

E.SUN FHC Financial Review of 4Q 2019



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Agenda

- 2019 4Q Financial Performance
- 2019 4Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2019.12 ^{/1}	2018.12
Total Assets	FHC	2,497,384	2,287,787
	Bank	2,480,823	2,272,337
	Securities	15,040	12,673
	Venture Capital	3,462	3,319
Key Financials	Book value per share (NT\$)	14.90	14.78
	Double Leverage Ratio	103.86%	104.11%
	FHC CAR	126.24%	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 Dec. 2019

2. Share owned by QFII: 44.24%, as of Dec. 31, 2019.



2019 Business and Financial Review

Financial Performance

- In 2019, E.SUN FHC's preliminary net profit was NT\$20.1 billion, up 17.8%. Net revenues NT\$54.6 billion, up 10.4%. EPS NT\$1.73, ROE 12.07%, ROA 0.84%.
- E.SUN Bank's preliminary net profit grew 14.9% and ROE 11.95%, both profit growth rate and ROE are the highest among banks under FHCs.

Business Operation

- Net fee income set record high of NT\$18.8 billion, a 14.6% growth. Wealth management and credit card grew 33.4% and 4.8% respectively (yoy).
- Net increase amount of cards-in-force, active cards, and card consumption are the highest in Taiwan.
- Cross-border platform and digital channels for corporates/individuals clients drove FX deposit balance to grow 20.1% (yoy).
- Net profit of overseas branches and subsidiaries accounted for 21% of E.SUN bank.
- Asset quality was benign, NPL ratio at 0.19% and coverage ratio at 640.4%.

Honors and Recognitions

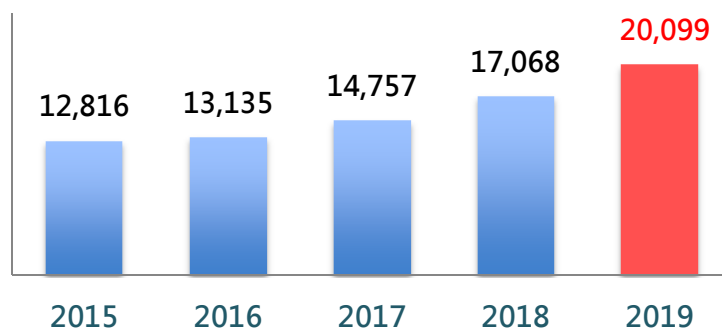
- 1st brand value in Taiwan: "Global Top 500 Banking Brand: The Most Valuable Banking Brand in Taiwan" by The Banker magazine for the 2nd straight year.
- Credit rating: E.SUN Bank A- rating by S&P, A2 by Moody's.
- Excellence in ESG: listed in DJSI for the 6th consecutive year, and in DJSI World for the 4th time. AA rating by MSCI ESG for the 3rd straight year. 12th time ranked 1st in Commonwealth CSR Award.



