玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 4Q12

Mar. 2013

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

- 2012 Financial Performance
- 2012 Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		2012	2011
Total Assets	FHC	1,244,097	1,155,491
	Bank	1,235,889	1,147,345
	Securities	6,007	6,002
	Insurance Brokers	833	789
	Venture Capital	1,586	1,692
Key Financials	Book value per share (NT$)	15.00	14.34
	Double Leverage Ratio	107.93%	108.02%
	FHC CAR	144.51%	133.49%
Shareholder Structure	QFII	40.50%	35.99%
Distribution Channels	Bank – domestic	132	127
	Oversea channels	Branch in HK, LA, Singapore, Donguan (China) Representation office in Vietnam	
	Securities - branches	21	20
	Securities- CS counters	86	75

Note1: as of 31th of Dec. 2012

4Q12 Financial Review

• Steady Performance while Profit Reached Historical High

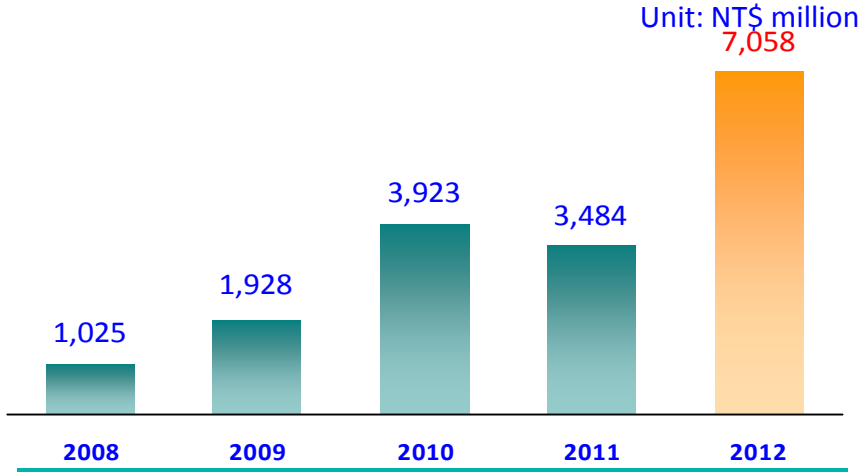
- E.SUN FHC reported a net profit of NT$7.06 billion for 2012, equivalent to EPS of NT$1.46, showing a significant growth rate of 102.6%. As a result, its ROE and ROA for 2012 reached 10.03% and 0.59% respectively, a strong momentum in profit growth.
- The main resources to the strong profit performance is the fee income growth, up to an annual growth rate of 19.1%. The fee incomes from Wealth Management and Credit Card business enjoyed a growth rate of 38.3% and 21.8% respectively.

• Healthy Growth in both Quantity and Quality

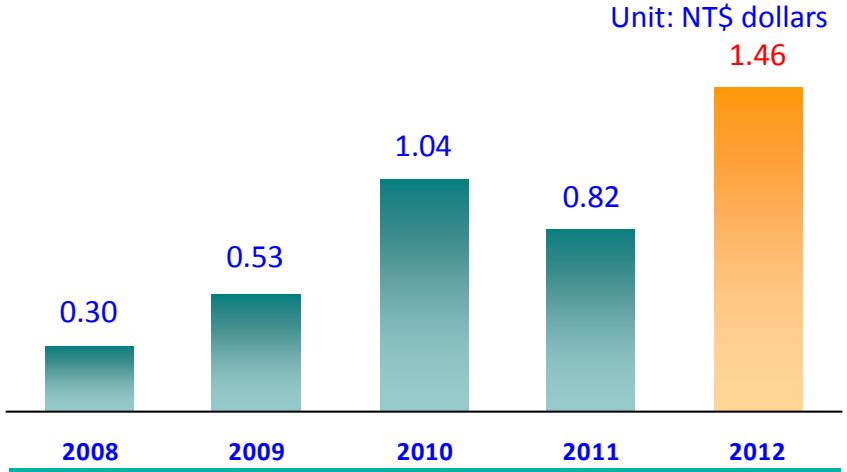
- The total growth in loan outstanding increased by 12.3%, nearly triple the market average of 4.2%. In addition, SME outstanding also had a impressive growth rate of 18.6%.
- Business lines all have maintained the outstanding quality in their assets. By Dec. 2012, the overall NPL ratio was only 0.17%, while it enjoyed a high coverage rate of 658.1%, complying all the government regulations.
- Due to the GDR issuance in 2012Q4, E.SUN Bank, the main subsidiary of FHC, has increased the level of Tier-1 capital ratio to 9.05% and currently maintains a BIS ratio of 13.21%.

