

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

Item	ASSETS	June 30, 2019		December 31, 2018		June 30, 2018	
		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 2,004,745	1	\$ 3,670,225	1	\$ 1,906,323	1
11500	Due from the central bank and call loans to banks	20,706,111	6	21,684,624	7	20,739,202	7
12000	Financial assets at fair value through profit or loss	67,735,102	20	53,820,259	16	46,867,517	15
12100	Financial assets at fair value through other comprehensive income	41,021,747	12	48,889,287	15	47,979,395	15
12200	Investments in debt instruments at amortised cost	500,000	-	499,940	-	499,880	-
13000	Receivables, net	4,017,395	1	6,842,372	2	5,612,239	2
13200	Current tax assets	75,377	-	82,212	-	78,757	-
13500	Discounts and loans, net	182,892,322	54	179,388,428	54	176,922,791	55
15000	Investments measured by equity method, net	14,634,462	4	14,120,402	4	14,282,163	4
15500	Other financial assets	847,654	-	614,919	-	-	-
18500	Property and equipment, net	2,690,129	1	2,757,103	1	2,769,205	1
18600	Right-of-use assets, net	246,288	-	-	-	-	-
19000	Intangible assets, net	1,212,946	1	1,274,262	-	1,310,147	-
19300	Deferred tax assets	238,862	-	164,392	-	167,579	-
19500	Other assets	<u>345,571</u>	<u>-</u>	<u>531,695</u>	<u>-</u>	<u>556,267</u>	<u>-</u>
10000	Total assets	<u>\$ 339,168,711</u>	<u>100</u>	<u>\$ 334,340,120</u>	<u>100</u>	<u>\$ 319,691,465</u>	<u>100</u>
Item	LIABILITIES AND EQUITY						
	Liabilities						
21000	Deposits from the central bank and banks	\$ 24,085,793	7	\$ 28,984,872	9	\$ 40,107,863	13
22000	Financial liabilities at fair value through profit or loss	322,853	-	780,811	-	1,221,349	-
22500	Notes and bonds issued under repurchase agreement	4,150,311	1	4,400,442	1	4,702,601	2
23000	Payables	3,591,256	1	4,834,006	2	4,496,120	1
23200	Current tax liabilities	114,361	-	-	-	88,296	-
23500	Deposits and remittances	247,753,848	73	240,461,299	72	212,293,123	66
24000	Bank notes payable	20,350,000	6	17,850,000	5	22,150,000	7
25500	Other financial liabilities	4,516,732	2	4,321,291	1	4,993,606	2
25600	Provisions	383,105	-	328,048	-	382,108	-
26000	Lease liabilities	247,545	-	-	-	-	-
29300	Deferred income tax liabilities	387,365	-	333,990	-	356,530	-
29500	Other liabilities	<u>41,936</u>	<u>-</u>	<u>56,233</u>	<u>-</u>	<u>57,778</u>	<u>-</u>
20000	Total liabilities	<u>305,945,105</u>	<u>90</u>	<u>302,350,992</u>	<u>90</u>	<u>290,849,374</u>	<u>91</u>
	Equity						
	Capital						
31100	Common stock	24,130,063	7	24,130,063	7	24,130,063	8
31103	Preferred stock	<u>3,000,000</u>	<u>1</u>	<u>3,000,000</u>	<u>1</u>	<u>-</u>	<u>-</u>
31100	Total capital	<u>27,130,063</u>	<u>8</u>	<u>27,130,063</u>	<u>8</u>	<u>24,130,063</u>	<u>8</u>
31500	Capital surplus	<u>9,757</u>	<u>-</u>	<u>8,503</u>	<u>-</u>	<u>8,572</u>	<u>-</u>
	Retained earnings						
32001	Legal reserve	3,367,681	1	3,184,667	1	3,184,667	1
32003	Special reserve	1,631,335	1	1,215,831	1	1,215,831	-
32011	Unappropriated earnings	<u>855,084</u>	<u>-</u>	<u>610,045</u>	<u>-</u>	<u>320,623</u>	<u>-</u>
32000	Total retained earnings	<u>5,854,100</u>	<u>2</u>	<u>5,010,543</u>	<u>2</u>	<u>4,721,121</u>	<u>1</u>
32500	Other equity interest	<u>229,686</u>	<u>-</u>	<u>(159,981)</u>	<u>-</u>	<u>(17,665)</u>	<u>-</u>
30000	Total equity	<u>33,223,606</u>	<u>10</u>	<u>31,989,128</u>	<u>10</u>	<u>28,842,091</u>	<u>9</u>
	Total liabilities and equity	<u>\$ 339,168,711</u>	<u>100</u>	<u>\$ 334,340,120</u>	<u>100</u>	<u>\$ 319,691,465</u>	<u>100</u>