Financial Performance

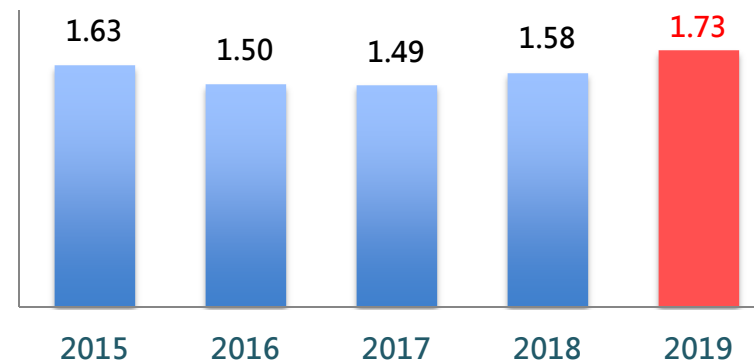
Net Profit

Unit: NT\$ million

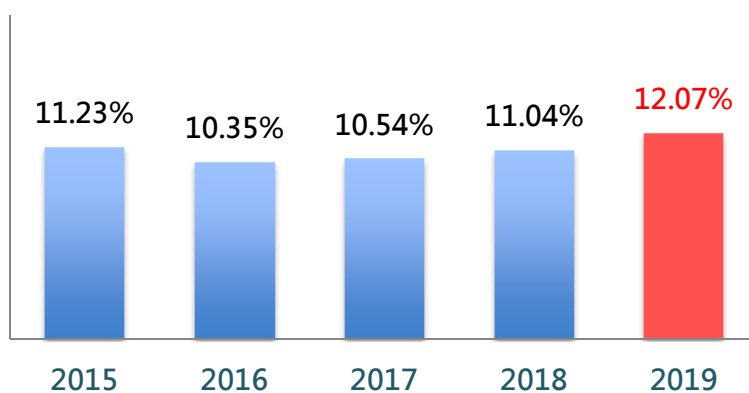


EPS

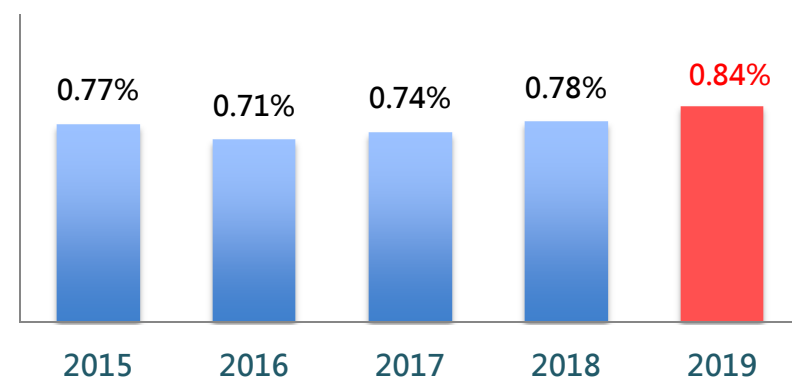
Unit: NT\$ dollars



ROE



ROA

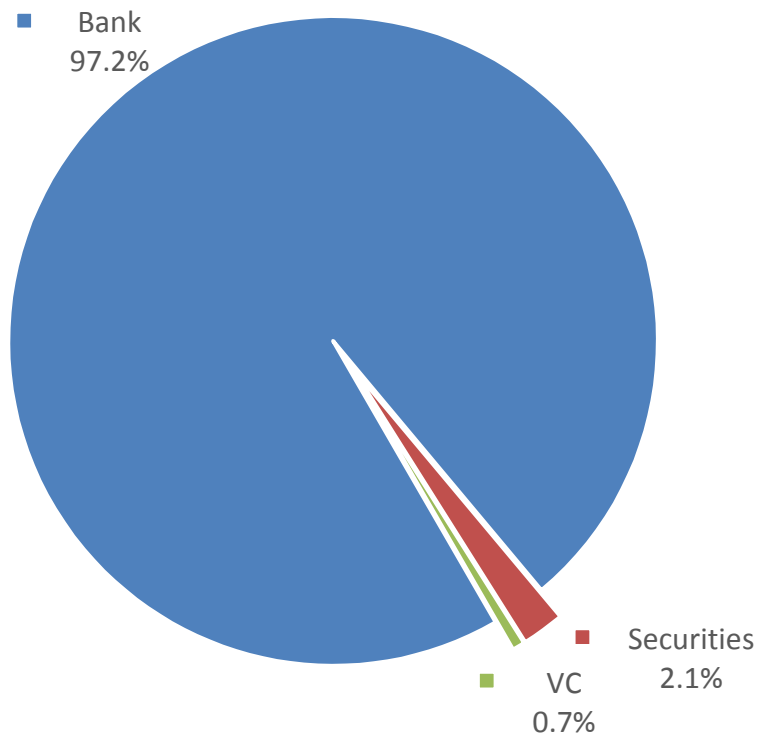


Note: Preliminary figures of Dec. 2019



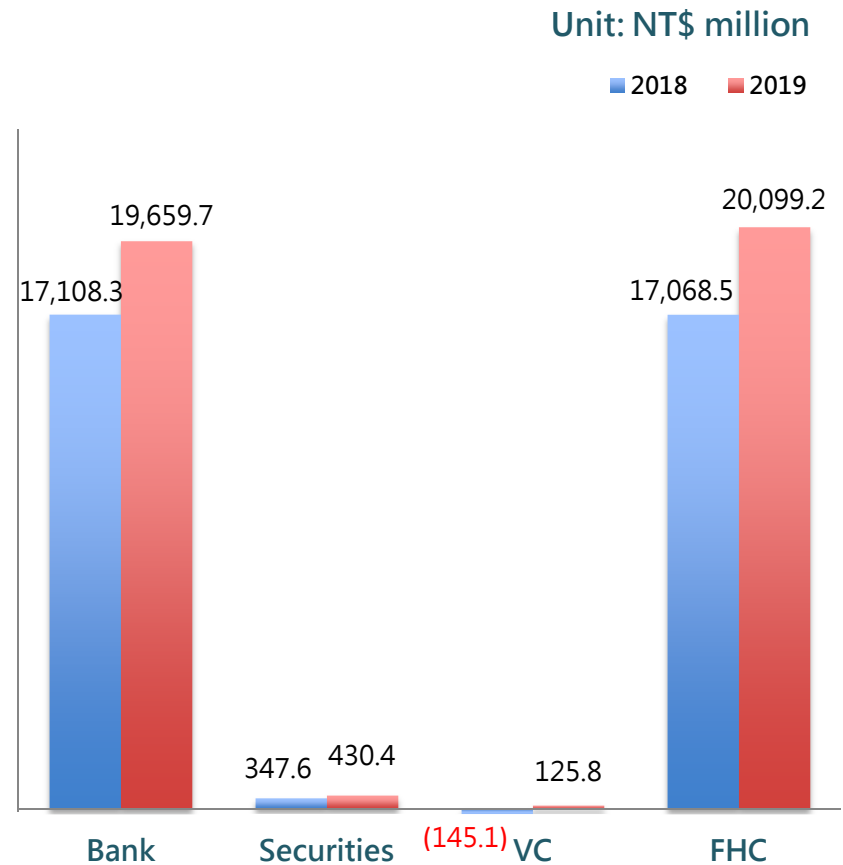
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Note: Preliminary figures of Dec. 2019

