玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 2Q 2015

Aug. 2015

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

- 2015 6M Financial Performance
- 2015 6M Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		2015.6	2014
Total Assets	FHC	1,688,515	1,566,420
	Bank	1,674,182	1,551,944
	Securities	12,430	11,422
	Insurance Brokers	1,155	852
	Venture Capital	3,016	3,225
Key Financials	Book value per share (NT$)	15.55	15.15
	Double Leverage Ratio	104.44%	106.12%
	FHC CAR	146.12%	140.76%
Shareholder Structure	QFII	59.63%	57.61%
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: Preliminary data of June 2015

2015 Q2 Business and Financial Review

Financial Performance

- Net profit for 6M15 reached NT$6.67 billion, which was 20.3% higher than 6M14
- EPS NT$0.93，ROE 12.10%，ROA 0.82%

Business Operation

- Net interest income and Net fee income increased 14.3% and 27.9% respectively.
- Moderate growth on Deposit and Loan balance, with 8.5% and 5.6% YTD growth respectively.
- Wealth Management was the main driver for Net fee income, with 49.8% YoY growth in 6M15.

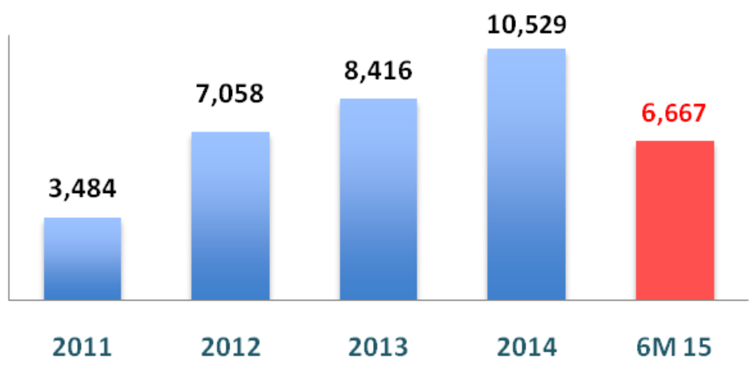
Asset Quality

- Asset quality maintain benign as NPL ratio of 0.21% and coverage ratio of 575.2%.
- Additional provision regarding mortgage and China related loan was reserved by June 2015.
- Adequate capital structure with 9.50% Tier 1 ratio and 13.32% BIS ratio by June 2015. If deduct NT$ 5 billion capital to China subsidiary, Tier 1 and BIS will reduce to 9.32% and 12.94%.

Financial Performance

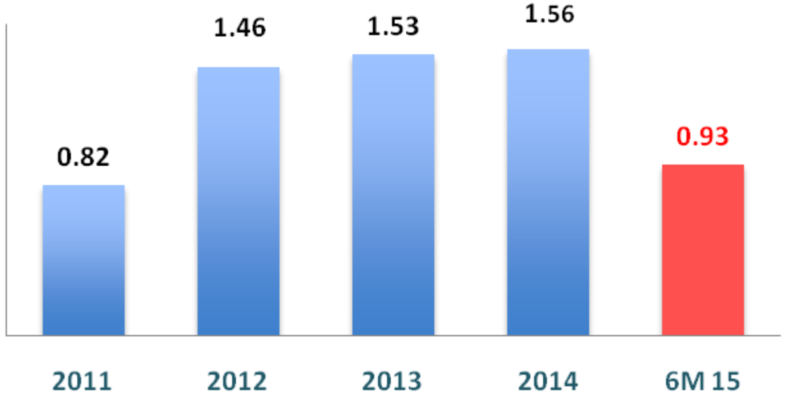
Net Profit

Unit: NT$ million

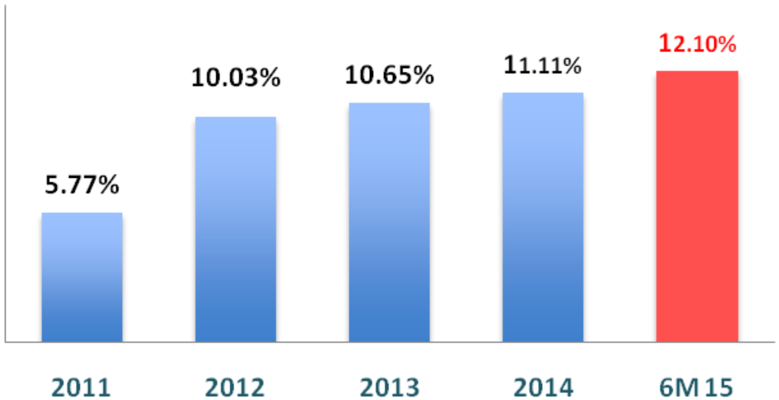


EPS

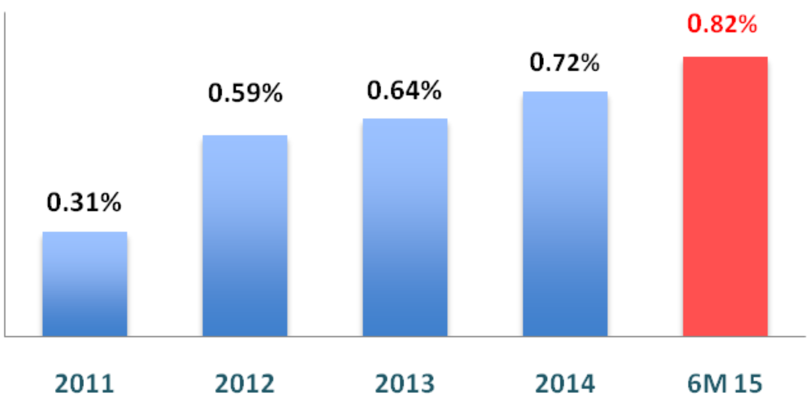
Unit: NT$ dollars



ROE



ROA

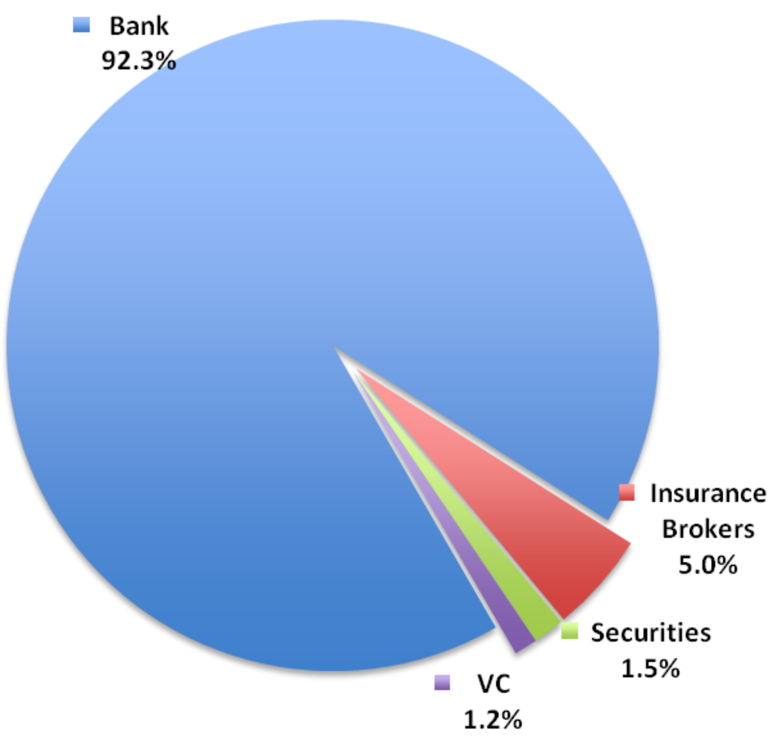


Note: 1. ROE and ROA are annualized.

