

E.SUN FHC Financial Review of 4Q 2017

Feb. 2018



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Agenda

- 2017 Financial Performance
- 2017 Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2017.12 ^{/1}	2016.12
Total Assets	FHC	2,077,904	1,884,300
	Bank	2,060,670	1,870,131
	Securities	15,413	11,504
	Venture Capital	3,505	3,657
Key Financials	Book value per share (NT\$)	14.62	14.66
	Double Leverage Ratio	104.46%	104.80%
	FHC CAR	142.82%	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. Preliminary figures of Dec. 2017

2. Share owned by QFII: 44.97%, as of Dec. 2017



2017 Business and Financial Review

Financial Performance

- Preliminary net profit reached NT\$14.7 billion in 2017, up 12.2% YoY; net revenue up 11.5% YoY.
- EPS \$1.49, ROE 10.51%, ROA 0.74%.

Business Operation

- Net interest income and net fee income increased by 8.0% and 1.4%, YoY, respectively.
- Loan balance up by 8.2% YTD, supported by cross-border and FCY loan growth 16.5% YTD.
- Deposit grew by 9.9% YTD, in which FCY deposit growth rate was 30.2%, the highest in market.
- Asset quality: NPL ratio at 0.23% and coverage ratio at 514.1%.

Highlights

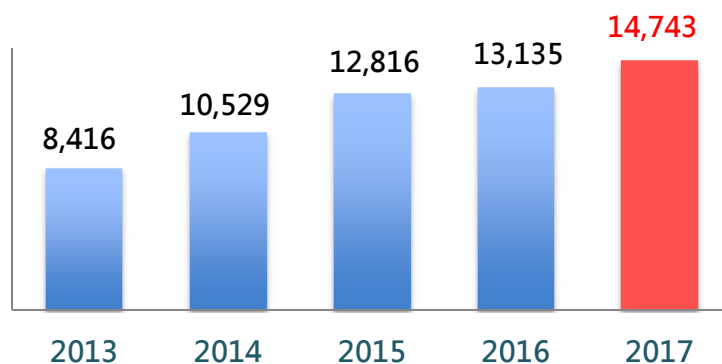
- Tokyo Branch opened in October 2017; Brisbane Branch, the 2nd branch in Australia, has been approved.
- **Digital Banking:** Mobile payment is available in four major convenience store chains; Launch of AI chatbot for real-time consultation; Release of new iOS mobile banking app with enhanced UI and UX.
- **ESG:** Member of DJSI since 2014, DJSI World for the 2nd time; Rating upgrade to AA by MSCI ESG.
- **Awards & Recognitions:** “ Best Managed Bank in Asia Pacific” and “Best CEO in Asia Pacific” by 《The Asian Banker》 ; “ Best Bank in Taiwan” by 《The Asset》 and 《Global Finance》 .



