玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 1Q 2018

April, 2018

Disclaimer

This Presentation is provided by E.SUN Financial Holding Co., Ltd. ('E.SUN FHC'). E.SUN makes no guarantee or warranties as to the accuracy or correctness of all the material contained. After this presentation is released to the public, we undertake no obligation to update any relevant data to reflect any change hereafter.

This presentation may contain forward-looking statements. Statements that are not historical facts, including statements relating to the implementation of strategic initiatives, future business development and economic performance are forward-looking statements. Those statements involve uncertainties, risks, assumptions and other factors that could cause actual developments and results to differ materially from our statement in this presentation.

Agenda

- 2018 Q1 Financial Performance
- 2018 Q1 Business Operation Overview

E.SUN FHC Summary

Unit : NT$ million

		2018.03 /1	2017.12
Total Assets	FHC	2,128,427	2,074,388
	Bank	2,110,904	2,056,337
	Securities	15,586	15,411
	Venture Capital	3,756	3,419
Key Financials	Book value per share (NT$)	15.12	14.61
	Double Leverage Ratio	104.44%	104.46%
	FHC CAR	143.69%	143.69%
Distribution Channels	Bank – domestic	138	138
	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	18

Note: 1. Preliminary figures of Mar. 2018
2. Share owned by QFII: 44.30%, as of Mar. 2018

1Q18 Business and Financial Review

Financial Performance

- Net profits for 1Q18 was NT$4.7 billion, a 25.2% YoY growth; net revenue grew by 18.2%, YoY.
- EPS NT$0.46, ROE 12.34%, ROA 0.89%.

Business Operation

- Net interest income and net fee income increased by 6.0% and 18.0% respectively. (yoy)
- Fee income growth was driven by wealth management (+36.2%) and credit card (+8.6%). (yoy)
- Cross border platform boosted growth of FCY deposit (+24.8%) and FCY loan (+14.9%). (yoy)
- Asset quality maintained stable with NPL ratio at 0.24% and coverage ratio at 488.6%.

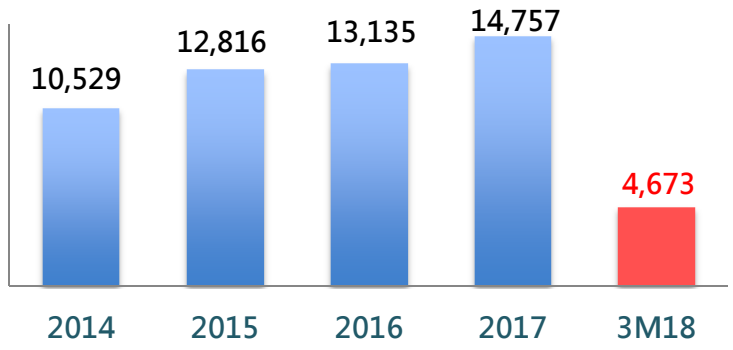
Highlights

- **Balanced dividend policy:** The Board of Directors approved to pay NT $1.2252/per share, which includes $0.6126 in cash and $0.6126 in stock (subject to decision from the AGM on June 8th).
- **Brand Value:** Ranked 192th worldwide in Top 500 Banking Brand by The Banker. E.SUN is among **Top 10 brand value climbers of 2018**, with a 51% raise in brand value according to the research.
- **Sustainability:** Member of DJSI since 2014, including two times listing in DJSI World (2015, 2017) ; MSCI ESG rating AA, highest in Taiwan financial sector; Member of Equator Principal since 2015.

