

O-BANK CO., LTD.

A. BALANCE SHEETS

(In Thousands of New Taiwan Dollars)

| Item | ASSETS | March 31, 2017 | | December 31, 2016 | | March 31, 2016 | |
|-------------|--|----------------------|------------|-----------------------|------------|----------------------|------------|
| | | Amount | % | Amount | % | Amount | % |
| 11000 | Cash and cash equivalents | \$ 2,188,870 | 1 | \$ 2,729,826 | 1 | \$ 3,368,995 | 1 |
| 11500 | Due from the central bank and call loans to banks | 13,494,820 | 5 | 15,135,340 | 6 | 16,214,974 | 6 |
| 12000 | Financial assets at fair value through profit or loss | 37,677,653 | 15 | 39,538,632 | 15 | 45,190,959 | 18 |
| 12500 | Securities purchased under resell agreements | 198,152 | - | - | - | - | - |
| 13000 | Receivables, net | 4,902,221 | 2 | 4,690,507 | 2 | 4,855,774 | 2 |
| 13200 | Current tax assets | 52,401 | - | 55,293 | - | 12,638 | - |
| 13500 | Discounts and loans, net | 142,447,622 | 57 | 143,940,139 | 54 | 125,463,797 | 49 |
| 14000 | Available-for-sale financial assets | 33,492,148 | 13 | 32,628,260 | 12 | 30,338,478 | 12 |
| 14500 | Held-to Maturity financial assets | 899,732 | - | 5,544,703 | 2 | 9,544,615 | 4 |
| 15000 | Investments accounted for using equity method | 14,002,628 | 5 | 14,242,663 | 5 | 16,590,292 | 6 |
| 15500 | Other financial assets | 979,495 | - | 1,039,445 | 1 | 1,110,827 | - |
| 18500 | Property and equipment, net | 3,671,671 | 1 | 3,524,300 | 1 | 2,812,521 | 1 |
| 19000 | Intangible assets, net | 247,410 | - | 248,507 | - | 103,582 | - |
| 19300 | Deferred tax assets | 191,449 | - | 79,550 | - | 112,067 | - |
| 19500 | Other assets | 594,735 | 1 | 1,757,667 | 1 | 1,825,161 | 1 |
| 10000 | Total assets | <u>\$255,041,007</u> | <u>100</u> | <u>\$ 265,154,832</u> | <u>100</u> | <u>\$257,544,680</u> | <u>100</u> |
| Item | LIABILITIES AND EQUITY | | | | | | |
| | Liabilities | | | | | | |
| 21000 | Deposits from the central bank and banks | \$ 29,306,325 | 11 | \$ 41,875,141 | 16 | \$ 37,838,193 | 15 |
| 22000 | Financial liabilities at fair value through profit or loss | 1,989,553 | 1 | 2,349,989 | 1 | 3,908,972 | 2 |
| 22500 | Securities sold under agreement to repurchase | 2,782,221 | 1 | 2,091,749 | 1 | - | - |
| 23000 | Accounts payable | 2,608,128 | 1 | 2,705,487 | 1 | 2,221,464 | 1 |
| 23200 | Current tax liabilities | 112,818 | - | - | - | 89,642 | - |
| 23500 | Deposits and remittances | 164,965,056 | 65 | 164,056,836 | 62 | 162,132,167 | 63 |
| 24000 | Bank debentures | 17,450,000 | 7 | 17,450,000 | 6 | 14,950,000 | 6 |
| 25500 | Other financial liabilities | 5,722,733 | 2 | 4,648,821 | 2 | 5,627,408 | 2 |
