

E.SUN FHC Financial Review of 2Q 2020



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Agenda

- 2020 2Q Financial Performance
- 2020 2Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2020.06 ¹	2019.12
Total Assets	FHC	2,696,386	2,498,358
	Bank	2,678,304	2,481,011
	Securities	16,405	14,991
	Venture Capital	3,876	3,462
Key Financials	Book value per share (NT\$)	14.90	14.89
	Double Leverage Ratio	103.38%	103.88%
	FHC CAR	122.69%	126.10%
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	16	17

Note: 1.Preliminary figures of Jun. 2020

2.Share owned by QFII: 38.61%, as of Jun. 30, 2020.



2Q20 Business and Financial Review

Financial Performance

- For 1H20, E.SUN FHC's preliminary net revenue was NT\$28.9 billion (+8.3%, yoy). Net profit was NT\$9.7 billion (-5.8%, yoy).
- E.SUN FHC's EPS NT\$0.83 and ROA 0.75%. ROE 11.18%, the 2nd highest among FHCs.
- E.SUN Bank's EPS NT\$0.95. ROE 10.63%, the 2nd highest among banks under FHCs.

Business Operation

- Net fee income NT\$9.8 billion, up by 13.5% (yoy); Wealth management fee income NT\$4.8 billion, up by 21% (yoy). Both numbers were new highs for 1H.
- Credit card outperformed in down market with highest net increase of cards-in-force and consumption. "E.SUN Wallet", the own-branded mobile payment app hit one million downloads.
- Net growth of loan and deposit were both top 3; Loan balance grew by 9.8%, and FX deposit led the market with a growth rate of 23.8% (yoy).
- Asset quality was benign. NPL ratio at 0.19% and coverage ratio at 627.3%.

Highlights

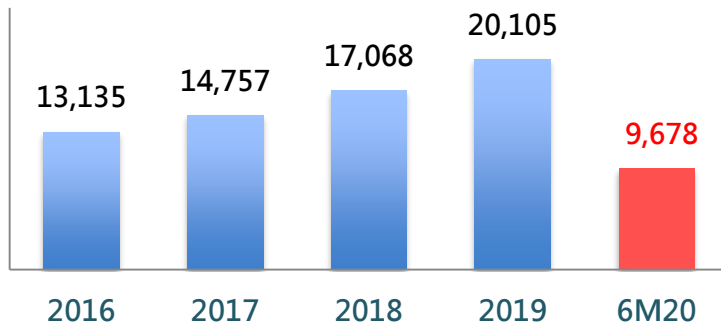
- AI development: E.SUN is the first in Taiwan to adopt AI application for fraudulent credit card transaction detection and bank check authentication.
- NTU Prof. Roger Jang will assume CTO at E.SUN to lead AI development.(to be approved by regulator)
- Honors and recognitions: Awarded "Best Performing Bank in Taiwan" by The Banker for profitability and overall performance; Received "Best in CSR" (Asiamoney) and "Best Sustainable Bank" (FinanceAsia) for commitment in ESG.



