玉山金控 E.SUN FHC

E.SUN FHC
Financial Review of 2Q10

2010.08. 25

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Agenda

- 6M 10 Financial Performance
- Business Operating Overview
- Appendix- P&L and Balance Sheet

E.SUN FHC Summary

		06/2010	2009
Total Assets	FHC	999,949	942,318
	Bank	991,789	934,797
	Securities	6,314	5,903
	Insurance Brokers	516	453
	Venture Capital	1,650	1,666
Distribution Channels	Bank-Domestics	122	122
	Oversea Branch Repo Office	HK, LA Branch, Donggaun and Vietnam	
	Securities-Branch*	17	16
	Securities-CS Counters	57	51
Shareholder Structure	QFII*	39.22%	32.82%
Financials	Book Value	14.67	14.30
	Double Leverage Ratio	110.38%	109.78%
	Capital Adequacy Ratio	121.67%	116.28%

Note1: QFII of 2009 is as of 16/8/2010 data

Note2: E.SUN Securities' branch and CS counters are latest figures.

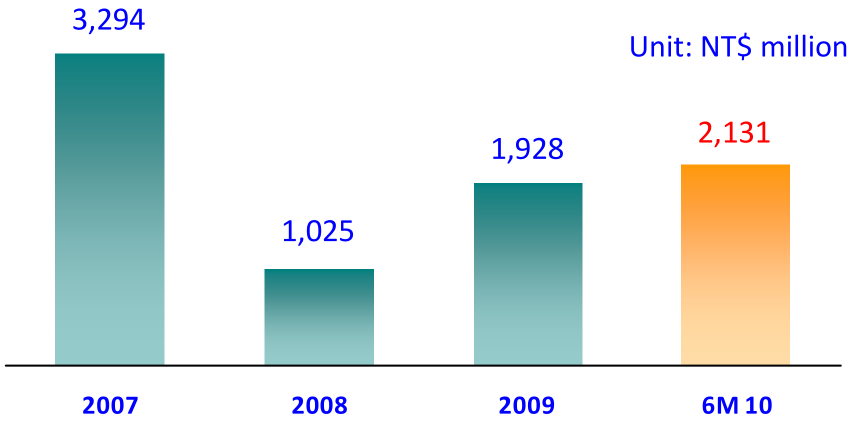
1H 2010 Financial Review

- ## Profit exceeds 2009 whole year level
  - **E.SUN FHC reported 1H 2010 after-tax EPS of NT$0.59, with annualized after-tax ROE of 8.14% and ROA of 0.44%.**
  - **Strong growth in fee income is the main driver for 1H10 profit, in which Wealth Management has shown more than 140% YoY growth.**
  - **In addition to strong revenue growth, E.SUN carefully manages its overall expense. Cost-income ratio has been lowered from 67.7% of 2009 to 54.7% of 1H 10.**

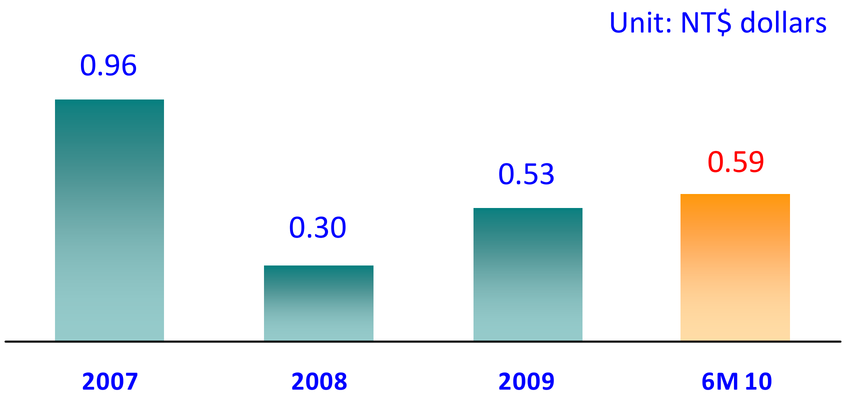
- ## Maintain firm on Asset Quality
  - **All product lines have shown improvement on their asset quality. The overall NPL ratio has lowered down to 0.45% of Jun. 2010 from 0.57% of Mar.**
  - **Further strengthening the coverage ratio to a higher level** of **137.92% from 113.64%.**
  - **Maintain comfortable capital level with 11.27% BIS ratio and 8.19% Tier 1 ratio.**

