

股票代號：5876



The Shanghai Commercial & Savings Bank Ltd.
Investor Conference 2024Q1

2024.5.13

Disclaimer

This document is provided by the Shanghai Commercial & Savings Bank, Ltd. (hereby referred to as the “Company”). While using this document, users shall refer to the public and full information that the Company has reported to the competent authority. The Company makes no express or implied representations or warranties as to accuracy or completeness of information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter.

This document may contain forward-looking statements, including statements relating to the implementation of strategic initiatives and future business development. These statements involve uncertainties and other factors that could cause actual developments and results to differ materially from our forward-looking statements in this document.

This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer. The Company, its affiliates, and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability 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This document may not be directly or indirectly reproduced, redistributed, or forwarded to any other person and may not be published in whole or in part for any other purpose.

If there is any difference between the Chinese version of the "Disclaimer" and its English version, the Chinese version shall prevail. If any part of the English version of the "Disclaimer" is unclear, reference should be made to the Chinese version.



Agenda

Macro Economic and
Financial Condition in 2024Q1

Overview of 2024Q1
Business Development



Overview of 2024Q1
Financial Performance

Business Strategy
Focus in 2024H2

Appendix: Concise Balance Sheet & Income Statement (Standalone & Consolidated) 2024Q1



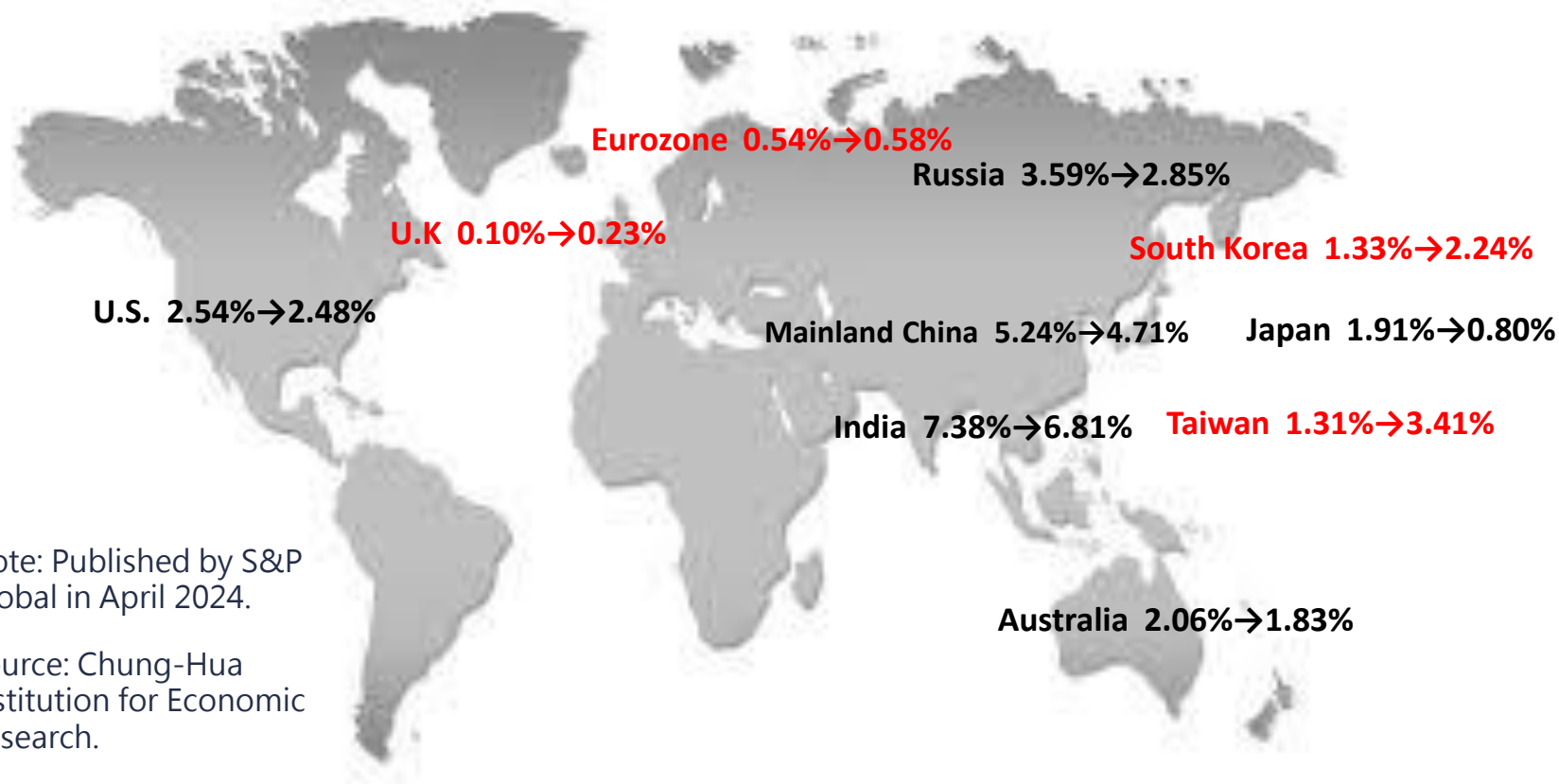
01

***Macro Economic
and
Financial Condition
in 2024Q1***

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Global Economic Overview for 2024

Estimated economic growth rates of major countries in 2023→2024



➤ The global economy is forecasted to experience stable and slow growth in 2024

- According to the “World Economic Outlook ” report released by the IMF in April this year, global economic activity has demonstrated remarkable resilience and is steadily growing.
- The main reasons cited are favorable demand conditions and expanding supply, especially with an unexpected increase in labor force participation.

Note: Published by S&P Global in April 2024.

Source: Chung-Hua Institution for Economic Research.

Source: IMF

Credit Trends in the Taiwanese Banking Industry for 2024

➤ Taiwan Ratings estimates the credit trends of Taiwan's banking industry in 2024

Stability Factor

- ◆ The recovery in corporate financing demand has boosted loan growth momentum to reach 6.5%.
- ◆ Net interest margin and fee income have rebounded.
- ◆ A strong base of individual deposits provides robust support for the bank's funding resilience.
- ◆ The economic growth prospects for Taiwan's banking industry this year are favorable.

Market Potential Risk

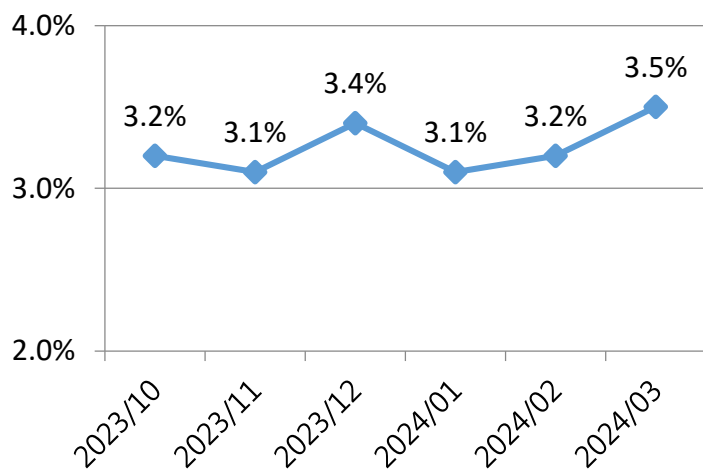
- ◆ Technological innovation and the application of AI have led to changes in banking customer transaction patterns, impacting bank product strategies and competitive positions.
- ◆ The global economic fluctuations bring potential risks, affecting the asset quality and lending costs of banks.
- ◆ The disclosure of ESG adoption and climate risk exposure information has long-term implications for the operational and operating costs of banking businesses.

Source: Taiwan Ratings

Macro Economic and Financial Condition in 2024Q1

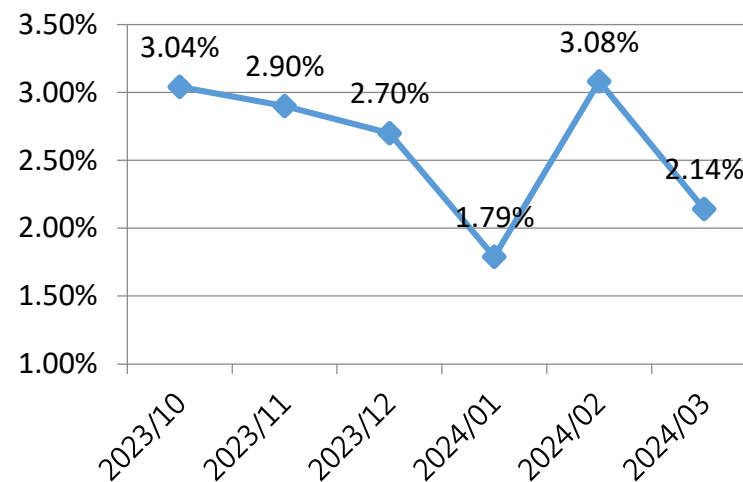
- Global inflation moderated in 2024Q1, with the Chairman of the WEF noting that developed economies are facing a risk of “stagflation.”

U.S. inflation rate



In March 2024, the inflation rate in the USA ticked up slightly to 3.5%. The FED believes that with this modest increase in inflation data, it will take a considerable amount of time to alleviate concerns about the U.S. falling in to stagflation inflation.

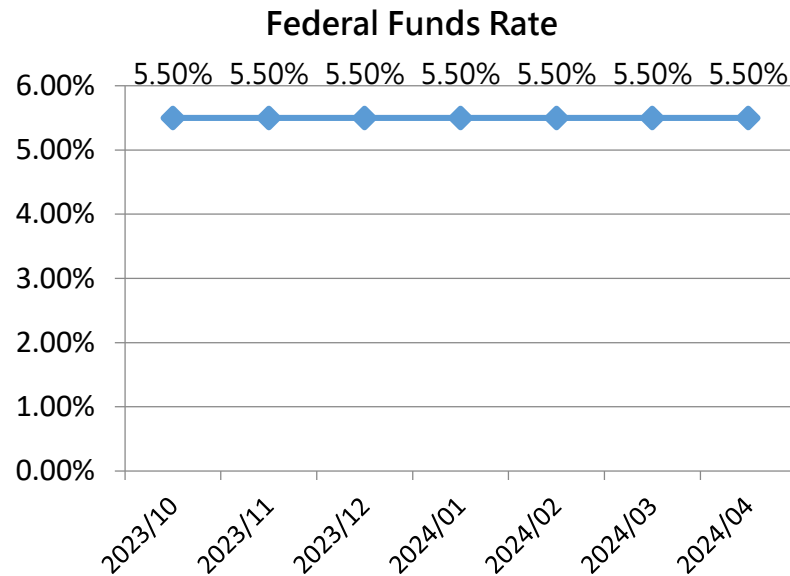
R.O.C. inflation rate



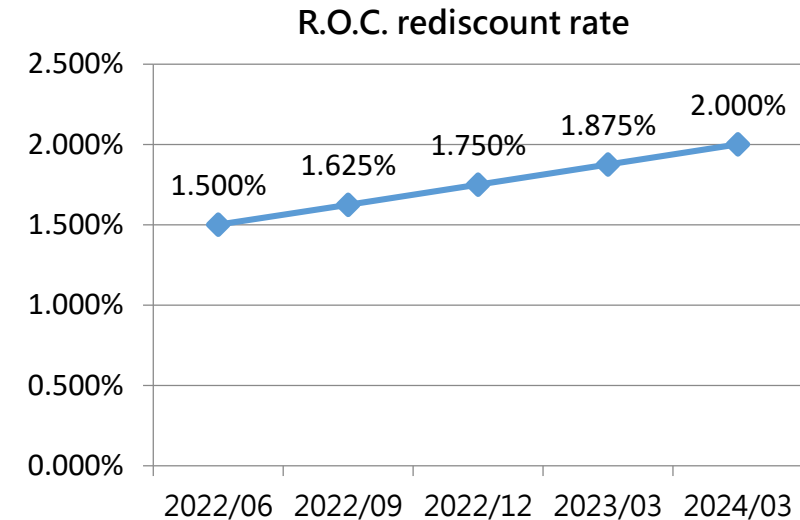
In 2024Q1, Taiwan's CPI had an average annual growth rate of 2.34%. In April, there was an increase in electricity prices, prompting the central bank to monitor the rising trend of expected inflation.

Macro Economic and Financial Condition in 2024Q1

- In many countries around the world, inflation has been easing. Although the FED currently rules out the possibility of raising interest rates, the likelihood of a recent rate cut is low.