Financial Performance

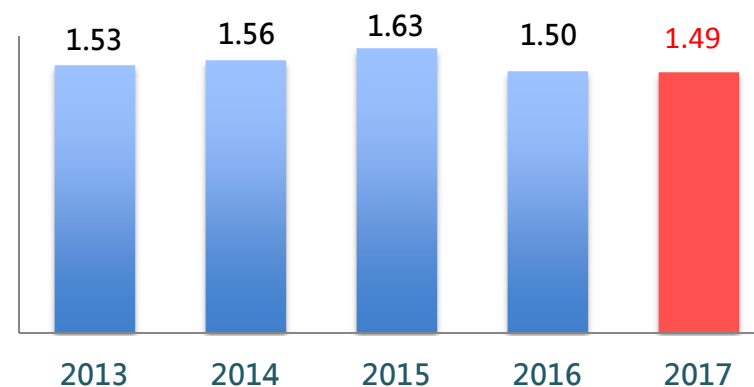
Net Profit

Unit: NT\$ million

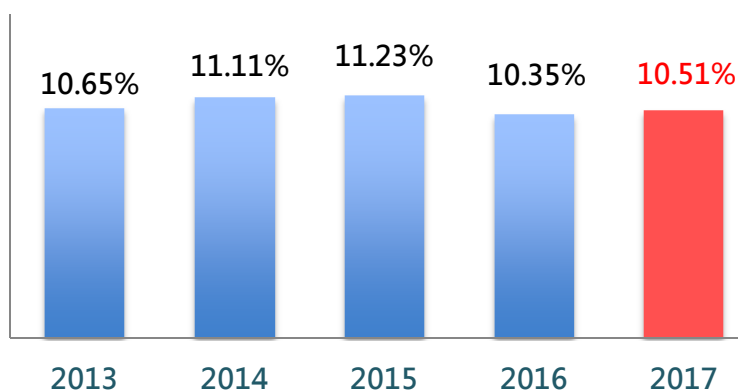


EPS

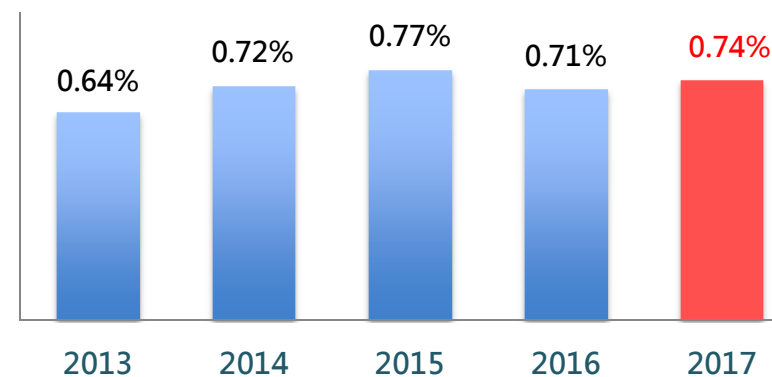
Unit: NT\$ dollars



ROE



ROA

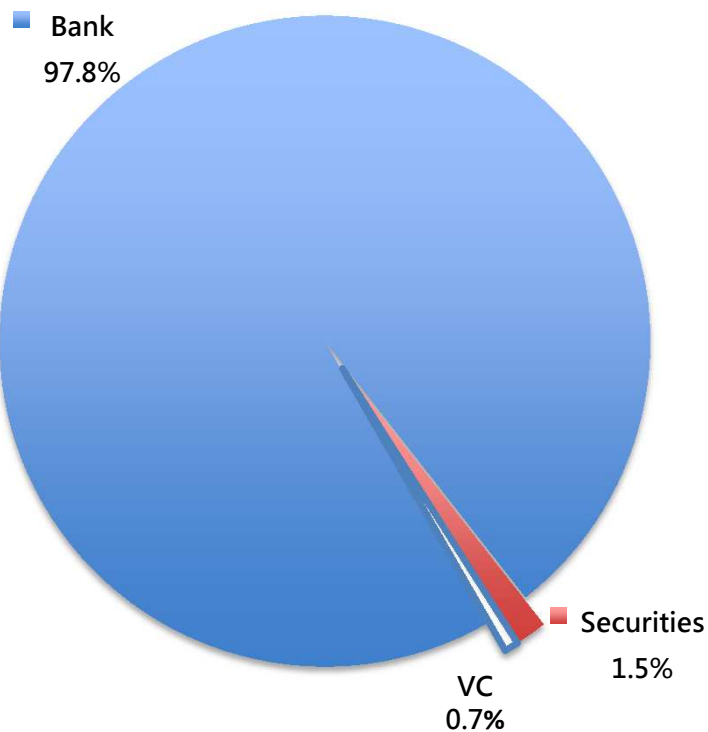


Note: Preliminary figures of Dec. 2017

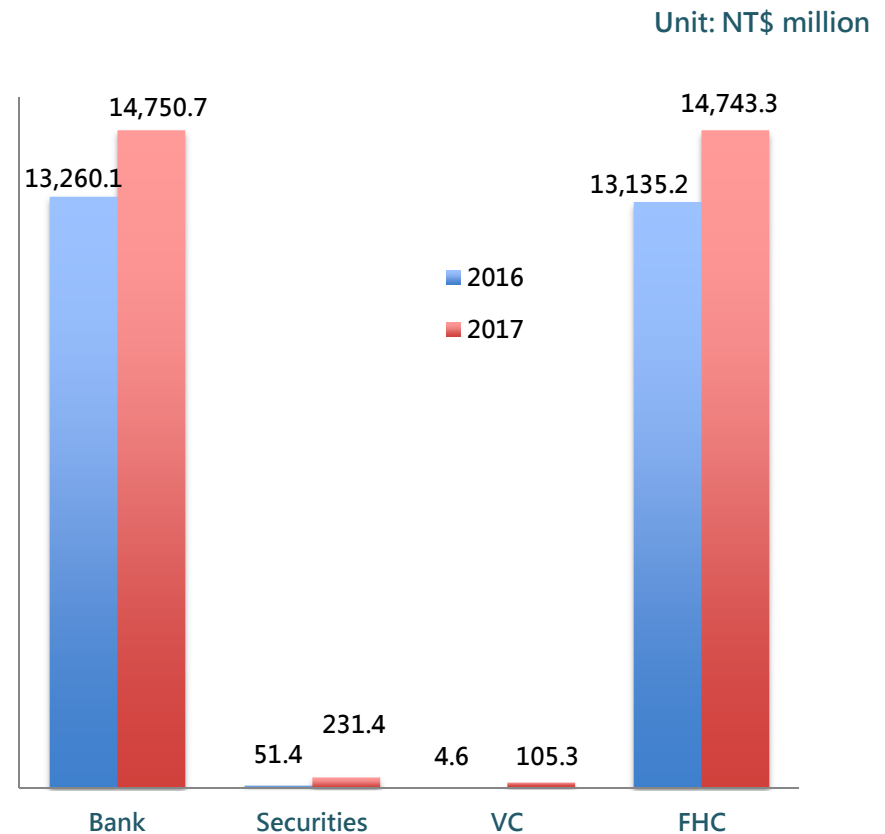


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

