

ANNUAL REPORT 2015

E.SUN FHC 2884



玉山金控 E.SUN FHC

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Information of Overseas Depository Receipt

Global Depository Receipt

Place of Trading: Luxembourg Stock Exchange

Website: <http://www.bourse.lu>



E.SUN FHC 14th



Daybreak Light
YANG YIN-FONG
Possession of E.SUN

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I. Letter to the Shareholders

Dear Shareholders

2015 saw quite dramatic economic swings and subdued growth. Fed started a fresh rate hike cycle in December, and its 25-basis point rate increase ended nearly seven years of near-zero interest rates. Mainland China left behind years of hefty growth as the country changed gear to structural reform; big swings in equity market and RMB interest and exchange rates sent shock waves across global markets. Export-oriented economies were hit hard by declines in consumer demand and plunges in the prices of crude oil and other commodities. On the other hand, the 2015 Paris Climate Conference managed to achieve a legally binding and universal agreement on reducing greenhouse gas emissions, thus setting a new milestone on the path toward a low-carbon global economy. These rapid changes, to be sure, posed a major challenge to businesses while also making a critical moment for testing their capability to adapt accordingly.

E.SUN Bank achieved an admirably benchmark again in 2015. Besides setting record highs in earnings and other financial indicators, E.SUN was simultaneously honored by two prestigious magazines-The Asset and Asiamoney-as the best domestic bank in Taiwan. Moreover, E.SUN was listed in the DJSI World Index, the first ever financial institution in Taiwan. All these accolades attest to the extensive recognition, domestic and overseas, of E.SUN's longtime commitment to sound business and sustainable development.

Confronted with a new era of the "fast" economy, businesses are challenged to compete not only with peers but also across the arena-like marketplace. Keeping this in mind, we develop internal stability and external flexibility strategies to adhere to our core value: "Pure as Jade, Sturdy as Mountain." Meanwhile, we will integrate resources internally and



throughout our strategic partners in order to build transient competitive advantage, foster innovation and growth, and providing higher quality service to customers. E.SUN aims to become the most favorite and best choice bank in Taiwan.

Record high Performance in 2015

E.SUN Bank is the core subsidiary of E.SUN FHC. Named after Taiwan's highest peak Yushan, E.SUN is committed to making the best bank in Taiwan. E.SUN developed a long term business philosophy of honesty and integrity, as well as a fresh, professional image over the years. This commitment has won the trust and support of customers and the public. As Asia increasingly asserts itself and regional integration gains momentum, E.SUN has established strong root in Taiwan and made footprint into Asia in its third decade. The mission includes strength business and niche in Taiwan, expand more operational sites in ASEAN, and launch a cross-border financial platform. By developing differentiate, localized financial services, E.SUN aims to become a distinctive bank in Asia.

In 2015, E.SUN FHC set up a record high net income to NT\$12.816 billion, NT\$1.63 per share. ROE and ROA came in at 11.23% and 0.78% respectively, furthermore, capital ratio was 141.73%. Meanwhile, E.SUN FHC was able to maintain asset quality benign as well. The NPL ratio of 0.13% was supplemented by a 930% loan loss

coverage ratio. In terms of the FHC's credit ratings, Moody's kept intact its long/short-term foreign-currency deposit ratings of Baa1/P-2 with a stable outlook, while subsidiary E.SUN Bank maintained its rating of A3/P-2/ stable.

At the end of 2015, E.SUN Bank's total assets amounted to NT\$1.78 trillion; outstanding balance of all deposits, NT\$1.46 trillion, and those of demand deposits and foreign currency deposits, NT\$670.5 billion and NT\$356.8 billion respectively; and outstanding balance of loans, NT\$1.04 trillion. Total fee income amounted to NT\$15.499 billion, with 19.6% growth. E.SUN enjoy rapid and balance development on all business. When it comes to the credit card business, E.SUN Bank continued to command the highest market share, or 23.74%, in the premium World MasterCard sector. Similarly, the Bank saw its card spending amount increase by NT\$41.2 billion to NT\$252.4 billion, the highest growth rate in the market. Moreover, the Bank not only continued to extend more SME loans than any other private bank in Taiwan but also receive the SME Credit Guarantee Partner Awards for the 10th consecutive year, set up a milestone in the market. In a similar vein, wealth management fee income posted growth in excess of 35% for four consecutive years. The outstanding balance of foreign currency deposits rose by NT\$75.2 billion, with 26.70% growth, while that of unsecured

personal loan increased 32% to NT\$87.2 billion.

In terms of financial innovation and digital banking, E.SUN successfully acquired a Fintech Company to expand its Fintech development. Also, E.SUN is keen to pioneer changes in cash flow, channel, and marketing in order to provide local businesses and consumers with comprehensive and convenient services. E.SUN lead the market to launch cross-border payment services which enable visitors from mainland China to use mobile wallet to purchase on the Alipay platform. Likewise, the Bank also took the lead to collaborate with Visa to promote E.SUN Wallet, an HCE mobile credit card service. When Gartner held its first awards for innovation in digital banking in 2015, E.SUN received three grand awards, including the Digital Champion in Asiapac Award. E.SUN stood out not only as the biggest winner in the Asia Pacific but also as the only enterprise in Taiwan of such honors.

When it comes to overseas expansion, E.SUN established a total of 21 overseas operational sites among 7 countries and regions. including mainland China, Hong Kong, Singapore, Vietnam, Cambodia, Myanmar, and Los Angeles. In January 2016, E.SUN's Chinese subsidiary became operational. In March 2016, E.SUN got approval from Central Bank of Myanmar to be the first Taiwanese bank granted with branch license in Myanmar.

Key indicators for E.SUN FHC

Unit:NT\$million

Indicator	Item	2015/12	2014/12
Total Assets	E.SUN FHC	1,775,284	1,566,420
	E.SUN Bank	1,760,401	1,551,944
	E.SUN Securities	11,254	11,422
	E.SUN Insurance Brokers	1,281	852
	E.SUN Venture Capital	3,839	3,225
Key Financials	E.SUN FHC Book value per share (NT\$)	15.21	15.15
	Double Leverage Ratio	104.29%	106.12%
	E.SUN FHC CAR	141.73%	140.76%
	E.SUN Bank CAR	13.33%	12.75%
Distribution Channels	E.SUN Bank 's Domestic Branches	136	136
	E.SUN Bank 's Overseas channels (by 2016/3/30)	Branch in HK, LA, Singapore, Donguan (China)* Vietnam, and Subsidiary UCB, Cambodia Representation office in Myanmar	
	E.SUN Securities' Branches	21	21
Earnings	Net Income(Attributable to owners of the company)	12,816	10,529
	EPS(NT\$)	1.63	1.56
	ROE	11.23%	11.11%
	ROA	0.78%	0.73%

Credit Ratings

E.SUN FHC

Category	Credit Rating Agency	Long-Term Ratings	Short-Term Ratings	Outlook	Effective Date
International Ratings	Moody's	Baa1	P-2	Stable	2015.09
	S&P	BBB-	A-3	Stable	2015.07
Domestic Ratings	Taiwan Ratings	twA+	twA-1	Stable	2015.07

E.SUN Bank

Category	Credit Rating Agency	Long-Term Ratings	Short-Term Ratings	Outlook	Effective Date
International Ratings	Moody's	A3	P-2	Stable	2015.09
	S&P	BBB	A-2	Stable	2015.07
Domestic Ratings	Taiwan Ratings	twAA-	twA-1+	Stable	2015.07

Strategies for Future Development

As Asia increasingly asserts itself and regional integration and financial technology gain momentum, competition stands out as an ongoing process commonly seen across industries, borders, and the physical and the virtual. For its part, E.SUN has long been committed to growing a double-pronged culture that values both stability and flexibility. This stability is based on a shared vision and common aspirations, a clearly defined value system, and long-term cultivation of manpower. For its flexibility, E.SUN draws from precise strategies, execution, and optimal allocation of resources. As such, the following strategies have been set for 2016:

1. Accelerating the development of financial technology: By embracing the latest trends in the financial technology (FinTech) industry and systematically expanding the E.SUN FinTech Team — an effort that includes internal staff training, investments in mergers and acquisitions, and strategic alliances and collaborative consulting — technology is now a critical force for sustained growth at E.SUN FHC.
2. Develop innovative payment services: In line with the government policy that promotes electronic payments, E.SUN is proactive to develop innovative payment and credit card services. Resources across the E.SUN and its strategic partners will be integrated to help customers enjoy greater convenience in making payments. In the spotlight are cross-border applications, mobile payments, and innovative collections and payments.
3. Integrate physical and virtual channels: Embrace the Bank 3.0 era and provide customers with an exquisite banking experience by drawing on digital banking and integrating online and mobile banking as well as the Bank's official website, customer service center, automated equipment, and branches.
4. Develop most-trusted wealth management: Further enrich products and services—mutual funds,

insurance, trust, and overseas bonds—and recruit and team up more wealth management specialists. Combine domestic and overseas outlets to establish a cross-border wealth management platform that serves high-asset customers. Furthermore, digitize wealth management services that integrate the physical and the virtual.

5. Build the best brand for SME services: Further bolster E.SUN's SME business by focusing on customer segmentation, channel optimization, and service integration. Build on the Bank's success in Taiwan to help overseas subsidiaries serve local SMEs.
6. Strengthen services for cross-border businesses: Cater to the specific needs of Taiwanese businesses operating offshore by building unified accounts for conglomerates and their affiliates as well as cross-border service teams and developing cross-border products. Draw on overseas outlets to provide unique cross-border financial solutions and launch into international syndicated loans and structured financing.
7. Consolidating insurance brokerage services: After the Financial Supervisory Commission (FSC) moved to ease restrictions permitting banks in Taiwan to engage in insurance broker services, E.SUN FHC submitted a regulatory proposal to merge E.SUN Insurance Brokers into E.SUN Bank. This move consolidates E.SUN FHC's services and offerings under one unified and synergistic system, resulting in greater operational efficiency. Moreover, shifting insurance brokerage services into our banking unit enables E.SUN Bank to provide customers with superior and more comprehensive financial services.
8. Offering more diverse and specialized securities: E.SUN FHC is expanding its range of cross-industry services including sub-brokering, ETFs, and other related areas based on a core business of brokerage services. In addition, innovative new trading instruments are being developed internally by E.SUN FHC with the aim of generating stable absolute returns. By combining the Group's resources and underwriting business to provide various services such as IPO advisory and SPO

fundraising assistance, E.SUN FHC is well-equipped to meet the needs of the SME capital market.

9. Launch an Asian financial platform: E.SUN aims to make further footprint into ASIEAN and build on domestic strengths to develop overseas operational sites to deliver localized services. The Chinese subsidiary will focus on south China and give priority to cultivate talent and get multiple business licenses. For its part, Hong Kong Branch will play a central part in developing an offshore capital allocation and wealth management center catering specifically to Taiwanese businesspeople. To foster the Cambodian subsidiary UCB's long-term development, E.SUN will establish infrastructure and extend its strengths in SME and credit card services from Taiwan. Besides keeping an eye on opportunities for entering into other Asian markets, the Bank will give priority to preparing for its Yangon Branch in Myanmar and Sydney Branch in Australia and applying for a new branch in Tokyo.

Strive for Sustainable Development

Honoring corporate social responsibility and making the better world are E.SUN's two solid commitments to Taiwan. E.SUN focus on cultivating a distinct corporate culture under humbleness, willingness and feel grateful for accomplishments. Every member of E.SUN is encouraged to act as a volunteer for social engagement. With core competence in the financial services industry as a point of departure, he or she shall take the initiative to inspire people and other businesses to help with various long-term CSR endeavors. E.SUN hopes to inspire more individual and enterprises to follow suit and join a common cause to bring about a virtuous cycle for Taiwan.

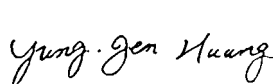
In 2015, E.SUN became a signatory to the Equator Principles. When it comes to project financing, E.SUN is proactive to work with customers not only to promote economic development but also to advance social and environmental sustainability by leveraging wisdom, strategies, and methods. We will maintain our devotion and implementation of corporate social responsibility at every aspect, including corporate governance, employees, customers, environment, and society. We are set to utilize our capacity for innovation and integration as we strive for sustainability. A summary of our efforts in this regard is as follows:

1. In terms of corporate governance, we will further upgrade the functions of the board, enhance the transparency of information disclosure, and actively participate in evaluation and assessment of such endeavors. E.SUN is winner of the Platinum

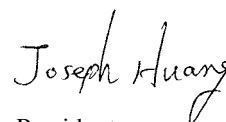
Corporate Award for Management Excellence among Asian Enterprises accorded by Hong Kong's The Asset magazine for six consecutive years, marking the best record in Taiwan.

2. In terms of employee welfare, E.SUN takes long-term cultivation of talent seriously so that employees can be rewarded with a rosy future for their hard work. Meanwhile, E.SUN has long been recognized as a high-performing enterprise that brings employees happiness in the form of benefits and other practices superior to laws and regulations.
3. In terms of customer care, E.SUN take priority to high quality service, and actively develop financial technology in order to offer comprehensive customer services. Equal emphasis is placed on information security to keep protecting customer assets and rights.
4. In terms of environmental protection, E.SUN is proactive to adapt to climate change and do its part in decreasing greenhouse gas emissions. After having secured external GHG verification of its headquarters and domestic branches, E.SUN is ready to usher in international carbon and water footprint certification going forward.
5. In terms of social responsibility, E.SUN's Golden Seed Project is designed to appeal to the benevolence of those who own E.SUN's World MasterCard for building libraries at remote elementary schools of the country. At the end of 2015, 100 libraries had been established. And now E.SUN is ready to move on to build another 100 libraries. In the future, we will make our efforts toward sponsoring academic and educational activities, sports development, charitable events, and the humanities and arts.

E.SUN knows numerous opportunities and challenges will lie ahead as it continues to strive for excellence. We will abide by our beliefs and focus on sustainable development. Committed to the long-term value of management, we will combine our core business with corporate social responsibility as promoting innovation and enhancing performance, thereby setting another milestone for Taiwan's financial development. Our gratitude goes to all those who have supported, encouraged, and advised us. We will persist with our efforts toward a brighter future for both customers and the public. Best wishes for everyone in 2016!



Chairman



President

II. Company Profile



1. Introduction

1. Establish date: 2002.1.28

2. History

(1) E.SUN FHC

With the dedicated leadership of E.SUN's management teams and the collective efforts of its employees, E.SUN Financial Holding Co. Ltd. (FHC) has developed into a business group that provides comprehensive financial services. It has also achieved consistent performance both internationally and domestically in various domains, including corporate governance, business performance, service quality, risk management, and corporate social responsibility. We will dedicate more effort in upholding the spirit of "Pure as jade, Sturdy as mountain." We will use accurate, flexible strategies and team execution capabilities to provide excellent financial services and create greater value for our customers.

E.SUN FHC was established in January 2002 to integrate product lines and promote product development, maximize integrated marketing, reduce business costs, and pursue operational synergy. The FHC was established through a share swap between E.SUN Bank, E.SUN Securities, and E.SUN Bills Finance. In October of that year, E.SUN Venture Capital was founded, followed by E.SUN Insurance Brokers in July 2003. In September of the same year, E.SUN Investment Trust became part of the FHC through a share swap.

By taking into account the best allocation of overall financial resources and endeavoring to seek improved management efficiency, subsidiary E.SUN Bank has acquired the assets, liabilities, and operation matters of Kaohsiung Business Bank in September 2004. Meanwhile, believing E.SUN Bills Finance had achieved its designated mission, this unit was merged into E.SUN Bank in December 2006. In September 2008, E.SUN signed an agreement with Schroders to

sell a 100% stake in E.SUN Securities Investment Trust to that company, furthermore, considering the market environment of leasing industry, subsidiary E.SUN Bank has acquired Chu Nan Credit Cooperative Association on July, 2011 and acquired Chiayi Fourth Credit Cooperative on November, 2012. E.SUN acquired the latter's assets, liabilities and operations. To expand its overseas businesses, E.SUN Bank transferred its investment to Union Commercial Bank PLC. in Cambodia on August 28, 2013, acquiring 70% of the shares of this bank. In January 2016, E.SUN FHC completed the establishment of its subsidiary in Shenzhen, China, becoming the first Taiwanese subsidiary in the South China region.

For the purposes of achieving higher economies of scale and overall synergy, improving integrated marketing, and reducing operating costs, Subsidiary - E.SUN Bank completed the consolidation by merger with E.SUN Insurance Brokers as of March 25, 2016. E.SUN Bank is the continuing company.

Thanks to the hard work of sound management and entire workforce over the years, E.SUN FHC has long been recognized among local consumers as a trusted brand name of purity and professionalism. Abiding by our ideals of professionalism, service, and responsibility, we are ready to persist with talent cultivation and strive for growth through innovation, thereby fulfilling our vision for corporate social responsibility and achieving sustainable development over time.

(2) Core subsidiaries- E.SUN Bank

In 1992, Taiwan lifted a decades-old ban on starting new commercial banks. Huang Yung-jen, founder and chairman of E.SUN Bank, was joined by a number of

financial experts to start a bank not related to families or government. It was named after Yushan, or Mt. Yu, Taiwan's highest peak. With "The benchmark in banking and service" as its hallmark, E.SUN Bank has aimed for the best bank not only in Taiwan but also in Asia since its birth on February 21, 1992.

Channels hold the key to developing the financial services industry. On top of its 136 domestic branches, E.SUN Bank also draws on virtual channels for online banking platform and 24hrs customer service center, to provide customers with the integrating virtual and physical service network. For overseas side, E.SUN established 21 business sites across 7 countries, including China, Los Angeles, Hong Kong, Singapore, Vietnam, Cambodia and Myanmar. To be sure, the Bank is proactive to further assert itself in Asia and consolidate domestic and overseas service networks and product platforms, thereby providing customers with better-rounded, more convenient cross-border services.

(3) Subsidiaries- E.SUN Securities

E.SUN Securities was opened on November 20, 2000 and became E.SUN FHC's 100%-owned subsidiary on January 28, 2002. Over the years, E.SUN Securities has always emphasized strengthening its professional image, with the goal of becoming the most reliable securities house to its customers. It has branded its image as people's first choice for investments.

Based on its brokerage businesses, E.SUN Securities has actively developed e-trading platforms and integrated the professional research resources of E.SUN Investment Consulting, vigorously developing its futures, overseas sub-brokerage, and ETF businesses. E.SUN Securities pursues balanced

development of its dealer and underwriting businesses, and in December 2014, it launched its Offshore Securities Unit (OSU), creating business opportunities for developing its overseas market. In future, it will follow E.SUN FHC in extending its reach into the Asian market, thereby establishing more business opportunities for expanding the overseas securities market.

(4) Subsidiaries- E.SUN Insurance Brokers

Established in July 2003, E.SUN Insurance Brokers has upheld the principle of professionalism, service provision, and responsibility, continuously creating value for its customers. It selects insurance products that fulfill customer needs, in response to the market environment and trends. E.SUN Insurance Brokers is currently working with a number of insurance companies, including Nanshan Life Insurance, China Life Insurance, Mercuries Life Insurance, Allianz, Cardif Assurance Vie, PCA Life Assurance, Cigna, Tokio Marine Nawa Insurance, and Taian Insurance. To enhance product integrity, E.SUN Insurance Brokers has also developed E.SUN exclusive insurance products, with the expectation of satisfying customers' financial planning and insurance needs and providing excellent insurance financial planning services. For the purposes of achieving higher economies of scale and overall synergy, E.SUN Insurance Brokers was merged by E.SUN Bank on March 25, 2016

(5) Subsidiaries- E.SUN Venture Capital

Since its inception in 2002, E.SUN Venture Capital has gradually increased its capital investment to NT\$2.27 billion, investing in a wide variety of domains, from the electronic industry to optical communications, energy conservation, and the research

and development of biotechnological drugs and medical equipment. It plays an active role in the development of new industries with innovation capabilities. E.SUN Venture Capital expects to combine E.SUN FHC's overall researchers, facilitate industry transformation, nurture new startup businesses, and devote its effort in assisting with Taiwan's industry upgrade and development.

(6) Condition of Merger and Acquisition, Investment in Affiliates and Restructuring during period of 2012 and up till the printout date of 2012 annual report; Date of belonging to specified financial holding company; Mass transfer of shareholding form board members, supervisors or qualified persons who should report their shareholdings in accordance with Paragraph 7 and 8, Article 16 of Taiwan Financial Holding Company Act; Change of ownership; Significant change of business operation or business contents, and any other event and its impacts which would affect shareholders' rights:

- a. Subsidiary E.SUN Bank on March 18 signed an agreement with Chu Nan Credit-Cooperative Association to acquire the latter. The record date for the transaction was July 9, 2011, upon which E.SUN acquired Chu Nan's assets, liabilities and operations.
- b. Subsidiary E.SUN Bank on March 16, 2012 signed an agreement with Chiayi Fourth Credit Cooperation to acquire the latter. The shareholders/representatives of the two institutions met on March 25 and respectively approved the transaction, E.SUN acquired Chiayi Fourth's assets, liabilities and operations with the record date for the transaction of November 3.
- c. Subsidiary E.SUN Bank on Mar. 22, 2013, has approved by its board to acquire 70% shares of Union Commercial Bank PLC. in Cambodia, The record date for the transaction was Aug. 28, 2013.
- d. On January 24, 2014, the subsidiary E.SUN Bank received approval from the Board of Directors to establish a subsidiary in the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone in Shenzhen of China. On January 12, 2016, the Beijing Banking Regulatory Commission officially approved the opening of E.SUN Bank (China), E.SUN Bank (China) Shenzhen Branch, E.SUN Bank (China) Dongguan Branch, and E.SUN Bank (China) Dongguan Chang'an Subbranch.
- e. On November 13, 2015, the subsidiary E.SUN Bank received approval from the Board of Directors to transfer its investment to BankPro E-Service Technology Co. Ltd., acquiring a total of 7,875,000 shares (accounting for 58.33% of the paid-in capital), which were transferred on January 11, 2016.
- f. The consolidation by merger of two subsidiaries, E.Sun Bank and E.Sun Insurance Brokers, was passed on August 21, 2015. E.Sun Bank would be the continuing company. The effective date was set on March 25, 2016.
- g. Others:None

3. E.SUN's Glory

E.SUN Commercial Bank has always used a differentiated management approach that emphasizes freshness, professionalism, and services, which is why the Bank has received recognition and encouragement from government authorities, domestic and foreign professional institutions, as well as society. We will continue to leverage the strength of our teams and win the support of our customers, shareholders, and all sectors of our society. In the last three years, E.SUN Commercial Bank has achieved the following honors and recognition:

Overall Performance

- E.SUN FHC was included in Dow Jones Sustainability World Index, the first ever financial institutions in Taiwan(DJSI)
- E.SUN FHC was included in Dow Jones Sustainability Emerging Market Index in 2 consecutive years
- E.SUN Bank received the Best Domestic Bank Award in 2 consecutive years (Asiamoney)
- E.SUN Bank received the Best Domestic Bank Award in Taiwan (The Asset)
- E.SUN FHC received the Platinum Award for Excellence Management in Corporate Governance in Asia in 6 consecutive years. (The Asset)
- CEO Mr. Joseph Huang received the award of Best Chief Executive Award in Asia(The Asset)
- CEO Mr. Joseph Huang received the award of Transaction Banker of the year(The Asian Banker)
- CEO Mr. Joseph Huang received the award of Best CEO(Investor Relations) (Corporate Governance Asia)
- CFO Ms Magi Chen received the award of 25 most influential women in treasury (Corporate Treasurer)
- E.SUN Bank received the award of Best SME Bank in Taiwan(The Asian Banker)
- E.SUN Bank received the award of Best IR Team in Asia (The Asset)
- E.SUN Bank received the award of Best IR Company in Taiwan (Corporate Governance Asia)
- E.SUN Bank received the award of Best Wealth Manager in Taiwan- Rising Star (The Asset)
- E.SUN Bank received the five star award for 2015 Wealth Management award (Global View magazine)
- E.SUN Bank Ranked No.1 in financial institutions for the Five-Star Service Awards 4 times (Global Views)
- E.SUN Bank received the award of Highly Commended: Best Brand Engagement (Timetric)
- E.SUN Bank received SME Partner Award in 10 consecutive years (MOEA, Credit Guarantee Fund)
- E.SUN Bank received SME Partner Award (Youth Support) in 5 times (MOEA, Credit Guarantee Fund)
- E.SUN Bank received SME Partner Award (Innovation) (MOEA, Credit Guarantee Fund)
- E.SUN Bank was chosen as one of most influential brand in 2015 (MANAGER today)
- E.SUN Bank received merit award for referring export insurance business (Taiwan Export-Import Bank of the ROC)
- E.SUN Bank received SME Partner Award (Youth Support) in 5 times (MOEA, Credit Guarantee Fund)
- E.SUN FHC received the certificate for ISO/IEC 27001 : 2013 Information Security System.

Digital Innovation

E.SUN Bank received the award of Digital Champion in Asiapac (Gartner)

- E.SUN Bank received the award of Most Promising Digital Business Transformation Initiative (Gartner)
- E.SUN Bank received the award of Most Innovation Application of Digital Technology to Grow the Business (Gartner)
- E.SUN Bank Ranked 1st place in cultural and creative lending award (FSC)
- E.SUN Bank received the award of Risk Data and Analytics Technology Implementation of the year(with SAS) (The Asian Banker)
- E.SUN Bank received the award of Best Cash Management Bank in Taiwan(The Asian Banker)
- E.SUN Bank received the award of Best Cash Management Project in Taiwan(Xiaomi Taiwan) (The Asian Banker)
- E.SUN Bank received the award of Best Corporate Trade Finance Deal in Taiwan (The Asian Banker)
- E.SUN Bank received the award of Best Payments Portal in Taiwan (go2tw) (The Asian Banker)
- E.SUN FHC received the Corporate Energy Saving Award (Ministry of Economic Affairs)
- E.SUN Bank received the award of Best Financial Supply Chain project In Taiwan (IBM) (The Asian Banker)
- E.SUN Bank received the award of Best Cloud Based project In Taiwan (IBM and Dynasafe) (The Asian Banker)
- E.SUN Bank received the award of Highly Commended: Best Customer Experience- Branch(Timetric)
- E.SUN Bank received the award of Best in Treasury and working capital -SME in Taiwan in 3consecutive years(The Asset)
- E.SUN Bank received the award of e-solution partner bank in Taiwan(The Asset)
- E.SUN Bank received the award of Best Initiative in Innovation(e-Click Online Card Application) (The Asset)
- E.SUN Bank received the award of Best Credit Card offering in Taiwan(Timetric)
- E.SUN Bank received the award of Highly Commended: Best Credit Card in Asia Pacific(Timetric)
- E.SUN Bank received the award of Best Bank in Payments and Collections in Asia Pacific(Global Finance)
- E.SUN Bank received Best Wealth Management Product award in 2 consecutive years (Business Today Magazine)
- E.SUN FHC received the Top 15 Brand of Best Service Technology Innovation Award (MOEA)
- E.SUN Bank received award for No.1 issuer for World Card in Taiwan (MasterCard)

★★★★★
Dow Jones
Sustainability World
Index

★★★★★
Gartner
Digital Champion in
Asiapac

★★★★★
CommonWealth Magazine
Award of Excellence in
Corporate Social
Responsibilities

★★★★★
CommonWealth Magazine
Golden Service
Award

★★★★★
Asiamoney
Best Bank in Taiwan

★★★★★
The Asset
Best Bank in Taiwan



Sustainable Development

- E.SUN FHC ranked No.1 in financial institutions(and overall No.2 among large corporate) in the Award of Excellence in Corporate Social Responsibilities 7 times (CommonWealth Magazine)
- E.SUN FHC received the Top 10 Most Sustainable Company Award (Taiwan Institute for Sustainable Energy)
- E.SUN FHC received the Gold medal in financial industry for Taiwan Top 50 Corporate Sustainability Report Awards(Taiwan Institute for Sustainable Energy)
- E.SUN FHC received Transparency and Integrity Awards for Taiwan Corporate Sustainability Awards (Taiwan Institute for Sustainable Energy)
- E.SUN FHC received Social Inclusion Awards for Taiwan Corporate Sustainability Awards (Taiwan Institute for Sustainable Energy)
- E.SUN FHC received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best CSR of FHC in 2 consecutive years (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Service in 2 consecutive years (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Product in 2 consecutive years (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Domestic Bank (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Wealth Management Bank (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Online Banking (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Mobile Banking (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2015 Financial Brand & CSR Survey- Best Online brokerage (Wealth Magazine)
- E.SUN FHC ranked within top 5% of Corporate Governance Evaluation (TWSE)
- E.SUN 2014 CSR Report received the AA1000 Assurance Standards and was deemed in accordance with the Level A+ of the Global Reporting Institute GRIG4 Guidelines
- E.SUN FHC's CSR Report was approved by both international verification standards – AA1000 Verification Standard and GRI G4 (BSI)
- E.SUN Bank received the award of Best CSR in Taiwan (Corporate Governance Asia)
- E.SUN FHC was awarded with the highest transparency level A++ from the Assessment of Information Transparency and Disclosure in all TSE/GTSM listed companies in 2 consecutive years (Security & Future Institute)
- E.SUN FHC received the certificate of Corporate Governance Evaluation Certification- Advanced CG6009 in 5 consecutive years(TCGA)
- E.SUN Bank received the certificate of Corporate Governance Evaluation Certification- Advanced CG6009 in 5 consecutive years(TCGA)
- E.SUN Securities received the certificate of Corporate Governance Evaluation Certification- Advanced CG6009 in 5 consecutive years(TCGA)
- E.SUN Bank received the certificate for「PAS 2060:2014」 Carbon Neutrality Verification
- E.SUN Bank received the certificate for「ISO20121」 Event sustainability management systems Verification
- E.SUN Bank received the certificate for ISO 14067 Carbon Footprint Verification
- E.SUN Bank received the certificate for ISO 14064-1 : 2006 Greenhouse Gases Emissions Verification
- E.SUN FHC received Sustainable Governance Award for 2 consecutive years (BSI)
- E.SUN Bank received the merit certificate for Green Procurement in 6 consecutive years (Environmental Protection Administration)
- E.SUN Bank received the merit certificate for Green Procurement by Private-Sector Enterprise and Organization in 7 consecutive years (Taipei City Government)

2014

- E.SUN FHC ranked No.1 in financial institutions(and overall No.3 among large corporate) in the Award of Excellence in Corporate Social Responsibilities 6 times (CommonWealth Magazine)
- E.SUN FHC was included in Dow Jones Sustainability Emerging Market Index, the first ever financial institution in Taiwan (DJSI)
- E.SUN FHC received 5 awards from TABF, including Special Contribution Award (Personal Award), Best CSR Award, Best e-banking Award, Best Business Innovation Award (Honorable Mention) and Best Trust Product Award (Honorable Mention) (Taiwan Academy of Banking and Finance)
- E.SUN FHC received Platinum Award in Excellence Management in Corporate Governance in Asia in 5 consecutive years. (The Asset Magazine)
- E.SUN Bank was top-ranked among financial institutions in Golden Service Award in 4 consecutive years. (CommonWealth Magazine)
- E.SUN Bank received three SME Credit Guarantee Fund Partner Awards for categories of outstanding headquarter and supporting young people (MOEA, Credit Guarantee Fund)
- E.SUN FHC was awarded with the highest transparency level A++ from the Assessment of Information Transparency and Disclosure in all TSE/GTSM listed companies (Security & Future Institute)
- E.SUN Bank received the Golden Quality Award. (JCIC)
- E.SUN FHC received the Golden Quality Award in 2014 Financial Brand & CSR Survey- Best CSR of FHC (Wealth Magazine)
- E.SUN Bank received the Golden Quality Award in 2014 Financial Brand & CSR Survey- Best Service and Product (Wealth Magazine)
- E.SUN Bank received first prize in Best Wealth Management Team and Best Product Award. (The Business Today Magazine)
- E.SUN Bank received The Greater China Awards for corporates in Innovation : e-banking (The Asset)
- E.SUN Bank received the The Greater Chian Financial Service Award- Best SME Bank in Taiwan (The Asset)
- E.SUN Bank received the award of Highly-Recommend Best Domestic Bank in Taiwan(The Asset)
- E.SUN Bank received Best Payment Product in Taiwan Award (MILSTE)
- E.SUN Bank received award for Innovative Corporate in Taiwan,the only one in financial industry (Ministry of Economic Affairs)
- E.SUN Bank was chosen as the one of the best Companies to work for (Taipei City Government)
- E.SUN Bank received the merit certificate for Green Procurement by Private-Sector Enterprise and Organization (Taipei City Government).
- E.SUN Bank received the merit certificate for Green Procurement in 5 consecutive years (Environmental Protection Administration).
- E.SUN FHC received Sustainable Governance Award (BSI)
- E.SUN FHC received the Best Domestic Bank Award (Asiamoney)
- E.SUN Bank received the Best Payment Initiatives Award in Taiwan (E.SUN Trade)in 2 consecutive years(The Asian Banker)
- E.SUN Bank received the Best CRM project in Taiwan (The Asian Banker)
- E.SUN Bank received the Best in Treasury and working capital - SME in Taiwan award in 2consecutive years (The Asset)
- E.SUN Bank received the Best Data Analysis project in Taiwan (The Asian Banker)
- E.SUN Bank Received the Editors' Triple Star Award for 'Business on the move APP'(The Asset Magazine)
- E.SUN FHC was chosen as the model for overall performance in CSR award (Global View Magazine)
- E.SUN Bank received Greatest Contribution of the Year. (MasterCard)
- E.SUN Bank received Best Digital Solution of the Year. (MasterCard)
- E.SUN Bank received the certificate of ISO 50001 for Energy Management System
- E.SUN Securities received the certificate of ISO 50001 for Energy Management System

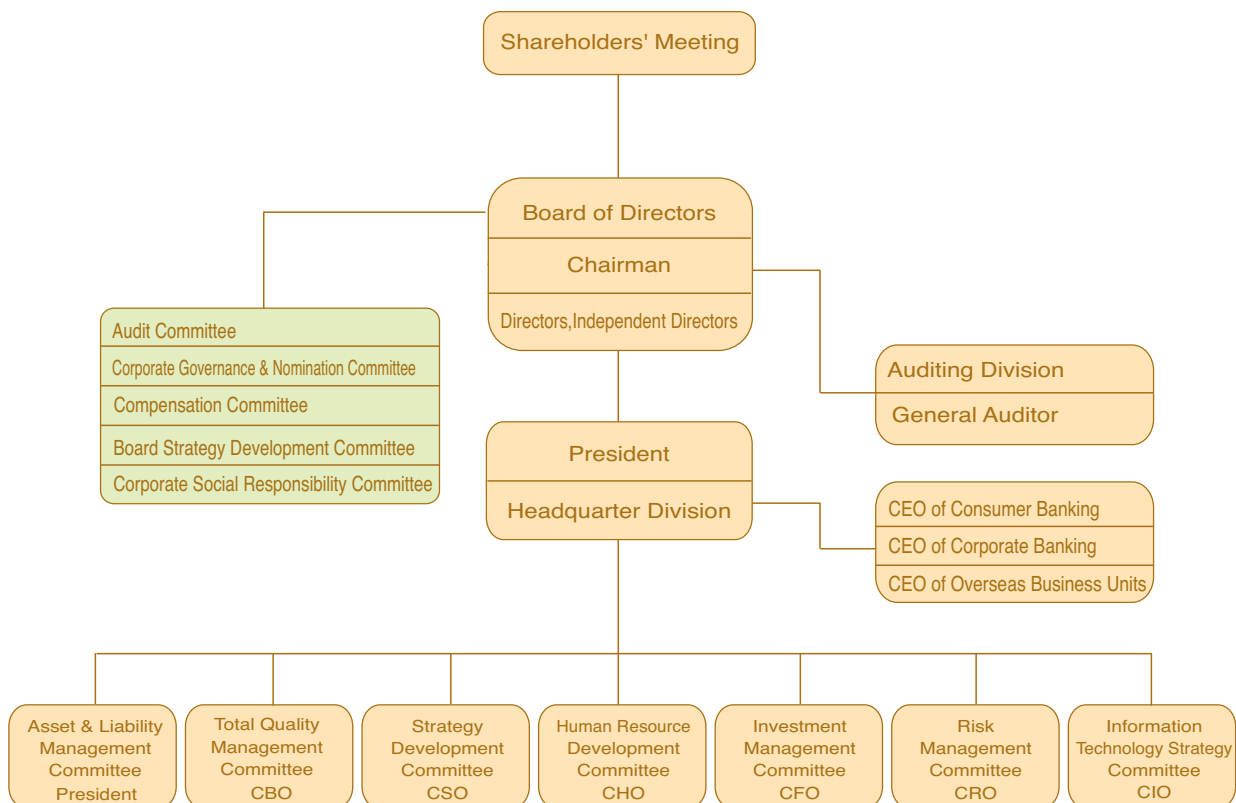
2013

- E.SUN FHC ranked No. 4 (No. 1 in the group of Financial Institutions) in the Award of Excellence in Corporate Social Responsibility. (Common Wealth Magazine)
- E.SUN Bank received first prize in Best Wealth Management Bank and Best Customer Satisfaction Award. (The Business Today Magazine)
- E.SUN FHC received Platinum Award in Excellence Management in Corporate Governance in Asia in 4 consecutive years. (The Asset Magazine)
- E.SUN Bank received the Best in Treasury and working capital-SME in Taiwan award (The Asset)
- E.SUN Bank received SME Credit Guarantee Fund Partner Award for both categories of outstanding headquarter and supporting young people (MOEA, Credit Guarantee Fund)
- E.SUN Bank was top-ranked among financial institutions in Golden Service Award in 3 consecutive years. (CommonWealth Magazine)
- E.SUN FHC received the merit certificate for its CSR report in 2 consecutive year (Industry Development Bureau, Ministry of Economic Affairs)
- E.SUN Bank received the merit certificate for Green Procurement by Private-Sector Enterprise and Organization in 4 consecutive years (Taipei City Government).
- E.SUN Bank received the merit certificate for Green Procurement in 4 consecutive years (Environmental Protection Administration).
- E.SUN FHC has been awarded the model of environmental protection in Corporate Social Responsibility award (Global View magazine)
- E.SUN Bank received the Best Payment Initiatives in Taiwan Award (The Asian Banker)
- E.SUN Bank received the outstanding award in IT innovation survey (Institute for Information Industry)
- E.SUN FHC received the certificate for ISO27001 Information Security System
- E.SUN FHC received the certificate of ISO 14001 for Environmental Management System
- E.SUN FHC received the outstanding award in the category of private enterprises in National Environmental Award (Environmental protection administration, Executive Yuan)
- E.SUN FHC received the best award in financial industry for 2013 Green Brand survey (BusinessNext)
- E.SUN FHC was awarded with the highest transparency level A+ from the Assessment of Information Transparency and Disclosure in all TSE/GTSM listed companies in 4 consecutive years. (Security & Future Institute)
- E.SUN CSR Report received the AA1000 Assurance Standards and was deemed in accordance with the Level A+ of the Global Reporting Institute G3.1 Guidelines in 2012
- E.SUN Securities received Golden Torch award for innovative design (OEMCROC)
- E.SUN FHC received the CSR award in Green Policy. (BSI)
- E.SUN Bank received the awards for its long-term support to sports (Sports Affairs Council, Executive Yuan)
- E.SUN Bank received the outstanding award in innovation for FX interbank clearing system (Financial Information Service)

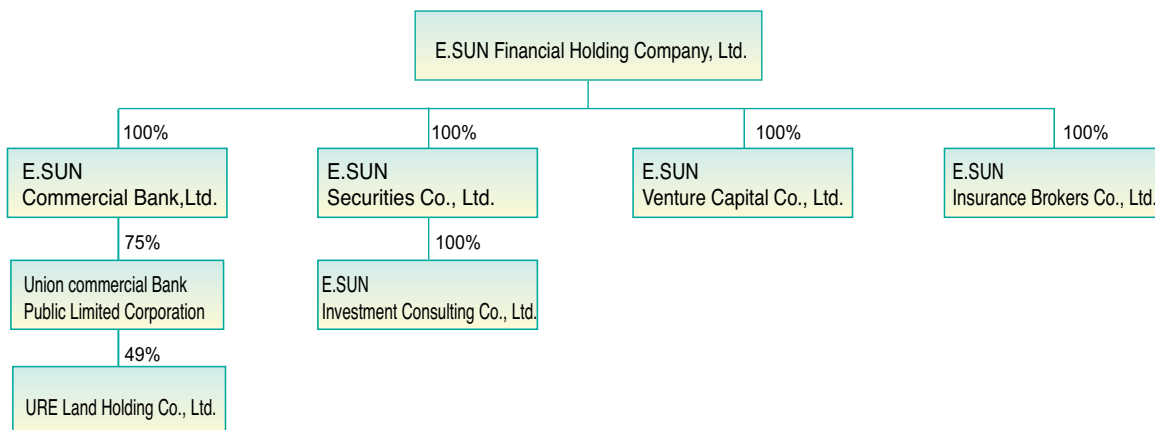
III. Corporate Governance



1. Organization Chart



2. Corporate Structure of E.SUN Financial Holding Company, Ltd.



3. Directors and Independent Directors

(1) Directors and Independent Directors

2015.12.31 Unit:1,000 shares,%

Position	Nationalities	Representative	Date of Election	Term	Date of First Elected	Shareholding when elected		Current Shares		Shareholdings of the spouse and minors(Note1)		Shareholding under other's name		Education (Experience)
						Shares	%	Shares	%	Shares	%	Shares	%	
Chairman	R.O.C.	Representative of E.SUN Volunteer & Social welfare Foundation Yung-Jen Huang	20140620	3 Years	2005.6.10	17,387	0.302	22,758	0.286	6,896	0.087	0	0	Department of Cooperative Economics at National ChungHsing University
					2001.12.10									
Director	R.O.C.	Representative of E.SUN Volunteer & Social welfare Foundation Joseph N.C. Huang	20140620	3 Years	2005.6.10	17,387	0.302	22,758	0.286	8,264	0.104	0	0	MBA of the City University of New York, 23 years in Financial Industry
					2008.6.13									
Director	R.O.C.	Representative of E.SUN Foundation Gary K.L. Tseng	20140620	3 Years	2001.12.10	10,227	0.177	13,210	0.166	1,717	0.022	0	0	Master of Public Administration at Harvard University, Director of Banking Bureau, Financial Supervisory Commission
					2010.5.14									
Director	R.O.C.	Representative of Hsin Tung Yang Co., Ltd. Jackson Mai	20140620	3 Years	2001.12.10	33,599	0.583	43,183	0.543	53,264	0.670	0	0	Kai-Nan Commercial & Technical High School
					2001.12.10									
Independent Director	R.O.C.	Chen -En Ko	20140620	3 Years	2004.6.11	0	0	0	0	0	0	0	0	PhD of Department of Accounting at University of Minnesota, Dean, College of Management, National Taiwan University
Independent Director	R.O.C.	Ji-Ren Lee	20140620	3 Years	2006.6.9	0	0	0	0	0	0	0	0	PhD of Business Administration, University of Illinois, USA
Independent Director	R.O.C.	Chen-Chen Chang Lin	20140620	3 Years	2007.6.15	0	0	0	0	0	0	0	0	Master of Mathematics and Statistics of University of Michigan
Independent Director	R.O.C.	Hsin-I Lin	20140620	3 Years	2008.6.13	0	0	0	0	0	0	0	0	Bachelor of Department of Mechanical Engineering, National Cheng-Kung University
Director	R.O.C.	Representative of Fu-Yuan Investment Co.,Ltd. Rong-Chu Chen	20140620	3 Years	2014.06.20	1,030	0.018	27,065	0.340	54	0.001	0	0	Chu Nan Junior High School
					2004.06.11									
Director	R.O.C.	Representative of Shang Li Car Co.,Ltd. Chien-Li Wu	20140620	3 Years	2005.6.10	28,000	0.486	36,228	0.456	0	0	0	0	Chung Jung High School
					2005.6.10									
Director	R.O.C.	Representative of Shan Meng Investment Co.,Ltd., Magi Chen	20140620	3 Years	2001.12.10	13,565	0.235	17,521	0.220	1,272	0.016	0	0	EMBA, University of Tennessee, Knoxville, 38 years in Financial Industry
					2014.06.20									
Director	R.O.C.	Representative of Sunlit Transportation Co., Ltd. Ben Chen	20140620	3 Years	2005.6.10	28,000	0.486	36,590	0.460	3,959	0.050	0	0	Department of Business Administration at Soochow University 26 years in Financial Industry
					2014.06.20									

Note:

1. Shareholdings include trust accounts

2. For institutional director, the term 'shareholding of the spouse and minors' refer to the representative of the institution.

(2) Professional Qualifications and Independence Analysis of Directors and Independent Directors

2015.12.31

Criteria Name (Note)	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)										Number of Other public companies in which the individual is concurrently serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	Being a judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the Company	Having work experience in commerce, law, finance, or accounting, or other areas necessary for the business of the Company	1	2	3	4	5	6	7	8	9	10	
Chairman Yung-Jen Huang		✓	✓	✓		✓		✓	✓	✓	✓	✓		0
Director Gary K.L. Tseng	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Director Joseph N.C. Huang			✓			✓	✓	✓	✓	✓	✓	✓		0
Independent Director Chen-En Ko	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	3
Independent Director Ji-Ren Lee	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
Independent Director Chen-Chen Chang Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director Hsin-I Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Director Jackson Mai			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Director Ron-Chu Chen			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Director Chien-Li Wu			✓			✓	✓	✓	✓	✓	✓	✓		0
Director Magi Chen			✓			✓	✓	✓	✓	✓	✓	✓		0
Director Ben Chen			✓			✓	✓	✓	✓	✓	✓	✓		0

Note :Please tick the corresponding boxes if directors or supervisors have been any of the following during the two years prior to being elected or during the term of office.

- (1)Not an employee of the Company or any of its affiliates.
- (2)Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3)Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
- (4)Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
- (5)Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
- (6)Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
- (7)Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof. Not applicable to members of the Remuneration Committee who exercise powers in accordance with Article 7 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter
- (8)Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
- (9)Not been a person of any conditions defined in Article 30 of the Company Law.
- (10) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

(3) Executive Officers



2016.03.30 Unit: 1,000 shares, %

Position	Nationalities	Name	Date of Taking Office	2015.12.31						Education (Experience) Position	Current position Held at other company	Managers who are spouses or within the second degree of consanguinity		
				Shareholdings		Shares Held by Spouse and Children under 18		Shares Held Using Names of Other				Position	Name	Relationship
				Shares	%	Shares	%	Shares	%					
President	R.O.C.	Joseph N.C. Huang	2008.07.16	8,010	0.101	254	0.003	0	0	MBA of the City University of New York, 23 years in Financial Industry	Director of E.SUN FHC President of E.SUN FHC Managing Director of E.SUN Bank Chairman of E.SUN (China) Director of Cho Pharma Inc.	None	None	None
CFO	R.O.C.	Magi Chen	2004.02.13	1,272	0.016	0	0	0	0	EMBA, University of Tennessee, Knoxville, 38 years in Financial Industry	Director of E.SUN FHC Director of E.SUN Bank CFO and Deputy President of Treasury Division at E.SUN Bank	None	None	None
Deputy President	R.O.C.	Ben Chen	2014.01.24	3,005	0.038	954	0.012	0	0	Department of Business Administration at Soochou University, 26 years in Financial Industry	Director of E.SUN FHC Director of E.SUN Bank CEO of Consumer Banking Division at E.SUN Bank	None	None	None
CHO	R.O.C.	Jyh-Cherng Wang	2002.01.28	2,752	0.035	832	0.010	0	0	Master of Agricultural Management at National Chung Hsing University, 27 years in Financial Industry	CHO and SEVP of Human Resource Division at E.SUN Bank Supervisor of Shen Meng Investment Co., Ltd.	SVP	Pei-Hwa Wang	Sister
CSO	R.O.C.	Mao-Chin Chen	2016.01.29	1,040	0.013	877	0.011	0	0	Master of Department of Economics at National Taiwan University, 24 years in Financial Industry	Director of E.SUN Bank CSO and CEO of Corporate Banking Division at E.SUN Bank Director of UCB Bank, Cambodia	None	None	None
SEVP	R.O.C.	Shui-Chin Shen	2012.01.07	1,172	0.015	111	0.001	0	0	Master of Management at National Chung Hsing University, 38 years in Financial Industry	Chairman of E.SUN Securities	None	None	None
SEVP	R.O.C.	L.C. Lin	2012.01.07	392	0.005	592	0.007	0	0	Department of Public Administration at National Chung Hsing University, 27 years in Financial Industry	SEVP of Corporate Banking Division at E.SUN Bank Chairman of E.SUN Venture Capital	None	None	None
SEVP	R.O.C.	Wu-Ming Hsieh	2014.01.24	537	0.007	561	0.007	0	0	Master of Department of Business Development at Min Chuin University, 24 years in Financial Industry	SEVP of Consumer Banking Division at E.SUN Bank Director of E.SUN Securities	None	None	None
SEVP	R.O.C.	Jung-Hua Lin	2014.01.24	796	0.010	300	0.004	0	0	Master of Department of Business Development at National Chung Hsing University, 24 years in Financial Industry	SEVP of Credit Card & Payment Division Director of EASYCARD Corporation Director of EASYCARD Investment Holdings Corporation	None	None	None
SEVP	R.O.C.	Louis Chang	2015.02.06	1,418	0.018	276	0.003	0	0	Master of Institute of Business & Management at National Chiao Tung University, 20 years in Financial Industry	Director of E.SUN Bank SEVP of Wealth Management Division at E.SUN Bank	None	None	None
General Auditor	R.O.C.	Chien-Hua Cheng	2013.09.13	271	0.003	644	0.008	0	0	Administrative Management Department, Administration Junior College, National Chengchi University, 45 years in Financial Industry	None	None	None	None
CAO	R.O.C.	Kuan-Her Wu	2002.01.28	414	0.005	0	0	0	0	Department of Accountancy at National Chung Hsing University, 40 years in Financial Industry	CAO and EVP, of Accounting Division at E.SUN Bank Supervisor of E.SUN VC	None	None	None
EVP	R.O.C.	Scott Chou	2002.01.28	1,535	0.019	1,094	0.014	0	0	Department of Civil Engineering at National Taipei Institute of Technology, 36 years in Financial Industry	EVP of General Affairs Division at E.SUN Bank	None	None	None
CIO	R.O.C.	Wan-Li Hsieh	2012.03.23	714	0.009	51	0.001	0	0	Department of ee and computer science at Chung Yung University, 22 years in Financial Industry	CIO and EVP of IT Division at E.SUN Bank	None	None	None
CRO	R.O.C.	Oliver Hsieh	2011.03.18	1,000	0.013	0	0	0	0	Master of Applied Finance center at Macquarie University, Australia, 22 years in Financial Industry	CRO and EVP of Risk Management Division at E.SUN Bank	None	None	None
CMO	R.O.C.	Bright Wen	2012.01.07	565	0.007	0	0	0	0	Master of Department of Economics at Soochou University, 20 years in Financial Industry	CMO and SVP of E.SUN Bank Supervisor of E.SUN Securities	None	None	None
CBO	R.O.C.	Daniel Tsai	2014.06.26	470	0.006	108	0.001	0	0	Master of Department of Management at National Taiwan University, 13 years in Financial Industry	Director of E.SUN Investment Consulting	None	None	None
CCO	R.O.C.	Fion OuYang	2016.01.22	178	0.002	0	0	0	0	College of Law at National Chengchi University, 18 years in Financial Industry	CCO and Head of Legal Compliance at E.SUN Bank	None	None	None

(4) Remuneration of Directors, Independent Directors, President and SEVP

a. Remuneration of Directors and Independent Director

2015.12.31 Unit NTS thousand

Title	Name	Remuneration								Ratio of total remuneration (A+B+C+D) to net income(%)		Relevant remuneration received by directors who are also employees										Ratio of total compensation (A+B+C+D+E+F+G) to net income(%)		Compensation paid to directors from an invested company other than the company's subsidiary					
		Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Allowances(D)		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Salary, Bonuses, and Allowances (E)		Severance Pay (F)	Profit Sharing- Employee Bonus (G)				Exercisable Employee Stock Options (H)		Amount of restricted stock meant for employees acquired		The Company	Companies in the consolidated financial statements	
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements							Cash	Stock		Cash	Stock	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements	The Company			Companies in the consolidated financial statements
List below		8,644	17,252	0	0	97,000	112,755	1,410	3,030	0.84%	1.04%	15,177	30,468	0	0	5,500	0	9,161	0	0	0	0	0	0	0	1.00%	1.35%	None	

※List of Directors:Chairman: Yung-Jen Huang(Representative for E.SUN Volunteer & Social Welfare Foundation)、Director: E.SUN Volunteer & Social Welfare Foundation(Representative Joseph N.C. Huang)、E.SUN Foundation(Representative Gary K.L. Tseng)、Hsin Tung Yang Co.,Ltd.(Representative Jackson Mai)、Allcan Investment Co., Ltd.(Representative Chiu-Hsiung Huang, 2015.12.24 resigned)、Chen-En Ko、Ji-Ren Lee、Chen-Chen Chang Lin、Hsin-I Lin、Fu-Yuan Investment Co.,Ltd. (Representative Rong-Chu Chen)、Shang Li Car Co.,Ltd.(Representative Chien-Li Wu)、Shan Meng Investment Co.,Ltd.(Representative Magi Chen)、Sunlit Transportation Co.,Ltd.(Representative Ben Chen).

※Remuneration distributed to directors who are serving for year 2015.

b. Remuneration Range table

Unit NTS thousand

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Under NTS 2,000,000				
NTS2,000,000 ~ NTS5,000,000				
NTS5,000,000 ~ NTS10,000,000	E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang), E.SUN Foundation(Representative Gary K.L. Tseng), Hsin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Ji-Ren Lee, Chen-Chen Chang Lin, Hsin-I Lin Fu-Yuan Investment Co.,Ltd., Shnag Li Car Co.,Ltd., Shan Meng Investment Co.,Ltd. (Representative Magi Chen), Sunlit Transportation Co.,Ltd. (Representative Ben Chen).	E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang), E.SUN Foundation(Representative Gary K.L. Tseng), Hsin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Ji-Ren Lee, Chen-Chen Chang Lin, Hsin-I Lin Fu-Yuan Investment Co.,Ltd., Shnag Li Car Co.,Ltd., Shan Meng Investment Co.,Ltd. (Representative Magi Chen), Sunlit Transportation Co.,Ltd. (Representative Ben Chen)	E.SUN Foundation(Representative Gary K.L. Tseng), Hsin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Ji-Ren Lee, Chen-Chen Chang Lin, Hsin-I Lin Fu-Yuan Investment Co.,Ltd., Shan Meng Investment Co.,Ltd. (Representative Magi Chen), Shnag Li Car Co.,Ltd., Sunlit Transportation Co.,Ltd. (Representative Ben Chen)	E.SUN Foundation(Representative Gary K.L. Tseng), Hsin Tung Yang Co.,Ltd., Allcan Investment Co.,Ltd., Chen-En Ko, Ji-Ren Lee, Chen-Chen Chang Lin, Hsin-I Lin Fu-Yuan Investment Co.,Ltd., Shnag Li Car Co.,Ltd.
NTS10,000,000 ~ NTS15,000,000				Sunlit Transportation Co.,Ltd. (Representative Ben Chen)
NTS15,000,000 ~ NTS30,000,000	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang)	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), Chairman of E.SUN Bank, Gary K.L. Tseng	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang)	E.SUN Volunteer & Social Welfare Foundation (Representative Yung-Jen Huang), Chairman of E.SUN Bank, Gary K.L. Tseng, E.SUN Volunteer & Social Welfare Foundation (Representative Joseph N.C. Huang), Shan Meng Investment Co.,Ltd. (Representative Magi Chen)
NTS30,000,000 ~ NTS50,000,000				
NTS50,000,000 ~ NTS100,000,000				
Over NTS100,000,000				
Total		107,054	133,037	127,731

※The percentage of total profits distributed to directors as a whole as remuneration is based on regulations set forth in Article 36 of the Company's statute. The ratio and the adjustment of remuneration for the chairman and directors are based on regulations set forth in Article 27-1 of the statute. The remuneration reflects the level of participation in and contribution to the company's operations. At the same time, industry standards are considered. The board is authorized to decide the level of compensation.

c. Remuneration of Directors and Independent President and SEVPs

2015.12.31 Unit NTS thousand

Title	Name	Base Compensation(A)		Severance Pay(B)		Bonus to Directors(C)		Profit Sharing – Employee Bonus (D)				Ratio of total remuneration (A+B+C+D) to net income(%)		Exercisable Employee Stock Options		Amount of restricted stock meant for employees acquired		Compensation paid to directors from an invested company other than the company's subsidiary	
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements				
								Cash	Stock	Cash	Stock								
President	Joseph N.C. Huang																		
CFO	Magi Chen																		
Deputy President	Ben Chen																		
CHO	Jyh-Cherng Wang																		
CSO	Mao-Chin Chen																		
SEVP	Shui-Chin Shen	9,381	36,536	0	0	10,593	28,242	6,000	0	14,499	0	0.20%	0.62%	0	0	0	0	0	0
SEVP	L.C. Lin																		
SEVP	Wu-Ming Hsieh																		
SEVP	Jung-Hua Lin																		
SEVP	Louis Chang																		
CCO	Fion Ou Yang																		
General Auditor	Chien-Hua Cheng																		

Remuneration Range table

Unit NTS thousand

Bracket	Name of Directors	
	The company	Companies in the consolidated financial statements
Under NTS 2,000,000	Magi Chen, Ben Chen, Jyh-Cherng Wang, Mao-Chin Chen, Shui-Chin Shen, L.C. Lin, Wu-Ming Hsieh, Jung-Hua Lin, Louis Chang, Fion Ou Yang	Shui-Chin Shen
NTS2,000,000 ~ NTS5,000,000	Chien-Hua Cheng	Wu-Ming Hsieh, Jung-Hua Lin, Louis Chang, Fion Ou Yang, Chien-Hua Cheng
NTS5,000,000 ~ NTS10,000,000		Ben Chen, Jyh-Cherng Wang, Mao-Chin Chen, L.C. Lin
NTS10,000,000 ~ NTS15,000,000		Magi Chen
NTS15,000,000 ~ NTS30,000,000	Joseph N.C. Huang	Joseph N.C. Huang
NTS30,000,000 ~ NTS50,000,000		
NTS50,000,000 ~ NTS100,000,000		
Over NTS100,000,000		
Total	25,974	79,276

d. Compare of remuneration and the ratio of total remuneration paid by the company and by all companies included in the consolidated financial statements for the most recent two years to Directors, Independent Directors, President and Senior Executive Vice President of the company, to the net profit after tax

Unit NTS thousand

Year	2015						2014					
	The company			Companies in the consolidated financial statements			The company			Companies in the consolidated financial statements		
	No. of Persons	Amount	Ratio of Net Profit after tax	No. of Persons	Amount	Ratio of Net Profit after tax	No. of Persons	Amount	Ratio of Net Profit after tax	No. of Persons	Amount	Ratio of Net Profit after tax
Directors	13	127,731	1.00%	13	172,666	1.35%	16	99,538	0.95%	16	127,419	1.21%
President and SEVP	12	25,974	0.20%	12	79,276	0.62%	12	16,929	0.16%	12	72,353	0.69%

Note: 2015 Net Profit for E.SUN FHC is NTS12,816,347,000, 2014 Net Profit for E.SUN FHC is NTS10,528,551,000.

e. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance

- The percentage of total profits distributed to directors as remuneration is based on regulations set forth in Article 36 of the Company's statute. The ratio and adjustment of remuneration for the chairman and directors are based on regulations set forth in Article 27-1 of the statute. The remuneration reflects the level of participation in and contribution to the company's operations. At the same time, industry standards are considered. The board is authorized to decide the level of this compensation.
- The performance review system and remuneration framework for managers is first screened by the Compensation Committee, following which the board makes a final decision. Salaries of managers should reflect their professional experience, the Company's, counterparts' and market standards and 'Codes of Managers' remuneration for E.SUN FHC'. Meanwhile, the Company will issue bonuses based on overall operational results and individual performance. This enables a manager's compensation to be closely related to operational performance. A manager's bonus will be impacted if a major risk event occurs that impacts the Company's reputation, inappropriate internal management is seen, or other abuses are documented. At the same time, the Company will carry out stress tests and scenario analysis to evaluate possible risk in the future, and the Risk Management Committee each quarter will report to the board on the level of such risk.

4. Implement of Corporate Governance

(1) Board of Directors

A total of 8 meetings of the board of directors were held in the previous period. Directors and Independent Directors attendance was as following

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) [B/A]	Remarks
Chairman	Representative of E.SUN Volunteer & Social welfare Foundation Yung-Jen Huang	10	0	100	Re-elected
Director	Representative of E.SUN Volunteer & Social welfare Foundation Joseph N.C. Huang	10	0	100	Re-elected
Director	Representative of E.SUN Foundation Gary K.L. Tseng	10	0	100	Re-elected
Director	Representative of Allcan Investment Co.,Ltd. Chiu-Hsiung Huang	6	1	85.71	2015.12.24 Resigned
Director	Representative of Hsin Tung Yang Co., Ltd. Jackson Mai	9	1	90	Re-elected
Independent Director	Chen -En Ko	10	0	100	Re-elected
Independent Director	Ji-Ren Lee	10	0	100	Re-elected
Independent Director	Chen-Chen Chang Lin	10	0	100	Re-elected
Independent Director	Hsin-I Lin	9	1	90	Re-elected
Director	Representative of Fu -Yuan Investment Co.,Ltd. Rong-Chu Chen	9	1	90	Re-elected
Director	Representative of Shang Li Car Co.,Ltd. Chien-Li Wu	8	2	80	Re-elected
Director	Representative of Shan Meng Investment Co.,Ltd. Magi Chen	10	0	100	New-elected
Director	Representative of Sunlit Transportation Co., Ltd. Ben Chen	9	1	90	New-elected

Other mentionable items:

- If there are the circumstances referred to in Article 14-3 of Securities and Exchange Act and resolutions of the directors' meetings objected to by Independent Directors or subject to qualified opinion and recorded or declared in writing, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified: None
- If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

Directors	Motion	Reason for recusal	Voting participation situation
Joseph Huang, Magi Chen, Ben Chen	Amendment to the Manager Remuneration Standards of the Company	Motion is related to the interests of the director	Did not participate in discussion and voting of resolution
Joseph Huang, Magi Chen, Ben Chen	Top-level manager 2014 year-end bonus distribution plan	Motion is related to the interests of the director	Recusal of Joseph Huang following the reporting of year-end bonus distribution for top-level managers below vice president. Magi Chen and Ben Chen did not participate in the discussion and voting of resolutions.
Joseph Huang, Magi Chen, Ben Chen	Salary adjustments for top-level managers	Motion is related to the interests of the director	Recusal of Joseph Huang following the adjustment of salaries for vice presidents or below. Magi Chen and Ben Chen did not participate in the discussion and voting of resolutions.
Joseph Huang, Magi Chen, Ben Chen	2015 Employee Bonus Distribution Plan for Top-Level Managers	Motion is related to the interests of the director	Did not participate in discussion and voting of resolution
Joseph Huang, Magi Chen, Ben Chen	Top-level manager 2015 year-end bonus distribution plan	Motion is related to the interests of the director	Recusal of Joseph Huang following the reporting of year-end bonus distribution for top-level managers below vice president. Magi Chen and Ben Chen did not participate in the discussion and voting of resolutions.
Joseph Huang, Magi Chen, Ben Chen	Salary adjustments for top-level managers	Motion is related to the interests of the director	Recusal of Joseph Huang following the adjustment of salaries for vice presidents or below. Magi Chen and Ben Chen did not participate in the discussion and voting of resolutions.