Net Income of FHC and its Subsidiaries

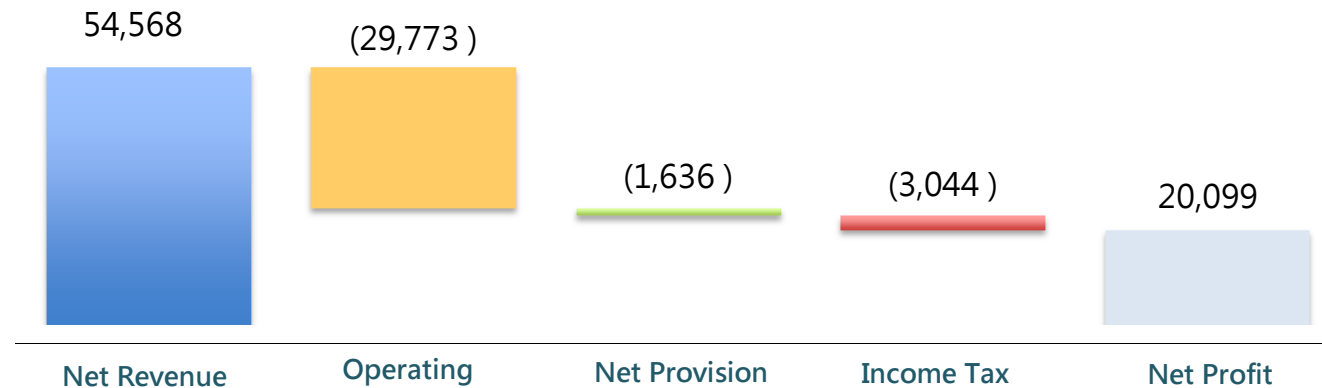




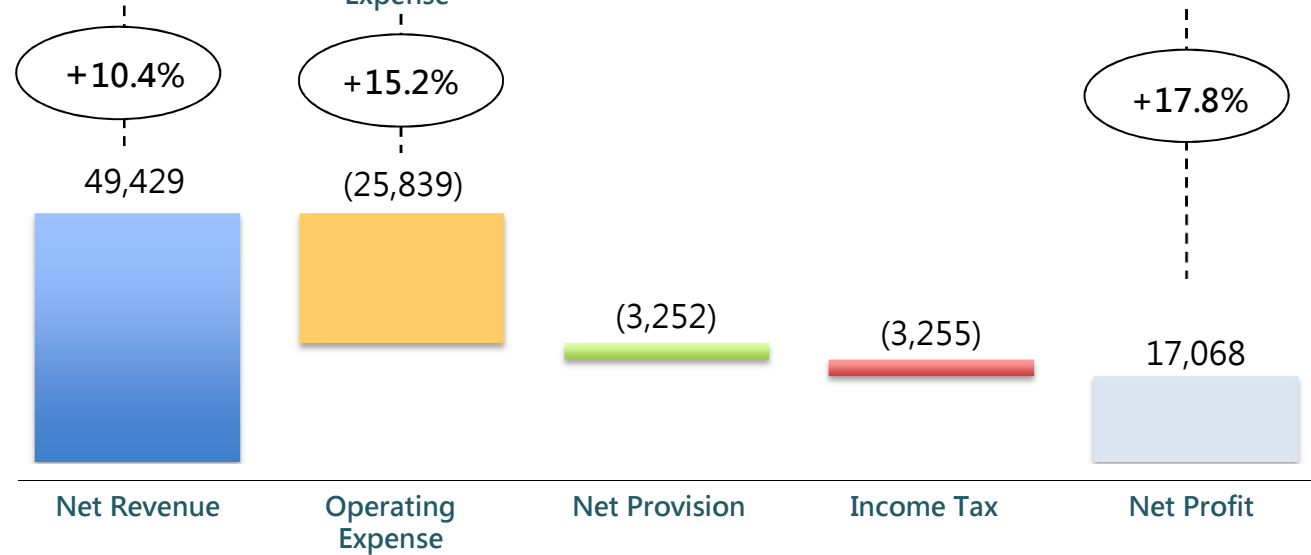
Net Profit Breakdown

Unit: NT\$ million

2019 P&L



2018 P&L



Note: Preliminary figures of Dec. 2019

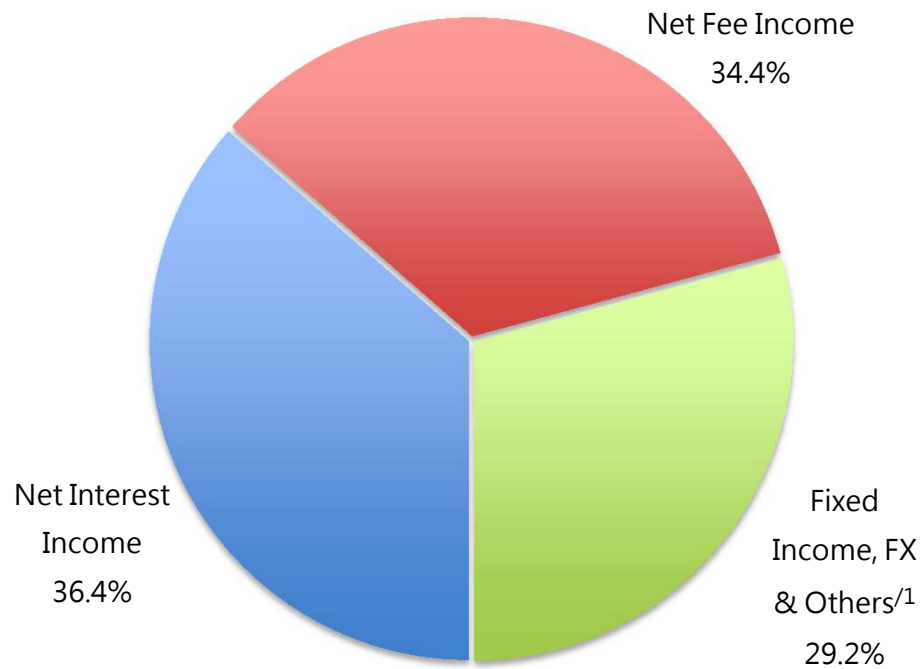


FHC Revenue Breakdown

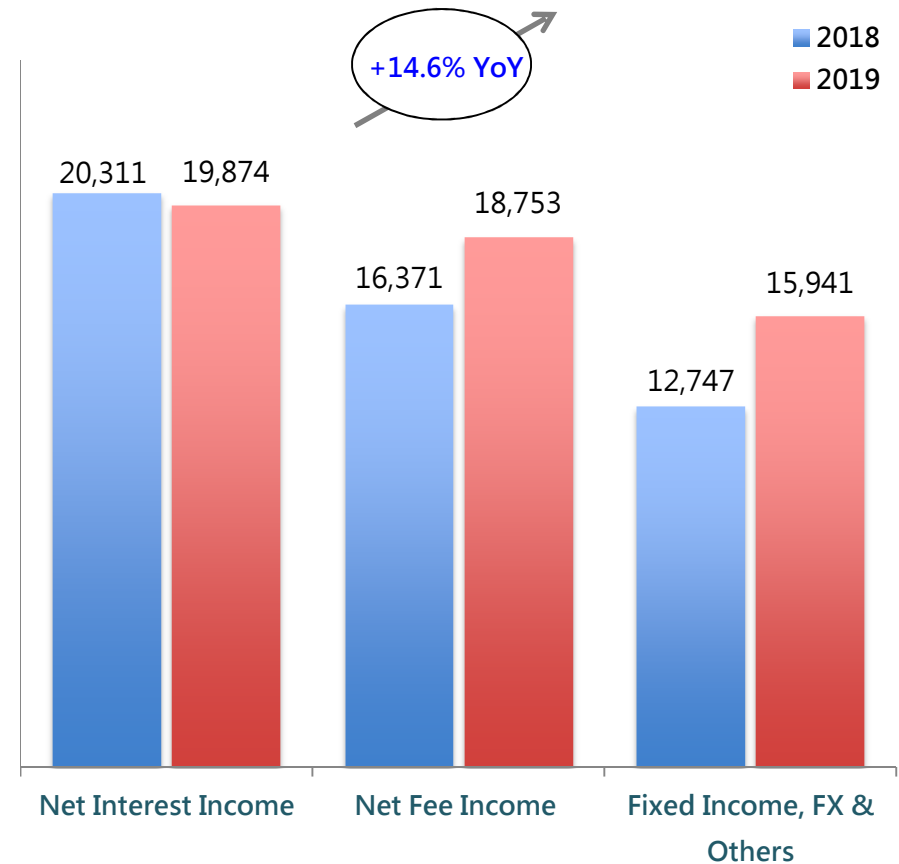
Total Net Revenue
NT\$ 54,568 million

YoY Comparison

Unit: NT\$ million



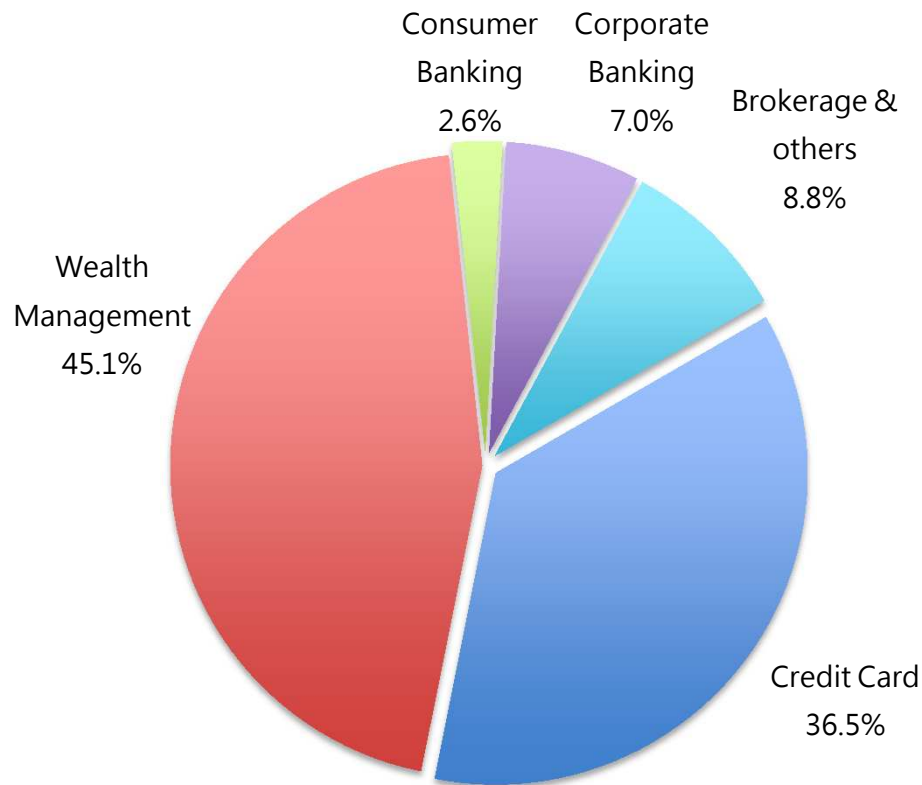
Note: 1. 54.6% of "Fixed income, FX & Others" is interest income from stable growing fixed income investment
2. Preliminary figures of Dec. 2019





