玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 3Q13

Oct. 2013

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Agenda

- 9M 2013 Financial Performance
- 9M 2013 Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		Sep 2013	2012
Total Assets	FHC	1,331,926	1,244,097
	Bank	1,321,572	1,235,889
	Securities	8,869	6,007
	Insurance Brokers	574	833
	Venture Capital	2,309	1,586
Key Financials	Book value per share (NT$)	14.55	15.00
	Double Leverage Ratio	108.05%	107.95%
	FHC CAR	132.54%	144.50%
Shareholder Structure	QFII	52.95%	40.50%
Distribution Channels	Bank – domestic	132	132
	Oversea channels	Branch in HK, LA, Singapore, Donguan (China) Subsidiary UCB, Cambodia Representation office in Vietnam, Myanmar	
	Securities - branches	21	21

Note: as of 30th of Sep. 2013

3Q 2013 Business and Financial Review

• Continue Delivering Growth in Net Revenue

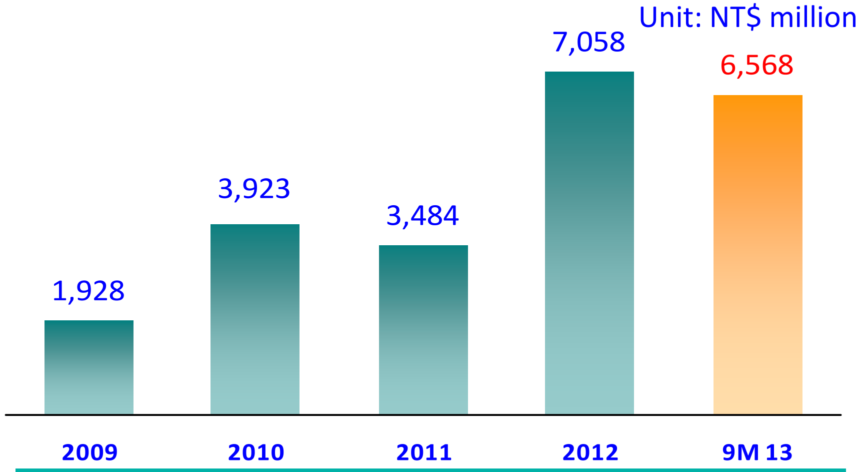
- E.SUN FHC reported a net profit of NT$6.57 billion for 9M13, which is 16% higher comparing to the same period last year. EPS is NT$1.19 and annualized ROE and ROA reached 11.23% and 0.68% respectively for 9M13, showing a strong momentum in profit growth.
- Fee income, as the main contribution to the profit growth, enjoyed a high growth rate of 20.4% in 9M13 led by Wealth Management and Credit Card Business.
- A strong growth in loan volume with YTD growth rate of 9.4% while NIM remains unchanged.
- Demand deposit has growth 9.1% for first 9 month, which improved the NTD demand deposit proportion from 52.6% of 2012 to 54.8% of 9M13 and stabilize the funding cost.

• Maintain Superior Asset Quality

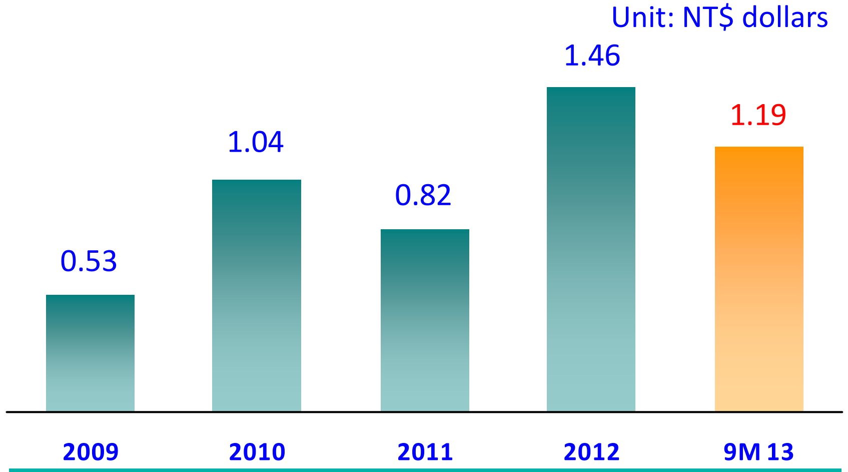
- Asset quality remains stable. By Sep. 2013, the overall NPL ratio was only 0.21%, and fulfill the general provision requirement.

