

# 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 <sup>/1</sup>	2017.12
Total Assets	FHC	2,287,787	2,074,388
	Bank	2,272,337	2,056,337
	Securities	12,673	15,411
	Venture Capital	3,319	3,419
Key Financials	Book value per share (NT\$)	14.78	14.61
	Double Leverage Ratio	104.11%	104.46%
	FHC CAR	137.28%	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. Audit figures of Dec. 2018  
2. Share owned by QFII: 45.43%, as of Dec. 2018.



# 2018 Business and Financial Review

## Financial Performance

- Net profits in 2018 was NT\$17.1 billion, a **15.7%** growth. **EPS NT\$1.58, ROE 11.04%, ROA 0.78%**.
- ROE of E.SUN Bank was 11.20%, the highest among banks under FHCs.

## Business Operations

- **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 (+4.9%) 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.

## Highlights

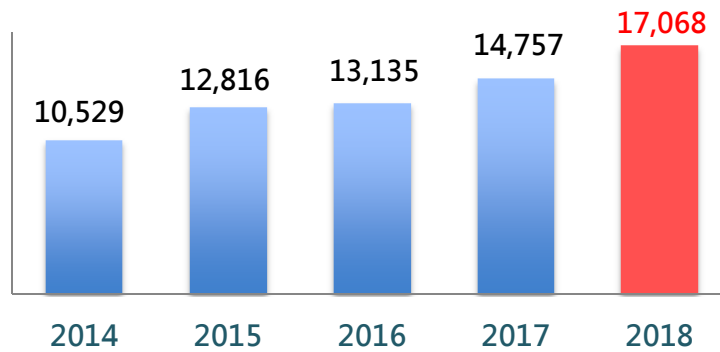
- **Balanced dividend policy:** The Board of Directors approved to pay **NT \$1.421/per share**, which includes **\$0.71 in cash** and **\$0.711 in stock** (subject to decision from the AGM on June 14th).
- **Leadership in ESG:** Member of DJSI for the 5<sup>th</sup> straight year since 2014, DJSI World for the 3<sup>rd</sup> 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