Financial Performance

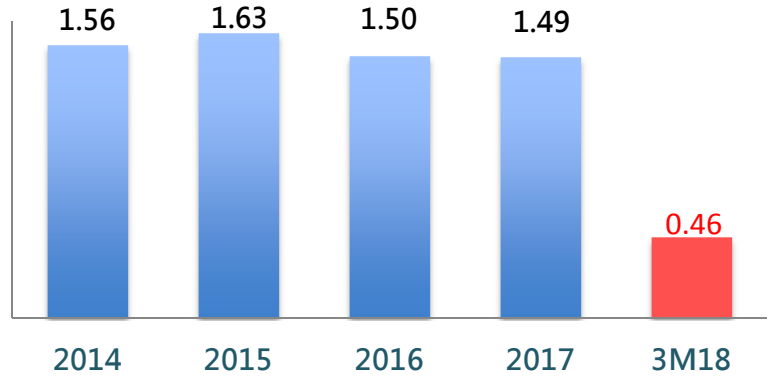
Net Profit

Unit: NT$ million

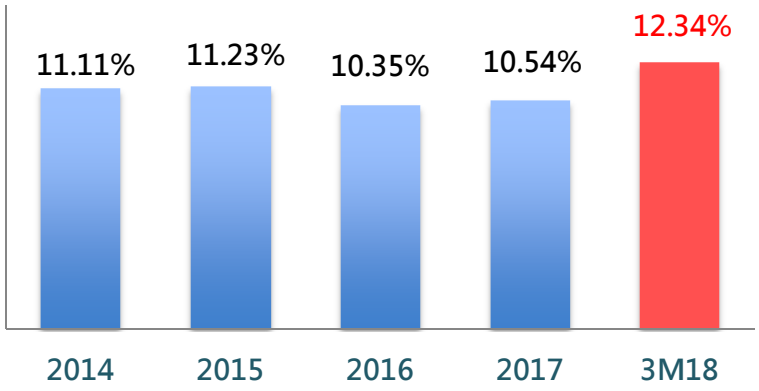


EPS

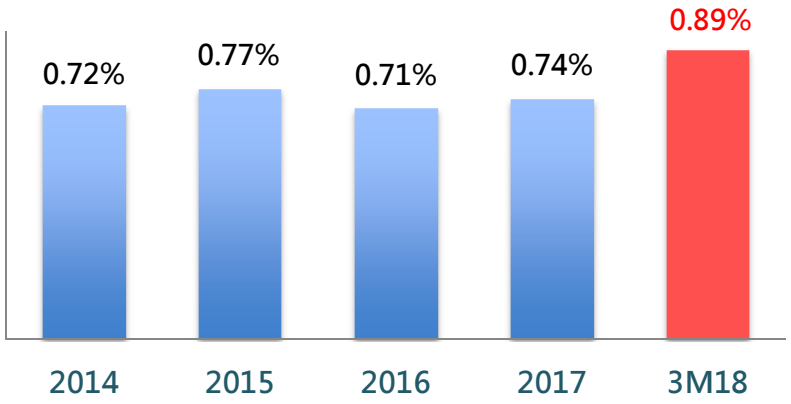
Unit: NT$ dollars



ROE



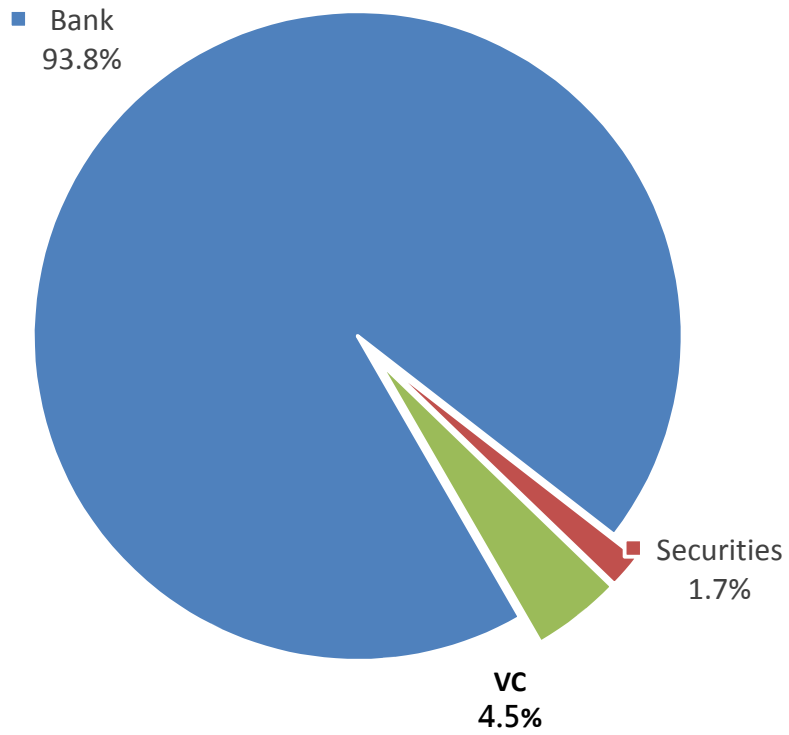
ROA



Note: Preliminary figures of Mar. 2018

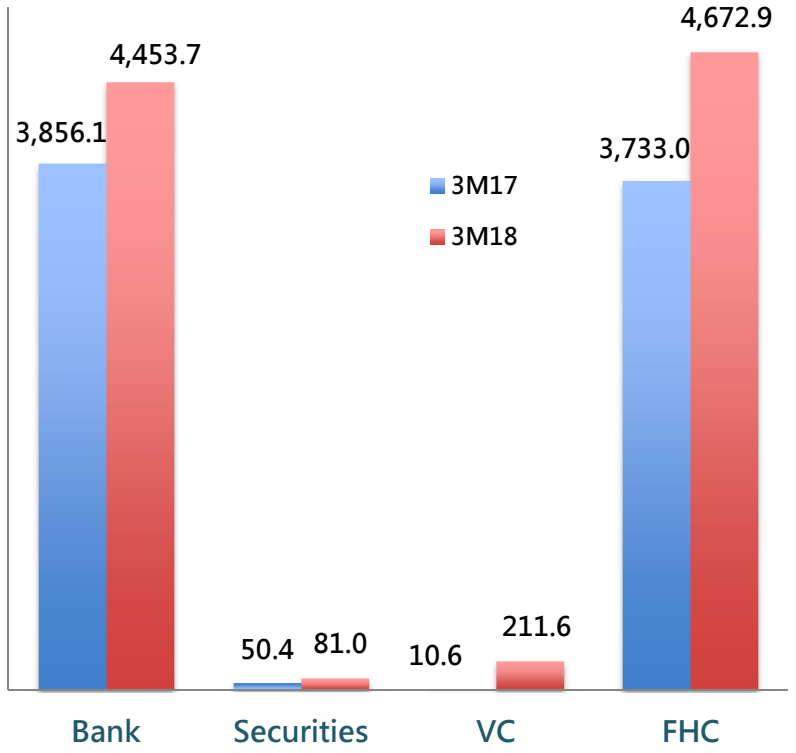
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million