Financial Performance

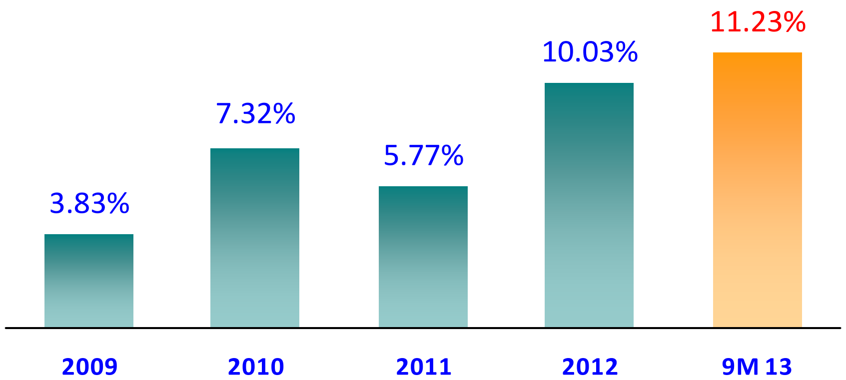
Net Profit



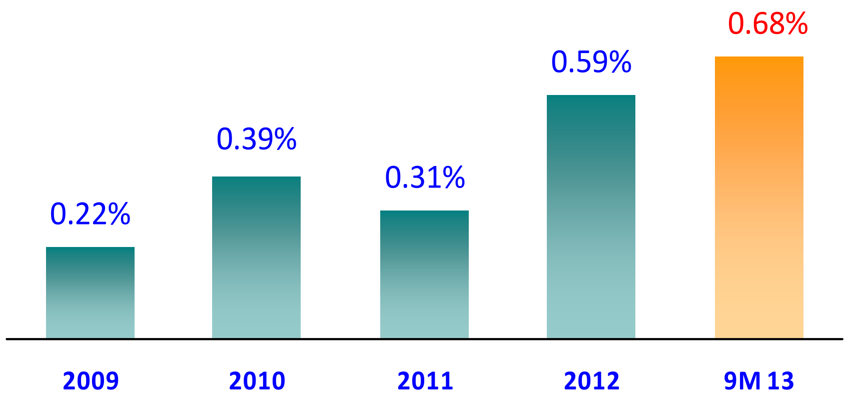
EPS



ROE



ROA

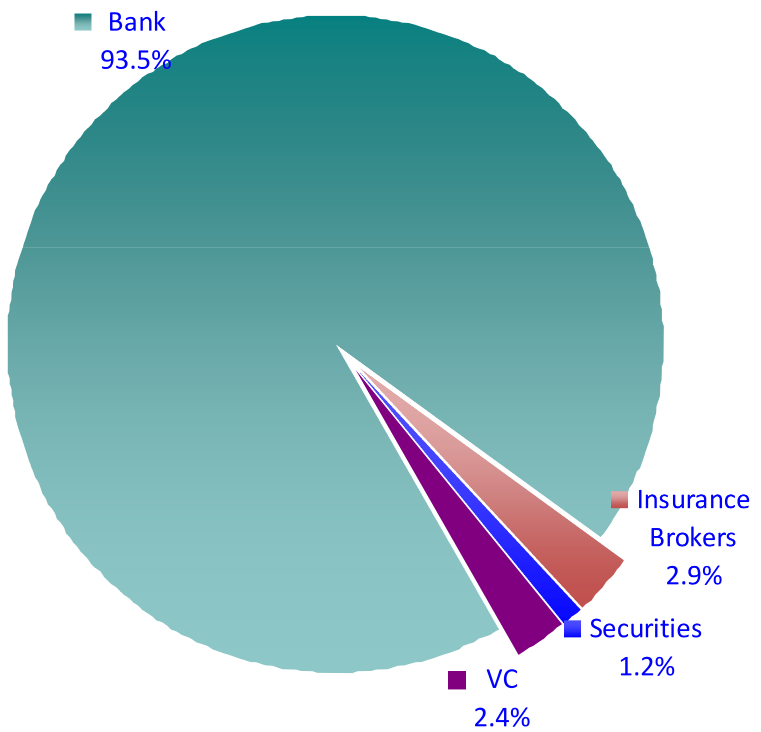


Note1: ROE and ROA are annualized

Note2: Preliminary figures of Sep 2013

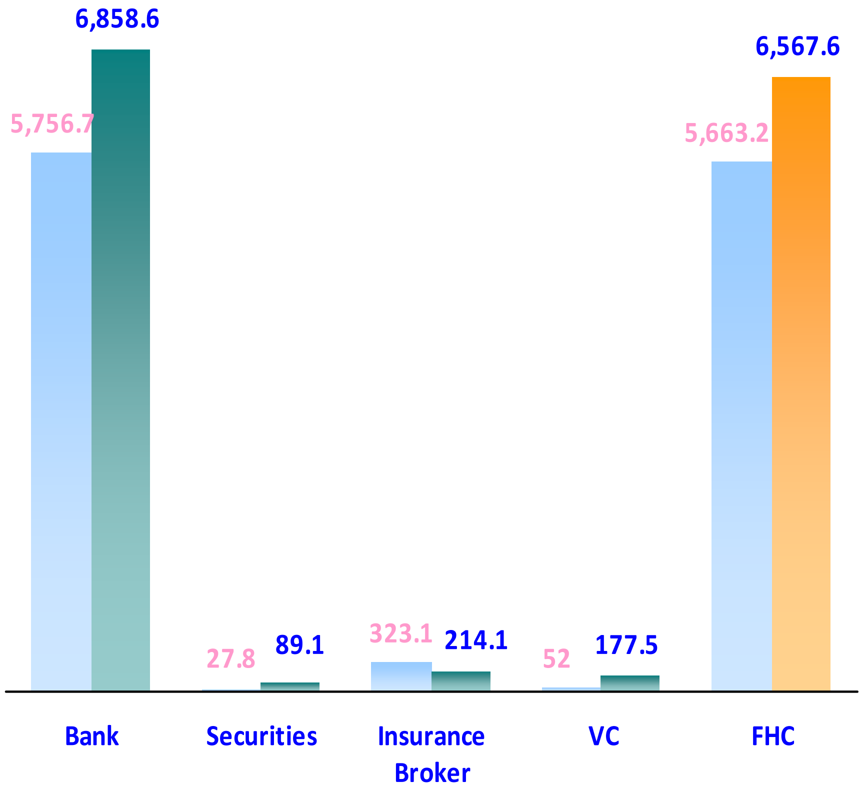
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million

