

E.SUN FINANCIAL HOLDING CO., LTD.

GENERAL SHAREHOLDERS MEETING 2014

Meeting Minutes

Time: 09:00 AM, 20 June 2014 (Friday)

Place: Armed Forces Cultural Activity Center
No.69, Sec. 1, Zhonghua Rd., Taipei, Taiwan

Attendance: Total shares represented by the shareholders present at the meeting in person or by proxy (4,859,229,255 shares, including 2,825,410,431 shares represented by the shareholders by electronic voting method) represents 84.31% of the total issued shares of the Company (5,763,379,432 shares).

Attending without the right to vote:

HUANG Jui-Chan, CPA from Deloitte & Touche, Taiwan

CHEN Ying-Chou, CPA from Deloitte & Touche, Taiwan

KANG Wen-Yen, Attorney-at-Law from Baker & McKenzie, Taipei

Chairperson: HUANG Yung-Jen, Chairman of the Board of Directors

Minutes taken down by CHU Mei-Cheng

I. Procedure of meeting

1. Meeting duly commences in session.

2. General greetings.

3. Address by Chairman.

II. Reports

1. The state of business for year 2013 by the President.

Decision: Shareholder with A/C No. 58289 raised questions regarding business operation matters. After hearing the explanation given by the Chairman and the President, the shareholder presented agree that the issues be taken down in record for appropriate handling.

2. The inspection and auditing of the final accounting of the Company for fiscal 2013 report by the Audit Committee.

Decision: Report noted.

3. Report on the state of issuing corporate bonds.

Explanation :

- (1) This report is made in accordance with Article 246 of the Company Act.
- (2) No corporate bonds of the Company have been issued after the shareholders meeting of 2013.

Decision: Report noted.

4. Compliance report regarding Articles 4, 5 and 16 of the Financial Holding Company Act.

Explanation :

(1) This compliance report is made in accordance with the letter of 31 January 2012, ref. Jin-Guan-Yin-Kong-Zi No. 10060005190 issued by the Financial Supervisory Commission (FSC).

(2) Content of compliance :

2.1 According to the second and the third paragraphs of Article 16 of the Financial Holding Company Act,

A same person or same concerned person who singly, jointly or collectively holds more than 5% of the financial holding company's outstanding voting shares shall report such fact to the FSC within 10 days from the day of holding; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned person by more than one percent (1%) thereafter. A same person or same concerned person who intends to singly, jointly or collectively holds more than 10%, 25% or 50% respectively of the financial holding company's outstanding voting shares shall apply for approval of the FSC in advance. The definition of the said "same person", "same concerned person" and the state that the number of the shareholdings shall not be included are defined in the Article 4 and Article 5 in Financial Holding Company Act.

2.2 A shareholder who fails to file the report with or apply for approval from the FSC in accordance with the aforesaid, the excess shares held by such shareholder shall have no voting right and shall be disposed of within the given period prescribed by the FSC and the FSC may impose a fine of TWD 2~10 million against such shareholder according to the tenth paragraphs of Article 16 of the Financial Holding Company Act. Further, such shareholder when elected the director, supervisor or responsible person of the financial holding company may be dismissed automatically on account of being bad faith, inappropriate and unfit to take the office as a responsible person pursuant to the Subparagraph 19 of Article 3 of Regulations Governing Qualification Requirements for Responsible Persons of a Financial Holding Company and their Holding of Concurrent

Positions in Subsidiaries.

Decision: Report noted.

III. Matters for ratification

Proposal No. 1 as proposed by the Board of Directors:

Proposal: Recognize the Company's financial report and business report of 2013.

Explanation:

1. This proposal is made pursuant to Article 230 of the Company Act and Article 35 of the Articles of Incorporation of the Company.
2. The financial report of the Company produced on the year 2013 and the books and accounts including the business report were approved on 5 March 2014 by the 23th meeting of the 4th Board of Directors and audited and certified by Huang Jui-Chan CPA and Lai Kwan-Chung CPA with Deloitte & Touche, Taiwan. The books and accounts herein were inspected by the audit committee as containing no irregularity afterwards. The independent directors produced the relevant inspection report. (Please see Appendices 1 and 2)

Resolution:

1. Shareholder with A/C No. 58289 raised questions regarding business operation matters. After hearing the explanation given by the Chairman, the President, and the manager, the Chairman declared to decide by vote.
2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 4,821,848,854 shares (including 2,825,410,431 shares represented by the shareholders by electronic voting method), shares approving the proposal are 3,678,464,020 shares (including 1,747,223,696 shares voting by electronic voting method), shares opposing to the proposal are 992,388 shares (including 87,283 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,142,392,446 shares (including 1,078,099,452 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is 76.29%. Because there are more than half of the shares represented by the shareholders approving the proposal, as a result,

chairman declared this proposal is approved by vote.

Proposal No. 2 as proposed by the Board of Directors:

Proposal: Distribution of profits for fiscal 2013.

