玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 2Q13

Aug. 2013

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Agenda

- 6M 2013 Financial Performance
- 6M 2013 Business Operation Overview
- Appendix

E.SUN FHC Summary

Unit : NT$ million

		June 2013	2012
Total Assets	FHC	1,329,424	1,244,097
	Bank	1,318,695	1,235,889
	Securities	8,019	6,007
	Insurance Brokers	471	833
	Venture Capital	2,273	1,586
Key Financials	Book value per share (NT$)	15.63	15.00
	Double Leverage Ratio	107.87%	107.93%
	FHC CAR	130.88%	144.51%
Shareholder Structure	QFII	46.28%	40.50%
Distribution Channels	Bank – domestic	132	132
	Oversea channels	Branch in HK, LA, Singapore, Donguan (China) Representation office in Vietnam	
	Securities - branches	21	21
	Securities- CS counters	86	86

Note1: Net worth is based on 5,011 billion shares
2: as of 30th of June 2013

2Q 2013 Business and Financial Review

• Stable Profit Growth on Core Business

- E.SUN FHC reported a net profit of NT$4.36 billion for 6M13, which is 14.7% higher comparing to the same period last year. EPS is NT$0.87 and annualized ROE and ROA reached 11.41% and 0.68% respectively for 6M13, showing a strong momentum in profit growth.
- Fee income, as the main contribution to the profit growth, enjoyed a high growth rate of 19.8% in 6M13 led by Wealth Management and Credit Card Business.
- A strong growth in loan volume with YTD growth rate of 7.3% while NIM remains unchanged.
- Asset quality remains stable. By June 2013, the overall NPL ratio was only 0.20%, much lower than the market average of 0.44%.

• Continual Deployment in Asian Market

- E.SUN Bank's investment of 70% shareholding in Cambodia's Union Commercial Bank Plc have received approvals from competent authorities. The business cooperation will start after the transaction completion date, which is expected by 3Q13.
- E.SUN Bank has set up Yangon Rep. Office in Myanmar on 17th of July for further channel deployment in Southeast Asia region.
- The operation of our Dongguan branch in China has been stable in terms of growth and profit. The next step is to apply for RMB license.

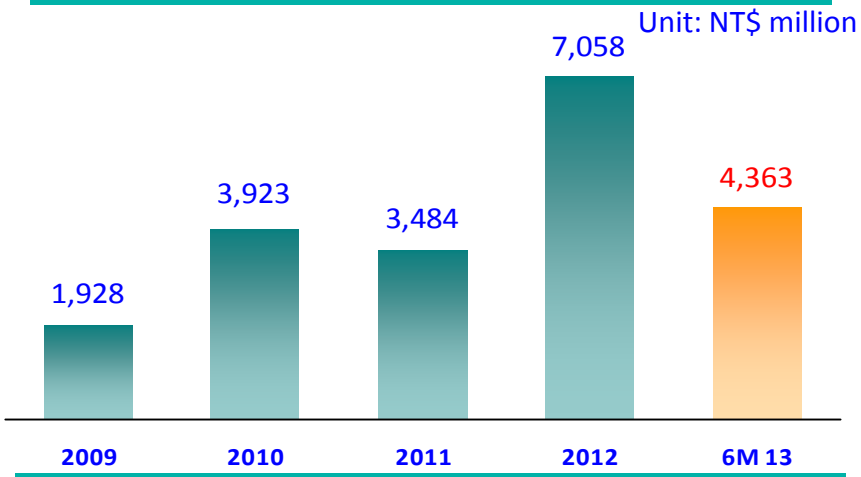
2Q 2013 Business and Financial Review

• Innovation in Financial Services

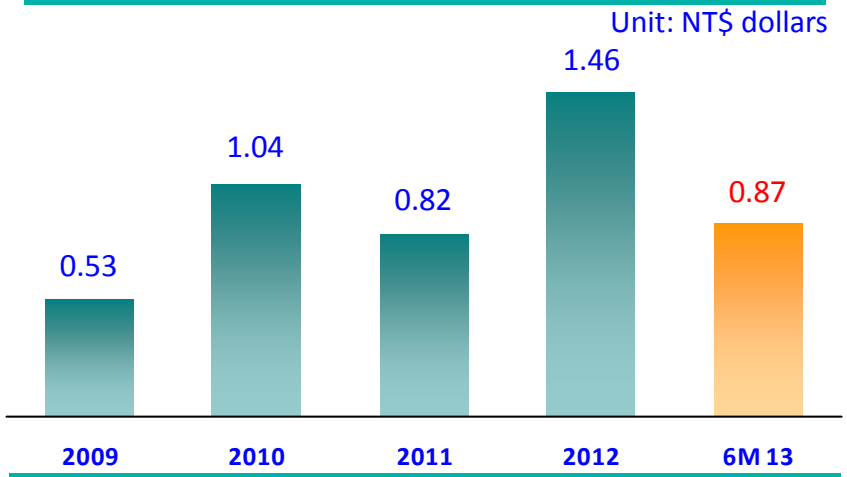
- As been the pioneer in third payment platform, E.SUN lead the industry by providing store value account and account verification service to a well-known company, which is expected to announce in Sep this year.
- E.SUN Trade: cooperation with top 2 third party payment platform in China, Alipay and Tencent, to become the connecting bridge between Chinese on-line shoppers and Taiwanese vendors in logistic and fund/cash flow.
- Advanced Voucher Transaction: to combine the vast store channels of 7-ELEVEn to provide solutions for corporates on the gift voucher issuance, flows and settlement to help the fine quality Taiwanese companies to expand their sales channel and more reliable service.
- Mobile Payment: Provide virtual credit card service of “QR Code mobile payment” and “NFC OTA service” through the cooperation of China Telecom.