| 25600 | Provisions | 184,329 | - | 176,479 | - | 197,585 | - |
| 29300 | Deferred tax liabilities | 187,436 | - | 239,307 | - | 210,539 | - |
| 29500 | Other liabilities | 142,056 | - | 172,365 | - | 155,030 | - |
| 20000 | Total liabilities | <u>225,450,655</u> | <u>88</u> | <u>235,766,174</u> | <u>89</u> | <u>227,331,000</u> | <u>89</u> |
| | Equity | | | | | | |
| 31100 | Capital stock | 23,905,063 | 9 | 23,905,063 | 9 | 23,905,063 | 9 |
| 31500 | Capital surplus | 3,193 | - | 3,193 | - | 3,193 | - |
| | Retained earnings | | | | | | |
| 32001 | Legal reserve | 2,390,828 | 1 | 2,390,828 | 1 | 1,880,725 | 1 |
| 32003 | Special reserve | 1,173,293 | 1 | 1,173,293 | - | 1,178,307 | - |
| 32011 | Unappropriated earnings | 2,091,172 | 1 | 1,631,566 | 1 | 2,225,076 | 1 |
| 32000 | Total retained earnings | <u>5,655,293</u> | <u>3</u> | <u>5,195,687</u> | <u>2</u> | <u>5,284,108</u> | <u>2</u> |
| 32500 | Other equity | 26,803 | - | 284,715 | - | 1,021,316 | - |
| 30000 | Total equity | <u>29,590,352</u> | <u>12</u> | <u>29,388,658</u> | <u>11</u> | <u>30,213,680</u> | <u>11</u> |
| | Total liabilities and equity | <u>\$255,041,007</u> | <u>100</u> | <u>\$ 265,154,832</u> | <u>100</u> | <u>\$257,544,680</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 | | | |
|-------|---|-------------------------------------|------------|------------------|------------|
| | | 2017 | | 2016 | |
| Item | | Amount | % | Amount | % |
| 41000 | Interest revenue | \$ 966,495 | 87 | \$ 907,322 | 78 |
| 51000 | Interest expenses | (488,387) | (43) | (414,313) | (35) |
| 49010 | Net interest | <u>478,108</u> | <u>44</u> | <u>493,009</u> | <u>43</u> |
| | Net revenue other than interest | | | | |
| 49100 | Commissions and fee revenue, net | 180,382 | 16 | 284,471 | 24 |
| 49200 | Gain on financial assets and liabilities at fair value through profit or loss | (818,493) | (74) | 529,132 | 45 |
| 49300 | Realized income from available-for-sale financial assets | 92,314 | 8 | 63,701 | 5 |
| 49600 | Foreign exchange gain (loss), net | 984,374 | 89 | (380,971) | (32) |
| 49700 | Loss from asset impairment | - | - | (31,266) | (2) |
| 49750 | Investment income (loss) recognized under equity method | 181,165 | 16 | 187,687 | 16 |
| 48005 | Realized income from financial assets carried at cost | 644 | - | 5,798 | - |
| 48045 | Consulting revenue | 4,900 | - | 1,500 | - |
| 48099 | Other non-interest net gains | <u>7,657</u> | <u>1</u> | <u>11,173</u> | <u>1</u> |
| 49020 | Net revenue other than interest | <u>632,943</u> | <u>56</u> | <u>671,225</u> | <u>57</u> |
| 4xxxx | Total net revenue | <u>1,111,051</u> | <u>100</u> | <u>1,164,234</u> | <u>100</u> |