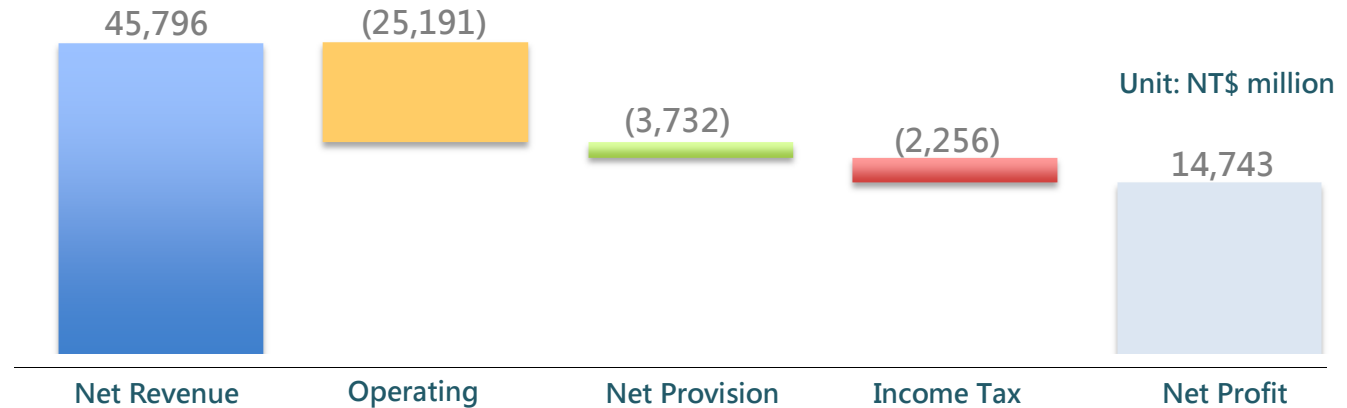


Note: Preliminary figures of Dec. 2017

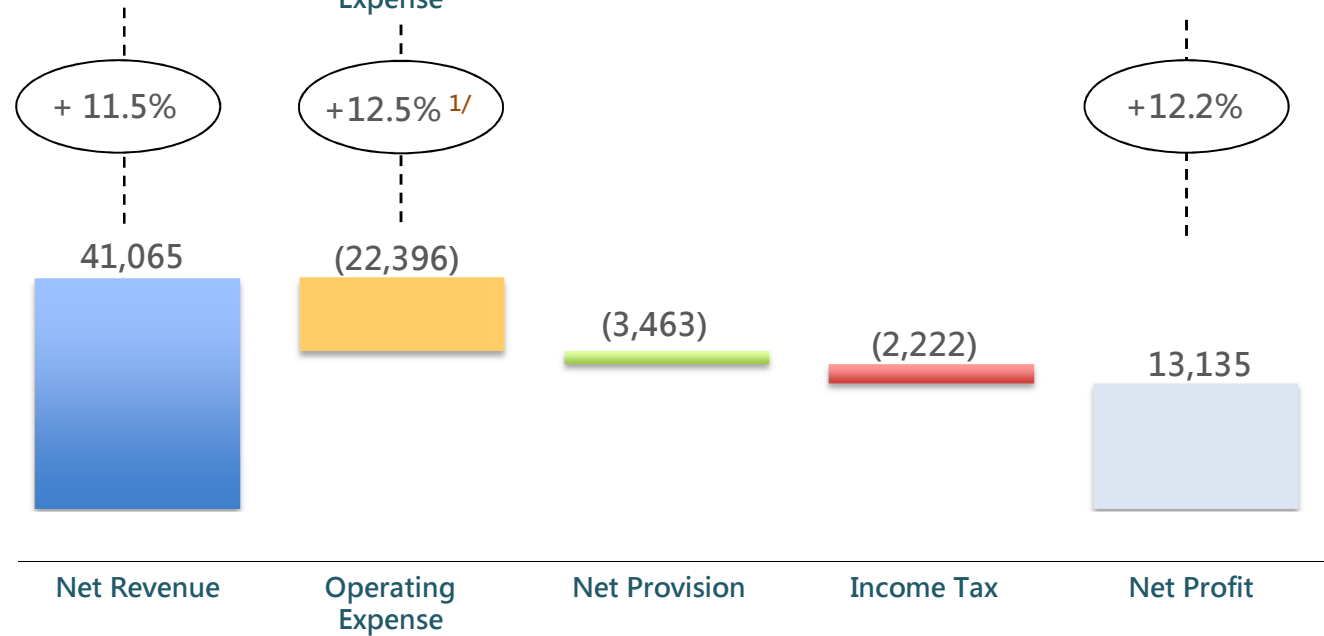


Net Profit Breakdown

2017 P&L



2016 P&L



Note: 1. Expense was 11.6% increased after deducting NT \$199 million, an one-off expense due to rights offering.

2. Preliminary figures of Dec. 2017

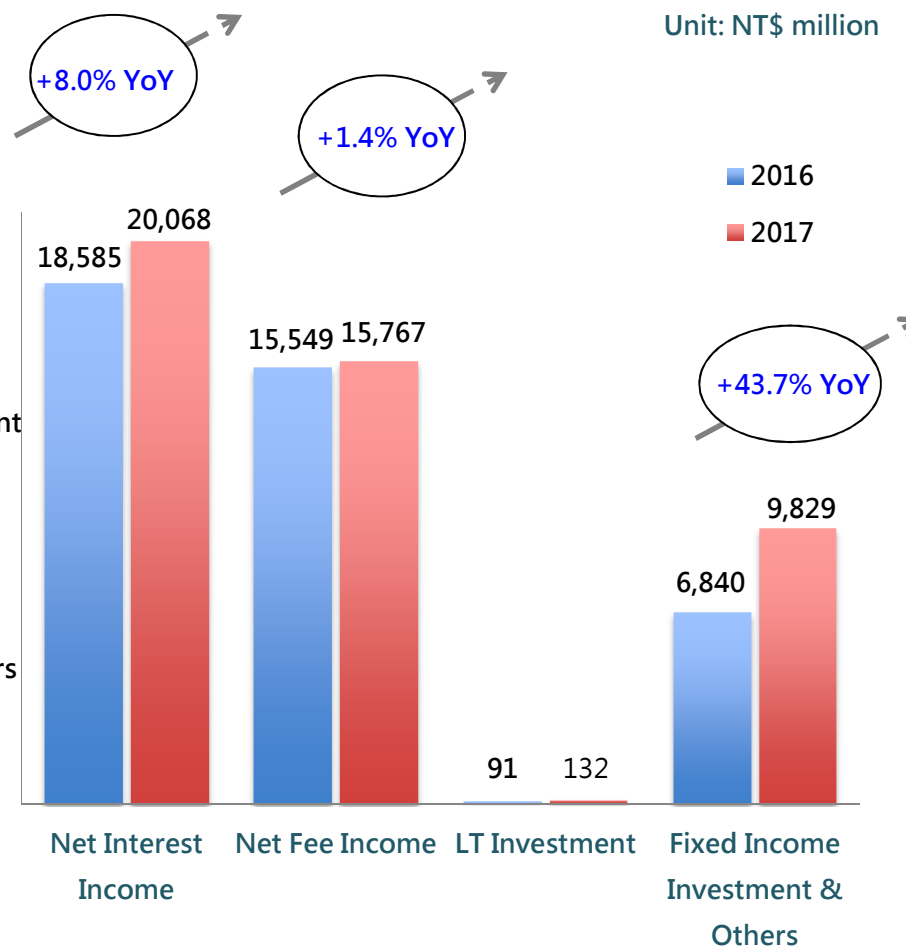
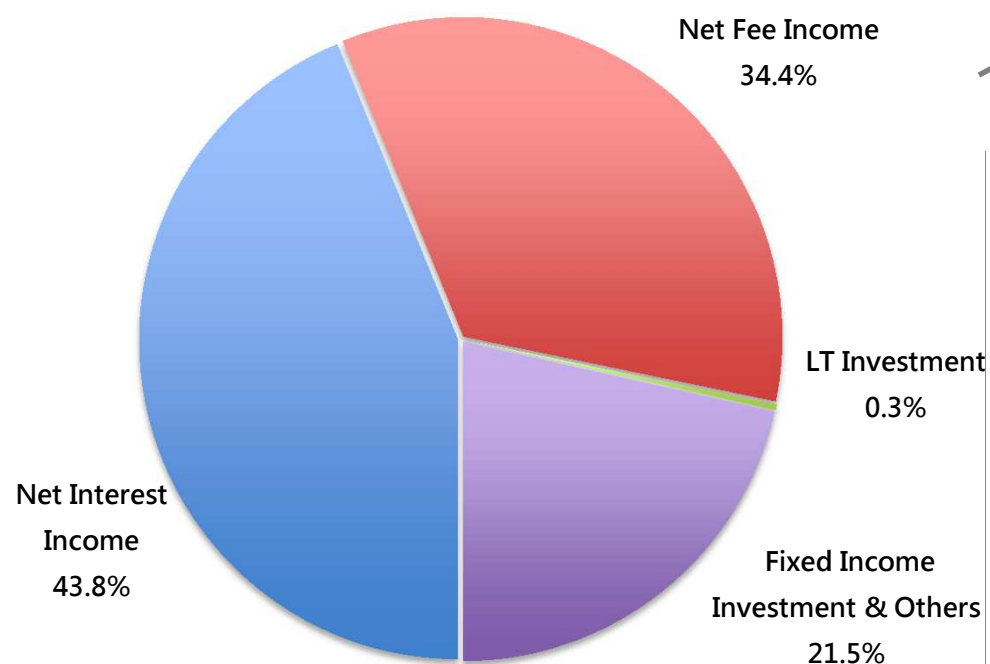


