玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 3Q 2015

Nov. 2015

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Agenda

- 2015 9M Financial Performance
- 2015 9M Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		2015.9	2014
Total Assets	FHC	1,729,570	1,566,420
	Bank	1,715,913	1,551,944
	Securities	10,335	11,416
	Insurance Brokers	1,084	852
	Venture Capital	3,170	3,225
Key Financials	Book value per share (NT$)	14.87	15.15
	Double Leverage Ratio	104.30%	106.12%
	FHC CAR	144.18%	140.76%
Shareholder Structure	QFII	59.84%	57.61%
Distribution Channels	Bank – domestic	136	136
	Oversea channels	Branch in HK, LA, Singapore, Donguan (China) Vietnam, and Subsidiary UCB, Cambodia Representation office in Myanmar	
	Securities - branches	21	21

Note: Audit figures of Sep. 2015

2015 Q3 Business and Financial Review

Financial Performance

- Net profit for 9M15 reached NT$10.39 billion, which was 23.6% higher than 9M14
- EPS NT$1.32 ， ROE 12.28% ， ROA 0.84%

Business Operation

- Net interest income and Net fee income increased 14.6% and 23.6% YoY respectively.
- Moderate growth on Deposit and Loan balance, with 9.4% and 7.3% YTD growth respectively.
- Wealth Management, the main driver for Net fee income, grew 42.6% YoY in 9M15.
- Vietnam branch opened in September and UCB of Cambodia expand branch network to 11 .

Asset Quality

- Asset quality maintain benign with NPL ratio of 0.18%.
- Coverage ratio was 712.3% by Sep. 2015.

2015 Q3 Business Highlights

Financial Innovation

- O2O Cross-Border Mobile Payment: A pioneering digital financial service by E.SUN and Alipay; Chinese tourists can use Alipay wallet in more than 3,500 vendors in Taiwan.
- Gartner Financial Service Cool Business Awards: Awarded with the “Most Promising Digital Business Transformation Initiative”, the “Most Innovative Application of Digital Technology to Grow the Business” and “Digital Champion in Asiapac”. E.SUN is the biggest winner in Asia Pacific and is the only award winner from Taiwan.

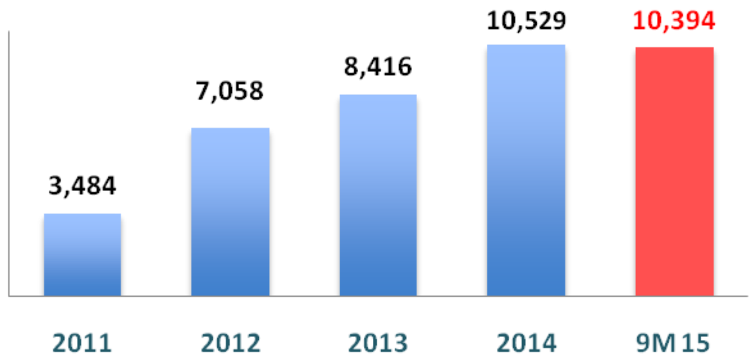
Honors and Recognitions

- Listed in the DJSI World Index and the DJSI Emerging Market Index. E.SUN is the first and the only financial institute in Taiwan listed in the DJSI World Index.
- Received the Global View Five-Star Service Award. E.SUN is four time winner of the prestigious recognition in service industry, the only bank in Taiwan.

