

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

Item	ASSETS	September 30, 2017		December 31, 2016		September 30, 2016	
		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	\$3,629,077	1	\$ 2,729,826	1	\$ 1,839,242	1
11500	Due from the central bank and call loans to banks	14,208,835	5	15,135,340	6	17,852,911	7
12000	Financial assets at fair value through profit or loss	43,771,051	15	39,538,632	15	43,273,267	16
12500	Securities purchased under resell agreements	498,643	-	-	-	-	-
13000	Receivables, net	6,394,161	2	4,690,507	2	4,438,918	2
13200	Current tax assets	56,729	-	55,293	-	9,744	-
13500	Discounts and loans, net	159,364,959	53	143,940,139	54	132,771,990	50
14000	Available-for-sale financial assets	53,798,398	18	32,628,260	12	32,014,502	12
14500	Held-to Maturity financial assets	499,792	-	5,544,703	2	9,544,674	4
15000	Investments accounted for using equity method	14,208,375	5	14,242,663	5	16,564,328	6
15500	Other financial assets	837,302	-	1,039,445	1	1,386,870	-
18500	Property and equipment, net	2,810,992	1	3,524,300	1	3,314,842	1
19000	Intangible assets, net	1,276,100	-	248,507	-	225,516	-
19300	Deferred tax assets	110,229	-	79,550	-	220,356	-
19500	Other assets	<u>305,116</u>	<u>-</u>	<u>1,757,667</u>	<u>1</u>	<u>1,462,073</u>	<u>1</u>
10000	Total assets	<u>\$301,769,759</u>	<u>100</u>	<u>\$ 265,154,832</u>	<u>100</u>	<u>\$264,919,233</u>	<u>100</u>
Item	LIABILITIES AND EQUITY						
	Liabilities						
21000	Deposits from the central bank and banks	\$52,955,510	18	\$ 41,875,141	16	\$ 42,076,240	16
22000	Financial liabilities at fair value through profit or loss	2,069,484	1	2,349,989	1	2,364,567	1
22500	Securities sold under agreement to repurchase	10,594,400	3	2,091,749	1	-	-
23000	Accounts payable	3,267,839	1	2,705,487	1	1,886,512	1
23200	Current tax liabilities	138,019	-	-	-	100,452	-
23500	Deposits and remittances	179,270,759	59	164,056,836	62	164,955,290	62
24000	Bank debentures	18,650,000	6	17,450,000	6	17,950,000	7
25500	Other financial liabilities	4,883,765	2	4,648,821	2	5,369,056	2
25600	Provisions	200,851	-	176,479	-	189,208	-
29300	Deferred tax liabilities	214,806	-	239,307	-	190,987	-
29500	Other liabilities	<u>217,966</u>	<u>-</u>	<u>172,365</u>	<u>-</u>	<u>189,798</u>	<u>-</u>
20000	Total liabilities	<u>272,463,399</u>	<u>90</u>	<u>235,766,174</u>	<u>89</u>	<u>235,272,110</u>	<u>89</u>
	Equity						
31100	Capital stock	<u>24,130,063</u>	<u>8</u>	<u>23,905,063</u>	<u>9</u>	<u>23,905,063</u>	<u>9</u>
31500	Capital surplus	<u>7,730</u>	<u>-</u>	<u>3,193</u>	<u>-</u>	<u>3,193</u>	<u>-</u>
	Retained earnings						
32001	Legal reserve	2,880,297	1	2,390,828	1	2,390,828	1
32003	Special reserve	1,229,536	1	1,173,293	-	1,173,293	-
32011	Unappropriated earnings	<u>998,138</u>	<u>-</u>	<u>1,631,566</u>	<u>1</u>	<u>1,422,563</u>	<u>1</u>
32000	Total retained earnings	<u>5,107,971</u>	<u>2</u>	<u>5,195,687</u>	<u>2</u>	<u>4,986,684</u>	<u>2</u>
32500	Other equity	<u>60,596</u>	<u>-</u>	<u>284,715</u>	<u>-</u>	<u>752,183</u>	<u>-</u>
30000	Total equity	<u>29,306,360</u>	<u>10</u>	<u>29,388,658</u>	<u>11</u>	<u>29,647,123</u>	<u>11</u>
	Total liabilities and equity	<u>\$301,769,759</u>	<u>100</u>	<u>\$ 265,154,832</u>	<u>100</u>	<u>\$264,919,233</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			
		2017		2016	
Item		Amount	%	Amount	%
41000	Interest revenue	\$ 3,015,198	87	\$ 2,745,727	80
51000	Interest expenses	(1,559,771)	(45)	(1,213,910)	(35)
49010	Net interest	<u>1,455,427</u>	<u>42</u>	<u>1,531,817</u>	<u>45</u>
	Net revenue other than interest				
49100	Commissions and fee revenue, net	446,971	13	600,445	18
49200	Gain on financial assets and liabilities at fair value through profit or loss	(454,056)	(13)	79,668	2
49300	Realized income from available-for-sale financial assets	327,512	9	288,383	8
49600	Foreign exchange gain (loss), net	1,015,351	29	174,139	5
49700	Loss from asset impairment	-	-	(33,449)	(1)
49750	Investment income (loss) recognized under equity method	607,266	18	712,954	21
48005	Realized income from financial assets carried at cost	-	-	11,735	-
48045	Consulting revenue	-	-	13,750	-
48099	Other non-interest net gains	<u>79,949</u>	<u>2</u>	<u>44,524</u>	<u>1</u>
49020	Net revenue other than interest	<u>2,022,993</u>	<u>58</u>	<u>1,892,149</u>	<u>55</u>
4xxxx	Total net revenue	<u>3,478,421</u>	<u>100</u>	<u>3,423,966</u>	<u>100</u>
58200	Provisions	(314,473)	(9)	(463,568)	(14)

