

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

| ASSETS | | March 31, 2018 | | December 31, 2017 | | March 31, 2017 | |
|-------------------------------|---|----------------------|------------|----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % | Amount | % |
| 11000 | Cash and cash equivalents | \$ 2,709,467 | 1 | \$ 2,404,565 | 1 | \$ 2,188,870 | 1 |
| 11500 | Due from the central bank and call loans to banks | 31,010,806 | 10 | 10,610,821 | 4 | 13,494,820 | 5 |
| 12000 | Financial assets at fair value through profit or loss | 42,255,264 | 13 | 44,703,932 | 15 | 37,677,653 | 15 |
| 12100 | Financial assets at fair value through other comprehensive income | 46,754,125 | 15 | - | - | - | - |
| 12200 | Investments in debt instruments at amortized cost | 499,850 | - | - | - | - | - |
| 12500 | Bills and bonds purchased under resell agreements | 397,690 | - | - | - | 198,152 | - |
| 13000 | Receivables, net | 4,861,060 | 2 | 5,891,803 | 2 | 4,902,221 | 2 |
| 13200 | Current tax assets | 65,513 | - | 54,922 | - | 52,401 | - |
| 13500 | Discounts and loans, net | 164,551,249 | 53 | 162,757,142 | 55 | 142,447,622 | 57 |
| 14000 | Available-for-sale financial assets, net | - | - | 48,598,498 | 17 | 33,492,148 | 13 |
| 14500 | Held-to-maturity financial assets, net | - | - | 499,821 | - | 899,732 | - |
| 15000 | Investments measured by equity method, net | 14,148,031 | 5 | 14,219,590 | 5 | 14,002,628 | 5 |
| 15500 | Other financial assets | 291,258 | - | 777,105 | - | 979,495 | - |
| 18500 | Property and equipment, net | 2,826,335 | 1 | 2,864,155 | 1 | 3,671,671 | 1 |
| 19000 | Intangible assets, net | 1,290,186 | - | 1,248,176 | - | 247,410 | - |
| 19300 | Deferred tax assets | 186,973 | - | 138,133 | - | 191,449 | - |
| 19500 | Other assets | <u>296,634</u> | <u>-</u> | <u>251,373</u> | <u>-</u> | <u>594,735</u> | <u>1</u> |
| 10000 | Total assets | <u>\$312,144,441</u> | <u>100</u> | <u>\$295,020,036</u> | <u>100</u> | <u>\$255,041,007</u> | <u>100</u> |
| LIABILITIES AND EQUITY | | | | | | | |
| Liabilities | | | | | | | |
| 21000 | Deposits from the central bank and banks | \$ 49,541,817 | 16 | \$ 34,894,919 | 12 | \$ 29,306,325 | 11 |
| 22000 | Financial liabilities at fair value through profit or loss | 964,418 | - | 700,106 | - | 1,989,553 | 1 |
| 22500 | Notes and bonds issued under repurchase agreement | 6,000,506 | 3 | 15,845,930 | 5 | 2,782,221 | 1 |
| 23000 | Payables | 4,285,443 | 1 | 4,100,342 | 2 | 2,608,128 | 1 |
| 23200 | Current tax liabilities | 97,107 | - | 91,977 | - | 112,818 | - |
| 23500 | Deposits and remittances | 195,628,781 | 63 | 183,021,391 | 62 | 164,965,056 | 65 |
| 24000 | Bank debentures payable | 20,400,000 | 6 | 20,400,000 | 7 | 17,450,000 | 7 |
| 25500 | Other financial liabilities | 5,434,039 | 2 | 5,997,782 | 2 | 5,722,733 | 2 |
| 25600 | Provisions | 350,791 | - | 241,454 | - | 184,329 | - |
| 29300 | Deferred income tax liabilities | 268,713 | - | 215,911 | - | 187,436 | - |
| 29500 | Other liabilities | <u>155,447</u> | <u>-</u> | <u>227,631</u> | <u>-</u> | <u>142,056</u> | <u>-</u> |
| 20000 | Total liabilities | <u>283,127,062</u> | <u>91</u> | <u>265,737,443</u> | <u>90</u> | <u>225,450,655</u> | <u>88</u> |
| Equity | | | | | | | |
| Capital | | | | | | | |
| 31101 | Common stock | <u>24,130,063</u> | <u>8</u> | <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>7,730</u> | <u>-</u> | <u>3,193</u> | <u>-</u> |
| Retained earnings | | | | | | | |
| 32001 | Legal reserve | 2,880,297 | 1 | 2,880,297 | 1 | 2,390,828 | 1 |
| 32003 | Special reserve | 1,229,536 | - | 1,229,536 | 1 | 1,173,293 | 1 |
| 32011 | Unappropriated earnings | <u>950,786</u> | <u>-</u> | <u>1,014,567</u> | <u>-</u> | <u>2,091,172</u> | <u>1</u> |
| 32000 | Total retained earnings | <u>5,060,620</u> | <u>1</u> | <u>5,124,400</u> | <u>2</u> | <u>5,655,293</u> | <u>3</u> |
| 32500 | Other equity | <u>(181,033)</u> | <u>-</u> | <u>20,400</u> | <u>-</u> | <u>26,803</u> | <u>-</u> |
| 30000 | Total equity | <u>29,017,379</u> | <u>9</u> | <u>29,282,593</u> | <u>10</u> | <u>29,590,352</u> | <u>12</u> |
| Total liabilities and equity | | <u>\$312,144,441</u> | <u>100</u> | <u>\$295,020,036</u> | <u>100</u> | <u>\$255,041,007</u> | <u>100</u> |