Financial Performance

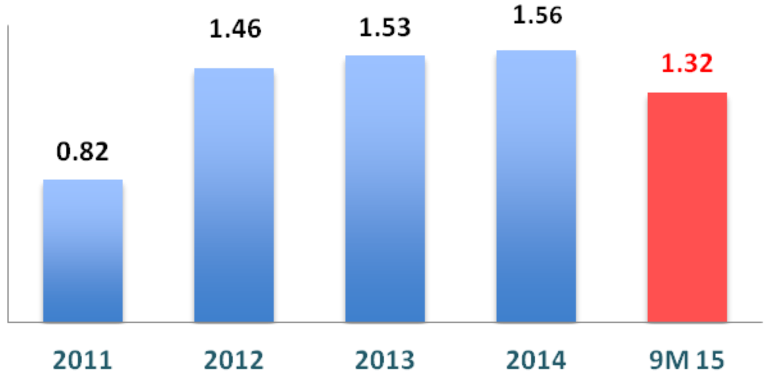
Net Profit

Unit: NT$ million

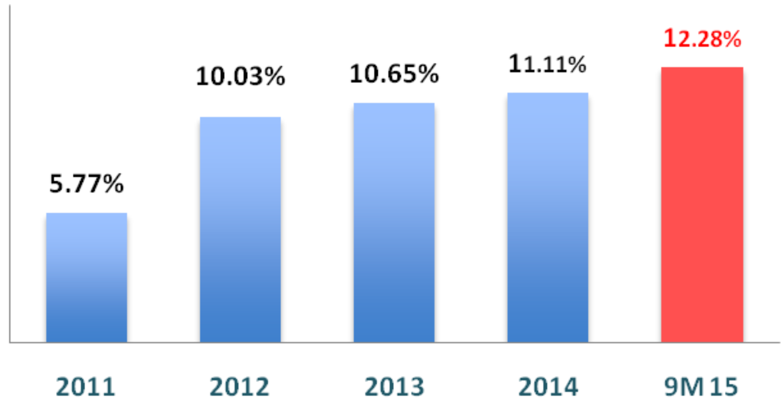


EPS

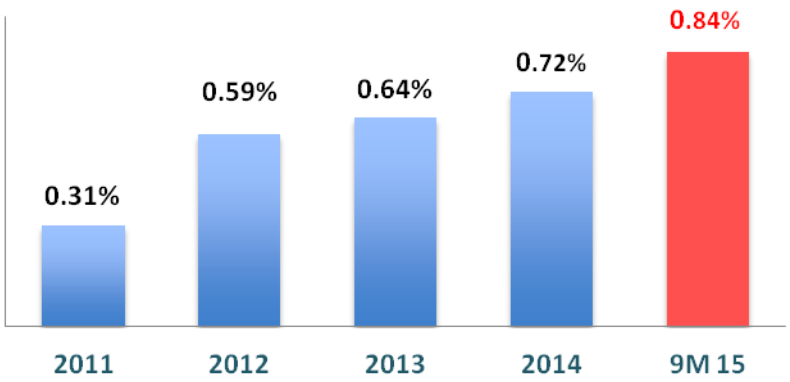
Unit: NT$ dollars



ROE



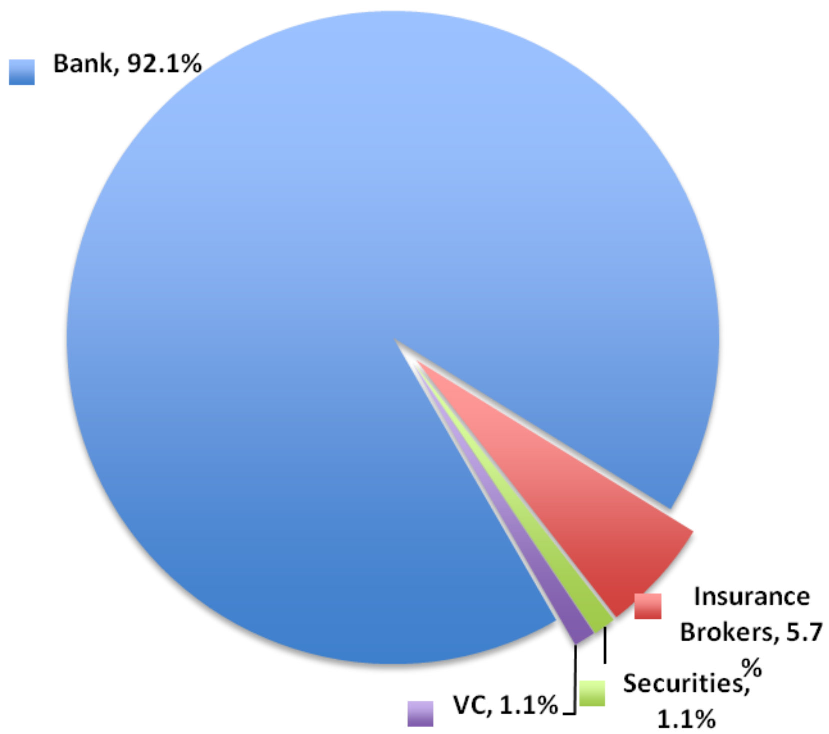
ROA



Note: 1. ROE and ROA are annualized.
2. Audit figures of Sep. 2015

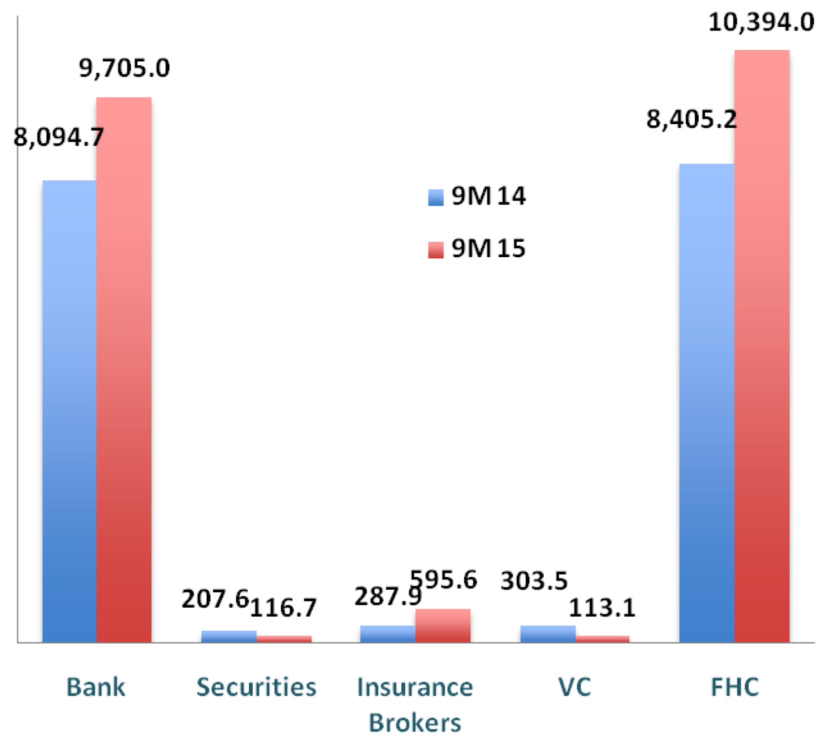
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million

