

E.SUN FHC Financial Review of 4Q 2017

Mar. 2018



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Agenda

- 2017 Financial Performance
- 2017 Business Operation Overview
- Appendix



E.SUN FHC Summary

		Unit : NT\$ million	
		2017.12 ^{/1}	2016.12
Total Assets	FHC	2,074,388	1,884,300
	Bank	2,056,337	1,870,131
	Securities	15,411	11,504
	Venture Capital	3,419	3,657
Key Financials	Book value per share (NT\$)	14.61	14.66
	Double Leverage Ratio	104.46%	104.80%
	FHC CAR	143.69%	137.29%
Distribution Channels	Bank – domestic	138	137
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Australia, Myanmar, Japan Subsidiary: China and Cambodia (UCB) Representative office in Hanoi 25 overseas sites	
	Securities - branches	18	20

Note: 1. Audit figures of Dec. 2017
2. Share owned by QFII: 44.97%, as of Dec. 2017



2017 Business and Financial Review

Financial Performance

- Net profit reached NT\$14.7 billion; both net revenues and net profit grew by 12.3%, YoY.
- EPS \$1.49, ROE 10.54%, ROA 0.74%.

Business Operation

- Net interest income and net fee income increased by 9.0% and 1.5%, YoY, respectively.
- Loan balance was up by 8.2% YTD, supported by strong FCY loan growth 16.5% YTD.
- Deposit grew by 9.9% YTD, in which FCY deposit growth rate was 30.2%, the highest in market.
- Asset quality: NPL ratio at 0.23% and coverage ratio at 514.1%.

Highlights

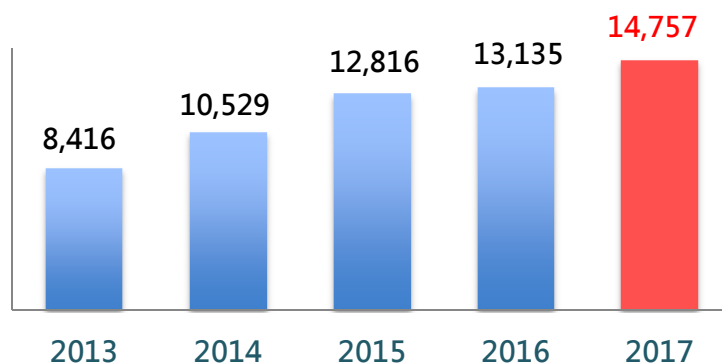
- Tokyo Branch opened in October 2017; Brisbane Branch, the 2nd branch in Australia, has been approved.
- **Digital Banking:** Mobile payment is available in four major convenience store chains; Launch of AI chatbot for real-time consultation; Release of new iOS mobile banking app with enhanced UI and UX.
- **ESG:** Member of DJSI since 2014, DJSI World for the 2nd time; Rating upgrade to AA by MSCI ESG.
- **Awards & Recognitions:** “ Best Managed Bank in Asia Pacific” and “Best CEO in Asia Pacific” by 《The Asian Banker》 ; “ Best Bank in Taiwan” by 《The Asset》 and 《Global Finance》 .



