

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 ^{/1}	2021.12 ^{/1}
Total Assets	FHC	3,342,272	3,230,908
	Bank	3,319,143	3,196,117
	Securities	20,180	30,809
	Venture Capital	5,640	5,248
Key Financials	Book value per share (NT\$)	13.74	14.54
	Double Leverage Ratio	103.28%	103.06%
	FHC CAR	116.05% ^{/1}	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 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 (-30.8%).
- EPS NT\$0.53, ROE 7.52%, 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 22.5%. 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\$ 9.9 billion (-5.4%). WM fee income NT\$ 4.1 billion decreased by 16% 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

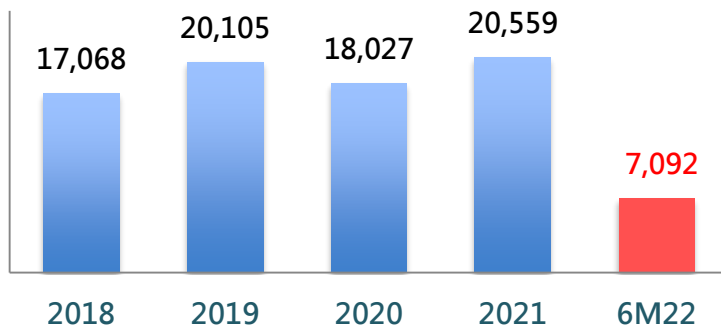
- Honors and recognitions: "Bank of The Year in Taiwan" by Asiamoney, FinanceAsia, Forbes, and The Asset; "Best Corporate Banking" and "Best SME" by Asiamoney; The AI enabled credit card fraudulent prevention system was awarded "Best Digital Banking Innovation – Cyber Security" by The Banker.
- Credit 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

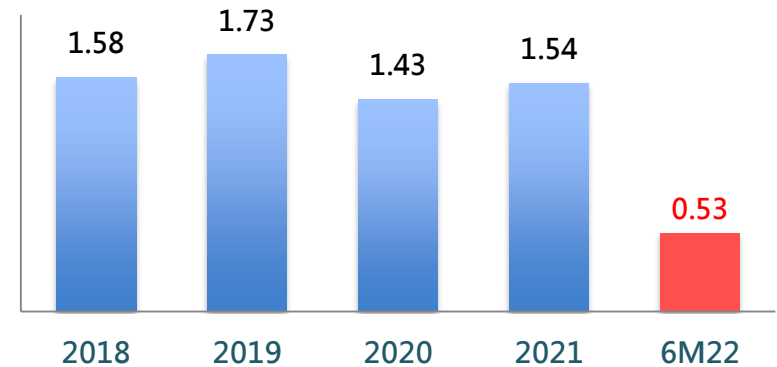
Net Profit

Unit: NT\$ million

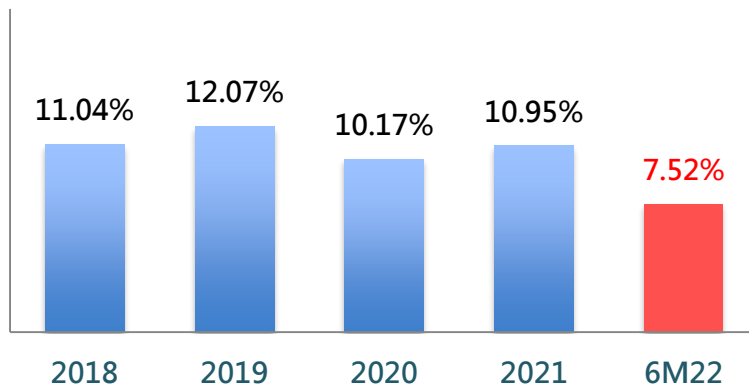


EPS

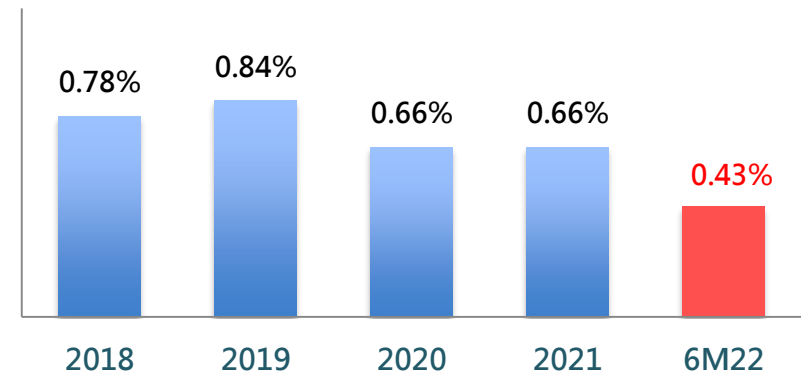
Unit: NT\$ dollars



ROE



ROA

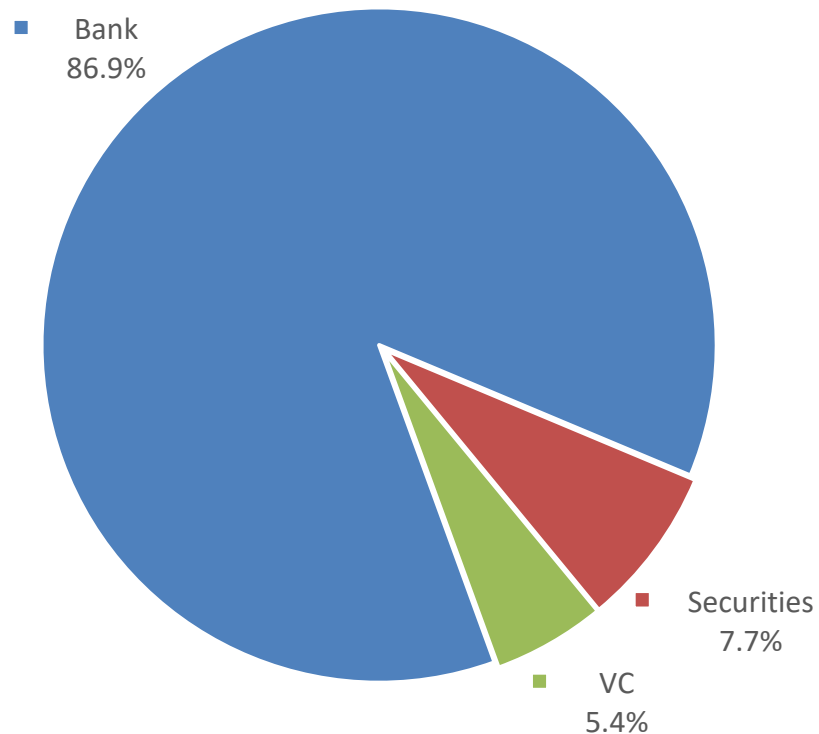


Note: 1. Preliminary figures of June 2022
2. As of 7M, Net profit \$9,873 mil, EPS \$0.74, ROE 8.88%



