

VIII Financial Overview

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I. Financial Highlights

Unit: NT\$ million

| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| Assets | 6,151,178 | 6,463,325 | 6,760,682 | 6,909,762 | 7,009,361 |
| Discounts and Loans | 44,802 | 45,924 | 51,415 | 51,078 | 50,574 |
| Mutual Funds and Long-term Investments | 3,759,184 | 4,134,026 | 4,411,666 | 4,573,095 | 4,590,121 |
| Liabilities | 6,021,311 | 6,319,607 | 6,618,243 | 6,754,469 | 6,839,557 |
| Deposits and Remittances | 5,203,532 | 5,542,898 | 5,813,762 | 5,994,921 | 6,065,297 |
| Owner's Equity | 129,867 | 143,718 | 142,439 | 155,293 | 169,804 |
| Total Revenue | 286,871 | 286,005 | 286,692 | 272,120 | 271,936 |
| Interest Revenue | 98,452 | 101,634 | 103,525 | 97,230 | 97,341 |
| Total Expenses | 274,810 | 274,011 | 274,912 | 262,313 | 261,328 |
| Interest Expenses | 49,659 | 52,429 | 55,657 | 49,565 | 45,170 |
| Net Income | 12,061 | 11,994 | 11,780 | 9,807 | 10,608 |
| Return on Assets | 0.20% | 0.19% | 0.18% | 0.14% | 0.15% |
| Return on Equity | 9.76% | 8.77% | 8.23% | 6.59% | 6.53% |

Note: 1. Return on Assets= Net Income/ Average Assets

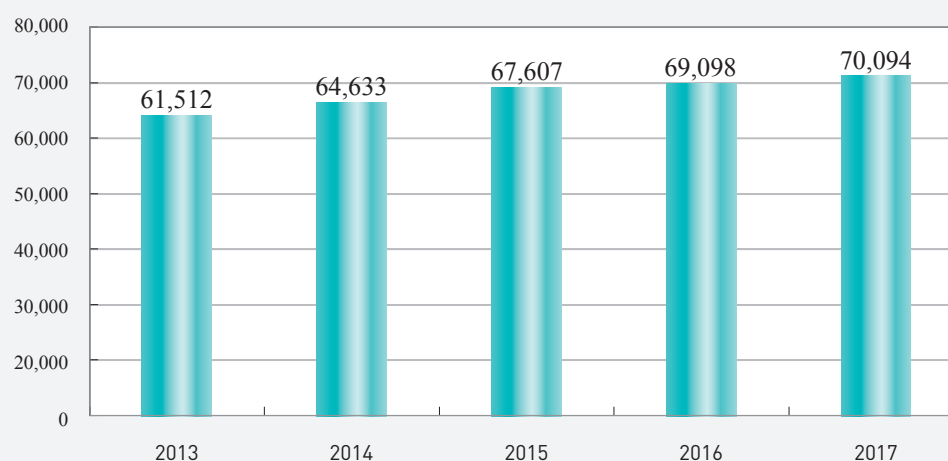
2. Return on Equity= Net Income/ Average Equity

3. Total expenses include income tax.

4. The 2013-2016 Financial Statements was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2013-2014 Financial Statement was prepared in accordance with the 2013 IFRS with adjustment of accounting changes. The 2017 Financial Statement was attested by CPA.