Improvement on Profitability

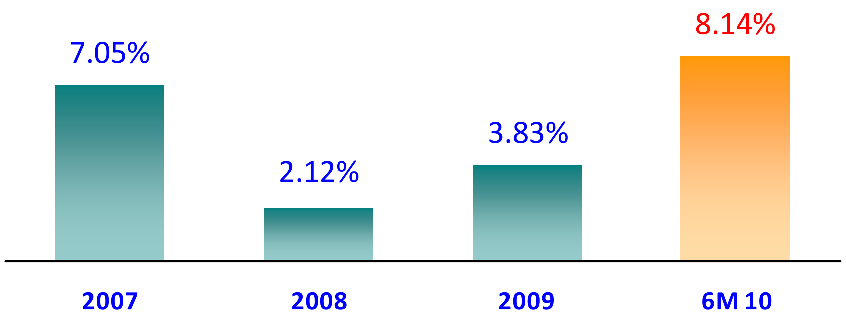
Net profit



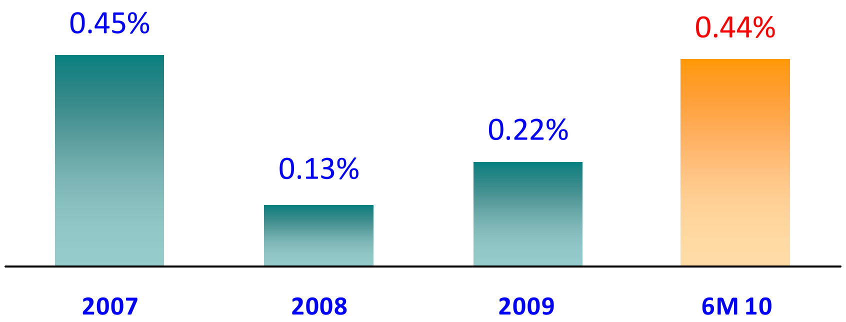
EPS



ROE

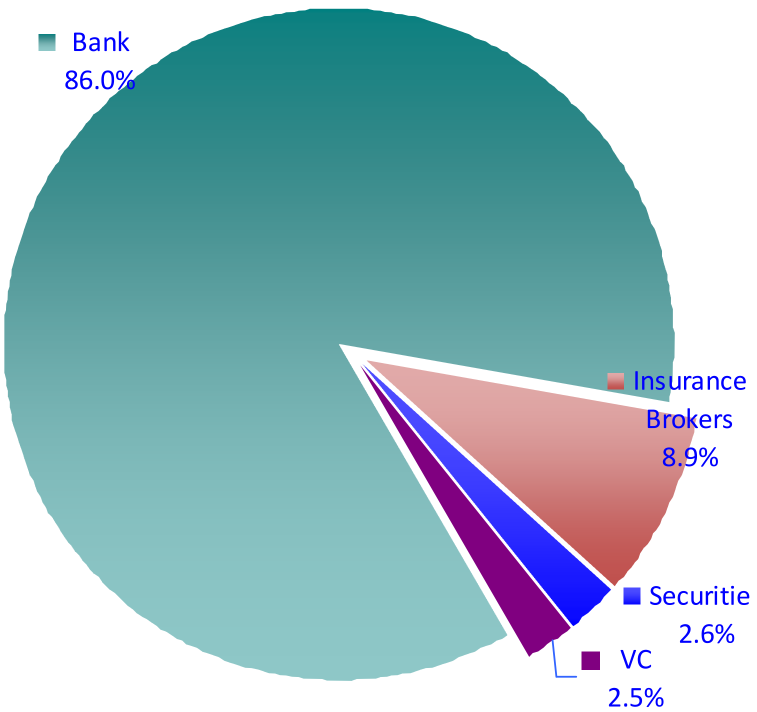


ROA



Net Income of FHC & its Subsidiaries

Contribution by Subsidiaries



Net Income of FHC and its Subs

Unit: NT$ million

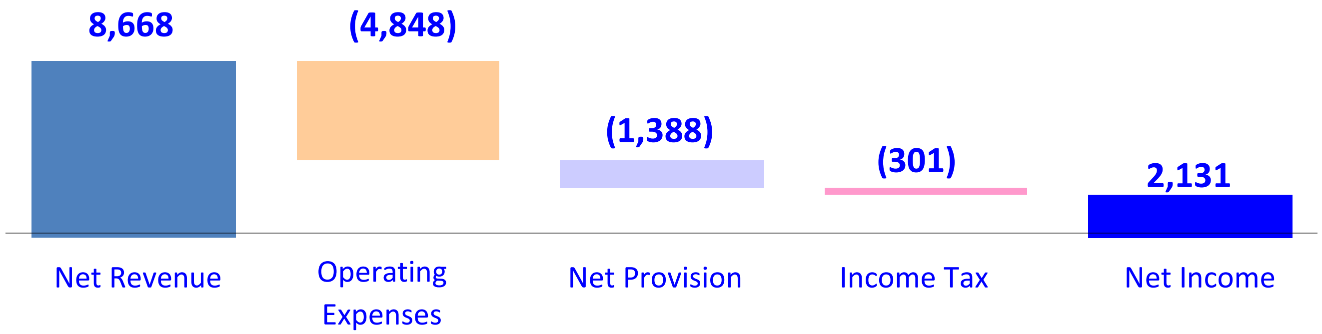
EPS(NT$)	0.57	0.20	18.32	0.39	0.59

Note: Audited Figures of Jun.2010

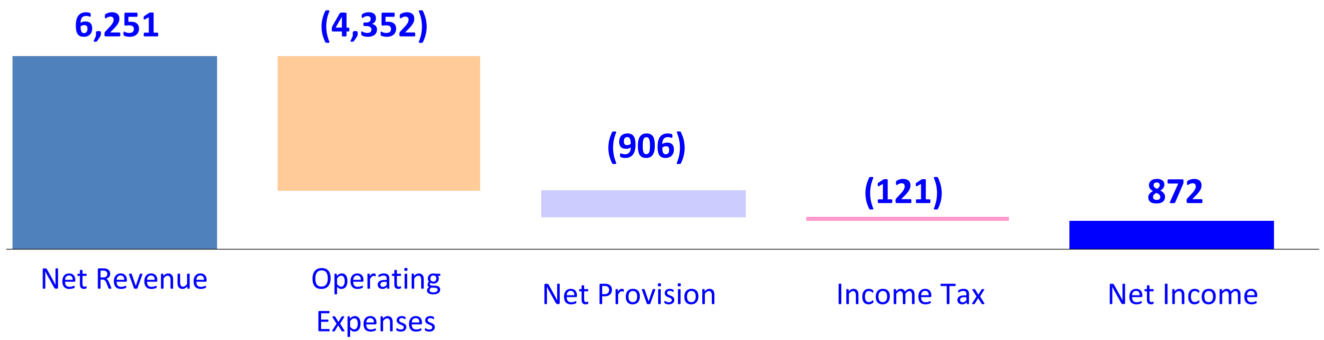
Net Profit Breakdown

1H 10 Consolidated Income & Loss

Unit: NT$ million



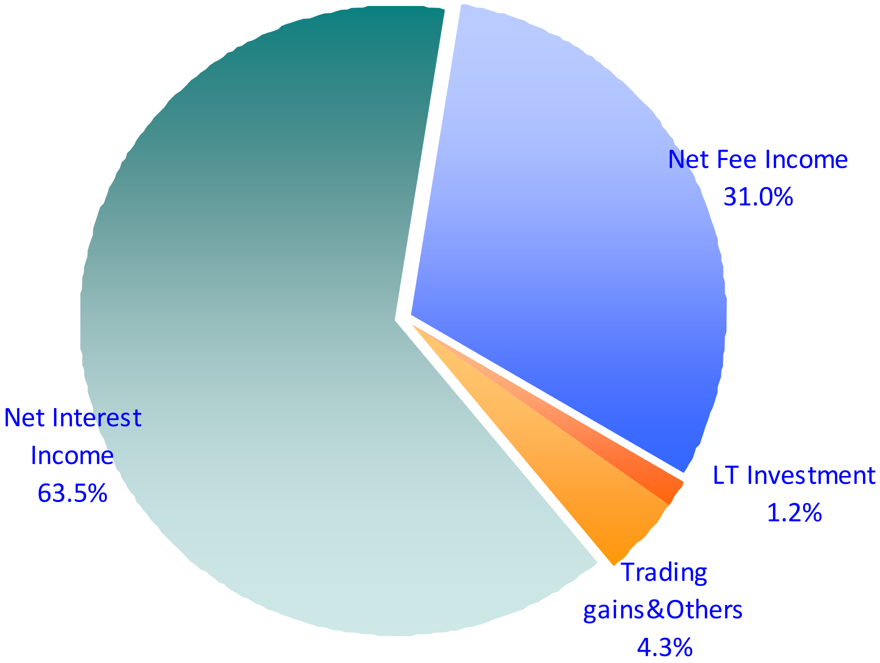
1H 09 Consolidate Income & Loss



Note: Audited Figures of Jun.2010

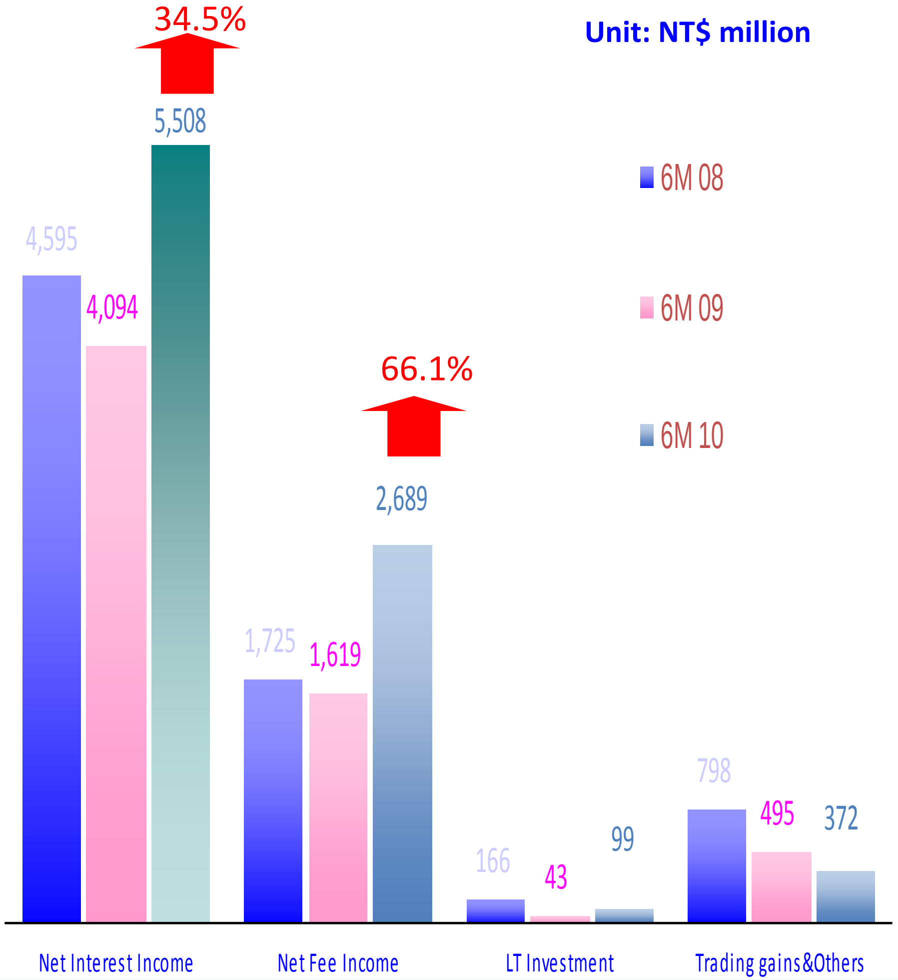
FHC Revenue Breakdown

Total Net Operating Revenue
NT$ 8,668 mm

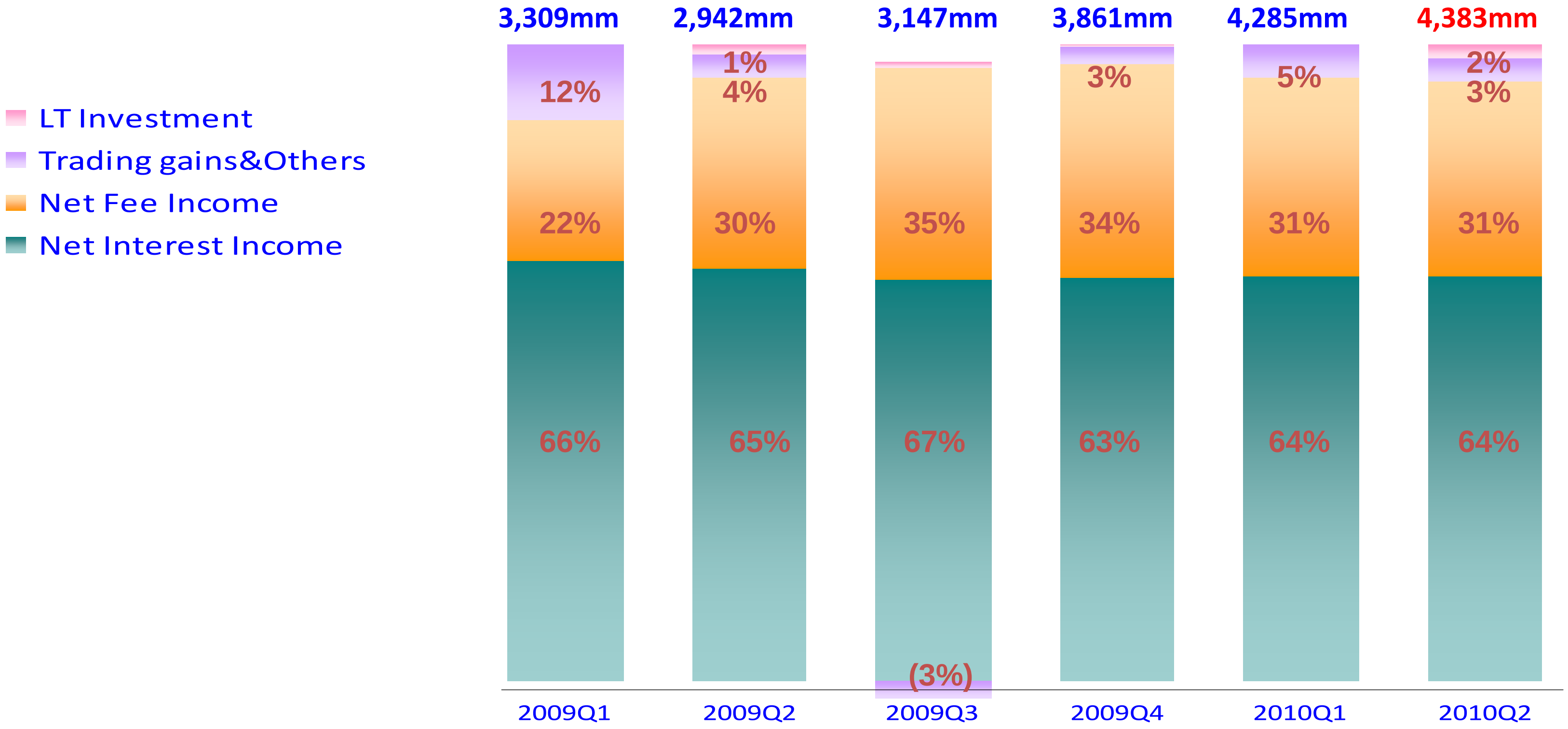