Financial Performance

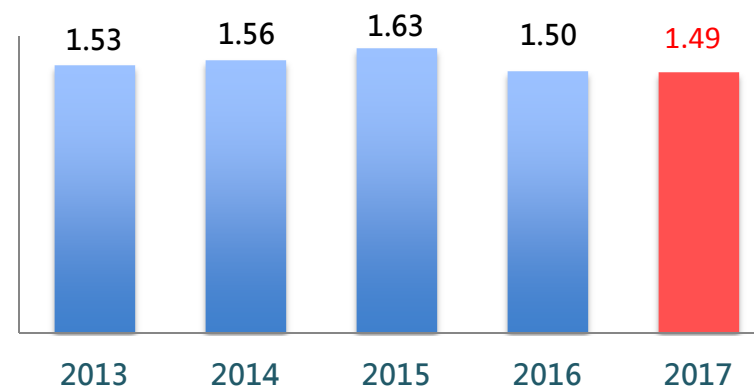
Net Profit

Unit: NT\$ million

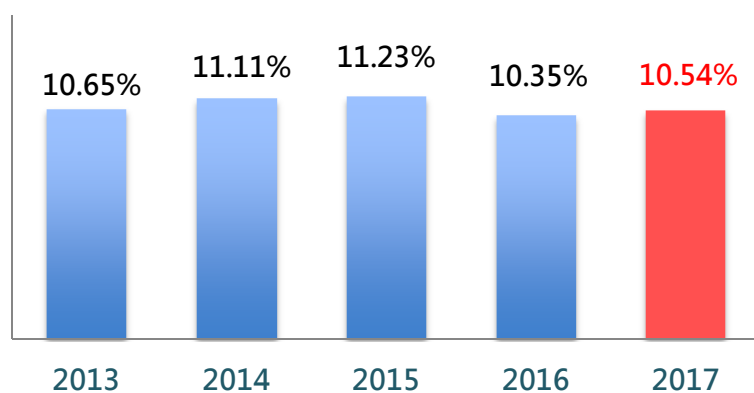


EPS

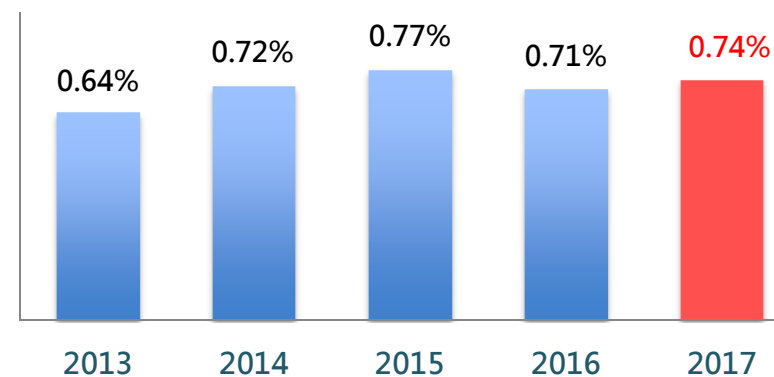
Unit: NT\$ dollars



ROE



ROA

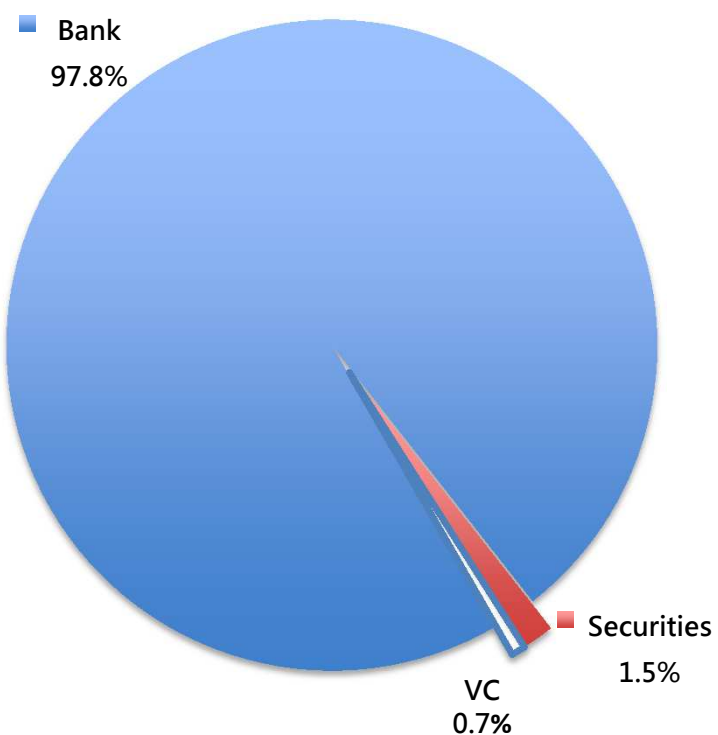


Note: Audit figures of Dec. 2017

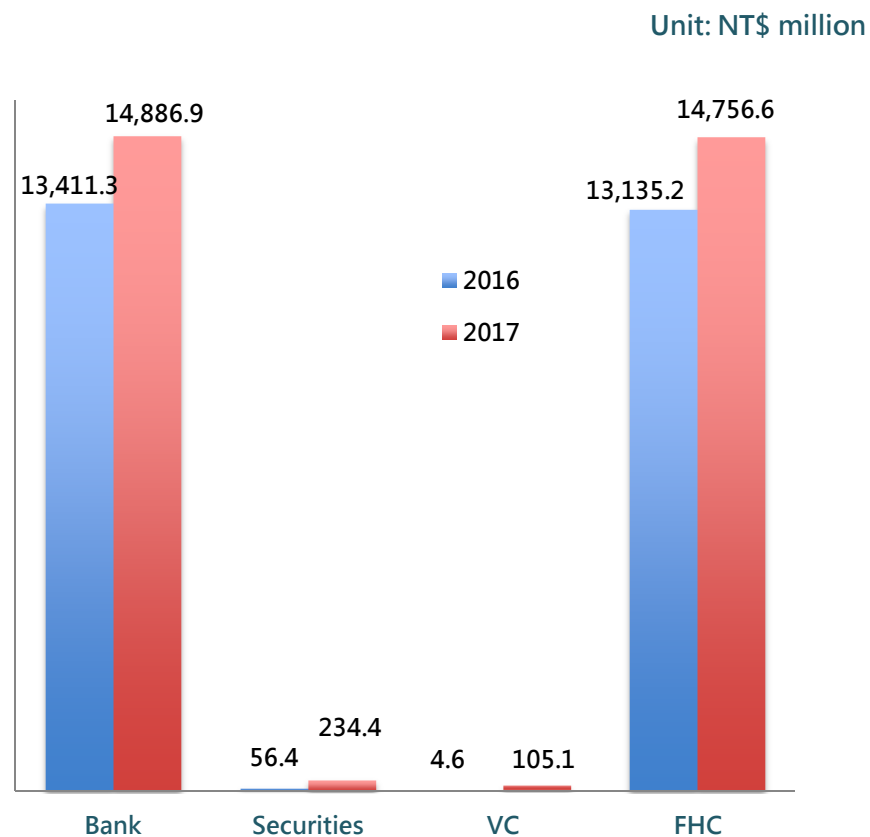


Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