B. STATEMENTS OF COMPREHENSIVE INCOME

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

| | | For the Three Months Ended March 31 | | | |
|-------|--|-------------------------------------|--------------|-------------------|--------------|
| | | 2018 | | 2017 | |
| | | Amount | % | Amount | % |
| 41000 | Interest revenue | \$1,184,179 | 117 | \$ 966,495 | 87 |
| 51000 | Interest expense | (676,033) | (67) | (488,387) | (43) |
| 49010 | Net interest | <u>508,146</u> | <u>50</u> | <u>478,108</u> | <u>44</u> |
| | Net revenue other than interest revenue | | | | |
| 49100 | Net service fee income | 129,627 | 13 | 180,382 | 16 |
| 49200 | Gains on financial assets or liabilities measured at fair value through profit or loss | (245,569) | (24) | (818,493) | (74) |
| 49310 | Realized gains (loss) on financial assets at fair value through other comprehensive income | 6,753 | - | - | - |
| 49300 | Realized gain (loss) on available-for-sale financial assets | - | - | 92,314 | 8 |
| 49600 | Foreign exchange gain (loss), net | 409,159 | 41 | 984,374 | 89 |
| 49700 | (Impairment loss on assets) reversal of impairment loss on assets | 660 | - | - | - |
| 49750 | Share of profit of associates and joint ventures accounted for using equity method | 180,200 | 18 | 181,165 | 16 |
| 48005 | Gains on financial assets at cost | - | - | 644 | - |
| 48045 | Consulting revenue | - | - | 4,900 | - |
| 48099 | Other net revenue other than interest | <u>21,662</u> | <u>2</u> | <u>7,657</u> | <u>1</u> |
| 49020 | Net revenue other than interest | <u>502,492</u> | <u>50</u> | <u>632,943</u> | <u>56</u> |
| 4xxxx | Total net revenue | <u>1,010,638</u> | <u>100</u> | <u>1,111,051</u> | <u>100</u> |
| 58200 | Bad debts expense, commitment and guarantee liability provision | (<u>62,375</u>) | (<u>6</u>) | (<u>50,853</u>) | (<u>6</u>) |