Note: Audited Figures of Jun. 2010

YoY Revenue Comparison



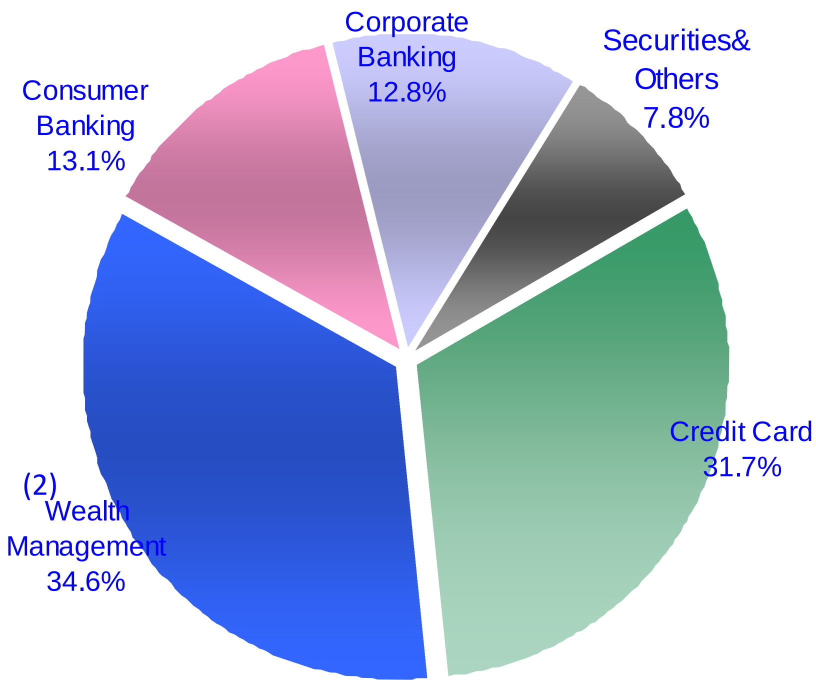
Quarterly Net Revenue Analysis



Note: Audited Figures of Jun.2010

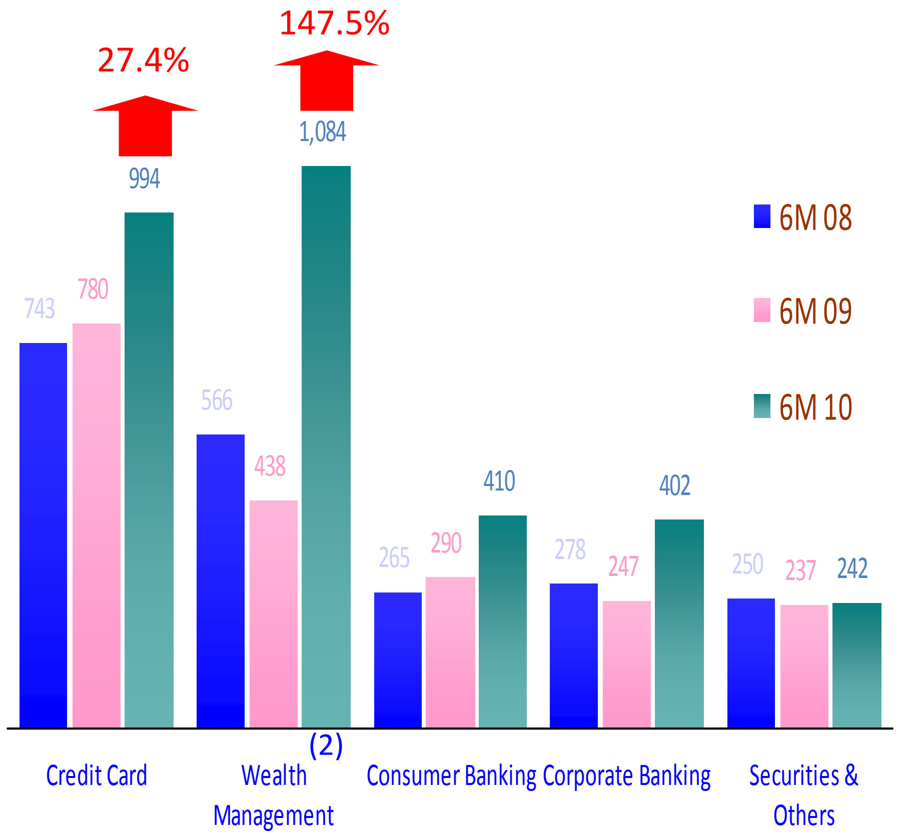
Fee Income breakdown

Total Gross Fee Income
NT$ 3,132 mm



YoY Gross Fee Comparison

Unit: NT$ million



Note: 1.Audited Figures of Jun. 2010

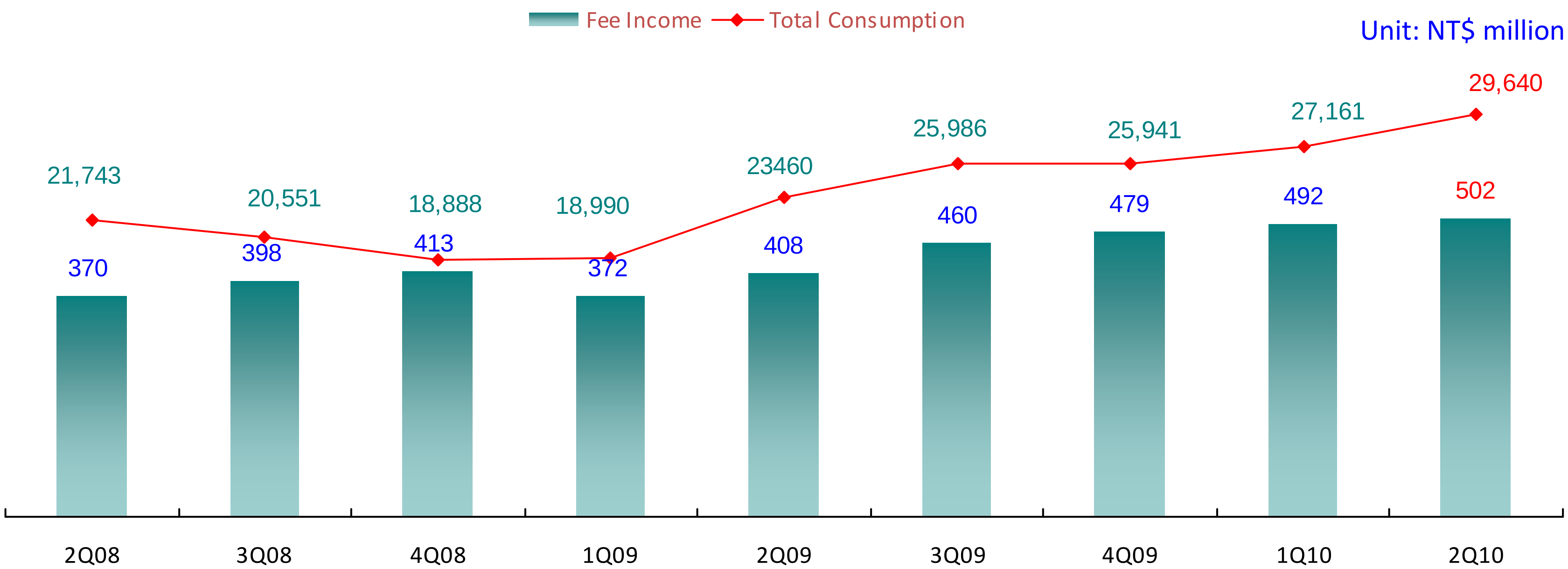
2. Including Bancassurance fee from E.SUN Insurance Broker

Leading Player in Credit Card Business

◆Increasing Market Shares in all aspects
- No.3 in revolving balance
- No.4 in circulating cards
- No.5 in total consumption

◆Strong growth in consumption and fee income
- Fee Income: with 2.0% QoQ growth rate and 27.4% YoY growth
- Consumption: 9.1% QoQ growth and 33.8% YoY growth