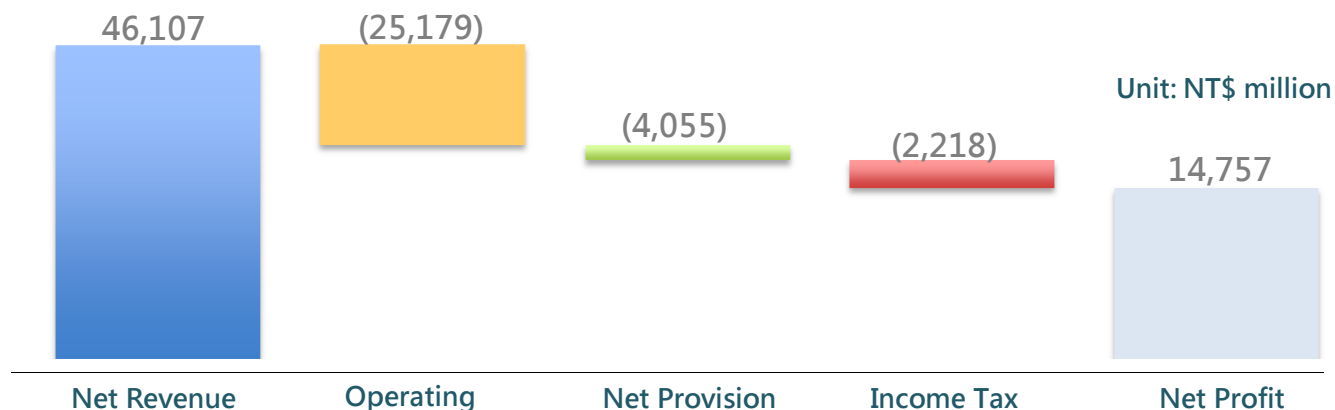


Note: Audit figures of Dec. 2017

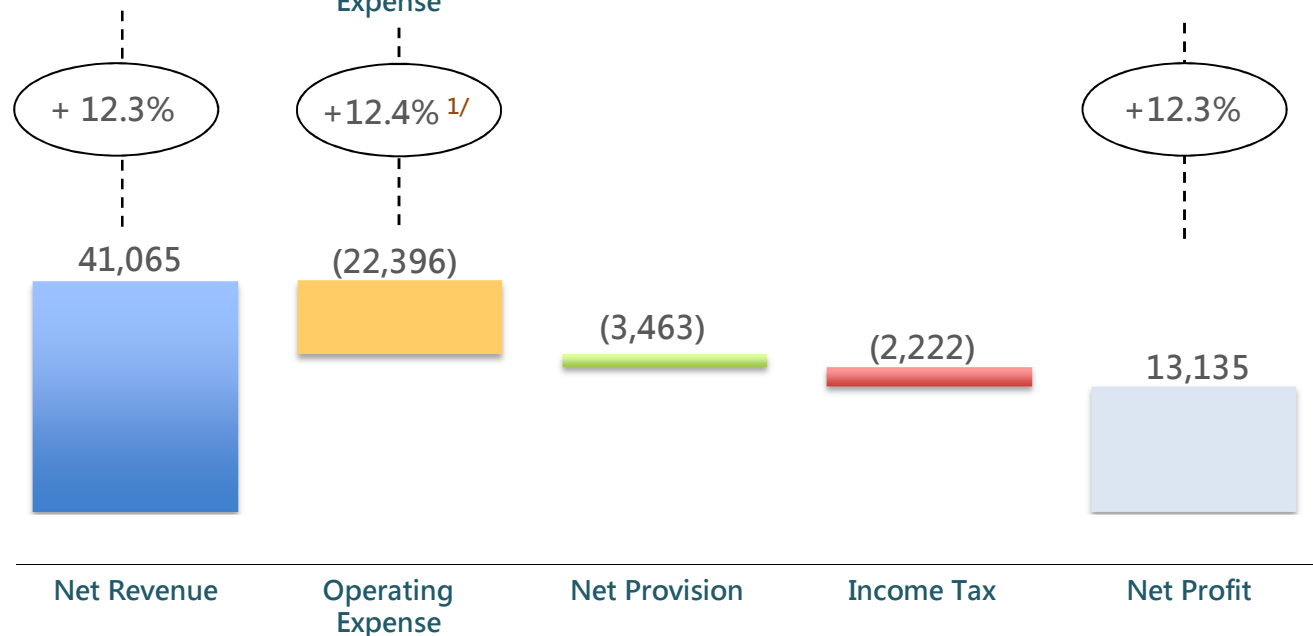


Net Profit Breakdown

2017 P&L



2016 P&L



Note: 1. Expense was 11.5% increased after deducting NT \$199 million, an one-off expense due to rights offering.

2. Audit figures of Dec. 2017

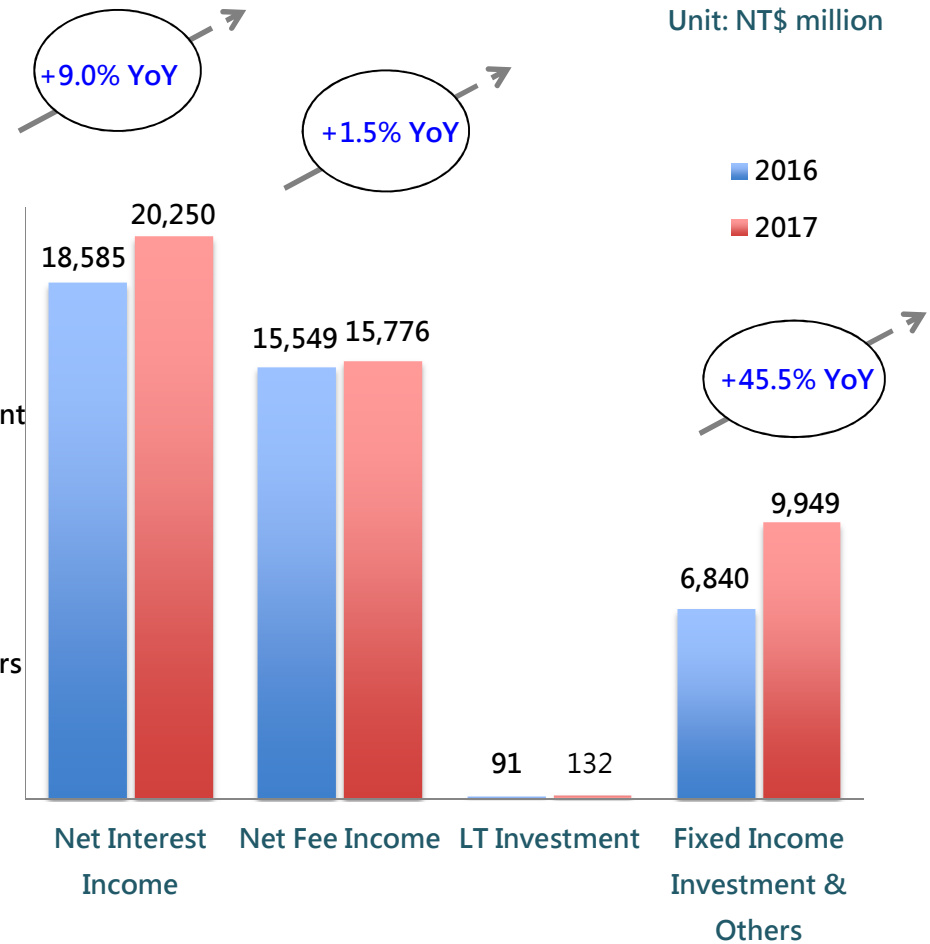
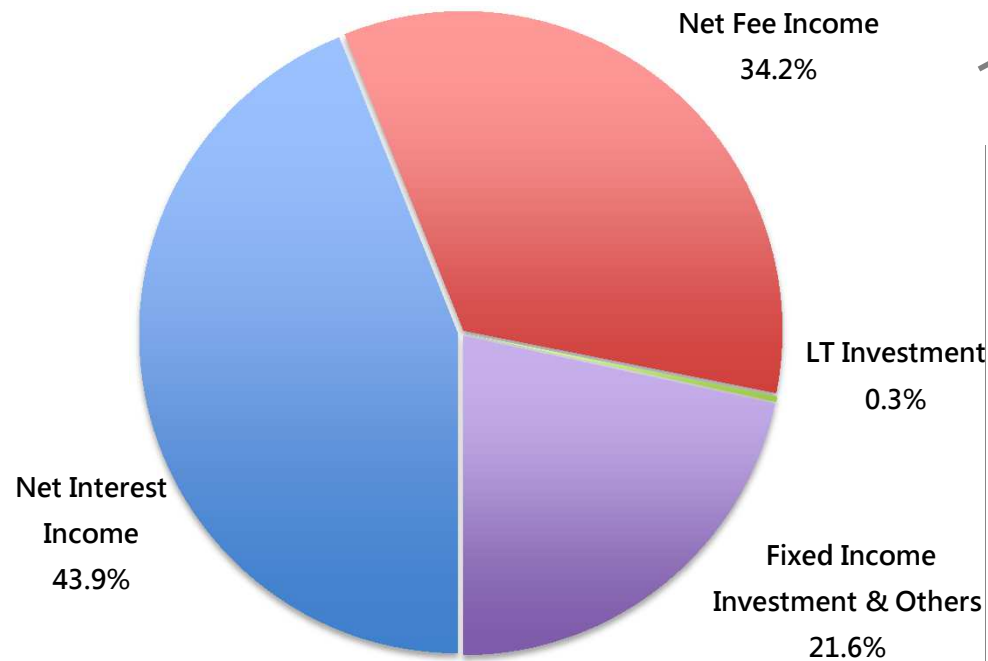