Tendency of Assets for the Past 5 Years

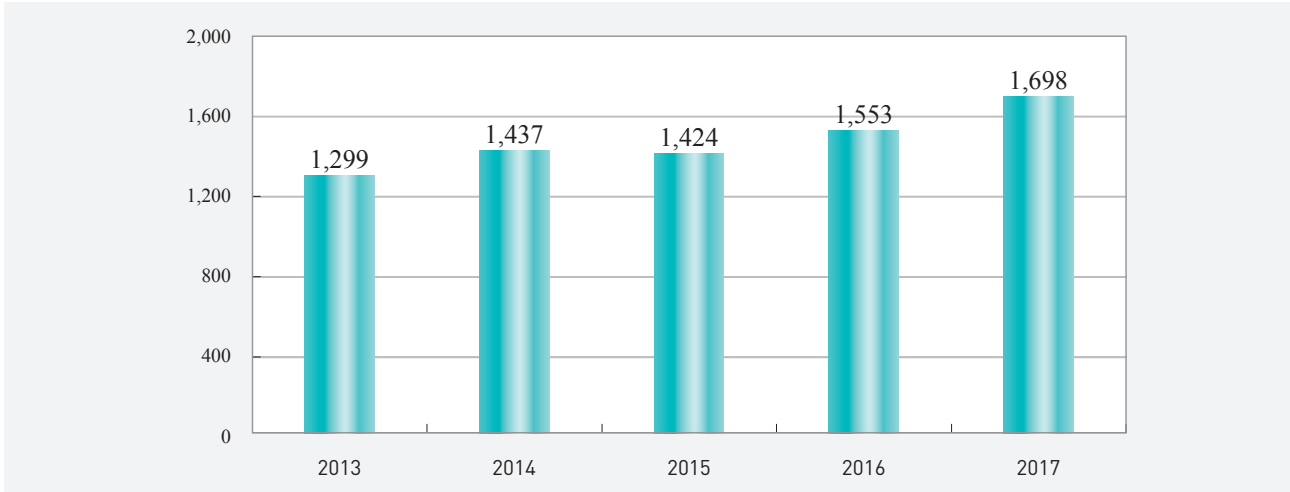
Unit: NT\$ 100 million



VIII Financial Overview

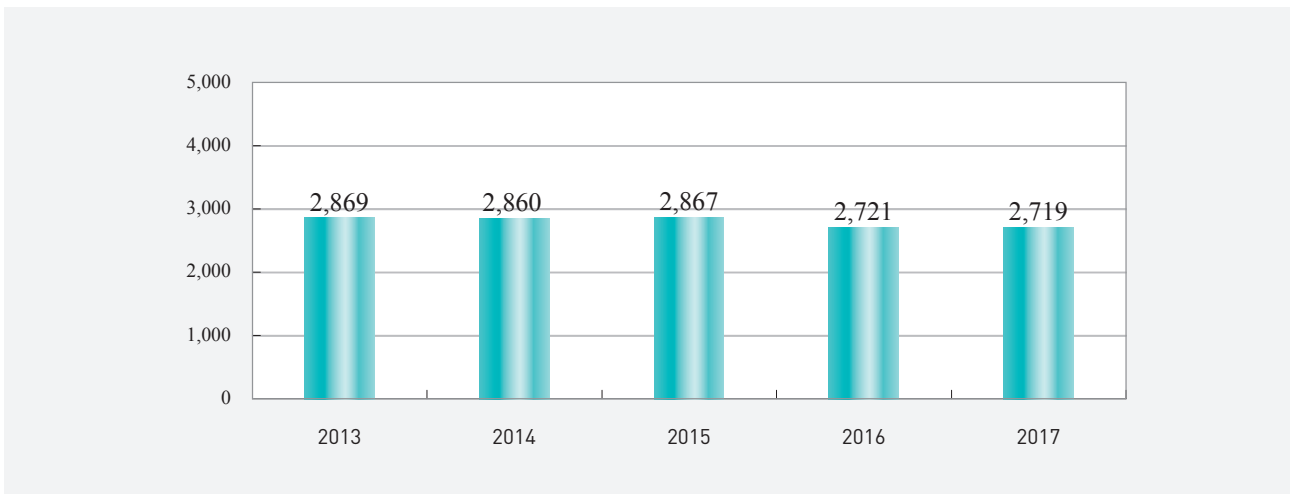
Tendency of Owner's Equity for the Past 5 Years