(Continued)

For the Three Months Ended March 31

| <u>Item</u> | <u>2017</u> | | <u>2016</u> | |
|--|--------------------|-----------|-------------------|-----------|
| | <u>Amount</u> | <u>%</u> | <u>Amount</u> | <u>%</u> |
| 58200 Provisions | (\$ 50,853) | (6) | (\$131,761) | (11) |
| Operating expense | | | | |
| 58500 Employee benefits expenses | 393,626 | 34 | 287,273 | 25 |
| 59000 Depreciation and amortization expense | 43,278 | 4 | 33,066 | 3 |
| 59500 Other general and administrative expense | <u>155,987</u> | <u>14</u> | <u>119,603</u> | 10 |
| 58400 Total operating expense | <u>592,891</u> | <u>52</u> | <u>439,942</u> | <u>38</u> |
| 61001 Profit from continuing operations before tax | 467,307 | 42 | 592,531 | 51 |
| 61003 Income tax expense | <u>7,701</u> | <u>1</u> | <u>67,796</u> | <u>6</u> |
| 64000 Profit | <u>459,606</u> | <u>41</u> | <u>524,735</u> | <u>45</u> |
| Other comprehensive income | | | | |
| 65300 Items that may be reclassified subsequently to profit or loss: | | | | |
| 65301 Exchange differences on translating foreign operations | (437,459) | (38) | (144,187) | (12) |
| 65302 Unrealized gain (loss) on available-for-sale financial assets | 83,272 | 7 | 81,391 | 7 |
| 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 | 48,435 | 4 | 61,612 | 5 |
| 65320 Income tax relating to the components of other comprehensive income | <u>47,841</u> | <u>4</u> | <u>-</u> | <u>-</u> |
| 65000 Other comprehensive income (loss) for the year, net of income tax | (<u>257,911</u>) | (23) | (<u>1,184</u>) | <u>-</u> |
| 66000 Total comprehensive income | <u>\$ 201,695</u> | <u>18</u> | <u>\$ 523,551</u> | <u>45</u> |
| EARNINGS PER SHARE | | | | |
| 67500 Basic | <u>\$ 0.19</u> | | <u>\$ 0.22</u> | |
| 67700 Diluted | <u>\$ 0.19</u> | | <u>\$ 0.22</u> | |

(Concluded)

C. STATEMENTS OF CHANGES IN EQUITY

For The Three Months Ended March 31, 2017 AND 2016

(In Thousands of New Taiwan Dollars)

| Item | Equity Attributable to Owners of the Bank | | | | | | | | | | | |
|------|---|------------------|---------------------|-----------------|--------------------|-------------------------|--------------------|--|---|-------------------|--------------|---------------------|
| | Capital Stock | | Retained Earnings | | | | | Other Equity | | Treasury Shares | Total 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 | | | |
| A1 | Balance at January 1, 2016 | 2,390,506 | \$23,905,063 | \$ 1,773 | \$1,880,725 | \$1,178,307 | \$1,700,341 | \$4,759,373 | \$ 406,040 | \$ 624,576 | \$ (18,693) | \$29,678,132 |
| D1 | Net income for three months ended March 31, 2016 | - | - | - | - | - | 524,735 | 524,735 | - | - | - | 524,735 |
| D3 | Other comprehensive income (loss) for the three months ended March 31, 2016 | - | - | - | - | - | - | - | (144,188) | (144,188) | - | (9,300) |
| D5 | Total comprehensive income (loss) for the three months ended March 31, 2016 | - | - | - | - | - | 524,735 | 524,735 | (144,188) | (144,188) | - | 515,435 |
| N1 | Transmission of treasury stock for employees | - | - | 1,420 | - | - | - | - | - | - | 18,693 | 20,113 |
| Z1 | Balance at March 31, 2016 | <u>2,390,506</u> | <u>\$23,905,063</u> | <u>\$ 3,193</u> | <u>\$1,880,725</u> | <u>\$1,178,307</u> | <u>\$2,225,076</u> | <u>\$5,284,108</u> | <u>\$ 261,852</u> | <u>\$ 759,464</u> | <u>\$ -</u> | <u>\$30,213,680</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 |
| D1 | Net income for three months ended March 31, 2017 | - | - | - | - | - | 459,606 | 459,606 | - | - | - | 459,606 |
| D3 | Other comprehensive income (loss) for the three months ended March 31, 2017 | - | - | - | - | - | - | - | (389,619) | 131,707 | - | (257,912) |
| D5 | Total comprehensive income (loss) for the three months ended March 31, 2017 | - | - | - | - | - | 459,606 | 459,606 | (389,619) | 131,707 | - | 201,694 |
| Z1 | Balance at March 31, 2017 | <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>\$2,091,172</u> | <u>\$5,655,293</u> | <u>\$(198,629)</u> | <u>\$ 225,432</u> | <u>\$ -</u> | <u>\$29,590,352</u> |

D. STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

| Item | For The Three Months Ended March 31 | |
|--------------------------------------|--|------------------|
| | 2017 | 2016 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| A00010 | \$ 467,307 | \$ 592,531 |
| | Adjustments to reconcile profit (loss): | |
| A20100 | 30,381 | 25,382 |
| A20200 | 12,897 | 7,684 |
| A20300 | 50,853 | 131,761 |
| A20400 | 818,493 | (529,132) |
| A20900 | 488,387 | 414,313 |
| A21200 | (966,495) | (907,322) |
| A21300 | (234) | (250) |
| A22300 | (181,165) | (187,687) |
| A22500 | (1,030) | - |
| A23500 | - | 31,266 |
| A29900 | (92,724) | (69,248) |
| | Changes in operating assets and liabilities: | |
| A41170 | 2,832 | (516,606) |
| A41120 | 581,680 | (1,748,197) |
| A41150 | (223,703) | 375,732 |
| A41160 | 1,451,257 | 1,883,990 |
| A42110 | (12,568,816) | 1,007,401 |
| A42120 | (360,436) | (2,214,520) |
| A42140 | 690,472 | - |
| A42150 | (208,527) | 69,436 |
| A42160 | 908,220 | 6,554,577 |
| A42180 | (675) | 503 |
| A33000 | (9,101,026) | 4,921,614 |
| A33100 | 487,745 | 876,850 |
| A33200 | 234 | 250 |
| A33300 | (377,218) | (349,544) |
| A33500 | (10,814) | (104,464) |
| AAAA | <u>(9,001,079)</u> | <u>5,344,706</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| B00100 | (157,737) | (873,045) |
| B00200 | 581,264 | 616,308 |
| B00300 | (5,451,646) | (11,258,475) |
| B00400 | 4,643,365 | 9,540,913 |
| B01100 | 4,645,000 | 305,000 |
| B01300 | 4,712 | 23,683 |

(Continued)

| Item | For The Three Months Ended March 31 | | |
|--------------------------------------|--|----------------------|----------------------|
| | 2017 | 2016 | |
| B02700 | Acquisition of property and equipment | (\$ 188,523) | (\$ 113,886) |
| B02800 | Proceeds from disposal of property and equipment | 9,426 | - |
| B03700 | Decrease (increase) in refundable deposits | 1,186,580 | 1,332,351 |
| B04500 | Acquisition of intangible assets | (12,501) | - |
| B06700 | Increase in other assets | <u>(23,647)</u> | <u>(23,442)</u> |
| BBBB | Net cash flows used in investing activities | <u>5,236,293</u> | <u>(450,593)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| C01600 | Increase in long-term debt | 1,651,803 | 1,749,144 |
| C01700 | Repayments of long-term debt | (567,468) | (2,132,554) |
| C04100 | Increase in other financial liabilities | - | 989,011 |
| C04200 | Decrease in other financial liabilities | (10,423) | - |
| C05000 | Proceeds from sale of treasury shares | - | 20,113 |
| C04400 | Decrease in other liabilities | (30,309) | (118,775) |
| C04600 | Proceeds from issuing shares | <u>-</u> | <u>-</u> |
| CCCC | Net cash flows (used in) from financing activities | <u>1,043,603</u> | <u>506,939</u> |
| DDDD | Effect of exchange rate changes on cash and cash equivalents | <u>740,691</u> | <u>1,218,524</u> |
| EEEE | Net increase (decrease) in cash and cash equivalents | (1,980,492) | 6,619,576 |
| 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>\$ 11,863,297</u> | <u>\$ 16,050,417</u> |

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of March 31, 2017 and 2016 is as follow:

| Item | For The Three Months Ended March 31 | | |
|--------|--|----------------------|----------------------|
| | 2017 | 2016 | |
| E00210 | Cash and cash equivalents reported in the statement of financial position | \$ 2,188,870 | \$ 3,368,995 |
| E00220 | Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7 | 9,476,275 | 12,681,442 |
| E00230 | Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7 | <u>198,152</u> | <u>-</u> |
| E00200 | Cash and cash equivalents at end of the period | <u>\$ 11,863,297</u> | <u>\$ 16,050,417</u> |

