

E.SUN FHC Financial Review of 3Q 2018

November, 2018



Disclaimer

This Presentation is provided by E.SUN Financial Holding Co., Ltd. ('E.SUN FHC'). E.SUN makes no guarantee or warranties as to the accuracy or correctness of all the material contained. After this presentation is released to the public, we undertake no obligation to update any relevant data to reflect any change hereafter.

This presentation may contain forward-looking statements. Statements that are not historical facts, including statements relating to the implementation of strategic initiatives, future business development and economic performance are forward-looking statements. Those statements involve uncertainties, risks, assumptions and other factors that could cause actual developments and results to differ materially from our statement in this presentation.



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	2,174,544	2,074,388
	Bank	2,157,223	2,056,337
	Securities	14,556	15,411
	Venture Capital	3,400	3,419
Key Financials	Book value per share (NT\$)	14.47	14.61
	Double Leverage Ratio	104.10%	104.46%
	FHC CAR	136.56% ^{/2}	143.69%
Distribution Channels	Bank – domestic	139	138
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Myanmar, Japan, Sydney, Brisbane ^{/3} Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 27 overseas sites	
	Securities - branches	18	18

Note: 1. Reviewed 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\$37.3 billion, a **8.5%** growth.
- **EPS NT\$1.23, ROE 11.63%, 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 (+4.8%) and credit card (+5.1%).
- Asset quality benign, NPL ratio 0.24% and coverage ratio 501.1%.
- New branches in Brisbane, Australia (July) and Guangzhou, China (November, under China subsidiary).

Milestones

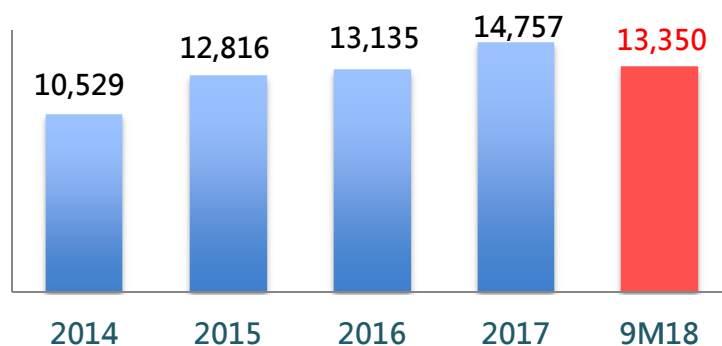
- **Moody's rating upgrade for E.SUN FHC (Baa1→A3) and E.SUN Bank (A3→A2)**, both are highest rated among private sector peers in Taiwan. **E.SUN FHC is the only A rated FHC in private sector of Taiwan.**
- **Leadership in ESG:** The only Taiwanese financial institution listed in **DJSI for the 5th consecutive year**, including three times listing in **DJSI World**, setting benchmark for sustainable growth in Taiwan.
- The most active participant in green bond market both as issuer and underwriter, fulfilling our CSR.



