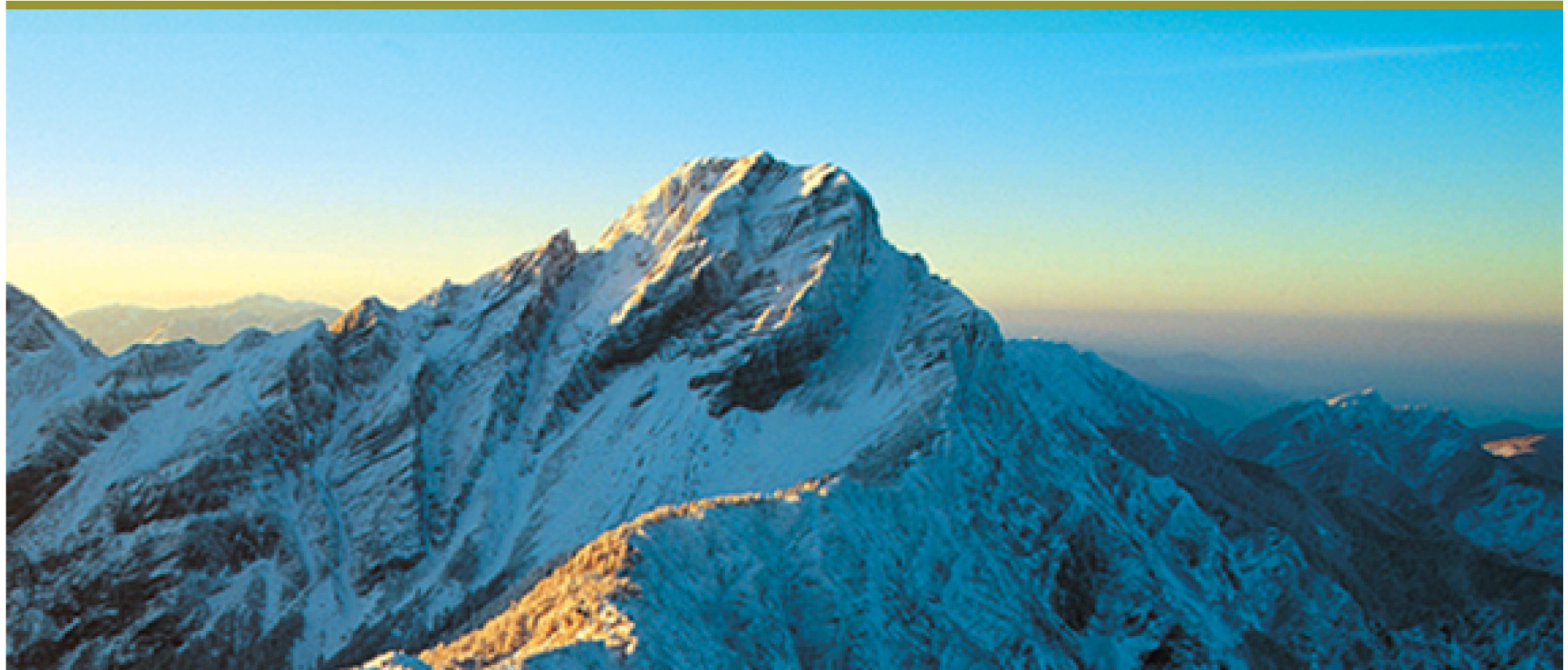




玉山金控 E.SUN FHC



# E.SUN FHC Financial Review of 9M 2017

Nov. 2017



# Disclaimer

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# Agenda

- 2017 9M Financial Performance
- 2017 9M Business Operation Overview
- Appendix



# E.SUN FHC Summary

		Unit : NT\$ million	
		2017.9 <sup>/1</sup>	2016.12
Total Assets	FHC	2,037,617	1,884,300
	Bank	2,020,729	1,870,131
	Securities	14,042	11,504
	Venture Capital	3,500	3,657
Key Financials	Book value per share (NT\$)	14.31	14.66
	Double Leverage Ratio	104.35% <sup>/2</sup>	104.80%
	FHC CAR	137.80% <sup>/2</sup>	137.29%
Distribution Channels	Bank – domestic	138	137
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Australia, Myanmar, Japan Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 25 overseas sites	
	Securities - branches	18	20

Note: 1. Reviewed figures of Sep. 2017

2. Audit figures of Jun. 2017

3. Share owned by QFII: 44.08%, as of Sep. 2017



# 2017 9M Business and Financial Review

## Financial Performance

- Net profit for 9M17 reached NT\$11.6 billion, a 8.1% growth; net revenue grew by 12.8% YoY.
- EPS \$1.18, ROE 11.10%, ROA 0.78%.

## Business Operation

- Net interest income and Net fee income increased by 10.8% and 1.9%, YoY, respectively.
- Loan demand remained stable and the loan balance increased by 7.3% YTD.
- FCY loan grew by 15.1% YTD, driven by overseas expansion and cross border business.
- Deposit grew by 7.8% YTD, in which FCY deposit growth rate was 25.4%, highest in the market.
- Asset quality: NPL ratio at 0.24% and coverage ratio at 488.6%.

## Updates and Achievements

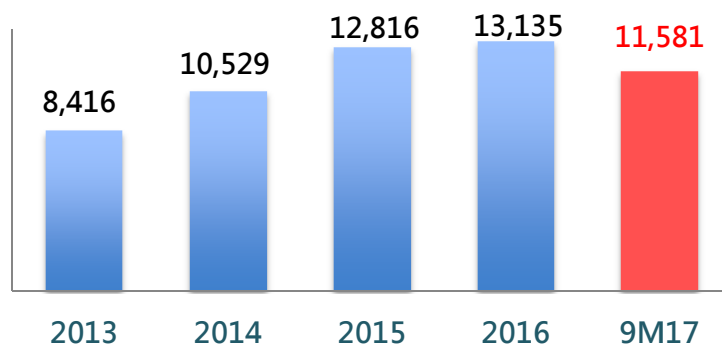
- Milestone: Capital of E.SUN FHC exceeded NT \$100 billion, and  
Asset of both E.SUN FHC and the Bank exceeded NT \$2 trillion.
- Listed in DJSI for the 4<sup>th</sup> consecutive year, setting benchmark for Taiwanese financials.
- E.SUN Tokyo branch opened in October, extending cross border financial services.
- Awarded with the Most Honored Company, Best CEO, and Best CFO by 《Institutional Investor》