FHC Revenue Breakdown

Total Net Revenue
NT\$ 45,796 million

YoY Comparison

Unit: NT\$ million

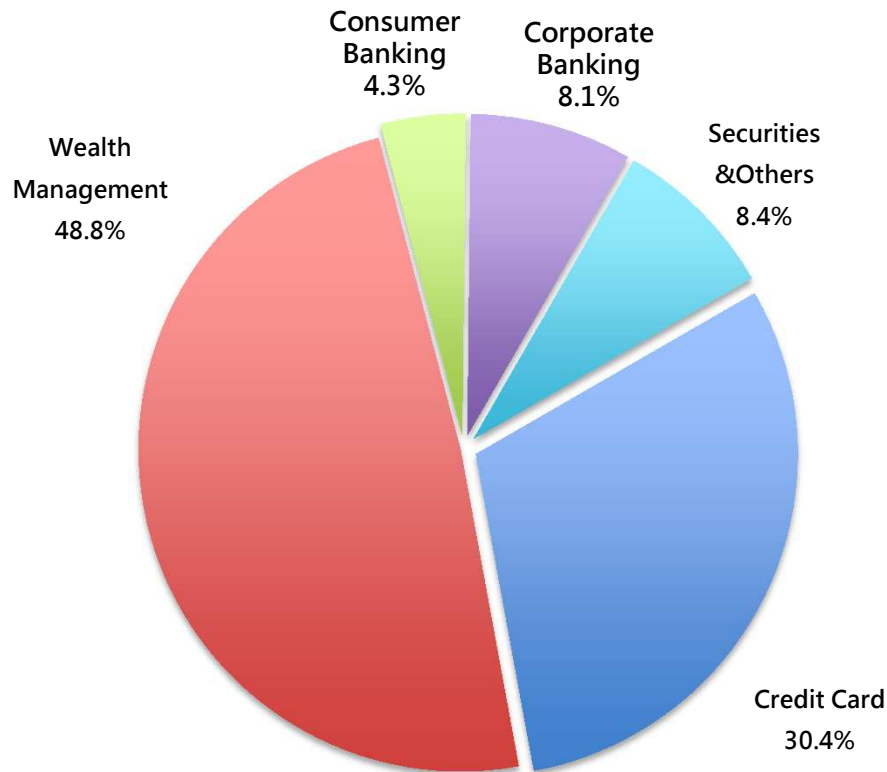


Note: Preliminary figures of Dec. 2017



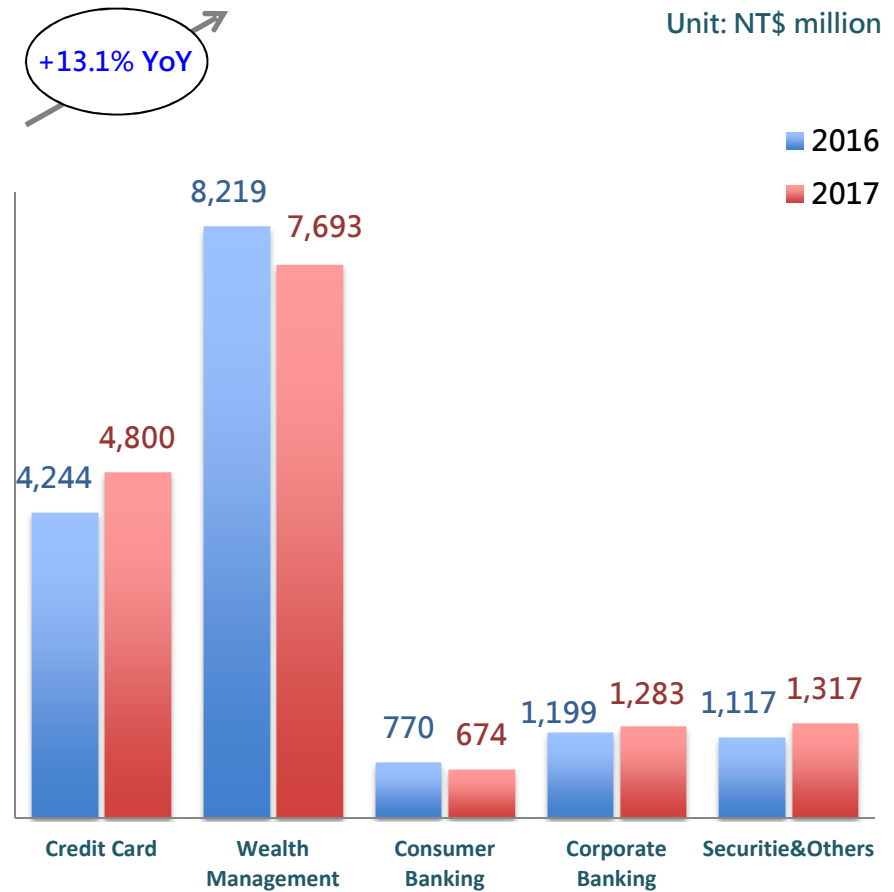
Net Fee Income Breakdown

Total Net Fee Income
NT 15,767 million



YoY Comparison

Unit: NT\$ million



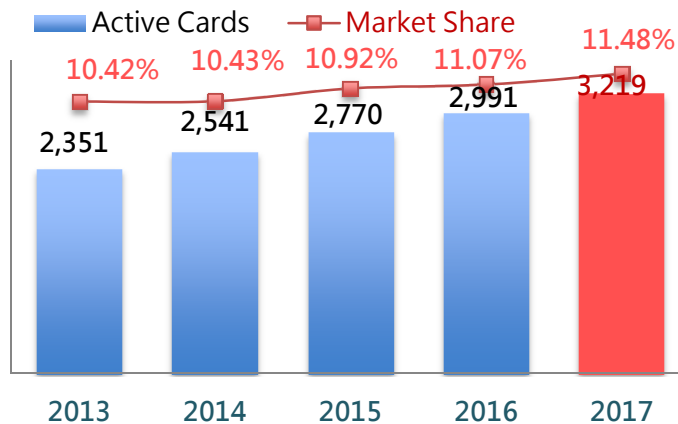
Note: Preliminary figures of Dec. 2017



Credit Card Business Breakdown

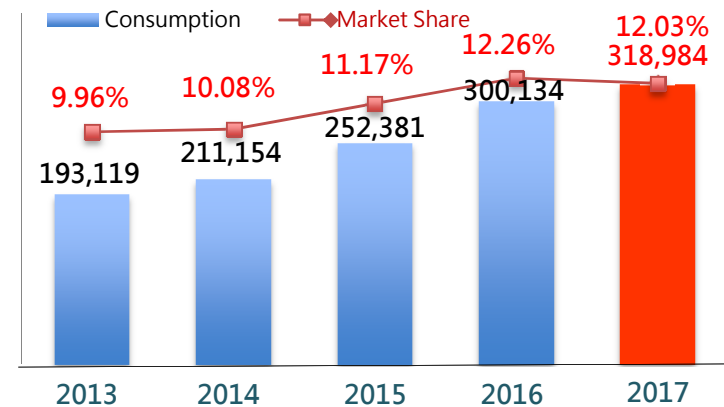
Active Cards

Unit: Thousand Cards, %



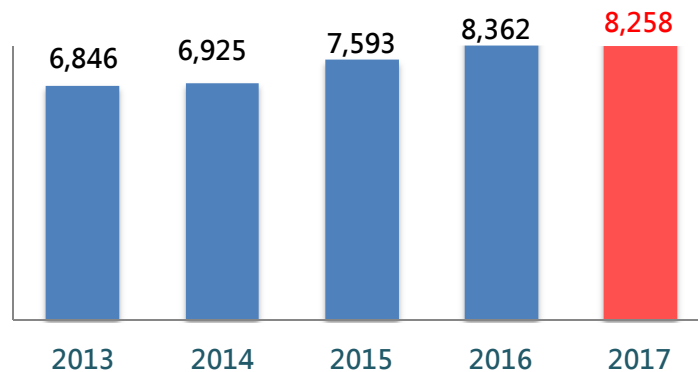
Card Consumption

Unit: NT\$ million



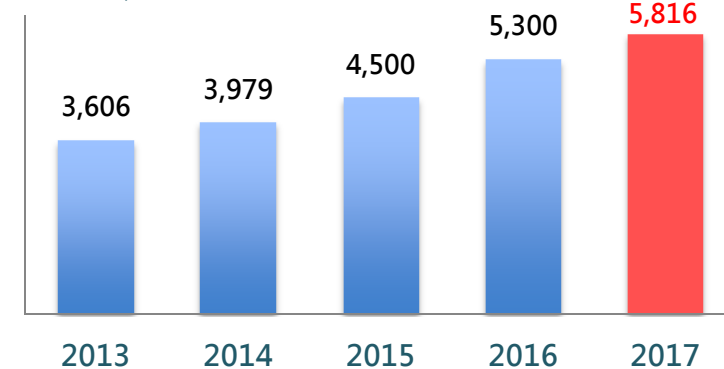
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share of Nov. 2017



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2017	QoQ Growth %	2017.9	YoY Growth %	2016
Total Deposits	1,694.7	2.1%	1,663.2	9.9%	1,542.6
Demand Deposits	747.4	1.5%	736.3	3.1%	725.2
Time Deposits	434.6	0.4%	432.9	2.7%	423.3
FCY Deposits	512.7	4.4%	494.0	30.2%	394.0
Total Loans ^{1/}	1,198.9	0.8%	1,188.8	8.2%	1,107.7
Corporate Loans	604.2	0.6%	600.6	9.4%	552.3
SME Loans	326.6	1.2%	322.6	11.1%	294.0
FCY Loans	187.7	1.2%	185.5	16.5%	161.1
Consumer Loans	594.7	1.2%	587.5	7.1%	555.5
Mortgage Loan	238.2	0.5%	237.0	3.7%	229.6
Unsecured Personal Loan	97.0	0.6%	96.4	6.6%	91.0
Credit Card Revolving Balance	12.2	3.4%	11.8	6.1%	11.5

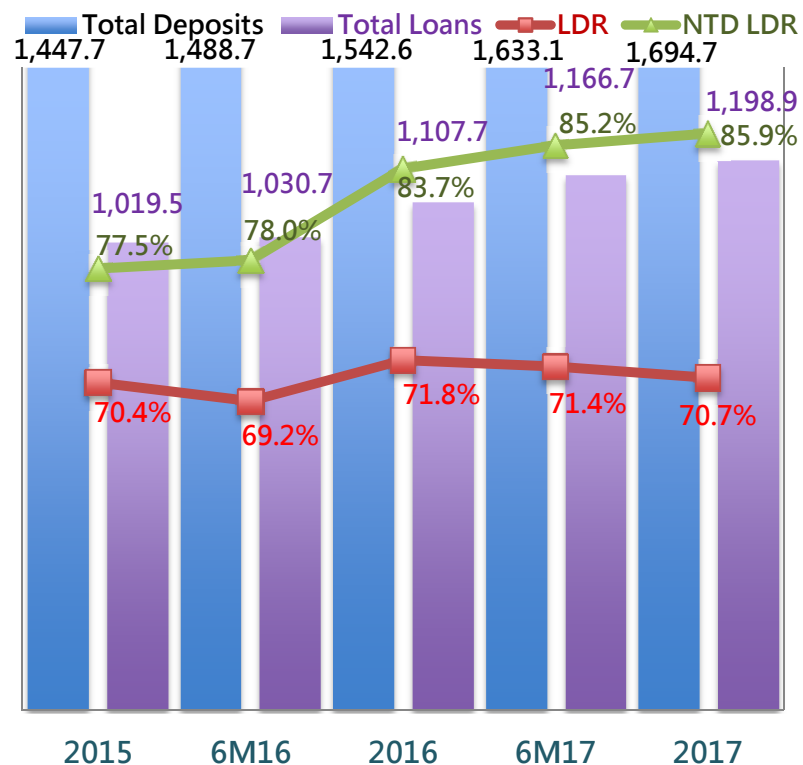
Note: Not including loan balance of subsidiaries NT\$ 26 billion and credit card revolving loan