Financial Performance

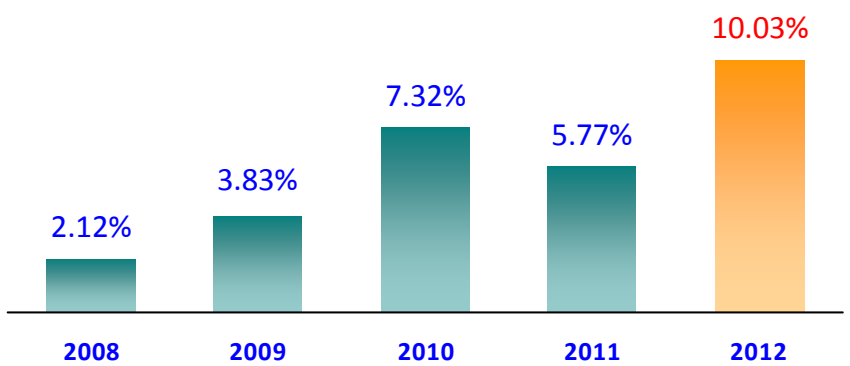
Net Profit



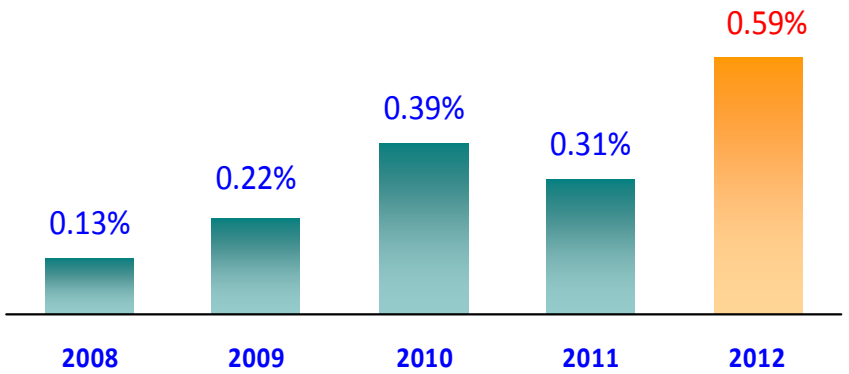
EPS



ROE



ROA

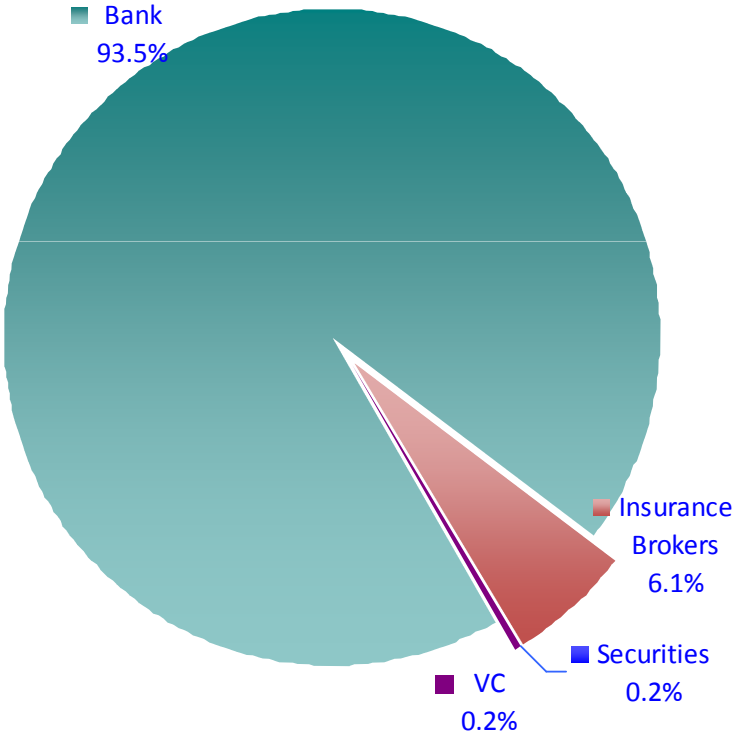


Note1: ROE and ROA are annualized

Note2: Preliminary figures of Dec. 2012

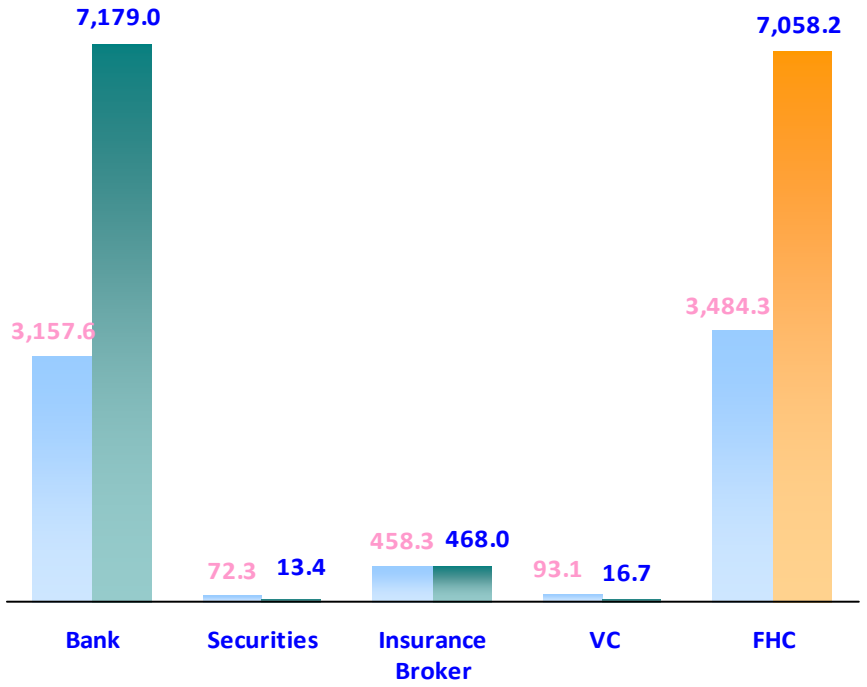
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million



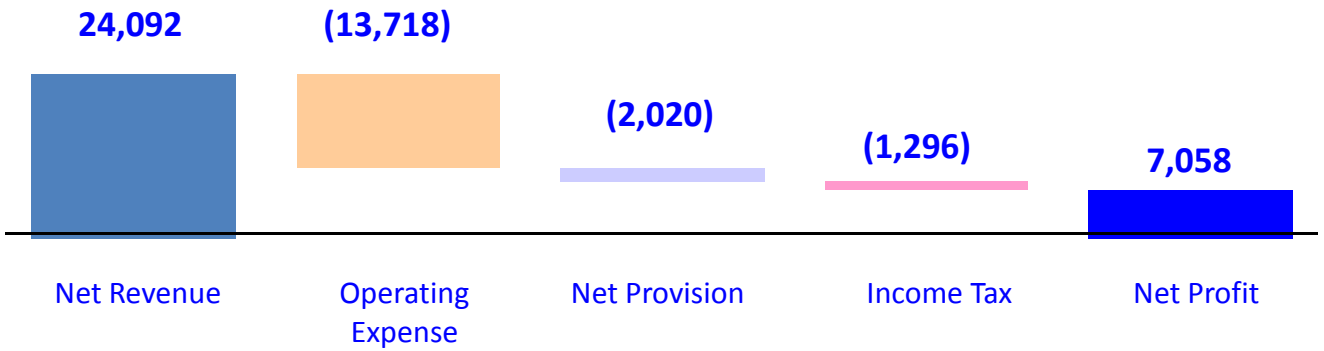
	Bank	Securities	Insurance Broker	VC	FHC
EPS(NT$)	1.64	0.04	41.85	0.09	1.46