- Evaluation of the goals (e.g., set up an audit committee, enhance information transparency) and implementation status of strengthening the duties and functions of the Board of Director during the most recent year: To improve the corporate governance system, improve monitoring functions, and reinforce management functions, the Company has officially adopted the auditing committee system as of June 2008 following the reelection of directors in the shareholders' meeting. In 2006, a Remuneration Committee was established and the criteria for committee members were adjusted in advance in 2011 in accordance with the provisions specified in Article 6, Paragraph 1 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter. Thereafter in 2012, a CSR Committee was established to implement the CSR of the Company and its subsidiaries. The Company's Board of Directors will cooperate with all functional committee members and actively strength the responsibilities of the Board of Directors to implement corporate governance.

(2) Audit Committee

A total of 8 Audit Committee (A) were held in the previous period. Independent director attendance was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) [B/A]	Remarks
Independent Director	Chen-En Ko	8	0	100	Re-elected
Independent Director	Ji-Ren Lee	8	0	100	Re-elected
Independent Director	Chen-Chen Chang Lin	8	0	100	Re-elected
Independent Director	Shin-I Lin	8	0	100	Re-elected

Other mentionable items:

- If there are the circumstances referred to in Article 14-5 of Securities and Exchange Act and resolutions which were not approved by the Audit Committee but were approved by two thirds or more of all directors, the dates of meetings, sessions, contents of motions, resolutions of Audit Committee and the Company's response to Audit Committee's opinion should be specified: None
- If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None
- Communications between the independent directors, the Company's Chief Internal Auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

Date	Mode	Object	Issues to communicate	Result
2015.01.28	Audit Committee	CPA	CPA Report	Noted
		General Auditor	Report the results of audit work for year 2014	Noted
2015.03.18	Audit Committee	CPA	Report the results of audit work for 2014 financial report	Noted
2015.04.23	Audit Committee	General Auditor	Report the results of audit work for first quarter of 2015	Noted
		CPA	Report the results of audit work for 1H15 financial report	Noted
2015.08.20	Audit Committee	General Auditor	Report the results of audit work for second quarter of 2015	Noted
		General Auditor	Report the results of audit work for third quarter of 2015	Noted
2015.11.03	Audit Committee	General Auditor	Report the plan of audit work for 2016	For Board's approval
		General Auditor and Audit Division	Discussion issues on internal audit work	Accordance with recommendations
2016.01.07	Audit Committee	CPA	Report the plan of audit work for 2015 financial report	Noted
		General Auditor	Report the results of audit work for year 2015	Noted

Note:(1) Where any independent director departs before a given year ends, the date of departure shall be specified in the remarks column. The ratio of attendance (%) of the independent director in question shall thus be calculated by taking into account the number of meetings convened by the Audit Committee during the period when he/she is in active duty as well as the number of his/her attendance.

(2) Where any independent director is reappointed before a given year ends, both the newly appointed and replaced independent directors shall be put on record, with their respective status (former, newly appointed, or serving a second term) as well as the date of reappointment being specified in the remarks column. The ratio of attendance (%) of the independent director in question shall thus be calculated by taking into account the number of meetings convened by the Audit Committee during the period when he/she is in active duty as well as the number of his/her attendance.

(3) Items of disclosure according to corporate governance code for FHCs

Please refer to https://www.esunfhc.com.tw/ir/about_cg.info

(4) Status of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best Practice Principles for Financial Holding Companies, and the reason for any such departure

Item	Status of implementation (Note 1)			Any departure from the Corporate Governance Best Practice Principles for Financial Holding Companies, and the reason for any such departure
	Yes	No	Summary	
<p>1. Implementing and Promoting Corporate Governance</p> <p>(1) Does the Company institute a set of internal operational procedures for handling shareholder proposals, doubts, disputes, and suits, as well as act in accordance with the said procedures?</p> <p>(2) Does the Company have access to the identity of major shareholders who have actual control over the Company as well as that of their ultimate control persons?</p> <p>(3) Does the Company put in place internal regulations that bar insiders from trading securities based on information yet to be made public on the market?</p>	V		<p>(1) The Company has appointed a spokesperson and established an investor relations department as well as a department charged specifically with stock affairs. Meanwhile, contact information is fully disclosed on the Company's official website so that shareholders can express opinions over the phone, by email, or through leaving online messages. In turn, the Company is proactive to respond to and deal with them properly in accordance with pertinent internal procedures.</p> <p>(2) Major shareholders who own a stake of not less than 5% all report to the Company the status of their shareholdings in accordance with pertinent laws and regulations. For its part, the Company promotes awareness of such laws and regulations and offers related documents and forms on its official website.</p> <p>(3) To supervise the establishment and implementation of a risk management system across the Company and its subsidiaries, the Company has set up a Risk Management Committee that is responsible for implementing and supervising risk management policy, building a risk management culture, and laying down the Company's Risk Management Policy and Guiding Principles. Moreover, the Risk Management Committee is responsible for implementing risk management decisions made by the Board of Directors. The committee is also supposed to act as integrator when it comes to the review, supervision, and coordination of risk management mechanisms across the Company and its subsidiaries; it is also to establish defense mechanisms to uphold information security in business interaction, transactions, and information exchanges between the parent company and subsidiaries.</p> <p>To uphold asset quality and strengthen management of excessive risk concentration, the Company has enforced the Guidelines Governing Quota Management for Dealings Between E.SUN FHC and Subsidiaries. Separately, the Guidelines Governing E.SUN FHC Dealing With Interested Parties, Guidelines Governing E.SUN FHC Dealing With Subsidiaries, and Internal Regulations for E.SUN FHC and Subsidiaries to Conform to Article 45 of the Financial Holding Company Act are put in place to further bolster internal management across the E.SUN group.</p>	None
<p>2. Composition and Duties/Responsibilities of the Board of Directors</p> <p>(1) Besides setting up the Compensation Committee and Audit Committee according to law, does the Company voluntarily set up other functional committees?</p> <p>(2) Does the Company evaluate the independence of its CPA on a regular basis?</p>	V		<p>(1) The Company has also set up the Corporate Governance and Nominating Committee, Strategy Committee, and Corporate Social Responsibility Committee.</p> <p>(2) Pursuant to Article 29 of the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the Company engages professional, responsible, and independent CPAs to audit its finances and internal control on a regular basis. Meanwhile, the Company's Audit Committee and Board of Directors are called upon to evaluate the suitability, independence, and fair pricing of the engaged CPA firm every six months (in the first and third quarters). For its part, the CPA firm is supposed to present a statement of independence (specifying that the CPAs responsible for audit and their spouses as well as dependent relatives have no major financial interests at stake involving the Company, either directly or indirectly, or have undermined independence in any other way). To effectively avoid conflicts of interest, the Company conducts an inspection in the first quarter of every year to make sure that the contracted CPAs are not interested parties referred to in Article 45 of the Financial Holding Company Act, do not enjoy more favorable terms and deposit/lending rates than for similarly situated customers while engaging in credit extension deals with the Bank's subsidiary E.SUN Bank, and do not hold shares in the Company.</p>	None
<p>3. Does the Company have in place channels for communicating with stakeholders and set aside an exclusive section for stakeholders on its website so that it can properly respond to major corporate social responsibility issues of concern to the latter?</p>	V		<p>The Company has appointed a spokesperson and set up an investor relations department for communicating with stakeholders. Shareholders and customers can fully express their opinions through the Company's stock affairs and customer service departments respectively. For their part, employees can take their complaints, if any, to the Company's human resources department. All problems can be solved properly and communication can proceed smoothly. Separately, the Company's website includes a special section for corporate social responsibility that not only makes public the Company's CSR report but also provides a channel for communicating with stakeholders.</p>	None
<p>4. Information Disclosure</p> <p>(1) Does the Company install a website for disclosing information on finances, operations, and corporate governance?</p> <p>(2) Does the Company resort to other means of information disclosure (such as installing an English website, designating personnel to collect and disclose material information, appointing a spokesman to communicate with the general public, making public the recordings of investor briefings on its website, etc.)?</p>	V		<p>(1) a. The Company has installed a website (http://www.esunfhc.com.tw/ir/ir.aspx) to disclose information on finances, operations, and corporate governance. b. Information to be disclosed includes that with regard to finances, operations, board resolutions, presentations at investor briefings, internal control, personnel designated for communicating with investors, etc.</p> <p>(2) a. The Company has installed an English website and designated personnel to collect and disclose material information. b. The Company has faithfully implemented a mechanism under which the position of spokesperson is taken by someone who has a thorough understanding of the financial holding company's finances and operations and is able to coordinate with all departments. The spokesperson's contact information is fully disclosed on the Company's website: Spokesperson Name: Joseph Huang Title: President, E.SUN FHC Telephone: (+886) 02-2175-1313 E-Mail: joseph@email.esunbank.com.tw</p> <p>Deputy Spokesperson Name: Magi Chen Title: CFO Telephone: (+886) 02-2175-1313 E-Mail: magi@email.esunbank.com.tw</p> <p>Agency Handling Share Transfer Stock Service Dept., General Affairs Division, E.SUN FHC Address: 1F, Sec. 3, Ming-Sheng E. Road, Taipei, Taiwan Telephone: (+886) 02-2175-1313</p> <p>c. Presentation materials prepared for investor briefings, along with audio files, are uploaded onto the Company's website, the upkeep of which is assigned to designated personnel.</p>	None

Item	Status of implementation (Note 1)			Any departure from the Corporate Governance Best Practice Principles for Financial Holding Companies, and the reason for any such departure
	Yes	No	Summary	
5. Does the financial holding company have other crucial information that facilitates understanding the operation status of its corporate governance (including but not limited to situations regarding employee rights and interests, employee care, investor relations, the rights and interests of stakeholders, the continuing education of directors and supervisors, the implementation status of risk management policies and risk measuring standards, the implementation status of customer policies, the situation concerning the purchase of accountability insurance for directors and supervisors, and donations made to political parties, stakeholders, and public interest groups)?	V		<p>(1) To boost the capacity of the Board of Directors for supervision and management, the Company has adopted the Rules of Procedure for Board Meetings that regulate the main agenda items, operational procedures, and mandatory contents of meeting minutes. Board meetings shall be held in accordance with these rules.</p> <p>(2) Board directors are asked to attend relevant training programs from time to time.</p> <p>(3) The Company has established the Risk Management Committee that is called upon to effectively implement risk control and management policy and compile risk management reports. A summary of the scope and characteristics of the Company's risk measurement system is as follows:</p> <p>a. Credit Risk Establish a systematic approach to managing credit risk associated with borrowers, counterparties in transactions, or asset portfolios; setting up a proper credit risk control environment; placing the credit risk of trading counterparties under control and management as well as producing credit ratings for the latter; setting conditions for the control and management of risk exposure and risk concentration associated with any individual product, industry, or business conglomerate.</p> <p>b. Market Risk For their on and off-balance sheet items, the Company and its subsidiaries shall establish mechanisms for assessing and controlling risk deriving from price, exchange rate, and interest rate fluctuations.</p> <p>c. Liquidity Risk Assess the composition of major assets and the liquidity risk facing them. Manage the risk based on the features of each industry and pertinent regulations set by the competent authority. Put in place a liquidity risk emergency plan.</p> <p>d. Operational Risk Establish a full range of operational processes, limits of authority for various operations, and processes for the control and management as well as audit of documents and certificates.</p> <p>e. Legal and Other Risk Manage legal and other risk by means of risk scenario stress testing as well as risk tolerance and capital adequacy evaluation.</p> <p>(4) The Company has always given priority to making sure that its subsidiaries offer quality customer service and implement a sound consumer protection policy. Their websites provide consumers with various channels of communication, including 24/7 customer service hotlines and sections reserved for online messages.</p> <p>(5) As part of its effort to establish a well-rounded corporate governance mechanism, the Company has provided board directors and key employees with comprehensive liability insurance so as to minimize the risk exposure of both itself and the personnel in question. The insured parties include the directors, supervisors, and managerial/supervisory employees of E.SUN FHC and its subsidiaries. The coverage extends to damage compensation and litigation expenses deriving from damage claims filed against E.SUN FHC and its subsidiaries for charges in relation to securities or employment practices; against directors or independent directors for alleged management or employment malpractices; against directors and independent directors for charges in relation to labor safety and health.</p> <p>(6) Multiple channels are made available for employees of the Company to communicate with all levels of management and the human resources department. All problems can be solved properly and communication can proceed smoothly. Each year the Company will organize a "knowledge-sharing" seminar to inform employees of its vision, policy, and other employee-related matters. Videoconferences are also held for communicating with employees whenever warranted. Meanwhile, the Employee Welfare Committee is charged with the responsibility of caring for employees.</p> <p>(7) To encourage shareholders to get involved in corporate governance, the Company has adopted the Rules of Procedure for Shareholders' Meetings. Besides the appointment of a spokesperson, the Company has also set up a department responsible specifically for handling stock affairs. Shareholders can fully express their opinions, and designated personnel will handle such matters accordingly. Moreover, all information on finances and operations is fully and truthfully disclosed in the Company's annual report and on its website.</p> <p>(8) To uphold corporate governance and corporate social responsibility, the Company has adopted the Regulations on Handling Donations. A summary of the Company's donations to political parties, interested parties, and public welfare organizations during the latest year: none.</p> <p>(9) Status of implementation of resolutions adopted by shareholders' meetings: All reports and ratified proposals are handled according to law. When it comes to matters for deliberation, all revisions to the Articles of Incorporation and Regulations Governing the Acquisition and Disposal of Assets are handled according to law while resolutions on capitalization of retained earnings are reported to the competent authority in tandem with pertinent regulations, after which new shares are issued accordingly.</p>	None
6. Does the Company compile any corporate governance self-evaluation report or have such a report commissioned to another specialized organization? If the answer is positive, please specify opinions of the Board of Directors, conclusions of the in-house or commissioned report, major deficiencies and corrective measures thus proposed, and status of improvement (Note 2).	V		<p>The Taiwan Corporate Governance Association has granted the Company CG6009 certification in recognition of the following: the Company's corporate culture and vision serve as a crucial basis for well-rounded corporate governance; the Company's independent directors come from different areas of specialization and help strengthen the functions of the board by proactively participating in board meetings; In 2014, E.SUN FHC was recognized by international institution by being the first ever financials in Taiwan included in Dow Jones Suitability Emerging Market Index. In 2015, E.SUN FHC was the first and the only financial institution in Taiwan to have been listed in the Dow Jones Sustainability World Index.</p> <p>Company's active involvement in public interest endeavors serves as a valuable source of vitality conducive to sustainable development.</p> <p>Separately, the Taiwan Corporate Governance Association recommends that the Company sets up a system for evaluating board performance and a mechanism for reporting major chance occurrences as well as incorporates compensation for managers into risk considerations for the future. For its part, the Company is proactive to draw on domestic and overseas practices and theoretical doctrines to establish the said system and mechanism. To date the Company has implemented the Regulations for Evaluating Board of Directors Performance, based on which both self-evaluation by directors and overall evaluation are undertaken to enhance board functions and effectively realize corporate governance. Also put in place are the Regulations Governing Compensation for Managers.</p>	None

Note 1: Regardless of the choice of "Yes" or "No" with regard to the status of implementation, a more detailed account is warranted in the summary column.

Note 2: The said corporate governance self-evaluation report refers to one in which the Company reports on the status of its implementation of corporate governance in areas selected specifically for such evaluation. Rationale for revision: Revise items of disclosure for the status of implementation of corporate governance in line with a revision to the Corporate Governance Best Practice Principles for TWSE/GTSM-Listed Companies.

(5) Status of Performance of Social Responsibilities

Item	State of Operation			Any departure from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies, and the reasons for any such departure
	Yes	No	Summary	
<p>1. Promotion of corporate governance</p> <p>(1) The Company's setting of corporate social responsibility policies or systems, and review of status of implementation and results.</p> <p>(2) Does company provide regular training of CSR?</p> <p>(3) Status of operation of any units established by the Company with full (or concurrent) corporate social responsibility duties.</p> <p>(4) The Company's regular holding of corporate ethics education, training, and awareness events for directors, supervisors, and employees, linkage with the employee performance evaluation system, and establishment of clear and effective rewards and penalties.</p>	V		<p>(1) The Company has laid down a set of corporate governance best-practice principles to ensure our complying with laws and regulations, bolster internal management, strengthen the functions of the board, and protect the rights and interests of shareholders and stakeholders. With priority given to capital adequacy, asset quality and liquidity, management competence, profit capacity, and risk sensitivity, the Company is equally committed to honoring corporate social responsibility and making investment accordingly. Standing by our business ideals, we are set to strive for sustainable development and attain the long-term goal of benefiting society. Besides working on corporate governance, customer rights, employee welfare, the public good, and energy conservation/carbon reduction, we pledge to do more in humanities, the arts and environmental protection in our endeavors toward fulfilling CSR and thus generate a greater impact on the community.</p> <p>(2) The Company instills and realizes corporate ethics through publicity and examinations.</p> <p>(3) The Company has established the Corporate Social Responsibility Committee and laid down its organizational regulations accordingly. As an operating committee of the board, it is supposed to make sure that the Company and its subsidiaries faithfully fulfill their corporate social responsibility.</p> <p>(4) The Company's Board of Directors has adopted a set of Regulations Governing Compensation for Managers, specifying that their compensation shall be based on performance and linked to future risk and the incidence of major risk events. In the meantime, rewards and penalties shall be given in accordance with provisions laid out in a separate set of working regulations.</p> <p>E.SUN's employee performance evaluation is linked to its corporate social responsibility policy that covers corporate governance, public interest, and environmental sustainability:</p> <p>a. Endorsement of the Company's corporate culture, stringent ethical and behavioral self-discipline, and commitment to the ideals of professionalism, service and responsibility.</p> <p>b. Proactiveness for working with colleagues to create a sound working environment, support one another, and attain excellence as a team.</p> <p>c. Evaluation of personnel assigned to environmental management duties shall take account of their performance in undertaking activities with regard to environmental sustainability as well as the results thereof.</p>	<p>E.SUN's corporate culture and operational philosophies play a foremost role in establishing complete legal compliance and internal control system. Besides promoting professional operations and implementing corporate governance, E.SUN complies with Corporate Social Responsibility Best-Practice Principles for TSE/GTSM Listed Companies. There is no discrepancy in the initiatives undertaken by E.SUN to promote corporate social responsibility</p>
<p>2. Environmentally sustainable development</p> <p>(1) The Company's efforts to enhance the efficiency of resource usage, and use of recycled materials with low environmental load.</p> <p>(2) The Company's establishment of an appropriate environmental management system reflecting the characteristics of its industry.</p> <p>(3) The Company's attention to the effect of climate change on its operational activities, and drafting of corporate energy conservation, carbon emission reduction, and greenhouse gas reduction strategies.</p>	V		<p>(1) The Company prioritizes the purchase and use of building materials, equipment, and tools bearing the Green Building Materials Mark or Green Mark, and also complying with relevant legal requirements. The Company makes extensive use of recycled materials and recyclable, low-pollution, energy-saving products, and avoids mechanical equipment with high energy consumption and products that are excessively packaged, harmful to the living environment, and not spontaneously decomposing.</p> <p>(2) The Company has adopted the ISO 14001 environmental management system and ISO50001 energy management system, and has established an environmental/energy management framework in accordance with the "E.SUN White Paper on Environmental Protection and Energy Conservation" in order to effectively implement carbon reduction, energy conservation, water conservation, and industrial waste management.</p> <p>(3) The Company has conducted ISO 14064-1 greenhouse gas inventories at the E.SUN headquarters building and all branches in Taiwan. These inventories have enabled the Company to understand its carbon emissions and draft a greenhouse gas reduction action plan.</p> <p>(4) The corporate social responsibility committee has established and environmental sustainability committee to bear responsibility for the promotion of environmental/energy management policies, and maximize the efforts of the Company and individuals. E.SUN FHC headquarters' Administration Department bears responsibility for implementation.</p> <p>(5) The Company includes borrowing companies' implementation of environmental protection policies and degree of environmental pollution in items considered when lending, and hopes to induce external companies to protect the environment. The Company also strives to promote widespread use of online services, reduction in paper use, and conservation of power.</p>	<p>The Company seeks to promote environmentally sustainable development through a progressive approach, and complies with "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies." There are no substantive discrepancies in the promotion of environmentally sustainable development; the following is a relevant explanation:</p> <p>(1) The Company determined "Environmental Protection and Management Guidelines" in 1996, and issued the "E.SUN White Paper on Environmental Protection and Energy Conservation – E.SUN Green Policy" in 2007. The chief content of these documents includes policy formulation, establishment of a culture, and implementation of measures, and they take environmentally sustainable development as their ultimate goal and purpose.</p> <p>(2) The Company adopted the ISO 14001 environmental management system in 2013, has drafted energy conservation targets, has conducted greenhouse gas inventories focusing on greenhouse gas reduction efforts, water conservation, and power and vehicle fuel conservation, performs regular reviews and exchanges of views, and seeks to collectively fulfill its environmental protection and energy conservation policies.</p> <p>(3) The Company adopted the ISO 50001 energy management system in 2014, relies on energy reviews to analyze key factors affecting E.SUN's energy use, has established energy baselines, energy management performance indicators, energy targets, energy management action plans, and energy management procedures documents, and seeks to achieve continuing improvement of energy performance, reduce energy expenses, effectively reduce carbon emissions, and realize effective energy management.</p> <p>(4) The Company completed ISO 14064-1 greenhouse gas inventories at the E.SUN headquarters building and all Taiwan branches in 2014, has used these inventories to gauge its carbon emissions, and is relying on inventory results to draft a greenhouse gas reduction action plan aimed at mitigating the impact of global warming on the earth's environment.</p> <p>(5) Verification for e-Click Online Card Application. The ISO 14067 verification analysis results indicated that using the e-Click Online Card Application reduced the associated carbon emissions by half, compared to counter applications, thus demonstrating effective energy conservation.</p> <p>(6) With regard to the E.SUN World Card and E.SUN ETC Easy Card, we have performed "credit card carbon footprint PAS2050: 2011&EPA" and "product water footprint" verification, and obtained the EPA's "Product Carbon Footprint Label." Thanks to carbon footprint verification, we understand carbon emissions from our products, and have drafted reduction plans aimed at contributing to environmental sustainability.</p> <p>(7) The Company participates in the Carbon Disclosure Project (CDP), and is a CDP signer and supporter.</p> <p>(8) E.SUN Bank adopted the Equator Principles (EP), becoming one of the 82 Equator Principles Financial Institutions (EPFI) in the world.</p>

Item	State of Operation		Any discrepancies and reasons for such with Trustworthy Operations Best-Practice Principles for TWSE/GTSM Listed Companies	
	Yes	No		Summary
<p>3. Preserve Public Interest</p> <p>(1) Does the Company adopt an appropriate management policy and procedures in accordance with pertinent laws and regulations as well as international human rights conventions?</p> <p>(2) Does the Company establish a mechanism and channels for receiving and handling employee complaints properly?</p> <p>(3) Does the Company provide a safe and healthy work environment for its employees and periodically organize employee training on safety and health?</p> <p>(4) Does the Company establish a mechanism for communicating with employees on a regular basis and, by reasonable means, inform employees of operational changes that might have material impacts?</p> <p>(5) Does the Company establish effective training programs for employees to foster career skills?</p> <p>(6) Does the Company adopt a policy for protecting consumer rights and interests in relation to its R&D, procurement, and operational and service processes as well as put in place procedures for consumers to file complaints?</p> <p>(7) Does the Company abide by pertinent laws and regulations as well as international guidelines in marketing and labeling its products and services?</p> <p>(8) Does the Company check if a business has recorded any adverse effect on the environment and community before contracting it as a supplier?</p> <p>(9) Does the Company specify in contracts with major suppliers that it may terminate or cancel the contracts anytime if they are found to have violated its corporate social responsibility policy and have had a conspicuous impact on the environment and community?</p>	V		<p>(1) The Company considers people its core asset. Employee rights are upheld in accordance with pertinent laws and regulations. That is, the Company is committed to protecting and preserving employee rights prescribed by pertinent laws and regulations as well as implementing a nondiscriminatory employment policy, thereby creating a harmonious labor-management relationship.</p> <p>(2) We have long attached consequence to keeping open a wide range of channels for employees to say whatever they have to say. Listening to employees intently, we believe, should be both the best way to show how much we care and the basis for interacting with them. We welcome employee feedback verbally, on the Web, on the "Notes" platform, and in the form of reports and suggestions in writing. As such, we collect employee opinions from multiple sources to seek out their needs and in turn rectify our deficiencies along the way.</p> <p>(3) The installation of an exclusive section designed specifically for them signifies the emphasis the Company places on providing employees with a safe and healthy working environment. Every business division is staffed with a responsible person charged with labor safety who organizes training and study sessions on a regular basis. Meanwhile, a set of guidelines on physical examination is laid down as the basis for employees to undergo health checkup regularly. The special section on labor safety and health is intended to keep employees up to date on this front. In addition to sessions intended specifically for novice employees, labor safety training and health examination are undertaken across the Company on a regular basis. On top of emergency care personnel, every place of business is equipped with a security system as well as security personnel so as to uphold the safety of the place, employees and customers.</p> <p>(4) The Company makes it a point to keep up two-way communication while organizing knowledge-sharing sessions, human resources improvement projects and across-the-board videoconferences. Employees are free to take their complaints to various levels of management and the human resources department, thereby creating a harmonious and happy working environment.</p> <p>(5) In accordance with its organizational strategy and goals as well as employee needs, the Company devises well-rounded training programs and comprehensive guidelines for career development. These include novice training, specialization training, management and leadership training, and self-development training. Both new recruits and senior executives are offered suitable training to acquire specific capabilities in different stages. On top of courses on various disciplines, leadership, and management, there are programs designed to promote self-management and personal growth.</p> <p>To nurture talent with cross-sector competences, the Company implements a clearly defined rotation mechanism for employees to further enhance themselves. This practice not only contributes to a more flexible workforce but also makes possible much broader career horizons for employees.</p> <p>(6) State of formulating and implementing consumer rights policies</p> <p>a. Formulation and publication of consumer rights policies</p> <p>(a)E.SUN has set forth systems that comply with consumer rights legislation. It provides standardized contractual agreements and designs products and services suitable for consumers.</p> <p>(b)E.SUN holds consumer rights-related education and training for its employees to emphasize the importance of consumer rights and encourage them to provide considerate service.</p> <p>(c)E.SUN discloses accurate and comprehensive consumer information, such as easy to understand pricing included in lending contracts (mortgages and credit loans), as well as schedules that detail handling fees. In addition, the Bank offers special explanatory information on mortgage loans and letters of rights and obligations, thereby enabling consumers to clearly understand products through examples. This offers another opportunity to remind customers of related conditions and the rights and obligations of both parties.</p> <p>b. Process of filing complaints</p> <p>Consumer disputes are handled in accordance with Standard Procedures for Handling Consumer Disputes at E.SUN Bank. The Bank also operates a 24-hour complaint hotline and an E.SUN Internet Bank visitor message board to provide consumers with avenues to file complaints.</p> <p>(7) In terms of marketing and labeling products and services, the Company makes it a point to spell out related charges and risk reminders in pertinent texts. Product information is fully disclosed in brochures and prospectuses. Meanwhile, product information, calculation of charges, and campaign contents across the institutional banking, personal banking, wealth management, and credit card businesses are also made public through the Company's website, application forms, bills, DM and EDM, consumer manuals, contracts, and propaganda materials. Priority is given to enabling customers to understand methods of use and favorable terms, if any. Marketing events are organized in accordance with customer characteristics in a bid to create customer value.</p> <p>(8) While both new and existing suppliers are subject to evaluation and screening, the Company has spelled out a Statement of Commitment to Human Rights and Environmental Sustainability that covers such aspects as environmental integrity and occupational safety, labor management, fundamental human rights, and ethical guidelines. Both business partners and suppliers are invited to sign the said statement and join a common cause of striving for environmental sustainability.</p> <p>(9) The contract with coworkers includes Ethical Corporate Management Principles, which enacted that once one party violates the rule of corporate social responsibility and further suffers the community and environment, the other party shall be entitled to terminate this agreement.</p>	No difference
<p>4. Strengthening information disclosure</p> <p>Does the Company disclose relevant and reliable corporate social responsibility information.</p>	V		<p>At E.SUN, fulfillment of corporate social responsibility has long been considered both a mission and a commitment as it strives for sustainable development. CSR-related information is disclosed on the Company's website and in such publications as Sunrise Magazine and Smile E.SUN whenever warranted.</p>	No difference
<p>5. If the Company has drafted its corporate social responsibility rules on the basis of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies," please status any discrepancy between implementation and the drafted rules:</p> <p>E.SUN has drafted its corporate social responsibility on the basis of the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies," upholds the spirit of prudence, pragmatism, and trustworthy operation, relies on its business philosophy, corporate culture, and common vision as its core, fulfills its corporate social responsibility, and strives to promote sound corporate governance, develop environmental sustainability, maintain social welfare, and strengthen its disclosure of corporate social responsibility information. It has no substantive discrepancies connected with fulfillment of corporate social responsibility.</p>				

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	Yes	No		
6. Other important information facilitating understanding of implementation of corporate social responsibility. E.SUN fulfills its corporate social responsibility in the areas of environmental protection & energy conservation, community participation, social contribution and service, and protection of human rights. The following are some of the tangible results of E.SUN's fulfillment of its social responsibility:				
(1) Environmental protection:				
a. Adopted the Equator Principles (EP), becoming one of the 82 Equator Principles Financial Institutions (EPFI) in the world.				
b. After being the first ever financial institution in Taiwan listed in Dow Jones Sustainability Emerging Market Index in 2014, E.SUN FHC was the first and the only Taiwan financial listed in the Dow Jones Sustainability World Index and Emerging Market Index.				
c. E.SUN participates in the Carbon Disclosure Project (CDP), and is a CDP signer and supporter. We hope to achieve the sustainable coexistence of the Company and the natural environment.				
d. Proactively introduced and received the certificate of ISO 14001 and ISO 50001 for Environmental Management System, established environmental/energy management frameworks, formulated environmental/energy policies, and planned and implemented environmental/energy improvement goals and targets, as well as continual improvement plans.				
e. E.SUN has completed ISO 14064-1 greenhouse gas inventories at the E.SUN headquarters building and all domestic branches in two consecutive years. These inventories allow us to understand carbon emissions, and draft a greenhouse gas reduction action plan aimed at mitigating the impact of global warming.				
f. E.SUN Bank received the certificate for ISO 14067 Carbon Footprint Verification for its e-Click Online Card Application. The verification analysis results indicated that using the e-Click Online Card Application reduced the associated carbon emissions by half, compared to over-the-counter applications, thus demonstrating effective energy conservation.				
g. With regard to the E.SUN World Card and E.SUN ETC Easy Card, E.SUN Bank has completed "credit card carbon footprint PAS2050: 2011&EPA" and "product water footprint" verification, and obtained the EPA's "Product Carbon Footprint Label." Thanks to carbon footprint verification, we understand carbon emissions from our products, and have drafted reduction plans aimed at contributing to environmental sustainability.				
h. Drafted the "Human Rights and Environmental Sustainability Pledge," and invited partners and supply chains to sign and jointly pledge to maintain basic human rights and sustainable development.				
i. E.SUN has implemented the "E.SUN White Paper on Environmental Protection and Energy Conservation," which calls for promotion of environmental protection in lending, energy conservation through online services, and energy conservation in purchasing, and hopes to gradually spread environmental protection concepts to the individual.				
j. Responding to the Bureau of Energy's "Voluntary Energy Conservation Promotion Plan," the Company has striven to create a superior living environment by promoting environmental sustainability, energy conservation, and carbon reduction.				
k. In response to the New Taipei City Service Sector Saving Electricity Event held by the New Taipei City Government, E.SUN FHC does its part in raising awareness towards electricity conservation, in order to make the Earth a better place.				
l. Responding to the global call for energy conservation and carbon reduction, the Company is cooperating with partners outside the industry, and is continuing to promote the public bicycle rental system program in Taipei in conjunction with Taipei City Government and Giant. We are using our influence and business operations to actively promote the "E.SUN UBike Smile 123" program, which will enhance urban culture and help create a sustainable, appealing living environment.				
m. Environmental sustainability is an issue that E.SUN has made a long-term commitment to. In order to protect our planet Earth, an environmental sustainability account has been established under the E.SUN ETC EasyCard Joint Credit Card, and E.SUN is the first financial institution to introduce such a service. When the card holder uses the card for their purchase, E.SUN additionally deposits 0.1% of the eTag automatic top-up amount to the environmental sustainability account. The amounts deposited are then invested in environmental protection, energy conservation, and ecological conservation in Taiwan, thereby further beautifying the environment of Taiwan.				
n. E.SUN cooperated with Taipei Zoo in issuing Taiwan's first public interest credit card combining conservation and environmental coexistence—the "Formosan Black Bear Affinity Card." Whenever a transaction is made using this card, 0.2% goes to an animal conservation fund used for Formosan black bear conservation, habitat protection, restoration of Taiwan's native species, and environmental education. E.SUN hopes that this card will increase public awareness of environmental protection, and encourage consumers to do their part for wildlife conservation when making credit card purchases.				
o. E.SUN collaborated with Taipei Zoo to hold the activity Nanny Time—Dinner Time for Animals (Formosan black bear), in which the general knowledge regarding Formosan black bear and the experiences of animal caretakers are shared with audiences, in the hope that it would elevate people's awareness regarding conserving, respecting, and caring for the land of Formosan black bears.				
p. E.SUN collaborated with the Taiwan Black Bear Conservation Association in holding a tour of 30 lecture sessions on black bear conservation in northern Taiwan from 9/8 to 12/22, over a period of more than 3 months. In addition, the event was also held in Yilan County at Nanou Elementary School, Hanxi Elementary School, and Datong Elementary School, in an effort to raise the public's awareness towards conserving, respecting, and caring for the land of Formosan black bears.				
q. E.SUN hosted the 2015 Black Bear Marathon charity event in Pingtung, which attracted 5,000 participants in the marathon. E.SUN volunteers voluntarily formed teams to participate in the marathon, with the hope of attracting the attention of Taiwanese people towards issues concerning black bear conservation. Concurrently, participants could visit the Pingtung Rescue Center in National Pingtung University of Science and Technology, where explanations regarding the current situation of black bear conservation were provided.				
r. E.SUN hosted a series of promotional events for the conservation of Taiwan black bears, called Seeking the Best Protector. In 2015, E.SUN hosted 5 events in Taipei Zoo, including events during the Chinese New Year holiday, summer vacation, and elementary school anniversary celebration, with over 10,000 families attending the events.				
s. E.SUN continued to help with the filming of the documentary Black Bear Forest, which seeks to give the public a better understanding of and greater concern for Taiwan's distinctive wildlife, promote conservation, and spread love for nature.				
t. E.SUN hosted the "2015 Yangmingshan Butterfly Festival" in conjunction with Yangmingshan National Park, helped promote butterfly habitat conservation and environmental education at the national park, and used ecological experiences and a wide range of awareness methods to encourage the public to participate in butterfly festival activities, which included ecological exhibits, outdoors guide classes, musical performances, and a lecture series. These lively and appealing awareness methods transmitted butterfly-related knowledge, gave the public a better understanding of butterfly ecology, increased the public's recognition of butterflies, and thereby increased concern for butterflies and the environment.				
u. E.SUN has continued to participate in trail adoption at Yushan National Park, along with promotion of ecological conservation and environmental protection education, and has encouraged E.SUN employees to participate and contribute to environmental protection.				
v. E.SUN collaborated with Pingtung County Governments to promote a treeplanting and tree adoption project. That is expected that the project will result in the planting of more than 6,000 tree seedlings at eight elementary and middle schools in the county, the forest area at the county government's Xiangtan Forestry Nursery, and school environmental landscaping areas. These trees will reduce carbon in the atmosphere by more than 30,000 kg.				
w. E.SUN is the 65th branch association of Taiwan Souji Association, and held the term for 5 years. E.SUN managers were responsible for leading approximately 45 environmental protection volunteers to jointly participate in community cleaning activities.				
x. E.SUN participated in the "Lights Out for the Start of Summer," "World Earth Day-Lights Out for One Hour," "Clean up the World-Taiwan," "Mid-Autumn Night—Lights Out to Watch the Moon," "International Car Free Day," and other international activities promoting energy conservation, carbon reduction, and environmental protection.				
y. Each unit conducts environmental protection education on the 13th day of each month; these sessions create awareness of energy conservation/carbon emissions reduction concepts and methods for the office and everyday life, and provide tips on how to protect the environment.				
(2) Community participation:				
a. E.SUN participated in the 2014 Taiwan Lantern Festival (Nantou County) held by the Tourism Bureau, and donated 5,000 small "Chao-Meng-Ma" hand lanterns to participants, which added to festive atmosphere.				
b. E.SUN's various branches conduct regular spontaneous neighborly early morning clean-up work on a daily basis. Before work, at 8:30 each day, teams of employees clean-up the sidewalk in front of bank buildings and the surrounding area, which shows how we are taking concrete actions to create a better living environment around us.				
c. E.SUN has participated in a large balloon parade activity for six consecutive years. Apart from again holding the activity at Kaohsiung's Dream Mall, we also held it in Banqiao as part of New Taipei's Christmas celebration, and E.SUN volunteers and Fortune Cat mingled with members of the public, which added to the fun and excitement.				
(3) Social contributions and service:				
a. E.SUN provides fair, generous, string-free educational resources to outstanding students. To date, we have provided scholarships to a total of 82 outstanding students under the 11th "Cultivating Outstanding Management Personnel" program.				
b. E.SUN provides incentive money to the world's leading management journals, and established the "E.SUN Academic Award" via an agreement with National Taiwan University; this award has been given to ten recipients thus far, and is helping to boost the standards of domestic management research.				
c. To cultivate financial specialists, E.SUN has collaborated with the top 10 universities in Taiwan (including National Taiwan University, National Chengchi University, National Tsing Hua University, National Chiao Tung University, National Taipei University, National Taiwan University of Science and Technology, National Central University, National Chung Cheng University, National Cheng Kung University, and National Sun Yat-Sen University) in launching the E.SUN Industry—Academic Cooperation Project, to foster the key competencies of students for their future careers and thereby enhance their competitiveness before entering the workforce.				
d. E.SUN worked with SAS, a statistical analysis software and professional service provider, in hosting the Big Data Opportunity Innovation Competition for four consecutive years. This competition is a part of the information scientist series and is aimed at extending the concept of corporate social responsibility (CSR) downward to cultivate more outstanding talent so that they can use their creativity and expertise in becoming the future stars of big data analysis.				
e. To foster digital marketing talent and experts, E.SUN collaborated with Google in investing in the Google Ignite project, to provide a more comprehensive and extensive digital marketing practical course that closely matches the needs of the business community. Thus, new graduates who did not major in digital marketing or did not receive relevant professional training could acquire digital marketing capabilities. Ultimately, the project is aimed at assisting Taiwanese young adults and enterprises in applying the power of the Internet to create new business models.				

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			<p>f. For five consecutive years, E.SUN has invited the Vienna Boys' Choir group to visit Taiwan and perform in the concert halls of the Cultural Affairs Bureau of Chiayi City, the Tainan Municipal Cultural Center, the National Performing Arts Center, the Performance Hall in Hsinchu City, and Chung Shan Hall. The goal is to fulfill our CSR through the power of music.</p> <p>g. E.SUN held the "For Mother—Concerts for Moms" at two locations in the Tainan and Chiayi areas respectively on the eve of Mother's Day. The concerts were jointly performed by the E.SUN Chorus, Pulo Artists' Orchestra, Taoyuan Zhuang-Jing Elementary School. Through these concerts, E.SUN expressed its concern for mothers and its love for Taiwan.</p> <p>h. E.SUN has responded to invitations to share our customer service experience. We hope that sharing our service philosophy and experience will improve service quality, open non-commercial channels of communication, and thereby boost the service quality consciousness and standards of society as a whole.</p> <p>i. E.SUN collaborated with Brain magazine to hold the "Cross-Strait Student Digital Marketing Camp," which provided university students and graduate students an opportunity to study professional marketing and submit competing proposals. The intention behind this activity was to broaden the international horizons of students in Taiwan and actively enhance Taiwan's digital marketing competence.</p> <p>j. E.SUN was also invited to share our experiences in customer service, as well as our service philosophy, improvements to service quality, the development of non-commercial communication channels, and promote awareness regarding quality and standards.</p> <p>(4) Social welfare:</p> <p>a. Based on the principle of long-term care and sustainable management, "E.SUN Golden Seed Project" aims to build E.SUN libraries for children living in remote areas to improve the reading environment and resources for these children. By the end of 2015, E.SUN reached its target of establishing 100 libraries nationwide.</p> <p>b. The "E.SUN Concern for Schoolchildren Program" provides assistance to schoolchildren who are economically disadvantaged or have undergone sudden life changes. This program seeks to ease the burden of educational costs on families, and ensure that children can learn and grow in secure and happy circumstances. A total of 10,480 schoolchildren at 550 schools benefited from this program in 2015.</p> <p>c. A team of 30 E.SUN volunteers from throughout Taiwan participated in the "E.SUN Bicycle Ride Around Taiwan: Sending Love Everywhere" activity, which took place Mar 17-26, 2015. This ride around the island of Taiwan started from E.SUN's headquarters building, and the Company donated NT\$10,000 to the "E.SUN Concern for Schoolchildren Program" for each kilometer the cyclists traveled. Since the entire trip was 1,000 km in length, the Company donated a total of NT\$10 million, which helped 5,000 underprivileged schoolchildren to learn and grow happily.</p> <p>d. The "E.SUN Volunteer Passports" encouraged E.SUN employees to contribute to society in their spare time by participating in various public interest activities held by business units and external organizations.</p> <p>e. In order to promote youth baseball in Taiwan, E.SUN has supported youth baseball by establishing the "E.SUN Youth Baseball Development Fund." The fund is being systematically used for the "E.SUN Cup Youth Baseball Championship," "E.SUN Youth Baseball Protection Camp," "E.SUN Youth Baseball Pitching and Catching Camp," and "E.SUN Concern for Baseball Teams in Remote Areas Program." Furthermore, as of the end of 2015, we had supported baseball equipment used by teams at 22 schools, including Huade Vocational High School, Yuli High School, National Tainan Senior Marine Fishery Vocational School, Meihe senior high School, and Mailiao High School. And in order to establish an even stronger foundation for youth baseball in Taiwan, E.SUN further invited major league coaches to serve as guest lecturers and impart ball-playing skills, fitness suggestions, and psychological tips.</p> <p>f. Every year in February and August, E.SUN initiates blood drives nationwide, and donated a total of 4,352 bags of blood in 2015. This activity was aimed at encouraging people to share their love and concern for others. Employees, neighbors, and customers were called upon to encourage them to donate their blood and contribute to the blood banks of the medical community.</p> <p>g. E.SUN continued to hold the "Caring for Children in Need" activity, and conducted 13 sessions in 2015. E.SUN volunteers accompanied children from orphanages (including Bodani, Victory Home, Yuena Jiayuan, and Southern Taiwan Children's Home) in activities such as professional baseball games, saxophone concerts, and exhibitions, etc., as well as clean-up sessions and visits to nursing homes, which helped bring love to every place it is needed.</p> <p>h. E.SUN cooperated with Yushan National Park Administration sponsor a shift to growing organic rice at Nanan Village in Hualien County for two consecutive years. This action aims to support domestic agriculture industry in practice.</p> <p>i. In conjunction with the Two Hall Zero Art Distance - Dream Come True Project, E.SUN invited 282 teachers and students from junior high schools in remote areas of Taoyuan, including the Da Gang Junior High School, Hsing-Fu Junior High School, Cao Ta Junior High School, and Zhuwei Junior High School, to attend the Film Music in Concert event, a concert performance by people with physical and mental disabilities at the National Performing Arts Center.</p> <p>(5) Consumers' rights and interests: Whenever E.SUN provide products or services, if there are any items requiring customers' attention or if usage instructions should be provided, in accordance with the competent authority's regulations, we specifically status customers' rights and interests in contracts, products, DMs, and other relevant informative documents, or post this information on the Company website. By insuring full understanding by customers and other members of the public, we protect the rights and interests of both parties.</p> <p>(6) Human rights:</p> <p>a. Employees are the Company's most valuable assets, and E.SUN places great emphasis on employee development. To date, there have been no labor-management</p> <p>(7) Health and safety:</p> <p>a. Apart from hardware protective devices, all units conduct safety drills in accordance with plans established by Company headquarters. The Company also occasionally arranges for managers and personnel to participate in labor health and safety manager training classes and first aid personnel training classes held by the Industrial Safety and Health Association of Taiwan; following these training sessions, the Company also conducts internal education and training aimed at enhancing employees' workplace safety and achieving the goal of a zero-accident workplace.</p> <p>b. E.SUN has formulated the Operating Procedure for Emergency Response and Crisis Management and related standard operating procedures, raised crisis awareness and enhanced crisis prevention, and periodically conducted drills and inspection of the effectiveness of response measures.</p> <p>c. Every quarter, each unit conducts onsite drills on safety protection, focusing on the prevention of fires, explosives, theft, robberies, and fraud, as well as issues related to the safety of ATM cash replenishment, the destruction of automated machines, the prevention of pickpocketing, fraudulent cash withdrawals, threats of destruction, and prevention of bank runs. It also cooperates with the police units in conducting cross-over drills.</p> <p>d. In order to curb smoking among employees, the Company is actively promoting a smoke-free workplace, and has established a no-second-hand smoke working environment. In addition, the Company has been assessed by the Health Promotion Administration, Ministry of Health and Welfare as meeting "Healthy Workplace Certification - Tobacco Control Mark" requirements.</p> <p>e. As part of our campaign to establish a healthy working environment for employees, E.SUN has been assessed by the Health Promotion Administration, Ministry of Health and Welfare as meeting "Healthy Workplace Certification - Health Promotion Mark" requirements.</p> <p>f. To improve employees' first aid skills and provide a safe environment for customers, E.SUN was rated as an AED Safe Area by the Department of Health of the Taipei City Government.</p> <p>g. The Company has provided new mothers with comfortable spaces for nursing, and the nursing rooms have received Taipei City Health Department Superior Nursing Room certification.</p> <p>h. To promote employee safety and health and enhance their loyalty, E.SUN works with professional medical institutions in providing health examination services to employees every year. In addition, health training courses are planned, including Modern Living Environment and Personal Health, Long-Term Care Insurance, and Sleep and Health of Modern People, to raise employees' awareness regarding healthy lifestyles and implement health management.</p> <p>In order to maintain a secure workplace and protect the safety of customers and employees, all business locations are equipped with security systems and have security personnel on the premises.</p> <p>i. In order to maintain a secure workplace and protect the safety of customers and employees, all operation sites are equipped with security system and have security personal.</p> <p>j. To protect employees' health and dietary safety, taking Company headquarters and Dengfeng Building as an example, we conduct on-site inspections of food suppliers with no warning in advance.</p>	
			<p>7. Please specify if the Company's CSR Report has been certified by an independent certification institution: Firmly committed to honoring its corporate social responsibility, E.SUN FHC's 2014 CSR Report was granted both Global Reporting Initiative (GRI) G4 and AA1000 certification. Also available in English, the said report can be downloaded at the following website: http://www.esunfhc.com.tw/csr/csr.info</p>	

(6) State of E.SUN Achieving Trustworthy Operations and Related Measure

Item	State of Operation		Any discrepancies and reasons for such with Trustworthy Operations Best-Practice Principles for TSE/GTSM Listed Companies	
	Yes	No		Summary
<p>1. Adoption of an ethical management policy and action plan</p> <p>(1) Does the Company specify its ethical management policy and measures in internal regulations and external documents, and does the Board of Directors and management honor their pledge to enforcing the aforesaid policy?</p> <p>(2) Does the Company adopt an unethical conduct prevention program in which operational procedures, behavioral guidelines, and a mechanism for punishment of and appeal for alleged violations are clearly defined, and enforce it without fail?</p> <p>(3) Does the Company adopt preventive measures against practices listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies or other business activities with higher risk of being linked to unethical conduct?</p>	V		<p>(1) Based on a board of directors resolution, the Company has established a set of "Ethical Corporate Management Principles, Operational Procedures and Guidelines (hereafter "Ethical Corporate Management Principles," applicable to the Company as well as its subsidiaries). It spells out E.SUN's ethical corporate management policy, which is specified through such channels as the corporate website, external documents and investor briefings. Meanwhile, it also specifies that the board of directors shall exercise the due care of a good administrator to urge the Company to prevent unethical conduct, always review the results of preventive measures, and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policy.</p> <p>(2) To effectively forestall unethical conduct, the Company makes ethical corporate management an integral part of its evaluation of employee performance and human resources policy. It has also established a clearly defined, effective system for setting rewards/penalties and handling complaints.</p> <p>(3) Standing by ethical principles and committed to honest business, the Company refrains from engaging in business activities within its business scope that may incur a higher risk of committing acts of unethical conduct, and makes it a point to strengthen preventive measures. Meanwhile, the Company refrains from offering political donations as it is set to uphold political neutrality.</p>	No difference
<p>2. Implementation of Ethical Management</p> <p>(1) Does the Company evaluate the records of ethical/unethical conduct of its business counterparties and explicitly spell out code of ethics provisions in contracts signed with the latter?</p> <p>(2) Does the Company establish a unit under the Board of Directors that is exclusively or concurrently responsible for promoting ethical management, and reports its status of implementation to the board on a regular basis?</p> <p>(3) Does the Company adopt a policy for avoiding conflicts of interest, provide appropriate means for reporting on any such conflict, and implement them without fail?</p> <p>(4) To enforce ethical management, does the Company establish effective accounting and internal control systems that are subject to regular inspection of an internal auditing department or audit by externally engaged CPAs?</p> <p>(5) Does the Company offer internal and external training with regard to ethical management on a regular basis?</p>	V		<p>(1) In the Ethical Corporate Management Principles, it is specified that the Company shall refrain from having any dealings with parties that have any records of unethical conduct. When entering into contracts with other parties, the Company shall include in such contracts provisions demanding ethical corporate management policy compliance.</p> <p>(2) The Company's Corporate Governance and Nomination Committee is charged with the duty of setting and enforcing its ethical management policy and program for prevention of unethical conduct. The committee is also responsible for mapping out, implementing, and interpreting behavioral guidelines; handling queries and consultations; and registering and archiving related reports. Meanwhile, the committee is supposed to report its status of implementation to the Board of Directors on a regular basis.</p> <p>(3) The Ethical Corporate Management Principles shall specify policies for preventing conflicts of interests and provide a viable communication and complaint system. Employees can file reports through a number of channels to management and the human resources department.</p> <p>(4) The Company has established an effective accounting system that prohibits any outside or secret accounts. On top of an effective internal control system, the Company has also established an internal audit unit under the board of directors; it is required to report to the audit committee and the board at least once each quarter</p> <p>(5) The Company undertakes training with regard to ethical service principles and behavioral guidelines on a regular basis. All employees are required to take the said training courses and pass tests afterwards.</p>	No difference
<p>3. Status of the Company's implementation of its mechanism for handling informants and their information:</p> <p>(1) Does the Company establish a mechanism that incentivizes informants to step forward, put in place channels convenient for taking such action, and assign appropriate personnel to handle such cases?</p> <p>(2) Does the Company set a standard operating procedure (SOP) for handling reports from informants and adopt a mechanism for keeping confidentiality?</p> <p>(3) Does the Company adopt measures to make sure that informants do not undergo improper treatment because of their stepping forward?</p>	V		<p>(1) The Company incorporates ethical management into its employee performance evaluation and human resources policy. A clearly defined, effective system of rewards and penalties is established, and multiple smooth, convenient channels are offered for employees to present information to both different levels of the management and the human resources department. Based on the Company's pertinent operating procedure, such cases are then transferred to the relevant dedicated unit, that is, the Administrative Management Section (Legal Affairs).</p> <p>(2) When handling allegations against unethical conduct performed by its employees, the Company shall abide by pertinent laws and regulations as well as internal rules and operating procedure while conducting investigations. Throughout the process, the identity of informants and content of their information shall be kept confidential.</p> <p>(3) The Company shall always keep the identity of any informant secret and offer personal protection so that the latter is not subject to mistreatment or targeted for revenge.</p>	No difference
<p>4. Strengthening of information disclosure</p> <p>Does the Company disclose the content and implementation status of its Principles for Ethical Management on its own website and the TSE's Market Observation Post System website?</p>	V		<p>The Company makes public its ethical corporate management principles and behavioral guidelines as well as other related measures both on its own website and on the TSE's Market Observation Post System website.</p>	No difference
<p>5. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies, please describe the Company's implementation of the principles and any discrepancy therein and explain why: none.</p>				
<p>6. Other important information to facilitate better understanding of the Company's implementation of ethical corporate management (e.g., amending its own ethical corporate management principles): the Company's ethical corporate management principles and practices are subject to reexamination and readjustment whenever warranted. With "Pure as Jade, Stern as Mountain" as its hallmark, E.SUN is committed to making "a paradigm of the financial services industry and a bellwether of the service industry." Over the years E.SUN has taken action to show care for society and honor its commitment to Taiwan. To be sure, E.SUN aims to be recognized as not only the best-performing enterprise but also the most-respected one in Taiwan.</p>				

(7) Methods of referencing corporate governance guidelines and related regulations

Please refer to http://www.esunfhc.com.tw/ir/about_cg.info

(8) Other important information enhancing understanding of the state of the Company's corporate governance

The corporate governance self-evaluate report has been produced and disclose on Market observation post system.

(9) Training of Board Directors

Title	Name	Date of Election	Host Organization	Training Course	Training Hours	Does training conform to relevant regulations?
Juristic-Person Director's Representative	Kuo-Lieh Tseng	2014.06.20	Securities and Futures Institute	Public Listed Company Corporate Ethics and Leadership Forum	3	Yes
			Corporate Governance Association in Taiwan	The 11th International Corporate Governance Summit Forum	3	Yes
Juristic-Person Director's Representative	Joseph N.C. Huang	2014.06.20	Taiwan Academy of Banking and Finance	Corporate Governance 2.0 - Global Perspective and Taiwan Experience	3.5	Yes
Juristic-Person Director's Representative	Jackson Mai	2014.06.20	The Institute of Internal Auditors, R.O.C	Group (and Overseas Investments) Financial Planning	3	Yes
				Corporate Merger Strategy - A Corporate Governance Perspective	3	Yes
Juristic-Person Director's Representative	Chiu-Hsiung Huang	2014.06.20	Taiwan Corporate Governance Association	Protection of Business Secrets	3	Yes
				Sound Corporate Governance through Protection of Business Secrets and Prevention of Fraud	3	Yes
Independent Director	Chen-En Ko	2014.06.20	Taiwan Corporate Governance Association	Study of Precedent Judgments on Infringements and Director Responsibilities	1	Yes
				The 11th International Corporate Governance Summit Forum	9	
Independent Director	Ji-Ren Lee	2014.06.20	Securities and Futures Institute	Advanced Practical Workshop for (Independent) Directors and Supervisors - Merger Fraud: A Corporate Governance Perspective	3	Yes
				Advanced Practical Workshop for (Independent) Directors and Supervisors - Board of Directors' Responsibility in Fraud Prevention	3	
Independent Director	Chen-Chen Chang Lin	2014.06.20	Securities and Futures Institute	Corporate Social Responsibility Report - Value of Sustainable Business Management	3	Yes
			Taiwan Corporate Governance Association	Notes on Corporate Use of Derivatives for Directors and Supervisors	3	Yes
				Legal Responsibilities in Financial Forecasts: Market, Laws and Recommended Practices	3	
Independent Director	Hsin-I Lin	2014.06.20	Taiwan Corporate Governance Association	Corporate Governance and Sustainable Business; Corporate Decisions and Board Functionality	6	Yes
Juristic-Person Director's Representative	Rong-Chu Chen	2014.06.20	Securities and Futures Institute	Compliance Seminar on Listed Company Insider Share Transfers	3	Yes
				TWSE/TPEX Listed Company Directors and Supervisors Forum - Corporate Integrity Risk Management and Corporate Responsibility Vision Seminar	3	
Juristic-Person Director's Representative	Chien-Li Wu	2014.06.20	Taiwan Corporate Governance Association	Sustainable Governance in Blue Ocean Strategy	3	Yes
Juristic-Person Director's Representative	Magi Chen	2014.06.20	Taiwan Corporate Governance Association	Key to Industry Growth and Upgrade - Cross-border M&A	3	Yes
				Notes on Board Secretariat and Shareholder Meetings	3	
Juristic-Person Director's Representative	Ben Chen	2014.06.20	Taiwan Academy of Banking and Finance	Trust Supervisors (Including Current Personnel) Workshop	3	Yes

(10) Training for Managers

Title	Name	Date of Appointment	Host Organization	Training Course	Training Hours
President & CSO	Joseph N.C. Huang	2008.07.16	Taiwan Academy of Banking and Finance	Corporate Governance 2.0 - Global Perspective and Taiwan Experience	3.5
CFO	Magi Chen	2004.02.13	Corporate Governance Association in Taiwan	Key to Industry Growth and Upgrade - Cross-border M&A	3
CFO	Magi Chen	2004.02.13	Corporate Governance Association in Taiwan	Notes on Board Secretariat and Shareholder Meetings	3
CFO	Magi Chen	2004.02.13	Securities and Futures Institute	31st Trust Supervisors (Including Current Personnel) Workshop	3
CFO	Magi Chen	2004.02.13	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124
SEVP	Ben Chen	2014.01.24	Taiwan Academy of Banking and Finance	397th Trust Supervisors (Including Current Personnel) Workshop	3
SEVP	Ben Chen	2014.01.24	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (2nd)	94
CHO	J.C. Wong	2002.01.28	Taiwan Academy of Banking and Finance	Human Resource Executives Conference	16
CHO	J.C. Wong	2002.01.28	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (2nd)	94
SEVP	Mao-chin Chen	2014.01.24	Corporate Governance Association in Taiwan	Share Ownership Planning and Director/Supervisor Election for TWSE/TPEX Listed Companies	6
SEVP	Shui-chin Shen	2012.01.07	Corporate Governance Association in Taiwan	Corporate Governance Workshop	3
SEVP	Shui-chin Shen	2012.01.07	Corporate Governance Association in Taiwan	Corporate Governance Workshop	3
SEVP	Shui-chin Shen	2012.01.07	Corporate Governance Association in Taiwan	Corporate Governance 2.0 - Global Perspective and Taiwan Experience	5
SEVP	Shui-chin Shen	2012.01.07	Taiwan Securities Association	Securities Firm Executives Workshop	7
SEVP	Shui-chin Shen	2012.01.07	Taiwan Securities Association	Securities Firm Representatives Conference	4
SEVP	L.C. Lin	2012.01.07	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (2nd)	94
SEVP	Wu-ming Hsieh	2014.01.24	NTU College of Management	Global Entrepreneurs Workshop	40
SEVP	Wu-ming Hsieh	2014.01.24	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124
SEVP	Wu-ming Hsieh	2014.01.24	Taiwan Academy of Banking and Finance	Financial Service Industry Conference on Fair Customer Treatment	1.5
SEVP	Louis Chang	2015.02.06	J.P. Morgan Asset Management	2015 Visit to New York Headquarter of J.P. Morgan Asset Management	40
General Auditor	Chien-hua Cheng	2013.09.13	E.SUN Commercial Bank	2015 Self-audit Training (1)	1
General Auditor	Chien-hua Cheng	2013.09.13	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124
General Auditor	Chien-hua Cheng	2013.09.13	E.SUN Commercial Bank	Branch Digital Service Personnel Training	18

Title	Name	Date of Appointment	Host Organization	Training Course	Training Hours
General Auditor	Chien-hua Cheng	2013.09.13	Taiwan Academy of Banking and Finance	Financial Crime and Prevention Workshop (32nd)	15
General Auditor	Chien-hua Cheng	2013.09.13	Taiwan Academy of Banking and Finance	2015 Compliance Executives Conference	3
General Auditor	Chien-hua Cheng	2013.09.13	Taiwan Academy of Banking and Finance	2015 Risk Management Executives Conference	3.5
General Auditor	Chien-hua Cheng	2013.09.13	Taiwan Academy of Banking and Finance	Trust Supervisors (Including Current Personnel) Workshop (426th)	6
General Auditor	Chien-hua Cheng	2013.09.13	Taiwan Academy of Banking and Finance	Financial Inspection and Audit Workshop (17th)	30
CAO	Kuan-her Wu	2002.01.28	Taiwan Stock Exchange Corporation	Local Adoption of International Financial Reporting Standards (Taipei Session No. 1)	3
CAO	Kuan-her Wu	2002.01.28	Securities and Futures Institute	Helping Financial Statement Users Understand IFRSs-compliant Statements	3
CAO	Kuan-her Wu	2002.01.28	Taiwan Stock Exchange Corporation	Conference on "Local Adoption of International Financial Reporting Standards"	3.5
CAO	Kuan-her Wu	2002.01.28	Taiwan Academy of Banking and Finance	391st Trust Supervisors (Including Current Personnel) Workshop	6
CAO	Kuan-her Wu	2002.01.28	Accounting Research and Development Foundation	Ongoing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer	12
EVP	Scott Chou	2002.01.28	Taiwan Real Estate Development Forum	Taiwan Real Estate New Ideas Forum 2015	2
CIO	Wan-li Hsieh	2012.03.23	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124
CRO	Oliver Shieh	2011.03.18	Taiwan Academy of Banking and Finance	Advanced Foreign Currency Options and Market Practices - Product Portfolios (1st)	6
CRO	Oliver Shieh	2011.03.18	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124
CMO	Bright Wen	2012.01.07	E.SUN Commercial Bank	Digital Banking Workshop	16
CMO	Bright Wen	2012.01.07	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (2nd)	94
CBO	Daniel Tsai	2014.06.26	E.SUN Commercial Bank	Digital Banking Workshop	16
CCO	Fion Ou Yang	2016.01.22	Bankers Association	Core Banking Talents Training System - Advanced Training of Legal Affairs Personnel, 4th Series: Legal Issues Concerning Wealth Management Services	12
CCO	Fion Ou Yang	2016.01.22	Taiwan Academy of Banking and Finance	2015 Compliance Executives Conference	3
CCO	Fion Ou Yang	2016.01.22	Taiwan Academy of Banking and Finance	3rd Financial Derivative Regulations Workshop	6
CCO	Fion Ou Yang	2016.01.22	Taiwan Academy of Banking and Finance	2015 Asian Financial Supervisors Summit Forum	3.5
CCO	Fion Ou Yang	2016.01.22	Taiwan Stock Exchange Corporation	Service Seminar for Public Listed Companies	3
CCO	Fion Ou Yang	2016.01.22	NTU College of Management/E.SUN Commercial Bank	E.SUN LEAD Leadership Program (3rd)	124

(11) Internal Control

a. Representation of Internal Control

E.SUN FHC Statement of Internal Control System

Date: March 18, 2016

On behalf of E.SUN Financial Holding Co., Ltd., we hereby declare that the Company, pursuant to the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries, did establish an internal control system and conduct risk management from January 1 through December 31, 2014. In the meantime, an impartial and independent entity was called in to conduct audit and report its findings to the Company's Audit Committee and Board of Directors on a regular basis. Based on a meticulous review, we affirm that all departments of the Company had been able to effectively enforce internal control and compliance-related measures during the said period, except for matters listed in the table attached below. This Statement will be an integral part of E.SUN FHC's Annual Report for the year 2015 and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the aforementioned items to be disclosed will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

To the Financial Supervisory Commission

Declarers

Chairman

Yung-Jen Huang

President

Joseph Huang

Chief Auditor

Chien-Hua Cheng

Chief Compliance Officer

Fion Ou Yang

E.SUN FHC's Internal Control System- Items in Need of Improvement & Status of Improvement
(Record Date: December 31, 2015)

Items in Need of Improvement	Corrective Measure	Scheduled Time of Completion
<p>Subsidiary E.SUN Bank In terms of conducting complicated high risk derivative products such as TRF and DKO etc. for customers, the Bank should contribute high attention regarding the countermeasures and establishing a relevant mechanism. The Bank should also enhance the risk management when conducting such transactions.</p>	<ol style="list-style-type: none"> 1. When dealing with complicated high risk derivatives products, the Company should establish countermeasures for the Company's and customers' exposure and assigned independent unit apart from marketing unit to manage and control relevant exposure. 2. Set up limits for ratio between the balance of complicated high risk derivatives products against the net value, review the design of the products, the appropriateness of the target customers, and the relevant controlling measures. 3. According to the letter of the Authority, regular report to the Board of Directors information relating to the customers who purchased such products, and the security deposit thereof etc. 	2016.3.31
<p>Subsidiary E.SUN Bank Keeping behalf of customers, of blank document bearing their signatures and / or name seals meant of transaction</p>	<p>The cases in question have been duly dealt with. Education and training has been strengthened to prevent future incidence.</p>	Improvement already completed
<p>Subsidiary E.SUN Bank Compiling and reporting statistics pursuant to Article 72-2 of the Banking Act</p>	<p>The cases in question have been included in reporting system. Education and training has been strengthened to prevent future incidence.</p>	Improvement already completed
<p>Subsidiary E.SUN Securities Handling of discretionary trade and reporting of event of default</p>	<ol style="list-style-type: none"> 1. Training and compliance education have been performed to sales personnel in order to strengthen credit analysis, process of credit approval as well as risk management of day trade. 2. Operation relating to day trade is included into daily audit item. 	Improvement already completed
<p>Subsidiary E.SUN Insurance Broker Conducting of telemarketing activities</p>	<ol style="list-style-type: none"> 1. Streamlining of telemarketing procedure 2. The issue in question should be included as a priority for random monitoring and evaluation. 	Improvement already completed
<p>Subsidiary E.SUN Insurance Broker Internal audit</p>	<p>Reinforcing practice of Article 9 and 10 of "Practices of Internal Control for Insurance Agents and Insurance Brokers"</p>	Improvement already completed

b. Disclosure of any commissioned internal control review carried out by CPA: None

(12) Penalties imposed against the Company and subsidiaries, the weaknesses found and improvements made in the last 2 years

a. Prosecution against the person-in-charge or staff for criminal conduct: N/A.

b. Fines imposed by Financial Supervisory Commission (FSC) for violations:

- (a) The subsidiary E.SUN Commercial Bank was found to have lacked proper implementation or execution of internal control when marketing financial products. It constituted a violation against Article 45-1, Paragraph 1 of the Banking Act, for which the subsidiary was fined TWD 4 million by the authority. The subsidiary E.SUN Commercial Bank has since reviewed and revised relevant procedures and guidelines and established proper risk controls.
- (b) Telemarketers of Subsidiary - E.SUN Insurance Brokers were found to have made inappropriate sales talks when selling insurance over the phone, which was a violation of Article 39, Subparagraph 5 of the Regulations Governing Insurance Brokers. The subsidiary was fined NTD 600,000 by the competent authority. Subsidiary - E.SUN Insurance Brokers amended the sales pitches and had salespersons complete refresher courses on key points in this incident. First line supervisors were required to ensure effective online call monitoring so to promptly adjust inappropriate phrases. All above findings have been corrected to date.
- (c) Telemarketers of Subsidiary - E.SUN Insurance Brokers were found to have violated the Directions for Insurance Enterprises Engaging in Telemarketing Insurance Products. Furthermore, the subsidiary was found to be lacking robust internal audit practices. These two findings constituted violations against Article 49, Subparagraphs 5 and 27 of Regulations Governing Insurance Brokers and Articles 9 and 19 of Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies, for which the subsidiary was fined NTD 1,200,000. Subsidiary - E.SUN Insurance Brokers has since increased the frequency and intensity of its random call quality checks, and made sure that frontline staffs are able to comply with the authority's requirements. The above findings have been corrected to date.

c. Irregularities, if any, of which prompt correction is ordered by the Financial Supervisory Commission:

- (a) E.SUN FHC subsidiary E.SUN Bank, while undertaking marketing of financial products, was determined to have failed to establish a well-rounded internal control system or to implement it faithfully. Besides slapping a fine, the competent authority also issued an order for corrective action.
- (b) Subsidiary - E.Sun Bank was found to have failed to follow an appropriate sales process, business management and compliance procedure when handling derivative products and failed to implement adequate risk management mechanisms. E.Sun Bank had been given a warning by the competent authority. The Bank will review again the above findings and amend relevant procedures and guidelines accordingly. The Bank will also implement adequate risk management mechanisms and ensure they are effectively executed.
- (c) A securities broker of the subsidiary E.SUN Securities Tucheng Branch did not seek supervisor's prior approval during trading hours when processing trade orders that exceeded a certain amount, and was found to have committed other violations such as: absence of real-time recording of customers' phone instructions, exercising full discretion over customers' traded securities and volume, and deciding on behalf of non-institutional customers the price and timing of trade orders within a specified range. The above findings constituted violations against several securities regulations, for which the Financial Supervisory Commission ordered a one-month suspension on the broker in accordance with Article 56 of the Securities and Exchange Act, starting from July 16 until August 15, 2015. The subsidiary E.SUN Securities has since revised and implemented its back-office operating policies to include settlement risks as part of the daily audit focus. All above findings have been corrected to date.

d. Adverse decision(s), if any, by the Financial Supervisory Commission under Article 54bis of the Banking Act: None

e. Losses, if any, resulting from events of corruption of personnel, serious accidents or incidents of security failure due to failed compliance with the Security Maintenance Requirements of Financial Institutions, of which the amount incurred during the period or cumulative actual amount incurred exceeds NT\$50 million (where serious accidents means events of fraud, theft, misappropriation and embezzlement of company assets, false transactions, forgery of evidence and securities, acceptance of kickbacks, acts of Nature, external forces, computer hacking, theft of data and divulgence of trade secrets and customer information): None.

f. Other disclosures, if any, designated by the Financial Supervisory Commission: None.