Financial Performance

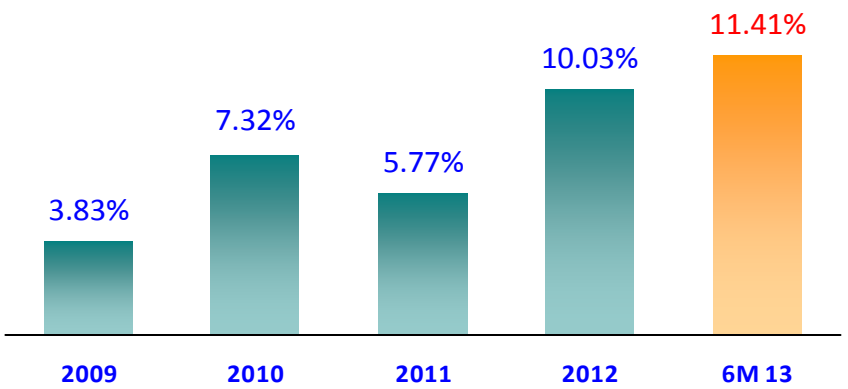
Net Profit



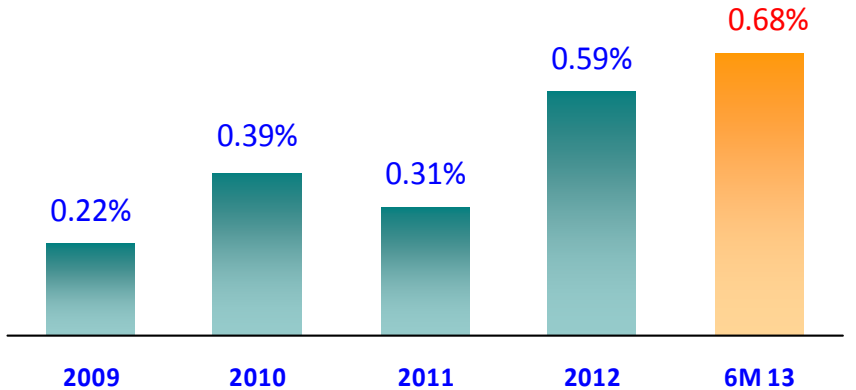
EPS



ROE



ROA

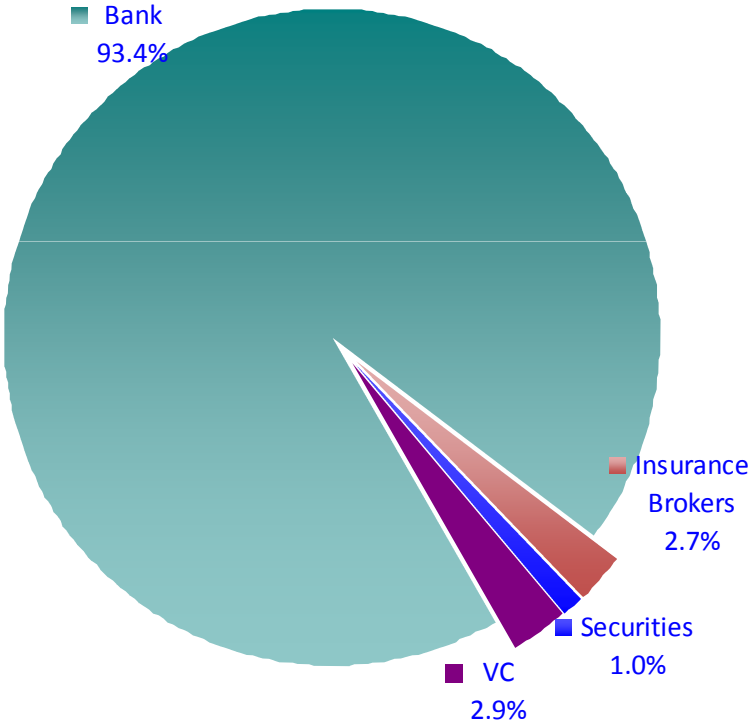


Note1: ROE and ROA are annualized

Note2: Audited figures of June 2013, EPS are based on 5,011 billion shares

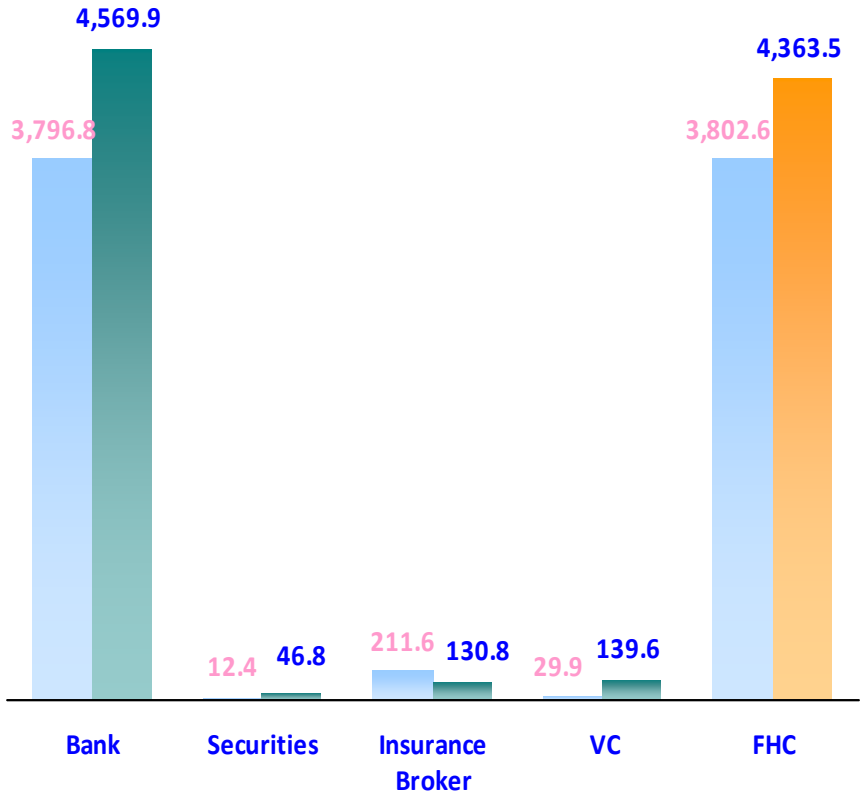
Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subsidiaries

