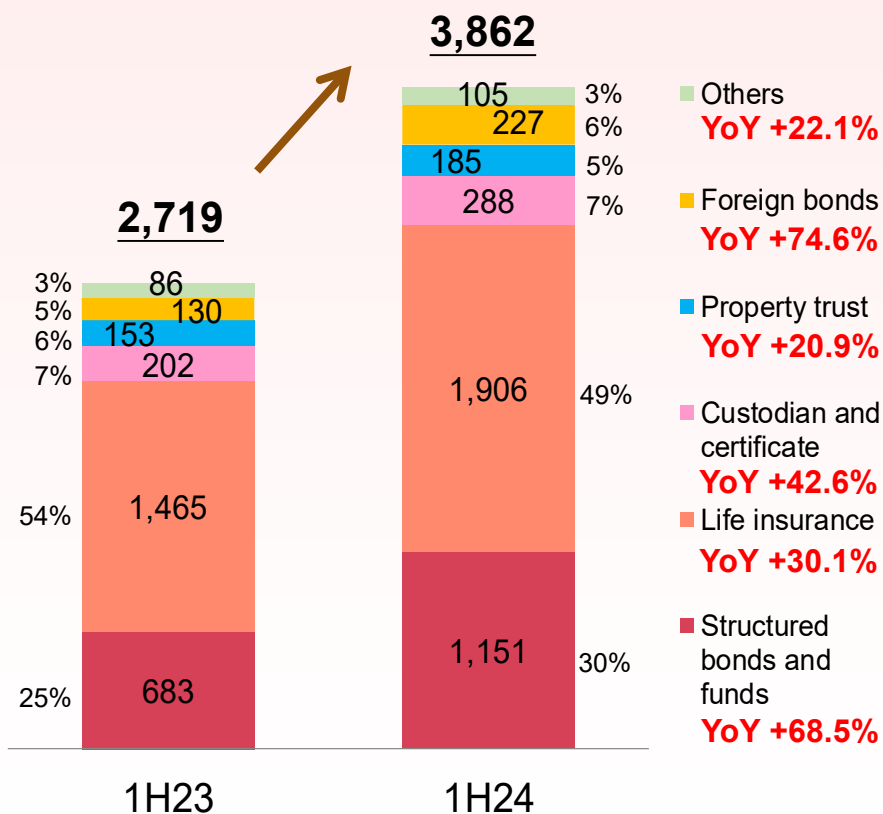
**YoY +40.0%**



## Net WM fee income

(NT\$mn)

**YoY +42.0%**



Others  
**YoY +22.1%**

Foreign bonds  
**YoY +74.6%**

Property trust  
**YoY +20.9%**

Custodian and certificate  
**YoY +42.6%**

Life insurance  
**YoY +30.1%**

Structured bonds and funds  
**YoY +68.5%**

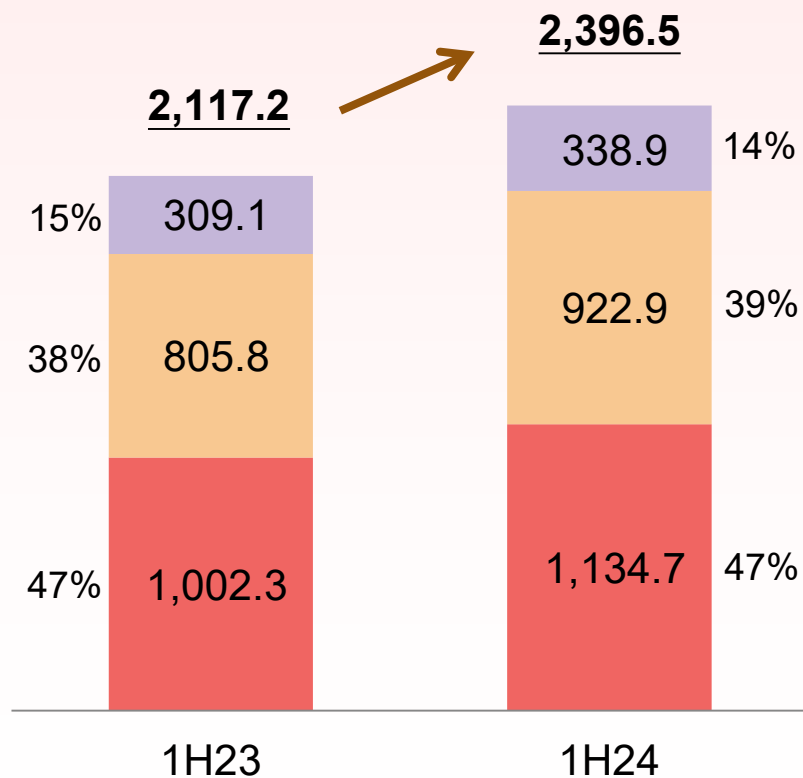
# HNCB: loans continue expanding

## Loan composition

■ Corporate loans ■ Consumer Loans ■ FC loans

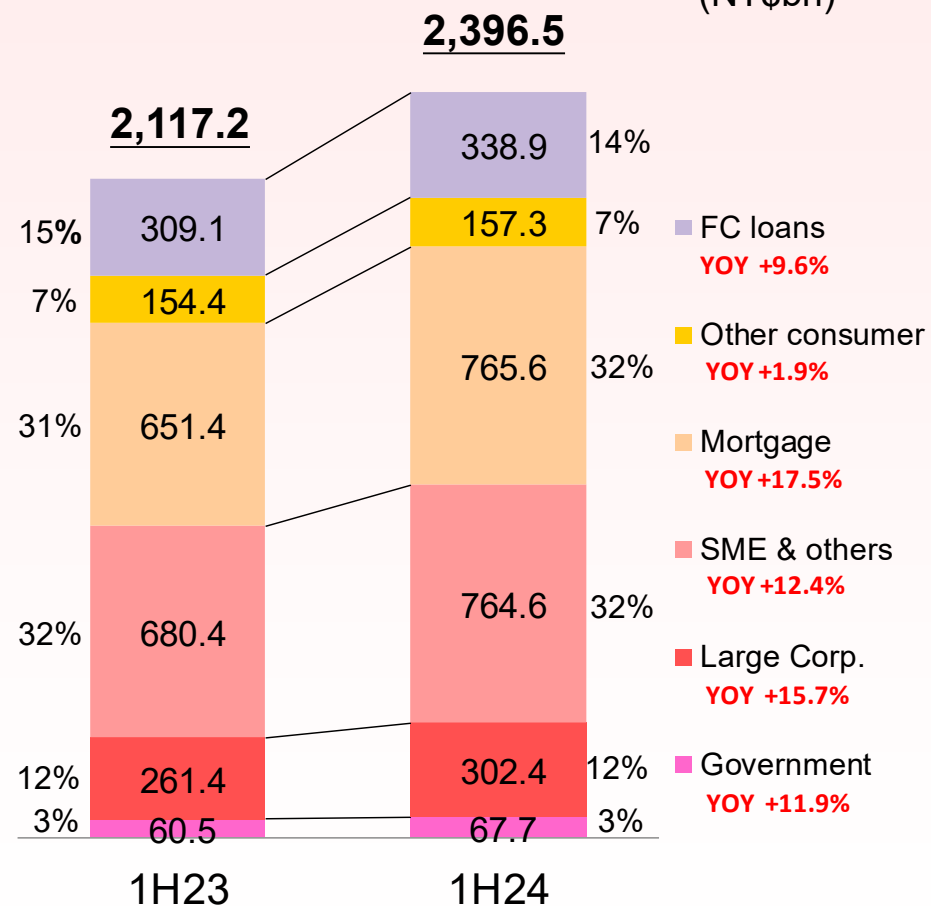
(NT\$bn)

**YoY +13.2%**



## Loans by type

(NT\$bn)

