

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

| Item | ASSETS | December 31, 2017 | | December 31, 2016 | |
|-------------|--|-----------------------|------------|-----------------------|------------|
| | | Amount | % | Amount | % |
| 11000 | Cash and cash equivalents | \$ 2,404,565 | 1 | \$ 2,729,826 | 1 |
| 11500 | Due from the central bank and call loans to banks | 10,610,821 | 4 | 15,135,340 | 6 |
| 12000 | Financial assets at fair value through profit or loss | 44,703,932 | 15 | 39,538,632 | 15 |
| 13000 | Receivables, net | 5,891,803 | 2 | 4,690,507 | 2 |
| 13200 | Current tax assets | 54,922 | - | 55,293 | - |
| 13500 | Discounts and loans, net | 162,757,142 | 55 | 143,940,139 | 54 |
| 14000 | Available-for-sale financial assets | 48,598,498 | 17 | 32,628,260 | 12 |
| 14500 | Held-to Maturity financial assets | 499,821 | - | 5,544,703 | 2 |
| 15000 | Investments accounted for using equity method | 14,219,590 | 5 | 14,242,663 | 5 |
| 15500 | Other financial assets | 777,105 | - | 1,039,445 | 1 |
| 18500 | Property and equipment, net | 2,864,155 | 1 | 3,524,300 | 1 |
| 19000 | Intangible assets, net | 1,248,176 | - | 248,507 | - |
| 19300 | Deferred tax assets | 138,133 | - | 79,550 | - |
| 19500 | Other assets | <u>251,373</u> | <u>-</u> | <u>1,757,667</u> | <u>1</u> |
| 10000 | Total assets | <u>\$ 295,020,036</u> | <u>100</u> | <u>\$ 265,154,832</u> | <u>100</u> |
| Item | LIABILITIES AND EQUITY | | | | |
| | Liabilities | | | | |
| 21000 | Deposits from the central bank and banks | \$ 34,894,919 | 12 | \$ 41,875,141 | 16 |
| 22000 | Financial liabilities at fair value through profit or loss | 700,106 | - | 2,349,989 | 1 |
| 22500 | Securities sold under agreement to repurchase | 15,845,930 | 5 | 2,091,749 | 1 |
| 23000 | Accounts payable | 4,100,342 | 2 | 2,705,487 | 1 |
| 23200 | Current tax liabilities | 91,977 | - | - | - |
| 23500 | Deposits and remittances | 183,021,391 | 62 | 164,056,836 | 62 |
| 24000 | Bank debentures | 20,400,000 | 7 | 17,450,000 | 6 |
| 25500 | Other financial liabilities | 5,997,782 | 2 | 4,648,821 | 2 |
| 25600 | Provisions | 241,454 | - | 176,479 | - |
| 29300 | Deferred tax liabilities | 215,911 | - | 239,307 | - |
| 29500 | Other liabilities | <u>227,631</u> | <u>-</u> | <u>172,365</u> | <u>-</u> |
| 20000 | Total liabilities | <u>265,737,443</u> | <u>90</u> | <u>235,766,174</u> | <u>89</u> |
| | Equity | | | | |
| 31100 | Capital stock | <u>24,130,063</u> | <u>8</u> | <u>23,905,063</u> | <u>9</u> |
| 31500 | Capital surplus | <u>7,730</u> | <u>-</u> | <u>3,193</u> | <u>-</u> |
| | Retained earnings | | | | |
| 32001 | Legal reserve | 2,880,297 | 1 | 2,390,828 | 1 |
| 32003 | Special reserve | 1,229,536 | 1 | 1,173,293 | - |
| 32011 | Unappropriated earnings | <u>1,014,567</u> | <u>-</u> | <u>1,631,566</u> | <u>1</u> |
| 32000 | Total retained earnings | <u>5,124,400</u> | <u>2</u> | <u>5,195,687</u> | <u>2</u> |
| 32500 | Other equity | <u>20,400</u> | <u>-</u> | <u>284,715</u> | <u>-</u> |
| 30000 | Total equity | <u>29,282,593</u> | <u>10</u> | <u>29,388,658</u> | <u>11</u> |
| | Total liabilities and equity | <u>\$ 295,020,036</u> | <u>100</u> | <u>\$ 265,154,832</u> | <u>100</u> |

B. STATEMENTS OF COMPREHENSIVE INCOME

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

| Item | For the Years Ended December 31 | | | | Percentage Increase (Decrease) | |
|-------|---|------------------|------------|------------------|--------------------------------|--------|
| | 2017 | | 2016 | | | |
| | Amount | % | Amount | % | | |
| 41000 | Interest revenue | \$ 4,138,029 | 92 | \$ 3,629,099 | 84 | 14 |
| 51000 | Interest expenses | (2,161,812) | (48) | (1,545,201) | (36) | 40 |
| 49010 | Net interest | <u>1,976,217</u> | <u>44</u> | <u>2,083,898</u> | <u>48</u> | (5) |
| | Net revenue other than interest | | | | | |
| 49100 | Commissions and fee revenue, net | 656,229 | 15 | 823,615 | 19 | (20) |
| 49200 | Gain on financial assets and liabilities at fair value through profit or loss | (540,380) | (12) | 589,819 | 14 | (192) |
| 49300 | Realized income from available-for-sale financial assets | 394,922 | 9 | 291,754 | 7 | 35 |
| 49600 | Foreign exchange gain (loss), net | 1,244,443 | 28 | (273,333) | (6) | 555 |
| 49750 | Share of profit (loss) of associates and joint ventures accounted for using equity method | 695,405 | 15 | 735,478 | 17 | (5) |
| 48005 | Realized income from financial assets carried at cost | 1,072 | - | 46,866 | 1 | (98) |
| 48045 | Consulting revenue | 13,369 | - | 13,750 | - | (3) |
| 48099 | Other non-interest net gains | <u>64,863</u> | <u>1</u> | <u>6,883</u> | <u>-</u> | 842 |
| 49020 | Net revenue other than interest | <u>2,529,923</u> | <u>56</u> | <u>2,234,832</u> | <u>52</u> | 13 |
| 4xxxx | Total net revenue | <u>4,506,140</u> | <u>100</u> | <u>4,318,730</u> | <u>100</u> | 4 |
| 58200 | Provisions | (534,168) | (12) | (409,498) | (9) | 30 |
| | Operating expense | | | | | |
| 58500 | Employee benefits expenses | 1,571,449 | 35 | 1,276,638 | 30 | 23 |
| 59000 | Depreciation and amortization expense | 265,925 | 6 | 145,108 | 3 | 83 |
| 59500 | Other general and administrative expense | <u>908,815</u> | <u>20</u> | <u>630,902</u> | <u>15</u> | 44 |
| 58400 | Total operating expense | <u>2,746,189</u> | <u>61</u> | <u>2,052,648</u> | <u>48</u> | 34 |