Unit: NT\$ 100 million



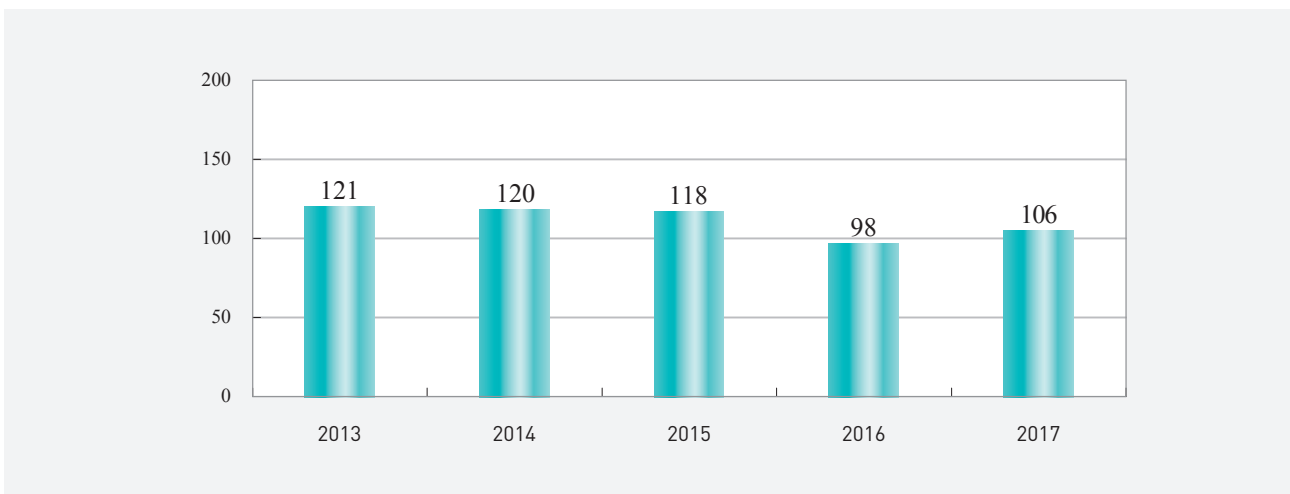
Tendency of Total Revenue for the Past 5 Years