Unit: NT$ million



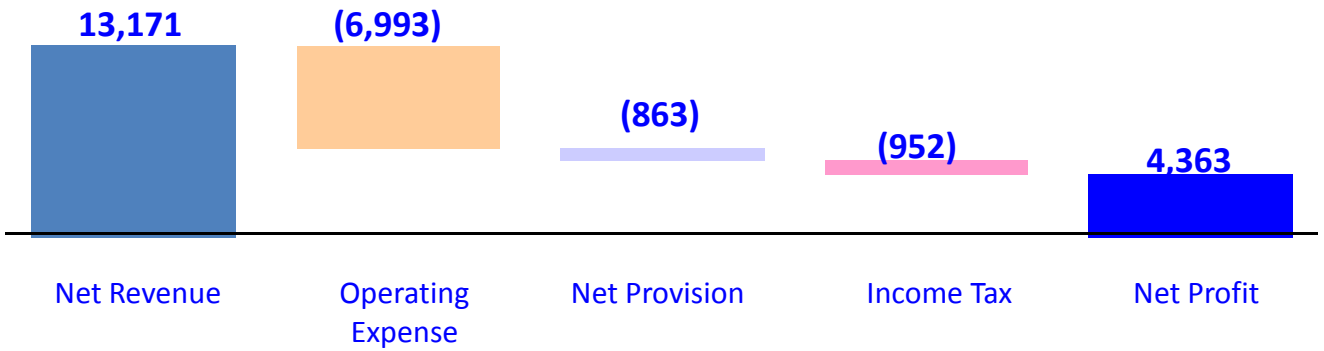
Note: 1. Audit figures of June 2013

2. 6M12 figures are pro forma under IFRS

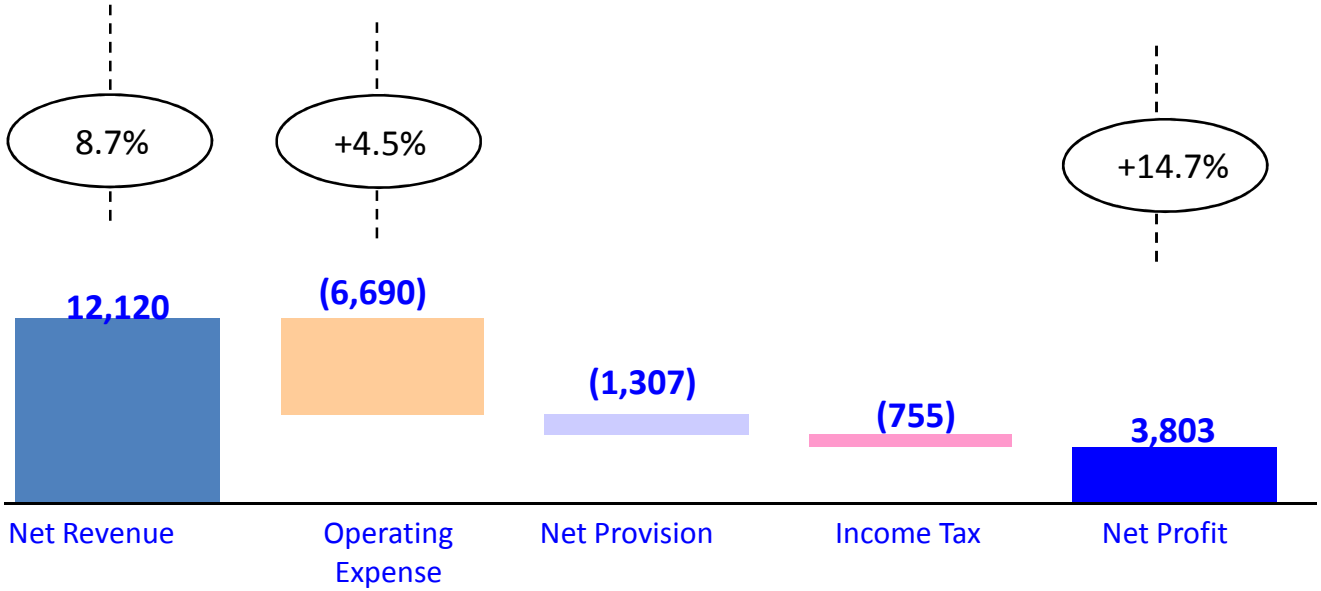
Net Profit Breakdown

6M13 P&L

Unit: NT$ million



6M12 P&L

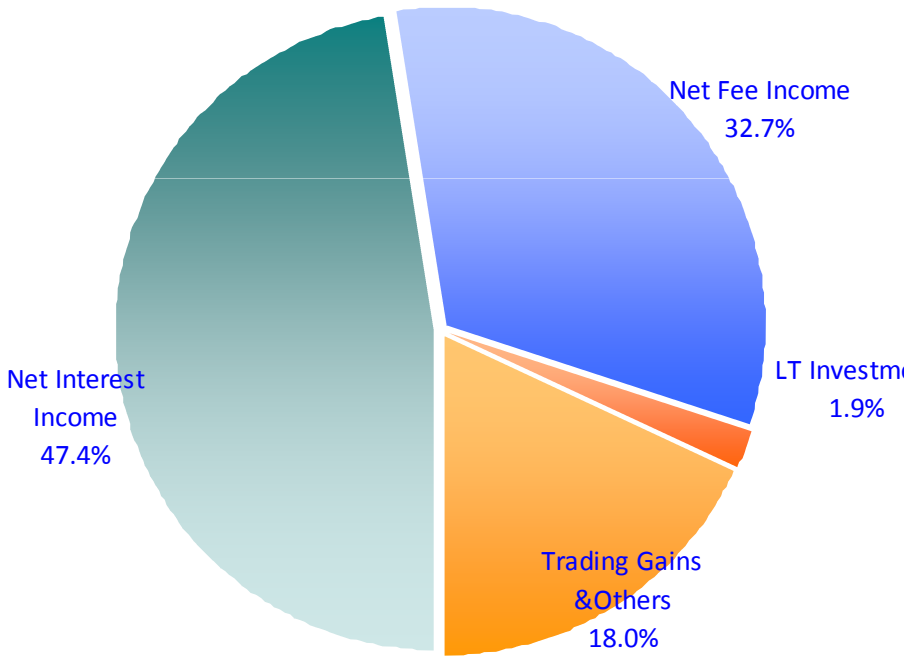


Note: 1. Audit figures of June 2013

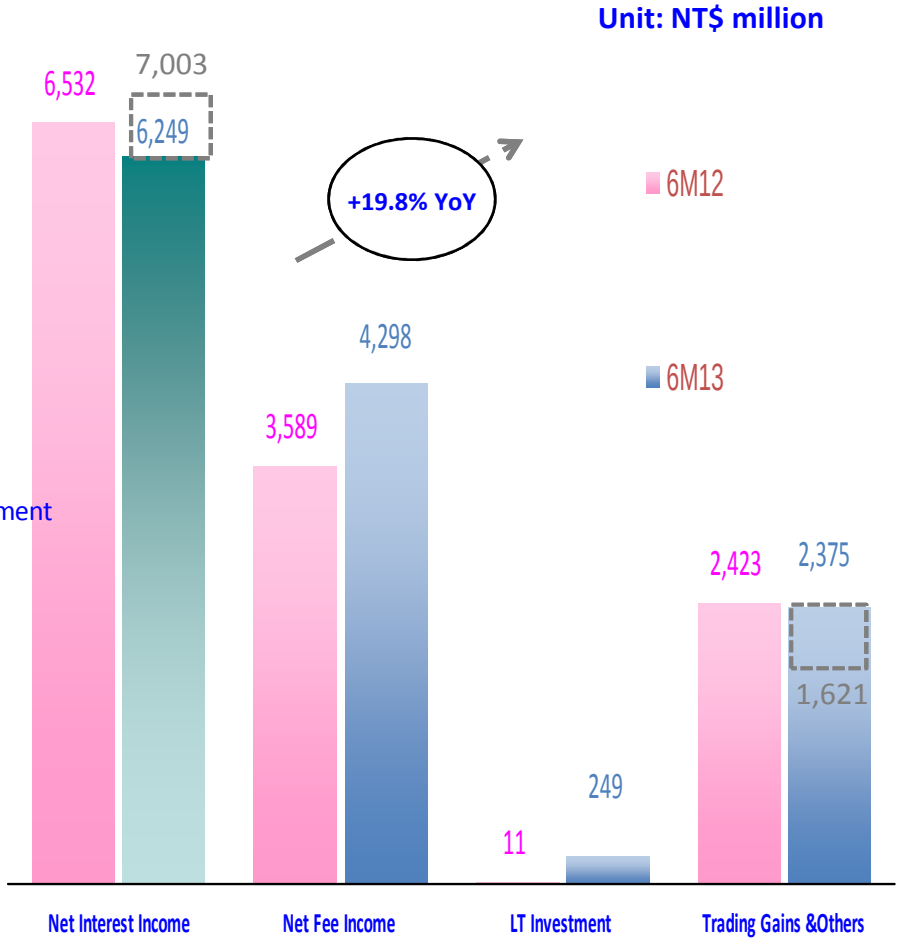
2. 6M12 figures are pro forma under IFRS

