



IBT

Industrial Bank of Taiwan

2012 ANNUAL REPORT



Financial Highlights

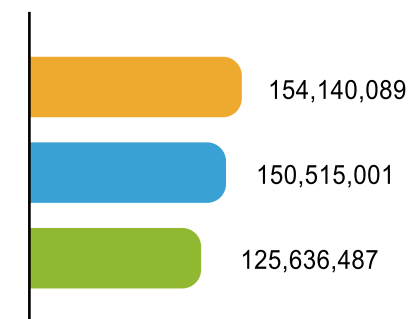
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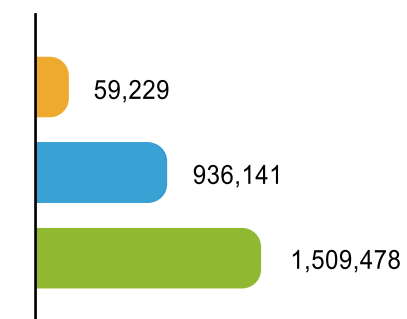
| | 2012 Thousands of NT dollars | 2011 Thousands of NT dollars | 2010 Thousands of NT dollars | 2012 Thousands of US Dollars (*) |
|-----------------------------|------------------------------------|------------------------------------|------------------------------------|--|
| Total Assets | 154,140,089 | 150,515,001 | 125,636,487 | 5,290,365 |
| Net Worth | 26,238,634 | 26,470,484 | 26,028,404 | 900,557 |
| Investments Outstanding | 28,465,873 | 26,563,534 | 22,653,159 | 977,000 |
| Loans Outstanding | 80,957,093 | 72,268,817 | 66,506,811 | 2,778,593 |
| Guarantees Outstanding | 4,957,115 | 3,912,612 | 5,408,659 | 170,137 |
| Revenues | 4,024,902 | 4,122,272 | 3,922,854 | 138,142 |
| Net Income | 59,229 | 936,141 | 1,509,478 | 2,033 |
| Return on Assets | 0.04% | 0.68% | 1.21% | 0.04% |
| Return on Equity | 0.22% | 3.57% | 5.85% | 0.22% |
| BIS Ratio | 14.45% | 14.59% | 17.05% | 14.45% |
| Non Performing Assets Ratio | 0.67% | 0.34% | 0.41% | 0.67% |

* U.S. Dollars amounts are converted at the prevailing exchange rate on Dec.31, 2012 of NT\$29.136=US\$1

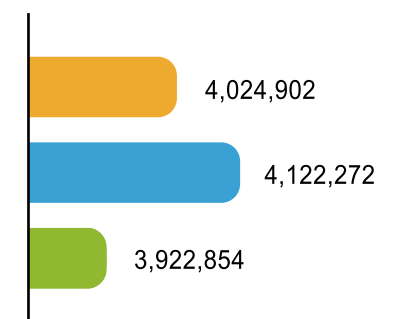
Total Assets



Net Income



Revenues



2012 2011 2010
(Unit:NT\$Thousand)

Message from the Chairman & CEO



In 2012, continued debt crises in Europe/U.S., fiscal tightening of the US government and economic slowdown in China stalled the growth of global economy. Taiwan's economy, being highly export-oriented, was in a huge struggle as well. According to IMF, the world GDP in 2012 was 3.2%, down from 4.0% in 2011. While in Taiwan, the GDP was down to 1.26% from previous year's 4.04% according to estimates announced by the Executive Yuan.

In addition to the above mentioned negative factors, the implementation of capital gain tax on stocks as well as soaring prices of electricity and gasoline further affected the performance of domestic stock market, causing our investment business to suffer. Meanwhile, Taiwan's DRAM and Display industries continued to suffer due to global economic meltdown and severe competition.

Many financial institutions in Taiwan, including Industrial Bank of Taiwan (IBT), needed to set aside additional loan loss reserve for loans extended to DRAM and Display manufacturers. As of the end of 2012, IBT's total asset amounted to NT\$ 154.1 billion, recording a growth of 2.4% over 2011. Capital adequacy ratio was 14.45%, while after tax income for 2012 was NT\$ 59.2 million. EPS was NT\$ 0.02. In July 2012, Taiwan Ratings Corp. gave IBT ratings of 'twA' and 'twA-1' for the bank's long- and short- term credit. The overall outlook for IBT was rated 'stable' by Taiwan Ratings Corp.

In spite of various difficulties, IBT managed to achieve the followings in 2012:

- **Expanding presence in mainland China to ramp up growth momentum**

Following the signing of the ECFA, IBT was the first Taiwanese bank to engage in leasing operation in China by establishing IBT International Leasing Corp. (IBTIL) in Suzhou in June 2011, which serves as a base in Yangtze River Delta Area for our further expansion. In March and August 2012, IBTIL set up branch offices in Dongguan and Nanjing respectively to expand service network to Pearl River Delta Area and Nanjing area. In 2012 IBTIL received the Best New Player Award from 2012 China Financial Leasing Ranking. This reward recognized IBTIL for its risk control system, management capabilities, professionalism and corporate reputation.

In addition to IBTIL, IBT plans to set up our second leasing company in China in 2013. We have chosen Tianjin to establish this company, which is expected to open in the third quarter of 2013 to serve clients in Northern China. In Oct. 2012, China Banking Regulatory Commission approved the bank to establish a representative office in Tianjin, making IBT the first Taiwanese bank to set foot in Tianjin. The bank will continue to expand its presence in important economic regions in China for business development and profit enhancement.

- **Building regional financial service platform to develop overseas business**

In view of increasing competition in local financial market and growing demands from international business, the bank has been aggressive in building a financial service platform to serve Taiwanese enterprises in the U.S., China, Taiwan and Hong Kong. Our Hong Kong Branch recorded pre-tax earnings of NT\$ 144 million. EverTrust Bank, IBT's subsidiary in the U.S., has also performed well in 2012 in the midst of gradual economic recovery

and reviving real estate market. EverTrust Bank recorded a gain of NT\$ 120 million in 2012. IBT shall continue to take a deep root in international business development so as to diversify source of income and enhance international competitiveness.

Looking forward, the impact from the debt crisis in Europe seems to be diminishing and the economies of the U.S. and China are expected to improve substantially. The world economy in 2013 seems to be on a track of recovery. However, amid continued quantitative easing measures conducted by many developed countries, Japan is launching even more aggressive measures, which caused JPY to further depreciate, possibly triggering another wave of currency depreciation warfare. The emergence of potential currency warfare is causing uncertainty to some degree to the development of world economy.

IBT shall continue to be proactive and prudent in expanding our business scope, asset scale and market share. It is expected that the greatest growth momentum for the IBT Group will come from China market and the newly launched leasing business. Therefore, we will continue to invest our resources and talents into leasing and banking businesses in China.

Since the bank was founded 14 years ago, we have been striving to develop our businesses to pursue growth and sustainable operation. In the meantime, we endeavored to take on our corporate social responsibility. In 2011, the bank was awarded the 9th National Civic Service Award for our involvement in social and charitable work. Looking forward, the bank shall continue to hold on to our core values, i.e. 'honor, sincerity, teamwork, innovation, professionalism and meritocracy' in delivering quality services, creating shareholder value and fulfilling corporate social responsibility. The support and guidance from our shareholders will be highly appreciated.