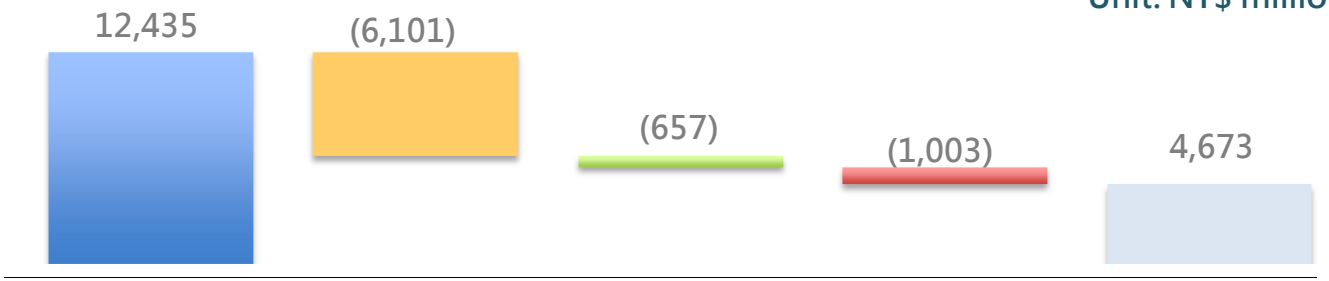


Note: Preliminary figures of Mar. 2018

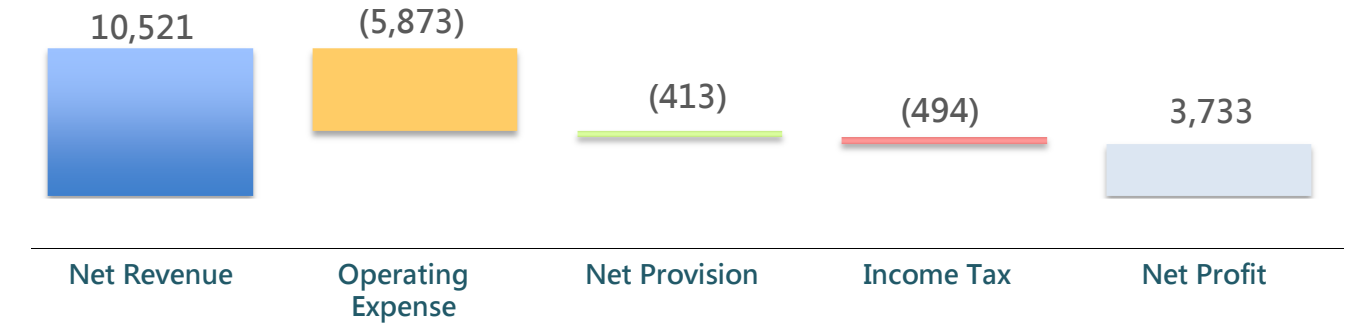
Net Profit Breakdown

3M18 P&L

Unit: NT$ million



3M17 P&L



+18.2%

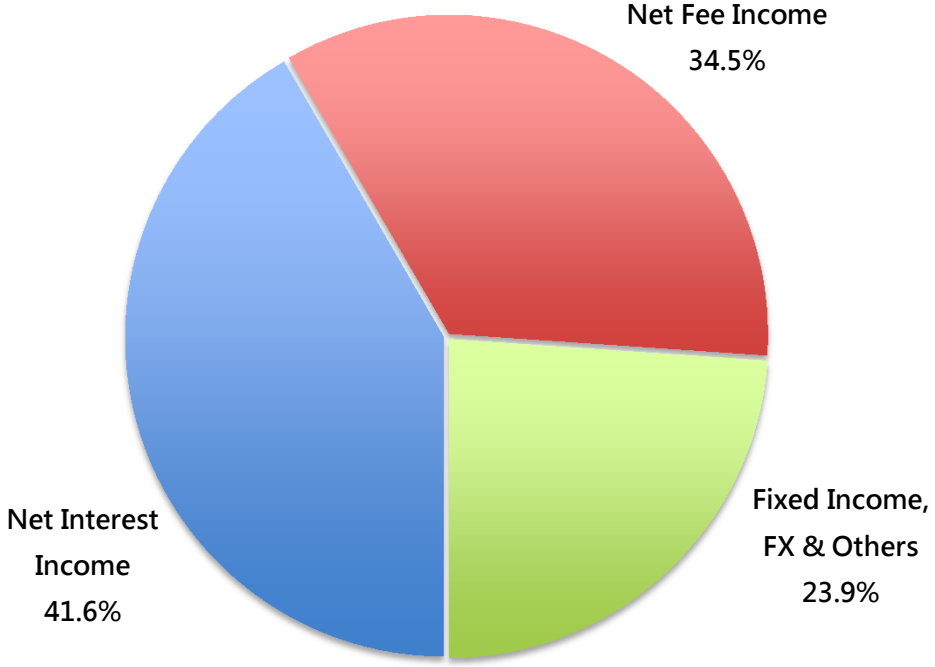
+3.9%

+25.2%

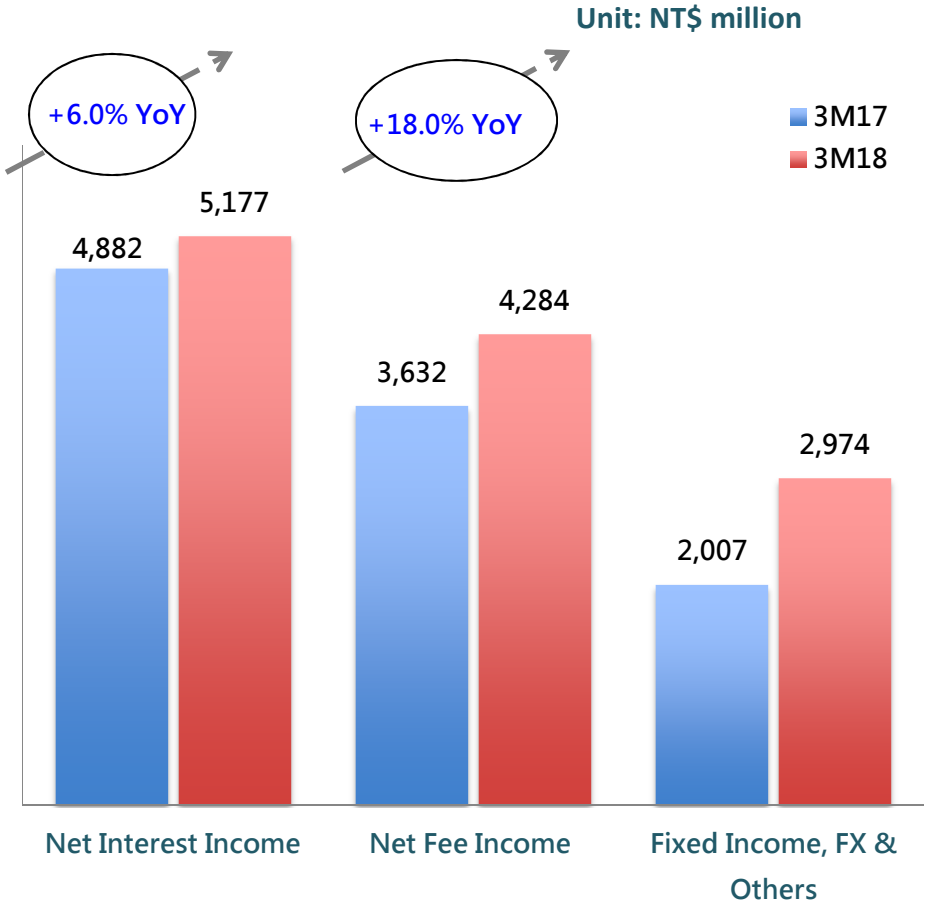
Note: Preliminary figures of Mar. 2018

FHC Revenue Breakdown

Total Net Revenue
NT$ 12,435 million



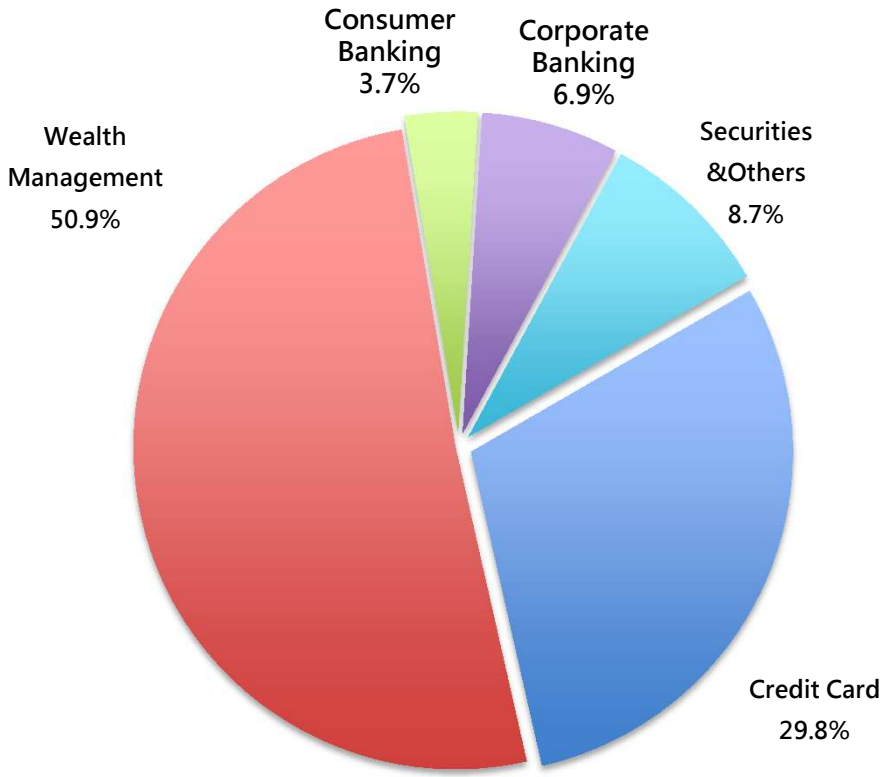
YoY Revenue Comparison



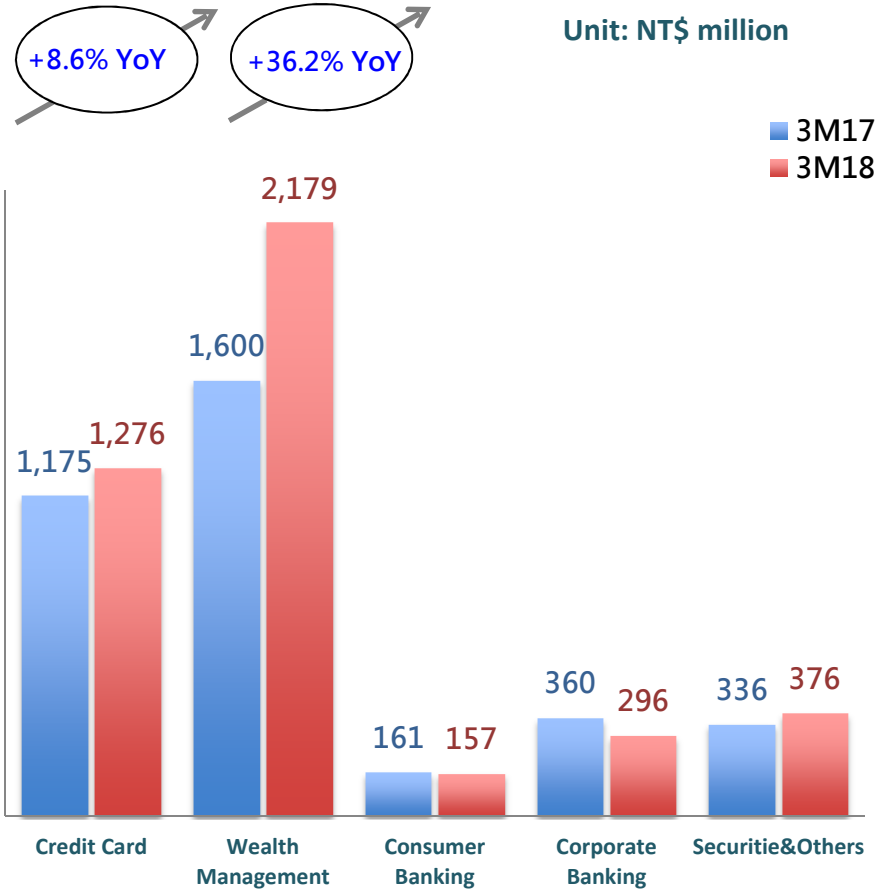
Note: Preliminary figures of Mar. 2018

Net Fee Income Breakdown

Total Net Fee Income
NT 4,284 million



YoY Comparison

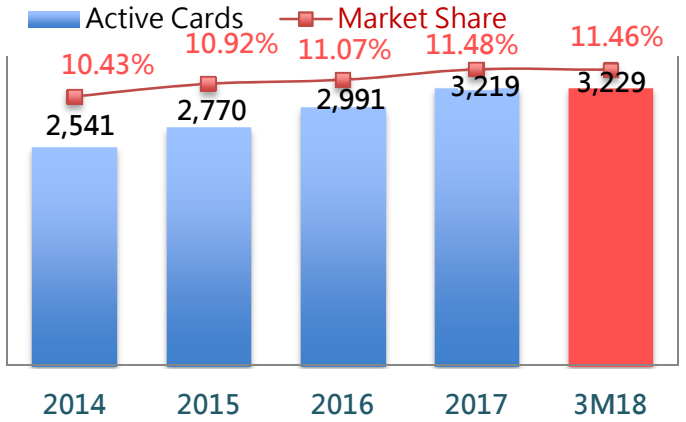


Note: Preliminary figures of Mar. 2018

Credit Card Business Breakdown

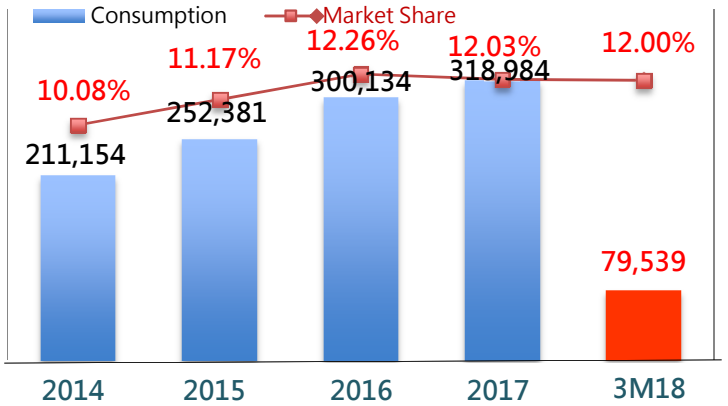
Active Cards

Unit: Thousand Cards, %



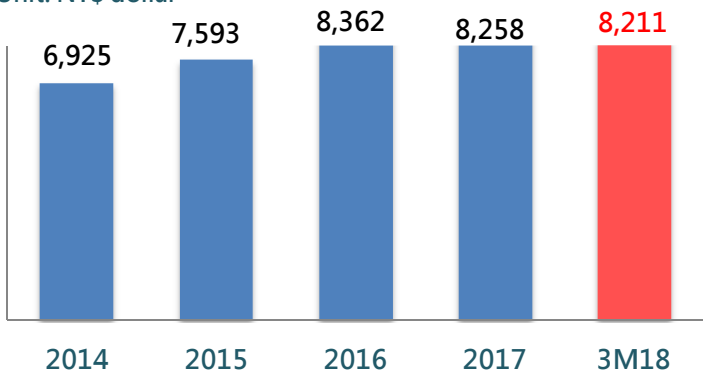