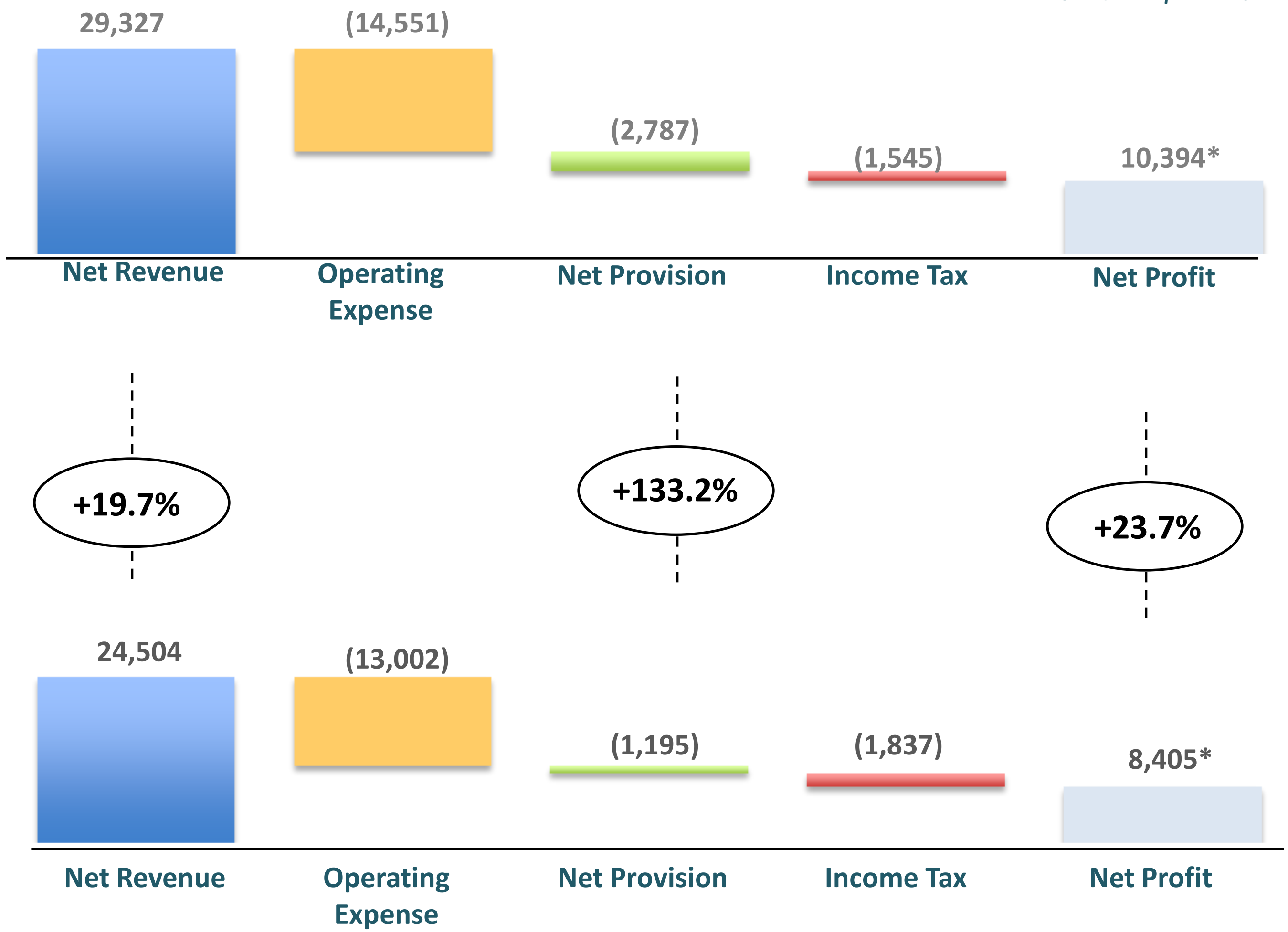


Note: Audit figures of Sep. 2015

Net Profit Breakdown

9M 15 P&L

Unit: NT$ million

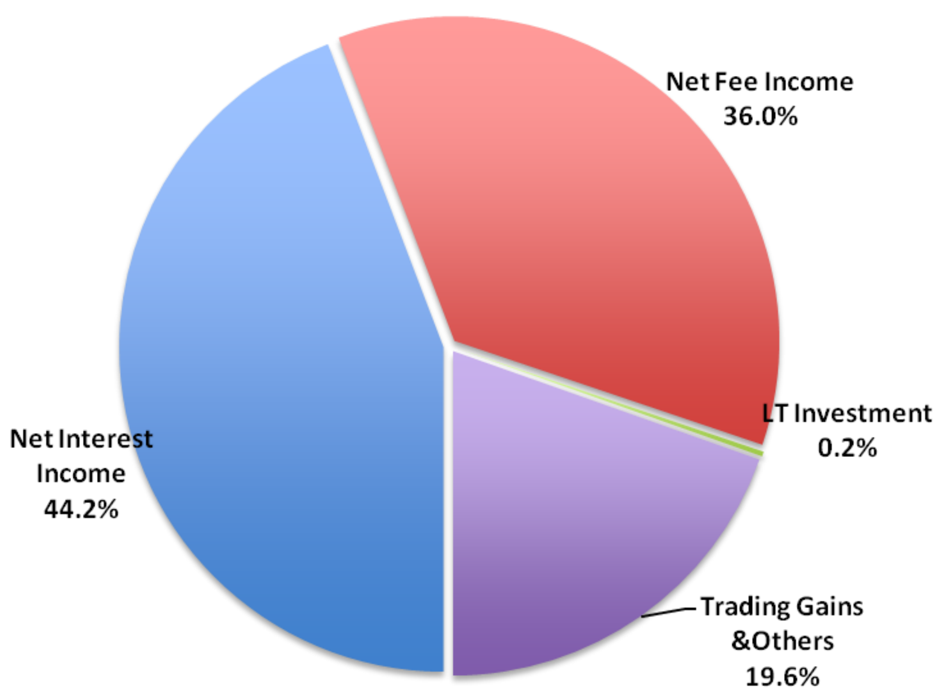


9M 14 P&L

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

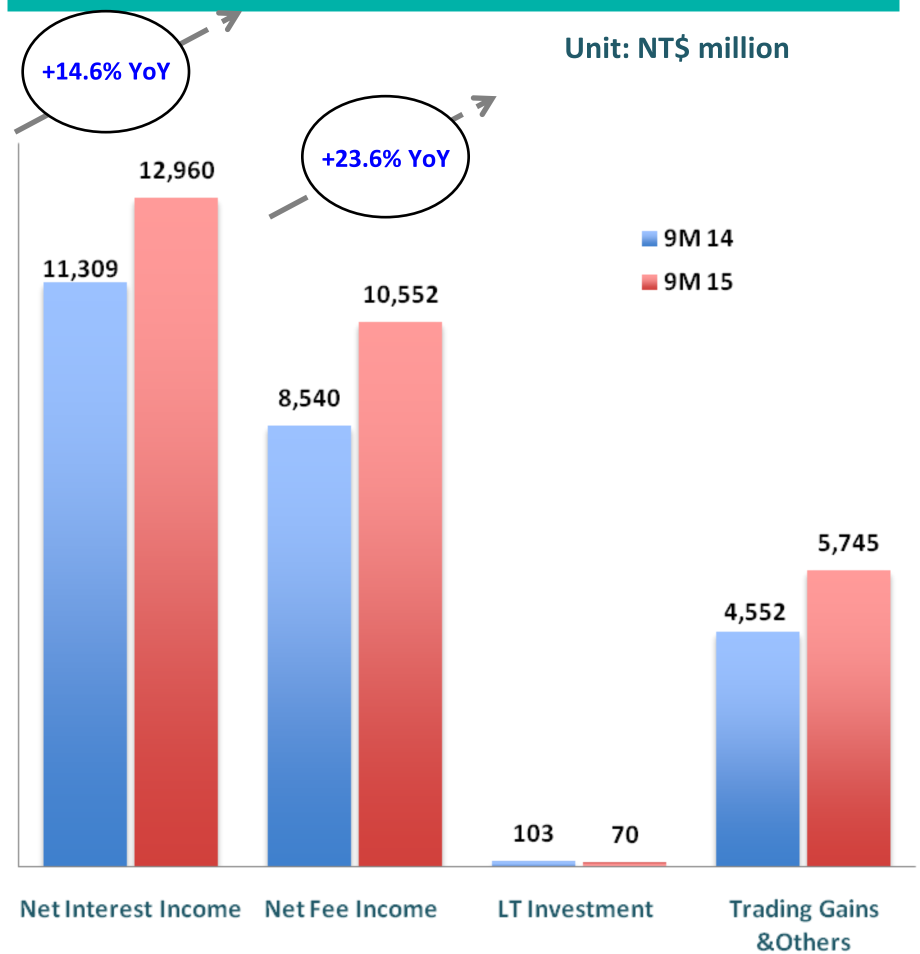
FHC Revenue Breakdown

Total Net Revenue
NT$ 29,327 million



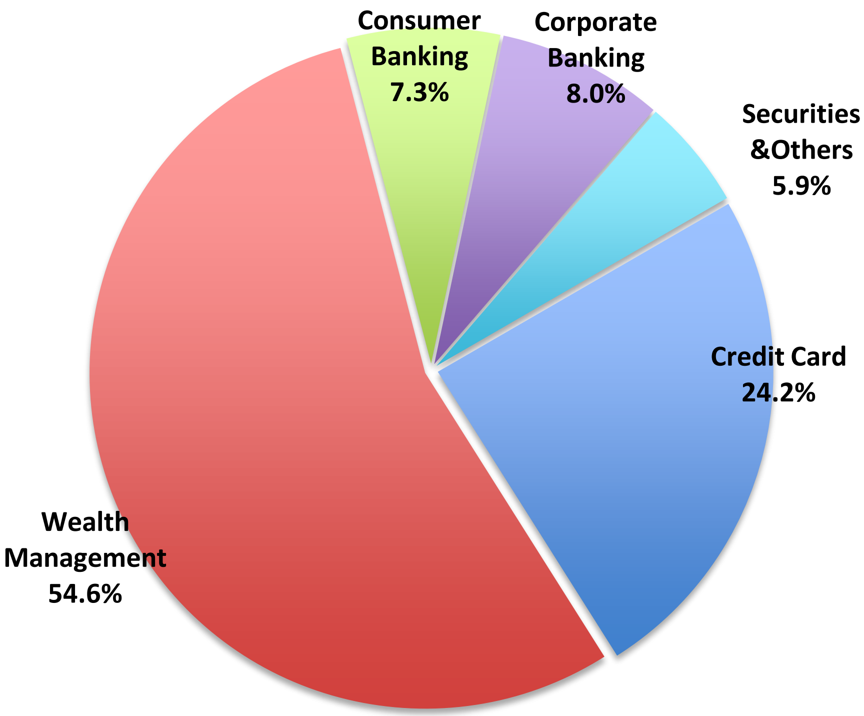
Note: Audit figures of Sep. 2015

YoY Revenue Comparison

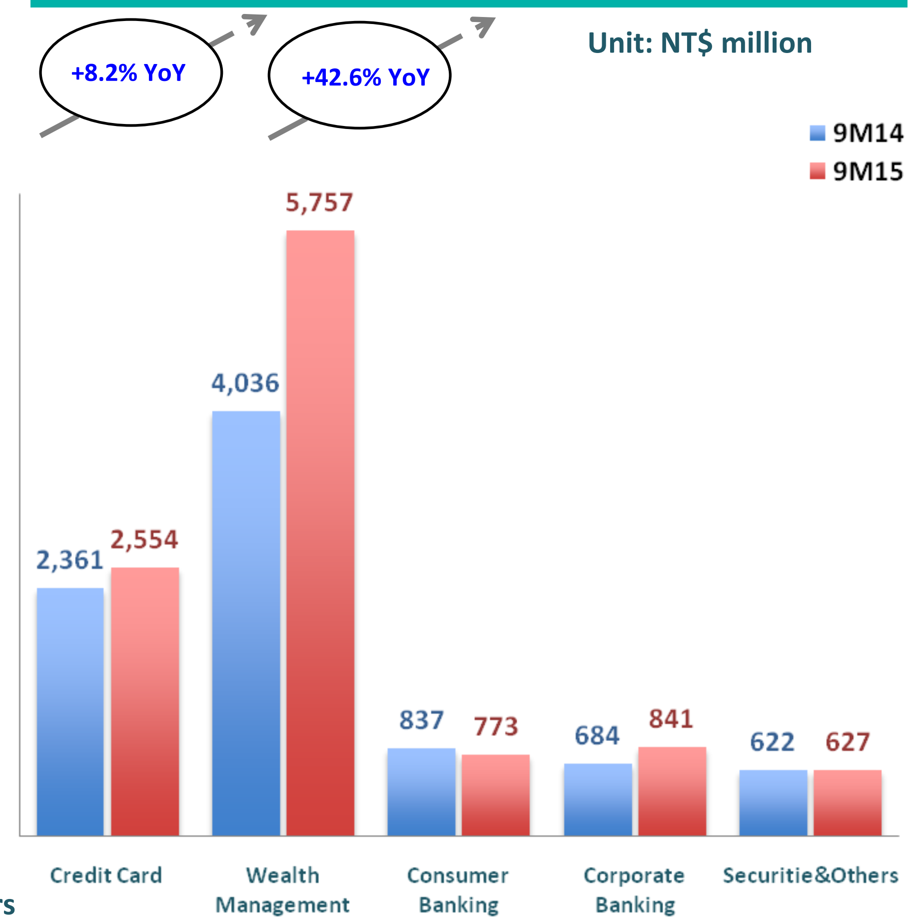


Net Fee Income Breakdown

Total Net Fee Income
NT$ 10,552 million



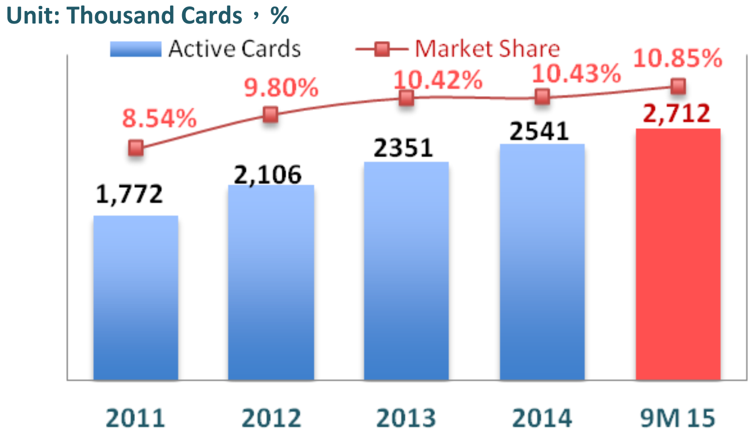
YoY Comparison



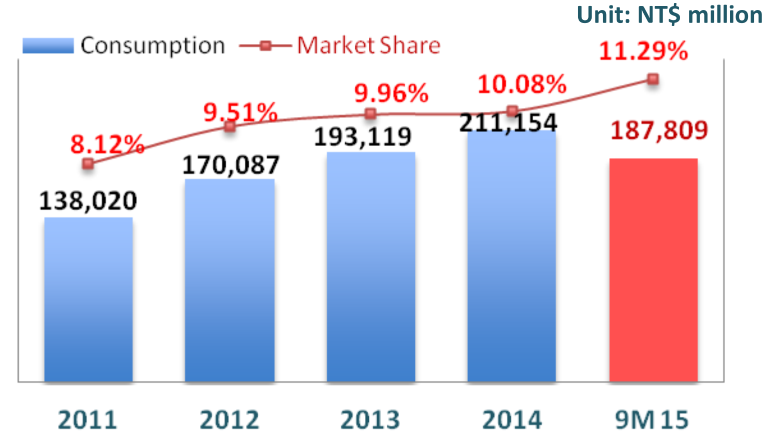
Note: 1. Audit Figures of Sep. 2015
2. WM Including Bancassurance fee from E.SUN Insurance Brokers