Explanation:

1. The distribution of profits for fiscal 2013 is proposed in accordance with Article 36 of the Articles of Incorporation of the Company.
2. The Company has TWD 8,416,145,222 in after-tax earnings for the year 2013 which sum shall be duly applied in the first place to make up the undistributed earnings lost in the amount of TWD2,169,118 as a result of the adjustment made in line with the adoption of the IFRSs. With said loss duly made up, the Company has TWD 8,413,976,104 in net profit. Minus a TWD 841,397,610 appropriation of legal reserve, the Company has an amount of TWD 7,572,578,494 in earnings distributable for the year. It is proposed that TWD 7,550,027,054 of the said amount be distributed to the shareholders as TWD \$0.89169752 stock dividends (TWD 5,763,379,430) and TWD \$0.27642623 cash dividends (TWD 1,786,647,624) per share and the balance of TWD 22,551,440 is retained as non-distributed earnings as of the end of the period.
3. It is proposed that the chairman of the Company be authorized with full powers to deal with matters in connection with the change (if any) to the stock (cash) dividend distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from the buy back any of the Company's outstanding shares, the transferring or cancellation of the treasury stock, the conversion of the overseas convertible corporate bonds to stocks in the Company on the holders' request, the capital increase by cash or any other reasons.
4. Subject to approval of the proposal by the shareholders' meeting, it is proposed that the Board of Directors and /or the chairman of the Company be authorized to determine the cash dividend record date. Upon approval of the competent authority, it is proposed that the Board of Directors and /or the chairman of the Company be authorized to determine the stock dividend record date.

Resolution:

1. Shareholder with A/C No. 58289 raised questions regarding business operation matters. After hearing the explanation given by the Chairman, the President, and the manager, the Chairman declared to decide by vote.
2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 4,821,848,854 shares (including 2,825,410,431 shares represented by the shareholders by electronic voting method), shares approving the proposal are 3,694,179,772 shares (including 1,762,742,502 shares voting by electronic voting method), shares opposing to the proposal are 832,398 shares (including 124,239 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,126,836,684 shares (including 1,062,543,690 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is 76.61%. Because there are more than half of the shares represented by the shareholders approving the proposal, as a result, chairman declared this proposal is approved by vote.

E.SUN FINANCIAL HOLDING CO., LTD.**PROPOSED DISTRIBUTION OF EARNINGS**

As of 31 December 2013

Currency: TWD

Balance of undistributed earnings at the beginning of the period	0
Less: Adjustment in line with the adoption of the IFRSs	471,931,607
After-adjustment undistributed earnings at the beginning of the period	(471,931,607)
Plus: Reversed initial special earnings reserve allocated in line with the adoption of the IFRSs	390,849,508
Plus: Reserved earnings from actuary profit	78,912,981
After-adjustment undistributed earnings	(2,169,118)
Plus: After-tax earnings of the period	8,416,145,222
Net profit of the period after making up losses	8,413,976,104
Less: 10% legal reserve	841,397,610
Earnings available for distribution	7,572,578,494
Distribution items:	
Stock dividend (TWD 0.89169752 per share)	5,763,379,430
Cash dividend (TWD 0.27642623 per share)	1,786,647,624
Total dividends	7,550,027,054
Profit undistributed as of the end of the period	22,551,440

Remarks :

1.

Total amount distributable for bonus to employees:

TWD235,938,345 (7,550,027,054/96%*3%)

Total amount payable to directors and supervisors as remuneration:

TWD78,646,115 (7,550,027,054/96%*1%)

2.

The after-tax earnings of the year shall be applied first for the purpose of the distribution of stock dividend.

IV. Matters for discussion

Proposal No. 1 as proposed by the Board of Directors:

Proposal: For the purpose of increasing the BIS ratio of the Company in consideration of the Company's long-term development and operation, it is proposed for issuance of new shares through capitalization of profits (including stock dividend to shareholders and stock bonus to employees).

Explanation:

1. Amount of the capital increase and number of shares:

The Company currently has TWD 64,633,794,320 in paid-in capital from a total of 6,463,379,432 issued shares. It is proposed that 576,337,943 new shares be issued on the amount of TWD 5,763,379,430 which is the profit distributable to shareholders as dividend. The profit distributable to employees which is TWD 235,938,345 includes cash dividend and stock dividend of which the amount or the number of shares to be distributed shall be calculated based on the closing price of the preceding trading day in consideration of the impact from distributing cash and stock dividends.

2. Source of the fund proposed to be capitalized:

It is proposed that the stock dividend to shareholders and the stock bonus to employees proposed under the distribution of profits for fiscal 2013 be capitalized.

3. Purpose of the fund from the capital increase:

The increased capital fund will be used to increase the BIS ratio of the Company in consideration of the Company's long-term development and operation and strengthened competitiveness of the Company.

4. Issuance of new shares:

It is proposed that the new shares be issued in full by one share with a par value of TWD 10 each. Holders of the new shares shall hold the same rights and bear the same obligations as the holders of the original issued shares.

5. 576,337,943 shares of the new shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholders roster at the rate of 89.169752 new shares on each 1,000 shares held in proportion to their shareholding. Fractions of a share may be combined for full shares with the fractions of shares held by other shareholders within the specified time period. Upon expiration of the specified time period or fractions of a share still remain, cash will be paid according to the par value (and rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.
6. Stock Dividend Record Date:

Subject to approval of the proposal by the shareholders' meeting and that of the competent authority, it is proposed that the Board of Directors and or/ chairman of the Company be authorized to determine and announce the date.
7. As of now, the outstanding shares of the Company amount to 6,463,379,432 in total. It is proposed that the chairman of the Company be authorized with full powers to deal with matters in connection with the change (if any) to the stock dividend distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from the conversion of the overseas convertible corporate bonds to stocks in the Company on the holders' request or the undergoing capital increase by cash.

Resolution:

1. The Company decides to allocate NTD 233,774,200 from the employees' bonus to issue 13,282,625 new shares at an ex-rights reference price of NTD 17.60 per share based on the closing stock price of NTD 19.45 on the stock market one day before the 2014 Shareholders' Meeting. The Company's total amount for capital increment from retained earnings is NTD 5,896,205,680, and based on the par value of NTD 10, it issues 589,620,568 new shares. The Company's paid-up capital post the new issuance becomes NTD 70,530,000,000, composed of 7,053,000,000 outstanding shares in

total.

