



E.SUN FHC Financial Review of 2Q 2017

August, 2017



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Agenda

- 2017 2Q Financial Performance
- 2017 2Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		2017.6	2016.12
		Unit : NT\$ million	
Total Assets	FHC	1,997,253	1,884,300
	Bank	1,980,970	1,870,131
	Securities	13,355	11,504
	Venture Capital	3,578	3,657
Key Financials	Book value per share (NT\$)	15.07	14.66
	Double Leverage Ratio	104.35%	104.80%
	FHC CAR	137.80%	137.29%
Distribution Channels	Bank – domestic	137	137
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Australia, Myanmar Subsidiary: China and Cambodia (UCB) Representative office in Hanoi Totally 24 overseas operating sites	
	Securities - branches	18	20

Note: 1. No. 138 branch opened in July, 2017
 2. 45.34% of shares owned by QFII as of June, 2017
 3. Audit figures of June, 2017



2Q17 Business and Financial Review

Financial Performance

- Net profit for 1H17 reached NT \$7.5 billion, a 3.8% growth; net revenues grew 13.1% YoY.
- EPS NT \$0.84, ROE 10.91%, ROA 0.77%

Business Operation

- Net interest income and net fee income increased by 11.5% and 4.4% respectively.
- Credit card fee income remained strong growth momentum, increased by 15.4% YoY.
- Loan demand remained stable with total balance increased by 5.3% YTD.
- Asset quality maintained benign with NPL ratio at 0.21% and coverage ratio at 556.9%.

Milestones

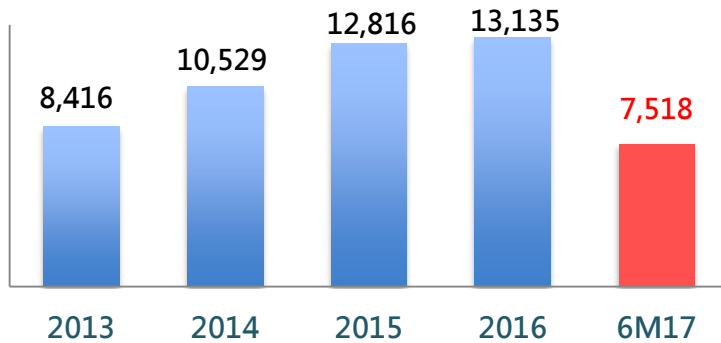
- Capital Milestone: Capital of FHC exceeded NT \$100 billion.
- Tokyo Branch is scheduled to open in October, extending E.SUN's cross border financial services.
- The first financial institution to receive SME Partner Award from Ministry of Economic Affairs for the 12th consecutive year.
- Recognition and honors: Best Bank and Best CEO in Asia Pacific by The Asian Banker ; 10th time winner of Commonwealth CSR ; Winner of The Banker's Best Technology Project in payment ; Regional 5 Star Award by Euromoney for superior treasury management ; Champion of wealth management assessment by Business Today.