(Concluded)

E. NON-PERFORMING LOANS AND ACCOUNTS RECEIVABLE

(In Thousands of New Taiwan Dollars, %)

| Period | | March 31, 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 | \$ 55,378,409 | 1.00% | \$ 644,855 | 116.13% | |
| | Unsecured | - | 89,186,144 | - | 1,484,703 | - | |
| Consumer banking | Housing mortgage (Note 4) | - | - | - | - | - | |
| | Cash card | - | - | - | - | - | |
| | Small-scale credit loans (Note 5) | - | 12,760 | - | 128 | - | |
| | Other (Note 6) | Secured | - | - | - | - | - |
| | | Unsecured | - | - | - | - | - |
| Total | | 555,306 | 144,577,313 | 0.38% | 2,129,686 | 383.52% | |
| | | Nonperforming Receivables | Outstanding Receivable Balance | Ratio of Nonperforming Receivables | Allowance for Possible Losses | Coverage Ratio | |
| Credit cards | | - | - | - | - | - | |
| Factoring accounts receivable without recourse | | - | 3,412,384 | - | 40,768 | - | |

| 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 | | March 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 | \$ 357,900 | \$ 42,117,027 | 0.85% | \$ 449,974 | 125.73% | |
| | Unsecured | - | 85,275,250 | - | 1,732,765 | - | |
| 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 | | 357,900 | 127,617,799 | 0.28% | 2,154,002 | 601.84% | |
| | | 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 | | - | 3,253,867 | - | 38,986 | - | |

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 three 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, %)

| March 31, 2017 | | | |
|-----------------------|--|--------------------------------------|---------------------------------|
| Rank | Company Name | Credit Extensions Balance | % of Net Asset Value |
| 1 | A Company (unclassified other financial service) | \$ 6,053,301 | 20.46 |
| 2 | B Company (LCD and component manufacturing) | 3,939,063 | 13.31 |
| 3 | C Company (ocean transportation) | 3,874,759 | 13.09 |
| 4 | D Company (real estate development) | 3,450,241 | 11.66 |
| 5 | E Company (fuel and coal production on manufacturing) | 2,914,040 | 9.85 |
| 6 | F Company (semiconductor packaging and testing) | 2,668,346 | 9.02 |
| 7 | G Company (real estate development) | 2,444,341 | 8.26 |
| 8 | H Company (artificial fiber textile industry) | 2,385,388 | 8.06 |
| 9 | I Company (paper manufacturing) | 2,206,770 | 7.46 |
| 10 | J Company (real estate development) | 2,100,048 | 7.10 |

| 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 | B Company (LCD and component manufacturing) | 4,105,383 | 13.97 |
| 3 | C Company (ocean transportation) | 3,988,689 | 13.57 |
| 4 | E Company (fuel and coal production on manufacturing) | 3,113,561 | 10.59 |
| 5 | G Company (real estate development) | 2,979,749 | 10.14 |
| 6 | K Company (unclassified other financial service) | 2,748,125 | 9.35 |
| 7 | I Company (paper manufacturing) | 2,592,188 | 8.82 |
| 8 | D Company (real estate development) | 2,460,465 | 8.37 |
| 9 | L Company (metal construction materials wholesale industry) | 2,377,758 | 8.09 |
| 10 | J Company (real estate development) | 2,148,768 | 7.31 |

| December 31, 2016 | | | |
|-------------------|--|---------------------------|----------------------|
| Rank | Company Name | Credit Extensions Balance | % of Net Asset Value |
| 1 | D Company (real estate development) | \$ 4,712,435 | 15.60 |
| 2 | B Company (LCD and component manufacturing) | 3,871,542 | 12.81 |
| 3 | A Company (unclassified other financial service) | 3,172,281 | 10.50 |
| 4 | E Company (fuel and coal production on manufacturing) | 2,643,208 | 8.75 |
| 5 | G Company (real estate development) | 2,578,890 | 8.54 |
| 6 | C Company (ocean transportation) | 2,561,547 | 8.48 |
| 7 | K Company (unclassified other financial service) | 2,453,301 | 8.12 |
| 8 | F Company (semiconductor packaging and testing) | 2,429,842 | 8.04 |
| 9 | L Company (metal construction materials wholesale industry) | 2,304,297 | 7.63 |
| 10 | M Company (computer manufacturing) | 2,093,834 | 6.93 |

