

# E.SUN FHC Financial Review of 2Q 2018

Aug, 2018



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# Agenda

- 2018 2Q Financial Performance
- 2018 2Q Business Operation Overview
- Appendix



# E.SUN FHC Summary

		Unit : NT\$ million	
		2018.06 <sup>/1</sup>	2017.12
Total Assets	FHC	2,166,114	2,074,388
	Bank	2,146,052	2,056,337
	Securities	16,876	15,411
	Venture Capital	3,797	3,419
Key Financials	Book value per share (NT\$)	15.01	14.61
	Double Leverage Ratio	104.10%	104.46%
	FHC CAR	136.56%	143.69%
Distribution Channels	Bank – domestic	139	138
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Myanmar, Japan, Sydney, Brisbane <sup>/3</sup> Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 26 overseas sites	
	Securities - branches	18	18

Note: 1. Audit figures of Jun. 2018

2. Share owned by QFII: 45.24%, as of Jun. 2018

3. Brisbane Branch and the no.139 domestic branch opened in July, 2018.



# 2Q18 Business and Financial Review

## Financial Performance

- Net profits for 1H18 was NT\$9.2 billion, a 23.0% growth; net revenue for 1H was NT\$25 billion, a 12.4% growth.
- EPS NT\$0.85, ROE 12.24%, ROA 0.87%.

## Business Operation

- Net interest income and net fee income increased by 2.8% and 10.4% respectively.
- Fee income growth was driven by wealth management (+19.3%) and credit card (+5.2%).
- Loan grew by 4.2% with a balanced split between corporate and consumer. (YTD)
- Cross border platform boosted growth of FCY deposit (+6.2%) and FCY loan (+9.6%). (YTD)
- Asset quality maintained stable with NPL ratio at 0.24% and coverage ratio at 495.7%.

## Honor and Recognitions

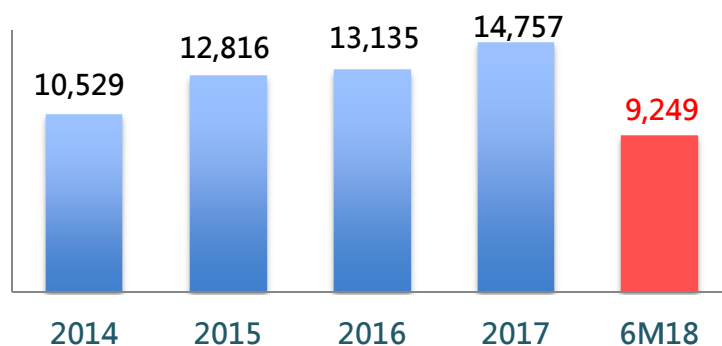
- Overseas Expansion: Brisbane Branch opened in July 2018, the 26<sup>th</sup> overseas branch.
- Technology & Innovation: Winner of “Technology Project of the Year” by 《The Banker》. The project improved prevention of fraud by machine learning enabled automatic detection and tracking of fraudulent accounts.
- Awards & Recognitions: “Best Bank” and “Best Digital Bank” in Taiwan by 《Asiamoney》; The Most Honored Company in Taiwan, Best CEO, and Best CFO in the poll organized by 《Institutional Investor》.
- Sustainability & ESG: Winner of Responsible Business Leadership Award, the highest honor by Enterprise Asia; Member of DJSI since 2014, including two times listing in DJSI World (2015, 2017); MSCI ESG rating AA, highest in Taiwan financial sector.