Financial Performance

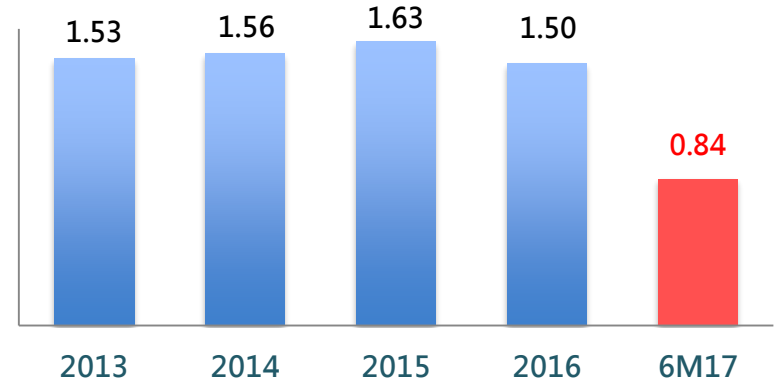
Net Profit

Unit: NT\$ million

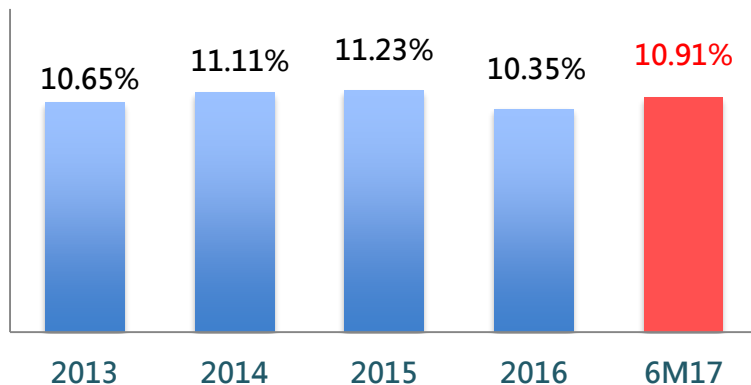


EPS

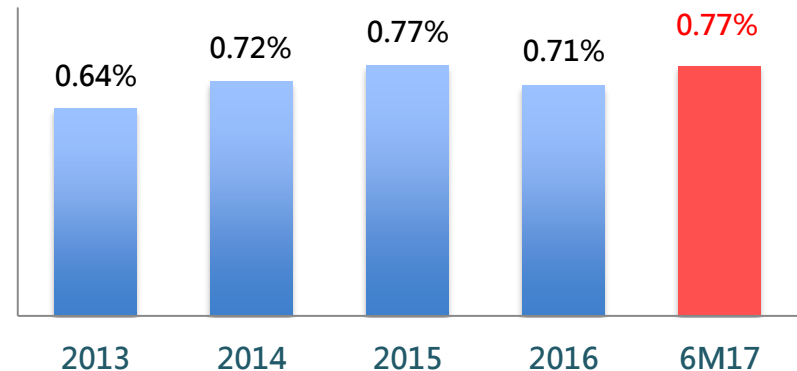
Unit: NT\$ dollars



ROE



ROA

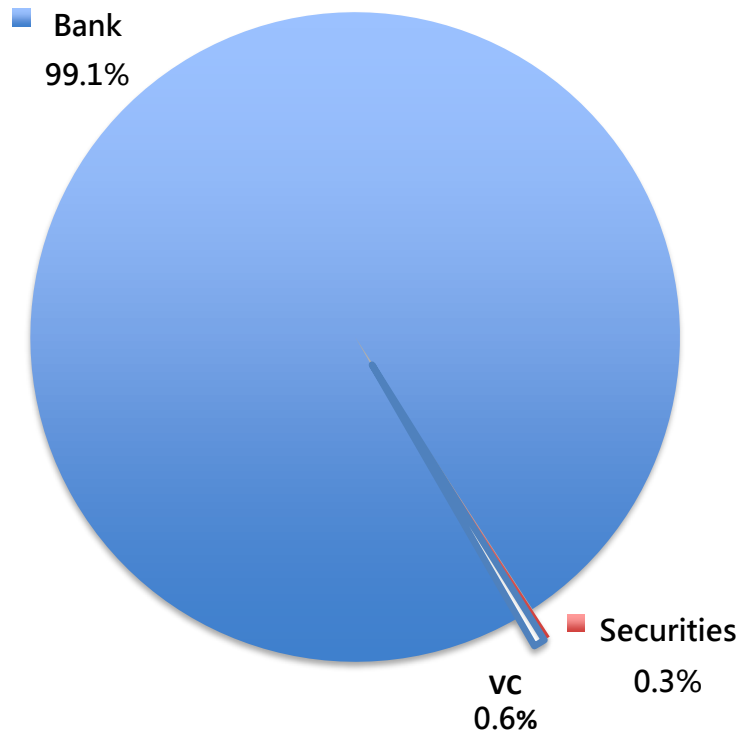


Note: Audit figures of June, 2017

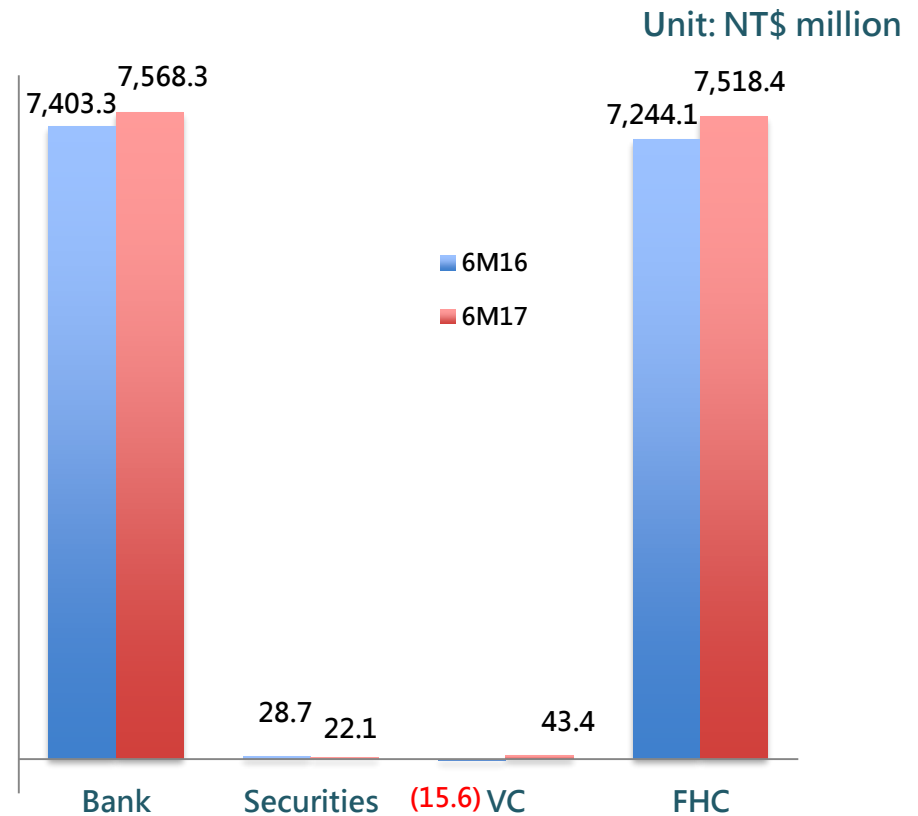


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries



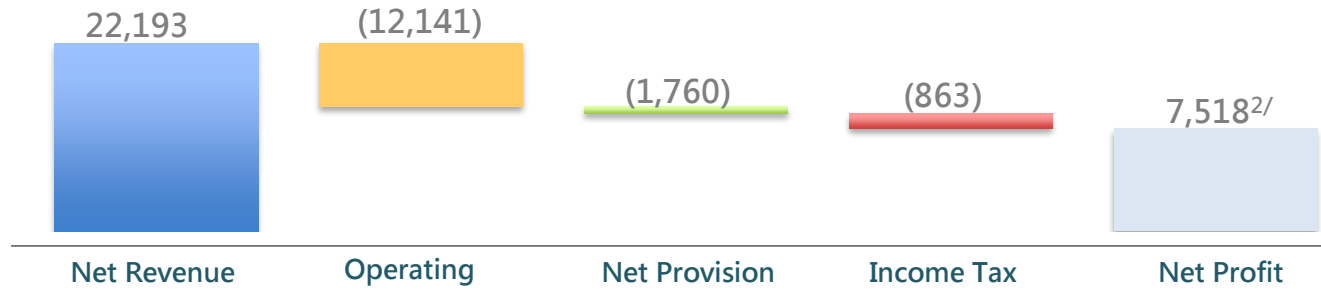
Note: Audit figures of June, 2017



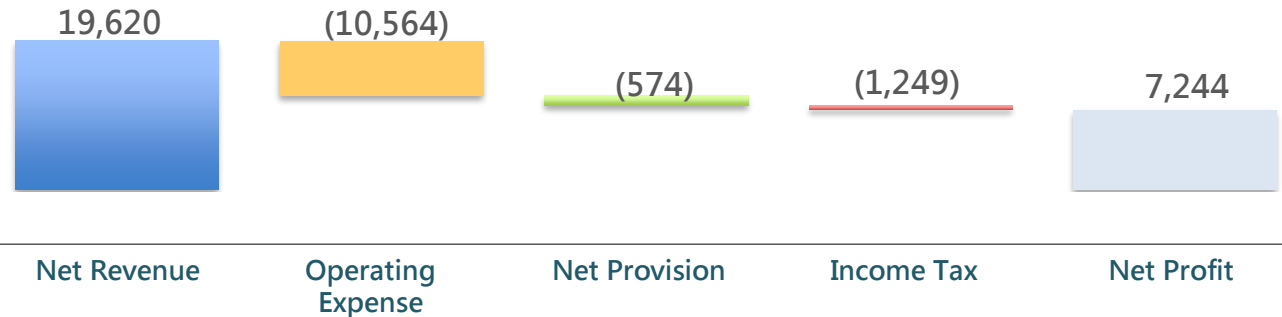
Net Profit Breakdown

6M17 P&L

Unit: NT\$ million



6M16 P&L



Note: 1. Expense was 13.0% increased after deducting NT \$199 million, an one-off expense due to rights offering.

2. Audit figures of June, 2017

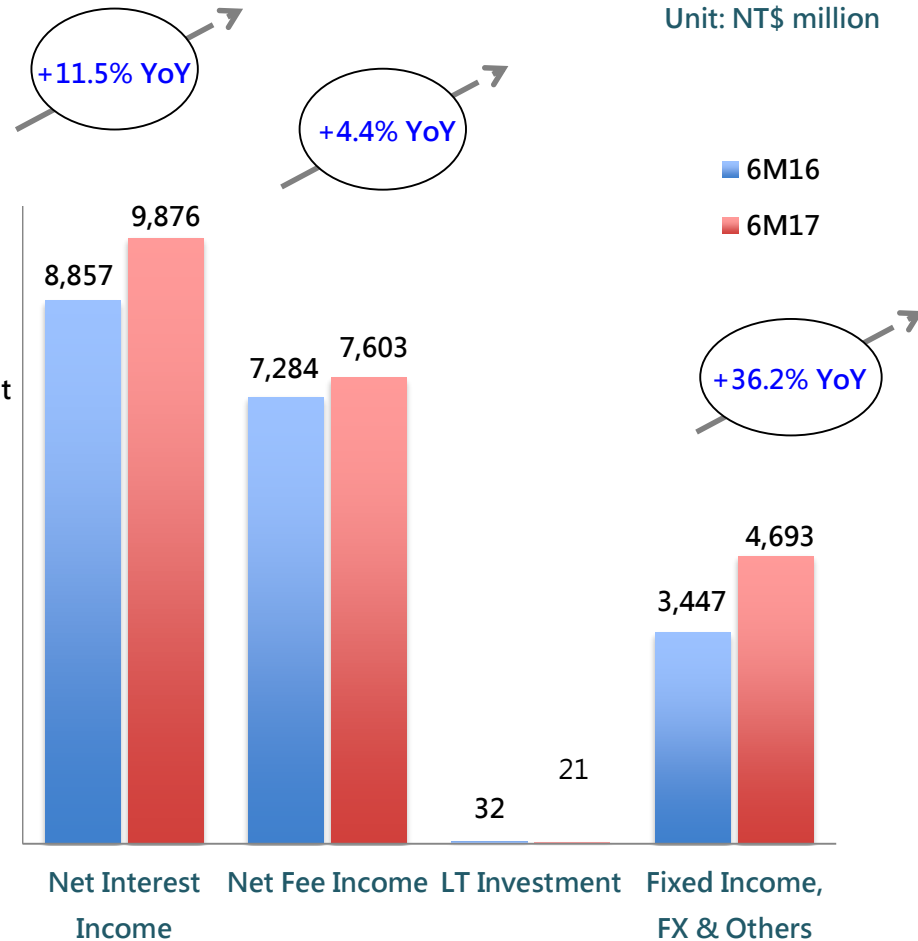
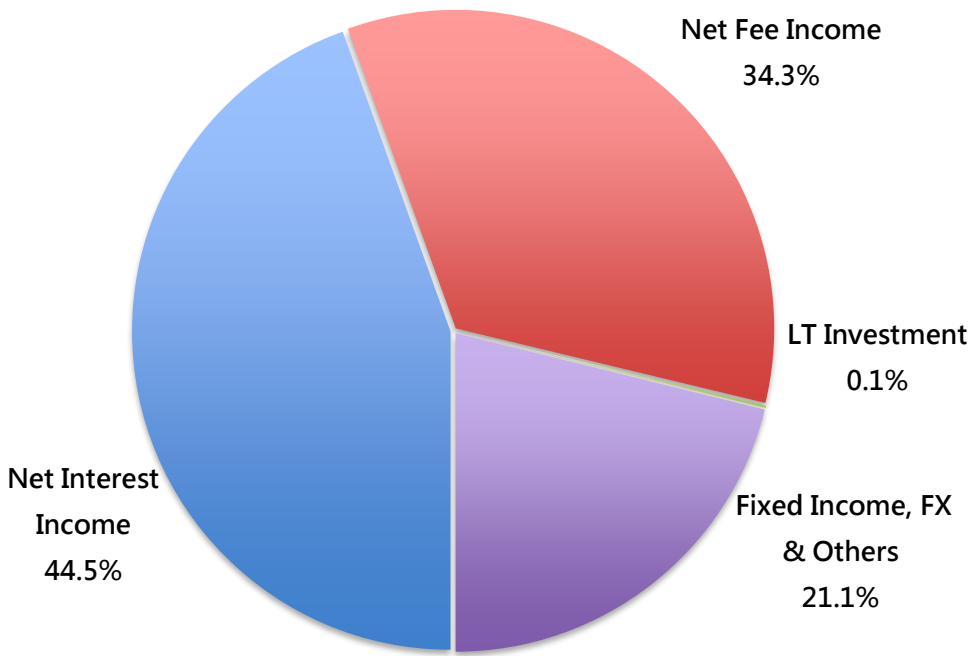