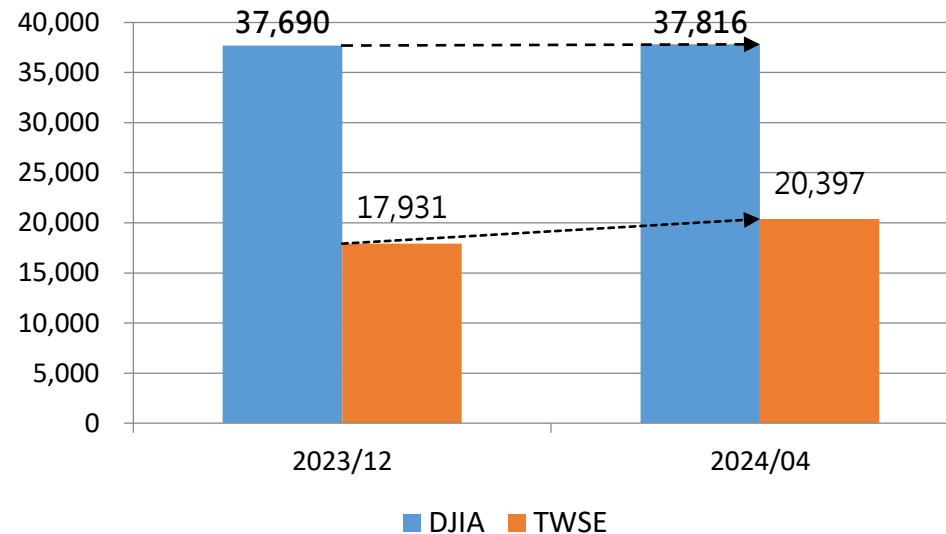
In March, inflation in the U.S. Edged up slightly. The FED has indicated that the probability of a rate cut in June is low, and they are also slowing down the pace of balance sheet reduction.



In March 2024, Taiwan's bank unexpectedly raised interest rates by 0.125%, with a monetary policy stance described as "dovish with a hint of hawkish" while continuing to monitor anticipated inflation.

Macro Economic and Financial Condition in 2024Q1

- The U.S. inflation has ticked up slightly, lowering the probability of a rate cut in June. Taiwan's stock market performance in 2024Q1 was relatively impressive.



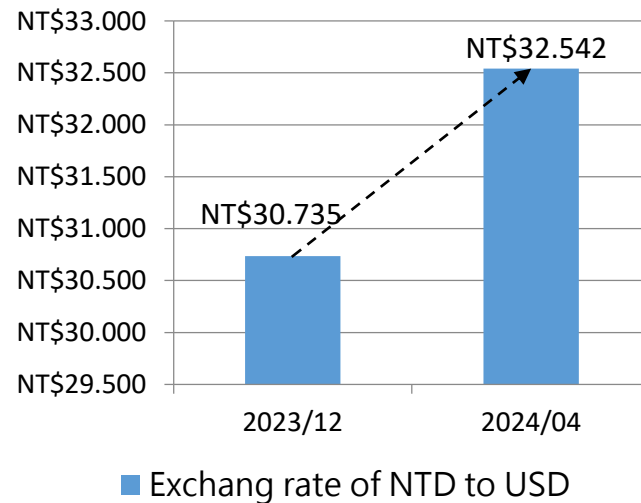
DJIA rose by 0.33% at the end of April 2024 compared with the end of 2023.

TWSE rose by 13.75% at the end of April 2024 compared with the end of 2023.

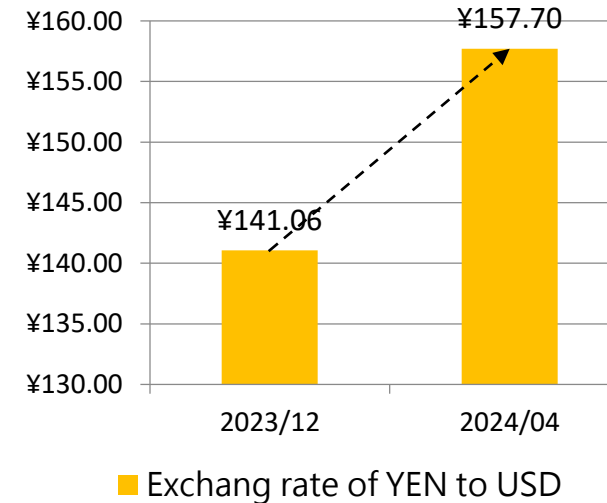
Macro Economic and Financial Condition in 2024Q1

- The US dollar continues to strengthen, pushing the Japanese yen exchange rate to new lows and weighing down the currencies of various Asian countries.

Exchange rate of NTD to USD



Exchange rate of Yen to USD



In April 2024, the exchange rate of New Taiwan dollars to USD was 32.542, went down by 5.55% compared with it in Dec. 2023.

In April 2024, the exchange rate of Japanese Yen to USD was 157.70, went down by 10.55% compared with it in Dec. 2023.



02

Overview of 2024Q1 Business Development

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Overview of 2024Q1 Business Development



Overview of 2024Q1 Business Development

Strategic Focus

Financial Aspect

Striving for revenue and profit growth, improving cost efficiency, and achieving strong financial and sustainable performance.

Customer Aspect

Deepen engagement with high-quality customer segments, innovate diverse services, develop core business, expand sustainable finance and market competitiveness, enhance financial marketing, strengthen increase fee income.

Internal Control

Implement internal control and compliance, effectively prevent money laundering, strengthen information security, and optimize risk management.

Internal Processes

Enhance digital financial transactions and contributions, expand the business promotion influence of B4SI, improve information system and cybersecurity governance, and transition to low-carbon operations.

Learning and Growth

Optimize human capital, actively cultivate key talent, expand international certifications, enhance organizational performance, and strengthen leadership reserves and succession.

Overview of 2024Q1 Business Development

Sustainable Development

Sustainable Finance

Issuing sustainable development bonds, enhancing commitments to sustainable-linked loans, and increasing the proportion of sustainable financing and investment activities.

Green Operations

Continuously promote energy efficiency, carbon reduction, and waste reduction initiatives, increase the proportion of green energy, install rooftop solar panels, obtain green building certification, and achieve ISO certification for international energy resource management and sustainable procurement.

Natural and Climate Risks

Integrating natural climate risks with operational strategies, strengthening high-risk factor assessments, and reducing natural and climate risks.

ESG Thematic Concept

Accelerate digital transformation and actively promote ESG sustainability development through coordinated task division among the six functional teams of the Sustainable Development committee.

Sustainable Development Engagement

Establish the “Sustainable Development Engagement Regulations” to facilitate and encourage collaboration partners to take concrete actions to implement carbon reduction and sustainable development initiatives.

Overview of 2024Q1 Business Development

Steady Business Development

Corporate & Personal

Continuing green investment and green financing, integrating corporate financial resources, incorporating the concept of enterprise succession, and seizing opportunities in CRS and CFC. Promoting green loans, aligning with an omnichannel strategy, and strengthening cooperative marketing efforts.

Customer Finance

" Transfer to Wealth Management Dept. " has obtained regulatory approval to continue operations until Dec. 2025, aiming to increase asset under management and to plan the development of relevant financial products and services targeted at high-net-worth clients as per regulatory guidelines.

Capital Management

Implement risk-weighted asset(RWA) limit management for business units and regional centers, enhance the performance assessment weight for branch development of low-cost capital fee income, and strengthen capital adequacy.

Treasury Finance

Enhance and optimize financial transaction systems, attract top talent in finance and trading, strengthen research and trading, strengthen research and development of financial products, and enhance treasury marketing.

Overview of 2024Q1 Business Development

Social Evaluation and Honors

- Our bank has been included in the constituents of the DJSI “World Index” and “Emerging Markets Index”. These indices evaluate the sustainability performance of global companies based on ESG.
- Honored to be selected in the S&P Global 2024 Sustainability Yearbook as one of the top 5.
- Awarded the “Post-Pandemic Recovery Award” and the “Credit Insurance Advancement Award” from the TSMEG.
- Our bank has been included in the constituent stocks of the Yuanta Taiwan High Dividend ETF. This index selects 50 stocks based on criteria including high dividends, stable operations, high ROE, strong profitability, and potential for sustained growth.
- Received a CDP(Carbon Disclosure Project) questionnaire rating of Management Level -B.



03

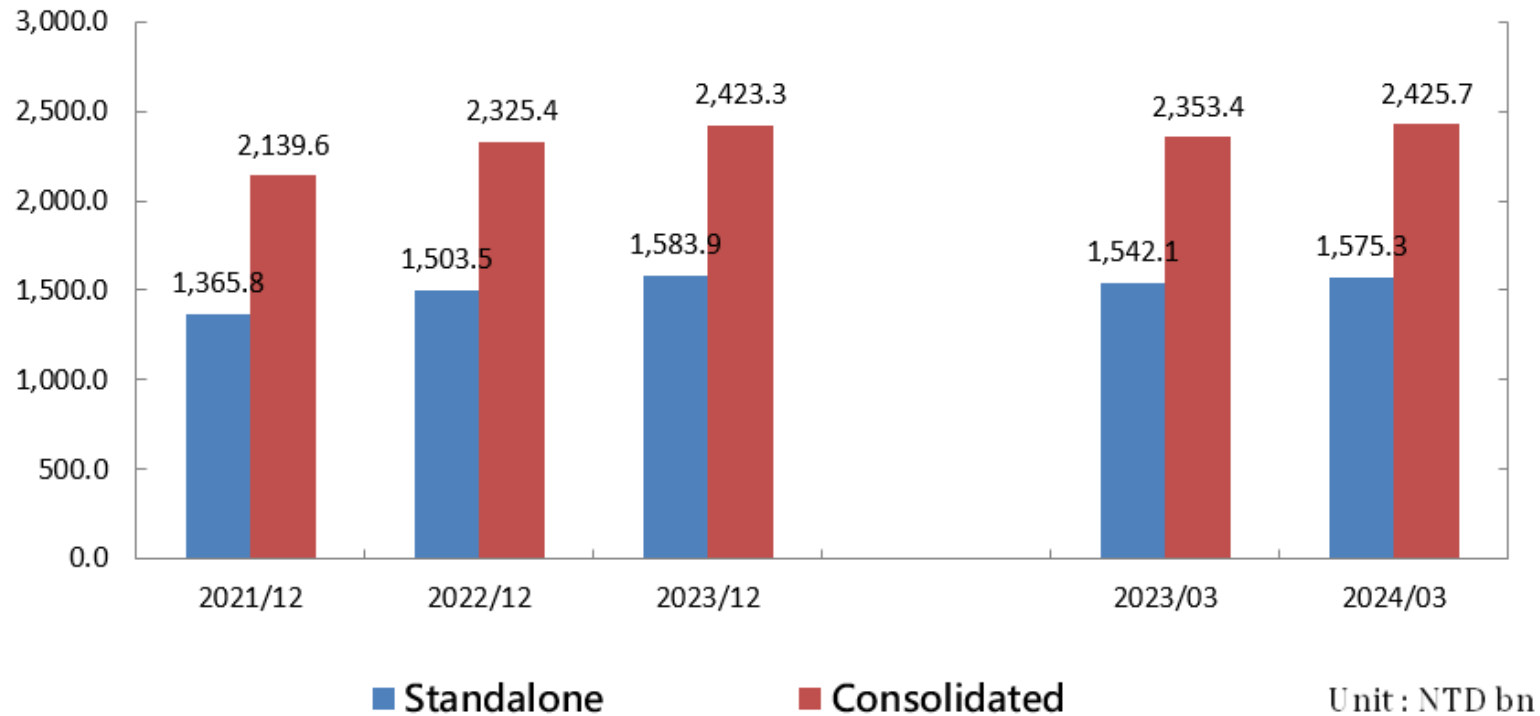
Overview of 2024Q1 Financial Performance

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

2024Q1 standalone operating results

Unit: NTD		2024Q1	2023Q1	Rate of change
Profitability	Net income	4.33bn	4.26bn	+1.76%
	EPS	0.89	0.88	+1.14%
	Annualized Pretax ROA	1.28%	1.26%	+0.02%
	Annualized Pretax ROE	10.74%	11.10%	-0.36%
Safety	NPL ratio	0.56%	0.17%	+0.39%
	Coverage ratio	237.97%	872.84%	-634.87%
Liquidity	Liquidity reserve ratio	30.00%	32.37%	-2.37%
	Loan to deposit ratio	69.65%	68.62%	+1.03%
Capital Adequacy	CET 1 capital ratio	12.02%	12.13%	-0.11%
	Tier 1 capital ratio	12.83%	12.98%	-0.15%
	BIS capital adequacy ratio	15.60%	15.88%	-0.28%