(Continued)

For the Nine Months Ended September 30

Item	2017		2016		
	Amount	%	Amount	%	
Operating expense					
58500	Employee benefits expenses	\$ 1,191,090	34	\$ 873,317	26
59000	Depreciation and amortization expense	172,487	5	104,499	3
59500	Other general and administrative expense	<u>596,495</u>	<u>17</u>	<u>469,229</u>	<u>14</u>
58400	Total operating expense	<u>1,960,072</u>	<u>56</u>	<u>1,447,045</u>	<u>42</u>
61001	Profit from continuing operations before tax	1,203,876	35	1,513,353	44
61003	Income tax expense	<u>156,676</u>	<u>5</u>	<u>84,238</u>	<u>2</u>
64000	Profit	<u>1,047,200</u>	<u>30</u>	<u>1,429,115</u>	<u>42</u>
Other comprehensive income					
65300	Items that may be reclassified subsequently to profit or loss:				
65301	Exchange differences on translating foreign operations	(384,411)	(10)	(375,741)	(11)
65302	Unrealized gain (loss) on available-for-sale financial assets	5,879	-	(39,682)	(1)
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	102,753	3	96,589	3
65320	Income tax relating to the components of other comprehensive income	<u>48,660</u>	<u>1</u>	<u>40,401</u>	<u>1</u>
65000	Other comprehensive income (loss) for the year, net of income tax	<u>(224,119)</u>	<u>(6)</u>	<u>(278,433)</u>	<u>(8)</u>
66000	Total comprehensive income	<u>\$ 823,081</u>	<u>24</u>	<u>\$ 1,150,682</u>	<u>34</u>
EARNINGS PER SHARE					
67500	Basic	<u>\$ 0.44</u>		<u>\$ 0.60</u>	
67700	Diluted	<u>\$ 0.44</u>		<u>\$ 0.60</u>	

(Concluded)

C. STATEMENTS OF CHANGES IN EQUITY

For The Nine Months Ended September 30, 2017 AND 2016

(In Thousands of New Taiwan Dollars)