Credit Card Business Breakdown

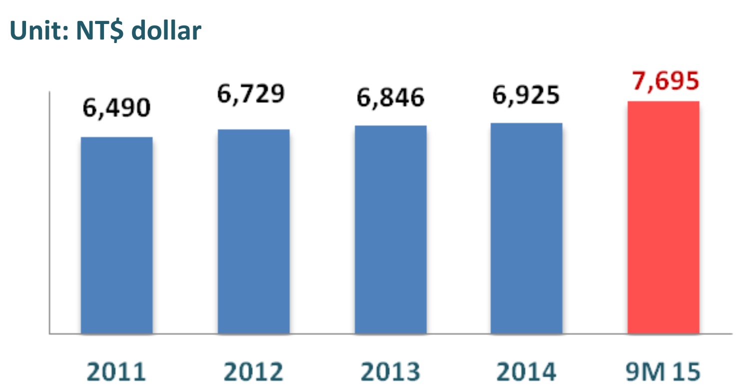
Active Cards



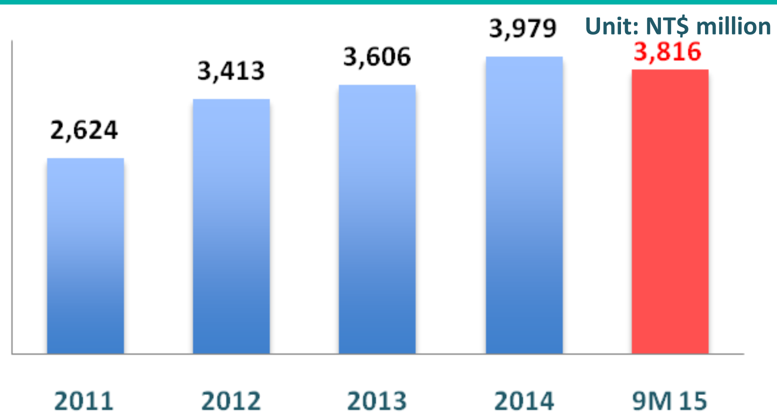
Card Consumption



Per Card Spending (Monthly)



Gross Fee Income



Deposit and Loan Structure

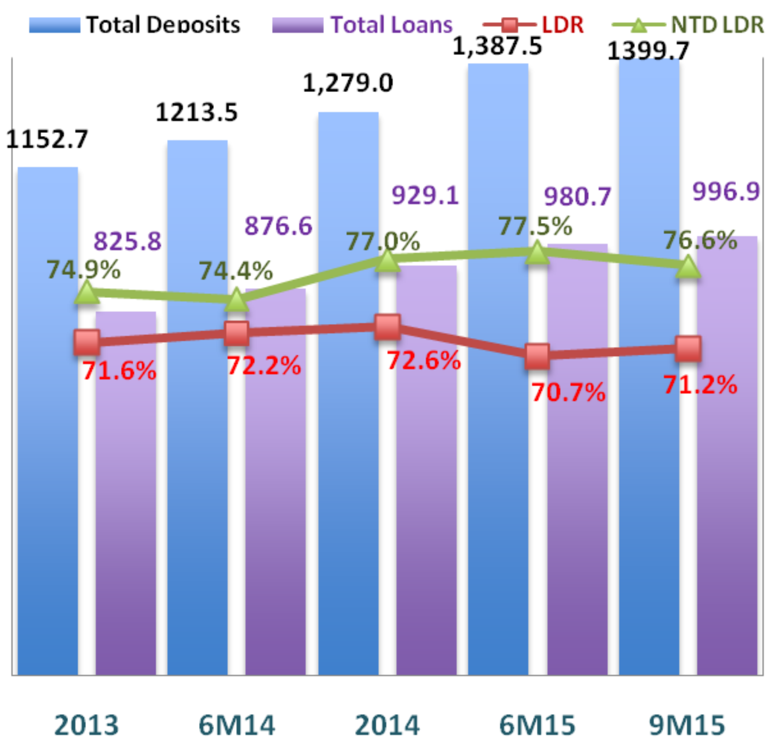
Unit: NT$ Bn

Products	2015.9	QoQ Growth %	2015.6	2015 Growth %	2014
Total Deposits	1399.7	0.9%	1,387.5	9.4%	1,279.0
Demand Deposits	646.0	4.9%	615.7	12.0%	576.8
FX Deposits	312.7	(4.7%)	328.1	14.6%	272.8
Total Loans 1/	996.9	2.0%	980.7	7.3%	929.1
Corporate Loans	500.6	2.1%	490.6	8.0%	463.7
SME Loans	251.2	0.0%	251.2	5.4%	238.3
Consumer Loans	496.3	1.2%	490.2	6.7%	465.2
Mortgage Loan	222.1	(1.0%)	224.3	(0.2%)	222.6
Unsecured Personal Loan	74.8	8.4%	69.0	24.7%	60.0
Credit Cards in force (‘000s)	2,712	2.6%	2,642	6.7%	2,541
Accumulated Credit Card Spending	187.8	(9.7%) 2/	124.2	18.2% 3/	211.2
Credit Card Revolving Balance	10.4	1.0%	10.3	(1.9%)	10.6

Note: 1.Excludes credit card revolving balance
2. QoQ growth is 3Q15 vs 2Q15
3. YoY growth is 9M15 vs 9M14
4. Excludes deposit(US$ 473 million) and loan(US$ 407 million) from UBC, Cambodia

