Mega International Commercial Bank

Annual Report 2013

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Notice

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

MEGA FINANCIAL GROUP

MEGA INTERNATIONAL COMMERCIAL BANK

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The world economy continued growing at a meager pace in 2013; the consequent weak export performance, combining with sluggish consumption, rendered Taiwan economic growth disappointing. Challenging though the macroeconomic environment remained, Mega ICBC strived to explore new businesses based on solid foundation, strengthen asset quality, and enhance competitiveness. We produced a total amount of pretax income about NT$21.9 billion, championed domestic banks for the two straight years.

While sustaining predominating positions in the domestic banking industry, coupled with the honors of being the Best Commercial Bank in Taiwan from *International Financial Magazine*, in 2013, and being ranked as one of the best local cash management banks for small & medium corporates from *Asiamoney*, Mega ICBC has spared no effort to expand our global reach. After Suzhou Branch established, we are projecting setting up more outposts to deepen our service networks in China. Besides, the strategic alliances with leading Chinese banks have facilitated business exchanges and broadened asset pools. In addition to pinpointing Chinese market, we keep expanding operation capacity across Asia-Pacific region to diversify risk and increase overall profit.

Under the circumstances of rapidly changing financial market, we keep the commitment to deliver best service and the vision of being a top-notch global bank in mind. To accomplish that, we will leverage our international business expertise and evaluate potential business opportunities prudently at the same time.

Operation Results of 2013

I. Global & Domestic Economic Dynamics

1. Economic Growth

In 2013, emerging and developing economies, especially those with structural fragilities, were exposed to investors' scrutiny, among them, some further suffered from capital withdrawal, under the concern of the potential slowing of the US quantitative easing. On the other hand, Chinese economic momentum was held back by the government's undertaking structural reforms. As a result, the global economic growth rate turned out to be lower than expected. Look ahead in 2014, though the advanced economies' recovery will drive the global economic momentum, uncertainties including US quantitative easing tapering effects on emerging economies, and low inflation in advanced economies shadow improving outlook.

As for Taiwan, despite semi-conductor manufacturers speeding up capital expenditure, stagnated salary growth weighed on consumption, and subdued demand in LCD panels, along with growing competition from mainland China undermined trade performance. For 2013 as a whole, Taiwan's real GDP increased by 2.11%, lower than expected. In 2014, Taiwan is expected to benefit from brighter global economic outlook and increasing trade volume. Nevertheless, waning export competitiveness and China's supply chain localization will hinder Taiwan's export growth. On the domestic front, consumption is unlikely to upsurge considerably. The Directorate-General of Budget, Accounting and Statistics (DGBAS) forecasts that GDP growth rate will remain in relatively low gear, picking up to 2.82%.

2. Financial Market

With major central banks adopting low-interest-rate policy, and/or conducting quantitative easing, domestic financial conditions remained accommodative. In 2013, the Central Bank of China (Taiwan) maintained its key interest rate, discount rate, unchanged at 1.875%. The average interbank overnight call-loan rate was 0.386%, 3.9 basis points lower than that of previous year.

The NT dollar exchange rate was affected by US quantitative easing tapering concern, fluctuated between NT$29 and 30 to one US dollar. At the yearend, the NT dollar settled to NT$29.90 to one US dollar, depreciated by 2.79% from NT$29.136 at the yearend of 2012.

II. Operating Results in 2013

Units: Millions in NT Dollars, except as indicated

Item \ Year	2013	2012	Change (%)
Deposits (Note 1)	1,773,013	1,611,683	10.01
Loans	1,555,742 (Note 3)	1,497,498	3.89
Corporate Financing	1,245,054	1,211,097	2.80
Consumers Financing (Note 2)	310,688	286,401	8.48
Foreign Exchange Business (millions in USD)	811,456	767,763	5.69
Securities Purchased	360,086	263,867	36.46
Long-term Equity Investments	26,343	27,617	-4.61
Credit Card Loans	1,421	1,587	-10.97

Note 1: including transfer deposits from China Post Co.
Note 2: excluding credit card loans
Note 3: with amount of non-performing loans NT$2,695 million, NPL ratio 0.16%, and coverage ratio 794.4%

III. Budget Implementation

2013 Pretax Income (millions in NT dollars)	2013 Pretax Income Budget (millions in NT dollars)	Budget achievement rate (%)
21,923	17,992	121.85

Business Plan of 2014

I. Business Plan

- Monitor global trend to grasp business opportunities, make full use of offshore banking expertise.
- Reinforce market segmentation and advance wealth management business.
- Adjust balance sheet structure, ensure liquidity and profitability at the same time.
- Incorporate technology advances, enhance electronic banking platform.
- Solidify legal compliance and risk management framework.
- Take advantage of the bank's leading positions in RMB deposits to broaden RMB business and product line.

II. Business Objectives

Addressing current economic and financial developments, the Bank has set up the following business targets based on competitive advantages for the year of 2014: total deposits of NT$1,824,000 million, total loans of NT$1,606,000 million, and foreign exchange business of US$860,000 million.

Long-Term Development Strategies

- Apply cloud computing and data mining techniques, and make full use of the bank's financial database, to explore potential opportunities and identify hidden risks.
- Intensify monitoring and control of information inquiry to ensure client information security, and eliminate data leak possibility.

- Take opportunities of emerging economies' financial liberalizing to extend the bank's global service network.
- Strengthen information-sharing between foreign and domestic branches to consolidate the Bank's niche of international business.

Major Regulatory Changes and Influences

- In January 2013, the Financial Supervisory Commission (FSC) revises "The calculation methods for a Taiwan bank's aggregate amount of credit, investment and interbank loan and deposit on Mainland Area" for relaxing rules measuring the upper limit of Taiwan's banks aggregate exposure to China, which will facilitate domestic bank's business expansion in China.
- The offshore RMB market in Taiwan established, as the DBU of domestic banks began to offer RMB related service since February 6, following Bank of China, Taipei Branch was designated as RMB clearing bank by Central Bank of China (Taiwan) in January 2013.
- Since September 2013, the onshore foreign currency clearing system started to put RMB into processing, which will increase the efficiency of the fund transfer.
- The FSC relaxed restrictions on OBU's foreign currency derivatives business regarding clients and investments' scope in December 2013, which is favorable for financial institutions to expand wealth management business, and raise competitiveness of the industry.

Credit Rating

As of April, 2014

Credit Rating Institute	Credit Rating		Outlook	Publication Date (Year/Month)	Note
	Long-term	Short-term			
Moody's	A1	P-1	Stable	2014/01	Bank Financial Strength Rating: C-
S&P	A	A-1	Stable	2013/10	-
Fitch Ratings	A-	F2	Stable	2014/01	Viability Rating: a-

Yeou-Tsair Tsai

Chairman

Kuang-Si Shiu

President

Historical Overview

Mega International Commercial Bank Co., Ltd. (Mega ICBC) has come into being as a result of the merger of The International Commercial Bank of China and Chiao Tung Bank, effective on August 21, 2006. Both banks have been proud of their longtime histories of outstanding track records in our country.

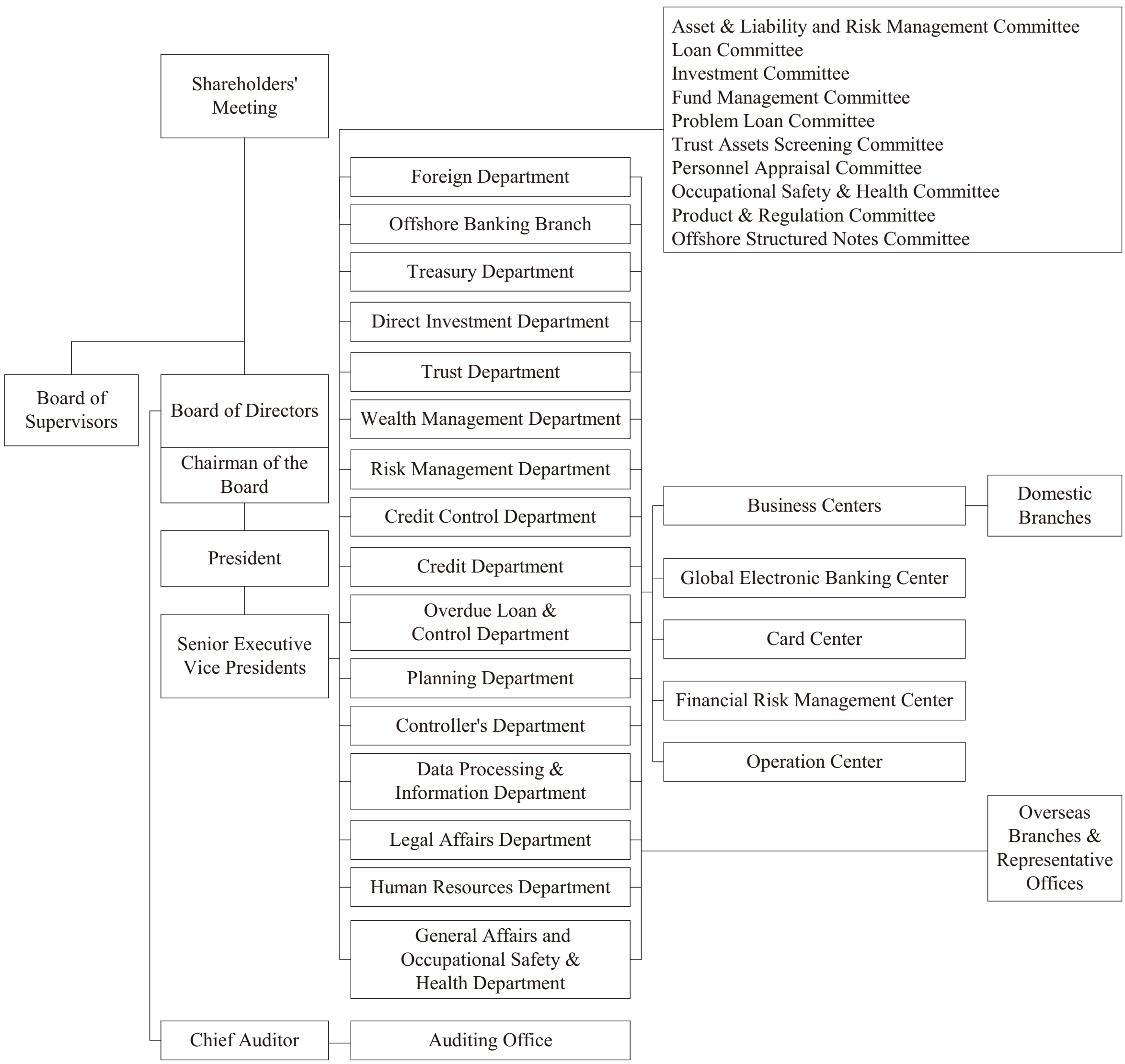
In 1971, The Bank of China was privatized to become The International Commercial Bank of China Co., Ltd. (ICBC), whose origin dates back to the Ta Ching Bank and its predecessor, the Hupu Bank (the bank under the finance arm of the imperial court in the Ching Dynasty). The Bank of China had been entrusted with the mission to serve as an agent of the Treasury and a note-issuing bank before the establishment of the Central Bank of China in 1928. The Bank of China was designated as a licensed specialized bank for international trade and foreign exchange thereafter. Taking advantage of its specialization in foreign exchange, worldwide network of outlets and correspondence banks, superb bank assets, and excellent business performance, ICBC has become a top-notch bank in the Republic of China.

Set up five years before the founding of the Republic of China, Chiao Tung Bank Co., Ltd. (CTB) had also been delegated to act as an agent of the government coffer and a note-issuing bank in concert with the Bank of China at the outset of the Republic. Transforming from a licensed bank for industries in 1928, an industrial bank in 1975, and a development bank in 1979, CTB turned from a state-controlled bank into a privately–owned one in 1999. It has engaged in loan extensions for medium- and long-term development, innovation and guidance investment (equity investment), and venture capital ever since. For years, CTB has made significant contributions to the improvement of industrial structure and the promotion of the upgrading of industry by assisting in the development of strategic and vital industries in line with the economic policy and the economic development plan of the government.

CTB and International Securities Company formed the CTB Financial Holding Company in 2002. Late on, Chung Hsing Bills Finance Corporation and Barits International Securities Company came under the financial umbrella. On December 31, 2002, Chung Kuo Insurance Company and ICBC joined forces with the Company to form a conglomerate named Mega Financial Holding Company.

With a view to enlarging the business scale and increasing the market share, ICBC and CTB formally merged into one bank under the name of Mega International Commercial Bank Co., Ltd. on August 21, 2006. By the end of 2013, the Bank has 107 branches at home, and 21 branches, 1 sub-branch, and 3 representative offices abroad. Together with the network are wholly-owned bank subsidiaries in Thailand and Canada, along with their branches, bringing the number of overseas outposts to 34 in total. It has manpower 5,381 and an aggregate paid-in capital of NT$77 billion.

Organization Chart



Directors, Supervisors & Top Management

I. Board of Directors and Supervisors

As of December 31, 2013

Title	Name	Position / Occupation
Chairman of the Board	Yeou-Tsair Tsai	Chairman of the Board Mega Financial Holding Company and Mega ICBC
Managing Director & President	Kuang-Si Shiu	President Mega Financial Holding Company and Mega ICBC
Managing Director	Jen-Hui Hsu	Professor Department of Public Policy and Management, Shih Hsin University
Managing Director	Meei-Yeh Wei	Senior Executive Vice President Mega Financial Holding Company and Mega ICBC
Independent Managing Director	Chan-Sheng Chen	Director Sunny Real Estate Management Co., Ltd.
Independent Director	Kai Ma	Independent Director Taiwan Power Company
Independent Director	Chyan-Long Jan	Dean School of Business, Soochow University
Director	Yuan-Chung Lee	Executive Consultant Grand Pacific Investment & Development Holding Company
Director	Ching-Long Lin	President Ching-Long CPAs
Director	Chen-Chia Lee	Chairman Maywufa Biopharmaceutical Ent. Group
Director	Chin-Lan Chiang Hsiao	Resident Supervisor World-League for Freedom and Democracy
Director	Chao-Hsien Lai	Chairman Mega Asset Management Company
Director	Hung-Wen Chien	Chairman Mega Securities Co., Ltd.
Director	Ying-Wei Peng	Director General Dept. of Legal Affairs, Ministry of Finance, ROC
Director	Chiu-Fa Tsai	Assistant Vice President Mega ICBC
Resident Supervisor	Jing-Twen Chen	Professor and Dean College of Finance, Takming University of Science and Technology
Supervisor	Yung-Ming Chen	Chief Auditor Mega Financial Holding Company
Supervisor	Tsung-Chih Hsu	Deputy Chief Auditor Mega Financial Holding Company
Supervisor	Chii-Bang Wang	President Mega Bills Finance Co., Ltd.
Supervisor	Jui-Ying Tsai	Vice President Treasury Department, Mega Financial Holding Company

II. Professional Qualifications and Independence Analysis of Directors and Supervisors

As of December 31, 2013

Criteria / Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria (Note)										Number of other public companies in which the individual is concurrently serving as an Independent Director
	Instructor or higher position in a Department of Commerce, Law, Finance, Accounting, or other academic department related to the business needs of the bank in a public or private Junior College, College, or University	Judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist, who has passed a national examination and been awarded a certificate in a profession necessary for the business of the bank	Have work experience in the areas of commerce, law, finance, accounting, or otherwise necessary for the business needs of the bank	1	2	3	4	5	6	7	8	9	10	
Yeou-Tsair Tsai			✓	✓		✓	✓			✓	✓	✓		0
Kuang-Si Shiu			✓			✓	✓			✓	✓	✓		0
Jen-Hui Hsu	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Meei-Yeh Wei			✓			✓	✓	✓		✓	✓	✓		0
Chan-Sheng Chen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Kai Ma			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		1
Chyan-Long Jan	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		3
Yuan-Chung Lee			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Ching-Long Lin		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Chen-Chia Lee			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Chin-Lan Chiang Hsiao			✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Chao-Hsien Lai			✓	✓		✓	✓	✓		✓	✓	✓		0
Hung-Wen Chien			✓	✓		✓	✓			✓	✓	✓		0
Ying-Wei Peng			✓	✓		✓	✓			✓	✓	✓		0
Chiu-Fa Tsai			✓			✓	✓	✓	✓	✓	✓	✓		0
Jing-Twen Chen	✓		✓	✓		✓	✓	✓	✓	✓	✓	✓		0
Yung-Ming Chen			✓			✓	✓			✓	✓	✓		0
Tsung-Chih Hsu			✓			✓	✓			✓	✓	✓		0
Chii-Bang Wang			✓			✓	✓	✓		✓	✓	✓		0
Jui-Ying Tsai			✓			✓	✓			✓	✓	✓		0

Note: Check ("✓") the corresponding boxes if directors or supervisors have been any of the following during the two years prior to being elected or during the term of office.

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary in which the Company holds, directly or indirectly, more than 50% of the voting shares.
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top 10 in holdings.
4. Not a spouse, relative within the second degree of kinship, or lineal relative within the fifth degree of kinship, of any of the persons in the preceding three subparagraphs.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings.
6. Not a director, supervisor, officer, or shareholder holding 5% or more of the share, of a specified company or institution that has a financial or business relationship with the Company.
7. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company, or a spouse thereof.
8. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.
9. Not been a person of any conditions defined in Article 30 of the Company Law.
10. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.

III. Major Shareholders of the Institutional Shareholders

As of December 31, 2013

Name of the Institutional Shareholders	Top Shareholders (Percentage of Shares Ownership)
Mega Financial Holding Co., Ltd.	Ministry of Finance, R.O.C. (9.18%)
	National Development Fund, Executive Yuan, R.O.C. (6.10%)
	Fubon Life Insurance Co., Ltd. (3.30%)
	Chunghwa Post Co., Ltd. (2.71%)
	Cathay Life Insurance Company Limited. (2.58%)
	Bank of Taiwan (2.49%)
	China Life Insurance Company Limited (1.43%)
	Pou Chen Corporation (1.42%)
	Vanguard Emerging Markets Stock Index Fund (1.41%)
	Dimensional Emerging Markets Value Fund (1.17%)
	Labor Pension Fund (1.07%)

IV. Policies for Employees’ bonuses and directors’ and supervisors’ remuneration

Effective January 1, 2008, pursuant to EITF 96-052 of the Accounting Research and Development Foundation, R.O.C., dated March 16, 2007, “Accounting for Employees’ Bonuses and Directors’ and Supervisors’ Remuneration”, the costs of employees’ bonuses and directors’ and supervisors’ remuneration are accounted for as expenses and liabilities, provided that such a recognition is required under legal or constructive obligation and those amounts can be estimated reasonably. However, if the accrued amounts for employees’ bonuses and directors’ and supervisors’ remuneration are significantly different from the actual distributed amounts resolved by the stockholders at their annual stockholders’ meeting subsequently, the differences shall be recognized as gain or loss in the following year.

Execution of Corporate Governance

I. Attendance Record

A total of thirty five meetings of the Board of Directors were held in 2013. Attendance of directors and supervisors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate (%)
Chairman	Yeou-Tsair Tsai	35	0	100.00
Managing Director & President	Kuang-Si Shiu	32	3	91.40
Managing Director	Jen-Hui Hsu	35	0	100.00
Managing Director	Meei-Yeh Wei	34	1	97.10
Independent Managing Director	Chan-Sheng Chen	35	0	100.00
Independent Director	Kai Ma	7	1	87.50
Independent Director	Chyan-Long Jan	8	0	100.00
Director	Yuan-Chung Lee	7	1	87.50
Director	Ching-Long Lin	8	0	100.00
Director	Chen-Chia Lee	4	4	50.00
Director	Chin-Lan Chiang Hsiao	7	1	87.50
Director	Chao-Hsien Lai	8	0	100.00
Director	Hung-Wen Chien	5	3	62.50
Director	Ying-Wei Peng	6	2	75.00
Director	Chiu-Fa Tsai	8	0	100.00
Resident Supervisor	Jing-Twen Chen	35	0	100.00
Supervisor	Yung-Ming Chen	8	0	100.00
Supervisor	Tsung-Chih Hsu	8	0	100.00
Supervisor	Chii-Bang Wang	8	0	100.00
Supervisor	Jui-Ying Tsai	8	0	100.00

Note: 1. The Bank's directors and supervisors are appointed by the Mega Financial Holding Company.
2. None of the independent directors has a dissenting opinion or qualified opinion on the resolutions.
3. The Bank doesn't set up an auditing committee.
4. The attendance rate is calculated as the ratio of the number of Board of Directors meetings attended to the number held during the term in office.
5. The Board of Directors has performed its duties in compliance with the related laws and regulations.

II. Corporate Governance Execution and Deviations from "Corporate Governance Best-Practice Principles for Banks" and reasons

Item	Execution	Deviations from the Principles and Reasons
A. Ownership Structure and Shareholders' Equity 1. Handling of shareholders' suggestions and disputes 2. Major shareholders of controlling stake in the bank 3. Risk assessment and firewalls established against the operations with the affiliates	• All suggestions and disputes are handled according to policies and procedures. • Mega Financial Holding Company is the Bank's sole shareholder. • The Bank's staffs, assets and management are independent of its affiliates, and follow the authority's regulations.	None
B. Organization and Responsibilities of the Board of Directors 1. Independent director(s) 2. Evaluating the independence of the CPAs periodically	• Mega Financial Holding Company designates 3 independent directors in the Bank's Board of Directors, one of which is independent managing director. • The independence of the CPAs is evaluated while being employed.	
C. Communications with Interested Parties	• The Bank updates the list of interested parties semiannually, and when positions alter. • The Bank processes customer claim and support through direct customer service line. • An internal discussion forum is provided for all staffs, accessible at any time.	
D. Disclosure of Information 1. Setting up a corporate website to disclose information regarding the bank's financials, business and governance status 2. Other information disclosure channels	• The Bank maintains an official website (https://www.megabank.com.tw) in both Chinese and English version; on which latest information, including credit ratings, annual report, and corporate governance are available. • Ms. Meei-Yeh Wei, SEVP, is appointed as the Bank's spokesperson. • Investor conference is held by Mega Financial Holding Company, the sole shareholder of the Bank.	
E. Nomination, Remuneration or other Functional Committees: None.		
F. Description of the Bank's Corporate Governance: All are disclosed as above.		
G. If the Company has implemented a self corporate governance evaluation or has authorized any other professional organization to conduct such an evaluation, the evaluation results, major deficiencies or suggestions, and improvements are stated as follows: None.		

Capital & Shares

I. Source of Capital Stock

Unit: NT Dollar; share

Year/Month	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark
		Shares	Amount (NTD)	Shares	Amount (NTD)	Source of Capital
2002/12	10	3,726,100,000	37,261,000,000	3,726,100,000	37,261,000,000	Public offering
2006/08	10	2,684,887,838	26,848,878,380	2,684,887,838	26,848,878,380	Issuance of new shares for merger
2011/10	10	389,012,162	3,890,121,620	389,012,162	3,890,121,620	Transference of un-appropriated earnings
2012/09	10	300,000,000	3,000,000,000	300,000,000	3,000,000,000	Issuance of common stock (Private placement)
2013/12	10	600,000,000	6,000,000,000	600,000,000	6,000,000,000	Issuance of common stock (Private placement)

II. Type of Stock

Unit: share

Type	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total Shares	
Ordinary Share	7,700,000,000	0	7,700,000,000	Public offering

Note: Shares have been stopped listed since the Bank joined Mega Financial Holding Company on December 31, 2002.

III. Structure of Shareholders

As of December 31, 2013

	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders			1			1
Shareholding (shares)			7,700,000,000			7,700,000,000
Percentage (%)			100.00			100.00

Note: 100% shares are held by Mega Financial Holding Company.

IV. List of Major Shareholders

As of December 31, 2013

Shareholder's Name	Shareholdings	
	Shares	Percentage
Mega Financial Holding Co., Ltd.	7,700,000,000	100.00%

Other Fund-Raising Activities

I. Issuance of preferred shares, global depository receipts, and employee share subscription warrants:

None.

II. Mergers, acquisitions, and issuance of new shares due to acquisition of shares of other companies:

None.

Capital Allocation Plan

Year	2013
Description of Capital Allocation Plan	The Bank applied for issuance of NT$12 billion subordinated debt, to be issued within one year, and the plan was approved by Financial Supervisory Commission on December 23, 2013.
Purpose of Capital Allocation Plan	To increase tier 2 capital to amplify capital structure.
Publication of the Plan	The information of the capital allocation plan was published to Market Observation Post System on August 23, 2013.
Implementation of Plan	The subordinated debt is projected to be issued during the year of 2014 and the fund raised will be used in loan business as planned.
Comparison of actual benefits with expected benefits	-

Business Activities

I. Business Scope: Commercial banking, including a wide range of services indicated as following:

1. Domestic Branches
   - ♦ Deposits
   - ♦ Loans & Guarantees
   - ♦ Documentary Credits
   - ♦ Remittance & Bill Purchase
   - ♦ Offshore Banking
   - ♦ Trust Business
   - ♦ Foreign Exchange Trading
   - ♦ Safety Boxes Services
   - ♦ Consumer Banking
   - ♦ U Card, VISA Card, MasterCard, JCB Card
   - ♦ Consignment Securities
   - ♦ Agency Services
   - ♦ Money Market Securities
   - ♦ Agency for selling gold, silver, gold/silver coins, Gold Deposit Account
   - ♦ Electronic Banking
   - ♦ Investment Banking

2. Overseas Branches
   - ♦ Deposits
   - ♦ Loans & Guarantees
   - ♦ Documentary Credits
   - ♦ Remittance & Bill Purchase
   - ♦ Foreign Exchange Trading
   - ♦ Loans Backed by the Overseas Chinese Credit Guarantee Fund
   - ♦ Trading Consulting Services
   - ♦ Warehousing Services

II. Distribution of Mega ICBC's Net Operating Income

As of December 31, 2013

Item	Amount (thousands in NT dollars)	As percentage of Net Operating Income (%)
NET INTEREST INCOME	29,636,478	65.38
NON-INTEREST INCOME	15,696,311	34.62
Fee Income – net	8,029,742	17.71
Gains on Financial Assets and Liabilities at Fair Value through Profit or Loss	1,283,136	2.83
Realized Gain on Available-for-Sale Financial Assets	1,290,950	2.85
Investment Income Recognized by the Equity Method	537,862	1.19
Foreign Exchange Gain – net	2,873,751	6.34
Loss on Asset Impairment	-319,209	-0.70
Other Non-interest Income	903,105	1.99
Gain on Financial Assets Carried at Cost	633,053	1.40
Gain on Sale of Non-Performing Loans	463,921	1.02
NET OPERATING INCOME	45,332,789	100.00

Taiwanese Banking Industry & Market Overview

In 2013, domestic banks reported a record high of pretax profits exceeding NT$257.6 billion. Non-performing loan ratio of domestic banks stood at 0.38% at the yearend, drop from the previous year's 0.40%, while coverage ratio rose from 274.09% to 319.18% at the same period. This suggests that domestic banks may be able to cope with the losses resulting from bad loans better, if any.

Domestic banks' total loans increased at the annual rate of 2.98%, in 2013, up marginally from previous year's 2.79%, according to Financial Statistics issued by Central Bank of China (Taiwan). By sectors, lending to private enterprises increased 3.02% to NT$8.9 trillion, attributed to medium & small corporates' solid loan demand and the surging need in foreign currency loan, while lending to government enterprises was NT$704.4 billion, an increase of 1.51% compared with the year of 2012; however, lending to government agencies was NT$1.45 trillion, a decrease of 9.25% from the year before. Among consumer loans, house-purchasing loans stood at NT$5,65 trillion, 4.18% more than that of the previous year, and loans for construction increased 1.83% to NT$1.50 trillion, decelerated from previous year's 7.3%.

Taiwanese banks continued to expand overseas service networks, especially in China and Southeast Asian countries to broaden operational capacity while the competition in domestic banking industry remained intense. On the other hand, RMB deposit balance reached 182.6 billion Yuan at the yearend of 2013, nearly quintupled since the launch of RMB business in Domestic Banking Unit, which will boost related business volume in the coming year.

I. Positive Factors

- Taiwanese banks could broaden profits sources by taking advantage of RMB deposit's rapid accumulation.
- As more and more Taiwanese banks' mainland branches are granted to conduct RMB business, and more outposts projected to be established, RMB related business is foreseen to be burgeoning, and Taiwanese banks' profitability will be enhanced.
- Authorities have loosened regulations on OBU wealth management business for developing free economic pilot zones, which could drive further expansion and lift fee income.

II. Negative Factors

- Domestic financial market's competition remains fierce, which constraints loan spread broadening, and limited profit growth.
- While Taiwan's economic growth remains sluggish, consumers and enterprises are cautious in spending, along with real estate market showing signs of slowing down, there is little room for lending business to expand.

III. Winning Strategies

- Examining current loan pricing strategy and participating international syndication loan to further boost profits from loan business.
- Reviewing geographical distribution of branches to relocate more units to emerging business regions with potential to strengthen profitability.

IV. Mega ICBC's Niche

- Mega ICBC is irreplaceable in terms of foreign remittances, and it enjoys competitive edge in foreign exchange business. For example, the Bank's New York Branch is the only Taiwanese bank that simultaneously participates in CHIPS, Fedwire, and ACH as a member bank.
- Mega ICBC can raise funds at relatively cheap cost on the international market because of its superb asset quality and the best credit ratings of domestic banks.
- Mega ICBC owns expansive global presence, and international banking expertise, enhancing the bank's diversification and profitability.
- Mega ICBC maintains the highest RMB deposit balance among domestic banks, since the debut of DBU RMB business in February 2013.

Human Resources Profile

		As of December 31,	
		2013	2012
Number of Employees	Domestic	4,886	4,828
	Overseas	495	480
	Total	5,381	5,308
Average Age		42.76	42.56
Average Years of Services		16.90	16.68
Education	Ph.D.	2	2
	Master’s Degree	1,042	974
	Bachelor’s Degree	4,031	4,016
	Senior High School	275	283
	Below Senior High School	31	33

Social Responsibility

The International Commercial Bank of China Cultural and Educational Foundation was founded in 1992 by the International Commercial Bank of China Co., Ltd. (Note: The corporate name was changed into Mega International Commercial Bank Co., Ltd. after merger with Chiao Tung Bank on August 21, 2006.) The Foundation is dedicated to the service of the social vulnerable and disadvantaged groups, as well as promotion of cultural and educational events.

Condensed Consolidated Balance Sheets

Unit: Thousands in NT Dollars

Item	As of December 31,	
	2013	2012
Cash and Cash Equivalents, and Due from the Central Bank and Call Loans to Banks	546,392,628	456,691,004
Financial Assets at Fair Value through Profit or Loss	44,481,040	40,617,109
Available-for-Sale Financial Assets – net	184,449,844	133,617,834
Securities Purchased under Resale Agreements	5,451,889	4,428,875
Receivable – net	159,597,172	102,668,818
Bills Discounted and Loans – net	1,654,577,193	1,502,700,861
Held-to-Maturity Financial Assets – net	182,739,356	159,207,720
Investments Accounted for by the Equity Method – net	2,781,252	3,129,828
Other Financial Assets – net	13,289,210	14,709,456
Property and Equipment	14,519,251	14,713,895
Investment Property	673,875	781,955
Deferred Tax Assets – net	3,452,230	2,788,680
Other Assets – net	7,179,530	7,202,125
Total Assets	2,819,584,470	2,443,258,160
Due to the Central Bank and Commercial Banks	471,876,730	313,849,493
Borrowed Funds	32,330,245	84,826,943
Financial Liabilities at Fair Value through Profit or Loss	13,867,052	14,135,970
Securities Sold under Repurchase Agreements	46,532,108	17,364,464
Payables	39,266,610	36,595,747
Current Tax Liabilities	5,120,725	4,712,271
Deposits and Remittances	1,937,157,459	1,719,343,488
Financial Bonds Payable	43,900,000	43,900,000
Other Financial Liabilities	8,448,409	9,788,365
Provisions	10,509,137	9,970,905
Deferred Tax Liabilities	2,037,961	1,687,169
Other Liabilities	7,668,909	10,155,238
Total Liabilities	2,618,715,345	2,266,330,053
Equity Attributble to Owners of The Parent Company	200,869,125	176,928,107
Capital Stock	77,000,000	71,000,000
Capital Reserve	46,499,431	37,261,028
Retained Earnings	77,709,261	69,672,916
Other Equity	(339,567)	(1,005,837)
Total Equity	200,869,125	176,928,107

Condensed Consolidated Statements of Comprehensive Income

Unit: Thousands in NT Dollars

Item	2013	2012
Interest Revenue	43,976,900	40,606,863
Less: Interest Expense	13,759,519	12,064,190
Net Interest Income	30,217,381	28,542,673
Net Non-Interest Income	15,545,785	15,960,275
Net Operating Income	45,763,166	44,502,948
Provision for Loan Losses and Guarantee Reserve	5,454,163	4,367,040
Operating Expenses	18,308,664	17,807,624
Consolidated Income from Continuing Operations Before Income Tax	22,000,339	22,328,284
Income Tax Expense	3,194,301	3,332,658
Consolidated Net Income	18,806,038	18,995,626
Total Other Comprehensive Income (After Income Tax)	191,577	(1,124,372)
Total Comprehensive Income	18,997,615	17,871,254

Major Financial Analysis

Item		2013	
		Consolidated	Stand-alone
Financial Structure	Total Liabilities to Total Assets (%)	92.75	92.71
	Property and Equipment to Total Shareholders' Equity (%)	7.23	7.21
Solvency	Liquidity Reserve Ratio (%)	21.94	21.94
Operating Performance Analysis	Loans to Deposits Ratio (%)	86.87	86.50
	NPL Ratio (%)	0.18	0.16
	Total Assets Turnover (Number of Times)	0.02	0.02
	Average Profit per Employee (Thousands in NT dollars)	3,393	3,495
Profitability Analysis	Return on Tier 1 Capital (%)	12.19	12.34
	ROA (%)	0.71	0.72
	ROE (%)	9.96	9.96
	Net Income to Net Operating Income (%)	41.09	41.48
	Earnings per Share (NT dollars)	2.64	2.64
	Cash Dividends per Share (NT dollars)	1.45	1.45
	Shareholders' Equity per Share Before Appropriation (NT dollars)	26.09	26.09
Capital Adequacy Ratio (%)		11.26	11.07

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of Mega International Commercial Bank Co., Ltd.

We have audited the accompanying consolidated balance sheets of Mega International Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing the Audit of Financial Statements of Financial Institutions by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mega International Commercial Bank Co., Ltd. and its subsidiaries as of December 31, 2013, December 31, 2012 and January 1, 2012, and their financial performance and cash flows for the years ended December 31, 2013 and 2012 in conformity with the "Regulations Governing the Preparation of Financial Reports by Public Banks" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the Financial Supervisory Commission (FSC).

The Bank's consolidated financial statements as of and for the year ended December 31, 2013 expressed in US dollars were translated from the New Taiwan dollar consolidated financial statements using the exchange rate of US$1:NT$29.775 at December 31, 2013 solely for the convenience of the readers. This basis of translation is not in accordance with generally accepted accounting principles in the Republic of China.

March 26, 2014 PricewaterhouseCoopers Taiwan

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF DOLLARS)

		December 31, 2013		December 31, 2012	January 1, 2012
ASSETS	NOTES	NT$	US$	NT$	NT$
ASSETS			(Unaudited-Note 4)		
CASH AND CASH EQUIVALENTS	6(1) and 11(3)	$ 360,935,484	$ 12,122,099	$ 305,728,967	$ 313,430,124
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	6(2) and 11(3)	185,457,144	6,228,619	150,962,037	181,399,521
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6(3) and 12	44,481,040	1,493,906	40,617,109	41,801,745
SECURITIES PURCHASED UNDER RESALE AGREEMENTS		5,451,889	183,103	4,428,875	349,562
RECEIVABLES - NET	6(4)(5)	159,597,172	5,360,107	102,668,818	84,405,472
BILLS DISCOUNTED AND LOANS - NET	6(5) and 11(3)	1,654,577,193	55,569,343	1,502,700,861	1,462,333,154
AVAILABLE-FOR-SALE FINANCIAL ASSETS - NET	6(6) and 12	184,449,844	6,194,789	133,617,834	73,736,886
HELD-TO-MATURITY FINANCIAL ASSETS - NET	6(7) and 12	182,739,356	6,137,342	159,207,720	130,949,228
INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD - NET	6(8)	2,781,252	93,409	3,129,828	3,326,129
OTHER FINANCIAL ASSETS - NET	6(5)(9)	13,289,210	446,321	14,709,456	15,295,802
PROPERTY AND EQUIPMENT	6(10)	14,519,251	487,632	14,713,895	14,877,929
INVESTMENT PROPERTY	6(11)	673,875	22,632	781,955	769,942
DEFERRED TAX ASSETS-NET	6(34)	3,452,230	115,944	2,788,680	2,391,018
OTHER ASSETS - NET	6(12)	7,179,530	241,126	7,202,125	5,157,085
TOTAL ASSETS		$ 2,819,584,470	$ 94,696,372	$ 2,443,258,160	$ 2,330,223,597
LIABILITIES AND EQUITY					
LIABILITIES					
DUE TO THE CENTRAL BANK AND COMMERCIAL BANKS	6(13) and 11(3)	$ 471,876,730	$ 15,848,085	$ 313,849,493	$ 356,664,007
BORROWED FUNDS	6(14) and 11(3)	32,330,245	1,085,819	84,826,943	80,342,071
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	6(15)	13,867,052	465,728	14,135,970	20,368,090
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	6(3)(6)(7) and 13	46,532,108	1,562,791	17,364,464	9,870,927
PAYABLES	6(16) and 11(3)	39,266,610	1,318,778	36,595,747	34,682,416
CURRENT TAX LIABILITIES	6(34) and 11(3)	5,120,725	171,981	4,712,271	3,768,961
DEPOSITS AND REMITTANCES	6(17) and 11(3)	1,937,157,459	65,059,864	1,719,343,488	1,589,916,796
FINANCIAL BONDS PAYABLE	6(18)	43,900,000	1,474,391	43,900,000	42,600,000
OTHER FINANCIAL LIABILITIES	6(20)	8,448,409	283,742	9,788,365	12,613,856
PROVISIONS	6(19)	10,509,137	352,952	9,970,905	6,740,502
DEFERRED TAX LIABILITIES	6(34)	2,037,961	68,445	1,687,169	1,837,964
OTHER LIABILITIES	6(21)	7,668,909	257,562	10,155,238	9,636,154
TOTAL LIABILITIES		2,618,715,345	87,950,138	2,266,330,053	2,169,041,744
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY					
SHARE CAPITAL					
Capital stock	6(22)	77,000,000	2,586,062	71,000,000	68,000,000
CAPITAL RESERVE		46,499,431	1,561,694	37,261,028	33,070,028
RETAINED EARNINGS					
Legal reserve	6(23)	52,841,523	1,774,694	47,041,482	42,539,125
Special reserve	6(23)	3,997,433	134,255	4,881,421	3,711,254
Undistributed earnings		20,870,305	700,934	17,750,013	15,022,236
OTHER EQUITY	6(24)	(339,567)	(11,405)	(1,005,837)	(1,160,790)
TOTAL EQUITY		200,869,125	6,746,234	176,928,107	161,181,853
TOTAL LIABILITIES AND EQUITY		$ 2,819,584,470	$ 94,696,372	$ 2,443,258,160	$ 2,330,223,597

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

		For the years ended December 31,		
		2013		2012
	NOTES	NT$	US$ (Unaudited-Note 4)	NT$
INTEREST REVENUE	6(25) and 11(3)	$ 43,976,900	$ 1,476,974	$ 40,606,863
LESS:INTEREST EXPENSE	6(25) and 11(3)	(13,759,519)	(462,117)	(12,064,190)
NET INTEREST INCOME		30,217,381	1,014,857	28,542,673
NON-INTEREST INCOME				
FEE INCOME - NET	6(26) and 11(3)	8,103,296	272,151	7,411,776
GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	6(27)	1,293,976	43,459	2,532,763
REALIZED GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	6(28)	1,290,950	43,357	1,288,352
INVESTMENT INCOME RECOGNIZED BY THE EQUITY METHOD	6(8)	210,429	7,067	178,887
FOREIGN EXCHANGE GAIN - NET		2,917,104	97,972	2,418,635
LOSS ON ASSET IMPAIRMENT	6(29)	(319,209)	(10,721)	(483,955)
OTHER REVENUE OTHER THAN INTEREST INCOME	6(30)	513,077	17,232	350,752
GAIN ON FINANCIAL ASSETS CARRIED AT COST		633,054	21,261	780,303
GAIN ON SALE OF NON-PERFORMING LOANS	11(3) and 17	463,921	15,581	1,480,426
NET GAIN OR LOSS ON PROPERTY TRANSACTIONS		439,187	14,750	2,336
NET OPERATING INCOME		45,763,166	1,536,966	44,502,948
PROVISION FOR LOAN LOSSES AND GUARANTEE RESERVE	6(5)(19)	(5,454,163)	(183,179)	(4,367,040)
OPERATING EXPENSES				
EMPLOYEE BENEFITS EXPENSES	6(31)	(12,501,867)	(419,878)	(12,154,453)
DEPRECIATION AND AMORTIZATION	6(32)	(575,016)	(19,312)	(599,071)
OTHER GENERAL AND ADMINISTRATIVE EXPENSES	6(33) and 11(3)	(5,231,781)	(175,711)	(5,054,100)
CONSOLIDATED INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX		22,000,339	738,886	22,328,284
INCOME TAX EXPENSE	6(34)	(3,194,301)	(107,281)	(3,332,658)
CONSOLIDATED NET INCOME		$ 18,806,038	$ 631,605	$ 18,995,626
OTHER COMPREHENSIVE INCOME				
CUMULATIVE TRANSLATION DIFFERENCES OF FOREIGN OPERATIONS	6(24)	14,825	498	(907,701)
UNREALIZED GAIN ON VALUATION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	6(24)	721,106	24,219	1,092,727
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR UNDER EQUITY METHOD	6(24)	(69,661)	(2,340)	(30,073)
ACTUARIAL GAIN (LOSS) ON DEFINED BENEFIT PLAN	6(19)	(571,919)	(19,208)	(1,541,356)
INCOME TAX RELATING TO THE COMPONENTS OF OTHER COMPREHENSIVE INCOME		97,226	3,265	262,031
TOTAL OTHER COMPREHENSIVE INCOME (AFTER INCOME TAX)		191,577	6,434	(1,124,372)
TOTAL COMPREHENSIVE INCOME		$ 18,997,615	$ 638,039	$ 17,871,254
CONSOLIDATED NET INCOME ATTRIBUTABLE TO：				
OWNERS OF PARENT		$ 18,806,038	$ 631,605	$ 18,995,626
CONSOLIDATED COMPREHENSIVE INCOME ATTRIBUTABLE TO：				
OWNERS OF PARENT		$ 18,997,615	$ 638,039	$ 17,871,254
CONSOLIDATED EARINGS PER SHARE				
BASIC AND DILUTED EARNINGS PER SHARE	6(35)	$ 2.64	$ 0.09	$ 2.75

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF DOLLARS)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
			RETAINED EARNINGS			OTHER EQUITY		
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Differences of Foreign Operations	Unrealized Gain on Valuation of Available-For -Sale Financial Assets	Total
For the year ended December 31, 2012 (NT Dollars)								
Balance, January 1, 2012	$ 68,000,000	$ 33,070,028	$ 42,539,125	$ 3,711,254	$ 15,022,236	$ -	($ 1,160,790)	$ 161,181,853
Appropriations of 2011 earnings								
Cash dividends	-	-	-	-	(9,316,000)	-	-	(9,316,000)
Legal reserve	-	-	4,502,357	-	(4,502,357)	-	-	-
Special reserve	-	-	-	1,170,186	(1,170,186)	-	-	-
Reversal of special reserve	-	-	-	(19)	19	-	-	-
Issuance of common stock, 2012	3,000,000	4,191,000	-	-	-	-	-	7,191,000
Profit for the year ended, 2012	-	-	-	-	18,995,626	-	-	18,995,626
Other comprehensive income for the year ended, 2012	-	-	-	-	(1,279,325)	(918,398)	1,073,351	(1,124,372)
Balance, December 31, 2012	$ 71,000,000	$ 37,261,028	$ 47,041,482	$ 4,881,421	$ 17,750,013	($ 918,398)	($ 87,439)	$ 176,928,107

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF DOLLARS)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
			RETAINED EARNINGS			OTHER EQUITY		
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Differences of Foreign Operations	Unrealized Gain on Valuation of Available-For-Sale Financial Assets	Total
For the year ended December 31, 2013 (NT Dollars)								
Balance, January 1, 2013	$ 71,000,000	$ 37,261,028	$ 47,041,482	$ 4,881,421	$ 17,750,013	($ 918,398)	($ 87,439)	$ 176,928,107
Appropriations of 2012 earnings								
Cash dividends	-	-	-	-	(10,295,000)	-	-	(10,295,000)
Legal reserve	-	-	5,800,041	-	(5,800,041)	-	-	-
Reversal of special reserve	-	-	-	(850,858)	850,858	-	-	-
Issuance of common stock, 2013	6,000,000	9,000,000	-	-	-	-	-	15,000,000
Special reserve reversed under the regulations of the country where the offshore branch is located	-	-	-	(7,701)	7,701	-	-	-
Special reserve reversed for the sale of property, equipment, and investment property	-	-	-	(25,429)	25,429	-	-	-
Share-based payment transactions	-	238,403	-	-	-	-	-	238,403
Profit for the year ended, 2013	-	-	-	-	18,806,038	-	-	18,806,038
Other comprehensive income for the year ended, 2013	-	-	-	-	(474,693)	17,691	648,579	191,577
Balance, December 31, 2013	$ 77,000,000	$ 46,499,431	$ 52,841,523	$ 3,997,433	$ 20,870,305	($ 900,707)	$ 561,140	$ 200,869,125
For the year ended December 31, 2013 (US Dollars-unaudited Note 4)								
Balance, January 1, 2013	$ 2,384,551	$ 1,251,420	$ 1,579,898	$ 163,944	$ 596,138	($ 30,845)	($ 2,937)	$ 5,942,169
Appropriations of 2012 earnings								
Cash dividends	-	-	-	-	(345,760)	-	-	(345,760)
Legal reserve	-	-	194,796	-	(194,796)	-	-	-
Reversal of special reserve	-	-	-	(28,576)	28,576	-	-	-
Issuance of common stock, 2013	201,511	302,267	-	-	-	-	-	503,778
Special reserve reversed under the regulations of the country where the offshore branch is located	-	-	-	(259)	259	-	-	-
Special reserve reversed for the sale of property, equipment, and investment property	-	-	-	(854)	854	-	-	-
Share-based payment transactions	-	8,007	-	-	-	-	-	8,007
Profit for the year ended, 2013	-	-	-	-	631,605	-	-	631,605
Other comprehensive income for the year ended, 2013	-	-	-	-	(15,942)	594	21,783	6,435
Balance, December 31, 2013	$ 2,586,062	$ 1,561,694	$ 1,774,694	$ 134,255	$ 700,934	($ 30,251)	$ 18,846	$ 6,746,234

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF DOLLARS)

	For the years ended December 31,		
	2013		2012
	NT$	US$ (Unaudited -Note 4)	NT$
CASH FLOWS FROM OPERATING ACTIVITIES			
Consolidated income before income tax	$ 22,000,339	$ 738,886	$ 22,328,284
Adjustments to reconcile consolidated income before tax to net cash provided by (used in) operating activities			
Income and expenses having no effect on cash			
Provision for loan losses and guarantee reserve	5,454,163	183,179	4,367,040
Depreciation	565,794	19,002	595,136
Amortization	9,222	310	3,935
Interest income	(43,976,900)	(1,476,974)	(40,606,863)
Dividend income	(907,413)	(30,476)	(1,056,295)
Interest expense	13,759,519	462,116	12,064,190
Investment income recognized by the equity method	(210,429)	(7,067)	(178,887)
Gain on disposal of property and equipment	(440,452)	(14,793)	(2,482)
Gain on disposal of foreclosed properties	-	-	(6,319)
Loss on asset impairment	319,209	10,721	483,955
Loss on retirement of property and equipment	1,266	43	147
Share-based payment	231,739	7,783	-
Changes in assets/liabilities relating to operating activities			
(Increase) decrease in due from the Central Bank and call loans to banks	(34,495,107)	(1,158,526)	30,437,484
(Increase) decrease in financial assets at fair value through profit or loss	(3,863,931)	(129,771)	1,184,636
Increase in receivables	(55,004,522)	(1,847,339)	(18,964,800)
Increase in bills discounted and loans	(158,405,219)	(5,320,075)	(42,799,388)
Increase in available-for-sale financial assets	(50,504,742)	(1,696,213)	(58,856,780)
Increase in held-to-maturity financial assets	(23,531,636)	(790,315)	(28,258,492)
Decrease (Increase) in other financial assets	797,872	26,797	(238,171)
Decrease (Increase) in other assets	13,373	449	(2,077,497)
Increase (decrease) in due to the Central Bank and commercial banks	158,027,237	5,307,380	(42,814,514)
Decrease in financial liabilities at fair value through profit or loss	(268,918)	(9,032)	(6,232,120)
Increase in securities sold under repurchase agreements	29,167,644	979,602	7,493,537
Increase in payables	3,161,706	106,186	2,030,527
Increase in deposits and remittances	217,813,971	7,315,331	129,426,692
Decrease in other financial liabilities	(1,339,956)	(45,003)	(2,825,491)
Increase in reserve for employee benefit liabilities	550,290	18,482	1,776,347
(Decrease) increase in other liabilities	(1,997,223)	(67,077)	91,426
(Decrease) increase in deposits received	(488,027)	(16,390)	423,349
Interest received	43,037,803	1,445,434	40,576,332
Dividend received	1,151,713	38,681	1,363,359
Interest paid	(13,639,741)	(458,094)	(11,963,771)
Income taxes paid	(4,184,142)	(140,525)	(4,435,383)
Net cash provided by (used in) operating activities	102,804,502	3,452,712	(6,670,877)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from capital reduction of investments accounted for by the equity method	251,931	8,461	58,064
Proceeds from capital reduction of investment measured at cost	617,357	20,734	599,214
Proceeds from disposal of property and equipment	2,473	83	2,505
Additions of property and equipment	(306,869)	(10,306)	(417,021)
Proceeds from sale of investment property	619,590	20,809	189
Proceeds from disposal of foreclosed properties	-	-	34,841
Net cash provided by investing activities	1,184,482	39,781	277,792
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in borrowed funds	(52,496,698)	(1,763,113)	4,484,872
Increase in financial bonds payable	-	-	1,300,000
Payments of cash dividends and bonus	(10,295,000)	(345,760)	(9,316,000)
Proceeds from issuance of common stock	15,000,000	503,778	7,191,000
Net cash (used in) provided by financing activities	(47,791,698)	(1,605,095)	3,659,872
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	32,245	1,083	(888,631)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	56,229,531	1,888,481	(3,621,844)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	310,157,842	10,416,720	313,779,686
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 366,387,373	$ 12,305,201	$ 310,157,842
CASH AND CASH EQUIVALENTS COMPOSITION:			
Cash and cash equivalents shown in consolidated balance sheet	360,935,484	12,122,099	305,728,967
Securities purchased under resale agreements meeting the definition of cash and cash equivalents as stated in IAS No. 7 "Cash Flow Statements"	5,451,889	183,102	4,428,875
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 366,387,373	$ 12,305,201	$ 310,157,842

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD. AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(EXPRESSED IN THOUSANDS OF DOLLARS)

1. ORGANIZATION AND OPERATIONS

(1) Mega International Commercial Bank Co., Ltd. (the "Bank"; formerly The International Commercial Bank of China Co., Ltd.) was reorganized on December 17, 1971 in accordance with the "Law for International Commercial Bank of China" as announced by the President of the Republic of China (R.O.C.) (which was then abolished in December, 2005) and other related regulations. As of December 31, 2002, the Bank became an unlisted wholly owned subsidiary of Mega Financial Holding Co. Ltd., through a share swap transaction. With the view to enlarging business scale and increasing market share, the Bank entered into a merger agreement with Chiao Tung Bank Co., Ltd. on August 21, 2006, the effective date of the merger. The Bank was later renamed Mega International Commercial Bank Co., Ltd. Mega Financial Holding Co., Ltd. holds 100% equity interest in the Company and is the Bank's ultimate parent company.