2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 4,821,848,854 shares (including 2,825,410,431 shares represented by the shareholders by electronic voting method), shares approving the proposal are 3,693,844,577 shares (including 1,762,744,151 shares voting by electronic voting method), shares opposing to the proposal are 1,167,593 shares (including 122,590 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,126,836,684 shares (including 1,062,543,690 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is 76.61%. Because there are more than half of the shares represented by the shareholders approving the proposal, as a result, chairman declared this proposal is approved by vote.

Proposal **No. 2** as proposed by the Board of Directors:

Proposal: Proposed revision of the Articles of Incorporation

Explanation:

1. Highlights of the revision of Article 36 of Articles of Incorporation proposed under Article 26 of the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and in consideration of solidified corporate governance of the Company are as mentioned below:

- (1) To clearly define the method of distributing profit where the special earnings reserve shall be reversed to be combined with the undistributed earnings.
- (2) To adjust the proportion of distribution of distributable earnings in consideration of solidified corporate governance of the Company and protection of the rights and interests of concerned persons.

Resolution: Voting result:

Total shares represented by the shareholders present in person or by proxy are 4,821,848,854 shares (including 2,825,410,431 shares represented by the shareholders by electronic voting method), shares approving the proposal are 3,689,720,884 shares (including 1,758,519,740 shares voting by electronic voting method), shares opposing to the proposal are 5,287,340 shares (including 4,343,055 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,126,840,630 shares (including 1,062,547,636 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is 76.52%. Because there are more than half of the shares represented by the shareholders approving the proposal, as a result, chairman declared this proposal is approved by vote.

Proposal No. 3 as proposed by the Board of Directors:

Proposal: Proposed revision of the Rules for Handling Acquisitions and Disposals of Assets.

Explanation:

1. The revision is proposed in line with change of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies issued 30 December 2013.
2. Highlights of the revision proposed:
 - (1) Relevant terms will be revised/ changed in line with the adoption of the IFRSs. (Articles 2, 3, 4, 12 and 25)
 - (2) In light of the comparatively low risks involved in and the manageability of transactions of certain assets, procedure for handling said transactions by and between the Company and concerned persons will be simplified. (Articles 6, 12, 13, 25)
 - (3) The standards for calculating the paid-in capital amount and the value of total assets will be introduced/ revised in accordance with the IFRSs and the Q&A of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies. (Articles 27, 32-1).

Resolution: Voting result:

Total shares represented by the shareholders present in person or by proxy are 4,821,848,854 shares (including 2,825,410,431 shares represented by the shareholders by electronic voting method), shares approving the proposal are 3,652,655,270 shares (including 1,762,756,185 shares voting by electronic voting method), shares opposing to the proposal are 975,934 shares (including 109,456 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,168,217,650 shares (including 1,062,544,790 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is 75.75%. Because there are more than half of the shares represented by the shareholders approving the proposal, as a result, chairman declared

this proposal is approved by vote.

V. Election

Proposed by Board of Directors

Proposal: That the 13 members of the 5th Board of Directors of Company be elected by this shareholders meeting each to serve the office term of three years from 20 June 2014, the date of convention of this shareholders meeting.

Explanation:

1. The election is proposed under Articles 19 and 19-1 of the Articles of Incorporation of the Company.
2. The Company will have 13 directors including 4 independent directors (please see Attachment for the candidates nominated). Each director will serve an office term of three years and may be re-elected.
3. The shareholders meeting this year (2014) will elect the members of the 5th Board of Directors of the Company with the director elects each to serve the office term from 20 June 2014 (election day) through 19 June 2017. However, the actual office term will expire until the election of the members of the 6th Board of Directors.
4. The director(s) of the Company shall be elected in accordance with the Rules Governing the Election of Directors of Company under the relevant laws and regulations.

Director elects:

a/c no. for independent director	Name of Independent Director	Weighted votes (by electronic voting)
66168	Cheng-En KO	2,649,902,485 (1,653,963,639)
66178	Chi-Jen Lee	2,649,906,569 (1,649,068,599)
66188	Jen-Jen Chang Lin	2,649,906,787 (1,562,526,507)
66198	Hsin-I Lin	2,649,902,267 (1,521,287,070)

Shareholder a/c no.	Name of Directors	Weighted votes (by electronic voting)
65813	E.SUN Volunteer& Social Welfare Foundation Representative: Yung-Jen Huang	5,807,646,426 (1,509,161,537)
65813	E.SUN Volunteer& Social Welfare Foundation Representative: Joseph N.C. Huang	4,265,493,509 (1,508,610,795)
1	E.SUN Foundation Representative: Kuo-Lieh Tseng	4,265,493,287 (1,504,544,839)
18455	Allcan Investment Co., Ltd. Representative: Chiu-Hsung Huang	4,559,236,835 (1,482,719,679)
8	Hsin Tung Yang Co., Ltd. Representative: Jackson Mai	3,420,981,028 (1,485,380,065)
123662	Fu Yuan Investment Co., Ltd. Representative: Rong-Qiu Chen	3,274,109,316 (1,482,547,885)
16557	Shang Li Car Co., Ltd. Representative: Chien-Li Wu	3,097,863,259 (1,482,534,835)
32013	Shan Meng Investment Co., Ltd. Representative: Magi Chen	2,503,033,913 (1,496,902,393)
18322	Sunlit Transportation Co., Ltd. Representative: Ben Chen	2,503,031,691 (1,497,078,343)

Candidates of Independent Director and Director of E.SUN Financial Holding Co., Ltd.