Financial Performance

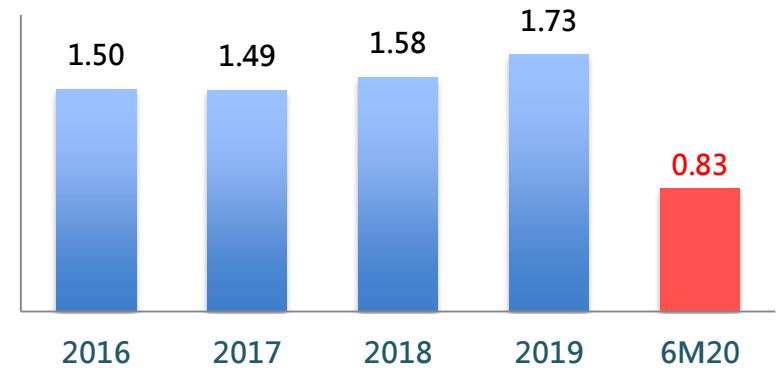
Net Profit

Unit: NT\$ million

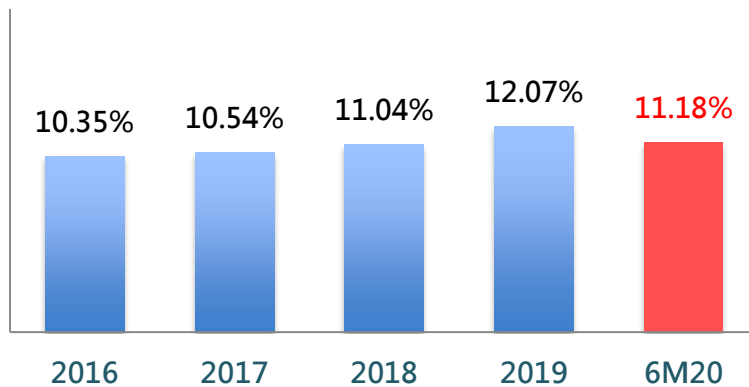


EPS

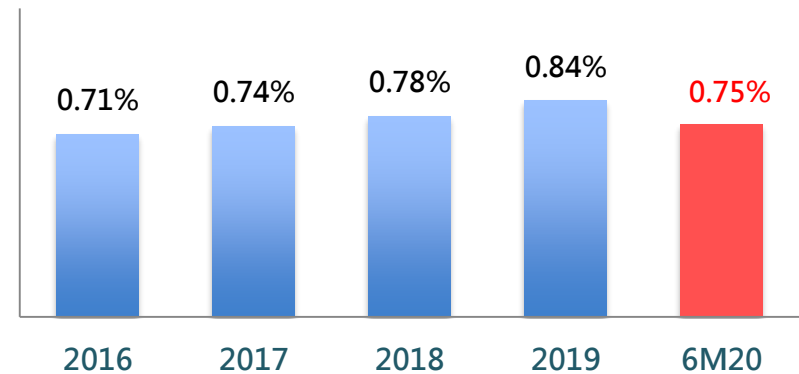
Unit: NT\$ dollars



ROE



ROA

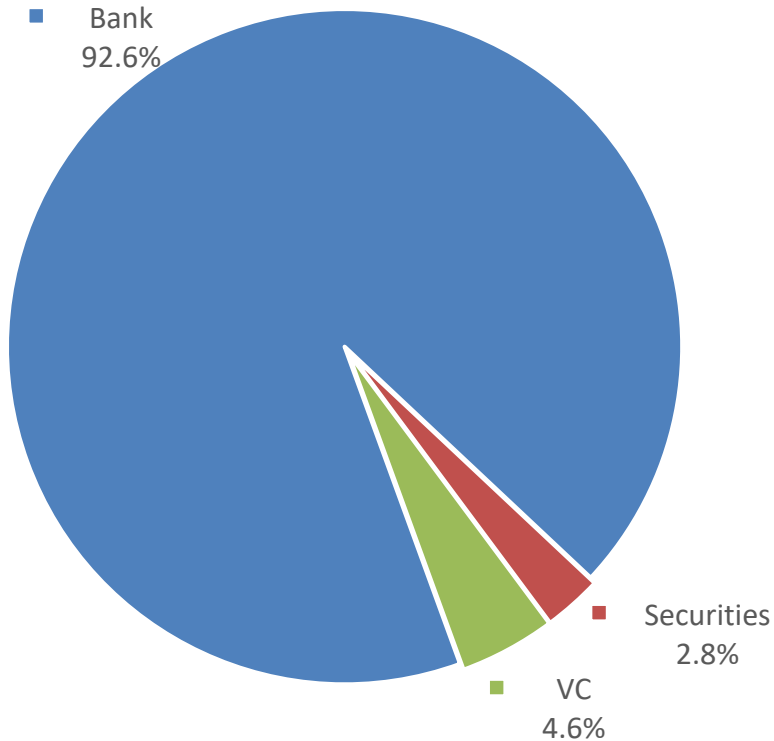


Note: Preliminary figures of Jun. 2020



Net Income of FHC & its Subsidiaries

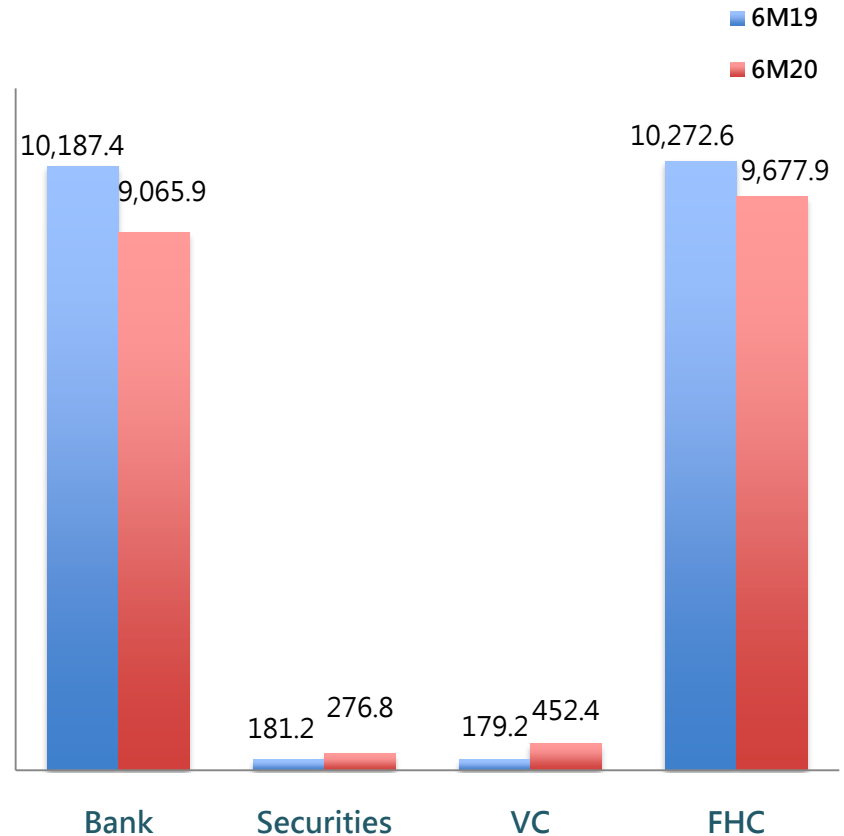
Contribution by Subsidiaries



Note: Preliminary figures of Jun. 2020

Net Income of FHC and its Subsidiaries

Unit: NT\$ million