G. Interest Rate Sensitivity Balance Sheet

Interest Rate Sensitivity Balance Sheet (New Taiwan Dollars)

March 31, 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 | 105,713,597 | 11,076,928 | 16,425,284 | 26,456,560 | 159,672,369 |
| Interest rate-sensitive liabilities | 43,002,854 | 34,096,078 | 33,627,140 | 42,229,155 | 152,955,227 |
| Interest rate-sensitive gap | 62,710,743 | (23,019,150) | (17,201,856) | (15,772,595) | 6,717,142 |
| Net worth | | | | | 28,401,503 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 104.39% |
| Ratio of interest rate sensitivity gap to net worth | | | | | 23.65% |

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% |

March 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 | 107,910,441 | 7,510,322 | 15,937,777 | 35,902,274 | 167,260,814 |
| Interest rate-sensitive liabilities | 70,837,227 | 40,729,397 | 16,089,099 | 32,728,799 | 160,384,522 |
| Interest rate-sensitive gap | 37,073,214 | (33,219,075) | (151,322) | 3,173,475 | 6,876,292 |
| Net worth | | | | | 29,434,254 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 104.28% |
| Ratio of interest rate sensitivity gap to net worth | | | | | 23.36% |

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)

March 31, 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 | 1,536,334 | 77,547 | 14,311 | 615,084 | 2,243,276 |
| Interest rate-sensitive liabilities | 1,557,084 | 681,539 | 42,854 | 86 | 2,281,563 |
| Interest rate-sensitive gap | (20,750) | (603,992) | (28,543) | 614,998 | (38,287) |
| Net worth | | | | | 34,770 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 98.32% |
| Ratio of interest rate sensitivity gap to net worth | | | | | (110.12%) |

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%) |

March 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 | 1,736,087 | 84,702 | 33,263 | 515,127 | 2,369,179 |
| Interest rate-sensitive liabilities | 1,590,281 | 815,870 | 48,044 | 14,813 | 2,469,008 |
| Interest rate-sensitive gap | 145,806 | (731,168) | (14,781) | 500,314 | (99,829) |
| Net worth | | | | | 16,260 |
| Ratio of interest rate-sensitive assets to liabilities | | | | | 95.95% |
| Ratio of interest rate sensitivity gap to net worth | | | | | (613.95%) |

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 Three Months Ended March 31, 2017 | For The Three Months Ended March 31, 2016 |
|------------------------|-------------------|---|---|
| Return on total assets | Before income tax | 0.18 | 0.23 |
| | After income tax | 0.18 | 0.21 |
| Return on equity | Before income tax | 1.58 | 1.98 |
| | After income tax | 1.56 | 1.75 |
| Net income ratio | | 41.37 | 45.07 |

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 three months ended March 31, 2017 and 2016

I. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

March 31, 2017

(In Thousands of New Taiwan Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|--------------|------------------------------|--------------|--------------|-------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 215,354,155 | 56,300,933 | 29,648,701 | 22,336,504 | 21,525,102 | 85,542,915 |
| Main capital outflow on maturity | 245,476,081 | 37,844,590 | 48,316,474 | 39,726,973 | 44,453,364 | 75,134,680 |
| Gap | (30,121,926) | 18,456,343 | (18,667,773) | (17,390,469) | (22,928,262) | 10,408,235 |