No.	Name		Education	Professional experience	Number of shares held
1	Independent director	Cheng-En KO	Doctoral Degree in Accounting, University of Minnesota, USA	Current positions held: . Emeritus Professor, Department of Accounting, National Taiwan University . Independent Director, E.SUN FHC Former position held: . President, Taiwan Corporate Governance Association	0
2	Independent director	Chi-Jen Lee	Doctoral Degree in Business Administration University of Illinois, USA	Current positions held: . Professor, Department of International Business, National Taiwan University . Independent Director, E.SUN FHC Former position held: . Executive Director, EMBA Program, National Taiwan University	0
3	Independent director	Jen-Jen Chang Lin	Master Degree in Mathematic Statistics Michigan State University, USA	Current positions held: . Independent Director, E.SUN FHC . Managing Director, E.SUN Bank Former positions held: . Chairman, Financial Information Service Co., Ltd. (FIS) . Director, System Engineering Division, Institute for Information Industry	0
4	Independent director	Hsin-I Lin	Bachelor Degree in Mechanical Engineering, National Cheng Kung University	Current positions held: . Director, China Motor Corporation . Independent Director of E.SUN FHC Former positions held: . Vice Premier, Executive Yuan . Minister, Ministry of Economic Affairs . Chairman, Industrial Technology Research Institute	0
5	Director	E.SUN Volunteer & Social Welfare Foundation Representative: Yung-Jen Huang	Department of Cooperative Economics at National ChungHsing University	Current positions held: . Chairman, E.SUN FHC Former position held: . Chairman, E.SUN Bank . President, E.SUN Bank	17,386,769
6	Director	E.SUN Volunteer & Social Welfare Foundation Representative: Joseph N.C. Huang	MBA of the City University of New York	Current positions held: . President, E.SUN FHC and E. SUN Bank Former position held: . Chairman, E.SUN Venture Capital	17,386,769

No.	Name		Education	Professional experience	Number of shares held
7	Director	E.SUN Foundation Representative: Kuo-Lieh Tseng	Master of Public Administration at Harvard University	Current positions held: . Chairman, E.SUN Bank Former positions held: . Director, Banking Bureau of Financial Supervisory Commission	10,227,088
8	Director	Allcan Investment Co., Ltd. Representative: Chiu-Hsung Huang	PhD of Business Administration at Dela Salle University	Current positions held: . Managing Director, E.SUN Bank Former positions held: . CPA	75,583,814
9	Director	Hsin Tung Yang Co., Ltd. Representative: Jackson Mai	Kai-Nan Commercial & Technical High School	Current positions held: . Managing Director, E.SUN Bank Former position held: . Chairman, Hsin Tung Yang Co, Ltd	33,599,333
10	Director	Fu Yuan Investment Co., Ltd. (Note 2) Representative: Rong-Qiu Chen	Zhu Nan Junior High School	Current positions held: . Director, Nien Hsing Textile Co., Ltd. . President, DAN Qing-Po Cultural & Educational Foundation Former position held: . Chairman, Nien Hsing Textile Co., Ltd. . Directors, E.SUN FHC	1,030,007
11	Director	Shang Li Car Co., Ltd. Representative: Chien-Li Wu	Chung Jung High School	Current positions held: . Director, E.SUN Bank Former position held: . Chairman, Shang Li Car Co., Ltd.	28,000,000
12	Director	Shan Meng Investment Co., Ltd. Representative: Magi Chen	EMBA, University of Tennessee	Current positions held: . CFO, E.SUN FHC and E.SUN Bank Former positions held: . SEVP, E.SUN Bank	13,564,630
13	Director	Sunlit Transportation Co., Ltd. Representative: Ben Chen	Department of Business Administration at Soochow University	Current positions held: . Deputy President, E.SUN FHC and E.SUN Bank. Former positions held: . SEVP, E.SUN Bank	28,000,000

Notes: 1. The shareholding as indicated of the above candidates each is as represented in the Company's shareholders roster as of 22 April 2014 when the shares of the Company were suspended from transfer pending this shareholders meeting.

2. Fu Yuan Investment Co., Ltd. is formerly known as Fu Yuan Construction Co., Ltd. The new designation was adopted on 8 May 2014.

VI. Extempore motion

Shareholder with A/C No. 58289 raised questions regarding the necessity of proposal for release the prohibition on directors from participation in competitive business. No relevant formal proposal is made after the explanation given by the Chairman, the attorney, and the manager is heard.