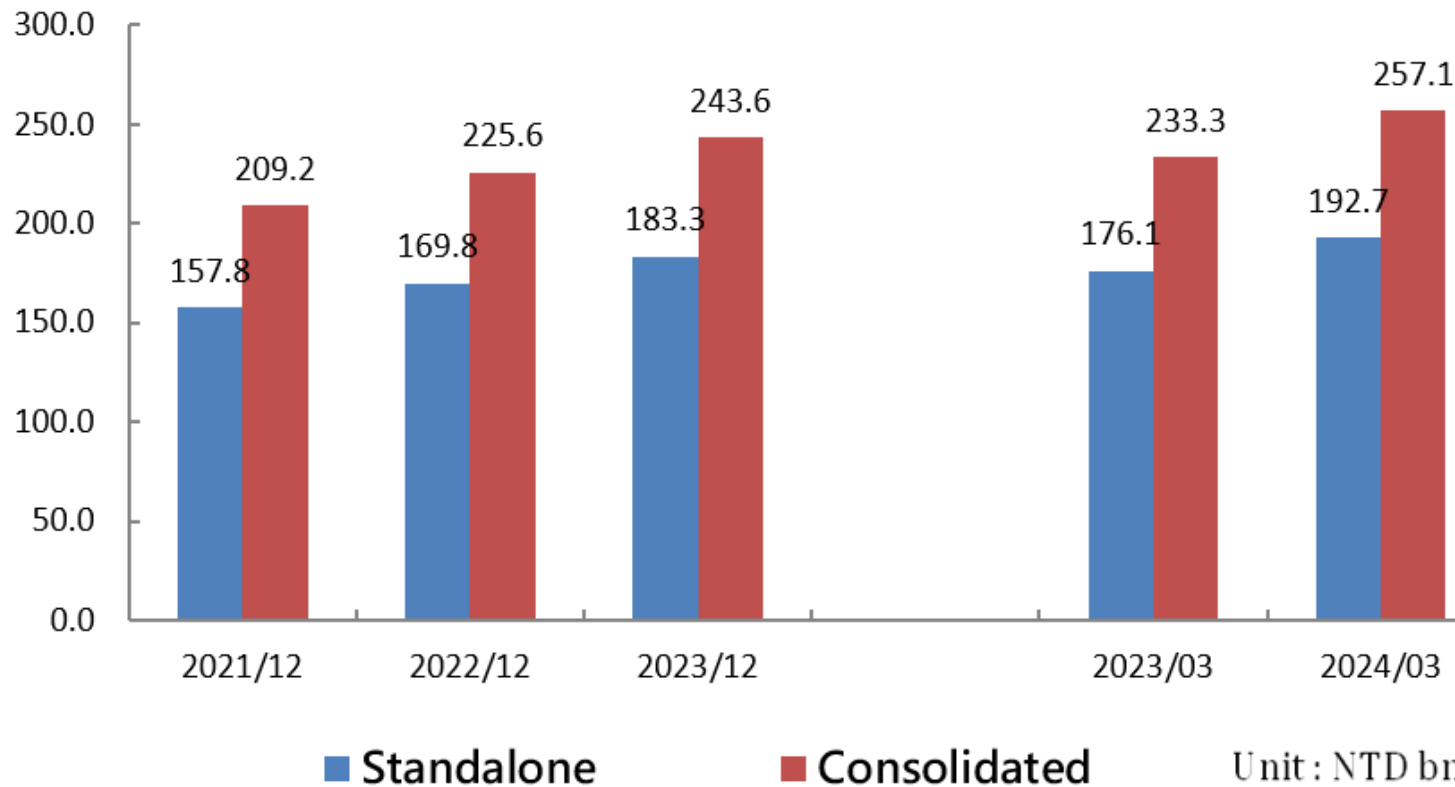
Asset



YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Standalone	+33.1bn	+2.1%
Consolidated	+72.3bn	+3.1%

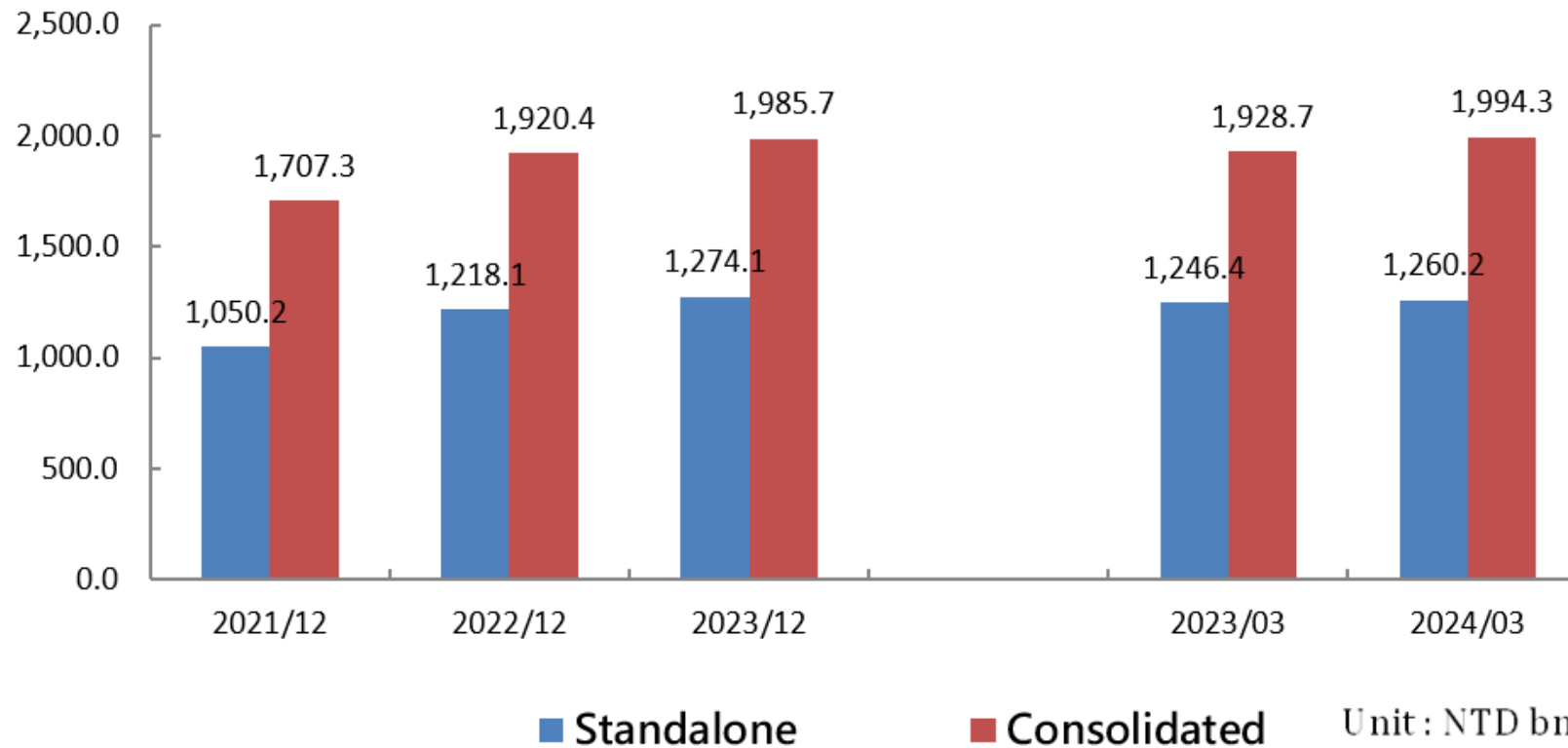
Equity



YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Standalone	+16.6bn	+9.4%
Consolidated	+23.8bn	+10.2%

Deposit

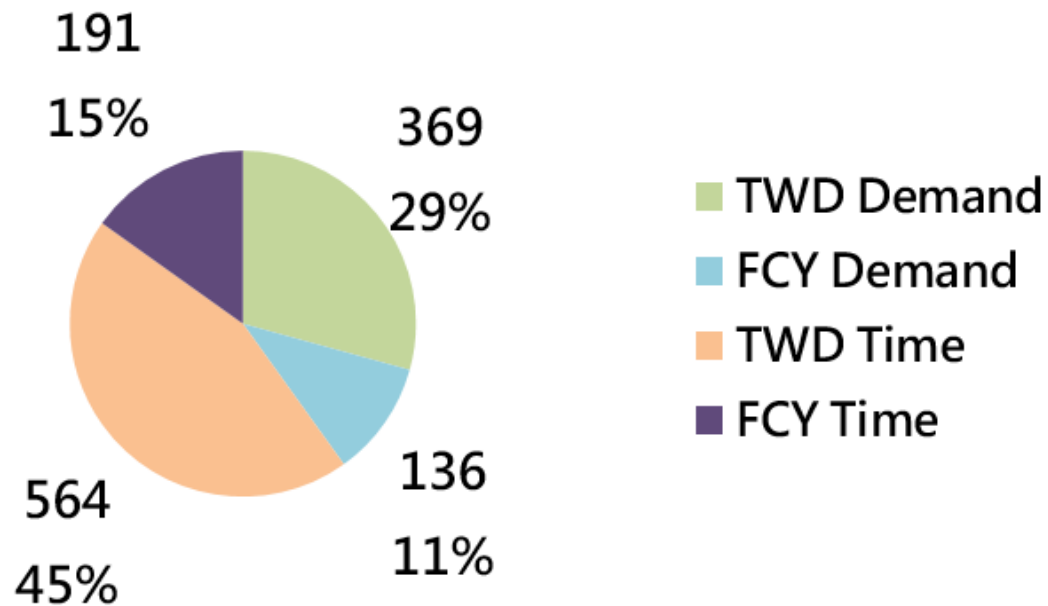


YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Standalone	+13.8bn	+1.1%
Consolidated	+65.6bn	+3.4%

Deposit breakdown

- Standalone(2024/03) Unit: NTD bn

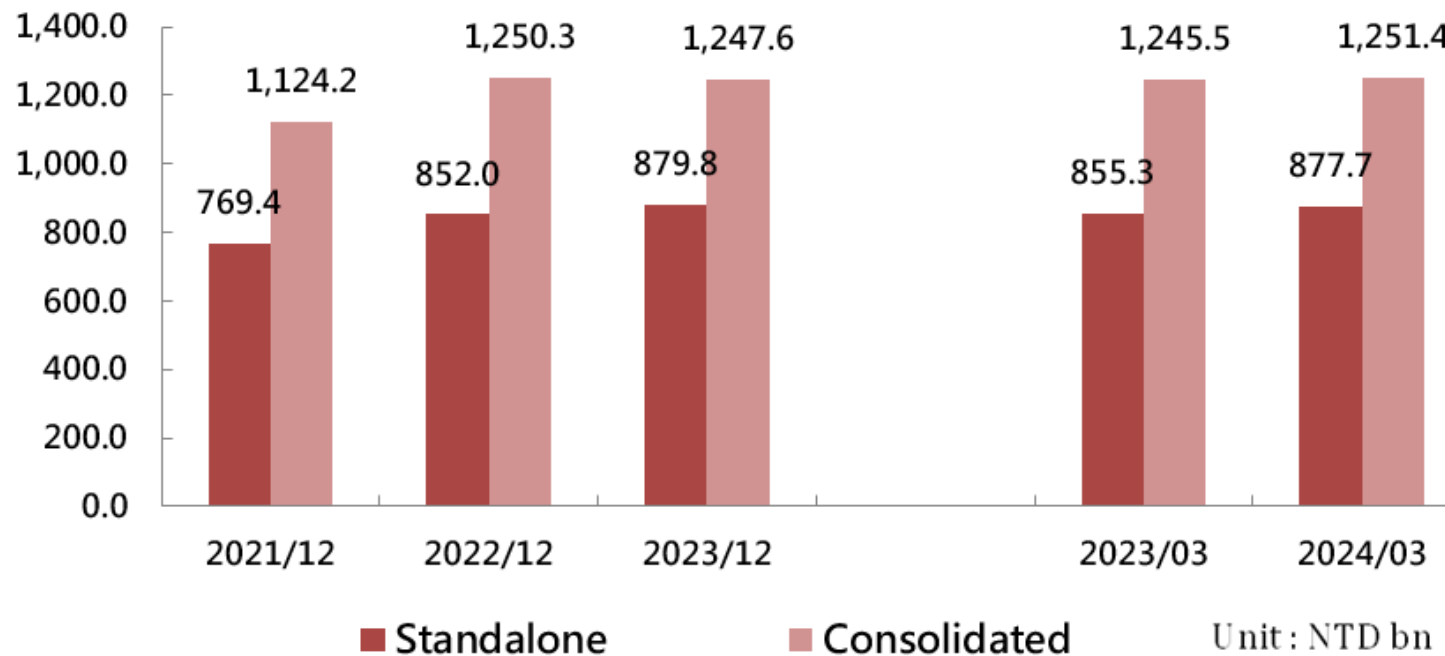


Total: NTD 1,260 bn

YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
TWD Demand	-5.6bn	-1.5%
FCY Demand	-13.1bn	-8.8%
TWD Time	+21.5bn	+4.0%
FCY Time	+11.0bn	+6.1%
Total	+13.8bn	+1.1%

Loan



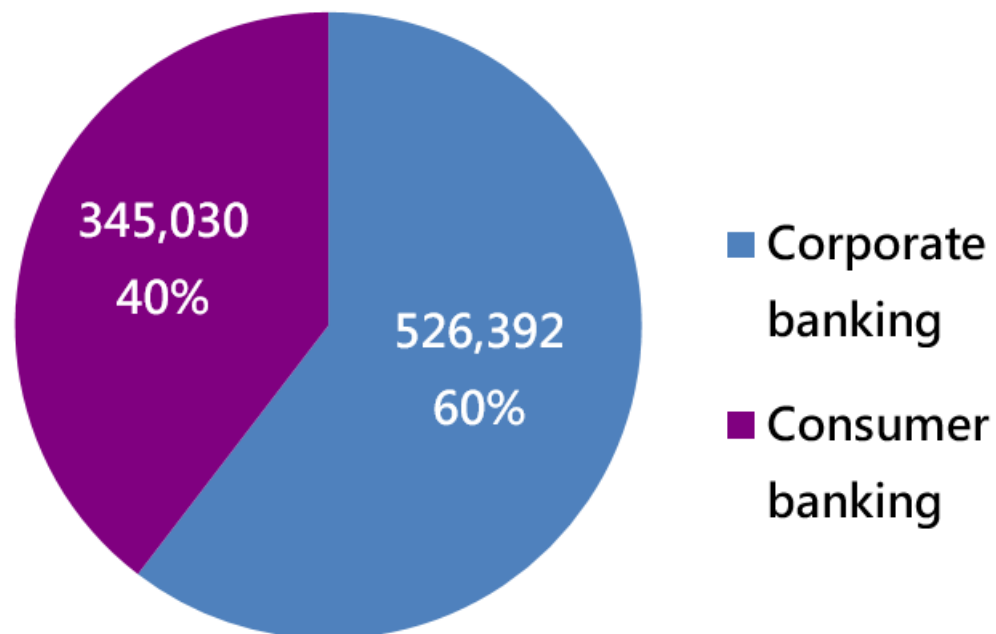
*Inward/outward documentary bills and Non-performing loans are included.

