

Shinkong Insurance Investors Presentation

2023/12/21



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新光產物保險
SHINKONG INSURANCE

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Future Outlook

Company Overview

Company Profile



新光產物保險
SHINKONG INSURANCE

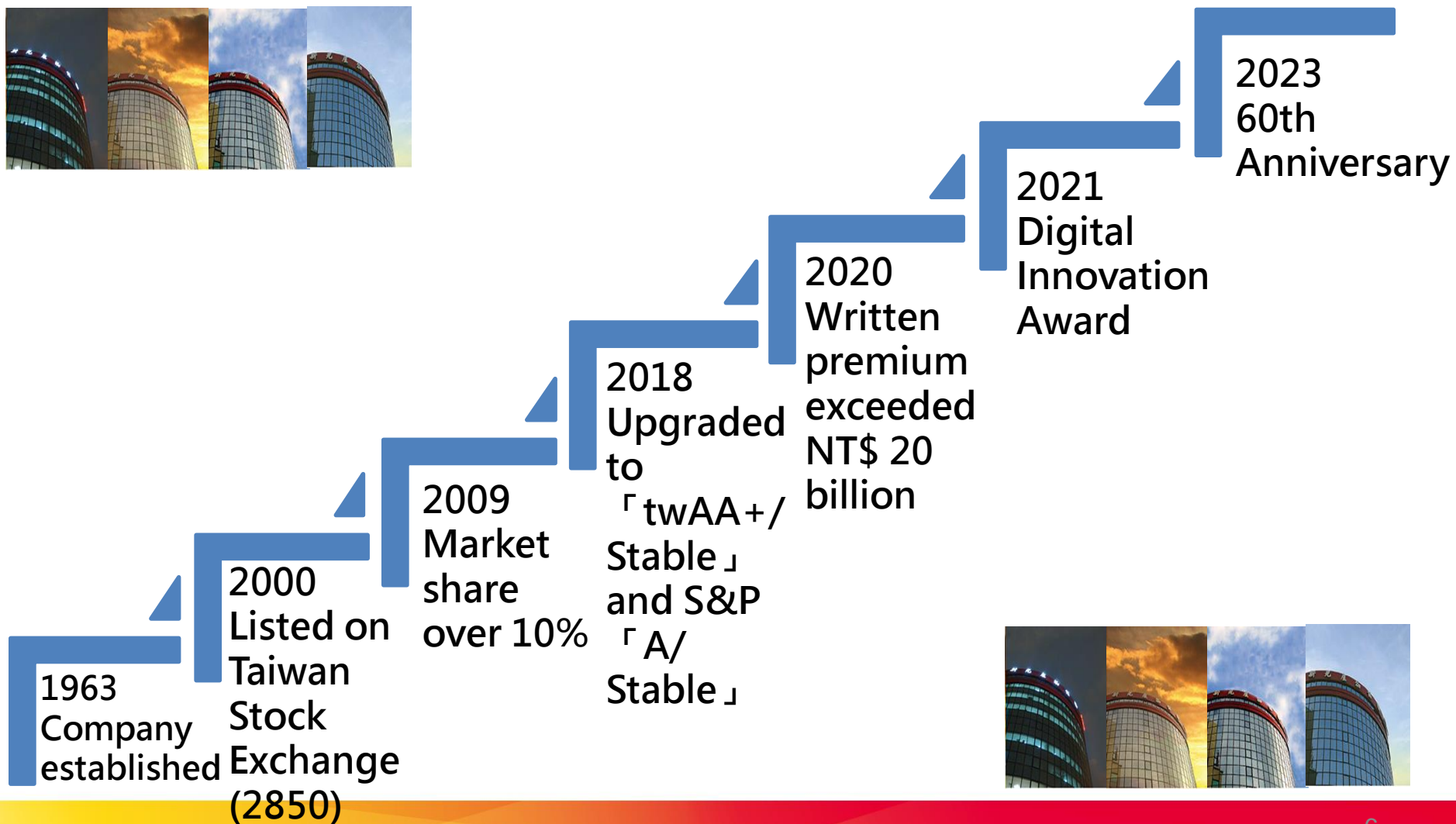
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Date of Incorporation	April 26, 1963
Date of Listing	May 22, 2000
Paid-in Capital	3,159 million
Chairman	Philip H. H. Wu
Address	No. 15, Jianguo N Rd. Sec. 2, Zhongshan Dist., Taipei, Taiwan
Number of Employees	1,544 (Oct. 31, 2023)



發展歷程

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Main Products

- Motor Insurance
- Accident & Health Insurance
- Liability Insurance
- Engineering Insurance
- Fire Insurance
- Marine Insurance



Business Operation



Business Network

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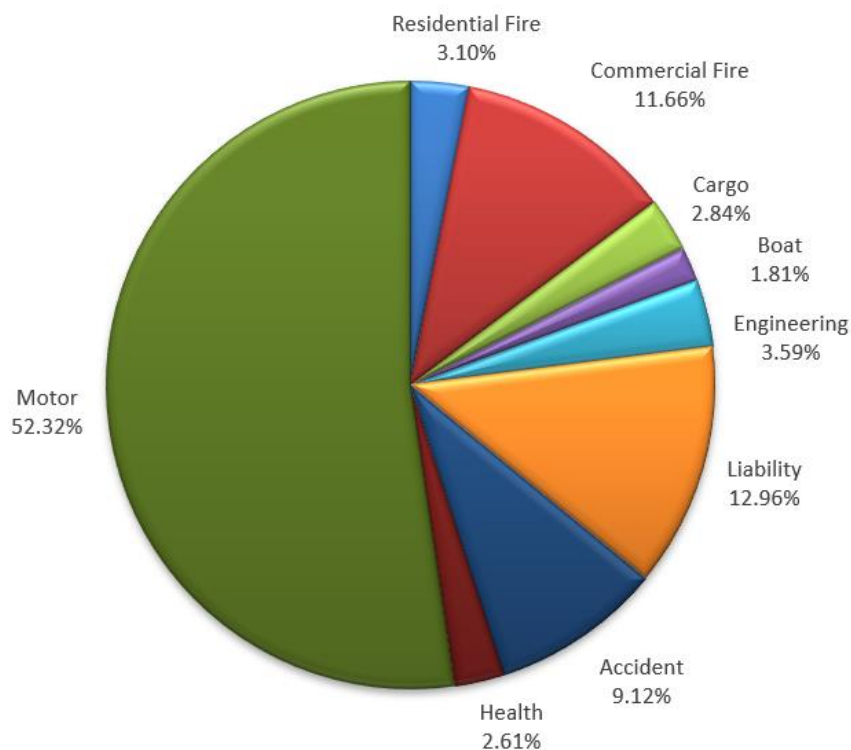