Unit: NT\$ 100 million



Tendency of Net Income for the Past 5 Years

Unit: NT\$ 100 million





II. Condensed Balance Sheet and Income Statement Data for the Past 5 Years

Condensed Balance Sheet

Unit: NT\$ 1,000

| Item | 2013 | 2014 | 2015 | 2016 | 2017 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|---------------|
| Cash and Due from Banks | 404,684,466 | 354,231,823 | 334,131,757 | 308,398,555 | 402,471,133 | |
| Due from the Central Bank | 1,788,840,169 | 1,764,864,633 | 1,792,151,063 | 1,807,288,531 | 1,791,887,579 | |
| Financial Assets at Fair Value through Income Statement | 2,120,108 | 6,348,105 | 3,437,618 | 2,797,089 | 10,964,031 | |
| Investment under REPO | 1,732,741 | 2,442,947 | 3,010,995 | 7,502,104 | 2,402,201 | |
| Receivable Accounts – Net | 45,727,126 | 48,215,101 | 46,873,747 | 42,727,220 | 43,723,069 | |
| Income Tax Assets | 12,928,803 | 12,539,684 | 17,285,934 | 16,009,678 | 1,465,397 | |
| Loan – Net | 44,802,128 | 45,923,932 | 51,414,808 | 51,078,402 | 50,574,485 | |
| Available-for-Sale Financial Assets – Net | 376,416,235 | 303,778,585 | 387,554,681 | 390,386,007 | 405,615,951 | |
| Held-to-Maturity Financial Assets - Net | 3,004,267,976 | 3,403,310,764 | 3,610,747,319 | 3,769,005,065 | 3,741,179,681 | |
| Investment under the Equity Method – Net | 62,657 | 67,673 | 75,363 | 78,498 | 82,137 | |
| Investment in Bonds without Active Market - Net | 374,757,769 | 423,413,366 | 409,292,211 | 405,435,774 | 436,589,866 | |
| Other Financial Assets – Net | 3,679,466 | 3,455,899 | 3,996,874 | 8,189,943 | 6,653,156 | |
| Investment-based Real Estate – Net | 2,697,624 | 2,682,329 | 3,073,474 | 3,915,367 | 5,092,526 | |
| Real Estate and Equipment – Net | 86,453,554 | 86,415,744 | 91,150,904 | 93,524,585 | 98,470,877 | |
| Intangible Assets – Net | 379,728 | 360,011 | 433,941 | 412,972 | 413,425 | |
| Deferred Income Tax Assets – Net | 795,133 | 4,363,257 | 5,041,832 | 1,707,104 | 922,498 | |
| Other Assets – Net | 832,428 | 911,488 | 1,009,947 | 1,304,724 | 10,852,618 | |
| Total Assets | 6,151,178,111 | 6,463,325,341 | 6,760,682,468 | 6,909,761,618 | 7,009,360,630 | |
| Due to Banks | 15,015,000 | 11,515,000 | 4,915,000 | 16,515,000 | 6,815,000 | |
| Financial Liabilities at Fair Value through Income Statement | 3,494,253 | 24,969,663 | 17,503,913 | 6,773,119 | 72,105 | |
| Liabilities under REPO | - | - | 4,800,000 | 1,005,364 | - | |
| Amount Dues | 72,787,562 | 76,411,980 | 71,878,172 | 70,247,578 | 56,223,028 | |
| Income Tax Liabilities | - | - | - | - | 2,374,832 | |
| Deposits and Remittances | 5,203,531,534 | 5,542,897,815 | 5,813,761,964 | 5,994,921,433 | 6,065,296,928 | |
| Insurance Liabilities | 698,778,180 | 631,670,477 | 677,325,478 | 646,177,801 | 684,815,645 | |
| Foreign Exchange Valuation Reserve | 105,835 | 870,217 | 1,451,301 | 1,107,493 | 554,031 | |
| Provisions for Employee Benefits | 20,196,288 | 18,874,579 | 12,176,967 | 9,039,637 | 14,871,598 | |
| Deferred Income Tax Liabilities | 2,732,038 | 7,242,387 | 9,628,523 | 5,339,436 | 4,454,715 | |
| Other Liabilities | 4,669,939 | 5,154,794 | 4,801,545 | 3,341,540 | 4,079,049 | |
| Total Liabilities | Before Distribution | 6,014,606,920 | 6,312,740,782 | 6,612,114,413 | 6,747,435,756 | 6,839,556,931 |
| | After Distribution | 6,021,310,629 | 6,319,606,912 | 6,618,242,863 | 6,754,468,401 | - |
| Capital Stock | Before Distribution | 40,000,000 | 40,000,000 | 65,000,000 | 67,311,000 | 69,479,000 |
| | After Distribution | 40,000,000 | 65,000,000 | 67,311,000 | 69,479,000 | - |
| Capital Surplus | Before Distribution | 27,107,576 | 27,107,576 | 6,407,576 | 6,407,576 | 6,407,425 |
| | After Distribution | 27,107,576 | 6,407,576 | 6,407,576 | 6,407,576 | - |
| Retained Earnings | Before Distribution | 48,110,978 | 53,401,751 | 54,017,005 | 55,384,154 | 56,791,081 |
| | After Distribution | 41,407,269 | 42,235,621 | 45,577,555 | 46,183,509 | - |
| Other Owner's Equities | 21,352,637 | 30,075,232 | 23,143,474 | 33,223,132 | 37,126,193 | |
| Owner's Equities | Before Distribution | 136,571,191 | 150,584,559 | 148,568,055 | 162,325,862 | 169,803,699 |
| | After Distribution | 129,867,482 | 143,718,429 | 142,439,605 | 155,293,217 | - |

Remark: 1. 2013-2016 Financial Statement was prepared in accordance with the Statement of Financial Accounting Standards of Taiwan and the settlement of explanation base. The 2013-2014 Financial Statement was prepared in accordance with the 2013 IFRS with adjustment of accounting changes. The 2017 Financial Statement was attested by CPA.
2. The 2017 retained earnings were referred to as the retained earnings before distribution.

