

Balance Sheet

Unit : NTS'000

ASSETS		Jun 30,2020		Dec.31,2019		Jun.30,2019		LIABILITIES AND EQUITIES		Jun 30,2020		Dec.31,2019		Jun.30,2019	
Code	Item	Amount	%	Amount	%	Amount	%	Code	Item	Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	24,128	0	21,191	0	21,760	0	21000	Deposits from the Central Bank and banks	0	0	0	0	0	0
11500	Due from the Central Bank and call loans to banks	974,741	1	4,282,748	2	347,612	0	21500	Due to the Central Bank and other banks	1,500,000	1	2,000,000	1	0	0
12000	Financial asset at fair value through profit or loss	14,269,530	10	13,588,204	7	16,547,764	15	22000	Financial liability at fair value through profit	15,632,651	11	14,119,951	8	14,016,898	13
12100	Financial asset at fair value through other comprehensive income	291,287	0	290,420	0	581,339	1	22300	Hedging derivative financial liabilities	0	0	0	0	0	0
12200	Investment in debt instrument measured at amortized cost	19,565,761	14	18,739,041	10	13,087,455	12	22500	Securities sold under repurchase agreements	0	0	0	0	0	0
12300	Hedging derivative financial assets	0	0	0	0	0	0	23000	Payables	6,031,125	4	2,774,099	2	6,436,932	6
12500	Securities purchased under resell agreements	0	0	0	0	0	0	23200	Current income tax liabilities	82,215	0	0	0	74,133	0
13000	Receivables - net	19,371,121	14	22,922,378	12	33,029,778	31	23300	Liabilities Related to Assets Classified as Held for Sale	0	0	0	0	0	0
13200	Current income tax assets	49,088	0	43,238	0	11,255	0	23500	Deposits and remittances	41,567,884	29	46,857,669	26	29,468,589	28
13300	Assets Classified as Held for Sale	0	0	0	0	0	0	24000	Financial debenture payable	2,000,000	1	0	0	0	0
13500	Loans, discounted notes and bills - net	71,510,027	50	83,821,218	46	35,181,469	33	25500	Other financial liabilities	0	0	0	0	0	0
15100	Restricted assets	0	0	0	0	0	0	25600	Reserves for liability	467,065	0	454,352	0	495,305	0
15500	Other financial assets - net	0	0	0	0	0	0	26000	Lease debt	41,257	0	50,919	0	60,491	0
18500	Property and Equipment - net	22,123	0	24,851	0	24,046	0	29300	Deferred income tax liabilities	98,751	0	73,067	0	0	0
18600	Right of use - net	37,945	0	47,051	0	56,158	0	29500	Other liabilities	70,102,712	51	112,768,439	60	51,635,125	49
19000	Intangible assets - net	0	0	0	0	0	0	20000	TOTAL LIABILITIES	137,523,660	97	179,098,496	97	102,187,473	96
19300	Deferred income tax assets - net	0	0	0	0	41,701	0	31000	Capital	2,760,820	2	2,760,820	2	2,760,820	3
19500	Other assets - net	16,676,970	11	39,905,523	23	7,992,273	8	32000	Retained earnings	2,505,376	1	1,828,089	1	1,973,748	1
								32011	Unappropriated earnings	1,828,089	1	1,603,160	1	1,603,773	1
								32025	Current income	677,287	0	224,929	0	369,975	0
								32500	Other equity	2,865	0	(1,542)	0	569	0
								30000	TOTAL EQUITY	5,269,061	3	4,587,367	3	4,735,137	4
10000	TOTAL ASSETS	142,792,721	100	183,685,863	100	106,922,610	100		TOTAL LIAB. AND EQUITY	142,792,721	100	183,685,863	100	106,922,610	100

Commitments and Contingent Accounts		Jun 30,2020	Dec.31,2019	Jun.30,2019	Allowance for uncollectible accounts		Jun 30,2020	Dec.31,2019	Jun.30,2019
Code	Item	Amount	Amount	Amount	Code	Item	Amount	Amount	Amount
81004	Loan Commitment	13,031,550	9,254,827	6,168,043	13024	Acceptance	0	0	0
81005	Loan Uncommitment	128,015,839	169,090,139	142,772,017	13026	A/R Forfeiting - without recourse	136,374	204,906	270,755
81003	Guarantee	30,165,367	28,888,149	33,310,957	13590	Loans, discounted notes and bills	696,950	801,368	305,357
81011	Documentary L/C	25,095	86,098	62,239					

* Report not certified by CPA auditors.