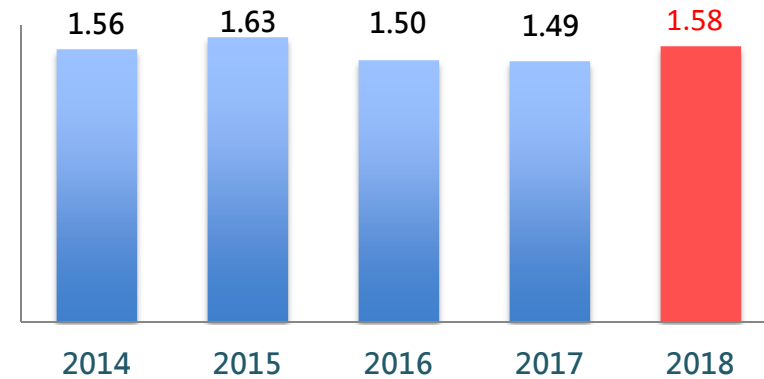
## Net Profit

Unit: NT\$ million

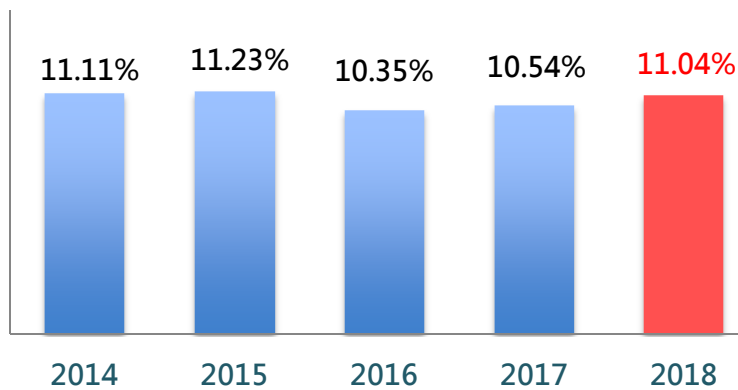


## EPS

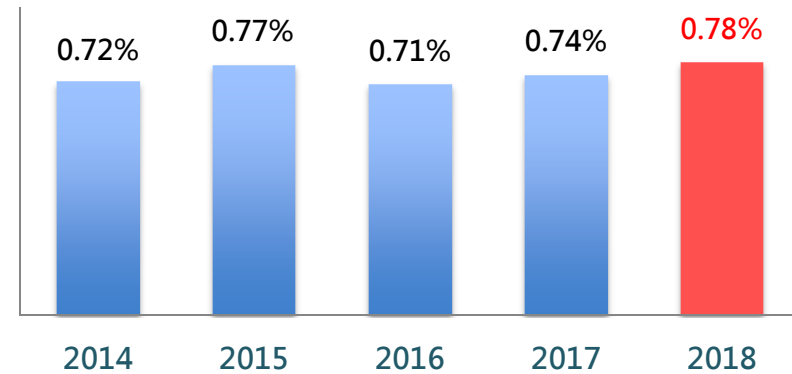
Unit: NT\$ dollars



## ROE



## ROA

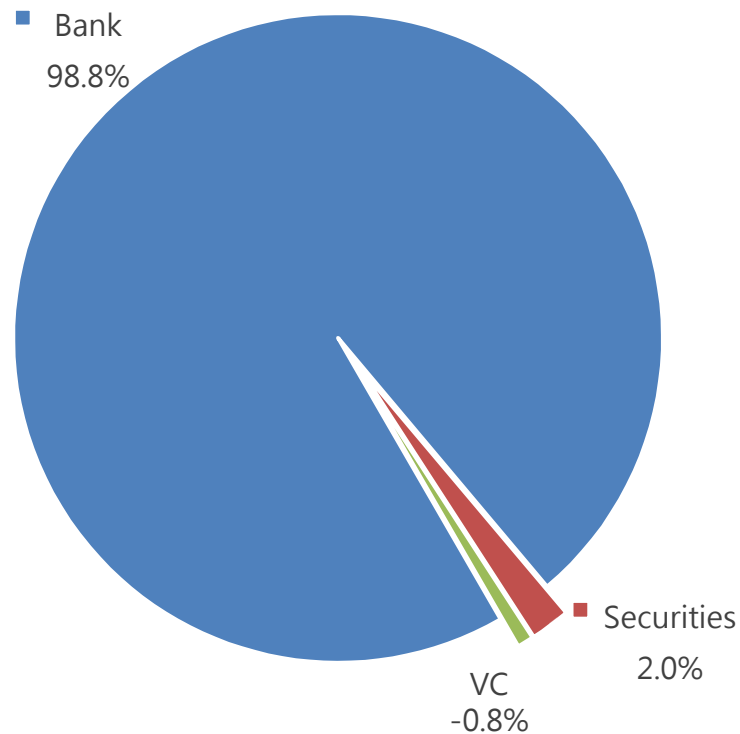


Note: Audit figures of Dec. 2018



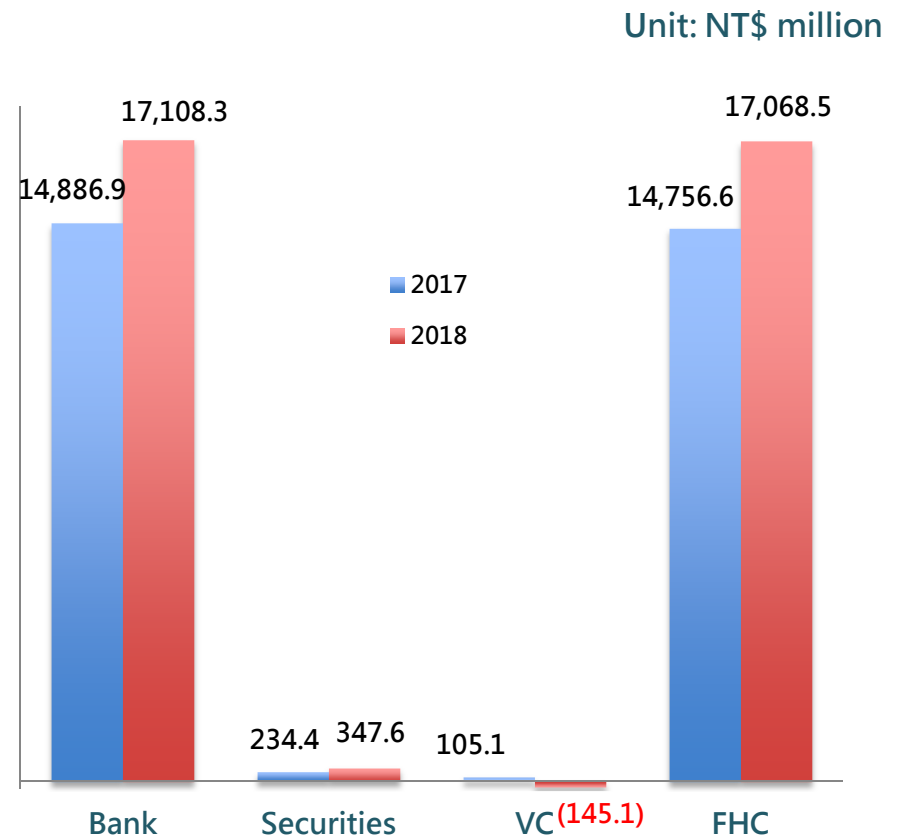
# Net Income of FHC & its Subsidiaries

## Contribution by Subsidiaries



Note: Audit figures of Dec. 2018

## Net Income of FHC and its Subsidiaries



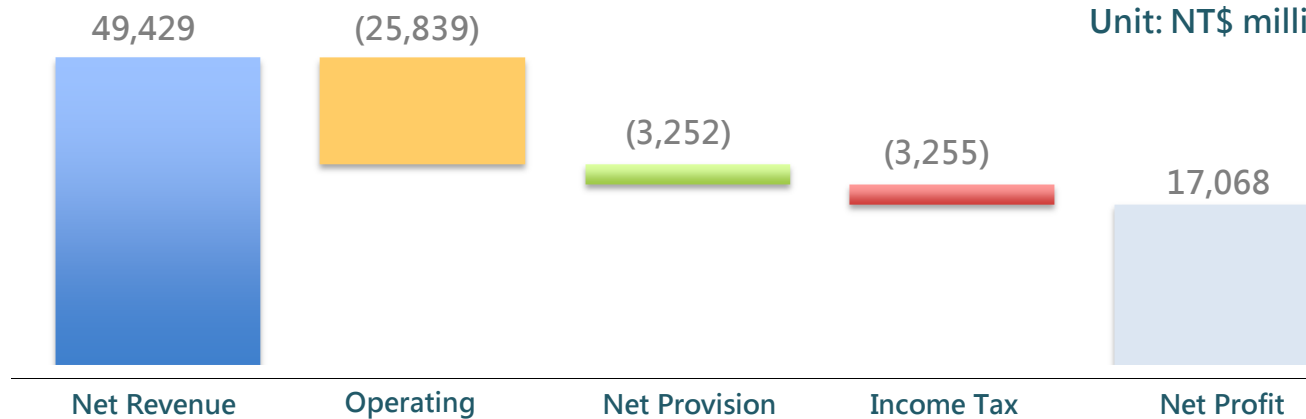




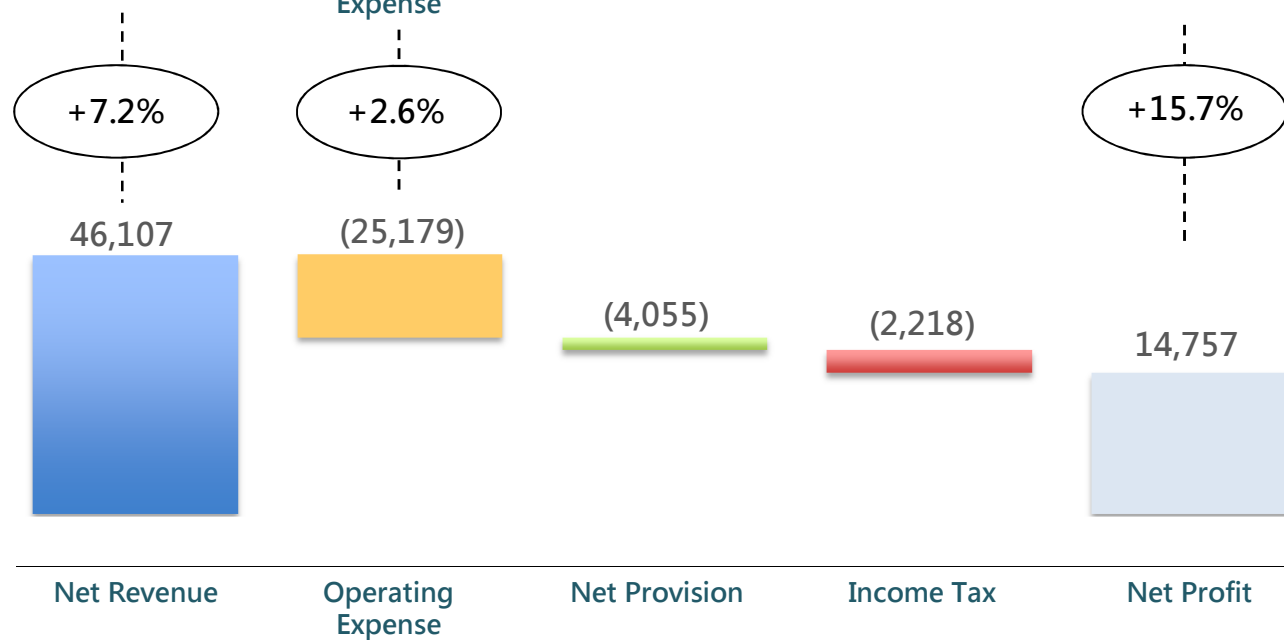
