

E.SUN FHC Financial Review of 2Q 2019

August 7th, 2019



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Agenda

- 2019 2Q Financial Performance
- 2019 2Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2019.06 ^{/1}	2018.12 ^{/1}
Total Assets	FHC	2,385,174	2,287,787
	Bank	2,369,572	2,272,337
	Securities	13,713	12,673
	Venture Capital	3,477	3,319
Key Financials	Book value per share (NT\$)	15.18	14.78
	Double Leverage Ratio	104.02%	104.11%
	FHC CAR	125.22%	137.28%
Channels	Bank – domestic	139	139
	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	17

Note: 1. Preliminary figures of Jun. 2019

2. Share owned by QFII: 45.12%, as of Jun. 2019.



2Q19 Business and Financial Review

Financial Performance

- Net profits 1H19 was NT\$10.2 billion, a 10.5% growth. Net revenues NT\$26.7 billion, a 7.0% growth.
- EPS NT\$0.94, ROE 12.60%, ROA 0.87%.
- Net profits of E.SUN Bank was NT \$10.1 billion, a 14.4% growth.

Business Operations

- Net fee income grew by 3.1%(yoy), marking the highest fee income of 1H and any single quarter. Both wealth management and credit card demonstrated high growth in 2Q.
- Credit card + digital co-created payment scenarios. Net increase of credit card consumption amount ranked No. 1 with 19.1% growth, and fee income grew by 24.7% (yoy).
- Balanced loan growth across corporate and retail. Loan balance grew 9.7%, mainly driven by FX loan and mortgage, both increased over 20% (yoy)
- Delivered cross-border/cross-platform FX flow services for corporate and individual, creating strong liquidity and stable revenue, and driving FX deposit growth at 15.3% (yoy)
- Asset quality benign, NPL ratio at 0.18%, and coverage ratio 662.4%.

Highlights

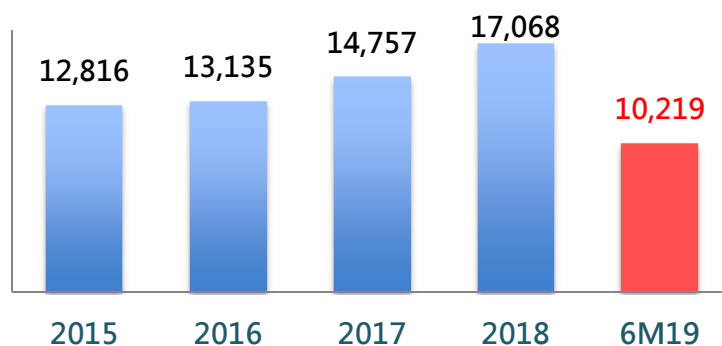
- **Credit rating upgrade for 6th straight year:** S&P upgraded E.SUN Bank (BBB+ → A-) and Taiwan Ratings Corp. (TRC) upgraded E.SUN Bank (twAA → twAA+). E.SUN Bank is rated A2 by Moody's.
- **Excellence in ESG:** Awarded “Responsible Business Leadership” by Enterprise Asia for second straight year; Member of DJSI for 5th straight year since 2014, DJSI World for the 3rd time.