Note: Preliminary figures of Dec. 2012

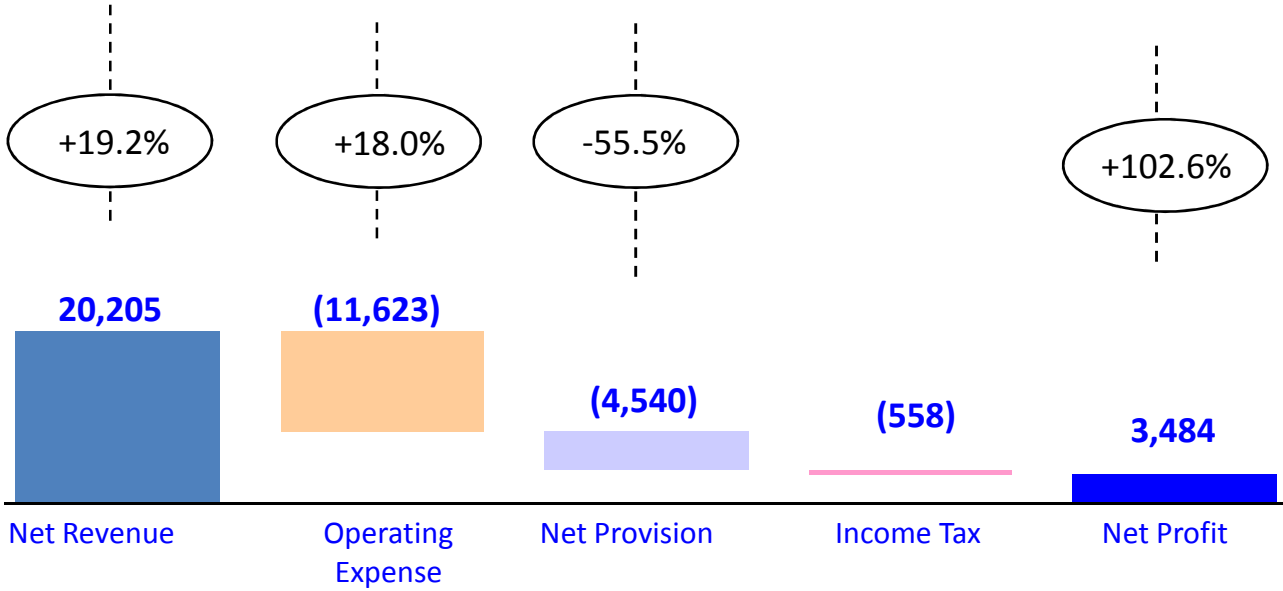
Net Profit Breakdown

2012 P&L

Unit: NT$ million



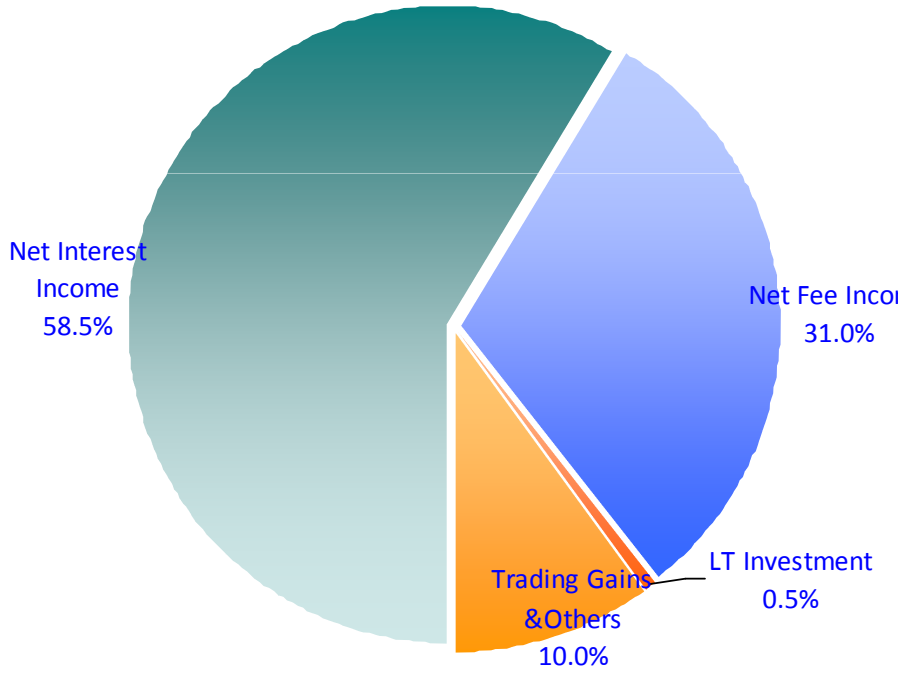
2011 P&L



Note: Preliminary figures of Dec. 2012

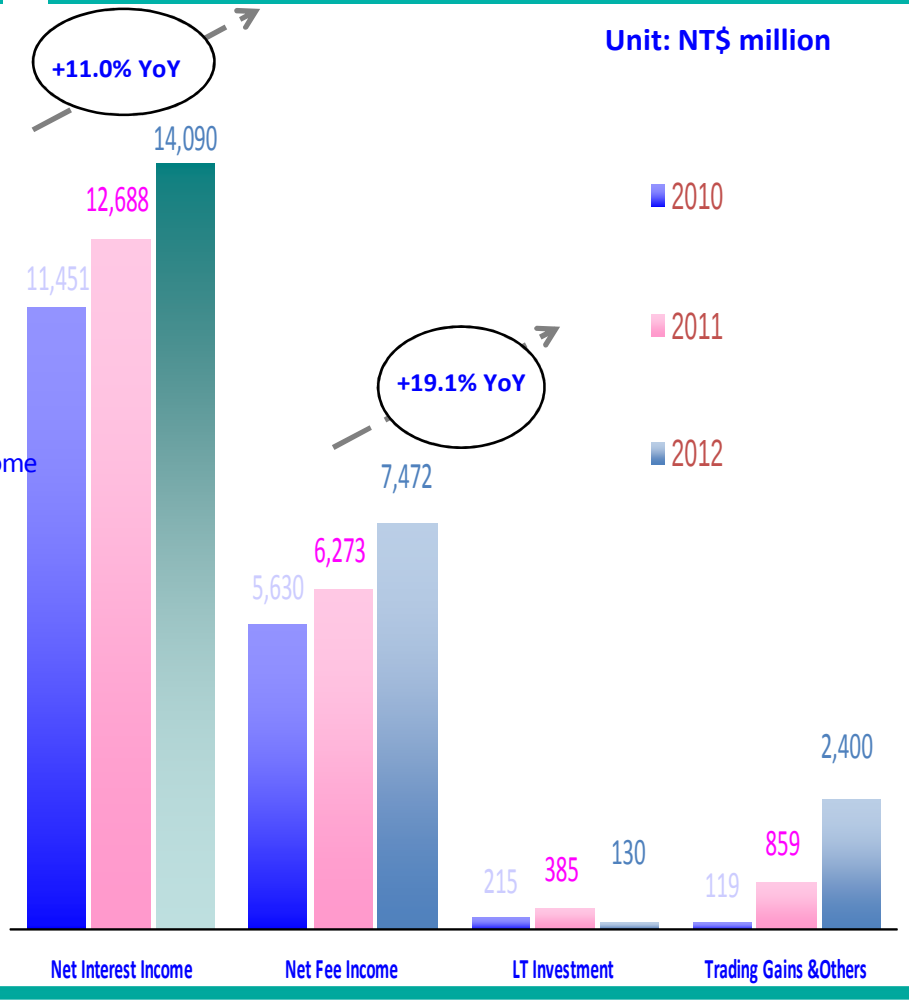
FHC Revenue Breakdown

Total Net Revenue
NT$ 24,092 million



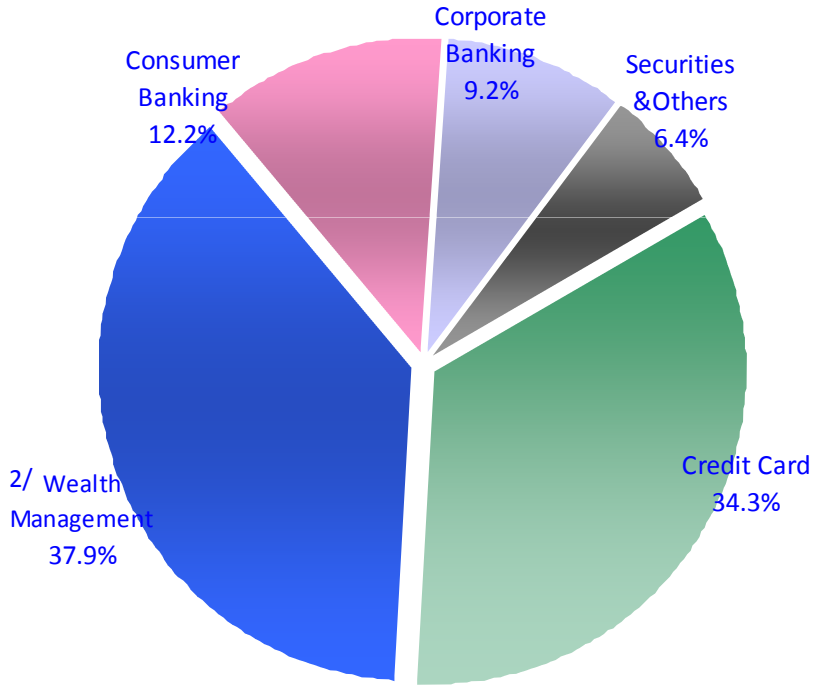
Note: Preliminary figures of Dec. 2012

YoY Revenue Comparison

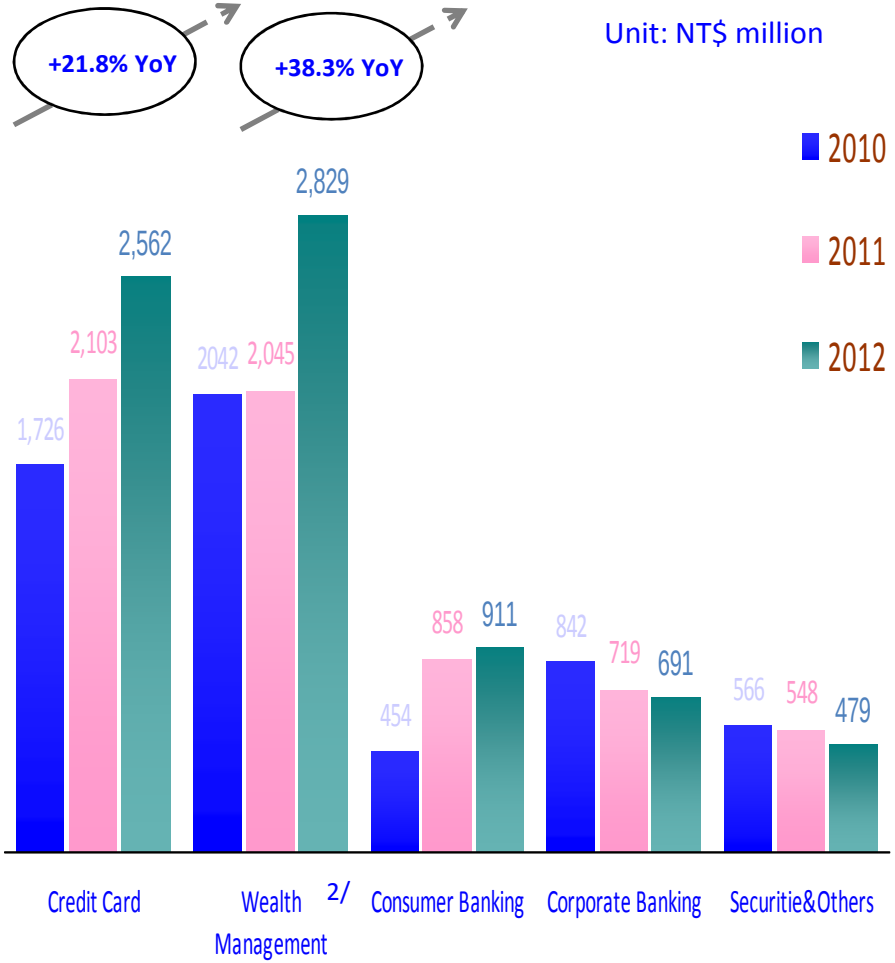


Net Fee Income breakdown

Total Net Fee Income
NT$ 7,472 million



YoY Comparison

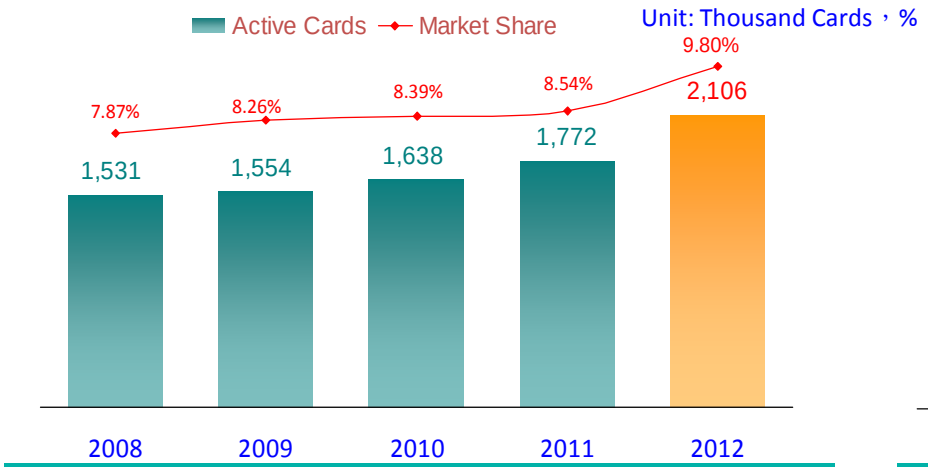


Note: 1. Preliminary Figures of Dec. 2012

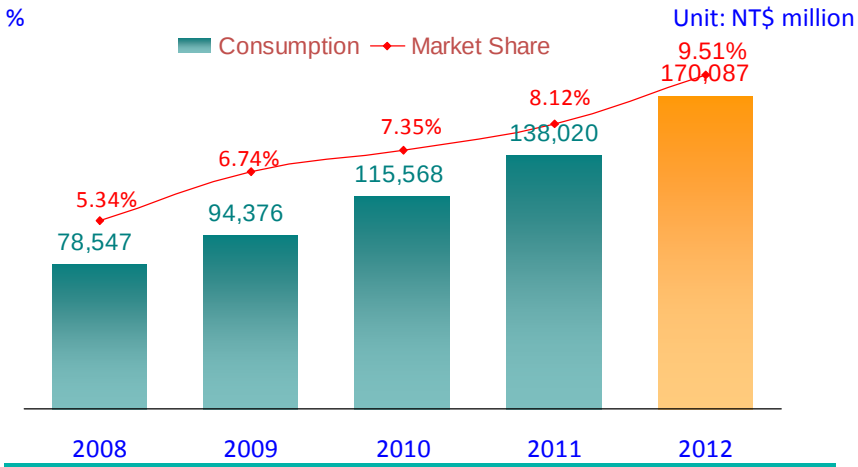
2. Including Bancassurance fee from E.SUN Insurance Broker