Kenneth C.M. Lo / Chairman & CEO

Perspective of the President

Facing the gradual recovery of global economy, IBT shall persist to be prudent and aggressive in business scope expansion to enhance group asset scale and market share. Our 2013 business development strategies emphasize on the followings:

- **Strengthen overall profit structure to promote source of stable income**

In the analysis of past IBT profit proportion structure, the trading sector carried a much heavier weight compared to all other business units. Profits generated from trading of securities, bonds, foreign exchange constituted a major part of our income. As the market reacts negatively during the downturn of global economy, the dependency to the volatile trading sector did not favor our profit growth plan. As a result, IBT's immediate mission will focus on the growth of non-trading sectors or "sources of stable income" by increasing business volumes from financial lending, TMU, trust, guarantee and leasing.

- **Extend business scope and expand customer base**

As a wholesale bank, IBT aimed at middle to large corporate clients due to cost-effective consideration. At this moment, small-and-medium-enterprise (SME) is no doubt the infrastructure of economic framework on both sides of Taiwan Strait, and to fully support

the growth of SME has been adopted as an important policy for both governments. In the aspect of business variety and client base expansion, the bank started aggressively in developing middle-market-enterprise (MME) customers. Meanwhile, IBT will develop on-line banking to bring in client cash flow and trade finance business; the bank also offers diversified financing services to SME through IBT Leasing Co. Ltd. and IBT International Leasing Corp. Subsidiaries of IBT benefit from shared services such as financial support, staff training, and guidance from the parent company, as well as assistance in business promotions and client referrals provided by our financial business unit.

- **Strengthen risk management and adhere to compliance requirement**

Over the years, IBT has established a sound risk management mechanism supervised by the Risk Control Committee at Board level. Such mechanism covers both credit and operational risks and is strictly implemented by the front, middle and back offices. Amid the global economy uncertainty, IBT will remain prudent in expanding its asset portfolio by adhering to the internal risk control guiding principles. In addition, IBT will strengthen its compliance management team to ensure its daily operation to be fully compliant with domestic and international standards set by the various regulators.

- **Elaborate cooperation within IBT Group to maximize business opportunities**

Following the signing of ECFA, establishment of cross-strait Monetary Settlement Mechanism, and strategic presence of IBT Group in Great China, business opportunities resulting from synergy and resource exchange among IBT and its affiliates will certainly grow. Starting from this year, IBT Group will team up to offer a one-stop-shop of complete financial services to satisfy the needs of customers. Meanwhile, IBT launched the implementation of GRM (Group Relationship Manager) system since 2012; risk controlling and management strategy between IBT and client-associated groups were to be integrated, and we endeavor to provide an all-inclusive group-to-group service as our ultimate goal.

Looking forward, in addition to accelerate our pace in business growth, we will also strive to improve the professionalism and competitiveness of our most valuable asset - personnel. I have faith that through the joint efforts of all the employees, the bank will achieve excellent financial results in the years to come.



Tony C. Y. Yang / President



Business Review

The bank's head office is located in Taipei with branches in Hsinchu, Taichung and Kaohsiung. We have also set up corporate finance teams at Taoyuan and Tainan. Through these locations, the bank provides comprehensive financial services to clients around the island. The bank's first overseas branch, Hong Kong branch, was open in April 2009. It extends our service network to Hong Kong and Greater China Area to closely serve industrial clients and Taiwanese enterprises. We expect to deliver a win-win result through a mutual-beneficial and long-term cooperation with our clients.

1. Credit Extension

In retrospection of the year 2012, the bank continued to take a prudent approach to assure its loan asset quality and reasonable yields. The dollar amount of credit extension at the end of 2012 was NT\$ 88.9 billion, consisting of NT\$ 83.9 billion of loans, NT\$ 5.0 billion of guarantee, and NPL ratio at 0.67%. The credit extension business in 2012 recorded a growth of 16% over 2011.

With respect to industry distribution, 24.83% of our loans were extended to electronics

industry; 12.79% to petrochemical and textile industries; 10.15% to transportation and equipment; 11.66% to finance and investment companies; 11.73% to construction, cement and real estate; 2.74% to communication systems; 6.30% to steel and metals; and 19.80% went to others.

For loans extended to electronics sector, opto-electronics accounted for 9.22%, followed by electronics components (5.06%), semiconductor (4.81%), information hardware (2.88%), solar energy (1.75%), channels and other electronic products (1.05%), and information software (0.06%).

Pursuing stable growth and risk diversification, we have been striving to expand our client base and secure medium size enterprises to provide a good basis for our cross-selling efforts. At the end of 2012, the number of active client accounts was 623.

Since the bank's founding, we have been active in the syndication loan market. As of the end of 2012, the bank has been the lead manager for 274 syndication loans, covering a wide range of industries: electronics, opto-electronics, steel, transportation, electrical

engineering, textile, food, chemical, leasing, securities finance and communication. These loans have successfully raised funds for capital expenditures from plant construction and equipment to financial structure enhancement and medium-term operating capital, assisting our clients in sustaining growth and market competitiveness.

In 2012, the slowdown due to uncertainty in overall global outlook and US economy depression caused enterprises to reduce capital expenditure and thus industries of DRAM, Display, LED, and Solar Systems in Taiwan were greatly impacted. As a result, the demand for syndication loans is decreasing as well. It has become more difficult for the bank to secure mandates. However, the bank still managed to lead or co-lead 14 syndication loans in 2012. The borrowers are from a wide range of industries, including companies like Wonderful Hi-Tech Co., Ltd., AerCap Dutch Aircraft Leasing IV B.V., Powercom Co., Ltd., Pacific Andes Food (Hong Kong) Company Limited, Chailease Consumer Finance Co., Ltd., Kang Na Hsiung Enterprise Co., Ltd., Topoint Technology Co., Ltd., Buwon Advanced Coating Technology Co., Ltd., Tex-Ray Industrial Co., Ltd., Hwa Fong Rubber

Industry Co., Ltd., Chung Yo Department Store Co., Ltd., K. Land Holdings Corporation, Time On Investment Ltd., and Jih Sun International Leasing and Finance Co., Ltd. Total syndication amount was NT\$ 16.0 billion.

2. Deposits

The majority of our bank's funds is used for medium- and long-term purposes. For liquidity and security, we not only take into consideration the duration of our time deposits, but also try to attract more savings deposits. As of the end of 2012, the deposits balance was NT\$ 94 billion, a growth of 9% over 2011.

Along with the growth of our foreign currency loans, the bank has also aggressively expanded our foreign currency savings. Despite fierce competition, our foreign currency deposits at the end of 2012 amounted to an equivalent of NT\$ 20 billion, up by 32% over 2011.



3. Foreign Exchange and Off Shore Banking

We continued to pursue growth as well as stability in our foreign exchange businesses. Our foreign currency denominated loans reached NT\$ 20.8 billion as of the end of 2012, recording a growth of 34% over 2011.

To provide services to clients conducting cross-border operations and help them to secure offshore funding, the bank engages in DBU and OBU operations. The bank also assists Taiwanese firms in China to wire back their profits through our value-added services.