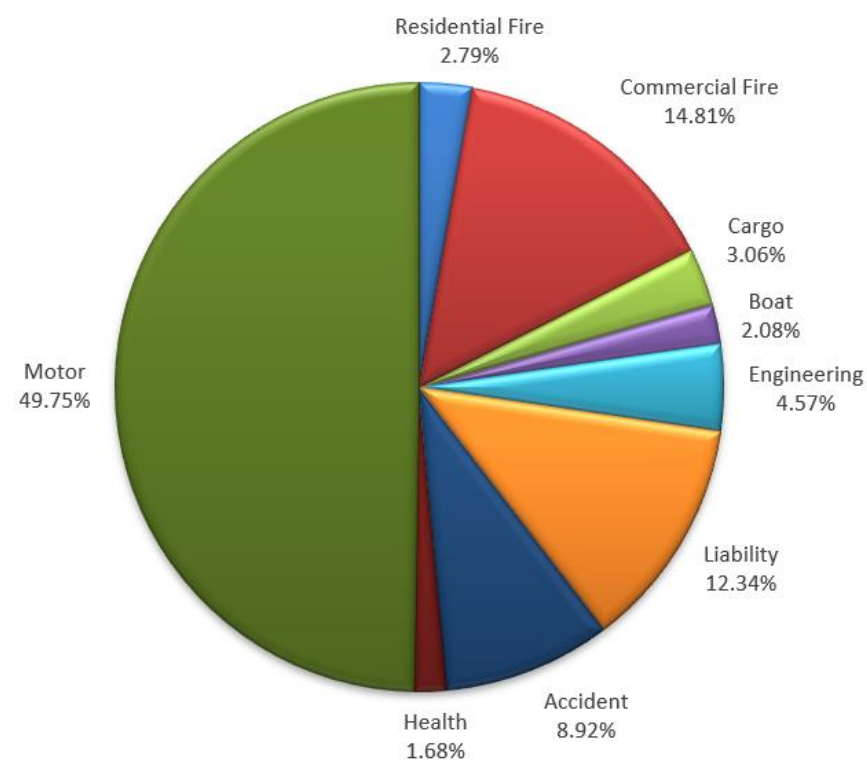
Market Breakdown

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2022 MARKET



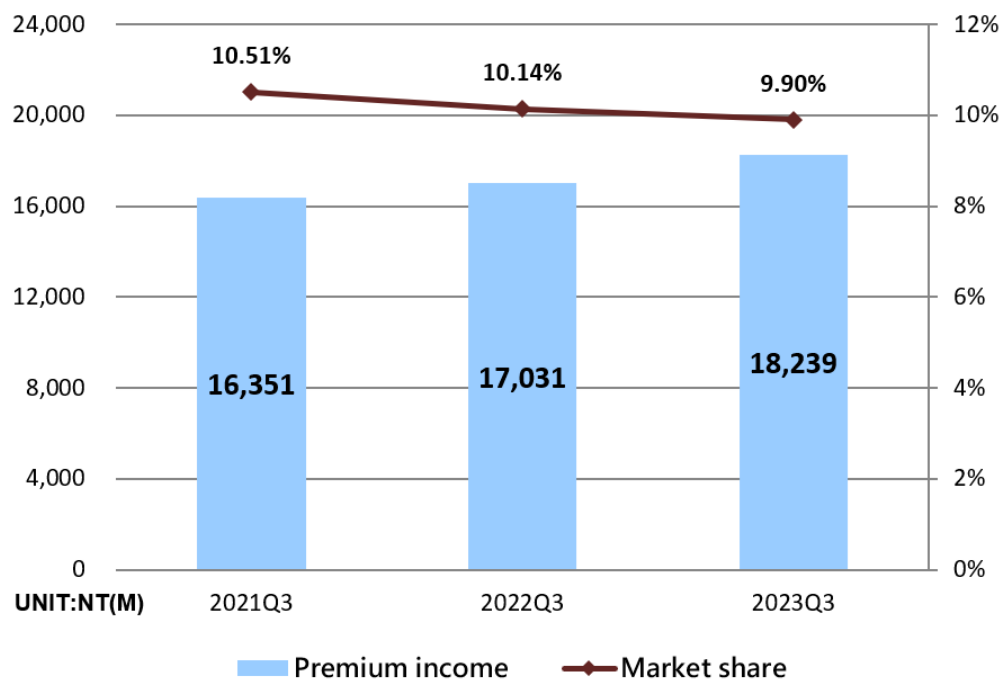
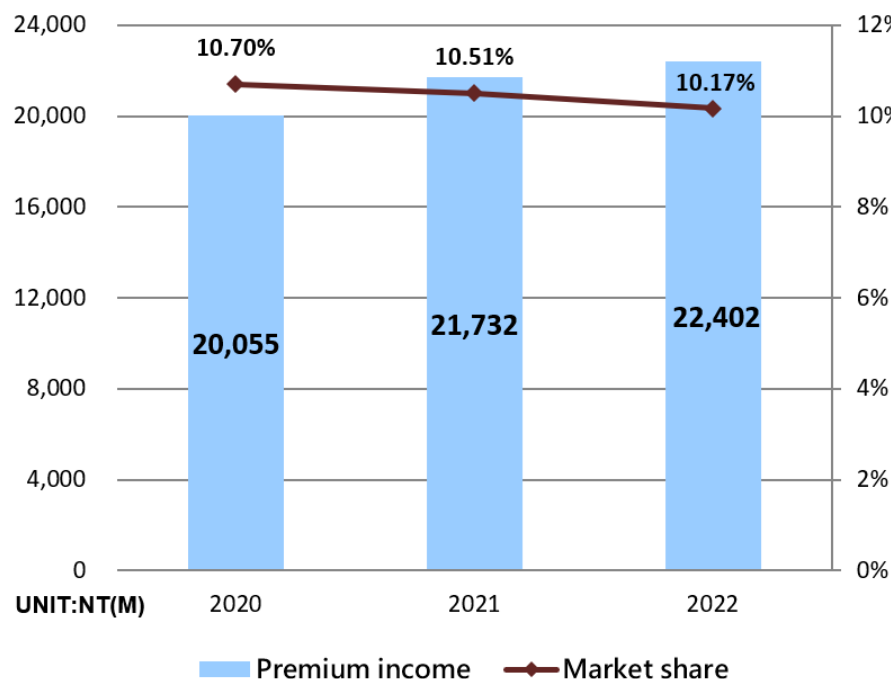
2023Q3 MARKET





