

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

ASSETS		September 30, 2018		December 31, 2017		September 30, 2017	
		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 2,686,721	1	\$ 2,404,565	1	\$3,629,077	1
11500	Due from the central bank and call loans to banks	27,235,363	8	10,610,821	4	14,208,835	5
12000	Financial assets at fair value through profit or loss	49,816,238	15	44,703,932	15	43,771,051	15
12100	Financial assets at fair value through other comprehensive income	50,060,114	15	-	-	-	-
12200	Investments in debt instruments at amortized cost	499,911	-	-	-	-	-
12500	Securities purchased under resell agreements	200,238	-	-	-	498,643	-
13000	Receivables, net	5,613,543	2	5,891,803	2	6,394,161	2
13200	Current tax assets	91,013	-	54,922	-	56,729	-
13500	Discounts and loans, net	177,919,734	53	162,757,142	55	159,364,959	53
14000	Available-for-sale financial assets, net	-	-	48,598,498	17	53,798,398	18
14500	Held-to-maturity financial assets, net	-	-	499,821	-	499,792	-
15000	Investments measured by equity method, net	14,440,078	5	14,219,590	5	14,208,375	5
15500	Other financial assets	305,585	-	777,105	-	837,302	-
18500	Property and equipment, net	2,743,890	1	2,864,155	1	2,810,992	1
19000	Intangible assets, net	1,279,207	-	1,248,176	-	1,276,100	-
19300	Deferred tax assets	92,485	-	138,133	-	110,229	-
19500	Other assets	<u>669,716</u>	<u>-</u>	<u>251,373</u>	<u>-</u>	<u>305,116</u>	<u>-</u>
10000	Total assets	<u>\$333,653,836</u>	<u>100</u>	<u>\$295,020,036</u>	<u>100</u>	<u>\$301,769,759</u>	<u>100</u>
LIABILITIES AND EQUITY							
Liabilities							
21000	Deposits from the central bank and banks	\$ 38,100,247	12	\$ 34,894,919	12	\$52,955,510	18
22000	Financial liabilities at fair value through profit or loss	1,105,174	-	700,106	-	2,069,484	1
22500	Notes and bonds issued under repurchase agreement	3,954,138	1	15,845,930	5	10,594,400	3
23000	Payables	3,721,601	1	4,100,342	2	3,267,839	1
23200	Current tax liabilities	122,054	-	91,977	-	138,019	-
23500	Deposits and remittances	230,959,314	69	183,021,391	62	179,270,759	59
24000	Bank debentures payable	21,200,000	6	20,400,000	7	18,650,000	6
25500	Other financial liabilities	4,787,348	2	5,997,782	2	4,883,765	2
25600	Provisions	366,036	-	241,454	-	200,851	-
29300	Deferred income tax liabilities	308,115	-	215,911	-	214,806	-
29500	Other liabilities	<u>29,809</u>	<u>-</u>	<u>227,631</u>	<u>-</u>	<u>217,967</u>	<u>-</u>
20000	Total liabilities	<u>304,653,836</u>	<u>91</u>	<u>265,737,443</u>	<u>90</u>	<u>272,463,400</u>	<u>90</u>
Equity							
Capital							
31101	Common stock	<u>24,130,063</u>	<u>7</u>	<u>24,130,063</u>	<u>8</u>	<u>24,130,063</u>	<u>8</u>
31500	Capital surplus	<u>8,524</u>	<u>-</u>	<u>7,730</u>	<u>-</u>	<u>7,730</u>	<u>-</u>
Retained earnings							
32001	Legal reserve	3,184,667	1	2,880,297	1	2,880,297	1
32003	Special reserve	1,215,831	-	1,229,536	1	1,229,536	1
32011	Unappropriated earnings	<u>545,902</u>	<u>-</u>	<u>1,014,567</u>	<u>-</u>	<u>998,138</u>	<u>-</u>
32000	Total retained earnings	<u>4,946,400</u>	<u>1</u>	<u>5,124,400</u>	<u>2</u>	<u>5,107,971</u>	<u>2</u>
32500	Other equity	<u>(84,987)</u>	<u>-</u>	<u>20,400</u>	<u>-</u>	<u>60,595</u>	<u>-</u>
30000	Total equity	<u>29,000,000</u>	<u>9</u>	<u>29,282,593</u>	<u>10</u>	<u>29,306,359</u>	<u>10</u>
Total liabilities and equity		<u>\$333,653,836</u>	<u>100</u>	<u>\$295,020,036</u>	<u>100</u>	<u>\$301,769,759</u>	<u>100</u>

