玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 4Q 2014

Mar. 2015

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Agenda

- 2014 Financial Performance
- 2014 Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		2014	2013
Total Assets	FHC	1,566,420	1,381,037
	Bank	1,551,944	1,368,913
	Securities	11,422	9,416
	Insurance Brokers	852	677
	Venture Capital	3,225	2,445
Key Financials	Book value per share (NT$)	15.15	14.96
	Double Leverage Ratio	106.12%	108.24%
	FHC CAR	140.76%	132.43%
Shareholder Structure	QFII	57.61%	53.27%
Distribution Channels	Bank – domestic	136	136
	Oversea channels	Branch in HK, LA, Singapore, Donguan (China) Subsidiary UCB, Cambodia Representation office in Vietnam, Myanmar	
	Securities - branches	21	21

Note: Audit data of Dec. 2014

2014 Business and Financial Review

Revenue Growth

Profit： Preliminary profit hit record-high of NT$10.5 billion , which is 25.1% higher than 2013 level.

Loan： Total loan balance increased 12.5%, higher than market average of 5.5%.

Fee Income :Lead by strong WM fee income growth, net fee income increased 25.7%.

Asset Quality： Both NPL ratio (0.18%) and coverage ratio (599.3%) remain stable.

Overseas Expansion

China： Changan sub-branch established on1/27 and Shenzen subsidiary is planned to set up by 2015.

SEA： Expand UCB branch network to 8 branches and Vietnam branch is planned to set up by 2015.

Evaluate all potential opportunities within the region

Financial Innovation

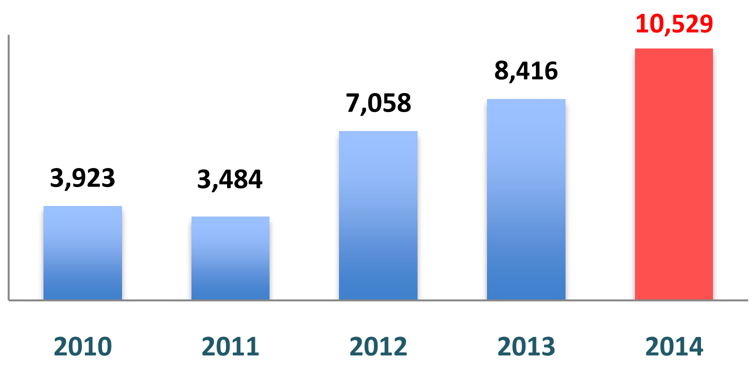
Digital Business Development： Focus on Cross-industry cooperation, e-commerce and digital banking.

Cooperating with Google : Launch ‘Project Mars’ to cultivate digital marketing talents.

Financial Performance

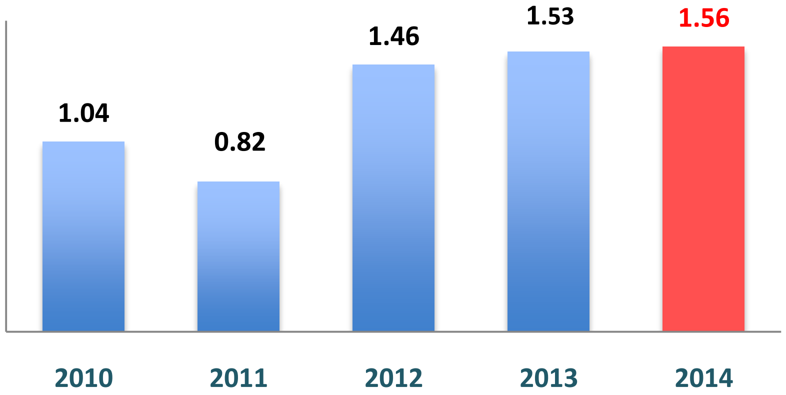
Net Profit

Unit: NT$ million

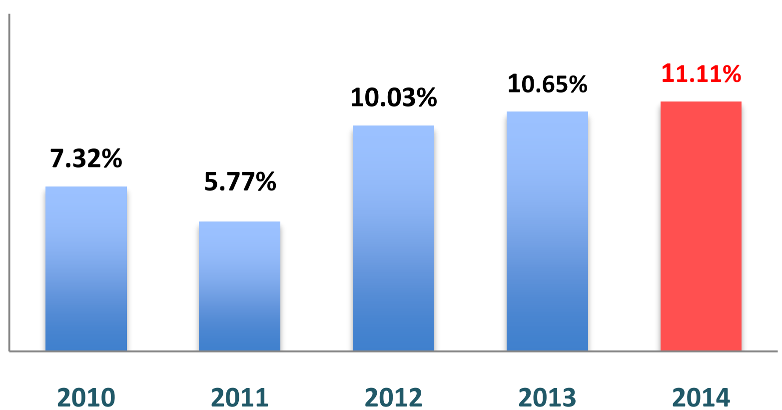


EPS

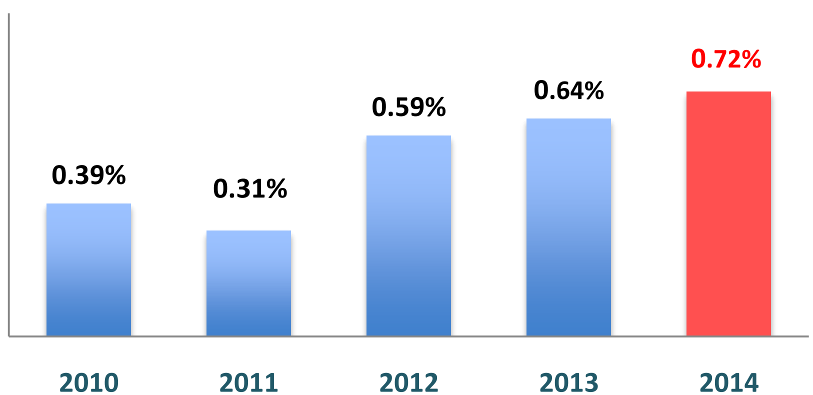
Unit: NT$ dollars



ROE



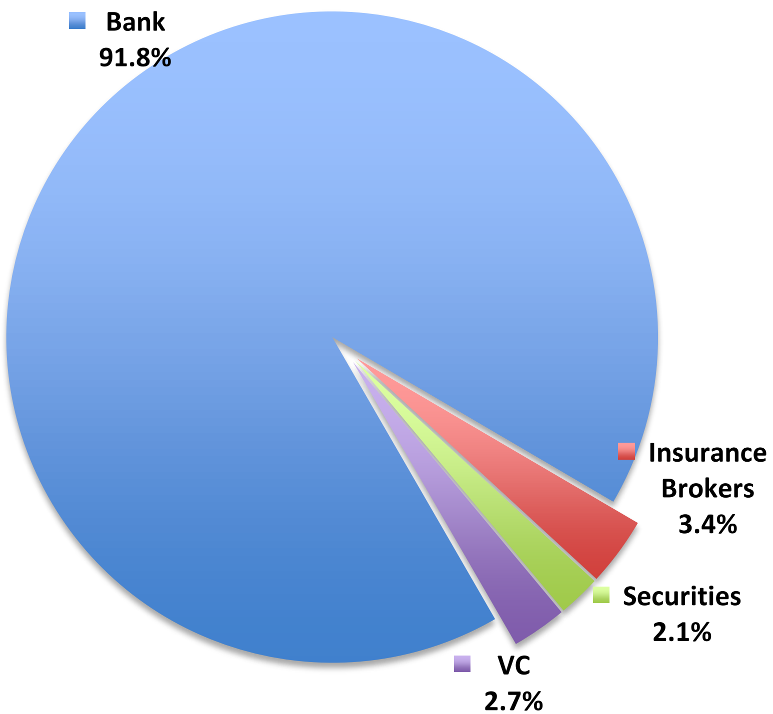
ROA



Note: 1. ROE and ROA are annualized.
2. Audit figures of Dec. 2014

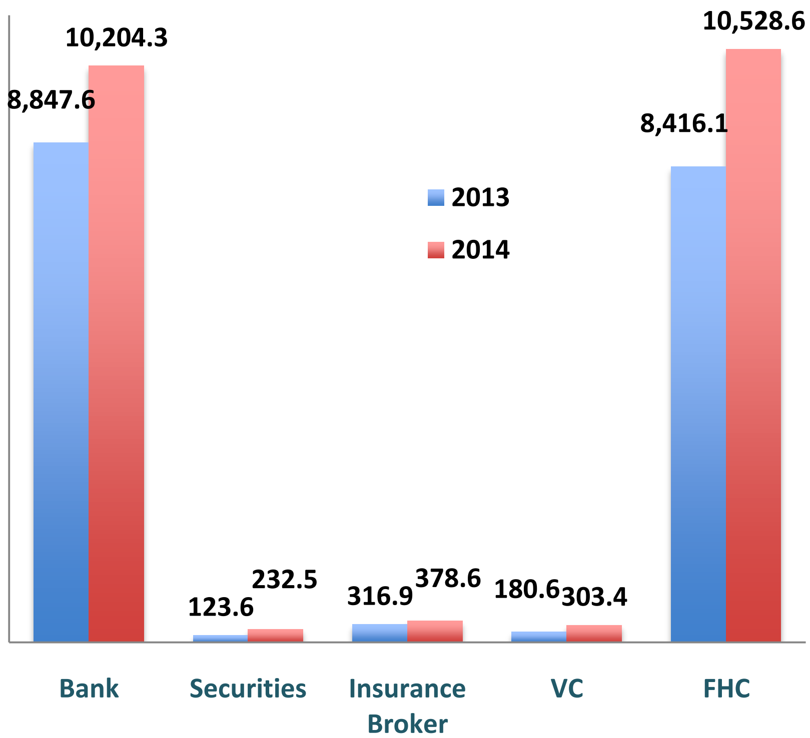
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million