(2) The Bank engages in the following operations: (a) commercial banking operations authorized by the R.O.C. Banking Law; (b) foreign exchange and related operations; (c) import and export financing and guarantees; (d) financial operations related to international trade; (e) trust operations; (f) investment services on consignments by clients; (g) loan information services, including mid-term to long-term development loan and guarantee operations; (h) venture capital activities; and (i) other related operations approved by the R.O.C. government.

(3) The Bank's business and operations are widely managed by the head office. The Bank expands its network by opening branches at key locations in both domestic and foreign markets. The Bank was incorporated as company limited by shares under the provisions of the Company Law of the Republic of China (R.O.C.). As of December 31, 2013, the Bank had 107 domestic branches, 21 foreign branches, 1 foreign sub-branch, and 3 foreign representative offices.

(4) The Trust Department of the Bank is primarily responsible for planning, management and operation of trust investment businesses regulated by the R.O.C. Banking Law.

(5) As of December 31, 2013 and 2012, the Bank and its subsidiaries (collectively referred herein as the "Group") had 5,542 and 5,471 employees, respectively.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 21, 2014.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

Not applicable as it is the first-time adoption of IFRSs by the Company and its subsidiaries this year.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company and its subsidiaries

IFRS 9, 'Financial Instruments': Classification and measurement of financial instruments.

A. The International Accounting Standards Board ("IASB") published IFRS 9, 'Financial Instruments', in November, 2009, which will take effect on January 1, 2013 with early application permitted (Through the amendments to IFRS 9 published on November 19, 2013, the IASB has removed the previous mandatory effective date, but the standard is available for immediate application). Although the FSC has endorsed IFRS 9, FSC does not permit early application of IFRS 9 when IFRSs are adopted in R.O.C. in 2013. Instead, enterprises should apply International Accounting Standard No. 39 ("IAS 39"), 'Financial Instruments: Recognition and Measurement' reissued in 2009.

B. IFRS 9 was issued as the first step to replace IAS 39. IFRS 9 outlines the new classification and measurement requirements for financial instruments, which might affect the accounting treatments for financial instruments of the Company and its subsidiaries.

C. The Company and its subsidiaries have not evaluated the overall effect of the IFRS 9 adoption. However, based on preliminary evaluation, it was noted that the IFRS 9 adoption might have an impact on those instruments classified as 'available-for-sale financial assets' held by the Bank and its branches, as IFRS 9 specifies that the fair value changes in the equity instruments that meet certain criteria may be reported in other comprehensive income, and such amount that has been recognized in other comprehensive income should not be reclassified to profit or loss when such assets are derecognized. The Company and its subsidiaries recognized gain on debt instruments and on equity instruments amounting to $156,283 and $877,389, respectively, in other comprehensive income for the year ended December 31, 2013.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

A. The following are the assessment of new standards, interpretations and amendments issued by IASB but not yet endorsed by the FSC (application of the new standards and amendments should follow the regulations of the FSC):

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	The amendment provides first-time adopters of IFRSs with the same transition relief that existing IFRS preparers received in IFRS 7, 'Financial Instruments: Disclosures' and exempts first-time adopters from providing the additional comparative disclosures.	July 1, 2010
Improvements to IFRSs 2010	Amendments to IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 34 and IFRIC 13.	January 1, 2011
IFRS 9, 'Financial instruments: Classification and measurement of financial liabilities'	A).IFRS 9 requires gains and losses on financial liabilities designated at fair value through profit or loss to be split into the amount of change in the fair value that is attributable to changes in the credit risk of the liability, which shall be presented in other comprehensive income, and cannot be reclassified to profit or loss when derecognizing the liabilities; and all other changes in fair value are recognized in profit or loss. The new guidance allows the recognition of the full amount of change in the fair value in the profit or loss only if there is reasonable evidence showing on initial recognition that the recognition of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch (inconsistency) in profit or loss. (That determination is made at initial recognition and is not reassessed subsequently.) B).Separate application of relevant regulations set out above is permitted.	After publication dated November 19, 2013, any version of the standard and amendments published by IASB is available for immediate application, and the previous mandatory effective date has been removed.
Disclosures - transfers of financial assets (amendment to IFRS 7)	The amendment enhances qualitative and quantitative disclosures for all transferred financial assets that are not derecognized and for any continuing involvement in transferred assets, existing at the reporting date.	July 1, 2011
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	When an entity's date of transition to IFRSs is on, or after, the functional currency normalization date, the entity may elect to measure all assets and liabilities held before the functional currency normalization date at fair value on the date of transition to IFRSs. First-time adopters are allowed to apply the derecognition requirements in IAS 39, 'Financial instruments: Recognition and measurement', prospectively from the date of transition to IFRSs, and they are allowed not to retrospectively recognize related gains on the date of transition to IFRSs.	July 1, 2011
Deferred tax: recovery of underlying assets (amendment to IAS 12)	The amendment gives a rebuttable presumption that the carrying amount of investment properties measured at fair value is recovered entirely by sale, unless there exists any evidence that could rebut this presumption. The amendment also replaces SIC 21, 'Income taxes—recovery of revalued non-depreciable assets'.	January 1, 2012
IFRS 10, 'Consolidated financial statements'	The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where it is difficult to assess.	January 1, 2013
IFRS 11,'Joint arrangements'	Judgments applied when assessing the types of joint arrangements-joint operations and joint ventures, the entity should assess the contractual rights and obligations instead of the legal form only. The standard also prohibits the proportional consolidation for joint ventures.	January 1, 2013
IFRS 12,'Disclosure of interests in other entities'	The standard requires the disclosure of interests in other entities including subsidiaries, joint arrangements, associates and unconsolidated structured entities.	January 1, 2013
IAS 27,'Separate financial statements' (as amended in 2011)	The standard removes the requirements of consolidated financial statements from IAS 27 and those requirements are addressed in IFRS 10, 'Consolidated financial statements'.	January 1, 2013

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
IAS 28,'Investments in associates and joint ventures'(as amended in 2011)	As consequential amendments resulting from the issuance of IFRS 11, 'Joint arrangements', IAS 28 (revised) sets out the requirements for the application of the equity method when accounting for investments in joint ventures.	January 1, 2013
IFRS 13, 'Fair value measurement'	IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.	January 1, 2013
IAS 19 revised, 'Employee benefits' (as amended in 2011)	The revised standard eliminates corridor approach and requires actuarial gains and losses to be recognized immediately in other comprehensive income. Past service costs will be recognized immediately in the period incurred. Net interest expense or income, calculated by applying the discount rate to the net defined benefit asset or liability, replace the finance charge and expected return on plan assets. The return of plan assets, excluding net interest expense, is recognized in other comprehensive income.	January 1, 2013
Presentation of items of other comprehensive income (amendment to IAS 1)	The amendment requires profit or loss and other comprehensive income (OCI) to be presented separately in the statement of comprehensive income. Also, the amendment requires entities to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss subsequently.	July 1, 2012
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	The amendment requires disclosures to include quantitative information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements.	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	The amendment clarifies criterion that an entity 'currently has a legally enforceable right to set off the recognised amounts' and gross settlement mechanisms with features that both (i) eliminate credit and liquidity risk and (ii) process receivables and payables in a single settlement process, are effectively equivalent to net settlement; they would therefore satisfy the IAS 32 criterion in these instances.	January 1, 2014
Government loans (amendment to IFRS 1)	The amendment provides exception to first-time adopters to apply the requirements in IFRS 9, 'Financial instruments', and IAS 20, 'Accounting for government grants and disclosure of government assistance', prospectively to government loans that exist at the date of transition to IFRS.	January 1, 2013
Improvements to IFRSs 2009-2011	Amendments to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.	January 1, 2013
Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance (amendments to IFRS 10, IFRS 11 and IFRS 12)	The amendment clarifies that the date of initial application is the first day of the annual period in which IFRS 10, 11 and 12 is adopted.	January 1, 2013
Investment entities (amendments to IFRS 10, IFRS 12 and IAS 27)	The amendments define 'Investment Entities' and their characteristics. The parent company that meets the definition of investment entities should measure its subsidiaries using fair value through profit of loss instead of consolidating them.	January 1, 2014
IFRIC 21, 'Levies'	The interpretation addresses the accounting for levies imposed by governments in accordance with legislation (other than income tax). A liability to pay a levy shall be recognized in accordance with IAS 37, 'Provisions, contingent liabilities and contingent assets'.	January 1, 2014
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	The amendments remove the requirement to disclose recoverable amount when a cash generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives that were not impaired.	January 1, 2014

New Standards, Interpretations and Amendments	Main Amendments	Effective Date
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	The amendment states that the novation of a hedging instrument would not be considered an expiration or termination giving rise to the discontinuation of hedge accounting when the hedging instrument that is being novated complies with specified criteria.	January 1, 2014
IFRS 9 "Financial assets:hedge accounting"and admendments to IFRS 9, IFRS 7 and IAS 39	IFRS 9 relaxes the requirements for hedged items and hedging instruments and removes the bright line of effectiveness to better align hedge accounting with the risk management activities of an entity.	After publication dated November 19, 2013, any version of the standard and amendments published by IASB is available for immediate application, and the previous mandatory effective date has been removed.
Services related contributions from employees or third parties (amendments to IAS 19R)	The amendment allows contributions from employees or third parties that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits.	July 1, 2014
Improvements to IFRSs 2010-2012	Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.	July 1, 2014
Improvements to IFRSs 2011-2013	Amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	July 1, 2014

B. The Company and its subsidiaries are assessing the potential impact of the new standards and amendments above and have not yet been able to reliably estimate their impact on the consolidated financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

A. These consolidated financial statements are the first consolidated financial statements prepared by the Group in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks", 'International Financial Reporting standards', International Accounting standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

B. In the preparation of the balance sheet of January 1, 2012 (the Group's transition date), ("the opening IFRS balance sheet"), the Group has adjusted the amounts that were reported in the consolidated financial statements in accordance with previous R.O.C. GAAP. Please refer to Note 18 for the impact of transition from R.O.C. GAAP to IFRSs, on the Group's financial position, financial performance and cash flows.

(2) Basis for preparation

Except for financial assets and financial liabilities (including derivative instruments) at fair value, defined benefit liabilities recognized based on the net amount of pension fund assets plus unrecognized prior period's service cost and present value of defined benefit obligation and recognized actuarial insurance liabilities, these consolidated financial statements have been prepared under the historical cost convention.

The analysis of expense is classified based on the nature of expenses.

The management has to make certain significant accounting estimate based on their professional judgment and decide the accounting policy according to the IFRSs as endorsed by FSC. Any change in the assumption could result in a significant change in the financial statements. The management of the Group believes that the assumptions used in the consolidated statements are appropriate. For highly complicated matters, matters requiring high level of judgment, significant judgment that could have an impact on the consolidated financial statements and estimate of uncertain resource, please refer to Note 5 for further details.

(3) Basis for preparation of consolidated financial statements

A. The accompanying consolidated financial statements of the Group are prepared in conformity with the "Regulations Governing the Preparation of Financial Reports by Public Banks". The Group prepares the consolidated financial statements by aggregating the Company and its subsidiaries' assets, liabilities, revenues and gains, and expenses and losses accounts, which have been eliminated versus owners' equity during the consolidation. In addition, the Group's financial statements are prepared in the same reporting period. The accounts on the accompanying consolidated financial statements are not categorized into current and non-current items. The related accounts are properly categorized according to the nature of each accounts, and sequenced by their liquidity.

The consolidated financial statements of the Group include financial information of all consolidated branches and the parent company as of December 31, 2013.

Branches are all entities of which the Bank holds directly or indirectly more than 50% of the total voting shares and over which the Bank has controlling power and the Bank has the power to govern the financial and operating policies where the Bank may gain profit from the activities of the branches. The existence and effect of potential voting rights that are currently exercisable or convertible have been considered when assessing whether the Bank controls another entity.

Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Company and its subsidiaries are eliminated from the consolidated financial statements.

B. Transactions and events under similar situation should adopt consistent accounting policies and valuation method in preparing consolidated financial statements. If the accounting policies of the branches are different from the accounting policies used in the consolidated financial statements, adjustments will be made in relation to the financial statements of the branches to ensure the consistency between accounting policies of the affiliated entities and those used in the consolidated financial statements.

The consolidated financial statements include the following directly and indirectly owned subsidiaries.

			Percentage of holding shares (%)		
Name of subsidiaries	Relationship	Major business activities	December 31, 2013	December 31, 2012	January 1, 2012
Mega International Commercial Bank (Canada)	Subsidiary of the Bank	Commercial Banking	100.00	100.00	100.00
Mega International Commercial Public Co., Ltd. (Thailand)	Subsidiary of the Bank	Commercial Banking	100.00	100.00	100.00

C. Unconsolidated entities:

			Percentage of holding shares (%)		
Name of subsidiaries	Relationship	Major business activities	December 31, 2013	December 31, 2012	January 1, 2012
Cathay Investment & Development Corporation (Bahamas)	Investee	International Investment & Exploration	100.00	100.00	100.00
Mega Management & Consulting Co., Ltd.	Investee	Management consulting industry	100.00	100.00	100.00
Cathay Investment & Warehousing Ltd.	Investee	Warehousing	100.00	100.00	100.00
Ramlett Finance Holdings Inc.	Investee	Real estate investment industry	100.00	100.00	100.00
Yung-Shing Industries Co.	Investee	Agency Business Industry	99.56	99.56	99.56
China Products Trading Company	Investee	Processing agricultural product and investment industry	68.27	68.27	68.27

As the individual total assets or operating revenue amounts of the above subsidiaries are immaterial, the accounts of these subsidiaries are not included in the Bank's consolidated financial statements although the Bank holds more than 50% equity interest in these subsidiaries. The investments of certain subsidiaries are accounted for under equity method.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Nature and extent of the restrictions on fund remittance from subsidiaries to the parent company: None.

(4) Foreign currency translations

A. Functional and presentation currency

Items included in the financial statements of each of the Bank and its branches' entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

B. Transactions and balances

The transactions denominated in foreign currency or to be settled in foreign currency are translated into a functional currency at the spot exchange rate between the functional currency and the underlying foreign currency on the date of the transaction.

Foreign currency monetary items should be reported using the closing rate (market exchange rate) at the date of each balance sheet. When multiple exchange rates are available for use, they should be reported using the rate that would be used to settle the future cash flows of the foreign currency transactions or balances at the measurement date. Foreign currency non-monetary items measured at historical cost should be reported using the exchange rate at the date of the transaction. Foreign currency non-monetary items measured at fair value should be reported at the rate that existed when the fair values were determined.

Exchange differences arising when foreign currency transactions are settled or when monetary items are translated at rates different from those at which they were translated when initially recognized or in previous financial statements are reported in profit or loss in the period, with one exception recognized in other comprehensive income.

If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income. Conversely, if a gain or loss on a non-monetary item is recognized in profit or loss, any foreign exchange component of that gain or loss is also recognized in profit or loss.

C. Translation of foreign operations

The operating results and financial position of the entire Bank's and its branches' entities in the consolidated financial statements that have a functional currency (which is not the currency of a hyperinflationary economy) different from the presentation currency are translated into the presentation currency as follows:

(A) Assets and liabilities presented are translated at the Bank's and its branches' closing exchange rate at the date of that balance sheet;

(B) The profit and loss presented is translated by the average exchange rate in the period (except for the situation that the exchange rate on the trade date shall be adopted when the exchange rate fluctuate rapidly,); and

(C) All resulting exchange differences are recognized in other comprehensive income.

The translation differences arising from above processes are recognized as 'Cumulative translation differences of foreign operations' under equity items.

(5) Cash and cash equivalents

"Cash and cash equivalents" in the consolidated balance sheet includes cash on hand, due from other banks, short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. In respect of the consolidated statements of cash flows, cash and cash equivalents include cash and cash equivalents in the consolidated balance sheet, investments in bills and bonds under resale agreements meeting the definition of cash and cash equivalents as stated in IAS No. 7 "Cash Flow Statements" as endorsed by FSC.

(6) Bills and bonds under repurchase or resale agreements

The transactions of bills and bonds with a condition of repurchase agreement or resell agreement are accounted for under the financing method. The interest expense and interest income are recognized as incurred at the date of sale and purchase and the agreed period of sale and purchase. The repo trade liabilities, bond liabilities, reverse repo trade bills and bond investments are recognized at the date of sale or purchase.

(7) Financial assets or liabilities

The financial assets and liabilities of the Group including derivatives are recognized in the consolidated balance sheet and are properly classified in accordance with IFRSs as endorsed by FSC.

A. Financial assets

The International Financial Reporting Standards as endorsed by the Financial Supervisory Commission apply to the entire Group's financial assets, which are classified into four categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity financial assets.

(A) A regular way purchase or sale

Financial assets that are purchased or sold on a regular way purchase or sale basis should be recognized and derecognized using trade date accounting or settlement date accounting. The uniform accounting principles should be applied in the accounting for purchase and sale of financial assets of the same type. All the Group's financial assets are accounted for using trade date accounting.

(B) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

There are two types of loans and receivables: one is originated by the Group; the other is not originated by the Group. Loans and receivables originated by the entity refer to the direct provision by Group of money, merchandise or services to debtors, and loans and receivables not originated by Group are loans and receivables other than those originated by Group.

Loans and receivables are initially recognized at fair value, which includes the price of transaction, significant costs of transaction, significant handling fees paid or received, discount and premium, etc., and subsequently measured using the effective interest method. However if the effect of discount is insignificant, following the "Regulations Governing the Preparation of Financial Reports by Public Banks", loans and receivables can be measured at initial amount.

Interest accruing on loans and receivables is recognized as 'interest revenue'. An impairment loss is recognized when there is an objective evidence of impairment on loans and receivables. Allowance for impairment is a deduction to carrying amount of loans and receivables, which is under the 'allowance for bad debts and reserve for guarantee liabilities' account.

(C) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling or repurchasing or gaining profit in the short-term, or if they are derivative instruments. These financial assets are initially recognized at fair value.

Financial assets that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

a. Hybrid (combined) contracts; or

b. They eliminate or significantly reduce a measurement or recognition inconsistency; or

c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Any changes in fair value of financial assets at fair value through profit or loss and financial assets designated as at fair value through profit or loss on initial recognition are recognized under the 'gain/loss on financial assets and liabilities at fair value through profit or loss' account in the consolidated statement of comprehensive income.

(D) Held-to-maturity financial assets

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity other than those that meet the definition of loans and receivables, designated as available-for-sale financial assets and those that are designated as at fair value through profit or loss on initial recognition by subsidiaries. Interest accruing on held-to-maturity financial assets is recognized as 'interest revenue'. An impairment loss is recognized when there is an objective evidence of impairment on financial assets. Impairment loss is a deduction to carrying amount of financial assets, which is recognized under the 'impairment loss on financial assets' account.

(E) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are not classified in held-to-maturity financial assets, financial assets at fair value through profit or loss and loans and receivables. Financial assets and liabilities that are attributed to equity and debt investments on initial recognition are assessed at fair value. Transaction costs which are attributable to the acquisition should be capitalized.

Available-for-sale financial assets are measured at fair value with changes in fair value recognized in other comprehensive income. When the financial asset is no longer recognized, the cumulative unrealized gain or loss that was previously recognized in other comprehensive income is recognized in profit or loss.

An impairment loss is recognized when there is an objective evidence of impairment. If financial assets have not been derecognized, accumulated impairment loss related to the financial assets that was previously recognized in other comprehensive income shall be reclassified to profit or loss. Impairment loss of an investment in an equity instrument recognized in profit or loss shall not be reversed through profit or loss. Any subsequent increases in fair value of an investment in an equity instrument are recognized in other comprehensive income. If the impairment loss of bond investments decreases with objective evidence indicating that an impairment loss has been incurred after the impairment is recognized, the impairment amount is reversed and recognized in current profit and loss.

Equity instruments with no quoted price in an active market are initially recognized at fair value plus acquisition or issuance cost. The fair value can be reasonably estimated when the following criteria are met at the balance sheet date: (a) the variability in the range of reasonable fair value estimate is not significant for that equity instrument; or (b) probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value.

(F) Other financial assets

Other financial assets include investments in debt instruments without active market, overdue receivables not from lending, bill of exchange negotiated and financial assets measured at cost.

a. Debt investments with no active market

Investments in debt instruments without active market are initially recognized at fair value on the trade date plus transaction costs of acquisition or issuance. Disposal gain or loss is recognized when such investments are derecognized. Bond investments without active market are measured at amortized cost using the effective interest method.

Financial assets carried at cost

b. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are presented in 'financial assets measured at cost'.

B. Financial liabilities

Financial liabilities held by the Group comprise financial liabilities at fair value through profit or loss (including financial liabilities designated as at fair value through profit or loss on initial recognition) and financial liabilities measured at amortized cost.

(A) Financial liabilities at fair value through profit or loss

This category includes financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition.

A financial liability shall be classified as held for trading, if it is incurred principally for the purpose of repurchasing it in the near term; or on initial recognition, is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. A derivative is also classified as held for trading, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument. Financial liability held for trading also includes the obligations of delivery of financial assets borrowed by the seller. Above financial liability is shown as "financial liability at fair value through profit or loss" in the consolidated balance sheet.

At initial recognition, it is not revocable if a debt instrument is designated at fair value through profit and loss. When the fair value method is adopted, the main contract and the embedded derivative need not be recognized respectively.

Any changes in fair value of financial liabilities at fair value through profit or loss and financial liabilities designated as at fair value through profit or loss on initial recognition are recognized under the 'gain/loss on financial assets and liabilities at fair value through profit or loss' account in the consolidated statement of comprehensive income.

(B) Financial liabilities measured at amortized cost

All other financial liabilities that are not classified as financial liabilities at fair value through profit or loss are classified as financial liabilities measured at amortized cost.

C. Determination of fair value

Fair value and level information of financial instruments are provided in Note 7.

D. Derecognition of financial instruments

The Group derecognizes a financial asset when one of the following conditions are met:

(A) The contractual rights to receive cash flows from the financial asset expires.

(B) The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

(C) The contractual rights to receive cash flows from the financial asset have been transferred; however, it has not retained control of the financial asset.

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

In case of securities lending or borrowing by the Group or provision of bonds or stocks as security for Repo trading, the Group does not derecognize the financial asset, because substantially all risks and rewards of ownership of the financial asset are still retained in the Group.

(8) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when (A) there is a legally enforceable right to offset the recognized amounts and (B) there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(9) Financial asset, provision and reversal of impairment losses

A. The Group would presume that a financial asset or a group of financial assets is impaired and recognize the impairment losses only if there is objective evidence that a financial asset or a group of financial assets is impaired as a result of a loss event that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets.

B. The criteria that the Group uses to determine whether there is objective evidence of an impairment loss is as follows:

(A) Significant financial difficulty of the issuer or debtor;

(B) A breach of contract, such as a default or delinquency in interest or principal payments;

(C) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;

(D) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;

(E) The disappearance of an active market for that financial asset because of financial difficulties;

(F) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;

(G) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or

(H) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

(I) Others are implemented in accordance with the Group's internal policies.

C. The assessment methods of impairment on loans and receivables are based on two categories: individual and collective assessments. Individual assessments are classified as different groups based on whether there is objective evidence of significant impairment of the asset or whether the individual asset has to be specially supervised. If no objective evidence of impairment exists for an individually assessed financial asset, the asset will be classified into a group of financial assets with similar credit risk characteristics for collective assessments.

D. After assessed impairment of loans and receivables, the Group recognizes' impairment loss measured as the difference between the asset's carrying amount and the present value of estimated future cash flows of credit enhancement factors discounted at the asset's original effective interest rate. The credit enhancement factors include financial guarantee and net of collateral. If, in a subsequent period, the amount of the impairment loss decreased and such decrease is objectively related to an event occurred after the impairment was recognized, the amount of impairment loss recognized previously shall be reversed by adjusting the allowance for doubtful debts. The reversal shall not cause a carrying amount of the financial asset that exceeds the amortized cost of the period before recognition of the impairment loss. The amount of reversal shall be recognized in profit or loss.

E. Above-mentioned assessments on loans and receivables are performed in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" as issued by FSC. In addition, in order to apply for certain business, the Bank has set aside the credit asset and reserve of guarantees according to Jin-Guan-Yi-Fa Letter No.10110008250.

(10) Derivatives

Derivatives are initially recognized at fair value at the contract date and subsequently measured by fair value. The fair value includes the public quotation in an active market or the latest trade price (e.g., Exchange-traded options), and evaluation techniques such as cash flow discounting model or option pricing model (e.g., Swap contract and foreign exchange contracts). All derivatives are recognized as assets when the fair value is positive and as liabilities when the fair value is negative.

Hybrid contract refers to financial instruments of the embedded derivatives. Economic characteristics and risks of the embedded derivatives and the economic characteristics of the main contract should be examined for the embedded derivatives. If the two are not closely correlated and the main contract is not a financial asset or liability at fair value through profit and loss, the main contract and embedded derivatives should be respectively recognized unless the overall hybrid contract is designated as assets or liabilities at fair value through profit and loss. The embedded derivatives are the financial assets or liabilities at fair value through profit and loss.

(11) Investments accounted for under the equity method

The Group's investments accounted for under the equity method refer to the investments in associates.

Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(12) Property and equipment

The property and equipment of the Group are recognized on the basis of the historical cost less accumulated depreciation. Historical cost includes all costs directly attributable to the acquisition of the assets.

Such assets are subsequently measured using the cost model. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not affected by depreciation. Depreciation for other assets is provided on a straight-line basis over the estimated useful lives of the assets till residual value, If each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Item	Year
Buildings and accessory equipment	1~60
Machinery and computer equipment	1~20
Transportation equipment	1~10
Other equipment	3~10

(13) Investment property

The properties held by the Group, with an intention to obtain long-term rental profit or capital increase or both and not being used by any other enterprises of the consolidated entities, are classified as investment property. Investment property includes the office building and land leased out in a form of operating lease.

Part of the property may be held by the Group and the remaining will be used to generate rental income or capital appreciation. If the property held by the Group can be sold individually, then the accounting treatment should be made respectively.

When the future economic benefit related to the investment property is highly likely to flow into the Group and the costs can be reliably measured, the investment property shall be recognized as assets. When the future economic benefit generated from subsequent costs is highly likely to flow into the entity and the costs can be reliably measured, the subsequent expenses of the assets shall be capitalized. All maintenance cost are recognized as incurred in the consolidated statement of comprehensive income.

An investment property is stated initially at its cost and measured subsequently using the cost model. The depreciation method, remaining useful life and residual value should apply the same rules as applicable for property and equipment.

(14) Foreclosed properties

Foreclosed properties are stated at the lower of carrying amount or fair value less selling cost on the financial reporting date.

(15) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(16) Provisions for liabilities, contingent liabilities and contingent assets

When all the following criteria are met, the Group shall recognize a provision:

A. A present obligation (legal or constructive) as a result of a past event;

B. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

C. The amount of the obligation can be reliably estimated.

If there are several similar obligations, the outflow of economic benefit as a result of settlement is determined based on the overall obligation. Provisions for liabilities should be recognized when the outflow of economic benefits is probable in order to settle the obligation as a whole even if the outflow of economic benefits from any one of the obligation is remote.

Provisions are measured by the present value of expense which is required for settling the anticipated obligation. The pre-tax discount rate is used with timely adjustment that reflects the current market assessments on the time value of money and the risks specific to the obligation.

Contingent liability is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Or it could be a present obligation as a result of past event but the payment is not probable or the amount cannot be measured reliably. The Group did not recognize any contingent liabilities but made appropriate disclosure in compliance with relevant regulations.

Contingent asset is a possible obligation that arises from past event, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. The Group did not recognize any contingent assets and made appropriate disclosure in compliance with relevant regulations when the economic inflow is probable.

(17) Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group initially recognizes financial guarantee contracts at fair value on the date of issuance. The Group charges a service fee when the contract is signed and therefore the service fee income charged is the fair value at the date that the financial guarantee contract is signed. Service fee received in advance is recognized in deferred accounts and amortized through straight-line method during the contract term.

Subsequently, the Group should measure the financial guarantee contract issued at the higher of:

A. the amount determined in accordance with IAS 37; and

B. the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18, "Revenue".

The best estimate of the liability amount of a financial guarantee contract requires management to exercise their judgment combined with historical loss data based on the similar transaction experiences.

The increase in liabilities due to financial guarantee contract is recognized in "bad debt expense and reserve for guarantee liabilities".

Assessment of above guarantee reserve is in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans" announced by FSC.

(18) Employee benefits

A. Short-term employee benefits

The Group should recognize the undiscounted amount of the short-term benefits expected to be paid in the future as expenses in the period when the employees render service.

B. Employee preferential savings

The Company provides preferential interest rate for employees, including flat referential savings for current employees and flat preferential savings for retired employees and current employees. The difference gap compared to market interest rate is deemed as employee benefits.

According to Regulation Governing the Preparation of Financial Statements by Public Banks, the preferential monthly interest paid to current employees is calculated based on accrual basis, and the difference between the preferential interest rate and the market interest rate is recognized under "employee benefit expense". According to Article 28 of "Regulation Governing the Preparation of Financial Statements by Public Banks", the excessive interest arising from the interest rate upon retirement agreed with the employees in excess of general market interest rate should be actualized in accordance with IAS 19, "Employee Benefits", as endorsed by FSC. However, various parameters should be in compliance with competent authorities if indicated otherwise.

C. Termination benefits

Termination benefit is paid to the employees who are eligible for retirement and terminated or voluntarily dismissed in exchange for termination benefit. The Group has made commitments in the formal detailed employment termination plan which is irrevocable, and shall recognize liabilities when providing termination benefit to employees who voluntarily resign as a result of encouragement. Termination benefits paid 12 months after the financial reporting date should be discounted.

D. Post employment benefit

The pension plan of the Group includes both Defined Benefit Plan and Defined Contribution Plan. In addition, defined contribution plan is adopted for employees working overseas according to the local regulations.

(A) Defined Benefit Plan

The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined Contribution Plan

a. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognized past service costs. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

b. Actuarial gains and losses arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise.

c. Past service costs are recognized immediately in profit or loss if vested immediately; if not, the past service costs are amortized on a straight-line basis over the vesting period.

E. Employees' bonus and directors' and supervisors' remuneration

Employees' bonus and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. However, if the accrued amounts for employees' bonus and directors' and supervisors' remuneration are different from the actual distributed amounts as resolved by the Board of Directors that act on behalf of stockholders at the Board of Directors' meeting subsequently, the differences should be recognized based on the accounting for changes in estimates.

(19) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(20) Revenue and expense

Income and expense of the Group are recognized as incurred. Expenses consist of employee benefit expense, depreciation and amortization expense and other business and administration expenses. Dividend revenues are recognized within 'Revenues other than interest, net' in the consolidated statement of comprehensive income when the right to receive dividends is assured.

A. Other than those classified as financial assets and liabilities at fair value through profit and loss, all the interest income and interest expense generated from interest-bearing financial assets are calculated by effective interest rate according to relevant regulations and recognized as "interest income" and "interest expense" in the consolidated statement of comprehensive income.

B. Service fee income and expense are recognized upon the completion of services of loans or other services; service fee earned from performing significant items shall be recognized upon the completion of the service, such as syndication loan service fee received from sponsor, service fee income and expense of subsequent services of loans are amortized or included in the calculation of effective interest rate of loans and receivables during the service period. When determining whether the agreed rate of interest should be adjusted to effective interest rate for interest-earning loans and receivables, the loans and receivables may be measured by the initial amounts if the effects on discount are insignificant according to the "Regulation Governing the Preparation of Financial Reports by Public Banks".

(21) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Share capital and dividends

Net of incremental costs directly attributable to the issuance of new shares will be removed from equity after related income tax expenses is eliminated. Dividends on ordinary shares are recognized in the financial statements in the period in which they are approved by the shareholders. Cash dividends are recorded as liabilities. Stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance; they are not recognized and only disclosed as subsequent event in the notes if the dividend declaration date is later than the consolidated balance sheet date.

(23) Operating segments

Information of operating segments of the Group is reported in the same method as the internal management report provided to the Chief Operating Decision-Maker (CODM). The CODM is the person or the group in charge of allocating resources to operating segments and evaluating their performance.

(24) Convenience translation into US dollars (Unaudited)

The Bank maintains its accounting records and prepares its financial statements in New Taiwan dollars. The United States dollar amounts disclosed in the 2013 financial statements are presented solely for the convenience of the readers and were translated into US dollars using the exchange rate prevailing at December 31, 2013 of US$1:NT$29.775. Such translation amounts are not in compliance with generally accepted accounting principles in the Republic of China and should not be construed as representation that the New Taiwan dollar amounts represent, or have been or could be converted into United States dollars at that or any other rate.

5. <u>CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY</u>

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

Management’s critical judgements in applying the Group’s accounting policies that have significant impact on the consolidated financial statements are outlined below:

(1) Financial instruments (including derivative instruments) valuation

If there is no quoted market price available in an active market for financial instruments, a valuation technique will be adopted to measure the fair value. If there are observable data of similar financial instruments in the market, then the fair value of the underlying financial instruments is estimated by reference to the observable data; otherwise, the fair value is estimated using the appropriate pricing models which are commonly used in the market. The assumptions used in the pricing models should refer to the observable data in the market. However, when those data are not observable from the market and/or the assumptions used in the pricing models are more subjective, the fair value of the financial instruments may be estimated based on historical data or other information. The pricing models used by the Group are all evaluated and tested periodically to ensure the outputs may reflect the actual data and market prices. The primary assumptions used in determining the fair values of financial instruments are provided in Note 7. The management believes the pricing models and assumptions used have appropriately determined the fair values of financial instruments.

(2) Loan loss impairment

The Group’s impairment evaluations are in compliance with the regulations of regulatory authorities. The Group evaluates cash flows and impairment amounts, through model analysis and individual case assessment, on a monthly basis based on several factors, such as nature of client risk and security coverage. The Group recognizes impairment loss whenever there is observable evidence showing that impairment has occurred. This evidence includes repayment status of debtor, event that would cause delinquency in payments, and any significantly unfavorable changes in national or local economic circumstance. Future cash flows are estimated primarily based on the length of overdue time, the status of debtors, security coverage, guarantee of external institution and historical experiences. The incidence of impairment and subsequent collectability rate used in impairment evaluations are estimated based on the types of products and historical data. The Group reviews the assumptions and inputs used in impairment evaluations periodically to ensure they are all reasonable.

(3) Post-employment benefit

The present value of post-employment benefit obligations are estimated based on several assumptions. Any changes in those assumptions will affect the carrying amounts of post-employment benefit obligations.

The assumptions used to determine net pension cost (revenue) comprise discount rate. The Group determines the appropriate discount rate at the end of each year, and uses the discount rate in calculating the present value of future cash out of post-employment benefit obligations. The discount rate is chosen by reference to the rate of government bonds where the currency and maturity date of government bonds are in agreement with those of post-employment benefit obligations.

(4) Income tax

The Group has to pay income tax in different countries. The estimates of income tax payable in all these countries include the considerations of many transactions and calculations. The Group may recognize additional income tax liabilities for some tax issues when necessary. Any difference between final income tax payable and initially recognized income tax payable will affect the amounts of current income taxes and deferred income taxes.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2013	
	NT$	US$
Cash on hand	$ 14,304,691	$ 480,427
Checks for clearance	2,064,396	69,333
Due from banks	344,566,397	11,572,339
Total	$ 360,935,484	$ 12,122,099

	December 31, 2012	January 1, 2012
	NT$	NT$
Cash on hand	$ 13,433,442	$ 14,039,887
Checks for clearance	838,854	1,007,914
Due from banks	291,456,671	298,382,323
Total	$ 305,728,967	$ 313,430,124

(2) Due from the Central Bank and call loans to banks

	December 31, 2013	
	NT$	US$
Reserve for deposits-category A	$ 19,192,096	$ 644,571
Reserve for deposits-category B	35,270,994	1,184,584
Reserve for deposits-general	5,700,282	191,445
Reserve for deposits-foreign currency	490,698	16,480
Call loans to banks and bank overdrafts	39,656,280	1,331,865
Import and export loans from banks	81,916,206	2,751,174
Participate in interbank financing with risk	3,230,588	108,500
Total	$ 185,457,144	$ 6,228,619

	December 31, 2012	January 1, 2012
	NT$	NT$
Reserve for deposits-category A	$ 20,360,016	$ 19,326,520
Reserve for deposits-category B	31,919,840	31,243,615
Reserve for deposits-general	5,700,275	5,552,885
Reserve for deposits-foreign currency	470,583	330,950
Call loans to banks and bank overdrafts	54,719,987	44,702,118
Import and export loans from banks	13,042,150	80,243,433
Participate in interbank financing with risk	24,749,186	-
Total	$ 150,962,037	$ 181,399,521

As required by relevant laws, the reserves for deposits are calculated at required reserve ratios based on the monthly average balances of various deposit accounts. Reserve for deposits - category B cannot be used except upon the monthly adjustment of the reserve.

(3) Financial assets at fair value through profit or loss

	December 31, 2013	
	NT$	US$
Financial assets held for trading		
Stocks	$ 3,763,363	$ 126,394
Derivative instruments	4,255,213	142,912
Corporation bonds	24,290,091	815,788
Government bonds	599,252	20,126
Financial bonds	11,573,121	388,686
Total	$ 44,481,040	$ 1,493,906

	December 31, 2012 NT$	January 1, 2012 NT$
Financial assets held for trading		
Stocks	$ 2,824,324	$ 4,746,211
Derivative instruments	4,000,539	5,358,100
Corporation bonds	26,013,970	23,392,690
Government bonds	602,582	790,899
Financial bonds	7,175,694	7,513,845
Total	$ 40,617,109	$ 41,801,745

A. Gain(loss) on financial assets and liabilities held for trading and gain(loss) on financial liabilities designated as at fair value through profit or loss recognized for the years ended December 31, 2013 and 2012 are provided in Note 6(27).

B. As of December 31, 2013, December 31, 2012, and January 1, 2012, the above financial assets used as underlying assets for the business were NT$6,587,686 thousand, NT$0 thousand, and NT$2,542,848 thousand, respectively.

C. As of December 31, 2013, December 31, 2012, and January 1, 2012, the aforementioned financial assets at fair value through profit or loss used as underlying assets for repurchase agreements were NT$7,644,422 thousand, NT$869,040 thousand, and NT$2,339,038 thousand, respectively. Such repurchase agreements were booked under the "securities sold under repurchase agreements" account.

(4) Receivables, net

	December 31, 2013	
	NT$	US$
Factoring receivable	$ 69,336,768	$ 2,328,691
Accrued interest	4,448,918	149,418
Acceptances receivable	11,341,730	380,915
Credit card accounts receivable	3,995,541	134,191
Usance L/C buyout accounts receivable	63,149,254	2,120,882
Other receivables	8,331,766	279,824
Total	160,603,977	5,393,921
Less: Allowance for bad debts	(1,006,805)	(33,814)
Receivables, net	$ 159,597,172	$ 5,360,107

	December 31, 2012 NT$	January 1, 2012 NT$
Factoring receivable	$ 67,166,000	$ 59,331,468
Accrued interest	3,509,821	3,479,290
Acceptances receivable	12,520,718	10,714,404
Credit card accounts receivable	4,100,745	4,292,469
Usance L/C buyout accounts receivable	13,871,743	204,335
Other receivables	3,941,333	8,590,467
Total	105,110,360	86,612,433
Less: Allowance for bad debts	(2,441,542)	(2,206,961)
Receivables, net	$ 102,668,818	$ 84,405,472

(5) Bills discounted and loans, net

	December 31, 2013	
	NT$	US$
Bills and notes discounted	$ 18,288	$ 614
Overdrafts	1,797,601	60,373
Short-term loans	462,928,362	15,547,552
Medium-term loans	698,836,700	23,470,586
Long-term loans	489,432,634	16,437,704
Import/export bills negotiated	20,543,348	689,953
Loans transferred to non-accrual loans	2,791,291	93,746
Total	1,676,348,224	56,300,528
Less: Allowance for bad debts	(21,771,031)	(731,185)
Bills discounted and loans, net	$ 1,654,577,193	$ 55,569,343

	December 31, 2012 NT$	January 1, 2012 NT$
Bills and notes discounted	$ 64,083	$ 88,048
Overdrafts	1,070,405	1,569,706
Short-term loans	416,447,693	418,901,154
Medium-term loans	640,631,193	613,451,521
Long-term loans	442,600,305	424,265,722
Import/export bills negotiated	16,250,164	16,935,835
Loans transferred to non-accrual loans	2,067,927	2,890,659
Total	1,519,131,770	1,478,102,645
Less: Allowance for bad debts	(16,430,909)	(15,769,491)
Bills discounted and loan, net	$ 1,502,700,861	$ 1,462,333,154

A. As of December 31, 2013, December 31, 2012, and January 1, 2012, the amounts of reclassified non-performing loans (overdue for more than six months) were NT$2,791,291 thousand, NT$2,067,927 thousand, and NT$2,890,659 thousand, respectively, to 'overdue receivables' account. These amounts included interest receivable of NT$12,914 thousand, NT$3,416 thousand, and NT$8,666 thousand, respectively.

B. Movements in allowance for credit losses

Information as to the evaluations of impairment of the Group's loans and receivables as of December 31, 2013, December 31, 2012, and January 1, 2012 was as follows:

(A) Loans

Item		December 31, 2013			
		Loans (NT$)	Loans (US$)	Allowance for credit losses (NT$)	Allowance for credit losses (US$)
With existing objective evidence of individual impairment	Individual assessment	$ 32,872,359	$ 1,104,026	$ 4,844,321	$ 162,697
	Group assessment	753	25	19	1
Without existing objective evidence of individual impairment	Group assessment	1,643,475,112	55,196,477	16,926,691	568,487

Item		December 31, 2012	
		Loans (NT$)	Allowance for credit losses (NT$)
With existing objective evidence of individual impairment	Individual assessment	$ 16,120,268	$ 6,594,812
	Group assessment	394	3
Without existing objective evidence of individual impairment	Group assessment	1,503,011,108	9,836,094

Item		January 1, 2012	
		Loans (NT$)	Allowance for credit losses (NT$)
With existing objective evidence of individual impairment	Individual assessment	$ 35,868,205	$ 8,203,751
	Group assessment	325	3
Without existing objective evidence of individual impairment	Group assessment	1,442,234,115	7,565,737

(B) Receivables:

Item		December 31, 2013			
		Receivables (NT$)	Receivables (US$)	Allowance for credit losses (NT$)	Allowance for credit losses (US$)
With existing objective evidence of individual impairment	Individual assessment	$ 364,584	$ 12,245	$ 41,195	$ 1,384
	Group assessment	356,994	11,990	42,052	1,412
Without existing objective evidence of individual impairment	Group assessment	159,882,399	5,369,686	923,558	31,018

Item		December 31, 2012	
		Receivables (NT$)	Allowance for credit losses (NT$)
With existing objective evidence of individual impairment	Individual assessment	$ 1,281,540	$ 1,266,100
	Group assessment	434,578	57,357
Without existing objective evidence of individual impairment	Group assessment	103,394,242	1,118,085

Item		January 1, 2012	
		Receivables (NT$)	Allowance for credit losses (NT$)
With existing objective evidence of individual impairment	Individual assessment	$ 1,761,324	$ 1,730,182
	Group assessment	487,945	44,496
Without existing objective evidence of individual impairment	Group assessment	84,363,164	432,283

The Group has provided appropriate allowance for credit losses for bills discounted, loans, receivables, non-accrual loans transferred from overdue receivables and remittance purchased. Movements in allowance for credit losses for the years ended December 31, 2013 and 2012 were shown below:

	For the year ended December 31, 2013				
	Receivables	Bill discounted and loans	Nonaccrual loans transferred from overdue receivables	Remittance purchased	Total
	NT$				
Balance, January 1	$ 2,441,542	$ 16,430,909	$ 176,158	$ 206	$ 19,048,815
Provision (Reversals)	(921,633)	6,528,887	(140,197)	243	5,467,300
Write-off, net	(115,797)	(3,609,539)	(31,013)	-	(3,756,349)
Recovery of written-off credits	116,105	2,476,998	-	-	2,593,103
Effects of exchange rate changes and others	(513,412)	(56,224)	-	-	(569,636)
Balance, December 31	$ 1,006,805	$ 21,771,031	$ 4,948	$ 449	$ 22,783,233

	For the year ended December 31, 2013				
	Receivables	Bill discounted and loans	Nonaccrual loans transferred from overdue receivables	Remittance purchased	Total
	US$				
Balance, January 1	$ 82,000	$ 551,836	$ 5,916	$ 7	$ 639,759
Provision (Reversals)	(30,953)	219,274	(2,589)	8	183,620
Write-off, net	(3,889)	(121,227)	(3,161)	-	(126,158)
Recovery of written-off credits	3,899	83,190	-	-	87,090
Effects of exchange rate changes and others	(17,243)	(1,888)	-	-	(19,131)
Balance, December 31	$ 33,814	$ 731,185	$ 166	$ 15	$ 765,180

	For the year ended December 31, 2012				
	Receivables	Bill discounted and loans	Nonaccrual loans transferred from overdue receivables	Remittance purchased	Total
	NT$				
Balance, January 1	$ 2,206,961	$ 15,769,491	$ 408,408	$ 449	$ 18,385,309
Provision (Reversals)	690,889	2,431,681	(213,652)	(243)	2,908,675
Write-off, net	(660,315)	(4,028,441)	(578)	-	(4,689,334)
Recovery of written-off credits	193,174	2,482,564	-	-	2,675,738
Effects of exchange rate changes and others	10,833	(224,386)	(18,020)	-	(231,573)
Balance, December 31	$ 2,441,542	$ 16,430,909	$ 176,158	$ 206	$ 19,048,815

(6) Available-for-sale financial assets - net

	December 31, 2013	
	NT$	US$
Stocks	$ 10,516,299	$ 353,192
Commercial papers	64,916,697	2,180,242
Bonds	98,754,645	3,316,697
Beneficiary securities	700,295	23,519
Beneficiary certificates	7,552,372	253,648
Certificates of deposit	2,009,536	67,491
Total	$ 184,449,844	$ 6,194,789

	December 31, 2012	January 1, 2012
	NT$	NT$
Stocks	$ 9,631,862	$ 9,798,426
Commercial papers	49,572,351	6,176,759
Bonds	69,265,188	52,496,830
Beneficiary securities	4,087,511	4,347,170
Beneficiary certificates	515,690	300,000
Certificates of deposit	545,232	617,701
Total	$ 133,617,834	$ 73,736,886

A. As of December 31, 2013, December 31, 2012, and January 1, 2012, the aforementioned available-for-sale financial assets amounted to NT$50,172,062 thousand, NT$19,015,688 thousand, and NT$16,798,381 thousand, respectively, and were pledged to other parties as collateral for business reserves and guarantees.

