

E.SUN FHC Financial Review of 4Q 2018

March, 2019



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Agenda

- 2018 4Q Financial Performance
- 2018 4Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2018.12 ^{/1}	2017.12
Total Assets	FHC	2,291,193	2,074,388
	Bank	2,276,583	2,056,337
	Securities	12,687	15,411
	Venture Capital	3,309	3,419
Key Financials	Book value per share (NT\$)	14.78	14.61
	Double Leverage Ratio	104.11%	104.46%
	FHC CAR	137.55%	143.69%
Channels	Bank – domestic	139	138
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Myanmar, Japan, Sydney, Brisbane Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 28 overseas sites	
	Securities - branches	17	18

Note: 1. Preliminary figures of Dec. 2018

2. Share owned by QFII: 45.43%, as of Dec. 2018.



2018 Business and Financial Review

Financial Performance

- Preliminary net profits in 2018 was NT\$17.1 billion, a **15.9%** growth. **EPS NT\$1.58, ROE 11.06%, ROA 0.78%**.
- Preliminary ROE of E.SUN Bank was 11.23%, the highest among banks under FHCs.

Business Highlights

- **Liquidity Management and FX flow:** created strong liquidity strength and stable revenue by improving flow services for corporate clients and providing digital FX through personal online banking platform.
- **Balanced FCY loan and deposit growth:** FCY loan growth rate 21.9% in 2018; FCY deposit growth rate 20.1%. FCY deposit ranked no. 1 in both growth volume and rate.
- **Net fee income** growth was driven by both wealth management (+4.5%) and credit card (+6.8%).
- **Asset quality** benign, NPL ratio 0.23% and coverage ratio 524.0%.
- The **Intelligent Banking Division** was set up to lead development of AI and data technologies, assisting the bank to build up payment scenarios, as well as inclusive and intelligent financial services.

Milestones of 2018

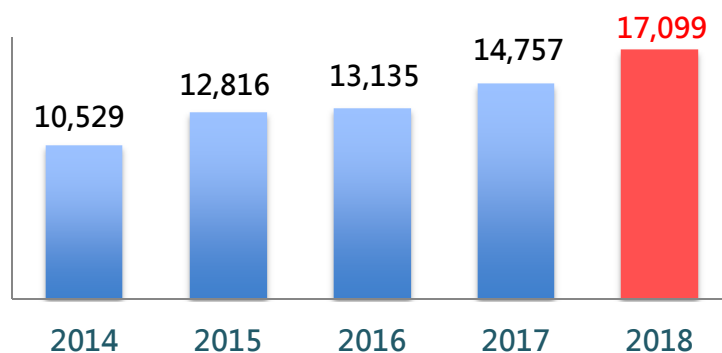
- **Long term value creation:** consistent profit growth for the 7th consecutive year, sound asset quality, and strong management discipline, creating long term value for shareholders.
- **Leadership in ESG:** Member of DJSI for the 5th straight year since 2014, DJSI World for the 3rd time.
- **Awards and Recognitions:** 4 times winner of “National Quality Award” by Executive Yuan ; Moody’s credit rating upgrade, making E.SUN the only A rated FHC in the private sector of Taiwan ; “Best Bank in Taiwan” by 《The Banker》, 《Asiamoney》 and 《The Asset》 ; Voted “The Most Honored Company in Taiwan”, “Best CEO”, and “Best CFO” in the poll held by 《Institutional Investor》 .



