玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 6M 2016

Aug 2016

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Agenda

- 2016 Q2 Financial Performance
- 2016 Q2 Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		2016.6	2015.12
Total Assets	FHC	1,844,418	1,775,284
	Bank	1,829,915	1,760,401
	Securities	11,155	11,254
	Insurance Brokers	- [2/]	1,281
	Venture Capital	3,539	3,839
Key Financials	Book value per share (NT$)	14.18	15.21
	Double Leverage Ratio	104.18%	104.29%
	FHC CAR	139.10%	141.73%
Shareholder Structure	QFII	55.25%	59.75%
Distribution Channels	Bank – domestic	137	136
	Oversea channels	Branch: HK, LA, Singapore, Vietnam, Australia Subsidiary: China and Cambodia (UCB) Representative office in Myanmar With total 22 overseas operating sites	
	Securities - branches	21	21

Note: 1. Audit figures of June 2016
2. Insurance Brokers is merged into Bank in Mar. 2016

2016 Q2 Business and Financial Review

Financial Performance

- Net profit for 1H16 reached NT$7.2billion, which was 8.5% higher than 1H15.
- EPS NT$0.83, ROE 11.73%, ROA 0.80%

Business Operation

- Net interest income and Net fee income increased by 5.6% and 6.6% respectively.
- Credit card remained strong growth momentum, which its consumption and net fee income grew by 20.0% and 19.5% respectively in 1H16.
- Recovering in loan demand, YTD loan growth reached 1.6%.
- Asset quality maintain benign with NPL ratio at 0.18% and coverage ratio at 676.3%.
- Fast expansion in ASEAN: Expect to open branches in Myanmar and Cambodia by year end.

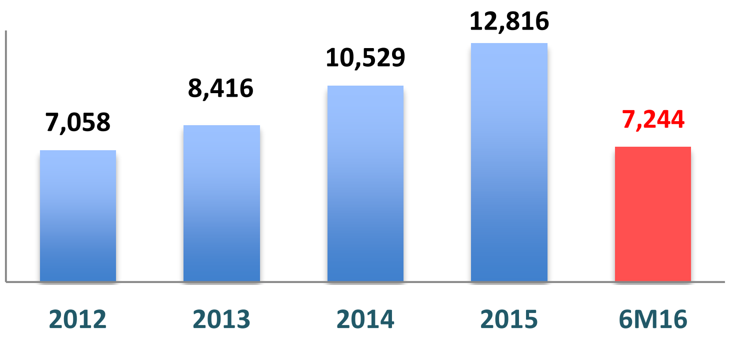
Honors and Recognitions

- Positive outlook by TRC (S&P Taiwan), received rating upgrade or positive outlook in past 3 years.
- Ranked top 5% in TWSE Corporate Governance evaluation in 2 consecutive years.
- Received SME Partner Award from Ministry of Economic Affairs in 11 consecutive years

Financial Performance

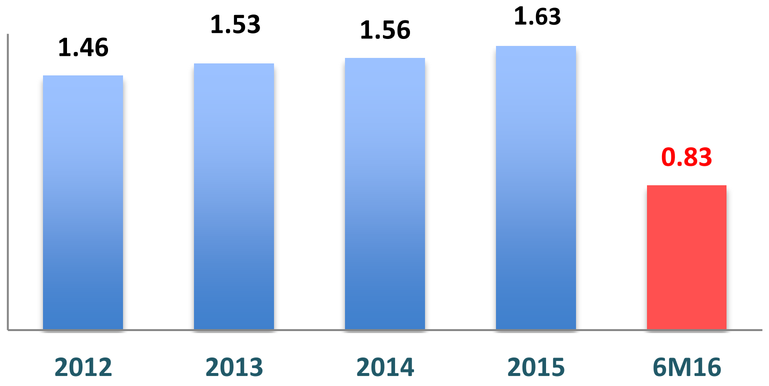
Net Profit

Unit: NT$ million

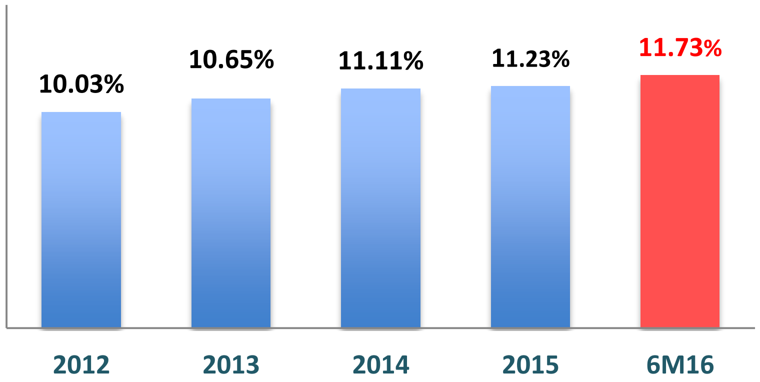


EPS

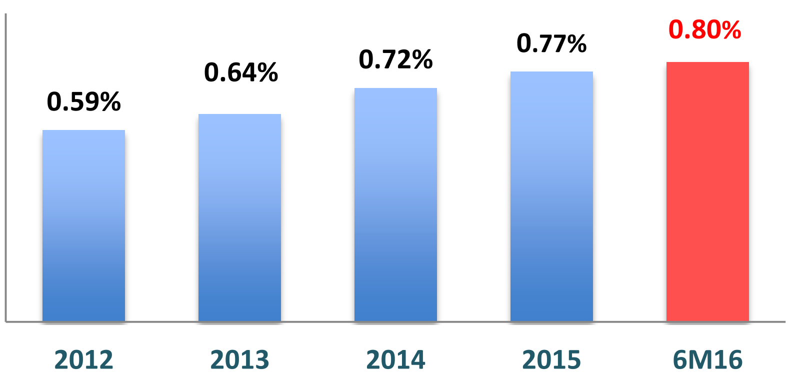
Unit: NT$ dollars



ROE



ROA

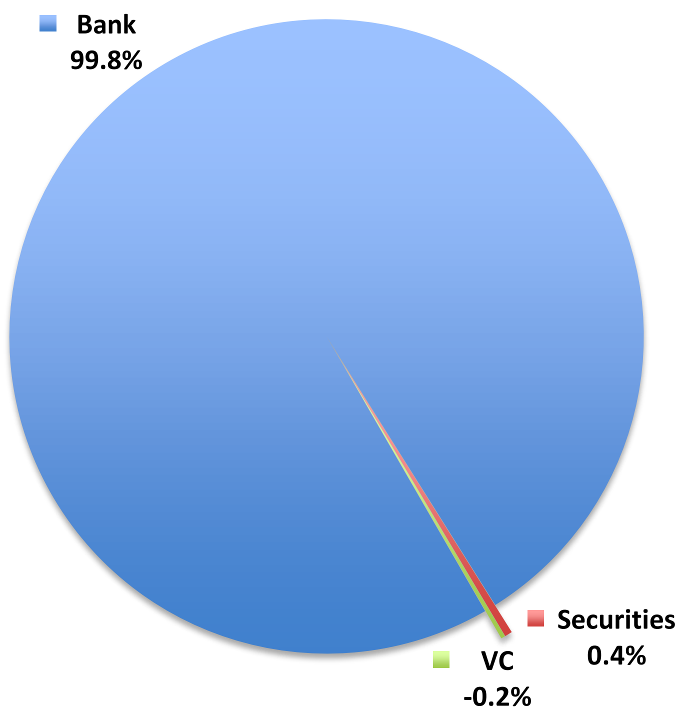


Note: 1. ROE and ROA are annualized

2. Audit data of Jun. 2016

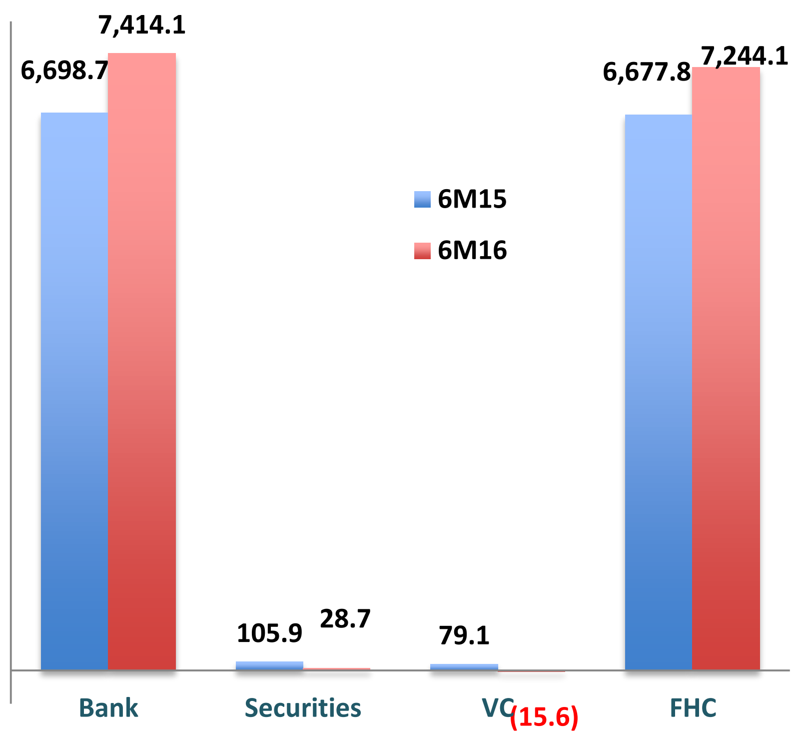
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million