5. Information on CPAs

(1) Information on Fees for CPAs

CPA Firm	CPAs		Period of Audit	Note
Deloitte & Touche	Huang Jui-Chan	Lai Kwan-Chung	2015	

Range of Fees for CPAs

Unit: NT\$ thousand

Range of Fees	Item	Audit Fee	Non-Audit Fees	Total
1	Less than NT\$2,000		V	
2	NT\$2,000-4,000	V		
3	NT\$4,000-6,000			V
4	NT\$6,000-8,000			
5	NT\$8,000-10,000			
6	More than NT\$10,000			

Unit: NT\$ thousand

CPA Firm	CPAs	Audit Fee	Non-Audit Fees					Subtotal	Period of Audit	Note
			System Design	Business Registration	Human Resources	Others (Note)				
Deloitte & Touche	Huang Jui-chan	3,700	0	105	0	940	1,045	2015		
	Lai Kwan-Chung									

Note: Other non-audit fees include those for seeking administrative relief for fee- or tax-related cases, reviewing the checklists and basic information tables intended for capital increase applications as well as transfer pricing reports, and going over data in annual reports meant for shareholders' meetings.

(2) Information on Changing CPAs: None

(3) Where the Company's chairman, president, and managers responsible for financial or accounting affairs have within the last year held office in the Company's CPA firm or any of its affiliated enterprises: None.

IV. Capital Overview



1. Capital and Dividend

(1) Source of Capital

a. Issued Shares

2015.3.30 Unit: million shares, NT\$ million

Month/ Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark	
		Shares	Amount	Shares	Amount	Source	Others
2002.1.28	10	5,000	50,000	2,290	22,900	Share Conversion	-
2002.10.21(note 1)	10	5,000	50,000	2,470	24,700	Retained Earnings	-
2003.9.16	10	5,000	50,000	2,505	25,054	Share Conversion	-
2004.3.15	10	5,000	50,000	2,506	25,064	ECB Conversion	-
2004.5.20	10	5,000	50,000	2,584	25,842	ECB Conversion	-
2004.9.8	10	5,000	50,000	2,596	25,964	ECB Conversion	-
2004.10.11(note 2)	10	5,000	50,000	2,690	26,897	Retained Earnings	-
2004.11.26	10	5,000	50,000	2,768	27,679	ECB Conversion	-
2005.3.4	10	5,000	50,000	2,931	29,306	ECB Conversion	-
2005.9.14(note 3)	10	5,000	50,000	3,027	30,270	Retained Earnings	-
2006.4.3	10	5,000	50,000	3,230	32,304	ECB Conversion	-
2006.8.18(note 4)	10	5,000	50,000	3,303	33,033	Retained Earnings	-
2008.8.29	10	5,000	50,000	3,311	33,113	ECB Conversion	-
2008.9.4(note 5)	10	5,000	50,000	3,451	34,514	Retained Earnings	-
2008.9.23	10	5,000	50,000	3,544	35,444	ECB Conversion	-
2009.9.7(note 6)	10	5,000	50,000	3,653	36,528	Retained Earnings	-
2010.9.9(note 7)	10	5,000	50,000	3,803	38,033	Retained Earnings	-
2011.9.15(note 8)	10	5,000	50,000	4,075	40,750	Retained Earnings	-
2011.11.11(note 9)	10	5,000	50,000	4,575	45,750	Rights offering	-
2012.9.18(note 10)	10	5,000	50,000	4,811	48,107	Retained Earnings	-
2012.11.6(note 11)	10	5,000	50,000	5,011	50,107	Rights offering	-
2013.7.16(note 12)	10	10,000	100,000	5,524	55,243	Retained Earnings	-
2014.2.20(note 13)	10	10,000	100,000	5,763	57,643	ECB Conversion	-
2014.5.19(note 14)	10	10,000	100,000	6,463	64,634	Rights Offering	-
2014.9.12(note 15)	10	10,000	100,000	7,053	70,530	Retained Earnings	-
2015.5.21(note16)	10	10,000	100,000	7,302	73,017	ECB Conversion	-
2015.8.24(note17)	10	10,000	100,000	7,952	79,517	Retained Earnings	-

Note1: The Securities and Futures Committee to Ministry of Finance on Aug 13, 2002 granted approval for issuance in its letter Zidi 0910144848. In addition, the Ministry of Economic Affairs on October 21, 2002 approved amended registration in its letter Zidi 09101428420.

Note2: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 23, 2004 granted approval for issuance in its letter Zidi 0930133045. In addition, the Ministry of Economic Affairs on October 11, 2004 approved amended registration in its letter Zidi 09301193370.

Note3: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 20, 2005 granted approval for issuance in its letter Zidi 094012807. In addition, the Ministry of Economic Affairs on Sep. 14, 2005 approved amended registration in its letter Zidi 09401177000.

Note4: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 4, 2006 granted approval for issuance in its letter Zidi 0950126554. In addition, the Ministry of Economic Affairs on Aug 18, 2006 approved amended registration in its letter Zidi 09501182600.

Note5: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 9, 2008 granted approval for issuance in its letter Zidi 0970032910. In addition, the Ministry of Economic Affairs on Sep 4, 2008 approved amended registration in its letter Zidi 09701226150.

Note6: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 14, 2009 granted approval for issuance in its letter Zidi 0980033762. In addition, the Ministry of Economic Affairs on Sep. 7, 2009 approved amended registration in its letter Zidi 09801205090

Note7: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 20, 2010 granted approval for issuance in its letter Zidi 0990036370. In addition, the Ministry of Economic Affairs on Sep. 9, 2010 approved amended registration in its letter Zidi 09901201760

Note8: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 25, 2011 granted approval for issuance in its letter Zidi 1000033362. In addition, the Ministry of Economic Affairs on July. 25, 2011 approved amended registration in its letter Zidi 10001216150.

Note9: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 15, 2011 granted approval for issuance in its letter Zidi 1000031758. In addition, The board has approved to issue 500,000,000 shares with NT\$15 per share(NT\$10 fae value) on July. 29, 2011.

Note10: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on Sep. 18, 2012 granted approval for issuance in its letter Zidi 1010030640. In addition, the Ministry of Economic Affairs on Sep. 18, 2012 approved amended registration in its letter Zidi 10101191510

Note11: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on Nov. 6, 2012 granted approval for issuance in its letter Zidi 1010045676. In addition, the Ministry of Economic Affairs on Nov. 6, 2012 approved amended registration in its letter Zidi 10101223560

Note12: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on July 16, 2013 granted approval for issuance in its letter Zidi 1020026708. In addition, the Ministry of Economic Affairs on Sep. 4, 2013 approved amended registration in its letter Zidi 10201180450

Note13: The Department of Commerce, Ministry of Economic Affairs on Feb. 20, 2014 granted approval for ECB conversion in its letter Zidi 10301030090 with total amount of NT\$ 2,390,794,320.

Note14: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on Mar. 21, 2014 granted approval for issuance in its letter Zidi 1030007372. In addition, the Ministry of Economic Affairs on May 19, 2014 approved amended registration in its letter Zidi 10301089620

Note15: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on Jul. 22, 2014 granted approval for issuance in its letter Zidi 1030026909. In addition, the Ministry of Economic Affairs on Sep 12, 2014 approved amended registration in its letter Zidi 10301188300

Note16: The Ministry of Economic Affairs on May. 21, 2015 approved amended registration in its letter Zidi 10401085930

Note17: The Securities and Futures Bureau of the Executive Yuan's Financial Supervisory Committee on Jul. 8, 2015 granted approval for issuance in its letter Zidi 1040024819. In addition, the Ministry of Economic Affairs on Aug 24, 2015 approved amended registration in its letter Zidi 1040117148

b. Types of Shares

2016.03.30 Unit: Thousand Shares

Share Type	Authorized Capital			Note
	Issued Shares *	Un-issued Shares	Total Shares	
Common Shares	7,951,700,000	2,048,300,000	10,000,000,000	-

Note: The issued shares are listed shares

c. State of application for corporate bond: None

(2) State of Shareholders

2016.03.30 Unit thousand shares%

Share Type	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	2	14	332	108,326	845	109,519
Shareholdings	0.1	107,619.8	1,418,633	1,674,040.3	4,751,406.8	7,951,700
Ownership	0.000001	1.353418	17.840625	21.052610	59.753346	100

(3) Shareholding Distribution Status

Common Shares (The par value for each share is NT\$10)

2015.12.31 Unit Thousand Shares, %

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1~999	46,302	9,494	0.12
1,000~5,000	34,280	77,770	0.98
5,001~10,000	9,319	66,714	0.84
10,001~15,000	4,698	57,759	0.73
15,001~20,000	2,700	47,323	0.60
20,001~30,000	3,269	82,012	1.03
30,001~50,000	3,411	127,812	1.61
50,001~100,000	2,291	160,430	2.02
100,001~200,000	1,316	184,709	2.32
200,001~400,000	764	216,297	2.72
400,001~600,000	302	147,873	1.86
600,001~800,000	148	103,023	1.30
800,001~1,000,000	92	82,260	1.03
1,000,001~	627	6,588,224	82.84
Total	109,519	7,951,700	100

Note: E.SUN FHC did not issued any preferred shares

(4) List of Major Shareholders

2015.12.31 Unit: thousand shares, %

name	Shareholding	Shareholding	Percentage (%)
First State Investments		319,981	4.02
Ron-Yuan Investment Co., Ltd.		257,864	3.24
E.SUN Commercial Bank Trust Fiduciary trust account		202,710	2.55
Saudi Arabian Monetary Agency		176,027	2.21
Government of Singapore		150,526	1.89
ABU DHABI Investment Authority		146,925	1.85
Vanguard Fidelity		125,631	1.58
Fidelity Investment Trust: Fidelity Series Emerging Markets Fund		121,907	1.53
Chunghwa Post Co., Ltd.		120,537	1.52
Bank J. Safra Sarasin Ltd. Singapore Branch - For Clients' account		107,747	1.36

Note: the list above shows the top 10 shareholders.

(5) Market Prices, Net Worth, Earnings, and Dividends Per Share

Item	Year			Year to date (as of March 30, 2016) (Note 8)	
	2015	2014			
Market Prices Per Share (Note 1)	Highest	22.15	20.80	19.30	
	Lowest	17.95	17.90	15.85	
	Average	19.80	19.14	17.58	
Net Worth Per Share (Note 2)	Before distribution	15.21	15.15	-	
	After distribution	Note 9	14.70	-	
EPS	Weighted average number of shares	7,886,617	6,769,387	7,951,700	
	Original EPS (Note 3)	1.63	1.56	-	
	Adjusted EPS	-	1.43	-	
Dividend Per Share	Cash dividend(Note 9)	0.43	0.43	-	
	Distribution of bonus shares	Stock dividends from retained earnings	1.00	0.87	-
		Stock dividends from capital reserve	-	-	-
	Accumulated unpaid dividends (Note 4)	-	-	-	
Return on Investment	P/E ratio (Note 5)	12.15	12.27	-	
	Ratio of dividend / price to dividend ratio (Note 6)	46.05	42.53	-	
	Cash dividend yield (Note 7)	2.17	2.35	-	

Note 1: The highest and lowest market prices in each given year; average market prices calculated by taking into account each year's market turnover value and amount.

Note 2: Based on the number of shares already issued as of the end of each given year and on earnings distribution approved by the shareholders' meeting of the following year.

Note 3: Where there is need for retroactive adjustment due to distribution of bonus shares, earnings per share shall be reported for both before and after the said distribution.

Note 4: If the conditions of the equity issuance require that dividends not yet distributed for the year be accumulated and paid out in a later year with positive earnings, the dividends that have been accumulated up to the current year and not yet distributed shall be disclosed separately.

Note 5: Price to earnings ratio = average closing price per share divided by earnings per share for a given year.

Note 6: Ratio of dividend/price to dividend ratio = average closing price per share divided by cash dividend per share for a given year.

Note 7: Cash dividend yield = cash dividend per share divided by average closing price per share for a given year.

Note 8: Numbers as of March 30, 2016 calculated by using unaudited data with regard to net worth per share and the weighted average number of shares.

Note 9: Earnings distribution for 2015 yet to be approved by the 2016 shareholders' meeting

(6) Dividend Policy and Implementation Status

a. Dividend Policy

The Company has a policy of mainly issuing dividends in the form of stock in order to improve its financial structure and raise its capital adequacy ratio. If the Company's capital adequacy ratio in a specific year exceeds the level mandated by supervisory authorities, the Company can pay dividends in cash. When such cash dividends are declared, they are to be no less than 10% of the total dividend paid for that year. In the event that the cash dividend is less than NT\$0.1, the dividend will be issued in stock.

b. Proposed Distribution of Dividend

It was proposed at the 2016 shareholders' meeting that shareholders would be entitled to a stock dividend of NT\$1 per share, totaling NT\$7,951,700,000, as well as a cash dividend of NT\$0.43 per share, or a total of NT\$3,419,231,000. Combined, the Company was to pay out NT\$11,370,931,000, or NT\$ 1.43 per common share, in dividends.

(7) The impact of the stock dividend distribution for the latest year on the Company's business performance and earnings per share:

In line with the Regulations Governing the Publication of Financial Forecasts of Public Companies and Criteria for the Compulsory Publication of Complete Financial Forecasts by TWSE-Listed Companies, the Company did not publish such forecasts for 2016. This item of disclosure is not applicable as the Company cannot disclose predictive information on its finances.

(8) Profit-Sharing for Employees and Compensation for Directors

a. Percentage or scope of employee compensation and directors' compensation specified in the Articles of Incorporation

This Company shall, according to the actual profit earnings for the current year (pre-tax income prior to allocation of employee and directors' compensation), reserve in advance a portion of said earnings for the compensation of accumulated losses and deficiencies. In the event of surplus earnings, 2.70% shall be allocated as employee compensation, while directors' compensation shall not exceed 0.9%. Allocation of employee compensation shall include the employees of subsidiary companies who fulfill certain specific requirements. Employee and directors' compensation distribution proposals shall be presented at shareholders' meetings. (Draft of this Company's Articles of Incorporation)

b. In the event current bases of estimation for employee and directors' compensation, share number calculation bases for allotment of stock compensation and actual allotted amounts are at variance with estimated amounts:

(a) Employee and directors' compensation shall be calculated according to the percentage of their pre-tax income as specified in the Articles of Incorporation prior to the allocation of employee and directors' compensation.

(b) Employee stock compensation share number calculations for this Company shall be determined by the closing price of Company shares one day prior to the board of directors resolution meeting in compliance with the January 30, 2016 Decree (Jin-Guan-Zheng-Shen-Zi-Di 1050001900) issued by the Financial Supervisory Commission.

(c) In the event actual allotted amounts are at variance with estimated amounts due to changes in estimation, the resulting differences shall be listed as losses for the 2016 fiscal year.

c. Board of directors approved proposals for the allocation of employee compensation and other relevant information:

(a) Allocation of employee cash compensation, stock compensation, and amount of directors' compensation.

Employee cash compensation is NTD 71,623, employee stock compensation is NTD 342,805,000, and directors' cash compensation is NTD 97,000,000. Directors' compensation is NTD 12,000,000 less than the estimated amount, which difference has been incurred by changes in accounting estimations and shall be listed as losses for the 2016 fiscal year.

(b) The proposed allocated amount of employee stock compensation accounts for 2.67% of total net income as specified in the individual financial statement for the current year and 99.98% of total employee compensations.

d. Actual allocations of employee compensation and directors' compensation for the preceding fiscal year: This Company's surplus earnings allocation for the preceding year amount to NTD 7,179,690 in employee cash compensation, NTD 277,091,200 in employee stock compensation, and NTD 90,000,000 in directors' compensation, or NTD 3,040,110 less than the estimated amount. This difference was incurred by changes in accounting estimations and has been listed as losses for the 2015 fiscal year.

2. Global Depository Receipt

Date of Issue		Sept. 27, 2004 (1st issue)	Oct. 17, 2012 (2nd issue)
Date of Issue		Sept. 27, 2004	Oct. 17, 2012
Place of Issue & Listing	Outside the ROC (Taiwan); (Listed on the Luxembourg Stock Exchange)		
Amount		US\$98,600,000	US\$105,840,000
Issue Price		US\$14.50	US\$13.23
Number of GDSs Issued		6,800,000	8,000,000
Subject Shares		Common shares in E.SUN FHC held by E.SUN Bank	E.SUN FHC's newly issued common shares
Number of Shares Represented		170,000,000	200,000,000
Rights & Obligations of GDS Holders	<p>The rights and obligations of GDS holders shall be governed by ROC laws and decrees and the Deposit Agreements. Main points of the Deposit Agreements are as follows:</p> <p>(1) Exercise of Voting Rights: Pursuant to provisions of the Deposit Agreements and ROC laws and regulations, GDS holders shall be entitled to exercise voting rights for the common shares represented by their GDSs.</p> <p>(2) Dividend Distribution, New Shares Subscription & Other Rights: When E.SUN FHC distributes stock dividends or undertakes other forms of stock distribution, the depository may grant additional GDSs to GDS holders in proportion to the common shares represented by their GDSs on hand pursuant to provisions of the Deposit Agreements. If it is permitted by law, the depository may also increase the amount of common shares represented by each GDS. The depository may also sell the stock dividends in question on behalf of GDS holders and distribute the proceeds among GDS holders proportionally after subtracting related expenses and tax payments. When E.SUN FHC undertakes a rights offer or similar exercise, the depository should make available this right to GDS holders pursuant to provisions of the Deposit Agreements. The depository may also sell the right in question on behalf of GDS holders and distribute the proceeds among GDS holders proportionally after subtracting related expenses and tax payments. But if neither option is feasible, the depository may opt to waive its preemptive right pursuant to provisions of the Deposit Agreements.</p>		
Fiduciary	None		
Depository	Citibank		
Custodian	Citibank Taiwan		
Unredeemed Balance (Number of GDSs)	639,314 (As of Dec. 31, 2015)		
Expenses for Duration of GDSs	<p>(1) Cost of GDS Issue: Unless it is separately negotiated among E.SUN FHC, E.SUN Bank, lead underwriters and the depository, all the cost and expenses of the GDS issue (including but not confined to fees for lawyers, CPAs, the listing agent and financial advisors as well as other expenses) shall be shouldered by E.SUN Bank.</p> <p>(2) Expenses Incurred After GDS Issue: Unless it is separately negotiated between E.SUN FHC and the depository, all the expenses incurred over the duration of the GDSs (including annual fees for listing and fees for information disclosure and related items) shall in principle be shouldered by the issuer.</p>		<p>(1) Cost of GDS Issue: Unless it is separately negotiated among E.SUN FHC, lead underwriters and the depository, all the cost and expenses of the GDS issue (including but not confined to fees for lawyers, CPAs, the listing agent and financial advisors as well as other expenses) shall be shouldered by E.SUN FHC.</p> <p>(2) Expenses Incurred After GDS Issue: Unless it is separately negotiated between E.SUN FHC and the depository, all the expenses incurred over the duration of the GDSs (including annual fees for listing and fees for information disclosure and related items) shall in principle be shouldered by the issuer.</p>
Key Provision in Deposit/Custodian Agreements	None		
Market Price Per GDS	Mar. 30 2016	Highest	US\$14.560
		Lowest	US\$11.790
		Avg	US\$13.130
	2015	Highest	US\$16.501
		Lowest	US\$13.584
		Avg.	US\$14.860

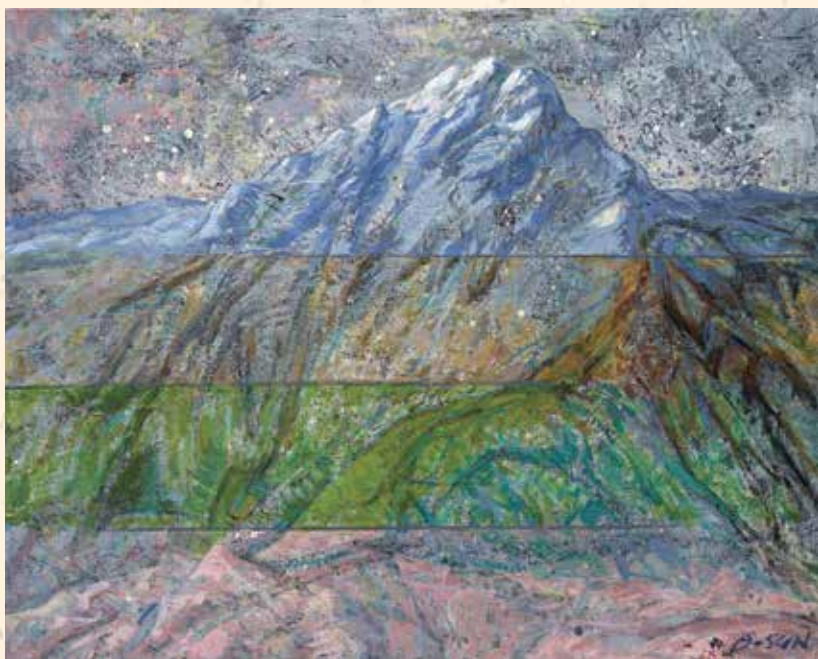
3. Merger and Acquisition

- (1) Any opinions by accountants that should be disclosed regarding the reasonable share swap ratio for mergers & acquisitions or sale of banking institutions over the past year: Not applicable.
- (2) State of mergers & acquisitions or sale of banking institutions over the past five years.
 - a. Subsidiary E.SUN Bank signed a purchase agreement on March 18 to acquire Chu Nan Credit Cooperative Association, with the record date for the transaction set at July 9, 2011. E.SUN acquired the latter's assets, liabilities and operations.
 - b. Subsidiary E.SUN Bank signed a purchase agreement on March 16 to acquire Chiayi Fourth Credit Cooperative, with the record date for the transaction set at November 3, 2012. E.SUN acquired the latter's assets, liabilities and operations.
 - c. On Mar. 22, 2013, subsidiary E.SUN Bank has approved by its board to acquire 70% shares of Union Commercial Bank PLC. in Cambodia, the transaction is subject to approval by the relevant regulatory authorities of both parties.
 - d. The board of directors of Subsidiary - E.Sun Bank passed the acquisition of a 5% stake in Union Commercial Bank PLC of Cambodia August 21, 2015. The record date of this investment project was set to be December 29 of the same year. As a result, the Bank's stake increased from 70% to 75%. Methods of issuing new shares in such M&A or sale, and opinions issued by the leading underwriter: Not applicable.
- (3) In the most recent financial year and up to the printing of this annual report, disclosure of the basic data of mergers & acquisitions or sale of other banking institutions in which the Board of Directors has approved such M&D or sale that involves the issuance of new shares: Not applicable.

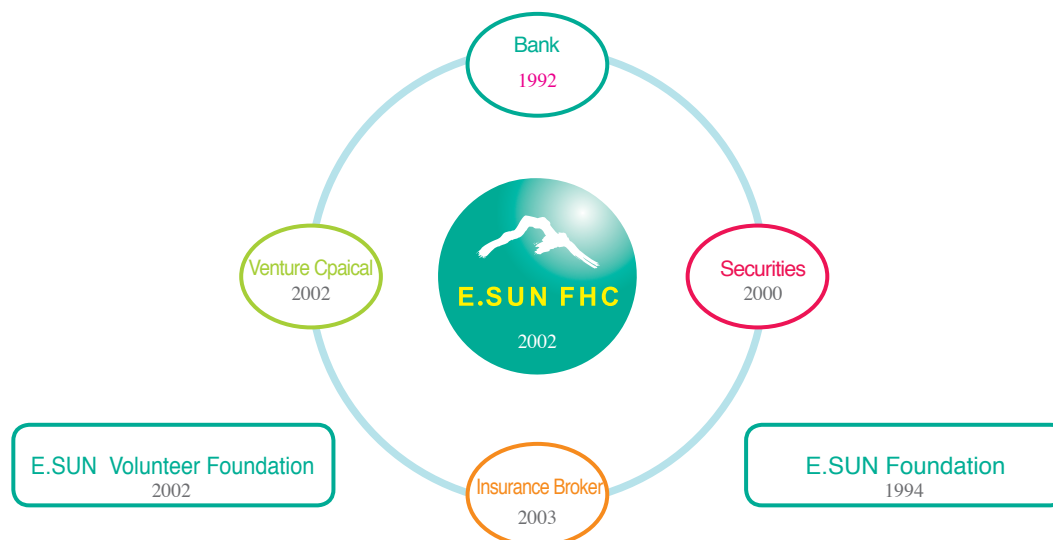
4. Capital Utilization Plans

- (1) Plan
 - a. Up to the quarter prior to the printing of the annual report, any issuance or private placement of securities that has yet to be completed: None.
 - b. Programs completed in the most recent three years with beneficial results yet to assert themselves: None
- (2) Implementation Status: None

V. Business Operation



1. Business Scope



(1) Scope of Operations

a. E.SUN FHC

(a) Primary Operations

E.SUN FHC's expertise rests in investment and management. Its subsidiaries engage in a wide range of financial businesses including banking, credit cards, trust, insurance, securities, futures, venture capital, investment in foreign banking institutions as approved by regulatory agencies, investment in other financial-related businesses as designated by regulatory agencies, management of the aforementioned invested businesses, and investment in other businesses sanctioned by regulators.

b. Composition of Operations

Unit NT\$ thousand

Item \ Year	2015		2014	
	Amount	%	Amount	%
Interest Income	29,981,181	56.98	27,147,256	59.14
Fee Income	15,498,707	29.46	12,959,170	28.23
Others	7,137,527	13.56	5,799,709	12.63
Total	52,617,415	100.00	45,906,135	100.00

Note1: E.SUN FHC consolidated financial figures

Note2: Others are net revenue exclude interest income and fee income.

b. E.SUN Bank

(a) Primary Operations

i. Commercial Bank Operations

E.SUN Bank provides the following services: Accepts all types of deposits, engages in lending, discounting of bills/checks, domestic remittances, commercial acceptances, issuance of domestic letters of credit, domestic guarantees, custodian services and warehousing, rental of safe deposit boxes and credit card operations.

ii. Foreign Exchange Operations

These operations include import and export negotiation, general inward and outward remittance, foreign currency deposits, foreign currency loans, foreign currency guarantees, and exchange of foreign cash and travelers checks.

iii. Investment and Treasury Operations:

Operations include investment in securities, short-term bills broking, dealing, trading of financial derivatives, wealth management, and trust operations approved under the law.

iv. Agency Operations and Other

Serves as an agent in issuance of debentures, collection and payment of various bills, underwriting securities, agent for the sale of gold ingots as well as gold and silver coins, agent for services of the National Treasury, providing fiscal advisory services, and dealing of corporate bonds and debentures.

(b) Composition of Operations

Unit NT\$ thousand

Year Item	2015		2014	
	Amount	%	Amount	%
Interest Income	29,636,188	59.43	26,830,870	61.48
Fee Income	13,385,178	26.84	11,316,802	25.93
Others	6,844,854	13.73	5,491,968	12.59
Total	49,866,220	100.00	43,639,640	100.00

Note: Others are net revenue exclude interest income and fee income

c. E.SUN Securities

(a) Primary Operations

i Brokerage:

Buying and selling securities, futures and options for clients; sub-brokerage of foreign securities; settlement of securities; margin trading; electronic trading.

ii Proprietary Trading:

Trading securities with the firm's own money on the stock exchange or over the counter, with emphasis placed on choosing targets meticulously and engaging in both long and short deals to ensure absolute positive returns.

iii Underwriting:

Assisting companies in going public and undertaking IPO/SPOs; acting as financial advisor to companies and assisting them in assessing and planning financial operations and M&As among others.

iv Bonds

E.SUN engages in outright bond trading and repo trading. The Company serves as a government bond

dealer and provides customers with bond-related investment information and advisory services.

v Proprietary Innovative Financial Products: Issuance of call (put) warrants and other innovative financial products, thereby expanding service scope and revenue sources.

vi OSU Business: Sale of foreign currency corporate bonds issued by the head office and other debt certificates; brokerage of securities denominated in foreign currencies; securities-related lending as well as purchases and sales of securities denominated in foreign currencies; underwriting of offshore securities; other securities-related foreign exchange operations approved by the competent authority.

vii Other operations approved by supervisory agencies.

(b) Composition of Operations

Unit NT\$ thousand

Year Item	2015		2014	
	Amount	%	Amount	%
Fee Income	785,336	65.58	785,092	66.53
Interest Income	325,392	27.17	306,050	25.16
Gains from Securities Trading	87,665	7.32	126,876	10.43
Other Operating Income	(899)	(0.07)	(1,500)	(0.12)
Total	1,197,494	100.00	1,216,518	100.00

d. E.SUN Insurance Brokers

(a) Primary Operations

E.SUN Insurance Brokers deals mainly in life insurance and property insurance. Priority is given to meeting customers' functional, diverse needs. In terms of life insurance, it offers general life insurance, mortgage insurance, medical insurance, savings insurance, annuity insurance, injury insurance, investment-linked insurance, and long-term care insurance. Meanwhile, nonlife/property insurance offerings include automobile and motorcycle insurance, fire insurance, liability insurance, and all types of commercial risk insurance. Drawing on a full spectrum of product offerings and comprehensive services, E.SUN is able to provide customers with well-rounded asset allocation and insurance planning.

E.SUN teams up with Nan Shan Life Insurance, Allianz, China Life, Prudential plc, Cigna Taiwan, AIA, BNP Paribas, Tokio Marine Newa Insurance, and Taian Insurance to offer a rich variety of options that cater to customer needs. In 2014,

E.SUN Insurance Brokers made further headway through both banking and telemarketing channels. Its commitment to providing customers with one-stop consultations and services was rewarded handsomely. For the purposes of achieving higher economies of scale and overall synergy, E.SUN Insurance Brokers was merged by E.SUNBank on March 25, 2016.

(b) Composition of Operations

Unit NT\$ thousand

Year		2015		2014	
		Fee Income	%	Fee Income	%
Life Insurance	Life and Health Insurance	2,535,763	63.35	2,065,765	79.72
	Investment-linked Insurance	1,455,510	36.36	514,198	19.84
	Accident Insurance and Other	1,117	0.03	1,259	0.05
Property Insurance		10,193	0.26	10,201	0.39
Total		4,002,583	100.00	2,591,423	100.00

Note: There was a definition change for accident insurance and others in 2014.

e. E.SUN Venture Capital

(a) Primary Operations

- i. Invest in and nurture unlisted but promising domestic and foreign companies.
- ii. Assist in and give guidance to the transformation or restructuring of businesses that hold long-term potential.
- iii. Provide industry information and help companies with fund-raising, M&As, strategic alliances, etc.

(b) Composition of Operations

Unit NT\$ thousand

Item	2015		2014	
	Amount	Ratio	Amount	Ratio
Investment Income	309,438	99.04	416,233	97.3
Interest and other operating income	2,998	0.96	11,445	2.7
Total	312,436	100	427,678	100

2. Business Plan

Named after the highest mountain in Taiwan, E.SUN endeavors to become a top-performing and most respected bank. E.SUN has developed a business philosophy of honesty and integrity, as well as a fresh, professional image over the years, paving the way to sustainable development. Following the rise of Asian and regional economies and the trend of digital finance, E.SUN is actively developing innovative financial services in order to establish strong roots in Taiwan while expanding business activities across Asia, with the aim to become a distinctive Asian bank.

(1) Corporate Banking:

Adhering to the vision of building a professional team and offering strong support for business success, E.SUN continues to expand its customer base, vie for multinational trading customers, follow government policies in cultivating small and medium enterprises as well as cultural and creative industries, introduce SME Credit Guarantee Fund, collaborate with international insurers, and strengthen risk management mechanisms for overseas operational sites, thus maintaining asset quality. Information and expertise are E.SUN's foundations, and the brand and teamwork are E.SUN's core values. E.SUN will continue to develop the Asian markets based on these values, and enhance cross-border trading and overseas financial service platforms to develop innovative products that meet diverse customer needs, thereby becoming the best brand



for SMEs.

(2) Consumer Banking

With the advent of the Bank 3.0, E.SUN aims to offer customers the best service experience. By applying big data analytics, E.SUN is able to deeply understand customers' needs, thus improving overall performance and comprehensively upgrading extant service to self-serving financial services and virtual channels. This allows E.SUN to provide its customers with a complete, friendly financial service network.

The main drivers of deposit growth are demand deposit and foreign currency deposit. Mortgage typically targets high-quality customer groups. Mortgage platform is used to extend loan services into family integrative marketing, thereby enhancing the value shared between the bank and its customers. Personal loan are based on the core concept of risk management. In addition, secondary mortgage syndicated loan are developed prudently, to strengthen the bank's risk-taking capabilities. The focus of small businesses will be on building long term relationships with local enterprises, and leverage loan service to penetrate the diversity cooperation including cash management. Thus, E.SUN aims to become the best partner to business owners.

(3) Wealth Management:

E.SUN always adheres to the core value of "Pure as Jade, Sturdy as Mountain" It focuses on customer demand, continuously seeks product and service innovation, and constantly improves its risk management and operating procedures to protect

customer assets. E.SUN will continue to expand its wealth management team, complete an entire in-service training and career development program, improve the expertise of its financial consultants, and enhance its marketing capability and as well as the ability to engage in customer development. E.SUN is constantly strengthening its services, expert knowledge and teams as a means to win customer trust and confidence.

In response to the trend of Bank 3.0, E.SUN actively develops its digital banking platform and provides seamless financial consulting services through virtual and physical channels to help customers create more wealth. To face market volatility, E.SUN is constantly monitoring international economy and market patterns, and assisting customers in finding suitable investments and asset allocation strategies. Contingency mechanisms are also in place to respond to major events and ensure investment portfolios can be adjusted as needed. E.SUN expects to be the most trusted and leading wealth management brand for customers.

(4) Digital Banking Services:

The development of digital banking focuses on three major aspects: payment, platform, and marketing. In particular, the focus for payment services centers on developing new payment methods, cross border payments, and mobile payments and working together with successful domestic/foreign strategic partners to create a new payment network.



Meanwhile, the digital platform is constructed with customer experience at the core and supported by multiple channels. In support of the FSC Bank 3.0 campaign for online services, E.SUN has been building a line of digital financial products and offering user friendly digital financial services. Digital marketing is based on big data analytics and dedicated to provide simple and customized services. The mission is to create a quality of life through digital finance.

(5) Credit Card and Payment Services:

E.SUN actively expands the scale of banking services, develops co-branded channels, raises market share, and target key customer groups, including World MasterCard cardholders, business groups, female groups, and customer groups that use electronic ticketing and transportation services. E.SUN is ranked first place in the top-tier credit card market. Furthermore, wealth management services are also provided to afford customers with a complete banking service. Among the customer groups that use electronic ticketing and transportation services, E.SUN's EasyCard, iCash co-branded credit cards, and ETC co-branded cards are ranked number 1 in the market. E.SUN devotes to provide customers with the most convenient payment services. Moreover, E.SUN actively collaborates with merchants and offers campaigns to satisfy customers' needs and create customer value as part of the effort to establish E.SUN credit cards as the best credit cards offered on the market.

(6) Securities Services

The securities services encompass brokerage, proprietary trading and underwriting services. Cross border financial products are developed by following a strategy of diverse development and integrated marketing and combining resources of various subsidiaries. The mission is to satisfy the



diverse needs of corporations and wealth management clients. In particular, the brokerage services are geared toward VIP customers. Investment is also made to expand other cross border services such as sub-brokerage and ETF trading. Proprietary trading adopts a trading strategy of diversification by instrument and by market in order to create high stable return. The underwriting services are operated by combining resources from banking and venture capital and other subsidiaries of E.SUN FHC. An extensive line of services including IPO advisory services and SPO financing services offers everything SMEs would require in the capital market. The OSU brokerage services will be extended from the existing line of sub-brokerage services to include buying and selling of overseas securities. E.SUN will introduce multiple products and services as the market becomes more deregulated in the future.

(7) Venture Capital Services

E.SUN continues to establish high-quality and promising enterprises that have not yet been listed and are not trading over the counter. By leveraging its advantage in possessing integrated financial holding resources and professional investment teams, E.SUN will cultivate and guide invested companies in entering the capital market, formulate a sustainability mechanism to improve the technologies and competitiveness of domestic industries, adhere to government policies and laws, expand business scale, optimize value for shareholders, and enhance the overall performance of E.SUN FHC.

3. Industry overview

(1) E.SUN FHC and E.SUN Commercial Bank

As the global economy becomes more volatile and overall growth slows down, the United States raised interest rates by 0.25 percentage points in December, ending seven years of near-zero interest rates. China's economy exited its phase of rapid growth. Volatility in its stock markets and renminbi exchange/interest rates while the country undergoes structural reforms is sending shock waves across markets around the world. In terms of real economy, the world faces falling end demand and dramatic drops in the prices of oil and raw materials, which have a severe economic impact on exporting countries.

The rise of Asian economies and the trend of regional economic integration have led to the forming of two economic alliances, TPP and RCEP. Taiwan's financial institutions, with the competent authority's support, have been expanding their business operations into other Asian countries and playing an active role in Asia's economic development. While the path to establishing an international presence is full of challenges, there is still room for improvement for financial institutions in Taiwan in their capabilities to operate internationally.

With the advent of the Bank 3.0 era, the number of Fintech companies is growing exponentially. Silicon Valley and Chinese e-commerce operators are targeting the financial sector and investing in financial activities such as payments and loans and financial planning services. Meanwhile, conventional financial institutions are also trying to recruit fintech talent and initiate digital transformation. Cross industry innovation across finance, technology, e-commerce and related fields will inject fresh energy into financial services and create more diverse



and friendly financial services for the customers.

With respect to domestic industries in Taiwan, a negative export growth rate of 10.6% was observed in 2015, and Taiwan's export growth has remained below 3% for three consecutive years. Although the Central Bank lowered interest rates by 0.125 percentage point in September and lifted the policy of stagnant interest rates after 16 quarters, and the New Taiwan Dollar depreciated against the US Dollar for three consecutive years, many industries still did not perform as well as anticipated. Looking forward to 2016, most international institutions expect better performance in 2016 than in 2015. Certain industries prospered against the tide, such as the textile industry that benefit from the successes of Nike and Under Armour. An aging society also fueled the health care and biotechnology industries. Technological advancement brings the Internet of Things and virtual reality out of the cinema and into everyday life. Green initiatives also created opportunities, as did crowd funding and startup unicorns. There will be other opportunities for transformation for Taiwan's industries.

In response to climate change, an agreement to reduce greenhouse gas emission was achieved in the Paris Climate Conference, making another milestone in the low carbon economy. In Taiwan, more and more TWSE/TPEX listed companies have started

preparing corporate social responsibility reports at the encouragement of the competent authority's policies. More attention is being paid to incorporating CSR practices into various areas of business in order to better comply with international standards. The trend also helps to encourage sound business practices in the industries as a whole.

(2) Securities and Capital Markets

Toward the end of January 2015, the European implementation of the quantitative easing (QE) policy led to an inflow of international hot money, and as a result the stock market achieved a record high of 10,014 points on April 28. Although the Financial Supervisory Commission continued to introduce new systems for vitalizing the stock market, negative factors such as the Greek debt crisis and continual drop in oil prices have led to a market correction in China and the United States. At the end of August, the stock market dropped past the 10-year line, declining to 7,203 points. Thereafter, as the international stock market rebounded, the National Financial Stabilization Fund took action in protecting the stock market, and the termination of the capital gain tax, the stock market rose from its nadir, diminishing the annual cumulative decline to 10.4%, ending the three-year inflation trend.

Regarding trading volume, the daily average trading volume in a secondary market was NT\$92.2 billion in 2015, although similar to that in 2014 (NT\$92.9 billion). Nevertheless, after the successive issuance of ETF of a portion of raw materials and the overseas stock market, the trading activity intensified, reaching an ETF daily average trading volume of NT\$6.7 billion in 2015, which was higher than the daily average of NT\$1.7 billion in 2014. After excluding the ETF trading from the secondary market, the daily

average trading volume had in actuality declined from NT\$91.2 billion in 2014 to NT\$85.5 billion in 2015. Concerning the brokerage performance of major security houses, because small and medium security houses have actively developed e-trading platforms and even provided marketing means (e.g., providing discounted bank charges), the top 10 security agents in 2015 experienced a continual decline in trading amount and market share, but remain maintained between 85% and 90%.

Looking ahead toward 2016, the stock market is unlikely to demonstrate outstanding performance the first half of the year due to the slow process of recovery in Taiwan's economy, in addition to unfavorable factors such political alternation and low sales volume of iPhone 6s. The stock market may be expected to rebound in the bottom half of the year following the base period; this is because the economic growth rate is expected to exceed that in the upper half of the year and there will be a need to stock up goods before the arrival of the sales season in Euromerican regions. Furthermore, the Financial Supervisory Commission had previously launched an advanced version of a stock market enhancement plan, in which the primary measures involved relaxing the business scope of the equity fund-raising platform, allowing brokers to apply for business loans, for which it can be used for any purposes, allowing Chinese tourists to visit Taiwan and invest in funds and ETF, and expanding the scope of day trading targets. Relevant measures will continue to be launched in 2016, and this will stimulate increase in the stock market. While consumer confidence recovers, the trading volume will increase, thereby enhancing broker profitability.

4. Research and Development

(1) R&D Results in Last Two Years and Future Directions

E.SUN Bank believes innovation to be the only valid strategy to create long term value for a company. Following the Bank 3.0 campaign and the rise of Asian economies, E.SUN Bank takes an active approach to the development of digital finance and expansion in Asia. By cultivating talent in innovation, inviting world class consultants, teaming up with strategic partners, and making investments and acquisitions, E.SUN is systematically strengthening its overall R&D and innovation capabilities. Priorities are given to integrated applications that offer cross border, cross industry, and cross real/virtual worlds services. E.SUN Bank endeavors to establish a blue ocean strategy in the financial sector.

a. Corporate Banking:

E.SUN Bank has long been a supporter of small and medium enterprises. The bank is constantly advancing its service procedures and efficiency and developing customized products and services. E.SUN Bank will continue to develop its overseas syndicated loan and project financing services in order to provide safe and convenient money services for businesses. The primary R&D results are as follows:

- (a) E.SUN Corporate Online Banking: The freshly revamped corporate online banking services offer fast, secure, and friendly cash management and trade services. Companies will be able to monitor their cash flows at all times, enabling more efficient and more competitive operations.
- (b) Mobile CEO: The mobile version puts the corporate online banking services on mobile devices such as mobile phones and tablets. Business owners will be able to make payments, approve payroll, and complete fund transfers in real time. In addition, a push feature is available to keep users informed of all incoming/outgoing cash flows.

- (c) Foreign exchange: E.SUN Bank has introduced a variety of innovative services, including E.SUN Global Pass - offering funds withdrawal from PayPal to E.SUN bank accounts, nighttime online currency exchange, Foreign Currency ATM – withdrawing foreign currencies via an IC ATM card issued by a domestic bank, and the issuing of foreign currency Negotiable Certificates of Deposit (NCD). By forming alliances with other industries and competitors, E.SUN Bank demonstrates a new vision for foreign currency businesses.

b. Consumer Banking:

E.SUN Bank places great emphasis on the customer service experience. The bank is constantly trying to advance its service procedures and combine multiple channels including e-banking counter, mobile banking, online banking, official websites, and customer service centers. Thus, branches can increase the efficiency of their operations, thereby becoming a business location where complex and high-value financial transactions are made, the center of consultation and marketing, and an online and offline hub. The major R&D results are as follows:

- (a) Branch Transformation and Added Values: Regarding branch management, E.SUN Bank incorporates data analysis into its operation models, using smart systems to manage its branches and establish a variety of counter services according to the customer attributes of each branch. Examples include one-stop account opening counter, corporate banking counter, e-banking counter, and scheduled transaction counter. Meanwhile, the concept of convenient banking is incorporated into the combination of self-service banking facilities and new technological innovations. Thus, E.SUN Bank uses complete and seamless banking services to create value for customers, thereby satisfying their diverse needs.
- (b) E.SUN e-Services: E.SUN e-Services are an



innovative invention by E.SUN Customer Services with the use of digital channels. 24-hour customer services are offered via telephone, mobile phone apps, online messages, and internet phone.

- (c) Fintech Consumer Banking Platform: Concerning the development of consumer banking, E.SUN Bank is dedicated to provide simple and customized digital services enabled by technology, such as online loan application, credit line and rate assessment, credit check, loan approval, mortgage appraisal and line/rate assessment. In the future, the bank will continue expanding the application of digital consumer banking platforms to provide customers with wonderful banking experience.

c. Wealth Management:

E.SUN Bank has teams of wealth management professionals to advise customers in responding to market variations, continues to strengthen market research, expand the bank's product platform, and customize wealth management portfolios and investment strategies for its customers in order to become the customers' most trusted wealth management bank. The primary R&D results are as follows:

- (a) Continued to improve the breadth and depth of market research, developed mechanisms to respond to major events, provided real-time market information and investment suggestions to customers, advised in dynamic adjustment of portfolio, strengthened risk management, and devoted our utmost effort in protecting customers' assets.
- (b) We were the first bank to introduce multiple OBU

wealth management products, including RMB denominated mutual funds through RQFII, hedge funds, structured notes, and various ETFs. Through stringent product inspection procedures and screening mechanisms, we continue to expand our product platforms to satisfy customers' diverse needs.

- (c) E.SUN Bank is the first bank in Taiwan to introduce the Mobile Wealth Management app, which offers customers digital wealth management and consultation services. In future, the bank will continue to advance and develop its digital wealth management services, using technologies to provide customers with more immediate, convenient financing services.

d. Digital Banking:

E.SUN Bank approaches digital finance by combining resources across different organizations and giving priorities to the development of the Bank 3.0 platform and new payment services. The major R&D results are as follows:

- (a) e-click loan: By applying the core competency of big data analytics, E.SUN Bank offers a fast, friendly online loan application service that enables customers to complete the application procedure in just 3 minutes and then complete the rest of the process online, including online application, line and rate assessment, credit check, and loan approval. Having a digitized end-to-end business process allows a more efficient operation.
- (b) Online credit card application: Customers can complete the application process more quickly via the digital services over the Internet or on their mobile devices, such as mobile phones.

(c) E.Sun Trade: To provide customers with more diverse, convenient payment services for customers in Taiwan, E.SUN Bank has teamed up with a cross border partner, Taobao, to launch an exclusive line of payment alternatives, including credit card, WebATM, and convenience store collection service. E.SUN Bank strives to provide the most friendly payment service for cross border shoppers.

(d) Cross Border O2O Payment

E.SUN Bank is the first bank in Taiwan that allows Mainland Chinese tourists independently traveling in Taiwan to use the Alipay app, so that Mainland tourists can shop in Taiwan by using the method they are most accustomed to and Taiwanese businesses can create more opportunities by offering another payment method.

e. Credit card and Payment

The focus on developing innovative payment methods has led to multicurrency credit cards, mobile payments, and mPOS invoices. The major R&D results are as follows:

- (a) First to launch Dual Currency Cards: E.SUN Bank introduced its Dual Currency Credit Card, which offers a selection of USD, EURO, and JPY; E.SUN Bank is the first financial institution to issue three currencies at the same time. The cards are aimed at fulfilling the needs of customers to make cross-border payments. Other currencies will be made available as permitted by law.
- (b) First bank to issue HCE mobile phone credit card: To use this service, users can download the E.SUN Wallet App and store their actual card number in the app. Because coding technologies are used to simulate the substitute card number for NFC transaction, E.SUN Wallet App can be used with any telecommunication company without having to change mobile SIM cards, thereby rendering the use of mobile cards more convenient and safer.
- (c) The bank has seized mobile payment business opportunities, continue to expand its QR Code and mobile point of sale ordering services, and integrated billboard-based shopping, online donations, and pay on delivery service operators to broaden the field of credit card payments.

f. Securities

E.SUN is actively developing information technologies and e-ordering services on various mobile devices, exploring opportunities in various trading markets, and refining the customer experience. The major R&D results are as follows:

- (a) A⁺ Internet trading system: E.SUN is dedicated to building comprehensive e-ordering services and expanding A⁺ Internet trading systems in various markets, including spot and futures trading and sub-brokerage trading. Various friendly services such as push notification, fingerprint login/ordering, online account applications are developed in order to build a fully functional securities investment service.
- (b) Proprietary trading: E.SUN builds a multi-trading cross-market strategic platform, improves risk control technologies, increases reward-to-risk ratios, and pursues consistent returns.

(2) R&D projects, progresses and expenditures

R&D projects at E.SUN Bank follow short-, medium-, and long-term business plans. Investments are made on an ongoing basis, and results from each stage will provide the basis for R&D in the next stage. Appropriate adjustments are made according to application performance and future trends. Most of R&D expenditures are spent on project consulting services, system implementation, employee training, and planning and development manpower. The R&D projects, progresses and expenditures are as follows:

a. R&D expenses of recent 3 years

NTD, in thousands

Year	2016	2015	2014
E.SUN Bank	234,916	120,547	83,875
E.SUN Securities	33,190	59,567	49,452

Unit: NT\$thousand

Projects	Estimated Time of Completion
Flagship Digital Branch	2016
Big Consumer Banking Project (I, II)	2016
ATM and Transfer Platform construction (I)	2016
Private Cloud operating environment	2016
Extended Virtual Platform Project	2016
Customer Information Integration Platform Project	2017
Next Generation Data Warehousing Transformation Project	2017

5. Cross-Selling Synergy



The most favored bank
The best choice



Choose the best option
Winning through diverse
integration



Pioneer in innovative services
Creating a beautiful digital life

(1) The most favored bank, the best choice

E.SUN not only provides professional, heartwarming, and innovative services to satisfy customers' financial needs, it also integrates channels to host many art and cultural events, and continues to engage in brand management and the implementation of CSR so that our VIP customers can enjoy memorable experiences and spiritual satisfaction, thereby further optimizing the positive effects on society. E.SUN aims to not only become the best-performing bank in its business operations, but also be the most-respected one of its customers, with the hope of becoming their favorite bank and the best choice they have ever made.

(2) Choose the best option, and winning through diverse integration

The fuzziness of industrial boundaries, advancement in technological development, and government deregulation have accelerated the process of transforming the service models of the financial industry. To meet and surpass customer expectations, E.SUN collaborates with its industrial partners, integrates cross-border, cross virtual and physical, and cross-border resources to create a one-stop service that provides customers with better experiences and creates differentiated value for them.

(3) Pioneer in innovative services, creating a beautiful digital life

In a complex, ever-changing Bank 3.0 financial environment, the key to success is the ability to respond to market demands quickly. E.SUN is dedicated to becoming a financially innovative leader. Through big data analysis, Cloud technologies, and cross-industry cooperation, E.SUN naturally incorporates banking services into a part of customers' daily lives, continues to develop mobile payment and digital services, and collectively builds a more convenient, perfect digital ecosystem.



6. Market & Business Overview

Markets for Major Products and Services

Primary Product (Service)	Major Market
Corporate Banking	Taiwan is the major market while a fully integrated financial platform is established to meet the cross-border needs of Taiwanese businesses operating in Greater China. When it comes to expanding overseas to better serve Taiwanese businesses and foreign customers, E.SUN has set up 21 operational sites across 7 countries, including China, Hong Kong, Singapore, Vietnam and Los Angeles; the UCB subsidiary in Cambodia; and representative offices in Myanmar.
Consumer Banking	Taiwan is the major market where 136 branches have been established. To better serve cross-border customers, E.SUN is also proactive to expand the consumer banking business at foreign operational sites.
Wealth Management	Taiwan is the major market while overseas operational sites are established to satisfy cross-border customers.
Credit Card	Taiwan is the major market while E.SUN's Cambodian subsidiary is also developing the credit card business.
Digital Banking	Taiwan is the major market; E.SUN also teams up with cross-border partners as Alibaba, Tencent, and PayPal to provide customers with cross-border financial services.
Securities	Taiwan is the major market where there are 111 retail operational sites: 21 branches and 90 cross-selling offices opened in line with E.SUN Bank branches.

7. Human Resources

Named after the highest mountain in Taiwan, E.SUN Bank is dedicated to climbing to similar heights. As our namesake suggests, we endeavor to become the top-performing, the most respected, the favorite, and the first excellent bank in Taiwan. Therefore, E.SUN must emphasize the importance of the execution capabilities of its employees as well as the formulation of clear strategies in order to achieve excellence. However, only enterprises with highly competent and dedicated employees can realize such a great vision step by step, thereby taking E.SUN to a new beautiful world.

E.SUN acknowledges the importance of human resources in business success. Since its inception in 1992, E.SUN's founder and management teams have devoted their utmost efforts in talent cultivation and training, focusing on "home" as their core principles, and completing comprehensive plan that values employee relations, cultivation and development, and welfare; they establish more better and effective talent database. Through complete recruitment and training systems to cultivate interdisciplinary π -type talent, E.SUN has accumulated an abundance of human capital and endeavored to create a team of dedicated experts who share the same goals and visions.

E.SUN leverages the effect of teamwork and



experience sharing to combine the strengths of each E.SUN employee and become the most respected enterprise that exhibits the best comprehensive performance. Externally, E.SUN is eager to devote to social responsibility towards Taiwanese society, and internally, E.SUN dedicates its efforts in caring for employees and their family members so that they would perceive E.SUN as their second home. Thus, all of its employees can commit to serving E.SUN with peace of mind, and be willing to work with E.SUN in protecting our beautiful land. " Employee has the opportunity to shape their future as long as they are willing." E.SUN endeavor to offer great opportunities and fulfillment to employee and continue to establish high-performing teams who are expected to generate positive effects on society and transform Taiwan into a working environment filled with happiness.

(1) E.SUN FHC and its subsidiaries

Item \ Year	2016/3/30	2015	2014	
No. of Employees	8,268	8,457	7,352	
Average Age	31.7	31.4	31.9	
Average Years of Service	6.7	6.5	6.7	
Educational Background(%)	Master's	21.4	21.5	21.1
	Bachelor's	72.5	72.4	71.7
	College	5.4	5.3	6.4
	High School	0.7	0.8	0.8
Number of Professional License	Bank	22,892	22,967	20,248
	Insurance	8,811	8,828	7,342
	Securities	7,784	7,894	7,386
	Others	491	493	570

(2) E.SUN Bank

Item \ Year	2016/3/30	2015	2014	
No. of Employees	7,672	7,841	6,762	
Average Age	31.6	31.3	31.8	
Average Years of Service	6.8	6.5	6.7	
Educational Background(%)	Master's	22	21.9	21.9
	Bachelor's	71.9	72.2	70.9
	College	5.4	5.3	6.5
	High School	0.7	0.8	0.7
Number of Professional License	Bank	22,345	22,376	19,643
	Insurance	8,582	8,540	7,054
	Securities	6,782	6,860	6,311
	Others	454	452	525

(3) E.SUN Securities

Item \ Year	2016/3/30	2015	2014	
No. of Employees	556	553	549	
Average Age	33.3	33	32.9	
Average Years of Service	6.4	6.2	6	
Educational Background(%)	Master's	12.8	12.5	11.1
	Bachelor's	81.5	81.7	82.7
	College	4.8	4.9	5.3
	High School	0.9	0.9	0.9
Number of Professional License	Bank	506	512	538
	Insurance	222	229	243
	Securities	990	1,000	1,045
	Others	33	33	39

(4) E.SUN Venture Capital

Item \ Year	2016/3/30	2015	2014	
No. of Employees	7	7	7	
Average Age	36.7	36.4	35.4	
Average Years of Service	10.4	10.2	9.2	
Educational Background(%)	Master's	71.4	71.4	71.4
	Bachelor's	28.6	28.6	28.6
Number of Professional License	Bank	18	18	16
	Insurance	5	5	2
	Securities	6	6	4
	Others	1	1	2

8. Corporate responsibility and ethical conduct



With an aim to become the favorite bank and to provide clients with premium quality services, E.SUN has long been dedicated to financial innovation and the fulfillment of its corporate social responsibilities by remaining highly committed to causes in social welfare, environmental sustainability, sport events, volunteer services, education, and the arts and cultures. We hope to exercise our corporate influence to unite and consolidate the powers of our employees, clients and the general public. Together, we will be able to build an ideal living environment, provide thoughtful services to our customers, and create a better future by reminding everyone of their commitment to protect Taiwan and their love and affection for our home and community.

In social welfare, apart from continuing to implement the E.SUN Golden Seed Project and E.SUN Concern for Schoolchildren Program, the Company also issues the "E.SUN Volunteer Passport" to encourage E.SUN employees to participate in various public interest activities. In the "E.SUN Bicycle Ride Around Taiwan: Sending Love Everywhere" activity, E.SUN donated NT\$10,000 to the E.SUN Concern for Schoolchildren Program for each kilometer that the volunteer participants rode, and donated a total of NT\$10 million. The "Rainbow Hope" social welfare activity was organized to help rebuild Hakai Village, Fuxing Township, Taoyuan County in the wake of typhoon damage. E.SUN's support for a shift to growing organic rice at Nanan Village in Hualien County helped farmers and provided tangible support to agriculture in Taiwan. Separately, the Company had donated 100 E.SUN libraries as of the end of 2015. In

turn, more than 50,000 schoolchildren benefited.

E.SUN's efforts in promoting environmental protection include the introduction of the ISO 14001 and ISO 50001 Environmental and Energy management systems. The company has fully completed ISO 14064-1 greenhouse gas verifications for 2 consecutive years for the E.SUN headquarters building and all branches in Taiwan. E.SUN has also conducted the ISO 14067 Carbon Footprint Verification certification for our e-Click Online Card Application, regarding which ISO 14067 verification analysis results indicate that the utilization of E.SUN's e-Click Online Card Application reduced carbon emissions by more than half compared to over-the-counter applications, thus demonstrating highly effective energy conservation. E.SUN has also actively participated in the Carbon Disclosure Project (CDP) initiated by leading international institution investors and has become a CDP supported corporation. This year, E.SUN Bank furthermore adopted the Equator Principles (EP), thereby becoming one of the 82 Equator Principles Financial Institutions (EPFI) throughout the world. A total of 30 "Bears Love E.SUN: Black Bear Conservation" seminars were held throughout Northern Taiwan. E.SUN also responds actively to environmental protection events both domestically and abroad by joining forces with the international community in the promotion of energy conservation and carbon reduction.