Unit: NT$ million



Strong Growth in Wealth Management

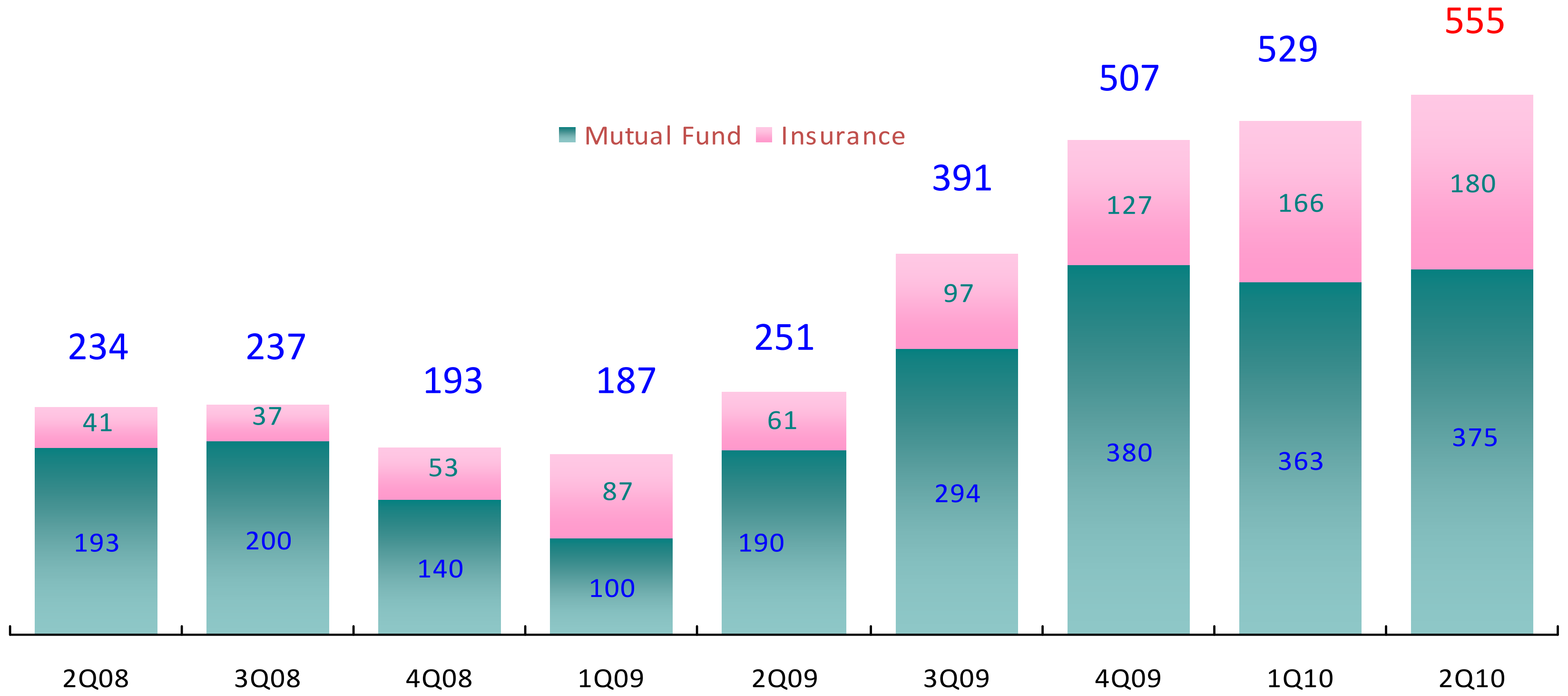
◆Strong Growth in WM fee income

- 147% YoY growth and 5% QoQ growth
- Best quarterly performance, exceeding 2007 high point.

◆ Bancassurance: the rising star in WM business

- Accounts for 32% of 2Q10 WM fee income, up from 7% in 2007.
- Provide a sustainable fee income source for WM business

Unit: NT$ million



Balanced Deposit and Loan Structure

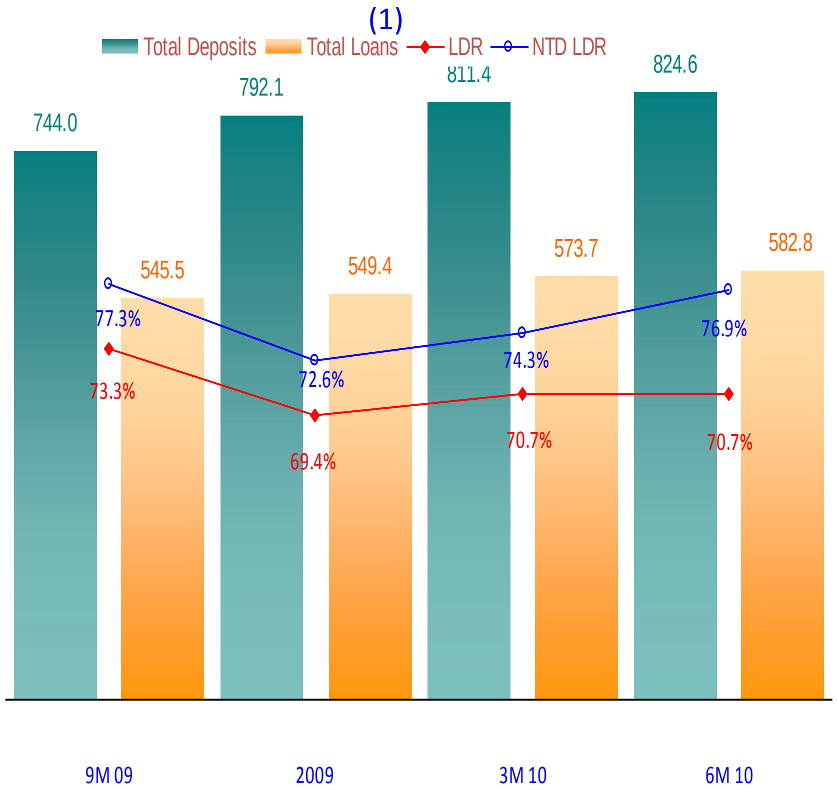
Unit: NT$ Bn

Products	6M 10	QoQ %	3M 10	2010 Growth %	2009
Total Deposits	824.6	1.6%	811.4	4.1%	792.1
Demand Deposits	330.2	4.0%	317.4	7.3%	307.7
Total Loans (1)	582.8	1.6%	573.7	6.1%	549.4
Corporate Loans	240.9	(0.1%)	241.4	6.2%	226.8
SME Loans	123.9	3.3%	120.0	10.0%	112.6
Consumer Loans	341.9	2.9%	332.2	6.0%	322.6
Mortgage Loan	253.7	(0.4%)	255.1	(0.5%)	254.9
Credit Cards in Circulation('000s)	2,567	2.5%	2,504	4.5%	2,457
Accumulated Credit Card Spending	56.6	N.A.	27.2	N.A.	94.4
Credit Card Revolving Balance	18.3	1.1%	18.1	1.7%	18.0

Note: 1.Exclude credit card revolving balance
2.Financials of E.SUN Bank

Strong and Stable Deposit Status

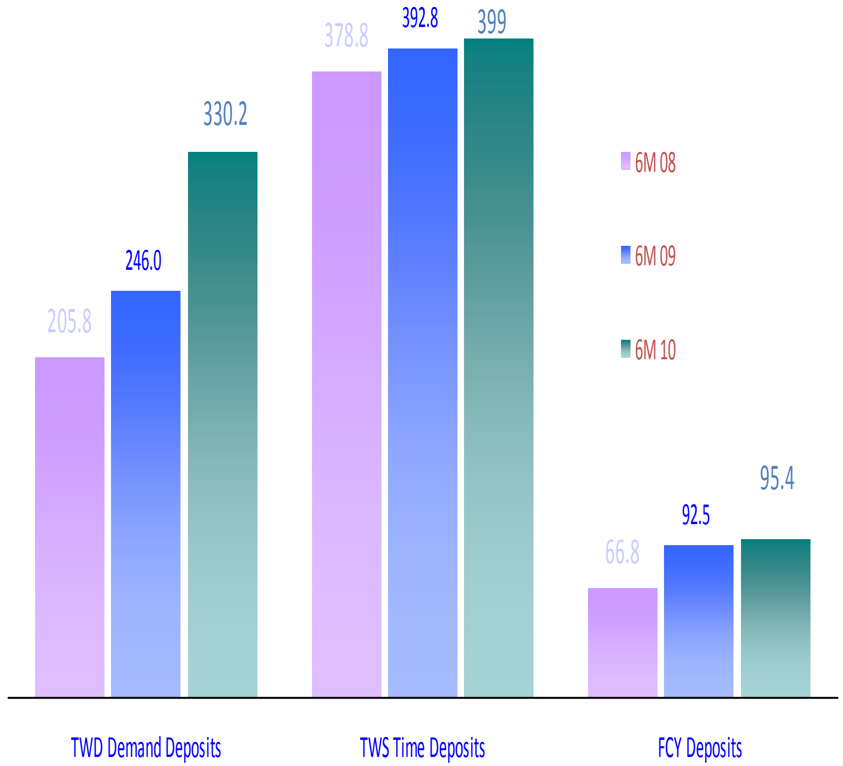
Loan to Deposit Ratio[1]



