Stock Code: 2895
Date of publication: 2013/1/31
Bank website: http://www.sunnybank.com.tw
MOPS website: http://newsmops.tse.com.tw

陽信銀行
SUNNY BANK

102年年報
2013 Annual Report

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Names of stock exchanges where foreign securities are listed and enquiry on the information of foreign securities: None

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I. Letter to Shareholders

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Dear shareholders,

On behalf of the Sunny Bank, I would like to firstly thank all of our shareholders for your long-term supports and caring. Started to have a gradual upturn in 2013, the global economy has shown some positive signs including an increase in the consumer spending and companies' investment in the U.S., a promising future for Germany's manufacturing industry and Japan's economic turnover under the Prime Minister Shinzo Abe's expansionary monetary policy after years of recession. Besides, the mainland of China also terminated the downtrend of its GDP for 7 consecutive quarters, which really helped to stop the downturn of the demand. As for Europe, although the debt crisis retains and may affect consumers' confidence in investment, its economic forecast for 2014 is somehow positive as principal countries have shown positive and proactive economic development strategies. The global economy is therefore expected to have a gradual growth in 2014.

Chairman
LIN, PENG-LANG

Regarding the domestic economy, the economic monitoring indicator has been in a yellow-blue light for 9 consecutive months since September of 2012 under the influence of the world's economic growth. However, it started to reach scores above 20 (scores above 23 represent a stable economic growth) and the purchase management index also showed a growth for 3 consecutive months since April of 2013, indicating an economic resurgence in Taiwan. Later in the same year, a temporary worry appeared due to a surprising negative growth of the exports annual rates in September of 2013 as well as political disturbances, conservative consumer spending, reduced momentum for private investments and indeterminate schedule of raising the interest rate. After that in December of 2013, the composite score of the monitoring indicator once again had a green light and broke the recent record (reached 24). Apart from June of 2013, it was the second time in 28 months that the domestic economy has broken through the critical limit of the yellow-blue light (score 23). In December, the export order increased and showed an obvious resurgence of the world's economy. The currency depreciation in emerging market, on the other hand, was solely a short impact and did not affect the nation's overall performance in export. Therefore, it is expected that the domestic economy will become better with a steady growth in 2014.

Confronting the highly competitive financial environment, the Bank will, under the careful planning of our professional management team and with all of our staffs' efforts, continue to strictly control the credit quality and to proactively increase the scale of our services in order to increase the profit steadily.

The Bank's cumulative amount of profit has gradually increased year-by-year after we started to settle surplus every month. The Bank's net profit after tax was NT$1,238,802,000 in 2012 and NT$860,500,000 in 2013. The reason that the Bank's net profit (after tax) had a decrease of NT$378,302,000 in 2013 was that the competent authorities with Type 1 normal loans should prepare 1% amount as the allowance and to improve the asset quality as well as to increase the coverage ratio. Therefore, the Bank totally prepared NT$623,468,000 in total and increased the coverage ratio of allowances for bad debt to 213.40%, showing a great improvement on the Bank's operating performance.

Looking into the future, the Bank will endeavor to maintain a steady operation and to maximize the profit for all of our shareholders. Below is a summary of our 2013 operating performance and 2014 operating plan:

1. 2013 Operating Results

(1) Optimizing business channels and maximizing operating value

To stay ahead of competitors and make the most out of the 96 Branch offices throughout Taiwan for greater business scale and extent, the Bank is strategically relocating several branches in order to exploit the advantage of nationwide banking business and focus banking opportunities in northern Taiwan. For example, to reach its target of having branches in every administration area in the Taipei City, the Bank has established the Wanhwa Branch on April 22, 2013, by moving the Guanghua Branch in Chiayi City to Taipei City. With a comfortable and spacious environment, the new branch not only offers customers a better and premium financial service, but also effectively maximizes the branch channel value and increases overall operation benefits.

(2) Business Plan and Strategy Implementation Results

The Bank endeavored to improve asset quality and achieved significant performance in 2013. Our non-performing loan ratio at the end of 2013 was 0.59%, which was at the same level of 2012's 0.58% with an increase of 0.01%; the year-end coverage ratio increased from 171.11% in 2012 to 213.40% in 2013 with an increase of 42.29%. Regarding the business development, the Bank's total deposit in 2013 had an increase of NT$28.9 billion comparing with previous year, whereas the outstanding loan had an increase of NT$13.1 billion comparing with 2012. All of these have shown a good operating result in overall.

Unit: NT$1000

Main Business Items	2013	2012	Growth Rate Compared to Last Year
Deposit (Year End Balance)	258,474,509	229,570,243	12.59%
Loan (Year End Balance)	205,012,373	191,868,809	6.85%
Wealth Management Business	19,837,350	18,777,038	6.65%
Import / Export and Foreign Exchange Businesses (thousand in USD)	2,659,556	2,136,336	24.49%
Trust Property Scale	39,608,526	36,771,214	7.72%
Investments in Equity Method (Year End)	1,271,647	1,194,660	5.48%

(3) Budget Execution

The Bank's overall operation has an obvious improvement, where the scale of deposits and loans largely increased and its earning after tax reached NT$860 million.

(4) Financial Income / Expense and earning Analysis

Unit: NT$1000; For EPS in NT$1.

Main Business Item	2013	2012	Compared to Last Year
Net Interest Income	3,316,235	2,994,230	10.75%
Net Non-Interest Income	1,239,773	962,945	28.75%
Net Income	4,556,008	3,957,175	15.13%
Bad Debt Expenses and Guarantee Liability Provisions	747,965	127,664	485.89%
Operating Expenses	2,807,459	2,542,808	10.41%
10.Net Profit Before Tax	1,000,584	1,286,703	(22.24%)
Net Profit After Tax	860,500	1,238,802	(30.54%)
EPS Before Tax	0.77	1.01	(23.76%)
EPS After Tax	0.66	0.97	(31.96%)

Explanations:

a. An increase of non-interest income: Mainly Contributed by the increase of net commission and service fees, gains of foreign exchange and gains on reversal of impaired assets.

b. An increase of bad debt expenses and guarantee liability provisions: Mainly to comply with regulator's requirements that 1% of type I loan should be reserved as allowance improve the asset quality as well as to increase the coverage ratio.

c. A decrease of net profit before and after tax: Mainly caused by the increase of bad debt expenses and guarantee liability provisions.

d. An increase of income tax expense: Mainly to offset loss carry-forward and was caused by the decrease of deferred tax assets (DTA)

(5) Research and Development

To monitor changes of domestic and international economic trends, and to satisfy the needs of developing our business, all of our departments have conducted analyses related to financial trends, the development of banking business and industry trends. All of these research reports based on various themes are also offered to our staffs as a reference to forecast the market trend.

2. Overview of the 2013 Business Plan

Upholding the enterprise spirit of being "steady, proactive, professional and enthusiastic", the Bank will continue to offer customers an outstanding financial service. Looking into the coming year, we will emphasize on the following development directions:

(1) Expanding the Business Scale

It is expected that the total amount of New Taiwan Dollar (NTD) and foreign currency deposits will reach NT$264 billion with an average annual growth of NT$6 billion and an average business operation of NT$258 billion; and the total amount of NTD and foreign currency loans will reach NT$213.2 billion with an average annual growth of NT$5.745 billion (the NTD loan is expected to grow of NT$5.44 billion for the first half year and NT$2.56 billion for the second half) and an average business operation will be NT$208.9 billion. To expand its scale of deposits and loans, the Bank will set the minimum deposit / loan amount for each county / city Branch and the project schedule. It will not only focus on creating and enlarging the channel scale and economic benefits, but also to visit customers and to develop local markets with the spirit of offering customers a "smile service". In this way, the Bank will be able to promote the customer satisfaction level comprehensively and to expand the customer base.

(2) Increasing Revenue Diversity

As the main source of revenue for traditional commercial banks, interest income is easily affected by interest fluctuation and economic cycle, and has risks of bad debt. Therefore, to reach our target of having a revenue diversity, the Bank has increased the proportion of non-profit revenue (such as finance income, trust income and investment income) and requested related business management departments to propose development strategies:

a. Wealth management service: To introduce foreign currency structured products (such as dual currency deposit) to increase production of financial management.

b. Trust: To develop and launch new products such as children's education trust fund, elderly trust fund, trust fund for people with physical / mental difficulties and so on; to expand the original product scale such as real estate presale trust fund, real-estate property trust fund and funeral trust fund.

c. Investment: To establish a professional investment team, and to increase transaction instruments (bills and bonds) and operators in order to enlarge financial operation benefits.

(3) Carrying on Boosting the Revenue

The projected net income of 2014 is based on 2013's regular surplus before tax with a growth rate of 20%, which is NT$2.193 billion. This amount then deducted the non-allocated funds including the "newly added annual allowance for bad debt (NT$100 million)" and "employees' dividend and remunerations for directors and supervisors (NT$45 million)", and added the estimated amount to be poured back by AMC (NT$40 million) to get NT$2.088 billion as the project earnings before tax of 2014.

(4) Stabilizing the Funding Sources and lower funding cost and Reducing Cost

From 2014, the Bank will devote itself to maintain the stability of the funding and to lower the funding cost. It is expected that the stabilized capital will cope with the needs of business development and the Bank's proportion of demand deposits will be increased under the premise of having a stabilized deposits in order to lower the cost effectively and to further increase the profit.

(5) Adjusting the Loan Structure

To have a steady operation and to cooperate with policies of the competent authorities, the Bank has adjusted its lending target focus on SMEs loans and related services (such as foreign exchanges) and fiduciary loans as they are offering a good profitability. Furthermore, under the consideration of risk control, the SME loans will be conducted by having a real estate security interest or small and medium business credit guarantee fund together with the second lien or offering of other valuable guarantees. Besides, it is also important to select the customers and know their actual operating status to ensure their payment resources to lower the overall credit risk.

(6) Enhancing Asset Quality

The Bank's 2014 target is to maintain the non-performing loan ratio below 0.38% and the coverage ratio above 310%. Besides, the bank will aims to strengthen underwriting on of new loan approval to control assert quality; to collect distressed debts proactively, and to have bad debts collected continuously.

(7) Maintaining the BIS Ratio

To comply with regulations of competent authorities, to strengthen the Bank's capital structure, and to gradually increase the BIS ratio according to the BASEL III schedule and have it reached 10.5% as soon as possible (as the 2019 standard level requested by BASEL III), the Bank will continue to pay attention to the proportion of loan products in 2014 in order to have the best allocation for risk assets. Besides, it will continue to increase the level of profitability, increase the capital in cash according to the plan, and issue subordinated bank debentures in order to increase its own capital and the BIS ratio.

(8) Developing e-Business

Due to the popularization of internet and the development of 3C products (such as smart phones and tablet PC), e-commerce has gradually integrated with every industry. As banks play an important role in cash flow in the e-commerce industry chain, it is therefore able to create more added values. Therefore, the Bank also aims to emphasize on e-commerce related works in order to increase its competitiveness in the market.

a. Online Banking: The Bank has its online banking functions upgraded and the new version is expected to launch in the first half of 2014. The Bank also continues to plan the installation of mobile banking APP and the disaster recovery system in order to increase the use convenience and safety.

b. Promoting the Use of Electronic Forms: To simplify operation procedures, the Bank has completed the installation of the seal / signature verification system in the first half of 2013. To enhance staffs' efficiency at work and to increase customers' level of satisfaction, the Bank will continue to promote the adoption of electronic deposit and remittance forms based on this foundation.

c. Bill Payment: To increase the Bank's competitiveness, the third-party payment service (network transaction agent service) will be another major network service for the Bank to develop in 2014. It is expected that the Bank will complete credit card acquiring works and install the third-party payment channels (such as credit card) in the first half of 2014. Besides, it will follow the organization and planning of the system platform to have these services officially launched before the end of 2014.

3. Future Development Strategies

(1) Continue to strength the operating infrastructure and improve the financial structure.
(2) Maintain a fine deposit/loan ratio structure in order to balance development of deposit and loan businesses.
(3) Implement risk management, strengthen risk control, underwriting standards, to maintain good quality of lending assets.
(4) Continue to integrate and reconfigure the branches to expand channel benefits.
(5) Promote the International Financial Reporting Standards (IFRS) in compliance with the regulatory requirements, to develop financial management efficiency, and to effectively improve operational performance.
(6) Enhance staff on job training, draw up training program for professionals to raise manpower quality.
(7) Deeply explore core businesses to enhance customer relations, expand customer base and contribution.
(8) Continue to expand the overseas business and increase the revenue diversity in order to boost the company's competitiveness.

President
TING, WEI-HAO (with seal)

4. Impacts of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

The global economy is coming back slowly but surely. However, the domestic financial environment still suffers from too many banks and the low demands for finance for a very long time. This, combined with the credit control policy of Central Bank in the last 2 years, contributed to the limited development of banks' financing business.

The Executive Yuan approved the "Plan for the development of financial business with characteristics of China and Taiwan" proposed by Financial Supervisory Commission and the "MOU for monetary clearing between China and Taiwan" proposed by Central Bank, which marked a new chapter for the financial society in China and Taiwan. In light of this, the Bank will continue the efforts in expanding foreign currency business, recruiting good hands specialized in international financing, enhancing the cross-strait business relationship and diversifying the source of operating incomes. As for impacts caused by regulations or the business environment, the Bank has promptly drafted countermeasures in response to various changes by amending its internal rules and regulations or operating procedure to comply with legal and regulatory stipulations, and to strengthen the Bank's competitiveness by streamlining its policy according to the market and economic conditions.

5. Credit Rating

On October 8 in 2013, Taiwan Ratings has given the Bank "twBBB+/ twA-2/ negative" for its long- and short-term credit ratings and rating outlook.

Chairman
LIN, PENG-LANG (with seal)
President
TING, WEI-HAO (with seal)

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II. Bank Profile

1. Date of Registration
2. Company Overview

1. Date of Registration

Registration Date: September 1, 1997

Business Commencement Date: September 1, 1997

2. Company Overview

Previously known as "Yang Ming Shan Credit Cooperative", the Bank was established on October 2, 1957 and reorganized into bank on April 28, 1997 as approved by the Ministry of Finance. Later in the same year, "Sunny Bank Corporation Ltd." officially started its operation on September 1, 1997. It was among the first group of credit cooperatives being reorganized into banks after the Ministry of Finance stipulated and issued "Standards and Regulations of Reorganizing Credit Cooperatives into Commercial Banks" on December 6, 1995 according to File No. Tai-tsai-jung No. 84784492.

On April 16, 1998, the Bank passed the ISO-9002 certification for its information and quality audit systems, and became the first certified bank in the nation. Before the annual meeting of shareholders held on June 4 of the same year, it announced this accreditation at a press conference and declared that it would uphold the quality policy of being "steady, proactive, professional and enthusiastic" in order to have a sustainable business operation. Also to cooperate with the government policy and to solve issues of distressed financial institutions, Sunny Bank Co., Ltd. undertook the business of Yuan Lin Credit Cooperative, Chang Hua and Ping Tung 2nd Credit Cooperative respectively on September 15, 2001. On August 24, 2002, it then took over the business of Tainan 5th Credit Cooperative and increased 21 branches. On July 20, 2004, it was approved to expand its business area and became a nationwide bank. To have competitive advantages in hand and to enlarge the scale and scope of its operation, Sunny Bank Co., Ltd merged with Kao Shin Commercial Bank on November 26, 2005, and increased its Branch number from 62 to 96. To bring the channel synergy of its branches into full play, the Bank has carefully planned its service location and established the Luotong Branch in September of 2007, which successfully expanded its service area to Eastern Taiwan. Then the Chupei, Chungsing and Changhua branches were successfully opened as well as the Eastern Taoyuan and Nangang branches (2010), Beitun Branch (2011), Tucheng and Keelung branches (2012). To have its service area covered every administration area in the Taipei City, the Bank established the Wanhua Branch in 2013, which makes its financial landscape even more complete. In this way, each operation sites will be able to support each other geographically and maximize the mutual benefits. Besides, regional complementarity and channel integration also helped the Bank to strengthen its competitiveness and scale in the market, which is good for it to increase its overall market share and to maximize the benefits of channel synergy.

To adapt to the rapidly changing financial market and to offer customers diversified financial services, the Bank not only bettered the operating capital, but also actively integrated itself into other financial areas and has reinvested in Sunny Securities Co., Ltd., Sunny Life Insurance Brokerage Co., Ltd., Sunny Property & Insurance Brokerage Co., Ltd , Sunny Assets Management Co., Ltd and Sunny International Leasing Co., Ltd. to act as an agent for various insurance products and engage in brokerage, trading and settlement of listed and over-the-counter stocks and the purchase, valuation or auction of financial claims. It is expected that we will expand our services, develop diverse business and provide comprehensive financial services on existing connections and geopolitical basis.

The Bank will continue to focus on business development, to strengthen the quality and quantity of loans, and continue to clean up distressed assets, minimize our all cost through expense assessment. We will raise capital adequacy ratio to strengthen financial and operational structure, improve customer service quality, enhance organizational efficiency, effective result-oriented culture, and reach the goal of sustainable management.

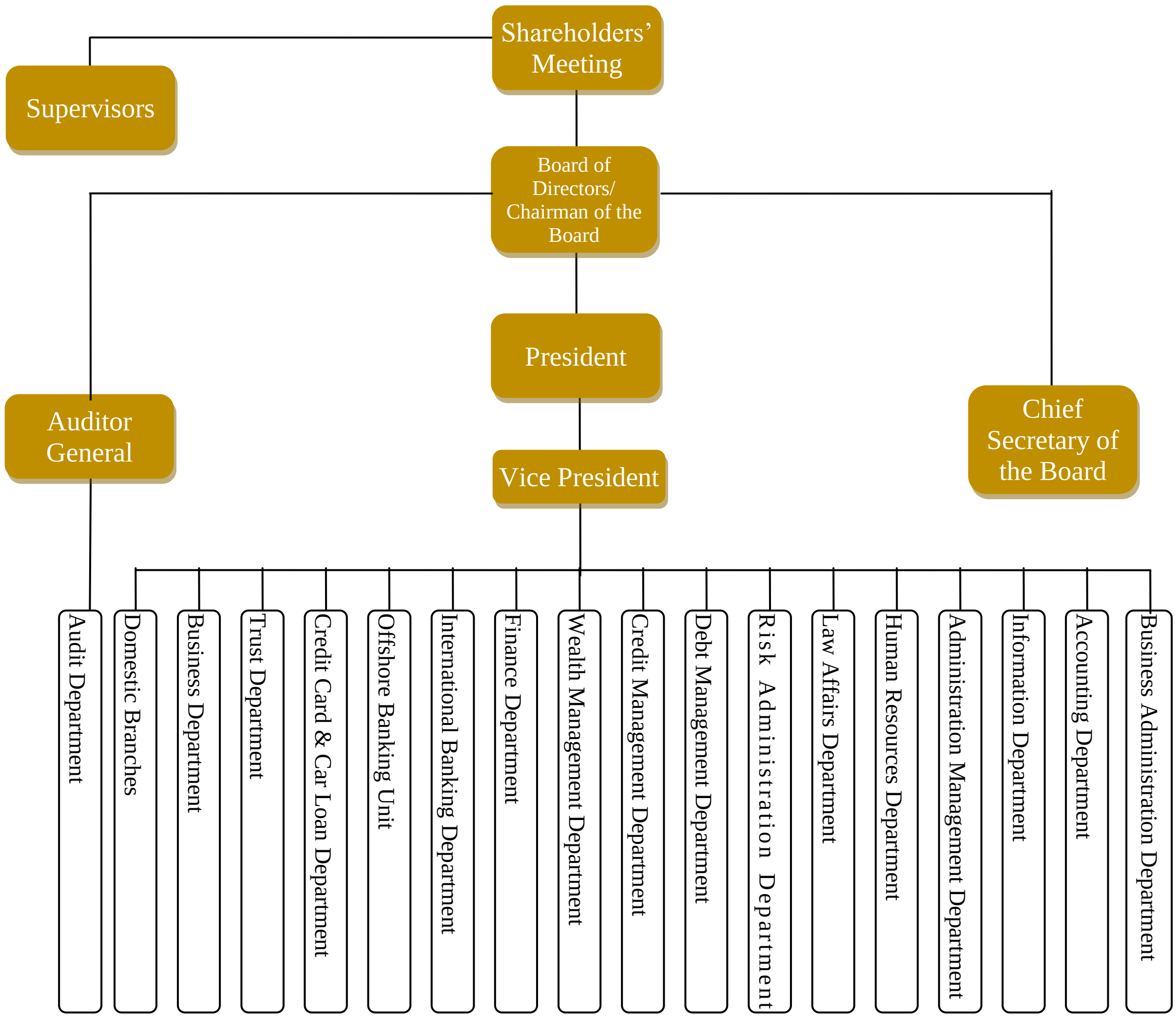
III. Corporate Governance Report

1. Organization
2. Director, Supervisor, President, Vice President, Deputy Executive Vice President, and Heads of Departments and Branches
3. Corporate Governance Operations
4. CPA Fees
5. Alternation of CPA
6. Chairman, President, Financial or Accounting Managers, and those that have served in CPA or Affiliated Associated Business in the Most Recent Year
7. Any Share Pledge and Shift by the Director, Supervisor, Manager, and those that shall declare the Rights Letter pursuant to Article 11 of Regulations Governing a Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank during the Most Recent Fiscal Year and before publishing the Annual Report
8. Relationship Information, if among the Company's 10 Largest Shareholders Any One is a Related Party or a Relative within the Second Degree of Kinship of Another
9. Numbers of Shares in the Same Reinvested Enterprises Held by the Bank and its Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, the Heads of Departments and Branches, and Enterprises Controlled Directly or Indirectly by the Bank, and Ratios of Consolidated Shareholding

1. Organization

(1) Organization Chart

As of January 31, 2014



(2) Major Business of Each Department

The Bank operates a headquarter and branches, and the headquarters is supported by the Business Administration Department, Accounting Department, Information Department, Administration Management Department, Human Resources Department, Law Affairs Department, Risk Administration Department, Debt Management Department, Credit Management Department, Wealth Management Department, Finance Department, International Banking Department, Offshore Banking Unit, Credit Card and Car Loan Department, Trust Department and Business Department; their major responsibilities are as follows:

a. Business Administration Department: Operating strategies, administration policy, operating development plans and the overall marketing campaign proposal development and performance evaluation.

b. Accounting Department: Operating budget compilation and review, approval and allocation, reconciliation and audit-related compilation, among other accounting management-related undertakings.

c. Information Department: Planning, drafting and management of the information business system and information operating system.

d. Administration Management Department: Word processing, file management, general management, capital expenditures, and renovation.

e. Human Resources Department: Staffing allocation, bank employee recruitment, hiring, appointment/dismissal, promotions, bank employees' local and foreign training and advanced study plans, budget and execution-related measures.

f. Law Affairs Department: Legal affairs-related administrative planning, supervision and evaluation.

g. Risk Administration Department: The risk management policy, system, and mechanism's drafting, structuring and execution, as well as overall operating risk assessment, supervision, and control.

h. Debt Management Department: Loan review follow-up evaluation, overdue loan repayment collection, recourse debt collection, and pre-consultation’s planning, supervision, and management.
i. Credit Management Department: The Bank-wide lending policy drafting (revising) and loan review operations’ supervision and management.
j. Wealth Management Department: The wealth-management business’s operating policy, business plan, operating objectives’ drafting (revising) and management-related undertakings, related product research and development, marketing promotion, market research.
k. Finance Department: The NTD-denominated and foreign currency-denominated capital operation and management, and financial and investment management.
l. International Banking Department: The foreign exchange business’s planning, promotion, and management.
m. Credit Card and Car Loan Department: The credit card product and car loan business’ planning, promotion, and management.
n. Trust Department: The trust business’ planning, promotion, and management.
o. Business Department: Operation of the deposit, exchange clearance, cashiering, representation, loan, foreign exchange, trust and money-management business processing.

The Bank also operates an audit division, which is charged with auditing the business, information, account administration, finance and various safekeeping goods on inventory. The audit division and the auditors are under the command and supervision of the Chief Auditor.

2. Director, Supervisor, President, Vice President, Deputy Executive Vice President, and Heads of Departments and Branches

(1) Director and Supervisor

Position	Name	Date Elected	Term	Initial Elected Date	Holding at Election		Present Holding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships		
					Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Chairman	Lin, Peng-Lang	June 11, 2012	3 yrs	June 22, 2009	31,041	---	32,283	---	82,933	0.01%	---	---	Vice President and President of Land Bank of Taiwan, Chairman of The Farmers Bank of China, Chairman of Agricultural Bank of Taiwan, and Chairman of Financial Asset Service Corporation Graduated from Graduate School	None	None	None	None
Managing Director	Chen, Sheng-Hung	June 11, 2012	3 yrs	September 1, 1997	7,179,892	0.54%	7,179,892	0.54%	3,232,655	0.24%	---	---	The 3rd to 7th Taipei City Councilor, President Director of Yang Ming Shan Credit Union, the 1st - 4th Chairman and 5th Managing Director of Sunny Bank, and the 4th & 5th legislator Graduated from University	Shareholder of Chuan Yam Construction Co., Ltd. and Chairman of Sunny Foundation	Director Manager Manager	Chen, Chin-Chia Chen, Ya-i Ho, Li-Wei	Brothers Father & Son Father & Son

Position	Name	Date Elected	Term	Initial Elected Date	Holding at Election		Present Holding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships		
					Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relation ship
Managing Director	Liu, Chen-Sheng	June 11, 2012	3 yrs	September 1, 1997	5,004,272	0.37%	5,004,272	0.37%	1,252,582	0.09%	---	---	Chairman of Jih Chien Enterprise Co., Ltd. Supervisor of Yang Ming Shan Credit Union, the 1st Director and the 2nd - 4th Managing Director of Sunny Bank Graduated from Vocational High School	Chairman of Shihpai Tzuchiang General Market Co., Ltd.	Assistant Vice President Manager Manager	Liu, Ming-Chieh Liu, Ming-Che Chen, Yao-Wen	Father & Son Father & Son Relatives by marriage
Independent Managing Director	Wu, Wen-Cheng	June 11, 2012	3 yrs	June 22, 2009	---	---	---	---	823,817	0.06%	---	---	CPA of Guang Yan CPAs Co. and Director of Po Yun Wu Enterprise Co., Ltd. Graduated from University	Supervisor of Young Fast Optoelectronics Co., Ltd. and Provisional Administrator of Taiwan International Securities Corporation	None	None	None
Director	Chen, Chin-Chia	June 11, 2012	3 yrs	June 12, 2000	4,177,407	0.31%	4,344,561	0.33%	8,310,657	0.62%	---	---	Director of Formosa On-line Co., Ltd., the 2nd, 3rd and 5th Director of Sunny Bank, and the 4th Managing Director of Sunny Bank	Director of Po Yun Enterprise Co., Ltd.	Managing Director	Chen, Sheng-Hung	Brothers
Director	Ho, Shun-Cheng	June 11, 2012	3 yrs	September 1, 1997	4,450,735	0.33%	4,450,735	0.33%	5,448,570	0.41%	---	---	Person-in-Charge of Yuan Shun Jewelry Co., Ltd., Director of Yang Ming Shan Credit Union, and the 1st - 4th Director of Sunny Bank Graduated from Senior High School	Director of Sunny Life Insurance Brokerage Co., Ltd.and Director of Sunny Property & Insurance Brokerage Co., Ltd.	None	None	None
Director	Chen, Chin-Yi	June 11, 2012	3 yrs	September 1, 1997	9,054,876	0.68%	10,069,876	0.75%	---	---	---	---	Director of Yang Ming Shan Credit Union and the 1st - 5th Director of Sunny Bank Graduated from University	Supervisor of Jin Jia Technology Co., Ltd. Director of Yu Suan Co., Ltd., Chairman of Sunny Property Insurance Brokerage Co., Ltd., and Chairman of Sunny Life Insurance Agent Co., Ltd.	None	None	None
Director	Lin, Cheng-Yu	June 11, 2012	3 yrs	May 2, 2006	5,387,362	0.40%	8,749,776	0.66%	588,437	0.04%	---	---	The 4th and 5th Director of Sunny Bank Graduated from University	Director of Guo Zhi Enterprise Co., Ltd., Chairman of Guo Zhi Construction Co., Ltd., Director of Lin Sheng Development Co., Ltd., and Director of Jin Jing Chemical Co., Ltd.	None	None	None

Position	Name	Date Elected	Term	Initial Elected Date	Holding at Election		Present Holding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships		
					Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Director	Chen, Chien-Yang	June 11, 2012	3 yrs	May 2, 2006	3,789,876	0.28%	3,839,876	0.29%	1,264,773	0.09%	---	---	Lecturer of Ching Kuo Institute of Technology, Lecturer of Taipei Chengshih University of Science & Technology, General Manager of Yi Lien Co., Ltd., General Manager of Hotel G7 Taipei, Director of Fuhau Hotel, and the 4th and 5th Director of Sunny Bank Graduated from Graduate School	Director of Fu Hao Garden Hotel, Director of Yi Lien Co., Ltd., Director of Pang Ji Development Co., Ltd., and Director of Hotel G7 Taipei Co., Ltd., Shareholder of Fu Hau Hotel	None	None	None
Director	Chao, Fu-Tien	June 11, 2012	3 yrs	May 2, 2006	2,935,215	0.22%	2,935,215	0.22%	76,133	0.01%	---	---	Chairman of Kao Shin Bank, Supervisor of Yung Chi Paper Manufacturing Co., Ltd., and the 4th and 5th Director of Sunny Bank Graduated from Vocational High School	Director of Sunny Life Insurance Agent Co., Ltd. and Director of Sunny Property Insurance Brokerage Co., Ltd.	None	None	None
Director	Hsieh, Yi-Tung	June 11, 2012	3 yrs	June 22, 2009	300,004	0.02%	327,080	0.02%	1,178,307	0.09%	---	---	Manager of The First Cooperative Association of Kaohsiung City, Assistant Manager of Business Department of Kao Shin Bank, and Branch Assistant Manager of Sunny Bank Graduated from College	Assistant Manager of Sunny Bank	None	None	None
Independent Director Supervisor	Liu, Hsiang-Tun	June 11, 2012	3 yrs	May 2, 2006	---	---	---	---	---	---	---	---	Judge of District Court and Chief of Court, Person-in-Charge of Hsiang Chih Law Office, and the 4th and 5th Independent Director of Sunny Bank Graduated from University	Independent Managing Director of Union Plus Technology Co., Ltd.	None	None	None
Independent Director Supervisor	Chang, Ping-Chung	June 11, 2012	3 yrs	June 11, 2012	---	---	---	---	449,722	0.03%	---	---	Assistant General Manager of Geui-Guan Publishing Co., Ltd. and General Manager of Scientific & Technical Publishing Co., Ltd. Graduated from Junior College	Chairman of Scientific & Technical Publishing Co., Ltd.	None	None	None
Managing Supervisor	Chang, Wu-Ping	June 11, 2012	3 yrs	September 1, 1997	6,182,489	0.46%	6,382,489	0.48%	1621638	0.12%	---	---	Director of Yang Ming Shan Credit Union, and the 1st – 5th Director of Sunny Bank Graduated from Senior Commercial High School	Chairman of Ping An Construction Co., Ltd. and Shareholder of Ka Bi Trading Co., Ltd.	None	None	None
Supervisor	Wu, Ching-Hui	June 11, 2012	3 yrs	September 1, 1997	2,567,364	0.19%	2,567,364	0.19%	---	---	---	---	Chairman of Cheng Fa Movie Enterprise Co., Ltd., Chairman of Yang Ming Shan Credit Union, and the 1st – 5th Managing Director of Sunny Bank Graduated from Elementary School	Chairman of Yang Ming Shan Gas Co., Ltd.	None	None	None

Position	Name	Date Elected	Term	Initial Elected Date	Holding at Election		Present Holding		Current Shares of Spouse and Minors		Holding Shares in Other Names		Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships		
					Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relation ship
Supervisor	Tsai, Wen-Hsiung	June 11, 2012	3 yrs	September 1, 1997	6,940,159	0.52%	6,840,159	0.51%	4,034,014	0.30%	---	---	C.P.A. of Chang Chi Union Accounting Office, Supervisor of Yang Ming Shan Credit Union, Director of Jui Hsiang Investment Co., Ltd., and the 1st - 5th Supervisor of Sunny Bank Graduated from Graduate School	Director of Jui Hsiang Development Co., Ltd.	None	None	None
Supervisor	Lin, Chin-Lung	June 11, 2012	3 yrs	May 19, 2003	1,100,049	0.08%	1,274,068	0.10%	1,297,931	0.10%	---	---	Manager of Trust Department of Taipei Business Bank, Manager of Business Department of Taipei Business Bank, Vice President & President of Sunny Bank, and the 2nd-4th Director and 5th supervisor of Sunny Bank Graduated from University	---	None	None	None
Supervisor	Hsu, Wen-tung	June 11, 2012	3 yrs	April 27, 2011	2,708,398	0.20%	3,985,925	0.30%	1,723,845	0.13%	---	---	Director of General Chamber of Commerce of R.O.C., Honor Chairman of Insurance Agency Association of R.O.C., President of Huai De Insurance Agent Co., Ltd., Chairman of Land Bank Insurance Agent Co., Ltd., Chairman of Yangmingshan Tienlai Spring Resort, Chairman of Hotel Royal Chiao His, Deputy Chairman of Delight Hotel Co., Ltd., and Deputy Chairman of Tienlai Development Co., Ltd.	Person-in-Charge of several resort hotels, Person-in-Charge of Chuen Fong Lou Restaurant, Director and Manager of Huai De Insurance Agent Co., Ltd., Director of Tienlai Enterprise Co., Ltd, Director of Tienlai Development Co., Ltd., Director of Delight Hotel Co., Ltd., Supervisor of Taiwan Styrene Monomer Corp., Director of Hua Wei Investment Co., Ltd., Director of Huai De Investment Co., Ltd., Director of Wan Lin International Development Co., Ltd., Director and Manager of Tien Hsi Development Co., Ltd., Wu Feng Chih Enterprise Co., Ltd., Deputy Chairman of Yangmingshan Tienlai Spring Resort, Director of Yangminghsan Investment Co., Ltd., Director of Taipei World Trade Center International Trade Building Corporation, Supervisor of Sunny Property & Insurance Brokerage Co., Ltd., Supervisor of Sunny Life Insurance Brokerage Co., Ltd., and Chairman of Real Link Investment Ltd..	None	None	None

Business Team

Senior Vice President
He, Kun-Tang

Vice President
Lin, Chih-Liang

Vice President
Chou, San-He


Vice President
Chang, Chi-Ming
Vice President
Kuo, Chih-Hung
Auditor General
Tseng, Yak-Te

a. Institutional Shareholders

i. Major Shareholders of Institutional Shareholders

As of Date December 31, 2013

Name of the Institutional Shareholder	Major Shareholder of Institutional Shareholders	Shareholding Ratio
None	None	None

ii. Main Shareholder is the Major Institutional Shareholders

As of Date December 31, 2013

Name of the Institutional Shareholder	Major Shareholder of Institutional Shareholders	Shareholding Ratio
None	None	None

b. Professional Knowledge and Independence of Directors and Supervisors

As of December 31, 2013

Qualifications / Name (Note 1)	5 years of experience and one of the following qualifications?			Independence Status (Note)										Number of other listed companies in which the individual is conCurrent serving as an independent director
	An instructor or higher position in the field of commerce, law, finance, accounting, or other fields that meet the company's banking needs in a public or private college or university	A judge, public prosecutor, lawyer, certified public accountant, or other professional and technical specialist who has passed a national examination and has been awarded a certificate in a profession necessary for the company's banking	Previous experience in the area of commerce, law ,finance or accounting, or otherwise necessary for the company's banking	1	2	3	4	5	6	7	8	9	10	
Lin, Peng-Lang			V	V		V	V	V	V	V	V	V	V	None
Chen, Sheng-Hung			V	V					V	V		V	V	None
Wu, Hsi-Hui			V	V		V	V	V	V	V	V	V	V	None
Liu, Chen-Sheng				V		V		V	V	V	V	V	V	None
Wu, Wen-Cheng		V	V	V	V	V	V	V	V	V	V	V	V	None
Chen, Chin-Chia				V		V		V	V	V		V	V	None
Chang, Wu-Ping				V			V	V	V	V	V	V	V	None
Ho, Shun-Cheng				V		V		V		V	V	V	V	None
Chen, Chin-Yi				V			V	V		V	V	V		None
Lin, Cheng-Yu				V				V	V	V	V	V	V	None
Chen, Chien-Yang	V			V		V	V	V	V	V	V	V		None
Chao, Fu-Tien			V	V		V		V		V	V	V	V	None
Hsieh, Yi-Tung						V	V	V	V	V	V	V	V	None
Chang, Ping-Chung				V	V	V	V	V	V	V	V	V	V	None
Liu, Hsiang-Tun		V	V	V	V	V	V	V	V	V	V	V	V	1
Tsai, Wen-Hsiung		V	V	V			V	V	V	V	V	V	V	None
Lin, Chin-Lung			V	V		V		V		V	V	V	V	None
Hsu, Wen-Tung				V		V		V		V	V	V		None

Note 1: For institutional shareholders, their representatives are presented.

