

E.SUN FHC Financial Review of 3Q 2022

November 2022



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Agenda

- 2022 3Q Financial Performance
- 2022 3Q Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2022.09/ ¹	2021.12
Total Assets	FHC	3,492,566	3,230,908
	Bank	3,469,228	3,196,117
	Securities	19,655	30,809
	Venture Capital	5,178	5,248
Key Financials	Book value per share (NT\$)	12.98	14.54
	Double Leverage Ratio	103.30%	103.06%
	FHC CAR	119.83% ²	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. Preliminary figures of Sep. 2022

2. Audit figures of Jun. 2022

3. Share owned by QFII: 35.2%, as of Sep. 30, 2022



3Q22 Business and Financial Review

Financial Performance

- For 9M22, E.SUN FHC's net revenues was NT\$40 billion. Net profit was NT\$11.6 billion (-26.7%).
- EPS NT\$0.82, ROE 8.18%, ROA 0.46%
- As of October, net profit was NT\$12.8 billion (-25.7%), EPS NT\$0.9.

Business Operation

- Balanced growth of loan and deposit helped boost NII by 21.2%. Loan growth 11.3%, in which FCY growth was 23.9%; Deposit growth 11.8%, in which FCY growth was 24.2% (yoy). As of 3Q, sustainability related loan accounted for 34% of corporate loan balance.
- Net fee income NT\$ 14.6 billion (-8.5%). WM fee income NT\$ 6 billion decreased by 19.3% due to volatility in financial market. Credit card fee NT \$4.6 billion (+12.1%), corporate banking fee NT \$1.5 billion (+25.4%). Fee income is expected to improve with recovery of tourism/consumption.
- Asset quality was benign, NPL ratio at 0.16% and coverage ratio at 740.3%.

Highlights

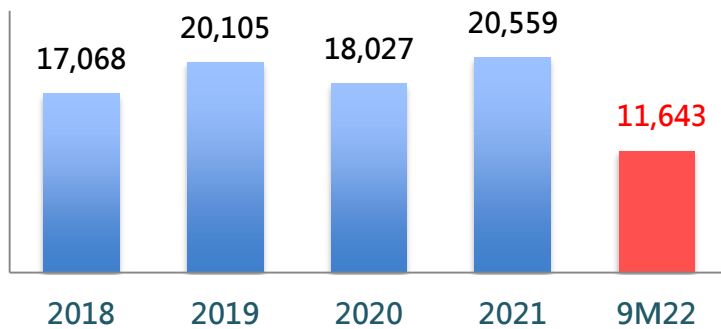
- Honors and recognitions: Winner of 1st place award in Commonwealth CSR Award (Large Corporates); Winner of TABF's Best Practice Award in Corporate Banking, Overseas Development, and ESG categories; "Best Wealth Manager" and "Best Private Bank in ESG" by The Asset; The AI enabled "AML system" was awarded "Best in Future of Operations in Taiwan" by IDC.
- ESG: Nominated as founding member of "Coalition of Movers and Shakers on Sustainable Finance" by FSC.
- E.SUN's ESG Initiative: 101 companies joined E.SUN ESG Initiative and collectively committed to reduce a total of 1.57 million tons carbon emission by 2025. 46 companies committed to net zero target by 2050.



