

Balance Sheet

Unit : NT\$'000

ASSETS		Dec.31,2017		Dec.31,2016		LIABILITIES AND EQUITIES		Dec.31,2017		Dec.31,2016	
Code	Item	Amount	%	Amount	%	Code	Item	Amount	%	Amount	%
11000	Cash and cash equivalents	68,806	0	41,233	0	21000	Deposits from the Central Bank and banks	0	0	1	0
11500	Due from the Central Bank and call loans to banks	6,814,064	5	12,436,417	7	21500	Due to the Central Bank and other banks	1,600,000	1	500,000	0
12000	financial asset or financial liability at fair	11,375,479	10	21,633,416	13	22000	financial liability at fair value through profit	11,434,216	9	20,203,524	12
14000	Available-for-sale financial assets - net	17,088,356	13	8,550,671	5	22300	Hedging derivative financial liabilities	0	0	0	0
12300	Hedging derivative financial assets	0	0	0	0	22500	Securities sold under repurchase agreements	0	0	0	0
12500	Securities purchased under resell agreements	0	0	0	0	23000	Payables	4,657,538	4	4,257,918	3
13000	Receivables - net	39,531,574	30	30,118,128	18	23200	Current income tax liabilities	16,500	0	10,383	0
13200	Current income tax assets	89,609	0	81,383	0	23300	Liabilities Related to Assets Classified as Held for Sale	0	0	0	0
13300	Assets Classified as Held for Sale	0	0	0	0	23500	Deposits and remittances	47,277,318	36	55,888,877	33
13500	Loans, discounted notes and bills - net	55,151,232	42	51,587,531	31	24000	Financial debenture payable	0	0	0	0
14500	Held-to-maturity financial assets - net	0	0	0	0	25500	Other financial liabilities	0	0	0	0
15000	Equity investments under equity method - net	0	0	0	0	25600	Reserves for liability	366,061	0	381,875	0
15100	Restricted assets	0	0	0	0	29300	Deferred income tax liabilities	0	0	0	0
15500	Other financial assets - net	0	0	0	0	29500	Other liabilities	61,497,481	47	84,084,100	50
18500	Property and Equipment - net	13,947	0	13,941	0	20000	TOTAL LIABILITIES	126,849,114	97	165,326,678	98
19000	Intangible assets - net	0	0	0	0			0	0	0	0
19300	Deferred income tax assets - net	61,050	0	125,287	0			0	0	0	0
19500	Other assets - net	82,260	0	43,601,782	26	31000	Capital	2,152,820	2	1,697,320	1
						32000	Retained earnings	1,291,509	1	1,168,109	1
						32011	Unappropriated earnings	1,174,509	1	1,204,287	1
						32025	Current income	117,000	0	(36,178)	0
						32500	Other equity	(17,066)	0	(2,318)	0
						30000	TOTAL EQUITY	3,427,263	3	2,863,111	2
10000	TOTAL ASSETS	130,276,377	100	168,189,789	100		TOTAL LIAB. AND EQUITY	130,276,377	100	168,189,789	100

Commitments and Contingent Accounts		Dec.31,2017	Dec.31,2016	Allowance for uncollectible accounts		Dec.31,2017	Dec.31,2016
Code	Item	Amount	Amount	Code	Item	Amount	Amount
81004	Loan Commitment	1,052,660	5,023,829	13024	Acceptance	0	0
81005	Loan Uncommitment	121,035,751	82,329,790	13026	A/R Forfaiting - without recourse	279,191	262,656
81003	Guarantee	19,664,371	20,767,000	13590	Loans, discounted notes and bills	517,612	411,478
81011	Documentary L/C	212,630	196,402				

* Report not certified by CPA auditors.