Note 2: Please tick "V" in the box below for directors and supervisors that meet the following requirements during 2 years prior to job appointment or during term in office.

a. Not an employee of the Bank or any of its affiliates.
b. Not a director or supervisor of the Bank or its affiliates (this, however, is excepted for independent directors of the Bank, its parent company, or the subsidiary company where the Bank directly or indirectly holds more than 50% share of voting rights)
c. Not a natural-person shareholder holding more than 1% of the Bank's total issued stock under the name of one's own, spouse or minor children, nor is one of the Bank's top ten natural-person shareholders.
d. Not a spouse, relatives within the 2nd degree of kinship or lineal relative within 5th degree of kinship of any of the persons in the preceding three subparagraphs.
e. Not a director, supervisor, or employee of the corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Bank or that holds shares ranking in the top five in holdings.
f. Not a director, supervisor, manager or shareholder holding 5% or more of the share, of a specified institution that has financial or business dealings with the Bank.
g. Not the head of, a partner, a director, supervisor, or manager or their respective spouse of a consulting firm, sole investor, partner, company or organization that has provided commercial, legal, financial and accounting services or consultancy to the Bank or its affiliates.
h. Not a spouse or relative within the 2nd degree of kinship within directors.
i. Not a person of any conditions defined in Article 30 of the Company Act.
j. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

(2) President, Vice President, Deputy Executive Vice President, and Heads of Departments and Branches

As of Dec 31 2013

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
President	Ting, Wei-Hao	June 22, 2009	82,850	0.01	60,000	---	---	---	Current Chairman of Sunny Bank Former Chairman of Bank of Taiwan Life Insurance Co., Ltd., Acting Chairman and President of Agricultural Bank of Taiwan., Vice President of The Farmers Bank of China., Chief Secretary and Manager of Land Bank of Taiwan Graduated from Department of Banking Insurance, Feng Chia University	---	None	None	None
Senior Vice President	He, Kun-Tang	September 5, 2013	0	---	---	---	---	---	Current Senior Vice President of Sunny Bank Former Vice President of Taiwan Cooperative Bank (TCB), Chairman of BNP Paribas TCB Securities Investment Trust Graduated from the Graduate School of Agricultural Economics, National Chung Hsing University	---	None	None	None
Vice President	Chou, San-Ho	June 22, 2009	278,953	0.02	---	---	---	---	Current Vice President of Sunny Bank Former President of Business Administration Management Department Graduated from Department of Economics, National Cheng Chi University	Director of Sunny Securities Co., Ltd.	None	None	None
Vice President	Lin, Chih-Liang	June 22, 2009	505,826	0.04	---	---	---	---	Current Vice President Former Acting President of Finance Management Department of Sunny Bank Graduated from Department of Accounting, Feng Chia University	Director of Sunny Securities Co., Ltd.	None	None	None
Vice President	Chang, Chi-Ming	June 22, 2009	196,613	0.01	105,706	0.01	---	---	Current Vice President Former President of Risk Administration Department of Sunny Bank Graduated from Department of Public Finance, National Cheng Chi University	Director of Sunny Securities Co., Ltd.	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relation ship
Vice President	Kuo, Chih-Hung	June 22, 2009	209,237	0.02	1,419	---	---	---	Current Vice President Former Acting President of Individual Finance Management Department of Sunny Bank Graduated from Department of Business Administration, Tamsui Oxford College	Director of Sunny Securities Co., Ltd., supervisor of Sunny Assets Management Co., Ltd	None	None	None
Auditor General	Tseng, Yak-Te	June 22, 2009	412,612	0.03	44,120	---	---	---	Current the auditor general of Sunny Bank Former Manager of Audit Department Graduated from Department of Accounting & Statistics, Chung Yu Junior College of Business	Supervisor of Sunny Securities Co., Ltd.	None	None	None
Chief Secretary	Wu, Jui-Hsiang	January 2, 2003	64,687	---	---	---	---	---	Current Chief Secretary of Sunny Bank Formerly Researcher of Chairman Office, BankTaiwan Life Insurance Co., Ltd and President Secretary and Acting Auditor-General of Agricultural Bank of Taiwan Graduated from Department of Business Administration, National Chung Hsing University	---	None	None	None
Assistant Vice President	Liu, Ming-Chieh	March 14, 2007	484,107	0.04	234,450	0.02	---	---	Current the Assistant Vice President of Business Department Former Manager of Financial Revenue, North 1st District Graduated from Department of Applied Business, Open University, National Taipei College of Business	---	Manager	Liu, Ming-Che Chen, Yao-Wen	Brothers Relatives by marriage
Assistant Vice President	Yu, Shih-Jung	March 14, 2007	69,996	0.01	586	---	---	---	Current Assistant Vice President of Chunghsin Branch Former Manager of Mucha Branch Graduated from Department of Commerce, Shih Hsin Professional School of Industry & Commerce	---	None	None	None
Assistant Vice President	Lu, Kun-Fa	May 29, 2013	16,203	---	---	---	---	---	Current Assistant Vice President of International Banking Department Former Manager of the Taiwan Business Bank (TBB) OBU, Wealth Management Department and Trust Department. Graduated from Department of International Business, National Chengchi University (NCCU)	---	None	None	None
Assistant Vice President	Chen, Yang-Yu	February 6, 2010	34,582	---	---	---	---	---	Current Assistant Vice President of Taichung Branch Former Senior specialist of Taiwan Cooperative Bank Graduated from Graduate Institute of Department of Agricultural Economics, National Chung Hsing University	---	None	None	None
Assistant Vice President	Hsieh, Yi-Tung	November 26, 2005	327,080	0.02	1,178,307	0.09	---	---	Current Shareholder of Sunny Bank and Assistant Vice President of Chingnien Branch Former Assistant Vice President Mintsu Branch of Sunny Bank Graduated from Department of Accounting, Open University of Commerce (National Cheng Kung University)	---	None	None	None
Assistant Vice President	Huang, Hsien-Chang	February 6, 2010	34,449	---	---	---	---	---	Current Assistant Vice President of Wenli Branch Former Manager of Xinxing Branch, Taiwan Cooperative Bank Graduated from Department of Agricultural Economics, National Taiwan University	---	None	None	None
Assistant Vice President	Huang, Yen-Chun	March 14, 2007	365,015	0.03	14,189	---	---	---	Current assistant vice president (former manager) of Information Department Graduated from Department of Banking, Tam kang University	---	None	None	None
Assistant Vice President	Wang, Ya-Hsun	June 22, 2009	532,676	0.04	1,479	---	---	---	Current Assistant Vice President of Debt Management Department Former Assistant Vice President of Business Management Department Graduated from Department of Accounting & Statistics, Tamsui Oxford College	---	None	None	None
Assistant Vice President	Wang, Chien-Yi	April 1, 2008	29,443	---	---	---	---	---	Current Assistant Vice President of Wealth Management Department of Sunny Bank Former Manager of Canadian Branch of HSBC Graduated from Department of International Trade, Soochow University	Director of Sunny Assets Management Co., Ltd	None	None	None
Assistant Vice President	Chen, Cheng-Feng	February 6, 2010	241,829	0.02	---	---	---	---	Current Assistant Vice President of Human Resources Department and Administration Management Department Former Assistant Vice President of Branch Operation Management Department Graduated from International Trade, Chihlee Institute of Technology	---	None	None	None
Manager	Chen, Yi-Huan	April 23, 1999	460,004	0.03	53,768	---	---	---	Current Manager of Shipai Branch Former Manager of Luzhou Branch Graduated from Department of Comprehensive Commerce, Chu Hai High Commercial School				

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Chen, Kuo-Hung	September 15, 2001	121,682	0.01	2,585	---	---	---	Current Manager of Beitou Branch Former Manager of Tianmu Branch Graduated from Department of Comprehensive Commerce, Yu Da High School of Commerce and Home Economics	---	None	None	None
Manager	Kuo, Su-Chu	August 21, 2013	186,728	0.01	42,054	---	---	---	Current Manager of Shihlin Branch. Former Assistant Manager of Credit Management Department and Shihlin Branch Graduated from Department of Comprehensive Commerce, Shih Hsin Professional School of Industry & Commerce	---	None	None	None
Manager	Chen, Chi-Chuan	10/16/ 2003	442,346	0.03	78,673	0.01	---	---	Current Manager of Datung Branch Former Manger of Yunghe Branch and Senior Specialist of Business Administration Department Graduated from Department of Finance, Ming Chuan University	---	None	None	None
Manager	Lu, Sheng-Yu	March 14, 2005	124,955	---	---	---	---	---	Current Manager of Chiantan Branch Former Manager of Chunghsin Branch Graduated from Department of Accounting, Feng Chia University	---	None	None	None
Manager	Chiang, Tung-Sheng	July 1, 2002	184,488	0.01	---	---	---	---	Current Manager of Shetzi Branch Former Manager of Taishan Branch Graduated from Department of Business Administration, Takming College	---	None	None	None
Manager	Chen, Yao-Wen	July 1, 2002	82,757	0.01	230,034	0.02	---	---	Current Manager of Lanya Branch Former Manager of Lunghciang Branch Graduated from Graduate Institute of Computer Science and Information Engineering, National Chung Cheng University	---	Manager	Liu, Ming-Chieh Liu, Ming-Che	Relatives by marriage Relatives by marriage
Manager	Lin, Kuo-Hung	July 7, 2003	158,476	0.01	7,135	---	---	---	Current Manager of Tienmu Branch Former Manager of Luchou Branch Graduated from Department of Business Administration, Feng Chia University	---	None	None	None
Manager	Li, Tai-Ju	December 1, 2007	166,125	0.01	-	---	---	---	Current Manager of Shechung Branch Former Manager of Dongning Mini Branch Graduated from General Department of Tamkang High Schoo	---	None	None	None
Manager	Kao, Chih-Li	March 1, 2003	452,392	0.03	104,855	0.01	---	---	Current Manager of Chilin Branch Former Manager of Sanchung Branch Studied in Department of Computer, Tamkang University	---	None	None	None
Manager	Shen, Yu-Hsing	March 28, 2008	23,361	---	---	---	---	---	Current Manager of Chengkung Branch Former Assistant Manager of Banciao Branch Graduated from Department of International Trading, Tamsui Oxford College	---	None	None	None
Manager	Sung, Ping-Ping	March 14, 2007	39,688	---	---	---	---	---	Current Manager of Credit Card and Car Loan Department Former Assistant Manager of Consuming Finance Business Department Graduated from Department of Business Administration, National Taipei College of Business	---	None	None	None
Manager	Lung, Wan-Li	May 10, 2007	24,025	---	---	---	---	---	Current Manager of Minsheng Branch Former Crediting Manager of Shin Kong Bank Graduated from Department of Business Administration, Soochow University	---	None	None	None
Manager	Liu, Ming-Che	February 1, 2012	1,259,767	0.09	170,946	0.01	---	---	Current Manager of Yenchi Branch Former Assistant Manager of credit management, Offshore Business Department Graduated from Department of Banking Insurance, Open Business College Affiliated with National Taipei College of Business	---	Manager Manager	Liu, Ming-Chieh Chen, Yao-Wen	Brothers Relatives by marriage
Manager	Liu, Yen-Hsing	December 24, 2003	66,783	0.01	78,458	0.01	---	---	Current Manager of Mucha Branch Former Manager of Chunghsin Branch Graduated from Department of Accounting & Statistics, Chung Yu Junior College of Business Administration	---	None	None	None
Manager	Tsao, Chun-Jung	June 23, 1995	369,337	---	244,205	0.02	---	---	Current Manager of Lungchiang Branch Former Manager of Shilin Branch Graduated from Department of Comprehensive Commerce, Shih Hsin Professional School of Industry & Commerce	---	None	None	None
Manager	Shen, Yao-Ping	April 8, 2013	15,675	---	---	---	---	---	Current Manager of Nanjin Branch Former Expert Commissioner of Taiwan Cooperative Bank (TCB) Graduated from Department of Law, National Chung Hsing University	---	None	None	None
Manager	Huang, Chen-Tung	August 28, 2013	---	---	---	---	---	---	Current Manager of Jingmei Branch Former Manager of COSMOS Bank and Sales Executive of Transglobe. Graduated from Graduate Institute of Business Administration, National Taipei College of Business	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Hu, Chi-Min	December 1, 2009	111,754	0.01	51,148	--	--	--	Current Manager of Xinyi Branch Former Assistant Manager of Credit Auditing Department and Neihu Branch Graduated from Department of Economics, Feng Chia University	---	None	None	None
Manager	Chen, Hsien-Chun	July 1, 2002	95,297	0.01	--	--	--	--	Current Manager of Chungho Branch Former Manager of Chungli Branch Graduated from Business Administration Department, Takming University of Science and Technology	---	None	None	None
Manager	Lee, Ching-Cheng	August 15, 2001	84,502	0.01	--	--	--	--	Current manager of Trust Department Former Junior Manager of Planning Office and Assistant Manager of Trust Department Graduated from Department of Business Administration, Fu Jen Catholic University	---	None	None	None
Manager	Chuang, Yung-Fu	July 1, 2002	104,038		--	--	--	--	Current Manager of Yonghe Branch. Former Manager of Wugu Branch Graduated from Department of Accounting, Feng Chia University	---	None	None	None
Manager	Chen, Chih-Hao	May 3, 2006	88,807	0.01	79,744	0.01	--	--	Current Manager of Luzhou Branch Former Manager of Zhubei Branch and senior specialist of Credit Management Department Graduated from Department of Comprehensive Commerce, Chu Hai High Commercial School	---	None	None	None
Manager	Chu, Chia-Lung	August 11, 2006	103,273	0.01	--	--	--	--	Current Manager of Banciao Branch Former Assistant Manager of Wuku Branch Graduated from Department of Cooperative Economics, National Chung Hsing University	---	None	None	None
Manager	Chiu, Chuan-Mao	July 1, 2002	176,318	0.01	--	--	--	--	Current Manager of Taishan Branch Former Manager of Xizhou Branch Graduated from Department of Public Finance, National Taipei College of Business	---	None	None	None
Manager	Huang, Chi-Wei	October 11, 2005	97,604	0.01	51,728	--	--	--	Current Manager of Xinhe Mini Branch Former Manager of Xinzhuag Branc and Senior Specialist of Jingmei Branch Graduated from Department of Public Finance and Tax Administration, Takming Junior College of Commerce	---	None	None	None
Manager	Hu, Chun-Wei	May 3, 2006	110,912	0.01	--	--	--	--	Current Manager of Hsichou Branch Former Manager of Xiaogang Branch Graduated from Department of German, Chinese Culture University	---	None	None	None
Manager	Li, Chun-Che	May 29, 2013	12,964	--	--	--	--	--	Current Manager of Guting Branch Former Manager of Taichung Bank (TCB) Department of International Banking and OBU. Graduated from the U.S. Texas State University MBA Program	---	None	None	None
Manager	Chen, Ching-Ti	February 8, 2011	23,203	--	--	--	--	--	Current Manager of Xhinzhuang Branch Former Assistant Vice President of DBS Bank Graduated from Department of International Business, Tamkang University	---	None	None	None
Manager	Wei, Chun-Chih	January 29, 2013	120,875	0.01	6,000	--	--	--	Current Manager of Sanchung Branch Former Manager of Chunghsing Branch Graduated from the Graduate Institute of Mathematics, Tamkang University	---	None	None	None
Manager	Chen, Hui-Ling	August 11, 2006	366,394	0.03	--	--	--	--	Current manager (and former Assistant Manager) of Finance Department Former officer of Corporate Financing Department and Assistant Manager Finance Department Graduated from Department of Finance, National Taiwan University	---	None	None	None
Manager	Yang, Yi-Chen	December 1, 2009	40,845	--	--	--	--	--	Current Manager of Shuanghe Branch Former Assistant Manager of Changan and Zhongxing Branch Graduated from Department of Comprehensive Commerce, Daojiang Commerce School	---	None	None	None
Manager	Tsai, Chien-Li	July 18, 2005	114,096	0.01	--	--	--	--	Current Manager of Daye Branch Former Manager of Chiayi Branch Graduated from Department of Industrial Engineering, Tung Hai University	---	None	None	None
Manager	Liu, Yi-Fang	August 22, 2011	22,337	--	--	--	--	--	Current Manager of Fuxing Branch Former Assistant Manager of Xinyi and Nanking Branches Graduated from Department of Accounting and Statistics, National Taipei College of Business	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	李廷銅	June 1, 2013	0	---	---	---	---	---	Current Manager of Taoyuan Branch Former Manager of Hua Nan Bank (HNCB) Graduated from Department of Business Administration, affiliated open junior college of National Taipei College of Business (NTCB)	---	None	None	None
Manager	Hsieh, Yeh-Hsiang	May 1, 2012	15,675	---	---	---	---	---	Current Manager of Daan Branch Former Manager of Yungchi Branch and researcher of North Region Center of Taiwan Cooperative Bank Graduated from Department of Statistics, National Taipei College of Business	---	None	None	None
Manager	Shih, Bo-Fu	May 13, 2010	28,789	---	---	---	---	---	Current Manager of Xindian Branch Former Manager of Business Department, Land Bank of Taiwan Graduated from Department of Business Administration, Fen Jia University	---	None	None	None
Manager	He, Chun-Liang	May 31, 2010	59,463	136	136	---	---	---	Current Manager of Xinfu Mini Branch Former Assistant Manager of Consumer Finance Department and Credit Management Department Graduated from Department of Accounting, Tung Hai University	---	None	None	None
Manager	Tu, Hua-He	April 1, 2010	23,495	---	---	---	---	---	Current Manager of Yuanlin Branch Former senior Manager of Corporate Finance Central Business District, Taichung Branch, Makoto Bank Graduated from Master of Business Administration, National Chung Hsing University	---	None	None	None
Manager	Ku, Tien-Chieh	September 30, 2012	15,520	---	---	---	---	---	Current Manager of Shetou Mini Branch Former Operation Manager Level 1 and Assistant Manager of Changhua Branches Graduated from Department of Business Administration of the Open University Affiliated to Taichung Institute of Commerce	---	None	None	None
Manager	Li, Ting-TUng	July 9, 2007	87,528	0.1	4,618	---	---	---	Current Manager of Pingtung Branch Former Manager of Ligang Mini Branch Graduated from Department of Business Administration, Yung Ta Institute of Technology and Commerce	---	None	None	None
Manager	Hsu, Chen-Yuan	November 26, 2005	40,466	---	---	---	---	---	Current Manager of Zhongzheng Mini Branch Former Manager of Tsiyu Mini Branch Graduated from Department of Economics, Feng Chia University	---	None	None	None
Manager	Juan, Chien-Chung	August 17, 2009	92,092	0.01	64,386	---	---	---	Current Manager of Xinpu Branch Former Manager of Ziyou Mini Branch Graduated from Feng Chia University	---	None	None	None
Manager	Yu, Kuang-Lu	May 17, 2004	56,631	---	---	---	---	---	Current Manager of Kaohsiung Branch Former Manager of Zhongzheng Branch Graduated from Department of International Trade, Tamkang University	---	None	None	None
Manager	Hsu, Pao-Yuan	February 1, 2012	12,457	---	---	---	---	---	Current Manager of Zhonghua Branch Former Manager of Business Department, King's Town Bank Graduated from Department of Accounting, Feng Chia University	---	None	None	None
Manager	Chen, Chu-Wen	July 9, 2010	92,081	0.01	---	---	---	---	Current Manager ofChiayi Branch Former Manager of Guanghua Branch Graduated from Department of Business Administration, Feng Chia University	---	None	None	None
Manager	Yang, Ying-Chung	February 23, 2006	56,833	---	110,120	0.01	---	---	Current Manager of Tainan Branch Former manger of Guanting Mini Branch Graduated from Department of Accounting, National Chengchi University	---	None	None	None
Manager	Yang, Pao-Kuei	August 30, 2007	81,116	---	---	---	---	---	Current Manager of Jiankang Branch Former Manager of Jinhua Branch Graduated from Department of Applied Chemistry, Chia Nan College of Pharmacy & Science	---	None	None	None
Manager	Tu, A-Ching	February 10, 2010	24,779	---	---	---	---	---	Current Manager of Dongning Mini Branch Former Manager of Gangshan Branch Graduated from Department of Commerce, Kai Nan High Commerce & Technology Professional School	---	None	None	None
Manager	Cheng, Yuen-Teh	February 10, 2010	26,827	---	---	---	---	---	Current Manager of Anshuen Branch Former expert commissioner, Auditing Department, King's Town Bank Graduated from Department of Banking Management, Tamsui Institute of Business Administration	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Tseng, Chien-Chia	August 8, 2002	156,316	0.01	19,374	---	---	---	Current Manager of Xihua Branch Former Manager of Consuming Financial Center, South 2nd District/Xihua Branch Graduated from Department of Economics, Chinese Culture University	---	None	None	None
Manager	Chen, Cheng-Hsien	February 23, 2013	11,404	---	496	---	---	---	Current Manager of OBU Former Assistant Manager of Department of International Banking Graduated from the National Taipei College of Business (NTCB) MBA Program	---	None	None	None
Manager	Tu, Yung-Yen	September 1, 2012	21,501	---	---	---	---	---	Current Manager of Hsinchu Branch Former Manager of Zhubei Branch Graduated from Department of Business Administration of the Open University Affiliated to Taichung Institute of Commerce	---	None	None	None
Manager	Wu, Sheng-Yi	October 16, 2009	28,266	---	---	---	---	---	Current Manager of Jingwu Branch Former Manager of Nantun Branch and Beidou Branch of Farmers Bank of China Graduated from Department of Business Administration, Tung Hai University	---	None	None	None
Manager	Chien, Shih-Yao	November 24, 2012	12,243	---	---	---	---	---	Current Manager of Tsoying Branch Former Manager of Gangdu Branch of Citibank, Taiwan Graduated from Graduate Institute of Finance, Economics and Business Decision, National Kaohsiung University of Applied Science	---	None	None	None
Manager	Tsai, Kun-Chih	September 15, 2001	191,608	0.01	234,556	0.02	---	---	Current Manager of Lingya Branch Former Manager of Tsoying Branch EMBA, National Pingtung University of Science and Technology	---	None	None	None
Manager	Huang, Fu-Li	March 21, 2012	15,675	---	---	---	---	---	Current Manager of Xiangshang Branch Former Manager of Taiping and Wuri Branches, Taiwan Cooperative Bank Graduated from Graduate Institute of Fiance, National Chung Hsing University	---	None	None	None
Manager	Wang, Lien-Ta	January 29, 2010	68,458	---	---	---	---	---	Current Manager of Neihu Branch Former Assistant Manager of Shipai Branch Graduated from Department of Finance, Chihlee Institute of Technology	---	None	None	None
Manager	Huang, Cheng-Chin	December 17, 2010	28,474	---	---	---	---	---	Current Manager of Zhongli Branch Former Expert Commissioner of 3rd regional center of Land Bank of Taiwan Graduated from Department of Land Economics, National Chengchi University	---	None	None	None
Manager	Chien, Chih-Hsin	July 1, 2002	138,239	0.01	26,474	---	---	---	Current Manager of Wugu Branch Former Manager of Jingmei Branch Graduated from Department of Economics, Tamkang University	---	None	None	None
Manager	Huang, Shou-Wen	August 30, 2007	23,281	---	---	---	---	---	Current Manager of Linsen Branch Former senior specialist of Chungli Branch and Credit Management Department Graduated from Department of Business Administration, Chung Hua University	---	None	None	None
Manager	Chiu, Ming-Hua	March 25, 2010	35,478	---	---	---	---	---	Current Manager of Xinxing Branch Former Manager of small business department of Citibank, Taiwan Graduated from Department of Business, National Open University	---	None	None	None
Manager	Liu, Min-Hsiang	November 26, 2005	70,768	0.01	90,097	0.01	---	---	Current Manager of Sanfeng Branc Former Manager of Haiguang Branch Graduated from Department of Finance, National Sun Yat-sen University	---	None	None	None
Manager	Fu, Chia-Ming	February 21, 2011	22,988	---	---	---	---	---	Current Manager of Siwei Branch Former business Manager of south 2nd center of Citibank, Taiwan Graduated from Department of Business Administration, National Taichung University of Science and Technology	---	None	None	None
Manager	Tsuei, Ching-Chih	November 26, 2005	41,352	---	180	---	---	---	Current Manager of Dagong Branch Former Manager of Linyuan Mini Branch Graduated from Department of Journalism, Chinese Culture University	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Hsu, Chen-Huang	August 11, 2006	15,125	---	---	---	---	---	Current Manager of Dashun Branch Former Manager of Pingdeng Branch Graduated from the Tamkang UniversityMBA Program	---	None	None	None
Manager	Pan, Cheng-Jen	November 26, 2005	236,015	0.02	243,938	0.02	---	---	Current Manager of Haiguang Branch Former Manager of Dagong Branch Graduated from Department of International Trade, Cheng Shiu University	---	None	None	None
Manager	Lu,Han-Kun	October 1, 2002	309,668	0.02	164,138	0.01	---	---	Current Manager of Qianzhen Branch Former Manager of Yungkang Branch and senior specialist of Wuchia Branch Graduated from Department of Commerce, National Taiwan University	---	None	None	None
Manager	Chao, Yu-Chin	November 26, 2005	1,261,775	0.09	19,518	---	---	---	Current Manager of Pingdeng Branch Former Senior Specialist of Siwei and Liwen Branches Graduated from the graduate course in Accounting, the George Washington University	---	None	None	None
Manager	Wu, Ming-Feng	April 18, 2011	22,273	---	---	---	---	---	Current Manager of Xiaogang Branch Former Manager of Cishan Branch Graduated from the Soochow University MBA Program	---	None	None	None
Manager	Chung, Min-Yuan	April 1, 2009	61,343	---	25,374	---	---	---	Current Manager of Youchang Branch Former Manager of Pingtung Branch Graduated from Department of Business, National Taiwan University	---	None	None	None
Manager	Wu, Pi-Chu	March 20, 2013	28,91	---	---	---	---	---	Current Manager of Jianguo Branch Former Manager of Chunghua Branch Graduated from the Royal Roads University (Canada) MBA Program	---	None	None	None
Manager	Hsu, Chin-Ken	February 1, 2012	96,336	0.01	19,027	---	---	---	Current Manager of Wujia Branch Former Assistant Manager of Debt Management Department Graduated from Department of Public Finance, Feng Chia University	---	None	None	None
Manager	Hung, Jung-Tsung	August 11, 2006	91,887	0.01	---	---	---	---	Current Manager of Dingli Branch Former Manager of Debt Management Department Manager and Credit Auditing Department Graduated from Department of Accounting, National Chung Hsing University	---	None	None	None
Manager	Huang, Fu-Chang	March 1, 2010	71,827	0.01	---	---	---	---	Current Manager of Nanzi Branch Former Manager of San Min Branch and Ping Tung Branch of Citibank Taiwan Graduated from Business Department, National Open University	---	None	None	None
Manager	Chung, Shu-Jung	April 3, 2006	44,433	---	---	---	---	---	Current Manager of Cishan Branch, Former Manager of Dashuen Branch Graduated from Department of Business, National Taiwan University	---	None	None	None
Manager	Chiu, Lai-Fa	February 1, 2012	65,597	---	9,060	---	---	---	Current Manager of Meinong Mini Branch Former Assistant Manager of Pingdeng Branch Graduated from Department of Public Relations and Advertising, Shih Hsin University	---	None	None	None
Manager	Hung, Chien-Ming	April 1, 2009	65,613	---	---	---	---	---	Current Manager of Linyuan Mini Branch Former Manager of Donggang Mini Branch Graduated from Master of Commerce, National Kaohsiung First University of Science and Technology	---	None	None	None
Manager	Tsai, Kang-Tsan	June 25, 2012	12,457	---	---	---	---	---	Current Manager of Gangshan Branch Former Manager of Gangshan Branch, King's Town Bank Graduated from Department of International Trade, Feng Chia University	---	None	None	None
Manager	Shih, Yung-Hsiang	August 28, 2013	103,538	0.01	---	---	---	---	Current Manager of Ligang Mini Branch Former Assistant Manager of Dashun Branch Graduated from Department of Banking and Finance, Tamkang University	---	None	None	None
Manager	Liu, Kuo-Yin	November 24, 2012	14,279	---	60,000	---	---	---	Current Manager of Donggang Mini Branch Former Assistant Manager of Pingtung Branch Graduated from Department of Finance, Meiho University	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Huang, Po-Luo	March 28, 2012	12,457	---	---	---	---	---	Current Manager of Yungkang Branch Former Manager of Xinxing Branch, King's Town Bank Graduated from Department of Industrial Engineering and Management, Southren Taiwan College of Engineering and Commerce.	---	None	None	None
Manager	Kou, Chien-Yun	May 07, 2011	16,460	---	---	---	---	---	Current Manager of Rende Branch Former Expert Commissioner of Debt Management Department of Taiwan Cooperative Bank Graduated from Department of Statistics, National Chenchi University	---	None	None	None
Manager	Tang, Ying-Kui	April 28, 2003	144,211	0.01	24,736	---	---	---	Current Manager of Taipei Branch Former Manager of Shipai and Nanjing Branch Graduated from master program of Department of Finance, National Central University	---	None	None	None
Manager	Huang, Chih-Cheng	May 29, 2013	14,553	---	---	---	---	---	Current Manager of Changan Branch Former Manager of the Chang Hwa Bank (CHB) Changan East Road Branch Graduated from Banking and Insurance Department, Feng Chia University	---	None	None	None
Manager	Pang, Chih-Wen	February 1, 2012	12,457	---	---	---	---	---	Current Manager of Luodong Branch Former Manager of Sanchong Branch, HSBC Graduated from EMBA, National Dong Hwa University	---	None	None	None
Manager	Chen, Lung-Pan	November 22, 2011	15,675	---	---	---	---	---	Current Manager of Zhubei Branch Former research specialist of Taiwan Cooperative Bank Graduated from Department of Administration, Open Business College Affiliated with National Chengchi University	---	None	None	None
Manager	Ken, Yu-Chuan	August 17, 2011	97,656	---	---	---	---	---	Current Manager of Chongxin Branch Former Assistant Manager of Financial Revenue, North 2nd District and Chenggong Branch Graduated from Department of Accounting and Statistics, Takming Junior College	---	None	None	None
Manager	Wu, Jung-Chi	April 9, 2007	24,749	---	---	---	---	---	Current Manager of Changhua Branch Former Manager of Huacheng Branch Graduated from Department of Economics, Fu Jen Catholic University	---	None	None	None
Manager	Chen, Cheng-Yi	March 18, 2005	95,201	0.01	---	---	---	---	Current Manager of Eastern Taoyuan Branch Former Manager of Zhongli Branch Graduated from Department of Marine Engineering, National Kaohsiung Institute of Marine Technology	---	None	None	None
Manager	Pan, Kuang-Chu	September 23, 2004	67,041	0.01	36,470	---	---	---	Current Manager of Nangang Branch Former Manager of Sanchung Branch and Senior Specialist of Chunghsing Branch Graduated from Department of Banking, Tamkang University	---	None	None	None
Manager	Chen, Yi Hsiu	December 1, 2009	31,987	---	---	---	---	---	Current Manager of Beitun Branch Former Manager of Shetou Mini Branch Graduated from Department of Business Administration, Fu Jen Catholic University	---	None	None	None
Manager	Tseng, Chieh-Chang	July 18, 2005	83,630	0.01	---	---	---	---	Current Manager of Tucheng Branch Former Manager of Yenchi Branch and senior specialist of Credit Management Department Graduated from Department of Banking and Finance, Takming University of Science and Technology	---	None	None	None
Manager	Lin, Chih-Chiang	August 22, 2011	84,738	0.01	---	---	---	---	Current Manager of Keelung Branch Former Assistant Manager of Keelung Branch and Credit Management Department Graduated from Department of International Trade, Chungyu Institute of Technology	---	None	None	None
Manager	Chou, Chih-Wei	August 11, 2006	167,404	0.01	231,176	0.02	---	---	Current Manager of Wanhwa Branch Former Manager of Zhuying Branch and Senior Specialist of Credit Management Department	---	None	None	None
Manager	Yang, Lien-Tse	December 2, 1999	367,129	0.03	411,253	0.03	---	---	Current Manager of Risk Management Department Former Manager of Accounting Section, Business Department Graduated from Department of Accounting, Graduate School of Soochow University (On-job Training Courses)	---	None	None	None

Position (note 1)	Name	Date of Appointment	Present Holding		Current Shares of Spouse and Minors		Holding Shares with Other Names		Major Education & Experience	Concurrent Positions at our Bank and Other Companies	Other Managers as Spouse, Minors or any other Relatives within the second level relationships		
			Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship
Manager	Lee, Yu-Sheng	July 25, 2002	156,389	0.01	---	---	---	---	Current Manager of Debt Management Department Former Manager of Jingmei Branch. Graduated from Department of Economics, Chinese Culture University	Chairman of Sunny Assets Management Co., Ltd	None	None	None
Manager	Kuo, Cheng Hon	February 6, 2010	110,082	0.01	---	---	---	---	Current Manager of Business Administration Department Former Assistant Manager of Lanya Branch and Business Administration Department Graduated from Graduate School of National Central University	---	None	None	None
Manager	Chen, Ya-I	November 20, 2013	766,980	0.06	456,883	0.03	---	---	Current Manager of Business Administration Department Former Assistant Manager of Taishan Branch and Business Administration Department Graduated from Lih-Ren High School of Industry and Commerce	---	Manager	Ho, Li-Wei	Brothers
Manager	Kan, Wu-Cheng	December 1, 2006	68,695	0.01	---	---	---	---	Current Manager of Credit Auditing Department Former Manager of Corporate Finance Department Graduated from Department of International Trade, Soochow University	Director of Sunny International Leasing Co., Ltd. and Supervisor of Sunny Finance and Leasing (China) Co., Ltd.	None	None	None
Manager	Liu, Tsung-Hsiun	February 6, 2010	28,973	---	121,436	0.01	---	---	Current Manager of Accounting Department Former Assistant Manager of Haiguang Branch and Business Administration Department Graduated from Graduate School of Financial Information, National Kaohsiung University of Applied Science	Supervisor of Sunny International Leasing Co., Ltd.	None	None	None
Manager	He, Li-Wei	January 29, 2013	2,576,701	---	---	---	---	---	Current Manager of Human Resource Department Former Assistant Manager of Business Administration Department Graduated from the La Sierra University MBA Program	Director of Sunny International Leasing Co., Ltd.	Manager	Chen, Ya-I	Brothers
Manager	Li, Wen-Kuang	February 16, 2010	96,770	0.01	14,257	---	---	---	Current Manager of Legal Affairs Department Former Assistant Manager of Administration Management Department and Law Affairs Department Graduated from Department of Law, Soochow University	---	None	None	None

(3) Remuneration Paid to Directors, Supervisors, President and Vice Presidents in 2013

a. Remuneration to Director (including Independent Directors)

As of December 31, 2013
Unit: NT$ 1,000; %

Position	Name	Remuneration to Directors								Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Remuneration Received by Director Who are also Employees												Ratio of total remuneration (A+B+C+D+E+F+G) to net income after tax (%)		Other Remuneration
		Remuneration (A)		Pension (B)		Supervisor's apportion of surplus (C) (Note 1)		Business Affairs Expense (D)				Compensation, Bonus and Special Disbursement (E)		Pension (F)		Employee Bonus from apportion to surplus (G) (Note 1)				Employee Share Subscription Warrants (H)		Acquiring the number of new restricted employee shares				
																Sunny Bank		All Companies included in the Financial Statement								
		Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	All Companies included in the Financial Statement	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Cash Dividend	Stock Bonuses	Cash Dividend	Stock Bonuses	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	
Chairman	Lin, Peng-Lang																									
Managing Director	Chen, Sheng-Hung																									
Managing Director	Liu, Chen-Sheng																									
Independent Managing Director	Wu, Wen-Cheng																									
Director	Chen, Chien-Yang																									
Director	Chen, Chin-Yi	20,306	22,101	---	---	---	---	20	305	2.36	2.60	2,205	2,205	---	---	---	---	---	---	---	---	---	---	2.62	2.86	---
Director	Ho, Shun-Cheng																									
Director	Lin, Cheng-Yu																									
Director	Chao, Fu-Tien																									
Director	Hsieh, Yi-Tung																									
Independent Director	Liu, Hsiang-Tun																									
Independent Director	Chang, Ping-Chung																									
Director	Chen, Chin-Chia	840	840	---	---	---	---	---	---	0.10	0.10	---	---	---	---	---	---	---	---	---	---	---	---	0.10	0.10	---

Note 1: Before the date of publishing the annual report, the board of directors did not pass the amount of remuneration paid to directors and employees' dividend proposed by the Bank and All Companies included in the Financial Statement.

Note 2: The remuneration content revealed in this table is based on a concept differed from the Income Tax Act. Therefore, this table is used only to expose information instead of levying tax.

Remuneration Bracket

<table>
<tr><th rowspan="3">Range of Remuneration to Directors</th><th colspan="4">Director's Name</th></tr>
<tr><th colspan="2">Total Amount of the First 4 (A+B+C+D)</th><th colspan="2">Total Amount of the First 7 (A+B+C+D+E+F+G)</th></tr>
<tr><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th></tr>
<tr><td>Less than NT$2,000,000</td><td>All of Directors but the Chairman Lin Peng-Lang</td><td>All of Directors but the Chairman Lin Peng-Lang and Director Chen Chin-Yi</td><td>All of Directors but the Chairman Lin Peng-Lang and Director Hsieh Yi-Tung</td><td>All of Directors but the Chairman Lin Peng-Lang, Director Hsieh Yi-Tung and Director Chen Chin-Yi</td></tr>
<tr><td>NT$2,000,000 (Included) ~ NT$5,000,000</td><td>-</td><td>Director Chen Chin-Yi</td><td>Director Hsieh Yi-Tung</td><td>Director Hsieh Yi-Tung and Director Chen Chin-Yi</td></tr>
<tr><td>NT$5,000,000 (Included) ~ NT$10,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$10,000,000 (Included) ~ NTNT15,000,000</td><td>Chairman Lin, Peng-Lang</td><td>Chairman Lin, Peng-Lang</td><td>Chairman Lin, Peng-Lang</td><td>Chairman Lin, Peng-Lang</td></tr>
<tr><td>NT$15,000,000 (Included) ~ NT$30,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$30,000,000 (Included) ~ NT$50,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>NT$50,000,000 (Included) ~ NT$100,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Over NT$100,000,000</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Total</td><td>21,166</td><td>23,246</td><td>23,371</td><td>25,451</td></tr>
</table>

b. Remuneration to Supervisors

As of December 31 2013
Unit: NT$ 1,000; %

<table>
<tr><th rowspan="3">Position</th><th rowspan="3">Name</th><th colspan="8">Remuneration to Supervisors</th><th colspan="2">Ratio of total remuneration (A+B+C+D) to net Income after tax (%)</th><th rowspan="3">Other Remuneration</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Pension (B)</th><th colspan="2">Supervisor's Apportion of surplus (C) (Note 1)</th><th colspan="2">Business Affairs Expense (D)</th></tr>
<tr><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th><th>Sunny Bank</th><th>All Companies included in the Financial Statement</th></tr>
<tr><td>Managing supervisor</td><td>Chang, Wu-Ping</td><td rowspan="5">4,440</td><td rowspan="5">4,640</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">-</td><td rowspan="5">165</td><td rowspan="5">0.52</td><td rowspan="5">0.56</td><td rowspan="5">-</td></tr>
<tr><td>Supervisor</td><td>Wu, Hsi-Hui</td></tr>
<tr><td>Supervisor</td><td>Tsai, Wen-Hsiung</td></tr>
<tr><td>Supervisor</td><td>Lin, Chin-Lung</td></tr>
<tr><td>Supervisor</td><td>Hsu, Wen-tung</td></tr>
</table>

Note 1: Before the date of publishing the annual report, the board of directors did not pass the amount of remuneration paid to directors and employees' dividend proposed by the Bank and All Companies included in the Financial Statement.

Note 2: The remuneration content revealed in this table is based on a concept differed from the Income Tax Act. Therefore, this table is used only to expose information instead of levying tax.

Remuneration Bracket

Range of Remuneration to President and Vice Presidents	Name of President and Vice Presidents	
	Sunny Bank	All Companies included in the Financial Statement
Less than NT$2,000,000	All of Supervisors listed above	All of Supervisors listed above
NT$2,000,000 (Included) ~ NT$5,000,000 (not included)	-	-
NT$5,000,000 (Included) ~ NT$10,000,000 (not included)	-	-
NT$10,000,000 (Included) ~ NT$15,000,000 (not included)	-	-
NT$15,000,000 (Included) ~ NT$30,000,000 (not included)	-	-
NT$30,000,000 (Included) ~ NT$50,000,000 (not included)	-	-
NT$50,000,000 (Included) ~ NT$100,000,000 (not included)	-	-
Over NT$100,000,000	-	-
Total	4,440	4,805

c. Remuneration to President and Vice Presidents

As of December 31, 2013
Unit: NT$ 1,000; %

Position	Name	Remuneration (A)		Pension(B)		Bonus and Special Disbursement (C)		Employee bonus from apportion of surplus (D) (Note 1)				Ratio of total remuneration (A+B+C+D) to net income after tax (%)		Acquiring the number of employee stock option certificates		Acquiring the number of new restricted employee shares		Other Remuneration
								Sunny Bank		All Companies included in the Financial Statement								
		Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Cash Dividend	Stock Bonuses	Cash Dividend	Stock Bonuses	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement	
President	Ting, Wei-Hao	17,187	17,187	-	-	7,621	7,679	-	-	-	-	2.88	2.89	-	-	-	-	-
Senior Vice President	Ho, Kun-Tang (Note 2)																	
Senior Vice President	Cheng, Ming-Kun (Note 3)																	
Vice President	Lin, Chih-Liang																	
Vice President	Chou, San-Ho																	
Vice President	Chang, Chi-Ming																	
Vice President	Kuo, Chih-Hung																	
General Auditor	Tseng, Yao-Te																	

Note 1: Before the date of publishing the annual report, the board of directors did not pass the amount of remuneration paid to directors and employees' dividend proposed by the Bank and All Companies included in the Financial Statement.