Financial Performance

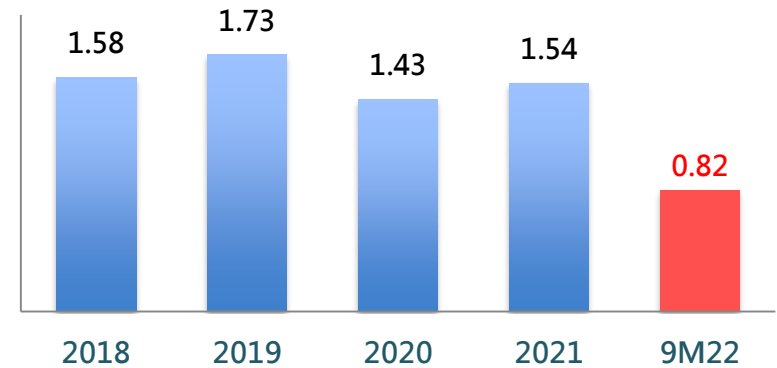
Net Profit

Unit: NT\$ million

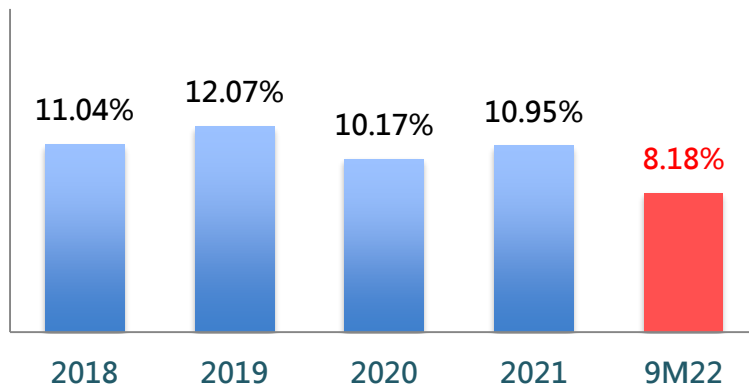


EPS

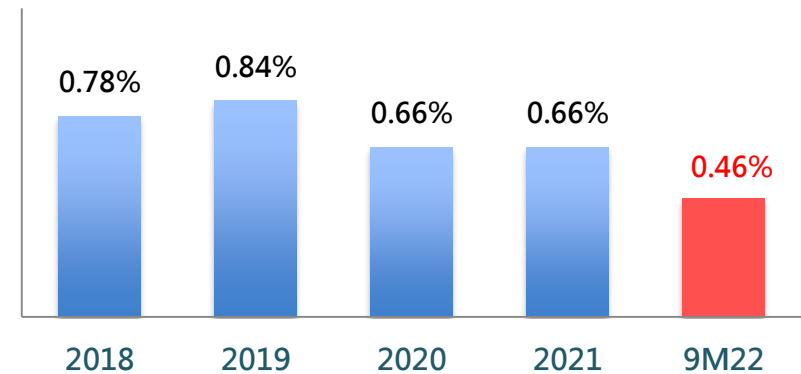
Unit: NT\$ dollars



ROE



ROA

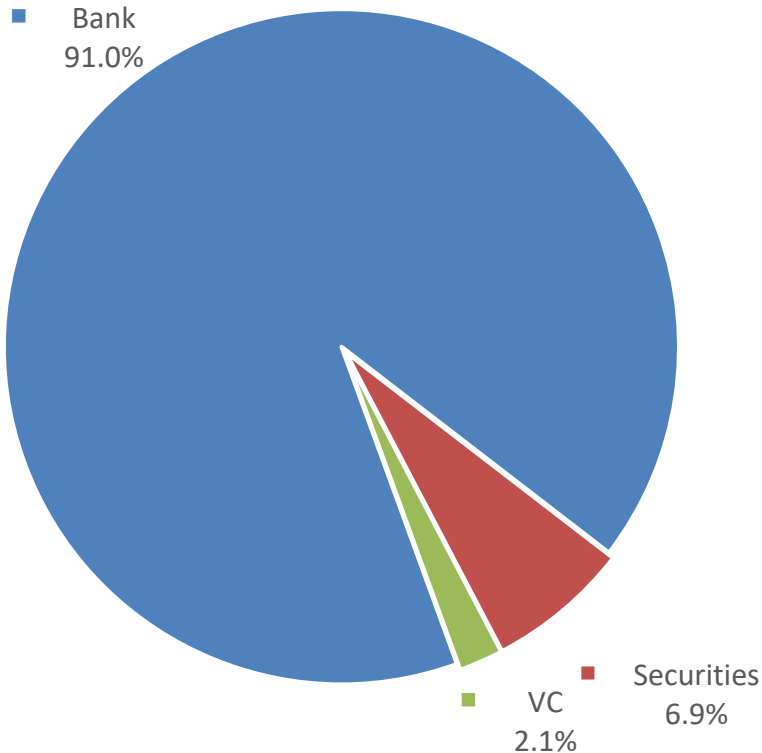


Note: Preliminary figures of Sep. 2022



Net Income of FHC & its Subsidiaries

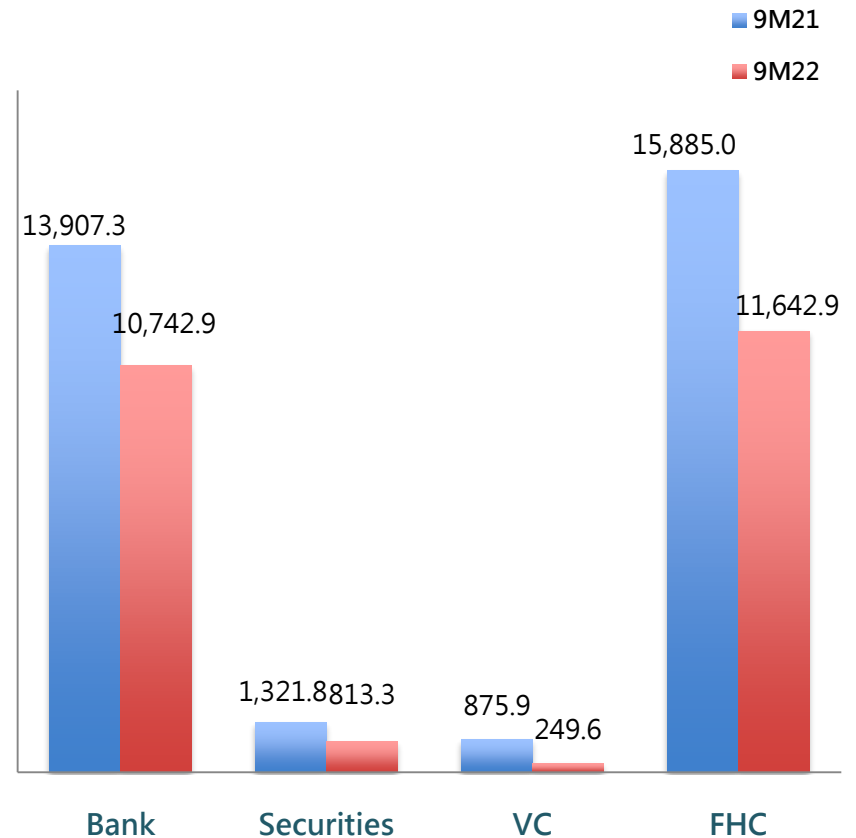
Contribution by Subsidiaries