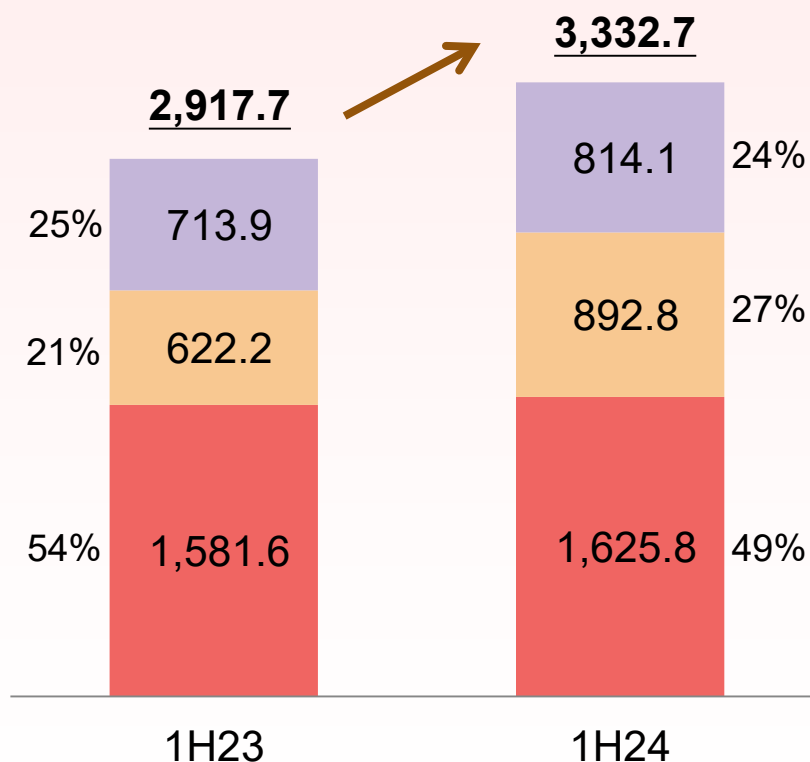


# HNCB: Deposit and LDR

## Deposit composition

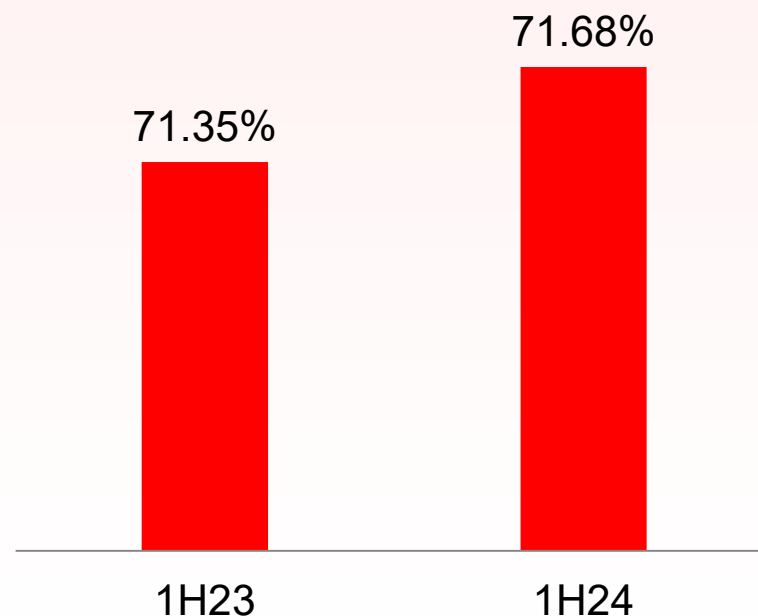
■ NTD demand deposit ■ NTD time deposit ■ FC deposit  
(NT\$bn)

YoY +14.2%



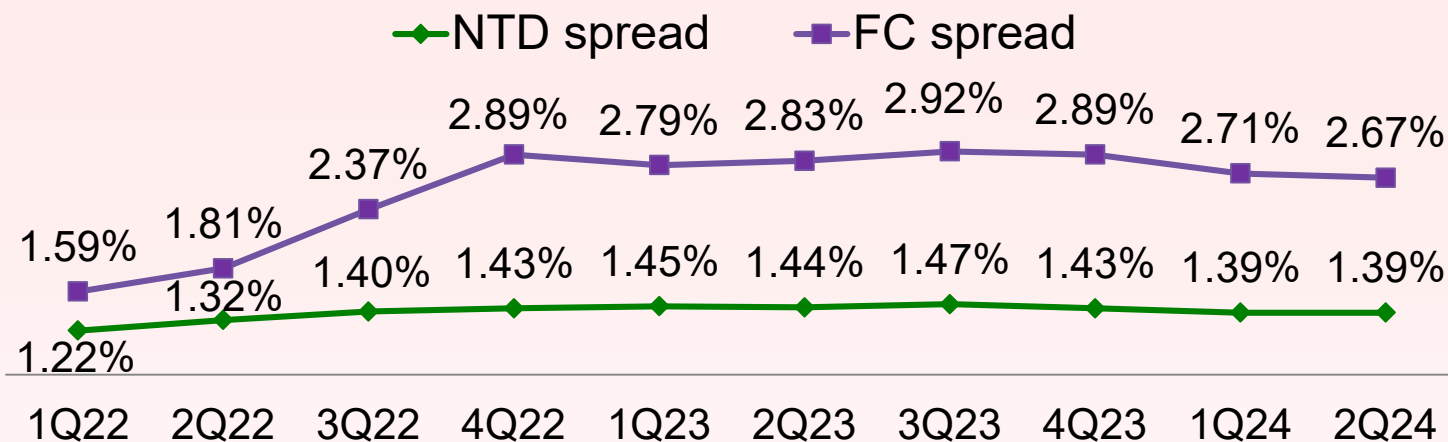
## Loan-to-deposit ratio(LDR)

YoY +0.33 percentage point



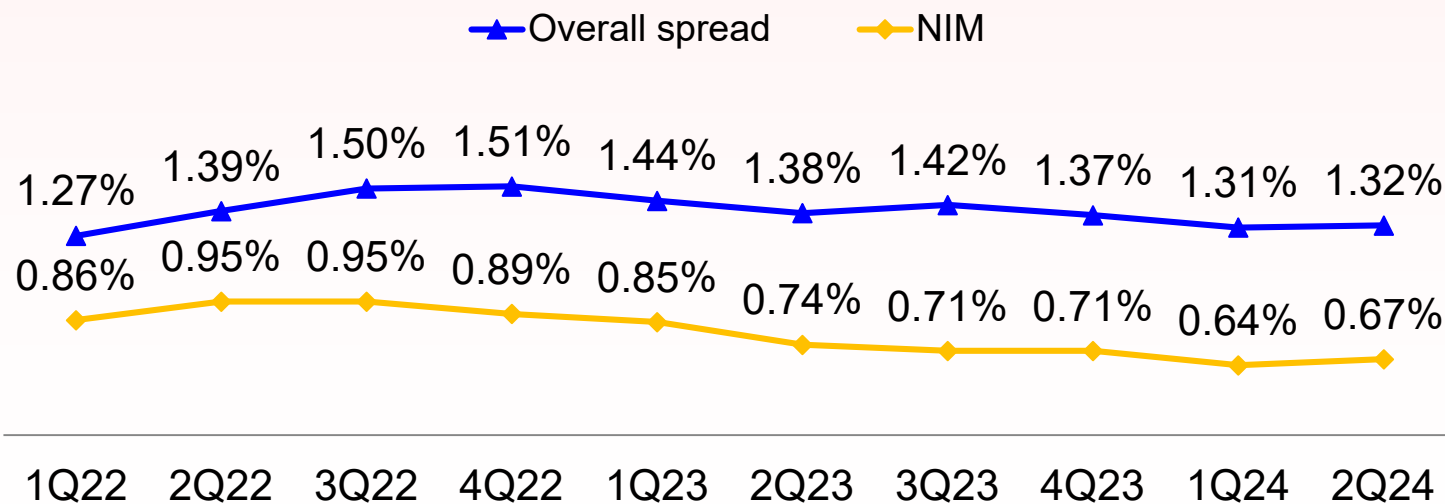


# HNCB: Spreads and NIM



**FC spread**  
YoY -16bps  
QoQ -4bps

**NTD spread**  
YoY -5bps  
QoQ +0bp



**Overall spread**  
YoY -6bps  
QoQ +1bp

**NIM**  
YoY -7bps  
QoQ +3bps

Note : Spread and NIM were based on quarterly average.

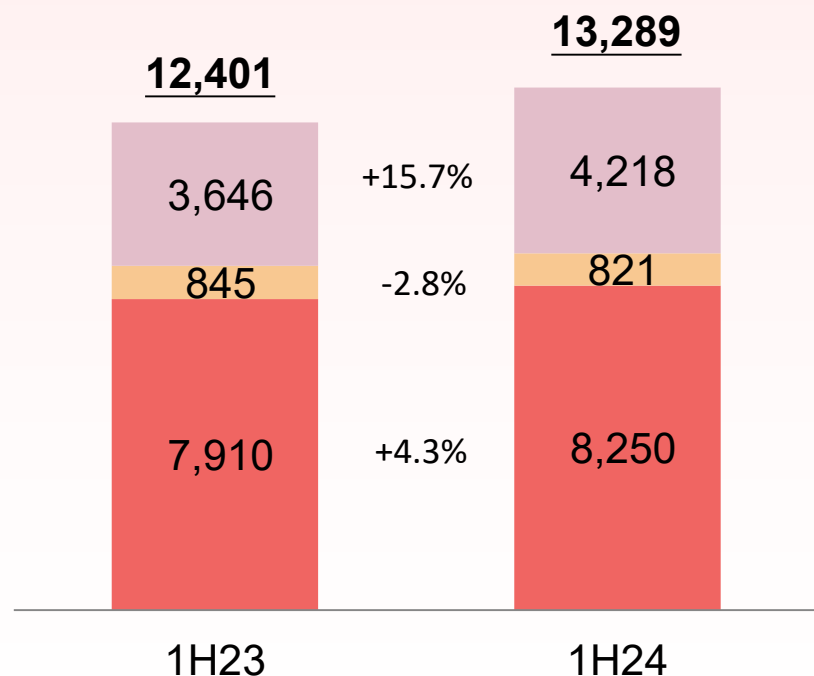
# HNCB: Cost to income ratio

## Operating expense

(NT\$m)

- Other general admin expenses
- Depreciation and amortization
- Employee Benefits

**YoY +7.2%**

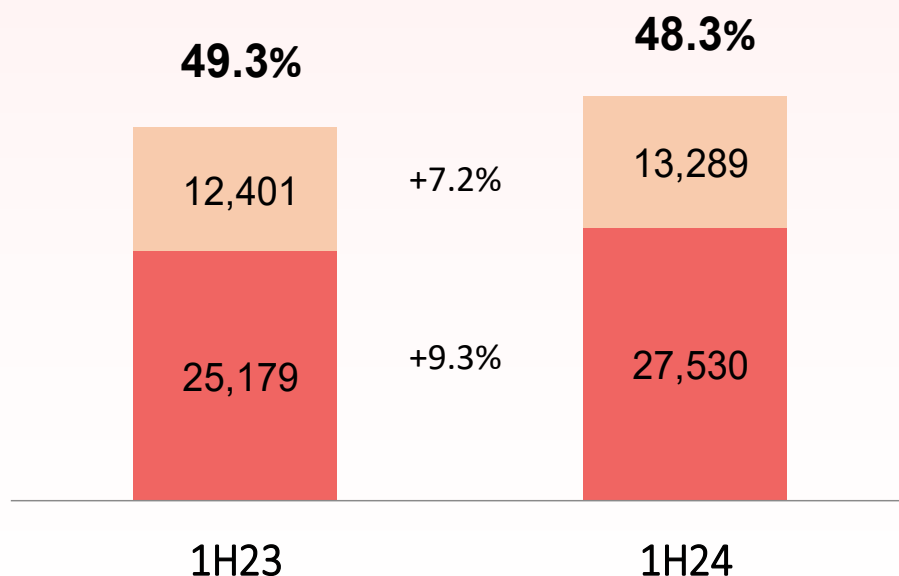


## Cost-to-income ratio

(NT\$m)