Financial Performance

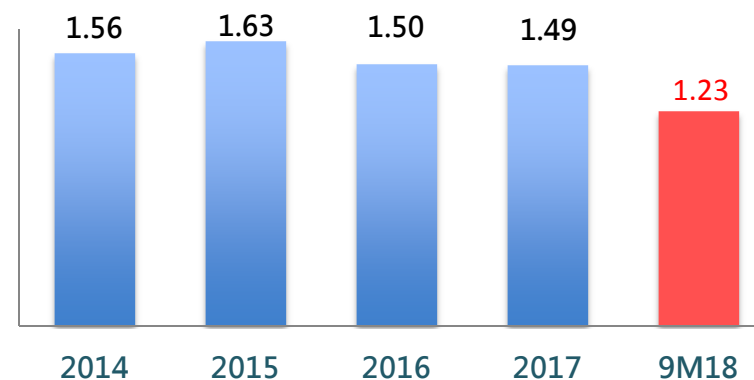
Net Profit

Unit: NT\$ million

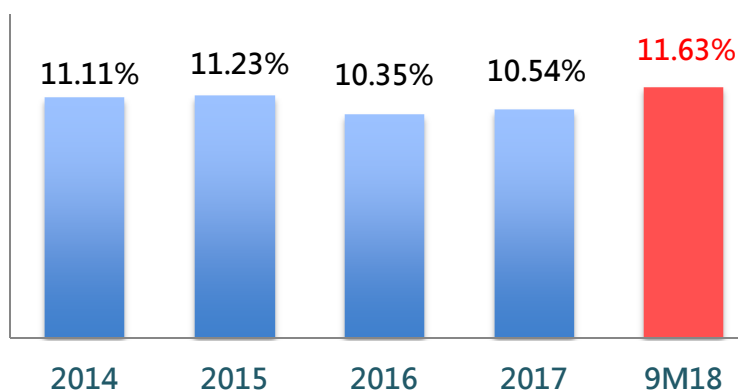


EPS

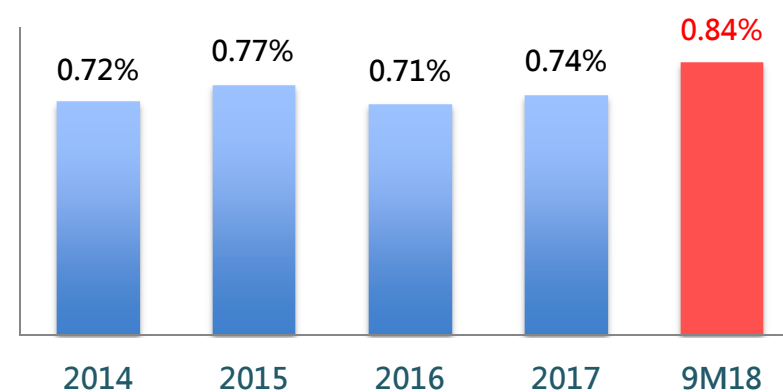
Unit: NT\$ dollars



ROE



ROA

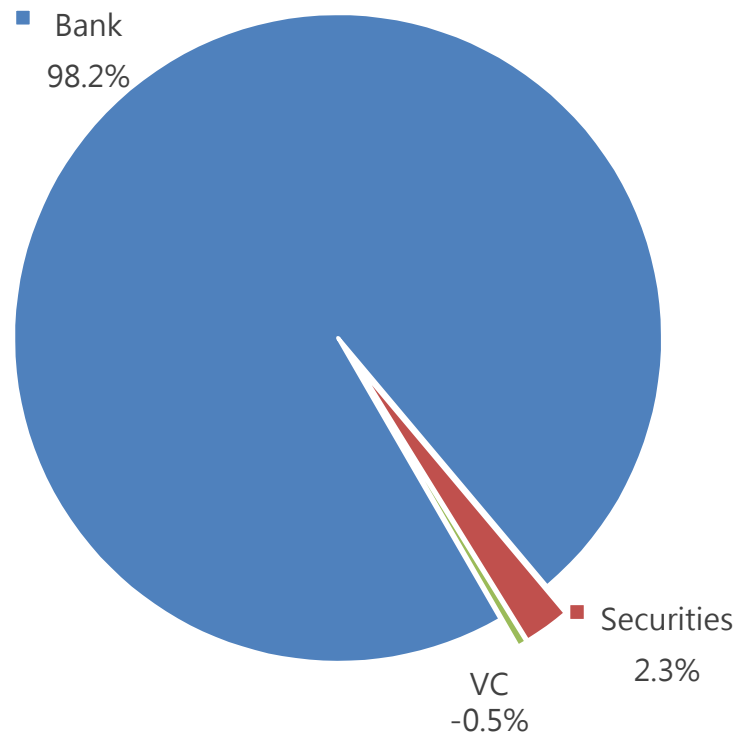


Note: Reviewed figures of Sep. 2018

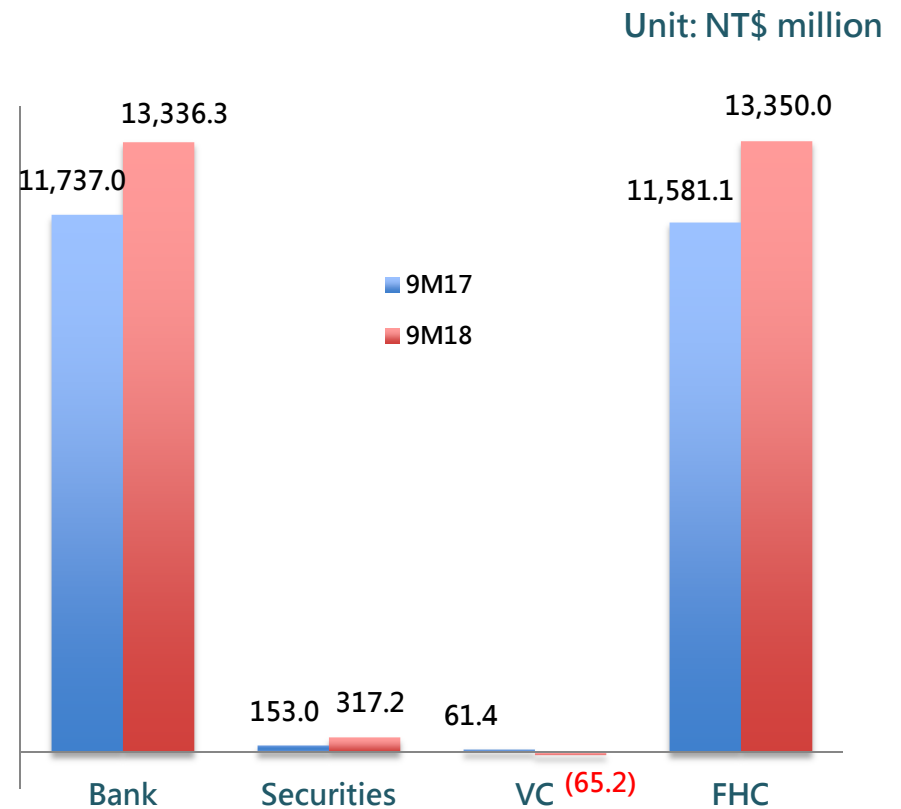


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries



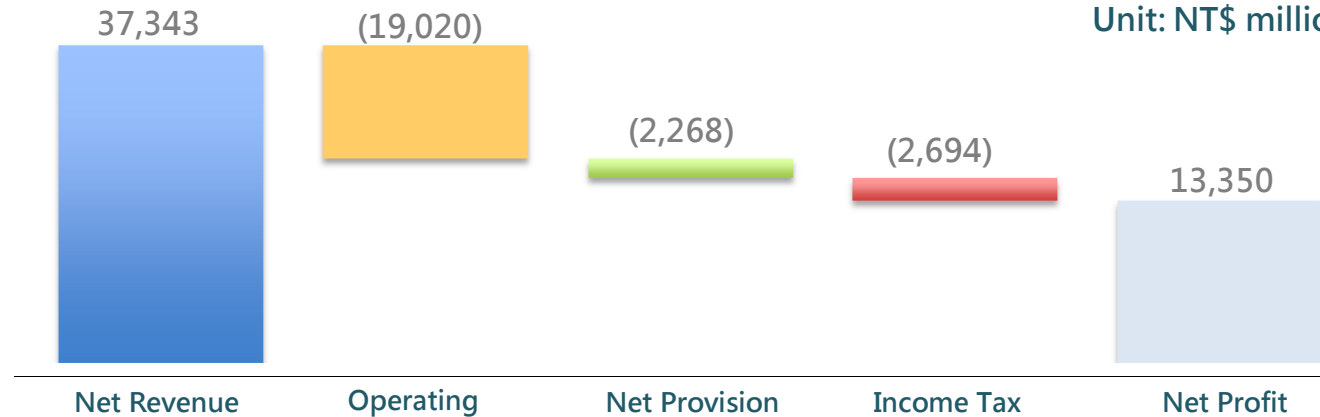
Note: Reviewed figures of Sep. 2018