Note: Preliminary figures of Sep. 2022

Net Income of FHC and its Subsidiaries

Unit: NT\$ million

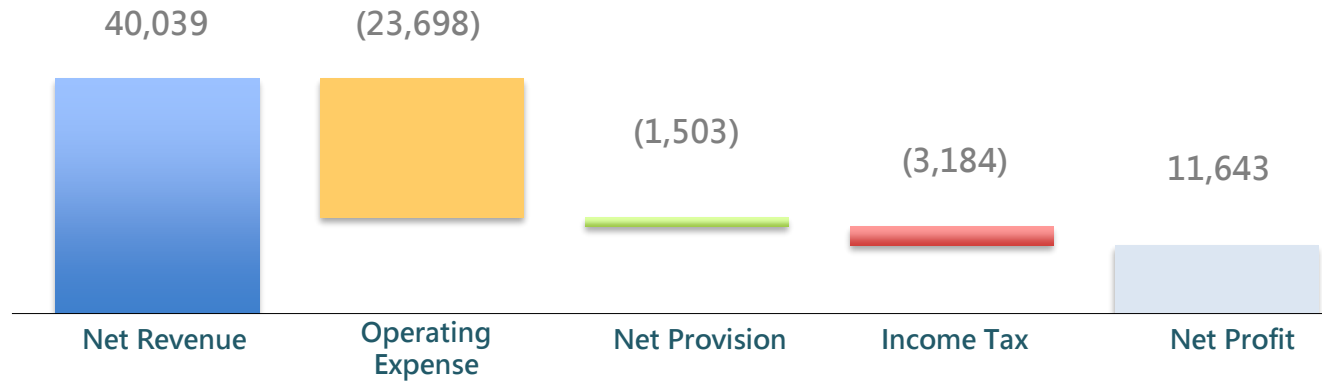




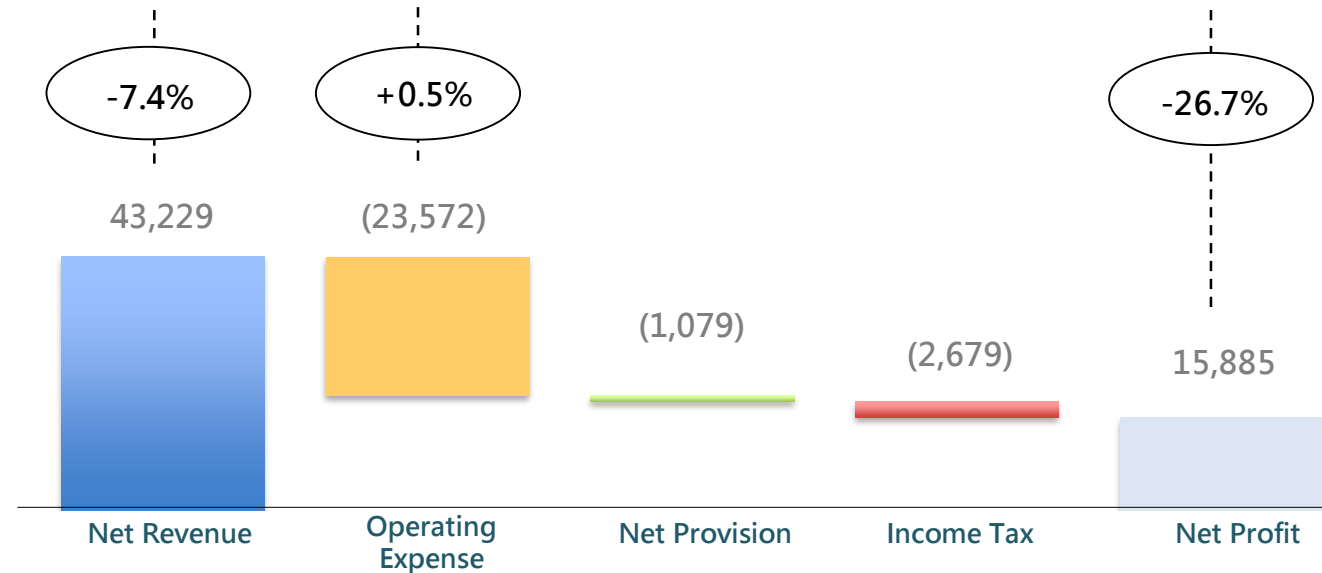
Net Profit Breakdown

Unit: NT\$ million

9M22 P&L



9M21 P&L



Note: Preliminary figures of Sep. 2022



FHC Revenue Breakdown

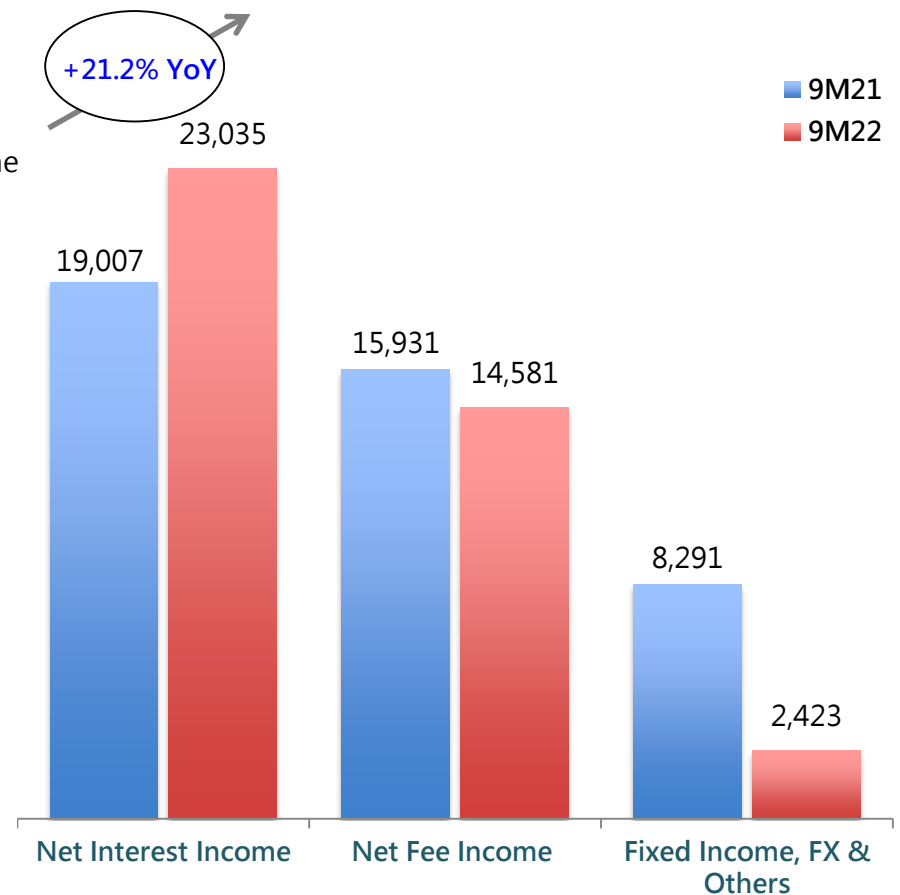
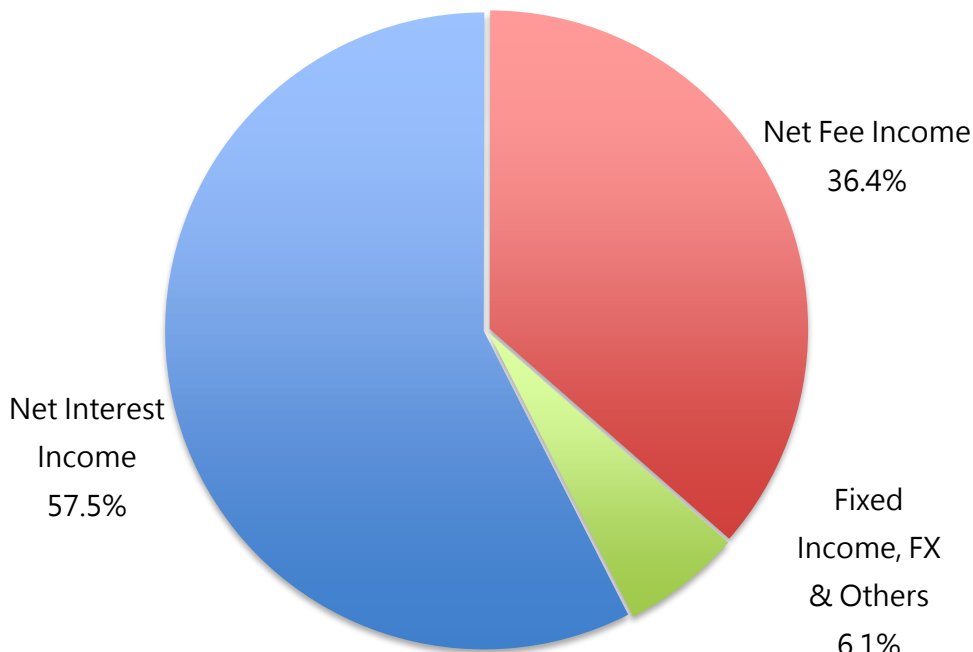
Total Net Revenue
NT\$ 40,039 million

