



# 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

A stylized graphic of three overlapping mountain peaks in various shades of teal and light blue, located on the left side of the slide.

# 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.

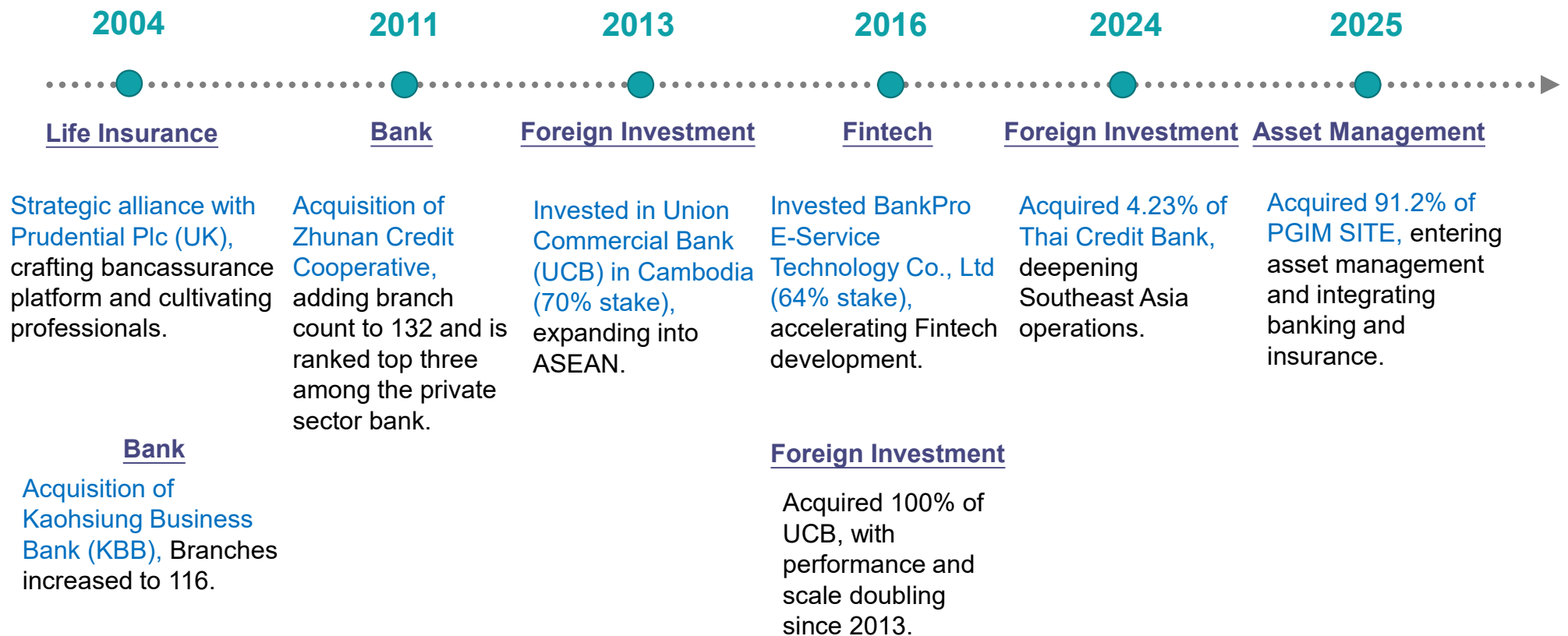
## Why Mercuries?

- **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.