B. STATEMENTS OF COMPREHENSIVE INCOME

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

Item	For the Six Months Ended June 30				
	2019		2018		
	Amount	%	Amount	%	
41000	Interest income	\$ 2,980,815	101	\$ 2,555,698	109
51000	Interest expenses	(1,993,772)	(68)	(1,458,668)	(62)
49010	Net interest revenue (expense)	987,043	33	1,097,030	47
	Net revenue other than interest				
49100	Net service fee revenue	470,723	16	365,218	15
49200	Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	1,209,257	41	810,839	35
49310	Realized gain on financial assets at fair value through other comprehensive income	69,045	3	24,178	1
49600	Foreign exchange gain (loss), net	(441,939)	(15)	(405,524)	(17)
49700	(Impairment loss on assets) reversal of impairment loss on assets	744	-	2,733	-
49750	Share of profit of associates and joint ventures accounted for using equity method	591,997	20	395,560	17
48099	Other non-interest net gains	61,933	2	50,066	2
49020	Net revenue other than interest	1,961,760	67	1,243,070	53
4xxxx	Net revenue	2,948,803	100	2,340,100	100
58200	Bad debts expense, commitment and guarantee liability provision	(493,329)	(17)	(161,548)	(7)

(Continued)

		For the Six Months Ended June 30			
		2019		2018	
Item		Amount	%	Amount	%
	Operating expense				
58500	Employee benefits expenses	\$ 871,630	29	\$ 839,045	36
59000	Depreciation and amortization expense	252,500	9	185,627	8
59500	Other general and administrative expense	<u>479,551</u>	<u>16</u>	<u>491,213</u>	<u>21</u>
58400	Total operating expense	<u>1,603,681</u>	<u>54</u>	<u>1,515,885</u>	<u>65</u>
61001	Profit from continuing operations before tax	851,793	29	662,667	28
61003	Income tax expense	<u>113,483</u>	<u>4</u>	<u>151,046</u>	<u>6</u>
64000	Profit	<u>738,310</u>	<u>25</u>	<u>511,621</u>	<u>22</u>
	Other comprehensive income				
	Components of other comprehensive income that will not be reclassified to profit or loss:				
65204	Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	123,106	4	62,497	3
65207	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	50,775	2	28,964	1
65300	Components of other comprehensive income that will be reclassified to profit or loss:				
65301	Exchange differences on translation	100,994	3	143,692	6

(Continued)

For the Six Months Ended June 30

<u>Item</u>	For the Six Months Ended June 30				
	2019		2018		
	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	\$ 91,849	3	(\$ 88,253)	(4)
65308	Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	150,695	5	(56,864)	(2)
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(10,978)	-	(18,088)	(1)
65000	Other comprehensive income (loss) for the year, net of income tax	<u>506,441</u>	<u>17</u>	<u>71,948</u>	<u>3</u>
66000	Total comprehensive income	<u>\$ 1,244,751</u>	<u>42</u>	<u>\$ 583,569</u>	<u>25</u>
EARNINGS PER SHARE					
67501	Basic	<u>\$ 0.30</u>		<u>\$ 0.21</u>	
67701	Diluted	<u>\$ 0.30</u>		<u>\$ 0.21</u>	

(Concluded)

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

Unit: NT\$ Thousand, %

	June 30,2019	December 31,2018	June 30,2018
Demand deposit	51,108,320	41,034,221	34,978,523
Demand deposit ratio	20.63%	17.06%	16.48%
Time deposit	196,633,080	199,427,072	177,314,039
Time deposit ratio	79.37%	82.94%	83.52%
Foreign currency deposit	83,220,270	91,014,782	71,289,885
Foreign currency deposit ratio	33.59%	37.85%	33.58%

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)

	June 30,2019	December 31,2018	June 30,2018
SME loan	21,867,302	16,018,129	15,384,447
SME loan ratio	11.76%	8.80%	8.58%
Consumer loan	9,147,355	7,069,534	7,784,743
Consumer loan ratio	4.92%	3.88%	4.34%

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)

E. Primary Net Position of Foreign Currency

	June 30,2019			December 31,2018		
	Primary		NTD Equivalence	Primary		NTD Equivalence
Primary Net Position of Foreign Currency (Market risk)	USD	66,334	2,061,650	USD	44,496	1,368,086
	HKD	284,497	1,132,673	HKD	186,574	732,374
	CNY	119,206	539,401	CNY	109,109	488,649
	CHF	2,165	69,045	EUR	1,935	68,136
	AUD	2,052	44,707	NZD	824	16,996

	June 30,2018		
	Primary		NTD Equivalence
Primary Net Position of Foreign Currency (Market risk)	USD	42,464	1,295,402
	HKD	165,747	644,484
	CNH	81,025	372,966
	EUR	971	34,433
	JPY	39,944	11,006

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

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 Six Months Ended June 30, 2019

Name	Shares	Pledged Holding	Shareholding (%)
Ming Shan Investment Co., Ltd.	246,691,967	0	10.22%
Yi Chang Investment Co., Ltd.	240,254,084	0	9.96%
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: Numbers and ratios of shareholdings refer to both common and preferred shares.

H. Other financial information please refers to 2019 2Q Consolidate Report for your reference.