YoY Comparison

Unit: NT\$ million

+21.2% YoY

■ 9M21
■ 9M22

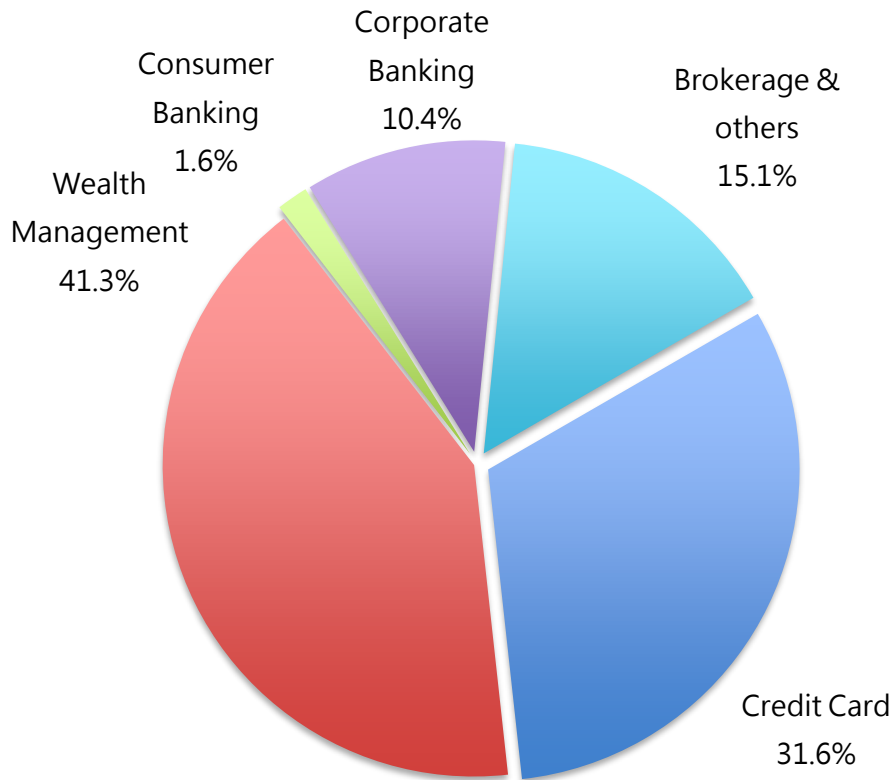


Note: Preliminary figures of Sep. 2022



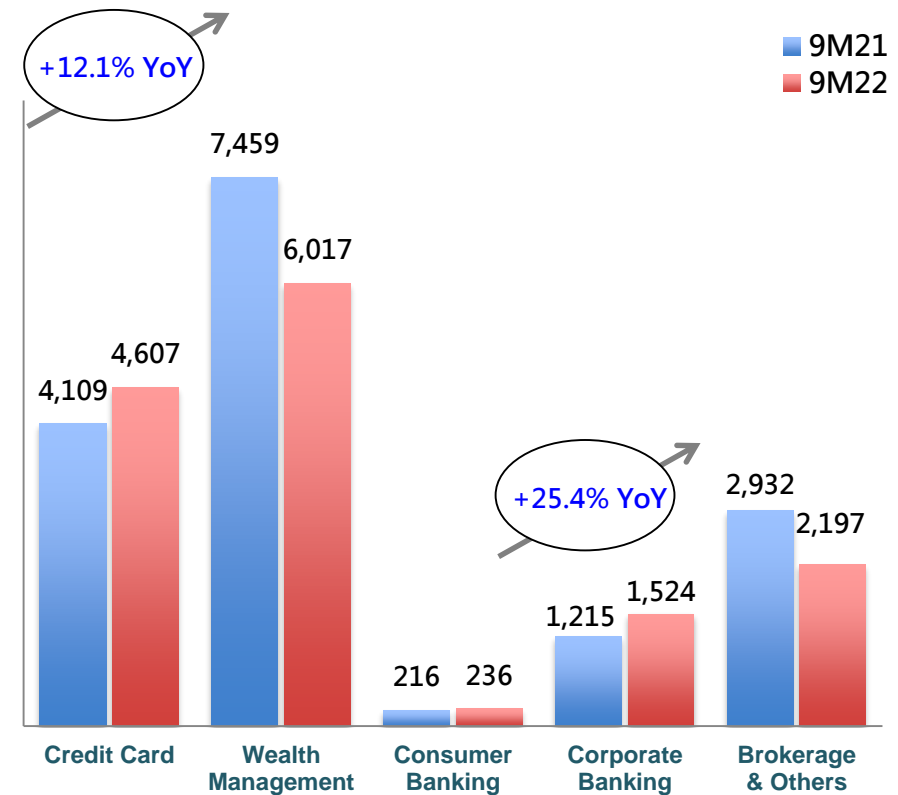
Net Fee Income Breakdown

Total Net Fee Income
NT\$ 14,581 million



YoY Comparison

Unit: NT\$ million



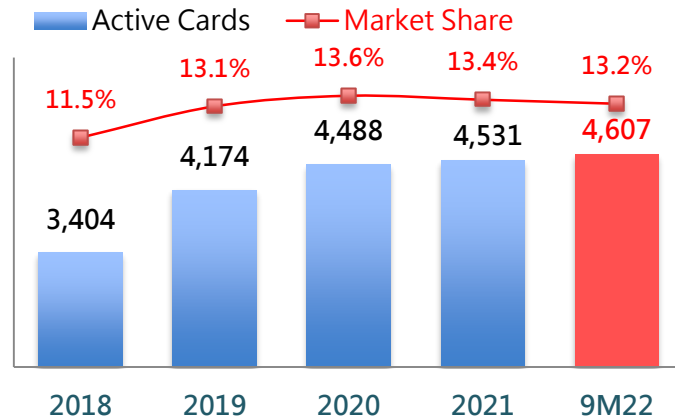
Note: Preliminary figures of Sep. 2022



Credit Card Business Breakdown

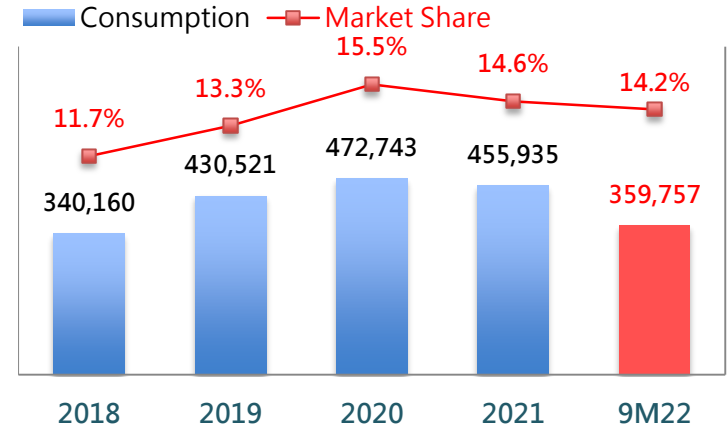
Active Cards

Unit: Thousand Cards, %



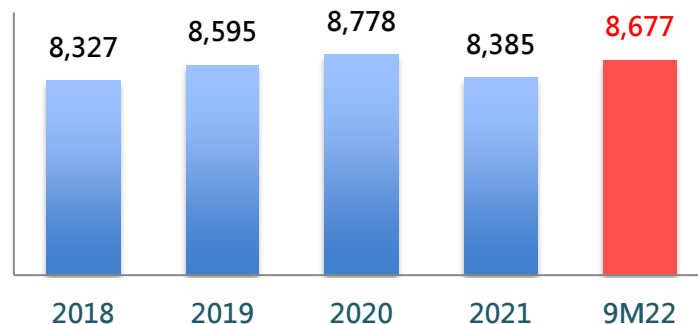
Card Consumption

Unit: NT\$ million



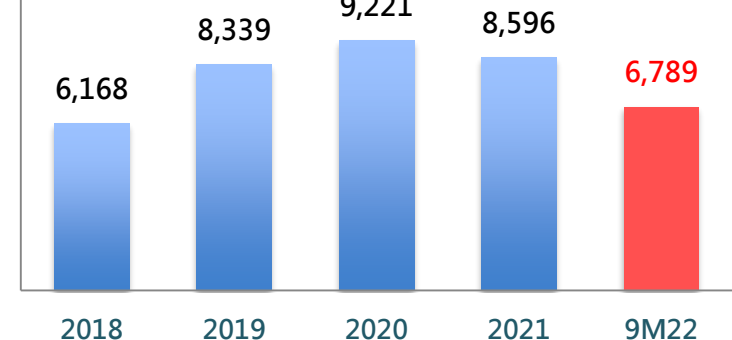
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share data as of Aug. 2022



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2022.9	QoQ Growth %	2022.6	Ytd Growth %	2021
Total Deposits ^{/1}	2,855.3	2.6%	2,784.0	5.8%	2,698.6
Demand Deposits	1,077.2	-0.3%	1,080.0	-1.4%	1,093.0
Time Deposits ^{/1}	614.2	0.2%	612.8	2.6%	598.9
FCY Deposits	1,163.9	6.7%	1,091.2	15.6%	1,006.7
Total Loans ^{/1-2}	1,941.4	2.4%	1,895.8	8.4%	1,790.7
Corporate Loans	923.6	3.1%	895.9	10.0%	839.6
SME Loans	495.5	1.8%	486.5	5.7%	468.6
FCY Loans ^{/1-2}	379.7	5.5%	360.0	21.3%	313.0
Consumer Loans	957.7	1.5%	943.7	6.6%	898.7
Mortgage Loan	478.5	1.6%	470.8	8.6%	440.7
Unsecured Personal Loan	134.0	-2.3%	137.1	-2.4%	137.3
Credit Card Revolving Balance	12.8	3.2%	12.4	4.1%	12.3