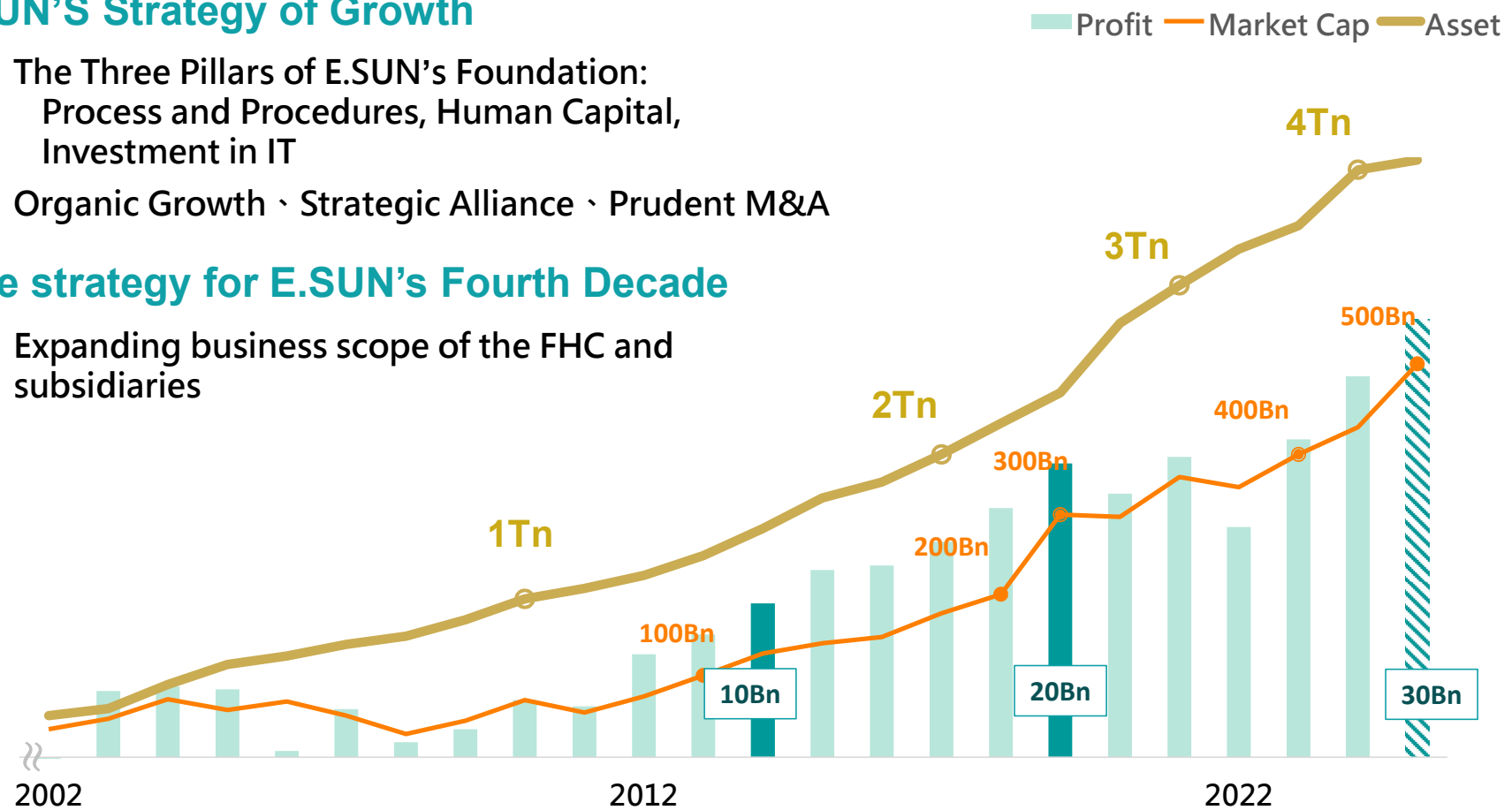
# Solid and Disciplined Growth

## 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

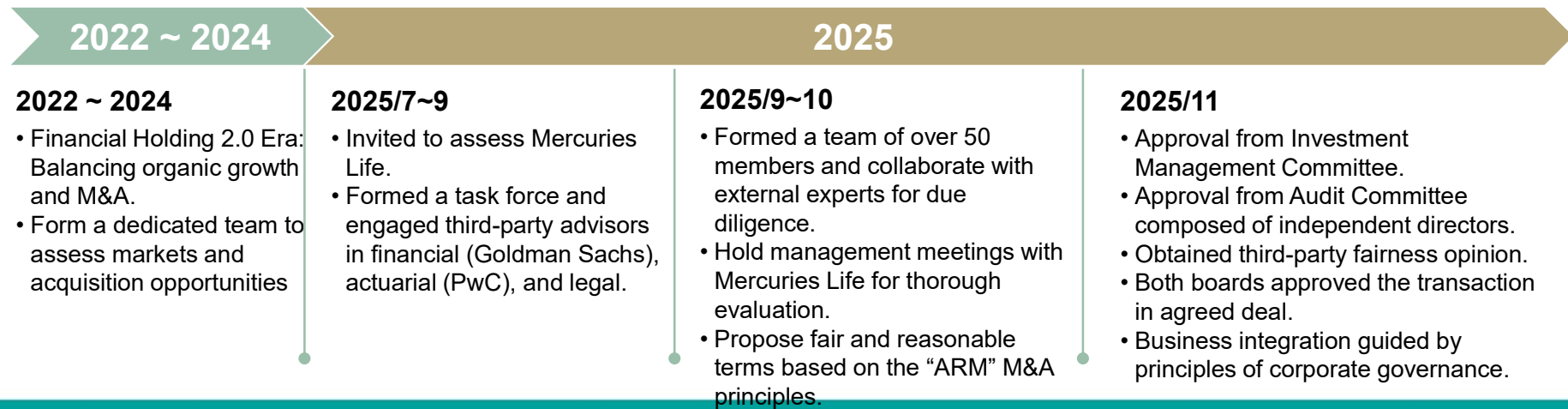
- 1 Integrity and High Standards of Corporate Governance
- 2 Management by Professional Executives
- 3 Bank Centric Financial Holding Company