Note 2: Assumed the post on September 5, 2013.

Note 3: Held the Post until August 29, 2013.

Note 4: The remuneration content revealed in this table is based on a concept differed from the Income Tax Act. Therefore, this table is used only to expose information instead of levying tax.

Remuneration Bracket

Range of Remuneration to President and Vice Presidents	Name of President and Vice Presidents	
	Sunny Bank	All Companies included in the Financial Statement
Less than NT$2,000,000	Senior Vice President Ho Kun-Tang	Senior Vice President Ho Kun-Tang
NT$2,000,000 (Included) ~ NT$5,000,000 (not included)	All of (Vice) Presidents but the President Ting Wei-Hao and Senior Vice President Ho Kun-Tang	All of (Vice) Presidents but the President Ting Wei-Hao and Senior Vice President Ho Kun-Tang
NT$5,000,000 (Included) ~ NT$10,000,000 (not included)	President Ting Wei-Hao	President Ting Wei-Hao
NT$10,000,000 (Included) ~ NT$15,000,000 (not included)	-	-
NT$15,000,000 (Included) ~ NT$30,000,000 (not included)	-	-
NT$30,000,000 (Included) ~ NT$50,000,000 (not included)	-	-
NT$50,000,000 (Included) ~ NT$100,000,000 (not included)	-	-
Over NT$100,000,000	-	-
Total	24,808	24,866

d. Name of Managers to Whom Employee's Bonuses Are Paid and the Distribution of Bonuses: None

(4) Analysis on the ratio of the total remunerations paid to the Bank Directors, Supervisors, President and Vice Presidents in the most recent two years to the net income after tax, and description of remuneration payment policy, criteria and combination, process to determine remunerations and connection to business performance

a. Analysis on the ratio of the total remunerations paid to the Bank Directors, Supervisors, President and Vice Presidents in the most recent two years to the net income after tax

The amount of remuneration paid to Directors, Supervisors, Presidents and Vice Presidents by the Bank in 2013 and listed in the financial report was increased due to an improved operating performance. Furthermore, as the Bank also complied with the regulation that competent authorities with Type 1 normal loans shall prepare 1% amount as the allowance and improved its asset quality as well as increased the coverage ratio, its debt expenses and reserve for guarantee in 2013 therefore increased. As the result, its net income after tax stated on the individual financial statement also decreased while other ratios were showing uptrend.

In %

Ratio (note) / Position	2013		2012	
	Sunny Bank	All Companies included in the Financial Statement	Sunny Bank	All Companies included in the Financial Statement
Directors	2.72%	2.96%	1.94%	2.16%
Supervisors	0.52%	0.56%	0.28%	0.36%
President and Vice Presidents	2.88%	2.89%	1.85%	1.85%

Note: The net profit after tax of the 2013 and 2012 individual financial statement were NT$860,500,000 and NT$1,238,802,000.

b. Policy, standard and combination of remuneration paid, and setting procedures of remuneration correlation with the operating performance and future risks

The remun0erations for directors and supervisors are determined in the board meeting which is authorized by the shareholders' meeting in commensuration with industry payout standards, as stipulated in Article 40 of the Bank's Article of Incorporation. The board of directors may determined a fixed amount as the remunerations to independent directors which will not exceed the highest remuneration range standard set forth in the Bank's Manager Payroll Rules. The independent directors will not participate in the distribution of the Bank's earnings. The foresaid two categories of remunerations and wages for all ranks of employees on the president of the following shall be dispensed regardless of whether the company reports earnings or deficit.

III. Corporate Governance Operations

(1) The Operation of Board of Directors

During 2013, the Board of Directors held 5 meetings. The attendance of directors and supervisors is as follows:

Title	Name	Attendance (Presence) in Person	Attendance by Proxy	Attendance (Presence) Rate (%)	Remarks
Chairman	Lin, Peng-Lang	5	---	100%	None
Managing Director	Chen, Sheng-Hung	5	---	100%	None
Managing Director	Liu, Chen-Sheng	5	---	100%	None
Independent Managing Director	Wu, Wen-Cheng	4	---	80%	None
Director	Chen, Chien-Yang	4	---	80%	None
Director	Chen, Chin-Chia	1	---	20%	None
Director	Chen, Chin-Yi	5	---	100%	None
Director	Ho, Shun-Cheng	5	---	100%	None
Director	Lin, Cheng-Yu	5	---	100%	None
Director	Chao, Fu-Tien	4	---	80%	None
Director	Hsieh, Yi-Tung	4	---	80%	None
Independent Director	Liu, Hsiang-Tun	5	---	100%	None
Independent Director	Chang, Ping-Chung	5	---	100%	None
Managing Supervisor	Chang, Wu-Ping	5	---	100%	None
Supervisor	Wu, Hsi-Hui	0	---	0%	None
Supervisor	Tsai, Wen-Hsiung	5	---	100%	None
Supervisor	Lin, Chin-Lung	4	---	80%	None
Supervisor	Hsu, Wen-Tung	5	---	100%	None

Other Noticeable Particulars:

1. Dates of Board of Directors meetings, the term, content of the resolution, opinions of all independent directors and the responses of the company to opinions should be specified for particulars regulated in Article 14-3 of Securities and Exchange Act and resolutions, in Board of Directors meetings, with opposition or qualified opinions from independent directors: None
2. For the implementation of the directors' avoidance from any involving resolution, directors' names, the content of the resolution, reasons for interest avoidance and the voting participation should be included:

Date	Term/ Order	Name of Director	Content of the Resolution	Reasons for Avoidance	The voting participation
January 25, 2013	The 6th meeting of the 6th term	Chen, Sheng-Hung	Credit granting cases of the company or proposed by the Investment Commission	Loans to interested parties regulated in The Banking Act	Discussion and voting avoided
January 25, 2013	The 6th meeting of the 6th term	Chao, Fu-Tien	Reinstatement requests submitted by employees wit unpaid leave	Relative(s) to the reinstatement applicant	Discussion and voting avoided
March 7, 2013	The 7th meeting of the 6th term	Chen Sheng-Hung, Liu Chen-Sheng, Ho Shun-Cheng, Chen Chin-Yi, Lin Cheng-Yu	Donation to the Sunny Culture and Education Foundation	Transaction to interested parties regulated in The Banking Act	Discussion and voting avoided
May 28, 2013	The 8th meeting of the 6th term	Chen, Sheng-Hung	Credit granting cases of the company or proposed by the Investment Commission	Loans to interested parties regulated in The Banking Act	Discussion and voting avoided
May 28, 2013	The 8th meeting of the 6th term	Chao, Fu-Tien	Adjustment on employees' position	Relative(s) to the employee in this case	Discussion and voting avoided
November 19, 2013	The 10th meeting of the 6th term	Chen, Sheng-Hung	Credit granting cases of the company or proposed by the Investment Commission	Loans to interested parties regulated in The Banking Act	Discussion and voting avoided
November 19, 2013	The 10th meeting of the 6th term	Chen, Sheng-Hung	Staffs being promoted as managers	Relative(s) to the promoted employee	Discussion and voting avoided

3. Goals (such as establishing the auditing commissions or raising the information transparency) and execution to strengthen the Board of Directors during the year and the latest year: None.

(2) The Participation of Supervisors in the Operation of Board of Directors

During 2013, the Board of Directors held 5 meetings. The attendance is as follows:

Title	Name	No. of attendances	Actual attendance %	Remark
Managing Supervisor	Chang, Wu-Ping	5	100%	None
Supervisor	Wu, Hsi-Hui	0	0%	None
Supervisor	Tsai, Wen-Hsiung	5	100%	None
Supervisor	Lin, Chin-Lung	4	80%	None
Supervisor	Hsu, Wen-Tung	5	100%	None

Other Noticeable Particulars:

1. The constitution of supervisors and responsibilities:
   (1) The communication of supervisors with bank employees and shareholders: None
   (2) The communication of supervisors with internal auditing supervisors and accountants: None
2. The date, term/order, contents of issues and decisions of the board meetings regarding the opinions of the supervisors who participated in the board meetings, and the Bank's handling on the opinion of the supervisors: none.
   (1) The 7th meeting of the 6th term on March 7, 2013
   Opinion of the Supervisor Tsai Wen-Hsiung: Regarding the operation of Sunny International Leasing Co., Ltd., the current profit and loss stated on the balance sheet shall be listed together with the balance of last period.
   Board Decision: Noted
   (2) The 7th meeting of the 6th term on March 7, 2013
   Opinion of the Supervisor Tsai Wen-Hsiung: Checking if the special share of OO Commercial Bank was returned.
   Board Decision: Pass
   (3) The 9th meeting of the 6th term on August 20, 2013
   Opinion of the Supervisor Hsu Wen-Tung: Regarding the e-commerce policy of the subsidiary Sunny Securities Co., Ltd. and its plan to establish a branch office in Kaohsiung, it is important to note that, although the targets of e-commerce are mainly young people, young people living in Kaohsiung are somehow not the target group of securities.
   Board Decision: Noted. However, the establishment of the Kaohsiung branch office shall be further discussed after its loss and profit reach a balance.

(3) Disclosure information in accordance with Corporate Governance Best-Practice Principles for Banks:

For detail, please refer to the Bank's official website: http://www.sunnybank.com.tw

(4) Corporate Governance Execution Status and Deviations from "Corporate Governance Best-Practice Principles for The Banking Industry":

Item	Operation	Deviations from "Corporate Governance Best-Practice Principles for The Banking Industry" and reasons
1. Structure of the Bank equity & shareholder's right (1) The response of the Bank to shareholders' recommendation or dispute (2) The Bank keeps track of the major shareholders and their ultimate controller. (3) The way that the Bank set up the risk control mechanism and the firewall with its affiliated businesses.	(1) Stocks Affairs Section is set up under Administration Management Department for shareholders' related affairs. Communication channel is smooth. (2) Stock Services Section under Administration Management Department is in charge of monitoring shareholding of shareholders. (3) Policies and procedures are established.	(1) Article 19 of the said regulation is fully complied. (2) Article 27 of the said regulation is fully complied. (3) The said regulation is fully satisfied.
2. The formation and the responsibility of the Board of Directors (1) The establishment of independent directors (2) Periodic evaluation on the independence of certified public accountants(CPA)	(1) 2 independent director and an independent managing directors were established in the Bank's board of directors. (2) The CPA engaged by the Bank each year are to meet the critical criterion of professionalism, responsibility and independence, and are required to submit a filing for motioning by the board when processing financial and taxation authentication.	(1) Article 31 of the said regulation is fully complied. (2) The said regulation is fully satisfied.
3. Establish a communication channel with stakeholders.	Smooth communication channels have been established as regulated.	The said regulation is fully satisfied.

Item	Operation	Deviations from "Corporate Governance Best-Practice Principles for The Banking Industry" and reasons
4. Information disclosure (1) The Bank sets up a website to disclose financial status and company governance information. (2) Other information disclosure methods adopted by the Bank (i.e. establishing the English website, collect and disclose bank's information by personnel in charge, implement the Spokesman system and posting the process of the conferences with institutional investors on the Bank website)	The Bank website: http://www.sunnybank.com.tw, which discloses financial status and company governance information.	The said regulation is fully satisfied.
5. The establishment of committees, such as Nomination Committee or Remuneration Committee	Nomination Committee or Remuneration Committee has not yet been set up.	The Bank will follow the regulations for Corporate Governance Best-Practice Principles and establish various committees in the future.
6. Please state the cause and the difference of the corporate governance from Corporate Governance Best-Practice Principles for Banks: Corporate Governance Best-Practice Principles are met		
7. Please state the system and practices that the Bank adopts for social responsibilities of bank (i.e. Labor rights, employee benefits, investor relationship, stakeholders' rights, directors and supervisors' efforts in further studies, risk and customer management policies, risk measurement standard execution and the purchase of liability insurance for directors and supervisors): (1) Employees' interests: 1. Employees are provided with labor insurance, health insurance and group insurance. 2. Meetings are held on a regular basis between employers and employees to maintain an open channel of communications. 3. Work principles are established and modified according to the changes in laws, labor agreement or management system: work principles are provided at the Bank's internal website for employees' access after submitted to the bureaus of labor affairs of local governments. (2) Care to employees: 1. Free physical checkups for employees on a regular basis. 2. "Employee welfare committee" is established as legally required in order to provide employee welfare; such as birthday gift bonus, bonus for Chinese Lunar New Year, Dragon Boat Festival and Moon Festival and subsidies for weddings, funerals, emergencies, accidents, and club activities. (3) Continuous education of directors and supervisors: the Bank continues to keep the directors and supervisors up to date about amendment of regulations regarding company governance and helps directors and supervisors arrange for education courses. (4) Risk management policy and risk measurement standard execution: To structure professional and complete risk management, the Bank has launched loan review division, risk management division, and claims management division, in charge of loan review process on loan cases, including country risk, market risk, operational risk, and credit risk as well as debt collection and management to perform professional and complete risk management. Besides, in an effort to standardize the operating procedures and hedge the operational risks, the Bank has drafted operating manuals and compiled relevant regulations and rules for various operations, and has notified in writing to all units, with which to enforce executing the internal control and the internal audit system. (5) Client policy execution: the Bank establishes units responsible for consumer consultation services, and sets up channels for clients' complaints to handle consumer needs and to protect consumer's rights. (6) The purchase of liability insurance on behalf of directors and supervisors: the Bank has not purchased liability insurance for directors and supervisors. (7) Donations to political parties, stakeholders and charity groups: the Bank made 1 donation of more than NT$ 500,000 in 2013: That is, donated NT$1.5 million to Sunny Culture and Education Foundation as a support of the Foundation's public welfare activities.		
8. In case of the company self-assessment report or report from any other professional institution appointed to assess company operation, self-assessment/appointed evaluation results, deficiencies/recommendations should be stated: None		

(5) The makeup and responsibility of a remuneration committee, and the state of its implementation: None

(6) Performance of social responsibilities:

Items	Status
1. Promotion of the implementation of corporate governance (1) The Bank sets up corporate social responsibility policy or system, and reviews the effectiveness of implementation. (2) The bank sets up unit to promote corporate social responsibility operation. (3) The bank conducts regular business ethics education and training for directors, supervisors and employees, and in combination with the employee performance appraisal system, establishes clear and effective reward and punishment system.	(1) Not yet established. (2) Not yet established. (3) The bank has conducted business ethics education and training for employees on a regular basis, and included integrity in the employee performance appraisal system
2. Development of sustainable environment (1) The Bank is committed to enhancing the efficiency of resource use, and uses recycled materials to lower impact on the environment. (2) The bank establishes appropriate environmental management system according to industry characteristics. (3) The bank establishes environmental management units or personnel dedicated to protecting the environment. (4) The bank notes that climate change impact on operating activities, and develop bank carbon emissions and greenhouse gas reduction strategy.	(1) Single-sided paper recycling boxes are set up in copy rooms to encourage double-sided copies and save paper. (2) Regulations of use are established in the offices and activity areas. In addition to no smoking, the indoor temperature is set at 27℃ to save air-conditioning; at the same time garbage sorting and reduction are enforced. (3) General service staff is established for managing and maintaining environment. (4) The Bank has gradually installed the T5 energy saving lamp to achieve carbon reduction.
3. Maintain of social welfare (1) The bank complies with labor laws and internationally accepted basic labor rights principles, protects the legitimate interests of employees, and establishes appropriate management practices and procedures. (2) The bank offers employees safe and healthy working environment, and provides safety and health education on a regular basis. (3) The Bank establishes a mechanism of communicating with employees regularly, and keeps employees informed in a reasonable manner of any possible business operation changes that may impose major impacts. (4) The Bank sets up and publicizes consumer rights policy, and provides transparent and effective consumer complaint procedures for its products and services. (5) The bank and its suppliers work together to enhance corporate social responsibility. (6) The bank participates in community development and charity activities through commercial events, in-kind donations, volunteer services, business or other free professional services.	(1) the Bank has established rules regarding employees care and complaints handling, and conducts regular staff communication meetings (2) The Bank provides regular physical examinations. (3) The Bank holds regular employer and employee meetings to maintain an open communication channel, and the Bank's major operation policies are announced in forms of internal newsletter, weekly assembly and real-time document distribution system. (4) The bank sets up customer service direct line on the website to provide consumers with complaints channel. (5) No such a plan so far. (6) The Bank is very active in participating in charity and cultural events such as the "Dream come true program for children in remote areas", which helped 300 children to make their dream come true by donating some materials; making donations to the Liver Disease Prevention & Treatment Research Foundation and supporting liver disease screening activities in remote countries in order to maintain all citizens' health; arousing the public's attention towards disadvantaged minority groups by holding the "Moon Festival Public Welfare Group Buying activity" and donating all the revenues to Eden Social Welfare Foundation service centers.
4. Enhancement of information disclosure (1) The way that the bank discloses information of relevance and reliability regarding corporate social responsibility. (2) The preparation of the corporate social responsibility report to disclose how the Bank promotes corporate social responsibility.	(1) The bank sets up a link in the website to disclose corporate social responsibilities. (2) Not prepared yet.
5. Please specify the difference between operations and code of practice if the bank sets up corporate social responsibility codes of practice according to "Listed Companies Corporate Social Responsibility Codes of Practice": None	
6. Other important information to help understand operation of corporate social responsibility (such as environmental protection, community involvement, social contributions, social services, social welfare, consumer rights, human rights, security and health as well as other social responsibility activities and measures to adopt the system and measures, and status of implementation): By upholding its consistent philosophy of giving back to the society in a bid to honor its corporate stewardship, the Bank upholds its business commitment by acting fulfilling its "Corporate citizenship" role. The Bank has participated in public welfare activities to fulfill is social responsibilities. For example, it has made donation to Liver Disease Prevention & Treatment Research Foundation and supported relevant activities to have liver disease screening activities conducted in remote countries and have all citizens' health maintained; it also held the "Dream come true program for children in remote areas" to deliver materials, love and warmth to remote countries, which helped 300 children to have their dream come true and inspired them to make dreams; the "Moon Festival Public Welfare Group Buying Activity" was also taken in place, where moon cakes were donated to Eden Social Welfare Foundation service centers and the public's attention towards disadvantaged minority groups was also aroused.	
7. It should be stated if the banking products or corporate social responsibility report passes the verification standard of the relevant agencies: None	

Note: Non-listed banks do not have to fill the column of "causes and differences from listed company corporate social responsibility codes of practice".

(7) Implement integrity of operation and measures adopted

Items	Implementation
1. Establishment of policy and scheme of business integrity (1) The Bank has included business integrity policy as well as realization of such a p9olicy by the board of directors and management level in company regulations and documents disclosed. (2) The status of any program established to prevent infringement of integrity and the operations of the SOP, code of conduct and educational training in such a program. (3) Measures taken to prevent briberies or illegal political donations against dishonest business activities of high risk within the Bank's business scope when the program against dishonest conducts was established.	(1) The policy of business integrity is not included in the Bank's regulations, but the measures regarding the realization of business integrity will be put in place according to the Bank's governance progress. (2) The Bank has developed work principles for employees to prevent any dishonest conduct. A system for searching for stakeholders was established so that the conditions will not be better than those for others of the same category when having transactions with stakeholders. Also, it was specified that major financial transactions with stakeholders shall be submitted to the board of directors for approval. Lectures were given at the orientation of new recruits regarding the work ethics of bankers, integrity principles and relevant laws and regulations as an effort to prevent dishonest conducts. (3) It is specified in the Bank's work principles that employees are not allowed to exploit the Bank's resources in one's own favor or for one's own benefits. It is also specified that every purchase shall be reported for approval according to authorization and meets relevant laws and Bank's SOPs provided in the Bank's "Rules governing the purchase of supplies, equipment and materials" and the "Rules for purchases and expenses."
2. Realization of honest business (1) Transaction with those who have history of dishonest conducts shall be avoided in the Bank's business activities, and honest conduct conditions are to be included in commercial contracts. (2) Establishment of dedicated (or part-time) department promoting corporate integrity and the supervision of board of directors (3) Establishment of policy preventing conflict of interests and provision of proper statement channels. (4) Operations of effective accounting and internal control systems established for realization of business integrity and the status of auditing performed by internal auditors.	(1) Suppliers of transaction or purchase are checked using the stakeholder inquiry system if they are stakeholders. Their companies' authenticity is double-checked through Dept. of Commerce, Ministry of Economic Affairs. Suppliers' transaction histories are verified to ensure the business integrity of those whom the Bank does business with. (2) The Bank has not yet established a dedicated (or part-time) department promoting corporate integrity, and such a department will be developed according to applicable laws and the Bank's governance progress. (3) In case that a director causes the Bank's interests compromised due to his/her personal interests or those of the corporate person he/she represents, the director may make a statement and answer questions but shall not join the discussion and voting. He/she shall stay away from the discussion and voting and shall not vote on the behalf of any other director. (4) The Bank has rigorous accounting system and dedicated accounting department. The financial statement is reviewed by certified CPA to ensure that the financial information provided is correct. A manual of internal control is established to unify SOPs and prevent operation risks. Business manuals and chapters are developed for each item of business and distributed to the departments and branches of the Bank for realization. Internal audits are performed on the implementation results.
3. Operations of reporting channel established by the Bank and the punishment and appealing system for violation of business integrity	The Bank has a HR review panel and the Department of Auditing Management, as well as an open channel for fault plat reporting and appealing. Also, review meetings are held from time to time on merits and demerits based on the work principles of the Bank.
4. Enhancement of information disclosure (1) Website established by the Bank to disclose information of business integrity. (2) How the Bank discloses other information (e.g. establishment of website in English, designated persons in charge of collecting and disclosing information on the Bank's website)	(1) The integrity principles, applicable laws and regulations and work principles that all employees are required to follow are posted at the document system of the Bank's internal website, and announced to all fellow workers when there is any change. (2) None
5. For banks that have stipulated their own corporate ethical codes based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies", please state operations of the codes and specify different terms if any: None	
6. Other important information that helps to understand the bank's ethical operation status (for example, propagation of the bank's determination of conducting ethical operation, its relevant policies and how it invited companies with business contacts to join educational trainings as well as review and amend the ethical operation code): None	

Note: Non-listed banks do not have to fill the column of "Differences in Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and reasons".

(8) The inquiry for corporate governance guidelines and regulations: None

(9) Other important information to help understand corporate governance implementation:

(10) Internal control execution discloses the following:

a. Statement of Internal Control

Statement for the Internal Control System of Sunny Bank Co., Ltd.

The internal control system of Sunny Bank Co., Ltd. from January 1 of 2013 to December 31 of 2013 was established in compliance with "the Implementation Rules for Bank Internal Audit and Internal Control System" to establish internal control system and implement risk management and audited by an independent auditing department which reports to the board of the directors and supervisors regularly (the Bank that operates concurrently securities business. For bank's securities business, the Bank determines if the design and implementation of the internal control system are effective based on the criteria provided in the "Guidelines for the Establishment of Internal Control Systems by Securities and Futures Related Organizations," which had been promulgated by the Financial Supervisory Commission's Securities and Futures Bureau). After careful evaluation, the Bank believes that except for items enumerated on the attached sheet, the Bank's internal control system and compliance with applicable law and regulations have been effective for the year stated. This Statement shall become a major part of the annual report and prospectus of the Bank and be made public. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 20, 32, 171 and 174 of the Securities & Exchange Act.)

Sincerely yours,

Financial Supervisory Commission

Declarers
Chairman: Lin, Peng-Lang (with seal & signature)

林彭郎

President: Ting, Wei-Hao (with seal & signature)

丁偉豪

General Auditor: Tseng, Yao-Te (with seal & signature)

曾耀德

Compliance Officer of the Head Office: Li, Wen-Kuang (with seal & signature)

李文光

The Tenth Day of March, 2014

Practices to Be Improved and Corrective Procedures in the Internal Control System
December 31, 2013

Items to be improved	Improvement	Estimated date of improvement
1. The Financial Supervisory Commission has conducted a regular examination (report number 102B028) in 2013 based on principal deficiencies:		
(1) The total amount of loans extended for residential construction and construction for business purposes by a Commercial Bank already exceeded 30% as stated in Article 72-2 of the Banking Act of the Republic of China.	The bank has stipulated an improvement plan lasted 3.5 year to increase the deposit amount and to reduce the total amount of loans extended for residential construction and construction for business purposes as a bidirectional adjustment strategy, which helps to reduce the limit ratio as stated in the Article 72-2 of the Bank's regulations.	Already scheduled the improvement plan, which will be examined every seasons and the improvement is expected to be completed in March of 2016.
(2) Credit assets were not listed in the evaluation report correctly, bad debts were not written off and non-performing loans were not listed and reported as regulated in laws.	1. Overdue accounts that did not list and report overdue payments as stated in Article 7 of "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" already completed relevant procedures before the end of September of 2013 2. Borrowers with poor creditworthiness that were not listed in the evaluation category according to Article 4 of "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" were included in the category of the credit assets evaluation before the end of December, 2013. 3. Regarding those who were elapsed for more than two years after the maturity date of the non-accrual loans and efforts of collections have failed, the total amount after deduction has shown that the payments were all collected before the end of December of 2013.	The improvement was completed in December of 2013.
(3) An over-estimated capital adequacy ratio due to a miscalculation of the risk-weighted assets, which does not comply with Article 9 of "Regulations Governing the Capital Adequacy and Capital Category of Banks" and the FSC approval letters Jin-Kuan-Yin-(1) No. 09610000025 dated April 21, 2011, and Jin-Kuan-Yin-Fa No. 10010001430.	1. After checked the use status of real estate collaterals comprehensively as well as confirmed and adjusted risk weights, the risk-weighted assets were recalculated and are now compliant to relevant regulations. 2. Legal compliance counterparts already adjusted the self-assessment items, where the legal compliance managers will conduct the sampling inspection to check accuracy of the cases. 3. The Risk Management Department shall notify the branches regularly at the beginning of each month to conduct sampling inspection to confirm the accuracy of case files and to keep them on file for reference.	Already recalculated risk-weighted assets to ensure its compliance to relevant regulations. Besides, regular notifications were sent to branches to conduct sampling inspection to ensure the accuracy of the file content.

Items to be improved	Improvement	Estimated date of improvement
2. The 2012 annual business report, financial statements, and resolutions on distribution of profits or deficit compensation were not reported to Financial Supervisory Commission for reference with 15 days ratified by the meeting of shareholders. A disposition was therefore rendered, where relevant amendments must be made according to Paragraph 1 of Article 61-1 of Banking Law (FSC approval letters Jin-Kuan-Yin-He No. 10200190460 dated July 31, 2013).	To avoid the happening of similar incidences, the Bank has not only enhanced employees' trainings, but also carefully examined and reviewed matters to be conducted in shareholders' meeting, legal compliance matters as well as self-examination and inspection relevant matters. In the future, the Bank will list all the work items before conducting shareholders' meeting and specify relevant schedule and person in charge. Besides, Article 49 of Banking Law will be listed in the compliance matters, self-assessment and audit items of the legal compliance self-assessment table. In this way, periodical examination will be conducted not only to establish an internal control system, but also to implement a legal compliance system.	Was reported on July 1, 2013 with a supplementary document and will pay more attention to follow relevant regulations.
3. In case of making reinvestment to establish finance lease company and use the company's name to establish finance lease company in the mainland of China , the case(s) shall be announced and reported within 2 day s prior to it happening. If not, relevant amendment shall be made immediately and counterpart(s) shall be informed to make improvements in the future. (FSC approval letters Jin-Kuan-Zheng-Fa No. 1020022652 dated June 7, 2013).	It is a must to receive competent authority's approval on establishing finance leasing companies. Although this case was approved at the shareholders' meeting held on August 21, 2012, not only the competent authority agreed the proposal, but also the loan coverage ratio did not reach 1%. Therefore, the Bank was not allowed to conduct reinvestment. To make relevant reinvestment in the case, the Bank shall reach the reinvestment standard with 1% loan coverage ratio. Besides, after made actual investment on Sunny International Leasing Co., Ltd., the date will be considered as the date of business occurrence (November 9 2012) and the Bank shall make a public announcement of its assets in accordance of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" in the Market Observation Post System (MOPS) on the same day	The incident was caused by differentiated recognition on the date of occurrence, which resulted in a delayed report. The bank will pay more attention and follow relevant regulations in the future.

b. CPA Review Report

CPA Review Report

To Sunny Bank:

According to Section 1 of Article 28 in “Enforcement Regulations for Bank Internal Audit Control System” issued by Financial Supervisory Commission, “While annual report of banking industry is audited by CPA, banks should authorize CPA to review internal control system, and express opinions on the accuracy of reports filed with the regulators, implementation of internal control and compliance head systems, and the appropriateness of provision for allowance for doubtful accounts.

The CPA is authorized by Sunny Bank to perform the above matters of 2013, and enclose the attached document regarding audit scope, audit basis, audit procedures and audit results based on Article 31 of the same rule.

The review report is only for the reference purpose of Sunny Bank and financial regulators, and is not for other purposes or dispatched to other persons.

Deloitte & Touche

CPA Chen, Chung-Chieh (with seal and signature)

陳杰忠

The Eighteenth Day of March, 2014

(11) Illegality and punishment during the past two years, major drawbacks and the correction:

1. The Bank's responsible person or any of its employees who is prosecuted for illegal conducts related to the Bank's businesses:
   A teller of Xihua Branch, Chang ○○ (resigned), was prosecuted by prosecutor for breach of trust in August 2012.
2. Fines imposed by the Executive Yuan's Financial Supervisory Committee as a punishment for violating laws and regulations.
   The 2012 annual business report, financial statements, and resolutions on distribution of profits or deficit compensation were not reported to Financial Supervisory Commission for reference with 15 days ratified by the meeting of shareholders. A disposition was therefore rendered, where relevant amendments must be made according to Paragraph 1 of Article 61-1 of Banking Law
3. Punishments by the Financial Supervisory Committee, Executive Yuan, in relation to Article 61-1 of the Banking Act of The Republic of China: None
4. Necessary disclosure of nature and amount of loss as a result of fraud, major random incidents (major incidents including fraud, theft, appropriation and theft of assets, falsified transactions, document and security forgery, taking kickbacks, natural disaster loss, loss caused by external forces, hacker attacks, theft of information, and disclosure of business secrets and client information), or failure to comply with the instructions for the Maintenance of Safety by Financial Institutions, as a result of which individual or accumulated losses for the year amounted to NT$50 million or more: None
5. Other items to be disclosed under the instructions of the Financial Supervisory Commission, Executive Yuan: None

(12) Important Resolutions of the Shareholders' Meeting and the Board Meeting during 2012 and the period up to the annual report publication date:

Shareholders' meeting	The 2013 Shareholders' Meeting held on May 13, 2013 deliberated: None
Board of Directors	1. Resolution of the 6th board meeting of the 6th term held on January 24, 2013: （1）Amendment on partial articles of the Bank's Regulations Governing the Purchase of Securities of a Public Company （2）Amendment on partial articles of the Bank's Guidelines for Auditing Internet Bank(s). （3）Amendment on partial articles of the Bank's Regulations Governing Internal Operating Systems and Procedures for the Operation Outsourcing and Regulation Governing Consumer Protection （4）Amendment on partial content of the Bank's handbook of internal control business.
	2. Resolution of the 7th board meeting of the 6th term held on March 7, 2013: （1）The status of adjustment made on the amount of special reserves and divisible surpluses proposed and listed under the IFRS (International Financial Reporting Standards) to （2）The Bank's application of the foreign exchange option services. （3）The Bank's application of the foreign currency structured products including fixed deposit for foreign currency and FX option. （4）Matters related to referral of real-estate property trust fund through broker and scrivener. （5）Stipulating the 2013 Standards for Setting the Interest Rate of All Types of Credit Products （6）Amendment on partial articles of the Bank's Table of Setting the Credit Product Price. （7）Amendment on partial article of Sunny Commercial Bank's Preferential Interest Rate.
	3. Resolution of the 8th board meeting of the 6th term held on May 28, 2013: （1）Applying for Foreign Exchange (FX) Option Services and Adding RMB as the Trading Currency and Natural Person as the Trading Target. （2）Amendment on partial articles of the Bank's Trading Business Rules for Forward Foreign Exchange Transactions among Customers. （3）Amendment on partial articles of the Bank's Regulations Governing Stock Buying / Selling and Beneficiary Certificates. （4）Amendment on partial articles of the Bank's Regulations Governing the Purchase of Securities of a Public Company. （5）Amendment on partial articles of the Bank's Regulations Governing the Interest Rate Swap （6）Amendment on partial articles of the Bank's Regulations Governing the Implementation of Foreign Exchange (FX) Option. （7）Amendment on partial articles of the Bank's Regulations Governing hedge trading for stock index futures （8）Amendment on partial articles of the Bank's Foreign Exchange Management and Operating Standards （9）Amendment on partial articles of the Bank's Regulations of Investing Equity Linked Note. （10）Amendment on partial articles of the Bank's Regulations Governing the Investment on New Taiwan Dollar and Foreign Currency Structured Products. （11）Amendment on partial articles of the Bank's Regulations Governing the Exchange of New Taiwan Dollar Convertible (Exchangeable) Bonds. （12）Amendment on partial articles of the Bank's Regulations on the Non-Deliverable Forwards Business. （13）Amendment on partial articles of the Bank's Regulations on Self-Assessment （14）Amendment on partial articles of the Bank's Regulations on Disposing Distressed Debts.
	4. Resolution of the 9th board meeting of the 6th term held on August 20, 2013: Amendment on partial articles of the Bank's Regulations on Disposing Distressed Debts.

Board of Directors	5. Resolution of the 10th board meeting of the 6th term held on November 19, 2013: （1）Amendment on partial articles of the Bank's Regulations on Disposing Distressed Debts. （2）Regulations Governing the Negotiation and Authorization of Processing Consumer Debt Clearance Act cases. （3）Stipulating the 2014 budget, operation plan, audit and domestic bond dealer's business audit plan. （4）Stipulating the 2014 project of subordinated bank debenture and increasing capital by cash. （5）Stipulating the plan of establishing branch offices in remove countries. （6）Amendment on partial articles of the Bank's Regulations Governing the Nation's Risk Management. （7）Amendment on partial articles of the Bank's Standards of Implementing the Legal Compliance Management System. （8）Amendment on partial articles of the Bank's Transaction Procedures for Conducting Derivative Trading. （9）Amendment on partial articles of the Bank's Table of Authorized Credit Amount. （10）Amendment on partial articles of the Bank's Credit Extension Act. （11）Amendment on partial articles of the Bank's Credit Authorization Standards. （12）Amendment on partial articles of the Bank's Regulations Concerning the Credit Risk Control of Groups and Affiliated Enterprises. （13）Amendment on partial articles of the Bank's Regulations Governing Procedures for Board of Directors Meetings. （14）Amendment on partial articles of the Bank's Consultant Employment Regulations.

(13) The major content of record of written statements for any dissenting opinions from directors or supervisors regarding important resolutions of the Board in the most recent fiscal year before publishing the annual report: None

(14) The summary of resignation and discharging of people related to the Financial Report (including Chairman, President, Accounting Supervisors and Auditing Supervisors) in the most recent fiscal year before publishing the annual report: None

As of December 31, 2013

Position	Name	Date of Arrival	Date of Dismissal	Reasons for Resignation or Dismissal
None	None	None	None	None

IV. CPA Fees

CPA Fees Information for 2013

C.P.A. Office	C.P.A. Name		Auditing Period	Remark
Deloitte & Touche	Chen, Chieh-Chung	Chen, Chao-Feng	2013	None

Unit: NT$ 1,000

Amount \ Item		Audit Fee	Non-audit Fee	Total
1	Less than NT$2,000,000		V	
2	NT$2,000,000 ~ NT$4,000,000	V		V
3	NT$4,000,000 ~ NT$6,000,000			
4	NT$6,000,000 ~ NT$8,000,000			
5	NT$8,000,000 ~ NT$10,000,000			
6	Over NT$10,000,000			

Unit: NT$ 1,000

<table>
<tr><th rowspan="2">CPA Firm</th><th rowspan="2">Name of CPA</th><th rowspan="2">Audit Fee</th><th colspan="5">Non-audit Fee</th><th rowspan="2">CPA Audit Period</th><th rowspan="2">Remarks</th></tr>
<tr><th>System Design</th><th>Company Registration</th><th>Human Resources</th><th>Others</th><th>Subtotal</th></tr>
<tr><td rowspan="2">Deloitte & Touche</td><td>Chen, Chieh-Chung</td><td rowspan="2">$2,133</td><td rowspan="2">---</td><td rowspan="2">---</td><td rowspan="2">---</td><td rowspan="2">$1,037</td><td rowspan="2">$1,037</td><td rowspan="2">2013</td><td rowspan="2">1. Change of CPA in the current year due to internal work allocation and arrangement in CPA firm.
2. Non-audit fee includes review of prospectus, annual report, and meeting agenda, audit on bad debt table of total write-off amount of the same customer over NT$ 50 million, and IFRS introduction service.</td></tr>
<tr><td>Wu, Yi-Chun</td></tr>
</table>

V. Alternation of CPA

(1) Information regarding previous CPA

<table>
<tr><th>Date of Change</th><th colspan="3">September 2012</th></tr>
<tr><td>Reason of change and statement</td><td colspan="3">Following Deloitte & Touche's internal work allocation and arrangement in 2012, the certified public accountants have been changed from CPAs Chen, Chieh-Chung and Chen, Chao-Feng to Chen, Chieh-Chung and Wu, Yi-Chun.</td></tr>
<tr><td rowspan="3">Description that the appointer or CPA terminates or refuses the appointment</td><td>Person involved / Status</td><td>CPA</td><td>Appointer</td></tr>
<tr><td>Termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Rejection of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinions and reasons of audit report other than issuing “no preserved opinion” in the latest two years.</td><td colspan="3">None</td></tr>
<tr><td rowspan="6">Different opinions from the Publisher</td><td rowspan="4">Yes</td><td>None</td><td>Accounting principles or practice</td></tr>
<tr><td>None</td><td>Discloser of financial reports</td></tr>
<tr><td>None</td><td>Audit scope or procedures</td></tr>
<tr><td>None</td><td>Others</td></tr>
<tr><td>None</td><td colspan="2">V</td></tr>
<tr><td>Description</td><td colspan="2">None</td></tr>
<tr><td>Other disclosures
(disclose based on Point 4, Item 1, Paragraph 5, Article 10 in the guidance)</td><td colspan="3">None</td></tr>
</table>

(2) Information regarding the incumbent CPA

CPA Firm	Deloitte & Touche
CPA Name	CPA Wu, Yi-Chun
Date of Appointment	September 2012
Before appointment, accounting treatment or accounting principles of certain transactions as well as matters and results of opinion consultation on financial reporting	Not applicable
Successive accountants' written opinion of different views from the former accountants	Not applicable

(3) The former CPAs' response letter to matters stated under Sub-paragraph 1, 2 and 3, Paragraph 5 of Article 10 of the criteria: None

VI. Chairman, President, Financial or Accounting Managers, and those that have served in CPA or Affiliated Associated Business in the Most Recent Year

VII. Any Share Pledge and Shift by the Director, Supervisor, Manager, and those that shall declare the Rights Letter pursuant to Article 11 of Regulations Governing a Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank in the most recent fiscal year before publishing the annual report.