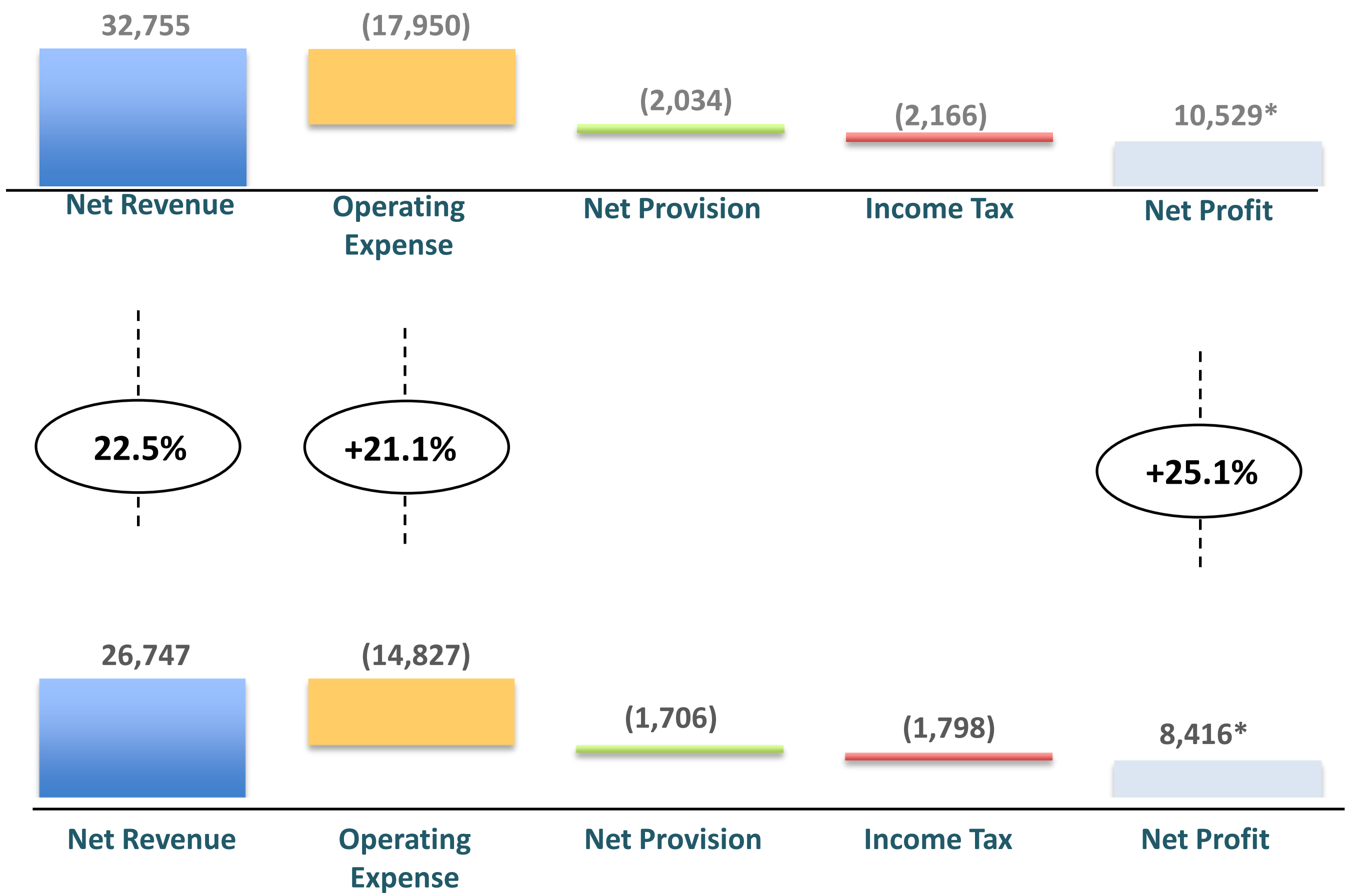
Note: Audit figures of Dec. 2014

Net Profit Breakdown

2014 P&L

2013 P&L

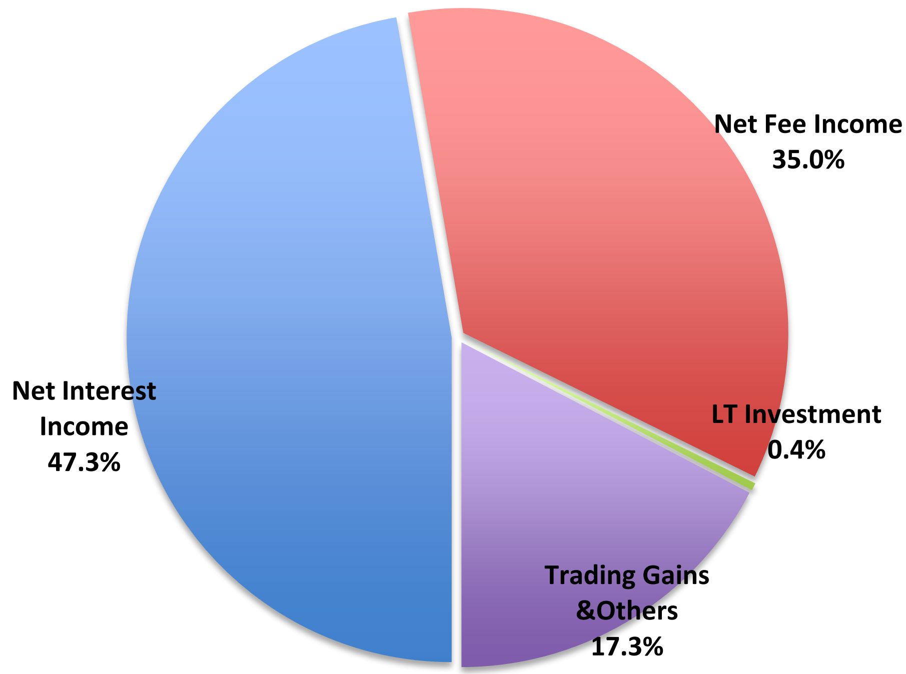
Unit: NT$ million



Note: 1. Net Profit is deduct non-controllable portion
2. Audit figures of Dec. 2014