YoY comparison 2024/03 vs. 2023/03

	Amount Growth rate	
Standalone	+22.4bn	+2.6%
Consolidated	+5.9bn	+0.5%

Loan breakdown by business

- Standalone (2024/03) Unit: NTD mn



Total: NTD871,422mn*

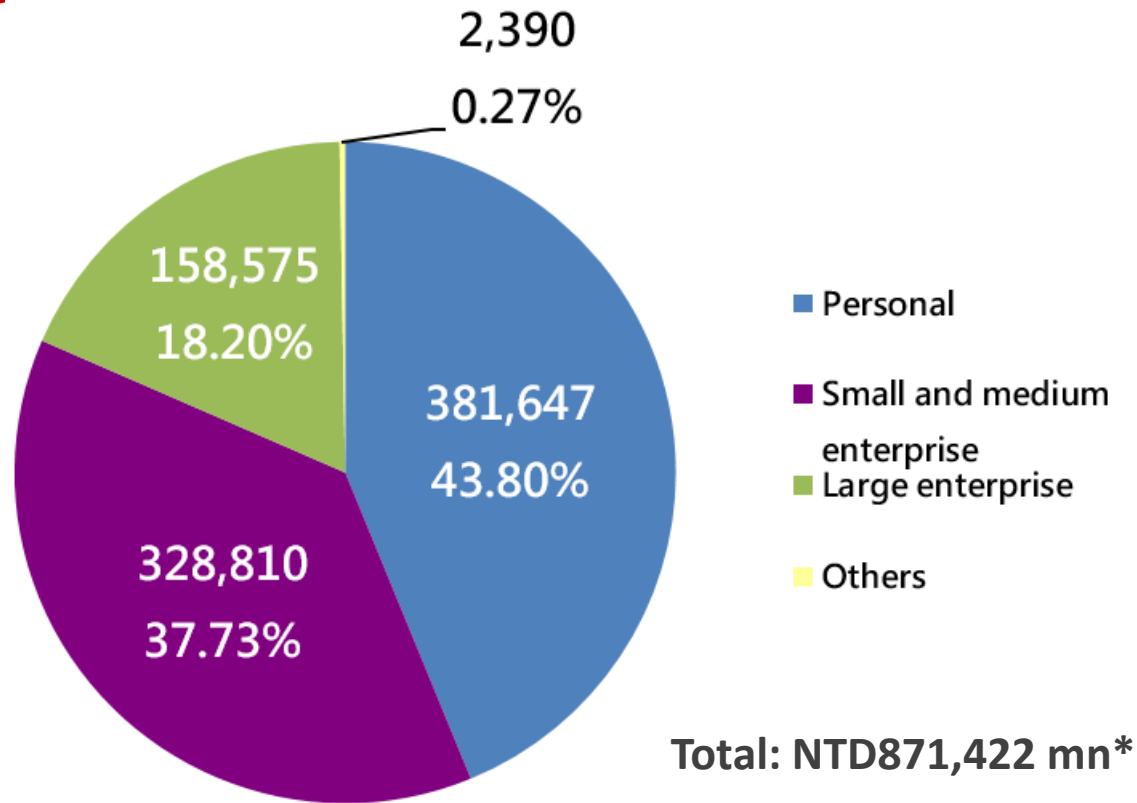
YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Corporate banking	+2,946mn	+0.6%
Consumer banking	+16,487mn	+5.0%
Total	+19,433mn	+2.3%

*Inward/outward documentary bills and Non-performing loans are excluded.

Loan breakdown by customer profile

• Standalone(2024/03) Unit: NTD mn



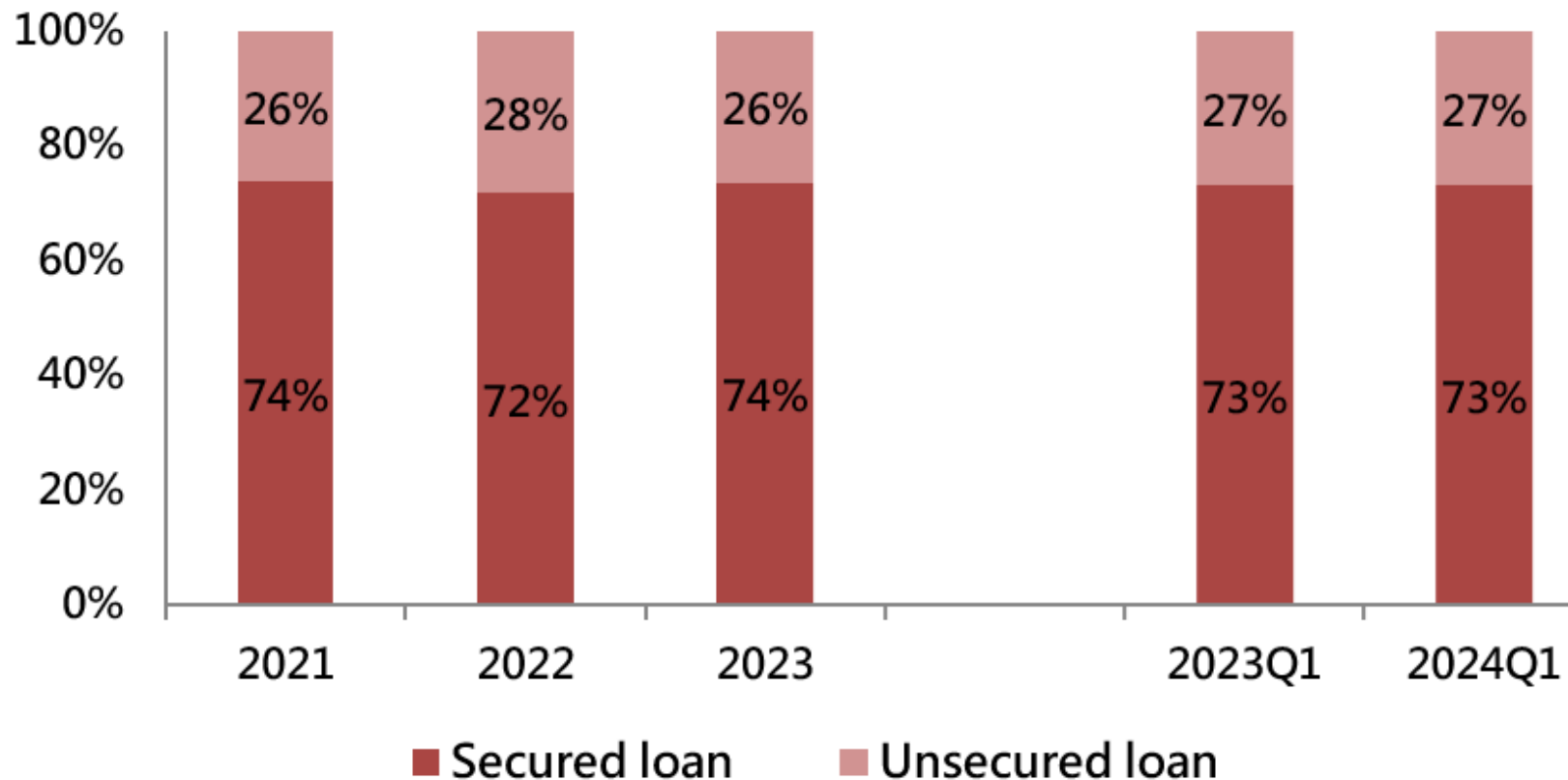
YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Personal	+14,914mn	+4.1%
Small and medium enterprise	+3,892mn	+1.2%
Large enterprise	+1,693mn	+1.1%
Others	-1,066mn	-30.8%
Total	+19,433mn	+2.3%

*Inward/outward documentary bills and Non-performing loans are excluded.

Loan breakdown by type

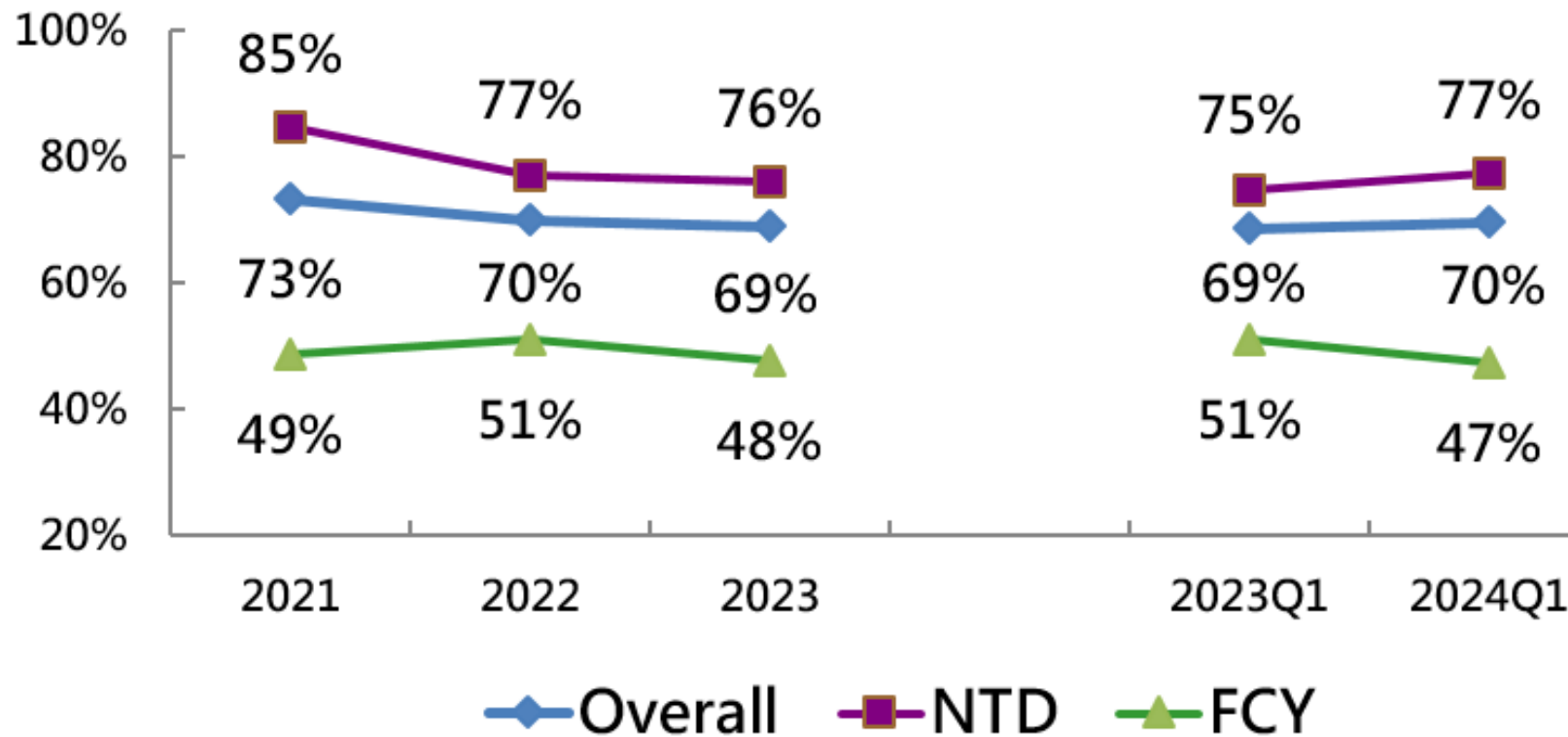
- Standalone



*Inward/outward documentary bills and Non-performing loans are included.