Item	Equity Attributable to Owners of the Bank											
	Capital Stock		Retained Earnings					Other Equity				
	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)	-	-	-	-	-
B5	Special reserve	-	-	-	-	(5,014)	5,014	-	-	-	-	-
B9	Cash dividends distributed by the Bank	-	-	-	-	-	(1,195,253)	(1,195,253)	-	-	-	(1,195,253)
D1	Net income for Nine months ended September 30, 2016	-	-	-	-	-	1,429,115	1,429,115	-	-	-	1,429,115
D3	Other comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	-	-	-	(335,339)	56,906	-	(278,433)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2016	-	-	-	-	-	1,429,115	1,429,115	(335,339)	56,906	-	1,150,682
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	(6,552)	(6,552)	-	-	-	(6,552)
N1	Transmission of treasury stock for employees	-	-	1,420	-	-	-	-	-	-	18,693	20,113
Z1	Balance at September 30, 2016	<u>2,390,506</u>	<u>\$23,905,063</u>	<u>\$ 3,193</u>	<u>\$2,390,828</u>	<u>\$1,173,293</u>	<u>\$1,422,563</u>	<u>\$4,986,684</u>	<u>\$ 70,701</u>	<u>\$681,482</u>	<u>\$ -</u>	<u>\$29,647,123</u>
A1	Balance at January 1, 2017	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	Special reserve	-	-	-	-	56,243	(56,243)	-	-	-	-	-
B5	Cash dividends distributed by the Bank	-	-	-	-	-	(1,085,854)	(1,085,854)	-	-	-	(1,085,854)
D1	Net income for nine months ended September 30, 2017	-	-	-	-	-	1,047,200	1,047,200	-	-	-	1,047,200
D3	Other comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	-	-	(332,751)	108,632	-	(224,119)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2017	-	-	-	-	-	1,047,200	1,047,200	(332,751)	108,632	-	823,081
E1	Issuance of common stock for cash	22,500	225,000	-	-	-	(49,062)	(49,062)	-	-	-	175,938
G1	Issuance of common stock under employee stock options	-	-	4,537	-	-	-	-	-	-	-	4,537
Z1	Balance at September 30, 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>\$ 998,138</u>	<u>\$5,107,971</u>	<u>(\$ 141,761)</u>	<u>\$ 202,357</u>	<u>\$ -</u>	<u>\$29,306,360</u>

D. STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

Item	For The Nine Months Ended September 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	\$ 1,203,876	\$ 1,513,353
	Adjustments to reconcile profit (loss):	
A20100	101,804	78,190
A20200	70,683	26,309
A20300	314,473	463,568
A20400	454,056	(79,668)
A20900	1,559,771	1,213,910
A21200	(3,015,198)	(2,745,727)
A21300	(62,979)	(36,024)
A21900	4,537	-
A22300	(595,427)	(712,954)
A22500	(2,036)	6,740
A23500	-	33,449
A29900	(283,980)	(264,093)
	Changes in operating assets and liabilities:	
A41170	(1,778,698)	(951,836)
A41120	(5,226,872)	(681,701)
A41150	(1,565,638)	797,460
A41160	(15,709,174)	(5,794,344)
A42110	11,080,368	5,245,448
A42120	(280,505)	(3,758,925)
A42140	8,502,652	-
A42150	402,922	(249,606)
A42160	15,213,923	9,377,700
A42180	586	(9,674)
A33000	10,389,144	3,471,575
A33100	3,000,778	2,763,418
A33200	75,678	43,244
A33300	(1,400,340)	(1,165,051)
A33500	(26,615)	(198,447)
AAAA	<u>12,038,645</u>	<u>4,914,739</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
B00100	(935,090)	(873,045)
B00200	596,787	1,594,625
B00300	(43,240,141)	(20,986,501)
B00400	21,743,186	17,607,131
B01100	5,045,000	305,000
B01300	36,301	61,961
B01400	7,289	-
B02400	-	43,438

(Continued)