Fast-Growing Credit Card Business

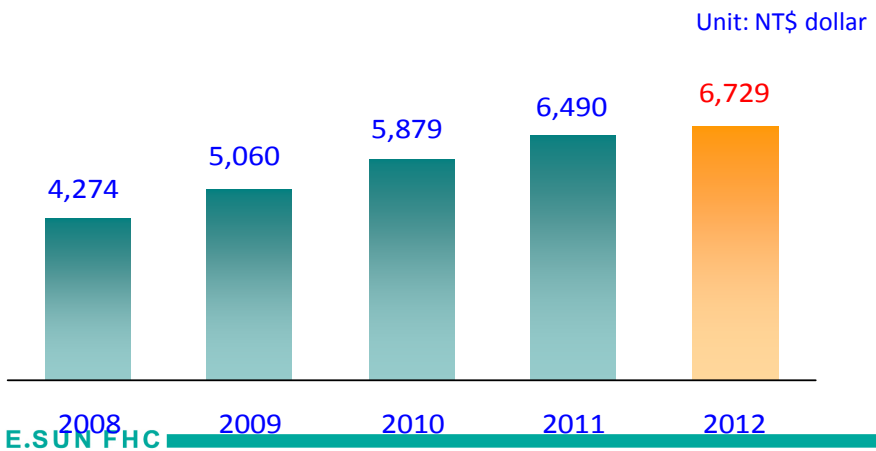
Active Cards



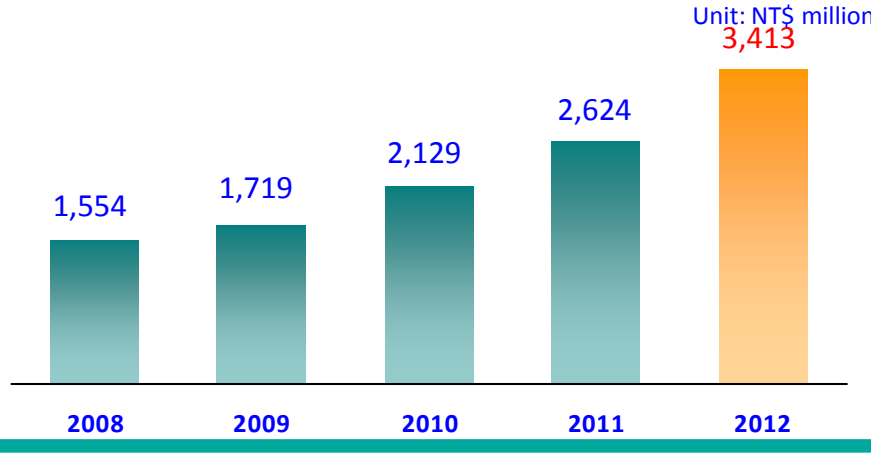
Card Consumption



Per Card Spending (Monthly)



Gross Fee Income



Deposit and Loan Structure

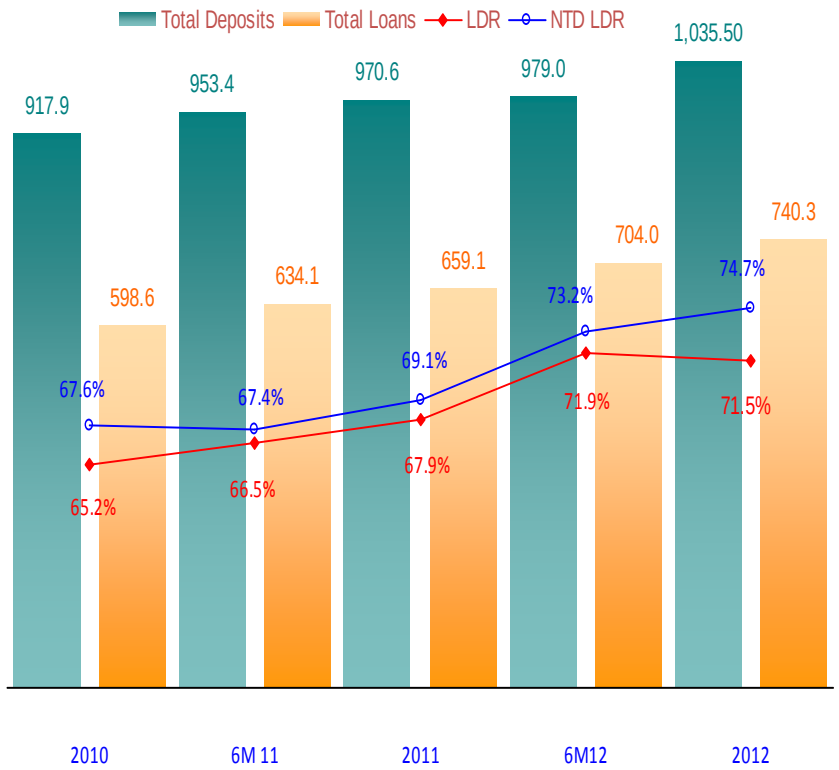
Unit: NT$ Bn

Products	2012	QoQ Growth %	9M 12	YTD Growth %	2011
Total Deposits	1,035.5	4.8%	987.7	6.7%	970.6
Demand Deposits	461.9	8.5%	425.9	15.9%	398.5
Total Loans 1/	740.3	3.4%	715.8	12.3%	659.1
Corporate Loans	365.4	3.0%	354.6	15.0%	317.8
SME Loans	187.8	4.6%	179.5	18.6%	158.4
Consumer Loans	374.9	3.8%	361.2	9.8%	341.3
Mortgage Loan	210.8	0.6%	209.6	(3.0%)	217.4
Unsecured Personal Loan	37.2	7.8%	34.5	30.5%	28.5
Credit Cards in Circulation('000s)	3,163	1.7%	3,111	11.5%	2,838
Accumulated Credit Card Spending	170.2	0.0% 2/	126.7	23.3% 3/	138.0
Credit Card Revolving Balance	12.4	(1.6%)	12.6	(6.1%)	13.2

Note: 1.Exclude credit card revolving balance
2. QoQ growth is 4Q12 vs 3Q12
3. YoY growth is 2012 vs 2011

