

E.SUN FHC Financial Review of 1Q 2022



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Agenda

- 2022 1Q Financial Performance
- 2022 1Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2022.3 ¹	2021.12 ¹
Total Assets	FHC	3,292,514	3,230,908
	Bank	3,264,003	3,196,117
	Securities	24,340	30,809
	Venture Capital	5,609	5,248
Key Financials	Book value per share (NT\$)	14.70	14.54
	Double Leverage Ratio	102.82%	103.06%
	FHC CAR	123.48% ²	123.48%
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.Reviewed figures of Mar. 2022

2.Audit figures of Dec. 2021

3.Share owned by QFII: 35.24%, as of Mar. 31, 2022



1Q22 Business and Financial Review

Financial Performance

- For 1Q22, E.SUN FHC's net revenues was NT\$13.6 billion. Net profit was NT\$4.3 billion (-16.9%).
- EPS NT\$0.32, ROE 8.86%, ROA 0.53%.

Business Operation

- Loan balance grew by 13.0%, in which SME loan grew by 12.2% and FCY loan grew by 20.8%. (yoy)
As of 1Q, sustainability related loan accounted for 36% of corporate loan balance.
- Net fee income NT\$5.2 billion (-1.9%), wealth management fee income NT\$2.2 billion (-10.3%), corporate banking fee NT \$0.6 billion (+36.4%). (yoy)
- Asset quality was benign, NPL ratio at 0.15% and coverage ratio at 811.4%.

Highlights

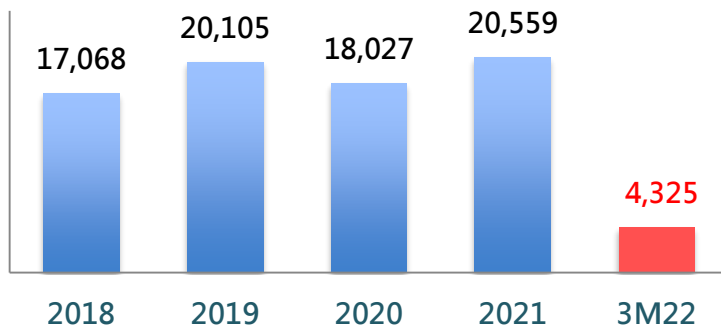
- Dividend policy: The Board of Directors approved to pay NT \$1.34 per share, including \$0.67 in cash and \$0.67 in stock (subject to resolution from the AGM).
- S&P credit rating: E.SUN Bank's long-term rating was upgraded to A/stable.
- Overseas branch: FSC approved application for Fukuoka Branch in Japan.
- Honors and recognitions: #1 in Taiwan by Forbes' "World's Best Banks 2022"; #1 among Asian financial institutions in FinanceAsia's "Best Managed Company in Asia" poll; Ranked top 5% in the TWSE's Corporate Governance Evaluation for the 7th times.
- ESG performance: E.SUN is the first bank in Taiwan, second in Asia to receive validation of its science-based targets from SBTi ; Recognized as "ESG Top 50" in Asia by Sustainalytics.



