

# E.SUN FHC Financial Review of 1H 2022

August 2022



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# Agenda

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



# E.SUN FHC Summary

		Unit : NT\$ million	
		2022.6 <sup>1</sup>	2021.12
Total Assets	FHC	3,343,314	3,230,908
	Bank	3,318,523	3,196,117
	Securities	21,696	30,809
	Venture Capital	5,640	5,248
Key Financials	Book value per share (NT\$)	13.75	14.54
	Double Leverage Ratio	103.28%	103.06%
	FHC CAR	119.83% <sup>1</sup>	123.48%
Channels	Bank – domestic	139	139
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Myanmar, Japan, Sydney, Brisbane Subsidiary: China and Cambodia (UCB) Rep office in Hanoi, HCM City, and Bangkok 30 overseas sites	
	Securities - branches	17	17

Note: 1.Audit figures of June 2022

2.Share owned by QFII: 37.04%, as of Jun. 30, 2022





# 1H22 Business and Financial Review

## Financial Performance

- For 1H22, E.SUN FHC's net revenues was NT\$25.7 billion. Net profit was NT\$7.1 billion (-30.9%).
- EPS NT\$0.50, ROE 7.51%, ROA 0.43%
- As of July, net profit was NT\$9.9 billion (-21.7%). EPS NT\$0.74, ROE 8.88%.

## Business Operation

- Balanced growth of loan and deposit helped boost NII by 22.8%. Loan growth 13.5%, in which FCY growth was 20.5%; Deposit growth 14.7%, in which FCY growth was 21.0% (yoy). As of 2Q, sustainability related loan accounted for 34% of corporate loan balance.
- Net fee income NT\$ 9.8 billion (-5.7%). WM fee income NT\$ 4.1 billion decreased by 16.1% due to volatility of financial market. Credit card fee NT \$3 billion (+8.5%), corporate banking fee NT \$1.1 billion (+40.4%). With lower market volatility and recovery of tourism/consumption, fee income is expected to improve in 2H.
- Asset quality was benign, NPL ratio at 0.16% and coverage ratio at 743.8%.

## Highlights

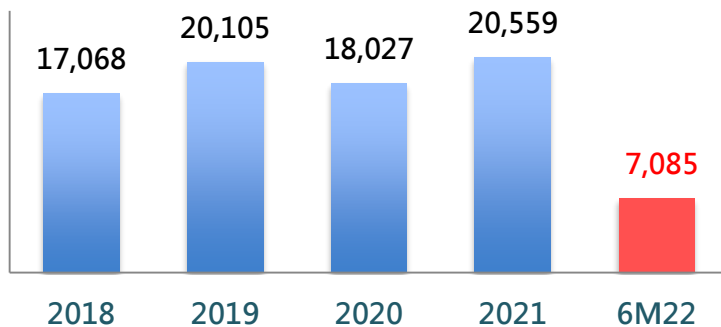
- Honors and recognitions: “Bank of The Year in Taiwan” by Asiamoney, FinanceAsia, Forbes, and The Asset; “Best Corporate Banking” and “Best SME” by Asiamoney; The AI enabled credit card fraudulent prevention system was awarded “Best Digital Banking Innovation – Cyber Security” by The Banker.
- Credit rating: E.SUN Bank was upgraded by S&P Global to A. E.SUN Bank is rated A by S&P and Moody's, while E.SUN FHC's A3 rating is the highest among private sector FHCs in Taiwan.
- ESG: E.SUN FHC joined RE100, committed to using 100% renewable electricity by 2040.



# Financial Performance

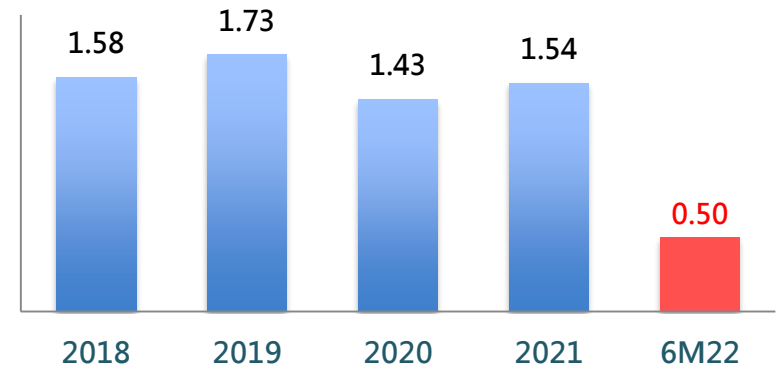
## Net Profit

Unit: NT\$ million

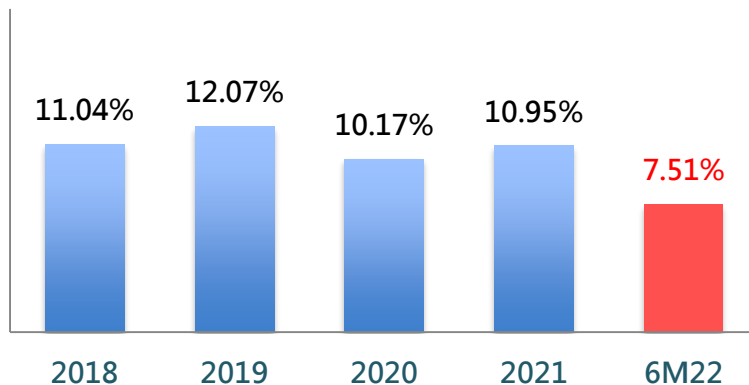


## EPS

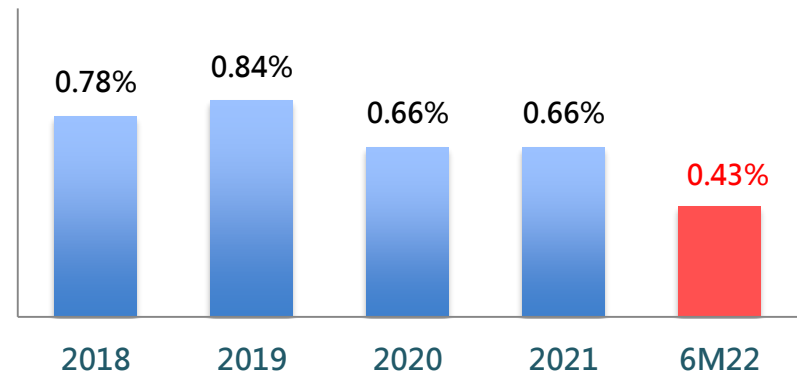
Unit: NT\$ dollars



## ROE



## ROA

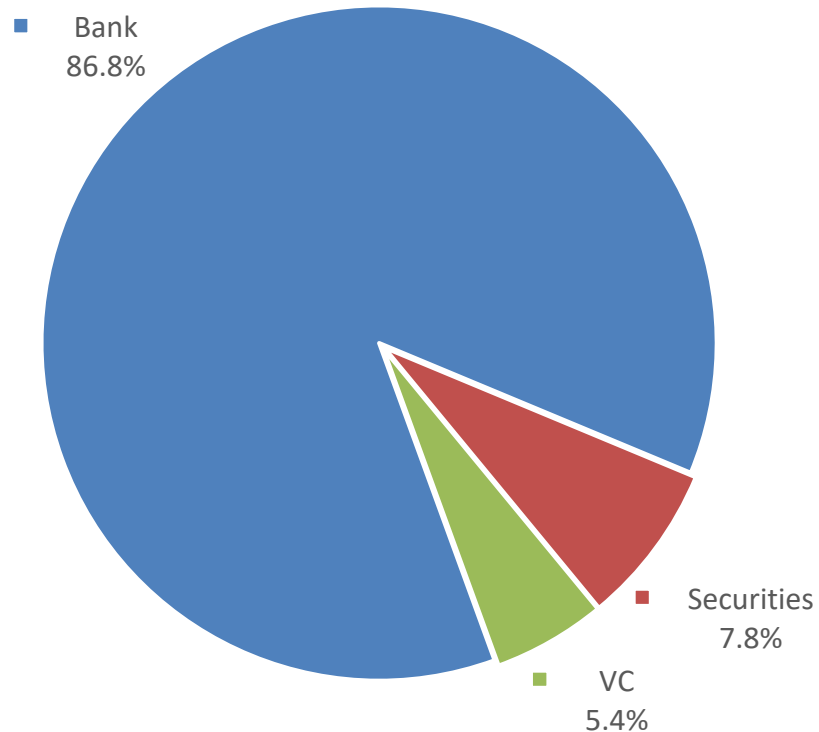


Note: 1. Audit figures of June 2022  
2. As of 7M, Net profit \$9,873 mil, EPS \$0.74, ROE 8.88%