Net Income of FHC & its Subsidiaries

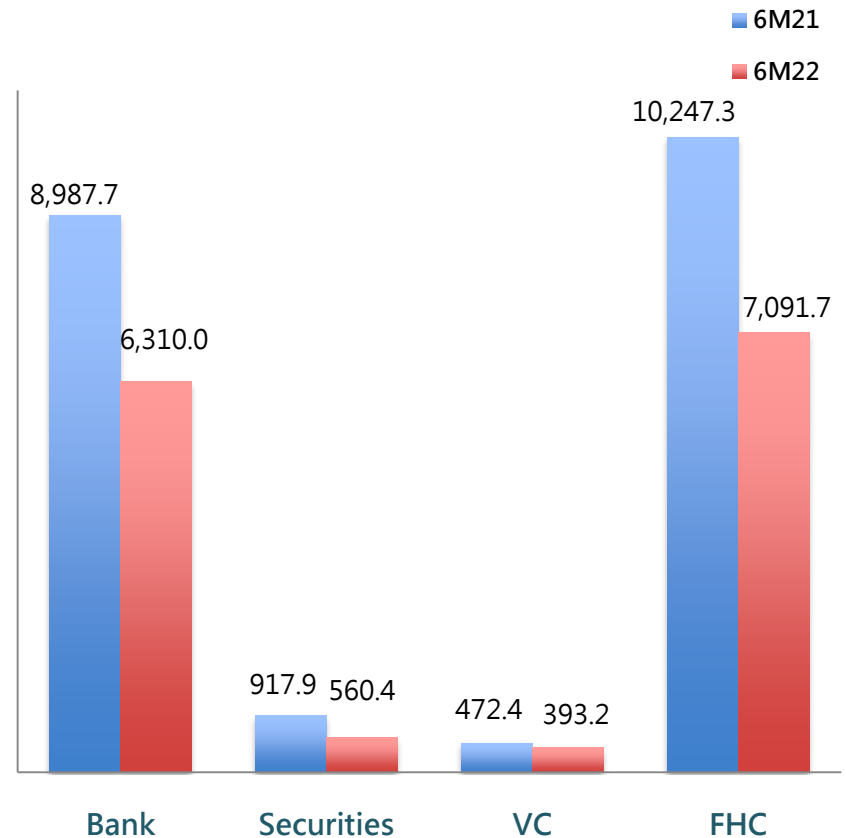
Contribution by Subsidiaries



Note: Preliminary figures of June 2022

Net Income of FHC and its Subsidiaries

Unit: NT\$ million

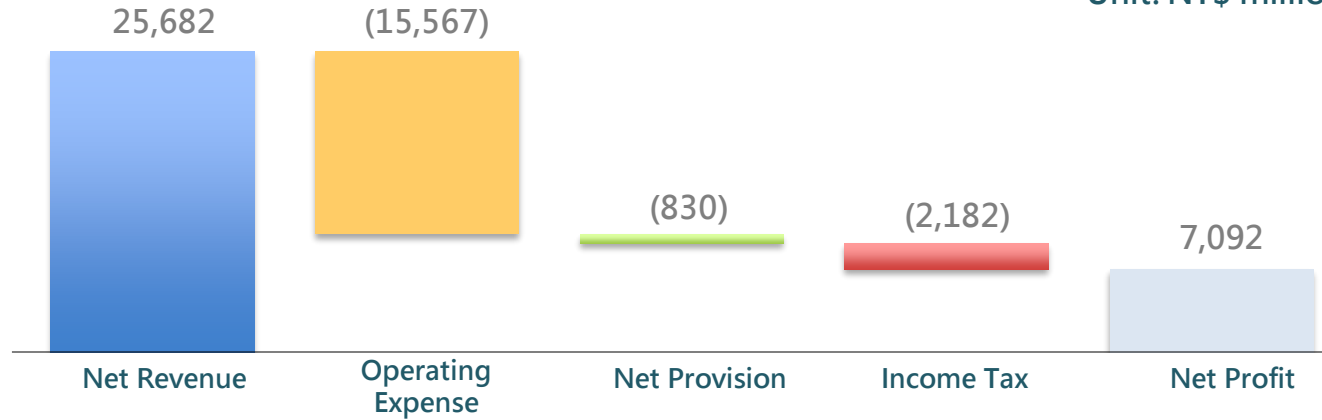




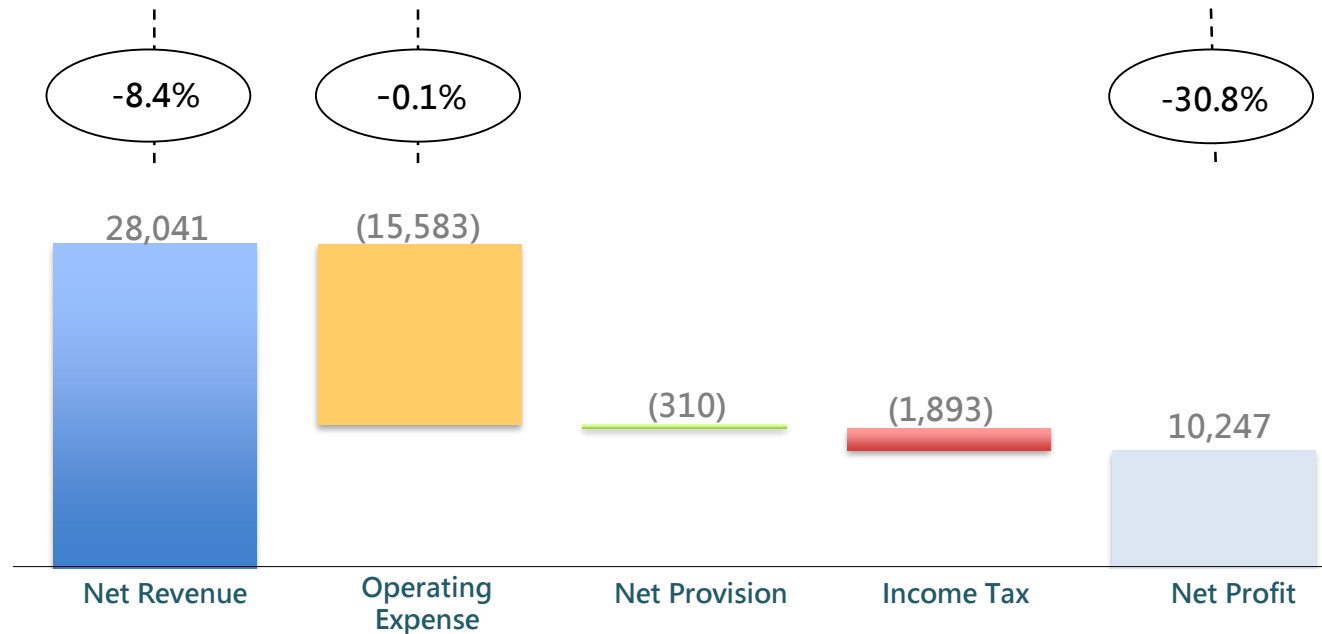
Net Profit Breakdown

Unit: NT\$ million

6M22 P&L



6M21 P&L

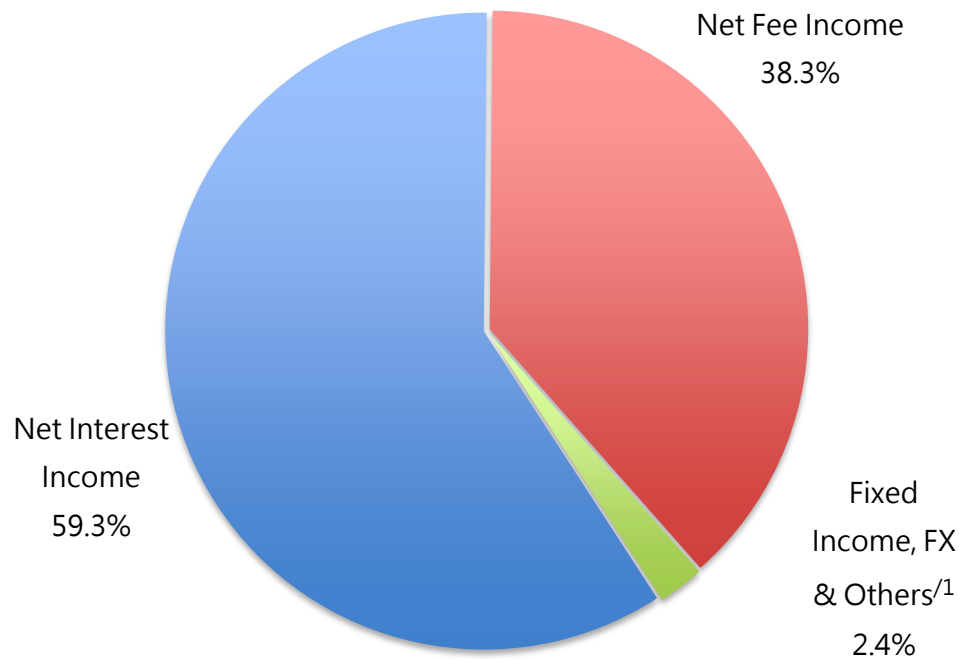


Note: Preliminary figures of June 2022



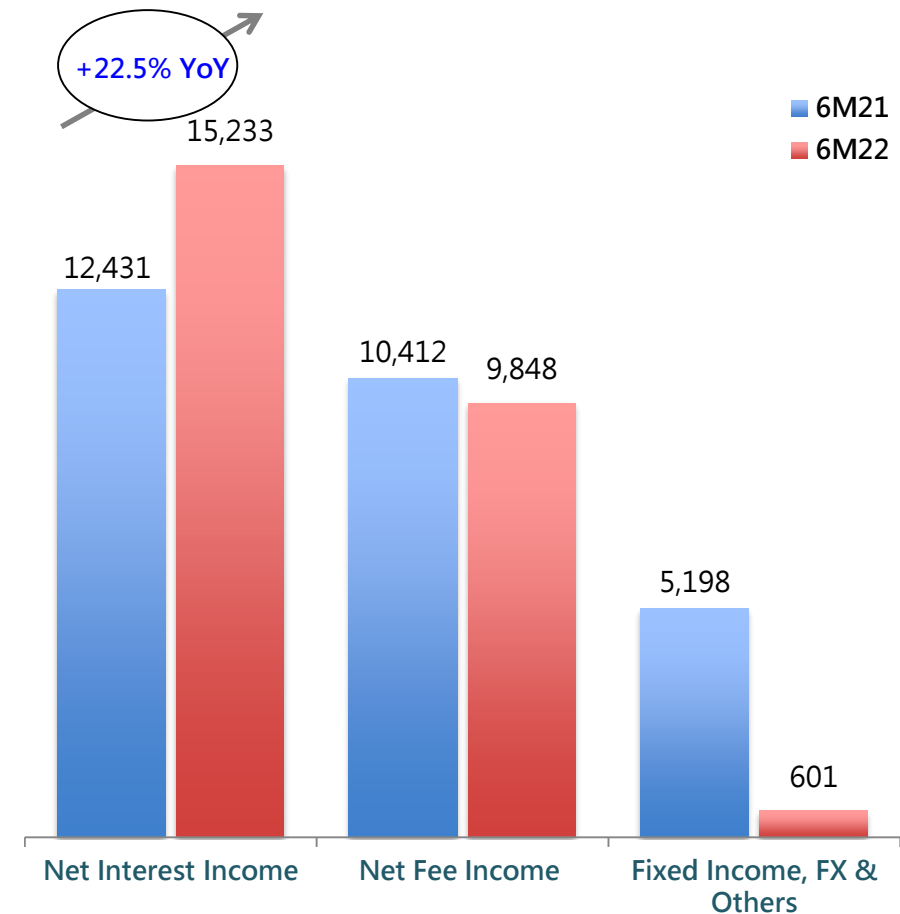
FHC Revenue Breakdown

Total Net Revenue
NT\$ 25,682 million