Financial Performance

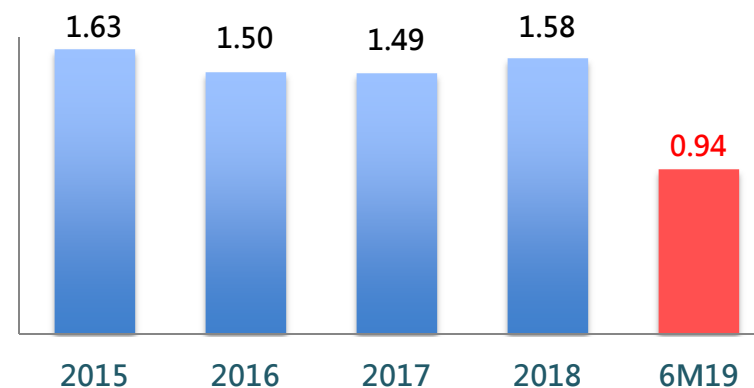
Net Profit

Unit: NT\$ million

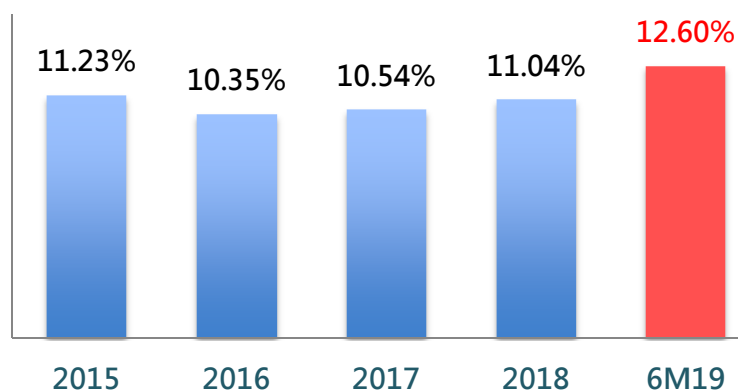


EPS

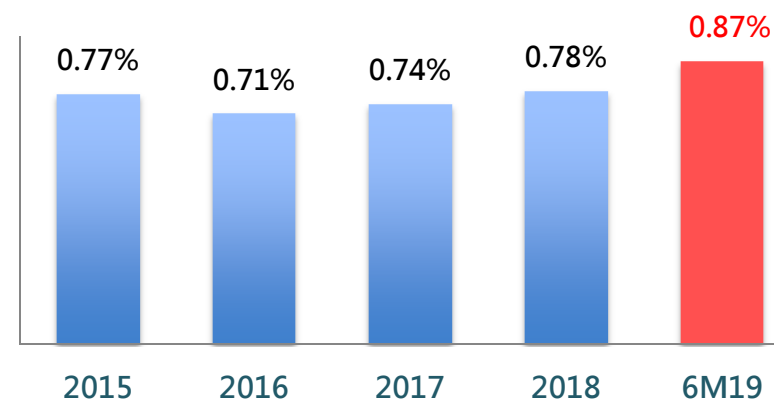
Unit: NT\$ dollars



ROE



ROA

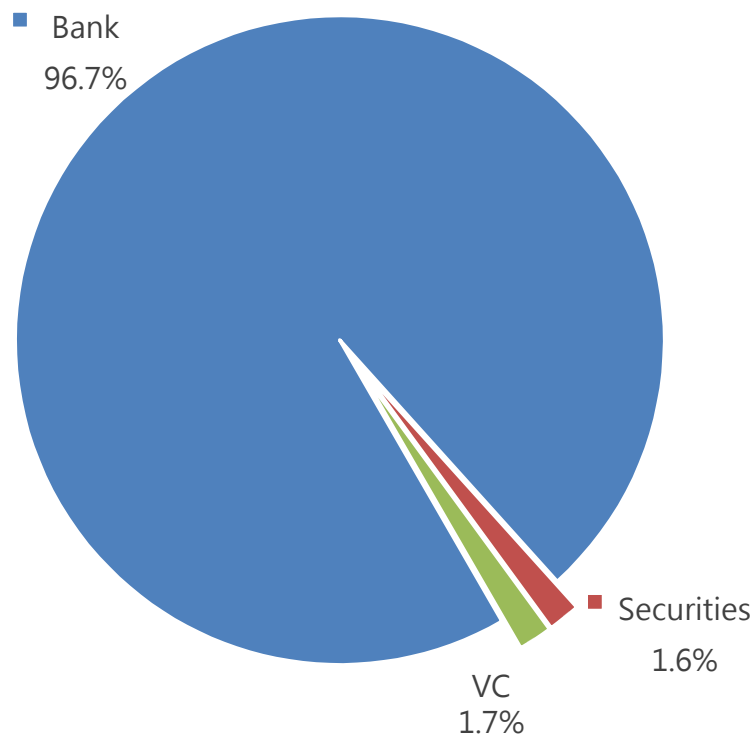


Note: Preliminary figures of Jun. 2019



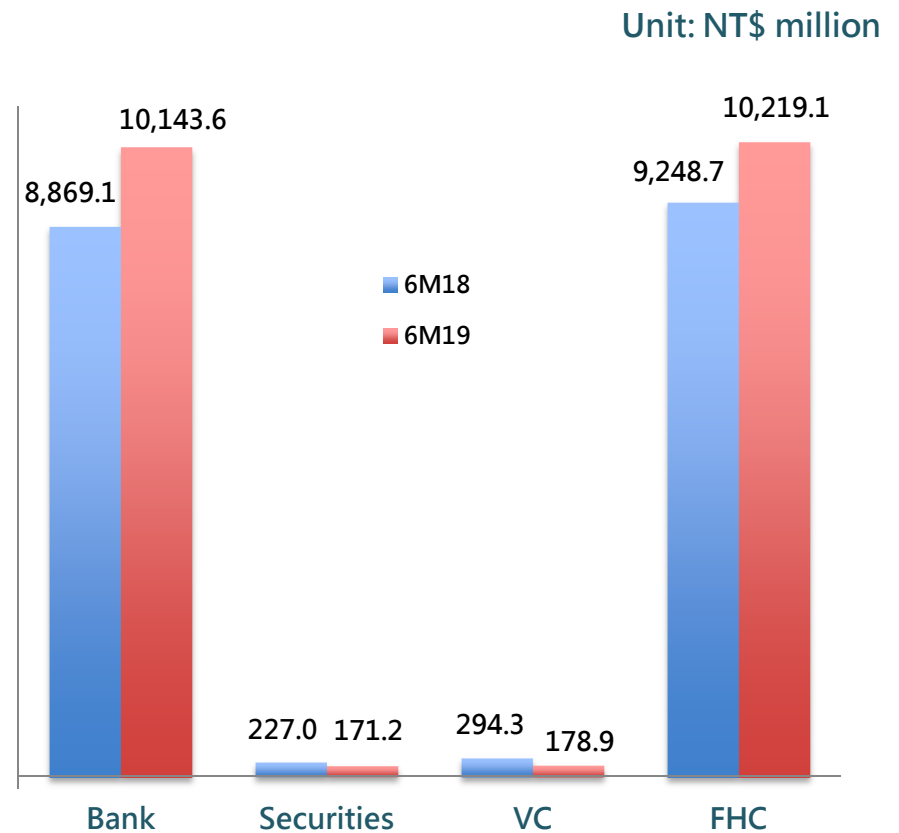
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Note: Preliminary figures of Jun. 2019