FHC Revenue Breakdown

Total Net Revenue
NT$ 13,171 million



YoY Revenue Comparison



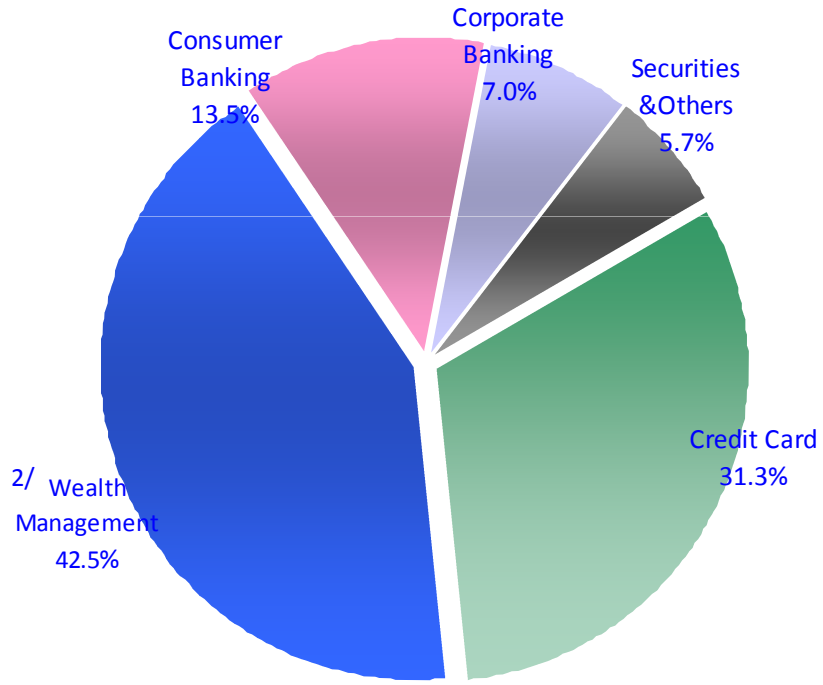
Note: 1. Audit figures of June 2013

2. 6M12 figures are pro forma under IFRS

3. The dotted area reflect the interest income generate from NCD

Net Fee Income Breakdown

Total Net Fee Income
NT$ 4,298 million



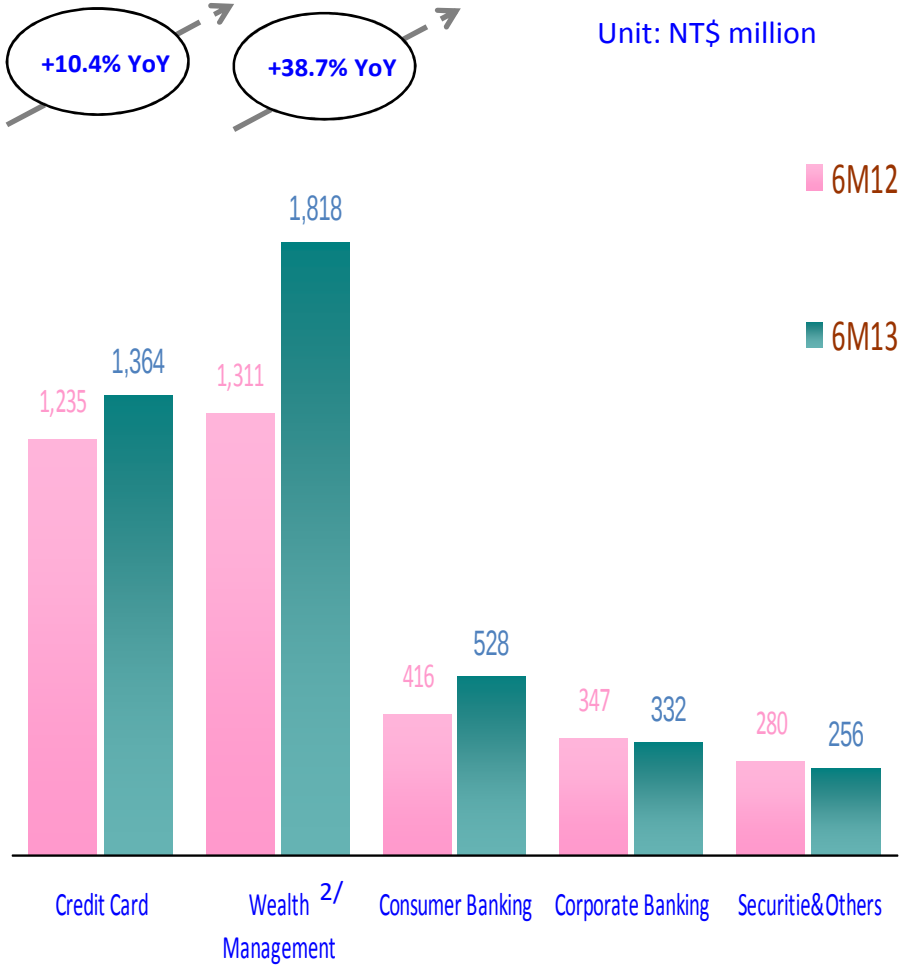
Note: 1. Audit Figures of June 2013

2. Including Bancassurance fee from E.SUN Insurance Broker

3..6M12 figures are pro forma under IFRS

YoY Comparison

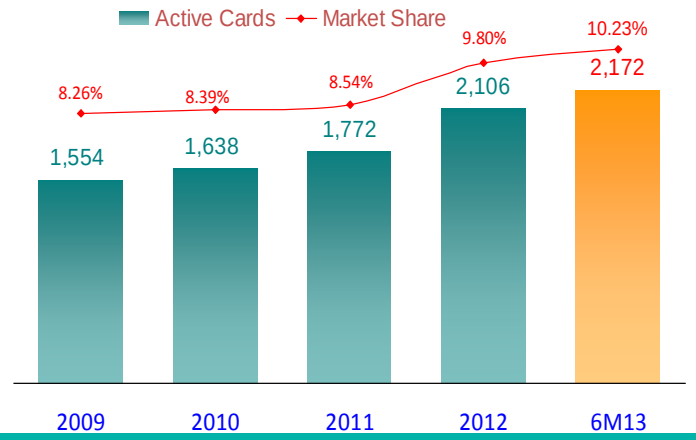
Unit: NT$ million



Fast-Growing Credit Card Business

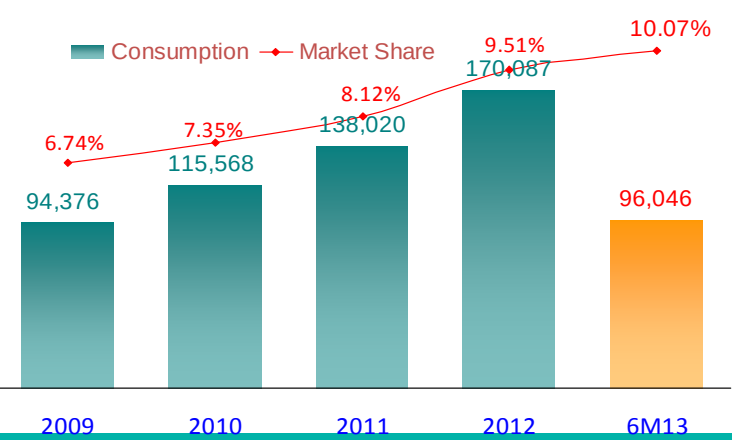
Active Cards

Unit: Thousand Cards，%



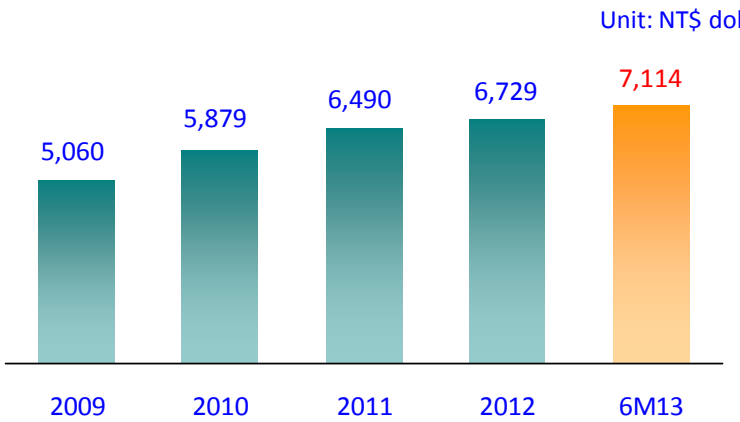
Card Consumption

Unit: NT$ million



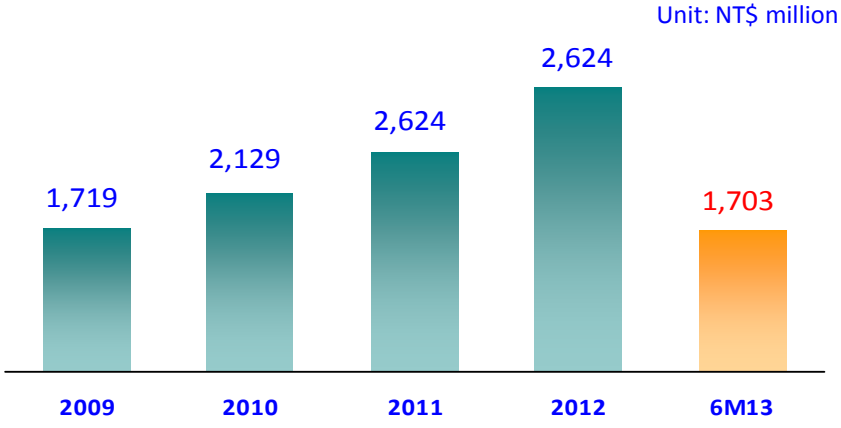
Per Card Spending (Monthly)

Unit: NT$ dollar



Gross Fee Income

Unit: NT$ million



Deposit and Loan Structure

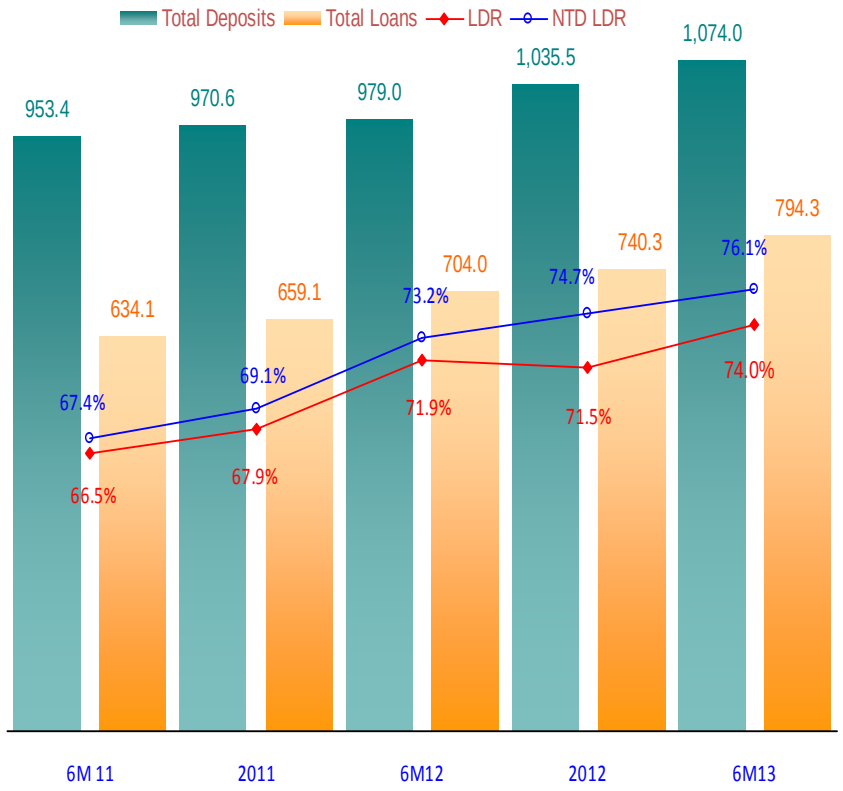
Unit: NT$ Bn

Products	2013.6	QoQ Growth %	2013.3	2013 Growth %	2012
Total Deposits	1,074.0	1.2%	1,061.0	3.7%	1,035.5
Demand Deposits	493.3	3.8%	475.1	6.8%	461.9
Total Loans 1/	794.3	3.7%	765.7	7.3%	740.3
Corporate Loans	395.9	4.3%	379.7	8.3%	365.4
SME Loans	201.8	3.1%	195.7	7.5%	187.8
Consumer Loans	398.4	4.8%	380.0	6.3%	374.9
Mortgage Loan	214.2	1.8%	210.5	1.6%	210.8
Unsecured Personal Loan	42.1	9.4%	38.5	13.2%	37.2
Credit Cards in Circulation('000s)	3,289	2.4%	3,211	4.0%	3,163
Accumulated Credit Card Spending	96.0	14.2% 2/	44.8	15.4% 3/	170.2
Credit Card Revolving Balance	11.4	(5.0%)	12.0	(8.1%)	12.4

Note: 1.Exclude credit card revolving balance
2. QoQ growth is 2Q13 vs 1Q13
3. YoY growth is 6M13 vs 6M12