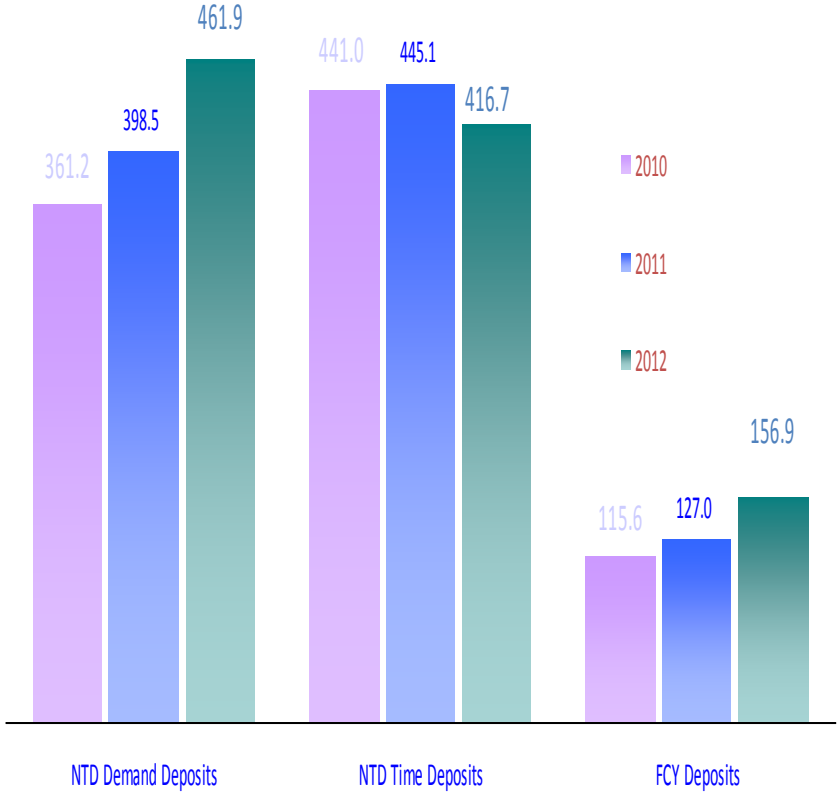
Deposit Structure

Loan to Deposit Ratio 1/



Deposit Structure

Unit: NT$ Bn

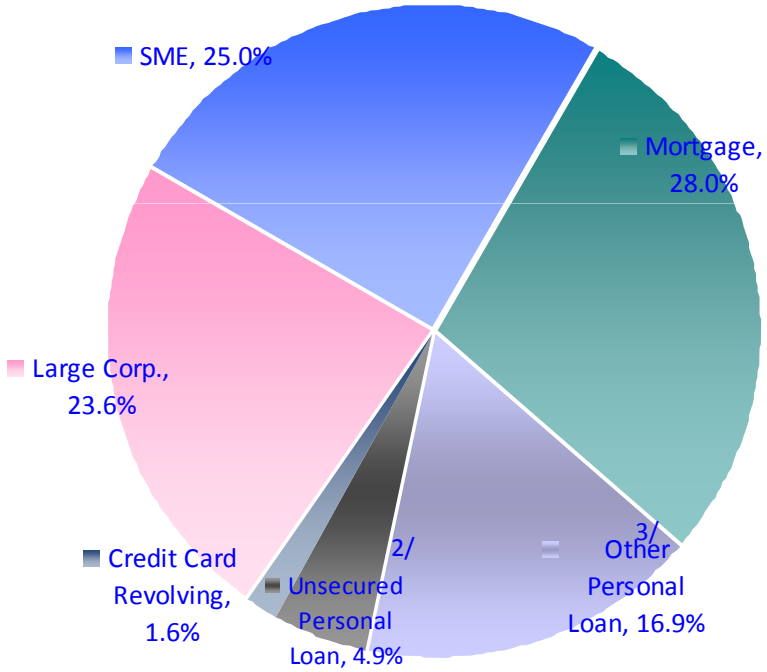


Note: 1.Excluding Credit card revolving balance

2. Financials of E.SUN Bank

Loan Portfolio Breakdown

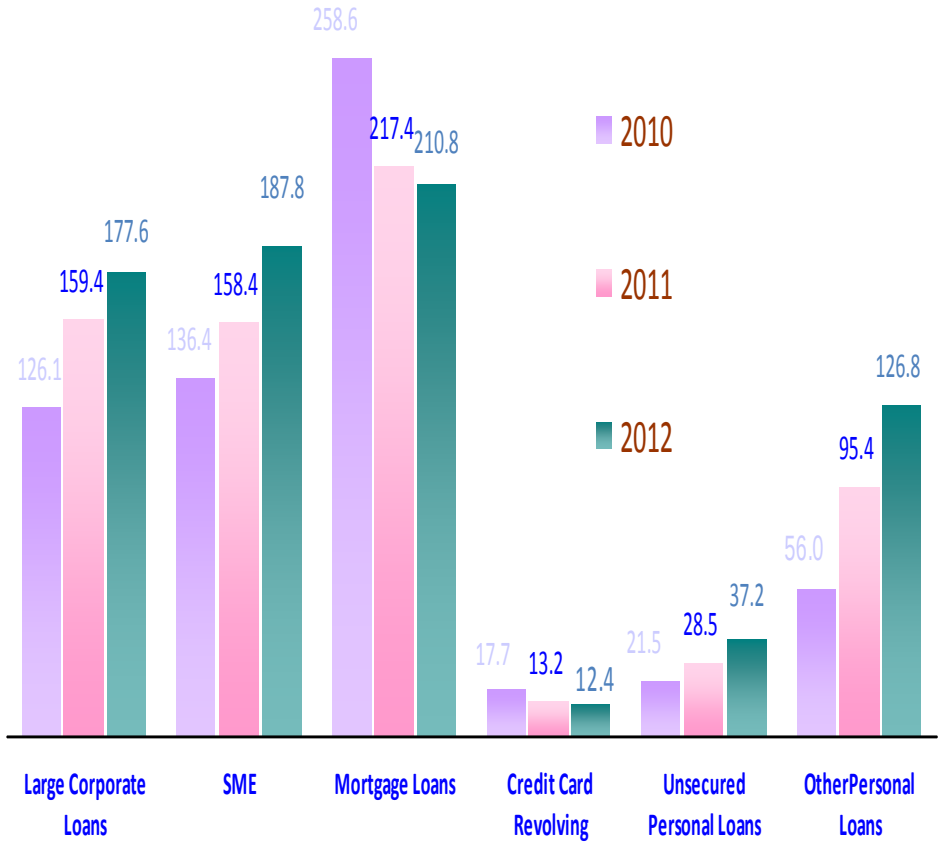
Total Loan[1/] NT$ 752.6 Bn



Note: 1.Include Credit Card Revolving balance
2.Unsecured Personal Loan, Include Cash card balance
3.Other Personal Loan, which is fully collateralized.
4. As of Dec. 2012