(Continued)

| Item | For the Years Ended December 31 | | | | Percentage Increase (Decrease) | |
|-------|--|-------------------|--------------|-------------------|--------------------------------|-------|
| | 2017 | | 2016 | | | |
| | Amount | % | Amount | % | | |
| 61001 | Profit from continuing operations | | | | | |
| | before tax | | | | | |
| | \$ 1,225,783 | 27 | \$ 1,856,584 | 43 | (34) | |
| 61003 | Income tax expense | <u>153,703</u> | <u>3</u> | <u>212,686</u> | <u>5</u> | (28) |
| 64000 | Profit | <u>1,072,080</u> | <u>24</u> | <u>1,643,898</u> | <u>38</u> | (35) |
| | Other comprehensive income | | | | | |
| | Items that will not be reclassified subsequently to profit or loss: | | | | | |
| 65207 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method | 1,534 | - | (4,307) | - | 136 |
| 65201 | Remeasurement of defined benefit plan | (9,983) | - | (1,473) | - | 578 |
| | Items that may be reclassified subsequently to profit or loss: | | | | | |
| 65301 | Exchange differences on translating foreign operations | (467,600) | (10) | (233,155) | (5) | 101 |
| 65302 | Unrealized gain (loss) on available-for-sale financial assets | 45,889 | 1 | (384,842) | (9) | 112 |
| 65306 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss | 97,052 | 2 | (146,009) | (3) | 166 |
| 65320 | Income tax relating to the components of other comprehensive income | <u>60,344</u> | <u>1</u> | <u>18,105</u> | <u>-</u> | 233 |
| 65000 | Other comprehensive income (loss) for the year, net of income tax | <u>(272,764)</u> | <u>(6)</u> | <u>(751,681)</u> | <u>(17)</u> | (64) |
| 66000 | Total comprehensive income | <u>\$ 799,316</u> | <u>18</u> | <u>\$ 892,217</u> | <u>21</u> | (10) |
| | EARNINGS PER SHARE | | | | | |
| 67501 | Basic | <u>\$ 0.45</u> | | <u>\$ 0.69</u> | | |
| 67700 | Diluted | <u>\$ 0.45</u> | | <u>\$ 0.69</u> | | |

(Concluded)

C. STATEMENTS OF CHANGES IN EQUITY

For The Years Ended December 31, 2017 AND 2016

(In Thousands of New Taiwan Dollars)

| | | Equity Attributable to Owners of the Bank | | | | | | | | | | |
|------|--|---|---------------------|--------------------|--------------------|--------------------|----------------------------|---------------------|---|---|--------------------|---------------------|
| | | Capital Stock | | Retained Earnings | | | | Other Equity | | | | |
| Item | | Shares (Thousands) | Amount | Capital Surplus | Legal Reserve | Special Reserve | Unappropriated Earnings | Total | Exchange Differences on Translating Foreign Operations | Unrealized Gain (Loss) on Available-for- sale Financial Assets | Treasury Shares | Total Equity |
| A1 | Balance at January 1, 2016 | 2,390,506 | \$23,905,063 | \$ 1,773 | \$1,880,726 | \$1,178,307 | \$1,700,341 | \$4,759,374 | \$ 406,040 | \$ 624,576 | (\$ 18,693) | \$29,678,133 |
| | Appropriation of 2015 earnings | | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 510,102 | - | (510,102) | - | - | - | - | - |
| B3 | Reversal of special reserve | - | - | - | - | (5,014) | 5,014 | - | - | - | - | - |
| B5 | Cash dividends | - | - | - | - | - | (1,195,253) | (1,195,253) | - | - | - | (1,195,253) |
| M7 | Changes in ownership interests in subsidiaries | - | - | - | - | - | (6,552) | (6,552) | - | - | - | (6,552) |
| | Net income for the years ended December 31, | | | | | | | | | | | |
| D1 | 2016 | - | - | - | - | - | 1,643,898 | 1,643,898 | - | - | - | 1,643,898 |
| D3 | Other comprehensive income (loss) for the years ended December 31, 2016 | - | - | - | - | - | (5,780) | (5,780) | (215,050) | (530,851) | - | (751,681) |
| D5 | Total comprehensive income (loss) for the years ended December 31, 2016 | - | - | - | - | - | <u>1,638,118</u> | <u>1,638,118</u> | (215,050) | (530,851) | - | <u>892,217</u> |
| N1 | Transmission of treasury stock for employees | - | - | <u>1,420</u> | - | - | - | - | - | - | <u>18,693</u> | <u>20,113</u> |
| Z1 | Balance at December 31, 2016 | 2,390,506 | 23,905,063 | 3,193 | 2,390,828 | 1,173,293 | 1,631,566 | 5,195,687 | 190,990 | 93,725 | - | 29,388,658 |
| | Appropriation of 2016 earnings | | | | | | | | | | | |
| B1 | Legal reserve | - | - | - | 489,469 | - | (489,469) | - | - | - | - | - |
| B3 | Reversal of special reserve | - | - | - | - | 56,243 | (56,243) | - | - | - | - | - |
| B5 | Cash dividends | - | - | - | - | - | (1,085,854) | (1,085,854) | - | - | - | (1,085,854) |
| | Net income for the years ended December 31, | | | | | | | | | | | |
| D1 | 2017 | - | - | - | - | - | 1,072,080 | 1,072,080 | - | - | - | 1,072,080 |
| D3 | Other comprehensive income (loss) for the years ended December 31, 2017 | - | - | - | - | - | (8,449) | (8,449) | (407,256) | <u>142,941</u> | - | (272,764) |
| D5 | Total comprehensive income (loss) for the years ended December 31, 2017 | - | - | - | - | - | <u>1,063,631</u> | <u>1,063,631</u> | (407,256) | <u>142,941</u> | - | <u>799,316</u> |
| E1 | Issuance of ordinary shares for cash | <u>22,500</u> | <u>225,000</u> | <u>4,537</u> | - | - | (49,064) | (49,064) | - | - | - | <u>180,473</u> |
| Z1 | Balance at December 31, 2017 | <u>2,413,006</u> | <u>\$24,130,063</u> | <u>\$ 7,730</u> | <u>\$2,880,297</u> | <u>\$1,229,536</u> | <u>\$ 1,014,567</u> | <u>\$ 5,124,400</u> | <u>(\$ 216,266)</u> | <u>\$ 236,666</u> | <u>\$ -</u> | <u>\$29,282,593</u> |

D. STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| Item | For The Years Ended December 31 | | |
|--------------------------------------|--|--------------|--------------|
| | 2017 | 2016 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| A00010 | Profit from continuing operations before tax | \$ 1,225,783 | \$ 1,856,584 |
| | Adjustments to reconcile profit (loss): | | |
| A20100 | Depreciation expense | 140,217 | 106,564 |
| A20200 | Amortization expense | 125,708 | 38,544 |
| A20300 | Expect credit losses/recognition of provisions | 534,168 | 409,498 |
| A20400 | Net (gain) loss on financial assets or liabilities at fair value through profit or loss | 540,380 | (589,819) |
| A20900 | Interest expense | 2,161,812 | 1,545,201 |
| A21200 | Interest income | (4,138,029) | (3,629,099) |
| A21300 | Dividends income | (62,979) | (39,292) |
| A21800 | Indeterminate indemnity provision | - | 9,092 |
| A21900 | Share-based payments | 4,537 | - |
| A22300 | Share of profit of associates and joint ventures accounted for using equity method | (695,405) | (735,478) |
| A22500 | Loss (gain) on disposal of property and equipment | (1,981) | 6,774 |
| A23500 | Impairment loss on financial assets | - | 33,449 |
| A29900 | Gain on disposal of investments | (333,015) | (299,328) |
| | Changes in operating assets and liabilities: | | |
| A41170 | Decrease (increase) in due from the Central Bank and call loans to banks | (2,187,491) | (1,004,431) |
| A41120 | Decrease (increase) in financial assets at fair value through profit or loss | (6,063,627) | 2,893,336 |
| A41150 | Decrease (increase) in receivables | (1,027,469) | 424,677 |
| A41160 | Decrease (increase) in discounts and loans | (19,294,207) | (16,864,546) |
| A42110 | Increase (decrease) in deposits from the Central Bank and banks | (6,980,222) | 5,044,349 |
| A42120 | Increase (decrease) in financial liabilities at fair value through profit or loss | (1,649,883) | (3,773,503) |
| A42140 | Increase (decrease) in notes and bonds issued under repurchase agreement | 13,754,181 | 2,091,749 |
| A42150 | Increase (decrease) in payables | 1,231,349 | 610,231 |
| A42160 | Increase (decrease) in deposits and remittances | 18,964,555 | 8,479,246 |
| A42180 | Increase (decrease) in provisions | (497) | (10,446) |
| A33000 | Cash inflow (outflow) generated from operations | (3,752,115) | 3,396,648 |
| A33100 | Interest received | 4,123,792 | 3,895,650 |
| A33200 | Dividends received | 75,678 | 46,512 |
| A33300 | Interest paid | (1,998,305) | (1,700,434) |
| A33500 | Income taxes paid | (82,988) | (204,247) |
| AAAA | Net cash flows from (used in) operating activities | (1,633,938) | (1,359,167) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| B00100 | Acquisition of financial assets designated at fair value through profit or loss | (2,411,318) | (873,045) |
| B00200 | Proceeds from disposal of financial assets designated at fair value through profit or loss | 2,718,595 | 2,249,473 |
| B00300 | Acquisition of available-for-sale financial assets | (46,904,340) | (32,247,212) |
| B00400 | Proceeds from disposal of available-for-sale financial assets | 30,489,987 | 28,106,899 |
| B01100 | Proceeds from repayments of held-to-maturity financial assets | 5,045,000 | 4,305,000 |
| B01200 | Acquisition of financial assets at cost | - | (6,857) |
| B01300 | Proceeds from disposal of financial assets at cost | 78,123 | 130,896 |

(Continued)

| Item | For The Years Ended December 31 | | |
|--------------------------------------|---|---------------------|---------------------|
| | 2017 | 2016 | |
| B01400 | Proceeds from capital reduction of financial assets at cost | \$ 7,289 | \$ 3,889 |
| B01800 | Acquisition of investments accounted for using equity method | - | (643,000) |
| B01900 | Proceeds from disposal of investments accounted for using equity method | 11,839 | 643,343 |
| B02400 | Received principal of investments under equity method | - | 2,271,402 |
| B02700 | Acquisition of property and equipment | (446,141) | (1,058,531) |
| B02800 | Proceeds from disposal of property and equipment | 4,368 | 1,777 |
| B03700 | Decrease (increase) in refundable deposits | 1,513,459 | 1,398,134 |
| B04500 | Acquisition of intangible assets | (178,436) | (48,669) |
| B04600 | Proceeds from disposal of intangible assets | - | 9,391 |
| B06700 | Increase in other assets | (7,165) | (21,733) |
| B07600 | Dividends of subsidiaries and associates received | <u>320,025</u> | <u>316,215</u> |
| BBBB | Net cash flows used in investing activities | <u>(9,758,715)</u> | <u>4,537,372</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| C01400 | Proceeds from issuing bank notes payable | 3,750,000 | 3,000,000 |
| C01500 | Repayments of bank notes payable | (800,000) | (500,000) |
| C01600 | Increase in long-term debt | 3,614,406 | 1,749,144 |
| C01700 | Repayments of long-term debt | (2,255,022) | (2,132,553) |
| C04100 | Increase in other financial liabilities | - | 10,423 |
| C04200 | Decrease in other financial liabilities | (10,423) | - |
| C05000 | Proceeds from sale of treasury shares | - | 20,113 |
| C04300 | Increase in other liabilities | 55,265 | - |
| C04400 | Decrease in other liabilities | - | (101,438) |
| C04500 | Cash dividends paid | (1,085,854) | (1,195,253) |
| C04600 | Proceeds from issuing shares | <u>175,936</u> | <u>-</u> |
| CCCC | Net cash flows (used in) from financing activities | <u>3,444,308</u> | <u>850,436</u> |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | <u>911,074</u> | <u>384,307</u> |
| EEEE | Net increase (decrease) in cash and cash equivalents | (7,037,271) | 4,412,948 |
| E00100 | Cash and cash equivalents at beginning of the year | <u>13,843,789</u> | <u>9,430,841</u> |
| E00200 | Cash and cash equivalents at end of the year | <u>\$ 6,806,518</u> | <u>\$13,843,789</u> |

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of December 31, 2017 and 2016 is as follow:

| Item | For The Years Ended December 31 | | |
|--------|--|---------------------|---------------------|
| | 2017 | 2016 | |
| E00210 | Cash and cash equivalents reported in the statement of financial position | \$ 2,404,565 | \$ 2,729,826 |
| E00220 | Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7 | <u>4,401,953</u> | <u>11,113,963</u> |
| E00200 | Cash and cash equivalents at end of the year | <u>\$ 6,806,518</u> | <u>\$13,843,789</u> |

(Concluded)

