



E.SUN Financial Holding to Acquire Mercuries Life Insurance in Agreed Deal

Creating a new horizon for E.SUN FHC

Dec 2025



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Agenda

- Transaction Overview
- Synergies
- Overview of E.SUN's Performance and Strength

Transaction Overview



Transaction Overview

Parties	E.SUN FHC (2884.TW) and Mercuries Life (2867.TW) Executed pursuant to the FHC Act (Art. 26), M&A Act (Art. 29), and Regulations Governing Asset Disposal (Art. 8).
Transaction Terms	The transaction will be conducted via a share swap. E.SUN FHC plans to acquire 100% of Mercuries Life's equity by issuing new shares. Swap ratio: 0.2486 E. SUN shares for every one Mercuries Life share
Shareholding Structure	E.SUN shareholders will hold approximately 91.69% of the merged entity. Mercuries Life shareholders will hold approximately 8.31% of the merged entity
Proforma Shareholding Breakdown	E.SUN's management team and employees collectively constitute the largest shareholder group in E.SUN. Mercuries & Associates Holdings, the largest shareholder of Mercuries Life, will hold c. 2.59% stake in E.SUN post share-swap.
Timeline	Board Approval Date: November 5, 2025 (both parties) Extraordinary General Meeting (EGM): January 23, 2026 (both parties)



E.SUN's Strategic Thinking

Why Insurance ?

- **FHC 2.0 & Strategic Expansion:** Aligning E.SUN's fourth decade strategy to expand the FHC landscape. M&A is a strategic path to pursue sustainable development and to create value for customers and shareholders.
- **Building a Financial Ecosystem:** Integrating life insurance with banking, securities, and asset management completes our comprehensive retail financial ecosystem.

Why now ?

- **Enhanced Value of Life Insurance:** The adoption of IFRS 17 and a new solvency regime (TW-ICS) will increase financial transparency and boost capital strength of the insurance industry.
- **Regulatory Support:** The new insurance governance policies, including localization and new FX reserve rules, promote stable and healthy growth for life insurance.
- **Asia Asset Management Hub:** The new policy objective aims to promote wealth management within the life insurance sector and will elevate its competitiveness in high-net-worth clientele.

Why Mercuries?

- **Well-established Platform:** With 32 years of operation, Mercuries Life brings over 8,600 agents, 2.5 million customers, and 257 branches.
- **Optimal Scale:** As of Jun 2025, Mercuries Life's NT\$1.6Tn assets and \$30.9Bn net worth. The pro-forma FHC's capital and leverage ratios maintains adequate and E.SUN remains a bank-centric FHC.
- **Integrity and Professionalism:** Mercuries Life adheres to high-standard business integrity and maintain the management professional despite its constraint on capital in recent years.

Track Record of Prudent M&As and Successful Integration



E.SUN has successful experience in M&A and integration different financial sectors.

2004	2011	2013	2016	2024	2025
<u>Life Insurance</u>	<u>Bank</u>	<u>Foreign Investment</u>	<u>Fintech</u>	<u>Foreign Investment</u>	<u>Asset Management</u>
Strategic alliance with Prudential Plc (UK), crafting bancassurance platform and cultivating professionals.	Acquisition of Zhunan Credit Cooperative, adding branch count to 132 and is ranked top three among the private sector bank.	Invested in Union Commercial Bank (UCB) in Cambodia (70% stake), expanding into ASEAN.	Invested BankPro E-Service Technology Co., Ltd (64% stake), accelerating Fintech development.	Acquired 4.23% of Thai Credit Bank, deepening Southeast Asia operations.	Acquired 91.2% of PGIM SITE, entering asset management and integrating banking and insurance.
<u>Bank</u>		<u>Foreign Investment</u>			
Acquisition of Kaohsiung Business Bank (KBB), Branches increased to 116.		Acquired 100% of UCB, with performance and scale doubling since 2013.			