VIII Financial Overview

Condensed Income Statement

Unit: NT\$ 1,000

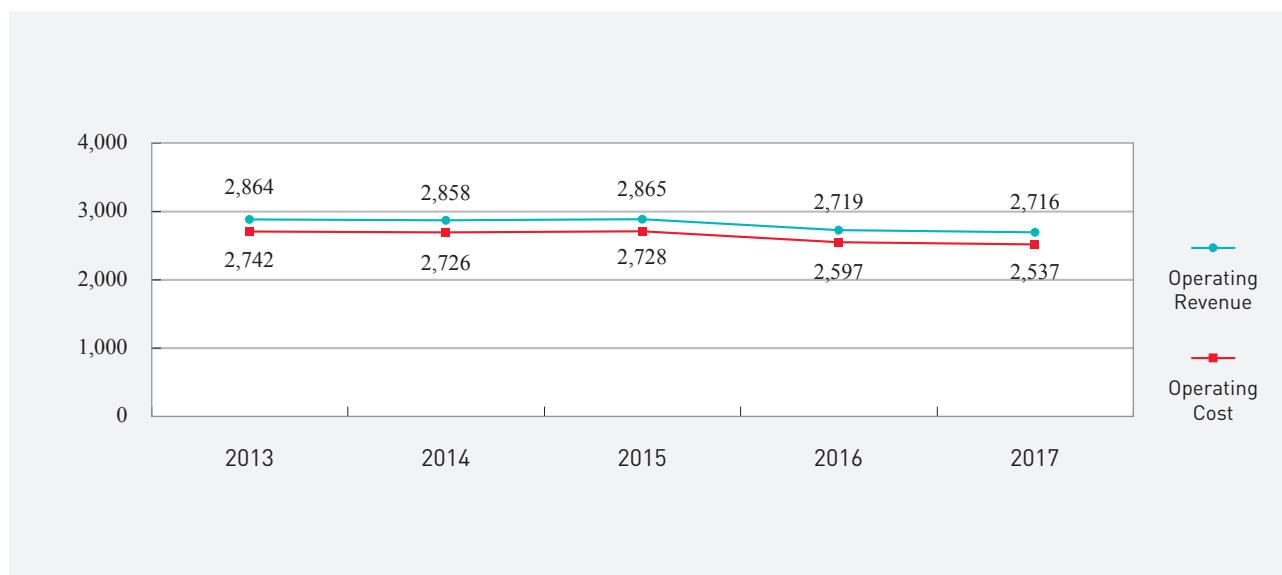
| Item | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|
| Operating Revenue | 286,370,963 | 285,842,788 | 286,521,187 | 271,905,451 | 271,624,527 |
| Operating Cost | 274,187,229 | 272,612,686 | 272,842,442 | 259,691,281 | 253,722,711 |
| Operating Profit | 12,183,734 | 13,230,102 | 13,678,745 | 12,214,170 | 17,901,816 |
| Non-Operating Profit (Loss) | 424,503 | 58,716 | 60,917 | 102,910 | (250,740) |
| Net Income before Tax | 12,608,237 | 13,288,818 | 13,739,662 | 12,317,080 | 17,651,076 |
| Income Tax Expenses | 547,577 | 1,294,336 | 1,960,030 | 2,510,481 | 7,043,463 |
| Net Income | 12,060,660 | 11,994,482 | 11,779,632 | 9,806,599 | 10,607,613 |
| Other Comprehensive Income (after tax) | 7,132,770 | 8,722,595 | (6,931,758) | 10,079,658 | 3,903,061 |
| Total Comprehensive Income | 19,193,430 | 20,717,077 | 4,847,874 | 19,886,257 | 14,510,674 |
| Earnings per Share (NT\$) | 1.74 | 1.73 | 1.70 | 1.41 | 1.53 |

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2. On April 30, 2017, the company transferred capital surplus to capital, making a total Paid-up capital of NT\$ 69.479 billion. Therefore there are readjustments in 2013-2016's Earnings per Share.