# Net Profit Breakdown

## 2018 P&L

Unit: NT\$ million



## 2017 P&L



Note: Audit figures of Dec. 2018



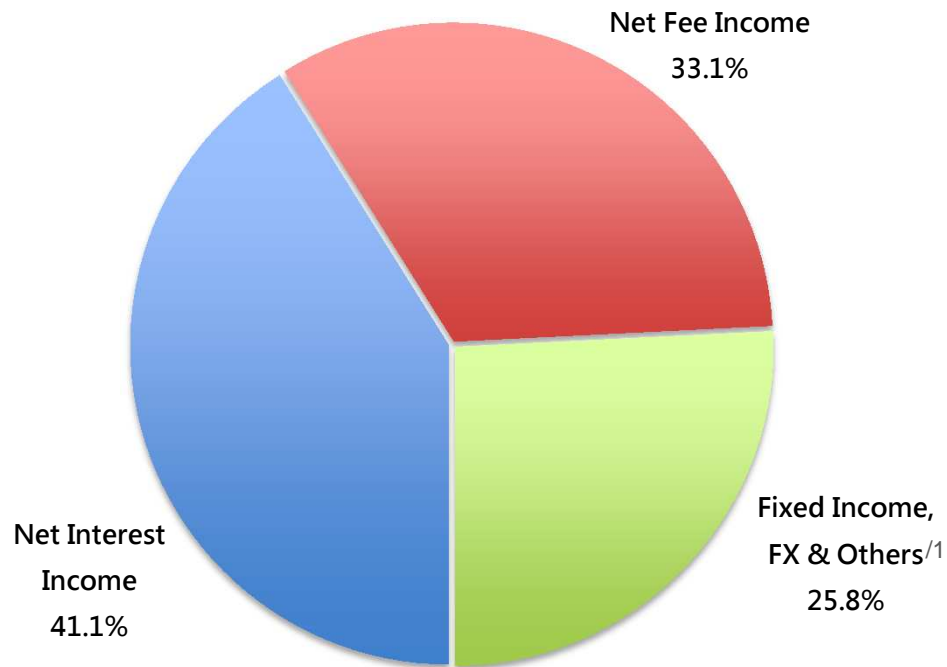


# FHC Revenue Breakdown

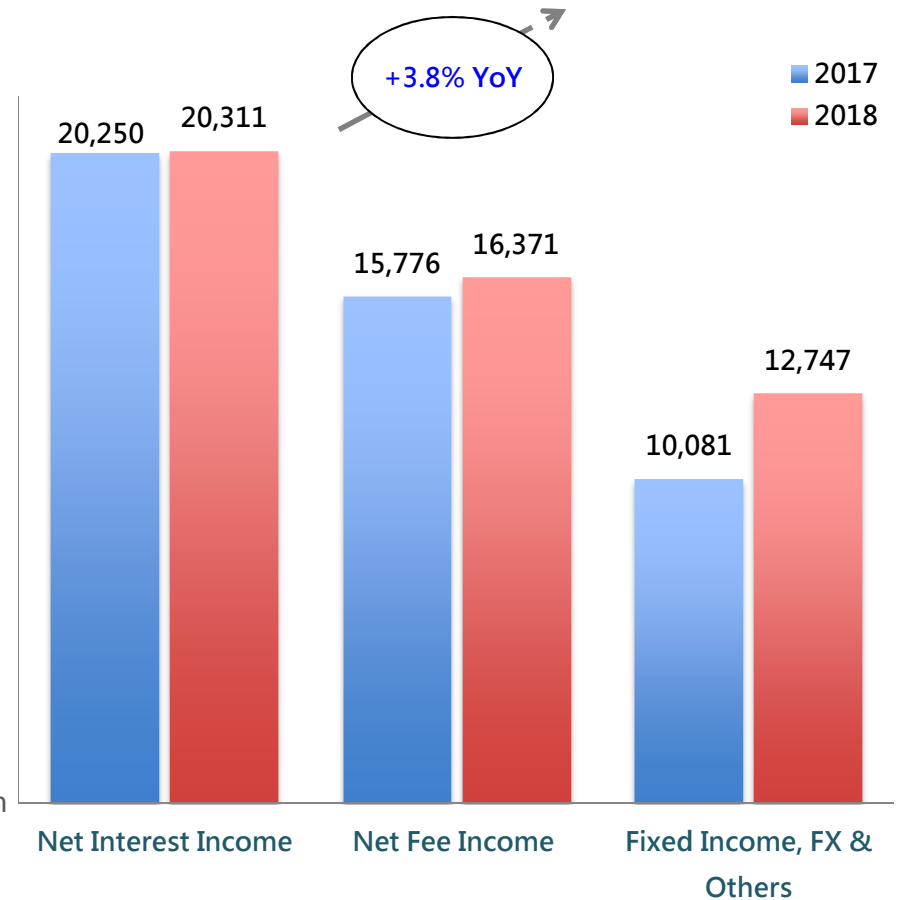
Total Net Revenue  
NT\$ 49,429 million

## YoY Revenue Comparison

Unit: NT\$ million



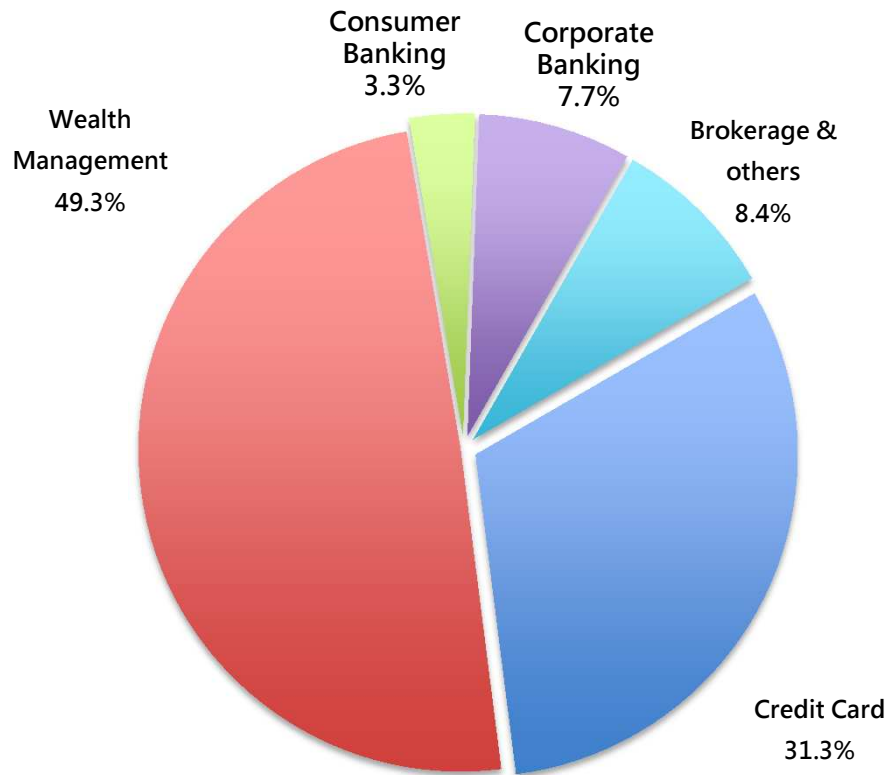
Note: 1. 56.0% of "fixed income, FX & others" is interest income from stable growing fixed income investment  
2. Audit figures of Dec. 2018





# Net Fee Income Breakdown

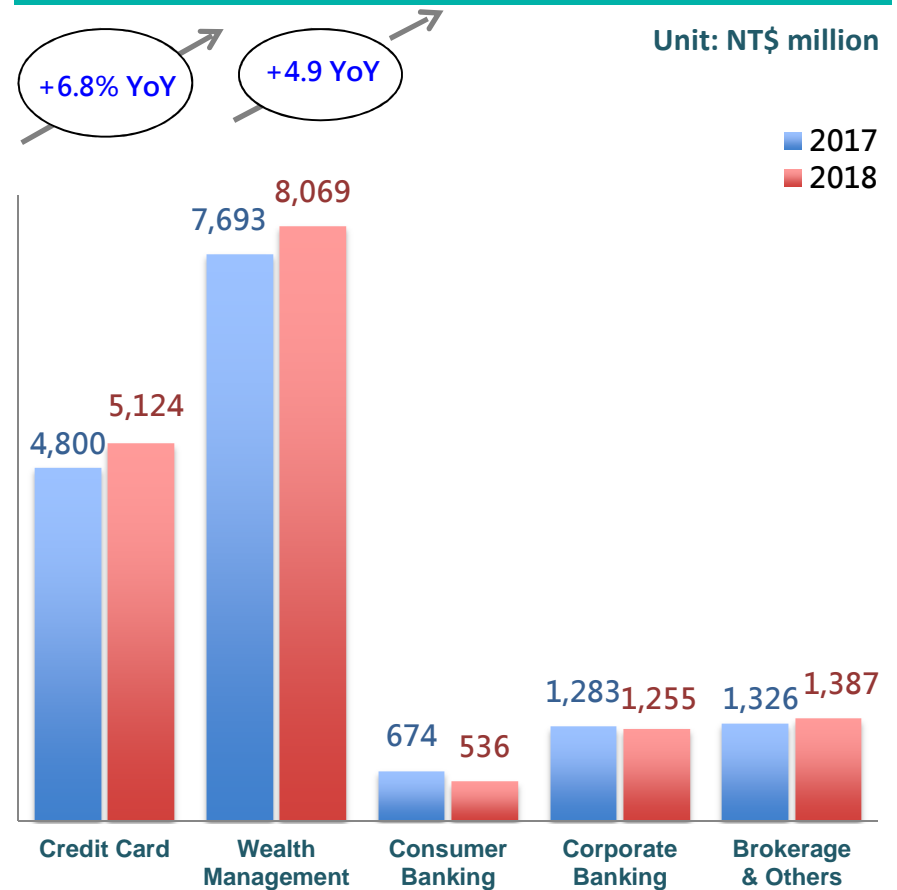
Total Net Fee Income  
NT 16,371 million