2. Preliminary figures of June 2015

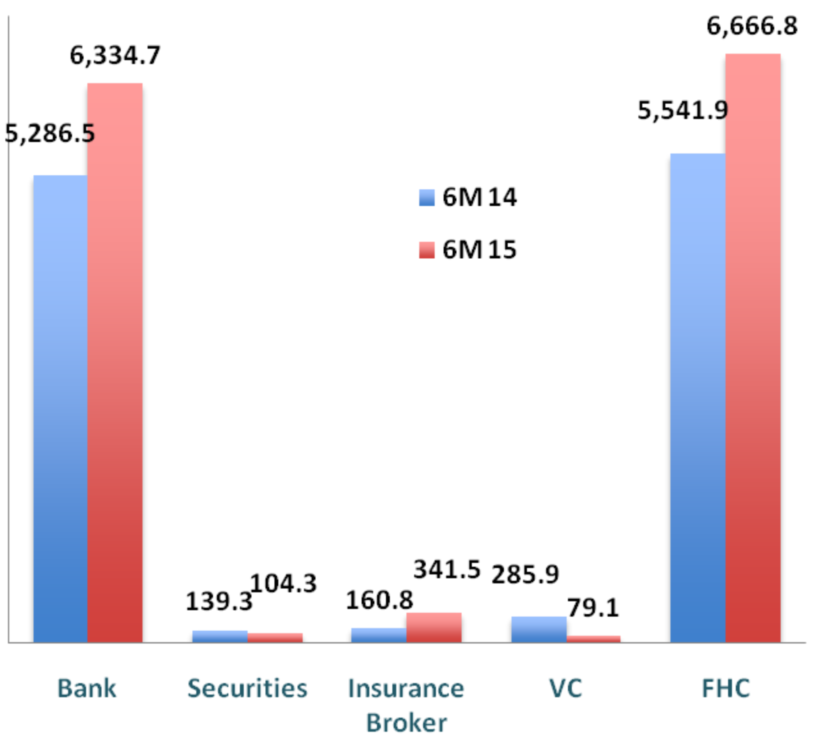
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million



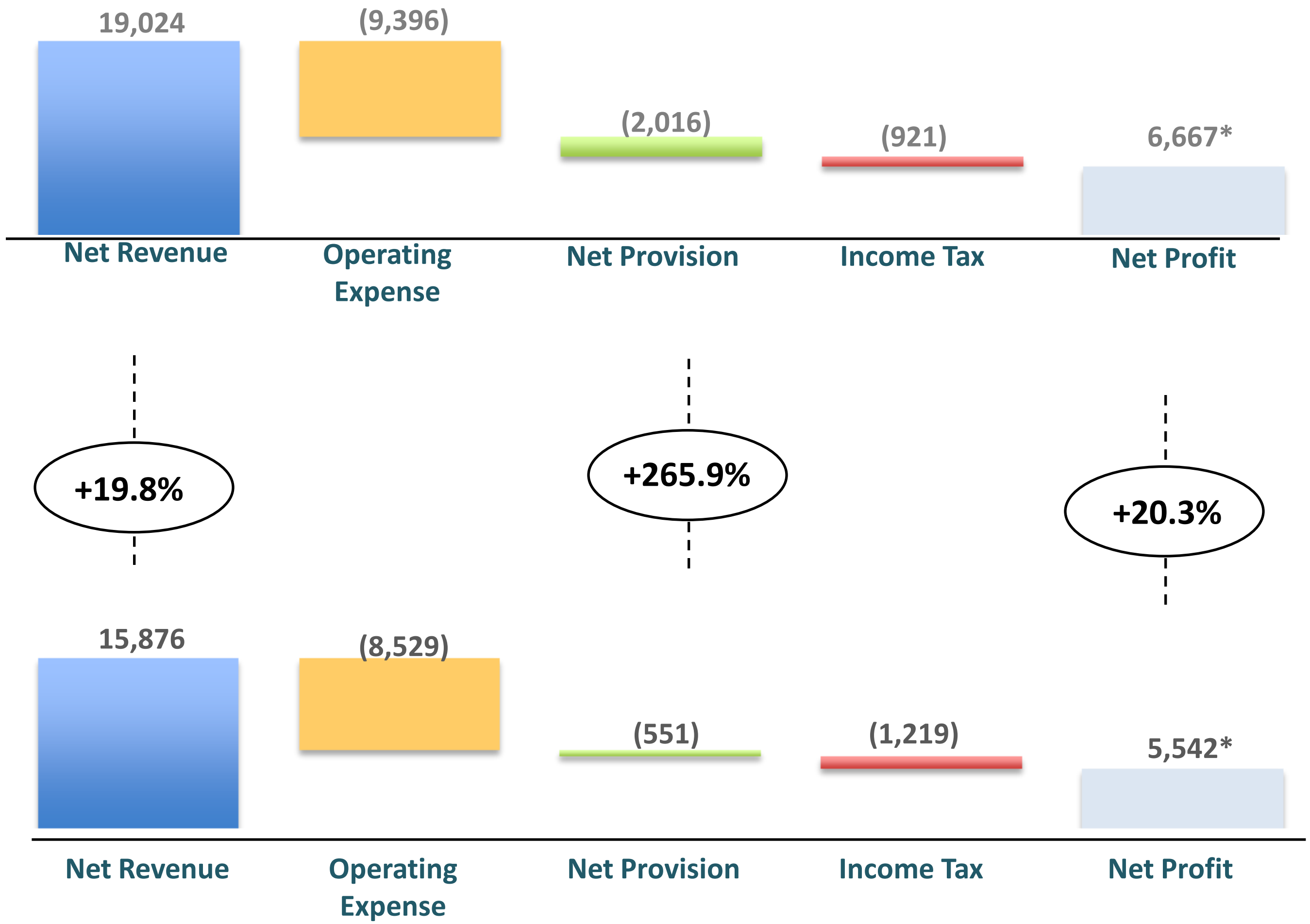
Note: Preliminary figures of June 2015

Net Profit Breakdown

6M 15 P&L

6M 14 P&L

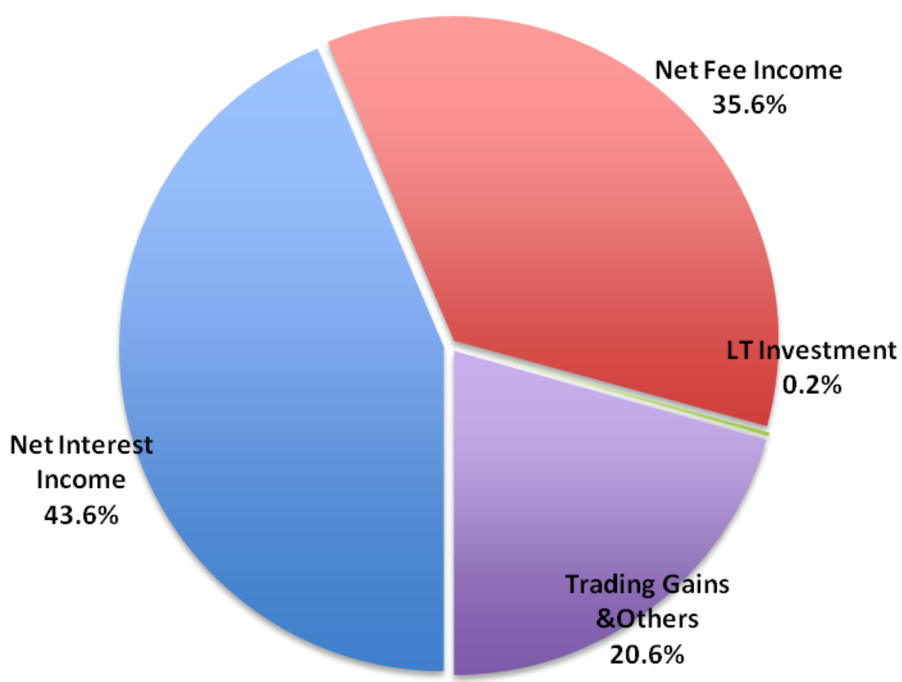
Unit: NT$ million



Note: 1. Net Profit is deduct non-controllable portion
2. Preliminary figures of June 2015