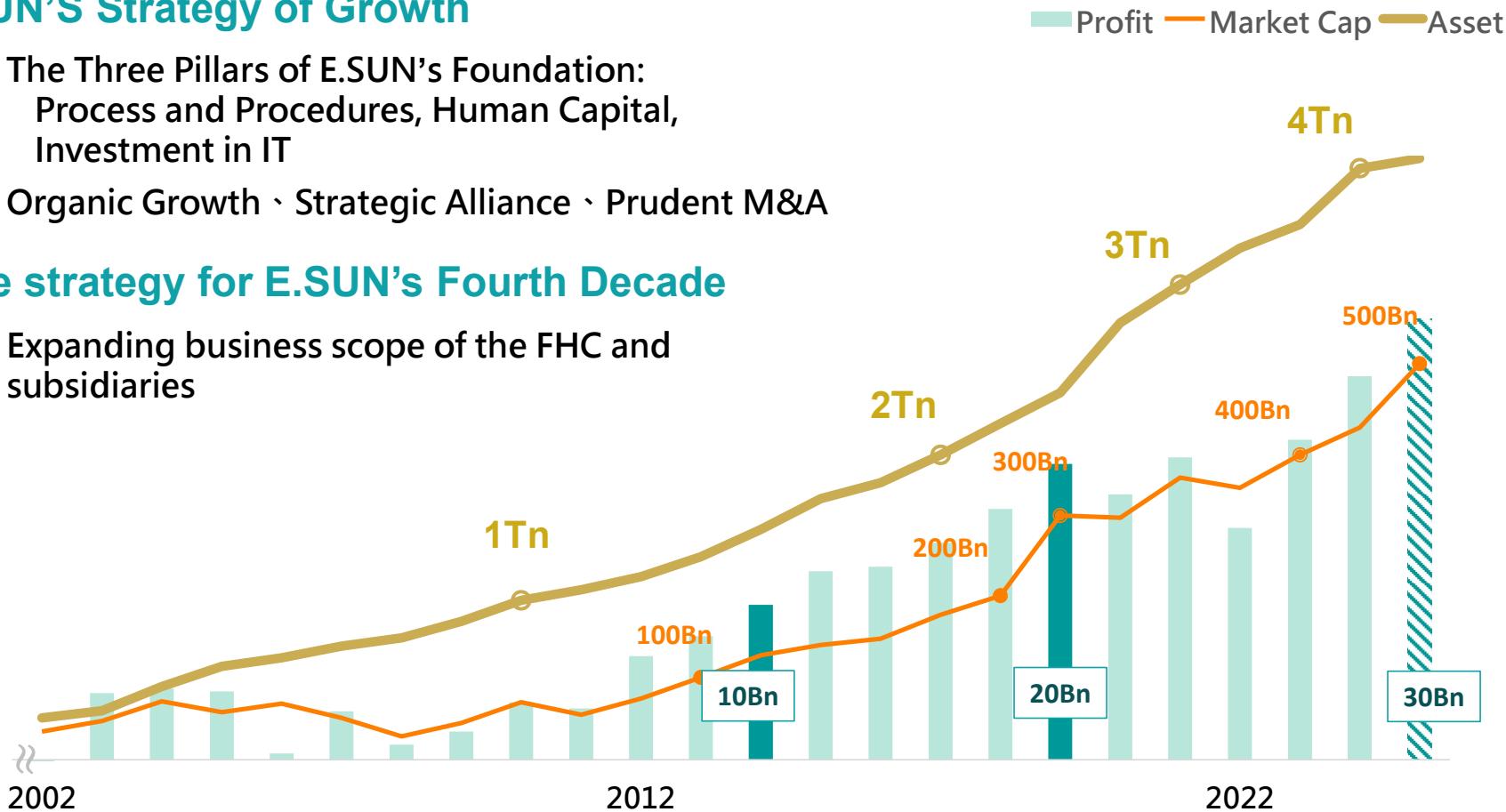
Solid and Disciplined Growth

E.SUN'S Strategy of Growth

- The Three Pillars of E.SUN's Foundation: Process and Procedures, Human Capital, Investment in IT
- Organic Growth · Strategic Alliance · Prudent M&A

Core strategy for E.SUN's Fourth Decade

- Expanding business scope of the FHC and subsidiaries





The “ARM” Principle of M&A Evaluation

A

Affordable

- Financial and future capital needs are within the FHC's capacity, ensuring stable dividend distribution.
- Pro forma post-merger ratios remain adequate: CAR at 117.5%, Net Worth Ratio at 16.8%, and Double Leverage Ratio at 112.5%.

R

Reasonable

- Both price and non-price transaction terms are reasonable and fair.
- The 100% share swap structure ensures that both E.SUN and Mercuries Life shareholders will benefit from future growth.

M

Manageable

- Mercuries Life has asset size of TWD \$1.6Tn, which is an optimal scale for E.SUN Bank to create synergies.
- Operation of Mercuries Life has been examined through due diligence and will benefit from an improving environment for insurance. The execution risk is well managed.

Note : Based on Jun.2025 Financial Statement.

E.SUN's Core Value

1

Integrity and High Standards of Corporate Governance

2

Management by Professional Executives

3

Bank Centric Financial Holding Company



Holistic M&A Planning, Rigorous Process

Background and Strategy

	E.SUN	The Environment
2022	<ul style="list-style-type: none">E.SUN's Fourth Decade Strategic Focus: Expand the business scope for the FHC and its subsidiaries	<ul style="list-style-type: none">Fubon FHC acquires JihSun FHCThe FHC 2.0, an era of consolidation begins
2023	<ul style="list-style-type: none">Net profit surpasses NT\$20 billion.	
2024	<ul style="list-style-type: none">M&A roadmap: Start with securities and asset management, then life insurance.Acquisition of PGIM SITE (asset mgmt.).	<ul style="list-style-type: none">Taishin FHC acquires Shin Kong FHCThe new policy objective aims to develop asset management of Taiwan.
2025	<ul style="list-style-type: none">Acquisition of Mercuries Life Insurance	<ul style="list-style-type: none">Life insurance industry prepares for IFRS 17 and ICS 2.0, embracing a healthier environment.

2022 ~ 2024

2022 ~ 2024

- Financial Holding 2.0 Era: Balancing organic growth and M&A.
- Form a dedicated team to assess markets and acquisition opportunities

2025

2025/7~9

- Invited to assess Mercuries Life.
- Formed a task force and engaged third-party advisors in financial (Goldman Sachs), actuarial (PwC), and legal.

2025/9~10

- Formed a team of over 50 members and collaborate with external experts for due diligence.
- Hold management meetings with Mercuries Life for thorough evaluation.
- Propose fair and reasonable terms based on the "ARM" M&A principles.

2025/11

- Approval from Investment Management Committee.
- Approval from Audit Committee composed of independent directors.
- Obtained third-party fairness opinion.
- Both boards approved the transaction in agreed deal.
- Business integration guided by principles of corporate governance.



Fairness of Transaction Price

Stock performance for Mercuries in 2025



Stock performance for E.SUN in 2025



source: Bloomberg, as of November 4, 2025, the day before board approval, unadjusted for dividends

<Swap Ratio>

0.2486 new E.SUN shares for each Mercuries Life share, based on Mercuries Life's price of NT\$8.20 per share and E.SUN's 60-day average closing price of NT\$32.99 before the reference date (November 5, 2025).

<Price Fairness Opinion>

Based on the "**Fairness Opinion**" issued by the independent third-party CPA (Certified Public Accountant), the calculated share exchange ratio of **0.2486** for this transaction falls within the reasonable price range.

*The complete Fairness Opinion can be found in the Shareholders' Meeting Agenda Handbook.

