

E.SUN FHC Financial Review of 1Q 2017

May. 2017



Agenda

- 2017 Q1 Financial Performance
- 2017 Q1 Business Operation Overview
- Appendix



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E.SUN FHC Summary

		Unit : NT\$ million	
		2017.3	2016.12
Total Assets	FHC	1,919,008	1,884,300
	Bank	1,903,264	1,870,131
	Securities	13,046	11,504
	Venture Capital	3,640	3,657
Key Financials	Book value per share (NT\$)	15.07	14.66
	Double Leverage Ratio	104.60%	104.80%
	FHC CAR	130.72%	137.29%
Shareholder Structure	QFII	48.09%	55.36%
Distribution Channels	Bank – domestic	137	137
	Overseas 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: Reviewed figures of Mar. 2017



1Q17 Business and Financial Review

Financial Performance

- Net profit for 1Q17 reached NT\$3.7 billion with net revenue increased 9.5% YoY.
- EPS NT\$0.43, ROE 11.42%, ROA 0.79%.

Business Operation

- Net interest income and Net fee income increased by 12.8% and 5.0% respectively.
- Credit card fee income remained strong growth momentum, increased by 21.0% YoY.
- Loan demand remained stable with total balance increased by 1.8% YTD.
- Asset quality maintain benign with NPL ratio at 0.20% and coverage ratio at 587.35%.

Milestones

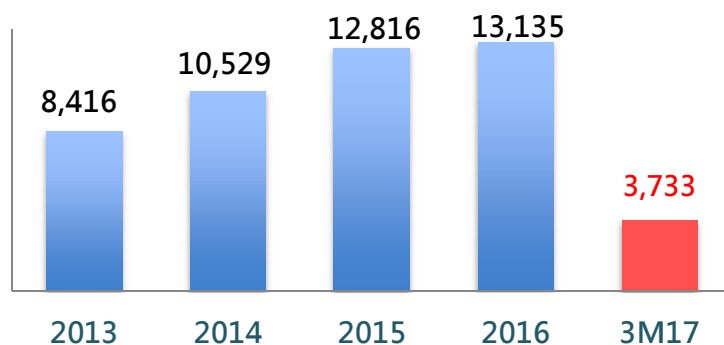
- Rating upgrade by S&P and TRC (S&P Taiwan). E.SUN Bank (BBB+/twAA) and E.SUN FHC (BBB/twAA-) have received rating or outlook upgrade for the fourth consecutive year.
- E.SUN FHC complete NT\$ 10.5 billion rights issue on May 5, capital will inject into E.SUN bank for future business growth.
- E.SUN Bank issued US\$ 60 million green bond, the largest green bond issuer in Taiwan, demonstrating its commitment in CSR.