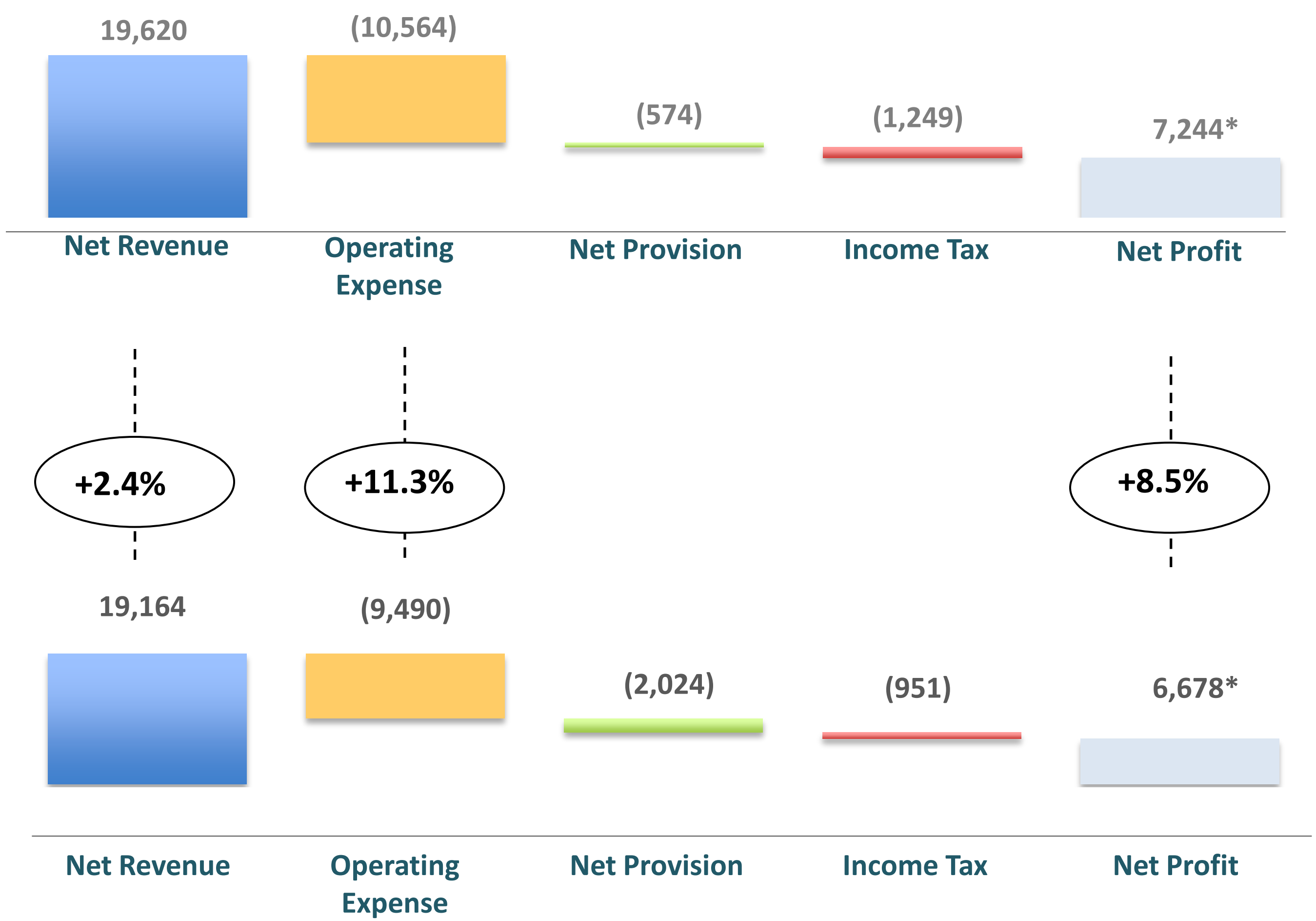


Note. 1. Audit figures of Jun. 2016
2. Insurance Brokers has been merged to Bank in Mar. 2016

Net Profit Breakdown

6M 16 P&L

Unit: NT$ million

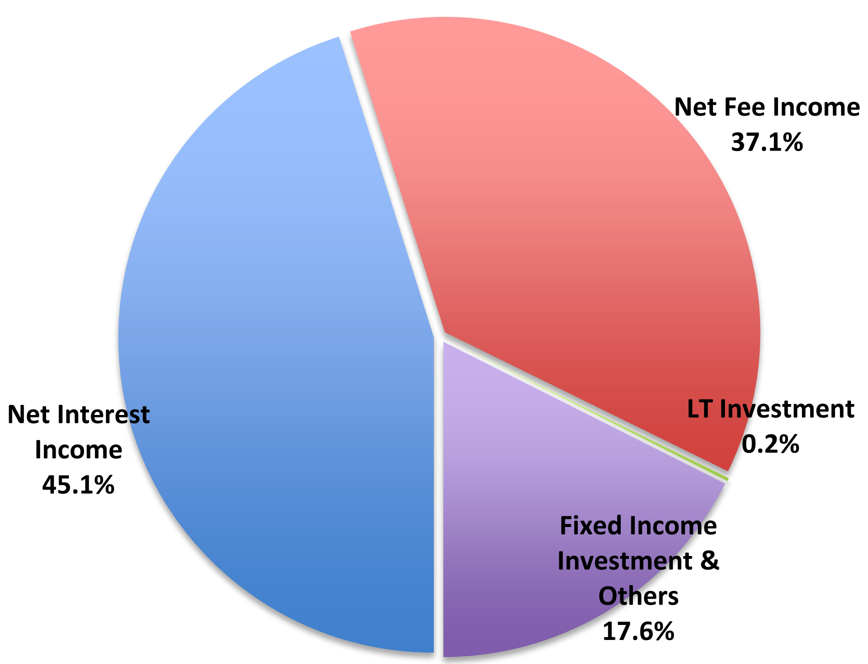


6M 15 P&L

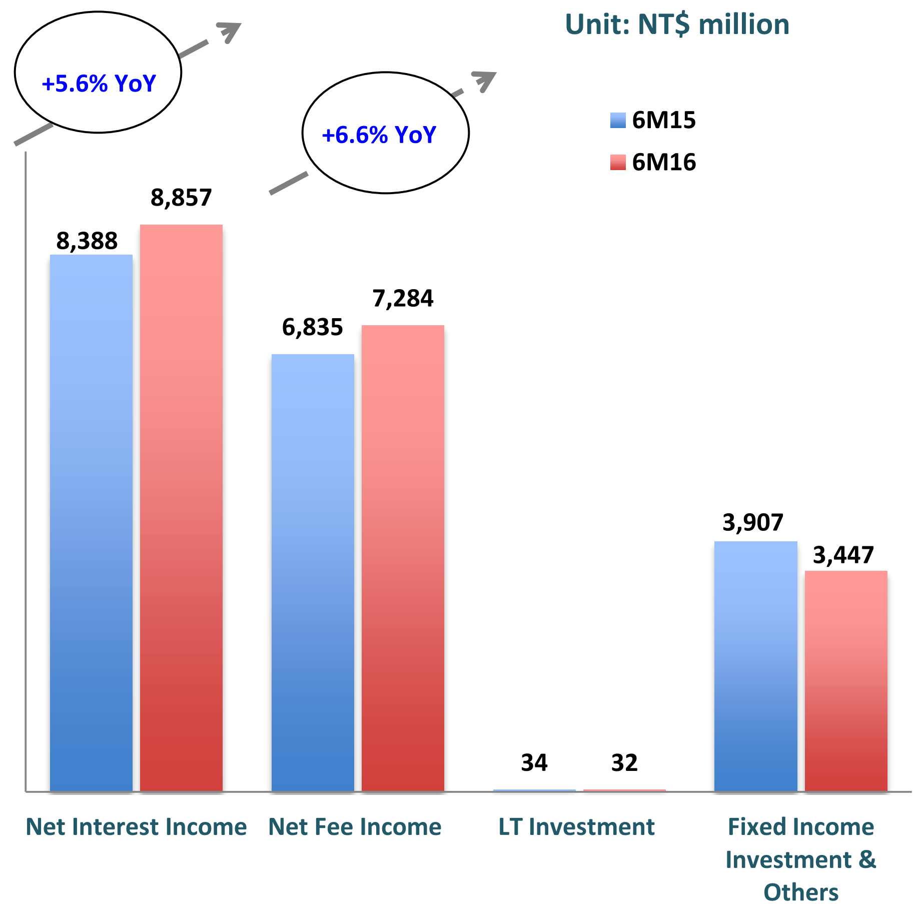
Note: 1. Net Profit is deduct non-controllable portion
2. Audit figures of June 2016