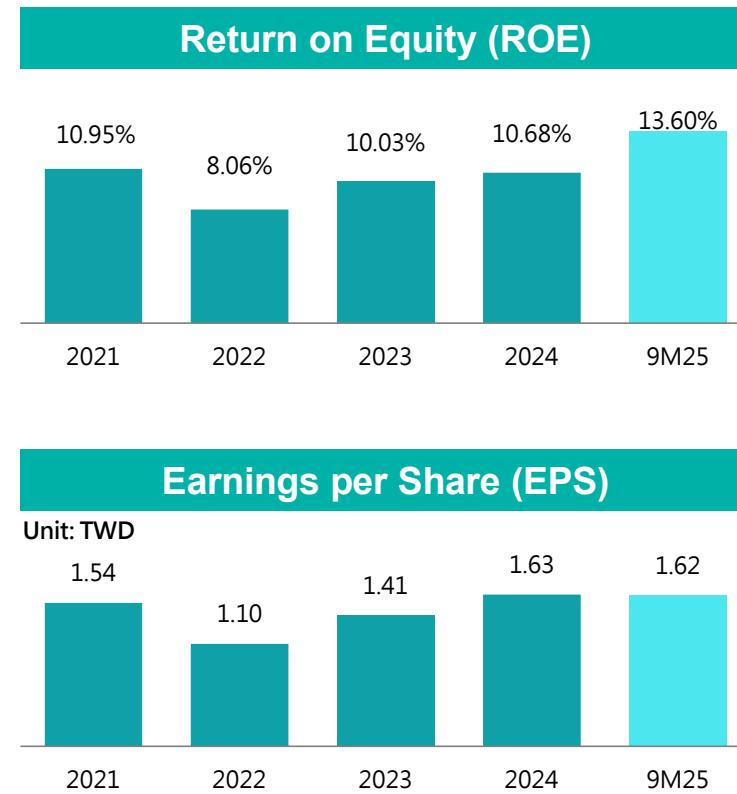
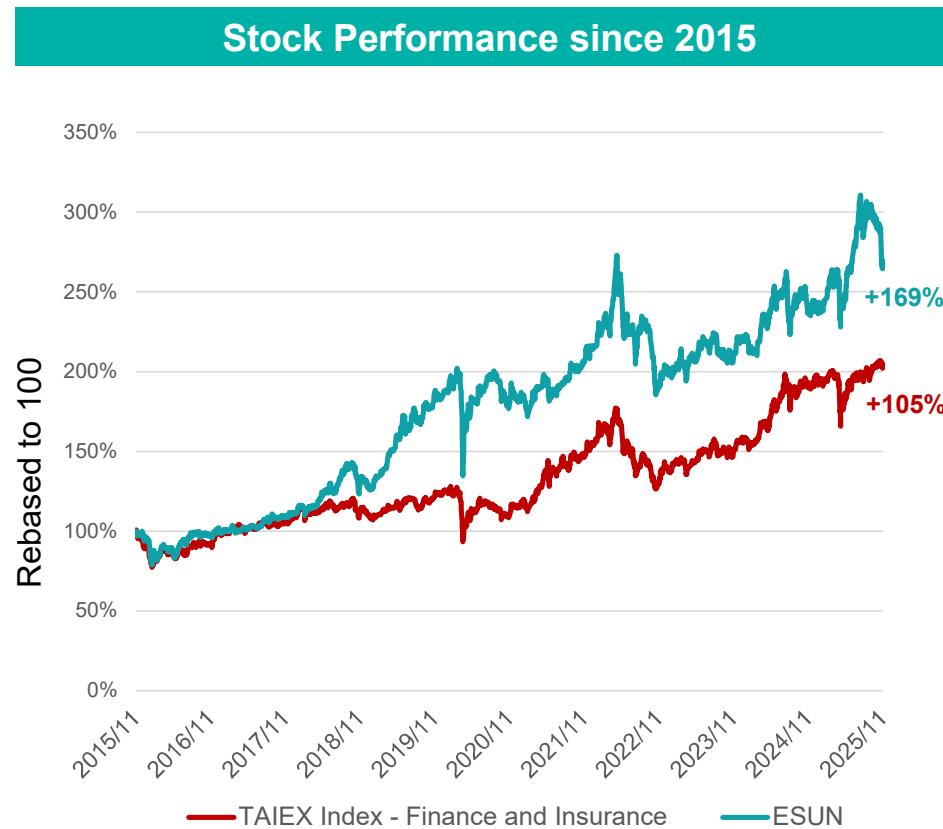
<Market Reaction to the Transaction>

E.SUN FHC's stock price was **\$30.3** on the day before the transaction was announced (November 4). Compared to the price of **\$30.85** on December 2, the stock has increased by **1.8%** over 20 trading days. Since this increase is not significantly different from the **1.3%** rise in the Financial Index over the same period. The market reaction to the transaction is rational.