Consolidate Income Statement

Unit : NT\$'000

代碼	項 目	Jan.-Dec.,2017		Jan.-Dec.,2016		Variable %
		Amount	%	Amount	%	
41000	Interest income	1,232,084	124	1,241,784	125	(1)
51000	Interest expense	(1,219,328)	(123)	(720,060)	(73)	69
	Net interest (expense) income	12,756	1	521,724	52	(98)
	Other operating income	0	0	0	0	0
	Commission income	148,514	15	78,352	8	90
	Gain (loss) on financial assets or liabilities measured at fair value through profit and loss	(1,522,044)	(153)	(107,111)	(11)	1,321
	Realized gain (loss) on available-for-sale financial assets	(28,600)	(3)	(68,470)	(7)	(58)
	Realized gain (loss) on held-to-maturity financial assets	0	0	0	0	0
	Foreign exchange gains (losses) - net	2,109,395	213	270,289	27	680
	Impairment loss on assets (reversal of impairment loss on assets)	0	0	0	0	0
	Others	271,596	27	283,587	29	(4)
	Net income	991,617	100	978,371	98	1
58200	Bad debt expenses	(115,437)	(12)	(401,006)	(40)	(71)
	Operating expenses	0	0	0	0	0
58500	Employee benefits	(354,692)	(36)	(320,722)	(32)	11
59000	Depreciation and amortization expense	(2,066)	0	(2,533)	0	(18)
59500	Other general and administrative expenses	(324,102)	(33)	(307,652)	(31)	5
	Consolidated income (loss) from continuing operations before income tax	195,320	20	(53,542)	(5)	(465)
61003	Consolidated income (loss) from continuing operations - Income tax (expense) benefit	(78,320)	(8)	17,365	2	(551)
	Consolidated income (loss) from continuing operations - after income tax	117,000	12	(36,177)	(4)	(423)
62500	Income (loss) from discontinued operations	0	0	0	0	0
	Net income (loss)	117,000	12	(36,177)	(4)	(423)
	Other comprehensive income					
65001	Exchange differences on cumulative translation adjustments	(9,526)	(1)	5,034	1	(289)
65011	Unrealized gain (loss) on available-for-sale financial assets	(5,222)	(1)	(12,595)	(1)	(59)
65031	Remeasurement of defined benefit plans	0	0	0	0	0
65051	Other comprehensive income after tax	0	0	0	0	0
	Total other comprehensive income	102,252	10	(43,738)	(4)	(334)
	Net income belong to:					
	Owners' equity	117,000	12	(36,177)	(4)	(423)
	Non-controlling Interests	0	0	0	0	0
	Total other comprehensive income belong to:					
	Owners' equity	102,252	10	(43,738)	(4)	(334)
	Non-controlling Interests	0	0	0	0	0

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Information on fair value hierarchy of financial instruments

Unit : NT\$'000

Instrument item measured at fair value	Dec.31,2017				Dec.31,2016			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments								
<u>Asset</u>								
Financial assets designated at fair value through profit or loss	654,499	654,499	-	-	1,011,301	1,011,301	-	-
Held for trading financial asset	654,499	654,499	-	-	1,011,301	1,011,301	-	-
Equity investment	-	-	-	-	-	-	-	-
Bond investment	654,499	654,499	-	-	1,011,301	1,011,301	-	-
Others	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss on initial recognition	-	-	-	-	-	-	-	-
Available-for-sale financial assets	17,088,356	5,050,753	12,037,603	-	8,550,671	5,107,896	3,442,775	-
Equity investment	-	-	-	-	-	-	-	-
Bond investment	8,038,521	5,050,753	2,987,768	-	8,000,530	5,107,896	2,892,634	-
Others	9,049,835	-	9,049,835	-	550,141	-	550,141	-
<u>Liabilities</u>								
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Held for trading financial liabilities	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss on initial recognition	-	-	-	-	-	-	-	-
Derivatives financial instruments	-	-	-	-	-	-	-	-
<u>Asset</u>								
Financial assets designated at fair value through profit or loss	10,720,980	-	10,720,980	-	20,622,115	-	20,622,115	-
Hedging derivative financial assets	-	-	-	-	-	-	-	-
<u>Liabilities</u>								
Financial liabilities designated at fair value through profit or loss	11,434,216	-	11,434,216	-	20,203,524	-	20,203,524	-
Hedging derivative financial liabilities	-	-	-	-	-	-	-	-