# Financial Performance

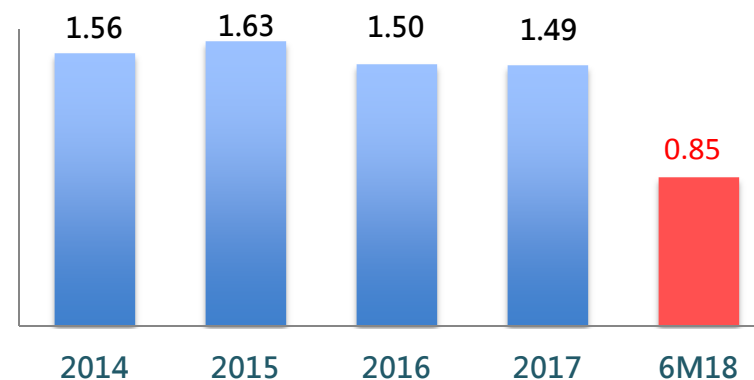
## Net Profit

Unit: NT\$ million

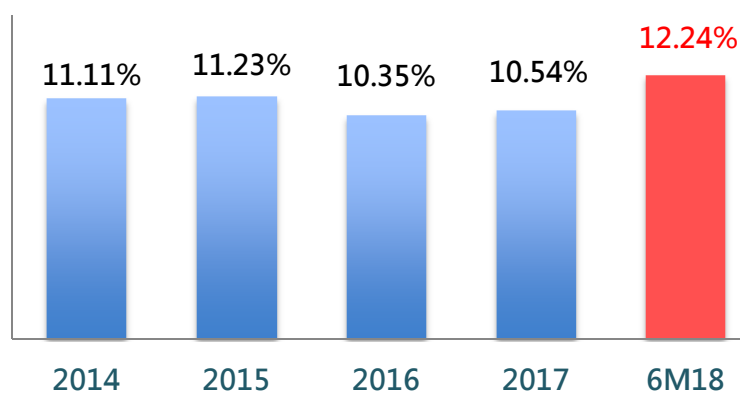


## EPS

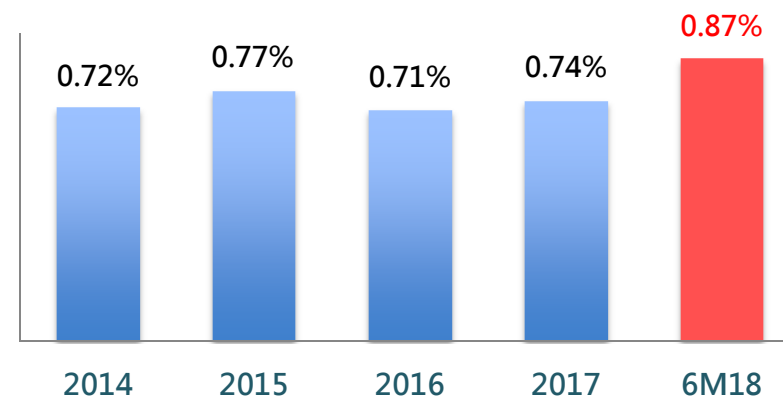
Unit: NT\$ dollars



## ROE



## ROA



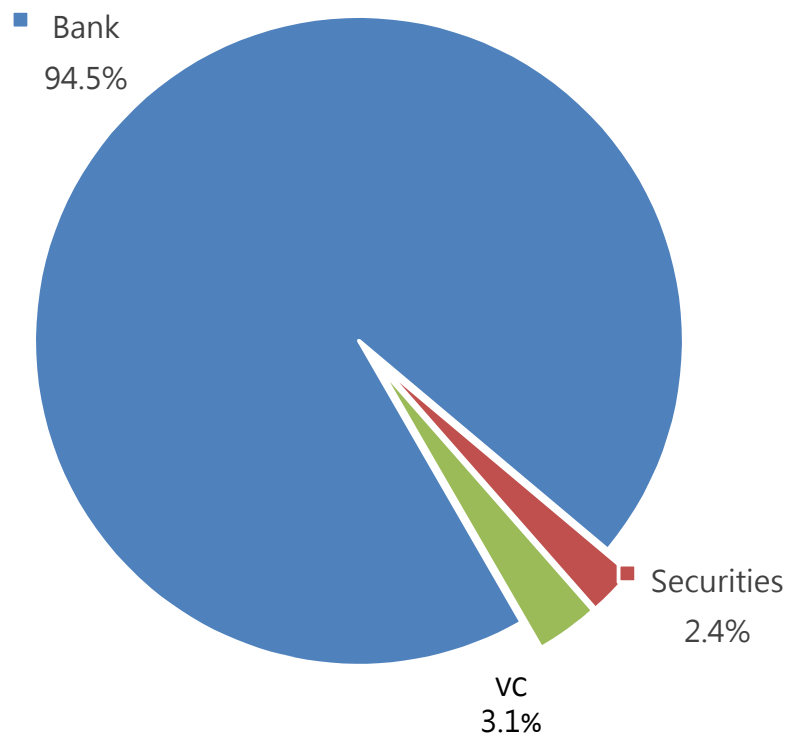
Note: 1. Audit figures of Jun. 2018

2. EPS was \$0.91 before retrospective adjustment of stock dividends



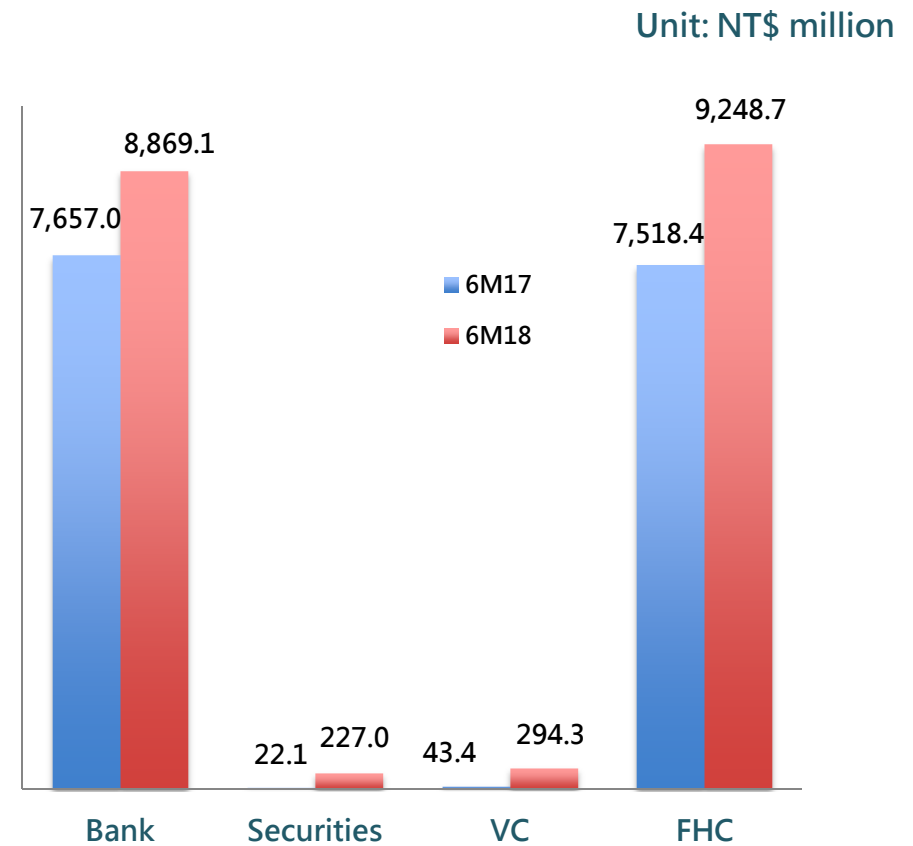
# Net Income of FHC & its Subsidiaries

## Contribution by Subsidiaries



Note: Audit figures of Jun. 2018