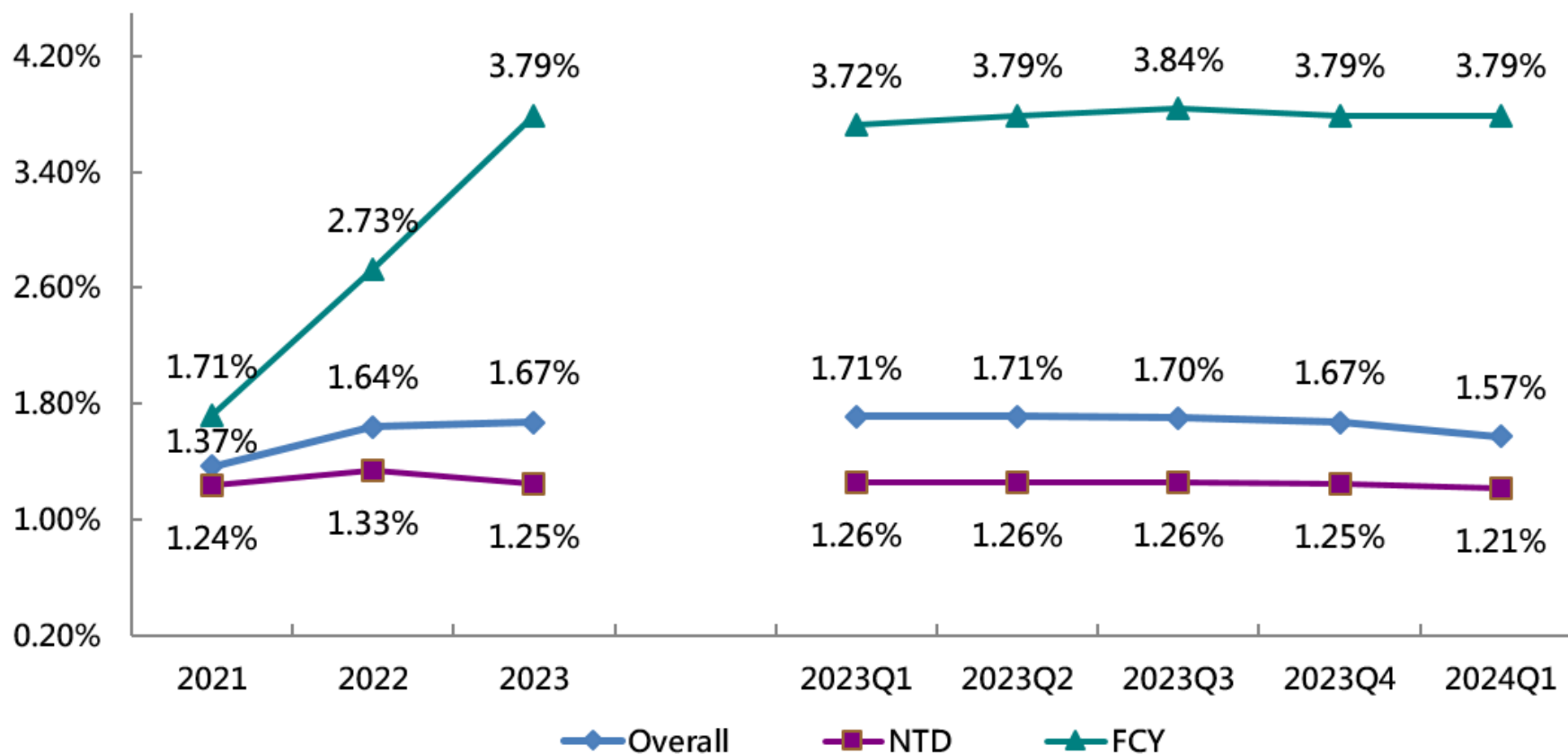
Loan to deposit ratio

- Standalone



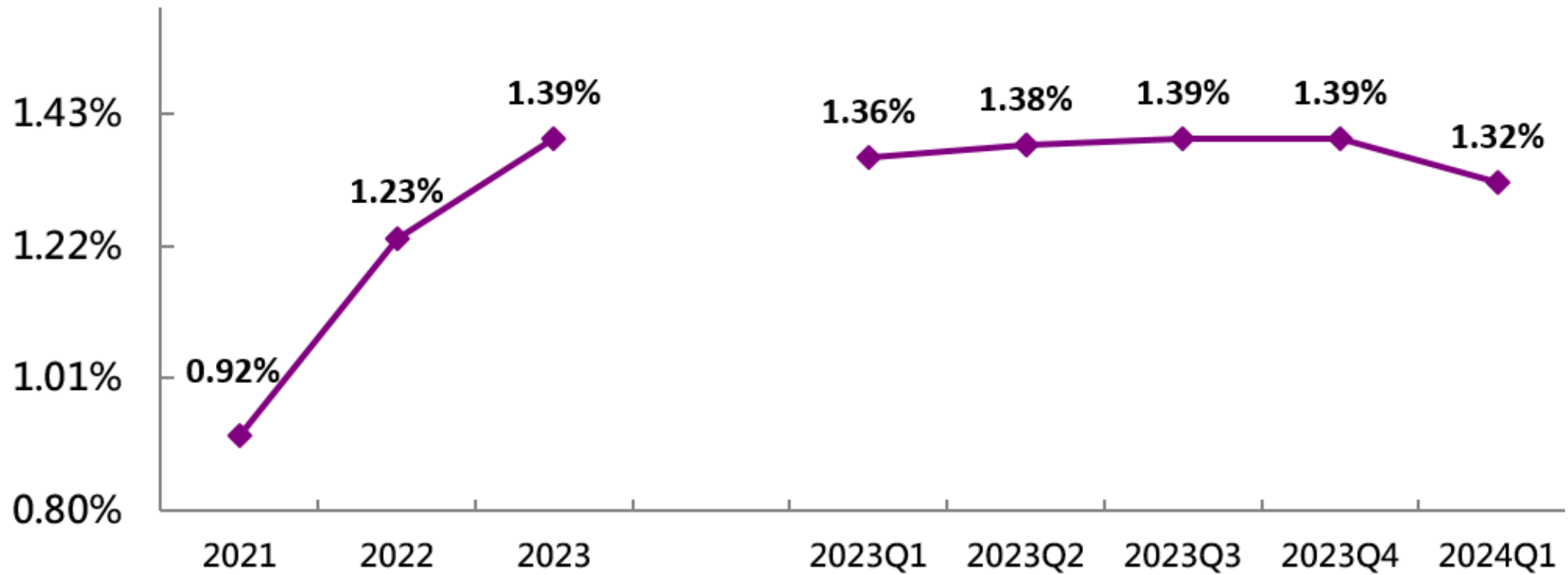
Interest spread

- Standalone



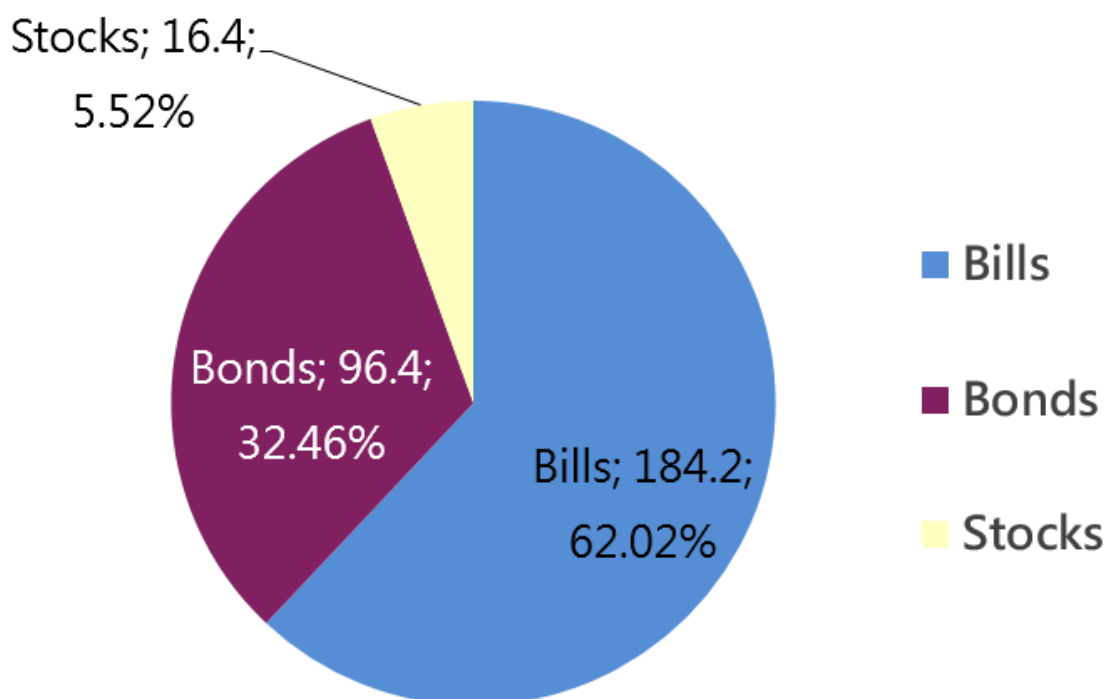
Net interest margin

- Standalone



Investment composition

- Standalone-NTD investment (2024/03) Unit: NTD bn



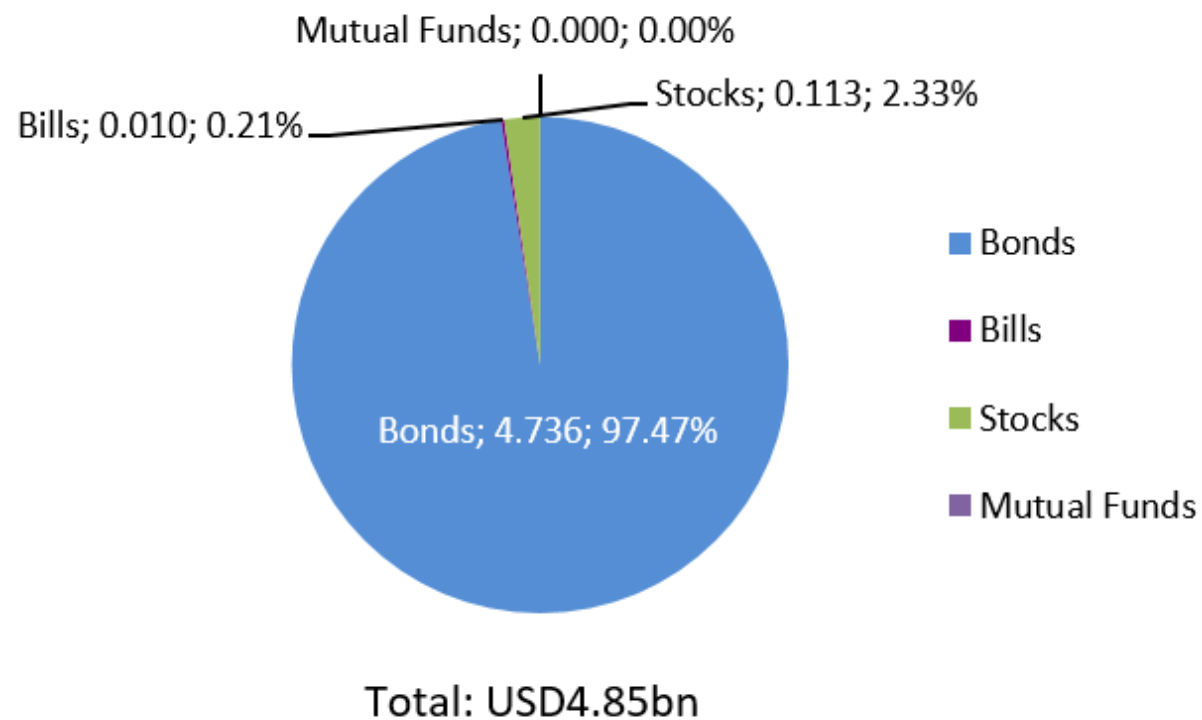
YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Bills	-441bn	-19.3%
Bonds	+57bn	+6.3%
Stocks	+30bn	+22.4%
Total	-354bn	-10.7%