YoY Comparison

Unit: NT\$ million

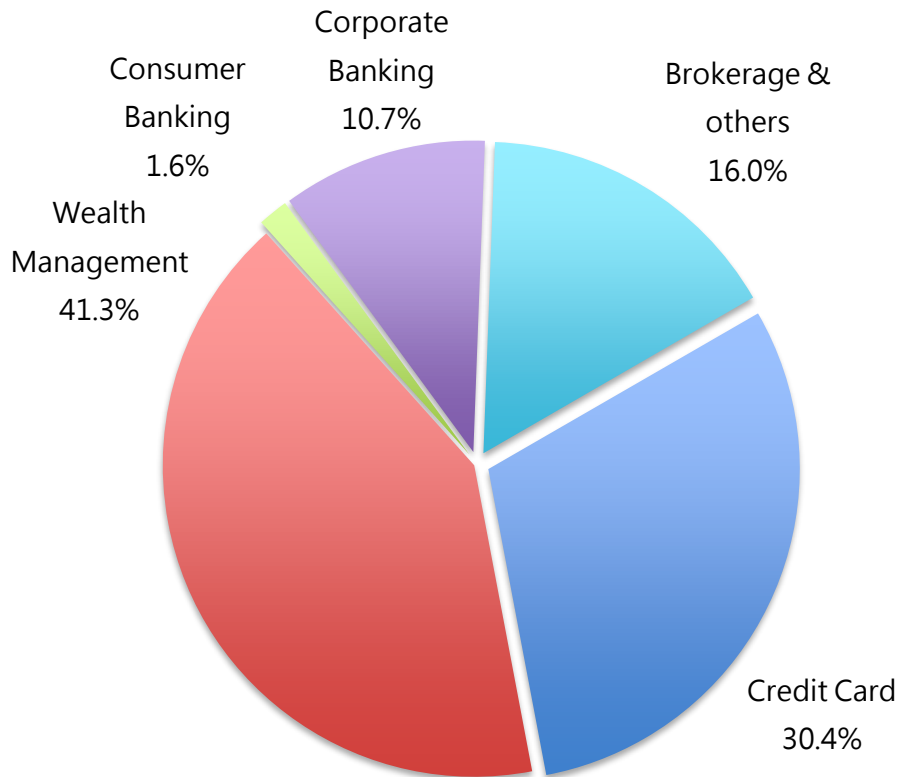


Note: 1. Preliminary figures of June 2022



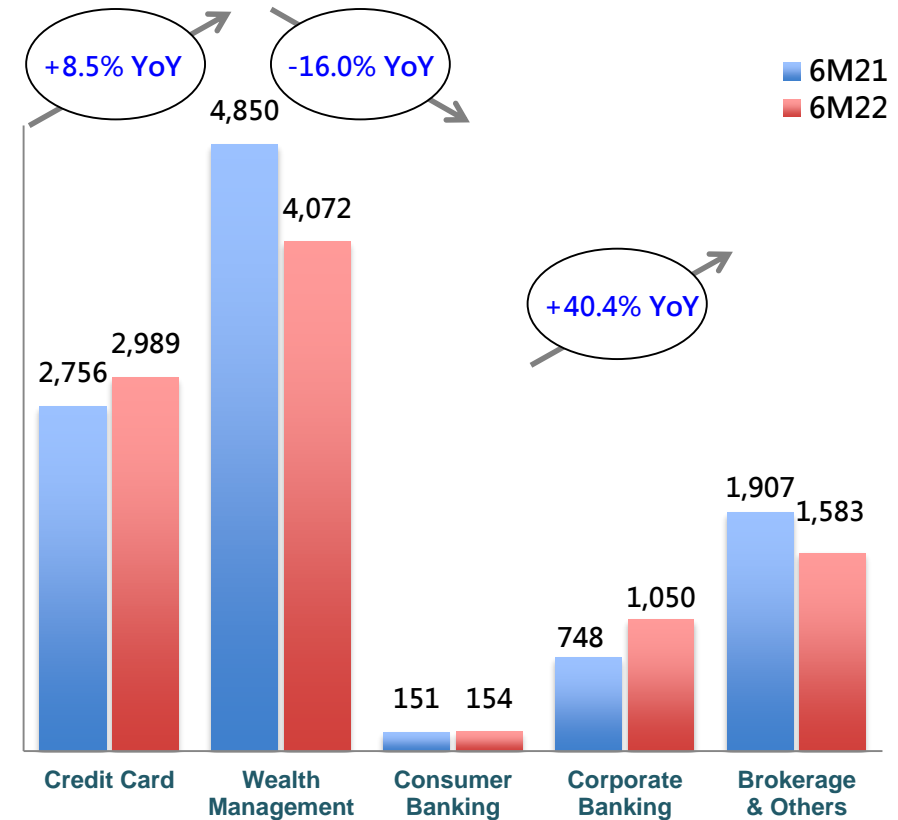
Net Fee Income Breakdown

Total Net Fee Income
NT\$ 9,848 million



YoY Comparison

Unit: NT\$ million



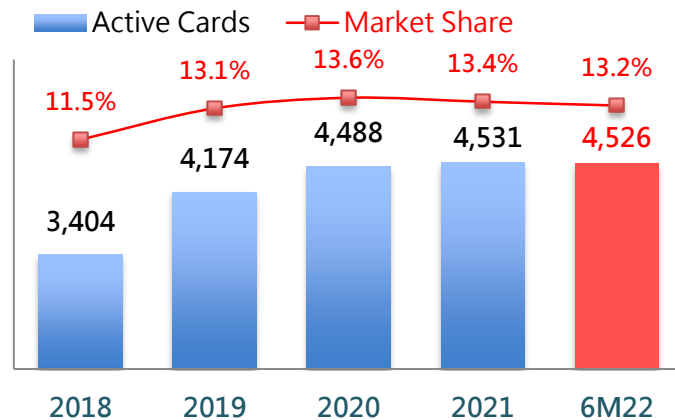
Note: Preliminary figures of June 2022



Credit Card Business Breakdown

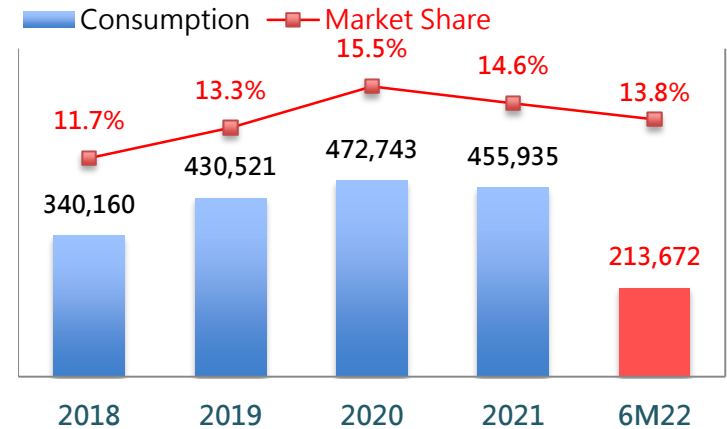
Active Cards

Unit: Thousand Cards, %



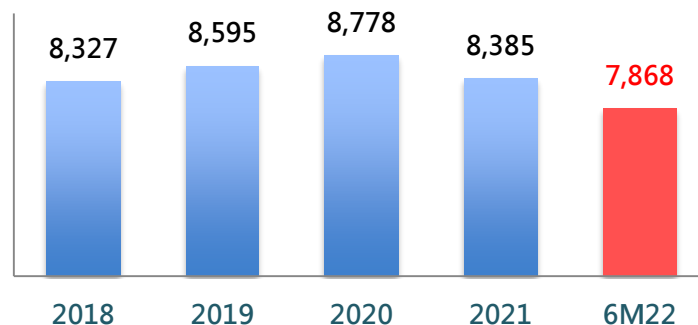
Card Consumption

Unit: NT\$ million