FHC Revenue Breakdown

Total Net Revenue
NT\$ 46,107 million

YoY Comparison

Unit: NT\$ million

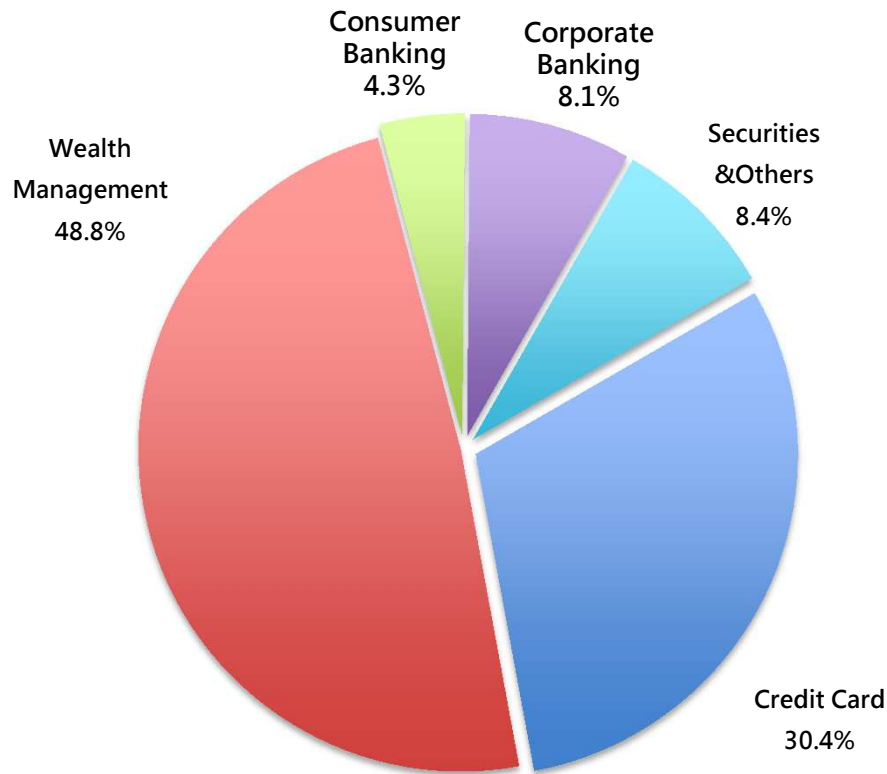


Note: Audit figures of Dec. 2017



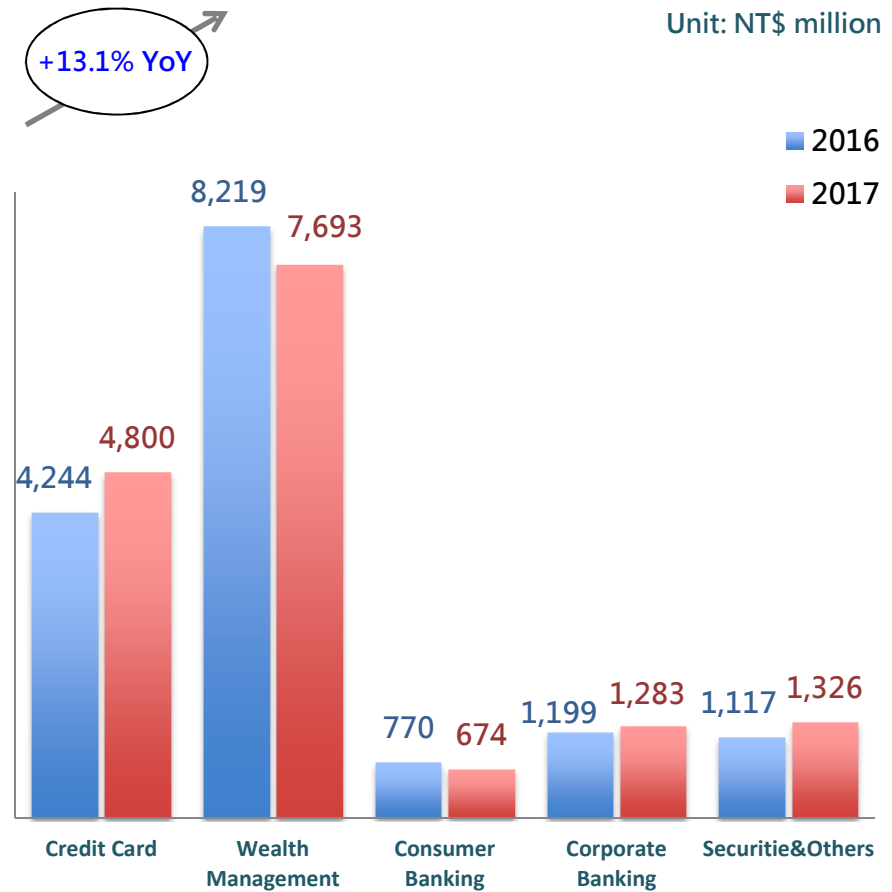
Net Fee Income Breakdown

Total Net Fee Income
NT 15,776 million



YoY Comparison

Unit: NT\$ million



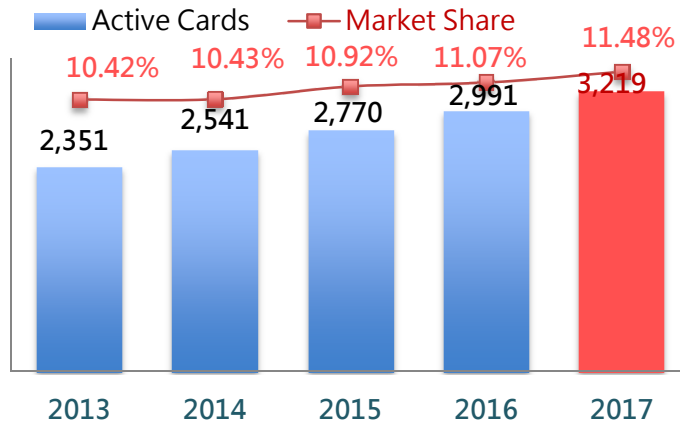
Note: Audit figures of Dec. 2017



Credit Card Business Breakdown

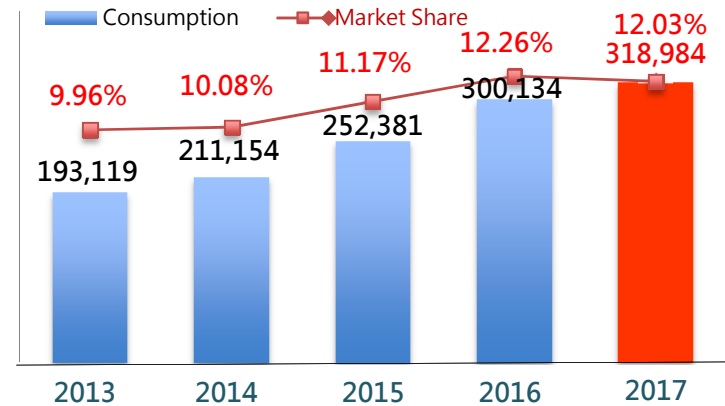
Active Cards

Unit: Thousand Cards, %



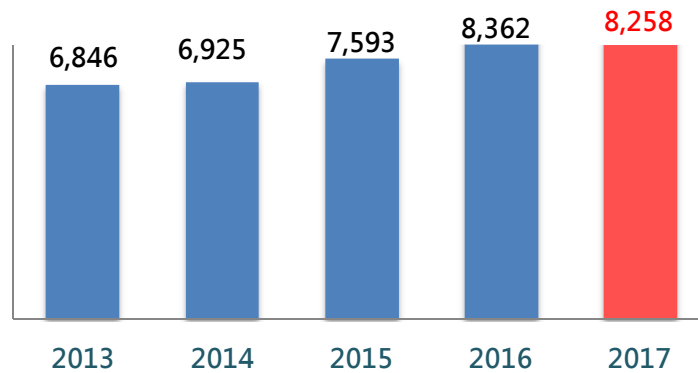
Card Consumption

Unit: NT\$ million



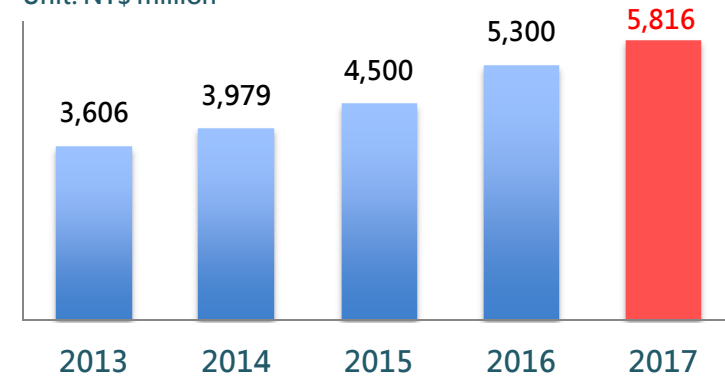
Per Card Spending (Monthly)

Unit: NT\$ dollar



Gross Fee Income

Unit: NT\$ million



Note: Market share of Dec. 2017



Deposit and Loan Structure

Unit: NT\$ Bn

Category	2017	QoQ Growth %	2017.9	YoY Growth %	2016
Total Deposits	1,694.7	2.1%	1,663.2	9.9%	1,542.6
Demand Deposits	747.4	1.5%	736.3	3.1%	725.2
Time Deposits	434.6	0.4%	432.9	2.7%	423.3
FCY Deposits	512.7	4.4%	494.0	30.2%	394.0
Total Loans ^{1/}	1,198.9	0.8%	1,188.8	8.2%	1,107.7
Corporate Loans	604.2	0.6%	600.6	9.4%	552.3
SME Loans	326.6	1.2%	322.6	11.1%	294.0
FCY Loans	187.7	1.2%	185.5	16.5%	161.1
Consumer Loans	594.7	1.2%	587.5	7.1%	555.5
Mortgage Loan	238.2	0.5%	237.0	3.7%	229.6
Unsecured Personal Loan	97.0	0.6%	96.4	6.6%	91.0
Credit Card Revolving Balance	12.2	3.4%	11.8	6.1%	11.5

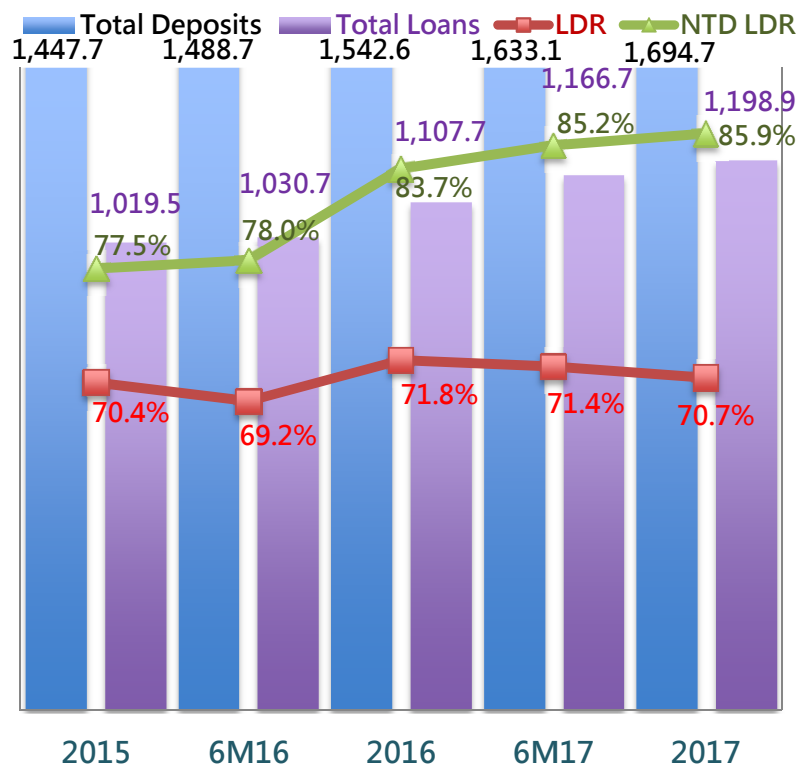
Note: Not including loan balance of subsidiaries NT\$ 26 billion and credit card revolving loan



Deposit Structure

Loan to Deposit Ratio

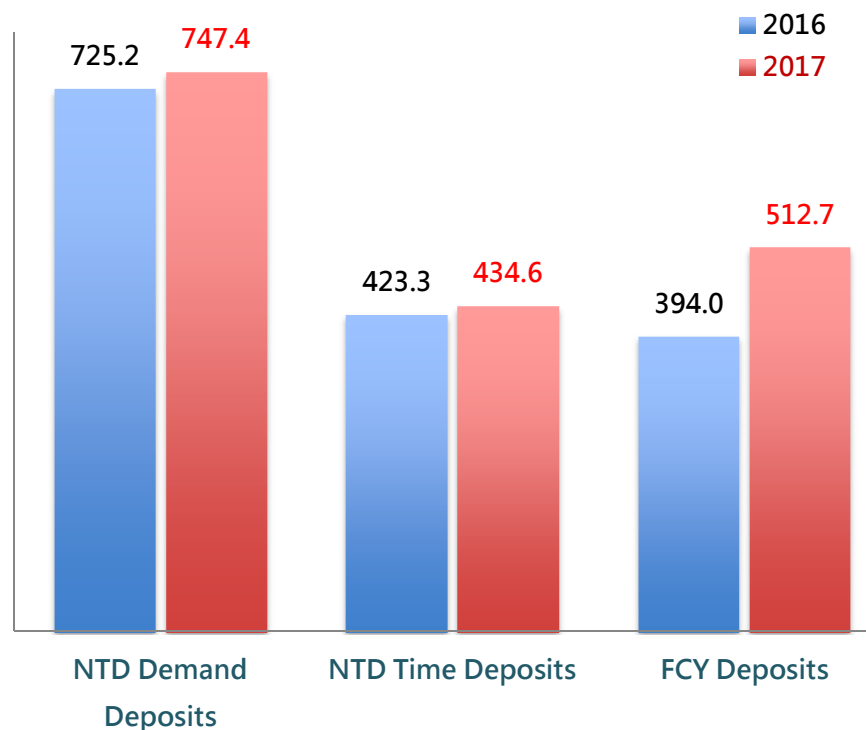
Unit: NT\$ Bn



Note: 1. Excluded Credit card revolving balance
 2. Data of E.SUN Bank
 3. Excluded deposit and loan of subsidiaries