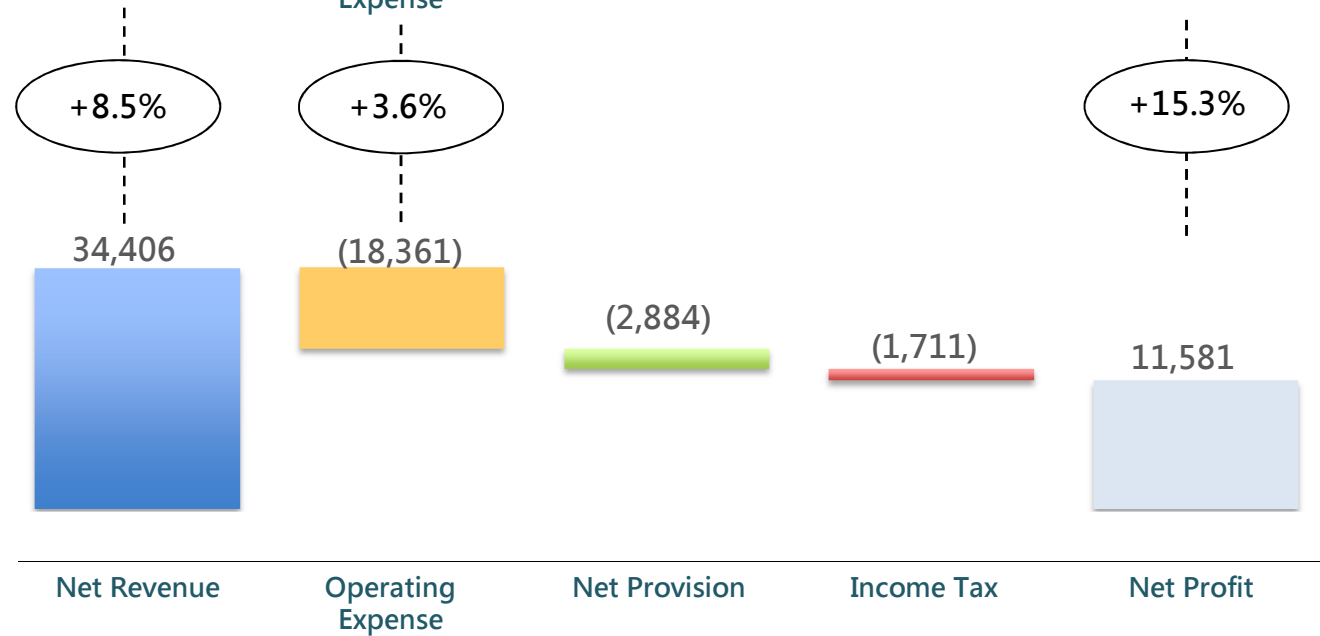
Net Profit Breakdown

9M18 P&L

Unit: NT\$ million



9M17 P&L



Note: Reviewed figures of Sep. 2018

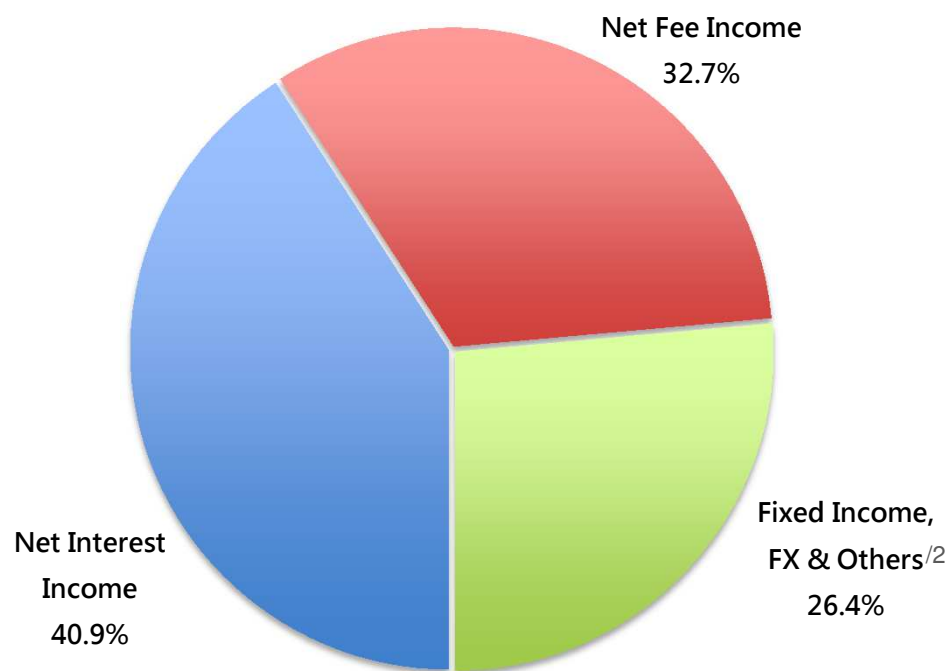


FHC Revenue Breakdown

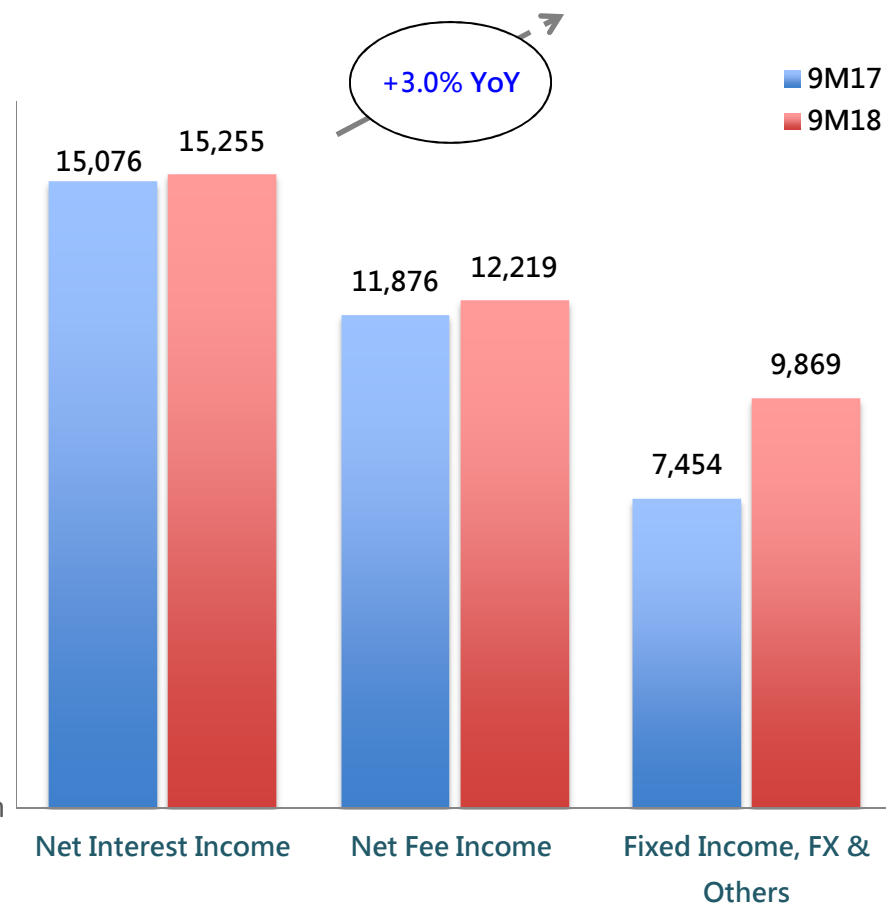
Total Net Revenue
NT\$ 37,343 million

YoY Revenue Comparison

Unit: NT\$ million



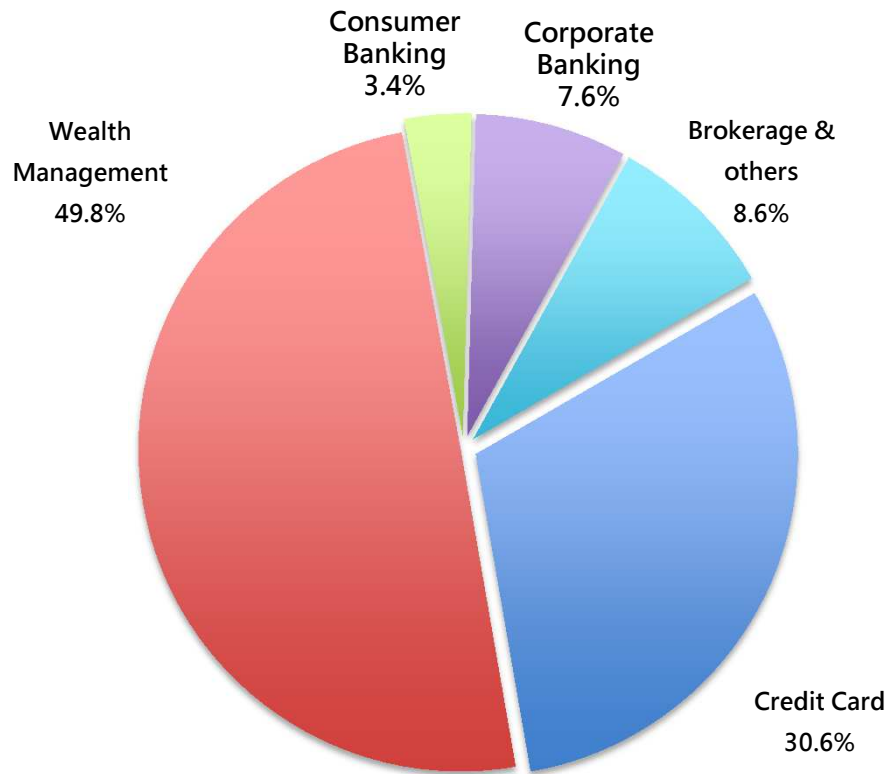
Note: 1. 53.0% of "fixed income, FX & others" is interest income from stable growing fixed income investment
2. Reviewed figures of Sep. 2018