Deposit Structure

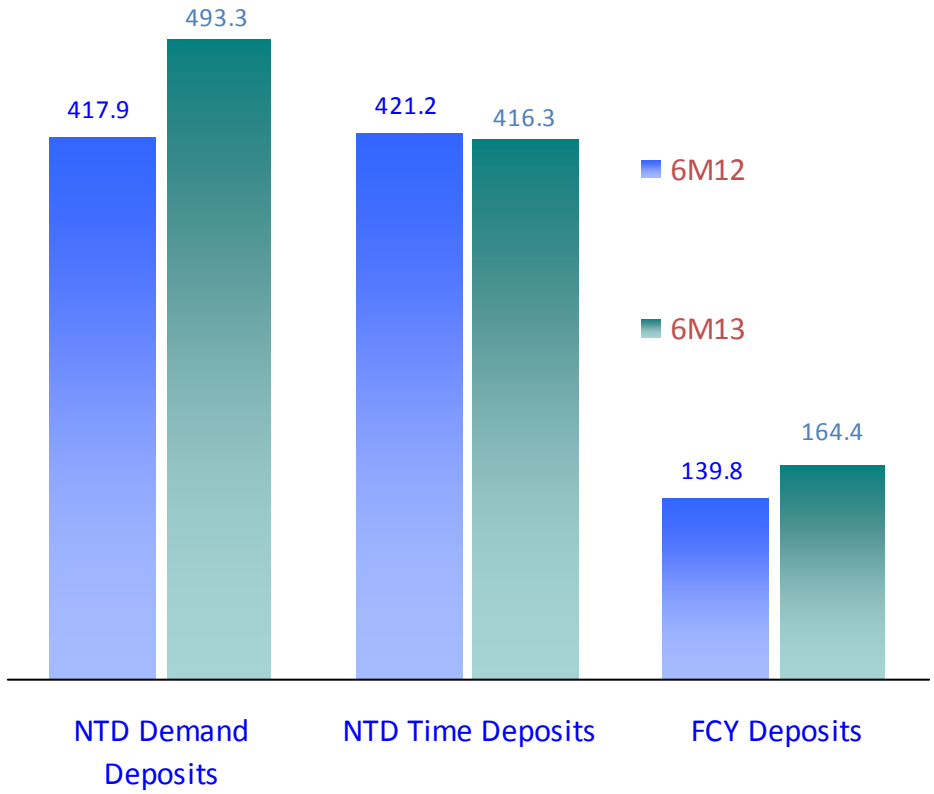
Loan to Deposit Ratio 1/



Note: 1.Excluding Credit card revolving balance
2. Financials of E.SUN Bank

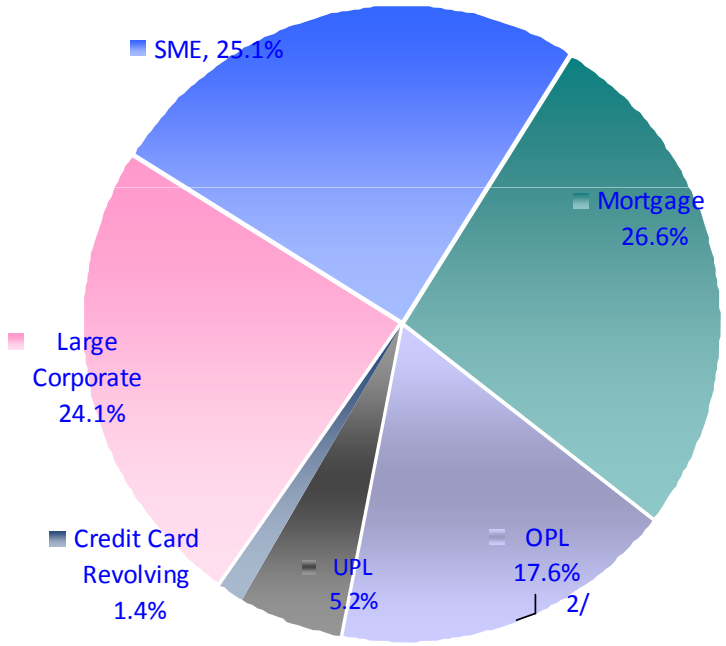
Deposit Structure

Unit: NT$ Bn



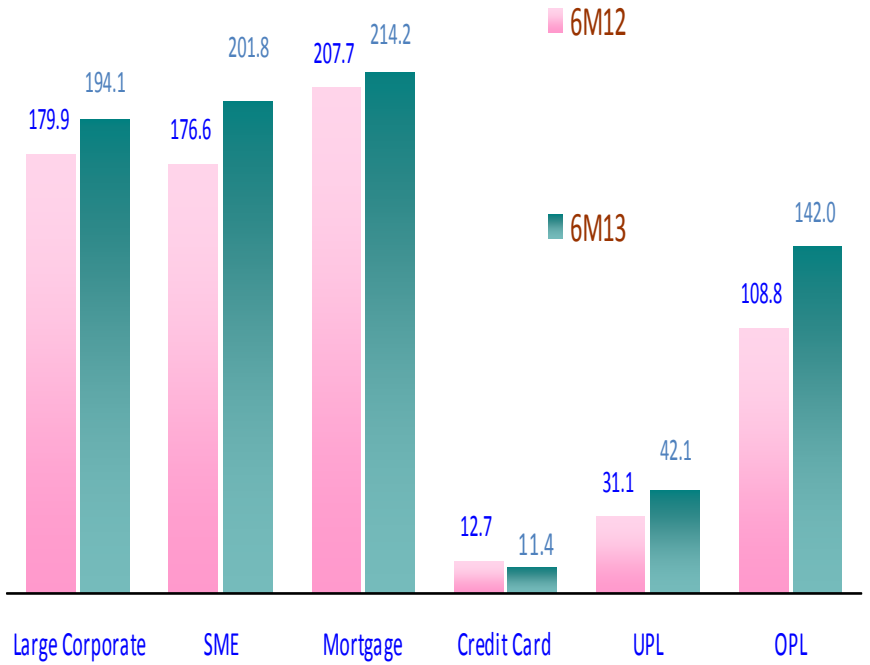
Loan Portfolio Breakdown

Total Loan 1/
NT$ 805.6 Bn



YoY Comparison

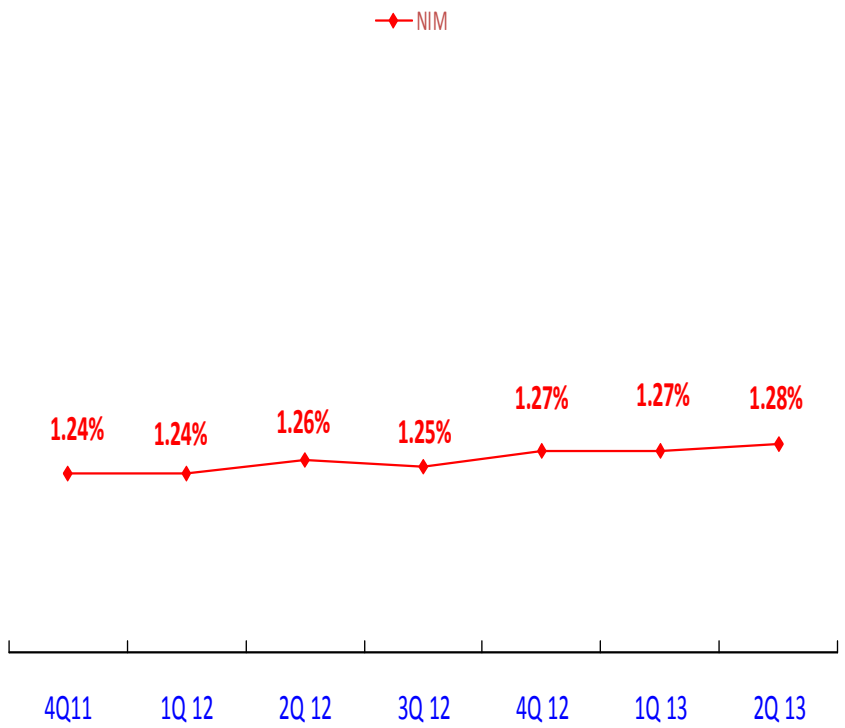
Unit: NT$ Bn



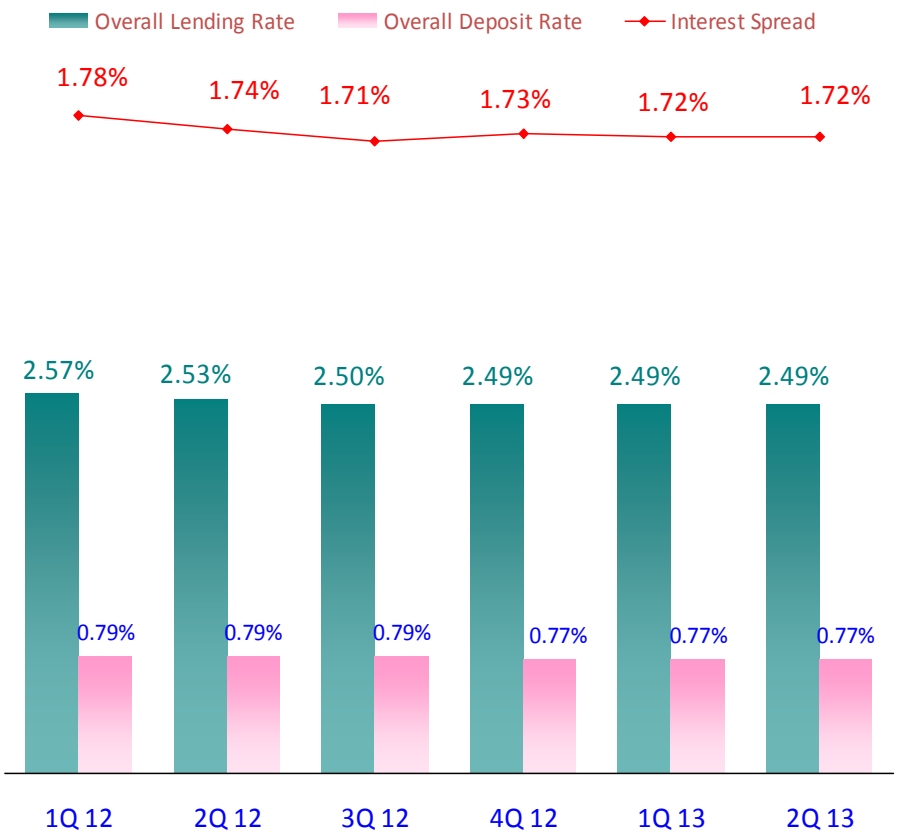
Note: 1.Include Credit Card Revolving balance
2.Other Personal Loan, which is fully collateralized.
3. As of June 2013