Deposit Structure

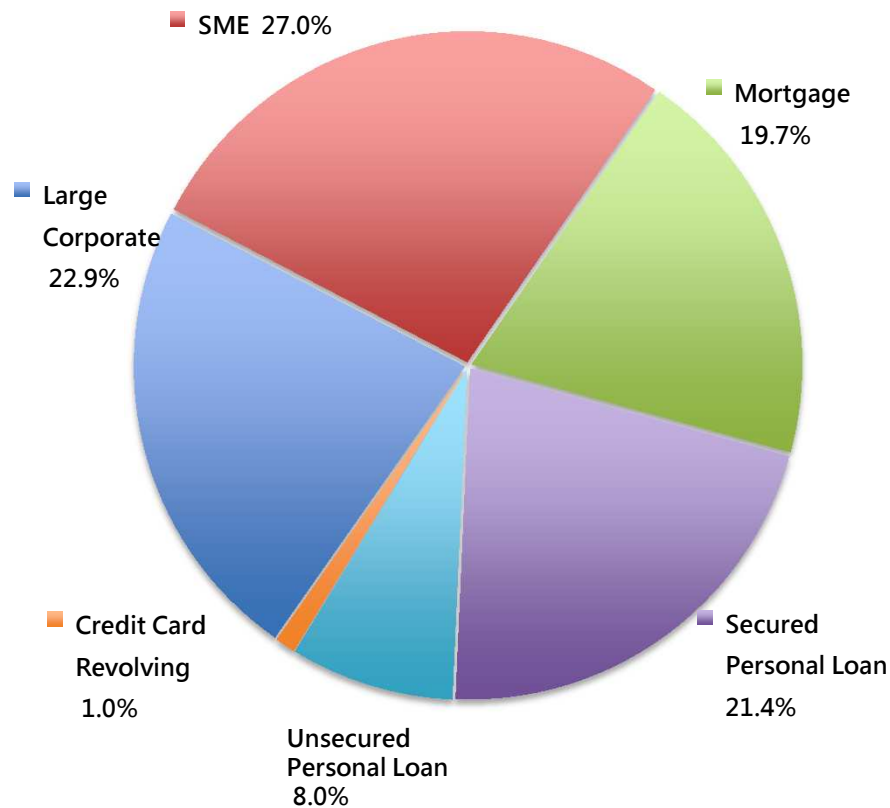
Unit: NT\$ Bn





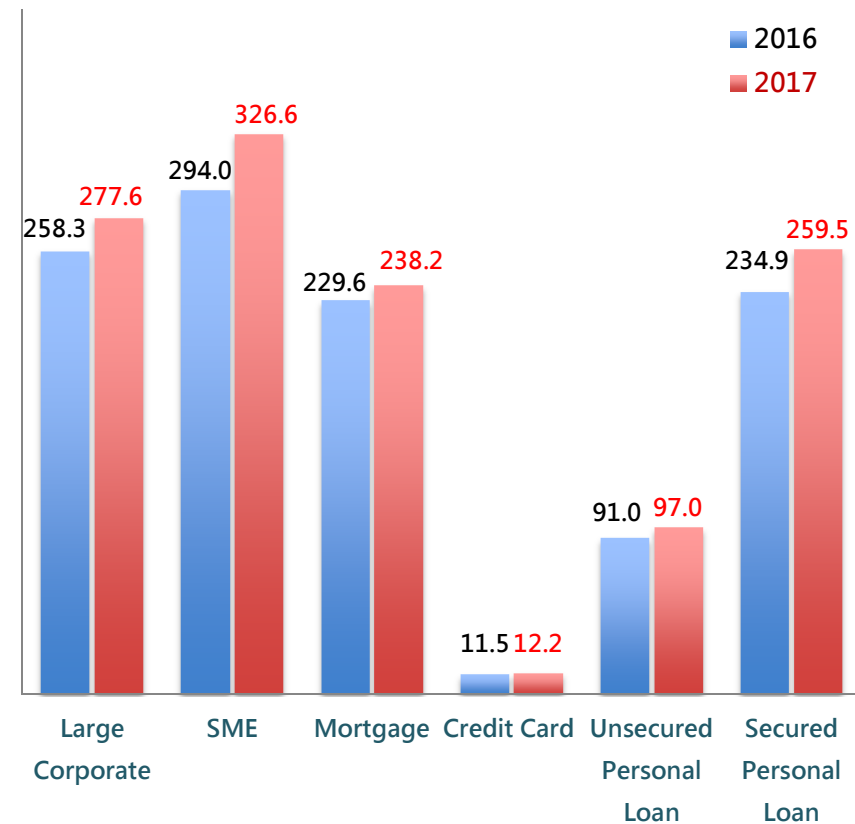
Loan Portfolio Breakdown

Total Loan
NT\$ 1,211.1 billion



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

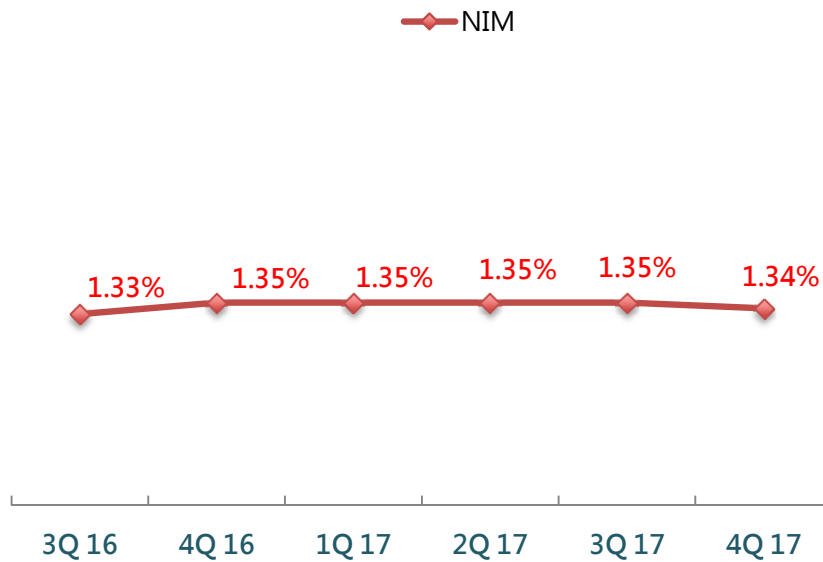
YoY Comparison



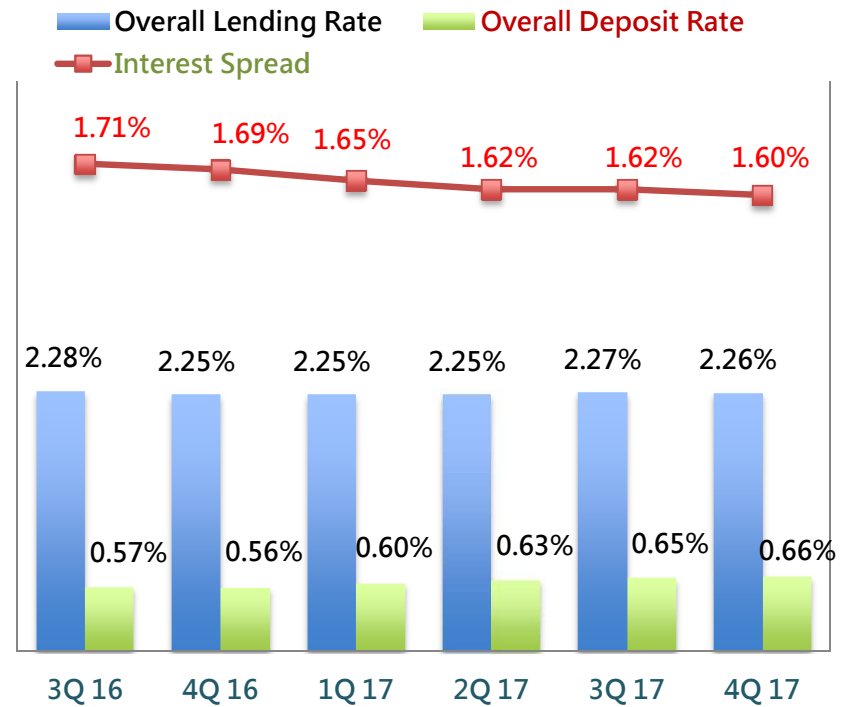


NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread



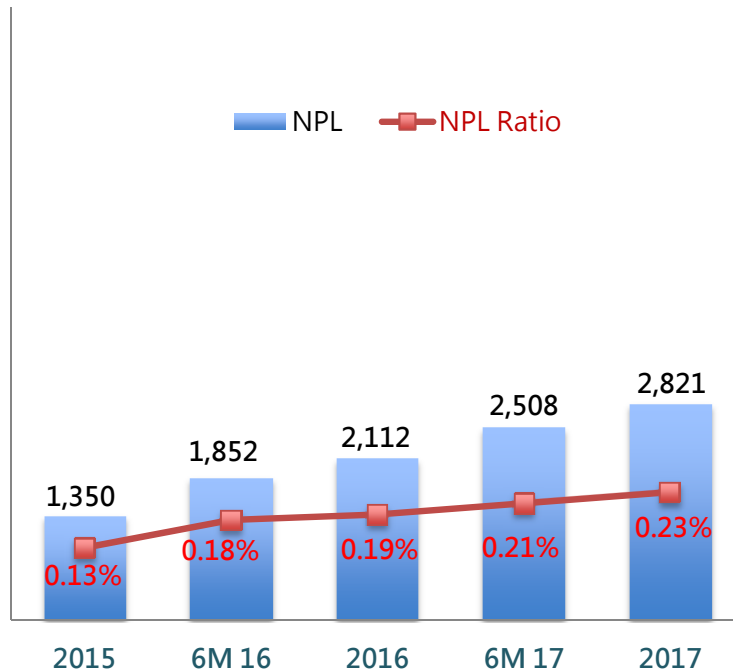
Note: Data of E.SUN Bank



Superior Asset Quality 1/3

NPL Ratio(%)