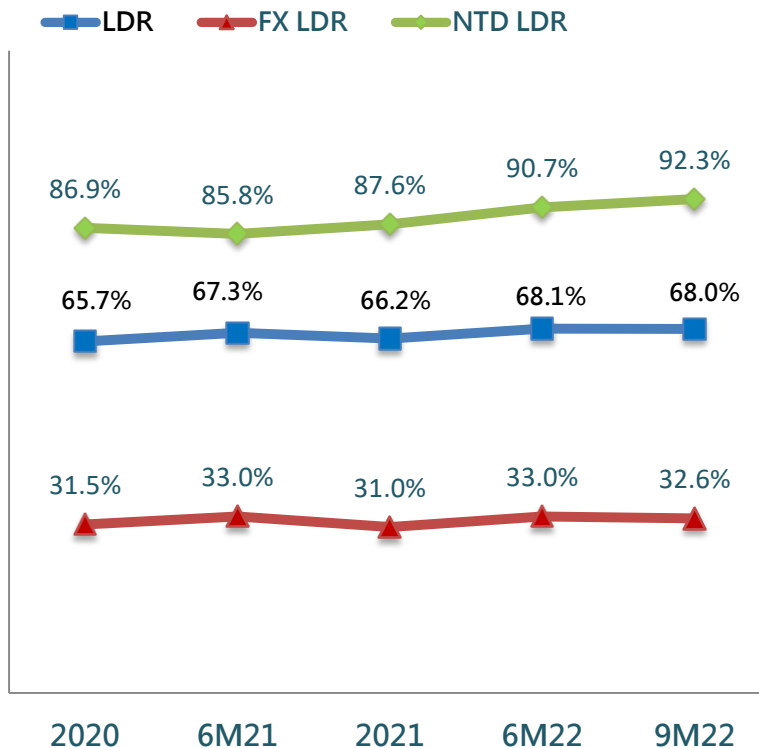
Note: 1. E.SUN Bank Consolidated

2. Loan balance of subsidiaries NT\$59.5 billion



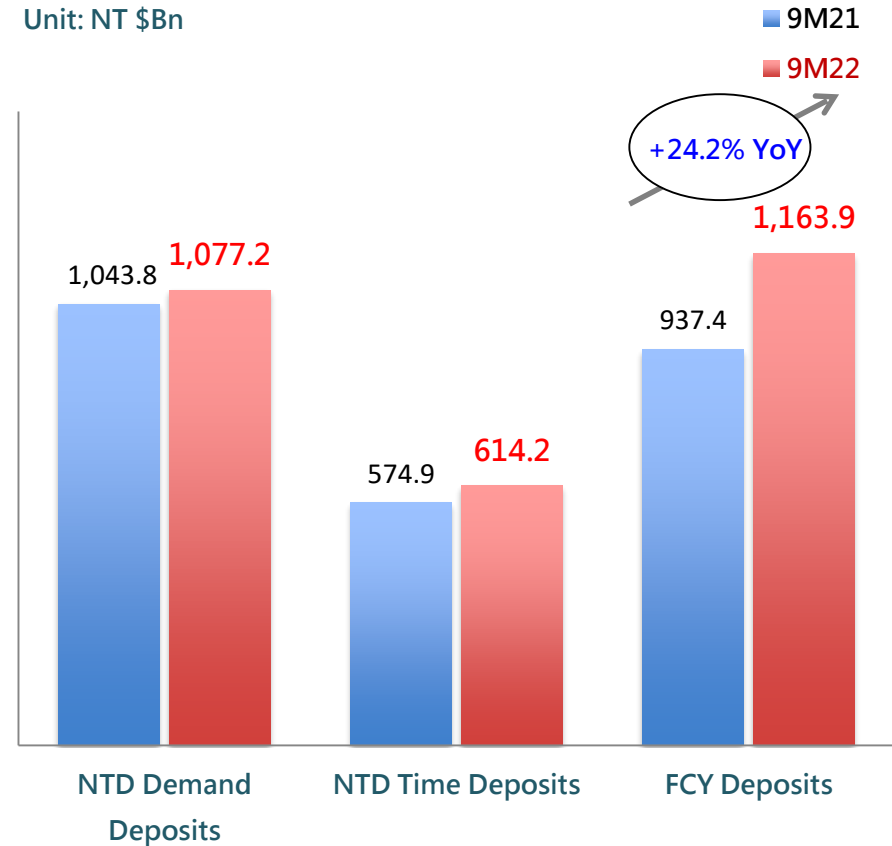
Deposit Structure

Loan to Deposit Ratio



Deposit Structure

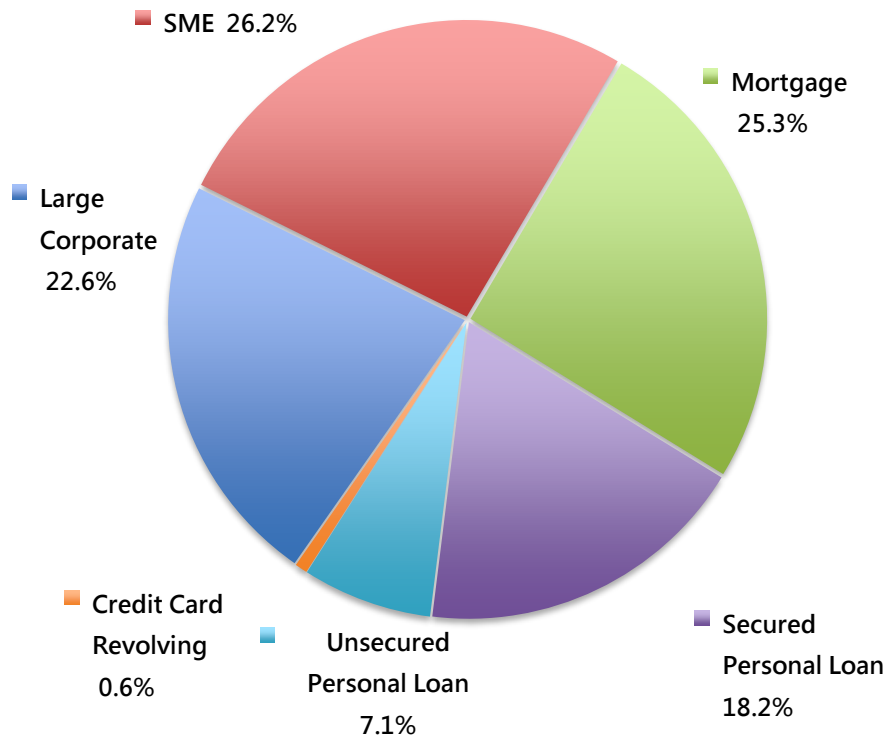
Unit: NT \$Bn





Loan Portfolio Breakdown

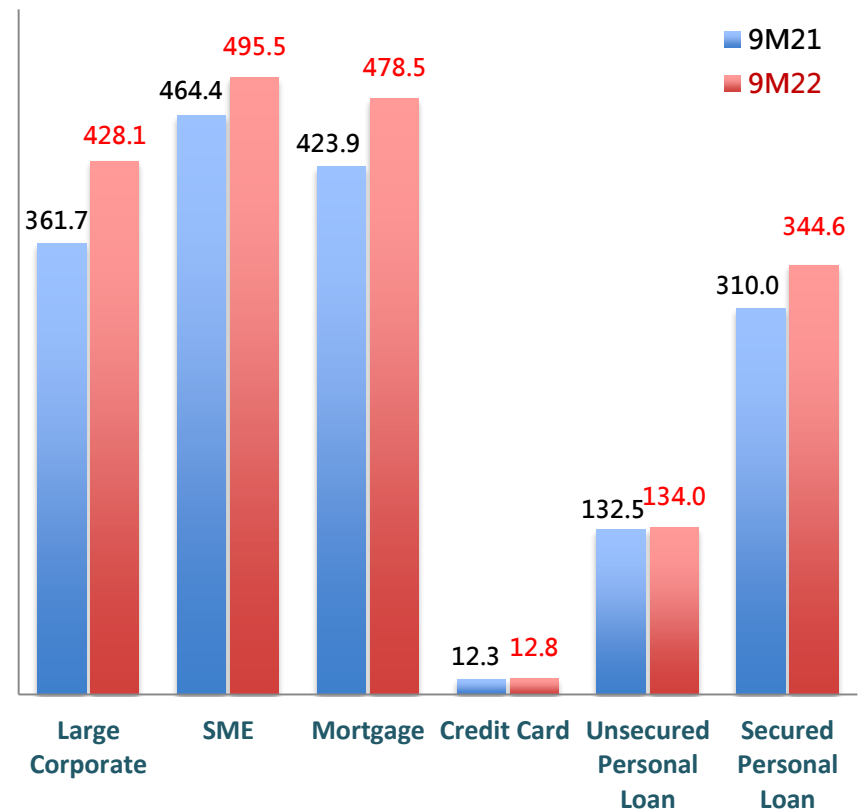
Total Loan
\$ 1,894 billion



Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Data of E.SUN Bank standalone