# Net Income of FHC & its Subsidiaries

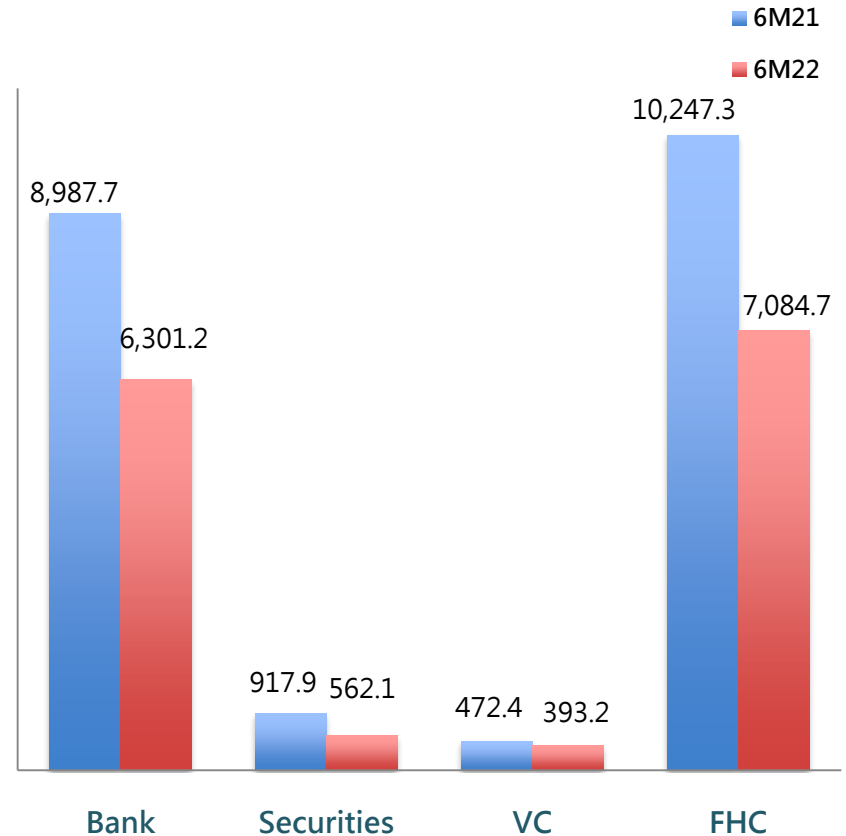
## Contribution by Subsidiaries



Note: Audit figures of June 2022

## Net Income of FHC and its Subsidiaries

Unit: NT\$ million

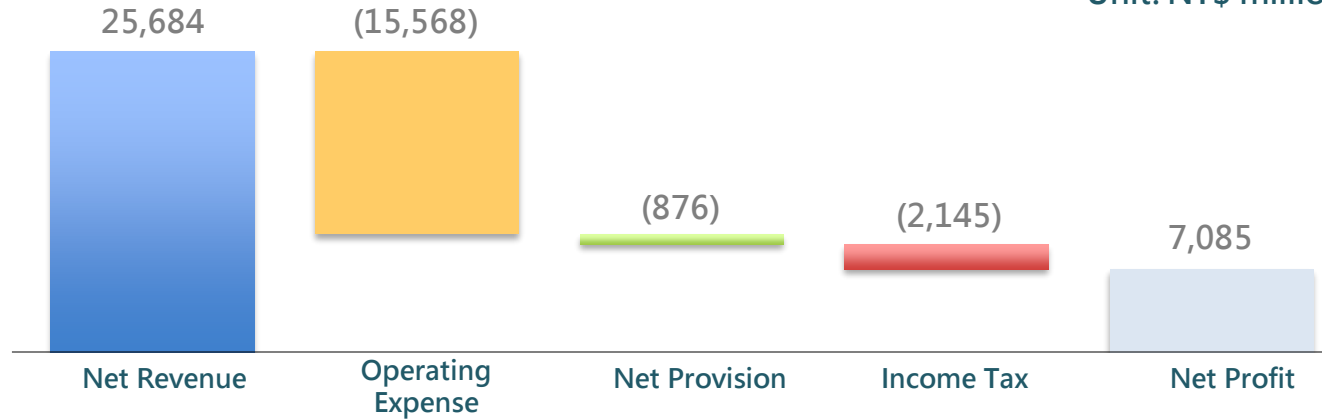




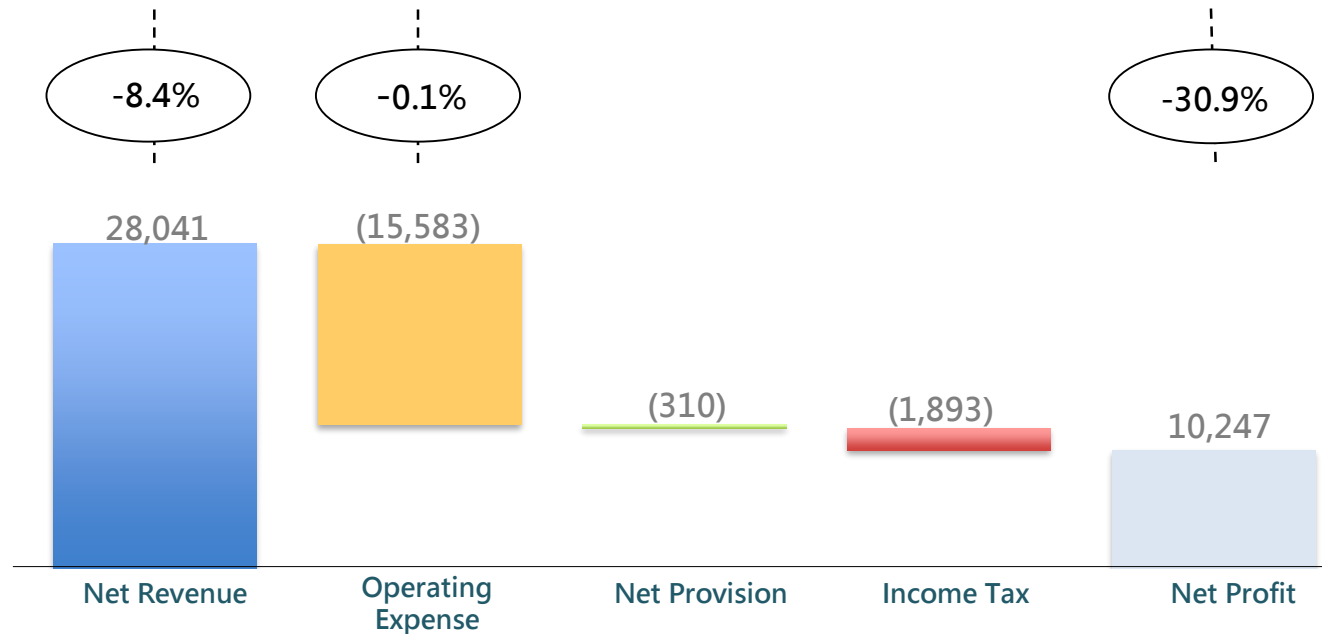
# Net Profit Breakdown

Unit: NT\$ million

## 6M22 P&L



## 6M21 P&L



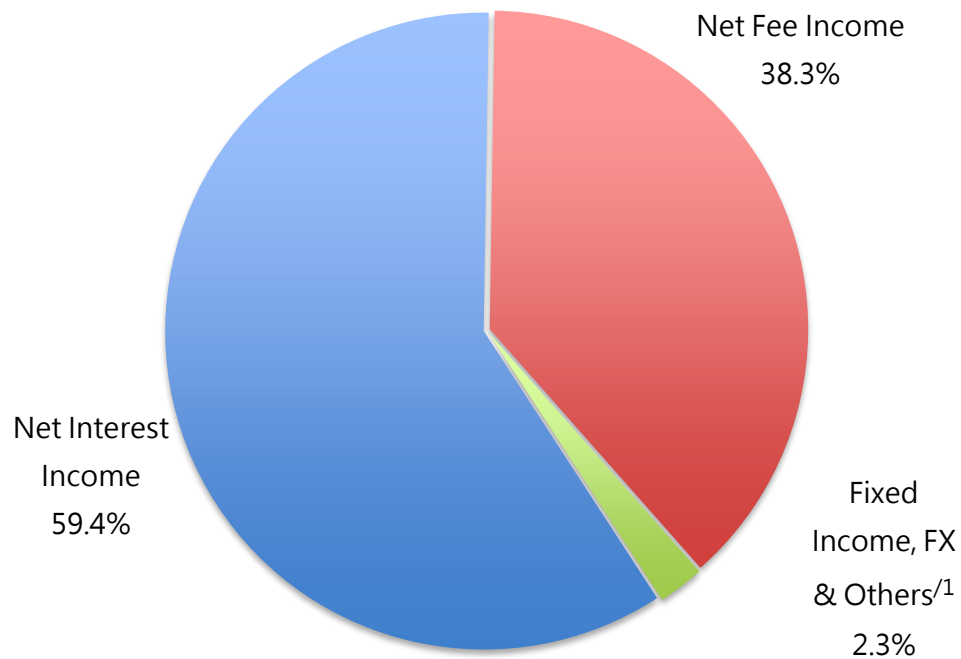
Note: Audit figures of June 2022





# FHC Revenue Breakdown

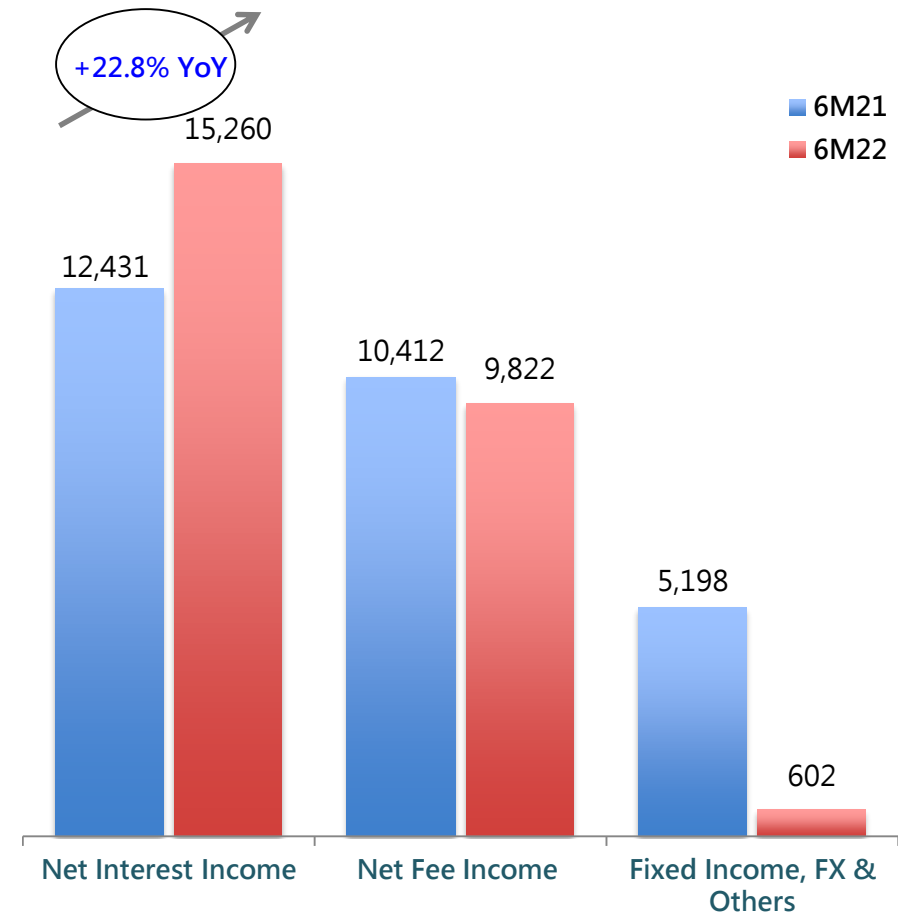
Total Net Revenue  
NT\$ 25,684 million



Note: 1. Audit figures of June 2022