Financial Performance

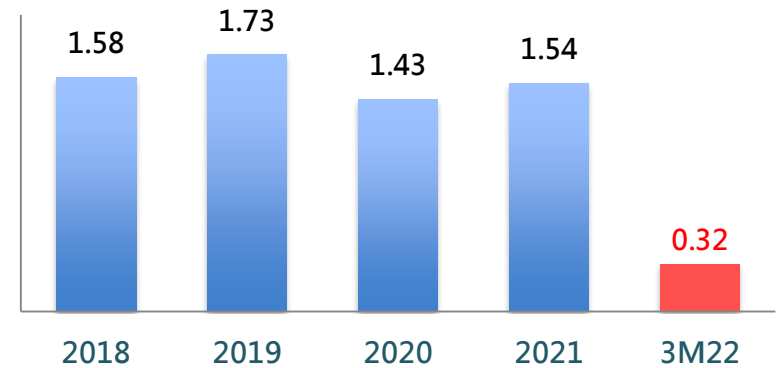
Net Profit

Unit: NT\$ million

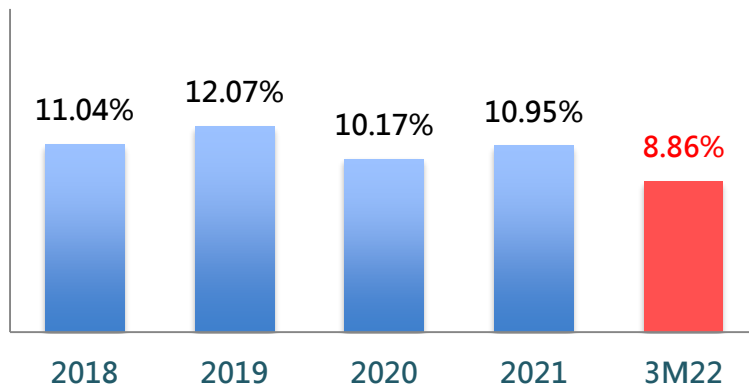


EPS

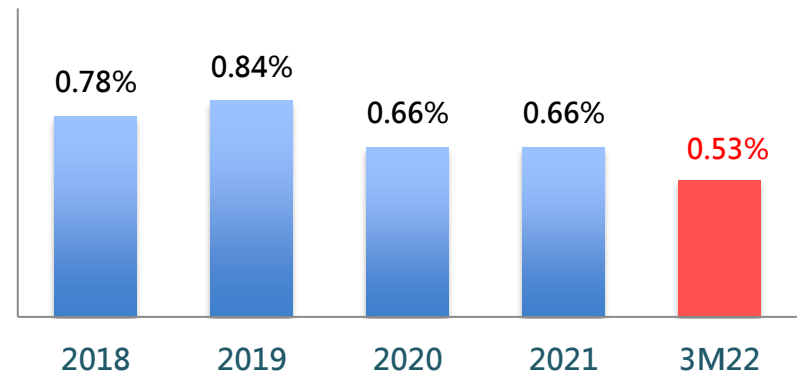
Unit: NT\$ dollars



ROE



ROA

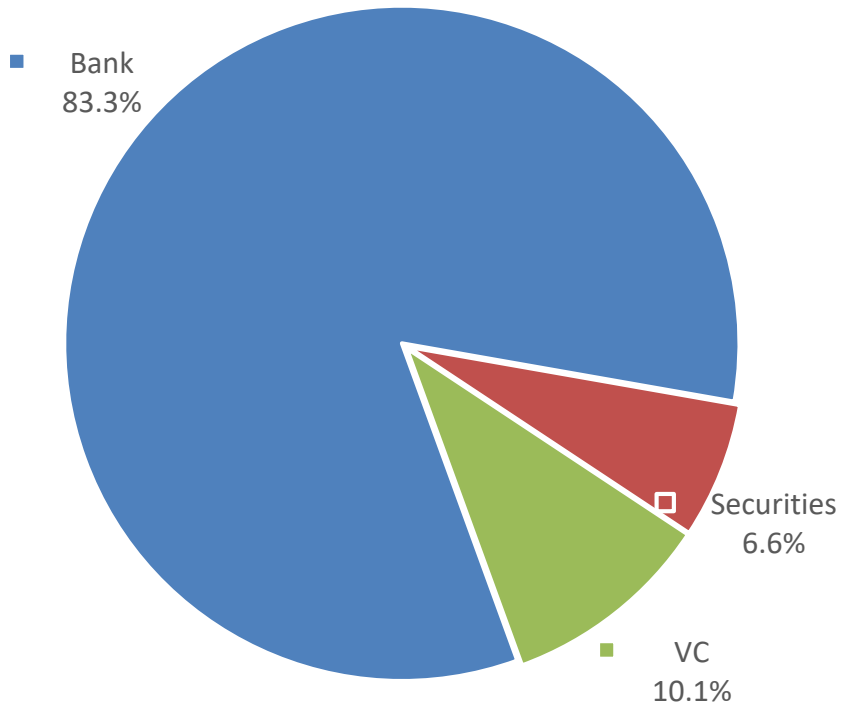


Note: Reviewed figures of Mar. 2022



Net Income of FHC & its Subsidiaries

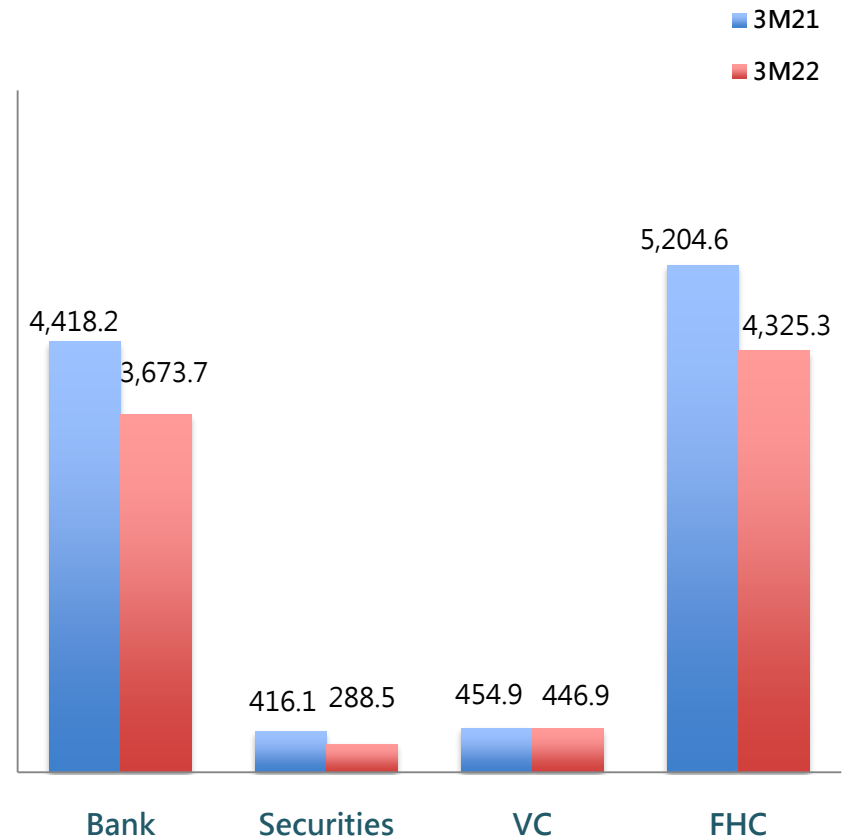
Contribution by Subsidiaries



Note: Reviewed figures of Mar. 2022

Net Income of FHC and its Subsidiaries

Unit: NT\$ million

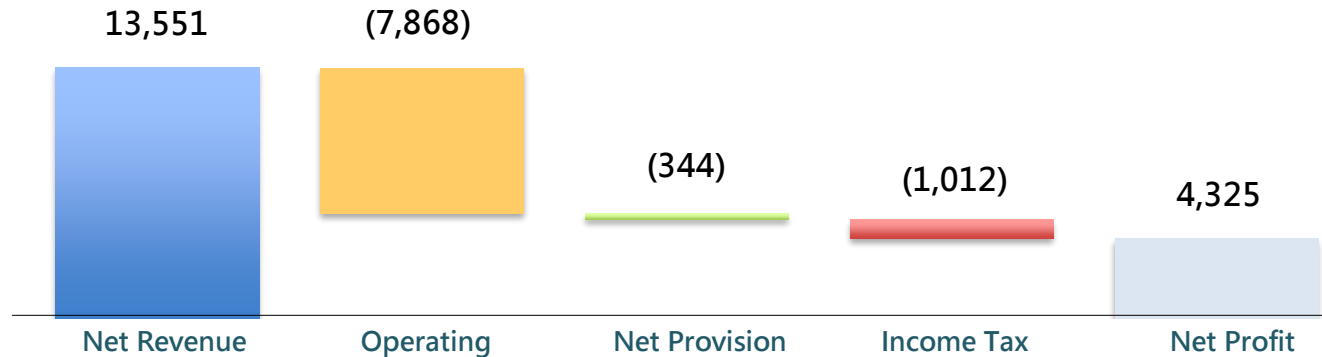




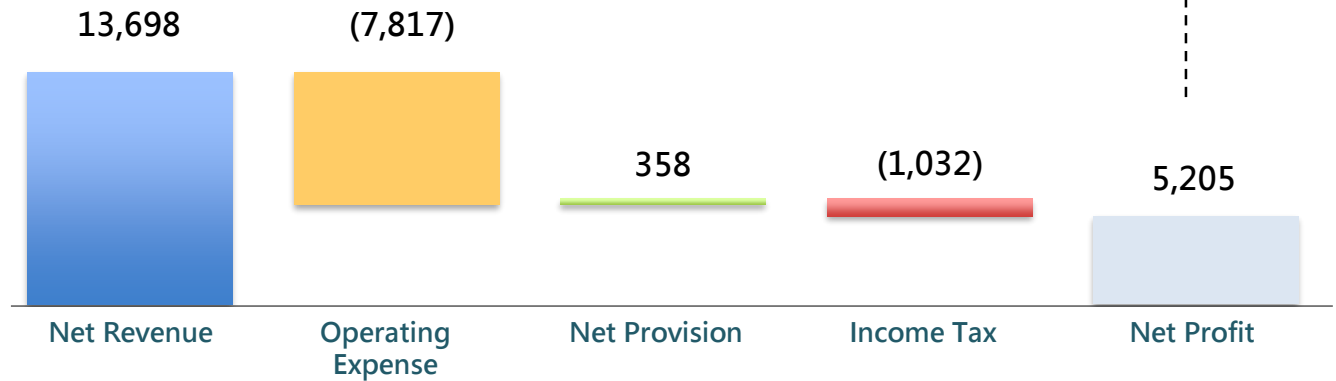
Net Profit Breakdown

Unit: NT\$ million

3M22 P&L



3M21 P&L

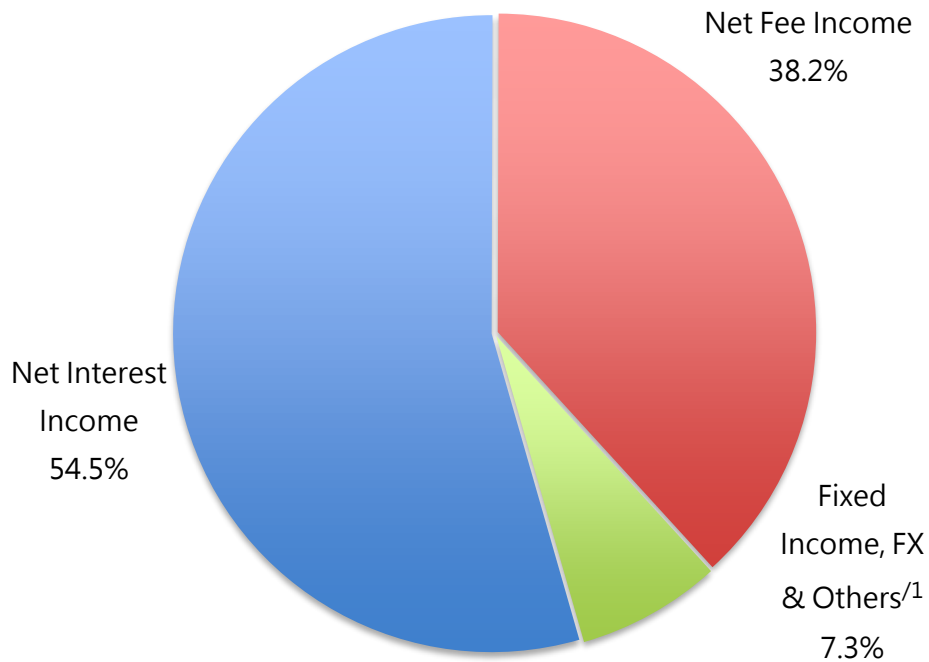


Note: Reviewed figures of Mar. 2022



FHC Revenue Breakdown

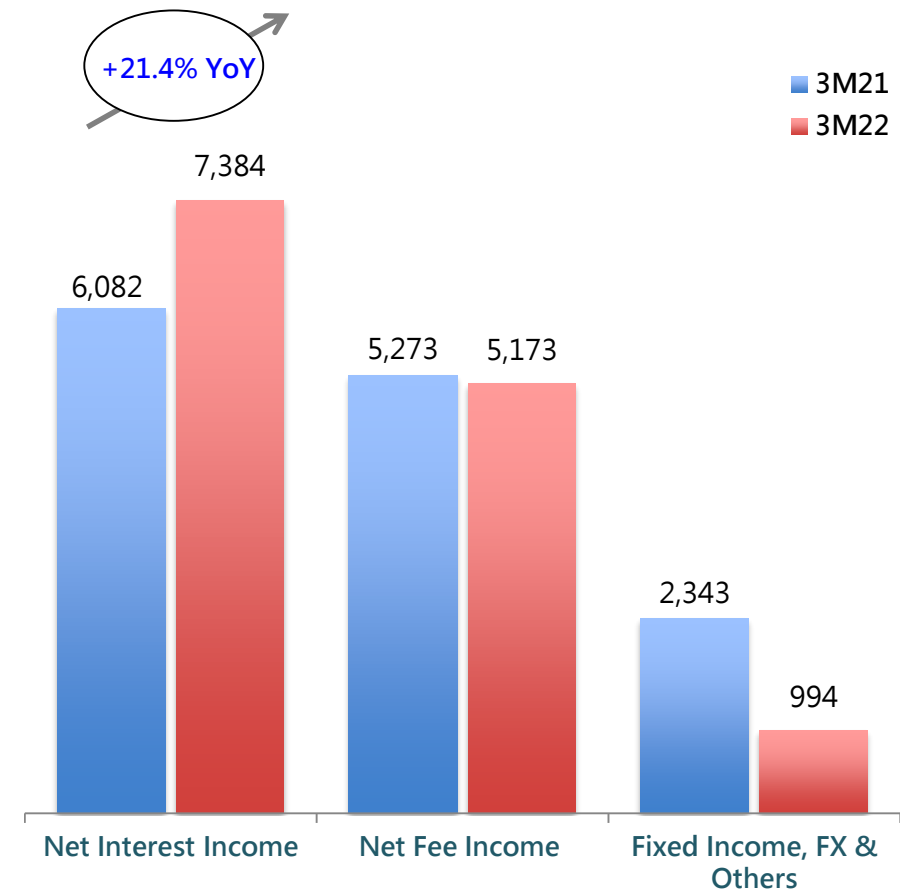
Total Net Revenue
NT\$ 13,551 million



Note: 1. 21% of "Fixed income, FX & Others" is associated with fixed income investment
2. Reviewed figures of Mar. 2022