Financial asset changes in fair value measurement level 3

Unit : NT\$'000

Item	Beginning retained earning	Profit/Loss valuation		Increase during period		Decrease during period		Ending retained earning
		Income statement	Other comprehensive income	Buy in or issue	Transfers to Level 3	Sale, disposal or settlement	Converted out from Level 3	
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-	-	-
Held for trading financial assets	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss on initial recognition	-	-	-	-	-	-	-	-
Available-for-sale financial assets	-	-	-	-	-	-	-	-
Hedging derivative financial assets	-	-	-	-	-	-	-	-

Financial liabilities changes in fair value measurement level 3

Unit : NT\$'000

Item	Beginning retained earning	Valuation of profit/loss during the period	Increase during period		Decrease during period		Ending retained earning
			Buy in or issue	Transfers to Level 3	Sale, disposal or settlement	Converted out from Level 3	
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Held for trading financial liabilities	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit or loss on initial recognition	-	-	-	-	-	-	-
Hedging derivative financial liabilities	-	-	-	-	-	-	-

ASSETS QUALITY

Unit : NT\$'000, %

Year \ Month		Dec.31,2017					Dec.31,2016					
ITEM		Overdue Amount	Loan Amount	% of Overdue loans to Total loans	Loan loss reserve	% of Loan loss reserve to Overdue Loan	Overdue Amount	Loan Amount	% of Overdue loans to Total loans	Loan loss reserve	% of Loan loss reserve to Overdue Loan	
Corporate Finance	Security	-	2,658,522	-	517,612	NA	-	2,700,860	-	411,478	NA	
	Unsecurity	-	53,010,322	-			-	49,298,150	-			
Consumer Finance	Housing Loan	-	-	-	-	NA	-	-	-	-	NA	
	Cash card	-	-	-			-	-	-			
	Small credit Loan	-	-	-			-	-	-			-
	Others	-	-	-			-	-	-			-
Total		-	55,668,844	-	517,612	-	51,999,010	-	411,478	-	-	
/		Overdue Amount	A/R Amount	% of Overdue A/R to Total A/R	Provision Amount	% of Provision to Overdue Loan	Overdue Amount	A/R Amount	% of Overdue A/R to Total A/R	Provision Amount	% of Provision to Overdue Loan	
Credit card		-	-	-	-	NA	-	-	-	-	NA	
Factoring-without recourse		-	35,379,091	-	279,191		-	26,265,591	-	262,656		-
Other non-performing loans		-	-	-	-		-	-	-	-		-

Year \ Month	Dec.31,2017	Dec.31,2016
Loan classified as non-Pass-Due with normal payment after debt negotiation	-	-