Financial Performance

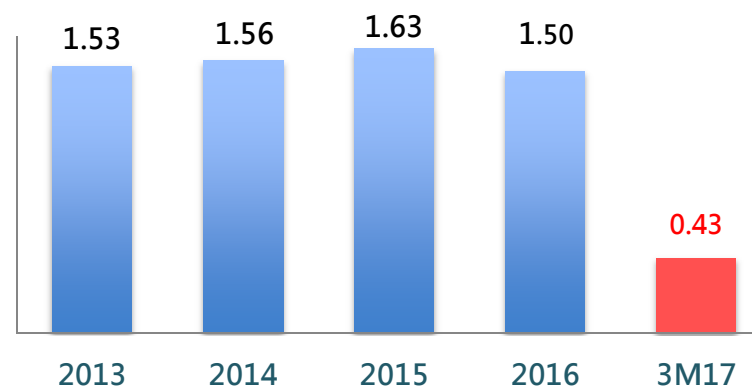
Net Profit

Unit: NT\$ million

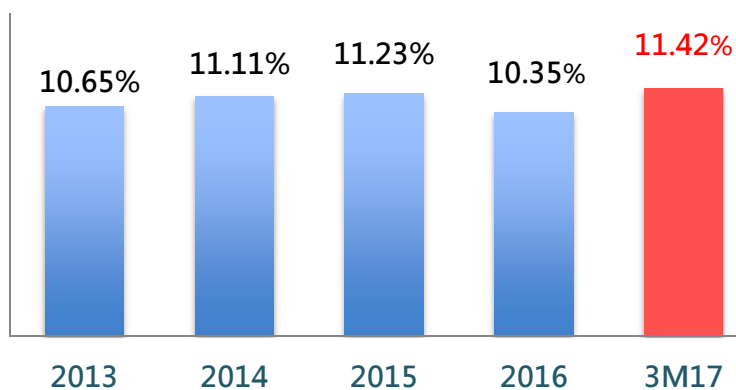


EPS

Unit: NT\$ dollars

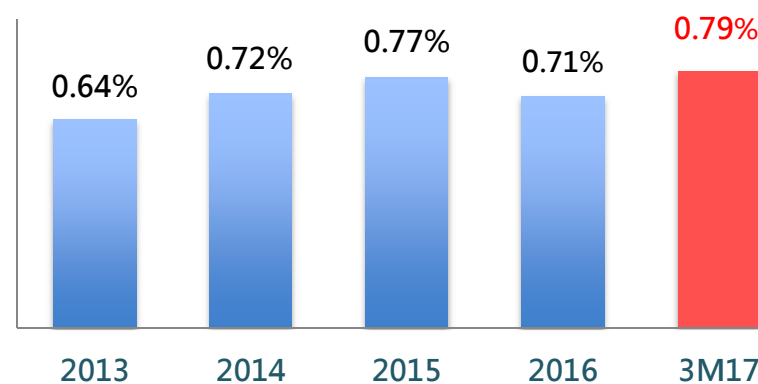


ROE



Note: Reviewed figures of Mar. 2017

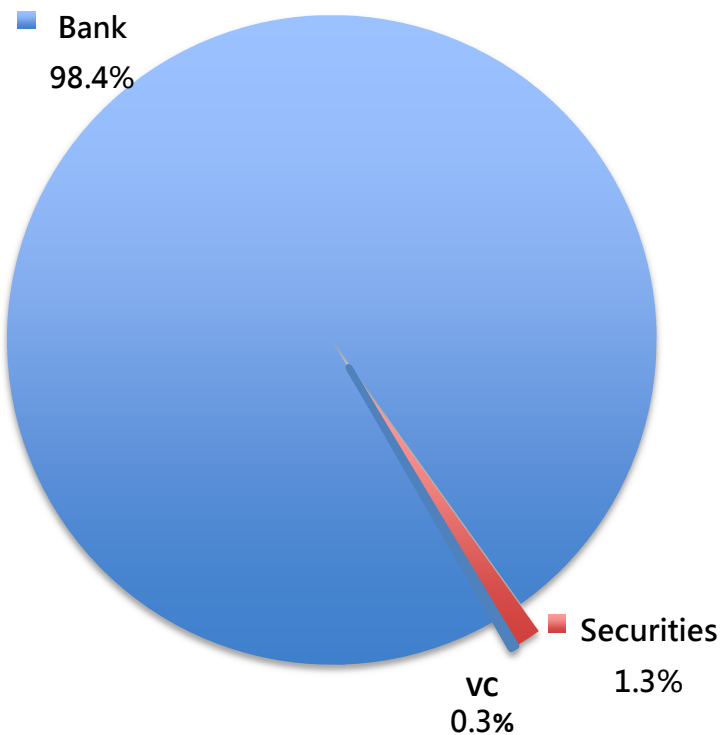
ROA



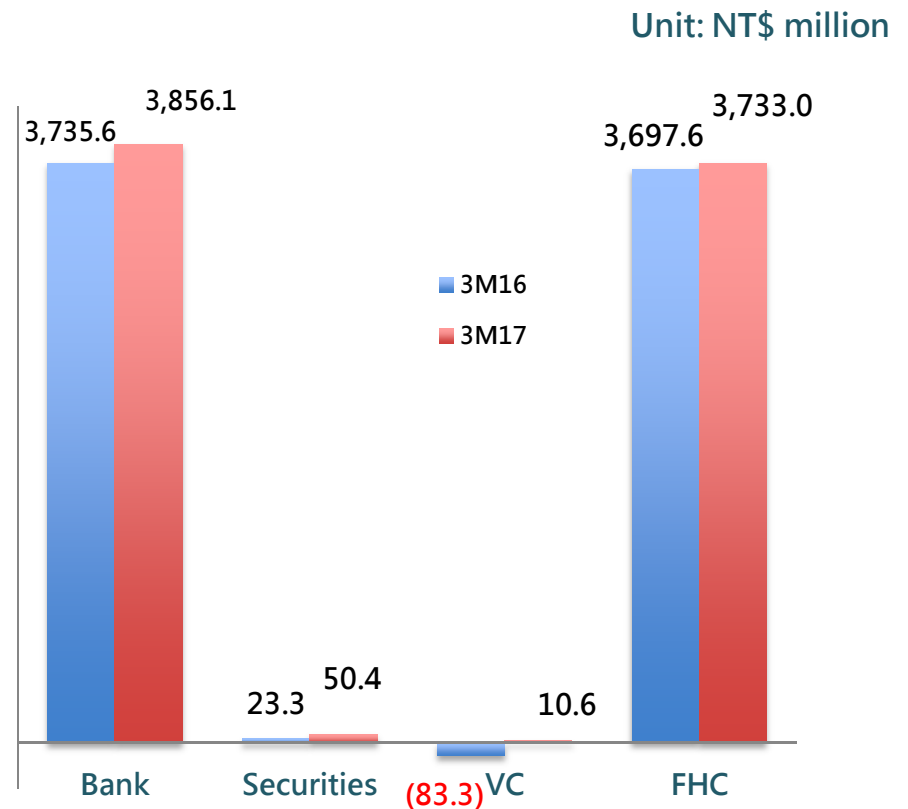


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries



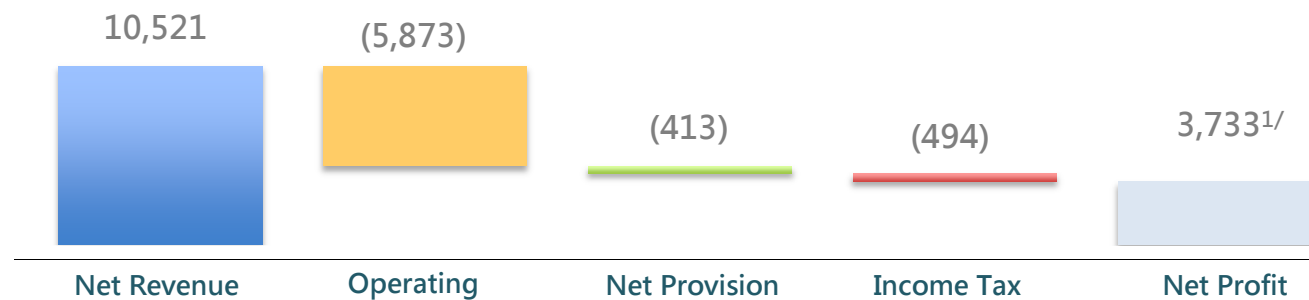
Note: 1. Reviewed figures of Mar. 2017
2. Insurance Brokers has been merged to Bank in Mar. 2016