NIM and Spread

Quarterly Net Interest Margin



Quarterly Interest Spread

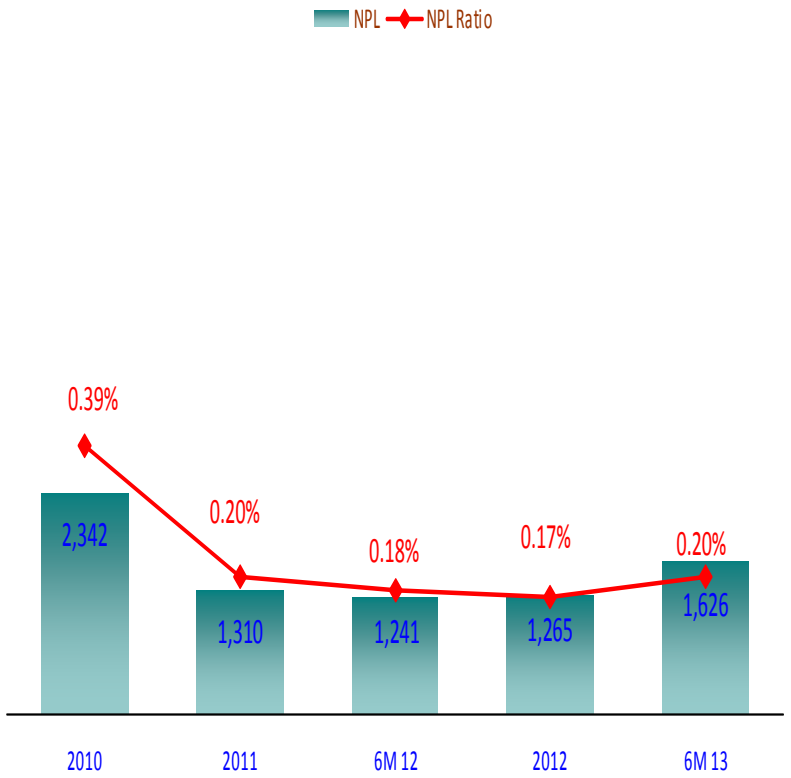


Note: 1. Financials of E.SUN Bank

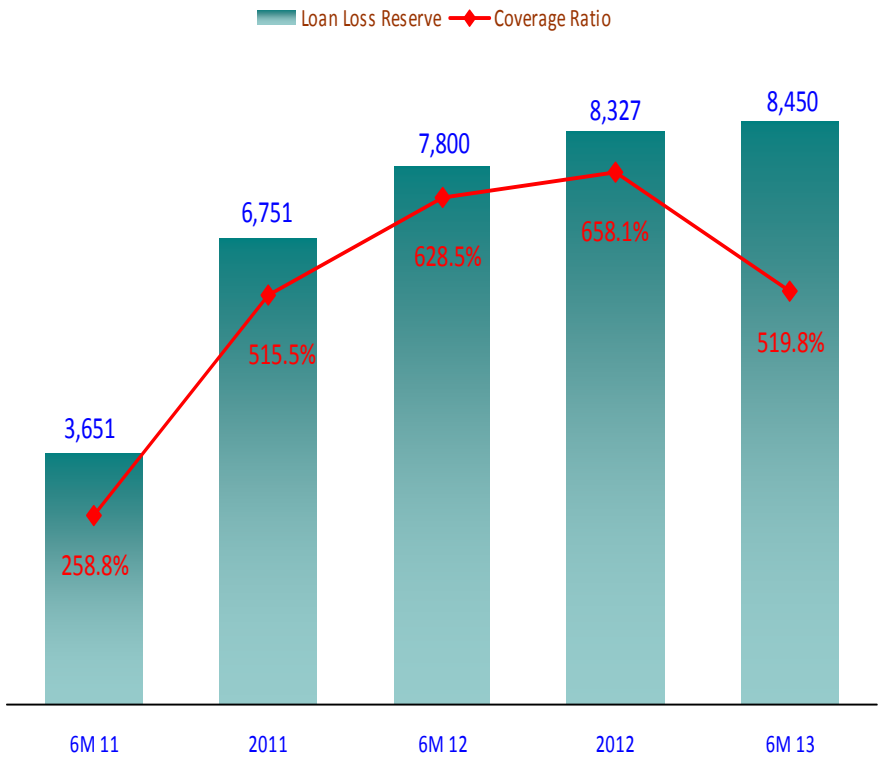
2. The 2013 net interest income restore the accounting treatment impact

Superior Asset Quality 1/3

NPL Ratio(%)



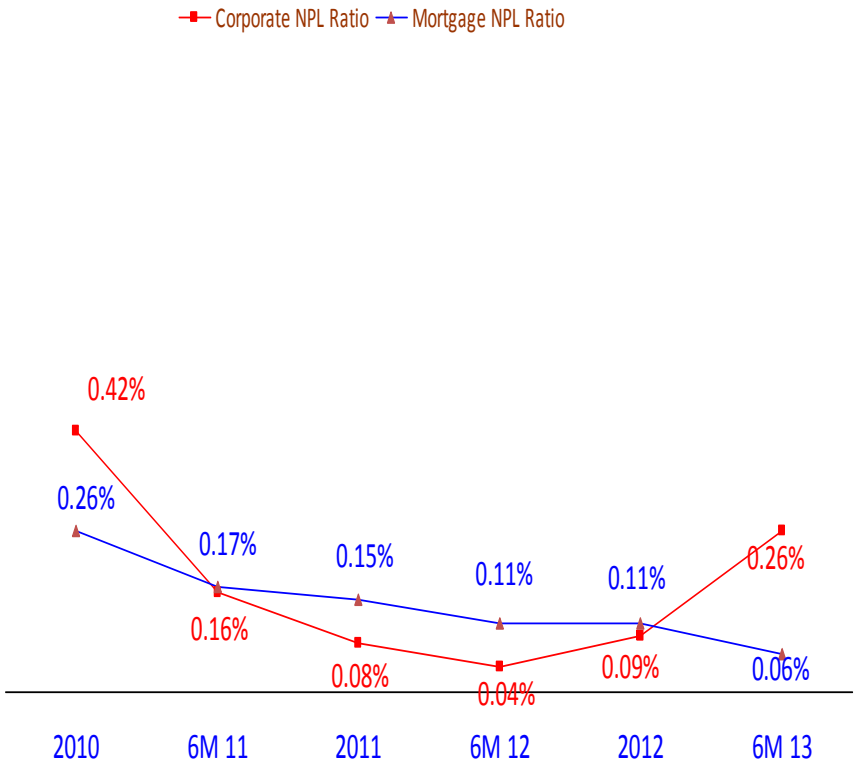
Coverage Ratio(%)



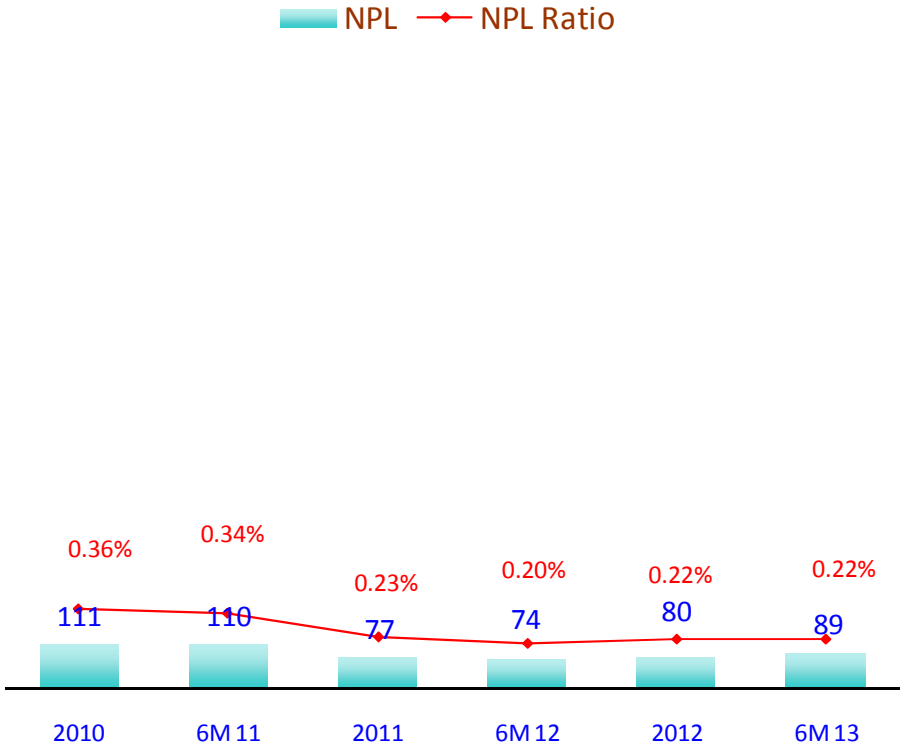
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