Consolidate Income Statement

Unit : NT\$'000

代碼	項 目	2020 Q2		2019 Q2		As of Jun 30,2020		As of Jun 30,2019		Variable %
		Amount	%	Amount	%	Amount	%	Amount	%	
41000	Interest income	251,699	54	353,119	118	545,198	54	353,119	118	545,198
51000	Interest expense	(205,105)	(63)	(550,176)	(184)	(633,469)	(63)	(550,176)	(184)	(633,469)
	Net interest (expense) income	46,594	(9)	(197,057)	(66)	(88,271)	(9)	(197,057)	(66)	(88,271)
	Other operating income									
	Commission income	70,105	17	94,527	32	173,023	17	94,527	32	173,023
	Gain (loss) on financial assets or liabilities measured at fair value through profit and loss	(1,964,525)	(96)	793,894	265	(963,855)	(96)	793,894	265	(963,855)
	Gain (loss) on debt instrument at fair value through other comprehensive income	(232)	0	(591)	0	(911)	0	(591)	0	(911)
	Gain (loss) on financial asset measured at amortized cost	0	0	0	0	0	0	0	0	0
	Foreign exchange gains (losses) - net	2,422,767	168	(473,914)	(158)	1,688,262	168	(473,914)	(158)	1,688,262
	Impairment loss on assets (reversal of impairment loss on assets)	1,265	0	352	0	(398)	0	352	0	(398)
	Others	64,272	20	81,814	27	199,530	20	81,814	27	199,530
	Net income	640,246	100	299,025	100	1,007,380	100	299,025	100	1,007,380
58200	Bad debt expenses	69,282	16	(238,881)	(80)	160,061	16	(238,881)	(80)	160,061
	Operating expenses									
58500	Employee benefits	(85,005)	(16)	(100,506)	(34)	(164,930)	(16)	(100,506)	(34)	(164,930)
59000	Depreciation and amortization expense	(5,877)	(1)	(5,889)	(2)	(11,835)	(1)	(5,889)	(2)	(11,835)
59500	Other general and administrative expenses	(149,410)	(20)	(87,868)	(29)	(205,497)	(20)	(87,868)	(29)	(205,497)
	Consolidated income (loss) from continuing operations before income tax	469,236	78	(134,119)	68	785,179	78	(134,119)	68	785,179
61003	Consolidated income (loss) from continuing operations - Income tax (expense) benefit	(38,378)	(11)	27,159	(9)	(107,892)	(11)	27,159	(9)	(107,892)
	Consolidated income (loss) from continuing operations - after income tax	430,858	67	(106,960)	58	677,287	67	(106,960)	58	677,287
62500	Income (loss) from discontinued operations	0	0	0	0	0	0	0	0	0
	Net income (loss)	430,858	67	(106,960)	58	677,287	67	(106,960)	58	677,287
	Other comprehensive income									
65201	Remeasurement of defined benefit plans	0	0	0	0	0	0	0	0	0
65301	Exchange differences on cumulative translation adjustments	745	0	657	0	4,367	0	657	0	4,367
65308	Unrealized gain (loss) on debt instrument at fair value through other comprehensive income	(389)	0	(156)	0	39	0	(156)	0	39
65310	Gain on reversal of impairment loss on debt instrument at fair value through other comprehensive income	0	0	0	0	0	0	0	0	0
65320	Other comprehensive income after tax	0	0	0	0	0	0	0	0	0
65000	Total other comprehensive income	357	0	502	0	4,406	0	502	0	4,406
	Net income belong to:									
	Owners' equity	430,858	67	(106,960)	58	677,287	67	(106,960)	58	677,287
	Non-controlling Interests			0	0	0	0			
	Total other comprehensive income belong to:			0	0	0	0			
	Owners' equity	431,214	68	(106,459)	58	681,693	68	(106,459)	58	681,693
	Non-controlling Interests									