FHC Revenue Breakdown

Total Net Revenue
NT$ 19,620 million



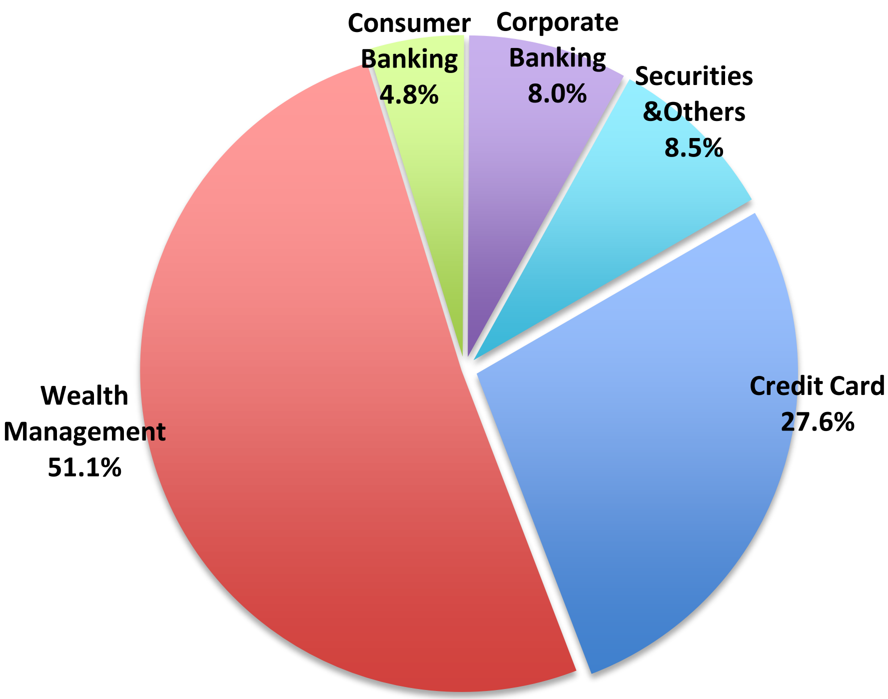
YoY Revenue Comparison



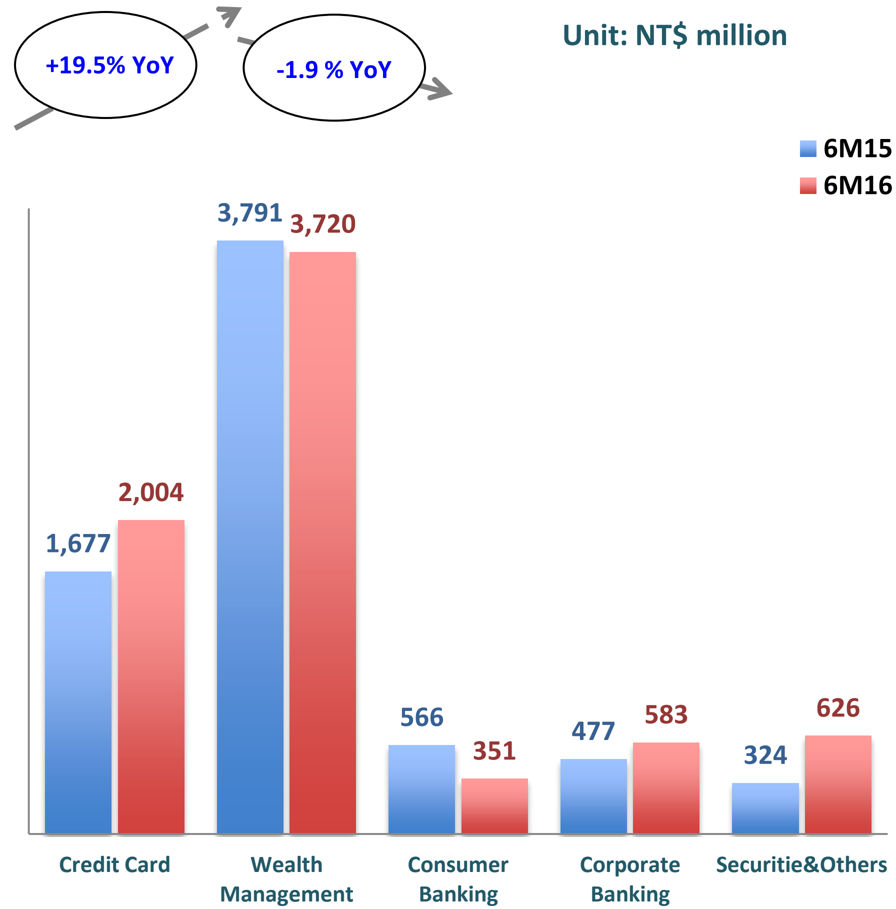
Note: Audit figures of June 2016

Net Fee Income Breakdown

Total Net Fee Income
NT 7,284 million



YoY Comparison

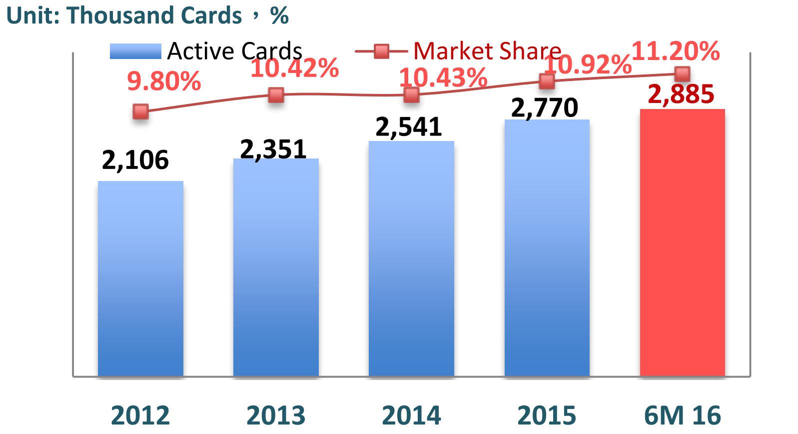


Note: 1. Audit figures of June 2016

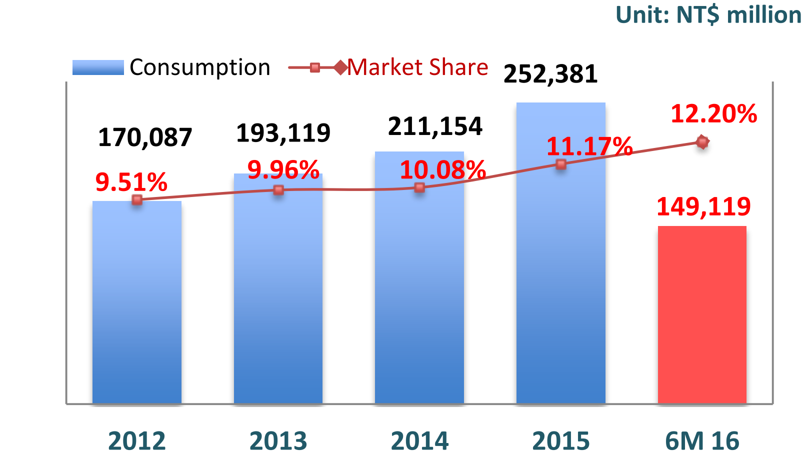
2. WM Including Bancassurance fee from Insurance Brokers