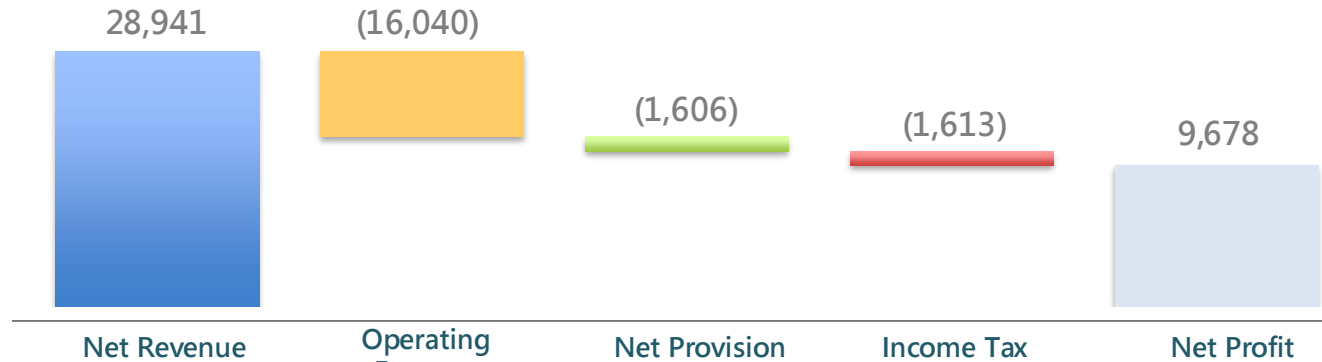




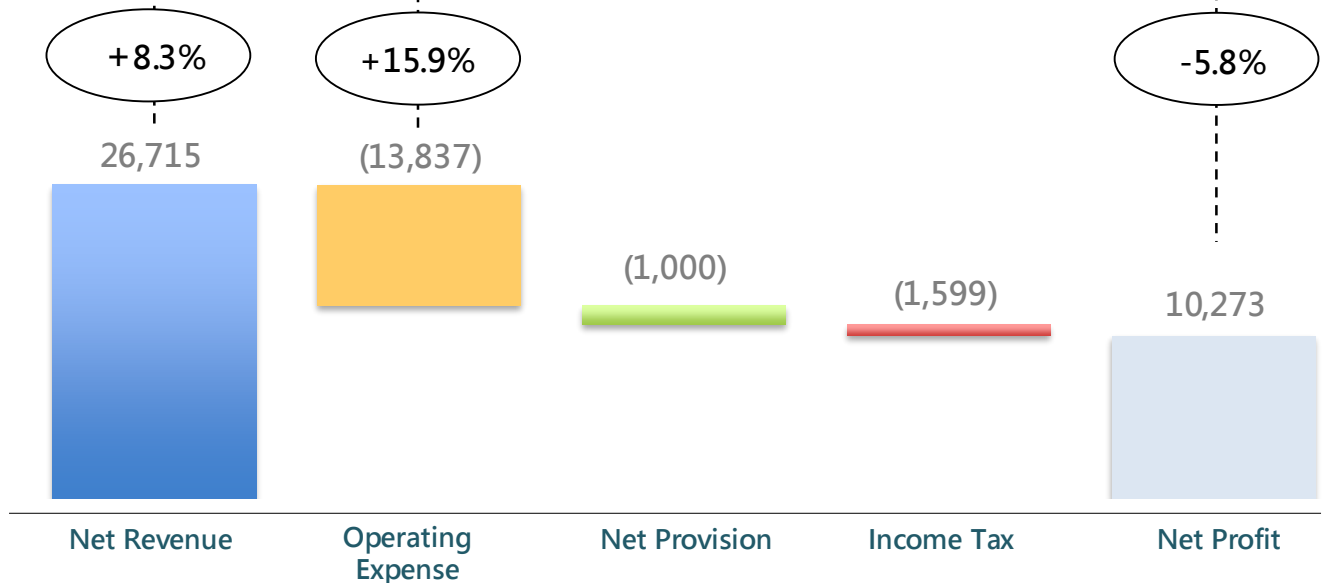
Net Profit Breakdown

Unit: NT\$ million

6M20 P&L



6M19 P&L



Note: Preliminary figures of Jun. 2020

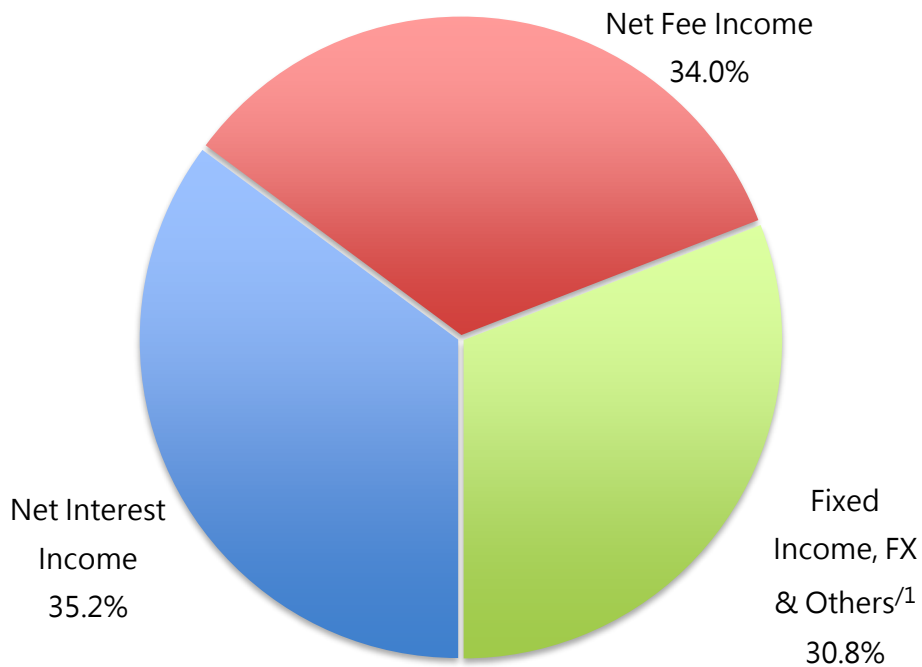


FHC Revenue Breakdown

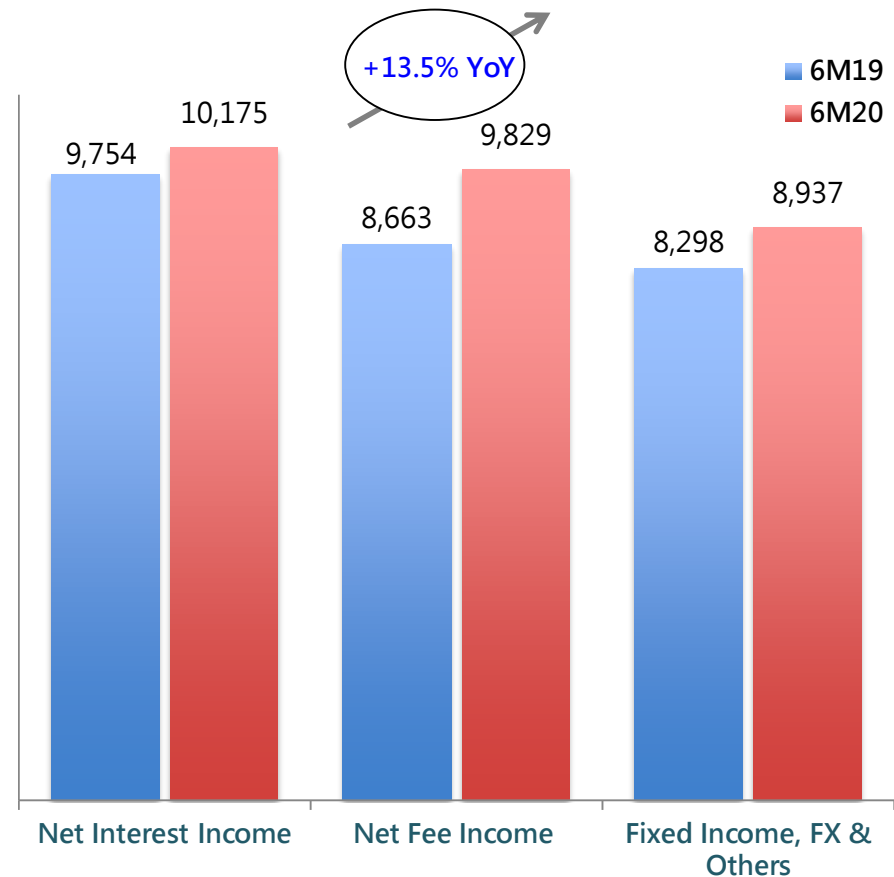
Total Net Revenue
NT\$ 28,941 million

YoY Comparison

Unit: NT\$ million



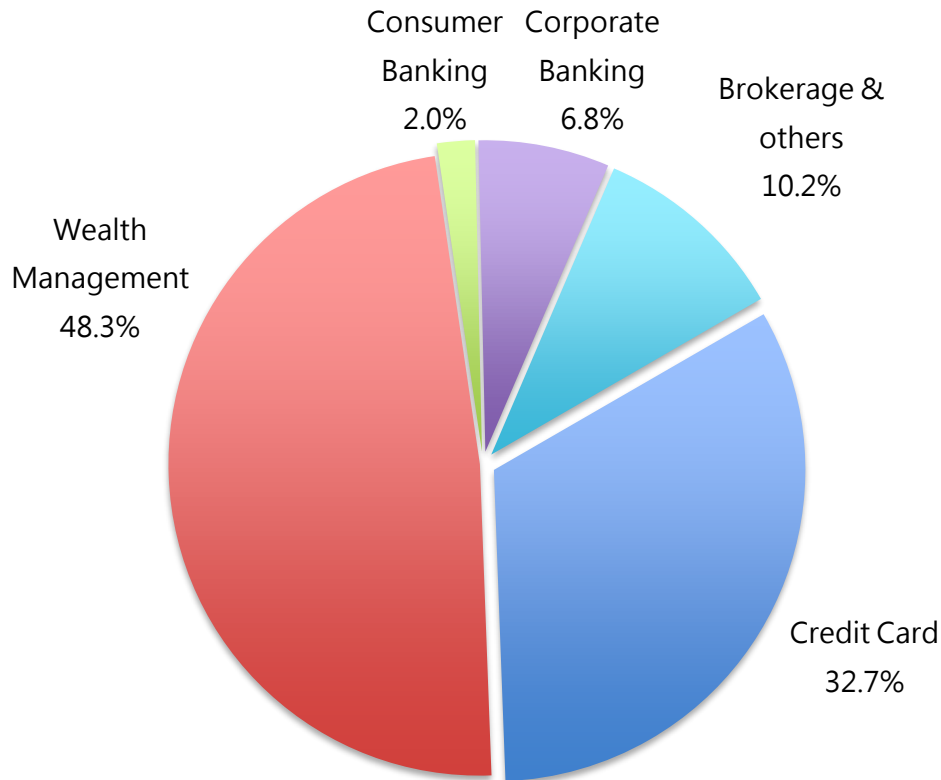
Note: 1. 62.0% of "Fixed income, FX & Others" is associated with fixed income investment
2. Preliminary figures of Jun. 2020