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Information on fair value hierarchy of financial instruments

Unit : NT\$'000

Instrument item measured at fair value	Jun.30,2020				Jun.30,2019			
	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	-	-	-	-	1,912,158	1,912,158	-	-
Held for trading financial asset	-	-	-	-	1,912,158	1,912,158	-	-
Equity investment	-	-	-	-	-	-	-	-
Bond investment	-	-	-	-	1,912,158	1,912,158	-	-
Others	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss on initial recognition	-	-	-	-	-	-	-	-
Financial asset at fair value through other comprehensive income	291,482	200,517	90,965	-	581,339	581,339	-	-
Equity investment	-	-	-	-	-	-	-	-
Bond investment	291,482	200,517	90,965	-	581,339	581,339	-	-
Others	-	-	-	-	-	-	-	-
Investment in debt instrument measured at amortized cost	19,565,761	901,768	18,663,993	-	13,087,455	4,024,467	9,062,988	-
Equity investment	-	-	-	-	-	-	-	-
Bond investment	8,865,761	901,768	7,963,993	-	8,087,852	4,024,467	4,063,385	-
Others	10,700,000	-	10,700,000	-	4,999,603	-	4,999,603	-
<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	14,269,530	-	14,269,530	-	14,635,606	-	14,635,606	-
Hedging derivative financial assets	-	-	-	-	-	-	-	-
<u>Liabilities</u>								
Financial liabilities designated at fair value through profit or loss	15,632,651	-	15,632,651	-	14,016,898	-	14,016,898	-
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	-	-	-	-	-	-	-	-
Financial asset at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Investment in debt instrument measured at amortized cost	-	-	-	-	-	-	-	-
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		Jun 30,2020					Jun.30,2019					
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	-	37,589	-	696,950	NA	-	77,993	-	305,357	NA	
	Unsecurity	-	72,169,387	-			-	35,408,833	-			
Consumer Finance	Housing Loan	-	-	-	-	NA	-	-	-	-	NA	
	Cash card	-	-	-			-	-	-			
	Small credit Loan	-	-	-			-	-	-			-
	Others	-	-	-			-	-	-			-
Total		-	72,206,976	-	696,950	-	-	35,486,826	-	305,357	-	
/		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		-	13,637,390	-	136,374		-	27,075,498	-	270,755		
Other non-performing loans		-	-	-	-		-	-	-	-		

Year \ Month	Jun 30,2020	Jun.30,2019
Loan classified as non-Pass-Due with normal payment after debt negotiation	-	-

Credit Exposure Concentration

Unit : NTS'000, %

Year \ Month	Jun 30,2020				Jun.30,2019			
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	Taxxx Sexx Coxxxxxxx	Manufacturing	31,456,300	597%	Axxxx	Manufacturing	27,075,498	572%
2	Axxxx	Manufacturing	13,637,390	259%	Fxxxxx Plxxxxxx	Manufacturing	8,172,267	173%
3	Fxxxxx Plxxxxxx	Manufacturing	11,331,380	215%	Hxx Hxx	Manufacturing	7,700,000	163%
4	Hxx Hxx	Manufacturing	5,028,151	95%	Ctxx	Construction	5,358,173	113%
5	Cxxxx Sxxxx	Manufacturing	3,811,401	72%	Cxx xxxxx	Manufacturing	4,520,470	95%
6	Txxxxx Cxxxxx	Manufacturing	3,652,465	69%	Fxx Eaxxxx	Manufacturing	3,842,054	81%
7	Daxxxx	Financial Service	3,500,000	66%	Daxxxx	Financial Service	3,500,000	74%
8	Fxx Eaxxxx	Manufacturing	3,314,860	63%	Hx Txx	Manufacturing	3,175,548	67%
9	Mxxxxxxx	Power Supplier	3,162,710	60%	Txxxxx Cxxxxx	Manufacturing	3,038,554	64%
10	Yxxxxxx Wxxx Pxxxx	Power Supplier	2,260,482	43%	Cxxxx Sxxxx	Manufacturing	2,710,642	57%