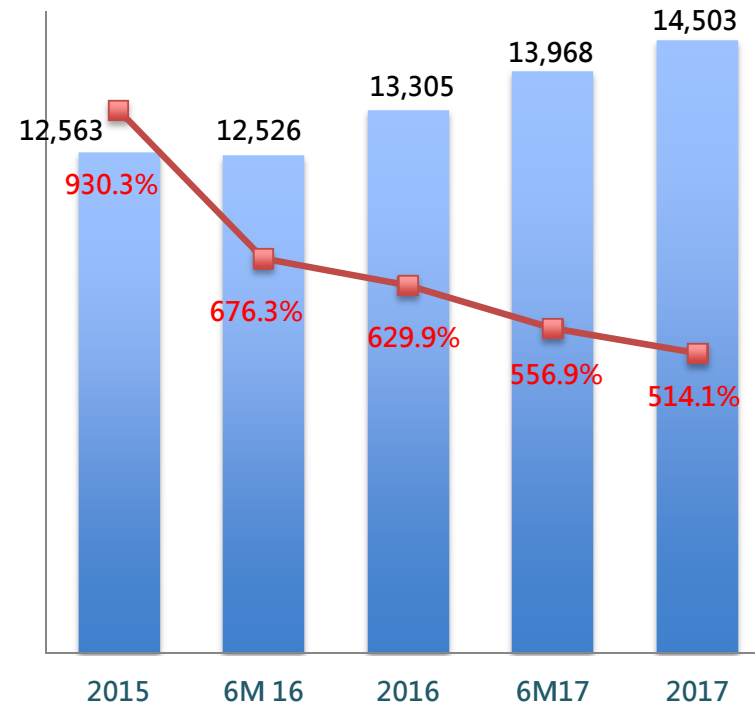
Unit: NT\$ million



Coverage Ratio(%)