## YoY Comparison

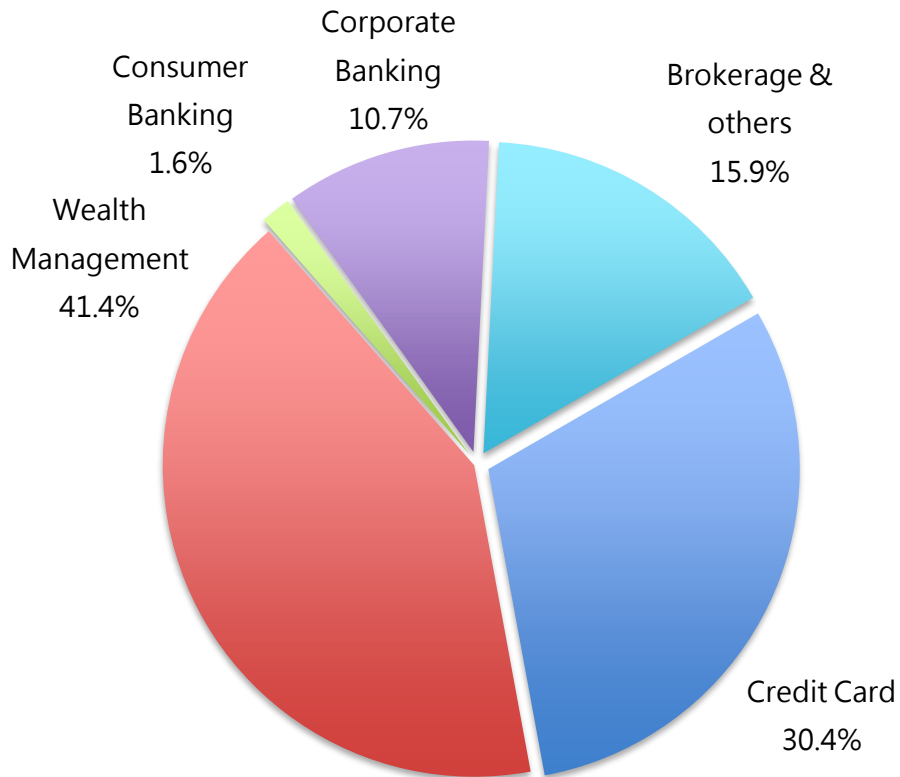
Unit: NT\$ million





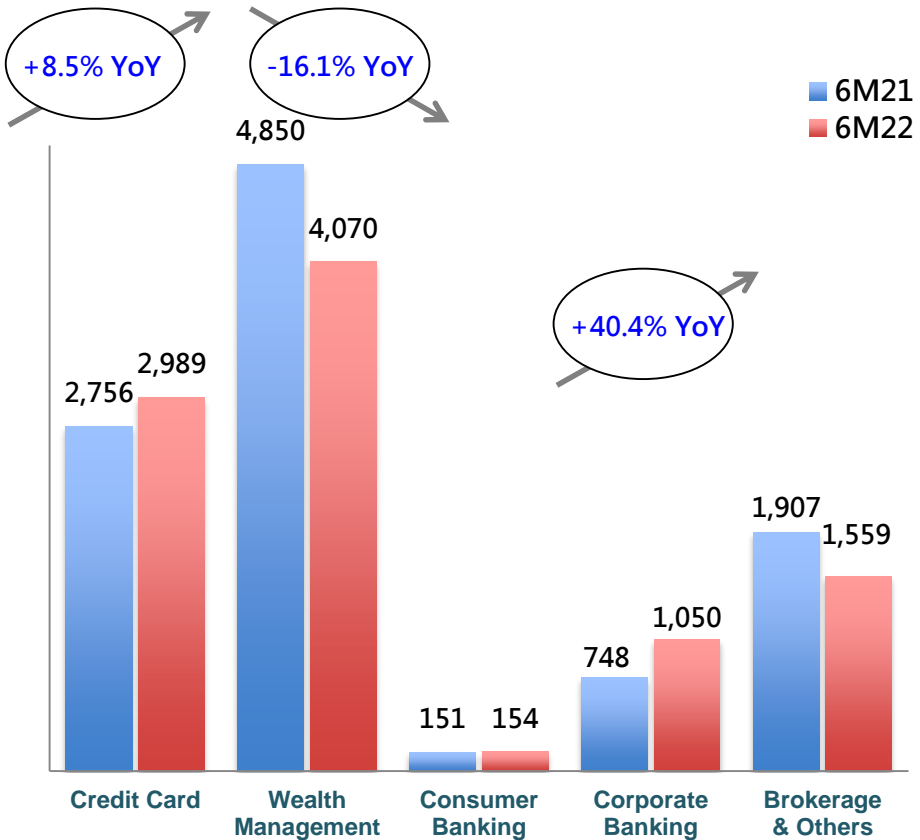
# Net Fee Income Breakdown

Total Net Fee Income  
NT\$ 9,822 million



## YoY Comparison

Unit: NT\$ million



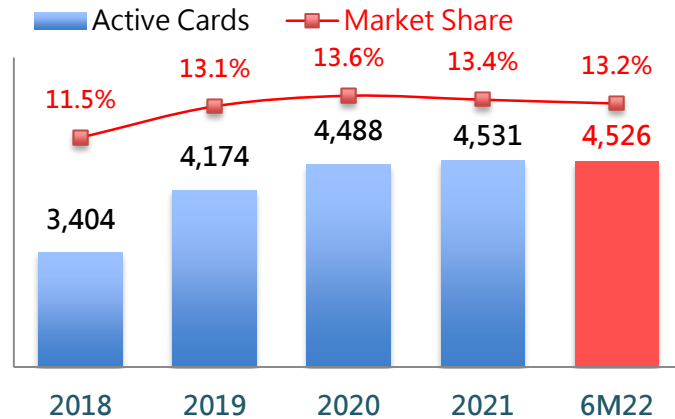
Note: Audit figures of June 2022



# Credit Card Business Breakdown

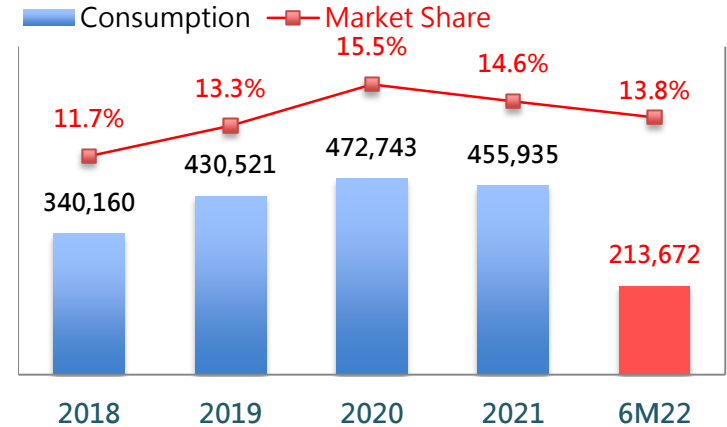
## Active Cards

Unit: Thousand Cards, %



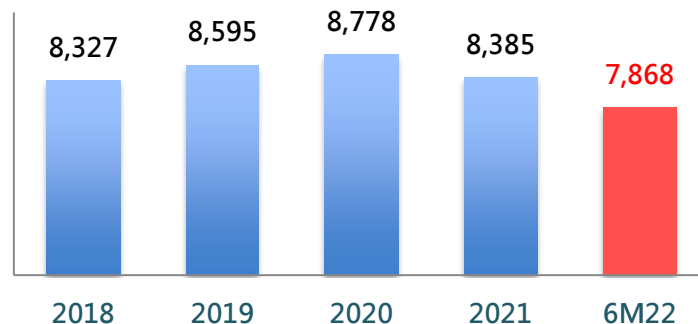
## Card Consumption

Unit: NT\$ million



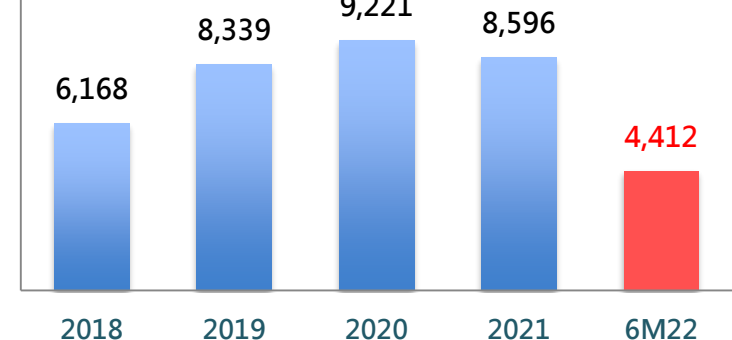
## Per Card Spending (Monthly)