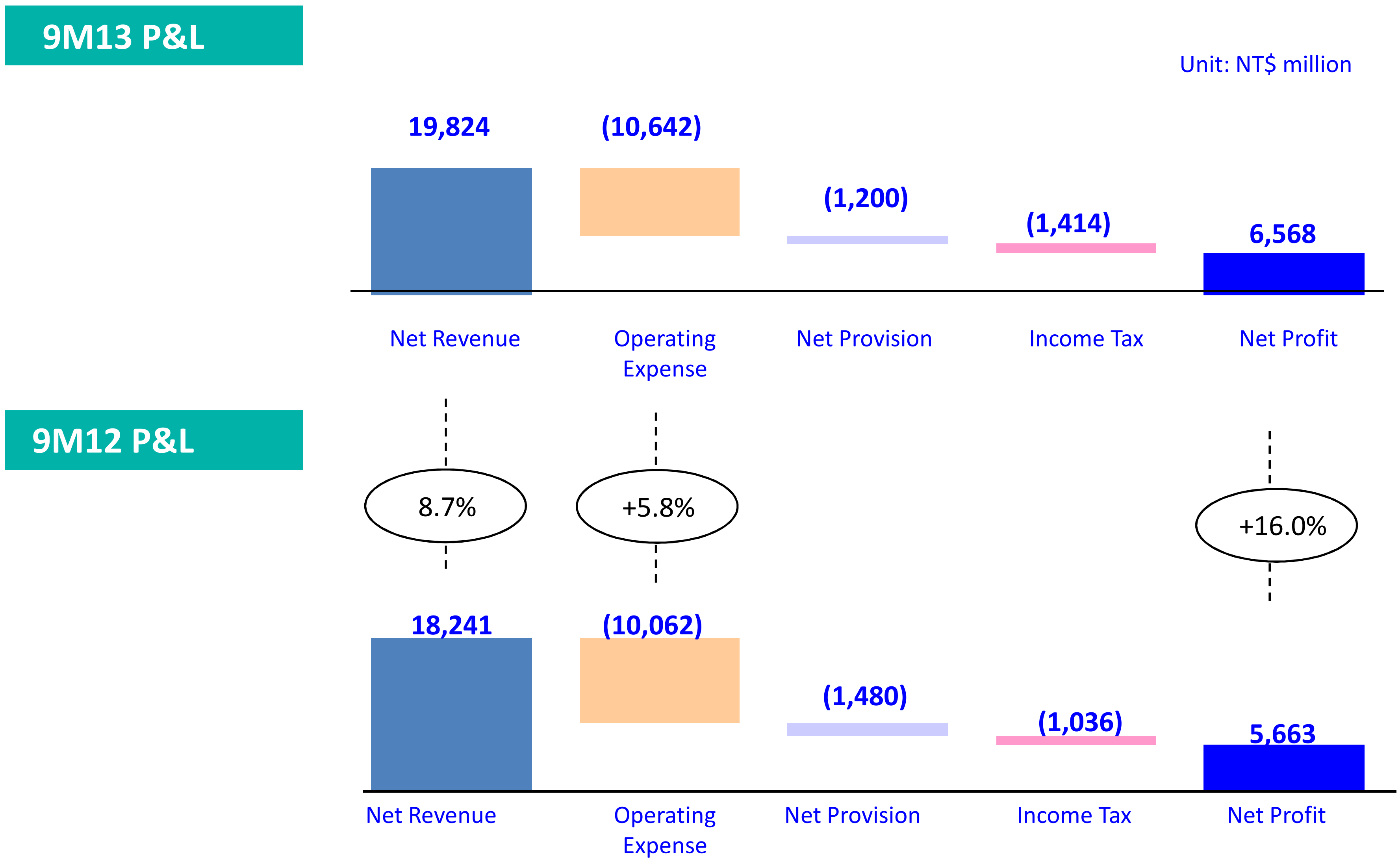


Note: 1. Preliminary figures of Sep. 2013

2. 1Q12 figures are pro forma under IFRS

Net Profit Breakdown

Unit: NT$ million

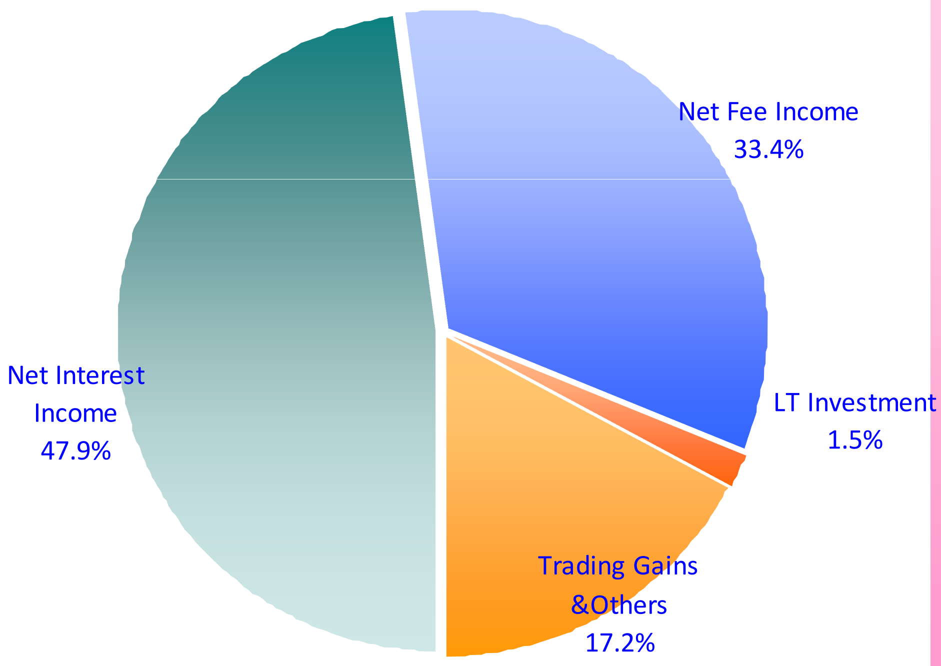


Note: 1. Preliminary figures of Sep. 2013

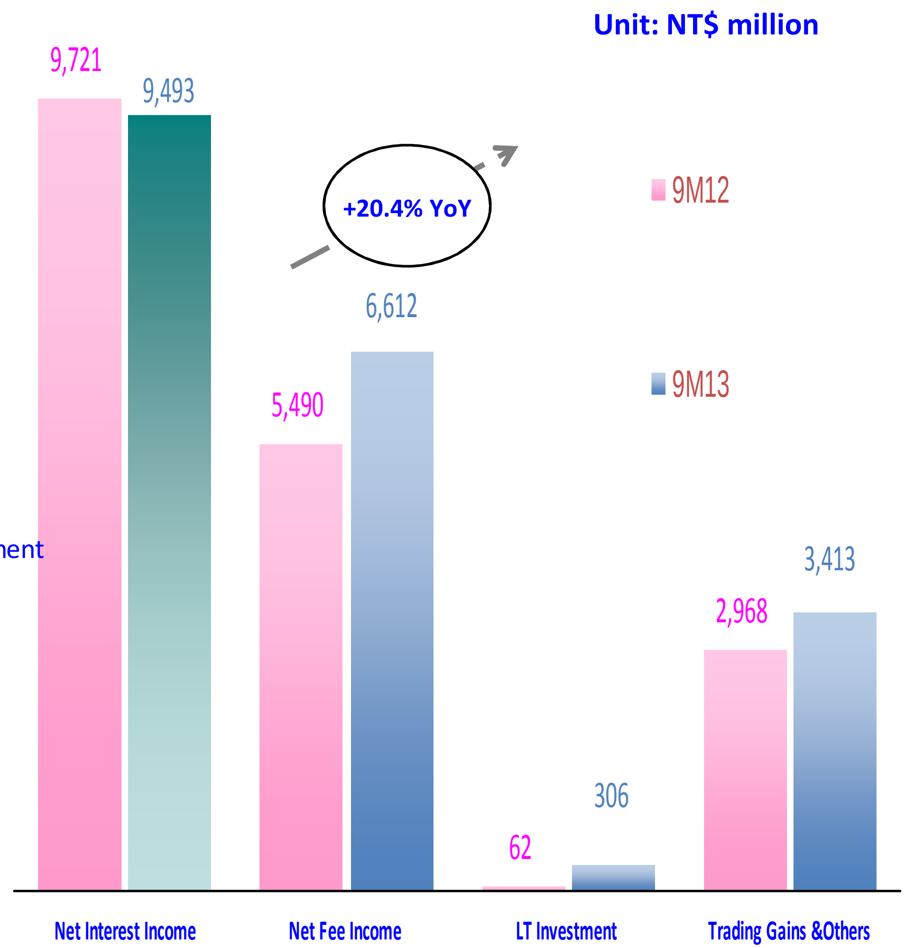
2. 1Q12 figures are pro forma under IFRS