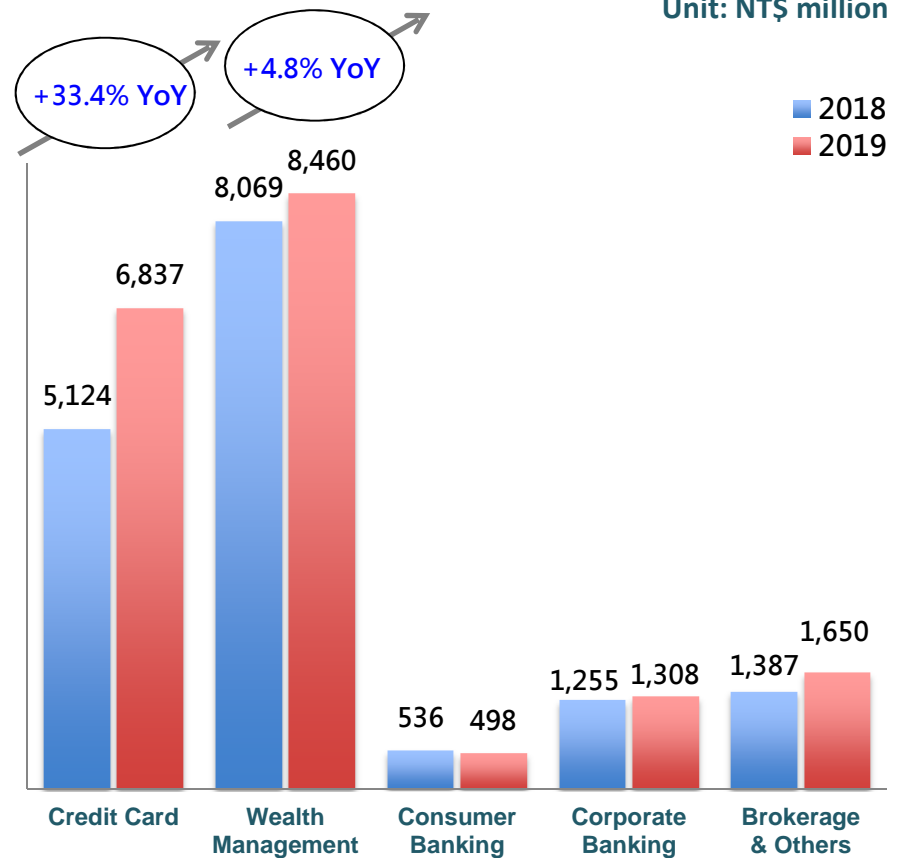
Net Fee Income Breakdown

Total Net Fee Income
NT 18,753 million



YoY Comparison

Unit: NT\$ million



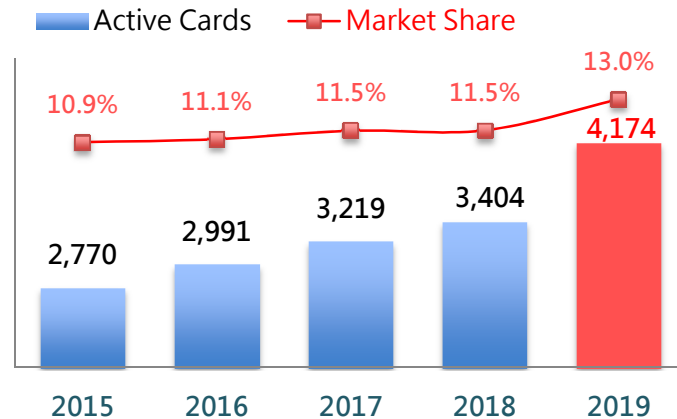
Note: Preliminary figures of Dec. 2019



Credit Card Business Breakdown

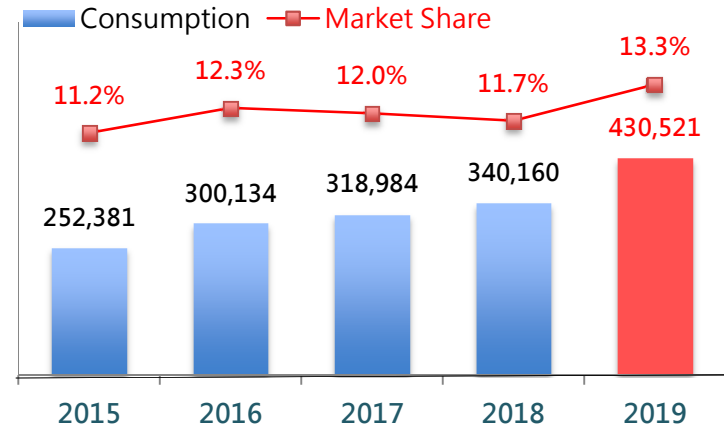
Active Cards

Unit: Thousand Cards, %



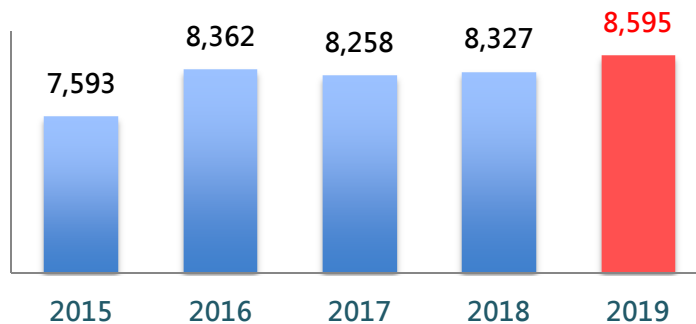
Card Consumption

Unit: NT\$ million



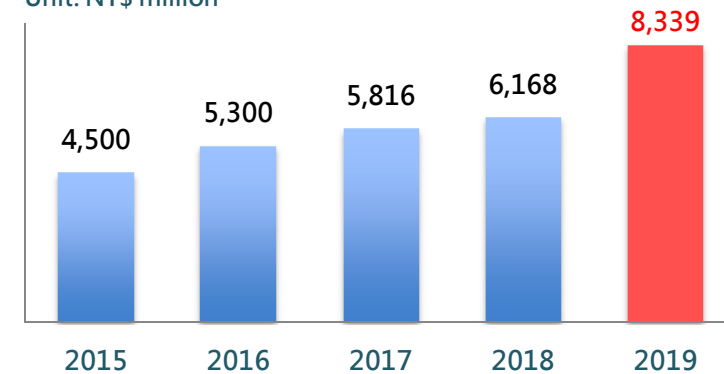
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share data as of Nov. 2019



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2019	QoQ Growth %	2019.9	YoY Growth %	2018
Total Deposits	2,045.5	2.8%	1,988.9	10.0%	1,859.8
Demand Deposits	814.9	0.8%	808.5	7.0%	761.4
Time Deposits	491.6	-0.6%	494.8	1.8%	482.9
FCY Deposits	739.1	7.8%	685.6	20.1%	615.5
Total Loans ^{1/}	1,424.0	2.0%	1,396.5	7.9%	1,320.1
Corporate Loans	706.7	1.3%	697.5	6.5%	663.6
SME Loans	365.0	2.5%	356.2	5.6%	345.7
FCY Loans	246.6	-3.2%	254.8	7.8%	228.8
Consumer Loans	717.3	2.6%	699.0	9.3%	656.5
Mortgage Loan	324.4	4.0%	311.9	19.4%	271.6
Unsecured Personal Loan	109.4	1.8%	107.5	4.2%	105.1
Credit Card Revolving Balance	13.5	3.8%	13.0	5.5%	12.8

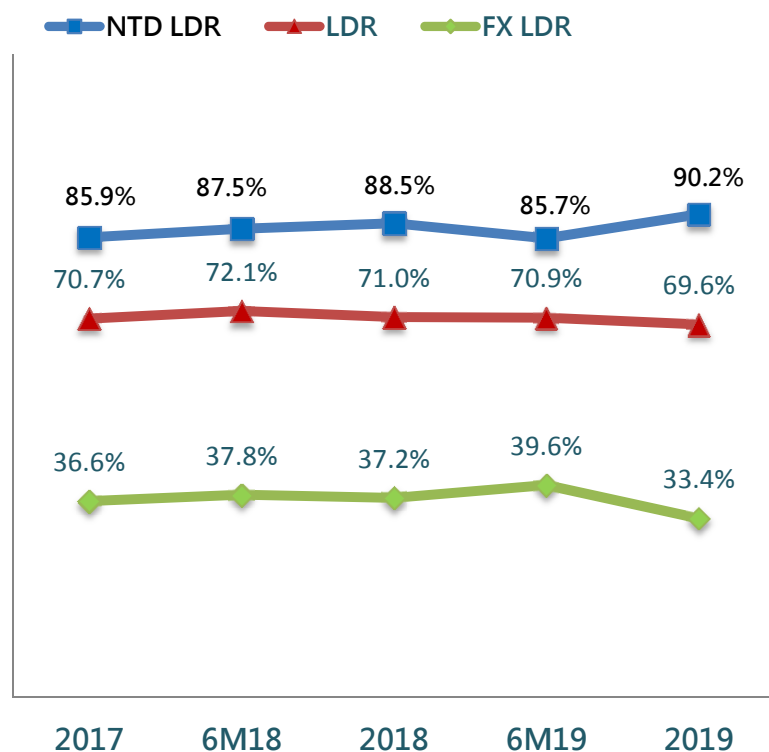
Note: Not including loan balance of subsidiaries NT\$ 36 billion