Operating Revenue and Cost

Unit: NT\$ 100 million





III. Financial Analysis for the Past 5 Years

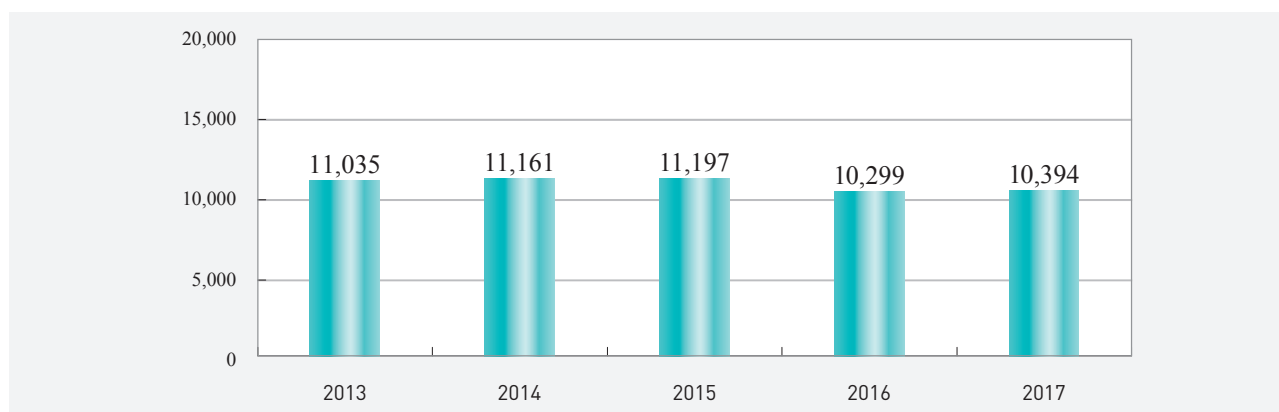
| Item | | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|---|--------|--------|--------|---------|--------|
| Operating Capability | Turnover of Total Assets (Number of Times) | 0.05 | 0.05 | 0.04 | 0.04 | 0.04 |
| | Average Operating Revenue per Employee (NT\$ 1,000) | 11,035 | 11,161 | 11,197 | 10,299 | 10,394 |
| | Average Earnings per Employee (NT\$ 1,000) | 465 | 468 | 460 | 371 | 406 |
| Profitability | Return on Assets (%) | 0.20 | 0.19 | 0.18 | 0.14 | 0.15 |
| | Return on Stockholders' Equities (%) | 9.76 | 8.77 | 8.23 | 6.59 | 6.53 |
| | Net Income Ratio (%) | 4.21 | 4.20 | 4.11 | 3.61 | 3.91 |
| | Earnings per Share (NT\$) | 1.74 | 1.73 | 1.70 | 1.41 | 1.53 |
| Growth Rate | Asset Growth Rate (%) | 4.46 | 5.07 | 4.60 | 2.21 | 1.44 |
| | Profit Growth Rate (%) | (4.50) | 5.40 | 3.39 | (10.35) | 43.31 |

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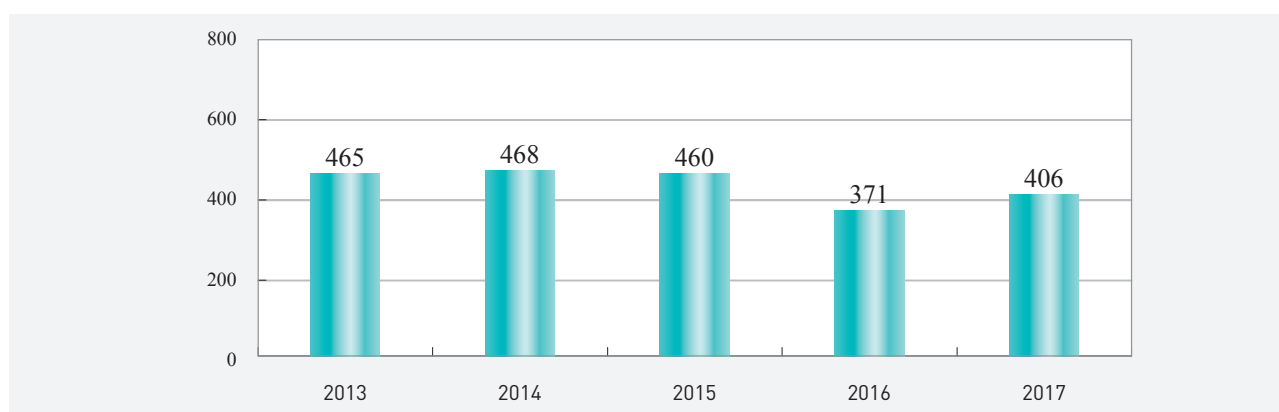
Average Operating Revenue per Employee