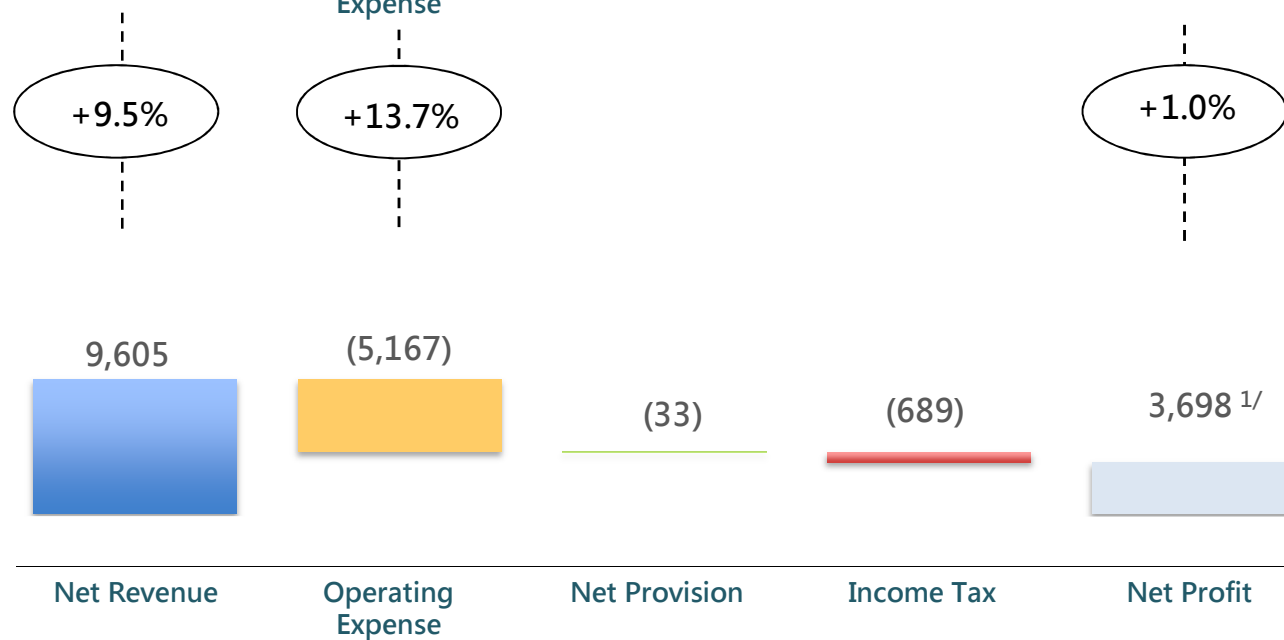
Net Profit Breakdown

3M17 P&L

Unit: NT\$ million



3M16 P&L

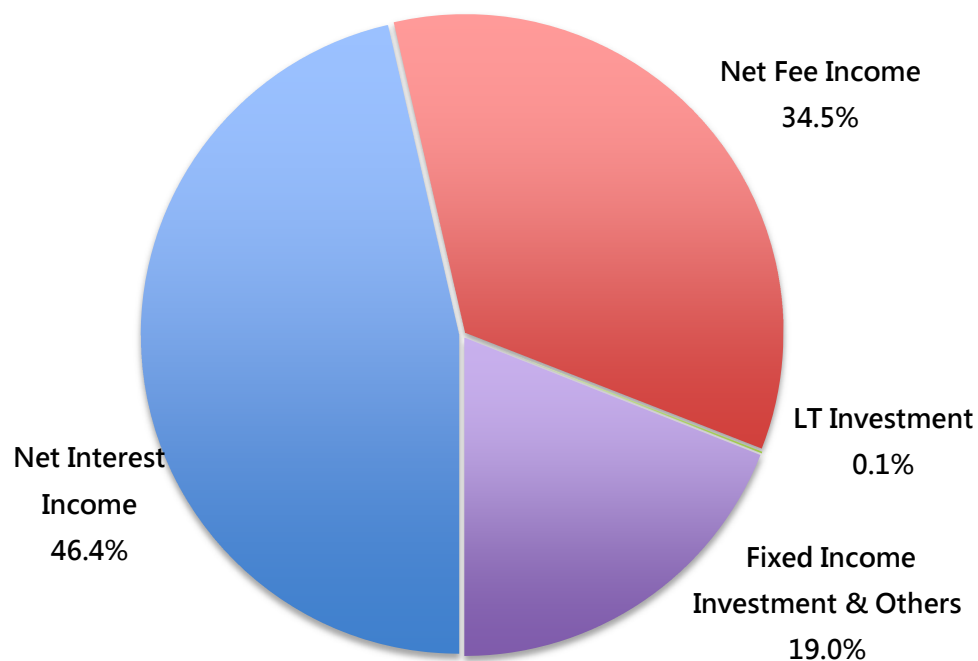


Note: Reviewed figures of Mar. 2017

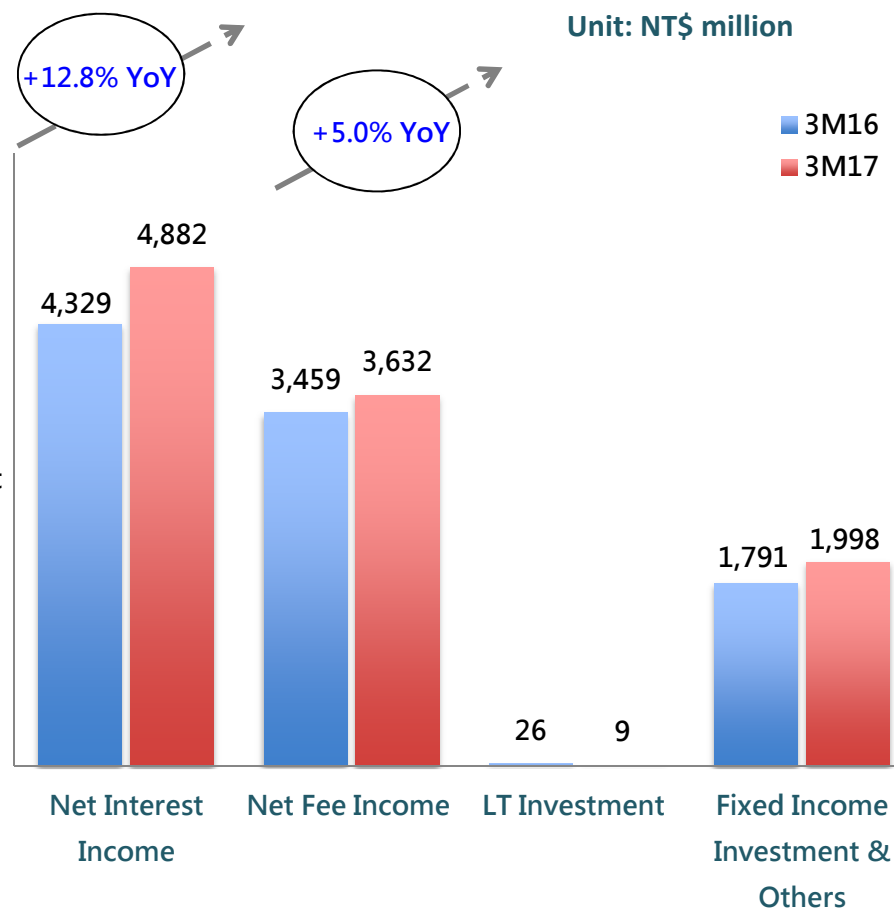


FHC Revenue Breakdown

Total Net Revenue
NT\$ 10,521 million



YoY Revenue Comparison

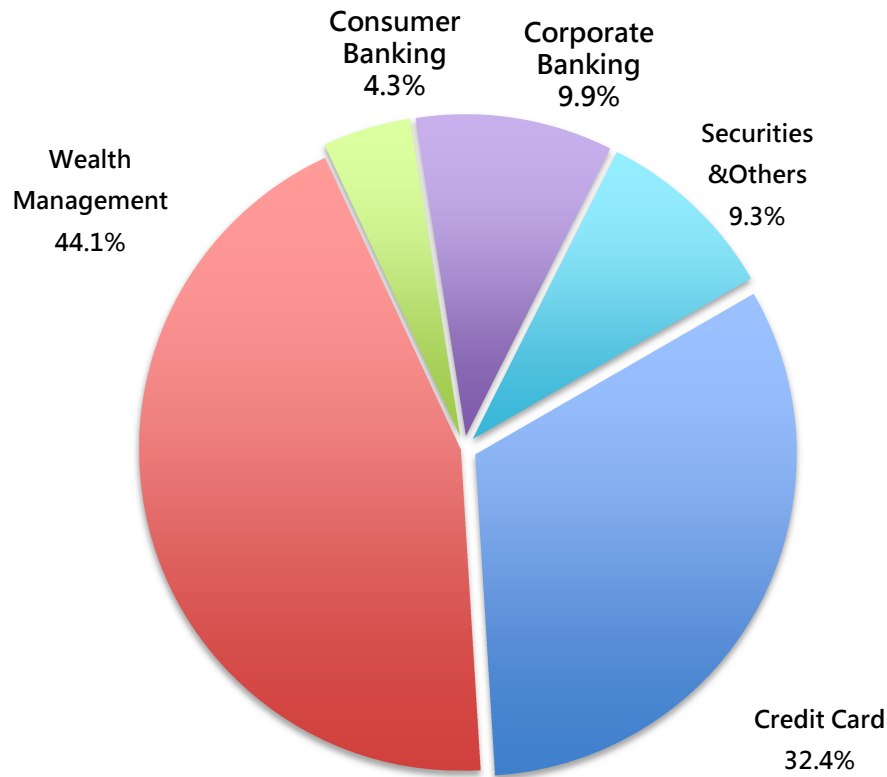


Note: Reviewed figures of Mar. 2017



Net Fee Income Breakdown

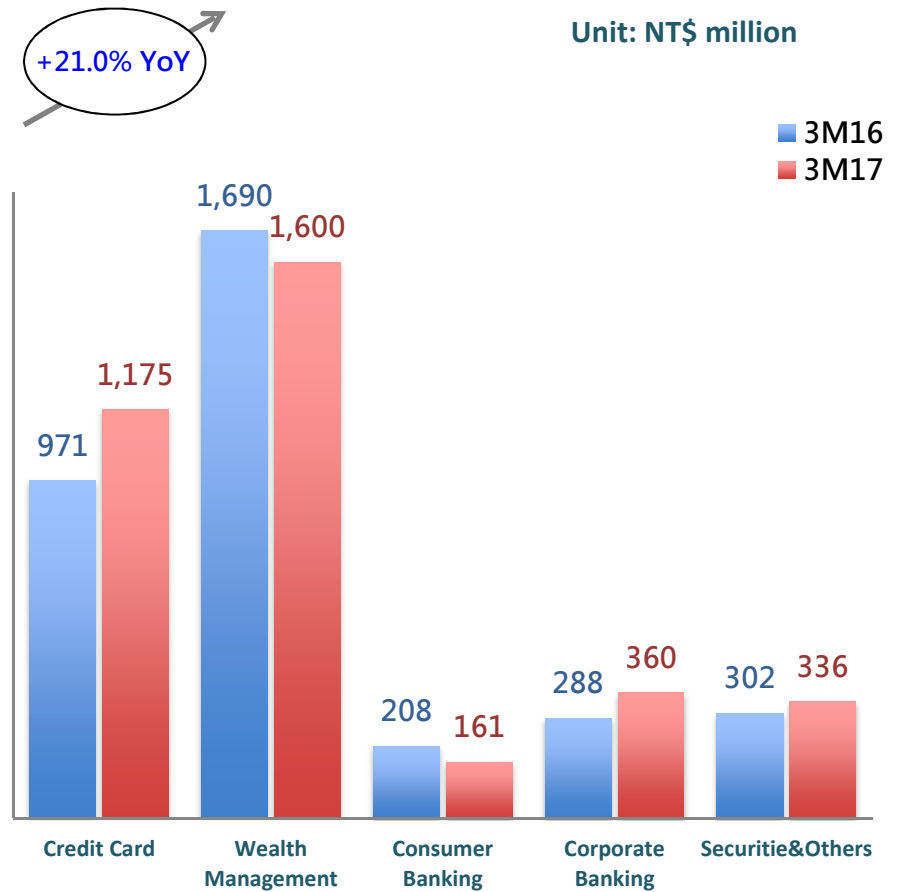
Total Net Fee Income
NT 3,632 million



Note: Reviewed figures of Mar. 2017

YoY Comparison

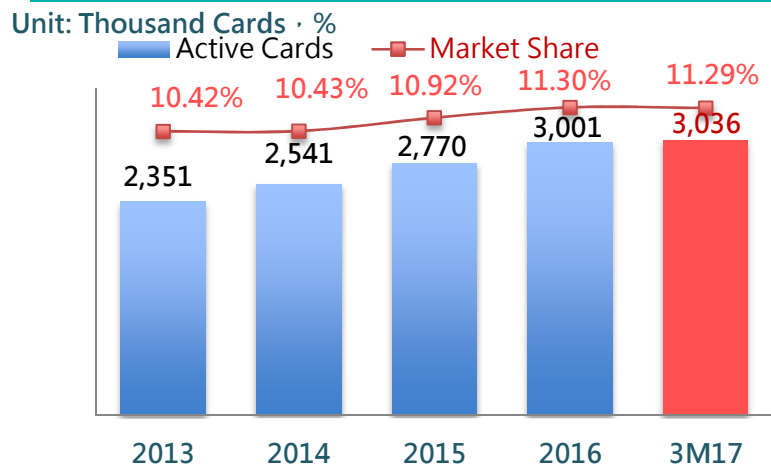
Unit: NT\$ million



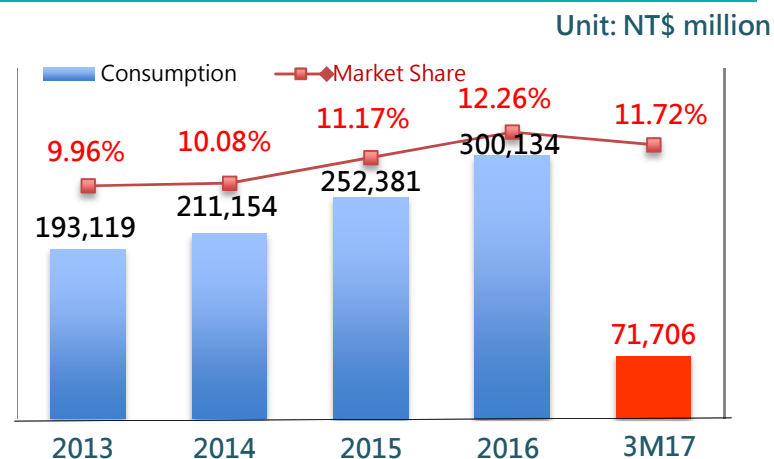


Credit Card Business Breakdown

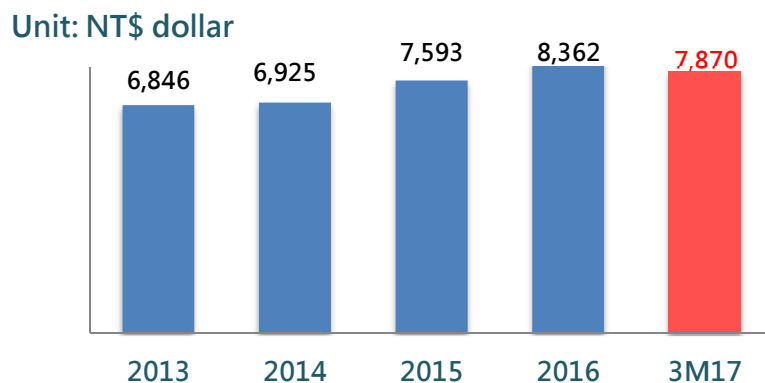
Active Cards



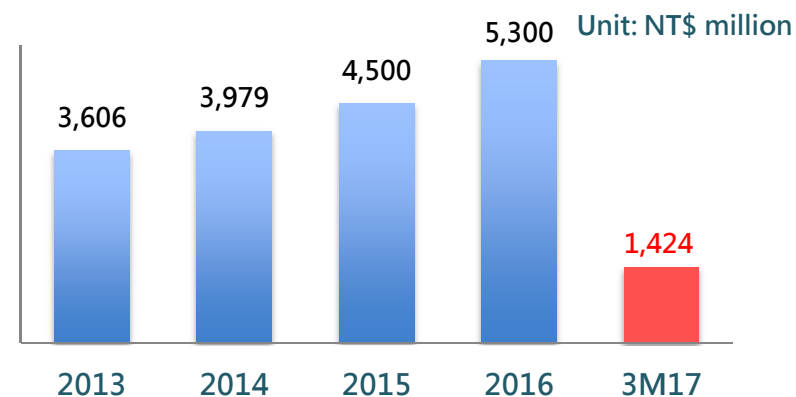
Card Consumption



Per Card Spending (Monthly)



Gross Fee Income



Note: Market share of Mar. 2017