With regard to education, E.SUN believes in the need to provide underprivileged but aspiring students with a fair opportunity to enjoy all the learning resources. So far, a cumulative 82 students have been awarded the E.SUN Scholarship for Growing Outstanding Managers that marked its 11th anniversary in 2015. E.SUN has joined National Taiwan University to establish the E.SUN Academic Awards as an incentive to upgrade local management research. To date there have been ten recipients of the awards. Meanwhile, E.SUN is also an avid participant in the Financial Supervisory Commission's campaign to promote financial knowledge across campuses and communities. The purpose is to help people learn

more about consumer banking and wealth management. E.SUN has co-hosted the SAS Champion big data digital marketing competition with business analytics software company SAS for the fourth consecutive year. The Bank also collaborated in the Google Ignite project with Google in an effort to improve the digital marketing skills and international perspectives of Taiwanese students. E.SUN hopes to promote and extend its core concepts of corporate social responsibility and facilitate the application of advanced technologies in financial services.

Furthermore, in order to promote the development of high school baseball in Taiwan, the Company established the "E.SUN High School Baseball Development Fund." As of the end of 2015, fund had been used to purchase baseball equipment used by teams at 22 schools, including Luxing High School, Yuli High School, and National Tainan Senior Marine Fishery Vocational School. The goal of this effort was to make the E.SUN Cup Taiwan's high school baseball championships, while promoting high school baseball and the cultural and creative industry.

E.SUN has further continued to hold regular "One Simple Act of Love can Inspire Others to Love" blood drives and the "Caring for Children in Need" orphanage kids concern activity. Thanks to the commitment of E.SUN employees and volunteers, the Company has helped even more people in need, and spread love to every corner of the country. We will continue to give this land our unchanging love and concern, and help E.SUN volunteers make an even greater contribution!

Honoring its long-term commitment to fulfilling corporate social responsibility, E.SUN Bank takes concrete action to make Taiwan a better place. In 2015, E.Sun Bank adopted the Equator Principles (EP), becoming the 82nd Equator Principles Financial Institution (EPFI) in the world; E.SUN was listed in the DJSI World Index and DJSI Emerging Markets Index, the first ever financial institution in Taiwan; Ranked No.1 in financial institutions (and overall No.2 among large corporate) for Commonwealth Magazine's Commonwealth Corporate Citizen Awards for the seventh year; Honored by the Environmental Protection Administration (EPA) of "green procurement" for the seventh consecutive year;

Honored by Taipei City government as "green procurement in the private sector" for the sixth consecutive year; the Golden Award for the Best Financial Holding Company in Corporate Social Responsibility in the biweekly Wealth Magazine's 2015 Consumer Survey of CSR; Ranked No.1 in financial institutions of The Top 10 Most Sustainable Company Award by Taiwan Institute for Sustainable Energy; Ranked within top 5% of Taiwan Stock Exchange Corporation's Corporate Governance Evaluation; The Security & Future Institute's award for the highest transparency level A++ from the Assessment of Information Transparency and Disclosure in all TSE/GTSM listed companies in 2 consecutive years; The SME Credit Guarantee Partner Awards for both institutions and individuals from the Ministry of Economic Affairs for ten years in a row; The Joint Credit Information Center's Golden Award for the lending data segment for five year in a row; Winner among financial institutions of Global View magazine's five star award for Wealth Management. In terms of financial expertise, E.SUN will also exert itself in leveraging current technological developments to drive continuous innovations and improvements. By acquiring a comprehensive understanding of innovative developments and trends, E.SUN will be able to offer customers premium quality services and a better lifestyle of prosperity and fulfillment.



VI. Financial Information



1. Condensed Financial Statements from 2013 to 2015

(1) Condensed Balance Sheet(Consolidated)

Unit: NTS1,000

Item	Year	Financial data for the most recent five years Financial data from 2013 to 2015(Note 1)			As of February 29,2016(Note 3)
		2015	2014(Note 4)	2013(Note 5)	
Cash and cash equivalents, due from the central bank and call loans to banks		104,112,647	89,637,708	79,251,859	162,066,461
Financial assets at fair value through profit or loss		349,603,244	292,870,111	283,646,429	410,277,233
Available-for-sale financial assets		131,281,637	86,030,495	72,049,774	123,384,822
Derivative financial assets for hedging		-	-	-	102,604
Securities purchased under resell agreements		896,844	152,758	-	877,280
Receivables, net		78,562,234	73,087,654	62,895,383	84,517,664
Current tax assets		104	335,260	563,776	1,282,848
Assets held for sale, net		-	-	-	-
Discounts and loans, net		1,021,944,720	934,613,524	828,238,170	1,006,760,535
Reinsurance assets		-	-	-	-
Held-to-maturity financial assets		5,289,839	5,915,792	8,593,699	5,490,843
Investments accounted for using equity method, net		-	-	-	-
Restricted assets		-	-	-	194,000
Other financial assets, net		43,697,797	52,810,267	17,578,354	3,965,079
Properties and equipment, net		26,792,354	21,106,105	19,373,142	26,682,818
Investment properties, net		461,799	421,270	544,587	727,335
Intangible assets, net		5,953,922	5,683,483	5,551,692	6,021,391
Deferred tax assets, net		500,739	123,932	343,935	171,691
Other assets		6,136,051	3,631,499	2,444,147	6,368,906
Total assets		1,775,283,931	1,566,419,858	1,381,074,947	1,838,891,510
Due to the Central Bank and other banks		71,170,130	58,199,621	47,645,621	69,723,907
Funds borrowed from the Central Bank and other banks		-	-	-	415,875
Financial liabilities at fair value through profit or loss		35,875,595	26,081,873	12,264,067	54,902,677
Derivative financial liabilities for hedging		-	-	-	23,826
Securities sold under repurchase agreements		8,034,391	13,117,523	6,254,291	7,440,433
Commercial paper issued		2,279,200	2,828,518	1,981,970	2,161,624
Payables		21,441,650	21,740,276	19,125,608	31,733,602
Current tax liabilities		1,144,949	853,016	505,654	2,812,129
Liabilities directly associates with assets held for sale		-	-	-	-
Deposits and remittances		1,456,393,949	1,280,691,771	1,150,790,905	1,489,578,786
Bonds payable		50,750,000	49,600,000	53,800,000	50,916,350
Preferred stock liabilities		-	-	-	-
Other financial liabilities		1,319,959	2,583,420	2,392,644	921,112
Provisions		499,097	337,069	400,265	484,487
Deferred tax liabilities		1,288,004	816,112	745,760	812,129
Other liabilities		3,426,109	1,909,313	1,854,517	3,417,559
Total liabilities	Before distribution	1,653,623,033	1,458,758,512	1,297,761,302	1,715,344,496
	After distribution	(Note2)	1,461,932,362	1,299,547,949	-
Equity attributable to owners of the Company		120,927,106	106,876,393	82,650,959	122,712,607
Capital stock	Before distribution	79,517,000	70,530,000	55,243,000	79,517,000
	After distribution	(Note2)	77,030,496	61,139,206	-
Capital surplus		20,501,164	19,375,697	14,497,390	20,501,165
Retained earnings	Before distribution	18,253,944	15,139,336	12,093,934	20,649,300
	After distribution	(Note2)	5,617,786	4,543,907	-
Other equity		2,654,998	1,831,360	816,635	2,045,142
Treasury stock		-	-	-	-
Non-controlling interests		733,792	784,953	662,686	834,407
Total equity	Before distribution	121,660,898	107,661,346	83,313,645	123,547,014
	After distribution	(Note2)	104,487,496	81,526,998	-

Note1: Based on unaudited financial statements.

Note2: Earnings distribution of the year (ended December 31)2015 shall be resolved in the shareholders' meeting.

Note3: Financial figures as of Feb.29, 2016 are preliminary figures.

Note4: Financial figures of 2014 are based on the 2014 financial reports issued by CPA.

Note5: Financial figures of 2013 are based on the 2013 financial reports issued by CPA.

(2) Condensed Statement of Comprehensive Income (Consolidated)

Unit:NT\$1,000, Except Earnings(Losses)Per Share

Item	Year	Financial data 2013-2015 (Note 1)			As of February 29,2016(Note 2)
		2015	2014(Note 3)	2013(Note 4)	
Interest revenue		29,981,181	27,147,256	22,573,791	4,982,830
Less: Interest expense		12,507,553	11,662,630	9,539,118	2,177,512
Net interest		17,473,628	15,484,626	13,034,673	2,805,318
Total net revenues and gains other than interest		21,015,701	17,269,893	13,712,753	3,433,890
Total net revenues		38,489,329	32,754,519	26,747,426	6,239,208
Bad-debt expenses and provision for losses on guarantees		3,566,430	2,033,689	1,706,522	48,863
Net changes in insurance liability reserve		-	-	-	-
Operating expenses		20,137,768	17,949,763	14,826,607	3,329,583
Income before tax from continuing operations		14,785,131	12,771,067	10,214,297	2,860,762
Income tax (expense) benefit		(1,906,172)	(2,165,739)	(1,798,246)	(476,045)
Net income from continuing operations		12,878,959	10,605,328	8,416,051	2,384,717
Net income (loss) from discontinuing operations		-	-	-	-
Net income (loss)		12,878,959	10,605,328	8,416,051	2,384,717
Other comprehensive income for the year (net of tax)		783,746	1,127,093	819,198	(52,765)
Total comprehensive income		13,662,705	11,732,421	9,235,249	2,331,952
Net income attributable to owners of the company		12,816,347	10,528,552	8,416,145	2,370,752
Net income attributable to non-controlling interests		62,612	76,776	(94)	13,965
Total comprehensive income attributable to owners of the company		13,567,419	11,610,154	9,239,127	2,313,187
Total comprehensive income attributable to non-controlling interests		95,286	122,267	(3,878)	18,765
Earning per share		1.63	1.56	1.40	0.30

Note1: Based on audited financial statements.

Note2: Financial figures as of Feb.29, 2016 are preliminary figures.

Note3: Financial figures of 2014 are based on the 2014 financial reports issued by CPA.

Note4: Financial figures of 2013 are based on the 2013 financial reports issued by CPA.

(3) Condensed Balance Sheet (Consolidated) – ROC GAAP

Unit:NT\$1,000

Item	Year	Financial data for the most recent five years Financial data from 2011 to 2012 (Note)		
		2012	2011	
Cash and cash equivalents, due from the central bank and call loans to banks		79,269,556	65,132,182	
Financial assets at fair value through profit or loss		61,300,358	52,303,140	
Securities purchased under resell agreements		210,863	29,789	
Available-for-sale financial assets		76,668,039	53,524,008	
Receivables		48,564,037	46,576,283	
Loans		735,406,720	656,008,834	
Held-to-maturity financial assets		211,168,563	253,283,859	
Investments accounted for using equity method		-	-	
Properties		16,669,914	15,892,484	
Intangible assets		4,188,907	4,063,447	
Other financial assets		6,137,744	5,143,502	
Other assets		4,511,882	3,533,834	
Total assets		1,244,096,583	1,155,491,362	
Due to the Central Bank and other banks		46,652,824	38,052,926	
Deposits		1,023,820,129	954,993,962	
Financial liabilities at fair value through profit or loss		12,418,221	13,092,263	
Securities sold under repurchase agreements		4,957,725	13,247,387	
Funds borrowed from the Central Bank and other banks		-	-	
Bonds payable		53,300,000	46,500,000	
Preferred stock liabilities		-	-	
Operating and Liabilities reserve		-	-	
Other financial liabilities		2,185,508	2,892,441	
Other liabilities		25,588,167	21,128,687	
Total liabilities		1,168,922,574	1,089,907,666	
Equity attributable to owners of the company	Capital Stock	Before distribution	50,107,000	45,750,000
		After distribution	55,117,700	48,037,500
	Capital Surplus		14,420,331	13,327,677
	Retained earnings	Before distribution	10,584,717	6,728,981
		After distribution	4,070,807	3,526,481
Other equity		61,961	(222,962)	
Non-controlling interests		-	-	
Total stockholders' equity	Before distribution		75,174,009	65,583,696
	After distribution		6,513,910	62,381,196

Note:Based on audited financial statements.

(4) Condensed Statement of Income (Consolidated) – ROC GAAP

Unit:NT\$1,000, Except Earning Per share

Item	Year	Financial data for the most recent five years Financial data from 2011 to 2012 (Note)	
		2012	2011
Net interest		14,089,561	12,688,332
Total net revenues and gains other than interest		10,002,317	7,516,932
Bad-debt expenses		(2,019,962)	(4,540,035)
Provision miscellaneous insurance reserve abstract		-	-
Operating expenses		(13,717,997)	(11,622,826)
Income before tax from continuing operations		8,353,919	4,042,403
Net income from continuing operation		7,058,236	3,484,348
Net income (loss) from discontinuing operations		-	-
Extraordinary gain or loss(After income tax)		-	-
Cumulative effect of changes in accounting principles(After income tax)		-	-
Consolidated net income attributable to	Attributable to parent company	7,058,236	3,484,348
	Attributable to minority interest	-	-
Basic earnings per share		1.46	0.78

Note: Based on audited financial statements.

(5) CPAs' Auditing Opinion from 2011 to 2015

Chen Li Chi, CPA, and Chang Ryh Yan, CPA, of Deloitte & Touche had examined the Financial Statements of E.SUN Bank for the years of 2011, ended on December 31, and issued modified unqualified opinion reports; Chen Li Chi, CPA, and Lai Kwan Chung, CPA, of Deloitte & Touche had examined the Financial Statements of E.SUN Bank for the year of 2012, ended on December 31, and issued an unqualified opinion report ; Huang Jui Chan, CPA, and Lai Kwan Chung, CPA, of Deloitte & Touche had examined the Financial Statements of E.SUN Bank for the year of 2013, ended on December 31, and issued an unqualified opinion report.; Huang Jui Cha, CPA, and Lai Kwan Chung, CPA, of Deloitte & Touche had examined the Financial Statements of E.SUN Bank for the year of 2014, ended on December 31, and issued an unqualified opinion report.; Huang Jui Cha, CPA, and Lai Kwan Chung, CPA, of Deloitte & Touche had examined the Financial Statements of E.SUN Bank for the year of 2015, ended on December 31, and issued an unqualified opinion report.

2. Financial data for the most recent five years

(1) Financial Analysis

Item	Year	Financial data for the most recent five years Financial data from 2013 to 2015			As of February 29,2016 (Note 4)	
		2015	2014 (Note 7)	2013(Note 8)		
Operating ratio	Total assets turnover (Times)	0.02	0.02	0.02	0.02	
	Ratio of loans to deposits (E.SUN Commercial Bank) (%)	70.97	73.61	72.40	68.44	
	NPL ratio (E.SUN Commercial Bank) (%)	0.13	0.18	0.20	0.15	
	Average revenue per employee(NT\$ thousand)	4,617.24	4,266.02	3,733.59	4,211.41	
	Average net income per employee(NT\$ thousand)	1,544.98	1,381.26	1,174.77	1,609.66	
Profitability ratio	Ratio of return on total assets(%)	0.78	0.73	0.65	0.8	
	Ratio of return on stockholders' equity(%)	11.23	11.11	10.65	11.67	
	Profit margin ratio(%)	33.46	32.38	31.46	38.22	
	Basic Earnings per share(dollars)	1.63	1.56	1.52	0.3	
Debt Paying Ability	Liquidity ratio(%)	478.71	485.92	488.34	469.48	
Financial structure(%)	Ratio of debt to assets (Note 5)	5.78	9.08	14.20	6.15	
	Ratio of debt to net worth (Note 6)	6.14	9.98	16.55	6.56	
	Double Leverage Ratio	104.28	106.12	108.22	104.32	
	According to Article 41 of Financial Holding Company Law	None	None	None	None	
Leverage ratio(%)	Operating leverage ratio	1.24	1.16	1.17	1.02	
	Financial leverage ratio	1.85	1.91	1.93	1.76	
Ratio of growing(%)	Ratio of assets growing	13.33	13.42	10.84	3.58	
	Ratio of income growing	15.68	25.03	22.53	17.17	
Cash flow(%) (Note 2)	Cash flow ratio	14.14	6.74	-	14.14	
	Cash flow adequacy ratio	163.79	106.18	245.92	163.79	
	Cash flow content ratio	(Note 1)	(Note 1)	(Note 1)	(Note 1)	
Operating Scale(%) (Note 3)	Market share of assets	3.90	3.75	3.58	4.04	
	Market share of equity	3.88	3.64	3.18	3.94	
	Market share of deposit (E.SUN Commercial Bank)	4.42	3.52	3.94	4.52	
	Market share of assets loans(E.SUN Commercial Bank)	4.26	4.03	4.07	4.21	
Capital adequacy Ratio	Subsidiaries' Capital adequacy Ratio calculated by regulation (%)	E.SUN Commercial Bank	13.33	12.75	12.24	14.27
		E.SUN Securities Co., Ltd.	596.44	427.41	430.85	417.15
		E.SUN Venture Capital Co., Ltd.	99.49	98.89	98.77	99.34
		E.SUN Insurance Brokers Co., Ltd.	88.46	84.29	91.70	88.41
	Qualified capital of subsidiaries (NT\$ thousand)	E.SUN Commercial Bank	154,838,582	135,002,479	112,353,658	165,509,513
		E.SUN Securities Co., Ltd.	3,921,842	3,846,516	2,787,055	3,943,065
		E.SUN Venture Capital Co., Ltd.	3,819,566	3,189,199	2,414,934	3,422,426
		E.SUN Insurance Brokers Co., Ltd.	1,133,244	717,777	620,434	1,210,633
	Net Group qualified capital(NT\$ thousand)		140,989,432	124,594,422	100,530,688	147,360,417
	Legal requirement of subsidiaries' capital	E.SUN Commercial Bank	95,640,422	84,875,568	73,232,988	96,656,244
		E.SUN Securities Co., Ltd.	986,316	1,349,952	970,311	1,417,856
		E.SUN Venture Capital Co., Ltd.	1,919,557	1,612,505	1,222,563	1,722,631
		E.SUN Insurance Brokers Co., Ltd.	640,531	425,778	338,298	684,673
Legal requirement of group capital(NT\$ thousand)		99,480,031	88,513,217	75,912,225	100,814,763	
Group Capital Adequacy Ratio		141.73	140.76	132.43	146.17	
endorsements or other transactions of all subsidiaries with the same individual, the same related party or enterprise according to article 46 of Financial Holding Company Law (NT\$ thousand) (Note 9)		608,641,651	464,198,217	384,979,752	608,641,651	

Note1: The cash flow content ratio is negative and not required for further analysis .

Note2: Cash flow information on Feb. 29, 2016 refer to 2015 figures.

Note3: For operating scale ratio on Feb. 29, 2016, the Denominator (total asset and net worth) refer to 2015 figures .

Note4: Financial figures as of Feb.29, 2016 are preliminary figures.

Note5: The decrease of the ratio of debt to assets was due to the reduce of the financial liabilities at fair value .

Note6: The decrease of the ratio of debt to net worth was due to the reduce of the financial liabilities at fair value.

Note7: Financial figures of 2014 are based on the 2014 financial reports issued by CPA.

Note8: Financial figures of 2013 are based on the 2013 financial reports issued by CPA.

Note9: The Endorsements or other transactions of all subsidiaries with the same individual, the same related party or enterprise according to article of FSC law on Feb. 29, 2016 refer to 2015 figures.

Note 10: Formula

1. Operating ratio

- (1) Total assets turnover=Net income/Average assets
- (2) Ratio of loans to deposits=Total loans/Total deposits
- (3) NPL ratio=Nonperforming loans/Total loans
- (4) Average revenue per employee=Net revenues/employee
- (5) Average net income per employee=Net income/employee

2. Profitability ratio

- (1) Ratio of return on total assets=[Income after income tax+interest expenses×(1-tax rate)]/ Average assets
- (2) Ratio of return on stockholders'equity=Income after income tax/Average stockholders'equity
- (3) Profit margin ratio=Income after income tax/Net revenues
- (4) Basic earnings per share=(Income and loss attributable to owners of the company-Dividends for preferred stocks)/Average issued shares

3. Financial structure

- (1) Ratio of debt to assets=Total liabilities/Total assets
- (2) Ratio of debt to net worth=Total liabilities/Total stockholders'equity
- (3) Double Leverage Ratio=Equity investment for subsidiaries/Total stockholders' equity

4. Leverage ratio:

- (1) Operating leverage ratio=(Net revenues-Variable expenses) / Income before income tax
- (2) Financial leverage ratio=(Income before income tax+interest expenses)/Income before income tax

5. Ratio of growing:

- (1) Ratio of assets growing =(Total assets-Last year total assets)/Last year total assets
- (2) Ratio of income growing =(income before income tax-Last year income before income tax)/Last year income before income tax

6. Analyses for liquidity

- (1) Cash flow ratio=Net cash provided by operating activities/(Due to the bank+Commercial paper issued+Financial liabilities at fair value through profit of loss+Securities sold under repurchased issued+Current portion of Payables).
- (2) Cash flow adequacy ratio=Net cash provided by operating activities(from 2009 to 2013)/from 2009 to 2013(capital expenditure+Cash dividends).
- (3) Cash flow content ratio=Net cash provided by operating activities/Net cash provided by investing activities

7. Operating Scale

- (1) Market share of assets=Total assets/Total assets of all Financial Holding Co., Ltd.
- (2) Market share of equity=Total stockholders' equity/Total stockholders' equity of all Financial Holding Co., Ltd.
- (3) Market share of deposit (%)(bank)=Total deposits/Total deposits held by all financial institutions which are qualified in deposit and loan business
- (4) Market share of assets loans(%)(bank)=Total loans/Total loans granted by all financial institutions which are qualified in deposit and loan business

8. Capital adequacy Ratio

- (1) Net Group qualified capital=Qualified requirement of Financial Holding Company Law+(Shares hold in ratio of Financial Holding Company Law×Qualified capital of subsidiaries)-Deduction.
- (2) Legal requirement of subsidiaries' capital=Legal requirement of Financial Holding Company Law + Shares hold in ratio of Financial Holding Company Law×Legal requirement of subsidiaries.
- (3) Group Capital Adequacy Ratio=Net Group qualified capital÷Legal requirement of group capital.

(2) Financial Analysis – ROC GAAP

Unit:NT\$1,000, Except Earnings(Losses)Per Share

Item	Year	Financial data for the most recent five years Financial data from 2011 to 2012(Note 1)		
		2012	2011	
Operating ratio	Total assets turnover (Times)	0.09	0.05	
	Ratio of loans to deposits (E.SUN Commercial Bank)(%)	72.25	68.87	
	NPL ratio (E.SUN Commercial Bank)(%)	0.17	0.20	
	Average revenue per employee(NT\$ thousand)	1,203.20	662.93	
	Average net income per employee(NT\$ thousand)	1,089.91	582.08	
Profitability ratio	Ratio of return on total assets(%)	8.72	5.01	
	Ratio of return on equity(%)	10.03	5.77	
	Profit margin ratio(%)	99.31	96.19	
	Basic earnings per share(dollars)	1.46	0.82	
Debt-paying ability	Current Ratio(%)	1.02	1.38	
Financial structure(%)	Ratio of debt to assets	14.90	16.81	
	Ratio of debt to net worth	17.51	20.20	
	Double Leverage Ratio	107.93	108.00	
	According to Article 41 of Financial Holding Company Law	None	None	
Leverage ratio(%)	Operating leverage ratio	1.00	1.00	
	Financial leverage ratio	1.04	1.01	
Ratio of growing(%)	Ratio of assets growing	12.05	15.21	
	Ratio of income growing	100.54	(7.12)	
Cash flow(%)	Cash flow ratio	6.86	20.79	
	Cash flow adequacy ratio	18.89	17.01	
	Cash flow content ratio	(15.10)	-	
Operating Scale (%)	Market share of assets	3.53	3.49	
	Market share of equity	3.08	2.98	
	Market share of deposit(E.SUN Commercial Bank)	3.71	3.53	
	Market share of assets loans(E.SUN Commercial Bank)	3.44	3.09	
Capital adequacy Ratio	Subsidiaries' Capital adequacy Ratio calculated by regulation (%)	E.SUN Commercial Bank	13.21	12.29
		E.SUN Securities Co., Ltd.	575.29	698.71
		E.SUN Venture Capital Co., Ltd.	99.61	98.77
		E.SUN Insurance Brokers Co.,Ltd.	86.96	83.98
	Qualified capital of subsidiaries (NT\$ thousand)	E.SUN Commercial Bank	103,424,675	82,305,147
		E.SUN Securities Co., Ltd.	2,676,825	2,688,919
		E.SUN Venture Capital Co., Ltd.	1,580,005	1,671,600
		E.SUN Insurance Brokers Co.,Ltd.	724,644	662,396
	Net Group qualified capital(NT\$ thousand)		93,421,814	73,991,095
	Legal requirement of subsidiaries' capital (NT\$ thousand)	E.SUN Commercial Bank	62,646,252	53,565,372
		E.SUN Securities Co., Ltd.	697,949	577,263
		E.SUN Venture Capital Co., Ltd.	793,076	846,213
E.SUN Insurance Brokers Co.,Ltd.		416,652	394,369	
Legal requirement of group capital(NT\$ thousand)		64,652,237	55,426,454	
Group Capital Adequacy Ratio (%)		144.50	133.49	
endorsements or other transactions of all subsidiaries with the same individual, the same related party or enterprise according to article 46 of Financial Holding Company Law(NT\$ thousand)		384,308,372	376,928,430	

Note: Formula.

1. Operating ratio

- (1) Total assets turnover=Net revenues/Average total assets
- (2) Ratio of loans to deposits=Total loans/Total deposits
- (3) NPL ratio=Nonperforming loans/Total loans
- (4) Average revenue per employee=Net revenues/employee
- (5) Average net income per employee=Net income/employee

2. Profitability ratio

- (1) Ratio of return on total assets=Income after income tax/ Average total assets
- (2) Ratio of return on equity=Income after income tax/Average total equity
- (3) Profit margin ratio=Income after income tax/Net revenues
- (4) Basic Earnings per share=(Income and loss attributable to owners of the company-Dividends for preferred stocks)/Average issued shares

3. Financial structure

- (1) Ratio of debt to assets=Total liabilities/Total assets
- (2) Ratio of debt to net worth=Total liabilities/Total equity
- (3) Double Leverage Ratio=Equity investment for subsidiaries/Total equity

4. Leverage ratio:

- (1) Operating leverage ratio=(Net revenues-Variable expenses) / Income before income tax
- (2) Financial leverage ratio=(Income before income tax+interest expenses)/Income before income tax

5. Ratio of growing:

- (1) Ratio of assets growing =(Total assets-Last year total assets)/Last year total assets
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6. Analyses for liquidity

- (1) Cash flow ratio=Net cash provided by operating activities/(Due to the bank + Commercial paper issued+Financial liabilities at fair value through profit of loss+Securities sold under repurchased agreements+Current portion of Payables).
- (2) Cash flow adequacy ratio=Net cash provided by operating activities(from 2010 to 2012)/from 2010 to 2012(capital expenditure+Cash dividends).
- (3) Cash flow content ratio=Net cash provided by operating activities/Net cash provided by investing activities

7. Operating Scale

- (1) Market share of assets=Total assets/Total assets of all financial institutions which are qualified in deposit and loan business
- (2) Market share of equity=Total stockholders'equity/Total stockholders'equity of all financial institutions which are qualified in deposit and loan business.
- (3) Market share of deposit (%) (bank)=Total deposits/Total deposits held by all financial institutions which are qualified in deposit and loan business
- (4) Market share of assets loans (%) (bank)=Total loans/Total loans granted by all financial institutions which are qualified in deposit and loan business.

8. Capital adequacy Ratio

- (1) Net Group qualified capital=Qualified requirement of Financial Holding Company Law+(Shares hold in ratio of Financial Holding Company Law×Qualified capital of subsidiaries)-Deduction.
- (2) Legal requirement of subsidiaries' capital=Legal requirement of Financial Holding Company Law + Shares hold in ratio of Financial Holding Company Law×Legal requirement of subsidiaries.
- (3) Group Capital Adequacy Ratio=Net Group qualified capital÷Legal requirement of group capital.

(3) One of the KPIs of E.SUN Financial Holding Company:

Capital adequacy ratio.

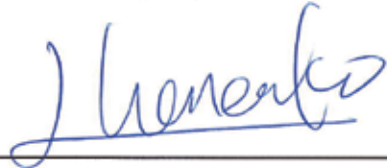
(4) Financial holding company and its subsidiaries should disclose the detail of impact when encounter financial difficulties for the latest complete financial year and year to date before the printing of annual report: None.

3. Audit Committees' Report

Audit Committee Report

To: E.SUN Financial Holding Company

The 2015 consolidated financial statements of E.SUN Financial Holding Company ("the Company") have been prepared in accordance 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", "International Financial Reporting Standards", "International Accounting Standards", "IFRIC Interpretations" and "SIC Interpretations" endorsed by the Financial Supervisory Commission of the Republic of China. CPA Huang Jui Chan and CPA Lai Kwan Chung of Deloitte & Touche have been appointed by the Company to audit the financial statements. After reviewing the financial statements, the Audit Committee has found them to meet the requirements of the applicable laws and guidelines. The report is hereby prepared in accordance with Article 14-4 and Article 36 of Security and Exchange Law and submitted along with the financial statements of the Company for the Board's approval.



Chen-En Ko
Convener
Audit Committee
E.SUN Financial Holding Company

Date: March 17, 2016

VII. Risk Management

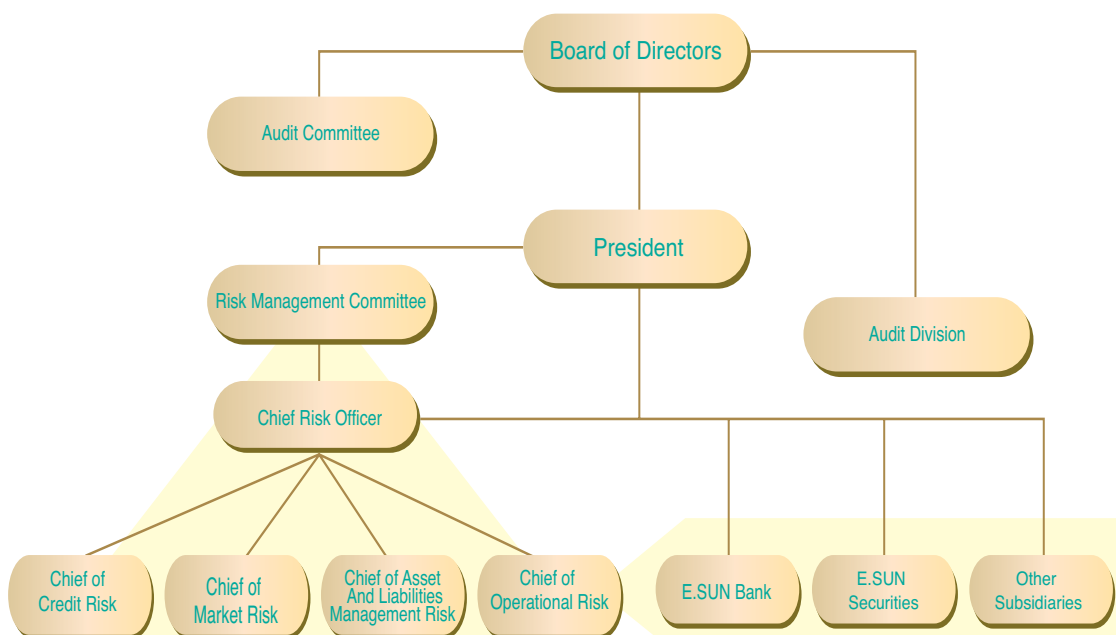


1. Risk Management

The primary objectives of E.SUN FHC's risk management are to ensure the safety of assets, provide customer service, and create shareholder value. All operations are carried out with risk considerations being the foremost concern. Operations are to stress safety and liquidity first, then profitability and then growth. All should take into account the interests of the public.

(1) FHC's Risk Management Framework

E.SUN has established an independent Risk Management Committee that is responsible for complying risk management policies approved by the board of directors, implementing the policies and ensuring compliance with international standards, thereby providing proper management of credit risk, market risk, operations risk, liquidity risk, legal risk, and other risks. The Risk Management Committee is also required to provide risk reports on a regular basis to the quasi Audit Committee and the board of directors. At the same time, E.SUN is working to comply with the framework set forth in the Basel Accord. In addition to accurately calculating risk-based capital charges under Pillar I, paving the way for appropriate capital and asset risk allocation, E.SUN is striving to comply with Pillar II qualitative and quantitative standards and establish a risk sensitivity management framework. The FHC's risk management organizational framework is shown in the following diagram.



The FHC's Risk Management Organizational Framework.

(2) Risk Measurement and Control Methods, and Exposure-related Quantitative Information – Applicable to All Subsidiaries

The Company has established internal risk compliance policies and acts in accordance with related regulations set forth by regulatory institutions. At the same time, it uses the Basel II Accord risk management framework as reference in instituting risk controls and managing risk. This raises E.SUN's overall ability to monitor risk.

a. Routine Disclosures

(a) Strategies and Procedures

i. Credit Risk Management

- (i) The objective of risk management for the Company and each subsidiary is to be in compliance with regulations set forth by regulators and internal credit and trading risk control mechanisms. Internal guidelines will be adjusted at appropriate times based on local and overseas developments in the banking and economic sectors.
- (ii) According to rules set forth by regulators, restrictions are placed on the risk position of any single financial institution. Credit rating and operational status are also factors taken into consideration.
- (iii) E.SUN is to abide by regulations stipulated by regulators regarding credit approval of a single enterprise and group of affiliates.
- (iv) E.SUN sets limits on sectors and acts in accordance with rules to avoid concentration to certain sector and diversify credit risk. Taking into account its risk tolerance in the conduct of business, the Company imposes credit limit on specific industries or borrowers as well as on countries and business conglomerates. Such mechanisms are put in place to ensure effective management of credit risk.

ii. Market Risk Management

- (i) The Company and its subsidiaries establish market risk management mechanisms to meet risk management needs, including tools to identify, measure, supervise, and control risk, as well as procedures for handling exceptions.
- (ii) E.SUN sets all types of limits with respect to market risk and designates the level of management that must approve these limits. It also has procedures in place to handle circumstances when limits are breached.
- (iii) Overall financial product holdings are reviewed on a regular basis. A risk exposure report is submitted to E.SUN FHC's risk management committee and board of directors accordingly. Such review helps the Company stay on top of the risk of price volatility so that it can make better-informed trading decisions.

iii. Operational Risk Management

- (i) A set of Operational Risk Management Guidelines has been put in place to ensure that the Company and its subsidiaries can effectively identify, measure, supervise, and control all possible operational risk as well as conduct sound business.
- (ii) Mechanisms are established for the management of operational risk based on actual needs, including those designed for risk identification, evaluation, measurement, and monitoring, in order to keep up with changes in operational risk.
- (iii) The audit division shall examine the procedure of managing operational risk on a regular basis in order to ensure that both evaluation of such management and control and management processes are functioning properly.

The Company has put in place an internal control and regulatory compliance system. Setting out with the establishment of a sound operational system and promotion of operational risk awareness across the board, E.SUN FHC makes it a point to advance a corporate culture that gives priority to statutory compliance and enforce well-rounded internal control, thereby keeping operational risk in check. In addition to comprehensive on-the-job training, the Company has laid down a full range of regulations and guidelines that govern employee behavior, customer service (KYC included), product design, operational procedures, data security, system backup and emergency responses in order to prevent operational risk. In terms of risk deriving from external events, the Company is keen to stay alert to the latest changes in market environments, customer behavior, technologies, and laws and decrees in order to adapt in time and ensure the appropriateness of its internal regulations.

(b) Related Risk Management Systems Organization and Framework – Applicable to All Subsidiaries

The E.SUN FHC Risk Management Policies and Guiding Principles require each subsidiary to set forth risk management standards and rules. Each subsidiary must establish a credit screening committee, an asset and liabilities management committee, and a risk management department and auditing department that carry out pricing of daily positions, tabulate the level of risk exposure and monitor external events. Meanwhile, each subsidiary is required to continue to enhance its customer value and risk analysis technology, along with internal controls system. This helps the FHC to recognize the accuracy of risk assessment and to ensure that management methods conform to international standards.

(c) Scope and Feature of Risk Reporting and Measurement Systems – Applicable to all Subsidiaries

i Credit Risk:

Measures include credit exposure and concentration of a single enterprise of single group of affiliates; controls on risky assets; total risk exposure to a single

company; limits on trading counterparties; and limits on trading of interest rate financial derivatives.

ii Market Risk:

Include relevant risk factors in the evaluation system for financial products, furthermore, reports are provided to decision-making management with regards to the fair value and trading profits/losses of transactions, as well as the level of exposure and the adequacy of risk management assessment. These reports are also submitted periodically to the Risk Management Committee and the Board of Directors.

iii Operational Risk:

Measures are adopted to determine whether business operations comply with guidelines and whether the suggestions for improvement provided in the course of internal audits are being carried out. These reports are also submitted periodically to the management team, Risk Management Committee and the Board of Directors.

(d) Hedging and Risk Mitigation Policies; Strategies and Processes to Monitor the Continued Effectiveness of Risk Avoidance and Risk Mitigation Tools – Applicable to All Subsidiaries

E.SUN FHC and its subsidiaries seek collateral, third-party guarantees and trade credit derivative products to hedge against risk. E.SUN will also use a trading counterparty's deposits to offset that party's liabilities. It also engages in asset securitization to transfer risk. E.SUN has set up internal risk control mechanisms and also complies with rules and systems set by regulatory agencies. E.SUN will adjust its measures as appropriate based on the developments in the domestic and foreign economic and banking environment. These measures ensure the continued effectiveness of risk avoidance and risk mitigation tools.

(3) Effect on the Company's finances and operations of important policies adopted and changes in the legal environment at home and abroad, and measures taken in response:

a. Financial Consumer Protection

(a) Amendment of the Financial Consumer Protection Act

In response to the Financial Consumer Protection Act passing the third reading at the Legislative Yuan on February 4, 2015, the Company has added requirements that important information and risk disclosure of financial services contracts should be provided in a manner that financial consumers can fully understand, and implemented important guidelines regarding sales of complex, risky products, salesperson remuneration, punitive damages, and administrative controls and disciplinary actions. Our subsidiaries have made financial consumer protection part of their internal control and audit systems to ensure compliance with the laws and regulations and to strengthen financial consumer protection. E.SUN is set to keep up its provision of the most specialized services and consider it a responsibility to protect customer rights and interests.

(b) Establishment of Consumer Dispute Resolution Procedure

For the purposes of facilitating better and more efficient resolution of financial consumer disputes and protecting customer rights and interests, the Financial Supervisory Commission, on May 25, 2015, required that financial service providers implement dispute resolution mechanisms. Our subsidiaries have completed implemented dispute resolution mechanisms. It is expected that financial consumer disputes between any of the subsidiaries and customers will be resolved in a fair, reasonable, and effective manner and in compliance with financial consumer protection related laws and regulations.

(c) Implementation of Fair Dealing

To ensure effective financial consumer protection, the Financial Supervisory Commission, on December, 31, 2015, required that financial service providers establish fair dealing policies

and strategies. Our subsidiaries have also established fair dealing policies and strategies. It is expected that the principle will be incorporated into E.SUN's corporate culture and core values, thereby building customer confidence in E.SUN and facilitating sustainable development for E.SUN.

(d) Amendment of Standard Consumer Loan Agreement

On November 12, 2014, the Financial Supervisory Commission announced the standard contracts for personal mortgages and auto loans, which would become effective on August 12, 2015. The subsidiary E.SUN Bank has amended the existing mortgage and loan agreements in accordance with the latest standard contracts. The update is intended to prevent consumer disputes, create equality between the parties involved, and protect customer rights.

b. Age of Financial Innovation

(a) Establishment of the Act Governing Electronic Payment Institutions

The rapid development of electronic technology is driving a constant stream of innovations in money services and payment models. To impose more strict regulations on electronic payment service providers, strengthen consumer confidence in electronic payment services, and create a favorable environment for small and proprietary vendors, the Act Governing Electronic Payment Institutions was passed by the Legislative Yuan on February 4, 2015. The subsidiary E.SUN Bank created the Digital Finance Department in early 2015 to be responsible for devising digital finance related policies, building a digital brand, launching innovations and applications of new digital financial services, and constructing and operating a digital platform. It is expected that E.SUN, standing at the dawn of a new age of financial innovation, will be able to create its own path to success.

(b) Investment in Fintech Subsidiary

To help the financial sector adapt to digital trends and take advantage of fintech to become more competitive, on September 16, 2015, the Financial

Supervisory Commission included the information technology industry and the financial technology industry in the financial related businesses under Article 74, Paragraph 4 of the Banking Act and Article 36, Paragraph 2, Subparagraph 11 of the Financial Holding Company Act. The subsidiary E.SUN Bank has applied to the Financial Supervisory Commission and been approved for investment in the subsidiary, BankPro E-Service Technology Co. Ltd. It is part of the plan to remaining competitive in financial innovation by expanding E.SUN Bank's fintech network.

c. Followup on execution of the Dodd-Frank Act

(a) Volcker Rule

Due to go into effect on July 21, 2015, the Volcker Rule, included in the Dodd-Frank Act of the U.S., is intended to curtail the business scope of the financial services industry, in particular by banning commercial banks from engaging in proprietary trading and owning hedge or private equity funds in the U.S. The avowed objective is to reduce the odds of systematic risk by restricting banks' risk appetite. However, it also has been made clear that foreign banks will be exempted from the rule for proprietary trading conducted outside of the US. As such, the Bank expects to sustain a low impact. On the other hand, the subsidiary E.SUN Bank's Los Angeles Branch will not be required to report specified information regarding its trading activity to the U.S. competent authority as its trading assets and liabilities have not exceeded US\$10 billion. The Company finished establishing and implementing the Volcker Rule for E.SUN FHC and Subsidiaries on May 21, 2015.

(b) Strengthening Prudential Regulation

Article 165 of the Dodd-Frank Act provides the statutory basis for the rule and involves capital requirements and leverage limits, a debt to equity ratio limit, internal liquidity requirements, stress tests, and a risk management committee in the U.S. The Company has hired external consultants to assist in formulating related process controls and

compliance plans, which are expected to be completed and implemented by June 30, 2016.

d. Effect of developments in science and technology as well as industrial change on the Company's finances and operations, and measures taken in response.

The rise of mobile payment services is expected to drive global mobile payment transactions to exceed USD700 billion in the future. The Company has launched the own brand digital wallet, the E.SUN Wallet app, which is the first NFC mobile phone credit card supported by the latest host card emulation (HCE) technology. Customers can simply download the E.SUN Wallet app and enjoy the convenience of using their mobile phones as credit cards. The E.SUN HCE mobile phone credit card employs the innovative host card emulation technology, which stores credit card information on cloud servers and complete transactions by providing virtual card numbers. Customers do not have to visit a store to get an NFC-enabled SIM card. Therefore, the product is easier to use and not subject to the limitations faced by the NFC mobile phone credit card in that it is subject to mobile phone numbers and mobile phone models, and customers must use special SIM cards to access the service. HCE mobile phone credit cards complete transactions by use of virtual card numbers to avoid the risk of credit card numbers being leaked and to improve transaction security. The Company will continue to extend the line of financial services on the mobile payment platform and create a smart lifestyle while balancing security, convenience and consumer experience.

e. Effect of changes in the Company's public image, and measures taken in response to the risk management.

The Company and its subsidiaries are dedicated to establishing themselves as a model of corporate governance that provides one-stop financial services while adhering strictly to the laws and regulations and regulatory requirements, ensures transparency in disclosure of stakeholder transactions and avoids conflict of interest, and endeavors to protect shareholder rights and interests. The Company is

constantly refining the systems of risk management, education and training, and employee benefits in an effort to maintain a sound business practice. The Company is also a strong supporter of charitable causes and environmental campaigns. With respect to its corporate image, the Company will respond promptly to any incident that has led to a damaged or tarnished image and proceed with improvement in order to set an example for socially responsible corporations.

Given its commitment to corporate social responsibility and customer service, the Company won quite a string of accolades from both the general public and specialized international institutions. It won another Wealth Magazine Consumer Financial Brands & FHC CSR Award - FHC CSR Gold Award in 2015. It was rated by Commonwealth magazine as the local financial industry's No. 1 recipient of its Commonwealth Corporate Citizen Award for the seventh consecutive year. Moreover, the Company was included again as a component of the Dow Jones Sustainability Indexes (DJSI), making it the first and only financial institution in Taiwan to be given this honor.

In keeping up with the Bank 3.0 trend, the Company has actively adopted new technologies and brought financial innovations to the market ahead of its peers. The Company received the Gartner awards, Digital Champion in Asiapac and Most Innovation Application of Digital Technology to Grow the Business. The aim is to apply a combination of services, professionalism and technology to improve the quality of life and create a better customer experience.

f. Anticipated Benefits and Possible Risks Associated with Mergers and Acquisitions, and Countermeasures N/A.

g. Risks from Concentration of Operations, and Countermeasures.

(a) Concentration of Operations

E.SUN remains sensitive to any changes in the financial industry. It stays abreast of macroeconomic and industrial trends, as well as the direction of prices. It adjusts its business development strategies as appropriate.

(b) Concentration of Counterparties

The Company sets upper limits of risk exposure for recipients of loans and investment, as well as individual conglomerates, and it strictly adheres to these limits. The Company ensures effective interim management and reviews regularly the reasonableness of lending terms in order to monitor potential systematic risks.

(c) Collateral Concentration

- i. The Company imposes restrictions and strict controls on acceptable types of collateral and maximum loan to value ratios by region.
- ii. Property acquisition cases will be subject to maximum loan to value ratios as well as maximum total amounts by region.

(d) Unsecured Loan Concentration

Reasonable loan to value ratios should be set for borrowers who have a higher crediting rating, no credit history, or a higher sum of age and loan period. The ratios should be monitored regularly to strengthen credit risk management.

h. Impact of the Transfer of Stakes Held by Directors, Supervisors or Major Shareholders Holding Stakes Over 1%, Possible Risks and Countermeasures:

As of the end of 2015, no directors, supervisors or major shareholders with a stake of over 1% transferred stakes to another party.

i. Influence of Changes in Ownership of the FHC, Possible Risks and Countermeasures:

As of the end of 2015, there is no significant change in ownership

k. Litigious or Non-litigious Incidents: None

Other Major Risks and Countermeasures: None

2. Crisis Handling Mechanism

E.SUN FHC and its subsidiaries abide by standard operating procedures and rules set forth in the Guidelines on Emergency Response and Crisis Management. Staying alert all the time, they take a preemptive approach toward preventing occurrence of any crisis. In addition, drills are carried out regularly to ensure that the established crisis management measures are effective and to further enhance overall preparedness and responsiveness. A set of Operating Regulations for Emergency Responses to Personal Data Infringement is put in place as the framework for preventing, reporting and handling incidents of the sort as well as taking other precautionary measures. Separately, both E.SUN FHC and its subsidiaries have set up their crisis management task forces and assigned emergency liaison officers. In the event of an emergency or other abnormal incident, they are supposed to promptly decide on response measures that are to be implemented systematically and effectively. Timely reporting is also imperative to ward off escalation of a given crisis. Equally important is consistent review and improvement to help reduce response costs and strengthen preventive and responsive capabilities.

3. Disclosure of Evaluation for Financial Products

For all the financial products underwrite by E.SUN, besides those whose value can be quoted from open market such as the closing price of future for commodities, other OTC derivatives, the value are calculated via the company's evaluation system.

4. Other Important Issues

Operational Procedures for Handling Material Information:

The Company has adopted a set of Operational Procedures for Handling Material Information and made it known that this is meant to be observed by all employees and board directors alike.

VIII Special Notes



1. Representation of Consolidated Financial Statements of Affiliated Enterprises

Representation of Consolidated Financial Statements of Affiliated Enterprises

March 20, 2015

The Company and its affiliated enterprises defined by “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” in 2014 are the same with those defined by Article 27 of Statement Financial Accounting Standard. A consolidated financial statement of the parent company and affiliated enterprises has already been released and therefore there is no need to separately produce a consolidated financial statement for affiliated enterprises.

Company Name: E.SUN Financial Holding Co. Ltd.



Chairman

Yung-Jen Huang



2. Affiliation Report: Please refer to Section 8 of Financial Statement (Chapter VI)

Appendix

E.SUN Financial Holding Company, Ltd. and Subsidiaries
Consolidated Financial Statements for the Years Ended December 31, 2015 and 2014
and Independent Auditors' Report

Address: 14F, No.117 & 1F No.115, Sec.3, Minsheng E. Rd., Songshan District, Taipei, Taiwan
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E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015		2014	
	Amount	%	(Applied Retrospectively) Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 36,710,732	2	\$ 29,547,360	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4 and 7)	67,401,915	4	60,090,348	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 38)	349,603,244	20	292,870,111	19
AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET (Notes 4, 9 and 38)	131,281,637	7	86,030,495	6
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 10)	896,844	-	152,758	-
RECEIVABLES, NET (Notes 4 and 11)	78,562,234	4	73,087,654	5
CURRENT TAX ASSETS (Notes 4 and 34)	104	-	335,260	-
DISCOUNTS AND LOANS, NET (Notes 4, 12, 37 and 38)	1,021,994,720	58	934,613,524	60
HELD-TO-MATURITY FINANCIAL ASSETS, NET (Notes 4, 13 and 38)	5,289,839	-	5,915,792	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 14 and 28)	43,697,797	3	52,810,267	3
INVESTMENT PROPERTIES, NET (Notes 4 and 15)	461,799	-	421,270	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 16)	26,792,354	2	21,106,105	1
INTANGIBLE ASSETS, NET (Notes 4 and 17)	5,953,922	-	5,683,483	-
DEFERRED TAX ASSETS (Notes 4 and 34)	500,739	-	123,932	-
OTHER ASSETS, NET (Notes 4, 18 and 27)	6,136,051	-	3,631,499	-
TOTAL	\$ 1,775,283,931	100	\$ 1,566,419,858	100
LIABILITIES AND EQUITY				
DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 19)	\$ 71,170,130	4	\$ 58,199,621	4
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 24)	35,875,595	2	26,081,873	2
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 9, 13 and 20)	8,034,391	1	13,117,523	1
COMMERCIAL PAPER ISSUED, NET (Note 21)	2,279,200	-	2,828,518	-
PAYABLES (Notes 4 and 21)	21,441,650	1	21,740,276	1
CURRENT TAX LIABILITIES (Notes 4 and 34)	1,144,949	-	853,016	-
DEPOSITS AND REMITTANCES (Notes 23 and 37)	1,456,393,949	82	1,280,691,771	82
BOND PAYABLES (Note 24)	50,750,000	3	49,600,000	3
OTHER BORROWINGS (Note 25)	1,269,940	-	380,040	-
PROVISIONS (Notes 4, 26 and 27)	499,097	-	372,656	-
OTHER FINANCIAL LIABILITIES (Note 28)	1,319,959	-	2,583,420	-
DEFERRED TAX LIABILITIES (Notes 4 and 34)	1,288,004	-	816,112	-
OTHER LIABILITIES (Note 29)	2,156,169	-	1,529,273	-
Total liabilities	1,653,623,033	93	1,458,794,099	93
EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC				
Capital stock				
Common stock	79,517,000	5	70,530,000	5
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	17,118,680	1	15,993,213	1
From treasury stock transactions	3,382,484	-	3,382,484	-
Total capital surplus	20,501,164	1	19,375,697	1
Retained earnings				
Legal reserve	5,409,976	-	4,357,121	-
Special reserve	164,235	-	164,235	-
Unappropriated earnings	12,679,733	1	10,582,393	1
Total retained earnings	18,253,944	1	15,103,749	1
Other equity	2,654,998	-	1,831,360	-
Total equity attributable to owners of ESFHC	120,927,106	7	106,840,806	7
NON-CONTROLLING INTERESTS	733,792	-	784,953	-
Total equity	121,660,898	7	107,625,759	7
TOTAL	\$ 1,775,283,931	100	\$ 1,566,419,858	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 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease)
	Amount	%	Amount	%	
INTEREST REVENUE (Notes 4, 30 and 37)	\$ 29,981,181	78	\$ 27,147,256	83	10
INTEREST EXPENSE (Notes 4, 30 and 37)	(12,507,553)	(33)	(11,662,630)	(36)	7
NET INTEREST	17,473,628	45	15,484,626	47	13
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 31 and 37)	13,878,175	36	11,470,184	35	21
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4, 8 and 32)	7,377,757	19	3,140,078	10	135
Realized gains on available-for-sale financial assets (Note 4)	463,937	1	483,116	2	(4)
Foreign exchange gains (losses), net (Note 4)	(894,473)	(2)	2,058,975	6	(143)
Impairment losses on assets (Notes 4, 9, 14 and 15)	(120,953)	-	(80,277)	-	51
Gains on financial assets carried at cost, net (Note 4)	70,879	-	120,728	-	(41)
Other noninterest gains, net	240,379	1	77,089	-	212
Total net revenues and gains other than interest	21,015,701	55	17,269,893	53	22
TOTAL NET REVENUES	38,489,329	100	32,754,519	100	18
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON GUARANTEES (Notes 4 and 12)	(3,566,430)	(9)	(2,033,689)	(6)	75
OPERATING EXPENSES (Notes 4, 15, 16, 17, 27, 33 and 37)					
Employee benefits	(9,057,587)	(24)	(8,347,056)	(26)	9
Depreciation and amortization	(1,275,259)	(3)	(1,089,802)	(3)	17
General and administrative	(9,804,922)	(25)	(8,503,101)	(26)	15
Total operating expenses	(20,137,768)	(52)	(17,939,959)	(55)	12

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INCOME BEFORE INCOME TAX	\$ 14,785,131	39	\$ 12,780,871	39	16
INCOME TAX EXPENSE (Notes 4 and 34)	(1,906,172)	(5)	(2,165,739)	(7)	(12)
NET INCOME	<u>12,878,959</u>	<u>34</u>	<u>10,615,132</u>	<u>32</u>	21
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 34):					
Remeasurement of defined benefit plans	(129,803)	(1)	66,864	-	(294)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(75,244)	-	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	33	-	13	-	154
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(205,014)</u>	<u>(1)</u>	<u>66,877</u>	<u>-</u>	<u>(407)</u>
Items that may be reclassified subsequently to profit or loss (Notes 4 and 34):					
Exchange differences on the translation of financial statements of foreign operations	625,763	2	873,966	3	(28)
Unrealized gains on available-for-sale financial assets	460,225	1	335,678	1	37
Income tax relating to items that may be reclassified subsequently to profit or loss	(97,228)	-	(149,428)	-	(35)
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>988,760</u>	<u>3</u>	<u>1,060,216</u>	<u>4</u>	<u>(7)</u>
Other comprehensive income for the year, net of income tax	<u>783,746</u>	<u>2</u>	<u>1,127,093</u>	<u>4</u>	<u>(30)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 13,662,705</u>	<u>36</u>	<u>\$ 11,742,225</u>	<u>36</u>	16

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET INCOME ATTRIBUTABLE TO					
Owners of ESHFC	\$ 12,816,347	33	\$ 10,538,356	32	22
Non-controlling interests	<u>62,612</u>	<u>-</u>	<u>76,776</u>	<u>-</u>	<u>(18)</u>
	<u>\$ 12,878,959</u>	<u>33</u>	<u>\$ 10,615,132</u>	<u>32</u>	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of ESHFC	\$ 13,567,419	36	\$ 11,619,958	36	17
Non-controlling interests	<u>95,286</u>	<u>-</u>	<u>122,267</u>	<u>-</u>	<u>(22)</u>
	<u>\$ 13,662,705</u>	<u>36</u>	<u>\$ 11,742,225</u>	<u>36</u>	16
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 35)					
Basic	<u>\$1.63</u>		<u>\$1.43</u>		
Diluted	<u>\$1.61</u>		<u>\$1.43</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 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	Equity Attributable			
	Capital Stock (Note 36)		Retained	
	Shares (In Thousands)	Common Stock	Capital Surplus (Notes 4 and 36)	Legal Reserve
BALANCE AT JANUARY 1, 2014	5,524,300	\$ 55,243,000	\$ 14,497,390	\$ 3,515,723
Effect of retrospective application	-	-	-	-
BALANCE AT JANUARY 1, 2014 AS APPLIED RETROSPECTIVELY	5,524,300	55,243,000	14,497,390	3,515,723
Reversal of special reserve	-	-	-	-
Appropriation of 2013 earnings				
Legal reserve	-	-	-	841,398
Cash dividends	-	-	-	-
Stock dividends	576,338	5,763,380	-	-
Issuance of common stock from bonus to employees	13,283	132,826	100,948	-
Capital increase	700,000	7,000,000	3,500,000	-
Share-based payment for the subscription of new shares by employees	-	-	264,769	-
Convertible bonds converted to common shares	239,079	2,390,794	1,012,590	-
Net income for the year ended December 31, 2014	-	-	-	-
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-
Total comprehensive income for the year ended December 31, 2014	-	-	-	-
BALANCE AT DECEMBER 31, 2014	7,053,000	70,530,000	19,375,697	4,357,121
Effect of retrospective application	-	-	-	-
BALANCE AT JANUARY 1, 2015 AS APPLIED RETROSPECTIVELY	7,053,000	70,530,000	19,375,697	4,357,121
Appropriation of 2014 earnings				
Legal reserve	-	-	-	1,052,855
Cash dividends	-	-	-	-
Stock dividends	634,770	6,347,700	-	-
Convertible bonds converted to common shares	248,650	2,486,504	995,591	-
Issuance of common stock from bonus to employees	15,280	152,796	129,876	-
Acquisition of interest in subsidiary	-	-	-	-
Net income for the year ended December 31, 2015	-	-	-	-
Other comprehensive income for the year ended December 31, 2015, net of income tax	-	-	-	-
Total comprehensive income for the year ended December 31, 2015	-	-	-	-
BALANCE AT DECEMBER 31, 2015	<u>7,951,700</u>	<u>\$ 79,517,000</u>	<u>\$ 20,501,164</u>	<u>\$ 5,409,976</u>

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

to Owners of ESFHC

Earnings (Notes 4 and 36)		Other Equity				Non-controlling Interests (Notes 4, 36 and 48)	Total Equity
		Exchange Differences on the Translation of Financial Statements of Foreign Operations (Notes 4 and 48)	Unrealized Gains on Available-for-sale Financial Assets (Notes 4 and 48)	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value through Profit or Loss (Note 4)			
Special Reserve	Unappropriated Earnings						
\$ 555,084	\$ 8,023,127	\$ (94,049)	\$ 910,684	\$ -	\$ 662,686	\$ 83,313,645	
-	(45,391)	-	-	-	-	(45,391)	
555,084	7,977,736	(94,049)	910,684	-	662,686	83,268,254	
(390,849)	390,849	-	-	-	-	-	
-	(841,398)	-	-	-	-	-	
-	(1,786,647)	-	-	-	-	(1,786,647)	
-	(5,763,380)	-	-	-	-	-	
-	-	-	-	-	-	233,774	
-	-	-	-	-	-	10,500,000	
-	-	-	-	-	-	264,769	
-	-	-	-	-	-	3,403,384	
-	10,538,356	-	-	-	76,776	10,615,132	
-	66,877	688,226	326,499	-	45,491	1,127,093	
-	10,605,233	688,226	326,499	-	122,267	11,742,225	
164,235	10,582,393	594,177	1,237,183	-	784,953	107,625,759	
-	21,870	-	-	(21,870)	-	-	
164,235	10,604,263	594,177	1,237,183	(21,870)	784,953	107,625,759	
-	(1,052,855)	-	-	-	-	-	
-	(3,173,850)	-	-	-	-	(3,173,850)	
-	(6,347,700)	-	-	-	-	-	
-	-	-	-	-	-	3,482,095	
-	-	-	-	-	-	282,672	
-	(84,521)	12,267	218	-	(146,447)	(218,483)	
-	12,816,347	-	-	-	62,612	12,878,959	
-	(81,951)	489,792	466,294	(123,063)	32,674	783,746	
-	12,734,396	489,792	466,294	(123,063)	95,286	13,662,705	
\$ 164,235	\$ 12,679,733	\$ 1,096,236	\$ 1,703,695	\$ (144,933)	\$ 733,792	\$ 121,660,898	

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014 (Applied Retrospectively)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 14,785,131	\$ 12,780,871
Adjustments for:		
Depreciation expenses	940,743	837,795
Amortization expenses	334,516	252,007
Bad-debt expenses	3,557,881	2,031,915
Gains on financial assets and liabilities at fair value through profit or loss	(7,377,757)	(3,140,078)
Interest expense	12,507,553	11,662,630
Interest revenue	(29,981,181)	(27,147,256)
Dividend income	(216,343)	(121,367)
Provision for losses on guarantees	8,549	1,774
Salary expenses on share-based payments	343,836	549,238
Gains on disposal of properties and equipment	(4,760)	(8,886)
Losses (gains) on disposal of investment properties	(2,562)	1,384
Gains on disposal of investments	(316,949)	(482,573)
Impairment losses on financial assets	121,133	80,591
Reversal of impairment losses on nonfinancial assets	(180)	(314)
Unrealized losses (gains) on foreign currency exchange	75,949	(108,027)
Losses (gains) on disposal of foreclosed collaterals	(8,884)	2,926
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(4,590,329)	(1,096,468)
Increase in financial assets at fair value through profit or loss	(50,531,473)	(5,553,468)
Increase in available-for-sale financial assets	(45,947,317)	(13,626,359)
Increase in securities purchased under resell agreements	(878,983)	(17,861)
Increase in receivables	(4,743,325)	(8,702,922)
Increase in discounts and loans	(91,181,192)	(108,656,664)
Decrease in held-to-maturity financial assets	628,643	2,639,585
Decrease (increase) in other financial assets	8,955,422	(35,186,045)
Decrease (increase) in other assets	(564,280)	37,636
Increase in due to the Central Bank and other banks	12,970,509	10,554,000
Increase in financial liabilities at fair value through profit or loss	10,309,903	13,529,746
Increase (decrease) in securities sold under repurchase agreements	(5,083,132)	6,863,232
Increase in payables	120,569	2,239,471
Increase in deposits and remittances	175,702,178	129,900,866
Decrease in provision for employee benefits	(13,639)	(10,940)
Decrease in other financial liabilities	(1,177,391)	(38,197)
Increase (decrease) in other liabilities	224,885	(25,588)
Cash used in operations	(1,032,277)	(9,957,346)
Interest received	34,273,681	30,123,542
Dividend received	230,718	198,802

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

	2015	2014 (Applied Retrospectively)
Interest paid	\$ (12,549,995)	\$ (11,444,813)
Income tax paid	<u>(1,295,583)</u>	<u>(1,454,522)</u>
Net cash provided by operating activities	<u>19,626,544</u>	<u>7,465,663</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	-	(80,026)
Payments for properties and equipment	(6,508,542)	(2,500,172)
Proceeds of the disposal of properties and equipment	10,255	60,980
Increase in operating deposits	-	(35,000)
Increase in settlement fund	(10,100)	(3,988)
Decrease in settlement fund	219	53
Increase in refundable deposits	(2,025,685)	(1,192,380)
Payments for intangible assets	(375,984)	(239,194)
Proceeds of the disposal of foreclosed collaterals	8,997	5,210
Payments for investment properties	(234,705)	-
Proceeds of the disposal of investment properties	10,665	8,479
Increase in other assets	<u>(8,198)</u>	<u>(4,522)</u>
Net cash used in investing activities	<u>(9,133,078)</u>	<u>(3,980,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	536,621	-
Increase in commercial paper issued	-	846,948
Decrease in commercial paper issued	(549,935)	-
Repayment of corporate bonds	-	(500,000)
Proceeds of the issuance of bank debentures	8,750,000	3,500,000
Repayment of bank debentures	(7,600,000)	(7,200,000)
Increase in long-term borrowings	372,823	97,632
Increase in guarantee deposits received	-	228,973
Decrease in guarantee deposits received	(86,070)	-
Cash dividends paid	(3,173,850)	(1,786,647)
Capital increase	-	10,500,000
Change in non-controlling interest (Note 48)	<u>(218,483)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(1,968,894)</u>	<u>5,686,906</u>
EFFECT OF EXCHANGE RATES CHANGE ON CASH AND CASH EQUIVALENTS	<u>1,217,132</u>	<u>264,767</u>
INCREASE IN CASH AND CASH EQUIVALENTS	9,741,704	9,436,776
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>32,061,680</u>	<u>22,624,904</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 41,803,384</u>	<u>\$ 32,061,680</u>

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

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, 2015 and 2014:

	2015	2014 (Applied Retrospectively)
Cash and cash equivalents in the consolidated balance sheets	\$ 36,710,732	\$ 29,547,360
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"	5,092,652	2,379,423
Securities purchased under resell agreements in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	<u>-</u>	<u>134,897</u>
Cash and cash equivalents, end of the year	<u>\$ 41,803,384</u>	<u>\$ 32,061,680</u>

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

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

E.SUN Financial Holding Company, Ltd. (ESFHC) was established by E.SUN Commercial Bank, Ltd. (“E.SUN Bank”), E.SUN Bills Finance Corp. (“E.SUN Bills”) and E.SUN Securities Corp. (“E.SUN Securities”) through a share swap on January 28, 2002 based on the Financial Holding Companies Law and related regulations in the Republic of China (ROC). The ESFHC’s shares have been listed on the Taiwan Stock Exchange (TSE) since January 28, 2002. After the share swap, E.SUN Bank, E.SUN Bills and E.SUN Securities became wholly owned subsidiaries of ESFHC.