(1) Changes of Shareholding

Title	Name	2013		As of January 31, 2014	
		Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares	Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares
Chairman	Lin, Peng-Lang	1,242	---	---	---
Managing Director	◎Chen, Sheng-Hung	---	---	---	---
Managing Director	Liu, Cheng-Sheng	---	---	---	---
Independent Director	Wu, Wen-Cheng	---	---	---	---
Independent Director	Liu, Hsiang-Tun	---	---	---	---
Independent Director	Chang, Ping-Chung	---	---	---	---
Director	Chen, Chin-Yi	---	---	---	---
Director	Ho, Shun-Cheng	---	---	---	---
Director	Lin, Cheng-Yu	3,362,414	---	---	---
Director	Chao, Fu-Tien	---	---	---	---
Director	Hsieh, Yi-Tung (Note 3)	27,076	---	---	---
Director	Chen, Chien-Yang	---	---	---	---
Director	◎Chen, Chin-Chia	167,154	---	---	---
Managing Supervisor	Chang, Wu-Ping	---	---	---	---
Supervisor	Tsai, Wen-Hsiung	(100,000)	---	---	---
Supervisor	Lin, Chin-Lung	49,019	---	---	---

Title	Name	2013		As of January 31, 2014	
		Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares	Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares
Supervisor	Wu, Ching-Hui	---	---	---	---
Supervisor	Hsu, Wen-tung	---	---	---	---
President	Ting, Wei-Hao	42,850	---	---	---
Senior Vice President	Ho, Kun-Tang	---	---	---	---
Vice President	Chou, San-Ho	26,400	---	---	---
Vice President	Lin, Chih-Liang	43,259	---	---	---
Vice President	Chang, Chi-Ming	(153,600)	---	---	---
Vice President	Kuo, Chih-Hung	31,848	---	---	---
Auditor General	Tseng, Yak-Te	24,750	---	---	---
Chief Secretary	Wu, Jui-Hsiang	22,320	---	---	---
Assistant Vice President	Liu, Ming-Chieh	17,063	---	---	---
Assistant Vice President	Yu, Shih-Jung	---	---	---	---
Assistant Vice President	Lu, Kun-Fa	16,203	---	---	---
Assistant Vice President	Chen, Yang-Yu	18,868	---	---	---
Assistant Vice President	Hsieh, Yi-Tung (Note 3)	27,076	---	---	---
Assistant Vice President	Huang, Hsien-Chang	18,863	---	---	---
Assistant Vice President	Huang, Yen-Chun	15,600	---	---	---
Assistant Vice President	Wang, Ya-Hsun	43,650	---	---	---
Assistant Vice President	Wang, Chien-Yi	16,128	---	---	---
Assistant Vice President	Chen, Cheng-Feng	15,072	---	---	---
Manager	Chen, Yi-Huan	14,388	---	---	---
Manager	Chen, Kuo-Hung	13,530	---	---	---
Manager	Kuo, Su-Chu	18,483	---	---	---
Manager	Chen, Chi-Chuan	(3,101)	---	---	---
Manager	Lu, Sheng-Yu	17,610	---	---	---
Manager	Chiang, Tung-Sheng	13,315	---	---	---
Manager	Chen, Yao-Wen	13,101	---	---	---
Manager	Lin, Kuo-Hung	13,315	---	---	---
Manager	Li, Tai-Ju	12,457	---	---	---
Manager	Kao, Chih-Li	162,886	---	---	---
Manager	Shen, Yu-Hsing	12,672	---	---	---
Manager	Sung, Ping-Ping	13,101	---	---	---
Manager	Lung, Wan-Li	13,108	---	---	---
Manager	Liu, Ming-Che	11,814	---	---	---
Manager	Liu, Yen-Hsing	13,315	---	---	---
Manager	Tsao, Chun-Jung	16,724	---	---	---
Manager	Shen, Yao-Ping	15,675	---	---	---
Manager	Huang, Chen-Tung	--	---	---	---
Manager	Hu, Chi-Min	12,672	---	---	---

Title	Name	2013		As of January 31, 2014	
		Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares	Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares
Manager	Chen, Hsien-Chun	12,886	---	---	---
Manager	Lee, Ching-Cheng	13,530	---	---	---
Manager	Chuang, Yung-Fu	13,315	---	---	---
Manager	Chen, Chih-Hao	12,457	---	---	---
Manager	Chu, Chia-Lung	12,672	---	---	---
Manager	Chiu, Chuan-Mao	12,672	---	---	---
Manager	Huang, Chi-Wei	12,243	---	---	---
Manager	Hu, Chun-Wei	12,457	---	---	---
Manager	Wei, Chun-Chih	12,964	---	---	---
Manager	Chen, Ching-Ti	12,664	---	---	---
Manager	Wei, Chun-Chih	1,599	---	---	---
Manager	Chen, Hui-Ling (Note 3)	12,672	---	---	---
Manager	Yang, Yi-Chen	---	---	---	---
Manager	Tsai, Chien-Li	12,457	---	---	---
Manager	Liu, Yi-Fang	12,457	---	---	---
Manager	Li, Ting-Tung	---	---	---	---
Manager	Hsieh, Yeh-Yang	15,675	---	---	---
Manager	Shih, Bo-Fu	15,675	---	---	---
Manager	Ho, Chun-Liang	12,886	---	---	---
Manager	Tu, Hua-He	12,881	---	---	---
Manager	Ku, Tien-Chie	10,365	---	---	---
Manager	Li, Hsu-Chang	12,964	---	---	---
Manager	Hsu, Chen-Huang (Note 1)	13,741	---	---	---
Manager	Juan, Chien-Chung	12,457	---	---	---
Manager	Yu, Kuang-Lu	13,744	---	---	---
Manager	Hsu, Pao-Yuan	12,457	---	---	---
Manager	Chen, Chu-Wen	12,243	---	---	---
Manager	Yang, Ying-Chung	14,371	---	---	---
Manager	Yang, Pao-Kuei	15,511	---	---	---
Manager	Tu, A-Ching	13,550	---	---	---
Manager	Cheng, Yuen-Teh	14,659	---	---	---
Manager	Tseng, Chien-Chia	13,101	---	---	---
Manager	Chen, Cheng-Hsien	11,404	---	---	---
Manager	Tu, Yung-Yen	12,186	---	---	---
Manager	Wu, Sheng-Yi	15,540	---	---	---
Manager	Chien, Shih-Yao	12,243	---	---	---
Manager	Tsai, Kun-Chih	13,351	---	---	---
Manager	Huang, Fu-Li	15,675	---	(15,675)	---
Manager	Wang, Lien-Ta	11,599	---	---	---
Manager	Huang, Cheng-Chin	15,460	---	---	---

Title	Name	2013		As of January 31, 2014	
		Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares	Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares
Manager	Chien, Chih-Hsin	13.101			
Manager	Huang, Shou-Wem	12.667	---	---	---
Manager	Chiu, Ming-Hua	19.770	---	---	---
Manager	Liu, Min-Hsiang	12.672	---	---	---
Manager	Fu, Chia-Ming	12.449	---	---	---
Manager	Tsui, Ching-Chih	14.393	---	---	---
Manager	Hsu, Chen-Huang	(67,328)	---	---	---
Manager	Pan, Cheng-Jen	13,101	---	---	---
Manager	Lu, Han-Kun	13,101	---	---	---
Manager	Chao, Yu-Chin	61,143	---	---	---
Manager	Wu, Ming-Feng	12,628	---	---	---
Manager	Chung, Min-Yuan	12,457	---	---	---
Manager	Wu, Pi-Chu	28,391	---	---	---
Manager	Hsu, Chin-Ken	11,814	---	---	---
Manager	Hung, Jung-Tsung	12,243	---	---	---
Manager	Huang, Fu-Chang	59,659	---	125,675	---
Manager	Chung, Hsu-Jung	15,956	---	---	---
Manager	Chiu, Lai-Fa	11,814	---	---	---
Manager	Hung, Chien-Ming	12,243	---	---	---
Manager	Tsai, Kang-Tsan	12,457	---	---	---
Manager	Shih, Yung-Hsiang	10,365	---	---	---
Manager	Liu, Kuo-I	---	---	---	---
Manager	Huang, Po-Luo	12,457	---	---	---
Manager	Kuo, Chien-Yun	16,460	---	---	---
Manager	Tang, Ying-Kuang (Note 1)	13,744	---	---	---
Manager	Huang, Chih-Cheng	14,553	---	---	---
Manager	Pang, Chih-Wen	12,457	---	---	---
Manager	Chen, Lung-Pan	15,675	---	---	---
Manager	Keng, Yu-Chuan	15,941	---	---	---
Manager	Wu, Jung-Chi	13,754	---	---	---
Manager	Chen, Cheng-Yi	15,460	---	---	---
Manager	Pan, Kuang-Chu	13,101	---	---	---
Manager	Chen, Yi-Hsu	12,243	---	---	---
Manager	Tseng, Chie-Chang	12,243	---	---	---
Manager	Lin, Chih-Chiang	12,243	---	---	---
Manager	Chou, Chih-Wei	66,104	---	---	---
Manager	Yang, Lien-Tse	14,173	---	---	---
Manager	Li, Yu-Sheng	13,959	---	---	---
Manager	Kuo, Cheng-Hung	16,625	---	---	---
Manager	Chen, Ya-I	11,058	---	---	---

Title	Name	2013		As of January 31, 2014	
		Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares	Increase/ Decrease of shareholdings	Increase/ Decrease of pledged shares
Manager	Kan, Wu-Cheng	13,530	---	---	---
Manager	Liu, Tsung-Hsun (Note 3)	12,457	---	---	---
Manager	Ho, Li-Wei	---	---	---	---
Manager	Li, Wen-Kuang	12,457	---	---	---
Manager	Tseng, Yin-Shih (Note 2)	6,889	---	---	---
Manager	Wang, Chien-Chung (Note 2)	10,365	---	---	---
Manager	Huang, Kuang-Yang (Note 2)	---	---	---	---
Manager	Huang, Hsin-Fa (Note 2)	---	---	---	---
Manager	Huang, I-Hui (Note 2)	---	---	---	---
Manager	Li, San-Lang (Note 2)	---	---	---	---
◎ Sunny Culture and Education Foundation		---	---	---	---
◎ Chuang Yang Construction Co., Ltd.		---	---	---	---
◎ Fu Li Yang Investment Co., Ltd.		15,216,051	95,000,000	---	---
◎ Po Yun Enterprise Co., Ltd.		162,606	3,000,000	---	---
◎ Hsueh, Ling		---	---	---	---
◎ Chen, Chin-Liang		---	---	---	---
◎ Chen, Chin-Chung		---	---	---	---
◎ Chen, Chin-Fu		---	---	---	---
◎ Chen, Li-Fen		---	---	---	---
◎ Hsueh, Tsung-Tai		---	---	---	---
◎ Ho, Li-Wei		---	---	---	---
◎ Chen, Ya-Yi		11,058	---	---	---
◎ Ho, Chih-Wei		---	---	---	---
◎ Li, Pei-Yu		11,649	---	---	---
◎ Chen, Yu-Li		---	---	---	---

Note 1: Manager Hsu Chen-Yuan and Tang Ying-Kui ceased their appointments on January 27, 2014

Note 2: Manager Tseng Yin-Shih, Wang Chien-Chung, Huang Kuang-Yang, Huang Hsin-Fa, Huang I-Huei and Li San-Lang accepted their appointments on January 27, 2014.

Note 3: Director Hsieh, Yi-Tung is also Assistant Vice President. Manager Chen Hui-Ling is also the head of Finance Department. Manager Liu Tsung-Hsiun is also the head of Accounting Department.

Note 4: Note 4: Shareholders marked with "◎" are required to file their equity holdings in accordance with Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank.

(2) Transfer of shareholdings

Unit: NT$

Name (note 1)	Reason for transfer (note 2)	Date of transaction	The other party of transaction	Relationship between the other party of transaction and directors, supervisors, managers and those who are required to declare shareholdings as per Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank	No. of shares	Price of transaction
Tsai, Wen-Hsiung	Disposal	December 6, 2013	Tsai, Ting-Ruei	Father and son	220,000	10.98

Note 1: the name of directors, supervisors, managers and those who are required to declare shareholdings as per Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank

Note 2: Acquisition or disposal.

(3) Pledge of shareholdings

Unit: NT$

Name (note 1)	Reason for pledge (note 2)	Date of change	The other party of transaction	Relationship between the other party of transaction and directors, supervisors, managers and those who are required to declare shareholdings as per Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank	No. of shares	Price of pledge (redemption)
Fu Li Yang Investment Co., Ltd.	Pledge	November 27, 2013	Minsheng Branch, Bank of Panhsin	None	50,000,000	---
Fu Li Yang Investment Co., Ltd.	Pledge	November 28, 2013	Nanjing East Road Branch, Yuanta Financial Holdings	None	45,000,000	---
Po Yun Enterprise Co., Ltd.	Pledge	September 11, 2013	Chailease Finance Co., Ltd.	None	3,000,000	---

Note 1: the name of directors, supervisors, managers and those who are required to declare shareholdings as per Article 11 of the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of a Bank

Note 2: Pledge or redemption.

VIII. Relationship Information, if among the Company's 10 Largest Shareholders Any One is a Related Party or a Relative within the Second Degree of Kinship of Another

As of December 31, 2013
Unit: Share, %

Name (Note 1)	Shareholding		Shareholding by Spouse and Minors		Shareholding entitled to other name		10 largest shareholders and related parties as defined under the Statement of Financial Accounting Standards No. 6		Remark
	Share	% (Note 2)	Share	% (Note 2)	Share	% (Note 2)	Title or Name	Relationship	
Fu Li Yang Investment Co., Ltd.:	98,168,817	7.35	---	---	---	---	Chuan Yang Construction Co.,Ltd.	Controlled by the same person	None
Chuan Yang Construction Co.,Ltd.	69,644,262	5.22	---	---	---	---	Fu Li Yang Investment Co., Ltd.:	Controlled by the same person	None
Hai Wang Printing Co., Ltd.	53,044,262	3.97	---	---	---	---	None	None	None
The First Insurance Co., Ltd.	52,969,136	3.97	---	---	---	---	None	None	None
Sheng Yang Construction Co.,Ltd.	41,78,150	3.14	---	---	---	---	None	None	None
Farglory Life Insurance Co., Ltd.	19,136,976	1.43	---	---	---	---	None	None	None
Hua Wei Investment Co., Ltd.	12,600,000	0.94	---	---	---	---	None	None	None
Sunny Culture & Education Foundation	11,662,995	0.87	---	---	---	---	None	None	None
TransGlobe Life Insurance Inc.	11,101,039	0.83	---	---	---	---	None	None	None
Chen, Chin-Yi	10,069,876	0.75	---	---	---	---	None	None	None

Note 1: The top 10 shareholders are listed. For shareholders as legal person, the name of the shareholder and its representative(s) shall be listed.

Note 2: The shareholding percentage is the percentage of shares under the name of a shareholder, his/her spouse, minors or other name(s).

Note 3: Regarding shareholders disclosed in the list (including natural and legal persons), their relationship between one another shall be revealed according to the Regulations Governing the Preparation of Financial Reports by Public Banks

IX. Numbers of Shares in the Same Reinvested Enterprises Held by the Bank and its Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, the Heads of Departments and Branches, and Enterprises Controlled Directly or Indirectly by the Bank, and Ratios of Consolidated Shareholding

As of December 31, 2012
Unit: Share, %

1Invested Enterprises (Note)	The Bank's Investment		The Investment Subsidiaries Directly or Indirectly Controlled and by the Bank, its Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, the Heads of Departments and Branches		Omnibus Investment	
	Share	%	Share	%	Share	%
Sunny Securities Co., Ltd.	49,554,943	98.72	0	0.00	49,554,943	98.72
Sunny Life Insurance Brokerage Co., Ltd.	2,100,000	39.99	3,150,000	60.00	5,250,000	99.99
Sunny Property Insurance Agent Co., Ltd	121,000	20.00	484,000	80.00	605,000	100.000
Gold Sunny Assets Management Co., Ltd.	5,000,000	100.00	0	0.00	5,000,000	100.00
Sunny International Leasing Co., Ltd.	60,000,000	100.00	0	0.00	60,000,000	100.00
Financial Information Service Co., Ltd.	10,881,000	2.42	0	0.00	10,881,000	2.42
Taiwan Financial Asset Service Corp.	5,000,000	2.94	0	0.00	5,000,000	2.94
Taiwan Depository And Clearing Corp.	950,662	0.29	0	0.00	950,662	0.29
Sunlight Asset Management Ltd.	66.587	1.11	0	0.00	66,587	1.11

Note: Investment pursuant to Article 74 of The Banking Act.

4

IV. Capital Raising

1. Capital and Share
2. Issuance of Financial Debentures
3. Issuance of Special Debentures
4. Issuance of Overseas Depositary Receipts
5. Employee Share Subscription Warrants and New Restricted Employee Shares
6. Merger or Entrusted for Other Financial Institutions
7. Fund Utilization Plans

1. Capital and Share

(1) Source of Capital

Unit: 1,000 shares, NT$1,000

Year/month	Par value	Authorized Capital Stock		Paid-up Capital		Remark	
		Shares	Amount	Shares	Amount	Sources of Capital Stock	Other
June, 2013	NT$ 10	60,000	600,000	1,334,973	13,349,730	Cash capital increase	Note

Note: Approved in accordance with the Letter issued by the Financial Supervisory Commission, Executive Yuan with File No. Chin-kuan-cheng-fa No. 1020015398 dated May 9, 2013.

Unit: shares

Stock Type	Authorized Capital Stock			Remark
	Outstanding stock (Note)	Un-issued shares	Total	
Common Stock	1,334,972,981	665,027,019	2,000,000,000	Non-Listed & OTC Bank Stock

Note: Not including the 420,059 shares of stocks of the parent companies that were held by the subsidiaries, which are considered as treasury stocks.

(2) Structure of Shareholders

As of December 31, 2013

Shareholder Structure	Government Institutions	Financial Institutions	Other Corporations	Individuals	Foreign Institutions & Foreigners	Total
No. of persons	2	1	145	125,546	5	125,699
Shareholding	1,079,008	431	396,428,907	937,461,345	3,290	1,334,972,981
%	0.08%	0.00%	29.70%	70.22%	0.00%	100.00%

(3) Equity Distribution

Par value: NT$ 10
As of December 31, 2013

Grades	No. of Shareholders	Shareholdings	Shareholding %
1 to 999	72,822	20,625,274	1.55%
1,000 to 5,000	44,105	91,353,717	6.84%
5,001 to 10,000	2,694	19,017,527	1.42%
10,001 to 15,000	860	10,644,662	0.80%
15,001 to 20,000	599	10,552,031	0.79%
20,001 to 30,000	880	22,383,079	1.68%
30,001 to 50,000	1,001	39,975,609	2.99%
50,001 to 100,000	1,199	88,590,161	6.64%
100,001 to 200,000	740	105,288,440	7.89%
200,001 to 400,000	449	125,289,670	9.39%
400,001 to 600,000	130	63,039,035	4.72%
600,001 to 800,000	64	44,887,776	3.36%
800,001 to 1,000,000	32	28,852,659	2.16%
Over 1,000,001	124	664,473,341	49.77%
Total	125,699	1,334,972,981	100.00%

(4) List of Major Shareholders

As of December 31, 2013

Shareholders / List of Major	Shareholdings	Shareholding %
Fu Li Yang Investment Co., Ltd.	98,168,817	7.35%
Chuan Yang Construction Co., Ltd.	69,644,262	5.22%
Hai Wang Printing Co., Ltd.	53,044,262	3.97%
The First Insurance Co., Ltd.	52,969,136	3.97%
Sheng Yang Construction Co., Ltd.	41,878,150	3.14%
Farglory Life Insurance Co., Ltd.	19,136,975	1.43%
Hua Wei Investment Co., Ltd.	12,600,000	0.94%
Sunny Culture & Education Foundation	11,662,995	0.87%
TransGlobe Life Insurance Co., Ltd.	11,101,039	0.83%
Chen, Chin-Yi	10,069,875	0.75%

Note: Shareholders with over 1% of shares or those among top 10 shareholders are listed.

(5) Market price, net worth, earnings, and dividend data for the most recent 2 years

Unit: NT$, 1,000 shares

Year / Item			2013	2012	As of January 31, 2014
Price/share	Maximum		Note	Note	Note
	Minimum		Note	Note	Note
	Average		Note	Note	Note
Net worth/share	Before distribution		10.67	10.01	10.89
	After distribution		10.67	10.01	10.89
Earnings/share	Weighted average no. of shares		1,305,293	1,274,553	1,334,553
	Earnings/share		0.66	0.97	0.14
Dividend/share	Cash dividend		---	---	---
	Free distribution	Earnings distribution	---	---	---
		Capital surplus distribution	---	---	---
	Unpaid dividend		---	---	---
Analysis on investment returns	P/E		Note	Note	Note
	Price/dividend yield		Note	Note	Note
	Cash dividend yield		Note	Note	Note

Note: It is not applicable since the Bank is not a public or OTC listed company.

(6) Equity Distribution

In the event of earning at the end of fiscal year, the said earnings should be used to pay tax and compensate the loss from previous years. Also, 30% of legal reserve is provisioned unless legal reserve has reached total paid-in capital. Special reserve may be retained next according to actual needs. The remainder should be distributed as follows:

a. Directors, Supervisors reward 1.5%

b. Employees' bonus 3%

c. Shareholder dividend 95.5%

Cash earnings distribution of the above legal reserve not reaching total paid in capital shall not exceed 15% of total capital.

o solidify the financial structure and reach capital adequacy, the Bank will distribute dividends according to the capital budgeting of the Bank and distribute stock dividends for keeping capital. When surplus is seen according to the capital budgeting and the BIS rate is higher than the requirement of the authority, cash dividends may be distributed partially and cannot be lower 10% of the total dividends. Stock dividends may be distributed instead of the cash dividends to be distributed that are not higher than NT$0.1.

(7) Effect of the proposed free distribution on operation results and EPS: None

(8) Employees' Bonus and Remunerations for Directors and Supervisors

a. The amount or criteria of employee's bonus and remunerations for directors and supervisors

According to the Articles of the Bank, 30% of legal reserve will be appropriated after tax and reimbursement of previous loss in case surplus is shown in annual final accounts. The above statement is not applicable when the legal reserve reaches paid-up capital. In addition, the Bank shall make special reserve whenever it is necessary. The rest surplus shall be appropriated according to the following percentages:

i. Director/supervisor reward 1.5%

ii. Employees' bonus 3%

iii. Shareholder dividend 95.5%

b. Basis for estimating the 2011 employee bonuses and the amount of remunerations of the directors and supervisors, basis for calculating the share count in distributing share bonus, and the accounting processing for differential arisen from the actual amount distributed:

The estimated amount of employees' bonus, and directors and supervisors' remuneration in 2013 was NT$26,406,000. The estimation of the employee bonuses and the directors and supervisors' remunerations are made on the basis of the probable amount of distribution according to the past experience. In case of any change on the day of resolution in the shareholders' meeting, the change will be accounted for based on accounting estimation and entered in account in the year resolved by the shareholders' meeting.

c. Employee's bonus distribution passed by the Board of Directors

i. Distributing NT$17,604,000 to employees as the cash bonuses and NT$8,802,000 as the directors and supervisors' remuneration.

ii. Distributing 0 shares to employees as the stock bonus, where the size of such amount as 0% of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee bonuses.

iii. The annual report shall assess the effect upon imputed earnings per share of any proposed distribution of employee bonuses and director/supervisor compensation: inapplicable as employees' bonus and directors and supervisors' remuneration are already listed as current year's expense since 2008. Above information has not been passed before publishing the annual report.

d. The state of the actual distribution of the previous years' employee bonuses and the directors/supervisors' remunerations (including the distributed share count, amount and share price), complete with a description of the differential, reason and state of processing on any differential to the recognized employee bonuses and directors/supervisors' remunerations: The bank has no surplus distribution schemes in 2012.

(9) Shares purchased by the Bank: None

2. Issuance of Financial Debentures

Types of Subordinated Financial Debentures	The First Type A Bond Subordinated Financial Debentures in 2007 (Private Placement)	The First Type B Bond Subordinated Financial Debentures in 2007 (Private Placement)
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09500549820 dated December 27, 2006	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09500549820 dated December 27, 2006
Date of issue	April 9, 2007	April 9, 2007
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 1,800,000,000	NT$ 1,100,000,000
Interest Rate	At single interest rate of APR 3% with annual payment	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 0.60% single tactical interest, with a quarterly resetting and annual interest payment.
Maturity	7 years from April 9, 2007 to April 9 2014	7 years from April 9, 2007 to April 9 2014
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 1,800,000,000	NT$ 1,100,000,000
Paid-In Capital of Previous Year	NT$ 12,439,281,340	NT$ 12,439,281,340
Net Worth of Previous Year	NT$ 13,811,120,055	NT$ 13,811,120,055
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	27.51%	35.48%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating	None	None

Types of Subordinated Financial Debentures	The Third Type A Bond Subordinated Financial Debentures in 2007	The Third Type B Bond Subordinated Financial Debentures in 2007
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09500549820 dated December 27, 2006	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09500549820 dated December 27, 2006
Date of issue	December 26, 2007	December 26, 2007
Par Value	NT$ 100,000	NT$ 100,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 261,000,000	NT$ 43,900,000
Interest Rate	At single interest rate of APR 3.8% with annual payment	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 0.95% single tactical interest, with a quarterly resetting and annual interest payment.
Maturity	6 years and 2 months from December 26, 2007, to February 26, 2014	6 years and 2 months from December 26, 2007, to February 26, 2014
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 261,000,000	NT$ 43,900,000
Paid-In Capital of Previous Year	NT$ 12,439,281,340	NT$ 12,439,281,340
Net Worth of Previous Year	NT$ 13,811,120,055	NT$ 13,811,120,055
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	39.57%	39.89%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	None	None

Types of Subordinated Financial Debentures	The First Bond Subordinated Financial Debentures in 2009	The First Type A Bond Subordinated Financial Debentures in 2009
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09800208270 dated May 11, 2009	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09800208270 dated May 11, 2009
Date of issue	June 15, 2009	April 30, 2010
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 500,000,000	NT$ 570,000,000
Interest Rate	At single interest rate of APR 3% with annual payment	At single interest rate of APR 3.25% with annual payment
Maturity	5 years and 7 months from June 15, 2009, to January 15, 2015	7 years from April 30, 2010, to April 30, 2017
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan	C.P.A. Lin, Hsiu-Luan, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 500,000,000	NT$ 570,000,000
Paid-In Capital of Previous Year	NT$ 12,439,281,340	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 10,629,528,858	NT$ 10,325,996,649
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	56.53%	63.72%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: June 12, 2009 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date: April 27, 2010 Credit rating: twBBB-

Types of Subordinated Financial Debentures	The First Type B Bond Subordinated Financial Debentures in 2010	The First Type A Bond Subordinated Financial Debentures in 2010
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-(3)-Zi No. 09800208270 dated on April 30, 2010	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin- (3)-Zi No. 09900358410 dated on April 30, 2010
Date of issue	April 30, 2010	October 29, 2010
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 230,000,000	NT$ 500,000,000
Interest Rate	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 1.83% single tactical interest, with a quarterly resetting and annual interest payment.	At single interest rate of APR 3.25% with annual payment
Maturity	7 years from April 30, 2010, to April 30, 2017	7 years from October 29, 2010, to October 29, 2017
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Lin, Hsiu-Luan, Deloitte & Touche Taiwan	C.P.A. Lin, Hsiu-Luan, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 230,000,000	NT$ 500,000,000
Paid-In Capital of Previous Year	NT$ 12,249,729,810	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 10,325,996,649	NT$ 10,325,996,649
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	65.94%	70.79%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: April 27, 2010 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date: October 28, 2010 Credit rating: twBBB-

Types of Subordinated Financial Debentures	The Second Type B Bond Subordinated Financial Debentures in 2010	The Third Bond Subordinated Financial Debentures in 2010
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 09900358410 dated September 10, 2010	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 09900358410 dated September 10, 2010
Date of issue	October 29, 2010	November 11, 2010
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 300,000,000	NT$ 400,000,000
Interest Rate	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 1.71% single tactical interest, with a quarterly resetting and annual interest payment.	At single interest rate of APR 3.25% with annual payment
Maturity	7 years from October 29, 2010, to October 29, 2017	6 years and 11 months from November 11, 2010, to October 11, 2017
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Lin, Hsiu-Luan, Deloitte & Touche Taiwan	C.P.A. Lin, Hsiu-Luan, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 300,000,000	NT$ 400,000,000
Paid-In Capital of Previous Year	NT$ 12,249,729,810	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 10,325,996,649	NT$ 10,325,996,649
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	73.69%	77.57%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: October 28, 2010 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date:November 5, 2010 Credit rating: twBBB-

Types of Subordinated Financial Debentures	The First Type A Bond Subordinated Financial Debentures in 2011	The First Type B Bond Subordinated Financial Debentures in 2011
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10000161450 dated May 23, 2011	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10000161450 dated May 23, 2011
Date of issue	June 27, 2011	June 27, 2011
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 100,000,000	NT$ 500,000,000
Interest Rate	At single interest rate of APR 2.85% with annual payment	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 1.25% single tactical interest, with a quarterly resetting and annual interest payment.
Maturity	7 years from June 27, 2011, to June 27, 2018	7 years from June 27, 2011, to June 27, 2018
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general credit.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general credit.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan	C.P.A. Shao, Chih-Ming, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 100,000,000	NT$ 500,000,000
Paid-In Capital of Previous Year	NT$ 12,249,729,810	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 11,343,831,589	NT$ 11,343,831,589
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	71.49%	75.89%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: June 24, 2011 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date: June 24, 2011 Credit rating: twBBB-

Types of Subordinated Financial Debentures	The Second Bond Subordinated Financial Debentures in 2011	The First Type A Bond Subordinated Financial Debentures in 2012
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10000161450 dated on May 23, 2011	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10100148670 dated on May 23, 2011
Date of issue	September 30, 2011	May 30, 2012
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 200,000,000	NT$ 500,000,000
Interest Rate	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 1.71% single tactical interest, with a quarterly resetting and annual interest payment.	At single interest rate of APR 2.45% with annual payment
Maturity	7 years from September 30, 2011, to September 30, 2018	7 years from May 30, 2012, to May 30, 2019
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 200,000,000	NT$ 500,000,000
Paid-In Capital of Previous Year	NT$ 12,249,729,810	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 11,343,831,589	NT$ 11,721,518,419
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	60.03%	62.36%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: September 26, 2011 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date: May 25, 2012 Credit rating: twBBB-

Types of Subordinated Financial Debentures	The First Type B Bond Subordinated Financial Debentures in 2012	The Second Type A Bond Subordinated Financial Debentures in 2012
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10100148670 dated May 17, 2012	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10100148670 dated May 17, 2012
Date of issue	May 30, 2012	June 29, 2012
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 600,000,000	NT$ 200,000,000
Interest Rate	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 0.97% single tactical interest, with a quarterly resetting and annual interest payment.	At single interest rate of APR 2.45% with annual payment
Maturity	7 years from May 30, 2012, to May 30 ,2019	6 years and 11 months from June 29, 2012, to May 29, 2019
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 600,000,000	NT$ 200,000,000
Paid-In Capital of Previous Year	NT$ 12,249,729,810	NT$ 12,249,729,810
Net Worth of Previous Year	NT$ 11,721,518,419	NT$ 11,729,518,419
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	67.48%	69.18%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: May 25, 2012 Credit rating: twBBB	Taiwan Rating Co., Ltd. Assessment Date: June 25, 2012 Credit rating: twBBB

Types of Subordinated Financial Debentures	The First Type B Bond Subordinated Financial Debentures in 2013	The Second Type A Bond Subordinated Financial Debentures in 2013
Approval date and number of central competent authority	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10200071820 dated May 17, 2012	Issued by Financial Supervisory Commission (Executive Yuan) with the FSC approval letter: Jin-Kuan-Yin-He-Zi No. 10200071820dated May 17, 2012
Date of issue	April 30, 2013	April 30, 2013
Par Value	NT$ 10,000,000	NT$ 10,000,000
Site of issue and operations	Republic of China	Republic of China
Currency	New Taiwan Dollar	New Taiwan Dollar
Offering Price	Issued at the bond par value	Issued at the bond par value
Total amount	NT$ 1,450,000,000	NT$ 50,000,000
Interest Rate	At single interest rate of APR 2.45% with annual payment	Floating interest rates according to the listed floating interest rates of general deposit for one-year CD in Bank of Taiwan plus 0.77% single tactical interest, with a quarterly resetting and annual interest payment.
Maturity	7 years from April 30, 2013, to April 30, 2020	7 years from April 30, 2013, to April 30, 2020
Repayment Priority	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.	The bond claims (including principal and interest)'s Repayment priority is only better than the bank's shareholder's surplus property distribution, and less than the bank's general creditors.
Guarantee agency	None	None
Trustee	None	None
Underwriting agencies	None (sold by Sunny Bank)	None (sold by Sunny Bank)
Certifying lawyers	Hsueh, Sung-Yu	Hsueh, Sung-Yu
CPA	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan	C.P.A. Chen, Chie-Chung, Deloitte & Touche Taiwan
Certifying Financial Institution	None	None
Repayment method	Total payback upon deadline	Total payback upon deadline
Unpaid balance	NT$ 1,450,000,000	NT$ 50,000,000
Paid-In Capital of Previous Year	NT$ 12,749,729,810	NT$ 12,749,729,810
Net Worth of Previous Year	NT$ 12,957,437,929	NT$ 12,957,437,929
Compliance cases	Normal	Normal
Redemption or prepayment terms	None	None
Restrictive clauses	Subordinated Financial Debentures	Subordinated Financial Debentures
Fund operation plan	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.	Access to a stable middle and long-term source of operating funds to improve the bank's capital structure.
Ratio of Applied Shares and Prior Shares Outstanding to Prior Year's Final Net Worth (%)	73.78%	74.16%
Considered as Qualified Capital and Its Tiers	Tier 2	Tier 2
Credit rating agency names, assessment date and its credit rating (Note)	Taiwan Rating Co., Ltd. Assessment Date: April 9, 2013 Credit rating: twBBB-	Taiwan Rating Co., Ltd. Assessment Date: April 9, 2013 Credit rating: twBBB-

3. Issuance of Special Debentures: None

4. Issuance of Overseas Depositary Receipts: None

5. Employee Share Subscription Warrants and New Restricted Employee Shares: None

6. Merger or Entrusted for Other Financial Institutions: None

7. Fund Utilization Plans: None

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V. Operation Overview

1. Contents of Business
2. The Employee Profile
3. Corporate Responsibility and Ethical Risk
4. Information Infrastructure
5. Relationships of Labors and Employer
6. Important Contracts/Agreements
7. Transactions of Securitized Commodity

1. Contents of Business

(1) Business Content

a. Main Business

i. Deposit Business

As of the end of 2013, the bank reports a total deposit balance at NT$259.475 billion, up by NT$28.904 billion compared with NT$229.57 billion reported at the end of 2012, of which the flexible deposits accounts for 39.27% of the total deposit balance, and the time deposits accounts for 60.73% of the total deposit balance.

ii. Credit Business

The total balance of loans issued accumulates to NT$205.012 billion as of the end of 2013, increased by NT$13.144 billion compared with NT$191.869 billion reported at the end of 2012.

Unit: NT$1,000

Item	Balance at the end of 2012	Balance at the end of 2011	Annual growth
Deposits	258,474,509	229,570,243	12.59 %
Loans	205,012,373	191,868,809	6.85%

Deposit Balance Comparison

Unit: NT$1,000

Year / Deposit type	2013		2012	
	Balance at the end of year	%	Balance at the end of year	%
Checking deposits	2,913,132	1.13%	3,124,362	1.36%
Current deposits	30,010,783	11.61%	23,322,705	10.16%
Current deposits – foreign currency	4,692,525	1.81%	3,941,148	1.72%
Current savings deposits	63,185,444	24.45%	58,652,599	25.55%
Current savings deposits – employees	698,126	0.27%	708,213	0.31%
Time deposits	53,347,215	20.64%	39,937,465	17.39%
Time deposits – foreign currency	6,973,351	2.70%	4,355,506	1.90%
Negotiable certificates of deposit	3,913,800	1.51%	4,404,700	1.92%
Time savings deposits	92,740,133	35.88%	91,123,545	39.69%
Total	258,474,509	100.00%	229,570,243	100.00%

Loan Balance Comparison

Unit: NT$1,000

Deposit type \ Year	2013		2012	
	Balance at the end of year	%	Balance at the end of year	%
Short-term loans	19,830,527	9.67%	15,255,629	7.95%
Short-term secured loans	39,372,822	19.20%	30,095,387	15.69%
Medium-term loans	16,060,712	7.83%	16,068,327	8.37%
Medium-term secured loans	45,263,292	22.08%	39,808,287	20.75%
Long-term loans	2,122,076	1.04%	3,134,297	1.63%
Long-term secured loans	81,299,400	39.66%	86,479,742	45.07%
Overdue receivables	985,307	0.48%	951,492	0.50%
Bills purchased	78,237	0.04%	75,648	0.04%
total	205,012,373	100.00%	191,868,809	100.00%

iii. Foreign Exchange Business

Balance for foreign exchange deposit (including OBU) at the end of 2013 was US$389.520 million, or an increase of US$104.771 million from US$284.749 million at the end of 2012 with a growth of 36.79%. Balance for foreign exchange loan (including OBU) at the end of 2013 was US$314.828 million, or an increase of US$69.594 million from US$245.234 million at the end of 2012, up by 28.37%. For the volume of foreign exchange business, 2013 import/export and exchange service were US$429.739 million and US$2,229.817 million, respectively, totaling US$2,659.556 million, an increase of US$523.220 million from US$2,136.336 million at the end of 2012.

Unit: USD1,000

Item	2013	2012	Growth
Foreign Exchange Deposit (Balance)	389,520	284,749	36.79%
Foreign Exchange Loan (Balance)	314,828	245,234	28.37%
Import/Export Service	429,739	363,934	18.08%
Exchange Service	2,229,817	1,772,402	25.81%

iv. Credit Card

A. The accumulated number of credit card issued in 2013 is 12,959 and there were 60,465 valid cards in circulation at the end of December of 2013 is 60,465. The number of credit card issued in January of 2014 is 885 and there were 60,794 valid cards in circulation at the end of January.

B. Consumption amount: credit card consumption during 2013 amounted to NT$ 2.519 billion with an increase of NT$284 million compared to 2012.

C. Revolving Credit Balance: The revolving credit balance at the end of December of 2013 is NT$324 million with a decrease of NT$53 million compared with the amount at the end of December, 2012.