YoY Comparison

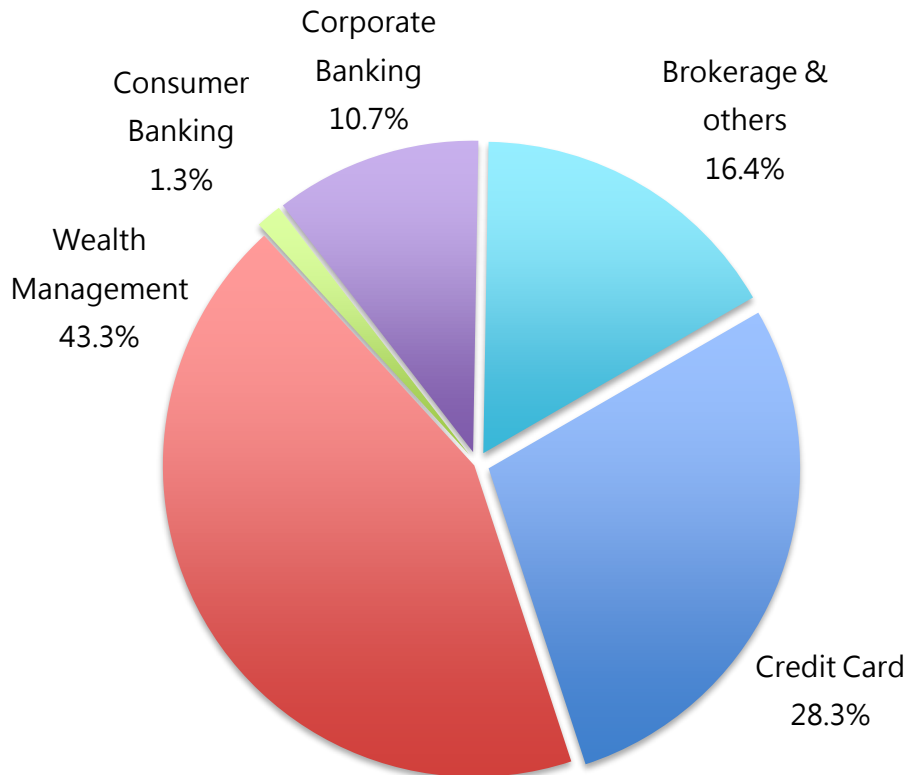
Unit: NT\$ million





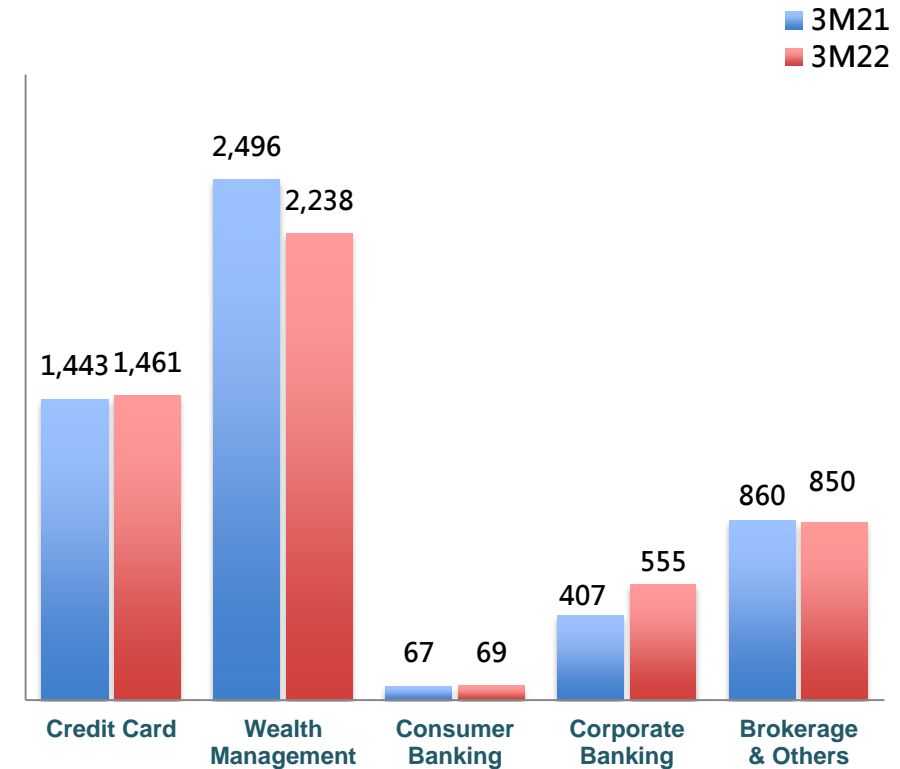
Net Fee Income Breakdown

Total Net Fee Income
NT 5,173 million



YoY Comparison

Unit: NT\$ million



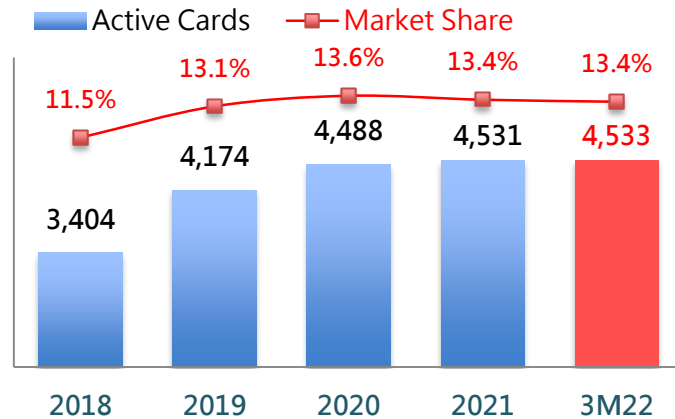
Note: Reviewed figures of Mar. 2022



Credit Card Business Breakdown

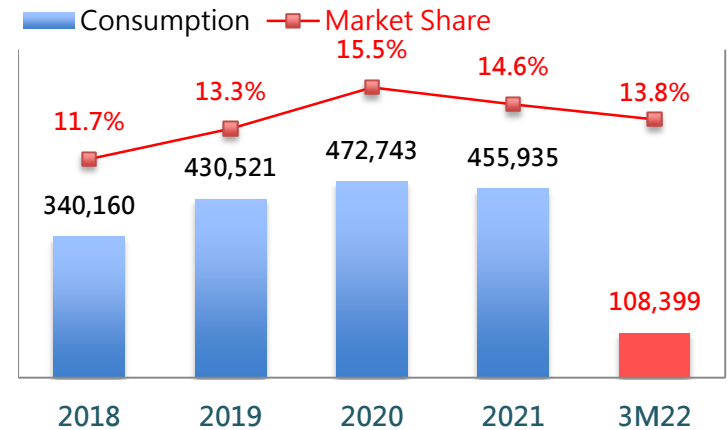
Active Cards

Unit: Thousand Cards, %



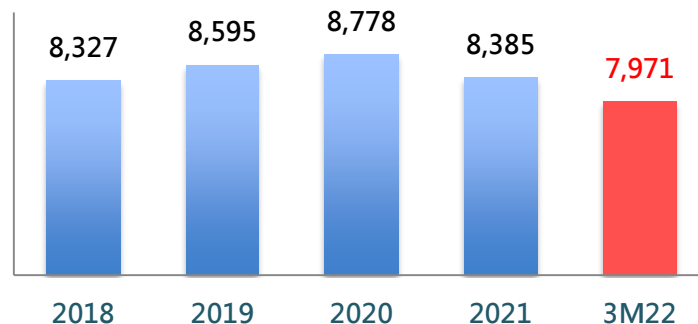
Card Consumption

Unit: NT\$ million



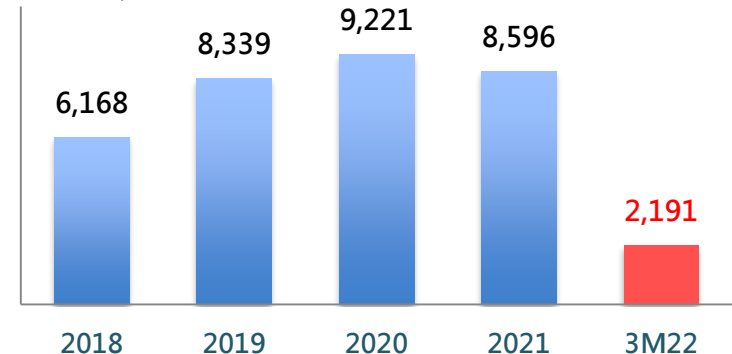
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million