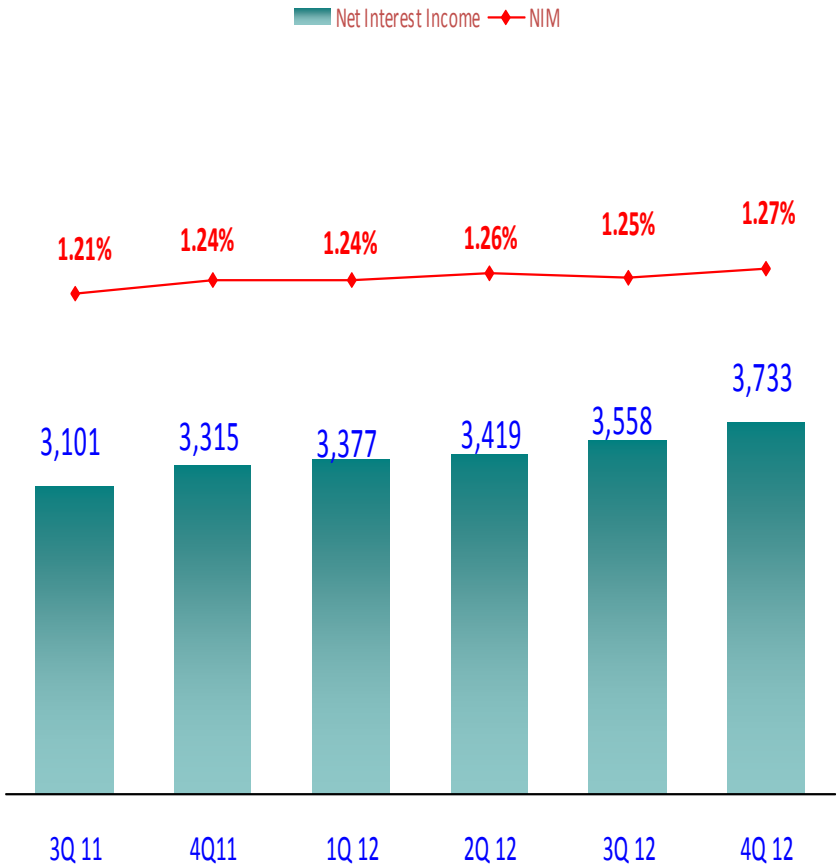
YoY Comparison

Unit: NT$ Bn

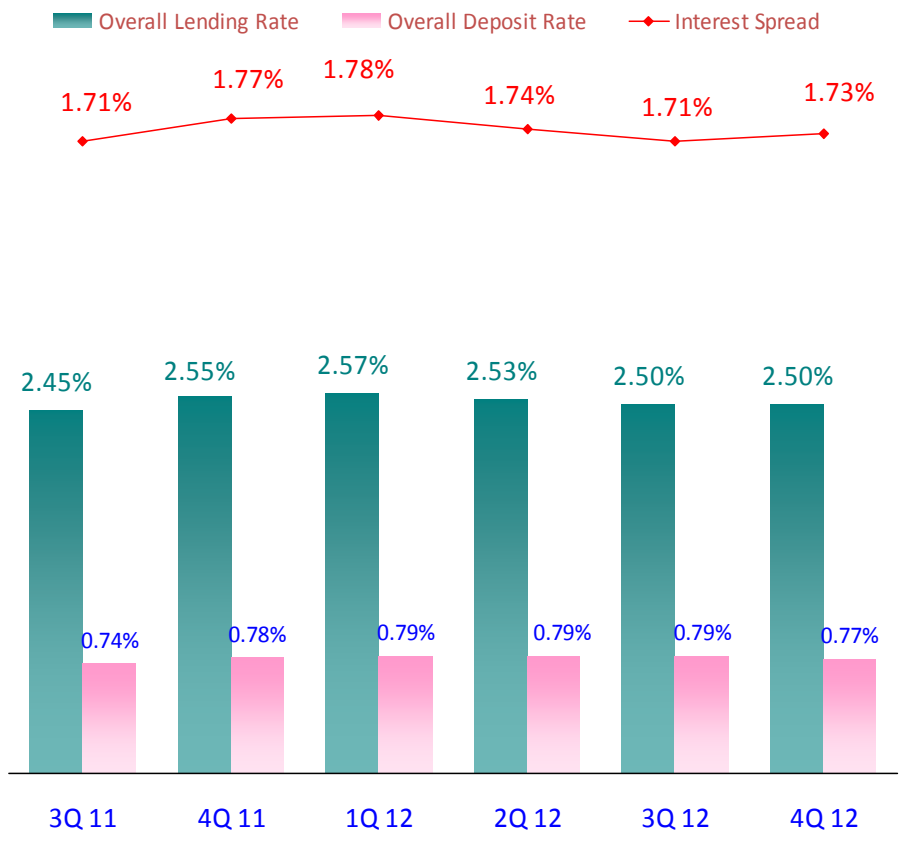


NIM and Spread

Quarterly Net Interest Margin



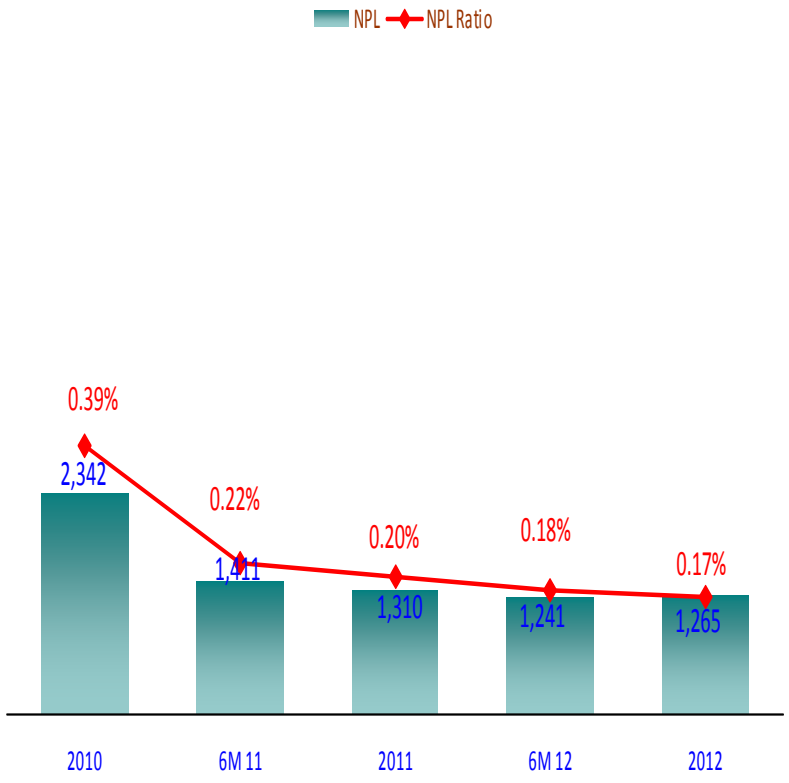
Quarterly Interest Spread



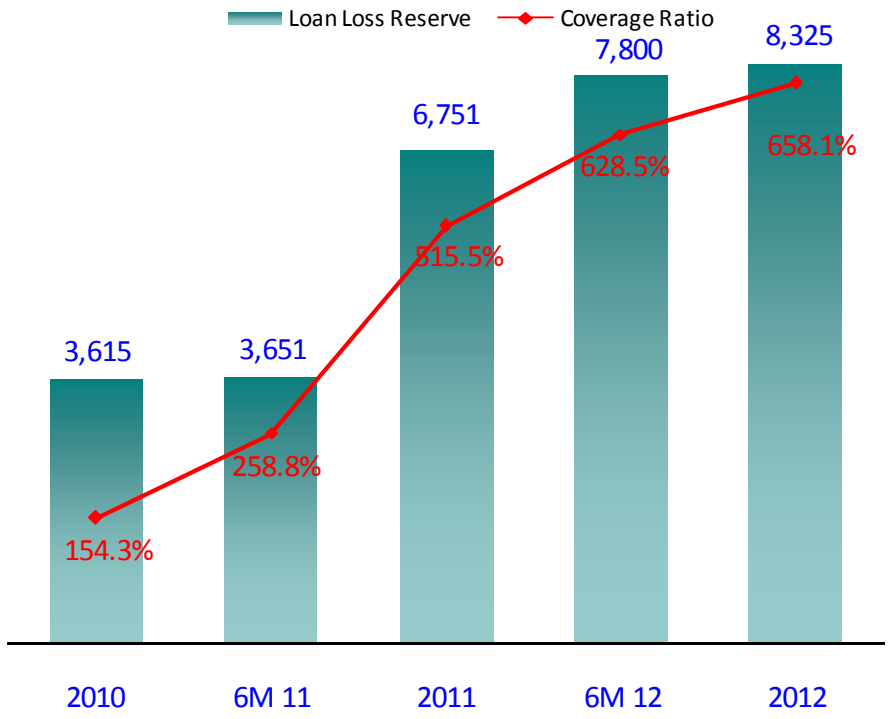
Note: Financials of E.SUN Bank

Superior Asset Quality 1/3

NPL Ratio(%)



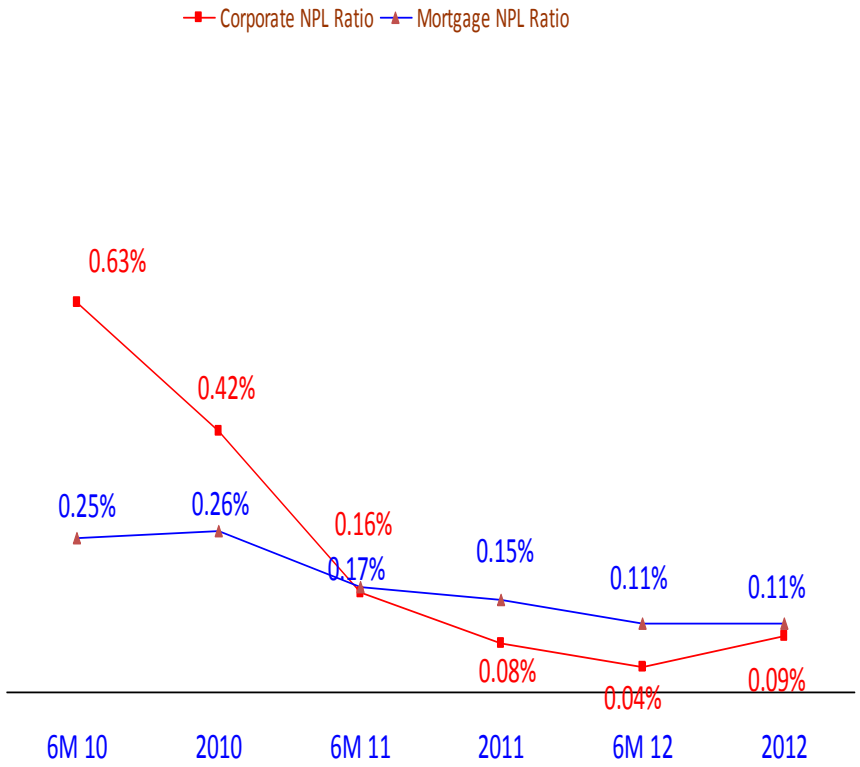
Coverage Ratio(%)



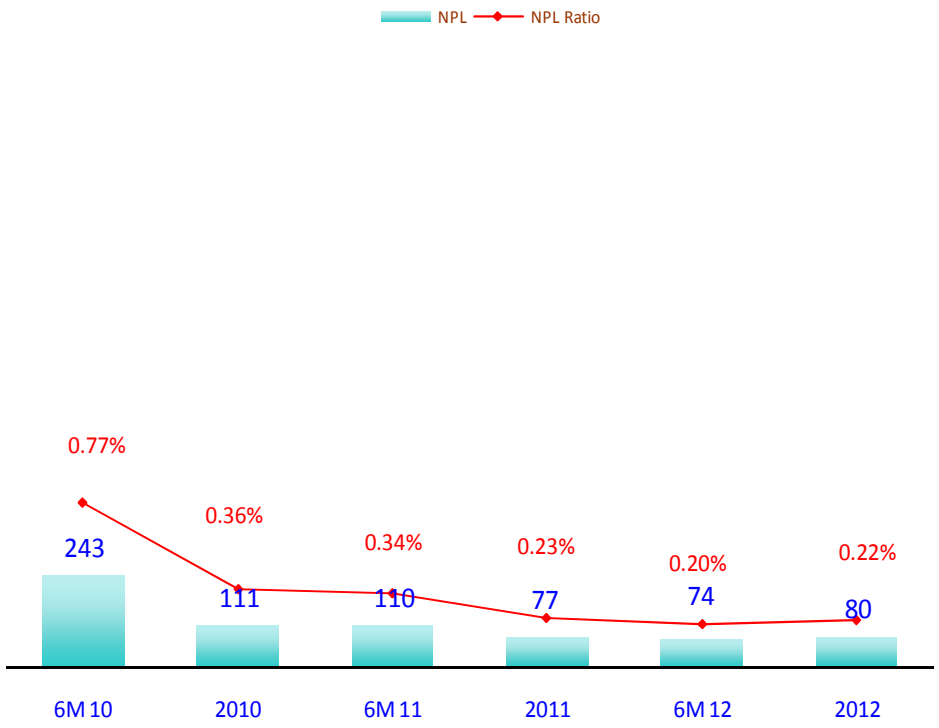
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