Deposit Structure

Loan to Deposit Ratio

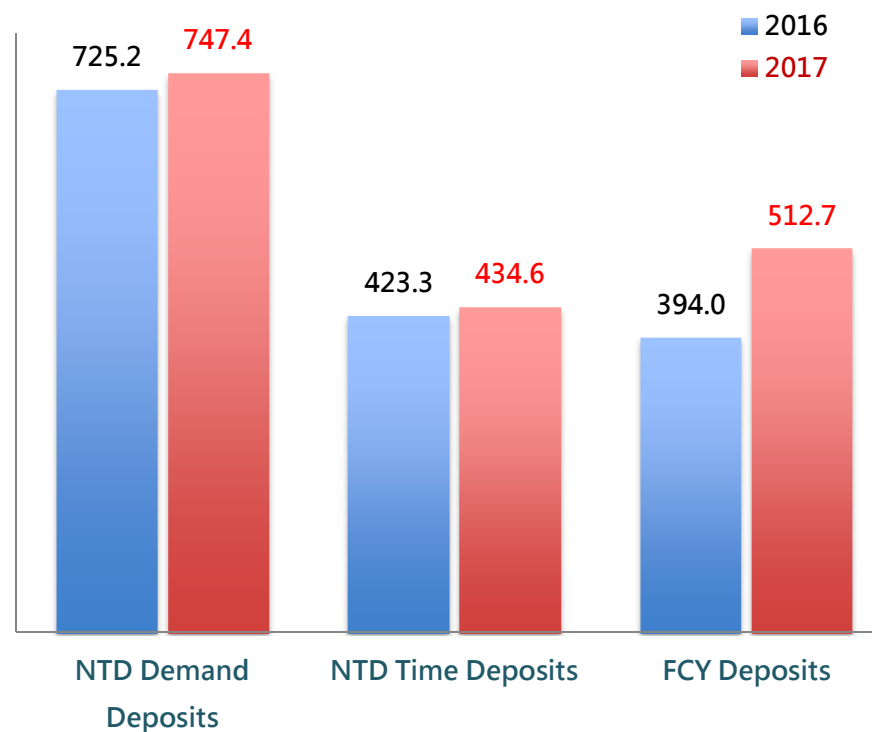
Unit: NT\$ Bn



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

Deposit Structure

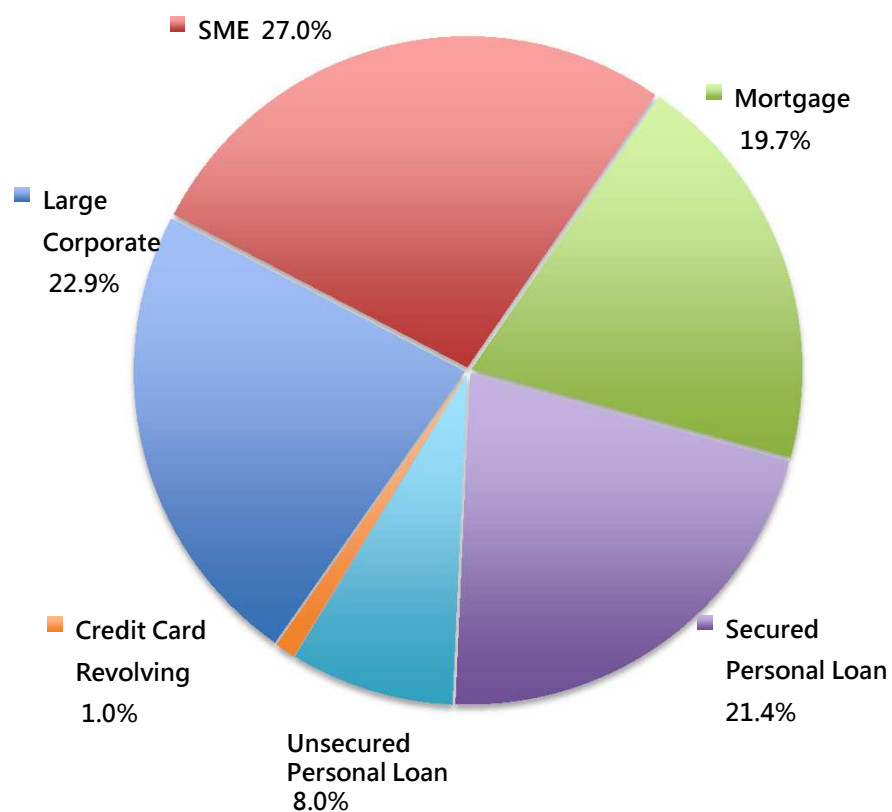
Unit: NT\$ Bn





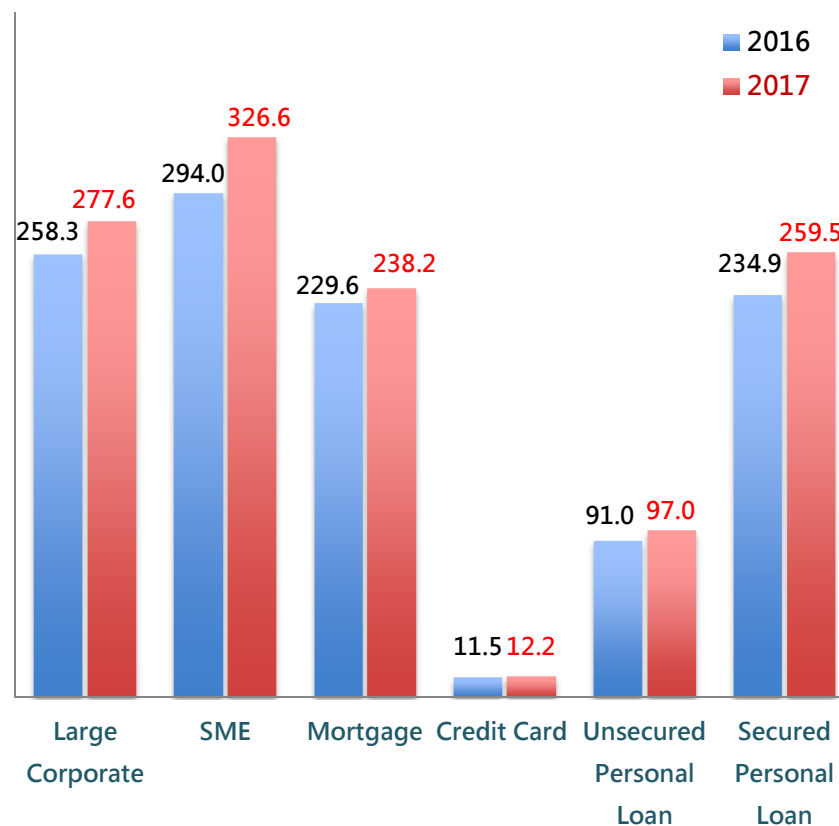
Loan Portfolio Breakdown

Total Loan
NT\$ 1,211.1 billion



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

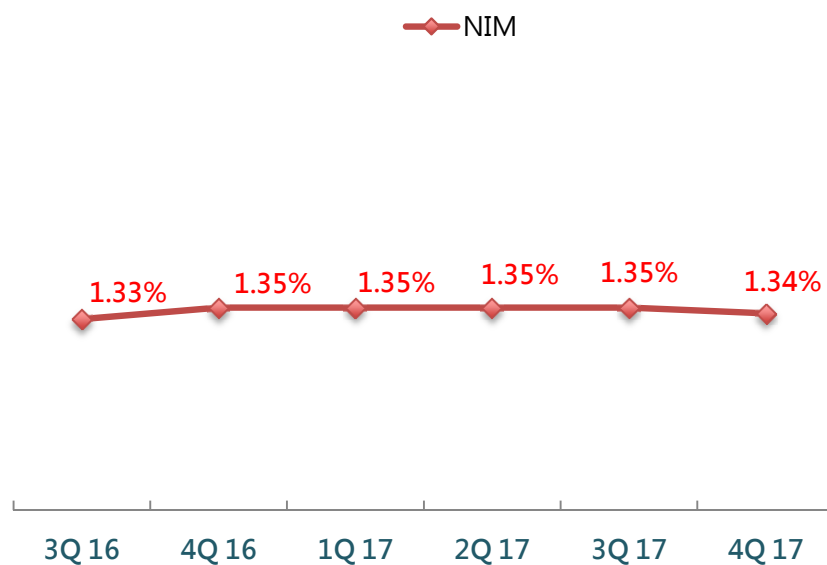
YoY Comparison



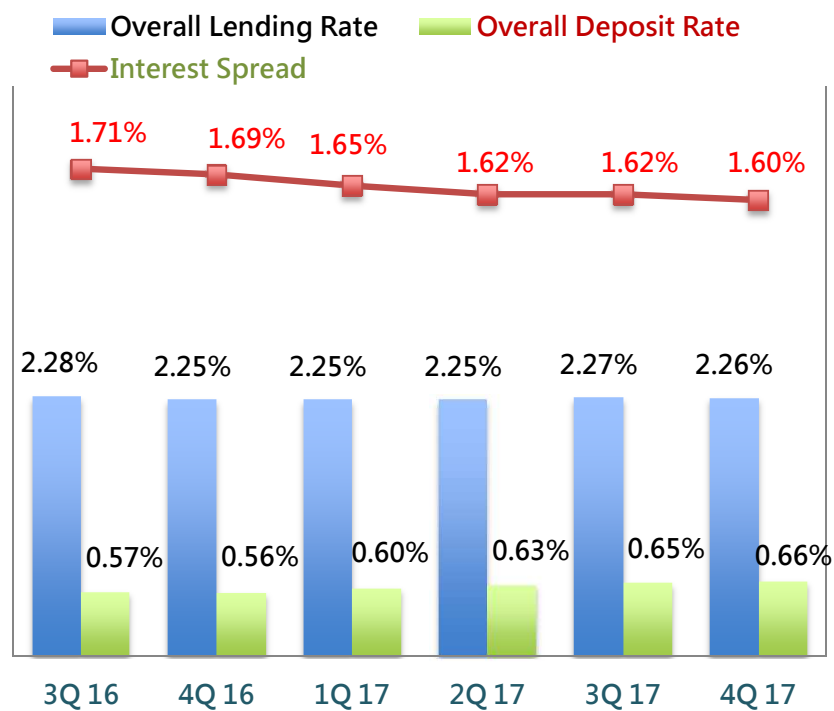


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



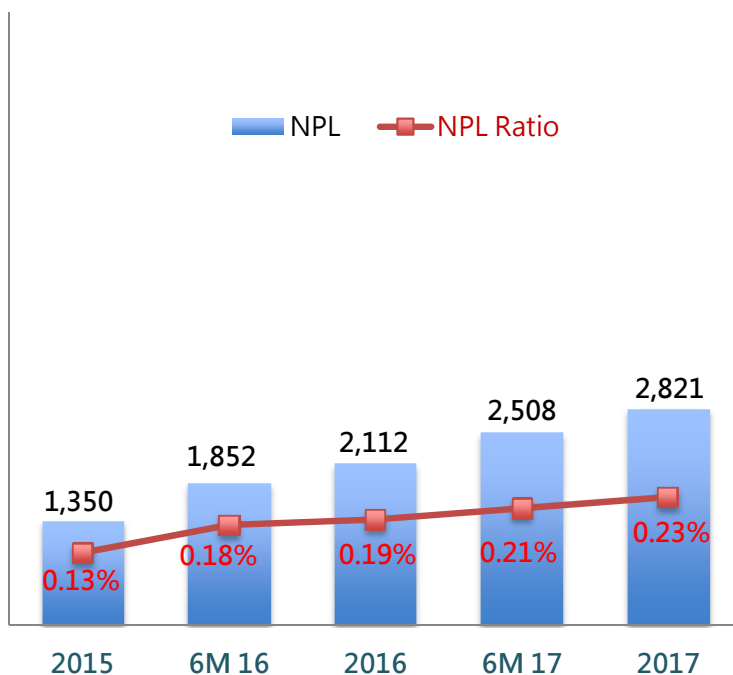
Note: Financials of E.SUN Bank



Superior Asset Quality 1/3

NPL Ratio(%)