Note: Audit figures of Dec. 2018

YoY Comparison

Unit: NT\$ million

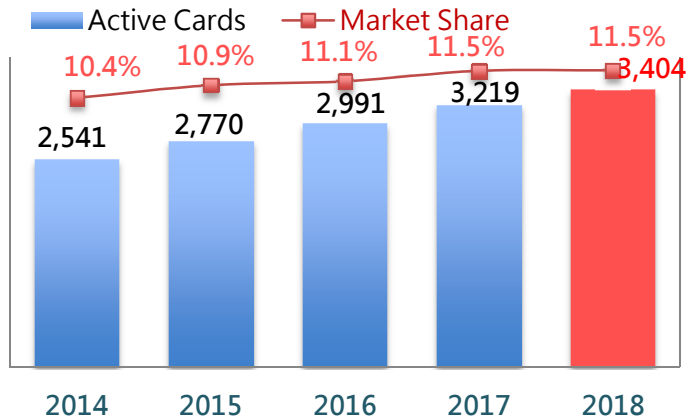




# Credit Card Business Breakdown

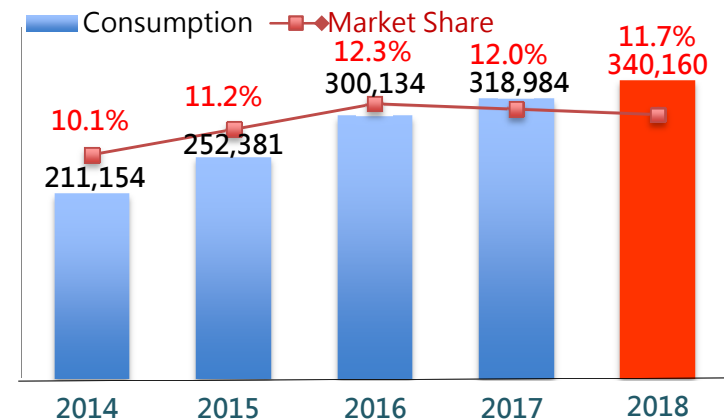
## Active Cards

Unit: Thousand Cards, %



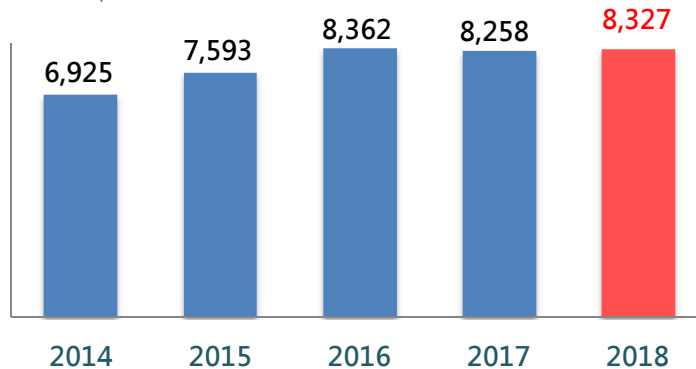
## Card Consumption

Unit: NT\$ million



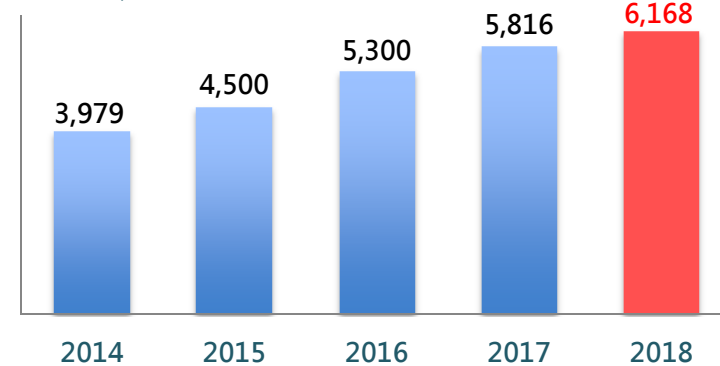
## Per Card Spending (Monthly)

Unit: NT\$ dollar



## Gross Fee Income

Unit: NT\$ million





# 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 <sup>1/</sup>	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

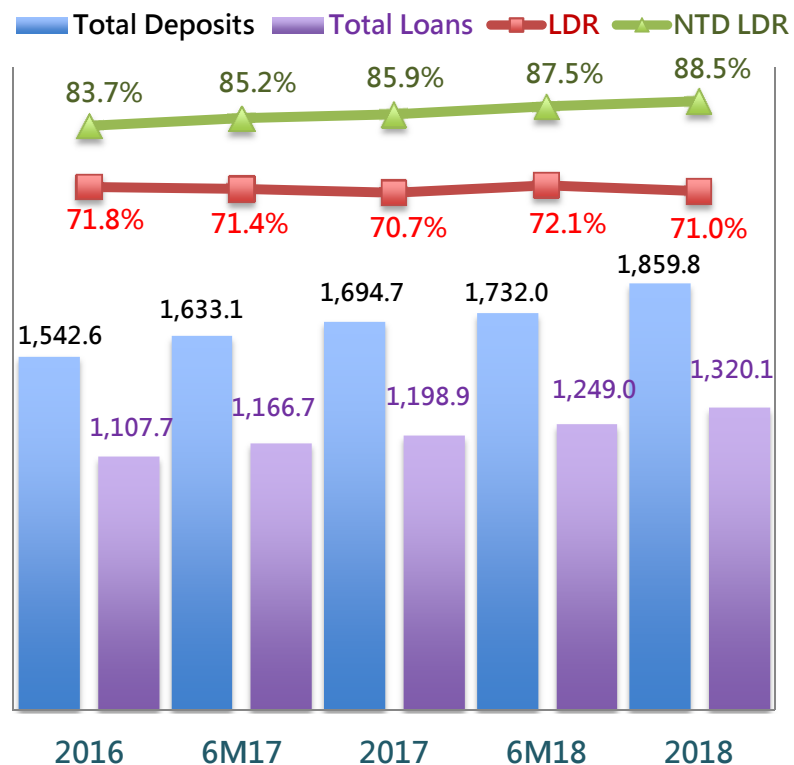
Note: Not including loan balance of subsidiaries NT\$ 28 billion