ESFHC invests in and manages financial institutions.

E.SUN Bank engages in commercial banking activities permitted by the Banking Law. The operations of E.SUN Bank’s Trust Department consist of planning, managing and operating the trust business. These operations are regulated under the Banking Law and Trust Law of the ROC. As of December 31, 2015, E.SUN Bank had a business department, an international banking department, a trust department, a credit card and payment division, an offshore banking unit (OBU), 5 overseas branches, 135 domestic branches and 2 representative offices (in Ho Chi Minh City, Vietnam and in Yangon, Myanmar).

To integrate resources, enhance operating effectiveness, strengthen E.SUN Bank’s equity structure, and ensure its long-term development, the stockholders of E.SUN Bank and E.SUN Bills resolved on August 25, 2006, to have a merger with each other, with E.SUN Bank as the surviving entity. The record date for the merger was December 25, 2006.

E.SUN Bank acquired the assets and liabilities and businesses of Chiayi The Fourth Credit Cooperative and Chu Nan Credit-Cooperative Association on November 3, 2012 and July 9, 2011, respectively.

Union Commercial Bank PLC. (UCB) was founded in March 1994, under the Laws of the Kingdom of Cambodia. The head office of UCB was established in Phnom Penh; UCB also established 8 branches. UCB is engaged in banking activities permitted by the Laws of the Kingdom of Cambodia. E.SUN

Bank obtained control of UCB on August 28, 2013, and included UCB in the consolidated financial statements from the acquisition date.

For more information on E.SUN Bank (China), Ltd., please refer to Note 54.

E.SUN Securities engages in underwriting, dealing and brokerage of securities. The Financial Supervisory Commission (FSC) approved the brokerage of futures on January 28, 2010 and E.SUN Securities started the operating in brokerage of futures in June 2010. In addition, the FSC approved the dealing of futures on June 4, 2014 and E.SUN Securities started the operating in dealing of futures in June 12, 2014.

E.SUN Venture Capital Co., Ltd. (ESVC) engages in venture capital investments.

E.SUN Insurance Broker Co., Ltd. (ESIB) is a life and property insurance broker.

The above consolidated entities are hereinafter referred to collectively as the “Company”.

For the years ended December 31, 2015 and 2014, employees number of the Company (E.SUN Bank (China), Ltd. Preparatory Office and UCB excluded) averaged 7,914 and 7,424, respectively. For the years ended December 31, 2015 and 2014, employees number of E.SUN Bank (China), Ltd. Preparatory Office and UCB averaged 422 and 252, respectively.

The operating units of the Company maintain their accounts in their respective functional currencies. The consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF FINANCIAL STATEMENTS

The board of directors approved and authorized for issue of the consolidated financial statements in their meeting on March 18,

2016.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC).

Rules issued by the FSC stipulated that the Company should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the “IFRSs”) endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants starting January 1, 2015.

Except for the following, the initial application of the above 2013 IFRSs version and the related amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants would not have any material impact on the Company’s accounting policies:

1) IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Upon initial application of IFRS 12, the disclosure will be more extensive in the Company’s annual consolidated financial statements.

2) IFRS 13 “Fair Value Measurement”

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive, for example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 41 for related disclosures.

3) Amendments to IAS 1 “Presentation of Items of Other Comprehensive Income”

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Company retrospectively applied the above amendments starting in 2015. Items not expected to be reclassified to profit or loss are remeasurements of the defined benefit plans and the changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss. Items expected to be reclassified to profit or loss are the exchange differences on the translation of financial statements of foreign operations and unrealized gains (losses) on available-for-sale financial assets. However, the application of the above amendments will not have any impact on the net profit for the year, other comprehensive income for the year (net of income tax), and total comprehensive income for the year.

4) Revision to IAS 19 “Employee Benefits”

Revised IAS 19 requires the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminates the “corridor approach” permitted under current IAS 19 and accelerate the recognition of past service costs. The revision requires

all remeasurements of the defined benefit plans to be recognized immediately through other comprehensive income in order for the net pension asset or liability to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in current IAS 19 are replaced with a “net interest” amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

On initial application of the revised IAS 19, the changes in cumulative employee benefit costs as of December 31, 2013 resulting from the retrospective application are adjusted to provision for employee benefits and retained earnings. In addition, in preparing the consolidated financial statements for the year ended December 31, 2015, the Company elects not to present 2014 comparative information about the sensitivity of the defined benefit obligation.

5) Recognition and measurement of financial liabilities designated as at fair value through profit or loss

Based on the amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, for a financial liability designated as at fair value through profit or loss, the amount of change in

the fair value attributable to changes in the credit risk of that liability is presented in other comprehensive income and the remaining amount of change in the fair value of that liability is presented in profit or loss. Changes in fair value attributable to a financial liability’s credit risk are not subsequently reclassified to profit or loss. If this accounting treatment would create or enlarge an accounting mismatch, all gains or losses on that liability are presented in profit or loss.

Under the Q&A for the Regulations Governing the Preparation of Financial Reports by Securities Issuers issued by the FSC on September 19, 2014, the Company has chosen to apply the amendment above retrospectively to retained earnings on January 1, 2015. Thus, upon initial application of the amendment above, as of January 1, 2015, the retained earnings increased by \$21,870 thousand and other equity decreased by \$21,870 thousand.

In summary, the impact on the current period of the application of the amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms and Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the 2013 IFRSs version is summarized as below:

Impact on assets, liabilities and equity

	December 31, 2015	Note
Increase in provision for employee benefits	\$ <u>25,783</u>	4)
Increase in retained earnings	\$ <u>119,150</u>	4), 5)
Decrease in changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	\$ <u>(144,933)</u>	5)
Decrease in equity	\$ <u>(25,783)</u>	4), 5)

Impact on total comprehensive income and earnings per share

	For the Year Ended December 31, 2015	Note
Increase in gains on financial assets and liabilities at fair value through profit or loss	\$ <u>75,244</u>	5)
Decrease in operating expense	\$ <u>(9,804)</u>	4)
Increase in net income for the year	\$ <u>85,048</u>	
Items that will not be reclassified to profit or loss:		
Decrease in changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	\$ <u>(75,244)</u>	5)
Decrease in other comprehensive income for the period, net of income tax	\$ <u>(75,244)</u>	
Increase in total comprehensive income for the year	\$ <u>9,804</u>	
Increase in basic earnings per share (New Taiwan dollars)	\$ <u>0.01</u>	

The impact on the prior reporting periods is summarized as below:

Impact on assets, liabilities and equity

	As Originally Stated	Adjustments Arising from Initial Application	As Applied Retrospectively
<u>December 31, 2014</u>			
Provision for employee benefits	\$ <u>159,945</u>	\$ <u>35,587</u>	\$ <u>195,532</u>
Retained earnings	\$ <u>15,139,336</u>	\$ <u>(35,587)</u>	\$ <u>15,103,749</u>
Equity	\$ <u>107,661,346</u>	\$ <u>(35,587)</u>	\$ <u>107,625,759</u>

	As Originally Stated	Adjustments Arising from Initial Application	As Applied Retrospectively
<u>January 1, 2014</u>			
Provision for employee benefits	\$ <u>225,450</u>	\$ <u>45,391</u>	\$ <u>270,841</u>
Retained earnings	\$ <u>12,093,934</u>	\$ <u>(45,391)</u>	\$ <u>12,048,543</u>
Equity	\$ <u>83,313,645</u>	\$ <u>(45,391)</u>	\$ <u>83,268,254</u>

(Concluded)

Impact on total comprehensive income

	As Originally Stated	Adjustments Arising from Initial Application	As Applied Retrospectively
<u>For the year ended December 31, 2014</u>			
Operating expense	\$ 17,949,763	\$ (9,804)	\$ 17,939,959
Net income for the year	<u>\$ 10,605,328</u>	<u>\$ 9,804</u>	<u>\$ 10,615,132</u>
Total comprehensive income for the year	<u>\$ 11,732,421</u>	<u>\$ 9,804</u>	<u>\$ 11,742,225</u>

Impact on earnings per share

	As Originally Stated	Adjustments Arising from Initial Application	As Applied Retrospectively
<u>For the year ended December 31, 2014</u>			
Basic earnings per share (New Taiwan dollars)	<u>\$ 1.43</u>	<u>\$ -</u>	<u>\$ 1.43</u>

b. New IFRSs in issue but not yet endorsed by FSC

On March 10, 2016, the FSC announced the scope of the 2016 version of IFRSs to be endorsed and will take effect from January 1, 2017. The scope includes all IFRSs that were issued by the IASB before January 1, 2016 and have effective dates on or before January 1, 2017, which means the scope excludes those that are not yet effective as of January 1, 2017 such as IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers” and those with undetermined effective date. In addition, the FSC announced that the Company should apply IFRS 15 starting January 1, 2018. As of the date the consolidated financial statements were authorized for issue, the FSC has not announced the effective dates of other new, amended and revised standards and interpretations.

The Company has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 3)
IFRS 9 “Financial Instruments”	January 1, 2018
Amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date of IFRS 9 and Transition Disclosures”	January 1, 2018
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 10, IFRS 12 and IAS 28 “Investment Entities: Applying the Consolidation Exception”	January 1, 2016
Amendment to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”	January 1, 2016
IFRS 14 “Regulatory Deferral Accounts”	January 1, 2016
IFRS 15 “Revenue from Contracts with Customers”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
Amendment to IAS 1 “Disclosure Initiative”	January 1, 2016
Amendment to IAS 7 “Disclosure Initiative”	January 1, 2017
Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”	January 1, 2017
Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortization”	January 1, 2016
Amendments to IAS 16 and IAS 41 “Agriculture: Bearer Plants”	January 1, 2016
Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”	July 1, 2014
Amendment to IAS 27 “Equity Method in Separate Financial Statements”	January 1, 2016
Amendment to IAS 36 “Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets”	January 1, 2014
Amendment to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”	January 1, 2014
IFRIC 21 “Levies”	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

The initial application of the above New IFRSs, whenever applied, would not have any material impact on the Company's accounting policies, except for the following:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value.

For the Company's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Company may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in

other comprehensive income cannot be reclassified from equity to profit or loss.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Company takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Company is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue

that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations.

When applying IFRS 15, the Company shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

4) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Company is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Company may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Company should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Company as lessor.

When IFRS 16 becomes effective, the Company may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company’s financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and the IFRSs as endorsed by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability,

either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of ESFHC, and the entities controlled by ESFHC, including E.SUN Bank, UCB (subsidiary of E.SUN Bank), E.SUN Bank (China), Ltd. (Preparatory Office), E.SUN Securities, E.SUN Securities Investment Consulting Corp. (subsidiary of E.SUN Securities), ESVC and ESIB.

The accounting policies of ESFHC and subsidiaries are consistent.

All significant intercompany transactions and balances have been eliminated for consolidation purposes.

E.SUN Bank's financial statements include the accounts of its Head Office, OBU, and all branches. All intra-bank transactions and balances have been eliminated.

Total comprehensive income of subsidiaries is attributed to the owners of ESFHC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. For more information on the consolidated entities, please refer to Table 1 (attached).

Foreign-currency Transactions

Foreign-currency transactions of ESFHC, E.SUN Securities, ESVC and ESIB are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Losses or gains resulting from the application of prevailing exchange rates when foreign-currency assets and liabilities are settled, are credited or charged to income in the period of settlement. The period-end balances of foreign-currency monetary assets and liabilities are restated at the prevailing exchange rates, and the resulting differences are recorded as credits or charges to current income.

E.SUN Bank records foreign-currency transactions in the respective currencies in which these are denominated. Every month-end, foreign currency income and expenses are translated into New Taiwan dollars at the prevailing exchange rates. At month-end, monetary assets and liabilities

denominated in foreign currencies are reported using the prevailing exchange rates, and exchange differences are recognized in profit or loss. Nonmonetary assets and liabilities measured at fair value are translated using the prevailing exchange rates at month-end. Translation differences on nonmonetary assets and liabilities measured at fair value are recognized in profit or loss, except for translation difference arising from nonmonetary items of which the change in fair values is recognized in other comprehensive income, in which case, the translation differences are also recognized directly in other comprehensive income. Nonmonetary assets and liabilities that are classified as carried at cost are recognized at the exchange rate on the transaction date.

In preparing the consolidated financial statements, foreign operations' financial statements are translated at the following rates: Assets and liabilities - the prevailing exchange rates on the balance sheet date; and income and expenses - at the average exchange rate for the period. Translation difference net of income tax is recorded as "other comprehensive income" and accumulated in equity, and is attributed to the owner of ESFHC and non-controlling interests.

Current and Noncurrent Assets and Liabilities

Since the operating cycle in the financial holding company and banking industry cannot be reasonably identified, accounts included in the financial statements of ESFHC, E.SUN Bank and UCB are not classified as current or noncurrent. Nevertheless, these accounts are properly categorized according to the nature of each account and sequenced by their liquidity.

Classification of accounts included in the financial statements of the other subsidiaries as current or noncurrent is as follows:

Current assets are assets held for trading purposes, assets expected to be converted to cash, sold or consumed within twelve months from the balance sheet date and cash and equivalents, excluding assets held for an exchange or held to settle a liability at more than twelve months after the balance sheet date and assets that are otherwise restricted. Properties and equipment, investment properties, intangible assets and other assets that are not classified as current are noncurrent assets. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within twelve months from the balance sheet date, even if an agreement

to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial reports are authorized for issue, or when it does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Liabilities that are not classified as current are noncurrent liabilities. Terms of a liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments do not affect its classification.

The consolidated financial statements, however, do not show the classification of current or noncurrent assets/liabilities because the banking industry accounts for the major parts of the consolidated accounts. Thus, accounts in the consolidated financial statements are instead categorized by nature and sequenced by their liquidity.

Cash and Cash Equivalents

In the consolidated balance sheet, cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. In the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents defined in the consolidated balance sheet, due from the central bank, call loans to other banks and securities purchased under resell agreements that correspond to the definition of cash and cash equivalents in IAS 7 - "Statement of Cash Flows," as endorsed by the FSC.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss (FVTPL), available-for-sale (AFS) financial assets, held-to-maturity financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or designated as at FVTPL.

A financial asset is classified as designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 41.

2) Available-for-sale (AFS) financial assets

AFS financial assets are nonderivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity financial assets or (c)

financial assets at fair value through profit or loss.

AFS financial assets are stated at fair value at each balance sheet date. Fair value is determined in the manner described in Note 41.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognized in profit or loss. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed or is determined to be impaired.

Cash dividends on AFS equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established. Stock dividends are recorded as an increase in the number of shares held and do not affect investment income. The cost per share is recalculated on the basis of the new number of investee's shares held.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are presented in a separate line item as financial assets carried at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

3) Held-to-maturity financial assets

Held-to-maturity financial assets are nonderivative financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity. After initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method less any impairment.

4) Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted

in an active market. Loans and receivables (including cash and cash equivalents, due from the central bank and call loans to other banks, receivables, debt instruments with no active market) are measured at amortized cost using the effective interest method less any impairment.

b. Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of financial assets, the estimated future cash flows of the asset have been affected. Objective evidence of impairment could include:

- Significant financial difficulty of the asset issuer and debtor;
- The financial assets becoming overdue;
- Probability that the debtor will enter into bankruptcy or undergo financial reorganization.

Financial assets carried at amortized cost (loans and receivables) that are individually assessed had no objective evidence of impairment are further assessed collectively for impairment. Objective evidence of impairment for a portfolio of receivables could include the Company's past difficulty in collecting payments and an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on financial assets.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows with consideration to the collaterals and guarantees, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

When an AFS financial asset is considered impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

For AFS equity investments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. For AFS debt instruments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For financial assets that are carried at cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. This impairment loss will not be reversed in subsequent periods.

Impairment loss on financial asset is recognized by reducing its carrying amount through the use of an allowance account. When financial assets are considered uncollectible, they are written off against the allowance account. Recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognized in profit and loss.

Under FSC guidelines, E.SUN Bank should classify credit assets as sound credit assets or unsound credit assets, with the unsound assets further categorized as special mention, substandard, with collectability highly doubtful and uncollectible, on the basis of the customers' financial position, valuation of collaterals and the length of time the principal repayments or interest payments have become overdue.

E.SUN Bank made 100%, 50%, 10%, 2% and 1% provisions for credits deemed uncollectible, with collectability highly doubtful, substandard, special mention and sound credit assets (excluding assets that represent claims against an ROC government agency), respectively, as minimum provisions. For the sound credit assets, minimum provisions should be contributed before December 31, 2014 as required by the FSC. Furthermore, the FSC stipulated that banks should make at least 1.5% provisions each before December 31,

2015 and December 31, 2016 for sound credit assets in Mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions.

Credits deemed uncollectible may be written off if the write-off is approved by the board of directors.

c. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received, receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Equity instruments

The Company classifies the debt and equity instruments issued either as financial liabilities or as equity in accordance with the substance of the contractual agreements and the definitions of a financial liability or an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

a. Subsequent measurement

Except for the cases stated below, all financial liabilities are measured at amortized cost using the effective interest method:

1) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or designated as at FVTPL.

A financial liability is classified as designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.
- The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. For a financial liability designated as at fair value through profit or loss, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income, and it will not be subsequently reclassified to profit or loss.

The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 41.

2) Financial guarantee contracts

Financial guarantee contracts issued by the Company are not designated as at FVTPL and are subsequently measured at the higher of (a) the amount of the obligation under the contract, as determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; or (b) the amount initially recognized less, where appropriate, cumulative amortization recognized in accordance with revenue recognition policies.

b. Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the Company's obligations are discharged or cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Derivatives

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the balance sheet date. The resulting gain or loss is recognized in profit or loss immediately. If the fair value of a derivative is a positive number, the derivative is recognized as an asset and if the fair value is a negative number, the derivative is recognized as a liability.

Derivatives embedded in nonderivative host contracts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the contracts are not measured at FVTPL.

Overdue Loans

Under FSC guidelines, E.SUN Bank classifies loans and other credits (including accrued interest) that past due for at least six months as overdue loans.

Overdue loans (except other credits) are classified as discounts and loans, and the remaining are classified as other financial assets.

Purchase on Margin and Short Sale

E.SUN Securities recognizes margin loans as loans to customers for purchases on margin while providing financing to investors who buy stocks. Margin loans made by E.SUN Securities are generally collateralized by securities in the client's account. These collateralized securities are not entered in E.SUN Securities' books but are recorded using memorandum entries. After the security investors settle the margin loans, these pledged securities would be returned to investors.

On unsettled margin loans, if the collateral maintenance ratio is unmet even after E.SUN Securities disposes of the loan collaterals and the investors do not make supplementary payments on time, E.SUN Securities will recognize overdue receivables on these loans. If the securities in an investor's credit account cannot be disposed of, the security amount should be transferred from margin loans receivables to other receivables or overdue receivables.

E.SUN Securities requires a deposit from security investors for short sale services while providing short sale services to investors. This deposit is recorded under deposits on short-sale transactions. The amount collected from selling of short sale securities (net of securities transaction tax, brokerage fee and handling fee) is kept by E.SUN Securities as collateral and recorded as payables for short-sale transactions. The securities lent to clients as short sale are recorded using memorandum entries. The deposits on short-sale transactions and payables for short sale are returned to security investors after investors settle the short-sale transactions.

The margin deposited by securities firms to securities finance companies are recorded as loan from refinanced margin. The refinancing securities delivered to E.SUN Securities are recorded through memorandum entries as refinancing stock loans. A portion of the proceeds from the short-sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral and is recorded as refinancing deposits receivable.

Securities Purchased/Sold Under Resell/Repurchase Agreements

Securities purchased under resell agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on resell

agreements or interest incurred on repurchase agreements is recognized as interest revenue or interest expense over the life of each agreement.

Guarantee Deposits Received on Futures Contracts and Customers' Equity Accounts - Futures

E.SUN Securities receive margin deposits from its customers (debited to "guarantee deposits received on futures contracts" and credited to "customers' equity accounts - futures") for futures transactions as required by regulations. Margin deposit balances are calculated daily by marking to market the open position of each customer and determining the required margin levels. The debit balance of "customers' equity accounts - futures," which results from losses on futures transactions in excess of the margin deposit, is recorded as "accounts receivable - futures guarantee deposits." Customers' equity accounts - futures cannot be offset unless these accounts pertain to the same customers.

Customer margin accounts include deposits in bank, securities, the clearing balances of futures clearing house and the clearing balances of other futures commission merchants.

- Deposits in bank represent the amounts of customers' margins and premiums deposited in banks.
- Securities are the instruments collected from futures traders for the margins and premiums when the futures merchants engage in brokerage of futures.
- The deposits held by futures commission merchants (FCMs) for futures transactions are transferred to a clearinghouse of the exchange of which the FCM is a member (a "clearing FCM").

Investment Properties

Investment properties are properties owned specifically to generate profit through rental income and/or capital gains. Land for which the future purpose of use has not been decided is classified under investment properties.

Investment properties are initially recognized at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Company calculates depreciation by the straight-line method.

Any gain or loss recognized on derecognition of the investment

property is the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the investment property is derecognized.

Properties and Equipment

Properties and equipment are initially recognized at cost and subsequently measured at costs less accumulated depreciation and accumulated impairment losses.

Land for self-use is not depreciated. Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss recognized on the disposal or retirement of an item of property and equipment is the difference between the sales proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the asset is derecognized.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as a lessor

Rental income from operating leases is recognized in revenues over the lease periods on a straight-line basis. Contingent rents arising under operating leases are recognized as income in the period in which they are incurred.

Lease incentives offered in the operating lease are recognized as an asset. The aggregate cost of incentives is recognized as a reduction of rental income on a straight-line basis over the lease term.

The Company as a lessee

Lease payments under an operating lease are expensed on a straight-line basis over the lease period. Under operating lease, contingent rentals are recognized as expenses at current period.

Lease incentives received in the operating leases are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis.

Goodwill

Goodwill (part of intangible assets) from business combination is recorded at acquisition cost and subsequently measured at cost less accumulated impairment.

For impairment test purposes, goodwill is allocated to each cash-generating unit (CGU) that benefits from the synergy of a business combination.

In testing assets for impairment, the Company compares the carrying amounts of operating segments (CGUs with allocated goodwill) to their recoverable amounts on a yearly basis (or when impairment indicators exist). CGUs with allocated goodwill arising from the current year should be tested for impairment before the end of the year. When the recoverable amount of CGUs is below the carrying amount, an impairment loss should be recognized to reduce first the carrying amount of goodwill of the CGU and then the carrying amounts of other assets of the CGU proportionately. Any impairment loss should be directly recognized as loss in the current period, and subsequent reversal of impairment loss is not allowed.

On disposal of the relevant cash-generating unit, the amount attributable to goodwill is included in the determination of the gain or loss on disposal.

Intangible Assets Other Than Goodwill

Separate acquisition

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. At year-end, the Company examines its estimates of the asset useful lives, residual values and amortization method, with the effect of any changes in estimate accounted for on a prospective basis. Unless the Company expects to dispose of an intangible asset before the end of its useful life, the residual value of an intangible asset with limited useful life is estimated to be zero.

Acquisition as part of a business combination

Intangible asset acquired through business combination is measured at its fair value on the acquisition date, and is recognized separately from goodwill. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

Derecognition

Gains or losses recognized on derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the asset is derecognized.

Impairment of Tangible and Intangible Assets Other Than Goodwill

At the balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets (except goodwill) for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation. The recoverable amount is the higher of fair value less selling costs or value in use.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. If asset impairment loss reverses, the increase in the carrying amount resulting from reversal is credited to earnings. However, loss reversal should not be more than the carrying amount (net of depreciation or amortization) had the impairment loss not been recognized.

Foreclosed Collaterals

Foreclosed collaterals (part of other assets) are recorded at the fair value on recognition and recorded at the lower of cost or net fair value as of the balance sheet date. Net fair value falling below book value indicates impairment, and impairment loss should be recognized. If the net fair value recovers, the recovery of impairment loss is recognized as gain. For foreclosed collaterals that should have been disposed of in the statutory term, unless the disposal period is prolonged, an additional provision for losses should be made and impairment loss should be recognized, as required under a FSC directive.

Provisions

Provision is the best estimate of the consideration required to settle a present obligation at the balance sheet date, taking into account the risks and uncertainties on the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that the settlement amount will be received and the amount of the receivable can be measured reliably.

Recognition of Revenue

Interest revenue on loans is recorded on an accrual basis. Under the guidance of the FSC, no interest revenue is recognized on loans that are classified as overdue loans. The interest revenue on these loans is recognized upon collection of the loans and credits.

Service fees are recognized when a major part of the earnings process is completed and cash is collected.

Dividend income from investments is recognized when the stockholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

The points earned by customers under loyalty program are treated as multiple-element arrangements, in which consideration is allocated to the goods or services and the award credits based on fair value through the eyes of the customer. The consideration is not recognized in earnings at the original sales transactions but at the time when the points are redeemed and the Company's obligation is fulfilled.

Employee Benefits

Short-term employee benefits

Short-term and non-discounted employee benefits are recognized as expenses in the current period as services are rendered.

Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the

period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Preferential interest deposits for employees

The preferential interest deposit for entitled employees is for deposits within a certain amount. The preferential rates for employees' deposits in excess of market rate should be treated as employee benefit.

Share-based Payment

The Company's employees subscribed for the reserved shares of E.SUN Financial Holding Company, Ltd., (ESFHC) in accordance with the Financial Holding Company Act, and the Company recognized the fair value of the stock options under salary expenses and under capital surplus for share-based payment on the grant date, i.e., the date when the Company and its employees made an agreement for the employees to subscribe for ESFHC's shares.

Taxation

Income tax expense is the sum of tax currently and deferred income tax.

Current income tax

Income tax at a rate of 10% of unappropriated earnings is expensed in the year when the stockholders resolve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Deferred income tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the

computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. If the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary difference arising from initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed each balance sheet date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences based on the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other

comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred taxes arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

ESFHC and subsidiaries elected to file consolidated tax returns. The difference between consolidated income tax payable and the sum of income tax payables of the entities included in consolidated tax return is considered as a tax consolidation adjustment which is shown on ESFHC's income tax expense or benefit. Any distribution of cash payments and receipts among the consolidated group members is recorded as current tax assets or current tax liabilities.

Business Combination

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized as expenses as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Business combination involving entities under common control is not accounted for by acquisition method but accounted for at

the carrying amounts of the entities. Prior period comparative information in the financial statements is restated as if a business combination involving entities under common control had already occurred in that period.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4, the Company's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Unless stated in other notes, the following are the critical judgments, assumptions and estimation uncertainty that the Company's management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

a. Impairment losses on loans

The Company monthly assesses loans collectively. When determining whether an impairment loss should be recognized, the Company mainly seeks for observable evidence that indicates impairment. Objective evidence of impairment of a portfolio of loans and receivables could include the Company's past difficulty in collecting payments and an increase in the number of delayed payments, as well as observable changes in national or local economic conditions that correlate with defaults on loans and receivables. The management uses past loss experience on assets that have similar credit risk characteristics to estimate the expected future cash flows. The Company reviews the methods and assumptions of cash flow estimation regularly to eliminate the difference between expected and actual loss.

b. Fair values of financial instruments

Fair values of financial instruments in an inactive market or with no quoted market prices are determined by valuation techniques. Under these circumstances, fair values are derived from observable market data of other similar financial assets. When there are no observable inputs in the market, the fair values of financial instruments are estimated by making appropriate assumptions. The Company applies appropriate valuation models to determine the fair values of financial instruments subjective to valuation techniques. All models are fine-tuned to ensure the valuation results fairly reflect actual market information and prices. The Company's management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

For the fair value determination of financial instruments, refer to Note 41 to the consolidated financial statements.

c. Income tax

The Company is required to make substantive estimates when calculating income tax. The final tax assessment is based on considerable transactions and calculations. When the final tax amount differs from the amount on original recognition, the difference affects the recognition of both current and deferred income tax. The realizability of deferred tax assets mainly depends on the future profitability and any other taxable temporary differences. If actual profit is less than expected, a significant reversal of deferred tax assets may be incurred, and an income tax expense should be recognized to the extent of the reversal.

d. Employee benefits

The calculation of the present value of post-employment benefits is based on the actuarial result based on several assumptions. Any change in these assumptions may affect the carrying amount of post-employment benefits.

One of the assumptions used for determining the defined benefit costs is discount rate. The Company determines appropriate discount rates at the end of each year and estimates the present values of future cash outflows resulting from fulfilling the post-employment obligation by the discount rates. To better determine the discount rates, the Company takes into account the interest rates of high-quality corporate bonds or government bonds, with currencies the same as those of post-employment benefit payments, and with durations that match those of the corresponding pension liabilities.

Other significant assumptions for post-employment benefits are subject to current market condition.

e. Impairment of goodwill

The assessment of impairment of goodwill requires the Company to estimate the value in use of the cash-generating units (CGUs) to which goodwill has been allocated. For calculating the value in use, management is required to estimate the future cash flows expected to arise from each CGU and the discount rate to be used in calculating present value. If the actual cash flow falls below expectation, an impairment loss might be incurred.

f. Impairment assessment on available-for-sale equity investments

Objective evidences of the impairment of available-for-sale equity investments include the fair value of that investment falling significantly or constantly below the cost. Subjective judgments are required when assessing the impairment. The Company's management considers past market fluctuation, historical prices of the investment and other factors that affect the performance of the industries to which the investees belong to make subjective judgments.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2015	2014
Cash on hand	\$ 11,584,143	\$ 10,902,008
Checks for clearing	3,224,135	5,665,826
Due from banks	21,892,256	12,945,786
Cash equivalents	-	16,092
Cash in transit	10,198	17,648
	<u>\$ 36,710,732</u>	<u>\$ 29,547,360</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of December 31, 2015 and 2014 are shown in the consolidated statements of cash flows.

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS

	December 31	
	2015	2014
Deposit reserves - account A	\$ 19,503,943	\$ 19,422,069
Deposit reserves - account B	35,927,275	32,110,614
Reserves for deposits - foreign currency deposits	276,360	237,525
Due from the Central Bank - other	8,514,237	5,036,850
Deposit in the Central Bank - deposits of government agencies	11,269	15,447
Call loans to banks	2,847,850	2,029,597
Bank Overdrafts	26,668	-
Trade finance advance - interbank	298,800	1,250,744
	67,406,402	60,102,846
Less: Allowance for possible losses	(4,487)	(12,498)
	<u>\$ 67,401,915</u>	<u>\$ 60,090,348</u>

As required by law, the deposit reserves are calculated by applying the prescribed rates to the average monthly balances of various types of deposit accounts held by E.SUN Bank. The deposit reserves - account B is subject to withdrawal restrictions, but deposit reserves - account A and foreign-currency deposit reserves may be withdrawn anytime.

Under the "Directions for a National Treasury Agent Bank Acting on Behalf of the Central Bank of the Republic of China Handling National Treasury Matters," E.SUN Bank redeposits 60% of the receipts of deposit of government agencies in the Central Bank of the Republic of China, and the amount is subject to withdrawal restrictions.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2015	2014
<u>Held-for-trading financial assets</u>		
Negotiable certificates of deposits of the Central Bank	\$ 213,147,107	\$ 189,550,083
Commercial paper	31,421,813	18,643,134
Currency option contracts	12,214,549	9,867,080
Currency swap contracts	2,749,243	1,362,102
Bank debentures	1,511,244	1,605,854
Overseas bonds	1,128,577	1,138,842
Interest rate swap contracts	797,194	613,083
Non-deliverable forward contracts	735,484	210,911
Forward contracts	450,876	488,048
Futures exchange margins	306,723	175,503
Listed stocks	298,598	258,601
Operating securities - dealing department	156,616	379,471
Cross-currency swap contracts	156,181	118,712
Operating securities - hedging	149,503	431,197
Beneficial certificates	141,376	164,204
Convertible corporate bonds	28,950	111,610
Operating securities - underwriting department	8,049	22,380
Metal commodity swap contracts	4,561	20,806
Taiwan depository receipts	3,710	2,830
Total return swap contract	-	2,017,287
Treasury bills	-	1,871,270
Contingent value rights	-	69
	<u>265,410,354</u>	<u>229,053,077</u>
<u>Financial assets designated as at fair value through profit or loss</u>		
Bank debentures	42,728,954	33,432,363
Corporate bonds	41,094,464	29,924,136
Overseas government bonds	369,472	460,535
	<u>84,192,890</u>	<u>63,817,034</u>
	<u>\$ 349,603,244</u>	<u>\$ 292,870,111</u>
<u>Held-for-trading financial liabilities</u>		
Currency option contracts	\$ 11,855,302	\$ 9,802,082
Currency swap contracts	2,103,497	1,537,709
Interest rate swap contracts	623,695	514,918
Forward contracts	611,540	421,505
Non-deliverable forward contracts	530,175	75,096
Stock warrants issued liabilities, net	28,136	96,112
Payable on borrowing securities - hedging	11,223	-
Assets swap option contracts	618	3,668
Cross-currency swap contracts	-	13,882
Metal commodity swap contracts	-	1,498
	<u>15,764,186</u>	<u>12,466,470</u>
<u>Financial liabilities designated as at fair value through profit or loss</u>		
Bank debentures (Note 24)	19,769,915	9,794,493
Structured products	341,494	329,291
Convertible corporate bonds (Note 24)	-	3,491,619
	<u>20,111,409</u>	<u>13,615,403</u>
	<u>\$ 35,875,595</u>	<u>\$ 26,081,873</u>
		(Concluded)

The contract (nominal) amounts of derivative transactions by ESFHC as of December 31, 2015 and 2014, respectively, were as follows:

	December 31	
	2015	2014
Cross-currency swap contracts	\$ 2,362,220	\$ 2,427,716

E.SUN Bank engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and hedge against its exchange rate and interest rate exposures as well as its credit risks as a bondholder.

The contract (nominal) amounts of derivative transactions by E.SUN Bank as of December 31, 2015 and 2014 were as follows:

	December 31	
	2015	2014
Currency option contracts	\$ 841,736,971	\$ 1,140,661,020
Currency swap contracts	200,411,338	165,543,230
Interest rate swap contracts	72,427,217	95,039,898
Forward contracts	41,833,525	38,940,518
Non-deliverable forward contracts	16,613,040	5,942,478
Metal commodity swap contracts	74,639	221,933
Assets swap option contracts	30,000	80,000
Total return swap contract	-	2,013,970
Cross-currency swap contracts	-	272,700

The amount of underlying assets of the total return swap contract was \$8,055,880 thousand as of December 31, 2014.

The open positions of futures transactions of E.SUN Bank as of December 31, 2015 and 2014 were as follows:

Items	Products	December 31, 2015			
		Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	MCU	Buy	19	\$ 76,088	\$ 74,047
	MCU	Sell	3	11,606	11,683
December 31, 2014					
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
		Futures contracts	MCU	Buy	13
MCU	Sell		4	20,589	20,072
MNI	Buy		40	130,421	114,508

As of December 31, 2015 and 2014, the amounts of futures exchange margins receivable held by E.SUN Securities were \$227,817 thousand and \$120,021 thousand, respectively.

E.SUN Securities engages in stock index futures and Taiwan stock index options transactions mainly to hedge against its risks derived from stock trading. Both of the two kinds require maintenance margins.

The open positions of futures and option transactions of E.SUN Securities as of December 31, 2015 and 2014 were as follows:

		December 31, 2015			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	TAIEX Futures	Sell	1	\$ 1,614	\$ 1,655

		December 31, 2014			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	TAIEX Futures	Buy	5	\$ 9,271	\$ 9,281
	TAIEX Futures	Sell	1	2,439	2,424

The gains or losses resulting from the futures and option contracts for the years ended December 31, 2015 and 2014 were as follows:

	For the Year Ended December 31			
	2015		2014	
	Gains (Losses) on Futures Contracts	Losses on Option Transactions	Gains (Losses) on Futures Contracts	Gains on Option Transactions
Realized - non-hedge	\$ 83,097	\$ (693)	\$ 18,936	\$ 395
Unrealized - non-hedge	(25)	-	25	-
Realized - hedged	(3,850)	-	(592)	-
Unrealized - hedged	(41)	-	-	-
	<u>\$ 79,181</u>	<u>\$ (693)</u>	<u>\$ 18,369</u>	<u>\$ 395</u>

The fair values of stock warrants issued and repurchased by E.SUN securities were as follows:

	December 31	
	2015	2014
Stock warrants issued liabilities	\$ 1,399,813	\$ 1,116,410
Gains on changes in fair value of stock warrants issued liabilities	(627,618)	(89,610)
	<u>772,195</u>	<u>1,026,800</u>
Repurchase of stock warrants issued liabilities	1,219,132	947,288
Losses on changes in fair value of repurchase of stock warrants issued liabilities	(475,073)	(16,600)
	<u>744,059</u>	<u>930,688</u>
Stock warrants issued liabilities, net	<u>\$ 28,136</u>	<u>\$ 96,112</u>

The expected life of stock warrants issued by E.SUN Securities is six to seven months from the date becoming listed on exchange and will exercise by cash settlement.

Gains (losses) on stock warrants issued by E.SUN securities in 2015 and 2014 were as follow:

	For the Year Ended December 31	
	2015	2014
Gains on changes in value of stock warrants issued liabilities	\$ 1,298,781	\$ 153,174
Losses on changes in value of stock warrants repurchased	(1,345,814)	(169,800)
Gains on exercise stock warrants before warrants expired	4,639	727
Gains on stock warrants expired	2,218	1,128
Expense of issuing stock warrants	(14,302)	(13,208)
	<u>\$ (54,478)</u>	<u>\$ (27,979)</u>

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET

	December 31	
	2015	2014
Government bonds	\$ 56,462,559	\$ 29,921,676
Bank debentures	44,605,100	28,730,334
Corporate bonds	23,644,070	23,574,735
Listed stocks	5,126,753	3,372,992
Overseas bonds	1,427,117	149,000
Beneficial securities under securitization	16,038	31,239
Beneficial certificates	-	250,519
	<u>\$ 131,281,637</u>	<u>\$ 86,030,495</u>

As of December 31, 2015 and 2014, the available-for-sale financial assets, which amounted to \$7,970,663 thousand and \$12,624,083 thousand, respectively, had been sold under repurchase agreements.

Some listed stocks were assessed to be impaired; thus, the Company recognized impairment losses of \$46,233 thousand and \$8,500 thousand on available-for-sale financial assets in 2015 and 2014, respectively.

10. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$896,844 thousand and \$152,758 thousand under resell agreements as of December 31, 2015 and 2014, respectively, will subsequently be sold for \$901,122 thousand and \$153,164 thousand, respectively.

11. RECEIVABLES, NET

	December 31	
	2015	2014
Receivables on credit cards	\$ 45,458,705	\$ 38,503,154
Accounts receivable factored without recourse	17,750,474	22,406,261
Margin loans receivable	5,745,656	5,868,621
Accrued interest	4,085,630	3,563,402
Accounts receivable	3,785,026	682,850
Acceptances	1,600,646	1,908,653

(Continued)

	December 31	
	2015	2014
Settlements receivable	\$ 1,026,172	\$ 1,465,822
Others	947,911	557,053
	<u>80,400,220</u>	<u>74,955,816</u>
Less: Allowance for possible losses	<u>(1,837,986)</u>	<u>(1,868,162)</u>
	<u>\$ 78,562,234</u>	<u>\$ 73,087,654</u>

(Concluded)

The allowances for possible losses on receivables assessed for impairment as of December 31, 2015 and 2014 were as follows:

Items		December 31, 2015		December 31, 2014	
		Receivables	Allowance for Possible Losses	Receivables	Allowance for Possible Losses
With objective evidence of impairment	Assessment for individual impairment	\$ 42,517	\$ 7,416	\$ 8,535	\$ 4,994
	Assessment for collective impairment	1,815,653	546,828	1,888,515	667,786
With no objective evidence of impairment	Assessment for collective impairment	76,379,950	1,283,742	71,613,139	1,195,382
Total		78,238,120	1,837,986	73,510,189	1,868,162

The changes in allowance for possible losses are summarized below:

	For the Year Ended December 31	
	2015	2014
Balance, January 1	\$ 1,868,162	\$ 1,873,394
Reversal of provision for possible losses	(135,428)	(146,399)
Write-offs	(444,474)	(421,937)
Recovery of written-off receivables	541,153	553,881
Effects of exchange rate changes and other changes	<u>8,573</u>	<u>9,223</u>
Balance, December 31	<u>\$ 1,837,986</u>	<u>\$ 1,868,162</u>

12. DISCOUNTS AND LOANS, NET

	December 31	
	2015	2014
Loans		
Short-term	\$ 258,399,651	\$ 226,693,643
Medium-term	261,176,649	246,974,493
Long-term	510,987,282	464,934,534
Overdue loans	647,231	1,448,387
Bills negotiated and discounts	<u>3,740,509</u>	<u>5,263,801</u>
	1,034,951,322	945,314,858
Less: Allowance for possible losses	(12,852,020)	(10,541,495)
Less: Adjustment of premium or discount	<u>(104,582)</u>	<u>(159,839)</u>
	<u>\$ 1,021,994,720</u>	<u>\$ 934,613,524</u>

As of December 31, 2015 and 2014, the loan and credit balances of E.SUN Bank, for which the accrual of interest revenues was discontinued, amounted to \$581,578 thousand and \$1,341,008 thousand, respectively. The unrecognized interest revenues on these loans and credits of the E.SUN Bank were \$29,470 thousand and \$25,891 thousand for the years ended December 31, 2015 and 2014, respectively.

The allowances for possible losses on discounts and loans assessed for impairment as of December 31, 2015 and 2014 were as follows:

Items		December 31, 2015		December 31, 2014	
		Discounts and Loans	Allowance for Possible Losses	Discounts and Loans	Allowance for Possible Losses
With objective evidence of impairment	Assessment for individual impairment	\$ 1,710,249	\$ 1,108,977	\$ 2,290,967	\$ 1,450,810
	Assessment for collective impairment	2,939,081	1,686,102	2,448,652	734,497
With no objective evidence of impairment	Assessment for collective impairment	1,030,301,992	10,056,941	940,575,239	8,356,188
Total		1,034,951,322	12,852,020	945,314,858	10,541,495

The changes in allowance for possible losses are summarized below:

	For the Year Ended December 31	
	2015	2014
Balance, January 1	\$ 10,541,495	\$ 9,207,459
Provision for possible losses	3,701,452	2,166,328
Write-offs	(2,042,155)	(1,587,563)
Recovery of written-off credits	583,704	682,043
Effects of exchange rate changes and other changes	67,524	73,228
Balance, December 31	<u>\$ 12,852,020</u>	<u>\$ 10,541,495</u>

The bad-debt expenses and provision for losses on guarantees in 2015 and 2014 were as follows:

	For the Year Ended December 31	
	2015	2014
Provision (reversal of provision) for possible losses on call loans to other banks	\$ (8,243)	\$ 11,986
Provision for possible losses on discounts and loans	3,701,452	2,166,328
Reversal of provision for possible losses on receivables	(135,428)	(146,399)
Provision for possible losses on remittance	100	-
Provision for possible losses on guarantees	8,549	1,774
	<u>\$ 3,566,430</u>	<u>\$ 2,033,689</u>

The FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in Mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions. Thus, E.SUN Bank made this required minimum provision in 2015. As of December 31, 2015, E.SUN Bank was in compliance with the FSC's provision requirement for both type of credit assets.

13. HELD-TO-MATURITY FINANCIAL ASSETS, NET

	December 31	
	2015	2014
Overseas bonds	\$ 3,060,784	\$ 2,799,331
Government bonds	1,721,935	2,047,006
Corporate bonds	441,320	854,660
Overseas certificates of deposits	65,800	63,340
Bank debentures	-	130,085
Beneficial securities under securitization	-	21,370
	<u>\$ 5,289,839</u>	<u>\$ 5,915,792</u>

As of December 31, 2015 and 2014, the held-to-maturity financial assets, which amounted to \$253,680 thousand and \$524,691 thousand, respectively, had been sold under repurchase agreements.

In 2015, the Company disposed of some debt instruments because of the severe deterioration of debtors' credits and other concerns. However the amount disposed of was only a small portion of the held-to-maturity financial assets, and the Company had no intention to reclassify the rest of these investments. As of December 31, 2015, the accumulated disposal amounts from the past three years were \$21,067 thousand, and the accumulated realized losses on disposal were \$2,154 thousand. The accumulated disposal amounts were 0.4% of held-to-maturity financial assets as of December 31, 2015.

14. OTHER FINANCIAL ASSETS, NET

	December 31	
	2015	2014
Due from banks	\$ 39,737,067	\$ 49,046,940
Financial assets carried at cost, net	2,386,072	2,184,319
Debt instruments with no active market, net	987,000	950,100
Guarantee deposits received on futures contracts	563,235	623,719
Others	24,423	5,189
	<u>\$ 43,697,797</u>	<u>\$ 52,810,267</u>

Financial assets carried at cost were unlisted common stocks with no quoted market prices in an active market and with the fair value that could not be reliably measured. Thus, these assets were measured at cost less accumulated impairment. Some investees had operating losses; thus, the Company recognized impairment losses of \$74,900 thousand and \$72,091 thousand on financial assets carried at cost in 2015 and 2014, respectively.

Debt instruments with no active market were as follows:

	December 31	
	2015	2014
Corporate bonds	<u>\$ 987,000</u>	<u>\$ 950,100</u>

Guarantee deposits received on futures contracts were as follows:

	December 31	
	2015	2014
Deposits in bank	\$ 448,755	\$ 448,509
Deposits held by futures commission merchants as a clearing member	114,480	175,104
Securities	-	106
	<u>\$ 563,235</u>	<u>\$ 623,719</u>
Guarantee deposits received on futures contracts	\$ 563,235	\$ 623,719
Less: Commission revenue	397	383
Futures transaction tax	114	70
Temporary receipts	<u>69</u>	<u>24</u>
Customers' equity accounts - futures (Note 28)	<u>\$ 562,655</u>	<u>\$ 623,242</u>

Due from banks were deposits with restriction on early termination and time deposits with maturities longer than three months.

15. INVESTMENT PROPERTIES, NET

	December 31	
	2015	2014
Land	\$ 416,512	\$ 346,171
Buildings	<u>45,287</u>	<u>75,099</u>
	<u>\$ 461,799</u>	<u>\$ 421,270</u>

	Land	Buildings	Total
<u>Cost</u>			
Balance, January 1, 2015	\$ 346,183	\$ 114,588	\$ 460,771
Additions	196,799	37,906	234,705
Disposals	(7,898)	(577)	(8,475)
Reclassification	<u>(118,565)</u>	<u>(100,415)</u>	<u>(218,980)</u>
Balance, December 31, 2015	<u>\$ 416,519</u>	<u>\$ 51,502</u>	<u>\$ 468,021</u>
Balance, January 1, 2014	\$ 424,108	\$ 159,983	\$ 584,091
Disposal	(9,863)	(753)	(10,616)
Reclassification	<u>(68,062)</u>	<u>(44,642)</u>	<u>(112,704)</u>
Balance, December 31, 2014	<u>\$ 346,183</u>	<u>\$ 114,588</u>	<u>\$ 460,771</u>
<u>Accumulated depreciation and impairment</u>			
Balance, January 1, 2015	\$ (12)	\$ (39,489)	\$ (39,501)
Depreciation expenses	-	(5,605)	(5,605)
Disposal	-	372	372

(Continued)

	Land	Buildings	Total
Reversal of impairment losses recognized in profit or loss Reclassification	\$ 5	\$ 175	\$ 180
	<u>-</u>	<u>38,332</u>	<u>38,332</u>
Balance, December 31, 2015	<u>\$ (7)</u>	<u>\$ (6,215)</u>	<u>\$ (6,222)</u>
Balance, January 1, 2014	\$ (282)	\$ (39,222)	\$ (39,504)
Depreciation expenses	-	(5,412)	(5,412)
Disposal	-	753	753
Reversal of impairment losses recognized in profit or loss Reclassification	270	44	314
	<u>-</u>	<u>4,348</u>	<u>4,348</u>
Balance, December 31, 2014	<u>\$ (12)</u>	<u>\$ (39,489)</u>	<u>\$ (39,501)</u>

(Concluded)

Investment properties (except for land) are depreciated through 50 years under straight-line basis.

As of December 31, 2015 and 2014, the fair values of investment properties were \$721,104 thousand and \$1,031,463 thousand, respectively. According to amount, the fair values were based on the valuation of discounted cash flow analysis method from external real estate appraiser joint firm (that were not the Company's related parties), or the comparison of price of the comparable property from the Company's appraisal center.

The revenues generated from the investment properties are summarized as follows:

	For the Year Ended December 31	
	2015	2014
Rental income from investment properties	\$ 5,459	\$ 4,037
Direct operating expenses of investment properties that generate rental income	(2,065)	(1,539)
Direct operating expenses of investment properties that do not generate rental income	<u>(6,827)</u>	<u>(7,777)</u>
	<u>\$ (3,433)</u>	<u>\$ (5,279)</u>

16. PROPERTIES AND EQUIPMENT, NET

	December 31	
	2015	2014
<u>Carrying amount</u>		
Land	\$ 13,258,990	\$ 12,693,545
Buildings	5,435,945	5,398,757
Computers	1,569,431	1,193,891
Transportation equipment	210,341	191,798
Miscellaneous equipment	1,017,020	707,195
Prepayments for properties and equipment	<u>5,300,627</u>	<u>920,919</u>
	<u>\$ 26,792,354</u>	<u>\$ 21,106,105</u>

	Land	Buildings	Computers	Transportation Equipment	Miscellaneous Equipment	Prepayments	Total
Cost							
Balance, January 1, 2015	\$ 12,693,545	\$ 8,100,084	\$ 3,758,734	\$ 640,836	\$ 2,303,142	\$ 920,919	\$ 28,417,260
Addition	396,793	275,002	640,400	64,394	441,862	4,727,851	6,546,302
Disposal	(4,052)	(618)	(213,514)	(42,717)	(46,077)	-	(306,978)
Net exchange difference	10,944	2,947	2,230	1,994	982	4,356	23,453
Reclassification and others	161,760	129,938	70,989	1,051	89,419	(352,499)	100,658
Balance, December 31, 2015	<u>\$ 13,258,990</u>	<u>\$ 8,507,353</u>	<u>\$ 4,258,839</u>	<u>\$ 665,558</u>	<u>\$ 2,789,328</u>	<u>\$ 5,300,627</u>	<u>\$ 34,780,695</u>
Balance, January 1, 2014	\$ 12,065,716	\$ 7,484,360	\$ 3,573,971	\$ 598,570	\$ 2,080,586	\$ 425,348	\$ 26,228,551
Addition	442,029	422,457	454,829	81,794	274,835	840,546	2,516,490
Disposal	(28,038)	(27,270)	(285,855)	(42,761)	(58,062)	-	(441,986)
Net exchange difference	16,327	2,817	3,018	3,233	4,748	1,115	31,258
Reclassification and others	197,511	217,720	12,771	-	1,035	(346,090)	82,947
Balance, December 31, 2014	<u>\$ 12,693,545</u>	<u>\$ 8,100,084</u>	<u>\$ 3,758,734</u>	<u>\$ 640,836</u>	<u>\$ 2,303,142</u>	<u>\$ 920,919</u>	<u>\$ 28,417,260</u>

	Land	Buildings	Computers	Transportation Equipment	Miscellaneous Equipment	Total
Accumulated depreciation and impairment						
Balance, January 1, 2015	\$ -	\$ (2,701,327)	\$ (2,564,843)	\$ (449,038)	\$ (1,595,947)	\$ (7,311,155)
Disposal	-	535	213,508	41,383	46,057	301,483
Depreciation expenses	-	(331,597)	(336,583)	(45,981)	(220,977)	(935,138)
Net exchange difference	-	(687)	(1,490)	(1,581)	(1,441)	(5,199)
Reclassification and others	-	(38,332)	-	-	-	(38,332)
Balance, December 31, 2015	<u>\$ -</u>	<u>\$ (3,071,408)</u>	<u>\$ (2,689,408)</u>	<u>\$ (455,217)</u>	<u>\$ (1,772,308)</u>	<u>\$ (7,988,341)</u>
Balance, January 1, 2014	\$ -	\$ (2,377,297)	\$ (2,569,410)	\$ (440,080)	\$ (1,468,622)	\$ (6,855,409)
Disposal	-	6,411	285,774	39,666	57,930	389,781
Depreciation expenses	-	(325,606)	(278,863)	(46,485)	(181,429)	(832,383)
Net exchange difference	-	(487)	(2,344)	(2,139)	(3,826)	(8,796)
Reclassification and others	-	(4,348)	-	-	-	(4,348)
Balance, December 31, 2014	<u>\$ -</u>	<u>\$ (2,701,327)</u>	<u>\$ (2,564,843)</u>	<u>\$ (449,038)</u>	<u>\$ (1,595,947)</u>	<u>\$ (7,311,155)</u>

Depreciation is calculated by the straight-line method over service lives estimated as follows:

Buildings	
Main buildings	20 to 50 years
Equipment installed in buildings	10 to 15 years
Computers	3 to 8 years
Transportation equipment	4 to 10 years
Miscellaneous equipment	1 to 20 years

17. INTANGIBLE ASSETS, NET

	December 31	
	2015	2014
Goodwill	\$ 4,465,432	\$ 4,440,753
Computer software	765,899	485,354
Banking licenses	524,821	505,200
Core deposits	190,813	244,684
Customer relationship	6,957	7,492
	<u>\$ 5,953,922</u>	<u>\$ 5,683,483</u>

	Goodwill	Computer Software	Core Deposits	Customer Relationship	Banking Licenses	Total
Balance, January 1, 2015	\$ 4,440,753	\$ 485,354	\$ 244,684	\$ 7,492	\$ 505,200	\$ 5,683,483
Separate acquisition	-	431,066	-	-	-	431,066
Amortization expenses	-	(268,980)	(60,234)	(535)	-	(329,749)
Reclassification	-	118,364	-	-	-	118,364
Net exchange difference	24,679	95	6,363	-	19,621	50,758
Balance, December 31, 2015	<u>\$ 4,465,432</u>	<u>\$ 765,899</u>	<u>\$ 190,813</u>	<u>\$ 6,957</u>	<u>\$ 524,821</u>	<u>\$ 5,953,922</u>
Balance, January 1, 2014	\$ 4,404,709	\$ 385,795	\$ 277,983	\$ 8,027	\$ 475,178	\$ 5,551,692
Separate acquisition	-	268,888	-	-	-	268,888
Amortization expenses	-	(199,341)	(46,994)	(535)	-	(246,870)
Reclassification	-	29,903	-	-	-	29,903
Net exchange difference	36,044	109	13,695	-	30,022	79,870
Balance, December 31, 2014	<u>\$ 4,440,753</u>	<u>\$ 485,354</u>	<u>\$ 244,684</u>	<u>\$ 7,492</u>	<u>\$ 505,200</u>	<u>\$ 5,683,483</u>

The above intangible assets with limited useful lives are amortized on a straight-line basis by the useful lives as follows:

Computer software	3-5 years
Core deposits	5-16 years
Customer relationship	17 years

In testing assets for impairment, the Company uses as recoverable amounts (a) value in use for an operating segment defined as a cash-generating unit (CGU) and (b) net fair value for an investment property. Goodwill on the acquisition of UCB, the subsidiary, the Kaohsiung Business Bank Co., Ltd., Chu Nan Credit-Cooperative Association and Chiayi The Fourth Credit Cooperative was allocated to operating segments (CGUs with allocated goodwill). The Company estimates the next five years' cash flows of a CGU by taking into consideration the actual performance of each CGU, business cycle, etc. under the going-concern assumption. The discounted present value of cash flows is used to determine the value in use of each CGU. The discount rates for future cash flows of CGUs were determined using the capital asset pricing model (CAPM). The testing for asset impairment showed that no impairment losses had been incurred.

18. OTHER ASSETS, NET

	December 31	
	2015	2014
Refundable deposits, net	\$ 4,657,608	\$ 2,631,923
Operating deposits and settlement funds	640,912	731,031
Collection of securities and underwritten	543,328	-
Prepaid expenses	215,714	228,748
Others	78,489	39,797
	<u>\$ 6,136,051</u>	<u>\$ 3,631,499</u>

19. DUE TO THE CENTRAL BANK AND OTHER BANKS

	December 31	
	2015	2014
Call loans from banks	\$ 63,883,482	\$ 50,004,942
Deposits from Chunghwa Post Co., Ltd.	3,393,345	3,599,441
Due to banks	2,575,087	2,594,799
Overdrafts from banks	305,120	1,019,808
Call loans from the Central Bank	987,000	950,100
Due to the Central Bank	26,096	30,531
	<u>\$ 71,170,130</u>	<u>\$ 58,199,621</u>

20. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$8,034,391 thousand and \$13,117,523 thousand under repurchase agreements as of December 31, 2015 and 2014, respectively, would subsequently be purchased for \$8,069,478 thousand and \$13,165,426 thousand, respectively.

21. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$2,280,000 thousand and \$2,830,000 thousand, and the annual discount rates were from 0.38%-0.68% and from 0.65%-1.00% as of December 31, 2015 and 2014, respectively. These financial instruments were accepted and guaranteed by financial institutions.

22. PAYABLES

	December 31	
	2015	2014
Checks for clearing	\$ 3,224,135	\$ 5,665,826
Accrued expenses	3,228,190	2,805,626
Accounts payable	3,086,878	1,352,331
Accrued interest	2,063,429	2,083,706
Factored accounts payable	1,800,560	1,801,559
Acceptances	1,576,654	1,904,700
Settlements payable	1,155,310	1,388,622
Payables for short-sale transactions	744,719	755,964
Deposits on short-sale transactions	728,523	687,874
Collections payable	706,907	664,453
Payable on credit cards	559,364	629,735
Tax payable	293,708	319,541
Others	2,273,273	1,680,339
	<u>\$ 21,441,650</u>	<u>\$ 21,740,276</u>

23. DEPOSITS AND REMITTANCES

	December 31	
	2015	2014
Deposits		
Checking	\$ 12,446,708	\$ 14,184,521
Demand	403,804,708	318,518,021
Savings - demand	420,709,502	363,486,698
Time	344,160,558	321,909,118
Negotiable certificates of deposits	1,378,600	1,671,500
Savings - time	264,452,817	252,104,708
Treasury deposits	8,581,748	8,341,507
Remittances	859,308	475,698
	<u>\$ 1,456,393,949</u>	<u>\$ 1,280,691,771</u>

24. BONDS PAYABLE

	December 31	
	2015	2014
Bank debentures	\$ 44,950,000	\$ 43,800,000
ESFHC's unsecured corporate bonds - first issue in 2010	2,000,000	2,000,000
ESFHC's unsecured corporate bonds - first issue in 2012	<u>3,800,000</u>	<u>3,800,000</u>
	<u>\$ 50,750,000</u>	<u>\$ 49,600,000</u>

On April 28, 2010, ESFHC made a first issue of unsecured subordinated corporate bonds with aggregate face value of \$2,000,000 thousand and par value of \$10,000 thousand. The bond will mature in seven years, and principal is repayable on maturity. Interest is payable annually at annual interest rate for 2.7%.

On June 29, 2012, ESFHC made a first issue of unsecured subordinated corporate bonds with aggregate face value of \$3,800,000 thousand and par value of \$10,000 thousand. The bond will mature in seven years, and principal is repayable on maturity. Interest is payable annually at annual interest rate for 1.75%

Details of bank debentures issued by E.SUN Bank were as follows:

	December 31	
	2015	2014
Bonds issued on June 24, 2005; 2.75% interest, payable annually; principal repayable on maturity (10 years after the issue date).	\$ -	\$ 5,000,000
Subordinated bonds issued on February 15, 2008; 3.10% interest, payable annually; principal repayable on maturity (7 years after the issue date).	-	2,300,000
Subordinated bonds issued on October 24, 2008; 3.15% interest, payable annually; principal repayable on maturity (7 years after the issue date).	-	300,000

(Continued)

	December 31	
	2015	2014
Two types of subordinated bonds issued on April 3, 2009; interest rate at (a) 2.15% for Type A bond and (b) 2.50% for Type B bond; interest payable annually for both bond types; principal repayable on maturity (5.5 years for Type A bond and 7 years for Type B bond after the issue date).	\$ 300,000	\$ 300,000
Subordinated bonds issued on July 17, 2009; 2.5% interest payable annually; principal repayable on maturity (7 years after the issue date).	900,000	900,000
Subordinated bonds issued on October 20, 2009; 2.35% interest payable annually; principal repayable on maturity (7 years after the issue date).	1,500,000	1,500,000
Subordinated bonds issued on May 28, 2010; 2.20% interest payable annually; principal repayable on maturity (7 years after the issue date).	3,000,000	3,000,000
Subordinated bonds issued on July 13, 2010; 2.20% interest payable annually; principal repayable on maturity (7 years after the issue date).	2,500,000	2,500,000
Subordinated bonds issued on May 24, 2011; 1.73% interest payable annually; principal repayable on maturity (7 years after the issue date).	2,100,000	2,100,000
Subordinated bonds issued on October 28, 2011; 1.80% interest payable annually; principal repayable on maturity (7 years after the issue date).	2,900,000	2,900,000
Subordinated bonds issued on April 27, 2012; 1.58% interest payable annually; principal repayable on maturity (7 years after the issue date).	2,280,000	2,280,000
Subordinated bonds issued on June 28, 2012; 1.68% interest payable annually; principal repayable on maturity (10 years after the issue date).	2,720,000	2,720,000
Two types of subordinated bonds issued on August 27, 2012; interest rate at (a) 1.50% for type A bond; and (b) 1.62% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	8,000,000	8,000,000
Two types of subordinated bonds issued on May 24, 2013; interest rate at (a) 1.55% for type A bond; and (b) 1.70% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	2,300,000	2,300,000
Subordinated bonds issued on August 28, 2013; 1.75% interest payable annually; principal repayable on maturity (7 years after the issue date).	2,700,000	2,700,000
Two types of subordinated bonds issued on December 19, 2013; interest rate at (a) 1.75% for type A bond and (b) 1.85% for type B bond; interest payable annually for both bond types; principal repayable on maturity (5.5 years for type A bond and 7 years for type B bond after the issue date).	1,500,000	1,500,000

(Continued)

	December 31	
	2015	2014
Two types of subordinated bonds issued on March 7, 2014; interest rate at (a) 1.80% for type A bond and (b) 1.95% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	\$ 3,500,000	\$ 3,500,000
Two types of subordinated bonds issued on April 30, 2015; interest rate at (a) 1.80% for type A bond and (b) 2.10% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	5,000,000	-
Two types of subordinated bonds issued on September 29, 2015; interest rate at (a) 1.65% for type A bond and (b) 2.00% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	<u>3,750,000</u>	<u>-</u>
	<u>\$ 44,950,000</u>	<u>\$ 43,800,000</u>
		(Concluded)

To eliminate the accounting mismatch, E.SUN Bank designated the bank debentures as at fair value through profit or loss, which are summarized below:

	December 31	
	2015	2014
Unsecured bonds USD-denominated issued in 2014	\$ 10,623,138	\$ 9,794,493
Unsecured USD-denominated subordinated bonds issued in 2015	2,897,425	-
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued in 2015	2,789,284	-
Unsecured USD-denominated subordinated bonds issued in 2015	2,133,291	-
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued in 2015	<u>1,326,777</u>	<u>-</u>
	<u>\$ 19,769,915</u>	<u>\$ 9,794,493</u>

On August 27, 2014, E.SUN Bank issued bank debentures amounting to US\$300,000 thousand with a 20-year maturity and 0% interest rate. E.SUN Bank may either redeem the bonds at an agreed-upon price every August 27 after two years from the issue date, or make bond repayments on the maturity date.