Card Consumption

Unit: NT$ million



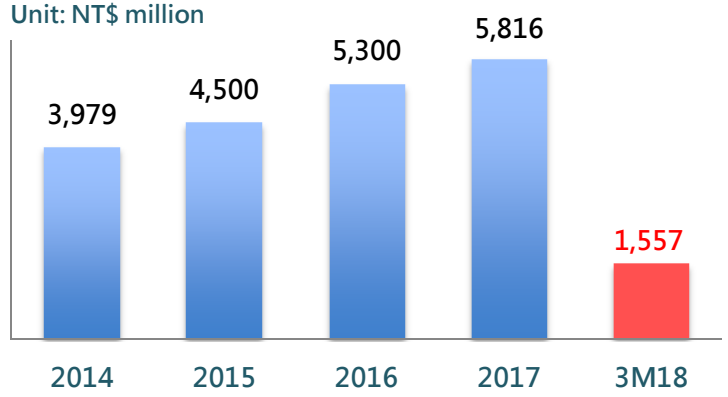
Per Card Spending (Monthly)

Unit: NT$ dollar



Gross Fee Income

Unit: NT$ million



Deposit and Loan Structure

Unit: NT$ Bn

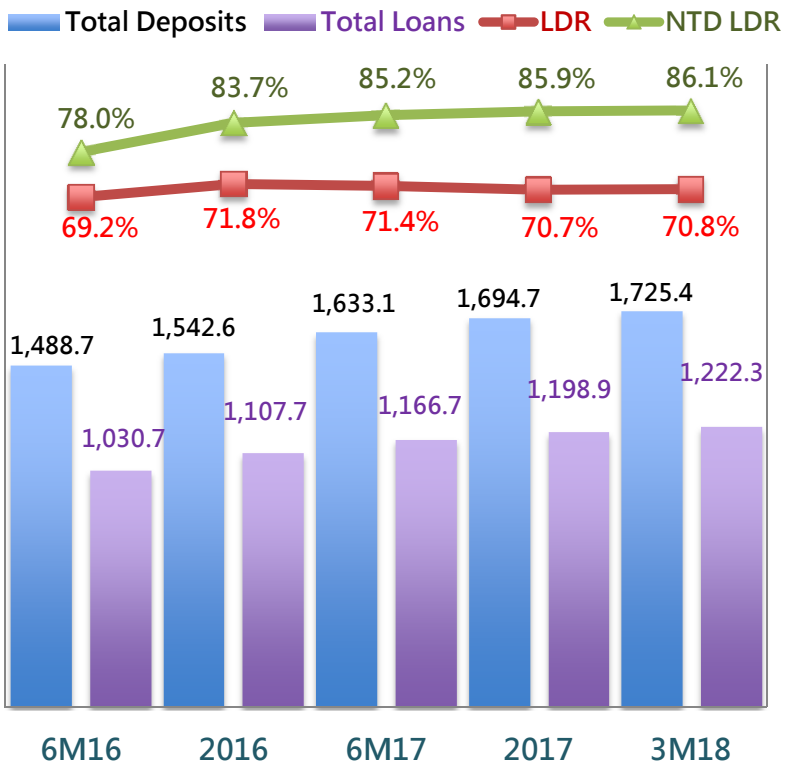
Category	2018.3	YTD Growth %	2017	2017 Growth %	2016
Total Deposits	1,725.4	1.8%	1,694.7	9.9%	1,542.6
Demand Deposits	758.7	1.5%	747.4	3.1%	725.2
Time Deposits	437.4	0.6%	434.6	2.7%	423.3
FCY Deposits	529.4	3.3%	512.7	30.2%	394.0
Total Loans [1/]	1,222.3	2.0%	1,198.9	8.2%	1,107.7
Corporate Loans	621.7	2.9%	604.2	9.4%	552.3
SME Loans	336.3	3.0%	326.6	11.1%	294.0
FCY Loans	192.7	2.7%	187.7	16.5%	161.1
Consumer Loans	600.6	1.0%	594.7	7.1%	555.5
Mortgage Loan	241.3	1.3%	238.2	3.7%	229.6
Unsecured Personal Loan	96.1	-0.9%	97.0	6.6%	91.0
Credit Card Revolving Balance	12.1	-0.8%	12.2	6.1%	11.5