Deposit Structure

Loan to Deposit Ratio

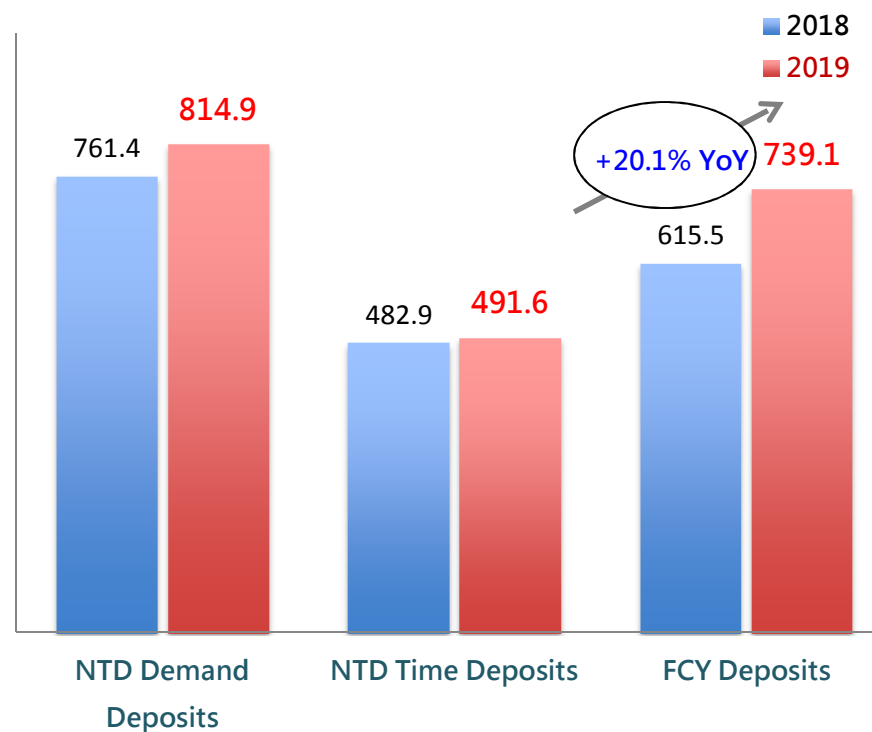
Unit: NT\$ Bn



Note: Data of E.SUN Bank

Deposit Structure

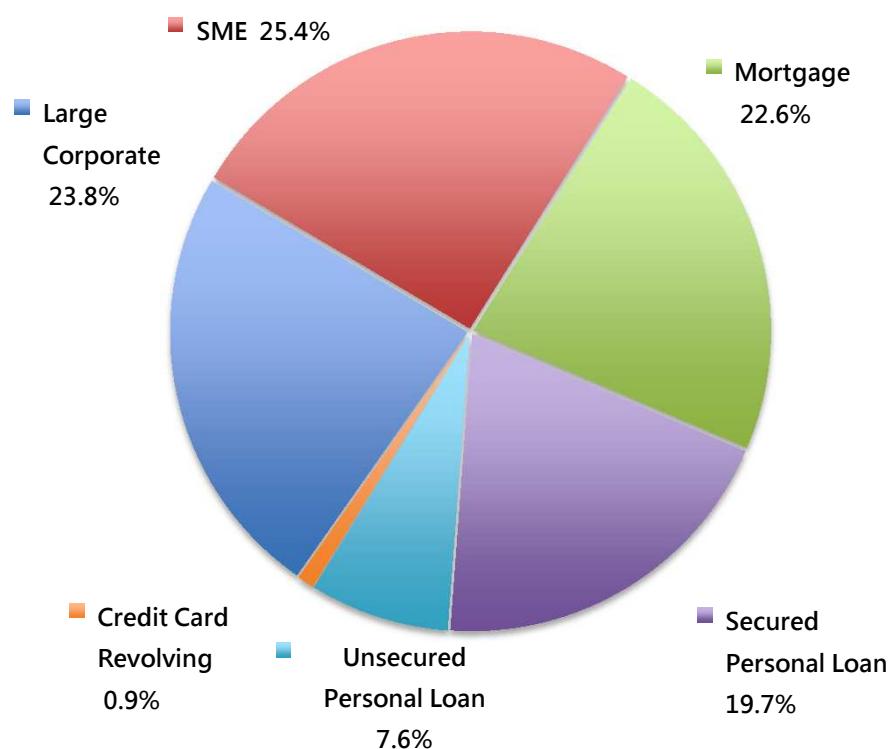
Unit: NT \$Bn





Loan Portfolio Breakdown

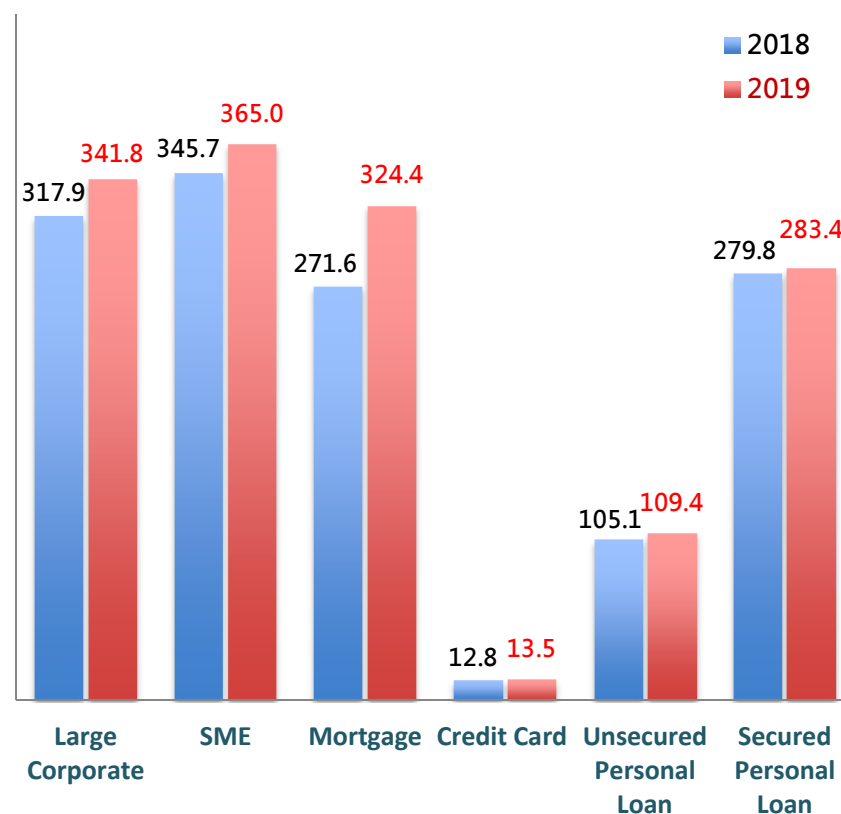
Total Loan
NT\$ 1,437.5 billion



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

YoY Comparison

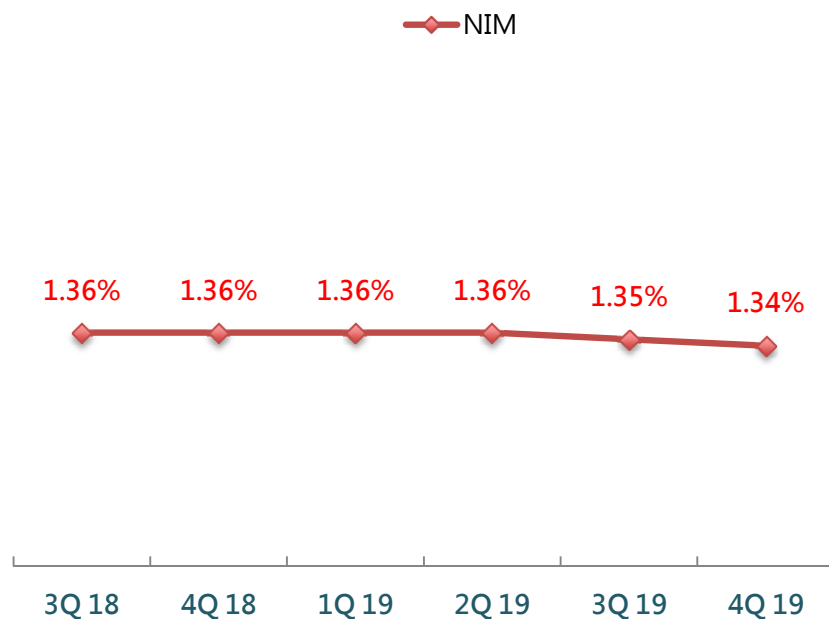
Unit: NT\$ Bn





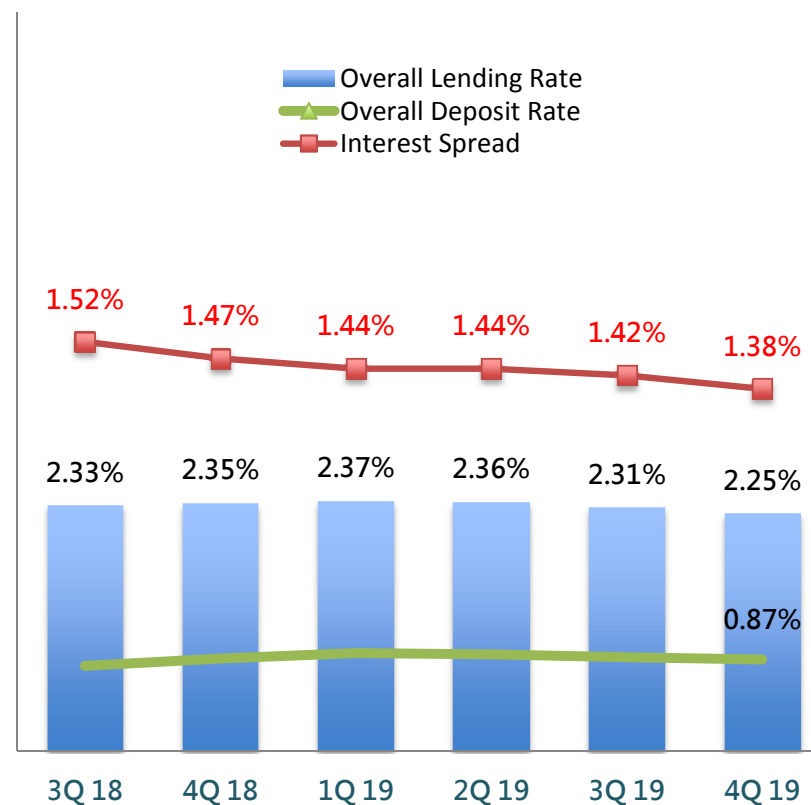