Net Fee Income Breakdown

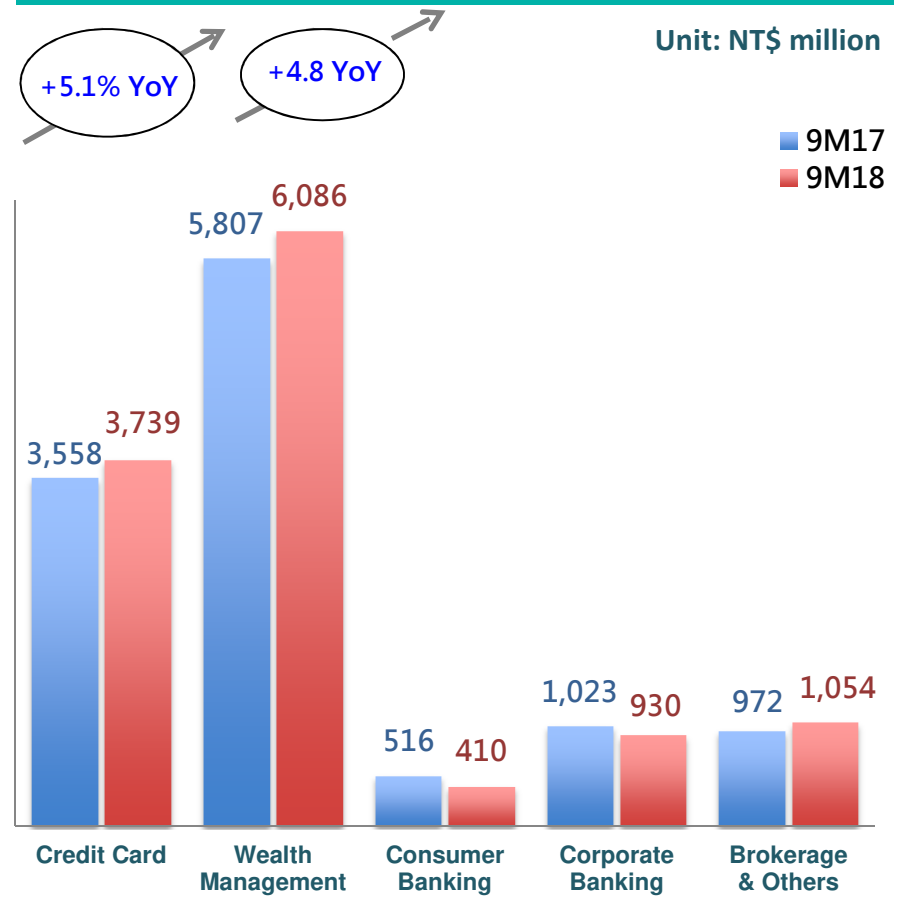
Total Net Fee Income
NT 12,219 million



Note: Reviewed figures of Sep. 2018

YoY Comparison

Unit: NT\$ million

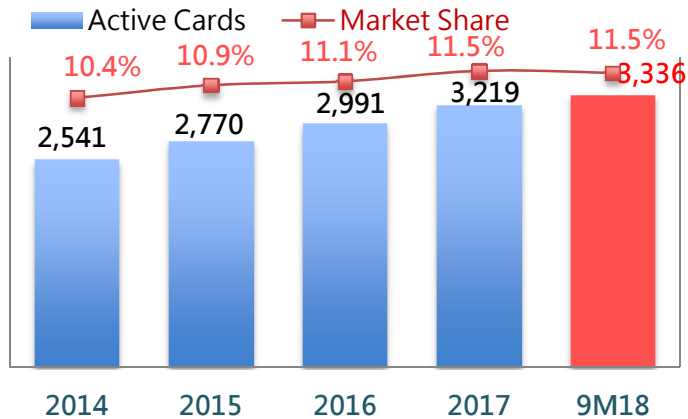




Credit Card Business Breakdown

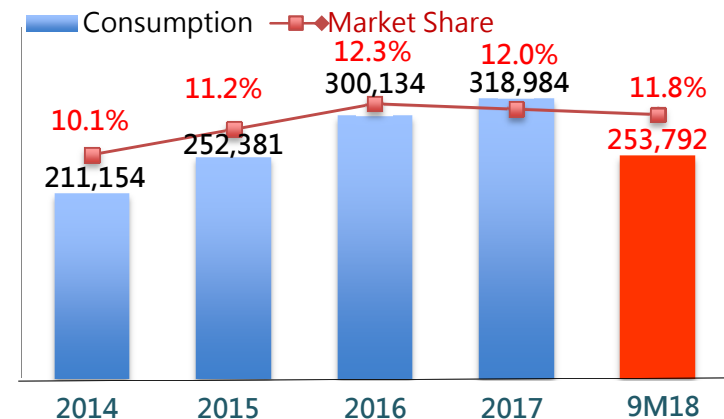
Active Cards

Unit: Thousand Cards, %



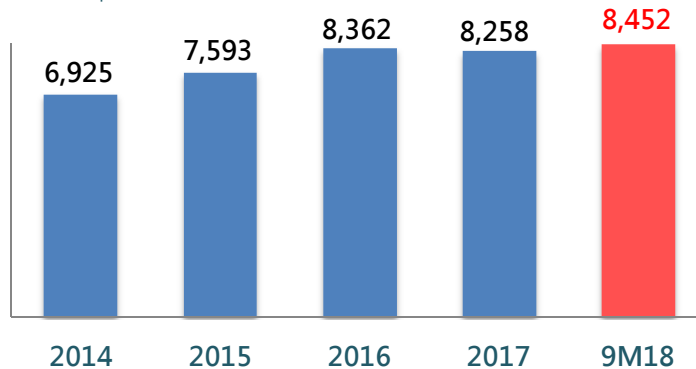
Card Consumption

Unit: NT\$ million



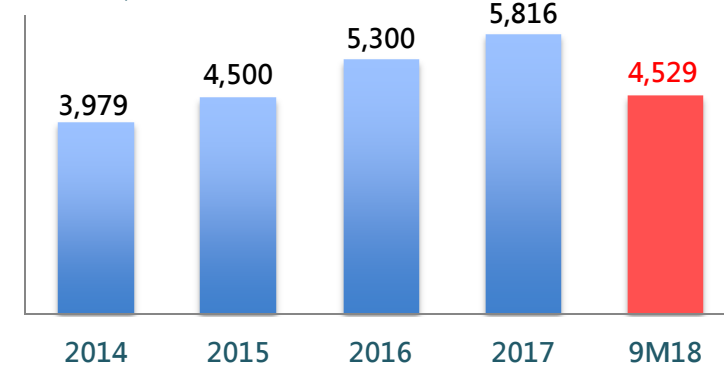
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million





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

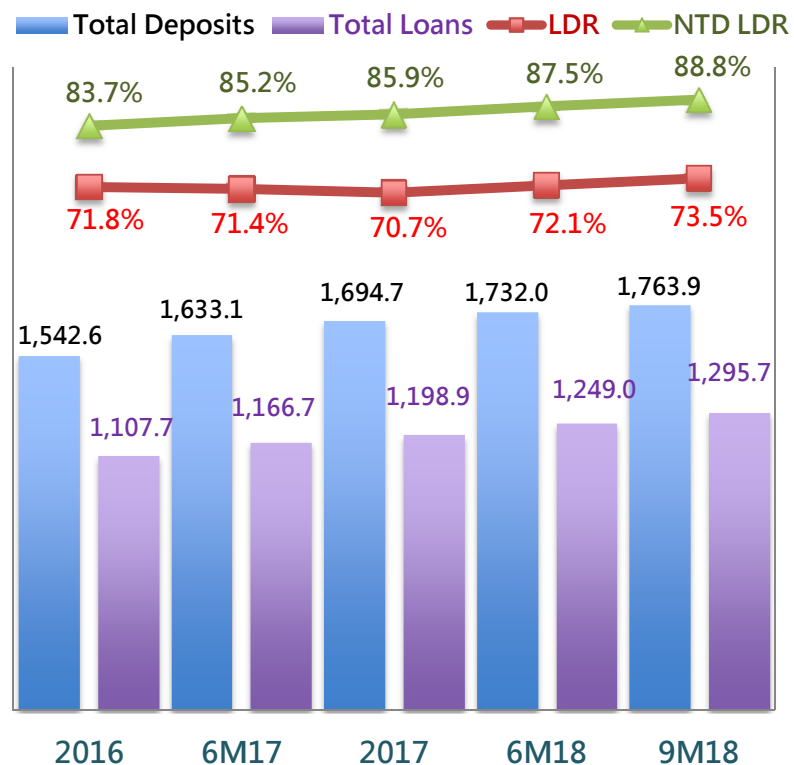
Note: Not including loan balance of subsidiaries NT\$ 28 billion