Credit card comparison

Unit: cards, NT$1,000

Business \ Year	2013	2012
Accumulated no. of cards issued (cards)	512,986	500,027
Accumulated no. of valid cards in circulation (cards)	34,781	31,702
Consumption amount (NT$1,000)	2,518,865	2,235,008
Revolving credit balance (NT$1,000)	324,362	377,174

v. E-Commerce

Year / Product	2012		2011	
	Total Withdrawal Amount	Total Transfer Transaction	Total Withdrawal Amount	Total Transfer Transaction
Physical ATM transactions	23,612	277,348	23,570	281,959
Telephone banking	0	267,964	0	284,840
Online banking	0	367,199	0	318,371

vi. Wealth Management Business

The Bank's core business is to sell funds and insurance, where its investment allocation strategies are adjusted according to changes of the market status (if the market is good, the Bank will focus on selling funds; if not, it will adjust its strategy on selling the insurance). Therefore, the proportions of the funds and insurance are different in the structure. The Bank has summarized changes of all products' sales and revenue below:

Unit: NT$1,000

Year / Product	2013		2012	
	Sales	Revenue	Sales	Revenue
Mutual fund	8,876,740	227,810	6,509,472	165,339
Insurance	10,960,610	278,049	12,267,566	247,946
Total	19,837,350	505,859	18,777,038	413,285

vii. Trust Business

Unit: NT$1,000

Year / Business	Balance of 2013	Balance of 2012
Investments in domestic and offshore funds through a non-discretionary trust of money agreement	21,483,306	21,037,939
Other trusts of money	2,541,300	1,597,878
Custody of Securities Investment and Trust Funds	3,634,616	4,779,593
Trust of money (total)	27,659,22	27,415,410
Trust of real estate	10,512,739	8,383,167
Trust of securities	194,397	972,637
Trust of money claim and guaranteed right of object	1,242,168	0
Total balance of trusted property (total)	39,608,526	36,771,214
Other affiliated businesses		
Custody of operating bonds	270,000	405,000
Certification	1,439,478	2,062,440

viii. Investment Business

Comparative Statement of the Portfolio Investment Revenue

Unit: NT$1,000

Item	2013	2012	Increase/decrease
Bonds	56,311	19,029	37,282
Stocks	78,423	25,115	53,308
Beneficiary certificates	(14,266)	37,548	(51,814)
Short-term commercial papers	112,682	65,258	47,424
Valuation	(3,123)	23,098	(26,221)
Stock dividends	21,044	20,384	660
Total	251,071	190,432	60,639

The list above clearly shows that the Bank made a profit of NT$190.432 million in 2012 but another profit of NT$251.071 million in 2013 in terms of securities trades. The details of the gain/loss are described below:

A. Gain (loss) on bonds:
This is the capital gain (loss) on bonds issued by governments. The Bank made a profit of NT$19.029 million in 2012 and another profit of NT$56.311 million in 2013. The added amount mainly came from the interest income and the amount of bonds had an increase of NT$200 million in 2013 comparing with previous year.

B. Gain (loss) on stocks:
This is the profit (loss) made from buying and selling stocks of public and OTC companies. The stock index increased by 8.87 in 2012 with a profit of NT$25.115 million, whereas the stock index of 2013 increased to 11.85% and the profit increased to NT$78.423 million sue to carefully selected individual shares at low price.

C. Gain (loss) on beneficiary certificates:
This is the profit (loss) made from buying and selling funds, where the bank had a profit of NT$37.547 million in 2012. However, influenced by the accelerated quantitative easing withdrawal of the U.S. and deficiency of the disposal of available fund, the Nation had a loss of NT$14.266 million in 2013.

D. Gain (loss) on short-term commercial papers:
This is the interest income, disposal profit (loss) and transaction fees derived from buying and selling short-term commercial papers (including CP2 and NCD). The profit was NT$65.258 million in 2012 and NT$112.682 in 2013. In 2013, the transaction of short-term commercial papers increased dramatically and the Bank participated in the bidding of non-guarantee commercial paper issued by several government-owned corporations. Therefore, the profit of the 2013 short-term commercial papers had an increase of NT$47.424 million comparing with previous year. Furthermore, the interest income of short-term commercial papers and disposal benefits shall be adjusted according to the increase of certifying and underwriting short-Term bills.

E. Gain (loss) on valuation:
This is the gain (loss) on valuation of securities according to market prices, where the Bank had a gain of NT$23.098 million in 2012 and a loss of NT$3.123 million in 2013. The decrease of valuation mainly came from beneficiary certificates as the short-term market was affected by the U.S. quantitative easing withdrawal and the Bank’s possession of bond fund.

F. Stock dividends:
These are the cash dividends distributed by public and OTC companies, where the cash dividend distributed in 2012 was NT$20.384 million and NT$21.044 million in 2013.

To sum up, despite of the European debt crisis, U.S. fiscal cliff and the nation’s domestic securities transaction taxes, the Bank has shown some positive results in 2012 including a growth of 8.87% in the current year weighted index, a gain of NT$25.115 million in stock, a gain of NT$37.548 million in beneficiary, and a gain of NT$23.098 million resulting from the exercising of options.

The major increase of gains came from beneficiary certificates and the net profit of the year was NT$190.432 million. In 2013, the current year weighted index increased to 11.85% as well as the gains of the stock, which was increased to NT$78.432 million. Affected by the U.S.'s quantitative easing withdrawal, the Bank lost NT$14.266 million in beneficiary certificates and NT$3.123 million in the current year weighted index. The major decrease came from beneficiary certificates and the net profit of all business was NT$241.071 million.

b. State of weighing and change of operational assets to total assets.

Unit: NT$1,000

Main Business	2013		2012	
	Amount	Asset %	Amount	Asset %
Total Assets	292,405,278	100.00%	264,561,821	100.00%
Discount and Loan - Net Amount	202,421,259	69.23%	189,949,281	71.80%
Due from CBC and Lend to Banks	47,003,570	16.07%	45,096,739	17.05%
Financial assets at fair value through profit or loss	14,935,197	5.11%	4,620,712	1.75%
Total liabilities	278,164,383	95.13%	251,802,606	95.18%
Deposits and Remittances	258,493,252	88.40%	229,574,788	86.78%
Financial Bonds Payable	9,304,900	3.18%	8,109,400	3.07%
Due to CBC & Banks	7,096,606	2.43%	8,166,220	3.09%

Note: The asset and liability categories enlisted in the table pertain to the amounts and ratios of the top three categories to the total assets

c. State of weighing and change of operating incomes to the net earning.

Unit: NT$1,000

Item	2013		2012	
	Amount	%	Amount	%
Net Profit Interest	3,316,235	72.79%	2,994,230	75.67%
Net Profit Commission	789,061	17.32%	645,390	16.31%
Others	450,712	9.89%	317,555	8.02%
Total Net Profit	4,556,008	100.00%	3,957,175	100.00%

(2) 2014 Operation Plan

a. Deposit Business

The bank has the 2014 average deposit balance objective set to NT$258 billion, of which demand deposit increases NT$5.5 billion, and time deposit increases NT$6.5 billion.

b. Loan Business

Following previous year's strategy in offering credit, the loans offered with the rate stated in Article 72-2 of Banking Law will be considered as the main strategy under the guaranteed profitability and protection. Besides, SMEs with good quality, profitability and capacity will be selected and real estate loans will be offered accordingly.

i. Implementation of auditing measures and project undertaking

A. For the auditing on the internal operation and management performance in 2014, the Bank will continue to carry out assessment on revolving loans, SME credit guarantee fund and SME real estate loans for the short- and mid-term of housing loan.

B. The "Flourishing 150 – Loan Promotion" will be launched. An incentive program is provided together with this promotion to support branches to develop new clients.

C. To cooperate with the government's policy in "Creative Industry", the Bank has listed loans offered to this industry as the project reward item, which also motivated the branches to carry out relevant projects.

ii. Credit risk control will be intensified. Clients with sufficient credit capability will be selected based on the "principles for the acceptance of small and medium enterprise loan applications." Underwriting , field survey and follow up review will be implemented continually.

iii. The exiting land and construction loan portfolio duration are short. To maintain bank income level, the Bank continues to carry out quality land and construction finance projects pursuant the Land (Mortgage) Regulations of the Central Bank.

c. Foreign Exchange Business

i. Conducting Abroad Loan by Domestic Guarantee or Domestic Loan by Abroad Guarantee

As the cross-strait relationship between the mainland China and Taiwan becomes intensified in recent years, the Bank will search for banks in the Mainland China to sign the MOU, to establish an interbank remittance system with a credit amount in order to fulfill Taiwanese companies' needs in finance. With stand-by letters of credit opened by the banks in the mainland China, the Bank will offer the beneficiary financing guarantees. It is expected that this service will not only increase volume of foreign currency landing and interest income, but also create RMB financial cross-border, such as services, overseas payment and cross-border bill discounts.

ii. The Second Stage of Internet Banking

The internet bank upgrade project, second stage (including OBU) progress now is on the schedule of Information Department. It is expected to add 17 commercial banking function on the second stage including large-amount transfers, scheduled transfers, batch transfers, repetitive transfers, transferring time deposits, payment of inward remittance, opening letter of credit and making amendments. All of these not only fulfill customers' demand, but also reduce labor cost and increase competition of trade finance.

iii. To Launch the Internet Bank APP "Mobile Bank"

Regarding the trade finance of the Internet Bank App "Mobile Bank", it planned to offer functions like exchanging foreign currency, LC transfer and balance checking.

iv. Financial Information Companies – The Foreign Currency Settlement Platform "RTGS" (Real-time Gross Settlement)

This interbank settlement platform enables nationwide financial institutions to make interbank settlement including fund transfers and remittance among customers. Services designed for the U.S. dollar has been launched from May 1 of 2013, and the RMA service (domestic and cross-border) has been operated since September 30, 2013. Furthermore the cross-border settlement for the U.S. dollar will be launched in 2014.in order to join RTGS operating project.

d. Credit Card Business

Considering the augmentation of SME customers, the Bank aims to increase the bank's credit card holding ratio of the customers of land construction financing and SME in 2014. Branches will promote credit cards to walk-in and exiting customers through marketing activities. Besides, the "VISA Commercial Credit Card Privy Seal Credit Card" was launched in January of 2014 to satisfy the customer demand, to win the quality customer and to expand overall consumption amount, ratio of valid cards and fees income.

Multiple credit card encouragement activities will be arranged on holidays, seasons and specific clients' needs, including:

i. Launch activities to motivate the customers to activate the new card. The Bank also launched the "Using your Credit Card" project for existing card holders, so that the number of valid card will continue to increase.

ii. Provide extra bonus to customers for merchant rewards.

iii. Enhance phone call marketing to offer consumption installment to increase fee income.

iv. Use low-cost electronic media such as SMS, EDM, electronic bills and the CardU website to inform customers various credit card and installment promotions.

v. Join promotional activities offered by international organizations to stimulate spending.
vi. Launch promotional activities for customers who use their credit card to pay for the health insurance.

e. Electronic Banking

Continue to enhance the online banking and network ATM functions and to strengthen the security mechanism. Meanwhile, the Bank launches credit card online payment and establishes the third-party settlement, which enables the customers to enjoy faster and more convenient e-commerce services.

f. Wealth Management Business

The Bank has fully utilized service platform to maximize the benefits of customers' total-assets. The Bank research team offer professional strategies and investment recommendation premarket status. In this way, the Bank will be able to offer our customers a high quality and comprehensive wealth management service.

g. Trust Business

i. Real Estate Trust:
   A. Development Trust: To continue developing the land trust, construction financing trust and other associated business coordinated with land development loans in a variety of real estate development trust business.
   B. Pre-sale home payment trust: as requested by competent authority and for trust clients developed by the Bank, the pre-sale home payment trust is promoted for the protection of clients' interests.
   C. Management Trust: Set up property management account. The tenant deposits go directly into the designated trust account. If the property is the Bank's collateral, the rental can be the payment resource of the loan.

ii. Money Trust
   A. Real Estate Transaction Security Trust: Coordinated with the real estate mortgage business for promoting real estate transaction payment security trust and related peripheral operations.
   B. Prepayment trust: in addition to cash gift voucher trust business, the Bank intends to promote prepaid trust for credit card trading gift vouchers and transfer transaction gift vouchers. Credit card issuing banks, gift voucher issuing firms and voucher issuing system providers are brought together to develop a joint marketing platform for the satisfaction of different trust needs of clients.
   C. Specific money trust: the accounting automation of fund business will be effectively reducing manual operation costs and risks, upgrade trust fund user interface to make customer satisfaction better.

h. Investment Business

i. Expand Investment Portfolio
   A. To increase stock portfolio and investment trader, and to optimize the short- and long-term positions.
   B. To ride the QE interest trend and gradually build up fixed income investment portfolio.
   C. Look for new investment products.

ii. Funds management
   A. Continue to participate in Central Bank's CD deposit; maximize interest income by the allocation of long- and short term cash flow per forecasting rate trend.
   B. Proactively bid higher yield of non-guaranteed commercial papers and increase transactions in secondary market in order to improve income.
   C. To expand the breadth of transaction parties to help bank's fund management efficiency.

(3) Market Analysis

a. Analysis on Area of the Banking Service Operations

The global economy is slowly coming back. However, the domestic financial environment has been suffering overbanking in Taiwan for a very long time and the weak demands for capitals. Plus, the Central Bank tightened its grip on the mortgage policy in the real estate market. All of these compress the room lending of development of banks directly and indirectly. As the financial liberation and internationalization, foreign banks are allowed to establish offices and encouraged to merge local banks. Therefore, local banks are feeling the pressure from these foreign counterparts as they come to Taiwan with their resource and innovation provided by their parent corporations. Their system technology, creative thinking, assist them start building close relation with local clients, while providing local businesses with international financial service based on their offshore offices and platforms across their corporations. The "Plan for the development of financial business with characteristics of China and Taiwan" proposed by Financial Supervisory Commission and the "MOU for monetary clearing between China and Taiwan" proposed by Central Bank, both approved by the Executive Yuan on September 6, 2012, marked a new chapter for the financial society in China and Taiwan and facilitated new business opportunities. As the cross-strait financial institutions will have more contacts and cooperation, domestic banks will proactively promote overseas business and develop Asia-pacific markets.

b. The state of future market supply and demand, and potential growth

i. The Supply Side

According to the CBC statistics, as of the end of December, 2013, the number of financial institutions (including domestic banks, business banks, foreign bank branches in Taiwan, credit cooperatives, credit departments of farmers' and fishermen's associations, Department of Savings & Remittance of Chunghwa Post Co., trust investment companies, and life insurance companies) totaled 428, with 6,050 branches.

It is difficult to improve the status of slimmer interest spread as interest rates are still lingering low level, and price competition becomes more intense among homogeneous domestic banks. Domestic government-owned and private financial institutions continue to undertake organizational adjustments, pay more attention to improve the financial structure, strengthen risk management, and launch new product and substantially increase marketing.

ii. The Demand Side

The booming of Internet and development of 3C products (e.g. smart phones and tablet computers) have made e-commerce closely bond with all aspects of business. The important role of cash flow played by banks in the industrial chain of e-commerce helps create greater added values. As a result, the key needs is the services related to electronic banking, ranging from mobile payment, integral investment suggestions, tax planning as well as digital technology, give better interactions and experiences for the customer.

With a steady deregulation in the cross-strait financial policy, there is an opportunity for local banks to expand their presence across the Taiwan Strait by setting up subsidiaries, representative offices, or offshore business units to expand the business exchange. Therefore, it becomes the Bank's need to find appropriate oversea business locations and increase the percentage of offshore profits.

iii.Potential Growth

The bank maintains sustainable strategy. The lending business strategy switches to SME loans, peripheral products (such as trade finance) and personal loans that are more profitable through the widening of interest margin. Those lower the threshold and cost of fund of capital market, which benefit to corporate businesses. For better risk management, the SME loans will be required with real estate as collaterals or credit fund guarantee as second lien or provision of other valuable collaterals. Client screening will be enforced and efforts will be made to find out the exact business operation status of clients in order to secure the payments source and lower the overall lending risks.

c. The Bank Niches

i. The Competitive Niches

A. A network of a total 96 domestic branches, mainly located in metropolitan Taipei and Kaohsiung. Principal counties and cities have established branches with a complete financial service network.

B. Good locations, friendly and efficient services and smooth interaction with customers.
C. Vying for a stable operating foundation, the bank also actively seeks to promote corporate banking, consumer banking, wealth management, foreign exchange, trust, among other services, with which to continue improving its financial structure and excelling its service efficiency.
D. The bank has installed professional financial consultants (FCs) at its branch offices to offer a comprehensive one-stop shopping for a diverse range of professional financial services for maximum synergy in cross marketing.

ii. Outlooks

A. Advantages
   a. The overall financial environment has become more and more sound. The authorities are open to and encouraging research and development of new types of financial products.
   b. The concept of investment has rooted in people's mind and the concept of trust has also formed gradually.
   c. With gradually open cross-strait financial business and internationalization policy, the government continues loosening up limitations on business and regulations, which will help develop the overall structure of financial industry.
   d. As the bank's asset quality continues to improve, operational development will become more sound.
   e. The Bank will continue to plan the establishment and relocation of branch offices in order to expand its financial services and to promote the comprehensive channel value.

B. Disadvantages
   a. With the phenomenon of an over-competing banking industry less likely to eliminate in a short time, sending the sale of a host of financial products to become a price war. The bank, relying primarily on the conventional deposit and lending service, may be kept from expanding the profit differential to excel the operating revenue.
   b. The diversified capital raising modes and a rising weighing on direct financing is likely to suppress the conventional bank's lending business promotion and profitability.
   c. Foreign banks increase their presence in Taiwan and are posing a threat to local banks' wealth management service and the profit niche of the local medium and small businesses' banking market.
   d. When faced with financial holding companies' striking strategic alliance with insurers and securities operators with their economies of scale and distribution advantage, by actively venturing into the cross-strait financial markets and global services through the diverse product contents and the resource-sharing mode, it creates an enormous pressure for medium and small banks to promote their operations.

iii. Solutions

A. By expanding the scope of foreign exchange business and recruiting good hands specialized in international finance to diversify the sources of business income.
B. By continuing to inject resources, stepping up new financial product research and development to offer the client with differentiated quality service in a bid to curtail negative pricing competition.
C. By reshuffling the branch outlets and developing new marketing distribution venues to fully excel the bank's distribution advantage of operating 96 business outlets island-wide.
D. By utilizing the bank's existing operating foundation to actively excel the overall marketing functionalities to deep-root the business banking and foreign exchange service, and by fully expanding into the consumer banking services and wealth management domains.
E. By continuing with organizational reform, and excelling the bank employees' proficiency to strengthen the bank's competitiveness, and by enforcing a service-first philosophy to strength the customer-bank relationship.
F. By improving security codes and system performance of online banking for the transaction security of our clients, developing next generation mobile banking business and promoting the use of electronic forms to increase customers' level of satisfaction and to strengthen the Bank's market competitiveness.

(4) Research of Financial Products and Business Development:

a. Size and profit/loss of major financial products and business units added in the recent two years and the period up to the annual report publication date.

i. Major financial product

To satisfy personal, company and institution demand on purchasing the car or on applying for loans with the name of one's car, the Bank has on May 12 of 2013 launched the vehicle loan services. To expand its product line and to increase the overall income, the Bank has categorized its car finance services into three parts: new cars, used cars and original cars.

Besides, to offer a more convenient foreign exchange financial service, the Bank has completed the DBU launch work in all 86 branches (except mini branches). It is expected to conduct an upgrade work in the future to speed up the Bank's development in foreign exchange business. Besides, as the competent authority has opened the RMB services, the Bank has launched the OBU RMB service on December 27 of 2012 and the OBU RMB service on February 6 of 2013. In the future, it will launch regular RMB related financial management products in order to provide customers a more diversified portfolio.

ii. Business units added:

The Credit Card Business Department in 2012 was renamed Credit Card and Car Loan Department in charge of business planning, development and management of credit card products and car loans.

b. Research and development spending and future research development plan in the recent two years

The existing function of designated foreign currency units are divided into 4 levels for better internal control and business promotion. To improve the foreign currency business capacity of business units, it is planned to start the designated foreign currency unit business in 2013 depending on levels, as to improve the professional ability of staff in foreign currency in a step-by-step manner. Another plan is to request the approval of the Central Bank for upgrade of online banking functions in 2013, including settlement of purchase/sale at NT$500,000 or more, online issuing of L/C, etc., in order to add more human touch in the Bank's foreign currency business and in turn make clients more willing to have business with the Bank.

The e-commerce has bonded closely with all aspects of business. The important role of cash flow played by banks in the industrial chain of e-commerce helps create greater added values. Therefore, in order to improve the market competitiveness and offer customers the brand new e-commerce experience, the Bank has planned to launch the upgrade of the new online bank version, which is expected to launch in the first quarter in 2014; it also continues to plan the installation of the mobile bank (App) and disaster recovery to offer customers a more convenient and secured service; to simplify operating procedures, the Bank has completed the installation of the e-commerce industry chain in the first half year of 2013. Based on this system, the Bank will carry on promoting e-forms in 2014 in order to increase employees' work efficiency and customers' level of satisfaction.

Another target business for the Bank is to launch the third-party payment service (network transaction agent service). It is expected to complete the installation of the third-party payment channels such as credit card acquiring and ATM card payment in the first half year of 2014. Later in quarter 4 of 2014, the service will be launched together with the organization and planning of the system platform.

(5) Long and Short Term Business Development Plans

a. Short-term business development plans

For the short-term plan, to strengthen business physique and improve financial structure is the top priority. The goal is to sustain the fine loan-to-deposit ratio, so deposit and loan can thrive in balance. Through branch relocation and expansion of operation area, and deepening relationship with customers, the Bank plans to urge branches to "Drive Sales By Service" in order to maximize the client base and their contribution.

The Bank is planning to issue subordinated bonds to solidify its operating capital and raise the Bank's self-owned capital adequacy. The Bank plans to lower overdue loan ratios to be below 0.38%, and raise the coverage rate for bad debt allowance to exceed 310%.

b. Mid- and long-term business development plan

From the mid-term perspective, the Bank plans to launch relocation and establishment of branch offices to enhance its overall distribution value, operating performance, and nationwide market shares. In this way, not only the benefits of economic scale will be maximized, but also the Bank's capital structure will be completed and the BIS ratio will be increased to above 10.5%. As for its long-term strategy, the Bank aims to expand its range of financial services, to develop its overseas services, to launch new products, to create diverse income and to strengthen its capital structure in order to increase its competitiveness and profitability.

2. The Employee Profile

Year		2013	2012	As of January 31, 2014
Number of Employees	Executives	119	119	122
	Senior Officers	373	384	373
	Clerks	1,256	1,392	1,296
	Total	1,748	1,895	1,791
Average Age		39.28	38.03	39.08
Average years of service		10.98	9.84	10.7
Education background	Master or above	6.98%	7.76%	7.54%
	College	82.78%	82.37%	82.52%
	High School	10.01%	9.66%	9.72%
	Under high school	0.23%	0.21%	0.22%
Professional licenses held by employees	Basic Proficiency Test for Bank Internal Control	1,098	1,163	1,096
	Proficiency Test for Trust Operations Personnel	1,361	1,443	1,361
	Trust Operations Management Personnel	561	592	559
	Trust Operations Supervisor	8	8	8
	Proficiency Test for Life Insurance Specialist	1,528	1,589	1,529
	Proficiency Test for Investment-oriented Insurance Personnel	746	782	747
	Proficiency Test for Property Insurance Personnel	1,489	1,533	1,489
	Proficiency Test for Financial Planning Personnel	358	392	359
	Basic Proficiency Test for International Banking Personnel	395	408	395
	Basic Proficiency Test for Bank Lending Personnel	678	704	677
	Advanced Proficiency Test for Bank Lending Personnel	24	23	24
	Proficiency Test for Futures Specialist	268	301	268
	Proficiency Test for Securities Specialist	182	203	184
	Proficiency Test for Senior Securities Specialist	155	187	155
	Proficiency Test for Securities Investment Trust and Consulting Professionals	129	143	129
	Proficiency Test for Bill Finance Specialist	62	59	62
	Proficiency Test for Financial Risk Management Personnel	4	4	4
	Proficiency Test for Bank Collateral Appraisal Personnel	18	19	18
	Qualification of Financial Market Knowledge & Professional Ethics Test	1,325	1,374	1,327
	Qualification of Investment Trust and Consulting Regulations Test	829	852	828
	Consultant of Financial Planning (CFP)	4	4	4
	Proficiency Test for Bond Specialist	19	20	19
	Proficiency Test for Securities Investment Analyst	5	7	6
	Proficiency Test for Life Insurance Representative to Sell Foreign Currency Receiving and Paying in Non-Investment Oriented Insurance Products	502	513	503
	Certificate of Completion of Risk Management for Foreign Exchange Derivatives Course	190	192	190

3. Corporate Responsibility and Ethical Risk

The bank is in the forefront of enacting the “Corporate Citizen” role by upholding its consistent philosophy f giving back to the society. The Bank is very active in participating in social welfare and culture activities; for example, the Bank made a donation to the Liver Disease Prevention and Control Foundation to support the liver disease screening in remote areas and to keep our people health; the “Dream come true program for children in remote areas” program delivered not only love and warmth, but also physical materials to 300 children to make their dreams come true. Besides, it also held the “Moon Festival Public Welfare Group Buying activity” and donated all the revenues to Eden Social Welfare Foundation service centers to arouse the public’s attention towards disadvantaged minority groups.

4. Information Infrastructure

(1) The allocation and maintenance of major information system

1. Tandem Taiwan/foreign currency transaction system.
2. Telephone banking.
3. Online banking.
4. The trust system.
5. The Wealth management system.
6. The auditing management system.
7. The bills and bonds system.
8. RCE
9. ACH
10. The stock affairs management system
11. The treasury system.
12. The Trade Finance system.
13. The collection management system.
14. RPS
15. The online seal system.
16. The Intranet System
17. E-JCIC.
18. The internet ATM system.
19. The Junk Email Spam system.
20. The Intrusion Detection and Network Flow Analysis System
21. Router ACS.
22. Router LMS.
23. The Anti-virus server system.
24. The XML financial payments system.
25. The E-LOAN system.
26. Establishment of the internet management auditing system
27. Establishment of the parking fee collection system
28. E-Billing system
29. Customer Service Center CTI

30. Computerized corporate finance lending system
31. Business customer consignment processing
32. Voice recording system for wealth management
33. Electronic document editing system
34. Asset Management System
35. Email Pre- and Post-Audit System
36. Document Control and Encryption System
37. Electronic Bill Encryption System
38. Database Audit System

(2) Future development or purchase plan

1. Online banking upgrade and improvement
2. The information security protection system in response to personal information regulations.
3. Installation of the metadata and disaster recovery system facilities
4. Installation and connection of the credit card acquiring network
5. Re-installation of the network ATM
6. Installation and connection of the third-party payment service
7. Upgrade of the fire wall

(3) Emergency back-up and security measures:

a. Purpose: Based on the recovery system, maintain the bank operation in order to minimize the impact brought by information loss and interruption of operations through regular backup and test maneuver when disasters hit.

b. The Business Continuity Plan Scope:

1. The system backup center and the project team.
2. Evaluation on the organization and the environment of the current information office.
3. Reorganize the structure of system and operating system process.
4. Make disaster backup plans.
5. Execute necessary training.
6. Compile related documents.
7. Propose revising plans upon encountering problems.

5. Relationships of Labors and Employer

(1) Employee Welfare Measures, Retirement System and Its Implementation, Labor-employer Agreements, and Measures for Protecting Employee Interests:

a. Employee Welfare:

1. Labor insurance, health insurance and group insurance.

2. Free health checkup.
3. Benefit from “Employee Welfare Committee”: reimbursement for weddings, funerals, disasters and emergencies, bonus for Chinese New Year, Dragon Boat Festival and Moon Festival, reimbursement for employee’s birthday and club events.

b. The retirement system and implementation
1. Establish Employee Pension Supervisory Committee.
2. The pension is matched monthly, in accordance with related regulations, to a special pension account of each employee starting working for Sunny Bank Co., Ltd. from July 1, 2005 or choosing the new applicable pension system. As to the employees who choose the previous pension system, the pension contribution is matched monthly in accordance with related regulations.
3. Offer retirement pension when an employee retires according to the regulations.

c. Agreements between labor and employer, and other rights
1. Work Code: It is revised according to laws and agreements between labor and employer or management systems. Such revision will be submitted to the Department of Labor for approval, announced at offices and distributed to each employee.
2. Regularly hold labor-employer meetings.

(2) Loss arising from labor-employer disputes in recent years and the period until the publication date:

Chen, an employee of the Bank, filed a civil lawsuit at the civil court of Taiwan Shilin District Court (2013 Labor Lawsuit Number 6) requesting for damage compensation, remuneration and interests in a total amount of NT$ 648,854. An interest was charged at an annual rate of 5% from the next day of the delivery of indictment. The expenses of lawsuit were borne by the defendant.

6. Important Contracts/Agreements

As of December 31, 2013

Contracts	Counterpart	Period	Content	Condition
Deposit Insurance Policy	Central Deposit Insurance Corp.	Signed on September 2, 1987	The counterpart is liable to domestic currency depositor or beneficiary when the Bank is unable to perform its obligations to pay the deposit or the trust fund beneficiary.	The maximum indemnity for the same depositor is NT$ 3 million.
Small & Medium Business Credit Guarantee Contract	Small & Medium Business Credit Guarantee Fund (SMEG)	Signed on December 1, 1997	For financing applied for by small and medium businesses, when insufficient or lacking of guarantee was presumed while such a proposal is generally reviewed and accepted, the Bank may apply for a credit guarantee from this Fund for the insufficient part	While the Bank undertakes credit granting services and signs contracts for loans with small and medium businesses, the Bank will follow credit granting regulations approved by authority and the conditions listed in the letter of guarantee of the Fund.
Credit Rating Agreement	Taiwan Rating Corporation	Signed on December 23, 1999	Provide rating services upon request of the Bank.	The Bank shall provide complete, effective, timely and reliable information.
Bank Comprehensive Insurance Policy	Shinkong Insurance Co.	January 1, 2013 ~ January 1, 2014	The Insurance company shall be liable to the dishonesty of employees, property at operating locations, property in delivery, forgery of bills and securities, forgery of currency, mistakes, of securities or contracts and negligence of shortage of bills.	It is bounded by general conditions, special conditions and other restrictions listed in the letter of approval made by the Insurance company.
Security Service Contract	Taiwan Secom Co., Ltd.	October 1 2011 ~ September 30 2016	Security service for ATMs located at the 96 branches and 19 offices and 12 stand-alone ATM units	None
Maintenance Contract	Yi-Kang Information	February 28, 2013 ~ February 28, 2014	Upgrade and maintenance of the “WEB-ATM” and safety control mechanism	None

Contracts	Counterpart	Period	Content	Condition
Maintenance Contract	Hui Pu Qing Hao	March 31, 2013 ~ March 31, 2015	Maintenance of the "Account Host of the Tandem Banking System"	None
Maintenance Contract	Netranger Tech.	March 31, 2013 ~ March 31, 2015	Maintenance of the "Symatec Corporation Anti-Virus System"	None
Maintenance Contract	Docutek Solutons,Inc.	April 30, 2013 ~ April 30, 2016	Authorization of the Websense Software	None
Maintenance Contract	THE SYSCOM GROUP	April 30, 2013 ~ April 30, 2015	Maintenance of the Bank's overall network facilities	None
Maintenance Contract	Green-Computing	May 31, 2013 ~ June 30, 2016	Purchase and maintenance of the e-mail software	None
Maintenance Contract	Sun Morn Incorporation	July 1, 2013 – June 30, 2015	Maintenance of the "Auto-detectors inside the Machine Room of InformationDepartment"	None
Maintenance Contract	Sun&Moon Rise	June 22, 2012 ~ June 30, 2015	Maintenance of the asset management software	None
Maintenance Contract	Zhong Yi Information	June 30, 2013 ~ June 30, 2014	Maintenance of the terminal facilities (all)	None
Maintenance Contract	RichSmart Technology Co., Ltd.	July 31, 2013 ~ July 31, 2015	Maintenance of the "Joint Credit Information Center's hardware security module HA2000" and "Central Bank's encrypted communication device"	None
Maintenance Contract	MDS	January 1, 2012 ~ December 31, 2013	Maintenance of the Bank's ATM	None
Maintenance Contract	Leo	January 1, 2012 ~ December 31, 2013	Maintenance of 19 ATMs and 6 passbook entry machines	None
Maintenance Contract	Tatung System Technology Inc.	December 20, 2013 ~ December 19, 2015	Maintenance of EVA4400	None
Maintenance Contract	Hwa Nan Computer Service Corp.	January 1, 2013 ~ December 31, 2013	Maintenance of the Bank's printers, recorder and passbook entry machines	None
Maintenance Contract	Image Model	January 1, 2013 ~ December 31, 2013	Maintenance of the Bank's seal / signature connection system	None
Maintenance Contract	Tai Win Technology Corp.	March 16, 2012 ~ March 16, 2015	Maintenance of the routers and modem devices	None
Maintenance Contract	Seapower Technology Co., Ltd.	October 1, 2012 ~ September 30, 2014	Maintenance of the "SPAM"	None
Maintenance Contract	Gan Lin	April 1, 2011 ~ March 31, 2014	Maintenance of the "Credit check system"	None
Maintenance Contract	TSC Technologies, Inc.	March 1, 2011 ~ February 28, 2014	Maintenance of the "Report CD check system (RPS)"	None
Maintenance Contract	Dimension Data	January 1, 2012 ~ January 31, 2014	Maintenance of the "Fire-Wall Information Security Facilities" and "Hardware of Intrusion Detection System (IDS)	None
Maintenance Contract	IBM	January 1, 2013 ~ December 31, 2015	Hardware of the credit trust system mainframe AS-400 and the service system mainframe AS-400	None

7. Transactions of Securitized Commodity: None

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VI. Financial Status

1. Brief Balance Sheets and Income Statements in the Last 5 Years
2. Financial Analysis in the Last 5 Years
3. Supervisor's Report
4. Financial Statement
5. Consolidated Financial Statements of Affiliates audited by CPAs
6. Effect of Financial Difficulties Experienced by the Bank and Related Enterprises on the Bank's Financial Status in Most Recent Year and to the Annual Report Publication Date

1. Brief Balance Sheets and Income Statements in the Last 5 Years

(1) Brief Balance Sheet

a. Simplified Balance Sheet (Consolidated) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000

Items / Year (Note 2)		Financial Information of Recent 5 Years (Note 2)					Financial Data Collected before January 31, 2014
		2013	2012	2011	2010	2009	
Cash and cash equivalents, Dues from the Central Banks & Other Banks		51,189,870	51,149,151	---	---	---	52,449,230
Financial assets at fair value through profit or loss		14,951,049	4,639,385	---	---	---	15,375,587
Available-for-sale financial assets		4,92,196	2,960,387	---	---	---	5,163,886
Notes and Bonds Issued under Resale Agreement		1,952,061	958,261	---	---	---	1,654,416
Receivables - Net		2,193,318	1,247,203	---	---	---	1,896,547
Current tax assets		127,302	112,115	---	---	---	131,069
Discounts and Loans - Net		202,807,580	189,949,281	---	---	---	202,073,271
Hold-to-maturity Financial Assets		1,071,615	1,172,437	---	---	---	1,071,270
Other Financial Assets - Net		2,210,365	361,252	---	---	---	2,326,675
Property and Equipment - Net		9,371,836	9,453,814	---	---	---	9,374,851
Intangible Assets - Net		1,048,502	1,051,971	---	---	---	1,047,866
Deferred tax assets - Net		690,445	822,184	---	---	---	690,445
Other Assets		530,837	533,216	---	---	---	718,654
Total Assets		293,068,976	264,410,657	---	---	---	293,973,767
Due to Central Banks and Other Banks		7,096,606	8,166,220	---	---	---	9,046,606
Statement of financial assets at fair value through profit or loss		9,978	3,924	---	---	---	17,748
Notes and Bonds Issued under Repurchase Agreement		500,12	1,972,826	---	---	---	400,000
Payables		2,511,757	3,553,931	---	---	---	3,549,165
Current tax liabilities		15,256	13,992	---	---	---	18,941
Deposits and Remittances		258,220,132	229,153,709	---	---	---	255,783,064
Bonds Payable		9,301,400	8,103,900	---	---	---	9,301,400
Other Financial Liabilities		462,027	---	---	---	---	651,095
Liability Reserves		286,330	313,770	---	---	---	289,344
Deferred tax liabilities		141,613	133,555	---	---	---	141,613
Other Liabilities		275,717	228,684	---	---	---	325,444
Total liabilities	Before distribution	278,820,938	251,644,511	---	---	---	279,524,420
	After distribution (Note 1)	278,820,938	251,644,511	---	---	---	279,524,420
Equity attributable to owners of the parent							
Capital		13,349,730	12,749,730	---	---	---	13,349,73
Capital Surplus		4,500	---	---	---	---	4,500
Retained earnings (accumulated loss)	Before distribution	953,047	93,957	---	---	---	1,155,852
	After distribution (Note 1)	953,047	93,957	---	---	---	1,155,852
Other equity		(62,874)	(80,964)	---	---	---	(64,394)
Treasury shares		(3,508)	(3,508)	---	---	---	(3,508)
Non-controlling interest		7,143	6,931	---	---	---	7,167
Total Equity	Before distribution	14,248,038	12,766,146	---	---	---	14,449,347
	After distribution (Note 1)	14,248,038	12,766,146	---	---	---	14,449,347

Note 1: As the allocation of the 2013 profits are not yet decided by Shareholders' Meeting, the amount before and after the allocation are identical.
Note 2: Above financial data have all been audited and accredited by accountants except those for January 31 of 2014. Besides, some of the 2009 - 2011 financial data were collected not based on the International Financial Reporting Standards (IFRS).

b. Simplified Balance Sheet (Individual) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000

Items / Year (Note 2)		Financial Information of Recent 5 Years (Note 2)					Financial Data Collected before January 31, 2014
		2013	2012	2011	2010	2009	
Cash and cash equivalents, Dues from the Central Banks & Other Banks		50,935,916	50,583,713	---	---	---	52,175,59
Financial assets at fair value through profit or loss		14,935,197	4,620,712	---	---	---	15,360,752
Available-for-sale financial assets		4,917,626	2,953,917	---	---	---	5,157,590
Notes and Bonds Issued under Resale Agreement		1,947,061	958,261	---	---	---	1,649,416
Receivables - Net		1,241,239	1,052,41	---	---	---	1,059,391
Current tax assets		126,913	111,648	---	---	---	131,069
Discounts and Loans - Net		202,421,259	189,949,281	---	---	---	201,667,684
Hold-to-maturity Financial Assets		1,070,618	1,171,441	---	---	---	1,070,273
Investments accounted for using the equity method - Net		1,271,647	1,205,638				1,277,378
Other Financial Assets - Net		2,177,301	325,252	---	---	---	2,293,611
Property and equipment - Net		9,347,187	9,431,883	---	---	---	9,350,388
Intangible Assets - Net		1,047,238	1,050,605	---	---	---	1,046,669
Deferred tax assets - Net		686,970	819,948	---	---	---	686,970
Other Assets		279,106	326,581	---	---	---	492,143
Total Assets		292,405,278	264,561,821	---	---	---	293,418,931
Due to Central Banks and Other Banks		7,096,606	8,166,220	---	---	---	9,046,606
Statement of financial assets at fair value through profit or loss		9,978	3,924	---	---	---	17,748
Notes and Bonds Issued under Repurchase Agreement		500,122	1,972,826	---	---	---	400,000
Payables		2,080,148	3,313,674	---	---	---	3,489,061
Deposits and Remittances		258,493,252	229,574,78	---	---	---	256,051,035
Bonds Payable		9,304,900	8,109,400	---	---	---	9,304,900
Liability Reserves		286,255	313,770	---	---	---	289,268
Deferred tax liabilities		140,041	133,555	---	---	---	140,041
Other Liabilities		253,081	214,449	---	---	---	238,092
Total liabilities	Before distribution	278,164,393	251,802,606	---	---	---	278,976,751
	After distribution (Note 1)	278,164,383	251,802,606	---	---	---	278,976,751
Capital		13,349,730	12,749,730	---	---	---	13,349,730
Capital Surplus		4,500	---	---	---	---	4,500
Retained earnings (accumulated loss)	Before distribution	953,047	93,957	---	---	---	1,155,852
	After distribution (Note 1)	953,047	93,957	---	---	---	1,155,852
Other equity		(62,874)	(80,964)	---	---	---	(64,394)
Treasury shares		(3,508)	(3,508)	---	---	---	(3,508)
Total Equity	Before distribution	14,240,895	12,759,215	---	---	---	14,442,180
	After distribution (Note 1)	14,240,895	12,759,215	---	---	---	14,442,180

Note 1: As the allocation of the 2013 profits are not yet decided by Shareholders' Meeting, the amount before and after the allocation are identical.