To respond to rapidly developed cross-strait economy and improve service quality to Taiwanese enterprises, both our offshore banking unit and Hong Kong branch have started to offer RMB services. Thus, our businesses will be further diversified and more business opportunities may arise.

4. Direct Investment

Under the circumstances of worsening global economy and continued diminish in domestic demand, economy in Taiwan undoubtedly was affected to decline. With emergence of all kinds of unfavorable factors such as

decreasing exports, lacking of investment, declining in economy growth, economic reformation to transform cannot be achieved in a short period of time. As a result, we had gradually shifted our focus from high risk/return electronic hardware industries to huge business opportunities that relate to domestic demands from both sides of Taiwan Strait. We intend to capture growth yet minimize our risk exposure to create maximum profit. In 2012 the bank had 8 new investments: Rotam Global AgroSciences Limited, Primax Electronics Ltd., Apogee Optocom Co., Ltd., Biodenta Corporation, Iron Force Industrial Co., Ltd., Jinli Group Holdings Limited, Taiwan Bifido Foods Inc., Nisho Image Tech, Inc. Total dollar amount of investments for 2012 was NT\$ 272 million.

To optimize our capital efficiency and strengthen investment management, the bank shall adjust its investment portfolio in opportune time to maximize shareholder value. As of the end of 2012, there were a total of 85 companies in our investment portfolio. Total investment balance was NT\$ 3.81 billion. The companies in our portfolio are from the following industries: electronics, communications, semiconductor, biotechnology, and venture capital. The semiconductor accounted for 12% of the portfolio, followed by Opto-electronics (7%).



The bank continues to strengthen its investment management by closely tracking and evaluating the performances and operation of the companies in our portfolio and by watching for good timing for divestment.

In addition to providing medium- and long-term funds to the portfolio companies, the bank capitalizes on its networking and resources to assist portfolio companies to grow and to seek new development trends.

Investment Portfolio Analysis

| Industry | Number of Invested Companies | Investment Amount (NT\$ Million) | Percentage (%) |
|--|------------------------------|----------------------------------|----------------|
| Semiconductor | 15 | 457 | 11.99 |
| Opto-electronics | 11 | 279 | 7.31 |
| Machinery & Instrument | 8 | 263 | 6.90 |
| Pharmaceuticals/Biotechnology | 8 | 256 | 6.73 |
| Chemical Materials | 1 | 228 | 5.97 |
| Wholesale and Retail | 5 | 202 | 5.29 |
| Transportation and Equipment | 2 | 118 | 3.10 |
| Information(hardware) | 5 | 102 | 2.68 |
| Vehicles and Components | 2 | 77 | 2.03 |
| Information(software) | 6 | 71 | 1.86 |
| Electronic Components | 4 | 59 | 1.56 |
| Solar Energy | 1 | 41 | 1.08 |
| Internet & Multimedia | 3 | 20 | 0.51 |
| Channels and other Electronic Products | 1 | 6 | 0.16 |
| Communication Device | 1 | 4 | 0.10 |
| Venture Capital Funds | 12 | 1,628 | 42.73 |
| Total | 85 | 3,811 | 100.00 |

5. Financial Products Trading

The bank engages in financial products trading and marketing. The bank trades foreign exchange, interest rate products and their derivatives. With regard to marketing, our Treasury Marketing Unit (TMU) provides professional consultation to our corporate clients.

Taking into consideration of safety, liquidity and profitability, we have actively engaged in financial product trading in 2012 to manage interest rate and foreign exchange risks.

6. Securities Trading

In 2012, global economy still experienced turbulence due continued European debt crisis and impacts arising from economic downturn and soaring unemployment rate; Macroeconomics of U.S. presented a gradual recovery, yet problems of rising budget deficits and fiscal cliff were to be solved; Mainland China inevitably encountered the slowdown of economy growth following the downward economy of Europe and U.S. As for stock market in Taiwan, uncertain factors such as tax on stock capital gains, raising price on gas and utility, and health insurance from a pretax benefit to taxable income caused withdrawal of market funds, shrinkage of share volumes, and so as to weaken international stock market. The TSE index dropped to 6857, the lowest in 2012, from its year high at 8170, recording a gap of 16%. The TSE index closed at 7699.5 at the end of 2012, rising by 627 points (or 8.9%) within a year.

In 2012, the TSE index dropped below 7000 points several times, in conjunction with un-eliminated factors inside or outside the market, both confidences in market and share volumes dropped. Our traders adopted prudent principles to cut down their holdings of stock to reduce possible financial loss. As of the end of 2012, the dollar amount of equities held by the bank was NT\$ 300 million, with a realized gain of NT\$ 53 million.

7. Project Finance

Project finance is the long term financing of infrastructure, industrial and public service projects based upon the projected cash flows of the project rather than the balance sheet of the project sponsors. Project finance usually adopts a non-recourse or limited recourse financial structure where project debt and equity used to finance the project are paid back from the cash flow generated by the project.

Infrastructure projects in relation to transportation, energy and environmental protection, construction of business/educational facilities or commercial real estate are possible targets for project finance. Our government has been encouraging private sectors to participate in the public infrastructure and metropolitan renewal projects in order to bring in private funds and creativity.

To project sponsors or corporations, the bank can provide advisory services on financial planning, feasibility study, structuring a syndicated loan, agreement negotiation, and searching equity investors. The bank itself may participate in a project as an investor or a lender. The bank may further provide customized advisory services, e.g. M&A, corporate restructuring, private placement, leveraged buy-out and tax planning.