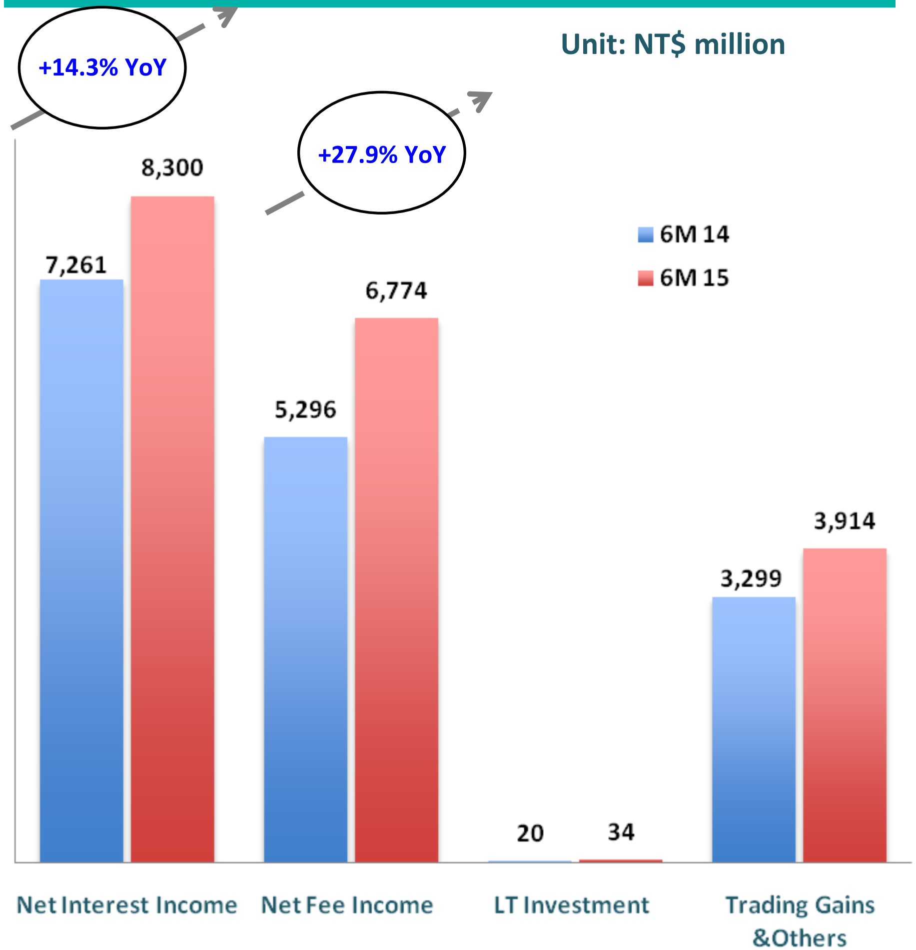
FHC Revenue Breakdown

Total Net Revenue
NT$ 19,022 million



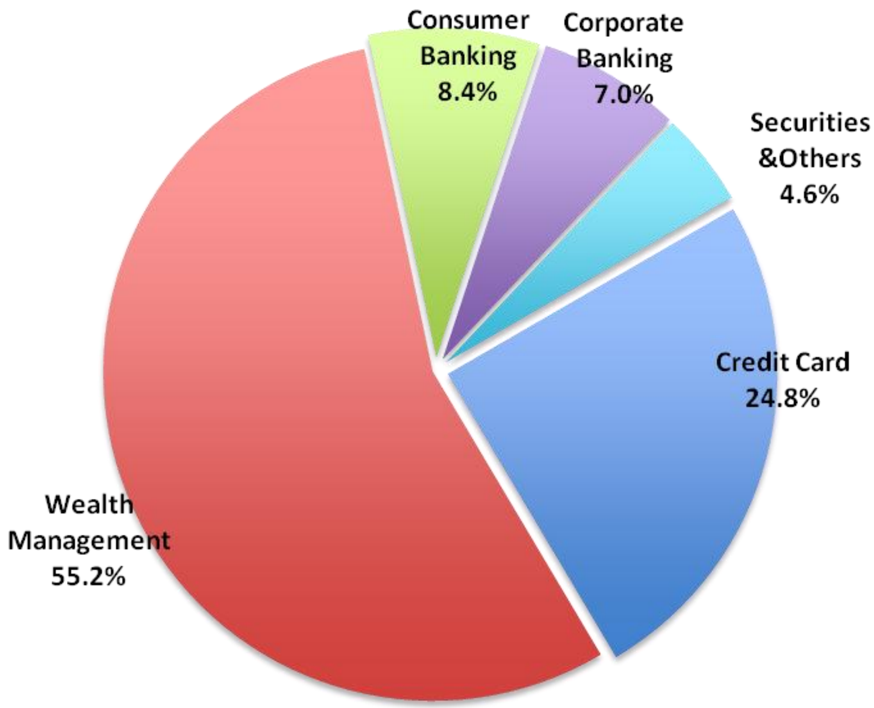
Note: Preliminary figures of June 2015

YoY Revenue Comparison

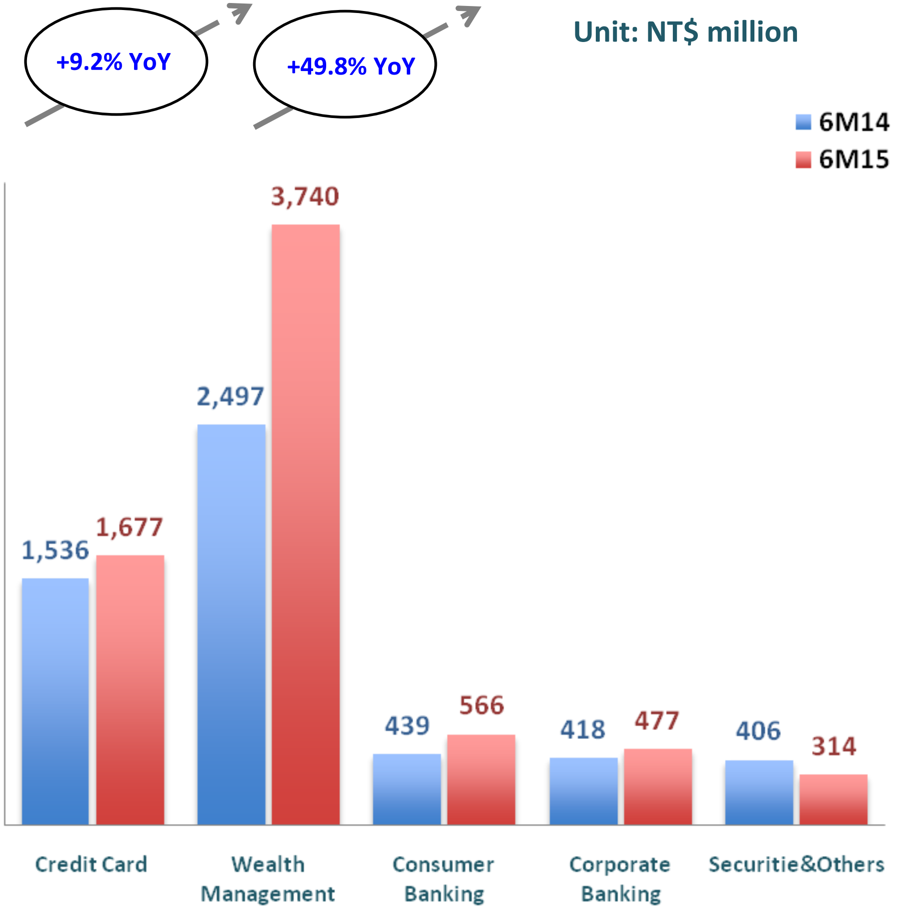


Net Fee Income Breakdown

Total Net Fee Income
NT$ 6,774 million



YoY Comparison

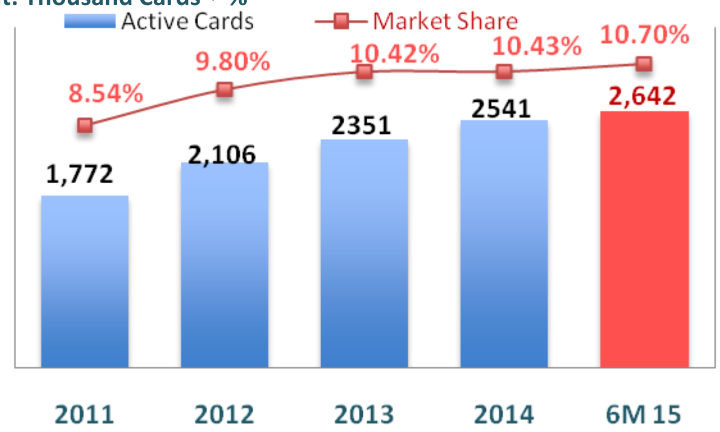


Note: 1. Preliminary Figures of June 2015
2. WM Including Bancassurance fee from E.SUN Insurance Brokers