# Financial Performance

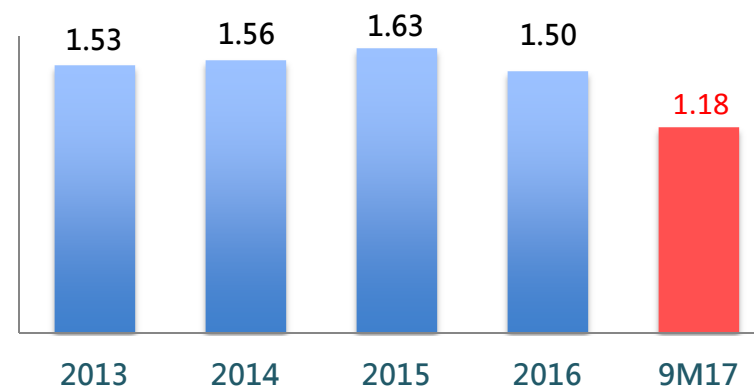
## Net Profit

Unit: NT\$ million

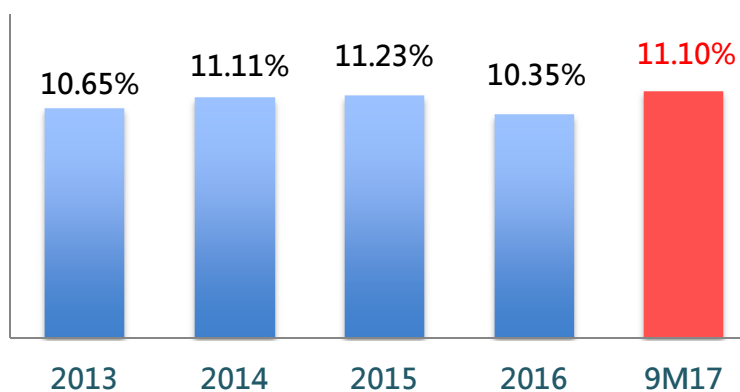


## EPS

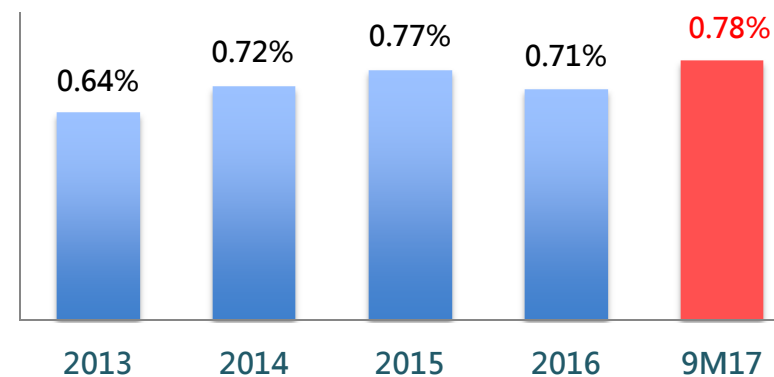
Unit: NT\$ dollars



## ROE



## ROA

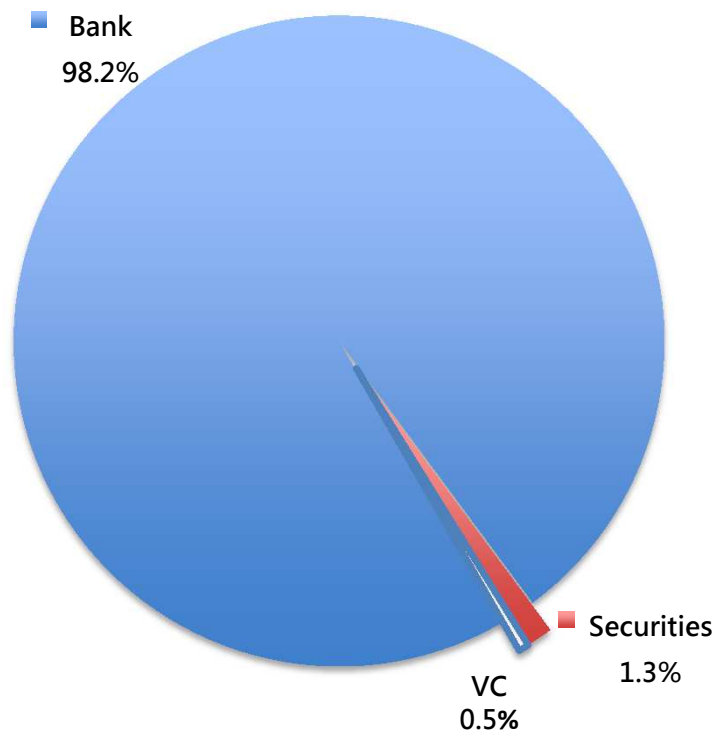


Note: Reviewed figures of Sep. 2017

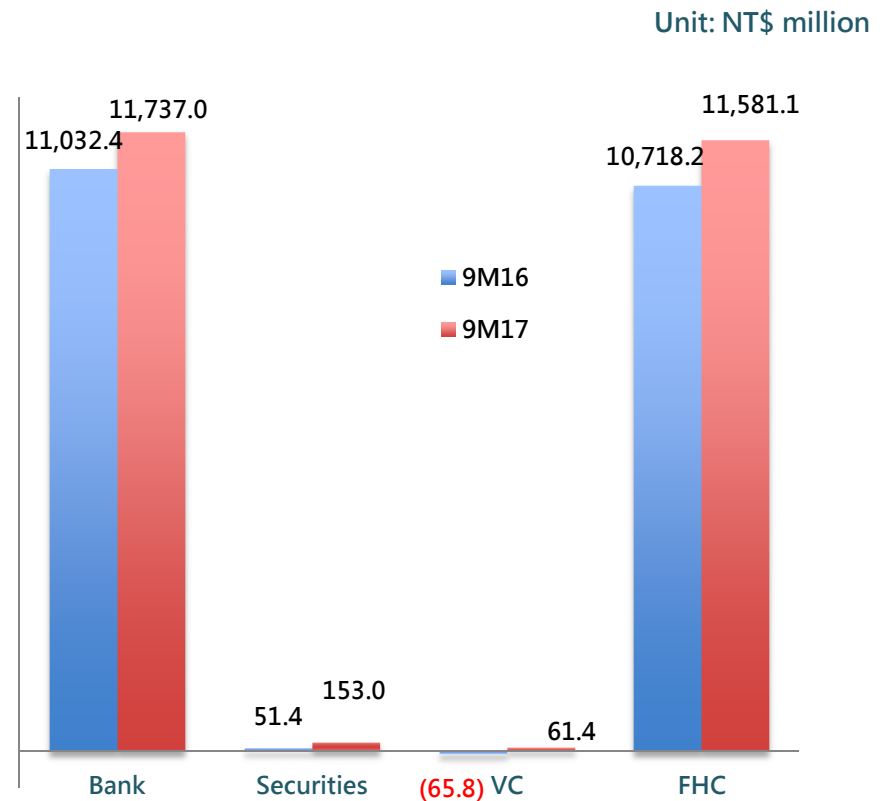


# Net Income of FHC & its Subsidiaries

## Contribution by Subsidiaries



## Net Income of FHC and its Subsidiaries

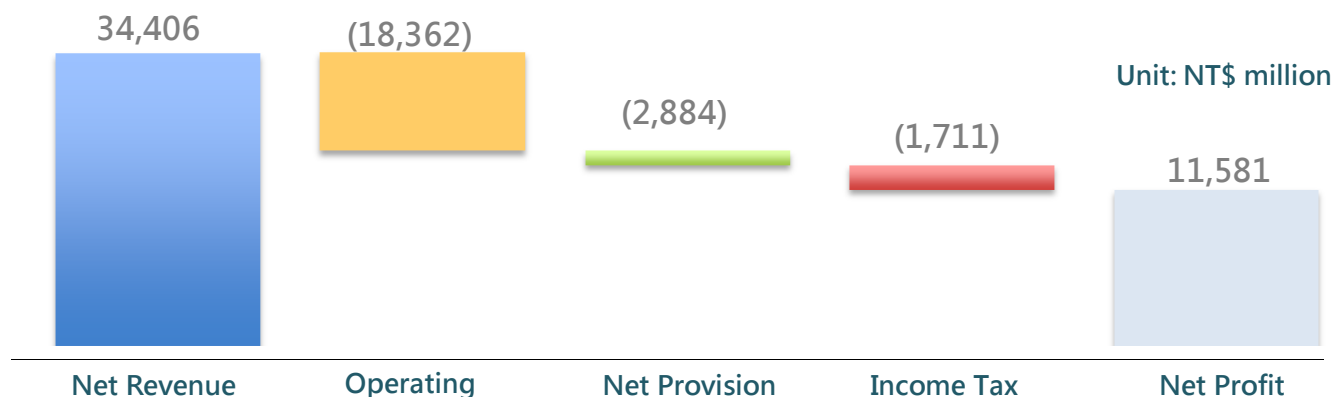


Note: Reviewed figures of Sep. 2017

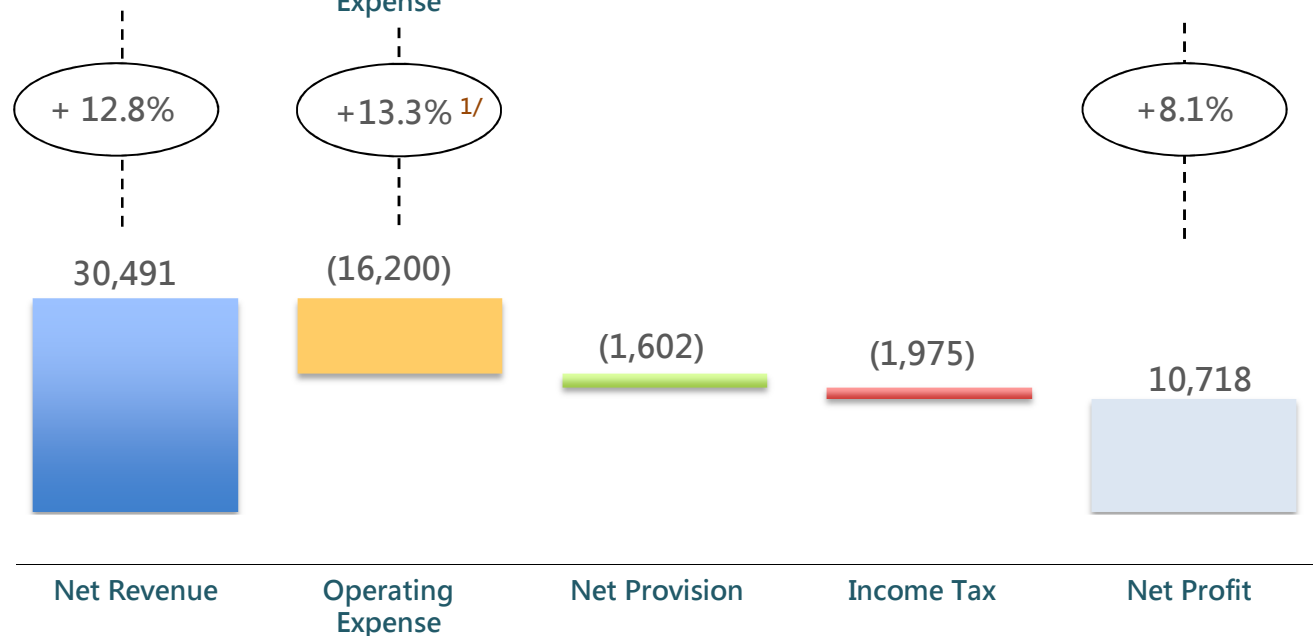


# Net Profit Breakdown

## 9M17 P&L



## 9M16 P&L



Note: 1. Expense was 12.1% increased after deducting NT \$199 million, an one-off expense due to rights offering.  
 2. Reviewed figures of Sep. 2017