FHC Revenue Breakdown

Total Net Revenue
NT\$ 22,193 million

YoY Revenue Comparison

Unit: NT\$ million

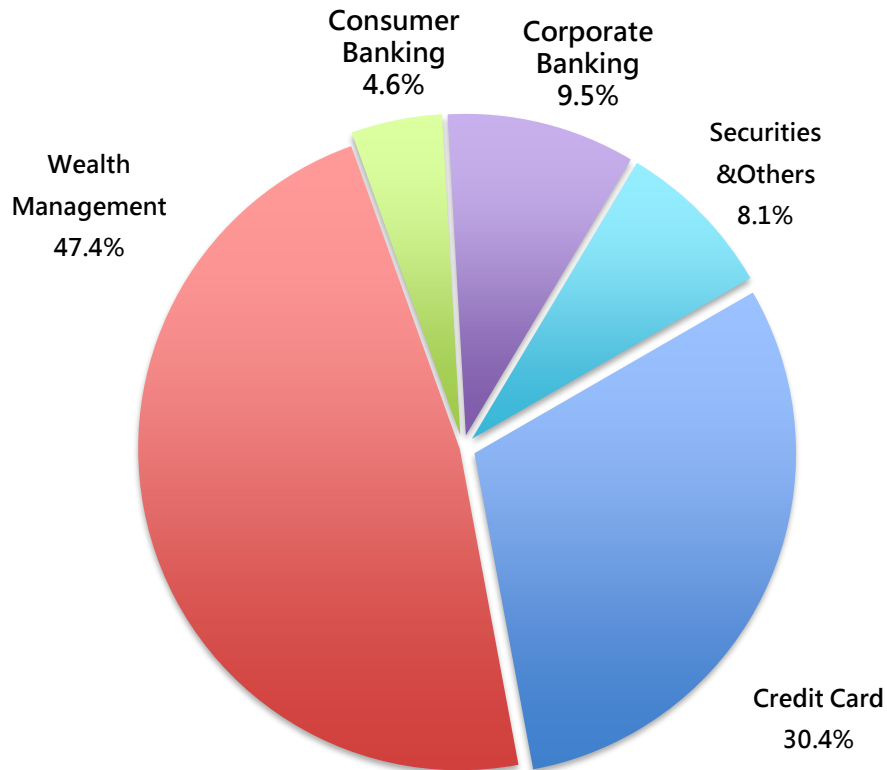


Note: Audit figures of June, 2017



Net Fee Income Breakdown

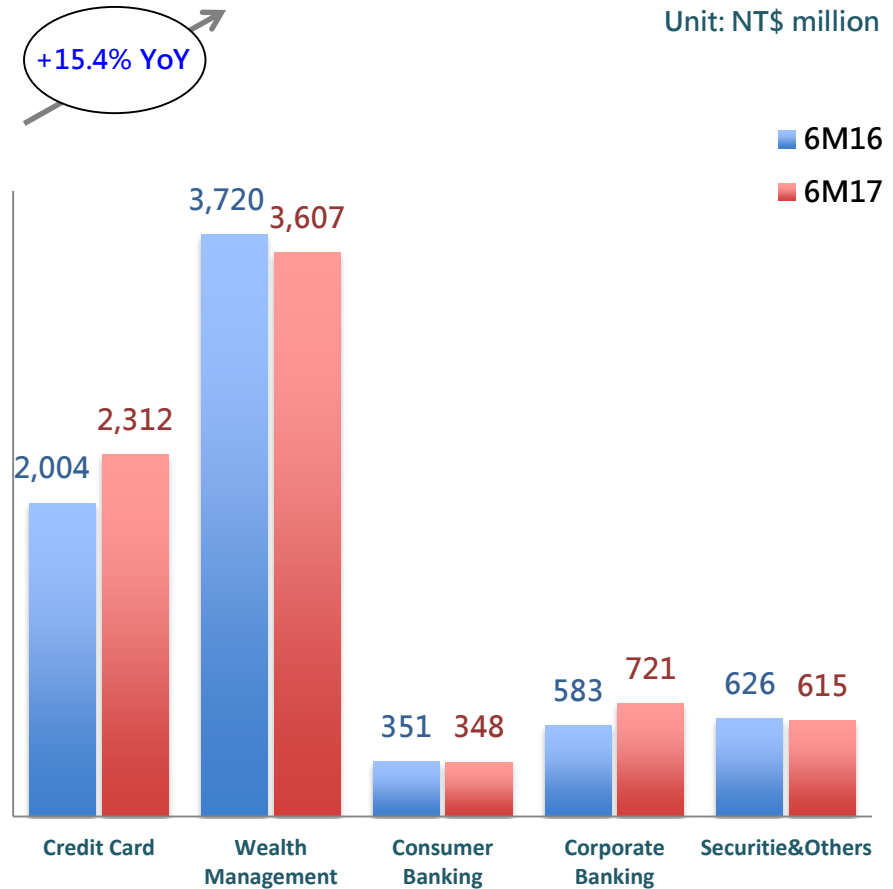
Total Net Fee Income
NT 7,603 million



Note: Audit figures of June, 2017

YoY Comparison

Unit: NT\$ million

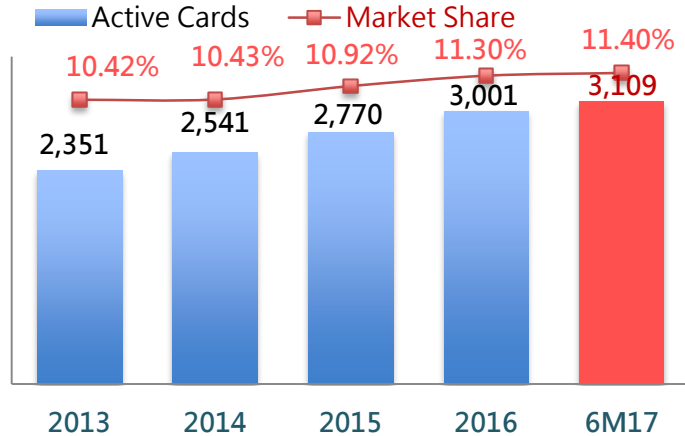




Credit Card Business Breakdown

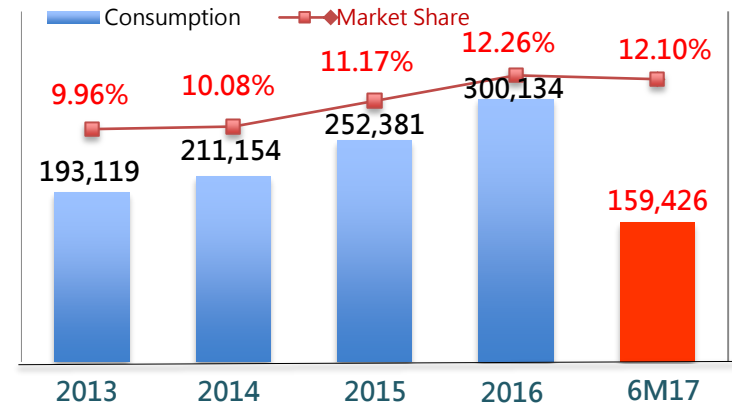
Active Cards

Unit: Thousand Cards, %



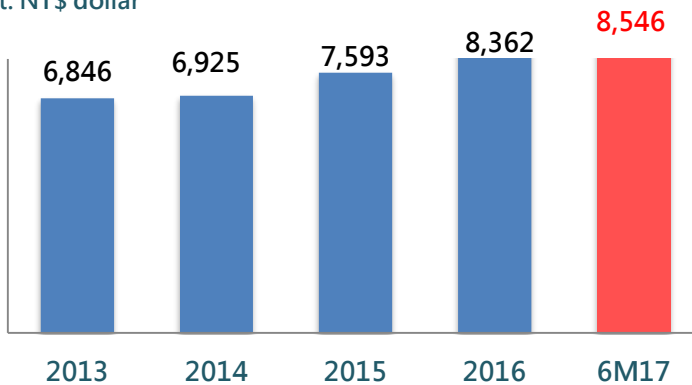
Card Consumption

Unit: NT\$ million



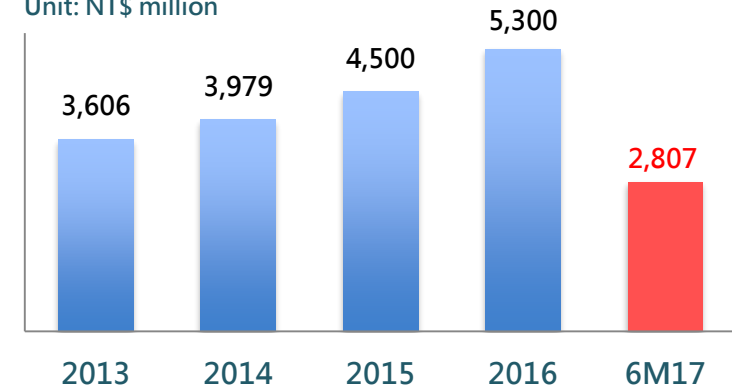
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share of June, 2017



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2017.6	QoQ Growth %	2017.3	YTD Growth %	2016
Total Deposits	1,633.1	5.6%	1,546.1	5.9%	1,542.6
Demand Deposits	724.5	3.9%	697.4	(0.1%)	725.2
Time Deposits	437.7	3.1%	424.7	3.4%	423.3