## Net Income of FHC and its Subsidiaries



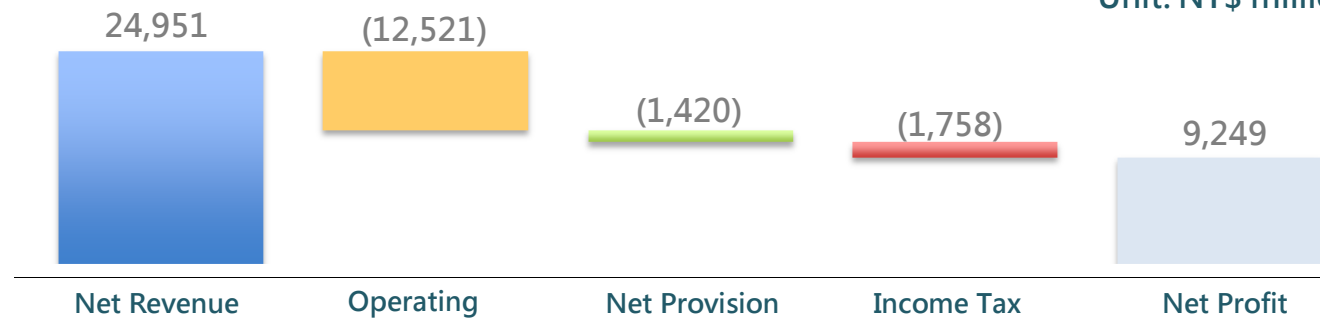




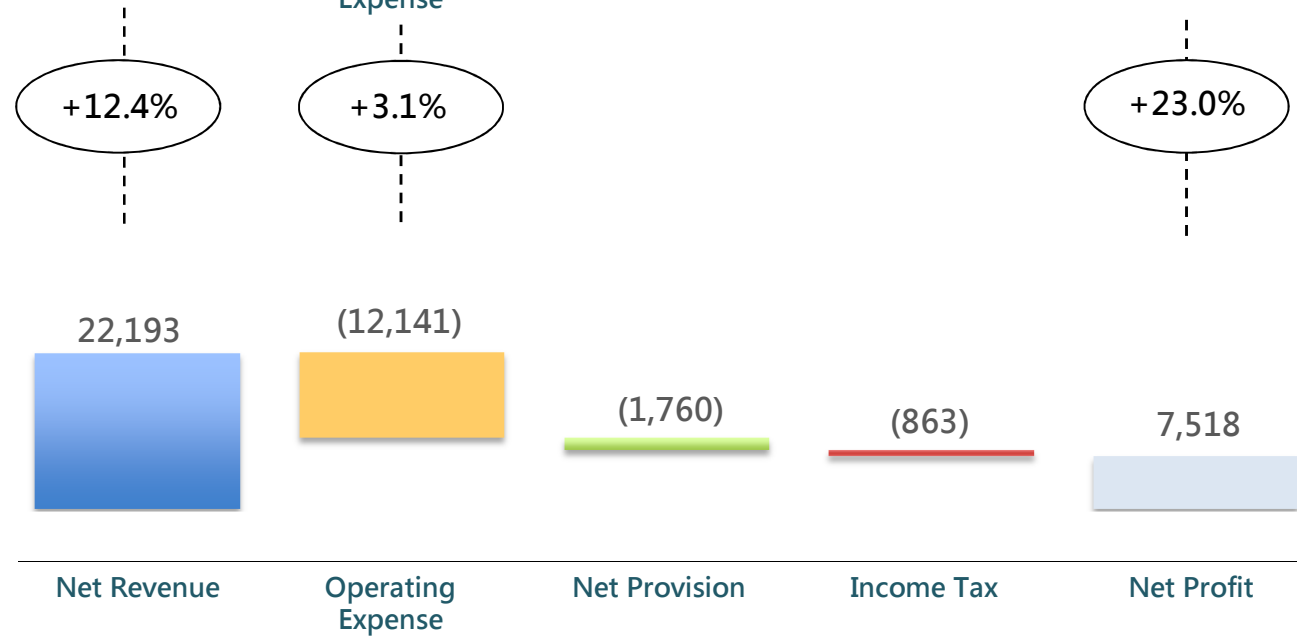
# Net Profit Breakdown

## 6M18 P&L

Unit: NT\$ million



## 6M17 P&L



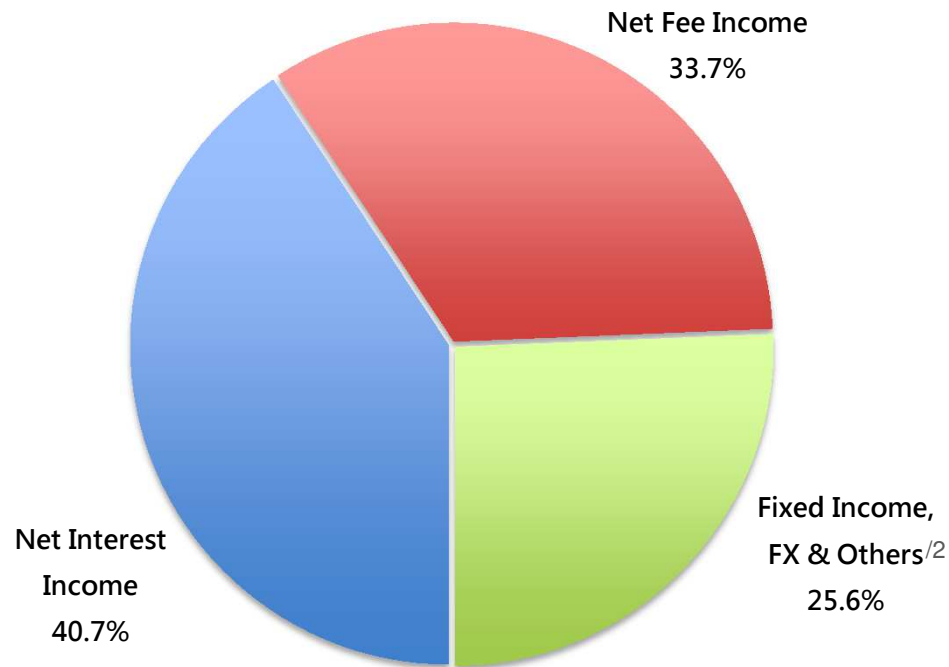
Note: Audit figures of Jun. 2018





# FHC Revenue Breakdown

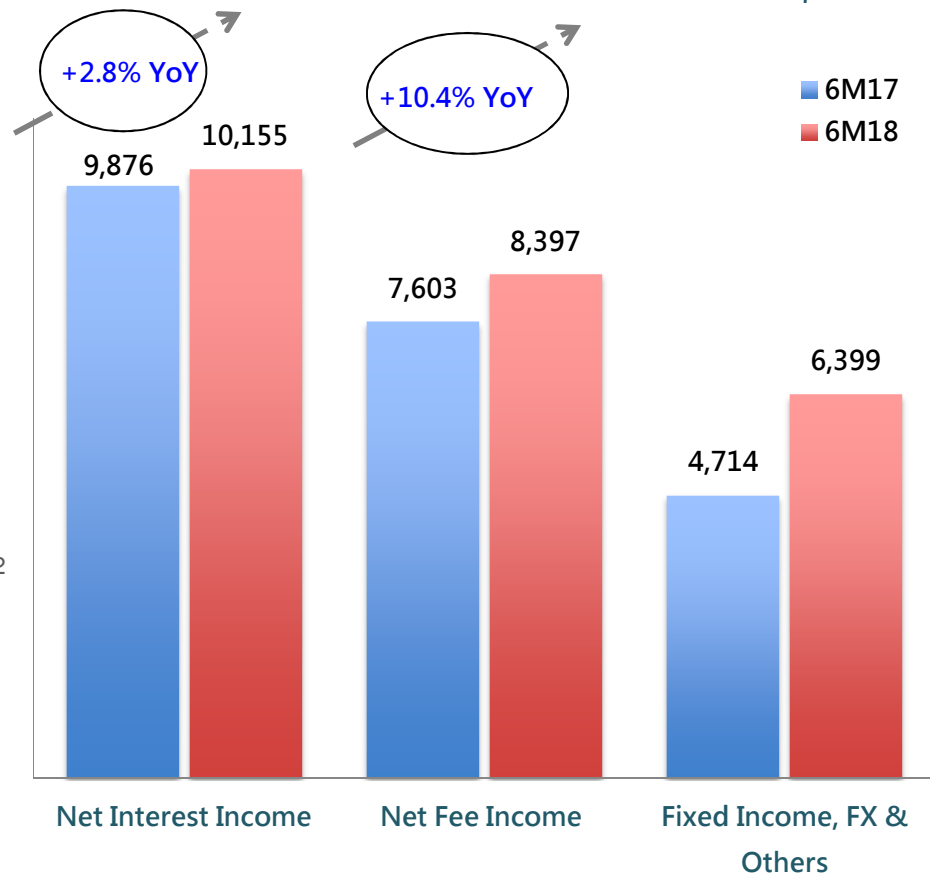
Total Net Revenue  
NT\$ 24,951 million



Note: 1. Audit figures of Jun. 2018  
2. 52.5% of "fixed income, FX & others" is interest income from stable growing fixed income investment