# Holistic M&A Planning, Rigorous Process

## Background and Strategy

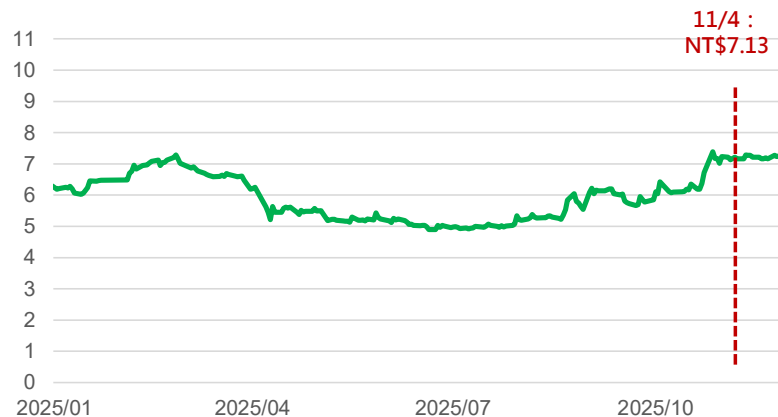
	E.SUN	The Environment
2022	<ul style="list-style-type: none"><li>E.SUN's Fourth Decade Strategic Focus: Expand the business scope for the FHC and its subsidiaries</li></ul>	<ul style="list-style-type: none"><li>Fubon FHC acquires JihSun FHC</li><li>The FHC 2.0, an era of consolidation begins</li></ul>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