Credit Card Business Breakdown

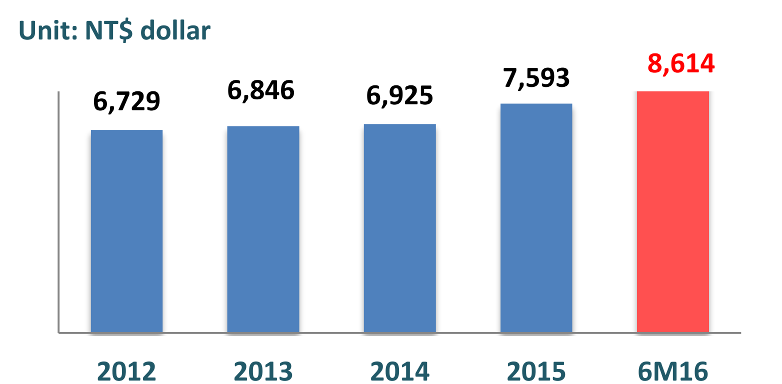
Active Cards



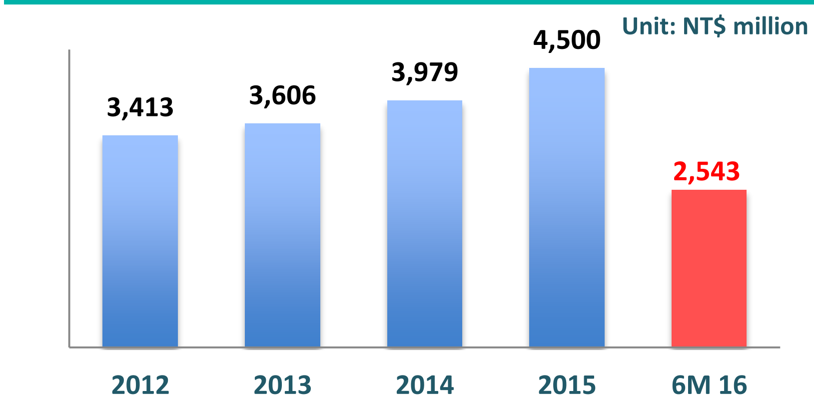
Card Consumption



Per Card Spending (Monthly)



Gross Fee Income



Deposit and Loan Structure

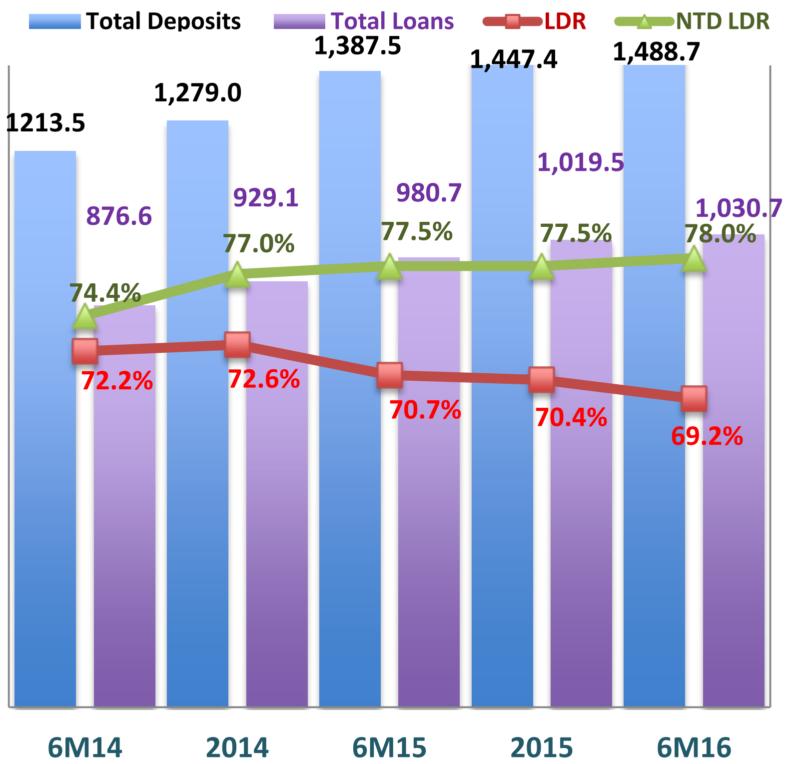
Unit: NT$ Bn

Category	2016.6	QoQ Growth %	2016.3	YTD Growth %	2015
Total Deposits	1,488.7	1.7%	1,463.3	2.9%	1,447.4
Demand Deposits	699.0	2.2%	684.2	3.9%	672.9
FCY Deposits	370.5	4.2%	355.6	8.1%	342.6
Total Loans 1/	1,030.7	2.2%	1,008.6	1.6%	1,014.9
Corporate Loans	509.0	2.2%	498.0	0.9%	504.5
SME Loans	265.0	2.4%	258.8	0.8%	263.0
Consumer Loans	521.7	2.2%	510.6	2.2%	510.4
Mortgage Loan	221.5	0.4%	220.6	(0.8%)	223.3
Unsecured Personal Loan	85.5	5.7%	80.9	7.3%	79.7
Credit Cards in force ('000s)	2,885	2.7%	2,808	4.2%	2,770
Accumulated Credit Card Spending	149.1	23.9%	66.6	20.0% 2/	252.4
Credit Card Revolving Balance	10.7	2.9%	10.4	2.9%	10.4

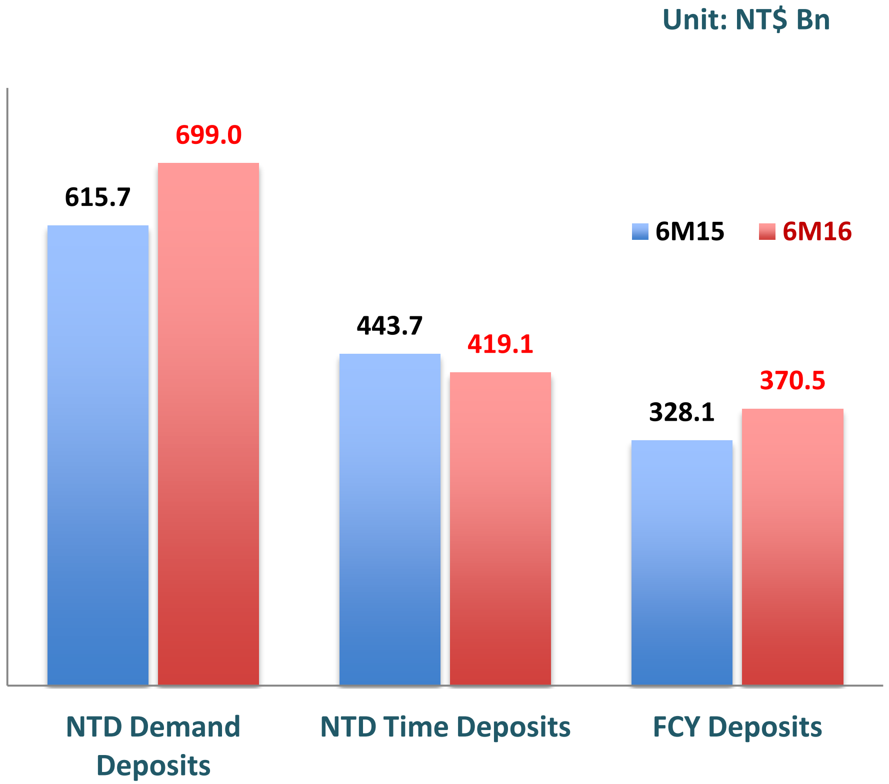
Note: 1. Excluded loan balance of subsidiaries NT $18.1 billion and credit card revolving balance
2. Credit card consumption are compared on YoY basis (6M16 vs 6M15)