- Net revenue
- Operating expense

**YoY -1.0 percentage point**

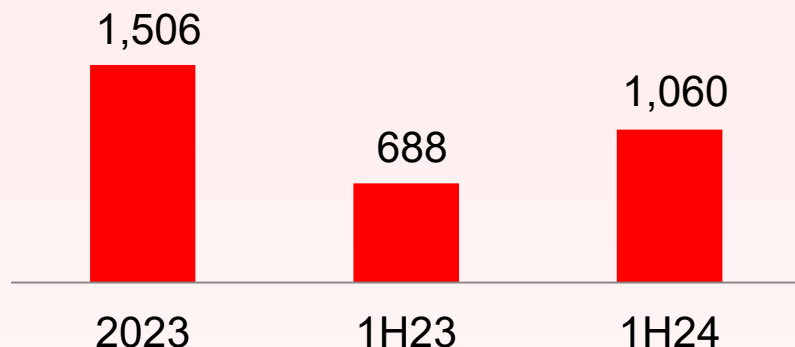


Note : 1H24 figures were preliminary based on IFRS. The others were audited or reviewed based on IFRS.

# HNSC: Operating results

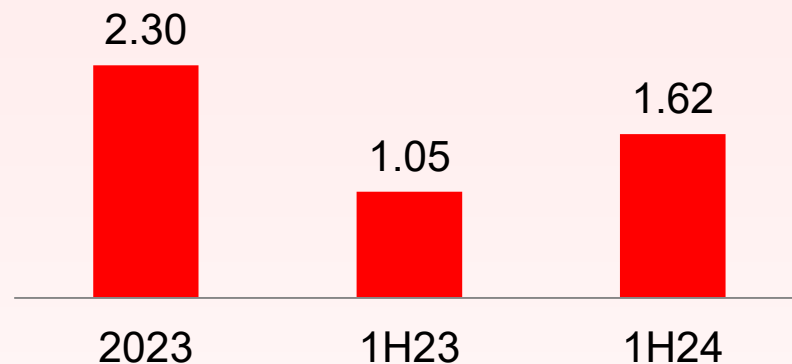
## Net profit (after tax)

(NT\$mn)



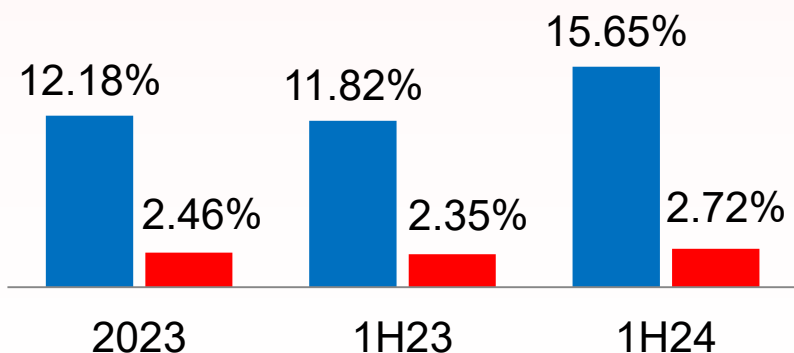
## EPS

(NT\$)



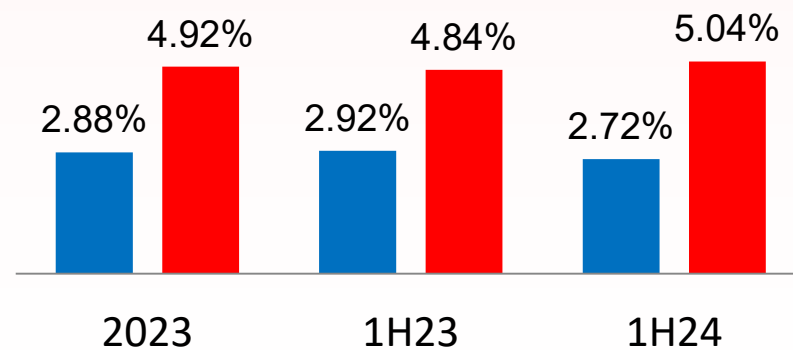
## Returns

■ Annualized ROE (after tax) ■ Annualized ROA (after tax)



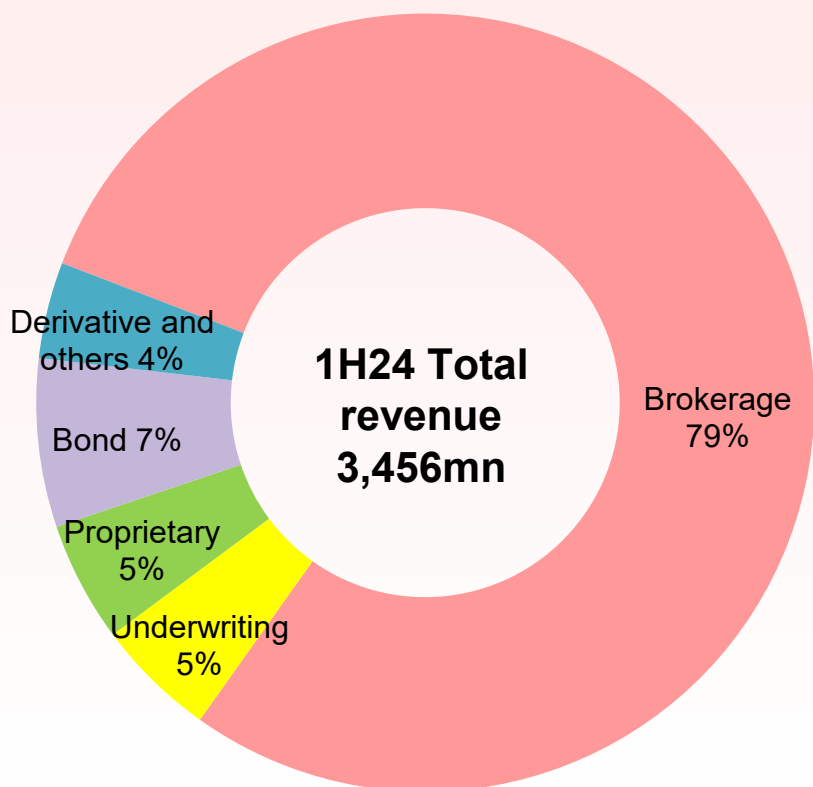
## Market share

■ Brokerage ■ Lending balance



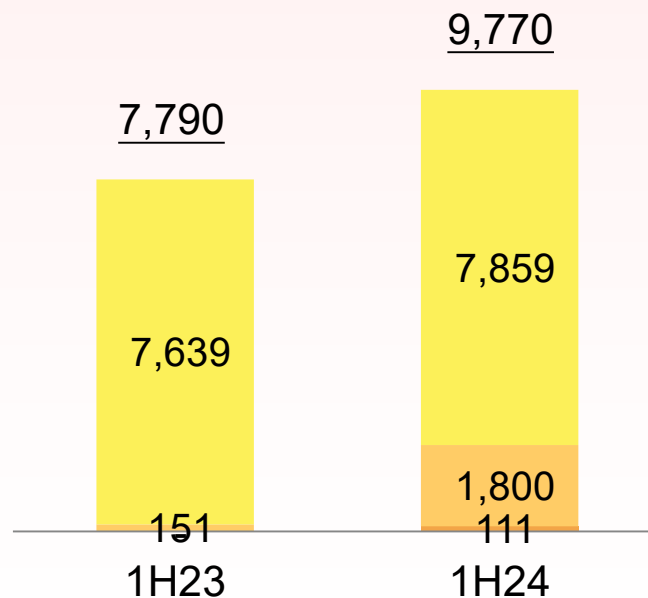
# HNSC: Operating results

## Revenue contribution



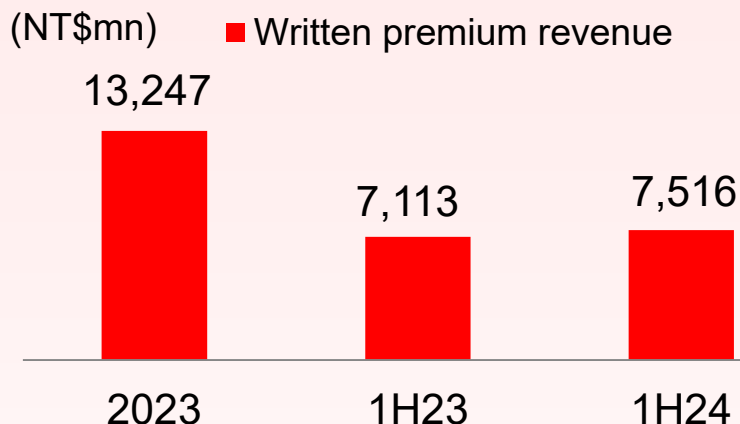
## Underwriting performance

■ Lead IPO ■ Lead SPO ■ Co-lead IPO&SPO  
(NT\$mn)