# 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.

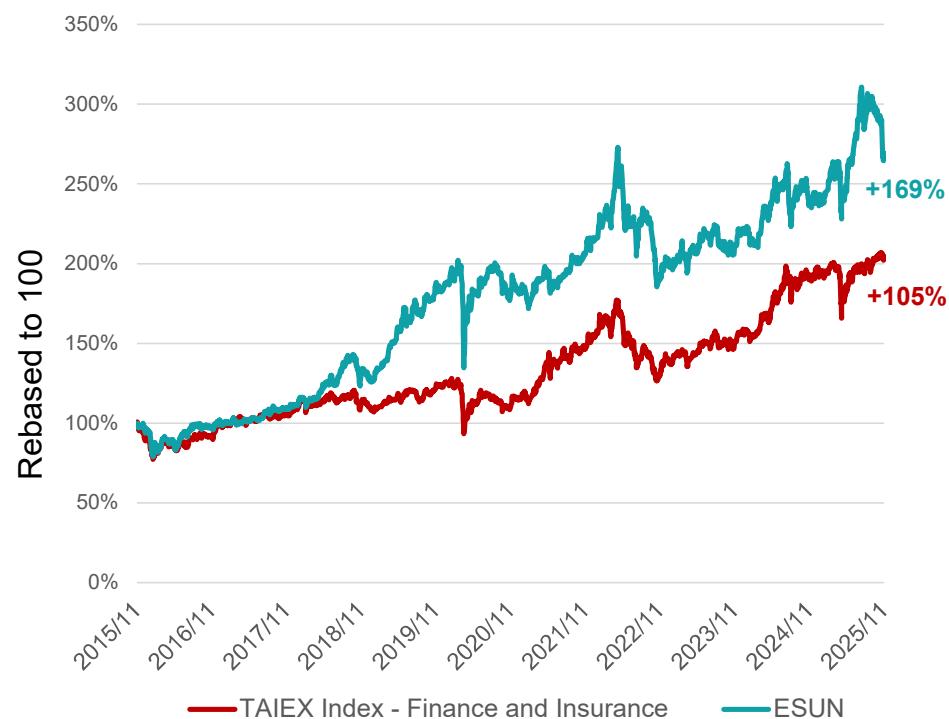


# Synergies

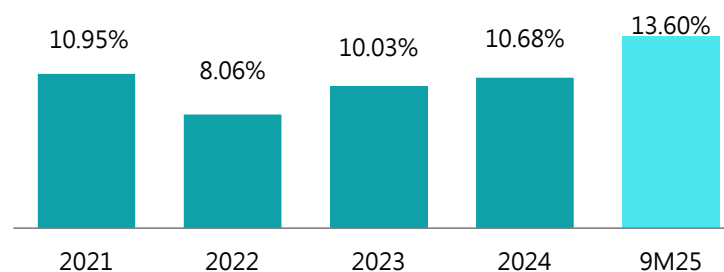


# E.SUN's Ability to Create Shareholder Value

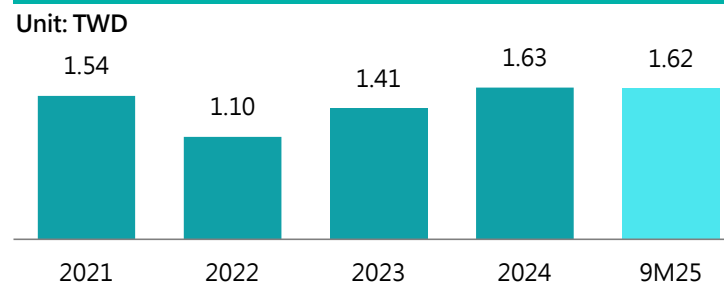
## Stock Performance since 2015



## Return on Equity (ROE)



## Earnings per Share (EPS)

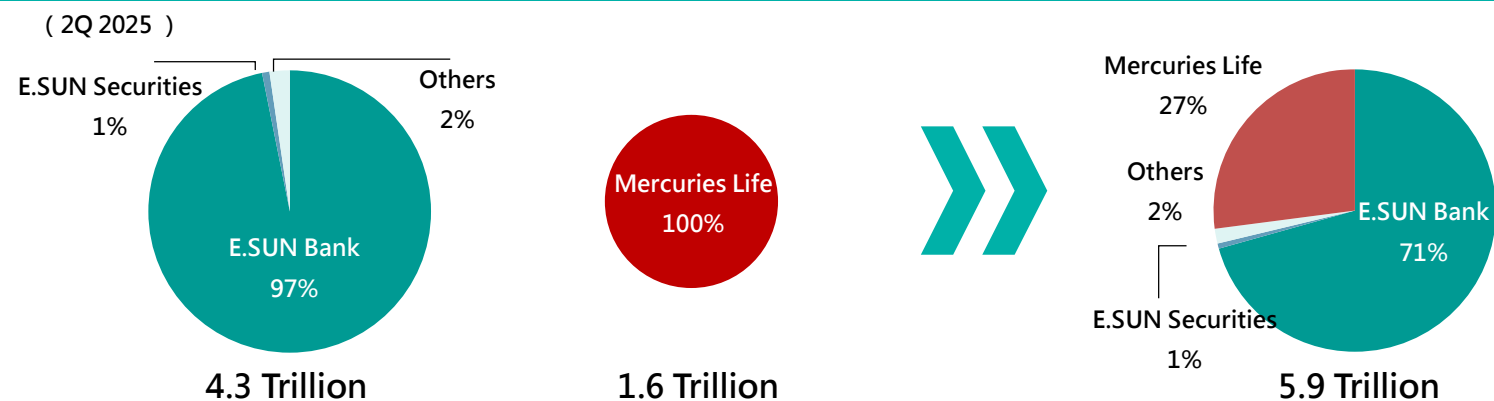


Source: : Bloomberg, as of November 4, 2025, Company disclosure, Market Observation Post System (MOPS)