FHC Revenue Breakdown

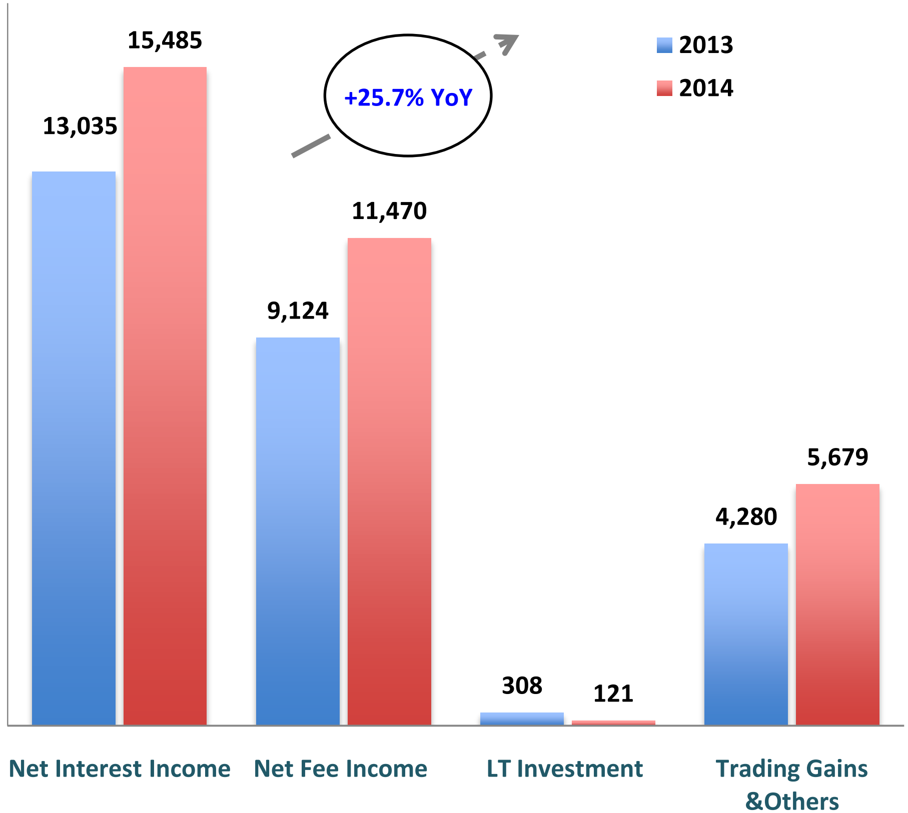
Total Net Revenue
NT$ 32,755 million



Note: Audit figures of Dec. 2014

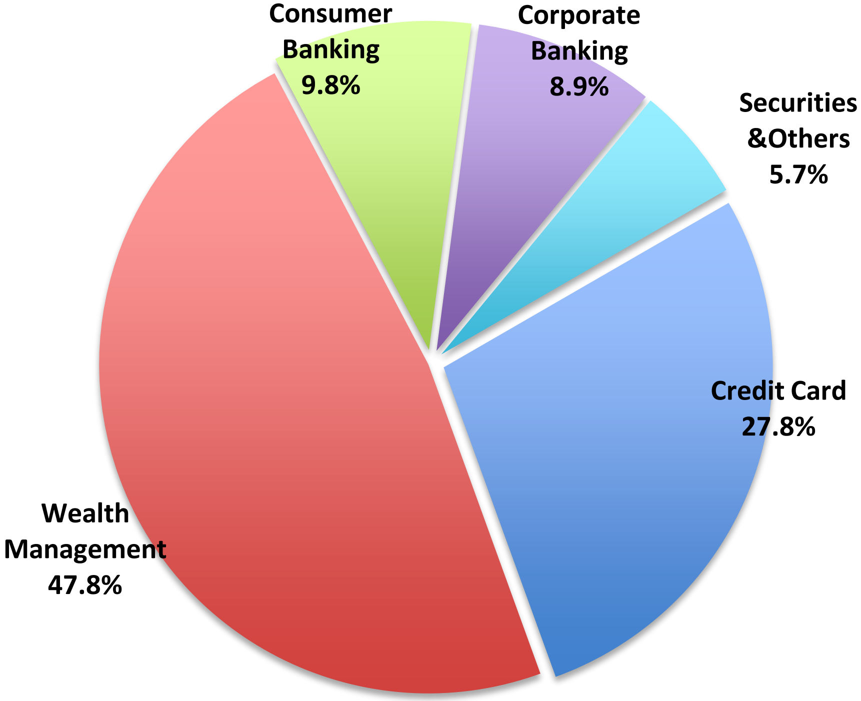
YoY Revenue Comparison

Unit: NT$ million

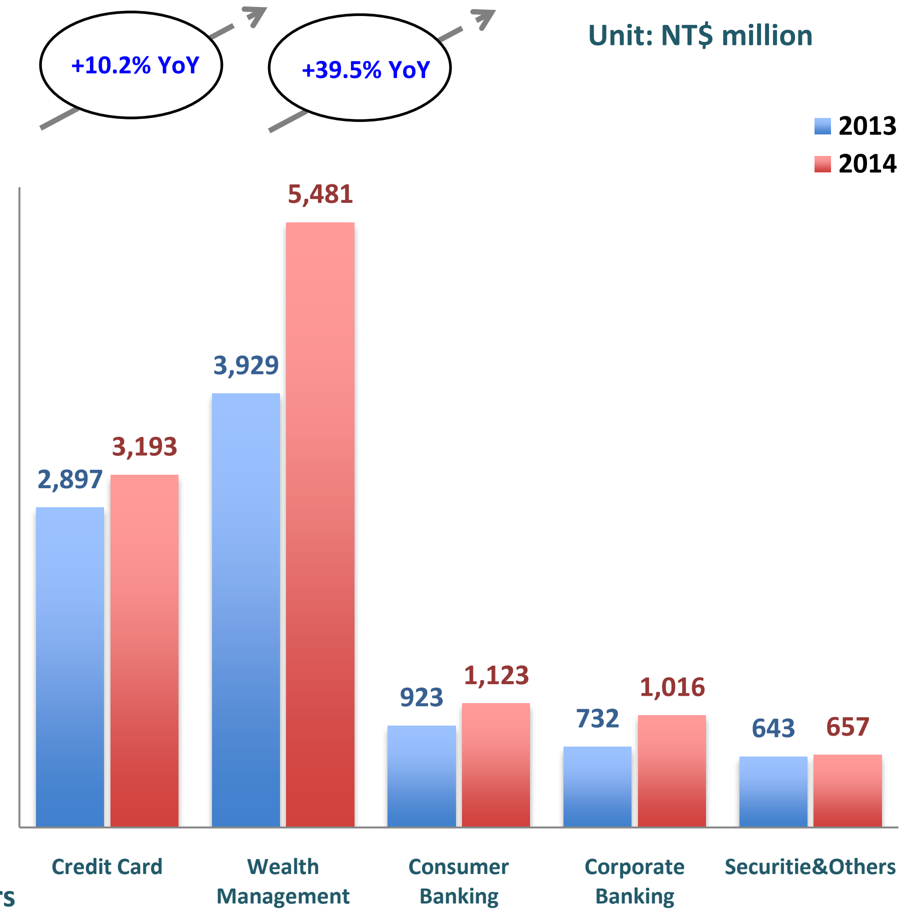


Net Fee Income Breakdown

Total Net Fee Income NT$ 11,470 million



YoY Comparison

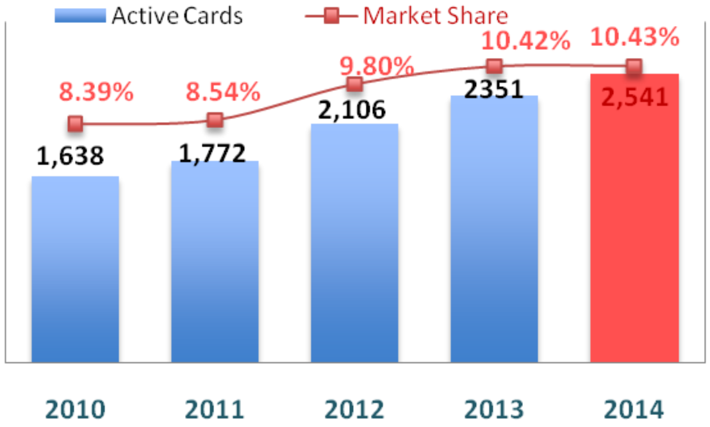


Note: 1. Audit Figures of Dec. 2014
2. WM Including Bancassurance fee from E.SUN Insurance Brokers