## YoY Revenue Comparison

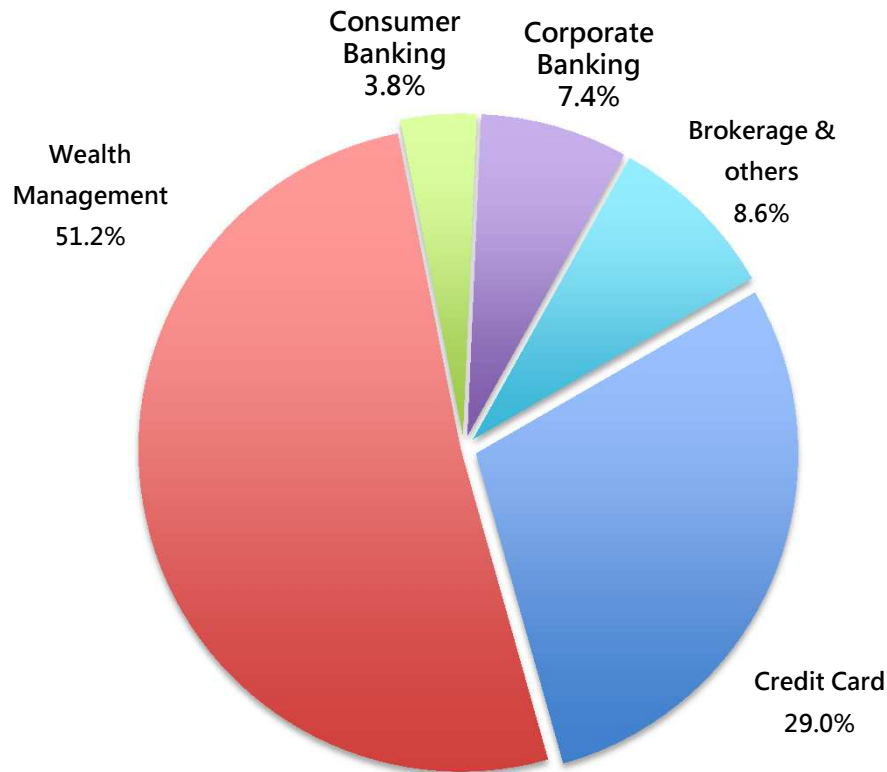
Unit: NT\$ million





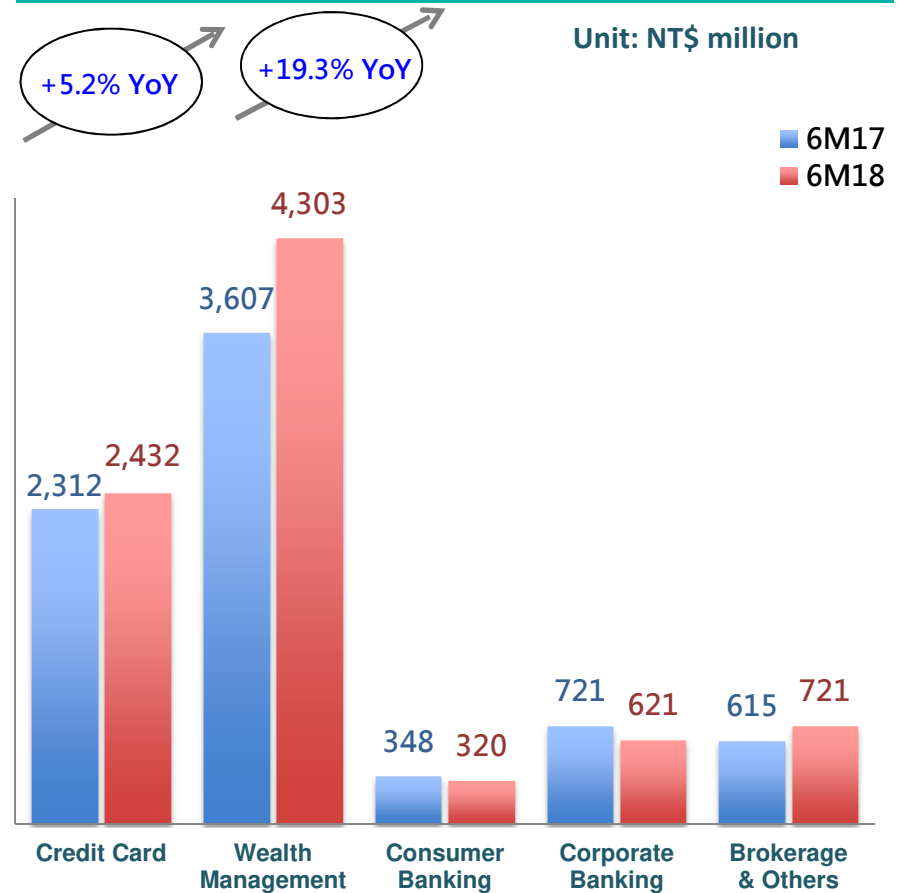
# Net Fee Income Breakdown

Total Net Fee Income  
NT 8,397 million



Note: Audit figures of Jun. 2018

YoY Comparison

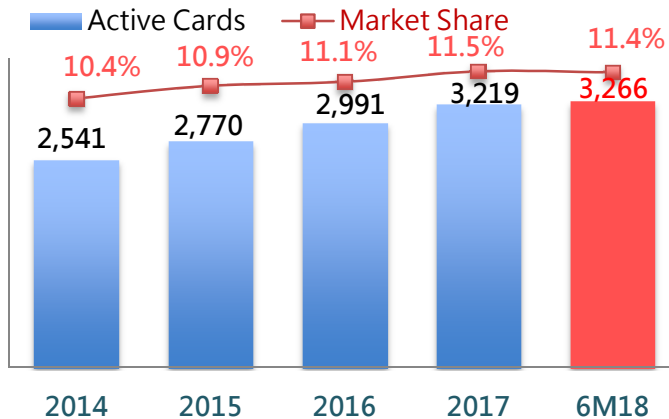




# Credit Card Business Breakdown

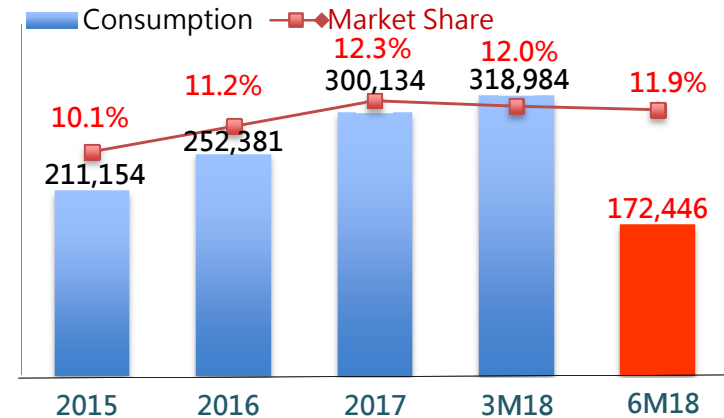
## Active Cards

Unit: Thousand Cards, %



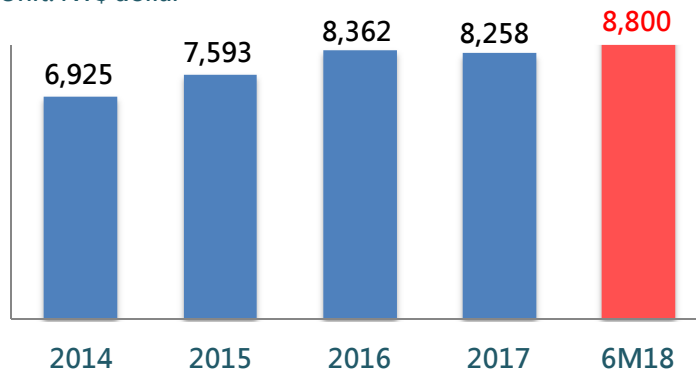
## Card Consumption

Unit: NT\$ million



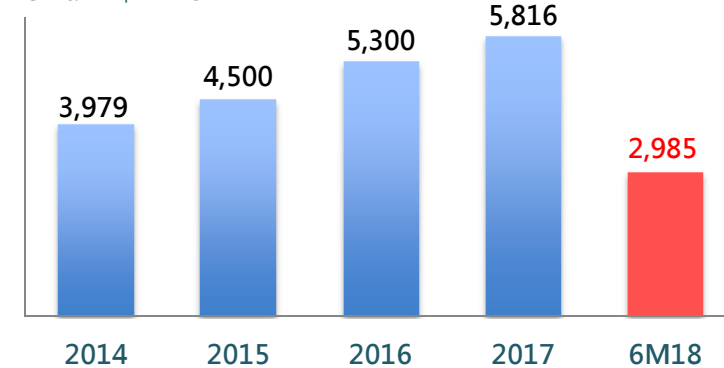
## Per Card Spending (Monthly)

Unit: NT\$ dollar



## Gross Fee Income

Unit: NT\$ million





# Deposit and Loan Structure

Unit: NT\$ Bn

Category	2018.6	QoQ Growth %	2018.3	YTD Growth %	2017
Total Deposits	1,732.0	0.4%	1,725.4	2.2%	1,694.7
Demand Deposits	752.7	-0.8%	758.7	0.7%	747.4
Time Deposits	434.8	-0.6%	437.4	0.1%	434.6
FCY Deposits	544.5	2.9%	529.4	6.2%	512.7
Total Loans <sup>1/</sup>	1,249.0	2.2%	1,222.3	4.2%	1,198.9
Corporate Loans	634.1	2.0%	621.7	4.9%	604.2
SME Loans	340.4	1.2%	336.3	4.2%	326.6
FCY Loans	205.8	6.8%	192.7	9.6%	187.7
Consumer Loans	614.2	2.3%	600.6	3.3%	594.7
Mortgage Loan	248.1	2.8%	241.3	4.2%	238.2
Unsecured Personal Loan	97.7	1.7%	96.1	0.7%	97.0
Credit Card Revolving Balance	12.1	0.0%	12.1	-0.8%	12.2

