

E.SUN FHC Financial Review of 3Q 2018

October, 2018



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Agenda

- 2018 3Q Financial Performance
- 2018 3Q Business Operation Overview
- Appendix



E.SUN FHC Summary

| | | Unit : NT\$ million | |
|-----------------------|-----------------------------|---|-----------|
| | | 2018.09 ^{/1} | 2017.12 |
| Total Assets | FHC | 2,178,170 | 2,074,388 |
| | Bank | 2,161,726 | 2,056,337 |
| | Securities | 14,589 | 15,411 |
| | Venture Capital | 3,399 | 3,419 |
| Key Financials | Book value per share (NT\$) | 14.47 | 14.61 |
| | Double Leverage Ratio | 104.13% | 104.46% |
| | FHC CAR | 136.56% ^{/2} | 143.69% |
| Distribution Channels | Bank – domestic | 139 | 138 |
| | Overseas channels | Branch: HK, LA, Singapore, Vietnam, Myanmar, Japan, Sydney, Brisbane ^{/3} Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 26 overseas sites | |
| | Securities - branches | 18 | 18 |

Note: 1. Preliminary figures of Sep. 2018

2. Audit figures of Jun. 2018

3. Share owned by QFII: 46.16%, as of Sep. 2018.



2018 9M Business and Financial Review

Financial Performance

- **Long term value creation:** E.SUN has been consistently maintaining profitability growth, sound asset quality, and strong management discipline, creating long term value for shareholders.
- Net profits for 9M18 was NT\$13.4 billion, a **15.3%** growth; net revenue was NT\$37 billion, a **8.0%** growth.
- **EPS NT\$1.23, ROE 11.64%, ROA 0.84%.**

Business Operation

- Focused on **liquidity management** and clients' "**flow**". E.SUN has been expanding client base of flow business, which enhanced liquidity strength, contributed to 12.8% growth in FCY deposit, and generated stable revenue.
- **Loan portfolio optimization:** Cross border platform boosted strong FCY loan growth (18.8%), while the overall loan maintained moderate growth at 8%. (yoy)
- **Net fee income** growth was driven by wealth management (+4.7%) and credit card (+5.1%). E.SUN remained an outperformer in fee income under market volatility.

Milestones

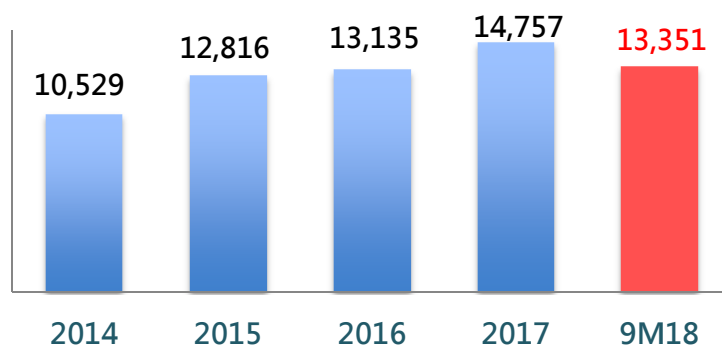
- **Leadership in ESG:** The only Taiwanese financial institution listed in DJSI for the 5th consecutive year, including three times listing in DJSI World, setting benchmark for sustainable growth in Taiwan.
- Ranked No.1 in the notable "CommonWealth Corporate Citizen Awards" in financial sector for the 11th time.
- The most active participant in green bond market both as issuer and underwriter, fulfilling our CSR.
- New branches in Brisbane, Australia (July) and Guangzhou, China (November, under China subsidiary).