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

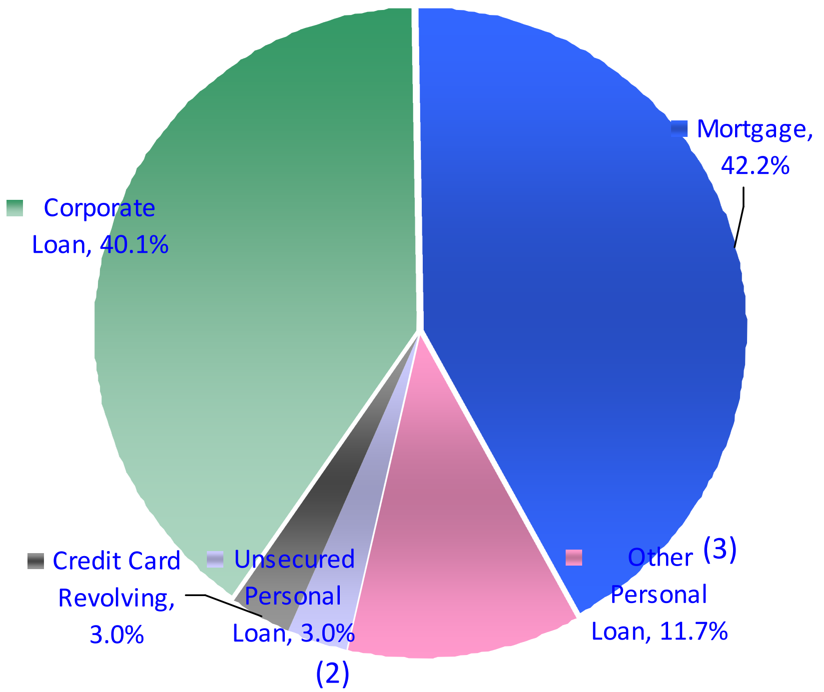
Deposit Structure

Unit: NT$ Bn



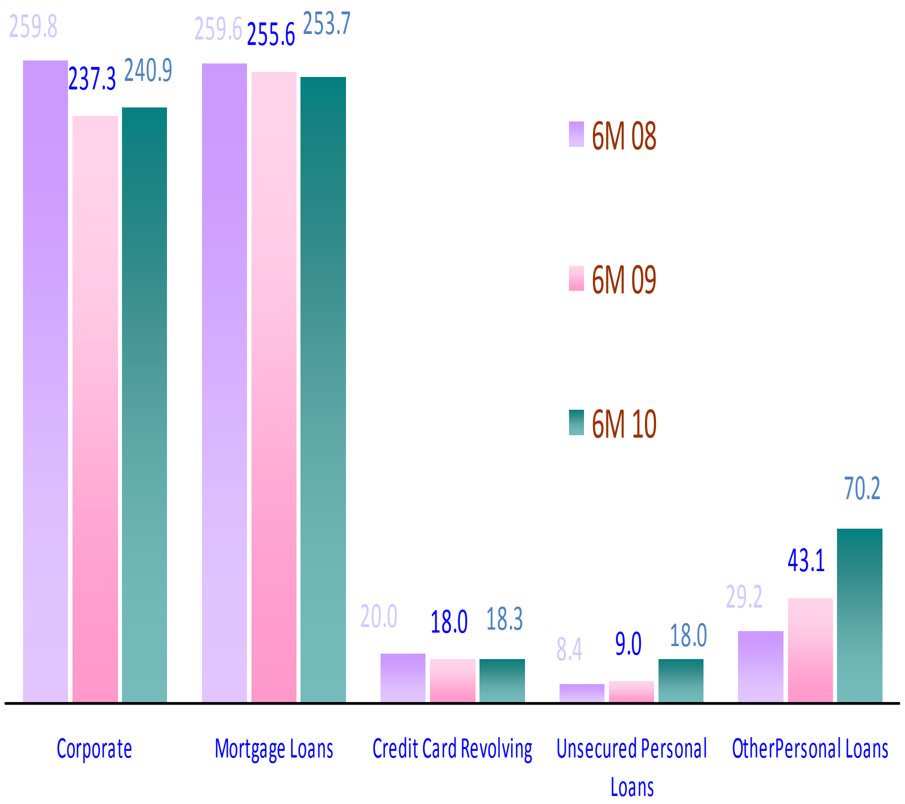
Balanced Loan Portfolio

Total Loan Portfolio (1)
NT$ 601.1 Bn



YoY Loan Portfolio Comparison

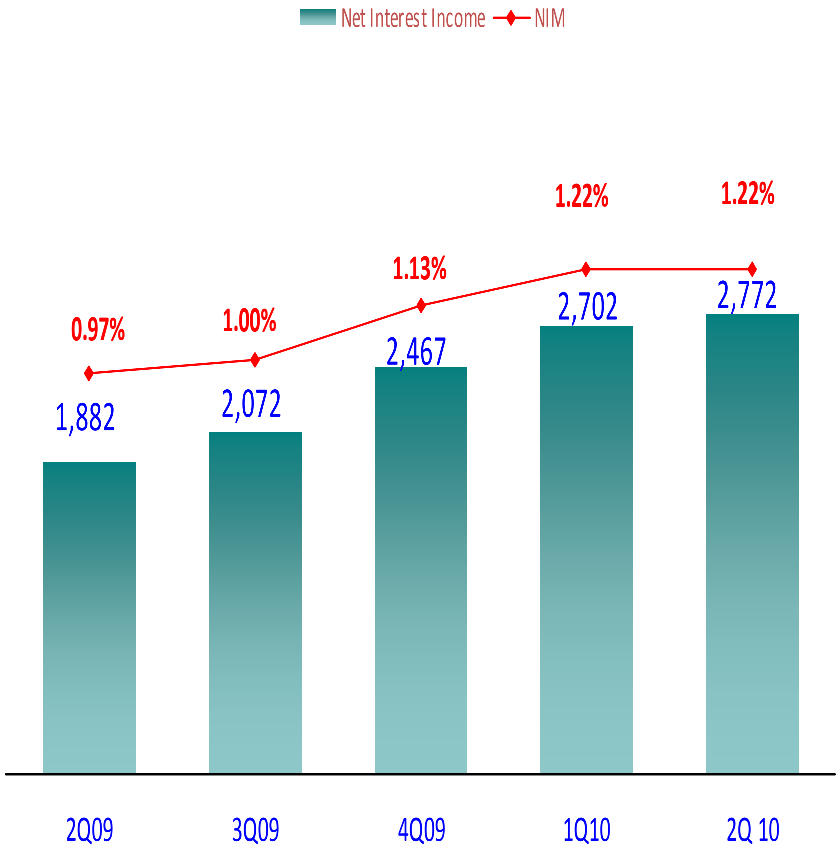
Unit: NT$ Bn



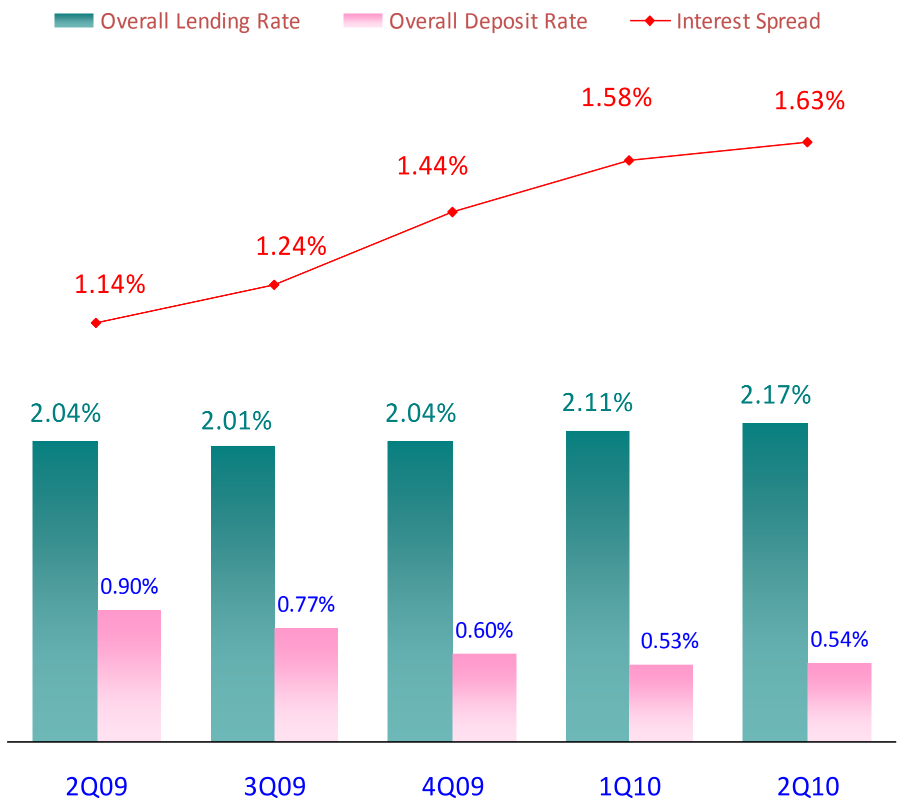
Note: 1.Include Credit Card Revolving balance
2.Unsecured Personal Loan, Include Cash card balance
3.Other Personal Loan, which is fully collateralized.
4. As of Jun. 2010