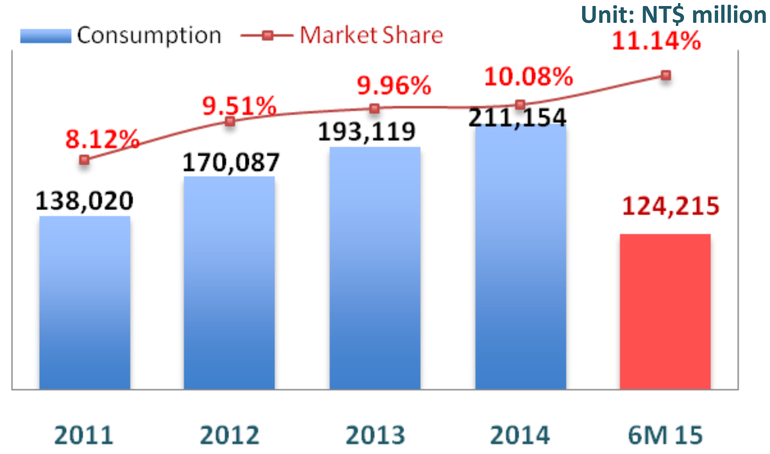
Credit Card Business Breakdown

Active Cards

Unit: Thousand Cards，%

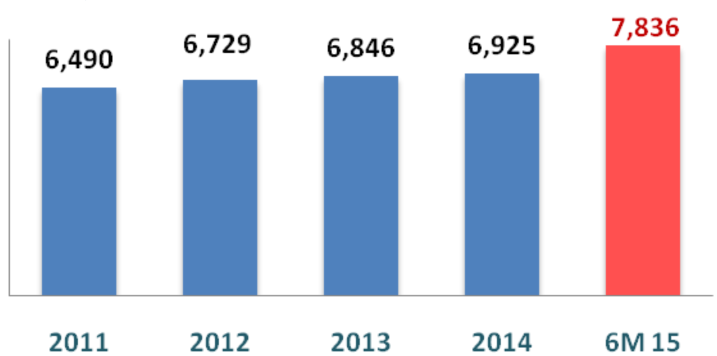


Card Consumption

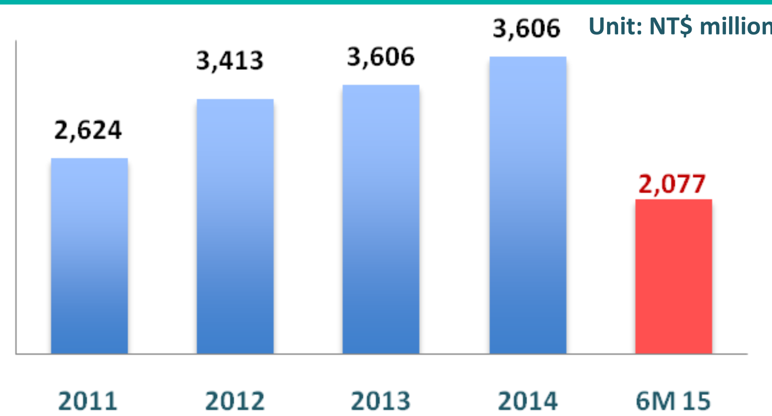


Per Card Spending (Monthly)

Unit: NT$ dollar



Gross Fee Income



Deposit and Loan Structure

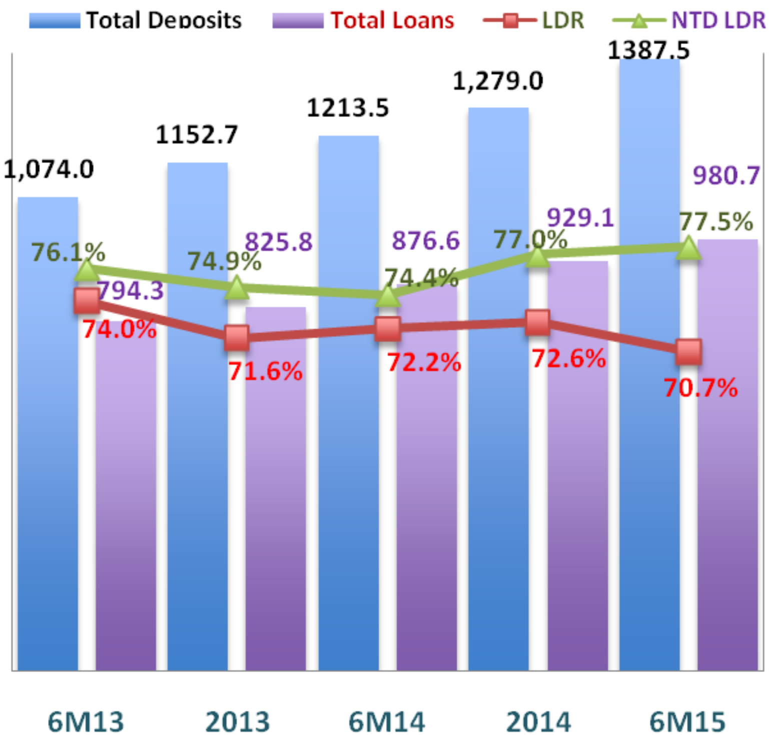
Unit: NT$ Bn

Products	2015.6	QoQ Growth %	2015.3	2015 Growth %	2014
Total Deposits	1,387.5	6.4%	1,303.8	8.5%	1,279.0
Demand Deposits	615.7	5.8%	581.7	6.7%	576.8
FX Deposits	328.1	14.2%	287.4	20.3%	272.8
Total Loans 1/	980.7	4.9%	934.9	5.6%	929.1
Corporate Loans	490.6	6.5%	460.5	5.8%	463.7
SME Loans	251.2	5.6%	237.9	5.4%	238.3
Consumer Loans	490.2	3.3%	474.4	5.4%	465.2
Mortgage Loan	224.3	0.0%	224.5	0.8%	222.6
Unsecured Personal Loan	69.0	13.5%	60.8	15.0%	60.0
Credit Cards in force ('000s)	2,642	2.2%	2,586	4.0%	2,541
Accumulated Credit Card Spending	124.2	31.0 2/	211.2	18.0% 3/	211.2
Credit Card Revolving Balance	10.3	(0.3%)	10.6	(0.3%)	10.6

Note: 1.Exclude credit card revolving balance 4. Exclude deposit(US$ 482 million) and loan(US$ 358 million) from UBC, Cambodia
2. QoQ growth is 2Q15 vs 1Q15
3. YoY growth is 6M2015 vs 6M14

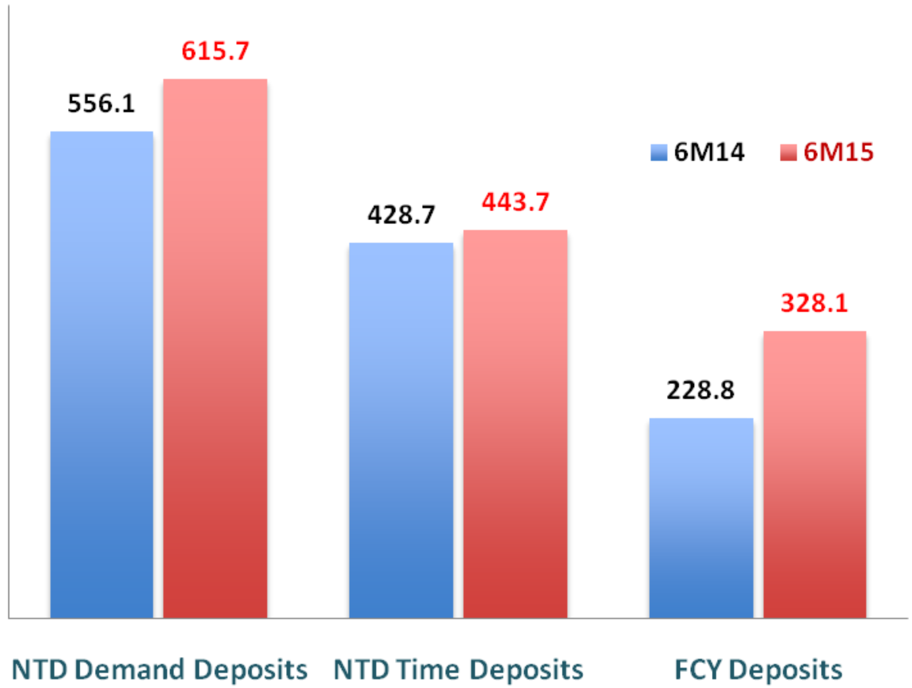
Deposit Structure

Loan to Deposit Ratio



Deposit Structure

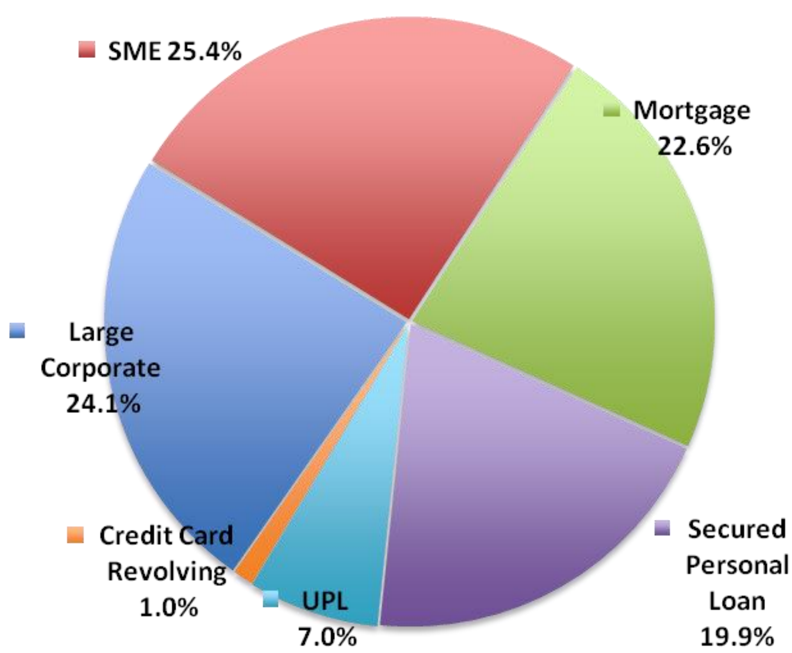
Unit: NT$ Bn



Note: 1.Excluding Credit card revolving balance
2. Financials of E.SUN Bank
3. Exclude deposit(US$ 482 million) and loan(US$ 358 million) from UCB, Cambodia