Deposit Structure

Loan to Deposit Ratio

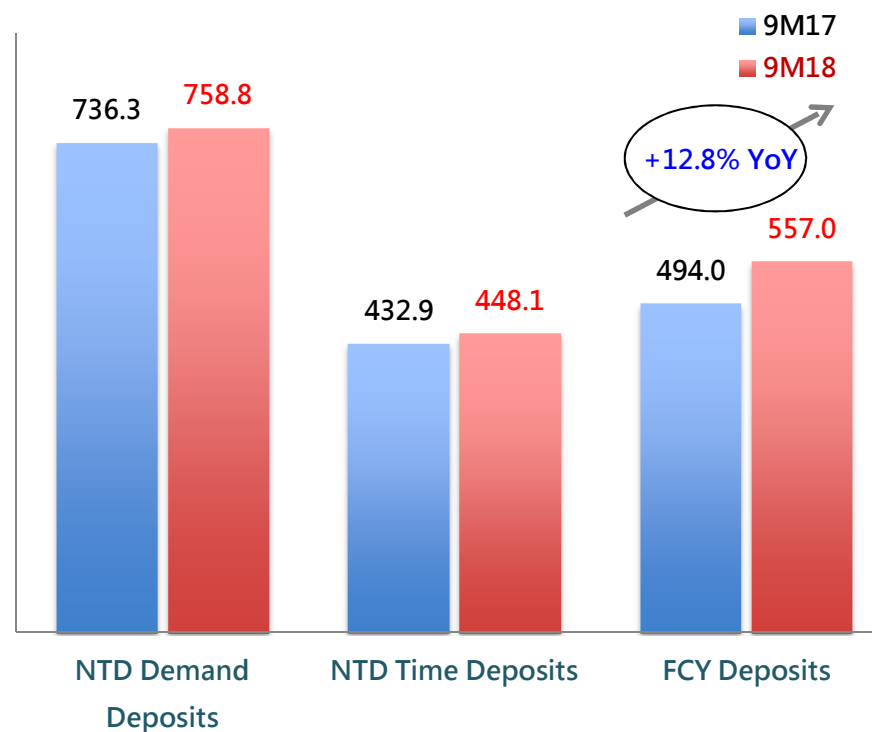
Unit: NT\$ Bn



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

Deposit Structure

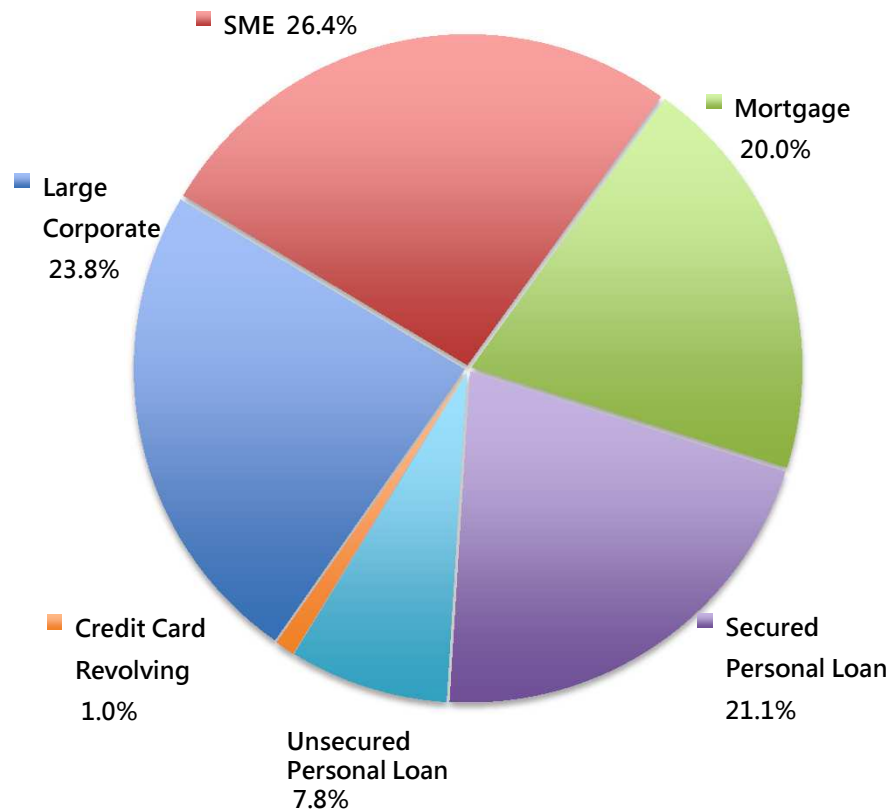
Unit: NT\$ Bn





Loan Portfolio Breakdown

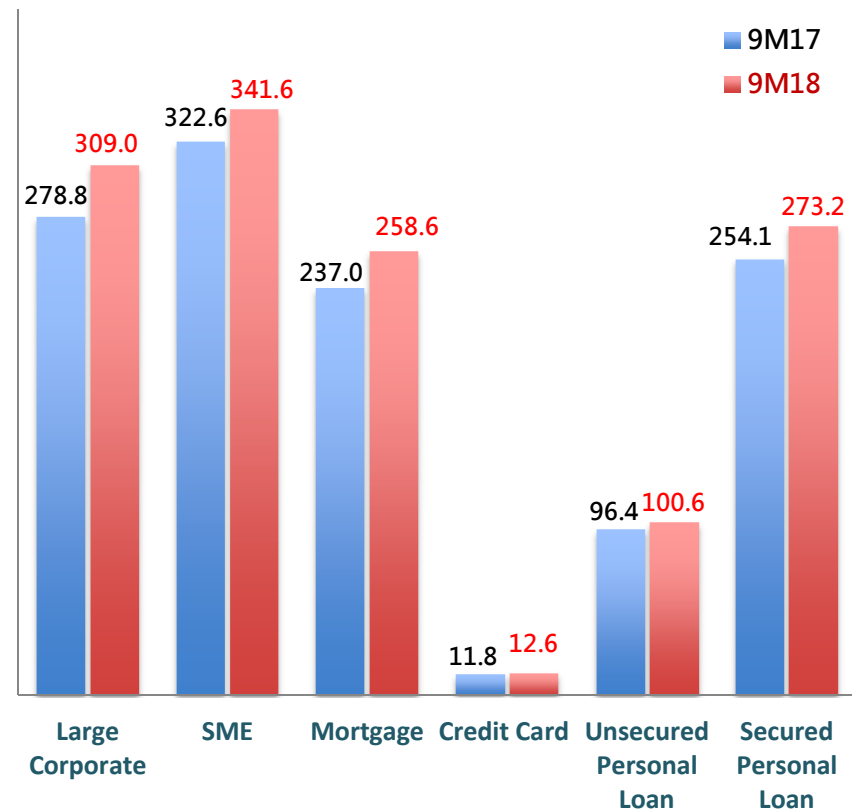
Total Loan
NT\$ 1,295.7 billion



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

YoY Comparison

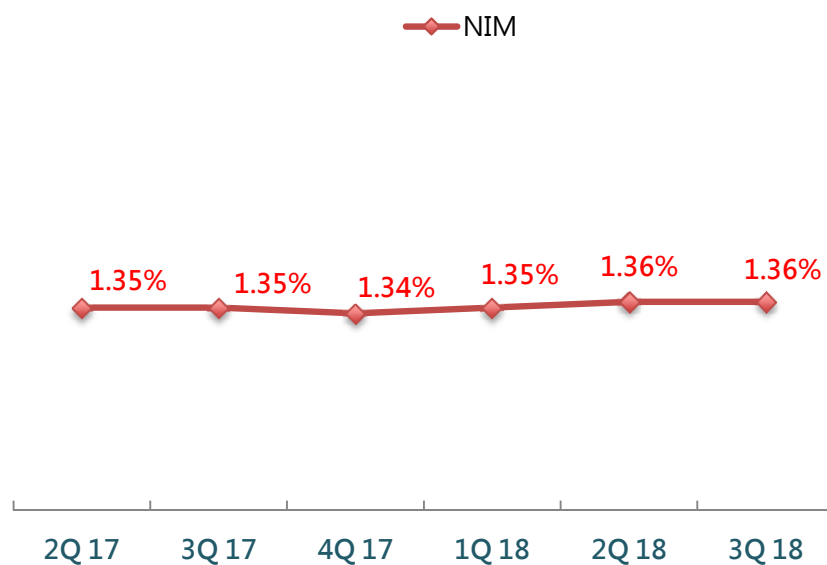
Unit: NT\$ Bn