Item	For The Nine Months Ended September 30		
	2017	2016	
B02700	Acquisition of property and equipment	(\$ 333,928)	(\$ 837,010)
B02800	Proceeds from disposal of property and equipment	4,410	760
B03700	Decrease (increase) in refundable deposits	1,474,036	1,687,664
B04500	Acquisition of intangible assets	(162,620)	(5,548)
B06500	Increase in other financial assets	-	(313,692)
B06700	Increase in other assets	(21,485)	(15,667)
B07600	Dividends from subsidiaries and associates	<u>320,025</u>	<u>316,215</u>
BBBB	Net cash flows used in investing activities	<u>(15,466,230)</u>	<u>(1,414,669)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C01400	Proceeds from issuing bank notes payable	2,000,000	3,000,000
C01500	Repayments of bank notes payable	(800,000)	-
C01600	Increase in long-term debt	1,949,858	1,806,092
C01700	Repayments of long-term debt	(1,704,491)	(1,554,760)
C04100	Increase in other financial liabilities	-	95,917
C04200	Decrease in other financial liabilities	(10,423)	-
C05000	Proceeds from sale of treasury shares	-	20,113
C04400	Decrease in other liabilities	45,601	(84,006)
C04500	Cash dividends paid	(1,085,854)	(1,195,253)
C04600	Proceeds from issuing shares	<u>175,937</u>	<u>-</u>
CCCC	Net cash flows (used in) from financing activities	<u>570,628</u>	<u>2,088,103</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>1,549,647</u>	<u>704,357</u>
EEEE	Net increase (decrease) in cash and cash equivalents	(1,307,310)	6,292,530
E00100	Cash and cash equivalents at beginning of period	<u>13,843,789</u>	<u>9,430,841</u>
E00200	Cash and cash equivalents at end of period	<u>\$ 12,536,479</u>	<u>\$ 15,723,371</u>

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of September 30, 2017 and 2016 is as follow:

Item	For The Nine Months Ended September 30		
	2017	2016	
E00210	Cash and cash equivalents reported in the statement of financial position	\$ 3,629,077	\$ 1,839,242
E00220	Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	8,408,759	13,884,129
E00230	Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	<u>498,643</u>	<u>-</u>
E00200	Cash and cash equivalents at end of the period	<u>\$ 12,536,479</u>	<u>\$ 15,723,371</u>

(Concluded)

E. NON-PERFORMING LOANS AND ACCOUNTS RECEIVABLE

(In Thousands of New Taiwan Dollars, %)

Period		September 30, 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	\$ 555,306	\$ 67,273,879	0.83%	\$ 818,786	147.45%	
	Unsecured	-	91,343,191	-	1,510,027	-	
Consumer banking	Housing mortgage (Note 4)	-	2,829,106	-	42,437	-	
	Cash card	-	-	-	-	-	
	Small-scale credit loans (Note 5)	196	292,989	0.07%	2,950	1,505.10%	
	Other (Note 6)	Secured	-	-	-	-	-
		Unsecured	-	-	-	-	-
Total		555,502	161,739,165	0.34%	2,374,200	427.40%	
		Nonperforming Receivables	Outstanding Receivable Balance	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio	
Credit cards		-	-	-	-	-	
Factoring accounts receivable without recourse		-	3,917,414	-	47,890	-	

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	Housing mortgage (Note 4)	-	-	-	-	-	
	Cash card	NA	NA	NA	NA	NA	
	Small-scale credit loans (Note 5)	NA	NA	NA	NA	NA	
	Other (Note 6)	Secured	NA	NA	NA	NA	NA
		Unsecured	NA	NA	NA	NA	NA
Total		28,323	146,105,853	0.02%	2,165,714	7,646.49%	
		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		-	3,514,421	-	39,498	-	

Period		September 30, 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	\$ 357,900	\$ 45,416,954	0.79%	\$ 501,098	140.01%	
	Unsecured	31,405	89,806,710	0.03%	1,950,577	6,211.04%	
Consumer banking	Housing mortgage (Note 4)	-	-	-	-	-	
	Cash card	NA	NA	NA	NA	NA	
	Small-scale credit loans (Note 5)	NA	NA	NA	NA	NA	
	Other (Note 6)	Secured	NA	NA	NA	NA	NA
		Unsecured	NA	NA	NA	NA	NA
Total		389,305	135,223,664	0.29%	2,451,675	629.76%	
		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		-	3,291,708	-	38,587	-	

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 nine 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, %)

September 30, 2017			
Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	A Company (unclassified other financial service)	\$ 6,505,538	22.20
2	B Company (ocean transportation)	3,759,382	12.83
3	C Company (LCD and component manufacturing)	3,563,308	12.16
4	D Company (real estate development)	3,448,441	11.77
5	E Company (paper manufacturing)	2,390,895	8.16
6	F Company (real estate development)	2,335,980	7.97
7	G Company (semiconductor packaging and testing)	2,304,101	7.86
8	H Company (real estate development)	2,290,000	7.81
9	I Company (Chemical raw material manufacturing)	2,215,153	7.56
10	J Company (metal construction materials wholesale industry)	2,038,861	6.96