NIM and Spread

Quarterly Net Interest Margin



Note: Data of E.SUN Bank

Quarterly Interest Spread

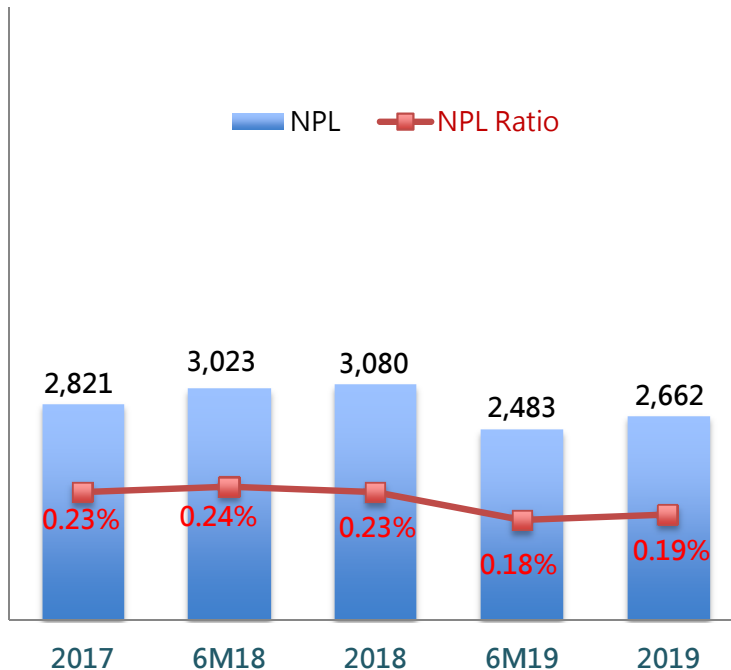




Superior Asset Quality 1/3

NPL Ratio(%)

Unit: NT\$ million



Note: Data of E.SUN Bank

Coverage Ratio(%)

Unit: NT\$ million

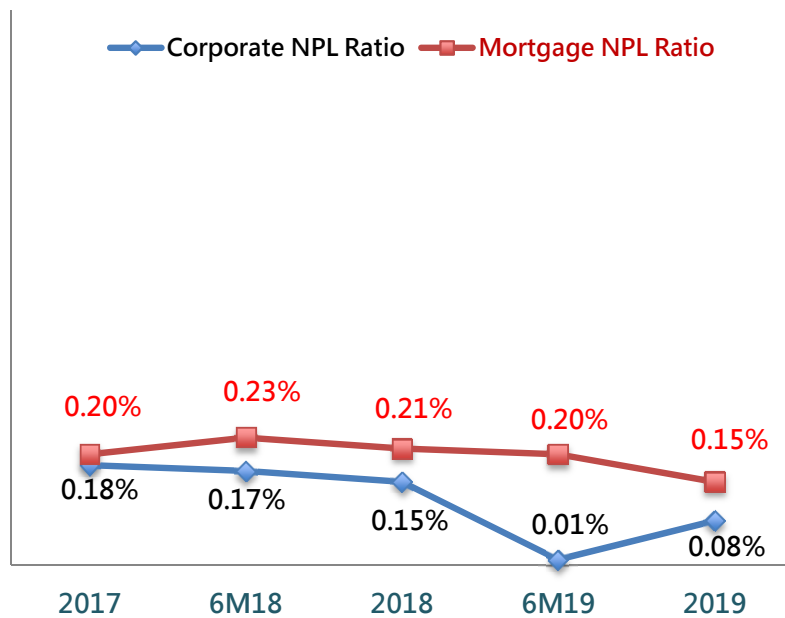
Loan Loss Reserve Coverage Ratio





Superior Asset Quality 2/3

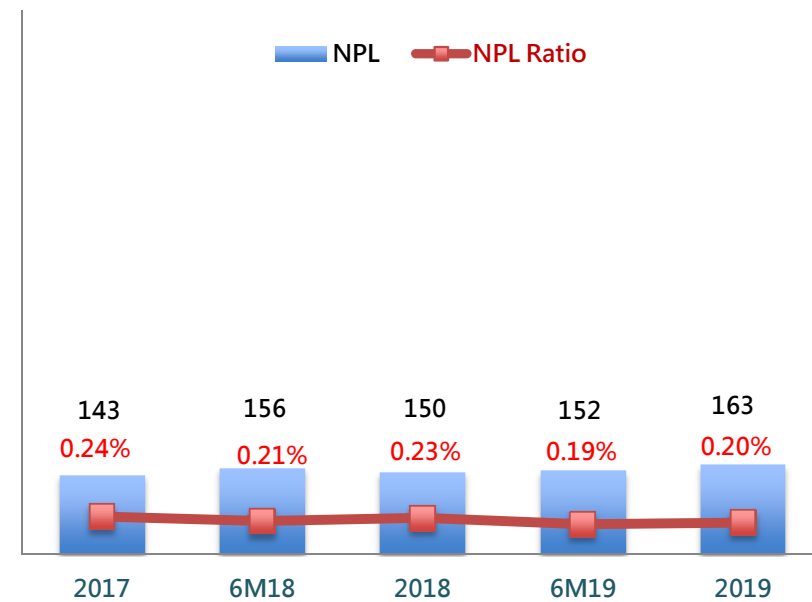
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