VII. Meeting adjourned (at about 11:05 AM the same day.)

Chairperson: HUANG Yung-Jen, Chairman of the Board of Directors

Minutes taken down by CHU Mei-Cheng

VII .Appendices

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 21,344,052	2	\$ 23,172,593	2	\$ 20,004,766	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4 and 7)	57,907,807	4	55,855,963	5	45,016,416	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 39)	283,646,429	21	61,403,895	5	52,401,331	5
AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET (Notes 4, 9, 10 and 39)	72,049,774	5	76,668,039	6	53,524,008	5
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	-	-	210,863	-	29,789	-
RECEIVABLES, NET (Notes 4, 12 and 39)	62,895,383	5	49,194,222	4	46,917,099	4
CURRENT TAX ASSETS (Notes 4 and 35)	563,776	-	557,619	-	582,872	-
DISCOUNTS AND LOANS, NET (Notes 4, 13, 38 and 39)	828,238,170	60	735,406,720	59	656,008,834	57
HELD-TO-MATURITY FINANCIAL ASSETS, NET (Notes 4, 14 and 39)	8,593,699	1	211,168,563	17	253,283,859	22
OTHER FINANCIAL ASSETS, NET (Notes 4, 15 and 39)	17,578,354	1	6,379,104	1	5,255,040	-
INVESTMENT PROPERTIES, NET (Notes 4 and 16)	544,587	-	1,691,992	-	712,354	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	19,373,142	1	17,250,811	1	16,478,557	1
INTANGIBLE ASSETS, NET (Notes 4 and 18)	5,513,344	-	4,187,067	-	4,061,386	-
DEFERRED TAX ASSETS (Notes 4 and 35)	343,935	-	604,985	-	371,350	-
OTHER ASSETS, NET (Notes 4 and 19)	2,444,147	-	2,201,601	-	2,166,515	-
TOTAL	\$ 1,381,036,599	100	\$ 1,245,954,037	100	\$ 1,156,814,176	100
LIABILITIES AND EQUITY						
DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 20)	\$ 47,645,621	4	\$ 46,652,824	4	\$ 38,052,926	3
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 25)	12,264,067	1	12,469,507	1	13,142,692	1
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 14 and 21)	6,254,291	1	4,957,725	1	13,247,387	1
COMMERCIAL PAPER ISSUED, NET (Note 22)	1,981,970	-	781,772	-	951,708	-
PAYABLES (Notes 4 and 23)	19,045,582	1	24,113,333	2	20,088,697	2
CURRENT TAX LIABILITIES (Notes 4 and 35)	505,654	-	920,337	-	57,511	-
DEPOSITS AND REMITTANCES (Notes 24 and 38)	1,150,790,905	83	1,023,820,129	82	954,993,962	83
BOND PAYABLES (Note 25)	53,800,000	4	53,300,000	4	46,500,000	4
OTHER BORROWINGS (Note 26)	268,092	-	-	-	6,000	-
PROVISIONS (Notes 4, 27 and 28)	400,265	-	443,507	-	351,742	-
OTHER FINANCIAL LIABILITIES (Note 29)	2,392,644	-	1,844,236	-	2,297,150	-
DEFERRED TAX LIABILITIES (Notes 4 and 35)	745,760	-	750,252	-	745,107	-
OTHER LIABILITIES (Note 30)	1,586,425	-	1,187,732	-	1,200,575	-
Total liabilities	1,297,681,276	94	1,171,241,354	94	1,091,635,457	94
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY						
Capital stock						
Common stock	55,243,000	4	50,107,000	4	45,750,000	4
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	11,114,906	1	11,037,847	1	9,945,193	1
From treasury stock transactions	3,382,484	-	3,382,484	-	3,382,484	-
Total capital surplus	14,497,390	1	14,420,331	1	13,327,677	1
Retained earnings						
Legal reserve	3,515,723	-	2,809,899	-	2,461,465	-
Special reserve	555,084	-	551,166	-	328,204	-
Unappropriated earnings	8,023,127	1	6,751,721	1	3,525,833	1
Total retained earnings	12,093,934	1	10,112,786	1	6,315,502	1
Other equity	816,635	-	72,566	-	(214,460)	-
Total equity attributable to owners of the Company	82,650,959	6	74,712,683	6	65,178,719	6
NON-CONTROLLING INTERESTS	704,364	-	-	-	-	-
Total equity	83,355,323	6	74,712,683	6	65,178,719	6
TOTAL	\$ 1,381,036,599	100	\$ 1,245,954,037	100	\$ 1,156,814,176	100

The accompanying notes are an integral part of the consolidated financial statements.

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31				Percentage Increase (Decrease)
	2013		2012		
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 4, 31 and 38)	\$ 22,573,791	85	\$ 22,800,297	97	(1)
INTEREST EXPENSE (Notes 4, 31 and 38)	<u>(9,539,118)</u>	<u>(36)</u>	<u>(9,381,551)</u>	<u>(40)</u>	2
NET INTEREST	<u>13,034,673</u>	<u>49</u>	<u>13,418,746</u>	<u>57</u>	(3)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 32 and 38)	9,123,611	34	6,614,427	28	38
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4 and 33)	4,212,153	16	1,283,929	6	228
Realized gains on available-for-sale financial assets (Notes 4 and 10)	276,391	1	1,615,732	7	(83)
Foreign exchange gains (losses), net (Note 4)	(129,174)	-	266,720	1	(148)
Impairment losses on assets (Notes 4 and 15)	(169,973)	(1)	(61,140)	-	178
Other noninterest gains, net	<u>399,745</u>	<u>1</u>	<u>210,340</u>	<u>1</u>	90
Total net revenues and gains other than interest	<u>13,712,753</u>	<u>51</u>	<u>9,930,008</u>	<u>43</u>	38
TOTAL NET REVENUES	<u>26,747,426</u>	<u>100</u>	<u>23,348,754</u>	<u>100</u>	15
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON GUARANTEES (Notes 4 and 13)	<u>(1,706,522)</u>	<u>(6)</u>	<u>(2,019,962)</u>	<u>(9)</u>	(16)
OPERATING EXPENSES (Notes 4, 28, 34 and 38)					
Employee benefits	(6,947,048)	(26)	(6,267,446)	(27)	11
Depreciation and amortization	(965,233)	(4)	(885,632)	(3)	9
General and administrative	<u>(6,914,326)</u>	<u>(26)</u>	<u>(5,839,624)</u>	<u>(25)</u>	18
Total operating expenses	<u>(14,826,607)</u>	<u>(56)</u>	<u>(12,992,702)</u>	<u>(55)</u>	14