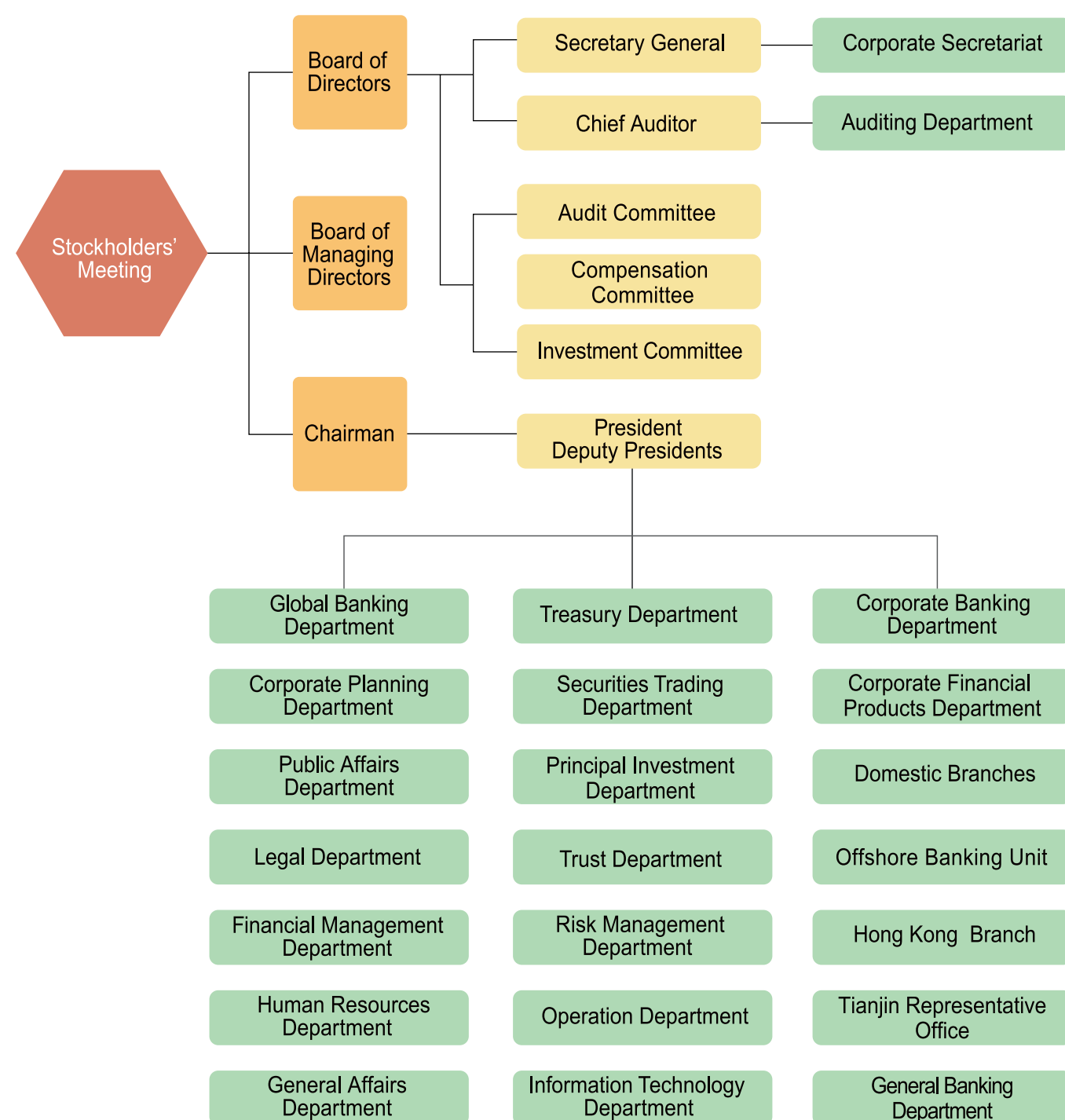
8. Trust Business

Via its Trust Department, the bank provides money trust service, financial advisory service on asset securitization, and custodian service for marketable securities.

With regard to money trust service, the bank engages in 'money trust with designated investment in foreign marketable securities,' 'advance payment trust,' 'real estate transaction trust,' and 'syndication loan related trust.' The clients for our money trust business are mainly institutional investors or corporations. As of the end of 2012, total dollar amount of money trust reached NT\$ 12.37 billion. The bank also provided custodian service for marketable securities valued at NT\$ 2.3 billion.



Organization Chart



Board of Directors

| | | |
|--------------------------------|------------------|---|
| Chairman | Kenneth C.M. Lo | Chairman & CEO, Industrial Bank of Taiwan |
| Managing Directors | Leslie Koo | Chairman, Taiwan Cement Corp. |
| | Tina Y. Lo | Deputy President and Chief Strategy Officer, Industrial Bank of Taiwan |
| | Gordon W. C. Lin | Chairman, IBT Securities Co., Ltd. |
| Independent Managing Directors | Chen Sun | Chairman, NTU Economic Research Foundation |
| Directors | Shih-tze Chen | Chairman, Ming Shan Investment Co., Ltd. |
| | Wu Ru-yueh, Kuo | Special Assistant to Chairman of Shin Kong Construction Development Co., Ltd. |
| | Chung-Ming Cheng | Chairman, San Ho Plastics Fabrication Co., Ltd. |
| | Mark Lee | General Manager, Heng Kuo Co., Ltd. |
| | Nina Lo | Chief Executive Officer, IBT Education Foundation |
| | Tony C. Y. Yang | President, Industrial Bank of Taiwan |
| | Eddie Huang | Director, AIF Capital Ltd. |
| Independent Directors | Jimmy Wu | Director, Hung Yung Construction Co., Ltd. |
| | Hou-Sheng Chan | Chairman, Cross-Straits Common Market Foundation |
| | Thomas Yue | C.P.A., Tien-Yeh Accounting Firm |

The Management



Tony C. Y. Yang
President



Chih Ming Chien
Executive Vice President & Chief
Risk Management Officer
Supervising Risk Management and
Operation Departments



Roy J.Y. Yeh
Deputy President & Chief Corporate Banking Officer
Supervising Corporate Banking, Corporate Financial
Products, Trust, General Banking Departments,
Offshore Banking Unit, and Domestic Branches



David C.C. Chang
Deputy President & Chief Administration Officer
Supervising Financial Management, Human
Resources, General Affairs, and Information
Technology Departments



Sophia Y.C. Chung
Executive Vice President & Chief Auditor
Auditing Department



Steven H.P. Wang
Executive Vice President
Taipei Region I, Corporate
Banking Department



Tina Y. Lo
Deputy President & Chief Strategy Officer
Supervising Global Banking, Corporate
Planning, Public Affairs Departments, and
Overseas Representative Office



Brian Y.L. Lin
Executive Vice President
Taipei Region II, Corporate
Banking Department



Tessie Y.H. Chen
Senior Executive Vice President &
Chief Financial Markets Officer
Supervising Treasury and Securities
Trading Departments



Elton F.Y. Lee
Senior Executive Vice President
Hong Kong Branch



Roger Y.F. Lin
Executive Vice President
Supervising Corporate
Financial Products and
Trust Departments



Grace W.S. Tang
Executive Vice President
Principal Investment Department



Nancy S.F. Liu
Senior Executive Vice President,
Chief Compliance Officer & Secretary General
Supervising Corporate Secretariat and Legal
Departments



Jonathan C.H. Wei
Executive Vice President
Corporate Planning
Department



**EXPAND
HORIZONS**



Business Plans

1. Short Term Plans

Strengthening overall profit structure to promote source of stable income

In the analysis of past IBT profit proportion structure, the trading sector carried a much heavier weight compared to all other business units. Profits generated from trading on securities, bonds, foreign exchange constituted a majority part of our income. As the market reacts negatively during the downturn of global economy, the dependency to the volatile trading sector did not favor our profit growth plan. Even the bank has strived to adjust its business model by reducing dependence on profits generated from trading business, there is still room for improvement. In 2012, we shall

endeavor to generate more stable income by increasing contribution from businesses such as loans, TMU, trust, guarantee and leasing.

Aggressively deploying strategic presence in mainland China, extending business scope and expanding customer base

As a wholesale bank, the IBT focuses primarily on large corporate clients due to cost-effective consideration. However, small and medium enterprises (SME) are becoming important players on both sides of the Taiwan Strait. Governments on both sides have adopted policies to support the development of SME. To expand business scope and client base, we will take an aggressive approach in promoting our leasing businesses to tap into the SME

segment through IBT Leasing Co., Ltd. and IBT International Leasing Corp. We developed on-line banking as well with expectation to bring in client cash flow and trade finance business. Subsidiaries of IBT benefit from shared services such as financial support, staff training, and guidance from the parent company, as well as assistance in business promotions and client referrals provided by our financial business unit.