B. As of December 31, 2013, December 31, 2012, and January 1, 2012, available-for-sale financial assets were sold under repurchase agreements with selling price of NT$38,454,200 thousand, NT$16,495,424 thousand, and NT$5,545,772 thousand, respectively. Such repurchase agreements were booked under the “securities sold under repurchase agreements” account.

C. The Group recognised gain of NT$1,712,380 thousand and gain of NT$2,152,101 thousand in other comprehensive income for fair value change for the years ended December 31, 2013 and 2012, respectively.

D. The Group recognized impairment loss for the long-term operating losses of the investee for the years ended December 31, 2013 and 2012. Details are provided in Note 6(29).

E. The Group recognised interest income of NT$2,702,123 thousand and NT$1,930,016 thousand on holding debt instruments for the years ended December 31, 2013 and 2012, respectively.

F. For the years ended December 31, 2013 and 2012, amount realized and transferred from other equity in the statements of change in equity to current profit was $991,274 thousand and $1,059,374 thousand, respectively.

(7) Held-to-maturity financial assets- net

	December 31, 2013 NT$	December 31, 2013 US$
Central Bank's certificates of deposits	$ 161,850,000	$ 5,435,768
Financial bonds	15,891,795	533,729
Government bonds	3,492,031	117,281
Corporate bonds	1,505,530	50,564
Total	$ 182,739,356	$ 6,137,342

	December 31, 2012 NT$	January 1, 2012 NT$
Central Bank's certificates of deposits	$ 141,300,000	$ 118,200,000
Financial bonds	12,528,175	10,892,493
Government bonds	3,511,481	1,800,027
Corporate bonds	1,868,064	56,708
Total	$ 159,207,720	$ 130,949,228

A. As of December 31, 2013, December 31, 2012, and January 1, 2012, the aforementioned held-to-maturity financial assets amounting to NT$15,567,800 thousand, NT$15,672,000 thousand, and NT$16,462,288 thousand, respectively, were pledged to other parties as collateral of business reserves and guarantees.

B. As of December 31, 2013, December 31, 2012, and January 1, 2012, held-to-maturity financial assets were sold under repurchase agreements with selling price of NT$433,486 thousand, NT$0 thousand, and NT$1,986,117 thousand, respectively. Such repurchase agreements were booked under the "securities sold under repurchase agreements" account.

C. The Group recognised interest income of $1,830,417 thousand and $1,641,597 thousand on holding held-to-maturity financial assets for the years ended December 31, 2013 and 2012, respectively.

(8) Investments accounted for under the equity method - net

Investee Company	December 31, 2013 NT$	December 31, 2013 US$	December 31, 2013 Percentage of Shareholding
Cathay Investment & Development Corporation (Bahamas)	$ 51,202	$ 1,720	100.00
Mega Management & Consulting Co., Ltd.	65,326	2,194	100.00
Cathay Investment & Warehousing Ltd.	58,691	1,971	100.00
Ramlett Finance Holding Inc.	805	27	100.00
Yung Shing Industries Co.	639,718	21,485	99.56
China Products Trading Company	27,500	924	68.27
United Venture Corporation (Note)	1,444	48	25.31
China Products Trading Company (Thailand)	16,395	551	25.25
Mega 1 Venture Capital Co., Ltd.	83,701	2,811	25.00
IP Fundseven Limited	102,339	3,437	25.00
An Feng Enterprise Co., Ltd.	11,931	401	25.00
Taiwan Bills Finance Corporation	1,489,482	50,025	24.55
Everstrong Iron & Foundry & Mfg. Corporation	41,713	1,400	22.22
China Real Estate Management Co., Ltd.	191,005	6,415	20.00
Total	$ 2,781,252	$ 93,409	

Note: Since the investee had incurred long-term operating losses, shareholders resolved to dissolve the investee in 2013, However, the dissolution was postponed to 2014 as the liquidation procedure has not been completed yet.

Investee Company	December 31, 2012 NT$	December 31, 2012 Percentage of Shareholding	January 1, 2012 NT$	January 1, 2012 Percentage of Shareholding
Cathay Investment & Development Corporation (Bahamas)	$ 50,089	100.00	$ 292,508	100.00
Mega Management & Consulting Co., Ltd.	62,541	100.00	55,578	100.00
Cathay Investment & Warehousing Ltd.	89,749	100.00	96,414	100.00
Ramlett Finance Holding Inc.	-	100.00	-	100.00
Yung Shing Industries Co.	819,245	99.56	834,947	99.56
China Products Trading Company	34,460	68.27	37,047	68.27
Cathy Insurance Company,Inc	-	-	-	30.37
United Venture Corporation	32,832	25.31	26,081	25.31
China Products Trading Company (Thailand)	14,067	25.25	31,942	25.25
Mega 1 Venture Capital Co., Ltd.	162,985	25.00	161,509	25.00
IP Fundseven Limited	168,495	25.00	226,248	25.00
An Feng Enterprise Co., Ltd.	11,930	25.00	11,803	25.00
Taiwan Bills Finance Corporation	1,406,164	24.55	1,390,834	24.55
Everstrong Iron & Foundry & Mfg. Corporation	42,262	22.22	39,509	22.22
China Real Estate Management Co., Ltd.	235,009	20.00	121,709	20.00
Total	$ 3,129,828		$ 3,326,129	

A. The Group's share of profit/(loss) of its associates accounted for under the equity method for the years ended December 31, 2013 and 2012 was NT$210,429 thousand, and NT$178,887 thousand, respectively.

B. The shares of associates and joint ventures the Group owns have no quoted market price available in an active market. There is no significant restriction on fund transfer from the associates to their shareholders, i.e. distribution of cash dividends, repayment of loans or money advanced.

C. As of December 31, 2013, December 31, 2012, and January 1, 2012, investments accounted for under the equity method were not pledged as collateral.

(9) Other financial assets - net

	December 31, 2013 NT$	December 31, 2013 US$
Remittance purchased	$ 26,477	$ 889
Debt investments with no active market	4,000,000	134,341
Financial assets carried at cost	10,149,070	340,859
Nonaccrual loans transferred from overdue receivables	5,713	192
Subtotal	14,181,260	476,281
Less: Allowance for bad debts - Remittance purchased	(449)	(15)
Less: Allowance for bad debts - Non-accrual loans transferred from overdue receivables	(4,948)	(166)
Less: Accumulated impairment - Financial assets carried at cost	(886,653)	(29,779)
Total	$ 13,289,210	$ 446,321

	December 31, 2012 NT$	January 1, 2012 NT$
Remittance purchased	$ 24,335	$ 83,953
Debt investments with no active market	4,000,000	4,000,000
Financial assets carried at cost	11,697,704	11,800,922
Non-accrual loans transferred from overdue receivables	292,304	670,751
Subtotal	16,014,343	16,555,626
Less: Allowance for bad debts - Remittance purchased	(206)	(449)
Less: Allowance for bad debts - Non-accrual loans transferred from overdue receivables	(176,158)	(408,408)
Less: Accumulated impairment - Financial assets carried at cost	(1,128,523)	(850,967)
Total	$ 14,709,456	$ 15,295,802

A. As unlisted shares the Bank owns have no quoted market price available in an active market and cannot be measured reliably, they are measured at cost.

B. The methods and assumptions used to estimate fair value of debt instruments without active market are provided in Note 7(4).

C. For the years ended December 31, 2013 and 2012, the Group recognized the impairment loss due to investees operating at a loss over an extended period of time, please refer to Note 6(29).

D. For the years ended December 31, 2013 and 2012, gain or loss arising from disposal of dividend income received from shares of the investee was $633,054 thousand and $780,303 thousand, respectively.

(10) Property and equipment - net

	December 31, 2013			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In NT Dollars)			
Land and land improvements	$ 9,472,222	$ -	($ 383,314)	$ 9,088,908
Buildings and auxiliary equipment	9,979,697	(5,301,752)	-	4,677,945
Machinery and computer equipment	3,275,394	(2,790,310)	-	485,084
Transportation equipment	161,035	(133,352)	-	27,683
Miscellaneous equipment	1,466,115	(1,226,484)	-	239,631
	$ 24,354,463	($ 9,451,898)	($ 383,314)	$ 14,519,251

	December 31, 2013			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In US Dollars)			
Land and land improvements	$ 318,127	$ -	($ 12,874)	$ 305,253
Buildings and auxiliary equipment	335,170	(178,061)	-	157,109
Machinery and computer equipment	110,005	(93,713)	-	16,292
Transportation equipment	5,409	(4,479)	-	930
Miscellaneous equipment	49,240	(41,192)	-	8,048
	$ 817,951	($ 317,445)	($ 12,874)	$ 487,632

	December 31, 2012			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In NT Dollars)			
Land and land improvements	$ 9,450,202	$ -	($ 462,945)	$ 8,987,257
Buildings and auxiliary equipment	10,297,653	(5,439,357)	-	4,858,296
Machinery and computer equipment	3,297,159	(2,709,678)	-	587,481
Transportation equipment	173,855	(143,841)	-	30,014
Miscellaneous equipment	1,450,284	(1,199,437)	-	250,847
	$ 24,669,153	($ 9,492,313)	($ 462,945)	$ 14,713,895

	January 1, 2012			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In NT Dollars)			
Land and land improvements	$ 9,452,487	$ -	($ 492,758)	$ 8,959,729
Buildings and auxiliary equipment	10,198,500	(5,255,047)	-	4,943,453
Machinery and computer equipment	3,233,834	(2,577,464)	-	656,370
Transportation equipment	187,234	(151,823)	-	35,411
Miscellaneous equipment	1,457,165	(1,174,199)	-	282,966
	$ 24,529,220	($ 9,158,533)	($ 492,758)	$ 14,877,929

	2013					
	Land and land improvements	Buildings and auxiliary equipment	Transportation equipment	Machinery and computer equipment	Miscellaneous equipment	Total
	(In NT Dollars)					
Cost						
Balance at January 1, 2013	$ 9,450,202	$ 10,297,653	$ 173,855	$ 3,297,159	$ 1,450,284	$ 24,669,153
Additions for the period	21,550	48,290	10,447	163,482	63,100	306,869
Disposals for the period	-	(350,201)	(21,598)	(184,742)	(38,730)	(595,271)
Transfers	-	-	-	3,184	(3,184)	-
Exchange adjustments	470	(16,045)	(1,669)	(3,689)	(5,355)	(26,288)
Balance at December 31, 2013	9,472,222	9,979,697	161,035	3,275,394	1,466,115	24,354,463
Accumulated depreciation						
Balance at January 1, 2013	$ -	($ 5,439,357)	($ 143,841)	($ 2,709,678)	($ 1,199,437)	(9,492,313)
Depreciation for the period	-	(212,120)	(11,928)	(267,954)	(70,391)	(562,393)
Disposals for the period	-	349,179	21,147	184,696	38,904	593,926
Transfers	-	-	-	(494)	494	-
Exchange adjustments	-	546	1,270	3,120	3,946	8,882
Balance at December 31, 2013	-	(5,301,752)	(133,352)	(2,790,310)	(1,226,484)	(9,451,898)
Accumulated impairment						
Balance at January 1, 2013	(462,945)	-	-	-	-	(462,945)
Gain on reversal of impairment loss	79,631	-	-	-	-	79,631
Balance at December 31, 2013	(383,314)	-	-	-	-	(383,314)
Net of December 31, 2013	($ 9,088,908)	$ 4,677,945	$ 27,683	$ 485,084	$ 239,631	$ 14,519,251

	2013					
	Land and land improvements	Buildings and auxiliary equipment	Transportation equipment	Machinery and computer equipment	Miscellaneous equipment	Total
	(In US Dollars)					
Cost						
Balance at January 1, 2013	$ 317,387	$ 345,849	$ 5,839	$ 110,736	$ 48,708	$ 828,519
Additions for the period	724	1,622	351	5,491	2,119	10,307
Disposals for the period	-	(11,762)	(725)	(6,205)	(1,300)	(19,992)
Transfers	-	-	-	107	(107)	-
Exchange adjustments	16	(539)	(56)	(124)	(180)	(883)
Balance at December 31, 2013	318,127	335,170	5,409	110,005	49,240	817,951
Accumulated depreciation						
Balance at January 1, 2013	$ -	($ 182,682)	($ 4,831)	($ 91,005)	($ 40,283)	(318,801)
Depreciation for the period	-	(7,124)	(401)	(8,999)	(2,364)	(18,888)
Disposals for the period	-	11,727	710	6,203	1,306	19,946
Transfers	-	-	-	(16)	16	-
Exchange adjustments	-	18	43	104	133	298
Balance at December 31, 2013	-	(178,061)	(4,479)	(93,713)	(41,192)	(317,445)
Accumulated impairment						
Balance at January 1, 2013	(15,548)	-	-	-	-	(15,548)
Gain on reversal of impairment loss	2,674	-	-	-	-	2,674
Balance at December 31, 2013	(12,874)	-	-	-	-	(12,874)
Net of December 31, 2013	$ 305,253	$ 157,109	$ 930	$ 16,292	$ 8,048	$ 487,632

	2012					
	Land and land improvements	Buildings and auxiliary equipment	Transportation equipment	Machinery and computer equipment	Miscellaneous equipment	Total
	(In NT Dollars)					
Cost						
Balance at January 1, 2012	$ 9,452,487	$ 10,198,500	$ 187,234	$ 3,233,834	$ 1,457,165	$ 24,529,220
Additions for the period	-	145,273	9,151	217,864	44,733	417,021
Disposals for the period	-	(9,448)	(19,881)	(146,775)	(37,136)	(213,240)
Transfers	-	-	-	(2,052)	-	(2,052)
Exchange adjustments	(2,285)	(36,672)	(2,649)	(5,712)	(14,478)	(61,796)
Balance at December 31, 2012	9,450,202	10,297,653	173,855	3,297,159	1,450,284	24,669,153
Accumulated depreciation						
Balance at January 1, 2012	-	(5,255,047)	(151,823)	(2,577,464)	(1,174,199)	(9,158,533)
Depreciation for the period	-	(219,430)	(13,937)	(285,938)	(72,194)	(591,499)
Disposals for the period	-	9,391	19,680	146,758	37,119	212,948
Transfers	-	-	-	2,052	-	2,052
Exchange adjustments	-	25,729	2,239	4,914	9,837	42,719
Balance at December 31, 2012	-	(5,439,357)	(143,841)	(2,709,678)	(1,199,437)	(9,492,313)
Accumulated impairment						
Balance at January 1, 2012	(492,758)	-	-	-	-	(492,758)
Gain on reversal of impairment loss	29,813	-	-	-	-	29,813
Balance at December 31, 2012	(462,945)	-	-	-	-	(462,945)
Net of December 31, 2012	$ 8,987,257	$ 4,858,296	$ 30,014	$ 587,481	$ 250,847	$ 14,713,895

(11) Investment property - net

	December 31, 2013			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In NT Dollars)			
Land and land improvements	$ 571,328	$ -	$ -	$ 571,328
Buildings and auxiliary equipment	162,640	(60,093)	-	102,547
	$ 733,968	($ 60,093)	$ -	$ 673,875

	December 31, 2013			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
	(In US Dollars)			
Land and land improvements	$ 19,188	$ -	$ -	$ 19,188
Buildings and auxiliary equipment	5,462	(2,018)	-	3,444
	$ 24,650	($ 2,018)	$ -	$ 22,632

	December 31, 2012			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
		(In NT Dollars)		
Land and land improvements	$ 717,819	$ -	($ 38,542)	$ 679,277
Buildings and auxiliary equipment	218,411	(77,406)	(38,327)	102,678
	$ 936,230	($ 77,406)	($ 76,869)	$ 781,955

	January 1, 2012			
	Cost	Accumulated Depreciation	Accumulated Impairment	Net Book Value
		(In NT Dollars)		
Land and land improvements	$ 717,886	$ -	($ 47,235)	$ 670,651
Buildings and auxiliary equipment	218,397	(73,763)	(45,343)	99,291
	$ 936,283	($ 73,763)	($ 92,578)	$ 769,942

A. The fair value of the investment property held by the Group as of Decembr 31, 2013, December 31, 2012, and January 1, 2012 was NT$2,390,049, NT$2,294,035, and NT$2,248,595, respectively according to the result of valuation by an independent valuation expert using the comparison method, current land value, land development analysis approach and cost method.

B. Rental income from the lease of the investment property for the years ended December 31, 2013 and 2012 was NT$147,752 and NT$146,100, respectively.

C. For the rental revenue from the lease of the investment property among related parties, please refer to Note 11(3).

	2013		
	Land and land improvements	Buildings and auxiliary equipment	Total
	NT$	NT$	NT$
Original cost			
Balance at January 1	$ 717,819	$ 218,411	$ 936,230
Disposals for the period	(146,491)	(55,740)	(202,231)
Exchange adjustments	-	(31)	(31)
Balance at December 31	571,328	162,640	733,968
Accumulated depreciation			
Balance at January 1	-	(77,406)	(77,406)
Depreciation for the period	-	(3,401)	(3,401)
Disposals for the period	-	20,699	20,699
Exchange adjustments	-	15	15
Balance at December 31	-	(60,093)	(60,093)
Accumulated impairment			
Balance at January 1	(38,542)	(38,327)	(76,869)
Impairment for the period			
Gain on reversal of impairment loss	14,903	21,352	36,255
Disposals for the period	23,639	16,975	40,614
Balance at December 31	-	-	-
	$ 571,328	$ 102,547	$ 673,875

	2013		
	Land and land improvements	Buildings and auxiliary equipment	Total
	US$	US$	US$
Original cost			
Balance at January 1	$ 24,108	$ 7,335	$ 31,443
Disposals for the period	(4,920)	(1,872)	(6,792)
Exchange adjustments	-	(1)	(1)
Balance at December 31	19,188	5,462	24,650
Accumulated depreciation			
Balance at January 1	-	(2,600)	(2,600)
Depreciation for the period	-	(114)	(114)
Disposals for the period	-	695	695
Exchange adjustments	-	1	1
Balance at December 31	-	(2,018)	(2,018)
Accumulated impairment			
Balance at January 1	(1,294)	(1,287)	(2,581)
Impairment for the period			
Gain on reversal of impairment loss	500	717	1,217
Disposals for the period	794	570	1,364
Balance at December 31	-	-	-
	$ 19,188	$ 3,444	$ 22,632

	2012		
	Land and land improvements	Buildings and auxiliary equipment	Total
	NT$	NT$	NT$
Original cost			
Balance at January 1	$ 717,886	$ 218,397	$ 936,283
Disposals for the period	(67)	-	(67)
Exchange adjustments	-	14	14
Balance at December 31	717,819	218,411	936,230
Accumulated depreciation			
Balance at January 1	-	(73,763)	(73,763)
Depreciation for the period	-	(3,637)	(3,637)
Exchange adjustments	-	(6)	(6)
Balance at December 31	-	(77,406)	(77,406)
Accumulated impairment			
Balance at January 1	(47,235)	(45,343)	(92,578)
Impairment for the period			
Gain on reversal of impairment loss	8,693	7,016	15,709
Balance at December 31	(38,542)	(38,327)	(76,869)
	$ 679,277	$ 102,678	$ 781,955

(12) Other assets - net

	December 31, 2013	
	NT$	US$
Other prepaid expenses	$ 5,893,710	$ 197,942
Refundable deposits	436,253	14,652
Temporary payments	461,286	15,492
Foreclosed property	23,602	793
Others	364,679	12,247
Total	$ 7,179,530	$ 241,126

	December 31, 2012	January 1, 2012
	NT$	NT$
Other prepaid expenses	$ 5,926,158	$ 2,847,390
Refundable deposits	402,612	1,134,432
Temporary payments	559,483	770,762
Foreclosed properties	-	28,489
Others	313,872	376,012
Total	$ 7,202,125	$ 5,157,085

(13) Due to the Central Bank and commercial banks

	December 31, 2013	
	NT$	US$
Call loans from the Central Bank and banks	$ 385,834,538	$ 12,958,339
Transfer deposits from China Post Co.	2,912,531	97,818
Overdrafts from other banks	3,628,454	121,862
Due to the financial institutions	59,559,703	2,000,326
Due to the Central Bank	19,941,504	669,740
Total	$ 471,876,730	$ 15,848,085

	December 31, 2012	January 1, 2012
	NT$	NT$
Call loans from the Central Bank and banks	$ 36,010,375	$ 61,482,329
Transfer deposits from China Post Co.	4,459,521	3,824,875
Overdrafts from other banks	2,516,754	180,887
Due to the financial institutions	18,406,072	23,043,861
Due to the Central Bank	252,456,771	268,132,055
Total	$ 313,849,493	$ 356,664,007

(14) Borrowed funds

	December 31, 2013	
	NT$	US$
Refinancing to borrow funds from Central Bank	$ 7,376,822	$ 247,752
Other funds borrowed from Central Bank	2,024,700	68,000
Funds borrowed from other banks	22,928,723	770,067
Total	$ 32,330,245	$ 1,085,819

	December 31, 2012	January 1, 2012
	NT$	NT$
Refinancing to borrow funds from Central Bank	$ 7,712,106	$ 8,988,504
Other funds borrowed from Central Bank	52,836,795	62,884,896
Funds borrowed from other banks	24,278,042	8,468,671
Total	$ 84,826,943	$ 80,342,071

(15) Financial liabilities at fair value through profit or loss

	December 31, 2013	
	NT$	US$
Financial liabilities held for trading:		
Derivative instruments	$ 7,720,209	$ 259,285
Financial liabilities designated as at fair value through profit or loss:		
Financial bonds	6,146,843	206,443
Total	$ 13,867,052	$ 465,728

	December 31, 2012	January 1, 2012
	NT$	NT$
Financial liabilities held for trading:		
Derivative instruments	$ 6,666,403	$ 6,761,850
Financial liabilities designated as at fair value through profit or loss:		
Financial bonds	7,469,567	13,606,240
Total	$ 14,135,970	$ 20,368,090

A. Gain (loss) on financial assets and liabilities held for trading and gain (loss) on financial liabilities designated as at fair value through profit or loss recognized for the years ended December 31, 2013 and 2012 are provided in Note 6(27).

B. Financial liabilities designated at fair value through profit or loss by the Bank is for the purpose of eliminating recognition inconsistency.

(16) Payables

	December 31, 2013	
	NT$	US$
Accounts payable	$ 11,417,941	$ 383,474
Bankers' acceptances	11,551,879	387,972
Dividends and bonus payable	5,679,263	190,739
Accrued interest	2,531,697	85,028
Accrued expense	4,167,729	139,974
Collections payable for customers	1,164,071	39,096
Other payables	2,754,030	92,495
Total	$ 39,266,610	$ 1,318,778

	December 31, 2012	January 1, 2012
	NT$	NT$
Accounts payable	$ 9,476,915	$ 9,678,101
Bankers' acceptances	12,586,872	10,934,044
Dividends and bonus payable	5,679,263	5,679,263
Accrued interest	2,411,919	2,311,500
Accrued expense	4,004,490	3,937,653
Collections payable for customers	1,234,485	896,330
Other payables	1,201,803	1,245,525
Total	$ 36,595,747	$ 34,682,416

(17) Deposits and remittances

	December 31, 2013	
	NT$	US$
Checking deposits	$ 30,755,268	$ 1,032,923
Demand deposits	549,633,380	18,459,559
Time deposits	764,994,312	25,692,504
Demand savings deposits	356,183,658	11,962,507
Time savings deposits	226,414,135	7,604,169
Negotiable certificates of deposit	1,830,000	61,461
Remittances	7,346,706	246,741
Total	$ 1,937,157,459	$ 65,059,864

	December 31, 2012	January 1, 2012
	NT$	NT$
Checking deposits	$ 31,837,463	$ 32,192,497
Demand deposits	488,482,927	454,831,473
Time deposits	635,920,875	568,769,540
Demand savings deposits	332,084,300	320,095,042
Time savings deposits	212,409,665	203,411,896
Negotiable certificates of deposit	1,710,800	1,410,000
Remittances	16,897,458	9,206,348
Total	$ 1,719,343,488	$ 1,589,916,796

(18) Financial bonds payable

	December 31, 2013	
	NT$	US$
Subordinated Bonds	$ 43,900,000	$ 1,474,391

	December 31, 2012	January 1, 2012
	NT$	NT$
Subordinated Bonds	$ 43,900,000	$ 42,600,000

Financial bonds were as follows:

Name of bond	Issuing period	Interest rate %	Total issued amount	December 31, 2013 NT$	December 31, 2013 US$	Remark
96-1 Development Financial bond	2007.09.27-2014.09.27	Floating rate	$ 5,000,000	$ 5,000,000	$ 167,926	Interest is paid yearly. The principal is repaid at maturity.
96-3 Development Financial bond	2007.12.28-2014.12.28	2.99%	300,000	300,000	10,076	Interest is paid yearly. The principal is repaid at maturity.
96-4 Development Financial bond	2007.12.28-2014.12.28	Floating rate	400,000	400,000	13,434	Interest is paid yearly. The principal is repaid at maturity.
97-4 Development Financial bond	2008.06.26-2015.06.26	Floating rate	6,000,000	6,000,000	201,511	Interest is paid yearly. The principal is repaid at maturity.
97-8 Development Financial bond	2008.09.29-2015.09.29	3.00%	1,600,000	1,600,000	53,736	Interest is paid yearly. The principal is repaid at maturity.
97-9 Development Financial bond	2008.12.23-2015.12.23	3.00%	6,400,000	6,400,000	214,945	Interest is paid yearly. The principal is repaid at maturity.
99-1 Development Financial bond	2010.12.24-2017.12.24	1.53%	10,300,000	10,300,000	345,928	Interest is paid yearly. The principal is repaid at maturity.
100-1 Development Financial bond	2011.04.15-2018.04.15	1.65%	4,700,000	4,700,000	157,851	Interest is paid yearly. The principal is repaid at maturity.
100-2 Development Financial bond	2011.11.24-2018.11.24	1.62%	7,900,000	7,900,000	265,323	Interest is paid yearly. The principal is repaid at maturity.
101-1 Development Financial bond	2012.05.18-2019.05.18	1.48%	1,300,000	1,300,000	43,661	Interest is paid yearly. The principal is repaid at maturity.
Total				$ 43,900,000	$ 1,474,391	

Name of bond	Issuing period	Interest rate %	Total issued amount	December 31, 2012 NT$	January 1, 2012 NT$	Remark
96-1 Development Financial bond	2007.09.27-2014.09.27	Floating rate	$ 5,000,000	$ 5,000,000	$ 5,000,000	Interest is paid yearly. The principal is repaid at maturity.
96-3 Development Financial bond	2007.12.28-2014.12.28	2.99%	300,000	300,000	300,000	Interest is paid yearly. The principal is repaid at maturity.
96-4 Development Financial bond	2007.12.28-2014.12.28	Floating rate	400,000	400,000	400,000	Interest is paid yearly. The principal is repaid at maturity.
97-4 Development Financial bond	2008.06.26-2015.06.26	Floating rate	6,000,000	6,000,000	6,000,000	Interest is paid yearly. The principal is repaid at maturity.
97-8 Development Financial bond	2008.09.29-2015.09.29	3.00%	1,600,000	1,600,000	1,600,000	Interest is paid yearly. The principal is repaid at maturity.
97-9 Development Financial bond	2008.12.23-2015.12.23	3.00%	6,400,000	6,400,000	6,400,000	Interest is paid yearly. The principal is repaid at maturity.
99-1 Development Financial bond	2010.12.24-2017.12.24	1.53%	10,300,000	10,300,000	10,300,000	Interest is paid yearly. The principal is repaid at maturity.
100-1 Development Financial bond	2011.04.15-2018.04.15	1.65%	4,700,000	4,700,000	4,700,000	Interest is paid yearly. The principal is repaid at maturity.
100-2 Development Financial bond	2011.11.24-2018.11.24	1.62%	7,900,000	7,900,000	7,900,000	Interest is paid yearly. The principal is repaid at maturity.
101-1 Development Financial bond	2012.05.18-2019.05.18	1.48%	1,300,000	1,300,000	-	Interest is paid yearly. The principal is repaid at maturity.
Total				$ 43,900,000	$ 42,600,000	

(19) Provisions

	December 31, 2013 NT$	December 31, 2013 US$
Liabilities reserve for employee benefits	$ 6,946,341	$ 233,295
Reserve for guarantee liabilities	3,562,796	119,657
Total	$ 10,509,137	$ 352,952

	December 31, 2012 NT$	January 1, 2012 NT$
Liabilities reserve for employee benefits	$ 6,396,051	$ 4,619,704
Reserve for guarantee liabilities	3,574,854	2,120,798
Total	$ 9,970,905	$ 6,740,502

Liabilities reserve for employee benefits are as follows:

	December 31, 2013 NT$	December 31, 2013 US$
Recognized in consolidated balance sheet:		
- Defined benefit plans	$ 4,344,092	$ 145,898
- Employee preferential savings plans	2,602,249	87,397
Total	$ 6,946,341	$ 233,295

	December 31, 2012 NT$	January 1, 2012 NT$
Recognized in consolidated balance sheet:		
- Defined benefit plans	$ 3,914,417	$ 2,494,261
- Employee preferential savings plans	2,481,634	2,125,443
Total	$ 6,396,051	$ 4,619,704

A. Defined contribution plans

Effective July 1, 2005, the Group established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"). Employees have the option to be covered under the New Plan. Under the New Plan, the Bank contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are portable when the employment is terminated. The pension costs under the defined contribution pension plan for the years ended December 31, 2013 and 2012 were NT$84,106 thousand, and NT$82,215 thousand, respectively.

B. Defined benefit plans

(A) The Group has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(B) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2013 NT$	December 31, 2013 US$
Present value of funded obligations	$ 14,559,066	$ 488,970
Fair value of plan assets	(9,861,053)	(331,186)
	4,698,013	157,784
Unrecognized past service cost	(353,921)	(11,887)
Net liability in the balance sheet	$ 4,344,092	$ 145,897

	December 31, 2012 NT$	January 1, 2012 NT$
Present value of funded obligations	$ 13,890,024	$ 12,305,022
Fair value of plan assets	(9,600,744)	(9,399,334)
	4,289,280	2,905,688
Unrecognized past service cost	(374,863)	(411,427)
Net liability in the balance sheet	$ 3,914,417	$ 2,494,261

(C) Changes in present value of the defined benefit obligation are as follows:

	2013 NT$	2013 US$	2012 NT$
Present value of defined benefit obligations as at January 1	$ 13,890,024	$ 466,500	$ 12,305,022
Current service cost	530,794	17,827	532,804
Interest cost	184,692	6,203	271,749
Actuarial profit and loss	565,078	18,978	1,420,365
Benefits paid	(611,522)	(20,538)	(639,916)
Present value of defined benefit obligations as at December 31	$ 14,559,066	$ 488,970	$ 13,890,024

(D) Changes in fair value of plan assets are as follows:

	2013 NT$	2013 US$	2012 NT$
Fair value of plan assets at January 1	$ 9,600,744	$ 322,443	$ 9,399,334
Expected return on plan assets	130,420	4,380	212,835
Actuarial profit and loss	(6,841)	(229)	(120,991)
Employer contributions	748,252	25,130	682,142
Benefits paid	(611,522)	(20,538)	(572,576)
Fair value of plan assets at December 31	$ 9,861,053	$ 331,186	$ 9,600,744

(E) Amounts of expenses recognized in comprehensive income statements are as follows：

	2013 NT$	2013 US$	2012 NT$
Current service cost	$ 530,794	$ 17,827	$ 532,804
Interest cost	184,692	6,203	271,749
Expected return on plan assets	(130,420)	(4,380)	(212,835)
Past service cost	20,942	703	36,564
Current pension costs	$ 606,008	$ 20,353	$ 628,282

(F) Amounts recognized under other comprehensive income are as follows：

	2013 NT$	2013 US$	2012 NT$
Recognition for current period	$ 571,919	$ 19,207	$ 1,541,356
Accumulated amount	$ 2,113,275	$ 70,975	$ 1,541,356

(G) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The constitution of fair value of plan assets as of December 31, 2013 and 2012 is given in the Annual Labor Retirement Fund Utilization Report published by the government. Expected return on plan assets was a projection of overall return for the obligations period, which was estimated based on historical returns and by reference to the status of Labor Retirement Fund utilization by the Labor Pension Fund Supervisory Committee and taking into account the effect that the Fund's minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

For the years ended December 31, 2013 and 2012, actual return on plan assets held by the Bank was $123,579 thousand and $91,844 thousand, respectively.

(H) The principal actuarial assumptions used were as follows:

	2013	2012	2011
Discount rate	1.70%	1.35%	2.25%
Rate of future salary increases	1.75%	1.25%	1.25%
Expected rate of return on plan assets	1.70%	1.35%	2.25%

Assumptions regarding future mortality rate are set based on the 5th Chart of Life Span Estimate Used by the Taiwan Life Insurance Enterprises.

(I) Historical information of experience adjustments was as follows:

	2013		2012
	NT$	US$	NT$
Present value of defined benefit obligation	$ 14,559,066	$ 488,970	$ 13,890,024
Fair value of plan assets	(9,861,053)	(331,186)	(9,600,744)
Deficit in the plan	$ 4,698,013	$ 157,784	$ 4,289,280
Experience adjustments on plan liabilities	$ 357,252	$ 11,998	$ 258,782
Experience adjustments on plan assets	($ 6,841)	($ 230)	($ 120,991)

(J) The Bank expects to contribute NT$551,041 thousand for defined benefit plan within a year after the financial period-end.

C. The Bank's payment obligations of fixed-amount preferential savings of retired employees and current employees after retirement are in compliance with the internal "Rules Governing Pension Preferential Savings of Staff of Mega International Commercial Banks". The excessive interest arising from the interest rate upon retirement agreed with the employees in excess of general market interest rate should be accounted for in accordance with IAS 19, "Employee Benefits".

(A) Adjustment of assets and liabilities recognized in the consolidated balance sheets, present value of defined benefit obligation, and fair value of plan assets:

	December 31, 2013		December 31, 2012
	NT$	US$	NT$
Present value of defined benefit obligation	$ 2,602,249	$ 87,397	$ 2,481,634
Less: Fair value of plan assets	-	-	-
	$ 2,602,249	$ 87,397	$ 2,481,634

(B) Changes in present value of the defined benefit obligation are as follows:

	2013		2012
	NT$	US$	NT$
Present value of defined benefit obligations as at January 1	$ 2,481,634	$ 83,346	$ 2,125,442
Interest cost	94,921	3,188	81,018
Actuarial profit and loss	478,463	16,069	697,855
Benefits paid	(452,769)	(15,206)	(422,681)
Present value of defined benefit obligations as at December 31	$ 2,602,249	$ 87,397	$ 2,481,634

(C) Changes in fair value of plan assets are as follows:

	2013		2012
	NT$	US$	NT$
Employer contributions	$ 452,769	$ 15,206	$ 422,681
Benefits paid	(452,769)	(15,206)	(422,681)
Fair value of plan assets at December 31	$ -	$ -	$ -

(D) Amounts of expenses recognized in comprehensive income statements are as follows：

	2013		2012
	NT$	US$	NT$
Interest cost	$ 94,921	$ 3,188	$ 81,018
Actuarial loss recognized for current period	478,463	16,069	697,855
Current pension costs	$ 573,384	$ 19,257	$ 778,873

(E) Actuarial assumptions

	2013	2012
Discount rate for employee preferential interest savings	4.00%	4.00%
Return rate on capital deposited	2.00%	2.00%
Annual decreasing ratio for account balance	1.00%	1.00%
Probability of change in preferential savings system in the future	50.00%	50.00%

D. Reserve for guarantee liabilities

The Bank had provided appropriate reserve for guarantee liabilities based on the guarantee reserve assessed. The detail and movement of reserve for guarantee liabilities for the year ended December 31, 2013 and 2012 are as follows:

	2013		2012
	NT$	US$	NT$
Balance at January 1	$ 3,574,854	$ 120,062	$ 2,120,798
Provision (reversal)	(13,137)	(441)	1,458,365
Effects of exchange rate changes and others	1,079	36	(4,309)
Balance at December 31	$ 3,562,796	$ 119,657	$ 3,574,854

(20) Other financial liabilities

	December 31, 2013	
	NT$	US$
Appropriation for loans	$ 1,599,433	$ 53,718
Structured deposits	6,848,976	230,024
Reserve for loans	-	-
Total	$ 8,448,409	$ 283,742

	December 31, 2012	January 1, 2012
	NT$	NT$
Appropriation for loans	$ 2,024,132	$ 2,636,999
Structured deposits	7,764,231	9,976,851
Reserve for loans	2	6
Total	$ 9,788,365	$ 12,613,856

(21) Other liabilities

	December 31, 2013	
	NT$	US$
Deposits received	$ 2,771,796	$ 93,091
Advance receipt	2,553,578	85,763
Temporary credits	1,570,634	52,750
Others	772,901	25,958
Total	$ 7,668,909	$ 257,562

	December 31, 2012	January 1, 2012
	NT$	NT$
Deposits received	$ 3,259,823	$ 2,836,474
Advance receipt	2,183,563	1,878,938
Temporary credits	4,059,375	4,241,641
Others	652,477	679,101
Total	$ 10,155,238	$ 9,636,154

(22) Equity

A. Common stock

As of December 31, 2013, December 31, 2012, and January 1, 2012, the Bank's authorized capital were NT$77,000,000 thousand, NT$71,000,000 thousand, and NT$68,000,000 thousand and the Bank's issued capital was NT$77,000,000 thousand, NT$71,000,000 thousand, and $68,000,000 thousand consisting of 7,700,000 thousand shares, 7,100,000 thousand shares, and 6,800,000 thousand shares, respectively, with a par value of $10 per share.

The Bank's Board of Directors meetings on October 4, 2013 and July 20, 2012 adopted a resolution on behalf of the stockholders to increase cash capital totaling $6,000,000 thousand and $3,000,000 thousand by issuing 600,000 thousand and 300,000 thousand shares of common stocks through private placement, respectively. These common stocks were all subscribed by the Bank's parent company, Mega Financial Holding Co., Ltd., at subscription price of $25 and $23.97 (in dollars) per share, respectively. The cash capital increase has been approved by FSC with the effective date set on December 18, 2013 and September 5, 2012, respectively. After cash capital increase, total share capital issued was $77,000,000 thousand and $71,000,000 thousand, respectively, with a par value of $10 per share issued.

B. Share-based payment-employee compensation plan

Pursuant to Article 267-1 of the R.O.C. Company Act, the parent, Mega Financial Holding Co., Ltd., reserved 10% of shares in cash capital increase for the Group's employee preemption, which resulted in share-based payment for employee compensation below.

(A) As of December 31, 2013, the Bank's share-based payment transactions are set forth below:

Type of arrangement	Grant date	Quantity granted (share)	Vesting conditions
Cash capital increase reserved for employee preemption	2013/11/01	68,504,000	Vested immediately

(B) Capital surplus arising from share-based payment transactions was $238,403 thousand.

C. Capital surplus

(A) Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Bank has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(B) On December 31, 2013, December 31, 2012, and January 1, 2012, the details of the Bank's capital surplus is as follows:

	December 31, 2013	
	NT$	US$
Premium on stock	$ 46,261,028	$ 1,553,687
Share-based payment	238,403	8,007
	$ 46,499,431	$ 1,561,694

	December 31, 2012	January 1, 2012
	NT$	NT$
Premium on stock	$ 37,261,028	$ 33,070,028

Note: above-mentioned share-based payment includes the subsidiaries.

D. Legal reserve and Special reserve

(A) Legal reserve

Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Bank's paid-in capital. As of December 31, 2013, December 31, 2012, and January 1, 2012, the Bank's legal reserves are NT$52,841,523 thousand, NT$47,041,482 thousand, and NT$42,539,125 thousand, respectively.

(B) Special reserve

In accordance with Gin-Guan-Zheng-Fa letter No. 1010012865 of FSC dated on April 6, 2012, upon the first-time adoption for IFRSs, equivalent amounts of special reserve with regard to the unrealized revaluation increment under the stockholders' equity and cumulative translation adjustment (gains) transferred to retained earnings should be set aside. For the said special reserve, reversal of distributed earnings shall be based on the proportion of the original ratio of special reserve provision in the subsequent use, disposal or reclassification for the related assets. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land. If the assets are investment property other than land, the amounts are reversed over the use period and should be reversed by amortized balance upon disposal. As of December 31, 2013, December 31, 2012, and January 1, 2012, the special reserve of the Bank were NT$3,997,433 thousand, NT$4,881,421 thousand, and NT$3,711,254 thousand, respectively.

In accordance with the regulations, the Bank shall set aside an equivalent amount of special reserve from earnings after tax of the current year and the undistributed earnings of the prior period based on the net decreased amount of other stockholders' equity in the current period before distributing earnings. If there is any reversal of decrease in other stockholders' equity, the earnings may be distributed based on the reversal proportion.

(23) Retained earnings and dividend policies

A. The current year's earnings, if any, shall first be used to pay all taxes and offset prior year's operating loss, and the remaining amount should then be set aside as legal reserve and special reserve in accordance with provisions under the applicable laws and regulations. 2.4% of the remaining earnings (including reversible special reserve) are then distributed as bonuses to employees, and the remaining earnings plus prior year's accumulated unappropriated earnings are subject to the Board of Directors' proposal for a distribution plan and approval by the stockholders at the Ordinary Stockholders' Meeting; in the plan, cash dividends shall account for no less than 50% of total dividends, while the remainder are stock dividends. Bonus to employees and dividends to stockholders are distributed in the form of cash. Distribution of bonus to employees should be resolved by the Board of Directors.

B. The legal reserve is to be used exclusively to offset any deficit or to increase capital by issuing new shares or distribute cash dividends according to original shareholders in proportion to the number of shares being held by each of them and is not to be used for any other purposes. For the legal reserve to be used for issuing new shares or distributing cash dividends, only the portion of the legal reserve exceeding 25% of paid-in capital may be capitalized or released.

C. Shareholders other than those not living in ROC have imputation tax credit for the distribution of earnings after (in) 1998 based on the creditable tax rate on the dividend declaration day.

As of December 31, 2013, December 31, 2012 and January 1, 2012, cumulative unappropriated retained earnings recorded in the books were all earnings generated in and after 1998.

D. The appropriations and distributions for 2012 and 2011 approved by the Bank's Board of Directors on the stockholders' behalf on May 10, 2013 and May 11, 2012, respectively, were as follows：

	2012 NT$	2011 NT$
Legal reserve	$ 5,800,041	$ 4,502,357
Special reserve (Note)	44,435	1,170,186
Cash dividends (NT$1.45 and NT$1.37 per share)	10,295,000	9,316,000
	$ 16,139,476	$ 14,988,543

Note: The Bank in accordance with the description in Note 6(22)D(B) of the relevant provisions of special reserves, reversed special reserve of NT$895,293 thousand, and set aside provisions of NT$44,435 thousands of special reserves in accordance with the Bank's Articles of Association and The Banking Act of the Republic of China.

Besides, special reserve totaling $7,701 thousand was reversed by Mega International Commercial Bank Ho Chi Minh City Branch in accordance with the requirement of local competent authority.

Information on the appropriation of the Company's earnings as approved by the Board of Directors and during the shareholders' meeting is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange. The Company's 2012 actual earnings distributions were as mentioned above, bonuses to employees and remunerations to supervisors and directors in 2012 approved by the Board of Directors. The $1,284 thousand difference between the employees bonus resolved by the stockholders' meeting during 2012 and the recognized amount in the financial statements of 2012 has been adjusted in the profits and losses of 2013.

E. The Bank recognized the estimated costs of NT$64,987 thousand、NT$57,682 thousand, NT$329,946 thousand and NT$343,939 thousand for employees' bonuses for the years ended December 31, 2013 and 2012 which, after taking net income and legal reserve into account, is based on the ratio stipulated in the Company's Articles of Incorporation.

F. The appropriation of 2013 earnings resolved by the Board of Directors on March 21, 2014 is set forth below:

	2013 NT$
Legal reserve	$ 5,641,811
Special reserve	40,080
Cash dividends (NT$1.45 per share)	11,165,000

(24) Other equity

	Cumulative translation differences of foreign operations	Available-for-sale financial assets	Total
		NT$	
January 1, 2013	($ 918,398)	($ 87,439)	($ 1,005,837)
Available-for-sale financial assets			
Evaluation adjustment in the period	-	1,712,380	1,712,380
Realized gain and loss in the period	-	(991,274)	(991,274)
Cumulative translation differences of foreign operations	14,825	-	14,825
Share of other comprehensive income of associates and joint ventures accounted for under equity method	2,866	(72,527)	(69,661)
December 31, 2013	($ 900,707)	$ 561,140	($ 339,567)

	Cumulative translation differences of foreign operations	Available-for-sale financial assets	Total
		US$	
January 1, 2013	($ 30,845)	($ 2,937)	($33,782)
Available-for-sale financial assets			
Evaluation adjustment in the period	-	57,511	57,511
Realized gain and loss in the period	-	(33,292)	(33,292)
Cumulative translation differences of foreign operations	498	-	498
Share of other comprehensive income of associates and joint ventures accounted for under equity method	96	(2,436)	(2,340)
December 31, 2013	($ 30,251)	$ 18,846	($ 11,405)

	Cumulative translation differences of foreign operations	Available-for-sale financial assets	Total
		NT$	
January 1, 2012	$ -	($ 1,160,790)	($ 1,160,790)
Available-for-sale financial assets			
Evaluation adjustment in the period	-	2,152,101	2,152,101
Realized gain and loss in the period	-	(1,059,374)	(1,059,374)
Cumulative translation differences of foreign operations	(907,701)	-	(907,701)
Share of other comprehensive income of associates and joint ventures accounted for under equity method	(10,697)	(19,376)	(30,073)
December 31, 2012	($ 918,398)	($ 87,439)	($ 1,005,837)

(25) Net interest income

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Interest income			
Discount and loan interest income	$ 33,012,570	$ 1,108,735	$ 32,006,249
Storage and loan interest income of banks	5,384,512	180,840	4,118,777
Securities investment interest income	4,532,540	152,226	3,571,613
Interest income of remittance purchased	324,596	10,902	334,603
Credit card interest income	245,593	8,248	272,387
Interest income of securities purchased under resale agreements income	42,610	1,431	10,079
Other interest income	434,479	14,592	293,155
Subtotal	43,976,900	1,476,974	40,606,863
Interest expenses			
Deposit interest expense	($ 10,767,980)	($ 361,645)	($ 9,416,765)
The Central Bank and the bank deposit interest expense	(1,880,331)	(63,151)	(1,817,463)
Interest expense of securities sold under repurchase agreements	(322,338)	(10,826)	(52,239)
Bond interest expense	(777,902)	(26,126)	(768,230)
Other interest expense	(10,968)	(369)	(9,493)
Subtotal	(13,759,519)	(462,117)	(12,064,190)
Total	$ 30,217,381	$ 1,014,857	$ 28,542,673

(26) Fee income-net

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Service fee income			
Trust service fee income	$ 2,073,082	$ 69,625	$ 1,629,156
Import and export service fee income	724,574	24,335	754,380
Remittance service fee income	1,015,402	34,103	1,013,928
Agent service fee income	1,301,551	43,713	1,562,978
Ensure the service fee income	850,891	28,577	862,738
Loan service fee income	1,844,714	61,955	1,470,716
Other fee income	1,041,369	34,974	789,147
Subtotal	$ 8,851,583	$ 297,282	$ 8,083,043
Service fee charges			
Agent service fee	(510,952)	(17,160)	(479,557)
Other charges	(237,335)	(7,971)	(191,710)
Subtotal	(748,287)	(25,131)	(671,267)
Net fee income	$ 8,103,296	$ 272,151	$ 7,411,776

The Company and its subsidiaries provide custody, trust, and investment management and consultation service to the third party, and therefore the Group is involved with the exercise of planning, managing and trading decision of financial instruments. In relation to the management and exercise of trust fund and portfolio for brokerage, the Group records and prepares the financial statements independently for internal management purposes, which are not included in the financial statements of the Group.