Net Income of FHC and its Subsidiaries

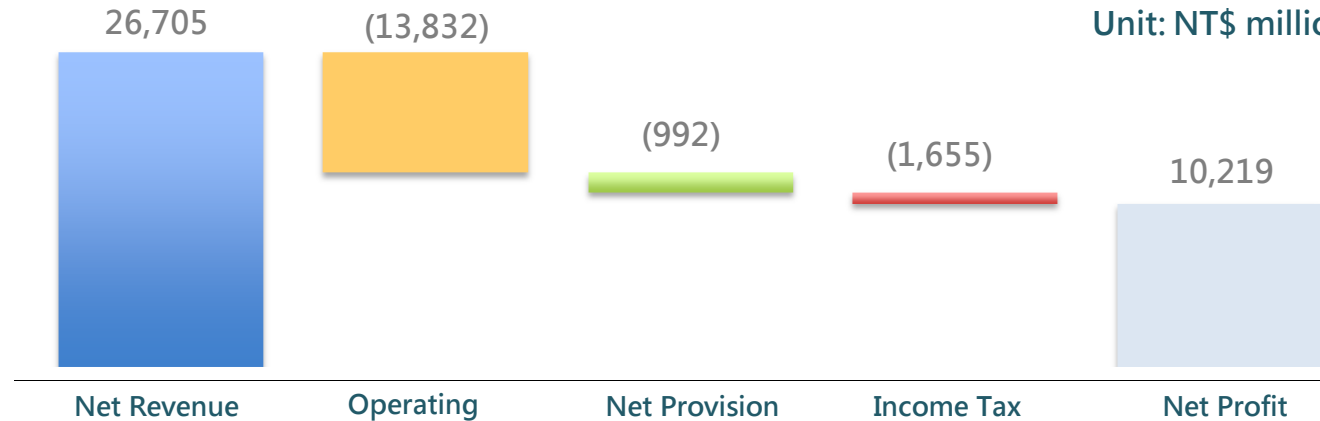




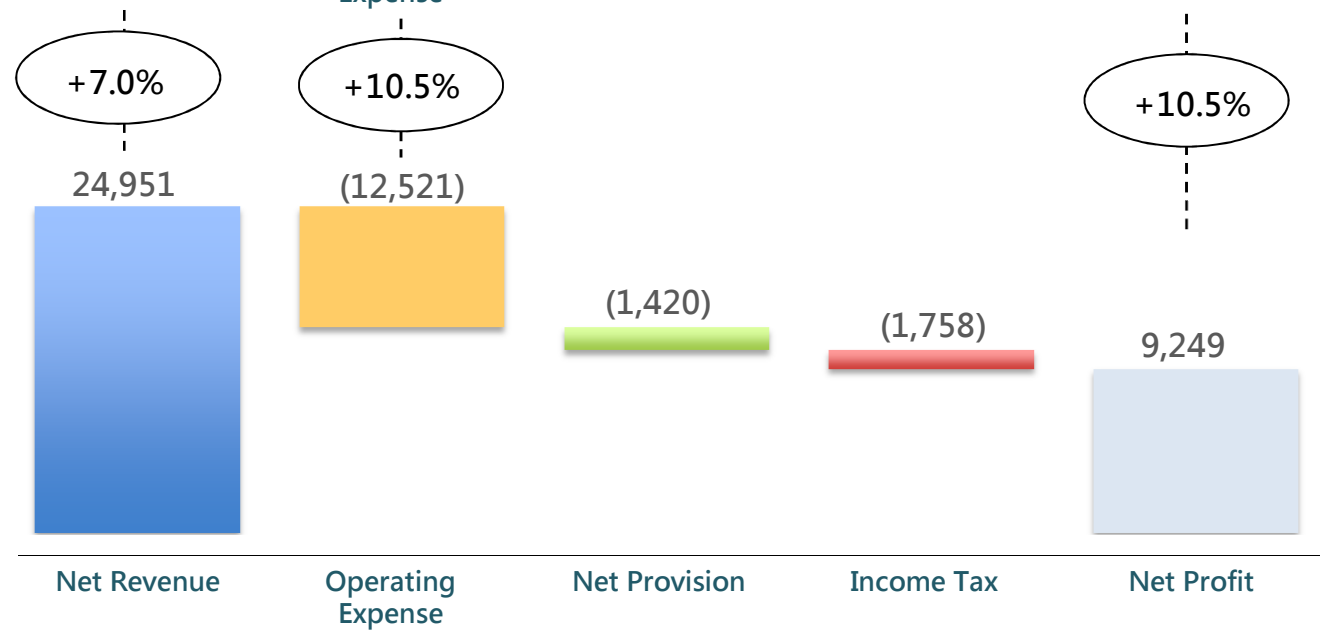
Net Profit Breakdown

6M19 P&L

Unit: NT\$ million



6M18 P&L



Note: Preliminary figures of Jun. 2019

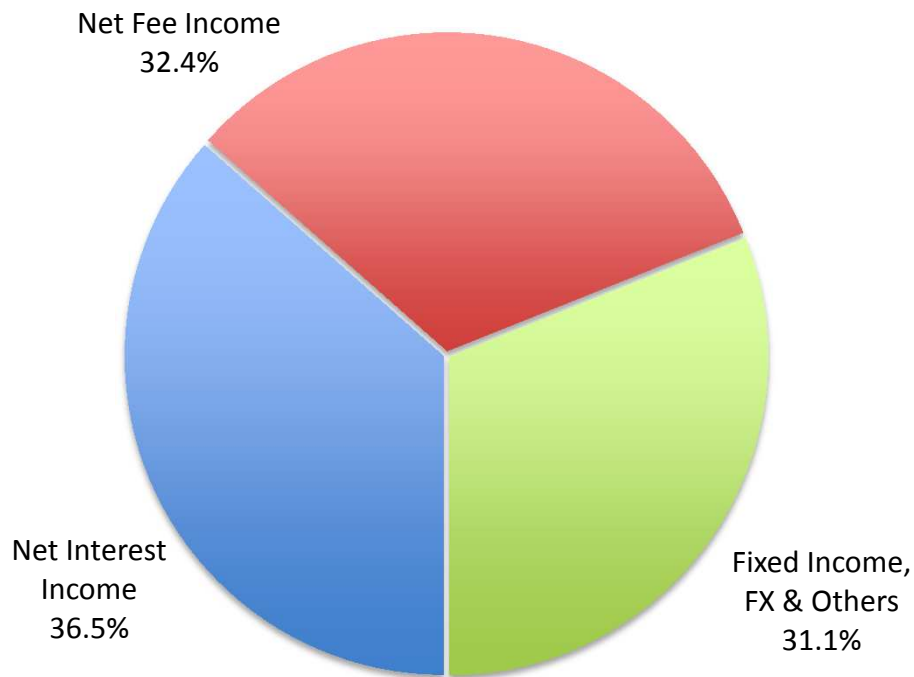


FHC Revenue Breakdown

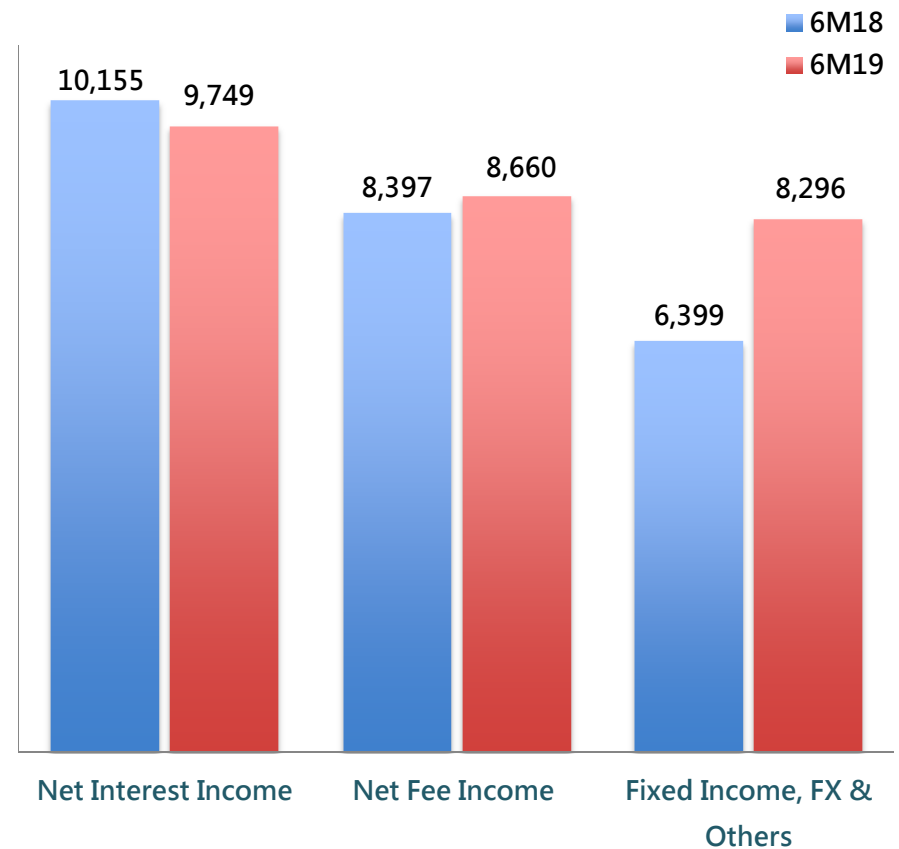
Total Net Revenue
NT\$ 26,705 million

YoY Comparison

Unit: NT\$ million



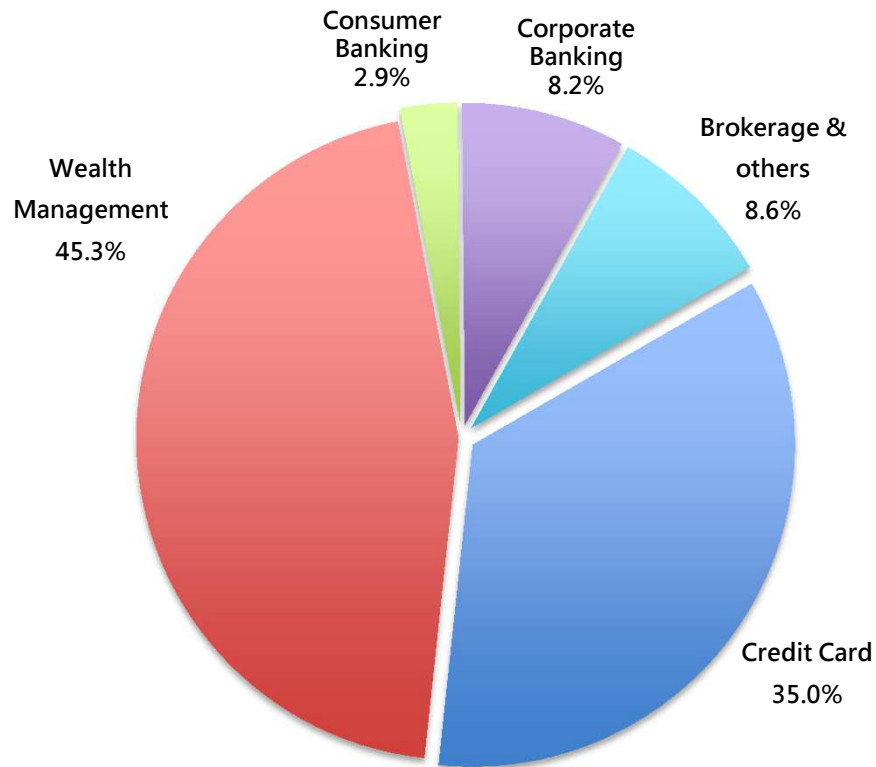
Note: 1. 52.8% of "Fixed income, FX & Others" is interest income from stable growing fixed income investment
2. Preliminary figures of Jun. 2019