Note 2: Above financial data have all been audited and accredited by accountants except those for January 31 of 2014. Besides, some of the 2009 - 2011 financial data were collected not based on the International Financial Reporting Standards (IFRS).

c. Simplified Balance Sheet (Consolidated) - National Financial Reporting Standards

Unit: NT$1,000

Items \ Year (Note 2)		Financial Information of Recent 5 Years (Note 2)				
		2013	2012	2011	2010	2009
Cash, Dues from the Central Banks & Other Banks		---	51,182,151	54,285,275	42,401,700	41,135,359
Financial asset with change in fair value being recorded as gains or losses		---	4,639,008	2,794,913	2,629,894	2,140,200
Notes and Bonds Issued under Resale Agreement		---	958,261	420,380	---	---
Receivables		---	1,140,840	1,046,936	2,088,312	3,292,201
Discounts and Loans		---	189,949,281	177,345,283	172,483,268	161,951,070
Financial asset available for sale		---	2,960,387	1,240,422	2,678,761	3,558,230
Hold-to-maturity Financial Assets		---	1,172,439	996	---	79,880
Investments accounted for using the equity method		---	---	---	---	26,173
Other Financial Assets		---	328,252	328,577	434,136	437,481
Fixed Assets - Net		---	8,930,748	8,998,130	9,134,180	9,225,976
Intangible Assets - Net		---	1,051,971	1,057,998	1,048,221	1,060,110
Other Assets		---	1,847,691	1,896,118	2,128,653	2,456,111
Total Assets		---	264,161,027	249,415,08	235,027,125	225,362,791
Due to Central Banks and Other Banks		---	8,166,220	7,311,459	5,805,631	5,939,242
Financial liabilities with change in fair value being recorded as gains or losses		---	3,924	1,939	15,759	6,832
Notes and Bonds Issued under Repurchase Agreement		---	1,972,826	689,526	2,253,586	---
Payables		---	3,356,885	3,065,797	2,689,838	3,221,412
Deposits and Remittances		---	229,153,709	219,354,071	204,848,014	199,320,480
Financial Bonds Payable		---	8,103,990	6,803,900	8,003,900	6,003,990
Estimated reserve provided fo land value increment tax		---	133,325	133,325	133,325	133,325
Other Liabilities		---	306,012	326,802	427,388	405,964
Total liabilities	Before distribution	---	251,196,801	237,686,819	224177,441	215,031,155
	After distribution (Note 1)	---	251,196,801	237,686,819	224,177,441	215,031,155
Rights of the Parent Company's Shareholders						
Capital		---	12,749,730	12,749,730	12,249,730	12,249,730
Capital Surplus		---	---	12,598	11,173	11,173
Retained earnings (accumulated loss)	Before distribution	---	82,932	(1,159,531)	(1,682,124)	(2,232,891)
	After distribution (Note 1)	---	82,932	(1,159,531)	(1,682,124)	(2,232,891)
Unrealized revaluation increment		---	256,642	256,642	256,642	256,642
Unrealized gains and losses of financial products		---	(76,360)	(108,599)	13,075	46,064
Shareholders' Rights and Other Items		---	(55,505)	(29,321)	(4,663)	(4,722)
Minor Shares		---	6,787	6,690	5,851	5,640
Total Equity	Before distribution	---	12,964,226	11,728,209	10,849,684	10,331,636
	After distribution (Note 1)	---	12,964,226	11,729,209	10,849,684	10,331,636

Note 1: Profit distribution of 2012: losses were covered before legal reserve was allocated; also, the balance under the "unrealized profit or loss on financial instruments" of shareholders' e1quity was allocated as special reserve. The total undistributed profit of 2012 was NT$0.

Note 2: The financial information for above years have been audited and approved by Independent auditors.

d. Simplified Balance Sheet (Individual) - National Financial Reporting Standards

Unit: NT$1,000

Items \ Year (Note 2)		Financial Information of Recent 5 Years (Note 2)				
		2013	2012	2011	2010	2009
Cash, Dues from the Central Banks & Other Banks		---	50,583,713	54,193,313	42,368,042	41,089,147
Financial asset with change in fair value being recorded as gains or losses		---	4,620,335	2,653,828	2,598,10	2,120,938
Notes and Bonds Issued under Resale Agreement		---	958,261	360,380	---	---
Receivables		---	1,158,387	1,053,611	1,550,317	2,493,681
Discounts and Loans		---	189,949,281	177,345,283	172,483,268	161,951,070
Financial asset available for sale		---	2,953,917	1,234,495	2,670,252	3,551,598
Hold-to-maturity Financial Assets		---	1,171,441	---	---	79,880
Investments accounted for using the equity method		---	1,194,660	559,970	301,056	293,868
Other Financial Assets		---	325,252	325,577	434,136	437,481
Fixed Assets - Net		---	8,908,817	8,977,087	9,115,653	9,205,652
Intangible Assets - Net		---	1,050,605	1,056,835	1,048,221	1,060,110
Other Assets		---	1,637,927	1,693,783	1,929,543	2,252,342
Total Assets		---	264,512,596	249,454,162	234,498,618	224,535,767
Due to Central Banks and Other Banks		---	8,166,220	7,311,459	5,805,631	5,939,242
Financial liabilities with change in fair value being recorded as gains or losses		---	3,924	1,939	15,759	6,832
Notes and Bonds Issued under Repurchase Agreement		---	1,972,826	689,526	2,253,586	---
Payables		---	3,313,787	3,036,783	2,117,2522	2,381,449
Deposits and Remittances		---	229,574,788	219,449,892	204,947,843	119,387,448
Financial Bonds Payable		---	8,109,400	6,809,400	8,009,400	6,009,400
Estimated reserve provided fo land value increment tax		---	133,325	133,325	133,325	113,325
Other Liabilities		---	280,887	300,319	371,989	352,075
Total liabilities	Before distribution	---	251,555,157	237,732,643	223,654,785	214,209,771
	After distribution (Note 1)	---	251,555,157	237,732,643	223,654,785	214,209,771
Capital		---	12,749,730	12,749,730	12,249,730	12,249,730
Capital Surplus		---	---	12,598	11,173	11,173
Retained earnings (accumulated loss)	Before distribution	---	82,932	(1,159,531)	(1682,124)	(2,232,891)
	After distribution (Note 1)	---	82,932	(1,159,531)	(1682,124)	(2,232,891)
Unrealized revaluation increment		---	256,642	256,642	256,642	256,642
Unrealized gains and losses of financial products		---	(76,360)	(108,599)	13,075	46,064
Shareholders' Rights and Other Items		---	(55,505)	(29,321)	(4,663)	(4,722)
Total Equity	Before distribution	---	12,957,439	11,721,519	10,843,833	10,325,996
	After distribution (Note 1)	---	12,957,439	11,721,519	10,843,833	10,325,996

Note 1: Profit distribution of 2012: losses were covered before legal reserve was allocated; also, the balance under the "unrealized profit or loss on financial instruments" of shareholders' e1quity was allocated as special reserve. The total undistributed profit of 2012 was NT$0.

Note 2: The financial information for above years have been audited and approved by Independent auditors.

(2) Brief Comprehensive Income Statement

a. Brief Comprehensive Income Statement (Consolidated) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000 except NT$ for earnings (losses) per share

Items \ Year	Financial Information of Recent 5 Years (Note)					Financial Data Collected before January 31, 2014
	2013	2012	2011	2010	2009	
Interest Revenues	5,679,484	5,225,549	---	---	---	505,145
Minus: Interest Expenses	2,328,071	2,217,558	---	---	---	208,300
Net Interest Income	3,351,413	3,007,991	---	---	---	296,845
Other Net Income except Interest	1,392,936	1,089,618	---	---	---	140,359
Net Operating Income	4,744,349	4,097,609	---	---	---	437,204
Bad Debt Expenses and Guarantee Liability Provisions	78,402	143,043	---	---	---	4,652
Operating Expenses	2,941,857	2,652,977	---	---	---	226,020
Net Profit Before Tax of Operating Departments	1,024,090	1,301,589	---	---	---	206,532
Tax Expense (Benefit)	(163,362)	(62,693)	---	---	---	(3,701)
Current Net Profit of Operating Departments	860,728	1,238,896	---	---	---	202,831
Profit or Loss of Discontinued Operations	---	---	---	---	---	---
Net Profit (or Net Loss) for the Period	860,728	1,238,896	---	---	---	202,831
Other Comprehensive Income (Net Income after Tax) for the Period	16,664	4,792	---	---	---	(1,522)
Total Comprehensive Income of the Period	877,392	1,243,688	---	---	---	201,309
Net Profit attributable to Owner of the Parent	860,500	1,238,802	---	---	---	202,806
Net Profit attributable to Non-Controlling Interest	228	94	---	---	---	25
Total Comprehensive Income attributable to Ownder of the Parent	877,180	1,243,589	---	---	---	201,285
Total Comprehensive Income attributable to Non-Controlling Interest	212	99	---	---	---	24
Earnings (Loss) per share	0.66	0.97	---	---	---	0.15

Note: Above financial data have all been audited and accredited by accountants except those for January 31 of 2014. Besides, some of the 2009 - 2011 financial data were collected not based on the International Financial Reporting Standards (IFRS).

b. Brief Comprehensive Income Statement (Individual) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000 except NT$ for earnings per share

Items \ Year	Financial Information of Recent 5 Years (Note)					Financial Data Collected before January 31, 2014
	2013	2012	2011	2010	2009	
Interest Revenues	5,641,293	5,213,325	---	---	---	499,079
Minus: Interest Expenses	2,325,058	2,219,095	---	---	---	207,300
Net Interest Income	3,316,235	2,994,230	---	---	---	297,779
Other Net Income except Interest	1,239,773	962,945	---	---	---	129,814
Net Operating Income	4,556,008	3,957,175	---	---	---	421,593
Bad Debt Expenses and Guarantee Liability Provisions	747,965	127,664	---	---	---	3,622
Operating Expenses	2,807,459	2,542,808	---	---	---	215,165
Net Profit Before Tax of Operating Departments	1,000,584	1,286,703	---	---	---	202,806
Tax Expense (Benefit)	(140,084)	(47,901)	---	---	---	---
Current Net Profit of Operating Departments	860,500	1,238,802	---	---	---	202,806
Profit or Loss of Discontinued Operations	---	---	---	---	---	---
Net Profit (or Net Loss) for the Period	860,500	1,238,802	---	---	---	202,806
Other Comprehensive Income (Net Income after Tax) for the Period	16,680	4,787	---	---	---	(1,521)
Total Comprehensive Income of the Period	877,180	1,243,59	---	---	---	201,285
Earnings (Loss) per share	0.66	0.97	---	---	---	0.15

Note: Above financial data have all been audited and accredited by accountants except those for January 31 of 2014. Besides, some of the 2009 - 2011 financial data were collected not based on the International Financial Reporting Standards (IFRS).

c. Brief Comprehensive Income Statement (Consolidated) - National Financial Reporting Standards

Unit: NT$1,000 except NT$ for earnings (losses) per share

Items \ Year	Financial Information of Recent 5 Years (Note)				
	2013	2012	2011	2010	2009
Net Interest Income	---	3,022	2,982,740	2,668,336	1,614,186
Other Net Income (loss) except Interest	---	1,045,938	619,041	825,974	1,113,132
Bad Debt Expenses	---	138,018	551,247	375,297	539,270
Operating Expenses	---	2,638,207	2,538,11	2,514,174	2,459,237
Net Profit Before Tax of Operating Departments	---	1,291,765	512,363	604,839	(271,189)
Net Profit After Tax of Operating Departments	---	1,229,959	500,230	550,963	(310,454)
Net Profit or Loss (Net Income after Tax) for the Period	---	---	---	---	---
Extraordinary Gains and Losses (Net Income after Tax)	---	---	---	---	---
Cumulative Effect of Changes in Accounting Principles (Net Income after Tax)	---	---	---	---	---
Current Profit and Loss	---	1,229,959	500,230	550,963	(310,454)
Earnings (Loss) per share	---	0.96	0.40	0.45	(0.25)

Note: The financial information for above years have been audited and approved by Independent auditors.

d. Brief Comprehensive Income Statement (Individual) - National Financial Reporting Standards

Unit: NT$1,000 except NT$ for earnings (losses) per share

Items / Year	Financial Information of Recent 5 Years (Note)				
	2013	2012	2011	2010	2009
Net Interest Income	---	3,016,733	2,981,377	2,668,077	1,613,782
Other Net Income (loss) except Interest	---	919,309	498,539	709,05	979,874
Bad Debt Expenses	---	131,018	539,247	375,297	528,270
Operating Expenses	---	2,528,154	2,433,059	2,406,318	2,346,170
Net Profit Before Tax of Operating Departments	---	1,276,870	507,610	595,467	(280,784)
Net Profit After Tax of Operating Departments	---	1,229,865	500,228	50,767	(310,784)
Net Profit or Loss (Net Income after Tax) for the Period	---	---	---	---	---
Extraordinary Gains and Losses (Net Income after Tax)	---	---	---	---	---
Cumulative Effect of Changes in Accounting Principles (Net Income after Tax)	---	---	---	---	---
Current Profit and Loss	---	1,229,865	500,228	550,767	(310,784)
Earnings (Loss) per share	---	0.96	0.40	0.45	(0.25)

Note: The financial information for above years have been audited and approved by Independent auditors.

(3) Auditing Opinions by Certified Public Accountants

Year	CPA Office	Name of CPA	Auditing Opinion
2008	Deloitte & Touche	Shao, Chih-Ming/ Kuo, Cheng-Hung	Remaining Opinion (Note)
2009	Deloitte & Touche	Lin, Hsiu-Lien/ Shao, Chih-Ming	Remaining Opinion (Note)
2010	Deloitte & Touche	Shao, Chih-Ming/ Chen, Chao-Feng	Remaining Opinion (Note)
2011	Deloitte & Touche	Chen, Chie-Chung/ Chen, Chao-Feng	No remaining opinion
2012	Deloitte & Touche	Chen, Chie-Chung/ Wu, Yi-Chun	No remaining opinion

Note: Liquidating nonperforming loans to asset management companies, where the losses were deferred according to stipulations set by the "Financial Institutions Merger Law" and were amortized over a five-year period to deviate from the general recognized accounting principles in 2007 and 2006. The foregoing unlisted losses due to sale of nonperforming loans have been amortized in 2011.

2. Financial Analysis in the Last 5 Years

(1) Financial Analysis

Financial Analysis (Consolidated) - International Financial Reporting Standards (IFRS)

Subject	Year (Note 2)	Financial Analysis for the Last Five Years				
		2013	2012	2011	2010	2009
Operating Ability	Ratio of Loans to Deposits (%)	79.54	83.73	---	---	---
	Ratio of Overdue Loans (%)	0.59	0.58	---	---	---
	Ratio of Interest Expense to Average Deposits (%)	0.80	0.83	---	---	---
	Ratio of Interest Revenue to Average Loans (%)	2.61	2.57	---	---	---
	Total Asset Turnover (times)	0.02	0.02	---	---	---
	Average Operating Revenue Per Employee (in NT$1,000)	2,563	2,061	---	---	---
	Average Earnings Per Employee (in NT$1,000)	465	623	---	---	---
Profitability	Return on Tier-1 Capital (%)	8.38	11.64	---	---	---
	Return on Assets (%)	0.31	0.48	---	---	---
	Rate of Return on Shareholders' Equity (%)	6.37	10.20	---	---	---
	Net Income Ratio (%)	18.14	30.23	---	---	---
	Earnings Per Share (NT$) (Note 1)	0.66	0.97	---	---	---
Financial structure (%)	Total Debt Ratio	95.13	95.16	---	---	---
	Fixed Asset to Shareholders' Equity Ratio	65.78	74.05	---	---	---
Growth (%)	Assets Growth Rate	10.84	5.96	---	---	---
	Profit Growth Rate	(21.32)	154.04	---	---	---
Cash flow (%)	Cash Flow Ratio	42.58	154.10	---	---	---
	Cash Flow Adequacy Ratio	8,502.40	12,494.61	---	---	---
	Cash Flow Satisfied Ratio	(111.33)	(723.52)	---	---	---
Liquid Reserves Ratio (%)		21.95	17.56	---	---	---
Total Secured Loans of Stakeholders (in NT$1,000)		2,458,421	2,006,652	---	---	---
Ratio of Total Secured Loans of Stakeholders to total loans (%)		1.18	1.20	---	---	---
Scale of Operation	Market Share of Assets	0.50	0.50	---	---	---
	Market Share of NET WORTH	0.33	0.32	---	---	---
	Market Share of Deposits	0.90	0.85	---	---	---
	Market Share of Loans	0.86	0.84	---	---	---

Description for changes in ratios:

1. Increase of employees' average income: Due to the increase of the Bank's net interest and net transaction incomes as well as the decrease of the number of employees.
2. Decrease of employees' average profit, return on assets (ROA, return on equity (ROE), net profit ratio, earning per share and profitability: The main reason is that competent authorities with Type 1 normal loans shall prepare 1% amount as the allowance in order to improve the product quality and to increase the coverage ratio. The bad debt expense and the guarantee liability provisions therefore increased and resulted in a decrease of the gain / loss before and after tax. Besides, as the capital was increased by cash this year, the average of weighted shares that circulate outside also increased and resulted in a decrease of earning per share.
3. Increase of the asset growth rate: Total capital was increased mainly because of the increase of financial assets at fair value through profit / loss, discounts and loans.

Note 1: It is calculated on a basis of the number of shares retroactively adjusted.
Note 2: The above financial data shown in the last five years have been audited and accredited by CPA
Note 3: Formula for financial ratios:

1. Management
   (1) Ratio of loans to deposits = Loans/ Deposits
   (2) Ratio of overdue loans = Overdue loans/ Loans
   (3) Ratio of interest expense to average deposits = Expense of deposit related interest / Annual Average deposits
   (4) Ratio of interest revenue to average loans = Revenue of credit related interest / Annual Average loans
   (5) Total asset turnover=Net income/ Total Average Asset
   (6) Average operating revenue per employee (Note 7) = Net income/ Number of Total employees
   (7) Average earnings per employee = Net Income after Tax/ Number of Total employees
2. Profitability
   (1) Return on Tier-1 capital = Income before Tax/ Average Tier-1 capital
   (2) Return on Assets = Income after Tax/ Average Assets
   (3) Equity return ratio = Income after Tax/ Average shareholders' equity
   (4) Net income ratio = Income after Tax/ Net income
   (5) Earnings per share = (Income after Tax- Dividends of Preferred Shares) / Weighted average outstanding shares. (Note 5)
3. Financial Structure
   (1) Total Debt Ratio =Total Liabilities (Note 4) /Total Assets
   (2) Fix Asset to Equity Ratio = Net Fix Asset / Net Equity
4. Growth Rate
   (1) Assets growth rate = (Total Assets of the Year - Total Assets of the Previous Year) / Total Assets of the Previous Year
   (2) Profit growth rate = (Income before Tax of the Year - Income before Tax of the Previous Year) / Income before Tax of the Previous Year
5. Cash Flow (Note 8)
   (1) Cash Flow Ratio = Net operating cash / (due from other banks + commercial paper payable + financial liability at fair value through profit or loss + Repurchase Agreements & Bonds Liability + Payables of maturity within one year
   (2) Net Cash Flow Adequacy Ratio =Net operating cash in the last five years/ (capital expenditures + cash dividends) in the last five year
   (3) Cash Flow Satisfied Ratio = Operating Cash / Invested Cash
6. Liquid Reserves Ratio = Current assets required by the CBC/Liabilities allocated for liquid reserve
7. Scope of Operating
   Market Share of Assets = Total Asset / Total Asset of All Financial Institutions Available for Deposits and Loans (Note 6)
   Market Share of Net worth = Total Net worth / Total net worth of All Financial Institutions Available for Deposits and Loans
   Market Share of Deposits = Total Deposits / Total Deposits of All Financial Institutions Available for Deposits and Loans
   Market Share of Loans = Total Loans / Total Loans of All Financial Institutions Available for Deposits and Loans

Note 4: Total liabilities should deduct of guarantee and contingency loss reserves.
Note 5: Attention should be paid to for using the above formulas.

1. It is calculated on a basis of weighted average number of shares instead of the number of shares issued at the end of the year.
2. Weighted average numbers of shares, the calculation should considering the period of outstanding when there are transactions of cash capital increase or treasury stocks.
3. While calculating annual and semi-annual EPS, it should be retroactively adjusted in proportion of increment without considering the issuance period of such increment upon capital increase form earnings or surplus.
4. In case the preferred shares are non-convertible accumulated preferred shares, the annual dividends (whether distributed or not) shall be deducted from income loss after tax or added to net loss after tax.
5. In case preferred shares are non-accumulated, the dividends of preferred shares shall be deducted from net income after tax. When there is loss after tax, adjustment is not necessary.

Note 6: All financial institutions offering the services of deposit and loans include domestic banks, branches of foreign banks, credit cooperative, and credit departments of fishermen’s and farmers’ association.
Note 7: Operating income means the total amount of interest and non-interest income.
Note 8: While cash flow analysis is measured, special attention should be paid to the following matters:

1. Net operating cash flow is net cash inflow for operating activities in the Cash Flow Statement
2. Capital expenditure means cash outflow for annual capital investment.
3. Cash dividend including cash dividend for common stock and Preferred Shares.
4. Gross fixed assets are total fixed assets before the deduction of accumulated depreciation.

Financial Analysis (Individual) - International Financial Reporting

Subject	Year (Note 2)	2013	2012	2011	2010	2009
		Financial Analysis for the Last Five Years				
Operating Ability	Ratio of Loans to Deposits (%)	79.31	83.58	---	---	---
	Ratio of Overdue Loans (%)	0.59	0.58	---	---	---
	Ratio of Interest Expense to Average Deposits (%)	0.80	0.83	---	---	---
	Ratio of Interest Revenue to Average Loans (%)	2.61	2.57	---	---	---
	Total Asset Turnover (times)	0.02	0.02	---	---	---
	Average Operating Revenue Per Employee (in NT$1,000)	2,606	2,088	---	---	---
	Average Earnings Per Employee (in NT$1,000)	492	654	---	---	---
Profitability	Return on Tier-1 Capital (%)	8.62	11.99	---	---	---
	Return on Assets (%)	0.31	0.48	---	---	---
	Rate of Return on Shareholders' Equity (%)	6.37	10.21	---	---	---
	Net Income Ratio (%)	18.89	31.31	---	---	---
	Earnings Per Share (NT$) (Note 1)	0.66	0.97	---	---	---
Financial structure (%)	Total Debt Ratio	95.12	95.17	---	---	---
	Fixed Asset to Shareholders' Equity Ratio	65.64	73.92	---	---	---
Growth (%)	Assets Growth Rate	10.52	6.04	---	---	---
	Profit Growth Rate	(22.24)	153.48	---	---	---
Cash flow (%)	Cash Flow Ratio	51.90	157.80	---	---	---
	Cash Flow Adequacy Ratio	3,071.88	4,621.96	---	---	---
	Cash Flow Satisfied Ratio	(131.74)	(604.97)	---	---	---
Liquid Reserves Ratio (%)		21.95	17.56	---	---	---
Total Secured Loans of Stakeholders (in NT$1,000)		2,458,421	2,006,652	---	---	---
Ratio of Total Secured Loans of Stakeholders to total loans (%)		1.18	1.20	---	---	---
Scale of Operation	Market Share of Assets	0.50	0.50	---	---	---
	Market Share of NET WORTH	0.33	0.32	---	---	---
	Market Share of Deposits	0.90	0.85	---	---	---
	Market Share of Loans	0.86	0.84	---	---	---

Description for changes in ratios:

4. Decrease of the cash flow ratio and cash flow satisfied ratio: Mainly caused by the decreased net cash flow obtained from operating activities held in 2013 and over the last 5 years.
5. Increase of the cash flow satisfied ratio: Mainly caused by the decrease of net cash flow obtained from the 2013 operating activities. Besides, investment activities over the two years were caused by the net cash flow.
6. Increase of the liquidity reserve ratio: Mainly caused by the Bank's adjustment on actual liquidity reserves, where the increased amount shall be bigger than the increased amount of total liabilities caused by liquidity reserve.
7. Increase of the credit amount guaranteed by stake-holders' : Mainly caused by the increasing demand of stakeholders' credit demand.

Note 1: It is calculated on a basis of the number of shares retroactively adjusted.
Note 2: The above financial data shown in the last five years have been audited and accredited by CPA
Note 3: Formula for financial ratios:

1. Management
   (1) Ratio of loans to deposits = Loans/ Deposits
   (2) Ratio of overdue loans = Overdue loans/ Loans
   (3) Ratio of interest expense to average deposits = Expense of deposit related interest /Annual Average deposits
   (4) Ratio of interest revenue to average loans = Revenue of credit related interest / Annual Average loans
   (5) Total asset turnover=Net income/ Total Average Asset
   (6) Average operating revenue per employee (Note 7) = Net income/Number of Total employees
   (7) Average earnings per employee = Net Income after Tax/ Number of Total employees
2. Profitability
   (1) Return on Tier-1 capital = Income before Tax/ Average Tier-1 capital
   (2) Return on Assets = Income after Tax/ Average Assets
   (3) Equity return ratio = Income after Tax/ Average shareholders' equity
   (4) Net income ratio = Income after Tax/ Net income
   (5) Earnings per share = (Income after Tax- Dividends of Preferred Shares) / Weighted average outstanding shares. (Note 5)
3. Financial Structure
   (1) Total Debt Ratio =Total Liabilities (Note 4) /Total Assets
   (2) Fix Assets to Equity Ratio = Net Fix Assets / Net Equity
4. Growth Rate
   (1) Assets growth rate = (Total Assets of the Year - Total Assets of the Previous Year) / Total Assets of the Previous Year
   (2) Profit growth rate = (Income before Tax of the Year - Income before Tax of the Previous Year) / Income before Tax of the Previous Year
5. Cash Flow (Note 8)
   (1) Cash Flow Ratio = Net operating cash flow / (due from other banks + commercial paper payable + financial liability at fair value through profit or loss + Repurchase Agreements & Bonds Liability + Payables of maturity within one year
   (2) Net Cash Adequacy Ratio =Net operating cash in the last five years/ (capital expenditures + cash dividends) in the last five year
   (3) Cash Flow Satisfied Ratio = Operating Cash / Invested Cash Flow
6. Liquid Reserves Ratio = Current assets required by the CBC/Liabilities allocated for liquid reserve
7. Scope of Operating
   Market Share of Assets = Total Asset / Total Asset of All Financial Institutions Available for Deposits and Loans (Note 6)
   Market Share of Net worth = Total Net worth / Total net worth of All Financial Institutions Available for Deposits and Loans
   Market Share of Deposits = Total Deposits / Total Deposits of All Financial Institutions Available for Deposits and Loans
   Market Share of Loans = Total Loans / Total Loans of All Financial Institutions Available for Deposits and Loans

Note 4: Total liabilities should deduct of guarantee and contingency loss reserves.
Note 5: Attention should be paid to for using the above formulas.

1. It is calculated on a basis of weighted average number of shares instead of the number of shares issued at the end of the year.
2. Weighted average numbers of shares, the calculation should consider the period of outstanding when there are transactions of cash capital increase or treasury stocks.
3. While calculating annual and semi-annual EPS, it should be retroactively adjusted in proportion of increment without considering the issuance period of such increment upon capital increase out of earnings or capital surplus.
4. In case the preferred shares are non-convertible accumulated preferred shares, the annual dividends (whether distributed or not) shall be deducted from net loss after tax or added to net loss after tax.
5. In case preferred shares are non-accumulated, the dividends of preferred shares shall be deducted from net income after tax. When there is loss after tax, adjustment is not necessary.

Note 6: All financial institutions offering the services of deposit and loans include domestic banks, branches of foreign banks, credit cooperative, and credit departments of fishermen’s and farmers’ association.
Note 7: Operating income means the total amount of interest and non-interest income.
Note 8: While cash flow analysis is measured, special attention should be paid to the following matters:

1. Net operating cash flow is net cash inflow for operating activities in the Cash Flow Statement
2. Capital expenditure means cash outflow for annual capital investment.
3. Cash dividend including cash dividend for common stock and Preferred Shares.
4. Gross fixed assets are total fixed assets before the deduction of accumulated depreciation.

Financial Analysis (Consolidated) - National Financial Reporting Standards

Subject		Year (Note 2) Financial Analysis for the Last Five Years 2013	2012	2011	2010	2009
Operating Ability	Ratio of Loans to Deposits (%)	---	83.73	81.53	84.87	82.02
	Ratio of Overdue Loans (%)	---	0.58	0.75	1.29	2.18
	Ratio of Interest Expense to Average Deposits (%)	---	1.00	0.95	0.84	1.24
	Ratio of Interest Revenue to Average Loans (%)	---	2.84	2.83	2.59	2.49
	Total Asset Turnover (times)	---	0.02	0.01	0.01	0.01
	Average Operating Revenue Per Employee (in NT$1,000)	---	2046	1,943	1,848	1,377
	Average Earnings Per Employee (in NT$1,000)	---	619	270	291	(157)
Profitability	Return on Tier-1 Capital (%)	---	11.56	4.89	6.10	(2.90)
	Return on Assets (%)	---	0.48	0.21	0.24	(0.13)
	Rate of Retur (%)	---	9.96	4.43	5.20	(2.96)
	Net Income Ratio (%)	---	30.23	13.89	15.77	(11.38)
	Earnings Per Share (NT$) (Note 1)	---	0.96	0.40	0.45	(0.25)
Financial structure (%)	Total Debt Ratio	---	95.08	95.27	95.34	95.37
	Property and equipment to Shareholders' Equity Ratio	---	68.89	76.72	84.19	89.30
Growth (%)	Assets Growth Rate	---	5.91	6.12	4.29	(5.77)
	Profit Growth Rate	---	152.12	(15.29)	323.03	89
Cash flow (%)	Cash Flow Ratio	---	0.09	22.69	8.76	64.44
	Cash Flow Adequacy Ratio	---	7,830.41	3,255.93	2,998.02	2,273.70
	Cash Flow Satisfied Ratio	---	(0.1)	(17.07)	(8.77)	143.55
Liquid Reserves Ratio (%)		---	17.56	18.74	16.21	16.82
Total Secured Loans of Stakeholders (in NT$1,000)		---	2,006,652	2,321,463	1,991,701	2,386,886
Ratio of Total Secured Loans of Stakeholders to total loans (%)		---	1.20	1.28	1.12	1.43
Scale of Operation	Market Share of Assets	---	0.50	0.49	0.50	0.50
	Market Share of NET WORTH	---	0.32	0.32	0.31	0.27
	Market Share of Deposits	---	0.85	0.84	0.82	0.85
	Market Share of Loans	---	0.84	0.81	0.83	0.83

Description for changes in ratios:
1. The reduction of ratio of overdue loans resulted from asset quality improvement and accelerated write-off of nonperforming loans.
2. Increase in Average Operating Revenue Per Employee, Return on Tier-1 Capital, Return on Assets, Rate of Return on Shareholders' Equity, Net Income Ratio and Earnings Per Share is the result from the completion of amortization on loan loss reserve and bad debts in 2011, thus loss on loan provision expenses decreased significantly in 2012 made profits before (and after) tax increase.
3. Decrease in both cash flow ratio and cash flow satisfied ratio is the result from the net cash outflow in 2012 due to operation activities.

Note 1: It is calculated on a basis of the number of shares retroactively adjusted.
Note 2: The above financial data shown in the last five years have been audited and accredited by CPA
Note 3: Formula for financial ratios:
1. Management
   (1) Ratio of loans to deposits = Loans/ Deposits
   (2) Ratio of overdue loans = Overdue loans/ Loans
   (3) Ratio of interest expense to average deposits = Interest Expense/Annual Average deposits
   (4) Ratio of interest revenue to average loans = Interest revenue/ Annual Average loans
   (5) Total asset turnover=Net income/ Total Average Asset
   (6) Average operating revenue per employee (Note 7) = Net income/ Total Number of employees
   (7) Average earnings per employee =Net Income after Tax/ Total Number of employees
2. Profitability
   (1) Return on Tier-1 capital = Income before Tax/ Average Tier-1 capital
   (2) Return on Assets = Income after Tax/ Average Assets
   (3) Return on shareholders' equity = Income after Tax/ Average shareholders' equity
   (4) Net income ratio = Income after Tax/ Net income

(5) Earnings per share = (Income after Tax- Dividends of Preferred Shares) / Weighted average outstanding shares. (Note 5)

3. Financial Structure
   (1) Total Debt Ratio =Total Liabilities (Note 4) /Total Assets
   (2) Fixed Assets to Equity Ratio = Net Fixed Assets / Net Amount of Shareholders' Equity
4. Growth Rate
   (1) Assets growth rate = (Total Assets of the Year - Total Assets of the Previous Year) / Total Assets of the Previous Year
   (2) Profit growth rate = (Income before Tax of the Year - Income before Tax of the Previous Year) / Income before Tax of the Previous Year
5. Cash Flow (Note 8)
   (1) Cash Flow Ratio = Net operating cash / (due from other banks + commercial paper payable + financial liabilities with change in fair value being recorded as gains or losses + Repurchase Agreements & Bonds Liability + Payables of maturity within one year
   (2) Net Cash Flow Adequacy Ratio =Net operating cash in the last five years/ (capital expenditures + cash dividends) in the last five year
   (3) Cash Flow Satisfied Ratio = Operating Cash / Invested Cash
6. Liquid Reserves Ratio = Current assets required by the CBC/Liabilities allocated for liquid reserve
7. Scope of Operating

   Market Share of Assets = Total Asset / Total Asset of All Financial Institutions Available for Deposits and Loans (Note 6)

   Market Share of Net worth = Total Net worth / Total net worth of All Financial Institutions Available for Deposits and Loans

   Market Share of Deposits = Total Deposits / Total Deposits of All Financial Institutions Available for Deposits and Loans

   Market Share of Loans = Total Loans / Total Loans of All Financial Institutions Available for Deposits and Loans

Note 4: Total liabilities should deduct of guarantee reserve, reserve for share trading, reserve for the loss of contract violation, and contingency loss reserve.

Note 5: Attention should be paid to for using the above formulas.

1. It is calculated on a basis of weighted average number of shares instead of the number of shares issued at the end of the year.
2. Weighted average numbers of shares, the calculation should consider the period of outstanding when there are transactions of cash capital increase or treasury stocks.
3. While calculating annual and semi-annual EPS, it should be retroactively adjusted in proportion of increment without considering the issuance period of such increment upon capital increase form earnings or surplus.
4. In case the preferred shares are non-convertible accumulated preferred shares, the annual dividends (whether distributed or not) shall be deducted from net income after tax or added to net loss after tax.
5. In case preferred shares are non-accumulated, the dividends of preferred shares shall be deducted from net income after tax. When there is loss after tax, adjustment is not necessary.

Note 6: All financial institutions offering the services of deposit and loans include domestic banks, branches of foreign banks, credit cooperative, credit departments of fishermen’s and farmers’ association and trust investment companies as well.

Note 7: Operating income means to the total amount of interest and non-interest income.

Note 8: While cash flow analysis is measured, special attention should be paid to the following matters:

1. Net operating cash flow is net cash inflow for operating activities in the Cash Flow Statement
2. Capital expenditure means cash outflow for annual capital investment.
3. Cash dividend including cash dividend for common stock and Preferred Shares.
4. Gross fixed assets are total fixed assets before the deduction of accumulated depreciation.

Financial Analysis (Individual) - National Financial Reporting Standards

Subject		Year (Note 2)	Financial Analysis for the Last Five Years			
		2013	2012	2011	2010	2009
Operating Ability	Ratio of Loans to Deposits (%)	---	83.73	81.50	84.83	81.99
	Ratio of Overdue Loans (%)	---	0.58	0.75	1.29	2.18
	Ratio of Interest Expense to Average Deposits (%)	---	1.00	0.95	0.84	1.23
	Ratio of Interest Revenue to Average Loans (%)	---	2.83	2.83	2.59	2.49
	Total Asset Turnover (times)	---	0.01	0.01	0.01	0.01
	Average Operating Revenue Per Employee (in NT$1,000)	---	2077	1991	1888	1374
	Average Earnings Per Employee (in NT$1,000)	---	649	286	308	(165)
Profitability	Return on Tier-1 Capital (%)	---	11.90	4.95	6.10	(3.14)
	Return on Assets (%)	---	0.48	0.21	0.24	(0.13)
	Return of shareholders' Equity (%)	---	9.97	4.43	5.20	(2.97)
	Net Income Ratio (%)	---	31.25	17.3	16.31	(11.98)
	Earnings Per Share (NT$) (Note 1)	---	0.96	0.40	0.45	(0.25)
Financial structure (%)	Total Debt Ratio	---	95.09	95.27	95.34	95.37
	Fix Assets to Shareholders' Equity Ratio	---	68.75	76.59	84.06	89.15
Growth (%)	Assets Growth Rate	---	6.04	6.38	4.44	(5.74)
	Profit Growth Rate	---	151.55	(14.75)	312.01	88.64
Cash flow (%)	Cash Flow Ratio	---	(1.33)	22.69	8.76	70.90
	Cash Flow Adequacy Ratio	---	2,917.84	2,646.62	2,930.74	2,222.70
	Cash Flow Satisfied Ratio	---	1.39	(17.62)	(8.56)	143.81
Liquid Reserves Ratio (%)		---	17.56	18.74	16.21	16.82
Total Secured Loans of Stakeholders (in NT$1,000)		---	2,006,652	2,321,463	1,991,701	2,386,886
Ratio of Total Secured Loans of Stakeholders to total loans (%)		---	1.20	1.28	1.12	1.43
Scale of Operation	Market Share of Assets	---	0.50	0.49	0.50	0.50
	Market Share of net worth	---	0.32	0.32	0.31	0.27
	Market Share of Deposits	---	0.85	0.84	0.82	0.85
	Market Share of Loans	---	0.84	0.81	0.83	0.83

Description for changes in ratios:
1. Decrease of non-performing ratio: Mainly caused by the Bank's effort on improving the asset quality and accelerating its provision on write off bad debts.
2. Increase of employees' average profit, Type I return on capital (ROC), ROA, ROE, net profit ratio and EPS: The main reason is that the bad debt expenses over the years and loss casued by the selling of distressed debt were all settled in 2011. Relevant expenses in 2012 were therefore decreased and resulted in an increase of the profit / gain before and after tax.
3. Decrease of the cash flow ratio and cash flow satisfied ratio: Mainly caused by the cash flow obtained from operating activities held in 2012 as they are mainly net cash flow.