Premium Income & Market Share

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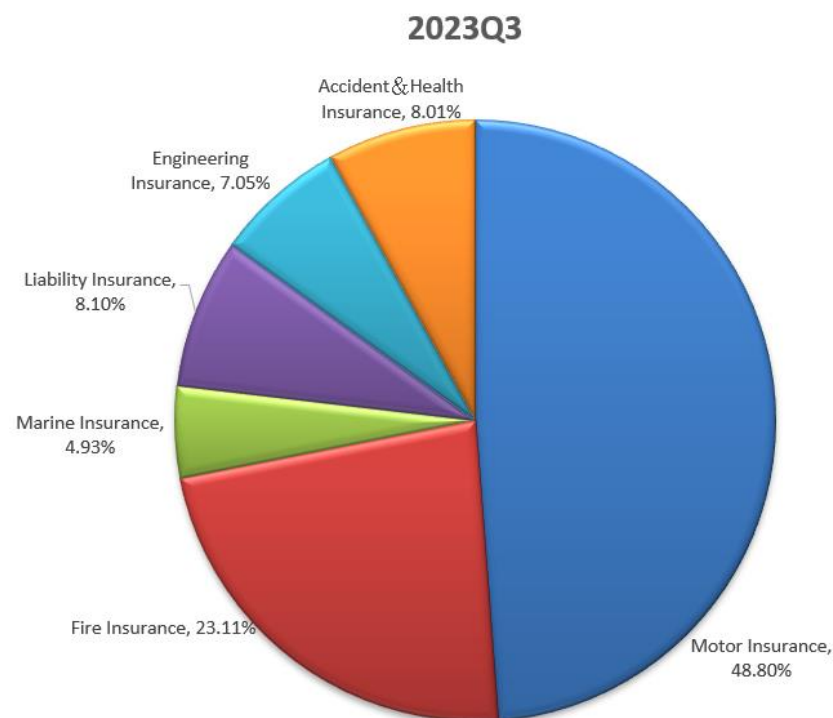
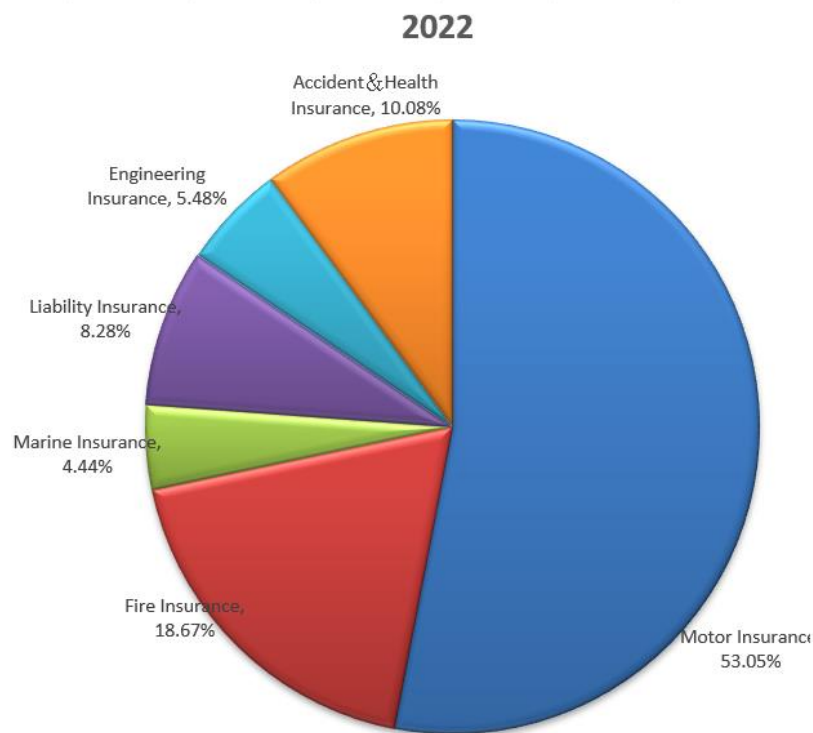


Premium Breakdown & Growth Rate



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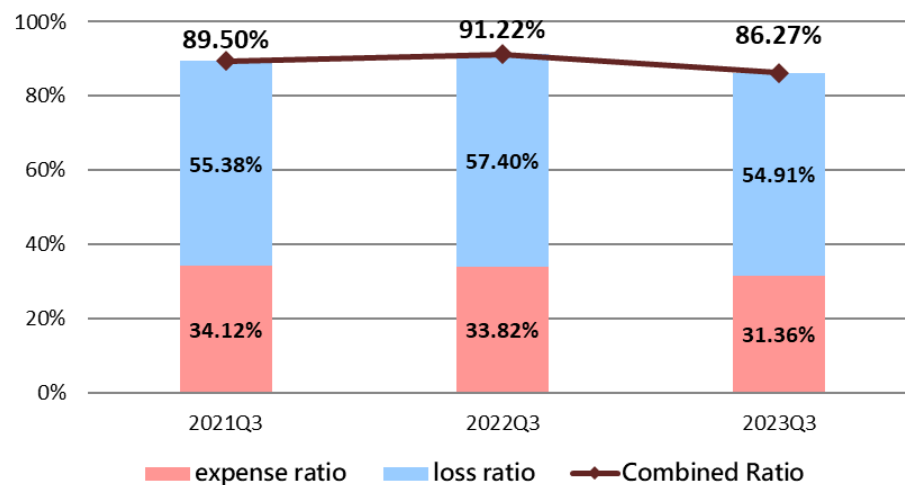
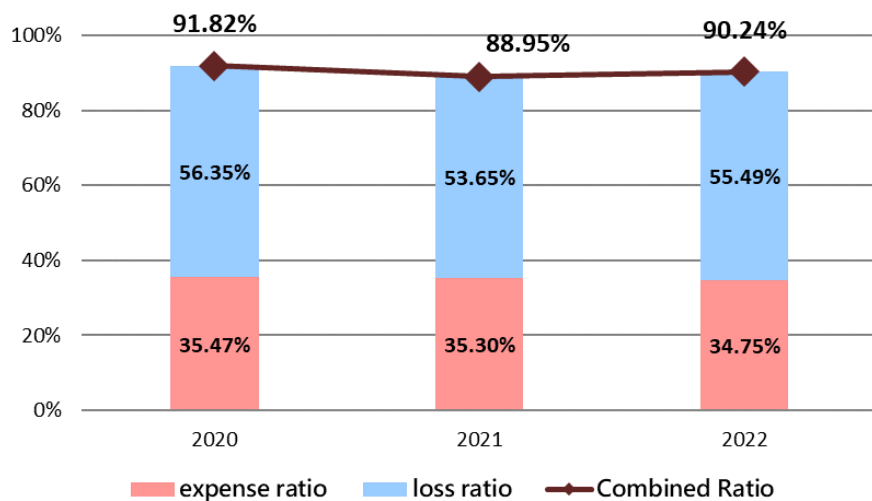
By Year	2020	2021	2022	By Quarter	2021Q3	2022Q3	2023Q3
SKI growth rate	7.29%	8.36%	3.08%	SKI growth rate	9.30%	4.16%	7.09%
Market growth rate	6.24%	10.32%	6.57%	Market growth rate	10.94%	8.01%	9.66%

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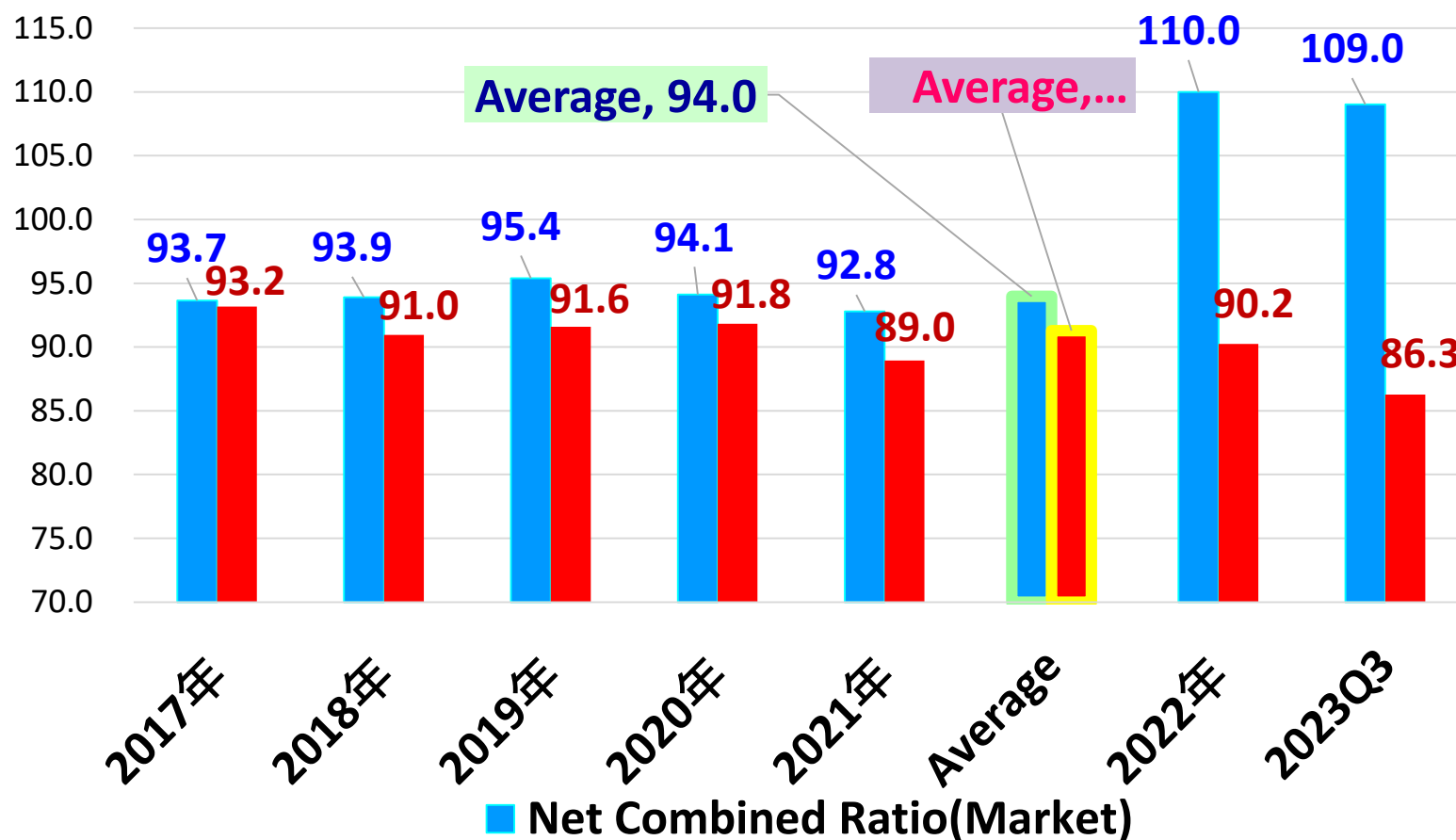