Unit: NT\$ dollar



## Gross Fee Income

Unit: NT\$ million





# Deposit and Loan Structure

Unit: NT\$ Bn

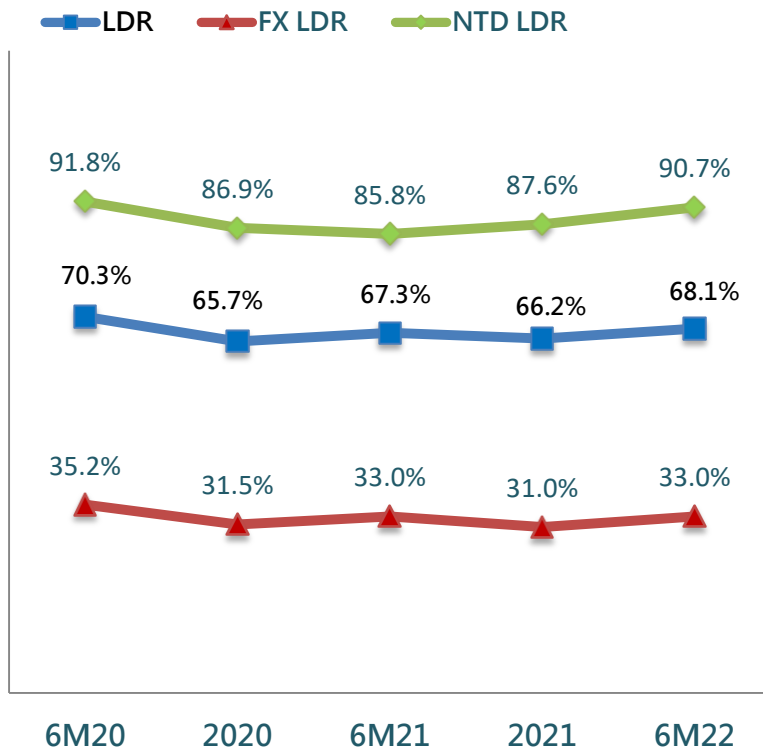
Category	2022.6	QoQ Growth %	2022.3	Ytd Growth %	2021
Total Deposits	2,784.0	2.5%	2,716.2	3.2%	2,698.6
Demand Deposits	1,080.0	-2.2%	1,104.6	-1.2%	1,093.0
Time Deposits	612.8	2.7%	596.4	2.3%	598.9
FCY Deposits	1,091.2	7.5%	1,015.2	8.4%	1,006.7
Total Loans <sup>/1</sup>	1,895.8	2.5%	1,849.3	5.9%	1,790.7
Corporate Loans	895.9	2.2%	876.7	6.7%	839.6
SME Loans	486.5	0.9%	482.2	3.8%	468.6
FCY Loans	360.0	4.5%	344.5	15.0%	313.0
Consumer Loans	943.7	2.8%	917.7	5.0%	898.7
Mortgage Loan	470.8	3.2%	456.0	6.8%	440.7
Unsecured Personal Loan	137.1	1.2%	135.5	-0.1%	137.3
Credit Card Revolving Balance	12.4	0.0%	12.4	0.8%	12.3