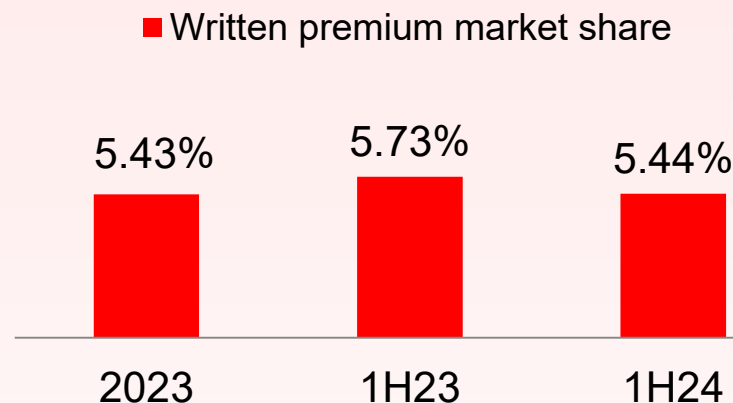


# SCIC: Operating results

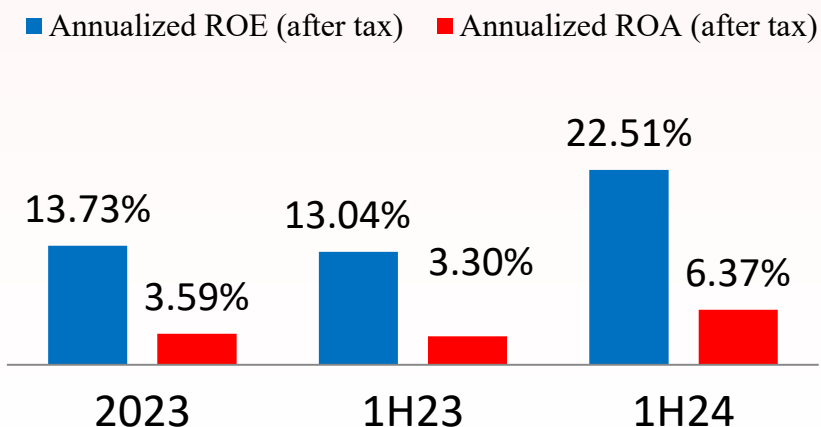
## Business metrics



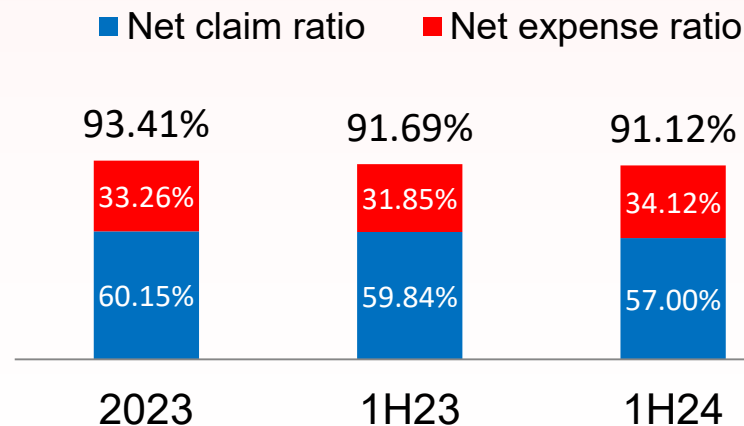
## Market share



## Returns



## Net combined ratio





# Asset Quality

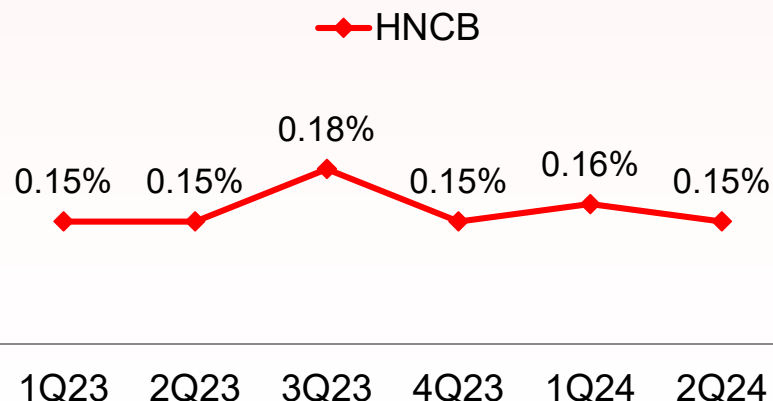


# HNCB: Asset quality

## Provision

(NT\$m)	1H23	1H24	YoY
<b>Provision</b>	1,531	2,442	<b>+59.5%</b>
<b>Write-off</b>	1,715	931	<b>-45.7%</b>
<b>Recovery</b>	765	962	<b>+25.8%</b>
<b>Reserve</b>	27,536	30,455	<b>+10.6%</b>

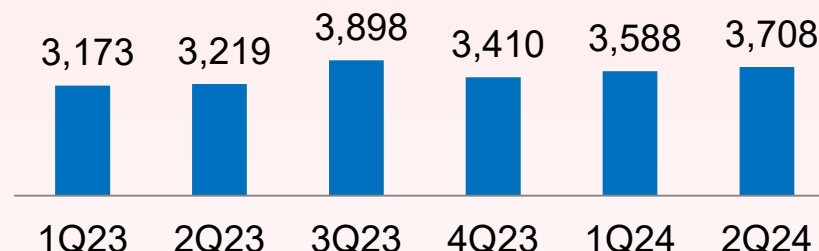
## NPL ratio



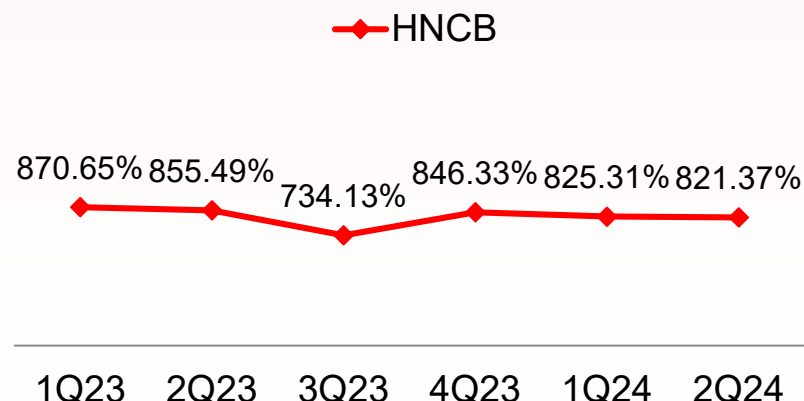
## NPL

(NT\$m)