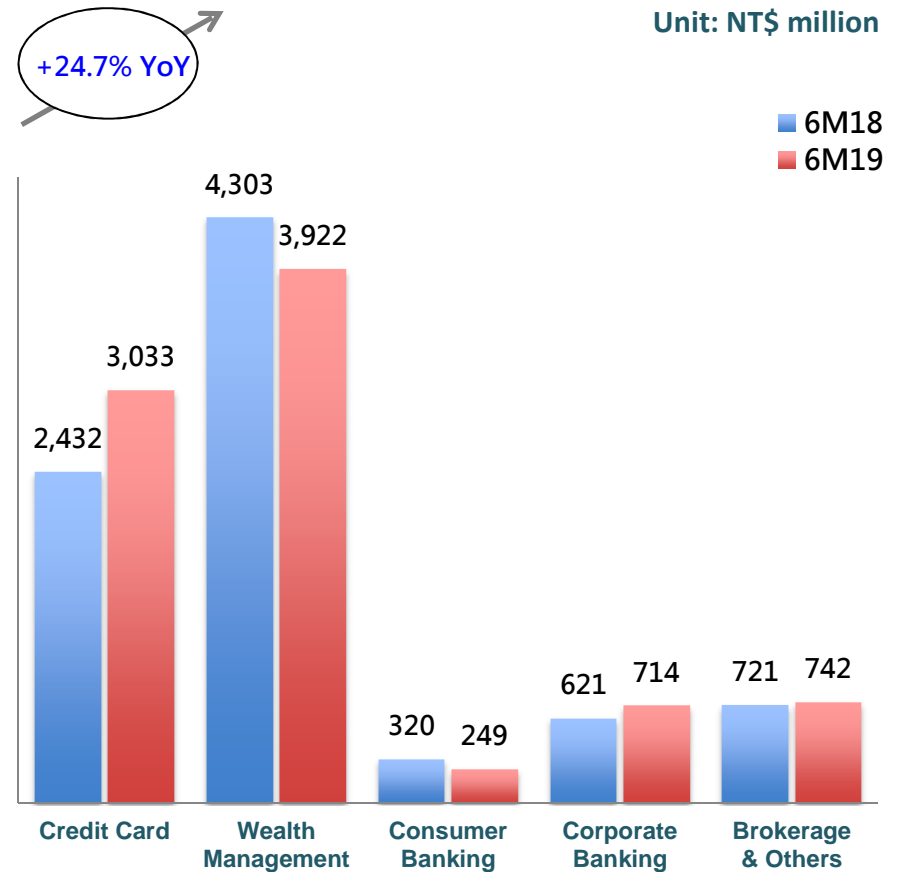
Net Fee Income Breakdown

Total Net Fee Income
NT 8,660 million



YoY Comparison

Unit: NT\$ million



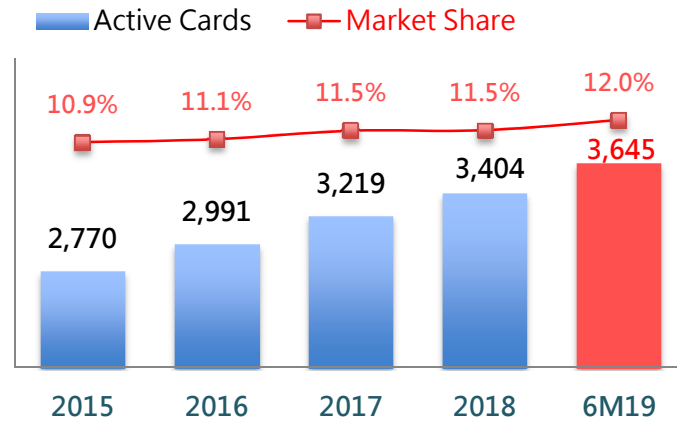
Note: Preliminary figures of Jun. 2019



Credit Card Business Breakdown

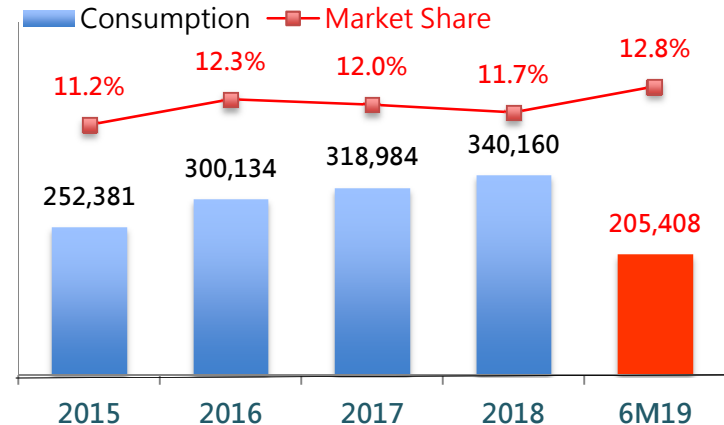
Active Cards

Unit: Thousand Cards, %



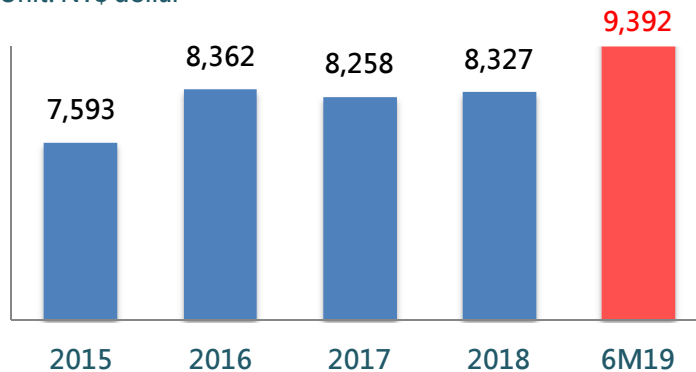
Card Consumption

Unit: NT\$ million



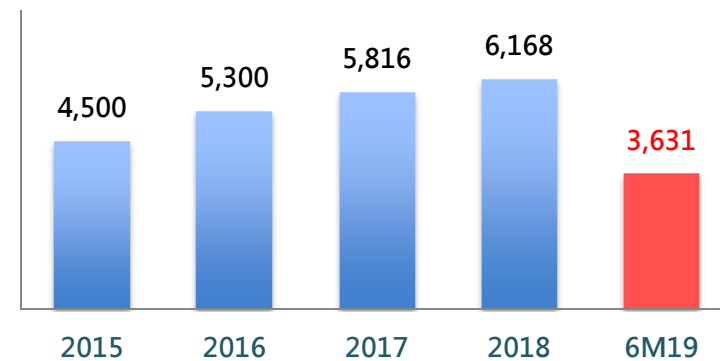
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million





Deposit and Loan Structure

Unit: NT\$ Bn

Category	2019.6	QoQ Growth %	2019.3	Ytd Growth %	2018
Total Deposits	1,932.1	1.4%	1,906.1	3.9%	1,859.8
Demand Deposits	792.9	-0.1%	793.5	4.1%	761.4
Time Deposits	511.4	2.0%	501.6	5.9%	482.9
FCY Deposits	627.7	2.7%	611.0	2.0%	615.5
Total Loans ^{1/}	1,370.7	2.3%	1,339.6	3.8%	1,320.1
Corporate Loans	685.7	1.6%	674.8	3.3%	663.6
SME Loans	349.8	1.7%	344.1	1.2%	345.7
FCY Loans	248.3	1.7%	244.2	8.5%	228.8
Consumer Loans	685.0	3.1%	664.7	4.3%	656.5
Mortgage Loan	299.4	5.8%	283.0	10.2%	271.6
Unsecured Personal Loan	106.1	2.0%	104.0	1.0%	105.1
Credit Card Revolving Balance	12.6	0.8%	12.5	-1.6%	12.8

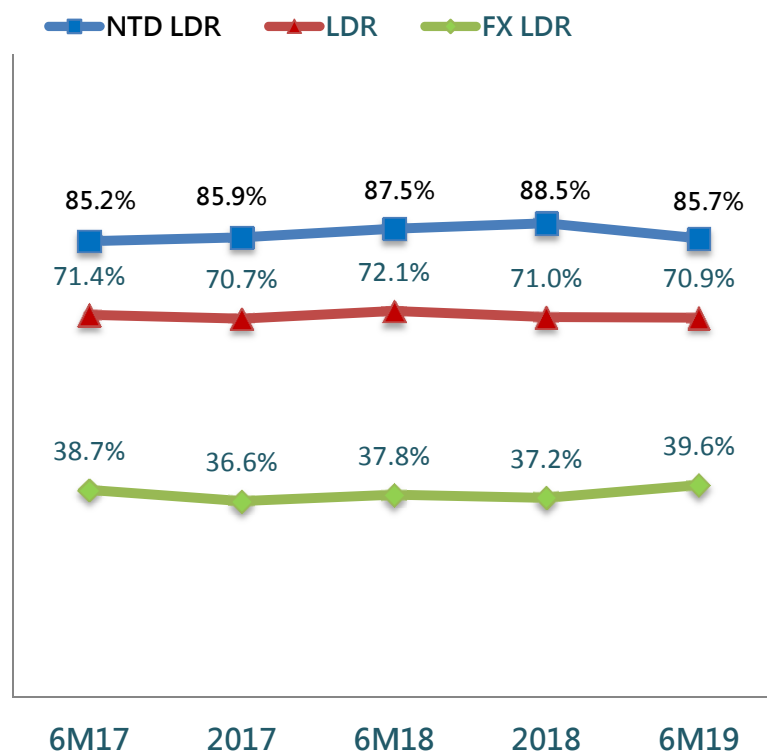
Note: Not including loan balance of subsidiaries NT\$ 28 billion