FHC Revenue Breakdown

Total Net Revenue NT$ 19,824 million



YoY Revenue Comparison

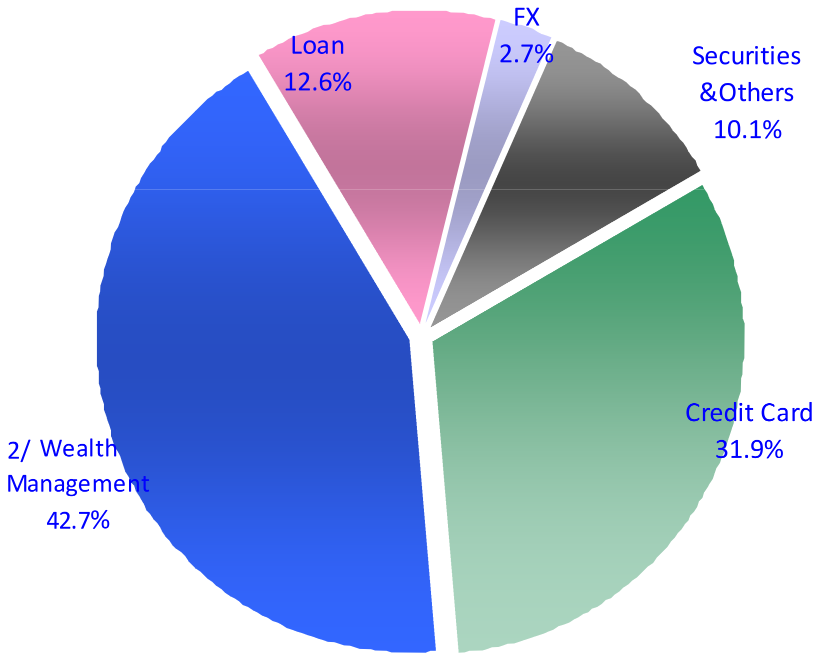


Note: 1. Preliminary figures of Sep. 2013

2. 1Q12 figures are pro forma under IFRS

Net Fee Income Breakdown

Total Net Fee Income
NT$ 6,612 million

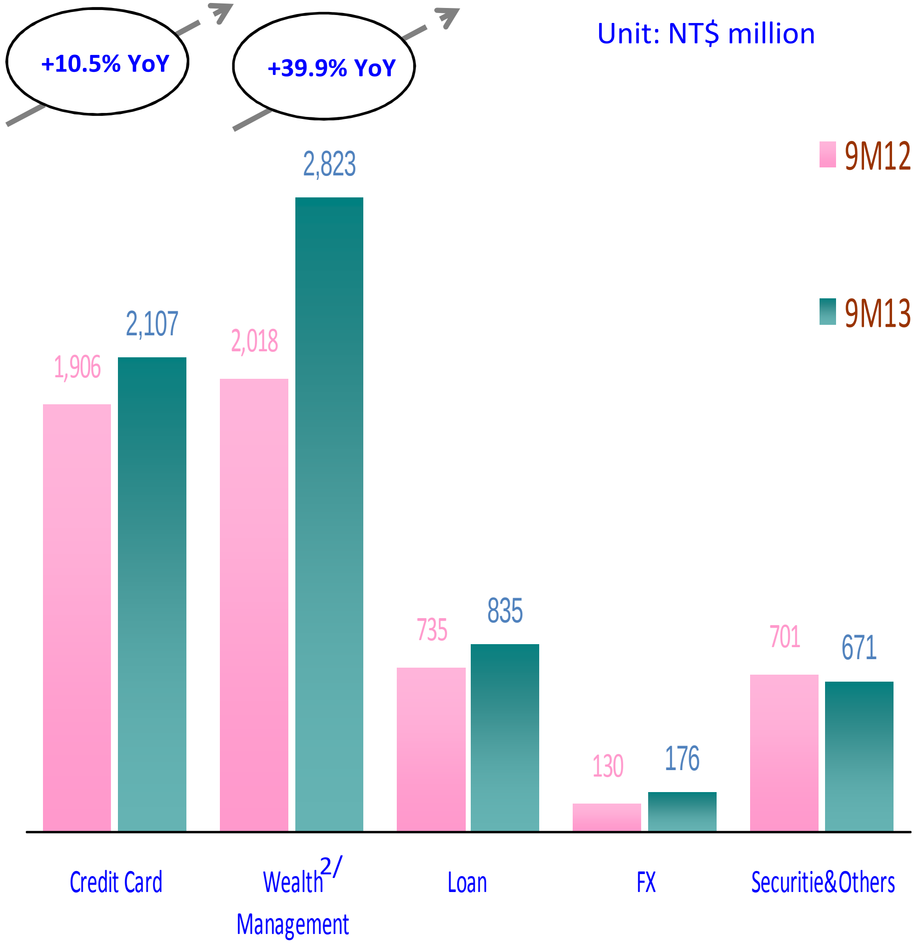


Note: 1. Preliminary Figures of Sep. 2013

2. Including Bancassurance fee from E.SUN Insurance Broker

3..1Q12 figures are pro forma under IFRS

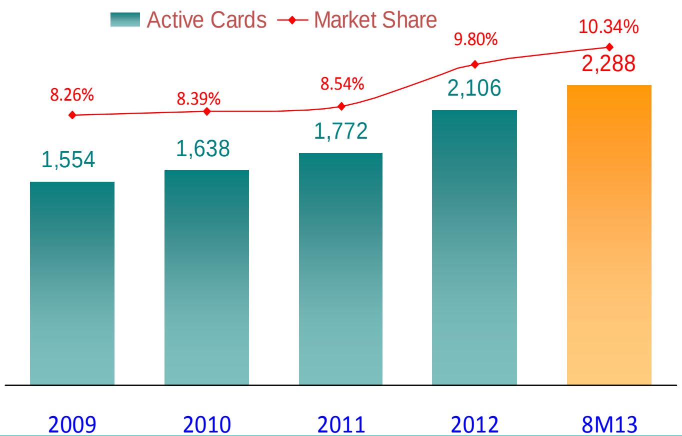
YoY Comparison



Fast-Growing Credit Card Business

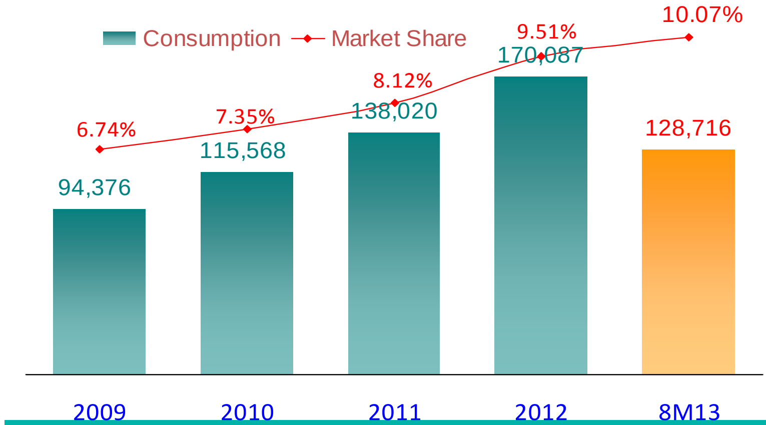
Active Cards

Unit: Thousand Cards，%



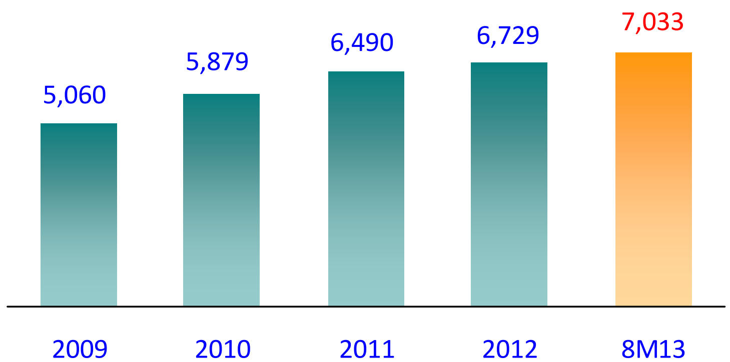
Card Consumption

Unit: NT$ million



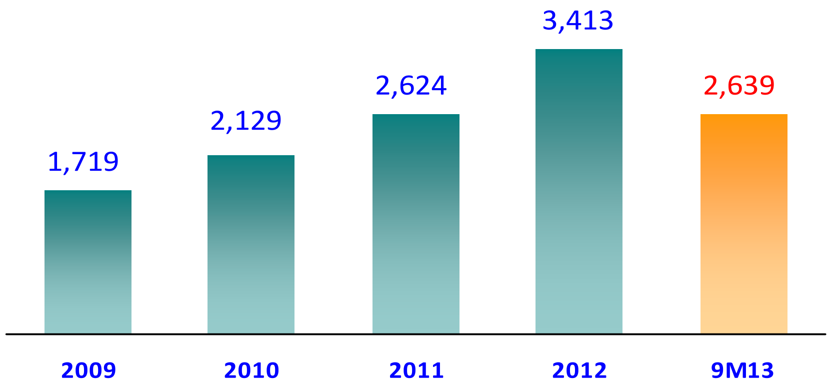
Per Card Spending (Monthly)

Unit: NT$ dollar



Gross Fee Income

Unit: NT$ million



Deposit and Loan Structure

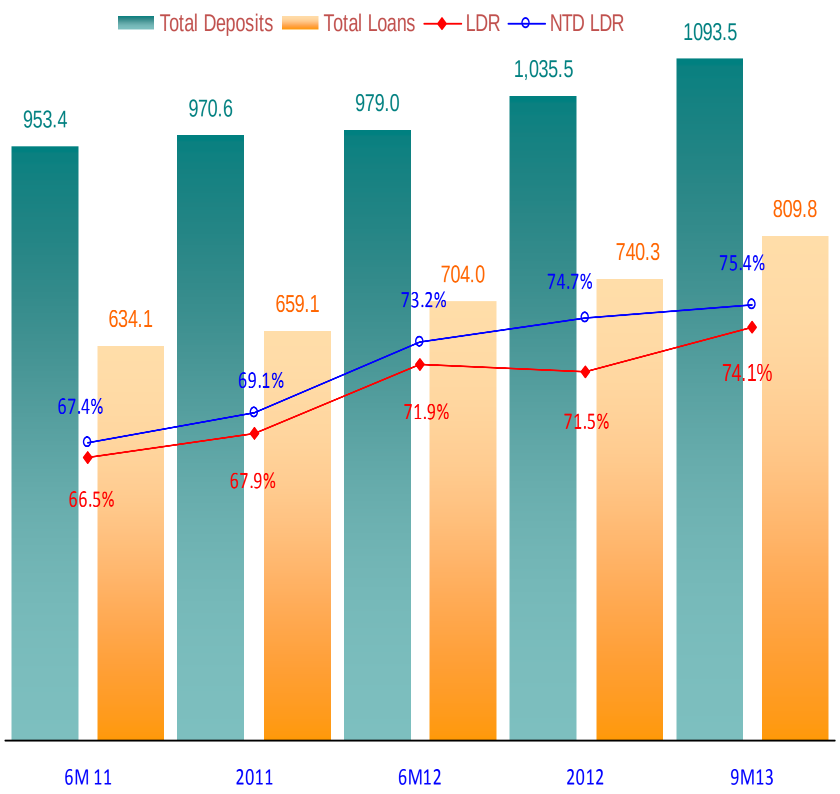
Unit: NT$ Bn

Products	2013.9	QoQ Growth %	2013.6	2013 Growth %	2012
Total Deposits	1,093.5	1.8%	1,074.0	5.6%	1,035.5
Demand Deposits	504.1	2.2%	493.3	9.1%	461.9
Total Loans 1/	809.8	2.0%	794.3	9.4%	740.3
Corporate Loans	401.5	1.4%	395.9	9.9%	365.4
SME Loans	209.5	3.8%	201.8	11.6%	187.8
Consumer Loans	408.3	2.5%	398.4	8.9%	374.9
Mortgage Loan	215.1	0.4%	214.2	2.0%	210.8
Unsecured Personal Loan	45.0	6.9%	42.1	21.0%	37.2
Credit Cards in Circulation('000s)	3,338	1.5%	3,289	5.5%	3,163
Accumulated Credit Card Spending	144.9	(4.6%) 2/	96.0	14.4% 3/	170.2
Credit Card Revolving Balance	11.4	0.0%	11.4	(8.1%)	12.4

Note: 1.Exclude credit card revolving balance 4. Exclude deposit(US$ 250 million) and loan(US$ 180 million) from UBC, Cambodia
2. QoQ growth is 3Q13 vs 2Q13
3. YoY growth is 9M13 vs 9M12

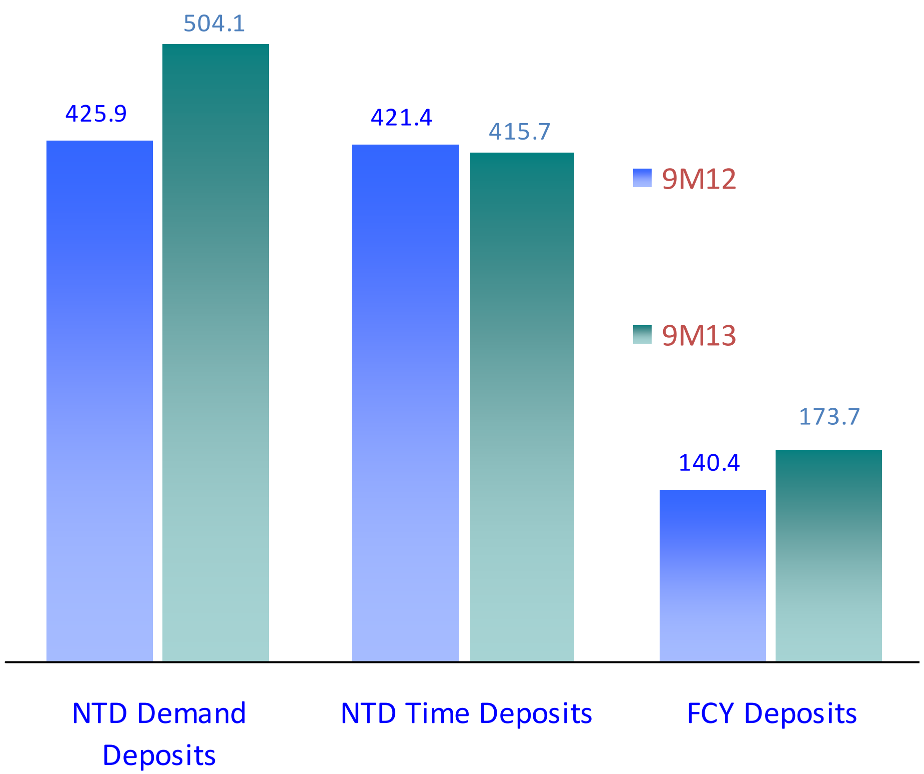
Deposit Structure

Loan to Deposit Ratio 1/



Deposit Structure

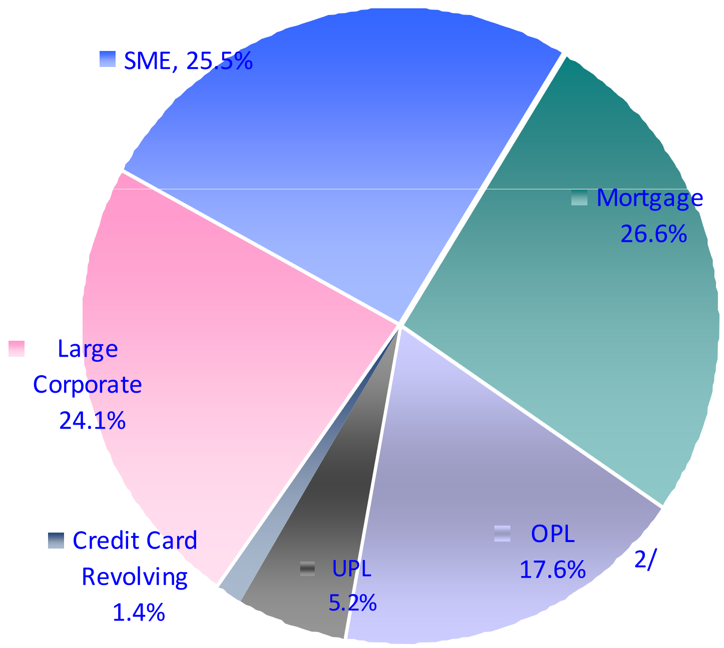
Unit: NT$ Bn



Note: 1.Excluding Credit card revolving balance
2. Financials of E.SUN Bank
3. Exclude deposit(US$ 250 million) and loan(US$ 180 million) from UBC, Cambodia