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

Deposit Structure

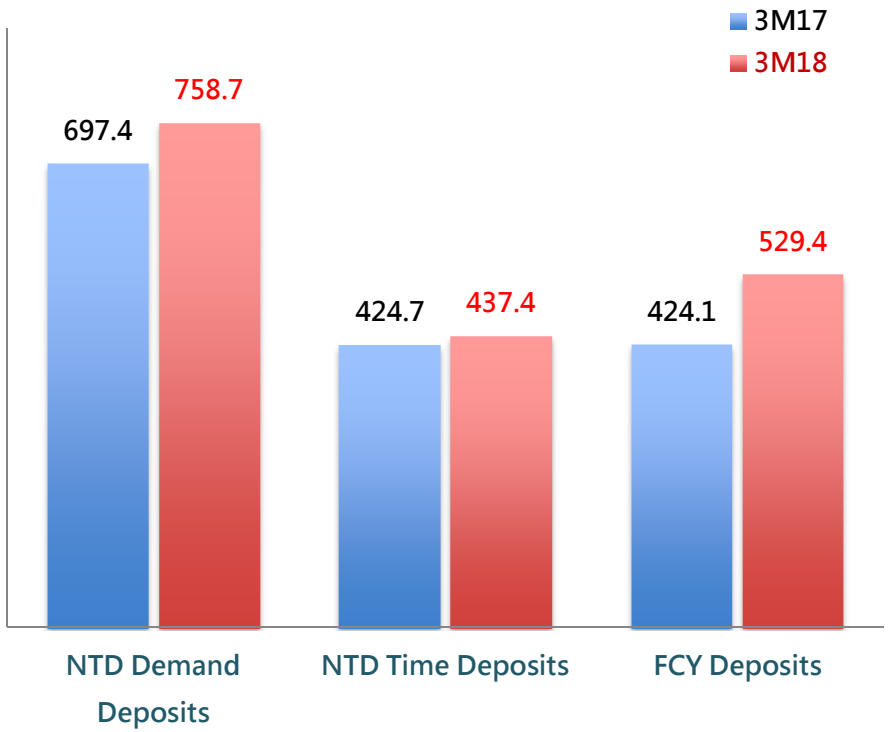
Loan to Deposit Ratio

Unit: NT$ Bn



Deposit Structure

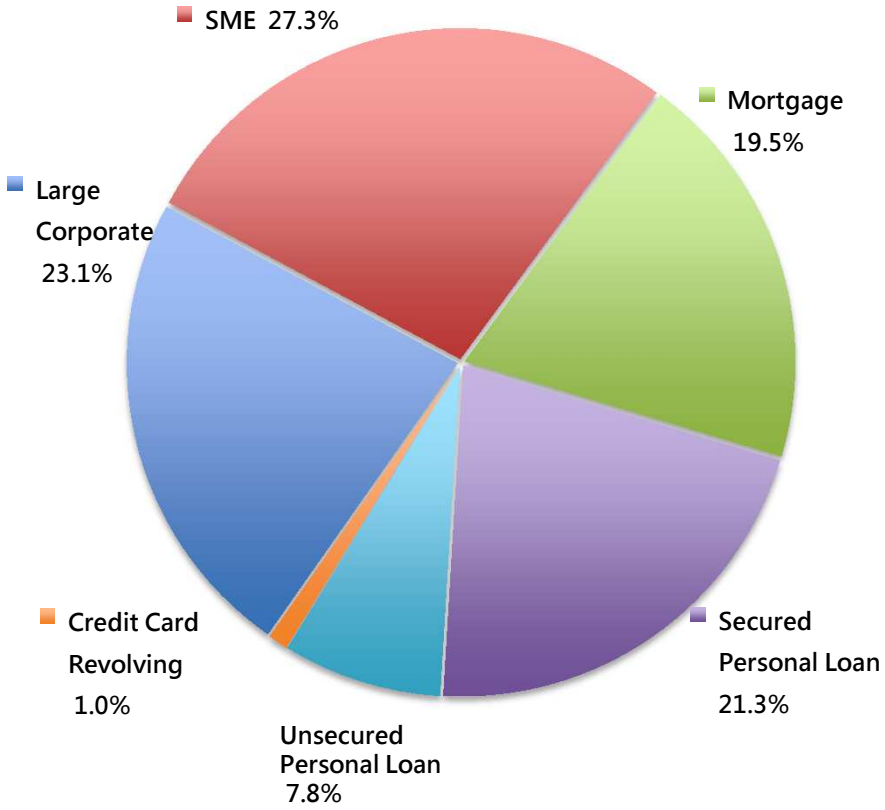
Unit: NT$ Bn



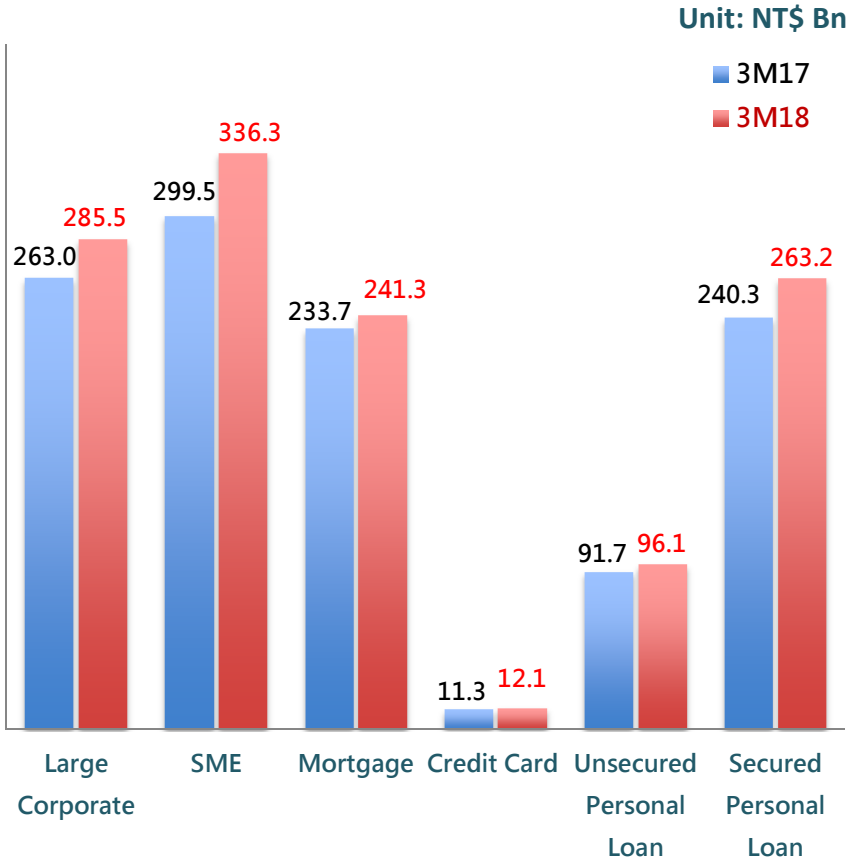
Note: 1. Excluded Credit card revolving balance
2. Data of E.SUN Bank
3. Excluded deposit and loan of subsidiaries

Loan Portfolio Breakdown

Total Loan
NT$ 1,234.4 billion



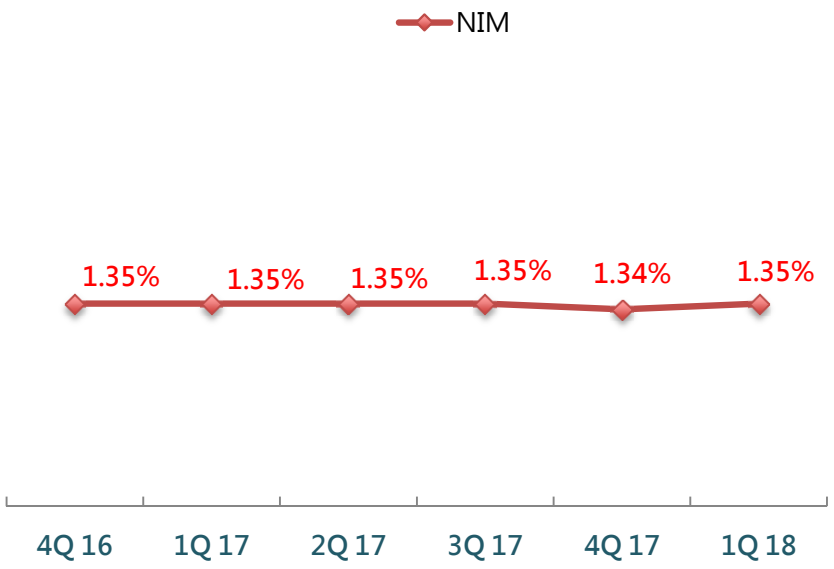
YoY Comparison



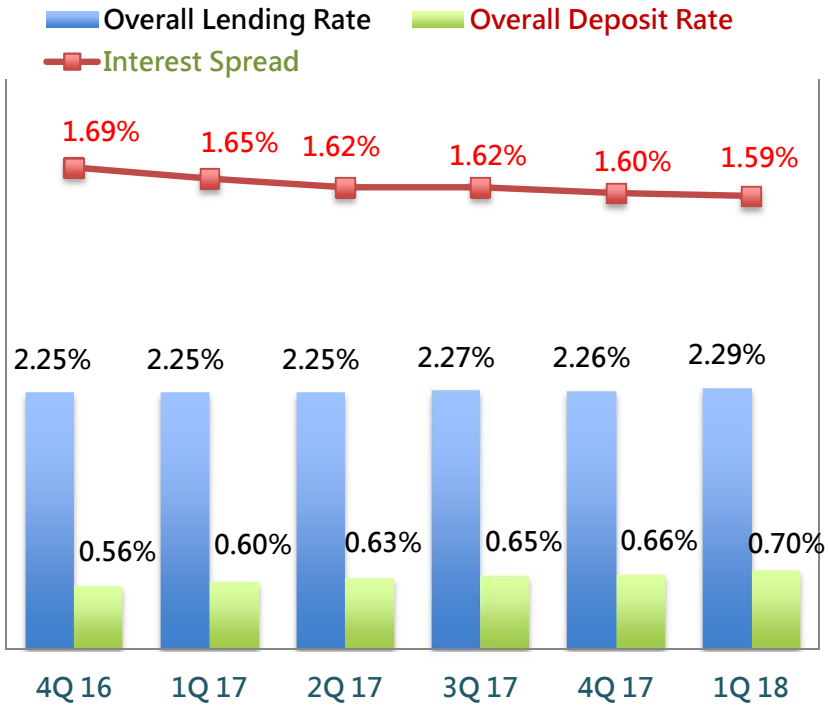
Note: 1. Secured Personal Loan is fully collateralized by fixed asset
2. Excluded loan of subsidiaries

NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread

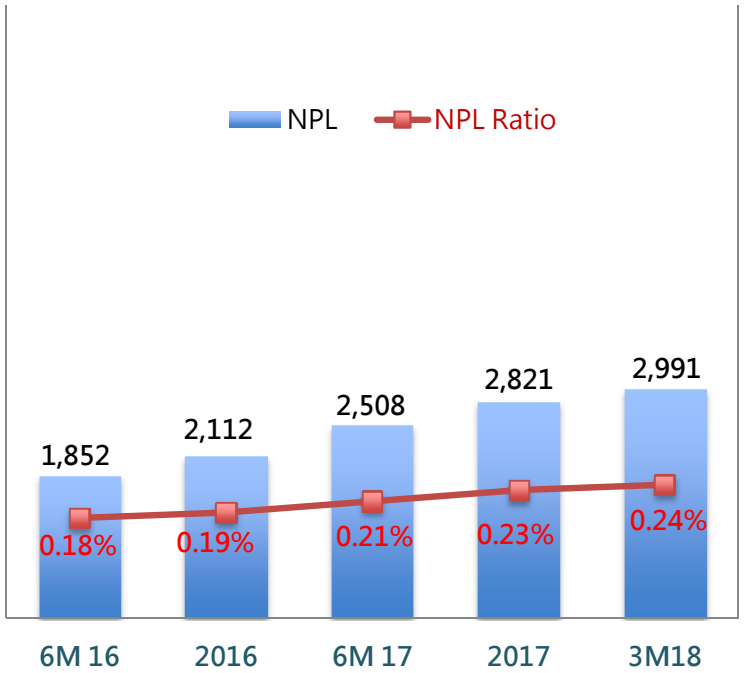


Note: Data of E.SUN Bank

Superior Asset Quality 1/3

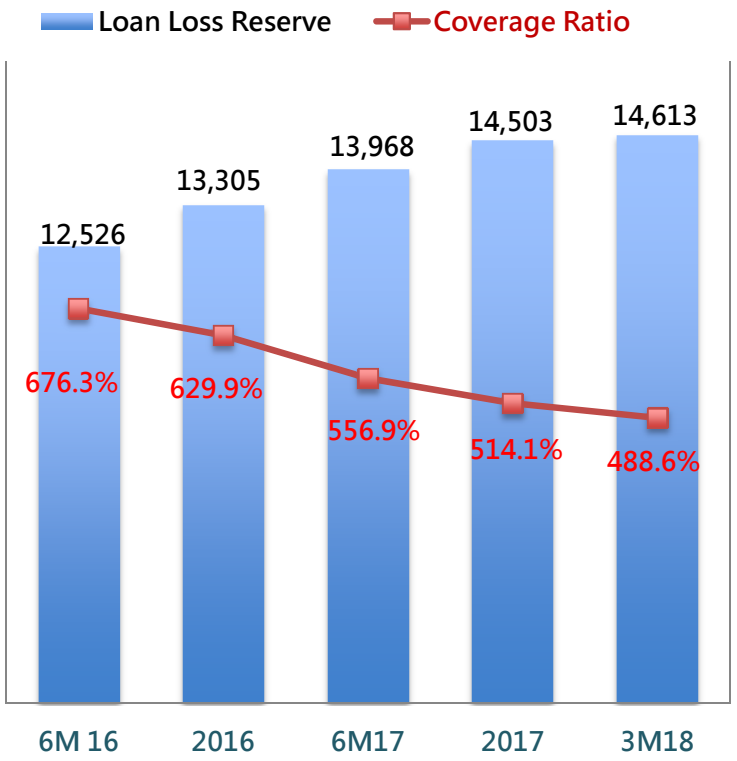
NPL Ratio(%)

Unit: NT$ million



Coverage Ratio(%)