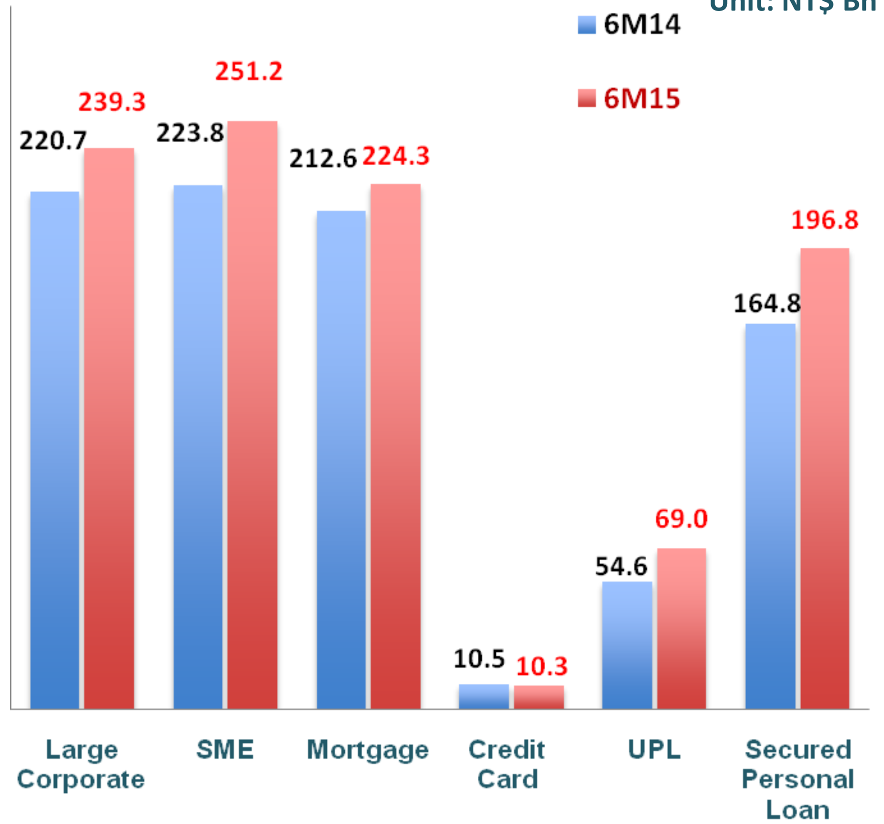
Loan Portfolio Breakdown

Total Loan
NT$ 991.0 Bn



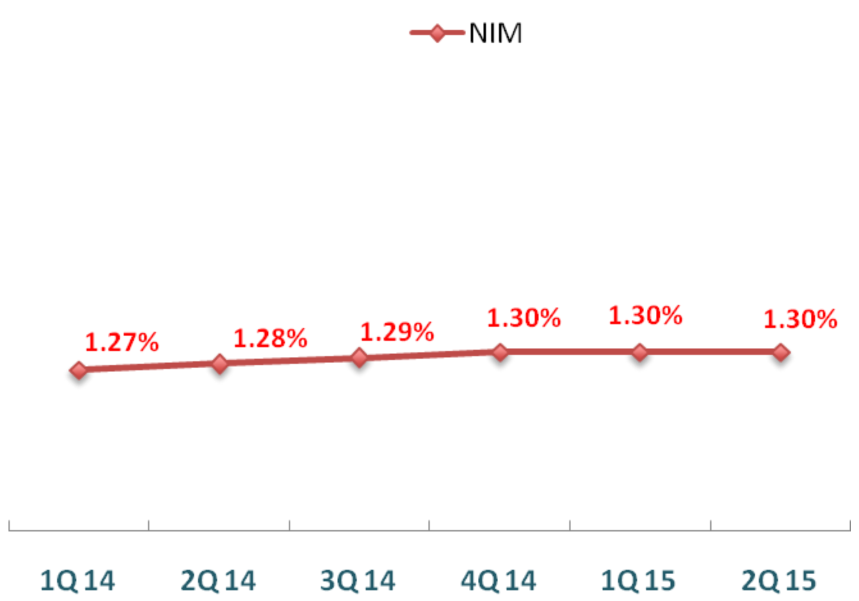
Note: 1.Include Credit Card Revolving balance
2. Secured Personal Loan, which is fully collateralized.
3. As of June 2015
4. Exclude loan(US$ 358million) from UCB, Cambodia