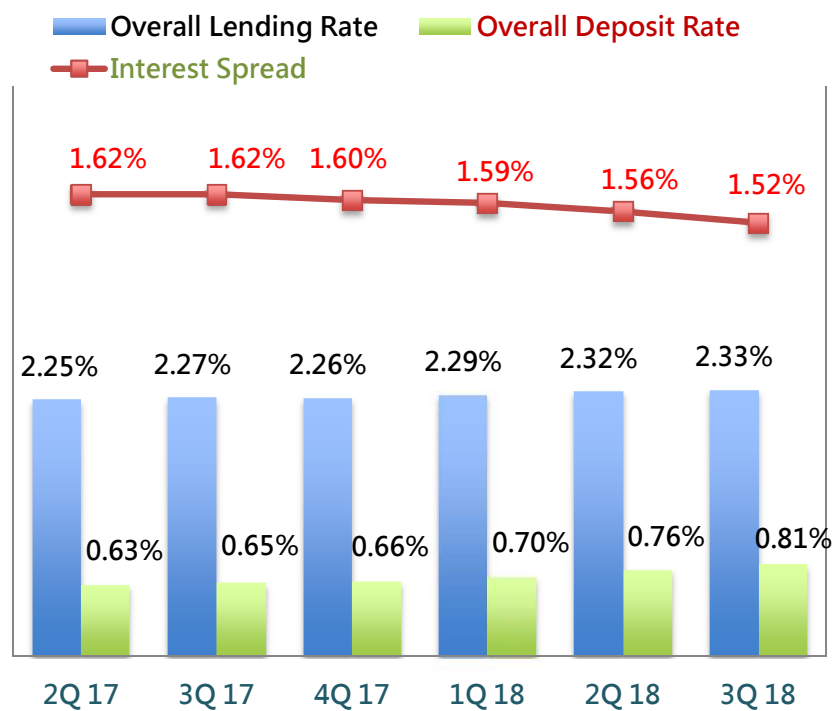


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



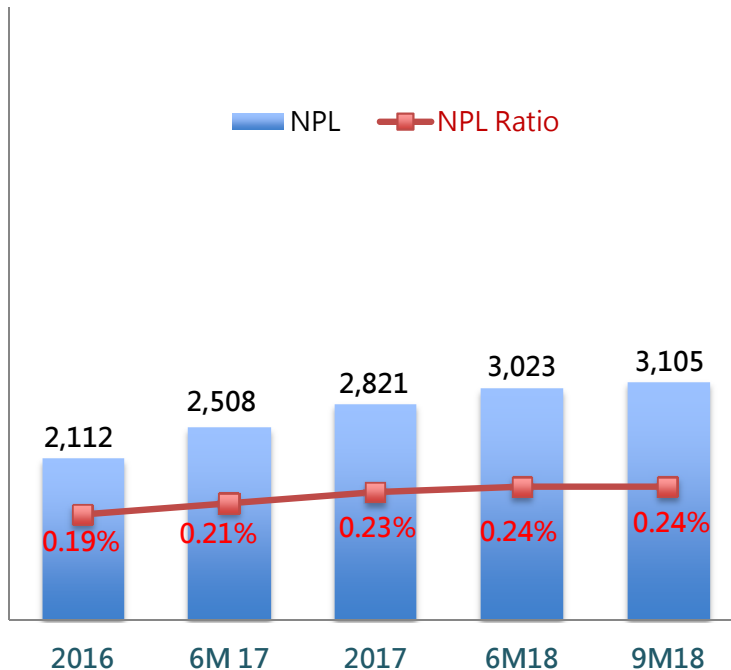
Note: Data of E.SUN Bank



Superior Asset Quality 1/3

NPL Ratio(%)

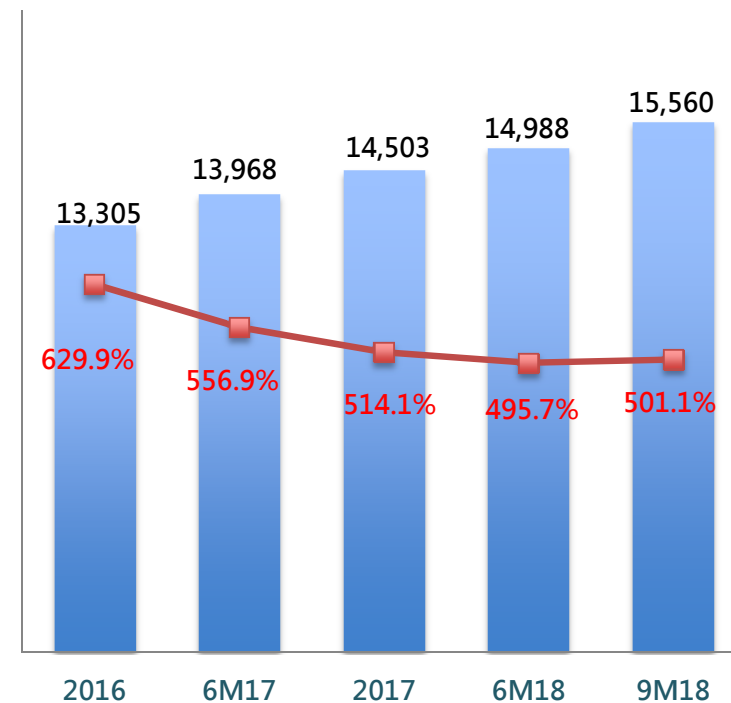
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

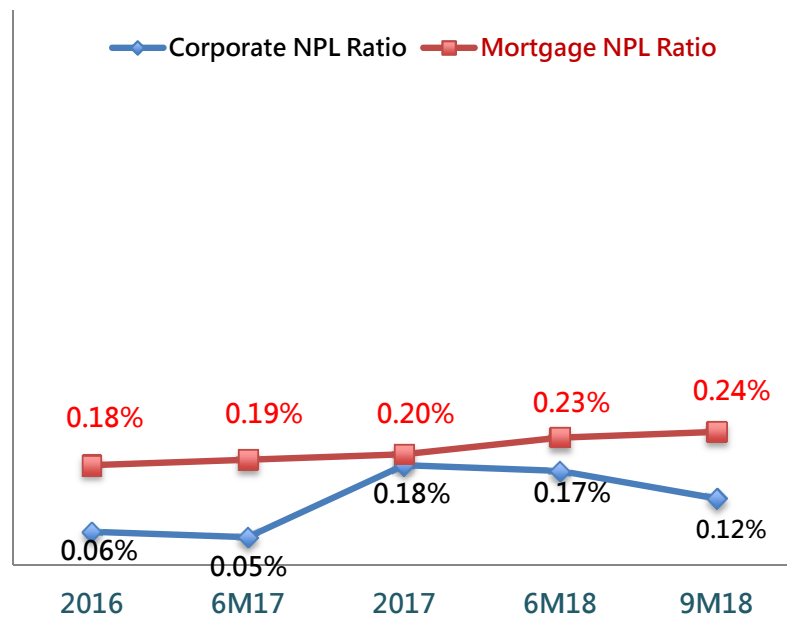


Note: Data of E.SUN Bank



Superior Asset Quality 2/3

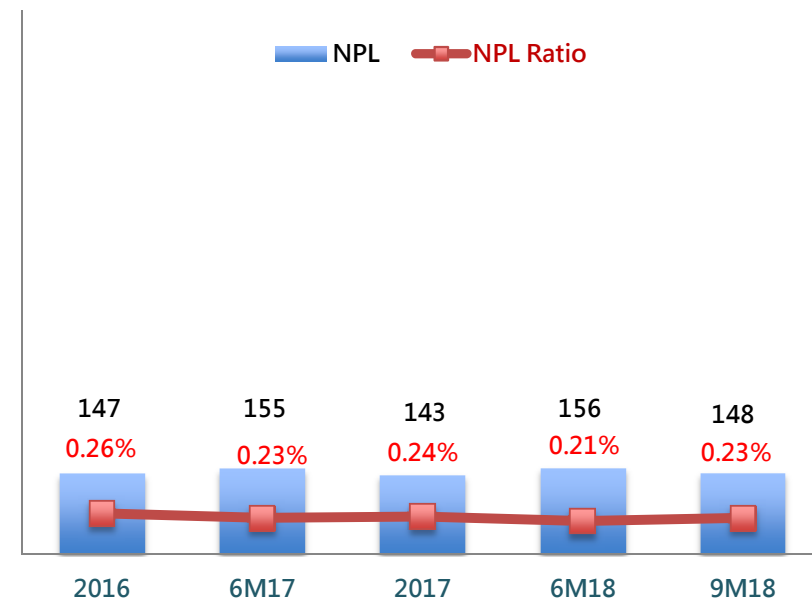
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