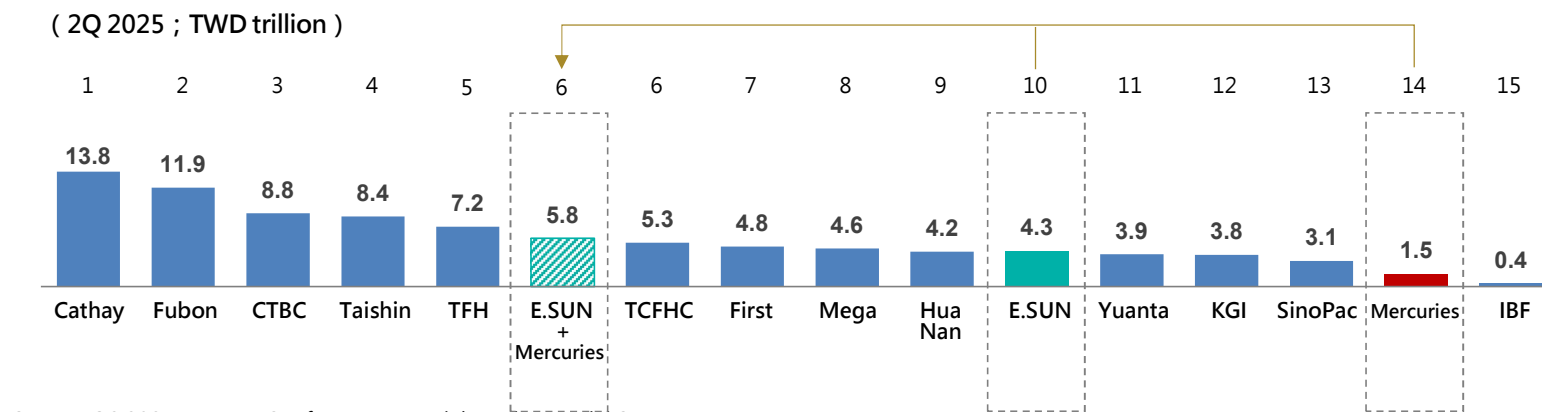


# Asset Scale Strengthens Resilience and Brand Value

## Total Asset



## Total assets of the Financial Holding Company (ranked sixth post-merger)



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

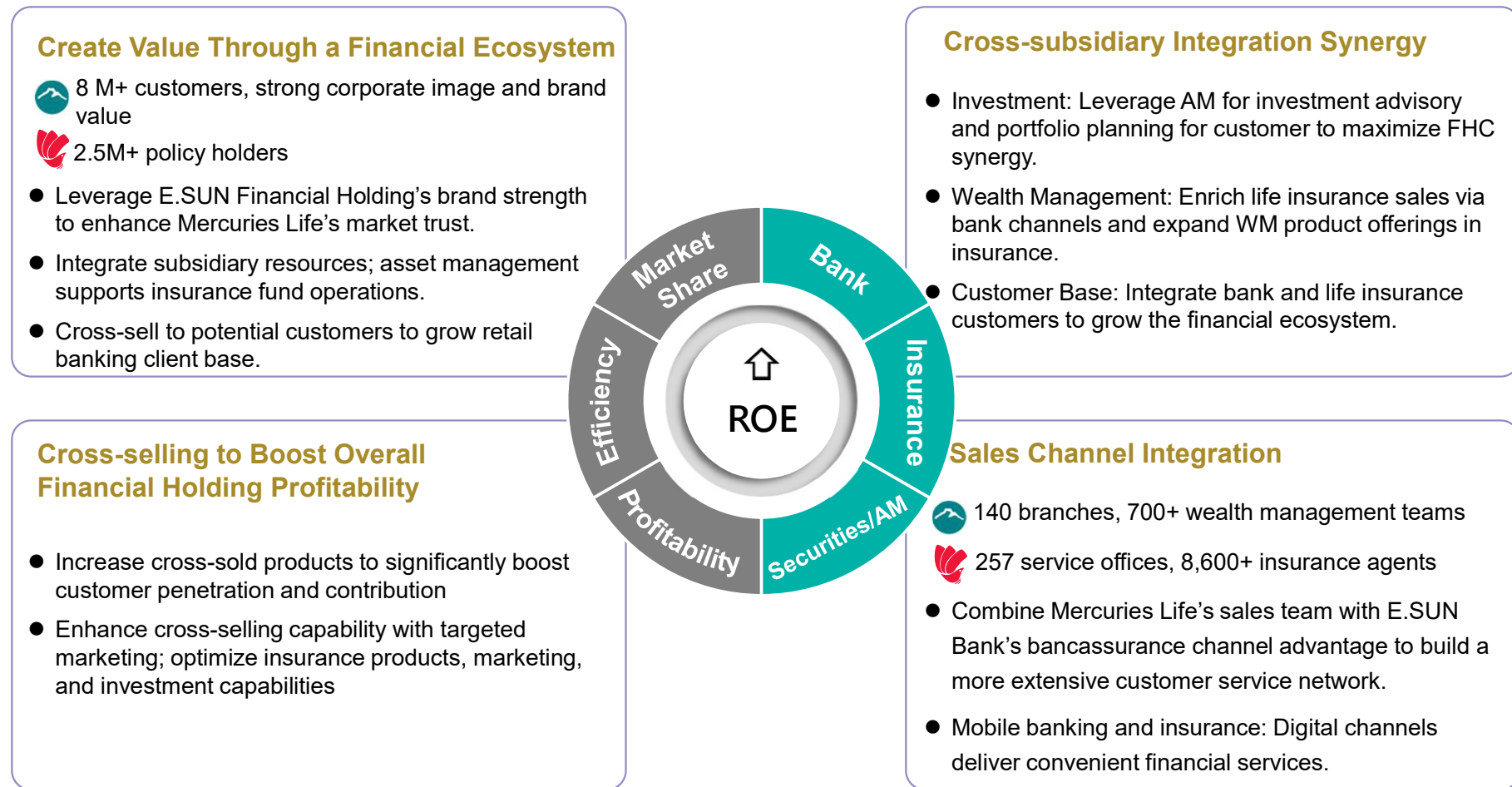
- Mercuries Life will gain broader access to capital through the parent company's credit enhancement.
- The access of capital will help reduce costs and FX risk and improve asset-liability management