Combined Ratio

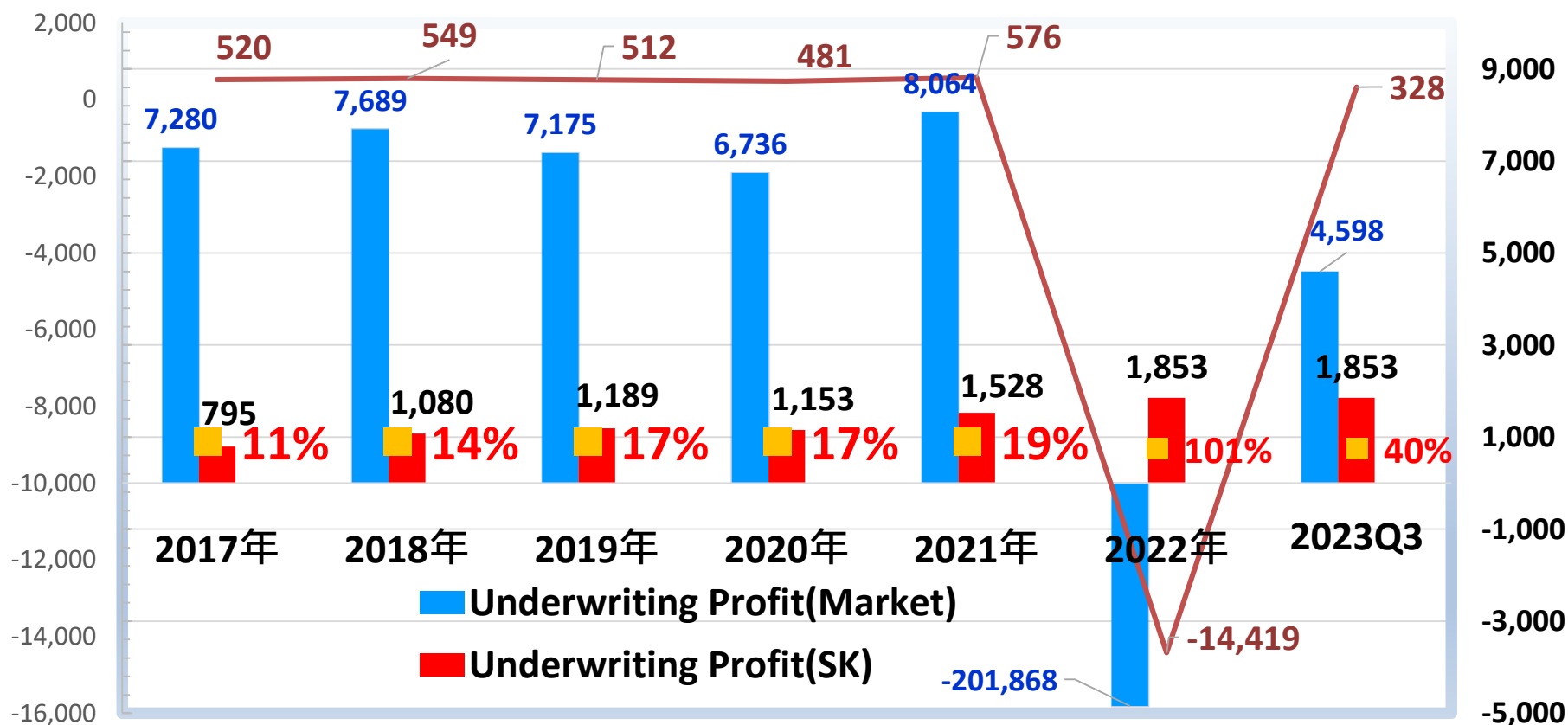
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Net Combined Ratio



Underwriting Profit (Unit: NTD thousand)