Financial Performance

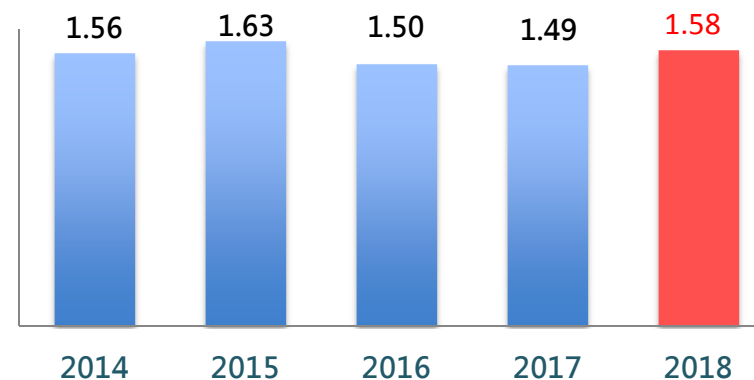
Net Profit

Unit: NT\$ million

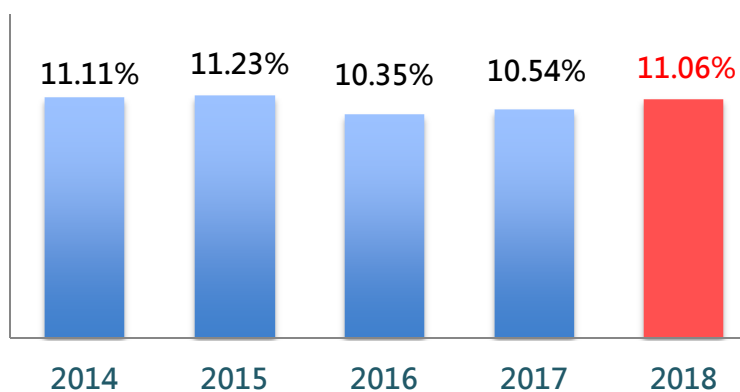


EPS

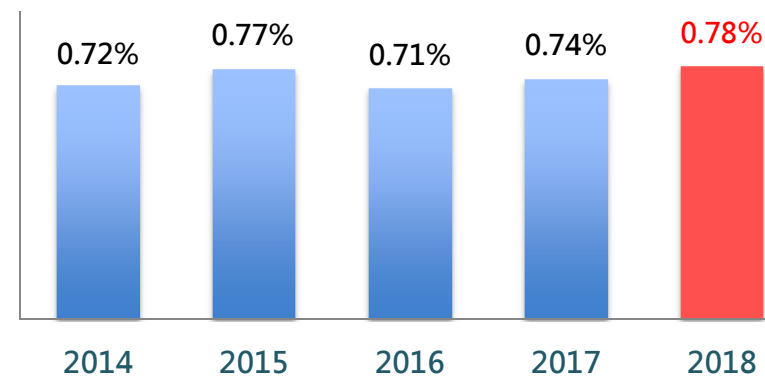
Unit: NT\$ dollars



ROE



ROA

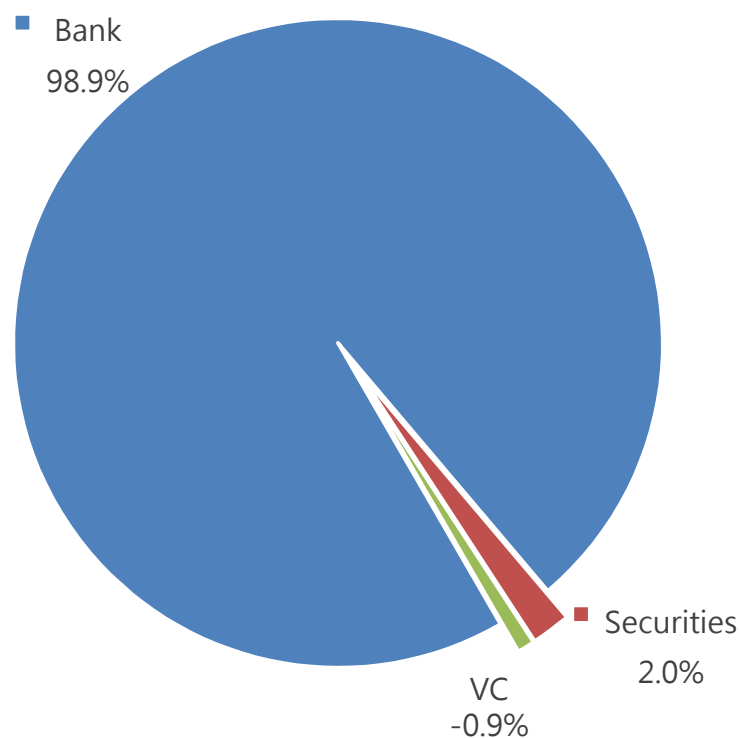


Note: Preliminary figures of Dec. 2018



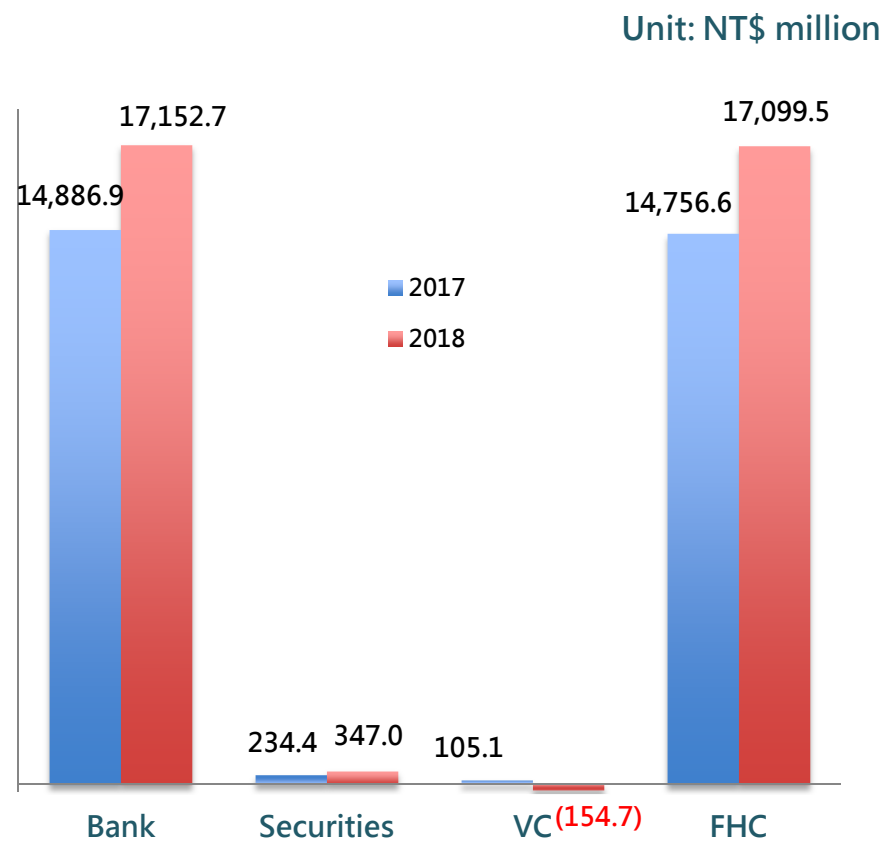
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Note: Preliminary figures of Dec. 2018