FCY Deposits	470.9	11.0%	424.1	19.5%	394.0
Total Loans ^{1/}	1,166.7	3.4%	1,128.1	5.3%	1,107.7
Corporate Loans	584.3	3.9%	562.5	5.8%	552.3
SME Loans	313.4	4.6%	299.5	6.6%	294.0
Consumer Loans	582.4	3.0%	565.7	4.8%	555.5
Mortgage Loan	236.6	1.2%	233.7	3.0%	229.6
Unsecured Personal Loan	96.6	5.3%	91.7	6.2%	91.0
Credit Cards in force ('000s)	3,109	2.4%	3,036	3.9%	2,991
Accumulated Credit Card Spending	159.4	22.3%	71.7	6.9% ^{2/}	300.1
Credit Card Revolving Balance	11.4	0.9%	11.3	(0.9%)	11.5

Note: 1. Excluded loan balance of subsidiaries NT\$ 23 billion and credit card revolving loan balance

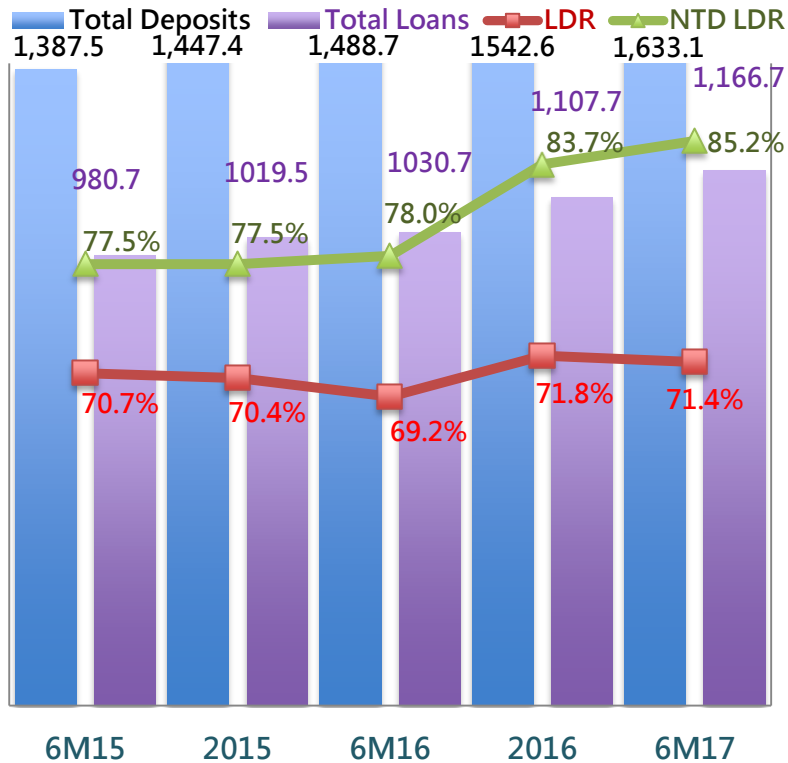
2. YoY growth 6M17 vs 6M16



Deposit Structure

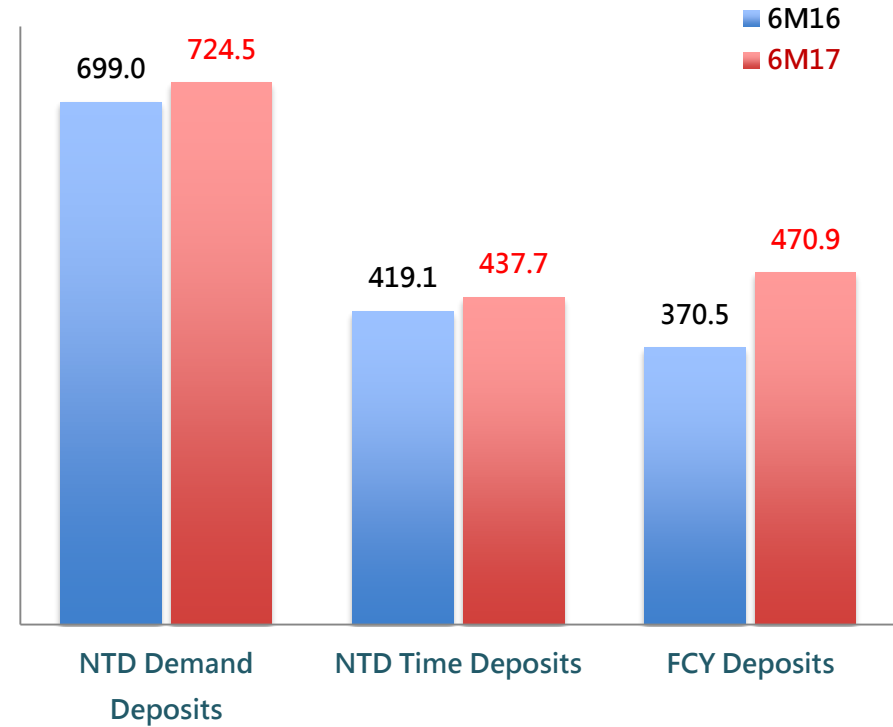
Loan to Deposit Ratio

Unit: NT\$ Bn



Deposit Structure

Unit: NT\$ Bn

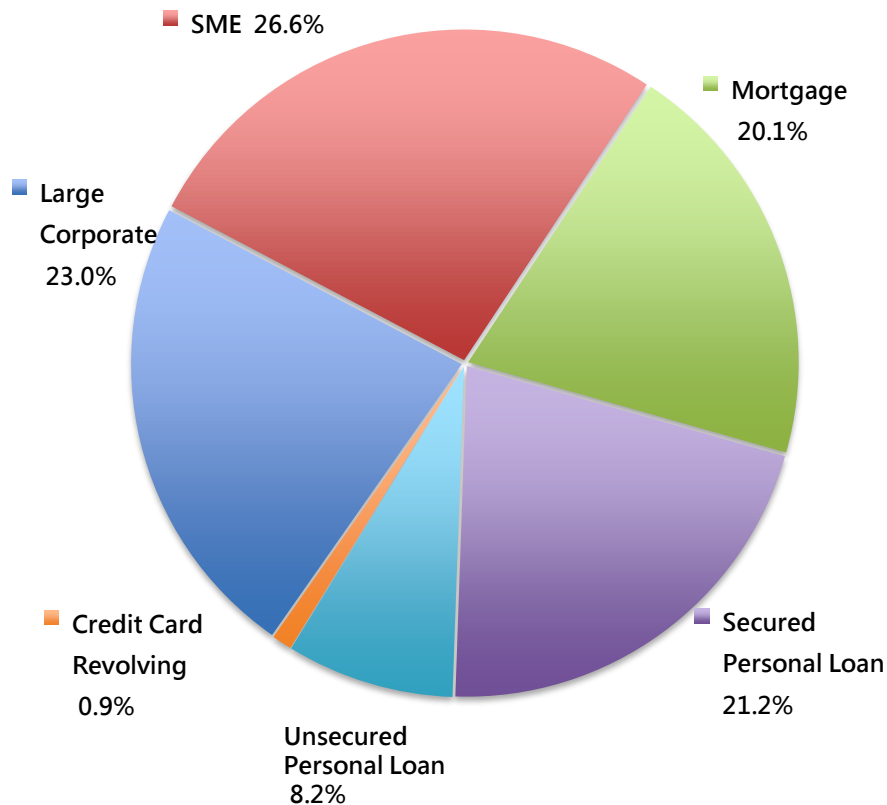


- Note: 1. Excluded Credit card revolving balance
 2. Data of E.SUN Bank
 3. Excluded deposit and loan of subsidiaries