Unit: NT\$ 1,000



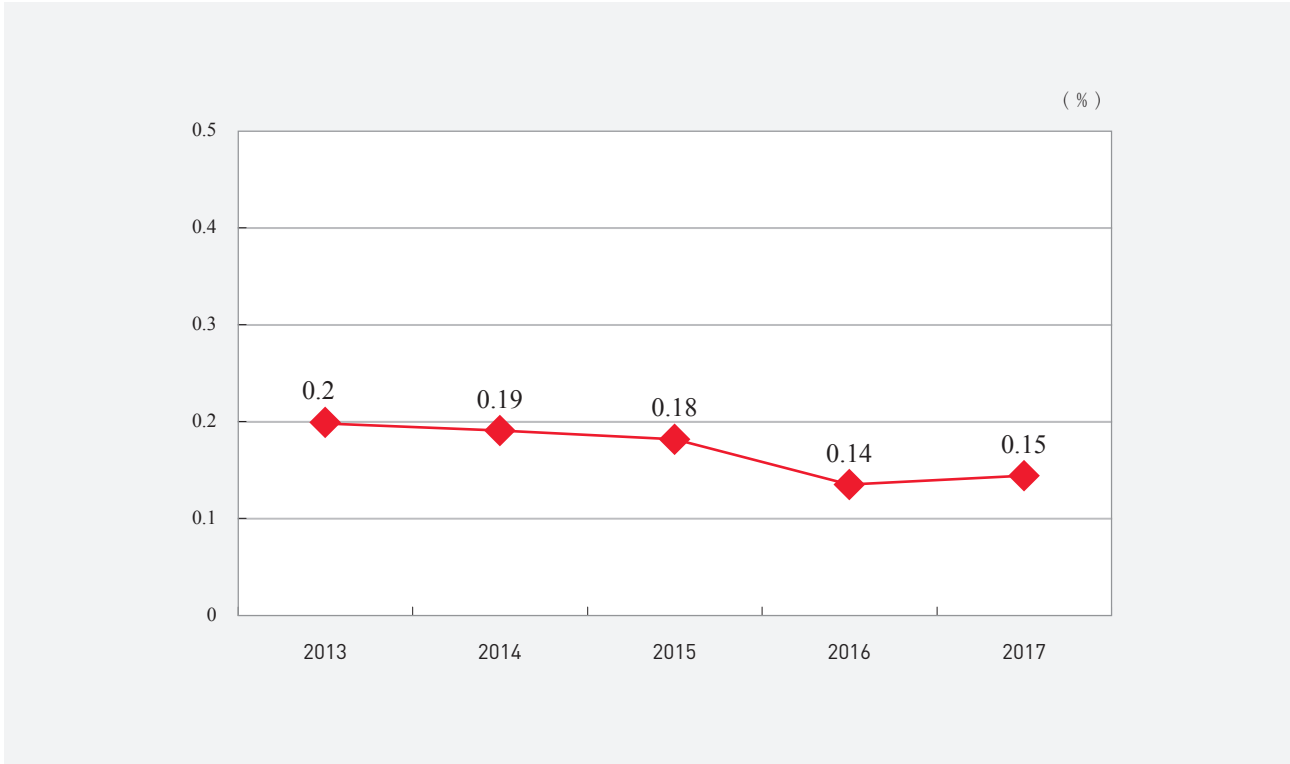
Average Earnings per Employee

Unit: NT\$ 1,000

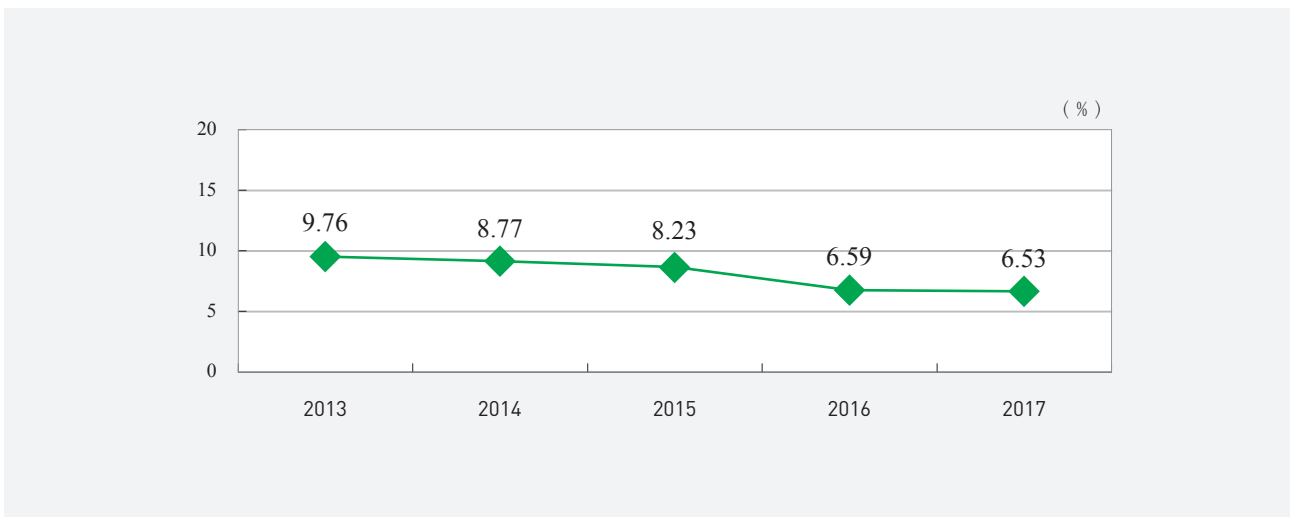