YoY +489mn



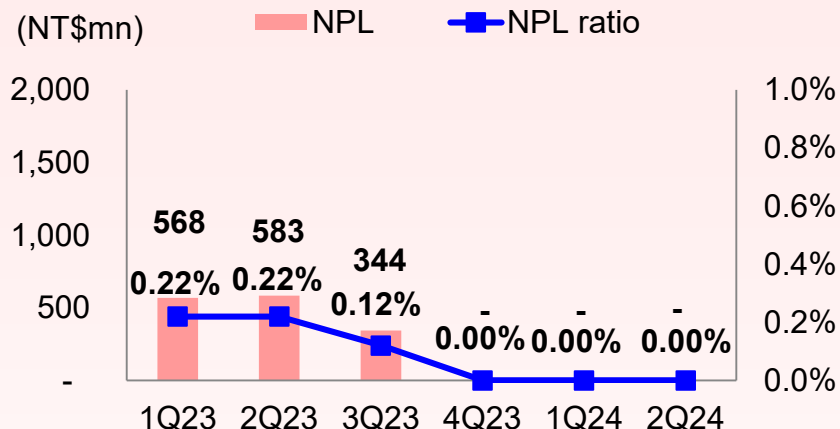
## Coverage ratio



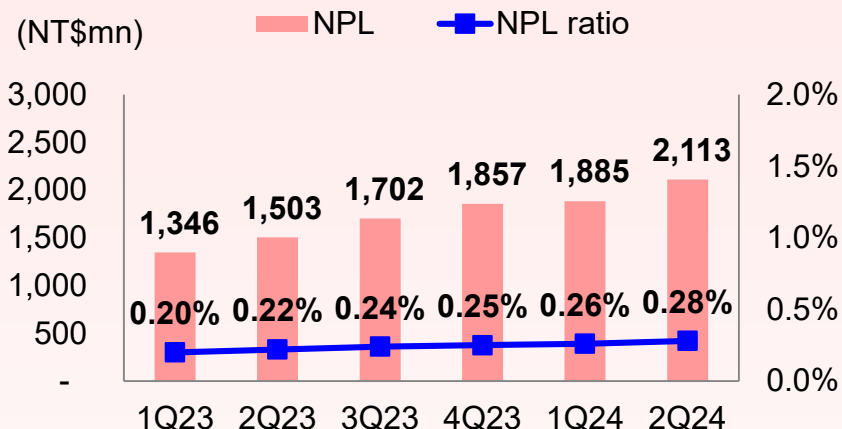


# HNCB: NPL composition

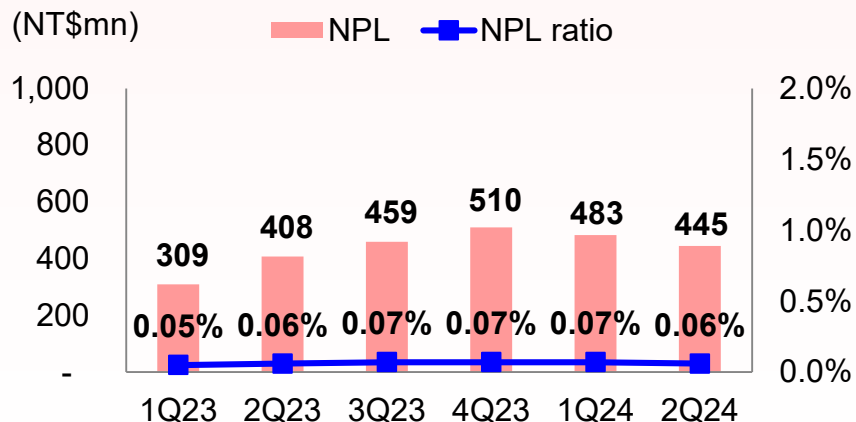
## Large Corp NPL ratio



## SME NPL ratio

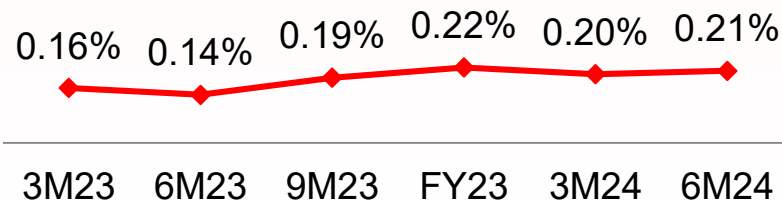


## Mortgage NPL ratio



## Credit cost ratio (annualized)

Credit cost ratio=Provision/Average loan outstanding





## 2H2024 Outlook



# 2H24 Outlook

## HNCB

- Continue to optimize corporate loan composition, seize opportunities from government policies, expand potential SME loan cases, and strengthen syndicated loan promotion. Select cases with better credit under ponderation of risk and profit in overseas lending. Focus on cross-selling benefits derivative from mortgage in consumer loans.
- Continue to explore new customers in deposits and payroll transfers, deepen customer loyalty, absorb stable FC deposits at reasonable costs, and establish an optimal deposit structure.
- Oriented from customer's demand, construct a leading retirement profession franchise by the professional consultant planner team in wealth management business. Meanwhile, cultivate high-asset customers and create high quality customer experience.
- Execute 6 major digital transformation pivots—establish a big data customer business model, upgrade digital channels comprehensively, reshape the SME business model, re-engineer the ESG paperless journey, apply big data and AI technology, and implement IT transformation comprehensively.

## HNSC

- Promote the APP “Hua Nan eDay-Trading” with all-out effort, provide with market-leading transaction functions to improve customer's investment winning rate.
- Integrate in/external resources, strive for business opportunities and strengthen in-stock position management in underwriting business with consideration of balanced long/short-term gains. Follow market trends and seize economic recovery timings for decent trading gains.

## SCIC

- Proactive to improve 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.
- Launched Electric Vehicle insurance policy on eCover platform in stages, and plan to launch a pure EV insurance policy in 2H24.



# Sustainable Development



# Key achievements of sustainable development in 2023

## Sustainable Governance

1. Selected as a component stock of the FTSE4 Good Emerging Index.
2. Selected as a component stock of Taiwan Sustainable Index by Taiwan Index Plus.
3. Selected as a component stock of the TWSE CG 100 Index by Taiwan Stock Exchange.
4. Selected as a component stock of the TWSE HC 100 Index by Taiwan Stock Exchange.
5. Selected as a component stock of the TWSE RA 99 Index by Taiwan Stock Exchange.
6. Rated AA by MSCI ESG (AAA-CCC, with AAA being the best) and 24.67 by Sustainalytics ESG (100-0, with 0 being the best).
7. Completed TCFD report and obtained the highest level of BSI "Level-5+: Excellence"

## Financial Services

1. HNCB invested NT\$1.8bn in social bonds and NT\$1.2bn in sustainability bonds.
2. HNSC won 6 prizes at "The 20<sup>th</sup> National Brand Yushan Award" of The Outstanding Enterprise Award, The Best Product Category Awards and The Best Popular Brand Category Awards.
3. SCIC honored with each silver awards of "Excellent Charity Care Award", "Excellent Risk Management Award" and "Excellent Talent Training Project Planning Award" in the 10<sup>th</sup> "Taiwan Insurance Excellent Performance Award"
4. HNIT awarded "Smart Taiwan Mutual Fund Awards-the ESG Fund Award"

## Employee Cultivation

1. Since 2010, salaries have increased for 14 consecutive years, with a median salary of NT\$1.178mn.
2. We value gender equality in the workplace, with the proportion of female employees in the Group being 60.48% and the ratio of female supervisors reaching 51.56%.
3. HNFHC and HNCB provide benefits such as a marriage subsidy of NT\$30,000 and a childbirth subsidy of NT\$100,000 for every child birth.

## Environmental Sustainability

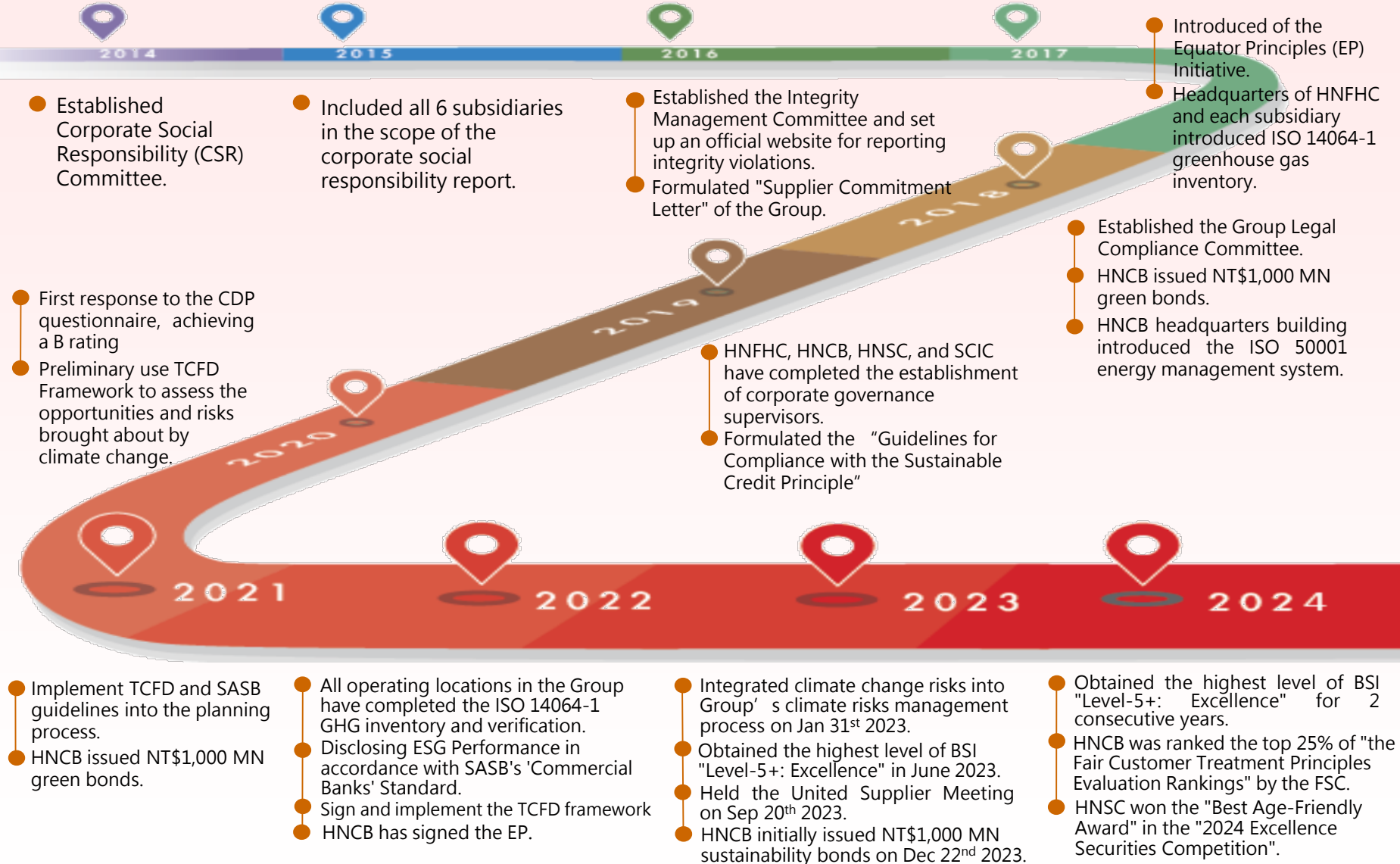
1. Continued to pass ISO 14001 Energy Management System certification.
2. Continued to obtain ISO 14064-1 Greenhouse Gas Inventory certification.
3. Continued to pass ISO 50001 Environmental Management System certification.
4. Continued to pass ISO 46001 Water Resources Efficiency Management System certification.
5. HNCB invested NT\$13.97bn in green bonds, supporting the development of green industries.
6. HNCB was awarded the Bronze Award at the 5<sup>th</sup> National Corporate Environmental Protection Awards.

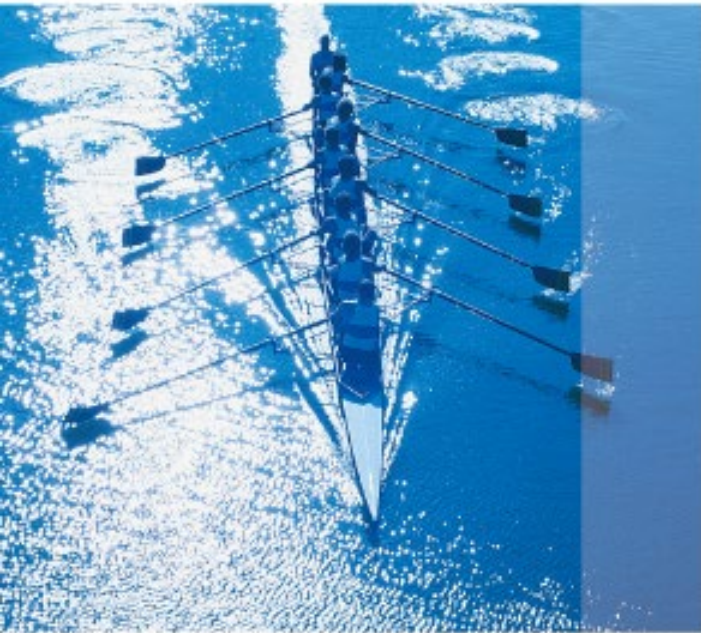
## Social Good

1. The total amount of charitable sponsorship is NT\$73,458,835.
2. Won the "Sports Contribution Award" of Ministry of Education for 12 consecutive years, and won Gold Sponsorship, Long-term Sponsorship, and Promotional Bronze Awards for 7 consecutive years.
3. Organized the "With Hua Nan, You Never Grow Old" activity for 12 consecutive years to care for underprivileged seniors living alone.