2. Medium and Long Term Plans

Integrating Group resources to maximize synergy

Various business units within IBT Group are expected to interact much more frequently in the future following the financial de-regulation

on both sides of the Strait and our growing presence in China. One of our primary focuses is to strengthen the cooperation among our various business units. Since RMB services are now offered in both China and Taiwan, in compliance with regulations and financial examinations, we hope to provide integrated financial services to Taiwanese enterprises on both sides through cooperation among the bank and its affiliates, China Bills Finance Corp., IBT Securities Co., Ltd. and IBT Leasing Co., Ltd.

Enhancing personnel training and promoting international insight

International business has been developed and progressed following the financial de-regulation of both sides of the Taiwan Strait and our growing presence in China. We

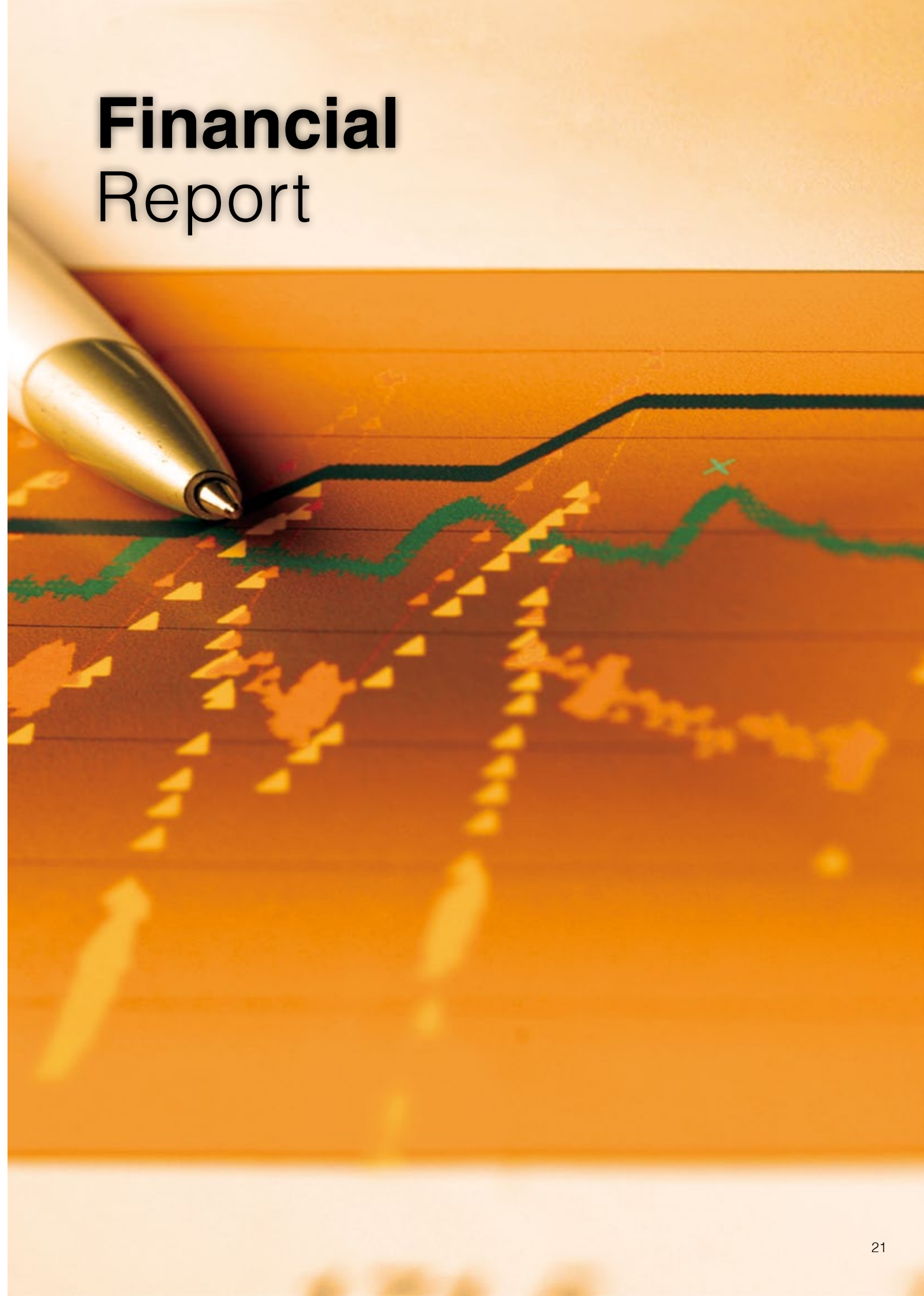


established representative office in Tianjin and leasing companies in Suzhou, and set up leasing business sites in Dongguan and Nanjing. To catch up with the pace of internationalization, it is on the top of our personnel agenda to recruit international-oriented human talents and provide staff training to meet our growing needs.

Strengthening our competitiveness in Taiwan to solidify cornerstone of overseas expansion

In addition to making entry into China, it is equally important for IBT to strengthen our competitiveness in Taiwan. IBT will continue developing its expertise in financial innovation and product R&D to seek internal growth. However, seeking external growth through merger & acquisition in Taiwan will not be excluded. Through enhanced competitiveness, the bank will strengthen its position in Taiwan's banking industry so as to provide a solid foundation for our overseas business development.

Financial Report



INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Industrial Bank of Taiwan

We have audited the accompanying balance sheets of Industrial Bank of Taiwan as of December 31, 2012 and 2011, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, based on our audits, the financial statements referred to above present fairly, in all material respects, the financial position of Industrial Bank of Taiwan as of December 31, 2012 and 2011, and the results of its operations and its cash flows for the years then ended, in conformity with the Criteria Governing the Preparation of Financial Reports by Public Banks, requirements of the Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards, and accounting principles generally accepted in the Republic of China.

We have also audited the consolidated financial statements of Industrial Bank of Taiwan and its subsidiaries as of and for the years ended December 31, 2012 and 2011 and have issued our unqualified opinion, thereon.

Deloitte & Touche

February 27, 2013

Notice to Readers

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

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

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2012 Amount | 2011 Amount | Change % |
|--|------------------|-------------------|-------------|
| NET INTEREST | | | |
| Interest revenues | \$ 2,287,389 | \$ 1,839,057 | 24 |
| Interest expenses | 1,224,265 | 1,024,352 | 20 |
| Net interest | 1,063,124 | 814,705 | 30 |
| NET REVENUES OTHER THAN INTEREST | | | |
| Commissions and fee revenues, net | 303,022 | 302,974 | - |
| Gain (loss) from financial assets and liabilities at fair value through loss | (70,353) | (71,060) | (1) |
| Realized income from available-for-sale financial assets | 65,412 | 85,316 | (23) |
| Realized income from held-to-maturity financial assets | 74 | 321 | (77) |
| Investment income recognized under equity method | 631,097 | 1,663,226 | (62) |
| Foreign exchange gain (loss), net | 517,033 | 160,769 | 222 |
| Loss from asset impairment | (430,111) | (111,989) | 284 |
| Realized income from financial assets carried at cost | 30,812 | 45,182 | (32) |
| Other non-interest net revenues | 260,416 | 96,487 | 170 |
| Net revenues other than interest | 1,307,402 | 2,171,226 | (40) |
| TOTAL NET REVENUES | 2,370,526 | 2,985,931 | (21) |
| PROVISION | 1,267,010 | 1,221,289 | 4 |
| OPERATING EXPENSES | | | |
| Personnel expenses | 564,882 | 487,405 | 16 |
| Depreciation and amortization | 78,482 | 89,804 | (13) |
| Others | 345,835 | 326,047 | 6 |
| Total operating expenses | 989,199 | 903,256 | 10 |
| INCOME BEFORE INCOME TAX | 114,317 | 861,386 | (87) |
| INCOME TAX EXPENSE (BENEFIT) | 55,088 | (74,755) | 174 |
| NET INCOME | \$ 59,229 | \$ 936,141 | (94) |

| | 2012 | 2011 |
|---------------------------|------------------|------------------|
| | Pretax After Tax | Pretax After Tax |
| EARNINGS PER SHARE | | |
| Basic | \$ 0.05 \$ 0.02 | \$ 0.36 \$ 0.39 |