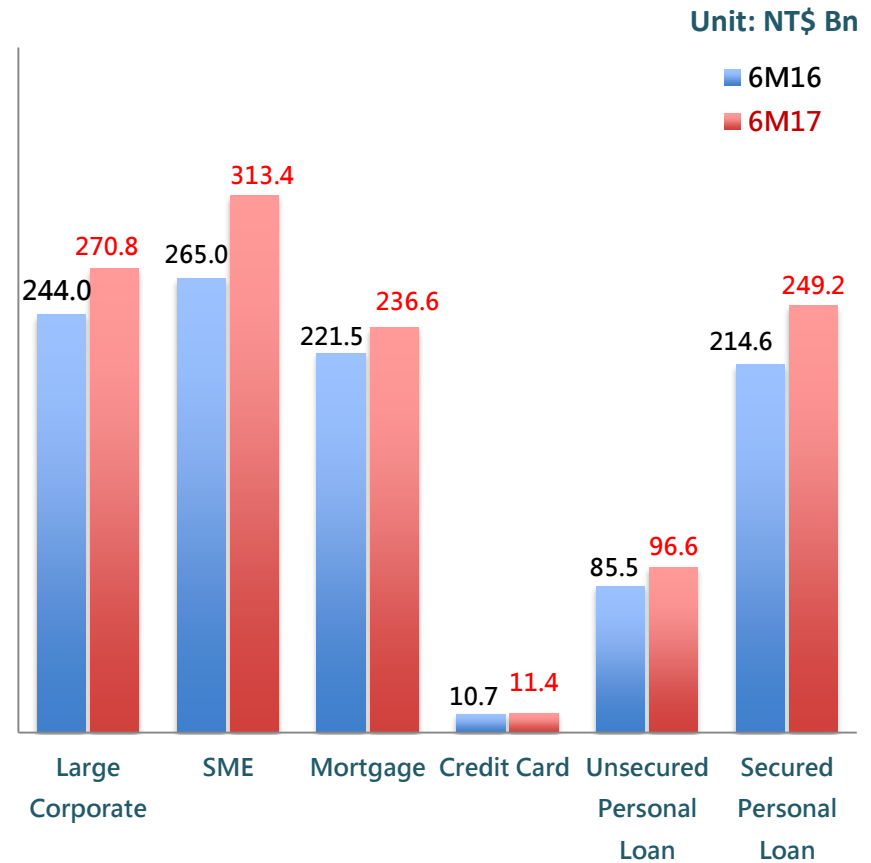


Loan Portfolio Breakdown

Total Loan
NT\$ 1,178.1 billion



YoY Comparison

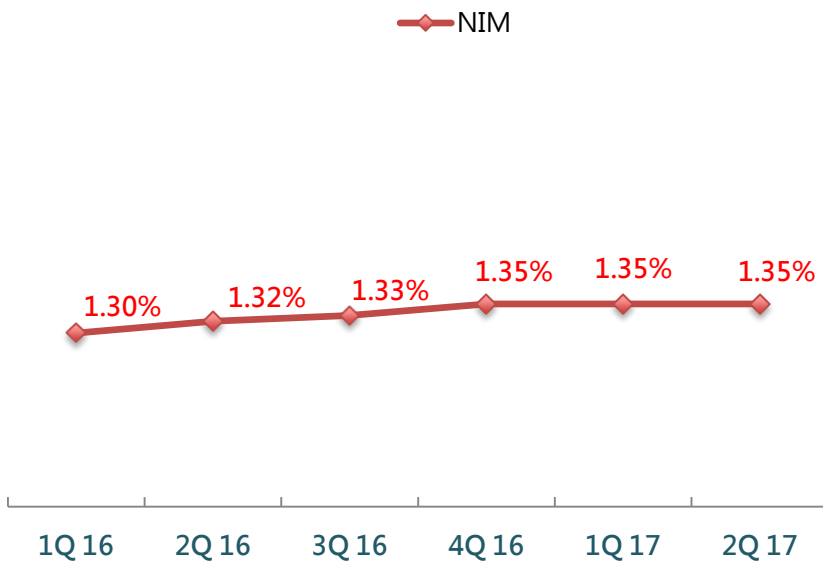


Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Excluded loan of subsidiaries

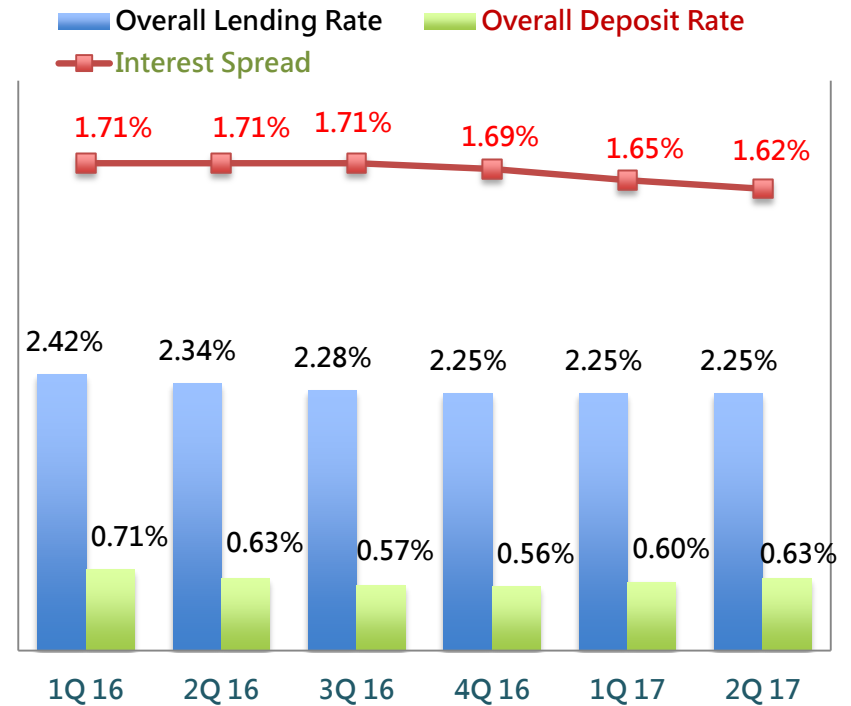


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



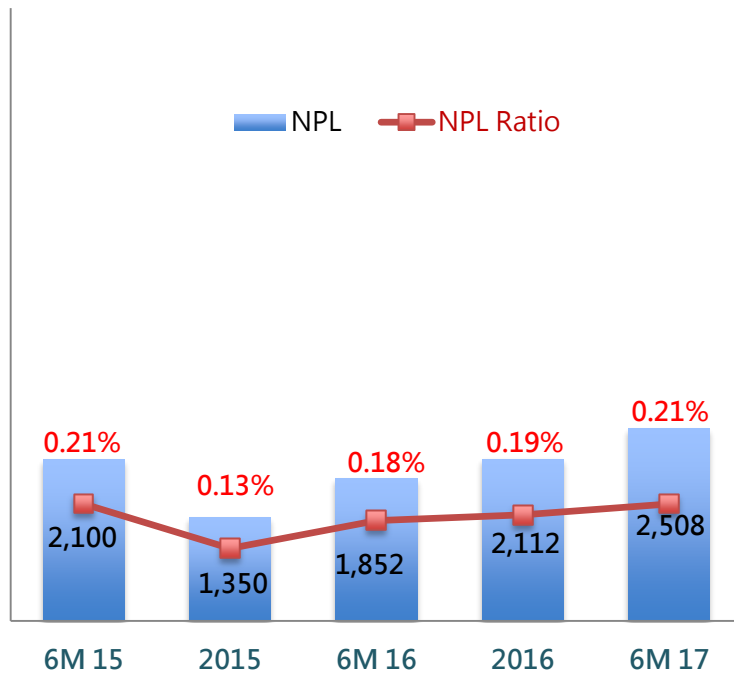
Note: 1. Financials of E.SUN Bank
 2. The net interest income restore the accounting treatment impact