Deposit and Loan Structure

Unit: NT\$ Bn

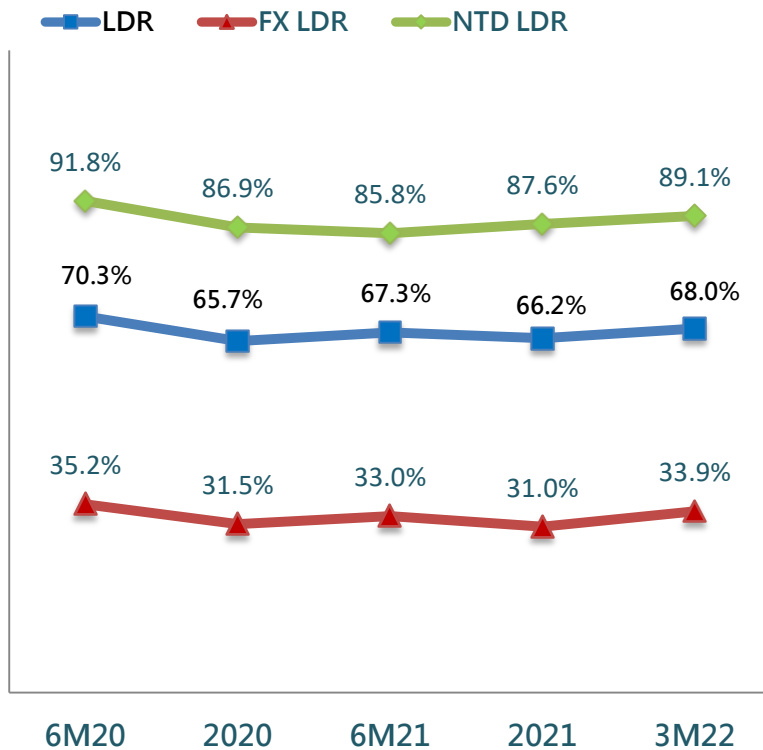
Category	2022.3	QoQ Growth %	2021	YoY Growth %	2021.3
Total Deposits	2,720.2	0.7%	2,702.4	11.4%	2,442.3
Demand Deposits	1,104.6	1.1%	1,093.0	8.6%	1,017.4
Time Deposits	596.4	-0.4%	598.9	7.4%	555.1
FCY Deposits	1,019.2	0.9%	1,010.4	17.2%	869.8
Total Loans ^{/1}	1,848.6	3.3%	1,789.4	13.0%	1,636.2
Corporate Loans	876.7	4.4%	839.6	13.8%	770.5
SME Loans	482.2	2.9%	468.6	12.2%	429.7
FCY Loans	345.3	10.2%	313.2	20.8%	285.8
Consumer Loans	917.7	2.1%	898.7	11.6%	822.6
Mortgage Loan	456.0	3.5%	440.7	13.0%	403.7
Unsecured Personal Loan	135.5	-1.3%	137.3	12.5%	120.4
Credit Card Revolving Balance	12.4	0.8%	12.3	0.0%	12.4