Loan Portfolio Breakdown

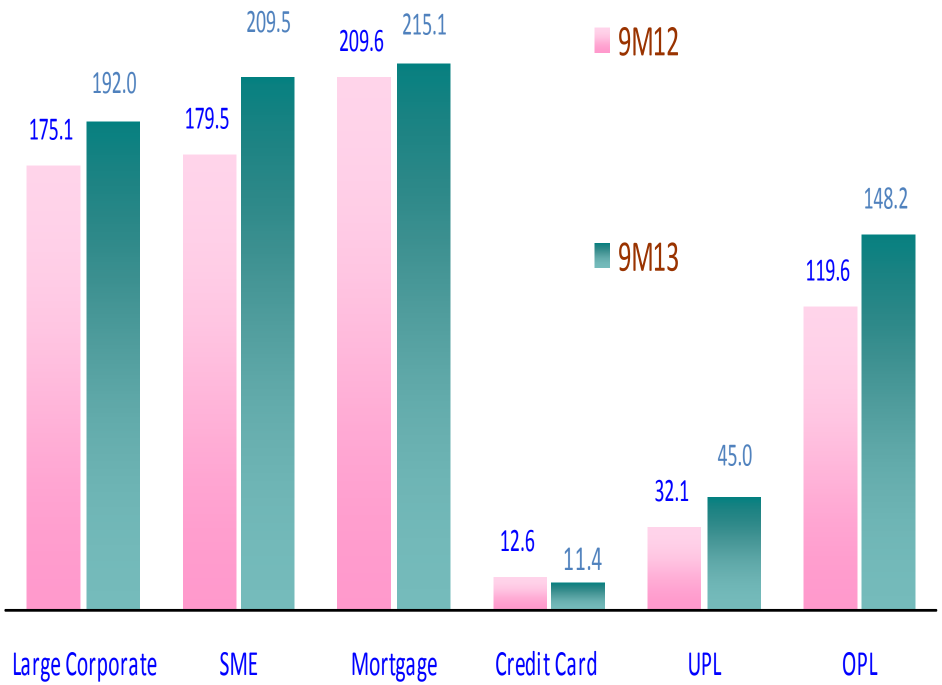
Total Loan 1/
NT$ 821.3 Bn



Note: 1.Include Credit Card Revolving balance
2.Other Personal Loan, which is fully collateralized.
3. As of Sep. 2013
4. . Exclude loan(US$ 180 million) from UBC, Cambodia

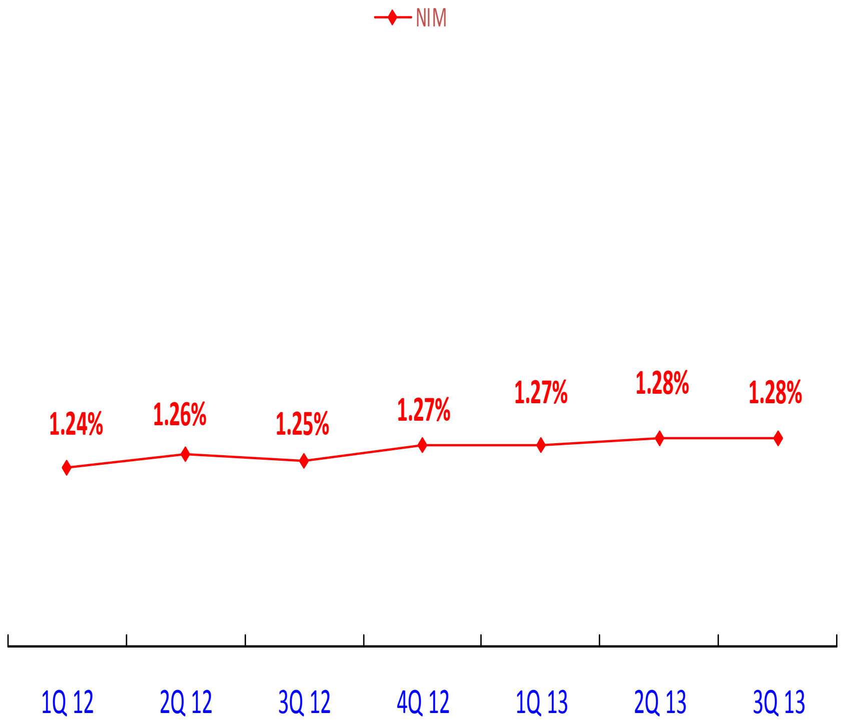
與去年同期比較

Unit: NT$ Bn



NIM and Spread

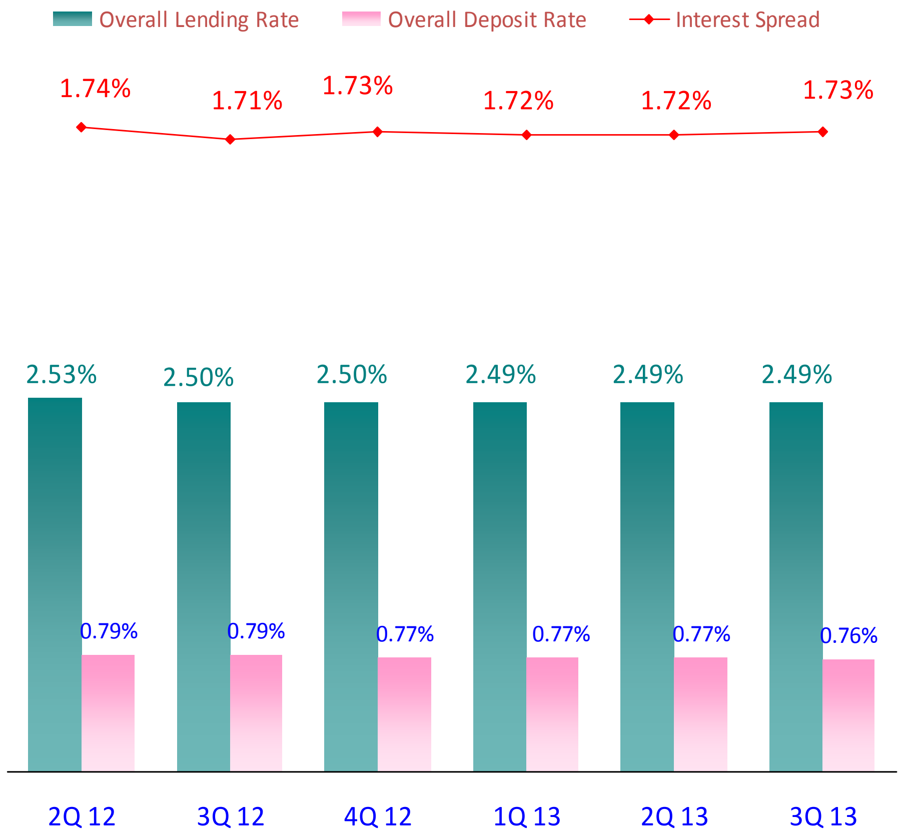
Quarterly Net Interest Margin



Note: 1. Financials of E.SUN Bank

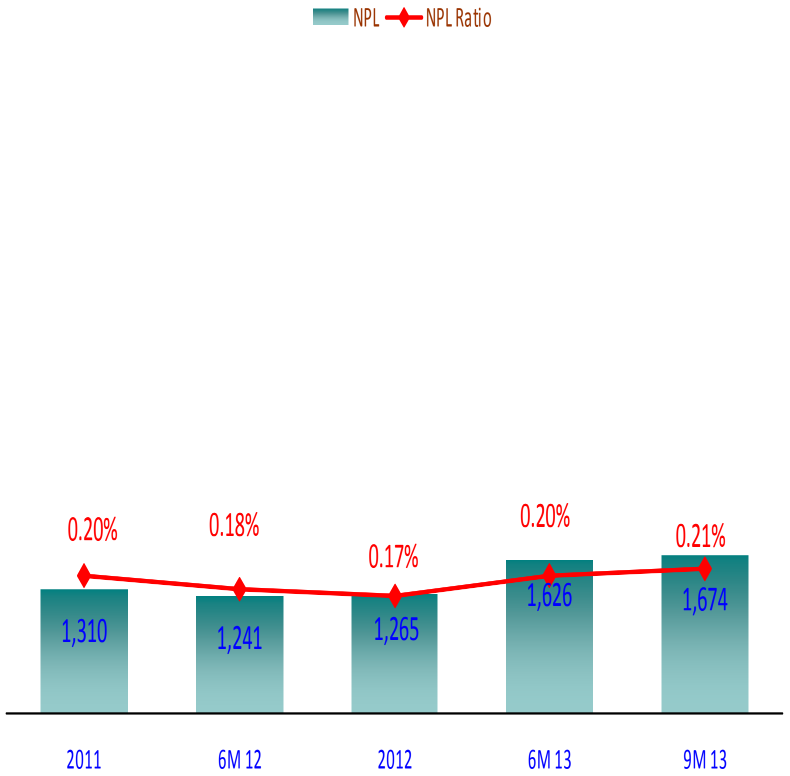
2. The 2013 net interest income restore the accounting treatment impact