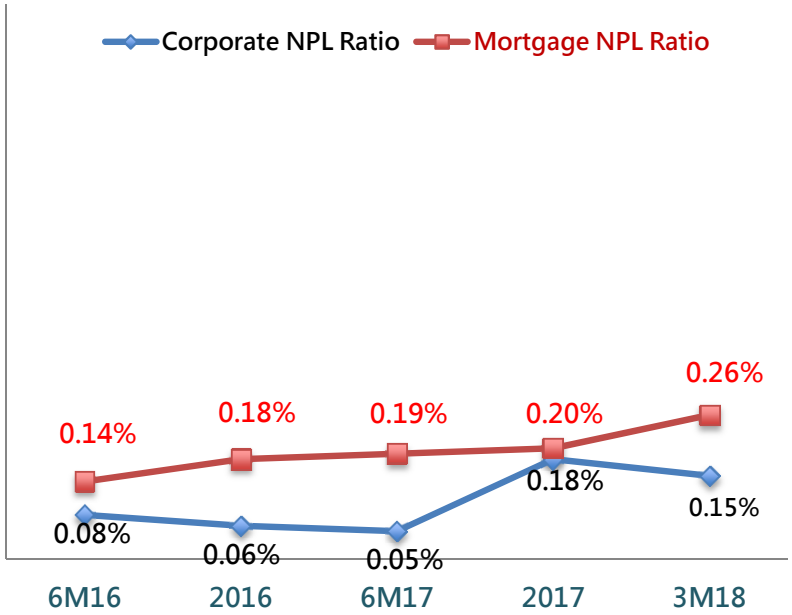
Unit: NT$ million



Note: Data of E.SUN Bank

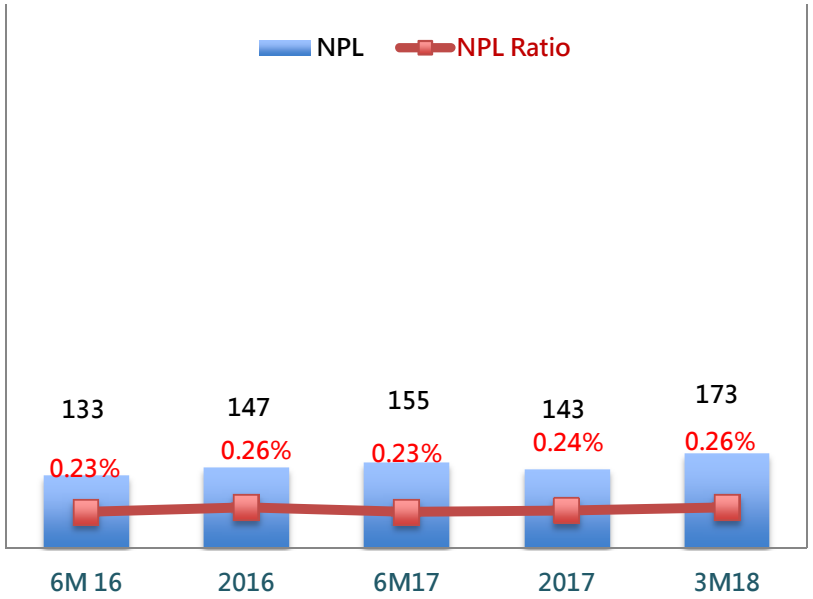
Superior Asset Quality 2/3

NPL Ratio for Major Products



NPL Ratio for Credit Card

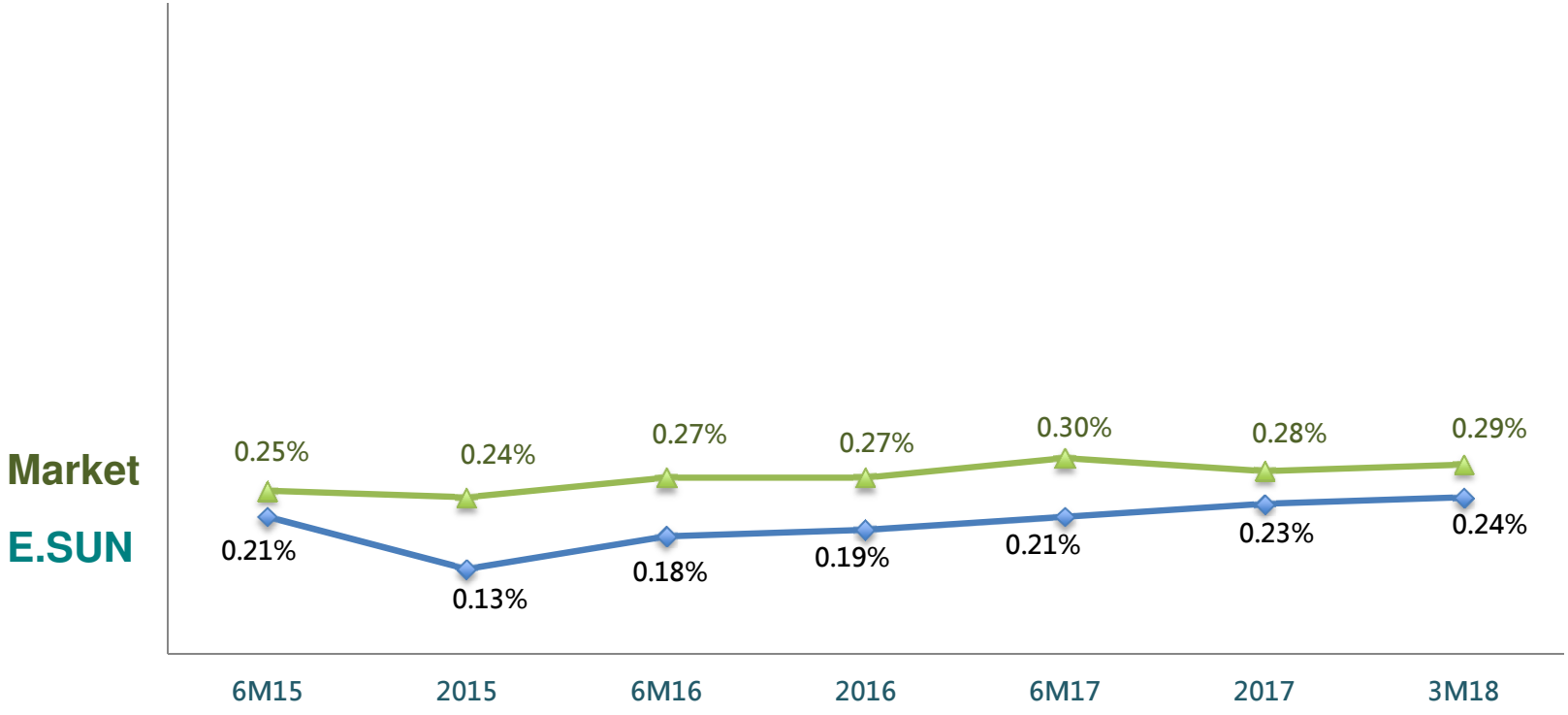
Unit: NT$ million



Note: Data of E.SUN Bank

Superior Asset Quality 3/3

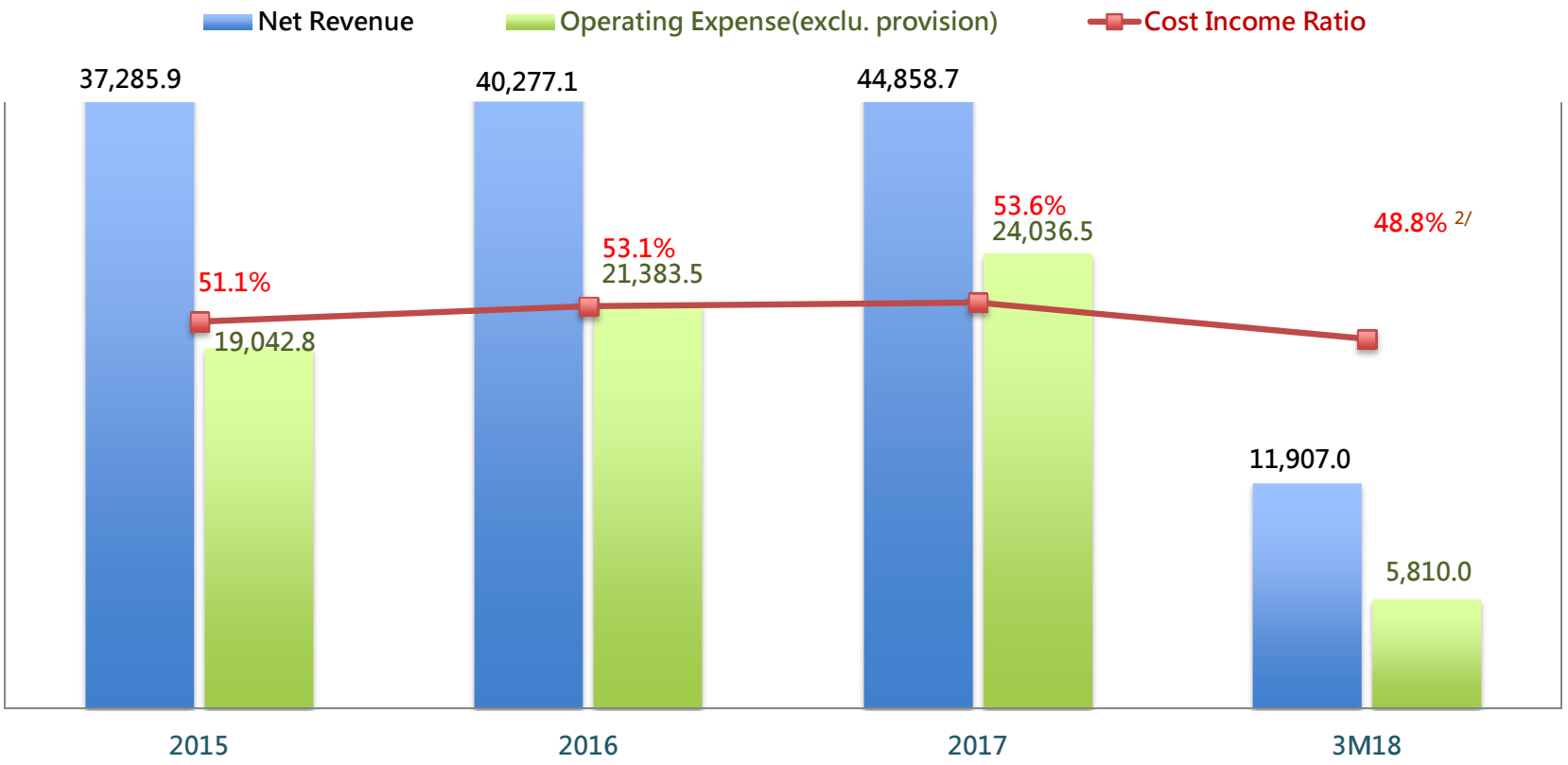
NPL Comparison with Market



Source : FSC, Market NPL as of Feb. 18

Cost-Income Ratio

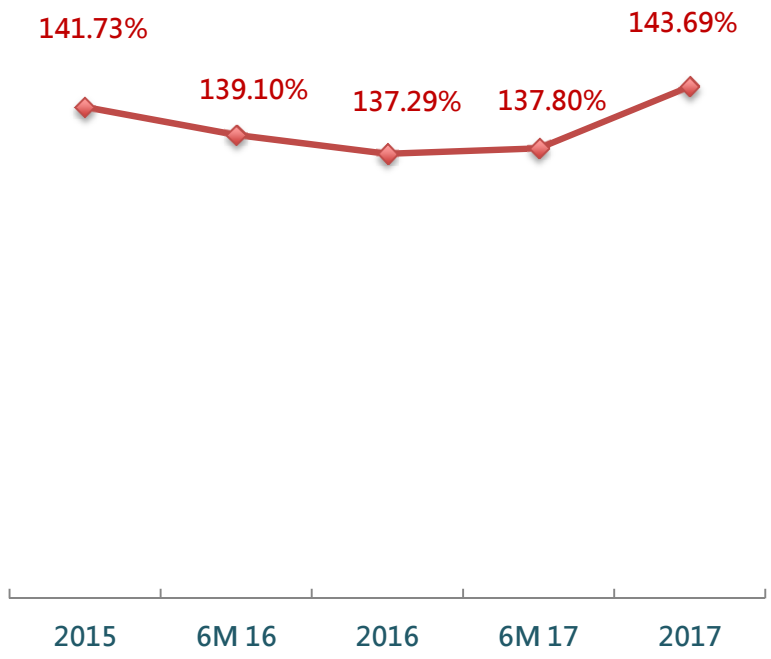
Unit: NT$ million



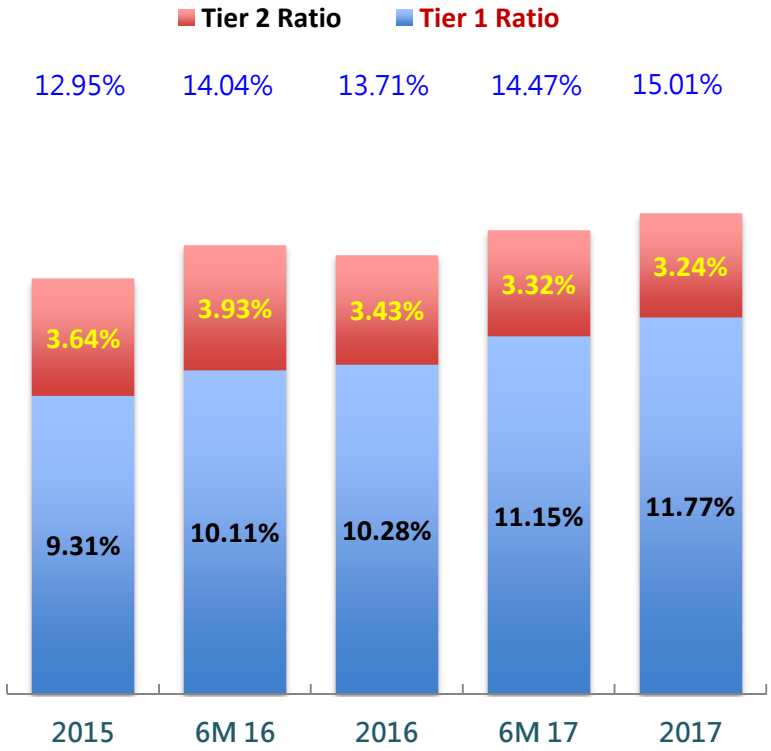
Note: 1. Data of E.SUN Bank
2. Preliminary figures of Mar. 2018