YoY Comparison

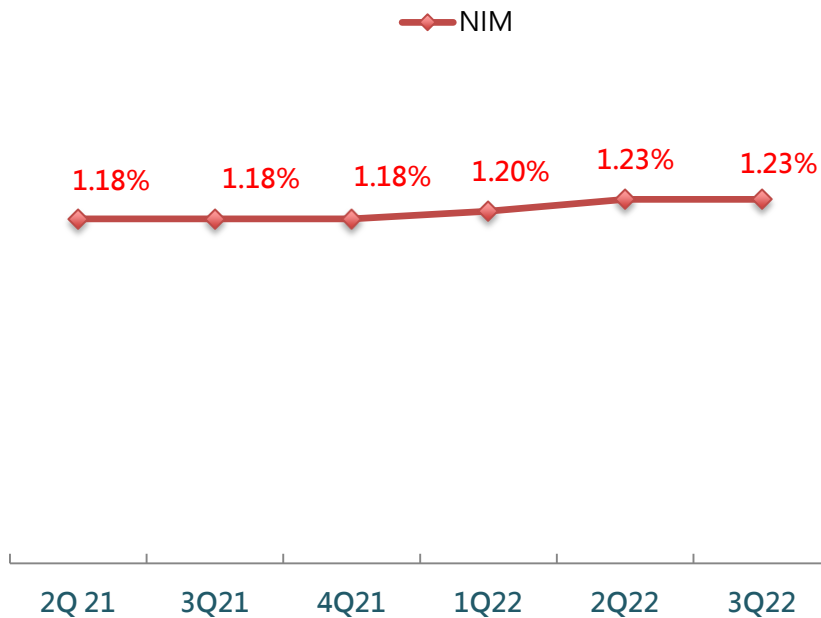
Unit: NT\$ Bn



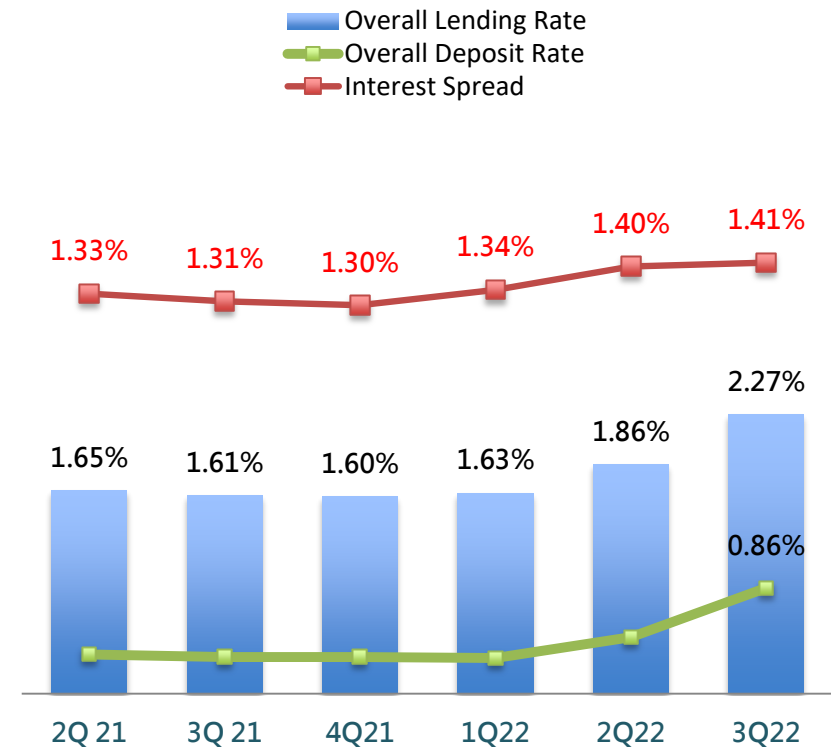


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread

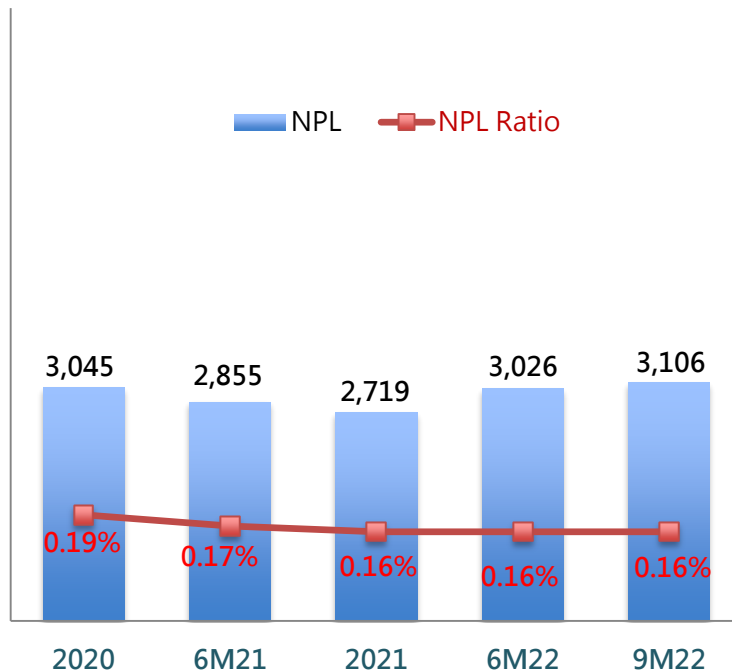




Superior Asset Quality ^{1/3}

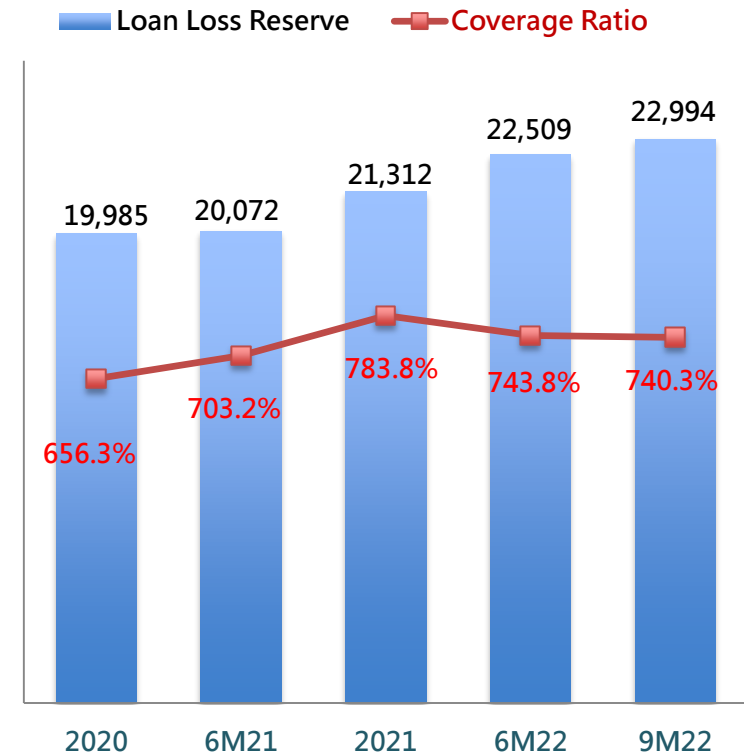
NPL Ratio

Unit: NT\$ million



Coverage Ratio

Unit: NT\$ million

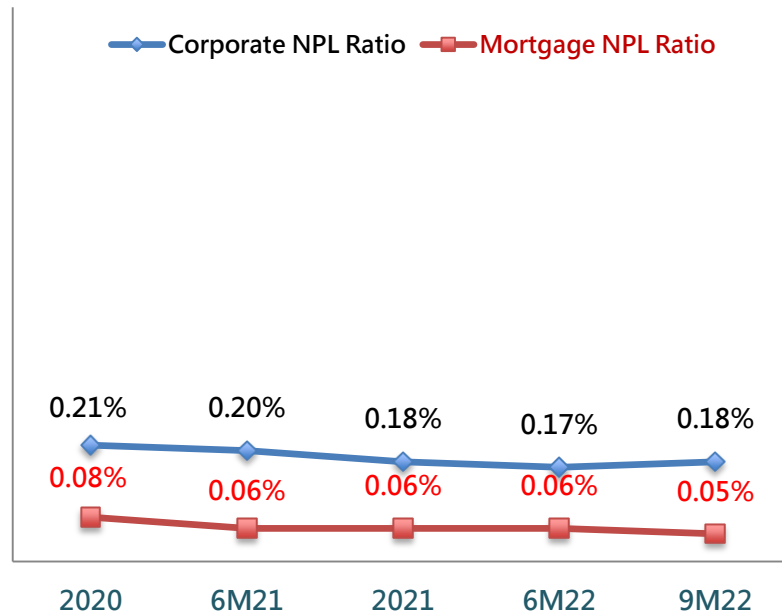


Note: Data of E.SUN Bank standalone



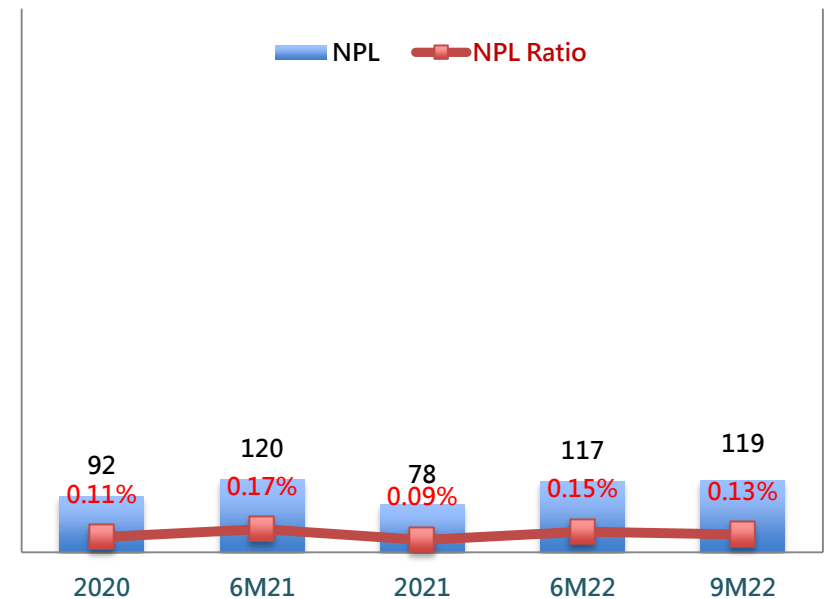
Superior Asset Quality ^{2/3}

NPL Ratio for Major Products



NPL Ratio for Credit Card

Unit: NT\$ million

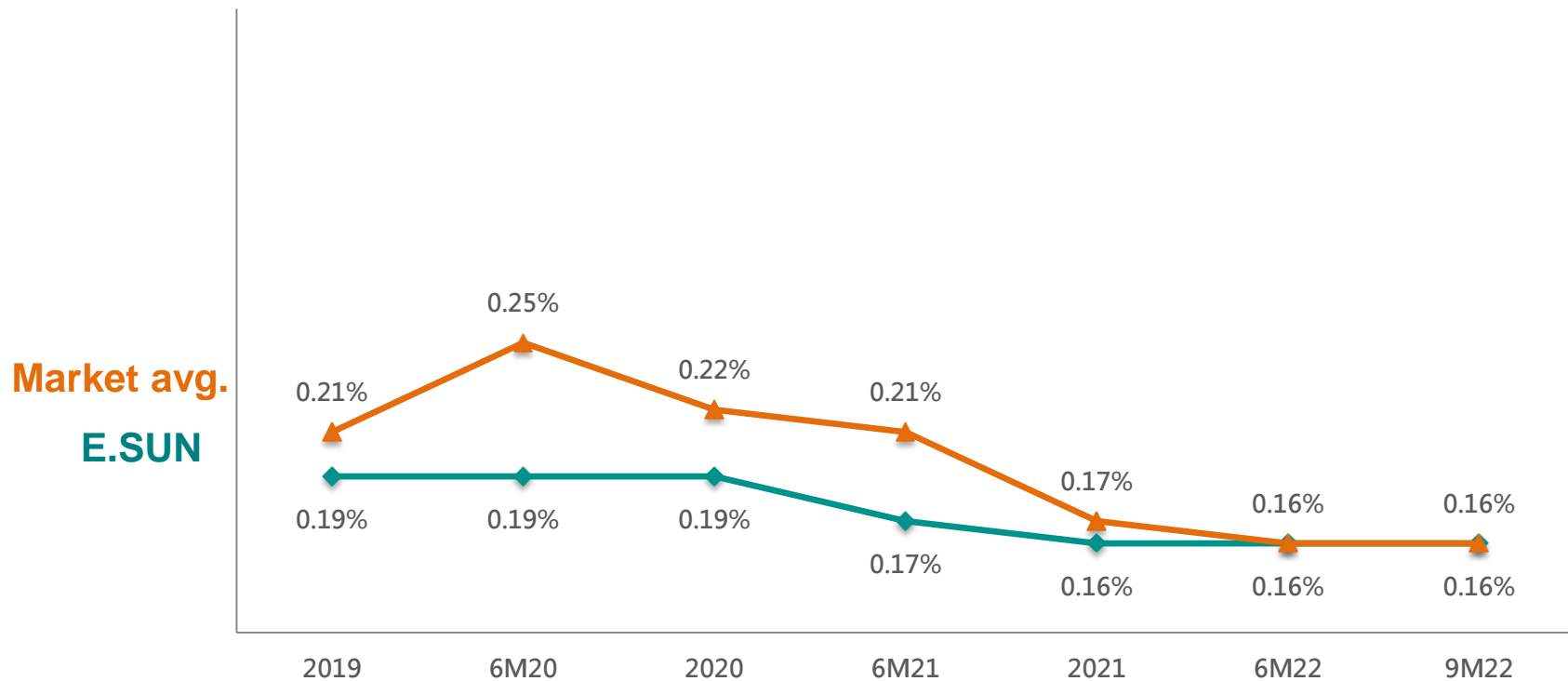


Note: Data of E.SUN Bank standalone



Superior Asset Quality ^{3/3}

NPL Comparison with Market



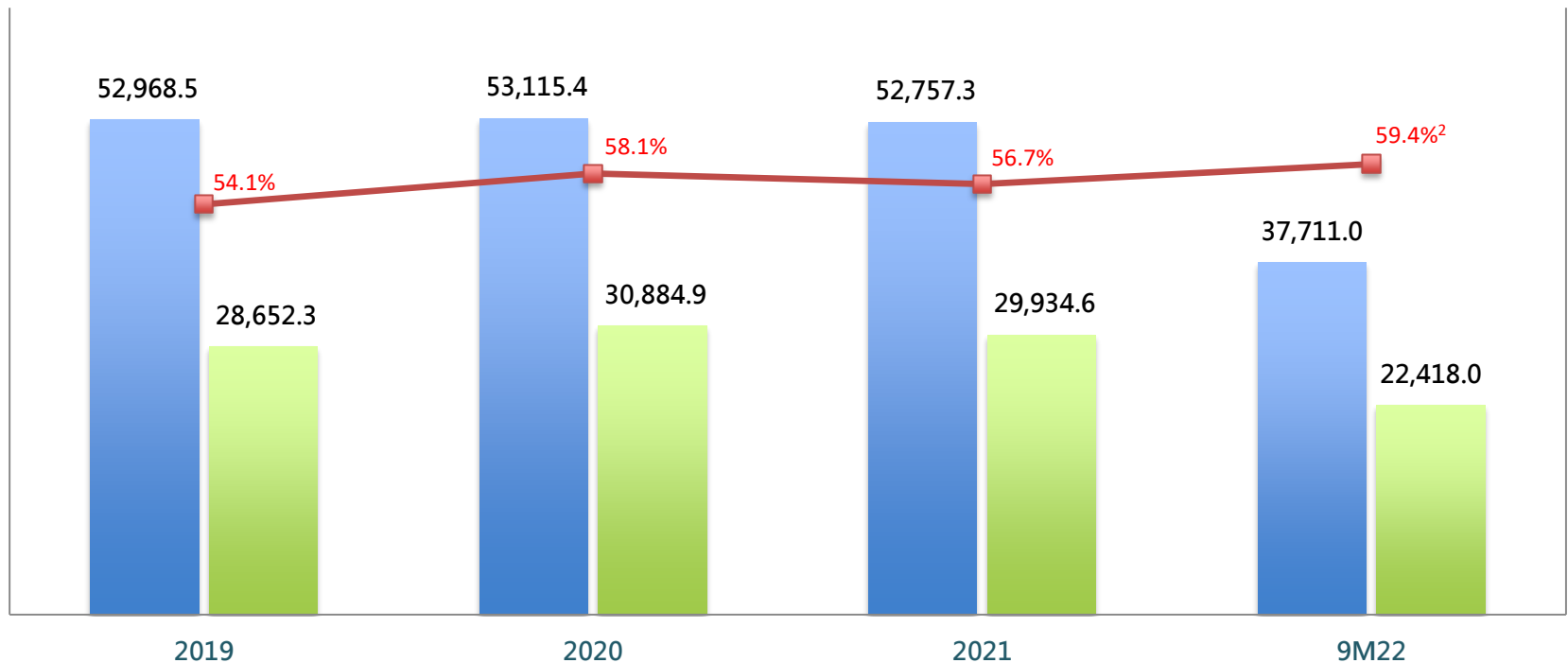
Source: FSC



Cost-Income Ratio

Unit: NT\$ million

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

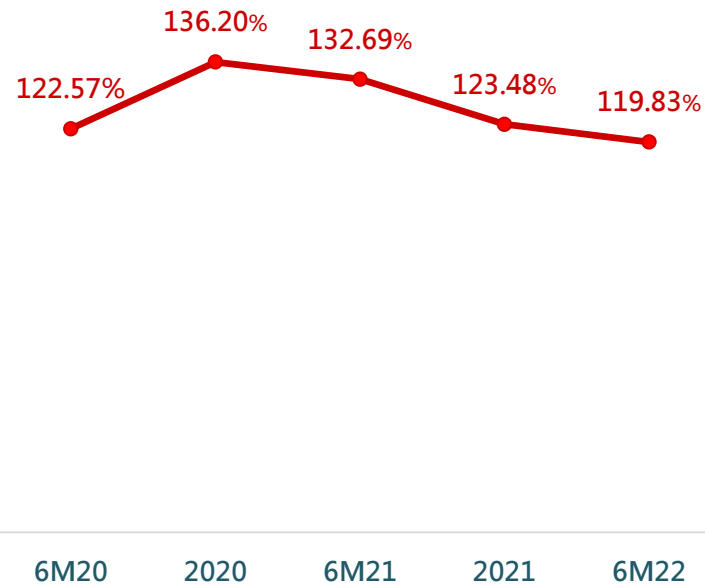


Note: 1. Data of E.SUN Bank standalone