B. STATEMENTS OF COMPREHENSIVE INCOME

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

		For the Nine Months Ended September 30			
		2018		2017	
		Amount	%	Amount	%
41000	Interest revenue	\$ 4,004,001	114	\$ 3,015,198	87
51000	Interest expense	(2,367,402)	(67)	(1,559,771)	(45)
49010	Net interest	<u>1,636,599</u>	<u>47</u>	<u>1,455,427</u>	<u>42</u>
	Net revenue other than interest revenue				
49100	Net service fee income	480,578	14	446,971	13
49200	Gains on financial assets or liabilities measured at fair value through profit or loss	1,021,700	29	(454,056)	(13)
49300	Realized gain (loss) on available-for-sale financial assets	-	-	327,512	9
49310	Realized gains (loss) on financial assets at fair value through other comprehensive income	79,590	2	-	-
49600	Foreign exchange gain (loss), net	(413,039)	(12)	1,015,351	29
49700	(Impairment loss on assets) reversal of impairment loss on assets	2,071	-	-	-
49750	Share of profit of associates and joint ventures accounted for using equity method	628,128	18	607,266	18
48099	Other net revenue other than interest	<u>75,116</u>	<u>2</u>	<u>79,949</u>	<u>2</u>
49020	Net revenue other than interest	<u>1,874,144</u>	<u>53</u>	<u>2,022,993</u>	<u>58</u>
4xxxx	Total net revenue	<u>3,510,743</u>	<u>100</u>	<u>3,478,421</u>	<u>100</u>
58200	Bad debts expense, commitment and guarantee liability provision	(238,340)	(7)	(314,473)	(9)

(Continued)

For the Nine Months Ended September 30

		2018		2017	
		Amount	%	Amount	%
Operating expense					
58500	Employee benefits expenses	\$ 1,262,609	36	\$ 1,191,090	34
59000	Depreciation and amortization expense	282,019	8	172,487	5
59500	Other general and administrative expense	<u>788,319</u>	<u>22</u>	<u>596,495</u>	<u>17</u>
58400	Total operating expenses	<u>2,332,947</u>	<u>66</u>	<u>1,960,072</u>	<u>56</u>
61001	Profit from continuing operations before tax	939,456	27	1,203,876	35
61003	Income tax expense	(<u>211,842</u>)	(<u>6</u>)	<u>156,676</u>	<u>5</u>
64000	Net profit for the period	<u>727,614</u>	<u>21</u>	<u>1,047,200</u>	<u>30</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
65204	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	57,788	2	-	-
65207	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	26,353	1	-	-
Components of other comprehensive income that will be reclassified to profit or loss					

(Continued)

For the Nine Months Ended September 30

		2018		2017	
		Amount	%	Amount	%
65301	Exchange differences on translation of financial statements of foreign operations	\$ 81,596	2	(\$ 384,411)	(10)
65302	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	5,879	-
65306	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(95,507)	(3)	102,753	3
65308	Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(36,662)	(1)	-	-
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(19,656)	(1)	48,660	1
65000	Other comprehensive income (loss) for the period, net of tax	<u>13,912</u>	-	(224,119)	(6)
66000	Total comprehensive income	<u>\$ 741,526</u>	<u>21</u>	<u>\$ 823,081</u>	<u>24</u>
EARNINGS PER SHARE					
67501	Basic	<u>\$ 0.30</u>		<u>\$ 0.44</u>	
67701	Diluted	<u>\$ 0.30</u>		<u>\$ 0.44</u>	

(Concluded)

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

(In Thousands of New Taiwan Dollars, %)

	September 30, 2018	December 31, 2017	September 30, 2017
Demand deposit	36,840,749	29,706,083	23,841,566
Demand deposit ratio	15.95%	16.23%	13.30%
Time deposit	194,096,681	153,304,047	155,396,741
Time deposit ratio	84.05%	83.77%	86.70%
Foreign currency deposit	77,139,398	61,862,347	59,858,200
Foreign currency deposit ratio	33.40%	33.80%	33.40%

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, %)

	September 30, 2018	December 31, 2017	September 30, 2017
SME loan	15,197,771	8,671,513	7,044,107
SME loan ratio	8.42%	5.25%	4.36%
Consumer loan	6,127,052	5,580,094	3,140,784
Consumer loan ratio	3.39%	3.38%	1.94%

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)

	September 30, 2018			December 31, 2017			September 30, 2017		
	Primary		NTD Equivalence	Primary		NTD Equivalence	Primary		NTD Equivalence
Primary Net Position of Foreign Currency (Market risk)	USD	37,498	1,145,869	USD	28,964	864,716	CNH	117,315	534,874
	HKD	139,309	544,161	CNY	114,191	523,764	HKD	110,998	430,657
	CNH	100,108	444,943	HKD	79,518	303,779	USD	7,677	232,685
	JPY	276,614	74,435	EUR	1,893	67,612	EUR	1,507	53,969
	EUR	962	34,162	GBP	1,131	45,544	JPY	46,165	12,432

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 Nine Months Ended September 30, 2018

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%

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

H. Other financial information please refers to 2018 3Q Consolidate Report for your reference.