# Deposit Structure

## Loan to Deposit Ratio

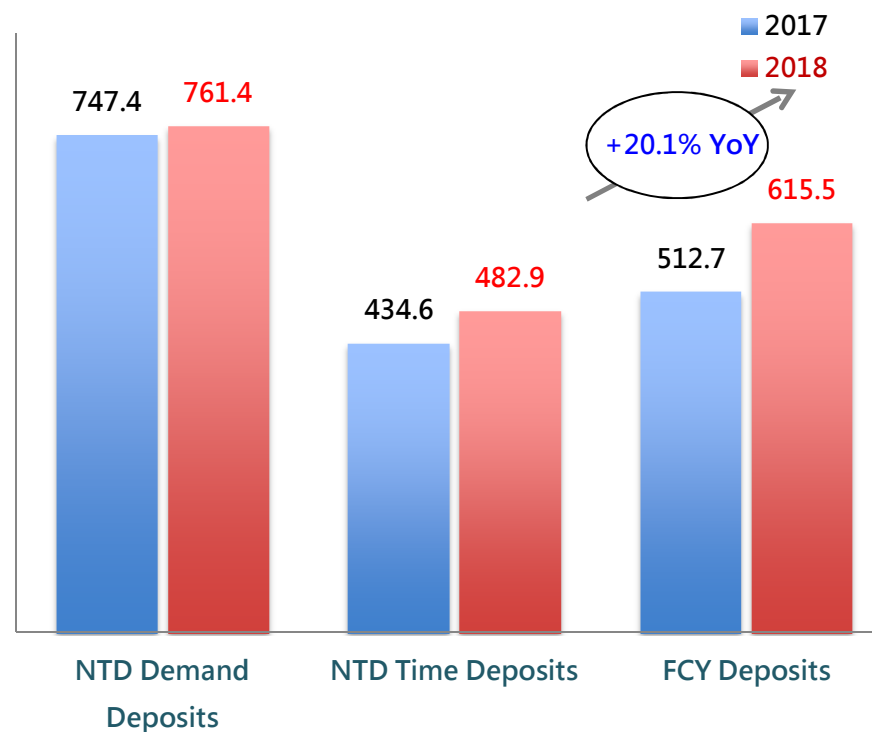
Unit: NT\$ Bn



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

## Deposit Structure

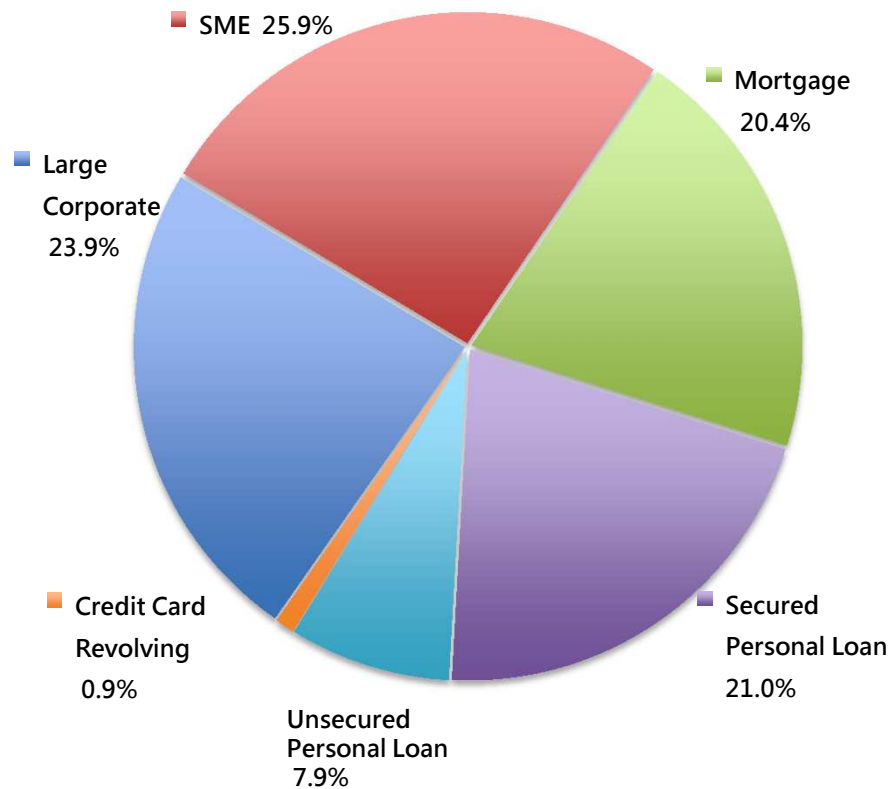
Unit: NT\$ Bn





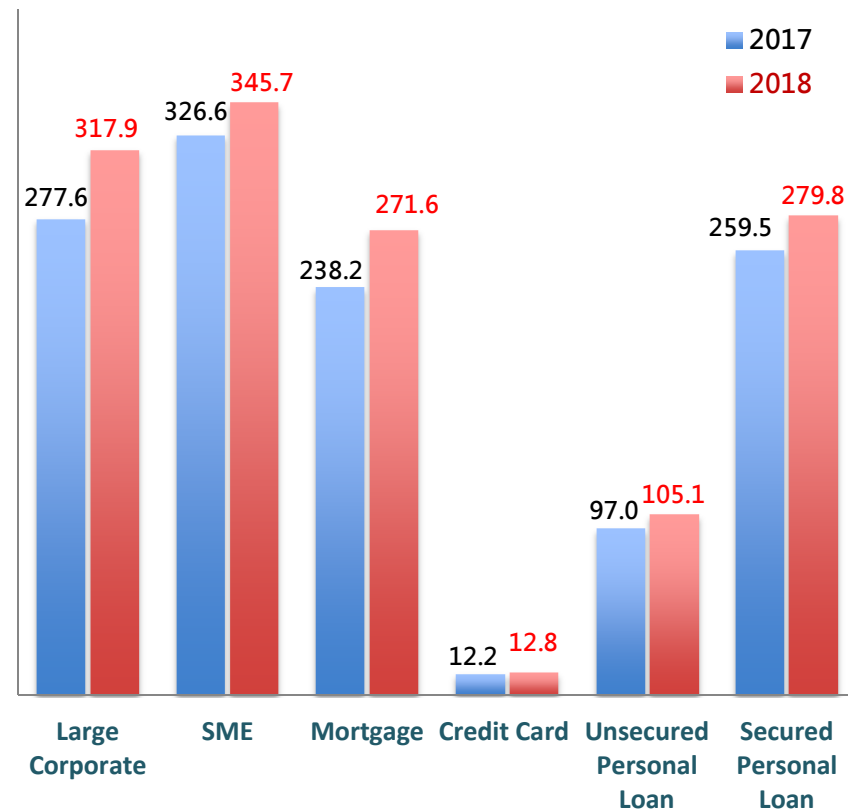
# Loan Portfolio Breakdown

Total Loan  
NT\$ 1,332.9 billion



## YoY Comparison

Unit: NT\$ Bn

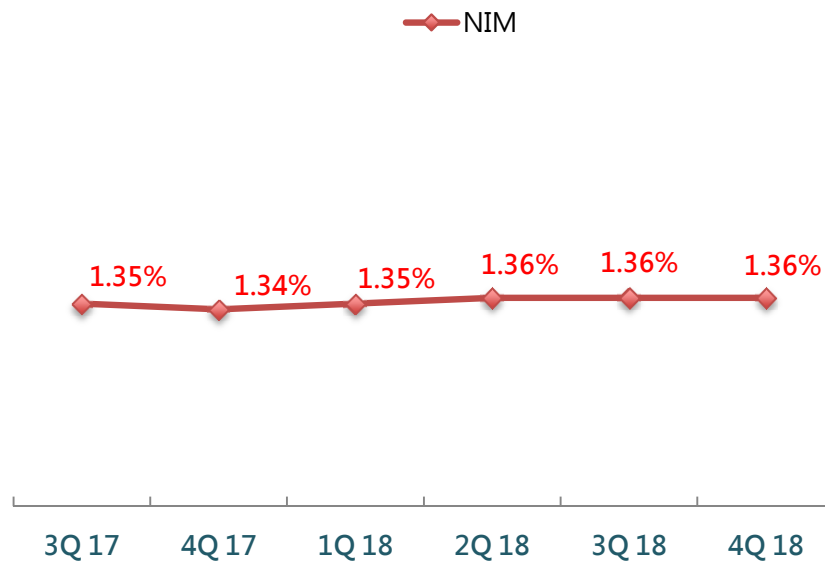


Note: 1. Secured Personal Loan is fully collateralized by fixed asset  
2. Excluded loan of subsidiaries