Superior Asset Quality ^{1/3}

NPL Ratio(%)

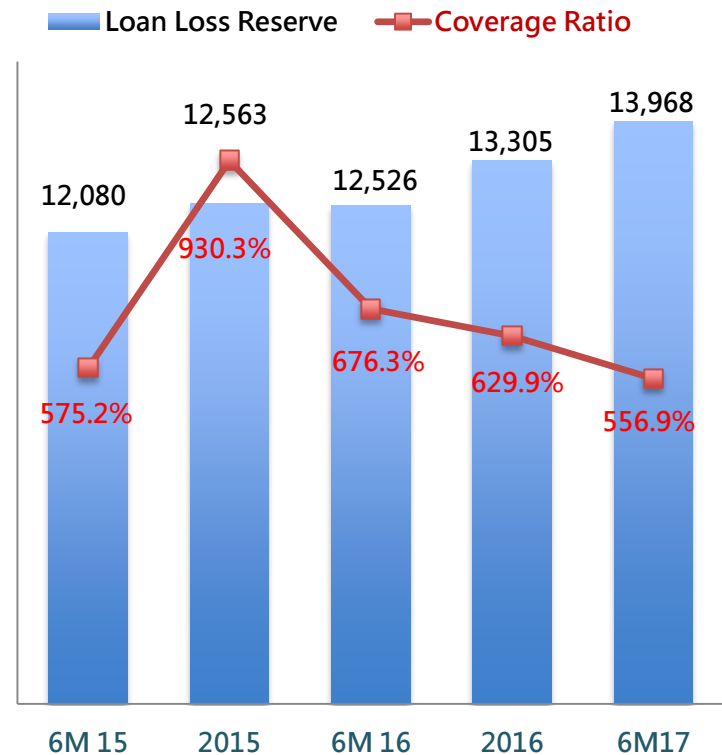
Unit: NT\$ million



Note: Data of E.SUN Bank

Coverage Ratio(%)