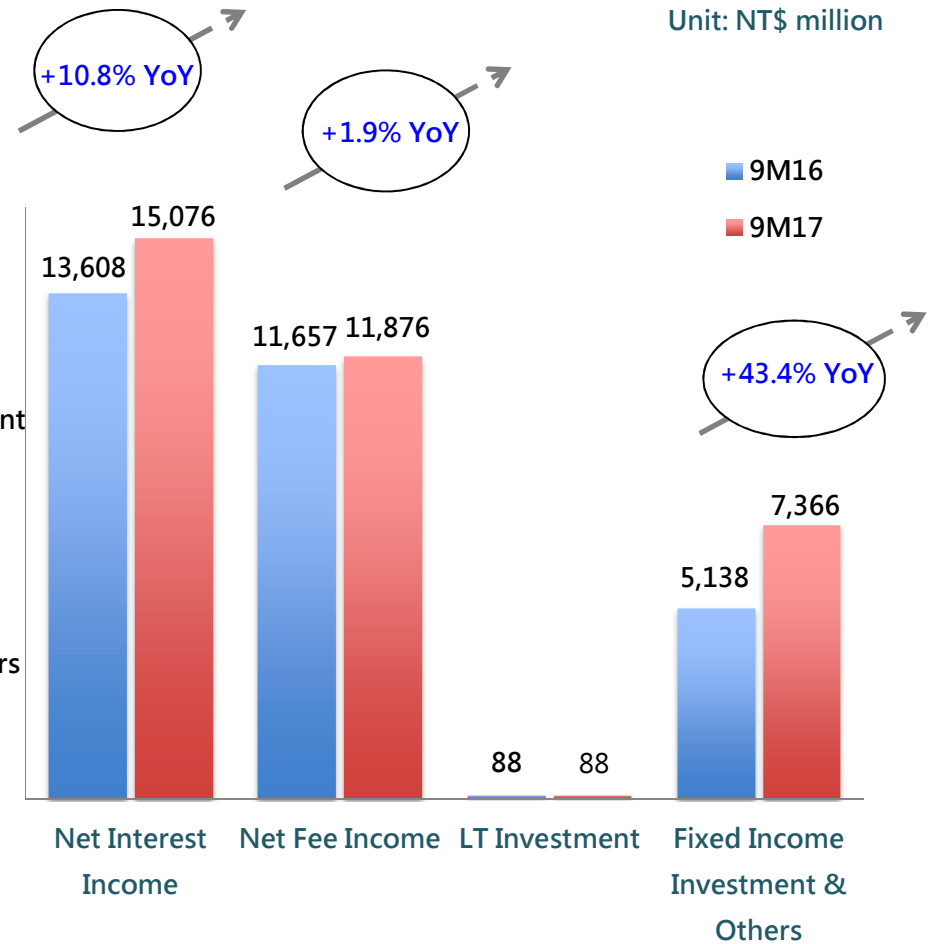
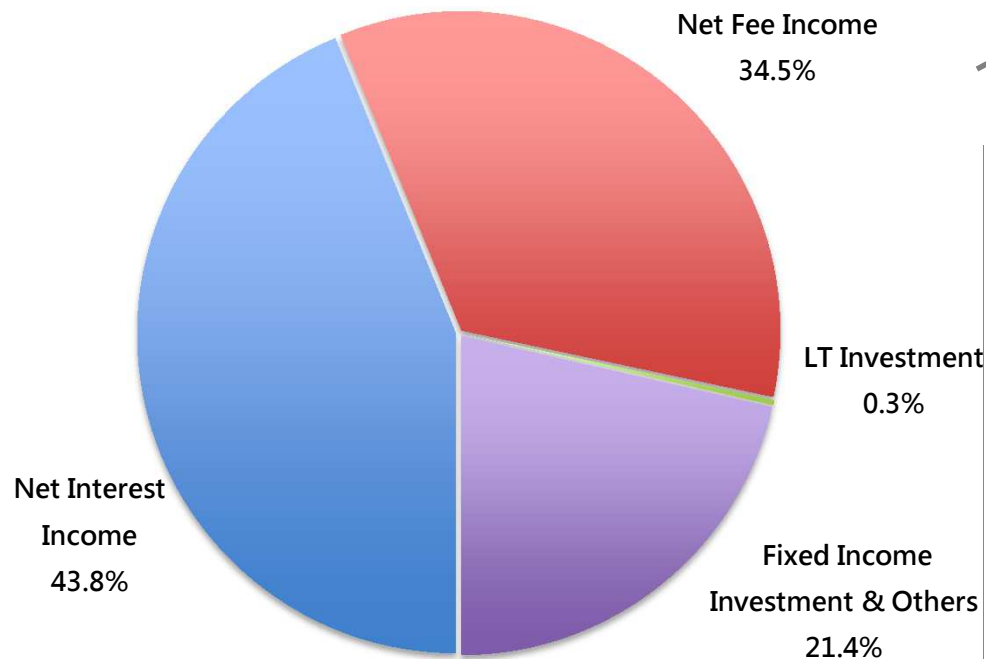