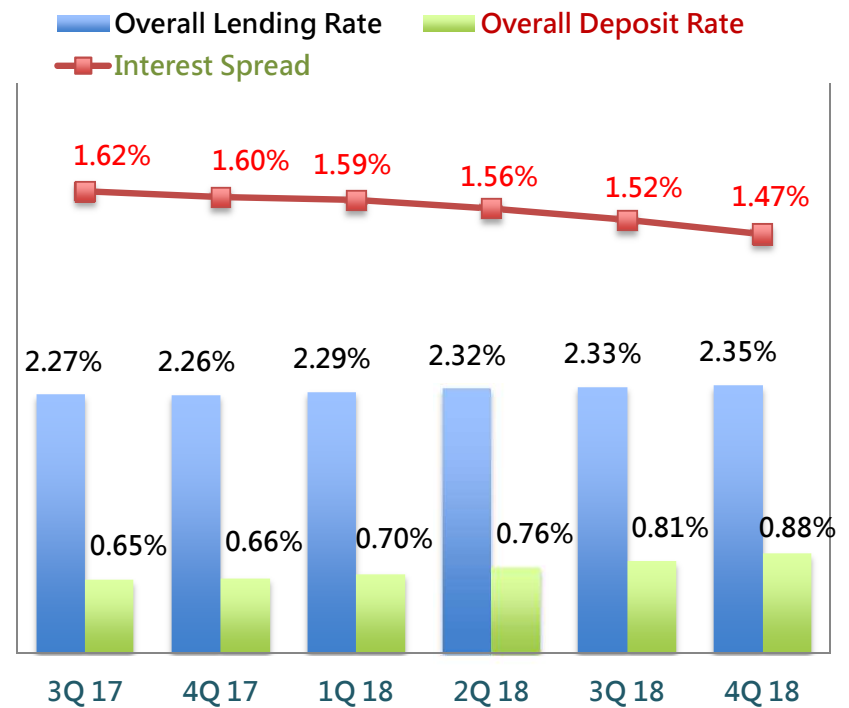


# NIM and Spread

## Quarterly Net Interest Margin



## Quarterly Interest Spread



Note: Data of E.SUN Bank

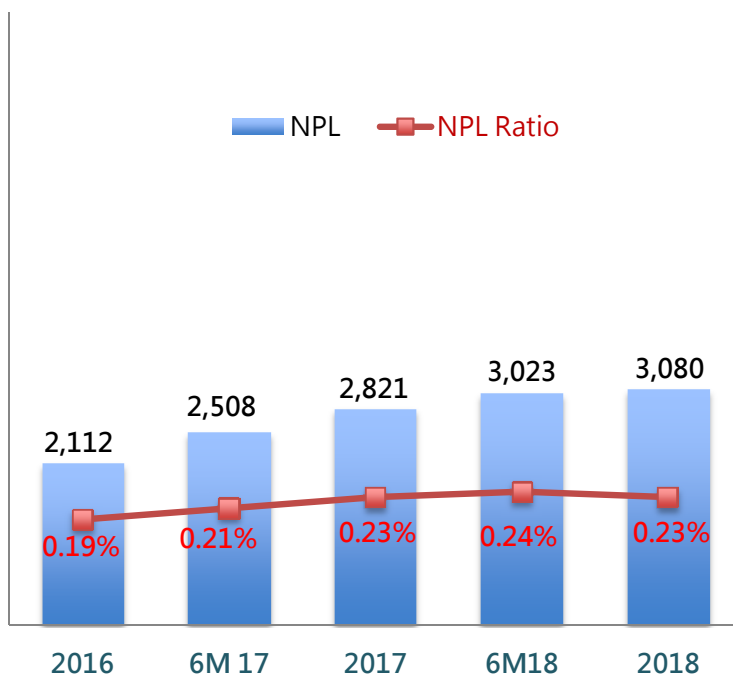




# Superior Asset Quality 1/3

## NPL Ratio(%)

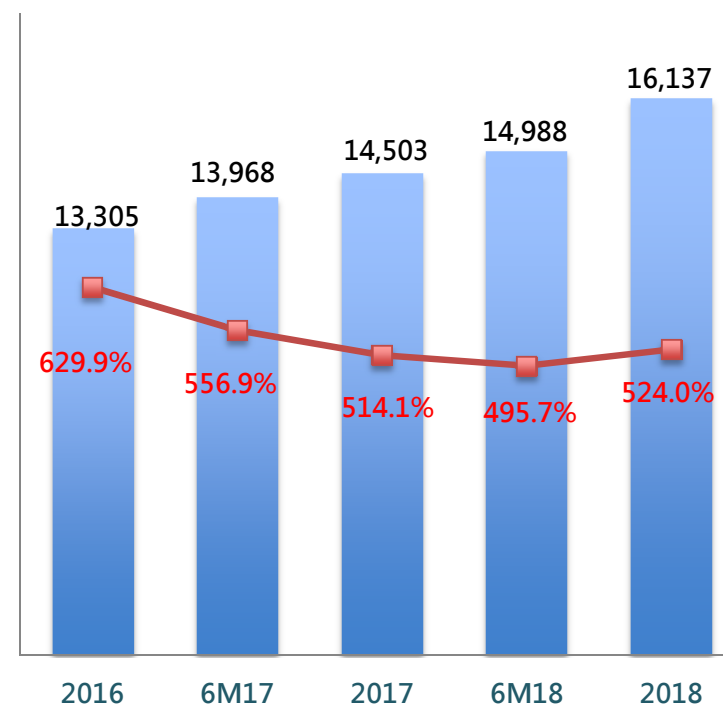
Unit: NT\$ million



## Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

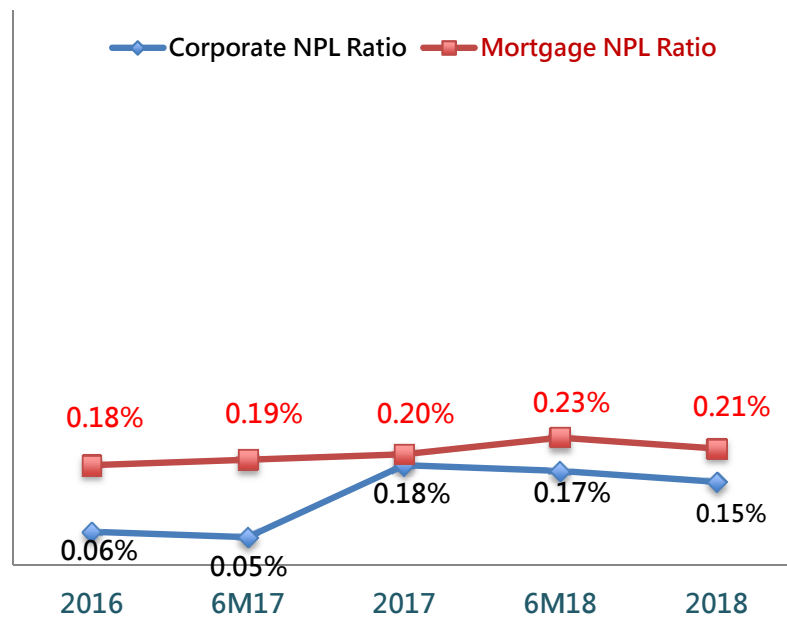


Note: Data of E.SUN Bank



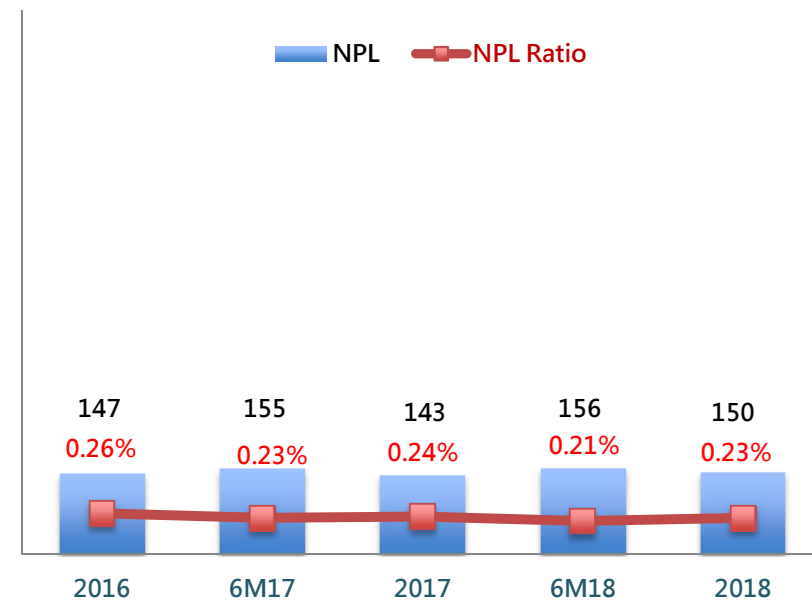
# Superior Asset Quality 2/3

## NPL Ratio for Major Products



## NPL Ratio for Credit Card

Unit: NT\$ million

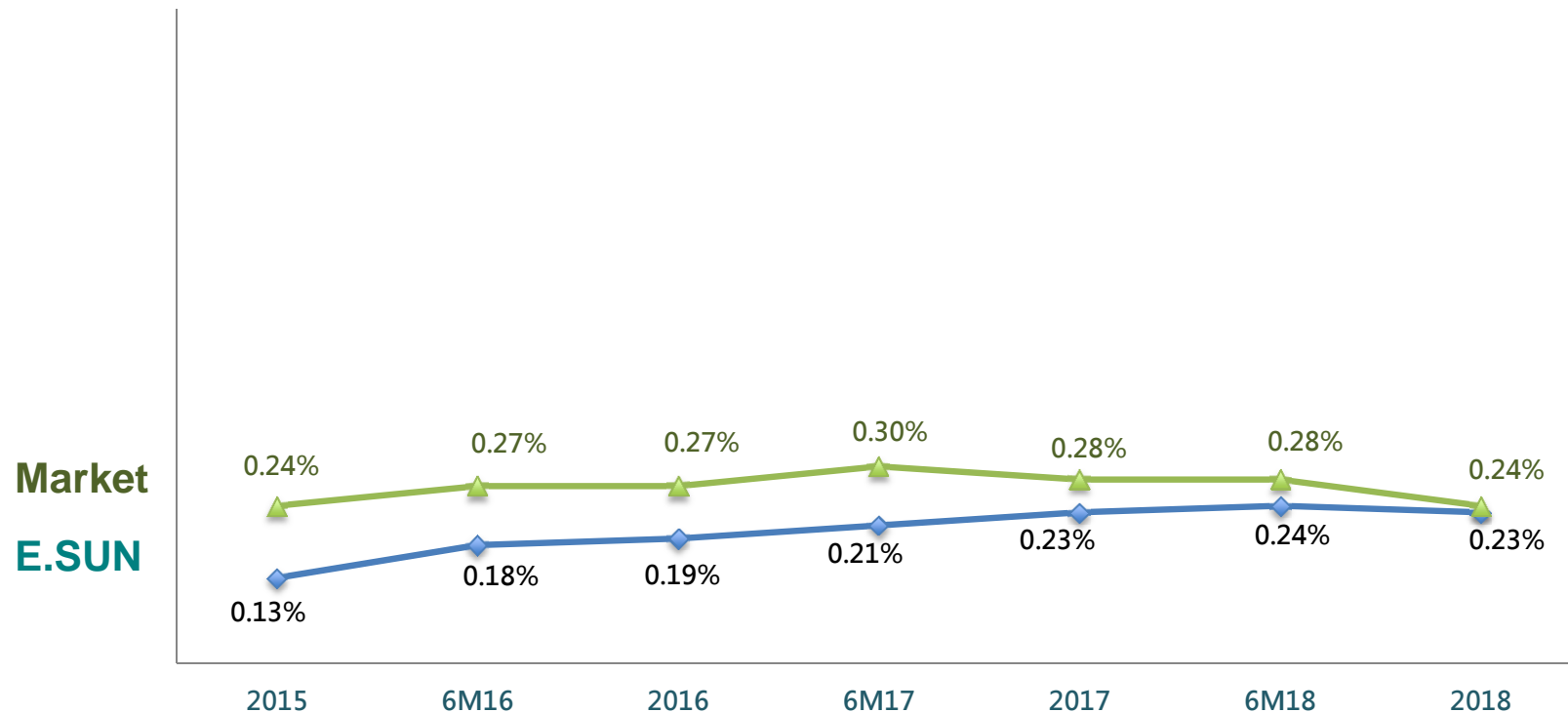


Note: Data of E.SUN Bank



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

## NPL Comparison with Market

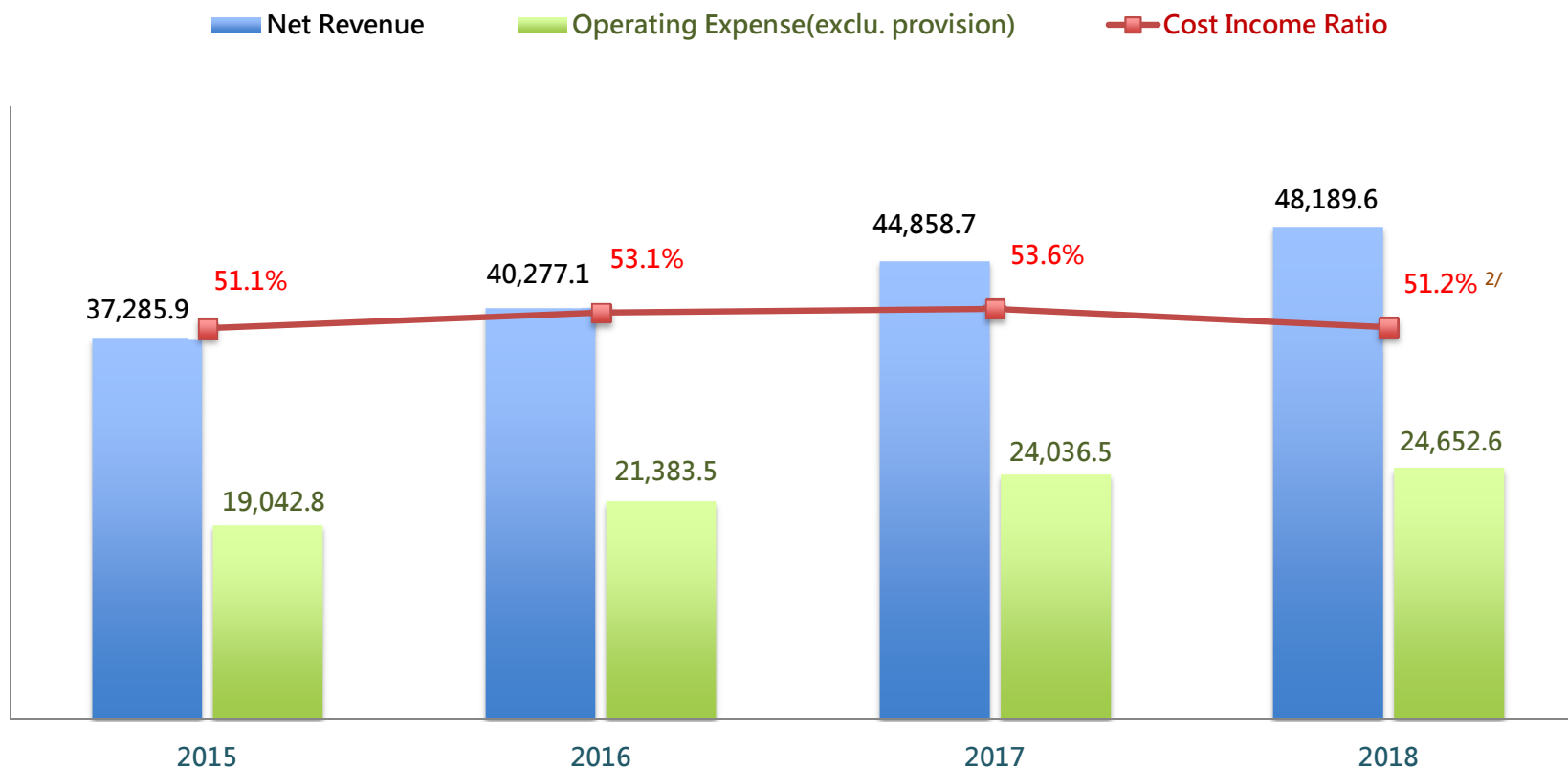


Source : FSC



# Cost-Income Ratio

Unit: NT\$ million

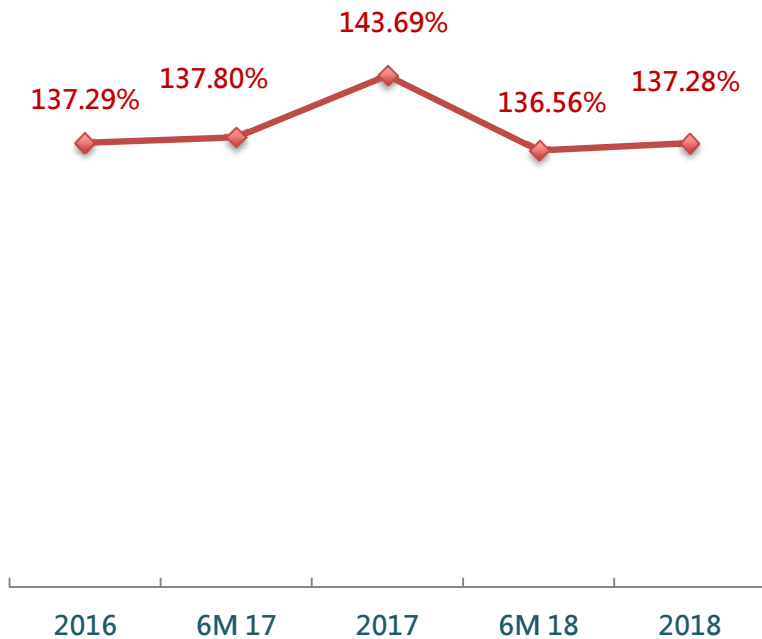


Note: 1. Data of E.SUN Bank  
2. Audit figures of Dec. 2018

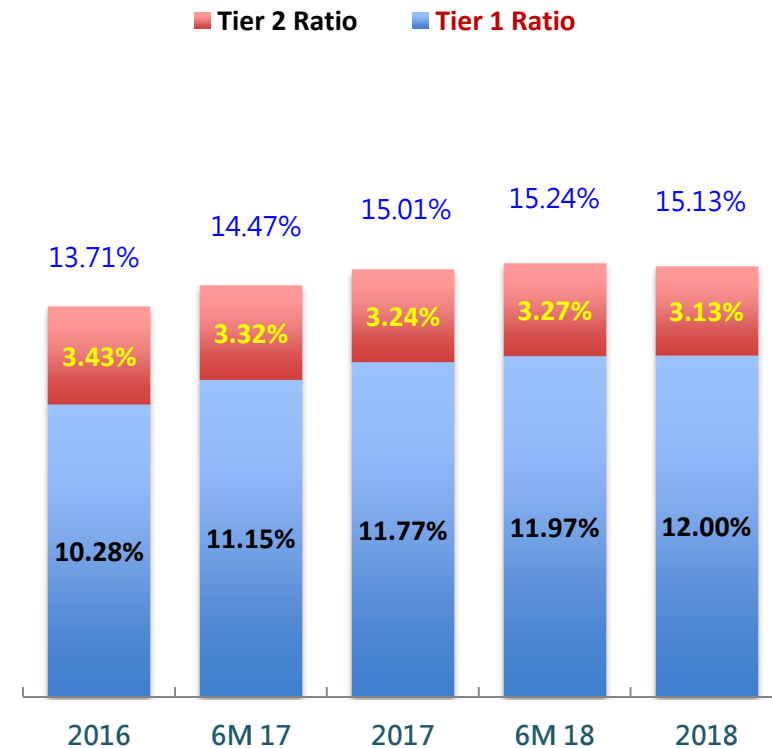


# Capital Adequacy Ratio

## FHC CAR Ratio



## Bank BIS Ratio



Note: 1. Audit 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](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 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	132,378	233	103	365	132,444
Securities, net	656,564	924	3,083	57	660,622
Loans, net	1,333,277	0	0	0	1,333,277
A/R, net	85,317	8,145	4	106	93,451
Land, premises and equipments, net	31,950	391	-	20	32,605
Others	32,851	2,980	129	167,196	35,388
Total assets	2,272,337	12,673	3,319	167,744	2,287,787
Liabilities:					
Deposits	1,886,850	0	0	0	1,885,885
Other liabilities	227,217	7,566	38	7,730	241,772
Total liabilities	2,114,067	7,566	38	7,730	2,127,657
Total stockholders' equity	158,270	5,107	3,281	160,014	160,130
Total equity attributable to owners of the company	158,147	5,107	3,281	160,014	160,014
Non-Controlling interests	123	0	0	0	116
Total liabilities and stockholders' equity	2,272,337	12,673	3,319	167,744	2,287,787

Note: Audit 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	20,031	363	2	(85)	20,311
Net fee income	15,359	1,017	0	0	16,371
Net trading income/(loss) & Derivatives & FX	12,485	104	(131)	2	12,459
Others	315	68	0	17,419	288
Total Net Revenues	48,190	1,552	(129)	17,336	49,429
Allowance for bad-debt expenses	(3,209)	(43)	0	0	(3,253)
Operating expenses	(24,653)	(1,078)	(15)	(302)	(25,839)