Synergies



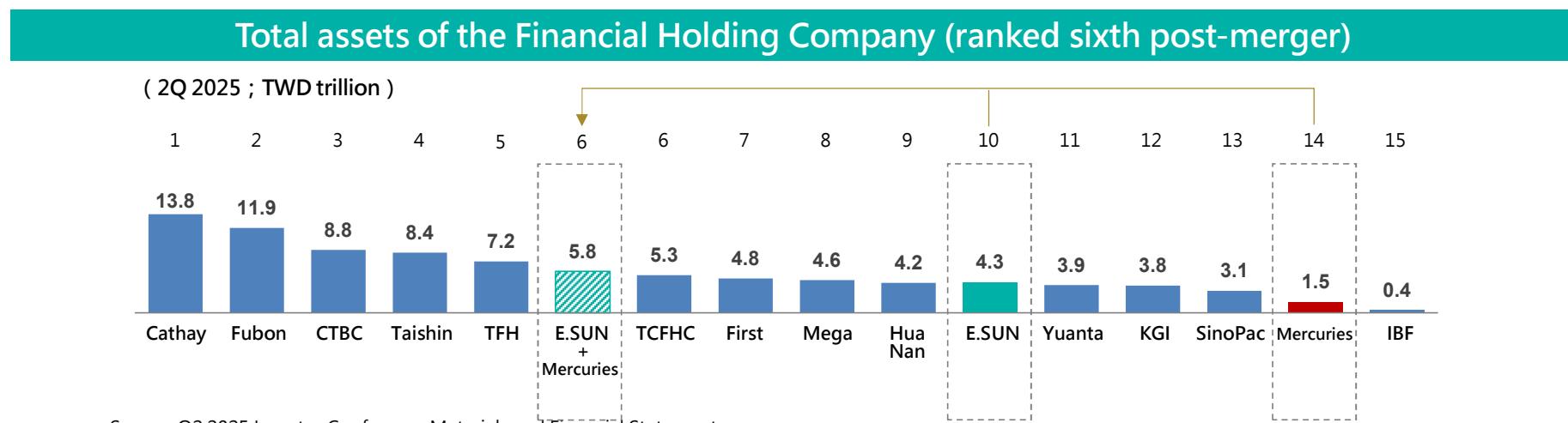
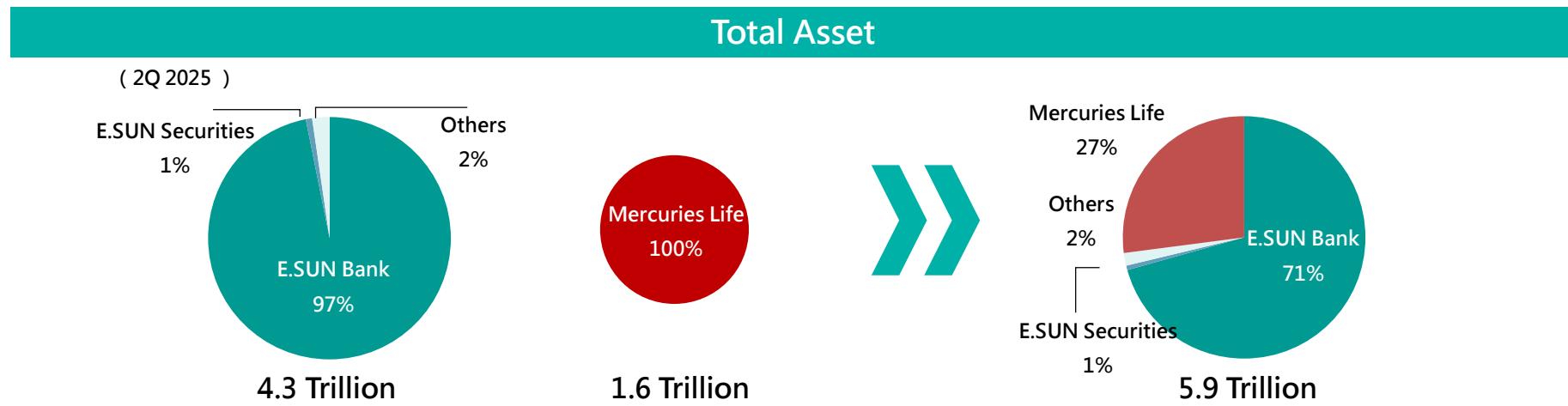
E.SUN's Ability to Create Shareholder Value



Source: Bloomberg, as of November 4, 2025, Company disclosure, Market Observation Post System (MOPS)



Asset Scale Strengthens Resilience and Brand Value



Source: Q2 2025 Investor Conference Materials and Financial Statements

Improving Mercuries Life's Operations within the FHC framework



Becoming a well-capitalized life insurance company

- E.SUN's capital injection will make Mercuries Life a well-capitalized insurance company.
- Prudent capital planning balances E.SUN's long-term development and shareholder interests.

Optimizing insurance policy mix and product capability

- Mercuries Life will offer a more diverse portfolio of policies to cover the needs of all customers.
- The improved portfolio will enhance policy's profit margin (CSM) and accumulate capital.

Enhanced credit rating and diversified financing channels

- Mercuries Life will gain broader access to capital through the parent company's credit enhancement.
- The access of capital will help reduce costs and FX risk and improve asset-liability management

Integration of professional talent and research resources

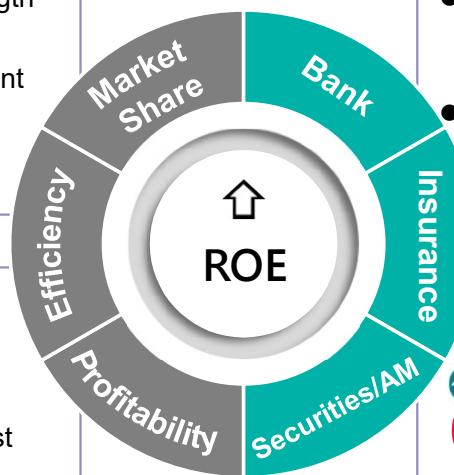
- Financial and technological empowerment, investment, IT, cybersecurity, digital, and AI development support
- Integration of investment research teams to boost returns.



Creating Greater Synergy within the FHC

Create Value Through a Financial Ecosystem

- 8 M+ customers, strong corporate image and brand value
- 2.5M+ policy holders
- Leverage E.SUN Financial Holding's brand strength to enhance Mercuries Life's market trust.
- Integrate subsidiary resources; asset management supports insurance fund operations.
- Cross-sell to potential customers to grow retail banking client base.



Cross-selling to Boost Overall Financial Holding Profitability

- Increase cross-sold products to significantly boost customer penetration and contribution
- Enhance cross-selling capability with targeted marketing; optimize insurance products, marketing, and investment capabilities