Net Income of FHC and its Subsidiaries

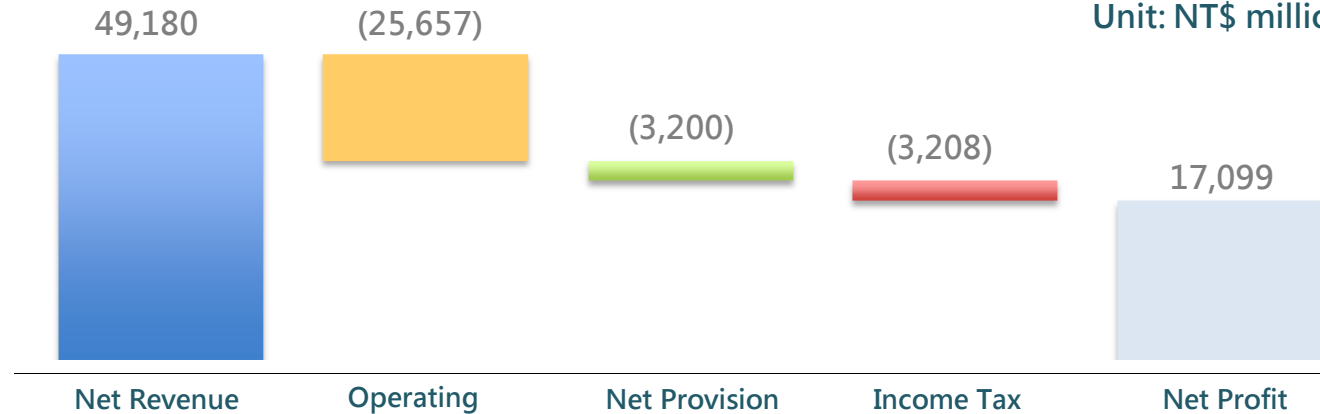




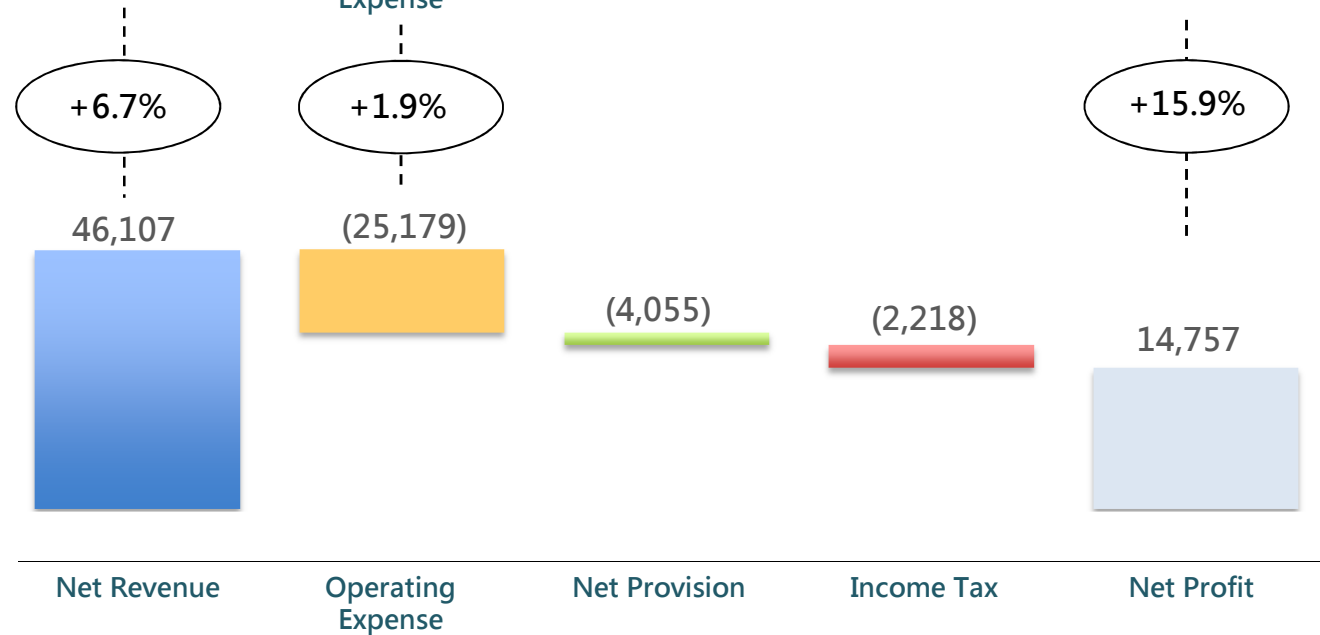
Net Profit Breakdown

2018 P&L

Unit: NT\$ million



2017 P&L



Note: Preliminary figures of Dec. 2018

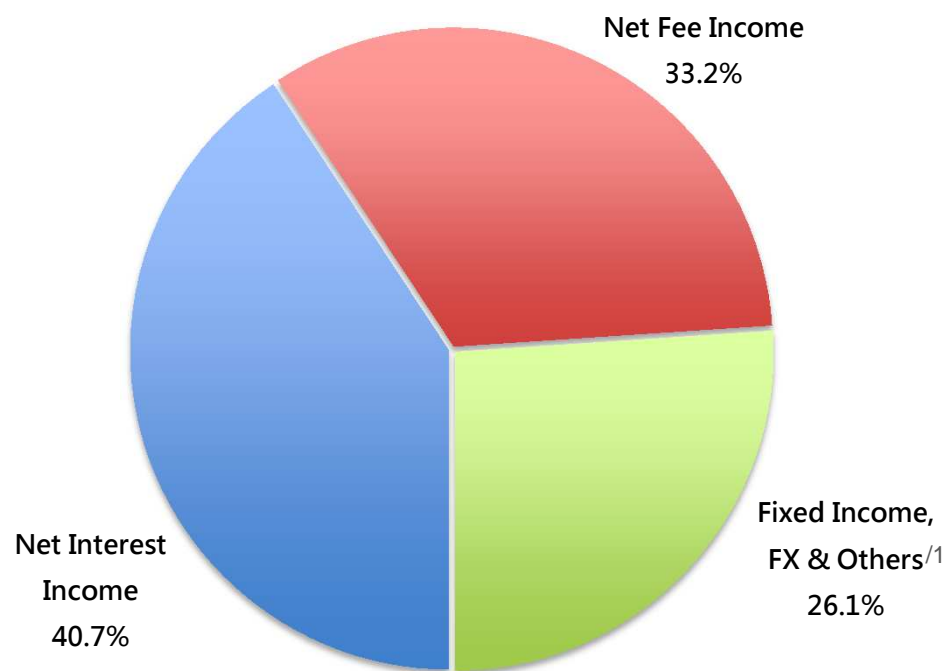


FHC Revenue Breakdown

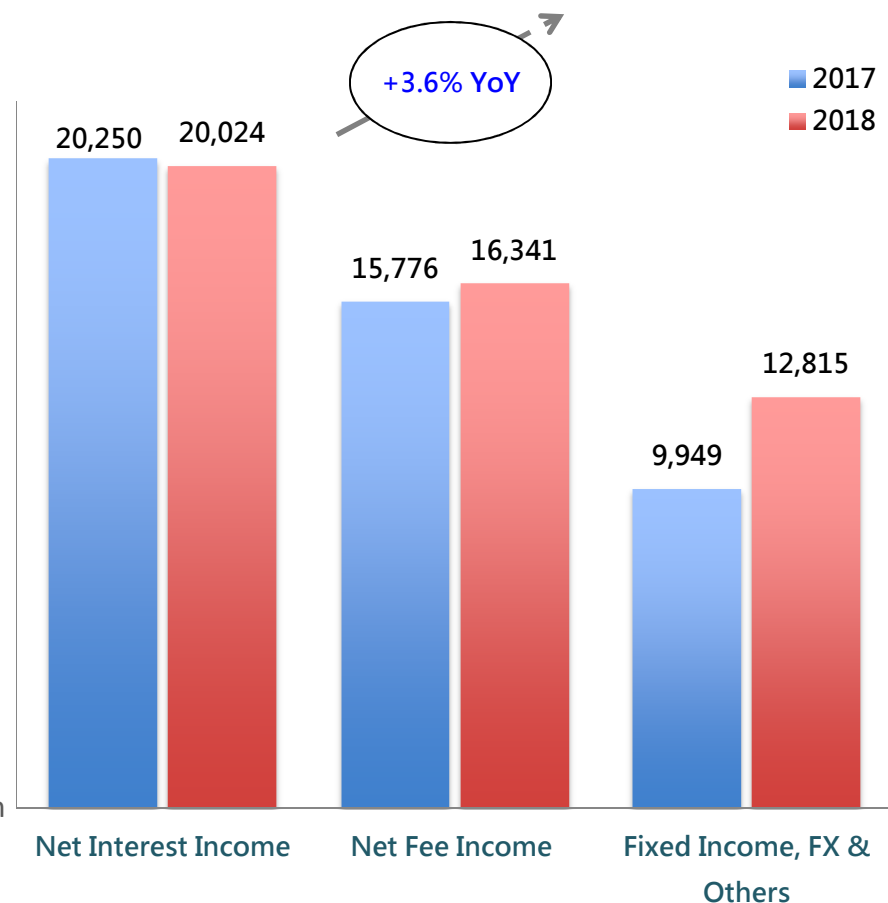
Total Net Revenue
NT\$ 49,180 million

YoY Revenue Comparison

Unit: NT\$ million



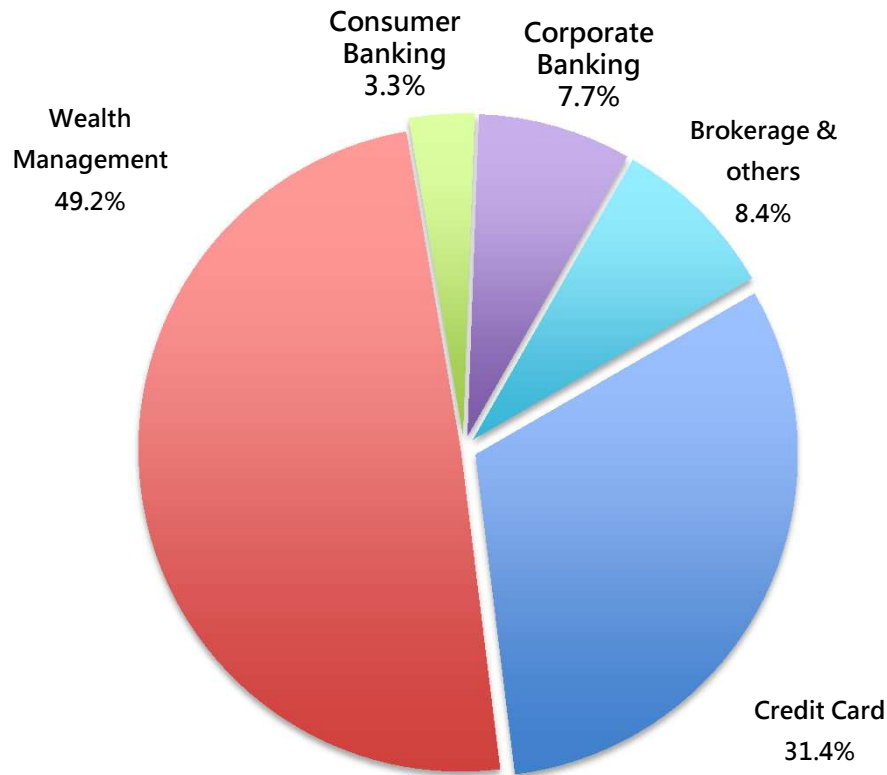
Note: 1. 55.9% of "fixed income, FX & others" is interest income from stable growing fixed income investment
2. Preliminary figures of Dec. 2018