Note: Long-term equity investment NTD96.8bn excluded.
Total: NTD297bn

Investment composition

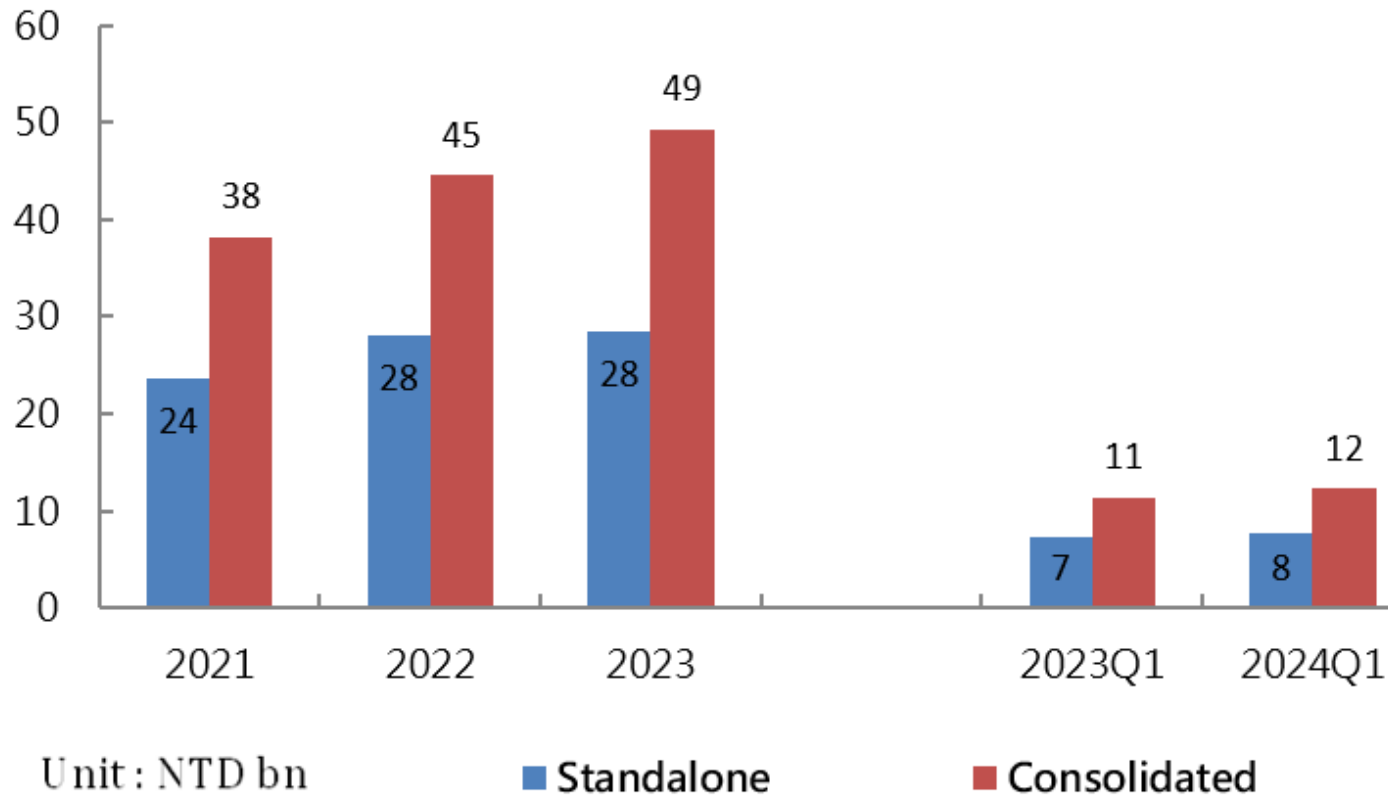
- Standalone-FCY investment (2024/03) Unit : USD bn



YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Bonds	+8.49億元	+21.8%
Bills	-0.07億元	-41.2%
Stocks	+1.09億元	+2725.0%
Mutual Funds	-0.03億元	-100.0%
Total	+9.48億元	+24.2%

Net revenue

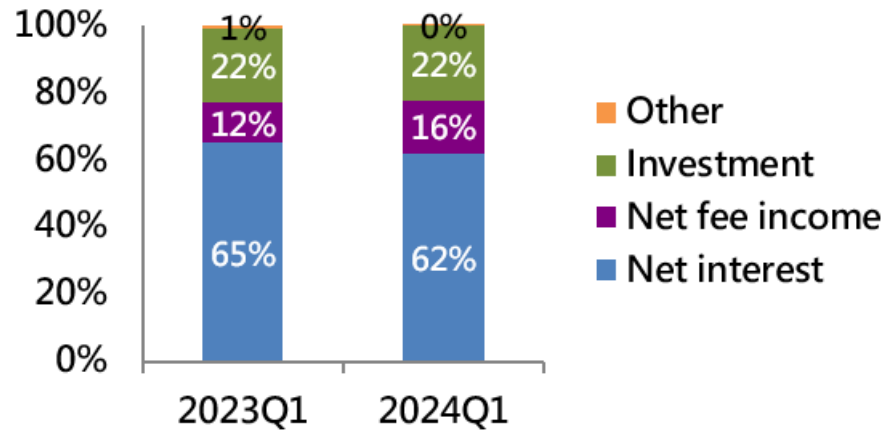


YoY comparison 2024/03 vs. 2023/03

	Amount	Growth rate
Standalone	+0.5bn	+6.5%
Consolidated	+1.0bn	+8.3%

Net revenue breakdown

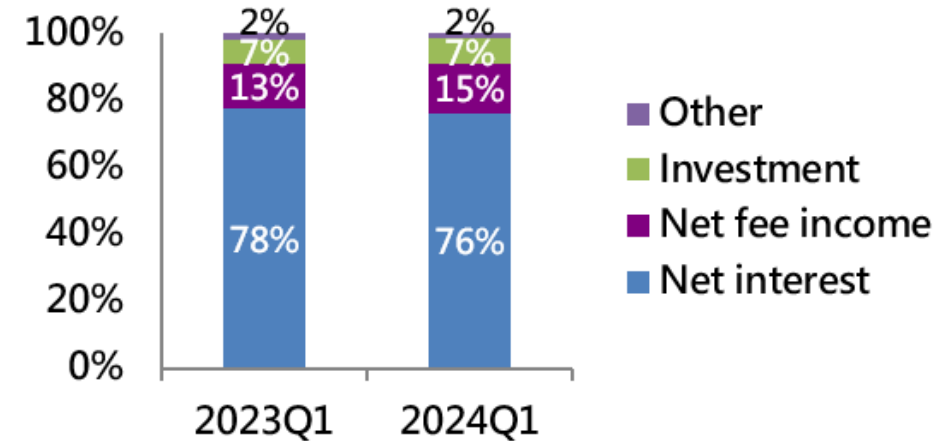
• Standalone



YoY comparison
2024/Q1 vs. 2023/Q1

	Amount	Growth rate
Net interest	+0.0bn	+0.4%
Net fee income	+0.4bn	+46.3%
Investment	+0.1bn	+7.5%
Other	-0.1bn	-69.4%
Total	+0.5bn	+6.5%

• Consolidated

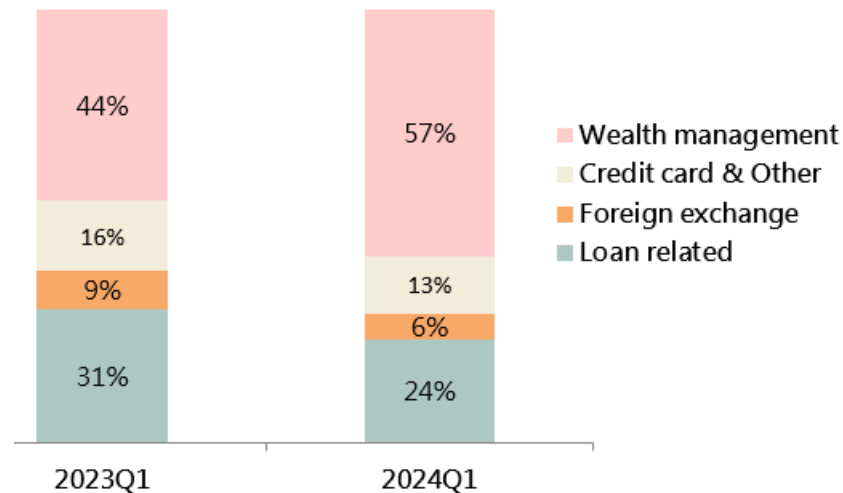
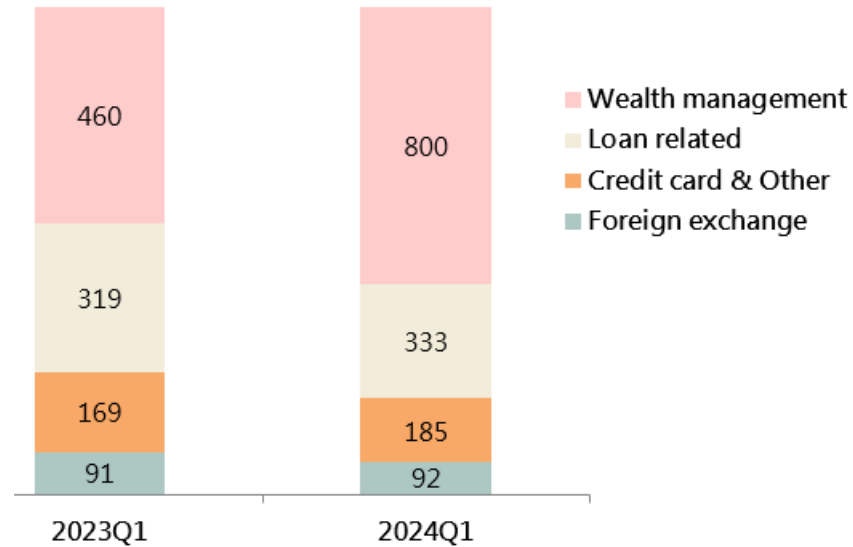


YoY comparison
2024/Q1 vs. 2023/Q1

	Amount	Growth rate
Net interest	+0.5bn	+6.0%
Net fee income	+0.4bn	+24.8%
Investment	+0.1bn	+13.6%
Other	-0.1bn	-24.6%
Total	+1.0bn	+8.3%

Fee income

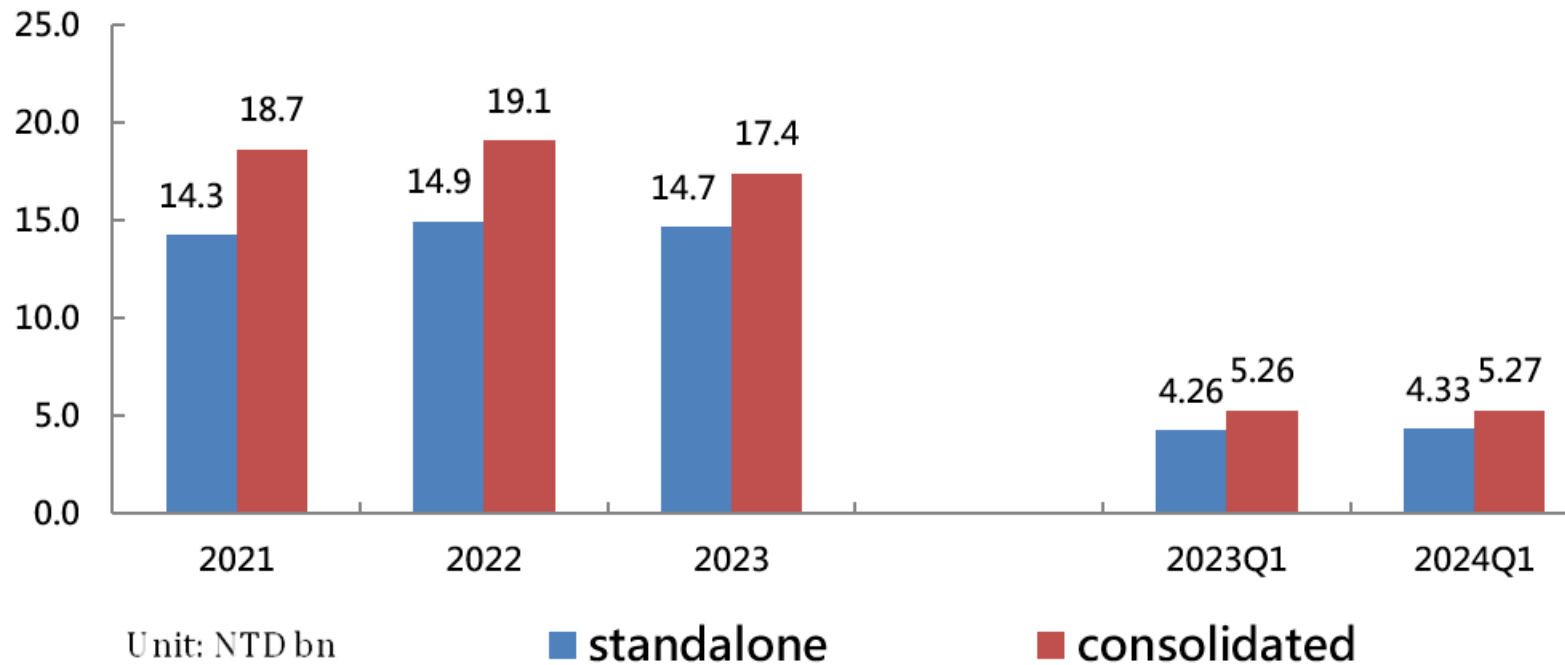
Unit: NTD mn



YoY comparison

Business type	Amount	Growth rate
Loan related	+14mn	+4.4%
Foreign exchange	+1mn	+1.1%
Wealth management	+340mn	+73.9%
Credit card & Other	+16mn	+9.5%
Total	+371mn	+35.7%