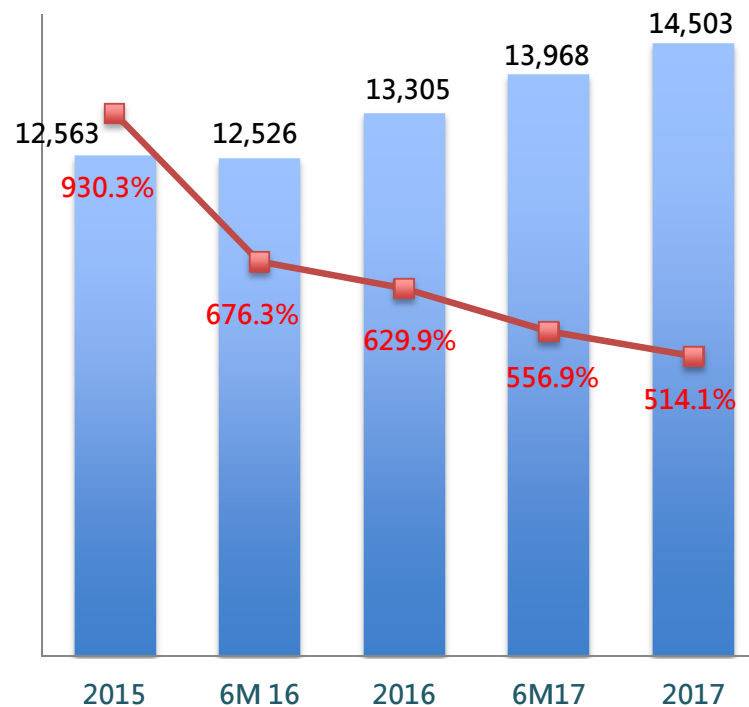
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