(27) Gain on financial assets and liabilities at fair value through profit or loss

	For the years ended December 31, 2013 NT$	2013 US$	2012 NT$
Realized gain or loss on financial assets and financial liabilities at fair value through profit or loss			
Bond	$ 45,001	$ 1,511	$ 48,821
Stock	328,610	11,036	89,096
Interest rate	(781,995)	(26,263)	(15,260)
Exchange rate	(821,871)	(27,603)	516,760
Options	1,067,341	35,847	222,624
Futures	(2,882)	(97)	(3,725)
Asset swap contract	(176,636)	(5,932)	(173,236)
Credit default swap	198,879	6,679	371,975
Other	(2,378)	(80)	80
Subtotal	(145,931)	(4,902)	1,057,135
Unrealized gain or loss on financial assets and financial liabilities at fair value through profit or loss			
Bond	1,478,345	49,651	1,985,849
Stock	26,456	889	112,627
Interest rate	1,089,380	36,587	(571,654)
Exchange rate	208,352	6,998	(665,636)
Options	(2,053,445)	(68,965)	1,294
Futures	340	11	-
Asset swap contract	(162,213)	(5,448)	(634,678)
Credit default swap	229,594	7,711	647,631
Other	(18,614)	(625)	(17,923)
Subtotal	798,195	26,809	857,510
Dividend income on financial assets at fair value through profit or loss	108,337	3,639	96,181
Interest income on financial assets at fair value through profit or loss	744,389	25,000	787,025
Interest expense on financial liabilities at fair value through profit or loss	(211,014)	(7,087)	(265,088)
Total	$ 1,293,976	$ 43,459	$ 2,532,763

Net income on the exchange rate instrument includes realized and unrealized gains and losses on forward exchange agreement, FX options, and exchange rate futures. Not designated as foreign exchange financial assets and liabilities, measured at fair value through profit and loss, its conversion gains or losses are included in net income under exchange rate commodities.

Interest-linked instruments include interest rate swap contracts, money market instruments, interest linked-options and other interest related instruments.

(28) Realized gains on available-for-sale financial assets

	For the years ended December 31, 2013 NT$	2013 US$	2012 NT$
Dividend income	$ 299,676	$ 10,065	$ 228,978
Realized net gains or losses			
Fund	40,701	1,367	(895)
Short coupon	2,551	86	504
Bond	15,236	512	62,409
Stock	906,192	30,434	997,356
Other	26,594	893	-
Total	$ 1,290,950	$ 43,357	$ 1,288,352

(29) Loss on asset impairment

	For the years ended December 31, 2013 NT$	2013 US$	2012 NT$
Financial assets carried at cost - stocks	$ 353,225	$ 11,863	$ 480,294
Available-for-sale - financial assets	81,869	2,750	49,183
Gain on reversal of impairment loss on property and equipment	(79,631)	(2,674)	(29,813)
Gain on reversal of investment property	(36,254)	(1,218)	(15,709)
Total	$ 319,209	$ 10,721	$ 483,955

(30) Other revenue other than interest income

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Net income from rent	$ 196,510	$ 6,600	$ 196,341
Other revenue	316,567	10,632	154,411
Total	$ 513,077	$ 17,232	$ 350,752

(31) Employee benefits expenses

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Payroll expense	$ 9,394,086	$ 315,502	$ 9,136,403
Staff insurance	618,214	20,763	511,419
Pension	690,114	23,178	710,497
Other staff expenses	1,799,453	60,435	1,796,134
Total	$ 12,501,867	$ 419,878	$ 12,154,453

(32) Depreciation and amortization

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Depreciation	$ 565,794	$ 19,002	$ 595,136
Amortization	9,222	310	3,935
Total	$ 575,016	$ 19,312	$ 599,071

(33) Other general and administrative expenses

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Taxes	$ 1,185,782	$ 39,825	$ 1,070,974
Rental	829,711	27,866	748,405
Computer software maintenance fees	425,342	14,285	367,141
Water and electricity	156,917	5,270	150,215
Postage	204,377	6,864	188,966
Advertising and printing cost	40,042	1,345	39,074
Business development	207,877	6,982	225,584
Professional expense	293,733	9,865	289,616
Insurance charges	383,731	12,888	391,592
Others	1,504,269	50,521	1,582,533
Total	$ 5,231,781	$ 175,711	$ 5,054,100

(34) Income tax

A. Income tax expense

(A) Income tax:

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Current income tax:			
Income tax from current income	$ 3,296,538	$ 110,715	$ 3,431,726
Income tax attributed to adjustments of prior years income taxes	139,784	4,694	187,358
Total current tax	3,436,322	115,409	3,619,084
Deferred income tax:			
Origination and reversal of temporary differences	(242,021)	(8,128)	(286,426)
Income tax expense	$ 3,194,301	$ 107,281	$ 3,332,658

(B) The income tax relating to components of other comprehensive income is as follows:

	2013		2012
	NT$	US$	NT$
Actuarial gains/losses on defined benefit obligations	$ 97,226	$ 3,265	$ 262,031

(C) Reconciliation between accounting income and income tax expense:

	2013 NT$	2013 US$	2012 NT$
Income tax calculated based on pre-tax income using statutory tax rate enacted in the country where the Group operates	$ 4,794,450	$ 161,022	$ 5,261,789
Effects of items not recognized under relevant regulations	6,266	210	6,516
Additional 10% tax payment levied on undistributed earnings	408,929	13,734	1,932
Income tax of overseas subsidiaries and branches and adjustments in respect of prior years	139,784	4,695	187,358
Adjusted effects on income tax exemption and other income	(2,155,128)	(72,380)	(2,124,937)
Income tax expense	$ 3,194,301	$ 107,282	$ 3,332,658

B. As of December 31, 2013, the income tax returns of the Bank through 2007 have been examined by the Tax Authorities. In connection with such examinations, the Bank disagreed with the assessment and has filed an appeal to the Tax Authorities in connection with the 2004 and 2005 income tax return. For conservatism purposes, the Bank had recognized the tax listed above.

C. Deferred income tax assets or liabilities arising from the temporary differences are as follows:

	2013 NT$			
Temporary differences:	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Allowance for doubtful accounts in excess	$ 620,531	$ 593,572	$ -	$ 1,214,103
Reserve of guarantees in excess	180,658	51,901	-	232,559
Employee benefit liabilities reserve	1,043,876	(43,171)	97,226	1,097,931
Unrealized impairment loss	660,576	(11,819)	-	648,757
Others	283,039	(24,159)	-	258,880
	$ 2,788,680	$ 566,324	$ 97,226	$ 3,452,230
Deferred income tax liabilities				
Land value increment tax	($ 1,053,300)	$ -	$ -	($ 1,053,300)
Unrealized exchange gains	(164,131)	(287,766)	-	(451,897)
Investment income accounted for under the equity method	(414,878)	(55,284)	-	(470,162)
Others	(54,860)	(7,742)	-	(62,602)
	($ 1,687,169)	($ 350,792)	$ -	($ 2,037,961)

	2013 US$			
Temporary differences:	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Allowance for doubtful accounts in excess	$ 20,841	$ 19,935	$ -	$ 40,776
Reserve of guarantees in excess	6,067	1,743	-	7,810
Employee benefit liabilities reserve	35,059	(1,450)	3,265	36,874
Unrealized impairment loss	22,186	(397)	-	21,789
Others	9,506	(811)	-	8,695
	$ 93,659	$ 19,020	$ 3,265	$ 115,944
Deferred income tax liabilities				
Land value increment tax	($ 35,375)	$ -	$ -	($ 35,375)
Unrealized exchange gains	(5,512)	(9,665)	-	(15,177)
Investment income accounted for under the equity method	(13,934)	(1,857)	-	(15,791)
Others	(1,842)	(260)	-	(2,102)
	($ 56,663)	($ 11,782)	$ -	($ 68,445)

Temporary differences:	2012 NT$ January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Allowance for doubtful accounts in excess	$ 510,858	$ 109,673	$ -	$ 620,531
Reserve of guarantees in excess	-	180,658	-	180,658
Employee benefit liabilities reserve	780,563	1,282	262,031	1,043,876
Unrealized impairment loss	735,285	(74,709)	-	660,576
Others	364,312	(81,273)	-	283,039
	$ 2,391,018	$ 135,631	$ 262,031	$ 2,788,680
Deferred income tax liabilities				
Land value increment tax	($ 1,053,321)	$ 21	$ -	($ 1,053,300)
Unrealized exchange gains	(180,383)	16,252	-	(164,131)
Investment income accounted for under the equity method	(365,551)	(49,327)	-	(414,878)
Others	(238,709)	183,849	-	(54,860)
	($ 1,837,964)	$ 150,795	$ -	($ 1,687,169)

D. As of December 31, 2013, December 31, 2012 and January 1, 2012, the balance of the imputation tax credit account was $24,382, $1,289, and$278,063, respectively. The creditable tax rate was 1.05% for 2012 and is estimated to be 0.12% for 2013.

(35) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

	For the years ended December 31, 2013 NT$	2013 US$	2012 NT$
Weighted-average number of shares outstanding common stock (Unit: Thousands)	7,123,014		6,896,721
Profit attributable to ordinary shareholders of the Group	$ 18,806,038	$ 631,605	$ 18,995,626
Basic earnings per share (dollar)	$ 2.64	$ 0.09	$ 2.75

7. FAIR VALUE INFORMATION OF FINANCIAL INSTRUMENTS

(1) Overview

Fair value is the amount for which an asset could be exchanged or a liability can be settled between parties in an arm's length transaction. Financial instruments are initially recognized by fair value, which is transaction price in most cases. Subsequent recognitions are measured by fair value except that certain financial instruments are recognized by amortized cost. In the subsequent measurements, the best evidence of fair value is the quoted market price in an active market. If the market in which financial instruments traded is not active, the Company and its subsidiaries then adopts valuation technique or takes reference to Bloomberg or the fair value of financial instrument from counterparties.

(2) Fair value information of financial instruments

Except for those listed in the table below, the carrying amounts of certain financial instruments held by the Company and its subsidiaries (such as cash and cash equivalents, due from Central Bank and call loans to other banks, investments in bills and bonds under resale agreement, accounts receivable, bills discounted and loans, due to Central Bank and other banks, funds borrowed from the Central Bank and other banks, bills and bonds payable under repurchase agreements, accounts payable, deposits and remittances, financial bonds payable, and other financial liabilities) are approximate to their fair values (please refer to Note7(4)). The fair value information of financial instruments measured at fair value is provided in Note7(5).

Items	NT$ Book value	NT$ Fair value
December 31, 2013		
Held-to-maturity financial assets - net	$ 182,739,356	$ 182,799,621

Items	US$ Book value	US$ Fair value
December 31, 2013		
Held-to-maturity financial assets - net	$ 6,137,342	$ 6,139,366

Items	NT$ Book value	NT$ Fair value
December 31, 2012		
Held-to-maturity financial assets - net	$ 159,207,720	$ 159,264,491

Items	NT$ Book value	NT$ Fair value
January 1, 2012		
Held-to-maturity financial assets - net	$ 130,949,228	$ 130,815,645

(3) Financial instruments measured at fair value

If the market quotation from the Taiwan Stock Exchange Corporation, Reuters, Bloomberg information, commission merchants, or competent authorities can be frequently obtained on time, and the price represents the actual and frequent transactions at arm's length, then a financial instrument is deemed to have an active market. If the above condition cannot be met, the market is deemed inactive. In general, significant price variance between the purchase price and selling price, significantly increasing price variance or extremely low trading volume are all indicators of an inactive market.

If the quoted market price of a financial instrument is available in an active market, the quoted price is the fair value, usually the fair value is measured using the market price, interest rate, foreign exchange central parity rate shown in Reuters quotation system, partially using the quoted prices from Bloomberg, OTC, or counterparties, and the basis for valuation is maintained consistently. If there is no quoted market price for reference, a valuation technique or quoted price offer by the counterparties will be adopted to measure the fair value. Fair value measured by a valuation technique is usually estimated by reference to the fair values of other financial instruments with similar terms and characteristics, or by using cash flows discounting method, or using model calculation based on the market information (such as yield rate curves from OTC, average interest rate of commercial papers from Reuters) available on the balance sheet date.

When assessing non-standardized financial instruments with lower complexity, derivative financial instruments such as debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts, options, the Group uses valuation techniques and models which are extensively used by the market to estimate their fair value. The parameters used in the valuation model for these kinds of financial instruments usually use the observable information as the input.

For more complicated financial instruments, such as debt instruments with embedded derivative instruments or securitization products, the Group develops its own valuation models to estimate fair value by reference to the valuation techniques and methods which are extensively used by the same trade. Parts of parameters used in these valuation models are not observable from the market; they must be estimated by using some assumptions.

The Group uses its own credit spread to measure the fair value of derivative financial liabilities and financial liabilities designated at fair value through profit or loss. When the Group's credit spread increases and value of liabilities declines, gain is recognized; when the Group's credit spread declines and value of liabilities increases, loss is recognized.

A. NTD Central Government Bond: the yield rates across different contract length and one-hundred price bulletined by Over-The-Counter (hereinafter OTC) are used.

B. NTD corporate bonds, financial debentures, government bonds, bond-type beneficiary securities and designated financial debentures issued by the Group: the present value of future estimated cash flows is calculated by using the yield rate curve from OTC.

C. NTD short-term bills and NTD bill-type beneficiary securities: the present value of future estimated cash flows of NTD and USD short-term bills is calculated by using average interest rate of commercial papers and TAIFX3 central parity rate from Reuters, respectively.

D. Foreign securities: quoted prices from Bloomberg or counterparties are adopted.

E. Listed stock: the closing price being listed in TSE is adopted.

F. Unlisted stock and domestic/foreign partnership-type fund: If the objective recently has representative trading, its trading price might be the best estimate of its fair value. If the objective has comparable listed trades, its fair value can be estimated by using appropriate market method, such as P/E method, P/B method, EV/EBIT method or EBITDA×EV method, taking into account the operation condition of the comparable listed companies, most recent one month trading information and its liquidity. And if the objective has no comparable instruments or its fair value cannot be estimated using market method, other valuation technique, such as net assets method or income approach, is used to estimate its fair value.

G. Funds: net fund value is adopted.

H. Derivative financial instruments:

(A) Foreign exchange forward contract, currency swaps, forward rate agreement, interest rate swaps and cross currency swaps: the discounting future cash flow is adopted.

(B) Options: Black-Scholes model is mainly adopted for valuation.

(C) Some structured derivative financial instruments are valued by using BGM model.

(D) Some foreign-currency derivatives are valued by using the quoted prices from Bloomberg or counterparties.

(4) Fair value financial instruments not measured at fair value through profit or loss

A. In relation to cash and cash equivalents, investments in bills and bonds under resale agreements, due from the Central Bank and call loans to banks, receivables, restricted assets, refundable deposits, due to the Central Bank and financial institutions, funds borrowed from the Central Bank and other banks, bills and bonds payable under repurchase agreements, payables and stock deposits, the book value of the financial instruments which have a short maturity period will be considered as their fair value. While the maturities are quite closed or the future payment or receipt is closed to the carrying amount, the carrying amount at the consolidated balance sheet date is used to estimate the fair value.

B. Interest rates of the Company and its subsidiaries' bills discounted and loans (including non-performing loans) are generally based on the benchmark interest rate plus or minus certain adjustment to reflect the market interest rate. Thus, their fair values are based on the book value after adjustments of estimated recoverability. Fair values for long-term loans with fixed interest rates shall be estimated using their discounted values of expected future cash flows. However, as such loans account for only a small portion of all loans, book value was used to estimate the fair value.

C. When held-to-maturity financial assets have a quoted market price available in an active market, the fair value is determined using the market price. If there is no quoted market price for reference, a valuation technique or quoted price offer by the counterparties will be adopted to measure the fair value.

D. The fair value of deposits and remittances are represented by the book value.

E. The coupon rate of convertible bonds and bank debentures issued by the Group is equivalent to market interest rate; therefore, fair value estimated based on the present value of future cash flows is equivalent to book value.

F. For other financial assets, such as investments in debt instruments without active market, financial assets measured at cost and investments accounted for under the equity method, as they have no quoted price in active market and their valuation results by using different valuation methods are significantly different, their fair value cannot be measured reliably and is not disclosed here.

(5) Level information of financial instrument at fair value

A. Three definition of the Company and its subsidiaries' financial instruments at fair value

(A) Level 1

If the market for the financial instrument is active, the fair value of the financial instrument is represented by the quoted prices of the same instruments. An active market refers to a market that meets all of the following conditions:(A) the goods traded in the market are homogeneous;(B) willing sellers and buyers can be found at the same time;(C) the price information is available to the public. The Company and its subsidiaries' investment in listed stock, beneficiary certificates, popular Taiwan government bonds and the derivatives with a quoted price in an active market, are deemed as Level 1.

(B) Level 2

The observable prices other than the quoted prices in an active market comprise direct (e.g. prices) or indirect (e.g. introduced by prices) observable inputs obtained from an active market. The Company and its subsidiaries' investments in non-popular government bonds, corporate bonds, bank debentures, convertible bonds and most derivative instruments and corporate bonds issued by the Company and its subsidiaries belong to this category.

(C) Level 3

The inputs adopted to measure fair value at this level are not based on available data from the markets (non-observable inputs, e.g. option pricing model using history volatility rate, because history volatility rate cannot represent the expectation value of market participants for future volatility rate). The Company and its subsidiaries' investments in some derivative instruments without active market belong to this category.

B. Information of fair value hierarchy of financial instruments

(In NT Dollars)

	December 31, 2013			
Financial instruments at fair value through profit or loss	Total	Level 1	Level 2	Level 3
Non derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Investment in stock	$ 3,763,363	$ 3,763,363	$ -	$ -
Investment in bonds	36,462,464	4,940,733	31,521,731	-
Available-for-sale financial assets				
Investment in stock	10,516,299	9,281,396	1,234,903	-
Investment in bonds	98,754,645	17,920,242	80,834,403	-
Commercial paper and certificate of deposit	66,926,233	4,037,410	62,888,823	
Other	8,252,667	7,552,372	700,295	-
Liabilities				
Financial liabilities at fair value through profit or loss	(6,146,843)	-	(6,146,843)	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	4,255,213	-	3,555,144	700,069
Liabilities				
Financial liabilities at fair value through profit or loss	(7,720,209)	-	(6,553,987)	(1,166,222)
Total	$ 215,063,832	$ 47,495,516	$ 168,034,469	($ 466,153)

(In US Dollars)

Financial instruments at fair value through profit or loss	December 31, 2013 Total	Level 1	Level 2	Level 3
Non derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Investment in stock	$ 126,394	$ 126,394	$ -	$ -
Investment in bonds	1,224,600	165,936	1,058,664	-
Available-for-sale financial assets				
Investment in stock	353,192	311,718	41,474	-
Investment in bonds	3,316,697	601,855	2,714,842	-
Commercial paper and certificate of deposit	2,247,733	135,598	2,112,135	
Other	277,167	253,648	23,519	-
Liabilities				
Financial liabilities at fair value through profit or loss	(206,443)	-	(206,443)	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	142,912	-	119,400	23,512
Liabilities				
Financial liabilities at fair value through profit or loss	(259,285)	-	(220,117)	(39,168)
Total	$ 7,222,967	$ 1,595,149	$ 5,643,474	($ 15,656)

(In NT Dollars)

Financial instruments at fair value through profit or loss	December 31, 2012 Total	Level 1	Level 2	Level 3
Non derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Investment in stock	$ 2,824,324	$ 2,824,324	$ -	$ -
Investment in bonds	33,792,246	4,724,519	29,067,727	-
Available-for-sale financial assets				
Investment in stock	9,631,862	8,562,392	1,069,470	-
Investment in bonds	69,265,188	14,599,792	54,665,396	-
Commercial paper and certificate of deposit	50,117,583	5,144,292	44,973,291	
Other	4,603,201	515,690	4,087,511	-
Liabilities				
Financial liabilities at fair value through profit or loss	(7,469,567)	-	(7,469,567)	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	4,000,539	-	3,372,155	628,384
Liabilities				
Financial liabilities at fair value through profit or loss	(6,666,403)	-	(5,742,040)	(924,363)
Total	$ 160,098,973	$ 36,371,009	$ 124,023,943	($ 295,979)

(In NT Dollars)

Financial instruments at fair value through profit or loss	January 1, 2012 Total	Level 1	Level 2	Level 3
Non derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Stock investment	$ 4,746,211	$ 4,746,211	$ -	$ -
Bonds investment	31,697,434	4,459,112	27,238,322	-
Available-for-sale financial assets				
Stock investment	9,798,426	7,229,139	2,569,287	-
Bonds investment	52,496,830	14,437,986	38,058,844	-
Commercial paper and certificate of deposit	6,794,460	5,249,005	1,545,455	
Other	4,647,170	300,000	4,347,170	-
Liabilities				
Financial liabilities at fair value through profit or loss	(13,606,240)	-	(13,606,240)	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	5,358,100	-	4,633,625	724,475
Liabilities				
Financial liabilities at fair value through profit or loss	(6,761,850)	-	(6,378,239)	(383,611)
Total	$ 95,170,541	$ 36,421,453	$ 58,408,224	$ 340,864

C. Movements of financial instruments classified into Level 3 of fair value are as follows:

(A) Movements of financial assets classified into Level 3 of fair value are as follows:

For the year ended December 31, 2013 (In NT Dollars)

		Gain and loss on valuation		Addition		Reduction		
Items	Beginning balance	Gain and loss	Other comprehensive income	Purchased or issued	Transferred to Level 3	Sold, disposed or settled	Transferred from Level 3	Ending balance
Financial assets at fair value through profit or loss	$ 628,384	($ 95,572)	-	$ 491,447	-	($ 324,190)	-	$ 700,069

For the year ended December 31, 2013 (In US Dollars)

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3	Ending balance
Financial assets at fair value through profit or loss	$ 21,104	($ 3,209)	-	$ 16,505	-	($ 10,888)	-	$ 23,512

For the year ended December 31, 2012 (In NT Dollars)

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3	Ending balance
Financial assets at fair value through profit or loss	$ 724,475	($ 323,324)	-	$ 314,678	-	($ 87,445)	-	$ 628,384

(B) Movements of financial liabilities classified into Level 3 of fair value are as follows:

For the year ended December 31, 2013 (In NT Dollars)

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3	Ending balance
Financial liabilities at fair value through profit or loss	($ 924,363)	$ 91,811	-	($ 867,756)	-	$ 534,086	-	($ 1,166,222)

For the year ended December 31, 2013 (In US Dollars)

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3	Ending balance
Financial liabilities at fair value through profit or loss	($ 31,045)	$ 3,083	-	($ 29,143)	-	$ 17,937	-	($ 39,168)

For the year ended December 31, 2012 (In NT Dollars)

Items	Beginning balance	Gain and loss on valuation: Gain and loss	Gain and loss on valuation: Other comprehensive income	Addition: Purchased or issued	Addition: Transferred to Level 3	Reduction: Sold, disposed or settled	Reduction: Transferred from Level 3	Ending balance
Financial liabilities at fair value through profit or loss	($ 383,611)	($ 80,033)	-	($ 543,002)	-	$ 82,283	-	($ 924,363)

D. Transfer between Level 1 and Level 2

With regard to the financial instruments held by the Group, no transfer between Level 1 and Level 2 has occurred during the period.

E. Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Group made to the financial instruments is deemed reasonable; however, different valuation models or inputs could results in different valuation results. Specifically, if the valuation input of financial instrument classified in Level 3 moves upward or downward by 10%, the effects on gain and loss in the period or the effects on other comprehensive income are as follows:

December 31, 2013	Effect of changes in fair value in the current profit and loss	
	NT$	
	Favorable change	Adverse change
Derivative financial assets and liabilities	$ 9,334	($ 9,334)

December 31, 2013	Effect of changes in fair value in the current profit and loss	
	US$	
	Favorable change	Adverse change
Derivative financial assets and liabilities	$ 313	($ 313)

December 31, 2012	Effect of changes in fair value in the current profit and loss	
	NT$	
	Favorable change	Adverse change
Derivative financial assets and liabilities	$ 9,005	($ 9,005)

January 1, 2012	Effect of changes in fair value in the current profit and loss	
	NT$	
	Favorable change	Adverse change
Derivative financial assets and liabilities	$ 16,670	($ 16,670)

Favorable and unfavorable movements of the Group refer to the fluctuation of fair value, and the fair value is calculated according to unobservable parameters to different extent. If the fair value of a financial instrument is affected by one or more inputs, the correlation and variance of input are not put into consideration in the above table.

8. MANAGEMENT OBJECTIVE AND POLICY FOR FINANCIAL RISK

(1) Overview

The Group earns profits mainly from lending, financial instruments trading, investments, brokerage, financial planning, assets management and insurance businesses. The Group is supposed to bear and manage any risks from these business activities. These risks include credit risk, market risk, operating risk and liquidity risk. Among those risks, credit risk, market risk and liquidity risk have greatest impact.

The Group regards any potential factors that might negatively affect earnings and reputation as risks. To maintain steady profits and good reputation and avoid losses from incidental events, the Group's risk management policies focus on prevention and reduction of anticipated business risks and increase of capital in response to future anticipated risks. In order to meet the solid operating requirements by the competent authorities, depositors and other stakeholders for management objectives for risks, business risks are controlled within the tolerable scope.

(2) The organization framework of risk management

The Bank established risk management policies and guidelines and whole risk tolerance of the Group. Subsidiaries therefore follow the Bank's instructions in setting risk management organization, policies, objectives, procedures, internal control operation, risk monitor mechanism and risk limits, and report to the Bank on risk management issues.

The Board of Directors is the highest instruction unit of the Group's risk management organization structure and is responsible for establishing risk management system, including risk management policies, organization structure, risk preference, internal control system and management of significant business cases, and the effective operation of the system. Under the Board of Directors, the risk management committee is established. The risk management committee is responsible for review and monitor of risk management. The Bank and significant subsidiaries all have risk management unit, being a part of the risk management committee and responsible for supervising the establishment of risk management mechanism, risk limits setting, risk monitor and reporting.

Under the management, several committees and other administrative units are established. They are responsible for risk review and control of loaning, investments, trading and assets/liabilities management businesses.

Administrative unit of each subsidiary is responsible for identifying the possible risks of businesses, establishing internal control procedures and regulations, measuring risk degrees regularly and adopting responding measures for any negative effects.

Business units follow operating procedures and report to the management units directly. Risk management unit is responsible for monitor of overall risk positions and concentration and reporting to the management or Board of Directors.

Auditing office examines the operations of business and administration units regularly or irregularly to ensure the three risk management defense lines operate normally.

The Bank has assigned personnel to sit on the board of directors of each subsidiary to monitor the governance of each subsidiary.

(3) Credit risk

A. The source and definition of credit risk

Credit risk pertains to the risk of loss that the borrowers, issuers or counterparties might default on contracts due to deterioration in their finance or other factors.

The Group is exposed to credit risk mainly on businesses of corporate and individual loans, guarantees, trade financing, interbank deposits and call loans and securities investments.

Credit risk is the primary risk of the Group's capital charge.

B. Credit risk management policies

The objectives of the Group's credit risk management are to maintain stable asset allocation strategy, careful loaning policy and excellent asset quality to secure assets and earnings. The Group's risk management department is responsible for supervision of the Group's credit risk and regularly submits summary report to the Board of Directors and the management.

The management mechanism of subsidiaries for credit risk includes:

The establishment of assets/liabilities, risk management, lending and investment committees which adopt responding measures to market environment, changes in industry, and capital limits, and review relevant regulations and cases of significant lending and investments.

Setting careful prior review procedures for lending and criteria of handling subsequent matters, regular post-lending follow-up, understanding of clients' operation and capital outflows, and increase in the frequency of review on clients with higher risk.

Classifying credit ratings based on clients' probability of default or behavior scoring with management put in practice.

Controlling concentration of credit risk by setting credit limits for individuals, corporate groups, industries, areas, and different types of collaterals.

Setting credit risk limits by reference to external ratings and prospects with attention to changes in market credit spread and risk concentration of counterparties.

The establishment of credit pre-warning list and reporting system.

Assessing assets quality regularly and setting aside sufficient reserve for losses.

Setting creditor's rights management unit and advisory committee in charge of accelerating collection of non-performing loans.

The procedures for credit risk management of the Group and related measurement approaches are outlined below:

(A) Credit extensions

Classification of credit assets and internal risk ratings are as follows:

a. Classification of credit assets

Corporate credit risk is measured by using the borrower's default probability model with logistic regression analysis in which financial and non-financial factors are incorporated, which predicts the default probability of borrower within the next year. Besides, the extent of risk is measured by using credit rating table and taking into account the characteristics and scale of business. Lending examination and post management are dealt with based on clients' credit rating. Individual borrowers are grouped into different risk levels and managed by using application scoring and behavior scoring cards. Back-testing is conducted on internal models regularly; those models are subject to adjustments when necessary. Clients' credit ratings are reviewed annually and subject to adjustments when there is significant change in their credit ratings.

b. Internal risk rating

The internal rating for lending is classified as excellent, satisfactory, fair and weak, and corresponds to the Standard & Poor rating as follows:

Internal risk rating	Excellent	Satisfactory	Fair	Weak
Corresponding to S&P	AAA~BBB-	BB+~ BB-	B+	B and below

(B) Interbank deposits and call loans

Before trading with other banks, the Group assesses their credit by reference to their ratings offered by external rating agencies, their assets and scales of owners' equity and their country risks, and therefore set credit risk limits for each of them. The Group monitors changes in market prices of the financial instruments issued by those banks and CDS quoted prices daily to keep attention to their risk.

(C) Bonds and derivative instruments

The limits of bonds purchased by the Group are set by considering the credit rating of bond issuers or guarantors (ex. S&P, Moody's, Fitch, Taiwan ratings or Fitch Taiwan), which needs to meet the minimum rating set by the Board of Directors, and country risk at the application, share price of issuers, changes in CDS quoted prices, earnings, market condition, and capital utilization status of the applying unit.

Subsidiaries have set trading units and overall total risk limit for non-hedging derivative instruments, and use positive trading contract evaluation as the basis for calculating credit risk and add the limit to the total credit risk limit for monitoring.

(D) Asset quality

The Group has set the minimum requirements and examination procedures for the quality of financial assets of each type, and controls risk concentration of assets portfolios of each type based on the risk limit of each type. The Group also monitors the changes in assets quality regularly during the duration of the assets and takes measures to maintain their quality. According to the policies and regulations, reserve for losses is provided adequately for those assets to actually reflect and safeguard the value of owners' equity.

(E) Impairment of financial assets and provision for reserves

Each subsidiary assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence that an event that occurred after the initial recognition of the asset has an impact on the future cash flows of the financial asset, the impairment loss on the financial asset should be recognized.

The objective evidence of an impairment loss is as follows:

Significant financial difficulty of the issuer or debtor;

The issuer or debtor has breached the contract;

The Group, for economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession;

It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including:

Adverse changes are in the payment status of borrowers in the group; or adverse changes in national or local economic conditions that correlate with defaults on the assets in the group.

Financial assets that are not impaired are included in the group of financial assets sharing similar credit risk characteristics for group assessment. Financial assets that are assessed individually with impairment recognized need not be included in the group assessment.

The amount of the impairment loss is the difference between the financial assets' book value and the estimated future cash flow discounted using the original effective interest rate. The present value of estimated future cash flows must reflect the cash flows that might generate from collaterals less acquisition or selling cost regarding the collateral.

Financial assets through group assessment are grouped based on similar credit risk characteristics, such as types of assets, industry and collaterals. Such credit risk characteristics represent the ability of the debtors to pay all the amounts at maturities according to the contract term, which is related to future cash flows of group of financial assets. The future cash flows of group of financial assets for group assessment are estimated based on historical impairment experience, reflecting the change in observable data for each period, and the estimation of the future cash flows should move in the same direction. The Group reviews the assumptions and methods for estimation of the future cash flows regularly.

For loan loss provision and guarantee reserve, the subsidiaries have established the regulations for assets assessment and loss reserve. According to the regulations of the Financial Supervisory Commission for banks, bills companies and insurance companies, all assets in balance sheets and off balance sheets are classified as five categories. For credit assets on balance sheets and off balance sheets, in addition to normal credit assets which shall be classified as "Category One", the remaining unsound credit assets that required special attention shall be evaluated based on the status of the creditor’s right, loan collaterals and the length of time overdue, and classified as "Category Two". Assets that are substandard shall be classified as "Category Three". Assets that are doubtful shall be classified as "Category Four", and assets for which there is loss shall be classified as "Category Five”. "Category Two" to "Category Five” shall be assessed one by one for possible loss and set aside sufficient loss provision. And loss provision shall be also set aside for "Category One" proportionately in accordance with regulations of competent authorities.

C. Policies of hedging and mitigation of credit risk

To reduce credit risk, the Group adopts the following policies:

(A) Obtaining collaterals and guarantors

Subsidiaries have established policies on collateral management, mortgage loan line setting, scope of collaterals, collateral valuation, collateral management and disposal. Besides, protection of creditor’s right, collateral terms and offsetting terms are all addressed in the credit extension contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, or the debtor’s deposits can be used to offset its liabilities to mitigate credit risks.

(B) Loan limit control

To avoid extreme credit risk concentration, subsidiaries established policies for control of credit risk concentration and set up credit extension limit for a single individual, a single group, a single industry, a single area/country, and single collateral.

D. Maximum credit risk exposure

The maximum credit risk exposure of financial assets within the balance sheets is presented in book values. The maximum credit risk exposure of guarantees and irrevocable commitments off balance sheets is calculated based on their limits.

(A) The maximum credit risk exposure of financial assets of the Group (excluding collaterals or other credit enhancement instruments) is listed below:

	December 31, 2013		December 31, 2012	January 1, 2012
	NT$	US$	NT$	NT$
Credit risk exposure of assets within balance sheets:				
Cash and cash equivalents	$ 360,935,484	$ 12,122,099	$ 305,728,967	$ 313,430,124
Due from the Central Bank and call loans to banks	185,457,144	6,228,619	150,962,037	181,399,521
Financial assets at fair value through profit or loss				
- Debt instruments	36,462,464	1,224,600	33,792,246	31,697,434
- Derivative financial instruments	4,255,213	142,912	4,000,539	5,358,100
Bills and bonds purchased under resale agreement	5,451,889	183,103	4,428,875	349,562
Receivables	159,597,172	5,360,107	102,668,818	84,405,472
Bills discounted and loans	1,654,577,193	55,569,343	1,502,700,861	1,462,333,154
Available for sale financial assets-debt instruments	166,381,173	5,587,949	123,470,282	63,638,460
Held-to-maturity financial assets-debt instruments	182,739,356	6,137,342	159,207,720	130,949,228
Other assets	10,915,116	366,587	11,124,897	9,228,912
Subtotal	2,766,772,204	92,922,661	2,398,085,242	2,282,789,967
Credit risk exposure of assets off balance sheet:				
Irrevocable commitments	142,278,553	4,778,456	61,639,990	166,810,489
Guarantee and letters of credit	306,005,487	10,277,262	319,444,015	338,209,634
Subtotal	448,284,040	15,055,718	381,084,005	505,020,123
Total	$ 3,215,056,244	$ 107,978,379	$ 2,779,169,247	$ 2,787,810,090

(B) Assets of the Group with credit risk are analyzed as follows:

Unit: In NT Dollars

	December 31, 2013							
	Cash and cash equivalents, due from the Central Bank and call loans to banks	Bills discounted and loans	Receivables	Bills and bonds purchased under resale agreement and debt instruments	Derivative financial instruments	Other items included in balance sheet	Credit commitments	Total
Government organization	$ 281,482,852	$ 8,781,713	$ 139,727	$ 13,021,217	$ -	$ 8,144	$ 85,210,737	$ 388,644,390
Financial institution, investment and insurance	264,911,096	143,869,124	19,322,958	320,497,084	3,498,173	175	7,072,449	759,171,059
Enterprise and commerce	-	1,160,765,981	92,162,701	57,393,321	669,803	10,592,816	301,047,008	1,622,631,630
Individuals	-	351,081,095	4,311,735	-	26,515	315,702	53,187,580	408,922,627
Others	-	11,850,311	44,666,856	123,260	60,722	3,676	1,766,266	58,471,091
Total	546,393,948	1,676,348,224	160,603,977	391,034,882	4,255,213	10,920,513	448,284,040	3,237,840,797
Less: Allowance for probable losses	(1,320)	(21,771,031)	(1,006,805)	-	-	(5,397)	-	(22,784,553)
Net	$ 546,392,628	$ 1,654,577,193	$ 159,597,172	$ 391,034,882	$ 4,255,213	$ 10,915,116	$ 448,284,040	$ 3,215,056,244

Trade finance to enterprises accounted for 11.06%, totaling to $128,344,132 thousand. Housing mortgage loans to individuals accounted for 72.66%, totaling $255,079,249 thousand.

Unit: In US Dollars

	December 31, 2013							
	Cash and cash equivalents, due from the Central Bank and call loans to banks	Bills discounted and loans	Receivables	Bills and bonds purchased under resale agreement and debt instruments	Derivative financial instruments	Other items included in balance sheet	Credit commitments	Total
Government organization	$ 9,453,664	$ 294,936	$ 4,693	$ 437,321	$ -	$ 273	$ 2,861,821	$ 13,052,708
Financial institution, investment and insurance	8,897,098	4,831,876	648,966	10,763,966	117,487	6	237,530	25,496,929
Enterprise and commerce	-	38,984,584	3,095,305	1,927,568	22,495	355,762	10,110,731	54,496,445
Individuals	-	11,791,137	144,811	-	891	10,603	1,786,316	13,733,758
Others	-	397,995	1,500,146	4,140	2,039	123	59,320	1,963,763
Total	18,350,762	56,300,528	5,393,921	13,132,995	142,912	366,767	15,055,718	108,743,603
Less: Allowance for probable losses	(44)	(731,185)	(33,814)	-	-	(181)	-	(765,224)
Net	$ 18,350,718	$ 55,569,343	$ 5,360,107	$ 13,132,995	$ 142,912	$ 366,586	$ 15,055,718	$ 107,978,379

Trade finance to enterprises accounted for 11.06% totaling to $4,310,466 thousand. Housing mortgage loans to individuals accounted for 72.66%, totaling $8,566,893 thousand.

Unit: In NT Dollars

	December 31, 2012							
	Cash and cash equivalents, due from the Central Bank and call loans to banks	Bills discounted and loans	Receivables	Bills and bonds purchased under resale agreement and debt instruments	Derivative financial instruments	Other items included in balance sheet	Credit commitments	Total
Government organization	$ 255,786,881	$ 9,365,382	$ 182,447	$ 12,881,262	$ -	$ 9,276	$ 10,175,311	$ 288,400,559
Financial institution, investment and insurance	200,905,305	136,141,250	4,877,468	250,704,522	3,086,304	163	8,137,961	603,852,973
Enterprise and commerce	-	1,066,289,760	85,571,569	57,144,986	846,739	10,973,278	311,553,810	1,532,380,142
Individuals	-	294,402,955	4,442,811	-	29,523	314,014	49,248,808	348,438,111
Others	-	12,932,423	10,036,065	168,353	37,973	4,529	1,968,115	25,147,458
Total	456,692,186	1,519,131,770	105,110,360	320,899,123	4,000,539	11,301,260	381,084,005	2,798,219,243
Less: Allowance for probable losses	(1,182)	(16,430,909)	(2,441,542)	-	-	(176,363)	-	(19,049,996)
Net	$ 456,691,004	$ 1,502,700,861	$ 102,668,818	$ 320,899,123	$ 4,000,539	$ 11,124,897	$ 381,084,005	$ 2,779,169,247

Trade finance to enterprises accounted for 12.6%, totaling to $134,398,965 thousand. Housing mortgage loans to individuals accounted for 71.6%, totaling $210,788,941 thousand.

Unit: In NT Dollars

	January 1, 2012							
	Cash and cash equivalents, due from the Central Bank and call loans to banks	Bills discounted and loans	Receivables	Bills and bonds purchased under resale agreement and debt instruments	Derivative financial instruments	Other items included in balance sheet	Credit commitments	Total
Government organization	$ 325,297,100	$ 26,845,229	$ 237,009	$ 15,140,260	$ -	$ 120,709	$ 124,926,839	$ 492,567,146
Financial institution, investment and insurance	169,533,309	108,160,582	3,472,387	194,828,503	3,635,028	503	8,047,735	487,678,047
Enterprise and commerce	-	1,046,154,349	76,656,993	16,569,609	1,598,597	4,397,817	314,124,229	1,459,501,594
Individuals	-	282,562,347	4,623,519	-	65,731	294,559	55,554,221	343,100,377
Others	-	14,380,138	1,622,525	96,312	58,744	4,824,181	2,367,099	23,348,999
Total	494,830,409	1,478,102,645	86,612,433	226,634,684	5,358,100	9,637,769	505,020,123	2,806,196,163
Less: Allowance for probable losses	(764)	(15,769,491)	(2,206,961)	-	-	(408,857)	-	(18,386,073)
Net	$ 494,829,645	$ 1,462,333,154	$ 84,405,472	$ 226,634,684	$ 5,358,100	$ 9,228,912	$ 505,020,123	$ 2,787,810,090

Trade finance to enterprises accounted for 13.43%, totaling to $140,497,884 thousand. Housing mortgage loans to individuals accounted for 71.83%, totaling $202,965,164 thousand

E. Credit risk concentration

Extreme credit risk concentration will enhance risk degree, such as large amount of risk exposure concentrated on one credit product, one client, or minor clients, or a group of clients in the same industry or with similar business or in the same area or with the same risk characteristics. When adverse economic changes occur, a financial institution may incur a significant loss.

To avoid extreme credit risk concentration, the Group has regulated credit limit and management rules for single client, single business group and large amount of risk exposure. Subsidiaries have to monitor and control the credit risk concentration within the limit. Status of credit risk concentration must be shown in the regular risk report by industry, area/country, collateral and other forms.

(A) Loans and credit commitments of the Group are shown below by industry:

		Loans and credit commitments						
		December 31, 2013			December 31, 2012		January 1, 2012	
		Amount		Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
		NT$	US$		NT$		NT$	
Individuals	Individuals	$ 404,268,675	$ 13,577,453	19.05%	$343,651,763	18.08%	$ 338,116,568	17.05%
Corporation	Government organization	93,992,450	3,156,757	4.42%	19,540,693	1.03%	151,772,068	7.65%
	Financial institution, investment and insurerance	150,941,573	5,069,406	7.10%	144,279,211	7.59%	116,208,317	5.86%
	Enterprise and commerce		-					
	- Manufacturing	620,070,999	20,825,222	29.18%	585,340,270	30.80%	598,347,854	30.18%
	- Electricity and gas supply	130,269,121	4,375,117	6.13%	148,730,339	7.83%	155,120,473	7.82%
	- Wholesale and retail	185,574,822	6,232,572	8.73%	154,837,996	8.15%	144,454,601	7.28%
	- Transportation and storage	161,284,464	5,416,775	7.59%	167,936,591	8.84%	168,820,988	8.51%
	- Real estate	234,269,931	7,868,008	11.03%	201,932,373	10.63%	166,320,067	8.39%
	- Others	130,343,652	4,377,621	6.13%	119,066,001	6.27%	127,214,595	6.41%
	Others	13,616,577	457,315	0.64%	14,900,538	0.78%	16,747,237	0.85%
Total		$ 2,124,632,264	$ 71,356,246	100.00%	$1,900,215,775	100.00%	$ 1,983,122,768	100.00%

(B) Loans and credit commitments of the Group are shown below by location:

	Loans and credit commitments						
	December 31, 2013			December 31, 2012		January 1, 2012	
	Amount		Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
	NT$	US$		NT$		NT$	
ROC	$ 1,658,497,546	$ 55,701,009	78.06%	$1,505,208,769	79.22%	$1,605,862,658	80.98%
Asia	289,949,694	9,738,025	13.65%	222,562,695	11.71%	201,363,823	10.15%
North America	59,188,578	1,987,861	2.79%	57,640,682	3.03%	57,486,602	2.90%
Others	116,996,446	3,929,351	5.50%	114,803,629	6.04%	118,409,685	5.97%
Total	$ 2,124,632,264	$ 71,356,246	100.00%	$1,900,215,775	100.00%	$1,983,122,768	100.00%

(C) Loans and credit commitments of the Group are shown below by collaterals:

	Loans and credit commitments			Loans and credit commitments		Loans and credit commitments	
	December 31, 2013			December 31, 2012		January 1, 2012	
	Amount		Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
	NT$	US$		NT$		NT$	
Unsecured	$ 897,493,802	$ 30,142,529	42.24%	$ 655,023,118	34.47%	$ 734,285,568	37.03%
Secured							
- Secured by stocks	126,390,467	4,244,852	5.95%	31,190,489	1.64%	154,589,116	7.80%
- Secured by bonds	113,937,654	3,826,621	5.36%	104,108,825	5.48%	112,035,308	5.65%
- Secured by real estate	677,586,640	22,756,898	31.89%	617,557,108	32.50%	563,211,776	28.40%
- Secured by chattel	108,281,947	3,636,673	5.10%	123,626,702	6.50%	114,292,243	5.76%
- Secured by letter of guarantee	59,434,381	1,996,117	2.80%	186,424,329	9.81%	161,724,977	8.15%
- Others	141,507,373	4,752,556	6.66%	182,285,204	9.60%	142,983,780	7.21%
Total	$ 2,124,632,264	$ 71,356,246	100.00%	$ 1,900,215,775	100.00%	$ 1,983,122,768	100.00%

F. Financial assets credit quality and analysis of past due and impairment

(A) The Group's financial assets credit quality and analysis of past due and impairment

Unit: In NT Dollars

December 31, 2013	Neither past due nor impaired						Past due but not impaired						Impaired	Reserve for losses	Net amount
	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal			
Maximum credit risk exposure of financial assets in balance sheet:															
Cash and cash equivalents	$ 223,217,507	$ 86,856,765	$ 48,956,347	$ 1,360,199	$ 545,986	$ 360,936,804	$ -	$ -	$	$	$ -	$ -	$	$ 1,320	$ 360,935,484
Due from Central Bank and call loans to banks	69,983,997	94,977,415	17,681,983	430,540	2,383,209	185,457,144	-	-	-	-	-	-	-	-	185,457,144
Financial assets at fair value through profit or loss															
- Debt instruments	3,534,098	12,451,241	14,368,292	4,643,810	1,465,023	36,462,464	-	-	-	-	-	-	-	-	36,462,464
- Derivative financial instruments	213,922	2,246,521	51,694	63	1,743,013	4,255,213	-	-	-	-	-	-	-	-	4,255,213
Bills and bonds purchased under resale agreements	5,451,889	-	-	-	-	5,451,889	-	-	-	-	-	-	-	-	5,451,889
Receivables	28,766,814	14,037,292	7,802,603	1,107,684	108,168,006	159,882,399	-	-	-	-	-	-	721,578	1,006,805	159,597,172
Bills discounted and loans	417,205,296	439,294,191	184,595,893	72,013,803	530,365,929	1,643,475,112	-	-	-	-	-	-	32,873,112	21,771,031	1,654,577,193
Available-for-sale financial assets-Debt instruments	49,310,369	102,069,508	12,565,142	674,145	1,762,009	166,381,173	-	-	-	-	-	-	-	-	166,381,173
Held-to-maturity financial assets-Debt instruments	167,841,534	12,902,900	1,188,167	57,951	748,804	182,739,356	-	-	-	-	-	-	-	-	182,739,356
Other assets	11,938	4,563,016	-	-	6,339,846	10,914,800	-	-	-	-	-	-	5,713	5,397	10,915,116
Total	$ 965,537,364	$ 769,398,849	$ 287,210,121	$ 80,288,195	$ 653,521,825	$ 2,755,956,354	$ -	$ -	$	$	$ -	$ -	$ 33,600,403	$ 22,784,553	$ 2,766,772,204

Unit: In US Dollars

December 31, 2013	Neither past due nor impaired						Past due but not impaired						Impaired	Reserve for losses	Net amount
	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal			
Maximum credit risk exposure of financial assets in balance sheet:															
Cash and cash equivalents	$ 7,496,810	$ 2,917,104	$ 1,644,210	$ 45,682	$ 18,337	$ 12,122,143	$ -	$ -	$	$	$ -	$ -	$	$ 44	$ 12,122,099
Due from Central Bank and call loans to banks	2,350,428	3,189,838	593,853	14,460	80,040	6,228,619	-	-	-	-	-	-	-	-	6,228,619
Financial assets at fair value through profit or loss															
- Debt instruments	118,693	418,178	482,562	155,964	49,203	1,224,600	-	-	-	-	-	-	-	-	1,224,600
- Derivative financial instruments	7,185	75,450	1,736	2	58,539	142,912	-	-	-	-	-	-	-	-	142,912
Bills and bonds purchased under resale agreements	183,103	-	-	-	-	183,103	-	-	-	-	-	-	-	-	183,103
Receivables	966,140	471,445	262,052	37,202	3,632,847	5,369,686	-	-	-	-	-	-	24,235	33,814	5,360,107
Bills discounted and loans	14,011,932	14,753,793	6,199,694	2,418,600	17,812,458	55,196,477	-	-	-	-	-	-	1,104,051	731,185	55,569,343
Available-for-sale financial assets-Debt instruments	1,656,100	3,428,027	422,003	22,642	59,178	5,587,950	-	-	-	-	-	-	-	-	5,587,950
Held-to-maturity financial assets-Debt instruments	5,636,995	433,347	39,905	1,946	25,149	6,137,342	-	-	-	-	-	-	-	-	6,137,342
Other assets	401	153,250	-	-	212,925	366,576	-	-	-	-	-	-	191	181	366,586
Total	$ 32,427,787	$ 25,840,432	$ 9,646,015	$ 2,696,498	$ 21,948,676	$ 92,559,408	$ -	$ -	$	$	$ -	$ -	$ 1,128,477	$ 765,224	$ 92,922,661

Unit: In NT Dollars

December 31, 2012	Neither past due nor impaired						Past due but not impaired						Impaired	Reserve for losses	Net amount
	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal			
Maximum credit risk exposure of financial assets in balance sheet:															
Cash and cash equivalents	$ 199,629,562	$ 40,599,758	$ 13,508,528	$ 15,518,622	$ 36,473,679	$ 305,730,149	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,182	$ 305,728,967
Due from Central Bank and call loans to banks	59,523,916	62,971,908	21,588,363	2,657,377	4,220,473	150,962,037	-	-	-	-	-	-	-	-	150,962,037
Financial assets at fair value through profit or loss													-		
- Debt instruments	3,358,397	15,139,128	7,514,209	1,169,380	6,611,132	33,792,246	-	-	-	-	-	-	-	-	33,792,246
- Derivative financial instruments	231,206	1,398,614	204,054	-	2,166,665	4,000,539	-	-	-	-	-	-	-	-	4,000,539
Bills and bonds purchased under resale agreements	-	-	4,428,875	-	-	4,428,875	-	-	-	-	-	-	-	-	4,428,875
Receivables	14,628,143	21,424,021	5,992,915	532,032	60,817,131	103,394,242	-	-	-	-	-	-	1,716,118	2,441,542	102,668,818
Bills discounted and loans	380,768,177	390,462,046	130,185,366	94,957,914	506,618,170	1,502,991,673	-	-	-	-	19,435	19,435	16,120,662	16,430,909	1,502,700,861
Available-for-sale financial assets-Debt instruments	25,356,477	87,742,974	5,578,123	308,566	4,484,142	123,470,282	-	-	-	-	-	-	-	-	123,470,282
Held-to-maturity financial assets-Debt instruments	146,499,351	10,906,942	1,169,160	65,723	566,544	159,207,720	-	-	-	-	-	-	-	-	159,207,720
Other assets	15,102	4,651,441	-	-	6,342,413	11,008,956	-	-	-	-	-	-	292,304	176,363	11,124,897
Total	$ 830,010,331	$ 635,296,832	$ 190,169,593	$ 115,209,614	$ 628,300,349	$ 2,398,986,719	$ -	$ -	$	$	$ 19,435	$ 19,435	$ 18,129,084	$ 19,049,996	$ 2,398,085,242

Unit: In NT Dollars

January 1, 2012	Neither past due nor impaired						Past due but not impaired						Impaired	Reserve for losses	Net amount
	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal	Excellent	Satisfactory	Fair	Weak	No rating	Subtotal			
Maximum credit risk exposure of financial assets in balance sheet:															
Cash and cash equivalents	$ 275,679,154	$ 31,209,566	$ 3,340,093	$ 814,479	$ 2,387,537	$ 313,430,829	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 705	$ 313,430,124
Due from Central Bank and call loans to banks	56,798,407	103,239,630	13,954,928	2,024,235	5,382,380	181,399,580	-	-	-	-	-	-	-	59	181,399,521
Financial assets at fair value through profit or loss															
- Debt instruments	5,220,140	14,629,193	7,308,581	512,995	4,026,525	31,697,434	-	-	-	-	-	-	-	-	31,697,434
- Derivative financial instruments	477,990	977,128	222,544	388	3,680,050	5,358,100	-	-	-	-	-	-	-	-	5,358,100
Bills and bonds purchased under resale agreements	-	-	249,562	-	100,000	349,562	-	-	-	-	-	-	-	-	349,562
Receivables	10,105,680	22,886,384	2,654,801	923,157	47,793,142	84,363,164	-	-	-	-	-	-	2,249,269	2,206,961	84,405,472
Bills discounted and loans	402,390,890	285,056,154	148,254,177	137,036,947	469,440,533	1,442,178,701	-	-	-	-	55,414	55,414	35,868,530	15,769,491	1,462,333,154
Available-for-sale financial assets-Debt instruments	28,866,805	27,430,535	2,767,944	393,521	4,179,655	63,638,460	-	-	-	-	-	-	-	-	63,638,460
Held-to-maturity financial assets-Debt instruments	123,729,709	6,151,217	893,293	-	175,009	130,949,228	-	-	-	-	-	-	-	-	130,949,228
Other assets	259,015	727,428	443	4,000,000	3,980,132	8,967,018	-	-	-	-	-	-	670,751	408,857	9,228,912
Total	$ 903,527,790	$ 492,307,235	$ 179,646,366	$ 145,705,722	$ 541,144,963	$ 2,262,332,076	$ -	$ -	$	$	$ 55,414	$ 55,414	$ 38,788,550	$ 18,386,073	$ 2,282,789,967

a. As of December 31, 2013, December 31, 2012 and January 1, 2012, according to the internal requirements of assets internal rating, the rate of liabilities instrument invested more than excellent level were 57.83%, 54.60%and 69.63%, respectively.
b. As of December 31, 2013, December 31, 2012 and January 1, 2012, the rate of due from commercial banks and call loans to bank belonging to excellent level were 37.74%, 39.43% and 31.31%, respectively.
c. As of December 31, 2013, December 31, 2012 and January 1, 2012, the rate of loans belonging to excellent level were 25.39%, 25.33% and 27.91%, respectively.
d. Bills discounted and loans of the Group were all in accordance with requirements of credit extensions and the relevant regulations, and classified by internal rating table.
e. Bills discounted and loans of the Group were all in accordance with requirements of credit extensions and the relevant regulations, and classified by internal rating model or table, the internal rating is classified as excellent, satisfactory, fair and weak, the probability of default can corresponds to the Standard & Poor rating; Besides, those without credit ratings are risk exposures classified by credit rating (score) table, corresponding credit default rates are yet to be confirmed, mainly as a sovereign state, banks and overseas branches customers. The Bank adopted qualified external rating as the quality control tools for sovereign states and banks, and classified by rating table for overseas branches.