Quarterly Interest Spread

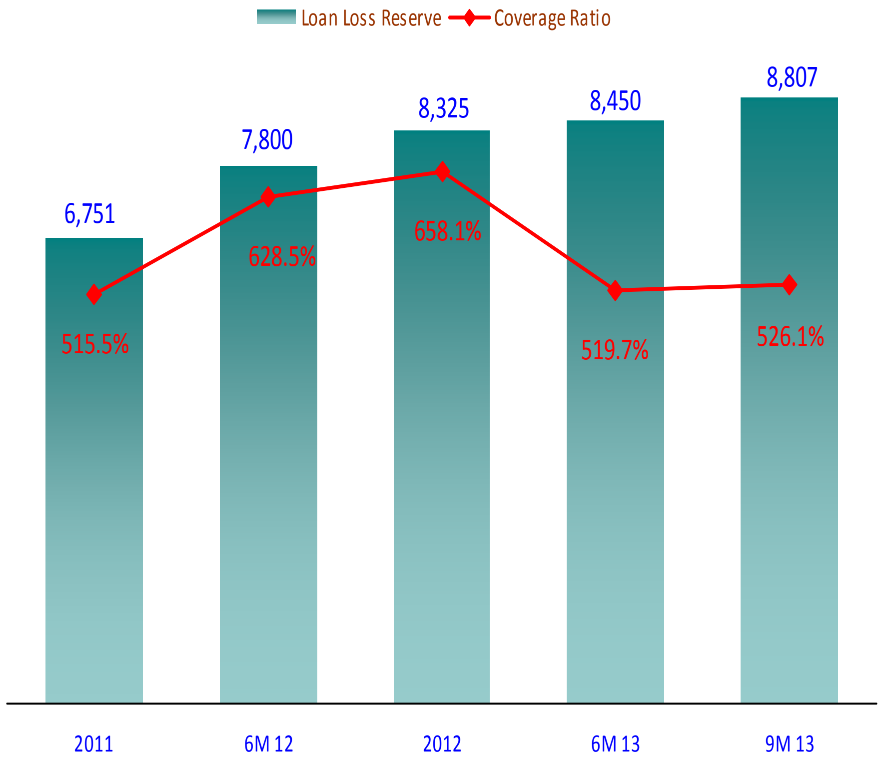


Superior Asset Quality 1/3

NPL Ratio(%)



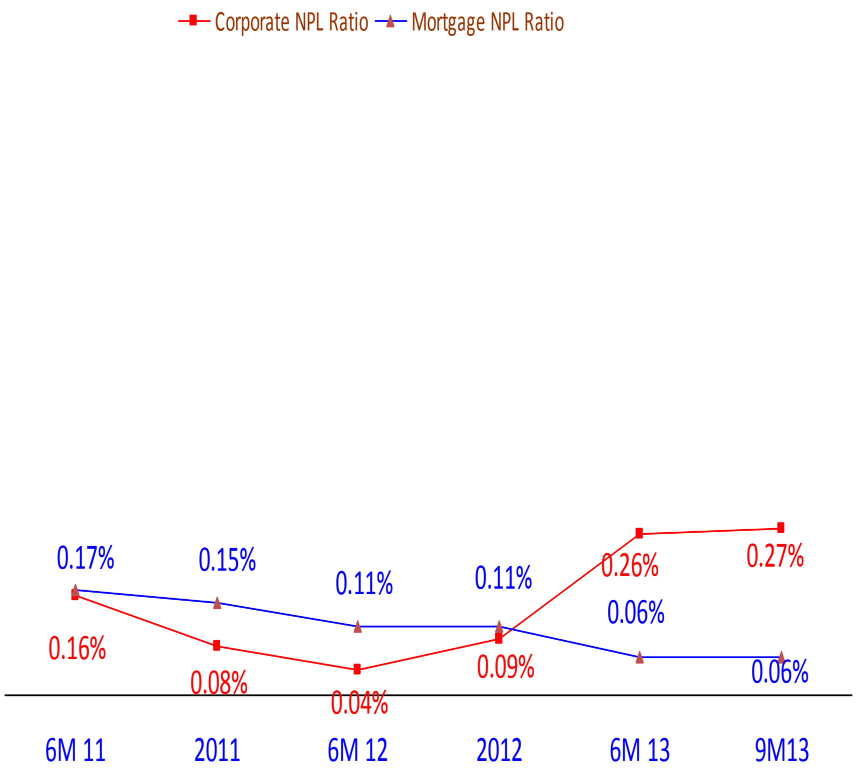
Coverage Ratio(%)



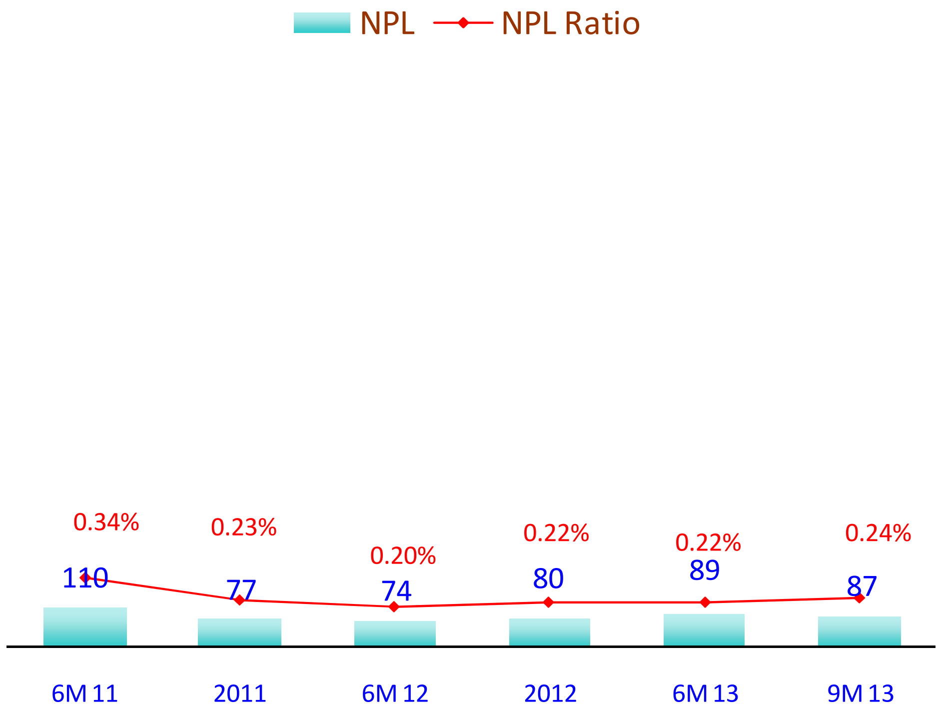
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



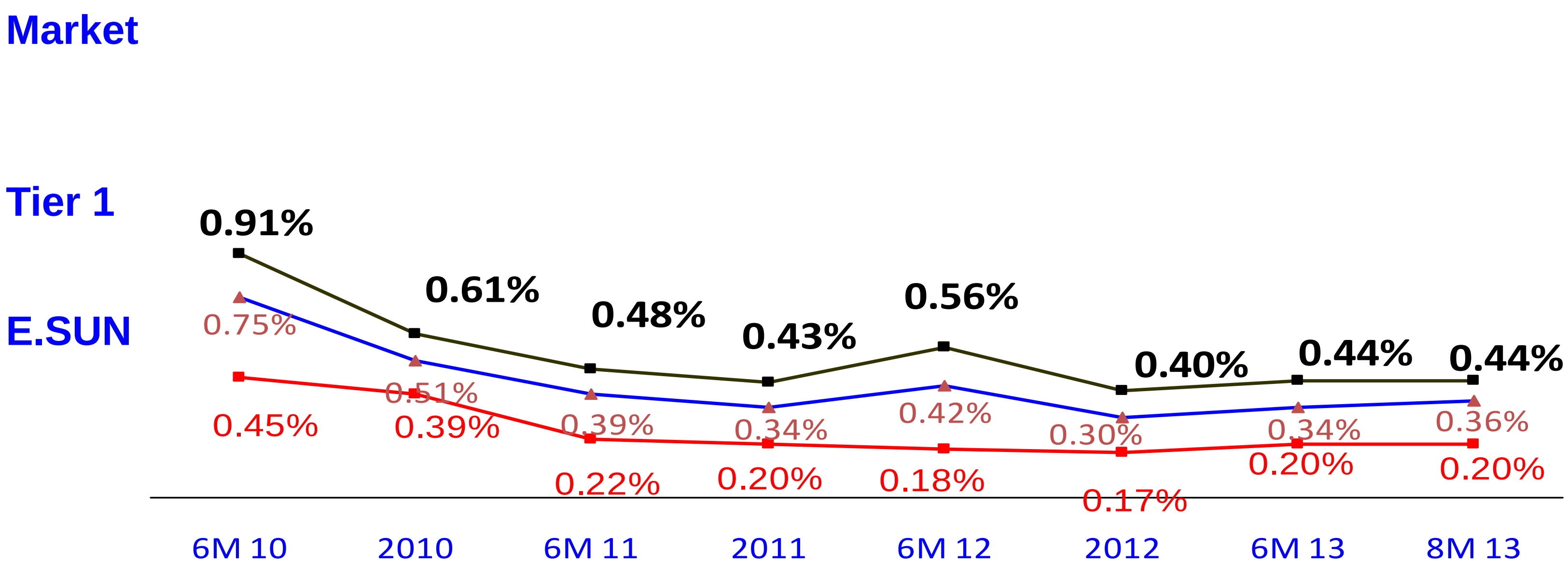
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