On May 27, 2015, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$85,000 thousand with a 30-year maturity and 0% interest rate. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On May 27, 2015, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$85,000 thousand with no maturity date and with a 4.97% interest payable annually on July 1 under certain interest payment conditions. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

On October 28, 2015, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$63,000 thousand with a 30-year maturity and 0% interest rate. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, E.SUN Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On October 28, 2015, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$43,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, E.SUN Bank may redeem all the bonds after 15 years from the issue date.

To hedge against its exposure to interest rate risk due to the issuance of the above bank debentures, E.SUN Bank entered into interest rate swap (IRS) contracts, which are measured at fair value. The changes in fair value of the IRS contracts are recognized in profit or loss. To eliminate an accounting mismatch, E.SUN Bank also designated the bank debentures as at fair value through profit or loss.

On January 22, 2016, E.SUN Bank issued unsecured subordinated bank debentures amounting to US\$240,000 thousand with a 30-year maturity and 0% interest rate. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, the Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On January 22, 2016, E.SUN Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$240,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. Under the Regulations Governing Issuance of Bank Debentures by Banks and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

To increase E.SUN Bank's capital adequacy ratio and to strengthen its capital structure, E.SUN Bank applied for the issuance of unsecured foreign currency-denominated noncumulative perpetual subordinated bank debentures and long-term subordinated bank debentures amounting to US\$1,000,000 thousand; and subordinated bank debentures amounting to NT\$5,000,000 thousand. The applications were approved by the FSC on March 18, 2015 and September 10, 2015, respectively.

As of the date of the consolidated financial statements were authorized for issue, debentures amounting to NT\$1,250,000 thousand had not yet been issued.

To increase E.SUN Bank's capital adequacy ratio and to strengthen its capital structure, E.SUN Bank's board approved the issuance of noncumulative perpetual subordinated bank debentures and long-term subordinated bank debentures amounting up to NT\$10,000,000 thousand (equivalent to foreign currency) in the meeting on March 18, 2016. E.SUN Bank is going to apply for the approval of this issuance to the FSC.

Information on corporate bonds designated as at fair value through profit or loss is as follows:

	December 31, 2014
ESFHC's unsecured overseas convertible bonds in 2008	\$ <u>3,491,619</u>

On July 24, 2008, ESFHC issued US\$200,000 thousand worth of overseas convertible bonds (the "Bonds") with par of US\$100,000 or an integral multiple thereof. Interest is payable semiannually at 2.3% from July 24, 2008 to July 24, 2013 and at 0% after July 24, 2013. The terms of the Bonds are as follows:

a. Redemption method

ESFHC will redeem the Bonds on the maturity date at a price equal to 100% of the outstanding principal amount unless the Bonds had been previously redeemed, repurchased and canceled or converted.

1) Redemption at the option of ESFHC

ESFHC may redeem all the Bonds at one time, i.e., not piecemeal, at 100% of the principal plus a premium (the “Early Redemption Amount”) at any time if any changes in the ROC tax laws or regulations would require ESFHC to gross up the payment of interest or premium.

2) Redemption at the options of holders

a) Each holder of the Bonds has the right to require ESFHC to redeem all or part of the Bonds only on July 24, 2013 at 110% of the principal unless the Bonds had been previously redeemed, repurchased and canceled or converted.

b) Each holder has the right to require ESFHC to buy all or a portion of the holder’s Bonds at the Early Redemption Amount if (a) the shares cease to be listed or admitted for trading on the Taiwan Stock Exchange for at least five consecutive trading days; (b) there is a change of control over ESFHC (including but not limited to a change of half of the members of ESFHC’s board of directors.); (c) ESFHC fails to maintain an issuer rating at or above at least one of the following levels: (i) BBB - rating by Standard & Poor’s Corp.; (ii) Baa3 rating by Moody’s Investors Service; (iii) BBB - rating by Fitch Inc.; (iv) twBBB - rating by Taiwan Ratings Corp.; (v) BBB - (twN) rating by Fitch International’s Taiwan branch; or (vi) Baa3.tw rating by Moody’s Credit Rating Co., Ltd., and this failure continues for 60 consecutive days; or (d) the capital adequacy ratio of ESFHC, E.SUN Bank or E.SUN Securities decreases to a level that is below the minimum standard set by the relevant regulatory authorities and remains at such a level for 60 consecutive days.

b. Maturity date

The maturity period is 10 years after Bond issuance. Since the Bonds were issued on July 24, 2008, their maturity is on July 24, 2018.

c. Pledged

Negative.

d. Conversion period

The bondholder can convert the Bonds to ESFHC’s stock for the period starting on or after August 24, 2008 up to July 14, 2018. The holders of the Bonds, however, will not be able to effect conversions into shares during any closed period. A closed period means:

1) 60 days before the date of any general stockholders’ meetings; 30 days before the date of any special stockholders’ meetings; and 5 days before ESFHC decides to distribute dividends and bonuses or other benefits.

2) The period from the date following the third trading day before the date of ESFHC’s notification to the Taiwan Stock Exchange of the record date for the determination of stockholders entitled to the receipt of dividends, subscription of new shares due to capital increase or appropriation of other benefits and bonuses.

3) Such other periods during which ESFHC may be required to close its stock transfer books under the ROC laws and regulations.

e. Conversion price

1) For bond conversions, the conversion prices are (i) NT\$16.16 per share for any conversion from August 24, 2008 to September 22, 2008 (the “First Tranche Conversion Price”) and (ii) NT\$19.00 per share for any conversion from September 23, 2008 to July 14, 2018 (the “Second Tranche Conversion Price”). The conversion price in U.S. dollars is based on the exchange rate of US\$1.00=NT\$30.406. The conversion price is subject to adjustment based on certain terms of the related indenture.

2) If the average closing price of the shares for 20 consecutive trading days immediately prior to each anniversary of the issue date (“Reset Date”), converted into U.S. dollars at the prevailing rate on the Reset Date, is less than the conversion price then in effect converted into U.S. dollars at the fixed exchange rate, the conversion price will be adjusted. The conversion price adjustment should only be downward and should not be less than 80% of the Second Tranche Conversion Price.

After the Bonds were issued, ESFHC adjusted the conversion price based on related indenture. As of March 27, 2015, the Bonds had all been converted.

25. OTHER BORROWINGS

	December 31			
	2015		2014	
	Amount	%	Amount	%
Short-term borrowings	\$ 546,140	3.45	\$ -	-
Long-term borrowings	<u>723,800</u>	2.51-2.75	<u>380,040</u>	2.32-3.70
	<u>\$ 1,269,940</u>		<u>\$ 380,040</u>	

26. PROVISIONS

	December 31	
	2015	2014
Provision for employee benefits	\$ 312,970	\$ 195,532
Provision for losses on guarantees	160,947	152,262
Others	<u>25,180</u>	<u>24,862</u>
	<u>\$ 499,097</u>	<u>\$ 372,656</u>

27. RETIREMENT BENEFIT PLAN

a. Defined contribution plan

The pension mechanism under the Labor Pension Act (the "Act") is deemed a defined contribution plan. Under the Act, the Company makes monthly contribution equal to 6% of each employee's monthly salary to employees' pension accounts in the Bureau of Labor Insurance.

The Company recognized expenses of \$257,323 thousand and \$230,870 thousand in the consolidated statements of comprehensive income in 2015 and 2014, respectively, in accordance with the defined contribution plan.

b. Defined benefit plan

The Company has a defined benefit pension plan for all regular employees. Under this plan, the pension is calculated on the basis of an employee's seniority accumulated since the hire date in accordance with the Labor Standards Act.

ESFHC makes monthly contributions, equal to 5.54% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan under management of Bureau of Labor Funds, Ministry of Labor (the "Bureau").

E.SUN Bank makes monthly contributions, equal to 2% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan under management of the Bureau. The difference between the contributions and the pension costs based on actuarial

calculations for E.SUN Bank is deposited in a financial institution in the name of the employees' pension fund administration committee.

E.SUN Securities makes monthly contributions, equal to 4% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan under management of the Bureau.

The pension fund is managed by the Bureau and the Company has no right to influence the investment policy and strategy. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

Starting from July 1, 2005, the Company has made monthly contributions to the pension fund by the foregoing pension calculation for the employees that choose to continue being subject to the Labor Standards Act.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2015	2014
Present value of defined benefit obligation	\$ 1,745,135	\$ 1,572,485
Fair value of plan assets	<u>(1,464,257)</u>	<u>(1,403,762)</u>
Deficit	280,878	168,723
Net defined benefit asset (part of other assets - other)	<u>32,092</u>	<u>26,809</u>
Net defined benefit liability (part of provision for employee benefits)	<u>\$ 312,970</u>	<u>\$ 195,532</u>

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liability (Asset)
Balance at January 1, 2014	\$ 1,563,824	\$ (1,313,107)	\$ 250,717
Service cost			
Current service cost	22,331	-	22,331
Net interest expense (income)	<u>31,276</u>	<u>(26,727)</u>	<u>4,549</u>
Recognized in profit or loss	<u>53,607</u>	<u>(26,727)</u>	<u>26,880</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(49,888)	(49,888)
Actuarial gain - changes in financial assumptions	(12,056)	-	(12,056)
Actuarial gain - experience adjustments	<u>(4,920)</u>	<u>-</u>	<u>(4,920)</u>
Recognized in other comprehensive income	<u>(16,976)</u>	<u>(49,888)</u>	<u>(66,864)</u>
Contributions from the employer	-	(42,010)	(42,010)
Benefits paid	<u>(27,970)</u>	<u>27,970</u>	<u>-</u>
Balance at December 31, 2014	<u>1,572,485</u>	<u>(1,403,762)</u>	<u>168,723</u>
Service cost			
Current service cost	21,516	(1,210)	20,306
Net interest expense (income)	<u>31,898</u>	<u>(27,655)</u>	<u>4,243</u>
Recognized in profit or loss	<u>53,414</u>	<u>(28,865)</u>	<u>24,549</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(38,333)	(38,333)
Actuarial (gain) loss - changes in financial assumptions	116,371	(59)	116,312
Actuarial loss - experience adjustments	<u>51,825</u>	<u>-</u>	<u>51,825</u>
Recognized in other comprehensive income	<u>168,196</u>	<u>(38,392)</u>	<u>129,804</u>
Contributions from the employer	-	(42,198)	(42,198)
Benefits paid	<u>(48,960)</u>	<u>48,960</u>	<u>-</u>
Balance at December 31, 2015	<u>\$ 1,745,135</u>	<u>\$ (1,464,257)</u>	<u>\$ 280,878</u>

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2015	2014
Discount rate	1.40%-1.90%	2.00%-2.40%
Expected rates of return on plan assets	1.40%-1.90%	2.00%
Expected rates of future salary increase	2.00%-2.50%	2.00%-2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2015
Discount rate(s)	
0.25% increase	\$ (66,005)
0.25% decrease	\$ 69,282
Expected rate(s) of salary increase	
0.25% increase	\$ 67,369
0.25% decrease	\$ (64,564)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

As of December 31, 2015 and 2014, the expected contributions to the plan for the next year were \$42,396 thousand and \$42,643 thousand, respectively. The average duration of the defined benefit obligation was from 12.52 to 20.96 years and from 13.54 to 23.98 years, respectively.

28. OTHER FINANCIAL LIABILITIES

	December 31	
	2015	2014
Principal of structured products	\$ 465,090	\$ 1,581,896
Customers' equity accounts - futures	562,655	623,242
Guarantee deposits received	292,212	378,282
Appropriations for loans	<u>2</u>	<u>-</u>
	<u>\$ 1,319,959</u>	<u>\$ 2,583,420</u>

29. OTHER LIABILITIES

	December 31	
	2015	2014
Advance receipts	\$ 1,174,507	\$ 1,127,195
Deferred revenue	431,137	388,069
Collection of securities underwritten	543,249	-
Others	<u>7,276</u>	<u>14,009</u>
	<u>\$ 2,156,169</u>	<u>\$ 1,529,273</u>

30. NET INTEREST

	For the Year Ended December 31	
	2015	2014
Interest revenue		
From discounts and loans	\$ 23,395,736	\$ 20,974,119
From investments	2,038,332	1,655,170
From due from other banks and call loans to other banks	2,035,336	2,009,122
From revolving interests of credit cards	1,872,826	2,024,464
Others	<u>638,951</u>	<u>484,381</u>
	<u>29,981,181</u>	<u>27,147,256</u>
Interest expense		
From deposits	(10,632,597)	(9,697,193)
From issuing bonds payable	(950,242)	(1,070,427)
From due to the Central Bank and other banks	(651,346)	(556,197)
Others	<u>(273,368)</u>	<u>(338,813)</u>
	<u>(12,507,553)</u>	<u>(11,662,630)</u>
	<u>\$ 17,473,628</u>	<u>\$ 15,484,626</u>

31. SERVICE FEE AND COMMISSION INCOME, NET

	For the Year Ended December 31	
	2015	2014
Service fee and commission income		
From credit cards	\$ 4,435,756	\$ 4,036,467
From insurance brokerage	4,002,583	2,591,423
From trust business	3,121,624	2,660,330
From loans	1,626,515	1,286,787
From brokerage	774,660	777,534
Others	<u>1,537,569</u>	<u>1,606,629</u>
	<u>15,498,707</u>	<u>12,959,170</u>
Service charge and commission expenses		
From agency	(632,731)	(616,416)
From computer processing	(300,492)	(237,440)
From cross - bank transactions	(290,201)	(257,825)
Others	<u>(397,108)</u>	<u>(377,305)</u>
	<u>(1,620,532)</u>	<u>(1,488,986)</u>
	<u>\$ 13,878,175</u>	<u>\$ 11,470,184</u>

32. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the Year Ended December 31, 2015				
	Dividend Income	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Total
Held-for-trading financial assets	\$ 33,641	\$ 1,895,453	\$ 4,704,233	\$ 1,607,891	\$ 8,241,218
Financial assets designated as at fair value through profit or loss	-	2,225,387	29,568	(119,181)	2,135,774
	Dividend Income	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Total
Held-for-trading financial liabilities	\$ -	\$ -	\$ (2,139,718)	\$ (376,976)	\$ (2,516,694)
Financial liabilities designated as at fair value through profit or loss	-	(636,447)	(1,350,379)	1,504,285	(482,541)
	<u>\$ 33,641</u>	<u>\$ 3,484,393</u>	<u>\$ 1,243,704</u>	<u>\$ 2,616,019</u>	<u>\$ 7,377,757</u>
					(Concluded)
	Dividend Income	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Total
Held-for-trading financial assets	\$ 78,113	\$ 1,900,626	\$ 1,214,799	\$ 2,329,604	\$ 5,523,142
Financial assets designated as at fair value through profit or loss	-	1,356,570	41,280	13,350	1,411,200
Held-for-trading financial liabilities	-	-	(750,974)	(2,282,731)	(3,033,705)
Financial liabilities designated as at fair value through profit or loss	-	(155,662)	(1,030,780)	425,883	(760,559)
	<u>\$ 78,113</u>	<u>\$ 3,101,534</u>	<u>\$ (525,675)</u>	<u>\$ 486,106</u>	<u>\$ 3,140,078</u>

33.EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Year Ended December 31	
	2015	2014
Employee benefit		
Salaries	\$ 7,656,005	\$ 7,085,058
Insurance	531,703	482,452
Excessive interest from preferential rates	156,741	143,698
Retirement benefits	281,872	257,750
Others	431,266	378,098
Depreciation expenses	940,743	837,795
Amortization expenses	334,516	252,007

For the year ended December 31, 2014, the bonus to employees and remuneration to directors under ESFHC's Articles of Incorporation amended on June 20, 2014, which totaled \$377,311 thousand were accrued on the basis of past experience. To comply with the Company Act as amended in May 2015, the board of directors approved the amendment of the Articles of Incorporation of the Company on January 8, 2016. The amended Articles of Incorporation of the Company stipulate the distribution of employees' compensation and remuneration to directors at 2.7% and at no higher than 0.9%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors (this distribution may be made only if any accumulated deficits have been canceled). For the year ended December 31, 2015, the employees' compensation and the remuneration to directors were \$342,877 thousand and \$109,000 thousand, respectively. The distribution of the employees' compensation and the remuneration to directors resolved in the board of directors' meeting on March 18, 2016 was as follows:

	For the Year Ended December 31, 2015
Employees' compensation - cash	\$ 72
Employees' compensation - stock	342,805
Remuneration to directors - cash	97,000

ESFHC announced the distribution of 18,530 thousand shares as employees' bonuses for 2015. The calculation of the per share amount of NT\$18.5 for the share bonuses was the amount approved by the board of directors on the basis of the closing price of the day before the board's approval of the share bonuses. The employees' compensation and remuneration to directors above are subject to the approval by the shareholders in their 2016 meeting of (a) the amendments to ESFHC's Articles of Incorporation and (b) the board of directors' proposed bonus and remuneration distribution.

Material differences between such estimated amounts and the amounts proposed by the board of directors on or before the date the annual consolidated financial statements are authorized for issue are adjusted in the year the bonus/compensation and remuneration were recognized. If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate.

The bonus to employees and the remuneration to directors for 2014 and 2013, which were approved in the stockholders' meetings on June 12, 2015 and June 20, 2014, respectively, were as follows:

	2014	2013
Bonus to employees - cash	\$ 1,599	\$ 2,164
Bonus to employees - stock	282,672	233,774
Remuneration to directors - cash	90,000	78,646

The amounts of the bonus to employees and the remuneration to directors for 2013, which were approved in the stockholders' meeting, were different from the amounts recognized in the consolidated financial statements for the year ended December 31, 2013. The difference was resulted from changes of the estimation and was recognized in profit and loss for the year ended December 31, 2014.

Information on the bonus to employees and remuneration to directors resolved by the ESFHC's stockholders' meetings or employees' compensation and remuneration to directors is available on the Market Observation Post System website of the Taiwan Stock Exchange (<http://emops.tse.com.tw>).

34. INCOME TAX

Under Article 49 of the Financial Holding Company Law, a financial holding company (FHC) can elect to file consolidated income tax returns for the regular corporate income tax as well as the 10% income tax on undistributed earnings for FHC and its domestic subsidiaries if the FHC holds more than 90% of the domestic subsidiaries' outstanding shares in the entire tax year; for other taxation issues, ESFHC and domestic subsidiaries should conduct separately.

ESFHC and subsidiaries started to file consolidated tax returns since 2003.

a. Income tax recognized in profit or loss

Main components of income tax expense were as follows:

	For the Year Ended December 31	
	2015	2014
Current tax		
Current year	\$ 1,910,735	\$ 1,768,692
Additional 10% income tax on unappropriated earnings	2,102	19,302
Prior year's adjustments	<u>(4,531)</u>	<u>236,796</u>
	<u>1,908,306</u>	<u>2,024,790</u>
Deferred tax		
Current year	\$ (1,761)	\$ 271,107
Prior year's adjustments	<u>(373)</u>	<u>(130,158)</u>
	<u>(2,134)</u>	<u>140,949</u>
Income tax expense recognized in profit or loss	<u>\$ 1,906,172</u>	<u>\$ 2,165,739</u>

(Concluded)

A reconciliation of accounting profit and current income tax expenses were as follows:

	For the Year Ended December 31	
	2015	2014
Income before tax from continuing operations	\$ <u>14,785,131</u>	\$ <u>12,780,871</u>
Income tax expense at the 17% statutory rate	\$ 2,513,472	\$ 2,172,748
Nondeductible expenses in determining taxable income	64,176	360,562
Tax-exempt income	(880,034)	(783,219)
Additional income tax under the Alternative Minimum Tax Act	200,573	63,855
Additional 10% income tax on unappropriated earnings	2,182	19,302
Land revaluation increment tax	493	-
Unrecognized deductible temporary differences	(77,948)	151,832
Effect of different tax rate of overseas branches operating in other jurisdictions	88,257	74,021
Adjustments for prior year's income tax	(4,999)	106,638
Income tax expense recognized in profit or loss	\$ <u>1,906,172</u>	\$ <u>2,165,739</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2015	2014
<u>Deferred tax</u>		
Recognized in other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit plans	\$ (33)	\$ (13)
Items that may be reclassified subsequently to profit or loss		
Exchange differences on the translation of financial statements of foreign operations	103,557	140,456
Unrealized gains or losses on available-for-sale financial assets	(6,329)	8,972
	<u>97,228</u>	<u>149,428</u>
Total income tax expenses recognized in other comprehensive income	\$ <u>97,195</u>	\$ <u>149,415</u>

c. Current tax assets and liabilities

	December 31	
	2015	2014
Current tax assets		
Tax refund receivable	\$ <u>104</u>	\$ <u>335,260</u>
Current tax liabilities		
Income tax payable	\$ <u>1,144,949</u>	\$ <u>853,016</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2015

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Others	Closing Balance
<u>Deferred tax assets</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 54,328	\$ 60,502	\$ -	\$ -	\$ -	\$114,830
Allowance for possible losses	3	266,217	-	-	-	266,220
Available-for-sale financial assets	1,490	-	6,808	-	-	8,298
Other financial assets	10,064	5,166	-	-	-	15,230
Investment properties	66	(30)	-	-	-	36
Properties and equipment	3,657	339	-	-	-	3,996
Foreclosed collaterals	2,133	-	-	-	-	2,133
Other assets	107	-	-	-	-	107
Payable for annual leave	37,476	3,967	-	-	-	41,443
Other liabilities	14,009	6,061	-	-	-	20,070
Deferred revenue	347	(334)	-	3	-	16
Defined benefit plans	252	(91)	33	-	-	194
Lease incentives	-	678	-	-	-	678
Others	-	511	-	15	-	526
	<u>123,932</u>	<u>342,986</u>	<u>6,841</u>	<u>18</u>	<u>-</u>	<u>473,777</u>
Unused loss carryforward	-	<u>27,339</u>	-	<u>(377)</u>	-	<u>26,962</u>
	<u>\$ 123,932</u>	<u>\$ 370,325</u>	<u>\$ 6,841</u>	<u>\$ (359)</u>	<u>\$ -</u>	<u>\$ 500,739</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 20,181	\$ 361,417	\$ -	\$ -	\$ -	\$381,598
Available-for-sale financial assets	8,095	220	479	43	-	8,837
Properties and equipment	279	4,105	-	137	-	4,521
Intangible assets	512,550	4,850	-	-	-	517,400
Unrealized foreign exchange gains	33,421	(13,097)	-	2	-	20,326
Provision of land revaluation increment tax	91,495	(468)	-	-	(517)	90,510
Exchange differences on foreign operations	119,972	-	103,557	-	-	223,529
Share of profit or subsidiaries, accounted for using the equity method	30,119	10,607	-	-	-	40,726
Gain on stock warrants issued	-	557	-	-	-	557
	<u>\$ 816,112</u>	<u>\$ 368,191</u>	<u>\$ 104,036</u>	<u>\$ 182</u>	<u>\$ (517)</u>	<u>\$ 1,288,004</u>

For the year ended December 31, 2014

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Financial instruments at fair value through profit or loss	\$ 156,603	\$ (102,275)	\$ -	\$ -	\$ 54,328
Allowance for possible losses	104,711	(104,708)	-	-	3
Available-for-sale financial assets	5,814	-	(4,325)	1	1,490
Share of profit of subsidiaries, accounted for using the equity method	37	(37)	-	-	-
Other financial assets	10,064	-	-	-	10,064
Investment properties	74	(8)	-	-	66
Properties and equipment	2,910	747	-	-	3,657
Foreclosed collaterals	2,133	-	-	-	2,133
Other assets	107	-	-	-	107
Payable for annual leave	34,334	3,142	-	-	37,476
Other liabilities	-	14,009	-	-	14,009
Exchange differences on foreign operations	20,484	-	(20,484)	-	-
Losses on stock warrants issued	859	(859)	-	-	-
Deferred revenue	389	(63)	-	21	347
Defined benefit plans	234	5	13	-	252
Unrealized foreign exchange losses	5,182	(5,182)	-	-	-
	<u>\$ 343,935</u>	<u>\$ (195,229)</u>	<u>\$ (24,796)</u>	<u>\$ 22</u>	<u>\$ 123,932</u>
Deferred tax liabilities					
Temporary differences					
Financial instruments at fair value through profit or loss	\$ -	\$ 20,181	\$ -	\$ -	\$ 20,181
Available-for-sale financial assets	3,225	173	4,647	50	8,095
Properties and equipment	394	(135)	-	20	279
Intangible assets	632,232	(119,682)	-	-	512,550
Unrealized foreign exchange gains	18,232	15,156	-	33	33,421
Provision of land revaluation increment tax	91,585	(90)	-	-	91,495
Exchange differences on foreign operations	-	-	119,972	-	119,972
Share of profit of subsidiaries, accounted for using the equity method	-	30,119	-	-	30,119
Gains on valuation of operating securities - hedging	92	(92)	-	-	-
	<u>\$ 745,760</u>	<u>\$ (54,370)</u>	<u>\$ 124,619</u>	<u>\$ 103</u>	<u>\$ 816,112</u>

e. Unrecognized deferred tax assets:

	December 31	
	2015	2014
Deductible temporary difference	<u>\$ 2,155,226</u>	<u>\$ 2,665,673</u>

f. Imputed tax credit is summarized as follows:

	ESFHC	E.SUN Bank	E.SUN Securities	ESIB	ESVC
Balance of the imputation credit account (ICA)					
December 31, 2015	\$ 42,064	\$ 34,205	\$ 3,894	\$ -	\$ 5,442
December 31, 2014	4,613	19,166	8,430	-	3,622
Estimated creditable ratio for distributing the 2015 earnings	12.57%	0.29%	2.18%	-	3.23%
Actual creditable ratio for distributing the 2014 earnings	9.33%	0.19%	3.25%	-	1.20%
		(Cash dividends)			
		0.18%			
		(Stock dividends)			

The actual stockholders' imputation credits should be based on the balance of the ICA as of the dividend distribution date. As a result, the estimated 2015 creditable ratio may differ from the actual creditable ratio.

g. As of December 31, 2015 and 2014, the balance of the unappropriated earnings generated before January 1, 1998, was zero.

h. The years for which income tax returns had been examined by the tax authorities were as follows:

ESFHC	E.SUN Bank	E.SUN Securities	ESIB	ESVC
2009	2009	2009	2009	2009

i. On ESFHC's income tax returns of 2004 to 2007, the tax authorities disapproved ESFHC's claim that operating and interest expenses were deductible from taxable income; thus, the taxable income increased by \$730,232 thousand. In addition, the tax authorities denied the deduction shown on ESFHC's 2006 return of a realized investment loss of \$333,424 thousand and the loss on conversion of convertible corporate bonds of \$19,230 thousand in 2006. However, ESFHC claimed that its core operation is not investment, and thus should be exempted from the allocation of operating or interest expenses. In addition, it claimed the authorities' denial of the above deduction was unreasonable. Therefore, ESFHC initiated an administrative litigation. ESFHC consulted the authorities and requested recognition of part of the operating expenses and interest expenses reported in the income tax returns from 2004 to 2007; nevertheless, ESFHC had accrued the estimated income tax expense. The tax authorities have reexamined the income tax returns from 2004 to 2007 in accordance with the results of their consultation and approved recognition of the realized investment loss of \$333,424 thousand in the income tax return of 2006.

j. For the aggregate amount of goodwill amortization of \$5,301,760 thousand, which resulted from E.SUN Bank's acquisition of Kaohsiung Business Bank Co., Ltd. (KBB) and was reported in the income tax returns for 2004 to 2008, the tax authorities disapproved the related expense because the authorities considered the goodwill on the purchase of KBB's assets, liabilities and operations as having resulted mainly from a subsidy authorized by the Executive Yuan to be released from the Resolution Trust Corporation fund and not E.SUN Bank's use of its own cash. E.SUN Bank disagreed with the tax authorities' decision and initiated an administrative litigation. E.SUN Bank consulted the authorities and requested recognition of part of the amortization expenses on goodwill reported in the income tax returns from 2004 to 2009; nevertheless, E.SUN Bank had accrued the estimated income tax expense. The tax authorities have reexamined the income tax returns from 2004 to 2008 in accordance with the results of their consultation.

k. E.SUN Securities' assessed income tax on its 2005 to 2008 income tax return was \$85,236 thousand more than that reported to the tax authorities. The increase was mainly due to the tax authorities' (a) considering the loss on the hedge of stock warrants as a trading loss on securities; (b) believing that E.SUN Securities should have recognized interest revenue on certain bonds; (c) disapproval of the amortization expense for operating rights obtained from the acquisition of Yung Li Securities; and (d) having an allocation of interest expenses differing from that of E.SUN Securities. E.SUN Securities accrued an additional income tax payable in 2009 for the stock warrants issue and in 2014, for the disapproval of the amortization expense on operating rights. On the allocation of interest expenses, E.SUN Securities accrued the additional income tax payable based on the result of its consultation with the tax authorities in December 2014. In January 2015, after reexamining the tax returns, the tax authorities decided to deduct the interest revenue from bonds, resulting in an increase of \$9,851 thousand in tax payable on E.SUN Securities' 2006 income tax return. As to item (a) and (c) described above, the tax authorities still denied E.SUN Securities' claims. Thus, E.SUN Securities will initiate an administrative litigation again.

35. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share were as follows:

	Amount (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (Dollars)
<u>For the year ended December 31, 2015</u>			
Basic earnings per share	\$ 12,816,347	7,886,617	\$ <u>1.63</u>
Effect of dilutive common shares:			
Bonus to employees	-	24,687	
Overseas convertible bonds	<u>278</u>	<u>58,301</u>	
Diluted earnings per share	<u>\$ 12,816,625</u>	<u>7,969,605</u>	<u>\$ 1.61</u>
<u>For the year ended December 31, 2014</u>			
Basic earnings per share	\$ 10,538,356	7,357,885	\$ <u>1.43</u>
Effect of dilutive common shares:			
Bonus to employees	-	21,143	
Diluted earnings per share	<u>\$ 10,538,356</u>	<u>7,379,028</u>	<u>\$ 1.43</u>

The number of shares outstanding was retrospectively adjusted to reflect the effects of the stock dividends distributed in the year following earnings appropriation. The earnings per share after income tax were retrospectively adjusted as followings:

Unit: NTS Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	\$ <u>1.56</u>	\$ <u>1.43</u>
Diluted earnings per share	\$ <u>1.55</u>	\$ <u>1.43</u>

ESFHC can elect to distribute bonus to employees by stock or by cash. If the bonus are in the form of cash or shares, ESFHC should presume that the entire amount of the bonus and compensation will be settled in shares, and the resulting potential shares should be included in the weighted average number of shares outstanding to be used in calculating diluted earnings per share (EPS) if the shares have a dilutive effect. The number of shares is estimated by dividing the entire amount of the bonus by the closing price of the shares on the balance sheet date. The dilutive effects of the potential shares needs to be included in the calculation of diluted EPS until the stockholders resolve the number of shares to be distributed to employees in the following year.

36. EQUITY

a. Capital stock

Common stock

	December 31	
	2015	2014
Authorized number of shares (in thousands)	<u>10,000,000</u>	<u>10,000,000</u>
Authorized capital	<u>\$ 100,000,000</u>	<u>\$ 100,000,000</u>
Number of shares issued (in thousands)	<u>7,951,700</u>	<u>7,053,000</u>
Common stock issued	<u>\$ 79,517,000</u>	<u>\$ 70,530,000</u>

Common stock issued has a NT\$10 par value. Each share has one voting right and the right to receive dividends.

In January 2014, ESFHC increased its capital because the bondholders had transferred 239,079 thousand shares to capital stock from the convertible bonds. This issuance was approved by the Ministry of Economic Affairs (MOEA).

On March 5, 2014, the board of directors of ESFHC resolved to increase its capital by issuing 700,000 thousand shares at NT\$15.00 per share. The issuance was approved by the MOEA.

In 2014, the stockholders of ESFHC resolved to use \$5,763,380 thousand from the 2013 unappropriated earnings as stock bonus to stockholders and also resolved to use \$233,774 thousand from the bonus to employees as stock bonus. The appropriations and bonus, which were a total of 589,621 thousand shares, were approved by the FSC and the MOEA.

ESFHC increased its capital because the bondholders had transferred 248,650 thousand shares to capital stock from the convertible bonds in the first quarter of 2015. The issuance was approved by the MOEA.

In 2015, the stockholders of ESFHC resolved to use \$6,347,700 thousand from the 2014 unappropriated earnings as stock bonus to stockholders and also resolved to use \$282,672 thousand from the bonus to employees as stock bonus. The appropriations and bonus, which were a total of 650,050 thousand shares, were approved by the FSC. The issuance was approved by the MOEA.

To dispose of ESFHC's shares held by E.SUN Bank and to increase its capital by issuing common stocks for the issuance of Global Depository Shares (GDS), ESFHC issued 14,800 thousand units of GDS (one unit represents 25 common shares), which equaled 370,000 thousand common shares, on the Luxembourg Stock Exchange.

The GDS holders are entitled to present their GDSs for cancellation and receive the corresponding number of underlying common shares, and the common shares can be traded in the domestic stock exchange market. As of December 31, 2015, the GDS holders had canceled 19,808 thousand units (equal to 495,201 thousand shares), ESFHC issued 433 thousand units (equal to 10,826 thousand shares) because of capital increase, and the deposit agents reissued 5,214 thousand units (equal to 130,358 thousand shares). Therefore, the outstanding GDSs were 639 thousand units, which were equal to 15,983 thousand shares, or 0.2010% of ESFHC's total outstanding common shares.

b. Capital surplus

Under the related regulations, capital surplus may be used to offset a deficit. Capital surplus arising from the issuance of shares (issuance in excess of par value, capital surplus from issuance of common stock for combination and treasury stock transactions) and donation may be distributed as cash dividends or transferred to common stock on the basis of the percentage of shares held by the

stockholders. Any capital surplus transferred to common stock should be within a certain percentage prescribed by law.

Capital surplus from equity investments under the equity method should not be distributed for any purpose.

For the Financial Holding Company, if the capital surplus due from stocks convert of financial intuition is from unappropriated retained earnings before convert, according to the regulatory, the Company could implement distributing cash dividends or the capital increase in entre year, furthermore, the proportion of capital increase doesn't restricted by Securities and Exchange Act Article 41 point 2 and Securities and Exchange Act Enforcement Rules Article 8. The distribution of unappropriated retained earnings without restriction above, is the amount after recognizing legal reserve or special reserve.

The subsidiaries' unappropriated retained earnings before stock conversion amounted to \$2,919,727 thousand, which was already stated as ESFHC's capital surplus as of its establishment date. In 2002, the stockholders resolved to increase ESFHC's capital by \$1,800,000 thousand through the issuance of stock dividends from capital surplus.

As of December 31, 2015, the capital surplus came from treasury stock transactions and the issuance of shares in excess of par value. Capital surplus sources and uses were as follows:

Sources

From subsidiaries		
Capital surplus (mainly additional paid-in capital from share issuance in excess of par value)	\$	413,733
Legal reserve		2,776,834
Special reserve		109,230
Unappropriated earnings		<u>2,919,727</u>
		6,219,524
Total capital stock of subsidiaries in excess of ESFHC's issuance		<u>600,000</u>
Balance on January 28, 2002		6,819,524
From E.SUN Securities Investment Trust Corp. (ESSIT) which became a 100% subsidiary of ESFHC in 2003 through a share swap		
Legal reserve		4,350
Unappropriated earnings		<u>7,861</u>
		6,831,735
Corporate bonds converted into capital stock		
In 2003		9,005
In 2004		2,613,625
In 2006		2,252,133
In 2008		524,401
In 2014		1,012,590
In 2015		995,591
Treasury stock transactions recognized from subsidiaries		3,015,943
Transferring of shares to employees by subsidiary		483
Cash dividends from ESFHC received by subsidiaries		208,161
Transferring of shares to employees by ESFHC		157,897

(Continued)

The difference between par value and issue price for the issuance of common stock from bonus to employees		
In 2010	\$	14,377
In 2011		48,674
In 2012		30,232
In 2013		77,059
In 2014		100,948
In 2015		129,876
Additional paid-in capital from ESFHC's share issuance in excess of par value		
In 2011		2,500,000
In 2012		1,062,422
In 2014		3,500,000
Share-based payment for the subscription for ESFHC's new shares by the employees of ESFHC and its subsidiaries		
In 2011		200,132
In 2014		264,769
		<u>25,550,053</u>
<u>Uses</u>		
Remuneration to directors and supervisors and bonus to employees by subsidiaries		(156,458)
Issuance of ESFHC's stock dividends in 2002		(1,800,000)
Offset of deficit in 2003		(3,091,451)
Difference between par value and issue price for the issuance of common stock from bonus to employees in 2009		<u>(980)</u>
	\$	<u>20,501,164</u>
		(Concluded)

c. Special reserve

Under FSC guidelines, ESFHC reclassified the trading loss reserve and default loss reserve made before 2010 to special reserve. This special reserve may be used to offset a deficit. If ESFHC has no deficit and the special reserve exceeds 50% of its paid-in capital, half of the excess may be used to issue new shares. Furthermore, when the special reserve exceeds ESFHC's paid-in capital, ESFHC may, under the FSC's approval, reclassify the excess back to unappropriated earnings. The special reserve from equity investments under the equity method was \$164,235 thousand as of December 31, 2015.

d. Appropriation of earnings and dividend policy

1) The Articles of Incorporation (before revision on June 20, 2014)

When ESFHC appropriates its earnings, legal reserve should be appropriated from the annual net income less any accumulated deficit. A special reserve may then be appropriated. Any remainder should be appropriated as follows:

- a) 96% as dividends;
- b) 1% as remuneration to directors; and
- c) 3% as bonus to employees.

The stockholders may decide not to declare any dividends or decide to distribute only a portion of the distributable earnings.

2) The Articles of Incorporation (after revision on June 20, 2014)

When ESFHC appropriates its earnings, legal reserve should be appropriated from the annual net income less any accumulated deficit. A special reserve, if needed, should be appropriated. From any remainder and reversal of special reserve:

- a) No more than 1% as remuneration to directors;
- b) 3% as bonus to employees; and
- c) For the remainder and prior years' unappropriated earnings, the board of directors shall draw up the appropriation of earnings motion for the approval of stockholders.

Under ESFHC's dividend policy, the issuance of stock dividends takes precedence over the payment of cash dividends to strengthen ESFHC's financial structure. This policy is also intended to improve ESFHC's capital adequacy ratio and keep it at a level higher than the ratio set under relevant regulations. However, when dividends are declared, cash dividends must be at least 10% of total dividends declared, unless the resulting cash dividend per share falls below NT\$0.10.

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. ESFHC made consequential amendments to ESFHC's Articles of Incorporation on January 8, 2016 and are subject to the resolution of the stockholders in their meeting to be held in 2016. For information about the accrual basis of the bonus to employees, employees' compensation and remuneration to directors and the actual distributions, please refer to Note 33.

Under the Company Law, legal reserve should be appropriated until the reserve equals ESFHC's paid-in capital. This reserve should only be used to offset a deficit. When the reserve exceeds 25% of ESFHC's paid-in capital, the excess may be used to issue new shares or distribute cash dividends.

Under related regulations, a special reserve is appropriated from the balance of the retained earnings at an amount from the net income and unappropriated earnings that is equal to the debit balance of accounts in the stockholders' equity section (such as unrealized gain or loss on financial instruments and cumulative translation adjustments, except treasury stocks). The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years and such special reserve should not be appropriated. Afterward, if there is any reversal of the decrease in other stockholders' equity, ESFHC is allowed to appropriating retain earning from the reversal amount.

According to Income Tax Act, except non-resident stockholders, other stockholders allow obtaining the amount of the imputation credit regard to tax deduction ratio on dividend distribution date while ESFHC appropriating retain earning.

The appropriations from the earnings of 2014 and 2013 were approved in the stockholders' meetings on June 12, 2015 and June 20, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2014	2013	2014	2013
Legal reserve	\$ 1,052,855	\$ 841,398	\$ 0.4346757	\$ 0.27642623
Cash dividends	3,173,850	1,786,647	0.8693514	0.89169752
Stock dividends	6,347,700	5,763,380		

The appropriation from the earnings of 2015 had been proposed by ESFHC's board of directors on March 18, 2016. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Legal reserve	\$ 1,267,973	
Cash dividends	3,419,231	\$ 0.43
Stock dividends	7,951,700	1

The appropriation of earnings for 2015 are subject to the resolution of the shareholders' meeting to be held in 2016. Information on earnings appropriation or deficit offsetting can be accessed through the Web site of the Taiwan Stock Exchange (<http://emops.tse.com.tw>).

e. Non-controlling interests

	For the Year Ended December 31	
	2015	2014
Balance, January 1	\$ 784,953	\$ 662,686
Attributable to non-controlling interests		
Net income	62,612	76,776
Unrealized gains on available-for-sale financial assets	260	207
Exchange differences on the translation of financial statements of foreign operations	32,414	45,284
Acquisition of non-controlling interests in subsidiary (Note 48)	<u>(146,447)</u>	<u>-</u>
Balance, December 31	<u>\$ 733,792</u>	<u>\$ 784,953</u>

37. RELATED-PARTY TRANSACTIONS

ESFHC is the ultimate controller of the E.SUN Group. All transactions, balances, income and expenses between the parent company (ESFHC) and the subsidiaries (related parties of the Company) are eliminated on a consolidated basis. In addition to those mentioned in Table 2 and in other notes, the significant related-party transactions are summarized as follows:

a. Related parties

Related Party	Relationship with the Company
E.SUN Foundation and E.SUN Volunteer & Social Welfare Foundation	One third of the funds are donated by E.SUN Bank
Others	Key management of the Company and other related parties

b. Significant transactions with related parties

1) Loans and deposits

a) Loans

	Highest Balance (Note)	Ending Balance	Interest Revenue	Interest Rate (%)
<u>2015</u>				
Key management	\$ 231,036	\$ 197,219	\$ 2,677	
Others	<u>1,771,252</u>	<u>1,600,578</u>	<u>23,273</u>	
	<u>\$ 2,002,288</u>	<u>\$ 1,797,797</u>	<u>\$ 25,950</u>	1.280-2.430
<u>2014</u>				
Key management	\$ 175,160	\$ 172,135	\$ 1,984	
Others	<u>1,528,701</u>	<u>1,409,457</u>	<u>18,202</u>	
	<u>\$ 1,703,861</u>	<u>\$ 1,581,592</u>	<u>\$ 20,186</u>	1.330-2.417

b) Deposits

	Highest Balance (Note)	Ending Balance	Interest Expense	Interest Rate (%)
<u>2015</u>				
Key management	\$ 531,530	\$ 249,992	\$ 1,794	
Others	<u>1,719,455</u>	<u>912,270</u>	<u>13,716</u>	
	<u>\$ 2,250,985</u>	<u>\$ 1,162,262</u>	<u>\$ 15,510</u>	0.000-6.760
<u>2014</u>				
Key management	\$ 949,853	\$ 184,310	\$ 1,727	
Others	<u>1,853,085</u>	<u>703,964</u>	<u>12,212</u>	
	<u>\$ 2,802,938</u>	<u>\$ 888,274</u>	<u>\$ 13,939</u>	0.000-6.900

Note: The sum of the respective highest balances of each account for the years ended December 31, 2015 and 2014.

2) Directors as credit guarantors

	Amount	Interest Rate (%)	Rate of Guarantee Service Fee (%)
December 31, 2015	<u>\$ 60,000</u>	1.73	-
December 31, 2014	<u>\$ 40,000</u>	1.76	-

	For the Year Ended December 31	
	2015	2014
3) Donation (part of general and administrative expenses)		
E.SUN Foundation	\$ -	\$ 15,000
E.SUN Volunteer & Social Welfare Foundation	<u>47,149</u>	<u>63,850</u>
	<u>\$ 47,149</u>	<u>\$ 78,850</u>
4) Other (part of general and administrative expenses)	<u>\$ 1,825</u>	<u>\$ 1,489</u>

The above donations are for E.SUN Foundation's and E.SUN Volunteer & Social Welfare Foundation's culture and education promotion and social welfare charity.

- 5) In August 2012, E.SUN Volunteer & Social Welfare Foundation entrusted some properties to E.SUN Bank. E.SUN Bank charged \$64 thousand and \$110 thousand (part of service fee and commission income, net) accordingly for the years ended December 31, 2015 and 2014, respectively.

The interest rates shown above were similar to, or approximate, those offered to third parties. However, the interest rates for deposits given to managers of E.SUN Bank were the same as the interest rates of employees' savings deposits within a certain amount.

Under the Banking Law, except for consumer loans and government loans, credits extended by E.SUN Bank to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

c. Subsidiaries' related-party transactions and balances that each amounted to more than \$100,000 thousand

1) E.SUN Bank

a) Loans

	Highest Balance (Note)	Ending Balance	Interest Revenue	Interest Rate (%)
<u>2015</u>				
Subsidiaries	\$ 2,800,744	\$ 2,800,744	\$ 24,827	
Sister companies	367,600	-	16	
Key management	231,036	197,219	2,677	
Others	<u>1,735,060</u>	<u>1,565,983</u>	<u>22,771</u>	
	<u>\$ 5,134,440</u>	<u>\$ 4,563,946</u>	<u>\$ 50,291</u>	1.280-2.430
<u>2014</u>				
Sister companies	\$ 204,100	\$ -	\$ 9	
Key management	175,160	172,135	1,984	
Others	<u>1,491,820</u>	<u>1,373,252</u>	<u>17,712</u>	
	<u>\$ 1,871,080</u>	<u>\$ 1,545,387</u>	<u>\$ 19,705</u>	1.330-2.417

b) Deposits

	Highest Balance (Note)	Ending Balance	Interest Expense	Interest Rate (%)
2015				
ESFHC	\$ 6,061,714	\$ 1,004,970	\$ 8,348	
Sister companies	3,784,812	3,219,011	15,965	
Key management	481,514	246,571	1,748	
Others	<u>1,699,254</u>	<u>907,560</u>	<u>13,644</u>	
	<u>\$ 12,027,294</u>	<u>\$ 5,378,112</u>	<u>\$ 39,705</u>	0.000-6.760
2014				
ESFHC	\$ 14,299,230	\$ 2,710,290	\$ 16,395	
Sister companies	3,551,183	2,328,250	17,295	
Key management	925,970	169,603	1,700	
Others	<u>1,826,676</u>	<u>689,165</u>	<u>12,181</u>	
	<u>\$ 20,603,059</u>	<u>\$ 5,897,308</u>	<u>\$ 47,571</u>	0.000-6.900

Note: The sum of the respective highest balances of each account for the years ended December 31, 2015 and 2014.

	December 31	
	2015	2014
c) Due from banks (part of cash and cash equivalents and other financial assets) - subsidiaries	<u>\$ -</u>	<u>\$ 1,900,200</u>
d) Receivables on consolidated tax returns (part of current tax assets) - ESFHC	<u>\$ -</u>	<u>\$ 138,082</u>
e) Due to banks - subsidiaries	<u>\$ 116,987</u>	<u>\$ 704,169</u>
f) Other receivables (part of receivables) - subsidiaries	<u>\$ 248,815</u>	<u>\$ -</u>
g) Payables on consolidated tax returns (part of current tax liabilities) - ESFHC	<u>\$ 755,881</u>	<u>\$ 721,810</u>

The receivables and payables on consolidated tax returns refer to ESFHC's filed consolidated corporate tax returns from 2003.

The interest rates shown above are similar to, or approximate, those offered to third parties. However, the interest rates for deposits given to managers of E.SUN Bank are the same as the interest rates of employees' savings deposits within a certain amount.

Under the Banking Law, except for consumer loans and government loans, credits extended by E.SUN Bank to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those extended to third parties.

2) E.SUN Securities

a) Deposits each amounting to more than \$100,000 thousand in E.SUN Bank as of December 31, 2015 and 2014:

	December 31	
	2015	2014
Deposit	<u>\$ 208,921</u>	<u>\$ 136,621</u>
Deposit - futures exchange margins	<u>\$ 249,024</u>	<u>\$ 264,457</u>
Deposit - collection of securities underwritten	<u>\$ 543,328</u>	<u>\$ -</u>
Operating deposits	<u>\$ 510,000</u>	<u>\$ 610,000</u>
Restricted assets - current	<u>\$ 194,000</u>	<u>\$ 94,000</u>

b) E.SUN Securities entrusted to E.SUN Bank the deal settlement of securities and applied for a guarantee for overdraft amounting to \$3,000,000 thousand as of December 31, 2015 and 2014. For this overdraft, E.SUN Securities provided time deposits and real estate to E.SUN Bank as collaterals. Other financial institutions provided guarantee for the overdraft. As of December 31, 2015 and 2014, there was no overdraft amount.

c) For its business needs, E.SUN Securities applied for a short-term loan up to \$200,000 thousand from E.SUN Bank. The balances and interest expenses for the short-term loan were as follows:

	Highest Balances	Ending Balances	Interest Rate (%)	Interest Expense
For the year ended December 31, 2015	\$ 30,000	\$ -	1.33%	\$ 17
For the year ended December 31, 2014	14,000	-	1.33%	9

3) ESVC

	December 31	
	2015	2014
Deposits - E.SUN Bank	<u>\$ 381,558</u>	<u>\$ 767,765</u>

4) ESIB

	December 31	
	2015	2014
Deposits - E.SUN Bank	<u>\$ 1,026,103</u>	<u>\$ 349,306</u>

	For the Year Ended December 31	
	2015	2014
Cross-selling service charge - E.SUN Bank	<u>\$ 2,668,389</u>	<u>\$ 1,727,616</u>

d. Salaries, bonuses and remuneration to key management

The salaries, bonuses and remuneration to the directors and other key management for the years ended December 31, 2015 and 2014 are summarized as follows:

	For the Year Ended December 31	
	2015	2014
Salaries and other short-term employment benefits	\$ 244,779	\$ 221,004
Retirement benefits	1,716	1,744
Interest arising from the employees' preferential rates in excess of normal rates	<u>303</u>	<u>284</u>
	<u>\$ 246,798</u>	<u>\$ 223,032</u>

38. PLEDGED ASSETS

a. In addition to those mentioned in other notes, pledged assets were as follows:

	December 31	
	2015	2014
Financial assets at fair value through profit or loss (face value)	\$ 23,890,900	\$ 25,632,076
Available-for-sale financial assets (face value)	1,819,602	1,556,894
Held-to-maturity financial assets (face value)	<u>2,391,670</u>	<u>1,694,220</u>
	<u>\$ 28,102,172</u>	<u>\$ 28,883,190</u>

As of December 31, 2015 and 2014, the foregoing bonds and securities, with aggregate face value of \$18,200,000 thousand and \$19,770,000 thousand, respectively, had been provided as collaterals for day-term overdraft to comply with the clearing system requirement of the Central Bank (CB) of the Republic of China for real-time gross settlement (RTGS). The unused overdraft amount at day's end can also be treated as E.SUN Bank's liquidity reserve.

For covering its call loans from the CB, E.SUN Bank had provided collaterals consisting of securities with aggregate face values of \$5,000,000 thousand as of December 31, 2015 and 2014, respectively.

It had also provided other securities as collaterals for operating reserve and for meeting the requirements for judiciary provisional seizure.

b. To expand its capital sourcing and enhance its liquidity position, E.SUN Bank's Los Angeles Branch obtained access privileges at the Discount Window of the Federal Reserve Bank of San Francisco. For this access, the Branch pledged the following assets:

(In Thousands of U.S. Dollars)

Date	Outstanding Loan Balance	Collateral Value
December 31, 2015	<u>\$ 15,000</u>	<u>\$ 7,571</u>

39. CONTINGENCIES AND COMMITMENTS

In addition to those mentioned in other notes, the contingencies and commitments were as follows:

a. E.SUN Bank

1) Lease agreements on premises occupied by E.SUN Bank's branches are operating lease. Rentals are calculated on the basis of the leased areas and are payable monthly, quarterly or semiannually. As of December 31, 2015, refundable deposits on these leases totaled \$950,709 thousand. Minimum future annual rentals are as follows:

	December 31	
	2015	2014
Within one year	\$ 767,640	\$ 739,811
Over one year to five years	1,662,179	1,731,693
Over five years	<u>739,582</u>	<u>173,341</u>
	<u>\$ 3,169,401</u>	<u>\$ 2,644,845</u>

The lease payments recognized as expenses are as follows:

	For the Year Ended December 31	
	2015	2014
Minimum lease payments	\$ 614,151	\$ 527,942
Contingent rentals	<u>1,324</u>	<u>2,921</u>
	<u>\$ 615,475</u>	<u>\$ 530,863</u>

- 2) Lease agreements on investment properties owned by E.SUN Bank and rent to others are operating lease. Rentals are calculated on the basis of the leased areas and are receivable monthly, quarterly or semiannually. The lessees have no preemptive rights to buy properties at the end of the lease agreements. As of December 31, 2015, refundable deposits on these leases totaled \$6,329 thousand. Minimum future annual rentals are as follows:

	December 31	
	2015	2014
Within one year	\$ 2,180	\$ 2,945
Over one year to five years	<u>1,220</u>	<u>1,691</u>
	<u>\$ 3,400</u>	<u>\$ 4,636</u>

- 3) Agreements on the acquisition and decoration of buildings and various purchases related to the improvements of existing premises occupied by E.SUN Bank's branches amounted to approximately \$2,530,571 thousand. As of December 31, 2015, the remaining unpaid amount was approximately \$869,992 thousand.

b. Union Commercial Bank (UCB)

- 1) Lease agreements on premises occupied by UCB are operating lease. As of December 31, 2015, refundable deposits on these leases totaled \$13,634 thousand. Minimum future annual rentals are as follows:

	December 31	
	2015	2014
Within one year	\$ 19,554	\$ 9,240
Over one year to five years	54,319	34,969
Over five years	<u>111,371</u>	<u>19,929</u>
	<u>\$ 185,244</u>	<u>\$ 64,138</u>

- 2) Decoration of buildings and various purchases related to the improvements of existing premises occupied by UCB amounted to approximately \$882,389 thousand. As of December 31, 2015, the remaining unpaid amount was approximately \$672,400 thousand.

c. E.SUN Securities

There are renewable operating lease agreements on premises occupied by E.SUN Securities' branches. Rentals are calculated on the basis of the leased areas and are payable monthly or quarterly. As of December 31, 2015, refundable deposits on these leases totaled \$15,827 thousand. Minimum annual rentals are as follows:

	December 31	
	2015	2014
Within one year	\$ 60,730	\$ 30,193
Over one year to five years	164,595	75,741
Over five years	<u>-</u>	<u>7,405</u>
	<u>\$ 225,325</u>	<u>\$ 113,339</u>

The lease payments recognized as expenses are as follows:

	For the Year Ended December 31	
	2015	2014
Minimum lease payments	\$ <u>64,059</u>	\$ <u>35,995</u>

d. ESIB

ESIB entered into insurance Cooperative and Extension contracts with various insurance companies. The contracts' period are one year and automatically extended for another year if the parties do not terminate the contract. The commission are billed and received in accordance with contract terms.

40.E.SUN BANK'S AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average balance was calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

	For the Year Ended December 31			
	2015		2014	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Cash and cash equivalents and other financial assets - due from banks	\$ 59,511,220	2.93	\$ 52,092,398	3.34
Call loans to banks	6,681,721	0.35	7,759,632	1.18
Due from the Central Bank	33,864,826	0.50	31,499,501	0.53
Held-for-trading financial assets - bonds	2,767,626	2.95	2,752,067	2.80
Held-for-trading financial assets - bills	231,375,304	0.78	221,819,201	0.82
Financial assets designated as at fair value through profit or loss - bonds	76,839,968	2.90	54,370,341	2.50
Securities purchased under resell agreements	702,384	1.57	72,179	0.82
Accounts receivable factored without recourse	21,089,250	2.85	18,382,918	2.45
Discounts and loans	977,956,492	2.26	887,047,686	2.25
Receivables on credit cards	21,139,260	8.74	19,234,820	10.47
Available-for-sale financial assets - bonds	102,689,087	1.85	82,492,622	1.73
Held-to-maturity financial assets	5,453,967	1.81	8,164,698	1.91
Debt instruments with no active market	1,138,592	3.52	2,648,713	2.74
<u>Interest-bearing liabilities</u>				
Due to the Central Bank and other banks	66,011,026	1.04	70,907,400	0.84
Financial liabilities at fair value through profit or loss	13,829,905	4.55	3,457,251	4.22
Securities sold under repurchase agreements	8,602,101	1.35	13,711,968	1.36
Demand deposits	355,900,445	0.23	289,487,954	0.23
Savings - demand deposits	392,693,786	0.35	352,314,990	0.35
Time deposits	339,279,053	1.35	305,617,304	1.38
Savings - time deposits	263,520,312	1.34	245,675,035	1.35
Negotiable certificates of deposits	1,277,789	0.53	1,356,329	0.53
Bank debentures	43,825,302	1.89	50,516,238	2.15
Principal of structured products	955,072	2.98	2,327,081	2.94

41.FINANCIAL INSTRUMENTS

a. Fair values of financial instruments that are not measured at fair value

Except as detailed in the following table, the management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or that the fair values cannot be reasonably measured.

	December 31			
	2015		2014	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>				
Held-to-maturity financial assets	\$ 5,289,839	\$ 5,324,005	\$ 5,915,792	\$ 5,982,769
Debt instruments with no active market	987,000	1,014,969	950,100	951,109
<u>Financial liabilities</u>				
Bonds payable	50,750,000	51,254,289	49,600,000	49,805,051

Fair value hierarchy as of December 31, 2015

	Total		Level 1		Level 2		Level 3
<u>Financial assets</u>							
Held-to-maturity financial assets	\$ 5,324,005	\$	4,981,384	\$	342,621	\$	-
Debt instruments with no active market	1,014,969		-		1,014,969		-
<u>Financial liabilities</u>							
Bonds payable	51,254,289		-		51,254,289		-

The fair values of the financial assets and financial liabilities included in the Level 2 categories above have been determined in accordance with income approaches based on a discounted cash flow analysis.

b. The valuation techniques and assumptions the Company uses for determining fair values are as follows:

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. When market prices are not available, valuation techniques are applied.

The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments.

The Company estimated the fair value of each forward contract on the basis of the exchange rates quoted by Reuters on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the discounted cash flow method, unless the fair values of these two types of contracts are provided by counter-parties. Fair values of currency option contracts are based on estimates made using the Black Scholes model, binomial method or Monte Carlo simulation. Fair values of credit default swap contracts are valued using the discount spread method or modified Hull-White model. The fair values of futures contracts are calculated using the prices quoted by the futures exchange.

For valuation of debt instruments with no active market, the fair value is determined on the basis of the discounted cash flow method. The Company uses a discount rate approximating the rate of return of financial instruments with similar terms and characteristics, including the credit risk of the debtors, the residual period during which the fixed interest rate prescribed by contracts is accrued, the residual period for principal repayments, and the type of currency (New Taiwan dollar, U.S. dollar, etc.) to be used for payments. As of December 31, 2015 and 2014, the discount rates used ranged from 0.233% to 1.960% and from 0.391% to 2.321%, respectively, for the New Taiwan dollar and from 0.410% to 2.633% and from 0.175% to 2.688%, respectively, for the U.S. dollar.

If there are trade prices or prices quoted by major market players, the latest trade prices and quoted prices are used as the basis for evaluating the fair value of debt instruments with no active market, which are classified as other financial assets; otherwise, the Company uses the foregoing valuation techniques to determine fair value.

c. The fair value hierarchies of the Company's financial instruments as of December 31, 2015 and 2014 were as follows:

	December 31, 2015			
	Total	Level 1	Level 2	Level 3
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Held-for-trading financial assets				
Stocks	\$ 606,582	\$ 606,582	\$ -	\$ -
Debt instruments	2,676,820	2,676,820	-	-
Others	244,711,064	142,144	244,568,920	-
Financial assets designated as at fair value through profit or loss	84,192,890	8,436,610	75,756,280	-
Available-for-sale financial assets				
Stocks	5,126,753	5,123,753	-	-
Debt instruments	126,154,884	113,575,717	12,563,129	16,038
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	20,111,409	-	20,111,409	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss	17,415,888	307,800	17,108,088	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	15,764,186	39,359	15,724,827	-
December 31, 2014				
	Total	Level 1	Level 2	Level 3
<u>Nonderivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Held-for-trading financial assets				
Stocks	\$ 762,558	\$ 762,558	\$ -	\$ -
Debt instruments	2,873,263	2,873,263	-	-
Others	210,243,937	179,450	210,064,487	-
Financial assets designated as at fair value through profit or loss	63,817,034	10,113,784	53,703,250	-
Available-for-sale financial assets				
Stocks	3,372,992	3,372,992	-	-
Debt instruments	82,406,984	67,835,173	14,540,572	31,239
Others	250,519	250,519	-	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	13,615,403	-	13,615,403	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at fair value through profit or loss	15,173,319	475,290	14,698,029	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	12,466,470	96,112	12,370,358	-

d. Other information on financial assets and liabilities in Level 3 for the years ended December 31, 2015 and 2014 is as follows:

For the year ended December 31, 2015

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses)		Amount of Increase		Amount of Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Purchase or Issuance	Transfer to Level 3	Sale or Disposal	Transfer from Level 3	
Assets								
Available-for-sale financial assets	\$ 31,239	\$ -	\$ (15,201)	\$ -	\$ -	\$ -	\$ -	\$ 16,038

For the year ended December 31, 2014

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses)		Amount of Increase		Amount of Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Purchase or Issuance	Transfer to Level 3	Sale or Disposal	Transfer from Level 3	
Assets								
Financial assets at fair value through profit or loss								
Held-for-trading financial assets	\$ 5,585	\$ -	\$ -	\$ -	\$ -	\$ (5,585)	\$ -	\$ -
Available-for-sale financial assets	28,918	-	2,321	-	-	-	-	31,239
Liabilities								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	5,585	-	-	-	-	(5,585)	-	-

e. Information on financial liabilities designated as at fair value through profit or loss is as follows:

	December 31	
	2015	2014
Difference between carrying amounts and the amounts due on maturity		
Fair value	\$ 20,111,409	\$ 13,615,403
Amounts due on maturity	<u>20,110,080</u>	<u>12,284,160</u>
	<u>\$ 1,329</u>	<u>\$ 1,331,243</u>
		Change in Fair Values Resulting from Credit Risk Variations
Change in amount in the period		
For the year ended December 31, 2015		\$ <u>135,074</u>
For the year ended December 31, 2014		\$ <u>149,321</u>
Accumulated amount of change		
As of December 31, 2015		\$ <u>144,933</u>
As of December 31, 2014		\$ <u>21,869</u>

The change in fair value of bank debentures, overseas convertible bonds and structured products of the Company resulting from credit risk variation is the difference between the total change in fair value and the change in fair value due to market risk variations of these financial instruments. The change in fair value resulting from market risk variations is calculated using the benchmark yield rate plus a fixed credit spread. The fair values of the bank debentures, overseas convertible bonds and structured products are the present values of future cash flows discounted by the benchmark yield rate quoted in the market as of the balance sheet date plus the credit spread estimated using the interest rates of the debt issuers' borrowings with similar maturities.

f. Information on financial risk management

1) ESFHC

a) Risk management

ESFHC established the Risk Management Committee, of which the convener is the general manager and the executive secretary is the chief risk officer, to draw up the principles and policies of risk management to be followed by each subsidiary, to coordinate and monitor the enforcement of risk management policies of each subsidiary and to deliberate whether proposals brought up by each risk-based unit focusing on a variety of individual issues are suitable for the Company.

b) Market risk

ESFHC set up the "Market Risk Management Principle of E.SUN Financial Holding Company" as the guideline for market risk management.