Expanding NIM and Spread

Quarterly Net Interest Income



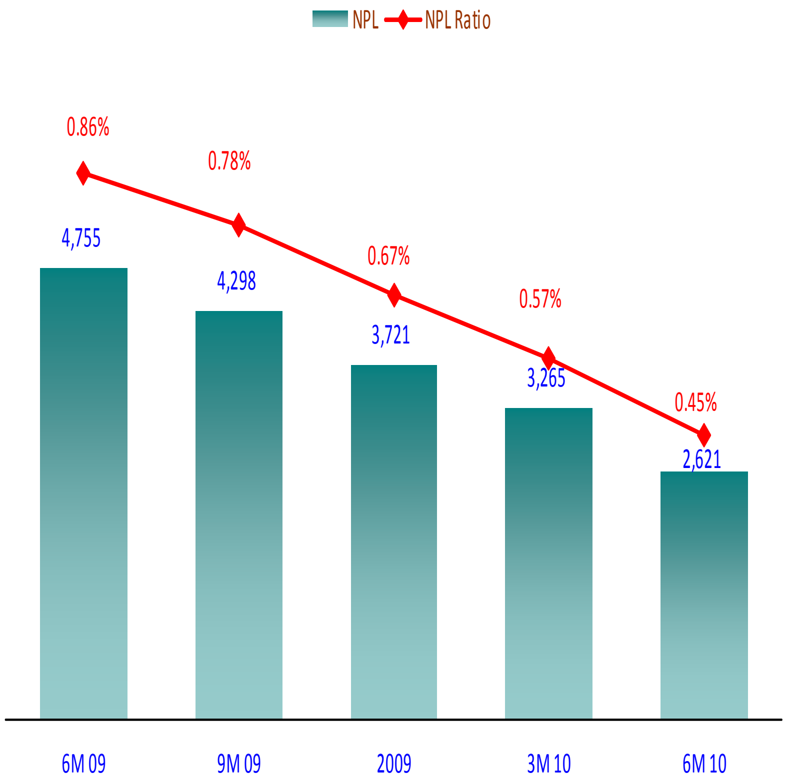
Quarterly Interest Spread



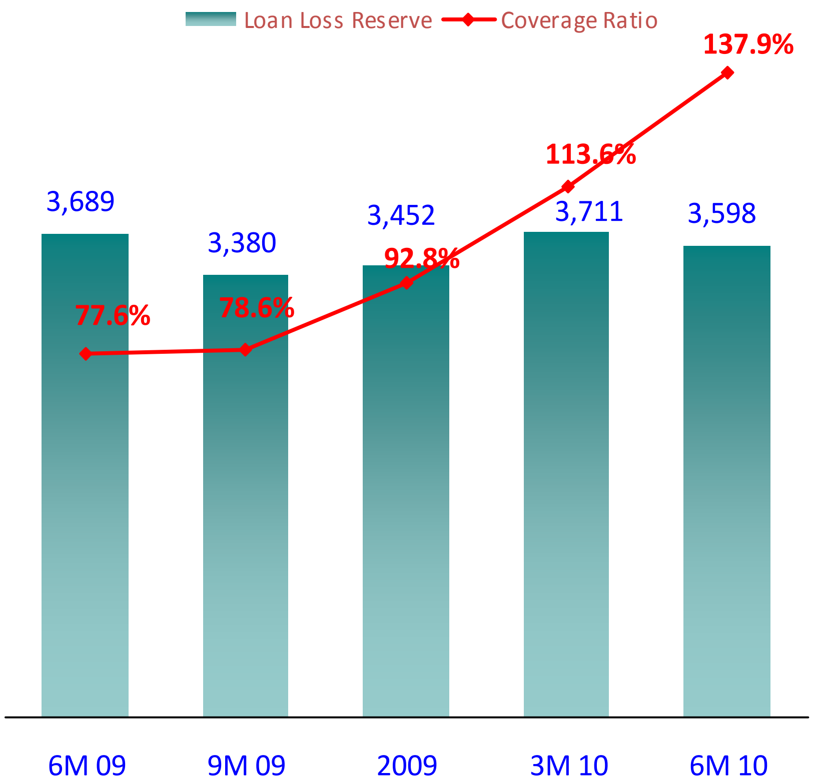
Note: Financials of E.SUN Bank

Superior Asset Quality 1/3

NPL Ratio(%)



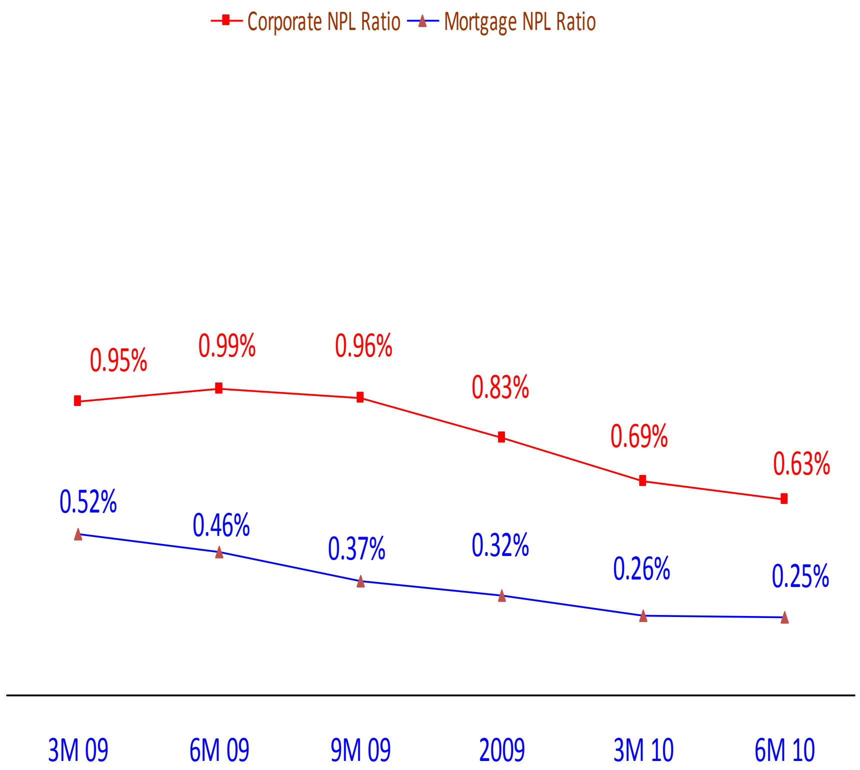
Coverage Ratio(%)