2. Preliminary figures of September 2022

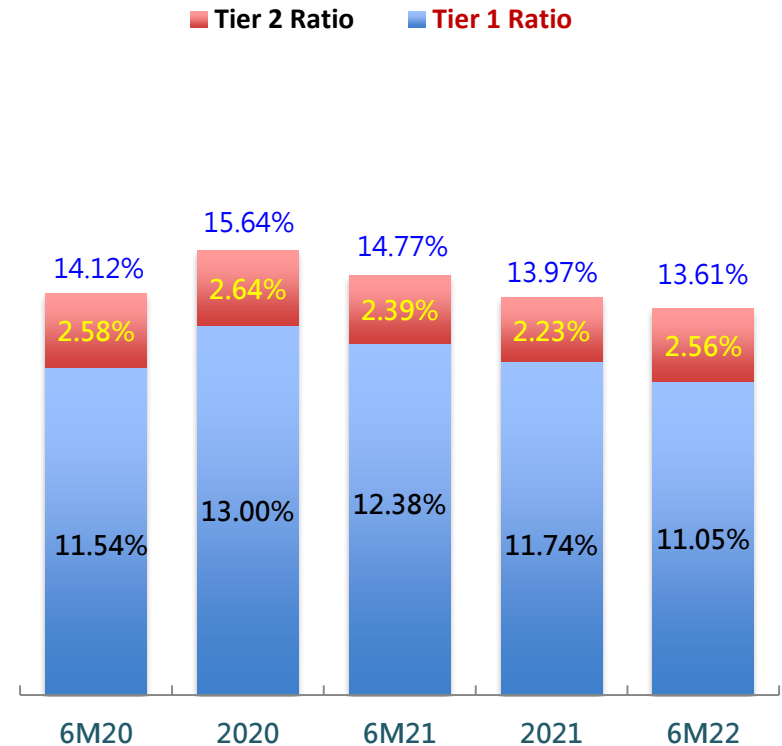


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



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



Finance for a Sustainable Future



Sustainability as a Service

To create greater value with sustainable financial service

E.SUN in Green Finance Action Plan 3.0

Corporate transformation

- ✔ ESG linked loan # NT \$35.9 billion
- ✔ #1 in issuance of sustainability bond # NT\$19 billion
- ✔ 34% of corporate loan is sustainability related

Industry development

- ✔ Most in Equator Principal loan cases # 41 cases approved
- ✔ Most diversified in renewable energy
roof/ground/water surface/fish farm; onshore/offshore wind;
geothermal; energy storage

Individual's participation

- ✔ Innovative trust service for elderly # balance NT \$4.5 billion
- ✔ ESG theme mutual fund, green building mortgage, urban renovation mortgage
- ✔ The virtual E.SUN e credit card