(B) The Group's ageing analysis of financial assets that were past due but not impaired

Financial assets might be past due but not impaired due to borrower's processing delay or other administrative reasons. According to subsidiaries' internal management rules for assets assessment, financial assets which are past due within 90 days are not regarded as impaired unless there is objective evidence that the financial assets are impaired. There are very few conditions where financial assets are past due over 90 days but not impaired.

Unit: In NT Dollars

	December 31, 2013				
	Overdue for less than 1 month	Overdue for 1~3 months	Overdue for 3~6 months	Overdue for more than 6 months	Total
Bills discounted and loans					
- Enterprise and commerce	$ -	$ -	$ -	$ -	$ -
- Individuals	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -

Unit: In US Dollarr

	December 31, 2013				
	Overdue for less than 1 month	Overdue for 1~3 months	Overdue for 3~6 months	Overdue for more than 6 months	Total
Bills discounted and loans					
- Enterprise and commerce	$ -	$ -	$ -	$ -	$ -
- Individuals	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -

Unit: In NT Dollars

	December 31, 2012				
	Overdue for less than 1 month	Overdue for 1~3 months	Overdue for 3~6 months	Overdue for more than 6 months	Total
Bills discounted and loans					
- Enterprise and commerce	$ -	$ 6,755	$ -	$ 11,746	$ 18,501
- Individuals	77	-	-	857	934
Total	$ 77	$ 6,755	$ -	$ 12,603	$ 19,435

Unit: In NT Dollars

	January 1, 2012				
	Overdue for less than 1 month	Overdue for 1~3 months	Overdue for 3~6 months	Overdue for more than 6 months	Total
Bills discounted and loans					
- Enterprise and commerce	$ -	$ 37,078	$ -	$ 14,242	$ 51,320
- Individuals	2,822	-	-	1,272	4,094
Total	$ 2,822	$ 37,078	$ -	$ 15,514	$ 55,414

(C) The Group's provisions for doubtful accounts analysis of impaired loans

Unit: In NT Dollars

December 31, 2013

	Loans: Not impaired: Individual assessment	Loans: Not impaired: Group assessment	Loans: Impaired: Individual assessment	Loans: Impaired: Group assessment	Loans: Total	Allowance for probable losses: Individual assessment	Allowance for probable losses: Group assessment	Allowance for probable losses: Total	Loans net amount	Provisions for doutbful accounts/ impaired loans %
ROC	$ -	$ 1,207,326,759	$ 27,958,566	$ 753	$ 1,235,286,078	$ 4,075,358	$ 12,365,334	$ 16,440,692	$ 1,218,845,386	50.01
Asia	-	274,459,639	1,343,254	-	275,802,893	243,436	2,880,004	3,123,440	272,679,453	9.50
North America	-	54,195,793	1,236,913	-	55,432,706	185,377	579,742	765,119	54,667,587	2.33
Others	-	107,492,921	2,333,626	-	109,826,547	340,150	1,101,630	1,441,780	108,384,767	4.39
Total	$ -	$ 1,643,475,112	$ 32,872,359	$ 753	$ 1,676,348,224	$ 4,844,321	$ 16,926,710	$ 21,771,031	$ 1,654,577,193	66.23

Unit: In US Dollars

December 31, 2013

	Loans: Not impaired: Individual assessment	Loans: Not impaired: Group assessment	Loans: Impaired: Individual assessment	Loans: Impaired: Group assessment	Loans: Total	Allowance for probable losses: Individual assessment	Allowance for probable losses: Group assessment	Allowance for probable losses: Total	Loans net amount	Provisions for doutbful accounts/ impaired loans %
ROC	$ -	$ 40,548,338	$ 938,995	$ 25	$ 41,487,358	$ 136,872	$ 415,292	$ 552,164	$ 40,935,194	50.01
Asia	-	9,217,788	45,114	-	9,262,902	8,176	96,726	104,902	9,158,000	9.50
North America	-	1,820,178	41,542	-	1,861,720	6,226	19,471	25,697	1,836,023	2.33
Others	-	3,610,173	78,375	-	3,688,548	11,424	36,998	48,422	3,640,126	4.39
Total	$ -	$ 55,196,477	$ 1,104,026	$ 25	$ 56,300,528	$ 162,698	$ 568,487	$ 731,185	$ 55,569,343	66.23

Unit: In NT Dollars

December 31, 2012

	Loans: Not impaired: Individual assessment	Loans: Not impaired: Group assessment	Loans: Impaired: Individual assessment	Loans: Impaired: Group assessment	Loans: Total	Allowance for probable losses: Individual assessment	Allowance for probable losses: Group assessment	Allowance for probable losses: Total	Loans net amount	Provisions for doutbful accounts/ impaired loans %
ROC	$ -	$ 1,139,704,116	$ 10,276,904	$ 394	$ 1,149,981,414	$ 4,440,059	$ 7,364,662	$ 11,804,721	$ 1,138,176,693	73.23
Asia	-	206,879,069	1,948,076	-	208,827,145	719,169	1,435,455	2,154,624	206,672,521	13.37
North America	-	53,695,622	899,564	-	54,595,186	331,536	384,694	716,230	53,878,956	4.44
Others	-	102,732,301	2,995,724	-	105,728,025	1,104,048	651,286	1,755,334	103,972,691	10.89
Total	$ -	$ 1,503,011,108	$ 16,120,268	$ 394	$ 1,519,131,770	$ 6,594,812	$ 9,836,097	$ 16,430,909	$ 1,502,700,861	101.93

Unit: In NT Dollars

	January 1, 2012									
	Loans					Allowance for probable losses				
	Not impaired		Impaired							
	Individual assessment	Group assessment	Individual assessment	Group assessment	Total	Individual assessment	Group assessment	Total	Loans net amount	Provisions for doutbful accounts/ impaired loans %
ROC	$ -	$ 1,094,293,917	$ 31,026,452	$ 325	$ 1,125,320,694	$ 6,268,301	$ 5,748,278	$ 12,016,579	$ 1,113,304,115	33.50
Asia	-	185,312,864	1,938,497	-	187,251,361	811,584	975,344	1,786,928	185,464,433	4.89
North America	-	52,800,792	1,084,689	-	53,885,481	420,933	279,931	700,864	53,184,617	1.95
Others	-	109,826,542	1,818,567	-	111,645,109	702,933	562,187	1,265,120	110,379,989	3.53
Total	$ -	$ 1,442,234,115	$ 35,868,205	$ 325	$ 1,478,102,645	$ 8,203,751	$ 7,565,740	$ 15,769,491	$ 1,462,333,154	43.97

G. Foreclosed properties management policy

As of December 31, 2013, December 31, 2012 and January 1, 2012, other assets in the consolidated balance sheet includes foreclosed properties' book value of MICB totalling $23,602, $0 and $28,489 thousand, respectively. Foreclosed properties are both land and buildings. To lower the amount of creditors' rights, foreclosed properties will be sold. According to the regulations of regulatory authorities, foreclosed properties of the bank shall be sold within two years.

H. Supplementary information in accordance with "Regulations Governing the Preparation of Financial Reports by Public Banks"

(A) Asset quality of non-performing loans and overdue accounts

Unit: In NT Dollars, %

Month/Year			December 31, 2013				
Business/Items			Amount of non-performing loans (Note 1)	Gross loans	Non-performing loan ratio (Note 2)	Allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate Banking	Secured loans		1,832,464	623,497,812	0.29%	8,566,539	467.49%
	Unsecured loans		785,819	701,769,317	0.11%	9,474,157	1205.64%
Consumer banking	Residential mortgage loans (Note 4)		261,803	254,470,087	0.10%	2,715,806	1037.35%
	Cash card services		-	-	-	-	-
	Small amount of credit loans (Note 5)		2,288	10,968,657	0.02%	115,912	5066.08%
	Others (Note 6)	Secured loans	36,000	85,233,828	0.04%	888,215	2467.26%
		Unsecured loans	20,108	408,523	4.92%	10,402	51.73%
Gross loan business			2,938,482	1,676,348,224	0.18%	21,771,031	740.89%
			Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services			9,205	3,962,419	0.23%	69,569	755.77%
Without recourse factoring (Note 7)			-	69,336,768	-	688,171	100.00%

Unit: In US Dollars, %

Month/Year			December 31, 2013				
Business/Items			Amount of non-performing loans (Note 1)	Gross loans	Non-performing loan ratio (Note 2)	Allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate Banking	Secured loans		61,544	20,940,313	0.29%	287,709	467.49%
	Unsecured loans		26,392	23,569,079	0.11%	318,192	1205.64%
Consumer banking	Residential mortgage loans (Note 4)		8,793	8,546,434	0.10%	91,211	1037.35%
	Cash card services		-	-	-	-	-
	Small amount of credit loans (Note 5)		77	368,385	0.02%	3,893	5066.08%
	Others (Note 6)	Secured loans	1,209	2,862,597	0.04%	29,831	2467.26%
		Unsecured loans	675	13,720	4.92%	349	51.73%
Gross loan business			98,690	56,300,528	0.18%	731,185	740.89%
			Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services			309	133,079	0.23%	2,336	755.77%
Without recourse factoring (Note 7)			-	2,328,691	-	23,112	100.00%

Unit: In NT Dollars, %

Month/Year			December 31, 2012				
Business/Items			Amount of non-performing loans (Note 1)	Gross loans	Non-performing loan ratio (Note 2)	Allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate Banking	Secured loans		687,167	576,924,538	0.12%	7,360,572	1071.15%
	Unsecured loans		1,531,665	647,804,276	0.24%	6,940,567	453.14%
Consumer banking	Residential mortgage loans (Note 4)		429,993	210,169,969	0.20%	1,557,366	362.18%
	Cash card services		-	-	-	-	-
	Small amount of credit loans (Note 5)		11,310	11,063,644	0.10%	78,455	693.68%
	Others (Note 6)	Secured loans	26,322	72,644,859	0.04%	488,063	1854.20%
		Unsecured loans	23,805	524,484	4.54%	5,886	24.73%
Gross loan business			2,710,262	1,519,131,770	0.18%	16,430,909	606.25%
			Amount of overdue accounts	Balance of accounts receivable	Overdue account ratio	Allowance for doubtful accounts	Coverage ratio
Credit card services			10,263	4,109,795	0.25%	87,254	850.18%
Without recourse factoring (Note 7)			-	67,166,000	-	651,042	100.00%

Notes:

1. The amount recognized as non-performing loans is in accordance with the "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans". The amount included in overdue accounts for credit cards is in accordance with the Banking Bureau (4) Letter No.0944000378 dated July 6, 2005.
2. Non-performing loan ratio = non-performing loans/gross loans. Overdue account ratio for credit cards=overdue accounts/balance of accounts receivable.
3. Coverage ratio for loans=allowance for doubtful accounts of loans/non-performing loans. Coverage ratio for accounts receivable of credit cards=allowance for doubtful accounts for accounts receivable of credit cards/overdue accounts.
4. For residential mortgage loans, the borrower provides his/her (or spouses) house as collateral in full and mortgages it to the financial institution for the purpose of obtaining funds to purchase or add improvements to a house.
5. Small amount of credit loans apply to the norms of the Banking Bureau (4) Letter No. 09440010950 dated December 19, 2005, excluding credit card and cash card services.
6. Other consumer banking is specified as secured or unsecured consumer loans other than residential mortgage loan, cash card services and small amount of credit loans, and excluding credit card services.
7. Pursuant to the Banking Bureau (5) Letter No. 094000494 dated July 19, 2005, the amount of without recourse factoring will be recognized as overdue accounts within three months after the factor or insurance company resolves not to compensate the loss.

(B) Non-performing loans and overdue receivables exempted from reporting to the competent authority

Unit: In NT dollars

	December 31, 2013	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Performing amounts exempted from reporting to the competent authority as debt negotiation (Note 1)	$ 72	$ -
Performing amounts in accordance with debt liquidation program and restructuring program (Note 2)	520	4,522
	$ 592	$ 4,522

Unit: In US dollars

	December 31, 2013	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Performing amounts exempted from reporting to the competent authority as debt negotiation (Note 1)	$ 3	$ -
Performing amounts in accordance with debt liquidation program and restructuring program (Note 2)	17	152
	$ 20	$ 152

Unit: In NT dollars

	December 31, 2012	
	Total amount of non-performing loans exempted from reporting to the competent authority	Total amount of overdue receivables exempted from reporting to the competent authority
Performing amounts exempted from reporting to the competent authority as debt negotiation (Note 1)	$ 101	$ -
Performing amounts in accordance with debt liquidation program and restructuring program (Note 2)	584	4,763
	$ 685	$ 4,763

Note 1: The Bank disclosed the total amount of non- performing loans and overdue receivables exempted from reporting to the competent authority as debt negotiation in accordance with the Explanatory Letter Jin-Guan-Yin (1) No. 09510001270 of the FSC dated April 25, 2006.

Note 2: The Bank disclosed the total amount of non- performing loans and overdue receivables exempted from reporting to the competent authority as debt liquidation program and restructuring program in accordance with the Explanatory Letter Jin-Guan-Yin (1) No. 09700318940 of the FSC dated September 15, 2008.

(C) The Bank and its subsidiaries contract amounts of significant credit risk concentration are as follows：

Unit: In NT dollars, %

Year	December 31, 2013			
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)		Total outstanding loan amount / net worth of the current year (%)
		NT$	US$	
1	A Company - Transportation and Storage	66,114,824	2,220,481	32.91%
2	B Group - Petroleum and Coal Products Manufacturing	49,052,575	1,647,442	24.42%
3	C Group - Optoelectronic Materials and Semi-conductors Manufacturing	30,106,092	1,011,120	14.99%
4	D Group - Other Retailers	26,821,440	900,804	13.35%
5	E Group - Basic Metal Manufacturing	22,043,071	740,321	10.97%
6	F Other Financial Intermediation Not Elsewhere Classified	22,013,826	739,339	10.96%
7	G Group –Iron Rolling and Extruding	14,247,185	478,495	7.09%
8	H Group - Marine transportation	13,610,786	457,121	6.78%
9	I Other Financial Intermediation Not Elsewhere Classified	13,463,781	452,184	6.70%
10	J Group - Optoelectronic Materials and Semi-conductors Manufacturing	13,376,209	449,243	6.66%

Unit: In NT dollars, %

Year	December 31, 2012		
Ranking (Note 1)	Name of Enterprise Group (Note 2)	Total outstanding loan amount (Note 3)	Total outstanding loan amount / net worth of the current year (%)
1	A Company - Transportation and Storage	66,687,127	37.69%
2	B Group – Marine transportation	60,934,715	34.44%
3	C Group - Optoelectronic Materials and Semi-conductors Manufacturing	33,162,150	18.74%
4	D Group - Basic Metal Manufacturing	27,696,239	15.65%
5	E Group - Other Retailers	20,898,857	11.81%
6	F Group - Investment adviser	20,306,382	11.48%
7	G Group - Optoelectronic Materials and Semi-conductors Manufacturing	17,519,821	9.90%
8	H Group – Tire Manufacturing	15,821,251	8.94%
9	I Group - Real Estate	15,253,169	8.62%
10	J Group –Iron Rolling and Extruding	14,536,901	8.22%

Note 1: Ranking the top ten enterprise groups other than government and government enterprise according to their total amounts of outstanding loans. If an outstanding loan belongs to an enterprise group, the outstanding loan of the enterprise group should be categorized and listed in total, and disclosed by “code” plus “industry type” (for example, company (or group) A - Liquid Crystal Panel and Components Manufacturing). If it is an enterprise group, industry type of maximum exposure of the enterprise group would be disclosed. Industry type should be filled in accordance with “Standard Industrial Classification System” of Directorate-General of Budget, Accounting and Statistics, Executive Yuan.

Note 2: Definition of enterprise group is based on Article 6 of Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings.

Note 3: Total outstanding loan amount is the sum of balances of all types of loans (including import negotiation, export negotiation, bills discounted, overdraft, short-term loan, short-term secured loan, margin loans receivable, medium-term unsecured loan, medium-term secured loan, long-term unsecured loan, long-term secured loan and overdue loan), bills purchased, without recourse factoring, acceptance receivable and guarantees.

(4) Liquidity risk

A. Definition and sources of liquidity risk

The Group defines liquidity risk as the risk of financial loss to the Group arising from default by any companies of financial instruments on the payment obligations. For example, the companies are default on payment obligations, such as withdrawals paid to depositors and loans repayment. Or, the company is unable to obtain funds within a certain period at reasonable cost in response to increased demand for assets.

B. Procedures for liquidity risk management and measurement of liquidity risk

The Group is mainly engaged in industry related to finance. Therefore, the management for capital liquidity is very important to the Group. The objectives for liquidity risk management are to maintain reasonable liquidity based on business development plans, ensure capability of daily payment obligations and meet business growth requirements with adequate high-liquid assets and capability of raising funds from others in case of emergency.

The financial department of the Group is responsible for daily capital liquidity management. According to the limits authorized by the Board of Directors, the Group monitors the indexes of liquidity risk, executes capital procurement trading and reports the conditions of capital liquidity to the management. The Group also reports the liquidity risk control to the capital review committee, assets/liabilities and risk management committee and Board of Directors regularly, and performs regular liquidity stress-testing to ensure sufficient capital to meet the funding requirements for increase in assets and payment obligations.

The Group daily performs intensive control over capital sources and the period for fund gaps and liquidity risk management. Future cash flows are estimated based on the financial liability contracts due date and expected cash collection date of financial assets. The Group also takes into account the extent of practical utilization of capital in contingent liabilities such as use of loan limits, guarantees and commitments. The period for fund gaps management includes one day, one week and one month.

Assets to be used to pay obligations and loan commitments include cash, due from Central Bank and call loans to other banks, bank deposits, and collection of loans. The Group can also use repo trade and sale of bonds and bills in response of unexpected cash outflows.

The liquidity management policies of the Group includes:

Assets used to pay obligations and loan commitments including cash and cash equivalents, due from central bank and call loans to other banks, financial assets at fair value through profit or loss, investments in bills and bonds under resale agreement, accounts receivable, bills discounted and loans, available-for-sale financial assets, held-to-maturity financial assets, and other financial assets are held in response to unexpected cash outflows.

(A) Maintain the ability to perform all payment obligations immediately.

(B) Maintain solid assets/liabilities structure to ensure medium and long-term liquidity safety.

(C) Diversify capital sources and absorb stable core depositors to avoid depending on certain large-sum depositors or minor borrowers.

(D) Avoid potential unknown loss risk which will increase capital cost and capital procurement pressure.

(E) Conduct due date management to ensure that cash inflow is greater than cash outflow in short term.

(F) Keep liquidity ratio regulated by the supervision authority.

(G) Keep legal ratio for high-quality, high-liquidity assets.

(H) Be aware of the liquidity, safety and diversity of financial instruments.

(I) The Group has capital emergency plans, which are reviewed regularly.

(J) The overseas branches of the Group must obey the regulations of ROC and the local supervisory authorities. Otherwise, they will be penalized for violation of these regulations.

C. Maturity date analysis for financial assets and liabilities held for liquidity risk management

The table below lists analysis for cash inflow and outflow of the financial assets and liabilities held by the Group for liquidity risk management based on the remaining period at the financial reporting date to the contractual maturity date.

The Group's analysis for capital maturity gaps

UNIT：In NT Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Primary funds inflow upon maturity							
Cash and cash equivalents	$ 289,498,900	$ 53,185,022	$ 15,479,021	$ 4,239,403	$ -	$ -	$ 362,402,346
Due from the Central Bank and call loans to banks	107,336,191	66,805,007	6,615,101	4,101,490	1,637,625	-	186,495,414
Financial assets at fair value through profit or loss	6,832,512	962,641	1,334,035	2,288,277	21,174,505	4,221,270	36,813,240
Bills and bonds purchased under resale agreements	5,453,309	-	-	-	-	-	5,453,309
Receivables	38,976,022	46,188,579	17,140,548	47,890,671	443,752	206,918	150,846,490
Bills discounted and loans	129,482,014	161,631,000	239,115,000	201,847,000	648,569,000	398,049,000	1,778,693,014
Available-for-sale financial assets	67,436,103	22,680,233	9,267,020	7,667,769	63,886,386	22,751,950	193,689,461
Held-to-maturity financial assets	138,203,000	10,764,844	4,238,902	21,865,726	7,871,486	34,184	182,978,142
Other financial assets	2,206	4,413	4,413	15,445	-	5,713	32,190
Total	783,220,257	362,221,739	293,194,040	289,915,781	743,582,754	425,269,035	2,897,403,606
Primary funds outflow upon maturity							
Due to the Central Bank and commercial bank	415,200,091	17,074,529	2,733,913	6,197,951	30,217,901	642,934	472,067,319
Borrowed funds	29,720,911	2,406,860	-	-	203,555	-	35,331,326
Financial liabilities at fair value through profit or loss	2,688	27,288	89,900	2,269,468	3,942,250	23,562	6,355,156
Bills and bonds sold under repurchased agreements	42,763,398	3,833,439	-	-	-	-	46,596,837
Payables	19,168,704	6,695,074	1,168,297	3,025,970	421,293	5,885,975	36,365,313
Deposits and remittances	431,084,967	296,796,000	179,937,000	318,015,000	701,907,000	14,587,103	1,942,327,070
Financial bonds payable	-	-	178,756	6,300,392	38,590,954	1,319,240	46,389,342
Other financial liabilities	4,843,234	2,344,036	401,071	54,265	397,490	422,112	8,462,208
Other liabilities	230,983	461,966	461,966	1,616,881	-	-	2,771,796
Total	943,014,976	329,639,192	184,970,903	337,479,927	775,680,443	22,880,926	2,593,666,367
Gap	($ 159,794,719)	$ 32,582,547	$ 108,223,137	($ 47,564,146)	($ 32,097,689)	$ 402,388,109	$ 303,737,239

UNIT：In US Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Primary funds inflow upon maturity							
Cash and cash equivalents	$ 9,722,885	$ 1,786,231	$ 519,866	$ 142,381	$ -	$ -	$ 12,171,363
Due from the Central Bank and call loans to banks	3,604,910	2,243,661	222,170	137,749	55,000	-	6,263,490
Financial assets at fair value through profit or loss	229,471	32,330	44,804	76,852	711,150	141,772	1,236,379
Bills and bonds purchased under resale agreements	183,151	-	-	-	-	-	183,151
Receivables	1,309,018	1,551,254	575,669	1,608,419	14,904	6,949	5,066,213
Bills discounted and loans	4,348,682	5,428,413	8,030,731	6,779,077	21,782,334	13,368,564	59,737,801
Available-for-sale financial assets	2,264,857	761,721	311,235	257,524	2,145,638	764,130	6,505,105
Held-to-maturity financial assets	4,641,579	361,540	142,364	734,365	264,366	1,148	6,145,362
Other financial assets	74	148	148	519	-	192	1,081
Total	26,304,627	12,165,298	9,846,987	9,736,886	24,973,392	14,282,755	97,309,945
Primary funds outflow upon maturity							
Due to the Central Bank and commercial bank	13,944,587	573,452	91,819	208,160	1,014,875	21,593	15,854,486
Borrowed funds	998,184	80,835	-	-	6,836	-	1,085,855
Financial liabilities at fair value through profit or loss	90	916	3,019	76,220	132,401	791	213,437
Bills and bonds sold under repurchased agreements	1,436,218	128,747	-	-	-	-	1,564,965
Payables	643,785	224,856	39,238	101,628	14,149	197,682	1,221,338
Deposits and remittances	14,478,085	9,967,960	6,043,224	10,680,605	23,573,703	489,911	65,233,488
Financial bonds payable	-	-	6,004	211,600	1,296,086	44,307	1,557,997
Other financial liabilities	162,661	78,725	13,470	1,822	13,350	14,177	284,205
Other liabilities	7,758	15,515	15,515	54,303	-	-	93,091
Total	31,671,368	11,071,006	6,212,289	11,334,338	26,051,400	768,461	87,108,862
Gap	($ 5,366,741)	$ 1,094,292	$ 3,634,698	($ 1,597,452)	($ 1,078,008)	$ 13,514,294	$ 10,201,083

UNIT：In NT Dollars

	December 31, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Primary funds inflow upon maturity							
Cash and cash equivalents	$ 257,152,365	$ 22,629,859	$ 13,796,729	$ 12,730,575	$ -	$ -	$ 306,309,528
Due from the Central Bank and call loans to banks	97,135,436	31,597,825	15,744,091	7,055,505	-	-	151,532,857
Financial assets at fair value through profit or loss	1,754,830	469,447	49,822	5,615,678	19,104,381	7,258,929	34,253,087
Bills and bonds purchased under resale agreements	4,188,057	242,393	-	-	-	-	4,430,450
Receivables	37,773,274	36,776,639	8,644,541	18,180,325	225,458	302	101,600,539
Bills discounted and loans	117,404,632	155,950,092	207,354,252	184,522,803	585,196,818	362,767,781	1,613,196,378
Available-for-sale financial assets	32,791,469	13,067,878	15,346,701	7,481,675	56,517,965	17,179,772	142,385,460
Held-to-maturity financial assets	125,800,572	15,583,904	1,646,700	7,699,951	8,437,887	38,706	159,207,720
Other financial assets	2,028	4,056	4,056	14,196	-	292,303	316,639
Total	674,002,663	276,322,093	262,586,892	243,300,708	669,482,509	387,537,793	2,513,232,658
Primary funds outflow upon maturity							
Due to the Central Bank and commercial bank	291,282,645	2,377,281	2,475,963	5,375,536	12,735,954	270,978	314,518,357
Borrowed funds	83,500,041	1,326,901	-	-	-	-	84,826,942
Financial liabilities at fair value through profit or loss	-	26,100	107,000	1,282,880	6,297,780	-	7,713,760
Bills and bonds sold under repurchased agreements	17,085,877	316,998	-	-	-	-	17,402,875
Payables	19,847,405	5,743,593	848,111	2,046,978	18,462	5,679,279	34,183,828
Deposits and remittances	394,682,243	243,002,502	154,337,238	275,196,256	639,306,460	13,276,195	1,719,800,894
Financial bonds payable	14,074	-	179,015	602,042	32,246,386	14,144,010	47,185,527
Other financial liabilities	8,538,917	409,261	2,499	70,305	604,603	166,269	9,791,854
Other liabilities	271,652	543,304	543,304	1,901,563	-	-	3,259,823
Total	815,222,854	253,745,940	158,493,130	286,475,560	691,209,645	33,536,731	2,238,683,860
Gap	($ 141,220,191)	$ 22,576,153	$ 104,093,762	($ 43,174,852)	($ 21,727,136)	$ 354,001,062	$ 274,548,798

UNIT：In NT Dollars

	January 1, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Primary funds inflow upon maturity							
Cash and cash equivalents	$ 296,518,592	$ 16,188,520	$ 1,524,226	$ 124,672	$ -	$ -	$ 314,356,010
Due from the Central Bank and call loans to banks	106,114,922	71,713,854	3,349,200	2,400,000	-	-	183,577,976
Financial assets at fair value through profit or loss	2,593,541	493,292	780,153	923,449	21,260,341	10,222,416	36,273,192
Bills and bonds purchased under resale agreements	100,007	249,803	-	-	-	-	349,810
Receivables	27,874,681	37,939,801	7,193,488	8,373,983	1,750,874	316	83,133,143
Bills discounted and loans	117,884,338	173,728,287	192,376,256	162,699,392	523,670,504	380,971,125	1,551,329,902
Available-for-sale financial assets	12,853,425	6,263,839	6,357,655	9,561,561	29,004,230	17,801,205	81,841,915
Held-to-maturity financial assets	62,071,768	35,774,472	11,875,893	17,277,945	3,895,832	53,318	130,949,228
Other financial assets	6,919	13,838	14,223	41,977	6,996	670,751	754,704
Total	626,018,193	342,365,706	223,471,094	201,402,979	579,588,777	409,719,131	2,382,565,880
Primary funds outflow upon maturity							
Due to the Central Bank and commercial bank	329,701,887	4,055,524	2,192,410	4,890,047	17,757,200	368,713	358,965,781
Borrowed funds	66,220,503	14,121,568	-	-	-	-	80,342,071
Financial liabilities at fair value through profit or loss	10,400	26,100	6,229,300	82,880	7,713,760	-	14,062,440
Bills and bonds sold under repurchased agreements	9,412,493	463,204	-	-	-	-	9,875,697
Payables	17,809,930	5,633,284	948,375	1,957,189	342,851	5,679,287	32,370,916
Deposits and remittances	343,183,766	222,671,423	147,104,899	243,209,109	620,880,279	12,570,870	1,589,620,346
Financial bonds payable	-	-	144,626	587,038	22,260,769	23,468,650	46,461,083
Other financial liabilities	9,432,086	2,155,708	4,059	123,520	695,509	207,412	12,618,294
Other liabilities	233,775	467,551	480,538	1,418,237	236,373	-	2,836,474
Total	776,004,840	249,594,362	157,104,207	252,268,020	669,886,741	42,294,932	2,147,153,102
Gap	($ 149,986,647)	$ 92,771,344	$ 66,366,887	($ 50,865,041)	($ 90,297,964)	$ 367,424,199	$ 235,412,778

D. Structure Analysis for maturity of derivative financial assets and liabilities

(A) Derivatives settled on a net basis

Derivatives of the Group settled on a net basis include：

a. Foreign exchange derivatives: Currency Option, Non-Delivery Forward

b. Interest derivatives: Forward Rate Agreement, Interest rate swap, Assets swap, Interest Rate Option, Bond Option, Interest rate futures.

UNIT：In NT Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 169,707	$ 28,429	$ 32,606	$ 54,948	$ -	$ -	$ 285,690
Outflow	151,583	28,921	35,968	49,532	1,245	-	267,249
Interest rate derivative instruments							
Inflow	80,784	296,239	162,596	807,190	2,000,353	1,302,401	4,649,563
Outflow	3,945,291	249,563	97,922	536,350	1,564,257	745,911	7,139,294
Total inflows	$ 250,491	$ 324,668	$ 195,202	$ 862,138	$ 2,000,353	$ 1,302,401	$ 4,935,253
Total outflows	$ 4,096,874	$ 278,484	$ 133,890	$ 585,882	$ 1,565,502	$ 745,911	$ 7,406,543

UNIT：In US Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 5,700	$ 955	$ 1,095	$ 1,845	$ -	$ -	$ 9,595
Outflow	5,091	971	1,208	1,664	42	-	8,976
Interest rate derivative instruments							
Inflow	2,713	9,949	5,461	27,110	67,182	43,741	156,156
Outflow	132,503	8,382	3,289	18,013	52,536	25,052	239,775
Total inflows	$ 8,413	$ 10,904	$ 6,556	$ 28,955	$ 67,182	$ 43,741	$ 165,751
Total outflows	$ 137,594	$ 9,353	$ 4,497	$ 19,677	$ 52,578	$ 25,052	$ 248,751

UNIT：In NT Dollars

	December 31, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 519,033	$ 5,342	$ 36,313	$ 7,719	$ 5,983	$ -	$ 574,390
Outflow	459,719	36,126	34,467	4,743	5,763	-	540,818
Interest rate derivative instruments							
Inflow	95,681	328,461	165,815	666,698	2,832,132	964,038	5,052,825
Outflow	1,924,108	291,567	40,153	976,592	2,876,676	737,871	6,846,967
Total inflows	$ 614,714	$ 333,803	$ 202,128	$ 674,417	$ 2,838,115	$ 964,038	$ 5,627,215
Total outflows	$ 2,383,827	$ 327,693	$ 74,620	$ 981,335	$ 2,882,439	$ 737,871	$ 7,387,785

UNIT：In NT Dollars

	January 1, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 622,904	$ 38,039	$ 12,497	$ 13,942	$ 13,765	$ -	$ 701,147
Outflow	588,126	35,416	10,684	12,198	12,539	-	658,963
Interest rate derivative instruments							
Inflow	13,686	236,542	120,767	302,558	3,233,815	596,401	4,503,769
Outflow	1,381,216	187,600	65,738	375,421	2,865,254	577,057	5,452,286
Total inflows	$ 636,590	$ 274,581	$ 133,264	$ 316,500	$ 3,247,580	$ 596,401	$ 5,204,916
Total outflows	$ 1,969,342	$ 223,016	$ 76,422	$ 387,619	$ 2,877,793	$ 577,057	$ 6,111,249

(B) Derivatives settled on a gross basis

Derivatives of the Group settled on a gross basis include：

a. Foreign exchange derivatives: forward exchange

b. Interest derivatives: cross currency swaps and currency swaps

UNIT：In NT Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 26,656,898	$ 18,082,138	$ 12,547,486	$ 25,544,515	$ 1,697,559	$ -	$ 84,528,596
Outflow	26,618,415	18,216,839	12,521,759	25,479,841	1,704,842	-	84,541,696
Interest rate derivative instruments							
Inflow	478,050,000	60,603,183	35,242,525	26,881,284	515,692	27,454,452	628,747,136
Outflow	477,545,000	60,041,703	35,081,391	26,746,401	389,386	27,769,346	627,573,227
Credit derivative instruments							
Inflow	-	51,640	52,787	106,148	637,464	-	848,039
Outflow	-	-	-	-	-	-	-
Total inflows	$ 504,706,898	$ 78,736,961	$ 47,842,798	$ 52,531,947	$ 2,850,715	$ 27,454,452	$ 714,123,771
Total outflows	$ 504,163,415	$ 78,258,542	$ 47,603,150	$ 52,226,242	$ 2,094,228	$ 27,769,346	$ 712,114,923

UNIT：In US Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 895,278	$ 607,293	$ 421,410	$ 857,918	$ 57,013	$ -	$ 2,838,912
Outflow	893,985	611,817	420,546	855,746	57,257	-	2,839,351
Interest rate derivative instruments							
Inflow	16,055,416	2,035,371	1,183,628	902,814	17,320	922,064	21,116,613
Outflow	16,038,455	2,016,514	1,178,216	898,284	13,078	932,640	21,077,187
Credit derivative instruments							
Inflow	-	1,734	1,773	3,565	21,409	-	28,481
Outflow	-	-	-	-	-	-	-
Total inflows	$ 16,950,694	$ 2,644,398	$ 1,606,811	$ 1,764,297	$ 95,742	$ 922,064	$ 23,984,006
Total outflows	$ 16,932,440	$ 2,628,331	$ 1,598,762	$ 1,754,030	$ 70,335	$ 932,640	$ 23,916,538

UNIT：In NT Dollars

	December 31, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 25,621,967	$ 13,695,919	$ 5,841,965	$ 4,522,069	$ 1,181,029	$ -	$ 50,862,949
Outflow	31,556,124	16,284,969	6,650,431	4,589,774	1,333,587	-	60,414,885
Interest rate derivative instruments							
Inflow	434,933,254	64,439,950	36,569,689	30,866,387	1,036,778	25,872,876	593,718,934
Outflow	423,272,357	66,136,245	36,956,736	30,980,901	1,290,371	26,239,076	584,875,686
Credit derivative instruments							
Inflow	-	25,394	25,812	51,487	354,591	-	457,284
Outflow	-	-	-	-	-	-	-
Total inflows	$ 460,555,221	$ 78,161,263	$ 42,437,466	$ 35,439,943	$ 2,572,398	$ 25,872,876	$ 645,039,167
Total outflows	$ 454,828,481	$ 82,421,214	$ 43,607,167	$ 35,570,675	$ 2,623,958	$ 26,239,076	$ 645,290,571

UNIT：In NT Dollars

	January 1, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Foreign exchange derivative instruments							
Inflow	$ 11,334,493	$ 20,863,437	$ 5,028,887	$ 4,920,643	$ 2,707,643	$ -	$ 44,855,103
Outflow	21,165,276	21,164,823	4,846,010	4,559,875	2,693,800	-	54,429,784
Interest rate derivative instruments							
Inflow	375,591,601	82,060,961	31,652,489	18,713,614	3,621,793	18,062,334	529,702,792
Outflow	365,568,044	79,681,817	30,838,734	18,464,288	3,780,485	18,732,971	517,066,339
Credit derivative instruments							
Inflow	-	16,912	16,979	33,921	241,634	1,530	310,976
Outflow	-	-	-	-	-	-	-
Total inflows	$ 386,926,094	$ 102,941,310	$ 36,698,355	$ 23,668,178	$ 6,571,070	$ 18,063,864	$ 574,868,871
Total outflows	$ 386,733,320	$ 100,846,640	$ 35,684,744	$ 23,024,163	$ 6,474,285	$ 18,732,971	$ 571,496,123

E. Analysis for maturity leasing contractual commitments

UNIT：In NT Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Irrevocable commitments	$ 88,110	$ 2,579,558	$ 52,020,577	$ 1,014,232	$ 8,936,986	$ 77,639,090	$ 142,278,553
Financial guarantee contracts	61,905,403	55,514,279	58,565,591	109,097,086	20,661,361	261,767	306,005,487
Total	$ 61,993,513	$ 58,093,837	$ 110,586,168	$ 110,111,318	$ 29,598,347	$ 77,900,857	$ 448,284,040

UNIT：In US Dollars

	December 31, 2013						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Irrevocable commitments	$ 2,959	$ 86,635	$ 1,747,123	$ 34,063	$ 300,151	$ 2,607,526	$ 4,778,457
Financial guarantee contracts	2,079,107	1,864,459	1,966,938	3,664,050	693,916	8,792	10,277,262
Total	$ 2,082,066	$ 1,951,094	$ 3,714,061	$ 3,698,113	$ 994,067	$ 2,616,318	$ 15,055,719

UNIT：In NT Dollars

	December 31, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Irrevocable commitments	$ 71,516	$ 891,786	$ 50,071,149	$ 2,757,867	$ 6,847,010	$ 1,000,662	$ 61,639,990
Financial guarantee contracts	65,623,119	57,470,949	65,527,557	104,596,134	25,681,446	544,810	319,444,015
Total	$ 65,694,635	$ 58,362,735	$ 115,598,706	$ 107,354,001	$ 32,528,456	$ 1,545,472	$ 381,084,005

UNIT: In NT Dollars

	January 1, 2012						
	1-30 days	31-90 days	91-180 days	181 days-1 year	1 year-5 years	Over 5 years	Total
Irrevocable commitments	$ 582,453	$ 37,763	$ 48,771,897	$ 496,325	$ 4,205,814	$ 112,716,237	$ 166,810,489
Financial guarantee contracts	60,783,557	54,357,490	58,879,525	136,349,112	27,377,479	462,471	338,209,634
Total	$ 61,366,010	$ 54,395,253	$ 107,651,422	$ 136,845,437	$ 31,583,293	$ 113,178,708	$ 505,020,123

F. Analysis for maturity leasing contractual commitments

UNIT: In NT Dollars

	December 31, 2013			
	Not later than one year	1 year-5 years	Over 5 years	Total
Leasing contractual commitments				
Non-cancellable aggregate minimum lease payments	$ 445,916	$ 740,240	$ 72,844	$ 1,259,000
Non-cancellable aggregate minimum lease income	(189,688)	(224,737)	(33,056)	(447,481)
Total	$ 256,228	$ 515,503	$ 39,788	$ 811,519

UNIT: In US Dollars

	December 31, 2013			
	Not later than one year	1 year-5 years	Over 5 years	Total
Leasing contractual commitments				
Non-cancellable aggregate minimum lease payments	$ 14,976	$ 24,861	$ 2,446	$ 42,283
Non-cancellable aggregate minimum lease income	(6,371)	(7,548)	(1,110)	(15,029)
Total	$ 8,605	$ 17,313	$ 1,336	$ 27,254

UNIT: In NT Dollars

	December 31, 2012			
	Not later than one year	1 year-5 years	Over 5 years	Total
Leasing contractual commitments				
Non-cancellable aggregate minimum lease payments	$ 391,740	$ 646,174	$ 63,692	$ 1,101,606
Non-cancellable aggregate minimum lease income	(159,374)	(237,249)	(42,221)	(438,844)
Total	$ 232,366	$ 408,925	$ 21,471	$ 662,762

UNIT: In NT Dollars

	January 1, 2012			
	Not later than one year	1 year-5 years	Over 5 years	Total
Leasing contractual commitments				
Non-cancellable aggregate minimum lease payments	$ 425,238	$ 546,991	$ 92,914	$ 1,065,143
Non-cancellable aggregate minimum lease income	(158,848)	(165,317)	(17,480)	(341,645)
Total	$ 266,390	$ 381,674	$ 75,434	$ 723,498

Leasing contractual commitment: Leasing contractual commitment is the total minimum lease payment that the Group should make as a lessee under an operating lease term which is not cancelable.

G. Disclosure requirements in the "Regulations Governing the Preparation of Financial Reports by Public Banks"

(A) Maturity analysis of NTD financial instruments of the Bank

UNIT: In NT Dollars

December 31, 2013						
	Total	1-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year
Primary funds inflow upon maturity	1,714,524,937	540,546,855	81,620,694	103,849,370	194,087,938	794,420,080
Primary funds outflow upon maturity	1,858,678,673	398,288,356	229,170,386	152,672,521	216,947,671	861,599,739
Gap	(144,153,736)	142,258,499	(147,549,692)	(48,823,151)	(22,859,733)	(67,179,659)

December 31, 2012						
	Total	1-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year
Primary funds inflow upon maturity	1,558,895,439	489,717,445	79,157,874	88,214,740	167,761,672	734,043,708
Primary funds outflow upon maturity	1,647,207,857	339,174,390	201,756,159	145,686,565	190,031,192	770,559,551
Gap	(88,312,418)	150,543,055	(122,598,285)	(57,471,825)	(22,269,520)	(36,515,843)

(B) Maturity analysis of USD financial instruments of the Bank

UNIT: In US Dollars

December 31, 2013						
	Total	1-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year
Primary funds inflow upon maturity	48,839,971	19,612,591	7,215,154	4,309,804	5,044,035	12,658,387
Primary funds outflow upon maturity	50,682,164	30,583,543	4,469,187	2,974,402	2,513,581	10,141,451
Gap	(1,842,193)	(10,970,952)	2,745,967	1,335,402	2,530,454	2,516,936

December 31, 2012						
	Total	1-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year
Primary funds inflow upon maturity	42,626,855	17,424,705	5,980,970	3,982,211	4,010,726	11,228,243
Primary funds outflow upon maturity	46,890,216	27,428,648	4,293,823	3,506,433	2,038,759	9,622,553
Gap	(4,263,361)	(10,003,943)	1,687,147	475,778	1,971,967	1,605,690

Note 1: The funds denominated in US dollars means the amount of all US dollars of the Bank.
Note 2: If overseas assets exceed 10% of total assets, supplementary information shall be disclosed.