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2017.3	YTD Growth %	2016	2016 Growth %	2015
Total Deposits	1,546.1	0.2%	1,542.6	6.6%	1,447.4
Demand Deposits	697.4	(3.8%)	725.2	7.8%	672.9
Time Deposits	424.7	0.3%	423.3	(2.0%)	431.8
FCY Deposits	424.1	7.6%	394.0	15.0%	342.6
Total Loans ^{1/}	1,128.1	1.8%	1,107.7	9.2%	1,014.8
Corporate Loans	562.5	1.8%	552.3	9.5%	504.4
SME Loans	299.5	1.9%	294.0	11.8%	263.0
Consumer Loans	565.7	1.8%	555.5	8.8%	510.4
Mortgage Loan	233.7	1.8%	229.6	2.8%	223.3
Unsecured Personal Loan	91.7	0.8%	91.0	14.2%	79.7
Credit Cards in force ('000s)	3,036	1.5%	2,991	8.0%	2,770
Accumulated Credit Card Spending	71.7	7.6% ^{2/}	300.1	18.9%	252.4
Credit Card Revolving Balance	11.3	(1.7%)	11.5	10.6%	10.4

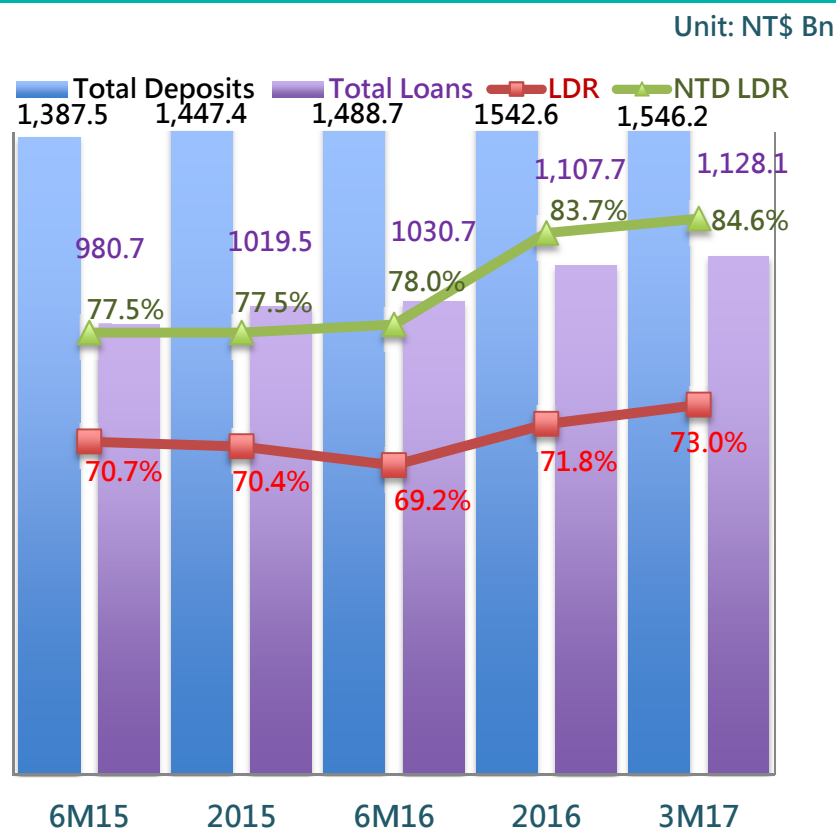
Note: 1. Excluded loan balance from subsidiaries of NT \$20.6 billion and credit card revolving balance