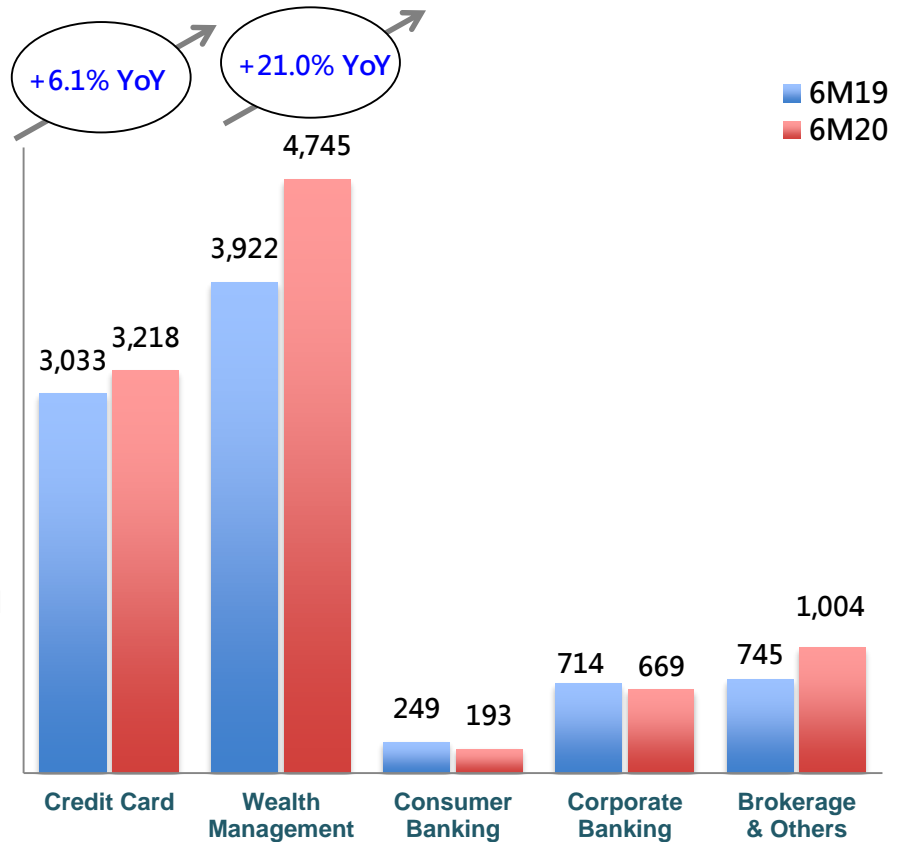
Net Fee Income Breakdown

Total Net Fee Income
NT 9,829 million



YoY Comparison

Unit: NT\$ million



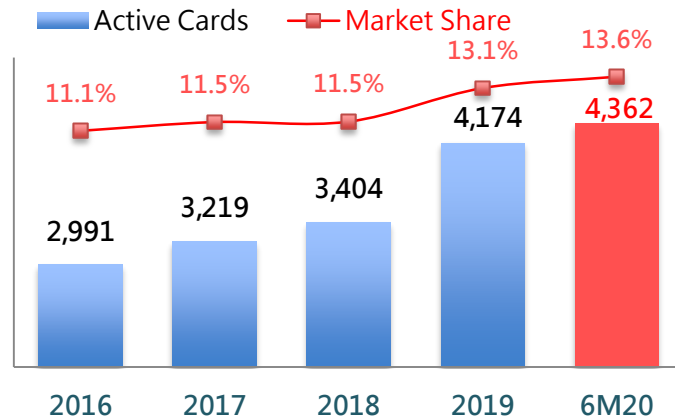
Note: Preliminary figures of Jun. 2020



Credit Card Business Breakdown

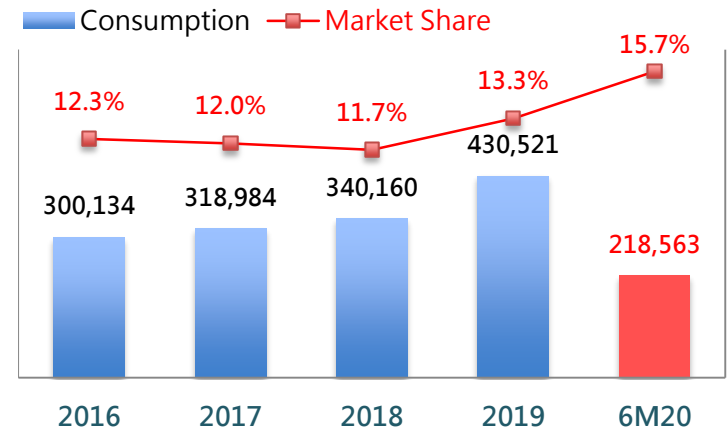
Active Cards

Unit: Thousand Cards, %



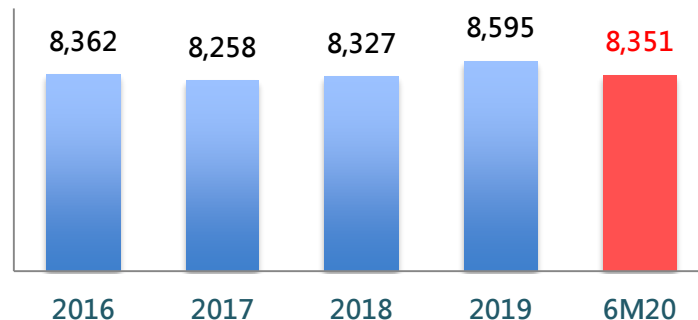
Card Consumption

Unit: NT\$ million



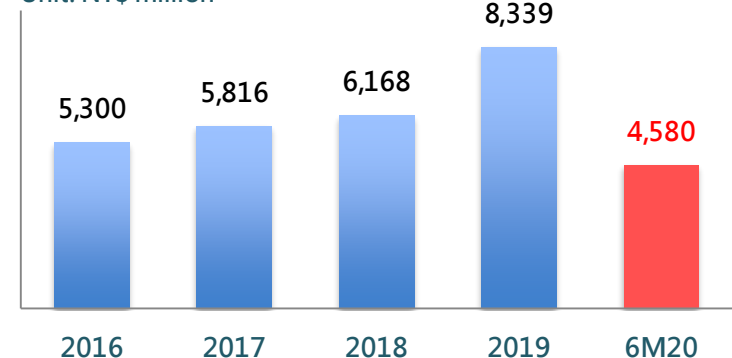
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million





Deposit and Loan Structure

Unit: NT\$ Bn

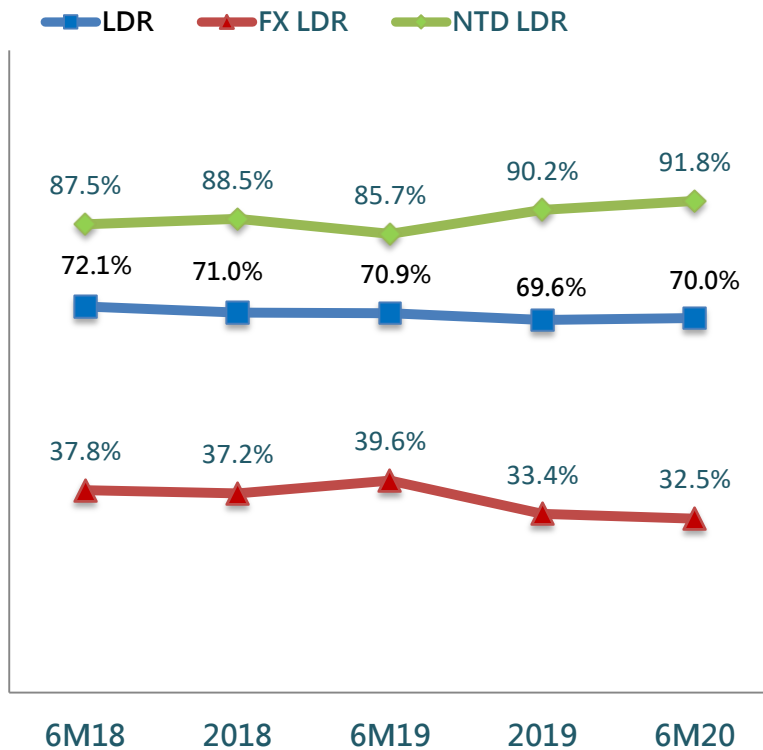
Category	2020.6	QoQ Growth %	2020.3	Ytd Growth %	2019
Total Deposits	2,171.5	3.9%	2,089.4	6.2%	2,045.5
Demand Deposits	879.2	5.7%	831.6	7.9%	814.9
Time Deposits	503.7	3.7%	485.7	2.5%	491.6
FCY Deposits	788.6	2.1%	772.1	6.7%	739.1
Total Loans ^{/1}	1,520.7	4.0%	1,462.2	6.8%	1,424.0
Corporate Loans	752.1	3.2%	728.9	6.4%	706.7
SME Loans	388.8	4.1%	373.6	6.5%	365.0
FCY Loans	255.9	-1.6%	260.0	3.8%	246.6
Consumer Loans	768.6	4.8%	733.3	7.2%	717.3
Mortgage Loan	357.2	5.9%	337.4	10.1%	324.4
Unsecured Personal Loan	116.9	6.2%	110.1	6.9%	109.4
Credit Card Revolving Balance	12.2	-7.6%	13.2	-9.6%	13.5