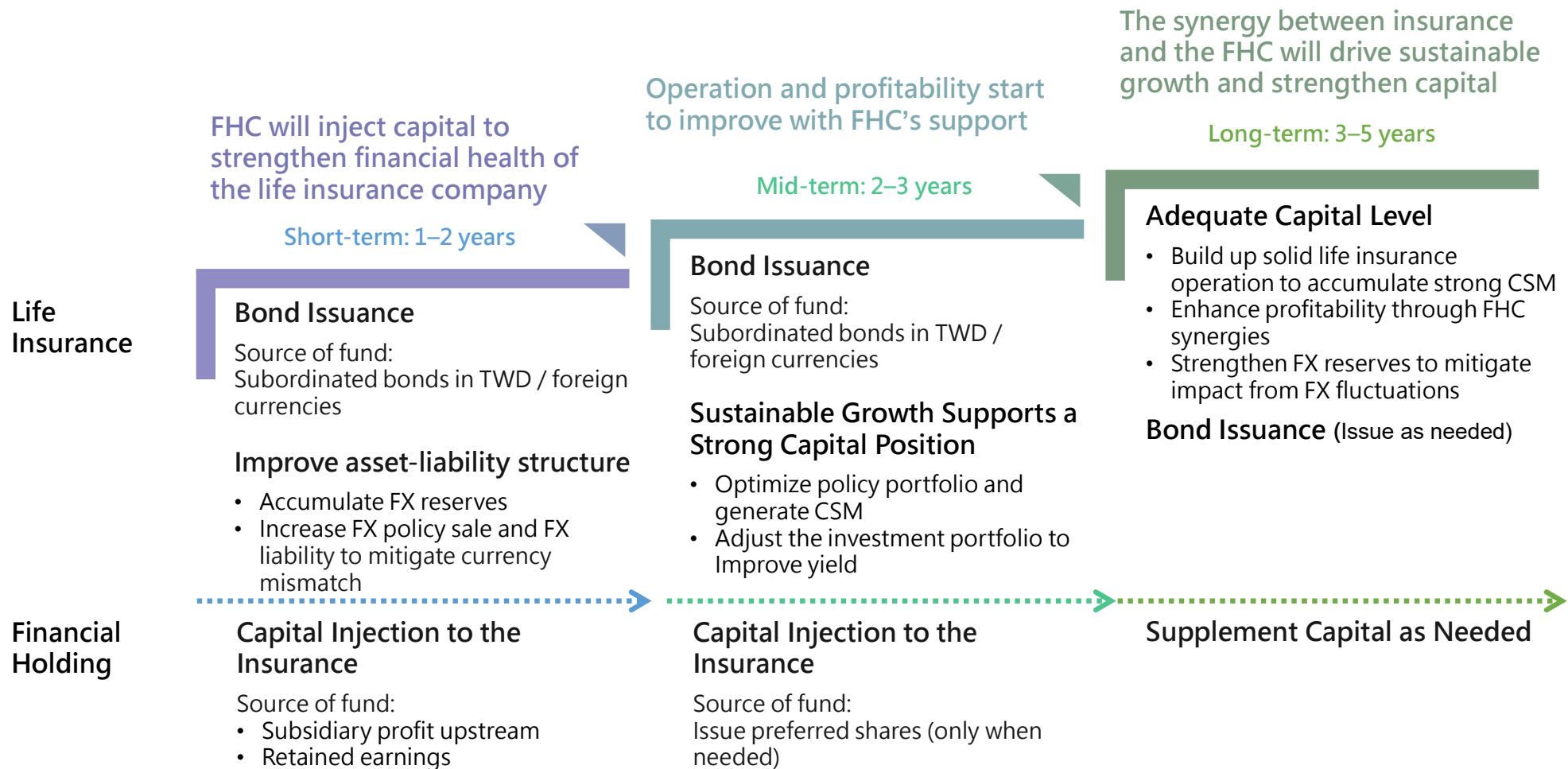
Cross-subsidiary Integration Synergy

- Investment: Leverage AM for investment advisory and portfolio planning for customer to maximize FHC synergy.
- Wealth Management: Enrich life insurance sales via bank channels and expand WM product offerings in insurance.
- Customer Base: Integrate bank and life insurance customers to grow the financial ecosystem.

Sales Channel Integration

- 140 branches, 700+ wealth management teams
- 257 service offices, 8,600+ insurance agents
- Combine Mercuries Life's sales team with E.SUN Bank's bancassurance channel advantage to build a more extensive customer service network.
- Mobile banking and insurance: Digital channels deliver convenient financial services.

Progressive Roadmap for Life Insurance's Capital





Creating Value for All Interest Parties 1/2

The transaction will meet all the policy objectives of The Financial Institution Merger Act and is aligned with interest of stakeholders

1 Financial Condition, Managerial Capability, Operational Soundness

- The transaction will comply with regulatory requirements on capital adequacy.
- The transaction will enhance Mercuries Life's access to the capital market.
- The management teams of E.SUN and Mercuries Life have complementary experience.
- E.SUN's superior corporate governance and risk management capabilities will support Mercuries Life's future operations.

2 Economic Scale, Operational Efficiency, Competitiveness

- Become Taiwan's 5th-largest listed financial holding company with leading scale in banking, insurance, and securities.
- Achieve balanced profits, improve efficiency through scale, and enhance profitability via synergies.
- Build a comprehensive financial platform to strengthen E.SUN's position and competitiveness.

3 Financial Market Competition, Resource Concentration, Monopoly Impact

Total Assets	FHC	Bank	Life Insurance	Securities
Market Share ¹	6.60%	5.50%	4.20%	1.20%

After the transaction, the market share of the FHC, bank, life insurance, and securities will all remain below 15%, and therefore will not constitute a monopoly.

4 Improvements in Public Interests

- **Increase accessibility:** More branches and channels to enhance financial inclusion and convenience
- **Improve stability of the financial industry :** Diversified sources of income and enhanced profitability help to strengthen capital position, increasing resilience to changes in the financial environment, and thereby promote overall stability in the industry



Creating Value for All Interest Parties 2/2

Aligned with Stakeholder Interests



Financial Industry and Customers

- Enhance financial inclusion through diversified channels and branch network
- Strengthen cross-selling and provide integrated financial solutions
- Offer global services, supporting overseas expansion



Shareholders

- Mutually agreed transaction negotiated by E.SUN and Mercuries Life
- Retain cash to strengthen capital and address future uncertainties
- Protect dissenting shareholders' right to request share buyback



Employees

- Employee retention plan to safeguard rights and benefits
- Cultural alignment and co-creation for growth