Credit Card Business Breakdown

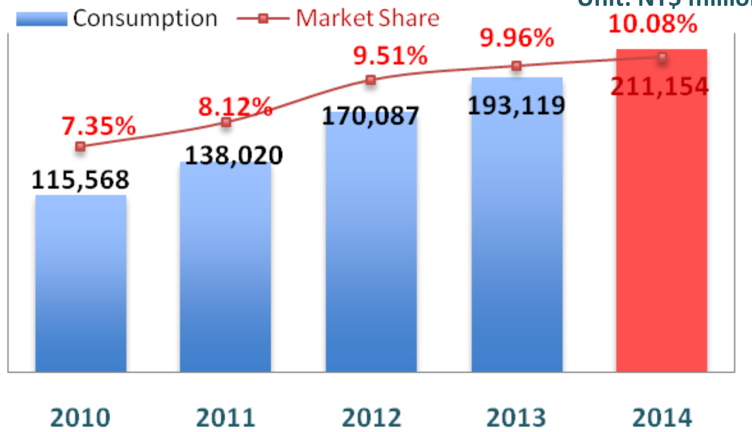
Active Cards

Unit: Thousand Cards，%



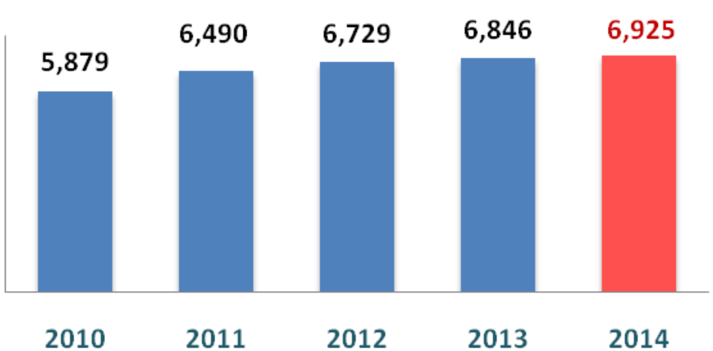
Card Consumption

Unit: NT$ million



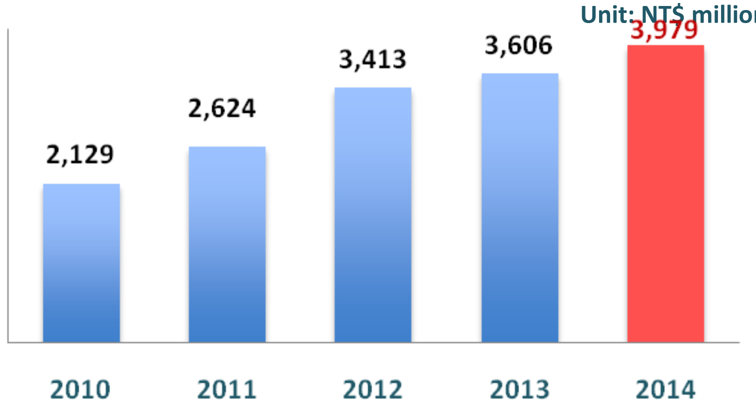
Per Card Spending (Monthly)

Unit: NT$ dollar



Gross Fee Income

Unit: NT$ million



Deposit and Loan Structure

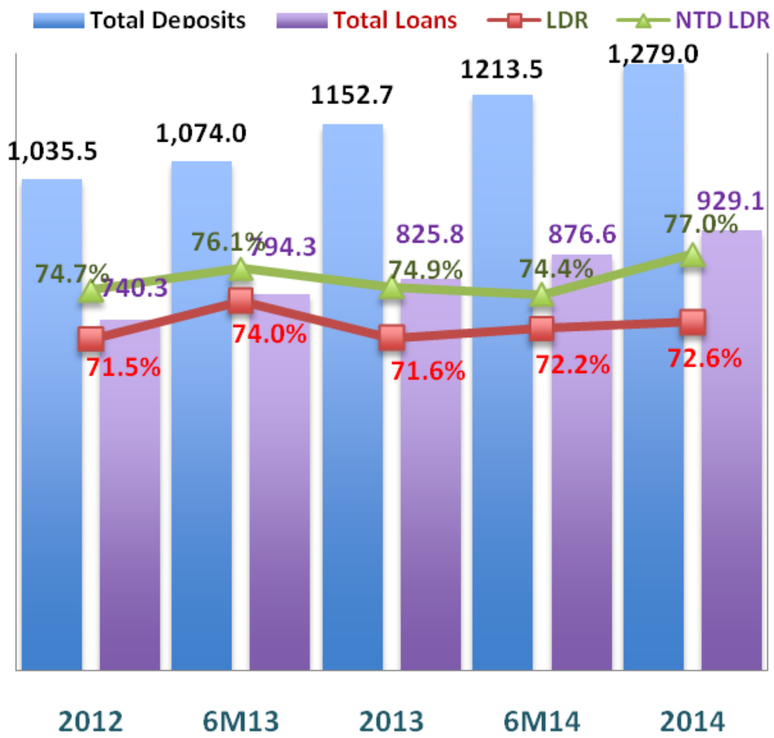
Unit: NT$ Bn

Products	2014	QoQ Growth %	2014.9	2014 Growth %	2013
Total Deposits	1,279.0	4.2%	1,227.0	11.0%	1,152.7
Demand Deposits	576.8	2.9%	560.7	5.7%	545.7
Total Loans [1/]	929.1	3.1%	901.5	12.5%	825.8
Corporate Loans	463.7	2.5%	452.2	12.2%	413.3
SME Loans	238.3	3.1%	231.2	9.5%	217.6
Consumer Loans	465.2	3.5%	449.3	12.8%	412.5
Mortgage Loan	222.6	2.3%	217.5	5.1%	211.8
Unsecured Personal Loan	60.0	4.3%	57.5	24.0%	48.4
Credit Cards in force ('000s)	2,541	1.2%	2,511	8.1%	2,351
Accumulated Credit Card Spending	211.2	(2.3%) [2/]	158.8	9.4% [3/]	193.1
Credit Card Revolving Balance	10.6	0.0%	10.6	(5.4%)	11.2

Note: 1.Exclude credit card revolving balance 4. Exclude deposit(US$ 392 million) and loan(US$ 309 million) from UBC, Cambodia
2. QoQ growth is 4Q14 vs 3Q14
3. YoY growth is 2014 vs 2013

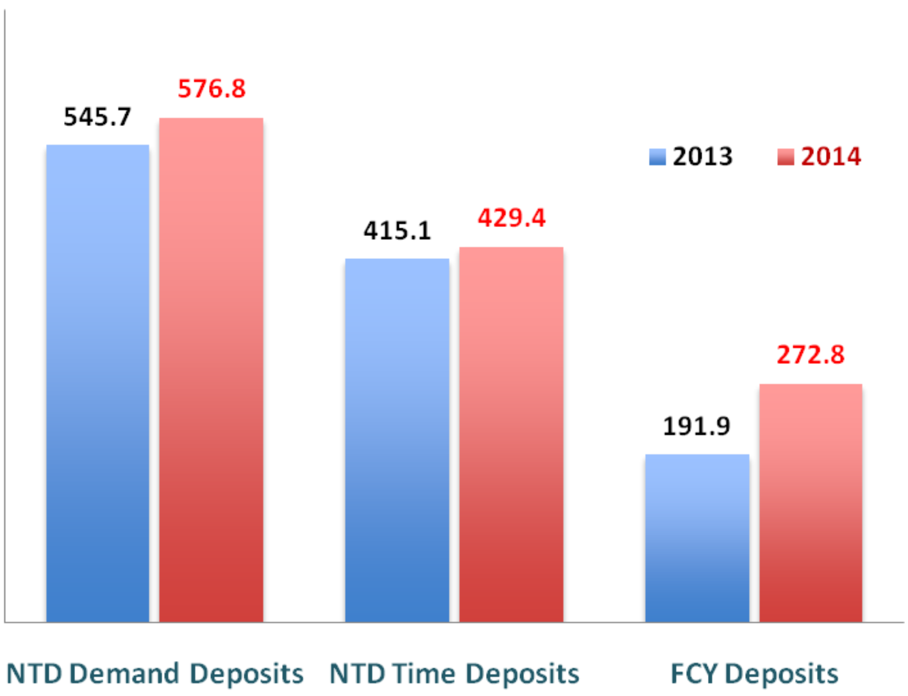
Deposit Structure

Loan to Deposit Ratio



Deposit Structure

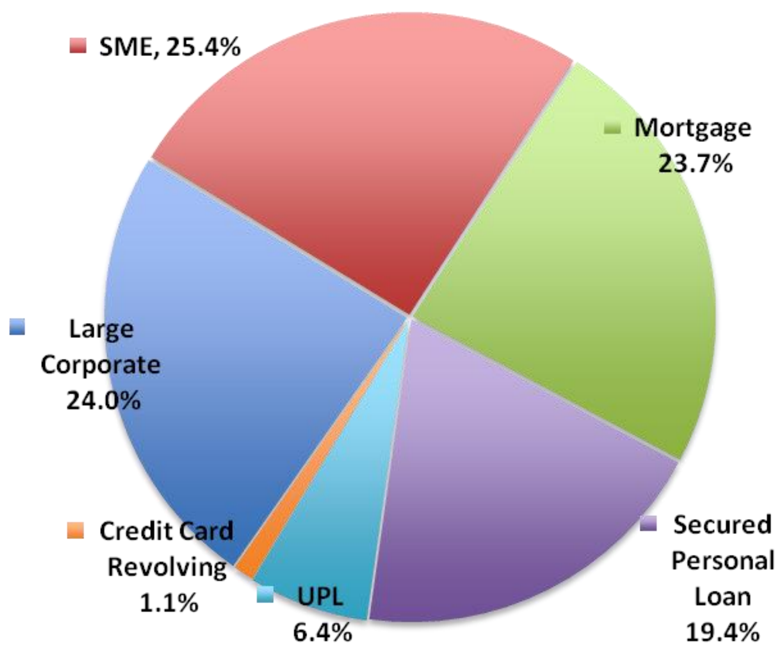
Unit: NT$ Bn



Note: 1.Excluding Credit card revolving balance
2. Financials of E.SUN Bank
3. Exclude deposit(US$ 392 million) and loan(US$ 309 million) from UCB, Cambodia