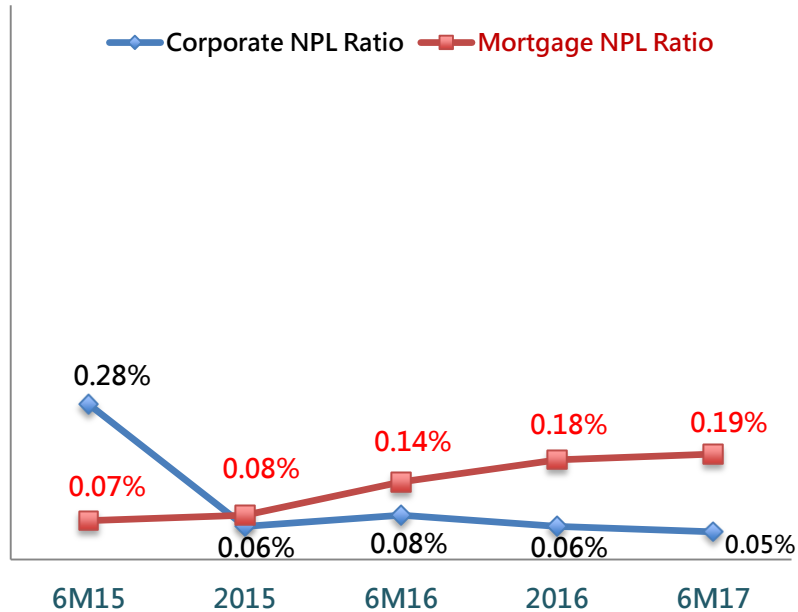
Unit: NT\$ million





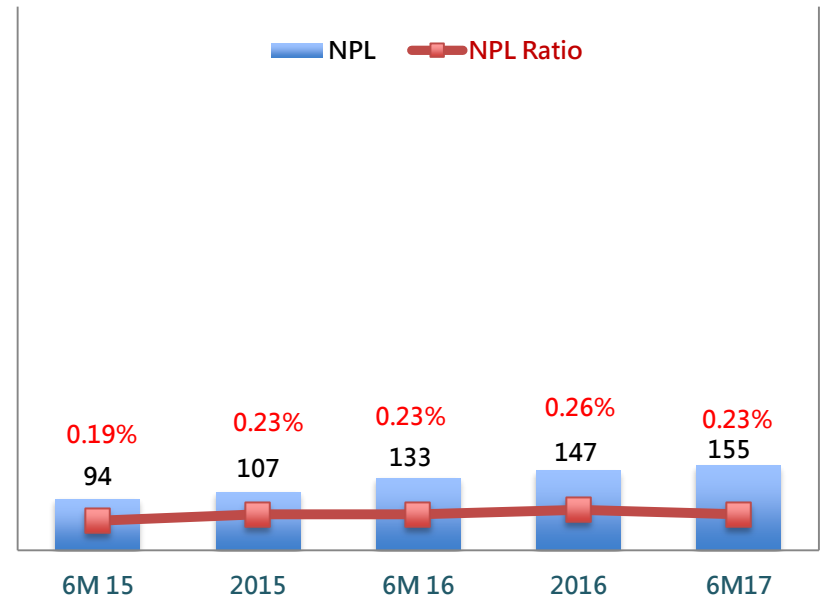
Superior Asset Quality 2/3

NPL Ratio for Major Products



NPL Ratio for Credit Card

Unit: NT\$ million

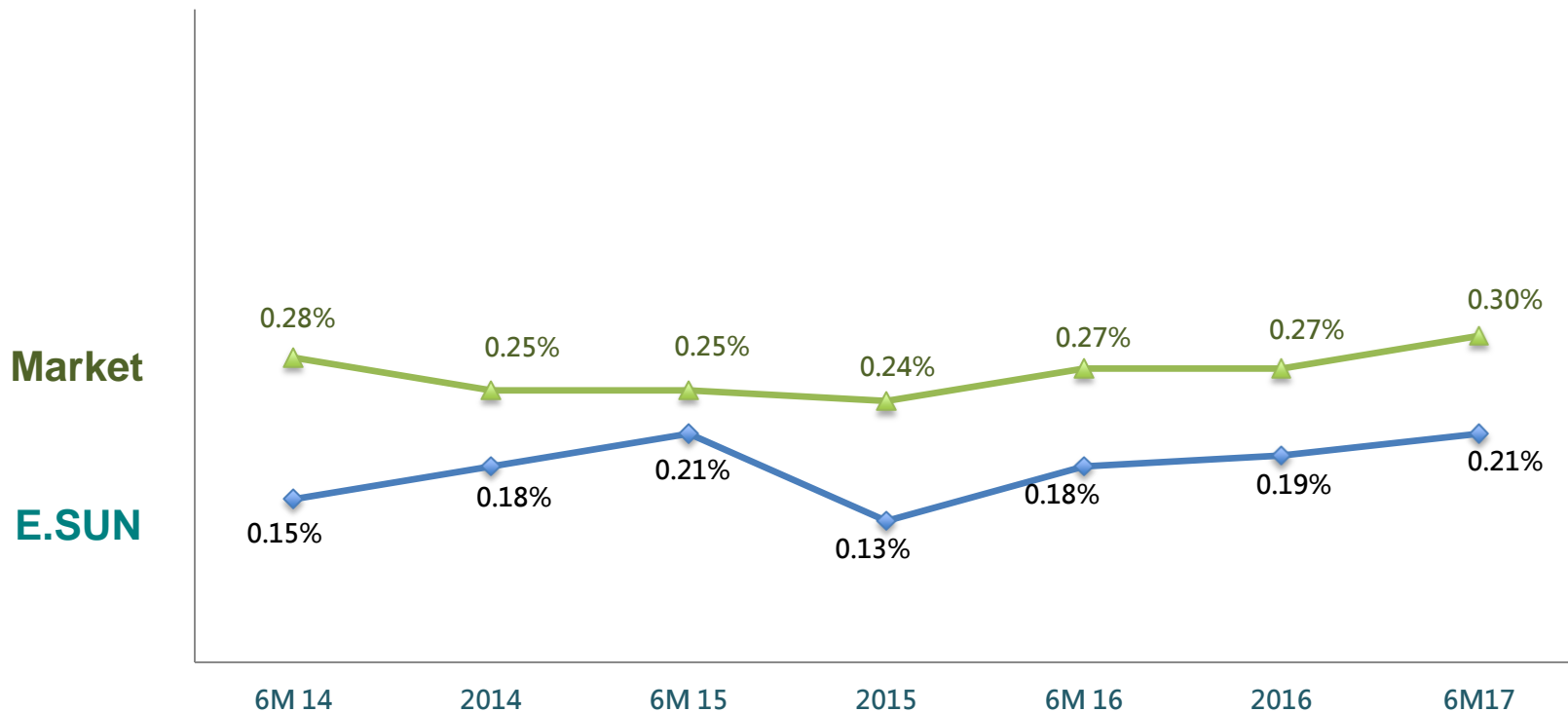


Note: Data of E.SUN Bank



Superior Asset Quality ^{3/3}

NPL Comparison with Market

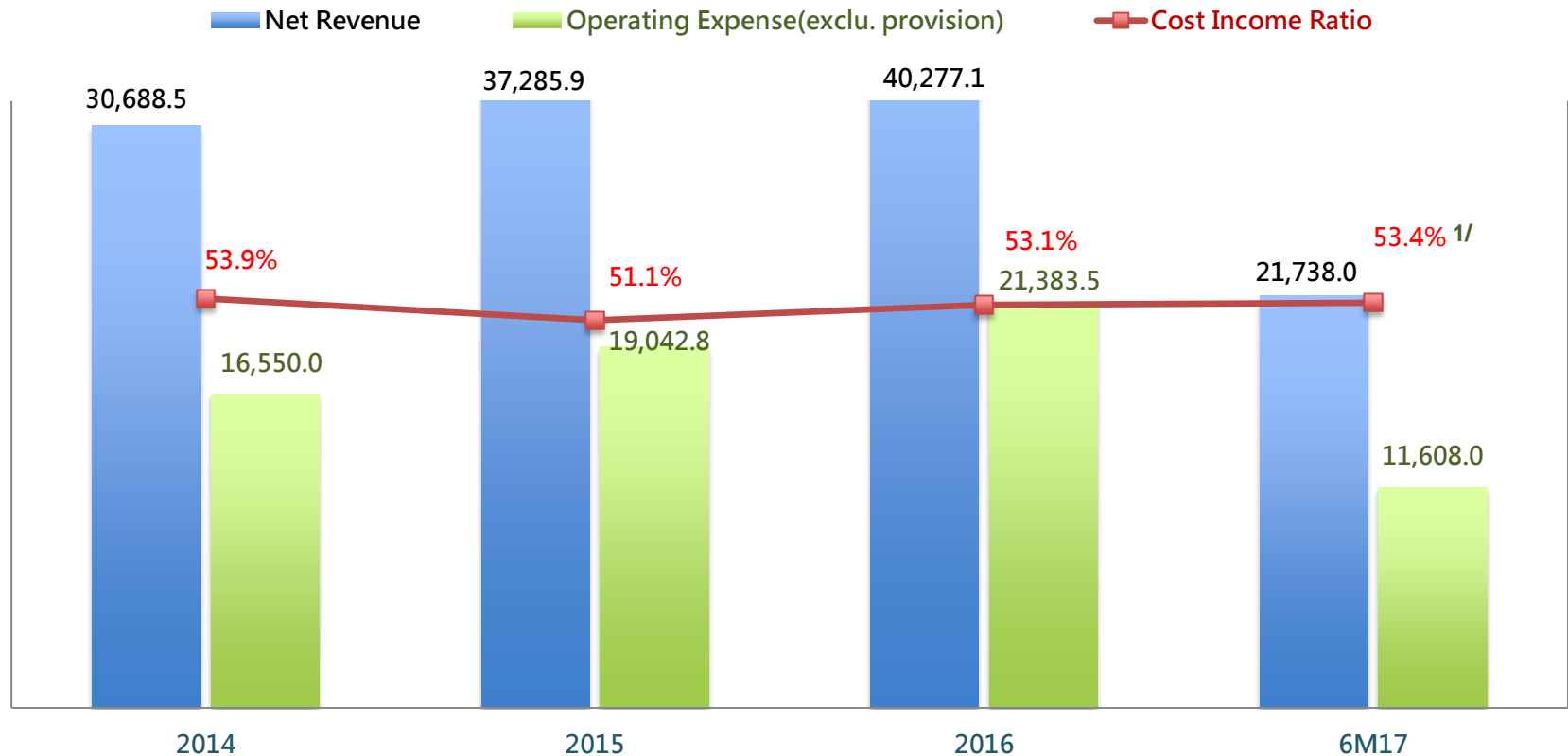


Source : FSC



Cost-Income Ratio

Unit: NT\$ million



Note: 1. Adjusted C/I was 52.5% after deducting the one-off expense due to rights offering.

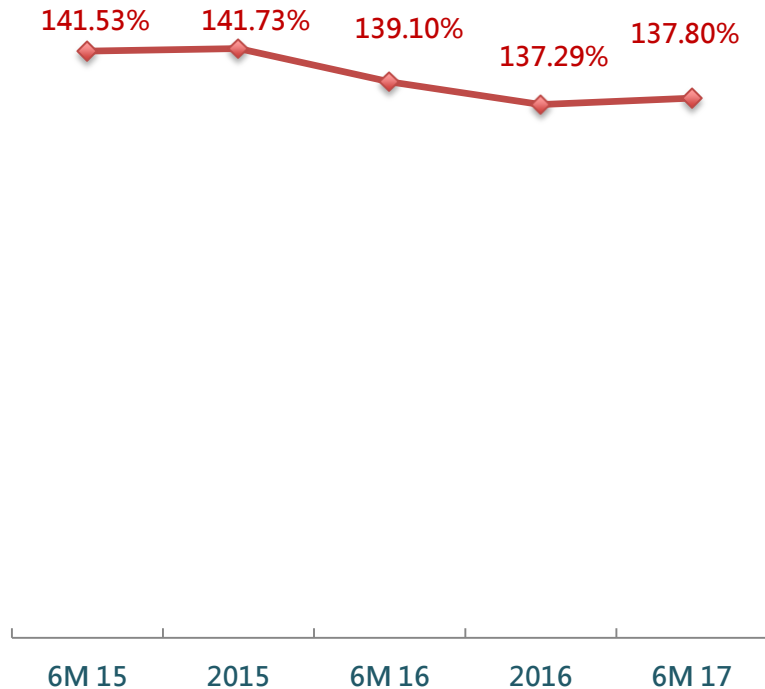
2 Financials of E.SUN Bank

3. Audit figures of June, 2017

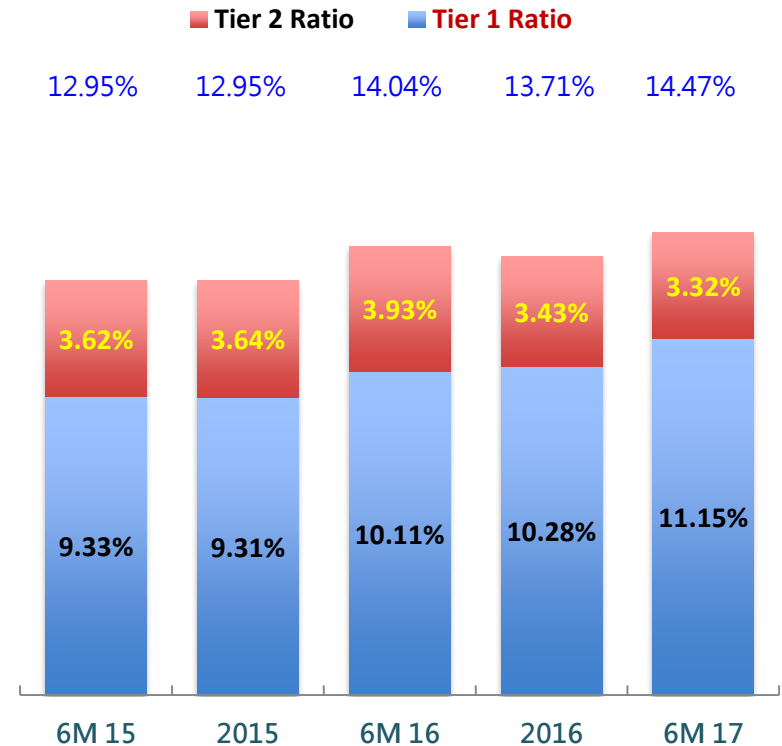


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Audit figures of June 2017
2. BIS on standalone basis