Appendix I : Company Overview

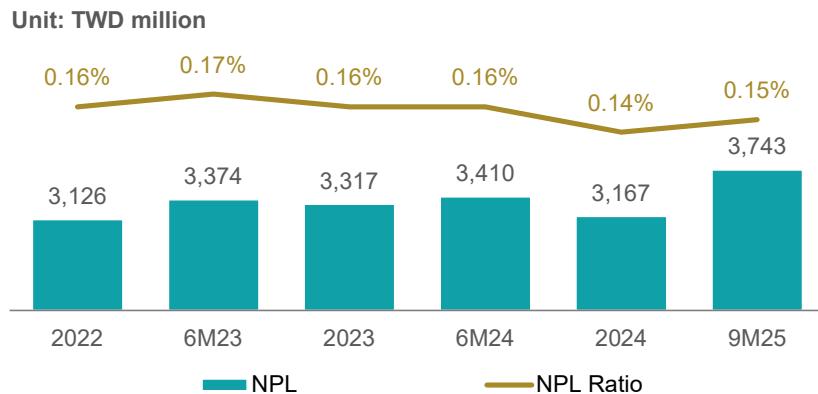


Overview of E.SUN Bank

Business Highlights

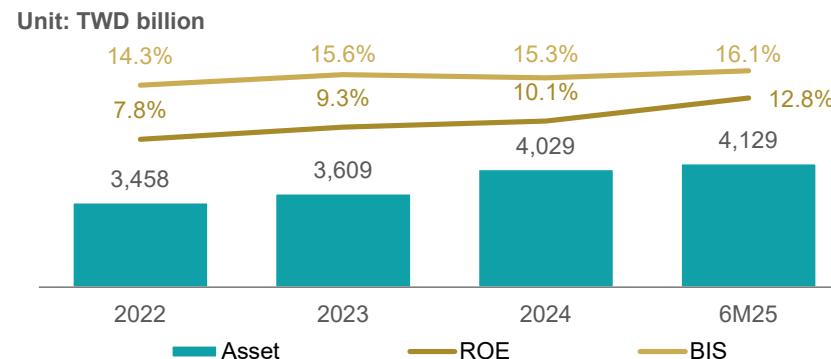
- Balanced growth in loans and deposits: total loan balance grew 10.7% to NT\$2.6 trillion; corporate loans grew 15.7%; SME loans up 8.9% and retail loans up 6.8%; total deposits grew 10.0% (YoY)
- Fee income for YT-3Q25 was NT\$22.6 billion (+10.3%), a record high for the period. Wealth management net fee income was NT\$10.9 billion, also a record high for the period (+11.2%)
- Overseas branches and subsidiaries contributed 25.5% to the Bank's total profit in YT-3Q25. The Bank currently has branches in 11 overseas locations and plans to continue expanding its international footprint to strengthen its overseas presence

Non-Performing Loan (NPL)

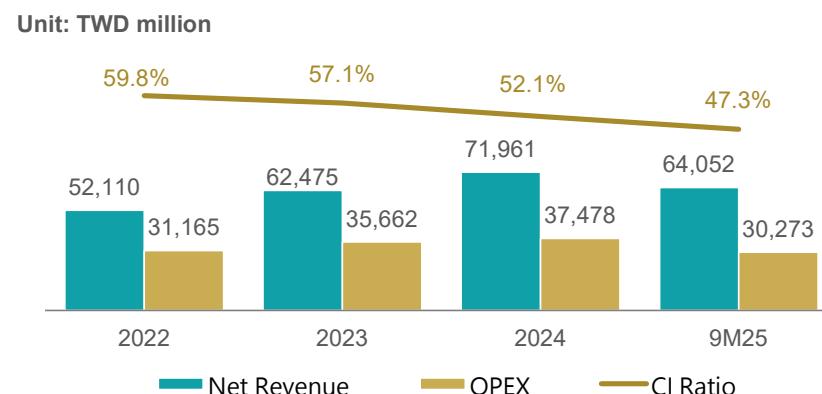


Source: Company disclosure, Market Observation Post System (MOPS)

Key Metrics



Cost-Income Ratio





Overview of E.SUN Securities and E.SUN AM



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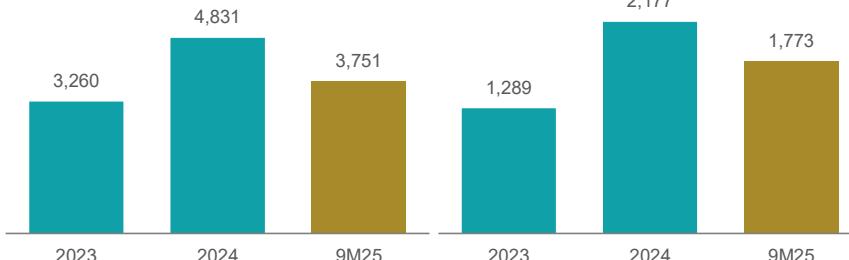
Business Highlights

- Achieved a 1.77% market share in brokerage and a 2.86% market share in margin loans in 3Q25
- Taiwan's stock market benchmark index and trading volume rebounded, and year-over-year earnings growth turned positive in 3Q25
- Annualized ROE of 23.6% is top ranking among FHC-owned securities firms
- Aim to continue increasing market share in core businesses, enhance digital services and deepen customer relationship