E. NON-PERFORMING LOANS AND ACCOUNTS RECEIVABLE

(In Thousands of New Taiwan Dollars, %)

| Period | | December 31, 2017 | | | | |
|---|---------------------------|------------------------------|--------------------------------|---------------------------------------|-------------------------------|-------------------------|
| Items | | Nonperforming Loans (Note 1) | Outstanding Loan Balance | Ratio of Nonperforming Loans (Note 2) | Allowance for Possible Losses | Coverage Ratio (Note 3) |
| Corporate banking | Secured | \$ 415,307 | \$ 68,463,348 | 0.61% | \$ 814,680 | 196.16% |
| | Unsecured | - | 91,147,921 | - | 1,520,555 | - |
| Consumer banking (Note 5) | Housing mortgage (Note 4) | - | 5,001,783 | - | 75,027 | - |
| | Cash card | - | - | - | - | - |
| | Small-scale credit loans | 135 | 559,979 | 0.02% | 5,627 | 4,168.15% |
| | Other | Secured | - | - | - | - |
| Unsecured | | - | - | - | - | - |
| Total | | 415,442 | 165,173,031 | 0.25% | 2,415,889 | 581.52% |
| Items | | Nonperforming Receivables | Outstanding Receivable Balance | Ratio of Nonperforming Receivables | Allowance for Possible Losses | Coverage Ratio |
| Credit cards | | - | - | - | - | - |
| Factoring accounts receivable without recourse (Note 6) | | - | 4,592,967 | - | 51,390 | - |

| Period | | December 31, 2016 | | | | |
|---|---------------------------|------------------------------|--------------------------------|---------------------------------------|-------------------------------|-------------------------|
| Items | | Nonperforming Loans (Note 1) | Outstanding Loan Balance | Ratio of Nonperforming Loans (Note 2) | Allowance for Possible Losses | Coverage Ratio (Note 3) |
| Corporate banking | Secured | \$ 28,323 | \$ 52,263,816 | 0.05% | \$ 612,772 | 2,163.51% |
| | Unsecured | - | 93,842,037 | - | 1,552,942 | - |
| Consumer banking (Note 5) | Housing mortgage (Note 4) | - | - | - | - | - |
| | Cash card | NA | NA | NA | NA | NA |
| | Small-scale credit loans | NA | NA | NA | NA | NA |
| | Other | Secured | NA | NA | NA | NA |
| Unsecured | | NA | NA | NA | NA | NA |
| Total | | 28,323 | 146,105,853 | 0.02% | 2,165,714 | 7,646.49% |
| Items | | Nonperforming Receivables | Outstanding Receivable Balance | Ratio of Nonperforming Receivables | Allowance for Possible Losses | Coverage Ratio |
| Credit cards | | NA | NA | NA | NA | NA |
| Factoring accounts receivable without recourse (Note 6) | | - | 3,514,421 | - | 39,498 | - |

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 credit card 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: $\text{Nonperforming loans} \div \text{Outstanding loan balance}$.

Ratio of nonperforming credit card receivables: $\text{Nonperforming credit card receivables} \div \text{Outstanding credit card receivables balance}$.

Note 3: Coverage ratio of loans: $\text{Allowance for possible losses for loans} \div \text{Nonperforming loans}$.

Coverage ratio of credit card receivables: $\text{Allowance for possible losses for credit card receivables} \div \text{Nonperforming credit card receivables}$.

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: By December 31, 2016, The Bank was still an industrial bank, so there were no other consuming financial banking loans and credit card business except for the employees' housing mortgage loans.

Note 6: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), factoring accounts receivable 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 7: The Bank has no executed contracts on negotiated debts not reported as nonperforming loans or receivables and discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans or receivables.

F. CONCENTRATION OF CREDIT EXTENSIONS

(In Thousands of New Taiwan Dollars, %)

| December 31, 2017 | | | |
|-------------------|--|---------------------------|----------------------|
| Rank | Company Name | Credit Extensions Balance | % of Net Asset Value |
| 1 | A Company (unclassified other financial service) | \$ 6,525,400 | 22.28 |
| 2 | B Company (ocean transportation) | 3,619,243 | 12.36 |
| 3 | C Company (LCD and component manufacturing) | 3,525,096 | 12.04 |
| 4 | D Company (real estate development) | 3,464,541 | 11.83 |
| 5 | E Company (Chemical raw material manufacturing) | 2,592,128 | 8.85 |
| 6 | F Company (paper manufacturing) | 2,543,725 | 8.69 |
| 7 | G Company (department store) | 2,405,555 | 8.21 |
| 8 | H Company (real estate development) | 2,197,560 | 7.50 |
| 9 | I Company (financial lease) | 2,018,580 | 6.89 |
| 10 | J Company (semiconductor packaging and testing) | 2,001,342 | 6.83 |

| December 31, 2016 | | | |
|-------------------|--|---------------------------|----------------------|
| Rank | Company Name | Credit Extensions Balance | % of Net Asset Value |
| 1 | A Company (unclassified other financial service) | \$ 5,889,061 | 20.04 |
| 2 | C Company (LCD and component manufacturing) | 4,105,383 | 13.97 |
| 3 | B Company (ocean transportation) | 3,988,689 | 13.57 |
| 4 | K Company (fuel and coal production on manufacturing) | 3,113,561 | 10.59 |
| 5 | G Company (real estate development) | 2,979,749 | 10.14 |
| 6 | L Company (unclassified other financial service) | 2,748,125 | 9.35 |
| 7 | F Company (paper manufacturing) | 2,592,188 | 8.82 |
| 8 | D Company (real estate development) | 2,460,465 | 8.37 |
| 9 | J Company (metal construction materials wholesale industry) | 2,377,758 | 8.09 |
| 10 | M Company (real estate development) | 2,148,768 | 7.31 |

G. Interest Rate Sensitivity Balance Sheet

Interest Rate Sensitivity Balance Sheet (New Taiwan Dollars)

December 31, 2017

(In Thousands of New Taiwan Dollars, %)

| Items | 1 to 90 Days (Included) | 91 to 180 Days (Included) | 181 Days to One Year (Included) | Over One Year | Total |
|--|----------------------------|------------------------------|------------------------------------|---------------|-------------|
| Interest rate-sensitive assets | 132,363,671 | 16,508,687 | 12,822,636 | 32,594,222 | 194,289,216 |
| Interest rate-sensitive liabilities | 86,513,208 | 38,462,306 | 25,665,659 | 37,448,522 | 188,089,695 |
| Interest rate-sensitive gap | 45,850,463 | (21,953,619) | (12,843,023) | (4,854,300) | 6,199,521 |
| Net worth | | | | | 27,562,030 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 103.30% |
| Ratio of interest rate sensitivity gap to net worth | | | | | 22.49% |

December 31, 2016

(In Thousands of New Taiwan Dollars, %)

| Items | 1 to 90 Days (Included) | 91 to 180 Days (Included) | 181 Days to One Year (Included) | Over One Year | Total |
|--|----------------------------|------------------------------|------------------------------------|---------------|-------------|
| Interest rate-sensitive assets | 109,271,601 | 6,689,069 | 13,921,957 | 38,098,290 | 167,980,917 |
| Interest rate-sensitive liabilities | 82,311,467 | 25,533,915 | 16,068,903 | 35,693,023 | 159,607,308 |
| Interest rate-sensitive gap | 26,960,134 | (18,844,846) | (2,146,946) | 2,405,267 | 8,373,609 |
| Net worth | | | | | 28,413,325 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 105.25% |
| Ratio of interest rate sensitivity gap to net worth | | | | | 29.47% |