Thank You

- ❖ If you wish to know more about E.SUN, please visit our website site (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 1346, 9347,9302 ir@email.esunbank.com.tw





Balance Sheet of 2Q2017 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	116,776	154	109	4,819	116,834
Securities, net	550,216	572	418	0	545,379
Loans, net	1,176,465	0	0	0	1,176,465
A/R, net	86,792	9,504	10	133	96,306
LT investments, net	538	113	2,530	148,846	3,190
Land, premises and equipments, net	26,732	358	0	30	27,367
Others	23,451	2,654	511	1,127	31,712
Total assets	1,980,970	13,355	3,578	154,955	1,997,253
Liabilities:					
Deposits	1,643,182	0	0	0	1,637,597
Other liabilities	196,693	8,649	15	12,313	216,485
Total liabilities	1,839,875	8,649	15	12,313	1,854,082
Total stockholders' equity	141,095	4,706	3,563	142,642	143,171
Total equity attributable to owners of the company	140,560	4,706	3,563	142,642	142,642
Non-Controlling interests	535	0	0	0	529
Total liabilities and stockholders' equity	1,980,970	13,355	3,578	154,955	1,997,253

Note: Audit figures of June, 2017



P&L of E.SUN FHC and its subsidiaries for 2Q2017

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	9,776	157	1	(58)	9,876
Net fee income	7,240	365	0	0	7,603
LT investment income	10	0	11	7,723	21
Net trading income/(loss) & Derivatives & FX	4,570	71	79	(118)	4,602
Others	142	54	(40)	47	91
Total Net Revenues	21,738	647	51	7,594	22,193
Allowance for bad-debt expenses	(1,632)	(128)	0	0	(1,760)
Operating expenses	(11,608)	(492)	(9)	(147)	(12,141)
Income before income tax	8,498	27	42	7,447	8,292
Income tax expenses	(930)	(5)	1	71	(863)
Net Income	7,568	22	43	7,518	7,429
Attributable to owners of the company	7,657	22	43	7,518	7,518
Non-controlling interests	(89)	0	0	0	(89)

Note: Audit figures of June, 2017



E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Assets :								
Cash and due from banks	89,638	104,113	99,545	88,346	86,116	99,545	102,784	116,834
Securities, net	420,897	469,508	502,761	548,099	515,775	502,761	522,736	545,379
Loans, net	934,614	1,021,995	1,118,149	1,038,719	1,080,228	1,118,149	1,137,049	1,176,465
A/R, net	73,088	78,562	83,936	84,218	79,367	83,936	78,011	96,306
LT investments, net	2,184	2,386	2,809	2,706	2,736	2,809	2,929	3,190
Land, premises and equipments, net	21,106	26,792	26,440	27,390	27,451	26,440	26,864	27,367
Others	24,893	71,928	50,660	54,940	52,175	50,660	48,635	31,712
Total assets	1,566,420	1,775,284	1,884,300	1,844,418	1,843,848	1,884,300	1,919,008	1,997,253
Liabilities:								
Deposits	1,280,692	1,456,394	1,556,422	1,497,509	1,493,485	1,556,422	1,556,075	1,637,597
Other liabilities	178,067	197,229	198,697	221,838	222,415	198,697	229,950	216,485
Total liabilities	1,458,759	1,653,623	1,755,119	1,719,347	1,715,900	1,755,119	1,786,025	1,854,082
Total stockholders' equity	107,661	122,661	129,181	125,071	127,948	129,181	132,983	143,171
Total equity attributable to owners of the company	106,876	120,927	128,524	124,272	127,162	128,524	132,350	142,642
Non-Controlling interests	785	734	657	799	786	657	633	529
Total liabilities and stockholders' equity	1,566,420	1,775,284	1,884,300	1,844,418	1,843,848	1,884,300	1,919,008	1,997,253

Note: Audit figures of June, 2017



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

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	2Q16	3Q16	4Q16	1Q17	2Q17
Operating income								
Net interest income	15,485	17,474	18,585	4,528	4,751	4,977	4,882	4,994
Net Fee income	11,470	13,878	15,548	3,825	4,373	3,891	3,632	3,971
LT investment income	121	71	91	6	56	3	9	12
Net trading income/(loss) & Derivatives & FX	5,602	7,378	6,586	1,625	1,659	1,525	2,014	2,588
Others	77	(312)	254	31	32	177	(16)	107
Total Net Revenues	32,755	38,489	41,064	10,015	10,871	10,573	10,521	11,672
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,463)	(541)	(1,028)	(1,861)	(413)	(1,347)
Operating expenses	(17,950)	(20,138)	(22,396)	(5,397)	(5,636)	(6,196)	(5,873)	(6,269)
Income before income tax	12,771	14,785	15,205	4,077	4,207	2,516	4,236	4,056
Income tax expenses	(2,166)	(1,906)	(2,222)	(560)	(726)	(247)	(494)	(369)
Net Income	10,605	12,879	12,983	3,517	3,481	2,269	3,742	3,687
Income Attributable to owners of the company	10,529	12,816	13,135	3,546	3,474	2,417	3,733	3,785
Attribute to former business under control	0	0	0	0	0	0	0	-
Non-Controlling interests	76	63	(152)	(29)	7	(148)	9	(98)

Note: Audit figures of June, 2017



E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Jun 16	Sep 16	Dec 16	Mar 17	Jun 17
Assets :								
Cash and due from banks	89,599	103,947	99,446	88,342	86,046	99,446	102,726	116,776
Securities, net	417,344	467,481	501,867	546,517	513,982	501,867	521,557	550,216
Loans, net	934,614	1,021,995	1,118,149	1,038,719	1,080,228	1,118,149	1,137,049	1,176,465
A/R, net	65,392	71,523	75,992	76,924	71,682	75,992	68,975	86,792
LT investments, net	546	542	538	538	538	538	538	538
Land, premises and equipments, net	20,247	26,156	25,785	26,719	26,819	25,785	26,214	26,732
Others	24,202	68,986	48,354	52,156	49,880	48,354	46,205	23,451
Total assets	1,551,944	1,760,630	1,870,131	1,829,915	1,829,175	1,870,131	1,903,264	1,980,970
Liabilities:								
Deposits	1,284,728	1,457,201	1,558,856	1,502,420	1,495,822	1,558,856	1,559,579	1,643,182
Other liabilities	161,708	185,171	184,241	205,416	207,925	184,241	213,013	196,693
Total liabilities	1,446,436	1,642,372	1,743,097	1,707,836	1,703,747	1,743,097	1,772,592	1,839,875
Total stockholders' equity	105,508	118,258	127,034	122,079	125,428	127,034	130,672	141,095
Total equity attributable to owners of the company	104,723	116,391	126,371	121,274	124,635	126,371	130,033	140,560
Non-Controlling interests	785	1,133	663	805	793	663	639	535
Attribute to former business under control	0	734	0	0	0	0	-	-
Total liabilities and stockholders' equity	1,551,944	1,760,630	1,870,131	1,829,915	1,829,175	1,870,131	1,903,264	1,980,970

Note: Audit figures of June, 2017



E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	2Q16	3Q16	4Q16	1Q17	2Q17
Operating income								
Net interest income	15,286	17,253	18,419	4,486	4,709	4,935	4,840	4,936
Fee income	9,910	13,190	14,939	3,680	4,220	3,745	3,460	3,780
LT investment income	48	45	54	6	43	0	0	10
Net trading income/(loss) & Derivatives & FX	5,318	6,522	6,575	1,540	1,756	1,375	2,083	2,487
Others	127	276	290	39	37	191	25	117
Total Net Revenues	30,689	37,286	40,277	9,751	10,765	10,246	10,408	11,330
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,462)	(540)	(1,029)	(1,861)	(413)	(1,219)
Operating expenses	(16,560)	(19,043)	(21,384)	(5,151)	(5,381)	(5,936)	(5,613)	(5,995)
Income before income tax	12,095	14,677	15,431	4,060	4,355	2,449	4,382	4,116
Income tax expenses	(1,814)	(1,947)	(2,171)	(557)	(729)	(218)	(517)	(413)
Net Income	10,281	12,730	13,260	3,503	3,626	2,231	3,865	3,703
Attributable to owners of the company	10,205	11,908	13,265	3,532	3,618	2,379	3,856	3,801
Attribute to former business under control	0	759	146	0	0	0	0	-
Non-controlling interests	76	63	(151)	(29)	8	(148)	9	(98)

Note: Audit figures of June, 2017