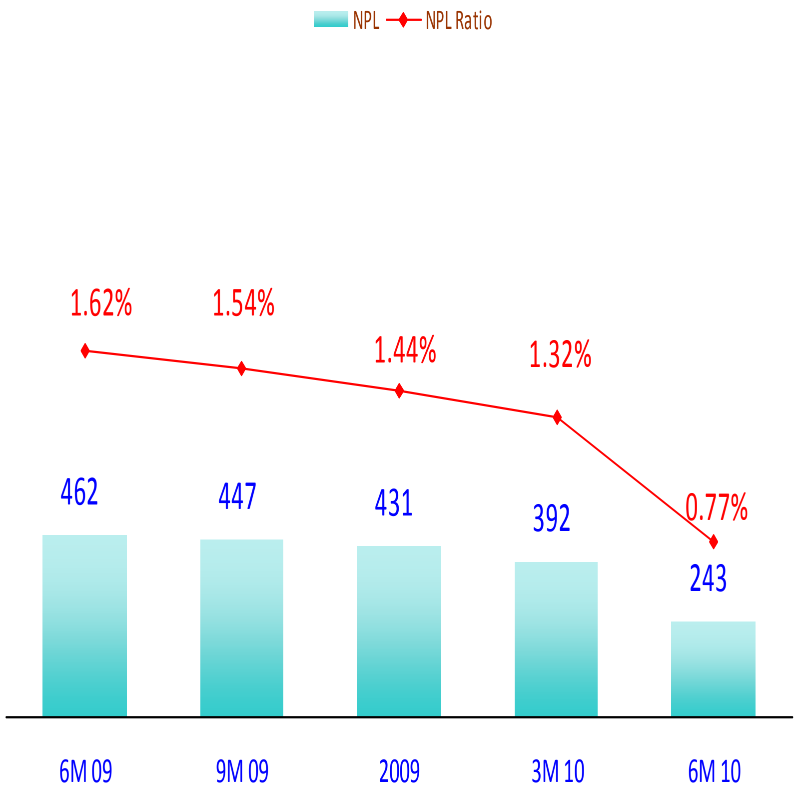
Note: .1. Financials of E.SUN Bank

Superior Asset Quality 2/3

NPL Ratio for Major Products



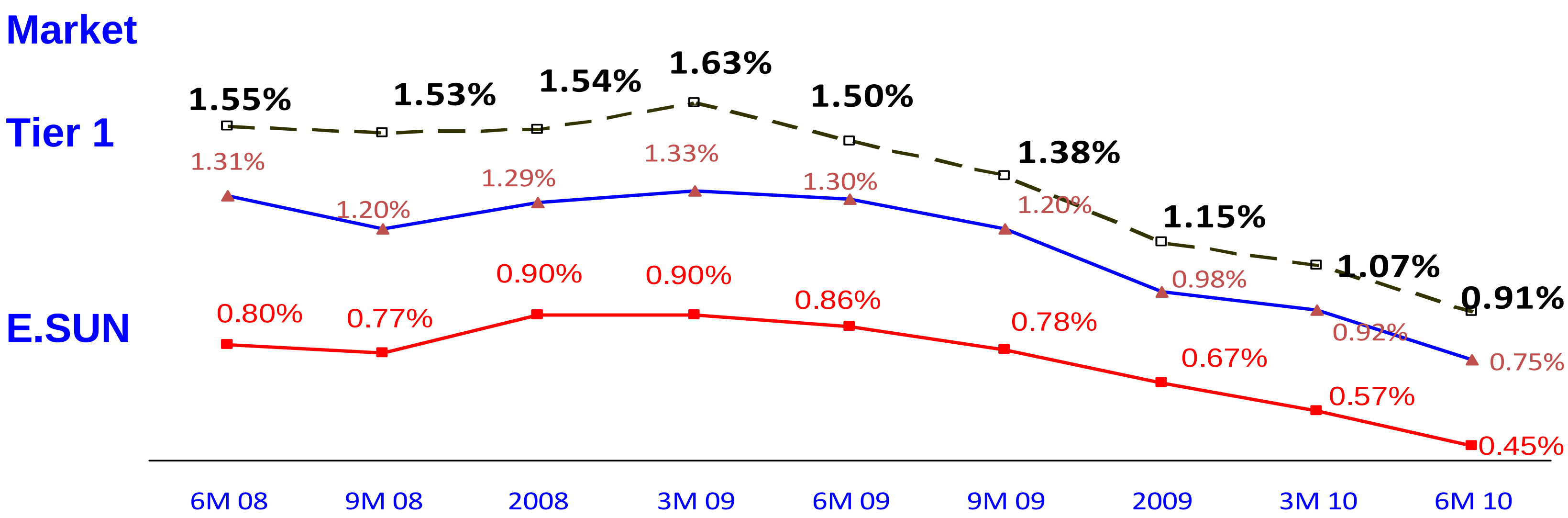
NPL Ratio for Credit Card



Note: .1. Financials of E.SUN Bank

Superior Asset Quality 3/3

NPL Comparison with Tier 1 players and the Market

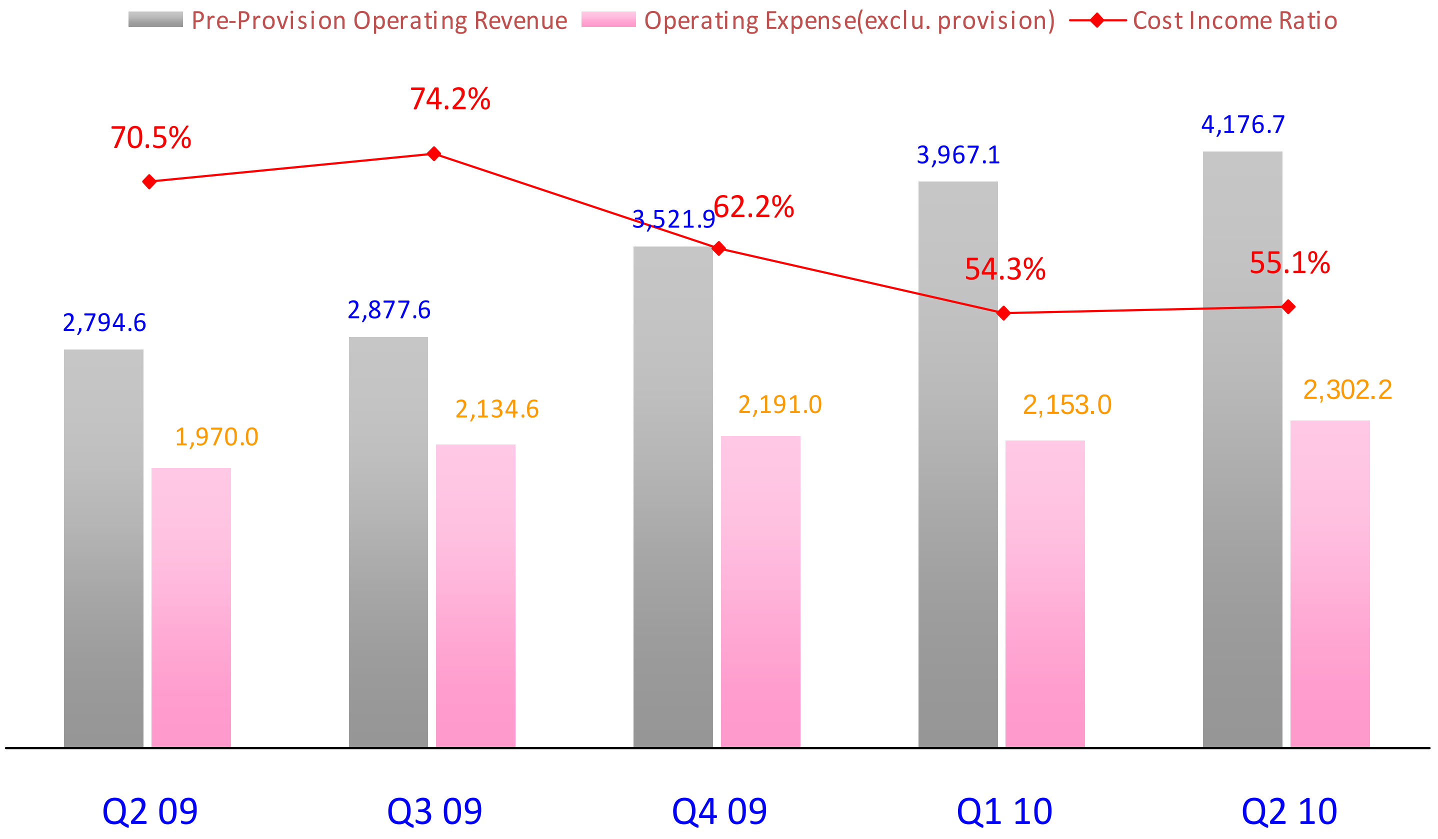


Note: 1. Source : FSC

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

Improved Cost-Income Ratio

Unit: NT$ million

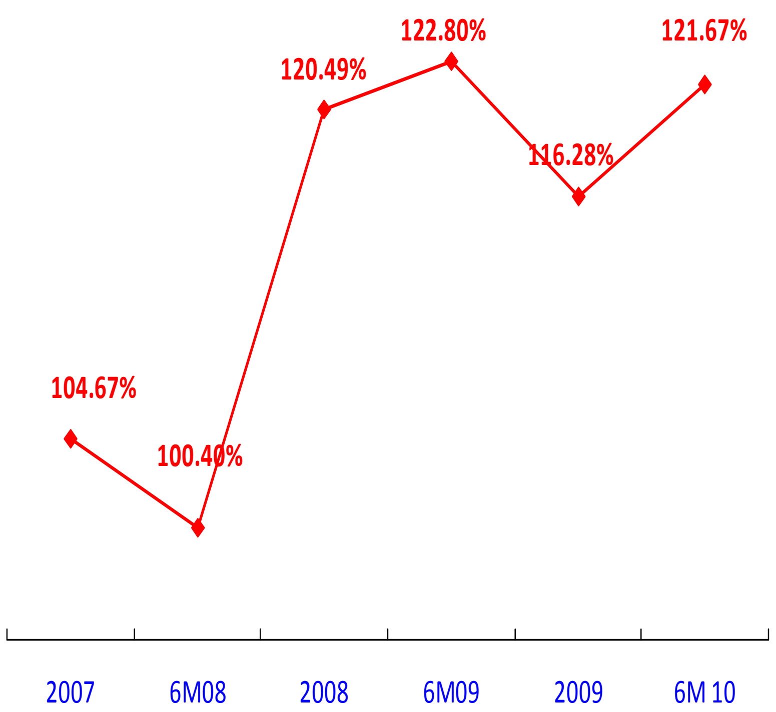


Note: 1. Audited Figures of Jun. 2010

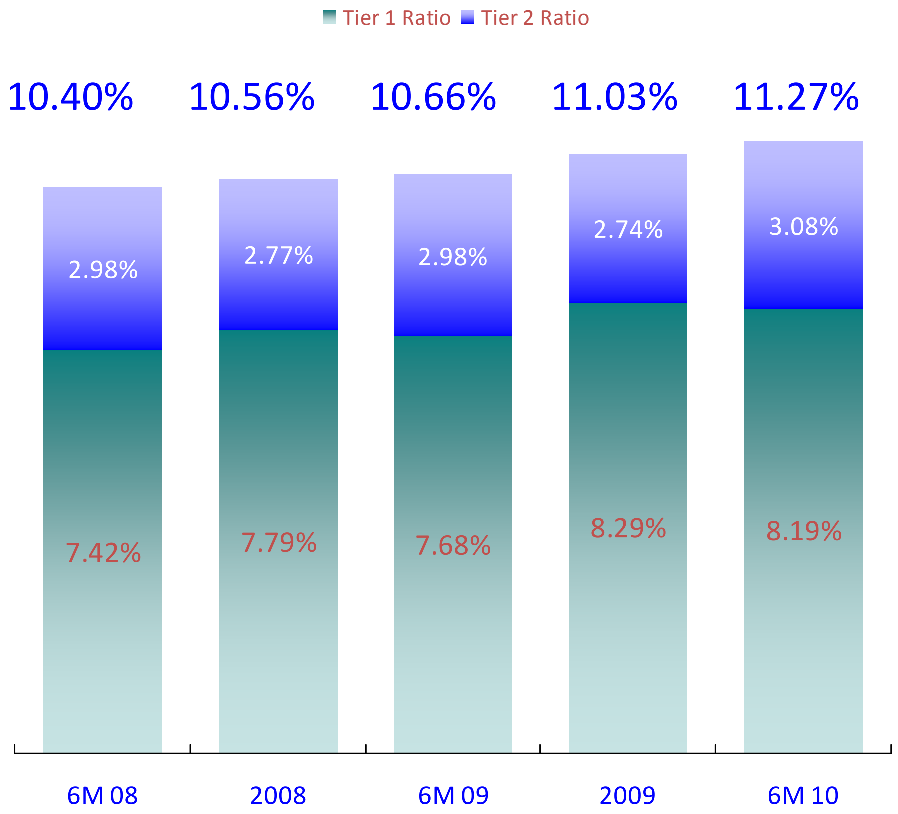
2. Financials of E.SUN Bank

Capital Adequacy Ratio

FHC CAR Ratio



Bank BIS Ratio



Q & A

- If you wish to know more about E.SUN, please visit our website site (www.esunfhc.com.tw/ir) for more information.