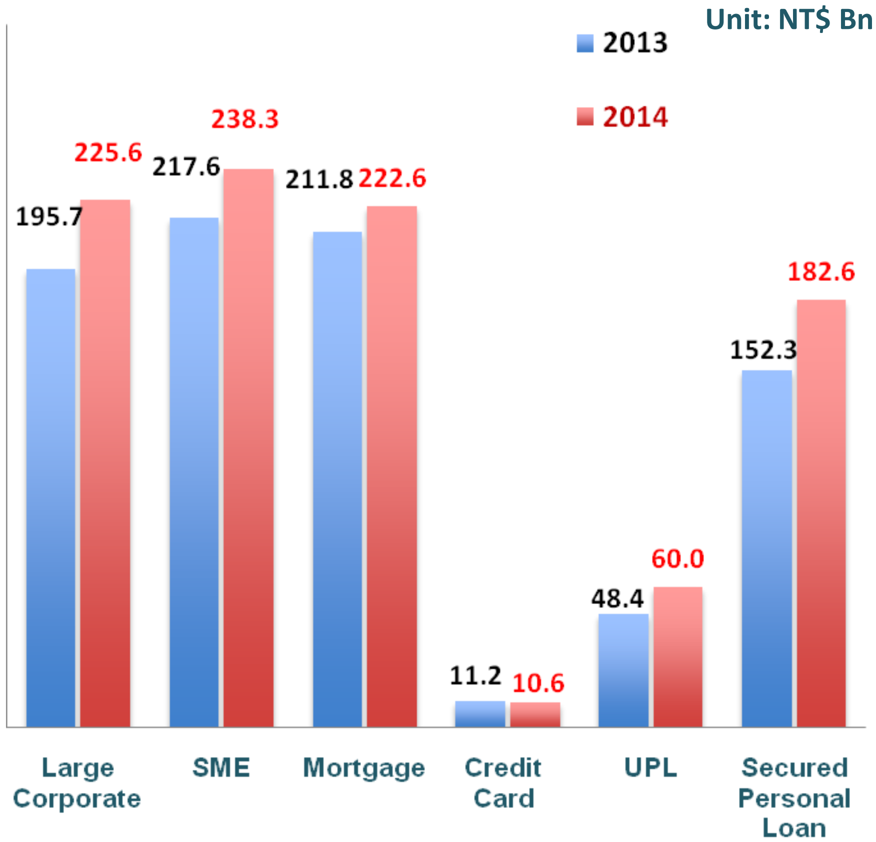
Loan Portfolio Breakdown

Total Loan
NT$ 939.7Bn



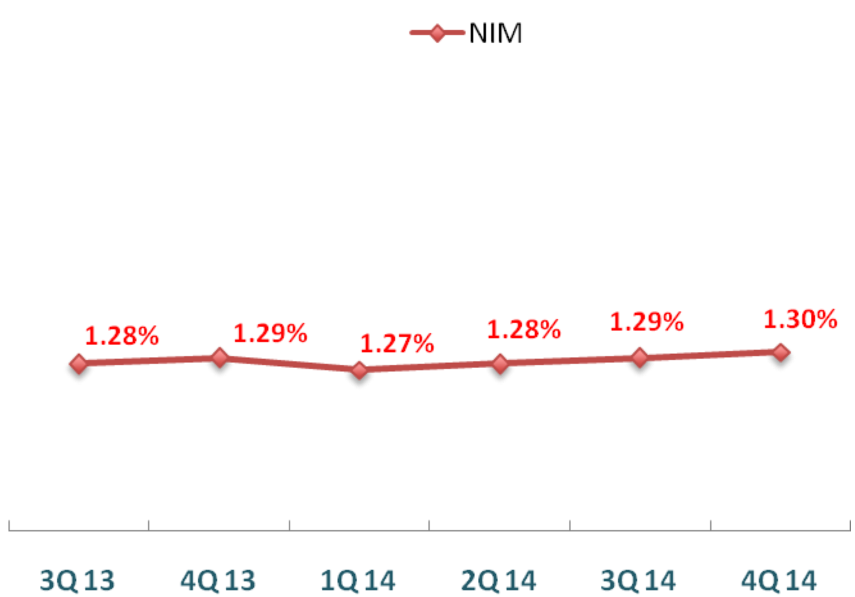
Note: 1.Include Credit Card Revolving balance
2. Secured Personal Loan, which is fully collateralized.
3. As of Dec. 2014
4. Exclude loan(US$ 309 million) from UCB, Cambodia