Financial Performance

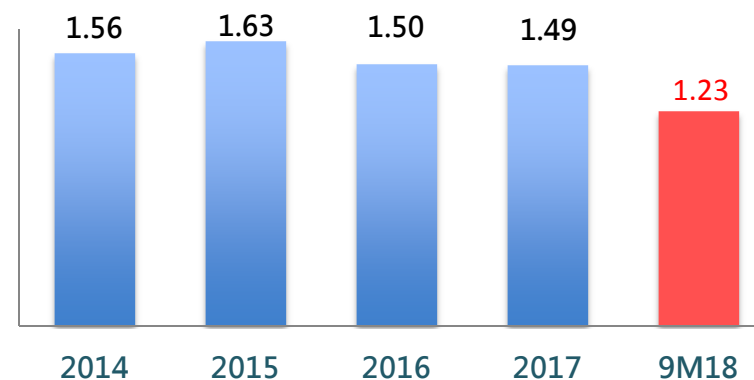
Net Profit

Unit: NT\$ million

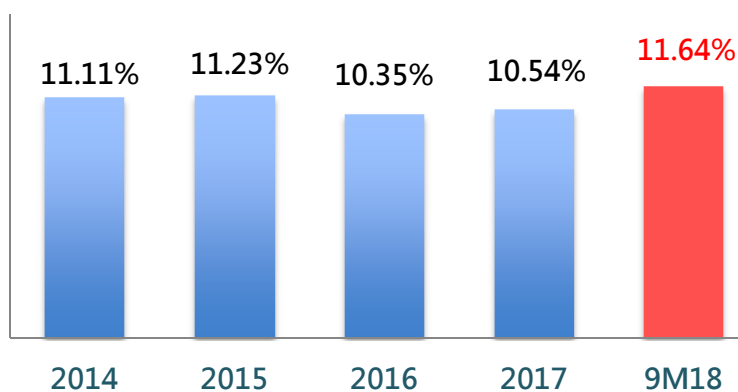


EPS

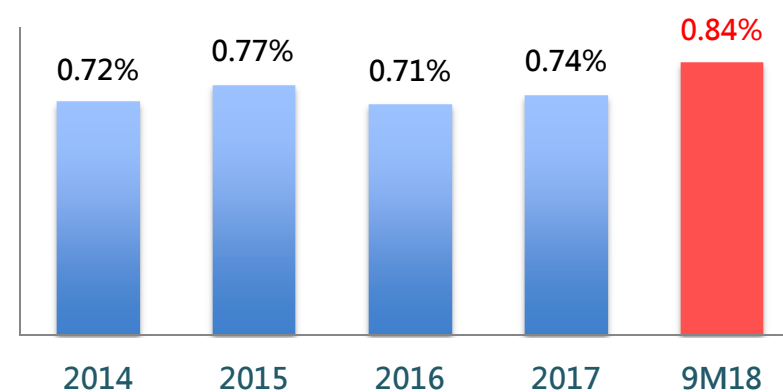
Unit: NT\$ dollars



ROE



ROA

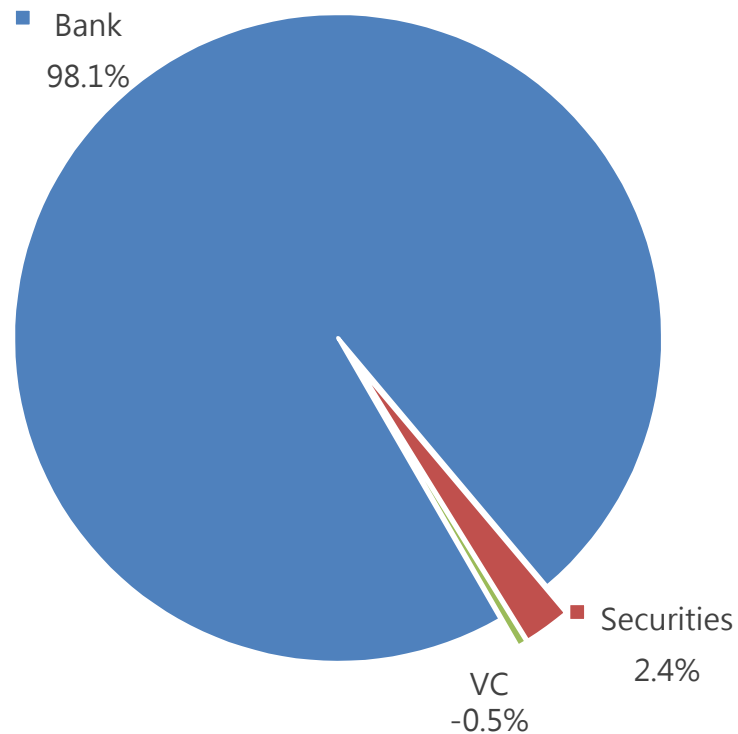


Note: Preliminary figures of Sep. 2018

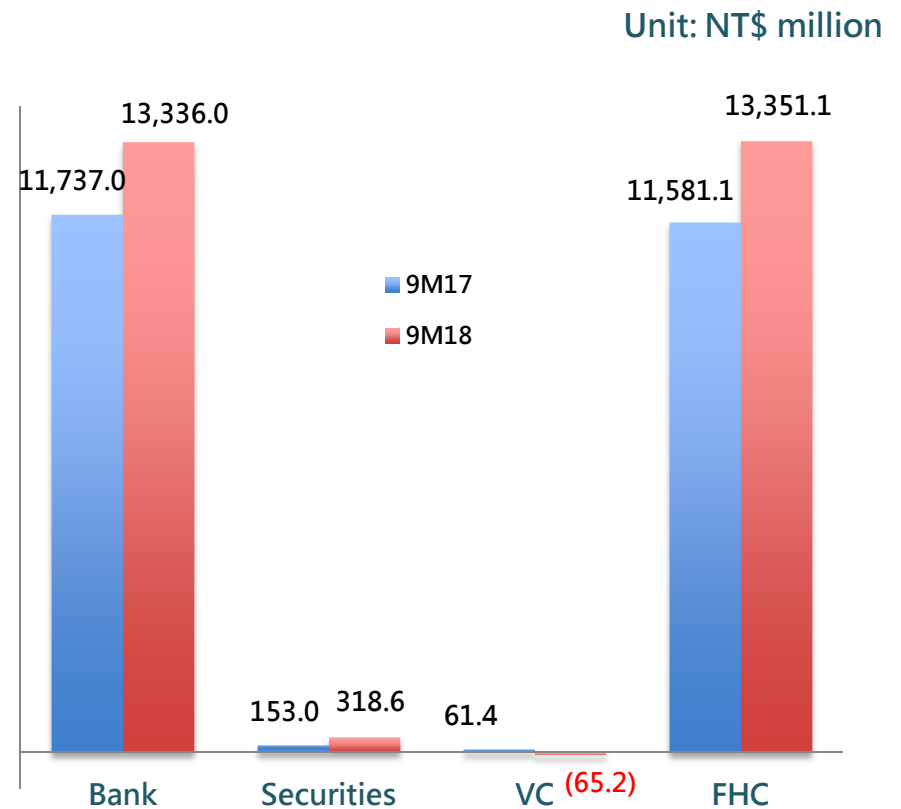


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries



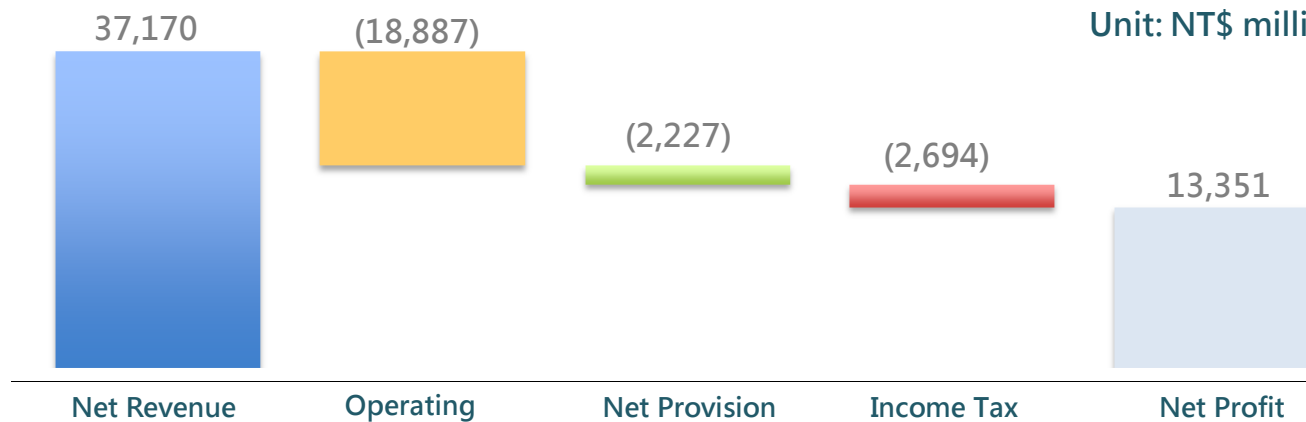
Note: Preliminary figures of Sep. 2018