Deposit Structure

Loan to Deposit Ratio



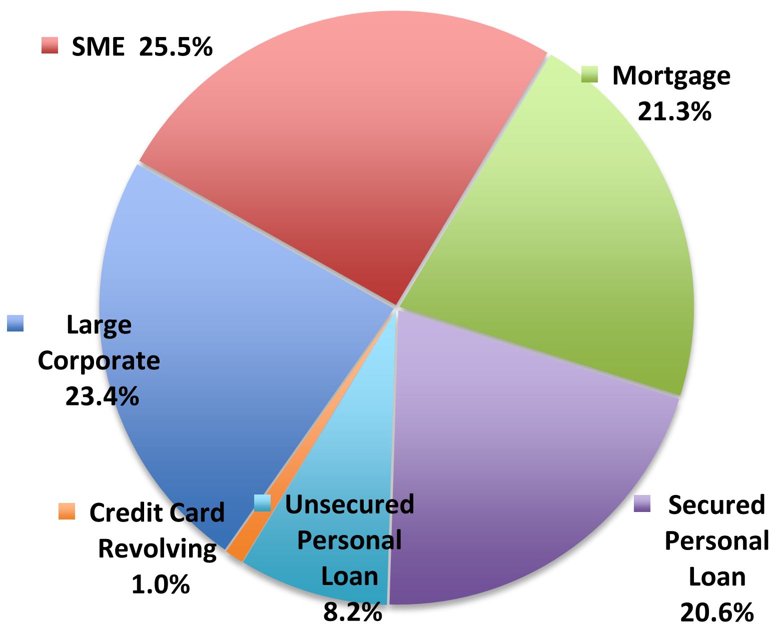
Deposit Structure



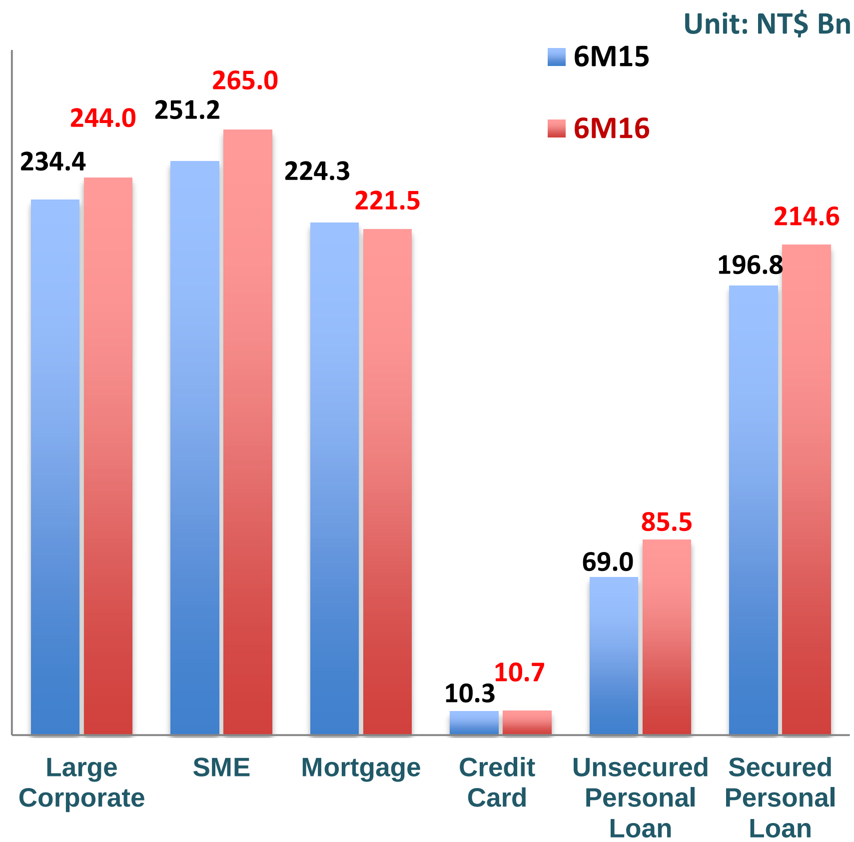
Note: 1. Excluded Credit card revolving balance
2. Financials of E.SUN Bank
3. Excluded deposit and loan of subsidiaries

Loan Portfolio Breakdown

Total Loan
NT$ 1,041.4 billion



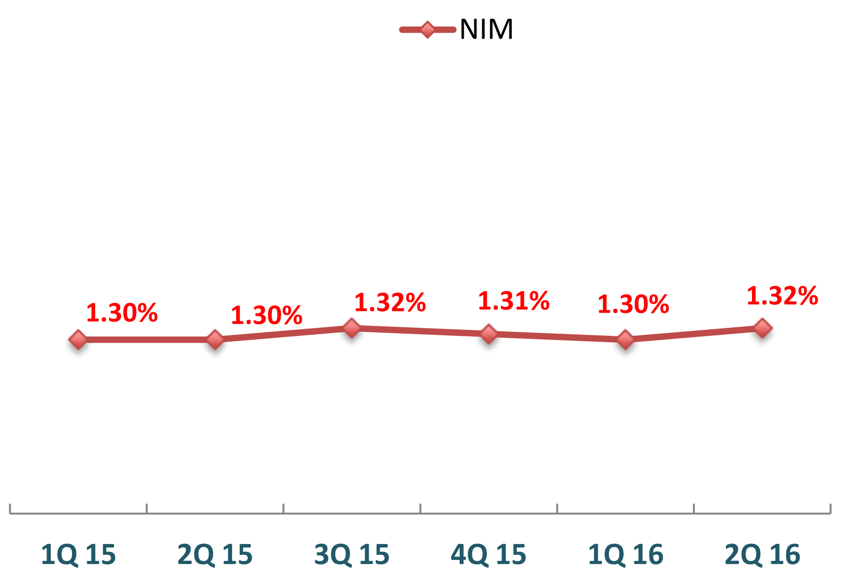
YoY Comparison



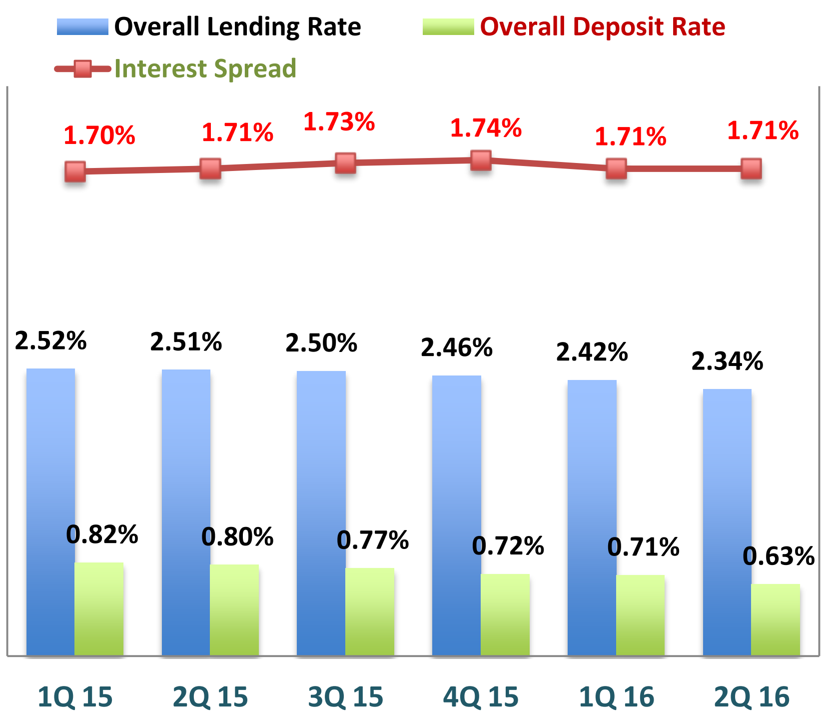
Note: Secured Personal Loan is fully collateralized by fixed asset