Note: Included loan balance of subsidiaries NT\$56 billion



# Deposit Structure

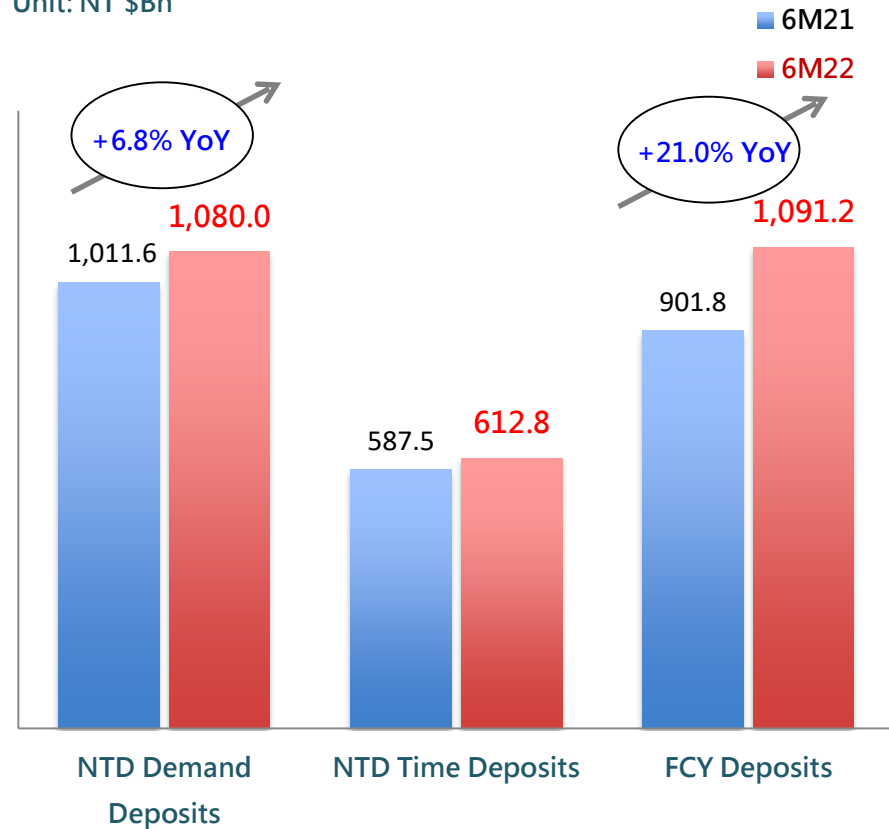
## Loan to Deposit Ratio



Note: Data of E.SUN Bank

## Deposit Structure

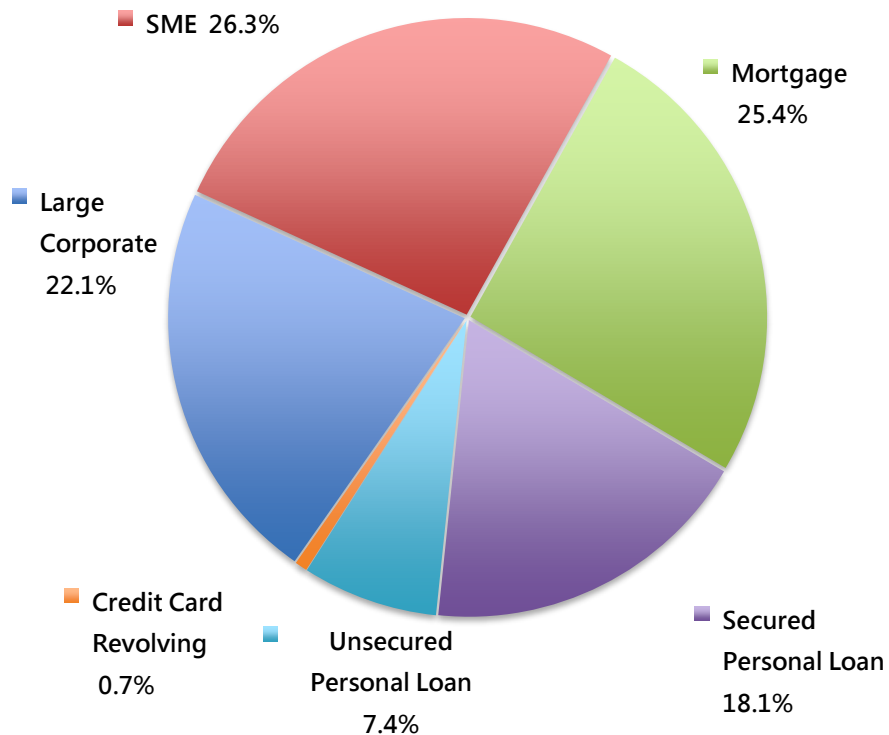
Unit: NT \$Bn





# Loan Portfolio Breakdown

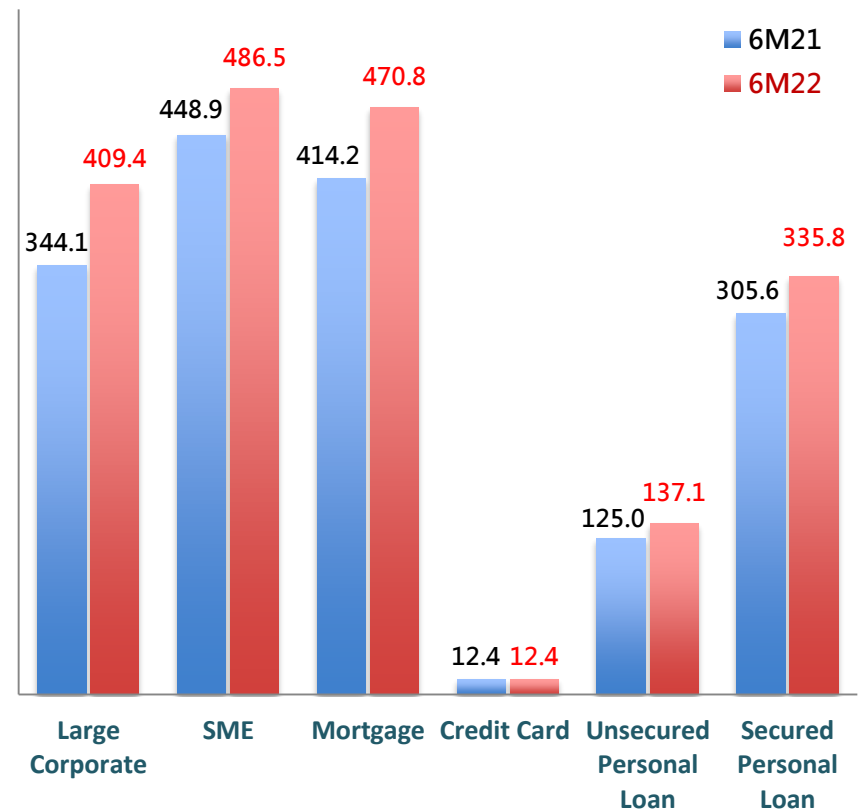
Total Loan  
NT\$ 1,852 billion



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

## YoY Comparison

Unit: NT\$ Bn

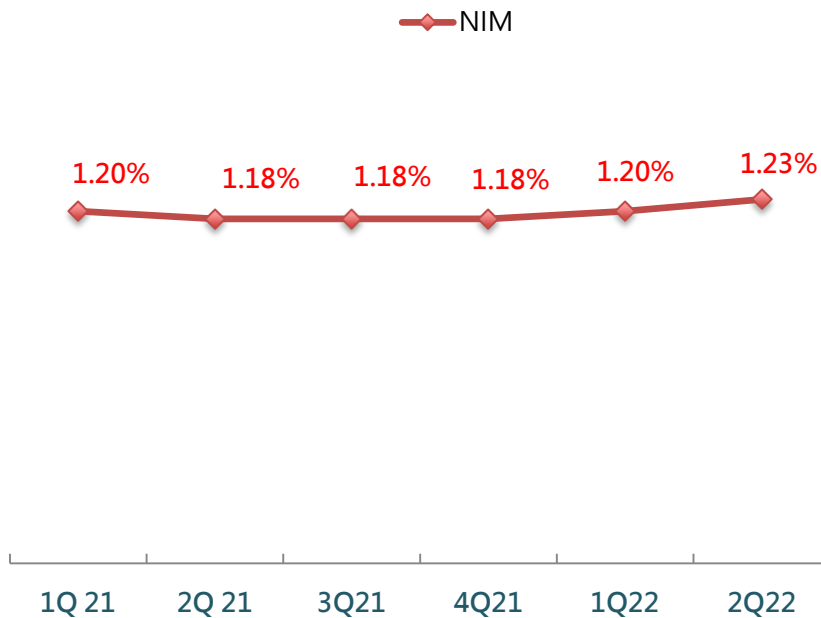




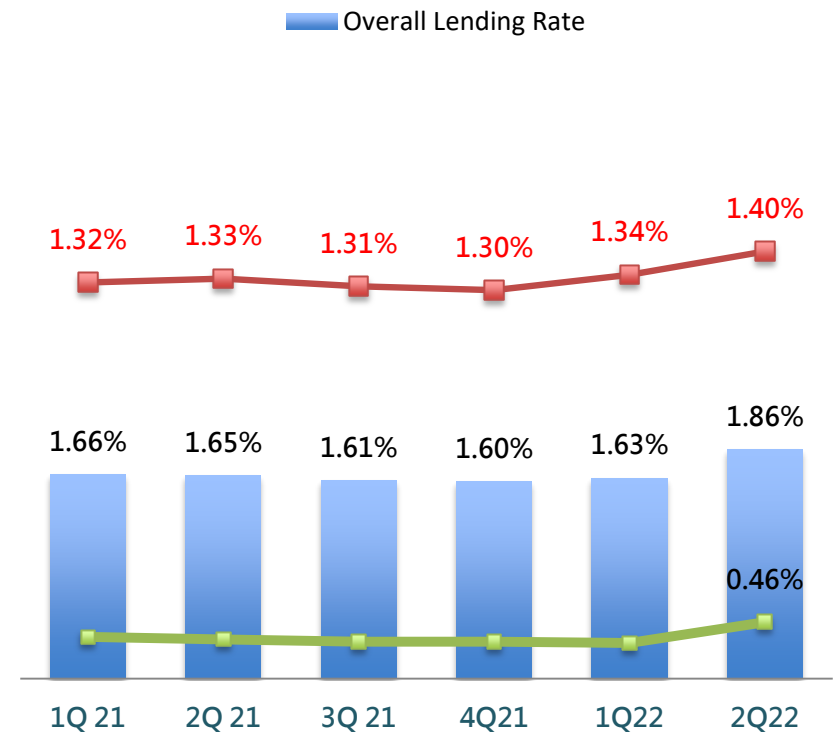


# NIM and Spread

## Quarterly Net Interest Margin



## Quarterly Interest Spread



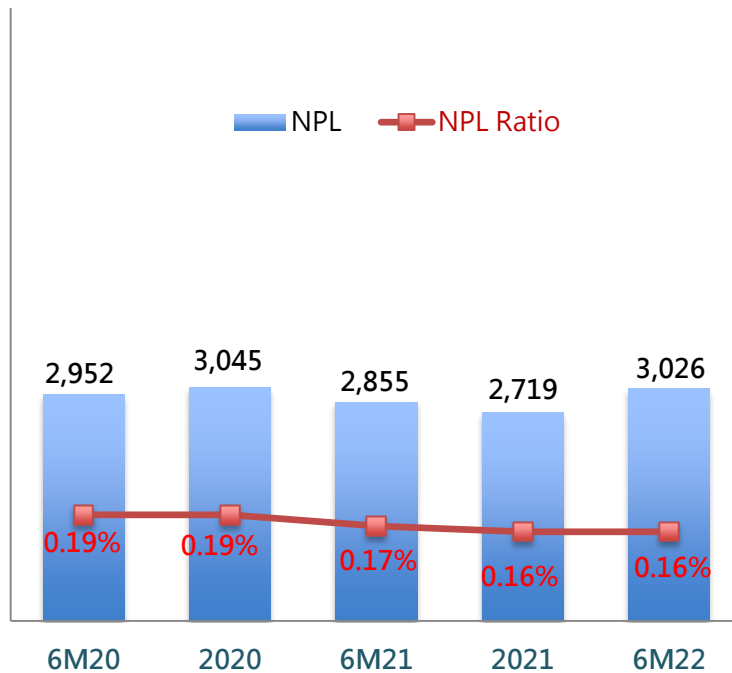
Note: Data of E.SUN Bank



# Superior Asset Quality <sup>1/3</sup>

## NPL Ratio

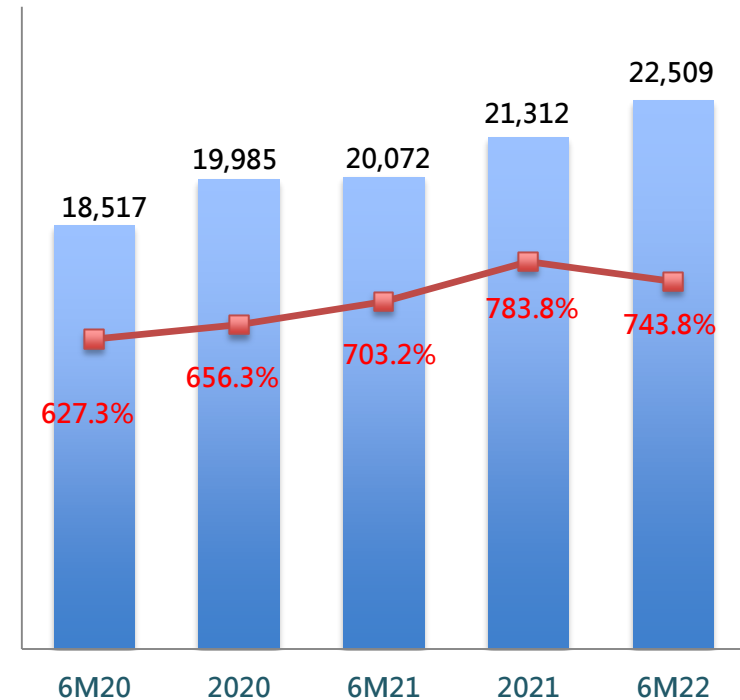
Unit: NT\$ million



## Coverage Ratio

Unit: NT\$ million

Loan Loss Reserve Coverage Ratio

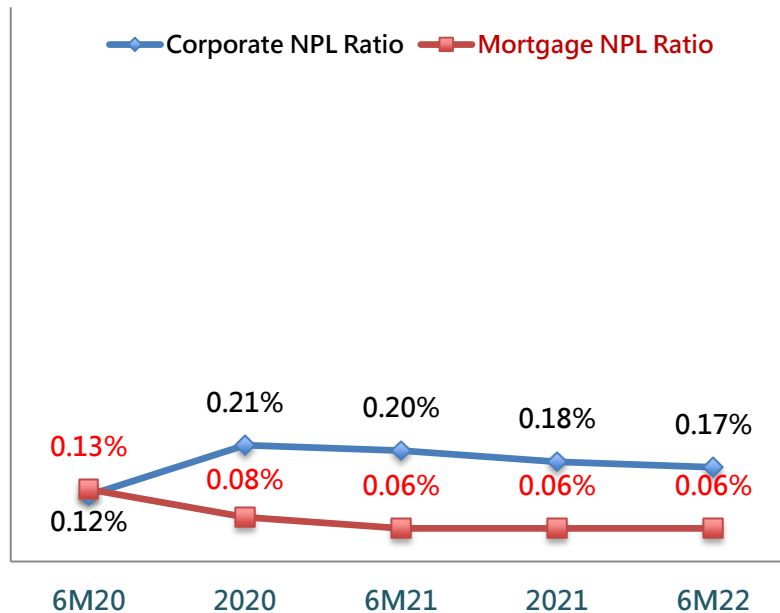


Note: Data of E.SUN Bank



# Superior Asset Quality <sup>2/3</sup>

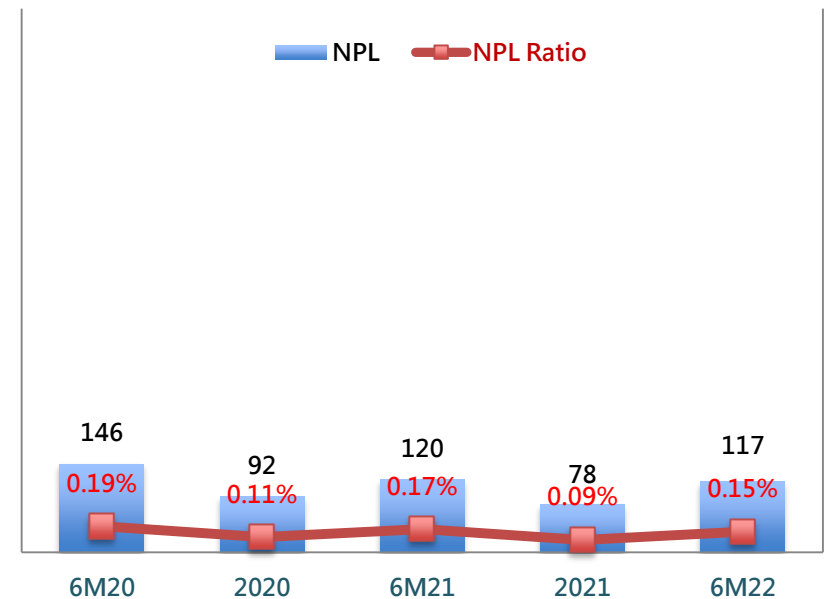
## NPL Ratio for Major Products



Note: Data of E.SUN Bank