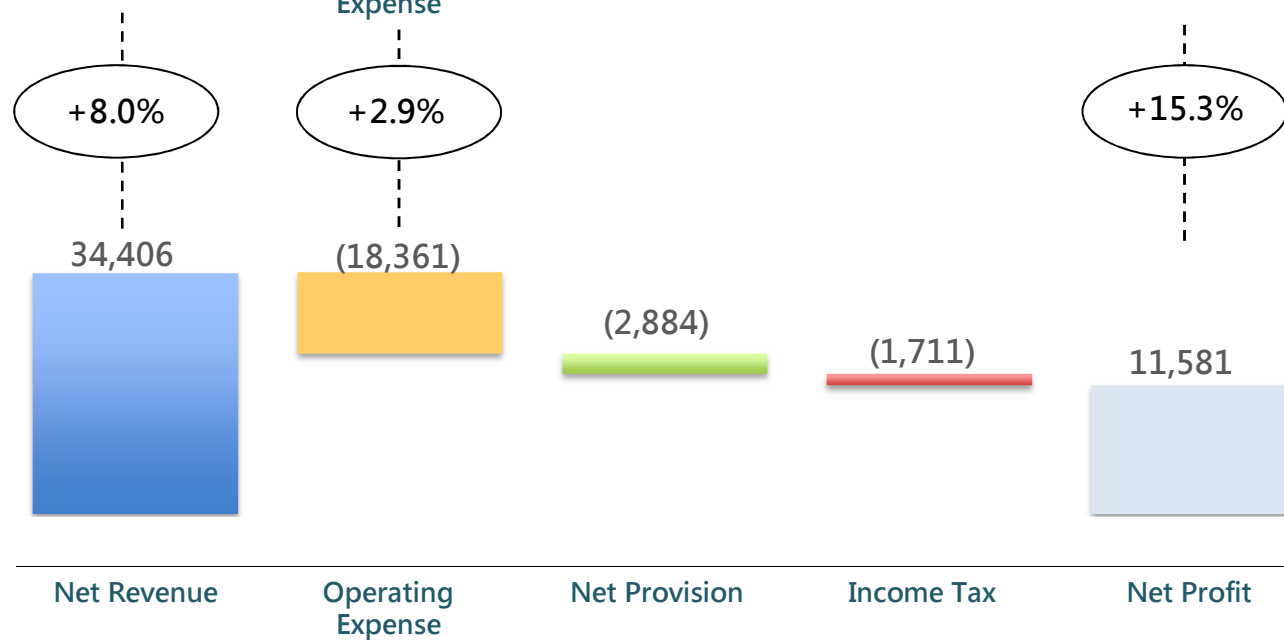
Net Profit Breakdown

9M18 P&L

Unit: NT\$ million



9M17 P&L



Note: Preliminary figures of Sep. 2018

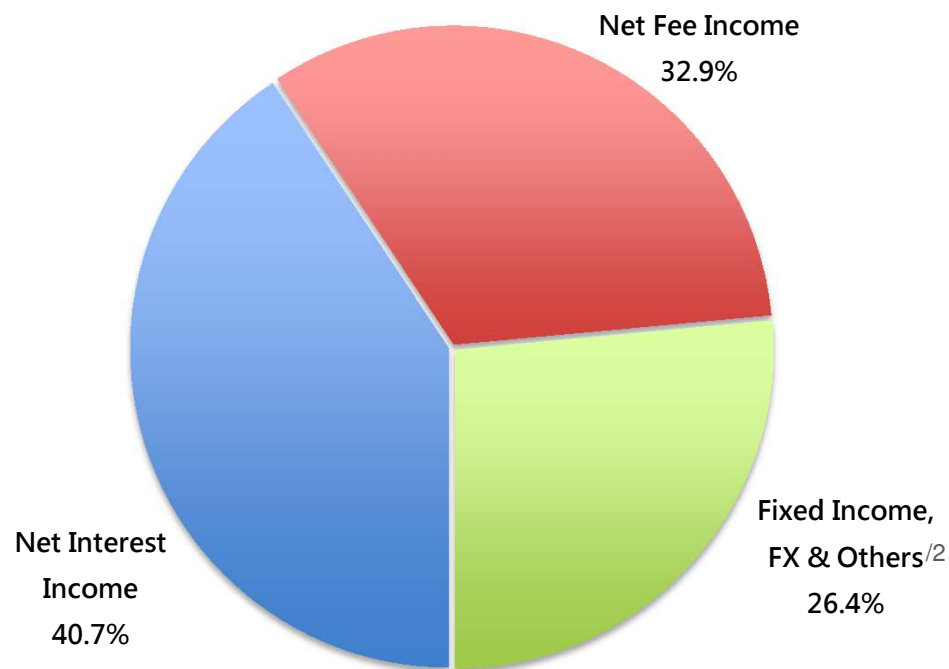


FHC Revenue Breakdown

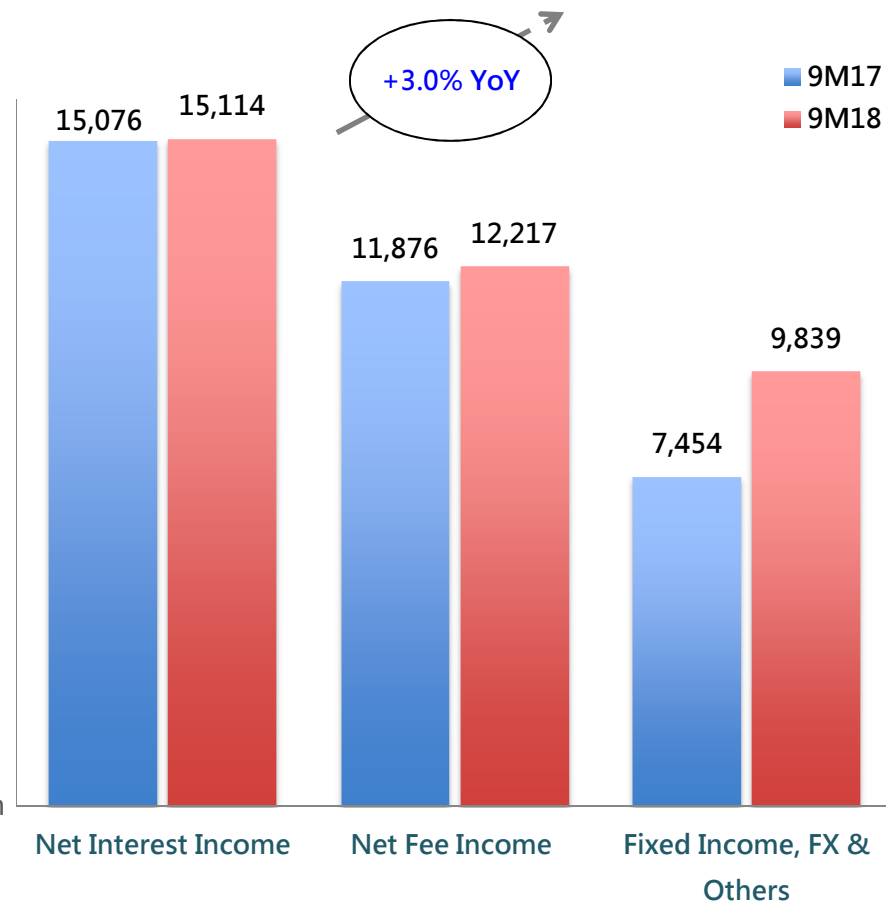
Total Net Revenue
NT\$ 37,170 million

YoY Revenue Comparison

Unit: NT\$ million



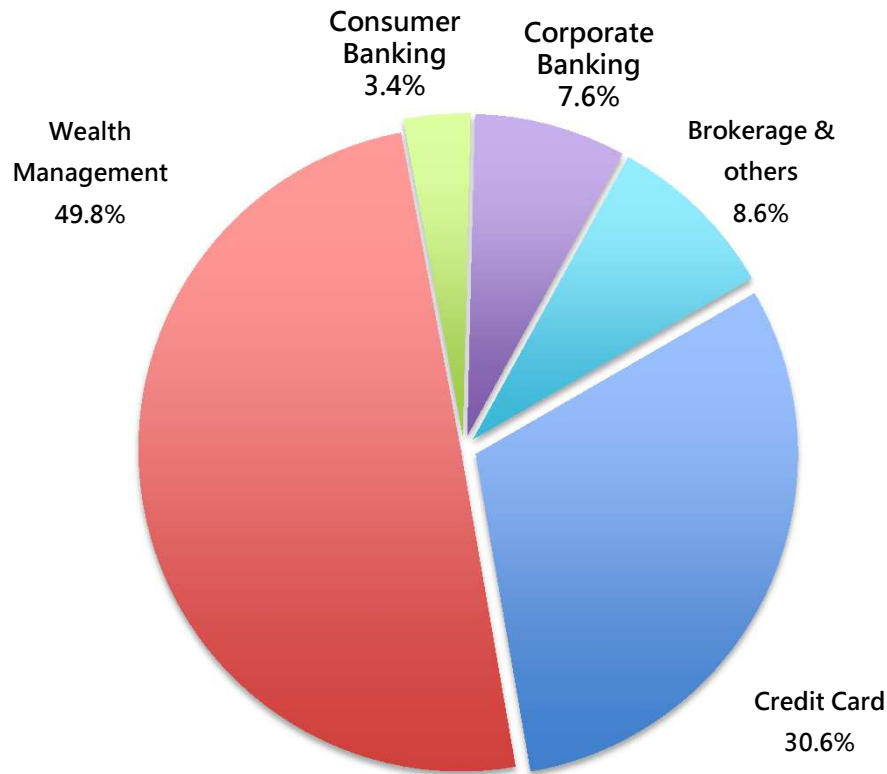
Note: 1. 53.0% of “fixed income, FX & others” is interest income from stable growing fixed income investment
2. Preliminary figures of Sep. 2018