## 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.

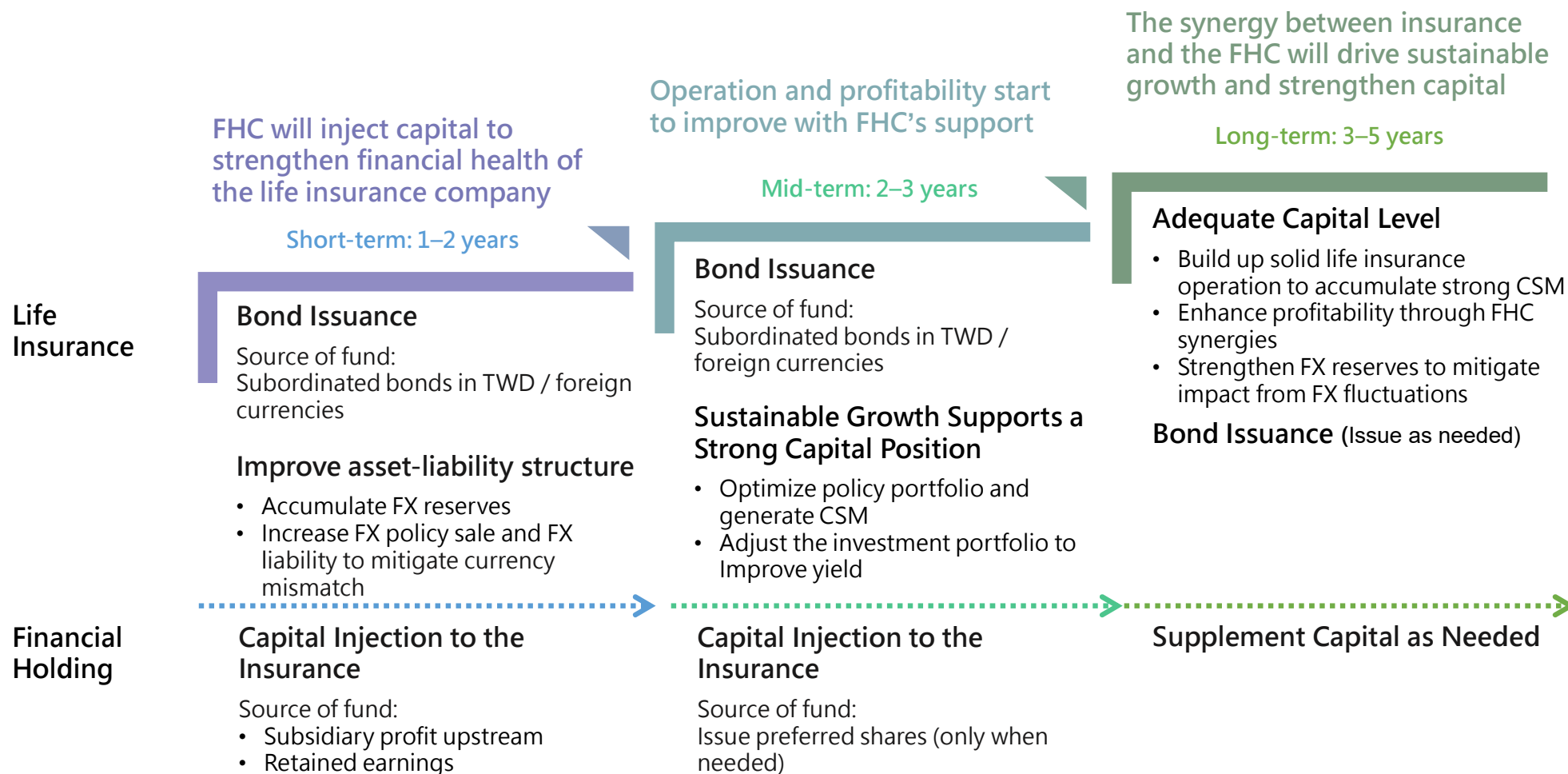


# Creating Greater Synergy within the FHC





# 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

## Financial Condition, Managerial Capability, Operational Soundness 1

- 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.

## Economic Scale, Operational Efficiency, Competitiveness 2

- 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.

## Financial Market Competition, Resource Concentration, Monopoly Impact 3

Total Assets	FHC	Bank	Life Insurance	Securities
Market Share <sup>1</sup>	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.

## Improvements in Public Interests 4

- **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

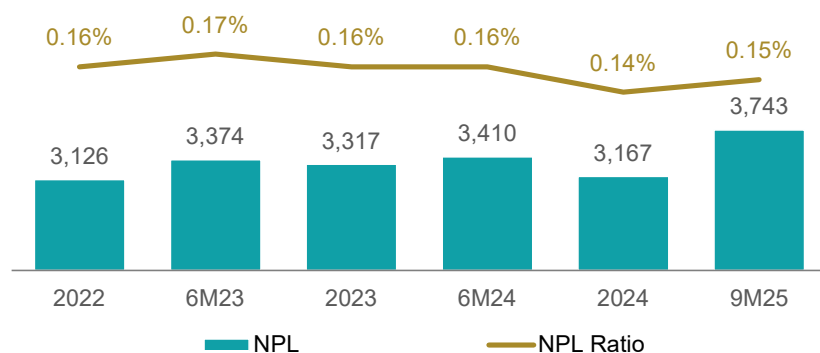


## Business Highlights

- 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)