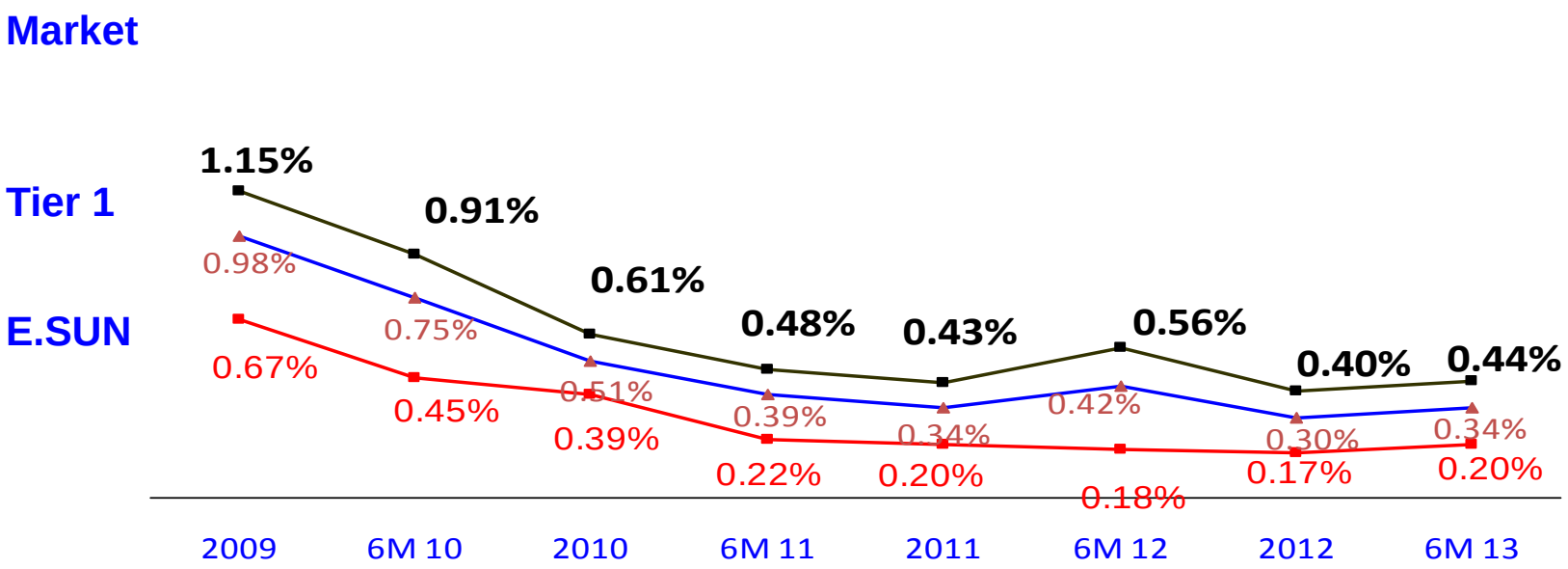
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

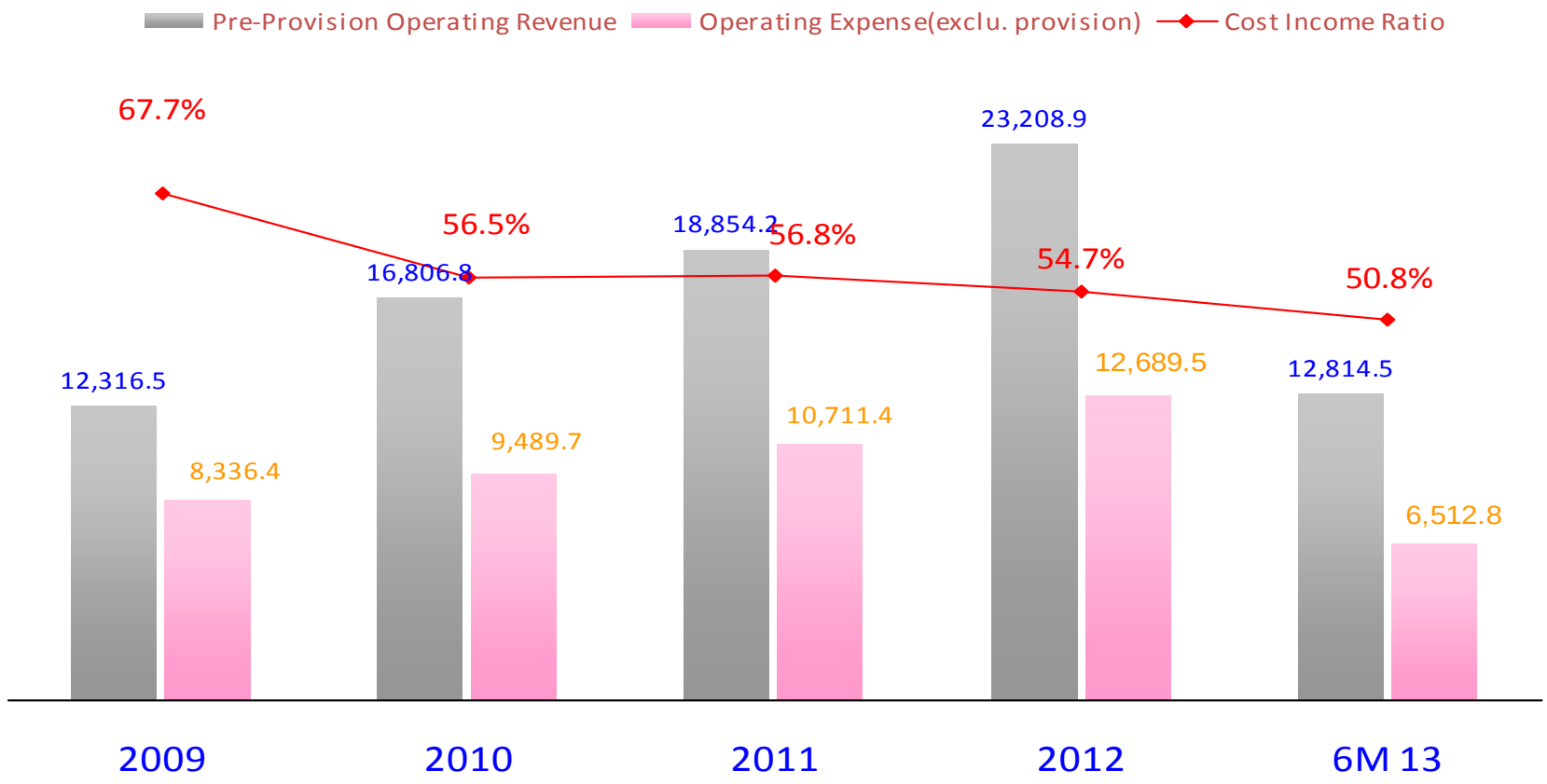
NPL Comparison with Tier 1 players and the Market



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

Cost-Income Ratio

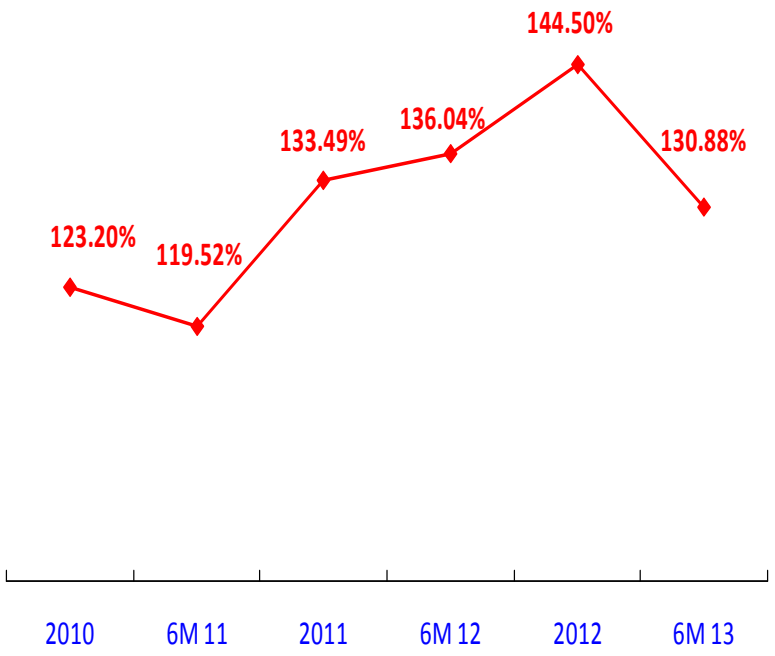
Unit: NT$ million



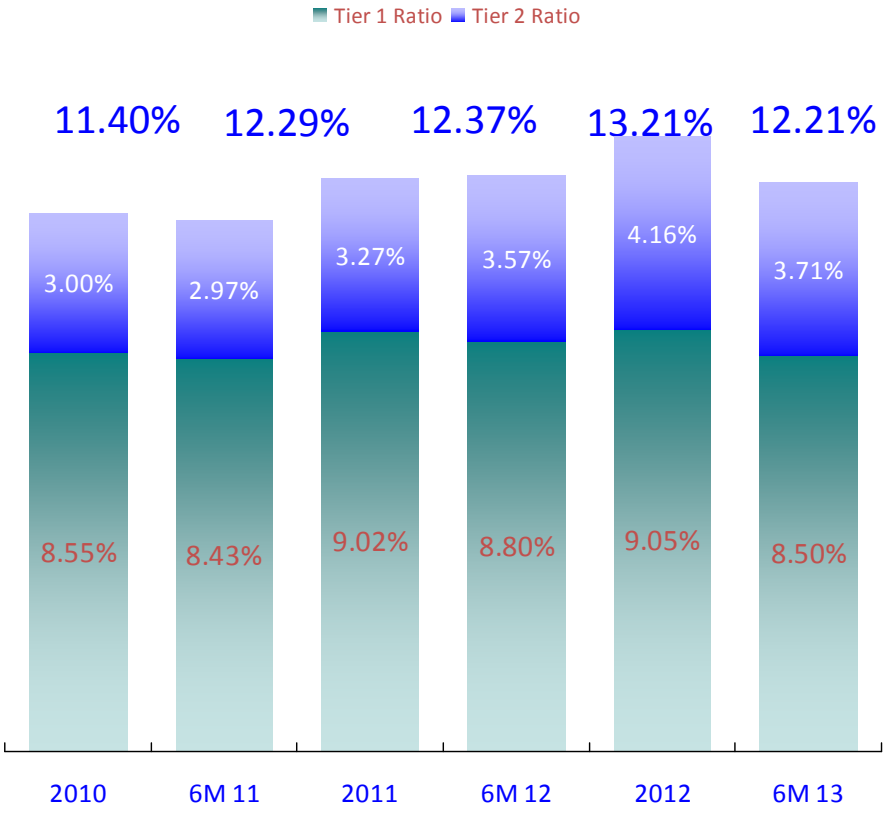
Note: 1. Audit figures of June 2013
2. Financials of E.SUN Bank