- If you have further questions, please feel free to contact us through email or conference call

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E.SUN of Taiwan, as E.SUN of the World.

Appendix 1/6

Balance Sheet of 1H 10 for E.SUN FHC and its subsidiaries

NT$ million	E.SUN Bank	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Assets：						
Cash and due from banks	49,477	263	214	192	7,429	49,495
Securities, net	299,836	360	209	1,418	1	298,415
Loans, net	582,988	-	-	-	-	582,988
A/R, net	36,047	4,317	58	-	901	40,786
LT investments, net	-	-	-	-	58,229	-
Land, premises andequipments, net	13,890	266	-	-	-	14,157
Others	9,551	1,112	35	40	18	14,108
Total assets	991,789	6,318	516	1,650	66,578	999,949
Liabilities:						
Deposits	808,898	-	-	-	-	800,817
Other liabilities	130,081	2,923	131	12	13,815	146,369
Total liabilities	938,979	2,923	131	12	13,815	947,186
Total stockholders' equity	52,810	3,395	385	1,638	52,763	52,763
Total liabilities andstockholders' equity	991,789	6,318	516	1,650	66,578	999,949

Appendix 2/6

P&L of E.SUN FHC and its subsidiaries for 1H 10

NT$ million	E.SUN Bank	E.SUN Sec. (Consolidated)	E.SUN IB	E.SUN VC	E.SUN FHC (Standalone)	E.SUN FHC (consolidated)
Operating income						
Net interest income	5,474	120	2	-	(89)	5,508
Fee income	2,123	270	324	-	-	2,689
LT investment income	0	-	-	-	2,336	4
Net trading income/(loss) & Derivatives & FX	399	(1)	-	65	(86)	386
Others	148	16	1	1	14	81
Total Net Revenues	8,144	405	327	66	2,175	8,668
Allowance for bad-debt expenses	(1,386)	-	-	-	-	(1,388)
Operating expenses	(4,455)	(315)	(78)	(6)	(110)	(4,848)
Income before income tax	2,303	90	249	60	2,065	2,432
Income tax expenses	(293)	(30)	(42)	(1)	67	(300)
Net Income	2,010	60	207	59	2,132	2,132

E.SUN FHC's Balance Sheet (Consolidated)

NT$ million	2007	2008	2009	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	QoQ(%)
Assets：									
Cash and due from banks	40,630	100,544	226,996	157,695	184,231	226,996	186,644	49,495	-73.5%
Securities, net	152,198	131,504	95,705	120,374	97,284	95,705	155,219	298,415	92.3%
Loans, net	514,649	532,945	550,484	546,264	546,890	550,484	574,159	582,988	1.5%
A/R, net	32,626	32,607	37,148	34,466	35,523	37,148	37,468	40,786	8.9%
LT investments, net	130	-	-	-	-	-	-	-	
Land, premises andequipments, net	12,915	13,283	14,184	13,024	12,970	14,184	14,058	14,157	0.7%
Others	19,034	18,584	17,801	18,618	19,893	17,801	7,324	14,108	92.6%
Total assets	772,182	829,467	942,318	890,441	896,791	942,318	974,872	999,949	2.6%
Liabilities:									
Deposits	589,441	658,991	769,286	704,305	718,304	769,286	789,564	800,817	1.4%
Other liabilities	134,899	121,734	121,094	136,129	127,222	121,094	132,517	146,369	10.5%
Total liabilities	724,340	780,725	890,380	840,434	845,526	890,380	922,081	947,186	2.7%
Total stockholders' equity	47,842	48,742	51,938	50,007	51,265	51,938	52,791	52,763	-0.1%
Total liabilities andstockholders' equity	772,182	829,467	942,318	890,441	896,791	942,318	974,872	999,949	2.6%

Appendix 4/6

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

	Yearly ResultsQuarterly			Quarterly Results					
NT$ million	2007	2008	2009	2Q09	3Q09	4Q09	1Q10	2Q10	QoQ(%)
Operating income									
Net interest income	9,526	9,580	8,642	1,906	2,101	2,447	2,722	2,786	2.4%
Fee income	3,870	3,241	4,033	886	1,117	1,297	1,341	1,348	0.5%
LT investment income	47	286	81	43	25	13	4	0	-100.0%
Net trading income/(loss) & Derivatives & FX	883	1,051	887	124	276	117	225	161	-28.4%
Others	(84)	6	(384)	(17)	(372)	(13)	(8)	89	-1212.5%
Total Net Revenues	14,242	14,164	13,259	2,942	3,147	3,861	4,284	4,384	2.3%
Allowance for bad-debt expenses	(2,175)	(3,536)	(2,117)	(447)	(168)	(1,043)	(733)	(655)	-10.6%
Operating expenses	(8,123)	(9,007)	(9,060)	(2,142)	(2,330)	(2,378)	(2,323)	(2,525)	8.7%
Income before income tax	3,944	1,621	2,082	353	649	440	1,228	1,204	-2.0%
Income tax expenses	(650)	(596)	(154)	(81)	(76)	43	(173)	(128)	-26.0%
Accounting principles	-	-	-	-	-	-	-	-	
Net Income	3,294	1,025	1,928	272	573	483	1,055	1,076	2.0%

E.SUN Bank's Balance Sheet

NT$ million	Yearly Results Quarterly			Quarterly Results					
	2007	2008	2009	Jun 09	Sep 09	Dec 09	Mar 10	Jun 10	QoQ(%)
Assets：									
Cash and due from banks	40,444	100,543	226,976	157,693	184,229	226,976	186,628	49,477	-73.5%
Securities, net	149,210	129,538	94,586	119,331	94,564	94,586	146,279	299,836	105.0%
Loans, net	514,649	532,945	550,484	546,264	546,890	550,484	574,159	582,988	1.5%
A/R, net	28,263	30,560	32,990	31,189	31,967	32,990	32,911	36,047	9.5%
LT investments, net	130	-	-	-	-	-	-	-	-
Land, premises andequipments, net	11,417	12,975	13,859	12,732	12,674	13,859	13,803	13,890	0.6%
Others	17,847	16,090	15,902	16,936	19,766	15,902	12,949	9,551	-26.2%
Total assets	761,960	822,651	934,797	884,145	890,090	934,797	966,729	991,789	2.6%
Liabilities:									
Deposits	598,774	666,460	775,064	712,679	726,562	775,064	795,229	808,898	1.7%
Other liabilities	116,523	109,971	108,226	124,066	115,090	108,226	119,230	130,081	9.1%
Total liabilities	715,297	776,431	883,290	836,745	841,652	883,290	914,459	938,979	2.7%
Total stockholders' equity	46,663	46,220	51,507	47,400	48,438	51,507	52,270	52,810	1.0%
Total liabilities andstockholders' equity	761,960	822,651	934,797	884,145	890,090	934,797	966,729	991,789	2.6%

Appendix 6/6

E.SUN Bank’s P&L account

NT$ million	Yearly ResultsQuarterly			Quarterly Results					
	2007	2008	2009	2Q09	3Q09	4Q09	1Q10	2Q10	QoQ(%)
Operating income									
Net interest income	8,823	9,375	8,602	1,881	2,070	2,467	2,702	2,772	2.6%
Fee income	3,255	2,707	3,161	668	801	1,022	1,048	1,075	2.6%
LT investment income	(9)	262	48	23	25	0	0	0	
Net trading income/(loss) & Derivatives & FX	897	789	811	231	232	16	275	124	-54.9%
Others	(28)	(134)	(306)	(8)	(338)	16	(58)	206	-455.2%
Total Net Revenues	12,938	12,999	12,316	2,795	2,790	3,521	3,967	4,177	5.3%
Allowance for bad-debt expenses	(2,175)	(3,536)	(2,112)	(448)	(56)	(1,042)	(733)	(653)	-10.9%
Operating expenses	(7,474)	(8,278)	(8,336)	(1,970)	(2,135)	(2,190)	(2,153)	(2,302)	6.9%
Income before income tax	3,289	1,185	1,868	377	599	289	1,081	1,222	13.0%
Income tax expenses	(698)	(403)	(94)	(97)	(59)	72	(147)	(146)	-0.7%
Accounting principles	-	-	-	-	-	-	-	-	-
Net Income	2,591	782	1,774	280	540	361	934	1,076	15.2%