Note: Not including loan balance of subsidiaries NT\$ 37 billion



Deposit Structure

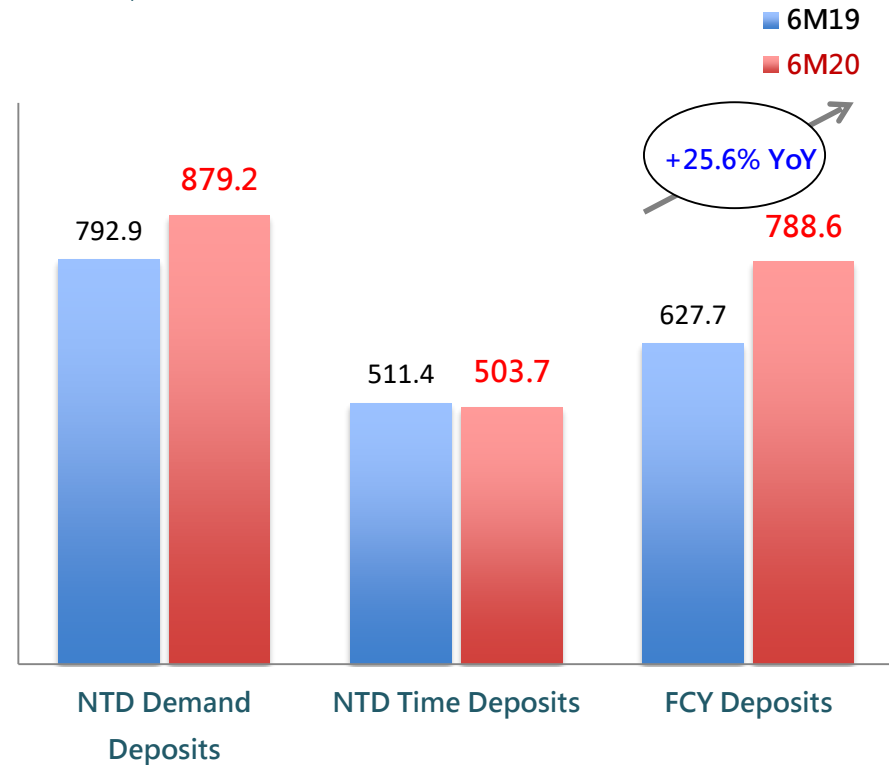
Loan to Deposit Ratio



Note: Data of E.SUN Bank

Deposit Structure

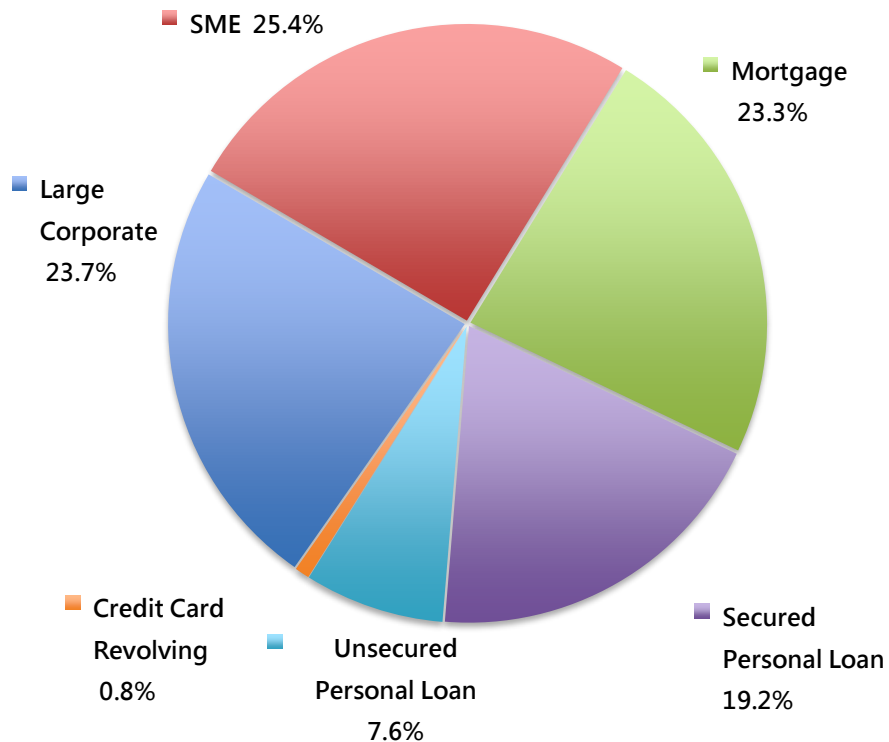
Unit: NT \$Bn





Loan Portfolio Breakdown

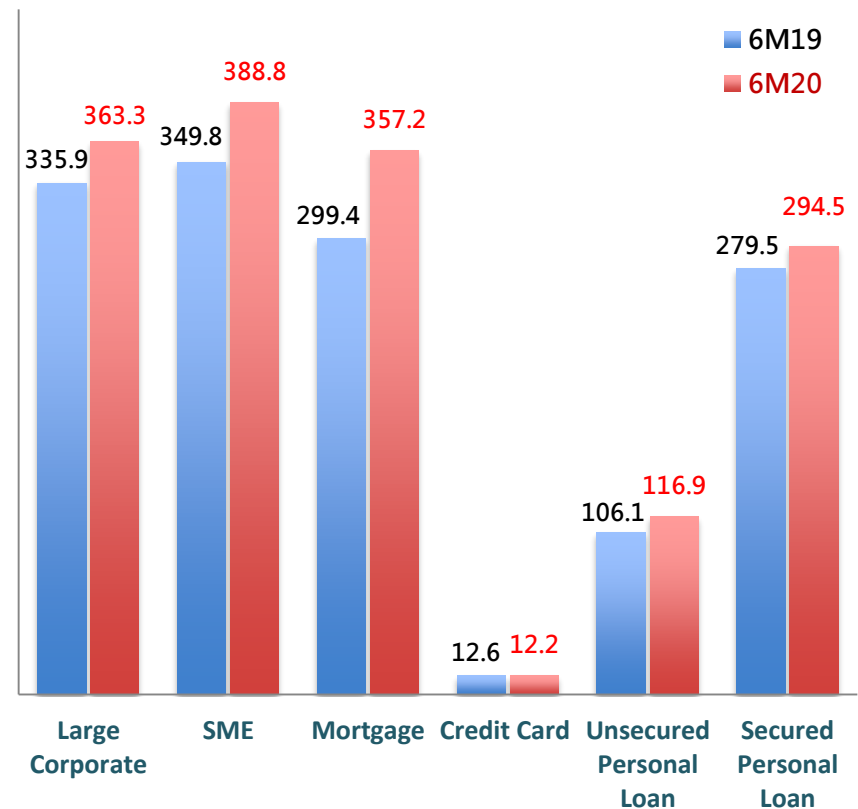
Total Loan
NT\$ 1,532.9 billion



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

YoY Comparison

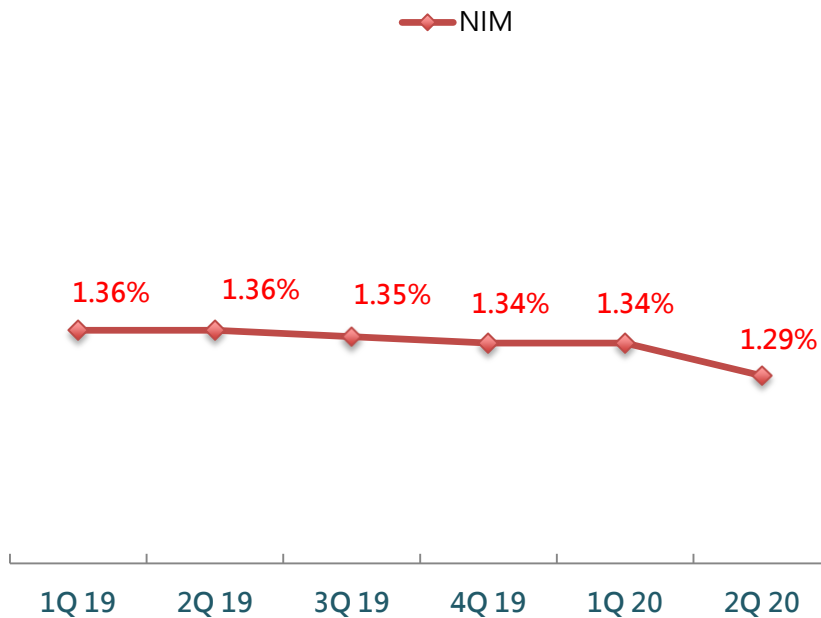
Unit: NT\$ Bn



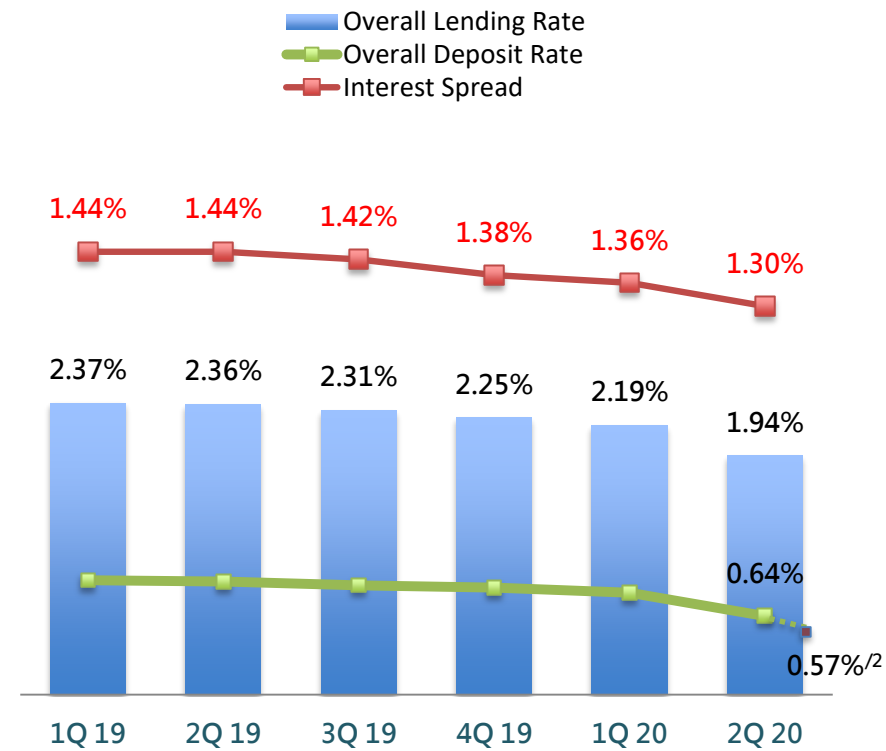


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



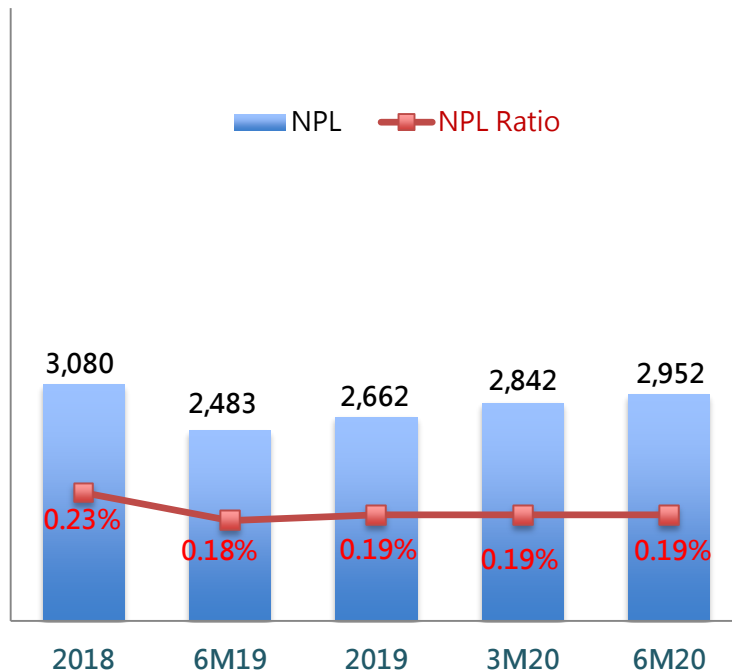
Note: 1. Data of E.SUN Bank
2. Overall deposit rate on June 30th