## NPL Ratio for Credit Card

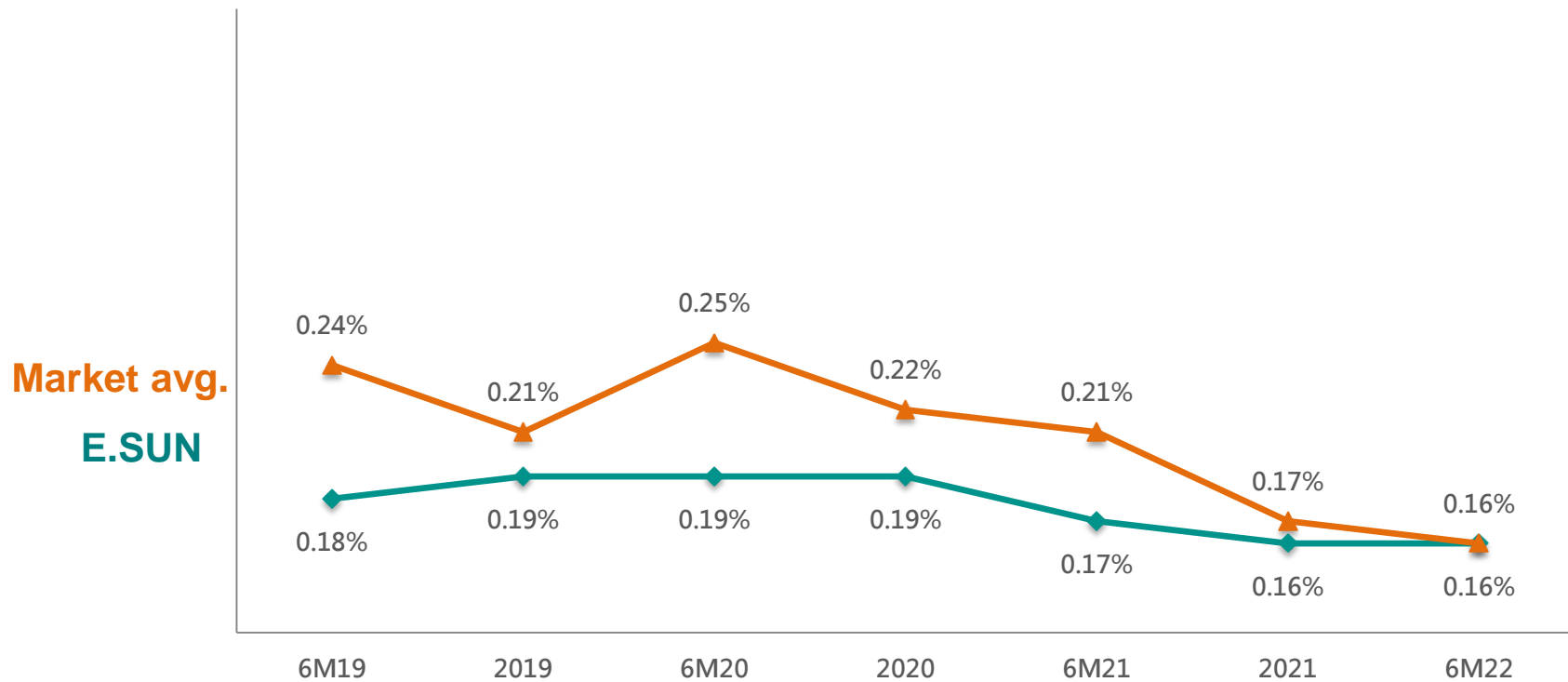
Unit: NT\$ million





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

## NPL Comparison with Market



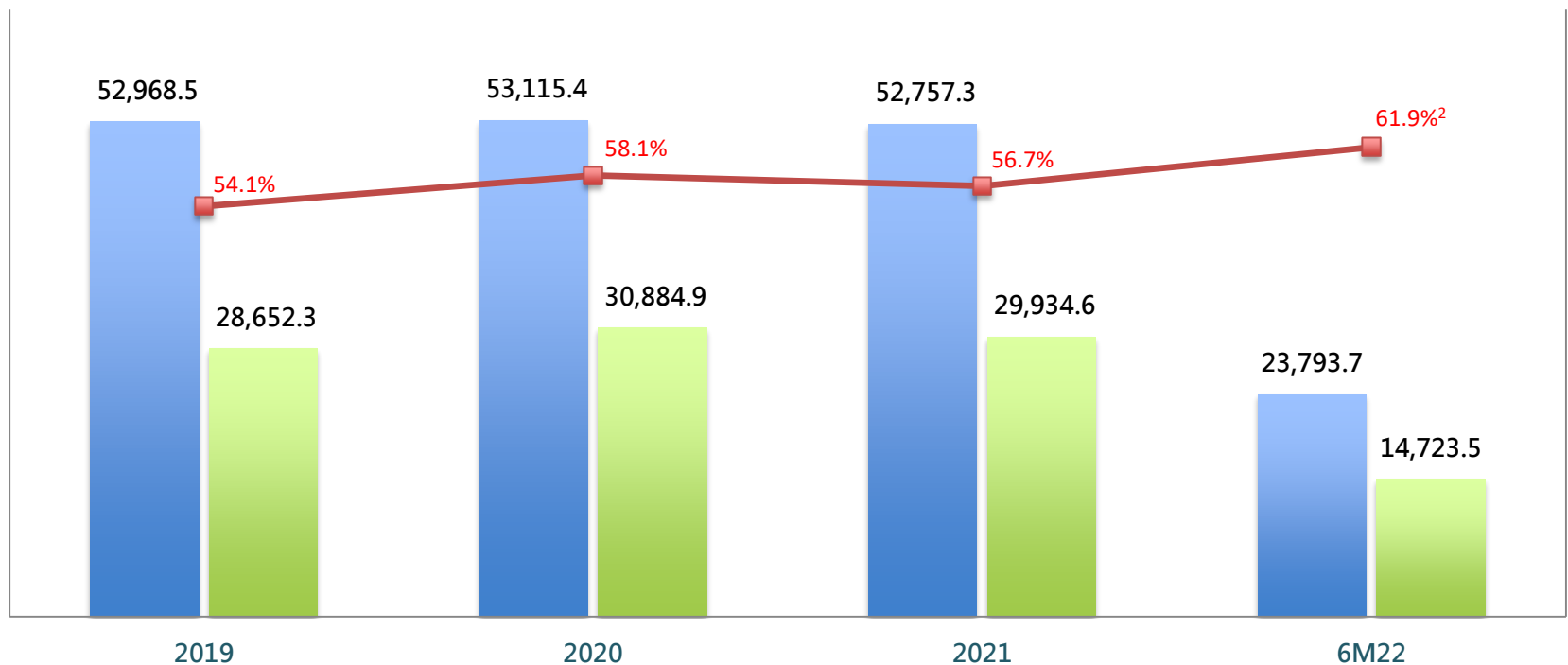
Source: FSC



# Cost-Income Ratio

Unit: NT\$ million

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

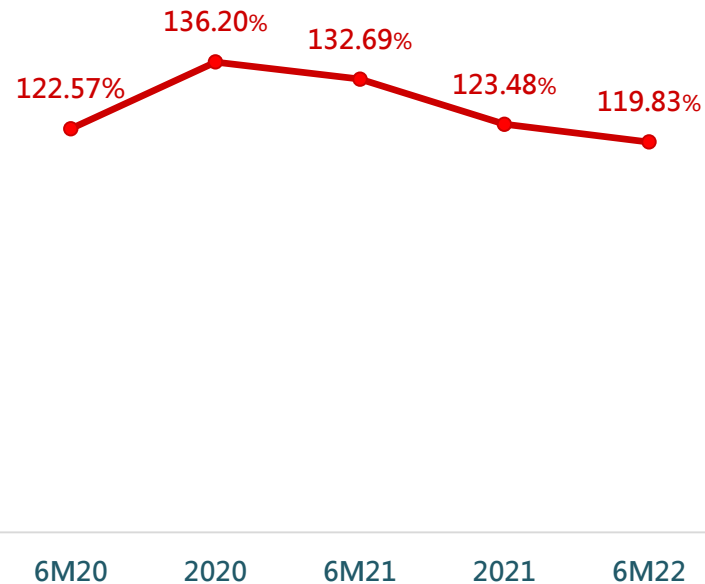


Note: 1. Data of E.SUN Bank  
2. Audit figures of June 2022

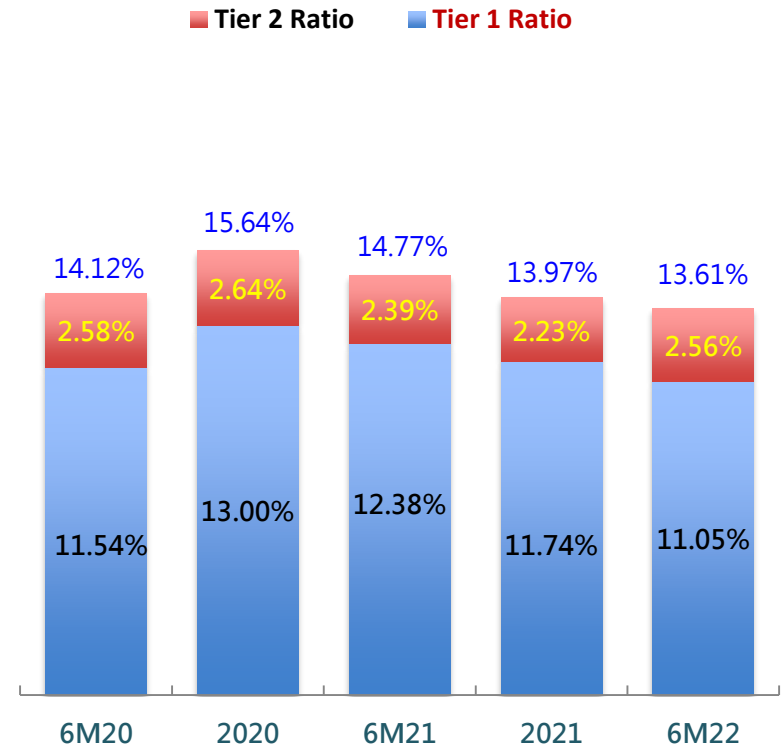


# Capital Adequacy Ratio

## FHC CAR Ratio



## Bank BIS Ratio



Note: 1. Audit figures of June 2022  
2. BIS of E.SUN Bank standalone

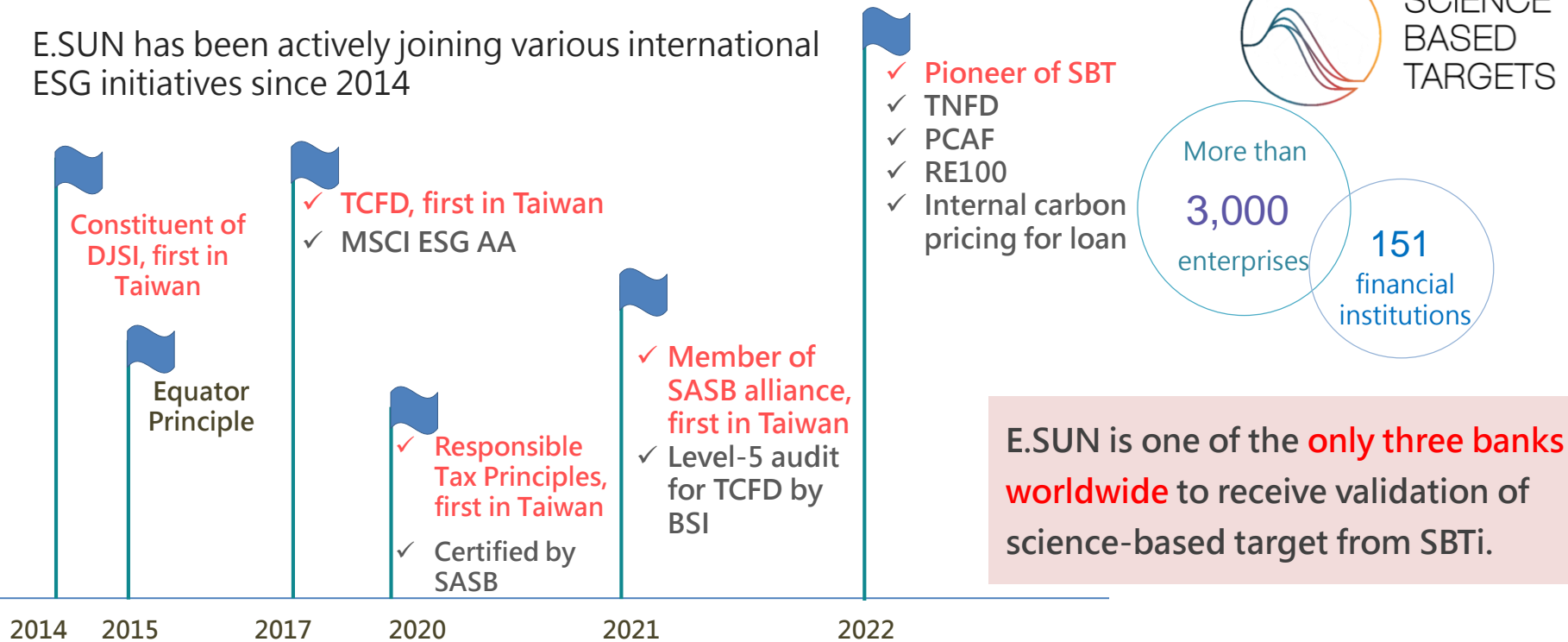




# Following the best practice of ESG

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

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

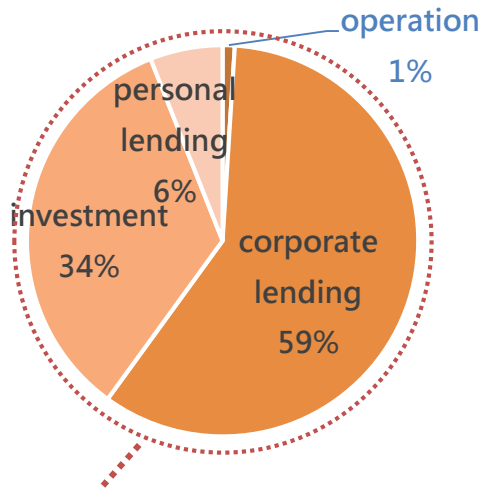


\*SBT is the most accepted methodology for carbon reduction target setting.



# Road to 2050 net-zero

CO2e of E.SUN in 2020  
4.79 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

## Internal Carbon Pricing

The leading bank in Taiwan to  
implement internal carbon pricing

- (carbon emission-carbon quota)\*carbon pricing=carbon cost
- Guiding RM to sustainability related loan
- A systematic approach to net zero



# 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 2022Q2 \$261.3 billion*

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

*# balance of ESG Linked Loan \$28.4 billion*

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

*# balance \$30.7 billion*

**Sustainability related loan  
NT \$320 billion accounted for  
34%  
of corporate lending (2Q 2022)**



**Sustainability  
as a  
Service**

## Sustainable investment

- Issuance of NT \$7.3 billion green bond in July, 2022.
  - Issuance of NT \$1.1 billion sustainability bond in 2022.
  - 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



### **Elder Care Trust**

*# top 3 among banks and leader in the private sector*

- One-stop-shopping service to fulfill needs of elderly customers
- ESOP trust that can help corporates to improve governance.





