

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
		Amount	%	Amount	%
ASSETS					
11000	Cash and cash equivalents	\$ 3,670,225	1	\$ 2,404,565	1
11500	Due from the central bank and call loans to other banks	21,684,624	7	10,610,821	4
12000	Financial assets at fair value through profit or loss	53,820,259	16	44,703,932	15
12100	Financial assets at fair value through other comprehensive income	48,889,287	15	-	-
12200	Investments in debt instruments at amortized cost	499,940	-	-	-
13000	Receivables, net	6,842,372	2	5,891,803	2
13200	Current tax assets	82,212	-	54,922	-
13500	Discounts and loans, net	179,388,428	54	162,757,142	55
14000	Available-for-sale financial assets, net	-	-	48,598,498	17
14500	Held-to-maturity financial assets, net	-	-	499,821	-
15000	Investments measured by equity method, net	14,120,402	4	14,219,590	5
15500	Other financial assets	614,919	-	777,105	-
18500	Property and equipment, net	2,757,103	1	2,864,155	1
19000	Intangible assets, net	1,274,262	-	1,248,176	-
19300	Deferred tax assets	164,392	-	138,133	-
19500	Other assets	<u>531,695</u>	<u>-</u>	<u>251,373</u>	<u>-</u>
10000	Total assets	<u>\$ 334,340,120</u>	<u>100</u>	<u>\$ 295,020,036</u>	<u>100</u>
LIABILITIES AND EQUITY					
Liabilities					
21000	Deposits from the central bank and other banks	\$ 28,984,872	9	\$ 34,894,919	12
22000	Financial liabilities at fair value through profit or loss	780,811	-	700,106	-
22500	Notes and bonds issued under repurchase agreement	4,400,442	1	15,845,930	5
23000	Payables	4,834,006	2	4,100,342	2
23200	Current tax liabilities	-	-	91,977	-
23500	Deposits and remittances	240,461,299	72	183,021,391	62
24000	Bank debentures payable	17,850,000	5	20,400,000	7
25500	Other financial liabilities	4,321,291	1	5,997,782	2
25600	Provisions	328,048	-	241,454	-
29300	Deferred income tax liabilities	333,990	-	215,911	-
29500	Other liabilities	<u>56,233</u>	<u>-</u>	<u>227,631</u>	<u>-</u>
20000	Total liabilities	<u>302,350,992</u>	<u>90</u>	<u>265,737,443</u>	<u>90</u>
Equity					
Capital					
31101	Common stock	24,130,063	7	24,130,063	8
31103	Preferred stock	<u>3,000,000</u>	<u>1</u>	<u>-</u>	<u>-</u>
31100	Total capital	<u>27,130,063</u>	<u>8</u>	<u>24,130,063</u>	<u>8</u>
31500	Capital surplus	<u>8,503</u>	<u>-</u>	<u>7,730</u>	<u>-</u>
Retained earnings					
32001	Legal reserve	3,184,667	1	2,880,297	1
32003	Special reserve	1,215,831	1	1,229,536	1
32011	Unappropriated earnings	<u>610,045</u>	<u>-</u>	<u>1,014,567</u>	<u>-</u>
32000	Total retained earnings	<u>5,010,543</u>	<u>2</u>	<u>5,124,400</u>	<u>2</u>
32500	Other equity	<u>(159,981)</u>	<u>-</u>	<u>20,400</u>	<u>-</u>
30000	Total equity	<u>31,989,128</u>	<u>10</u>	<u>29,282,593</u>	<u>10</u>
Total liabilities and equity		<u>\$ 334,340,120</u>	<u>100</u>	<u>\$ 295,020,036</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)	
	2018		2017			
	Amount	%	Amount	%		
41000	Interest revenue	\$ 5,505,554	116	\$ 4,138,029	92	33
51000	Interest expenses	(3,324,033)	(70)	(2,161,812)	(48)	54
49010	Net interest	<u>2,181,521</u>	<u>46</u>	<u>1,976,217</u>	<u>44</u>	10
	Net revenue other than interest					
49100	Commissions and fee revenue, net	610,128	13	656,229	14	(7)
49200	Gain on financial assets and liabilities at fair value through profit or loss	1,385,777	29	(540,380)	(12)	356
49300	Realized income from available-for-sale financial assets	-	-	394,922	9	(100)
49310	Realized gains (loss) on financial assets at fair value through other comprehensive income	78,990	2	-	-	-
49600	Foreign exchange gain (loss), net	(536,618)	(11)	1,244,443	28	(143)
49750	Share of profit (loss) of associates and joint ventures accounted for using equity method	880,415	18	695,405	15	27
48099	Other non-interest net gains	<u>129,670</u>	<u>3</u>	<u>79,304</u>	<u>2</u>	64
49020	Net revenue other than interest	<u>2,548,362</u>	<u>54</u>	<u>2,529,923</u>	<u>56</u>	1
4xxxx	Total net revenue	<u>4,729,883</u>	<u>100</u>	<u>4,506,140</u>	<u>100</u>	5
58200	Provisions	(453,038)	(9)	(534,168)	(12)	(15)
	Operating expense					
58500	Employee benefits expenses	1,633,518	35	1,571,449	35	4
59000	Depreciation and amortization expense	382,934	8	265,925	6	44
59500	Other general and administrative expense	<u>1,133,707</u>	<u>24</u>	<u>908,815</u>	<u>20</u>	25
58400	Total operating expense	<u>3,150,159</u>	<u>67</u>	<u>2,746,189</u>	<u>61</u>	15