Net Fee Income Breakdown

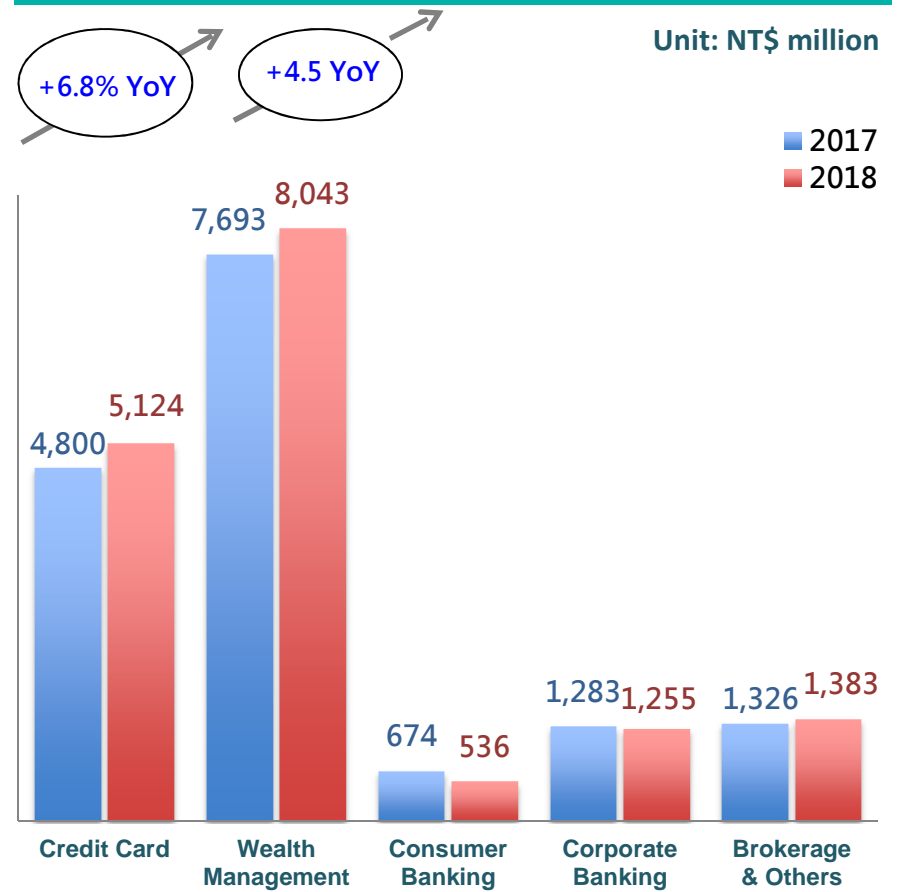
Total Net Fee Income
NT 16,341 million



Note: Preliminary figures of Dec. 2018

YoY Comparison

Unit: NT\$ million

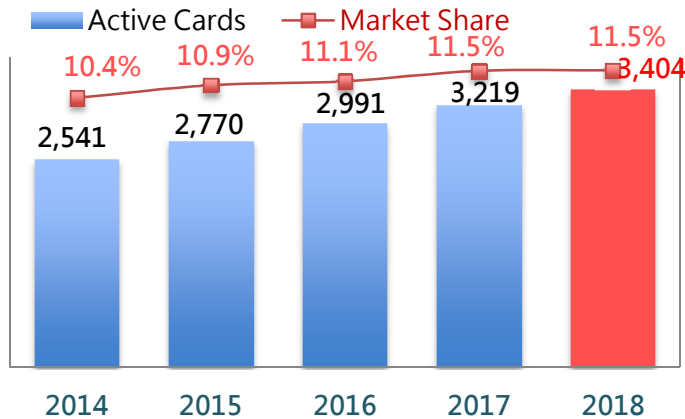




Credit Card Business Breakdown

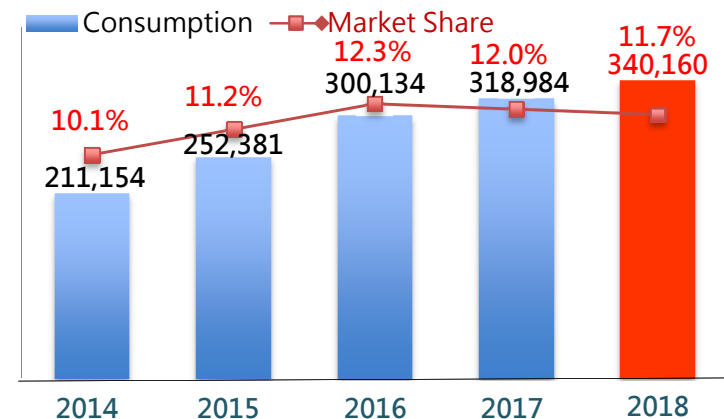
Active Cards

Unit: Thousand Cards, %



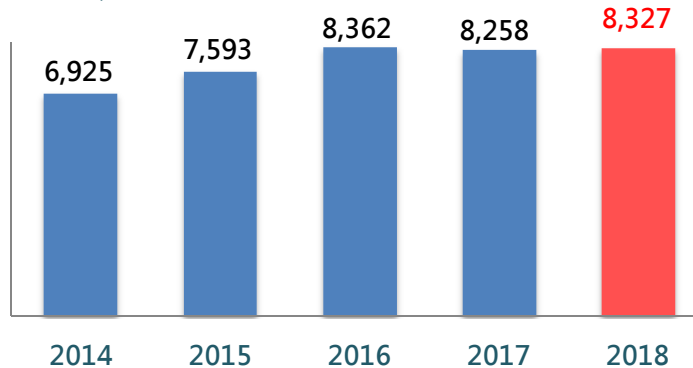
Card Consumption

Unit: NT\$ million



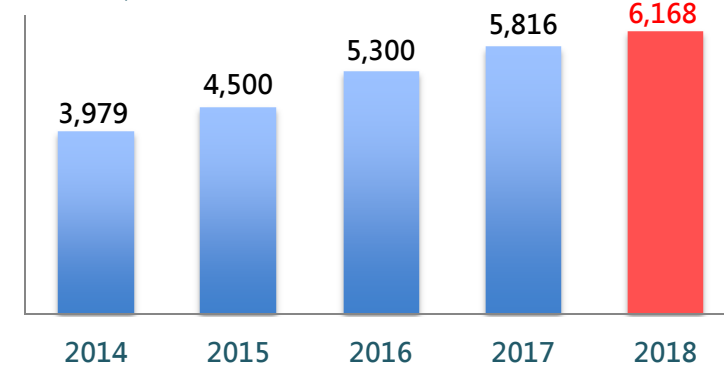
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market Share as of October, 2018



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2018	QoQ Growth %	2018.9	YoY Growth %	2017
Total Deposits	1,859.8	5.4%	1,763.9	9.7%	1,694.7
Demand Deposits	761.4	0.3%	758.8	1.9%	747.4
Time Deposits	482.9	7.8%	448.1	11.1%	434.6
FCY Deposits	615.5	10.5%	557.0	20.1%	512.7
Total Loans ^{1/}	1,320.1	2.9%	1,283.1	10.1%	1,198.9
Corporate Loans	663.6	2.0%	650.6	9.8%	604.2
SME Loans	345.7	1.2%	341.6	5.8%	326.6
FCY Loans	228.8	3.8%	220.4	21.9%	187.7
Consumer Loans	656.5	3.8%	632.5	10.4%	594.7
Mortgage Loan	271.6	5.0%	258.6	14.0%	238.2
Unsecured Personal Loan	105.1	4.5%	100.6	8.4%	97.0
Credit Card Revolving Balance	12.8	1.6%	12.6	4.9%	12.2

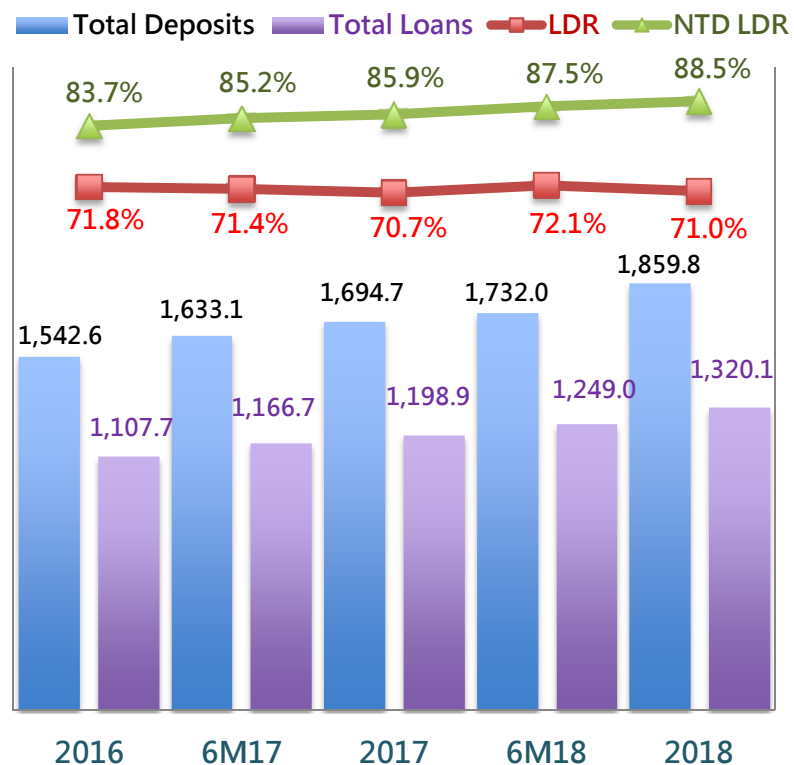
Note: Not including loan balance of subsidiaries NT\$ 28 billion