Superior Asset Quality ^{1/3}

NPL Ratio(%)

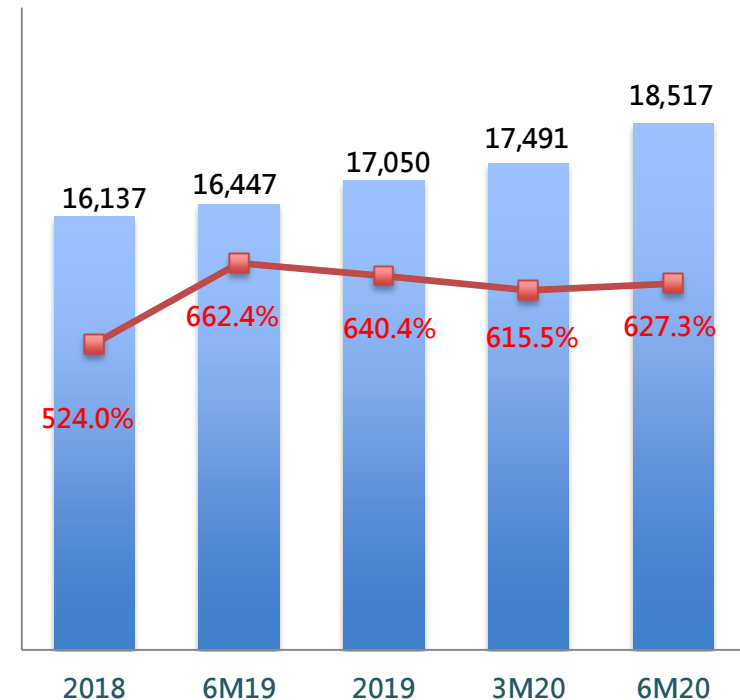
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

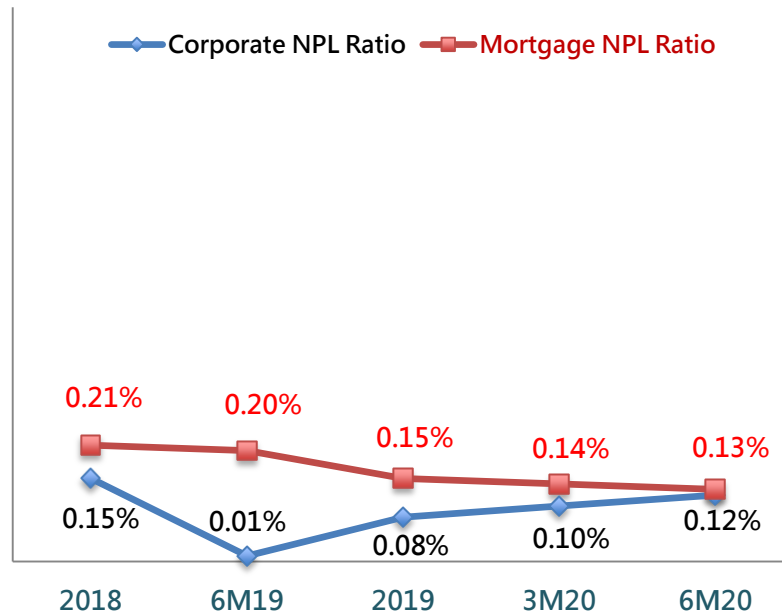


Note: Data of E.SUN Bank



Superior Asset Quality 2/3

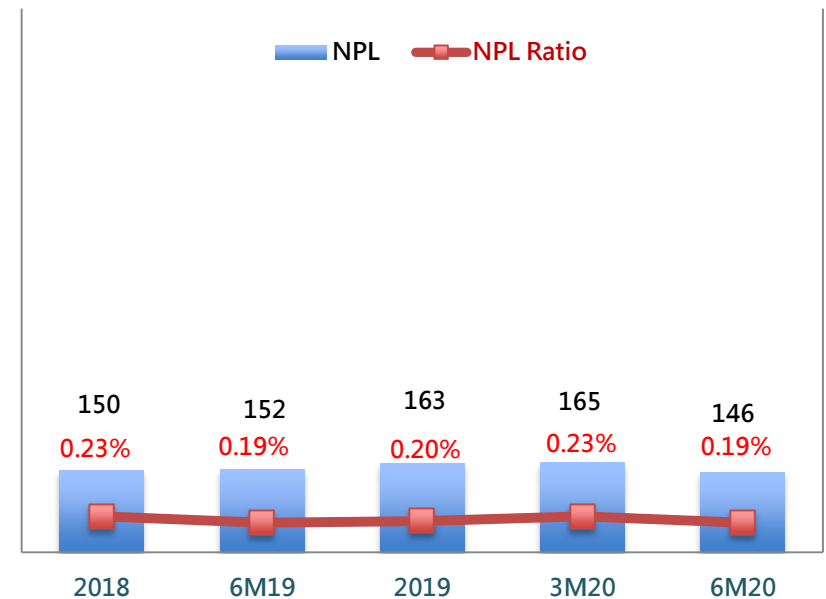
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