(C) Maturity analysis of USD financial instruments of the foreign branches

UNIT：In US Dollars

December 31, 2013						
	Total	1-30 days	31-90 days	91-180 days	181 days-1 year	Over 1 year
Primary funds inflow upon maturity	16,713,261	9,776,000	1,457,508	775,097	1,030,372	3,674,284
Primary funds outflow upon maturity	17,733,465	12,222,723	944,690	1,038,946	427,275	3,099,831
Gap	(1,020,204)	(2,446,723)	512,818	(263,849)	603,097	574,453

December 31, 2012						
	Total	1-30 days	31-90 days	91-180 days	181 days–1 year	Over 1 year
Primary funds inflow upon maturity	15,066,483	8,997,852	1,664,403	620,033	622,761	3,161,434
Primary funds outflow upon maturity	18,803,764	11,935,386	1,624,401	1,907,679	552,868	2,783,430
Gap	(3,737,281)	(2,937,534)	40,002	(1,287,646)	69,893	378,004

(5) Market risk

A. Definition of market risk

The Group has market risk on changes in fair value and estimated cash flows of financial instruments arising from fluctuations in interest rate, foreign exchange rate, credit spread, stock price, bond price and financial product price. Trading book and banking book both generate market risk.

The Group's trading book operation is mainly for the requirement of its own trading or for supporting clients' investment and hedge, which are accounted for interest rate, foreign exchange rate, equity and credit instruments, including positions of derivative and non-derivative instruments. Banking book operation is mainly for assets/liabilities management requirement, such as stock, bond and bill investments.

B. Objective of market risk management

The objective of the Group's market risk management is to confine the risks to the tolerable scopes to avoid the impact of fluctuations of interest rate, foreign exchange rate and financial instrument price on values of future profit and assets/liabilities.

C. Market risk management policies and procedures

The Board of Directors decided the risk tolerant limits and then allocates position limits, Value-at-Risk limits, sensitivity limits, loss limits to each business unit and product line based on budgets and utilization of capital. Market risk management comprises trading book control and banking book control. Trading book operation mainly pertains to the positions held by bills and securities firms due to market making. Policies for financial instrument trading of bank are based on back-to-back operation principle. Banking book is based on held-to-maturity principle and adopts hedging measures.

D. Procedures for market risk management

(A) The Bank's objectives of market risk management are respectively proposed by The Treasury Department and The Financial Risk Management Center, and then Risk Control Department summarizes and reports these objectives to Risk Management Committee of Mega Financial Holdings and the Bank's Board of Directors for assessment.

(B) Financial Risk Management Center not only prepares statement of market risk position and profit and loss of various financial instruments but regularly compiles securities investment performance evaluation and reports to the Board of Directors for the Board's knowledge of the Bank's risk control over securities investment. Risk Management Department summarizes and analyzes information from finance department on a daily basis. If there is any early warning indicator approaching stop-loss, Risk Management Department will request Financial Risk Management Center to inform Treasury Department of increasing attention in response to changes in market. Besides, Risk Management Department monthly summarizes and analyzes data collected from positions of various financial instruments, profit and loss assessment, analysis on risk-sensitive factors, and stress testing for senior management's knowledge of the Bank's market risk exposure profile.

E. Market risk measurement and control principle

(A) The Bank's market risk report contains exchange rate, interest rate, positions of equity securities, and profit and loss assessment. Every transaction has limit and stop-loss provisions, which shall be submitted to approval management in accordance with the Bank's regulations. Stop-loss limit shall be implemented as soon as a transaction reaches the threhold. If no stop-loss limit will be implemented, trading units shall immediately make statement about reasons to not implement stop-loss limit and coping plan, which shall be submitted to senior management for approval and reported to the Board of Directors regularly.

(B) Non-hedging trading positions of derivative financial instruments are daily assessed based on the market value, whereas hedging trading positions are assessed twice a month.

(C) SUMMIT information system for market risk provides functions in relation to risk management such as real-time limits, profit and loss assessment, analysis on risk-sensitive factors, stress testing, and VaR calculation.

F. Policies and procedures of trading-book risk management

The Group daily monitor trading-book positions, changes in risk exposures, and various risk limits, including trading rooms, traders and product line risk limits.

If trading-book financial instruments have market price, the valuation of those instruments is conducted at least one time daily using the independent source and available information. If using model valuation, the assumptions and parameters used in the model are reviewed regularly.

Risk measurement methods include VaR and sensitivity analysis.

The Group conducts stress test on the positions of its interest rate, stock and foreign exchange rate products on the assumptions of the monthly change in interest rate, securities market index and foreign exchange rate by 1%, 15% and 3%, respectively, and reports to the risk control meeting.

G. Trading-book interest rate risk management

Trading-book interest rate risk refers to the financial loss of the decline in values of interest rate products held due to unfavorable changes in interest rates, including securities and derivatives with interest.

Except dealers, the Group's interest rate products are traded mainly for hedging.

The trading group screens the credits and financial positions of issuers and selects investment objectives by judging interest rate trend and a variety of country risks and based on the authorized minimum investment criteria. Subsidiaries set trading-book trading limits and stop-loss limits (including trading rooms, traders, trading products, counterparties, and daily and overnight limits) based on business strategies and market conditions, and measure monthly the extent of impact of interest rate risk on investment portfolios using PV01 value.

H. Banking book interest rate risk management

Banking book interest rate risk mainly comes from the unmatched maturity dates of assets and liabilities or price resetting dates, and inconsistent changes in base interest rates for assets and liabilities. The Group's interest rate risk mainly comes from the unmatched periods of interest-rate sensitive assets and liabilities of the Group.

As the Group has interest-rate sensitive gaps, market interest rate fluctuations have good or bad impacts on the Group's earnings and cash flows.

The Group manages Banking book interest rate risk by using repricing gap analysis. The interest-rate repricing gap analysis is to estimate the difference between the assets and liabilities with interest bearing that are to be due near or repriced within a certain period and measure the impact of interest rate change on net interest revenue. The analysis assumes assets and liabilities structure remain unchanged and there are parallel movements of interest rate curves, and excludes the customer behavior, basis risk, option characteristics of early repayment of bonds. The Group calculates the change in net interest revenue for this year and also monitors the percentage of change in net interest revenue to the projection of net interest revenue for this year.

The Group monthly analyzes and monitors interest rate risk positions limits and various interest rate risk management indexes. If any risk management index exceeds limit, the Group will adopt responding measures and report the analysis and monitoring results to the Risk Management Committee.

I. Foregin exchange risk management

Foreign exchange risk refers to the losses caused by the exchange of two different currencies at different times. The Group's foreign exchange risk mainly comes from its derivative instruments business such as spot foreign exchange, forward foreign exchange and foreign exchange options. The foreign exchange trading of the Group is mainly for offsetting customers' positions on the same day; therefore, foreign exchange risk is relatively low.

To control trading-book foreign exchange risk, subsidiaries have set trading limits and stop-loss limits for trading rooms and traders and also set the annual maximum loss limits to control the losses within the tolerable scopes.

J. The Group's foreign exchange risk gaps

UNIT：In NT Dollars

	December 31, 2013				
	USD	AUD	RMB	EUR	JPY
Assets					
Cash and cash equivalents	$ 271,617,908	$ 742,374	$ 63,937,290	$ 2,557,287	$ 6,003,080
Due from the Central Bank and call loans to banks	95,138,413	798,007	18,589,400	232,504	6,842
Financial assets at fair value through profit or loss	34,687,781	203,401	12,030	1,860,088	1,706
Receivables	131,086,013	1,153,669	13,128,480	765,258	1,808,420
Bills discounted and loans	506,763,584	38,970,850	6,330,993	16,098,893	43,986,334
Available-for-sale financial assets	30,465,920	32,522,068	18,889,627	5,998,412	141,950
Held-to-maturity financial assets	14,656,422	570,715	2,991,539	286,525	569,437
Other assets	5,000,090	45,533	19,093	64,010	67,348
Total assets	1,089,416,131	75,006,617	123,898,452	27,862,977	52,585,117
Liabilities					
Due to the Central Bank and commercial bank	373,206,503	5,829,257	21,524,316	5,378,597	43,114,932
Borrowed funds	30,491,932	-	-	1,347,204	-
Financial liabilities at fair value through profit or loss	5,848,815	34,592	12,030	13,480	1,782
Bills and bonds sold under repurchased agreements	23,735,441	21,927,708	-	-	-
Payables	12,222,430	200,404	730,844	416,798	1,590,755
Current tax liabilities	152,695	85,743	29,876	10,296	107,206
Deposits and remittances	589,644,035	28,037,823	99,937,827	19,528,271	20,954,076
Other liabilities	(1,354,387)	1,456,713	1,401,347	1,003,832	596,644
Total liabilities	1,033,947,464	57,572,240	123,636,240	27,698,478	66,365,395
On-balance sheet foreign exchange gap	$ 55,468,667	$ 17,434,377	$ 262,212	$ 164,499	($ 13,780,278)
Off-balance sheet commitments	$ 63,308,625	$ 1,259,923	$ 57,566	$ 15,590,770	$ 4,088,368
NTD exchange rate	29.7750	26.5801	4.9122	41.1074	0.2839

UNIT：In NT Dollars

	December 31, 2012				
	USD	AUD	RMB	EUR	JPY
Assets					
Cash and cash equivalents	$ 254,491,772	$ 1,470,253	$ 28,391,918	$ 2,020,870	$ 4,601,297
Due from the Central Bank and call loans to banks	71,174,931	1,145,988	7,268,619	343,029	120,244
Financial assets at fair value through profit or loss	32,237,426	327,795	363	1,774,191	1,241
Bills and bonds purchased under resale agreements	242,239	-	-	-	-
Receivables	82,176,002	980,762	3,828,097	10,696	3,773,398
Bills discounted and loans	440,261,099	44,419,058	438,045	9,367,076	59,022,515
Available-for-sale financial assets	26,217,711	24,455,318	1,379,045	5,841,527	336,000
Held-to-maturity financial assets	11,179,064	597,523	2,972,361	769,760	674,729
Other assets	4,089,281	42,828	11,127	64,236	80,813
Total assets	922,069,525	73,439,525	44,289,575	20,191,385	68,610,237
Liabilities					
Due to the Central Bank and commercial bank	270,763,453	10,620,081	1,660,391	3,091,205	12,873,323
Borrowed funds	65,002,942	-	-	-	19,824,000
Financial liabilities at fair value through profit or loss	5,173,382	63,747	368	24,143	1,824
Bills and bonds sold under repurchased agreements	2,894,565	13,523,792	-	-	-
Payables	10,992,464	152,023	225,048	389,777	3,206,601
Current tax liabilities	106,739	97,137	4,850	230	122,144
Deposits and remittances	551,853,001	17,499,809	34,934,633	22,043,591	19,877,973
Other liabilities	7,377,240	604,493	285,838	625,730	632,211
Total liabilities	914,163,786	42,561,082	37,111,128	26,174,676	56,538,076
On-balance sheet foreign exchange gap	$ 7,905,739	$ 30,878,443	$ 7,178,447	($ 5,983,291)	$ 12,072,161
Off-balance sheet ommitments	$ 59,530,852	$ 3,214,784	$ 6,113	$ 18,793,294	$ 4,973,361
NTD exchange rate	29.0350	30.1122	4.6609	38.4423	0.3360

UNIT：In NT Dollars

	January 1, 2012				
	USD	AUD	RMB	EUR	JPY
Assets					
Cash and cash equivalents	$ 264,609,914	$ 654,577	$ 2,614,258	$ 30,179,271	$ 2,522,225
Due from the Central Bank and call loans to banks	101,831,806	126,424	15,139,672	3,779,939	95,881
Financial assets at fair value through profit or loss	28,058,159	1,340,326	93	1,732,684	1,218
Bills and bonds purchased under resale agreements	249,562	-	-	-	-
Receivables	59,742,203	2,981,101	212,387	594,772	4,337,125
Bills discounted and loans	398,982,370	49,680,445	203,865	7,713,409	78,897,334
Available-for-sale financial assets	21,748,902	12,276,113	-	5,850,425	391,545
Held-to-maturity financial assets	8,681,804	602,726	348,486	1,528,000	587,765
Other assets	2,813,308	29,853	-	62,183	131,035
Total assets	886,718,028	67,691,565	18,518,761	51,440,683	86,964,128
Liabilities					
Due to the Central Bank and commercial bank	293,739,060	19,189,022	767,360	3,068,684	19,033,148
Borrowed funds	57,304,781	-	-	50,891	22,986,400
Financial liabilities at fair value through profit or loss	4,385,636	242,227	92	24,873	802
Bills and bonds sold under repurchased agreements	8,654,885	-	-	-	-
Payables	10,333,886	346,806	50,180	366,855	3,389,468
Current tax liabilities	242,582	22,320	-	475	155,840
Deposits and remittances	512,571,665	19,546,292	15,298,428	24,798,339	19,586,195
Other liabilities	6,274,852	1,632,990	89,866	1,567,789	258,120
Total liabilities	893,507,348	40,979,657	16,205,926	29,877,906	65,409,973
On-balance sheet foreign exchange gap	($ 6,789,319)	$ 26,711,908	$ 2,312,835	$ 21,562,777	$ 21,554,155
Off-balance sheet commitments	$ 71,756,409	$ 2,148,862	$ 3,818	$ 18,349,645	$ 8,824,730
NTD exchange rate	30.2720	30.7352	4.7960	39.2022	0.3896

K. Risk management for equity securities

Due to needs of proprietary, make market and tactic, etc., the Group held equity securities within the regulations of the law. That market risk comprises the risk of individual equity security arising from the security's market price changes and the general market risk arising from overall equity securities market price changes.

The investment operating group mainly selects blue chip stocks which have high liquidity and sets the investment price according to fundamentals and market transactions. After the investment has been approved by the investment deliberation committee, the operational personnel purchase the stock within the maximum percentage of the approved price, as the case may be.

Daily trading records, details of investment portfolios and overview of profit or loss shall report to the management and measurement of the extent of the impact of systematic risk on investment portfolios using β value monthly. The Group generally set a stop loss, stop interest and exception handling requirements, and limit control to held individual stock and industry concentration.

L. Sensitivity analysis

Sensitivity analysis of the Group's financial instruments (including trading book and non-trading book):

December 31, 2013

UNIT：In NT Dollars

Risks	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies appreciated by 3%	($ 163,339)	$ -
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies depreciated by 3%	163,339	-
Interest rate risk	Major increases in interest rates 25BPS	(59,628)	(413,796)
Interest rate risk	Major decline in interest rates 25BPS	59,628	413,796
Equity securities risk	TAIEX declined by 2%.	(101,031)	(119,666)
Equity securities risk	TAIEX increased by 2%	101,031	119,666

December 31, 2012 UNIT：In NT Dollars

Risks	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies appreciated by 3%	($ 119,456)	$
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies depreciated by 3%	119,456	-
Interest rate risk	Major increases in interest rates 25BPS	32,600	(250,400)
Interest rate risk	Major decline in interest rates 25BPS	(32,600)	250,400
Equity securities risk	TAIEX declined by 2%.	(55,404)	(128,563)
Equity securities risk	TAIEX increased by 2%	55,404	128,563

January 1, 2012 UNIT：In NT Dollars

Risks	Extent of Variation	Effect on Profit or Loss	Effect on Equity
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies appreciated by 3%	($ 94,167)	$ -
Foreign exchange risk	Exchange rate of USD to NTD, to JPY, to EUR and to each of other currencies depreciated by 3%	94,167	-
Interest rate risk	Major increases in interest rates 25BPS	42,800	(97,700)
Interest rate risk	Major decline in interest rates 25BPS	(42,800)	97,700
Equity securities risk	TAIEX declined by 2%.	(68,770)	(132,315)
Equity securities risk	TAIEX increased by 2%	68,770	132,315

M. Disclosure requirements in the "Regulations Governing the Preparation of Financial Reports by Public Banks"

Interest rate sensitivity analysis on assets and liabilities (NT Dollars)
December 31, 2013

UNIT：In NT Dollars, %

	1-90 days	91-180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitive assets	523,002,524	752,373,403	18,207,982	21,276,038	1,314,859,947
Interest rate sensitive liabilities	539,494,842	568,874,894	40,857,951	40,588,406	1,189,816,093
Interest rate sensitive gap	(16,492,318)	183,498,509	(22,649,969)	(19,312,368)	125,403,854
Net worth					200,869,125
Ratio of interest rate sensitive assets to interest rate sensitive liabilities					110.51%
Ratio of interest rate sensitivity gap to net worth					62.25%

Interest rate sensitivity analysis on assets and liabilities (NT Dollars)
December 31, 2012

UNIT：In NT Dollars, %

	1-90 days	91-180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitive assets	473,863,401	680,228,420	6,569,522	21,077,653	1,181,738,996
Interest rate sensitive liabilities	477,265,508	516,371,224	36,925,477	44,285,855	1,074,848,064
Interest rate sensitive gap	(3,402,107)	163,857,196	(30,355,955)	(23,208,202)	106,890,932
Net worth					176,928,107
Ratio of interest rate sensitive assets to interest rate sensitive liabilities					109.94%
Ratio of interest rate sensitivity gap to net worth					60.41%

Notes：

1. The above amounts included only New Taiwan dollar amounts by the onshore branches of the Company (i.e. excluding foreign currency).
2. Interest rate sensitive assets and liabilities refer to the interest-earning assets and interest-bearing liabilities of which the income or costs are affected by the fluctuations in interest rates.
3. Interest rate sensitivity gap = Interest rate sensitive assets － Interest rate sensitive liabilities
4. Ratio of interest rate sensitive assets to interest rate sensitive liabilities = Interest rate sensitive assets ÷ Interest rate sensitive liabilities (referring to the current interest rate sensitive assets and liabilities denominated in New Taiwan dollars)

Interest rate sensitivity analysis on assets and liabilities (US Dollars)
December 31, 2013

UNIT：In US Dollars, %

	1-90 days	91-180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitive assets	32,405,519	974,278	945,611	763,712	35,089,120
Interest rate sensitive liabilities	31,479,662	1,226,189	934,005	10,300	33,650,156
Interest rate sensitive gap	925,857	(251,911)	11,606	753,412	1,438,964
Net worth					6,746,234
Ratio of interest rate sensitive assets to interest rate sensitive liabilities					104.28%
Ratio of interest rate sensitivity gap to net worth					21.33%

Interest rate sensitivity analysis on assets and liabilities (US Dollars)

December 31, 2012

UNIT：In US Dollars, %

	1-90 days	91-180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitive assets	29,084,516	740,916	339,508	514,052	30,678,992
Interest rate sensitive liabilities	28,010,741	1,105,073	789,745	300	29,905,859
Interest rate sensitive gap	1,073,775	(364,157)	(450,237)	513,752	773,133
Net worth					6,093,615
Ratio of interest rate sensitive assets to interest rate sensitive liabilities					102.59%
Ratio of interest rate sensitivity gap to net worth					12.69%

Note：

1. The above amounts included only US dollars denominated assets and liabilities of head office, domestic and foreign branches, and the OBU branch. Contingent assets and liabilities are excluded.
2. Interest rate sensitivity gap = Interest rate sensitive assets - Interest rate sensitive liabilities.
3. Ratio of interest rate sensitive assets to interest rate sensitive liabilities = Interest rate sensitive assets ÷ Interest rate sensitive liabilities (referring to the current interest rate sensitive assets and liabilities denominated in US dollars).

9. CAPITAL MANAGEMENT

(1) Objective of capital management

A. The Group's qualifying self-owned capital should meet the regulatory requirements and meet the minimum regulated capital adequacy ratio. This is the basic objective of capital management of the Group. The calculation and provision of qualifying self-owned capital and regulated capital shall follow the regulations of the competent authority.

B. In order to have adequate capital to take various risks, the Group shall assesses the required capital with consideration of the risk portfolio it faces and the risk characteristics, and manages risk through capital allocation to realize optimum utilization of capital allocation.

(2) Capital management procedures

A. Following the "Regulations Governing the Capital Adequacy Ratio of Banks" of the Financial Supervisory Commission, the Company calculates capital adequacy ratio on a consolidated basis and reports this information regularly.

B. The calculation of capital adequacy ratio of subsidiaries shall follow the regulations of regulatory authorities; if without regulations, capital adequacy ratio is computed as net of qualifying self-own capital divided by regulated capital.

(3) Capital adequacy ratio

Capital adequacy shown in the following table was calculated in accordance with "Regulations Governing the Capital Adequacy Ratio of Banks" effective in 2013 on December 31, 2013.

UNIT：In NT Dollars, %

Items \ Annual			December 31, 2013
Self-owned capital	Capital of Common equity		190,719,563
	Other Tier 1 Capital		-
	Tier 2 Capital, net		38,018,860
	Self-owned capital, net		228,738,423
Total risk - weighted assets (Note 1)	Credit risk	Standardized Approach	1,890,618,713
		Internal Ratings-Based Approach	-
		Asset securitization	4,222,559
	Operation risk	Basic Indicator Approach	77,016,638
		Standardized Approach / Alternative Standardized Approach	-
		Advanced Measurement Approaches	-
	Market risk	Standardized Approach	60,128,900
		Internal Models Approach	-
	Total risk-weighted assets		2,031,986,810
Capital adequacy ratio (Note 2)			11.26%
Total risk assets based Capital of Common equity, net Ratio			9.39%
Total risk assets based Tier 1 Capital, net Ratio			9.39%
Leverage ratio			3.81%

Note 1: The self-owned capital, risk-weighted assets and exposures amount in the table above should be filled in accordance with "Regulations Governing the Capital Adequacy Ratio of Banks" and "calculation method and table of self-owned capital and risk-weighted assets".

Note 2: Current and prior year's capital adequacy ratio should be disclosed in the annual reports. In addition to current and prior year's capital adequacy, capital adequacy ratio at the end of prior year should be disclosed in the semi-annual reports.

Note 3: The relevant formulas are as follows:

1. Self-owned capital = Tier 1 Capital of Common equity, net＋Other Tier 1 Capital, net＋Tier 2 Capital, net

2. Total risk-weighted assets = credit risk-weighted assets + (operation risk + market risk) * 12.5

3. Capital adequacy ratio = Self-owned capital / Total risk-weighted assets

4. Total risk assets based Tier 1 Capital of Common equity, net Ratio＝ Tier 1 Capital of Common equity, net / Total risk-weighted assets

5. Total risk assets based Tier 1 Capital, net Ratio＝(Tier 1 Capital of Common equity, net + Other Tier 1 Capital, net) / Total risk-weighted assets

6. Gearing ratio = Tier 1 capital / exposures amount

Note 4: For 1st quarter and 3rd quarter financial reports, the table of capital adequacy ratio is not required to be disclosed.

Capital adequacy shown in the following table was calculated in accordance with“Regulations Governing the Capital Adequacy Ratio of Banks” on December 31, 2012.

UNIT：In NT Dollars, %

Items \ Annual			December 31, 2012
Self-owned capital	Tier 1 Capital		170,269,230
	Tier 2 Capital		41,334,112
	Tier 3 Capital		-
	Self-owned capital, net		211,603,342
Total risk-weighted assets (Note 1)	Credit risk	Standardized Approach	1,661,404,119
		Internal Ratings-Based Approach	-
		Asset securitization	-
	Operation risk	Basic Indicator Approach	69,491,525
		Standardized Approach / Alternative Standardized Approach	-
		Advanced Measurement Approaches	-
	Market risk	Standardized Approach	38,296,888
		Internal Models Approach	-
	Total risk-weighted assets		1,769,192,532
Capital adequacy ratio (Note 2)			11.96%
Tier 1 Risk-based Capital Ratio			9.62%
Tier 2 Risk-based Capital Ratio			2.34%
Tier 3 Risk-based Capital Ratio			-
Capital Stock/Total assets			2.91%
Leverage ratio			7.15%

Note 1: The self-owned capital and risk-weighted assets in the table above should be filled in accordance with “Regulations Governing the Capital Adequacy Ratio of Banks” and “calculation method and table of self-owned capital and risk-weighted assets”.

Note 2: Current and prior year's capital adequacy ratio should be disclosed in the annual reports. In addition to current and prior year's capital adequacy, capital adequacy ratio at the end of prior year should be disclosed in the semi-annual reports.

Note 3: The relevant formulas are as follows:

1: Self-owned capital = Common equity + Tier 2 capital + Tier 3 capital

2: Total risk-weighted assets = credit risk-weighted assets + (operation risk + market risk) * 12.5

3. Capital adequacy ratio = Self-owned capital / Total risk-weighted assets

4. Tier 1 Risk-based Capital Ratio = Tier 1 capital / Total risk-weighted assets

5. Tier 2 Risk-based Capital Ratio = Tier 2 capital / Total risk-weighted assets

6. Tier 3 Risk-based Capital Ratio = Tier 3 capital / Total risk-weighted assets

7. Shareholder’s equity to total assets ratio = Shareholder's equity/Total assets

8. Gearing ratio = Tier 1 capital / averaged assets after adjustments (average assets – tier 1 capital – goodwill – unamortized loss on sale of non-performing loans and amounts should be deducted from the tier 1 capital pursuant to “calculation method and table of self-owned capital and risk-weighted assets”.

Note 4: For 1st quarter and 3rd quarter financial reports, the table of capital adequacy ratio is not required to be disclosed.

10. SEGMENTS AND GEOGRAPHIC INFORMATION

(1) General Information

Information of operating segments of the Bank is reported in the same method as the internal management report provided to the Chief Operating Decision-Maker (CODM). The Bank mainly focuses on the businesses in Asia and America. The disclosed operating segment by the Bank is stipulated in Article 3 of the Banking Law, and the generated income is the main source of income.

(2) Information of Segment Profit or Loss, Assets and Liabilities

The Bank's Management mainly focuses on the operating results of the whole bank, which is consistent with of the consolidated Statements of Comprehensive Income.

(3) Information of Major Customers

The Bank source of income is not concentrated on transactions with a single customer or single trading.

(4) Information by product and services

All operating segments' operating results of the Bank mainly come from interest income from external clients and is measured on a consistent basis compared with the statement of comprehensive income. While the segmental income also consist of internal profit and loss appropriated by the terms agreed amongst segments other than external revenue. Please refer to the information by geography for relevant components of income balances.

(5) Financial Information By Geographic Area

	For the year ended December 31,2013 (UNIT: In NT Dollars)				
Item	Domestic Department	North America	Other Overseas Operating Department	Adjustment and Write-off	Total
Revenue from customers outside the Bank	$ 37,735,656	$ 1,888,692	$ 6,398,154	($ 259,336)	$ 45,763,166
Revenue from departments within the Bank	886,374	48,815	(946,586)	11,397	-
Total revenue	$ 38,622,030	$ 1,937,507	$ 5,451,568	($ 247,939)	$ 45,763,166
Profit or loss	$ 17,397,197	$ 1,151,523	$ 3,752,674	($ 301,055)	$ 22,000,339
Assets attributable to specific departments	$ 2,247,330,617	$ 336,370,840	$ 244,055,404	($ 8,172,391)	$ 2,819,584,470

	For the year ended December 31, 2013 (UNIT: In US Dollars)				
Item	Domestic Department	North America	Other Overseas Operating Department	Adjustment and Write-off	Total
Revenue from customers outside the Bank	$ 1,267,360	$ 63,432	$ 214,884	($ 8,710)	$ 1,536,966
Revenue from departments within the Bank	29,769	1,640	(31,792)	383	-
Total revenue	$ 1,297,129	$ 65,072	$ 183,092	($ 8,327)	$ 1,536,966
Profit or loss	$ 584,289	$ 38,674	$ 126,034	($ 10,111)	$ 738,886
Assets attributable to specific departments	$ 75,477,099	$ 11,297,090	$ 8,196,655	($ 274,472)	$ 94,696,372

	For the year ended December 31, 2012 (UNIT: In NT Dollars)				
Items	Domestic Department	North America	Other Overseas Operating Department	Adjustment and Write-off	Total
Revenue from customers outside the Bank	$ 36,146,887	$ 1,864,239	$ 6,223,033	$ 268,789	$ 44,502,948
Revenue from departments within the Bank	752,688	60,816	(812,588)	(916)	-
Total revenue	$ 36,899,575	$ 1,925,055	$ 5,410,445	$ 267,873	$ 44,502,948
Profit or loss	$ 17,754,156	$ 1,268,589	$ 3,017,904	$ 287,635	$ 22,328,284
Assets attributable to specific departments	$ 1,912,765,738	$ 311,655,389	$ 229,225,138	($ 10,388,105)	$ 2,443,258,160

11. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Group is controlled by Mega Financial Holding Co., Ltd, which owns 100% of the Group's shares. The ultimate controlling party of the Group is Mega Financial Holding Co., Ltd.

(2) Names of the related parties and their relationship with the bank

Names of related parties	Short name of related parties	Relationship with the Bank
Mega Bills Finance Co., Ltd.	Mega Bills	Jointly controlled by Mega Financial Holdings
Mega Securities Co., Ltd.	Mega Securities	Jointly controlled by Mega Financial Holdings
Mega Investment Trust Co., Ltd.	Mega Investment Trust	Jointly controlled by Mega Financial Holdings
Chung Kuo Insurance Co., Ltd.	Chung Kuo Insurance	Jointly controlled by Mega Financial Holdings
Mega Asset Management Co., Ltd.	Mega Asset	Jointly controlled by Mega Financial Holdings
Mega CTB Venture Capital Co., Ltd.	Mega Venture	Jointly controlled by Mega Financial Holdings
Mega Life Insurance Agency Co., Ltd.	Mega Life Insurance Agency	Jointly controlled by Mega Financial Holdings
Mega International Investment Service Corp.	Mega International Investment Service	Jointly controlled by Mega Financial Holdings
Mega Futures Co., Ltd.	Mega Futures	Jointly controlled by Mega Financial Holdings
Chunghwa Post Corporation Limited	Chungwha Post	Director of Mega Financial Holdings
Bank of Taiwan Corp.	Bank of Taiwan	Director of Mega Financial Holdings
Waterland Financial Holdings	Waterland Financial Holdings	Supervisor of Waterland Financial Holdings
International Bills Finance Corporation(IBF)	International Bills Finance	Supervisor of Waterland Financial Holdings
Yung-Shing Industries Co.	Yung-Shing Industries	Subsidiary of the Bank
China Products Trading Company	China Products	Subsidiary of the Bank
Mega Management & Consulting Co., Ltd.	Mega Financial Management & Consulting	Subsidiary of the Bank
Cathay Investment & Development Corporation (Bahamas)	Cathay Investment (Bahamas)	Subsidiary of the Bank
Cathay Investment & Warehousing Ltd. (Panama)	Cathay Investment & Warehousing (Panama)	Subsidiary of the Bank
Win Card Co., Ltd.	Win Card	Indirect subsidiary of the Bank
ICBC Assets anagement&Consulting Co., Ltd.	ICBC Consulting	Indirect subsidiary of the Bank
Mega 1 Venture Capital Co., Ltd.	Mega 1 Venture	Equity investees
United Venture Capital Corp.	United Venture	Equity investees
Everstrong Iron Steel & Foundry & Mfg Corp.	Everstrong Iron Steel	Equity investees
IP Fundseven Ltd.	IP Fundseven	Equity investees
China Real Estate Management Co., Ltd.	China Real Estate	Equity investees
Taiwan Bills Finance Co., Ltd.	Taiwan Finance	Equity investees
An Fang Co., Ltd.	An Fang	Equity investees
Ramlett Finance Holding Inc.	Ramlett	Equity investees
China Insurance (Siam) Co., Ltd.	China Insurance (Siam)	Equity investees
Others		Certain directors, supervisors, managers and relatives of the Bank's chairman and general manager

(3) Major transactions and balances with related parties

A. Due from and due to banks

	For the year ended December 31, 2013			
	Balance as of December 31	Highest Outstanding Balance	Interest Rate (%)	Total Interest Income (Expense)
	(Expressed in NT Dollars)			
Due from banks				
Fellow subsidiary:				
Mega Bills	$ 2,200,000	$ 7,800,000	0.41%~0.51%	$ 8,766
Other related parties:				
Bank of Taiwan	151,174	1,997,327	0.65%~0.88%	445
International Bill Finance	-	1,700,000	0.41%~0.48%	853
Due to banks				
Other related parties:				
China Post	$ 2,912,531	$ 5,120,773	0.01%~1.52%	($ 56,733)
Bank of Taiwan	1,473,660	4,482,170	0.21%~1.20%	(1,974)

	For the year ended December 31, 2013			
	Balance as of December 31	Highest Outstanding Balance	Interest Rate (%)	Total Interest Income (Expense)
	(Expressed in US Dollars)			
Due from banks				
Fellow subsidiary:				
Mega Bills	$ 73,887	$ 261,965	0.41%~0.51%	$ 294
Other related parties:				
Bank of Taiwan	5,077	67,081	0.65%~0.88%	15
International Bill Finance	-	57,095	0.41%~0.48%	29
Due to banks				
Other related parties:				
China Post	$ 97,818	$ 171,982	0.01%~1.52%	($ 1,905)
Bank of Taiwan	49,493	150,535	0.21%~1.20%	(66)

	For the year ended December 31, 2012			
	Balance as of December 31	Highest Outstanding Balance	Interest Rate (%)	Total Interest Income (Expense)
	(Expressed in NT Dollars)			
Due from banks				
Fellow subsidiary:				
Mega Bills	$ 5,900,000	$ 10,800,000	0.45%~0.81%	$ 18,319
Other related parties:				
Bank of Taiwan	10,778	4,985,221	0.28%~0.29%	51
International Bill Finance	720,000	1,000,000	0.50%~0.65%	2,780
Due to banks				
Other related parties:				
China Post	$ 4,459,521	$ 5,230,044	0.01%~1.52%	($ 58,988)
Bank of Taiwan	1,451,750	5,807,778	0.35%~0.43%	(1,148)

B. Loans and deposits

	Item	Counterparty	December 31, 2013 NT$	December 31, 2013 US$	% of Total	Total Interest Income(Expense)	% of Total	Interest Rate (%)
For the year ended December 31, 2013	Deposits	All related parties	$ 7,713,290	$ 259,053	0.40%	($ 86,768)	0.63%	0.00%~13.00%
	Loans	All related parties	160,428	5,388	0.01%	2,354	0.01%	0.00%~2.88%

	Item	Counterparty	December 31, 2012 NT$	% of Total	Total Interest Income(Expense)	% of Total	Interest Rate (%)
For the year ended December 31, 2012	Deposits	All related parties	$ 7,500,662	0.44%	($ 83,433)	0.69%	0.00%~13.00%
	Loans	All related parties	258,519	0.02%	4,846	0.01%	0.00%~2.6%

The interest rates shown above are similar to, or approximate, those offered to third parties. But the interest rates for savings deposits of Bank managers within the prescribed amounts are the same as for savings deposits of employees.

In compliance with the Banking Law, except for consumer loans and government loans, credits extended by the Bank to any related party are fully secured, and the terms of credits extended to related parties are similar to those for third parties.

The Bank presents its transactions or account balances with related parties, in the aggregate, except for those which the amount represents over 10% of the account balance.

C. Lease agreements

Lessor

For the year ended December 31, 2013

Related Party	Lease Period	Lease Receipt Method	Rental Revenue (NT$)	Rental Revenue (US$)
The parent:				
Mega Financial Holdings	2009.08-2014.07	Monthly	$ 216	$ 7
Fellow subsidiary:				
Mega Securities	2009.11-2013.10	Monthly	22,641	760
Mega Bills	2010.01-2015.12	Monthly	35,877	1,205
Chung Kuo Insurance	2011.08-2016.07	Quarterly	2,119	71
Mega Asset	2011.01-2013.12	Monthly	6,399	215
Mega Investment Trust	2007.08-2013.12	Monthly	11,067	372
Mega Life Insurance Agency	2012.08-2014.06	Monthly	1,321	44
The subsidiary:				
Yung-Shing Industries	2012.10-2015.09	Quarterly	2,767	93
Mega Financial Management & Consulting	2011.01-2014.07	Monthly/Annually	1,388	47
The indirect subsidiary:				
Win Card	2008.01-2018.12	Quarterly	4,977	167

For the year ended December 31, 2012

Related Party	Lease Period	Lease Receipt Method	Rental Revenue (NT$)
The parent:			
Mega Financial Holdings	2009.08-2014.07	Monthly	$ 216
Fellow subsidiary:			
Mega Securities	2009.11-2013.10	Monthly	21,987
Mega Bills	2010.01-2013.12	Monthly	34,412
Chung Kuo Insurance	2009.05-2016.07	Quarterly/Semi-annually	2,376
Mega Asset	2011.01-2013.12	Monthly	6,398
Mega Investment Trust	2007.08-2013.12	Monthly	10,621
Mega Life Insurance Agency	2011.07-2014.06	Monthly	1,205
The subsidiary:			
Yung-Shing Industries	2006.10-2015.09	Quarterly	2,767
Mega Financial Management & Consulting	2011.01-2013.12	Monthly/Annually	1,388
The indirect subsidiary:			
Win Card	2008.01-2015.01	Quarterly	6,107

Lessee

For the year ended December 31, 2013

Related Party	Lease Period	Lease Receipt Method	Rental Revenue (NT$)	Rental Revenue (US$)
Fellow subsidiary:				
Mega Securities	Note	Note	$ 25,319	$ 851
Mega Bills	2013.01-2015.12	Monthly	84,246	2,829
Chung Kuo Insurance	2007.12-2017.07	Monthly	21,937	
Subsidiary:				
Yung-Shing Industries	1994.12-2014.11	Monthly	6,773	227
China Products	2012.06-2015.05	Monthly	1,006	

For the year ended December 31, 2012

Related Party	Lease Period	Lease Receipt Method	Rental Revenue (NT$)
Fellow subsidiary:			
Mega Securities	Note	Note	$ 7,805
Mega Bills	2011.01-2012.12	Monthly	90,904
Chung Kuo Insurance	2007.12-2017.07	Monthly/Annually	22,191
The subsidiary:			
Yung-Shing Industries	1994.12-2014.11	Monthly	6,288
China Products	2012.06-2015.05	Monthly	1,302

Note: The Bank sets up offices for collection / payment of securities trading for customers in all operating bases of Mega Securities. There are neither formal contracts nor actual lease terms. The rental fees are paid according to a certain percentage of deposit balance of each operating base.

D. Bills and bonds under resale agreements

	For the year ended December 31, 2013		
	NT$		
	Amount	Ending balance	Interest revenue
Fellow subsidiary:			
Mega Securities	$ 362,394,086	$ 4,832,702	$ 23,165

	For the year ended December 31, 2013		
	US$		
	Amount	Ending balance	Interest revenue
Fellow subsidiary:			
Mega Securities	$ 12,171,086	$ 162,307	$ 778

	For the year ended December 31, 2012		
	NT$		
	Amount	Ending balance	Interest revenue
Fellow subsidiary:			
Mega Securities	$ 113,793,172	$ 2,441,735	$ 5,841

E. Payable

	December 31, 2013			
	NT$		US$	
	Amount	% of Total	Amount	% of Total
Parent company:				
Mega Financial Holdings	$ 1,119,010	2.85	$ 37,582	2.85

	December 31, 2012		January 1, 2012	
	NT$		NT$	
	Amount	% of Total	Amount	% of Total
Parent company:				
Mega Financial Holdings	$ -	-	$ -	-

The parent company advanced the Bank's provisional income tax for 2013, which resulted in the accounts payable above.

F. Current income tax liabilities

	December 31, 2013			
	NT$		US$	
	Amount	% of Total	Amount	% of Total
Parent company:				
Mega Financial Holdings	$ 1,103,844	21.56	$ 37,073	21.56

	December 31, 2012		January 1, 2012	
	NT$		NT$	
	Amount	% of Total	Amount	% of Total
Parent company:				
Mega Financial Holdings	$ 837,471	17.77	$ 525,799	13.95

The parent company's accounts payable to Mega Financial Holding Co., Ltd. is the estimated income tax payable as a result of adopting the linked tax system for income tax filings starting from the year 2003.

G. Service fees revenues

	For the year ended December 31, 2013			
	NT$		US$	
	Amount	% of Total	Amount	% of Total
Fellow subsidiary:				
Mega Life Insurance Agency (Note 1)	$ 588,667	6.65	$ 19,771	8.89
Mega Investment Trust (Note 2)	19,868	0.22	667	0.22
Chung Kuo Insurance (Note 1)	10,266	0.12	345	0.09
	$ 618,801	6.99	$ 20,783	9.20

	For the year ended December 31, 2012	
	NT$	
	Amount	% of Total
Fellow subsidiary:		
Mega Life Insurance Agency (Note 1)	$ 718,472	8.89
Mega Investment Trust (Note 2)	18,127	0.22
Chung Kuo Insurance (Note 1)	7,284	0.09
	$ 743,883	9.20

Note 1:The above amount represents service fee revenues earned from acting as an agent for Mega Life Insurance Agency and Chung Kuo Insurance.

Note 2:The above amount represents service fee of sale funds revenues earned from Mega Investment Trust.

H. Insurance expense

	For the year ended December 31, 2013			
	NT$		US$	
	Amount	% of Total	Amount	% of Total
Fellow subsidiary:				
Chung Kuo Insurance	$ 43,608	0.83	$ 1,465	0.83

	For the year ended December 31, 2012	
	NT$	
	Amount	% of Total
Fellow subsidiary:		
Chung Kuo Insurance	$ 43,923	0.87

I. The Bank's processes of printing, packaging documents and labor outsourcing have been outsourced to Yung-Shing Industries Co. Under this arrangement, the Bank paid operating expenses and labor outsourcing of NT$110,847 thousand and NT$104,292 thousand for the years ended December 31, 2013 and 2012, respectively.

J. Starting from January, 2001, certain processes of the Bank's credit card operations have been outsourced to Win Card Co., Ltd. Under this arrangement, the Bank paid operating expenses of NT$157,788 thousand and NT$155,550 thousand for years ended December 31, 2013 and 2012, respectively.

K. Loans

December 31, 2013

(Unit: In NT dollars)

Types	Number of accounts or names of related party	Highest balance	Ending balance	Default possibility		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties
				Normal loans	Overdue accounts		
Consumer loans for employees	16	$ 10,576	$ 9,947	V		None	None
Home mortgage loans	68	535,447	511,057	V		Real estate	None
Other loans	2	271,511	121,511	V		Real estate	None

December 31, 2013

(Unit: In US dollars)

Types	Number of accounts or names of related party	Highest balance	Ending balance	Default possibility		Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties
				Normal loans	Overdue accounts		
Consumer loans for employees	16	$ 355	$ 334	V		None	None
Home mortgage loans	68	17,983	17,164	V		Real estate	None
Other loans	2	9,119	4,081	V		Real estate	None

December 31, 2012

(Unit: In NT dollars)

Types	Number of accounts or names of related party	Highest balance	Ending balance	Default possibility: Normal loans	Default possibility: Overdue accounts	Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties
Consumer loans for employees	12	$ 8,107	$ 6,478	V		None	None
Home mortgage loans	58	474,521	399,386	V		Real estate	None
Other loans	1	285,000	210,000	V		Real estate	None

January 1, 2012

(Unit: In NT dollars)

Types	Number of accounts or names of related party	Highest balance	Ending balance	Default possibility: Normal loans	Default possibility: Overdue accounts	Collateral	Whether terms and conditions of the related party transactions are different from those of transactions with third parties
Consumer loans for employees	14	$ 9,492	$ 6,467	V	`	None	None
Home mortgage loans	49	407,656	302,191	V		Real estate	None
Other loans	1	339,810	287,000	V		Real estate	None

L. Financial guarantees for related parties: None.

M. Derivative transactions with related parties as of December 31, 2012 and 2013: None.

N. Disposal of non-performing loans for related party as of December 31, 2012 and 2013:

The Bank held an auction on June 19, 2013 for the non-performing loans, and signed a contract amounting to $58,592 thousand with Mega Asset on July 15, 2013. The following table shows the details of non-performing loans:

(Unit: In NT dollars)

December 31, 2013					
Loan component			Loan amount	Carrying amount	Sale price amortization (Note)
Corporate	Secured		$ 326,967	-	$ 58,159
	Unsecured		40,000	-	433
Individual	Secured	Mortgage loan	-	-	-
		Auto loan	-	-	-
		Others	-	-	-
	Unsecured	Credit card	-	-	-
		Cash card	-	-	-
		Micro credit loan	-	-	-
		Others	-	-	-
Total			$ 366,967	-	$ 58,592

Note: The sale price of $58,592 thousand has not been deducted the $154 thousand service fee paid to Taiwan Financial Asset Service Corporation.

The Bank held an auction on May 9, 2012 for the non-performing loans, and signed a contract amounting to $828,511 thousand with Mega Asset on May 15, 2012. The following table shows the details of non-performing loans:

(Unit: In NT dollars)

December 31, 2012					
Loan component			Loan amount	Carrying amount	Sale price amortization (Note)
Corporate	Secured		$ 644,179	-	$ 592,697
	Unsecured		250,375	-	235,814
Individual	Secured	Mortgage loan	-	-	-
		Auto loan	-	-	-
		Others	-	-	-
	Unsecured	Credit card	-	-	-
		Cash card	-	-	-
		Micro credit loan	-	-	-
		Others	-	-	-
Total			$ 894,554	-	$ 828,511

Note: The sale price of $828,511 thousand has not been deducted the $1,911 thousand service fee paid to Taiwan Financial Asset Service Corporation.

As of December 31, 2013, all receivables have been collected.

O. Information on remunerations to the Bank's directors, supervisors, general managers and vice general manager:

	For the years ended December 31,		
	2013		2012
	NT$	US$	NT$
Salaries and other short-term employee benefits	$ 68,739	$ 2,309	$ 76,693
Post-employment benefits	2,627	88	2,829
Total	$ 71,366	$ 2,397	$ 79,522

12. PLEDGED ASSETS

Please refer to Note 6 (3), (6) and (7) for details of the assets pledged as collateral as of December 31, 2013, December 31, 2012 and January 1, 2012.

13. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of December 31, 2013, December 31, 2012 and January 1, 2012, the Bank had the following commitments and contingent liabilities not reflected in the above mentioned financial statements:

	December 31, 2013	
	NT$	US$
Irrevocable loan commitments	$ 90,635,382	$ 3,044,009
Securities sold under repurchase agreement	46,596,837	1,564,965
Securities purchased under resale agreement	5,453,309	183,151
Credit card line commitments	51,643,171	1,734,447
Guarantees issued	240,137,712	8,065,078
Guarantees to be issued	-	-
Letters of credit	65,867,775	2,212,184
Customers' securities under custody	161,168,597	5,412,883
Properties under custody	3,652,655	122,675
Guarantee effects	98,579,573	3,310,817
Collections for customers	114,979,754	3,861,621
Agency loans payable	2,137,668	71,794
Travelers' checks consigned-in	1,925,922	64,683
Payables on gold coins consigned-in	455	15
Payables on consignments-in	2,697	91
Agent for government bonds	113,285,000	3,804,702
Short-dated securities under custody	74,463,314	2,500,867
Investments for customers	179,661	6,034
Trust liability	482,057,232	16,189,999
Certified notes paid	7,497,880	251,818
Risk tolerance amount	3,525,614	118,409

	December 31, 2012	January 1, 2012
	NT$	NT$
Irrevocable loan commitments	$ 13,115,928	$ 118,177,482
Securities sold under repurchase agreement	17,402,875	9,875,697
Securities purchased under resale agreement	4,430,450	349,810
Credit card line commitments	48,524,062	48,633,007
Guarantees issued	245,546,272	253,425,720
Guarantees to be issued	20,500	20,500
Letters of credit	73,897,743	84,783,914
Customers' securities under custody	162,693,100	168,590,517
Properties under custody	3,146,649	2,583,822
Guarantee effects	78,734,787	78,859,468
Collections for customers	119,332,518	129,974,708
Agency loans payable	2,718,707	3,295,483
Travelers' checks consigned-in	2,030,376	1,910,638
Payables on gold coins consigned-in	455	468
Payables on consignments-in	2,853	3,122
Agent for government bonds	128,021,800	124,991,200
Short-dated securities under custody	42,262,342	53,279,185
Investments for customers	265,016	265,016
Trust liability	461,313,400	438,442,953
Certified notes paid	7,751,073	9,018,776
Risk tolerance amount	2,445,515	-

14. SIGNIFICANT DISASTER LOSS

None.

15. SIGNIFICANT SUBSEQUENT EVENT

None.

16. OTHERS

(1) Information for financial assets transfers and liabilities extinguishing

None.

(2) Significant adjustment of organization and significant changes of management system

None.

(3) Significant impact arising from changes in government laws and regulations

None.

(4) Information for Company's share held by subsidiaries

None.

(5) Information for private placement securities

None.

(6) Information for discontinued operations

None.

(7) Major operating assets or liabilities transferred from (or to) other financial institutions

None.

(8) Profitability of the bank and its branches

Units:%

Items		December 31, 2013	December 31, 2012
Return on total assets (%)	Before tax	0.84	0.94
	After tax	0.71	0.80
Return on stockholders' equity (%)	Before tax	11.65	13.21
	After tax	9.96	11.24
Net profit margin ratio (%)		41.09	42.68

Note 1: Return on total assets = Income before (after) income tax/average total assets.
Note 2: Return on stockholders' equity = Income before (after) income tax / average stockholders' equity.
Note 3: Net profit margin ratio = Income after income tax / total operating revenues.
Note 4: The term "Income before (after) income tax" represents net income from January 1 to the balance sheet date of the reporting period.