■ Loan Loss Reserve ■ Coverage Ratio

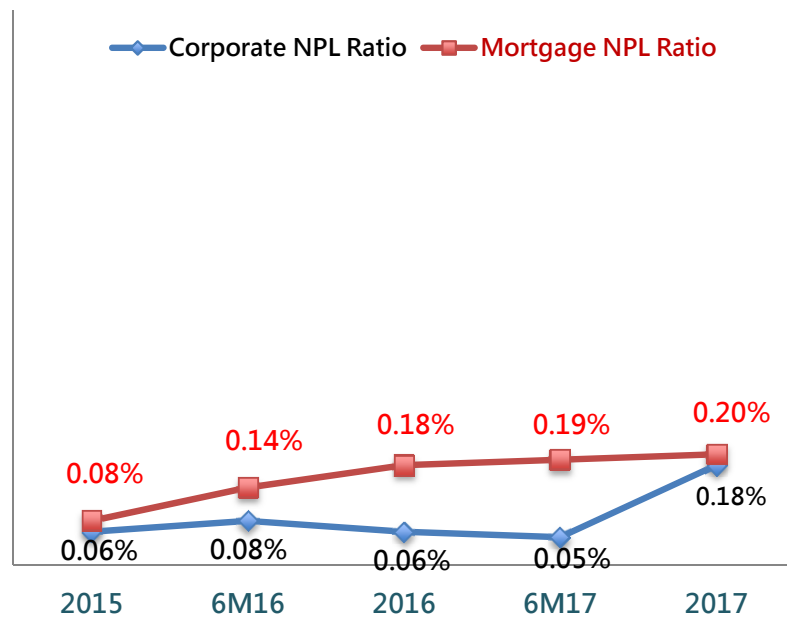


Note: Data of E.SUN Bank



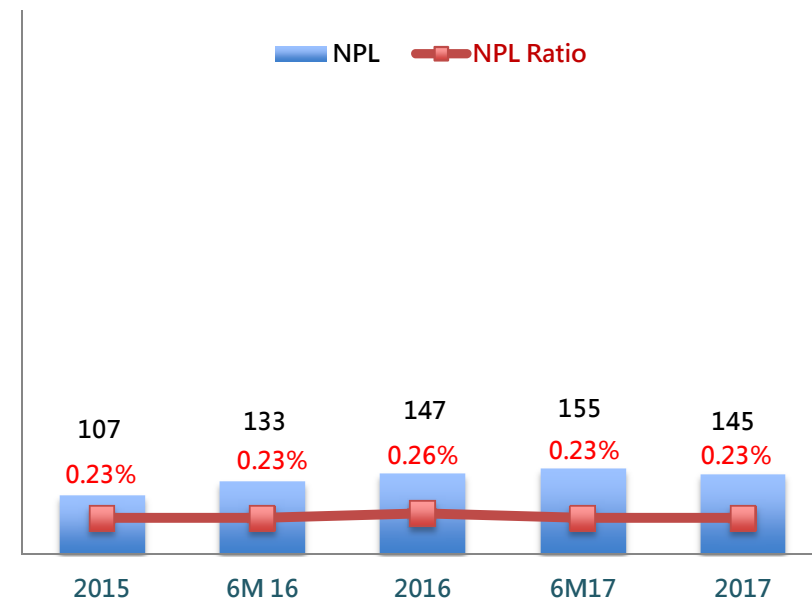
Superior Asset Quality 2/3

NPL Ratio for Major Products



NPL Ratio for Credit Card

Unit: NT\$ million

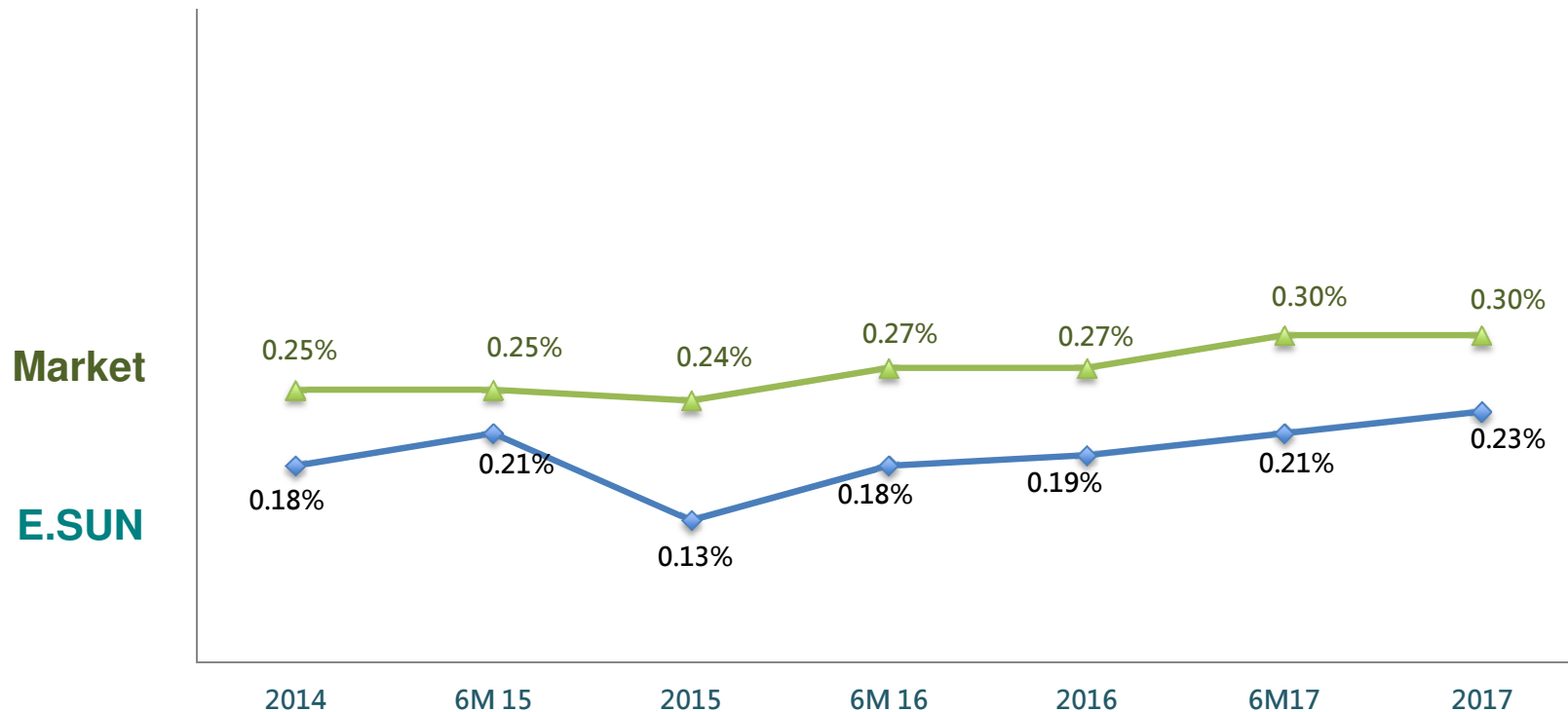


Note: Data of E.SUN Bank



Superior Asset Quality ^{3/3}

NPL Comparison with Market

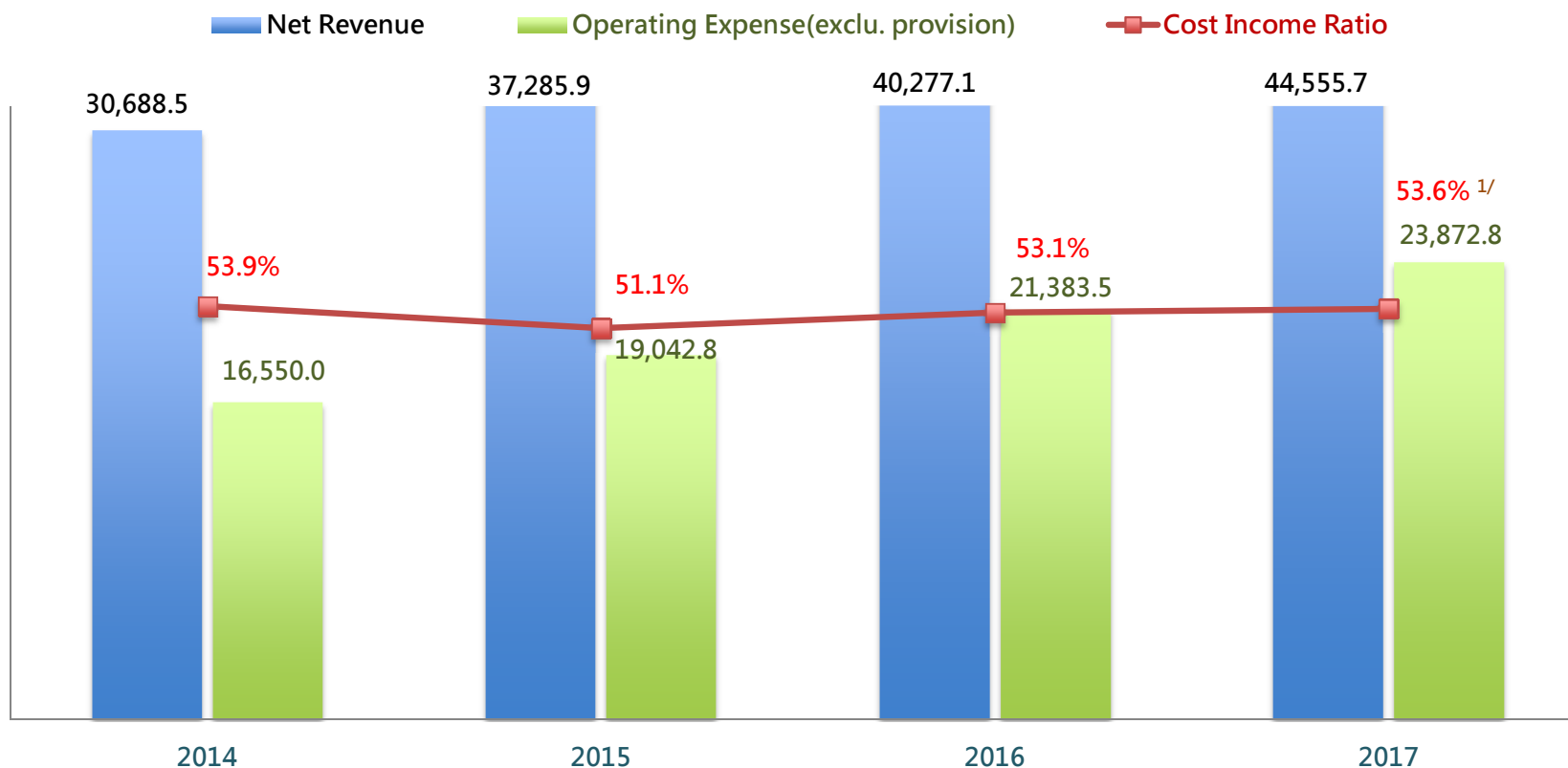


Source : FSC, Market data as of Nov. 2017



Cost-Income Ratio

Unit: NT\$ million



Note: 1. Adjusted C/I was 53.1% after deducting the one-off expense due to rights offering

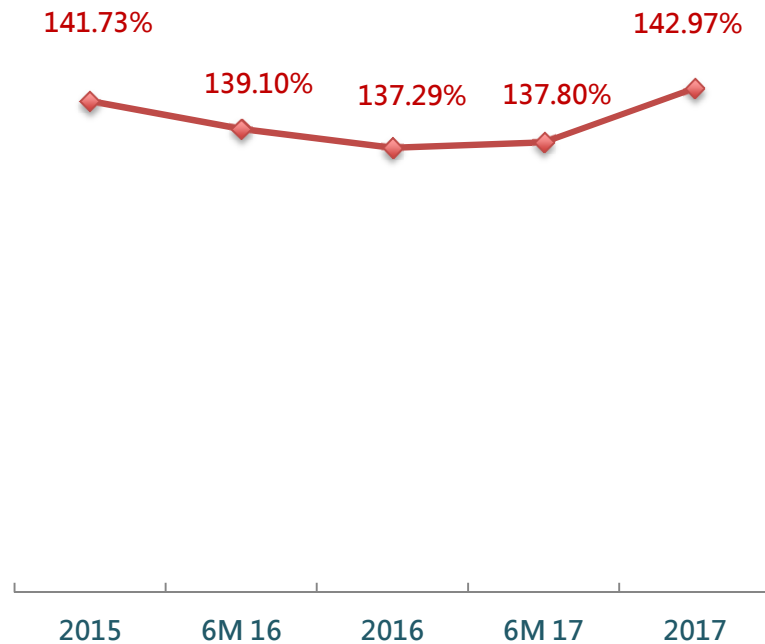
2. Financials of E.SUN Bank

3. Preliminary figures of Dec. 2017

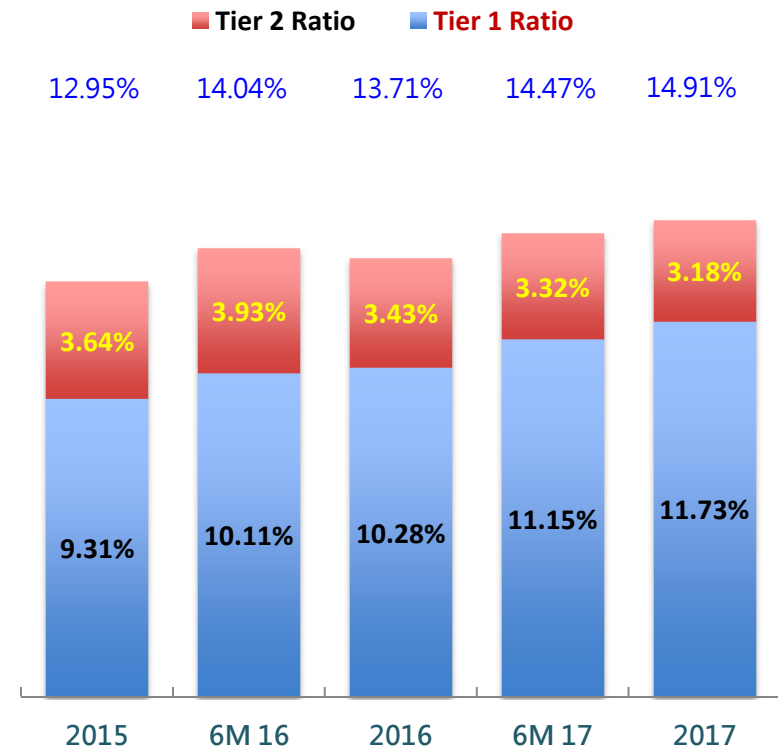


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Preliminary figures of Dec. 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) for more information.
- ❖ If you have further questions, please feel free to contact us through email or conference call
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Appendix 1/6