NIM and Spread

Quarterly Net Interest Margin



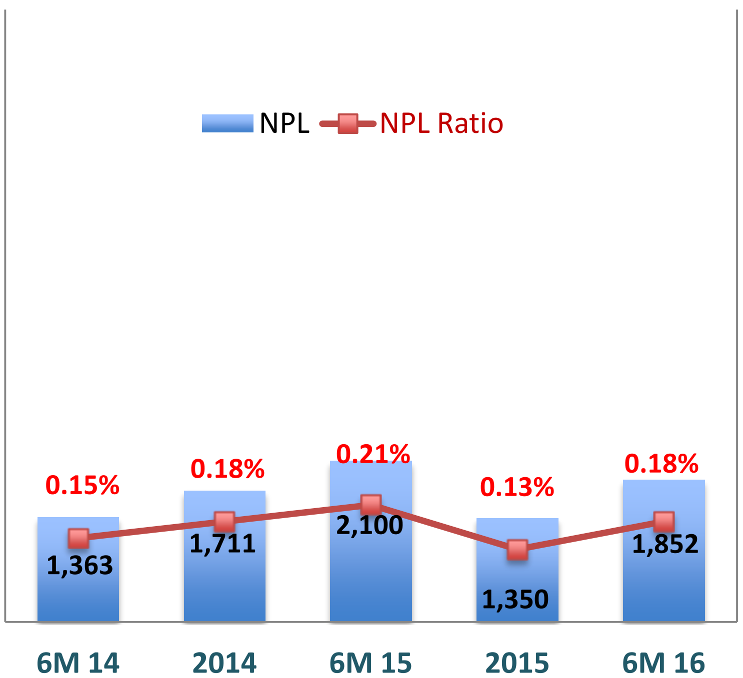
Quarterly Interest Spread



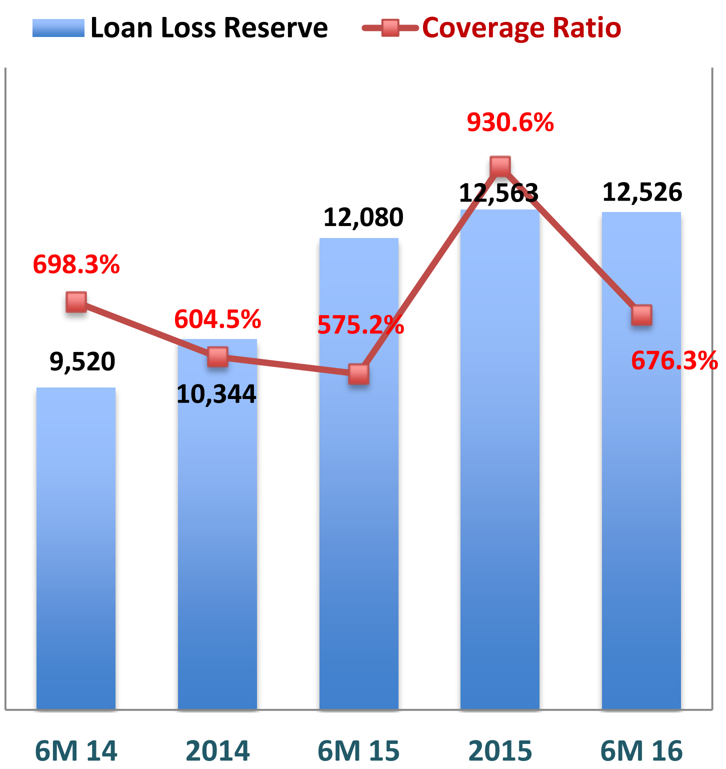
Note: 1. Financials of E.SUN Bank
2. The net interest income restore the accounting treatment impact

Superior Asset Quality 1/3

NPL Ratio(%)



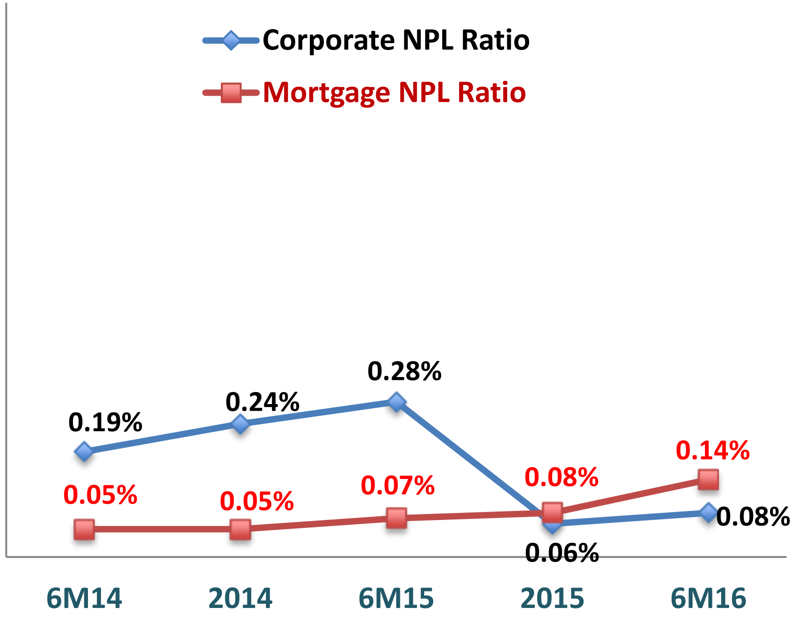
Coverage Ratio(%)



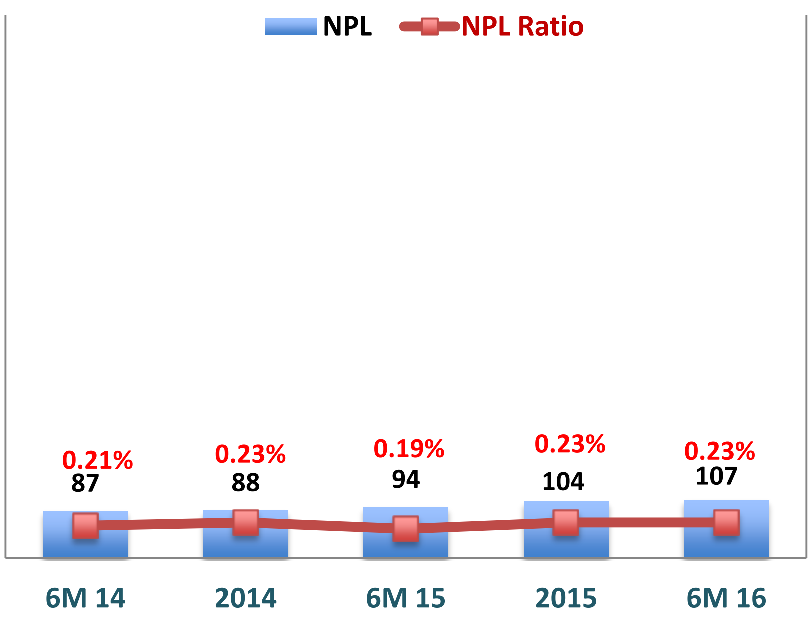
Note: Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