December 31, 2016

(In Thousands of New Taiwan Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|--------------|------------------------------|--------------|-------------|----------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 208,581,484 | 60,226,190 | 12,238,204 | 16,626,871 | 23,424,948 | 96,065,271 |
| Main capital outflow on maturity | 238,970,809 | 51,586,890 | 69,783,129 | 24,401,393 | 25,059,486 | 68,139,911 |
| Gap | (30,389,325) | 8,639,300 | (57,544,925) | (7,774,522) | (1,634,538) | 27,925,360 |

March 31, 2016

(In Thousands of New Taiwan Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|--------------|------------------------------|--------------|--------------|----------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 216,422,281 | 60,040,397 | 16,450,852 | 18,557,319 | 32,358,600 | 89,015,113 |
| Main capital outflow on maturity | 245,352,095 | 44,947,601 | 53,521,385 | 42,081,527 | 30,210,108 | 74,591,474 |
| Gap | (28,929,814) | 15,092,796 | (37,070,533) | (23,524,208) | 2,148,492 | 14,423,639 |

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

March 31, 2017

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|------------|------------------------------|------------|-------------|----------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 4,330,818 | 1,310,885 | 1,050,055 | 729,099 | 448,730 | 792,049 |
| Main capital outflow on maturity | 4,950,800 | 1,554,279 | 1,316,544 | 812,879 | 454,990 | 812,108 |
| Gap | (619,982) | (243,394) | (266,489) | (83,780) | (6,260) | (20,059) |

December 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|------------|------------------------------|------------|-------------|----------------------|-------------|
| | | 1-30 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 |

March 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|------------|------------------------------|------------|-------------|----------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 4,174,458 | 1,406,979 | 666,884 | 911,716 | 718,288 | 470,591 |
| Main capital outflow on maturity | 4,555,924 | 1,869,800 | 788,980 | 773,237 | 523,061 | 600,846 |
| Gap | (381,466) | (462,821) | (122,096) | 138,479 | 195,227 | (130,255) |

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

March 31, 2017

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|------------|------------------------------|------------|-------------|-------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 1,011,379 | 358,523 | 95,789 | 98,073 | 152,622 | 306,372 |
| Main capital outflow on maturity | 1,101,587 | 343,434 | 228,404 | 146,734 | 125,361 | 257,654 |
| Gap | (90,208) | 15,089 | (132,615) | (48,661) | 27,261 | 48,718 |

December 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|-----------|------------------------------|------------|-------------|-------------------|-------------|
| | | 1-30 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) | (132,647) | (77,979) | 5,399 | 9,242 | 173,420 |

March 31, 2016

(In Thousands of U.S. Dollars)

| | Total | Remaining Period to Maturity | | | | |
|----------------------------------|-----------|------------------------------|------------|-------------|-------------------|-------------|
| | | 1-30 Days | 31-90 Days | 91-180 Days | 181 Days - 1 Year | Over 1 Year |
| Main capital inflow on maturity | 801,376 | 223,295 | 115,545 | 140,892 | 99,863 | 221,781 |
| Main capital outflow on maturity | 848,680 | 260,986 | 155,425 | 207,724 | 72,124 | 152,421 |
| Gap | (47,304) | (37,691) | (39,880) | (66,832) | 27,739 | 69,360 |

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

(In Thousands of New Taiwan Dollars, %)

| | March 31,2017 | December 31,2016 | March 31,2016 |
|--------------------------------|---------------|------------------|---------------|
| Demand deposit | 25,684,597 | 28,058,695 | 30,902,801 |
| Demand deposit ratio | 15.58% | 17.10% | 19.06% |
| Time deposit | 139,219,648 | 135,997,983 | 131,223,095 |
| Time deposit ratio | 84.42% | 82.90% | 80.94% |
| Foreign currency deposit | 62,768,572 | 57,495,058 | 50,861,206 |
| Foreign currency deposit ratio | 38.06% | 35.05% | 31.37% |