Profitability Metrics

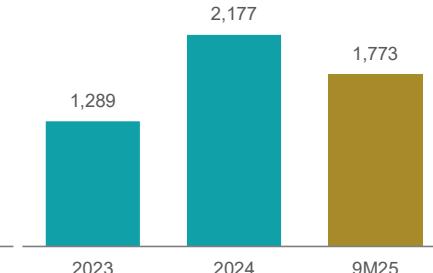
Net Revenue

Unit: TWD million



Net Profit

Unit: TWD million



玉山投信

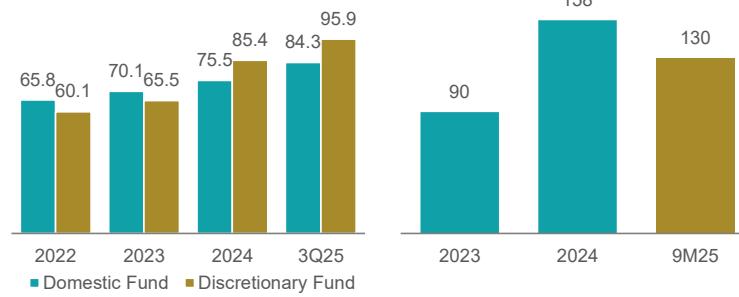
Business Highlights

- Formerly PGIM SITE, it became a subsidiary of E.SUN FHC on July 1, 2025, and was renamed E.SUN SITE on October 1, 2025
- As of 3Q25, Domestic Fund AUM was NT\$84.3 billion, and Discretionary Fund AUM was NT\$95.9 billion, both posting 12% YoY growth
- Among the first entrants into the "Asia Asset Management Center — Kaohsiung Zone," leveraging synergies with E.SUN Bank and E.SUN Securities

Financial Metrics

AUM

Unit: TWD billion



Net Profit

Unit: TWD million

Source: Company disclosure, Market Observation Post System (MOPS)

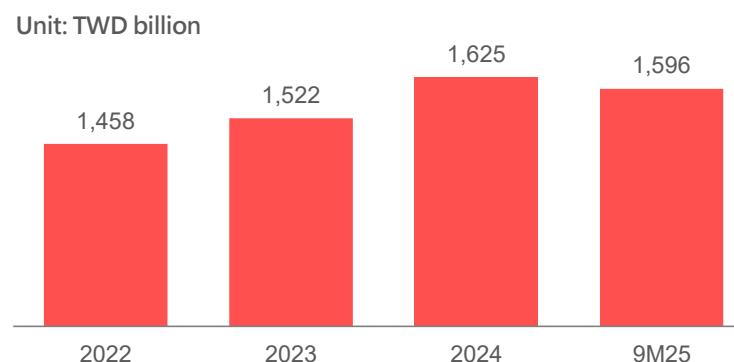
Overview of Mercuries Life



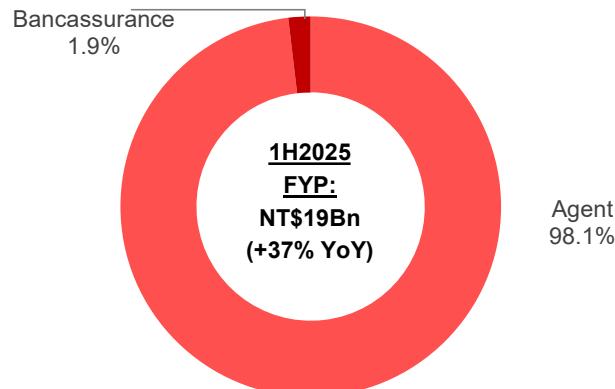
Business Overview

- Mercuries Life Insurance was established in 1993 and formed a strategic alliance with US-based MassMutual in 2001. The strategic cooperation with MassMutual ended in 2010, with the parent group, Mercuries & Associates, repurchasing the shares. Mercuries Life Insurance officially went public in 2012
- Total premium in 2024 was approximately NT\$110 billion, ranking 7th in Taiwan with a market share of 4.5%
- Headquartered in Taipei City, it operates 5 branches (Taipei, Taichung, Chiayi, Tainan, Kaohsiung), 2 service centers (Zhongli and Changhua), 6 business districts (Taipei, Taoyuan-Hsinchu, Taichung, Chiayi, Tainan, Kaohsiung), and a total of 257 correspondence offices across Taiwan, including Hualien, Taitung, Kinmen, and Penghu

Total Assets

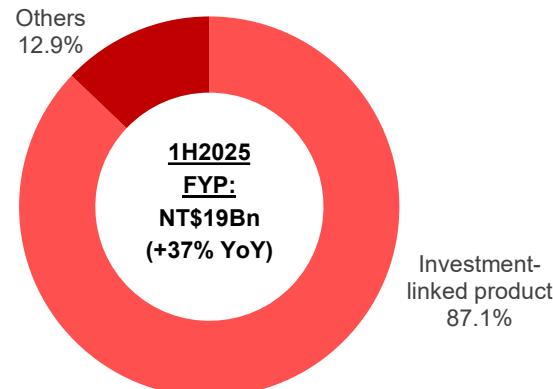


First-Year Premium (FYP) by Distribution Channels



Source: Company disclosure, Market Observation Post System (MOPS)