YoY Comparison

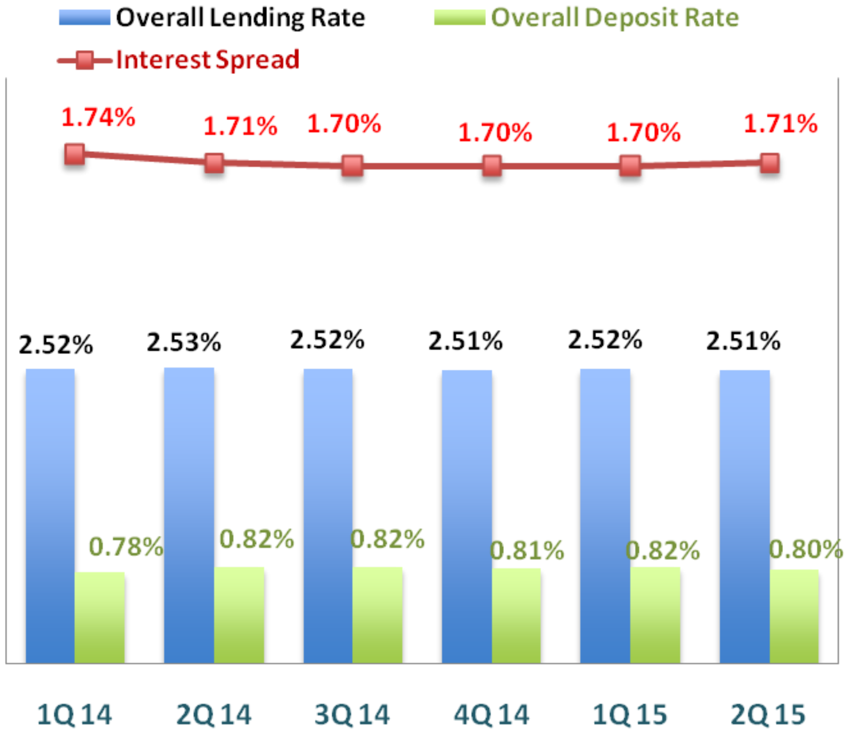


NIM and Spread

Quarterly Net Interest Margin



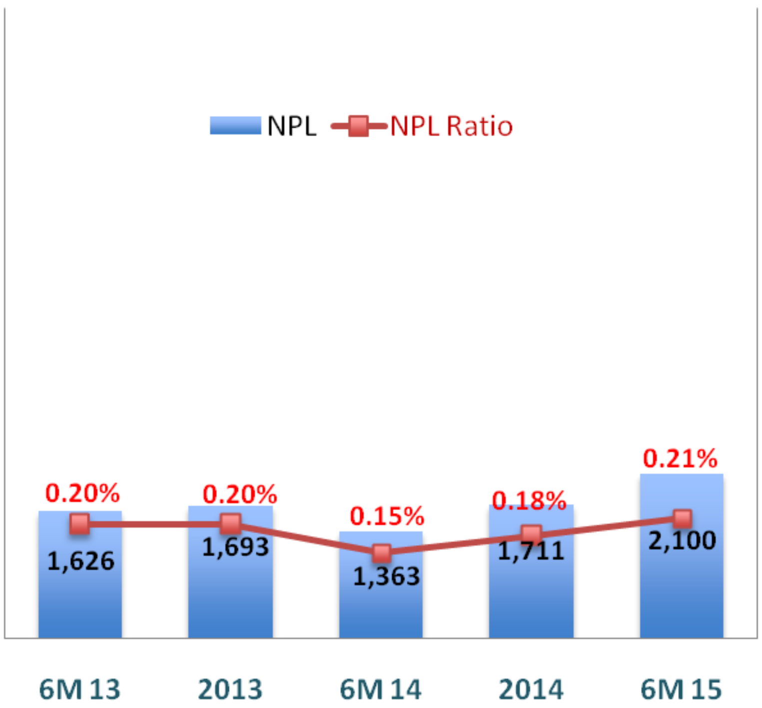
Quarterly Interest Spread



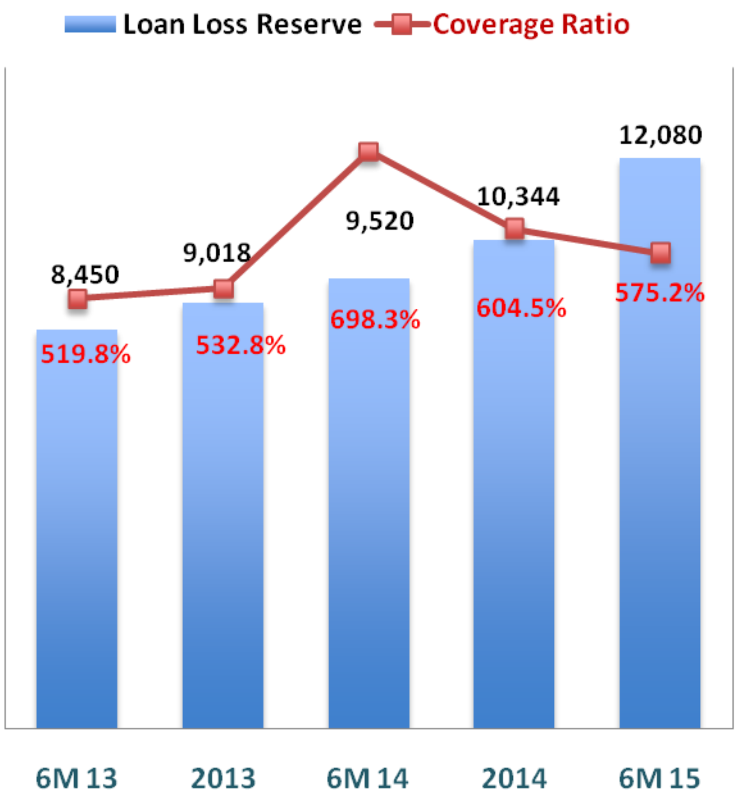
Note: 1. Financials of E.SUN Bank
2. The net interest income restore the accounting treatment impact

Superior Asset Quality 1/3

NPL Ratio(%)



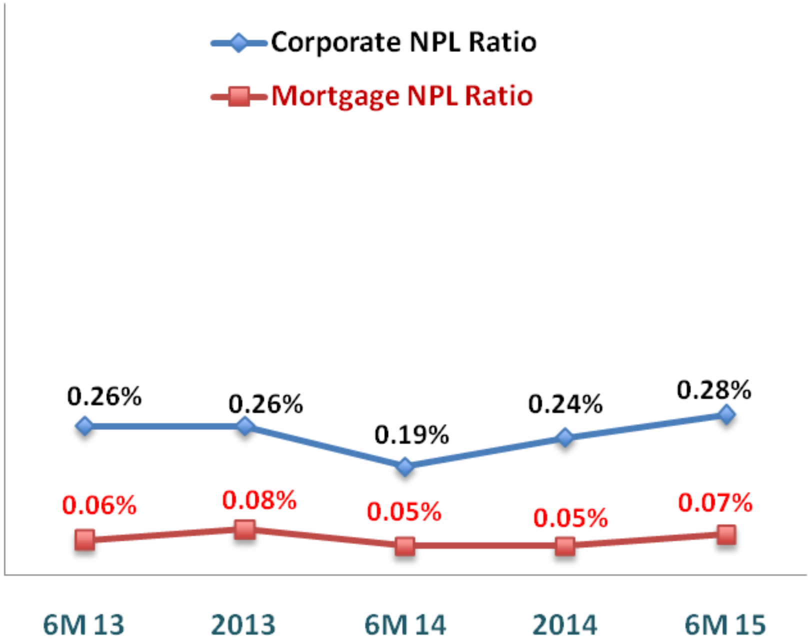
Coverage Ratio(%)



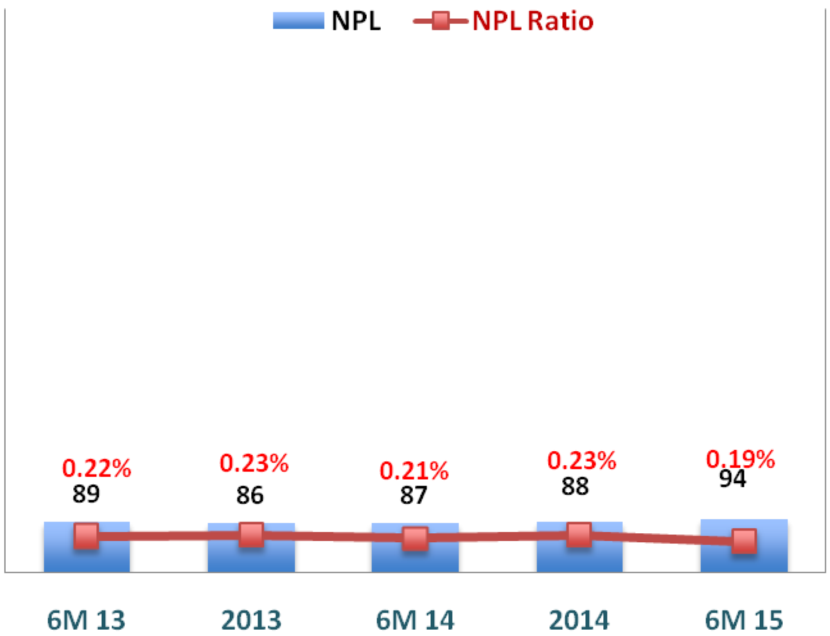
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



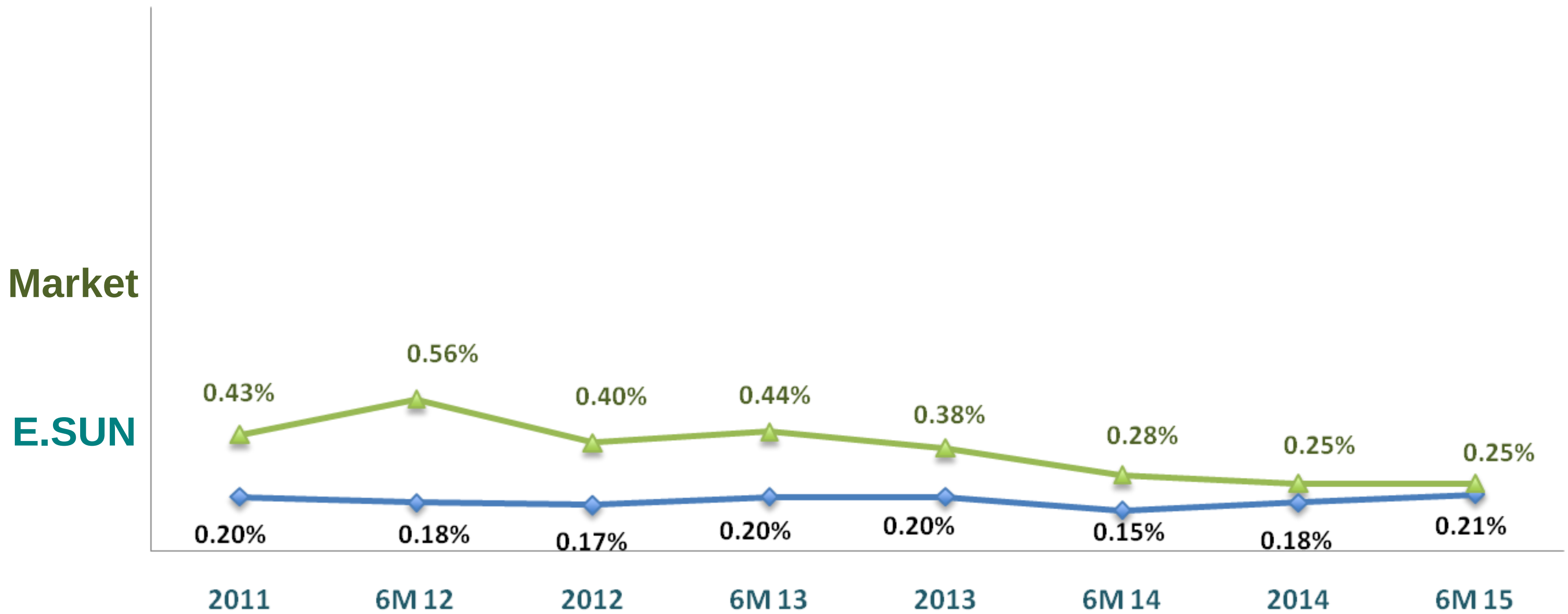
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