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Year Ended December 31				Percentage Increase (Decrease) %
	2013		2012		
	Amount	%	Amount	%	
INCOME BEFORE INCOME TAX	\$ 10,214,297	38	\$ 8,336,090	36	23
INCOME TAX EXPENSE (Notes 4 and 35)	<u>(1,798,246)</u>	<u>(6)</u>	<u>(1,291,585)</u>	<u>(6)</u>	39
NET INCOME	<u>8,416,051</u>	<u>32</u>	<u>7,044,505</u>	<u>30</u>	19
OTHER COMPREHENSIVE INCOME (Notes 4, 28 and 35)					
Exchange differences on the translation of financial statements of foreign operations	150,708	1	(268,035)	(1)	156
Unrealized gains on available-for-sale financial assets	587,010	2	562,155	2	4
Actuarial gain and loss arising from defined benefit plans	78,863	-	(44,726)	-	276
Income tax relating to components of other comprehensive income	<u>2,617</u>	<u>-</u>	<u>(7,089)</u>	<u>-</u>	137
Other comprehensive income for the year, net of tax	<u>819,198</u>	<u>3</u>	<u>242,305</u>	<u>1</u>	238
TOTAL COMPREHENSIVE INCOME	<u>\$ 9,235,249</u>	<u>35</u>	<u>\$ 7,286,810</u>	<u>31</u>	27
NET INCOME ATTRIBUTABLE TO					
Owners of the Company	\$ 8,416,145	31	\$ 7,044,505	30	19
Non-controlling interests	<u>(94)</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
	<u>\$ 8,416,051</u>	<u>31</u>	<u>\$ 7,044,505</u>	<u>30</u>	19
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the Company	\$ 9,239,127	35	\$ 7,286,810	31	27
Non-controlling interests	<u>(3,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
	<u>\$ 9,235,249</u>	<u>35</u>	<u>\$ 7,286,810</u>	<u>31</u>	27
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 36)					
Basic	<u>\$1.53</u>		<u>\$1.32</u>		
Diluted	<u>\$1.52</u>		<u>\$1.26</u>		

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity			Total Equity
	Capital Stock (Note 37)		Capital Surplus (Notes 4 and 37)	Retained Earnings (Notes 4 and 37)			Exchange Differences on the Translation of Financial Statements of Foreign Operations (Note 4)	Unrealized Gains (Losses) on Available-for-sale Financial Assets (Note 4)	Non-controlling Interests (Notes 4 and 37)	
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE, JANUARY 1, 2012	4,575,000	\$ 45,750,000	\$ 13,327,677	\$ 2,461,465	\$ 328,204	\$ 3,525,833	\$ -	\$ (214,460)	\$ -	\$ 65,178,719
Appropriation of the 2011 earnings										
Legal reserve	-	-	-	348,434	-	(348,434)	-	-	-	-
Special reserve	-	-	-	-	222,962	(222,962)	-	-	-	-
Cash dividends	-	-	-	-	-	(915,000)	-	-	-	(915,000)
Stock dividends	228,750	2,287,500	-	-	-	(2,287,500)	-	-	-	-
Issuance of common stock from bonus to employees	6,950	69,500	30,232	-	-	-	-	-	-	99,732
Capital increase in October 2012	200,000	2,000,000	1,062,422	-	-	-	-	-	-	3,062,422
Net income for the year ended December 31, 2012	-	-	-	-	-	7,044,505	-	-	-	7,044,505
Other comprehensive income for the year ended December 31, 2012, net of income tax	-	-	-	-	-	(44,721)	(222,469)	509,495	-	242,305
Total comprehensive income for the year ended December 31, 2012	-	-	-	-	-	6,999,784	(222,469)	509,495	-	7,286,810
BALANCE, DECEMBER 31, 2012	5,010,700	50,107,000	14,420,331	2,809,899	551,166	6,751,721	(222,469)	295,035	-	74,712,683
Reversal of special reserve	-	-	-	-	(386,931)	386,931	-	-	-	-
Appropriation of the 2012 earnings										
Legal reserve	-	-	-	705,824	-	(705,824)	-	-	-	-
Special reserve	-	-	-	-	390,849	(390,849)	-	-	-	-
Cash dividends	-	-	-	-	-	(1,503,210)	-	-	-	(1,503,210)
Stock dividends	501,070	5,010,700	-	-	-	(5,010,700)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	708,242	708,242
Issuance of common stock from bonus to employees	12,530	125,300	77,059	-	-	-	-	-	-	202,359
Net income for the year ended December 31, 2013	-	-	-	-	-	8,416,145	-	-	(94)	8,416,051
Other comprehensive income for the year ended December 31, 2013, net of income tax	-	-	-	-	-	78,913	128,420	615,649	(3,784)	819,198
Total comprehensive income for the year ended December 31, 2013	-	-	-	-	-	8,495,058	128,420	615,649	(3,878)	9,235,249
BALANCE, DECEMBER 31, 2013	<u>5,524,300</u>	<u>\$ 55,243,000</u>	<u>\$ 14,497,390</u>	<u>\$ 3,515,723</u>	<u>\$ 555,084</u>	<u>\$ 8,023,127</u>	<u>\$ (94,049)</u>	<u>\$ 910,684</u>	<u>\$ 704,364</u>	<u>\$ 83,355,323</u>

The accompanying notes are an integral part of the consolidated financial statements.