Note: Not including loan balance of subsidiaries NT\$ 28 billion

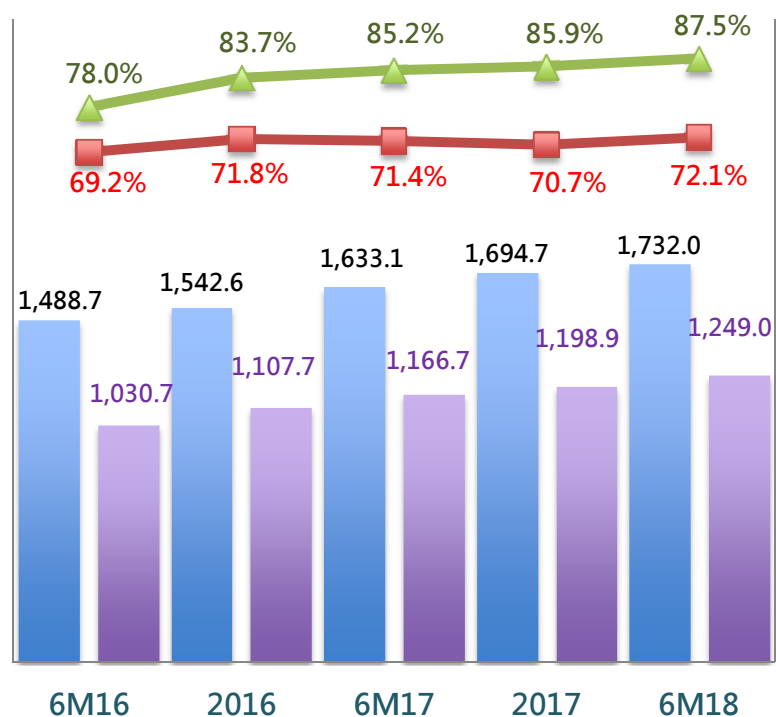


# Deposit Structure

## Loan to Deposit Ratio

Unit: NT\$ Bn

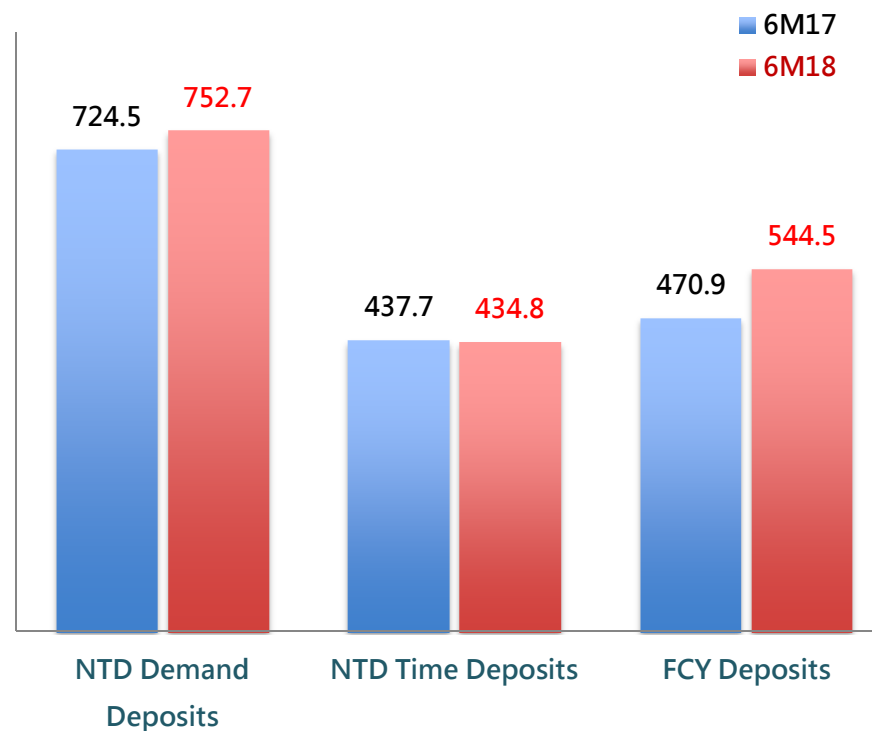
Total Deposits Total Loans LDR NTD LDR



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

## Deposit Structure

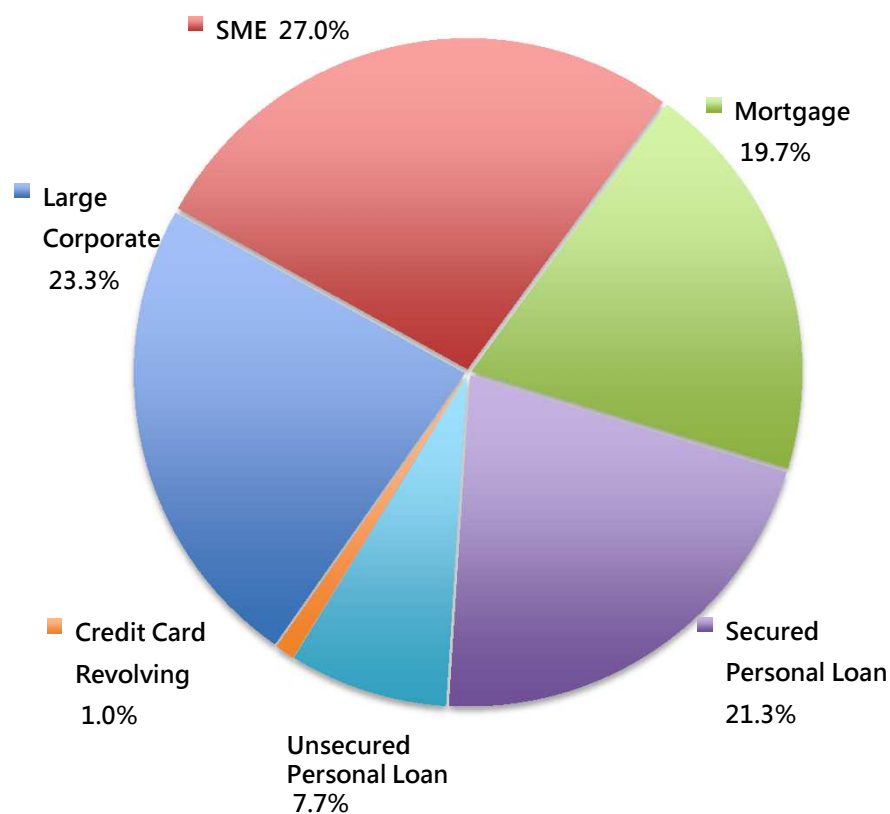
Unit: NT\$ Bn





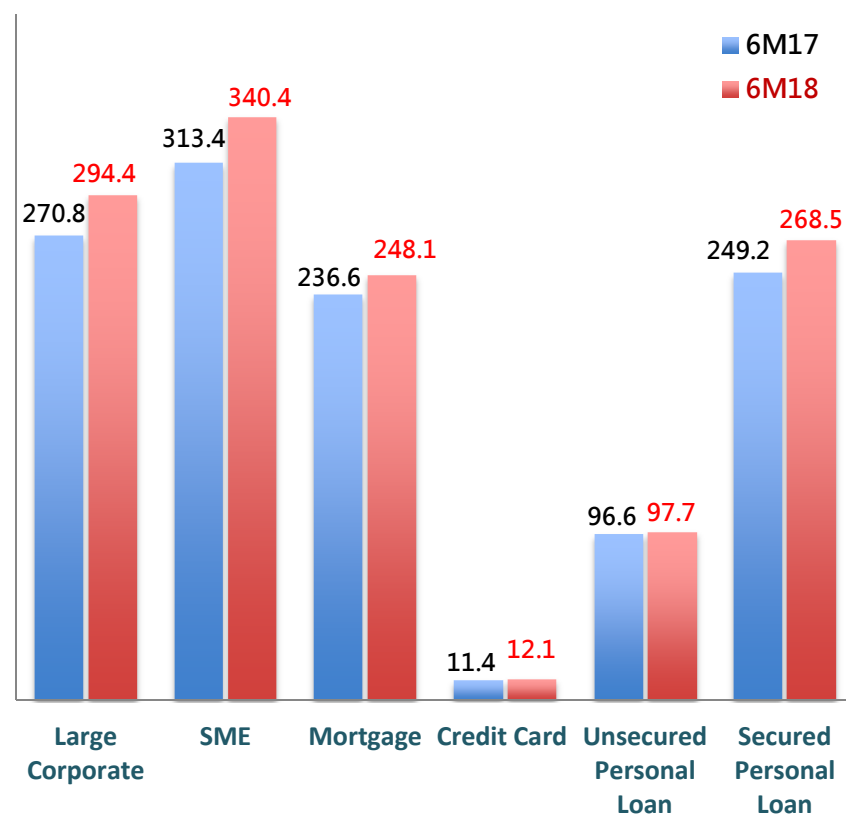
# Loan Portfolio Breakdown

Total Loan  
NT\$ 1,261.1 billion



## YoY Comparison

Unit: NT\$ Bn

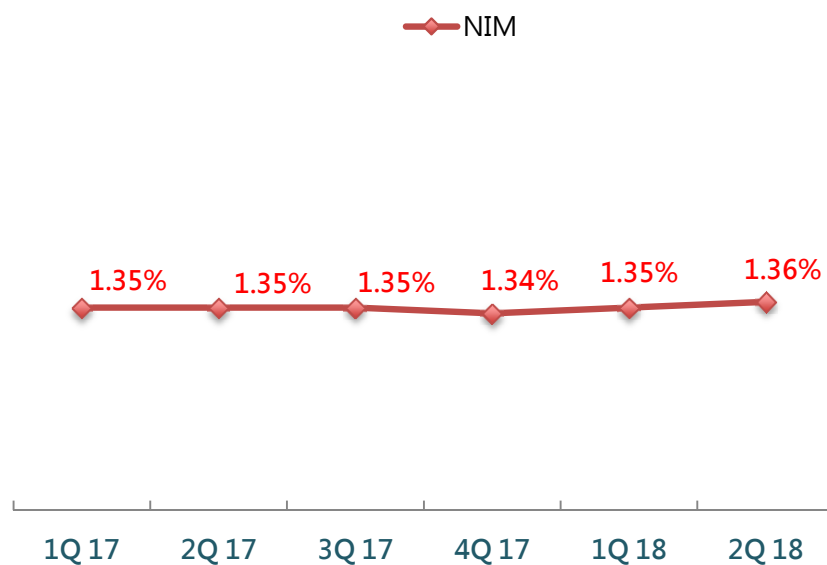


Note: 1. Secured Personal Loan is fully collateralized by fixed asset  
2. Excluded loan of subsidiaries