Net Fee Income Breakdown

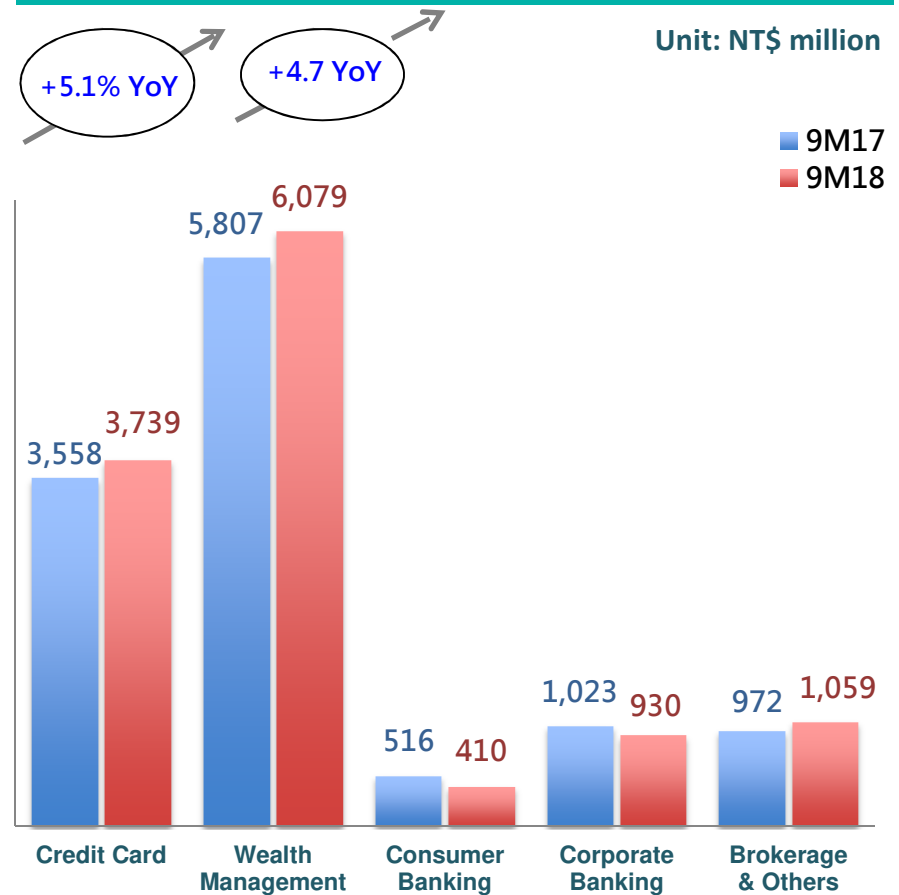
Total Net Fee Income
NT 12,217 million



Note: Preliminary figures of Sep. 2018

YoY Comparison

Unit: NT\$ million

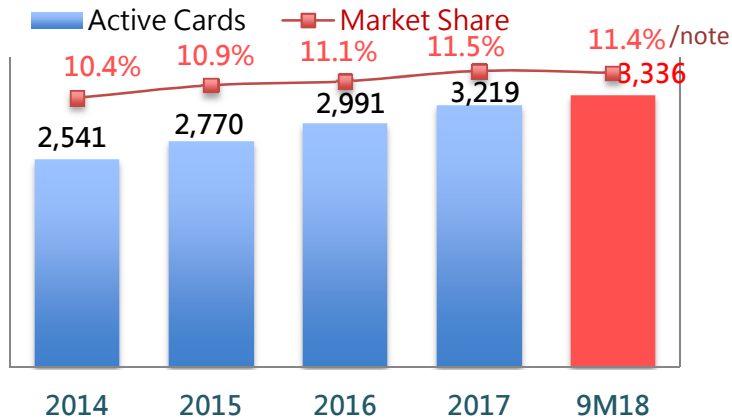




Credit Card Business Breakdown

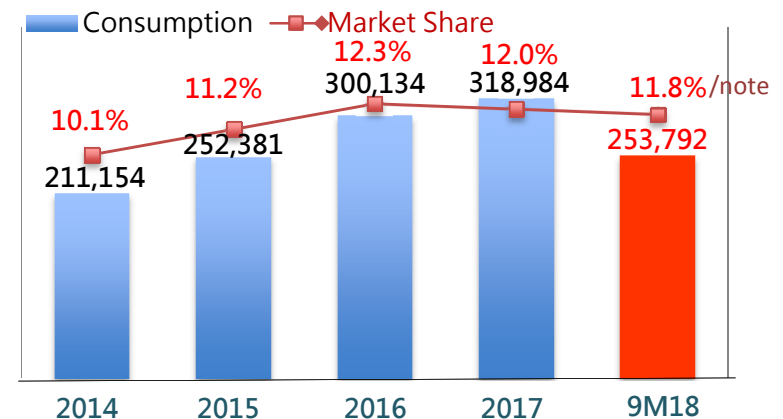
Active Cards

Unit: Thousand Cards, %



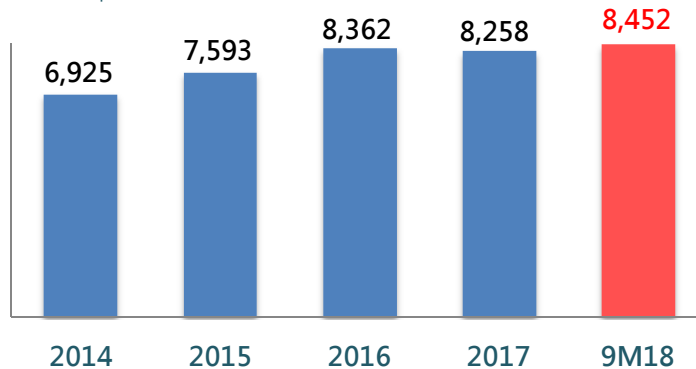
Card Consumption

Unit: NT\$ million



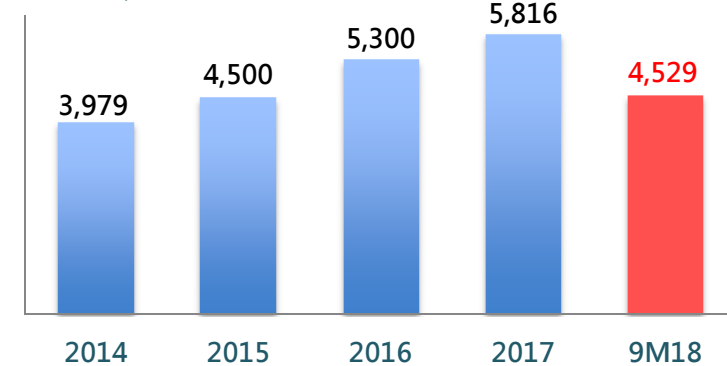
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share as of Aug. 2018



Deposit and Loan Structure

Unit: NT\$ Bn

| Category | 2018.9 | QoQ Growth % | 2018.6 | YTD Growth % | 2017 |
|-------------------------------|---------|--------------|---------|--------------|---------|
| Total Deposits | 1,763.9 | 1.8% | 1,732.0 | 4.1% | 1,694.7 |
| Demand Deposits | 758.8 | 0.8% | 752.7 | 1.5% | 747.4 |
| Time Deposits | 448.1 | 3.1% | 434.8 | 3.1% | 434.6 |
| FCY Deposits | 557.0 | 2.3% | 544.5 | 8.6% | 512.7 |
| Total Loans ^{1/} | 1,283.1 | 2.7% | 1,249.0 | 7.0% | 1,198.9 |
| Corporate Loans | 650.6 | 2.6% | 634.1 | 7.7% | 604.2 |
| SME Loans | 341.6 | 0.4% | 340.4 | 4.6% | 326.6 |
| FCY Loans | 220.4 | 7.1% | 205.8 | 17.4% | 187.7 |
| Consumer Loans | 632.5 | 3.0% | 614.2 | 6.4% | 594.7 |
| Mortgage Loan | 258.6 | 4.2% | 248.1 | 8.6% | 238.2 |
| Unsecured Personal Loan | 100.6 | 3.0% | 97.7 | 3.7% | 97.0 |
| Credit Card Revolving Balance | 12.6 | 4.1% | 12.1 | 3.3% | 12.2 |

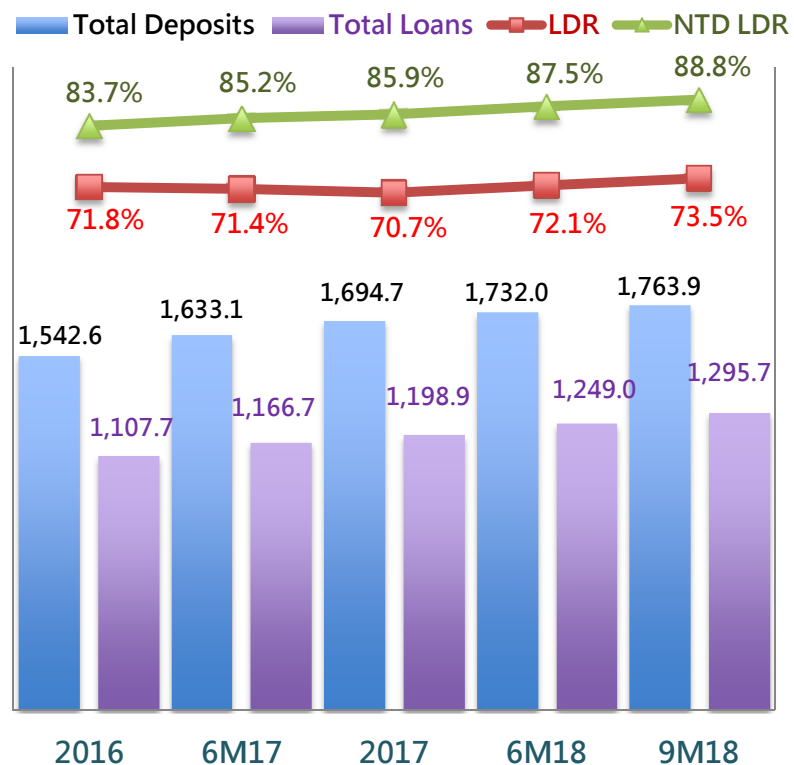
Note: Not including loan balance of subsidiaries NT\$ 28 billion