YoY Comparison

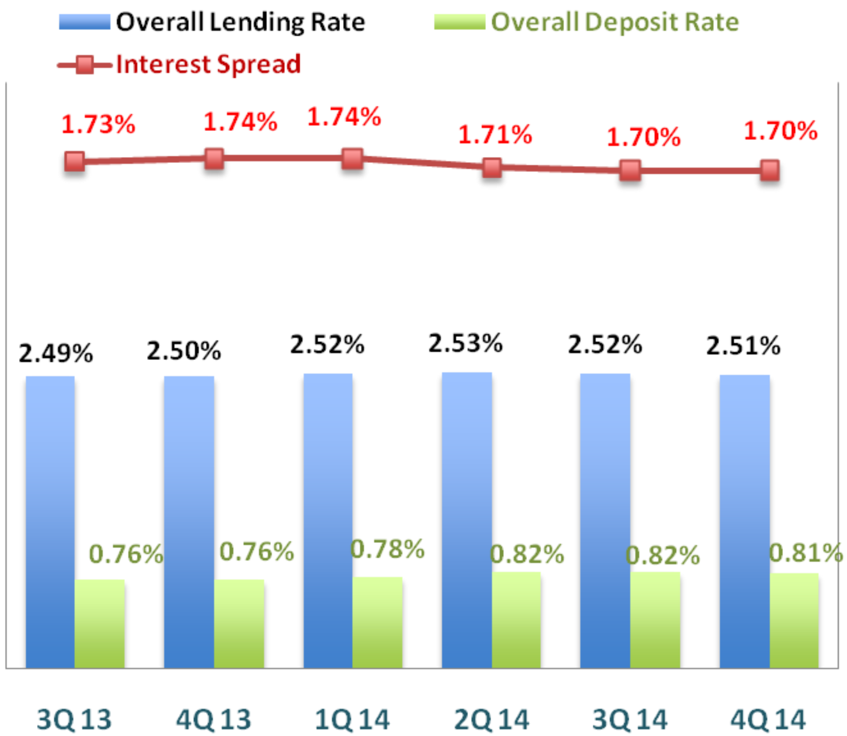


NIM and Spread

Quarterly Net Interest Margin



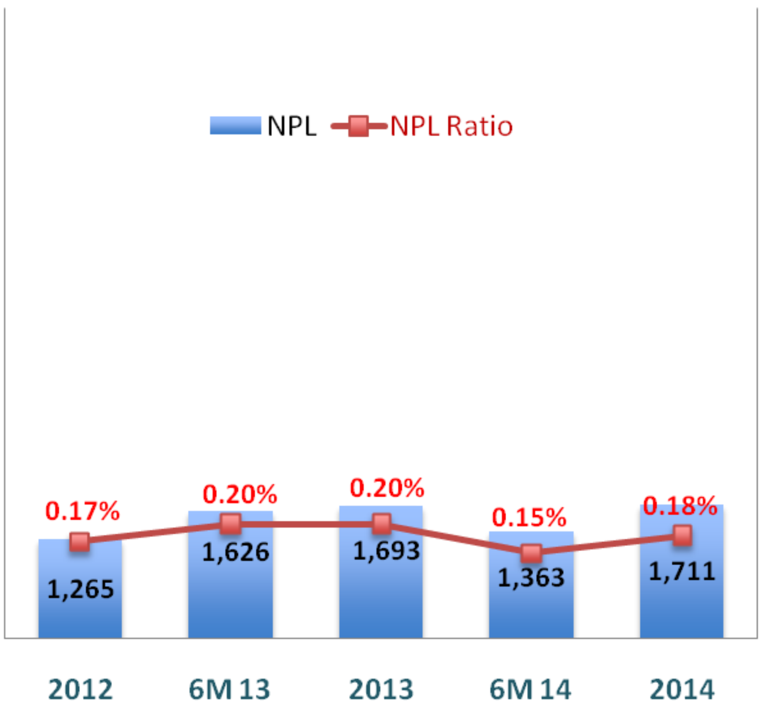
Quarterly Interest Spread



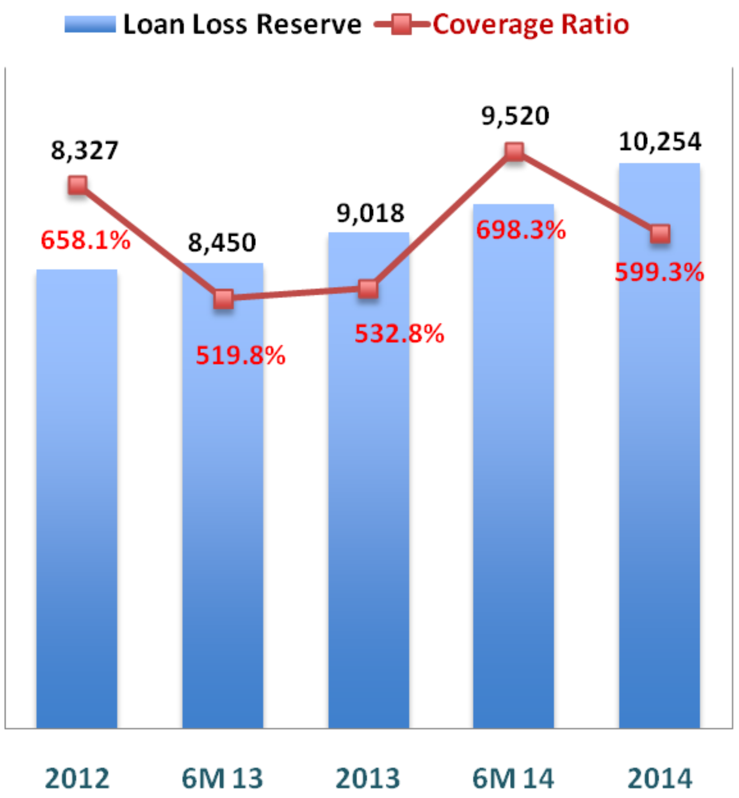
Note: 1. Financials of E.SUN Bank
2. The net interest income restore the accounting treatment impact

Superior Asset Quality 1/3

NPL Ratio(%)



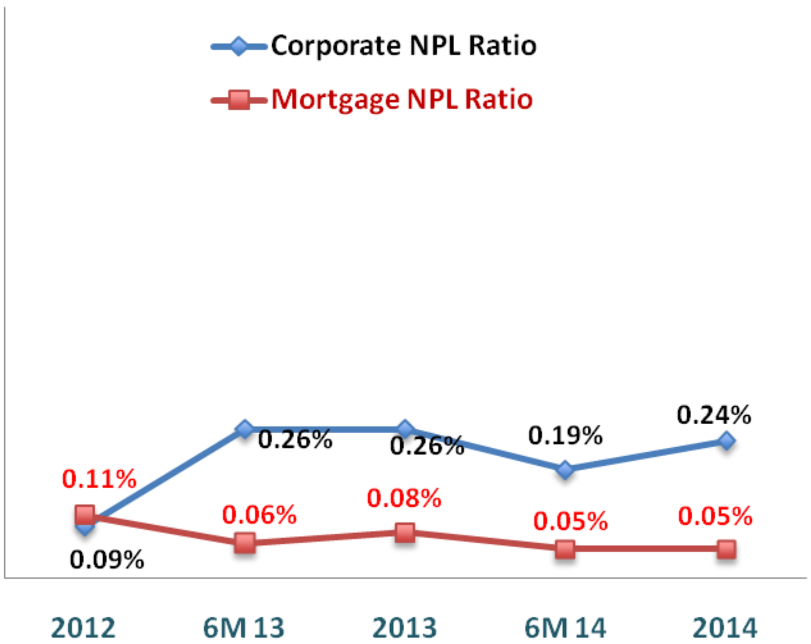
Coverage Ratio(%)



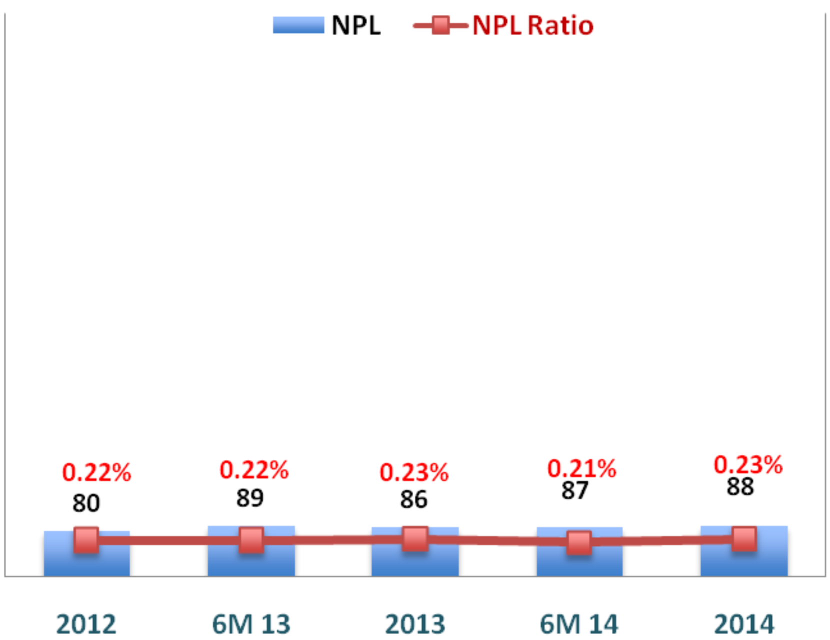
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



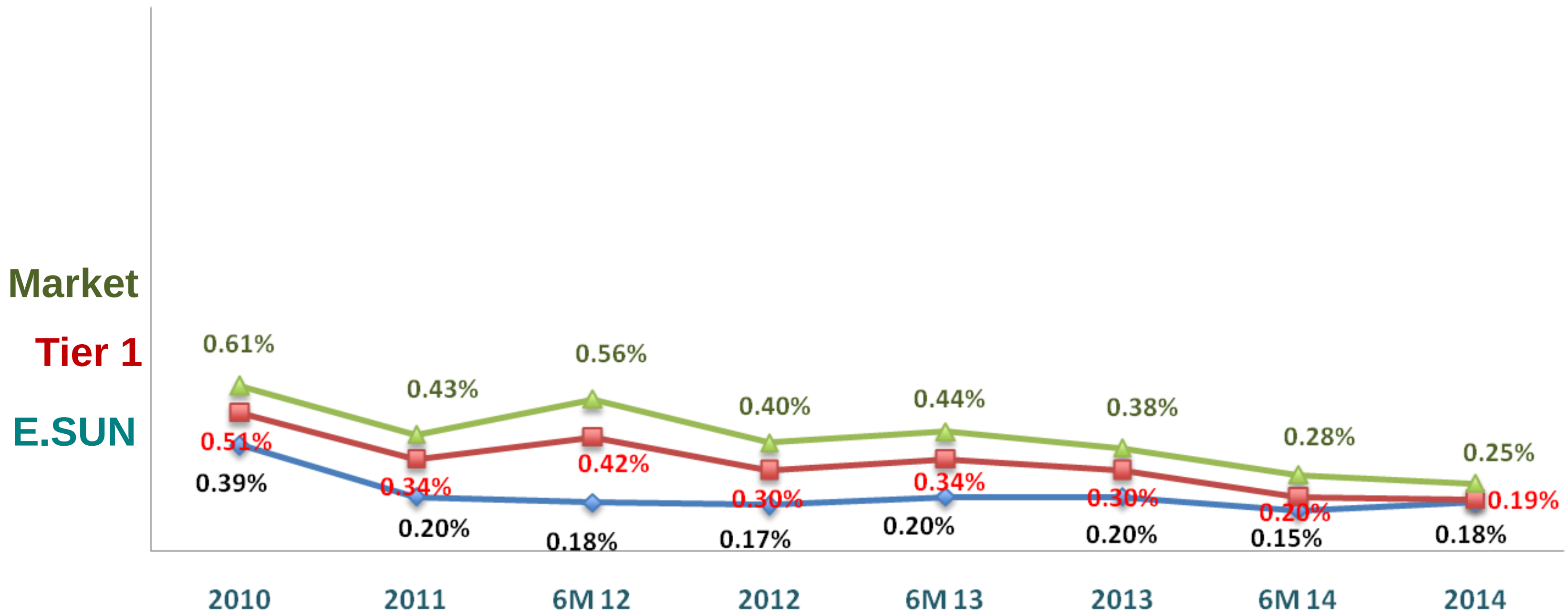
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