Note 1: The above amounts included only New Taiwan dollar amounts held by the Bank and excluded contingent assets and contingent liabilities items

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities 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 Balance Sheet (U.S. Dollars)

December 31, 2017

(In Thousands of U.S. Dollars, %)

| Items | 1 to 90 Days (Included) | 91 to 180 Days (Included) | 181 Days to One Year (Included) | Over One Year | Total |
|--|----------------------------|------------------------------|------------------------------------|---------------|-----------|
| Interest rate-sensitive assets | 1,462,640 | 63,033 | 13,009 | 605,581 | 2,144,263 |
| Interest rate-sensitive liabilities | 1,634,854 | 473,450 | 60,597 | - | 2,168,901 |
| Interest rate-sensitive gap | (172,214) | (410,417) | (47,588) | 605,581 | (24,638) |
| Net worth | | | | | 41,244 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 98.86% |
| Ratio of interest rate sensitivity gap to net worth | | | | | (59.74%) |

December 31, 2016

(In Thousands of U.S. Dollars, %)

| Items | 1 to 90 Days (Included) | 91 to 180 Days (Included) | 181 Days to One Year (Included) | Over One Year | Total |
|--|----------------------------|------------------------------|------------------------------------|---------------|------------|
| Interest rate-sensitive assets | 1,456,084 | 88,866 | 44,243 | 497,033 | 2,086,226 |
| Interest rate-sensitive liabilities | 1,525,147 | 577,152 | 73,811 | 73 | 2,176,183 |
| Interest rate-sensitive gap | (69,063) | (488,286) | (29,568) | 496,960 | (89,957) |
| Net worth | | | | | 18,419 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 95.87% |
| Ratio of interest rate sensitivity gap to net worth | | | | | (488.39%) |

Note 1: The above amounts included only U.S. dollar amounts held by the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities 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)

H. Profitability

Unit: %

| Items | | For The Years Ended December 31, 2017 | For The Years Ended December 31, 2016 |
|------------------------|-------------------|--|--|
| Return on total assets | Before income tax | 0.44 | 0.72 |
| | After income tax | 0.38 | 0.64 |
| Return on equity | Before income tax | 4.18 | 6.29 |
| | After income tax | 3.65 | 5.57 |
| Net income ratio | | 23.79 | 38.06 |

Note 1: $\text{Return on total assets} = \text{Income before (after) income tax} \div \text{Average total assets}$

Note 2: $\text{Return on equity} = \text{Income before (after) income tax} \div \text{Average equity}$

Note 3: $\text{Net income ratio} = \text{Income after income tax} \div \text{Total net revenues}$

Note 4: Income before (after) income tax represents income for the years ended

December 31, 2017 and 2016

I. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

December 31, 2017

(In Thousands of New Taiwan Dollars)

| | Total | Remaining Period to Maturity | | | | | |
|----------------------------------|--------------|------------------------------|-------------|--------------|--------------|-------------------|-------------|
| | | 0-10 Days | 11-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 252,606,042 | 49,236,605 | 24,824,432 | 23,689,243 | 24,869,925 | 24,659,688 | 105,326,149 |
| Main capital outflow on maturity | 280,759,592 | 31,102,800 | 26,089,592 | 70,432,107 | 39,733,662 | 37,165,578 | 76,235,853 |
| Gap | (28,153,550) | 18,133,805 | (1,265,160) | (46,742,864) | (14,863,737) | (12,505,890) | 29,090,296 |

December 31, 2016

(In Thousands of New Taiwan Dollars)

| | Total | Remaining Period to Maturity | | | | | |
|----------------------------------|--------------|------------------------------|--------------|--------------|-------------|-------------------|-------------|
| | | 0-10 Days | 11-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 208,581,483 | 45,214,409 | 15,011,780 | 12,238,204 | 16,626,871 | 23,424,948 | 96,065,271 |
| Main capital outflow on maturity | 238,970,810 | 21,313,955 | 30,272,935 | 69,783,129 | 24,401,394 | 25,059,486 | 68,139,911 |
| Gap | (30,389,327) | 23,900,454 | (15,261,155) | (57,544,925) | (7,774,523) | (1,634,538) | 27,925,360 |

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

December 31, 2017

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|------------|------------------------------|------------|-------------|----------------------|-------------|
| | | 0-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 4,243,908 | 1,338,861 | 832,448 | 730,436 | 364,296 | 977,867 |
| Main capital outflow on maturity | 4,607,286 | 1,832,992 | 1,255,648 | 685,934 | 251,943 | 580,769 |
| Gap | (363,378) | (494,131) | (423,200) | 44,502 | 112,353 | 397,098 |

December 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|-----------|------------------------------|------------|-------------|----------------------|-------------|
| | | 0-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 3,701,265 | 1,049,555 | 842,859 | 651,303 | 343,742 | 813,806 |
| Main capital outflow on maturity | 4,173,367 | 1,603,848 | 1,054,309 | 510,061 | 377,003 | 628,146 |
| Gap | (472,102) | (554,293) | (211,450) | 141,242 | (33,261) | 185,660 |

Maturity Analysis of Overseas Assets and Liabilities (U.S. Dollars)

December 31, 2017

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|-----------|------------------------------|------------|-------------|----------------------|-------------|
| | | 0-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 977,316 | 368,760 | 140,038 | 26,708 | 54,264 | 387,546 |
| Main capital outflow on maturity | 1,038,812 | 425,441 | 351,170 | 31,952 | 47,815 | 182,434 |
| Gap | (61,496) | (56,681) | (211,132) | (5,244) | 6,449 | 205,112 |

December 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|-----------|------------------------------|------------|-------------|----------------------|-------------|
| | | 0-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 906,939 | 224,971 | 163,114 | 87,904 | 124,462 | 306,488 |
| Main capital outflow on maturity | 929,504 | 357,619 | 241,093 | 82,505 | 115,220 | 133,067 |
| Gap | (22,565) | (132,648) | (77,979) | 5,399 | 9,242 | 173,421 |