Deposit Structure

Loan to Deposit Ratio

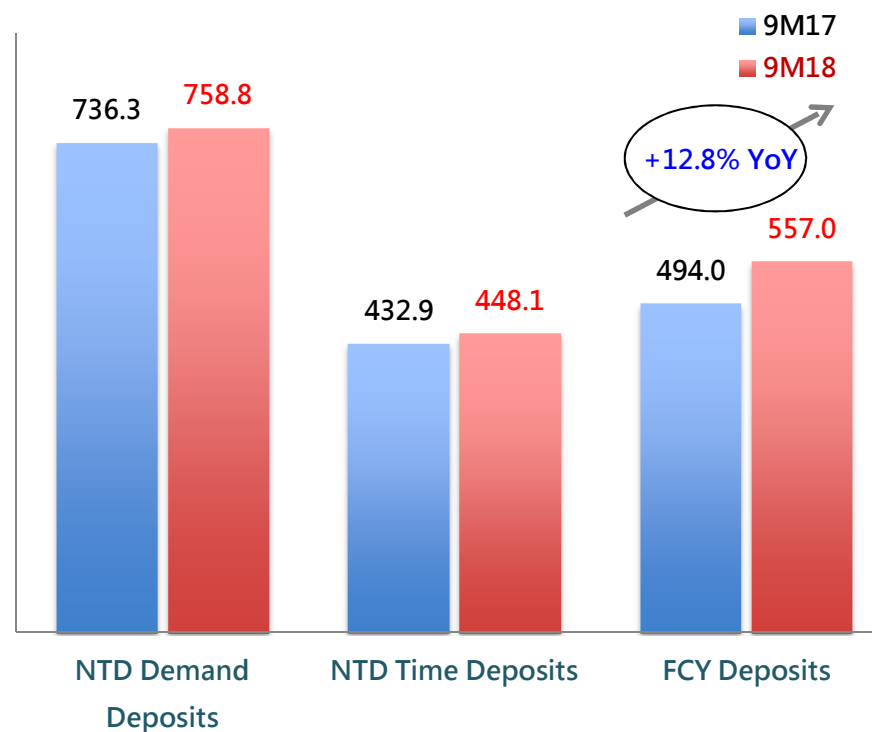
Unit: NT\$ Bn



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

Deposit Structure

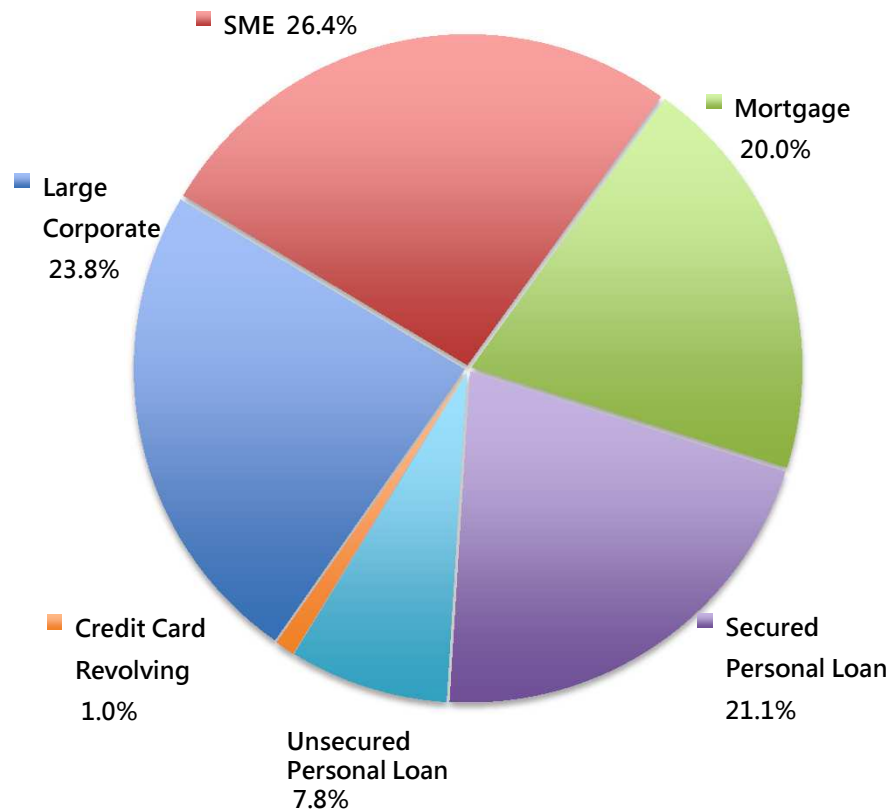
Unit: NT\$ Bn





Loan Portfolio Breakdown

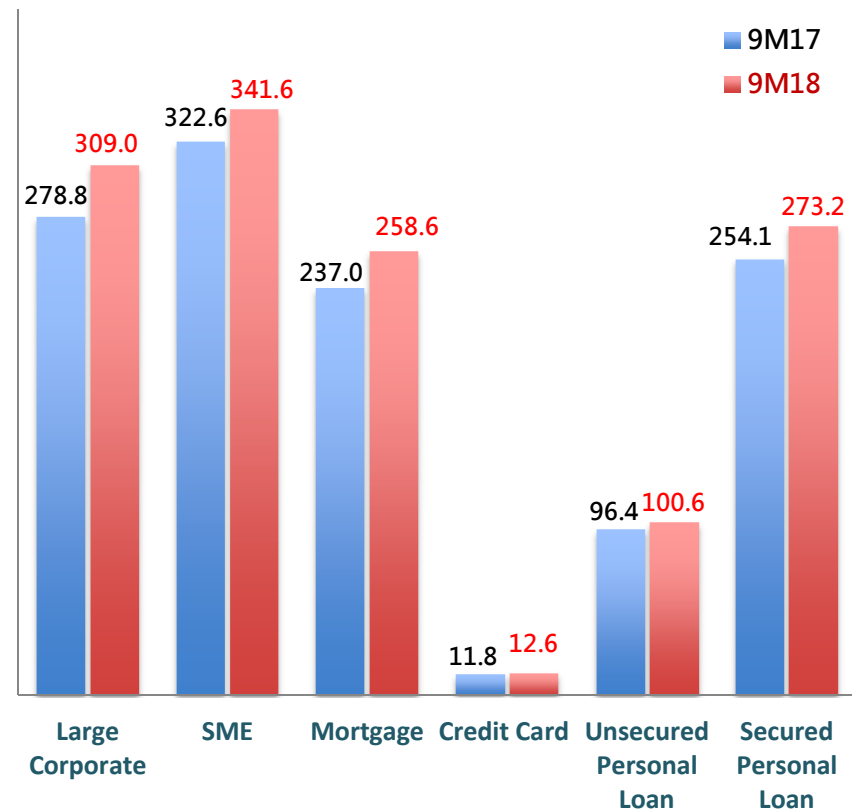
Total Loan
NT\$ 1,295.7 billion



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

YoY Comparison

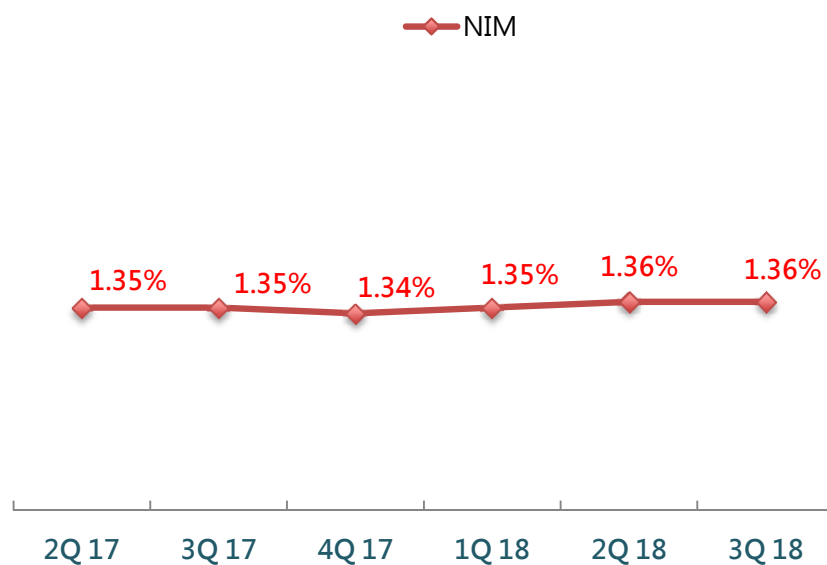
Unit: NT\$ Bn



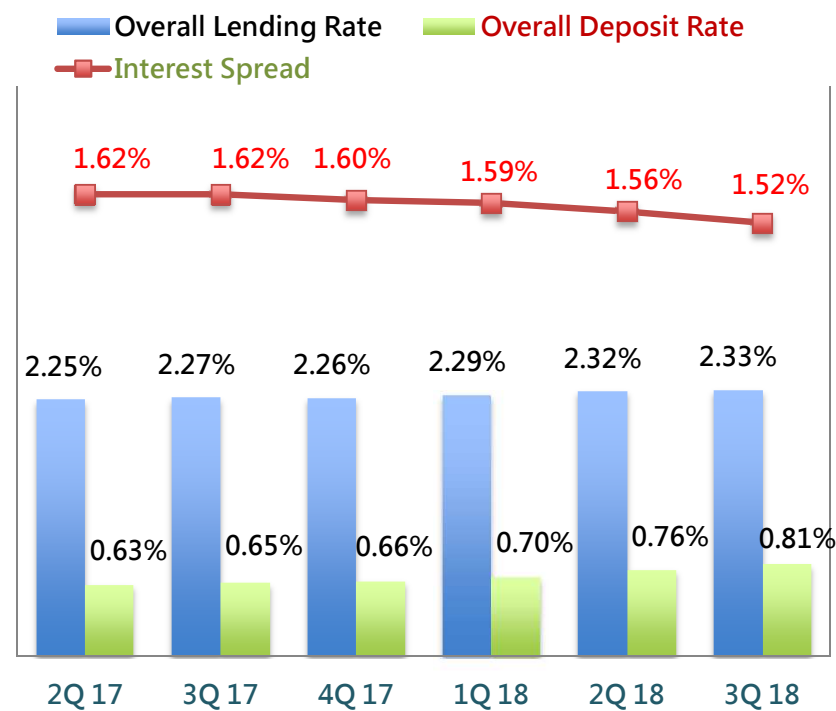


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



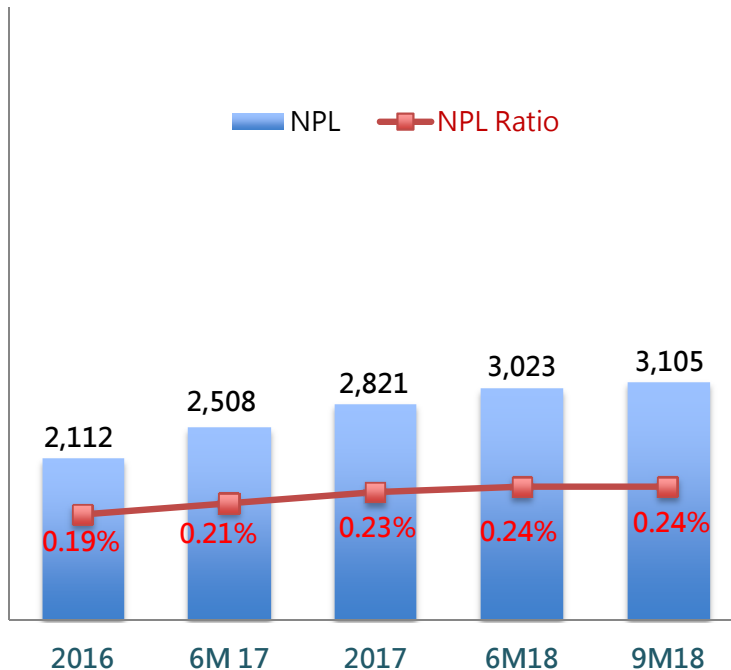
Note: Data of E.SUN Bank



Superior Asset Quality 1/3

NPL Ratio(%)

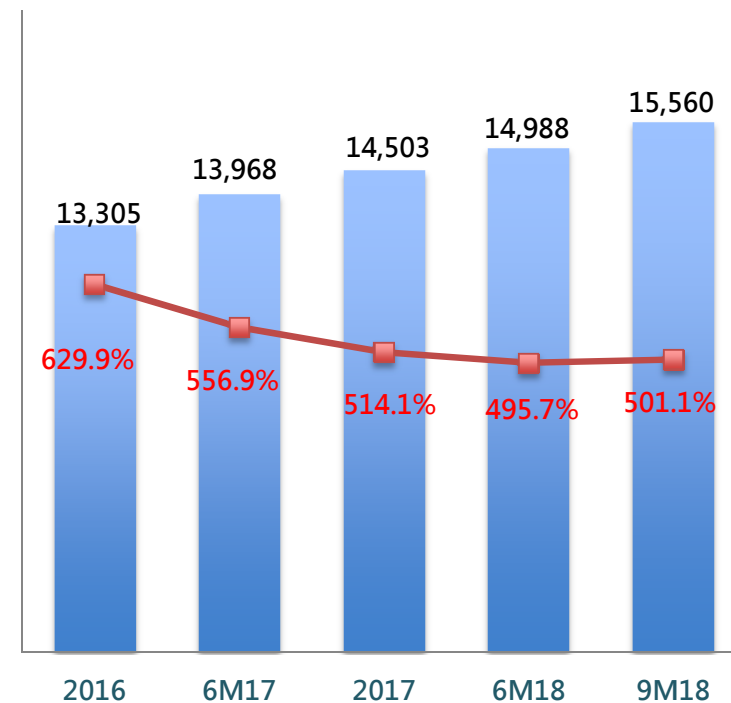
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