(9) In accordance with Article 17 of the Trust Enterprise Law, the disclosures of the trust balance sheet, trust income statement and trust property list are as follows:

A. Trust Balance Sheet

(Expressed in NT Dollars)

Trust Balance Sheet
December 31, 2013

Trust assets			Trust liabilities		
Bank deposits	$	27,975,633	Capital borrowed	$	4,500,525
Short-term investments：			Payables		17,403
Mutual funds		122,552,884	Account collected in advance		44,605
Bonds		35,166,751	Tax payable		32,606
Stocks		48,006,351	Accounts withholding		908
Real estate		105,382,192	Other liabilities		911,125
Properties		14,135	Trust capital		333,636,896
Customers' securities under custody		142,913,164	Customers' securities under custody		142,913,164
Receivables		6,820			
Other assets		39,302			
Total trust assets	$	482,057,232	Total trust liabilities	$	482,057,232

(Expressed in US Dollars)

Trust Balance Sheet
December 31, 2013

Trust assets			Trust liabilities		
Bank deposits	$	939,568	Capital borrowed	$	151,151
Short-term investments：			Payables		584
Mutual funds		4,115,966	Account collected in advance		1,498
Bonds		1,181,083	Tax payable		1,095
Stocks		1,612,304	Accounts withholding		30
Real estate		3,539,284	Other liabilities		30,600
Properties		475	Trust capital		11,205,269
Customers' securities under custody		4,799,770	Customers' securities under custody		4,799,770
Receivables		229			
Other assets		1,320			
Total trust assets	$	16,189,999	Total trust liabilities	$	16,189,999

(Expressed in NT Dollars)

Trust Balance Sheet					
December 31, 2012					
Trust assets			Trust liabilities		
Bank deposits	$	24,696,110	Capital borrowed	$	4,550,525
Short-term investments：			Payables		17,008
Mutual funds		120,780,722	Account collected in advance		35,550
Bonds		27,461,688	Tax payable		33,113
Stocks		49,210,411	Accounts withholding		844
Real estate		104,172,715	Other liabilities		765,760
Properties		13,805	Trust capital		321,019,815
Customers' securities under custody		134,890,787	Customers' securities under custody		134,890,787
Receivables		8,659			
Other assets		78,505			
Total trust assets	$	461,313,402	Total trust liabilities	$	461,313,402

B. Trust Income Statement

Trust Balance Sheet			
	For the years ended December 31		
	2013		2012
Trust income:	(NTD)	(USD)	(NTD)
Interest income	$ 13,308	$ 447	$ 16,489
Rental income	1,326,586	44,554	1,317,295
Other income	29,645	996	29,321
Realized capital gain	-	-	87,642
Total trust income	1,369,539	45,996	1,450,747
Trust expenses:			
Management expenses	(61,708)	(2,072)	(59,228)
Duty expenses	(17,611)	(591)	(16,530)
Other operating expenses	(398,371)	(13,379)	(2,632,181)
Realized capital loss	-	-	(82)
Total trust expense	(477,690)	(16,043)	(2,708,021)
Net (loss) income before income tax (Net investment income)	891,849	447	(1,257,274)
Income tax expense	(155)	(44,554)	(206)
Net (loss) income after income tax	$ 891,694	$ 996	($ 1,257,480)

C. Trust Property List

(Expressed in NT Dollars)

Trust Property List	December 31, 2013	December 31, 2012
Bank deposits	$ 27,975,633	$ 24,696,110
Short-term investments:		
Mutual funds	122,552,884	120,780,722
Bonds	35,166,751	27,461,688
Stock	48,006,351	49,210,411
Real estate	105,382,192	104,172,715
Properties	14,135	13,805
Customers' securities under custody	142,913,164	134,890,787
Receivables	6,820	8,659
Other assets	39,302	78,505
Total	$ 482,057,232	$ 461,313,402

Note：The Shin Kong real estate trust beneficiary securities were sold in 2011 and was recognized capital gain of approximately around NT$2.1 billion.However, the NT$2.1 billion capital gain was paid as interest expense to subordinate beneficiary, which resulted in net loss of in this fiscal year.

(10) Information for cross-sales between the Group and subsidiaries

A. Transactions between the Company and its subsidiaries: Please refer to Note 11.

B. Joint promotion of businesses:

In order to create synergies within the group and provide customers financial services in all aspects, the Bank has continuously established other financial consulting service centers (including banking services, securities trading services, and insurance services) in its subsidiaries and simultaneously promoted service business in banking, securities and insurances areas.

C. Sharing of information

Under the Financial Holding Company Act, Computer Process of Personal Data Protection Law, and the related regulations stipulated by MOF, when customers' information of a financial holding company's subsidiary is disclosed to the other subsidiaries under the group or exchanged between the subsidiaries for the purpose of cross selling of products, the subsidiaries receiving, utilizing, managing or maintaining the information are restricted to use the information for the joint promotion purposes only. In addition, the Bank is required to disclose its "Measures for Protection of Customers' Information" in its website. Customers also reserve the right to have their information withdrawn from the information sharing mechanism.

17. SUPPLEMENTARY DISCLOSURES

(1) Related information on material transaction items of the Bank and its subsidiaries:

A. Information regarding stock of long-term equity investment for which the purchase or sale amount for the period exceeded NT$300 million or 10% of the Bank's paid-in capital:

(Expressed in NT Dollars)

					Balance as at January 1, 2013		Addition		Disposal			Balance as at December 31, 2013	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the Bank	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Gain (Loss) on disposal	Number of shares (in thousands)	Amount
The Bank	Taiwan Top 50 Tracker Fund	Financial assets at fair value through profit or loss-net	-	-	10,450	$ 536,658	11,719	$ 638,799	16,729	$ 951,483	$ 69,030	5,440	$ 293,004
The Bank	Hon Hai	Financial assets at fair value through profit or loss-net	-	-	1,120	102,714	4,528	350,594	4,208	331,958	(9,091)	1,440	112,259
The Bank	TSMC	Financial assets at fair value through profit or loss-net	-	-	7,844	658,530	11,045	1,147,887	10,571	1,110,463	147,921	8,318	843,875
The Bank	Largan	Financial assets at fair value through profit or loss-net	-	-	12	9,269	351	309,448	341	295,823	(1,056)	22	21,837
The Bank	TPK	Financial assets at fair value through profit or loss-net	-	-	65	27,397	708	340,285	773	341,663	(26,019)	-	-

B. Information on the acquisition of real estate for which the purchase amount exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

C. Information on the disposal of real estate for which the sale amount exceeded NT$300 million or 10% of the Bank's paid-in capital:

(Expressed in NT dollars)

Real estate disposed by	Real estate	Date of transaction or date of the event	Date of acquisition	Carrying amount	Disposal amount	Levies and expenses	Status of collection of proceeds	Gain (loss) on disposal	Counterparty	Relationship with the seller	Reason for disposal	Basis or reference used in setting the price	Other commitments
Mega International Commercial Bank	Land parcel number of 983 in Dongming Section and land parcel number of 239, 244, 244-1, 244-2, and 254 in Dongguang Section of Hsinchu City	102.10.16 (Note 1)	46.10.24	$ 72,273	$ 362,500	$ 16,301	Received in full	$ 273,926	Chen Shu-Li	Non-related party	To promote property use efficiency and to increase revenue	Appraisals made by three professional appraisers	None

Note 1: Date of transaction or date of the event herein refers to the completion date of registration for disposal of property right.

Note 2: Above-mentioned assets were originally recorded in investment property.

D. Information regarding discounted processing fees on transactions with related parties for which the amount exceeded NT$5 million: None.

E. Information regarding receivables from related parties for which the amount exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

F. Information regarding selling non-performing loans

(A) Summary of selling non-performing loans

The information regarding selling non-performing loans for the six-month period ended December 31, 2013 are as follows.

(Expressed in NT dollars)

Transaction date	Counterparty	Contents of right of claim	Carrying value	Sale price	Gain or loss from disposal	Attached conditions	Relationship with the Company	Note
2013.3.22	Merrill Lynch Capital Services, Inc.	Corporate banking loans	$ 264,116	$ 306,402	$ 42,286	None	None	Note 1
2013.7.15	Mega Asset Management Co,Ltd	Corporate banking loans	-	58,438	58,438	None	Jointly controlled by Mega financial Holdimgs	Note 2
2013.9.5	Merrill Lynch International	Bonds	46,582	91,896	45,314	None	None	Note 3
2013.12.13	SC Lowy Primary Investments, Ltd.	Corporate banking loans	-	317,883	317,883	None	None	Note 4

Note 1: The book value and sales price of the loan transaction were AUD9,269 thousand and AUD10,753 thousand, respectively. The currency exchange rate of the Bank was 1:28.4953.
Note 2: Selling service fee has been deducted from the sale price.
Note 3: The book value and sales price of the loan transaction were GBP$1,000 thousand and GBP1,974 thousand, respectively. The currency exchange rate of the Bank was 1:46.5362.
Note 4: The book value and sales price of the loan transaction were USD0 thousand and USD10,696 thousand, respectively. The currency exchange rate of the Bank was 1:29.7211.

(B) Single-run of sales of non-performing loans with an amount exceeding NT$ 1 billion excluding sales of non-performing loans to related parties: None.

G. Information on and categories of securitized assets which are approved by the authority pursuant to Financial Asset Securitization Act or the Real Estate Securitization Act: None.

H. Other material transaction items which were significant to the users of the financial statements: None.

(2) Supplementary disclosure regarding investee companies:

A. Supplementary disclosure regarding investee companies:

(Expressed In NT Dollars)

			As of December 31, 2013			Share-holdings of the Bank and related enterprises				
								Total		
Investee companies	Address	Main service	Percentage of ownership %	Book value	Investment income (loss)	Share (in thousands)	Proforma information on number of stock held	Share (in thousands)	Percentage of ownership %	Note
Cathay Investment & Development Corporation (Bahamas)	Post Office Box 3937 Nassau, Bahamas	International investment and exploration	100.00%	$ 51,202	($ 104)	5	None	5	100.00%	
Mega Management & Consulting Co., Ltd.	7F., No.91, Hengyang Rd., Taipei City	Management consulting industry	100.00%	65,326	23,301	1,000	None	1,000	100.00%	
Cathay Investment & Warehousing Ltd.	Dominador Bazany Calle 20,Manzana 31,P.O.Box 0302-00445 Colon Free Zone, Republic of Panama	1. Warehousing 2. Manage and make the investment for the business in foreign trade business. 3. Office rental	100.00%	58,691	(3,565)	1	None	1	100.00%	
Ramlette Finance Holdings Inc.	Calle 50 y Esquina Margarita A. de Vallarino Nuevo Campo Alegre, Edificio MEGAICBC No.74, Panama	Real estate investment industry	100.00%	805	574	2	None	2	100.00%	
Yung-Shing Industries Co.	7F., No.100, Jilin Rd., Taipei City	Agency business industry, manage and make the investment for the business in foreign trade business and customer request service	99.56%	639,718	10,039	298	None	298	99.56%	
China Products Trading Company	7F., No.100, Jilin Rd., Taipei City	Processing agricultural product and investment industry	68.27%	27,500	397	68	None	68	68.27%	
United Venture Capital Corp.	4F., No.9, Dehui St Zhongshan Dist., Taipei City	Investment industry	25.31%	1,444	2,868	408	None	408	25.31%	
China Insurance Co., (Siam) Ltd.	36/69, 20th Floor, P.S. Tower, Asoke Sukhumvit 21 Road, Bankok 10110, Thailand	Insurance industry	25.25%	$ 16,395	$ 861	1,515	None	1,515	25.25%	
Mega 1 Venture Capital Co., Ltd	7F., No.91, Hengyang Rd., Taipei City	Investment industry	25.00%	83,701	7,510	11,250	None	24,000	40.00%	
IP Fundseven Ltd.	7F., No.122, Dunhua N. Rd., Songshan District, Taipei City	Investment industry	25.00%	102,339	8,844	12,500	None	12,500	25.00%	
An Fang Co., Ltd.	3F., No.139, Jhengjhou Rd., Taipei City	Automatic Teller Machine rental, configure and maintain	25.00%	11,931	751	750	None	750	25.00%	

(Expressed In NT Dollars)

Investee companies	Address	Main service	As of December 31, 2013			Share-holdings of the Bank and related enterprises				Note
								Total		
			Percentage of ownership %	Book value	Investment income (loss)	Share (in thousands)	Proforma information on number of stock held	Share (in thousands)	Percentage of ownership %	
Taiwan Finance Co., Ltd.	3F., No.123, Sec. 2, Nanjing E. Rd., Taipei City	Brokerage underwriting attestation guarantee and endorsement of commercial papers, proprietary trading of government bonds and corporate bonds	24.55%	1,489,482	142,151	126,714	None	126,714	24.55%	
Everstrong Iron Steel & Foundry & Mfg Corp	NO.1 Shiquan Rd., Xiaogang Dist., Kaohsiung City	Iron and steel making	22.22%	41,713	3,851	1,760	None	1,760	22.22%	
China Real Estate Management Co., Ltd.	11F., No.35, Guangfu S. Rd., Taipei City	Real estate and property selling	20.00%	191,005	12,951	9,000	None	9,000	20.00%	
Win Card Co., Ltd.	4F., No.99, Sec. 3, Chongyang Rd., Sanchong Dist., New Taipei City	Corporate management consulting, data processing business and general advertising services	100.00%	40,525	2,341	200	None	200	100.00%	Indirect subsidiary of the Bank
ICBC Asset Management & Consulting Co., Ltd	No.100, Jilin Rd., Taipei City	Investment consulting, corporate management consulting and venture investment management consulting	100.00%	51,923	1,923	5,000	None	5,000	100.00%	Indirect subsidiary of the Bank

B. For those investee companies that the Bank has direct or indirect control interest over, further disclosures are as follows:

(A) Information on the acquisition of real estate for which the purchase amount exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

(B) Information on the disposal of the real estate for which the sale amount exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

(C) Information regarding discounted processing fees on transactions with related parties for which the amount exceeded NT$5 million: None.

(D) Information regarding receivables from related parties for which the amount exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

(E) Information regarding selling non-performing loans: None.

(F) Information on and categories of securitized assets which are approved by the authority pursuant to the Financial Asset Securitization Act or the Real Estate Securitization Act: None.

(G) Lending to other parties: None.

(H) Guarantees and endorsements for other parties: None.

(I) Information regarding securities held as of December 31, 2013:

(Expressed in NT dollars)

			At year-end					
Investor	Name of investee and type of securities	Relationship	Account	Share/Units (in thousands)	Book value	Ownership Percentage (%)	Market value	Note
Mega Management & Consulting Co., Ltd.	Stocks							
〃	ID Reengineering Inc.	Equity investees	Investments accounted for by the equity method	25	$ 4217	25.00%	$ 4,217	
Mega 1 Venture Capital Co., Ltd.	Stocks							
〃	Formosa Advanced Technologies Co., Ltd.	None	Available-for-sale financial assets	1,035	$ 72,845	0.23%	$ 17,854	
〃	Darfon Electronics Corp.	〃	Available-for-sale financial assets	121	10,000	0.04%	2,717	
〃	Paragon Technologies Co., Ltd.	〃	Available-for-sale financial assets	639	62,435	0.75%	34,387	
〃	Ju Teng Technology Co., Ltd	〃	Available-for-sale financial assets	600	22,407	0.05%	11,580	
〃	AVerMedia Information Inc.	〃	Available-for-sale financial assets	289	24,108	0.29%	6,844	
〃	G – TECH Optolectronics Co.,	〃	Available-for-sale financial assets	294	35,650	0.11%	11,042	
〃	TaiDoc Corporation	〃	Available-for-sale financial assets	40	4,334	0.06%	3,080	
〃	Chime Ball Technology Co.,Ltd.	〃	Available-for-sale financial assets	83	5,517	0.21%	5,669	
〃	AEON MOTOR CO.,LTD.	〃	Available-for-sale financial assets	70	4,270	0.18%	3,136	
〃	Avalue Technology Inc.	〃	Available-for-sale financial assets	29	1,219	0.06%	1,269	
〃	Feature Integration Technology Inc.	〃	Financial assets carried at cost	572	19,250	1.23%	19,250	
〃	Thecus Technology Corp.	〃	Financial assets carried at cost	719	16,620	4.25%	16,620	
〃	ACTI connecting vision	〃	Financial assets carried at cost	210	13,100	0.59%	13,100	
〃	Kuang Ming Shipping Corp.	〃	Financial assets carried at cost	600	17,767	0.29%	17,767	
〃	Lung Pien Vacuum Industry Co., Ltd.	〃	Financial assets carried at cost	200	12,309	0.79%	12,309	
〃	Tennrich International Corp.	〃	Financial assets carried at cost	440	5,398	0.74%	5,398	
〃	Taiwan Video System Co., Ltd.	〃	Financial assets carried at cost	653	12,150	2.71%	12,150	
〃	Sin-ying-cai Corp.	〃	Financial assets carried at cost	431	5,089	0.99%	5,089	
〃	Yung Fa Corp.	〃	Financial assets carried at cost	3,466	27,738	9.70%	27,738	
〃	Mobile Action Technology Inc.,	〃	Financial assets carried at cost	77	1226	0.43%	1,226	
〃	MobilMAX Technoloy Inc.	〃	Financial assets carried at cost	500	10,000	4.03%	10,000	
〃	ProbeLeader Co., Ltd.	〃	Financial assets carried at cost	698	15,975	2.50%	15,975	
〃	First Dome Corp.	〃	Financial assets carried at cost	483	12,668	1.96%	12,668	
〃	Dong Zhun Photoelectric Material Corp.	〃	Financial assets carried at cost	500	15,000	4.59%	15,000	
〃	Taiwan United Medical Inc.	〃	Financial assets carried at cost	327	3,924	1.47%	3,924	
〃	High Power Opto. Inc.	〃	Financial assets carried at cost	1,515	27,005	0.90%	27,005	
〃	Chi Lin Technology co., Ltd.	〃	Financial assets carried at cost	128	3,785	0.03%	3,785	
〃	CHI LIN OPTOELECTRONICS CO., LTD	〃	Financial assets carried at cost	185	5,483	0.07%	5,483	

			At year-end					
Investor	Name of investee and type of securities	Relationship	Account	Share/Units (in thousands)	Book value	Ownership Percentage (%)	Market value	Note
Mega 1 Venture Capital Co., Ltd.	AIDE Energy Holding Co., Ltd.	None	Financial assets carried at cost	600	$ 22,605	0.45%	22,605	
〃	Applied Wireless Identifications	〃	Financial assets carried at cost	-	303	0.23%	303	
					$ 490,180			
Yung-Shing Industries Co.	Stocks							
〃	H&H Venture Capital Investment Corp.	None	Financial assets carried at cost	2,468	$ 20,885	8.57%	$ 20,885	
〃	Hua-sheng Venture Capital Investment Corp.	〃	Financial assets carried at cost	1,499	14,994	1.67%	14,994	
〃	Fan-yang Venture Capital Investment Corp.	〃	Financial assets carried at cost	473	4,725	7.44%	4,725	
〃	TaiOne International Ltd.	〃	Financial assets carried at cost	2,660	6,677	19.00%	6,677	
〃	Hi-Scene World Enterprise Co., Ltd.	〃	Financial assets carried at cost	3,202	7,124	1.54%	7,124	
	SysJust Corporation		Financial assets carried at cost	671	6,878	2.65%	6,878	
〃	An Fang Co., Ltd.	〃	Financial assets carried at cost	150	1,833	5.00%	1,833	
〃	First Bio Venture Capital Corp	〃	Financial assets carried at cost	302	1,175	2.50%	1,175	
〃	Win Card Co., Ltd.	Equity investees	Investments accounted for by the equity method	200	40,525	1%	40,525	
〃	ICBC Assets Management & Consulting Co., Ltd.	〃	Investments accounted for by the equity method	5,000	51,923	100.00%	51,923	
	Total				$ 156,739			
ICBC Assets Management & Consulting Co., Ltd.	Stocks							
〃	H&H Venture Capital Investment Corp.	None	Financial assets carried at cost	1,645	$ 10,464	5.71%	$ 10,464	
Cathay Investment & Development Corporation (Bahamas)	Funds							
〃	AsiaTech Taiwan Venture Fund LP	None	Financial assets carried at cost	-	$ 7,127	-	$ 7,127	
〃	Tai An Technologies Corp.	〃	Financial assets carried at cost	-	3,550	-	3,550	
	Accumulated impairment				(6,846)			
	Total				$ 3,831			

(J) Information regarding securities for which the purchase or sale amount for the period exceeded NT$300 million or 10% of the Bank's paid-in capital: None.

(K) Information regarding trading in derivative financial instruments: None.

(L) Other material transaction items which were significant to the users of the financial statements: None.

(3) Investments in People's Republic of China:

Unit：In NT Dollars

Name of Investee Company in Mainland China	Main Business	Paid-in Capital	Investment method	Accumulated amount of investment as of January 1, 2013	For the year ended December 31, 2013		Accumulated amount of investments as of December 31, 2013	The Company's Direct/ Indirect Percentage of Ownership (%)	Investment Income (Loss) for the period (Note 2)
					Reinvestment	Withdrawal			
Mega International Commercial Bank Suzhou Branch	Banking businesses approved by the local government	RMB 1,000,000	Branch	RMB 1,000,000	$ -	$ -	RMB 1,000,000	None	$ 152,824

Carrying amount of investment as of December 31, 2013	Investment income remitted as of December 31, 2013	Accumulated investment amounts in Mainland China as of December 31, 2013	Investment amount approved by the investment audit committee of the Ministry of Economic Affairs	Limits on investment amounts established by the investment audit committee of the Ministry of Economic Affairs (Note 1)
$ -	$ -	RMB 1,000,000	RMB 1,000,000	$ 120,521,475

Note 1: Limit calculation is as follows (The Bank's net worth is $200,869,125 thousand)

$200,869,125 thousand x 60% = $120,521,475 thousand.

Note 2: Relevant operating income and expense of the subsidiary, Mega International Commercial Bank Suzhou Branch have been included the gains and losses of the subsidiary.

(4) Significant transactions between parent company and subsidiaries

Expressed in NT Dollars

No. (Note 1)	Company	Counterparty	Relationship (Note 2)	Details of transactions			
				Account	Amount	Conditions	Percentage (%) of total consolidated net revenues or assets (Note 3)
0	Mega International Commercial Bank Co., Ltd.	Mega ICBC(Canada)	1	Due from Commercial Banks	$ 264,781	No significant difference from general customers	0.94%
0	〃	〃	1	Call Loans to Banks	23,069	〃	0.08%
0	〃	〃	1	Due to Other Banks	25,965	〃	0.09%
0	〃	〃	1	Receivables	68	〃	0.00%
0	〃	〃	1	Interest Revenue	1,102	〃	0.58%
0	〃	〃	1	Interest Expenses	8	〃	0.00%
0	〃	Mega ICBC(Thailand)	1	Due from Commercial Banks	15,165	〃	0.05%
0	〃	〃	1	Interest Revenue	937	〃	0.49%
0	〃	〃	1	Due to Other Banks	285,189	〃	1.01%
0	〃	〃	1	Call Loans to Banks	445,740	〃	1.58%
0	〃	〃	1	Interest Expenses	285	〃	0.15%
1	Mega ICBC(Canada)	Mega International Commercial Bank Co., Ltd.	2	Due from Commercial Banks	25,965	〃	0.09%
1	〃	〃	2	Call Loans from other Banks	23,069	〃	0.08%
1	〃	〃	2	Due to Other Banks	264,781	〃	0.94%
1	〃	〃	2	Payables	68	〃	0.00%
1	〃	〃	2	Interest Revenue	8	〃	0.00%
1	〃	〃	2	Interest Expenses	1,102	〃	0.58%
1	〃	Mega ICBC(Thailand)	3	Due to Other Banks	1,619	〃	0.01%
2	Mega ICBC(Thailand)	Mega International Commercial Bank Co., Ltd.	1	Due from Commercial Banks	285,189	〃	1.01%
2	〃	〃	1	Interest Expenses	937	〃	0.49%
2	〃	〃	1	Call loans from other banks	445,740	〃	1.58%
2	〃	〃	1	Due to Other Banks	15,165	〃	0.05%
2	〃	〃	1	Interest Revenue	285	〃	0.15%
2	〃	Mega ICBC(Canada)	3	Due from Commercial Banks	1,619	〃	0.01%

(Note 1) The numbers in the No. column represent as follows:

1. 0 for the parent company
2. According to the sequential order, subsidiaries are numbered from 1.

(Note 2) Relationship between transaction company and counterparty is classified into the following three categories;

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(Note 3) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

18. INITIAL APPLICATION OF IFRSs

These consolidated financial statements are the first consolidated financial statements prepared by the Group in accordance with the IFRSs. The Group has adjusted the amounts as appropriate that are reported in the previous R.O.C. GAAP consolidated financial statements to those amounts that should be presented under IFRSs in the preparation of the opening IFRS balance sheet. Information about exemptions elected by the Group, exceptions to the retrospective application of IFRSs in relation to initial application of IFRSs, and how it affects the Group's financial position, operating results and cash flows in transition from R.O.C. GAAP to the IFRSs is set out below:

(1) Exemptions elected by the Group

A. Cumulative translation differences

The Group has elected to reset the cumulative translation differences arising on the translation of the financial statements of foreign operations under R.O.C. GAAP to zero at the transition date, and to deal with translation differences arising subsequent to the transition date in accordance with IAS 21, 'The Effects of Changes in Foreign Exchange Rates'.

B. Business combinations

The Group has selected not to apply the requirements in IFRS 3, 'Business Combinations', retrospectively to business combinations that occurred prior to the date of transition to IFRSs. This exemption also applies to the Bank's previous acquisitions of investments in associates and joint ventures. Therefore, the carrying amounts of business combination transactions that occurred prior to the date of transition to IFRSs are not required to be adjusted.

C. Deemed cost

(A) For property, plant and equipment that were revalued under R.O.C. GAAP before the transition date, the Group has elected to use the revalued amount under R.O.C. GAAP at the date of the revaluation as the 'deemed cost' of these assets under IFRSs.

(B) For investment properties that were accounted for under ‘Property, plant and equipment’ which were revalued under R.O.C. GAAP before the transition date, the Group has elected to use the revalued amount under R.O.C. GAAP at the date of the revaluation as the ‘deemed cost’ of these assets under IFRSs.

(C) The Group did not apply exemptions to its intangible assets.

D. Employee benefits

The Group has elected to recognise all cumulative actuarial gains and losses relating to all employee benefit plans in ‘retained earnings’ at the transition date, and to disclose the information of present value of defined benefit obligation, fair value of plan assets, gain or loss on plan assets and experience adjustments under the requirements of paragraph 120A (P), IAS 19, ‘Employee Benefits’, based on their prospective amounts for financial periods from the transition date.

E. Designation of previously recognized financial instruments

The Group chose to designate certain financial assets carried at cost as the available-for-sale financial assets at the conversion date.

(2) Except for non-controlling interest to which exceptions to the retrospective application of IFRSs specified in IFRS 1 are not applied as they have no relation with the Group, other exceptions to the retrospective application are set out below:

A. Accounting estimates

The accounting estimates made by the Group under the IFRSs on the date of transition to IFRSs, which had reflected the adjustments for accounting policies differences, are in agreement with those made under R.O.C. GAAP before the transition date.

B. Derecognition of financial assets and financial liabilities

The derecognition requirements in IAS 39, ‘Financial Instruments: Recognition and Measurement’ shall be applied prospectively to transactions occurring on or after January 1, 2004.

C. Hedge accounting

Hedge accounting can only be applied prospectively to transactions that qualify for hedge accounting in accordance with IAS 39 from the date of transition to IFRSs. Hedging relationship should not be designated retrospectively, and written documentation relating to hedge accounting should not be made retrospectively, either. Therefore, under IFRS 1, only a hedging relationship that satisfied the hedge accounting criteria on January 1, 2012 can be reflected as hedge in the Group’s opening IFRS financial statements.

(3) Requirement to reconcile from R.O.C. GAAP to IFRSs at the time of first-time adoption of IFRSs:

IFRS 1 requires that an entity should prepare reconciliations for consolidated balance sheets, consolidated statements of comprehensive income and consolidated statement of cash flows for the comparative periods. Reconciliations for consolidated balance sheets and consolidated statements of comprehensive income for the comparative periods as to transition from R.O.C. GAAP to IFRSs are shown below:

(Blank below)

A. Reconciliation of significant differences as of January 1, 2012

(Expressed in NT Dollars)

ROC GAAP		Effect on transition of IFRS endorsed by FSC		IFRS endorsed by FSC		
Item	Amount	Difference on recognition and evaluation	Presentation difference	Amount	Item	Description
Cash and cash equivalents	$ 313,430,124	$ -	$ -	$ 313,430,124	Cash and cash equivalents	
Due from the Central Bank and call loans to banks-net	181,399,521	-	-	181,399,521	Due from the Central Bank and call loans to banks	
Financial assets at fair value through profit or loss	41,805,870	(4,125)	-	41,801,745	Financial assets at fair value through profit or loss	D(1)
Securities purchased under resale agreements	349,562	-	-	349,562	Securities purchased under resale agreements	
Receivable - net	81,770,141	2,635,331	-	84,405,472	Receivable - net	D(1)
Bills discounted and loans - net	1,462,333,154	-	-	1,462,333,154	Bills discounted and loans - net	
Available-for-sale financial assets - net	71,167,599	2,569,287	-	73,736,886	Available-for-sale financial assets - net	D(2)
Held-to-maturity financial assets - net	130,949,228	-	-	130,949,228	Held-to-maturity financial assets - net	
Investments accounted for by equity method - net	3,326,129	-	-	3,326,129	Investments accounted for by equity method - net	
Other financial assets - net	17,915,815	(2,620,013)	-	15,295,802	Other financial assets – net	D(2)
	-	-	769,942	769,942	Investment property – net	D(4)
Property and equipment - net	13,364,166	1,513,763	-	14,877,929	Property and equipment - net	D(3),(9)
	-	-	2,391,018	2,391,018	Deferred tax assets - net	D(5),(7),(8)
Other assets - net	7,348,688	196,293	(2,387,896)	5,157,085	Other assets - net	D(5),(7),(8)
Total Assets	$ 2,325,159,997	$ 4,290,536	$ 773,064	$ 2,330,223,597	**Total Assets**	
Liabilities						
Due to the Central Bank and commercial banks	$ 356,664,007	$ -	$ -	$ 356,664,007	Due to the Central Bank and commercial banks	
Borrowed funds	80,342,071	-	-	80,342,071	Borrowed funds	
Financial liabilities at fair value through profit or loss	20,368,090	-	-	20,368,090	Financial liabilities at fair value through profit or loss	
Securities sold under repurchase agreements	7,339,481	2,531,446	-	9,870,927	Securities sold under repurchase agreements	D(1)
Payables	38,425,707	25,670	(3,768,961)	34,682,416	Payables	D(1),(6),(7)
	-	-	3,768,961	3,768,961	Current income tax liabilities	D(6)
Deposits and remittances	1,589,916,796	-	-	1,589,916,796	Deposits and remittances	
Financial bonds payable	42,600,000	-	-	42,600,000	Financial bonds payable	
	1,543,327	3,076,377	2,120,798	6,740,502	Provisions	
Accrued pension liability	1,543,327	3,076,377	-	4,619,704	Provisions for employee benefits	D(8)
	-	-	2,120,798	2,120,798	Reserve for quarantee liabilties	D(9)
Other financial liabilities	12,613,856	-	-	12,613,856	Other financial liabilities	
	-	-	1,837,964	1,837,964	Deferred income tax liabilities	D(3),(5)
Other liabilities	12,346,165	475,687	(3,185,698)	9,636,154	Other liabilities	G(7),(8),(9)
Total Liabilities	$ 2,162,159,500	$ 6,109,180	$ 773,064	$ 2,169,041,744	**Total Liabilities**	
Stockholders' equity of the parent					Equity attributable to owners of the parent	
Capital stock	$ 68,000,000	$ -	$ -	$ 68,000,000	Capital stock	
Capital reserve	33,070,028	-	-	33,070,028	Capital reserve	
Legal reserve	42,539,125	-	-	42,539,125	Legal reserve	
Special reserve	1,658,829	2,052,425	-	3,711,254	Special reserve	D(10)
Unappropriated earnings	15,022,236	-	-	15,022,236	Unappropriated earnings	D(1),(7),(8),(10)
Other equity	2,710,279	(3,871,069)	-	(1,160,790)	Other equity	D(2),(10)
Total Equity	$ 163,000,497	($ 1,818,644)	$ -	$ 161,181,853	**Total Equity**	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,325,159,997	$ 4,290,536	$ 773,064	$ 2,330,223,597	**TOTAL LIABILITIES AND EQUITY**	

B. Reconciliation of significant differences as of December 31, 2012

(Expressed in NT Dollars)

ROC GAAP		Effect on transition of IFRS endorsed by FSC		IFRS endorsed by FSC		
Item	Amount	Difference on recognition and evaluation	Presentation difference	Amount	Item	Description
Cash and cash equivalents	$ 305,728,967	$ -	$ -	$ 305,728,967	Cash and cash equivalents	
Due from the Central Bank and call loans to banks-net	150,962,037	-	-	150,962,037	Due from the Central Bank and call loans to banks	
Financial assets at fair value through profit or loss - net	40,773,884	(156,775)	-	40,617,109	Financial assets at fair value through profit or loss	D(1)
Securities purchased under resale agreements	4,428,875	-	-	4,428,875	Securities purchased under resale agreements	
Receivable - net	102,512,043	156,775	-	102,668,818	Receivable - net	D(1)
Bills discounted and loans - net	1,502,700,861	-	-	1,502,700,861	Bills discounted and loans - net	
Available-for-sale financial assets - net	131,104,246	2,513,588	-	133,617,834	Available-for-sale financial assets - net	D(1),(2)
Held-to-maturity financial assets - net	159,207,720	-	-	159,207,720	Held-to-maturity financial assets - net	
Investments accounted for by equity method - net	3,129,828	-	-	3,129,828	Investments accounted for by equity method - net	
Other financial assets - net	17,095,712	(2,386,256)	-	14,709,456	Other financial assets – net	D(2)
	-	-	781,955	781,955	Investment property – net	D(4)
Property and equipment - net	14,713,895	-	-	14,713,895	Property and equipment - net	D(3),(9)
	-	-	2,788,680	2,788,680	Deferred tax assets - net	D(5)
Other assets - net	9,782,778	367,285	(2,947,938)	7,202,125	Other assets - net	D(5),(7)
Total Assets	$ 2,442,140,846	$ 494,617	$ 622,697	$ 2,443,258,160	**Total Assets**	
Liabilities						
Due to the Central Bank and commercial banks	$ 313,849,493	$ -	$ -	$ 313,849,493	Due to the Central Bank and commercial banks	
Borrowed funds	84,826,943	-	-	84,826,943	Borrowed funds	
Financial liabilities at fair value through profit or loss	14,135,970	-	-	14,135,970	Financial liabilities at fair value through profit or loss	
Securities sold under repurchase agreements	17,364,464	-	-	17,364,464	Securities sold under repurchase agreements	D(1)
Payables	41,372,427	(64,409)	(4,712,271)	36,595,747	Payables	D(6),(7)
	-	-	4,712,271	4,712,271	Current income tax liabilities	D(6)
Deposits and remittances	1,719,343,488	-	-	1,719,343,488	Deposits and remittances	
Financial bonds payable	43,900,000	-	-	43,900,000	Financial bonds payable	
	2,729,560	3,666,491	3,574,854	9,970,905	Provisions	
Accrued pension liability	2,729,560	3,666,491	-	6,396,051	Provisions for employee benefits	D(8)
	-	-	3,574,854	3,574,854	Reserve for quarantee liabilties	D(9)
Other financial liabilities	9,788,365	-	-	9,788,365	Other financial liabilities	
	-	-	1,687,169	1,687,169	Deferred income tax liabilities	D(5),(7)
Other liabilities	14,717,748	76,816	(4,639,326)	10,155,238	Other liabilities	D(6), (7), (8), (9)
Total Liabilities	$ 2,262,028,458	$ 3,678,898	$ 622,697	$ 2,266,330,053	**Total Liabilities**	
Stockholders' equity of the parent					Equity attributable to owners of the parent	
Capital stock	$ 71,000,000	$ -	$ -	$ 71,000,000	Capital stock	
Capital reserve	37,261,028	-	-	37,261,028	Capital reserve	
Legal reserve	47,041,482	-	-	47,041,482	Legal reserve	
Special reserve	2,829,015	2,052,406	-	4,881,421	Special reserve	D(10)
Unappropriated earnings	19,367,165	(1,617,152)	-	17,750,013	Unappropriated earnings	D(10)
Other equity	2,613,698	(3,619,535)	-	(1,005,837)	Other equity	D(2),(10), (11)
Total Equity	$ 180,112,388	($ 3,184,281)	$ -	$ 176,928,107	**Total Equity**	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 2,442,140,846	$ 494,617	$ 622,697	$ 2,443,258,160	**TOTAL LIABILITIES AND EQUITY**	

C. Income statement reconciliation for the year ended December 31, 2012:

(Expressed in NT Dollars)

ROC GAAP		Effect on transition of IFRS endorsed by FSC		IFRS endorsed by FSC		
Item	Amount	Difference on recognition and evaluation	Presentation difference	Amount	Item	Description
Interest revenue	$ 41,393,888	$ -	($ 787,025)	$ 40,606,863	Interest revenue	D(9)
Less：interest expenses	(13,242,019)	422,681	755,148	(12,064,190)	Less：interest expenses	D(9)
Net interest income	28,151,869	422,681	(31,877)	28,542,673	Net interest income	
Revenues other than interest income, net					**Revenues other than interest income, net**	
Fee income - net	7,409,315	2,461	-	7,411,776	Fee income - net	D(7)
Gain (loss) on financial assets and liabilities at fair value through profit or loss	2,010,826	-	521,937	2,532,763	Gain (loss) on financial assets and liabilities at fair value through profit or loss	D(9)
Realized gain on available-for-sale financial assets	1,288,352	-	-	1,288,352	Realized gain on available-for-sale financial assets	
Investment income recognized by the equity method	178,887	-	-	178,887	Investment income recognized by the equity method	
Foreign exchange gain - net	2,414,902	3,733	-	2,418,635	Foreign exchange gain - net	D(11)
Gain on financial assets carried at cost	780,303	-	-	780,303	Gain on financial assets carried at cost	
Gain on sale of non-performing loans	1,480,426	-	-	1,480,426	Gain on sale of non-performing loans	
Others	(130,867)	-	-	(130,867)	Others	
Net revenue	43,584,013	428,875	490,060	44,502,948	**Net revenue**	
Provision for loan losses	(4,367,040)	-	-	(4,367,040)	Provision for loan losses and guarantee reserve	
Operating expenses					**Operating expenses**	
Staff expenses	(10,907,197)	(757,196)	(490,060)	(12,154,453)	Employee benefits expenses	D(8)
Depreciation and amortization	(599,071)	-	-	(599,071)	Depreciation and amortization	
Other general and administrative expenses	(5,044,157)	(9,943)	-	(5,054,100)	Other general and administrative expenses	D(7)
Income before income tax	22,666,548	(338,264)	-	22,328,284	**Consolidated income from continuing operations before income tax**	
Income Tax Expense	(3,333,076)	418	-	(3,332,658)	Income Tax Expense	D(7)
Consolidated net income	$ 19,333,472	($ 337,846)	$ -	$ 18,995,626	**Consolidated net income**	
					Other comprehensive income:	
				(907,701)	Cumulative translation differences of foreign operations	
				1,092,727	Unrealized gain on valuation of available-for-sale financial assets	
				(30,073)	Share of other comprehensive income of associates and joint ventures accounted for under equity method	
				(1,541,356)	Actuarial loss on defined benefit plan	D(8)
				262,031	Income tax relating to the components of other comprehensive income	
				(1,124,372)	Total other comprehensive income (after income tax)	
				$ 17,871,254	**Total comprehensive income**	

D. Reasons for reconciliation are outlined below:

(1) In accordance with IAS No. 39 "Financial Instruments: Recognition and Measurement", the Group adjusted the customary trade using trade date accounting uniformly, and resulted in accounts receivable increasing by NTD$2,635,331 thousand, accounts payable increasing by NT$99,771 thousand, bills and bonds purchased under repurchase agreement increasing by NT$2,531,446 thousand, financial assets at fair value through profit or loss decreasing by NT$4,125 thousand and unappropriated earnings decreasing by NT$11 thousand on January 1, 2012, respectively. And resulted in accounts receivable increasing by NT$156,775 thousand and financial assets at fair value through profit or loss decreasing by NT$156,775 thousand on December 31, 2012.

(2) The unlisted and OTC listed stocks the Bank held carried at cost are listed as financial assets carried at cost under other financial assets, net, in accordance with the "Regulation Governing the Preparation of Financial Reports by Public Banks" that was announced in 2010. However, in accordance with IAS 39, 'Financial Instruments: Recognition and Measurement', investments in equity instruments without an active market but with reliable fair value measurement (i.e. the variability in the range of reasonable fair value estimates is insignificant for that instrument, or the probabilities of the estimates within the range can be reasonably assessed and used in estimating fair value) should be measured at fair value. Therefore, the Bank designated financial assets carried at cost based on the fair value as available-for-sale financial assets. As a result, available-for-sale financial assets increased by NT$2,569,287 thousand, other financial assets and other equity decreased by NT$2,620,013 thousand and NT$50,726 thousand on January 1, 2012, respectively. On December 31, 2012, available-for-sale financial assets decreased by NT$55,699 thousand, realized gain or loss on available-for-sale financial assets and financial assets carried at cost increased by NT$178,058 thousand and NT$233,757 thousand, respectively.

(3) The Bank executed an asset revaluation on the present value of land newly announced in January 1, 2012 and in accordance with Note 18(1) which resulted in the fixed assets, net increasing by NT$1,513,763 thousand and deferred income tax liabilities increasing by NT$396,007 thousand at the conversion date.

(4) According to the R.O.C. GAAP, idle and lease asset are listed under "other asset-others"; however, the above assets of the Group satisfy the definition set out in IAS No. 40 "Investment Property", and the amounts of NT$769,942 thousand and NT$781,955 thousand shall be reclassified to "investment property" on January 1, 2012 and December 31, 2012, respectively.

(5) The Bank reclassified the following accounts according to the revised "Regulations Governing the Preparation of Financial Reports by Public Banks" dated December 26, 2011: the deferred income tax assets under other assets - net amounting to NT$2,391,018 thousand and NT$2,788,680 thousand are shown separately. Additionally, the deferred income tax liabilities under other liabilities amounting to NT$1,837,964 thousand and NT$1,687,169 thousand are shown separately, and the amount of deferred income tax which will be reclassified including the reserve for land value incremental tax due to the revaluation assessment in line with relevant regulations, in accordance with R.O.C. GAAP it was under "Other liabilities", but in accordance with IAS 12, "Income Taxes", it should be shown as deferred income tax liabilities, and amounting to NT$657,314 thousand and NT$1,053,321 thousand shall be reclassified on January 1, 2012 and December 31, 2012, respectively.

(6) According to IAS 12, "Income Taxes", income tax payable of current and prior periods (originally listed under accounts payable) should be shown separately as current income tax liabilities and amounting to NT$3,768,961 thousand and NT$4,712,271 thousand shall be reclassified to "current income tax liabilities" on January 1, 2012 and December 31, 2012, respectively.

(7) The Bank adopted IFRIC No. 13 "Customer Loyalty Programmes" and adjusted income derived from credit card bonus. As a result, accounts payable decreased by NT$74,101 thousand, deferred income under other liabilities increased by NT$68,105 thousand, deferred income tax assets decreased by NT$11,577 thousand and unappropriated earnings decreased by NT$5,581 thousand on January 1, 2012, respectively. The adjustments of accounts payable increased by NT$9,991 thousand, other business and administrative expenses increased by NT$9,896 thousand, other assets increased by NT$95 thousand, other liabilities decreased by NT$2,461 thousand, service fee revenue - net increased by NT$2,461 thousand, deferred income tax liabilities decreased by NT$418 thousand and income tax expense decreased by NT$418 thousand on December 31, 2012.

(8) For employee benefits, no minimum limit regarding recognition for pension liabilities is addressed in IAS No. 19 "Employee Benefits" and the related accounts were reversed as of January 1, 2012. Therefore, deferred pension under other assets - net decreased by NT$393,604 thousand, accrued pension liabilities decreased by NT$393,604 thousand and was reclassified as reserve for employee benefit liabilities. Additionally, in accordance with 18(1) the exemptions elected as stated 18(1) and IAS No. 19 "Employee Benefits", the Group recognized the actuarial gains and losses of pension liability and liability reserve of preferential interest for retired employees at lump sum on January 1, 2012. This change has resulted in reserve for employee benefit liabilities increasing by $3,469,981 thousand, deferred income tax assets increasing by $589,896 thousand and unappropriated earnings decreasing by $2,880,085 thousand.

Due to the actual payments made in 2012 and the changes in the assumptions, and actuarial gain or loss on defined benefit plan amounting to NT$1,541,356 thousand, the change has resulted in accrued pension liabilities decreasing by NT$493,425 thousand and increasing by NT$ 1,519,678 thousand for reclassified to reserve for employee benefit liabilities. Additionally, personnel expenses decreased by NT$21,678 thousand.

(9) According to "Regulation Governing the Preparation of Financial Reports by Public Banks" scheduled to be effective in 2013, "financial assets at fair value through profit or loss" shall be reclassified to "financial assets at fair value through profit or loss". The fixed assets - net shall be reclassified to property, plant and equipment. "Reserve for losses on guarantees" (under "Other liabilities") should be recognized in "Provisions", so the reserve for losses on guarantees amounting to NT$2,120,798 thousand and NT$3,574,854 thousand on January 1, 2012 and December 31 2012 were reclassified to provisions, respectively. The interest on financial assets at fair value through profit and loss that were initially recognized as interest revenue or expense, should be shown as profit or loss on financial assets or liabilities assets at fair value through profit and loss. As a result, the amount of NT$521,937 thousand was reclassified for the year ended December 31,2012.

(10) The Group elected to adopt the applicable exemption under IFRS 1, “First-time Adoption of International Financial Reporting Standards” and wrote-off the unrealized revaluation increment amounting to NT$3,324,561 thousand and cumulative translation adjustment amounting to NT$1,613,537 thousand to undistributed earnings totaling NT$4,938,101 thousand at the conversion date.

According to Jin-Guan-Zheng-Fa Letter No. 1010012865 dated April 6, 2012, special reserve should be set aside to an equivalent value; however, if the additional retained earnings occur due to the adoption of First-time Adoption of International Financial Reporting Standards at the conversion date is insufficient, additional retained earnings resulting from the conversion of IFRSs may be used. If the Group uses, disposes or reclassifies the related assets, then the Group can reverse the special reserve which was earlier set aside in accordance with percentage to divided earnings. As a result, the unappropriated earnings decreased by NT$2,885,676 thousand and retained earnings inceased by NT$2,052,425 thousand at the conversion date, so the Group recognized the net increase amount in special reserve based on the regulations of the abovementioned Letter.

As the Group sold part of the land in 2012, according to the regulation above, special capital reserve was reversed by NT$19 thousand, which was recognized in unappropriated earnings.

(11) In accordance with IAS 21, “The Effects of Changes in Foreign Exchange Rates”, assets denominated in foreign currencies were subsequently measured at historical exchange rates for the year ended December 31, 2012. As a result, “Cumulative translation adjustments” decreased by NT$3,733 thousand and “foreign exchange gain or loss” increased by NT$3,733 thousand, respectively.

E. Major adjustments for the consolidated statement of cash flows for the year ended December 31, 2012:

(1) According to the R.O.C. GAAP, the Group uses the cash flow statement made by indirect method together with receipt of interest, receipt of dividend, payment of income tax and payment of interest as the cash flows from operating activities, and no separate disclosure is required. However, according to IAS 7, “Statement of Cash Flows”, as endorsed by the FSC, receipt of interest, payment of interest, receipt of dividend, and payment of income tax shall be separately disclosed.

(2) Other then the above differences, no significant difference has been identified between the consolidated cash flow statements prepared in accordance with the IFRS and with R.O.C. GAAP.