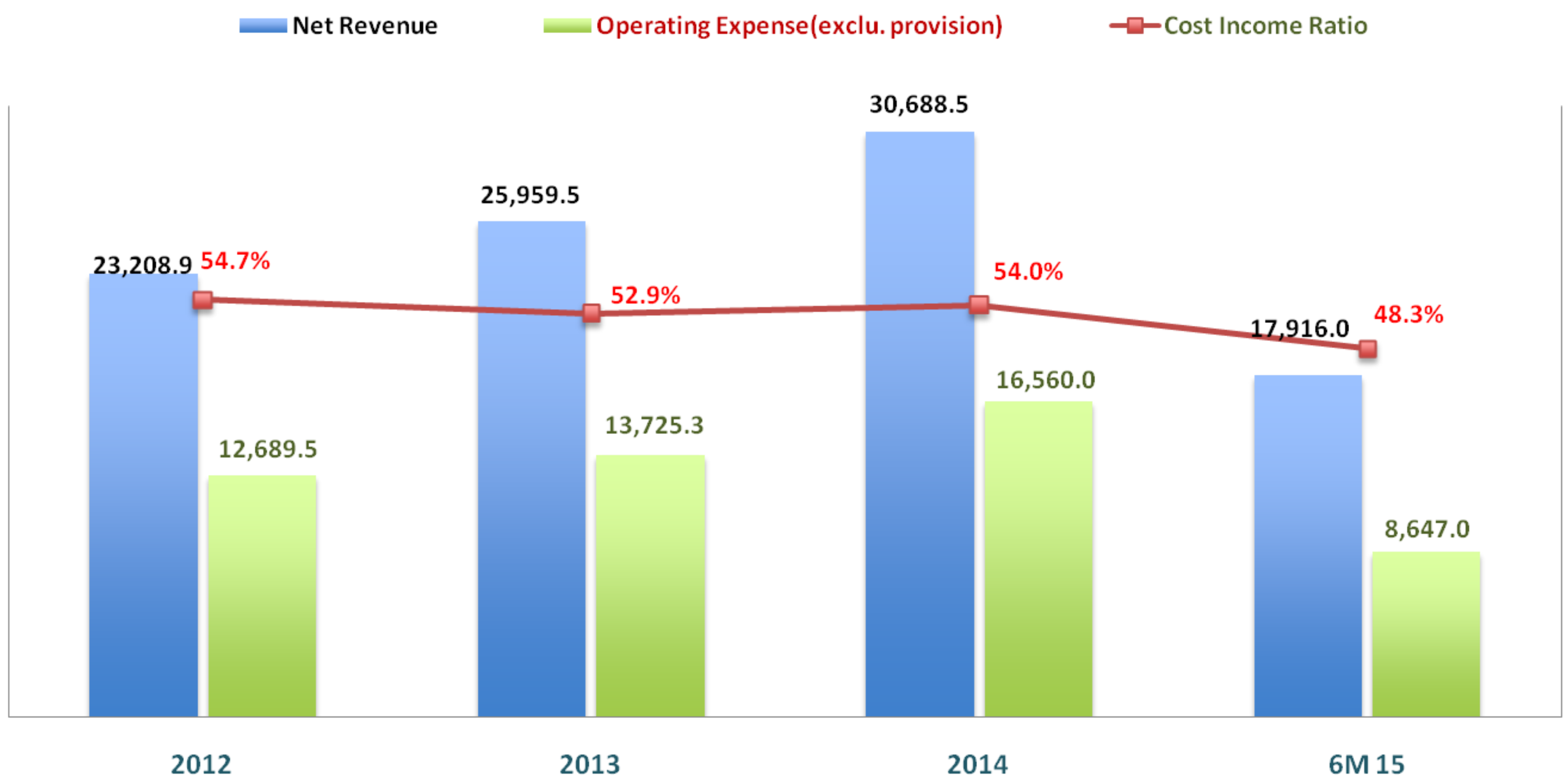
NPL Comparison with Market



Note: Source : FSC

Cost-Income Ratio

Unit: NT$ million

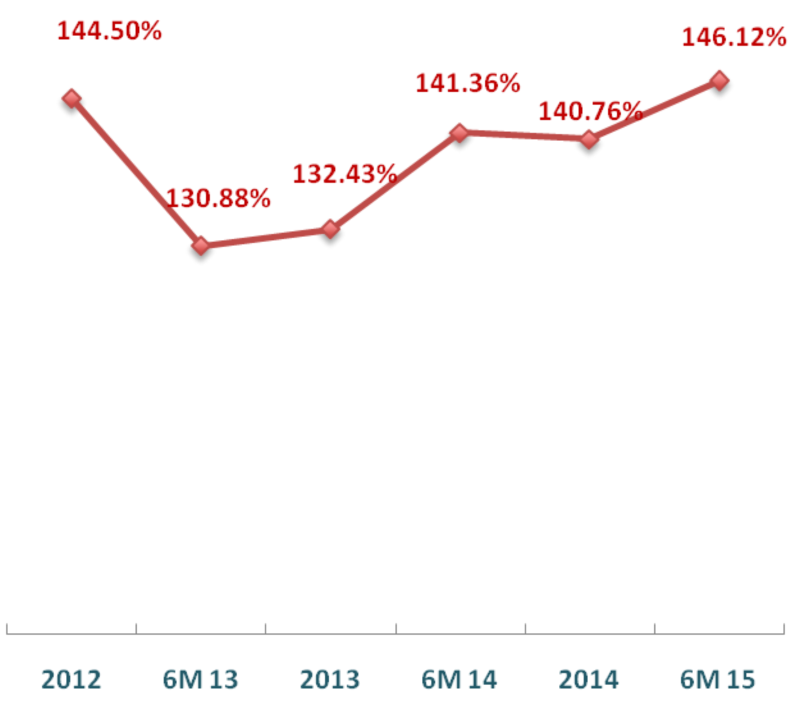


Note: 1. Preliminary figures of June 2015

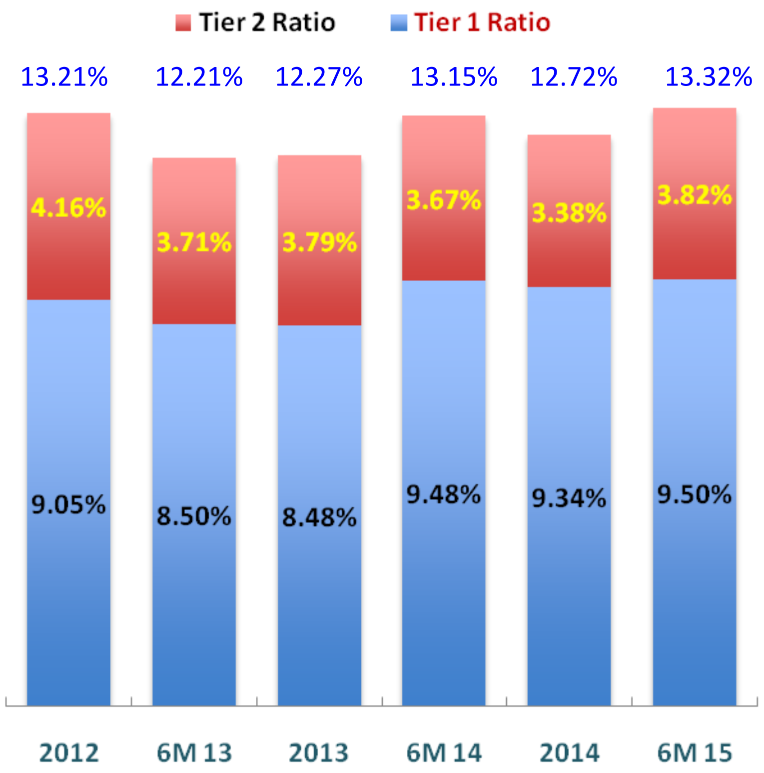
2. Financials of E.SUN Bank

Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Preliminary figures of June 2015
2. Financials of E.SUN Bank