BALANCE SHEETS

DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Par Value)

| | 2012 Amount | 2011 Amount | Change % |
|---|-----------------------|-----------------------|-------------|
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 845,741 | \$ 619,743 | 36 |
| DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS | 6,816,433 | 8,629,855 | (21) |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | 33,515,959 | 40,342,085 | (17) |
| RECEIVABLES, NET | 2,396,625 | 578,569 | 314 |
| DISCOUNTS AND LOANS, NET | 79,186,484 | 70,465,779 | 12 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS | 8,700,746 | 5,787,995 | 50 |
| HELD TO MATURITY ASSETS | 1,163,127 | 1,514,182 | (23) |
| EQUITY INVESTMENTS - EQUITY METHOD | 16,716,032 | 16,904,487 | (1) |
| FINANCIAL ASSETS CARRIED AT COST, NET | 1,885,968 | 2,356,870 | (20) |
| PROPERTIES | | | |
| Cost | | | |
| Land | 698,633 | 698,633 | - |
| Buildings | 1,904,672 | 1,906,634 | - |
| Machinery and computer equipment | 207,528 | 195,636 | 6 |
| Transportation equipment | 48,128 | 45,186 | 7 |
| Miscellaneous equipment | 110,423 | 109,647 | 1 |
| Leasehold improvements | 50,888 | 49,069 | 4 |
| Total cost | 3,020,272 | 3,004,805 | 1 |
| Accumulated depreciation | 537,561 | 472,419 | 14 |
| | 2,482,711 | 2,532,386 | (2) |
| Prepayments | 2,780 | - | - |
| Net properties | 2,485,491 | 2,532,386 | (2) |
| INTANGIBLE ASSETS | 21,224 | 23,093 | (8) |
| OTHER ASSETS | | | |
| Refundable deposits | 30,591 | 443,662 | (93) |
| Deferred tax assets | 234,505 | 187,131 | 25 |
| Others | 141,163 | 129,164 | 9 |
| Total other assets | 406,259 | 759,957 | (47) |
| TOTAL | \$ 154,140,089 | \$ 150,515,001 | 2 |

| | 2012 Amount | 2011 Amount | Change % |
|--|-----------------------|-----------------------|-------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| DUE TO THE CENTRAL BANK AND OTHER BANKS | \$ 22,621,329 | \$ 26,325,585 | (14) |
| FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS | 953,284 | 933,721 | 2 |
| SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE | 497,576 | 2,595,185 | (81) |
| ACCOUNTS PAYABLE | 868,410 | 580,935 | 49 |
| DEPOSITS | 92,418,399 | 84,727,577 | 9 |
| BANK DEBENTURES | 9,680,000 | 8,030,000 | 21 |
| OTHER FINANCIAL LIABILITIES | 560,108 | 539,321 | 4 |
| OTHER LIABILITIES | | | |
| Receipts in advance | 88,636 | 73,757 | 20 |
| Deferred tax liabilities | 81,711 | 24,615 | 232 |
| Others | 132,002 | 213,821 | (38) |
| Total other liabilities | 302,349 | 312,193 | (3) |
| Total liabilities | 127,901,455 | 124,044,517 | 3 |
| STOCKHOLDERS' EQUITY | | | |
| Capital stock, \$10 par value | | | |
| Authorized: 2,601,706 thousand shares | | | |
| Issued: 2,390,506 thousand shares | 23,905,063 | 23,905,063 | - |
| Capital surplus - from equity-method investee | 29,708 | 29,708 | - |
| Retained earnings | | | |
| Legal reserve | 1,107,558 | 826,720 | 34 |
| Special reserve | 1,283,969 | 1,106,780 | 16 |
| Unappropriated earnings | 59,229 | 936,128 | (94) |
| Total retained earnings | 2,450,756 | 2,869,628 | (15) |
| Other stockholders' equity | | | |
| Cumulative translation adjustments | (472,628) | (294,726) | 60 |
| Unrealized gain (loss) on financial instruments | 327,499 | (39,189) | 936 |
| Net loss unrecognized as pension cost | (1,764) | - | - |
| Total other stockholders' equity | (146,893) | (333,915) | (56) |
| Total stockholders' equity | 26,238,634 | 26,470,484 | (1) |
| CONTINGENCIES AND COMMITMENTS | | | |
| TOTAL | \$ 154,140,089 | \$ 150,515,001 | 2 |

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

YEARS ENDED DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Dividend Per Share)