It monitors and controls the market risk of ESFHC and subsidiaries, and sets up the risk limit of ESFHC and subsidiaries, including the value at risk (VaR) limit, Position-limit and Stop Loss Limit. ESFHC also makes a risk evaluation report, which covers the taking of risk exposure by each risk-based unit and the adequacy of the current risk management system, to the board of directors quarterly.

The operation of ESFHC involves currencies different from its functional currency, i.e., foreign currencies; thus, ESFHC is exposed to foreign-exchange risks. As of December 31, 2015 and 2014, the carrying amount, currency and spot rate of ESFHC's monetary assets and liabilities denominated in foreign currencies were as follows:

Unit: In Thousands

	December 31					
	2015			2014		
	Assets	Liabilities	Exchange Rate	Assets	Liabilities	Exchange Rate
USD	\$ 1,527	\$ -	32.90	\$ 76,371	\$ 110,250	31.67

The profit and loss from the fluctuations in exchange rates for foreign-currency assets and liabilities will be offset; thus, ESFHC expects the risk from exchange rate fluctuations to be immaterial.

c) Credit risk

To maintain good asset quality, ESFHC's subsidiaries have established independent credit review divisions and set up fair credit approval processes. ESFHC and subsidiaries also set up management policies and requirements of counterparties' credit rating, default risk, settlement risk, and risk concentration pertaining products, industries, and affiliates.

d) Liquidity risk

ESFHC set up the “Liquidity Risk Management Guideline of E.SUN Financial Holding Company” as the guideline for liquidity risk management. It monitors and asks ESFHC and subsidiaries to maintain appropriate liquidity, payment ability, financial stability, and to improve urgent situation handling ability.

ESFHC and subsidiaries also follow the requirements of authorities, adopt numeral management, and compile cash flow gap analysis report regularly. Additionally, ESFHC and subsidiaries set up liquidity risk management index and monitor it strictly.

2) E.SUN Bank and its subsidiaries

a) Risk management

E.SUN Bank established the Risk Management Division to draw up the principles and policies of risk management that should be followed by each department, to coordinate and monitor the enforcement of risk management policies of each department and to deliberate whether proposals brought up by each risk-based unit to deal with a variety of issues are suitable for E.SUN Bank. The division also supports decision-making on several important issues to ensure that E.SUN Bank has adequate capital to achieve profit objectives under reasonable risk.

b) Credit risk

Credit risk refers to E.SUN Bank and its subsidiaries’ exposure to financial losses due to inability of customers or counter-parties to meet the contractual obligations on financial instruments. Credit risk exists in both on- and off- balance sheet items. The on-balance sheet exposure to credit risks is mainly in loans and the credit card business, due from other banks, call loans to other banks, investment in debt instrument and derivatives. The off-balance sheet exposure to credit risks is mainly in financial guarantees, acceptance, letter of credits and loan commitments.

To ensure its credit risk falls within the acceptable range, E.SUN Bank and its subsidiaries have stipulated in the Guidelines for Credit Risk Management that for all the products provided and businesses conducted, including all on- and off-balance sheet transactions

in the banking and trading books, E.SUN Bank and its subsidiaries should make a detailed analysis to identify existing and potential credit risks. Before launching new products or businesses, E.SUN Bank and its subsidiaries ensure compliance with all applicable rules and regulations and identify relevant credit risks. For sophisticated credit extensions, such as accounts receivable factored without recourse and credit derivative instruments, etc., E.SUN Bank and its subsidiaries also require the use of a certain risk management system described in related rules and guidelines. The assessment of asset qualities and provision for possible losses of the overseas operating units, unless regulated by the local authorities, are in accordance with E.SUN Bank and its subsidiaries’ risk management policies and guidelines.

The measurement and management of credit risks from E.SUN Bank and its subsidiaries’ main businesses are as follows:

a) Loans and credit card business (including loan commitment and guarantees):

Credit assets are classified into five categories. In addition to normal credit assets that are classified as sound assets, the unsound assets are classified, on the basis of the valuation of collaterals and the length of time the payments become overdue, as special mention, substandard, with collectability high doubtful and uncollectible. E.SUN Bank and its subsidiaries also set up policies for the management of doubtful credits and the collection of overdue debts to deal with collection problems.

For risk management purposes, E.SUN Bank and its subsidiaries rate credit qualities (by using an internal rating model for credit risk, a credit score table, etc.) in accordance with the nature and scale of a business.

With the use of statistical method and judgment by experts, E.SUN Bank and its subsidiaries have developed a credit rating model for clients. E.SUN Bank and its subsidiaries review the model periodically to examine if the outcome matches reality and adjusts each parameter to optimize the result. Except the petit credits and residential mortgages, which are assessed by using the credit rating model, consumer loans are assessed individually for default risks.

E.SUN Bank and its subsidiaries classify the credit qualities of corporate loans as strong, medium and weak.

E.SUN Bank and its subsidiaries evaluate the credit rating of borrowers at least once a year. In addition, to ensure the estimates used are reasonable and to make sure the outcome calculated matches reality, E.SUN Bank and its subsidiaries annually conduct validity test and back testing on the models using data on customers' actual defaults.

b) Due from and call loans to other banks

E.SUN Bank and its subsidiaries evaluate the credit status of counter-parties before deals are closed. E.SUN Bank and its subsidiaries grant different limits to the counter-parties based on their respective credit ratings as suggested by domestic and foreign credit rating institutes.

c) Investment in debt instruments and derivatives

E.SUN Bank and its subsidiaries identify and manage the credit risks from debt instruments through the use of external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counter-party risks.

The other banks with which E.SUN Bank and its subsidiaries conduct derivative transactions are mostly considered investment grade. E.SUN Bank and its subsidiaries monitor the credit limits (including lending limits) by counter-parties. The credits extended to counter-parties that are not rated as investment grade are assessed case by case. The credits extended to counter-parties who are general customers are monitored in accordance with the related contract terms and conditions and the credit limits for derivatives established in normal credit granting processes.

E.SUN Bank and its subsidiaries classify the debt instruments and derivatives into different categories, which are mainly based on the credit ratings provided by external credit agencies (Moody's, S&P, Fitch or Taiwan Ratings).

E.SUN Bank and its subsidiaries have a series of measures for credit granting to reduce credit risks. One of the procedures is asking for collaterals from the borrowers. To secure the debt, E.SUN Bank and its subsidiaries manage and assess the collaterals following the procedures that determine the scope of collateralization and valuation of collaterals and the process of disposition. In credit contracts, E.SUN Bank and its subsidiaries stipulate the security mechanism for debts; the conditions and terms for collaterals; and the terms and conditions of offsetting to state clearly that E.SUN Bank and its subsidiaries reserve the right to reduce the granted quota, to reduce the repayment period, to demand immediate settlement or to offset the debts of the borrowers by their deposits in E.SUN Bank and its subsidiaries in order to reduce the credit risks. The requirements for collaterals for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collaterals.

To avoid the concentration of credit risks, E.SUN Bank and its subsidiaries have included credit limits for a single counter-party and for a single group in its credit-related guidelines. E.SUN Bank and its subsidiaries have also included credit limits for an individual (entity) and for related enterprises (group) in the guidelines for investment and regulations for risk control on equity investments. To manage the concentration risk on the assets, E.SUN Bank and its subsidiaries set credit limits by industry, conglomerate, country, transactions collateralized by stocks, and other categories and integrated within one system the supervision of concentration of credit risk in these categories.

E.SUN Bank and its subsidiaries settle most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counter-parties or some circumstances where the transactions with counter-parties are terminated due to defaults.

The maximum exposures of assets on the consolidated balance sheets to credit risks without consideration of guarantees or other credit enforcement instruments approximate the assets' carrying amounts. The maximum exposures of off-balance sheet items to credit risks without consideration of guarantees or other credit enforcement instrument are stated as follows:

	December 31	
	2015	2014
Irrevocable loan commitments issued	\$ 95,251,392	\$ 95,276,277
Credit card commitments	319,845,197	293,718,648
Letters of credit issued yet unused	8,955,148	12,354,288
Other guarantees	15,280,656	15,005,585

The management of E.SUN Bank and its subsidiaries believe their abilities to minimize the credit risk exposures of the off-balance sheet items are mainly attributed to their rigorous evaluation of credit extended and the periodic reviews of these credits.

Concentration of credit risk exists when counter-parties to financial transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Group or industry, regions and collaterals that were 10% or more of total outstanding loans were as follows:

Credit Risk Profile by Group or Industry	December 31			
	2015		2014	
	Amount	%	Amount	%
Natural person	\$ 510,397,703	48	\$ 465,198,756	48
Manufacturing	231,022,272	22	228,159,252	23
Wholesale, retail and restaurants	100,071,132	9	103,803,637	11

Credit Risk Profile by Regions	December 31			
	2015		2014	
	Amount	%	Amount	%
Domestic	\$ 917,441,897	87	\$ 826,126,386	85

Credit Risk Profile by Collaterals	December 31			
	2015		2014	
	Amount	%	Amount	%
Unsecured	\$ 318,280,110	30	\$ 286,172,371	29
Secured				
Real estate	638,251,125	60	579,281,193	60

Some financial assets held by E.SUN Bank and its subsidiaries, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, financial assets at fair value through profit or loss, securities purchased under resell agreements and refundable deposits, are exposed to low credit risks because the counter-parties have rather high credit ratings.

In addition to the above assets, credit quality analyses on other financial assets are as follows:

a) Credit quality analysis on discounts, loans and receivables

December 31, 2015	Neither Past Due Nor Impaired (A)	Past Due But Not Impaired (B)	Impaired (C)	Total (A)+(B)+(C)	Provision for Impairment Losses (D)		Net (A)+(B)+(C)-(D)
					With Objective Evidence of Impairment	With No Objective Evidence of Impairment	
Receivables							
Credit cards	\$ 42,604,075	\$ 1,068,400	\$ 1,786,230	\$ 45,458,705	\$ 530,923	\$ 891,227	\$ 44,036,555
Others	27,489,258	110,633	71,881	27,671,772	23,262	386,756	27,261,754
Discounts and loans	1,022,354,704	7,947,288	4,649,330	1,034,951,322	2,795,079	10,056,941	1,022,099,302

December 31, 2014	Neither Past Due Nor Impaired (A)	Past Due But Not Impaired (B)	Impaired (C)	Total (A)+(B)+(C)	Provision for Impairment Losses (D)		Net (A)+(B)+(C)-(D)
					With Objective Evidence of Impairment	With No Objective Evidence of Impairment	
Receivables							
Credit cards	\$ 35,521,729	\$ 1,120,996	\$ 1,860,429	\$ 38,503,154	\$ 657,858	\$ 906,065	\$ 36,939,231
Others	28,684,595	29,539	36,602	28,750,736	14,903	283,558	28,452,275
Discounts and loans	933,842,900	6,732,339	4,739,619	945,314,858	2,185,307	8,356,188	934,773,363

b) Credit quality analysis on discounts and loans neither past due nor impaired (based on credit ratings of clients)

December 31, 2015	Neither Past Due Nor Impaired			
	Strong	Medium	Weak	Total
Consumer loans				
Residential mortgage	\$ 120,197,264	\$ 138,905,836	\$ 6,643,669	\$ 265,746,769
Petit credit	37,543,587	34,924,086	5,262,321	77,729,994
Others	73,177,111	84,567,048	4,202,711	161,946,870
Corporate loans				
Secured	109,495,053	115,126,783	6,424,750	231,046,586
Unsecured	188,247,277	89,526,386	8,110,822	285,884,485
Total	\$ 528,660,292	\$ 463,050,139	\$ 30,644,273	\$ 1,022,354,704

December 31, 2014	Neither Past Due Nor Impaired			
	Strong	Medium	Weak	Total
Consumer loans				
Residential mortgage	\$ 119,304,121	\$ 138,751,567	\$ 6,535,400	\$ 264,591,088
Petit credit	11,833,102	37,574,055	9,201,570	58,608,727
Others	62,103,704	72,227,063	3,530,783	137,861,550
Corporate loans				
Secured	105,056,035	89,080,003	11,494,703	205,630,741
Unsecured	175,625,436	88,352,385	3,172,973	267,150,794
Total	\$ 473,922,398	\$ 425,985,073	\$ 33,935,429	\$ 933,842,900

c) Credit quality analysis on securities

December 31, 2015	Neither Past Due Nor Impaired				Past Due But Not Impaired (B)	Impaired (C)	Total(A)+(B)+(C)	Provision for Impairment Loss (D)	Net (A)+(B)+(C)-(D)
	Above A+	A - BBB-	Below BB+	Subtotal (A)					
Available-for-sale financial assets									
Bonds	\$ 87,092,745	\$ 38,256,572	\$ 805,567	\$ 126,154,884	\$ -	\$ -	\$ 126,154,884	\$ -	
Equities	1,047,052	1,698,105	876,288	3,621,445	-	-	3,621,445	-	
Held-to-maturity financial assets									
Bonds	4,782,719	164,500	-	4,947,219	-	311,365	5,258,584	34,545	
Others	-	65,800	-	65,800	-	-	65,800	-	
Other financial assets									
Bonds	329,000	658,000	-	987,000	-	-	987,000	-	
Equities	-	-	524,302	524,302	-	35,006	559,308	16,835	

December 31, 2014	Neither Past Due Nor Impaired				Past Due But Not Impaired (B)	Impaired (C)	Total(A)+(B)+(C)	Provision for Impairment Loss (D)	Net (A)+(B)+(C)-(D)
	Above A+	A - BBB-	Below BB+	Subtotal (A)					
Available-for-sale financial assets									
Bonds	\$ 52,834,265	\$ 28,369,371	\$ 1,203,348	\$ 82,406,984	\$ -	\$ -	\$ 82,406,984	\$ -	
Equities	541,162	1,188,008	679,843	2,409,013	-	-	2,409,013	-	
Held-to-maturity financial assets									
Bonds	5,202,590	158,350	21,370	5,382,310	-	525,564	5,907,874	55,422	
Others	63,340	-	-	63,340	-	-	63,340	-	
Other financial assets									
Bonds	316,700	316,700	316,700	950,100	-	-	950,100	-	
Equities	-	-	524,118	524,118	-	42,155	566,273	19,900	

The processing delays by the borrowers and other administrative reasons may cause financial assets to become past due but not impaired. As defined in the internal rules governing E.SUN Bank and its subsidiaries' risk management, financial assets past due within 90 days are not deemed as impaired, unless there are other evidences that indicate impairment.

The vintage analysis of financial assets that are past due but not impaired is as follows:

Item	December 31, 2015		
	Past Due Up to 1 Month	Past Due by Over 1 Month - 3 Months	Total
Receivables			
Credit cards	\$ 890,103	\$ 178,297	\$ 1,068,400
Others	30,053	80,580	110,633
Discounts and loans			
Consumer loans			
Residential mortgage	1,654,135	224,191	1,878,326
Petit credit	1,391,173	217,498	1,608,671
Others	1,025,484	159,222	1,184,706
Corporate loans			
Secured	1,072,989	1,327,180	2,400,169
Unsecured	782,800	92,616	875,416
Item	December 31, 2014		
	Past Due Up to 1 Month	Past Due by Over 1 Month - 3 Months	Total
Receivables			
Credit cards	\$ 881,745	\$ 239,251	\$ 1,120,996
Others	14,450	15,089	29,539
Discounts and loans			
Consumer loans			
Residential mortgage	1,816,764	145,230	1,961,994
Petit credit	1,252,025	233,653	1,485,678
Others	946,940	55,305	1,002,245
Corporate loans			
Secured	559,879	911,745	1,471,624
Unsecured	475,125	335,673	810,798

3) Market risk

Market risk refers to the risk of fluctuation in the fair values or the future cash flows of the on- and off-balance sheet instruments held by E.SUN Bank and its subsidiaries because of market price changes. The risk factors which cause market price changes usually include interest rates, exchange rates, and the prices of equity securities and commodities. Changes in these risk factors will cause risk of fluctuation in the net income or in the value of investment portfolio of E.SUN Bank and its subsidiaries.

The main market risks E.SUN Bank and its subsidiaries face are the risks on equity securities, interest rates, and exchange rate risks. The equity securities exposed to market risks mainly include stocks listed on the Taiwan Stock Exchange or traded on the Taiwan GreTai Securities Market or Emerging Stock Market and stock index futures in Taiwan; the instruments exposed to interest rate risk mainly include bonds and interest rate derivatives such as the fixed-for-floating interest rate swap; and the instruments exposed to exchange rate risk mainly include the consolidated positions of the investment held by E.SUN Bank and its subsidiaries, such as the derivatives denominated in foreign currency and foreign-currency bonds.

E.SUN Bank monitors the market risk positions and the tolerable loss of E.SUN Bank in accordance with the goals of risk management and the amount limits authorized by the board of directors.

E.SUN Bank has set up market risk information systems to effectively monitor the management of amount limits on financial instruments, to evaluate the profit and loss, to conduct sensitivity analysis, stress test and calculation of value at risk (VaR), etc. The result is reported in the meetings of risk management and to the board of directors as their reference for making managerial decisions.

E.SUN Bank and its subsidiaries mainly divide the positions exposed to market risks into investment portfolios held for trading and investment portfolios not held for trading. The portfolios are monitored by the Risk Management Division, and the management results are reported regularly to the board of directors and the supervisors of each division.

The business units and the risk management units both identify market risk factors for E.SUN Bank and its subsidiaries' exposed positions in order to measure market risks. Market risk factors refer to the factors that affect interest rates, exchange rates and values of held financial instruments such as equity securities, etc. E.SUN Bank and its subsidiaries analyze the impact of risk factors on their holding positions, profit or loss, negative result of stress test, sensitivity, VaR, etc., and measure the levels within which the investment portfolios and equity securities might suffer from interest rate risks, exchange rate risks, etc.

The risk management division reports regularly to the board of directors the achievement of management objectives on market risks, the control of holding positions and profit and loss, the sensitivity analysis, the stress test, the value at risk of equity securities, etc. for their understanding of E.SUN Bank's market risk control. E.SUN Bank also has sound mechanisms for reporting and set limits and stop-loss regulations for all the transactions. If a trade reaches the stop-loss limit, the stop-loss will be executed immediately. Trades that do not follow the stop-loss rule should be reported to the management for their approval, and the reasons for their noncompliance as well as corresponding strategies should also be presented to the management.

E.SUN Bank uses the VaR model and stress tests to evaluate risks on investment portfolios for trading. E.SUN Bank also assesses market risks and evaluates the maximum expected loss of positions through making assumptions on changes in various market conditions. The board of directors set amount limits based on VaR. The whole risk management process is monitored daily by the Risk Management Division.

VaR statistically estimates the potential loss of the positions due to adverse market movements. It is the "maximum potential loss" E.SUN Bank may suffer within a certain confidence interval (99%), so it is still probable that the actual loss is larger than the value at risk to some extent. VaR model assumes that E.SUN Bank holds the positions at least for the minimum holding periods (10 days) before they can be settled, and that the market fluctuation in these 10 days is similar to that in the past.

E.SUN Bank evaluates historical market fluctuation based on historical data in the past two years. It evaluates the VaR of its holding positions using the variance/covariance method. The computation will be used for periodic examinations and verification of assumptions and parameters used. However, this evaluation method cannot prevent losses from significant market fluctuations.

Information on the VaR of E.SUN Bank is as follows:

For the year ended December 31, 2015

Historical Values at Risk (99%, 10-day)	Average	Minimum	Maximum	December 31, 2015
<u>By risk type</u>				
Currency	\$ 1,624,826	\$ 942,046	\$ 2,629,495	\$ 1,957,360
Interest	1,425,463	773,306	2,105,512	2,105,512
Equity	159,724	126,659	187,988	186,131
Risk diversification	<u>(1,052,459)</u>	-	-	<u>(1,353,905)</u>
Total risk exposure	<u>\$ 2,157,554</u>			<u>\$ 2,895,098</u>

For the year ended December 31, 2014

	Average	Minimum	Maximum	December 31, 2014
<u>By risk type</u>				
Currency	\$ 1,048,533	\$ 765,781	\$ 1,357,583	\$ 914,462
Interest	490,058	187,219	1,190,236	900,592
Equity	111,062	88,565	137,544	133,785
Risk diversification	<u>(419,971)</u>	-	-	<u>(635,880)</u>
Total risk exposure	<u>\$ 1,229,682</u>			<u>\$ 1,312,959</u>

Stress test is used to measure the greatest potential losses of the portfolio of risk assets under the worst scenarios. It is performed by the Risk Management Division, and it includes (a) a stress test on risk factors, in which the stress test is applied to all kinds of risks; and (b) a temporary stress test, in which the stress test is applied to special investment positions or specific investment areas, for example, areas where exchange rates fluctuate dramatically. The results of stress tests are reported to the senior management.

For the information on significant foreign-currency financial assets and liabilities, please refer to Table 3.

4) Liquidity risk

Liquidity risk refers to the possibility of financial loss resulting from the shortage of funds in meeting the needs of asset acquisition or debt repayment on maturity. Examples are the depositors' withdrawal of deposits before maturity, difficulty in raising funds from other banks or worsening funding conditions due to the fluctuations in specific markets, unstable recovery of money due to credit defaults, deterioration of the convertibility of financial instruments, early termination of interest-sensitive instruments, etc. These situations might result in decrease of cash inflows from loans, trades and investments. In some extreme cases, lack of liquidity may cause decrease of asset values in balance sheets, disposal of assets or other situations in which loan commitments cannot be met. Liquidity risks exist in all banking operations, and are influenced by specific events from industries or markets, including but not limited to credit events, mergers and acquisitions, systematic risks in the industry or natural disasters.

Liquidity risk management is done by the Money Market Division and monitored by the Risk Management Division. The procedures include (a) maintaining daily money market operations and monitoring future cash flows to ensure the meeting of liquidity requirements; (b) holding an appropriate amount of readily convertible and highly liquid assets to prevent from unpredictable events that disrupt cash flows; (c) monitoring the liquidity ratios for the balance sheets in accordance with internal and external policies; and (d) managing security products during their remaining maturity periods. Liquidity risk monitoring and reporting are based on the valuation and prediction of future cash flows from different terms to maturity (maturity gap is used by E.SUN Bank as a tool to manage liquidity risk). The prediction of cash flows involves the cash outflows at the maturity dates of the financial liabilities and the cash inflows at the receipt dates of financial assets.

For maintaining solvency and meeting the needs of emergency assistance arrangements, E.SUN Bank and its subsidiaries hold cash and high-quality, liquid interest-bearing assets. The assets held for liquidity risk management include cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, discounts and loans, available-for-sale financial assets, held-to-maturity financial assets, and debt instruments with no active market, etc.

The liquidity reserve ratios of E.SUN Bank for December 2015 and 2014 were 27.71% and 23.81%, respectively.

E.SUN Bank and its subsidiaries disclosed the analysis of cash outflows from nonderivative financial liabilities by the residual maturities as of the balance sheet dates. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those that shown in the consolidated balance sheets.

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Due to the Central Bank and other banks	\$ 39,721,702	\$ 28,852,214	\$ 2,014,940	\$ 581,274	\$ -	\$ 71,170,130
Nonderivative financial liabilities at fair value through profit or loss	-	-	-	-	20,110,080	20,110,080
Securities sold under repurchase agreements	5,069,764	811,348	2,160,531	27,835	-	8,069,478
Payables	16,690,087	290,496	306,291	428,117	66,195	17,781,186
Deposits and remittances	406,637,633	161,615,380	178,646,340	296,511,728	415,675,024	1,459,086,105
Bank debentures	-	-	300,000	2,400,000	42,250,000	44,950,000
Other items of cash outflow on maturity	206,492	-	61,459	1,267,084	329,000	1,864,035

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Due to the Central Bank and other banks	\$ 34,724,821	\$ 21,030,294	\$ 1,835,389	\$ 579,111	\$ 30,006	\$ 58,199,621
Nonderivative financial liabilities at fair value through profit or loss	-	-	-	-	10,010,254	10,010,254
Securities sold under repurchase agreements	9,661,528	2,138,901	1,313,389	51,608	-	13,165,426
Payables	16,561,523	239,640	555,967	438,518	143,773	17,939,421
Deposits and remittances	702,095,138	106,408,942	148,113,704	140,046,029	188,063,799	1,284,727,612
Bank debentures	-	2,300,000	5,000,000	300,000	36,200,000	43,800,000
Other items of cash outflow on maturity	1,049,419	316,188	-	491,443	492,250	2,349,300

E.SUN Bank and its subsidiaries assessed the maturity dates of contracts to understand the basic elements of all derivative financial instruments shown in the consolidated balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities is as follows:

a) Derivative financial liabilities to be settled at net amount

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 8,644	\$ 73,810	\$ 441,040	\$ 6,812	\$ -	\$ 530,306

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ -	\$ -	\$ 75,096	\$ -	\$ -	\$ 75,096

b) Derivative financial liabilities to be settled at gross amounts

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 63,291,005	\$ 62,600,322	\$ 43,622,601	\$ 68,300,292	\$ 3,428,630	\$ 241,242,850
Cash inflow	63,274,996	62,075,974	44,077,033	69,307,419	3,509,585	242,245,007
Interest derivatives						
Cash outflow	2,447	42,393	78,157	13,761	19,626,859	19,763,617
Cash inflow	4,598	66,526	46,792	14,678	24,732,024	24,864,618
Total cash outflow	63,293,452	62,642,715	43,700,758	68,314,053	23,055,489	261,006,467
Total cash inflow	63,279,594	62,142,500	44,123,825	69,322,097	28,241,609	267,109,625
Net cash outflow (inflow)	\$ 13,858	\$ 500,215	\$ (423,067)	\$ (1,008,044)	\$ (5,186,120)	\$ (6,103,158)

December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 88,336,636	\$ 38,503,109	\$ 30,949,552	\$ 44,521,630	\$ 2,214,978	\$ 204,525,905
Cash inflow	88,013,371	38,594,001	30,895,912	44,823,632	2,208,866	204,535,782
Interest derivatives						
Cash outflow	48,615	31,100	37,439	167,122	9,922,188	10,206,464
Cash inflow	26,703	25,580	41,799	173,607	12,863,504	13,131,193
Total cash outflow	88,385,251	38,534,209	30,986,991	44,688,752	12,137,166	214,732,369
Total cash inflow	88,040,074	38,619,581	30,937,711	44,997,239	15,072,370	217,666,975
Net cash outflow (inflow)	\$ 345,177	\$ (85,372)	\$ 49,280	\$ (308,487)	\$ (2,935,204)	\$ (2,934,606)

E.SUN Bank and its subsidiaries conducted the maturity analysis of off-balance sheet items based on the residual maturities as of the consolidated balance sheet dates. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

December 31, 2015	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 4,845,365	\$ 7,222,342	\$ 13,764,273	\$ 28,931,039	\$ 40,488,373	\$ 95,251,392
Credit card commitments	5,136,746	835,119	2,722,328	14,630,233	296,520,771	319,845,197
Letters of credit issued yet unused	2,457,254	4,298,412	1,368,176	231,663	599,643	8,955,148
Other guarantees	2,359,279	2,691,466	2,944,889	4,647,652	2,637,370	15,280,656
December 31, 2014	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 8,564,819	\$ 7,475,104	\$ 13,682,456	\$ 30,902,272	\$ 34,651,626	\$ 95,276,277
Credit card commitments	1,893,325	656,410	1,683,008	5,487,596	283,998,309	293,718,648
Letters of credit issued yet unused	3,006,534	6,703,545	1,238,054	419,698	986,457	12,354,288
Other guarantees	2,597,859	3,805,142	1,378,296	4,630,750	2,593,538	15,005,585

g. Transfers of financial assets

Most of the transferred financial assets of the Company that are not derecognized in their entirety are securities sold under repurchase agreements. According to these transactions, the right on cash flow of the transferred financial assets would be transferred to other entities and the associated liabilities of the Company's obligation to repurchase the transferred financial assets at a fixed price in the future would be recognized. As the Company is restricted to use, sell or pledge the transferred financial assets throughout the term of transaction, and is still exposed to interest rate risks and credit risks on these instruments, the transferred financial assets are not derecognized in their entirety. The details of financial assets that are not derecognized in their entirety and the associated financial liabilities are as following:

December 31, 2015					
Category of Financial Assets	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Available-for-sale financial assets - securities sold under repurchase agreements	\$ 7,970,663	\$ 7,740,106	\$ 7,970,663	\$ 7,740,106	\$ 230,557
Held-to-maturity financial assets - securities sold under repurchase agreements	253,680	294,285	256,623	294,285	(37,662)

h. Offsetting financial assets and financial liabilities

The Company is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheet since the offsetting criteria are met. Cash collateral has also been paid by part of counterparties for the net amount of the derivative assets and derivative liabilities. The cash collateral does not meet the offsetting criteria, but it can be set off against the net amount of the derivative assets and derivative liabilities in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

December 31, 2015

Financial Assets	Gross Amount of Recognized Financial Asset	Gross Amount of Recognized Financial Liability Offset in the Balance Sheet	Net Amount of Financial Asset Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instrument	Cash Collateral Received	
Derivatives	\$ 17,030,813	\$ -	\$ 17,030,813	\$ (3,709,231)	\$ (2,341,756)	\$ 10,979,826
Resell agreements	898,936	-	898,936	(898,936)	-	-
Settlements	41,573	(28,646)	12,927	-	-	12,927
	<u>\$ 17,971,322</u>	<u>\$ (28,646)</u>	<u>\$ 17,942,676</u>	<u>\$ (4,608,167)</u>	<u>\$ (2,341,756)</u>	<u>\$ 10,992,753</u>

Financial Liabilities	Gross Amount of Recognized Financial Liability	Gross Amount of Recognized Financial Asset Offset in the Balance Sheet	Net Amount of Financial Liability Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instrument	Cash Collateral Pledged	
Derivatives	\$ 15,724,827	\$ -	\$ 15,724,827	\$ (3,709,231)	\$ (3,930,234)	\$ 8,085,362
Repurchase agreements	8,049,909	-	8,049,909	(8,049,909)	-	-
Settlements	368,872	(1,762)	367,110	-	-	367,110
	<u>\$ 24,143,608</u>	<u>\$ (1,762)</u>	<u>\$ 24,141,846</u>	<u>\$ (11,759,140)</u>	<u>\$ (3,930,234)</u>	<u>\$ 8,452,472</u>

December 31, 2014

Financial Assets	Gross Amount of Recognized Financial Asset	Gross Amount of Recognized Financial Liability Offset in the Balance Sheet	Net Amount of Financial Asset Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instrument	Cash Collateral Received	
Derivatives	\$ 14,634,799	\$ -	\$ 14,634,799	\$ (5,792,380)	\$ (3,499,327)	\$ 5,343,092
Resell agreements	153,009	-	153,009	(153,009)	-	-
Settlements	179,429	(81,285)	98,144	(11,971)	-	86,173
	<u>\$ 14,967,237</u>	<u>\$ (81,285)</u>	<u>\$ 14,885,952</u>	<u>\$ (5,957,360)</u>	<u>\$ (3,499,327)</u>	<u>\$ 5,429,265</u>

Financial Liabilities	Gross Amount of Recognized Financial Liability	Gross Amount of Recognized Financial Asset Offset in the Balance Sheet	Net Amount of Financial Liability Presented in the Balance Sheet	Related Amount Not Offset in the Balance Sheet		Net Amount
				Financial Instrument	Cash Collateral Pledged	
Derivatives	\$ 12,370,358	\$ -	\$ 12,370,358	\$ (5,792,380)	\$ (2,134,241)	\$ 4,443,737
Repurchase agreements	13,147,872	-	13,147,872	(13,147,872)	-	-
Settlements	192,030	(15,158)	176,872	(11,971)	-	164,901
	<u>\$ 25,710,260</u>	<u>\$ (15,158)</u>	<u>\$ 25,695,102</u>	<u>\$ (18,952,223)</u>	<u>\$ (2,134,241)</u>	<u>\$ 4,608,638</u>

42.ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM INTERCOMPANY SHARING OF RESOURCES

Under cooperation arrangements, E.SUN Bank and E.SUN Securities shared some equipment and operating sites; thus, related expenses were allocated as follows:

	E.SUN Bank	E.SUN Securities	Total	Allocation Method
For the year ended <u>December 31, 2015</u>				
Broadcasting and security systems	\$ 72	\$ 71	\$ 143	50% each
Others	742	645	1,387	Utilities: 50% each
				Building maintenance expenses: Based on space actually occupied
	<u>\$ 814</u>	<u>\$ 716</u>	<u>\$ 1,530</u>	
	E.SUN Bank	E.SUN Securities	Total	Allocation Method
For the year ended <u>December 31, 2014</u>				
Rental expense	\$ 540	\$ 270	\$ 810	E.SUN Bank - 2/3 and E.SUN Securities - 1/3
Broadcasting and security systems	36	36	72	50% each
Others	1,283	1,187	2,470	Utilities: 50% each
				Building maintenance expenses: Based on space actually occupied
	<u>\$ 1,859</u>	<u>\$ 1,493</u>	<u>\$ 3,352</u>	

Under cooperation arrangements, E.SUN Bank and ESIB shared the use of some equipment and operating sites, personnel, and an Internet service system and provided cross-selling financial services. The service fees earned by E.SUN Bank were based on 70% of the gross revenue derived from the insurance companies' products sold by E.SUN Bank. In 2015 and 2014, ESIB should have paid E.SUN Bank \$2,668,389 thousand and \$1,727,616 thousand, respectively; the unpaid amounts were \$54,223 thousand as of December 31, 2014.

The cross-selling transactions between E.SUN Bank and E.SUN Securities were as follows (the amounts below refer to E.SUN Bank):

	For the Year Ended December 31	
	2015	2014
Revenue	<u>\$ 6,001</u>	<u>\$ 6,011</u>
Expense	<u>\$ 75,049</u>	<u>\$ 75,694</u>

43. CAPITAL MANAGEMENT

ESFHC's objective of capital management is to sustain the eligible capital of the Group at an amount that meets the requirements for legal capital and minimum group capital adequacy ratio (CAR). To ensure that there is sufficient capital to undertake a variety of risks, ESFHC assesses the risk portfolios by their characteristics. The calculation of group eligible capital and minimum requirement of legal capital is in conformity with the rules enacted by the authorities.

The Group CAR is managed by the Financial Management Division. The Financial Management Division ensures that ESFHC's group CAR meets both its internal requirements and external requirements by the authorities, and the timely report to the authorities every half year. ESFHC has set up a warning signal mechanism that gives alarm when the CAR falls below the standard, and asks relevant units to bring up improvement strategies to deal with it.

Under the Financial Holding Company Act and related regulations, ESFHC should maintain a group CAR at no lower than 100%. If the ratio falls below 100%, the appropriation of earnings as cash dividends or other assets will be restricted, and the authorities may discipline ESFHC, depending on the situation.

The Banking Law and related regulations require that E.SUN Bank maintains both stand-alone and consolidated ratios of regulatory capital to risk-weighted assets (including ratio of the common equity to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and capital adequacy ratio) should comply with the minimum ratio requested by authorities.

Under the rules governing securities firms and related regulations, the CAR of a securities firm should be at least 200% to ensure its stability as well as maintain the health of the security markets. If the ratio is below 200%, the authority may impose certain restrictions on a firm's operations. The CARs of E.SUN Securities were 596% and 427% as of December 31, 2015 and 2014, respectively.

Please refer to related information in Table 13 (attached).

44. E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES' ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

a. E.SUN Bank's asset quality

Table 4 (attached).

b. E.SUN Bank's concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

Rank(Note 1)	December 31, 2015			December 31, 2014		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of E.SUN Bank's Equity	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of E.SUN Bank's Equity
1	Group A Broadcasting of cable and other chargeable programs	\$ 7,611,950	6.54	Group D Smelting and refining of iron and steel	\$ 7,433,885	7.10
2	Group B Ocean transportation	7,200,676	6.19	Group E Manufacture of liquid crystal panel and components	7,370,048	7.04
3	Group C Activities of head offices	6,423,566	5.52	Group K Manufacture of liquid crystal panel and components	6,555,393	6.26
4	Group D Smelting and refining of iron and steel	6,111,810	5.25	Group B Ocean transportation	5,985,127	5.72
5	Group E Manufacture of liquid crystal panel and components	4,714,232	4.05	Group C Activities of head offices	5,236,049	5.00
6	Group F Manufacture of petrochemical raw materials	4,402,324	3.78	Group G Activities of head offices	4,430,288	4.23
7	Group G Activities of head offices	4,227,595	3.63	Group L Wholesale of computers, computer peripheral equipment and software	4,064,660	3.88
8	Group H Real estate development	4,176,737	3.59	Group M Activities of head offices	4,028,075	3.85
9	Group I Manufacture of computers	4,159,073	3.57	Group H Real estate development	3,709,000	3.54
10	Group J Manufacture of computers	3,980,545	3.42	Group N Petroleum and coal products manufacturing	3,553,079	3.39

Note 1: The list shows rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the Group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. E.SUN Bank's interest rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars, %)

December 31, 2015

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 1,126,065,020	\$ 10,857,942	\$ 11,496,673	\$ 73,639,510	\$ 1,222,059,145
Interest rate-sensitive liabilities	292,370,308	726,128,365	75,652,033	51,926,600	1,146,077,306
Interest rate sensitivity gap	833,694,712	(715,270,423)	(64,155,360)	21,712,910	75,981,839
Net worth					106,937,585
Ratio of interest rate-sensitive assets to liabilities					106.63
Ratio of interest rate sensitivity gap to net worth					71.05

December 31, 2014

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 1,023,692,360	\$ 8,776,468	\$ 16,689,204	\$ 94,685,786	\$ 1,143,843,818
Interest rate-sensitive liabilities	319,975,079	631,929,007	78,819,022	85,672,718	1,116,395,826
Interest rate sensitivity gap	703,717,281	(623,152,539)	(62,129,818)	9,013,068	27,447,992
Net worth					96,859,871
Ratio of interest rate-sensitive assets to liabilities					102.46
Ratio of interest rate sensitivity gap to net worth					28.34

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of E.SUN Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitivity (U.S. Dollars)

(In Thousands of U.S. Dollars, %)

December 31, 2015

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 7,846,493	\$ 360,455	\$ 81,838	\$ 561,532	\$ 8,850,318
Interest rate-sensitive liabilities	7,271,985	933,054	741,439	735,619	9,682,097
Interest rate sensitivity gap	574,508	(572,599)	(659,601)	(174,087)	(831,779)
Net worth					173,812
Ratio of interest rate-sensitive assets to liabilities					91.41
Ratio of interest rate sensitivity gap to net worth					(478.55)

December 31, 2014

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 6,162,979	\$ 480,568	\$ 433,994	\$ 955,731	\$ 8,033,272
Interest rate-sensitive liabilities	6,251,693	750,724	710,895	854,374	8,567,686
Interest rate sensitivity gap	(88,714)	(270,156)	(276,901)	101,357	(534,414)
Net worth					176,051
Ratio of interest rate-sensitive assets to liabilities					93.76
Ratio of interest rate sensitivity gap to net worth					(303.56)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of E.SUN Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in U.S. dollars).

d. Profitability

1) E.SUN Financial Holding Company, Ltd. and subsidiaries

(%)

Items		December 31, 2015	December 31, 2014
Return on total assets	Before income tax	0.88	0.87
	After income tax	0.77	0.72
Return on equity	Before income tax	12.90	13.39
	After income tax	11.23	11.12
Net income ratio		33.46	32.41

2) E.SUN Financial Holding Company, Ltd.

(%)

Items		December 31, 2015	December 31, 2014
Return on total assets	Before income tax	10.35	10.03
	After income tax	10.43	9.86
Return on equity	Before income tax	11.17	11.32
	After income tax	11.25	11.13
Net income ratio		98.62	96.07

3) E.SUN Bank

(%)

Items		December 31, 2015	December 31, 2014
Return on total assets	Before income tax	0.83	0.82
	After income tax	0.73	0.70
Return on equity	Before income tax	12.35	12.77
	After income tax	10.77	10.90
Net income ratio		33.79	33.70

4) E.SUN Securities

(%)

Items		December 31, 2015	December 31, 2014
Return on total assets	Before income tax	1.74	2.81
	After income tax	1.35	2.23
Return on equity	Before income tax	4.13	6.93
	After income tax	3.21	5.51
Net income ratio		12.78	19.13

5) E.SUN Insurance Broker Co., Ltd.

(%)

Items		December 31, 2015	December 31, 2014
Return on total assets	Before income tax	85.75	59.75
	After income tax	71.15	49.54
Return on equity	Before income tax	98.79	68.23
	After income tax	81.97	56.58
Net income ratio		18.94	14.57

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on equity = Income before (after) income tax/Average equity.

Note 3: Net income ratio = Income after income tax/Total net revenues.

Note 4: Income before (after) income tax represents income from January to each period-end date.

e. E.SUN Bank's maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars)

December 31, 2015

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 1,375,235,152	\$ 342,737,230	\$ 94,998,135	\$ 112,474,351	\$ 127,590,469	\$ 213,912,796	\$ 483,522,171
Main capital outflow on maturity	1,682,794,356	48,744,094	77,766,697	176,943,619	195,732,688	322,087,528	861,519,730
Gap	(307,559,204)	293,993,136	17,231,438	(64,469,268)	(68,142,219)	(108,174,732)	(377,997,559)

December 31, 2014

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 1,215,639,738	\$ 285,543,310	\$ 57,698,917	\$ 70,288,417	\$ 71,746,541	\$ 104,385,687	\$ 625,976,866
Main capital outflow on maturity	1,507,157,488	52,668,083	67,248,846	158,952,483	177,383,502	291,467,591	759,436,983
Gap	(291,517,750)	232,875,227	(9,549,929)	(88,664,066)	(105,636,961)	(187,081,904)	(133,460,117)

Note: The above amounts included only New Taiwan dollar amounts held by E.SUN Bank.

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

(In Thousands of U.S. Dollars)

December 31, 2015

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 14,245,107	\$ 4,941,326	\$ 1,669,966	\$ 1,832,840	\$ 1,658,023	\$ 4,142,952
Main capital outflow on maturity	15,603,114	3,811,464	3,983,642	2,923,342	3,329,884	1,554,782
Gap	(1,358,007)	1,129,862	(2,313,676)	(1,090,502)	(1,671,861)	2,588,170

December 31, 2014

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 11,402,096	\$ 3,562,969	\$ 1,385,424	\$ 1,507,114	\$ 1,501,293	\$ 3,445,296
Main capital outflow on maturity	11,661,534	3,840,409	2,169,229	2,078,410	2,858,330	715,156
Gap	(259,438)	(277,440)	(783,805)	(571,296)	(1,357,037)	2,730,140

Note: The above amounts included only U.S. dollar amounts held by E.SUN Bank.

45.E.SUN BANK'S TRUST BUSINESS UNDER THE TRUST LAW

a. Trust-related items, as shown in the following balance sheets, statements of income and trust property list

The trust-related items shown below were managed by E.SUN Bank's Trust Department. However, these items were not included in the Company's consolidated financial statements.

Balance Sheets of Trust Accounts December 31, 2015 and 2014

Trust Assets	2015	2014	Trust Liabilities	2015	2014
Cash in banks	\$ 3,838,833	\$ 2,886,681	Account payable on securities under custody	\$ 197,938,446	\$ 146,099,293
Short-term investments	180,770,814	165,987,613	Other liabilities	2	-
Land	5,048,499	5,277,307	Trust capital		
Securities under custody	<u>197,938,446</u>	<u>146,099,293</u>	Cash	208,664,445	179,820,097
			Securities	2,310,942	1,608,405
			Real estate	5,047,894	5,298,014
			Reserves and accumulated deficit	(29,279,100)	(17,469,250)
			Net income	<u>2,913,963</u>	<u>4,894,335</u>
Total assets	<u>\$ 387,596,592</u>	<u>\$ 320,250,894</u>	Total liabilities	<u>\$ 387,596,592</u>	<u>\$ 320,250,894</u>

Trust Property List December 31, 2015 and 2014

	December 31	
	2015	2014
Cash in banks	\$ 3,838,833	\$ 2,886,681
Stocks	3,667,531	2,601,165
Mutual funds	159,803,759	153,309,394
Bonds	17,299,524	10,077,054
Land	5,048,499	5,277,307
Securities under custody	<u>197,938,446</u>	<u>146,099,293</u>
	<u>\$ 387,596,592</u>	<u>\$ 320,250,894</u>

**Statements of Income on Trust Accounts
For the Years Ended December 31, 2015 and 2014**

	2015	2014
<u>Revenues</u>		
Interest	\$ 13,549	\$ 7,821
Cash dividend	5,774,467	3,109,258
Realized capital gain - common stock	977	793
Property gain	2,729,191	3,431,004
Service fee income	35	60
Realized capital gain	688,725	118,835
Revenues from beneficial certificates	1,301	367
Revenues from rent for stocks	45	-
	<u>9,208,290</u>	<u>6,668,138</u>
<u>Expenses</u>		
Management fees	302,433	586,797
Supervisor fees	120	120
Service fees	792	556
Property loss	5,982,099	1,161,814
Income tax	959	648
Other expenses	5,845	16,007
Principal redemption fee	-	4,521
Tax expenditures	38	38
Realized capital loss	2,041	3,302
	<u>6,294,327</u>	<u>1,773,803</u>
Net income	<u>\$ 2,913,963</u>	<u>\$ 4,894,335</u>

b. Nature of trust business operations under the Trust Law: Note 1.

46. ESFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES

Please see Table 5 (attached).

47. BUSINESS SEGMENT FINANCIAL INFORMATION

Please see Table 6 (attached).

48. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On December 29, 2015, the E.SUN Bank acquired from non-controlling interests for additional 5% shares of UCB, which increased its continuing interest from 70% to 75%.

The above transaction was accounted for as equity transaction, since the Company did not cease to have control over the subsidiary.

	UCB
Cash consideration paid	\$ 218,483
The proportionate share of the carrying amount of the net assets of the subsidiary transferred from non-controlling interests	(146,447)
Reattribution of other equity from non-controlling interests	
Exchange differences arising on the translation of the financial statements of foreign operations	12,267
Fair value remeasurement of available-for-sale financial asset	218
	<u>84,521</u>
Differences arising from equity transaction (reduced retained earnings)	<u>\$ 84,521</u>

49. NON-CASH TRANSACTION

In the first quarter of 2015, bondholders exercised their conversion rights on the overseas convertible bonds issued by ESFHC; thus, ESFHC converted the overseas convertible bonds amounting to \$3,482,095 thousand to 248,650 thousand common shares, with NT\$10 par value. ESFHC increased common stock by \$2,486,504 thousand and capital surplus by \$995,591 thousand in accordance with this issuance (Note 36).

50. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

To expand business applying economies of scale, improve effectiveness through integrated marketing, reduce operating costs and develop operating synergy, E.SUN Bank's stockholders approved on August 21, 2015 E.SUN Bank's merger with E.SUN Insurance Broker Co., Ltd. (ESIB), with E.SUN Bank as extended company and ESIB as dissolved company. Under the merger agreement, the share swap ratio between ESIB and E.SUN Bank was 1:3.91, which may be adjusted in accordance with the authorities' review or the related terms in the agreement. The target effective date of this merger is March 25, 2016, which is subject to change depending on circumstances and only with the consent of the chairmen of E.SUN Bank and ESIB. This merger was awaiting the approval of the authorities.

To expand business in electronic commerce, E.SUN Bank's board of directors approved the acquisition of 7,875 thousand shares of BankPro E-Service Technology Co., Ltd.'s common shares. This acquisition was approved by the authorities and settled on January 11, 2016. On January 12, 2016, the China Bank Regulatory Commission approved E.SUN Bank's establishment of a subsidiary, E.SUN Bank (China), Ltd. and its business launched on March 11, 2016.

51. E.SUN SECURITIES' FINANCIAL RATIOS OF FUTURES BUSINESS

The financial ratios of E.SUN Securities were in compliance with the requirements of the Regulations Governing Futures Commission Merchants. Please see Table 16 (attached).

52. FUTURES BROKERAGE AND DEALING BUSINESS RISK

a. Futures brokerage business

Customers have to deposit an initial margin at a percentage of the amount of transaction when entering into futures contracts with the futures department of E.SUN Securities. Customers' gains or losses result from the leverage on the margin deposits. For the protection of E.SUN Securities from harm arising from customers' huge losses, the margin accounts of customers are reevaluated daily on the basis of the market prices of the outstanding futures contracts. When the customers' margin accounts fall below an agreed level (the "maintenance margin"), E.SUN Securities will ask its customers to deposit additional margins immediately. If the customers fail to do so, E.SUN Securities settles their position by making offsets against their contracts.

b. Futures dealing business

E.SUN Securities has to deposit an initial margin at a percentage of the amount of transaction when dealing with futures contracts. Also, E.SUN Securities has to deposit an initial margin at a percentage of the amount of transaction when dealing with option contracts. E.SUN Securities reevaluates daily the margin accounts on the basis of the market prices of the outstanding futures and option contracts. When the margin accounts fall below an agreed level (the "maintenance margin"), E.SUN Securities will deposit additional margins immediately or settle its position by making offsets against its contracts.

53. DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT

Please see Table 14 (attached).

54. ADDITIONAL DISCLOSURES

Following are additional disclosures for ESFHC and its investees:

a. Significant transactions and investees:

- 1) Financing provided: ESFHC, E.SUN Bank and UCB - not applicable; investee - none.
- 2) Endorsement/guarantee provided: ESFHC, E.SUN Bank and UCB - not applicable; investee - none.
- 3) Marketable securities held: ESFHC, E.SUN Bank, UCB and E.SUN Securities - not applicable; investee - Table 7 (attached).
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (ESFHC, E.SUN Bank and UCB disclosed its investments acquired or disposed of): E.SUN Securities - not applicable; ESFHC and investee - Table 8 (attached).
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: Table 9 (attached).
- 6) Disposal of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: None.
- 7) Financial asset securitization: In the second quarter of 2007, E.SUN Bank entered into trust contracts with the Hong Kong and Shanghai Banking Corporation Limited (HSBC, the trustee) and transferred E.SUN Bank's rights and risks on bondholding to the trustee in accordance with the Financial Asset Securitization Act. The trustee issued beneficial securities named E.SUN CBO 2007-1 and E.SUN CBO 2007-2 to investors and passed to E.SUN Bank the funds raised on securities issuance and the sold equity securities with interest receivable. E.SUN Bank is the servicer of E.SUN CBO 2007-1. For the year ended December 31, 2014, the service income resulting from the contracts was \$300 thousand.
- 8) Allowance of service fees to related parties amounting to at least NT\$5 million: None.
- 9) Sale of nonperforming loans by subsidiaries: None.
- 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 10 (attached).
- 11) Related information and proportionate share in investees: Table 15 (attached).

12) Derivative transactions: Notes 8 and 41 to the consolidated financial statements.

13) Other significant transactions which may affect the decisions of users of financial reports: Note 50 to the consolidated financial statements.

b. Investment in Mainland China

Based on "Regulations Governing Approvals of Banks to Engage in Financial Activities between the Taiwan Area and the Mainland Area," E.SUN Bank set up the Dongguan Branch in Mainland China.

The FSC approved the Bank's establishment in China of a subsidiary, E.SUN Bank (China), Ltd. (ESBC), with an estimated capital of CNY2 billion. In March 2015, the China Bank Regulatory Commission (CBRC) also approved this establishment and required E.SUN Bank to first set up ESBC as a preparatory office responsible for establishing a banking business. When ESBC became ready to operate, it applied to CBRC again for its formal launch. In January 2016, ESBC began its formal launch after acquiring the CBRC's approval and obtaining an operating license. The registered capital of ESBC is CNY2 billion, and E.SUN Bank remitted to ESBC an investment of CNY1 billion in May 2015. The remainder of the registered capital will be transferred from the operating capital of E.SUN Bank's Dongguan Branch, an entity which had earlier been reorganized as ESBC's Dongguan Branch.

The information on major operating items, paid-in capital, methods of investment, investment inflows and outflows, proportion of stockholdings, investment income or loss, book value at period-end, the remitted investment profits and the limit on the amount of investment in Mainland China - is shown in Table 11 (attached).

c. Business relationship and significant transactions among the parent company and subsidiaries: Table 12 (attached).

55. OPERATING SEGMENTS

The information reported to the Company's chief operating decision makers for the assessment of segment performance focuses mainly on operation and profitability. The Company's reportable segments are as follows:

- a. Corporate Banking Unit, which handles corporate loans, foreign exchange business, and financial banking operations;
- b. Individual Banking Unit, which handles home mortgage, unsecured personal loans (UPLs), wealth management, and credit cards;
- c. Others, including the business other than those handled by the Corporate Banking and Individual Banking units.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 4. Segment profit is measured at income before income tax, and this measure is reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The terms of transactions between segments are similar to those for third parties.

The revenues, expenses and related information of the Company's reportable segments were as follows:

(In Millions of New Taiwan Dollars)

	For the Year Ended December 31, 2015			
	Corporate Banking Unit	Individual Banking Unit	Others	Total
Net interest revenues (expenses)	\$ 4,725	\$ 13,836	\$ (1,087)	\$ 17,474
Total net revenues	\$ 12,925	\$ 23,128	\$ 2,436	\$ 38,489
Bad-debt expenses and provision for losses on guarantees	(1,405)	(1,744)	(417)	(3,566)
Operating expenses	(3,279)	(14,124)	(2,735)	(20,138)
Income (loss) before income tax	<u>\$ 8,241</u>	<u>\$ 7,260</u>	<u>\$ (716)</u>	<u>\$ 14,785</u>

	For the Year Ended December 31, 2014			
	Corporate Banking Unit	Individual Banking Unit	Others	Total
Net interest revenues (expenses)	\$ 4,031	\$ 11,916	\$ (462)	\$ 15,485
Total net revenues	\$ 10,144	\$ 19,539	\$ 3,072	\$ 32,755
Bad-debt expenses and provision for losses on guarantees	(1,365)	(803)	134	(2,034)
Operating expenses	(2,969)	(12,309)	(2,662)	(17,940)
Income before income tax	<u>\$ 5,810</u>	<u>\$ 6,427</u>	<u>\$ 544</u>	<u>\$ 12,781</u>

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED ENTITIES DECEMBER 31, 2015 AND 2014

Entities Included in the Consolidated Financial Statements

Investor Company	Investee Company	Location
E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd. E.SUN Securities Co., Ltd. E.SUN Venture Capital Co., Ltd. E.SUN Insurance Broker Co., Ltd.	Taipei Taipei Taipei Taipei
E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd. Preparatory Office Union Commercial Bank Plc.	Mainland China Cambodia
Union Commercial Bank Plc.	URE Land Holding Co., Ltd.	Cambodia
E.SUN Securities Co., Ltd.	E.SUN Securities Investment Consulting Co., Ltd.	Taipei

Note 1: For more information on E.SUN Bank (China), Ltd., please refer to Note 54.

Note 2: Union Commercial Bank PLC. holds a 49% interest in URE Land Holding Co., Ltd. In the Articles of Incorporation of URE Land Holding Co., Ltd., Union Commercial Bank PLC. has power to control the composition of the board of director and owns at least 90% of economic benefit of URE Land Holding Co., Ltd.; hence, URE Land Holding Co., Ltd. is deemed as a subsidiary of Union Commercial Bank PLC.

TABLE 1

Businesses and Products	Percentage of Ownership (%)		Note
	December 31, 2015	December 31, 2014	
Banking	100.00	100.00	
Dealing, underwriting, brokering securities and operating in brokerage of futures	100.00	100.00	
Investment	100.00	100.00	
Insurance brokering	100.00	100.00	
Banking	100.00	-	Note 1
Banking	75.00	70.00	
Real estate leasing and management	90.00	90.00	Note 2
Security consulting	100.00	100.00	

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars)

Loans

December 31, 2015

Type	Account Volume or Name	Highest Balance for the Year Ended December 31, 2015 (Note)	Ending Balance
Consumer loans	123	\$ 75,396	\$ 50,221
Self-used residential mortgage loans	259	1,073,197	939,958
Other loans	Others	961,606	807,618

December 31, 2014

Type	Account Volume or Name	Highest Balance for the Year Ended December 31, 2014 (Note)	Ending Balance
Consumer loans	146	\$ 96,131	\$ 51,885
Self-used residential mortgage loans	242	963,099	757,331
Other loans	Others	1,013,322	772,376

Note: The sum of the respective highest balances of each account in 2015 and 2014.

TABLE 2

Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
Normal Loans	Nonperforming Loans		
\$ 50,221 939,958 807,618	\$	- Land and buildings as collateral for part of the loans - Land and buildings - Land, buildings, plant and other real estates	None None None

Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
Normal Loans	Nonperforming Loans		
\$ 51,885 757,331 772,376	\$	- Land and buildings as collateral for part of the loans - Land and buildings - Land, buildings, plant and other real estates	None None None

TABLE 3

E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

**INFORMATION ON SIGNIFICANT FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES
 DECEMBER 31, 2015 AND 2014
 (In Thousands)**

	December 31					
	2015			2014		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
USD	\$ 10,056,432	32.9000	\$ 330,856,613	\$ 9,120,877	31.6700	\$ 288,858,175
CNY	16,084,701	4.9967	80,370,426	15,956,531	5.0998	81,375,117
AUD	689,092	23.9970	16,536,141	588,311	26.0170	15,306,087
HKD	2,694,871	4.2447	11,438,919	2,942,397	4.0824	12,012,042
JPY	18,787,941	0.2732	5,132,865	44,323,219	0.2656	11,772,247
EUR	149,750	35.9400	5,382,015	83,660	38.5390	3,224,173
SGD	28,626	23.2575	665,769	25,259	23.9961	606,117
NZD	11,645	22.5170	262,210	12,976	24.8510	322,467
GBP	5,004	48.7680	244,035	3,471	49.3290	171,221
CHF	6,797	33.2960	226,313	788	32.0610	25,264
ZAR	39,340	2.1161	83,247	34,375	2.7399	94,184
CAD	6,177	23.7310	146,586	19,258	27.3280	526,283
SEK	2,206	3.9103	8,626	2,233	4.0922	9,138
THB	80,721	0.9119	73,609	26,054	0.9635	25,103
MXN	3,997	1.8930	7,566	3,075	2.1495	6,610
MYR	77	7.6640	590	77	9.0740	699
VND	6,672,048	0.0015	10,008	-	-	-
<u>Financial liabilities</u>						
USD	11,332,667	32.9000	372,844,744	9,248,344	31.6700	292,895,054
CNY	13,617,067	4.9967	68,040,399	11,154,817	5.0998	56,887,336
AUD	829,134	23.9970	19,896,729	593,359	26.0170	15,437,421
HKD	1,786,150	4.2447	7,581,671	1,956,087	4.0824	7,985,530
JPY	29,652,163	0.2732	8,100,971	41,101,856	0.2656	10,916,653
EUR	18,088	35.9400	650,083	134,837	38.5390	5,196,483
SGD	22,980	23.2575	534,457	13,910	23.9961	333,786
NZD	49,112	22.5170	1,105,855	31,874	24.8510	792,101
GBP	28,424	48.7680	1,386,182	119,824	49.3290	5,910,798
CHF	6,148	33.2960	204,704	6,346	32.0610	203,459
ZAR	2,455,014	2.1161	5,195,055	1,882,071	2.7399	5,156,686
CAD	54,600	23.7310	1,295,713	43,278	27.3280	1,182,701
SEK	12,394	3.9103	48,464	11,732	4.0922	48,010
THB	18,463	0.9119	16,836	23,156	0.9635	22,311
MXN	18,687	1.8930	35,374	12,457	2.1495	26,776
MYR	-	7.6640	-	-	9.0740	-
VND	5,879,991	0.0015	8,820	-	-	-

TABLE 4

E.SUN COMMERCIAL BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars, %)

Period		December 31, 2015					December 31, 2014				
Items		Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate banking	Secured	\$ 266,386	\$ 221,321,993	0.12	\$ 2,503,664	939.86	\$ 849,697	\$198,309,465	0.43	\$2,241,587	263.81
	Unsecured	298,980	291,569,057	0.10	3,570,578	1,194.25	273,776	271,510,344	0.10	2,862,746	1,045.65
Consumer banking	Housing mortgage (Note 4)	285,813	267,915,888	0.11	3,857,602	1,349.69	130,930	266,679,386	0.05	3,113,965	2,378.34
	Cash card	139	5,214	2.67	2,074	1,492.09	177	7,293	2.43	124	70.06
	Small-scale credit loans (Note 5)	446,685	79,921,836	0.56	968,052	216.72	414,370	60,223,711	0.69	735,981	177.61
	Other (Note 6)	Secured	44,531	155,768,150	0.03	1,586,815	3,563.39	40,621	132,794,878	0.03	1,328,901
	Unsecured	7,914	7,247,832	0.11	74,430	940.49	1,717	5,994,442	0.03	60,786	3,540.24
Loan		1,350,448	1,023,749,970	0.13	12,563,215	930.30	1,711,288	935,519,519	0.18	10,344,090	604.46
		Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Credit cards		106,804	45,537,607	0.23	1,422,107	1,331.51	88,047	38,508,335	0.23	1,563,923	1,776.24
Accounts receivable factored without recourse (Note 7)		-	17,750,474	-	246,795	-	-	22,406,261	-	228,683	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)		32,783				45,903					
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)		118,316				158,486					
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)		906,398				624,586					
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)		1,186,792				1,236,058					

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans." Nonperforming receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.

Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses for loans ÷ Nonperforming loans.

Coverage ratio of receivables: Allowance for possible losses for receivables ÷ Nonperforming receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or the minor children of the borrowers.

Note 5: Based on the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.

Note 6: Other consumers' banking loans refer to secured or unsecured loans that exclude housing mortgage, cash cards, credit cards and small-scale credit loans.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940).

TABLE 5

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

ESFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF
 COMPREHENSIVE INCOME OF SUBSIDIARIES
 DECEMBER 31, 2015 AND 2014

1.ESFHC's financial statements

E.SUN Financial Holding Company, Ltd.