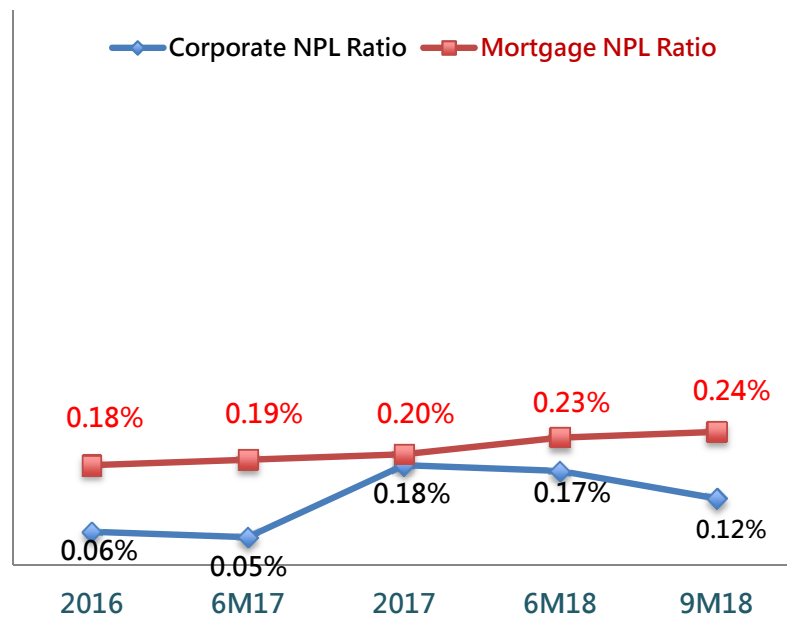


Note: Data of E.SUN Bank



Superior Asset Quality 2/3

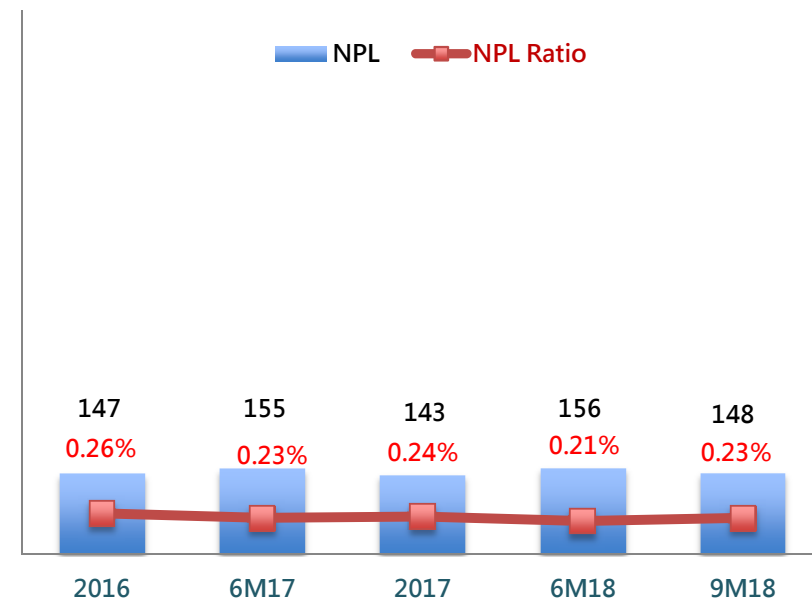
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