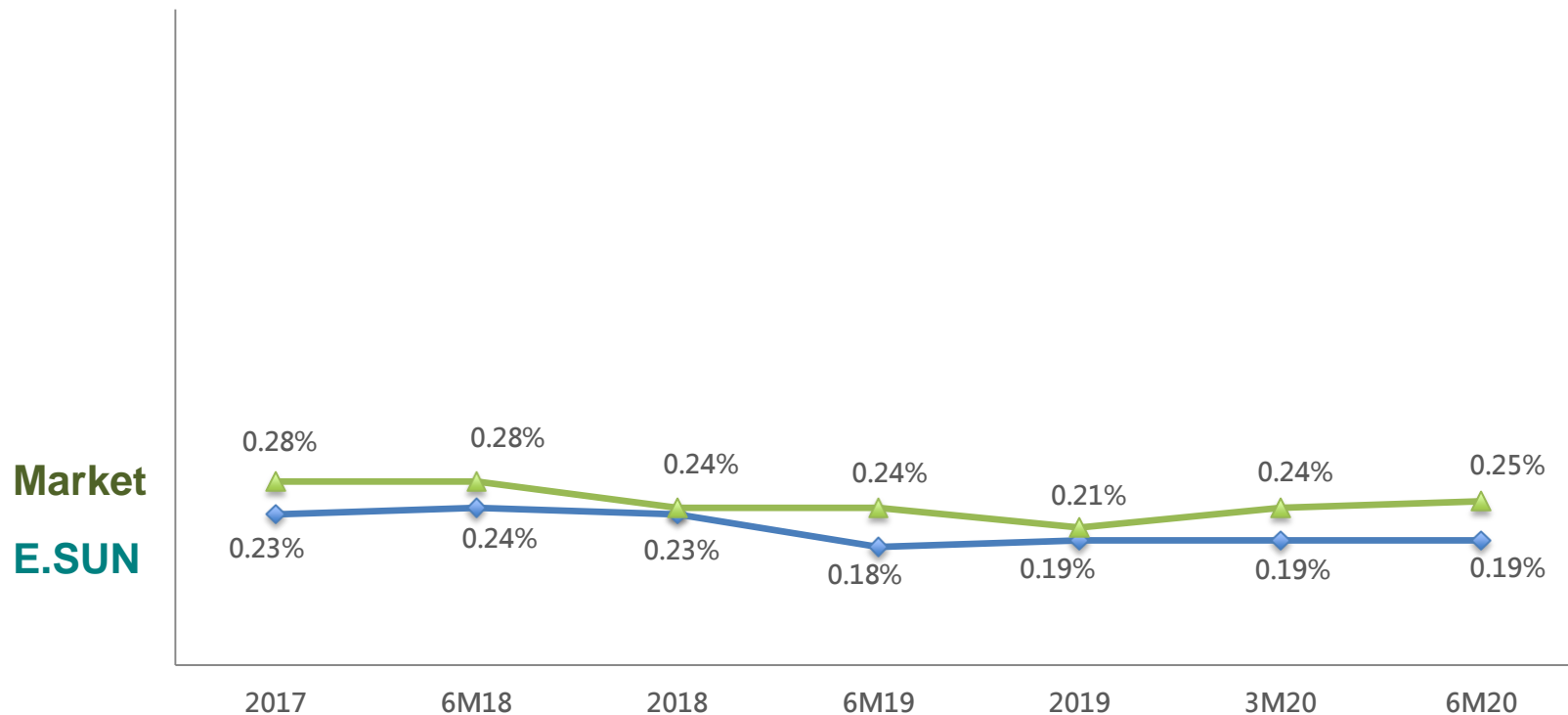
Unit: NT\$ million





Superior Asset Quality 3/3

NPL Comparison with Market



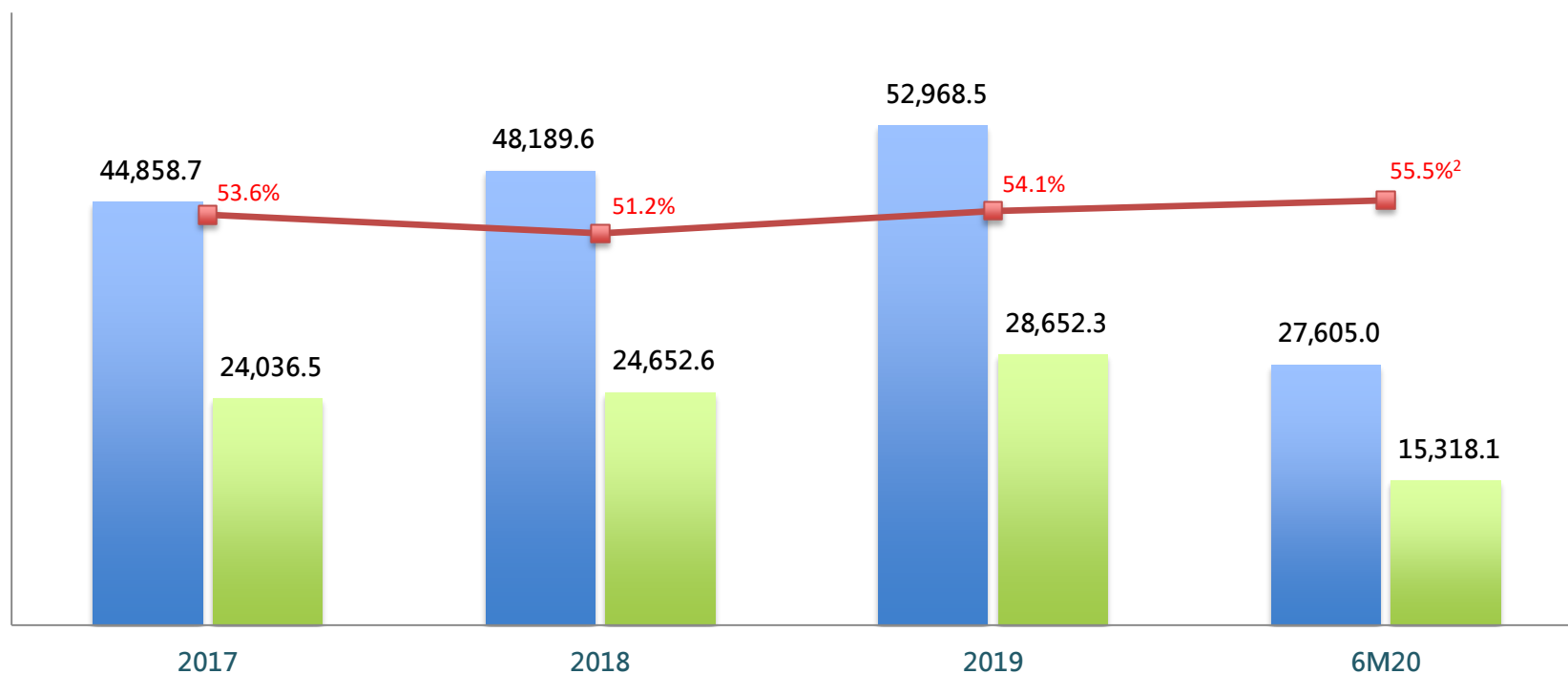
Source: FSC



Cost-Income Ratio

Unit: NT\$ million

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

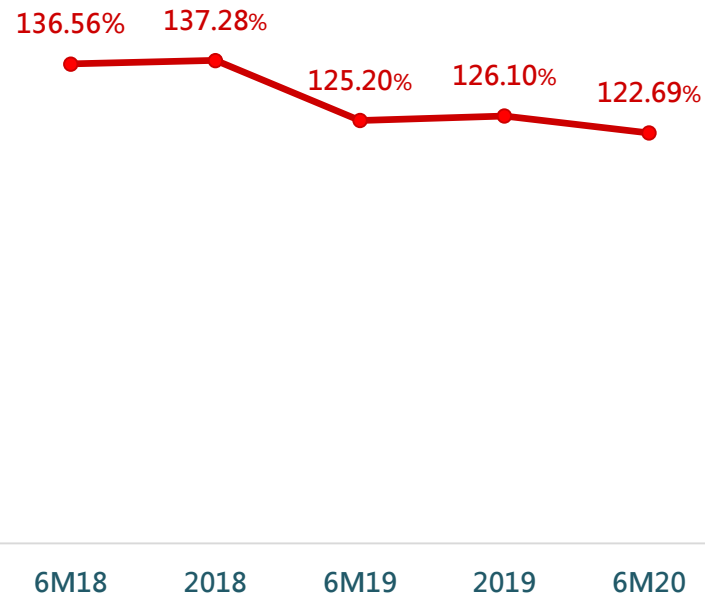


Note: 1. Data of E.SUN Bank
2. Preliminary figures of Jun. 2020



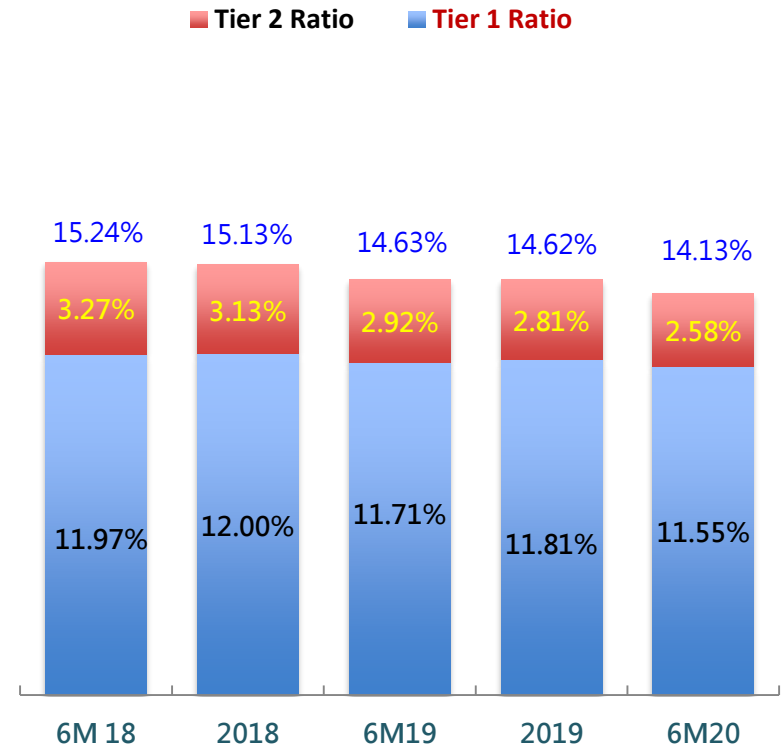
Capital Adequacy Ratio

FHC CAR Ratio



Note: BIS of E.SUN Bank standalone

Bank BIS 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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Balance Sheet of E.SUN FHC and its subsidiaries for 2Q2020