Credit Exposure Concentration

Unit : NTS'000, %

Year \ Month	Dec.31,2017				Dec.31,2016			
Ranking	Group Name	INDUSTRIAL CLASSIFICATION	Credit Amount	% of Credit amount to net worth (%)	Group Name	INDUSTRIAL CLASSIFICATION	Credit Amount	% of Credit amount to net worth (%)
1	Axxxx	Manufacturing	27,919,091	815%	Axxxx	Manufacturing	16,498,875	576%
2	Hxx Hxx	Manufacturing	17,904,000	522%	Fxxxxx Plxxxxxx	Manufacturing	9,837,647	344%
3	Taxxx Sxxx Cxxxxxxxx	Manufacturing	8,056,800	235%	Quxxxx	Manufacturing	8,622,972	301%
4	Quxxxx	Manufacturing	7,921,625	231%	Mexxxxxx	Manufacturing	3,959,730	138%
5	Gxx Rx Pxx	Retail Sales	6,489,426	189%	Ctxx	Construction	3,943,212	138%
6	Fxxxxx Plxxxxxx	Manufacturing	5,970,828	174%	Daxxxxx	Financial Service	3,600,000	126%
7	Cxxxx	Manufacturing	4,476,000	131%	Csxx Cxxxxxxxxxx	Manufacturing	2,815,322	98%
8	Ctxx	Construction	3,619,051	106%	Fxx Eaxxxx	Manufacturing	2,033,279	71%
9	Lixx Ox	Manufacturing	2,984,000	87%	Unxxxxxxxx Txxxxxxxx	Manufacturing	1,319,910	46%
10	Fxx Eaxxxx	Manufacturing	2,724,912	80%	Chxxx Stxxx	Manufacturing	899,528	31%

Interest-Rate Sensitivity - TWD Currency

Dec.31,2017

Unit : NT\$'000, %

ITEM	0 to 90 days	91 to 180 days	181 days to 1 year	over 1 year	TOTAL
Sensitive assets	22,444,202	-	4,584,161	9,151,923	36,180,286
Sensitive liabilities	523,922	-	3,000,000	1,728,123	5,252,045
Sensitive Gap	21,920,280	-	1,584,161	7,423,800	30,928,241
Equity					3,274,285
Ratio of interest-rate sensitive assets to liabi					688.88 %
Ratio of interest-rate sensitive gap to equity					944.58 %

Interest-Rate Sensitivity - USD Currency

Dec.31,2017

Unit : US\$'000, %

ITEM	0 to 90 days	91 to 180 days	181 days to 1 year	over 1 year	TOTAL
Sensitive assets	2,367,689	35,120	20,350	150,312	2,573,471
Sensitive liabilities	3,237,299	200,941	-	-	3,438,240
Sensitive Gap	(869,610)	(165,821)	20,350	150,312	(864,769)
Equity					4,003
Ratio of interest-rate sensitive assets to liabi					74.85 %
Ratio of interest-rate sensitive gap to equity					-21,603.02 %

Note:

1. Interest-rate sensitive assets or liabilities represent interest bearing assets or interest paying liabilities influenced by the fluctuation of interest rates.
2. Ratio of interest-rate sensitive assets to liabilities = Interest-rate sensitive assets ÷ Interest-rate sensitive liabilities (i.e. New Taiwan Dollar interest-rate sensitive assets and New Taiwan Dollar interest-rate sensitive liabilities with tenors of less than one year)
3. Interest-rate sensitive gap = Interest-rate sensitive assets — Interest-rate sensitive liabilities

Ratio of Profitability

Unit : %

ITEM		Dec.31,2017	Dec.31,2016
Ratio of return on assets	before income tax	0.16 %	-0.04 %
	after incometax	0.09 %	-0.03 %
Ratio of return on equity	before income tax	5.27 %	-2.34 %
	after incometax	2.98 %	-1.68 %
Ratio of net income		10.31 %	-4.47 %

Note:

1. Ratio of return on assets = Income before income tax ÷ Average assets
2. Ratio of return on equity = Income before income tax ÷ Average equity
3. Ratio of net income = Income before income tax ÷ Total revenue
4. Income before income tax is the year-to-date accumulated income.

Analysis of Assets and Liabilities by Maturity Date - TWD Currency
Dec.31,2017

Unit : NT\$'000

ITEM	TOTAL	Amount for the remaining period to the maturity date				
		0 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	over 1 year
Assets	524,011,483	173,657,893	158,132,873	107,210,589	56,279,947	28,730,181
Liabilities	522,659,242	138,856,888	180,071,506	120,376,065	56,822,714	26,532,069
Gap	1,352,241	34,801,005	-21,938,633	-13,165,476	-542,767	2,198,112

Note:

1. The table includes only New Taiwan Dollar amounts (i.e. excludes assets and liabilities denominated in foreign currency).