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

- 6M 2013 Financial Performance
- 6M 2013 Business Operation Overview
- Appendix

Appendix 1/6

Balance Sheet of 6M13 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	84,425	303	268	560	1,211	84,582
Securities, net	366,052	357	92	1,666	4,885	369,018
Loans, net	790,002	-	-	-	-	790,002
A/R, net	52,909	5,677	106	-	1,421	58,694
LT investments, net	-	-	-	-	84,463	-
Land, premises andequipments, net	17,769	363	1	-	-	18,649
Others	7,538	1,319	4	47	1,224	8,479
Total assets	1,318,695	8,019	471	2,273	93,204	1,329,424
Liabilities:						
Deposits	1,070,841	-	-	-	-	1,064,048
Other liabilities	169,660	4,438	39	30	14,902	187,074
Total liabilities	1,240,501	4,438	39	30	14,902	1,251,122
Total stockholders' equity	78,194	3,581	432	2,243	78,302	78,302
Total liabilities andstockholders' equity	1,318,695	8,019	471	2,273	93,204	1,329,424

Note: Audit figures of June 2013

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 6M13

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	6,182	109	4	2	(48)	6,249
Fee income	3,791	259	752	-	-	4,298
LT investment income	-	2	-	-	4,887	249
Net trading income/(loss) & Derivatives & FX	2,801	32	(2)	165	(421)	2,468
Others	68	46	-	-	40	(93)
Total Net Revenues	12,842	448	754	167	4,458	13,171
Allowance for bad-debt expenses	(863)	-	-	-	-	(863)
Operating expenses	(6,513)	(399)	(596)	(9)	(87)	(6,994)
Income before income tax	5,466	49	158	158	4,371	5,314
Income tax expenses	(896)	(2)	(27)	(18)	(8)	(951)
Net Income	4,570	47	131	140	4,363	4,363

Note: Audit figures of June 2013

Appendix 3/6

E.SUN FHC's Balance Sheet (Consolidated)

	Yearly Results			Quarterly Results					
NT$ million	2010	2011	2012	June 12	Sep 12	Dec 12	Mar 13	Jun 13	QoQ(%)
Assets :									
Cash and due from banks	57,914	65,132	79,269	69,116	68,987	79,269	82,282	84,582	2.8%
Securities, net	358,415	359,111	355,275	340,165	342,781	355,275	370,026	369,018	-0.3%
Loans, net	599,161	656,009	735,407	699,712	711,711	735,407	760,652	790,002	3.9%
A/R, net	41,834	46,576	48,564	51,261	48,331	48,564	47,874	58,694	22.6%
LT investments, net	-	-	-	-	-	-	-	-	
Land, premises andequipments, net	14,457	15,892	16,670	16,077	16,245	16,670	17,309	18,649	7.7%
Others	12,747	12,771	8,912	8,692	8,689	8,912	9,363	8,479	-9.4%
Total assets	1,084,528	1,155,491	1,244,097	1,185,023	1,196,744	1,244,097	1,287,506	1,329,424	3.3%
Liabilities:									
Deposits	897,264	954,994	1,023,820	959,719	969,230	1,023,820	1,049,793	1,064,048	1.4%
Other liabilities	132,022	134,913	145,103	156,563	156,852	145,103	159,876	187,074	17.0%
Total liabilities	1,029,286	1,089,907	1,168,923	1,116,282	1,126,082	1,168,923	1,209,669	1,251,122	3.4%
Total stockholders' equity	55,242	65,584	75,174	68,741	70,662	75,174	77,837	78,302	0.6%
Total liabilities andstockholders' equity	1,084,528	1,155,491	1,244,097	1,185,023	1,196,744	1,244,097	1,287,506	1,329,424	3.3%

Note: Audit figures of June 2013

Appendix 4/6

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

	Yearly Results			Quarterly Results					
NT$ million	2010	2011	2012	2Q12	3Q12	4Q12	1Q13	2Q13	QoQ(%)
Operating income									
Net interest income	11,451	12,688	14090	3,434	3,544	3,728	3,077	3,172	3.1%
Fee income	5,630	6,273	7,472	1,777	1,918	1,967	2,171	2,127	-2.0%
Net trading income/(loss) & Derivatives & FX	73	764	2,381	426	206	162	1,450	1,018	-29.8%
Others	46	95	19	(14)	5	16	(40)	(53)	32.5%
Total Net Revenues	17,415	20,205	24,092	5,623	5,673	5,873	6,658	6,513	-2.2%
Allowance for bad-debt expenses	(2,732)	(4,540)	(2,020)	(82)	(133)	(580)	(351)	(512)	45.9%
Operating expenses	(10,211)	(11,623)	(13,718)	(3,399)	(3,447)	(3,663)	(3,539)	(3,455)	-2.4%
Income before income tax	4,472	4,042	8,354	2,142	2,093	1,630	2,768	2,546	-8.0%
Income tax expenses	(549)	(558)	(1,296)	(339)	(266)	(271)	(500)	(451)	-9.8%
Net Income	3,923	3,484	7,058	1,803	1,827	1,359	2,268	2,095	-7.6%

Note: 1. Audit figures of June 2013

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

Appendix 5/6

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	June 12	Sep 12	Dec 12	Mar 13	Jun 13	QoQ(%)
Assets :									
Cash and due from banks	57,888	65,948	78,924	68,791	68,904	78,924	82,152	84,425	2.8%
Securities, net	357,103	358,297	352,859	337,430	340,450	352,859	366,910	366,052	-0.2%
Loans, net	599,161	656,009	735,409	699,712	711,710	735,409	760,652	790,002	3.9%
A/R, net	35,892	42,260	44,305	47,085	43,895	44,305	42,180	52,909	25.4%
LT investments, net	-	-	-	-	-	-	-	-	-
Land, premises andequipments, net	14,194	15,600	16,373	15,771	15,943	16,373	16,438	17,769	8.1%
Others	10,403	9,231	8,019	7,746	7,929	8,019	8,459	7,538	-10.9%
Total assets	1,074,641	1,147,345	1,235,889	1,176,535	1,188,831	1,235,889	1,276,791	1,318,695	3.3%
Liabilities:									
Deposits	904,761	962,842	1,029,975	971,175	981,322	1,029,975	1,056,600	1,070,841	1.3%
Other liabilities	114,938	119,593	130,635	136,809	136,865	130,635	142,743	169,660	18.9%
Total liabilities	1,019,699	1,082,435	1,160,610	1,107,984	1,118,187	1,160,610	1,199,343	1,240,501	3.4%
Total stockholders' equity	54,942	64,910	75,279	68,551	70,644	75,279	77,448	78,194	1.0%
Total liabilities andstockholders' equity	1,074,641	1,147,345	1,235,889	1,176,535	1,188,831	1,235,889	1,276,791	1,318,695	3.3%

Note: Audit figures of June 2013

Appendix 6/6

E.SUN Bank's P&L account

NT$ million	Yearly Results			Quarterly Results					
	2010	2011	2012	2Q12	3Q12	4Q12	1Q13	2Q13	QoQ(%)
Operating income									
Net interest income	11,377	12,600	14,096	3,428	3,558	3,733	3,045	3,137	3.0%
Fee income	4,507	5,000	6,158	1,461	1,599	1,638	1,907	1,884	-1.2%
LT investment income	48	323	42	40	2	0	0	0	N.A.
Net trading income/(loss) & Derivatives & FX	749	745	2,785	381	400	188	1,461	1,340	-8.3%
Others	126	186	128	22	(23)	103	22	46	109.1%
Total Net Revenues	16,807	18,854	23,209	5,332	5,536	5,662	6,435	6,407	-0.4%
Allowance for bad-debt expenses	(2,727)	(4,540)	(2,020)	(83)	(133)	(580)	(351)	(512)	45.9%
Operating expenses	(9,490)	(10,711)	(12,690)	(3,135)	(3,178)	(3,409)	(3,292)	(3,221)	-2.2%
Income before income tax	4,590	3,603	8,499	2,114	2,225	1,673	2,792	2,674	-4.2%
Income tax expenses	(609)	(445)	(1,320)	(329)	(292)	(271)	(477)	(419)	-12.2%
Net Income	3,981	3,158	7,179	1,785	1,933	1,402	2,315	2,255	-2.6%

Note: 1. Audit figures of June 2013

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