Note: Included loan balance of subsidiaries NT\$54 billion



Deposit Structure

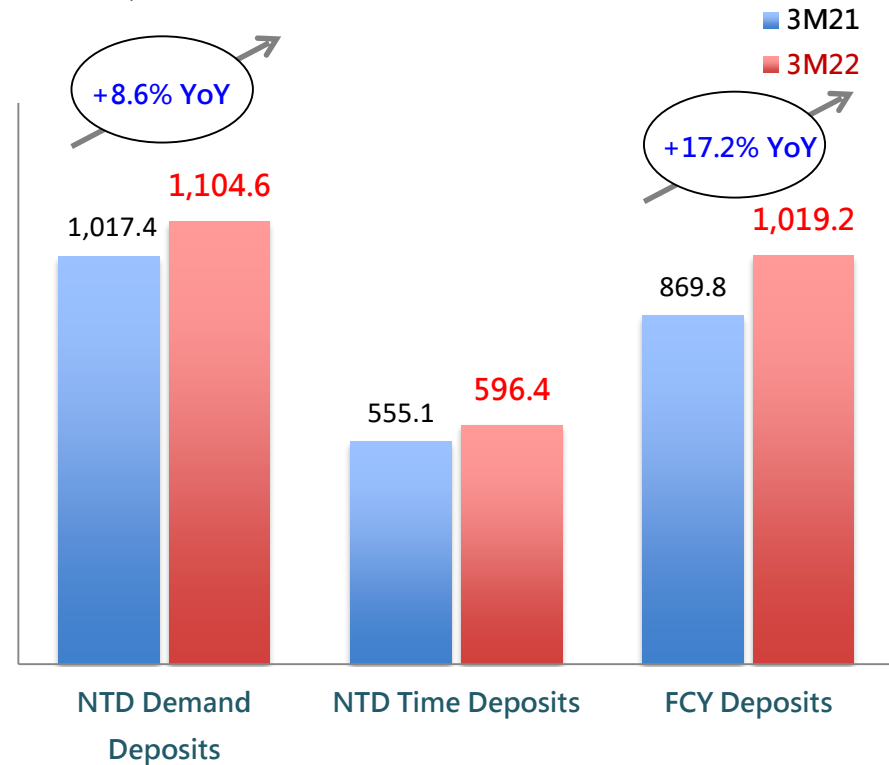
Loan to Deposit Ratio



Note: Data of E.SUN Bank

Deposit Structure

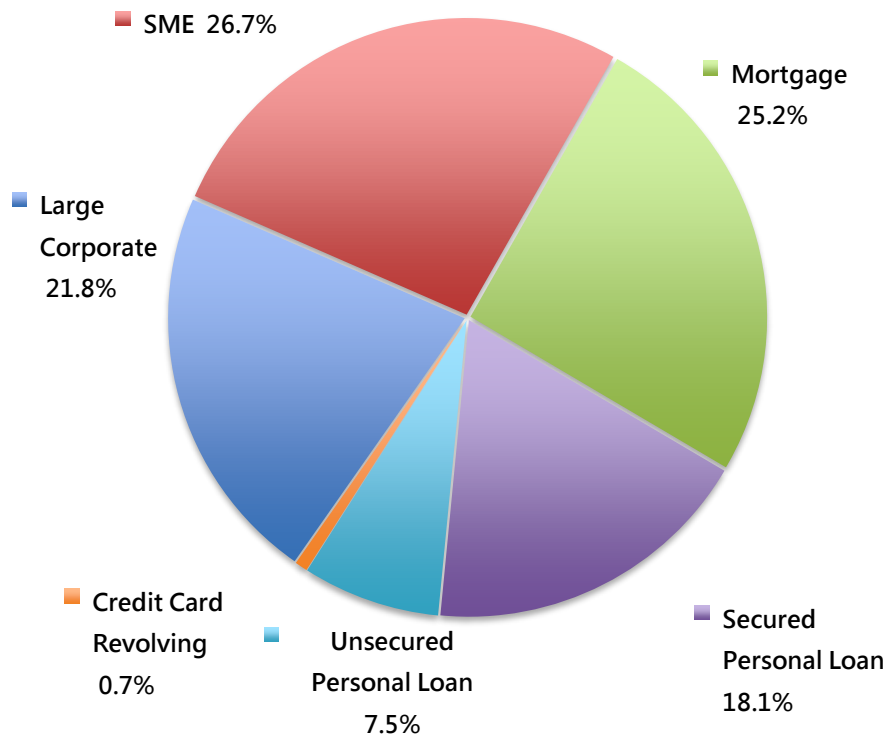
Unit: NT \$Bn





Loan Portfolio Breakdown

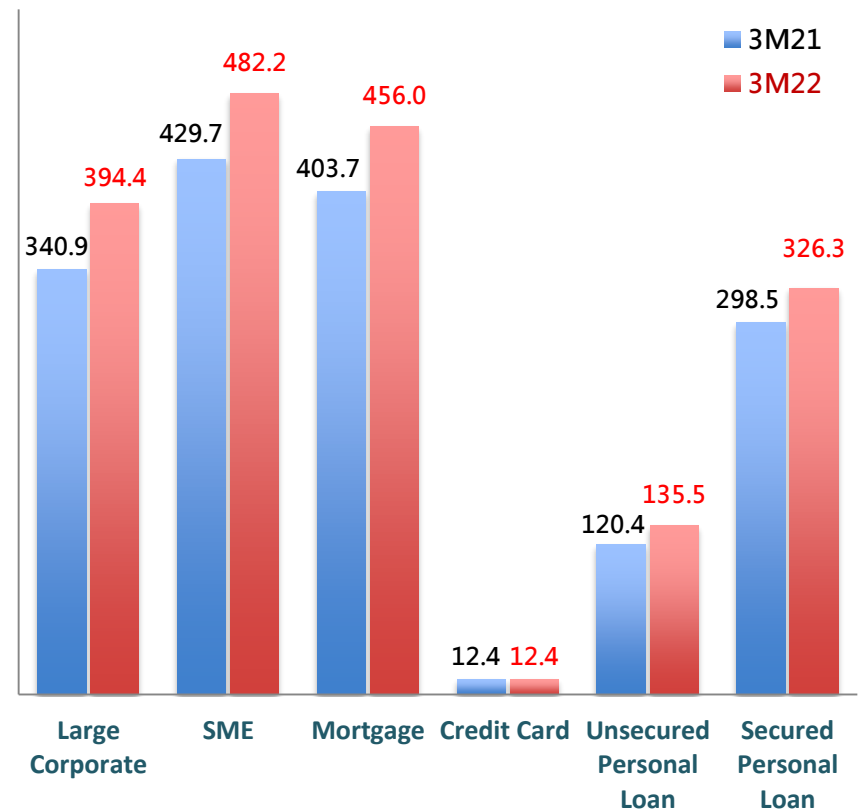
Total Loan
NT\$ 1,806.8 billion



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

YoY Comparison

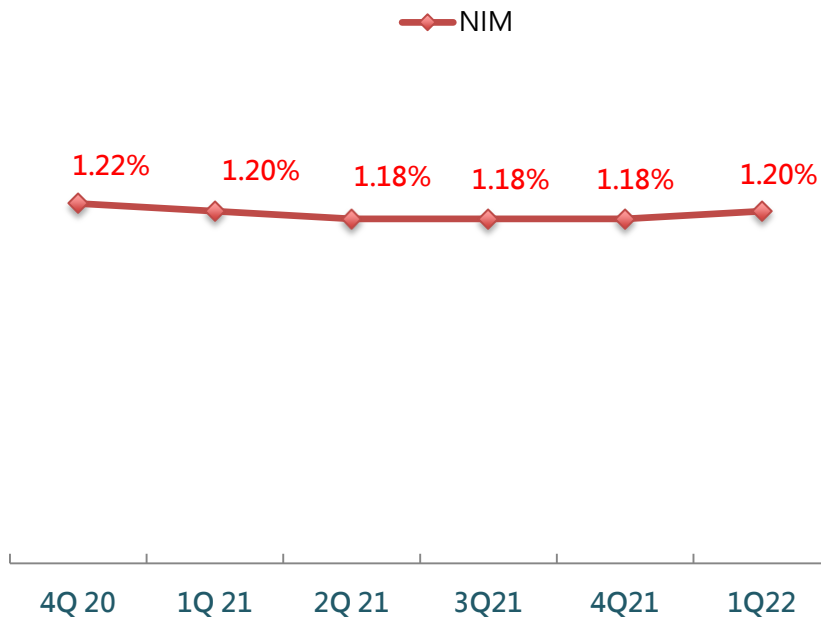
Unit: NT\$ Bn



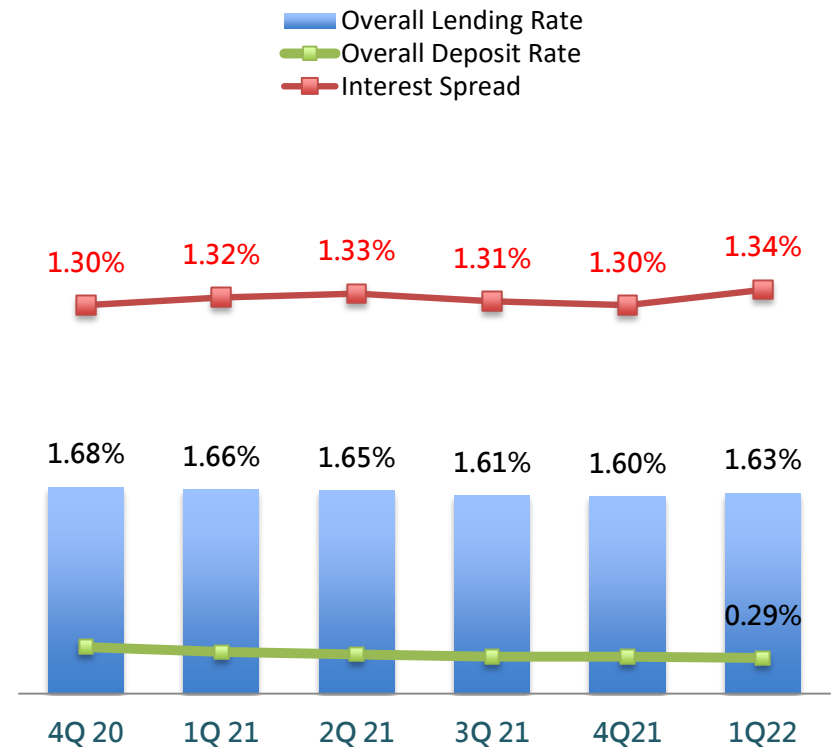


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



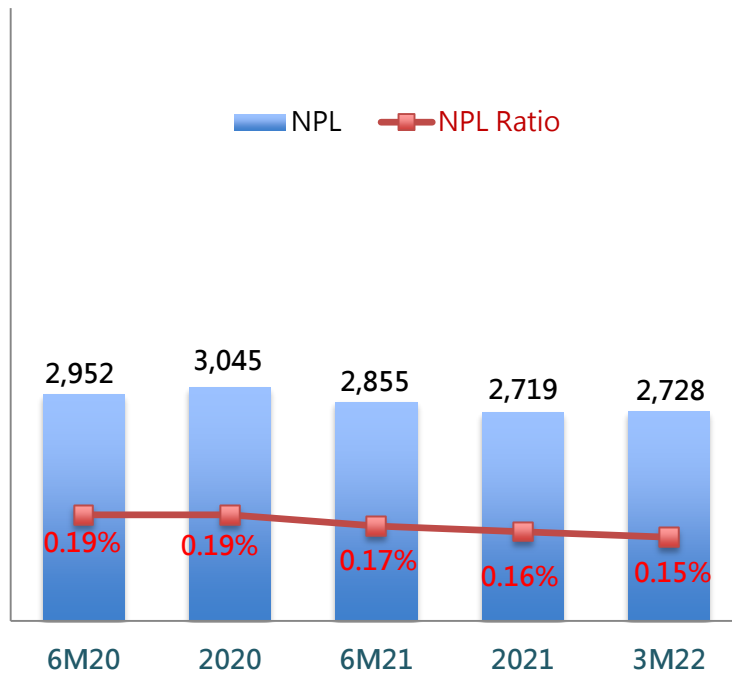
Note: Data of E.SUN Bank



Superior Asset Quality 1/3

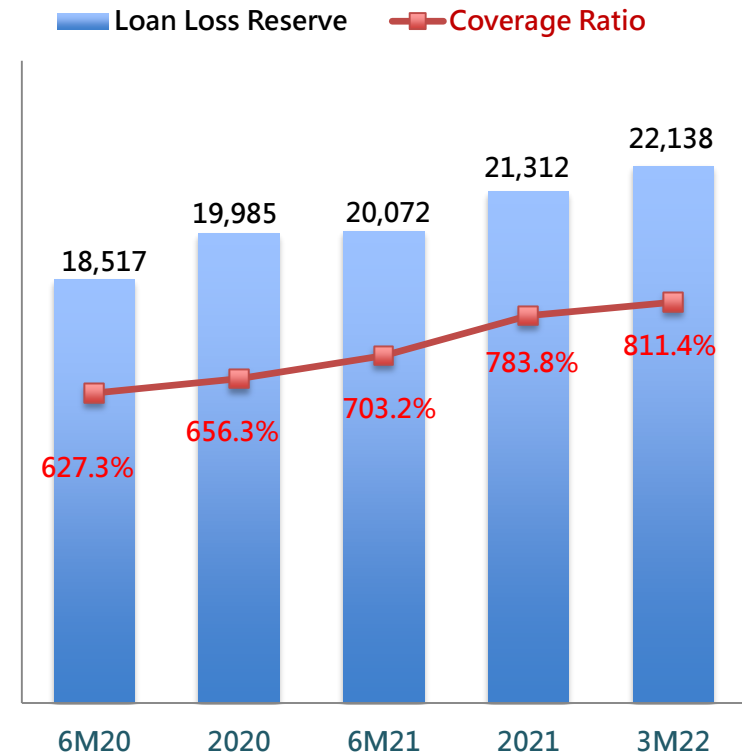
NPL Ratio(%)

Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

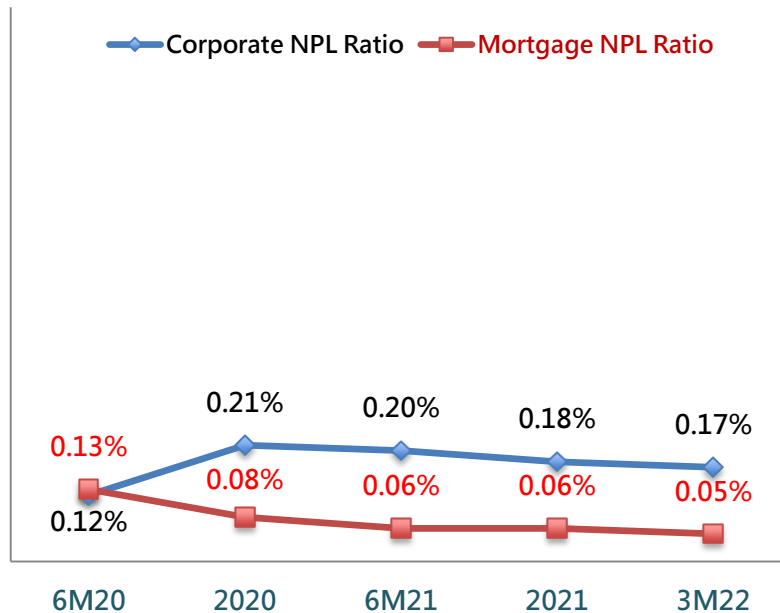


Note: Data of E.SUN Bank



Superior Asset Quality 2/3

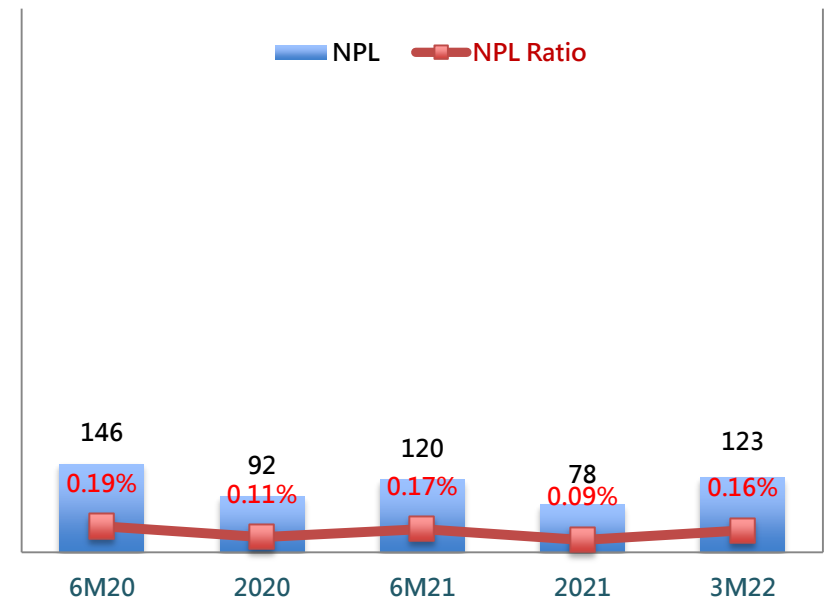
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