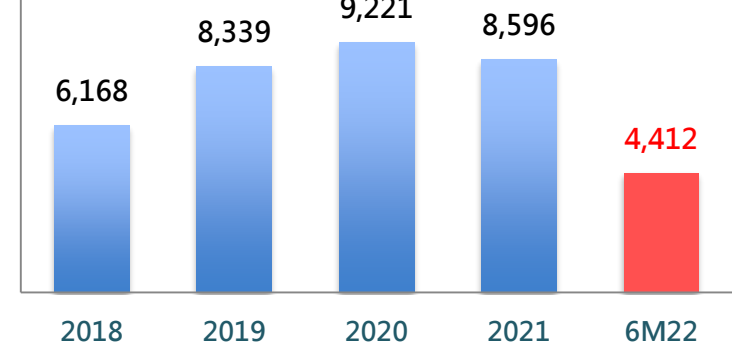
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share data as of May 2022



Deposit and Loan Structure

Unit: NT\$ Bn

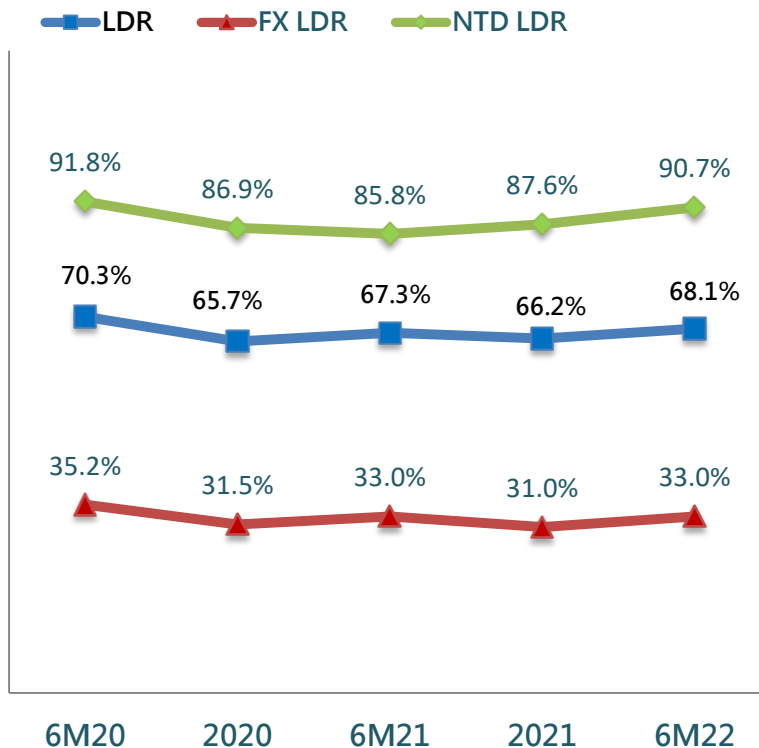
Category	2022.6	QoQ Growth %	2022.3	Ytd Growth %	2021
Total Deposits	2,784.0	2.5%	2,716.2	3.2%	2,698.6
Demand Deposits	1,080.0	-2.2%	1,104.6	-1.2%	1,093.0
Time Deposits	612.8	2.7%	596.4	2.3%	598.9
FCY Deposits	1,091.2	7.5%	1,015.2	8.4%	1,006.7
Total Loans ^{/1}	1,895.8	2.5%	1,849.3	5.9%	1,790.7
Corporate 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