# FHC Revenue Breakdown

Total Net Revenue  
NT\$ 34,406 million

YoY Comparison

Unit: NT\$ million

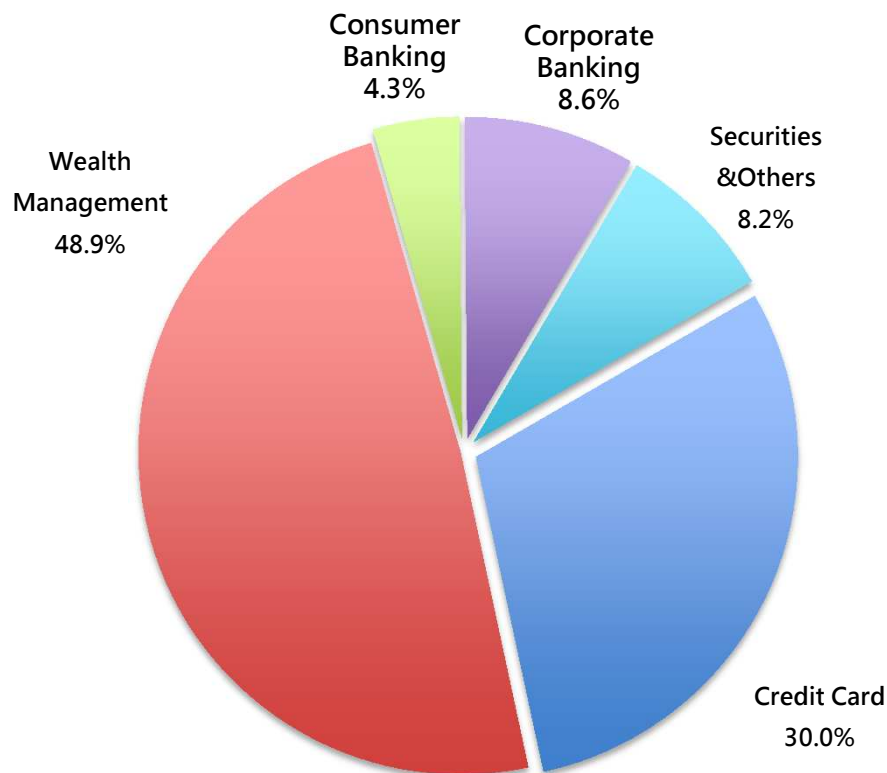


Note: Reviewed figures of Sep. 2017



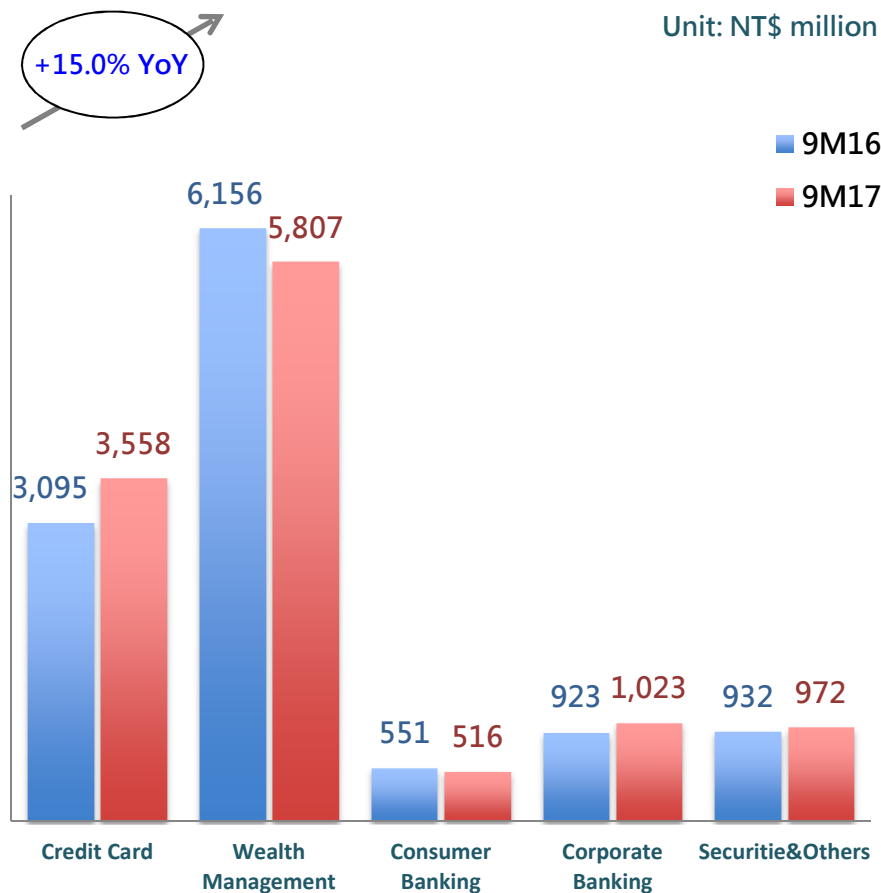
# Net Fee Income Breakdown

Total Net Fee Income  
NT 11,876 million



YoY Comparison

Unit: NT\$ million

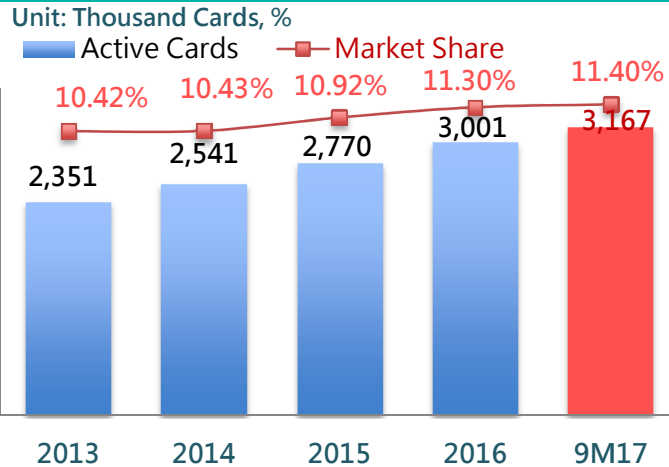


Note: Reviewed figures of Sep. 2017

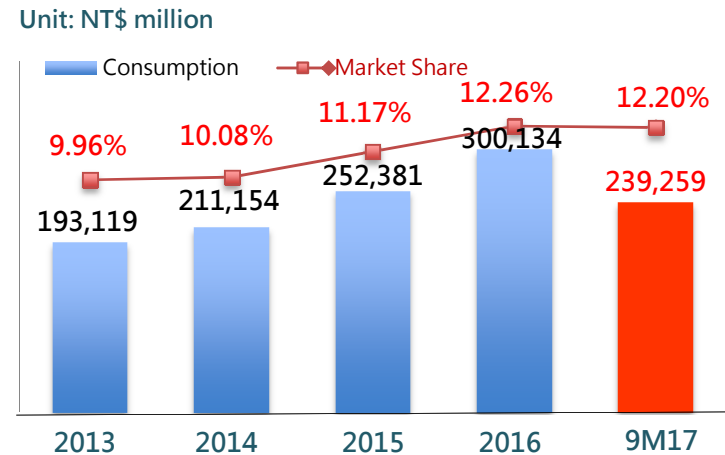


# Credit Card Business Breakdown

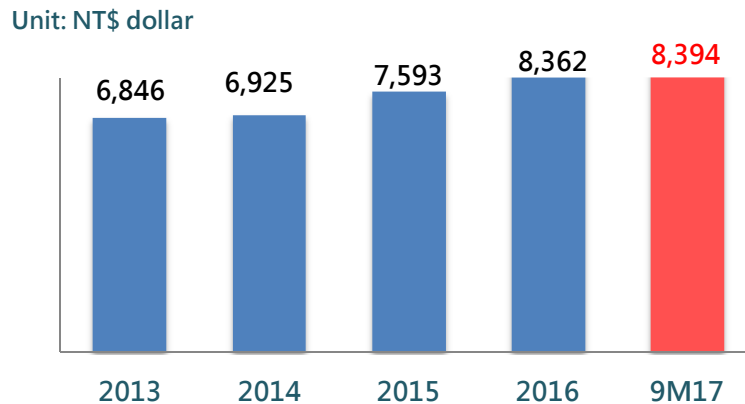
## Active Cards



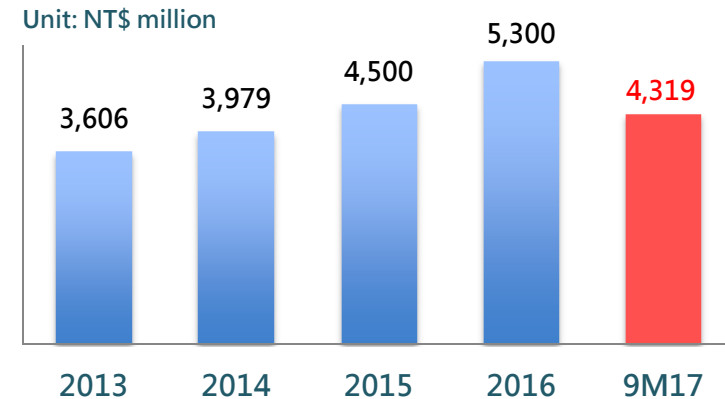
## Card Consumption



## Per Card Spending (Monthly)



## Gross Fee Income



Note: Market share of Sep. 2017



# Deposit and Loan Structure

Unit: NT\$ Bn

Category	2017.9	QoQ Growth %	2017.6	YTD Growth %	2016
Total Deposits	1,663.2	1.8%	1,633.1	7.8%	1,542.6
Demand Deposits	736.3	1.6%	724.5	1.5%	725.2
Time Deposits	432.9	(1.1%)	437.7	2.3%	423.3
FCY Deposits	494.0	4.9%	470.9	25.4%	394.0
Total Loans <sup>1/</sup>	1,188.8	1.9%	1,166.7	7.3%	1,107.7
Corporate Loans	600.6	2.8%	584.3	8.7%	552.3
SME Loans	322.6	2.9%	313.4	9.7%	294.0
FCY Loans	185.5	1.7%	182.4	15.1%	161.1
Consumer Loans	587.5	0.9%	582.4	5.8%	555.5
Mortgage Loan	237.0	0.2%	236.6	3.2%	229.6
Unsecured Personal Loan	96.4	(0.2%)	96.6	5.9%	91.0
Credit Card Revolving Balance	11.8	3.5%	11.4	2.6%	11.5

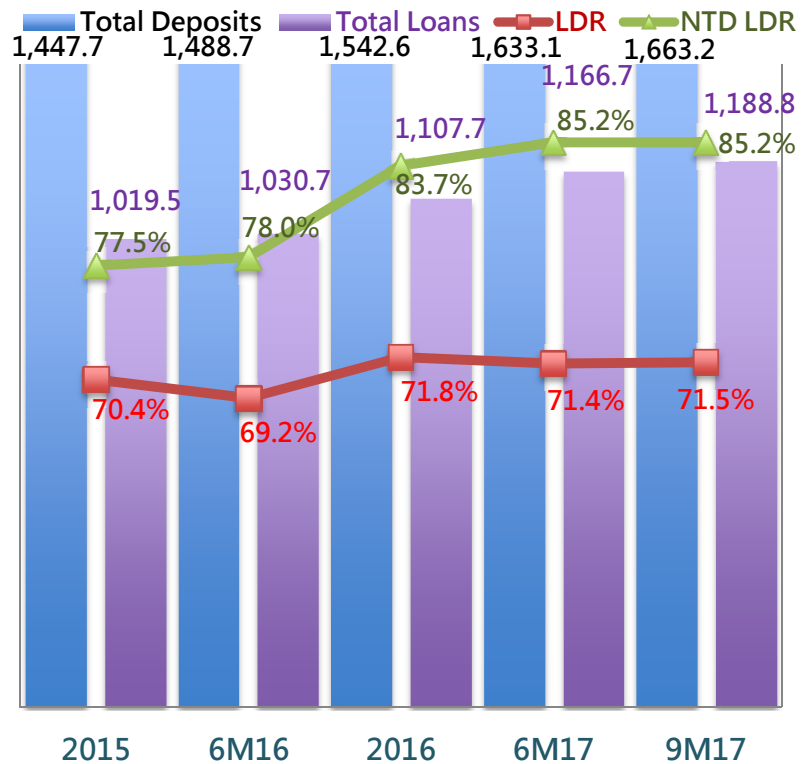
Note: Not including loan balance of subsidiaries NT\$ 25 billion and credit card revolving loan



# Deposit Structure

## Loan to Deposit Ratio

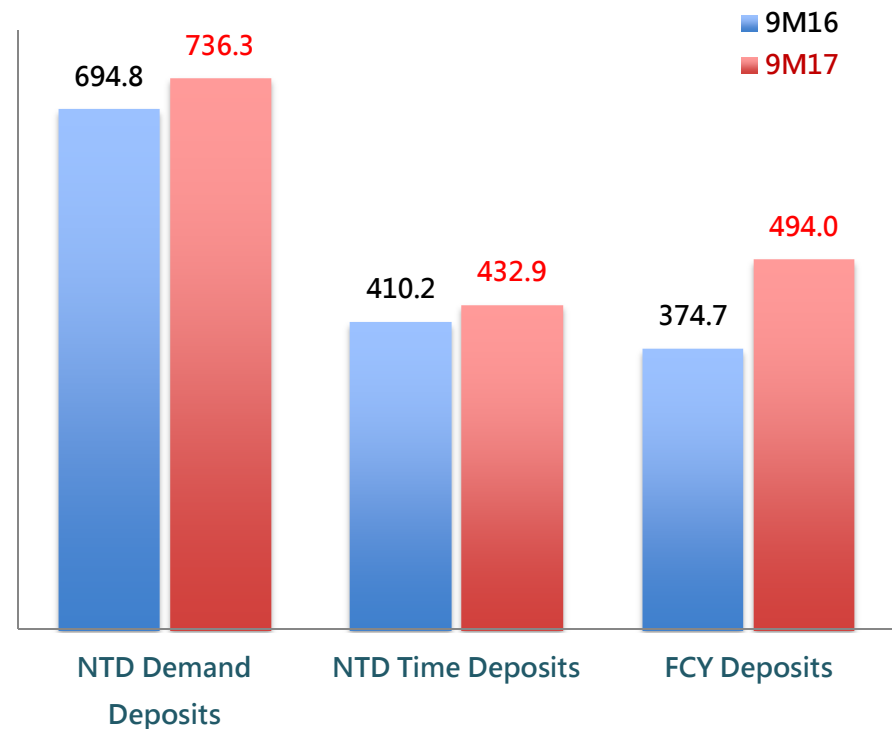
Unit: NT\$ Bn



Note: 1. Excluded Credit card revolving balance  
 2. Data of E.SUN Bank  
 3. Excluded deposit and loan of subsidiaries