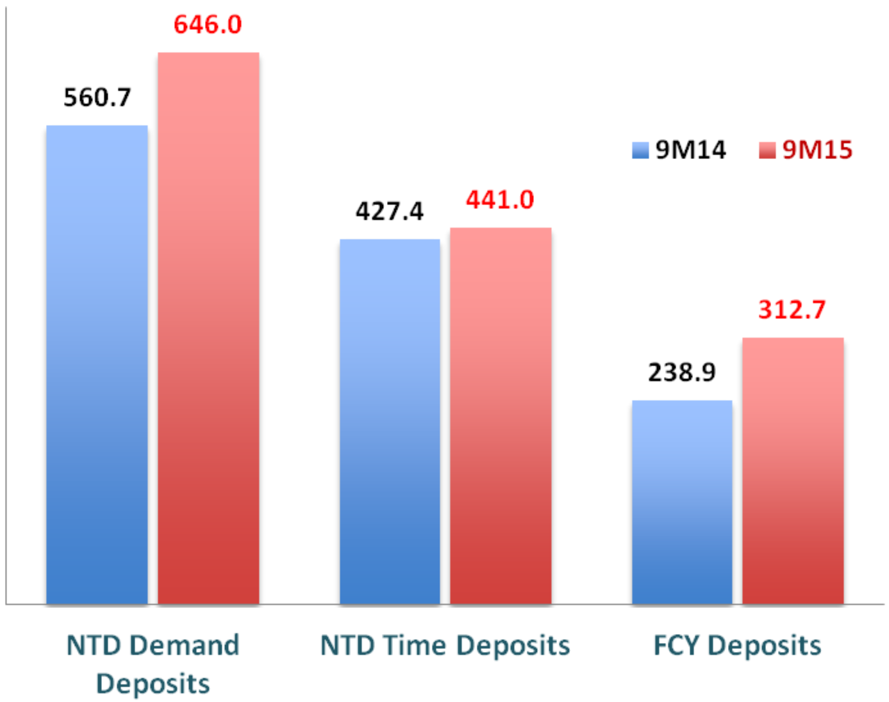
Deposit Structure

Loan to Deposit Ratio



Deposit Structure

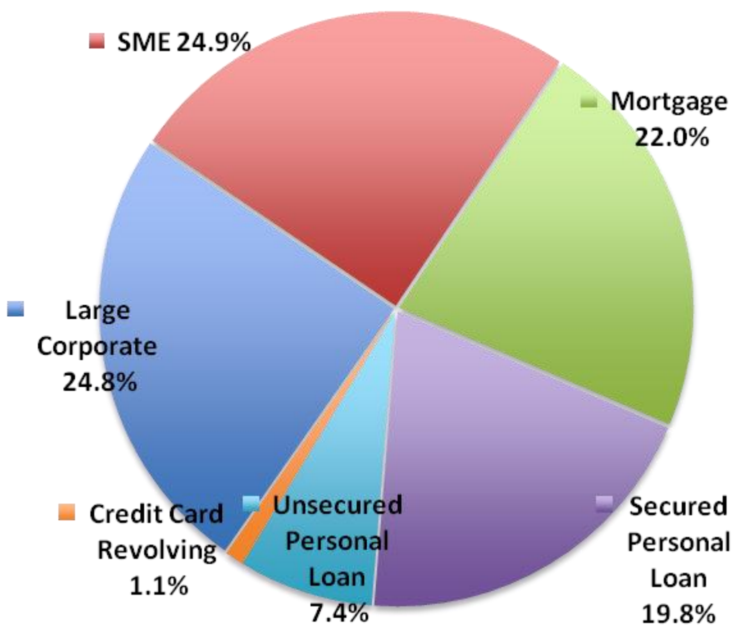
Unit: NT$ Bn



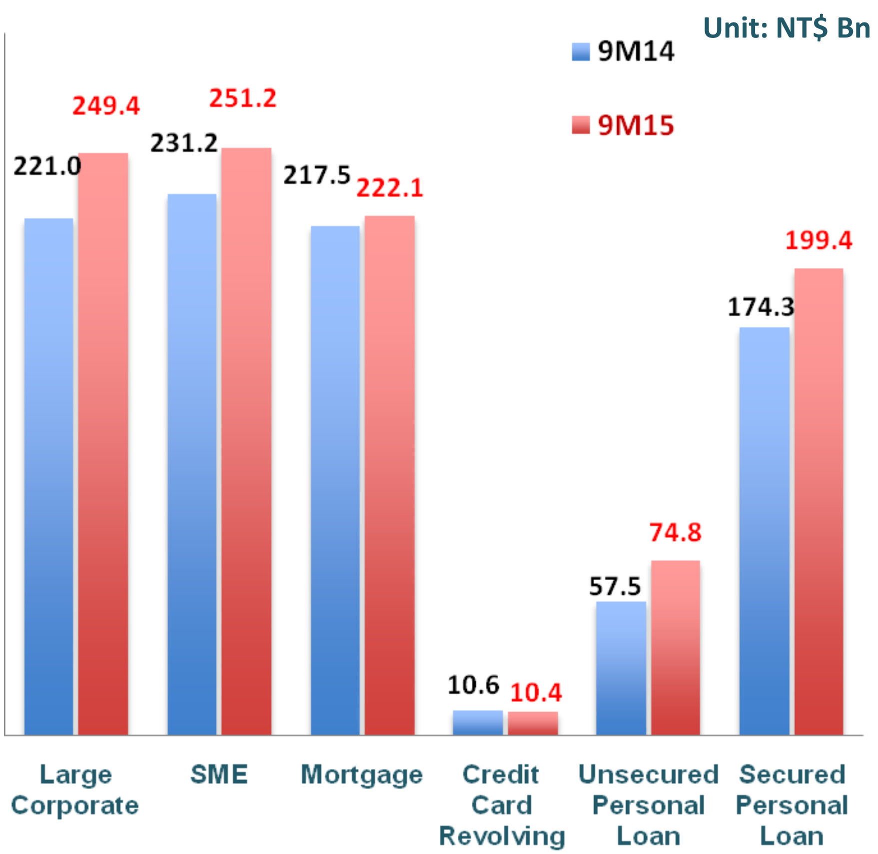
Note: 1. Excluding Credit card revolving balance
2. Financials of E.SUN Bank
3. Exclude deposit(US$ 473 million) and loan(US$ 407 million) from UCB, Cambodia

Loan Portfolio Breakdown

Total Loan
NT$ 1,007.3 Bn



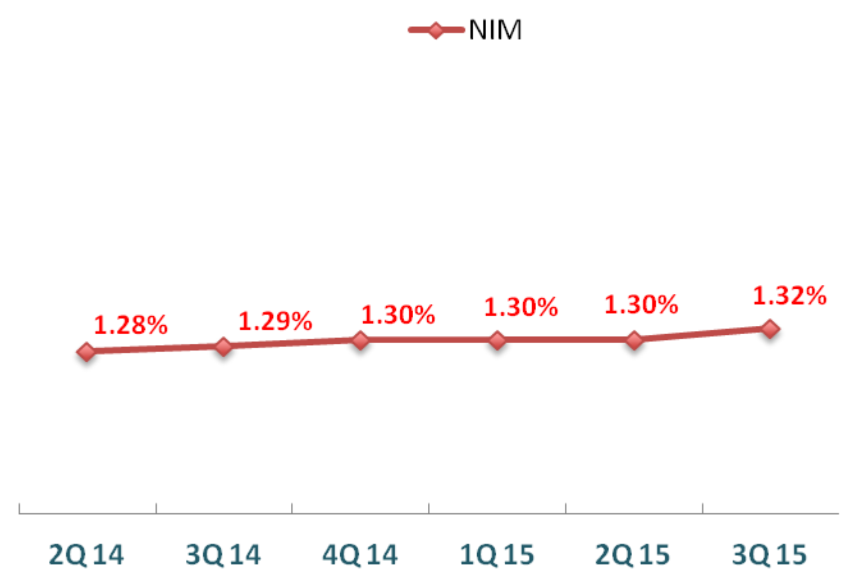
YoY Comparison



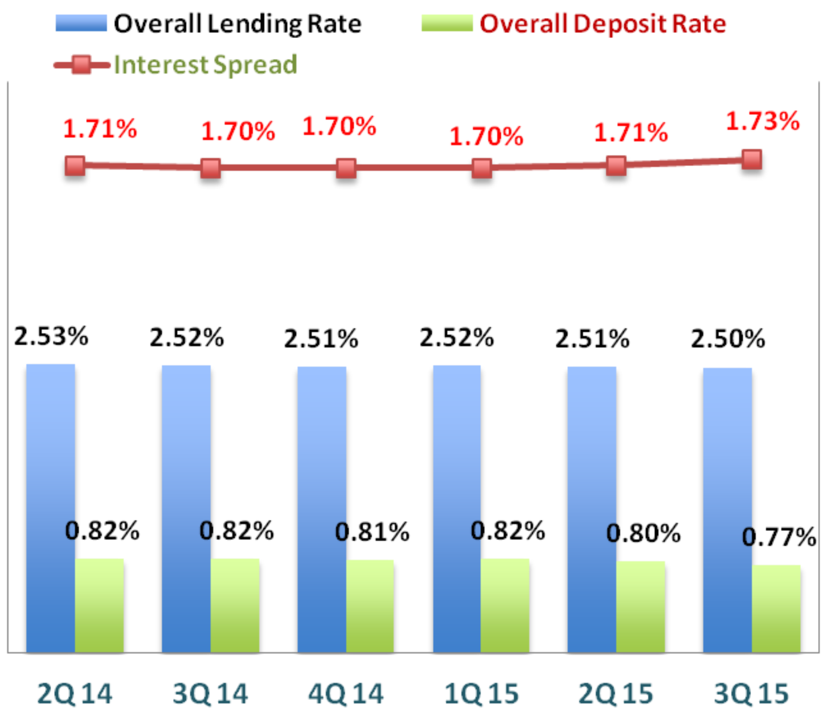
Note: 1. Includes Credit Card Revolving balance
2. Secured Personal Loan is fully collateralized.
3. As of Sep. 2015
4. Not includes loan book of UCB, Cambodia (US$ 407 million)