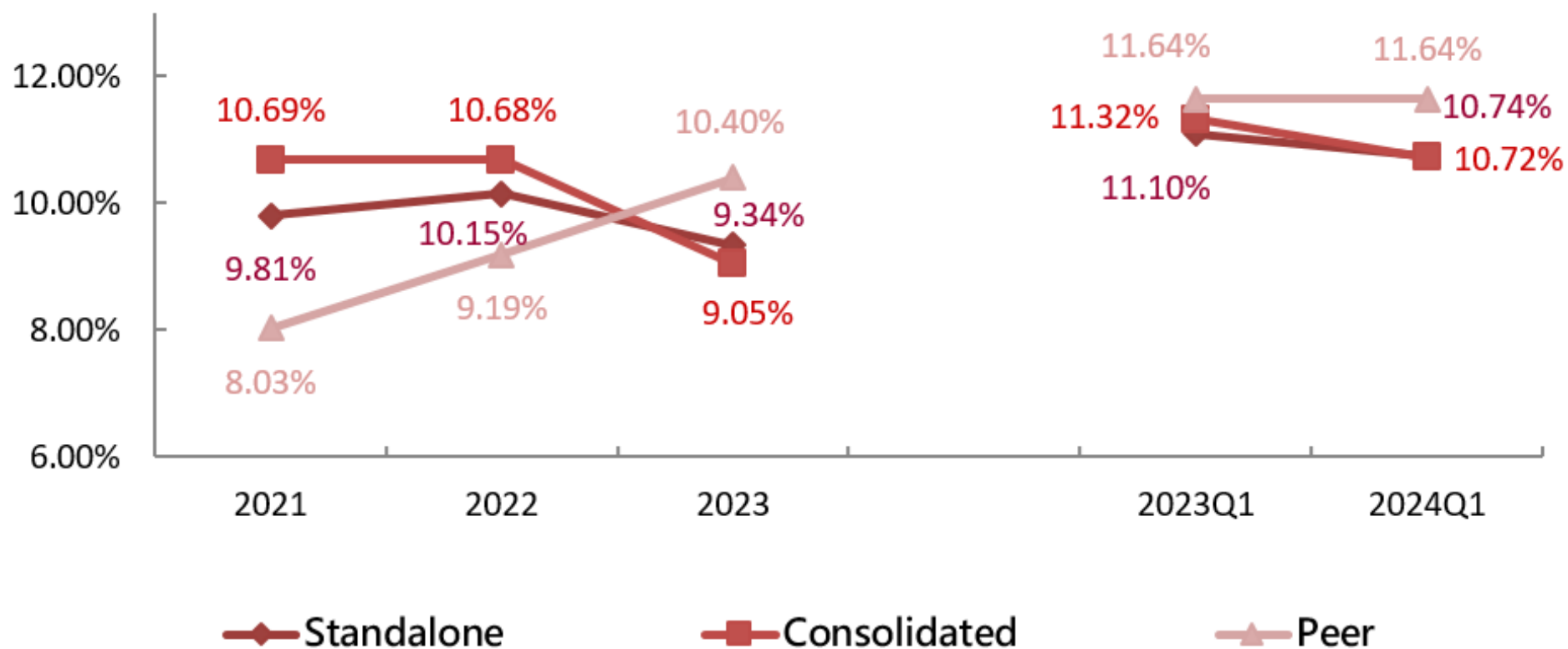
Net income



YoY comparison 2024/Q1 vs. 2023/Q1

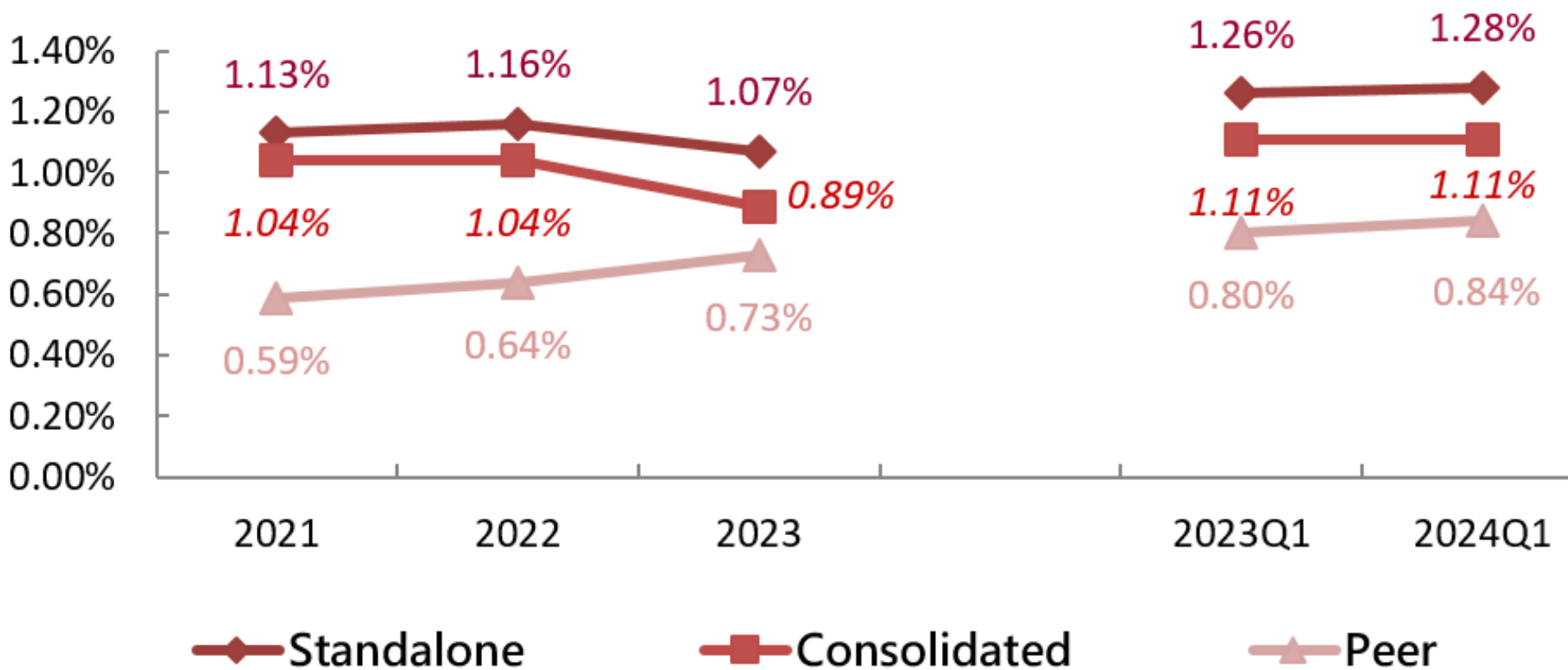
	Amount	Growth rate
standalone	+0.07bn	+1.7%
consolidated	+0.01bn	+0.3%

Pretax ROE



*2024Q1 vs. 2023Q1 has been annualized.

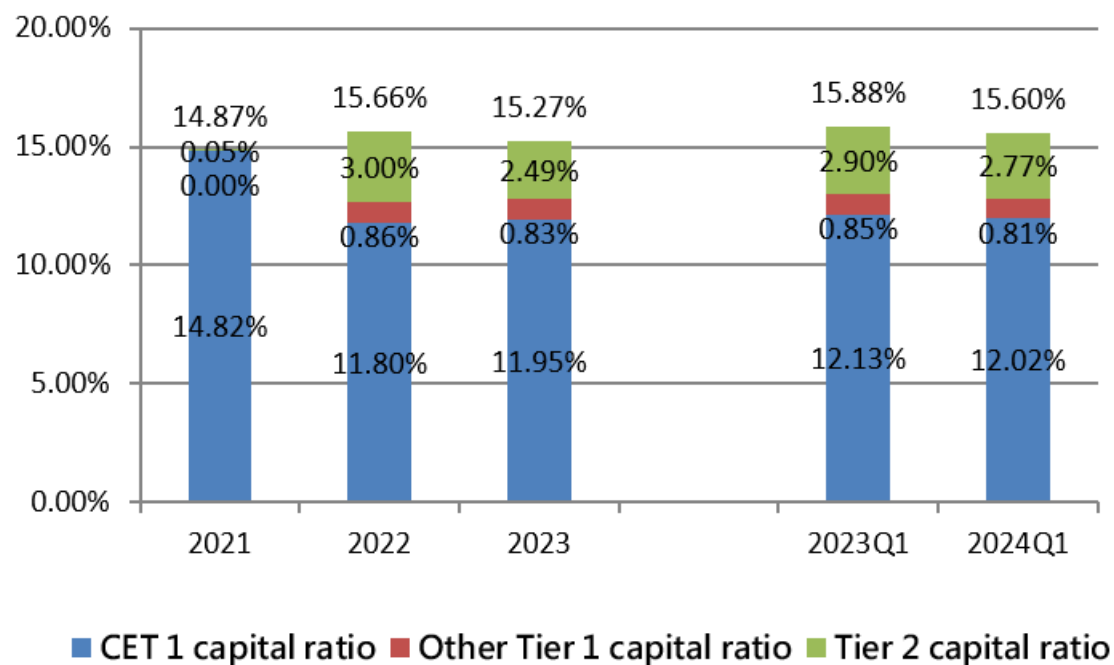
Pretax ROA



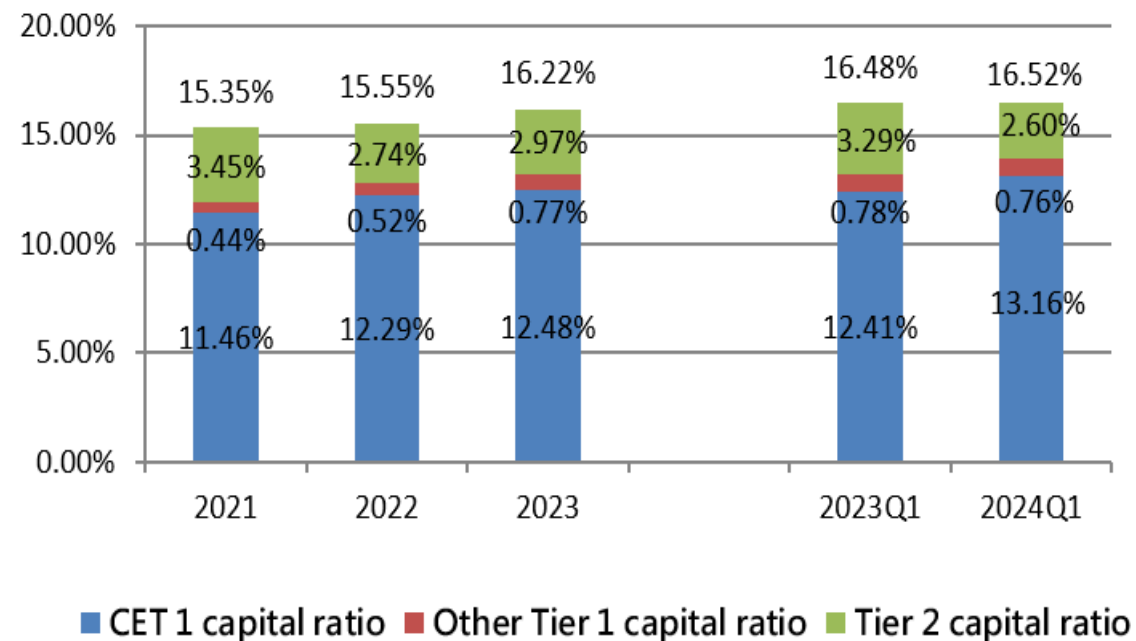
*2024Q1 vs. 2023Q1 has been annualized.