Deposit Structure

Loan to Deposit Ratio

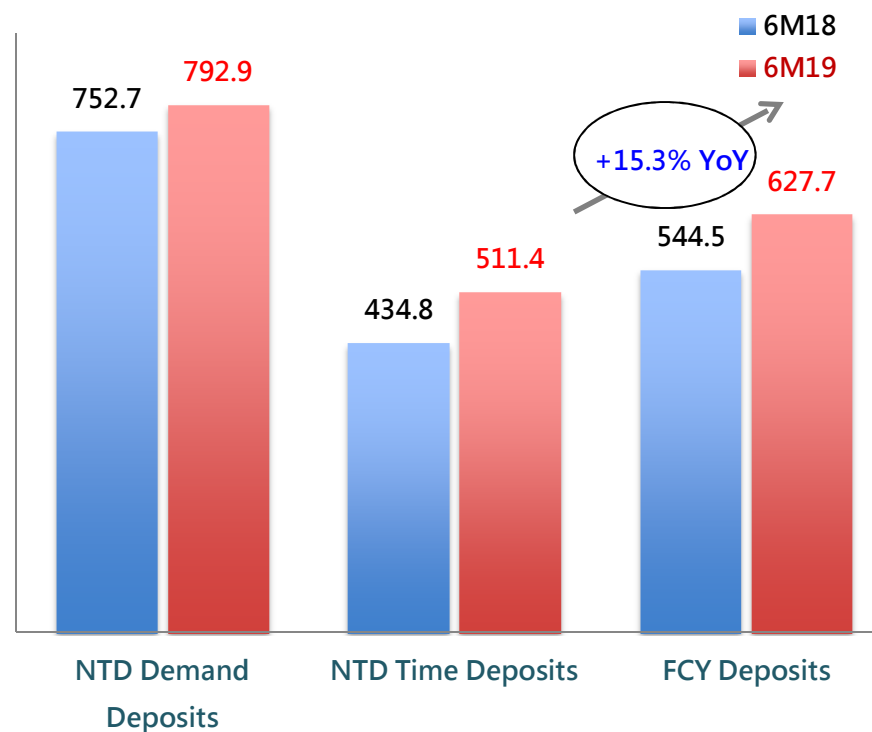
Unit: NT\$ Bn



Note: Data of E.SUN Bank

Deposit Structure

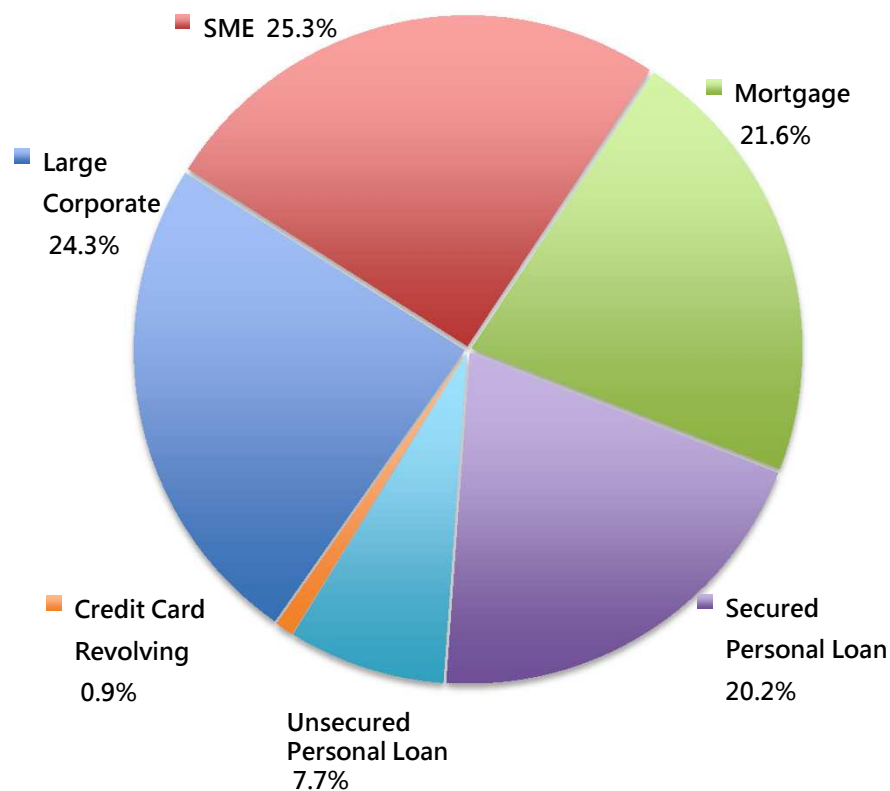
Unit: NT \$Bn





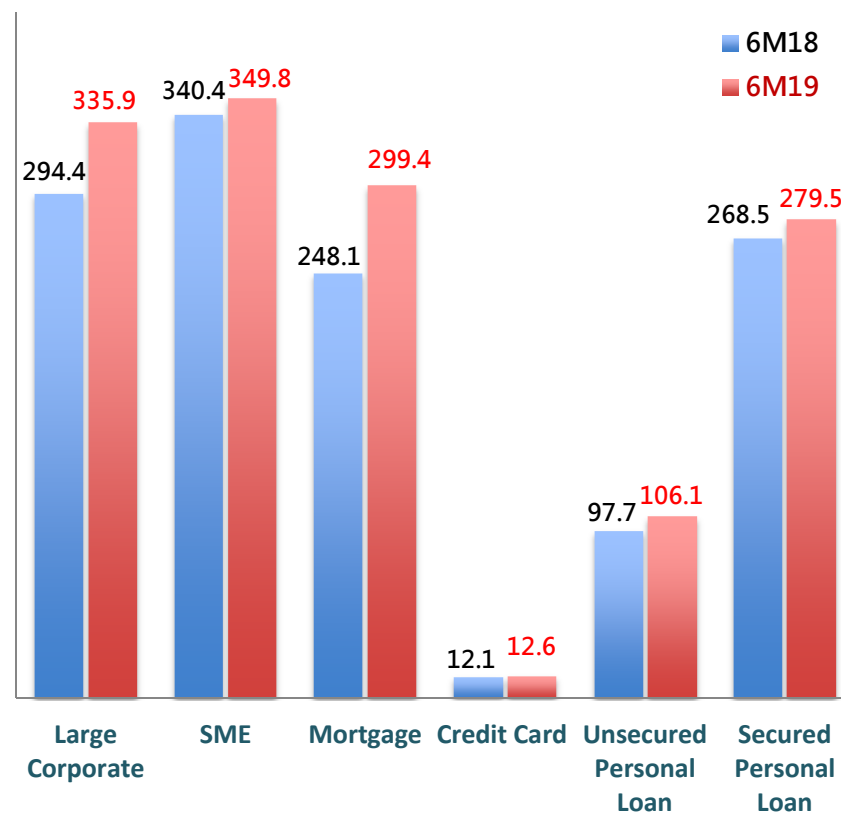
Loan Portfolio Breakdown

Total Loan
NT\$ 1,383.3 billion



YoY Comparison

Unit: NT\$ Bn

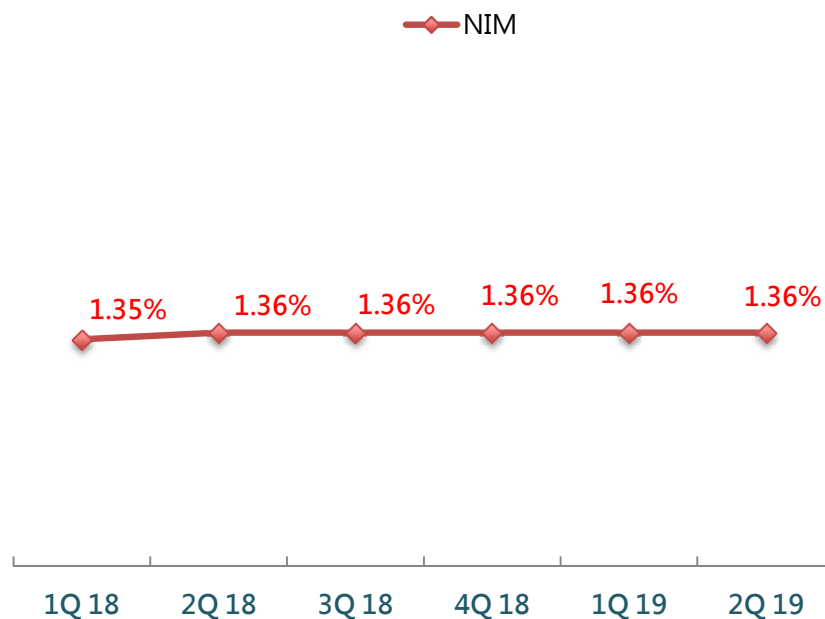


Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Excluded loan of subsidiaries