Analysis of Assets and Liabilities by Maturity Date - USD Currency
Dec.31,2017

Unit : US\$'000

ITEM	TOTAL	Amount for the remaining period to the maturity date				
		0 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	over 1 year
Assets	21,901,840	7,347,572	6,923,533	4,343,501	2,022,421	1,264,813
Liabilities	23,295,319	8,231,462	7,071,287	4,257,383	2,429,432	1,305,755
Gap	-1,393,479	-883,890	-147,754	86,118	-407,011	-40,942

Note:

1. The table includes only U.S. Dollar amounts.

Ratio of Deposits, Time Deposits and Foreign Currency Deposits to Total Deposits

Unit : NT\$'000, %

	Dec.31,2017	Dec.31,2016
Demand deposits	2,277,757	9,464,090
% of Demand deposits	4.82 %	16.93 %
Time deposits	44,996,111	46,422,055
% of Time deposits	95.18 %	83.07 %
Foreign currency deposits	43,625,273	44,269,147
% of Foreign currency deposits	92.28 %	79.21 %

Note:

1. % of Demand deposits = demand deposits ÷ total deposits ;
 % of Time deposits = time deposits ÷ total deposits ;
 % of Foreign currency deposits = foreign currency deposits ÷ total deposits
2. Demand deposits and Time deposits include Foreign currency deposits and Treasury deposits.
3. Postal office deposits are excluded.

Ratio of Small and Medium-Size Enterprise (SME) Loans

Unit : NT\$'000, %

	Dec.31,2017	Dec.31,2016
SME Loans	-	-
% of SME Loans	0.00 %	0.00 %
Consumer Loans	-	-
% of Consumer Loans	0.00 %	0.00 %

Note:

1. % of SME Loans = SME Loans ÷ Total Loans;
% of Consumer Loans = Consumer Loans ÷ Total Loans
2. Small and Medium-Size Enterprises (SME) are identified according to the definition promulgated by the Banking Bureau.
Employee Loans under Welfare Committee and other individual Consumer Loans.

Interest Bearing Assets and Interest Paying Liabilities

Unit : NT\$'000, %

ITEM	Dec.31,2017		Dec.31,2016	
	Average balance	Average interest rate	Average balance	Average interest rate
Interest bearing assets	95,830,003	1.27 %	119,852,514	1.36 %
Due from Central Bank, other branches and other banks	12,700,802	0.37 %	37,949,762	1.00 %
Securities purchased	9,790,765	0.54 %	16,424,718	1.91 %
A/R Forfaiting - without recourse	28,383,772	1.73 %	20,677,211	1.01 %
Loans, discounted notes and bills	44,954,664	1.69 %	44,800,823	1.47 %
Interest paying liabilities	96,928,314	1.56 %	116,866,705	0.90 %
Due to banks and other branches	59,801,399	1.43 %	77,878,944	0.78 %
Deposits (demand deposits, time deposits and NCD)	37,126,915	1.77 %	38,987,761	1.14 %

Note:

1. Average balance is based on daily average balance of interest bearing assets or interest liabilities.
2. Interest bearing assets or interest paying liabilities are disclosed in accordance with the chart of accounts or their nature.

Major Foreign Currencies Net Position

Unit : NT\$'000

	Dec.31,2017		Dec.31,2016	
	Foreign currency	Equivalent to NTD	Foreign currency	Equivalent to NTD
Major foreign currencies net position (market risk)	EUR	11,275	USD	371,305
	USD	4,883	EUR	33,606
	CNY	3,230	CNY	23,704
	SGD	1,214	JPY	3,726
	AUD	270	HKD	3,202

Note:

1. Major foreign currencies shall mean the top five currencies with largest positions.
2. Major foreign currencies net position shall mean the absolute net balance of each currency.