Balance Sheets
 December 31, 2015 and 2014
 (In Thousands of New Taiwan Dollars)

Assets	2015	2014	Liabilities and Equity	2015	2014
		(Applied Retrospectively)			(Applied Retrospectively)
Cash and cash equivalents	\$ 998,213	\$ 1,251,331	Financial liabilities at fair value through profit or loss	\$ -	\$ 3,491,619
Financial assets at fair value through profit or loss	156,180	118,712	Payables	564,753	477,461
Receivables	83,532	86,870	Current tax liabilities	1,009,917	849,396
Current tax assets	926,099	1,179,056	Corporate bonds payable	5,800,000	5,800,000
Investments under the equity method	126,105,688	113,364,809	Provisions	22,420	19,103
Other financial assets	12,690	1,463,176	Deferred tax liabilities	27,022	33,564
Property and equipment, net	26,210	25,047	Total liabilities	7,424,112	10,671,143
Intangible assets	14,868	3,729	Equity		
Deferred tax assets	457	434	Capital stock	79,517,000	70,530,000
Other assets	27,281	18,785	Capital surplus	20,501,164	19,375,697
			Retained earnings	18,253,944	15,103,749
			Other equity	2,654,998	1,831,360
			Total equity	120,927,106	106,840,806
Total	\$ 128,351,218	\$ 117,511,949	Total	\$ 128,351,218	\$ 117,511,949

(Continued)

E.SUN Financial Holding Company, Ltd.

Statements of Comprehensive Income
For the Years Ended December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015	2014 (Applied Retrospectively)
Revenues and gains		
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	\$ 12,988,233	\$ 11,128,587
Other revenues and gains	<u>196,447</u>	<u>284,903</u>
Total revenues and gains	<u>13,184,680</u>	<u>11,413,490</u>
Expenses and losses		
Operating expenses	270,026	245,589
Other expenses and losses	<u>188,782</u>	<u>443,797</u>
Total expenses and losses	<u>458,808</u>	<u>689,386</u>
Income before income tax	12,725,872	10,724,104
Income tax benefit (expense)	<u>90,475</u>	<u>(185,748)</u>
Net income	12,816,347	10,538,356
Other comprehensive income	<u>751,072</u>	<u>1,081,602</u>
Total comprehensive income	<u>\$ 13,567,419</u>	<u>\$ 11,619,958</u>
Earnings per share (New Taiwan dollars)		
Basic	<u>\$ 1.63</u>	<u>\$ 1.43</u>
Diluted	<u>\$ 1.61</u>	<u>\$ 1.43</u>

(Continued)

E.SUN Financial Holding Company, Ltd.

Statements of Changes in Equity For the Years Ended December 31, 2015 and 2014 (In Thousands of New Taiwan Dollars)

	Capital Stock		
	Shares (In Thousands)	Common Stock	Capital Surplus
BALANCE AT JANUARY 1, 2014	\$ 5,524,300	\$ 55,243,000	\$ 14,497,390
Effect of retrospective application	-	-	-
BALANCE AT JANUARY 1, 2014 AS APPLIED RETROSPECTIVELY	5,524,300	55,243,000	14,497,390
Reversal of special reserve	-	-	-
Appropriation of 2013 earnings			
Legal reserve	-	-	-
Cash dividends	-	-	-
Stock dividends	576,338	5,763,380	-
Issuance of common stock from bonus to employees	13,283	132,826	100,948
Capital increase	700,000	7,000,000	3,500,000
Share-based payment for the subscription of new shares by employees	-	-	264,769
Convertible bonds converted to common shares	239,079	2,390,794	1,012,590
Net income for the year ended December 31, 2014	-	-	-
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-
Total comprehensive income for the year ended December 31, 2014	-	-	-
BALANCE AT DECEMBER 31, 2014	7,053,000	70,530,000	19,375,697
Effect of retrospective application	-	-	-
BALANCE AT JANUARY 1, 2015 AS APPLIED RETROSPECTIVELY	7,053,000	70,530,000	19,375,697
Appropriation of 2014 earnings			
Legal reserve	-	-	-
Cash dividends	-	-	-
Stock dividends	634,770	6,347,700	-
Convertible bonds converted to common shares	15,280	152,796	129,876
Issuance of common stock from bonus to employees	248,650	2,486,504	995,591
Acquisition of interest in subsidiary	-	-	-
Net income for the year ended December 31, 2015	-	-	-
Other comprehensive income for the year ended December 31, 2015, net of income tax	-	-	-
Total comprehensive income for the year ended December 31, 2015	-	-	-
BALANCE AT DECEMBER 31, 2015	<u>7,951,700</u>	<u>\$ 79,517,000</u>	<u>\$ 20,501,164</u>

Retained Earnings			Other Equity			Total Equity
Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains on Available-for-sale Financial Assets	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	
\$ 3,515,723	\$ 555,084	\$ 8,023,127	\$ (94,049)	\$ 910,684	\$ -	\$ 82,650,959
-	-	(45,391)	-	-	-	(45,391)
3,515,723	555,084	7,977,736	(94,049)	910,684	-	82,605,568
-	(390,849)	390,849	-	-	-	-
841,398	-	(841,398)	-	-	-	-
-	-	(1,786,647)	-	-	-	(1,786,647)
-	-	(5,763,380)	-	-	-	-
-	-	-	-	-	-	233,774
-	-	-	-	-	-	10,500,000
-	-	-	-	-	-	264,769
-	-	-	-	-	-	3,403,384
-	-	10,538,356	-	-	-	10,538,356
-	-	66,877	688,226	326,499	-	1,081,602
-	-	10,605,233	688,226	326,499	-	11,619,958
4,357,121	164,235	10,582,393	594,177	1,237,183	-	106,840,806
-	-	21,870	-	-	(21,870)	-
4,357,121	164,235	10,604,263	594,177	1,237,183	(21,870)	106,840,806
1,052,855	-	(1,052,855)	-	-	-	-
-	-	(3,173,850)	-	-	-	(3,173,850)
-	-	(6,347,700)	-	-	-	-
-	-	-	-	-	-	282,672
-	-	-	-	-	-	3,482,095
-	-	(84,521)	12,267	218	-	(72,036)
-	-	12,816,347	-	-	-	12,816,347
-	-	(81,951)	489,792	466,294	(123,063)	751,072
-	-	12,734,396	489,792	466,294	(123,063)	13,567,419
<u>\$ 5,409,976</u>	<u>\$ 164,235</u>	<u>\$ 12,679,733</u>	<u>\$ 1,096,236</u>	<u>\$ 1,703,695</u>	<u>\$ (144,933)</u>	<u>\$ 120,927,106</u>

(Continued)

E.SUN Financial Holding Company, Ltd.

Statements of Cash Flows For the Years Ended December 31, 2015 and 2014 (In Thousands of New Taiwan Dollars)

	2015	2014 (Applied Retrospectively)
Cash flows from operating activities		
Income before income tax	\$ 12,725,872	\$ 10,724,104
Adjustments for:		
Depreciation and amortization expenses	8,589	9,355
Losses (Gains) on financial assets and liabilities at fair value through profit or loss	(97,983)	316,302
Interest expense	120,500	127,496
Interest revenue	(20,457)	(20,572)
Dividend income	(835)	(679)
Salary expenses on share-based payments	2,519	4,209
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(12,988,233)	(11,128,587)
Unrealized exchange losses (gains) on foreign currency	75,949	(108,027)
Net changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	103,288	87,782
Increase in receivables	(6,593)	(11,559)
Decrease in other financial assets	1,403,946	3,361,922
Increase in other assets	(8,496)	(5,513)
Increase in payables	26,128	14,328
Decrease in financial liabilities at fair value through profit or loss	(42,438)	-
Decrease in provision for employee benefits	(1,231)	(1,116)
Cash provided by operations	1,300,525	3,369,445
Interest received	30,388	22,731
Dividend received	3,643,231	1,958,746
Interest paid	(120,500)	(127,857)
Income tax refund	497,388	26,391
Net cash provided by operating activities	<u>5,351,032</u>	<u>5,249,456</u>
Cash flows from investing activities		
Acquisition of equity investments under the equity method	(2,380,000)	(13,160,500)
Acquisition of properties and equipment	(5,790)	(3,348)
Acquisition of intangible assets	(15,101)	-
Net cash used in investing activities	<u>(2,400,891)</u>	<u>(13,163,848)</u>
Cash flows from financing activities		
Repayment of corporate bonds	-	(500,000)
Capital increase	-	10,500,000
Cash dividends paid	(3,173,850)	(1,786,647)
Net cash provided by (used in) financing activities	<u>(3,173,850)</u>	<u>8,213,353</u>
Effects of exchange rate changes on cash and cash equivalents	(29,409)	42,950
Increase (decrease) in cash and cash equivalents	(253,118)	341,911
Cash and cash equivalents, beginning of the year	<u>1,251,331</u>	<u>909,420</u>
Cash and cash equivalents, end of the year	<u>\$ 998,213</u>	<u>\$ 1,251,331</u>

(Continued)

2.Subsidiaries' condensed balance sheets

E.SUN Commercial Bank, Ltd.

Condensed Balance Sheets
December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars)

Assets	2015	2014 (Applied Retrospectively)	Liabilities and Equity	2015	2014 (Applied Retrospectively)
Cash and cash equivalents	\$ 33,547,423	\$ 28,620,157	<u>Liabilities</u>		
Due from the Central Bank and call loans to other banks	62,084,691	58,128,163	Due to the Central Bank and other banks	\$ 69,855,781	\$ 57,462,374
Financial assets at fair value through profit or loss	348,549,110	291,623,957	Financial liabilities at fair value through profit or loss	35,836,236	22,494,142
Securities purchased under resell agreements	896,844	152,758	Securities sold under repurchase agreements	8,034,391	13,117,523
Receivables, net	71,276,123	65,358,517	Payables	17,763,734	17,972,885
Current tax assets	-	138,082	Current tax liabilities	815,278	795,726
Discounts and loans, net	1,011,082,173	925,015,590	Deposits and remittances	1,444,866,004	1,275,843,789
Available-for-sale financial assets, net	129,769,543	84,810,507	Bank debentures	44,950,000	43,800,000
Held-to-maturity financial assets, net	5,289,839	5,915,792	Other financial liabilities	761,451	1,966,844
Investments under the equity method, net	7,772,615	2,465,142	Provisions	471,382	349,186
Other financial assets, net	40,061,689	50,748,101	Deferred tax liabilities	1,254,631	780,031
Properties and equipment, net	21,878,315	19,737,442	Other liabilities	<u>1,631,459</u>	<u>1,518,819</u>
Investment properties, net	728,099	923,833	Total liabilities	<u>1,626,240,347</u>	<u>1,436,101,319</u>
Intangible assets, net	4,489,317	4,266,282	<u>Equity</u>		
Deferred tax assets	456,760	113,045	Capital stock	66,840,000	61,360,000
Other assets, net	<u>4,749,116</u>	<u>2,771,256</u>	Capital surplus	19,139,073	17,825,058
			Retained earnings	29,012,240	24,469,916
			Other equity	<u>1,399,997</u>	<u>1,032,331</u>
			Total equity	<u>116,391,310</u>	<u>104,687,305</u>
Total	<u>\$ 1,742,631,657</u>	<u>\$ 1,540,788,624</u>	Total	<u>\$ 1,742,631,657</u>	<u>\$ 1,540,788,624</u>

E.SUN Securities Co., Ltd.

Condensed Balance Sheets
December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars)

Assets	2015	2014	Liabilities and Equity	2015	2014
Current assets	\$ 10,052,373	\$ 10,158,738	<u>Liabilities</u>		
Investments under the equity method	56,298	57,817	Current liabilities	\$ 6,481,283	\$ 6,641,745
Properties and equipment	324,501	325,476	Deferred tax liabilities	557	-
Intangible assets	57,882	57,687	Noncurrent liabilities	<u>3,367</u>	<u>3,323</u>
Deferred tax assets	3,215	2,385	Total liabilities	<u>6,485,207</u>	<u>6,645,068</u>
Other noncurrent assets	<u>752,506</u>	<u>813,493</u>	<u>Equity</u>		
			Capital stock	4,000,000	4,000,000
			Capital surplus	54,100	48,310
			Retained earnings	708,539	719,748
			Other equity	<u>(1,071)</u>	<u>2,470</u>
			Total equity	<u>4,761,568</u>	<u>4,770,528</u>
Total	<u>\$ 11,246,775</u>	<u>\$ 11,415,596</u>	Total	<u>\$ 11,246,775</u>	<u>\$ 11,415,596</u>

E.SUN Insurance Broker Co., Ltd.

Condensed Balance Sheets
December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars)

Assets	2015	2014	Liabilities and Equity	2015	2014
Current assets	\$ 1,276,587	\$ 596,783	<u>Liabilities</u>		
Available-for-sale financial assets	-	250,519	Current liabilities	\$ 146,880	\$ 133,416
Properties and equipment	660	988	Other noncurrent liabilities	937	363
Deferred tax assets	90	134	Total liabilities	<u>147,817</u>	<u>133,779</u>
Other noncurrent assets	<u>3,724</u>	<u>3,132</u>	<u>Equity</u>		
			Capital stock	113,000	113,000
			Capital surplus	5,200	4,258
			Retained earnings	1,015,044	598,090
			Other equity	-	2,429
			Total equity	<u>1,133,244</u>	<u>717,777</u>
Total	<u>\$ 1,281,061</u>	<u>\$ 851,556</u>	Total	<u>\$ 1,281,061</u>	<u>\$ 851,556</u>

(Continued)

E.SUN Venture Capital Co., Ltd.

Condensed Balance Sheets
December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars)

Assets	2015	2014	Liabilities and Equity	2015	2014
Current assets	\$ 505,410	\$ 581,798	<u>Liabilities</u>		
Available-for-sale financial assets	1,505,308	963,980	Current liabilities	\$ 18,207	\$ 33,674
Other financial assets	1,815,472	1,671,479	Deferred tax liabilities	96	1,020
Properties and equipment	68	107	Other liabilities	1,244	1,116
Deferred tax assets	12,623	7,513	Total liabilities	<u>19,547</u>	<u>35,810</u>
Other noncurrent assets	<u>232</u>	<u>132</u>	<u>Equity</u>		
			Capital stock	2,272,000	2,000,000
			Capital surplus	3,170	2,600
			Retained earnings	288,324	392,469
			Other equity	1,256,072	794,130
			Total equity	<u>3,819,566</u>	<u>3,189,199</u>
Total	<u>\$ 3,839,113</u>	<u>\$ 3,225,009</u>	Total	<u>\$ 3,839,113</u>	<u>\$ 3,225,009</u>

3.Subsidiaries' condensed statements of comprehensive income

E.SUN Commercial Bank, Ltd.

Condensed Statements of Comprehensive Income For the Years Ended December 31, 2015 and 2014 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	2015	2014 (Applied Retrospectively)
Interest revenue	\$ 28,556,372	\$ 26,084,131
Less: Interest expense	<u>(11,908,824)</u>	<u>(11,201,430)</u>
Net interest	16,647,548	14,882,701
Net revenues and gains other than interest	<u>18,591,843</u>	<u>15,428,592</u>
Total net revenues	35,239,391	30,311,293
Bad-debt expenses and provision for losses on guarantees	(3,482,751)	(2,033,204)
Operating expenses	<u>(18,106,068)</u>	<u>(16,313,723)</u>
Income before income tax	13,650,572	11,964,366
Income tax expense	<u>(1,741,972)</u>	<u>(1,750,242)</u>
Net income	11,908,600	10,214,124
Other comprehensive income	<u>289,362</u>	<u>944,984</u>
Total comprehensive income	<u>\$ 12,197,962</u>	<u>\$ 11,159,108</u>
Earnings per share		
Basic	<u>\$ 1.80</u>	<u>\$ 1.63</u>

(Continued)

E.SUN Securities Co., Ltd.

Condensed Statements of Comprehensive Income For the Years Ended December 31, 2015 and 2014 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Items	2015	2014
Income	\$ 1,197,494	\$ 1,216,518
Service charge	(90,662)	(82,608)
Employee benefit expenses	(458,337)	(456,304)
Share of profit of subsidiaries accounted for using equity method	1,190	2,912
Operating expenses	(542,207)	(466,548)
Other profits and losses	<u>89,258</u>	<u>78,366</u>
Income before income tax	196,736	292,336
Income tax expense	<u>(43,746)</u>	<u>(59,831)</u>
Net income	152,990	232,505
Other comprehensive income (loss)	<u>(2,540)</u>	<u>5,015</u>
Total comprehensive income	<u>\$ 150,450</u>	<u>\$ 237,520</u>
Earnings per share Basic	<u>\$ 0.38</u>	<u>\$ 0.64</u>

E.SUN Insurance Broker Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Years Ended December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Items	2015	2014
Operating revenue	\$ 4,002,583	\$ 2,591,423
Operating expenses	<u>(3,090,930)</u>	<u>(2,141,424)</u>
Operating income	911,653	449,999
Non-operating income and expenses	<u>2,684</u>	<u>6,558</u>
Income before income tax	914,337	456,557
Income tax expense	<u>(155,655)</u>	<u>(78,001)</u>
Net income	758,682	378,556
Other comprehensive income (loss)	<u>(2,897)</u>	<u>2,606</u>
Total comprehensive income	<u>\$ 755,785</u>	<u>\$ 381,162</u>
Earnings per share		
Basic	<u>\$ 67.14</u>	<u>\$ 33.50</u>

E.SUN Venture Capital Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Years Ended December 31, 2015 and 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Items	2015	2014
Operating revenue	\$ 309,438	\$ 417,143
Operating costs	(121,133)	(81,501)
Operating expenses	<u>(14,997)</u>	<u>(15,967)</u>
Operating income	173,308	319,675
Non-operating income and expenses	<u>(116)</u>	<u>11,445</u>
Income before income tax	173,192	331,120
Income tax expense	<u>(5,231)</u>	<u>(27,718)</u>
Net income	167,961	303,402
Other comprehensive income	<u>461,836</u>	<u>133,396</u>
Total comprehensive income	<u>\$ 629,797</u>	<u>\$ 436,798</u>
Earnings per share		
Basic	<u>\$ 0.74</u>	<u>\$ 1.59</u>

TABLE 6**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES****BUSINESS SEGMENT FINANCIAL INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

For the year ended December 31, 2015

Business Segment	Banking	Securities	Others	Consolidated
Items				
Net interest	\$ 17,275,146	\$ 306,789	\$ (108,307)	\$ 17,473,628
Net revenues and gains other than interest	15,998,599	800,344	4,216,758	21,015,701
Total net revenues	33,273,745	1,107,133	4,108,451	38,489,329
Bad-debt expenses and provision for losses on guarantees	(3,565,789)	(641)	-	(3,566,430)
Operating expenses	(18,457,787)	(975,478)	(704,503)	(20,137,768)
Income before income tax	11,250,169	131,014	3,403,948	14,785,131
Income tax expenses	(1,791,726)	(43,746)	(70,700)	(1,906,172)
Net income	9,458,443	87,268	3,333,248	12,878,959

For the year ended December 31, 2014

Business Segment	Banking	Securities	Others	Consolidated
Items				
Net interest	\$ 15,320,145	\$ 287,722	\$ (123,241)	\$ 15,484,626
Net revenues and gains other than interest	13,628,150	836,469	2,805,274	17,269,893
Total net revenues	28,948,295	1,124,191	2,682,033	32,754,519
Bad-debt expenses and provision for losses on guarantees	(2,033,689)	-	-	(2,033,689)
Operating expenses	(16,387,027)	(885,099)	(667,833)	(17,939,959)
Income before income tax	10,527,579	239,092	2,014,200	12,780,871
Income tax expenses	(1,813,652)	(59,831)	(292,256)	(2,165,739)
Net income	8,713,927	179,261	1,721,944	10,615,132

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD DECEMBER 31, 2015 (In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Issuer/Name	Relationship with the Holding Company
E.SUN Venture Capital Co., Ltd.	<u>Stocks</u>	
	Forcecon Technology Co., Ltd.	-
	Tai Med Biologics Inc.	-
	Optimer Biotechnology, Inc.	-
	Turvo International Co., Ltd.	-
	Etrend Technology Co., Ltd.	-
	Xu Yuan Packing Technology Co., Ltd.	-
	Optimer Biotechnology, Inc.	-
	Etrend Technology Co., Ltd.	-
	Aero Win Technology Corporation	-
	Eurocharm Holdings Co., Ltd.	-
	Enterex International Limited	-
	Biodenta Corporation	-
	Tera Xtal Technology Co., Ltd.	-
	Uniflex Technology Inc.	-
	Bank-Pro E-Service Technology Co., Ltd.	-
	Epoch Chemtronics Corp.	-
	Sam Lam Technology Co., Ltd.	-
	Beyond Innovation Technology Co., Ltd.	-
	Solidlite Co., Ltd.	-
	MOSA Industrial Corporation	-
	Orgchem Technologies Inc.	-
	Exploit Technology Co., Ltd.	-
	Mao Chia Metal Co., Ltd.	-
	Wieson Technologies Co., Ltd.	-
	Litek Opto-electronics Co., Ltd.	-
	Tospom Corporation	-
	Chuan Shih Industrial Co., Ltd.	-
	Crowningtek Inc.	-
	Gloria Solar International Holding, Inc.	-
	Starchips Technology Inc.	-
	Pai Lung Machinery Mill Co., Ltd.	-
	Vactronics Technologies Inc.	-
Fuho Technology Co., Ltd.	-	
Auria Solar Co., Ltd.	-	
Mercury Electronic Industrial Co., Ltd.	-	
Awin Diamond Technology Corporation	-	

TABLE 7

Financial Statement Account	December 31, 2015				Note
	Shares (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Financial assets at fair value through profit or loss	61	\$ 848	0.13	\$ 848	Note 1
Financial assets at fair value through profit or loss	78	20,085	0.03	20,085	Note 1
Financial assets at fair value through profit or loss	290	189,950	0.17	189,950	Note 1
Available-for-sale financial assets	555	40,371	1.13	40,371	Note 1
Available-for-sale financial assets	81	4,048	0.17	4,048	Note 1
Available-for-sale financial assets	1,326	15,385	3.44	15,385	Note 1
Available-for-sale financial assets	1,985	1,300,192	1.16	1,300,192	Note 1
Available-for-sale financial assets	874	32,423	2.71	32,423	Note 1
Available-for-sale financial assets	305	6,338	0.45	6,338	Note 1
Available-for-sale financial assets	678	68,139	1.04	68,139	Note 1
Available-for-sale financial assets	850	24,820	0.85	24,820	Note 1
Available-for-sale financial assets	1,890	10,773	1.45	10,773	Note 1
Available-for-sale financial assets	206	-	0.11	-	Note 1
Available-for-sale financial assets	90	2,673	0.10	2,673	Note 1
Financial assets carried at cost	325	3,250	2.41	4,456	Note 2
Financial assets carried at cost	1,889	26,264	5.55	56,309	Note 3
Financial assets carried at cost	1,700	-	6.07	-	-
Financial assets carried at cost	1,776	23,420	5.26	4,752	Note 2
Financial assets carried at cost	2,867	22,704	13.07	20,257	Note 2
Financial assets carried at cost	1,745	26,064	1.29	32,285	Note 2
Financial assets carried at cost	1,220	56,000	2.12	21,816	Note 2
Financial assets carried at cost	42	-	0.51	-	-
Financial assets carried at cost	600	18,000	1.90	7,845	Note 2
Financial assets carried at cost	1,836	25,600	2.76	26,654	Note 3
Financial assets carried at cost	1,000	-	4.97	-	-
Financial assets carried at cost	446	-	4.72	-	-
Financial assets carried at cost	2,250	-	5.79	-	-
Financial assets carried at cost	1,140	1,156	9.12	2,139	Note 2
Financial assets carried at cost	500	-	0.51	-	-
Financial assets carried at cost	56	-	0.93	-	-
Financial assets carried at cost	500	11,000	1.16	2,178	Note 2
Financial assets carried at cost	2,195	31,895	5.04	24,407	Note 2
Financial assets carried at cost	389	12,013	1.33	4,724	Note 3
Financial assets carried at cost	1,200	-	0.57	-	-
Financial assets carried at cost	3,000	24,815	12.18	30,948	Note 3
Financial assets carried at cost	1,500	20,250	14.72	11,094	Note 2

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars)

Holding Company Name	Marketable Securities Type and Issuer/Name	Relationship with the Holding Company
	Chipsip Technology Co., Ltd.	-
	Innovation & Infinity Global Corporation	-
	UniDisplay Inc.	-
	Dano Tech Co., Ltd.	-
	Suntek Precision Corp.	-
	ArcLite Optronics Corp.	-
	Jochu Technology Co., Ltd.	-
	Win Win Precision Technology Co., Ltd.	-
	Kuo Ching Chemical Co., Ltd.	-
	Airbag Packing Co., Ltd.	-
	Procrystal Technology Co., Ltd.	-
	ROBOSPARK Technology, Inc.	-
	TBI Motion Technology Co., Ltd.	-
	Tapollop Technology Co., Ltd.	-
	Caremed Supply Inc.	-
	Tekho Company Ltd.	-
	Life + Co., Ltd.	-
	Taiwan Silicones Technology Co., Ltd.	-
	CHO Pharma, Inc.	-
	ICP Technology Co., Ltd.	-
	Fashionguide Technology Corporation	-
	Excetek Technologies Co., Ltd.	-
	Vision Application Tech Co.	-
	Advanced Material Systems Co.	-
	Applied Green Light Inc.	-
	XPEC Art Center Inc.	-
	KHL Investment Advisors Ltd.	-
	Shenghua Entertainment Communication Co., Ltd.	-
	Nanpao Resins Chemical Co., Ltd.	-
	allPay Third-Party Payment Co., Ltd.	-
	BRIM Biotechnology, Inc.	-
	3D Global Biotech, Inc.	-
	Torray Mems, Inc.	-
	Remotek Corporation	-
	Amaran Biotechnology, Inc.	-
	ACHB Enterprise Inc.	-
	Twoway Communications, Inc.	-
	Gash pay Co., Ltd.	-
	KHL II Venture Capital Co., Ltd.	-
	Tanvex Biopharma, Inc.	-
	Pet Pharm Biotech Co., Ltd.	-
	9splay Entertainment Technology Co., Ltd.	-
	Asia Carbons Co., Ltd.	-
	NPIC Cayman	-
	Celestial Talent Limited	-
	Transound Electronics Co., Ltd.	-
	Arrow Span Inc.	-
	Vpon Ltd.	-
	BioResource International, Inc.	-
	<u>Taiwan depository receipts</u>	-
	Digital China Holdings Limited	-
	<u>Contingent value rights</u>	-
	Delos Capital Fund	-

Note 1: Market value of listed stocks was based on the closing price as of December 31, 2015.

Note 2: Unlisted company. The amounts are based on the investee's latest unaudited or unreviewed financial statements.

Note 3: Unlisted company. The amounts are based on the investee's latest audited or reviewed financial statements.

TABLE 7

Financial Statement Account	December 31, 2015				Note
	Shares (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
Financial assets carried at cost	627	\$ 5,658	1.49	2,424	Note 3
Financial assets carried at cost	2,724	-	2.75	-	-
Financial assets carried at cost	439	6,500	0.23	1,917	Note 2
Financial assets carried at cost	1,500	24,600	3.22	4,540	Note 2
Financial assets carried at cost	1,117	-	2.93	-	-
Financial assets carried at cost	2,282	26,495	8.62	10,874	Note 3
Financial assets carried at cost	175	4,012	0.21	7,654	Note 3
Financial assets carried at cost	1,122	50,474	2.47	17,515	Note 3
Financial assets carried at cost	1,069	16,800	1.18	15,967	Note 3
Financial assets carried at cost	1,000	10,000	4.00	14,902	Note 2
Financial assets carried at cost	3,360	47,874	2.69	30,075	Note 3
Financial assets carried at cost	670	-	2.72	-	-
Financial assets carried at cost	2,275	45,201	2.67	39,798	Note 2
Financial assets carried at cost	666	-	8.67	-	-
Financial assets carried at cost	1,418	37,139	5.21	15,604	Note 2
Financial assets carried at cost	1,808	28,801	10.24	22,030	Note 2
Financial assets carried at cost	2,975	29,750	9.02	24,914	Note 2
Financial assets carried at cost	3,600	36,000	16.29	17,922	Note 2
Financial assets carried at cost	7,363	204,501	4.09	139,374	Note 2
Financial assets carried at cost	666	9,990	2.53	5,964	Note 2
Financial assets carried at cost	324	11,800	1.93	5,570	Note 2
Financial assets carried at cost	273	6,780	2.05	3,845	Note 2
Financial assets carried at cost	782	7,818	7.74	3,242	Note 2
Financial assets carried at cost	750	30,000	3.30	6,210	Note 2
Financial assets carried at cost	96	-	2.24	-	-
Financial assets carried at cost	80	9,600	0.39	1,047	Note 3
Financial assets carried at cost	10,000	100,001	5.95	119,278	Note 2
Financial assets carried at cost	472	30,562	2.15	14,958	Note 3
Financial assets carried at cost	362	31,500	0.39	21,235	Note 2
Financial assets carried at cost	480	6,480	0.76	4,984	Note 2
Financial assets carried at cost	660	9,900	1.41	11,778	Note 2
Financial assets carried at cost	2,000	20,000	4.00	19,776	Note 2
Financial assets carried at cost	1,000	10,000	3.56	5,847	Note 2
Financial assets carried at cost	506	7,588	2.32	6,328	Note 3
Financial assets carried at cost	346	29,408	0.50	5,878	Note 2
Financial assets carried at cost	333	9,990	3.68	5,478	Note 2
Financial assets carried at cost	600	9,000	0.78	8,195	Note 3
Financial assets carried at cost	5,000	50,000	8.33	44,291	Note 2
Financial assets carried at cost	5,000	50,000	5.00	25,807	Note 2
Financial assets carried at cost	58	6,470	0.03	640	Note 3
Financial assets carried at cost	500	10,000	2.99	2,859	Note 2
Financial assets carried at cost	154	10,000	0.99	3,730	Note 2
Financial assets carried at cost	174	4,900	0.39	1,004	Note 2
Financial assets carried at cost	591	24,188	2.36	5,365	Note 2
Financial assets carried at cost	1,457	25,828	2.30	17,506	Note 2
Financial assets carried at cost	1,200	30,000	3.40	20,595	Note 2
Financial assets carried at cost	264	-	1.36	-	-
Financial assets carried at cost	1,342	\$ 15,021	1.11	\$2,726	Note 2
Financial assets carried at cost	815	46,422	4.22	14,284	Note 2
Financial assets at fair value through profit or loss	200	3,710	0.01	3,710	Note 1
Financial assets carried at cost	-	144,196	11.09	263,366	Note 2

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL (ESFHC, E.SUN BANK AND UCB DISCLOSED ITS INVESTEEES ACQUIRED OR DISPOSED OF) FOR THE YEAR ENDED DECEMBER 31, 2015 (In Thousands of New Taiwan Dollars/In Thousands of shares)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance	
					Shares	Amount
E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd.	Investments under the equity method	-	-	6,136,000	\$ 104,687,305 (Note 1)
E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd. Preparatory Office	Investments under the equity method	-	-	-	-
	Union Commercial Bank Plc.	Investments under the equity method	Dr. Ratana	-	26	2,465,142

Note 1: Consisting of \$35,587 thousand of net loss from retrospective application.

Note 2: Consisting of \$2,380,000 thousand due to capital increase, \$334,015 thousand due to equity increase in share-based payment, \$11,908,600 thousand as the net gain from equity investment under the equity method and \$289,362 thousand as the net gain on other comprehensive income from equity investment under the equity method.

Note 3: Consisting of \$3,135,936 thousand of cash dividends and \$72,036 thousand as the adjustment equity transaction from equity investment under the equity method.

Note 4: Consisting of \$4,930,000 thousand acquisition costs, \$82,017 thousand as the net loss from equity investment under the equity method and \$67,832 thousand as the net gain on other comprehensive income from equity investment under the equity method. For more information on E.SUN Bank (China), Ltd., please refer to Note 54.

Note 5: Consisting of \$218,483 thousand acquisition costs, \$144,415 thousand as the net gain from equity investment under the equity method, \$100,796 thousand as the net other comprehensive income from equity investment under the equity method and \$72,036 thousand as the adjustment of acquisition of interest in subsidiary.

Note 6: When preparing the consolidated financial statements, the amount had been eliminated.

TABLE 8

Acquisition		Disposal				Ending Balance	
Shares	Amount	Shares	Selling Price	Carrying Value	Gain on Disposal	Shares	Amount
548,000	\$ 14,911,977 (Notes 2 and 6)	-	\$ -	\$ 3,207,972 (Notes 3 and 6)	\$ -	6,684,000	\$ 116,391,310 (Notes 2 and 6)
-	4,915,815 (Notes 4 and 6)	-	-	-	-	-	4,915,815 (Notes 4 and 6)
2	391,658 (Notes 5 and 6)	-	-	-	-	28	2,856,800 (Note 6)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATES AT COSTS OF LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2015 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name	Property	Transaction Date	Transaction Amount	Payment Term/Payment Status
E.SUN Commercial Bank, Ltd.	Construction of new building for the operation of credit card and payment division	2013.06.21	\$ 1,498,000	\$1,007,931 has been paid as of December 31, 2015
Union Commercial Bank Plc.	Construction of new building for the operation of UCB's head office	2014.12.18	US\$ 21,835 thousand	Has not been paid as of December 31, 2015
E.SUN Commercial Bank, Ltd.	Construction of new building for Yiwen branch of the Bank	2015.06.12	\$ 410,800	\$82,160 has been paid as of December 31, 2015
E.SUN Bank (China), Ltd. Preparatory Office	Construction of new building for Qianhai Excellence Financial Center	2015.04.23	CNY 660,000 thousand	CNY660,000 thousand
E.SUN Commercial Bank, Ltd.	Construction of new building for Taipei branch of the Bank	2015.07.09	\$ 415,000	\$ 415,000

TABLE 9

Counter-party	Nature of Relationship	Prior Transaction of Related Counter-party				Price Reference	Purpose of Acquisition	Other Terms
		Owner	Relationship	Transfer Date	Amount			
Hsin Tung Yang Construction Co., Ltd.	-	-	-	-	\$ -	Bid	For the operation of E.SUN Bank's credit card and payment division after construction completed	-
LBL International	-	-	-	-	-	Negotiation	For the operation of UCB's head office	-
Zhonglu Construction Co., Ltd., Mr. Lee, Mr. Lee	-	-	-	-	-	Appraisal	For relocating the branch of E.SUN Bank	-
Shenzhen Qianhai Excellence Vicome Investment Co., Ltd.	-	-	-	-	-	Appraisal	For the operation of the head office of E.SUN Bank (China), Ltd.	-
Tung Mung Development Co., Ltd.	-	-	-	-	-	Appraisal	For the operation of the branch of E.SUN Bank	-

TABLE 10

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL

DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Notes 1 and 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd.	Subsidiary	\$ 835,881	-	\$ -	-	\$ -	\$ -

Note 1: The receivables come from remuneration to directors by E.SUN Bank and receivables related to consolidated tax returns.

Note 2: When preparing the consolidated financial statements, the receivables have been eliminated.

TABLE 11

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2015

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

a. E.SUN Commercial Bank, Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Value as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow					
Dongguan Branch	Deposits, loans, import and export, exchange and foreign exchange business	\$ 4,828,742 (Note 1)	Direct	\$ 4,828,742 (Note 1)	\$ -	\$ -	\$ 4,828,742 (Note 1)	100	\$ 30,865	\$ 5,488,844	\$ -
E.SUN Bank (China) Ltd. Preparatory Office (Note 3)	Deposits, loans, import and export, exchange and foreign exchange business	4,930,000 (Note 1)	Direct	-	4,930,000 (Note 1)	-	4,930,000 (Note 1)	100	(82,017)	4,915,815	-

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 2)
\$9,758,742 (Note 1)	\$9,758,742 (Note 1)	\$70,275,061

b. E.SUN Venture Capital Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2015	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2015	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2015	Accumulated Inward Remittance of Earnings as of December 31, 2015
					Outflow	Inflow						
Transound Electronics (Dongguan) Co., Ltd.	Innovation, R&D, manufacture and selling in new electronic components, and establish R&D institution	\$ 259,570	Invest in Mainland China through the third-party company (Note 4)	\$ -	\$ 30,000 (Note 1)	\$ -	\$ 30,000 (Note 1)	\$ 75,208	3.40	\$ -	\$ 30,000	\$ -

Accumulated Investment in Mainland China as of December 31, 2015	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 5)
\$30,000 (Note 1)	\$30,000 (Note 1)	\$2,291,740

Note 1: Translation into New Taiwan dollars at the spot rates on the dates of investment outflow from Taiwan.

Note 2: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the larger of 60% of E.SUN Bank's net asset value or 60% of E.SUN Bank's consolidated net asset value.

Note 3: For more information on E.SUN Bank (China), Ltd., please refer to Note 54.

Note 4: The subsidiary of ESHFC invest in Transound Electronics (Dongguan) Co., Ltd. through Transound Electronics Co., Ltd.

Note 5: Based on the Investment Commission's "Regulation on Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the larger of 60% of E.SUN Venture Capital Co., Ltd.'s net asset value.

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2015 (In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counter-party	Transaction Flow (Note 2)
0	E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd.	a.
1	E.SUN Commercial Bank, Ltd.	E.SUN Financial Holding Company, Ltd.	b.
1	E.SUN Commercial Bank, Ltd.	E.SUN Insurance Broker Co., Ltd.	c.
2	E.SUN Insurance Broker Co., Ltd.	E.SUN Commercial Bank, Ltd.	c.
3	E.SUN Venture Capital Co., Ltd.	E.SUN Commercial Bank, Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	E.SUN Venture Capital Co., Ltd.	c.
0	E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd.	a.
1	E.SUN Commercial Bank, Ltd.	E.SUN Financial Holding Company, Ltd.	b.
0	E.SUN Financial Holding Company, Ltd.	E.SUN Insurance Broker Co., Ltd.	a.
2	E.SUN Insurance Broker Co., Ltd.	E.SUN Financial Holding Company, Ltd.	b.
2	E.SUN Insurance Broker Co., Ltd.	E.SUN Commercial Bank, Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	E.SUN Insurance Broker Co., Ltd.	c.
4	E.SUN Securities Co., Ltd.	E.SUN Commercial Bank, Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	E.SUN Securities Co., Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	Union Commercial Bank Plc.	c.
5	Union Commercial Bank Plc.	E.SUN Commercial Bank, Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	Union Commercial Bank Plc.	c.
5	Union Commercial Bank Plc.	E.SUN Commercial Bank, Ltd.	c.
1	E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd. Preparatory Office	c.
6	E.SUN Bank (China), Ltd. Preparatory Office	E.SUN Commercial Bank, Ltd.	c.

Note 1: The parent company and subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered sequentially from 1.

Note 2: Transaction flows are as follows:

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c. Between subsidiaries.

Note 3: For calculating the percentages, asset or liability account is divided by the total consolidated assets and the revenue or expense account is divided by the total consolidated net revenue of the same period.

Note 4: The terms for the transactions between the transaction companies and related parties are similar to those for unrelated parties.

Note 5: Referring to transactions exceeding \$100,000 thousand.

TABLE 12

Description of Transactions (Notes 3 and 5)			
Financial Statement Account	Amounts	Trading Terms	Transaction Amount/ Total Consolidated Net Revenue or Total Consolidated Assets (%)
Cash and cash equivalents	\$ 998,213	Note 4	0.06
Deposits and remittances	998,213	Note 4	0.06
Service fee and commission income	2,668,389	Note 4	6.93
Other general and administrative expense	2,668,389	Note 4	6.93
Cash and cash equivalents, other financial assets	381,558	Note 4	0.02
Deposits and remittances	381,558	Note 4	0.02
Receivables on consolidated tax returns	755,881	Note 4	0.04
Payables on consolidated tax returns	755,881	Note 4	0.04
Receivables on consolidated tax returns	122,902	Note 4	0.01
Payables on consolidated tax returns	122,902	Note 4	0.01
Cash and cash equivalents, other financial assets	1,026,103	Note 4	0.06
Deposits and remittances	1,026,103	Note 4	0.06
Cash and cash equivalents, other financial assets	238,921	Note 4	0.01
Deposits and remittances	238,921	Note 4	0.01
Due to the Central Bank and other banks	116,987	Note 4	0.01
Cash and cash equivalents	116,987	Note 4	0.01
Discounts and loans	2,800,744	Note 4	0.16
Other financial liabilities	\$ 2,800,744	Note 4	0.16
Other receivables	248,815	Note 4	0.01
Other payables	248,815	Note 4	0.01

TABLE 13

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CAPITAL ADEQUACY RATIO
DECEMBER 31, 2015 AND 2014

1.E.SUN Financial Holding Company, Ltd.'s capital adequacy ratio

Unit: In Thousands of New Taiwan Dollars, %

	December 31, 2015			December 31, 2014		
	Pro-portionate Share	Group's Net Eligible Capital	Group's Statutory Capital Requirement	Pro-portionate Share	Group's Net Eligible Capital	Group's Statutory Capital Requirement
E.SUN Financial Holding Company, Ltd.		\$ 123,591,783	\$ 126,411,583		\$ 110,712,230	\$ 113,662,500
E.SUN Commercial Bank, Ltd.	100	154,838,582	95,640,422	100	135,002,479	84,875,568
E.SUN Securities Co., Ltd.	100	3,921,842	986,316	100	3,846,516	1,349,952
E.SUN Venture Capital Co., Ltd.	100	3,819,566	1,919,557	100	3,189,199	1,612,505
E.SUN Insurance Broker Co., Ltd.	100	1,133,244	640,531	100	717,777	425,778
Deduction		(146,315,585)	(126,118,378)		(128,873,779)	(113,413,086)
Total		140,989,432	99,480,031		124,594,422	88,513,217
Group capital adequacy ratio			141.73			140.76

Note 1: The above amounts are calculated under the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies."

Note 2: Group capital adequacy ratio = Group's net eligible capital ÷ Group's statutory capital requirement.

2.E.SUN Financial Holding Company, Ltd.'s eligible capital

Unit: In Thousands of New Taiwan Dollars

Items	December 31, 2015
Common stock	\$ 79,517,000
Capital instruments, which conform to the terms of bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	2,680,000
Capital collected in advance	-
Capital surplus	20,501,165
Legal reserve	5,409,976
Special reserve	164,235
Cumulative earnings	12,679,734
Equity adjustments	2,654,998
Less: Capital deduction	15,325
Total eligible capital	123,591,783

Items	December 31, 2014
Common stock	\$ 70,530,000
Capital instruments, which conform to the terms of bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	3,840,000
Capital collected in advance	-
Capital surplus	19,375,697
Legal reserve	4,357,121
Special reserve	164,235
Cumulative earnings	10,617,980
Equity adjustments	1,831,360
Less: Capital deduction	4,163
Total eligible capital	110,712,230

Note: The above amounts are calculated under the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies."

(Continued)

3.E.SUN Commercial Bank, Ltd.'s capital adequacy ratio

(Unit: In Thousands of New Taiwan Dollars, %)

Items		Year	December 31, 2015		
			Standalone	Consolidated	
Eligible capital	Common equity		\$ 109,386,814	\$ 110,664,625	
	Other Tier 1 capital		1,894,276	4,037,931	
	Tier 2 capital		43,557,492	47,928,415	
	Eligible capital		154,838,582	162,630,971	
Risk-weighted assets	Credit risk	Standardized approach	1,112,343,800	1,136,426,589	
		Internal ratings-based approach	-	-	
		Securitization	8,025	8,025	
	Operational risk	Basic indicator approach	-	-	
		Standardized approach/alternative standardized approach	50,812,588	51,601,050	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	32,340,863	32,340,863	
		Internal model approach	-	-	
	Risk-weighted assets			1,195,505,276	1,220,376,527
	Capital adequacy ratio			12.95	13.33
Ratio of common equity capital to risk-weighted assets			9.15	9.07	
Ratio of Tier 1 capital to risk-weighted assets			9.31	9.40	
Ratio of leverage			5.89	6.01	

(Unit: In Thousands of New Taiwan Dollars, %)

Items		Year	December 31, 2014		
			Standalone	Consolidated	
Eligible capital	Common equity		\$ 99,069,970	\$ 99,485,005	
	Other Tier 1 capital		-	69,309	
	Tier 2 capital		35,932,509	37,332,551	
	Eligible capital		135,002,479	136,886,865	
Risk-weighted assets	Credit risk	Standardized approach	976,538,114	988,942,372	
		Internal ratings-based approach	-	-	
		Securitization	282,960	282,960	
	Operational risk	Basic indicator approach	57,955,163	58,324,925	
		Standardized approach/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	26,168,363	26,168,363	
		Internal model approach	-	-	
	Risk-weighted assets			1,060,944,600	1,073,718,620
	Capital adequacy ratio			12.72	12.75
Ratio of common equity capital to risk-weighted assets			9.34	9.27	
Ratio of Tier 1 capital to risk-weighted assets			9.34	9.27	
Ratio of leverage			5.86	5.78	

Note 1: Eligible capital and risk-weighted assets are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks."

Note 2: Formulas used were as follows:

- Eligible capital = Common equity + Other Tier 1 capital + Tier 2 capital.
- Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
- Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- Ratio of the common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.
- Ratio of Tier 1 capital to risk-weighted assets = (Common equity + Other Tier 1 capital) ÷ Risk-weighted assets.
- Leverage ratio = Tier 1 capital ÷ Exposure measurement.

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT
DECEMBER 31, 2015 AND 2014 (In Thousands of New Taiwan Dollars, %)

December 31, 2015

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of ESFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 213,147,107	176.26
Ministry of Finance, ROC	57,065,101	47.19
Bank of China Taipei Branch	26,439,276	21.86
Tai Power Co., Ltd.	22,169,656	18.33
Nomura Holding	7,946,567	6.57
Libretto Capital PL	7,548,773	6.24
Lloyds Tsb Bank PLC	7,489,626	6.19
Hongkong & Shanghai Banking Corporation Limited	7,046,750	5.83
JP Morgan Chase Bank	6,462,765	5.34
Citi Bank	5,381,844	4.45
CPC Corporation, Taiwan	5,341,297	4.42
Credit Agricole	5,306,872	4.39
Dragon Steel Corporation	5,199,998	4.30
Societe Generale	4,736,983	3.92
Goldman Sachs Internation	4,637,769	3.84
Corsair Finance Jer	4,326,786	3.58
Wealth Media Technology Co., Ltd. (WMT)	4,106,219	3.40
Chong Hong Construction	4,095,000	3.39
Royal Bank of Scolan	3,987,040	3.30
Hon Hai Precision Co., Ltd.	3,701,646	3.06
Morgan Stanley	3,341,066	2.76
Pegatron Corporation	3,296,584	2.73
Taiwan Semiconductor Manufacturing Co., Ltd.	3,185,732	2.63
Douro Finance B.V.	3,118,299	2.58
Bank of America	3,077,250	2.54
Treasury USA	3,018,062	2.50
AUO Co., Ltd.	3,015,593	2.49
2. Same related parties		
None		
3. Same affiliate		
Bank of China and related parties	\$ 26,902,443	22.25
Fubon and related parties	8,809,757	7.29
China Steel Corporation and related parties	8,690,748	7.19
Hong Kong and Shanghai Banking Corporation and related parties	8,685,187	7.18
Nomura Holding and related parties	8,332,630	6.89
Eva Airway Corporation and related parties	7,224,526	5.97
Ruentex Industries Ltd. and related parties	6,829,249	5.65
JP Morgan Chase Bank and related parties	6,680,747	5.52
Hon Hai Precision Co., Ltd. and related parties	6,495,146	5.37
Societe General and related parties	6,201,182	5.13
Citi Bank and related parties	5,788,071	4.79
Goldman Sach and related parties	5,623,801	4.65
Credit Agricole Corporation & Investment Bank and related parties	5,561,900	4.60
AUO Co., Ltd. and related parties	4,770,314	3.94
Far Eastern New Century Corporation and related parties	4,718,280	3.90
Mitac-synnex Group and related parties	4,331,122	3.58
Walsin Lihwa Corporation and related parties	4,227,595	3.50
Chong Hong Construction and related parties	4,176,737	3.45
Chicony Technology Co. and related parties	4,015,972	3.32
Formosa Chemicals and Fiber Corporation and related parties	3,974,063	3.29
Nan Ya Plastic Co., Ltd. and related parties	3,861,458	3.19
Formosa Petrochemical Co., Ltd. and related parties	3,801,202	3.14
Quanto Computer Inc. and related parties	3,561,300	2.94
Yuen Foong Yu Paper Mfg. Co., Ltd. and related parties	3,539,878	2.93
Asustek Computer Inc. and related parties	3,524,113	2.91
Kinpo Co., Ltd. and related parties	3,501,728	2.90
Taiwan Cement Co., Ltd. and related parties	3,497,826	2.89
Formosa Plastics Corp., Ltd. and related parties	3,472,833	2.87
WPG Holdings Co. and related parties	3,360,102	2.78
Yang Ming Marine Transport Corp. and related parties	3,214,272	2.66
Bank of America and related parties	3,077,808	2.55

(Continued)

December 31, 2014

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage to ESFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 189,550,083	177.41
Bank of China Taipei Branch	38,200,710	35.75
Ministry of Finance, ROC	32,935,859	30.83
Tai Power Co., Ltd.	15,815,301	14.80
CPC Corporation, Taiwan	8,293,906	7.76
Hongkong & Shanghai Banking Corporation Limited	6,985,632	6.54
Dragon Steel Corporation	6,832,153	6.39
Citi Bank	5,911,965	5.53
Nomura Holding	5,716,943	5.35
Innolux Corporation	5,099,212	4.77
JP Morgan Chase Bank	5,021,638	4.70
Credit Agricole	4,866,077	4.55
Union Commercial Bank Plc.mmercial Bank PLC	4,430,238	4.15
AUO Co., Ltd.	4,416,581	4.13
Libretto Capital PL	4,107,696	3.84
Formosa Petrochemical Corporation	3,902,344	3.65
Lloyds Tsb Bank PLC	3,804,604	3.56
Chang Hong Construction	3,709,000	3.47
Douro Finance B.V.	3,305,557	3.09
Sherlock Limited	3,221,887	3.02
2. Same related parties		
None		
3. Same affiliate		
Hon Hai Precision Co., Ltd. and related parties	9,369,396	8.77
China Steel Corporation and related parties	9,379,727	8.78
Hongkong and Shanghai Banking Corporation and related parties	8,672,596	8.12
AUO Co., Ltd. and related parties	7,363,642	6.89
Eva Airway Corporation and related parties	6,110,538	5.72
Citi Bank and related parties	5,912,884	5.53
Formosa Petrochemical Co., Ltd. and related parties	5,701,817	5.34
JP Morgan Chase Bank and related parties	5,515,916	5.16
Ruentex Industries Ltd, and related parties	5,351,902	5.01
Walsin Lihwa Corporation and related parties	4,432,401	4.15
Formosa Chemicals & Fibre Corporation and related parties	4,223,707	3.95
Yuen Foong Yu Paper Mfg. Co., Ltd. and related parties	4,118,170	3.85
Kinpo Co., Ltd. and related parties	4,108,717	3.85
Nan Ya Plastic Co., Ltd. and related parties	3,883,702	3.64
YangMing Marine Transport Co., and related parties	3,585,860	3.36
Pou Chen Corporation and related parties	3,535,788	3.31
Far Eastern New Century Co., and related parties	3,524,000	3.30
Lien-Hwa Industrial Co., and related parties	3,463,808	3.24
Taiwan Cement Co., Ltd. and related parties	3,295,037	3.08
Uni-President Enterprises Co., and related parties	3,293,584	3.08
WPG Holdings Co., and related parties	3,227,639	3.02

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD.

THE RELATED INFORMATION AND PROPORTIONATE SHARE IN INVESTEES DECEMBER 31, 2015 (In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Percentage of Ownership
E.SUN Financial Holding Company, Ltd.	E.SUN Commercial Bank, Ltd. E.SUN Securities Co., Ltd.	Taipei	Banking Dealing, underwriting, brokering securities and operating in brokerage of futures	100.00
		Taipei		100.00
	E.SUN Venture Capital Co., Ltd. E.SUN Insurance Broker Co., Ltd.	Taipei	Investment Insurance brokering	100.00
		Taipei		100.00

Note 1: Shares or pro forma shares held by the Company, directors, supervisors, president, vice president and affiliates in accordance with the Company Law have been included.

Note 2: a. Pro forma shares are shares that are assumed to be obtained through buying equity-based securities or entering into equity-linked derivative contracts for purposes defined in Paragraph 2 of Article 36 and Article 37 of the Financial Holding Company Act.

b. Equity-based securities are covered by Article 11 of the "Securities and Exchange Law Enforcement Rules," such as convertible bonds and warrants.

c. Derivative contracts, such as stock options, are those conforming to the definition of derivatives in International Accounting Standards 39.

Note 3: When preparing the consolidated financial statements, it has been eliminated.

TABLE 15

Carrying Value	Investment Gain	The Proportionate Share of the Company and its Affiliates in Investees (Note 1)				Note
		Shares (Thousands)	Pro Forma Shares (Note 2)	Total		
				Shares (Thousands)	Percentage of Ownership	
\$ 116,391,310	\$ 11,908,600	6,684,000	-	6,684,000	100.00	3
4,761,568	152,990	400,000	-	400,000	100.00	3
3,819,566	167,961	227,200	-	227,200	100.00	3
1,133,244	758,682	11,300	-	11,300	100.00	3

E.SUN SECURITIES CO., LTD.

**FINANCIAL RATIOS OF FUTURES BUSINESS
DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)**

Requirement: The Regulations Governing Futures Commission Merchants.

Rule No.	Formula	December 31, 2015	
		Formula	Ratio
17	Equities	\$ 1,082,600	36.00
	Total liabilities minus customers' equity accounts - futures	(\$592,725-\$562,655)	
17	Current assets	\$ 1,369,314	2.39
	Current liabilities	\$ 573,332	
22	Equities	\$ 1,082,600	115.79%
	Capital stock	\$ 935,000	
22	Adjusted net capital	\$ 1,058,896	951.84%
	Client and proprietary account	\$ 111,247	

TABLE 16

December 31, 2014		Standard	Status of Compliance with Standard (Met/Unmet)
Formula	Ratio		
\$ 1,013,304	86.92	≥ 1	Met
(\$634,900-\$623,242)			
\$ 1,337,038	2.13	≥ 1	Met
\$ 627,483			
\$ 1,013,304	108%	≥ 60%	Met
\$ 935,000		≥ 40%	
\$ 984,359	560%	≥ 20%	Met
\$ 175,900		≥ 15%	



Moving Towards More Glories, Highly Recognizes.



104 International and Domestic Awards in 2015

- > Included in Dow Jones Sustainability World Index, the first ever among Taiwan financial institutions.
- > E.SUN Bank received 3 awards from Gartner including “Digital Champion in Asiapac” , the only financial institution in Asia
- > E.SUN FHC received Platinum Award for Excellence Management in Corporate Governance in Asia for 6 consecutive years.
- > E.SUN Bank received the Best Domestic Bank Award for two consecutive years by Asiamoney, and the Best Bank Award by The Asset
- > E.SUN Bank received 9 awards from “The Asian Banker”, the most among Taiwan financial institutions, including:
President Joseph Huang received the award of “Transaction Banker of the year in Asia”, the first ever among Taiwan financial institutions.

E.SUN FINANCIAL HOLDING COMPANY, LTD.



Yang-Jen Huang

Chairman



March 30, 2016 Printed

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

Service Network of E.SUN Bank

Branch	phone	Branch	phone	Branch	phone
Head Office Business Division	+886 2 2719 1313	Guangfu Branch	+886 2 2957 1313	Changhua Branch	+886 4 728 1313
Customer Service Division	+886 2 2175 1313	Sanchung Branch	+886 2 2280 1313	Yuanlin Branch	+886 4 836 1313
International Banking Department/OBU	+886 2 2175 1313	Chongsin Branch	+886 2 2984 1313	Douliou Branch	+886 5 532 1313
Trust Department	+886 2 2175 1313	Er-Chong Branch	+886 2 2278 1313	Chiayi Branch	+886 5 223 1313
Credit Card and Payment Finance Division	+886 2 2182 1313	East Sanchung Branch	+886 2 2971 1313	East Chiayi Branch	+886 5 216 1313
Nanching East Road Branch	+886 2 2760 1313	Tucheng Branch	+886 2 2274 1313	Puzih Branch	+886 5 379 1313
Chengjhong Branch	+886 2 2389 1313	South Tucheng Branch	+886 2 2267 1313	Tainan Branch	+886 6 241 1313
Chengtung Branch	+886 2 2504 1313	Shulin Branch	+886 2 8675 1313	East Tainan Branch	+886 6 289 1313
Hsinyi Branch	+886 2 8789 1313	Hueilong Branch	+886 2 2689 1313	Jinhua Branch	+886 6 291 1313
Keelungroad Branch	+886 2 2378 1313	Wugu Branch	+886 2 2290 1313	Annan Branch	+886 6 357 1313
Tienmu Branch	+886 2 2835 1313	Sindian Branch	+886 2 2916 1313	Chiali Branch	+886 6 721 1313
Minsheng Branch	+886 2 2509 1313	Beisin Branch	+886 2 8911 1313	Yanhang Branch	+886 6 253 1313
Songjiang Branch	+886 2 2562 1313	Sanxia Branch	+886 2 8970 6613	Yung Kang Branch	+886 6 201 1313
Fuhsing Branch	+886 2 2771 1313	Lujhou Branch	+886 2 2848 1313	South Yung Kang Branch	+886 6 313 1313
Tunnan Branch	+886 2 2754 1313	Taishan Branch	+886 2 2297 1313	Rende Branch	+886 6 270 6613
Changchun Branch	+886 2 2546 1313	Xizhi Branch	+886 2 2647 6613	Sinying Branch	+886 6 656 8813
Chungshan Branch	+886 2 2537 1313	Taoyuan Branch	+886 3 332 1313	Kaohsiung Branch	+886 7 336 1313
Neihu Branch	+886 2 2659 1313	South Taoyuan Branch	+886 3 337 1313	Dashun Branch	+886 7 727 1313
Chenggong Branch	+886 2 2791 8813	Taoyin Branch	+886 3 375 1313	Lingya Branch	+886 7 716 1313
Songshan Branch	+886 2 3765 1313	Linkou Branch	+886 3 396 1313	Cianjhen Branch	+886 7 761 1313
Heping Branch	+886 2 2362 1313	Nankan Branch	+886 3 352 1313	Chihsien Branch	+886 7 235 1313
Mincyuan Branch	+886 2 2568 1313	Bade Branch	+886 3 367 1313	Zuoying Branch	+886 7 559 1313
Jhonglun Branch	+886 2 2731 1313	Yiwen Branch	+886 3 357 1313	Nanzih Branch	+886 7 364 1313
Daan Branch	+886 2 2755 1313	Zhongyuan Branch	+886 3 428 1313	North Kaohsiung Branch	+886 7 350 1313
Guting Branch	+886 2 2364 1313	Jhongli Branch	+886 3 427 1313	Dachang Branch	+886 7 341 1313
Beitou Branch	+886 2 2895 1313	Lisin Branch	+886 3 492 1313	Chengcing Branch	+886 7 386 1313
Donghu Branch	+886 2 2632 1313	Yangmei Branch	+886 3 488 1313	Siaogang Branch	+886 7 807 1313
Xinhu Branch	+886 2 8791 6613	Hsinchu Branch	+886 3 523 1313	Fongshan Branch	+886 7 743 1313
Shilin Branch	+886 2 2834 1313	Guanghua Branch	+886 3 533 1313	Gangshan Branch	+886 7 621 1313
Mujha Branch	+886 2 2936 1313	Juke Branch	+886 3 564 1313	Linyuan Branch	+886 7 643 1313
Jhongsiao Branch	+886 2 8772 1313	JhuBei Branch	+886 3 554 1313	Houjhuang Branch	+886 7 702 1313
Dongmen Branch	+886 2 2321 1313	Sinfong Branch	+886 3 557 1313	Pingtung Branch	+886 8 733 1313
Jiancheng Branch	+886 2 2556 1313	Lioujia Branch	+886 3 658 9013	Donggang Branch	+886 8 835 1313
Nangang Branch	+886 2 2789 1313	Jhunan Branch	+886 3 746 1313	Keelung Branch	+886 2 2427 1313
Renai Branch	+886 2 2708 1313	Toufen Branch	+886 3 766 3571	Luodong Branch	+886 3 957 1313
Taipei Branch	+886 2 2507 1313	Houlong Branch	+886 3 773 1313	Hualien Branch	+886 3 831 1313
Hsinchuang Branch	+886 2 2202 1313	Taichung Branch	+886 4 2254 1313	Taitung Branch	+886 8 936 1313
North Hsinchuang Branch	+886 2 2997 1313	Wunsin Branch	+886 4 2291 1313	Penghu Branch	+886 6 927 1313
Sinshu Branch	+886 2 2203 1313	Dadun Branch	+886 4 2320 1313	Los Angeles Branch	+1 626 810 2400
Shwangho Branch	+886 2 2923 1313	Nantun Branch	+886 4 2380 1313	Hong Kong Branch	+852 3405 6168
Yonghe Branch	+886 2 2949 1313	Situn Branch	+886 4 2461 1313	Singapore Branch	+65 6533 1313
Jixian Branch	+886 2 8283 1313	Daya Branch	+886 4 2568 1313	Dong Nai Branch	+84 61 367 1313
Yung An Branch	+886 2 8921 1313	Fongyuan Branch	+886 4 2512 1313	E.SUN Bank (China)	+86 755 8898 1313
Jhonghe Branch	+886 2 2222 1313	Jhonggong Branch	+886 4 2350 8913	Dongguan Branch	+86 769 2868 1313
Liancheng Branch	+886 2 8228 1313	Beitun Branch	+886 4 2241 6813	Dongguan Changan Sub-branch	+86 769 2330 8813
Nanshijiao Branch	+886 2 2942 8813	Longjing Branch	+886 4 2636 6813	Ho Chi Minh City Representative Office	+84 8 3835 1313
Taihe Branch	+886 2 2242 1313	Dali Branch	+886 4 2418 1313	Yangon Representative Office	+95 9 3333 1313
Banciao Branch	+886 2 8257 1313	Wuquan Branch	+886 4 2377 1313	Union Commercial Bank Plc.	+855 23 427 995
Puchain Branch	+886 2 2963 1313	Taiping Branch	+886 4 2270 8813		
Banhsin Branch	+886 2 8952 1313	Wurih Branch	+886 4 2260 8813		
SinBan District Branch	+886 2 2954 1313	Caotun Branch	+886 4 9238 1313		

E.SUN Securities Co., Ltd.

Headquarters	+886 2 5556 1313	Hsinchuang Branch	+886 2 2998 1313
Brokerage HQ	+886 2 2713 1313	Tucheng Branch	+886 2 2265 1313
Nanching East Road Branch	+886 2 2765 1313	Taoyuan Branch	+886 3 336 6813
Songjiang Branch	+886 2 2562 1313	Hsinchu Branch	+886 3 666 9913
Renai Branch	+886 2 3393 1313	Taichung Branch	+886 4 2258 9913
Taida Branch	+886 2 8369 1313	Chiayi Branch	+886 5 216 9913
Chengjhong Branch	+886 2 2382 1313	Tainan Branch	+886 6 269 9913
Shinlin Branch	+886 2 2833 1313	Jin Hua Branch	+886 6 291 6613
Neihu Branch	+886 2 2656 1313	Kaohsiung Branch	+886 7 397 1313
Banciao Branch	+886 2 2951 9913	Zuoying Branch	+886 7 558 6613
Shwangho Branch	+886 2 8923 1313		

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