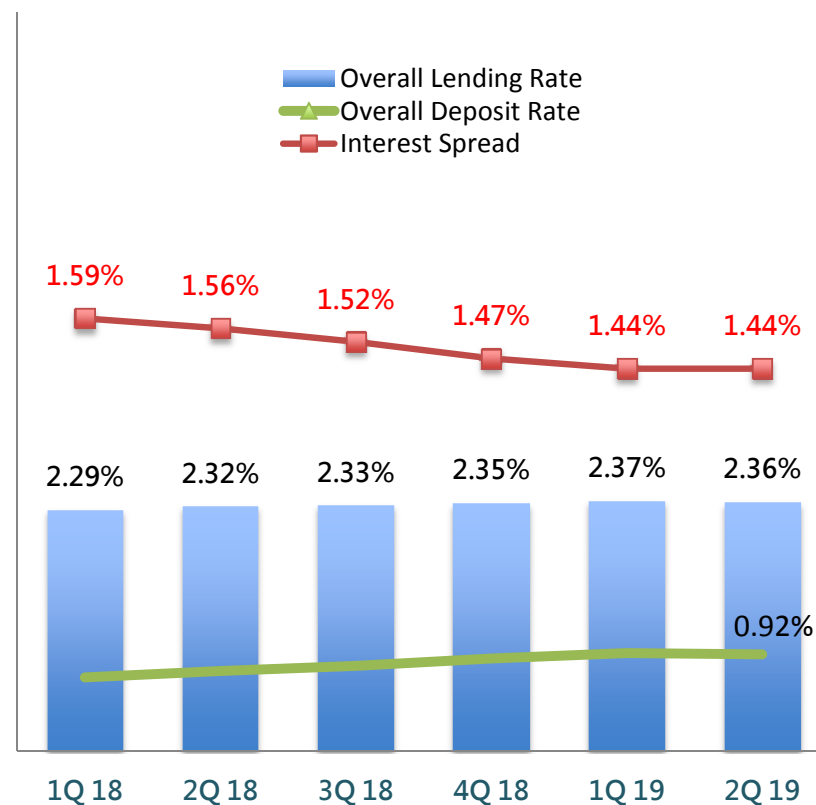
NIM and Spread

Quarterly Net Interest Margin



Note: Data of E.SUN Bank

Quarterly Interest Spread

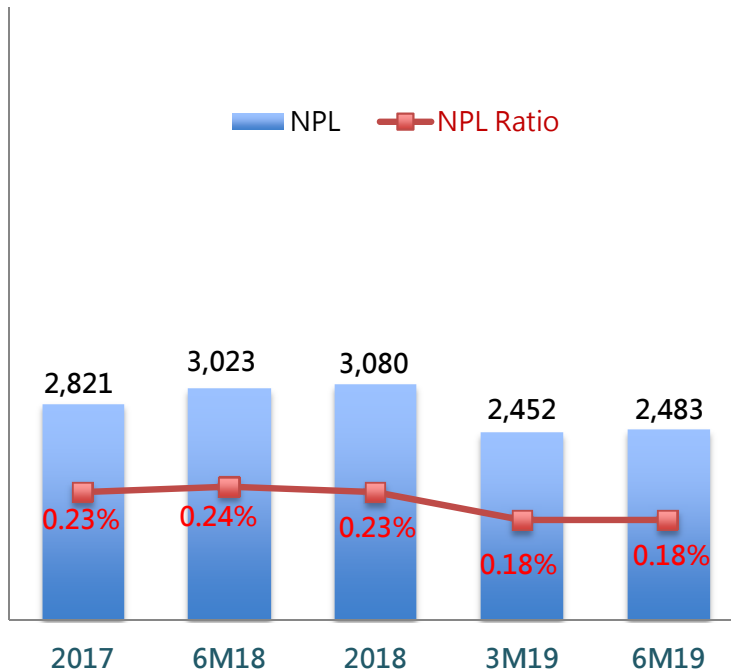




Superior Asset Quality 1/3

NPL Ratio(%)

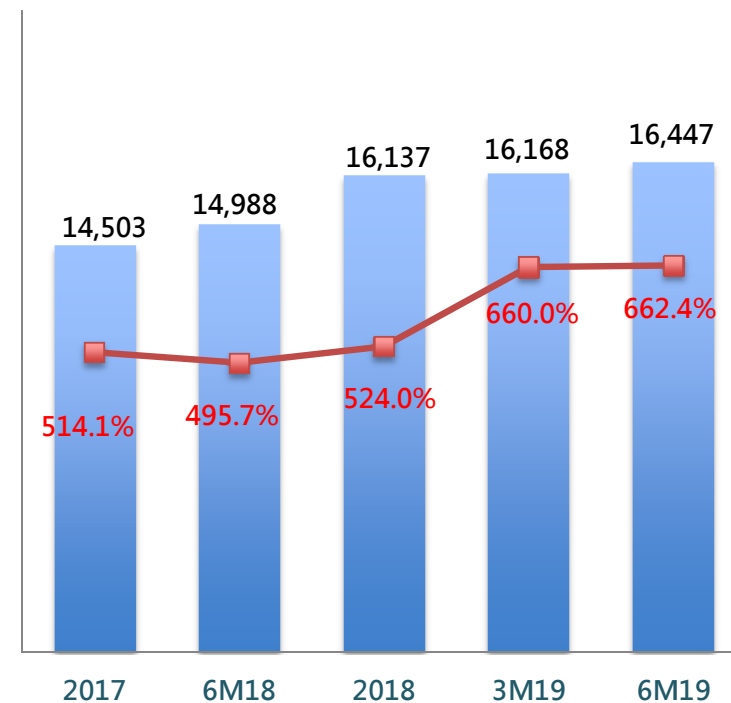
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

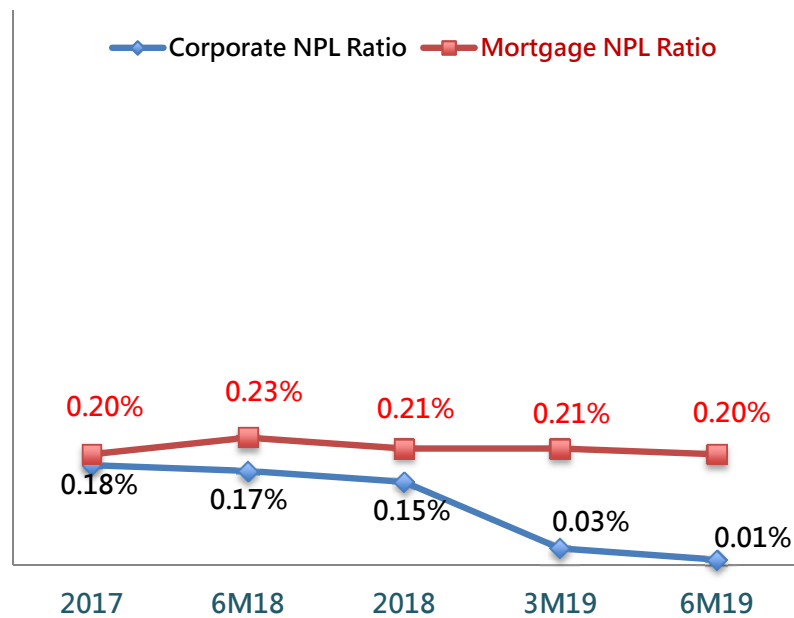


Note: Data of E.SUN Bank



Superior Asset Quality 2/3

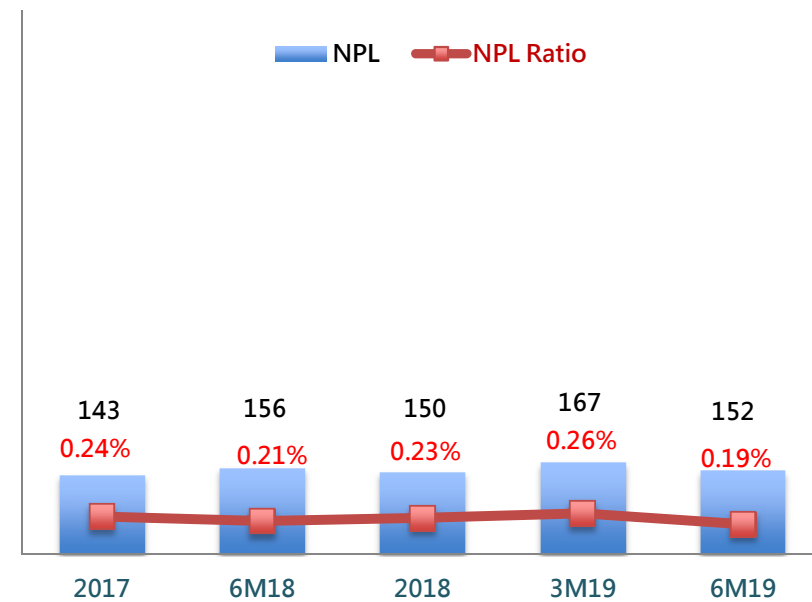
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