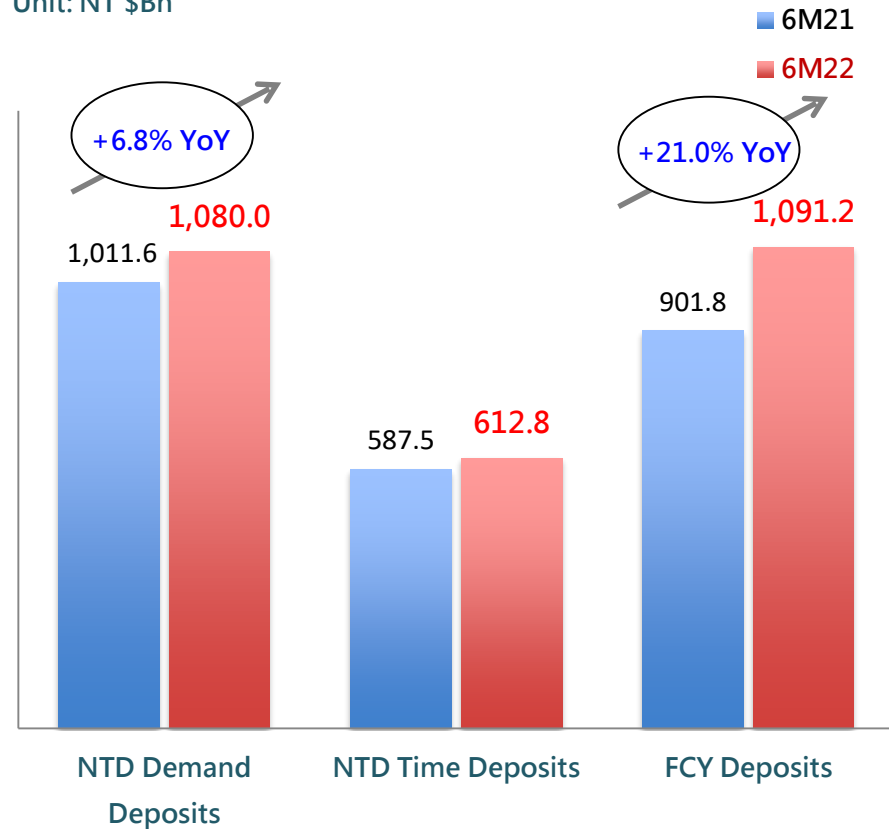
Loan to Deposit Ratio



Note: Data of E.SUN Bank

Deposit Structure

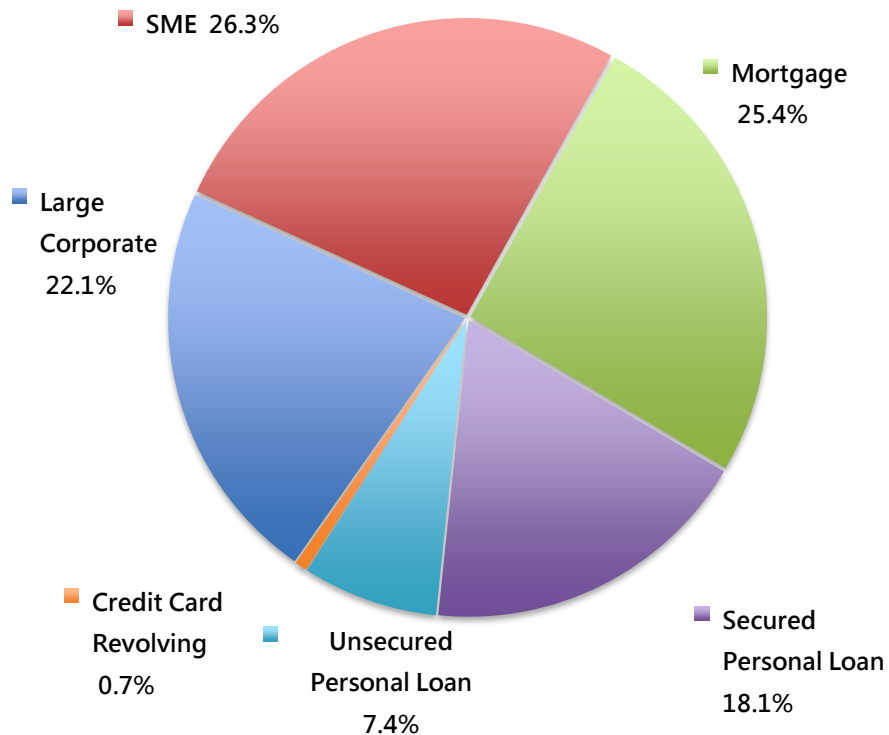
Unit: NT \$Bn





Loan Portfolio Breakdown

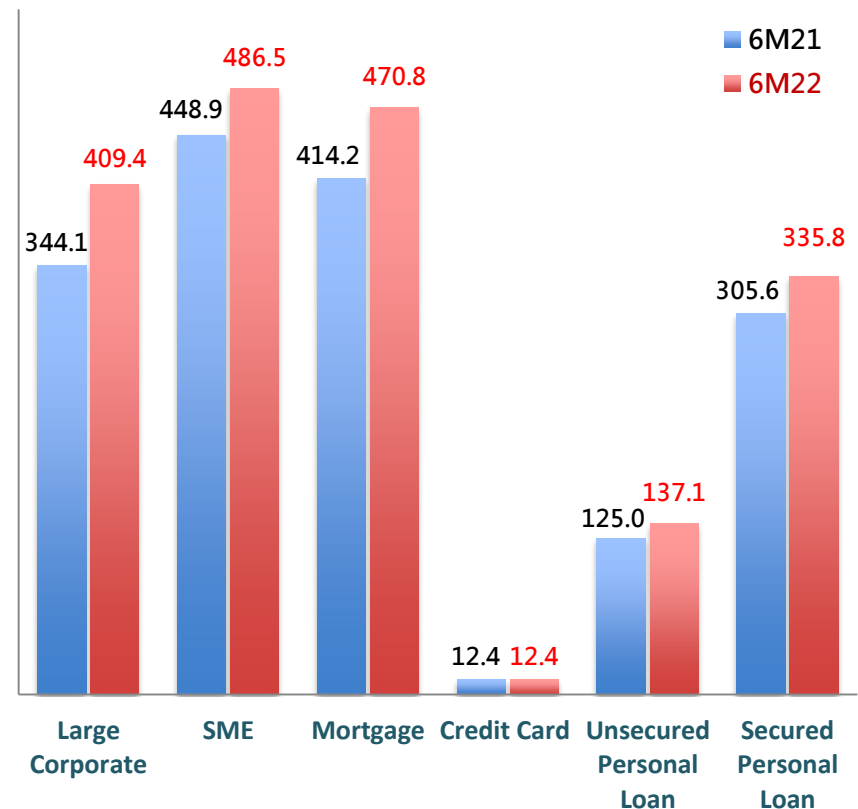
Total Loan
NT\$ 18,520 billion



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

YoY Comparison

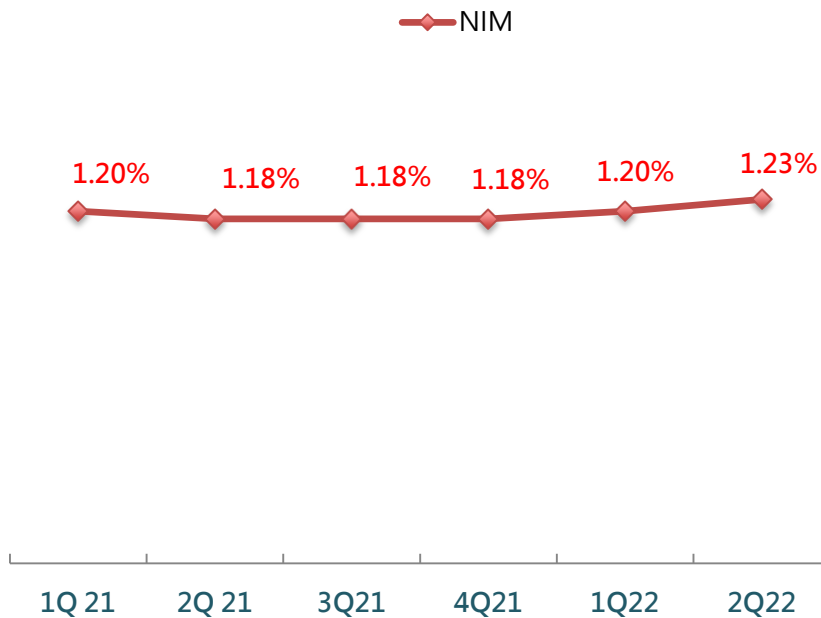
Unit: NT\$ Bn



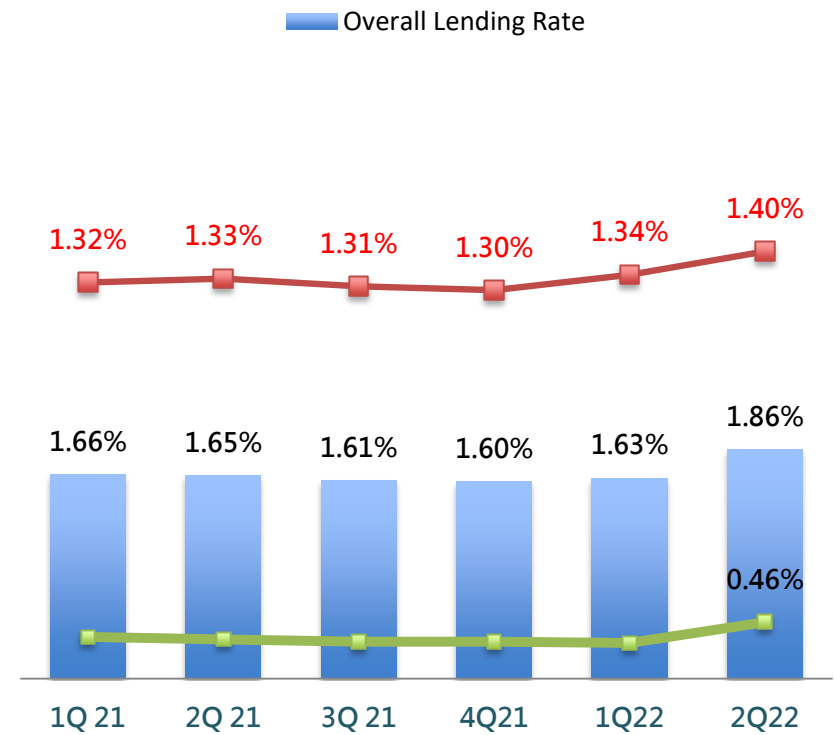


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



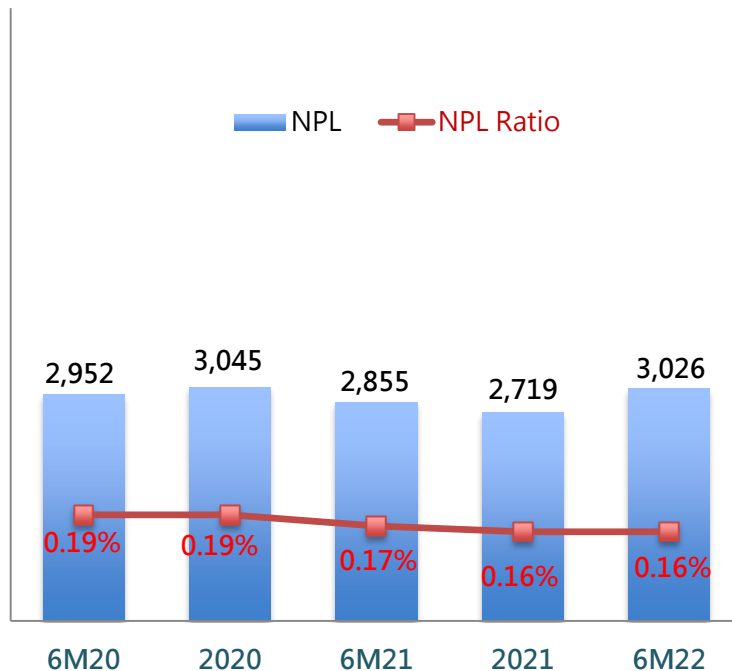
Note: Data of E.SUN Bank



Superior Asset Quality ^{1/3}

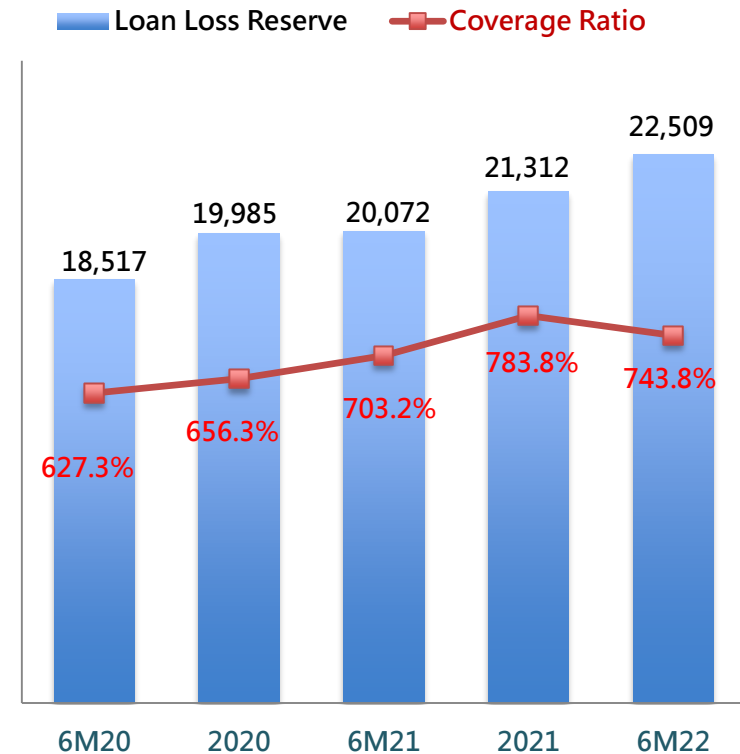
NPL Ratio

Unit: NT\$ million



Coverage Ratio

Unit: NT\$ million

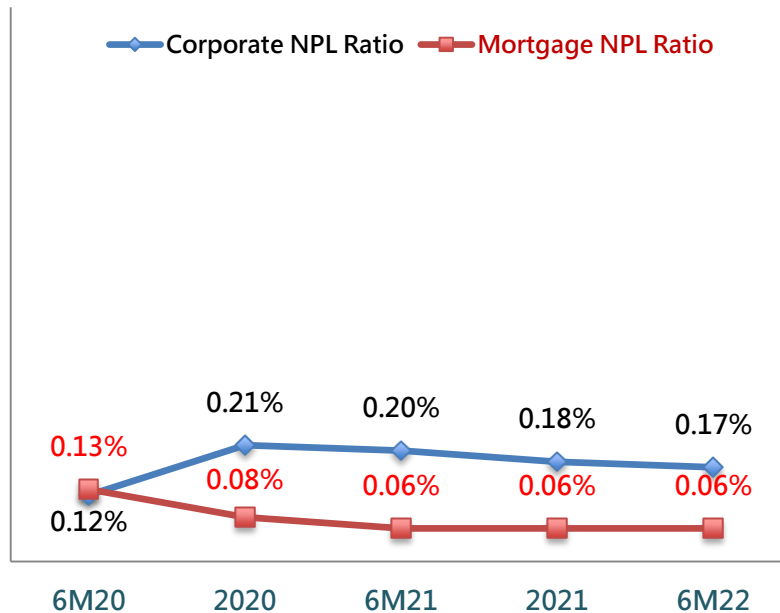


Note: Data of E.SUN Bank



Superior Asset Quality ^{2/3}

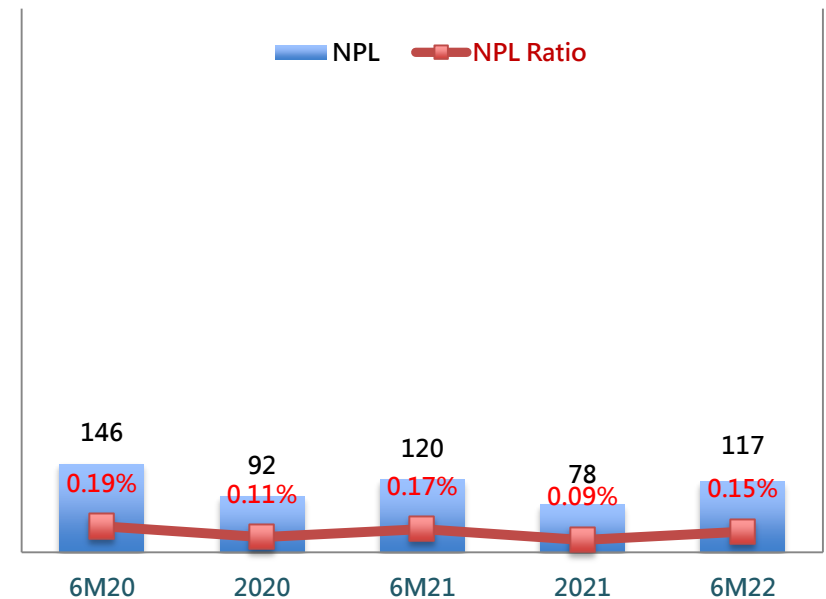
NPL Ratio for Major Products



Note: Data of E.SUN Bank

NPL Ratio for Credit Card

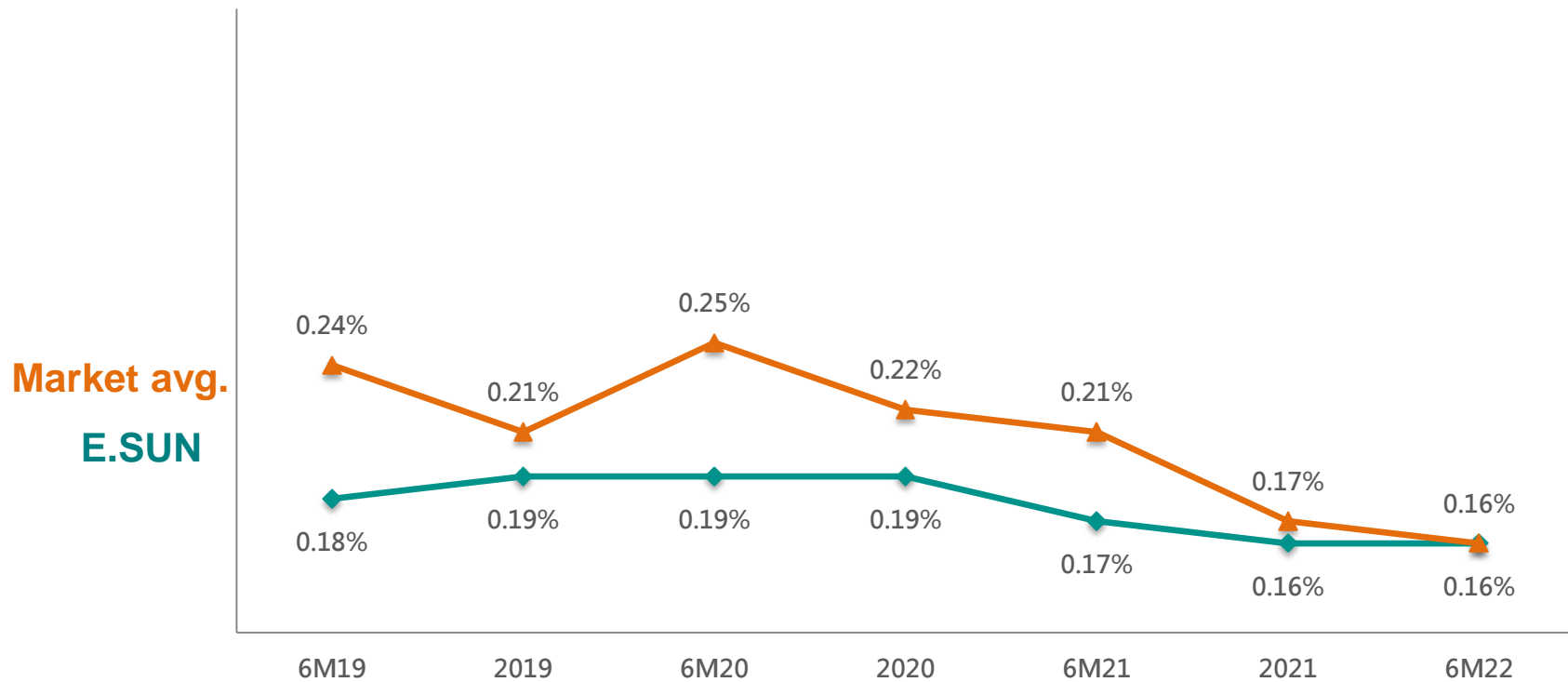
Unit: NT\$ million





Superior Asset Quality ^{3/3}

NPL Comparison with Market



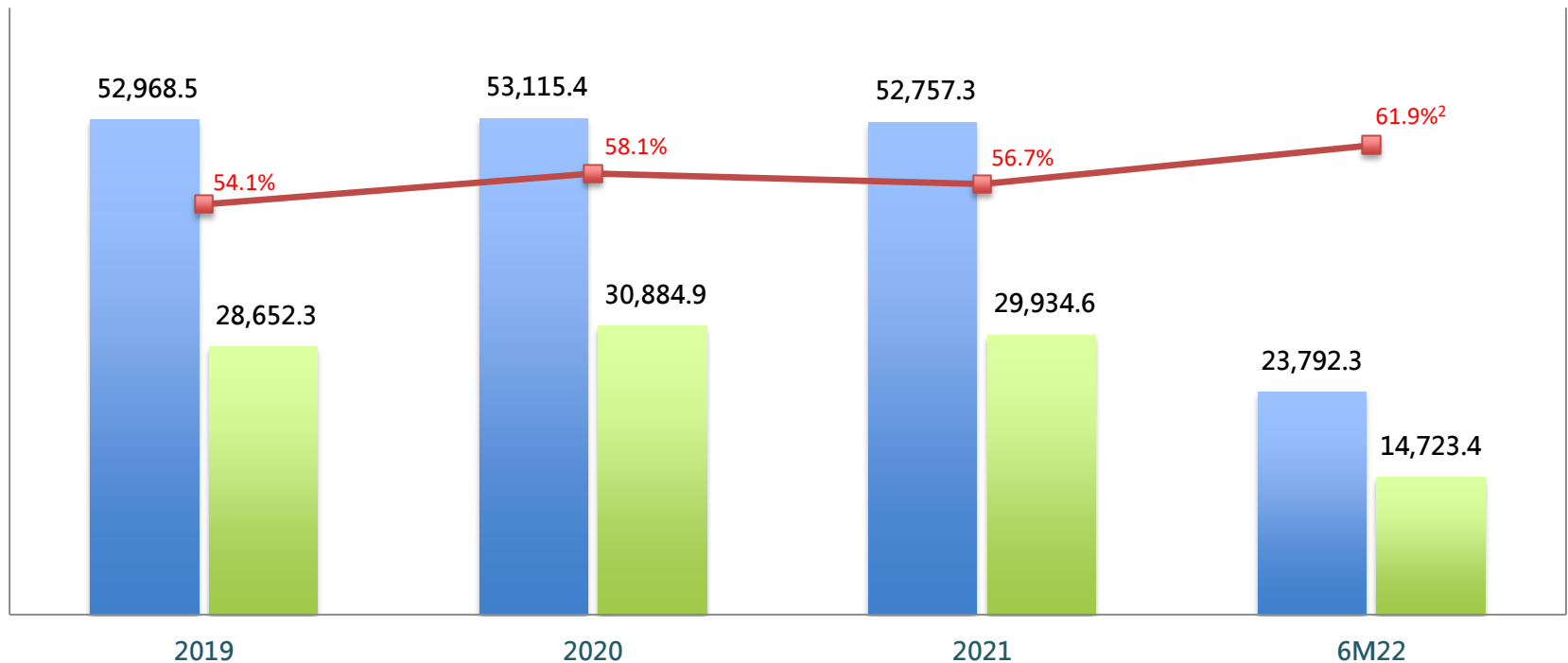
Source: FSC



Cost-Income Ratio

Unit: NT\$ million

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

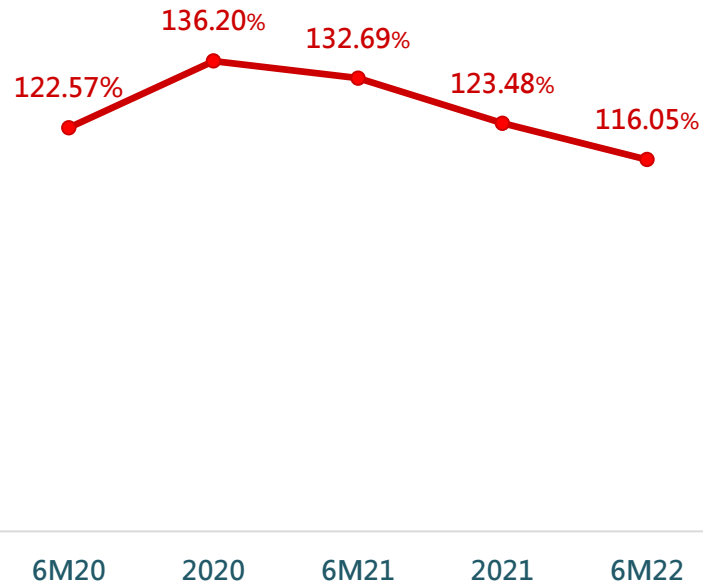


Note: 1. Data of E.SUN Bank
2. Preliminary figures of June 2022

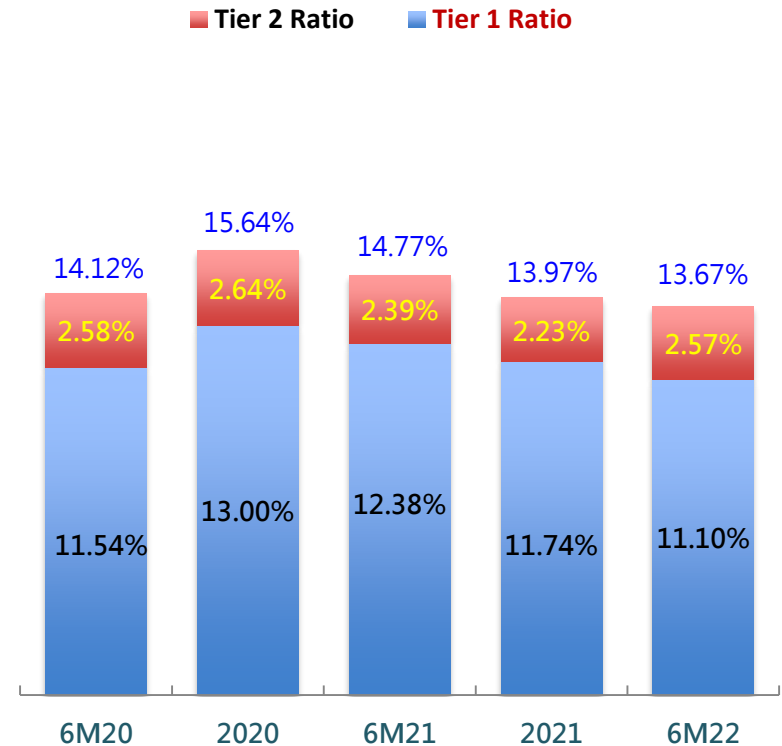


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



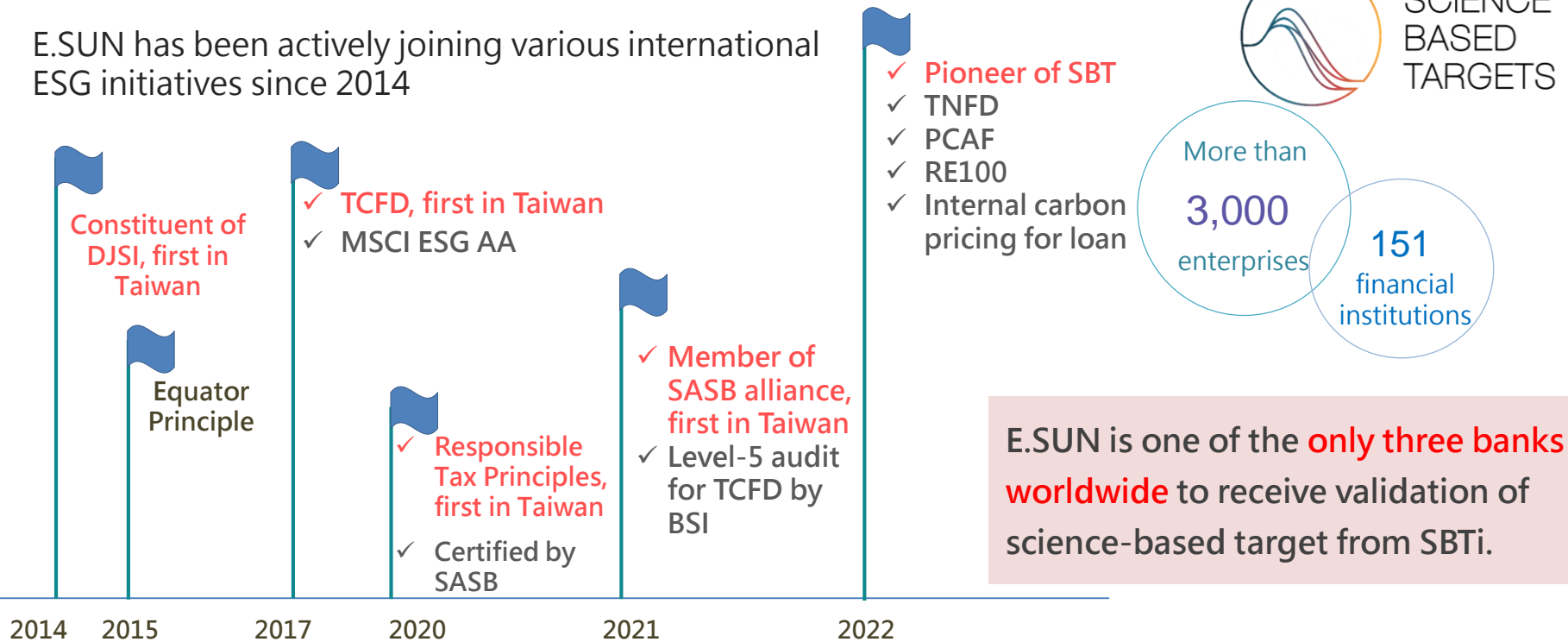
Note: 1. Preliminary figures of June 2022
2. BIS of E.SUN Bank standalone



Following the best practice of ESG

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

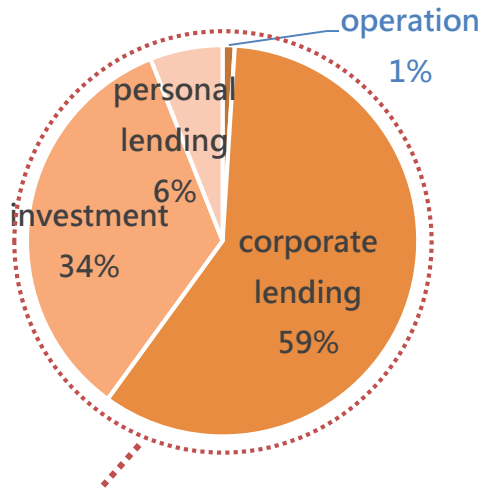
E.SUN has been actively joining various international ESG initiatives since 2014





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
as a