(Continued)

| | | For the Three Months Ended March 31 | | | |
|--|---|--|-----------|----------------|-----------|
| | | 2018 | | 2017 | |
| | | Amount | % | Amount | % |
| Operating expense | | | | | |
| 58500 | Employee benefits expenses | \$ 387,108 | 38 | \$ 393,626 | 34 |
| 59000 | Depreciation and amortization expense | 90,496 | 9 | 43,278 | 4 |
| 59500 | Other general and administrative expense | <u>233,389</u> | <u>23</u> | <u>155,987</u> | <u>14</u> |
| 58400 | Total operating expenses | <u>710,993</u> | <u>70</u> | <u>592,891</u> | <u>52</u> |
| 61001 | Profit from continuing operations before tax | 237,270 | 23 | 467,307 | 42 |
| 61003 | Income tax expense | <u>58,753</u> | <u>6</u> | <u>7,701</u> | <u>1</u> |
| 64000 | Net profit for the period | <u>178,517</u> | <u>18</u> | <u>459,606</u> | <u>41</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 | 66,021 | 7 | - | - |
| 65207 | Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method | 23,927 | 2 | - | - |
| Components of other comprehensive income that will be reclassified to profit or loss | | | | | |

(Continued)

For the Three Months Ended March 31

| | | 2018 | | 2017 | |
|---------------------------|--|--------------------|---------------|--------------------|---------------|
| | | Amount | % | Amount | % |
| 65301 | Exchange differences on translation of financial statements of foreign operations | (\$ 138,246) | (14) | (\$ 437,459) | (38) |
| 65302 | Unrealized gains (losses) on valuation of available-for-sale financial assets | - | - | 83,272 | 7 |
| 65308 | Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income | (57,882) | (6) | - | - |
| 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 | (61,294) | (6) | 48,435 | 4 |
| 65320 | Income tax related to components of other comprehensive income that will be reclassified to profit or loss | <u>24,754</u> | <u>2</u> | <u>47,841</u> | <u>4</u> |
| 65000 | Other comprehensive income (loss) for the period, net of tax | (<u>142,720</u>) | (<u>14</u>) | (<u>257,911</u>) | (<u>23</u>) |
| 66000 | Total comprehensive income | <u>\$ 35,797</u> | <u>4</u> | <u>\$ 201,695</u> | <u>18</u> |
| EARNINGS PER SHARE | | | | | |
| 67501 | Basic | <u>\$ 0.07</u> | | <u>\$ 0.19</u> | |
| 67701 | Diluted | <u>\$ 0.07</u> | | <u>\$ 0.19</u> | |

(Concluded)

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

(In Thousands of New Taiwan Dollars, %)

| | March 31, 2018 | December 31, 2017 | March 31, 2017 |
|--------------------------------|----------------|-------------------|----------------|
| Demand deposit | 40,531,165 | 29,706,083 | 25,684,597 |
| Demand deposit ratio | 20.72% | 16.23% | 15.58% |
| Time deposit | 155,037,507 | 153,304,047 | 139,219,648 |
| Time deposit ratio | 79.28% | 83.77% | 84.42% |
| Foreign currency deposit | 67,100,362 | 61,862,347 | 62,768,572 |
| Foreign currency deposit ratio | 34.31% | 33.80% | 38.06% |

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, %)

| | March 31, 2018 | December 31, 2017 | March 31, 2017 |
|---------------------|----------------|-------------------|----------------|
| SME loan | 9,202,189 | 8,671,513 | 4,757,407 |
| SME loan ratio | 5.51% | 5.25% | 3.29% |
| Consumer loan | 6,698,630 | 5,580,094 | 12,754 |
| Consumer loan ratio | 4.01% | 3.38% | 0.01% |

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)

| | March 31, 2018 | | | December 31, 2017 | | | March 31, 2017 | | |
|--|----------------|---------|--------------------|-------------------|---------|--------------------|----------------|--------|--------------------|
| | Primary | | NTD Equivalence | Primary | | NTD Equivalence | Primary | | NTD Equivalence |
| Primary Net Position of Foreign Currency (Market risk) | USD | 35,875 | 1,044,883 | USD | 28,964 | 864,716 | HKD | 54,707 | 213,614 |
| | HKD | 148,151 | 549,629 | CNY | 114,191 | 523,764 | USD | 4,913 | 149,080 |
| | CNY | 100,764 | 467,771 | HKD | 79,518 | 303,779 | CNY | 23,088 | 101,701 |
| | JPY | 703,197 | 192,679 | EUR | 1,893 | 67,612 | AUD | 1,972 | 45,825 |
| | GBP | 3,902 | 159,190 | GBP | 1,131 | 45,544 | EUR | 968.74 | 31,427 |

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 Three Months Ended March 31, 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 1Q Consolidate Report for your reference.