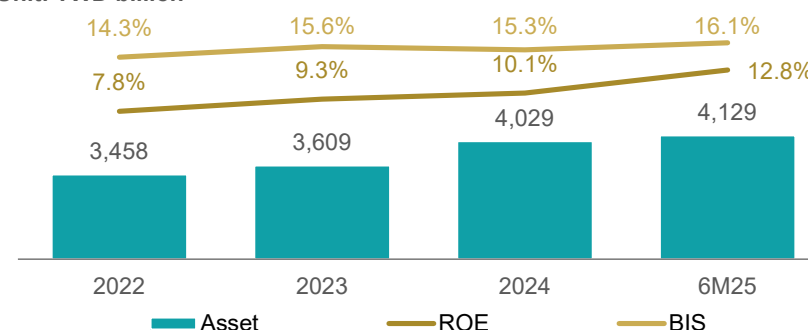
Unit: TWD million



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

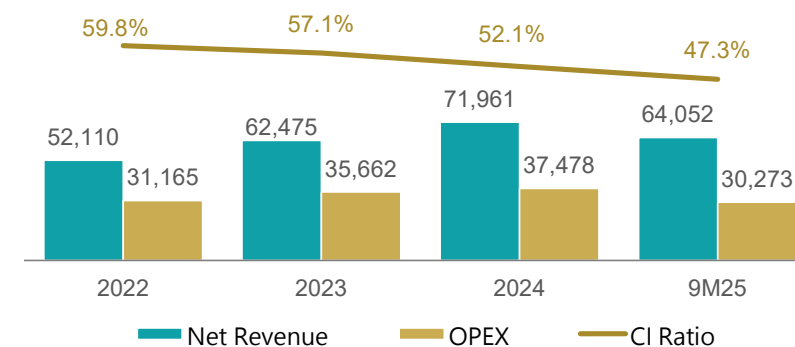
## Key Metrics

Unit: TWD billion



## Cost-Income Ratio

Unit: TWD million





# Overview of E.SUN Securities and E.SUN AM



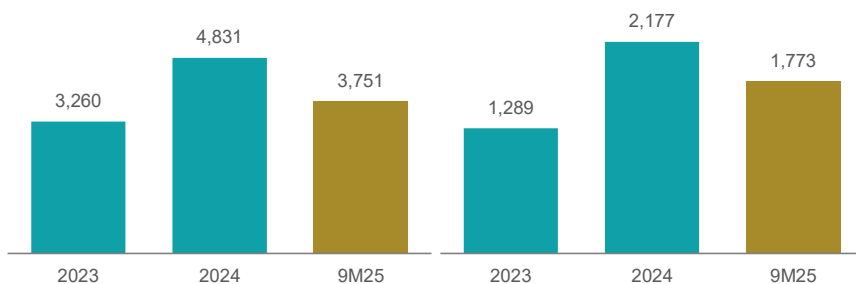
## Business Highlights

- 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

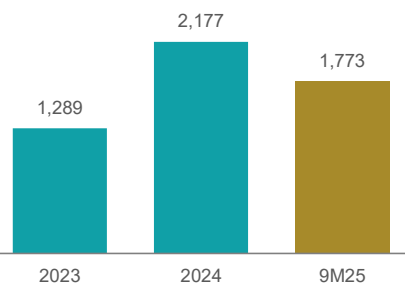
### Net Revenue

Unit: TWD million



### Net Profit

Unit: TWD million



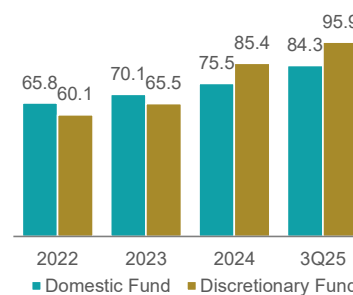
## Business Highlights

- 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

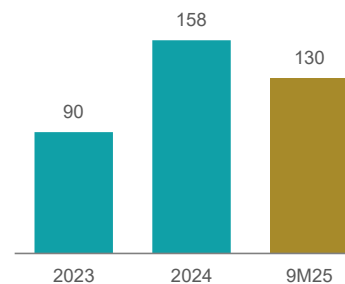
### AUM

Unit: TWD billion



### Net Profit

Unit: TWD million



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

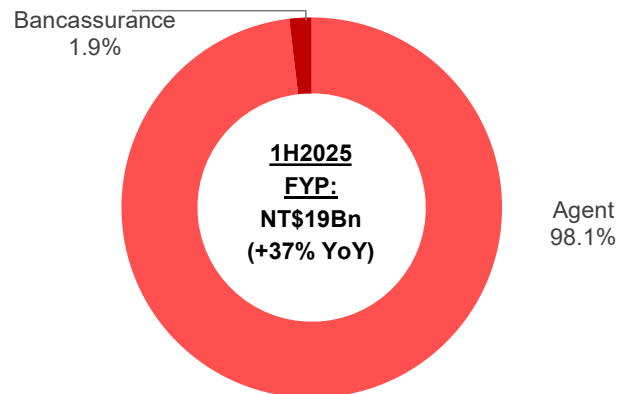
# Overview of Mercuries Life



## Business Overview

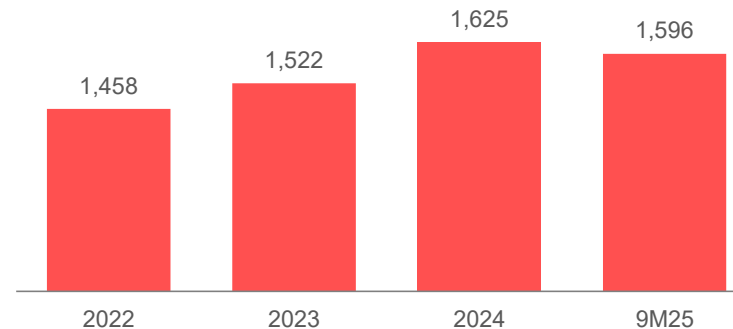
- Mercuries Life Insurance was established in 1993 and formed a strategic alliance with US-based MassMutual in 2001. The strategic cooperation with MassMutual ended in 2010, with the parent group, Mercuries & Associates, repurchasing the shares. Mercuries Life Insurance officially went public in 2012
- 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

## First-Year Premium (FYP) by Distribution Channels

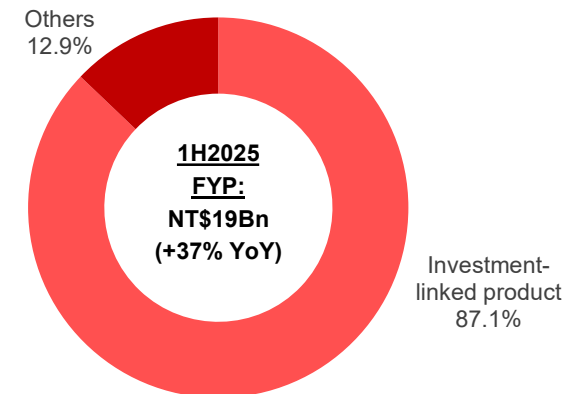


## Total Assets

Unit: TWD billion