# Process of Implementing Sustainability

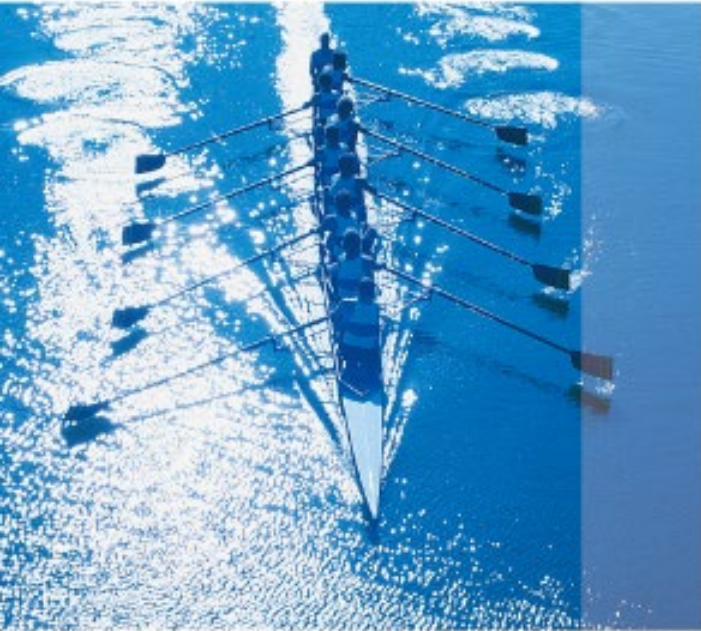




**Q & A**







# Appendix



**HNFHC Condensed Consolidated Income Statements**

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

	Year (IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
Interest Income	54,852	87,744	59.96%	19,776	21,535	22,844	23,589	24,125	25,319	4.95%	41,311	49,444	19.69%
Interest Expense	(21,674)	(59,876)	176.26%	(12,277)	(14,670)	(16,133)	(16,796)	(17,919)	(19,072)	6.43%	(26,947)	(36,991)	37.27%
<b>Interest Income, Net</b>	<b>33,178</b>	<b>27,868</b>	<b>-16.00%</b>	<b>7,499</b>	<b>6,865</b>	<b>6,711</b>	<b>6,793</b>	<b>6,206</b>	<b>6,247</b>	<b>0.66%</b>	<b>14,364</b>	<b>12,453</b>	<b>-13.30%</b>
Service fee and commission income, net	9,752	11,316	16.04%	2,506	2,662	3,163	2,985	3,818	3,788	-0.79%	5,168	7,606	47.17%
Income from insurance premiums, net	3,928	3,607	-8.17%	1,346	1,040	814	407	1,576	1,176	-25.38%	2,386	2,752	15.34%
Gains(losses) on financial assets and liabilities at fair value through profit or loss	18,220	12,915	-29.12%	780	8,384	13,330	(9,579)	16,065	8,149	-49.27%	9,164	24,214	164.23%
Gains on investment properties	461	639	38.61%	150	123	156	210	120	255	112.50%	273	375	37.36%
Realized gains(losses) from sale of fair value through other comprehensive income financial assets	1,292	2,045	58.28%	92	852	1,133	(32)	161	353	119.25%	944	514	-45.55%
Gains(losses) on derecognition of financial assets at amortized cost	8	(2)	-	(2)	-	-	-	(6)	-	-100.00%	(2)	(6)	-200.00%
Foreign exchange gains, net	(13,881)	1,760	-	2,156	(4,733)	(9,657)	13,994	(11,400)	(3,152)	-72.35%	(2,577)	(14,552)	-464.69%
Impairment loss	(22)	(31)	-40.91%	(2)	(9)	(4)	(16)	(7)	(4)	-42.86%	(11)	(11)	-
Share of the profit or loss of associates and joint ventures	9	(2)	-	(2)	1	4	(5)	(2)	2	-	(1)	-	-
Realized gains(losses) of financial assets for overlay approach	629	(517)	-	(298)	(216)	173	(176)	(266)	(155)	41.73%	(514)	(421)	18.09%
Other non-interest income(losses)	93	(131)	-	45	(31)	(55)	(90)	64	33	48.44%	14	97	592.86%
<b>Net Income Excluding Interest Income</b>	<b>20,489</b>	<b>31,599</b>	<b>54.22%</b>	<b>6,771</b>	<b>8,073</b>	<b>9,057</b>	<b>7,698</b>	<b>10,123</b>	<b>10,445</b>	<b>3.18%</b>	<b>14,844</b>	<b>20,568</b>	<b>38.56%</b>
<b>Net Revenues</b>	<b>53,667</b>	<b>59,467</b>	<b>10.81%</b>	<b>14,270</b>	<b>14,938</b>	<b>15,768</b>	<b>14,491</b>	<b>16,329</b>	<b>16,692</b>	<b>2.22%</b>	<b>29,208</b>	<b>33,021</b>	<b>13.05%</b>
Bad-debt expenses	(3,312)	(2,294)	-30.74%	(397)	(358)	(314)	(1,225)	(740)	(826)	11.62%	(755)	(1,566)	107.42%
Provisions for the insurance reserve	(1,096)	(188)	-82.85%	(451)	(181)	(92)	536	(496)	(82)	-83.47%	(632)	(578)	-8.54%
<b>Operating Expenses</b>	<b>(28,266)</b>	<b>(30,790)</b>	<b>8.93%</b>	<b>(7,355)</b>	<b>(7,684)</b>	<b>(7,878)</b>	<b>(7,873)</b>	<b>(8,048)</b>	<b>(8,381)</b>	<b>4.14%</b>	<b>(15,039)</b>	<b>(16,429)</b>	<b>9.24%</b>
Employee Benefits	(18,012)	(19,276)	7.02%	(4,657)	(4,929)	(4,916)	(4,774)	(4,991)	(5,247)	5.13%	(9,586)	(10,238)	6.80%
Depreciation and amortization	(2,080)	(2,092)	0.58%	(513)	(519)	(528)	(532)	(527)	(527)	-	(1,032)	(1,054)	2.13%
Other general and administrative expenses	(8,174)	(9,422)	15.27%	(2,185)	(2,236)	(2,434)	(2,567)	(2,530)	(2,607)	3.04%	(4,421)	(5,137)	16.20%
<b>Consolidated income before income tax from continuing operations</b>	<b>20,993</b>	<b>26,195</b>	<b>24.78%</b>	<b>6,067</b>	<b>6,715</b>	<b>7,484</b>	<b>5,929</b>	<b>7,045</b>	<b>7,403</b>	<b>5.08%</b>	<b>12,782</b>	<b>14,448</b>	<b>13.03%</b>
Income Tax Expense	(3,685)	(4,577)	24.21%	(1,067)	(1,209)	(1,098)	(1,203)	(1,416)	(1,817)	28.32%	(2,276)	(3,233)	42.05%
<b>Consolidated net income</b>	<b>17,308</b>	<b>21,618</b>	<b>24.90%</b>	<b>5,000</b>	<b>5,506</b>	<b>6,386</b>	<b>4,726</b>	<b>5,629</b>	<b>5,586</b>	<b>-0.76%</b>	<b>10,506</b>	<b>11,215</b>	<b>6.75%</b>
Basic earnings per share	1.27	1.58	24.41%	0.37	0.40	0.47	0.34	0.41	0.41	-	0.77	0.82	6.49%
<b>Other comprehensive income</b>	<b>(22,896)</b>	<b>9,414</b>	<b>-</b>	<b>3,166</b>	<b>727</b>	<b>(1,881)</b>	<b>7,402</b>	<b>4,015</b>	<b>1,298</b>	<b>-67.67%</b>	<b>3,893</b>	<b>5,313</b>	<b>36.48%</b>
<b>Othe comprehensive income for the period, net of income tax</b>	<b>(5,588)</b>	<b>31,032</b>	<b>-</b>	<b>8,166</b>	<b>6,233</b>	<b>4,505</b>	<b>12,128</b>	<b>9,644</b>	<b>6,884</b>	<b>-28.62%</b>	<b>14,399</b>	<b>16,528</b>	<b>14.79%</b>
Attributable to :													
Owner of the Company	17,308	21,618	24.90%	5,000	5,506	6,386	4,726	5,629	5,586	-0.76%	10,506	11,215	6.75%
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