Unit: NT\$ million

■ Loan Loss Reserve ■ Coverage Ratio

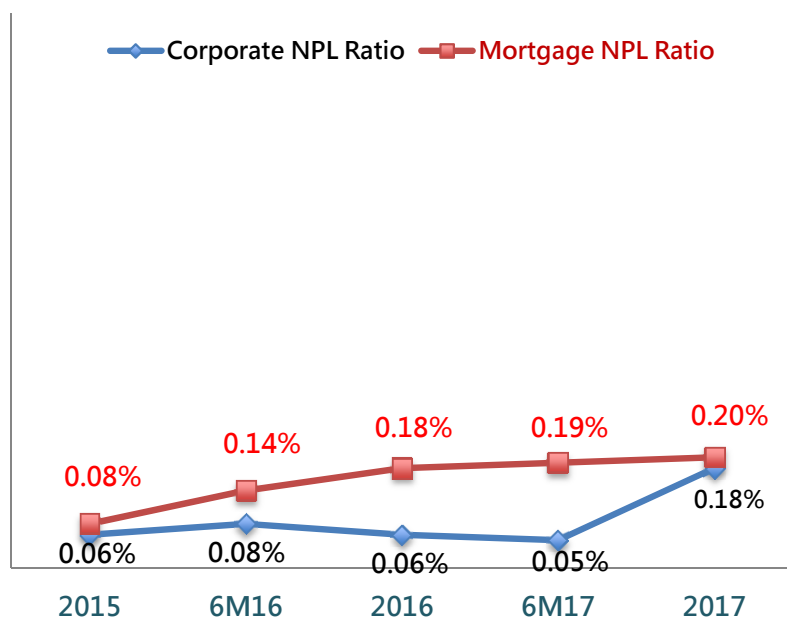


Note: Data of E.SUN Bank



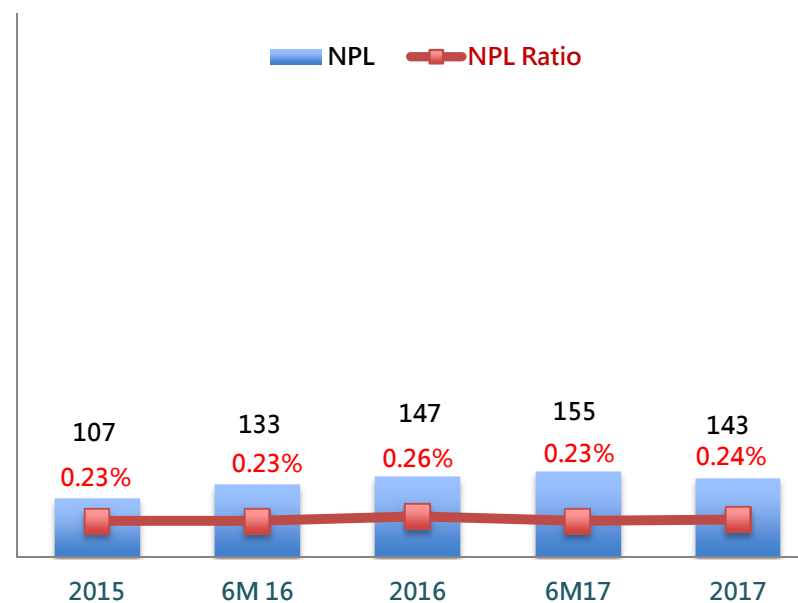
Superior Asset Quality 2/3

NPL Ratio for Major Products



NPL Ratio for Credit Card

Unit: NT\$ million

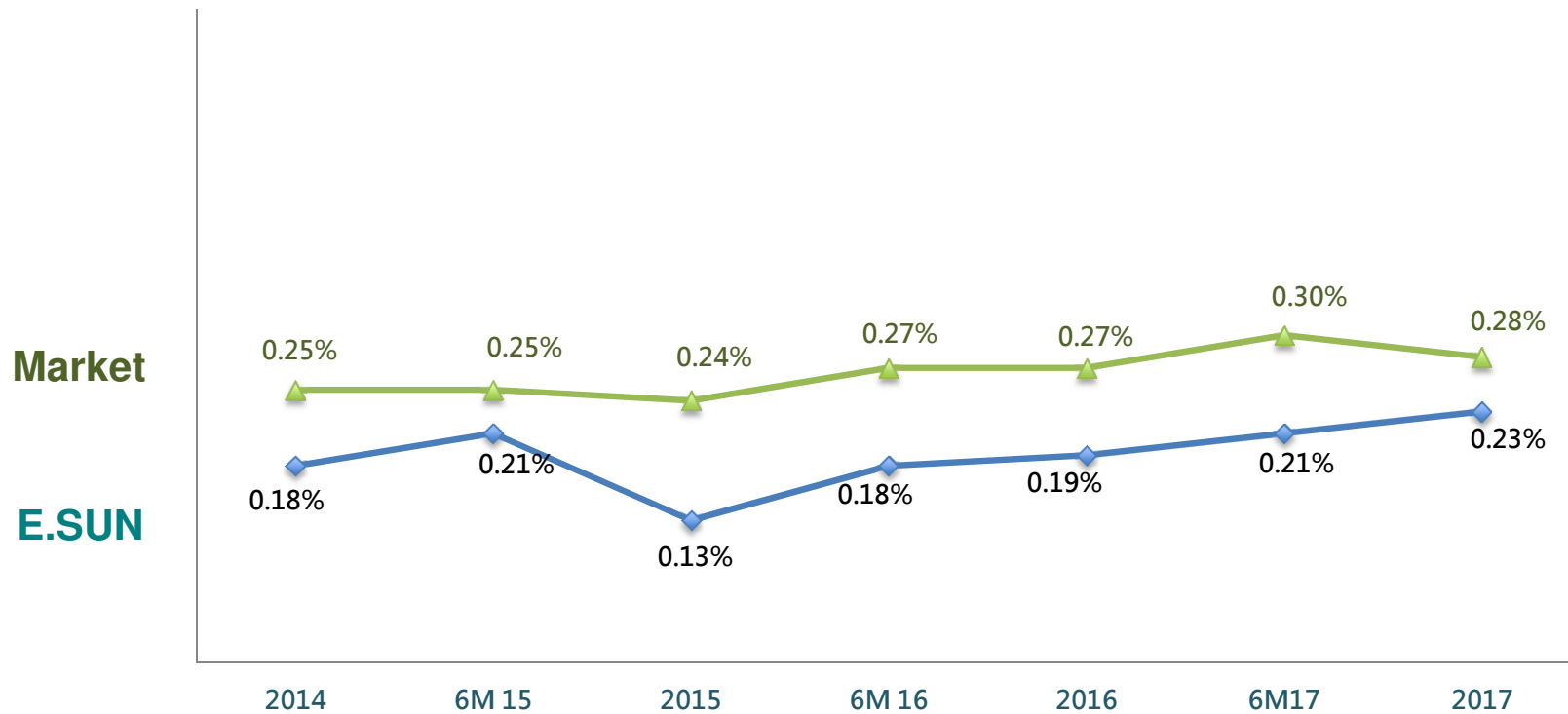


Note: Data of E.SUN Bank



Superior Asset Quality 3/3

NPL Comparison with Market

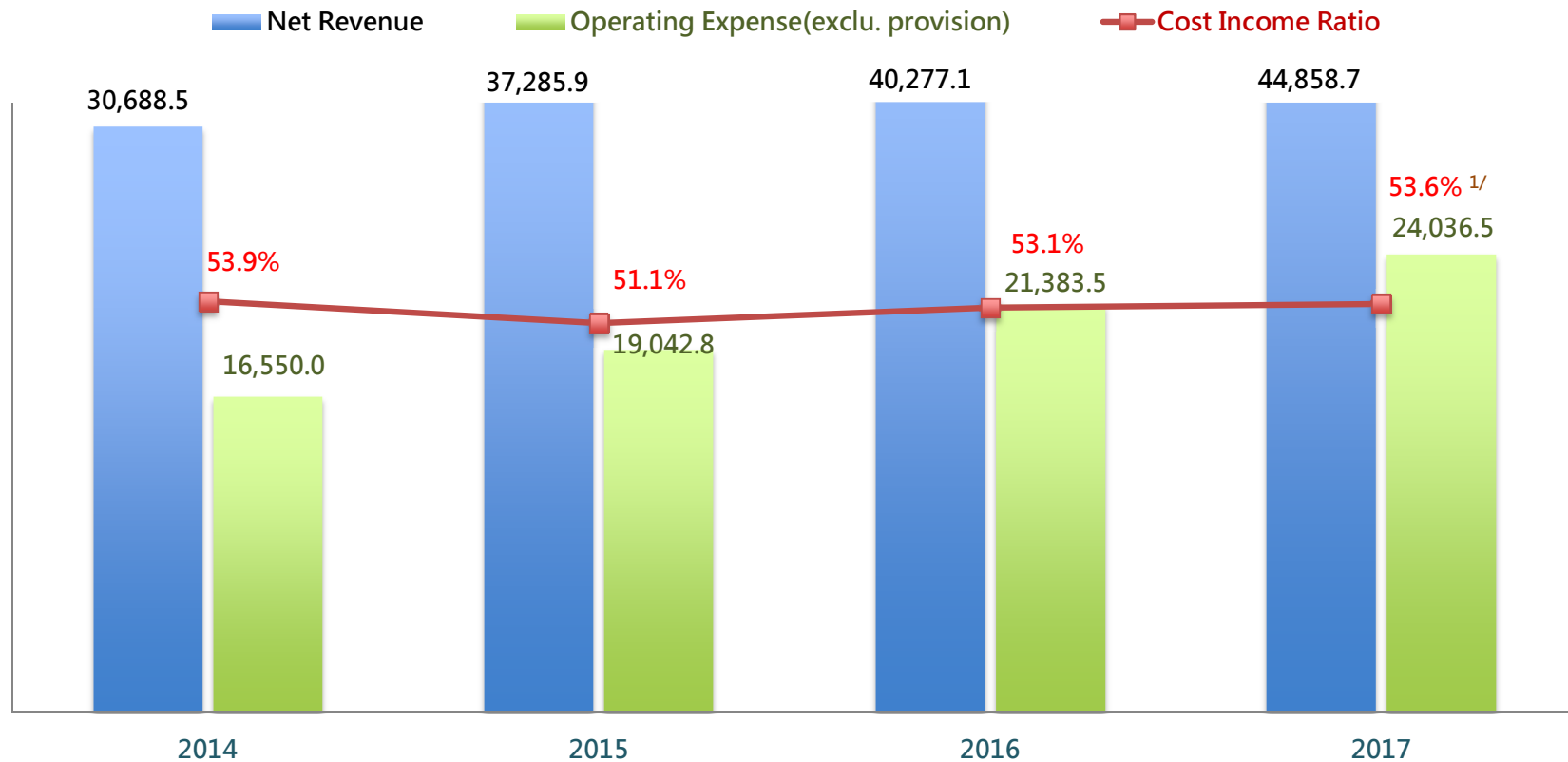


Source : FSC



Cost-Income Ratio

Unit: NT\$ million



Note: 1. Adjusted C/I was 53.1% after deducting the one-off expense due to rights offering

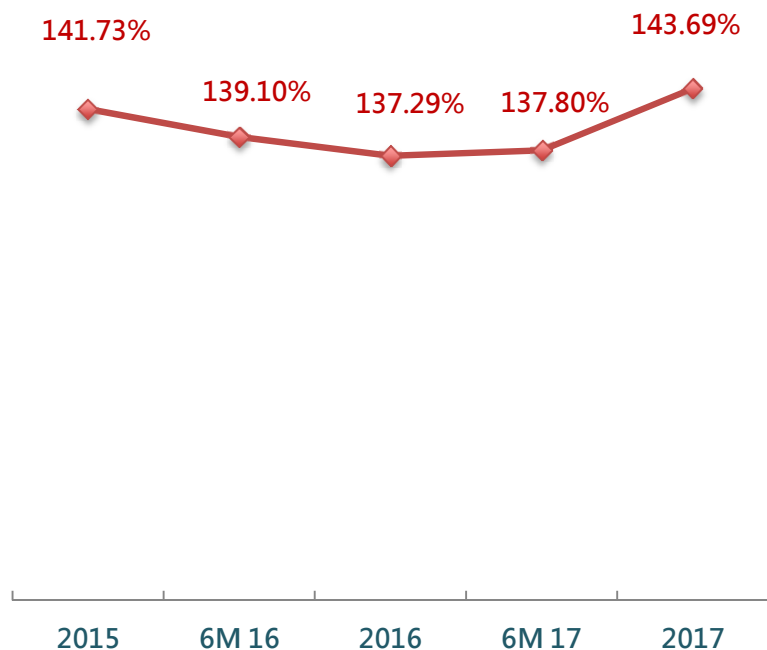
2. Data of E.SUN Bank

3. Audit figures of Dec. 2017

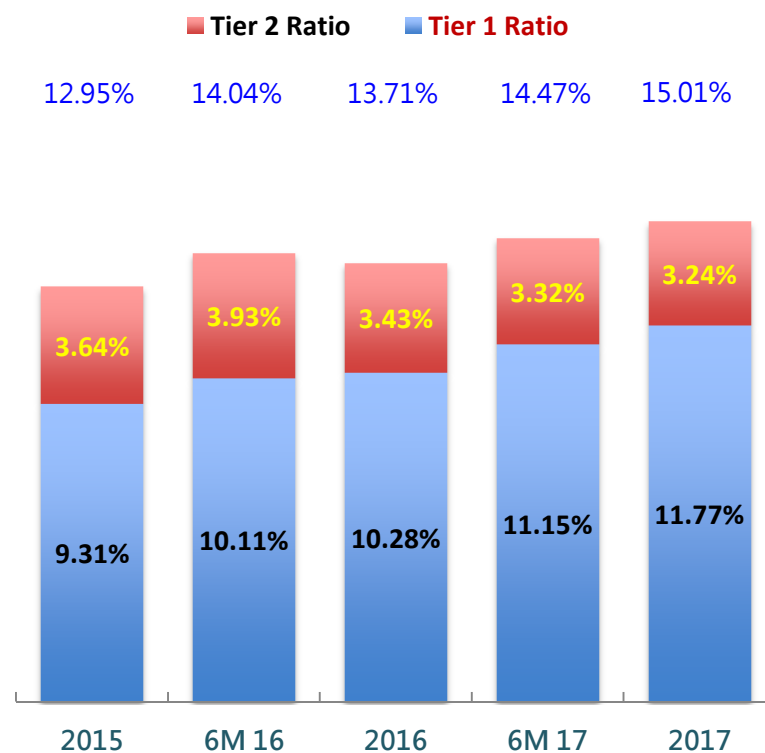


Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Audit figures of Dec. 2017
2. BIS of E.SUN Bank standalone



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
+8862 2175 1313 Ext 9347,9302
ir@email.esunbank.com.tw