NIM and Spread

Quarterly Net Interest Margin



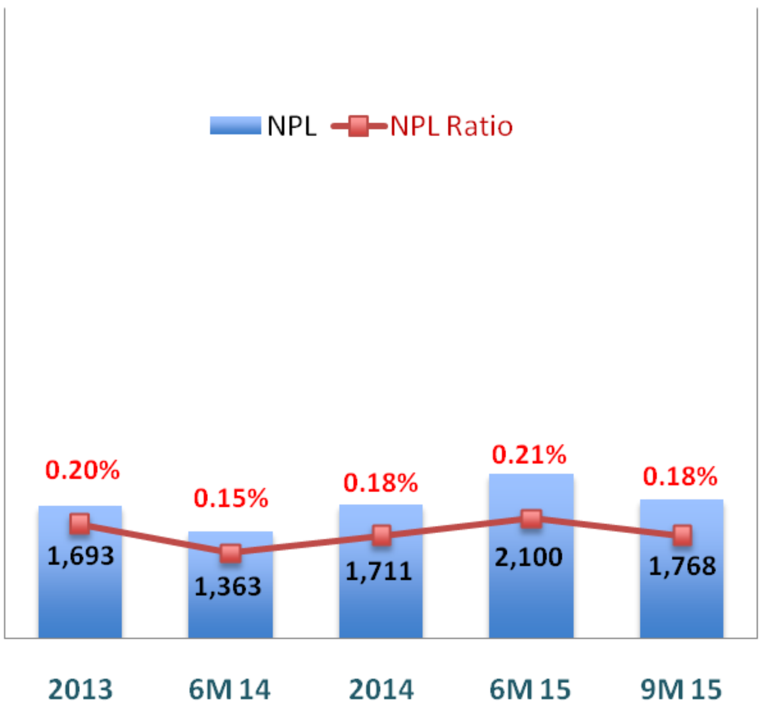
Quarterly Interest Spread



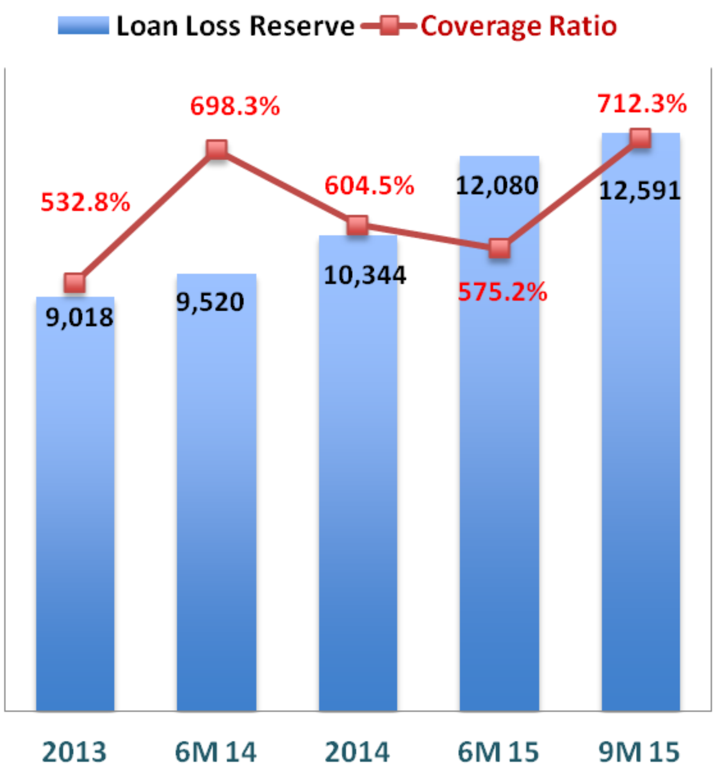
Note: 1. Financials of E.SUN Bank
2. The net interest income restore the accounting treatment impact

Superior Asset Quality 1/3

NPL Ratio(%)



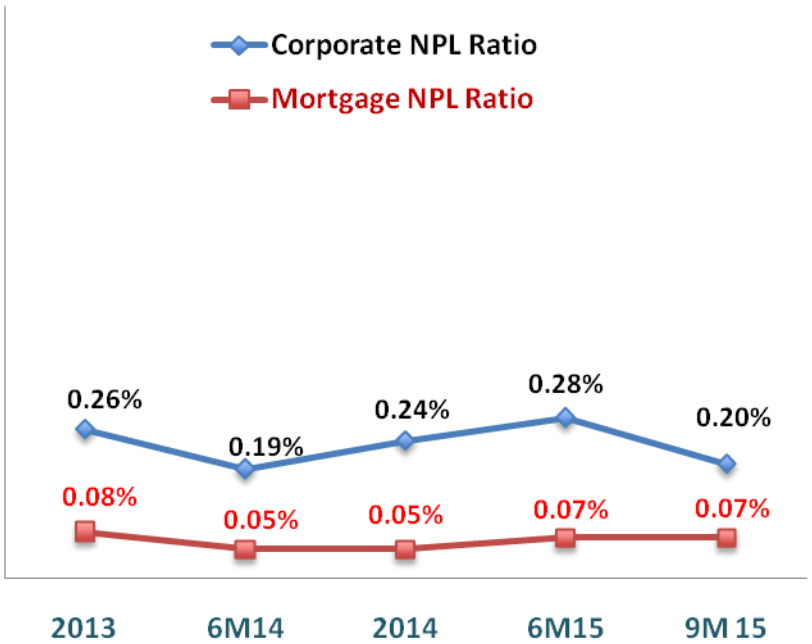
Coverage Ratio(%)



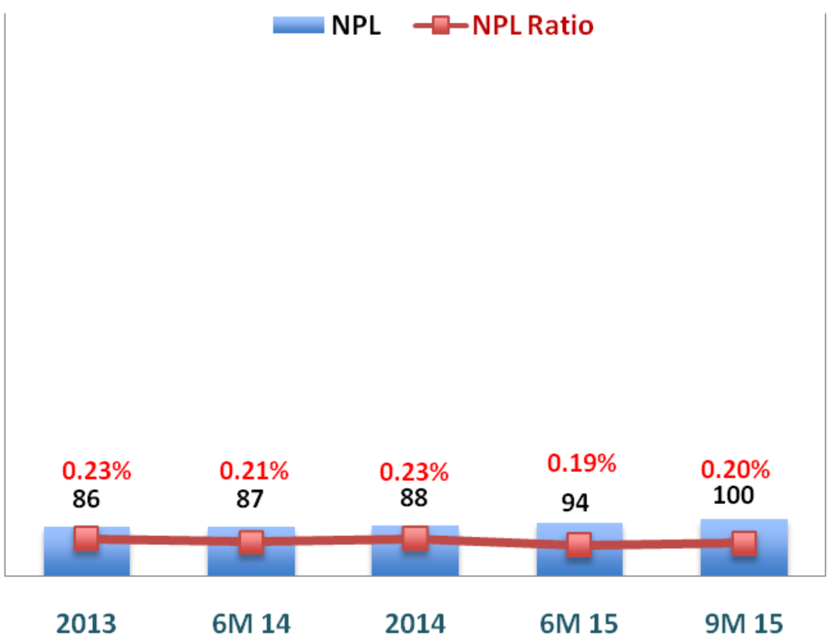
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



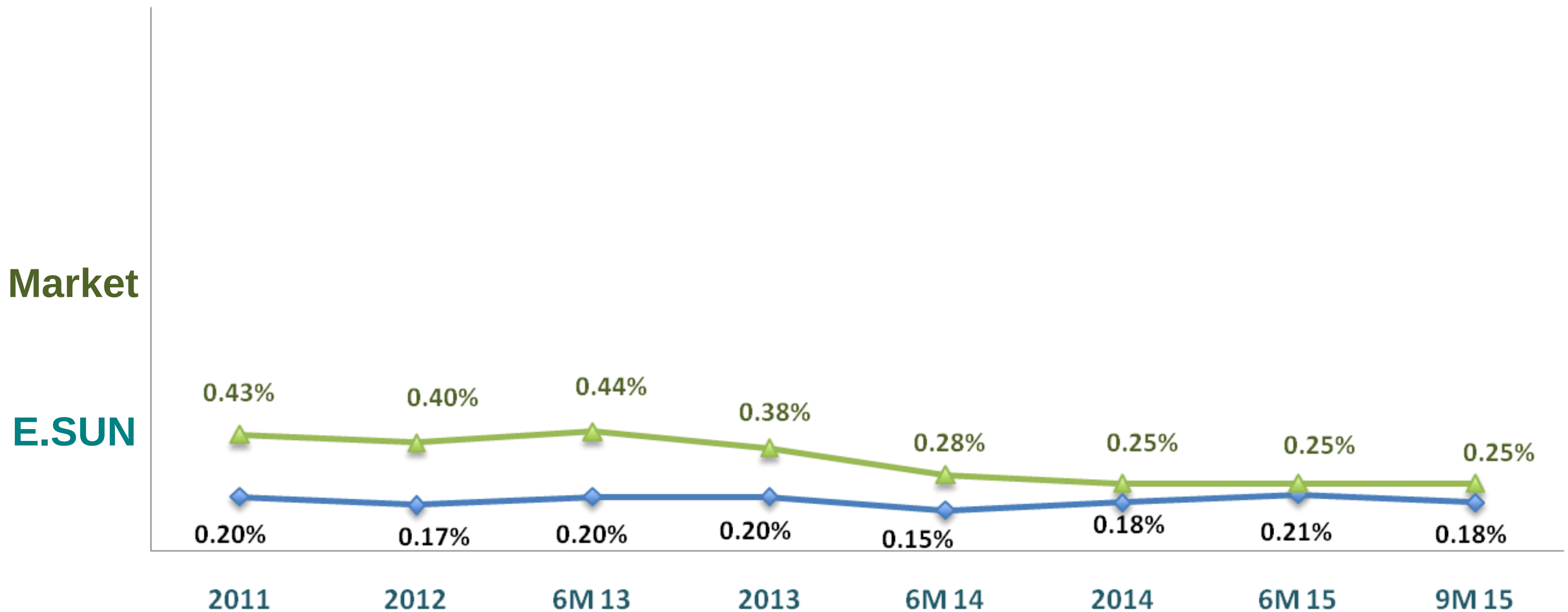
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