# HNFHC Condensed Balance Sheets

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
<b>Balance Sheets</b>													
Investments accounted for using equity method	222,230	251,774	13.29%	230,365	234,590	239,032	251,774	261,669	253,059	-3.29%	234,590	253,059	7.87%
Total assets	233,946	256,821	9.78%	236,133	240,373	243,483	256,821	267,648	271,540	1.45%	240,373	271,540	12.97%
Total liabilities	49,121	49,011	-0.22%	43,142	49,198	47,803	49,011	50,194	63,573	26.65%	49,198	63,573	29.22%
Total Stockholders' equity	184,825	207,810	12.44%	192,991	191,175	195,680	207,810	217,454	207,967	-4.36%	191,175	207,967	8.78%
<b>Consolidated Balance Sheets</b>													
Total assets	3,630,162	3,869,202	6.58%	3,676,924	3,731,541	3,795,188	3,869,202	4,152,127	4,173,527	0.52%	3,731,541	4,173,527	11.84%
Total liabilities	3,445,335	3,661,390	6.27%	3,483,931	3,540,364	3,599,506	3,661,390	3,934,671	3,965,558	0.78%	3,540,364	3,965,558	12.01%
Total Stockholders' equity													
Parent stockholders' equity	184,825	207,810	12.44%	192,991	191,175	195,680	207,810	217,454	207,967	-4.36%	191,175	207,967	8.78%
Minority Interest	2	2	-	2	2	2	2	2	2	-	2	2	-
Capital Stock	136,427	136,427	-	136,427	136,427	136,427	136,427	136,427	136,427	-	136,427	136,427	-
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

# HNFHC Condensed Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
<b>Operating Income</b>													
Income from investments accounted for using equity method	18,203	22,572	24.00%	5,141	5,754	6,622	5,055	5,961	6,337	6.31%	10,895	12,298	12.88%
Other revenue	36	43	19.44%	(1)	(1)	47	(2)	1	6	500.00%	(2)	7	-
Operating Expenses	(589)	(627)	6.45%	(138)	(145)	(197)	(147)	(155)	(158)	1.94%	(283)	(313)	10.60%
Interest and Other Expenses And Losses	(349)	(644)	84.53%	(152)	(148)	(165)	(179)	(178)	(176)	-1.12%	(300)	(354)	18.00%
Income before income tax	17,301	21,343	23.36%	4,850	5,460	6,307	4,726	5,629	6,009	6.75%	10,310	11,638	12.88%
Income after income tax	17,308	21,618	24.90%	5,000	5,506	6,386	4,726	5,629	5,586	-0.76%	10,506	11,215	6.75%
Basic earnings per share (before tax)	1.27	1.56	22.83%	0.36	0.40	0.46	0.34	0.41	0.44	7.32%	0.76	0.85	11.84%
Basic earnings per share (after tax)	1.27	1.58	24.41%	0.37	0.40	0.47	0.34	0.41	0.41	-	0.77	0.82	6.49%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

# HNHFC Key Financial Ratios(Standalone)

UNIT : %

	Year(IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change	3M2023	6M2023	9M2023	FY2023	3M2024	6M2024	Change	6M2023	6M2024	Change
Annualised ROA(after tax)	7.38	8.81	1.43	8.52	8.86	9.44	8.81	8.60	8.49	-0.11	8.86	8.49	-0.37
Annualised ROE(after tax)	8.98	11.01	2.03	10.60	11.18	11.84	11.01	10.60	10.79	0.19	11.18	10.79	-0.39
Capital Adequacy Ratio (Consolidated basis) (Note 1)	126.61	122.77	-3.84	126.61	121.95	121.95	122.77	122.77	116.07	-6.70	121.95	116.07	-5.88
Double Leverage Ratio (Note 2)	120.83	121.81	0.98	120.02	123.42	123.00	121.81	121.00	122.36	1.36	123.42	122.36	-1.06
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

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)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
Interest Income	53,622	86,185	60.73%	19,472	21,171	22,424	23,118	23,613	32,015	35.58%	40,643	55,628	36.87%
Interest Expense	(21,067)	(58,537)	177.86%	(11,998)	(14,361)	(15,773)	(16,405)	(17,492)	(25,570)	46.18%	(26,359)	(43,062)	63.37%
<b>Interest Income, Net</b>	<b>32,555</b>	<b>27,648</b>	<b>-15.07%</b>	<b>7,474</b>	<b>6,810</b>	<b>6,651</b>	<b>6,713</b>	<b>6,121</b>	<b>6,445</b>	<b>5.29%</b>	<b>14,284</b>	<b>12,566</b>	<b>-12.03%</b>
Service fee and commission income, net	7,778	9,014	15.89%	2,187	2,143	2,363	2,321	3,182	2,880	-9.49%	4,330	6,062	40.00%
Gains(losses) on financial assets and liabilities at fair value through profit or loss	18,860	11,407	-39.52%	211	8,059	13,383	(10,246)	15,570	7,457	-52.11%	8,270	23,027	178.44%
Realized gains(losses) from sale of fair value through other comprehensive income financial assets	1,176	1,759	49.57%	88	663	1,001	7	142	318	123.94%	751	460	-38.75%
Foreign exchange gains, net	(14,272)	1,796	-	2,195	(4,825)	(9,777)	14,203	(11,591)	(3,221)	72.21%	(2,630)	(14,812)	-463.19%
Impairment reversal gain (losses) on assets	(6)	(18)	-200.00%	(1)	(7)	(4)	(6)	(6)	(3)	50.00%	(8)	(9)	-12.50%
Share of the profit or loss of associates and joint ventures	35	23	-34.29%	4	8	7	4	11	12	9.09%	12	23	91.67%
Other non-interest income, net	412	197	-52.18%	116	54	25	2	129	84	-34.88%	170	213	25.29%
<b>Net revenues other than interest</b>	<b>13,983</b>	<b>24,178</b>	<b>72.91%</b>	<b>4,800</b>	<b>6,095</b>	<b>6,998</b>	<b>6,285</b>	<b>7,437</b>	<b>7,527</b>	<b>1.21%</b>	<b>10,895</b>	<b>14,964</b>	<b>37.35%</b>
<b>Net Revenues</b>	<b>46,538</b>	<b>51,826</b>	<b>11.36%</b>	<b>12,274</b>	<b>12,905</b>	<b>13,649</b>	<b>12,998</b>	<b>13,558</b>	<b>13,972</b>	<b>3.05%</b>	<b>25,179</b>	<b>27,530</b>	<b>9.34%</b>
Bad-debt expenses	(3,338)	(2,232)	-33.13%	(402)	(365)	(300)	(1,165)	(704)	(776)	10.23%	(767)	(1,480)	92.96%
<b>Operating Expenses</b>	<b>(23,157)</b>	<b>(25,121)</b>	<b>8.48%</b>	<b>(6,094)</b>	<b>(6,307)</b>	<b>(6,387)</b>	<b>(6,333)</b>	<b>(6,533)</b>	<b>(6,756)</b>	<b>3.41%</b>	<b>(12,401)</b>	<b>(13,289)</b>	<b>7.16%</b>
Employee Benefits	(14,799)	(15,765)	6.53%	(3,857)	(4,053)	(3,988)	(3,867)	(4,036)	(4,214)	4.41%	(7,910)	(8,250)	4.30%
Depreciation and amortization	(1,716)	(1,703)	-0.76%	(419)	(426)	(430)	(428)	(422)	(399)	-5.45%	(845)	(821)	-2.84%
Other general and administrative expenses	(6,642)	(7,653)	15.22%	(1,818)	(1,828)	(1,969)	(2,038)	(2,075)	(2,143)	3.28%	(3,646)	(4,218)	15.69%
<b>Income before income tax from continuing operations</b>	<b>20,043</b>	<b>24,473</b>	<b>22.10%</b>	<b>5,778</b>	<b>6,233</b>	<b>6,962</b>	<b>5,500</b>	<b>6,321</b>	<b>6,440</b>	<b>1.88%</b>	<b>12,011</b>	<b>12,761</b>	<b>6.24%</b>
Income Tax Expense	(3,316)	(4,421)	33.32%	(1,115)	(1,147)	(1,074)	(1,085)	(1,276)	(1,217)	-4.62%	(2,262)	(2,493)	10.21%
<b>Net income</b>	<b>16,727</b>	<b>20,052</b>	<b>19.88%</b>	<b>4,663</b>	<b>5,086</b>	<b>5,888</b>	<b>4,415</b>	<b>5,045</b>	<b>5,223</b>	<b>3.53%</b>	<b>9,749</b>	<b>10,268</b>	<b>5.32%</b>
Basic earnings per share	1.71	2.05	19.88%	0.48	0.52	0.60	0.45	0.52	0.53	1.92%	1.00	1.05	5.00%
<b>Other comprehensive income</b>	<b>(21,239)</b>	<b>7,516</b>	<b>-</b>	<b>2,387</b>	<b>358</b>	<b>(2,078)</b>	<b>6,849</b>	<b>3,173</b>	<b>970</b>	<b>-69.43%</b>	<b>2,745</b>	<b>4,143</b>	<b>50.93%</b>
<b>Total comprehensive income for the period</b>	<b>(4,512)</b>	<b>27,568</b>	<b>-</b>	<b>7,050</b>	<b>5,444</b>	<b>3,810</b>	<b>11,264</b>	<b>8,218</b>	<b>6,193</b>	<b>-24.64%</b>	<b>12,494</b>	<b>14,411</b>	<b>15.34%</b>
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