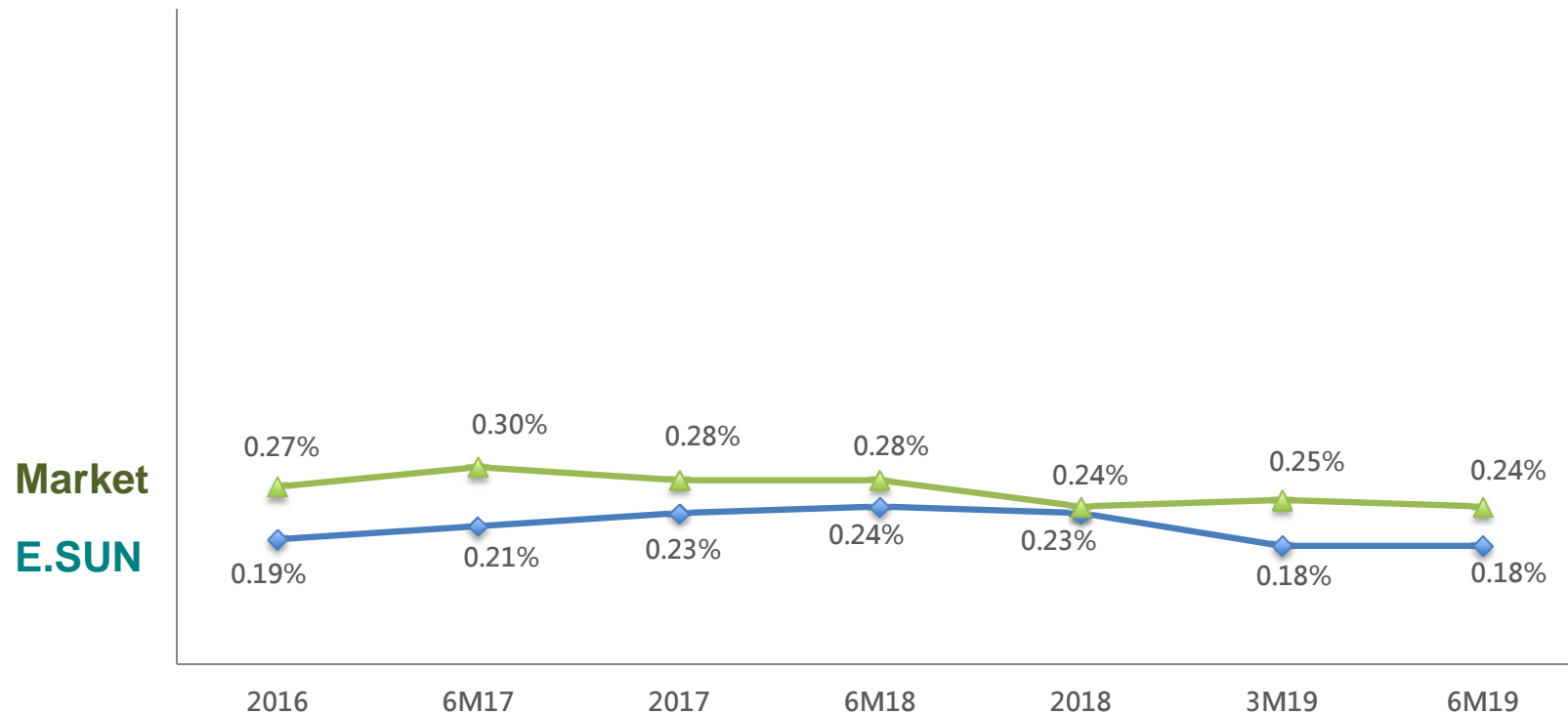
Unit: NT\$ million





Superior Asset Quality ^{3/3}

NPL Comparison with Market

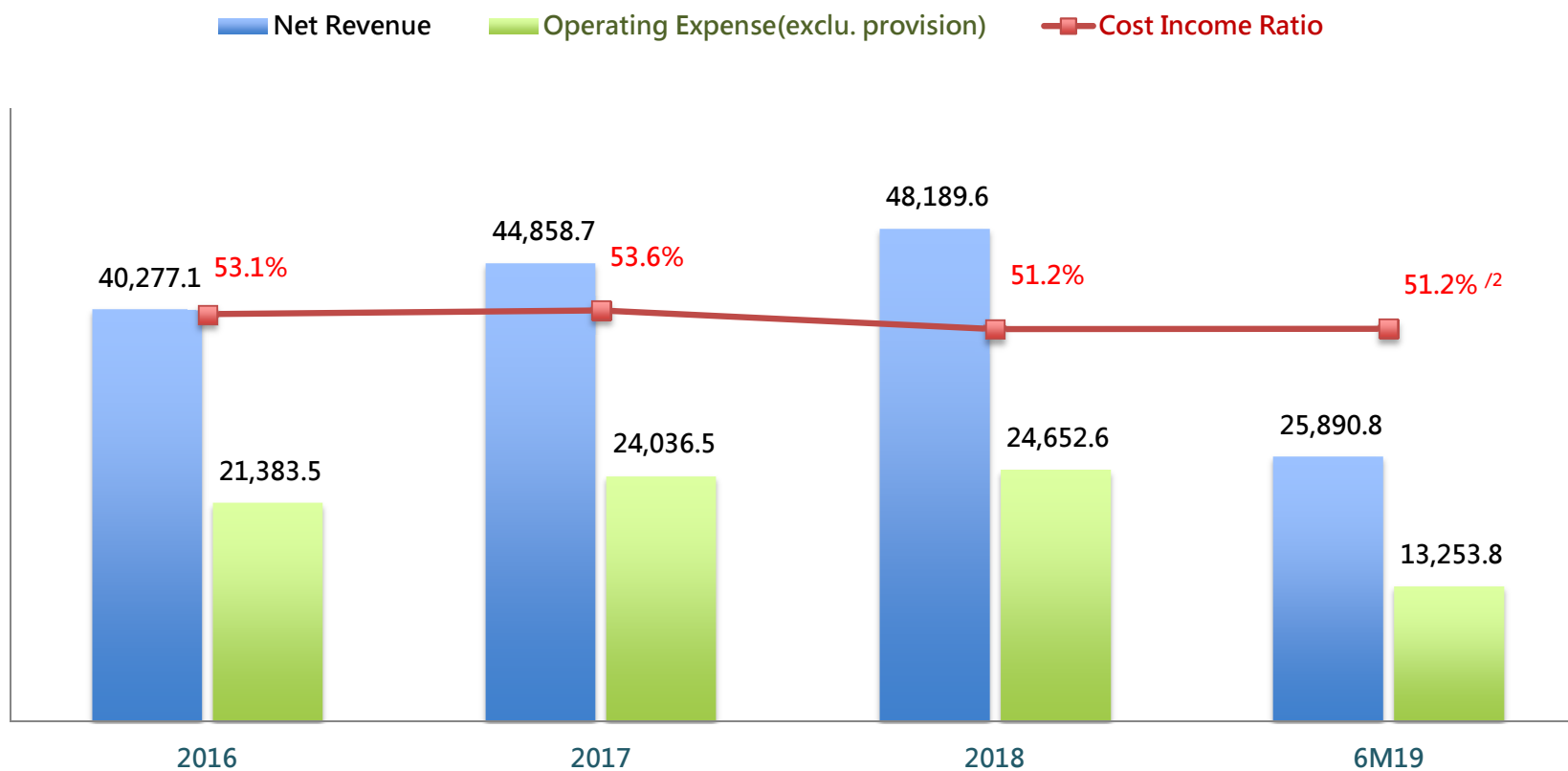


Source : FSC, Market NPL as of May, 2019



Cost-Income Ratio

Unit: NT\$ million

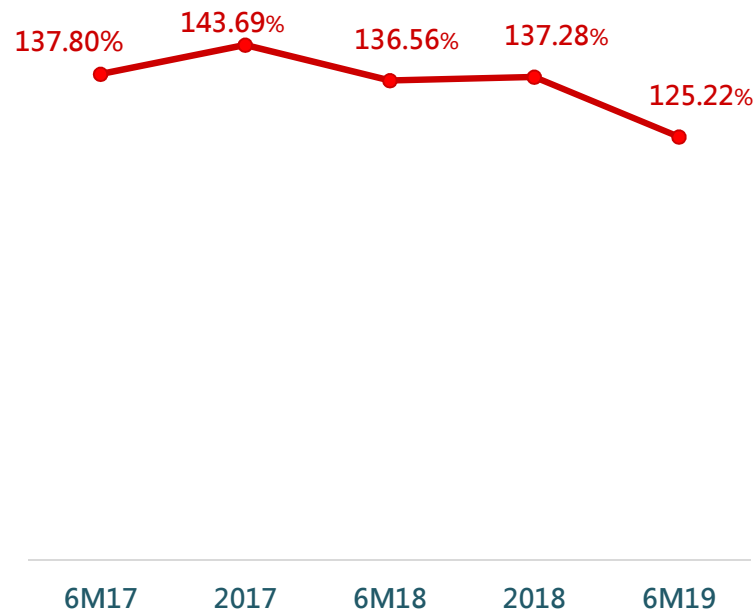


Note: 1. Data of E.SUN Bank
2. Preliminary figures of Jun. 2019

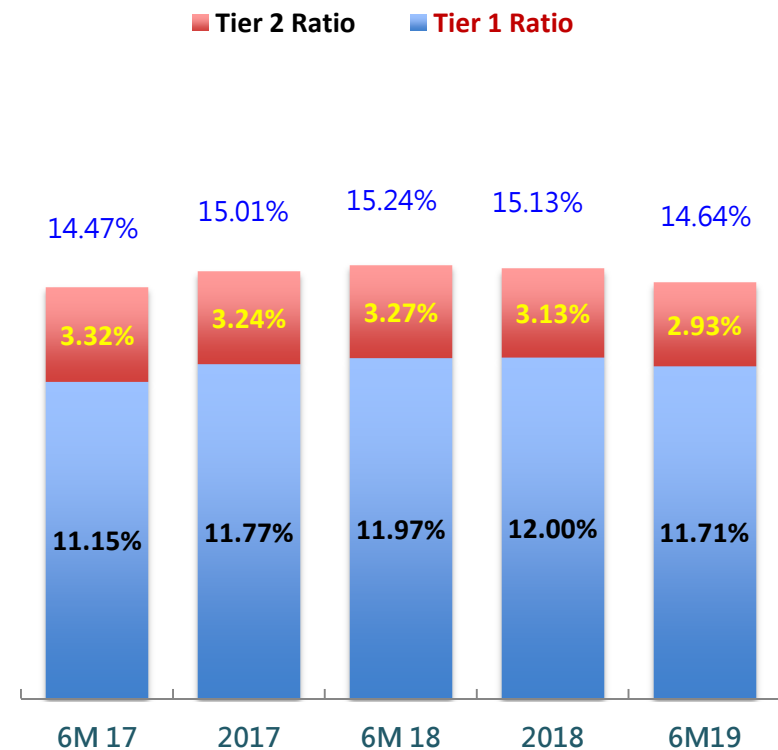


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Preliminary figures of Jun. 2019
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 6M2019 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	130,613	959	41	11,831	131,239
Securities, net	694,866	1,083	3,251	77	699,425
Loans, net	1,384,938	0	0	0	1,384,938
A/R, net	102,994	8,948	16	404	111,951
Land, premises and equipments, net	32,201	354	0	16	32,573
Others	23,960	2,359	168	172,050	25,047
Total assets	2,369,572	13,703	3,476	184,378	2,385,173
Liabilities:					
Deposits	1,963,629	0	0	0	1,963,629
Other liabilities	243,446	8,635	39	20,029	257,075
Total liabilities	2,207,075	8,635	39	20,029	2,220,704
Total stockholders' equity	162,497	5,068	3,437	164,349	164,469
Total equity attributable to owners of the company	162,375	5,068	3,437	164,349	164,349
Non-Controlling interests	122	0	0	0	120
Total liabilities and stockholders' equity	2,369,572	13,703	3,476	184,378	2,385,173

Note: Preliminary figures of Jun. 2019



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 6M2019

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	9,664	141	0	(58)	9,749
Net fee income	8,204	458	0	0	8,660
Net trading income/(loss) & Derivatives & FX	7,859	77	198	0	8,134
Others	163	39	1	10,558	162
Total Net Revenues	25,890	715	199	10,500	26,705
Allowance for bad-debt expenses	(992)	0	0	0	(992)
Operating expenses	(13,254)	(502)	(10)	(172)	(13,832)
Income before income tax	11,644	213	189	10,328	11,881
Income tax expenses	(1,494)	(42)	(10)	(109)	(1,656)
Net Income	10,150	171	179	10,219	10,225
Attributable to owners of the company	10,144	171	179	10,219	10,219
Non-controlling interests	6	0	0	0	6

Note: Preliminary figures of Jun. 2019



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Assets :								
Cash and due from banks	99,545	131,175	132,444	119,291	119,861	132,444	135,466	131,239
Securities, net	502,761	577,285	660,622	614,072	600,413	660,622	719,526	699,425
Loans, net	1,118,149	1,211,071	1,333,277	1,262,911	1,296,534	1,333,277	1,352,561	1,384,938
A/R, net	83,936	94,083	93,451	106,098	95,447	93,451	92,944	111,951
Land, premises and equipments, net	26,440	28,209	32,605	28,294	29,265	32,605	32,750	32,573
Others	53,469	32,565	35,388	35,448	33,024	35,388	37,513	25,047
Total assets	1,884,300	2,074,388	2,287,787	2,166,114	2,174,544	2,287,787	2,370,760	2,385,173
Liabilities:								
Deposits	1,556,422	1,711,175	1,885,885	1,743,615	1,784,476	1,885,885	1,930,403	1,963,629
Other liabilities	198,697	214,265	241,772	269,546	233,272	241,772	273,490	257,075
Total liabilities	1,755,119	1,925,440	2,127,657	2,013,161	2,017,748	2,127,657	2,203,893	2,220,704
Total stockholders' equity	129,181	148,948	160,130	152,953	156,796	160,130	166,867	164,469
Total equity attributable to owners of the company	128,524	148,842	160,014	152,848	156,683	160,014	166,748	164,349
Non-Controlling interests	657	106	116	105	113	116	119	120
Total liabilities and stockholders' equity	1,884,300	2,074,388	2,287,787	2,166,114	2,174,544	2,287,787	2,370,760	2,385,173

Note: Preliminary figures of Jun. 2019



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2016	2016	2018	2Q18	3Q18	4Q18	1Q19	2Q19