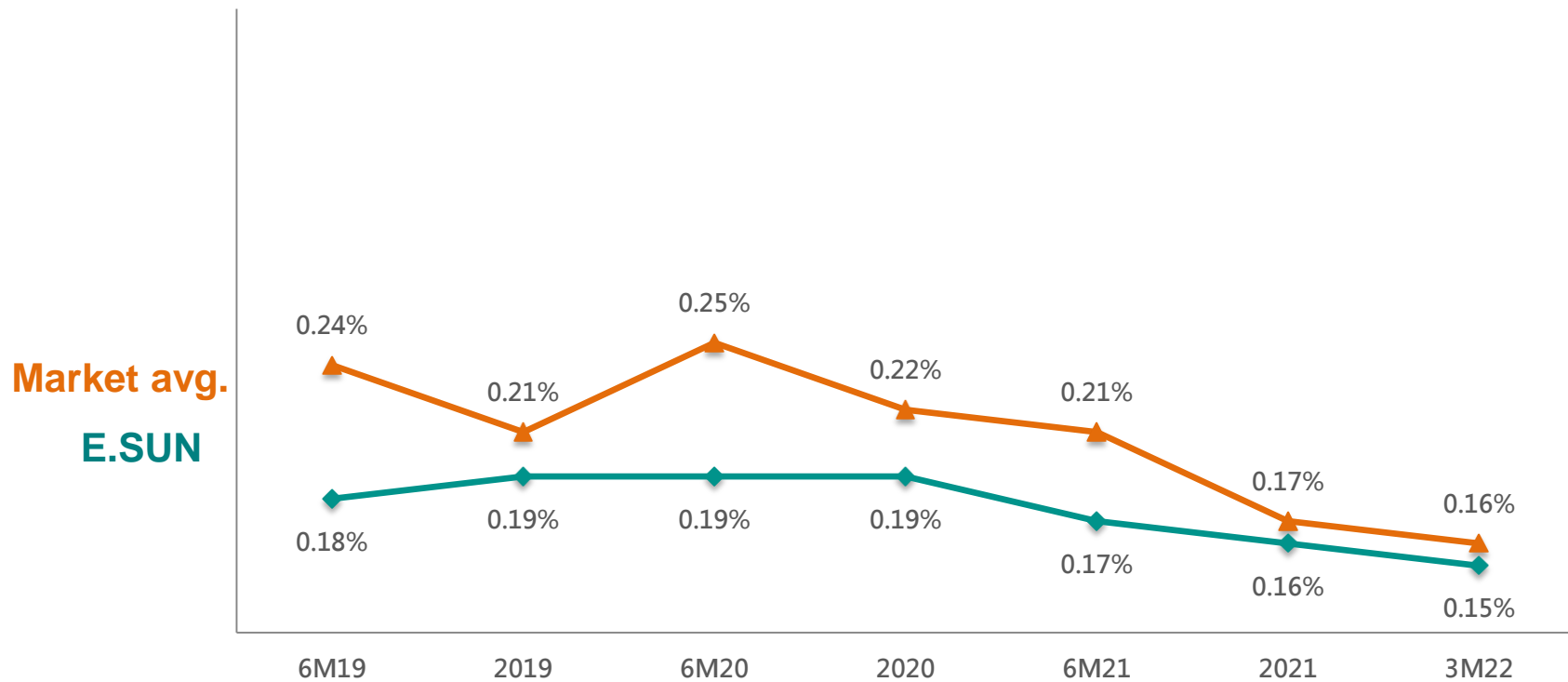
Unit: NT\$ million





Superior Asset Quality 3/3

NPL Comparison with Market



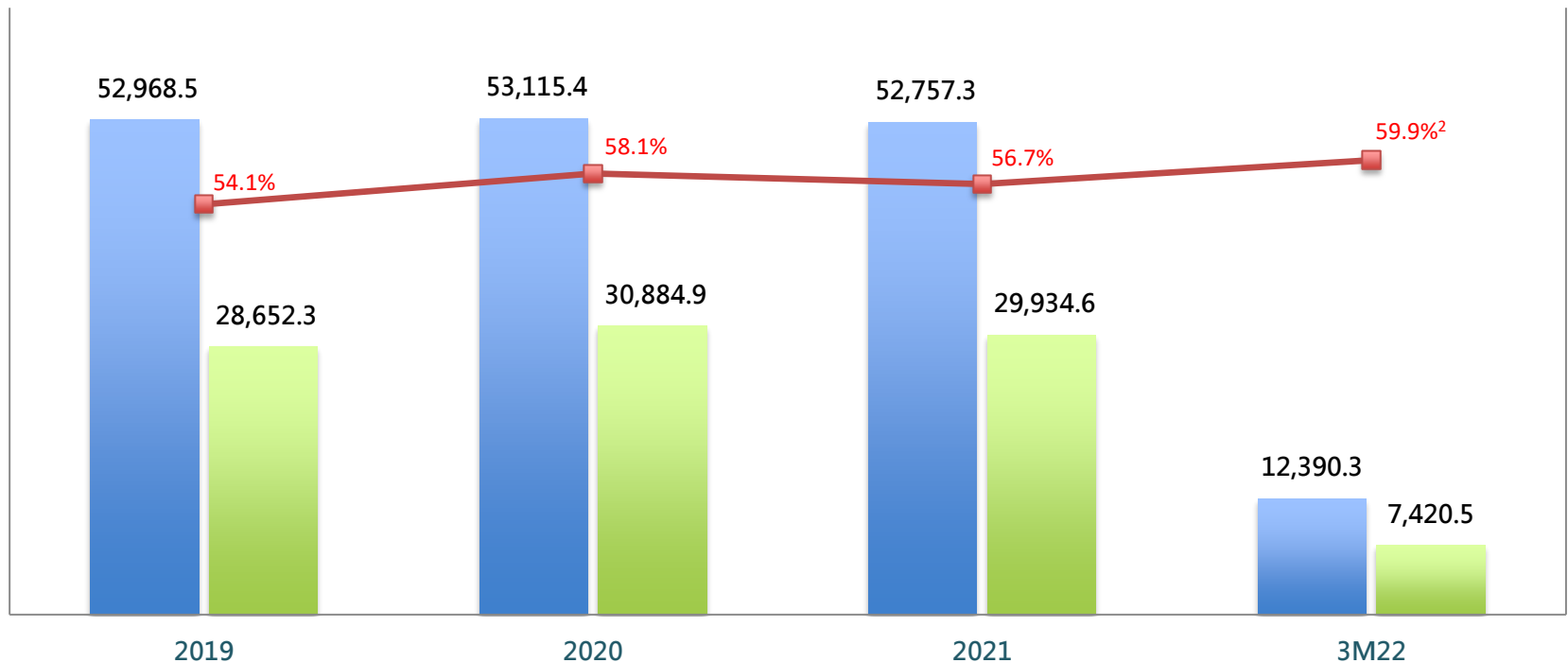
Source: FSC



Cost-Income Ratio

Unit: NT\$ million

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

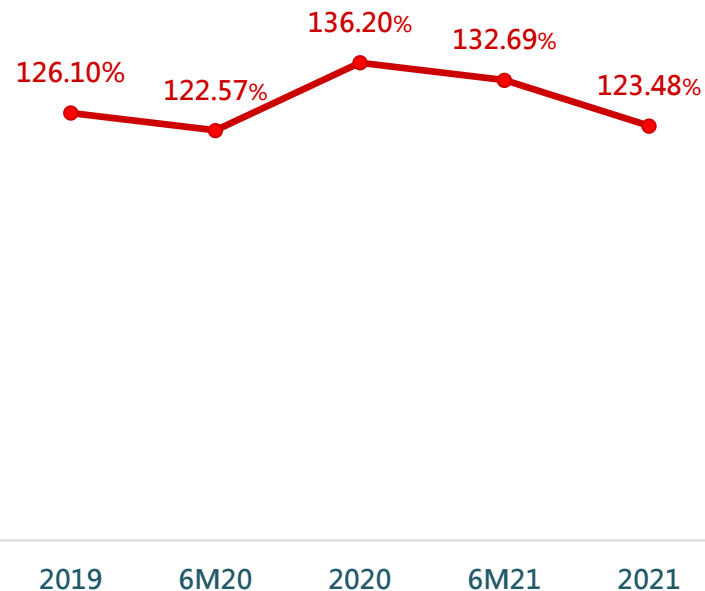


Note: 1. Data of E.SUN Bank
2. Reviewed figures of Mar. 2022

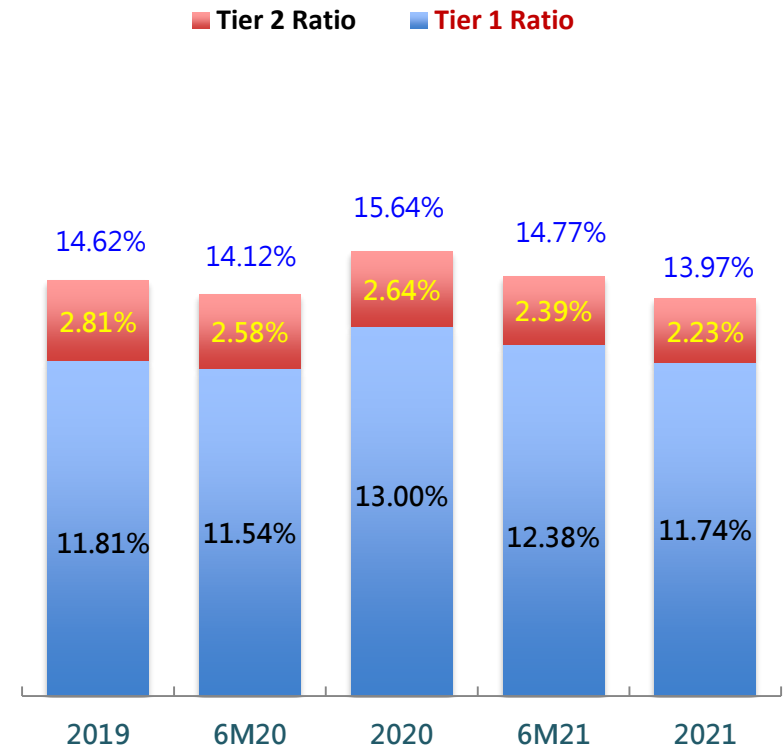


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



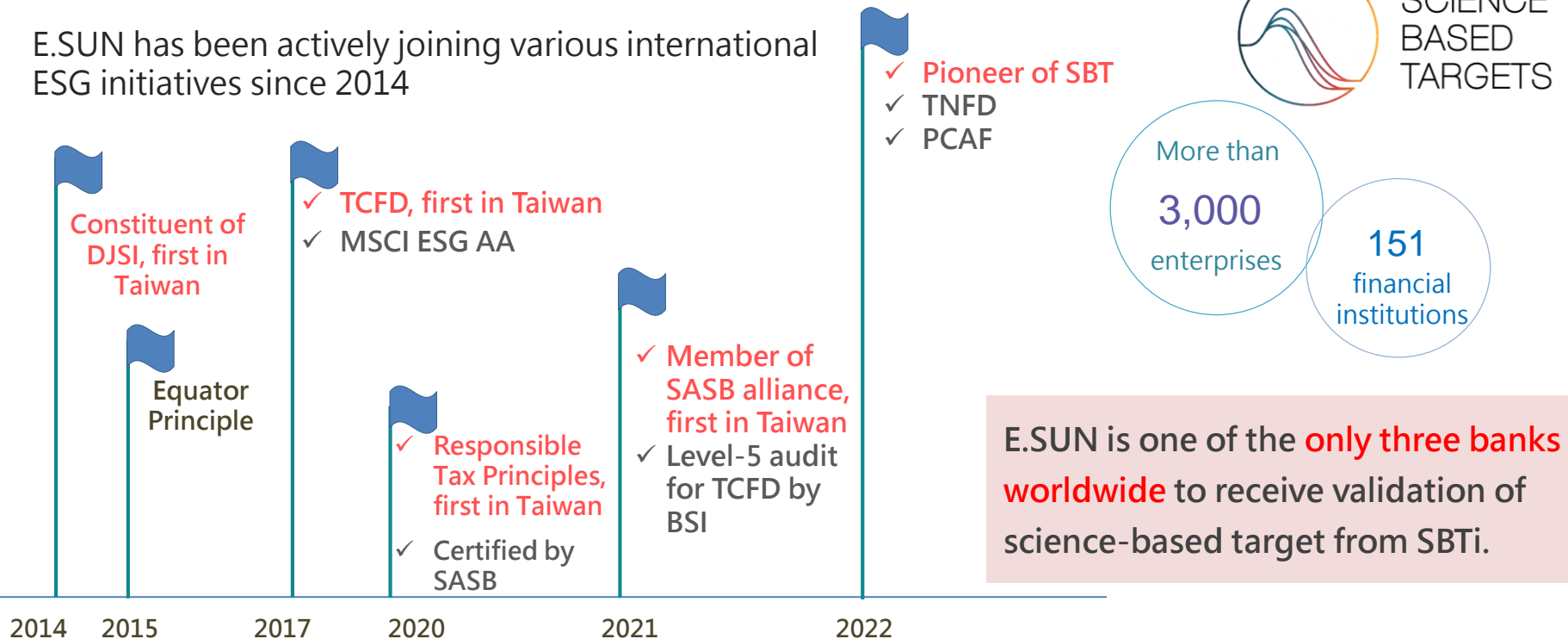
Note: 1. Audit figures of Dec. 2021
2. BIS of E.SUN Bank standalone



Following the best practice of ESG

“Benchmark to the highest standard and improve ESG in a systematic approach”

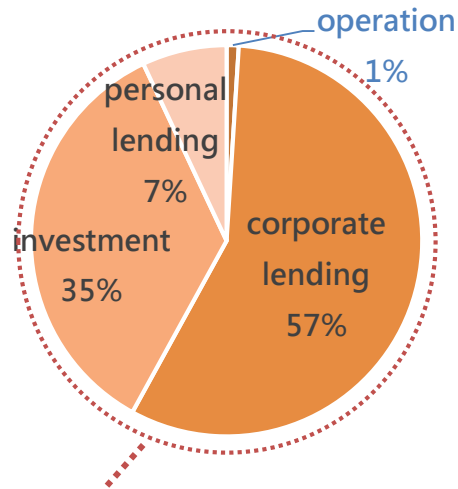
E.SUN has been actively joining various international ESG initiatives since 2014





Road to 2050 net-zero

CO2e of E.SUN in 2020
4.47 million tons



99% carbon emission from
lending and investment

E.SUN is committed to carbon reduction and will continue to provide solution for customers on their journey of low-carbon transition.

Coal phase out

【First bank in Taiwan】
promised to phase out
coal-fired projects by 2020

【First in Asia】commits to
coal phase-out by 2035

Gray to Green

- | | |
|--|---|
| <input checked="" type="checkbox"/> SBT validation | <input checked="" type="checkbox"/> Electricity by LNG |
| <input checked="" type="checkbox"/> Green energy | <input checked="" type="checkbox"/> Industries with high emission |
| <input checked="" type="checkbox"/> Financing for green building | <input checked="" type="checkbox"/> Collateral with carbon generation |

Green Asset

Gray Asset

Positive impact

New initiative: The ESG section & carbon footprint calculator on E.SUN's official website

- Committed to sustainability under “E.SUN’s ESG Initiative”
- Provided ESG advisory services for SMEs low carbon transition
- Engaged portfolio companies of investment/lending to set science based target
- Conducted transparent ESG communications with investors



Best ESG partner of SMEs

Sustainable lending

- Led in green energy project financing. Co-mandated **seven renewable energy syn. loan**, including the **biggest project of photovoltaic power station**
- Supported **ESG friendly industries**, including green energy, power conservation, and circular economy

balance as of 2022Q1 \$261.7 billion

- Assisted corporates on their ESG transition with **ESG Linked Loan**.

balance of ESG Linked Loan \$24.1 billion

- Supported investment in **clean energy**, power storage, and diversified renewable energy

balance \$29.8 billion

**Sustainability related loan
accounted for 36%
of corporate lending (1Q 2022)**



**Sustainability
as a
Service**

Sustainable investment

- Directed capital to environmental and social friendly industries with two issuance of sustainability bond in 2021.
- Twenty-one sustainability bond deals were underwritten.
- 99% of portfolio was classified as mid-low ESG risk

**Top issuer of sustainability bond
among financial institutions**

Sustainable product



First to issue zero-carbon credit card

100% zero-carbon by 2025

- Issued the first virtual credit card “digital e-card” to help eliminate carbon footprint.
- ESG theme mutual fund accounted for 60% of fund sales volume.