Deposit Structure

Loan to Deposit Ratio

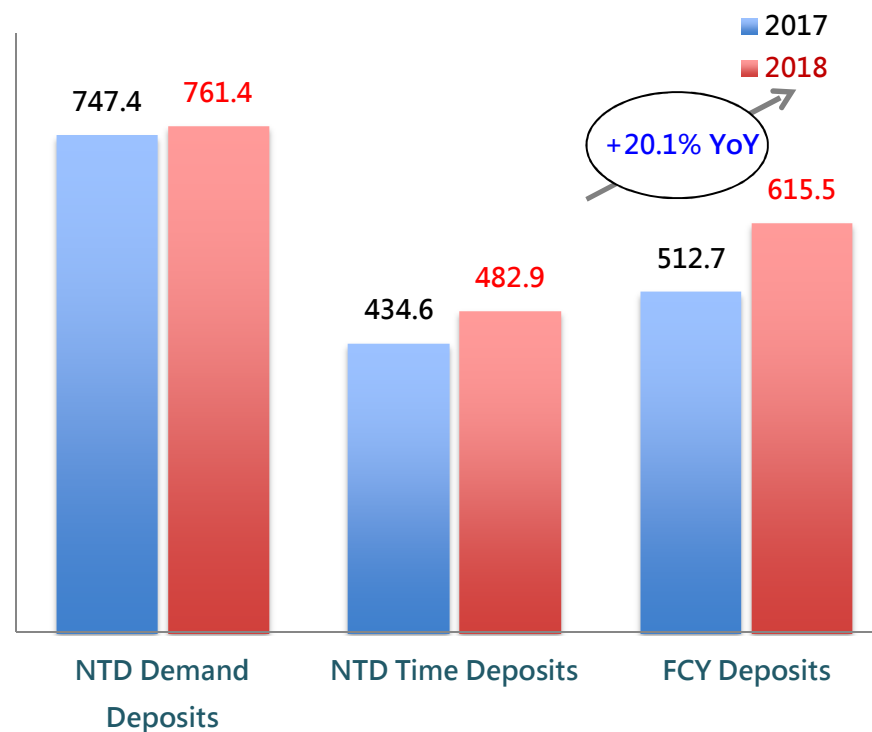
Unit: NT\$ Bn



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

Deposit Structure

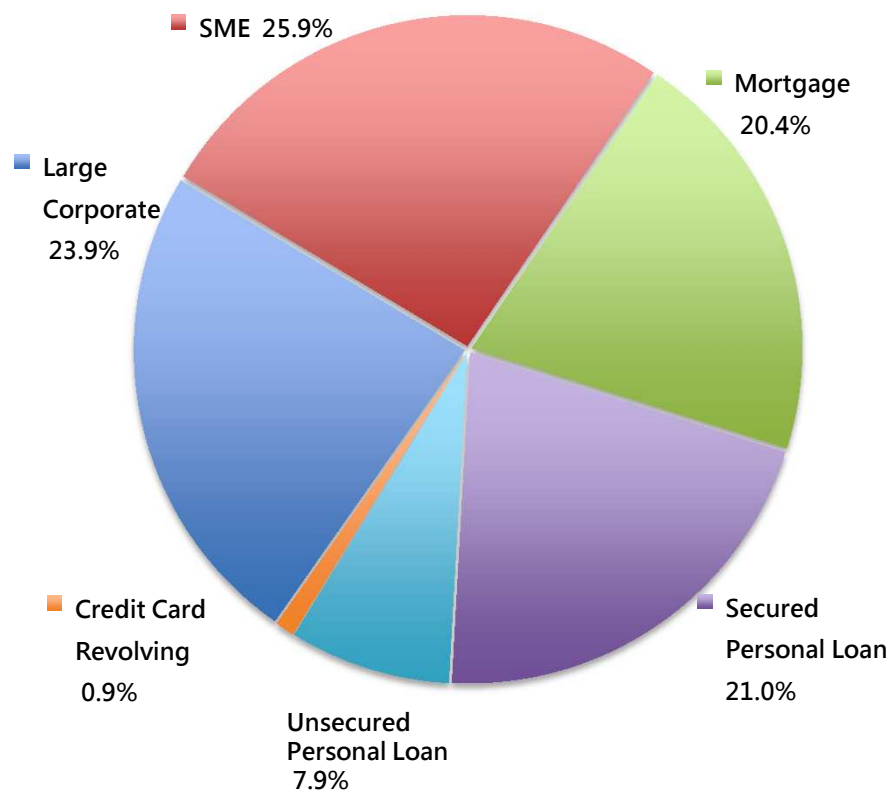
Unit: NT\$ Bn





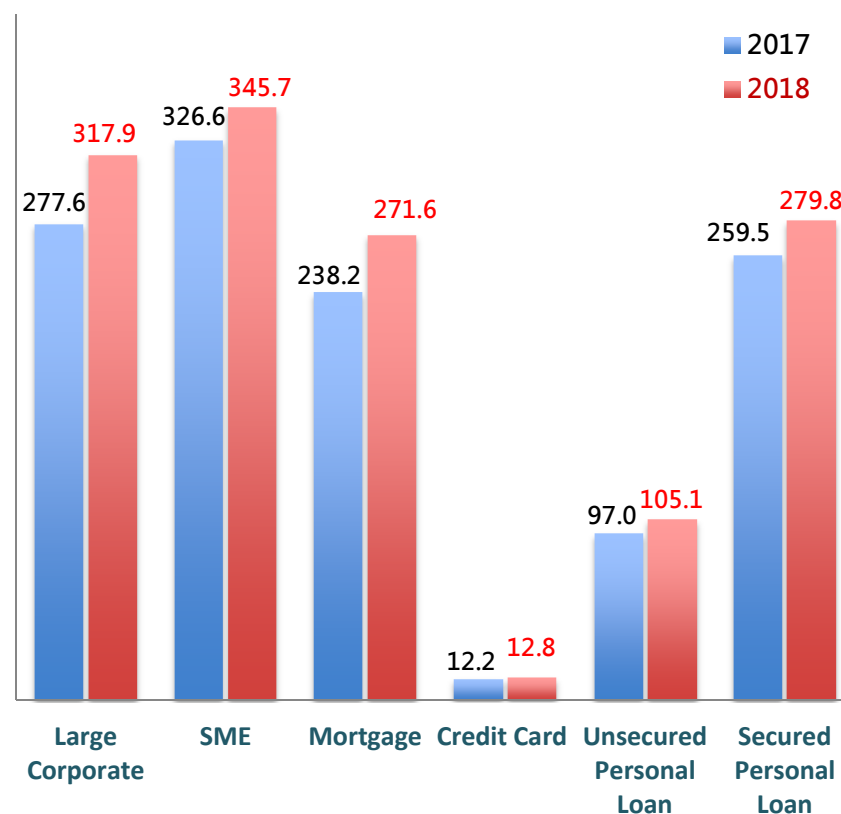
Loan Portfolio Breakdown

Total Loan
NT\$ 1,332.9 billion



YoY Comparison

Unit: NT\$ Bn

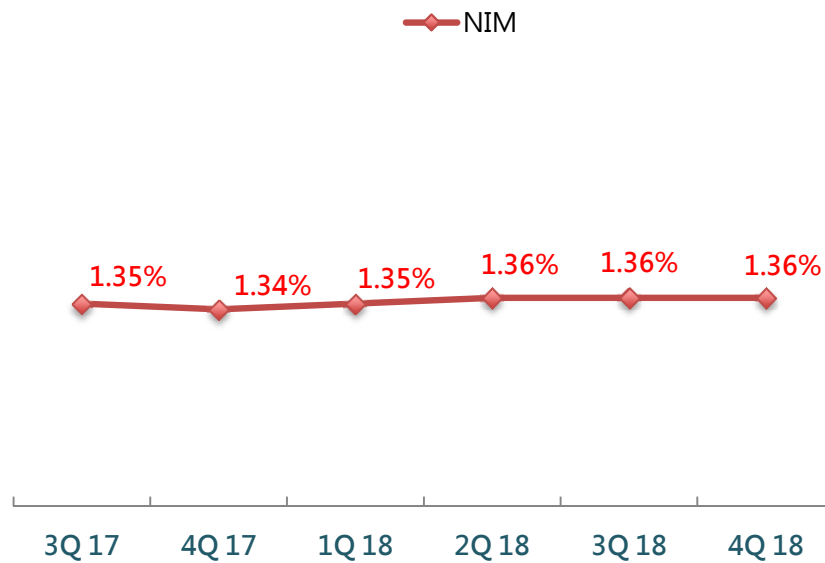


Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Excluded loan of subsidiaries