Income before income tax	20,328	431	(144)	17,034	20,337
Income tax expenses	(3,205)	(83)	(1)	35	(3,254)
Net Income	17,123	348	(145)	17,069	17,083
Attributable to owners of the company	17,108	348	(145)	17,069	17,069
Non-controlling interests	15	0	0	0	14

Note: Audit 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	132,444
Securities, net	469,508	502,761	577,285	577,285	602,588	614,072	600,413	660,622
Loans, net	1,021,995	1,118,149	1,211,071	1,211,071	1,234,658	1,262,911	1,296,534	1,333,277
A/R, net	78,562	83,936	94,083	94,083	87,191	106,098	95,447	93,451
Land, premises and equipments, net	26,792	26,440	28,209	28,209	28,311	28,294	29,265	32,605
Others	74,314	53,469	32,565	32,565	37,288	35,448	33,024	35,388
<b>Total assets</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>2,074,388</b>	<b>2,074,388</b>	<b>2,121,860</b>	<b>2,166,114</b>	<b>2,174,544</b>	<b>2,287,787</b>
Liabilities:								
Deposits	1,456,394	1,556,422	1,711,175	1,711,175	1,742,858	1,743,615	1,784,476	1,885,885
Other liabilities	197,229	198,697	214,265	214,265	224,456	269,546	233,272	241,772
<b>Total liabilities</b>	<b>1,653,623</b>	<b>1,755,119</b>	<b>1,925,440</b>	<b>1,925,440</b>	<b>1,967,314</b>	<b>2,013,161</b>	<b>2,017,748</b>	<b>2,127,657</b>
<b>Total stockholders' equity</b>	<b>122,661</b>	<b>129,181</b>	<b>148,948</b>	<b>148,948</b>	<b>154,546</b>	<b>152,953</b>	<b>156,796</b>	<b>160,130</b>
<b>Total equity attributable to owners of the company</b>	<b>120,927</b>	<b>128,524</b>	<b>148,842</b>	<b>148,842</b>	<b>154,438</b>	<b>152,848</b>	<b>156,683</b>	<b>160,014</b>
<b>Non-Controlling interests</b>	<b>734</b>	<b>657</b>	<b>106</b>	<b>106</b>	<b>108</b>	<b>105</b>	<b>113</b>	<b>116</b>
<b>Total liabilities and stockholders' equity</b>	<b>1,775,284</b>	<b>1,884,300</b>	<b>2,074,388</b>	<b>2,074,388</b>	<b>2,121,860</b>	<b>2,166,114</b>	<b>2,174,544</b>	<b>2,287,787</b>

Note: Audit 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	5,056
Net Fee income	13,878	15,548	15,776	3,900	4,284	4,113	3,822	4,152
Net trading income/(loss) & Derivatives & FX	7,378	6,586	9,733	2,518	2,931	3,318	3,343	2,867
Others	(241)	345	348	109	79	71	126	12
Total Net Revenues	38,489	41,064	46,107	11,701	12,493	12,458	12,391	12,087
Allowance for bad-debt expenses	(3,566)	(3,463)	(4,055)	(1,171)	(664)	(756)	(848)	(985)
Operating expenses	(20,138)	(22,396)	(25,179)	(6,817)	(6,148)	(6,373)	(6,499)	(6,819)