J. Capital adequacy ratio

Unit: In Thousands of New Taiwan Dollars, %

| Items | | Year | December 31, 2017 | |
|--|-----------------------------|--|----------------------------|-------------------------------------|
| | | | Own Capital Adequacy Ratio | Consolidated Capital Adequacy Ratio |
| Eligible capital | Common stocks equity Tier 1 | | 20,691,448 | 39,951,052 |
| | Other Tier 1 capital | | - | - |
| | Tier 2 capital | | 5,160,148 | 8,193,754 |
| | Eligible capital | | 25,851,596 | 48,144,806 |
| Risk-weighted assets | Credit risk | Standard | 177,038,851 | 281,472,735 |
| | | Internal rating based approach | - | - |
| | | Asset securitization | - | - |
| | Operational risk | Basic indicator approach | 7,422,913 | 8,580,350 |
| | | Standard/alternative standardized approach | - | - |
| | | Advanced measurement approach | - | - |
| | Market risk | Standard | 4,165,338 | 69,522,775 |
| | | Internal model approach | - | - |
| Total risk-weighted assets | | 188,627,102 | 359,575,860 | |
| Capital adequacy ratio | | | 13.71% | 13.39% |
| Ratio of common stockholders' equity to risk-weighted assets | | | 10.97% | 11.11% |
| Ratio of Tier 1 capital to risk-weighted assets | | | 10.97% | 11.11% |
| Leverage ratio | | | 7.24% | 6.70% |

| Items | | Year | December 31, 2016 | |
|--|-----------------------------|--|----------------------------|-------------------------------------|
| | | | Own Capital Adequacy Ratio | Consolidated Capital Adequacy Ratio |
| Eligible capital | Common stocks equity Tier 1 | | 20,914,400 | 39,970,360 |
| | Other Tier 1 capital | | - | - |
| | Tier 2 capital | | 4,691,143 | 7,958,989 |
| | Eligible capital | | 25,605,543 | 47,929,349 |
| Risk-weighted assets | Credit risk | Standard | 162,090,192 | 269,123,088 |
| | | Internal rating based approach | - | - |
| | | Asset securitization | - | - |
| | Operational risk | Basic indicator approach | 6,946,513 | 8,216,913 |
| | | Standard/alternative standardized approach | - | - |
| | | Advanced measurement approach | - | - |
| | Market risk | Standard | 4,003,900 | 59,733,113 |
| | | Internal model approach | - | - |
| Total risk-weighted assets | | 173,040,605 | 337,073,114 | |
| Capital adequacy ratio | | | 14.80% | 14.22% |
| Ratio of common stockholders' equity to risk-weighted assets | | | 12.09% | 11.86% |
| Ratio of Tier 1 capital to risk-weighted assets | | | 12.09% | 11.86% |
| Leverage ratio | | | 7.81% | 7.18% |

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:

- (1) Eligible capital = Common stock equity Tier 1 + Other Tier 1 capital + Tier 2 capital.
- (2) Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
- (3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- (4) Ratio of common stockholders' equity to risk-weighted assets = Common stock equity Tier 1 ÷ Risk-weighted assets.
- (5) Ratio of Tier 1 capital to risk-weighted assets = (Common stocks equity Tier 1 + Other Tier 1 capital) ÷ Risk-weighted assets.
- (6) Leverage ratio = Tier 1 capital ÷ Exposure amount.

According to Law of Bank and other related regulations, the Bank and the Group's capital adequacy ratio should not be lower than 8%, Ratio of Tier 1 capital should not be lower than 5.5% and Ratio of common stockholders' equity should not be lower than 4% to ground the financial foundation of the Bank Referring to any actual ratios lower than the requirements, the authority has the rights to constrain the earning distribution.

K.NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEEES OVER WHICH THE BANK EXERCISES SIGNIFICANT INFLUENCE

FOR THE YEARS ENDED DECEMBER 31, 2017

(In Thousands of New Taiwan Dollars, %)

| Investee Company | Location | Main Business | Percentage of Ownership | Carrying Value | Investment Gain (Loss) | Consolidated Investment | | | | Note |
|---|-------------------------|---|-------------------------|----------------|------------------------|-------------------------|------------------------------|--------------------|-------------------------|------|
| | | | | | | Shares (Thousands) | Pro-forma Share of Ownership | Total | | |
| | | | | | | | | Shares (Thousands) | Percentage of Ownership | |
| <u>Financial institution</u> | | | | | | | | | | |
| Equity investment - equity method | | | | | | | | | | |
| China Bills Finance Corp. | Taipei City, Taiwan | Bonds underwriting, dealing and brokerage of securities | 28.37 | \$6,464,888 | \$ 383,281 | 382,531 | - | 382,531 | 28.48 | |
| IBT Holdings Corp. | California, America | Holding company | 100.00 | 4,496,478 | 212,896 | 10,869 | - | 10,869 | 100.00 | |
| IBT Leasing Co., Ltd. | Taipei City, Taiwan | Leasing company | 100.00 | 2,130,458 | 132,434 | 264,300 | - | 264,300 | 100.00 | |
| <u>Non-financial institution</u> | | | | | | | | | | |
| Equity investment - equity method | | | | | | | | | | |
| IBT II Venture Capital Co., Ltd. | Taipei City, Taiwan | Venture capital | 31.25 | - | 3,782 | 17,069 | - | 17,069 | 54.17 | |
| Chun Teng New Century Co., Ltd. | Taipei City, Taiwan | Securities investment consulting | 99.75 | 893,751 | (49,738) | 318,281 | - | 318,281 | 99.75 | |
| IBT Management Corp. | Taipei City, Taiwan | Securities investment trust | 100.00 | 234,015 | 911 | 13,400 | - | 13,400 | 100.00 | |
| Available-for-sale financial assets | | | | | | | | | | |
| Neo Solar Power Corporation | Hsinchu City, Taiwan | Solar industry | 0.20 | 27,460 | - | 1,997 | - | 1,997 | 0.20 | |
| Okbiotech Co., Ltd. | Hsinchu City, Taiwan | Biotech medical treatment | 0.83 | 17,034 | - | 544 | - | 544 | 0.83 | |
| Formosa Plastics Corporation | Kaohsiung City, Taiwan | Nonmetal mining | 0.02 | 122,585 | - | 1,242 | - | 1,242 | 0.02 | |
| Formosa Chemicals & Fiber Corporation | Changhua City, Taiwan | Chemical industry | 0.03 | 161,607 | - | 1,569 | - | 1,569 | 0.03 | |
| Kung Lung Batteries Industrial. | Nantou City, Taiwan | Chemical petroleum material manufacturing | 0.24 | 28,700 | - | 200 | - | 200 | 0.24 | |
| ASE Semiconductor Manufacturing Group, Ltd. | Kaohsiung City, Taiwan | Semiconductor | 0.05 | 152,600 | - | 4,000 | - | 4,000 | 0.05 | |
| Taiwan Semiconductor Manufacturing Company, Limited | Hsinchu City, Taiwan | Integrated circuit manufacturing | 0.00 | 275,400 | - | 1,233 | - | 1,233 | 0.00 | |
| Formosa Petrochemical Co., Ltd. | Taipei City, Taiwan | Chemical industry | 0.00 | 23,100 | - | 208 | - | 208 | 0.00 | |
| Hon Hai Precision Ind. Co., Ltd. | New Taipei City, Taiwan | Electronic component manufacturing | 0.03 | 514,080 | - | 5,436 | - | 5,436 | 0.03 | |
| Chunghwa Telecom Co., Ltd. | Taipei City, Taiwan | Telecommunication | 0.01 | 74,200 | - | 707 | - | 707 | 0.01 | |
| Cathay Financial Holdings | Taipei City, Taiwan | Financial Holdings | 0.00 | 19,260 | - | 377 | - | 377 | 0.00 | |
| Mega Financial Holdings | Taipei City, Taiwan | Financial insurance | 0.04 | 120,250 | - | 5,001 | - | 5,001 | 0.04 | |
| CTBC Financial Holdings | Taipei City, Taiwan | Financial Holdings | 0.02 | 67,650 | - | 12,182 | - | 12,182 | 0.06 | |
| Novatech Microelectronics Corp. | Hsinchu City, Taiwan | Semiconductor | 0.19 | 128,028 | - | 1,128 | - | 1,128 | 0.19 | |
| Taiwan Mobile Co., Ltd. | Taipei City, Taiwan | Telecommunication | 0.10 | 382,055 | - | 3,554 | - | 3,554 | 0.10 | |
| Sercomm Corporation | Taipei City, Taiwan | Electronic component manufacturing | 0.20 | 40,995 | - | 484 | - | 484 | 0.20 | |
| Brave C&H Supply Co., Ltd. | Taoyuan City, Taiwan | Steel board printing | 1.53 | 16,624 | - | 465 | - | 465 | 1.53 | |
| Vanguard International Semiconductor Corporation | Hsinchu City, Taiwan | Electronic component manufacturing | 0.02 | 19,800 | - | 300 | - | 300 | 0.02 | |
| Reber Genetics Co., Ltd. | Taipei City, Taiwan | Biotech research and development | 3.13 | 26,006 | - | 3,481 | - | 3,481 | 4.69 | |
| TTBIO Corp. | Taichung City, Taiwan | Medical equipment manufacturing | 7.48 | 59,409 | - | 1,799 | - | 1,799 | 7.48 | |
| Powertip Image Corporation | Taichung City, Taiwan | Electronic component manufacturing | 6.27 | 14,443 | - | 1,987 | - | 1,987 | 6.27 | |
| Nanpao Resins Co., Ltd. | Tainan City, Taiwan | Manufacture and sale of synthetic resin | 0.19 | 28,238 | - | 201 | - | 201 | 0.19 | |
| Thevax Genetics Vaccine Co., Ltd. | Taipei City, Taiwan | Cancer vaccine development | 1.13 | 52,920 | - | 1,008 | - | 1,008 | 1.13 | |