Note 1: It is calculated on a basis of the number of shares retroactively adjusted.
Note 2: The above financial data shown in the last five years have been audited and accredited by CPA
Note 3: Formula for financial ratios:

1. Management
   (1) Ratio of loans to deposits = Loans/ Deposits
   (2) Ratio of overdue loans = Overdue loans/ Loans
   (3) Ratio of interest expense to average deposits = Interest Expense/Annual Average deposits
   (4) Ratio of interest revenue to average loans = Interest revenue/ Annual Average loans

(5) Total asset turnover=Net income/ Total Average Asset
(6) Average operating revenue per employee (Note 7) = Net income/ Total Number of employees
(7) Average earnings per employee = Net Income after Tax/ Total Number of employees

2. Profitability
(1) Return on Tier-1 capital = Income before Tax/ Average Tier-1 capital
(2) Return on Assets = Income after Tax/ Average Assets
(3) Return on shareholders' equity = Income after Tax/ Average shareholders' equity
(4) Net income ratio = Income after Tax/ Net income
(5) Earnings per share = (Income after Tax- Dividends of Preferred Shares) / Weighted average outstanding shares. (Note 5)

3. Financial Structure
(1) Total Debt Ratio =Total Liabilities (Note 4) /Total Assets
(2) Fixed Assets to Equity Ratio = Net Fixed Assets / Net Amount of Shareholders' Equity

4. Growth Rate
(1) Assets growth rate = (Total Assets of the Year - Total Assets of the Previous Year) / Total Assets of the Previous Year
(2) Profit growth rate = (Income before Tax of the Year - Income before Tax of the Previous Year) / Income before Tax of the Previous Year

5. Cash Flow (Note 8)
(1) Cash Flow Ratio = Net operating cash / (due from other banks + commercial paper payable + financial liabilities with change in fair value being recorded as gains or losses + Repurchase Agreements & Bonds Liability + Payables of maturity within one year
(2) Net Cash Flow Adequacy Ratio =Net operating cash in the last five years/ (capital expenditures + cash dividends) in the last five year
(3) Cash Flow Satisfied Ratio = Operating Cash / Invested Cash

6. Liquid Reserves Ratio = Current assets required by the CBC/Liabilities allocated for liquid reserve

7. Scope of Operating
Market Share of Assets = Total Asset / Total Asset of All Financial Institutions Available for Deposits and Loans (Note 6)Market Share of Net worth = Total Net worth / Total net worth of All Financial Institutions Available for Deposits and Loans
Market Share of Deposits = Total Deposits / Total Deposits of All Financial Institutions Available for Deposits and Loans
Market Share of Loans = Total Loans / Total Loans of All Financial Institutions Available for Deposits and Loans

Note 4: Total liabilities should deduct of guarantee reserve, reserve for share trading, reserve for the loss of contract violation, and contingency loss reserve.

Note 5: Attention should be paid to for using the above formulas.
1. It is calculated on a basis of weighted average number of shares instead of the number of shares issued at the end of the year.
2. Weighted average numbers of shares, the calculation should consider the period of outstanding when there are transactions of cash capital increase or treasury stocks.
3. While calculating annual and semi-annual EPS, it should be retroactively adjusted in proportion of increment without considering the issuance period of such increment upon capital increase form earnings or capital surplus.
4. In case the preferred shares are non-convertible accumulated preferred shares, the annual dividends (whether distributed or not) shall be deducted from net income after tax or added to net loss after tax.
5. In case preferred shares are non-accumulated, the dividends of preferred shares shall be deducted from net income after tax. When there is loss after tax, adjustment is not necessary.

Note 6: All financial institutions offering the services of deposit and loans include domestic banks, branches of foreign banks, credit cooperative, credit departments of fishermen’s and farmers’ association and trust investment companies as well.

Note 7: Operating income means the total amount of interest and non-interest income.

Note 8: While cash flow analysis is measured, special attention should be paid to the following matters:
1. Net operating cash flow is net cash inflow for operating activities in the Cash Flow Statement
2. Capital expenditure means cash outflow for annual capital investment.
3. Cash dividend including cash dividend for common stock and Preferred Shares.
4. Gross fixed assets are total fixed assets before the deduction of accumulated depreciation.

(2) Capital Adequacy

Capital Adequacy Ratio (Consolidated) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000

Analysis Items			Year (Note 1) Ratio of Tier 1 Capital to Risky Asset 2013	2012	2011	2010	2009
Self-Owned Capital	Common Equity		12,952,072	11,500,618	---	---	---
	Additional Tier 1 Capital		---	---	---	---	---
	Tier 2 Capital		6,033,823	5,504,797	---	---	---
	Self-Owned Capital		18,985,895	17,005,415	---	---	---
Total Risk-Weighted Assets	Credit Risk Standardized Approach	Standardized Approach	190,158,210	171,362,100	---	---	---
		Internal Ratings-based Approach	---	---	---	---	---
		Credit Valuation Adjustment	231	---	---	---	---
		Asset Securitization	---	---	---	---	---
	Operational Risk Based Indicator Approach	Basic Indicator Approach	7,825,867	7,180,781	---	---	---
		Standardized Approach / Alternative Standardized Approach	---	---	---	---	---
		Advanced Measurement Approach	---	---	---	---	---
	Market Risk	Standardized Approach	4,800,687	6,597,324	---	---	---
		Internal Model Approach	---	---	---	---	---
	Total Risk-Weighted Assets		202,784,995	185,140,205	---	---	---
Capital Adequacy Ratio (BIS)			9.36%	9.19%	---	---	---
Ratio of Tier 1 Capital to Risk Weighted Assets Ratio			6.39%	6.21%	---	---	---
Ratio of Common Capital to Risk Weighted Assets Ratio			6.39%	6.89%	---	---	---
Leverage Ratio			4.44%	4.50%	---	---	---

Note 1: Financial data have been audited and accredited by CPA

Note 2: Self-owned capital, risk-weighted assets and exposure measure shall comply with "Regulations Governing the Capital Adequacy and Capital Category of Banks" and "Methods for calculating Bank's regulatory capital and Risk Weighted Assets".

Note 3: Calculation formula should be listed at the end of annual report as follows:

1. Self-owned Capital = Common Equity + Additional Tier 1 Capital + Tier 2 Capital
2. Risk-Weighted Assets = Credit Risk Weighted Risk Asset + Capital Requirement of Operational Risk and Market Risk × 12.5.
3. Capital Adequacy Ratio= Self-owned Capital/ Risk-Weighted Assets
4. Tier 1 Capital to Risky Weighted Assets ratio = (Common Equity + Additional Tier 1 Capital) / Total Risk-Weighted Assets
5. Common Equity to Risk Weighted Assets ratio = Common Equity / Total Risk-Weighted Assets
6. Leverage Ratio = Net Tier 1 Capital / Total Risk Exposure

Capital Adequacy Ratio (Individual) - International Financial Reporting Standards (IFRS)

Unit: NT$1,000

Analysis Items \ Year (Note 1)			Ratio of Tier 1 Capital to Risky Asset				
			2013	2012	2011	2010	2009
Self-Owned Capital	Common Equity		12,311,870	10,896,501	---	---	---
	Additional Tier 1 Capital		---	---	---	---	---
	Tier 2 Capital		5,399,500	4,908,167	---	---	---
	Self-Owned Capital		17,711,370	15,804,668	---	---	---
Total Risk-Weighted Assets	Credit Risk Standardized Approach	Standardized Approach	188,899,687	171,224,219	---	---	---
		Internal Ratings-based Approach	---	---	---	---	---
		Credit Valuation Adjustment	231	---	---	---	---
		Asset Securitization	---	--	---	---	---
	Operational Risk Based Indicator Approach	Basic Indicator Approach	7,573,503	6,942,249	---	---	---
		Standardized Approach / Alternative Standardized Approach	---	---	---	---	---
		Advanced Measurement Approach	---	---	---	---	---
	Market Risk	Standardized Approach	4,755,955	6,547,039	---	---	---
		Internal Model Approach	---	---	---	---	---
	Total Risk-Weighted Assets		201,229,376	184,713,507	---	---	---
Capital Adequacy Ratio (BIS)			8.80%	8.56%	---	---	---
Tier 1 Capital to Risk Weighted Asset			6.12%	5.90%	---	---	---
Ratio of Common Capital to Risk Weighted Asset			6.12%	5.90%	---	---	---
Leverage Ratio			4.38%	---	---	---	---

Note 1: Above financial data have been audited and accredited by CPA

Note 2: Self-owned capital, risk-weighted assets and exposure measure shall comply with “Regulations Governing the Capital Adequacy and Capital Category of Banks” and “Methods for calculating Bank’s regulatory capital and Risk Weighted Assets”.

Note 3: Calculation formula should be listed at the end of annual report as follows:

1. Self-owned Capital = Common Equity + Additional Tier 1 Capital + Tier 2 Capital
2. Risk-Weighted Assets = Credit Risk Weighted Risk Asset + Capital Requirement of Operational Risk and Market Risk × 12.5.
3. Capital Adequacy Ratio= Self-owned Capital/ Risk-Weighted Assets
4. Tier 1 Capital to Risky Weighted Assets ratio = (Common Equity + Additional Tier 1 Capital) / Total Risk-Weighted Assets
5. Common Equity to Risk Weighted Assets ratio = Common Equity / Total Risk-Weighted Assets
6. Leverage Ratio = Net Tier 1 Capital / Total Risk Exposure

Capital Adequacy Ratio (Consolidated) - National Financial Reporting Standards

Unit: NT$1,000

Items of analysis		Year (Note 1)	Capital Adequacy Ratio in Previous Five Years (Note 2)				
			2013	2012	2011	2010	2009
Self-Owned Capital	Tier-1 Capital	Common Stock	---	12,749,730	12,749,730	12,249,730	12,249,730
		Perpetual Non-Cumulated Preferred Stock	---	---	---	---	---
		Non-Cumulated Subordinated Debts without Maturity Dates	---	---	---	---	---
		Capital Collected in Advance	---	---	---	---	---
		Capital Surplus (Except for Property Appraisal Surplus)	---	---	12,598	11,173	11,173
		Legal Reserve	---	---	---	---	---
		Special Reserve	---	---	22,691	---	---
		Accumulated Reserve	---	82,931	---	---	---
		Minority Interest	---	6,787	6,690	5,851	5,640
		Other Shareholders' Equity	---	(147,033)	(151,155)	(20,046)	(9,499)
		Minus: Goodwill	---	1,034,579	1,034,579	1,034,579	1,034,579
		Minus: Unamortized Loss on Sales of Non-performing Loan	---	---	---	54,910	91,519
		Minus: Capital Allowance	---	157,218	751,076	1,040,985	1,422,535
		Total Tier-1 Capital	---	11,500,618	10,854,899	10,116,234	9,708,411
	Tier-2 Capital	Perpetual Cumulated Preferred Stock	---	---	---	---	---
		Cumulated Subordinated Debts without Maturity Dates	---	---	---	---	---
		Fixed Assets Appraisal Surplus	---	256,642	256,642	256,642	256,642
		45% of Unrealized Gains on Financial instruments in Available-for-sale	---	6,826	5,956	12,805	22,878
		Convertible Bonds	---	---	---	---	---
		The Operating Reserve and Allowance for Bad Debt	---	858,267	408,922	271,480	466,073
		Long-term Subordinated Debts	---	4,540,280	4,441,060	4,441,840	4,150,335
		Non-perpetual Preferred Stocks	---	---	---	--	---
		The Sum of Perpetual Non-Cumulated Preferred Stock and Non-Cumulated Subordinated Debts without Maturity Dates Exceeds 15% of Total Tier 1 Asset	---	---	---	---	---
		Minus: Capital Allowance	---	157,218	751,076	1,040,985	1,422,535
		Total Tier-2 Capital	---	5,504,797	4,361,504	3,94,782	3,473,393
	Tier-3 Capital	Short-term Subordinated Debts	---	---	---	---	---
		Non-perpetual Preferred Stocks	---	---	---	---	--
		Total Tier-3 Capital	---	---	---	---	---
	Self-owned Capital		---	17,005,415	15,216,403	14,058,016	13,181,804
Risk-Weighted Assets	Credit Risk	Standardized Approach	---	171,362,100	153,013,236	144,712,430	137,012,240
		Internal Ratings-based Approach	---	---	---	---	---
		Asset Securitization	---	---	---	---	15,976
	Operational Risk	Basic Indicator Approach	---	7,180,781	5,823,776	5823,776	6,292,302
		Standardized Approach / Alternative Standardized Approach	---	---	---	---	---
		Advanced Measurement Approach	---	---	---	---	---
	Market risk	Standardized Approach	---	6,597,324	6,320,499	5,836,871	5,100,035
		Internal Model Approach	---	---	---	---	---
	Total Risk-Weighted Assets		---	185,140,204	165,157,511	156,373,077	148,420,553

Items of analysis \ Year (Note 1)	Capital Adequacy Ratio in Previous Five Years (Note 2)				
	2013	2012	2011	2010	2009
Capital Adequacy Ratio (BIS)	---	9.19	9.21	8.99	8.88
Ratio of Tier 1 Capital to Risky Asset	---	6.21	6.57	6.47	6.54
Ratio of Tier 2 Capital to Risky Asset	---	2.98	2.64	2.52	2.34
Ratio of Tier 3 Capital to Risky Asset	---	---	---	---	---
Ratio of Total Common Stock to Total Asset	---	4.83	5.10	5.21	5.44
Please specify the reasons of capital adequacy ratio change in the recent two periods. (no analysis required if increase/decrease less than 20%.					

Note 1: Above financial data have been audited and accredited by accountants

Note 2: Self-Owned Capital and Risk-weighted Assets shall be filled according to “Regulations Governing the Capital Adequacy Ratio and Capital Category of Banks” and “Calculation methods and Form of Self-Owned Capital and Risky Assets of Banks”.

Note 3: Banks calculating credit risk according to regulations of transition period should fill risky assets amount under “Credit Risk-The Standardized Approach”.

Note 4: Calculation formula should be listed at the end of annual report as follows:

1. Self-owned Capital = Tier 1 Capital +Tier II Capital + Tier III Capital
2. Risk-Weighted Assets = Credit Risk Weighted Risk Asset + Capital Requirement of Operational Risk and Market Risk × 12.5.
3. Capital Adequacy Ratio= Self-owned Capital/ Risk-Weighted Assets
4. Tier 1 Capital to Risky Assets = Tier I Capital/Risk-Weighted Assets
5. Tier 2 Capital to Risky Assets = Tier II Capital/Risk-Weighted Assets
6. Tier 3 Capital to Risky Assets = Tier III Capital/Risk-Weighted Assets
7. Total Common Stock to Total Asset = Total Common Stock/ Total Asset

Note 5: If Basel 1 is implemented in the year, the form should be filled as follows:

1. 50% of Basel I deducted items is classified as Tier 1 capital deducted items, and the other 50% as Tier 2 capital deducted items.
2. Basel I credit risk capital requirement is classified as capital requirement of credit risk “standard method”.

Capital Adequacy Ratio (Individual) - National Financial Reporting Standards

Unit: NT$1,000

Items of analysis		Year (Note 1)	Capital Adequacy Ratio in Previous Five Years (Note 2)				
			2013	2012	2011	2010	2009
Self-Owned Capital	Tier-1 Capital	Common Stock	---	12,749,730	12,749,730	12,249,730	12,249,730
		Perpetual Non-Cumulated Preferred Stock	---	---	---	---	---
		Non-Cumulated Subordinated Debts without Maturity Dates	---	---	---	---	---
		Capital Collected in Advance	---	---	---	---	---
		Capital Surplus (Except for Property Appraisal Surplus)	---	---	12,598	11,173	11,173
		Legal Reserve	---	--	---	---	---
		Special Reserve	---	---	22,691	---	---
		Accumulated Reserve	---	82,931	---	---	---
		Minority Interest	---	---	---	---	---
		Other Shareholders' Equity	---	(147,033)	(151,155)	(20,046)	(9,499)
		Minus: Goodwill	---	1,034,579	1,034,579	1,034,579	1,034,579
		Minus: Unamortized Loss on Sales of Non-performing Loan	---	---	---	54,910	91,519
		Minus: Capital Allowance	---	754,548	1,031,061	1,190,220	1,556,383
		Total Tier-1 Capital	---	10,896,501	10,568,224	9,961,148	9,568,923
	Tier-2 Capital	Perpetual Cumulated Preferred Stock	---	---	---	---	---
		Cumulated Subordinated Debts without Maturity Dates	---	---	---	---	---
		Fixed Assets Appraisal Surplus	---	256,642	256,642	256,642	256,642
		45% of Unrealized Gains on Financial instruments in Available-for-sale	---	6,826	5,956	12,805	22,878
		Convertible Bonds	---	---	---	---	---
		The Operating Reserve and Allowance for Bad Debt	---	858,267	408,922	271,480	466,073
		Long-term Subordinated Debts	---	4,540,980	4,442,860	4,444,740	4,150,335
		Non-perpetual Preferred Stocks	---	---	---	---	---
		The Sum of Perpetual Non-Cumulated Preferred Stock and Non-Cumulated Subordinated Debts without Maturity Dates Exceeds 15% of Total Tier 1 Asset	---	---	---	---	---
		Minus: Capital Allowance	---	754,548	1,031,061	1,190,220	1,556,383
		Total Tier-2 Capital	---	4,908,167	4,083,319	3,795,447	3,339,545
	Tier-3 Capital	Short-term Subordinated Debts	---	---	---	---	---
		Non-perpetual Preferred Stocks	---	---	---	---	---
		Total Tier-3 Capital	---	---	---	---	--
	Self-owned Capital		---	15,804,668	14,654,543	13,756,595	12,908,468
Risk-Weighted Assets	Credit Risk	Standardized Approach	---	171,224,219	143,972,376	143,972,376	136,002,699
		Internal Ratings-based Approach	---	---	---	---	---
		Asset Securitization	---	---	---	---	15,976
	Operational Risk	Basic Indicator Approach	---	6,942,249	5,587,007	5,587,007	6,050,623
		Standardized Approach / Alternative Standardized Approach	---	---	---	---	---
		Advanced Measurement Approach	---	---	---	---	---
	Market risk	Standardized Approach	---	6,547,039	6,024,600	5,780,385	5,061,195
		Internal Model Approach	---	---	---	---	---
	Total Risk-Weighted Assets		---	184,713,507	163,981,334	155,339,768	147,130,493

Items of analysis \ Year (Note 1)	Capital Adequacy Ratio in Previous Five Years (Note 2)				
	2013	2012	2011	2010	2009
Capital Adequacy Ratio (BIS)	---	9.19	9.21	8.99	8.88
Ratio of Tier 1 Capital to Risky Asset	---	6.21	6.57	6.47	6.54
Ratio of Tier 2 Capital to Risky Asset	---	2.98	2.64	2.52	2.34
Ratio of Tier 3 Capital to Risky Asset	---	---	---	---	---
Ratio of Total Common Stock to Total Asset	---	4.83	5.10	5.21	5.44
Please specify the reasons of capital adequacy ratio change in the recent two periods. (no analysis required if increase/decrease less than 20%.					

Note 1: Above financial data have been audited and accredited by accountants

Note 2: Self-Owned Capital and Risk-weighted Assets shall be filled according to "Regulations Governing the Capital Adequacy Ratio and Capital Category of Banks" and "Calculation methods and Form of Self-Owned Capital and Risky Assets of Banks".

Note 3: Banks calculating credit risk according to regulations of transition period should fill risky assets amount under "Credit Risk-The Standardized Approach".

Note 4: Calculation formula should be listed at the end of annual report as follows:

1. Self-owned Capital = Tier 1 Capital +Tier II Capital + Tier III Capital
2. Risk-Weighted Assets = Credit Risk Weighted Risk Asset + Capital Requirement of Operational Risk and Market Risk × 12.5.
3. Capital Adequacy Ratio= Self-owned Capital/ Risk-Weighted Assets
4. Tier 1 Capital to Risky Assets = Tier I Capital/Risk-Weighted Assets
5. Tier 2 Capital to Risky Assets = Tier II Capital/Risk-Weighted Assets
6. Tier 3 Capital to Risky Assets = Tier III Capital/Risk-Weighted Assets
7. Total Common Stock to Total Asset = Total Common Stock/ Total Asset

Note 5: If Basel 1 is implemented in the year, the form should be filled as follows:

1. 50% of Basel I deducted items is classified as Tier 1 capital deducted items, and the other 50% as Tier 2 capital deducted items.
2. Basel I credit risk capital requirement is classified as capital requirement of credit risk "standard method".

3. Supervisor's Report

Supervisor Auditing Report,
Sunny Bank Co., Ltd.

It is hereby to approve the 2013 Annual Individual and Consolidated Financial Reports produced and submitted by the Board of Directors. The financial statements and consolidated financial statements have been audited and certified by CPAs Shao Chih-Ming and Chen, Chao-Feng of Deloitte & Touche Taiwan. After reviewing the results by supervisors, no unconformity in all statements are found. The Annual Report is thereby prepared according to Article 219 of Corporate Law.

To: 2014 Annual General Meeting of the Shareholders of Sunny Bank Co., Ltd

Resident Supervisor
Chang, Wu-Ping

Supervisor
Wu, His-Hui

Supervisor
Tsai, Wen-Hsiung

Supervisor
Lin, Chin-Lung

Supervisor
Hsu, Wen-Tung

Date: March 18, 2014

4. Financial Statement

Statement of the Consolidated Financial Statements of Affiliated Enterprises

We hereby declare that, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, the entities that must be included in preparing the consolidated financial statements covering affiliated enterprises are entirely the same as those that “International Accounting Standards (IAS) No. 27” requires to be included in preparing the consolidated financial report comprising the parent and its subsidiaries in 2013 (from January 1, 2013, to December 31, 2013). Besides, the required disclosures to be made in the consolidated financial statements covering affiliated enterprises are already made in the consolidated financial report comprising the parent and its subsidiaries. It is therefore not needed to prepare consolidated financial statements covering affiliated enterprises.

Company Name: Sunny Bank Ltd.
Chairman
Lin, Peng-Lang

Date: March 18, 2014

CPA Audit Reports

This is to Sunny Bank Co., Ltd.
Please be advised:

The accountants have finished auditing consolidated balance Sheet of December 31 of 2013, December 31 of 2012 and January 1 of 2012, and individual statement of comprehensive income, individual statement of changes in equity, and consolidated statement of comprehensive income from January 1 to December 31, 2013 and 2012 about Sunny Bank Co., Ltd. and its subsidiaries. The preparation of financial statements disclosed above is the responsibility of the management and the responsibility of the accountants is to express opinion on financial statements disclosed above according to audit results.

In the accountants' opinion, the preparation of individual financial statements which were stated in the first paragraph in all material aspects was in accordance with "Regulations Governing the Preparation of Financial Reports by Public Banks", "Regulations Governing the Preparation of Financial Reports by Securities Firms", letter or directive issued competent authorities, international financial reporting standards, international accounting standards, interpretations and notice recognized by the competent authority were sufficient to properly present the consolidated financial position on December 31 of 2013, December 31 of 2012 and January 1 of 2012, and the consolidated financial performance and consolidated cash flow from January 1 to December 31, 2012 and 2013 about Sunny Bank Co., Ltd. and its subsidiaries

Sunny Bank Co., Ltd. has compiled the 2013 and 2012 individual financial report and the CPA has issued an auditing report without reservation for further information.

Deloitte & Touche
Accountant Chen, Chie-Chung
(with signature and seal)

Accountant Wu, Yi-Chun
(with signature and seal)

Approval No. of Securities and Futures Commission, Ministry of Finance, R.O.C.
No. 0920123784 by TMS Six

Approval No. of Securities and Futures Commission, Ministry of Finance, R.O.C.
No. 0930128050 by TMS Six

Date: March 18, 2014

Sunny Bank Co., Ltd. and its Subsidiaries (with seal)

Consolidated Balance Sheet

December 31 of 2013, December 31 of 2012 and January 1 of 2012

Unit: NT$1,000

Code	Assets	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
	Assets						
11000	Cash and cash equivalents (Note 4 and 6)	$ 4,186,300	2	$ 6,052,412	2	$ 5,068,911	2
11500	Dues from Central Bank and lend to banks (Note 6, 7, 39)	47,003,570	16	45,096,739	17	49,164,964	20
12000	Financial assets at fair value through profit or loss (Note 4, 5 and 8)	14,951,049	5	4,639,385	2	2,794,913	1
12500	Bills and bonds purchased under resale agreements (Note 4, 6 and 9)	1,952,061	1	958,261	-	420,380	-
13000	Accounts receivable - net (Note 4, 5, 10, 11 and 38)	2,193,318	1	1,247,203	1	1,045,332	-
13200	Current tax assets (Note 36)	127,302	-	112,115	-	92,269	-
13500	Discounts and loans - net (Note 4, 5, 11 and 38)	202,807,580	69	189,949,281	72	177,345,283	71
14000	Financial asset available for sale (Note 4, 5, 12 and 39)	4,924,196	2	2,960,387	1	1,240,422	1
14500	Held-to-Maturity financial assets (Note 4, 13 and 39)	1,071,615	-	1,172,437	1	996	-
15500	Other financial assets - net (Note 4, 5, 6, 11 and 14)	2,210,365	1	361,252	-	379,977	-
18500	Property and equipment - net (Note 4 and 15)	9,371,836	3	9,453,814	4	9,511,863	4
19000	Intangible assets - net (Note 4, 5 and 16)	1,048,502	-	1,051,971	-	1,057,998	1
19300	Deferred tax assets (Note 4, 5 and 36)	690,445	-	822,184	-	865,964	-
19500	Other assets - net (Note 4, 17, 24 and 39)	530,837	-	533,216	-	546,938	-
10000	Total assets	$ 293,068,976	100	$ 264,410,657	100	$ 249,536,210	100

Code	Liabilities and equity	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
	Liabilities						
21000	Dues to Central Bank and banks (Note 18)	$ 7,096,606	3	$ 8,166,220	3	$ 7,311,459	3
22000	Financial liabilities at fair value through profit or loss (Note 4 and 8)	9,978	-	3,924	-	1,939	-
22500	Bills and bonds issued under repurchase agreements (Note 4, 8, 12, 13 and 19)	500,122	-	1,972,826	1	689,526	-
23000	Accounts payable (Note 20 and 24)	2,511,757	1	3,553,931	1	3,150,523	1
23200	Current tax liabilities (Note 36)	15,256	-	13,992	-	1,412	-
23500	Deposits and remittances (Note 21 and 38)	258,220,132	88	229,153,709	87	219,354,071	88
24000	Financial bonds payable (Note 22)	9,301,400	3	8,103,900	3	6,803,900	3
25511	Short-Term Loans	412,000	-	-	-	-	-
25597	Other miscellaneous financial liabilities	50,027	-	-	-	-	-
25600	Liability reserves (Note 4, 5, 11, 23 and 24)	286,330	-	313,770	-	343,147	-
29300	Deferred tax liabilities (Note 4 and 36)	141,613	-	133,555	-	136,250	-
29500	Other liabilities (Note 25)	275,717	-	228,684	-	221,525	-
20000	Total liabilities	278,820,938	95	251,644,511	95	238,013,752	95
	Equity						
	Equity attributable to owners of the company						
	Capital stock						
31101	Capital of common stock	13,349,730	5	12,749,730	5	12,749,730	5
31500	Capital surplus	4,500	-	-	-	12,598	-
	Retained earnings						
32001	Legal reserve	24,879	-	-	-	-	-
32003	Special reserve	82,988	-	24,936	-	47,627	-
32011	Undistributed earnings (accumulated deficit)	845,180	-	69,021	-	(1,182,222)	-
32500	Other equity	(62,874)	-	(80,964	-	(108,599)	-
32600	Treasury shares	(3,508)	-	(3,508	-	(3,508)	-
31000	Total equity of the company's owners	14,240,895	5	12,759,215	5	11,515,626	5
38000	Non-controlling interest	7,143	-	6,931	-	6,832	-
30000	Total equity	14,248,038	5	12,766,146	5	11,522,458	5
	Total liabilities and equity	$ 293,068,976	100	$ 264,410,657	100	$ 249,536,210	100

Notes attached behind are a part of the consolidated financial report.

Chairman: Lin, Peng-Lang (with seal)

Manager: Ding, Wei-Hao (with seal)

Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. and its Subsidiaries (with seal)

Consolidated statement of comprehensive income

From January 1 to December 31, 2013 and 2012

Unit: NT$1,000 except
NT$ for earnings per share

		Year 2013		Year 2012		Comparison
Code		Amount	%	Amount	%	(%)
41000	Interest income	$ 5,679,484	120	$ 5,225,549	127	9
51000	Minus: interest expenses	2,328,071	49	2,217,558	54	5
49010	Net interest revenue (Note 4, 27 and 38)	3,351,413	71	3,007,991	73	11
	Net non-interest revenue (Note 4)					
49100	Net commission and service fees (Note 28)	902,418	19	729,755	18	24
49200	Gains (losses) on financial assets and liabilities at fair value through profit or loss (Note 29)	169,848	4	165,417	4	3
49300	Gains on financial asset available for sale (Note 30)	11,411	-	33,778	1	(66)
49600	Gains (losses) on foreign exchange	78,135	2	(7,199)	-	1,185
49700	Gains (losses) on reversal of asset impairment (Note 5 and 31)	27,222	-	(8,233)	-	431
49831	Net Securities Brokering Incomes	48,036	1	44,118	1	9
49805	Gains of financial assets measured by cost	29,949	1	47,484	1	(37)
49821	Recall the revenue of purchased claim receivable	56,677	1	42,595	1	33
49851	Lease income	55,055	1	44,352	1	24
49899	Other non-interest net gains (losses) (Note 32)	14,185	-	(2,449)	-	679
49020	Total net non-interest loss	1,392,936	29	1,089,618	27	28
4xxxx	Net income	4,744,349	100	4,097,609	100	16
58200	Bad debt expenses and guarantee liability provisions (Note 4, 5, 11 and 38)	778,402	16	143,043	3	444

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Code		Year 2013 Amount	Year 2013 %	Year 2012 Amount	Year 2012 %	Comparison (%)
	Operating expenses					
58500	Employee benefits expenses (Note 4 and 33)	$ 1,948,444	41	$ 1,681,006	41	16
59000	Depreciation and amortization expenses (Note 4 and 34)	175,693	4	172,719	4	2
59500	Other business and administration expenses (Note 35)	817,720	17	799,252	20	2
58400	Total operating expenses	2,941,857	62	2,652,977	65	11
61001	Net profit before tax	1,024,090	22	1,301,589	32	(21)
61003	Tax expense (Note 4, 5 and 36)	163,362	4	62,693	2	161
64000	Other net profit after tax	860,728	18	1,238,896	30	(31)
	Other comprehensive income					
65001	Exchange differences resulting from translating the financial statements of a foreign operation	12,702	-	(4,604)	-	376
65011	Unrealized valuation gains and losses from financial assets available for sale	6,668	-	32,241	1	(79)
65031	Actuarial losses on defined benefit plans	(1,717)	-	(27,525)	(1)	(94)
65091	Tax expenses related to components of other comprehensive income	(989)	-	4,680	-	(121)
65000	Other comprehensive income of the year (net income after tax)	16,664	-	4,792	-	248
66000	Total comprehensive income of the year	$ 877,392	18	$ 1,243,688	30	(29)
	Net income belongs to:					
67101	Owners of the parent company	$ 860,500	18	$ 1,238,802	30	(31)
67111	Non-controlling interest	228	-	94	-	143
67100		$ 860,728	18	$ 1,238,896	30	(31)
	Total comprehensive income belongs to:					
67301	Owners of the parent company	$ 877,180	18	$ 1,243,589	30	(29)
67311	Non-controlling interest	212	-	99	-	114
67300		$ 877,392	18	$ 1,243,688	30	(29)
	Earnings per share (Note 37)					
67500	Basics	$ 0.66		$ 0.97		

Notes attached behind are a part of the consolidated financial report.

Chairman: Lin, Peng-Lang (with seal) Manager: Ding, Wei-Hao (with seal) Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. and its Subsidiaries (with seal)
Consolidated Statement of Changes in Equity
From January 1 to December 31, 2013 and 2012

Unit: NT$1,000

		Equity attributable to owners of the company											
		Capital Stock (Note 26)		Capital surplus	Retained earnings (Note 26)				Other equity				
Code		Number of stock (1,000 stocks)	Capital of common stock	(Note 26)	Legal reserve	Special reserve	Undistributed e arnings (accumulated deficit)	Total	Exchange differences resulting from translating the financial statements of a foreign operation (Note 4 and 26)	Unrealized valuation gains (losses) from financial assets available for sale (Note 4 and 26)	Treasury shares (Note 26)	Non-controlling interest (Note 26)	Total Equity
A1	Balance of January 1, 2012	1,274,973	$ 12,749,730	$ 12,598	$ -	$ 47,627	($ 1,182,222)	($ 1,134,595)	$ -	($ 108,599)	($ 3,508)	$ 6,832	$ 11,522,458
B15	Special reserve used to cover accumulated deficits	-	-	-	-	(22,691)	22,691	-	-	-	-	-	-
C11	Capital surplus used to cover accumulated deficits	-	-	(12,598)	-	-	12,598	12,598	-	-	-	-	-
D1	Net Income of 2012	-	-	-	-	-	1,238,802	1,238,802	-	-	-	94	1,238,896
D3	Other comprehensive income of 2012	-	-	-	-	-	(22,848)	(22,848)	(4,604)	32,239	-	5	4,792
D5	Total comprehensive income of 2012	-	-	-	-	-	1,215,954	1,215,954	(4,604)	32,239	-	99	1,243,688
Z1	Balance of December 31, 2012	1,274,973	12,749,730	-	-	24,936	69,021	93,957	(4,604)	(76,360)	(3,508)	6,931	12,766,146
	Appropriation and distribution of retained earnings of 2012												
B1	Recognition of legal reserve	-	-	-	24,879	-	(24,879)	-	-	-	-	-	-
B3	Recognition of special reserve	-	-	-	-	58,052	(58,052)	-	-	-	-	-	-
D1	Net income of 2013	-	-	-	-	-	860,500	860,500	-	-	-	228	860,728
D3	Other comprehensive income of 2013	-	-	-	-	-	(1,410)	(1,410)	11,421	6,669	-	(16)	16,664
D5	Total comprehensive income of 2013	-	-	-	-	-	859,090	859,090	11,421	6,669	-	212	877,392
E1	capital increased by cash	60,000	600,000	-	-	-	-	-	-	-	-	-	600,000
N1	Share-based payment transaction	-	-	4,500	-	-	-	-	-	-	-	-	4,500
Z1	Balance of December 31, 2013	1,334,973	$ 13,349,730	$ 4,500	$ 24,879	$ 82,988	$ 845,180	$ 953,047	$ 6,817	($ 69,691)	($ 3,508)	$ 7,143	$ 14,248,038

Notes attached behind are a part of the consolidated financial report.

Chairman: Lin, Peng-Lang (with seal)

Manager: Ding, Wei-Hao (with seal)

Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. and its Subsidiaries (with seal)

Consolidated statement of cash flows

From January 1 to December 31, 2013 and 2012

Unit: NT$1,000

Code		Year 2013	Year 2012
	Cash flow of operating activities		
A10000	Net profit before tax	$ 1,024,090	$ 1,301,589
A20010	Income and expense items that do not affect the cash flow		
A20100	Depreciation expenses	160,619	157,883
A20200	Amortization expenses	15,074	14,836
A20300	Number of recognized bad debt expenses (including guarantee reserve)	778,402	143,043
A20900	Interest expenses	2,328,071	2,217,558
A21200	Interest income	(5,679,484)	(5,225,549)
A21300	Dividend income	(51,780)	(68,853)
A21800	Decrease of liability reserves	(35,335)	(5,627)
A21900	Share-based payment compensation cost	4,500	-
A22500	Loss on disposal and abandonment of property and equipment	62	259
A23100	Gains (losses) on financial asset available for sale	8,430	(15,334)
A23600	Gain on reversal of financial asset impairment	(27,222)	(9,041)
A23700	Loss on non-financial asset impairment	-	17,274
A24400	Loss on disposal of collaterals taken over	110	8,428
A40000	Changes in operating assets and liabilities		
A41110	Decrease of dues from Central Bank and lend to financial institution	1,729,173	22,197,520
A41120	Increase of financial assets at fair value through profit or loss	(10,339,009)	(1,844,095)
A41150	Increase of account receivable	(694,614)	(93,839)
A41160	Increase of discounts and loans	(13,616,458)	(12,865,067)
A42110	Increase (decrease) of Dues to Central Bank and banks	(1,069,614)	854,761
A42120	Increase of financial liabilities at fair value through profit or loss	6,054	1,985
A42140	Increase (decrease) of Bills and bonds issued under repurchase agreements	(1,472,704)	1,283,300
A42150	Increase (decrease) of account receivable	(1,061,038)	382,099
A42160	Increase of deposits and remittances	29,066,423	9,799,638
A33000	Cash inflow from operations	1,073,750	18,252,768

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Code		Year 2013	Year 2012
A33100	Interest received	$ 5,625,764	$ 5,212,622
A33200	Dividend received	51,780	51,643
A33300	Interest paid	(2,335,609)	(2,203,164)
A33500	Tax paid	(38,477)	(24,194)
AAAA	Net cash inflow from operating activities	4,377,208	21,289,675
	Cash flow from investing activities		
B00300	Acquisition of financial asset available for sale	(5,233,052)	(3,708,848)
B00400	Disposal of financial asset available for sale	3,111,433	2,030,784
B00900	Acquisition of Held-to-Maturity financial assets	(103,210)	(1,172,221)
B01100	Repayment of held-to-Maturity financial assets at maturity	200,000	-
B02700	Acquisition of property and equipment	(80,778)	(99,014)
B02800	Disposal of property and equipment	122	49
B04500	Acquiring intangible assets	(6,441)	(6,518)
B04700	Disposal of collaterals taken over	5,214	30,931
B06500	Increase of other financial assets	(1,818,986)	-
B06600	Decrease of other financial assets	-	27,352
B06700	Increase of other assets	(6,149)	(45,038)
BBBB	Net cash outflow from investing activities	(3,931,847)	(2,942,523)
	Cash flow from financing activities		
C00100	Increase of short-term loans	412,000	-
C01400	Issuance of financial debentures	1,500,000	1,300,000
C01500	Repayment of financial debentures	(302,500)	-
C04100	Increase of other financial liabilities	49,540	-
C04300	Increase of other liabilities	47,033	7,159
C04600	capital increased by cash	600,000	-
CCCC	Cash inflow from financing activities	2,306,073	1,307,159
DDDD	Impact of changes in exchange rate on cash and cash equivalents	12,258	(3,634)
EEEE	Net increase in cash and cash equivalents	2,763,692	19,650,677
E00100	Cash and cash equivalents at beginning of year	39,647,690	19,997,013
E00200	Cash and cash equivalents at end of year	$ 42,411,382	$ 39,647,690

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Adjustment on cash and cash equivalents at end of year

Code		December 31, 2013	December 31, 2012
E00210	Cash and cash equivalents depicted in the individual balance sheet	$ 4,186,300	$ 6,052,412
E00220	Dues from Central Bank and lend to banks that conform to IAS 7– Identification of cash and cash equivalents	36,273,021	32,637,017
E00230	Bills and bonds purchased under resale agreements that conform to IAS 7– Identification of cash and cash equivalents	1,952,061	958,261
E00200	Cash and cash equivalents at end of year	$42,411,382	$39,647,690

Notes attached behind are a part of the consolidated financial report.