NPL Comparison with Tier 1 players and the Market

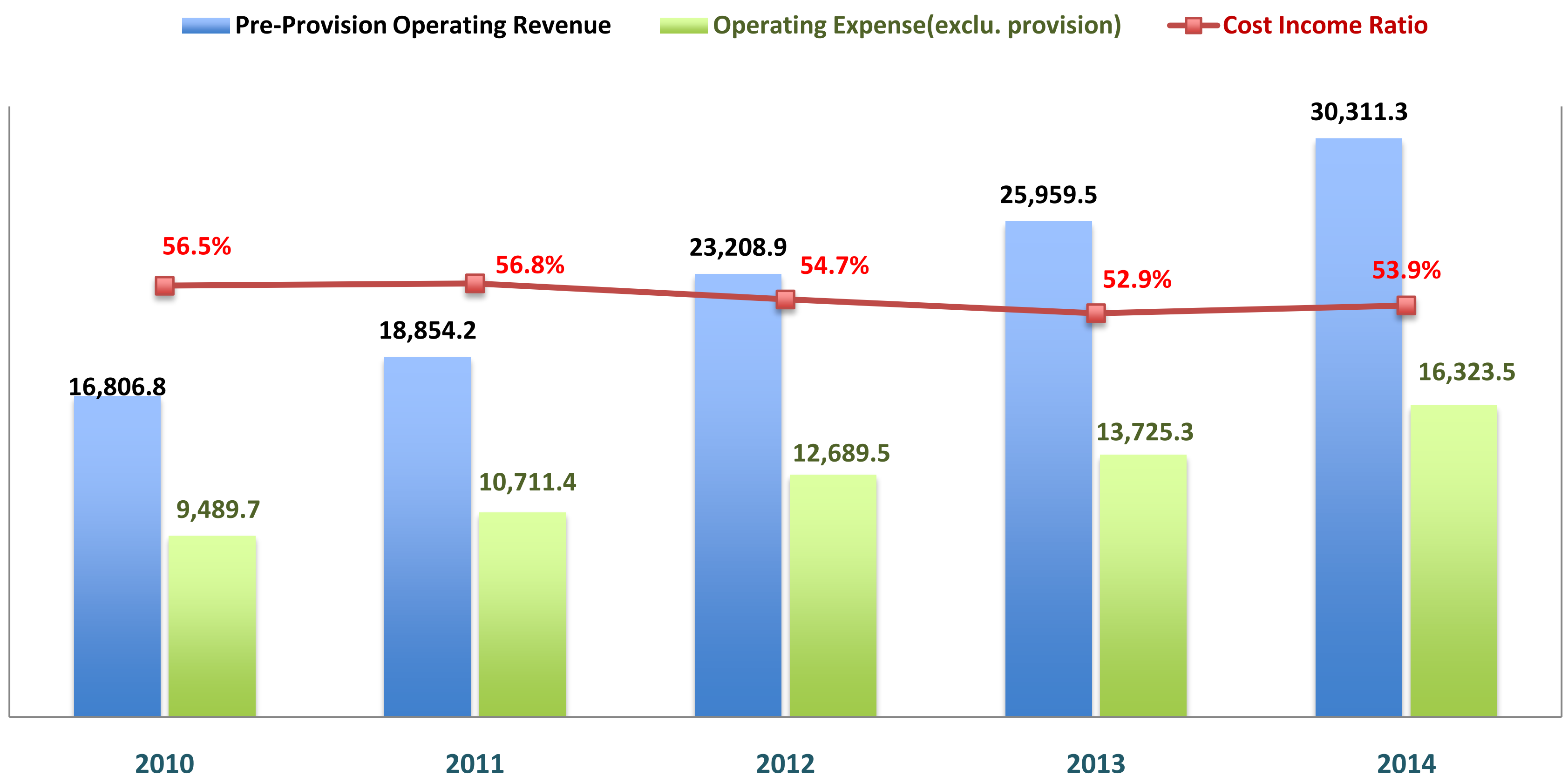


Note: 1. Source : FSC

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

Cost-Income Ratio

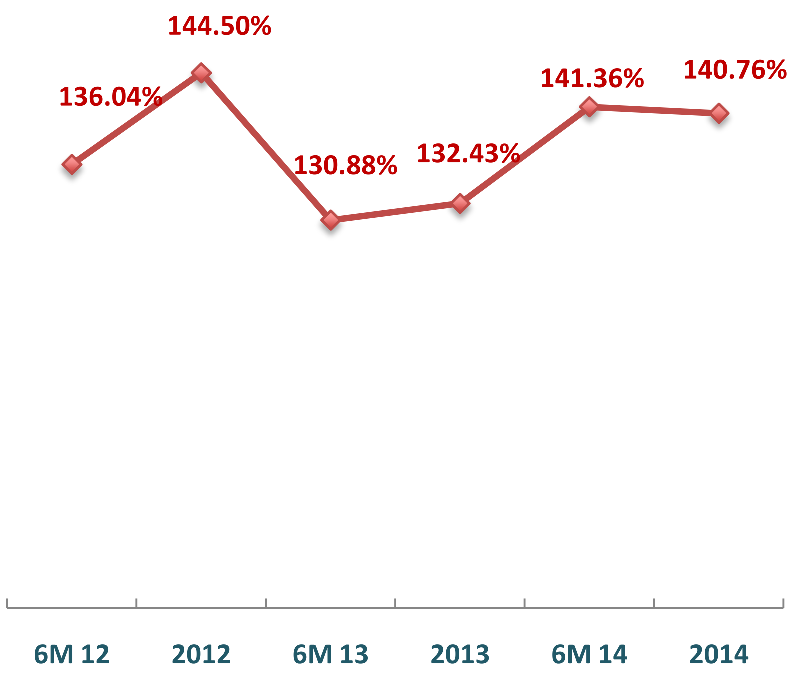
Unit: NT$ million



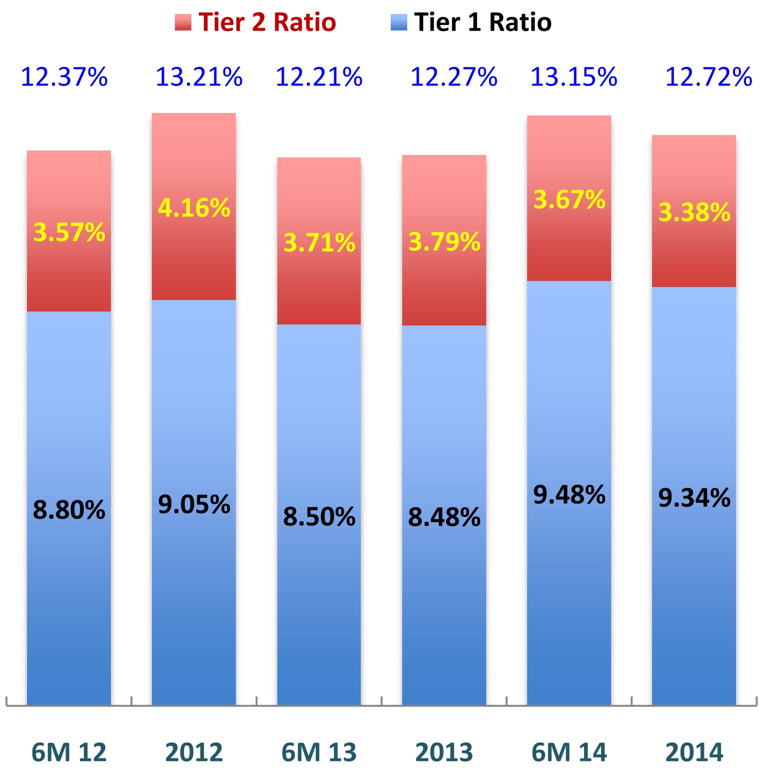
Note: 1. Audit figures of Dec. 2014
2. Financials of E.SUN Bank