# HNCB Condensed Balance Sheets

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year(IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
<b>Assets</b>													
Cash and cash equivalents, due from the Central Bank and other banks	292,248	282,557	-3.32%	272,743	244,448	276,914	282,557	306,312	281,279	-8.17%	244,448	281,279	15.07%
Financial assets at fair value through profit or loss, net	82,284	107,107	30.17%	92,279	108,374	122,143	107,107	141,337	158,492	12.14%	108,374	158,492	46.25%
Financial assets from sale of fair value through other comprehensive income	337,248	351,840	4.33%	336,756	352,617	350,462	351,840	375,543	365,291	-2.73%	352,617	365,291	3.59%
Debt instrument investment measured by amortized cost	714,672	685,304	-4.11%	723,457	741,845	690,835	685,304	840,957	787,971	-6.30%	741,845	787,971	6.22%
Investments accounted for using equity method	1,544	1,519	-1.62%	1,556	1,498	1,536	1,519	1,550	1,540	-0.65%	1,498	1,540	2.80%
Receivables, net	26,114	32,067	22.80%	25,934	31,983	31,542	32,067	32,768	37,494	14.42%	31,983	37,494	17.23%
Loans, net	2,037,252	2,243,344	10.12%	2,076,483	2,092,768	2,159,627	2,243,344	2,276,371	2,369,305	4.08%	2,092,768	2,369,305	13.21%
Plant, property, and equipment	29,649	27,700	-6.57%	29,731	27,134	27,477	27,700	30,406	32,136	5.69%	27,134	32,136	18.43%
Other assets	28,019	31,458	12.27%	29,066	31,692	32,857	31,458	29,003	18,469	-36.32%	31,692	18,469	-41.72%
Total Assets	3,549,030	3,762,896	6.03%	3,588,005	3,632,359	3,693,393	3,762,896	4,034,247	4,051,977	0.44%	3,632,359	4,051,977	11.55%
<b>Liabilities</b>													
Deposits and remittances	2,953,569	3,067,662	3.86%	2,933,950	2,918,648	2,999,801	3,067,662	3,344,375	3,333,732	-0.32%	2,918,648	3,333,732	14.22%
Other liabilities	393,079	466,552	18.69%	444,623	500,102	476,173	466,552	452,972	489,842	8.14%	500,102	489,842	-2.05%
Total Liabilities	3,346,648	3,534,214	5.60%	3,378,573	3,418,750	3,475,974	3,534,214	3,797,347	3,823,574	0.69%	3,418,750	3,823,574	11.84%
<b>Stockholders' Equity</b>	202,382	228,682	13.00%	209,432	213,609	217,419	228,682	236,900	228,403	-3.59%	213,609	228,403	6.93%
Total Liabilities and Stockholders' Equity	3,549,030	3,762,896	6.03%	3,588,005	3,632,359	3,693,393	3,762,896	4,034,247	4,051,977	0.44%	3,632,359	4,051,977	11.55%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	



## HNSC Consolidated Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year (IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
Operating Revenue													
Commissions and Fees - Brokerage	3,240	3,490	7.72%	672	857	1,048	913	1,039	1,287	23.87%	1,529	2,326	52.13%
Security lending income	210	208	-0.95%	51	53	52	52	42	43	-	104	85	-18.27%
Commissions and Fees - Underwriting	90	171	90.00%	13	13	116	29	14	11	-21.43%	26	25	-3.85%
Commissions and Fees - WM business	4	4	-	1	1	1	1	1	1	-	2	2	-
Gains (Losses) on sales of securities	(78)	321	-	71	91	58	101	112	142	26.79%	162	254	56.79%
Stock affairs agent fees	35	38	8.57%	8	11	10	9	8	11	37.50%	19	19	-
Interest Income (Net)	927	1,114	20.17%	219	253	304	338	382	424	10.99%	472	806	70.76%
Dividend Income	119	298	150.42%	5	168	115	10	26	62	138.46%	173	88	-49.13%
Gains (Loss) on valuation of securities	12	21	75.00%	27	20	(28)	2	55	(6)	-	47	49	4.26%
Gains (Loss) on Derivative Instruments	46	(1)	-	(19)	(5)	1	22	(26)	(13)	-	(24)	(39)	-
Others	41	27	-34.15%	21	7	(12)	11	24	8	-66.67%	28	32	14.29%
Operating Revenue	4,646	5,691	22.49%	1,069	1,469	1,665	1,488	1,677	1,970	17.47%	2,538	3,647	43.70%
Operating Expenses	(3,560)	(4,268)	19.89%	(868)	(1,053)	(1,179)	(1,168)	(1,201)	(1,369)	13.99%	(1,921)	(2,570)	33.78%
Others Non-operating Gains or Loss	292	363	24.32%	69	115	93	86	100	93	-7.00%	184	193	4.89%
<b>Profit Before Tax</b>	<b>1,378</b>	<b>1,786</b>	<b>29.61%</b>	<b>270</b>	<b>531</b>	<b>579</b>	<b>406</b>	<b>576</b>	<b>694</b>	<b>20.49%</b>	<b>801</b>	<b>1,270</b>	<b>58.55%</b>
Tax Expense	(271)	(280)	3.32%	(50)	(63)	(93)	(74)	(86)	(124)	44.19%	(113)	(210)	85.84%
<b>Net Income (Loss)</b>	<b>1,107</b>	<b>1,506</b>	<b>36.04%</b>	<b>220</b>	<b>468</b>	<b>486</b>	<b>332</b>	<b>490</b>	<b>570</b>	<b>16.33%</b>	<b>688</b>	<b>1,060</b>	<b>54.07%</b>
<b>Other Comprehensive Income</b>	<b>(527)</b>	<b>959</b>	<b>-</b>	<b>249</b>	<b>85</b>	<b>149</b>	<b>476</b>	<b>525</b>	<b>193</b>	<b>-63.24%</b>	<b>334</b>	<b>718</b>	<b>114.97%</b>
<b>Total Comprehensive Income for the year</b>	<b>580</b>	<b>2,465</b>	<b>325.00%</b>	<b>469</b>	<b>553</b>	<b>635</b>	<b>808</b>	<b>1,015</b>	<b>763</b>	<b>-24.83%</b>	<b>1,022</b>	<b>1,778</b>	<b>73.97%</b>
EPS	1.69	2.30	36.09%	0.34	0.71	0.74	0.51	0.75	0.87	16.00%	1.05	1.62	54.29%
Total Assets	51,147	71,311	39.42%	57,094	66,145	66,218	71,311	82,412	84,587	2.64%	66,145	84,574	27.86%
Total Liabilities	39,635	58,104	46.60%	45,113	54,381	53,819	58,104	68,190	70,703	3.69%	54,381	70,690	29.99%
Total Stockholder's Equity	11,512	13,207	14.72%	11,981	11,764	12,399	13,207	14,222	13,884	-2.38%	11,764	13,884	18.02%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	(Preliminary)	

SCIC Condensed Income Statements

Expressed In Millions of New Taiwan Dollars, unless otherwise indicated

	Year (IFRSs)			Quarter (IFRSs)							Comparison (IFRSs)		
	2022	2023	Change (%)	2023Q1	2023Q2	2023Q3	2023Q4	2024Q1	2024Q2	Change (%)	6M2023	6M2024	Change (%)
Operating Revenue	9,635	10,593	9.94%	2,492	2,629	2,818	2,654	2,837	2,820	-0.60%	5,121	5,657	10.47%
Operating Cost	(7,350)	(7,631)	3.82%	(1,791)	(1,892)	(2,090)	(1,858)	(1,817)	(1,765)	-2.86%	(3,683)	(3,582)	-2.74%
Gross Profit Margin	2,285	2,962	29.63%	701	737	728	796	1,020	1,055	3.43%	1,438	2,075	44.30%
Operating Expense	(1,748)	(1,950)	11.56%	(486)	(466)	(485)	(513)	(580)	(547)	-5.69%	(952)	(1,127)	18.38%
Operating Net Income (Loss)	537	1,012	88.45%	215	271	243	283	440	508	15.45%	486	948	95.06%
Nonoperating Gains (Loss)	3	2	-33.33%	-	1	(1)	2	-	1	-	1	1	-
<b>Income (Loss) Before Income Tax from continuing operations</b>	<b>540</b>	<b>1,014</b>	<b>87.78%</b>	<b>215</b>	<b>272</b>	<b>242</b>	<b>285</b>	<b>440</b>	<b>509</b>	<b>15.68%</b>	<b>487</b>	<b>949</b>	<b>94.87%</b>
Income Tax Benefit (Expense)	(82)	(98)	19.51%	(36)	(35)	3	(30)	(41)	(22)	-46.34%	(71)	(63)	-11.27%
<b>Net Income (Loss)</b>	<b>458</b>	<b>916</b>	<b>100.00%</b>	<b>179</b>	<b>237</b>	<b>245</b>	<b>255</b>	<b>399</b>	<b>487</b>	<b>22.06%</b>	<b>416</b>	<b>886</b>	<b>112.98%</b>
<b>Other Comprehensive Income</b>	<b>(997)</b>	<b>658</b>	<b>-</b>	<b>357</b>	<b>195</b>	<b>(250)</b>	<b>356</b>	<b>234</b>	<b>176</b>	<b>-24.79%</b>	<b>552</b>	<b>410</b>	<b>-25.72%</b>
<b>Total Comprehensive Income For The Year</b>	<b>(539)</b>	<b>1,574</b>	<b>-</b>	<b>536</b>	<b>432</b>	<b>(5)</b>	<b>611</b>	<b>633</b>	<b>663</b>	<b>4.74%</b>	<b>968</b>	<b>1,296</b>	<b>33.88%</b>
EPS	2.29	4.58	100.00%	0.89	1.18	1.23	1.28	1.99	2.43	22.11%	2.08	4.43	112.98%
Total Assets	24,378	27,016	10.82%	25,893	26,545	28,230	27,016	27,687	28,639	3.44%	26,545	28,639	7.89%
Total Liabilities	18,491	19,555	5.75%	19,470	19,689	21,379	19,555	19,593	20,356	3.89%	19,689	20,356	3.39%
Total Stockholder's Equity	5,887	7,461	26.74%	6,423	6,856	6,851	7,461	8,094	8,283	2.34%	6,856	8,283	20.81%
	(Audited)	(Audited)		(Reviewed)	(Audited)	(Reviewed)	(Audited)	(Reviewed)	(Preliminary)		(Audited)	Preliminary	