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 1Q2018 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	139,815	952	47	47	139,546
Securities, net	603,248	1,238	3,292	52	608,023
Loans, net	1,234,658	0	0	0	1,234,658
A/R, net	76,427	10,822	0	119	87,249
Land, premises and equipments, net	27,700	335	0	25	28,061
Others	29,056	2,239	417	162,864	30,890
Total assets	2,110,904	15,586	3,756	163,107	2,128,427
Liabilities:					
Deposits	1,743,753	0	0	0	1,743,753
Other liabilities	215,012	10,585	13	9,128	230,581
Total liabilities	1,958,765	10,585	13	9,128	1,974,334
Total stockholders' equity	152,139	5,001	3,743	153,979	154,093
Total equity attributable to owners of the company	152,024	5,001	3,743	153,979	153,979
Non-Controlling interests	115	0	0	0	114
Total liabilities andstockholders' equity	2,110,904	15,586	3,756	163,107	2,128,427

Note: Preliminary figures of Mar. 2018

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 1Q2018

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	5,105	92	1	(21)	5,177
Net fee income	4,037	248	0	0	4,284
Net trading income/(loss) & Derivatives & FX	2,681	(4)	216	0	2,893
Others	84	21	0	4,777	81
Total Net Revenues	11,907	357	217	4,756	12,435
Allowance for bad-debt expenses	(657)	0	0	0	(657)
Operating expenses	(5,810)	(261)	(6)	(80)	(6,101)
Income before income tax	5,440	96	211	4,676	5,677
Income tax expenses	(985)	(15)	1	(3)	(1,003)
Net Income	4,455	81	212	4,673	4,674
Attributable to owners of the company	4,454	81	212	4,673	4,673
Non-controlling interests	1	0	0	0	1

Note: Preliminary figures of Mar. 2018

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18
Assets：								
Cash and due from banks	104,113	99,545	131,175	102,784	116,834	128,633	131,175	139,546
Securities, net	469,508	502,761	577,285	522,736	545,379	554,518	577,285	608,023
Loans, net	1,021,995	1,118,149	1,211,071	1,137,049	1,176,465	1,201,528	1,211,071	1,234,658
A/R, net	78,562	83,936	94,083	78,011	96,306	92,277	94,083	87,249
Land, premises and equipments, net	26,792	26,440	28,209	26,864	27,367	27,702	28,209	28,061
Others	74,314	53,469	32,565	51,564	34,902	32,959	32,565	30,890
Total assets	1,775,284	1,884,300	2,074,388	1,919,008	1,997,253	2,037,617	2,074,388	2,128,427
Liabilities:								
Deposits	1,456,394	1,556,422	1,711,175	1,556,075	1,637,597	1,675,686	1,711,175	1,743,753
Other liabilities	197,229	198,697	214,265	229,950	216,485	216,066	214,265	230,581
Total liabilities	1,653,623	1,755,119	1,925,440	1,786,025	1,854,082	1,891,752	1,925,440	1,974,334
Total stockholders' equity	122,661	129,181	148,948	132,983	143,171	145,865	148,948	154,093
Total equity attributable to owners of the company	120,927	128,524	148,842	132,350	142,642	145,761	148,842	153,979
Non-Controlling interests	734	657	106	633	529	104	106	114
Total liabilities and stockholders' equity	1,775,284	1,884,300	2,074,388	1,919,008	1,997,253	2,037,617	2,074,388	2,128,427

Note: Preliminary figures of Mar. 2018

Appendix 4/6

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

NT$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	1Q17	2Q17	3Q17	4Q17	1Q18
Operating income								
Net interest income	17,474	18,585	20,250	4,882	4,994	5,200	5,174	5,177
Net Fee income	13,878	15,548	15,776	3,632	3,971	4,273	3,900	4,284
Net trading income/(loss) & Derivatives & FX	7,378	6,586	9,733	2,014	2,588	2,613	2,518	2,893
Others	(241)	345	348	(7)	119	127	109	81
Total Net Revenues	38,489	41,064	46,107	10,521	11,672	12,213	11,701	12,435
Allowance for bad-debt expenses	(3,566)	(3,463)	(4,055)	(413)	(1,347)	(1,124)	(1,171)	(657)
Operating expenses	(20,138)	(22,396)	(25,179)	(5,872)	(6,269)	(6,221)	(6,817)	(6,101)
Income before income tax	14,785	15,205	16,873	4,236	4,056	4,868	3,713	5,677
Income tax expenses	(1,906)	(2,222)	(2,219)	(494)	(369)	(848)	(508)	(1,003)
Net Income	12,879	12,983	14,654	3,742	3,687	4,020	3,205	4,674
Income Attributable to owners of the company	12,816	13,135	14,757	3,733	3,785	4,063	3,176	4,673
Non-Controlling interests	63	(152)	(103)	9	(98)	(43)	29	1

Note: Preliminary figures of Mar. 2018

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18
Assets：								
Cash and due from banks	103,947	99,446	131,042	102,726	116,776	128,589	131,042	139,815
Securities, net	467,481	501,867	575,980	521,557	550,216	553,592	575,980	603,248
Loans, net	1,021,995	1,118,149	1,211,071	1,137,049	1,176,465	1,201,528	1,211,071	1,234,658
A/R, net	71,523	75,992	83,130	68,975	86,792	82,483	83,130	76,427
Land, premises and equipments, net	26,156	25,785	27,559	26,214	26,732	27,047	27,559	27,700
Others	69,528	48,892	27,555	46,743	23,989	27,490	27,555	29,056
Total assets	1,760,630	1,870,131	2,056,337	1,903,264	1,980,970	2,020,729	2,056,337	2,110,904
Liabilities:								
Deposits	1,457,201	1,558,856	1,712,072	1,559,579	1,643,182	1,676,538	1,712,072	1,743,753
Other liabilities	185,171	184,241	197,007	213,013	196,693	200,211	197,007	215,012
Total liabilities	1,642,372	1,743,097	1,909,079	1,772,592	1,839,875	1,876,749	1,909,079	1,958,765
Total stockholders' equity	118,258	127,034	147,258	130,672	141,095	143,980	147,258	152,139
Total equity attributable to owners of the company	116,391	126,371	147,145	130,033	140,560	143,869	147,145	152,024
Non-Controlling interests	1,133	663	113	639	535	111	113	115
Attribute to former business under control	734	0	0	0	0	0	0	0
Total liabilities and stockholders' equity	1,760,630	1,870,131	2,056,337	1,903,264	1,980,970	2,020,729	2,056,337	2,110,904

Note: Preliminary figures of Mar. 2018

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results			Quarterly Results				
	2015	2016	2017	1Q17	2Q17	3Q17	4Q17	1Q18
Operating income								
Net interest income	17,253	18,419	20,015	4,840	4,936	5,132	5,107	5,105
Net Fee income	13,190	14,939	14,903	3,460	3,780	4,021	3,642	4,037
Net trading income/(loss) & Derivatives & FX	6,522	6,575	9,604	2,083	2,487	2,576	2,458	2,681
Others	321	344	337	25	127	114	71	84
Total Net Revenues	37,286	40,277	44,859	10,408	11,330	11,843	11,278	11,907
Allowance for bad-debt expenses	(3,566)	(3,462)	(3,869)	(413)	(1,219)	(1,122)	(1,115)	(657)
Operating expenses	(19,043)	(21,384)	(24,037)	(5,613)	(5,995)	(5,895)	(6,534)	(5,810)
Income before income tax	14,677	15,431	16,953	4,382	4,116	4,826	3,629	5,440
Income tax expenses	(1,947)	(2,171)	(2,167)	(517)	(413)	(789)	(448)	(985)
Net Income	12,730	13,260	14,786	3,865	3,703	4,037	3,181	4,455
Income Attributable to owners of the company	11,908	13,265	14,887	3,856	3,801	4,080	3,150	4,454
Attribute to former business under control	759	146	0	0	0	0	0	0
Non-Controlling interests	63	(151)	(101)	9	(98)	(43)	31	1

Note: Preliminary figures of Mar. 2018