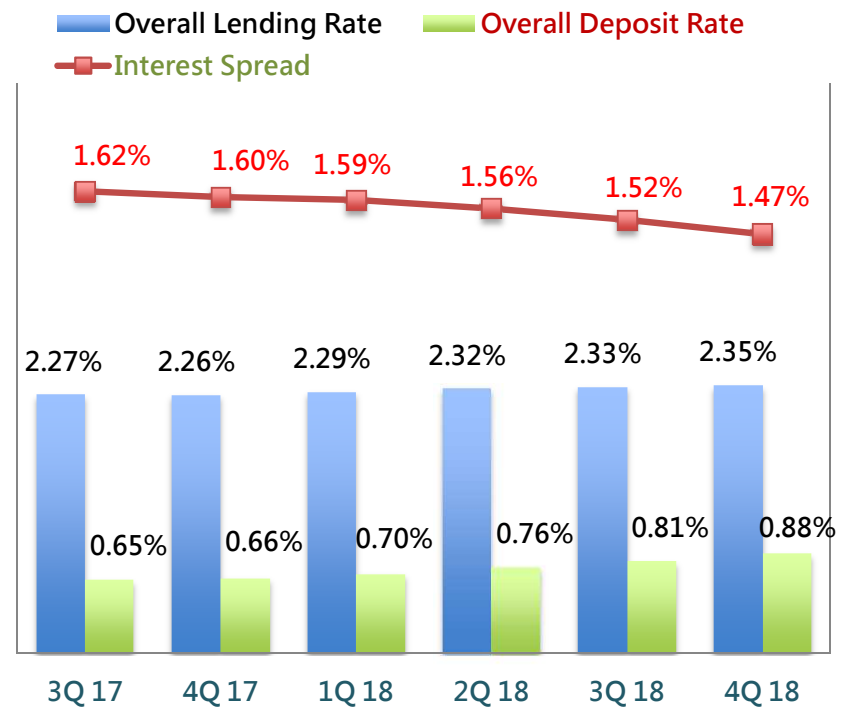


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



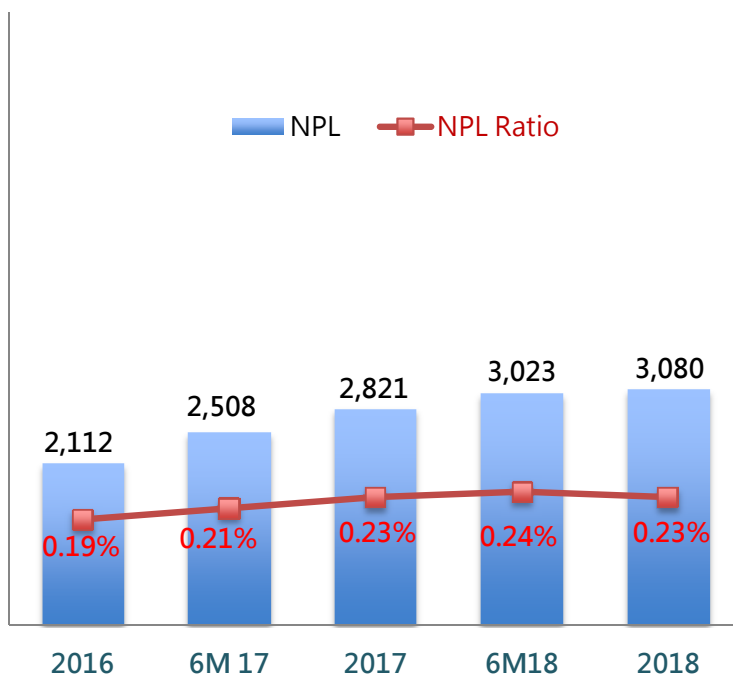
Note: Data of E.SUN Bank



Superior Asset Quality 1/3

NPL Ratio(%)

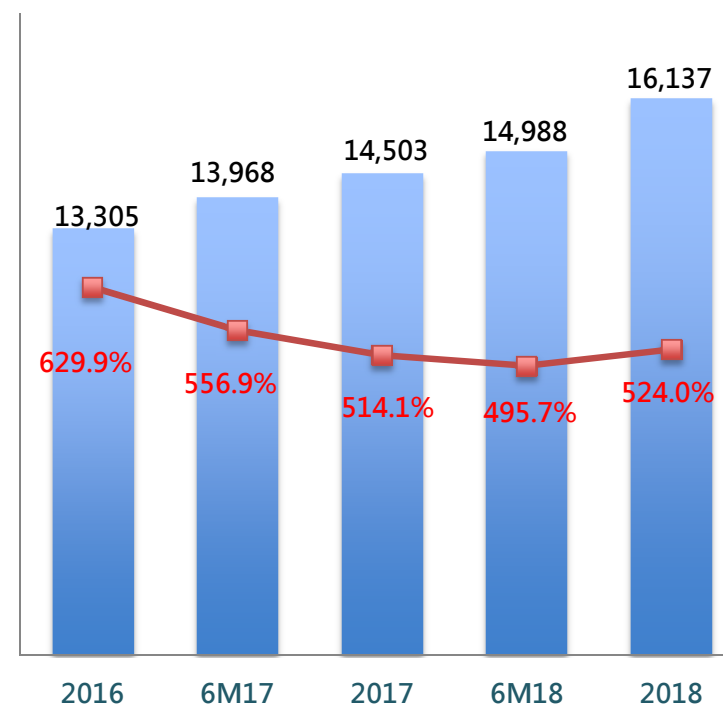
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