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	M Company (real estate development)	2,979,749	10.14
6	N Company (unclassified other financial service)	2,748,125	9.35
7	E 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	L Company (real estate development)	2,148,768	7.31

December 31, 2016			
Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	C Company (LCD and component manufacturing)	\$ 4,140,203	13.96
2	A Company (unclassified other financial service)	4,104,954	13.85
3	B Company (ocean transportation)	3,434,477	11.58
4	K Company (fuel and coal production on manufacturing)	3,268,718	11.03
5	L Company (real estate development)	3,012,361	10.16
6	M Company (real estate development)	2,844,600	9.59
7	I Company (Chemical raw material manufacturing)	2,667,033	9.00
8	N Company (unclassified other financial service)	2,626,292	8.86
9	D Company (real estate development)	2,461,365	8.30
10	G Company (semiconductor packaging and testing)	2,452,473	8.27

G. Interest Rate Sensitivity Balance Sheet

Interest Rate Sensitivity Balance Sheet (New Taiwan Dollars)

September 30, 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	128,390,144	12,534,432	20,342,847	36,202,996	197,470,419
Interest rate-sensitive liabilities	88,099,483	41,565,819	21,705,991	40,265,642	191,636,935
Interest rate-sensitive gap	40,290,661	(29,031,387)	(1,363,144)	(4,062,646)	5,833,484
Net worth					27,815,040
Ratio of interest rate-sensitive assets to liabilities					103.04%
Ratio of interest rate sensitivity gap to net worth					20.97%

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%

September 30, 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	109,415,703	8,545,887	9,057,722	43,925,432	170,944,744
Interest rate-sensitive liabilities	75,399,591	32,688,739	18,115,909	38,366,144	164,570,383
Interest rate-sensitive gap	34,016,112	(24,142,852)	(9,058,187)	5,559,288	6,374,361
Net worth					28,767,466
Ratio of interest rate-sensitive assets to liabilities					103.87%
Ratio of interest rate sensitivity gap to net worth					22.16%

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)

September 30, 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	1,607,703	37,618	2,910	579,237	2,227,468
Interest rate-sensitive liabilities	1,627,649	574,971	63,303	-	2,265,923
Interest rate-sensitive gap	(19,946)	(537,353)	(60,393)	579,237	(38,455)
Net worth					37,027
Ratio of interest rate-sensitive assets to liabilities					98.30%
Ratio of interest rate sensitivity gap to net worth					(103.85%)

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%)

September 30, 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	1,468,844	66,389	43,601	583,651	2,162,485
Interest rate-sensitive liabilities	1,542,097	629,482	78,275	4,255	2,254,109
Interest rate-sensitive gap	(73,253)	(563,093)	(34,674)	579,396	(91,624)
Net worth					18,635
Ratio of interest rate-sensitive assets to liabilities					95.94%
Ratio of interest rate sensitivity gap to net worth					(491.68%)

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 Nine Months Ended September 30, 2017	For The Nine Months Ended September 30, 2016
Return on total assets	Before income tax	0.42	0.59
	After income tax	0.37	0.55
Return on equity	Before income tax	4.10	5.10
	After income tax	3.57	4.82
Net income ratio		30.11	41.74

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets

Note 2: Return on equity = Income before (after) income tax ÷ Average equity

Note 3: Net income ratio = Income after income tax ÷ Total net revenues

Note 4: Income before (after) income tax represents income for the nine months ended September 30, 2017 and 2016

I. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

September 30, 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	251,296,607	46,035,214	20,099,246	23,655,222	26,584,496	27,437,100	107,485,329
Main capital outflow on maturity	281,036,453	28,348,363	40,221,076	56,392,180	45,580,459	32,852,862	77,641,513
Gap	(29,739,846)	17,686,851	(20,121,830)	(32,736,958)	(18,995,963)	(5,415,762)	29,843,816

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

September 30, 2016

(In Thousands of New Taiwan 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	217,045,631	56,327,011	17,413,814	22,226,385	27,835,735	93,242,686
Main capital outflow on maturity	247,779,263	53,218,945	55,850,129	34,192,519	25,249,187	79,268,483
Gap	(30,733,632)	3,108,066	(38,436,315)	(11,966,134)	2,586,548	13,974,203