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 10,214,297	\$ 8,336,090
Adjustments for noncash items		
Depreciation expenses	745,755	692,832
Amortization expenses	219,478	192,800
Bad-debt expenses	1,672,454	1,970,166
Gains on financial assets and liabilities at fair value through profit or loss	(4,212,153)	(1,283,929)
Interest expense	9,539,118	9,381,551
Interest revenue	(22,573,791)	(22,800,297)
Dividend income	(100,787)	(79,039)
Provision for losses on guarantees	34,068	49,796
Salary expenses on share-based payments	234,781	211,900
Gains on disposal of properties and equipment	(327)	(175)
Gains on disposal of investment properties	(11,643)	(25,970)
Gains on disposal of investments	(483,447)	(1,677,013)
Impairment losses on financial assets	168,384	78,179
Impairment losses on nonfinancial assets	1,589	-
Reversal of impairment losses on nonfinancial assets	-	(17,039)
Unrealized losses (gains) on foreign currency exchange	(48,376)	209,734
Losses on disposal of foreclosed collaterals	8,327	6,525
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(4,995,222)	(9,494,681)
Increase in financial assets at fair value through profit or loss	(221,303,846)	(13,302,381)
Decrease (increase) in available-for-sale financial assets	4,010,952	(21,772,313)
Increase in receivables	(13,861,540)	(2,353,756)
Increase in discounts and loans	(88,595,557)	(80,602,294)
Decrease in held-to-maturity financial assets	202,433,018	41,856,385
Increase in other financial assets	(11,092,159)	(1,413,349)
Increase in other assets	(148,256)	(39,515)
Increase in due to the Central Bank and other banks	395,795	8,599,898
Increase in financial liabilities at fair value through profit or loss	642,805	4,105,461
Increase (decrease) in securities sold under repurchase agreements	1,296,566	(8,289,662)
Increase (decrease) in payables	(4,960,637)	3,721,740
Increase in deposits and remittances	119,288,991	66,929,471
Decrease in provision for employee benefits	(4,612)	(5,551)
Increase (decrease) in other financial liabilities	537,840	(383,628)
Increase in other liabilities	234,239	12,940
Cash used in operations	(20,713,896)	(17,185,124)
Interest received	25,926,151	23,645,504
Dividend received	117,131	103,324
		(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2013	2012
Interest paid	\$ (9,853,202)	\$ (9,344,321)
Income tax paid	<u>(1,985,297)</u>	<u>(657,810)</u>
Net cash used in operating activities	<u>(6,509,113)</u>	<u>(3,438,427)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow from the acquisition of subsidiaries (Note 51)	733,910	-
Payments for properties and equipment	(1,519,854)	(2,465,006)
Proceeds of the disposal of properties and equipment	2,594	1,259
Increase in operating deposits	-	(20,000)
Increase in settlement fund	(5,828)	(44,500)
Decrease in settlement fund	21,062	55,228
Increase in refundable deposits	(129,088)	(65,736)
Decrease in refundable deposits	557	5,800
Payments for intangible assets	(161,463)	(132,270)
Proceeds of the disposal of foreclosed collaterals	19,416	11,319
Increase in cash arising from the acquisition of Chiayi The Fourth Credit Cooperative (Note 50)	-	1,530,113
Proceeds of the disposal of investment properties	102,665	102,648
Increase in other assets	<u>(2,310)</u>	<u>(8,622)</u>
Net cash used in investing activities	<u>(938,339)</u>	<u>(1,029,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	-	(6,000)
Increase (decrease) in commercial paper issued	1,200,772	(170,000)
Proceeds of the issuance of corporate bonds	-	3,800,000
Repayment of corporate bonds	-	(5,000,000)
Proceeds of the issuance of bank debentures	6,500,000	13,000,000
Repayment of bank debentures	(6,000,000)	(5,000,000)
Increase in long-term borrowings	268,092	-
Increase in guarantee deposits received	10,568	-
Decrease in guarantee deposits received	-	(69,438)
Cash dividends paid	(1,503,210)	(915,000)
Capital increase	<u>-</u>	<u>3,062,422</u>
Net cash provided by financing activities	<u>476,222</u>	<u>8,701,984</u>
EFFECT OF EXCHANGE RATES CHANGE ON CASH AND CASH EQUIVALENTS	<u>1,043,572</u>	<u>459,977</u>

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31	
	2013	2012
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (5,927,658)	\$ 4,693,767
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>28,552,562</u>	<u>23,858,795</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 22,624,904</u>	<u>\$ 28,552,562</u>
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2013 AND 2012		
Cash and cash equivalents in the consolidated balance sheets	\$ 21,344,052	\$ 23,172,593
Due from the Central Bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	1,280,852	5,169,106
Securities purchased under resell agreements in accordance with cash and cash equivalents under IAS 7	-	<u>210,863</u>
Cash and cash equivalents, end of the year	<u>\$ 22,624,904</u>	<u>\$ 28,552,562</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
E.SUN Financial Holding Company, Ltd.

We have audited the accompanying consolidated balance sheets of E.SUN Financial Holding Company, Ltd. and its subsidiaries (collectively, the "Company") as of December 31, 2013, December 31, 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements of Financial Institutions by Certified Public Accountants, the Rules Governing the Audit of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2013, December 31, 2012 and January 1, 2012, and their consolidated financial performance and consolidated cash flows for the years ended December 31, 2013 and 2012, in conformity with the Guidelines Governing the Preparation of Financial Reports by Financial Holding Companies, Guidelines Governing the Preparation of Financial Reports by Public Banks, Guidelines Governing the Preparation of Financial Reports by Securities Firms, Guidelines Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

March 5, 2014

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

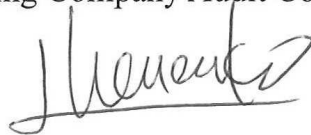
Audit Committee Report

To: E.SUN Financial Holding Company 2014 General Shareholders' Meeting

The board of directors has complied and submitted the company's 2013 consolidated financial statements audited by Certified Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to Audit Committee. After reviewing the abovementioned statements and reports and discussing with the CPAs, the Audit Committee has found them to meet the requirements of applicable laws and regulations. This report is hereby prepared in accordance with Article 14-4 of Security and Exchange Law and Article 219 of Company Law and submitted for your approval.