2. YoY growth 3M17 vs 3M16



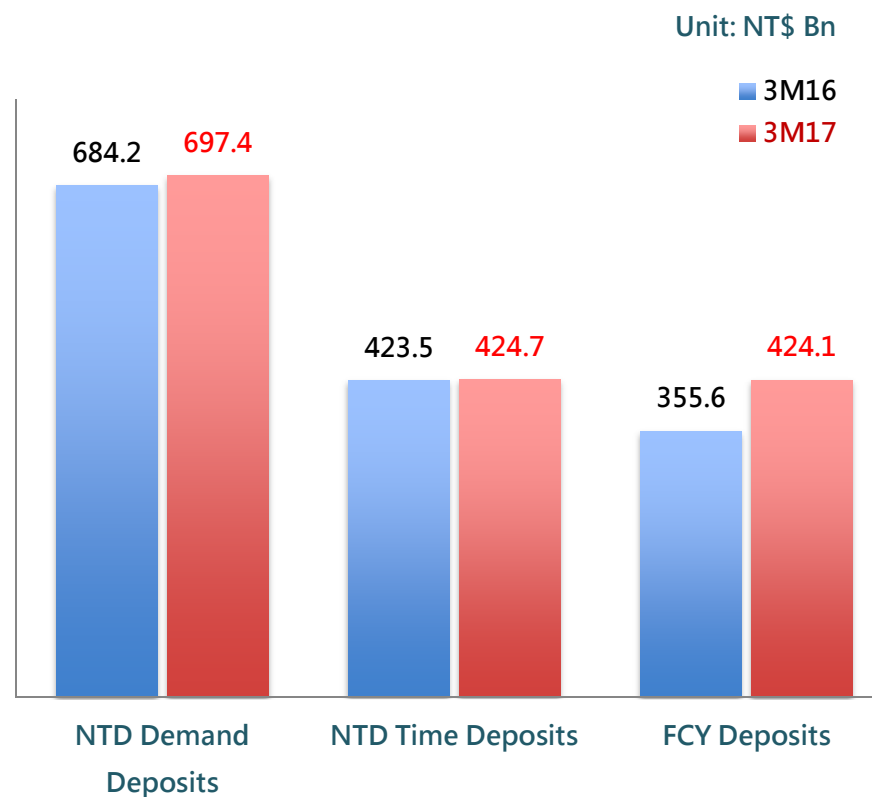
Deposit Structure

Loan to Deposit Ratio



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

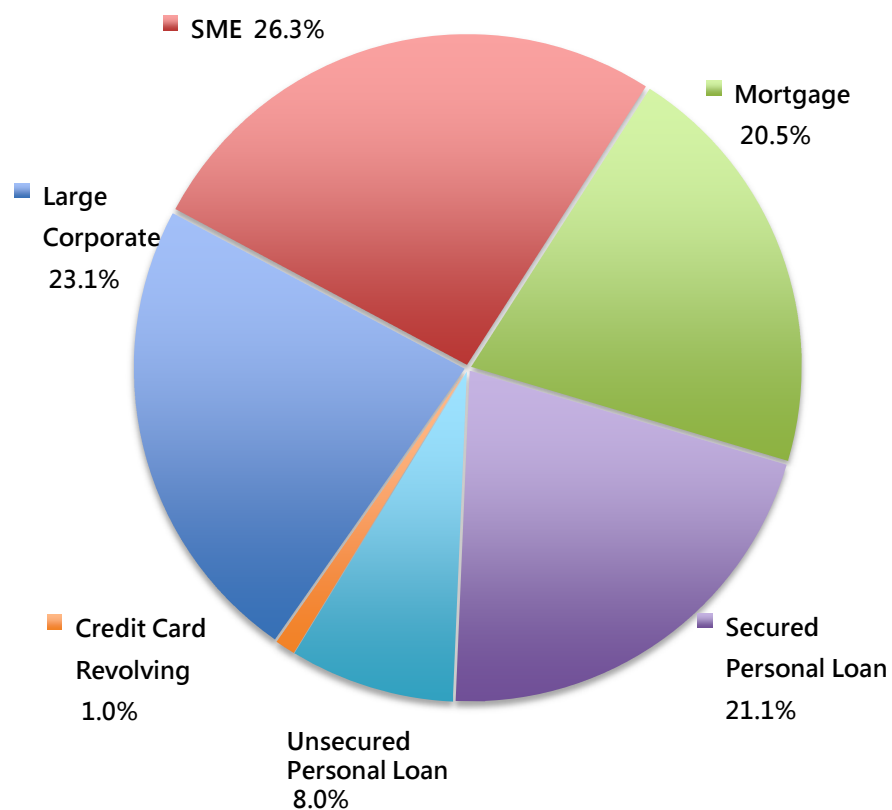
Deposit Structure





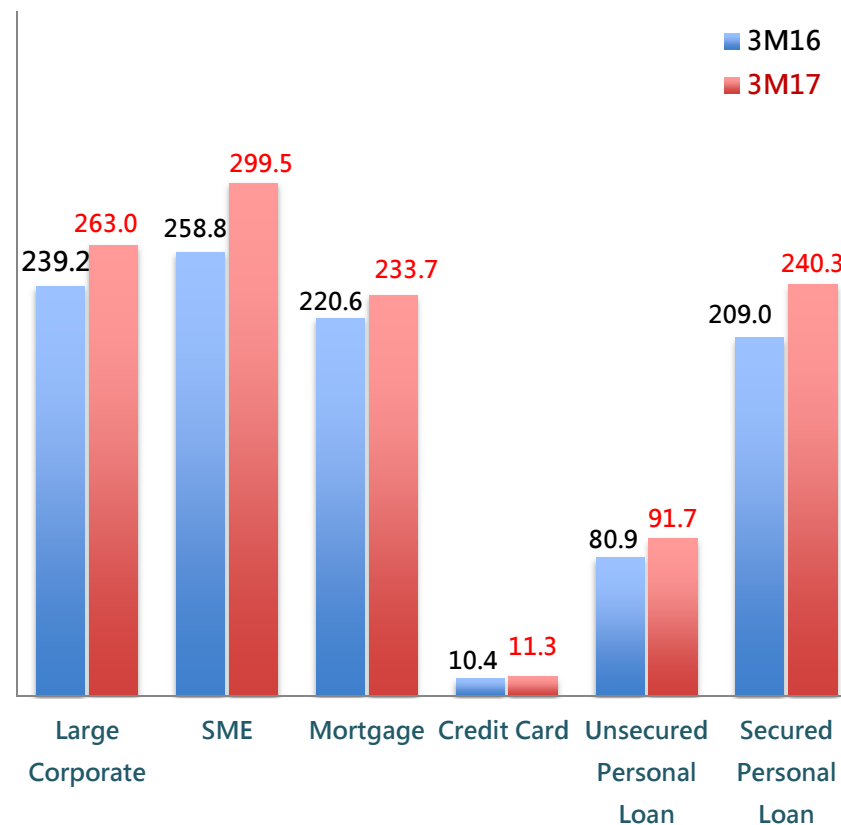
Loan Portfolio Breakdown

Total Loan
NT\$ 1,139.5 billion



YoY Comparison

Unit: NT\$ Bn

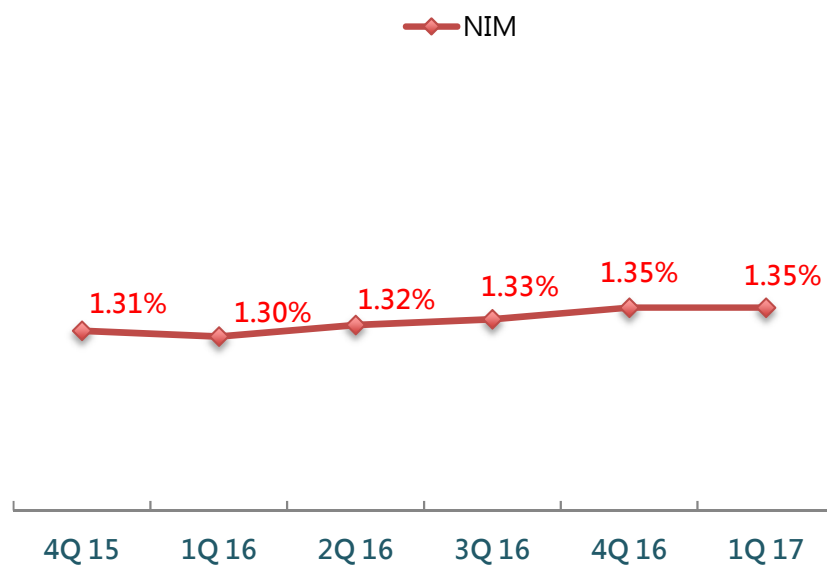


Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Excluded loan of subsidiaries

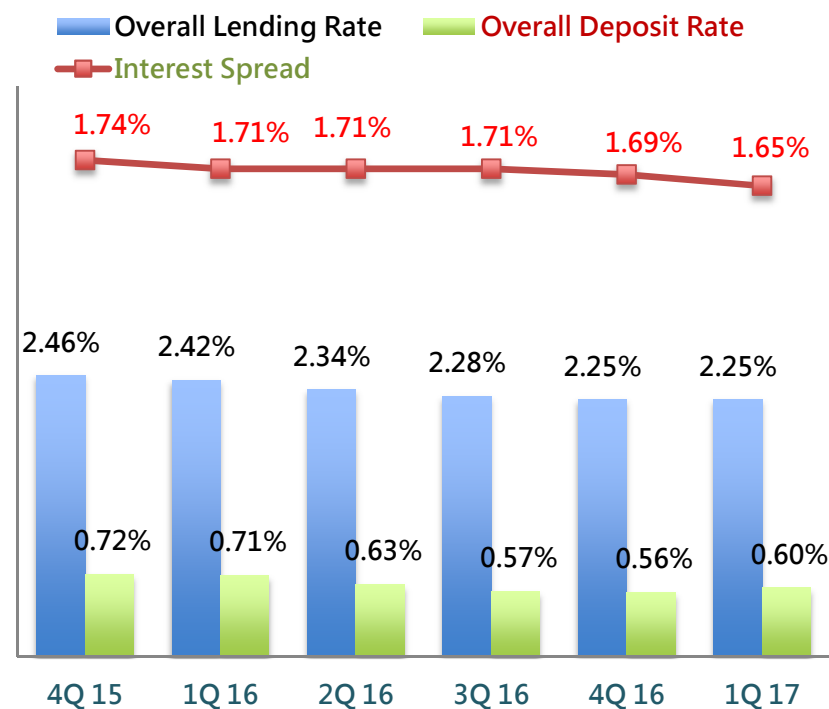


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



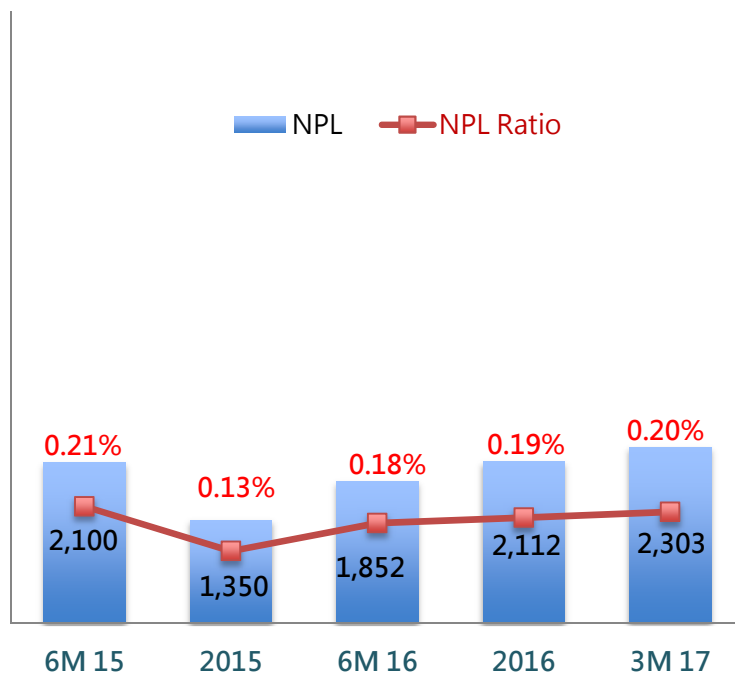
Note: 1. Financials of E.SUN Bank
2. The net interest income restore the accounting treatment impact