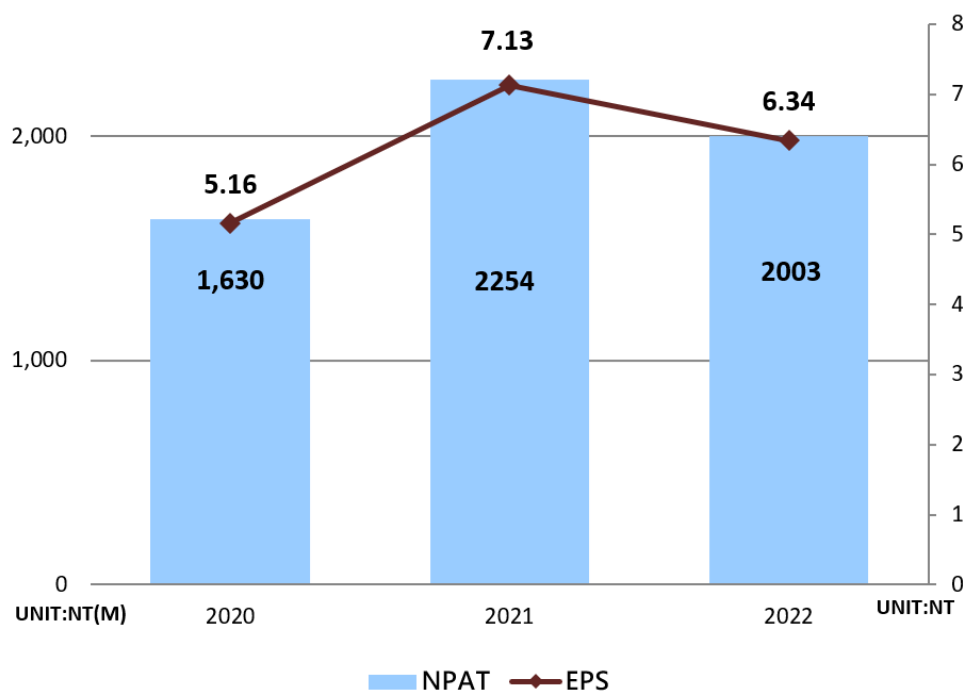
Financial Highlights



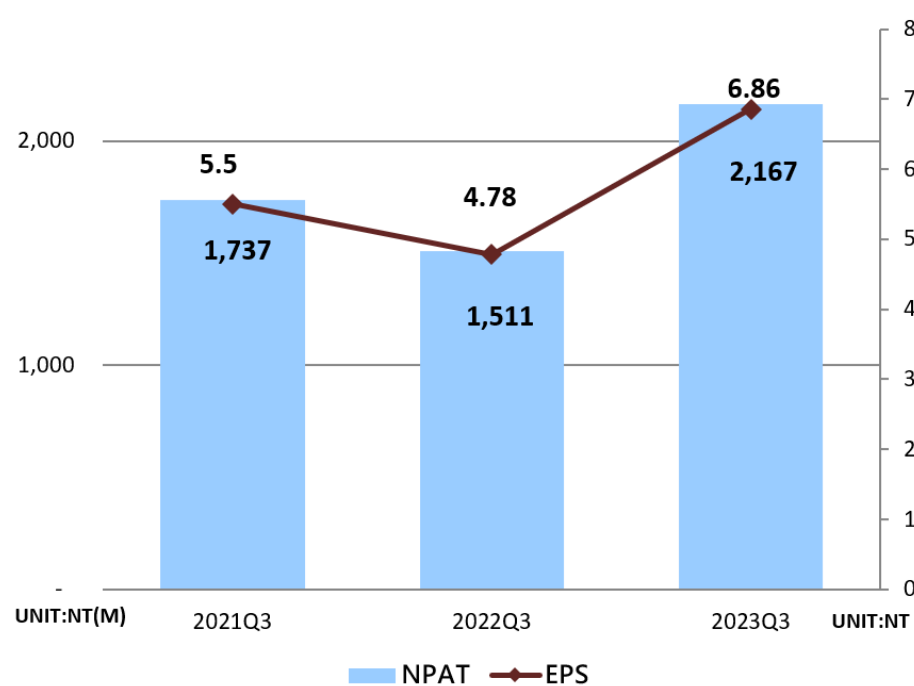
Net Income & EPS

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By Year



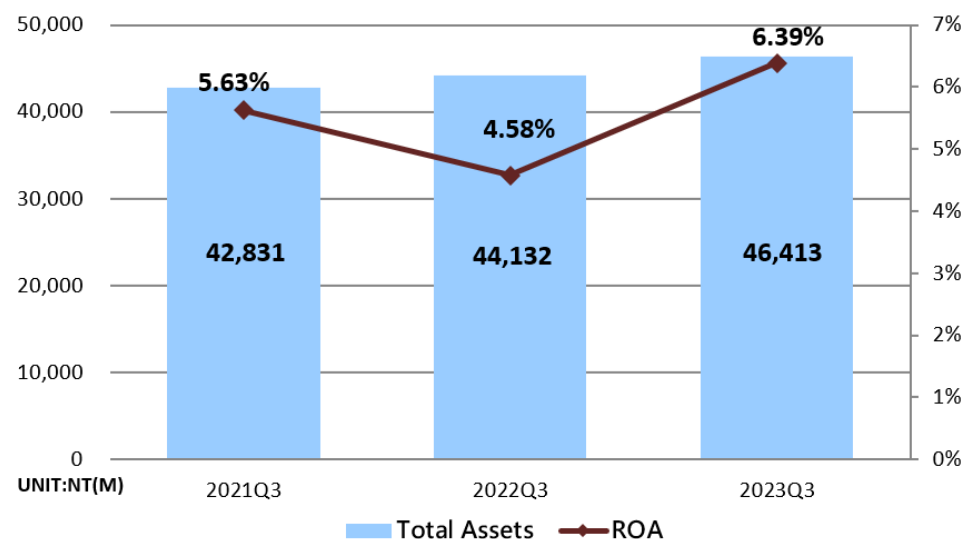
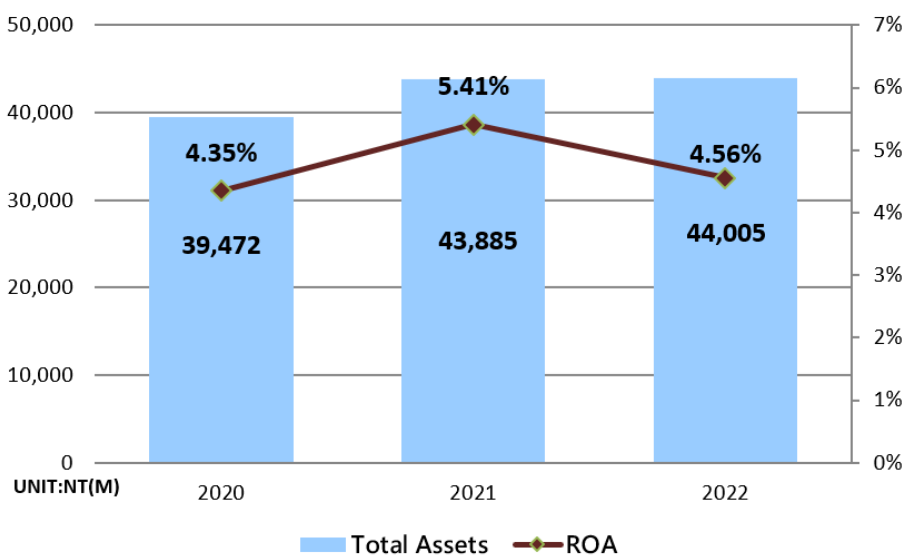
By Quarter





Total Asset & ROA

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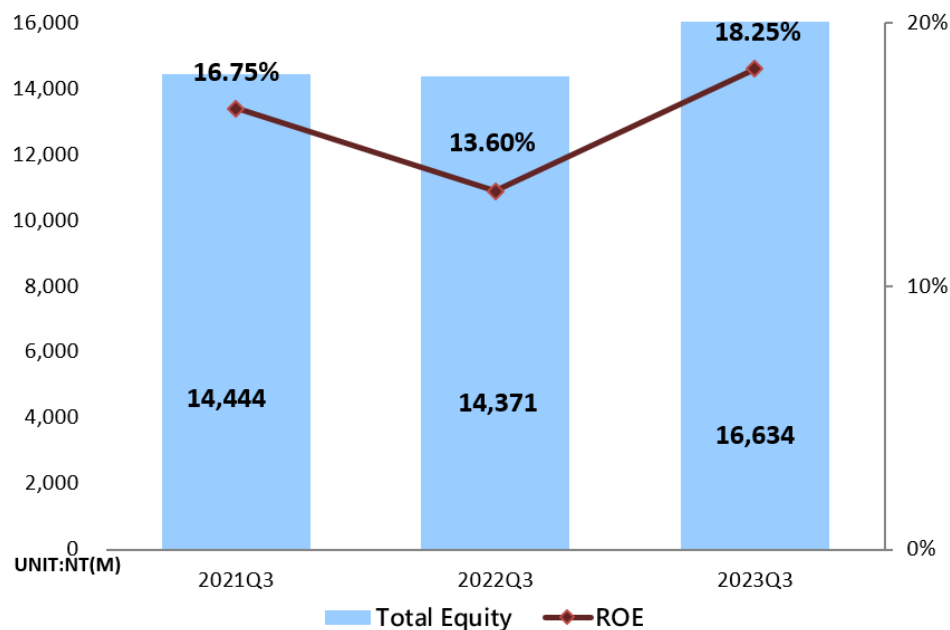
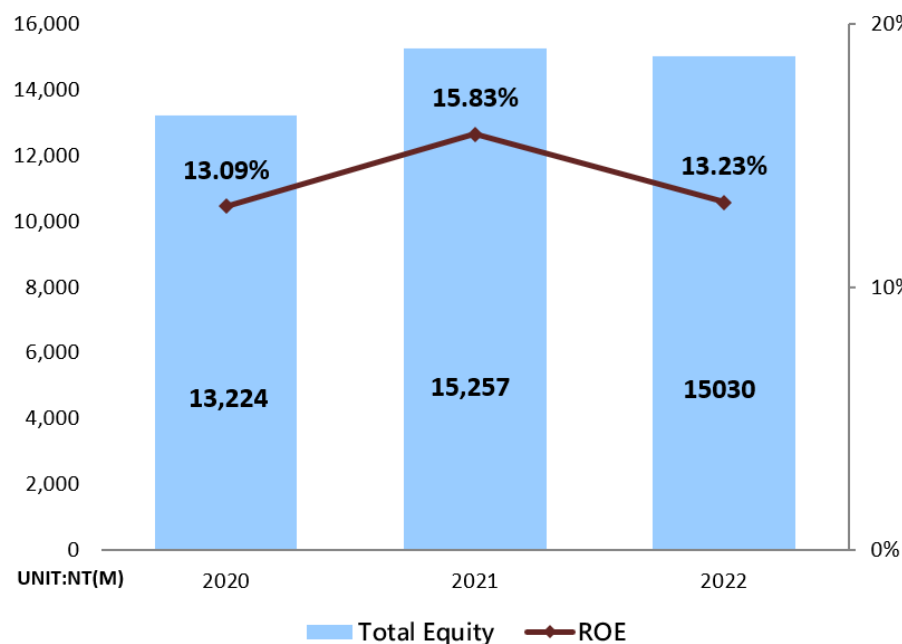