| | Capital Stock | | Capital Surplus - from Equity Investee | Legal Reserve | Retained Earnings | | | Cumulative Translation Adjustments | Unrealized Gains or Losses on Financial Instruments | Net Loss Unrecognized as Pension Cost | Treasury Stock | Total Stockholders' Equity |
|---|-----------------------|---------------------|--|---------------------|---------------------|----------------------------|---------------------|--|--|---|----------------|----------------------------------|
| | Shares (Thousands) | Amount | | | Special Reserve | Unappropriated Earnings | Total | | | | | |
| BALANCE, JANUARY 1, 2011 | 2,390,506 | \$23,905,063 | \$ 29,708 | \$ 373,876 | \$ 394,277 | \$ 1,509,478 | \$ 2,277,631 | \$ (477,092) | \$ 293,174 | \$ - | \$ (80) | \$ 26,028,404 |
| Appropriation of 2010 earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 452,844 | - | (452,844) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | 578,533 | (578,533) | - | - | - | - | - | - |
| Cash dividends - \$0.2 per share | - | - | - | - | - | (478,101) | (478,101) | - | - | - | - | (478,101) |
| Transferred from reserve for default securities trading losses to special reserve | - | - | - | - | 22,873 | - | 22,873 | - | - | - | - | 22,873 |
| Transferred from reserve for default losses to special reserve of equity investee under equity method | - | - | - | - | 111,097 | - | 111,097 | - | - | - | - | 111,097 |
| Unrealized gain or loss on financial instruments of equity investments under equity method | - | - | - | - | - | - | - | - | (53,733) | - | - | (53,733) |
| Changes of unrealized gains or losses on available-for-sale financial assets | - | - | - | - | - | - | - | - | (278,630) | - | - | (278,630) |
| Cumulative translation adjustment of equity investments under equity method | - | - | - | - | - | - | - | 182,366 | - | - | - | 182,366 |
| Sale of treasury stock - 10 thousand shares | - | - | - | - | - | (13) | (13) | - | - | - | 80 | 67 |
| Net income in 2011 | - | - | - | - | - | 936,141 | 936,141 | - | - | - | - | 936,141 |
| BALANCE, DECEMBER 31, 2011 | 2,390,506 | 23,905,063 | 29,708 | 826,720 | 1,106,780 | 936,128 | 2,869,628 | (294,726) | (39,189) | | | 26,470,484 |
| Appropriation of 2011 earnings | | | | | | | | | | | | |
| Legal reserve | - | - | - | 280,838 | - | (280,838) | - | - | - | - | - | - |
| Special reserve | - | - | - | - | 177,189 | (177,189) | - | - | - | - | - | - |
| Cash dividends - \$0.2 per share | - | - | - | - | - | (478,101) | (478,101) | - | - | - | - | (478,101) |
| Unrealized gain or loss on financial instruments of equity investments under equity method | - | - | - | - | - | - | - | - | 127,186 | - | - | 127,186 |
| Changes of unrealized gains or losses on available-for-sale financial assets | - | - | - | - | - | - | - | - | 239,502 | - | - | 239,502 |
| Cumulative translation adjustment of equity investments under equity method | - | - | - | - | - | - | - | (177,902) | - | - | - | (177,902) |
| Net loss unrecognized as pension cost under equity method | - | - | - | - | - | - | - | - | - | (1,764) | - | (1,764) |
| Net income in 2012 | - | - | - | - | - | 59,229 | 59,229 | - | - | - | - | 59,229 |
| BALANCE, DECEMBER 31, 2012 | 2,390,506 | \$23,905,063 | \$ 29,708 | \$ 1,107,558 | \$ 1,283,969 | \$ 59,229 | \$ 2,450,756 | \$ (472,628) | \$ 327,499 | \$ (1,764) | \$ - | \$ 26,238,634 |

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars)

| | 2012 | 2011 |
|---|-------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 59,229 | \$ 936,141 |
| Adjustments: Noncash income items and other adjustments | | |
| Provisions | 1,267,010 | 1,221,289 |
| Depreciation and amortization | 78,482 | 89,804 |
| Gain on disposal of financial assets designated as at fair value through profit or loss | (137,658) | (96,567) |
| Gain on disposal of available-for-sale financial assets | (40,150) | (52,522) |
| Gain on disposal of held-to-maturity financial assets | (74) | (321) |
| Gain on disposal of financial assets carried at cost | (19,225) | (12,863) |
| Investment income recognized under equity method | (631,097) | (1,663,226) |
| Cash dividends received from equity-method investees | 571,472 | 314,220 |
| Loss (gain) on valuation of financial assets designated as at fair value through profit or loss | (97,450) | 15,135 |
| Loss from financial instruments impairment | 430,111 | 111,989 |
| Amortization of debt investments | 12,559 | 20,495 |
| Gain on disposal of properties | (879) | (1,920) |
| Deferred income taxes | 9,722 | (114,011) |
| Net changes in operating assets and liabilities | | |
| Financial assets held for trading | 7,009,642 | (25,000,058) |
| Receivables | (1,828,382) | 57,475 |
| Financial liabilities held for trading | 19,563 | (1,200,757) |
| Payable | 287,475 | (226,499) |
| Net cash provided by (used in) operating activities | 6,990,350 | (25,602,196) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Decrease in due from the Central Bank and call loans to banks | 1,813,422 | 11,894,716 |
| Increase in discounts and loans | (9,963,972) | (5,787,575) |
| Acquisition of financial assets designated as at fair value through profit or loss | (4,277,765) | (4,749,743) |
| Acquisition of available-for-sale financial assets | (8,804,557) | (6,476,467) |
| Acquisition of held-to-maturity financial assets | - | (1,013,703) |
| Acquisition of investments accounted for by equity method | - | (1,876,401) |
| Acquisition of financial assets carried at cost | (230,525) | (258,008) |
| Proceeds from disposal of financial assets designated as at fair value through profit or loss | 3,806,905 | 1,909,605 |
| Proceeds from disposal of available-for-sale financial assets | 4,990,115 | 5,145,592 |
| Proceeds from disposal of held-to-maturity financial assets | 295,499 | 148,132 |
| Proceeds from disposal of financial assets carried at cost | 167,713 | 62,526 |
| Received principal of financial asset designated as at fair value through profit or loss | 395,460 | 144,745 |
| Received principal of available-for-sale financial assets | 1,151,661 | 296,650 |

(Continued)

| | 2012 | 2011 |
|--|--------------|--------------|
| Received principal of financial assets carried at cost | \$ 67,772 | \$ 18,789 |
| Received principal of held-to-maturity financial assets | - | 1,081,734 |
| Proceeds from capital reduction of equity-method investee | 195,601 | 324,000 |
| Acquisitions of properties | (25,968) | (22,268) |
| Proceeds from disposal of properties | 3,319 | 4,387 |
| Increase in intangible assets | (7,225) | (4,347) |
| Decrease (increase) in refundable deposits | 413,071 | (311,778) |
| Increase in other assets | (11,999) | (7,830) |
| Net cash (used in) provided by investing activities | (10,021,473) | 522,756 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase (decrease) in due to the Central Bank and other banks | (3,704,256) | 7,261,851 |
| Increase (decrease) in securities sold under agreement to repurchase | (2,097,609) | 1,833,698 |
| Increase in deposits | 7,690,822 | 18,593,821 |
| Issuance of bank debentures | 1,650,000 | 4,300,000 |
| Repayment of bank debentures | - | (6,150,000) |
| Repayment of other financial liabilities | (343,606) | (281,907) |
| Increase in other financial liabilities | 364,393 | 358,622 |
| Increase in other liabilities | (80,348) | (43,793) |
| Cash dividends | (478,101) | (478,101) |
| Proceeds from disposal of treasury stock | - | 67 |
| Net cash provided by financing activities | 3,001,295 | 25,394,258 |
| EFFECTS OF EXCHANGE RATE CHANGES | 225,826 | (242,902) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 225,998 | 71,916 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 619,743 | 547,827 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 845,741 | \$ 619,743 |
| SUPPLEMENTAL INFORMATION | | |
| Interest paid | \$ 1,234,006 | \$ 1,001,375 |
| Income tax paid | \$ 61,658 | \$ 102,463 |