## Deposit Structure

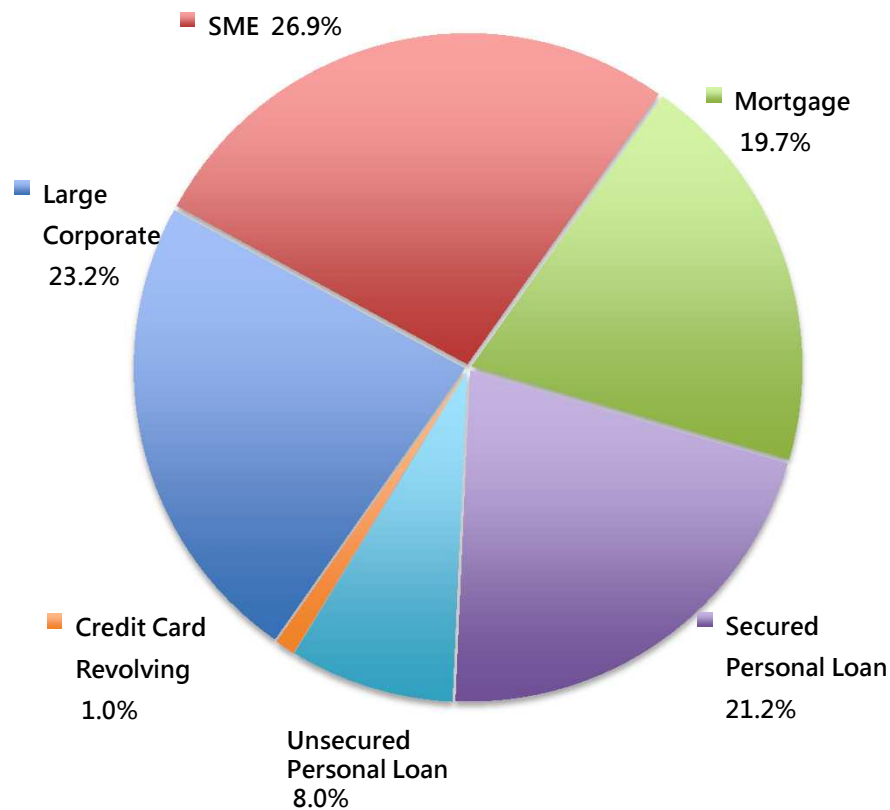
Unit: NT\$ Bn



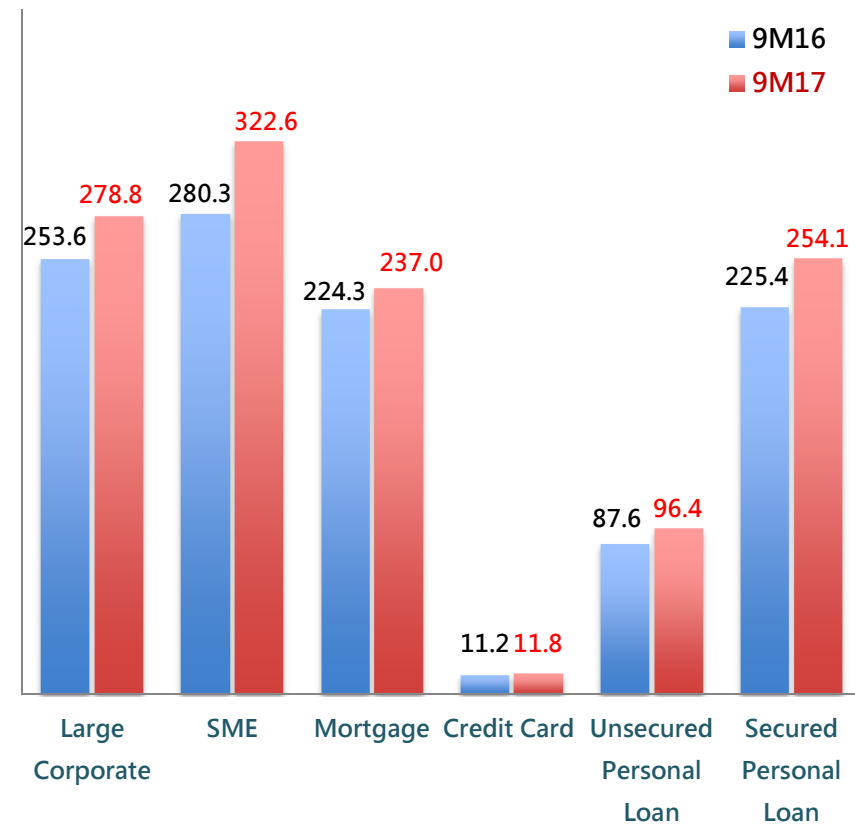


# Loan Portfolio Breakdown

Total Loan  
NT\$ 1,200.7 billion



YoY Comparison

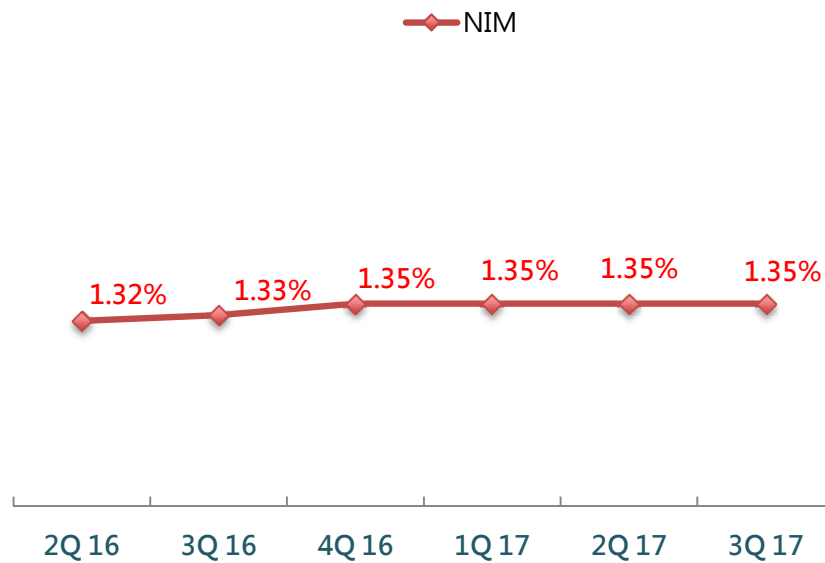


Note: 1. Secured Personal Loan is fully collateralized by fixed asset  
2. Excluded loan of subsidiaries