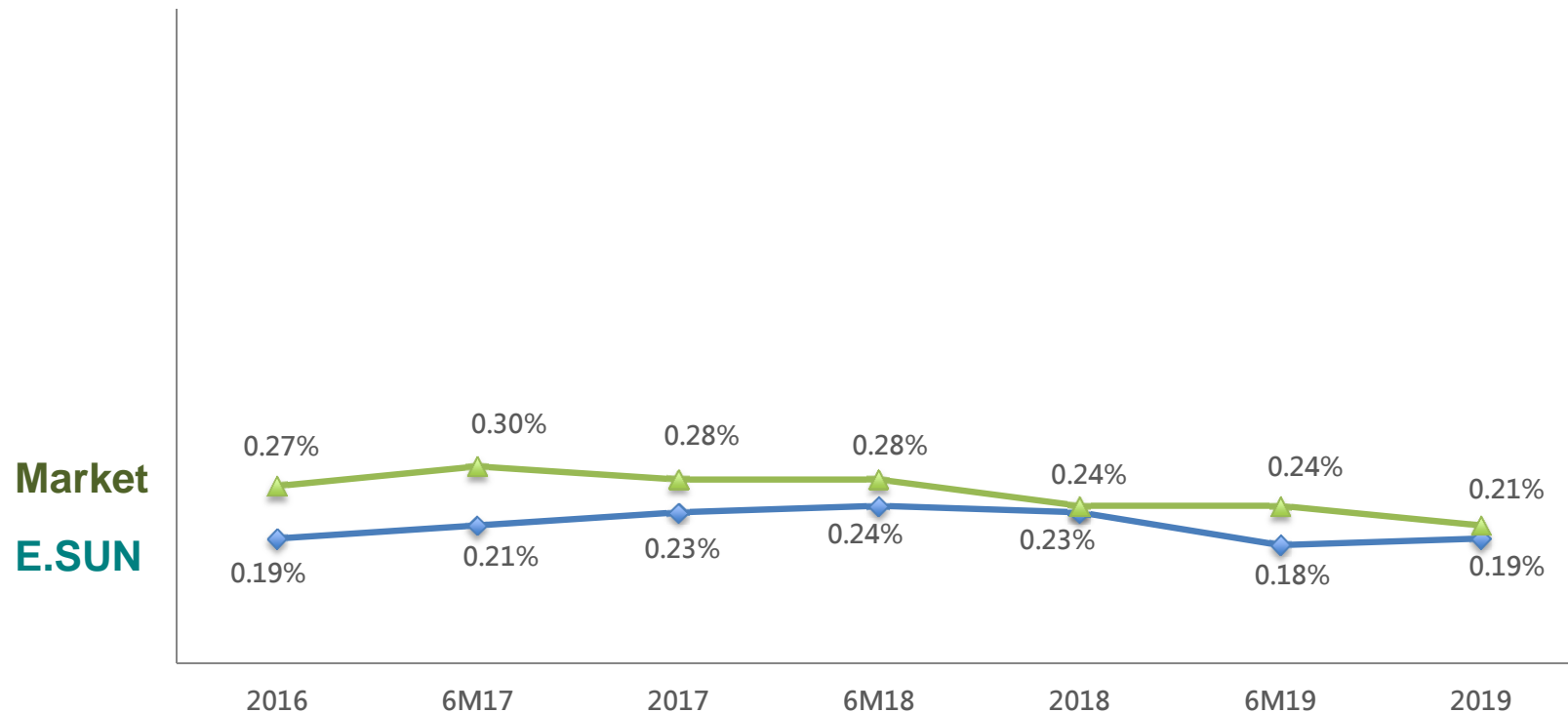
Unit: NT\$ million





Superior Asset Quality 3/3

NPL Comparison with Market



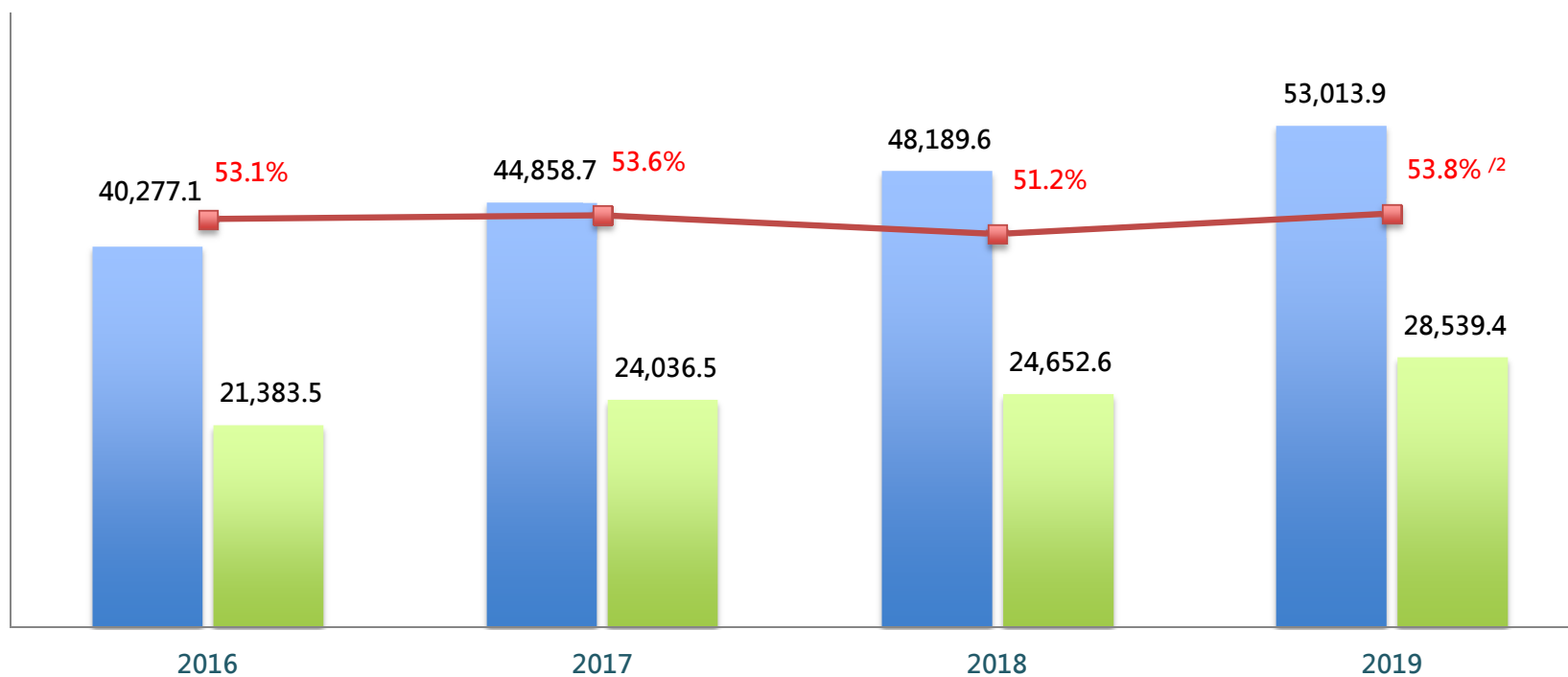
Source : FSC



Cost-Income Ratio

Unit: NT\$ million

Net Revenue Operating Expense(exclu. provision) Cost Income Ratio

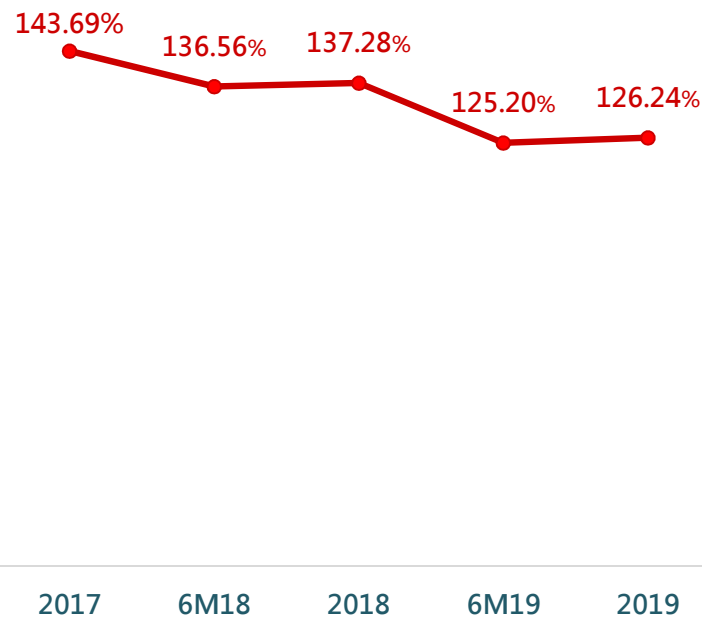


Note: 1. Data of E.SUN Bank
2. Preliminary figures of Dep. 2019



Capital Adequacy Ratio

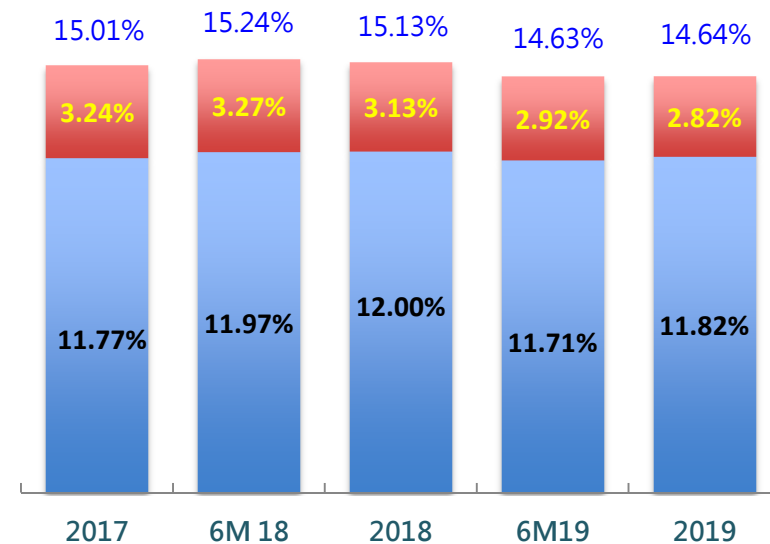
FHC CAR Ratio



Note: 1. Preliminary figures of Dec. 2019
2. BIS of E.SUN Bank standalone

Bank BIS Ratio

■ Tier 2 Ratio ■ Tier 1 Ratio





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 E.SUN FHC and its subsidiaries for FY2019