Superior Asset Quality ^{1/3}

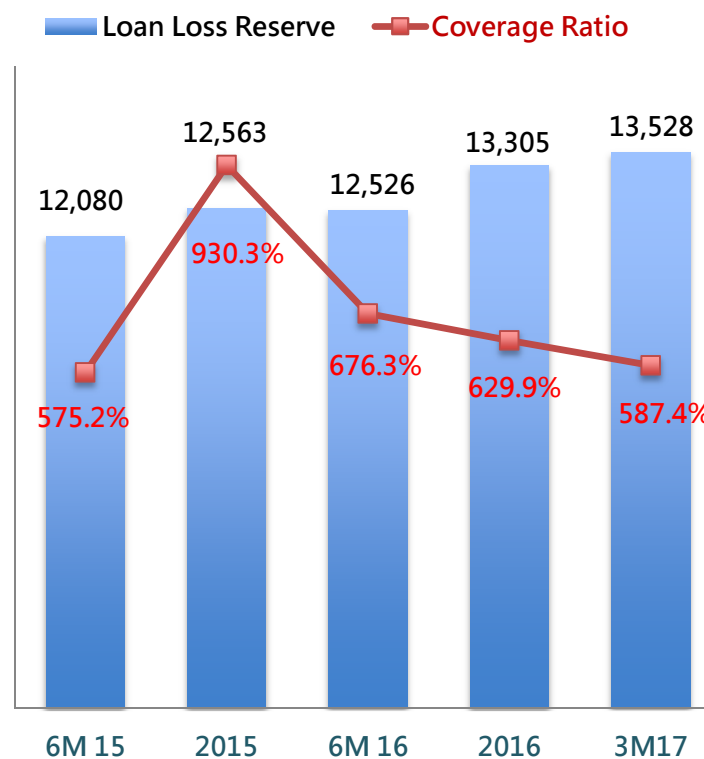
NPL Ratio(%)

Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

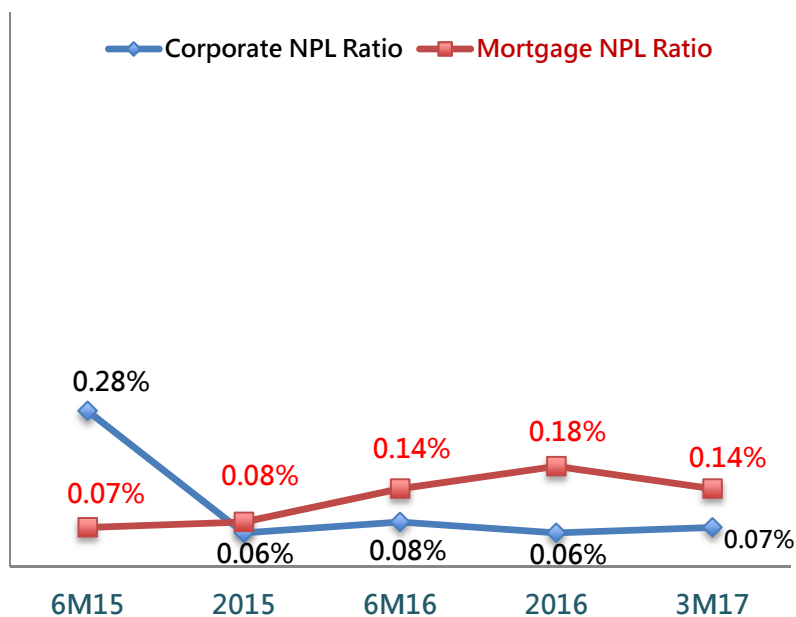


Note: Financials of E.SUN Bank

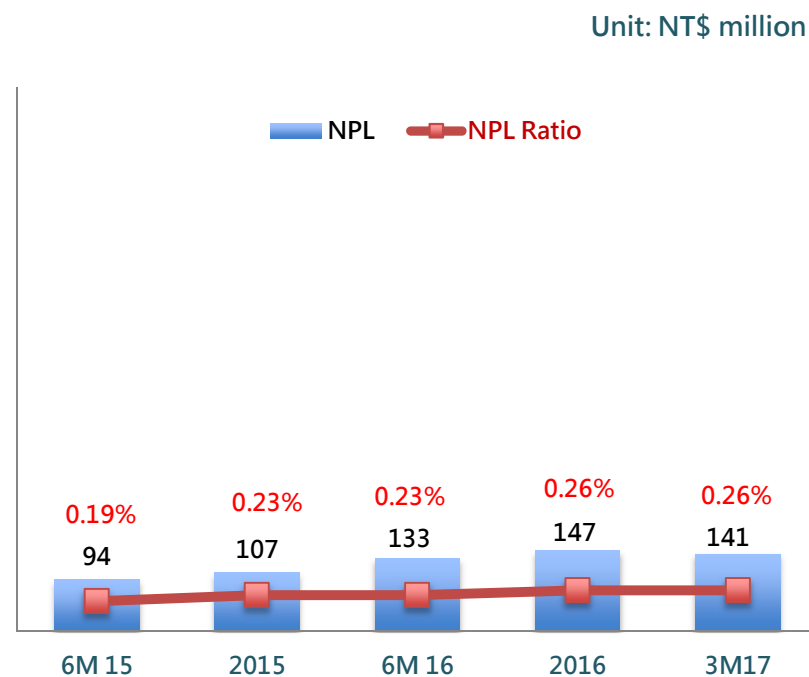


Superior Asset Quality ^{2/3}

NPL Ratio for Major Products



NPL Ratio for Credit Card

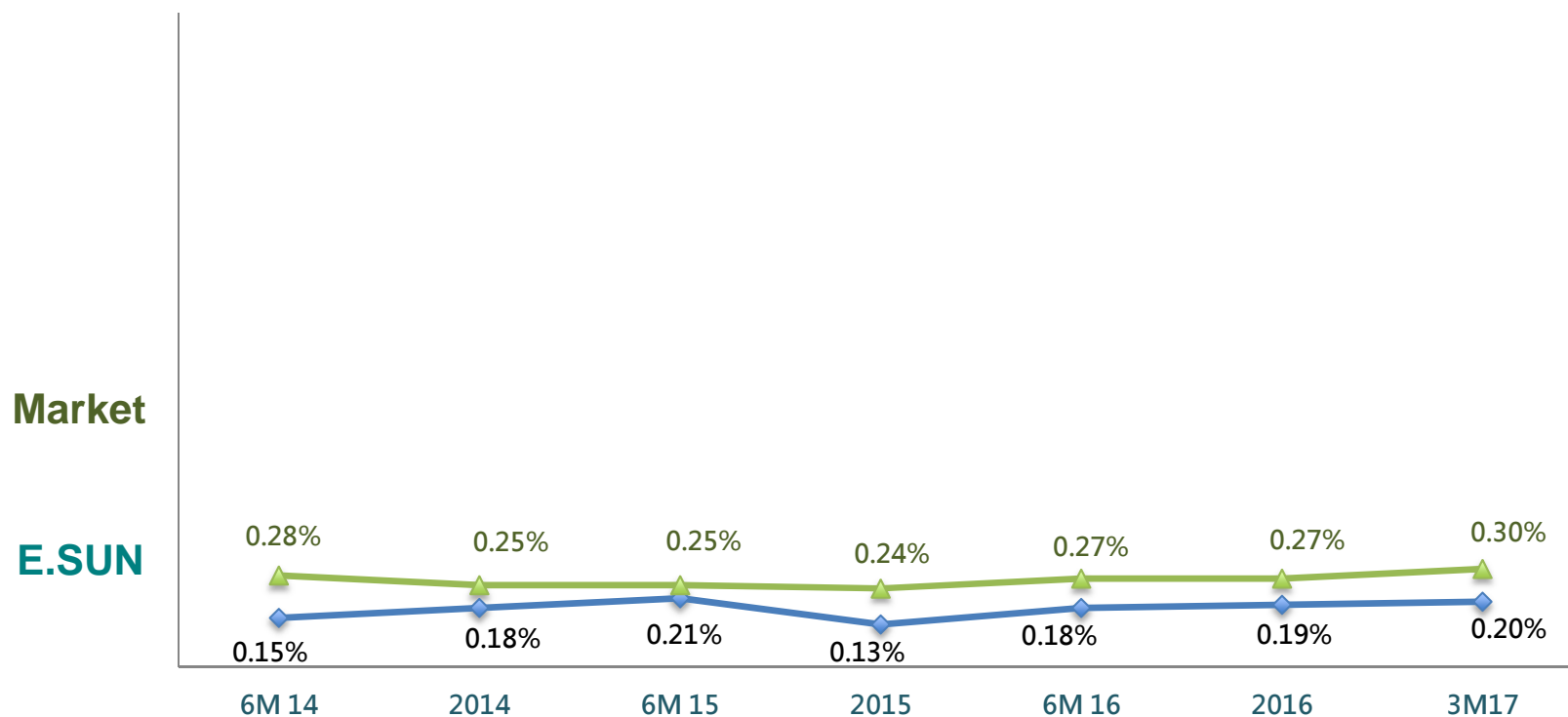


Note: Financials of E.SUN Bank



Superior Asset Quality ^{3/3}

NPL Comparison with Market

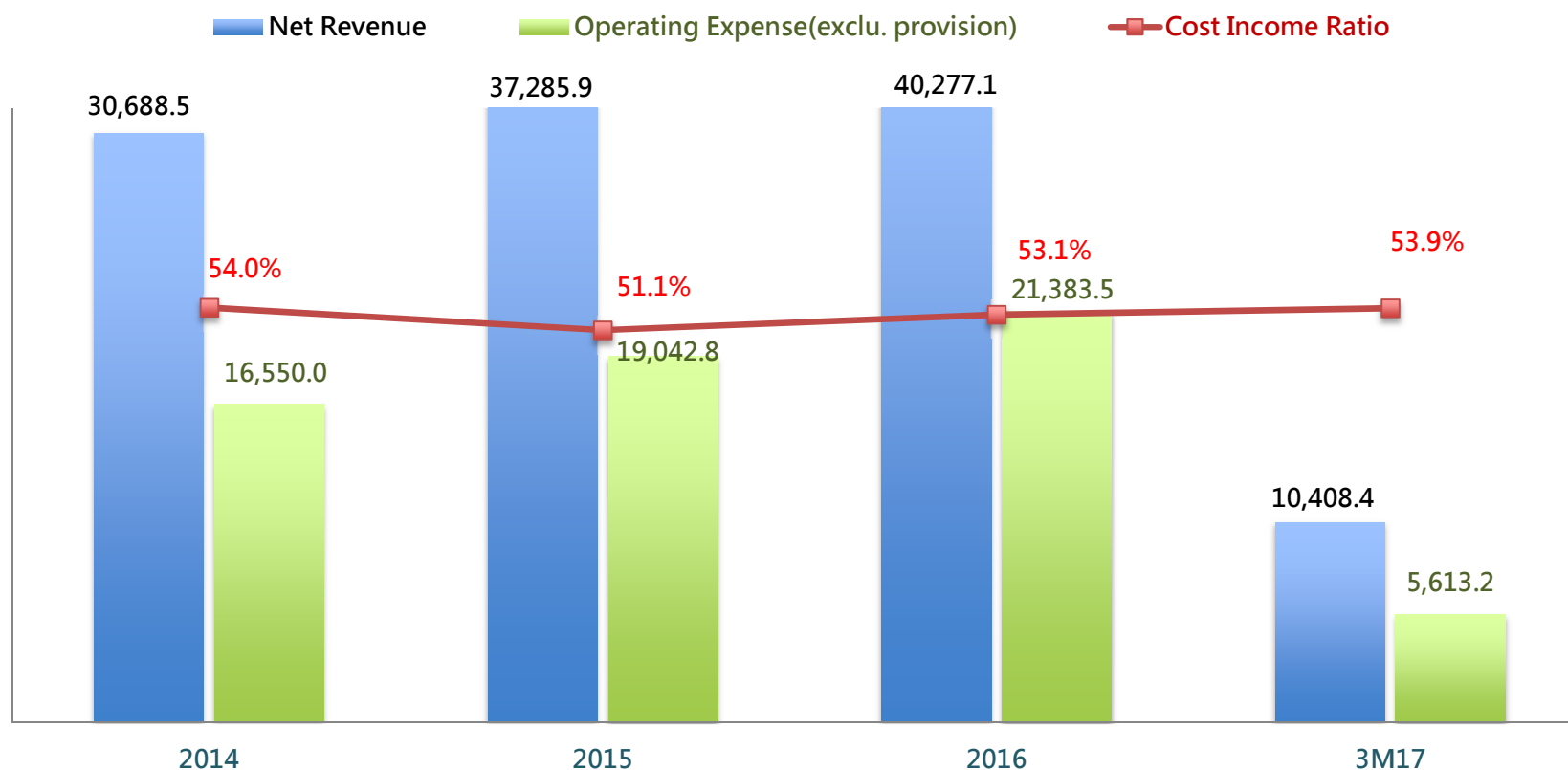


Source : FSC



Cost-Income Ratio

Unit: NT\$ million

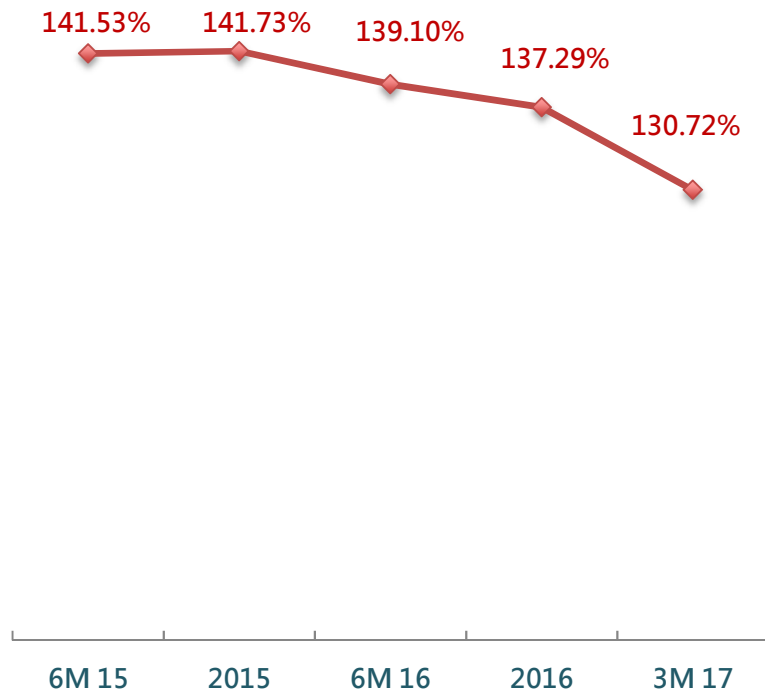


Note: 1. Reviewed figures of Mar. 2017
2. Financials of E.SUN Bank

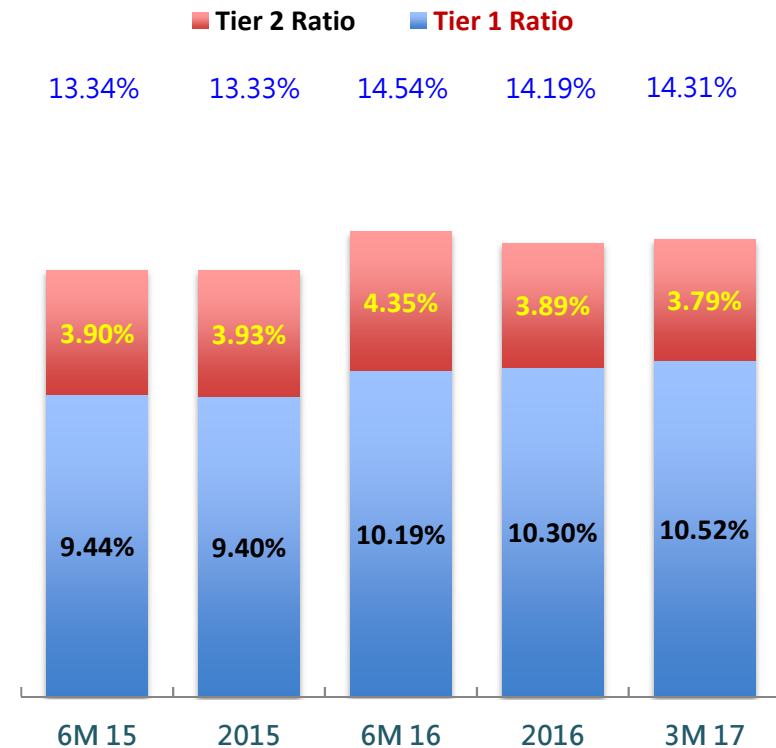


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Preliminary figures of Mar. 2017
2. As consolidated 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