Income before income tax	14,785	15,205	16,873	3,713	5,681	5,329	5,044	4,283
Income tax expenses	(1,906)	(2,222)	(2,219)	(508)	(905)	(853)	(935)	(561)
Net Income	12,879	12,983	14,654	3,205	4,776	4,476	4,109	3,722
Income Attributable to owners of the company	12,816	13,135	14,757	3,176	4,775	4,474	4,101	3,719
Non-Controlling interests	63	(152)	(103)	29	1	2	8	3

Note: Audit figures of Dec. 2018



# Appendix 5/6

## 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	132,378
Securities, net	467,481	501,867	575,980	575,980	598,012	609,277	596,182	656,564
Loans, net	1,021,995	1,118,149	1,211,071	1,211,071	1,234,658	1,262,911	1,296,534	1,333,277
A/R, net	71,523	75,992	83,130	83,130	76,398	94,020	85,552	85,317
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	32,851
Total assets	1,760,630	1,870,131	2,056,337	2,056,337	2,103,280	2,146,052	2,157,223	2,272,337
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	227,217
Total liabilities	1,642,372	1,743,097	1,909,079	1,909,079	1,951,062	1,995,676	2,002,483	2,114,067
Total stockholders' equity	118,258	127,034	147,258	147,258	152,218	150,376	154,740	158,270
Total equity attributable to owners of the company	116,391	126,371	147,145	147,145	152,103	150,264	154,620	158,147
Non-Controlling interests	1,133	663	113	113	115	112	120	123
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	2,272,337

Note: Audit 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	5,002
Fee income	13,190	14,939	14,903	3,642	4,037	3,838	3,562	3,922
Net trading income/(loss) & Derivatives & FX	6,522	6,575	9,604	2,458	2,680	3,167	3,677	2,961
Others	321	344	337	71	84	75	138	18
Total Net Revenues	37,286	40,277	44,859	11,278	11,928	11,959	12,400	11,903
Allowance for bad-debt expenses	(3,566)	(3,462)	(3,869)	(1,115)	(631)	(756)	(840)	(982)
Operating expenses	(19,043)	(21,384)	(24,037)	(6,534)	(5,857)	(6,064)	(6,192)	(6,540)
Income before income tax	14,677	15,431	16,953	3,629	5,440	5,139	5,368	4,381
Income tax expenses	(1,947)	(2,171)	(2,167)	(448)	(888)	(818)	(893)	(606)
Net Income	12,730	13,260	14,786	3,181	4,552	4,321	4,475	3,775
Attributable to owners of the company	11,908	13,265	14,887	3,150	4,551	4,318	4,467	3,772
Attribute to former business under control	759	146	0	0	0	0	0	0
Non-controlling interests	63	(151)	(101)	31	1	3	8	3

Note: Audit figures of Dec. 2018