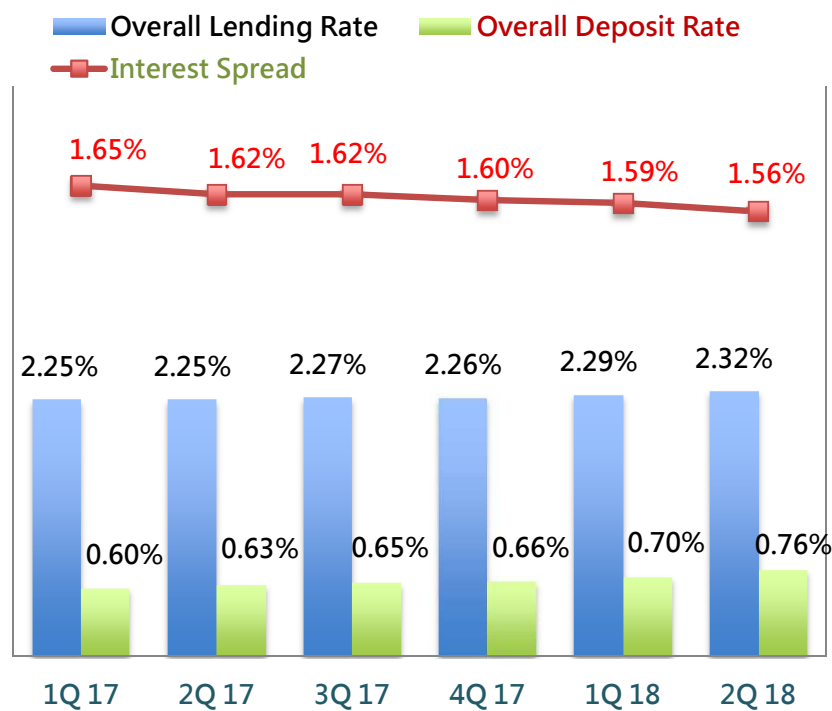


# NIM and Spread

## Quarterly Net Interest Margin



## Quarterly Interest Spread



Note: Data of E.SUN Bank

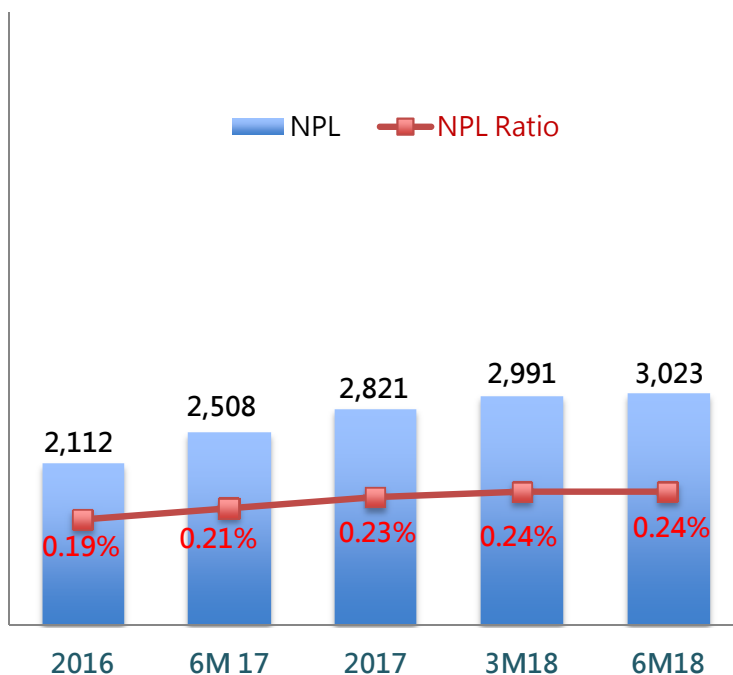




# Superior Asset Quality 1/3

## NPL Ratio(%)

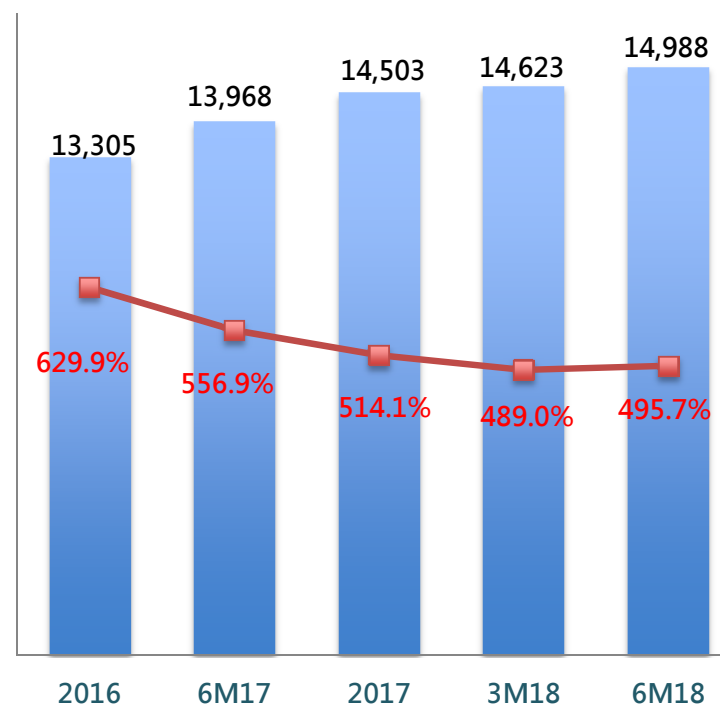
Unit: NT\$ million



## Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

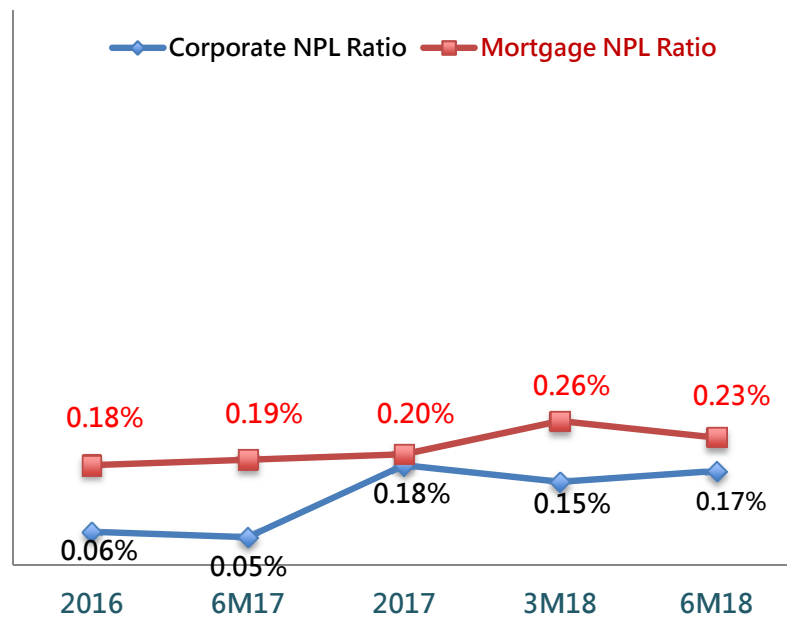


Note: Data of E.SUN Bank



# Superior Asset Quality 2/3

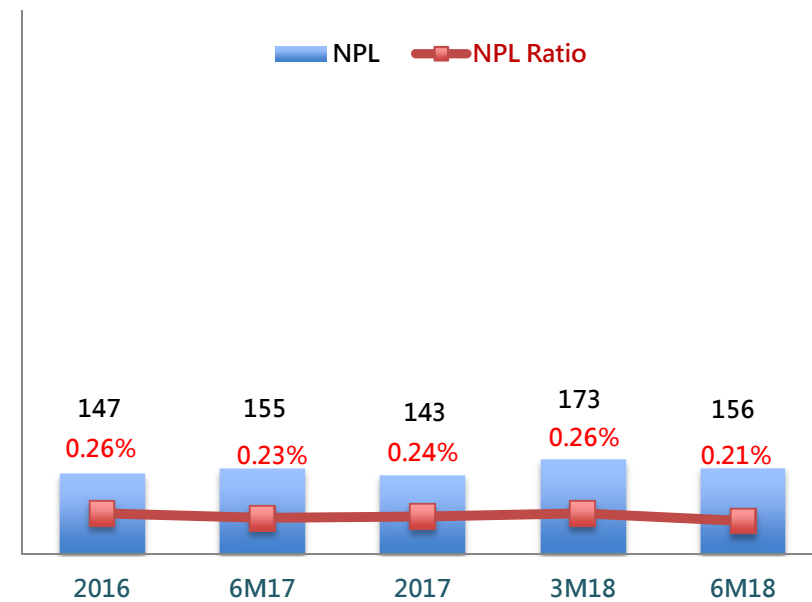
## NPL Ratio for Major Products



Note: Data of E.SUN Bank

## NPL Ratio for Credit Card

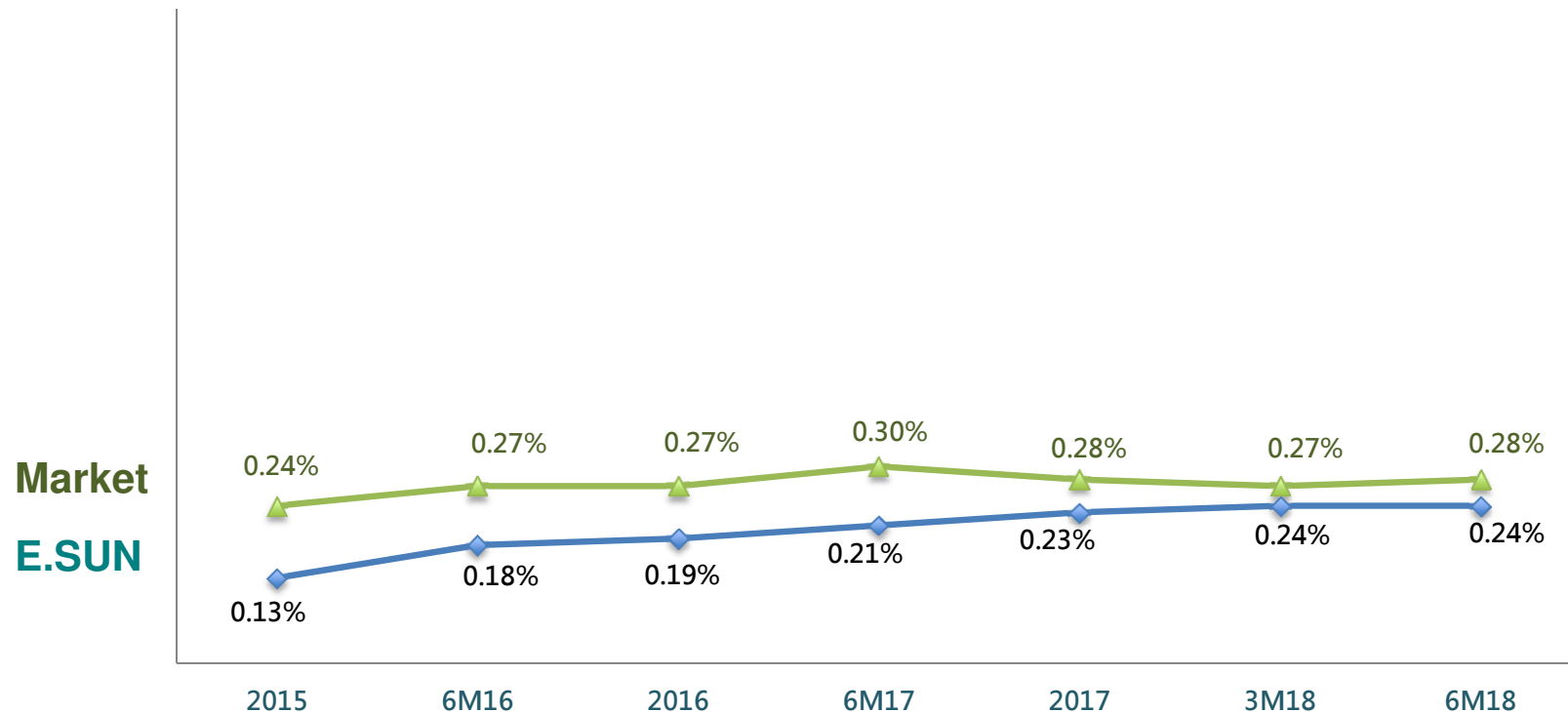
Unit: NT\$ million





# Superior Asset Quality <sup>3/3</sup>

## NPL Comparison with Market

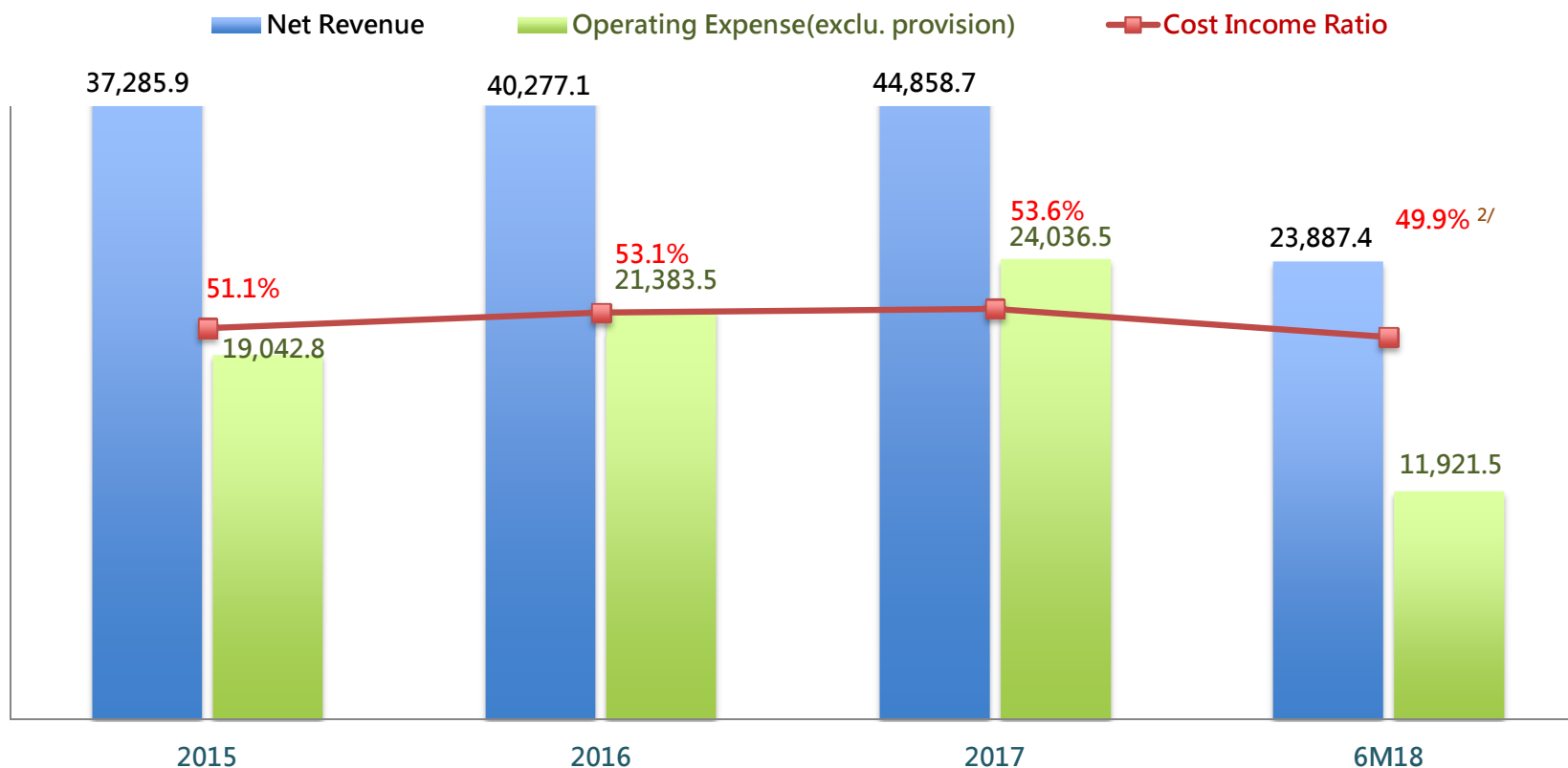


Source : FSC



# Cost-Income Ratio

Unit: NT\$ million

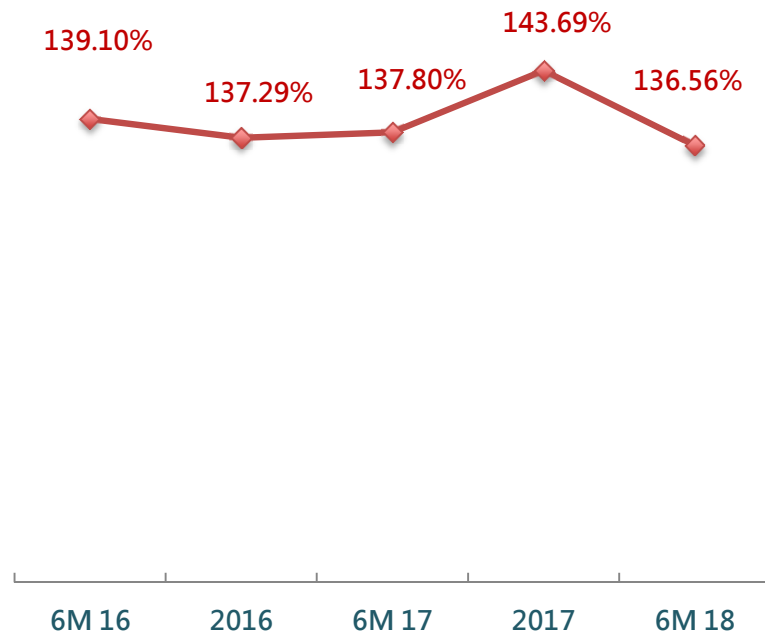


Note: 1. Data of E.SUN Bank  
2. Audit figures of Jun. 2018

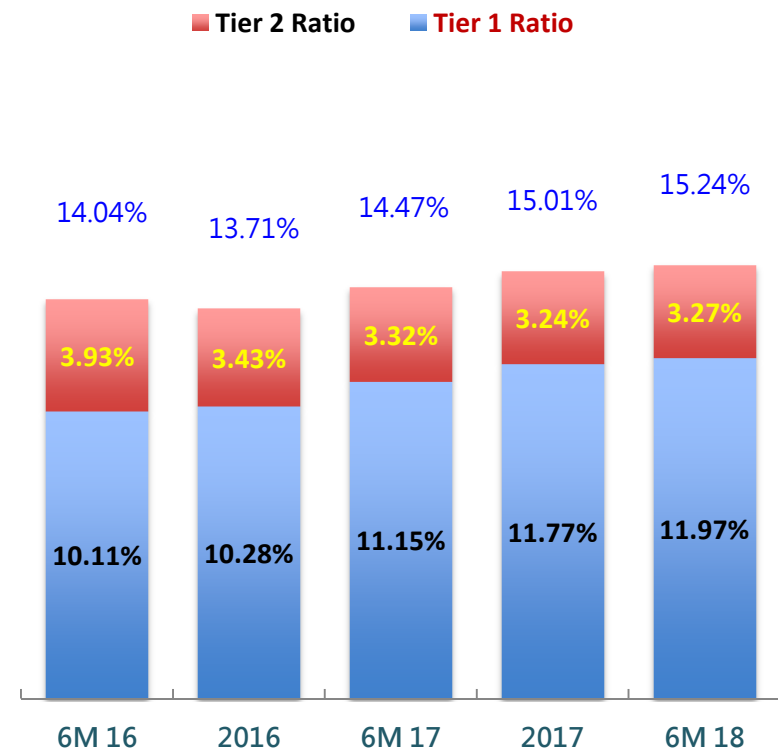


# Capital Adequacy Ratio

## FHC CAR Ratio



## Bank BIS Ratio



Note: 1. Audit figures of Jun. 2018  
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
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# Appendix 1/6

## Balance Sheet of 2Q2018 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	119,245	151	30	6,539	119,291
Securities, net	609,277	1,356	3,376	69	614,072
Loans, net	1,262,911	0	0	0	1,262,911
A/R, net	94,020	12,088	0	307	106,098
Land, premises and equipments, net	27,667	359	0	24	28,294
Others	32,932	2,922	391	159,151	35,448
Total assets	2,146,052	16,876	3,797	166,090	2,166,114
Liabilities:					
Deposits	1,750,860	0	0	0	1,743,615
Other liabilities	244,816	11,885	12	13,242	269,546
Total liabilities	1,995,676	11,885	12	13,242	2,013,161
Total stockholders' equity	150,376	4,991	3,785	152,848	152,953
Total equity attributable to owners of the company	150,264	4,991	3,785	152,848	152,848
Non-Controlling interests	112	0	0	0	105
Total liabilities and stockholders' equity	2,146,052	16,876	3,797	166,090	2,166,114