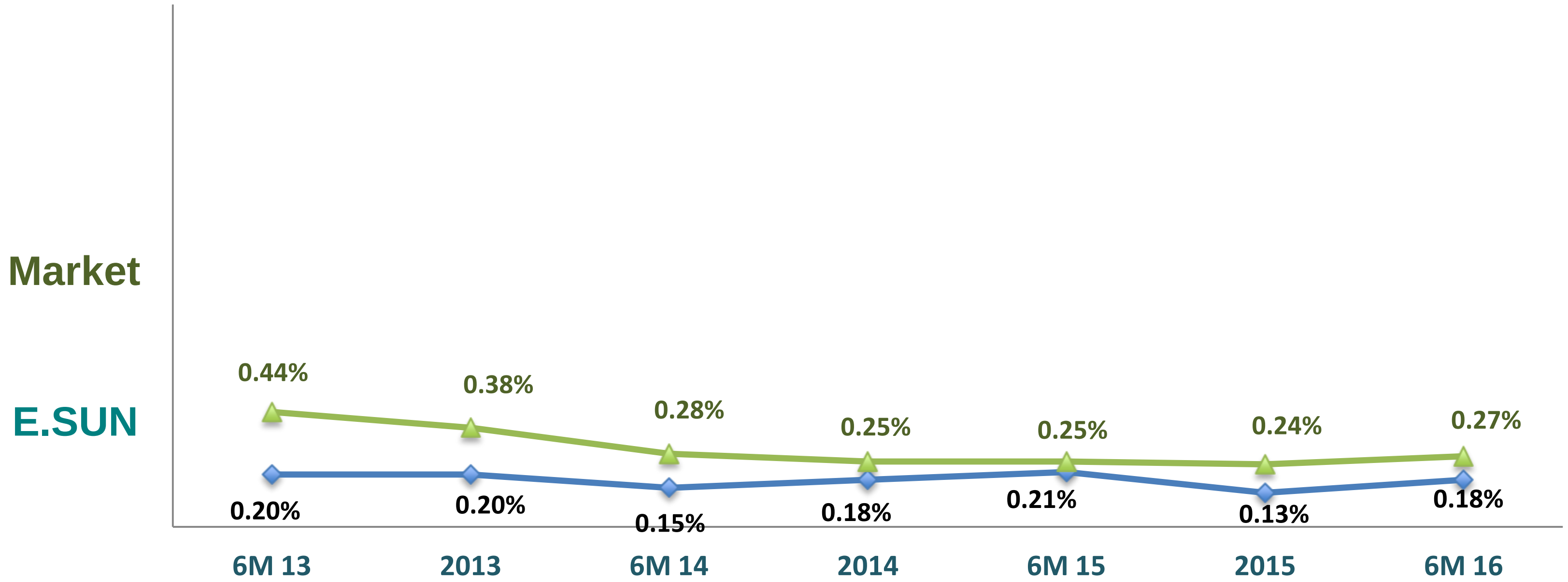
NPL Ratio for Credit Card



Note: Financials of E.SUN Bank

Superior Asset Quality 3/3

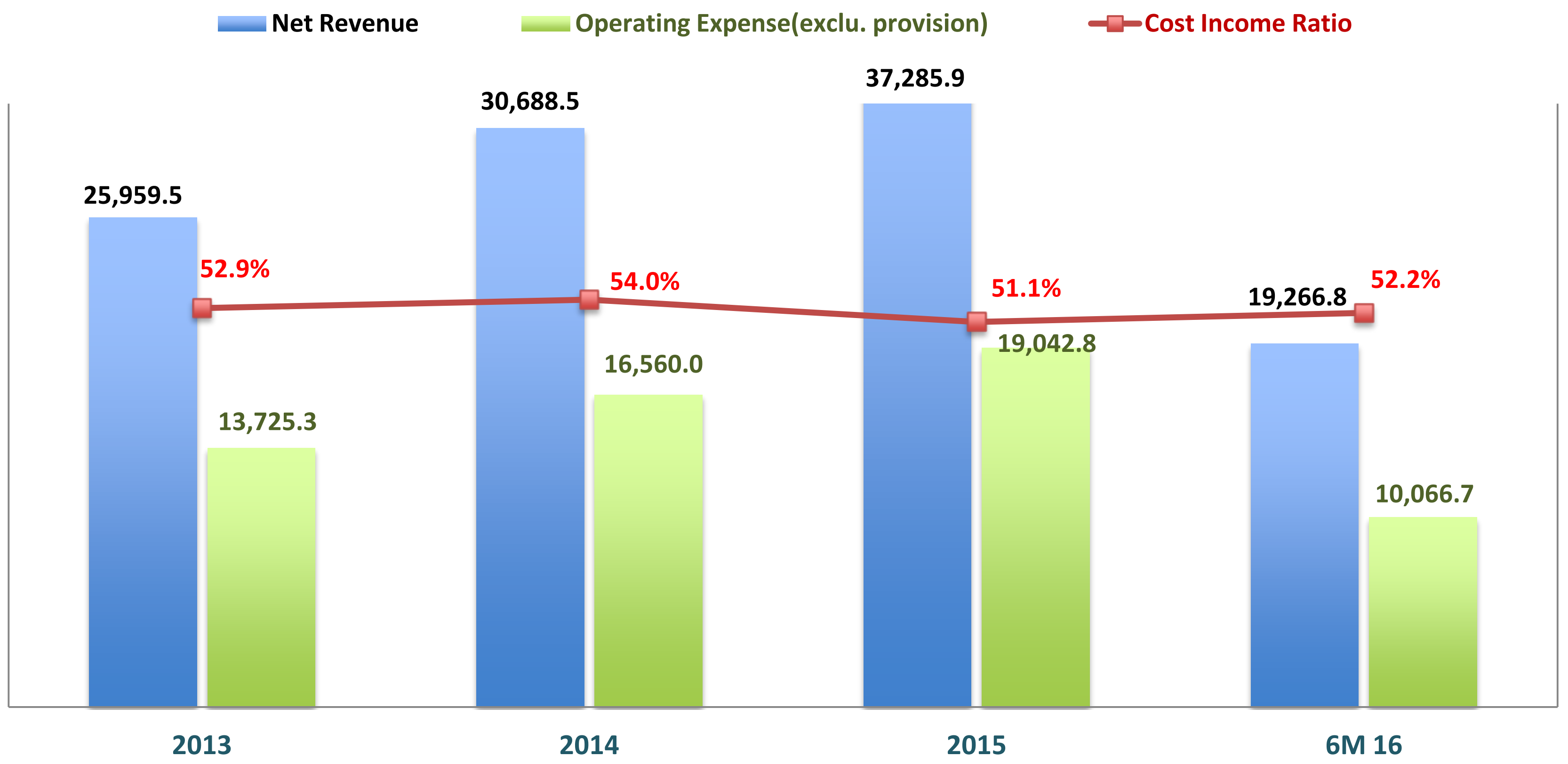
NPL Comparison with Market



Note: Source : FSC

Cost-Income Ratio

Unit: NT$ million



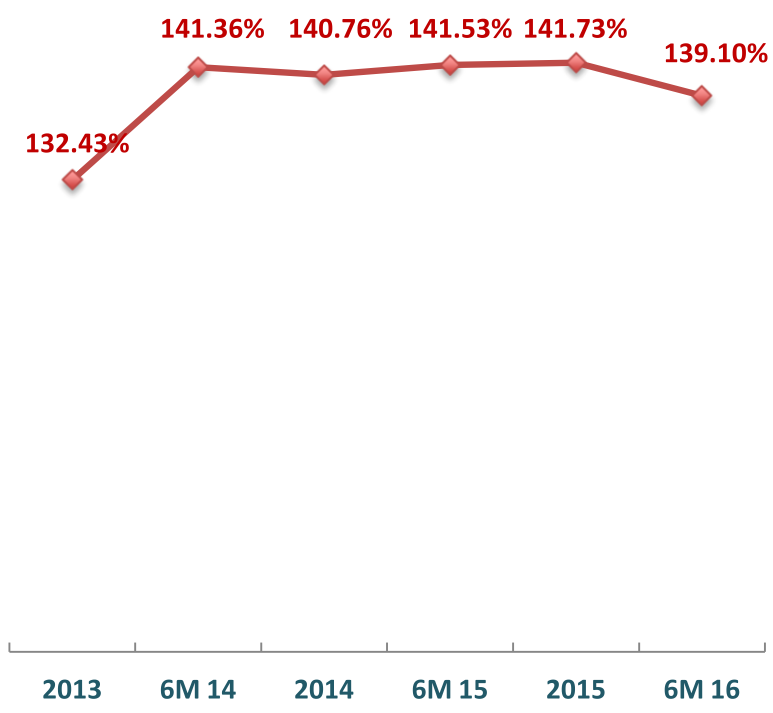
Note: 1. Audit figures of June 2016

2. E.SUN IB merged into E.SUN Bank on Mar. 16 and therefore restate the financial statement of '15, in which H1 is audit figures and Q3, Q4 are preliminary figures.

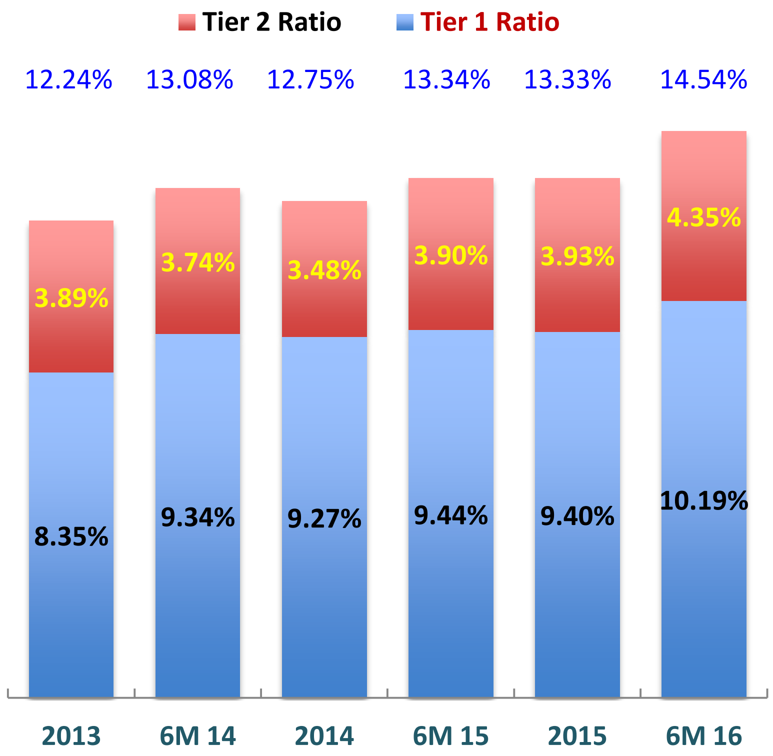
3. Financials of E.SUN Bank

Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Note: 1. Audit figures of Jun. 2016

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

- ❖ For more information, please contact
  Investor Relations Department
  +8862 2175 1313 Ext 1346, 9347,9302
  ir@email.esunbank.com.tw

Appendix 1/6

Balance Sheet of 1H2016 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	88,342	236	77	4,663	88,346
Securities, net	546,517	171	1,411	0	548,099
Loans, net	1,038,719	-	0	-	1,038,719
A/R, net	76,924	7,292	1	117	84,218
LT investments, net	538	116	2,042	129,472	2,706
Land, premises and equipments, net	26,719	363	-	24	27,390
Others	52,156	2,977	8	918	54,940
Total assets	1,829,915	11,155	3,539	135,194	1,844,418
Liabilities:					
Deposits	1,503,073	-	0	0	1,498,161
Other liabilities	204,763	6,468	44	10,923	221,186
Total liabilities	1,707,836	6,468	44	10,923	1,719,347
Total stockholders' equity	122,079	4,687	3,495	124,271	125,071
Total equity attributable to owners of the company	121,274	4,687	3,495	124,271	124,272
Non-Controlling interests	805	-	0	0	799
Total liabilities andstockholders' equity	1,829,915	11,155	3,539	135,194	1,844,418