Balance Sheet of 4Q2017 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	86,046	264	62	106	130,863
Securities, net	513,982	677	1,116	0	582,107
Loans, net	1,080,228	0	0	0	1,211,071
A/R, net	71,682	7,682	4	89	98,957
LT investments, net	538	126	2,063	155,515	3,253
Land, premises and equipments, net	26,819	368	0	26	27,927
Others	49,880	2,514	9	765	23,726
Total assets	1,829,175	11,631	3,254	156,501	2,077,904
Liabilities:					
Deposits	1,495,822	0	0	0	1,710,218
Other liabilities	207,925	6,923	42	7,627	218,700
Total liabilities	1,703,747	6,923	42	7,627	1,928,918
Total stockholders' equity	125,428	4,708	3,212	148,874	148,986
Total equity attributable to owners of the company	124,635	4,708	3,212	148,874	148,874
Non-Controlling interests	793	0	0	0	112
Total liabilities and stockholders' equity	1,829,175	11,631	3,254	156,501	2,077,904

Note: Preliminary figures of Dec. 2017



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 4Q2017

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	13,484	214	0	(100)	20,068
Net fee income	11,194	468	0	0	15,767
LT investment income	54	0	30	15,215	133
Net trading income/(loss) & Derivatives & FX	5,200	39	(75)	(138)	9,727
Others	99	68	(3)	90	101
Total Net Revenues	30,031	789	(48)	15,067	45,796
Allowance for bad-debt expenses	(1,601)	(1)	0	0	(3,732)
Operating expenses	(15,448)	(712)	(9)	(326)	(25,191)
Income before income tax	12,982	76	(57)	14,741	16,873
Income tax expenses	(1,953)	(25)	(9)	2	(2,257)
Net Income	11,029	51	(66)	14,743	14,616
Attributable to owners of the company	10,886	51	(66)	14,743	14,743
Non-controlling interests	(3)	0	0	0	(127)

Note: Preliminary figures of Dec. 2017



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	2014	2015	2016	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Assets :								
Cash and due from banks	89,638	104,113	99,545	99,545	102,784	116,834	128,633	130,863
Securities, net	420,897	469,508	502,761	502,761	522,736	545,379	554,518	582,107
Loans, net	934,614	1,021,995	1,118,149	1,118,149	1,137,049	1,176,465	1,201,528	1,211,071
A/R, net	73,088	78,562	83,936	83,936	78,011	96,306	92,277	98,957
LT investments, net	2,184	2,386	2,809	2,809	2,929	3,190	3,294	3,253
Land, premises and equipments, net	21,106	26,792	26,440	26,440	26,864	27,367	27,702	27,927
Others	24,893	71,928	50,660	50,660	48,635	31,712	29,665	23,726
Total assets	1,566,420	1,775,284	1,884,300	1,884,300	1,919,008	1,997,253	2,037,617	2,077,904
Liabilities:								
Deposits	1,280,692	1,456,394	1,556,422	1,556,422	1,556,075	1,637,597	1,675,686	1,710,218
Other liabilities	178,067	197,229	198,697	198,697	229,950	216,485	216,066	218,700
Total liabilities	1,458,759	1,653,623	1,755,119	1,755,119	1,786,025	1,854,082	1,891,752	1,928,918
Total stockholders' equity	107,661	122,661	129,181	129,181	132,983	143,171	145,865	148,986
Total equity attributable to owners of the company	106,876	120,927	128,524	128,524	132,350	142,642	145,761	148,874
Non-Controlling interests	785	734	657	657	633	529	104	112
Total liabilities and stockholders' equity	1,566,420	1,775,284	1,884,300	1,884,300	1,919,008	1,997,253	2,037,617	2,077,904

Note: Preliminary figures of Dec. 2017



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	4Q16	1Q17	2Q17	3Q17	4Q17
Operating income								
Net interest income	15,485	17,474	18,585	4,977	4,882	4,994	5,200	4,992
Net Fee income	11,470	13,878	15,548	3,891	3,632	3,971	4,273	3,891
LT investment income	121	71	91	3	9	12	67	45
Net trading income/(loss) & Derivatives & FX	5,602	7,378	6,586	1,525	2,014	2,588	2,613	2,512
Others	77	(312)	254	177	(16)	107	60	(50)
Total Net Revenues	32,755	38,489	41,064	10,573	10,521	11,672	12,213	11,390
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,463)	(1,861)	(413)	(1,347)	(1,124)	(848)
Operating expenses	(17,950)	(20,138)	(22,396)	(6,196)	(5,872)	(6,269)	(6,221)	(6,829)
Income before income tax	12,771	14,785	15,205	2,516	4,236	4,056	4,868	3,713
Income tax expenses	(2,166)	(1,906)	(2,222)	(247)	(494)	(369)	(848)	(546)
Net Income	10,605	12,879	12,983	2,269	3,742	3,687	4,020	3,167
Income Attributable to owners of the company	10,529	12,816	13,135	2,417	3,733	3,785	4,063	3,162
Attribute to former business under control	0	0	0	0	0	0	0	0
Non-Controlling interests	76	63	(152)	(148)	9	(98)	(43)	5

Note: Preliminary figures of Dec. 2017



Appendix 5/6

E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Assets :								
Cash and due from banks	89,599	103,947	99,446	99,446	102,726	116,776	128,590	131,019
Securities, net	417,344	467,481	501,867	501,867	521,557	550,216	559,352	581,270
Loans, net	934,614	1,021,995	1,118,149	1,118,149	1,137,049	1,176,465	1,201,528	1,211,071
A/R, net	65,392	71,523	75,992	75,992	68,975	86,792	86,577	87,962
LT investments, net	546	542	538	538	538	538	538	536
Land, premises and equipments, net	20,247	26,156	25,785	25,785	26,214	26,732	27,047	27,557
Others	24,202	68,986	48,354	48,354	46,205	23,451	21,055	21,255
Total assets	1,551,944	1,760,630	1,870,131	1,870,131	1,903,264	1,980,970	2,024,687	2,060,670
Liabilities:								
Deposits	1,284,728	1,457,201	1,558,856	1,558,856	1,559,579	1,643,182	1,676,538	1,712,072
Other liabilities	161,708	185,171	184,241	184,241	213,013	196,693	204,165	201,393
Total liabilities	1,446,436	1,642,372	1,743,097	1,743,097	1,772,592	1,839,875	1,880,703	1,913,465
Total stockholders' equity	105,508	118,258	127,034	127,034	130,672	141,095	143,984	147,205
Total equity attributable to owners of the company	104,723	116,391	126,371	126,371	130,033	140,560	143,882	147,089
Non-Controlling interests	785	1,133	663	663	639	535	102	116
Attribute to former business under control	0	734	0	0	0	0	0	0
Total liabilities and stockholders' equity	1,551,944	1,760,630	1,870,131	1,870,131	1,903,264	1,980,970	2,024,687	2,060,670

Note: Preliminary figures of Dec. 2017



Appendix 6/6

E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	4Q16	1Q17	2Q17	3Q17	4Q17
Operating income								
Net interest income	15,286	17,253	18,419	4,935	4,840	4,936	4,994	5,062
Fee income	9,910	13,190	14,939	3,745	3,460	3,780	4,021	3,642
LT investment income	48	45	54	0	0	10	38	0
Net trading income/(loss) & Derivatives & FX	5,318	6,522	6,575	1,375	2,083	2,487	2,581	2,458
Others	127	276	290	191	25	117	(36)	58
Total Net Revenues	30,689	37,286	40,277	10,246	10,408	11,330	11,598	11,220
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,462)	(1,861)	(413)	(1,219)	(1,004)	(1,096)
Operating expenses	(16,560)	(19,043)	(21,384)	(5,936)	(5,613)	(5,995)	(5,767)	(6,498)
Income before income tax	12,095	14,677	15,431	2,449	4,382	4,116	4,827	3,626
Income tax expenses	(1,814)	(1,947)	(2,171)	(218)	(517)	(413)	(779)	(491)
Net Income	10,281	12,730	13,260	2,231	3,865	3,703	4,048	3,135
Attributable to owners of the company	10,205	11,908	13,265	2,379	3,856	3,801	4,090	3,130
Attribute to former business under control	0	759	146	0	0	0	0	0
Non-controlling interests	76	63	(151)	(148)	9	(98)	(42)	5

Note: Preliminary figures of Dec. 2017