* Annualized ROA



Total Equity & ROE

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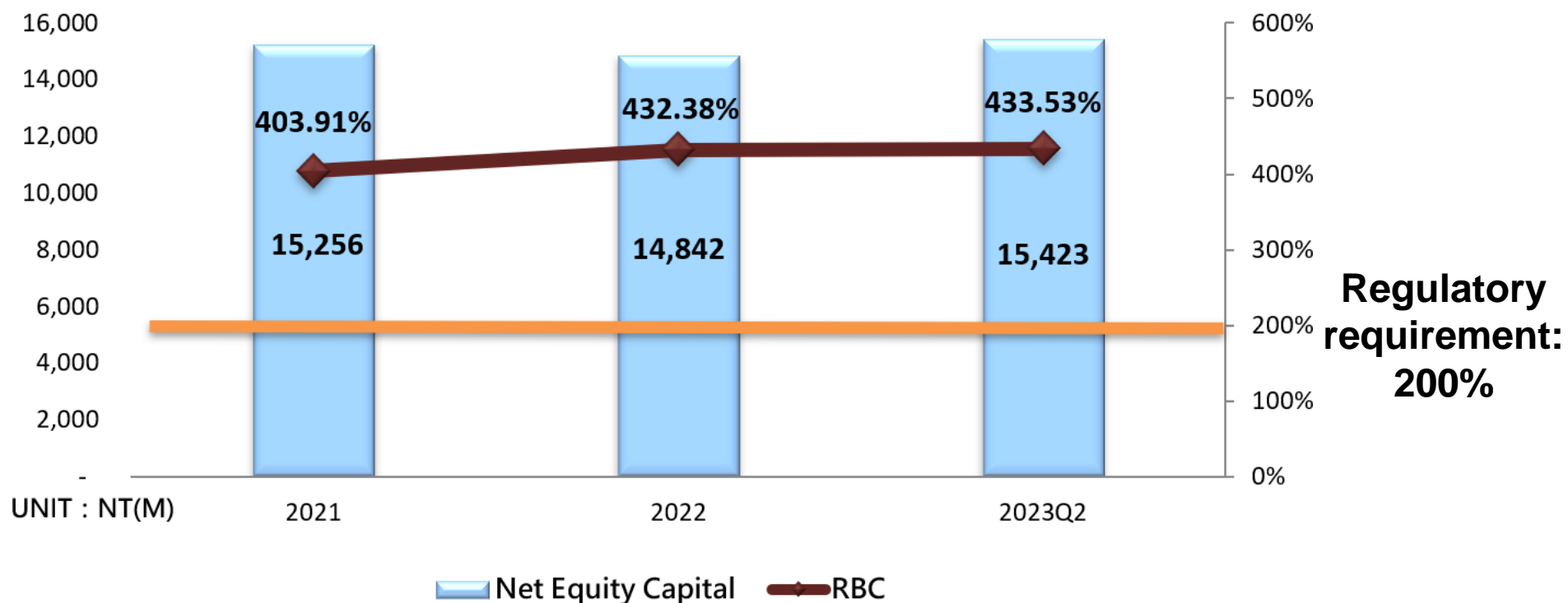
* Annualized ROE



Risk Indicators

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RBC





Credit Rating Outlook

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- Shinkong Insurance remains the third-largest insurer in Taiwan's non-life insurance market in terms of gross premium written , and strong competitive as indicated by its position favorable underwriting performance and well-controlled distribution channels.
- In terms of finance, very strong capital and earnings and adequate investment allocation profile.
- In terms of management and governance, we will continue to maintain our capital strength and profitability, prudently monitor the growth of investment risk exposure.

Credit Rating Agency	Date	Result
Standard & Poor's	2023/11	A/Stable
Taiwan Ratings	2023/11	twAA+ (outlook: stable)
A.M. Best	2023/04	A/Stable