(Continued)

| Investee Company | Location | Main Business | Percentage of Ownership | Carrying Value | Investment Gain (Loss) | Consolidated Investment | | | | Note |
|--|--------------------------|--|-------------------------|----------------|------------------------|-------------------------|------------------------------|--------------------|-------------------------|------|
| | | | | | | Shares (Thousands) | Pro-forma Share of Ownership | Total | | |
| | | | | | | | | Shares (Thousands) | Percentage of Ownership | |
| Mosa Industrial Corporation | Yunlin County, Taiwan | Equipment manufacturing | 1.65 | \$63,363 | - | 2,565 | - | 2,565 | 1.65 | |
| TaiRx | Taipei City, Taiwan | Biotech research and development | 5.24 | 84,613 | - | 3,527 | - | 3,527 | 5.24 | |
| Vietnam (VNI) | Cayman Island | Venture capital | - | 21,774 | - | 1,500 | - | 1,500 | - | |
| Financial asset carried at cost | | | | | | | | | | |
| Progate Group Corporation | Taipei City, Taiwan | Wholesale of electronic materials | 4.35 | 19,476 | - | 1,444 | - | 1,444 | 4.35 | |
| Intumit Inc. | New Taipei City, Taiwan | Information system wholesaler and retailer | 5.95 | 7,122 | - | 1,385 | - | 1,385 | 9.36 | |
| Chipwell Tech Corporation | Hsinchu City, Taiwan | Electronic component manufacturing | 2.61 | 3,397 | - | 391 | - | 391 | 2.61 | |
| Knowledge Freeway Co., Ltd. | Taipei City, Taiwan | Information system wholesaler and retailer | 19.20 | 11,239 | - | 1,256 | - | 1,256 | 25.11 | |
| ADL Engineering Co., Ltd. | Hsinchu County, Taiwan | Electronic component manufacturing | 0.09 | 342 | - | 19 | - | 19 | 0.09 | |
| Ori Vita Bio Application, Inc. | New Taipei City, Taiwan | Biological-technology service industry | 2.03 | 41,518 | - | 4,152 | - | 4,152 | 2.03 | |
| Parawin Venture Capital Corp. | Taipei City, Taiwan | Venture capital | 5.00 | 21,868 | - | 2,187 | - | 2,187 | 5.00 | |
| Krom Electronics Co., Ltd. | Taipei City, Taiwan | Computer and electronic component manufacturing | 0.93 | 5,928 | - | 311 | - | 311 | 0.93 | |
| Luminous Town Electric Co., Ltd. | Kaohsiung County, Taiwan | Electronic component manufacturing | 0.90 | 6,972 | - | 601 | - | 601 | 0.90 | |
| Taiwan Hi-Tech Corp. | Hsinchu City, Taiwan | Electronic component manufacturing | 2.19 | 9,524 | - | 1,000 | - | 1,000 | 2.19 | |
| Gatetech Technology Inc. | Taoyuan City, Taiwan | Precision casting and seller | 1.78 | 7,011 | - | 779 | - | 779 | 1.78 | |
| Echem Solutions Corp. | Taoyuan City, Taiwan | Wholesale of electronic materials | 2.41 | 18,326 | - | 1,187 | - | 1,187 | 2.41 | |
| Arc Solid-State Lighting Corporation | New Taipei City, Taiwan | Electronic component and optical instruments manufacturing | 4.07 | 1,900 | - | 1,000 | - | 1,000 | 4.07 | |
| Joyin Co., Ltd. | Taipei City, Taiwan | Electronic component manufacturing | 3.83 | 32,000 | - | 2,492 | - | 2,492 | 3.83 | |
| Nisho Image Tech, Inc. | New Taipei City, Taiwan | L.E.D. printer output | 0.91 | 4,961 | - | 410 | - | 410 | 0.91 | |
| Taiwan Mobile Payment Co., Ltd. | Taipei City, Taiwan | Information Software Services Industry | 0.50 | 3,000 | - | 300 | - | 300 | 0.50 | |
| Kaohsiung Rapid Transit Corporation | Kaohsiung City, Taiwan | Transportation | 1.38 | 39,703 | - | 3,845 | - | 3,845 | 1.38 | |
| Biotechnology Development Fund II | America | Venture capital | - | 5,660 | - | - | - | - | 0.00 | |
| Anchor Semiconductor, Inc. | America | Software development | 3.09 | 16,399 | - | 1,000 | - | 1,000 | 3.09 | |
| Shihlien China Holding Co., Ltd. | Hong Kong | Chemical Industries | 1.39 | 227,528 | - | 52,182 | - | 52,182 | 1.39 | |
| Dio Investment Ltd. | Cayman Island | Coffee retail | 8.82 | 74,687 | - | 6,997 | - | 6,997 | 8.82 | |
| Shengzhuang Holdings Limited | Cayman Island | Chemical material manufacturing | 2.18 | 60,030 | - | 244 | - | 244 | 2.18 | |
| BioResource International Inc. | America | Agricultural biotechnology industry | 5.72 | 59,996 | - | 1,105 | - | 1,105 | 5.72 | |
| Topping Cuisine International Holdings Limited | Cayman Island | Retail restaurant management | 2.17 | 35,018 | - | 500 | - | 500 | 2.17 | |
| Beauty Essentials International Ltd. (Samoa) | Samoa | Cosmetic products wholesale | 2.41 | 63,500 | - | 25,974 | - | 25,974 | 2.41 | |