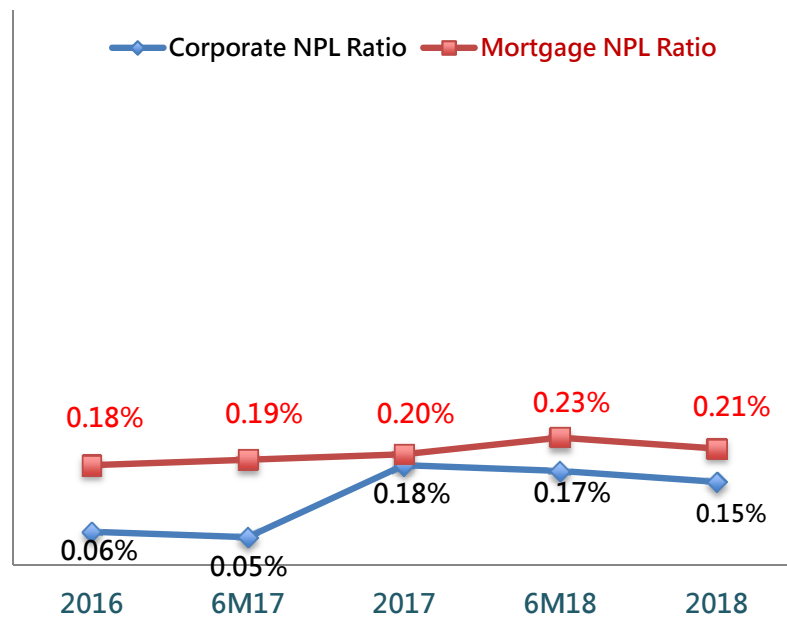


Note: Data of E.SUN Bank



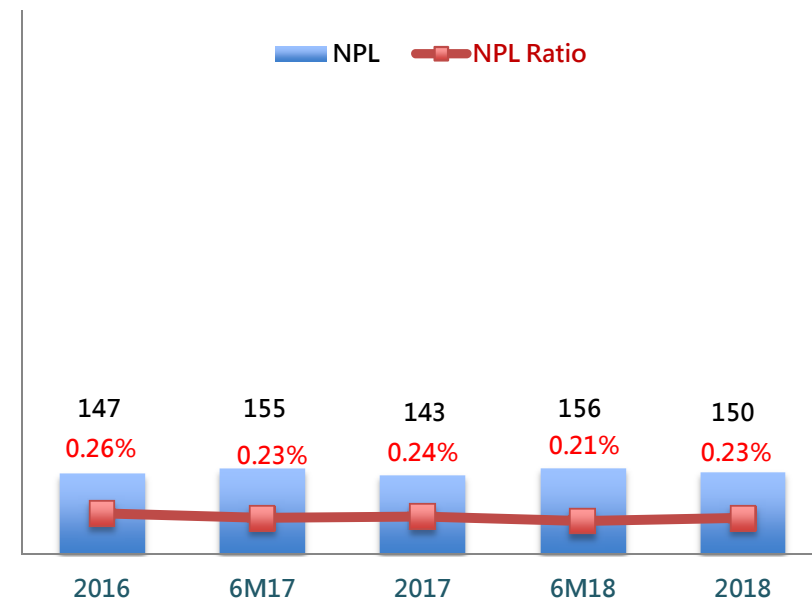
Superior Asset Quality 2/3

NPL Ratio for Major Products



NPL Ratio for Credit Card

Unit: NT\$ million

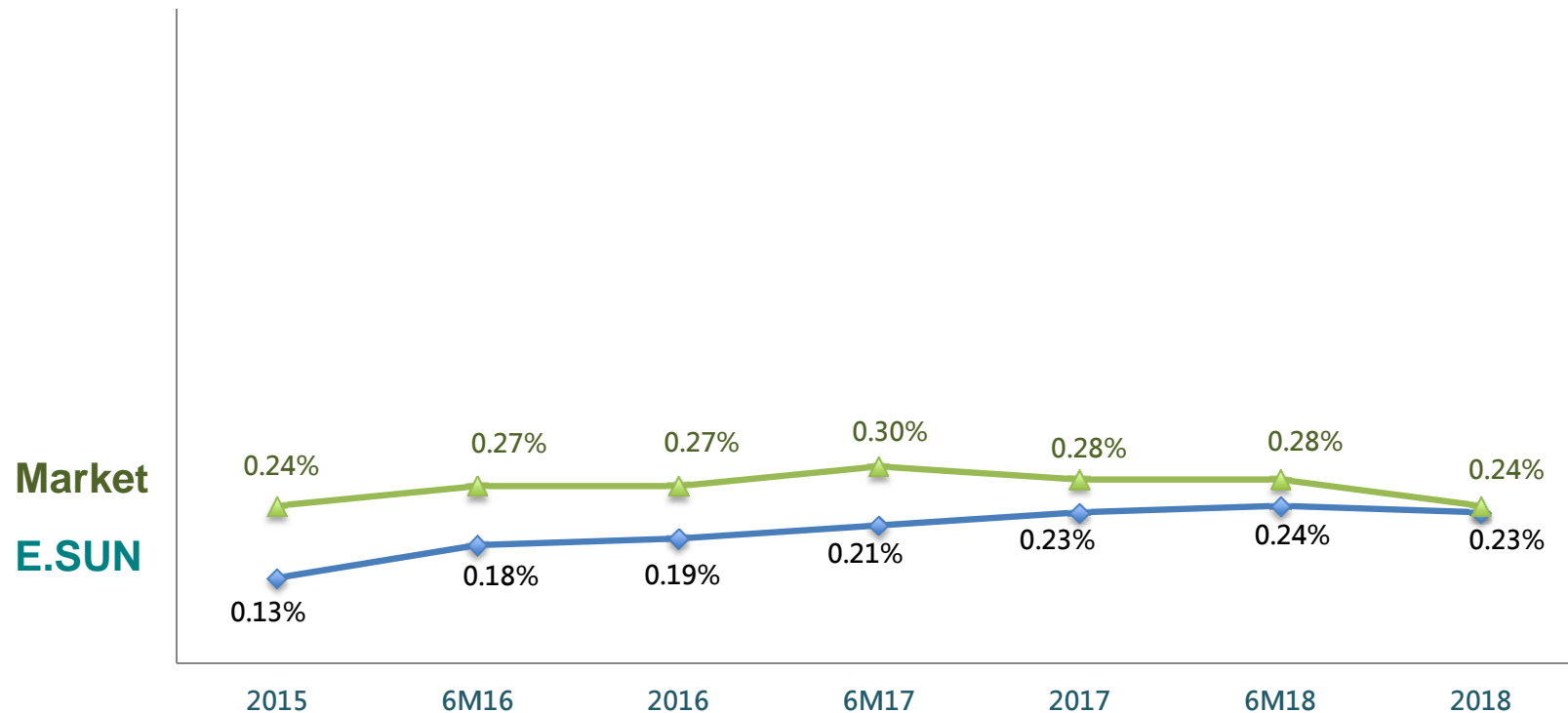


Note: Data of E.SUN Bank



Superior Asset Quality ^{3/3}

NPL Comparison with Market

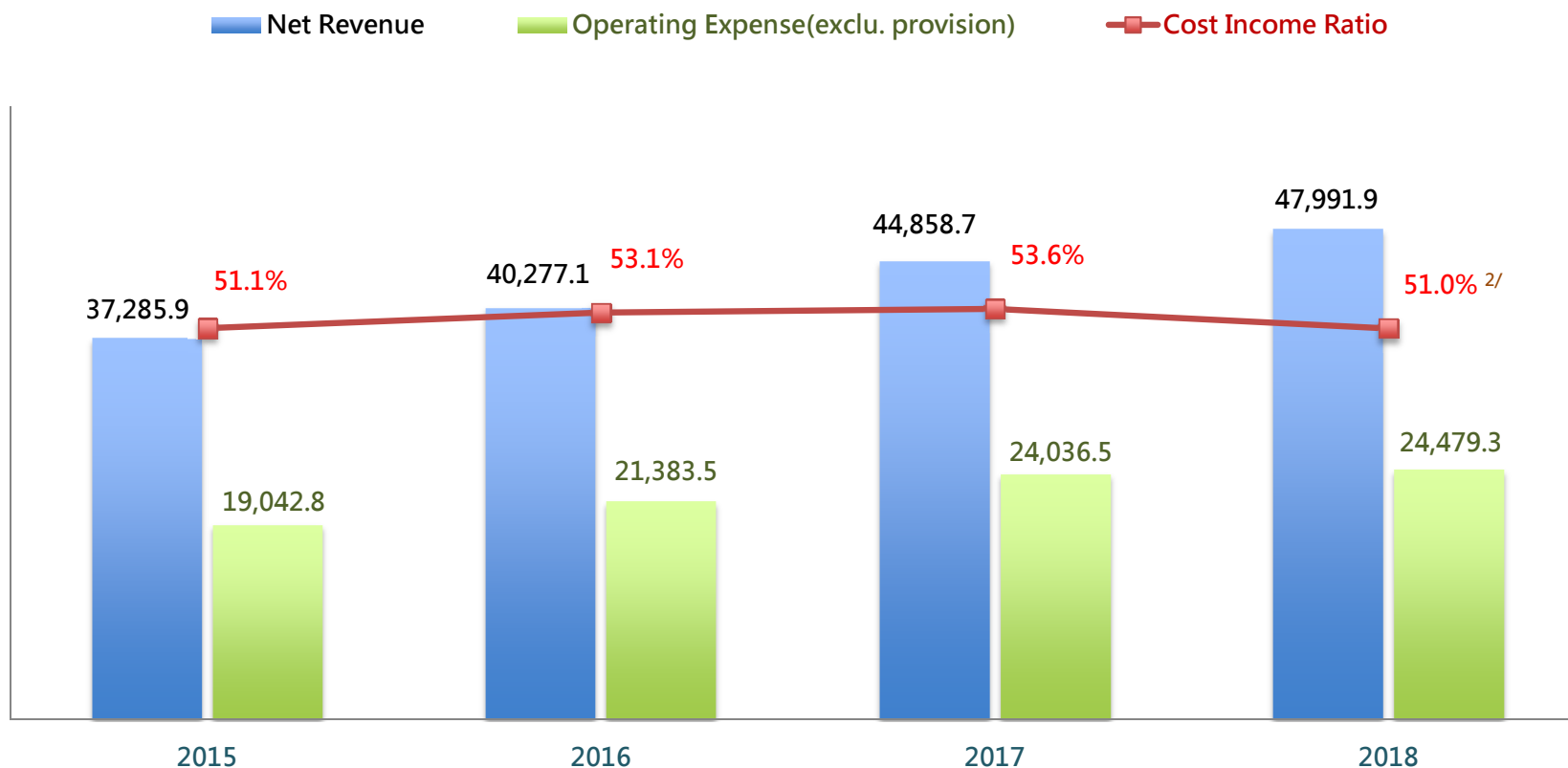


Source : FSC



Cost-Income Ratio

Unit: NT\$ million

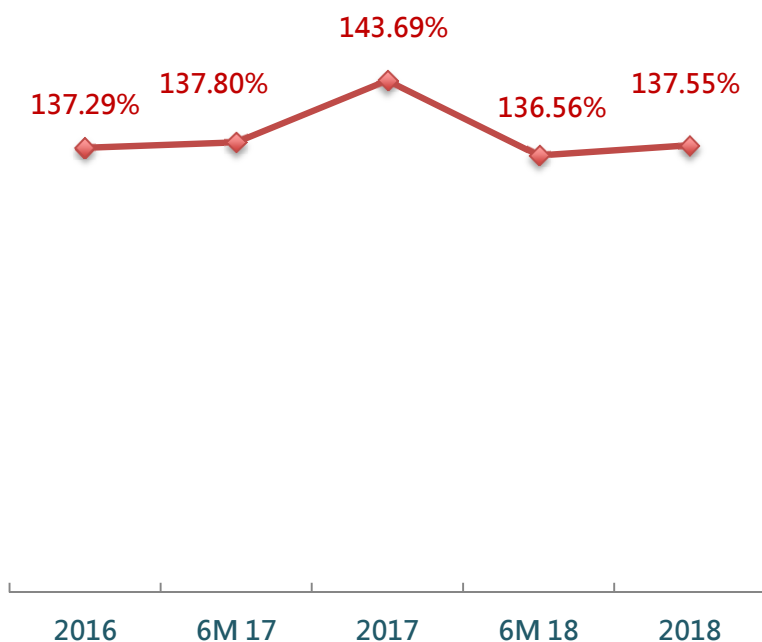


Note: 1. Data of E.SUN Bank
2. Preliminary figures of Dec. 2018

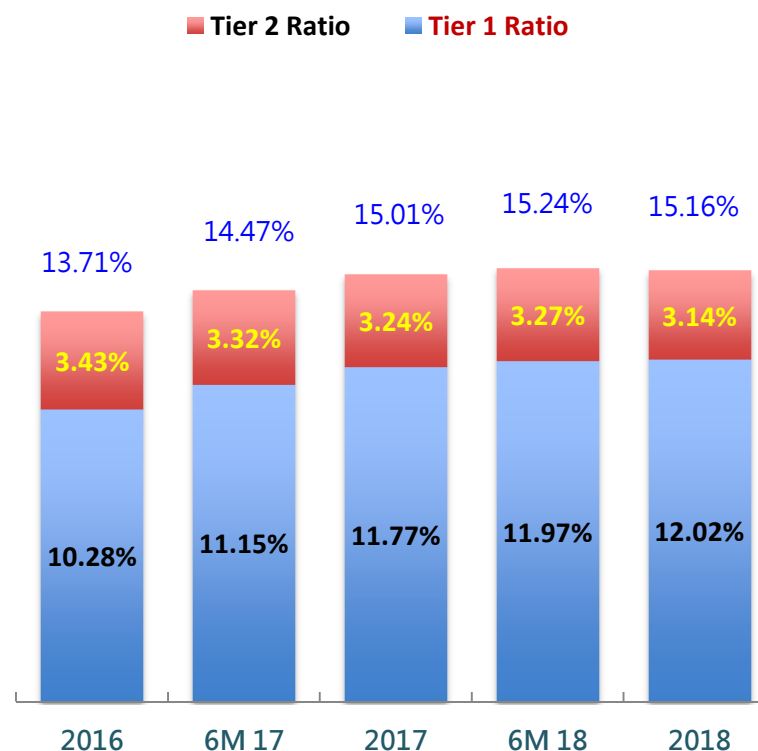


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Preliminary figures of Dec. 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
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Appendix 1/6