(Continued)

Item	For the Years Ended December 31				Percentage Increase (Decrease)
	2018		2017		
	Amount	%	Amount	%	
61001	Profit from continuing operations				
	before tax				
	\$ 1,126,686	24	\$ 1,225,783	27	(8)
61003	172,027	4	153,703	3	12
64000	954,659	20	1,072,080	24	(11)
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
65204	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income				
	(127,365)	(3)	-	-	-
65207	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method				
	(30,934)	-	1,534	-	(2,117)
65201	Remeasurement of defined benefit plan				
	1,077	-	(9,983)	-	111
65300	Items that may be reclassified subsequently to profit or loss:				
65301	Exchange differences on translating foreign operations				
	149,013	3	(467,600)	(10)	132
65302	Unrealized gain (loss) on available-for-sale financial assets				
	-	-	45,889	1	(100)
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	(100)

(Continued)

Item		For the Years Ended December 31				Percentage Increase (Decrease) %
		2018		2017		
		Amount	%	Amount	%	
65307	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	(\$ 90,021)	(2)	\$ -	-	-
65309	Revaluation gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(98,510)	(2)	-	-	-
65310	Impairment gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(1,691)	-	-	-	-
65320	Income tax relating to the components of other comprehensive income	(25,553)	(1)	60,344	1	(142)
65000	Other comprehensive income (loss) for the year, net of income tax	(223,984)	(5)	(272,764)	(6)	(18)
66000	Total comprehensive income	<u>\$ 730,675</u>	<u>15</u>	<u>\$ 799,316</u>	<u>18</u>	(9)
EARNINGS PER SHARE						
67501	Basic	<u>\$ 0.40</u>		<u>\$ 0.45</u>		
67700	Diluted	<u>\$ 0.40</u>		<u>\$ 0.45</u>		

(Concluded)

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

(In Thousands of New Taiwan Dollars, %)

	December 31, 2018	December 31, 2017
Demand deposit	41,034,221	29,706,083
Demand deposit ratio	17.06%	16.23%
Time deposit	199,427,072	153,304,047
Time deposit ratio	82.94%	83.77%
Foreign currency deposit	91,014,782	61,862,347
Foreign currency deposit ratio	37.85%	33.80%

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.

D. Balances and Ratios of Small and Medium Enterprises Business (SME)

Loan and Consumer Loan:

(In Thousands of New Taiwan Dollars, %)

	December 31, 2018	December 31, 2017
SME loan	16,018,129	8,671,513
SME loan ratio	8.80%	5.25%
Consumer loan	7,069,534	5,580,094
Consumer loan ratio	3.88%	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 set by the Ministry of Economic Affairs
3. Consumer loan includes housing loan, home improvement loan, auto loan, organizational employee benefit loan, and other personal consumer loan (excluding revolving interests of credit cards)

E. Primary Net Position of Foreign Currency

(In Thousands of Original Dollars and New Taiwan Dollars)

	December 31, 2018			December 31, 2017		
	Primary		NTD Equivalence	Primary		NTD Equivalence
Primary Net Position of Foreign Currency (Market risk)	USD	44,496	1,368,086	USD	28,964	864,716
	HKD	186,574	732,374	CNY	114,191	523,764
	CNY	109,109	488,649	HKD	79,518	303,779
	EUR	1,935	68,136	EUR	1,893	67,612
	NZD	824	16,996	GBP	1,131	45,544

Note :

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

F. 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.

G. The top ten shareholders :

For the Years Ended December 31, 2018

Name	Shares	Pledged Holding	Shareholding (%)
Ming Shan Investment Co., Ltd.	270,664,947	0	9.98%
Yi Chang Investment Co., Ltd.	264,040,288	0	9.73%
Tai Hsuan Investment Co., Ltd.	262,329,559	0	9.67%
Heng Tong Machinery Co., Ltd.	148,374,456	0	5.47%
China Steel Corporation	103,847,695	0	3.83%
ADI Corporation	103,847,695	103,847,695	3.83%
Chailease Finance Co., Ltd.	92,694,047	0	3.42%
Tai Ya Investment Co., Ltd.	82,797,953	0	3.05%
Hung Sheng Construction Co., Ltd.	80,481,963	80,000,000	2.97%
San Ho Plastics Fabrication Co., Ltd.	54,852,278	0	2.02%

Note: The Numbers and ratios of shareholdings include both common and preferred stocks.

H. Other financial information please refers to 2018 4Q Consolidate Report for your reference.