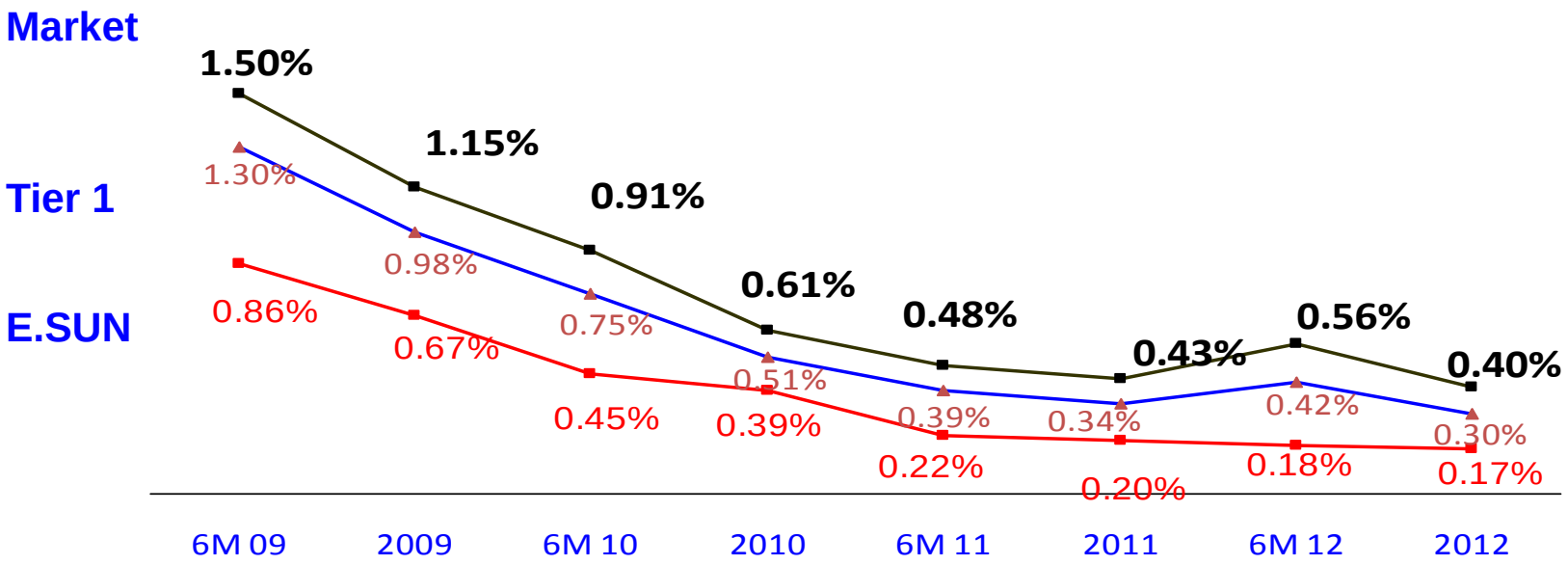
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

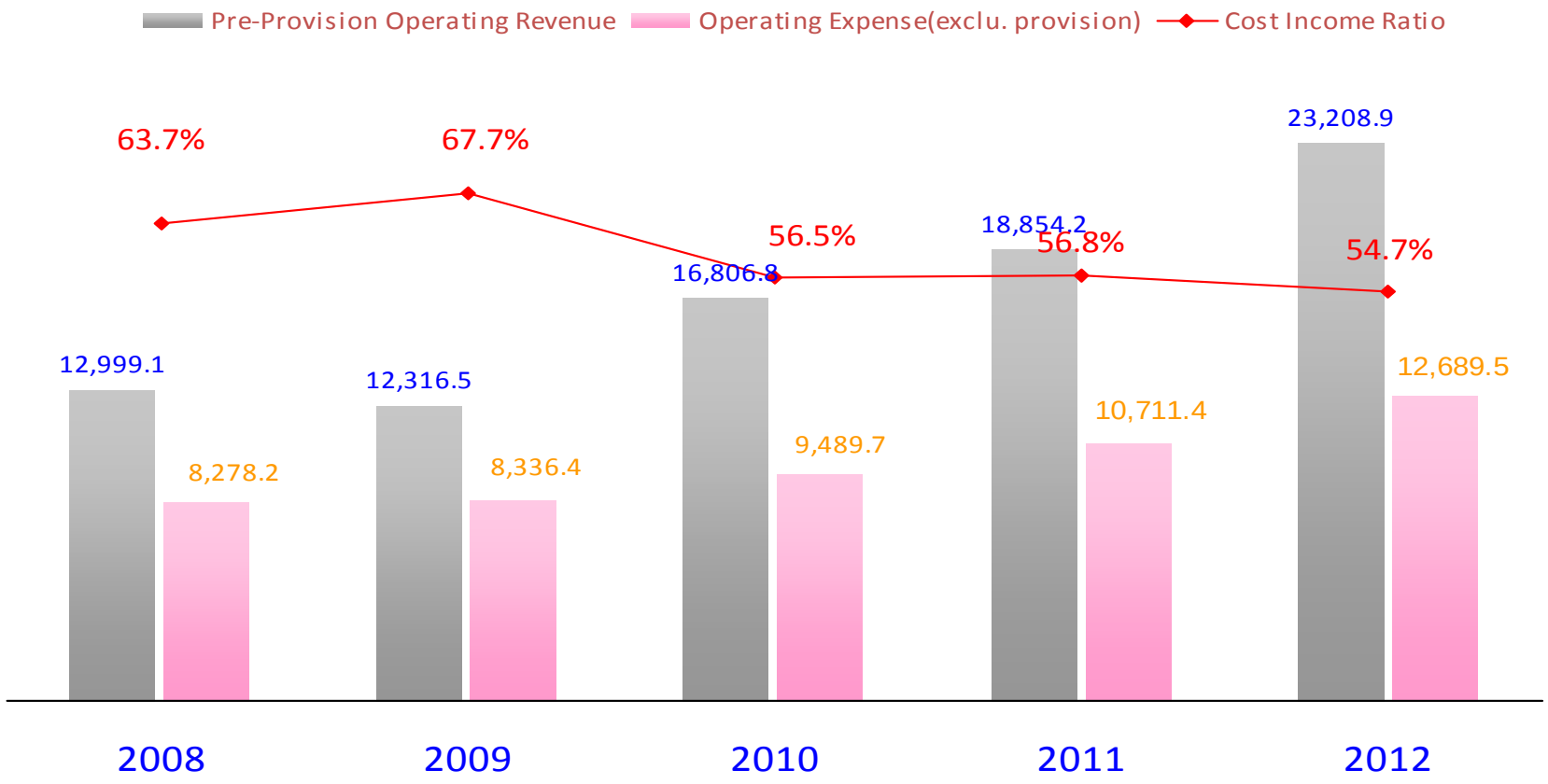
NPL Comparison with Tier 1 players and the Market



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

Cost-Income Ratio

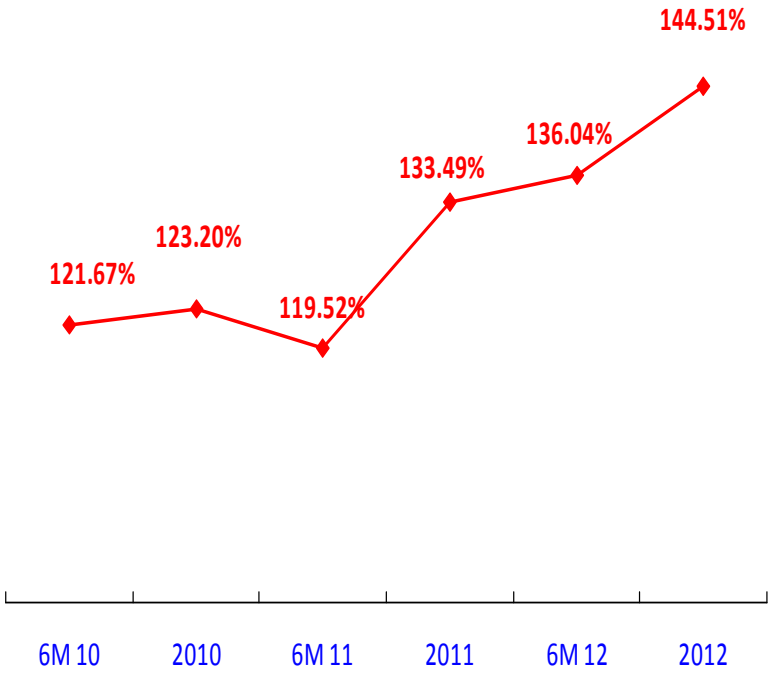
Unit: NT$ million



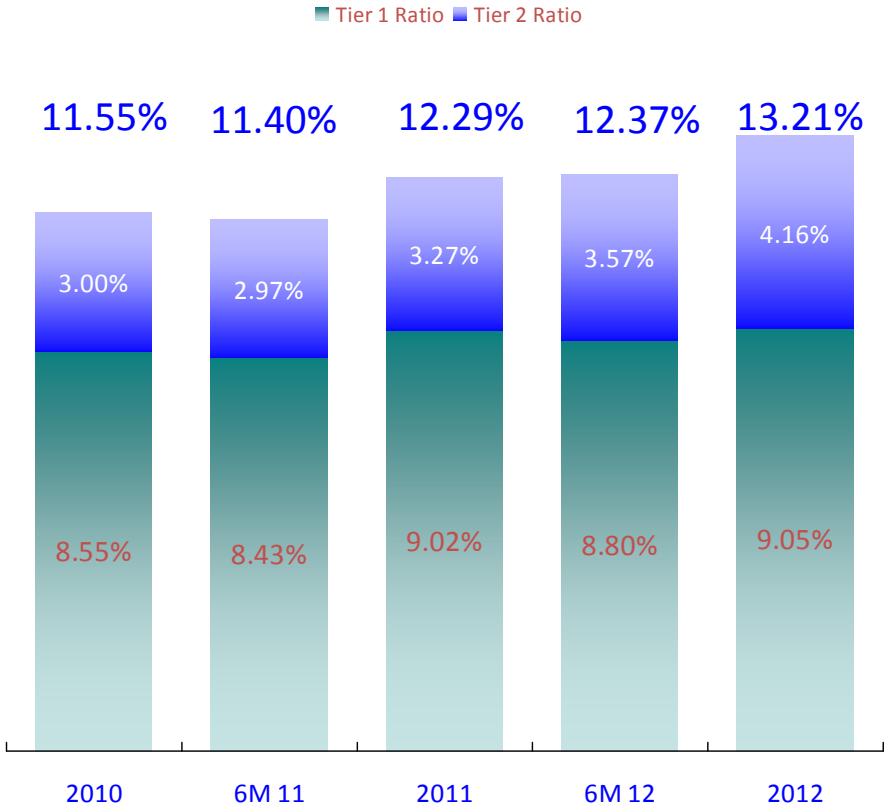
Note: 1. Preliminary figures of Dec. 2012
2. Financials of E.SUN Bank