(Concluded)

L. Balance of Demand Deposit, Time Deposit, and Foreign Currency Deposit in proportion to total deposits:

(In Thousands of New Taiwan Dollars, %)

| | December 31, 2017 | December 31,2016 |
|--------------------------------|-------------------|------------------|
| Demand deposit | 29,706,083 | 28,058,695 |
| Demand deposit ratio | 16.23% | 17.10% |
| Time deposit | 153,304,047 | 135,997,983 |
| Time deposit ratio | 83.77% | 82.90% |
| Foreign currency deposit | 61,862,347 | 57,495,058 |
| Foreign currency deposit ratio | 33.80% | 35.05% |

Note :

1. Demand deposit ratio = Demand deposit ÷ Total deposit;
Time deposit ratio = Time deposit ÷ Total deposit;
Foreign currency deposit ratio = Foreign currency deposit ÷ Total deposit
2. Demand Deposit and Time Deposit include foreign currency deposit and public Treasury deposit.
3. All deposits exclude Post Office Re-Deposit.

M. Balance of Demand Deposit, Time Deposit, and Foreign Currency Deposit in proportion to total deposits:

(In Thousands of New Taiwan Dollars, %)

| | December 31, 2017 | December 31,2016 |
|---------------------|-------------------|------------------|
| SME loan | 8,671,513 | 3,589,129 |
| SME loan ratio | 5.25% | 2.46% |
| Consumer loan | 5,580,094 | - |
| Consumer loan ratio | 3.38% | - |

Note :

1. SME Loans Ratio = SME Loans ÷ Total Loans; Consumer Loan Ratio = Consumer Loan ÷ Total Loans
2. SME is defined according to standard of Ministry of Economic Affairs
3. Consumer loan includes housing loan, house improvement loan, auto loan, organizational employee favored loan, and other personal consumer loan (excluding revolving interests of credit cards)

N. Average amount and average interest rate of interest-earning assets and interest-bearing liabilities

Interest rate fluctuations affect the earning assets and interest-bearing liabilities, and current average interest rates are as follows:

(In Thousands of New Taiwan Dollars, %)

| | For the Years Ended December 31 | | | |
|--|---------------------------------|---------------|-----------------|---------------|
| | 2017 | | 2016 | |
| | Average Balance | Average Rate% | Average Balance | Average Rate% |
| <u>Interest-earning assets</u> | | | | |
| Cash and cash equivalents - due from banks | \$ 931,686 | 2.04% | \$ 599,721 | 1.92% |
| Call loans to banks | 6,296,975 | 1.07% | 7,547,503 | 1.26% |
| Due from the Central Bank | 3,333,761 | 0.71% | 3,206,108 | 0.76% |
| Financial assets at fair value through profit or loss | 39,544,611 | 0.56% | 40,158,025 | 0.66% |
| Securities purchased under resell agreements | 97,225 | 0.19% | 112,844 | 0.06% |
| Discounts and loans | 151,631,581 | 2.25% | 133,164,219 | 2.20% |
| Available-for-sale financial assets | 38,871,246 | 1.43% | 30,926,910 | 1.44% |
| Held-to-maturity financial assets | 820,566 | 0.99% | 9,361,348 | 0.81% |
| <u>Interest-bearing liabilities</u> | | | | |
| Deposits from the central bank and banks | 38,358,810 | 1.13% | 40,810,605 | 0.61% |
| Demand deposits | 23,680,971 | 0.35% | 27,145,073 | 0.32% |
| Time deposits | 144,792,924 | 0.86% | 100,878,966 | 0.71% |
| Securities sold under repurchase agreements | 6,965,099 | 0.55% | 1,466,221 | 0.37% |
| Bank debentures | 17,541,918 | 2.02% | 16,469,126 | 2.11% |
| Other financial liabilities | 5,415,837 | - | 5,378,658 | - |

O. Primary Net Position of Foreign Currency

Unit : In Thousands of Original Dollars and New Taiwan Dollars

| | December 31,2017 | | | December 31,2016 | | |
|---|------------------|---------|--------------------|------------------|--------|--------------------|
| | Primary | | NTD Equivalence | Primary | | NTD Equivalence |
| Primary Net Position of Foreign Currency (Market risk) | USD | 28,964 | 864,716 | CNH | 27,250 | 126,420 |
| | CNY | 114,191 | 523,764 | HKD | 28,749 | 119,693 |
| | HKD | 79,518 | 303,779 | USD | 1,016 | 32,803 |
| | EUR | 1,893 | 67,612 | EUR | 520 | 17,674 |
| | GBP | 1,131 | 45,544 | JPY | 40,269 | 11,085 |
| | | | | | | |

Note :

1. Primary foreign currencies are the top 5 highest position after converting to the same currency.
2. Primary net position is the absolute value of each currency

P. The disposal of major assets (According to 『 Procedures for Acquisition or Disposal of Assets by Public Companies 』 regulations) :

The details have been published in the public information observatory as required.
(<http://mops.twse.com.tw>) :

Basic Information

Code : 2897

Company Name : O-Bank Co., Ltd.

Q. The top ten shareholders :

For the Years Ended December 31, 2017

| Name | Shares | Pledged Holding | Shareholding (%) |
|---------------------------------------|-------------|-----------------|------------------|
| Ming Shan Investment Co., Ltd. | 238,707,967 | 0 | 9.89% |
| Yi Chang Investment Co., Ltd. | 238,644,084 | 0 | 9.89% |
| Tai Hsuan Investment Co., Ltd. | 238,598,333 | 0 | 9.89% |
| Heng Tong Machinery Co., Ltd. | 134,951,997 | 0 | 5.59% |
| China Steel Corporation | 103,847,695 | 0 | 4.30% |
| ADI Corporation | 103,847,695 | 103,847,695 | 4.30% |
| Chailease Finance Co., Ltd. | 92,694,047 | 0 | 3.84% |
| Hung Sheng Construction Co., Ltd. | 80,481,963 | 80,000,000 | 3.34% |
| Tai Ya Investment Co., Ltd. | 75,307,768 | 0 | 3.12% |
| San Ho Plastics Fabrication Co., Ltd. | 54,852,278 | 0 | 2.27% |