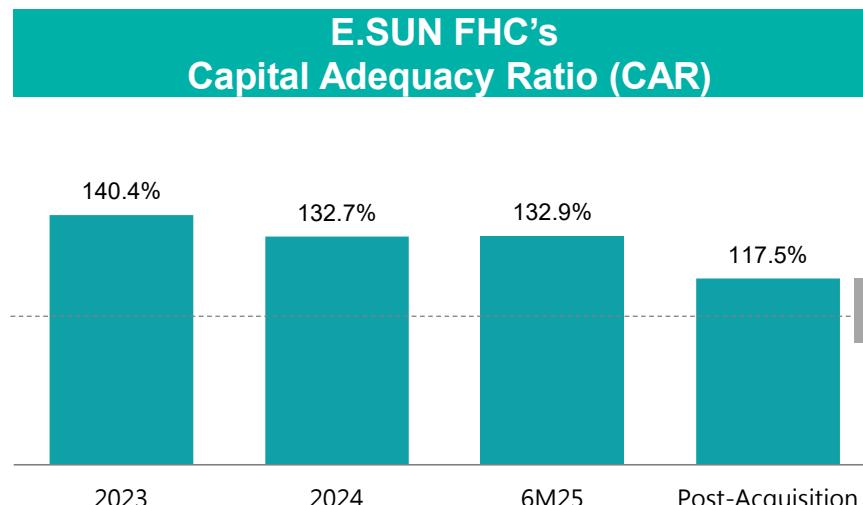
FYP by Product Type



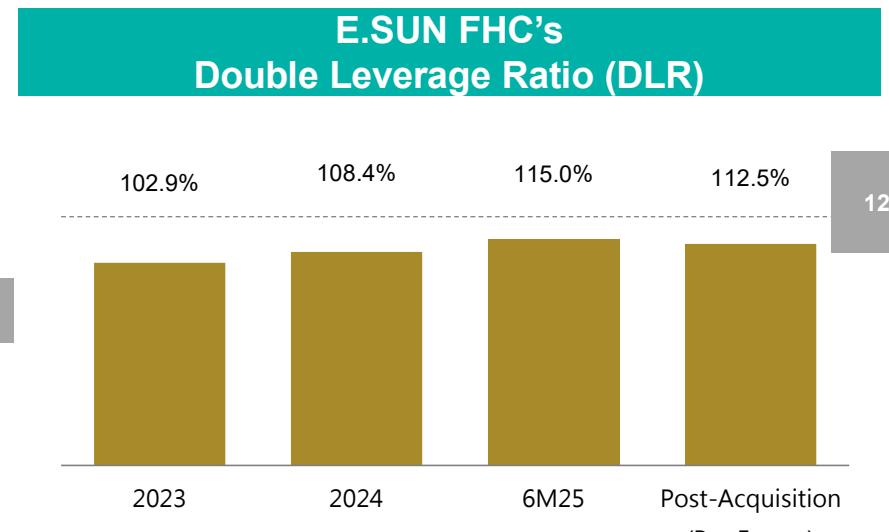
Appendix II : Capital Adequacy Ratio



Post-Acquisition capital and DLR remain sound



Note: Pro forma consolidated figures are based on the audited financial statements as of 2025/6.



- E.SUN FHC's CAR and DLR have consistently been maintained at a healthy level.
- After the share swap, the pro-forma CAR of 117.5% and DLR of 112.5% will provide sufficient buffer relative to statutory requirements.
- The transaction was conducted following stringent due diligence to ensure all risk factors were carefully examined and potential future value-added benefits identified.

Note: 1. Post-ICS CAR calculation awaits regulator's final rule. 2. DLR is calculated as equity investment in subsidiaries divided by net worth.



Appendix III : Sustainable Development - Harnessing Financial Power for a Sustainable Future

Commitment to ESG & Global Alignment



E.SUN highly values ESG practices and aligns strategy with international standards.



FTSE4Good

Included in the Social Responsibility Emerging Markets Index for 8 consecutive years (2017–2024).



Adopted the Equator Principles in 2015.



Taskforce on Nature-related Financial Disclosures

Joined in 2022 and became TNFD Early Adopter in 2024. Published Taiwan's first Climate and Nature Report verified by BSI against the TNFD framework.

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Selected as a constituent of the Dow Jones Sustainability Indices (DJSI) for 11 consecutive years.



Taiwan's first company to sign the TCFD



SCIENCE
BASED
TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Committed to setting science-based targets in 2021. In February 2022, became the first financial institution in Taiwan and the second in Asia to have its targets approved by SBTi.

MSCI

ESG RATINGS



CCC B BB BBB A AA AAA

MSCI ESG Ratings: Maintained AAA rating from 2022 to 2024.



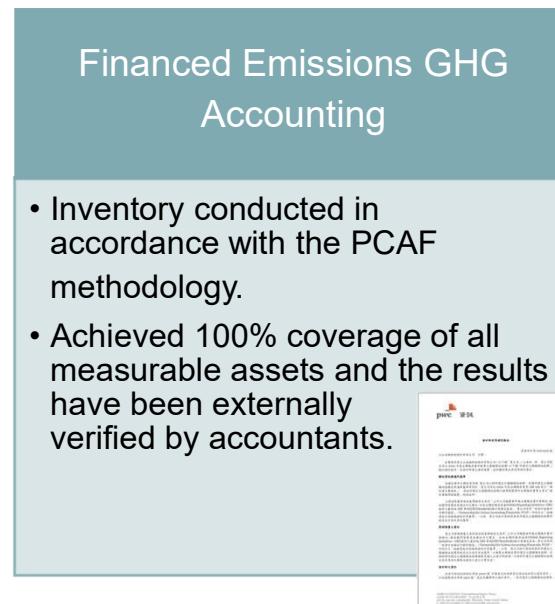
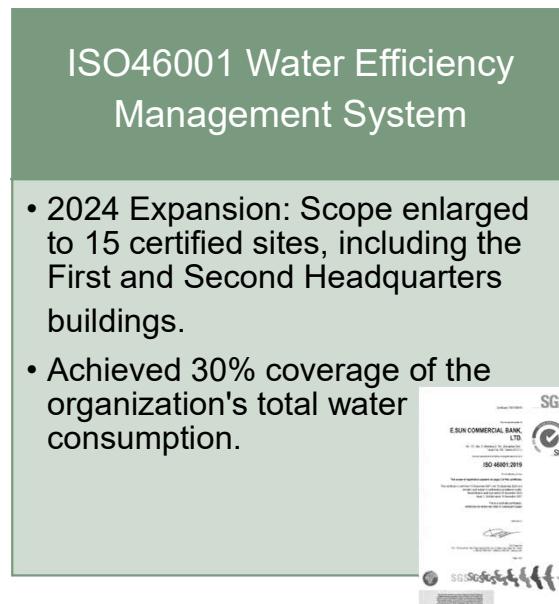
Partnership for
Carbon Accounting
Financials

First calculated GHG emissions for key lending and investment portfolios in 2020 using reports and CDP data. Officially joined PCAF in 2022



Joined RE100 in July 2022, the first financial institution in Taiwan to be approved under the "Low Energy Consumption Enterprise" category.

Implementation of International Environmental Management Standards



Other Environmental Management Standards			
ISO 14001	Environmental Management Systems	PAS2060	Demonstration of Carbon Neutrality
ISO 50001	Energy Management Systems	ISO 14067	Carbon footprint of products
ISO14046	Water footprint	ISO14064	Greenhouse gases
ISO 20400	Sustainable Procurement – Guidance	ISO45001	Occupational Health and Safety Management Systems



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