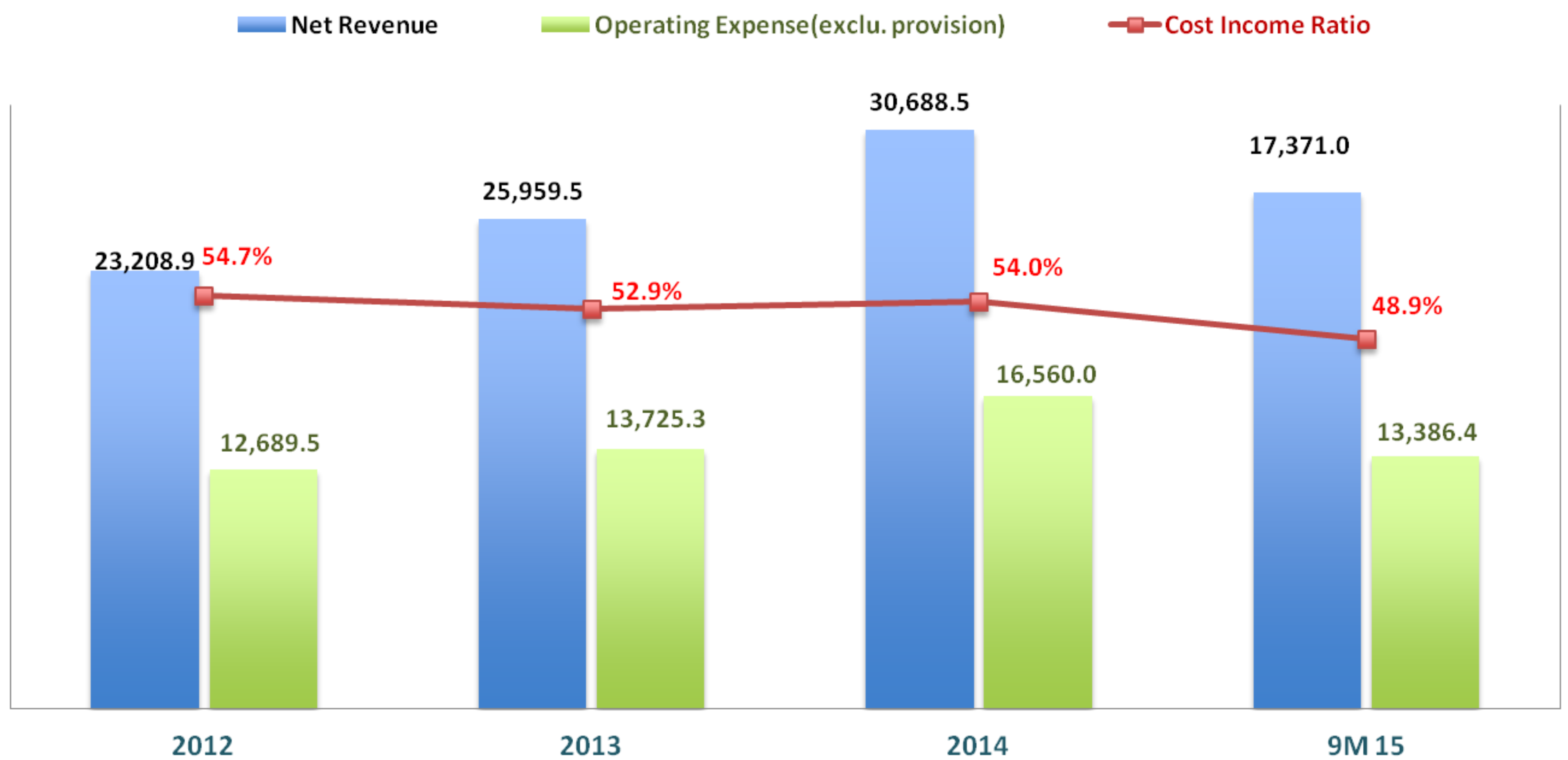
NPL Comparison with Market



Note: Source : FSC

Cost-Income Ratio

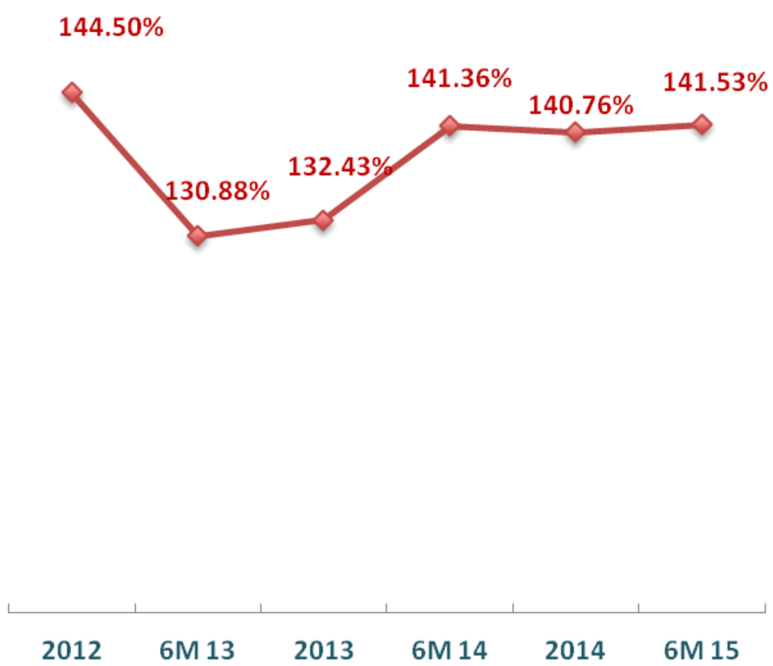
Unit: NT$ million



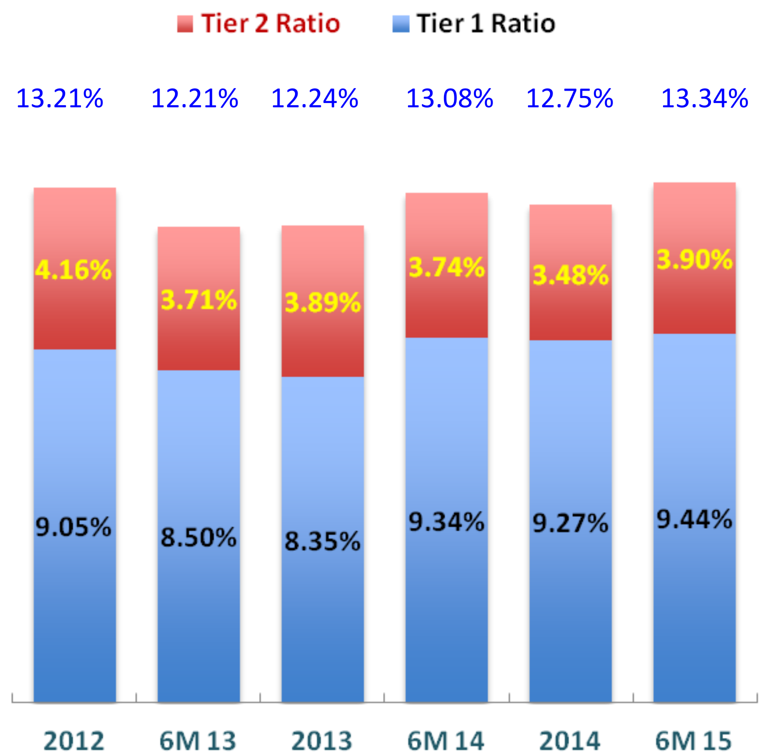
Note: 1. Audit figures of Sep. 2015
2. Financials of E.SUN Bank

Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Audit figures of June 2015
2. As consolidated basis

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

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  +8862 2175 1313 Ext 1346, 9347,9302
  ir@email.esunbank.com.tw