Service**

**Sustainability related loan
NT \$32 billion accounted for
34%
of corporate lending (2Q 2022)**

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) 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 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	198,263	1,088	838	8,030	198,898
Securities, net	1,006,447	2,016	4,775	139	1,013,368
Loans, net	1,872,484	0	0	0	1,872,484
A/R, net	103,430	13,371	2	1,596	115,367
Land, premises and equipments, net	33,431	340	0	4	34,036
Others	105,088	3,365	25	191,417	108,119
Total assets	3,319,143	20,180	5,640	201,186	3,342,272
Liabilities:					
Deposits	2,783,971	0	0	0	2,774,638
Other liabilities	357,228	13,844	436	17,731	384,029
Total liabilities	3,141,199	13,844	436	17,731	3,158,667
Total stockholders' equity	177,944	6,336	5,204	183,455	183,605
Total equity attributable to owners of the company	177,783	6,336	5,204	183,455	183,455
Non-Controlling interests	161	0	0	0	150
Total liabilities and stockholders' equity	3,319,143	20,180	5,640	201,186	3,342,272

Note: Preliminary 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	15,022	234	0	(24)	15,233
Net fee income	8,667	1,184	0	0	9,848
Net trading income/(loss) & Derivatives & FX	(44)	(16)	519	0	459
Others	147	93	1	7,280	142
Total Net Revenues	23,792	1,495	520	7,256	25,682
Allowance for bad-debt expenses	(832)	2	0	0	(830)
Operating expenses	(14,723)	(803)	(9)	(149)	(15,567)
Income before income tax	8,237	694	511	7,107	9,285
Income tax expenses	(1,916)	(134)	(118)	(15)	(2,183)
Net Income	6,321	560	393	7,092	7,102
Attributable to owners of the company	6,310	560	393	7,092	7,092
Non-controlling interests	11	0	0	0	10

Note: Preliminary 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	198,898
Securities, net	742,487	998,478	1,037,395	994,628	957,488	942,780	1,037,395	1,028,826	1,013,368