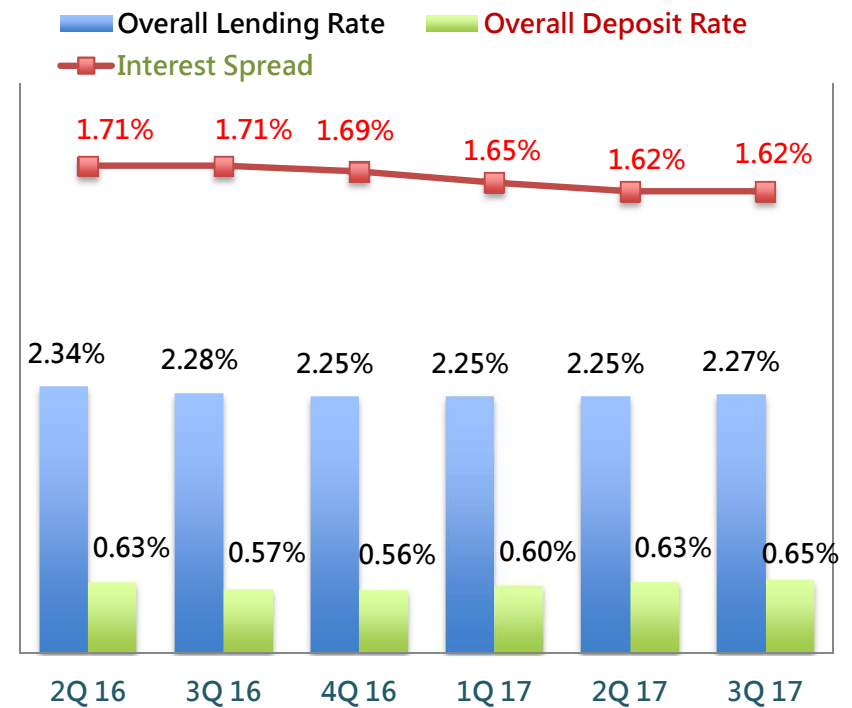


# NIM and Spread

## Quarterly Net Interest Margin



## Quarterly Interest Spread



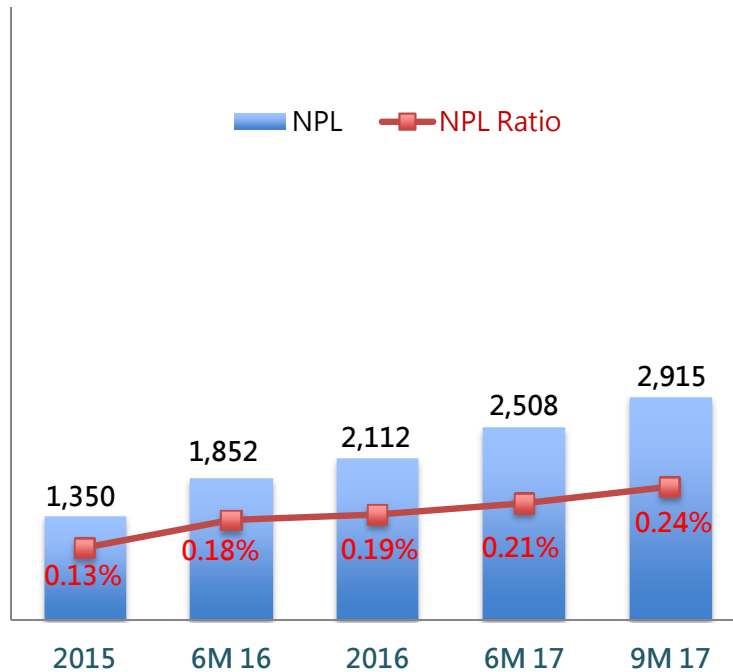
Note: Financials of E.SUN Bank



# Superior Asset Quality 1/3

## NPL Ratio(%)

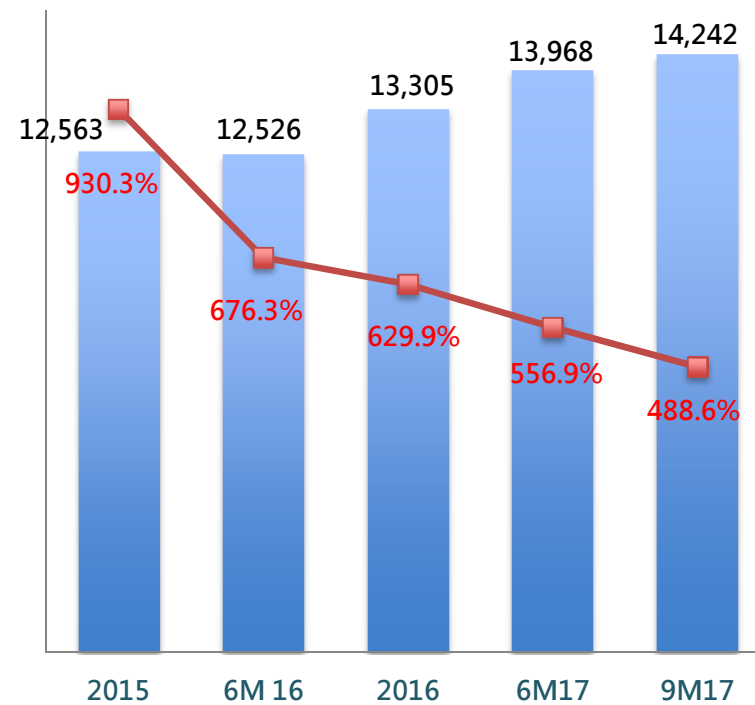
Unit: NT\$ million



## Coverage Ratio(%)

Unit: NT\$ million

■ Loan Loss Reserve ■ Coverage Ratio



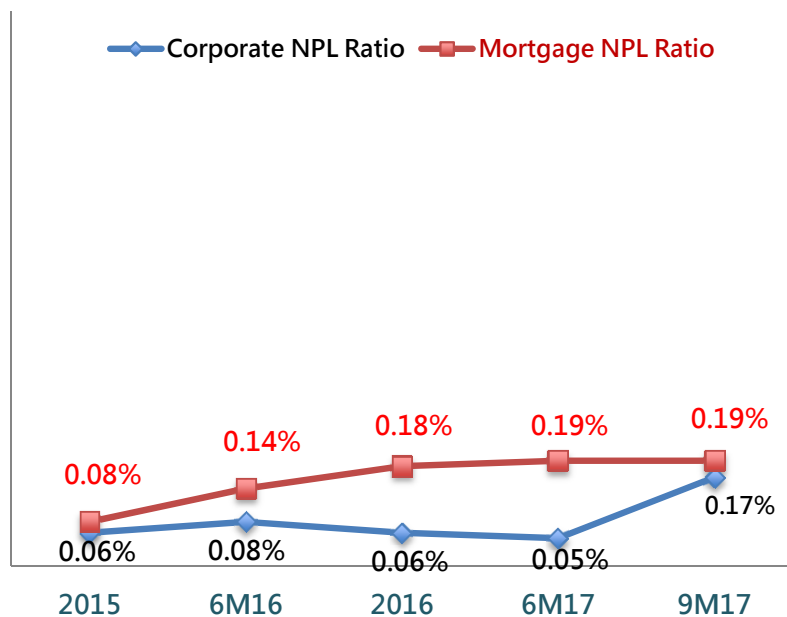
Note: Data of E.SUN Bank





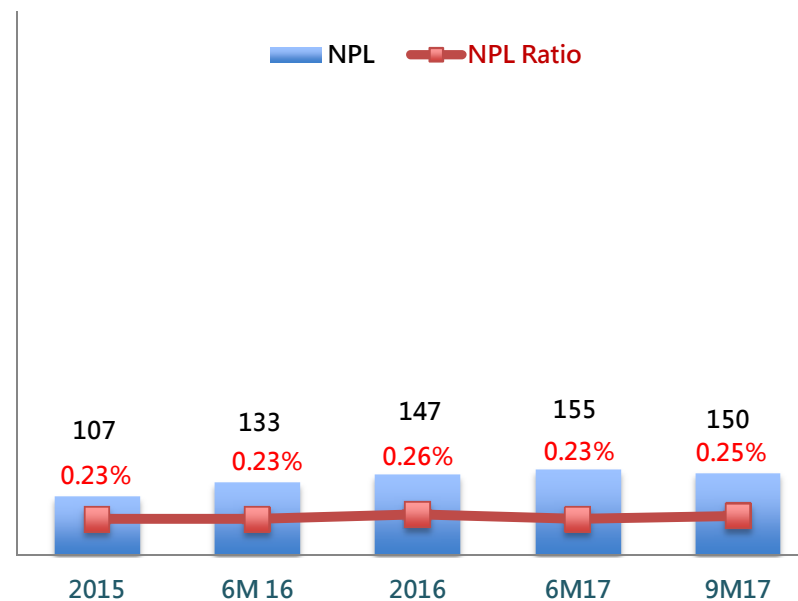
# Superior Asset Quality 2/3

## NPL Ratio for Major Products



## NPL Ratio for Credit Card

Unit: NT\$ million

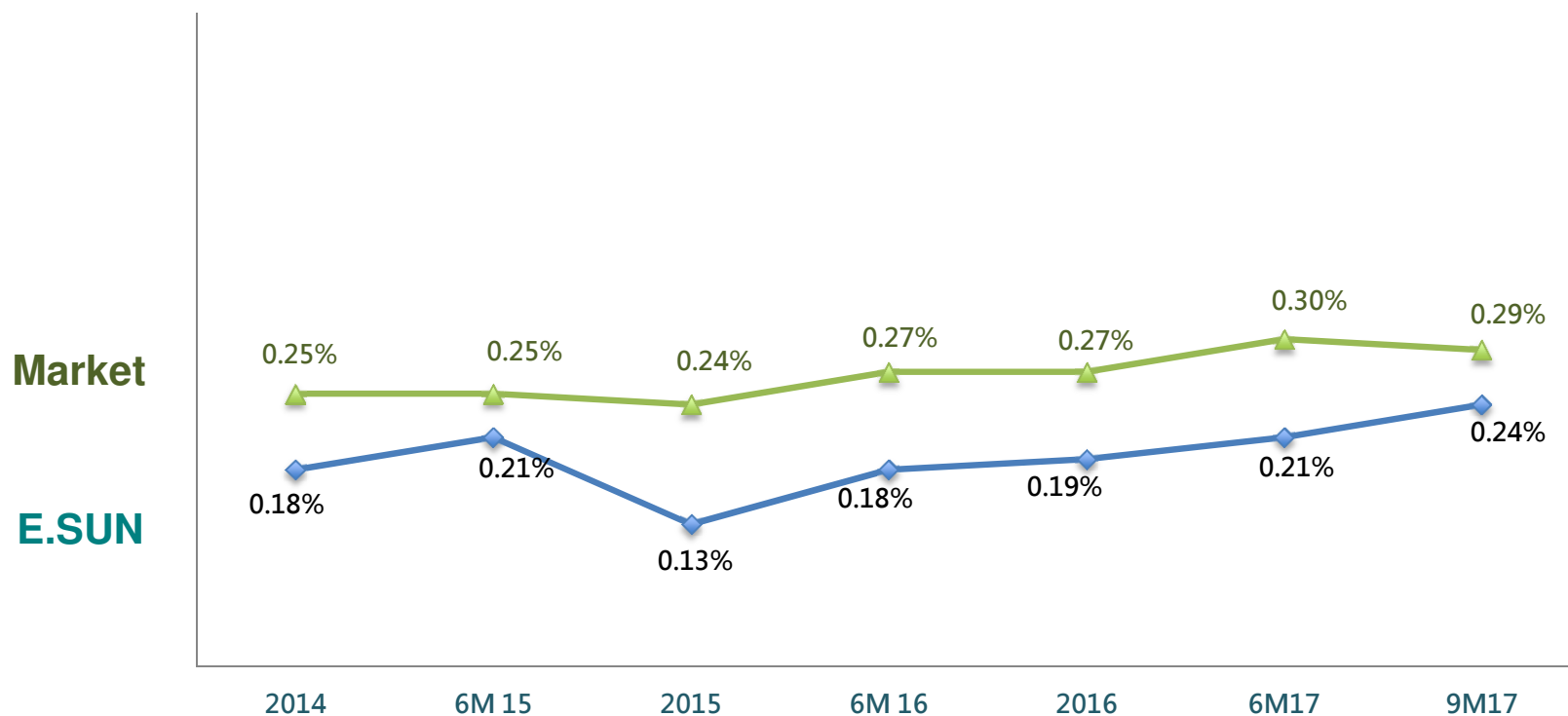


Note: Data of E.SUN Bank



# Superior Asset Quality 3/3

## NPL Comparison with Market

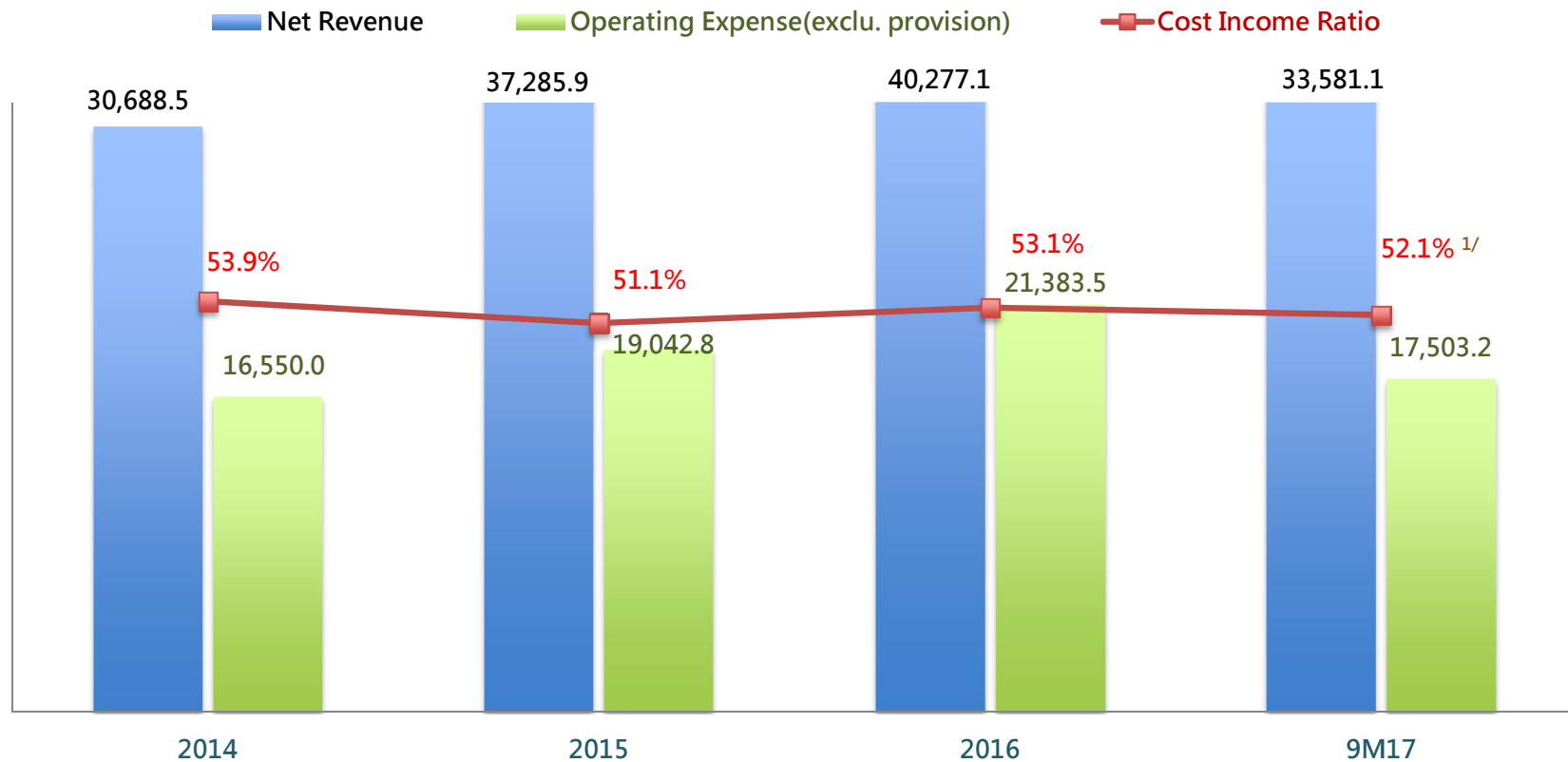


Source : FSC



# Cost-Income Ratio

Unit: NT\$ million



Note: 1 Adjusted C/I was 51.5% after deducting the one-off expense due to rights offering

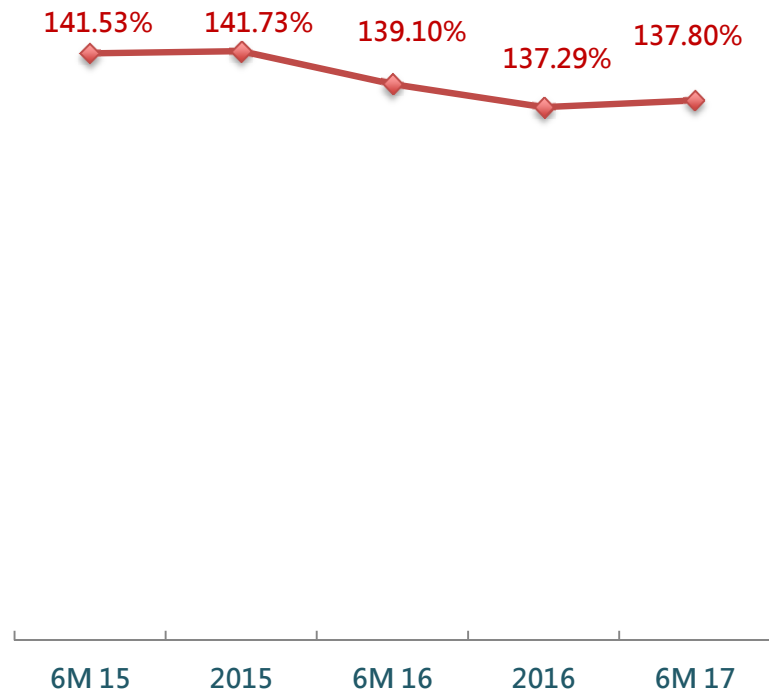
2. Financials of E.SUN Bank

3. Reviewed figures of Sep. 2017

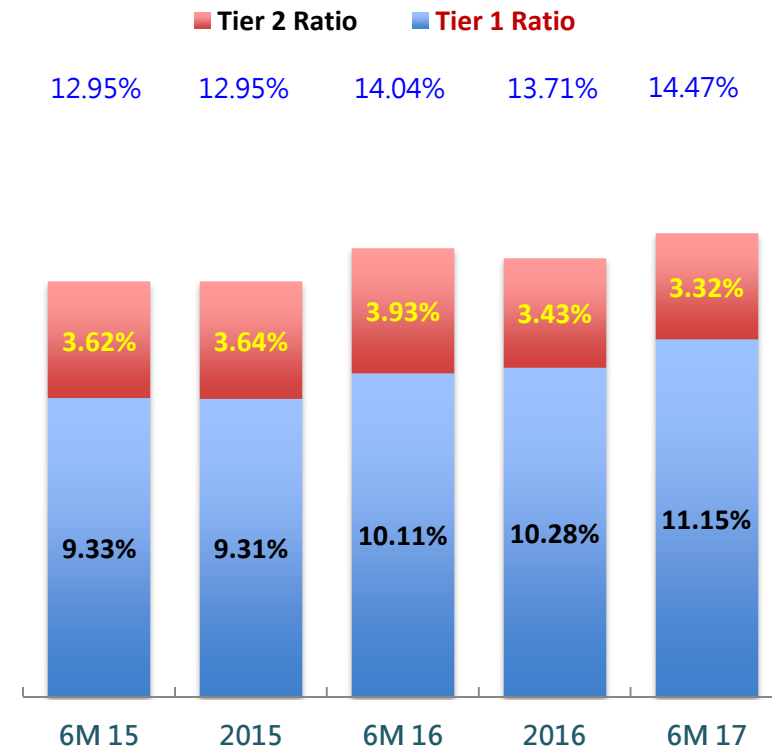


# Capital Adequacy Ratio

## FHC CAR Ratio



## Bank BIS Ratio



Note: 1. Audit figures of June 2017  
2. BIS of E.SUN Bank standalone



# Thank You

- ❖ If you wish to know more about E.SUN, please visit our website site ([www.esunfhc.com.tw](http://www.esunfhc.com.tw)) for more information.