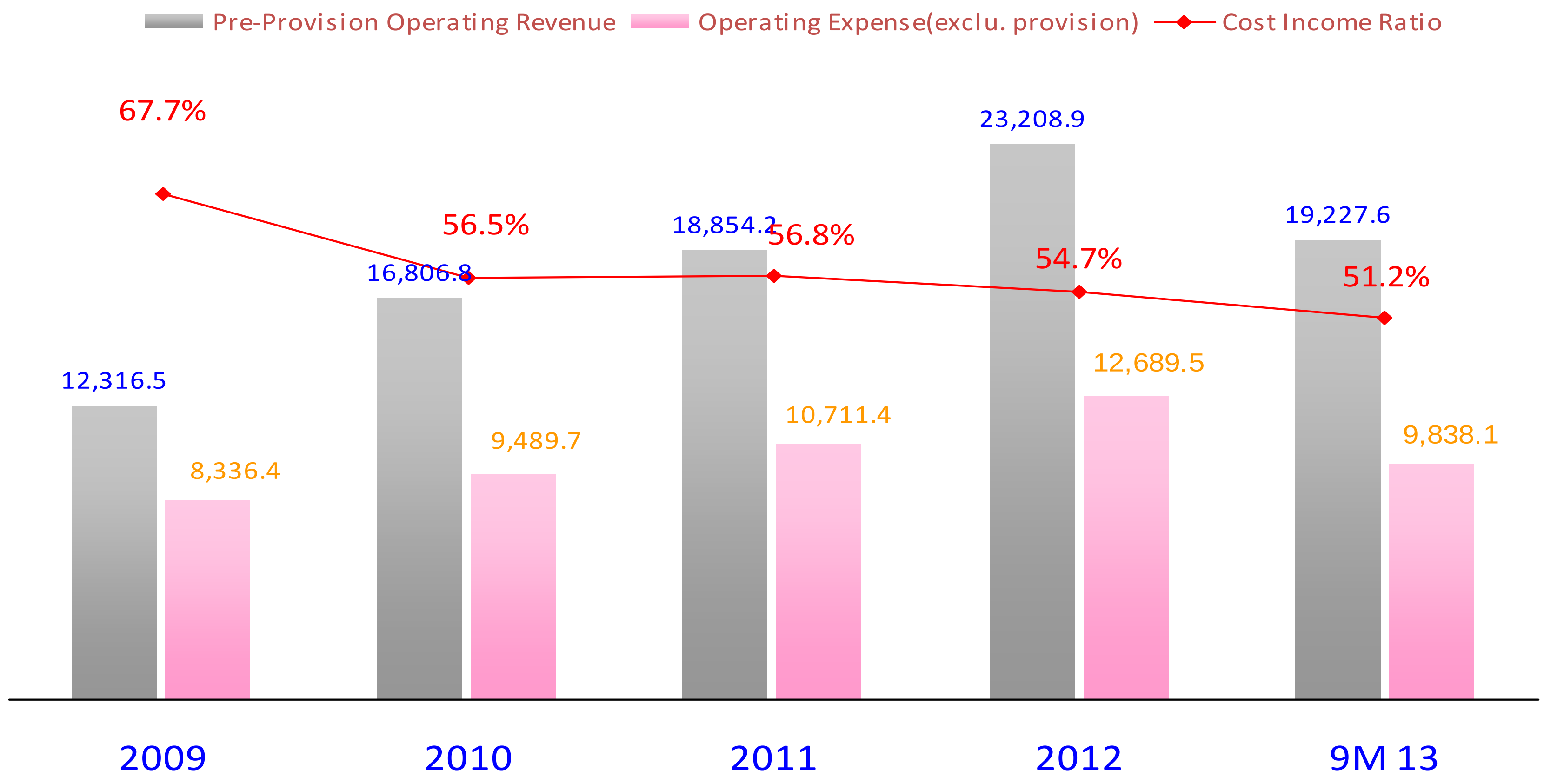
NPL Comparison with Tier 1 players and the Market



Note: 1. Source : FSC
2. Tier 1 group include Taishin, Chinatrust, Cathay, Fubon, Shanghai, First, Hua-nan, CHB, Mega and Sinopac

Cost-Income Ratio

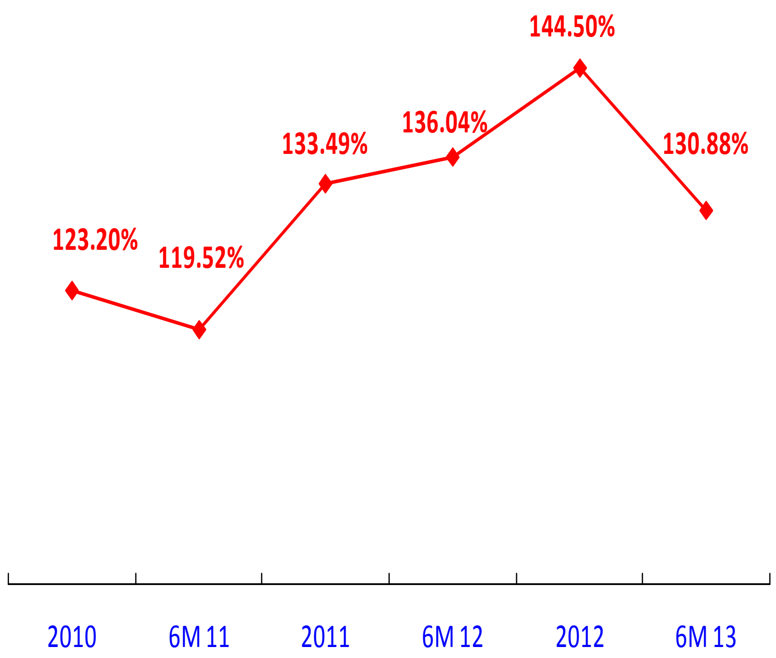
Unit: NT$ million



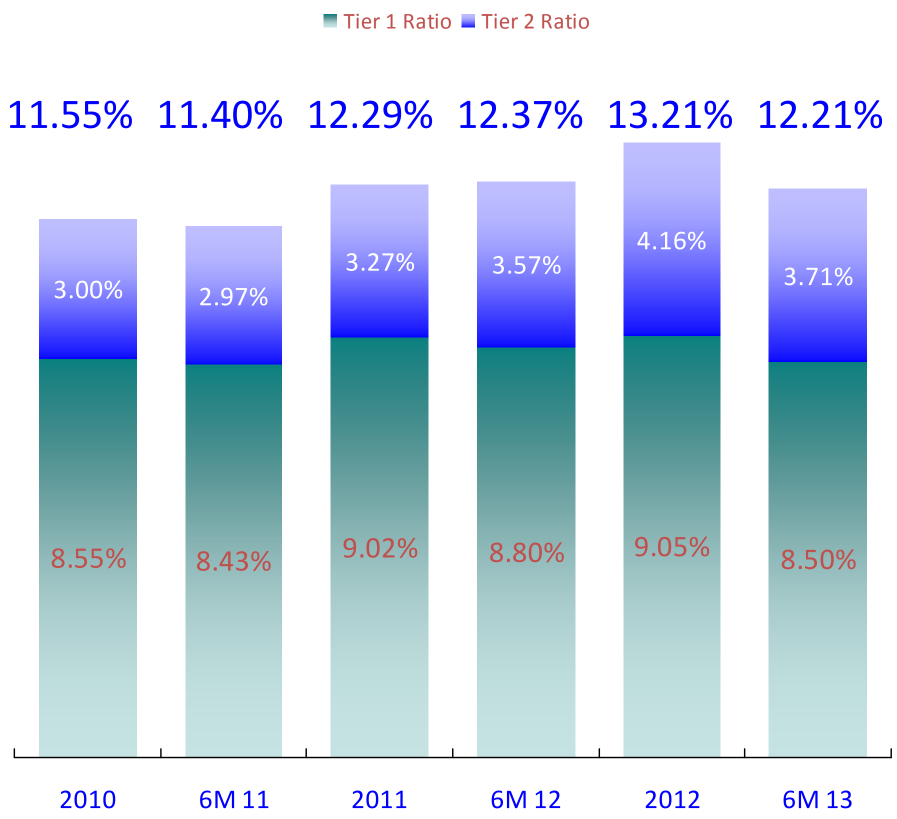
Note: 1. Preliminary figures of Sep 2013
2. Financials of E.SUN Bank

Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Q & A

- If you wish to know more about E.SUN, please visit our website site (www.esunfhc.com.tw/ir/ir.aspx) for more information.