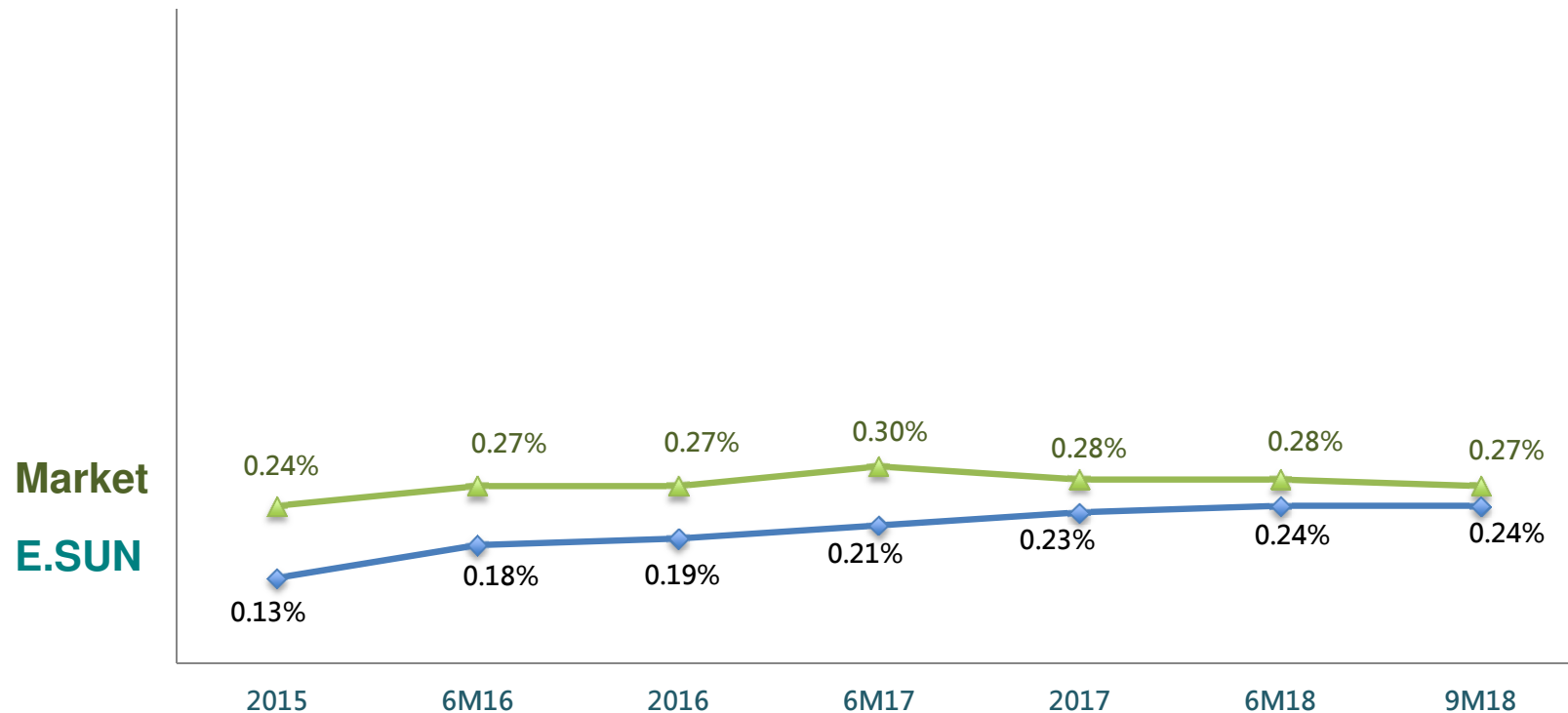
Unit: NT\$ million





Superior Asset Quality ^{3/3}

NPL Comparison with Market

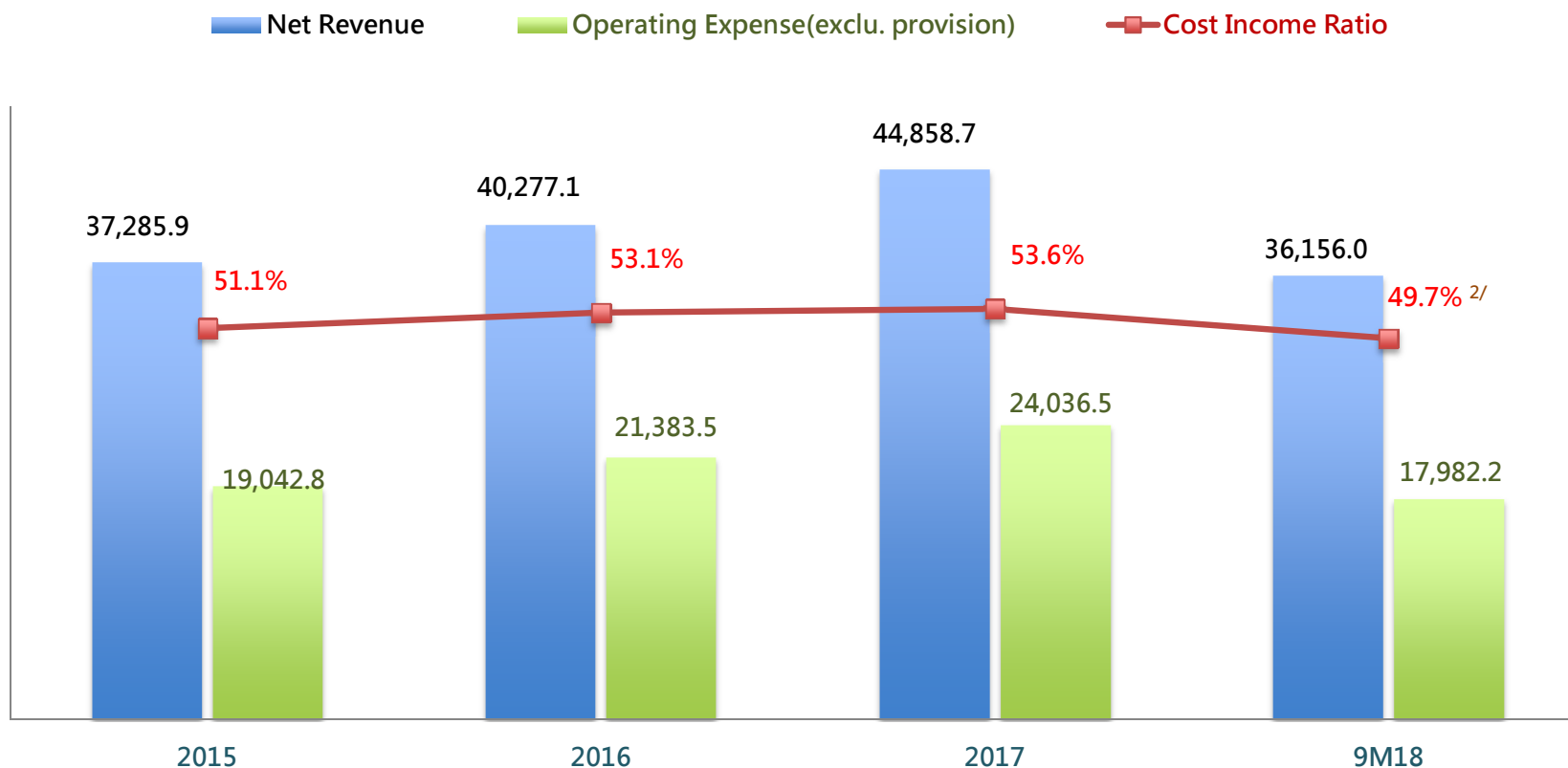


Source : FSC, Market NPL as of Aug. 18



Cost-Income Ratio

Unit: NT\$ million

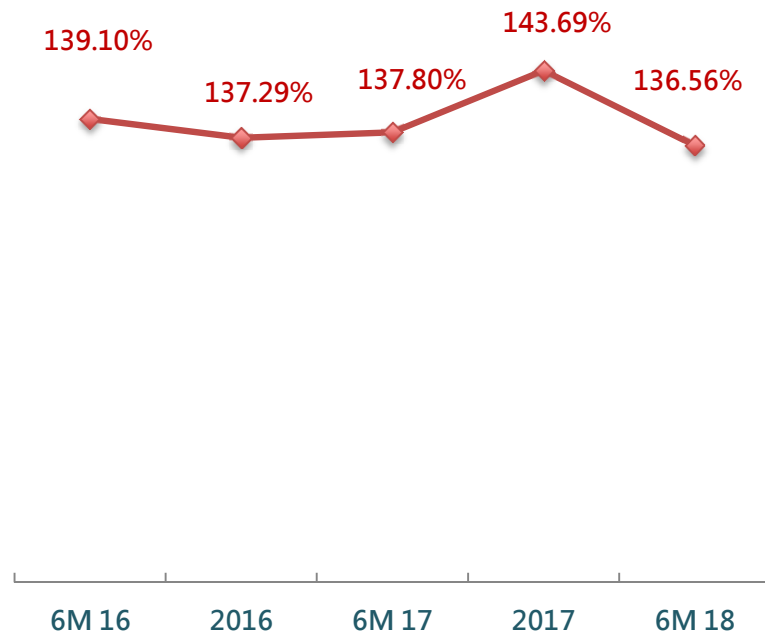


Note: 1. Data of E.SUN Bank
2. Preliminary figures of Sep. 2018

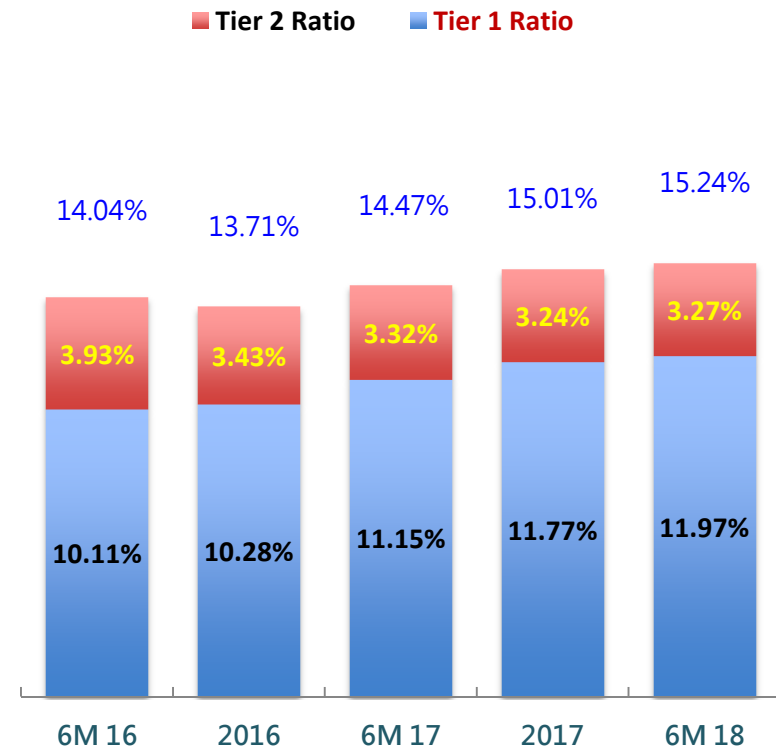


Capital Adequacy Ratio

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) 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
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Appendix 1/6

Balance Sheet of 3Q2018 for E.SUN FHC and its subsidiaries

| NT\$ million | E.SUN Bank (consolidated) | E.SUN Sec. (Standalone) | E.SUN VC | E.SUN FHC (Standalone) | E.SUN FHC (consolidated) |
|--|------------------------------|----------------------------|----------|---------------------------|-----------------------------|
| Assets : | | | | | |
| Cash and due from banks | 124,190 | 928 | 47 | 386 | 124,044 |
| Securities, net | 603,556 | 1,053 | 3,131 | 52 | 608,002 |
| Loans, net | 1,296,531 | 0 | 0 | - | 1,296,531 |
| A/R, net | 85,635 | 9,960 | 0 | 84 | 95,591 |
| Land, premises and equipments, net | 28,576 | 339 | 0 | 22 | 28,938 |
| Others | 23,238 | 2,303 | 221 | 163,955 | 25,064 |
| Total assets | 2,161,726 | 14,583 | 3,399 | 164,499 | 2,178,170 |
| Liabilities: | | | | | |
| Deposits | 1,785,505 | 0 | 0 | 0 | 1,785,505 |
| Other liabilities | 221,475 | 9,496 | 7 | 7,808 | 235,856 |
| Total liabilities | 2,006,980 | 9,496 | 7 | 7,808 | 2,021,361 |
| Total stockholders' equity | 154,746 | 5,087 | 3,392 | 156,691 | 156,809 |
| Total equity attributable to owners of the company | 154,626 | 5,087 | 3,392 | 156,691 | 156,691 |
| Non-Controlling interests | 120 | 0 | 0 | 0 | 118 |
| Total liabilities and stockholders' equity | 2,161,726 | 14,583 | 3,399 | 164,499 | 2,178,170 |

Note: Preliminary figures of Sep. 2018



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 3Q2018

| NT\$ million | E.SUN Bank (Consolidated) | E.SUN Sec. (Standalone) | E.SUN VC | E.SUN FHC (Standalone) | E.SUN FHC (consolidated) |
|--|------------------------------|----------------------------|----------|---------------------------|-----------------------------|
| Operating income | | | | | |
| Net interest income | 14,886 | 289 | 2 | (63) | 15,114 |
| Net fee income | 11,437 | 783 | 0 | 0 | 12,217 |
| Net trading income/(loss) & Derivatives & FX | 9,529 | 65 | (49) | 2 | 9,547 |
| Others | 304 | 53 | 0 | 13,674 | 292 |
| Total Net Revenues | 36,156 | 1,190 | (47) | 13,613 | 37,170 |
| Allowance for bad-debt expenses | (2,227) | 0 | 0 | 0 | (2,227) |
| Operating expenses | (17,982) | (803) | (11) | (243) | (18,887) |
| Income before income tax | 15,947 | 387 | (58) | 13,370 | 16,056 |
| Income tax expenses | (2,599) | (68) | (7) | (19) | (2,694) |
| Net Income | 13,348 | 319 | (65) | 13,351 | 13,362 |
| Attributable to owners of the company | 13,336 | 319 | (65) | 13,351 | 13,351 |
| Non-controlling interests | 12 | 0 | 0 | 0 | 11 |