NT\$ million	E.SUN Bank (Consolidated)	E.SUN Securities (Consolidated)	E.SUN Venture Capital	E.SUN FHC (Standalone)	E.SUN FHC (Consolidated)
Assets :					
Cash and due from banks	180,727	1,242	154	9,618	181,102
Securities, net	792,764	1,438	3,679	93	798,140
Loans, net	1,542,145	0	0	0	1,542,145
A/R, net	102,878	10,617	11	661	113,503
Land, premises and equipments, net	32,663	324	0	9	32,999
Others	27,127	2,764	32	180,248	28,496
Total assets	2,678,304	16,385	3,876	190,629	2,696,385
Liabilities:					
Deposits	2,208,945	0	0	0	2,197,243
Other liabilities	299,213	11,090	252	17,441	325,839
Total liabilities	2,508,158	11,090	252	17,441	2,523,082
Total stockholders' equity	170,146	5,295	3,624	173,188	173,303
Total equity attributable to owners of the company	170,023	5,295	3,624	173,188	173,188
Non-Controlling interests	123	0	0	0	115
Total liabilities and stockholders' equity	2,678,304	16,385	3,876	190,629	2,696,385

Note: Preliminary figures of Jun. 2020



P&L of E.SUN FHC and its subsidiaries for 2Q2020

NT\$ million	E.SUN Bank (Consolidated)	E.SUN Securities (Consolidated)	E.SUN Venture Capital	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income					
Net interest income	10,065	137	0	(29)	10,175
Net fee income	9,070	760	0	0	9,829
Net trading income/(loss) & Derivatives & FX	8,185	23	446	0	8,653
Others	285	53	0	9,840	284
Total Net Revenues	27,605	973	446	9,811	28,941
Allowance for bad-debt expenses	(1,606)	0	0	0	(1,606)
Operating expenses	(15,318)	(621)	(14)	(185)	(16,040)
Income before income tax	10,681	352	432	9,626	11,295
Income tax expenses	(1,610)	(75)	20	52	(1,612)
Net Income	9,071	277	452	9,678	9,683
Attributable to owners of the company	9,066	277	452	9,678	9,678
Non-controlling interests	5	0	0	0	5

Note: Preliminary figures of Jun. 2020



E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results Quarterly			Quarterly Results				
	2017	2018	2019	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20
Assets :								
Cash and due from banks	131,175	132,444	128,579	130,863	118,743	128,579	138,228	181,102
Securities, net	577,285	660,622	742,487	690,573	717,834	742,487	782,218	798,140
Loans, net	1,211,071	1,333,277	1,444,322	1,384,938	1,414,961	1,444,322	1,483,179	1,542,145
A/R, net	94,083	93,451	113,150	111,795	119,149	113,150	107,951	113,503
Land, premises and equipments, net	28,209	32,605	33,351	32,809	33,353	33,351	33,220	32,999
Others	32,565	35,388	36,469	35,359	38,257	36,469	53,973	28,496
Total assets	2,074,388	2,287,787	2,498,358	2,386,337	2,442,297	2,498,358	2,598,769	2,696,385
Liabilities:								
Deposits	1,711,175	1,885,885	2,082,070	1,951,424	2,017,635	2,082,070	2,123,453	2,197,243
Other liabilities	214,265	241,772	243,107	270,472	255,538	243,107	298,498	325,839
Total liabilities	1,925,440	2,127,657	2,325,177	2,221,896	2,273,173	2,325,177	2,421,951	2,523,082
Total stockholders' equity	148,948	160,130	173,181	164,441	169,124	173,181	176,818	173,303
Total equity attributable to owners of the company	148,842	160,014	173,058	164,327	169,004	173,058	176,693	173,188
Non-Controlling interests	106	116	123	114	120	123	125	115
Total liabilities and stockholders' equity	2,074,388	2,287,787	2,498,358	2,386,337	2,442,297	2,498,358	2,598,769	2,696,385

Note: Preliminary figures of Jun. 2020



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

NT\$ million	Yearly Results Quarterly			Quarterly Results				
	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Operating income								
Net interest income	20,250	20,311	19,871	4,928	5,071	5,046	5,054	5,121
Fee income	15,776	16,371	18,725	4,589	5,141	4,921	5,026	4,803
Net trading income/(loss) & Derivatives & FX	9,733	12,459	15,629	3,642	3,807	3,688	3,650	5,003
Others	348	288	298	79	55	79	234	50
Total Net Revenues	46,107	49,429	54,523	13,238	14,074	13,734	13,964	14,977
Allowance for bad-debt expenses	(4,055)	(3,253)	(1,598)	(489)	(296)	(302)	(347)	(1,259)
Operating expenses	(25,179)	(25,839)	(29,855)	(7,019)	(7,745)	(8,273)	(8,024)	(8,016)
Income before income tax	16,873	20,337	23,070	5,730	6,033	5,159	5,593	5,702
Income tax expenses	(2,219)	(3,254)	(2,950)	(664)	(493)	(858)	(1,050)	(562)
Net Income	14,654	17,083	20,120	5,066	5,540	4,301	4,543	5,140
Income Attributable to owners of the company	14,757	17,069	20,105	5,063	5,534	4,298	4,541	5,137
Non-Controlling interests	(103)	14	15	3	6	3	2	3

Note: Preliminary figures of Jun. 2020



E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results Quarterly			Quarterly Results				
	2017	2018	2019	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20
Assets :								
Cash and due from banks	131,042	132,378	128,432	130,794	118,692	128,432	138,131	180,727
Securities, net	575,980	656,564	737,525	686,171	713,178	737,525	777,982	792,764
Loans, net	1,211,071	1,333,277	1,444,322	1,384,938	1,414,961	1,444,322	1,483,179	1,542,145
A/R, net	83,130	85,317	103,686	102,890	109,964	103,686	100,761	102,878
Land, premises and equipments, net	27,559	31,950	32,725	32,201	32,737	32,725	32,611	32,663
Others	27,555	32,851	34,320	32,938	35,884	34,320	51,276	27,127
Total assets	2,056,337	2,272,337	2,481,010	2,369,932	2,425,416	2,481,010	2,583,940	2,678,304
Liabilities:								
Deposits	1,712,072	1,886,850	2,083,226	1,963,810	2,019,728	2,083,226	2,125,245	2,208,945
Other liabilities	197,007	227,217	226,694	243,657	238,610	226,694	283,895	299,213
Total liabilities	1,909,079	2,114,067	2,309,920	2,207,467	2,258,338	2,309,920	2,409,140	2,508,158
Total stockholders' equity	147,258	158,270	171,090	162,465	167,078	171,090	174,800	170,146
Total equity attributable to owners of the company	147,145	158,147	170,959	162,343	166,950	170,959	174,666	170,023
Non-Controlling interests	113	123	131	122	128	131	134	123
Attribute to former business under control	0	0	0	0	0	0	0	0
Total liabilities and stockholders' equity	2,056,337	2,272,337	2,481,010	2,369,932	2,425,416	2,481,010	2,583,940	2,678,304

Note: Preliminary figures of Jun. 2020



E.SUN Bank's P&L account

NT\$ million	Yearly ResultsQuarterly			Quarterly Results				
	2017	2018	2019	2Q19	3Q19	4Q19	1Q20	2Q20
Operating income								
Net interest income	20,015	20,031	19,657	4,884	5,011	4,977	4,991	5,074
Fee income	14,903	15,359	17,712	4,333	4,874	4,634	4,671	4,399
Net trading income/(loss) & Derivatives & FX	9,604	12,485	15,297	3,599	3,777	3,661	4,107	4,078
Others	337	314	302	81	56	79	236	49
Total Net Revenues	44,859	48,189	52,968	12,897	13,718	13,351	14,005	13,600
Allowance for bad-debt expenses	(3,869)	(3,209)	(1,603)	(490)	(300)	(302)	(354)	(1,252)
Operating expenses	(24,037)	(24,653)	(28,652)	(6,706)	(7,404)	(7,996)	(7,677)	(7,641)
Income before income tax	16,953	20,327	22,713	5,701	6,014	5,053	5,974	4,707
Income tax expenses	(2,167)	(3,204)	(3,054)	(542)	(643)	(959)	(936)	(674)
Net Income	14,786	17,123	19,659	5,159	5,371	4,094	5,038	4,033
Attributable to owners of the company	14,887	17,108	19,643	5,155	5,365	4,091	5,036	4,030
Attribute to former business under control	0	0	0	0	0	0	0	0
Non-controlling interests	(101)	15	16	4	6	3	2	3

Note: Preliminary figures of Jun. 2020