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MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
BALANCE SHEETS
(EXPRESSED IN THOUSANDS OF DOLLARS)

ASSETS	NOTES	December 31, 2013 NT$	December 31, 2013 US$ Unaudited(Note 4)	December 31, 2012 NT$	January 1, 2012 NT$
ASSETS					
CASH AND CASH EQUIVALENTS	6(1) and 10(3)	$ 359,212,906	$ 12,064,245	$ 304,353,338	$ 312,094,483
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS	6(2) and 10(3)	184,386,433	6,192,659	149,085,287	181,270,586
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6(3) and 11	44,465,678	1,493,390	40,614,399	41,762,639
SECURITIES PURCHASED UNDER RESALE AGREEMENTS		5,451,889	183,103	4,428,875	349,562
RECEIVABLES - NET	6(4)(5)	159,402,685	5,353,575	102,268,334	83,978,337
BILLS DISCOUNTED AND LOANS - NET	6(5) and 10(3)	1,637,338,871	54,990,390	1,484,215,395	1,443,255,804
AVAILABLE-FOR-SALE FINANCIAL ASSETS - NET	6(6) and 11	184,449,844	6,194,789	133,617,834	73,736,886
HELD-TO-MATURITY FINANCIAL ASSETS - NET	6(7) and 11	181,831,669	6,106,857	158,447,725	130,183,210
INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD - NET	6(8)	8,699,321	292,169	9,232,274	9,214,207
OTHER FINANCIAL ASSETS - NET	6(5)(9)	13,287,945	446,279	14,709,456	15,295,802
PROPERTY AND EQUIPMENT	6(10)	14,484,955	486,480	14,676,321	14,835,989
INVESTMENT PROPERTY	6(11)	673,875	22,632	781,955	769,942
DEFERRED TAX ASSETS-NET	6(34)	3,402,761	114,282	2,773,847	2,374,986
OTHER ASSETS - NET	6(12)	7,174,039	240,942	7,196,415	5,166,001
TOTAL ASSETS		$ 2,804,262,871	$ 94,181,792	$ 2,426,401,455	$ 2,314,288,434
LIABILITIES AND EQUITY					
LIABILITIES					
DUE TO THE CENTRAL BANK AND COMMERCIAL BANKS	6(13) and 10(3)	$ 469,353,313	$ 15,763,335	$ 310,462,911	$ 354,105,252
BORROWED FUNDS	6(14) and 10(3)	32,126,690	1,078,982	84,826,943	80,342,071
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	6(15)	13,861,683	465,548	14,132,990	20,361,058
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	6(3)(6)(7) and 12	46,532,108	1,562,791	17,364,464	9,870,927
PAYABLES	6(16) and 10(3)	39,006,223	1,310,033	36,131,057	34,172,690
CURRENT TAX LIABILITIES	6(34) and 10(3)	5,089,815	170,943	4,673,482	3,726,266
DEPOSITS AND REMITTANCES	6(17) and 10(3)	1,924,879,674	64,647,512	1,706,419,598	1,577,120,139
FINANCIAL BONDS PAYABLE	6(18)	43,900,000	1,474,391	43,900,000	42,600,000
OTHER FINANCIAL LIABILITIES	6(20)	8,448,409	283,742	9,788,365	12,613,856
PROVISIONS	6(19)	10,507,616	352,901	9,969,707	6,739,357
DEFERRED TAX LIABILITIES	6(34)	2,037,961	68,445	1,687,169	1,837,964
OTHER LIABILITIES	6(21)	7,650,254	256,935	10,116,662	9,617,001
TOTAL LIABILITIES		2,603,393,746	87,435,558	2,249,473,348	2,153,106,581
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY					
SHARE CAPITAL					
Capital stock	6(22)	77,000,000	2,586,062	71,000,000	68,000,000
CAPITAL RESERVE		46,499,431	1,561,694	37,261,028	33,070,028
RETAINED EARNINGS					
Legal reserve	6(23)	52,841,523	1,774,694	47,041,482	42,539,125
Special reserve	6(23)	3,997,433	134,255	4,881,421	3,711,254
Undistributed earnings		20,870,305	700,934	17,750,013	15,022,236
OTHER EQUITY	6(24)	(339,567)	(11,405)	(1,005,837)	(1,160,790)
TOTAL EQUITY		200,869,125	6,746,234	176,928,107	161,181,853
TOTAL LIABILITIES AND EQUITY		$ 2,804,262,871	$ 94,181,792	$ 2,426,401,455	$ 2,314,288,434

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

		For the years ended December 31,		
		2013		2012
	NOTES	NT$	US$ (Unaudited-Note4)	NT$
INTEREST REVENUE	6(25) and 10(3)	$ 43,217,575	$ 1,451,472	$ 39,806,277
LESS:INTEREST EXPENSE	6(25) and 10(3)	(13,581,097)	(456,124)	(11,879,547)
NET INTEREST INCOME		29,636,478	995,348	27,926,730
NON-INTEREST INCOME				
FEE INCOME - NET	6(26) and 10(3)	8,029,742	269,681	7,339,343
GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	6(27)	1,283,136	43,094	2,562,027
REALIZED GAINS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	6(28)	1,290,950	43,357	1,288,352
INVESTMENT INCOME RECOGNIZED BY THE EQUITY METHOD	6(8)	537,862	18,064	488,349
FOREIGN EXCHANGE GAIN - NET		2,873,751	96,516	2,329,488
LOSS ON ASSET IMPAIRMENT	6(29)	(319,209)	(10,721)	(483,955)
OTHER REVENUE OTHER THAN INTEREST INCOME	6(30)	464,483	15,600	339,225
GAIN ON FINANCIAL ASSETS CARRIED AT COST		633,053	21,261	780,303
GAIN ON SALE OF NON-PERFORMING LOANS	10(3) and 16	463,921	15,581	1,480,426
NET GAIN OR LOSS ON PROPERTY TRANSACTIONS	16	438,622	14,731	1,975
NET OPERATING INCOME		45,332,789	1,522,512	44,052,263
PROVISION FOR LOAN LOSSES AND GUARANTEE RESERVE	6(5)(19)	(5,439,591)	(182,690)	(4,354,634)
OPERATING EXPENSES				
EMPLOYEE BENEFITS EXPENSES	6(31)	(12,312,571)	(413,520)	(11,952,514)
DEPRECIATION AND AMORTIZATION	6(32)	(565,208)	(18,983)	(588,176)
OTHER GENERAL AND ADMINISTRATIVE EXPENSES	6(33) and 10(3)	(5,092,674)	(171,039)	(4,921,805)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX		21,922,745	736,280	22,235,134
INCOME TAX EXPENSE	6(34)	(3,116,707)	(104,675)	(3,239,508)
NET INCOME		$ 18,806,038	$ 631,605	$ 18,995,626
OTHER COMPREHENSIVE INCOME				
CUMULATIVE TRANSLATION DIFFERENCES OF FOREIGN OPERATIONS	6(24)	274,573	9,222	(857,692)
UNREALIZED GAIN ON VALUATION OF AVAILABLE-FOR-SALE FINANCIAL ASSETS	6(24)	721,106	24,219	1,092,727
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR UNDER EQUITY METHOD	6(24)	(329,409)	(11,063)	(80,082)
ACTUARIAL GAIN (LOSS) ON DEFINED BENEFIT PLAN	6(19)	(571,919))	(19,208)	(1,541,356)
INCOME TAX RELATING TO THE COMPONENTS OF OTHER COMPREHENSIVE INCOME		97,226	3,265	262,031
TOTAL OTHER COMPREHENSIVE INCOME (AFTER INCOME TAX)		191,577	6,435	(1,124,372)
TOTAL COMPREHENSIVE INCOME		$ 18,997,615	$ 638,040	$ 17,871,254
EARINGS PER SHARE				
BASIC AND DILUTED EARNINGS PER SHARE	6(35)	$ 2.64	$ 0.09	$ 2.75

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
(EXPRESSED IN THOUSANDS OF DOLLARS)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
			RETAINED EARNINGS			OTHER EQUITY		
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Differences of Foreign Operations	Unrealized Gain on Valuation of Available-For -Sale Financial Assets	Total
For the year ended December 31, 2012 (NT Dollars)								
Balance, January 1, 2012	$ 68,000,000	$ 33,070,028	$ 42,539,125	$ 3,711,254	$ 15,022,236	$ -	($ 1,160,790)	$ 161,181,853
Appropriations of 2011 earnings								
Cash dividends	-	-	-	-	(9,316,000)	-	-	(9,316,000)
Legal reserve	-	-	4,502,357	-	(4,502,357)	-	-	-
Special reserve	-	-	-	1,170,186	(1,170,186)	-	-	-
Reversal of special reserve	-	-	-	(19)	19	-	-	-
Issuance of common stock, 2012	3,000,000	4,191,000	-	-	-	-	-	7,191,000
Profit for the year ended, 2012	-	-	-	-	18,995,626	-	-	18,995,626
Other comprehensive income for the year ended, 2012	-	-	-	-	(1,279,325)	(918,398)	1,073,351	(1,124,372)
Balance, December 31, 2012	$ 71,000,000	$ 37,261,028	$ 47,041,482	$ 4,881,421	$ 17,750,013	($ 918,398)	($ 87,439)	$ 176,928,107

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.

STATEMENTS OF CHANGES IN EQUITY

(EXPRESSED IN THOUSANDS OF DOLLARS)

	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT							
			RETAINED EARNINGS			OTHER EQUITY		
	Capital Stock	Capital Reserve	Legal Reserve	Special Reserve	Unappropriated Earnings	Cumulative Translation Differences of Foreign Operations	Unrealized Gain on Valuation of Available-For-Sale Financial Assets	Total
For the year ended December 31, 2013 (NT Dollars)								
Balance, January 1, 2013	$ 71,000,000	$ 37,261,028	$ 47,041,482	$ 4,881,421	$ 17,750,013	($ 918,398)	($ 87,439)	$ 176,928,107
Appropriations of 2012 earnings								
Cash dividends	-	-	-	-	(10,295,000)	-	-	(10,295,000)
Legal reserve	-	-	5,800,041	-	(5,800,041)	-	-	-
Reversal of special reserve	-	-	-	(850,858)	850,858	-	-	-
Issuance of common stock, 2013	6,000,000	9,000,000	-	-	-	-	-	15,000,000
Special reserve reversed under the regulations of the country where the offshore branch is located	-	-	-	(7,701)	7,701	-	-	-
Special reserve reversed for the sale of property, equipment, and investment property	-	-	-	(25,429)	25,429	-	-	-
Share-based payment transactions	-	238,403	-	-	-	-	-	238,403
Profit for the year ended, 2013	-	-	-	-	18,806,038	-	-	18,806,038
Other comprehensive income for the year ended, 2013	-	-	-	-	(474,693)	17,691	648,579	191,577
Balance, December 31, 2013	$ 77,000,000	$ 46,499,431	$ 52,841,523	$ 3,997,433	$ 20,870,305	($ 900,707)	$ 561,140	$ 200,869,125
For the year ended December 31, 2013 (US Dollars-unaudited Note 4)								
Balance, January 1, 2013	$ 2,384,551	$ 1,251,420	$ 1,579,898	$ 163,944	$ 596,138	($ 30,845)	($ 2,937)	$ 5,942,169
Appropriations of 2012 earnings (Note)								
Cash dividends	-	-	-	-	(345,760)	-	-	(345,760)
Legal reserve	-	-	194,796	-	(194,796)	-	-	-
Reversal of special reserve	-	-	-	(28,576)	28,576	-	-	-
Issuance of common stock, 2013	201,511	302,267	-	-	-	-	-	503,778
Special reserve reversed under the regulations of the country where the offshore branch is located	-	-	-	(259)	259	-	-	-
Special reserve reversed for the sale of property, equipment, and investment property	-	-	-	(854)	854	-	-	-
Share-based payment transactions	-	8,007	-	-	-	-	-	8,007
Profit for the year ended, 2013	-	-	-	-	631,605	-	-	631,605
Other comprehensive income for the year ended, 2013	-	-	-	-	(15,942)	594	21,783	6,435
Balance, December 31, 2013	$ 2,586,062	$ 1,561,694	$ 1,774,694	$ 134,255	$ 700,934	($ 30,251)	$ 18,846	$ 6,746,234

Note: Employee bonuses amounting to $224,048 and $345,223 for 2011 and 2012, respectively, have been deducted from the statement of comprehensive income.

The accompanying notes are an integral part of these financial statements.

MEGA INTERNATIONAL COMMERCIALBANK CO., LTD.
STATEMENTS OF CASH FLOWS
(EXPRESSED IN THOUSANDS OF DOLLARS)

	For the years ended December 31,		
	2013		2012
	NT$	US$ (Unaudited-Note4)	NT$
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	$ 21,922,745	$ 736,280	$ 22,235,134
Adjustments to reconcile income before tax to net cash provided by (used in) operating activities			
Income and expenses having no effect on cash			
Provision for loan losses and guarantee reserve	5,439,591	182,690	4,354,634
Depreciation	555,986	18,673	584,241
Amortization	9,222	310	3,935
Interest income	(43,217,575)	(1,451,472)	(39,806,277)
Dividend income	(907,413)	(30,476)	(1,056,295)
Interest expense	13,581,097	456,124	11,879,547
Investment income recognized by the equity method	(537,862)	(18,064)	(488,349)
Gain on disposal of property and equipment	(439,888)	(14,774)	(2,114)
Gain on disposal of foreclosed properties	-	-	(6,319)
Loss on asset impairment	319,209	10,721	483,955
Loss on retirement of property and equipment	1,266	43	139
Share-based payment	231,739	7,783	-
Changes in assets/liabilities relating to operating activities			
(Increase) decrease in due from the Central Bank and call loans to banks	(35,301,146)	(1,185,597)	32,185,299
(Increase) decrease in financial assets at fair value through profit or loss	(3,851,279)	(129,346)	1,148,240
Increase in receivables	(55,247,705)	(1,855,506)	(18,990,944)
Increase in bills discounted and loans	(159,638,744)	(5,361,503)	(43,379,373)
Increase in available-for-sale financial assets	(50,504,743)	(1,696,213)	(58,856,780)
Increase in held-to-maturity financial assets	(23,383,944)	(785,355)	(28,264,515)
Decrease (Increase) in other financial assets	799,137	26,839	(238,171)
Decrease (Increase) in other assets	13,154	442	(2,062,870)
Increase (decrease) in due to the Central Bank and commercial banks	158,890,402	5,336,370	(43,642,341)
Decrease in financial liabilities at fair value through profit or loss	(271,307)	(9,112)	(6,228,068)
Increase in securities sold under repurchase agreements	29,167,644	979,602	7,493,537
Increase in payables	3,480,095	116,880	1,084,661
Increase in deposits and remittances	218,460,076	7,337,030	129,299,459
Decrease in other financial liabilities	(1,339,956)	(45,003)	(2,825,491)
Increase in reserve for employee benefit liabilities	550,290	18,482	1,776,347
(Decrease) increase in other liabilities	(1,989,647)	(66,823)	89,748
(Decrease) increase in deposits received	(476,005)	(15,987)	405,551
Interest received	42,316,617	1,421,213	39,775,746
Dividend received	1,403,776	47,146	1,408,410
Interest paid	(13,501,704)	(453,458)	(11,779,128)
Income taxes paid	(4,137,734)	(138,967)	(3,348,624)
Net cash provided by (used in) operating activities	102,395,394	3,438,972	(6,767,076)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from capital reduction of investments accounted for by the equity method	251,931	8,461	58,064
Proceeds from capital reduction of investment measured at cost	617,357	20,734	599,214
Proceeds from disposal of property and equipment	1,908	64	2,151
Additions of property and equipment	(299,274)	(10,051)	(410,144)
Proceeds from sale of investment property	619,590	20,809	189
Proceeds from disposal of foreclosed properties	-	-	34,841
Net cash provided by investing activities	1,191,512	40,017	284,315
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in borrowed funds	(52,700,253)	(1,769,950)	4,484,872
Increase in financial bonds payable	-	-	1,300,000
Payments of cash dividends and bonus	(10,295,000)	(345,760)	(9,316,000)
Proceeds from issuance of common stock	15,000,000	503,779	7,191,000
Net cash (used in) provided by financing activities	(47,995,253)	(1,611,931)	3,659,872
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	290,929	9,771	(838,943)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	55,882,582	1,876,829	(3,661,832)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	308,782,213	10,370,519	312,444,045
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 364,664,795	$ 12,247,348	$ 308,782,213
CASH AND CASH EQUIVALENTS COMPOSITION:			
Cash and cash equivalents shown in balance sheet	359,212,906	12,064,245	304,353,338
Securities purchased under resale agreements meeting the definition of cash and cash equivalents as stated in IAS No. 7 "Cash Flow Statements"	5,451,889	183,103	4,428,875
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 364,664,795	$ 12,247,348	$ 308,782,213

The accompanying notes are an integral part of these financial statements.

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As of May 21, 2014

Management Team

Yeou-Tsair Tsai, Chairman of the Board
Kuang-Si Shiu, President
Meei-Yeh Wei, Senior Executive Vice President
Dan-Hun Lu, Senior Executive Vice President
Ying-Ying Chang, Senior Executive Vice President
Feng-Chi Ker, Senior Executive Vice President
Ching-Lung Hong, Chief Auditor

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Auditing Office	Ching-Lung Hong Chief Auditor	+866-2-23569801
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Direct Investment Department	Chuang-Hsin Chiu Senior Vice President & General Manager	+866-2-25630950
Trust Department	Bie-Ling Lee Senior Vice President & General Manager	+866-2-25235002
Wealth Management Department	Grace Ju-Jane Shih Senior Vice President & General Manager	+866-2-25631601
Risk Management Department	Shiow Lin Senior Vice President & General Manager	+866-2-23568506
Credit Control Department	Hann-Ching Wu Senior Vice President & General Manager	+866-2-25310691
Credit Department	Tsung-Jen Cheng Vice President & Acting General Manager	+866-2-25711352
Overdue Loan & Control Department	Yao-Ming Chang Senior Vice President & General Manager	+866-2-23560580
Planning Department	Mei-Chi Liang Senior Vice President & General Manager	+866-2-23569169
Controller’s Department	Yeow-Shinn Chen Senior Vice President & Controller	+866-2-23568601
Data Processing & Information Department	Kuo-Pao Chen Senior Vice President & General Manager	+866-2-23416430
Legal Affairs Department	Tien-Lu Chen Senior Vice President & General Manager	+866-2-25632004
Human Resources Department	Chorng-Hwa Lan Senior Vice President & General Manager	+866-2-23569531
General Affairs and Occupational Safety & Health Department	Ching-Shi Hong Senior Vice President & Chief Secretary	+866-2-23568936

Domestic Branches

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Heng Yang Branch	Josephine Chao-Jung Chen Vice President & General Manager	No.91, Heng-yang Rd., Chung-cheng Dist., Taipei 10009, Taiwan	+886-2-23888668	+886-2-23885000
Cheng Chung Branch	Yi-Bin Liang Senior Vice President & General Manager	No.42, Hsu-chang St., Chung-cheng Dist., Taipei 10047, Taiwan	+886-2-23122222	+886-2-23111645
Ministry of Foreign Affairs Branch	Show-Mei Tang Vice President & General Manager	Room 129, No.2, Kaitakelan Blvd., Chung-cheng Dist., Taipei 10048, Taiwan	+886-2-23482065	+886-2-23811858
Central Branch	Ruey-Yuan Fu Senior Vice President & General Manager	No.123, Sec.2, Jhong-siao E. Rd., Chung-cheng Dist., Taipei 10058, Taiwan	+886-2-25633156	+866-2-23569750
South Taipei Branch	Teh-Ming Wang Senior Vice President & General Manager	No.9-1, Sec.2, Roosevelt Rd., Chung-cheng Dist., Taipei 10093, Taiwan	+886-2-23568700	+886-2-23922533
Ta Tao Cheng Branch	Ching-Chang Tai Senior Vice President & General Manager	No.62-5, Hsi-ning N. Rd., Dah-tong Dist., Taipei 10343, Taiwan	+886-2-25523216	+886-2-25525627
Dah Tong Branch	Kuo-Liang Sun Vice President & General Manager	No.113, Nan-king W. Rd., Dah-tong Dist., Taipei 10355, Taiwan	+886-2-25567515	+886-2-25580154
Yuan Shan Branch	Lian-Yuh Tsai Vice President & General Manager	No.133, Sec.2, Zhong-shan N. Rd., Zhong-shan Dist., Taipei 10448, Taiwan	+886-2-25671488	+886-2-25817690
Chung Shan Branch	Hong-Jeng Chen Vice President & Acting General Manager	No.15, Sec.2, Chung-shan N. Rd., Chung-shan Dist., Taipei 10450, Taiwan	+886-2-25119231	+886-2-25635554
Nanking East Road Branch	Alice Yia-Shu Lin Senior Vice President & General Manager	No.53, Sec.2, Nan-king E. Rd., Chung-shan Dist., Taipei 10457, Taiwan	+886-2-25712568	+886-2-25427152
North Taipei Branch	Tung-Lung Wu Vice President & General Manager	No.156-1, Sung-chiang Rd., Chung-shan Dist., Taipei 10459, Taiwan	+886-2-25683658	+886-2-25682494
Taipei Fusing Branch	Ray-Lin Liao Senior Vice President & General Manager	No.198, Sec.3, Nan-king E. Rd., Chung-shan Dist., Taipei 10488, Taiwan	+886-2-27516041	+886-2-27511704
Taipei Airport Branch	Chia-Ying Chi Vice President & General Manager	Taipei Sungshan Airport Building, No.340-9, Tun-hua N. Rd., Sung-shan Dist., Taipei 10548, Taiwan	+886-2-27152385	+886-2-27135420
Dun Hua Branch	Pei-Gen Chou Senior Vice President & General Manager	No.88-1, Dun-hua N. Rd., Sung-shan Dist., Taipei 10551, Taiwan	+886-2-87716355	+886-2-87738655
Sung Nan Branch	Yih-Chjun Ho Senior Vice President & General Manager	No.234, Sec.5, Nan-king E. Rd., Sung-shan Dist., Taipei 10570, Taiwan	+886-2-27535856	+886-2-27467271
East Taipei Branch	Shu-Te Hsu Vice President & General Manager	No.52, Sec.4, Min-sheng E. Rd., Sung-shan Dist., Taipei 10574, Taiwan	+886-2-27196128	+886-2-27196261
Ming Sheng Branch	Wen-Lung Wang Vice President & General Manager	No.128, Sec.3, Ming-sheng E. Rd., Sung-shan Dist., Taipei 10596, Taiwan	+886-2-27190690	+886-2-27190688

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Ta An Branch	Yung-Chen Huang Vice President & General Manager	No.182, Sec.3, Hsin-yi Rd., Ta-an Dist., Taipei 10658, Taiwan	+886-2-27037576	+886-2-27006352
An Ho Branch	Tien-Sheng Hsiao Senior Vice President & General Manager	No.62, Sec.2, An-ho Rd., Ta-an Dist., Taipei 10680, Taiwan	+886-2-27042141	+886-2-27042075
Tun Nan Branch	Shih-Ming Chen Senior Vice President & General Manager	No.62, Sec.2, Tun-hua S. Rd., Ta-an Dist., Taipei 10683, Taiwan	+886-2-27050136	+886-2-27050682
Chung Hsiao Branch	Fu Chiang Senior Vice President & General Manager	No.233, Sec.4, Chung-hsiao E. Rd., Ta-an Dist., Taipei 10692, Taiwan	+886-2-27711877	+886-2-27711486
World Trade Center Branch	Hseigh-Fang Chuang Vice President & General Manager	1F, No.333, Sec.1, Keelung Rd., Hsin-yi Dist., Taipei 11012, Taiwan	+886-2-27203566	+886-2-27576144
Hsin Yi Branch	Tsung-Che Liang Vice President & General Manager	No.65, Sec.2, Keelung Rd., Hsin-yi Dist., Taipei 11052, Taiwan	+886-2-23788188	+886-2-23772515
Taipei Branch	Mei-Lien Yih Senior Vice President & General Manager	No.550, Sec.4, Chung-hsiao E. Rd., Hsin-yi Dist., Taipei 11071, Taiwan	+886-2-27587590	+886-2-27581265
Lan Ya Branch	Shou-Ling Liu Senior Vice President & General Manager	No.126, Sec.6, Chung-shan N. Rd., Shih-lin Dist., Taipei 11155, Taiwan	+886-2-28385225	+886-2-28341483
Tien Mou Branch	Chin-Tzu Liao Vice President & General Manager	No.193, Sec.7, Chung-shan N. Rd., Shih-lin Dist., Taipei 11156, Taiwan	+886-2-28714125	+886-2-28714374
Nei Hu Branch	Cheng-Chian Tsao Vice President & General Manager	No.68, Sec.4, Cheng-kung Rd., Nei-hu Dist., Taipei 11489, Taiwan	+886-2-27932050	+886-2-27932048
Nei Hu Science Park Branch	Sheng-Kang Ling Vice President & General Manager	No.472, Jui-kuang Rd., Nei-hu Dist., Taipei 11492, Taiwan	+886-2-87983588	+886-2-87983536
East Nei Hu Branch	Jian-Pyng Lee Vice President & General Manager	No.202, Kang-chien Rd., Nei-hu Dist., Taipei 11494, Taiwan	+886-2-26275699	+886-2-26272988
Nan Gang Branch	Ching-N Pong Vice President & General Manager	No.21-1, Sec.6, Jhong-siao E. Rd., Nan-gang Dist., Taipei 11575, Taiwan	+886-2-27827588	+886-2-27826685
Keelung Branch	Yung-Cheng Yeh Vice President & General Manager	No.24, Nan-jung Rd., Ren-ai Dist., Keelung 20045, Taiwan	+886-2-24228558	+886-2-24294089
Ban Qiao Branch	Ying-Chiou Liaw Senior Vice President & General Manager	No.51, Sec. 1, Wen-hua Rd., Banqiao Dist., New Taipei City 22050, Taiwan	+886-2-29608989	+886-2-29608687
South Banqiao Branch	Yung-Chuan Wu Vice President & General Manager	No.148, Sec. 2, Nan-ya S. Rd., Banqiao Dist., New Taipei City 22060, Taiwan	+886-2-89663303	+886-2-89661421
Xin Dian Branch	Fu-Yung Chen Senior Vice President & General Manager	No.173, Sec. 2, Bei-xin Rd., Xindian Dist., New Taipei City 23143, Taiwan	+886-2-29182988	+886-2-29126480
Shuang He Branch	Yu-Chuan Lu Vice President & General Manager	No.67, Sec. 1, Yong-he Rd., Yonghe Dist., New Taipei City 23445, Taiwan	+886-2-22314567	+886-2-22315288

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Yong He Branch	Shiou-Mei Lin Vice President & General Manager	No.201, Fuhe Rd., Yong-he Dist., New Taipei City 23450, Taiwan	+886-2-29240086	+886-2-29240074
Zhong He Branch	Te-Chen Chiang Senior Vice President & General Manager	No.124, Sec. 2, Zhong-shan Rd., Zhonghe Dist., New Taipei City 23555, Taiwan	+886-2-22433567	+886-2-22433568
Tu Cheng Branch	Ching-Tsung Wang Vice President & General Manager	No.276, Sec. 2, Zhong-yang Rd., Tucheng Dist., New Taipei City 23669, Taiwan	+886-2-22666866	+886-2-22668368
South San Chong Branch	Shoei-Bin Lin Vice President & General Manager	No.12, Sec. 4, Chong-xin Rd., Sanchong Dist., New Taipei City 24144, Taiwan	+886-2-29748811	+886-2-29724901
San Chong Branch	Shiaw-Daw Chang Senior Vice President & General Manager	No.99, Sec. 3, Chong-yang Rd., Sanchong Dist., New Taipei City 24145, Taiwan	+886-2-29884455	+886-2-29837225
Xin Zhuang Branch	Ko-Cheng Chang Vice President & General Manager	No.421, Si-yuan Rd., Xinzhuang Dist., New Taipei City 24250, Taiwan	+886-2-22772888	+886-2-22772881
Si Yuan Branch	Heh-Yeau Wu Vice President & General Manager	No.169, Si-yuan Rd., Xinzhuang Dist., New Taipei City 24250, Taiwan	+886-2-29986661	+886-2-29985973
Yi Lan Branch	T.S. Chang Vice President & Acting General Manager	No.338, Min-zu Rd., Yilan City, Yilan County 26048, Taiwan	+886-3-9310666	+886-3-9311167
Lo Tung Branch	Chyi-Yee Chen Vice President & General Manager	No.195, Sec.2, Chun-ching Rd., Lo-tung Town, Ilan County 26549, Taiwan	+886-3-9611262	+886-3-9611260
Hsinchu Branch	Jung-Chang Lin Vice President & General Manager	No.69, Tung-chien St., Hsinchu City 30041, Taiwan	+886-3-5225106	+886-3-5267420
North Hsinchu Branch	Lin-Hsin Yen Senior Vice President & General Manager	No.129, Chung-cheng Rd., Hsinchu City 30051, Taiwan	+886-3-5217171	+886-3-5262642
Hsinchu Science Park Chu-tsuen Branch	Chun-Ming Chou Senior Vice President & General Manager	No.21, Chu-tsuen 7th Rd., Hsinchu Science Park, Hsinchu City 30075, Taiwan	+886-3-5773155	+886-3-5778794
Hsinchu Science Park Hsin-an Branch	Yen-Rong Fu Senior Vice President & General Manager	No.1, Hsin-an Rd., Hsinchu Science Park, Hsinchu City 30076, Taiwan	+886-3-5775151	+886-3-5774044
Jhu Bei Branch	Samuel Y.C. Yang Vice President & General Manager	No.155, Guang-ming 1st Rd., Jhu-bei City, Hsinchu County 30259, Taiwan	+886-3-5589968	+886-3-5589998
Chung Li Branch	Chander Wu Vice President & General Manager	No.46, Fu-hsing Rd., Chung-li City, Tao-yuan County 32041, Taiwan	+886-3-4228469	+886-3-4228455
North Chung Li Branch	Shing-Chuan Lee Vice President & General Manager	No.406, Huan-pei Rd., Chung-li City, Tao-yuan County 32070, Taiwan	+886-3-4262366	+886-3-4262135
Tao Yuan Branch	Yaw-Shing Chen Vice President & General Manager	No.2, Sec.2, Cheng-kung Rd., Tao-yuan City, Tao-yuan County 33047, Taiwan	+886-3-3376611	+886-3-3351257
Tao Hsin Branch	Ting-Hua Chang Senior Vice President & General Manager	No.180, Fu-hsin Rd., Tao-yuan City, Tao-yuan County 33066, Taiwan	+886-3-3327126	+886-3-3339434

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Pa Teh Branch	Ming-Jong Lin Vice President & General Manager	No.19, Da-jhih Rd., Pa-teh City, Tao-yuan County 33450, Taiwan	+886-3-3665211	+886-3-3764012
Tao Yuan International Airport Branch	Li-Chu You Senior Vice President & General Manager	No.15, Hang-jan S. Rd., Da-yuan Township, Tao-yuan County 33758, Taiwan	+886-3-3982200	+886-3-3834315
Nan Kan Branch	Yu-Sheng Cheng Vice President & General Manager	No.33, Zhong-zheng Rd., Luzhu Township, Tao-yuan County 33861, Taiwan	+886-3-3525288	+886-3-3525290
Zhunan Science Park Branch	Chien-Chih Kuo Vice President & General Manager	Rm.105, 1F No.36, Ke-yan Rd., Zhunan Township, Miaoli County 35053, Taiwan	+886-3-7682288	+886-3-7682416
Tou Fen Branch	Chu-Po Chou Vice President & General Manager	No.916, Chung-hwa Rd., Tou-fen Town, Miao-li County 35159, Taiwan	+886-3-7688168	+886-3-7688118
Taichung Branch	Edward Yuan Senior Vice President & General Manager	No.216, Ming-chuan Rd., Central Dist., Taichung 40041, Taiwan	+886-4-22281171	+886-4-22241855
Central Taichung Branch	Tzu-Chen Kung Vice President & General Manager	No.194, Sec.1, San-min Rd., West Dist., Taichung 40343, Taiwan	+886-4-22234021	+886-4-22246812
South Taichung Branch	Chien-Chung Chen Vice President & General Manager	No.257, Sec.1, Wu-chuan W. Rd., West Dist., Taichung 40347, Taiwan	+886-4-23752529	+886-4-23761670
East Taichung Branch	Fu-Kuei Wu Vice President & General Manager	No.330, Chin-hwa N. Rd., North Dist., Taichung 40457, Taiwan	+886-4-22321111	+886-4-22368621
North Taichung Branch	Donq-Liang Huang Senior Vice President & General Manager	No.96, Sec. 3, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan	+886-4-23115119	+886-4-23118743
Pouchen Branch	Hwa-San Lo Vice President & General Manager	No.600, Sec.4, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan	+886-4-24619000	+886-4-24613300
Rung Tzung Branch	Yow-Der Wang Vice President & General Manager	No.1650, Sec.4, Taiwan Blvd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.)	+886-4-23500190	+886-4-23591281
Tai Ping Branch	Wen-Yeong Hsieh Vice President & General Manager	No.152, Zhong-xing E. Rd., Taiping Dist., Taichung 41167, Taiwan	+886-4-22789111	+886-4-22777546
Da Li Branch	Jiunn-Horgn Shyu Vice President & General Manager	No.600, Shuang-wen Rd., Dali Dist., Taichung 41283, Taiwan	+886-4-24180929	+886-4-24180629
Feng Yuan Branch	Rei-Chan Tsai Vice President & General Manager	No.519, Zhong-zheng Rd., Fengyuan Dist, Taichung 42056, Taiwan	+886-4-25285566	+886-4-25274580
Hou Li Branch	De-Chung Liao Vice President & General Manager	No.619-1, Jia-hou Rd., Houli Dist., Taichung 42151, Taiwan	+886-4-25588855	+886-4-25580166
Tan Zi Branch	Hsueh-Chu Hsieh Vice President & General Manager	No.3, Nan 2nd Rd., T.E.P.Z., Tanzi Dist., Taichung 42760, Taiwan	+886-4-25335111	+886-4-25335110

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Central Taiwan Science Park Branch	Mao-Jung Chu Vice President & General Manager	2F., No.28, Ke-ya Rd., Daya Dist., Taichung 42881, Taiwan	+886-4-25658108	+886-4-25609230
Sha Lu Branch	Hsin-Tsai Tai Vice President & General Manager	No.533, Zhong-shan Rd., Shalu Dist., Taichung 43344, Taiwan	+886-4-26656778	+886-4-26656399
Da Jia Branch	Chung-Yang Liao Vice President & General Manager	No.1033, Sec. 1, Zhong-shan Rd., Dajia Dist., Taichung 43744, Taiwan	+886-4-26867777	+886-4-26868333
North Changhua Branch	Jack Ching-Her Tsai Senior Vice President & General Manager	No.39, Kuang-fuh Rd., Changhua City, Changhua County 50045, Taiwan	+886-4-7232111	+886-4-7243958
South Changhwa Branch	Chien-Ping Wu Vice President & General Manager	No.401, Sec.1, Chung-shan Rd., Changhwa City, Changhwa County 50058, Taiwan	+886-4-7613111	+886-4-7622656
Lu Gang Branch	Shu-Kaung Hsu Vice President & General Manager	No.254, Zhong-shan Rd., Lu-gang Town, Changhua County 50564, Taiwan	+886-4-7788111	+886-4-7788600
Yuan Lin Branch	Shu-Er Huang Vice President & General Manager	No.338, Sec.1, Dah-tong Rd., Yuan-lin Town, Changhua County 51056, Taiwan	+886-4-8332561	+886-4-8359359
Nan Tou Branch	Ming-Kuang Lee Vice President & General Manager	No.45, Wen-chang St., Nan-tou City, Nan-tou County 54048, Taiwan	+886-49-2232223	+886-49-2232758
Chia Yi Branch	Jaw-Jia Chou Vice President & General Manager	No.259, Wen-hua Rd., Chia-yi City 60044, Taiwan	+886-5-2241166	+886-5-2255025
Chia Hsin Branch	Shu-Kwei Chang Vice President & General Manager	No.379, Wu-fong N. Rd., Chia-yi City 60045, Taiwan	+886-5-2780148	+886-5-2769252
Dou Liu Branch	Shoh-Chi Doong Vice President & General Manager	No. 1, Shang-hai Rd., Dou-liu City, Yun-lin County 64048, Taiwan	+886-5-5361779	+886-5-5337830
Tainan Branch	Chun-Fu Chen Vice President & General Manager	No.14, Sec.2, Chung-yi Rd., Tainan 70041, Taiwan	+886-6-2292131	+886-6-2224826
Tainan Fucheng Branch	Joseph C. H. Chou Vice President & General Manager	No.90, Chung-shan Rd., Tainan 70043, Taiwan	+886-6-2231231	+886-6-2203771
East Tainan Branch	Suen-Pann Chen Vice President & General Manager	No.225, Sec.1, Chang-jung Rd., Tainan 70143, Taiwan	+886-6-2381611	+886-6-2378008
Yong Kang Branch	Hsuan-Shu Chen Vice President & General Manager	No.180, Zhong-shan Rd., Yongkang Dist., Tainan City 71090, Taiwan	+886-6-2019389	+886-6-2016251
Tainan Science Park Branch	Jeng-Dar Chou Vice President & General Manager	No.13, Nan-ke 3rd Rd., Xinshi Dist., Tainan City 74147, Taiwan	+886-6-5052828	+886-6-5051791
Lin Sen Branch	Yu-Ling Lee Vice President & General Manager	No.230, Lin-sen 1st Rd., Hsin-hsing Dist., Kaohsiung 80002, Taiwan	+886-7-2823357	+886-7-2822082
Wu Fu Branch	Guang-Huei Lu Vice President & General Manager	No.82, Wu-fu 2nd Rd., Hsin-hsing Dist., Kaohsiung 80043, Taiwan	+886-7-2265181	+886-7-2260919
Hsin Hsing Branch	Lee-Wen Chiu Vice President & General Manager	No.308, Chung-shan 1st Rd., Hsin-hsing Dist., Kaohsiung 80049, Taiwan	+886-7-2353001	+886-7-2350962

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Kaohsiung Branch	Dah-Jyh Wang Senior Vice President & General Manager	No.235, Chung-cheng 4th Rd., Qian-jin Dist., Kaohsiung 80147, Taiwan	+886-7-2515111	+886-7-2212554
Kaohsiung Metropolitan Branch	Kun-Fu Su Senior Vice President & General Manager	No.253, Chung-cheng 4th Rd., Qian-jin Dist., Kaohsiung 80147, Taiwan	+886-7-2510141	+886-7-2811426
Ling Ya Branch	Chong-Yin Lee Vice President & General Manager	No.8, Sze-wei 4th Rd., Ling-ya Dist., Kaohsiung 80247, Taiwan	+886-7-3355595	+886-7-3355695
San Tuo Branch	Chong-Zu Lin Vice President & General Manager	No.93, San-tuo 2nd Rd., Ling-ya Dist., Kaohsiung 80266, Taiwan	+886-7-7250688	+886-7-5224202
San Min Branch	Jung-Tai Ho Vice President & General Manager	No.225, Chung-hua 1st Rd., Gu-shsan Dist., Kaohsiung 80455, Taiwan	+886-7-5536511	+886-7-5521472
Kaohsiung Fishing Port Branch	Chun-Hsia Chien Vice President & General Manager	Room 107, No.3, Yu-kang E. 2nd Rd., Kaohsiung 80672, Taiwan	+886-7-8219630	+886-7-8117912
Kaohsiung Export Processing Zone Branch	Yung-Chin Chuang Vice President & General Manager	No.2, Chung 4th Rd., Kaohsiung Export Processing Zone, Kaohsiung 80681, Taiwan	+886-7-8316131	+886-7-8314393
North Kaohsiung Branch	Yaw-Ching Tseng Vice President & General Manager	No.532, Chiu-ju 2nd Rd., Kaohsiung 80745, Taiwan	+886-7-3157777	+886-7-3155506
East Kaohsiung Branch	Jia-Feng Liu Vice President & General Manager	No.419, Ta-shun 2nd Rd., Kaohsiung 80787, Taiwan	+886-7-3806456	+886-7-3806608
Nan Tze Branch	Yeou-An Lu Senior Vice President & General Manager	No.600-1, Chia-chang Rd., Nantze Export Processing Zone, Kaohsiung 81170, Taiwan	+886-7-3615131	+886-7-3633043
Chung Kang Branch	Ying-Liang Jhu Vice President & General Manager	No.1, Chung-kang Rd., Kaohsiung 81233, Taiwan	+886-7-8021111	+886-7-8034911
Kaohsiung International Airport Branch	Kung-Yeong Wang Vice President & General Manager	Kaohsiung International Airport, No.2, Chung-shan 4th Rd., Kaohsiung 81252, Taiwan	+886-7-8067866	+886-7-8068841
Ren Wu Branch	Ching-Shiang Tsai Vice President & General Manager	No.2, Zhong-zheng Rd., Renwu Dist., Kaohsiung 81451, Taiwan	+886-7-3711144	+886-7-3740764
Gang Shan Branch	Tsair-Quey Chang Vice President & General Manager	No.138, Zhong-shan N. Rd., Gangshan Dist., Kaohsiung 82065, Taiwan	+886-7-6230300	+886-7-6230608
Feng Shan Branch	Chyi-Fure Jiang Vice President & General Manager	No.248, Zhong-shan W. Rd., Fengshan Dist., Kaohsiung 83068, Taiwan	+886-7-7473566	+886-7-7477566
Kin Men Branch	Chi-Huang Wu Vice President & General Manager	No.37-5, Min-sheng Rd., Jin-cheng Town, Kin-men County 89345, Taiwan	+886-82-375800	+886-82-375900
Ping Tung Branch	Ching-Feng Chung Vice President & General Manager	No.213, Ming-tsu Rd., Ping-tung City, Ping-tung County 90078, Taiwan	+886-8-7323586	+886-8-7321651
Hua Lien Branch	Jen-Jhi Chen Vice President & General Manager	No.26, Kung-yuan Rd., Hua-lien City, Hua-lien County 97048, Taiwan	+886-3-8350191	+886-3-8360443

Overseas Branches & Representative Offices

Branch Name	Manager & Title	Address	Phone Number	Fax Number
New York Branch	Shihming Huang Senior Vice President & General Manager	65 Liberty Street, New York, NY 10005, U.S.A.	+1-212-6084222	+1-212-6084943
Los Angeles Branch	Yi-Ming Ko Vice President & General Manager	445 South Figueroa Street, Suite 1900, Los Angeles, CA 90071, U.S.A.	+1-213-4893000	+1-213-4891183
Chicago Branch	Lan Hwang Vice President & General Manager	2 North La Salle Street, Suite 1803, Chicago, IL 60602, U.S.A.	+1-312-7829900	+1-312-7822402
Silicon Valley Branch	Nian-Tzy Yeh Vice President & General Manager	333 West San Carlos Street, Suite 100, Box 8, San Jose, CA 95110, U.S.A.	+1-408-2831888	+1-408-2831678
Panama Branch	Chang-Chin Chen Senior Vice President & General Manager	Calle 50 Y Esquina Margarita A, de Vallarino, Entrada Nuevo Campo Alegre, Edificio MEGAICBC No.74, P.O. Box 0832-01598, Panama City, Republic of Panama	+507-2638108	+507-2638392
Colon Free Zone Branch	Ching-Chyi Juang Vice President & General Manager	Dominador Bazan y Calle 20, Manzana 31, P.O. Box 0302-00445, Colon Free Zone, Republic of Panama	+507-4471888	+507-4414889
Paris Branch	Wen-Sheng Chiang Vice President & General Manager	131-133 Rue de Tolbiac, 75013 Paris, France	+33-1-44230868	+33-1-45821844
Amsterdam Branch	Sui-Huang Lee Vice President & General Manager	World Trade Center, Strawinskylaan 1203, 1077XX, Amsterdam, The Netherlands	+31-20-6621566	+31-20-6649599
London Branch	Huei-Min Wang Vice President & General Manager	4^{th} Floor, Michael House, 35 Chiswell Street, London, EC1Y 4SE, United Kingdom	+44-20-75627350	+44-20-75627369
Sydney Branch	Albert C. Tsui Senior Vice President & General Manager	Level 8, 10 Spring Street, Sydney NSW 2000 Australia	+61-2-92301300	+61-2-92335859
Brisbane Branch	Chun-Kai Hu Senior Vice President & General Manager	Suite 1-3, 3 Zamia Street, Sunnybank, QLD 4109, Australia	+61-7-32195300	+61-7-32195200
Melbourne Branch	Yu-Song Chen Vice President & General Manager	Level 20, 459 Collins Street, Melbourne VIC 3000, Australia	+61-3-86108500	+61-3-96200600
Tokyo Branch	Chun-Ko Su Senior Vice President & General Manager	7F, Kishimoto Bldg. No.2-1, Marunouchi 2-Chome, Chiyoda-Ku, Tokyo 100-0005, Japan	+81-3-32116688	+81-3-32165686
Osaka Branch	Chih-Liang Chen Vice President & General Manager	4-11, 3-chome, Doshomachi, Chuo-ku, Osaka 541-0045, Japan	+81-6-62028575	+81-6-62023127

Branch Name	Manager & Title	Address	Phone Number	Fax Number
Manila Branch	Rong-Hwa Lin Senior Vice President & General Manager	3^{rd} Floor, Pacific Star Bldg., Makati Avenue, Makati City, Philippines	+63-2-8115807	+63-2-8115774
Ho Chi Minh City Branch	Chien-Hung Chen Vice President & General Manager	Ground Floor, Landmark Building, 5B Ton Duc Thang, Dist 1, Ho Chi Minh City, Vietnam	+84-8-38225697	+84-8-38229191
Singapore Branch	Wei-Dei Sheu Senior Vice President & General Manager	80 Raffles Place#23-20 UOB Plaza 2 Singapore 048624	+65-62277667	+65-62271858
Labuan Branch	Chen-Hui Chen Vice President & General Manager	Level 7 (E2), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000 F. T. Labuan, Malaysia	+60-87-581688	+60-87-581668
Kuala Lumpur Marketing Office	Chen-Hui Chen Vice President & General Manager	Suite 12-04, Level 12, Wisma Goldhill 67, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia	+60-3-20266966	+60-3-20266799
Hong Kong Branch	Chao-Ho Lee Senior Vice President & General Manager	Suite 2201, 22/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsimshatsui, Kowloon, Hong Kong	+852-25259687	+852-25259014
Phnom Penh Branch	Jing-Fu Yang Vice President & General Manager	No.139, St.274 Independent Monument, BKK I, Chamkarmorn, Phnom Penh, Cambodia	+855-23-988101	+855-23-217982
Phnom Penh Airport Sub-Branch	Chee-Ming Chuang Vice President & General Manager	No. 601, Confederation De La Russie Blvd., Phum Porbrork Khangchoeung, Sangkat Karkab, Khan Dangkor, Phnom Penh, Cambodia	+855-23-969656	+855-23-969661
Suzhou Branch	Robert Yong-Yi Tsai Senior Vice President & General Manager	RM 104,1F, Jianwu Building, No.188, Wangdun Rd., Suzhou Industrial Park, Jiangsu, China P.C.: 215028	+86-512-62966568	+86-512-62966698
Representative Office in Bahrain	Chou-Wen Pan Vice President & Representative	Flat 1, Abulfatih Building, Block 319, Rd 1906 Al Hoora Area, P.O. Box 5806, Manama, State of Bahrain	+971-2-6815555 Ext. 248	+971-2-6817744
Representative Office in Mumbai	Hung-Hui Chen Vice President & Representative	Trade Centre, Level Ground & 1, Bandra-Kurla Complex, Bandra East, Mumbai, 400051, India	+91-22- 61623297	+91- 22-61623800
Representative Office in Abu Dhabi	Chou-Wen Pan Vice President & Representative	B1, 18^{th} Floor, Three Sails Tower, Corniche Rd., P.O. Box 42284, Abu Dhabi, U.A.E.	+971-2-6815555 Ext. 248	+971-2-6817744

Subsidiaries

Mega International Commercial Bank (Canada)				
Branch Name	Manager & Title	Address	Phone Number	Fax Number
Head Office	Chung-Shin Loo President & Chief Executive Officer	North York Madison Centre, 4950 Yonge Street, Suite 1002, Toronto, Ontario, M2N 6K1, Canada	+1-416-9472800	+1-416-9479964
Chinatown Branch	Yu Shiu-Huei General Manager	241 Spadina Avenue, Toronto, Ontario, M5T 1G6, Canada	+1-416-5978545	+1-416-5976526
Vancouver Branch	Bao-Huei Yeh Vice President & General Manager	1095 West Pender Street, Suite 1250, Vancouver, British Columbia, V6E 2M6, Canada	+1-604-6895650	+1-604-6895625
Richmond Branch	Hon-Sum Lee (Lee Raymond) General Manager	6111 No. 3 Road, Richmond, British Columbia, V6Y 2B1, Canada	+1-604-2733107	+1-604-2733187

Mega International Commercial Bank Public Co., Ltd.				
Branch Name	Manager & Title	Address	Phone Number	Fax Number
Head Office	Jia-Hong Wu President & Chief Executive Officer	36/12 P.S. Tower, Asoke, Sukhumvit 21 Road, Klongtoey-nua, Wattana, Bangkok 10110, Thailand	+66-2-2592000	+66-2-2591330
Chonburi Branch	Chien-Min Wang Vice President & General Manager	39/4 Moo.3, Sukhumvit Road, Huaykapi Sub-District, Muang District, Chonburi Province 20130, Thailand	+66-38-387333	+66-38-387525
Bangna Branch	Ching-Ho Tu Vice President & General Manager	MD Tower, 2nd Floor, Unit B, No.1, Soi Bangna-Trad 25, Bangna Sub-District, Bangna District Bangkok Province 10260, Thailand	+66-2-3986161	+66-2-3986157
Ban Pong Branch	Ming-Cheng Huang Vice President & General Manager	99/47-48 Sonpong Road, Ban Pong, Ratchaburi 70110, Thailand	+66-32-222882	+66-32-221666
Rayong Branch	Tong-Hai Her Vice President & General Manage	500/125 Moo 3 Tambol Tasith, Amphur Pluak Daneng, Rayong Province 21140, Thailand	+66-38-950276	+66-38-950284

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