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

  Mr. Anthony Cheng
  +8862 2175-1346
  Tonycheng-06795@email.esunbank.com.tw

Agenda

- 2015 6M Financial Performance
- 2015 6M Business Operation Overview
- Appendix

Balance Sheet of 6M15 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	139,077	694	787	217	3,816	138,684
Securities, net	424,936	782	-	891	-	426,610
Loans, net	986,498	-	-	-	-	986,498
A/R, net	78,785	8,847	264	17	457	87,912
LT investments, net	538	56	-	1,577	118,569	2,127
Land, premises and equipments, net	24,102	324	1	-	23	24,451
Others	20,246	1,727	103	314	1,127	22,233
Total assets	1,674,182	12,430	1,155	3,016	123,992	1,688,515
Liabilities:						
Deposits	1,397,001	-	-	-	-	1,390,733
Other liabilities	166,279	7,721	439	15	10,463	184,382
Total liabilities	1,563,280	7,721	439	15	10,463	1,574,215
Total stockholders' equity	110,902	4,709	716	3,001	113,529	114,300
Total equity attributable to owners of the company	111,674	4,709	716	3,001	113,529	113,528
Non-Controlling interests	772	-	-	-	-	772
Total liabilities and stockholders' equity	1,674,182	12,430	1,155	3,016	123,992	1,688,515

Note: Preliminary figures of June 2015

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 6M15

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	8,175	171	1	2	(49)	8,300
Net Fee income	5,817	330	1,888	-	-	6,774
LT investment income	10	-	-	13	6,860	23
Net trading income/(loss) & Derivatives & FX	3,730	71	-	78	(120)	3,762
Others	184	42	-	-	38	165
Total Net Revenues	17,916	614	1,889	93	6,729	19,024
Allowance for bad-debt expenses	(2,016)	-	-	-	-	(2,016)
Operating expenses	(8,647)	(482)	(1,478)	(7)	(139)	(9,396)
Income before income tax	7,253	132	411	86	6,590	7,612
Income tax expenses	(894)	(28)	(69)	(7)	77	(921)
Net Income	6,359	104	342	79	6,667	6,691
Attributable to owners of the company	6,335	104	342	79	6,667	6,667
Non-controlling interests	24	-	-	-	-	24

Note: Preliminary figures of June 2015

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results 2012	2013	2014	Quarterly Results June 14	Sep 14	Dec 14	Mar 15	Jun 15
Assets：								
Cash and due from banks	79,269	79,252	89,638	79,165	80,089	89,638	84,747	138,684
Securities, net	348,564	373,749	420,897	431,726	420,009	420,897	440,498	426,610
Loans, net	735,407	828,238	934,614	884,729	909,474	934,614	939,796	986,498
A/R, net	48,564	62,895	73,088	73,290	73,219	73,088	77,319	87,912
LT investments, net	1,539	1,783	2,184	2,068	2,203	2,184	2,259	2,127
Land, premises and equipments, net	16,670	19,373	21,106	19,974	20,228	21,106	21,197	24,451
Others	14,084	15,726	24,893	20,911	22,147	24,893	31,294	22,233
Total assets	1,244,097	1,381,016	1,566,420	1,511,863	1,527,369	1,566,420	1,597,110	1,688,515
Liabilities:								
Deposits	1,023,820	1,150,791	1,280,692	1,212,954	1,227,860	1,280,692	1,307,317	1,390,733
Other liabilities	145,103	146,890	178,067	197,249	194,582	178,067	175,820	184,382
Total liabilities	1,168,923	1,297,681	1,458,759	1,410,203	1,422,442	1,458,759	1,483,137	1,574,215
Total stockholders' equity	75,174	83,335	107,661	101,660	104,927	107,661	113,973	114,300
Total equity attributable to owners of the company	75,174	82,651	106,876	100,961	104,184	106,876	113,184	113,528
Non-Controlling interests	-	684	785	699	743	785	789	772
Total liabilities and stockholders' equity	1,244,097	1,381,016	1,566,420	1,511,863	1,527,369	1,566,420	1,597,110	1,688,515

Note: Preliminary figures of June 2015

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

NT$ million	Yearly Results 2012	Yearly Results 2013	Yearly Results 2014	Quarterly Results 2Q14	Quarterly Results 3Q14	Quarterly Results 4Q14	Quarterly Results 1Q15	Quarterly Results 2Q15
Operating income								
Net interest income	12,259	13,035	15,485	3,763	4,048	4,176	4,132	4,168
Net Fee income	7,472	9,124	11,470	2,803	3,244	2,930	3,073	3,701
LT investment income	130	308	121	15	83	18	5	18
Net trading income/(loss) & Derivatives & FX	4,212	4,359	5,602	1,326	1,229	1,083	1,966	1,796
Others	19	(79)	77	4	24	44	113	52
Total Net Revenues	24,092	26,747	32,755	7,911	8,628	8,251	9,289	9,735
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(177)	(644)	(839)	(996)	(1,020)
Operating expenses	(13,718)	(14,826)	(17,950)	(4,524)	(4,473)	(4,948)	(4,594)	(4,802)
Income before income tax	8,354	10,214	12,771	3,210	3,511	2,464	3,699	3,913
Income tax expenses	(1,296)	(1,798)	(2,166)	(510)	(615)	(329)	(504)	(417)
Net Income	7,058	8,416	10,605	2,700	2,896	2,135	3,195	3,496
Income Attributable to owners of the company	7,058	8,416	10,529	2,680	2,867	2,124	3,181	3,486
Non-Controlling interests	-	-	76	20	29	11	14	10

Note: 1. Preliminary figures of June 2015

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 June 14	Sep 14	Dec 14	Mar 15	Jun 15
Assets：								
Cash and due from banks	78,924	79,225	89,599	79,135	80,050	89,599	84,723	139,077
Securities, net	347,381	371,650	417,344	428,761	416,947	417,344	437,829	424,936
Loans, net	735,407	828,238	934,614	884,729	909,474	934,614	939,796	986,498
A/R, net	44,305	56,093	65,392	65,076	64,768	65,392	67,504	78,785
LT investments, net	329	521	546	521	519	546	546	538
Land, premises and equipments, net	16,373	18,487	20,247	19,111	19,370	20,247	20,341	24,102
Others	13,170	14,678	24,202	20,002	20,169	24,202	29,332	20,246
Total assets	1,235,889	1,368,892	1,551,944	1,497,335	1,511,297	1,551,944	1,580,071	1,674,182
Liabilities:								
Deposits	1,029,975	1,157,482	1,284,728	1,217,724	1,232,376	1,284,728	1,311,600	1,397,001
Other liabilities	130,635	127,976	161,708	180,038	176,290	161,708	159,971	166,279
Total liabilities	1,160,610	1,285,458	1,446,436	1,397,762	1,408,666	1,446,436	1,471,571	1,563,280
Total stockholders' equity	75,279	83,434	105,508	99,573	102,631	105,508	108,500	110,902
Total equity attributable to owners of the company	75,279	82,750	104,723	98,874	101,888	104,723	107,711	111,674
Non-Controlling interests	-	684	785	699	743	785	789	772
Total liabilities and stockholders' equity	1,235,889	1,368,892	1,551,944	1,497,335	1,511,297	1,551,944	1,580,071	1,674,182

Note: Preliminary figures of June 2015

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results 2012	Yearly Results 2013	Yearly Results 2014	Quarterly Results 2Q14	Quarterly Results 3Q14	Quarterly Results 4Q14	Quarterly Results 1Q15	Quarterly Results 2Q15
Operating income								
Net interest income	12,265	12,887	15,286	3,715	3,995	4,119	4,071	4,104
Net Fee income	6,158	7,929	9,910	2,408	2,744	2,583	2,681	3,136
LT investment income	42	49	48	10	38	0	-	10
Net trading income/(loss) & Derivatives & FX	4,618	4,969	5,318	1,129	1,265	1,098	1,901	1,829
Others	126	125	127	34	19	56	127	57
Total Net Revenues	23,209	25,959	30,689	7,296	8,061	7,856	8,780	9,136
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(177)	(644)	(839)	(996)	(1,020)
Operating expenses	(12,690)	(13,725)	(16,560)	(4,177)	(4,098)	(4,576)	(4,218)	(4,429)
Income before income tax	8,499	10,527	12,095	2,942	3,319	2,441	3,566	3,687
Income tax expenses	(1,320)	(1,680)	(1,814)	(425)	(482)	(320)	(475)	(419)
Net Income	7,179	8,847	10,281	2,517	2,837	2,121	3,091	3,268
Attributable to owners of the company	7,179	8,847	10,205	2,497	2,808	2,109	3,077	3,258
Non-controlling interests	-	-	76	20	29	12	14	10

Note: 1. Preliminary figures of June 2015

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