- If you have further questions, please feel free to contact us through email or conference call

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Agenda

- 9M 2013 Financial Performance
- 9M 2013 Business Operation Overview
- Appendix

Appendix 1/6

Balance Sheet of 9M13 for E.SUN FHC and its subsidiaries

NT$ million	E.SUN Bank	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Assets：						
Cash and due from banks	77,977	317	257	531	5,601	81,006
Securities, net	347,301	334	94	654	64	348,448
Loans, net	807,013	-	-	-	-	812,368
A/R, net	49,036	5,743	171	2	62	54,991
LT investments, net	2,062	56	-	-	9	-
Land, premises andequipments, net	17,912	351	1	-	-	18,560
Others	12,238	2,068	51	1,122	88,107	16,553
Total assets	1,313,539	8,869	574	2,309	93,843	1,331,926
Liabilities:						
Deposits	60,623	-	-	-	-	61,309
Other liabilities	1,172,519	5,246	57	31	13,485	1,189,806
Total liabilities	1,233,142	5,246	57	31	13,485	1,251,115
Total stockholders' equity	80,397	3,623	517	2,278	80,358	80,811
Total liabilities andstockholders' equity	1,313,539	8,869	574	2,309	93,843	1,331,926

Note: Preliminary figures of Sep 2013

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 9M13

NT$ million	E.SUN Bank	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income						
Net interest income	9,360	168	5	2	(73)	9,493
Fee income	5,795	405	1,213	-	-	6,611
LT investment income	11	3	-	-	7,340	-
Net trading income/(loss) & Derivatives & FX	3,930	55	(3)	95	(607)	3,470
Others	132	50	18	116	63	250
Total Net Revenues	19,228	681	1,233	213	6,723	19,824
Allowance for bad-debt expenses	(1,200)	-	-	-	-	(1,200)
Operating expenses	(9,838)	(585)	(975)	(12)	(157)	(10,642)
Income before income tax	8,190	96	258	201	6,566	7,982
Income tax expenses	(1,331)	(7)	(44)	(23)	(4)	(1,414)
Net Income	6,859	89	214	178	6,562	6,568

Note: Preliminary figures of Sep 2013

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results 2010	2011	2012	Quarterly Results Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	QoQ(%)
Assets：									
Cash and due from banks	57,914	65,132	79,269	68,987	79,269	82,282	84,582	81,006	-4.2%
Securities, net	358,415	359,111	355,275	342,781	355,275	370,026	369,018	354,782	-3.9%
Loans, net	599,161	656,009	735,407	711,711	735,407	760,652	790,002	812,368	2.8%
A/R, net	41,834	46,576	48,564	48,331	48,564	47,874	58,694	54,991	-6.3%
LT investments, net	-	-	-	-	-	-	-	-	
Land, premises andequipments, net	14,457	15,892	16,670	16,245	16,670	17,309	18,649	18,560	-0.5%
Others	12,747	12,771	8,912	8,689	8,912	9,363	8,479	10,219	20.5%
Total assets	1,084,528	1,155,491	1,244,097	1,196,744	1,244,097	1,287,506	1,329,424	1,331,926	0.2%
Liabilities:									
Deposits	897,264	954,994	1,023,820	969,230	1,023,820	1,049,793	1,064,048	1,189,806	11.8%
Other liabilities	132,022	134,913	145,103	156,852	145,103	159,876	187,074	61,309	-67.2%
Total liabilities	1,029,286	1,089,907	1,168,923	1,126,082	1,168,923	1,209,669	1,251,122	1,251,115	0.0%
Total stockholders' equity	55,242	65,584	75,174	70,662	75,174	77,837	78,302	80,811	3.2%
Total liabilities andstockholders' equity	1,084,528	1,155,491	1,244,097	1,196,744	1,244,097	1,287,506	1,329,424	1,331,926	0.2%

Note: Preliminary figures of Sep 2013

Appendix 4/6

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

	Yearly Results			Quarterly Results					
NT$ million	2010	2011	2012	3Q12	4Q12	1Q13	2Q13	3Q13	QoQ(%)
Operating income									
Net interest income	11,451	12,688	14090	3,544	3,728	3,077	3,172	3,244	2.3%
Fee income	5,630	6,273	7,472	1,918	1,967	2,171	2,127	2,313	8.7%
Net trading income/(loss) & Derivatives & FX	73	764	2,381	206	162	1,450	1,018	1,002	-1.6%
Others	46	95	19	5	16	(40)	(53)	343	N.A
Total Net Revenues	17,415	20,205	24,092	5,673	5,873	6,658	6,513	6,653	2.1%
Allowance for bad-debt expenses	(2,732)	(4,540)	(2,020)	(133)	(580)	(351)	(512)	(337)	-34.2%
Operating expenses	(10,211)	(11,623)	(13,718)	(3,447)	(3,663)	(3,539)	(3,455)	(3,648)	5.6%
Income before income tax	4,472	4,042	8,354	2,093	1,630	2,768	2,546	2,668	4.8%
Income tax expenses	(549)	(558)	(1,296)	(266)	(271)	(500)	(451)	(463)	2.7%
Net Income	3,923	3,484	7,058	1,827	1,359	2,268	2,095	2,205	5.3%

Note: 1. Preliminary figures of Sep 2013

2. 2013 figures are under IFRS, others are under TW GAAP

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results 2010	2011	2012	Quarterly Results Sep 12	Dec 12	Mar 13	Jun 13	Sep 13	QoQ(%)
Assets :									
Cash and due from banks	57,888	65,948	78,924	68,904	78,924	82,152	84,425	77,977	-7.6%
Securities, net	357,103	358,297	352,859	340,450	352,859	366,910	366,052	347,301	-5.1%
Loans, net	599,161	656,009	735,409	711,710	735,409	760,652	790,002	807,013	2.2%
A/R, net	35,892	42,260	44,305	43,895	44,305	42,180	52,909	49,036	-7.3%
LT investments, net	-	-	-	-	-	-	-	2,062	-
Land, premises andequipments, net	14,194	15,600	16,373	15,943	16,373	16,438	17,769	17,912	0.8%
Others	10,403	9,231	8,019	7,929	8,019	8,459	7,538	12,238	62.4%
Total assets	1,074,641	1,147,345	1,235,889	1,188,831	1,235,889	1,276,791	1,318,695	1,313,539	-0.4%
Liabilities:									
Deposits	904,761	962,842	1,029,975	981,322	1,029,975	1,056,600	1,070,841	1,172,519	9.5%
Other liabilities	114,938	119,593	130,635	136,865	130,635	142,743	169,660	60,623	-64.3%
Total liabilities	1,019,699	1,082,435	1,160,610	1,118,187	1,160,610	1,199,343	1,240,501	1,233,142	-0.6%
Total stockholders' equity	54,942	64,910	75,279	70,644	75,279	77,448	78,194	80,397	2.8%
Total liabilities andstockholders' equity	1,074,641	1,147,345	1,235,889	1,188,831	1,235,889	1,276,791	1,318,695	1,313,539	-0.4%

Note: Preliminary figures of Sep 2013

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	3Q12	4Q12	1Q13	2Q13	2Q13	QoQ(%)
Operating income									
Net interest income	11,377	12,600	14,096	3,558	3,733	3,045	3,137	3,178	1.3%
Fee income	4,507	5,000	6,158	1,599	1,638	1,907	1,884	2,004	6.4%
LT investment income	48	323	42	2	0	0	0	0	N.A.
Net trading income/(loss) & Derivatives & FX	749	745	2,785	400	188	1,461	1,340	1,129	-15.7%
Others	126	186	128	(23)	103	22	46	64	39.1%
Total Net Revenues	16,807	18,854	23,209	5,536	5,662	6,435	6,407	6,386	-0.3%
Allowance for bad-debt expenses	(2,727)	(4,540)	(2,020)	(133)	(580)	(351)	(512)	(337)	-34.2%
Operating expenses	(9,490)	(10,711)	(12,690)	(3,178)	(3,409)	(3,292)	(3,221)	(3,325)	3.2%
Income before income tax	4,590	3,603	8,499	2,225	1,673	2,792	2,674	2,724	1.9%
Income tax expenses	(609)	(445)	(1,320)	(292)	(271)	(477)	(419)	(435)	3.8%
Net Income	3,981	3,158	7,179	1,933	1,402	2,315	2,255	2,289	1.5%

Note: 1. Preliminary figures of Sep 2013

2. 2013 figures are under IFRS, others are under TW GAAP