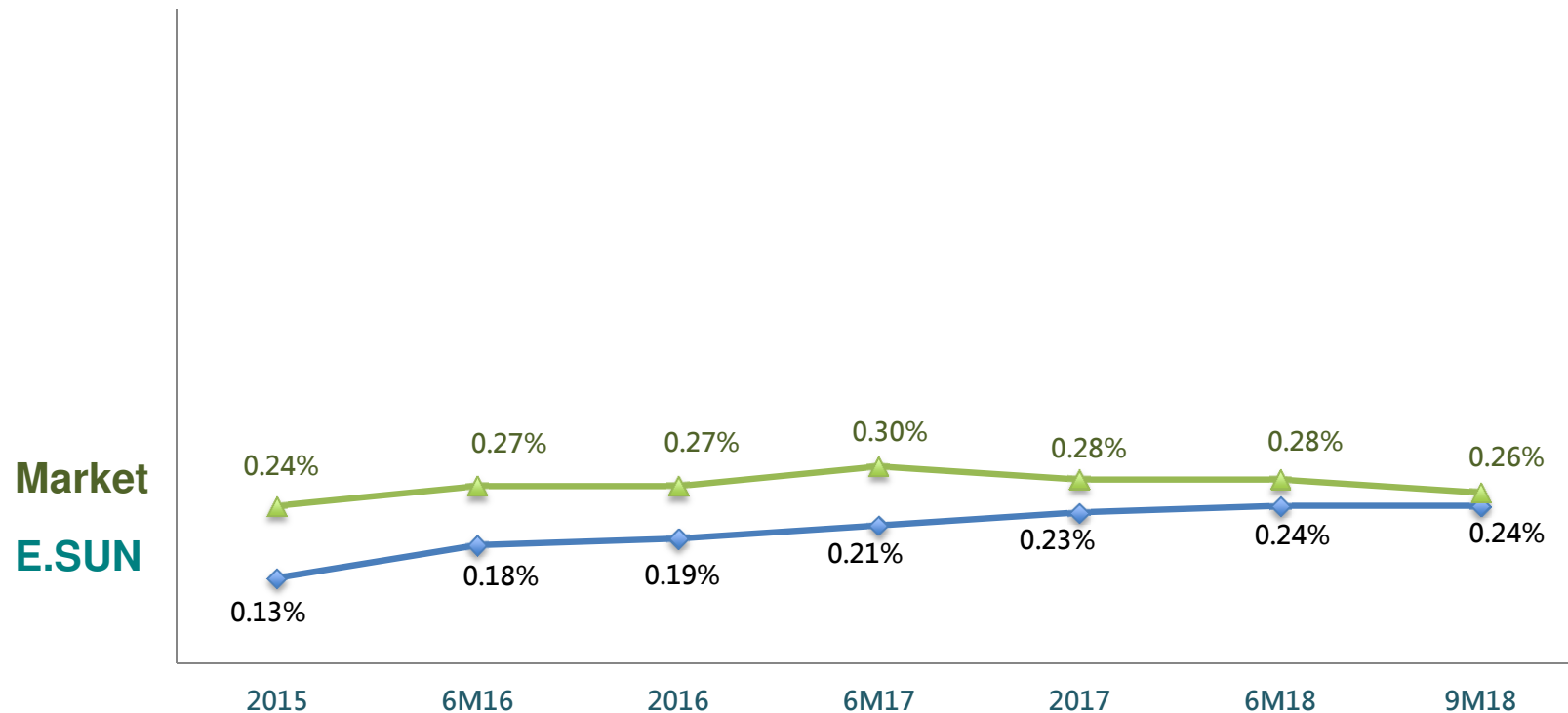
Unit: NT\$ million





Superior Asset Quality ^{3/3}

NPL Comparison with Market

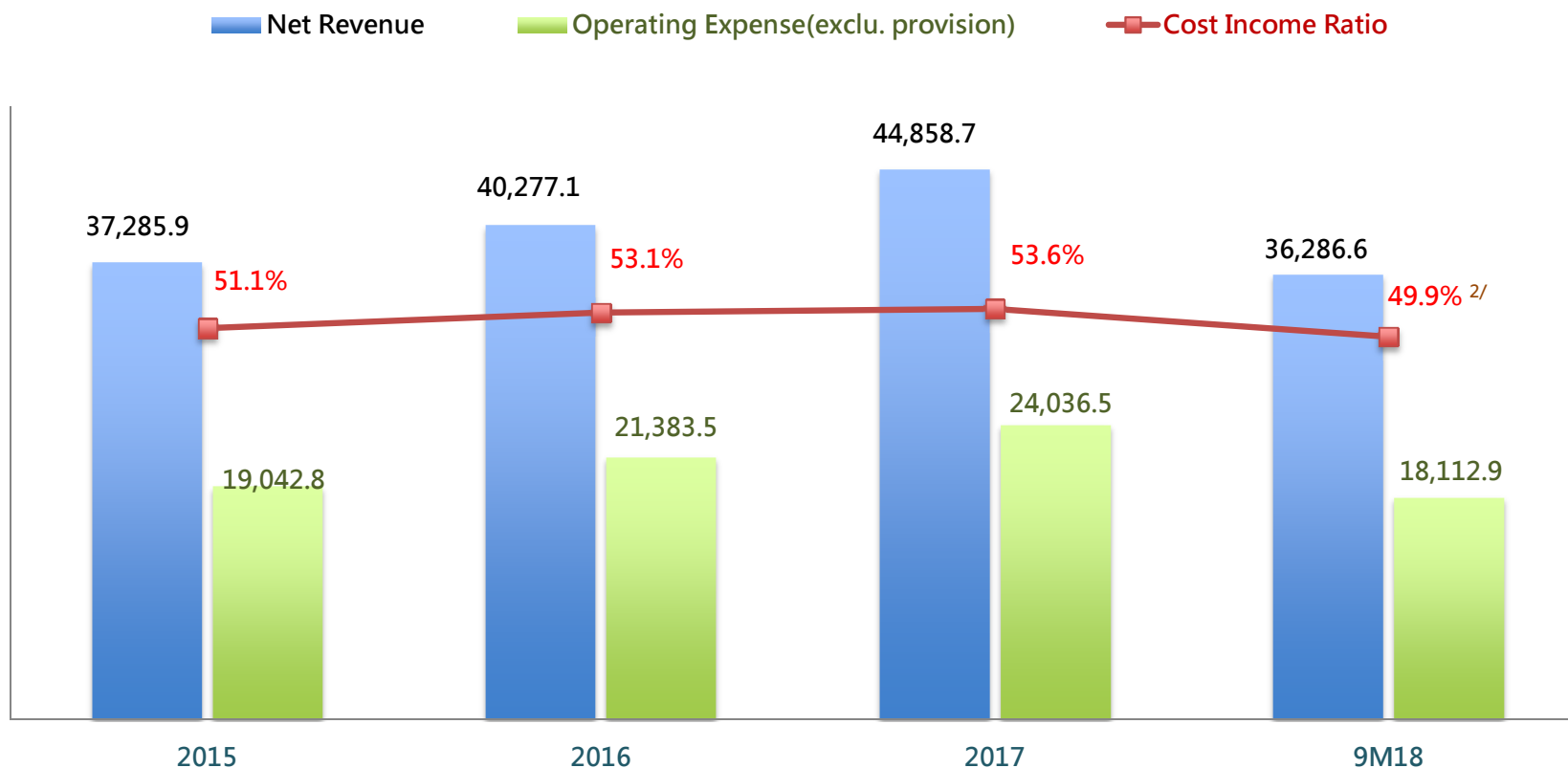


Source : FSC



Cost-Income Ratio

Unit: NT\$ million

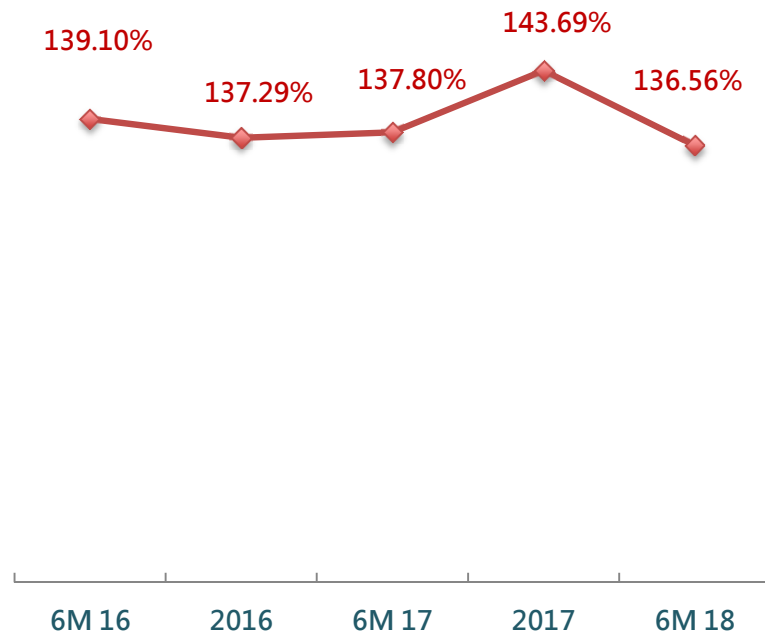


Note: 1. Data of E.SUN Bank
2. Reviewed figures of Sep. 2018

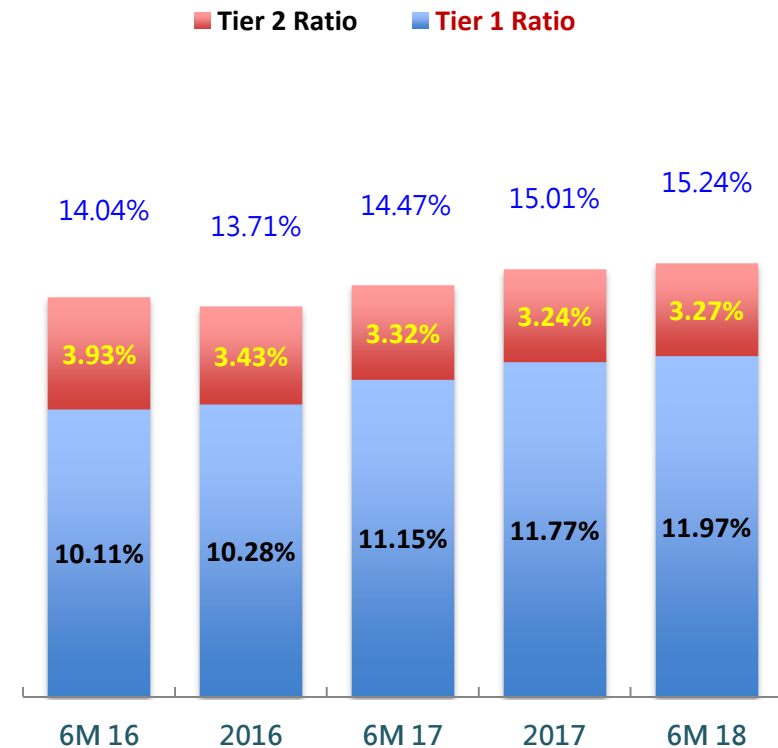


Capital Adequacy Ratio

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
+8862 2175 1313 Ext 9347,9302
ir@email.esunbank.com.tw





Appendix 1/6

Balance Sheet of 3Q2018 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	119,667	349	47	386	119,861
Securities, net	596,182	1,053	3,131	52	600,413
Loans, net	1,296,534	0	0	0	1,296,534
A/R, net	85,552	9,959	0	84	95,447
Land, premises and equipments, net	28,631	367	0	22	29,265
Others	30,657	2,828	222	163,308	33,024
Total assets	2,157,223	14,556	3,400	163,852	2,174,544
Liabilities:					
Deposits	1,785,505	0	0	0	1,784,476
Other liabilities	216,978	9,471	8	7,169	233,272
Total liabilities	2,002,483	9,471	8	7,169	2,017,748
Total stockholders' equity	154,740	5,085	3,392	156,683	156,796
Total equity attributable to owners of the company	154,620	5,085	3,392	156,683	156,683
Non-Controlling interests	120	0	0	0	113
Total liabilities and stockholders' equity	2,157,223	14,556	3,400	163,852	2,174,544

Note: Reviewed 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. (Consolidated)	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income					
Net interest income	15,029	288	2	(63)	15,255
Net fee income	11,437	785	0	0	12,219
Net trading income/(loss) & Derivatives & FX	9,524	116	(49)	2	9,592
Others	297	50	0	13,673	276
Total Net Revenues	36,287	1,239	(47)	13,612	37,342
Allowance for bad-debt expenses	(2,227)	(41)	0	0	(2,268)
Operating expenses	(18,113)	(813)	(11)	(243)	(19,020)
Income before income tax	15,947	385	(58)	13,369	16,054
Income tax expenses	(2,599)	(68)	(7)	(19)	(2,693)
Net Income	13,348	317	(65)	13,350	13,361
Attributable to owners of the company	13,336	317	(65)	13,350	13,350
Non-controlling interests	12	0	0	0	11

Note: Reviewed 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	119,861
Securities, net	469,508	502,761	577,285	554,518	577,285	602,588	614,072	600,413
Loans, net	1,021,995	1,118,149	1,211,071	1,201,528	1,211,071	1,234,658	1,262,911	1,296,534
A/R, net	78,562	83,936	94,083	92,277	94,083	87,191	106,098	95,447
Land, premises and equipments, net	26,792	26,440	28,209	27,702	28,209	28,311	28,294	29,265
Others	74,314	53,469	32,565	32,959	32,565	37,288	35,448	33,024
Total assets	1,775,284	1,884,300	2,074,388	2,037,617	2,074,388	2,121,860	2,166,114	2,174,544
Liabilities:								
Deposits	1,456,394	1,556,422	1,711,175	1,675,686	1,711,175	1,742,858	1,743,615	1,784,476