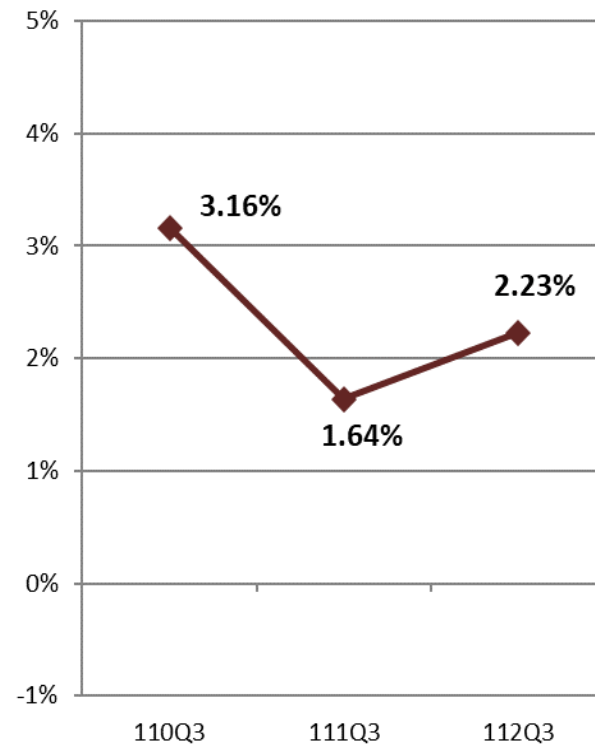
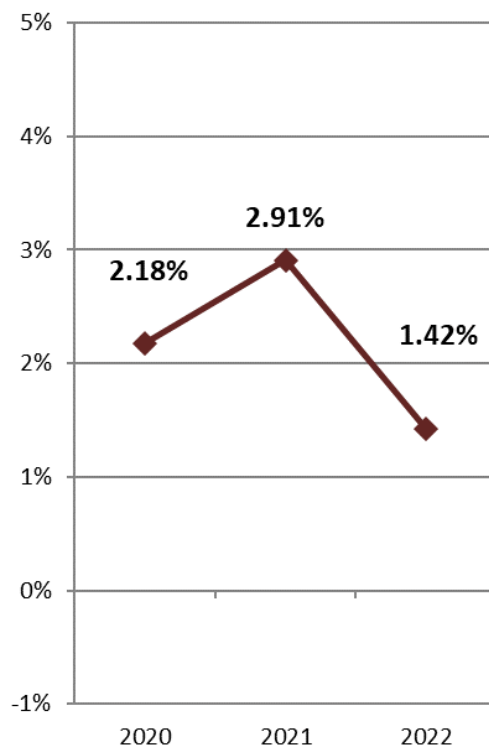
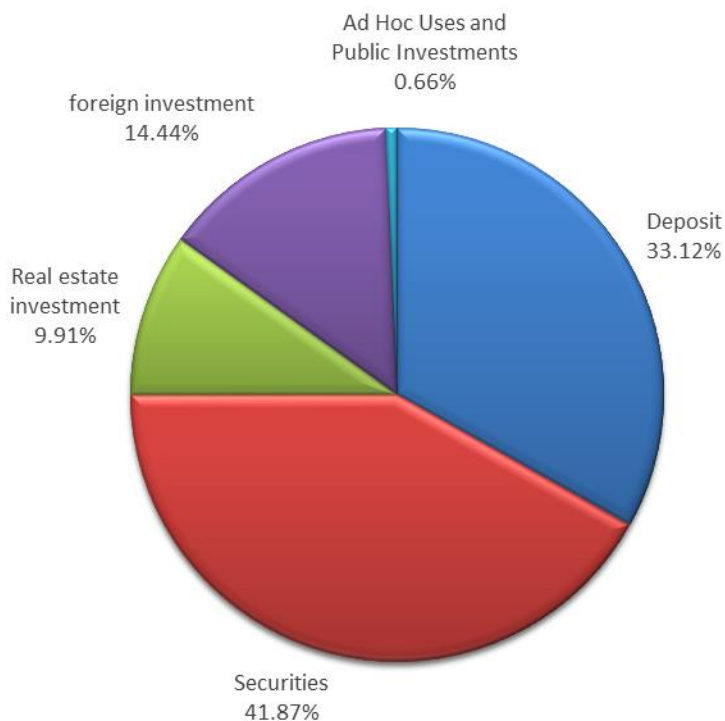
Asset Allocation and Hedging Policy



Investment Structure & ROI

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2023Q3 Asset Allocation



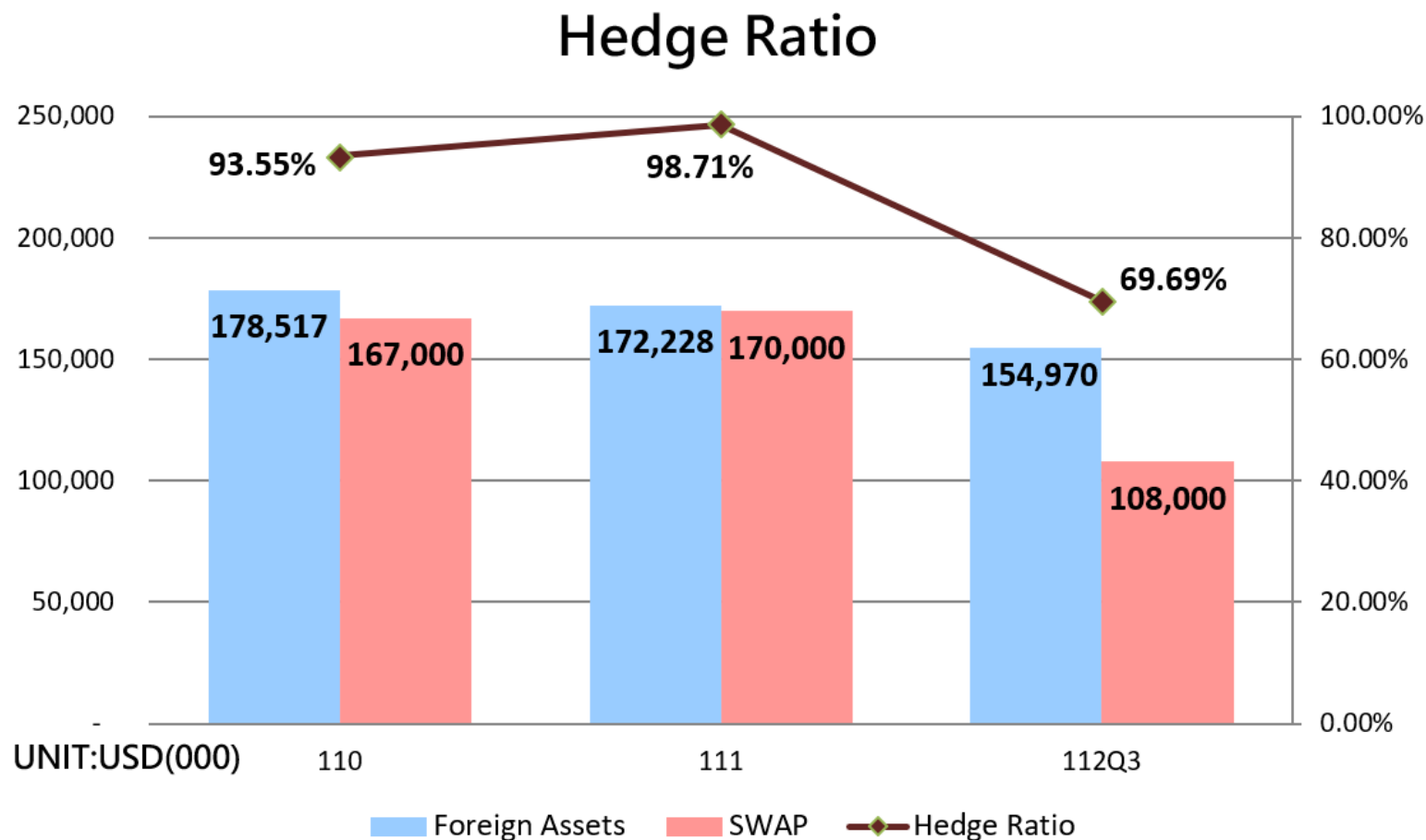
*Annualized ROI

Foreign Investment Exchange Hedging



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Environment Social Governance

Respond to national and international sustainable development roadmap of listed companies



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National Sustainable Development Policy

- ◆Taiwan Sustainable Development Goals
- ◆Taiwan 2050 net zero emissions
- ◆Green Finance 3.0
- ◆Sustainable development path map of listed counter companies
- ◆Corporate Governance 3.0



The company cooperates with the Sustainable Development Goals (SDGs) and Principles for Sustainable Insurance (PSI), with the sustainable development of enterprises as the main direction

Respond to national and international sustainable development



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Sustainable Development Goals (SDGs)



Principles for Sustainable Insurance (PSI)

- ◆ Principle 1: Incorporate sustainable issues into the decision-making of insurance companies
- ◆ Principle 2: Enhance cooperation with customers and business partners, attach importance to sustainable issues, and jointly develop solutions
- ◆ Principle 3: Cooperate with the government, insurance supervision units and other related parties to jointly promote sustainable issues
- ◆ Principle 4: Regularly disclose the implementation of the insurance industry's sustainability principles to achieve information transparency.