Interest-Rate Sensitivity - TWD Currency

Jun 30,2020

Unit : NT\$'000, %

ITEM	0 to 90 days	91 to 180 days	181 days to 1 year	over 1 year	TOTAL
Sensitive assets	20,658,481	9,675,000	13,180,000	7,383,730	50,897,211
Sensitive liabilities	2,710,000	-	500,000	3,083,300	6,293,300
Sensitive Gap	17,948,481	9,675,000	12,680,000	4,300,430	44,603,911
Equity					5,388,701
Ratio of interest-rate sensitive assets to liabilities					808.75 %
Ratio of interest-rate sensitive gap to equity					827.73 %

Interest-Rate Sensitivity - USD Currency

Jun 30,2020

Unit : US\$'000, %

ITEM	0 to 90 days	91 to 180 days	181 days to 1 year	over 1 year	TOTAL
Sensitive assets	552,512	38,600	-	230,000	821,112
Sensitive liabilities	1,603,923	510,419	-	-	2,114,342
Sensitive Gap	(1,051,411)	(471,819)	-	230,000	(1,293,230)
Equity					(1,346)
Ratio of interest-rate sensitive assets to liabilities					38.84 %
Ratio of interest-rate sensitive gap to equity					96,079.49 %

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		Jun 30,2020	Jun.30,2019
Ratio of return on assets	before income tax	0.51 %	0.38 %
	after incometax	0.44 %	0.33 %
Ratio of return on equity	before income tax	15.48 %	8.97 %
	after incometax	13.36 %	7.73 %
Ratio of net income		67.23 %	33.92 %

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
Jun 30,2020

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	580,222,656	164,856,034	165,236,745	117,740,921	97,321,258	35,067,698
Liabilities	590,565,721	125,358,780	193,303,490	114,829,370	107,820,026	49,254,055
Gap	-10,343,065	39,497,254	-28,066,745	2,911,551	-10,498,768	-14,186,357

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
Jun 30,2020

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	25,231,678	5,441,474	7,658,966	4,573,170	4,765,431	2,792,637
Liabilities	25,922,419	6,988,755	6,991,584	4,962,641	4,270,780	2,708,659
Gap	-690,741	-1,547,281	667,382	-389,471	494,651	83,978

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, %

	Jun 30,2020	Jun.30,2019
Demand deposits	1,727,062	3,052,101
% of Demand deposits	4.16 %	10.36 %
Time deposits	39,838,663	26,413,249
% of Time deposits	95.84 %	89.64 %
Foreign currency deposits	38,774,584	27,274,782
% of Foreign currency deposits	93.28 %	92.57 %

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 : NTS'000, %

	Jun 30,2020	Jun.30,2019
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	Jun 30,2020		Jun.30,2019	
	Average balance	Average interest rate	Average balance	Average interest rate
Interest bearing assets	216,034,695	0.65 %	79,930,604	1.63 %
Due from Central Bank, other branches and other banks	11,993,474	0.08 %	4,821,044	1.31 %
Securities purchased	19,746,841	0.50 %	16,376,609	0.74 %
A/R Forfaiting - without recourse	7,119,682	1.30 %	9,407,578	2.95 %
Loans, discounted notes and bills	177,174,698	0.70 %	49,325,373	1.95 %
Interest paying liabilities	117,368,391	0.58 %	157,568,174	2.74 %
Due to banks and other branches	79,299,680	0.12 %	47,590,799	2.43 %
Deposits (demand deposits, time deposits and NCD)	38,068,711	1.55 %	109,977,375	2.88 %

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

	Jun 30,2020		Jun.30,2019	
	Foreign currency	Equivalent to NTD	Foreign currency	Equivalent to NTD
Major foreign currencies net position (market risk)	EUR	29,658	EUR	35,727
	CNY	2,940	CNY	3,336
	USD	2,751	JPY	2,753
	SGD	1,878	SGD	1,893
	SAR	1,713	HKD	1,054

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.