Operating income								
Net interest income	18,585	20,250	20,311	4,956	5,100	5,056	4,826	4,923
Net Fee income	15,548	15,776	16,371	4,113	3,822	4,152	4,074	4,586
Net trading income/(loss) & Derivatives & FX	6,586	9,733	12,459	3,318	3,343	2,867	4,492	3,642
Others	345	348	288	71	126	12	85	77
Total Net Revenues	41,064	46,107	49,429	12,458	12,391	12,087	13,477	13,228
Allowance for bad-debt expenses	(3,463)	(4,055)	(3,253)	(756)	(848)	(985)	(511)	(481)
Operating expenses	(22,396)	(25,179)	(25,839)	(6,373)	(6,499)	(6,819)	(6,818)	(7,014)
Income before income tax	15,205	16,873	20,337	5,329	5,044	4,283	6,148	5,733
Income tax expenses	(2,222)	(2,219)	(3,254)	(853)	(935)	(561)	(935)	(721)
Net Income	12,983	14,654	17,083	4,476	4,109	3,722	5,213	5,012
Income Attributable to owners of the company	13,135	14,757	17,069	4,474	4,101	3,719	5,210	5,009
Non-Controlling interests	(152)	(103)	14	2	8	3	3	3

Note: Preliminary figures of Jun. 2019



Appendix 5/6

E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	Jun 18	Sep 18	Dec 18	Mar 19	Jun 19
Assets :								
Cash and due from banks	99,446	131,042	132,378	119,245	119,667	132,378	135,374	130,613
Securities, net	501,867	575,980	656,564	609,277	596,182	656,564	714,990	694,866
Loans, net	1,118,149	1,211,071	1,333,277	1,262,911	1,296,534	1,333,277	1,352,561	1,384,938
A/R, net	75,992	83,130	85,317	94,020	85,552	85,317	84,237	102,994
Land, premises and equipments, net	25,785	27,559	31,950	27,667	28,631	31,950	32,113	32,201
Others	48,892	27,555	32,851	32,932	30,657	32,851	34,899	23,960
Total assets	1,870,131	2,056,337	2,272,337	2,146,052	2,157,223	2,272,337	2,354,174	2,369,572
Liabilities:								
Deposits	1,558,856	1,712,072	1,886,850	1,750,860	1,785,505	1,886,850	1,935,197	1,963,629
Other liabilities	184,241	197,007	227,217	244,816	216,978	227,217	254,496	243,446
Total liabilities	1,743,097	1,909,079	2,114,067	1,995,676	2,002,483	2,114,067	2,189,693	2,207,075
Total stockholders' equity	127,034	147,258	158,270	150,376	154,740	158,270	164,481	162,497
Total equity attributable to owners of the company	126,371	147,145	158,147	150,264	154,620	158,147	164,354	162,375
Non-Controlling interests	663	113	123	112	120	123	127	122
Attribute to former business under control	0	0	0	0	0	0	0	0
Total liabilities and stockholders' equity	1,870,131	2,056,337	2,272,337	2,146,052	2,157,223	2,272,337	2,354,174	2,369,572

Note: Preliminary figures of Jun. 2019



Appendix 6/6

E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	2Q18	3Q18	4Q18	1Q19	2Q19
Operating income								
Net interest income	18,419	20,015	20,031	4,879	5,023	5,002	4,785	4,879
Fee income	14,939	14,903	15,359	3,838	3,562	3,922	3,871	4,333
Net trading income/(loss) & Derivatives & FX	6,575	9,604	12,485	3,167	3,677	2,961	4,260	3,599
Others	344	337	314	75	138	17	86	77
Total Net Revenues	40,277	44,859	48,189	11,959	12,400	11,902	13,002	12,888
Allowance for bad-debt expenses	(3,462)	(3,869)	(3,209)	(756)	(840)	(982)	(511)	(481)
Operating expenses	(21,384)	(24,037)	(24,653)	(6,064)	(6,192)	(6,540)	(6,546)	(6,708)
Income before income tax	15,431	16,953	20,327	5,139	5,368	4,380	5,945	5,699
Income tax expenses	(2,171)	(2,167)	(3,204)	(818)	(893)	(605)	(910)	(584)
Net Income	13,260	14,786	17,123	4,321	4,475	3,775	5,035	5,115
Attributable to owners of the company	13,265	14,887	17,108	4,318	4,467	3,772	5,032	5,112
Attribute to former business under control	146	0	0	0	0	0	0	0
Non-controlling interests	(151)	(101)	15	3	8	3	3	3

Note: Preliminary figures of Jun. 2019