Other liabilities	197,229	198,697	214,265	216,066	214,265	224,456	269,546	233,272
Total liabilities	1,653,623	1,755,119	1,925,440	1,891,752	1,925,440	1,967,314	2,013,161	2,017,748
Total stockholders' equity	122,661	129,181	148,948	145,865	148,948	154,546	152,953	156,796
Total equity attributable to owners of the company	120,927	128,524	148,842	145,761	148,842	154,438	152,848	156,683
Non-Controlling interests	734	657	106	104	106	108	105	113
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	2,174,544

Note: Reviewed 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	5,100
Net Fee income	13,878	15,548	15,776	4,273	3,900	4,284	4,113	3,822
Net trading income/(loss) & Derivatives & FX	7,378	6,586	9,733	2,613	2,518	2,931	3,318	3,343
Others	(241)	345	348	127	109	79	71	126
Total Net Revenues	38,489	41,064	46,107	12,213	11,701	12,493	12,458	12,391
Allowance for bad-debt expenses	(3,566)	(3,463)	(4,055)	(1,124)	(1,171)	(664)	(756)	(848)
Operating expenses	(20,138)	(22,396)	(25,179)	(6,221)	(6,817)	(6,148)	(6,373)	(6,499)
Income before income tax	14,785	15,205	16,873	4,868	3,713	5,681	5,329	5,044
Income tax expenses	(1,906)	(2,222)	(2,219)	(848)	(508)	(905)	(853)	(935)
Net Income	12,879	12,983	14,654	4,020	3,205	4,776	4,476	4,109
Income Attributable to owners of the company	12,816	13,135	14,757	4,063	3,176	4,775	4,474	4,101
Non-Controlling interests	63	(152)	(103)	(43)	29	1	2	8

Note: Reviewed 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	119,667
Securities, net	467,481	501,867	575,980	553,592	575,980	598,012	609,277	596,182
Loans, net	1,021,995	1,118,149	1,211,071	1,201,528	1,211,071	1,234,658	1,262,911	1,296,534
A/R, net	71,523	75,992	83,130	82,483	83,130	76,398	94,020	85,552
Land, premises and equipments, net	26,156	25,785	27,559	27,047	27,559	27,700	27,667	28,631
Others	69,528	48,892	27,555	27,490	27,555	34,713	32,932	30,657
Total assets	1,760,630	1,870,131	2,056,337	2,020,729	2,056,337	2,103,280	2,146,052	2,157,223
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	216,978
Total liabilities	1,642,372	1,743,097	1,909,079	1,876,749	1,909,079	1,951,062	1,995,676	2,002,483
Total stockholders' equity	118,258	127,034	147,258	143,980	147,258	152,218	150,376	154,740
Total equity attributable to owners of the company	116,391	126,371	147,145	143,869	147,145	152,103	150,264	154,620
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	2,157,223

Note: Reviewed 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	5,023
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	3,677
Others	321	344	337	114	71	84	75	138
Total Net Revenues	37,286	40,277	44,859	11,843	11,278	11,928	11,959	12,400
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)	(6,192)
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: Reviewed figures of Sep. 2018