Appendix 1/6

Balance Sheet of 4Q2017 for E.SUN FHC and its subsidiaries

NT\$ million	E.SUN Bank (consolidated)	E.SUN Sec. (Consolidated)	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Assets :					
Cash and due from banks	131,042	382	101	106	131,175
Securities, net	575,980	831	474	0	577,285
Loans, net	1,211,071	0	0	0	1,211,071
A/R, net	83,130	10,995	0	89	94,083
LT investments, net	538	88	2,457	155,485	3,092
Land, premises and equipments, net	27,559	348	0	26	28,209
Others	27,017	2,767	387	1,299	29,473
Total assets	2,056,337	15,411	3,419	157,005	2,074,388
Liabilities:					
Deposits	1,712,072	0	0	0	1,711,175
Other liabilities	197,007	10,493	13	8,163	214,265
Total liabilities	1,909,079	10,493	13	8,163	1,925,440
Total stockholders' equity	147,258	4,918	3,406	148,842	148,948
Total equity attributable to owners of the company	147,145	4,918	3,406	148,842	148,842
Non-Controlling interests	113	0	0	0	106
Total liabilities and stockholders' equity	2,056,337	15,411	3,419	157,005	2,074,388

Note: Audit figures of Dec. 2017



Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 4Q2017

NT\$ million	E.SUN Bank (Consolidated)	E.SUN Sec. (Consolidated)	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income					
Net interest income	20,015	332	3	(100)	20,250
Net fee income	14,903	878	0	0	15,776
LT investment income	48	0	84	15,228	132
Net trading income/(loss) & Derivatives & FX	9,604	177	90	(138)	9,733
Others	289	113	(50)	89	216
Total Net Revenues	44,859	1,500	127	15,079	46,107
Allowance for bad-debt expenses	(3,869)	(186)	0	0	(4,055)
Operating expenses	(24,037)	(1,031)	(17)	(325)	(25,179)
Income before income tax	16,953	283	110	14,754	16,873
Income tax expenses	(2,167)	(49)	(5)	3	(2,219)
Net Income	14,786	234	105	14,757	14,654
Attributable to owners of the company	14,887	234	105	14,757	14,757
Non-controlling interests	(101)	0	0	0	(103)

Note: Audit figures of Dec. 2017



E.SUN FHC's Balance Sheet (Consolidated)

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Assets :								
Cash and due from banks	89,638	104,113	99,545	99,545	102,784	116,834	128,633	131,175
Securities, net	420,897	469,508	502,761	502,761	522,736	545,379	554,518	577,285
Loans, net	934,614	1,021,995	1,118,149	1,118,149	1,137,049	1,176,465	1,201,528	1,211,071
A/R, net	73,088	78,562	83,936	83,936	78,011	96,306	92,277	94,083
LT investments, net	2,184	2,386	2,809	2,809	2,929	3,190	3,294	3,092
Land, premises and equipments, net	21,106	26,792	26,440	26,440	26,864	27,367	27,702	28,209
Others	24,893	71,928	50,660	50,660	48,635	31,712	29,665	29,473
Total assets	1,566,420	1,775,284	1,884,300	1,884,300	1,919,008	1,997,253	2,037,617	2,074,388
Liabilities:								
Deposits	1,280,692	1,456,394	1,556,422	1,556,422	1,556,075	1,637,597	1,675,686	1,711,175
Other liabilities	178,067	197,229	198,697	198,697	229,950	216,485	216,066	214,265
Total liabilities	1,458,759	1,653,623	1,755,119	1,755,119	1,786,025	1,854,082	1,891,752	1,925,440
Total stockholders' equity	107,661	122,661	129,181	129,181	132,983	143,171	145,865	148,948
Total equity attributable to owners of the company	106,876	120,927	128,524	128,524	132,350	142,642	145,761	148,842
Non-Controlling interests	785	734	657	657	633	529	104	106
Total liabilities and stockholders' equity	1,566,420	1,775,284	1,884,300	1,884,300	1,919,008	1,997,253	2,037,617	2,074,388

Note: Audit figures of Dec. 2017



Appendix 4/6

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

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	4Q16	1Q17	2Q17	3Q17	4Q17
Operating income								
Net interest income	15,485	17,474	18,585	4,977	4,882	4,994	5,200	5,174
Net Fee income	11,470	13,878	15,548	3,891	3,632	3,971	4,273	3,900
LT investment income	121	71	91	3	9	12	67	44
Net trading income/(loss) & Derivatives & FX	5,602	7,378	6,586	1,525	2,014	2,588	2,613	2,518
Others	77	(312)	254	177	(16)	107	60	65
Total Net Revenues	32,755	38,489	41,064	10,573	10,521	11,672	12,213	11,701
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,463)	(1,861)	(413)	(1,347)	(1,124)	(1,171)
Operating expenses	(17,950)	(20,138)	(22,396)	(6,196)	(5,872)	(6,269)	(6,221)	(6,817)
Income before income tax	12,771	14,785	15,205	2,516	4,236	4,056	4,868	3,713
Income tax expenses	(2,166)	(1,906)	(2,222)	(247)	(494)	(369)	(848)	(508)
Net Income	10,605	12,879	12,983	2,269	3,742	3,687	4,020	3,205
Income Attributable to owners of the company	10,529	12,816	13,135	2,417	3,733	3,785	4,063	3,176
Non-Controlling interests	76	63	(152)	(148)	9	(98)	(43)	29

Note: Audit figures of Dec. 2017



Appendix 5/6

E.SUN Bank's Balance Sheet

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17
Assets :								
Cash and due from banks	89,599	103,947	99,446	99,446	102,726	116,776	128,589	131,042
Securities, net	417,344	467,481	501,867	501,867	521,557	550,216	553,593	575,980
Loans, net	934,614	1,021,995	1,118,149	1,118,149	1,137,049	1,176,465	1,201,528	1,211,071
A/R, net	65,392	71,523	75,992	75,992	68,975	86,792	82,483	83,130
LT investments, net	546	542	538	538	538	538	538	538
Land, premises and equipments, net	20,247	26,156	25,785	25,785	26,214	26,732	27,047	27,559
Others	24,202	68,986	48,354	48,354	46,205	23,451	26,952	27,017
Total assets	1,551,944	1,760,630	1,870,131	1,870,131	1,903,264	1,980,970	2,020,729	2,056,337
Liabilities:								
Deposits	1,284,728	1,457,201	1,558,856	1,558,856	1,559,579	1,643,182	1,676,538	1,712,072
Other liabilities	161,708	185,171	184,241	184,241	213,013	196,693	200,211	197,007
Total liabilities	1,446,436	1,642,372	1,743,097	1,743,097	1,772,592	1,839,875	1,871,749	1,909,079
Total stockholders' equity	105,508	118,258	127,034	127,034	130,672	141,095	143,980	147,258
Total equity attributable to owners of the company	104,723	116,391	126,371	126,371	130,033	140,560	143,869	147,145
Non-Controlling interests	785	1,133	663	663	639	535	111	113
Attribute to former business under control	0	734	0	0	0	0	0	0
Total liabilities and stockholders' equity	1,551,944	1,760,630	1,870,131	1,870,131	1,903,264	1,980,970	2,020,729	2,056,337

Note: Audit figures of Dec. 2017



E.SUN Bank's P&L account

NT\$ million	Yearly Results			Quarterly Results				
	2014	2015	2016	4Q16	1Q17	2Q17	3Q17	4Q17
Operating income								
Net interest income	15,286	17,253	18,419	4,935	4,840	4,936	5,132	5,107
Fee income	9,910	13,190	14,939	3,745	3,460	3,780	4,021	3,642
LT investment income	48	45	54	0	0	10	38	0
Net trading income/(loss) & Derivatives & FX	5,318	6,522	6,575	1,375	2,083	2,487	2,576	2,458
Others	127	276	290	191	25	117	76	71
Total Net Revenues	30,689	37,286	40,277	10,246	10,408	11,330	11,843	11,278
Allowance for bad-debt expenses	(2,034)	(3,566)	(3,462)	(1,861)	(413)	(1,219)	(1,122)	(1,115)
Operating expenses	(16,560)	(19,043)	(21,384)	(5,936)	(5,613)	(5,995)	(5,895)	(6,534)
Income before income tax	12,095	14,677	15,431	2,449	4,382	4,116	4,826	3,629
Income tax expenses	(1,814)	(1,947)	(2,171)	(218)	(517)	(413)	(789)	(448)
Net Income	10,281	12,730	13,260	2,231	3,865	3,703	4,037	3,181
Attributable to owners of the company	10,205	11,908	13,265	2,379	3,856	3,801	4,080	3,150
Attribute to former business under control	0	759	146	0	0	0	0	0
Non-controlling interests	76	63	(151)	(148)	9	(98)	(43)	31

Note: Audit figures of Dec. 2017