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

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

Agenda

- 4Q12 Financial Performance
- 4Q12 Business Operation Overview
- Appendix

Appendix 1/6

Balance Sheet of 2012 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	78,924	314	299	325	5,514	79,269
Securities, net	352,859	297	364	1,256	21	355,275
Loans, net	735,409	-	-	-	-	735,407
A/R, net	44,305	3,703	165	-	1,476	48,564
LT investments, net	-	-	-	-	81,136	-
Land, premises andequipments, net	16,373	293	2	-	2	16,670
Others	8,019	1,400	3	5	187	8,912
Total assets	1,235,889	6,007	833	1,586	88,336	1,244,097
Liabilities:						
Deposits	1,029,975	-	-	-	-	1,023,820
Other liabilities	130,635	2,455	108	6	13,162	145,103
Total liabilities	1,160,610	2,455	108	6	13,162	1,168,923
Total stockholders' equity	75,279	3,552	725	1,580	75,174	75,174
Total liabilities andstockholders' equity	1,235,889	6,007	833	1,586	88,336	1,244,097

Note: Preliminary figures of Dec. 2012

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 2012

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	14,096	215	5	2	(232)	14,090
Fee income	6,158	524	1,535	-	-	7,472
LT investment income	42	17	-	-	7,677	130
Net trading income/(loss) & Derivatives & FX	2,785	(48)	11	24	(405)	2,381
Others	128	69	-	-	67	19
Total Net Revenues	23,209	777	1,551	26	7,107	24,092
Allowance for bad-debt expenses	(2,020)	-	-	-	-	(2,020)
Operating expenses	(12,690)	(751)	(988)	(10)	(182)	(13,718)
Income before income tax	8,499	26	563	16	6,925	8,354
Income tax expenses	(1,320)	(13)	(95)	1	133	(1,296)
Net Income	7,179	13	468	17	7,058	7,058

Note: Preliminary figures of Dec. 2012

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

	Yearly Results			Quarterly Results					
NT$ million	2010	2011	2012	Dec 11	Mar 12	June 12	Sep 12	Dec 12	QoQ(%)
Assets :									
Cash and due from banks	57,914	65,132	79,269	65,132	73,066	69,116	68,987	79,269	14.9%
Securities, net	358,415	359,111	355,275	359,111	370,474	340,165	342,781	355,275	3.6%
Loans, net	599,161	656,009	735,407	656,009	662,685	699,712	711,711	735,407	3.3%
A/R, net	41,834	46,576	48,564	46,576	50,933	51,261	48,331	48,564	0.5%
LT investments, net	-	-	-	-	-	-	-	-	
Land, premises andequipments, net	14,457	15,892	16,670	15,892	15,827	16,077	16,245	16,670	2.6%
Others	12,747	12,771	8,912	12,771	7,630	8,692	8,689	8,912	2.6%
Total assets	1,084,528	1,155,491	1,244,097	1,155,491	1,180,615	1,185,023	1,196,744	1,244,097	4.0%
Liabilities:									
Deposits	897,264	954,994	1,023,820	954,994	974,917	959,719	969,230	1,023,820	5.6%
Other liabilities	132,022	134,913	145,103	134,913	137,927	156,563	156,852	145,103	-7.5%
Total liabilities	1,029,286	1,089,907	1,168,923	1,089,907	1,112,844	1,116,282	1,126,082	1,168,923	3.8%
Total stockholders' equity	55,242	65,584	75,174	65,584	67,771	68,741	70,662	75,174	6.4%
Total liabilities andstockholders' equity	1,084,528	1,155,491	1,244,097	1,155,491	1,180,615	1,185,023	1,196,744	1,244,097	4.0%

Note: Preliminary figures of Dec. 2012

Appendix 4/6

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

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	4Q11	1Q12	2Q12	3Q12	4Q12	QoQ(%)
Operating income									
Net interest income	11,451	12,688	14090	3,312	3,384	3,434	3,544	3,728	5.2%
Fee income	5,630	6,273	7,472	1,502	1,810	1,777	1,918	1,967	2.6%
LT investment income	215	385	130	2	-4	63	-17	88	N.A.
Net trading income/(loss) & Derivatives & FX	73	764	2,381	123	1,721	363	223	74	N.A.
Others	46	95	19	(44)	12	(14)	5	16	N.A.
Total Net Revenues	17,415	20,205	24,092	4,895	6,923	5,623	5,673	5,873	3.5%
Allowance for bad-debt expenses	(2,732)	(4,540)	(2,020)	(2,718)	(1,225)	(82)	(133)	(580)	336.1%
Operating expenses	(10,211)	(11,623)	(13,718)	(3,140)	(3,209)	(3,399)	(3,447)	(3,663)	6.3%
Income before income tax	4,472	4,042	8,354	(963)	2,489	2,142	2,093	1,630	-22.1%
Income tax expenses	(549)	(558)	(1,296)	199	(420)	(339)	(266)	(271)	1.9%
Net Income	3,923	3,484	7,058	(764)	2,069	1,803	1,827	1,359	-25.6%

Note: Preliminary figures of Dec. 2012

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	Dec 11	Mar 12	June 12	Sep 12	Dec 12	QoQ(%)
Assets :									
Cash and due from banks	57,888	65,948	78,924	65,948	72,758	68,791	68,904	78,924	14.5%
Securities, net	357,103	358,297	352,859	358,297	366,790	337,430	340,450	352,859	3.6%
Loans, net	599,161	656,009	735,409	656,009	662,685	699,712	711,710	735,409	3.3%
A/R, net	35,892	42,260	44,305	42,260	46,592	47,085	43,895	44,305	0.9%
LT investments, net	-	-	-	-	-	-	-	-	-
Land, premises andequipments, net	14,194	15,600	16,373	15,600	15,536	15,771	15,943	16,373	2.7%
Others	10,403	9,231	8,019	9,231	8,117	7,746	7,929	8,019	1.1%
Total assets	1,074,641	1,147,345	1,235,889	1,147,345	1,172,478	1,176,535	1,188,831	1,235,889	4.0%
Liabilities:									
Deposits	904,761	962,842	1,029,975	962,842	982,887	971,175	981,322	1,029,975	5.0%
Other liabilities	114,938	119,593	130,635	119,593	122,475	136,809	136,865	130,635	-4.6%
Total liabilities	1,019,699	1,082,435	1,160,610	1,082,435	1,105,362	1,107,984	1,118,187	1,160,610	3.8%
Total stockholders' equity	54,942	64,910	75,279	64,910	67,116	68,551	70,644	75,279	6.6%
Total liabilities andstockholders' equity	1,074,641	1,147,345	1,235,889	1,147,345	1,172,478	1,176,535	1,188,831	1,235,889	4.0%

Note: Preliminary figures of Dec. 2012

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	4Q11	1Q12	2Q12	3Q12	4Q12	QoQ(%)
Operating income									
Net interest income	11,377	12,600	14,096	3,296	3,377	3,428	3,558	3,733	4.9%
Fee income	4,507	5,000	6,158	1,150	1,460	1,461	1,599	1,638	2.4%
LT investment income	48	323	42	2	-	40	2	0	N.A.
Net trading income/(loss) & Derivatives & FX	749	745	2,785	57	1,816	381	400	188	N.A.
Others	126	186	128	3	26	22	(23)	103	-547.8%
Total Net Revenues	16,807	18,854	23,209	4,508	6,679	5,332	5,536	5,662	2.3%
Allowance for bad-debt expenses	(2,727)	(4,540)	(2,020)	(2,718)	(1,224)	(83)	(133)	(580)	336.1%
Operating expenses	(9,490)	(10,711)	(12,690)	(2,945)	(2,968)	(3,135)	(3,178)	(3,409)	7.3%
Income before income tax	4,590	3,603	8,499	(1,155)	2,487	2,114	2,225	1,673	-24.8%
Income tax expenses	(609)	(445)	(1,320)	236	(428)	(329)	(292)	(271)	-7.2%
Net Income	3,981	3,158	7,179	(919)	2,059	1,785	1,933	1,402	-27.5%

Note: Preliminary figures of Dec. 2012