Note: Audit figures of Jun. 2018





## Appendix 2/6

### P&L of E.SUN FHC and its subsidiaries for 2Q2018

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	10,006	189	1	(42)	10,155
Net fee income	7,875	525	0	0	8,397
Net trading income/(loss) & Derivatives & FX	5,847	97	304	0	6,249
Others	159	39	0	9,450	150
Total Net Revenues	23,887	850	305	9,408	24,951
Allowance for bad-debt expenses	(1,387)	(33)	0	0	(1,420)
Operating expenses	(11,921)	(542)	(12)	(155)	(12,521)
Income before income tax	10,579	275	293	9,253	11,010
Income tax expenses	(1,706)	(48)	1	4	(1,758)
Net Income	8,873	227	294	9,249	9,252
Attributable to owners of the company	8,869	227	294	9,249	9,249
Non-controlling interests	4	0	0	0	3

Note: Audit figures of Jun. 2018



# Appendix 3/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Jun 17	Sep17	Dec17	Mar 18	Jun 18
Assets :								
Cash and due from banks	104,113	99,545	131,175	116,834	128,633	131,175	131,824	119,291
Securities, net	469,508	502,761	577,285	545,379	554,518	577,285	602,588	614,072
Loans, net	1,021,995	1,118,149	1,211,071	1,176,465	1,201,528	1,211,071	1,234,658	1,262,911
A/R, net	78,562	83,936	94,083	96,306	92,277	94,083	87,191	106,098
Land, premises and equipments, net	26,792	26,440	28,209	27,367	27,702	28,209	28,311	28,294
Others	74,314	53,469	32,565	34,902	32,959	32,565	37,288	35,448
<b>Total assets</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>2,074,388</b>	<b>1,997,253</b>	<b>2,037,617</b>	<b>2,074,388</b>	<b>2,121,860</b>	<b>2,166,114</b>
Liabilities:								
Deposits	1,456,394	1,556,422	1,711,175	1,637,597	1,675,686	1,711,175	1,742,858	1,743,615
Other liabilities	197,229	198,697	214,265	216,485	216,066	214,265	224,456	269,546
<b>Total liabilities</b>	<b>1,653,623</b>	<b>1,755,119</b>	<b>1,925,440</b>	<b>1,854,082</b>	<b>1,891,752</b>	<b>1,925,440</b>	<b>1,967,314</b>	<b>2,013,161</b>
<b>Total stockholders' equity</b>	<b>122,661</b>	<b>129,181</b>	<b>148,948</b>	<b>143,171</b>	<b>145,865</b>	<b>148,948</b>	<b>154,546</b>	<b>152,953</b>
<b>Total equity attributable to owners of the company</b>	<b>120,927</b>	<b>128,524</b>	<b>148,842</b>	<b>142,642</b>	<b>145,761</b>	<b>148,842</b>	<b>154,438</b>	<b>152,848</b>
<b>Non-Controlling interests</b>	<b>734</b>	<b>657</b>	<b>106</b>	<b>529</b>	<b>104</b>	<b>106</b>	<b>108</b>	<b>105</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>2,074,388</b>	<b>1,997,253</b>	<b>2,037,617</b>	<b>2,074,388</b>	<b>2,121,860</b>	<b>2,166,114</b>

Note: Audit figures of Jun. 2018



## Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	2Q17	3Q17	4Q17	1Q18	2Q18
Operating income								
Net interest income	17,474	18,585	20,250	4,994	5,200	5,174	5,199	4,956
Net Fee income	13,878	15,548	15,776	3,971	4,273	3,900	4,284	4,113
Net trading income/(loss) & Derivatives & FX	7,378	6,586	9,733	2,588	2,613	2,518	2,931	3,318
Others	(241)	345	348	119	127	109	79	71
Total Net Revenues	38,489	41,064	46,107	11,672	12,213	11,701	12,493	12,458
Allowance for bad-debt expenses	(3,566)	(3,463)	(4,055)	(1,347)	(1,124)	(1,171)	(664)	(756)
Operating expenses	(20,138)	(22,396)	(25,179)	(6,269)	(6,221)	(6,817)	(6,148)	(6,373)
Income before income tax	14,785	15,205	16,873	4,056	4,868	3,713	5,681	5,329
Income tax expenses	(1,906)	(2,222)	(2,219)	(369)	(848)	(508)	(905)	(853)
Net Income	12,879	12,983	14,654	3,687	4,020	3,205	4,776	4,476
Income Attributable to owners of the company	12,816	13,135	14,757	3,785	4,063	3,176	4,775	4,474
Non-Controlling interests	63	(152)	(103)	(98)	(43)	29	1	2

Note: Audit figures of Jun. 2018



## E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Jun 17	Sep 17	Dec 17	Mar 18	Jun 18
<b>Assets :</b>								
Cash and due from banks	103,947	99,446	131,042	116,776	128,589	131,042	131,799	119,245
Securities, net	467,481	501,867	575,980	550,216	553,592	575,980	598,012	609,277
Loans, net	1,021,995	1,118,149	1,211,071	1,176,465	1,201,528	1,211,071	1,234,658	1,262,911
A/R, net	71,523	75,992	83,130	86,792	82,483	83,130	76,398	94,020
Land, premises and equipments, net	26,156	25,785	27,559	26,732	27,047	27,559	27,700	27,667
Others	69,528	48,892	27,555	23,989	27,490	27,555	34,713	32,932
<b>Total assets</b>	<b>1,760,630</b>	<b>1,870,131</b>	<b>2,056,337</b>	<b>1,980,970</b>	<b>2,020,729</b>	<b>2,056,337</b>	<b>2,103,280</b>	<b>2,146,052</b>
<b>Liabilities:</b>								
Deposits	1,457,201	1,558,856	1,712,072	1,643,182	1,676,538	1,712,072	1,743,753	1,750,860
Other liabilities	185,171	184,241	197,007	196,693	200,211	197,007	207,309	244,816
<b>Total liabilities</b>	<b>1,642,372</b>	<b>1,743,097</b>	<b>1,909,079</b>	<b>1,839,875</b>	<b>1,876,749</b>	<b>1,909,079</b>	<b>1,951,062</b>	<b>1,995,676</b>
<b>Total stockholders' equity</b>	<b>118,258</b>	<b>127,034</b>	<b>147,258</b>	<b>141,095</b>	<b>143,980</b>	<b>147,258</b>	<b>152,218</b>	<b>150,376</b>
<b>Total equity attributable to owners of the company</b>	<b>116,391</b>	<b>126,371</b>	<b>147,145</b>	<b>140,560</b>	<b>143,869</b>	<b>147,145</b>	<b>152,103</b>	<b>150,264</b>
<b>Non-Controlling interests</b>	<b>1,133</b>	<b>663</b>	<b>113</b>	<b>535</b>	<b>111</b>	<b>113</b>	<b>115</b>	<b>112</b>
<b>Attribute to former business under control</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,760,630</b>	<b>1,870,131</b>	<b>2,056,337</b>	<b>1,980,970</b>	<b>2,020,729</b>	<b>2,056,337</b>	<b>2,103,280</b>	<b>2,146,052</b>

Note: Audit figures of Jun. 2018



# Appendix 6/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	2Q17	3Q17	4Q17	1Q18	2Q18
Operating income								
Net interest income	17,253	18,419	20,015	4,936	5,132	5,107	5,127	4,879
Fee income	13,190	14,939	14,903	3,780	4,021	3,642	4,037	3,838
Net trading income/(loss) & Derivatives & FX	6,522	6,575	9,604	2,487	2,576	2,458	2,680	3,167
Others	321	344	337	127	114	71	84	75
Total Net Revenues	37,286	40,277	44,859	11,330	11,843	11,278	11,928	11,959
Allowance for bad-debt expenses	(3,566)	(3,462)	(3,869)	(1,219)	(1,122)	(1,115)	(631)	(756)
Operating expenses	(19,043)	(21,384)	(24,037)	(5,995)	(5,895)	(6,534)	(5,857)	(6,064)
Income before income tax	14,677	15,431	16,953	4,116	4,826	3,629	5,440	5,139
Income tax expenses	(1,947)	(2,171)	(2,167)	(413)	(789)	(448)	(888)	(818)
Net Income	12,730	13,260	14,786	3,703	4,037	3,181	4,552	4,321
Attributable to owners of the company	11,908	13,265	14,887	3,801	4,080	3,150	4,551	4,318
Attribute to former business under control	759	146	0	0	0	0	0	0
Non-controlling interests	63	(151)	(101)	(98)	(43)	31	1	3

Note: Audit figures of Jun. 2018