Appendix 1/6

Balance Sheet of 1Q2017 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	102,726	229	318	1,555	102,784
Securities, net	521,557	645	534	0	522,736
Loans, net	1,137,049	0	0	0	1,137,049
A/R, net	68,975	9,023	13	104	78,011
LT investments, net	538	120	2,263	138,443	2,929
Land, premises and equipments, net	26,214	356	0	31	26,864
Others	46,205	2,673	512	3,197	48,635
Total assets	1,903,264	13,046	3,640	143,330	1,919,008
Liabilities:					
Deposits	1,559,579	0	0	0	1,556,075
Other liabilities	213,013	8,284	7	10,980	229,950
Total liabilities	1,772,592	8,284	7	10,980	1,786,025
Total stockholders' equity	130,672	4,762	3,633	132,350	132,983
Total equity attributable to owners of the company	130,033	4,762	3,633	132,350	132,350
Non-Controlling interests	639	0	0	0	633
Total liabilities and stockholders' equity	1,903,264	13,046	3,640	143,330	1,919,008

Note: Reviewed figures of Mar. 2017



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 1Q2017

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	4,840	75	1	(33)	4,882
Net fee income	3,460	173	0	0	3,632
LT investment income	0	0	9	3,917	9
Net trading income/(loss) & Derivatives & FX	2,083	30	36	(134)	2,014
Others	25	24	(34)	23	(16)
Total Net Revenues	10,408	302	12	3,773	10,521
Allowance for bad-debt expenses	(413)	0	0	0	(413)
Operating expenses	(5,613)	(242)	(5)	(70)	(5,872)
Income before income tax	4,382	60	7	3,703	4,236
Income tax expenses	(517)	(10)	4	30	(494)
Net Income	3,865	50	11	3,733	3,742
Attributable to owners of the company	3,856	50	11	3,733	3,733
Non-controlling interests	9	0	0	0	9

Note: Reviewed figures of Mar. 2017



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17
Assets :								
Cash and due from banks	89,638	104,113	99,545	96,705	88,346	86,116	99,545	102,784
Securities, net	420,897	469,508	502,761	517,090	548,099	515,775	502,761	522,736
Loans, net	934,614	1,021,995	1,118,149	1,017,679	1,038,719	1,080,228	1,118,149	1,137,049
A/R, net	73,088	78,562	83,936	76,731	84,218	79,367	83,936	78,011
LT investments, net	2,184	2,386	2,809	2,700	2,706	2,736	2,809	2,929
Land, premises and equipments, net	21,106	26,792	26,440	26,856	27,390	27,451	26,440	26,864
Others	24,893	71,928	50,660	64,604	54,940	52,175	50,660	48,635
Total assets	1,566,420	1,775,284	1,884,300	1,802,365	1,844,418	1,843,848	1,884,300	1,919,008
Liabilities:								
Deposits	1,280,692	1,456,394	1,556,422	1,476,395	1,497,509	1,493,485	1,556,422	1,556,075
Other liabilities	178,067	197,229	198,697	201,688	221,838	222,415	198,697	229,950
Total liabilities	1,458,759	1,653,623	1,755,119	1,678,083	1,719,347	1,715,900	1,755,119	1,786,025
Total stockholders' equity	107,661	122,661	129,181	124,282	125,071	127,948	129,181	132,983
Total equity attributable to owners of the company	106,876	120,927	128,524	123,480	124,272	127,162	128,524	132,350
Non-Controlling interests	785	734	657	802	799	786	657	633
Total liabilities and stockholders' equity	1,566,420	1,775,284	1,884,300	1,802,365	1,844,418	1,843,848	1,884,300	1,919,008

Note: Reviewed figures of Mar. 2017



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	1Q16	2Q16	3Q16	4Q16	1Q17
Operating income								
Net interest income	15,485	17,474	18,585	4,329	4,528	4,751	4,977	4,882
Net Fee income	11,470	13,878	15,548	3,459	3,825	4,373	3,891	3,632
LT investment income	121	71	91	26	6	56	3	9
Net trading income/(loss) & Derivatives & FX	5,602	7,378	6,586	1,777	1,625	1,659	1,525	2,014
Others	77	(312)	254	14	31	32	177	(16)
Total Net Revenues	32,755	38,489	41,064	9,605	10,015	10,871	10,573	10,521
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,463)	(33)	(541)	(1,028)	(1,861)	(413)
Operating expenses	(17,950)	(20,138)	(22,396)	(5,167)	(5,397)	(5,636)	(6,196)	(5,873)
Income before income tax	12,771	14,785	15,205	4,405	4,077	4,207	2,516	4,236
Income tax expenses	(2,166)	(1,906)	(2,222)	(689)	(560)	(726)	(247)	(494)
Net Income	10,605	12,879	12,983	3,716	3,517	3,481	2,269	3,742
Income Attributable to owners of the company	10,529	12,816	13,135	3,698	3,546	3,474	2,417	3,733
Attribute to former business under control	0	0	0	0	0	0	0	0
Non-Controlling interests	76	63	(152)	18	(29)	7	(148)	9

Note: Reviewed figures of Mar. 2017



Appendix 5/6

E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17
Assets :								
Cash and due from banks	89,599	103,947	99,446	96,603	88,342	86,046	99,446	102,726
Securities, net	417,344	467,481	501,867	516,351	546,517	513,982	501,867	521,557
Loans, net	934,614	1,021,995	1,118,149	1,017,679	1,038,719	1,080,228	1,118,149	1,137,049
A/R, net	65,392	71,523	75,992	68,859	76,924	71,682	75,992	68,975
LT investments, net	546	542	538	541	538	538	538	538
Land, premises and equipments, net	20,247	26,156	25,785	26,219	26,719	26,819	25,785	26,214
Others	24,202	68,986	48,354	61,011	52,156	49,880	48,354	46,205
Total assets	1,551,944	1,760,630	1,870,131	1,787,263	1,829,915	1,829,175	1,870,131	1,903,264
Liabilities:								
Deposits	1,284,728	1,457,201	1,558,856	1,478,221	1,502,420	1,495,822	1,558,856	1,559,579
Other liabilities	161,708	185,171	184,241	187,812	205,416	207,925	184,241	213,013
Total liabilities	1,446,436	1,642,372	1,743,097	1,666,033	1,707,836	1,703,747	1,743,097	1,772,592
Total stockholders' equity	105,508	118,258	127,034	121,230	122,079	125,428	127,034	130,672
Total equity attributable to owners of the company	104,723	116,391	126,371	120,423	121,274	124,635	126,371	130,033
Non-Controlling interests	785	1,133	663	807	805	793	663	639
Attribute to former business under control	0	734	0	0	0	0	0	-
Total liabilities and stockholders' equity	1,551,944	1,760,630	1,870,131	1,787,263	1,829,915	1,829,175	1,870,131	1,903,264

Note: Reviewed figures of Mar. 2017



Appendix 6/6

E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	1Q16	2Q16	3Q16	4Q16	1Q17
Operating income								
Net interest income	15,286	17,253	18,419	4,289	4,486	4,709	4,935	4,840
Fee income	9,910	13,190	14,939	3,294	3,680	4,220	3,745	3,460
LT investment income	48	45	54	5	6	43	0	0
Net trading income/(loss) & Derivatives & FX	5,318	6,522	6,575	1,904	1,540	1,756	1,375	2,083
Others	127	276	290	23	39	37	191	25
Total Net Revenues	30,689	37,286	40,277	9,515	9,751	10,765	10,246	10,408
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,462)	(32)	(540)	(1,029)	(1,861)	(413)
Operating expenses	(16,560)	(19,043)	(21,384)	(4,916)	(5,151)	(5,381)	(5,936)	(5,613)
Income before income tax	12,095	14,677	15,431	4,567	4,060	4,355	2,449	4,382
Income tax expenses	(1,814)	(1,947)	(2,171)	(667)	(557)	(729)	(218)	(517)
Net Income	10,281	12,730	13,260	3,900	3,503	3,626	2,231	3,865
Attributable to owners of the company	10,205	11,908	13,265	3,736	3,532	3,618	2,379	3,856
Attribute to former business under control	0	759	146	146	0	0	0	0
Non-controlling interests	76	63	(151)	18	(29)	8	(148)	9

Note: Reviewed figures of Mar. 2017