## FYP by Product Type



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



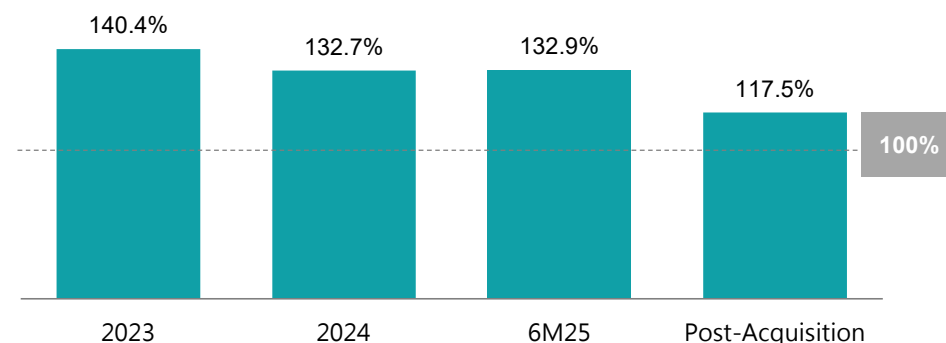
## Appendix II : Capital Adequacy Ratio





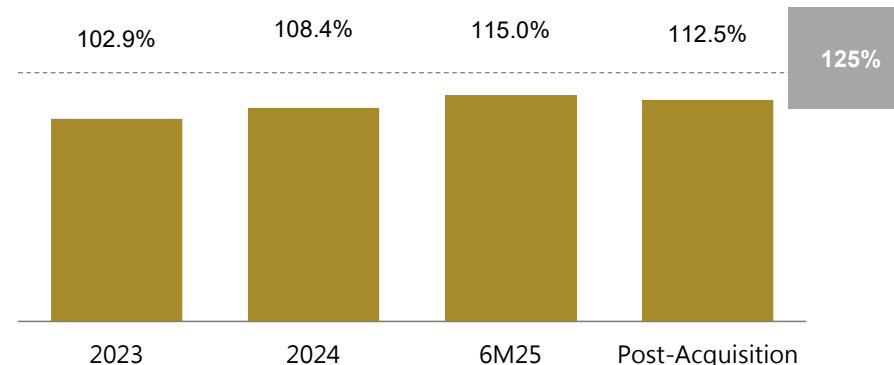
# Post-Acquisition capital and DLR remain sound

## E.SUN FHC's Capital Adequacy Ratio (CAR)



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

## E.SUN FHC's Double Leverage Ratio (DLR)



- 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: Maintained AAA rating from 2022 to 2024.



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

RE100

CLIMATE GROUP



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



## ISO46001 Water Efficiency Management System

- 2024 Expansion: Scope enlarged to 15 certified sites, including the First and Second Headquarters buildings.
- Achieved 30% coverage of the organization's total water consumption.



## Financed Emissions GHG Accounting

- Inventory conducted in accordance with the PCAF methodology.
- Achieved 100% coverage of all measurable assets and the results have been externally verified by accountants.



## Carbon Neutral Financial Services

- Since 2019, 100% of all newly issued credit cards have successfully obtained Carbon Label certification.
- Developed and launched industry-first services, including carbon-neutral ATMs and carbon-neutral online account opening.



## 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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