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	1,872,484
A/R, net	113,150	116,686	124,412	109,846	114,837	120,435	124,412	119,207	115,367
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	108,119
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	3,342,272
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	2,774,638
Other liabilities	243,107	305,539	343,180	306,387	321,971	312,332	343,180	384,372	384,029
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	3,158,667
Total stockholders' equity	173,181	181,601	194,385	187,525	192,725	189,661	194,385	196,454	183,605
Total equity attributable to owners of the company	173,058	181,469	194,226	187,391	192,585	189,515	194,226	196,294	183,455
Non-Controlling interests	123	132	159	134	140	146	159	160	150
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	3,342,272

Note: Preliminary figures of June 2022



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

NT\$ million	Yearly Results			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	7,849
Fee income	18,725	19,831	21,324	5,273	5,139	5,519	5,393	5,173	4,675
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	84
Total Net Revenues	54,523	56,249	57,897	13,698	14,343	15,188	14,668	13,551	12,131
Allowance for bad-debt expenses	(1,598)	(3,226)	(2,130)	358	(668)	(769)	(1,051)	(344)	(486)
Operating expenses	(29,855)	(32,494)	(31,808)	(7,817)	(7,766)	(7,989)	(8,236)	(7,868)	(7,699)
Income before income tax	23,070	20,529	23,959	6,239	5,909	6,430	5,381	5,339	3,946
Income tax expenses	(2,950)	(2,481)	(3,373)	(1,032)	(861)	(786)	(694)	(1,012)	(1,171)
Net Income	20,120	18,048	20,586	5,207	5,048	5,644	4,687	4,327	2,775
Income Attributable to owners of the company	20,105	18,027	20,559	5,205	5,042	5,638	4,674	4,325	2,767
Non-Controlling interests	15	21	27	2	6	6	13	2	8