Note: Audit figures of June 2016

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 1H2016

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	8,774	142	0	(59)	8,857
Net fee income	6,975	312	0	0	7,284
LT investment income	11	0	18	7,431	32
Net trading income/(loss) & Derivatives & FX	3,444	20	(15)	(47)	3,402
Others	62	42	(3)	35	45
Total Net Revenues	19,266	516	0	7,360	19,620
Allowance for bad-debt expenses	(572)	(1)	0	0	(574)
Operating expenses	(10,067)	(469)	(7)	(118)	(10,564)
Income before income tax	8,627	46	(7)	7,242	8,482
Income tax expenses	(1,224)	(17)	(9)	2	(1,249)
Net Income	7,403	29	(16)	7,244	7,233
Attributable to owners of the company	7,268	29	(16)	7,244	7,244
Attribute to former business under control	146	-	0	-	0
Non-controlling interests	(11)	0	0	0	(11)

Note: 1. Audit figures of June 2016

2. Insurance Brokers is merged with Bank on March 25th

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	Yearly Results			Quarterly Results				
	2013	2014	2015	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16
Assets：								
Cash and due from banks	79,252	89,638	104,113	85,758	107,815	104,113	96,705	88,346
Securities, net	373,749	420,897	469,508	425,298	436,794	469,508	517,090	548,099
Loans, net	828,238	934,614	1,021,995	986,149	1,001,086	1,021,995	1,017,679	1,038,719
A/R, net	62,895	73,088	78,562	87,944	84,395	78,562	76,731	84,218
LT investments, net	1,783	2,184	2,386	2,331	2,358	2,386	2,700	2,706
Land, premises and equipments, net	19,373	21,106	26,792	24,830	26,388	26,792	26,856	27,390
Others	15,726	24,893	71,928	75,484	70,734	71,928	64,604	54,940
Total assets	1,381,016	1,566,420	1,775,284	1,687,794	1,729,570	1,775,284	1,802,365	1,844,418
Liabilities:								
Deposits	1,150,791	1,280,692	1,456,394	1,458,364	1,407,850	1,456,394	1,476,395	1,498,161
Other liabilities	146,890	178,067	197,229	115,063	202,598	197,229	201,688	221,186
Total liabilities	1,297,681	1,458,759	1,653,623	1,573,427	1,610,448	1,653,623	1,678,083	1,719,347
Total stockholders' equity	83,335	107,661	121,661	114,367	119,123	121,661	124,282	125,071
Total equity attributable to owners of the company	82,651	106,876	120,927	113,580	118,254	120,927	123,480	124,272
Non-Controlling interests	684	785	734	787	868	734	802	799
Total liabilities and stockholders' equity	1,381,016	1,566,420	1,775,284	1,687,794	1,729,570	1,775,284	1,802,365	1,844,418

Note: Audit figures of June 2016

Appendix 4/6

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

NT$ million	Yearly Results 2013	2014	2015	Quarterly Results 2Q15	3Q15	4Q15	1Q16	2Q16
Operating income								
Net interest income	13,035	15,485	17,474	4,256	4,572	4,514	4,329	4,528
Net Fee income	9,124	11,470	13,878	3,762	3,717	3,326	3,459	3,825
LT investment income	308	121	71	29	36	1	26	6
Net trading income/(loss) & Derivatives & FX	4,359	5,602	7,378	1,873	1,733	1,834	1,777	1,625
Others	(79)	77	(312)	(45)	133	(513)	14	31
Total Net Revenues	26,747	32,755	38,489	9,875	10,163	9,162	9,605	10,015
Allowance for bad-debt expenses	(1,707)	(2,034)	(3,566)	(1,028)	(763)	(779)	(33)	(541)
Operating expenses	(14,826)	(17,950)	(20,138)	(4,896)	(5,061)	(5,587)	(5,167)	(5,397)
Income before income tax	10,214	12,771	14,785	3,951	4,339	2,796	4,405	4,077
Income tax expenses	(1,798)	(2,166)	(1,906)	(447)	(594)	(361)	(689)	(560)
Net Income	8,416	10,605	12,879	3,504	3,745	2,435	3,716	3,517
Income Attributable to owners of the company	8,416	10,529	12,816	3,497	3,716	2,422	3,698	3,546
Attribute to former business under control	-	-	-	-	-	-	-	-
Non-Controlling interests	-	76	63	7	29	13	18	(29)

Note: Audit figures of June 2016

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results 2013	2014	2015	Quarterly Results Jun 15	Sep 15	Dec 15	Mar 16	Jun 16
Assets：								
Cash and due from banks	79,225	89,599	103,947	85,713	107,740	103,947	96,603	88,342
Securities, net	371,650	417,344	467,481	423,656	431,545	467,481	516,351	546,517
Loans, net	828,238	934,614	1,021,995	986,149	1,001,086	1,021,995	1,017,679	1,038,719
A/R, net	56,093	65,392	71,523	79,081	77,712	71,523	68,859	76,924
LT investments, net	521	546	542	542	542	542	541	538
Land, premises and equipments, net	18,487	20,247	26,156	24,212	25,736	26,156	26,935	26,719
Others	14,678	24,202	68,986	73,451	72,192	68,986	60,295	52,156
Total assets	1,368,892	1,551,944	1,760,630	1,672,804	1,716,553	1,760,630	1,787,263	1,829,915
Liabilities:								
Deposits	1,157,482	1,284,728	1,457,201	1,394,342	1,409,061	1,457,201	1,478,221	1,502,420
Other liabilities	127,976	161,708	185,171	166,731	191,182	185,171	187,812	205,416
Total liabilities	1,285,458	1,446,436	1,642,372	1,561,073	1,600,243	1,642,372	1,666,033	1,707,836
Total stockholders' equity	83,434	105,508	118,258	111,731	116,310	118,258	121,230	122,079
Total equity attributable to owners of the company	82,750	104,723	116,391	110,216	114,470	116,391	120,423	121,274
Non-Controlling interests	684	785	1,133	787	971	1,133	807	805
Attribute to former business under control	-	-	734	728	869	734		
Total liabilities and stockholders' equity	1,368,892	1,551,944	1,760,630	1,672,804	1,716,553	1,760,630	1,787,263	1,829,915

Note: 1. Audit figures of June 2016

2. E.SUN IB merged into E.SUN Bank on Mar. 16 and therefore restate the financial statement of '15, in which H1 is audit figures and Q3 ,Q4 are preliminary figures.

E.SUN Bank's P&L account

NT$ million	Yearly Results 2013	2014	2015	Quarterly Results 2Q15	3Q15	4Q15	1Q16	2Q16
Operating income								
Net interest income	12,887	15,286	17,253	4,192	4,520	4,469	4,289	4,486
Fee income	7,929	9,910	13,190	3,581	3,539	3,147	3,294	3,680
LT investment income	49	48	45	10	35	0	5	6
Net trading income/(loss) & Derivatives & FX	4,969	5,318	6,522	1,819	1,566	1,236	1,904	1,540
Others	125	127	276	57	82	11	23	39
Total Net Revenues	25,959	30,689	37,286	9,659	9,742	8,863	9,515	9,751
Allowance for bad-debt expenses	(1,707)	(2,034)	(3,566)	(1,028)	(763)	(779)	(32)	(540)
Operating expenses	(13,725)	(16,560)	(19,043)	(4,615)	(4,766)	(5,322)	(4,916)	(5,151)
Income before income tax	10,527	12,095	14,677	4,016	4,213	2,762	4,567	4,060
Income tax expenses	(1,680)	(1,814)	(1,947)	(487)	(583)	(382)	(667)	(557)
Net Income	8,847	10,281	12,730	3,529	3,630	2,380	3,900	3,503
Attributable to owners of the company	8,847	10,205	11,908	3,268	3,360	2,204	3,736	3,532
Attribute to former business under control	-	-	759	253	242	163	146	-
Non-controlling interests	-	76	63	8	28	13	18	(29)

Note: 1. Audit figures of June 2016

2. E.SUN IB merged into E.SUN Bank on Mar. 16 and therefore restate the financial statement of '15, in which H1 is audit figures and Q3,Q4 are preliminary figures.