- ❖ If you have further questions, please feel free to contact us through email or conference call
- ❖ For more information, please contact Investor Relations Department  
+8862 2175 1313 Ext 9347,9302  
[ir@email.esunbank.com.tw](mailto:ir@email.esunbank.com.tw)





## Appendix 1/6

### Balance Sheet of 3Q 2017 for E.SUN FHC and its subsidiaries

NT\$ million	E.SUN Bank (consolidated)	E.SUN Sec. (Consolidated)	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Assets :					
Cash and due from banks	128,589	186	139	132	128,633
Securities, net	553,593	598	327	0	554,518
Loans, net	1,201,528	0	0	0	1,201,528
A/R, net	82,483	9,794	0	68	92,277
LT investments, net	538	102	2,646	152,216	3,294
Land, premises and equipments, net	27,047	351	0	28	27,702
Others	26,951	3,011	388	580	29,665
<b>Total assets</b>	<b>2,020,729</b>	<b>14,042</b>	<b>3,500</b>	<b>153,024</b>	<b>2,037,617</b>
Liabilities:					
Deposits	1,676,538	0	0	0	1,675,686
Other liabilities	200,211	9,203	8	7,263	216,066
<b>Total liabilities</b>	<b>1,876,749</b>	<b>9,203</b>	<b>8</b>	<b>7,263</b>	<b>1,891,752</b>
<b>Total stockholders' equity</b>	<b>143,980</b>	<b>4,839</b>	<b>3,492</b>	<b>145,761</b>	<b>145,865</b>
<b>Total equity attributable to owners of the company</b>	<b>143,869</b>	<b>4,839</b>	<b>3,492</b>	<b>145,761</b>	<b>145,761</b>
Non-Controlling interests	111	0	0	0	104
<b>Total liabilities and stockholders' equity</b>	<b>2,020,729</b>	<b>14,042</b>	<b>3,500</b>	<b>153,024</b>	<b>2,037,617</b>