Long-term commitment to make positive social impact

Partners of ESG

Joint effort of customers

168 E.SUN Libraries
have been built
Since 2007

Raised 5,435 bags of
donated blood in 2021
Since 2000

Aimed at planting
100,000 cypress
trees native to
Taiwan in future
10 years
Since 2022

208 recipients in fields
of management,
science, humanities,
nursing, and ASEAN
Since 2005

Benefitted more than
75,000 school
children
Since 2012

Blood donation

Golden Seeds Project

E.SUN-NTU ESG
Centenary Project

Scholarship for
elites and talents

Care for school
children



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
- ❖ For more information, please contact Investor Relations Department
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Balance Sheet of E.SUN FHC and its subsidiaries as of Mar. 31, 2022

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	207,909	1,358	288	801	208,307
Securities, net	1,021,388	2,076	5,241	130	1,028,826
Loans, net	1,826,344	0	0	0	1,826,344
A/R, net	102,984	16,327	54	110	119,207
Land, premises and equipments, net	33,475	344	0	4	34,078
Others	71,903	4,235	26	204,435	75,752
Total assets	3,264,003	24,340	5,609	205,480	3,292,514
Liabilities:					
Deposits	2,713,813	0	0	0	2,711,688
Other liabilities	361,155	17,023	97	9,186	384,372
Total liabilities	3,074,968	17,023	97	9,186	3,096,060
Total stockholders' equity	189,035	7,317	5,512	196,294	196,454
Total equity attributable to owners of the company	188,864	7,317	5,512	196,294	196,294
Non-Controlling interests	171	0	0	0	160
Total liabilities and stockholders' equity	3,264,003	24,340	5,609	205,480	3,292,514

Note: Reviewed figures of Mar. 2022



P&L of E.SUN FHC and its subsidiaries for 1Q2022

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	7,278	119	0	(13)	7,384
Net fee income	4,567	607	0	0	5,173
Net trading income/(loss) & Derivatives & FX	485	(6)	457	0	936
Others	60	47	-	4,407	58
Total Net Revenues	12,390	767	457	4,394	13,551
Allowance for bad-debt expenses	(345)	1	0	0	(344)
Operating expenses	(7,421)	(406)	(3)	(86)	(7,867)
Income before income tax	4,625	362	454	4,308	5,339
Income tax expenses	(950)	(74)	(7)	17	(1,012)
Net Income	3,675	288	447	4,325	4,327
Attributable to owners of the company	3,674	288	447	4,325	4,325
Non-controlling interests	1	0	0	0	2

Note: Reviewed figures of Mar. 2022



E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22
Assets :									
Cash and due from banks	128,579	175,722	210,608	175,722	142,928	180,384	189,310	210,608	208,307
Securities, net	742,487	998,478	1,037,395	998,478	994,628	957,488	942,780	1,037,395	1,028,826
Loans, net	1,444,322	1,620,374	1,768,641	1,620,374	1,617,494	1,666,096	1,723,385	1,768,641	1,826,344
A/R, net	113,150	116,686	124,412	116,686	109,846	114,837	120,435	124,412	119,207
Land, premises and equipments, net	33,351	33,291	33,881	33,291	36,071	33,279	33,316	33,881	34,078
Others	36,469	27,194	55,971	27,194	27,314	48,587	43,111	55,971	75,752
Total assets	2,498,358	2,971,745	3,230,908	2,971,745	2,928,281	3,000,671	3,052,337	3,230,908	3,292,514
Liabilities:									
Deposits	2,082,070	2,484,605	2,693,343	2,484,605	2,434,369	2,485,975	2,550,344	2,693,343	2,711,688
Other liabilities	243,107	305,539	343,180	305,539	306,387	321,971	312,332	343,180	384,372
Total liabilities	2,325,177	2,790,144	3,036,523	2,790,144	2,740,756	2,807,946	2,862,676	3,036,523	3,096,060
Total stockholders' equity	173,181	181,601	194,385	181,601	187,525	192,725	189,661	194,385	196,454
Total equity attributable to owners of the company	173,058	181,469	194,226	181,469	187,391	192,585	189,515	194,226	196,294
Non-Controlling interests	123	132	159	132	134	140	146	159	160
Total liabilities and stockholders' equity	2,498,358	2,971,745	3,230,908	2,971,745	2,928,281	3,000,671	3,052,337	3,230,908	3,292,514

Note: Reviewed figures of Mar. 2022



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

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Operating income									
Net interest income	19,871	21,339	25,984	5,795	6,082	6,349	6,576	6,977	7,384
Fee income	18,725	19,831	21,324	5,195	5,273	5,139	5,519	5,393	5,173
Net trading income/(loss) & Derivatives & FX	15,629	14,707	10,366	2,626	2,306	2,797	3,036	2,227	936
Others	298	372	223	53	37	58	57	71	58
Total Net Revenues	54,523	56,249	57,897	13,669	13,698	14,343	15,188	14,668	13,551
Allowance for bad-debt expenses	(1,598)	(3,226)	(2,130)	(986)	358	(668)	(769)	(1,051)	(344)
Operating expenses	(29,855)	(32,494)	(31,808)	(8,448)	(7,817)	(7,766)	(7,989)	(8,236)	(7,868)
Income before income tax	23,070	20,529	23,959	4,235	6,239	5,909	6,430	5,381	5,339
Income tax expenses	(2,950)	(2,481)	(3,373)	(145)	(1,032)	(861)	(786)	(694)	(1,012)
Net Income	20,120	18,048	20,586	4,090	5,207	5,048	5,644	4,687	4,327
Income Attributable to owners of the company	20,105	18,027	20,559	4,081	5,205	5,042	5,638	4,674	4,325
Non-Controlling interests	15	21	27	9	2	6	6	13	2

Note: Reviewed figures of Mar. 2022



E.SUN Bank's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22
Assets :									
Cash and due from banks	128,432	175,678	210,382	175,678	142,869	180,264	189,224	210,382	207,909
Securities, net	737,525	970,129	1,030,836	970,129	969,116	951,715	936,773	1,030,836	1,021,388
Loans, net	1,444,322	1,620,374	1,768,641	1,620,374	1,617,494	1,666,096	1,723,385	1,768,641	1,826,344
A/R, net	103,686	102,012	108,589	102,012	94,333	96,067	103,123	108,589	102,984
Land, premises and equipments, net	32,725	32,689	33,266	32,689	35,473	32,677	32,698	33,266	33,475
Others	34,320	46,097	44,403	46,097	43,391	44,220	38,544	44,403	71,903
Total assets	2,481,010	2,946,979	3,196,117	2,946,979	2,902,676	2,971,039	3,023,747	3,196,117	3,264,003
Liabilities:									
Deposits	2,083,226	2,486,232	2,696,351	2,486,232	2,435,886	2,498,663	2,553,779	2,696,351	2,713,813
Other liabilities	226,694	282,949	311,650	282,949	284,233	292,085	285,634	311,650	361,155
Total liabilities	2,309,920	2,769,181	3,008,001	2,769,181	2,720,119	2,790,748	2,839,413	3,008,001	3,074,968
Total stockholders' equity	171,090	177,798	188,116	177,798	182,557	180,291	184,334	188,116	189,035
Total equity attributable to owners of the company	170,959	177,657	187,947	177,657	182,414	180,142	184,178	187,947	188,864
Non-Controlling interests	131	141	169	141	143	149	156	169	171
Total liabilities and stockholders' equity	2,481,010	2,946,979	3,196,117	2,946,979	2,902,676	2,971,039	3,023,747	3,196,117	3,264,003

Note: Reviewed figures of Mar. 2022



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

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22
Operating income									
Net interest income	19,657	21,095	25,591	5,728	6,001	6,251	6,467	6,872	7,278
Fee income	17,712	18,044	18,289	4,690	4,598	4,261	4,713	4,717	4,567
Net trading income/(loss) & Derivatives & FX	15,297	13,593	8,647	2,258	1,746	2,693	2,558	1,650	485
Others	302	383	230	54	39	60	61	70	60
Total Net Revenues	52,968	53,115	52,757	12,730	12,384	13,265	13,799	13,309	12,390
Allowance for bad-debt expenses	(1,603)	(3,241)	(2,134)	(985)	355	(669)	(769)	(1,051)	(345)
Operating expenses	(28,652)	(30,885)	(29,935)	(8,041)	(7,437)	(7,253)	(7,436)	(7,809)	(7,421)
Income before income tax	22,713	18,989	20,688	3,704	5,302	5,343	5,594	4,449	4,625
Income tax expenses	(3,054)	(2,501)	(3,101)	(188)	(881)	(768)	(668)	(784)	(950)
Net Income	19,659	16,488	17,587	3,516	4,421	4,575	4,926	3,665	3,675
Attributable to owners of the company	19,643	16,465	17,559	3,505	4,419	4,568	4,920	3,652	3,674
Non-controlling interests	16	23	28	11	2	7	6	13	1

Note: Reviewed figures of Mar. 2022