E.SUN ESG Initiative



133 participating companies
(46 commit to 2050 net zero)

\$6 trillion revenue
(23% of annual GDP)

Make greater positive impact through ESG advisory, engagement, and product & services



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 as of Sep. 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	255,385	1,701	501	570	256,177
Securities, net	983,563	1,931	4,652	128	990,267
Loans, net	1,917,397	-	-	-	1,917,397
A/R, net	117,675	11,696	1	65	129,287
Land, premises and equipments, net	33,699	362	-	3	34,325
Others	161,509	3,965	24	192,826	165,113
Total assets	3,469,228	19,655	5,178	193,592	3,492,566
Liabilities:					
Deposits	2,855,260	-	-	-	2,853,262
Other liabilities	434,180	13,074	119	8,310	453,870
Total liabilities	3,289,440	13,074	119	8,310	3,307,132
Total stockholders' equity	179,788	6,581	5,059	185,282	185,434
Total equity attributable to owners of the company	179,624	6,581	5,059	185,282	185,282
Non-Controlling interests	164	-	-	-	152
Total liabilities and stockholders' equity	3,469,228	19,655	5,178	193,592	3,492,566

Note: Preliminary figures of Sep. 2022



P&L of E.SUN FHC and its subsidiaries for 9M2022

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	22,739	330	0	(36)	23,035
Net fee income	12,887	1,697	-	-	14,581
Net trading income/(loss) & Derivatives & FX	1,914	16	328	3	2,259
Others	171	134	1	11,846	164
Total Net Revenues	37,711	2,177	329	11,813	40,039
Allowance for bad-debt expenses	(1,505)	3	0	0	(1,503)
Operating expenses	(22,418)	(1,181)	(11)	(271)	(23,698)
Income before income tax	13,788	999	318	11,542	14,838
Income tax expenses	(3,032)	(186)	(68)	101	(3,184)
Net Income	10,756	813	250	11,643	11,654
Attributable to owners of the company	10,743	813	250	11,643	11,643
Non-controlling interests	13	0	0	0	11

Note: Preliminary figures of Sep. 2022



E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22
Assets :									
Cash and due from banks	128,579	175,722	210,608	180,384	189,310	210,608	208,307	198,487	256,177
Securities, net	742,487	998,478	1,037,395	957,488	942,780	1,037,395	1,028,826	1,013,388	990,267
Loans, net	1,444,322	1,620,374	1,768,641	1,666,096	1,723,385	1,768,641	1,826,344	1,872,442	1,917,397
A/R, net	113,150	116,686	124,412	114,837	120,435	124,412	119,207	116,586	129,287
Land, premises and equipments, net	33,351	33,291	33,881	33,279	33,316	33,881	34,078	34,036	34,325
Others	36,469	27,194	55,971	48,587	43,111	55,971	75,752	108,375	165,113
Total assets	2,498,358	2,971,745	3,230,908	3,000,671	3,052,337	3,230,908	3,292,514	3,343,314	3,492,566
Liabilities:									
Deposits	2,082,070	2,484,605	2,693,343	2,485,975	2,550,344	2,693,343	2,711,688	2,774,699	2,853,262
Other liabilities	243,107	305,539	343,180	321,971	312,332	343,180	384,372	384,892	453,870
Total liabilities	2,325,177	2,790,144	3,036,523	2,807,946	2,862,676	3,036,523	3,096,060	3,159,591	3,307,132
Total stockholders' equity	173,181	181,601	194,385	192,725	189,661	194,385	196,454	183,723	185,434
Total equity attributable to owners of the company	173,058	181,469	194,226	192,585	189,515	194,226	196,294	183,572	185,282
Non-Controlling interests	123	132	159	140	146	159	160	151	152
Total liabilities and stockholders' equity	2,498,358	2,971,745	3,230,908	3,000,671	3,052,337	3,230,908	3,292,514	3,343,314	3,492,566

Note: Preliminary figures of Sep. 2022



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

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Operating income									
Net interest income	19,871	21,339	25,984	6,349	6,576	6,977	7,384	7,876	7,775
Fee income	18,725	19,831	21,324	5,139	5,519	5,393	5,173	4,649	4,759
Net trading income/(loss) & Derivatives & FX	15,629	14,707	10,366	2,797	3,036	2,227	936	(477)	1,800
Others	298	372	223	58	57	71	58	85	21
Total Net Revenues	54,523	56,249	57,897	14,343	15,188	14,668	13,551	12,133	14,355
Allowance for bad-debt expenses	(1,598)	(3,226)	(2,130)	(668)	(769)	(1,051)	(344)	(532)	(627)
Operating expenses	(29,855)	(32,494)	(31,808)	(7,766)	(7,989)	(8,236)	(7,868)	(7,700)	(8,130)
Income before income tax	23,070	20,529	23,959	5,909	6,430	5,381	5,339	3,901	5,598
Income tax expenses	(2,950)	(2,481)	(3,373)	(861)	(786)	(694)	(1,012)	(1,133)	(1,039)
Net Income	20,120	18,048	20,586	5,048	5,644	4,687	4,327	2,768	4,559
Income Attributable to owners of the company	20,105	18,027	20,559	5,042	5,638	4,674	4,325	2,760	4,558
Non-Controlling interests	15	21	27	6	6	13	2	8	1

Note: Preliminary figures of Sep. 2022



E.SUN Bank's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22
Assets :									
Cash and due from banks	128,432	175,678	210,382	180,264	189,224	210,382	207,909	198,314	255,385
Securities, net	737,525	970,129	1,030,673	951,715	936,773	1,030,673	1,021,388	1,006,447	983,563
Loans, net	1,444,322	1,620,374	1,768,641	1,666,096	1,723,385	1,768,641	1,826,344	1,872,442	1,917,397
A/R, net	103,686	102,012	108,589	96,067	103,123	108,589	102,984	103,001	117,675
Land, premises and equipments, net	32,725	32,689	33,266	32,677	32,698	33,266	33,475	33,431	33,699
Others	34,320	46,097	44,566	44,220	38,544	44,566	71,903	104,888	161,509
Total assets	2,481,010	2,946,979	3,196,117	2,971,039	3,023,747	3,196,117	3,264,003	3,318,523	3,469,228
Liabilities:									
Deposits	2,083,226	2,486,232	2,696,351	2,498,663	2,553,779	2,696,351	2,713,813	2,784,022	2,855,260
Other liabilities	226,694	282,949	311,650	292,085	285,634	311,650	361,155	356,452	434,180
Total liabilities	2,309,920	2,769,181	3,008,001	2,790,748	2,839,413	3,008,001	3,074,968	3,140,474	3,289,440
Total stockholders' equity	171,090	177,798	188,116	180,291	184,334	188,116	189,035	178,049	179,788
Total equity attributable to owners of the company	170,959	177,657	187,947	180,142	184,178	187,947	188,864	177,888	179,624
Non-Controlling interests	131	141	169	149	156	169	171	161	164
Total liabilities and stockholders' equity	2,481,010	2,946,979	3,196,117	2,971,039	3,023,747	3,196,117	3,264,003	3,318,523	3,469,228

Note: Preliminary figures of Sep. 2022



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

NT\$ million	Yearly Results			Quarterly Results					
	2019	2020	2021	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Operating income									
Net interest income	19,657	21,095	25,591	6,251	6,467	6,872	7,278	7,772	7,689
Fee income	17,712	18,044	18,289	4,261	4,713	4,717	4,567	4,073	4,247
Net trading income/(loss) & Derivatives & FX	15,297	13,593	8,647	2,693	2,558	1,650	485	(529)	1,958
Others	302	383	230	60	61	70	60	88	23
Total Net Revenues	52,968	53,115	52,757	13,265	13,799	13,309	12,390	11,404	13,917
Allowance for bad-debt expenses	(1,603)	(3,241)	(2,134)	(669)	(769)	(1,051)	(345)	(532)	(628)
Operating expenses	(28,652)	(30,885)	(29,935)	(7,253)	(7,436)	(7,809)	(7,421)	(7,303)	(7,694)
Income before income tax	22,713	18,989	20,688	5,343	5,594	4,449	4,625	3,568	5,595
Income tax expenses	(3,054)	(2,501)	(3,101)	(768)	(668)	(784)	(950)	(931)	(1,151)
Net Income	19,659	16,488	17,587	4,575	4,926	3,665	3,675	2,637	4,444
Attributable to owners of the company	19,643	16,465	17,559	4,568	4,920	3,652	3,674	2,627	4,442
Non-controlling interests	16	23	28	7	6	13	1	10	2

Note: Preliminary figures of Sep. 2022