VIII Financial Overview

Return on Assets

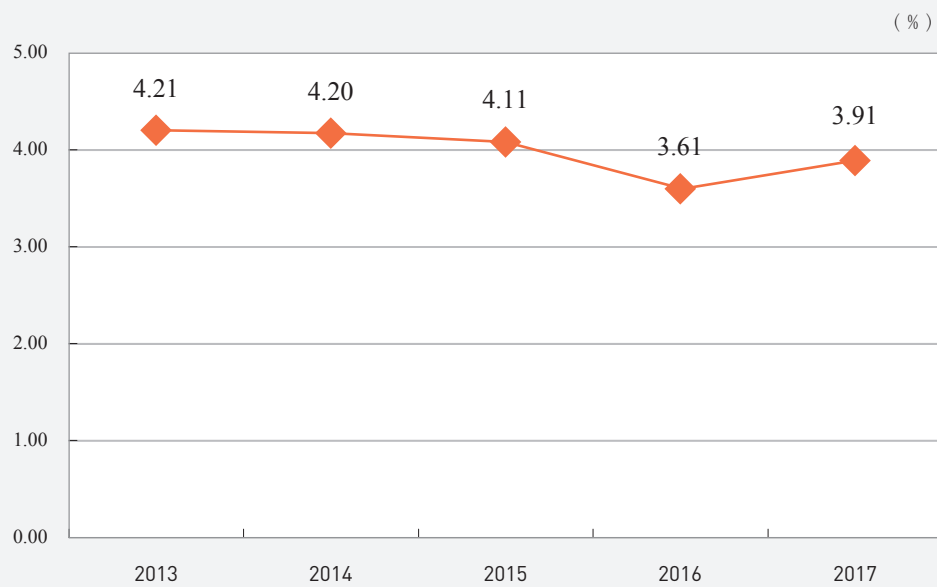


Return on Stockholders' Equities





Net Income Ratio



Earnings per Share