# 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

Benefitted more than  
75,000 school  
children  
Since 2012

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

Blood donation

Care for school  
children

Golden Seeds Project

E.SUN-NTU ESG  
Centenary Project

Scholarship for  
elites and talents



# 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
- ❖ For more information, please contact Investor Relations Department  
+8862 2175 1313 Ext 9347, 9310, 9302  
[ir@email.esunbank.com.tw](mailto:ir@email.esunbank.com.tw)







## Balance Sheet of E.SUN FHC and its subsidiaries as of June 30, 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	198,314	552	838	8,030	198,487
Securities, net	1,006,447	2,036	4,775	139	1,013,388
Loans, net	1,872,442	-	-	-	1,872,442
A/R, net	103,001	14,873	2	1,596	116,586
Land, premises and equipments, net	33,431	340	-	4	34,036
Others	104,888	3,895	25	191,521	108,375
<b>Total assets</b>	<b>3,318,523</b>	<b>21,696</b>	<b>5,640</b>	<b>201,290</b>	<b>3,343,314</b>
Liabilities:					
Deposits	2,784,022	-	-	-	2,774,699
Other liabilities	356,452	15,349	436	17,718	384,892
<b>Total liabilities</b>	<b>3,140,474</b>	<b>15,349</b>	<b>436</b>	<b>17,718</b>	<b>3,159,591</b>
<b>Total stockholders' equity</b>	<b>178,049</b>	<b>6,347</b>	<b>5,204</b>	<b>183,572</b>	<b>183,723</b>
<b>Total equity attributable to owners of the company</b>	<b>177,888</b>	<b>6,347</b>	<b>5,204</b>	<b>183,572</b>	<b>183,572</b>
Non-Controlling interests	161	-	-	-	151
<b>Total liabilities and stockholders' equity</b>	<b>3,318,523</b>	<b>21,696</b>	<b>5,640</b>	<b>201,290</b>	<b>3,343,314</b>

Note: Audit figures of June 2022





## P&L of E.SUN FHC and its subsidiaries for 2Q2022

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	15,050	234	0	(24)	15,260
Net fee income	8,640	1,184	-	-	9,822
Net trading income/(loss) & Derivatives & FX	(44)	(16)	519	0	459
Others	148	93	1	7,273	143
Total Net Revenues	23,794	1,495	520	7,249	25,684
Allowance for bad-debt expenses	(877)	2	0	0	(876)
Operating expenses	(14,724)	(803)	(9)	(149)	(15,568)
Income before income tax	8,193	694	511	7,100	9,240
Income tax expenses	(1,881)	(132)	(118)	(15)	(2,145)
Net Income	6,312	562	393	7,085	7,095
Attributable to owners of the company	6,301	562	393	7,085	7,085
Non-controlling interests	11	0	0	0	10

Note: Audit figures of June 2022



## E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly ResultsQuarterly			Quarterly Results					
	2019	2020	2021	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
Assets :									
Cash and due from banks	128,579	175,722	210,608	142,928	180,384	189,310	210,608	208,307	198,487
Securities, net	742,487	998,478	1,037,395	994,628	957,488	942,780	1,037,395	1,028,826	1,013,388
Loans, net	1,444,322	1,620,374	1,768,641	1,617,494	1,666,096	1,723,385	1,768,641	1,826,344	1,872,442
A/R, net	113,150	116,686	124,412	109,846	114,837	120,435	124,412	119,207	116,586
Land, premises and equipments, net	33,351	33,291	33,881	36,071	33,279	33,316	33,881	34,078	34,036
Others	36,469	27,194	55,971	27,314	48,587	43,111	55,971	75,752	108,375
Total assets	2,498,358	2,971,745	3,230,908	2,928,281	3,000,671	3,052,337	3,230,908	3,292,514	3,343,314
Liabilities:									
Deposits	2,082,070	2,484,605	2,693,343	2,434,369	2,485,975	2,550,344	2,693,343	2,711,688	2,774,699
Other liabilities	243,107	305,539	343,180	306,387	321,971	312,332	343,180	384,372	384,892
Total liabilities	2,325,177	2,790,144	3,036,523	2,740,756	2,807,946	2,862,676	3,036,523	3,096,060	3,159,591
Total stockholders' equity	173,181	181,601	194,385	187,525	192,725	189,661	194,385	196,454	183,723
Total equity attributable to owners of the company	173,058	181,469	194,226	187,391	192,585	189,515	194,226	196,294	183,572
Non-Controlling interests	123	132	159	134	140	146	159	160	151
Total liabilities andstockholders' equity	2,498,358	2,971,745	3,230,908	2,928,281	3,000,671	3,052,337	3,230,908	3,292,514	3,343,314

Note: Audit figures of June 2022



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

NT\$ million	Yearly ResultsQuarterly			Quarterly Results					
	2019	2020	2021	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Operating income									
Net interest income	19,871	21,339	25,984	6,082	6,349	6,576	6,977	7,384	7,876
Fee income	18,725	19,831	21,324	5,273	5,139	5,519	5,393	5,173	4,649
Net trading income/(loss) & Derivatives & FX	15,629	14,707	10,366	2,306	2,797	3,036	2,227	936	(477)
Others	298	372	223	37	58	57	71	58	85
Total Net Revenues	54,523	56,249	57,897	13,698	14,343	15,188	14,668	13,551	12,133
Allowance for bad-debt expenses	(1,598)	(3,226)	(2,130)	358	(668)	(769)	(1,051)	(344)	(532)
Operating expenses	(29,855)	(32,494)	(31,808)	(7,817)	(7,766)	(7,989)	(8,236)	(7,868)	(7,700)
Income before income tax	23,070	20,529	23,959	6,239	5,909	6,430	5,381	5,339	3,901
Income tax expenses	(2,950)	(2,481)	(3,373)	(1,032)	(861)	(786)	(694)	(1,012)	(1,133)
Net Income	20,120	18,048	20,586	5,207	5,048	5,644	4,687	4,327	2,768
Income Attributable to owners of the company	20,105	18,027	20,559	5,205	5,042	5,638	4,674	4,325	2,760
Non-Controlling interests	15	21	27	2	6	6	13	2	8

Note: Audit figures of June 2022



## E.SUN Bank's Balance Sheet (Consolidated)

NT\$ million	Yearly ResultsQuarterly			Quarterly Results					
	2019	2020	2021	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
Assets :									
Cash and due from banks	128,432	175,678	210,382	142,869	180,264	189,224	210,382	207,909	198,314
Securities, net	737,525	970,129	1,030,673	969,116	951,715	936,773	1,030,673	1,021,388	1,006,447
Loans, net	1,444,322	1,620,374	1,768,641	1,617,494	1,666,096	1,723,385	1,768,641	1,826,344	1,872,442
A/R, net	103,686	102,012	108,589	94,333	96,067	103,123	108,589	102,984	103,001
Land, premises and equipments, net	32,725	32,689	33,266	35,473	32,677	32,698	33,266	33,475	33,431
Others	34,320	46,097	44,566	43,391	44,220	38,544	44,566	71,903	104,888
Total assets	2,481,010	2,946,979	3,196,117	2,902,676	2,971,039	3,023,747	3,196,117	3,264,003	3,318,523
Liabilities:									
Deposits	2,083,226	2,486,232	2,696,351	2,435,886	2,498,663	2,553,779	2,696,351	2,713,813	2,784,022
Other liabilities	226,694	282,949	311,650	284,233	292,085	285,634	311,650	361,155	356,452
Total liabilities	2,309,920	2,769,181	3,008,001	2,720,119	2,790,748	2,839,413	3,008,001	3,074,968	3,140,474
Total stockholders' equity	171,090	177,798	188,116	182,557	180,291	184,334	188,116	189,035	178,049
Total equity attributable to owners of the company	170,959	177,657	187,947	182,414	180,142	184,178	187,947	188,864	177,888
Non-Controlling interests	131	141	169	143	149	156	169	171	161
Total liabilities andstockholders' equity	2,481,010	2,946,979	3,196,117	2,902,676	2,971,039	3,023,747	3,196,117	3,264,003	3,318,523

Note: Audit figures of June 2022



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

NT\$ million	Yearly ResultsQuarterly			Quarterly Results					
	2019	2020	2021	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Operating income									
Net interest income	19,657	21,095	25,591	6,001	6,251	6,467	6,872	7,278	7,772
Fee income	17,712	18,044	18,289	4,598	4,261	4,713	4,717	4,567	4,073
Net trading income/(loss) & Derivatives & FX	15,297	13,593	8,647	1,746	2,693	2,558	1,650	485	(529)
Others	302	383	230	39	60	61	70	60	88
Total Net Revenues	52,968	53,115	52,757	12,384	13,265	13,799	13,309	12,390	11,404
Allowance for bad-debt expenses	(1,603)	(3,241)	(2,134)	355	(669)	(769)	(1,051)	(345)	(532)
Operating expenses	(28,652)	(30,885)	(29,935)	(7,437)	(7,253)	(7,436)	(7,809)	(7,421)	(7,303)
Income before income tax	22,713	18,989	20,688	5,302	5,343	5,594	4,449	4,625	3,568
Income tax expenses	(3,054)	(2,501)	(3,101)	(881)	(768)	(668)	(784)	(950)	(931)
Net Income	19,659	16,488	17,587	4,421	4,575	4,926	3,665	3,675	2,637
Attributable to owners of the company	19,643	16,465	17,559	4,419	4,568	4,920	3,652	3,674	2,627
Non-controlling interests	16	23	28	2	7	6	13	1	10

Note: Audit figures of June 2022