Capital adequacy ratio

- Standalone

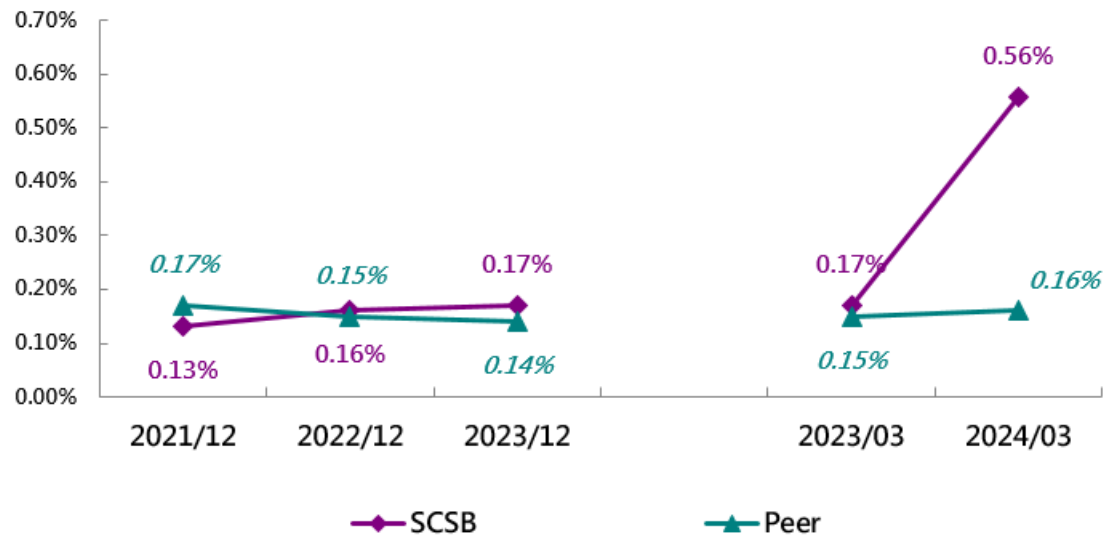


- Consolidated

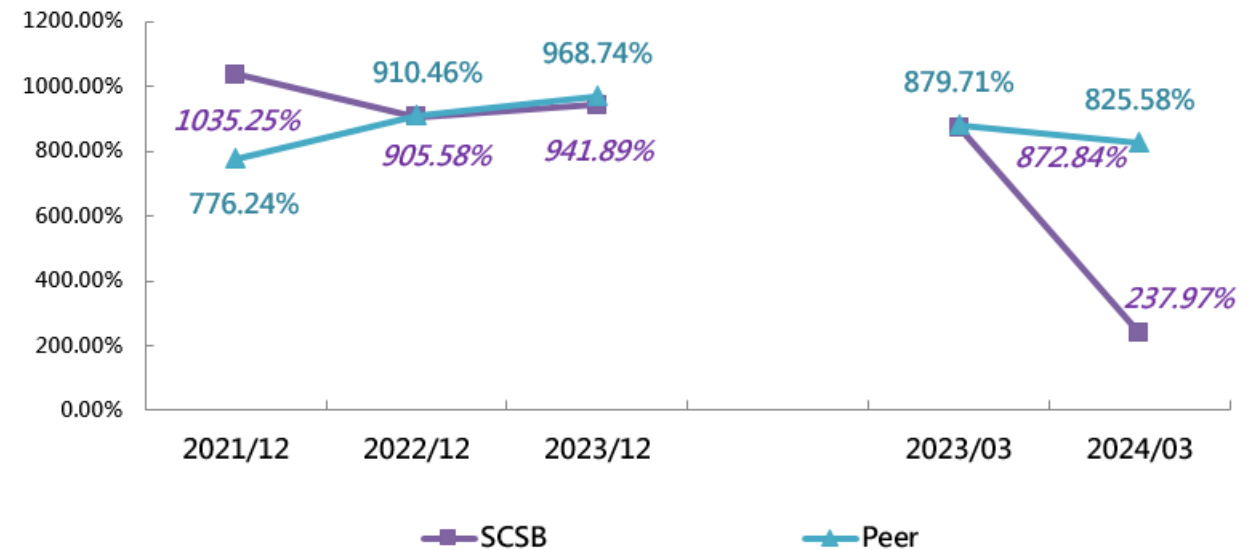


Non-performing loan ratio & Coverage Ratio

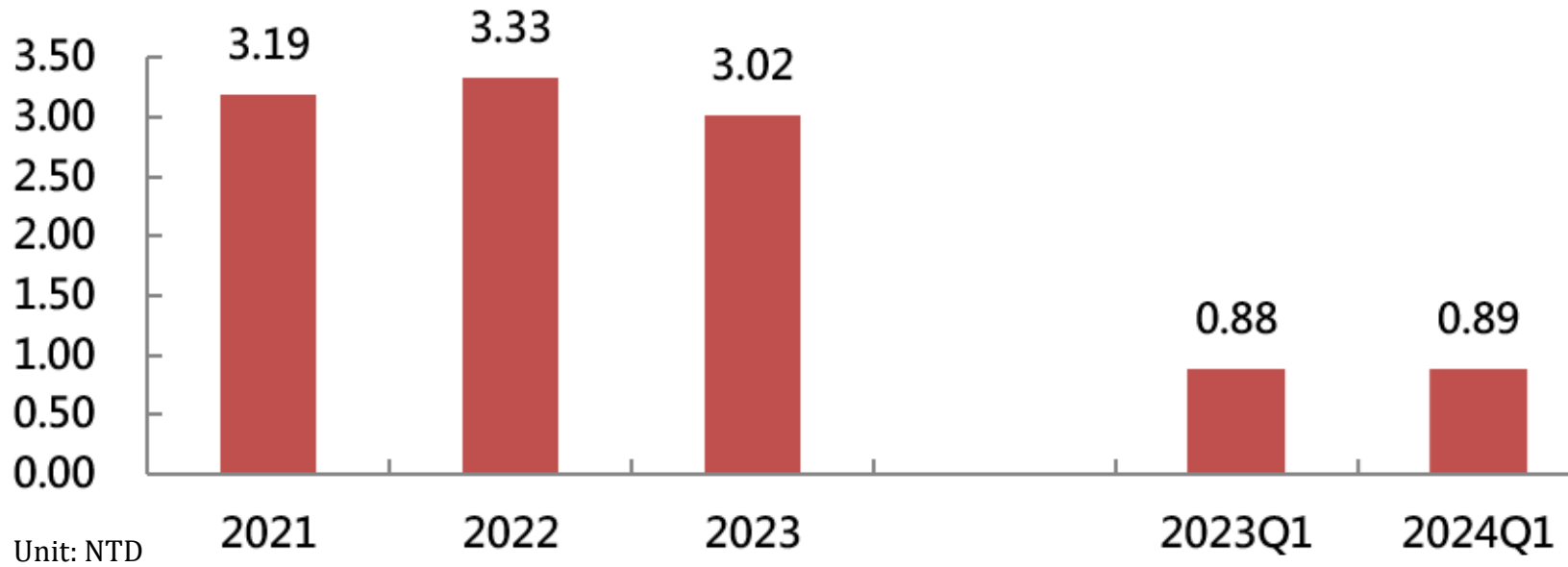
- Standalone-Non-performing loan ratio



- Standalone-Coverage Ratio



Earning per share



Year	2021	2022	2023	2023Q1	2024Q1
Net worth Per Share	35.3	35.0	37.8	36.3	39.74
Avg. stock price	43.48	48.65	45.25	46.43	45.97

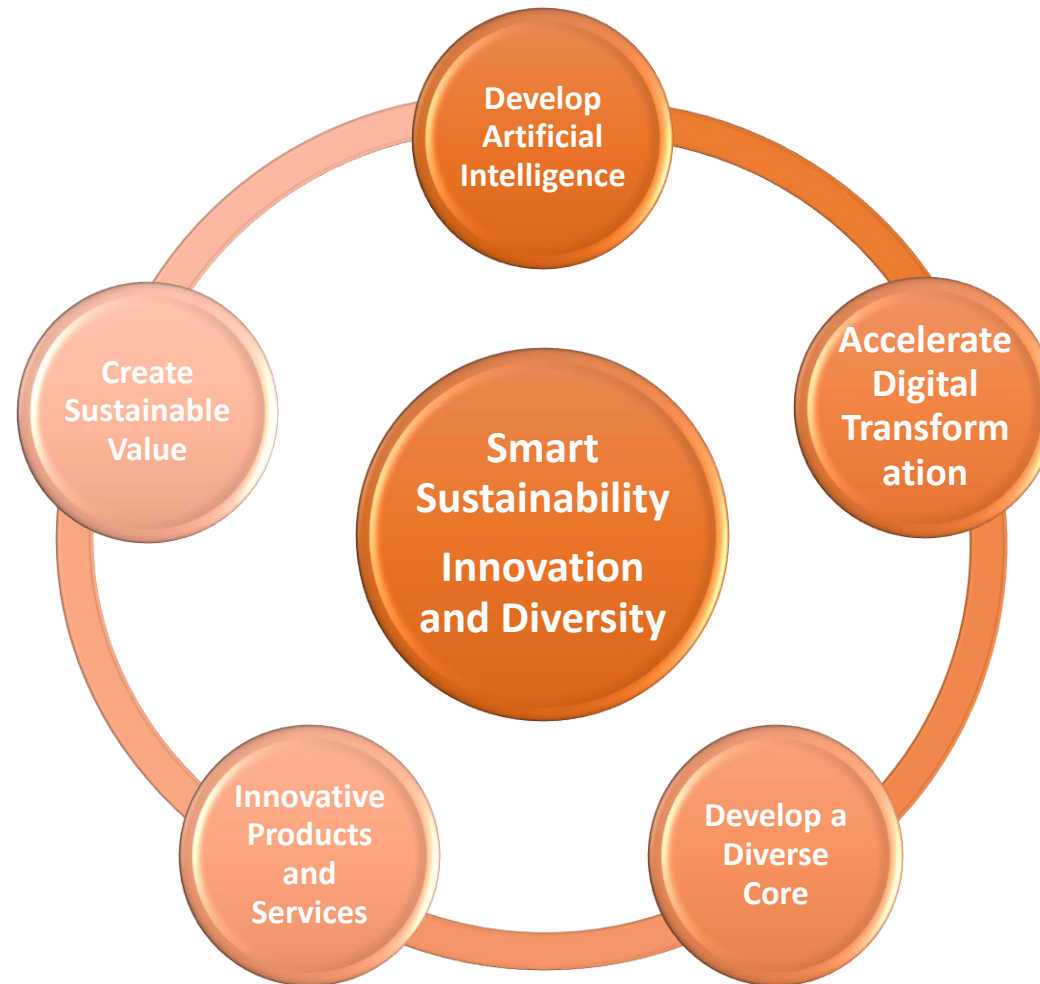


04

Business Strategy Focus in 2024H2

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Business Strategy Focus in 2024H2



Business Strategy Focus in 2024H2

Overall Operations

- Integrity and steady operation, balanced and healthy growth, equal emphasis on operation and management, and sound financial business.

Pathway Development

- Continue to expand in the Asia-Pacific, deepen the tri-Shanghai Banks alliance, optimize cross-border finance, and improve the service network.

Business Expansion

- Develop diversified cores, strengthen financial operations, deepen high-end financial management, and increase non-interest income.

Customer Management

- Treat customers fairly, deepen customer relationships, focus on high-quality customer groups, and promote integrated marketing.

Digital Finance

- Make good use of smart technology to accelerate digital transformation, build scenario finance, and promote inclusive finance.

Business Strategy Focus in 2024H2

Information Technology

- Stabilize system maintenance, upgrade core systems, strengthen information utilization, and streamline information security management.

Risk Management

- Optimize risk management, improve early warning capabilities, stabilize asset quality, and strengthen capital management.

Human Resources

- Recruit diverse talents, strengthen core functions, reserve supervisors for succession, and cultivate human capital.

Internal Management

- Improve internal control, implement three lines of defense, strengthen legal compliance culture, and implement money laundering prevention and control.

Sustainable Development

- Practice responsible finance, promote sustainable finance, fulfill social responsibilities, and innovate sustainable value.



Thank you



Appendix:

***Concise Balance Sheet & Income
Statement (Standalone &
Consolidated) 2024Q1***

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Standalone balance sheet

Unit: NTD bn

	2024.03.31	2023.03.31	YoY comparison	
Cash, CD, interbank deposits and RS	120.27	129.26	-8.99	-7%
Financial assets	550.17	534.09	+16.08	+3%
Discounts and loans, net	866.23	843.06	+23.17	+3%
Properties, net	14.78	13.31	+1.47	+11%
Other assets	23.80	22.43	+1.38	+6%
Total assets	1,575.26	1,542.15	+33.11	+2%
Due to the central bank and banks	10.28	10.71	-0.43	-4%
Deposits and remittances	1,260.46	1,246.54	+13.91	+1%
Bank debentures and financial liabilities	68.41	65.03	+3.38	+5%
Other liabilities	43.37	43.81	-0.44	-1%
Total liabilities	1,382.52	1,366.09	+16.43	+1%
Shareholder' s equity	192.74	176.05	+16.69	+9%

Standalone income statement

Unit: NTD mn

	2024Q1	2023Q1	YoY comparison	
Net interest	4,788.13	4,769.13	+19.00	+0%
Net fee income	1,214.09	829.71	+384.38	+46%
Other income	1,773.88	1,705.77	+68.11	+4%
Net revenue	7,776.10	7,304.61	+471.49	+6%
Operating expense	2,426.55	2,204.48	+222.07	+10%
Profit before bad debt expense	5,349.55	5,100.13	+249.42	+5%
Bad debt expense	300.00	300.00	+0.00	+0%
Pretax profit	5,049.55	4,800.13	+249.42	+5%
Income tax	715.02	539.95	+175.08	+32%
Net income	4,334.53	4,260.19	+74.34	+2%
Earning per share (NTD)	0.89	0.88	0.01	+1%

Consolidated balance sheet

Unit: NTD bn

	2024.03.31	2023.03.31	YoY comparison	
Cash, CD, interbank deposits and RS	455.45	407.81	+47.65	+12%
Financial assets	662.86	649.97	+12.89	+2%
Discounts and loans, net	1,236.58	1,229.26	+7.32	+1%
Properties, net	31.23	28.84	+2.39	+8%
Other assets	39.58	37.50	+2.08	+6%
Total assets	2,425.70	2,353.38	+72.33	+3%
Due to the central bank and banks	34.08	45.98	-11.90	-26%
Deposits and remittances	1,994.64	1,928.82	+65.82	+3%
Bank debentures and financial liabilities	81.84	89.41	-7.57	-8%
Other liabilities	58.00	55.87	+2.13	+4%
Total liabilities	2,168.56	2,120.08	+48.48	+2%
Shareholder' s equity	257.15	233.29	+23.85	+10%

Consolidated income statement

Unit: NTD mn

	2024Q1	2023Q1	YoY comparison	
Net interest	9,391.88	8,856.87	+535.02	+6%
Net fee income	1,850.42	1,482.37	+368.05	+25%
Other income	1,099.16	1,051.80	+47.36	+5%
Net revenue	12,341.46	11,391.04	+950.43	+8%
Operating expense	4,934.54	4,376.13	+558.41	+13%
Profit before bad debt expense	7,406.92	7,014.91	+392.01	+6%
Bad debt expense	698.68	521.20	+177.48	+34%
Pretax profit	6,708.24	6,493.71	+214.54	+3%
Income tax	1,438.61	1,237.92	+200.69	+16%
Net income	5,269.63	5,255.79	+13.85	+0%