Enterprise sustainable development



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Environment

- Set energy saving and carbon reduction targets
- Passed ISO 14064 greenhouse gas verification
- Green procurement
- Support environmentally friendly groups
- Organize nationwide coastal clean-up activities to promote the importance of marine conservation
- Hosting an environmentally friendly educational film
- Social



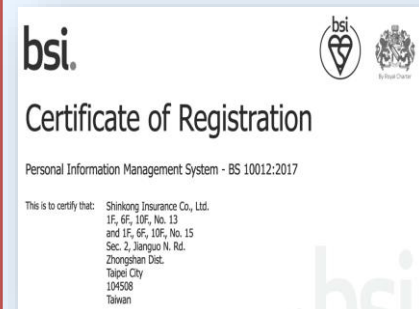
Social

- Raising supplies to donate to rural areas
- Purchasing gifts from charity groups as New Year gifts
- Promotion of traffic safety and insurance concepts Caring for the elderly and young children
- Assistance in rural education
- Held blood donation activities for 17 consecutive years



Governance

- Adhering to laws and regulations
- Strengthen information security and pass ISO27001, BIS 10012
- Implemented the principle of fair hospitality and was awarded the top 25% in the 112 annual evaluation
- Corporate Governance Evaluation "Top 6~20% of Listed Companies"
- Promote sustainable investment



Shinkong Awards

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- ◆ **Taiwan Insurance Best Performance Award** (2021、2023)
Gold Award : Risk Management (Project Planning) 、 Policy Holder Services (Project Planning) 、 Compulsory Automobile Liability Insurance Promote 、 Product Innovation (Project Planning)
Silver Award : Excellent Staff Training Award 、 Excellent Public Service Award 、 Emerging Risks Protection Product Promotion
- ◆ **Faith, hope & love Awards of Insurance** (2021、2022、2023)
the Distinguished Professional Insurance Company Award 、 the Distinguished Social Responsibility Award 、 the Distinguished Policy Designer Award
- ◆ **112th Annual Fair Hospitality Principle Assessment** “Top 25% in Property and Casualty Insurance - Outstanding Award ” (2023)
- ◆ **112th Annual Compulsory Automobile Liability Insurance Differentiated Management Competition** “First Place ” (2023)
- ◆ **Corporate Governance Evaluation** “Top 6~20% of Listed Companies ” (2023)
- ◆ **Digital Financial Service Award-Digital Finance Award** (2021)
- ◆ **Insurance Excellence Award**
Best CSR in the Property Insurance category (2021)
Best ESG in the Property Insurance category (2022)



Future Outlook

- ⚙ **Expand new channels, select quality business and develop new products**
- ⚙ **Strengthen our competitiveness in e-commerce**
- ⚙ **Improve the implementation of risk control and underwriting systems**
- ⚙ **Improve the effectiveness of our information systems and improve our operating procedures, enhancing the professional competency of our service staff**

Q & A

Appendix



Balance Sheet

UNIT:NT(000)

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	2020	2021	2022	2023Q3
Cash and cash equivalents	10,975,768	11,766,660	10,852,136	11,459,156
Receivables	1,857,006	1,945,038	1,598,331	2,201,755
Investments	16,726,129	19,561,027	21,811,610	22,535,779
Reinsurance assets	7,781,387	8,246,645	7,530,740	7,885,993
Property and equipment	1,080,035	1,308,644	1,146,939	1,149,035
Right-of-use assets	34,595	34,393	33,204	19,963
Intangible assets	19,525	27,455	22,846	21,626
Deferred tax assets	236,467	262,673	212,032	210,259
Other assets	761,429	732,945	796,848	929,673
Total assets	39,472,341	43,885,480	44,004,686	46,413,239
Accounts payable	2,438,589	2,894,222	2,691,211	2,788,533
Current tax liabilities	161,727	275,164	168,798	171,260
Financial liabilities at fair value through profit or loss	3,831	0	249,174	222,206
Lease liabilities	35,124	34,924	33,836	20,458
Insurance liabilities	23,224,171	25,067,097	25,503,894	26,287,169
Provisions	127,546	119,280	47,837	46,872
Deferred tax liabilities	62,103	34,389	36,699	89,020
Other liabilities	195,550	203,172	243,282	154,029
Total liabilities	26,248,641	28,628,248	28,974,731	29,779,547
Total share capital	3,159,633	3,159,633	3,159,633	3,159,633
Total capital surplus	64,800	64,800	64,800	64,800
Total retained earnings	8,702,181	10,337,062	11,370,341	12,734,500
Total other equity interest	1,297,086	1,695,737	435,181	674,759
Total equity	13,223,700	15,257,232	15,029,955	16,633,692



Income Statement

UNIT:NT(000)

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	2020	2021	2022	112Q3
Total operating revenue	16,510,114	18,464,057	18,930,606	15,030,858
Total operating costs	11,207,473	12,140,278	12,705,404	9,776,577
Total operating expenses	3,386,841	3,659,019	3,764,558	2,648,477
Net operating income (loss)	1,915,800	2,664,760	2,460,644	2,605,804
Total non-operating income and expenses	13,844	-9,777	13,172	2,212
Profit (loss) from continuing operations before tax	1,929,644	2,654,983	2,473,816	2,608,016
Tax expense (income), net	299,920	400,990	470,246	441,310
Profit (loss) from continuing operations	1,629,724	2,253,993	2,003,570	2,166,706
Profit (loss)	1,629,724	2,253,993	2,003,570	2,166,706
Total other comprehensive income	488,421	395,667	-1,219,764	239,578
Total comprehensive income	2,118,145	2,649,660	783,806	2,406,284
Total basic earnings per share	5.16	7.13	6.34	6.86



Asset Allocation

UNIT:NT(000)

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	2023Q3	2022	2021	2020
Deposit	11,837,359	10,860,665	11,350,218	10,928,692
Securities	14,962,331	14,220,394	12,658,318	9,740,186
Real estate investment	3,539,602	3,558,331	3,582,080	3,392,665
Ad Hoc Uses and Public Investments	236,129	240,217	270,647	292,104
foreign investment	5,161,860	5,417,572	5,121,530	4,721,965
TOTAL	35,737,281	34,297,179	32,982,793	29,075,612



Premium Breakdown

UNIT:NT(000)

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YEAR	Category	Fire Insurance		Marine Insurance		Motor Insurance		Accident & Health	
		Premium	Growth rate	Premium	Growth rate	Premium	Growth rate	Premium	Growth rate
2020	SKI	3,371,033	12.00%	1,283,495	28.74%	10,643,723	6.39%	2,206,022	1.51%
	Market total	28,297,430	12.82%	8,592,323	8.75%	100,824,848	7.31%	21,591,050	-4.12%
2021	SKI	3,813,860	13.14%	1,187,123	(7.51%)	11,493,868	7.99%	2,329,636	5.60%
	Market total	29,531,996	4.36%	9,096,050	5.86%	108,147,815	7.26%	24,445,123	13.22%
2022	SKI	4,182,739	9.67%	994,808	(16.20%)	11,883,395	3.39%	2,258,918	(3.04%)
	Market total	32,504,396	10.07%	10,240,877	12.59%	115,270,877	6.59%	25,846,955	5.73%

YEAR	Category	Engineering Insurance		Liability Insurance		Total	
		Premium	Growth rate	Premium	Growth rate	Premium	Growth rate
2020	SKI	1,050,109	-4.52%	1,500,322	6.55%	20,054,704	7.29%
	Market total	7,134,351	6.12%	20,950,285	3.68%	187,390,287	6.24%
2021	SKI	1,113,168	6.00%	1,794,300	19.59%	21,731,955	8.36%
	Market total	6,516,017	(8.67%)	28,984,788	38.35%	206,721,788	10.32%
2022	SKI	1,228,472	10.36%	1,853,918	3.32%	22,402,250	3.08%
	Market total	7,911,050	21.41%	28,542,330	(1.53%)	220,316,486	6.58%