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

- 2014 Financial Performance
- 2014 Business Operation Overview
- Appendix

Appendix 1/6

Balance Sheet of 2014 for E.SUN FHC and its subsidiaries

NT$ million	E.SUN Bank (consolidated)	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Assets：						
Cash and due from banks	89,599	209	159	571	1,251	89,638
Securities, net	417,344	1,236	251	974	1,569	420,897
Loans, net	934,614	0	0	0	0	934,614
A/R, net	65,392	7,485	247	0	87	73,088
LT investments, net	546	48	0	1,458	113,413	2,184
Land, premises and equipments, net	20,247	326	1	0	25	21,106
Others	24,202	2,118	194	222	1,203	24,893
Total assets	1,551,944	11,422	852	3,225	117,548	1,566,420
Liabilities:						
Deposits	1,284,728	0	0	0	0	1,280,692
Other liabilities	161,708	6,651	134	36	10,671	178,067
Total liabilities	1,446,436	6,651	134	36	10,671	1,458,759
Total stockholders' equity	105,508	4,771	718	3,189	106,877	107,661
Total equity attributable to owners of the company	104,723	4,771	718	3,189	106,877	106,876
Non-Controlling interests	785	-	-	-	-	785
Total liabilities and stockholders' equity	1,551,944	11,422	852	3,225	117,548	1,566,420

Note: Audit figures of Dec. 2014

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 2014

NT$ million	E.SUN Bank (Consolidated)	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income						
Net interest income	15,286	306	0	0	(107)	15,485
Net Fee income	9,910	714	2,591	0	0	11,470
LT investment income	48	0	0	0	11,119	121
Net trading income/(loss) & Derivatives & FX	5,318	87	0	336	(133)	5,602
Others	127	111	7	11	81	77
Total Net Revenues	30,689	1,218	2,598	347	10,960	32,755
Allowance for bad-debt expenses	(2,034)	0	0	0	0	(2,034)
Operating expenses	(16,560)	(925)	(2,141)	(16)	(246)	(17,950)
Income before income tax	12,095	293	457	331	10,714	12,771
Income tax expenses	(1,814)	(60)	(78)	(28)	(185)	(2,166)
Net Income	10,281	233	379	303	10,529	10,605
Attributable to owners of the company	10,204	233	379	303	10,529	10,529
Non-controlling interests	77	-	-	-	-	76

Note: Audit figures of Dec. 2014

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results 2012	Yearly Results 2013	Yearly Results 2014	Quarterly Results Dec 13	Quarterly Results Mar 14	Quarterly Results June 14	Quarterly Results Sep 14	Quarterly Results Dec 14
Assets：								
Cash and due from banks	79,269	79,252	89,638	79,252	79,923	79,165	80,089	89,638
Securities, net	348,564	373,749	420,897	373,749	424,451	442,255	420,009	420,897
Loans, net	735,407	828,238	934,614	828,238	849,111	884,729	909,474	934,614
A/R, net	48,564	62,895	73,088	62,895	61,687	73,290	73,219	73,088
LT investments, net	1,539	1,783	2,184	1,783	1,859	2,068	2,203	2,184
Land, premises and equipments, net	16,670	19,373	21,106	19,373	19,717	19,974	20,228	21,106
Others	14,084	15,726	24,893	15,726	22,326	10,382	22,147	24,893
Total assets	1,244,097	1,381,016	1,566,420	1,381,016	1,459,074	1,511,863	1,527,369	1,566,420
Liabilities:								
Deposits	1,023,820	1,150,791	1,280,692	1,150,791	1,187,068	1,214,237	1,227,860	1,280,692
Other liabilities	145,103	146,890	178,067	146,890	182,257	195,970	194,582	178,067
Total liabilities	1,168,923	1,297,681	1,458,759	1,297,681	1,369,325	1,410,207	1,422,442	1,458,759
Total stockholders' equity	75,174	83,335	107,661	83,335	89,749	101,656	104,927	107,661
Total equity attributable to owners of the company	75,174	82,651	106,876	82,651	89,034	100,957	104,184	106,876
Non-Controlling interests	-	684	785	684	715	699	743	785
Total liabilities and stockholders' equity	1,244,097	1,381,016	1,566,420	1,381,016	1,459,074	1,511,863	1,527,369	1,566,420

Note: Audit figures of Dec. 2014

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

NT$ million	Yearly Results			Quarterly Results				
	2012	2013	2014	4Q13	1Q14	2Q14	3Q14	4Q14
Operating income								
Net interest income	12,259	13,035	15,485	3,348	3,498	3,763	4,048	4,176
Net Fee income	7,472	9,124	11,470	2,497	2,493	2,803	3,244	2,930
LT investment income	130	308	121	2	5	15	83	18
Net trading income/(loss) & Derivatives & FX	4,212	4,189	5,602	872	1,964	1,326	1,229	1,083
Others	19	400	77	2	5	4	24	44
Total Net Revenues	24,092	26,747	32,755	6,721	7,965	7,911	8,628	8,251
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(419)	(374)	(177)	(644)	(839)
Operating expenses	(13,718)	(14,826)	(17,950)	(4,067)	(4,005)	(4,524)	(4,473)	(4,948)
Income before income tax	8,354	10,214	12,771	2,235	3,586	3,210	3,511	2,464
Income tax expenses	(1,296)	(1,798)	(2,166)	(389)	(712)	(510)	(615)	(329)
Net Income	7,058	8,416	10,605	1,846	2,874	2,700	2,896	2,135
Income Attributable to owners of the company	7,058	8,416	10,529	1,850	2,858	2,680	2,867	2,124
Non-Controlling interests	-	-	76	-4	16	20	29	11

Note: 1. Audit figures of Dec. 2014

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

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results 2012	2013	2014	Quarterly Results Dec 13	Mar 14	June 14	Sep 14	Dec 14
Assets：								
Cash and due from banks	78,924	79,225	89,599	79,225	79,894	79,135	80,050	89,599
Securities, net	347,381	371,650	417,344	371,650	422,193	439,290	428,669	417,344
Loans, net	735,407	828,238	934,614	828,238	849,111	884,729	909,474	934,614
A/R, net	44,305	56,093	65,392	56,093	54,271	65,076	64,768	65,392
LT investments, net	329	521	546	521	521	521	519	546
Land, premises and equipments, net	16,373	18,487	20,247	18,487	18,841	19,111	19,370	20,247
Others	13,170	14,678	24,202	14,678	21,398	9,473	8,447	24,202
Total assets	1,235,889	1,368,892	1,551,944	1,368,892	1,446,229	1,497,335	1,511,297	1,551,944
Liabilities:								
Deposits	1,029,975	1,157,482	1,284,728	1,157,482	1,192,012	1,219,007	1,232,376	1,284,728
Other liabilities	130,635	127,976	161,708	127,976	165,336	178,755	176,290	161,708
Total liabilities	1,160,610	1,285,458	1,446,436	1,285,458	1,357,348	1,397,762	1,408,666	1,446,436
Total stockholders' equity	75,279	83,434	105,508	83,434	88,881	99,573	102,631	105,508
Total equity attributable to owners of the company	75,279	82,750	104,723	82,750	88,166	98,874	101,888	104,723
Non-Controlling interests	-	684	785	684	715	699	743	785
Total liabilities and stockholders' equity	1,235,889	1,368,892	1,551,944	1,368,892	1,446,229	1,497,335	1,511,297	1,551,944

Note: Audit figures of Dec. 2014

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results 2012	2013	2014	Quarterly Results 4Q13	1Q14	2Q14	3Q14	4Q14
Operating income								
Net interest income	12,265	12,887	15,286	3,304	3,457	3,715	3,995	4,119
Net Fee income	6,158	7,929	9,910	2,125	2,175	2,408	2,744	2,583
LT investment income	42	49	48	0	-	10	38	0
Net trading income/(loss) & Derivatives & FX	4,618	4,969	5,318	1,023	1,826	1,129	1,265	1,098
Others	126	125	127	40	18	34	19	56
Total Net Revenues	23,209	25,959	30,689	6,492	7,476	7,296	8,061	7,856
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(418)	(374)	(177)	(644)	(839)
Operating expenses	(12,690)	(13,725)	(16,560)	(3,744)	(3,709)	(4,177)	(4,098)	(4,576)
Income before income tax	8,499	10,527	12,095	2,330	3,393	2,942	3,319	2,441
Income tax expenses	(1,320)	(1,680)	(1,814)	(348)	(587)	(425)	(482)	(320)
Net Income	7,179	8,847	10,281	1,982	2,806	2,517	2,837	2,121
Attributable to owners of the company	7,179	8,847	10,204	1,986	2,790	2,497	2,808	2,109
Non-controlling interests	-	-	77	(4)	16	20	29	12

Note: 1. Audit figures of Dec. 2014

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