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

September 30, 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	4,210,671	1,220,231	1,042,194	687,735	278,585	981,926
Main capital outflow on maturity	4,583,542	1,696,731	1,146,440	823,219	320,626	596,526
Gap	(372,871)	(476,500)	(104,246)	(135,484)	(42,041)	385,400

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

September 30, 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	3,687,771	971,325	913,574	710,035	364,241	728,596
Main capital outflow on maturity	4,271,414	1,454,198	1,082,709	552,808	300,570	881,129
Gap	(583,643)	(482,873)	(169,135)	157,227	63,671	(152,533)

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

September 30, 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	965,598	252,613	220,369	45,193	27,194	420,229
Main capital outflow on maturity	1,013,684	392,972	321,273	96,627	39,106	163,706
Gap	(48,086)	(140,359)	(100,904)	(51,434)	(11,912)	256,523

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

September 30, 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	795,069	184,007	129,254	124,570	85,563	271,675
Main capital outflow on maturity	738,887	178,320	188,904	137,801	69,467	164,395
Gap	56,182	5,687	(59,650)	(13,231)	16,096	107,280

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

(In Thousands of New Taiwan Dollars, %)

	September 30,2017	December 31,2016	September 30,2016
Demand deposit	23,841,566	28,058,695	27,816,741
Demand deposit ratio	13.30%	17.10%	16.86%
Time deposit	155,396,741	135,997,983	137,130,687
Time deposit ratio	86.70%	82.90%	83.13%
Foreign currency deposit	59,858,200	57,495,058	57,369,531
Foreign currency deposit ratio	33.40%	35.05%	34.78%

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.

K. Balances and Ratios of Small and Medium Enterprises Business (SME) Loan and Consumer Loan:

(In Thousands of New Taiwan Dollars)

	September 30,2017	December 31,2016	September 30,2016
SME loan	7,044,107	3,589,129	3,771,438
SME loan ratio	4.36%%	2.46%	2.79%
Consumer loan	3,140,784	-	30,000
Consumer loan	1.94%	-	0.02%

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)

L. 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 Nine Months Ended September 30			
	2017		2016	
	Average Balance	Average Rate%	Average Balance	Average Rate%
<u>Interest-earning assets</u>				
Cash and cash equivalents - due from banks	\$ 821,232	1.64%	\$ 602,583	2.05%
Call loans to banks	6,494,600	0.99%	7,261,342	1.44%
Due from the Central Bank	3,231,522	0.71%	3,201,647	0.92%
Financial assets at fair value through profit or loss	39,428,313	0.57%	40,418,158	0.51%
Securities purchased under resell agreements	91,637	0.13%	132,015	0.07%
Discounts and loans	149,335,263	2.24%	123,236,688	2.30%
Available-for-sale financial assets	34,878,621	1.50%	30,350,711	1.42%
Held-to-maturity financial assets	928,663	0.96%	9,547,965	0.81%
<u>Interest-bearing liabilities</u>				
Deposits from the central bank and banks	37,116,200	1.14%	38,750,055	0.57%
Demand deposits	22,993,049	0.33%	26,894,845	0.32%
Time deposits	108,307,101	0.94%	99,087,544	0.70%
Securities sold under repurchase agreements	4,216,998	0.51%	980,669	0.30%
Bank debentures	17,136,447	2.02%	15,979,197	2.12%
Other financial liabilities	5,248,717	-	5,499,403	-

M. Primary Net Position of Foreign Currency

Unit : In Thousands of Original Dollars and New Taiwan Dollars

	September 30,2017			December 31,2016			September 30,2016		
	Primary		NTD Equivalence	Primary		NTD Equivalence	Primary		NTD Equivalence
Primary Net Position of Foreign Currency (Market risk)	CNH	117,315	534,874	CNH	27,250	126,420	USD	6,543	205,241
	HKD	110,998	430,657	HKD	28,749	119,693	HKD	42,477	171,855
	USD	7,677	232,685	USD	1,016	32,803	EUR	1,478	51,869
	EUR	1,507	53,969	EUR	520	17,674	GBP	524	21,312
	JPY	46,165	12,432	JPY	40,269	11,085	NZD	470	10,700

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

N. 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.

O. The top ten shareholders :

For the Nine Months Ended September 30, 2017

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