Note: Reviewed figures of Sep. 2017



## Appendix 2/6

### P&L of E.SUN FHC and its subsidiaries for 3Q 2017

NT\$ million	E.SUN Bank (Consolidated)	E.SUN Sec. (Consolidated)	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income					
Net interest income	14,908	245	2	(79)	15,076
Net fee income	11,261	618	0	0	11,876
LT investment income	48	0	40	11,952	88
Net trading income/(loss) & Derivatives & FX	7,146	125	82	(138)	7,215
Others	218	82	(50)	69	151
Total Net Revenues	33,581	1,070	74	11,804	34,406
Allowance for bad-debt expenses	(2,754)	(130)	0	0	(2,884)
Operating expenses	(17,503)	(757)	(13)	(260)	(18,362)
Income before income tax	13,324	183	61	11,544	13,160
Income tax expenses	(1,719)	(30)	0	37	(1,711)
Net Income	11,605	153	61	11,581	11,449
Attributable to owners of the company	11,737	153	61	11,581	11,581
Non-controlling interests	(132)	0	0	0	(132)

Note: Reviewed figures of Sep. 2017



## E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
<b>Assets :</b>								
Cash and due from banks	89,638	104,113	99,545	86,116	99,545	102,784	116,834	128,633
Securities, net	420,897	469,508	502,761	515,775	502,761	522,736	545,379	554,518
Loans, net	934,614	1,021,995	1,118,149	1,080,228	1,118,149	1,137,049	1,176,465	1,201,528
A/R, net	73,088	78,562	83,936	79,367	83,936	78,011	96,306	92,277
LT investments, net	2,184	2,386	2,809	2,736	2,809	2,929	3,190	3,294
Land, premises and equipments, net	21,106	26,792	26,440	27,451	26,440	26,864	27,367	27,702
Others	24,893	71,928	50,660	52,175	50,660	48,635	31,712	29,665
<b>Total assets</b>	<b>1,566,420</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>1,843,848</b>	<b>1,884,300</b>	<b>1,919,008</b>	<b>1,997,253</b>	<b>2,037,617</b>
<b>Liabilities:</b>								
Deposits	1,280,692	1,456,394	1,556,422	1,493,485	1,556,422	1,556,075	1,637,597	1,675,686
Other liabilities	178,067	197,229	198,697	222,415	198,697	229,950	216,485	216,066
<b>Total liabilities</b>	<b>1,458,759</b>	<b>1,653,623</b>	<b>1,755,119</b>	<b>1,715,900</b>	<b>1,755,119</b>	<b>1,786,025</b>	<b>1,854,082</b>	<b>1,891,752</b>
<b>Total stockholders' equity</b>	<b>107,661</b>	<b>122,661</b>	<b>129,181</b>	<b>127,948</b>	<b>129,181</b>	<b>132,983</b>	<b>143,171</b>	<b>145,865</b>
<b>Total equity attributable to owners of the company</b>	<b>106,876</b>	<b>120,927</b>	<b>128,524</b>	<b>127,162</b>	<b>128,524</b>	<b>132,350</b>	<b>142,642</b>	<b>145,761</b>
<b>Non-Controlling interests</b>	<b>785</b>	<b>734</b>	<b>657</b>	<b>786</b>	<b>657</b>	<b>633</b>	<b>529</b>	<b>104</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,566,420</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>1,843,848</b>	<b>1,884,300</b>	<b>1,919,008</b>	<b>1,997,253</b>	<b>2,037,617</b>

Note: Reviewed figures of Sep. 2017





## Appendix 4/6

### E.SUN FHC's P&L account (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	3Q16	4Q16	1Q17	2Q17	3Q17
Operating income								
Net interest income	15,485	17,474	18,585	4,751	4,977	4,882	4,994	5,200
Net Fee income	11,470	13,878	15,548	4,373	3,891	3,632	3,971	4,273
LT investment income	121	71	91	56	3	9	12	67
Net trading income/(loss) & Derivatives & FX	5,602	7,378	6,586	1,659	1,525	2,014	2,588	2,613
Others	77	(312)	254	32	177	(16)	107	60
Total Net Revenues	32,755	38,489	41,064	10,871	10,573	10,521	11,672	12,213
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,463)	(1,028)	(1,861)	(413)	(1,347)	(1,124)
Operating expenses	(17,950)	(20,138)	(22,396)	(5,636)	(6,196)	(5,872)	(6,269)	(6,221)
Income before income tax	12,771	14,785	15,205	4,207	2,516	4,236	4,056	4,868
Income tax expenses	(2,166)	(1,906)	(2,222)	(726)	(247)	(494)	(369)	(848)
Net Income	10,605	12,879	12,983	3,481	2,269	3,742	3,687	4,020
Income Attributable to owners of the company	10,529	12,816	13,135	3,474	2,417	3,733	3,785	4,063
Attribute to former business under control	0	0	0	0	0	0	0	0
Non-Controlling interests	76	63	(152)	7	(148)	9	(98)	(43)

Note: Reviewed figures of Sep. 2017



## E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
<b>Assets :</b>								
Cash and due from banks	89,599	103,947	99,446	86,046	99,446	102,726	116,776	128,589
Securities, net	417,344	467,481	501,867	513,982	501,867	521,557	550,216	553,593
Loans, net	934,614	1,021,995	1,118,149	1,080,228	1,118,149	1,137,049	1,176,465	1,201,528
A/R, net	65,392	71,523	75,992	71,682	75,992	68,975	86,792	82,483
LT investments, net	546	542	538	538	538	538	538	538
Land, premises and equipments, net	20,247	26,156	25,785	26,819	25,785	26,214	26,732	27,047
Others	24,202	68,986	48,354	49,880	48,354	46,205	23,451	26,951
<b>Total assets</b>	<b>1,551,944</b>	<b>1,760,630</b>	<b>1,870,131</b>	<b>1,829,175</b>	<b>1,870,131</b>	<b>1,903,264</b>	<b>1,980,970</b>	<b>2,020,729</b>
<b>Liabilities:</b>								
Deposits	1,284,728	1,457,201	1,558,856	1,495,822	1,558,856	1,559,579	1,643,182	1,676,538
Other liabilities	161,708	185,171	184,241	207,925	184,241	213,013	196,693	200,211
<b>Total liabilities</b>	<b>1,446,436</b>	<b>1,642,372</b>	<b>1,743,097</b>	<b>1,703,747</b>	<b>1,743,097</b>	<b>1,772,592</b>	<b>1,839,875</b>	<b>1,876,749</b>
<b>Total stockholders' equity</b>	<b>105,508</b>	<b>118,258</b>	<b>127,034</b>	<b>125,428</b>	<b>127,034</b>	<b>130,672</b>	<b>141,095</b>	<b>143,980</b>
Total equity attributable to owners of the company	104,723	116,391	126,371	124,635	126,371	130,033	140,560	143,869
Non-Controlling interests	785	1,133	663	793	663	639	535	111
Attribute to former business under control	0	734	0	0	0	0	0	0
<b>Total liabilities and stockholders' equity</b>	<b>1,551,944</b>	<b>1,760,630</b>	<b>1,870,131</b>	<b>1,829,175</b>	<b>1,870,131</b>	<b>1,903,264</b>	<b>1,980,970</b>	<b>2,020,729</b>

Note: Reviewed figures of Sep. 2017



## E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	3Q16	4Q16	1Q17	2Q17	3Q17
Operating income								
Net interest income	15,286	17,253	18,419	4,709	4,935	4,840	4,936	5,132
Fee income	9,910	13,190	14,939	4,220	3,745	3,460	3,780	4,021
LT investment income	48	45	54	43	0	0	10	38
Net trading income/(loss) & Derivatives & FX	5,318	6,522	6,575	1,756	1,375	2,083	2,487	2,576
Others	127	276	290	37	191	25	117	76
<b>Total Net Revenues</b>	<b>30,689</b>	<b>37,286</b>	<b>40,277</b>	<b>10,765</b>	<b>10,246</b>	<b>10,408</b>	<b>11,330</b>	<b>11,843</b>
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,462)	(1,029)	(1,861)	(413)	(1,219)	(1,122)
Operating expenses	(16,560)	(19,043)	(21,384)	(5,381)	(5,936)	(5,613)	(5,995)	(5,895)
Income before income tax	12,095	14,677	15,431	4,355	2,449	4,382	4,116	4,826
Income tax expenses	(1,814)	(1,947)	(2,171)	(729)	(218)	(517)	(413)	(789)
<b>Net Income</b>	<b>10,281</b>	<b>12,730</b>	<b>13,260</b>	<b>3,626</b>	<b>2,231</b>	<b>3,865</b>	<b>3,703</b>	<b>4,037</b>
Attributable to owners of the company	10,205	11,908	13,265	3,618	2,379	3,856	3,801	4,080
Attribute to former business under control	0	759	146	0	0	0	0	0
Non-controlling interests	76	63	(151)	8	(148)	9	(98)	(43)

Note: Reviewed figures of Sep. 2017