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)

| | March 31,2017 | December 31,2016 | March 31,2016 |
|----------------|---------------|------------------|---------------|
| SME loan | 4,757,407 | 3,589,129 | 3,855,190 |
| SME loan ratio | 3.29% | 2.46% | 3.02% |
| Consumer loan | 15,230 | - | 23,000 |
| Consumer loan | 0.01% | - | 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 Three Months Ended March 31 | | | |
|--|-------------------------------------|---------------|-----------------|---------------|
| | 2017 | | 2016 | |
| | Average Balance | Average Rate% | Average Balance | Average Rate% |
| <u>Interest-earning assets</u> | | | | |
| Cash and cash equivalents - due from banks | \$ 609,682 | 0.80 | \$ 648,167 | 1.73 |
| Call loans to banks | 7,511,809 | 0.69 | 7,484,222 | 2.32 |
| Due from the Central Bank | 3,203,678 | 0.68 | 3,053,809 | 0.97 |
| Financial assets at fair value through profit or loss | 37,018,151 | 0.56 | 39,852,862 | 0.73 |
| Securities purchased under resell agreements | 119,815 | 0.08 | 13,374 | 0.06 |
| Discounts and loans | 144,533,636 | 2.25 | 128,209,668 | 2.16 |
| Available-for-sale financial assets | 31,026,065 | 1.48 | 27,715,110 | 1.47 |
| Held-to-maturity financial assets | 1,467,436 | 0.88 | 9,554,652 | 0.81 |
| <u>Interest-bearing liabilities</u> | | | | |
| Deposits from the central bank and banks | 35,653,794 | 1.21 | 39,647,681 | 0.56 |
| Demand deposits | 22,464,723 | 0.31 | 25,899,290 | 0.33 |
| Time deposits | 110,843,945 | 0.85 | 130,528,783 | 0.70 |
| Securities sold under repurchase agreements | 1,806,018 | 0.91 | 471,981 | 0.32 |
| Bank debentures | 17,450,000 | 2.02 | 14,950,000 | 2.14 |

M. Primary Net Position of Foreign Currency

Unit : In Thousands of Original Dollars and New Taiwan Dollars

| | March 31,2017 | | | December 31,2016 | | | March 31,2016 | | |
|--|---------------|----------|--------------------|------------------|-----------|--------------------|---------------|---------|--------------------|
| | Primary | | NTD Equivalence | Primary | | NTD Equivalence | Primary | | NTD Equivalence |
| Primary Net Position of Foreign Currency (Market risk) | HKD | (54,707) | (213,614) | HKD | (28,749) | (119,693) | EUR | 3,122 | 114,367 |
| | USD | 4,913 | 149,080 | EUR | 520 | 17,674 | AUD | 2,917 | 72,155 |
| | CNY | 23,053 | 101,701 | JPY | (40,269) | 11,085 | USD | (2,175) | (70,211) |
| | AUD | (1,972) | (45,825) | NZD | 77 | (1,736) | NZD | 1,843 | 41,100 |
| | EUR | 969 | 31,427 | GBP | (33) | (1,318) | HKD | (9,620) | (40,052) |

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 Three Months Ended March 31, 2017

| Name | Shares | Pledged Holding | Shareholding (%) |
|-----------------------------------|-------------|-----------------|------------------|
| Ming Shan Investment Co., Ltd. | 238,697,967 | - | 9.99% |
| Yi Chang Investment Co., Ltd. | 238,644,084 | - | 9.98% |
| Tai Hsuan Investment Co., Ltd. | 238,598,333 | - | 9.98% |
| Heng Tong Machinery Co., Ltd. | 134,951,997 | - | 5.65% |
| China Steel Corporation | 103,847,695 | - | 4.34% |
| ADI Corporation | 103,847,695 | 103,847,695 | 4.34% |
| Chailease Finance Co., Ltd. | 92,694,047 | - | 3.88% |
| Hung Sheng Construction Co., Ltd. | 80,481,963 | 80,000,000 | 3.37% |
| Tai Ya Investment Co., Ltd. | 77,091,768 | - | 3.22% |
| Aurora Co., Ltd. | 64,017,234 | 64,017,234 | 2.68% |