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Par Value)

| | 2012 Amount | 2011 Amount | Change % |
|---|-----------------------|-----------------------|-------------|
| ASSETS | | | |
| CASH AND CASH EQUIVALENTS | \$ 2,959,266 | \$ 1,941,581 | 52 |
| DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS | 7,174,806 | 8,090,220 | (11) |
| FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS | 124,896,298 | 140,123,833 | (11) |
| SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL | 2,142,065 | 450,000 | 376 |
| RECEIVABLES, NET | 10,116,025 | 3,954,516 | 156 |
| DISCOUNTS AND LOANS, NET | 88,305,749 | 79,680,155 | 11 |
| AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET | 88,824,188 | 76,619,144 | 16 |
| HELD-TO-MATURITY FINANCIAL ASSETS | 10,282,189 | 8,704,101 | 18 |
| EQUITY INVESTMENTS - EQUITY METHOD | 417,400 | 508,881 | (18) |
| OTHER FINANCIAL ASSETS, NET | | | |
| Financial assets carried at cost | 3,300,542 | 3,959,280 | (17) |
| Overdue receivables | - | 42,427 | (100) |
| Restricted assets | 404,160 | 344,089 | 17 |
| Others | 29,704 | 815,644 | (96) |
| Other financial assets, net | 3,734,406 | 5,161,440 | (28) |
| PROPERTIES | | | |
| Cost | | | |
| Land | 848,222 | 848,222 | - |
| Buildings | 1,974,401 | 1,976,363 | - |
| Machinery and computer equipment | 343,465 | 315,897 | 9 |
| Transportation equipment | 84,186 | 75,620 | 11 |
| Miscellaneous equipment | 217,838 | 208,452 | 5 |
| Leasehold improvements | 180,203 | 160,853 | 12 |
| Total cost | 3,648,315 | 3,585,407 | 2 |
| Accumulated impairment | 30,000 | 30,000 | - |
| Accumulated depreciation | 834,254 | 732,130 | 14 |
| | 2,784,061 | 2,823,277 | (1) |
| Prepayments | 13,006 | 4,614 | 182 |
| Net properties | 2,797,067 | 2,827,891 | (1) |
| INTANGIBLE ASSETS | 1,163,918 | 1,218,963 | (5) |
| OTHER ASSETS | | | |
| Deferred income tax assets | 480,669 | 426,181 | 13 |
| Refundable deposits | 2,322,825 | 2,362,878 | (2) |
| Others | 944,172 | 958,105 | (1) |
| Total other assets | 3,747,666 | 3,747,164 | - |
| TOTAL | \$ 346,561,043 | \$ 333,027,889 | 4 |

| | 2012 Amount | 2011 Amount | Change % |
|--|-----------------------|-----------------------|-------------|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | |
| LIABILITIES | | | |
| Due to the central bank and other banks | \$ 32,481,329 | \$ 33,765,585 | (4) |
| Short-term borrowings | 1,981,880 | 887,974 | 123 |
| Commercial paper payable | 1,634,605 | 399,949 | 309 |
| Financial liabilities at fair value through profit or loss | 1,860,459 | 1,399,293 | 33 |
| Securities sold under agreement to repurchase | 146,953,665 | 146,840,174 | - |
| Accounts payable | 1,940,478 | 1,382,196 | 40 |
| Deposits | 102,862,833 | 93,498,341 | 10 |
| Bank debentures | 9,680,000 | 8,030,000 | 21 |
| Other financial liabilities | 2,580,535 | 1,386,619 | 86 |
| Other liabilities | | | |
| Receipts in advance | 135,605 | 101,744 | 33 |
| Deferred income tax liabilities | 90,092 | 30,235 | 198 |
| Provision for loss on guarantees | 1,248,970 | 1,089,858 | 15 |
| Others | 622,648 | 894,160 | (30) |
| Total other liabilities | 2,097,315 | 2,115,997 | (1) |
| Total liabilities | 304,073,099 | 289,706,128 | 5 |
| STOCKHOLDERS' EQUITY | | | |
| Capital stock, \$10 par value | | | |
| Authorized: 2,601,706 thousand shares | | | |
| Issued - 2,390,506 thousand shares | 23,905,063 | 23,905,063 | - |
| Capital surplus - from equity-method investee | 29,708 | 29,708 | - |
| Retained earnings | | | |
| Legal reserve | 1,107,558 | 826,720 | 34 |
| Special reserve | 1,283,969 | 1,106,780 | 16 |
| Unappropriated earnings | 59,229 | 936,128 | (94) |
| Total retained earnings | 2,450,756 | 2,869,628 | (15) |
| Other stockholders' equity | | | |
| Cumulative translation adjustments | (472,628) | (294,726) | 60 |
| Unrealized gain on financial instruments | 327,499 | (39,189) | 936 |
| Net loss unrecognized as pension cost | (1,764) | - | - |
| Total other stockholders' equity | (146,893) | (333,915) | (56) |
| Total stockholders' equity of parent company | 26,238,634 | 26,470,484 | (1) |
| Minority interest | 16,249,310 | 16,851,277 | (4) |
| Total stockholders' equity | 42,487,944 | 43,321,761 | (2) |
| CONTINGENCIES AND COMMITMENTS | | | |
| TOTAL | \$ 346,561,043 | \$ 333,027,889 | 4 |

CONSOLIDATED STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2012 AND 2011
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

| | 2012 Amount | 2011 Amount | Change % |
|--|------------------|------------------|-------------|
| NET INTEREST | | | |
| Interest revenues | \$ 5,028,353 | \$ 4,300,688 | 17 |
| Interest expenses | 2,479,081 | 1,976,980 | 25 |
| Net interest | 2,549,272 | 2,323,708 | 10 |
| NET REVENUES OTHER THAN INTEREST | | | |
| Commissions and fee revenues, net | 905,607 | 843,895 | 7 |
| Gain from financial assets and liabilities at fair value through profit or loss | 622,378 | 64,603 | 863 |
| Realized income from available-for-sale financial assets | 203,663 | 204,811 | (1) |
| Realized income from held-to-maturity financial assets | 74 | 321 | (77) |
| Investment income (loss) recognized under equity method | (34,532) | 198 | (17,540) |
| Foreign exchange gain (loss), net | 509,959 | 162,718 | 213 |
| Loss from asset impairment | (535,477) | (221,504) | 142 |
| Realized income from financial assets carried at cost | 371,411 | 145,546 | 155 |
| Gain on disposal of property, plant and equipment | 331 | 4,061,835 | (100) |
| Consulting revenue | 44,161 | 40,323 | 10 |
| Recovery of provision | 718,536 | 288,181 | 149 |
| Other non-interest net gains | 195,604 | 146,760 | 33 |
| Net revenues other than interest | 3,001,715 | 5,737,687 | (48) |
| TOTAL NET REVENUES | 5,550,987 | 8,061,395 | (31) |
| PROVISION FOR LOAN | 1,481,554 | 1,315,521 | 13 |
| OPERATING EXPENSES | | | |
| Personnel expenses | 1,500,789 | 1,354,344 | 11 |
| Depreciation and amortization | 156,280 | 166,518 | (6) |
| Others | 901,485 | 977,033 | (8) |
| Total operating expenses | 2,558,554 | 2,497,895 | 2 |
| INCOME BEFORE INCOME TAX | 1,510,879 | 4,247,979 | (64) |
| INCOME TAX EXPENSE | 537,189 | 253,556 | 112 |
| CONSOLIDATED NET INCOME | \$ 973,690 | \$ 3,994,423 | (76) |
| ATTRIBUTED TO: | | | |
| Stockholders of parent company | \$ 59,229 | \$ 936,141 | (94) |
| Minority interest | 914,461 | 3,058,282 | (70) |
| | \$ 973,690 | \$ 3,994,423 | (76) |
| | 2012 | 2011 | |
| EARNINGS PER SHARE | Pretax After Tax | Pretax After Tax | |
| Basic and diluted | \$ 0.05 \$ 0.02 | \$ 0.36 \$ 0.39 | |

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