Balance Sheet of 2018 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	136,743	939	106	365	136,587
Securities, net	662,231	924	3,083	57	666,508
Loans, net	1,334,311	0	0	0	1,334,311
A/R, net	85,419	8,144	0	106	93,565
Land, premises and equipments, net	31,950	381	0	20	32,351
Others	25,929	2,292	120	167,608	27,871
Total assets	2,276,583	12,680	3,309	168,156	2,291,193
Liabilities:					
Deposits	1,886,850	0	0	0	1,886,850
Other liabilities	231,453	7,574	38	8,147	244,211
Total liabilities	2,118,303	7,574	38	8,147	2,131,061
Total stockholders' equity	158,280	5,106	3,271	160,009	160,132
Total equity attributable to owners of the company	158,156	5,106	3,271	160,009	160,009
Non-Controlling interests	124	0	0	0	123
Total liabilities and stockholders' equity	2,276,583	12,680	3,309	168,156	2,291,193

Note: Preliminary figures of Dec. 2018



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 2018

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	19,745	362	2	(85)	20,024
Net fee income	15,332	1,013	0	0	16,341
Net trading income/(loss) & Derivatives & FX	12,489	49	(135)	2	12,405
Others	426	71	1	17,453	410
Total Net Revenues	47,992	1,495	(133)	17,370	49,180
Allowance for bad-debt expenses	(3,200)	0	0	0	(3,200)
Operating expenses	(24,479)	(1,060)	(15)	(302)	(25,657)
Income before income tax	20,313	435	(148)	17,068	20,323
Income tax expenses	(3,144)	(88)	(7)	31	(3,208)
Net Income	17,169	347	(155)	17,099	17,115
Attributable to owners of the company	17,153	347	(155)	17,099	17,099
Non-controlling interests	16	0	0	0	16

Note: Preliminary figures of Dec. 2018



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
Assets :								
Cash and due from banks	104,113	99,545	131,175	131,175	131,824	119,291	119,861	136,587
Securities, net	469,508	502,761	577,285	577,285	602,588	614,072	600,413	666,508
Loans, net	1,021,995	1,118,149	1,211,071	1,211,071	1,234,658	1,262,911	1,296,534	1,334,311
A/R, net	78,562	83,936	94,083	94,083	87,191	106,098	95,447	93,565
Land, premises and equipments, net	26,792	26,440	28,209	28,209	28,311	28,294	29,265	32,351
Others	74,314	53,469	32,565	32,565	37,288	35,448	33,024	27,871
Total assets	1,775,284	1,884,300	2,074,388	2,074,388	2,121,860	2,166,114	2,174,544	2,291,193
Liabilities:								
Deposits	1,456,394	1,556,422	1,711,175	1,711,175	1,742,858	1,743,615	1,784,476	1,886,850
Other liabilities	197,229	198,697	214,265	214,265	224,456	269,546	233,272	244,211
Total liabilities	1,653,623	1,755,119	1,925,440	1,925,440	1,967,314	2,013,161	2,017,748	2,131,061
Total stockholders' equity	122,661	129,181	148,948	148,948	154,546	152,953	156,796	160,132
Total equity attributable to owners of the company	120,927	128,524	148,842	148,842	154,438	152,848	156,683	160,009
Non-Controlling interests	734	657	106	106	108	105	113	123
Total liabilities and stockholders' equity	1,775,284	1,884,300	2,074,388	2,074,388	2,121,860	2,166,114	2,174,544	2,291,193

Note: Preliminary figures of Dec. 2018



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	4Q17	1Q18	2Q18	3Q18	4Q18
Operating income								
Net interest income	17,474	18,585	20,250	5,174	5,199	4,956	5,100	4,769
Net Fee income	13,878	15,548	15,776	3,900	4,284	4,113	3,822	4,122
Net trading income/(loss) & Derivatives & FX	7,378	6,586	9,733	2,518	2,931	3,318	3,343	2,813
Others	(241)	345	348	109	79	71	126	134
Total Net Revenues	38,489	41,064	46,107	11,701	12,493	12,458	12,391	11,838
Allowance for bad-debt expenses	(3,566)	(3,463)	(4,055)	(1,171)	(664)	(756)	(848)	(932)
Operating expenses	(20,138)	(22,396)	(25,179)	(6,817)	(6,148)	(6,373)	(6,499)	(6,637)
Income before income tax	14,785	15,205	16,873	3,713	5,681	5,329	5,044	4,269
Income tax expenses	(1,906)	(2,222)	(2,219)	(508)	(905)	(853)	(935)	(515)
Net Income	12,879	12,983	14,654	3,205	4,776	4,476	4,109	3,754
Income Attributable to owners of the company	12,816	13,135	14,757	3,176	4,775	4,474	4,101	3,749
Non-Controlling interests	63	(152)	(103)	29	1	2	8	5

Note: Preliminary figures of Dec. 2018



E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Dec 17	Mar 18	Jun 18	Sep 18	Dec 18
Assets :								
Cash and due from banks	103,947	99,446	131,042	131,042	131,799	119,245	119,667	136,743
Securities, net	467,481	501,867	575,980	575,980	598,012	609,277	596,182	662,231
Loans, net	1,021,995	1,118,149	1,211,071	1,211,071	1,234,658	1,262,911	1,296,534	1,334,311
A/R, net	71,523	75,992	83,130	83,130	76,398	94,020	85,552	85,419
Land, premises and equipments, net	26,156	25,785	27,559	27,559	27,700	27,667	28,631	31,950
Others	69,528	48,892	27,555	27,555	34,713	32,932	30,657	25,929
Total assets	1,760,630	1,870,131	2,056,337	2,056,337	2,103,280	2,146,052	2,157,223	2,276,583
Liabilities:								
Deposits	1,457,201	1,558,856	1,712,072	1,712,072	1,743,753	1,750,860	1,785,505	1,886,850
Other liabilities	185,171	184,241	197,007	197,007	207,309	244,816	216,978	231,453
Total liabilities	1,642,372	1,743,097	1,909,079	1,909,079	1,951,062	1,995,676	2,002,483	2,118,303
Total stockholders' equity	118,258	127,034	147,258	147,258	152,218	150,376	154,740	158,280
Total equity attributable to owners of the company	116,391	126,371	147,145	147,145	152,103	150,264	154,620	158,156
Non-Controlling interests	1,133	663	113	113	115	112	120	124
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	2,056,337	2,103,280	2,146,052	2,157,223	2,276,583

Note: Preliminary figures of Dec. 2018



Appendix 6/6

E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	4Q17	1Q18	2Q18	3Q18	4Q18
Operating income								
Net interest income	17,253	18,419	20,015	5,107	5,127	4,879	5,023	4,716
Fee income	13,190	14,939	14,903	3,642	4,037	3,838	3,562	3,895
Net trading income/(loss) & Derivatives & FX	6,522	6,575	9,604	2,458	2,680	3,167	3,677	2,965
Others	321	344	337	71	84	75	138	129
Total Net Revenues	37,286	40,277	44,859	11,278	11,928	11,959	12,400	11,705
Allowance for bad-debt expenses	(3,566)	(3,462)	(3,869)	(1,115)	(631)	(756)	(840)	(973)
Operating expenses	(19,043)	(21,384)	(24,037)	(6,534)	(5,857)	(6,064)	(6,192)	(6,366)
Income before income tax	14,677	15,431	16,953	3,629	5,440	5,139	5,368	4,366
Income tax expenses	(1,947)	(2,171)	(2,167)	(448)	(888)	(818)	(893)	(545)
Net Income	12,730	13,260	14,786	3,181	4,552	4,321	4,475	3,821
Attributable to owners of the company	11,908	13,265	14,887	3,150	4,551	4,318	4,467	3,817
Attribute to former business under control	759	146	0	0	0	0	0	0
Non-controlling interests	63	(151)	(101)	31	1	3	8	4

Note: Preliminary figures of Dec. 2018