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	128,346	1,206	52	492	129,039
Securities, net	747,997	1,559	3,323	81	753,104
Loans, net	1,444,278	0	0	0	1,444,278
A/R, net	103,791	9,648	4	124	113,435
Land, premises and equipments, net	32,872	344	0	13	33,231
Others	23,539	2,276	83	181,167	24,297
Total assets	2,480,823	15,033	3,462	181,877	2,497,384
Liabilities:					
Deposits	2,083,123	0	0	0	2,080,910
Other liabilities	226,594	9,712	44	8,767	243,233
Total liabilities	2,309,717	9,712	44	8,767	2,324,143
Total stockholders' equity	171,106	5,321	3,418	173,110	173,241
Total equity attributable to owners of the company	170,974	5,321	3,418	173,110	173,110
Non-Controlling interests	132	0	0	0	131
Total liabilities and stockholders' equity	2,480,823	15,033	3,462	181,877	2,497,384

Note: Preliminary figures of Dec. 2019



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for FY2019

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	19,661	293	1	(84)	19,874
Net fee income	17,745	1,012	0	0	18,753
Net trading income/(loss) & Derivatives & FX	15,305	175	155	2	15,637
Others	302	84	0	20,347	304
Total Net Revenues	53,013	1,564	156	20,265	54,568
Allowance for bad-debt expenses	(1,636)	0	0	0	(1,636)
Operating expenses	(28,539)	(1,058)	(16)	(375)	(29,773)
Income before income tax	22,838	506	140	19,890	23,159
Income tax expenses	(3,162)	(76)	(14)	209	(3,044)
Net Income	19,676	430	126	20,099	20,115
Attributable to owners of the company	19,660	430	126	20,099	20,099
Non-controlling interests	16	0	0	0	16

Note: Preliminary figures of Dec. 2019



Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19
Assets :								
Cash and due from banks	99,545	131,175	132,444	132,444	135,466	130,863	118,743	129,039
Securities, net	502,761	577,285	660,622	660,622	719,526	690,573	717,834	753,104
Loans, net	1,118,149	1,211,071	1,333,277	1,333,277	1,352,561	1,384,938	1,414,961	1,444,278
A/R, net	83,936	94,083	93,451	93,451	92,944	111,795	119,149	113,435
Land, premises and equipments, net	26,440	28,209	32,605	32,605	32,750	32,809	33,353	33,231
Others	53,469	32,565	35,388	35,388	37,513	35,359	38,257	24,297
Total assets	1,884,300	2,074,388	2,287,787	2,287,787	2,370,760	2,386,337	2,442,297	2,497,384
Liabilities:								
Deposits	1,556,422	1,711,175	1,885,885	1,885,885	1,930,403	1,951,424	2,017,635	2,080,910
Other liabilities	198,697	214,265	241,772	241,772	273,490	270,472	255,538	243,233
Total liabilities	1,755,119	1,925,440	2,127,657	2,127,657	2,203,893	2,221,896	2,273,173	2,324,143
Total stockholders' equity	129,181	148,948	160,130	160,130	166,867	164,441	169,124	173,241
Total equity attributable to owners of the company	128,524	148,842	160,014	160,014	166,748	164,327	169,004	173,110
Non-Controlling interests	657	106	116	116	119	114	120	131
Total liabilities and stockholders' equity	1,884,300	2,074,388	2,287,787	2,287,787	2,370,760	2,386,337	2,442,297	2,497,384

Note: Preliminary figures of Dec. 2019



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	4Q18	1Q19	2Q19	3Q19	4Q19
Operating income								
Net interest income	18,585	20,250	20,311	5,056	4,826	4,928	5,071	5,049
Net Fee income	15,548	15,776	16,371	4,152	4,074	4,589	5,141	4,949
Net trading income/(loss) & Derivatives & FX	6,586	9,733	12,459	2,867	4,492	3,642	3,807	3,696
Others	345	348	288	12	85	79	55	85
Total Net Revenues	41,064	46,107	49,429	12,087	13,477	13,238	14,074	13,779
Allowance for bad-debt expenses	(3,463)	(4,055)	(3,253)	(985)	(511)	(489)	(296)	(340)
Operating expenses	(22,396)	(25,179)	(25,839)	(6,819)	(6,818)	(7,019)	(7,745)	(8,191)
Income before income tax	15,205	16,873	20,337	4,283	6,148	5,730	6,033	5,248
Income tax expenses	(2,222)	(2,219)	(3,254)	(561)	(935)	(664)	(493)	(952)
Net Income	12,983	14,654	17,083	3,722	5,213	5,066	5,540	4,296
Income Attributable to owners of the company	13,135	14,757	17,069	3,719	5,210	5,063	5,534	4,292
Non-Controlling interests	(152)	(103)	14	3	3	3	6	4

Note: Preliminary figures of Dec. 2019



Appendix 5/6

E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19
Assets :								
Cash and due from banks	99,446	131,042	132,378	132,378	135,374	130,794	118,692	128,346
Securities, net	501,867	575,980	656,564	656,564	714,990	686,171	713,178	747,997
Loans, net	1,118,149	1,211,071	1,333,277	1,333,277	1,352,561	1,384,938	1,414,961	1,444,278
A/R, net	75,992	83,130	85,317	85,317	84,237	102,890	109,964	103,791
Land, premises and equipments, net	25,785	27,559	31,950	31,950	32,113	32,201	32,737	32,872
Others	48,892	27,555	32,851	32,851	34,899	32,938	35,884	23,539
Total assets	1,870,131	2,056,337	2,272,337	2,272,337	2,354,174	2,369,932	2,425,416	2,480,823
Liabilities:								
Deposits	1,558,856	1,712,072	1,886,850	1,886,850	1,935,197	1,963,810	2,019,728	2,083,123
Other liabilities	184,241	197,007	227,217	227,217	254,496	243,657	238,610	226,594
Total liabilities	1,743,097	1,909,079	2,114,067	2,114,067	2,189,693	2,207,467	2,258,338	2,309,717
Total stockholders' equity	127,034	147,258	158,270	158,270	164,481	162,465	167,078	171,106
Total equity attributable to owners of the company	126,371	147,145	158,147	158,147	164,354	162,343	166,950	170,974
Non-Controlling interests	663	113	123	123	127	122	128	132
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	2,272,337	2,354,174	2,369,932	2,425,416	2,480,823

Note: Preliminary figures of Dec. 2019



Appendix 6/6

E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2016	2017	2018	4Q18	1Q19	2Q19	3Q19	4Q19
Operating income								
Net interest income	18,419	20,015	20,031	5,002	4,785	4,884	5,011	4,981
Fee income	14,939	14,903	15,359	3,922	3,871	4,333	4,874	4,667
Net trading income/(loss) & Derivatives & FX	6,575	9,604	12,485	2,961	4,260	3,599	3,777	3,669
Others	344	337	314	17	86	81	56	79
Total Net Revenues	40,277	44,859	48,189	11,902	13,002	12,897	13,718	13,396
Allowance for bad-debt expenses	(3,462)	(3,869)	(3,209)	(982)	(511)	(490)	(300)	(335)
Operating expenses	(21,384)	(24,037)	(24,653)	(6,540)	(6,546)	(6,706)	(7,404)	(7,883)
Income before income tax	15,431	16,953	20,327	4,380	5,945	5,701	6,014	5,178
Income tax expenses	(2,171)	(2,167)	(3,204)	(605)	(910)	(542)	(643)	(1,067)
Net Income	13,260	14,786	17,123	3,775	5,035	5,159	5,371	4,111
Attributable to owners of the company	13,265	14,887	17,108	3,772	5,032	5,155	5,365	4,108
Attribute to former business under control	146	0	0	0	0	0	0	0
Non-controlling interests	(151)	(101)	15	3	3	4	6	3

Note: Preliminary figures of Dec. 2019