E.SUN Financial Holding Company Audit Committee

Independent Director:



Independent Director:



Independent Director:



Independent Director:



Date: April 25 2014

Business Report

Dear Shareholders

Our gratitude goes to all shareholders, customers and the general public for their longtime support. Thanks to the hard work of everyone at E.SUN, we scored handsomely in 2013 and created another memorable year. Since its inception, E.SUN has committed itself to making the best bank. Confronted with both opportunities and challenges posed to the financial services industry, we are ready to push the bar of excellence even higher as our third decade unfolds. In 2014, we will build on the unity of all subsidiaries that are no different from brothers in a big family as we join our strengths to move up another rung in creating customer value.

In 2013, E.SUN FHC recorded total assets in excess of NT\$1.38 trillion, net profit of NT\$8.42 billion and EPS of NT\$1.53. The year's ROA and ROE came in at 0.64% and 10.65% respectively. All key gauges conformed to Basel requirements. The net profit numbers of E.SUN FHC subsidiaries are as follows: E.SUN Bank, NT\$8.848 billion; E.SUN Securities, NT\$124 million; E.SUN Venture Capital, NT\$181 million; and E.SUN Insurance Broker, NT\$317 million. E.SUN Bank, the Company's core subsidiary, was able to keep up its premium asset quality; its NPL ratio of 0.20% was supplemented by a 532.81% loan loss coverage ratio and a 1.01% loan loss provisions ratio for Category One loans. Credit rating agencies took due notice of E.SUN's steady growth against still sound asset quality in 2013. Moody's Investors Service continued to assign E.SUN FHC its long/short-term foreign-currency deposit ratings of Baa2/P-2. In turn, E.SUN Bank was assigned Baa1/P-2. Both the parent company and banking subsidiary were given a stable outlook. For its part, Fitch Taiwan retained its long/short-term ratings of A+(twn)/F1+(twn) for E.SUN Securities.

By giving priority to service, professionalism and technology, E.SUN has made a difference. Service sets E.SUN apart from peers. Starting with a smile, E.SUN serves customers with warmth and expertise. E.SUN has won many VIP clients by touching their hearts, thus affirming our being recognized as the No. 1 brand name for quality banking. Our professionalism begins with "know your customer" (KYC). We can thus focus on segmented management and consolidate marketing resources. We have won customer trust by making a difference. In today's knowledge-based economy, the Internet is home to electronic and mobile commerce. We draw on technology as our tool to move across boundaries between the virtual and the real, as well as across lines of industry and national borders. Technological integration gives us infinitely more access points for reaching out to customers.

E.SUN's blue ocean strategy is to set itself apart from peers by giving priority to service, professionalism and technology. Service runs in the blood of every member of the E.SUN family. A sincere smile is no less than

a token of E.SUN's heart-warming service. Professionalism holds the key to winning customer trust. We strive for professionalism on all fronts: growing talent, identifying customer needs, devising solutions, innovating businesses and consolidating market resources. Technology drives business development. The power of technology plays a decisive part in undertaking consolidation across boundaries between industries and nations as well as between real and virtual. We have taken the lead to introduce a number of innovations, including third party payment, *Ticket Presale Pro* and *E.SUN Trade*.

A keen believer in the power of retail channels, E.SUN focuses on serving VIP clients and creating value therein. By integrating virtual and real outlets—E.SUN Bank's branches and electronic banking platform—and having them bolster each other, we provide customers with consumer banking, corporate banking, wealth management, credit card and financial market services. We cement partnerships with VIP clients by helping with their cash flow management and investment and offering consultation. In terms of overseas expansion, we set up a representative office in Myanmar and completed our acquisition of a 70% stake in Cambodia's Union Commercial Bank last year. Given our greater overseas presence, we are now better-positioned to promote our customer service, risk management and other quality experiences in more parts of Asia. As we grow our business, we place equal emphasis on enforcing internal control and strengthening risk management, thereby bolstering our capacity for attaining sustainable development over the long term.

By engaging in systematic, purposeful and methodic learning, E.SUN is committed to building up its capacity for innovation. Always striving for a better self, E.SUN is keen to draw on creative thinking and collective wisdom as the fruits of innovation is applied to what we do. We believe we can “act different, think different and make a difference.” In 2013, E.SUN invited Harvard Business School Professor Clayton Christensen to give a lecture in Taiwan. He spoke on market-creating innovation, sustaining innovation and efficiency innovation in the hope that innovation would emerge as the driving force for both Taiwan and E.SUN.

Honoring corporate social responsibility is a pledge E.SUN makes to this land. On top of running our business in a responsible manner, E.SUN is committed to playing an exemplary part in economic, social and environmental spheres by repaying the community with love and care. Once again, E.SUN won a good number of honors for its commitment to corporate social responsibility in 2013. It was the local financial services industry's No. 1 recipient of Commonwealth magazine's Commonwealth Corporate Citizen Award for the fifth consecutive year; it won certification for ISO 14001, the world's most popular standard for environmental management, that attests to its dedication to environmental protection and energy conservation; and it was rated by the Environmental Protection Administration as an excellent private entity worthy of a National Environmental Education Award. With holders of the Bank's World MasterCard invited to join the cause, the E.SUN Golden Seed Project has to date helped establish 70 libraries for Taiwan's elementary school pupils in remote areas. In a similar vein, E.SUN volunteers have solicited

donations from colleagues and launched the “Care for Schoolchildren Project.” Joining forces with school teachers, the project is designed specifically for schoolchildren in need of help. Meanwhile, E.SUN is an avid sponsor of high school baseball, blood drives and the local cultural and creative industry at large. By pooling many a positive force, we are going to make Taiwan a better place for everyone.

Speeding up our progress and charting our future with innovation, we will accommodate and adapt to whatever the future may hold. Through long-term hard work and continuous innovation, we’ve readied ourselves for a journey from good to excellent. We would like to express our appreciation to various quarters in society for their encouragement and to shareholders for their longtime support. Our best wishes go to all of you!

Chairman

President