Agenda

- 2015 9M Financial Performance
- 2015 9M Business Operation Overview
- Appendix

Appendix 1/6

Balance Sheet of 9M15 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	107,740	185	343	226	1,172	107,815
Securities, net	430,940	776	-	1,129	161	432,620
Loans, net	1,001,086	-	-	-	-	1,001,086
A/R, net	77,076	6,642	636	3	71	84,395
LT investments, net	542	204	-	1,655	123,336	2,358
Land, premises and equipments, net	25,735	331	1	0	22	26,388
Others	72,794	2,197	104	157	479	74,908
Total assets	1,715,913	10,335	1,084	3,170	125,241	1,729,570
Liabilities:						
Deposits	1,410,025	-	-	-	-	1,407,850
Other liabilities	190,549	5,610	114	12	6,987	202,598
Total liabilities	1,600,574	5,610	114	12	6,987	1,610,448
Total stockholders' equity	115,339	4,725	970	3,158	118,254	119,122
Total equity attributable to owners of the company	114,471	4,725	970	3,158	118,254	118,254
Non-Controlling interests	868	-	-	-	-	868
Total liabilities and stockholders' equity	1,715,913	10,335	1,084	3,170	125,241	1,729,570

Note: Audit figures of September 2015

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 9M15

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	12,783	231	2	2	(71)	12,960
Net Fee income	8,991	506	3,156	-	-	10,552
LT investment income	45	1	-	(4)	10,531	70
Net trading income/(loss) & Derivatives & FX	5,286	65	0	131	31	5,544
Others	266	88	1	0	65	201
Total Net Revenues	27,371	891	3,159	129	10,556	29,327
Allowance for bad-debt expenses	(2,787)	-	-	-	-	(2,787)
Operating expenses	(13,386)	(740)	(2,441)	(11)	(223)	(14,551)
Income before income tax	11,198	151	718	118	10,333	11,989
Income tax expenses	(1,443)	(34)	(122)	(5)	61	(1,545)
Net Income	9,755	117	596	113	10,394	10,444
Attributable to owners of the company	9,705	117	596	113	10,394	10,394
Non-controlling interests	50	-	-	-	-	50

Note: Audit figures of September 2015

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results			Quarterly Results				
	2012	2013	2014	Sep 14	Dec 14	Mar 15	Jun 15	Sep 15
Assets：								
Cash and due from banks	79,269	79,252	89,638	80,089	89,638	84,747	85,758	107,815
Securities, net	348,564	373,749	420,897	420,009	420,897	440,498	425,298	432,620
Loans, net	735,407	828,238	934,614	909,474	934,614	939,796	986,149	1,001,086
A/R, net	48,564	62,895	73,088	73,219	73,088	77,319	87,944	84,395
LT investments, net	1,539	1,783	2,184	2,203	2,184	2,259	2,331	2,358
Land, premises and equipments, net	16,670	19,373	21,106	20,228	21,106	21,197	24,830	26,388
Others	14,084	15,726	24,893	22,147	24,893	31,294	75,484	74,908
Total assets	1,244,097	1,381,016	1,566,420	1,527,369	1,566,420	1,597,110	1,687,794	1,729,570
Liabilities:								
Deposits	1,023,820	1,150,791	1,280,692	1,227,860	1,280,692	1,307,317	1,390,800	1,407,850
Other liabilities	145,103	146,890	178,067	194,582	178,067	175,820	182,627	202,598
Total liabilities	1,168,923	1,297,681	1,458,759	1,422,442	1,458,759	1,483,137	1,573,427	1,610,448
Total stockholders' equity	75,174	83,335	107,661	104,927	107,661	113,973	114,367	119,122
Total equity attributable to owners of the company	75,174	82,651	106,876	104,184	106,876	113,184	113,580	118,254
Non-Controlling interests	-	684	785	743	785	789	787	868
Total liabilities and stockholders' equity	1,244,097	1,381,016	1,566,420	1,527,369	1,566,420	1,597,110	1,687,794	1,729,570

Note: Audit figures of September 2015

Appendix 4/6

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

NT$ million	Yearly Results 2012	Yearly Results 2013	Yearly Results 2014	Quarterly Results 3Q14	Quarterly Results 4Q14	Quarterly Results 1Q15	Quarterly Results 2Q15	Quarterly Results 3Q15
Operating income								
Net interest income	12,259	13,035	15,485	4,048	4,176	4,132	4,256	4,572
Net Fee income	7,472	9,124	11,470	3,244	2,930	3,073	3,762	3,717
LT investment income	130	308	121	83	18	5	29	36
Net trading income/(loss) & Derivatives & FX	4,212	4,359	5,602	1,229	1,083	1,938	1,873	1,733
Others	19	(79)	77	24	44	141	(45)	105
Total Net Revenues	24,092	26,747	32,755	8,628	8,251	9,289	9,875	10,163
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(644)	(839)	(996)	(1,028)	(763)
Operating expenses	(13,718)	(14,826)	(17,950)	(4,473)	(4,948)	(4,594)	(4,896)	(5,061)
Income before income tax	8,354	10,214	12,771	3,511	2,464	3,699	3,951	4,339
Income tax expenses	(1,296)	(1,798)	(2,166)	(615)	(329)	(504)	(447)	(594)
Net Income	7,058	8,416	10,605	2,896	2,135	3,195	3,504	3,745
Income Attributable to owners of the company	7,058	8,416	10,529	2,867	2,124	3,181	3,497	3,716
Non-Controlling interests	-	-	76	29	11	14	7	29

Note: 1. Audit figures of September 2015

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

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results 2012	Yearly Results 2013	Yearly Results 2014	Quarterly Results Sep 14	Quarterly Results Dec 14	Quarterly Results Mar 15	Quarterly Results Jun 15	Quarterly Results Sep 15
Assets：								
Cash and due from banks	78,924	79,225	89,599	80,050	89,599	84,723	85,713	107,740
Securities, net	347,381	371,650	417,344	416,947	417,344	437,829	423,612	430,940
Loans, net	735,407	828,238	934,614	909,474	934,614	939,796	986,149	1,001,086
A/R, net	44,305	56,093	65,392	64,768	65,392	67,504	78,802	77,076
LT investments, net	329	521	546	519	546	546	542	542
Land, premises and equipments, net	16,373	18,487	20,247	19,370	20,247	20,341	24,173	25,735
Others	13,170	14,678	24,202	20,169	24,202	29,332	73,530	72,794
Total assets	1,235,889	1,368,892	1,551,944	1,511,297	1,551,944	1,580,071	1,672,521	1,715,913
Liabilities:								
Deposits	1,029,975	1,157,482	1,284,728	1,232,376	1,284,728	1,311,600	1,396,106	1,410,025
Other liabilities	130,635	127,976	161,708	176,290	161,708	159,971	165,412	190,549
Total liabilities	1,160,610	1,285,458	1,446,436	1,408,666	1,446,436	1,471,571	1,561,518	1,600,574
Total stockholders' equity	75,279	83,434	105,508	102,631	105,508	108,500	111,003	115,339
Total equity attributable to owners of the company	75,279	82,750	104,723	101,888	104,723	107,711	110,216	114,471
Non-Controlling interests	-	684	785	743	785	789	787	868
Total liabilities and stockholders' equity	1,235,889	1,368,892	1,551,944	1,511,297	1,551,944	1,580,071	1,672,521	1,715,913

Note: Audit figures of September 2015

E.SUN Bank's P&L account

NT$ million	Yearly Results 2012	2013	2014	Quarterly Results 3Q14	4Q14	1Q15	2Q15	3Q15
Operating income								
Net interest income	12,265	12,887	15,286	3,995	4,119	4,071	4,192	4,520
Net Fee income	6,158	7,929	9,910	2,744	2,583	2,681	3,177	3,133
LT investment income	42	49	48	38	0	0	10	35
Net trading income/(loss) & Derivatives & FX	4,618	4,969	5,318	1,265	1,098	1,826	1,832	1,628
Others	126	125	127	19	56	202	44	20
Total Net Revenues	23,209	25,959	30,689	8,061	7,856	8,780	9,255	9,336
Allowance for bad-debt expenses	(2,020)	(1,707)	(2,034)	(644)	(839)	(996)	(1,028)	(763)
Operating expenses	(12,690)	(13,725)	(16,560)	(4,098)	(4,576)	(4,218)	(4,517)	(4,651)
Income before income tax	8,499	10,527	12,095	3,319	2,441	3,566	3,710	3,922
Income tax expenses	(1,320)	(1,680)	(1,814)	(482)	(320)	(475)	(435)	(533)
Net Income	7,179	8,847	10,281	2,837	2,121	3,091	3,275	3,389
Attributable to owners of the company	7,179	8,847	10,205	2,808	2,109	3,077	3,268	3,360
Non-controlling interests	-	-	76	29	12	14	7	29

Note: 1. Audit figures of September 2015

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