Note: Preliminary 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	198,263
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	1,872,484
A/R, net	103,686	102,012	108,589	94,333	96,067	103,123	108,589	102,984	103,430
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	105,088
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	3,319,143
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	2,783,971
Other liabilities	226,694	282,949	311,650	284,233	292,085	285,634	311,650	361,155	357,228
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	3,141,199
Total stockholders' equity	171,090	177,798	188,116	182,557	180,291	184,334	188,116	189,035	177,944
Total equity attributable to owners of the company	170,959	177,657	187,947	182,414	180,142	184,178	187,947	188,864	177,783
Non-Controlling interests	131	141	169	143	149	156	169	171	161
Total liabilities and stockholders' 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	3,319,143

Note: Preliminary 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	7,744
Fee income	17,712	18,044	18,289	4,598	4,261	4,713	4,717	4,567	4,100
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	87
Total Net Revenues	52,968	53,115	52,757	12,384	13,265	13,799	13,309	12,390	11,402
Allowance for bad-debt expenses	(1,603)	(3,241)	(2,134)	355	(669)	(769)	(1,051)	(345)	(487)
Operating expenses	(28,652)	(30,885)	(29,935)	(7,437)	(7,253)	(7,436)	(7,809)	(7,421)	(7,302)
Income before income tax	22,713	18,989	20,688	5,302	5,343	5,594	4,449	4,625	3,612
Income tax expenses	(3,054)	(2,501)	(3,101)	(881)	(768)	(668)	(784)	(950)	(966)
Net Income	19,659	16,488	17,587	4,421	4,575	4,926	3,665	3,675	2,646
Attributable to owners of the company	19,643	16,465	17,559	4,419	4,568	4,920	3,652	3,674	2,636
Non-controlling interests	16	23	28	2	7	6	13	1	10

Note: Preliminary figures of June 2022