Note: Preliminary figures of Sep. 2018



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

| NT\$ million | Yearly Results | | | Quarterly Results | | | | |
|---|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2015 | 2016 | 2017 | Sep 17 | Dec 17 | Mar 18 | Jun 18 | Sep 18 |
| Assets : | | | | | | | | |
| Cash and due from banks | 104,113 | 99,545 | 131,175 | 128,633 | 131,175 | 131,824 | 119,291 | 124,044 |
| Securities, net | 469,508 | 502,761 | 577,285 | 554,518 | 577,285 | 602,588 | 614,072 | 608,002 |
| Loans, net | 1,021,995 | 1,118,149 | 1,211,071 | 1,201,528 | 1,211,071 | 1,234,658 | 1,262,911 | 1,296,531 |
| A/R, net | 78,562 | 83,936 | 94,083 | 92,277 | 94,083 | 87,191 | 106,098 | 95,591 |
| Land, premises and equipments, net | 26,792 | 26,440 | 28,209 | 27,702 | 28,209 | 28,311 | 28,294 | 28,938 |
| Others | 74,314 | 53,469 | 32,565 | 32,959 | 32,565 | 37,288 | 35,448 | 25,064 |
| Total assets | 1,775,284 | 1,884,300 | 2,074,388 | 2,037,617 | 2,074,388 | 2,121,860 | 2,166,114 | 2,178,170 |
| Liabilities: | | | | | | | | |
| Deposits | 1,456,394 | 1,556,422 | 1,711,175 | 1,675,686 | 1,711,175 | 1,742,858 | 1,743,615 | 1,785,505 |
| Other liabilities | 197,229 | 198,697 | 214,265 | 216,066 | 214,265 | 224,456 | 269,546 | 235,856 |
| Total liabilities | 1,653,623 | 1,755,119 | 1,925,440 | 1,891,752 | 1,925,440 | 1,967,314 | 2,013,161 | 2,021,361 |
| Total stockholders' equity | 122,661 | 129,181 | 148,948 | 145,865 | 148,948 | 154,546 | 152,953 | 156,809 |
| Total equity attributable to owners of the company | 120,927 | 128,524 | 148,842 | 145,761 | 148,842 | 154,438 | 152,848 | 156,691 |
| Non-Controlling interests | 734 | 657 | 106 | 104 | 106 | 108 | 105 | 118 |
| Total liabilities and stockholders' equity | 1,775,284 | 1,884,300 | 2,074,388 | 2,037,617 | 2,074,388 | 2,121,860 | 2,166,114 | 2,178,170 |

Note: Preliminary figures of Sep. 2018



Appendix 4/6

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

| NT\$ million | Yearly Results | | | Quarterly Results | | | | |
|--|----------------|----------|----------|-------------------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 |
| Operating income | | | | | | | | |
| Net interest income | 17,474 | 18,585 | 20,250 | 5,200 | 5,174 | 5,199 | 4,956 | 4,959 |
| Net Fee income | 13,878 | 15,548 | 15,776 | 4,273 | 3,900 | 4,284 | 4,113 | 3,820 |
| Net trading income/(loss) & Derivatives & FX | 7,378 | 6,586 | 9,733 | 2,613 | 2,518 | 2,931 | 3,318 | 3,298 |
| Others | (241) | 345 | 348 | 127 | 109 | 79 | 71 | 142 |
| Total Net Revenues | 38,489 | 41,064 | 46,107 | 12,213 | 11,701 | 12,493 | 12,458 | 12,219 |
| Allowance for bad-debt expenses | (3,566) | (3,463) | (4,055) | (1,124) | (1,171) | (664) | (756) | (807) |
| Operating expenses | (20,138) | (22,396) | (25,179) | (6,221) | (6,817) | (6,148) | (6,373) | (6,366) |
| Income before income tax | 14,785 | 15,205 | 16,873 | 4,868 | 3,713 | 5,681 | 5,329 | 5,046 |
| Income tax expenses | (1,906) | (2,222) | (2,219) | (848) | (508) | (905) | (853) | (936) |
| Net Income | 12,879 | 12,983 | 14,654 | 4,020 | 3,205 | 4,776 | 4,476 | 4,110 |
| Income Attributable to owners of the company | 12,816 | 13,135 | 14,757 | 4,063 | 3,176 | 4,775 | 4,474 | 4,102 |
| Non-Controlling interests | 63 | (152) | (103) | (43) | 29 | 1 | 2 | 8 |

Note: Preliminary figures of Sep. 2018



Appendix 5/6

E.SUN Bank's Balance Sheet

| NT\$ million | Yearly Results | | | Quarterly Results | | | | |
|--|----------------|-----------|-----------|-------------------|-----------|-----------|-----------|-----------|
| | 2015 | 2016 | 2017 | Sep 17 | Dec 17 | Mar 18 | Jun 18 | Sep 18 |
| Assets : | | | | | | | | |
| Cash and due from banks | 103,947 | 99,446 | 131,042 | 128,589 | 131,042 | 131,799 | 119,245 | 124,190 |
| Securities, net | 467,481 | 501,867 | 575,980 | 553,592 | 575,980 | 598,012 | 609,277 | 603,556 |
| Loans, net | 1,021,995 | 1,118,149 | 1,211,071 | 1,201,528 | 1,211,071 | 1,234,658 | 1,262,911 | 1,296,531 |
| A/R, net | 71,523 | 75,992 | 83,130 | 82,483 | 83,130 | 76,398 | 94,020 | 85,635 |
| Land, premises and equipments, net | 26,156 | 25,785 | 27,559 | 27,047 | 27,559 | 27,700 | 27,667 | 28,576 |
| Others | 69,528 | 48,892 | 27,555 | 27,490 | 27,555 | 34,713 | 32,932 | 23,238 |
| Total assets | 1,760,630 | 1,870,131 | 2,056,337 | 2,020,729 | 2,056,337 | 2,103,280 | 2,146,052 | 2,161,726 |
| Liabilities: | | | | | | | | |
| Deposits | 1,457,201 | 1,558,856 | 1,712,072 | 1,676,538 | 1,712,072 | 1,743,753 | 1,750,860 | 1,785,505 |
| Other liabilities | 185,171 | 184,241 | 197,007 | 200,211 | 197,007 | 207,309 | 244,816 | 221,475 |
| Total liabilities | 1,642,372 | 1,743,097 | 1,909,079 | 1,876,749 | 1,909,079 | 1,951,062 | 1,995,676 | 2,006,980 |
| Total stockholders' equity | 118,258 | 127,034 | 147,258 | 143,980 | 147,258 | 152,218 | 150,376 | 154,746 |
| Total equity attributable to owners of the company | 116,391 | 126,371 | 147,145 | 143,869 | 147,145 | 152,103 | 150,264 | 154,626 |
| Non-Controlling interests | 1,133 | 663 | 113 | 111 | 113 | 115 | 112 | 120 |
| Attribute to former business under control | 734 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total liabilities and stockholders' equity | 1,760,630 | 1,870,131 | 2,056,337 | 2,020,729 | 2,056,337 | 2,103,280 | 2,146,052 | 2,161,726 |

Note: Preliminary figures of Sep. 2018



Appendix 6/6

E.SUN Bank's P&L account

| NT\$ million | Yearly Results | | | Quarterly Results | | | | |
|--|----------------|----------|----------|-------------------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 |
| Operating income | | | | | | | | |
| Net interest income | 17,253 | 18,419 | 20,015 | 5,132 | 5,107 | 5,127 | 4,879 | 4,880 |
| Fee income | 13,190 | 14,939 | 14,903 | 4,021 | 3,642 | 4,037 | 3,838 | 3,562 |
| Net trading income/(loss) & Derivatives & FX | 6,522 | 6,575 | 9,604 | 2,576 | 2,458 | 2,680 | 3,167 | 3,682 |
| Others | 321 | 344 | 337 | 114 | 71 | 84 | 75 | 145 |
| Total Net Revenues | 37,286 | 40,277 | 44,859 | 11,843 | 11,278 | 11,928 | 11,959 | 12,269 |
| Allowance for bad-debt expenses | (3,566) | (3,462) | (3,869) | (1,122) | (1,115) | (631) | (756) | (840) |
| Operating expenses | (19,043) | (21,384) | (24,037) | (5,895) | (6,534) | (5,857) | (6,064) | (6,061) |
| Income before income tax | 14,677 | 15,431 | 16,953 | 4,826 | 3,629 | 5,440 | 5,139 | 5,368 |
| Income tax expenses | (1,947) | (2,171) | (2,167) | (789) | (448) | (888) | (818) | (893) |
| Net Income | 12,730 | 13,260 | 14,786 | 4,037 | 3,181 | 4,552 | 4,321 | 4,475 |
| Attributable to owners of the company | 11,908 | 13,265 | 14,887 | 4,080 | 3,150 | 4,551 | 4,318 | 4,467 |
| Attribute to former business under control | 759 | 146 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-controlling interests | 63 | (151) | (101) | (43) | 31 | 1 | 3 | 8 |

Note: Preliminary figures of Sep. 2018