Chairman: Lin, Peng-Lang (with seal) Manager: Ding, Wei-Hao (with seal) Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. and its Subsidiaries (with seal)
Notes of Consolidated Financial Report
From January 1 to December 31, 2013 and 2012
(The unit is based on NT$1,000 except those with remarks)

1. History of the Company

Sunny Bank Co., Ltd. (hereinafter shortened as "the Company") is a public company that deals with: (1) Businesses eligible for commercial banks to operate as stated in the Act of Banking; (2) All kinds of deposit and trust business; (3) Other relevant businesses approved by central authorities; (4) Planning, management and operation of trust investment businesses stated in the Act of Banking (Department of Trust), as well as investment of national negotiable securities and trust fund related business. Until December 31 of 2013, the Company has 96 operating units nationwide in total.

2. Approval date and procedures of the financial report

This consolidated financial report was approved and issued on March18 of 2014.

3. Applications of Applications of new / amended standards and interpretations

(1) New / amended standards and interpretations that have been published but have yet to come into effect.

Below international financial reporting standards (IFRS), international accounting standards (IAS), interpretations (International Financial Reporting Interpretations Committee; IFRIC) and standing interpretations (Standing Interpretations Committee; SIC) published by the International Accounting Standard Board are not applicable to the Company and individuals controlled by the Company (hereinafter shortened as "the Group").

According to "Roadmap for Full Adoption of the Upgraded International Financial Reporting Standards Released" published by the Financial Supervisory Commission (hereinafter shortened as FSC) on January 28 of 2014, exchange-listed companies, OTC-listed companies, emerging stock companies and FSC controlled financial institutions shall upgrade their IFRS, IAS, IFRIC and SIC (hereinafter shortened as "IFRSs") of 2010 version to 2013 (excluding the "financial tool" of IFRS 9). Before publishing this consolidated financial report, FSC has not approved below new / corrected / amended standards and interpretations listed in IFRSs of non 2013 versions, nor announced the effective dates.

	Effective date announced by IASB (Note 1)
New / amended standards and interpretations already included in the 2013 IFRSs.	
Amendment to IFRSs "Improvement to IFRSs – Amendment to IAS 39 (2009)"	January 1, 2009 and 2010
Amendment to IAS 39 "Embedded Derivatives"	Becomes valid the year after June 30, 2009
"Improvement to IFRSs (2010)"	July 1, 2010 or January 1, 2011
"Annual Improvements to IFRSs 2009 – 2011 Cycle"	January 1, 2013
"Amendment to IFRS 1 "Limited Exemption from Comparative IFRS 7 Disclosures for First-Time Adopters"	July 1, 2010
Amendment to IFRS 1 "Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters"	July 1, 2011
Amendment to IFRS 1 "Government Loans"	January 1, 2013
Amendment to IFRS 7 "Disclosure – Offsetting Financial Assets and Financial Liabilities"	January 1, 2013
Amendment to IFRS 7 "Disclosure – Transfer of Financial Assets"	July 1, 2011
Amendment to IFRS 10 "Consolidated Financial Statements"	January 1, 2013
Amendment to IFRS 11 "Joint Arrangements"	January 1, 2013
Amendment to IFRS 12 "Disclosure of Interests in Other Entities"	January 1, 2013
Amendment to IFRS 10, IFRS 11 and IFRS 12 "Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance"	January 1, 2013
Amendment to IFRS 10, IFRS 12 and IAS 27 "Investment Entities"	January 1, 2014
Amendment to IFRS 13 "Fair Value Measurement"	January 1, 2013
Amendment to IAS 1 "Presentation of Other Comprehensive Income"	July 1, 2012
Amendment to IAS 12 "Deferred tax: Recovery of Underlying Assets"	January 1, 2012
Amendment to IAS 19 "Employee Benefits"	January 1, 2013
Amendment to IAS 27 "Separate Financial Statements"	January 1, 2013
Amendment to IAS 28 "Investments in Associates and Joint Ventures"	January 1, 2013
Amendment to IAS 32 "Offsetting Financial Assets and Financial Liabilities"	January 1, 2014
IFRIC 20 "Stripping Costs in Production Phase of a Surface Mine"	January 1, 2013
New / amended standards and interpretations not included in the 2013 IFRSs.	
"Annual Improvements to IFRSs 2010 – 2012 Cycle"	July 1, 2014（Note 2）
"Annual Improvements to IFRSs 2011 – 2013 Cycle"	July 1, 2014
IFRS 9 "Financial Instruments"	Not published yet
Amendment to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosure"	Not published yet
IFRS 14 "Regulatory Deferral Accounts."	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plan: Employee Contributions"	July 1, 2014

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New / amended standards and interpretations not included in the 2013 IFRSs.	Effective date announced by IASB (Note 1)
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of derivatives and continuation of hedge accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions for which the grant date is on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations for which the acquisition date is on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

(2) Significant impending changes in accounting policy that would result from the application, whenever applied, of the New IFRSs in issue but not yet effective.

Except for the following, the impending initial application of the above New IFRSs, whenever applied, would not have any material impact on the Group's accounting policies:

a. IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

Regarding financial assets, the subsequent measurement of financial assets within the range of IAS 39 "Financial Instruments: Recognition and Measurement" is measured with the cost after amortization or the fair value. If the Group holds the asset in order to collect contractual cash flows and this cash flow is entirely used to pay for interests of capital and outstanding capital, such financial asset is measured with the cost after amortization and does not comply with above mentioned condition of a measurement with the fair value method for other financial assets. However, if the Group has to chose adopt initial recognition, equity investment not held for trading shall be measure at fair value through other comprehensive income and, except dividend earned that will be recognized in income, other relevant gains and losses will all be recognized in other comprehensive income.

Recognition and measurement of financial liabilities

As for financial liabilities, the major change of the classification and measurement is designated to measure the subsequent financial liabilities through income based on the fair value. The adjustment of the financial liability fair value is caused by the credit risk player recognized in other comprehensive income. The subsequent results shall not be grouped into the category of income and the rest adjustment of fair value shall be listed in income. If above mentioned designation to measure the financial liabilities through income and based on the fair value causes accounting mismatch or makes the issue more serious, gains and losses of that liability shall then be recognized in the section of income.

Effective Date

When IASB included regulations of "General hedge accounting" in IFRS 9, it had canceled the original rule of setting January 1 of 2015 as the effective date of IFRS 9. IASB decided to firstly complete adjustment on the new impairment approach and "Classification and measurement: limited" before re-considering appropriate effective date.

b. IFRS 13 "Fair Value Measurement"

IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

c. Amendment to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendment to IAS 1 requires items of other comprehensive income to be grouped into those that (1) will not be reclassified subsequently to profit or loss; and (2) will be reclassified subsequently to profit or loss when specific conditions are met. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

d. IAS 19「Employee benefits」

Revision in 2011

After the adoption or change of defined benefit plan, past service costs shall be vested within a known range of benefits, whereas unvested service costs shall be recognized in profit and loss based on a linear pattern during the average period for benefits become vested.

Revision in 2013

The occurrence of past service cost shall all be considered as expenses.

e. Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets"

As IASB announced the "Fair Value Measurement" of IFR 13, it has simultaneously amended the disclosure regulation "Impairment of Assets" of IAS 36. Therefore, the Group shall, during the period of issuing the next statement, increase the disclosure asset or recoverable amount of cash-generating unit. This time, the amendment to IAS 36 was made to clarify that the Group shall disclose recoverable amount during the period of recognizing or reversing impairment. Besides, if the recoverable amount is evaluated by the net fair value calculated by the present value technique, the Group shall increase the discount rate adopted during the disclosure.

(3) The assessed impact of the impending application of new / corrected / amended standards, interpretations, Regulations Governing the Preparation of Financial Reports by Public Banks, and Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") in issue but not yet effective on the Group's consolidated financial report is as follows:

The applications of above new / corrected / amended standards and interpretations shall be implemented based on FSC regulations. Until the date of publishing this financial report, the Group still continued to evaluate impacts on financial status and operating performance caused by above standards and interpretations. Relevant influences will be disposed after the measurement is completed.

4. <u>Summary of Significant Accounting Policies</u>

According to "Framework for the Adoption of IFRSs by Companies in the ROC." announced by FSC on May 14 of 2009, the Group should prepare the financial report in accordance with Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and IFRSs as endorsed by the FSC.

The Group's consolidated financial report of 2013 is its first IFRS consolidated financial report. The date of transition to IFRSs was January 1, 2012. Refer to Note 48 for the assessed impact on the Group's consolidated financial report of conversion to IFRS.

(1) Statement of compliance

The consolidated financial report has been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, letter or directive issued competent authorities and IFRSs as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial report has been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The opening consolidated balance sheets as of the date of transition to IFRSs was prepared in accordance with IFRS 1 "First-time Adoption of International Financial Reporting Standards". The applicable IFRSs have been applied retrospectively by the Group except for some aspects where IFRS 1 prohibits retrospective application or grants optional exemptions to this general principle. For the exemptions that the Group elected, refer to Note 48.

Due to banking industry's characteristics in operations, it is difficult to define the operating cycle. Therefore, items in this consolidated financial report are not divided into current or non-current items as they are already classified based on their nature and listed based on their order in relative liquidity. Note 42 has described maturity analysis of assets and liabilities.

(3) Principles of preparing the consolidated financial report

The consolidated financial report incorporates the financial statements of the Company and the entities controlled by the Company (subsidiaries). Here the word "control" refers to the Company's power of deciding an entity's financial and operating policies, and acquire benefits from relevant activities.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

The transactions, account balance, income and expenses shall all be eliminated during the consolidation process. Please refer to attachment 6 for details.

Below is the main body of the consolidated financial report:

Name of the invested company	Name of the subsidiary	Business nature	Percentage of share holding (%) December 31, 2013	December 31, 2012	January 1, 2012	Descrip tions
Sunny Bank Co., Ltd.	Sunny Securities Co., Ltd. (hereinafter shortened as "Sunny Securities Co.")	Accepting orders to sell and purchase negotiable securities in centralized markets and its sales office, and dealing with commodity trading business	98.72	98.72	98.72	
Sunny Bank Co., Ltd.	Sunny Assets Management Co., Ltd. (hereinafter shortened as "Sunny Assets Management Co.")	Business related to the financial institution creditor's right (money) purchase	100	100	100	
Sunny Bank Co., Ltd.	Sunny Life Insurance Brokerage Co., Ltd. (hereinafter shortened as "Sunny Life Insurance Brokerage Co.")	Life insurance brokerage business	39.99	39.99	39.99	
Sunny Bank Co., Ltd.	Sunny Property & Insurance Brokerage Co., Ltd. (hereinafter shortened as "Sunny Property & Insurance Co.")	Property and insurance brokerage business	20	20	20	
Sunny Bank Co., Ltd.	Sunny International Leasing Co., Ltd. (hereinafter shortened as "Sunny International Leasing Co.")	Financing and leasing business	100	100	-	

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Name of the invested company	Name of the subsidiary	Business nature	Percentage of share holding (%) December 31, 2013	December 31, 2012	January 1, 2012	Descriptions
Sunny Securities Co.	Sunny Life Insurance Brokerage Co.	Life insurance brokerage business	60	60	60	
Sunny Life Insurance Brokerage Co.	Sunny Property & Insurance Co.	Property and insurance brokerage business	40	40	40	
Sunny Assets Management Co.	Sunny Property & Insurance Co.	Property and insurance brokerage business	40	40	40	
Sunny International Leasing Co.	Sunny Finance Lease (HK) Limited	Financing and leasing business	100	-	-	
Sunny Finance Lease (HK) Limited	Sunny Finance and Leasing (China) Co., Ltd.	Financing and leasing business	100	-	-	

(4) Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at spot exchange rate at that date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

The fair value measurement of foreign currency non - monetary items is based on the exchange rate on the date of deciding the fair value and the exchange difference shall be listed as current profits or losses. However, entities whose change of fair value that is recognized in other comprehensive income shall list the exchange difference in other comprehensive income.

Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income and shall be attributed to the owners of the Company and non-controlling interests as appropriate.

(5) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchase or sales of financial assets are recognized and derecognized on a trade date basis.

a. Measurement category

The financial assets possessed by the Group are divided into four categories: Financial assets at fair value through profit or loss, held-to-maturity investment, financial asset available for sale, and loans and receivables, where the classification depends on the nature and purpose of financial assets during the initial recognition.

i. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading or designated as financial assets at fair value through profit or loss. These assets shall be stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the other gains and losses line item

Financial assets that comply with one of the following conditions will be classified as held for trading:

A. The purpose of acquisition is short-term sales.
B. Those considered as a part of the recognizable financial instrument combination during the initial recognition. Besides, an evidence that shows the combination is used to obtain short-term profit is provided, or
C. Derivative instruments (except financial guarantee contract or those being designated and are valid derivative hedging instruments)

Please refer to Note 41 for the method of deciding the fair value.

ii. Financial asset available for sale

AFS financial assets are non-derivatives that are designated as AFS or those are not classified as loans and receivables, held-to-maturity investment, or financial assets at fair value through profit or loss。

Fair value is determined in the manner described in Note 41.

Financial asset available for sale is evaluated based on the fair value, where the change of book value of currency financial assets available for sale is considered as the exchange gain / loss that shall be calculated by effective interest methods. Besides, Dividends on AFS equity investments are recognized in profit. Other changes in the carrying amount of AFS financial assets are recognized in other comprehensive income.

Effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Dividends on AFS equity instruments are recognized in profit when the Group's right to receive the dividends is established.

Regarding financial asset available for sales belongs to an active market without quoted price its equity instrument investment cannot be measure through fair value reliably, and derivative tools connected to such equity instrument without a quotation and must pay for the settlement of such tools, they shall be measured based on the cost after deducted the impairment loss and be solely listed as "financial assets measured by the cost". Once such financial asset can be measured by fair value reliably, they will then be measured again by the fair value and the difference between the book value and fair value shall be recognized in other comprehensive income and be reclassified as profits / losses once the impairment is confirmed.

iii. Held-to-maturity financial assets

Held-to-maturity investment refers to non-derivative financial assets with fixed / decidable payment amount and date of maturity, not designated as fair value through profit or loss or available for sale, does not comply with the definition of loans and receivables, and to be held to maturity with the Group's active intention and capability.

Held-to-maturity financial assets shall be measured by amortized cost after deducted the impairment loss by effective interest methods.

iv. Loans and receivables

Loans and receivables are measured at amortized cost using the effective interest method, less any impairment, except for short-term receivables when the effect of discounting is immaterial.

v. Cash equivalents

Cash equivalent includes time deposits with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and may be subject only to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b. Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Possible losses shall be evaluated by the Group based on discounts and loans, account payable, other financial assets and guarantee balance of each item then be recognized in allowance for bad debts and reserve for guarantee liabilities.

The Group evaluates signs of impairment on the date of balance sheet. When objective evidence indicates the occurrence of one or more incidents has influenced the estimation of the cash flow of above liabilities, it shall be considered as its own impairment. Objective evidences of the impairment may include:

i. Debtors' liabilities are reclassified on the measurement date.

ii. Debtors have unpaid interest or overdue capital on the measurement date.

iii. Those are warned based on the Company's mechanism of for abnormal or alerting borrower.

iv. Debtors who have submitted requests to the Company due to financial difficulties.

v. Those who ever participated in debt negotiation (including the 2006 debt negotiation mechanism, individual consistency, pre-negotiation, regeneration and liquidation)

Regarding certain discount and loans, account payable and other financial assets, if no object evidences of impairment were found after the individual evaluation, another evaluation shall be conducted on a portfolio basis. Such objective evidences of impairment may include the Group's collection experiences, a tendency of such portfolio's overdue payment, and changes on national or regional economic trends related to the violation of discounts and loans, account payable and other financial assets.

The amount of recognized impairment losses is the difference among the book value of that asset, expected future cash flow (those already reflected the influence or collaterals or guarantees), and the original discounted effective interest rate. As for the book value of discounts and loans, account payable and other financial assets, it is adjusted by the allowance for bad debts.

According to "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans", the Company has classified loan assets into five categories: normal, precautionary, substandard, doubtful and loss based on borrowers' financial status and if there is any delay on the payment of interest. Besides, after the valuation of the collateral of specific loans, the recoverability of the loan asset is then evaluated.

According to above mentioned regulations, the minimum allowance for bad debts and reserve for guarantee liabilities are calculated based the total amount of 2%, 10%, 50% and the outstanding balance of the precautionary, substandard, doubtful and loss problem assets with 0.5% of the left amount of normal loans (excluding the outstanding balance of credits of the nation's governmental institutions) and be appropriated within three years starting from January 1 of 2011. However, according to the request of Jin-Kuan-Yin-(1) No. 10010006830, the target of aforesaid lowest provision standard shall be set above 1%.

When the fair value of available-for-sale equity investment is lower than the cost and has obvious or perpetual decreases, it will be considered as an objective evidence of impairment.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of AFS equity securities, impairment loss previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. If the fair value of the financial liability available for sale increases afterwards and such increase can connect to the impairment losses listed under items happened after the profit / loss objectively, the impairment loss shall be reversed and listed under profits / losses.

The loss of impairment of financial assets evaluated by costs is the difference of that asset's book value and the current value of its future cash flow calculated by financial asset like return rate of the market. Such impairment loss shall not be reversed afterwards.

The loss of impairment of financial assets is to lower the book value through allowance account or accumulated impairment account. When it is confirmed not being able to recycle financial assets, it is then the write-off allowance account or accumulated impairment account; the write-off discounts and loans, account payable and other recoveries will have bad debt expenses or allowance accounts adjusted according to Regulations Governing the Preparation of Financial Reports by Public Banks.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

<u>Financial liabilities and equity instruments</u>

Liabilities and equity instruments issued by the Group are defined as financial liabilities or equities based on the content of the agreement and the definition of financial liabilities and equity instruments.

Equity instrument is used to commend any equity related contract after the Group cleared all the liabilities. Liabilities and equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs

a. Subsequent measurement

Regarding the subsequent measurement of financial liabilities, all of the financial liabilities shall be measured by amortized cost based on effective interest methods (please refer to above mentioned accounting policy for more details regarding the effective interest method).

i. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include those held for trading and at fair value through profit or loss.

Financial liabilities that comply with one of the following conditions will be classified as held-for-trading:

A. The principal purpose of the occurrence is to repurchase it with a short period;

B. A part of the financial instrument combination that can be recognized in a consolidated management at initial recognition. Besides, an evidence that shows such combination can acquire profit within a short time; or

C. Belongs to derivatives instruments (except financial guarantee contract and derivatives instruments designated as effective hedge instrument).

Please refer to Note 41 for the deciding method of fair value.

ii. Financial guarantee contract

Financial guarantee contracts issued by the Group and are not measure at fair value through profit or loss shall be measured by amortized amount after the initial recognition. However, if it is likely to pay the contract obligations after the valuation, measurement shall be conducted by either the best estimation of contract obligations and amortized amount, depending on which side has a higher amount.

b. Derecognition of financial liabilities

When derecognition of financial assets happens, the difference between the book value and compensatory payment (including any transferred non-cash assets or liabilities assumed).

(6) Derivatives instruments

While signing the derivative instruments contract, derivatives instruments shall be firstly recognized at fair value and be measured again based on the fair value on the date of balance sheet. Profits or losses of subsequent measurements shall be directly listed as profits / losses. When the fair value of derivatives instruments is positive, it will be listed as financial assets; when the value is negative, it will be listed as financial liabilities.

The risk and characteristics of embedded derivatives instruments and the risk and characteristics of the main contract are not tightly connected. Besides, when the main tract does not belong to financial assets at fair value through profit or loss nor financial liabilities, such derivatives instrument will be considered as stand-alone derivative.

(7) Bonds or Securities Purchased/Sold under Specific Agreements

Bonds or securities purchased under resell agreement are recorded at purchase price and are accounted for as financing transactions. Bonds or securities sold under repurchase agreement are recorded at sales price. Interest revenues and expenses are recorded on accrual basis.

(8) Securities financing, securities loan, refinancing and transfer of securities loan

While dealing with securities financing related buy-in and sales activities, Sunny Securities Co. lists buy-in securities investors' financing capital as receivable amount for margin loans and all of the stocks purchased by the financing capital shall all be considered as the collaterals. Sunny Securities Co., shall deal with such collaterals with memorandum entry and return them to securities investor once the repayment is cleared.

Deposits charged to customers during the transactions of negotiable securities related buy-in and sales activities, Sunny Securities Co. will list them as the deposit received for securities loan and charge additional short sales proceeds (less securities transaction taxes, handling fees for execution of customer orders, and short sale handling fees) as collateral. All of them will be listed as payables for short sale collateral received and the stocks of securities loans borrowed to customers will be handled with memorandum entry. Deposit received for securities loan and short sales proceeds will be returned to the customer once repayments are cleared.

"Refinancing" refers to the borrowing from securities and financing company when Sunny Securities Co., lacks of capital during the transaction of handling negotiable securities related financing business. The amount is listed as the borrowings for refinancing and the securities capital shall be used to purchase all the stocks as collaterals.

"Transfer of securities loan" refers to the borrowings from securities and financing company when Sunny Securities Co., lacks of securities during the transaction of handling negotiable securities related financing business. As the deposits or collaterals paid for the transfer of securities loan are listed as the refinancing deposit, short sales proceeds charged to the customer will be used to guarantee the refinancing. As for the short sales proceeds charged to the customer, it will be used as the refinancing collateral and is listed as payable short sales collateral received and receivable refinancing collateral.

(9) Property and equipment

Property and equipment are stated at cost, less subsequent accumulated depreciation and accumulated impairment.

Depreciation is recognized using the straight-line basis. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as the accounting standards for own property and equipments or where shorter, the terms of the relevant leases.

Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(10)Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a. The Group as lessor

In finance leasing, the amount charged to the lessee shall follow lease receivables recognized by the Group's net investment in leasing. Financing profits shall be amortized to each accounting period to reflect fixed return rate of undue net investment in leasing during each period.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

b. The Group as lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term unless another systematic basis can better represent the time pattern of users' benefits.

(11)Intangible assets

a. Sole acquisition

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. That is, the balance after amortized the capital cost within the estimated useful life and reduced salvage value. Besides, the estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the intangible asset before the end of its economic life.

b. Acquisition through the company consolidation.

Intangible assets acquired through the company consolidation are recognized by the fair value on the purchase date and are recognized separately with goodwill. Intangible assets acquired through the company consolidation shall be measured by the cost after reduced accumulated amortization and accumulated impairment loss.

c. Derecognition

Derecognition of intangible assets is adopted in disposal or when it is expected not possible to use or dispose economic benefits in the future. Profits or losses caused by the derecognition of intangible assets are the difference between net disposal proceeds and the asset's book value and shall be recognized under the current profits and losses.

(12)Goodwill

To conduct impairment test, goodwill is amortized to cash-generating unit or the group of cash-generating units that the Group foresees to be benefits from the consolidated comprehensive effect.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the allocated goodwill, with its recoverable amount. If the goodwill amortized to cash-generating unit or the group of cash-generating units is acquired by the company consolidation of that year, the unit or the group shall conduct the impairment test before the end of that year. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is recognized first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized on goodwill is not reversed in subsequent periods.

(13)Collaterals taken over

The collaterals taken over shall be entered into the account book according to the price taken over and be measured by either the book value or fair value at the end of the period, depending on which one is lower after the deduction of cost.

(14)Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group's assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation; otherwise, they are allocated to the smallest group of cash-generating units on a reasonable and consistent allocation basis.

Regarding unavailable intangible assets and those with uncertain useful life, the impairment test shall be conducted every year and when signs of impairment appear.

Recoverable amount is the higher of fair value less costs to sell and value in use. While evaluating the use value, the estimated future cash flow shall be discounted based on the discount rate before tax. The discount rate reflects the time currency value of the current market and evaluates certain risks of the assets used to adjust the future cash flow.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(15)Liability reserves

When the Group must take current obligation (statutory or constructive obligations) and possibly need to pay off such obligation with reliable estimation, liability reserves shall then be recognized.

The amount recognized as liability reserves is the best estimation of possible expenses required to pay off the obligations on the date of balance sheet under the consideration of risks and uncertainties. If liability reserves are measured by the estimated cash flow while paying off the current obligation, the book value shall be the current value of the cash flow (if the currency time value has a big influence).

Part or all of the expected expenses required to pay off the liability reserves can be resolved by another side. If the resolution is surely to be received and the amount can be reliably measured, such resolution will be considered as an asset.

(16)Employee benefits

a. Retirement benefit costs

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method. Actuarial gains and losses on the defined benefit obligation are recognized immediately in other comprehensive income. Past service cost shall be immediately recognized within the accrued range of benefits, whereas non-accrual parts shall be amortized on a straight-line basis within the average period before accrual.

The retirement benefit obligation recognized in the consolidated balance sheets represents the present value of the defined benefit obligation and adjustment of non-recognized past service cost, and as reduced by the fair value of plan assets.

Any asset resulting from this calculation is limited to accrual unrecognized past service cost plus the present value of available refunds, and reductions in future contributions to the plan.

Curtailment or settlement gains or losses on the defined benefit plan are recognized when the curtailment or settlement occurs.

b. Employees' preferential saving and benefits

The Company offers employees preferential savings including fixed preferential saving paid to current employees and fixed preferential saving after retirement paid to those who have retired before the payment reform. The difference of the interest rate of such preferential savings and of the market is within the scope of the employee benefits.

According to Article 28 of Regulations Governing the Preparation of Financial Reports by Public Banks, the if the post-employment preferential deposit interest rate offered to an employee as stipulated in the employment contract is higher than the prevailing interest rate on the market, defined benefit plan of the IAS 19 regulation shall apply to the excess portion of the interest upon the employee's retirement.

(17)Revenue recognition

Interest income and expenses

Transaction costs created during the acquisition of loans and receivables, and additional transaction fees created during the production or acquisition of loans and receivables are used to adjust the book value of loans and receivables and to make the interest rate effective.

The interest income of discounts and longs is recognized based on accrual basis by interest methods. If one is evaluated not being able to clear or pay contractual overdue loans, the capital and interest receivable of the loans will then be listed under overdue receivable. Furthermore, the calculation of interest receivable will be ceased temporarily until the payment is collected again. According to regulations of Ministry of Finance, interest incomes entered due to

As for interest income entered due to relief and credit extension shall be listed as deferred income (recognized in other liabilities) starting from the balance sheet date and will be recognized in revenue upon collection.

Interest income of the credit card consumptions and cash advance using the revolving credit shall be recorded on accrual basis.

Transactions income

Transaction income and expenses shall be recognized at once after completed the offering of loans or other services; service fees obtained during the implementation of important items shall be recognized after the completion of the important items. For example, the service fees charged by the lead bank of syndicated loan; transactions incomes and expenses related to the following loan services shall be amortized in or included in the effective interest of calculation of loans and receivables during the per of service.

Revenue of the credit card annual fees shall be charged to card holders as the membership fees and be recognized once the charging standard is reached.

Dividend income

Dividend income generated from the investment shall be recognized once sharholders' right of collection is confirmed. However, it is conditioned that economic benefits related to trading can possibly flow into the Group and the revenue shall be measured reliably.

(18)Share-based payment arrangement

Share-based payment of employees' equity shall be measured by the fair value of the equity instrument on the grant date.

The number of employee stock option is optimally estimated based on the fair value and expected accrual employee stock option on the grant date. Relevant expenses shall be recognized on a straight-line basis during the accrual period and the capital surplus – employee stock option – shall also be adjusted simultaneously. If the stock is received immediately on the grant date, the recognition expenses shall also be paid entirely on the same day.

(19)Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax at 10% of inappropriate earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred tax are also recognized in other comprehensive income.

5. Critical accounting judgments and key sources of estimation uncertainty

In the application of the accounting policies stated in Note 4, the Group's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(1) Impairment loss of loans and account payable

The Group examines and approves loans combinations and account payables to evaluate the impairment. The Group's decision on recognizing impairment losses depends on observable evidences of indicating the impairment. It includes observable information showing unfavorable changes debtors' payment status, or national or local economic status related to overdue debts. When one analyzing predictable cash flows, the management's estimation is based on the impairment experiences of assets with similar credit risk characteristics. The Group's regular examination on predictable cash flow as well as methods and assumptions on point of time can reduce the difference between estimated and actual losses.

Please refer to Note 11 for details regarding to the impairment loss of loans and account payable.

(2) Fair value of financial instruments

As stated in Note 41, the Group's management team makes evaluations to select appropriate assessment techniques to estimate financial instrument in the active market without a market quotation. The group has adopted evaluation technique applicable among market players. The assumption of derivative financial instruments is based the market interest and adjusted according to the tool's characteristics. Other financial instruments are estimated by discounts of the cash flow and the adopted assumption is based on observable market price or interest (if accessible). The fair valuation of non exchange-listed (non-OCT listed) companies' equity instrument includes assumptions supported by observable market price or interests. Details of assumptions adopted by the evaluation skills are disclosed in Note 41. The evaluation technique and assumptions determined and adopted by the Group's management are applicable to decide the fair value of financial instruments.

(3) Estimation of the goodwill impairment

Whether to have an impairment on the goodwill or not depends on the estimation of use value amortized to related cash-generating units. To calculate the use value, the Group shall estimate the future cash flow generated by the cash generating units and decides appropriate discount rate used to calculate the current value. If the actual cash flow is lower than expected value, major impairment loss can occur.

Please refer to Note 16 for details regarding the estimation of the impairment loss of goodwill.

(4) Income taxes

Until December 31 of 2013, December 31 of 2012 and January 1 of 及 1 月 1 日 2012, the book value of deferred tax related to non-used tax impairment are NT$690,445,000, NT$822,184,000 and 865,964,000. The reliability of the deferred tax asset mainly depends on whether sufficient future profits or taxable temporary differences will be available. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which

(5) Liability reserves for employee benefits

The actual value used to decide obligations of benefits and preferential saving for employees is based on numerous assumed actuarial results. Any changes on these assumptions will affect the book value of liability reserves for employee benefits.

Assumptions used to decide the net cost (income) of pension include the discount rate. The Group decides appropriate discount rate at the end of each period and uses this interest rate to calculate the current value of future cash outflow estimated to pay for the liability reserves for employee benefit.

Regarding the evaluation of Liability reserves for employee benefits, please refer to note 24.

6. Cash and cash equivalents

	December 31, 2013	December 31, 2012	January 1, 2012
Cash on hand and cash for revolving use	$ 2,793,573	$ 2,575,873	$ 2,563,061
Checks for clearing	648,182	2,363,364	2,161,460
Bank deposits and dues from banks	744,545	1,113,175	344,390
	$ 4,186,300	$ 6,052,412	$ 5,068,911

Until December 31 of 2013, December 31 of 2012 and January 1 of 2012, the bank time deposits that have been delayed for more than 3 months after the maturity are NT$0, NT$33,000 and NT$51,400. It is classified under the other financial assets category.

Cash and cash equivalents are composed by below items to reach the purpose of compiling the statement of cash flow.

	December 31, 2013	December 31, 2012	January 1, 2012
Consolidated cash and cash equivalents depicted in the individual balance sheet	$ 4,186,300	$ 6,052,412	$ 5,068,911
Dues from Central Bank and lend to banks that conform to IAS 7– Identification of cash and cash equivalents approved by FSC	36,273,021	32,637,017	14,507,722
Bills and bonds purchased under resale agreements that conform to IAS 7– Identification of cash and cash equivalents approved by FSC	1,952,061	958,261	420,380
Cash and cash equivalents depicted in consolidated statement of cash flows	$ 42,411,382	$ 39,647,690	$ 19,997,013

7. Dues from Central Bank and lend to banks

	December 31, 2013	December 31, 2012	January 1, 2012
Reserves deposited in Central Bank - Account "A"	$ 3,733,968	$ 4,531,203	$ 1,654,692
Reserves deposited in Central Bank - Account "B"	6,984,393	6,218,702	5,894,161
Foreign exchange reserves deposited in Central Bank	12,188	9,817	8,389
Deposits transferred to Central Bank	35,300,000	32,300,000	38,900,000
Call loans to banks and bank overdraft	569,050	1,631,616	2,353,920
Dues from the Central Bank - amount of interbank trading	403,971	405,401	353,802
	$ 47,003,570	$ 45,096,739	$ 49,164,964

Regarding the reserves deposited in Central Bank, it is calculated based on statutory reserve ratio and the monthly average balance of all deposits. The part of account B shall not be withdrawn for the use other than adjusting the monthly deposit reserves, whereas others can be used freely.

8. Financial assets at fair value through profit or loss

	December 31, 2013	December 31, 2012	January 1, 2012
Financial asset held for trading			
Commercial papers	$13,793,719	$ 3,904,890	$ 2,171,745
Beneficiary certificates	577,888	448,484	523,438
Stocks	324,588	167,830	36,404
Negotiable certificates of deposit	201,668	-	-
Government bonds	52,164	102,822	52,845
Currency swap	1,022	13,739	10,474
Foreign exchange forward	-	1,620	7
	$14,951,049	$ 4,639,385	$ 2,794,913
Financial liabilities held for trading			
Currency swap	$ 9,500	$ 3,763	$ 1,932
Foreign exchange forward	478	161	7
	$ 9,978	$ 3,924	$ 1,939

On December 31 of 2013, December 31 of 2012 and January 1 of 2012, bond and its value used in repurchase agreement in above mentioned financial asset held for trading are NT$0, NT$350 million and 480 million.

The Company's main purpose of conducting derivative financial tool related transaction in 2013 and 2012 is to respond to the customer demand, allocation of foreign capital and risk management.

Until December 31 of 2013, December 31 of 2012 and January 1 of 2012, the amount of derivative financial instruments (capital) in valid contract as shown below:

	December 31, 2013	December 31, 2012	January 1, 2012
Purpose of transaction			
Currency swap	$ 1,670,479	$ 1,102,354	$ 1,499,111
Foreign exchange forward	25,814	60,339	3,983

9. Bills and bonds purchased under resale agreements

	December 31, 2013	December 31, 2012	January 1, 2012
Commercial papers	$ 1,947,061	$ 958,261	$ 360,380
Corporate bonds	5,000	-	60,000
	$ 1,952,061	$ 958,261	$ 420,380
Resale price	$ 1,952,874	$ 958,779	$ 420,422
Date of maturity	103.1.9-2.24	102.1.8-1.25	101.1.2-1.16

Above mentioned bills and bonds purchased under resale agreements do not have objects of repurchase agreement.

10. Accounts receivable - net

	December 31, 2013	December 31, 2012	January 1, 2012
Lease receivable	$ 601,034	$ -	$ -
Credit card receivables	541,132	582,196	634,880
Interest receivable	354,881	336,784	337,631
Purchased claim receivable	298,737	355,679	435,790
Account settlement receivable	242,629	158,272	90,665
Accounts receivable	197,488	6,202	-
Acceptance receivable	149,160	123,926	13,295
Cost for settlement	130,140	54,004	-
Other receivables	268,362	261,755	250,446
Subtotal	2,783,563	1,878,818	1,762,707
Minus: Allowance for bad debts (Note 11)	590,245	631,615	717,375
Net amount	$ 2,193,318	$ 1,247,203	$ 1,045,332
Total amount of minimum lease payment receivable	$ 666,817	$ -	$ -
Minus: Unearned finance income	65,783	-	-
Present value of minimum lease payment receivable	$ 601,034	$ -	$ -

11. Discounts and loans - net

	December 31, 2013	December 31, 2012	January 1, 2012
Export bills negotiated	$ 78,237	$ 75,648	$ 53,991
Short-term loans	19,830,527	15,255,629	15,000,305
Short-term secured loans	39,372,822	30,095,387	25,814,460
Receivable amount for margin loans	386,321	-	-
Mid-term loans	16,060,712	16,068,327	13,291,537
Mid-term secured loans	45,263,292	39,808,287	30,364,099
Long-term loans	2,122,076	3,134,297	3,775,215
Long-term secured loans	81,299,400	86,479,742	89,349,923
Overdue receivable	985,307	951,492	1,191,524
Subtotal	205,398,694	191,868,809	178,841,054
Minus: Adjustment of discounts and loans premium discount and	10,991	24,248	16,731
allowance for bad debts	2,580,123	1,895,280	1,479,040
Net amount	$ 202,807,580	$ 189,949,281	$ 177,345,283

Please refer to Note 42 for details related to the Company's discounts and loans, and the impairment evaluation of payables.

The Group shall make provision on proper allowance for bad debts based on discounts and loans, and payables. Besides, details and changes of reserves for guarantee liabilities, payments of discounts and loans, receivables, overdue receivables which are not rendered from loans, and allowance for bad debts provided by the reserves for guarantee liabilities are shown below:

	Year 2013						
	Discounts and Loans						
	Risk of irrecoverable specific claims	Potential risk of total claim combination	Subtotal	Account payable	Overdue receivables which are not rendered from loans	Reserve for guarantee Liabilities	Total
Balance at the beginning of the year	$ 453,656	$ 1,441,624	$ 1,895,280	$ 631,615	$ 2,178	$ 22,395	$ 2,551,468
Provision (reverse) for bad debts	158,457	646,956	805,413	(33,772)	130	6,631	778,402
Write-off	(311,280)	-	(311,280)	(14,004)	(17,111)	-	(342,395)
Bad debts which are recovered and written off	190,198	-	190,198	4,336	18,868	-	213,402
Reclassification	-	-	-	2,070	(2,070)	-	-
Adjustment for balance of exchange	512	-	512	-	-	-	512
Balance at the end of the year	$ 491,543	$ 2,088,580	$ 2,580,123	$ 590,245	$ 1,995	$ 29,026	$ 3,201,389

	Year 2012						
	Discounts and Loans						
	Risk of irrecoverable specific claims	Potential risk of total claim combination	Subtotal	Account payable	Overdue receivables which are not rendered from loans	Reserve for guarantee Liabilities	Total
Balance at the beginning of the year	$ 656,785	$ 822,255	$ 1,479,040	$ 717,375	$ 219	$ 74,626	$ 2,271,260
Provision (reverse) for bad debts	(337,187)	619,369	282,182	(86,908)	-	(52,231)	143,043
Write-off	(163,399)	-	(163,399)	(23,959)	-	-	(187,358)
Bad debts which are recovered and written off	298,017	-	298,017	27,066	-	-	325,083
Reclassification	-	-	-	(1,959)	1,959	-	-
Adjustment for balance of exchange	(560)	-	(560)	-	-	-	(560)
Balance at the end of the year	$ 453,656	$ 1,441,624	$ 1,895,280	$ 631,615	$ 2,178	$ 22,395	$ 2,551,468

12. Financial asset available for sale

	December 31, 2013	December 31, 2012	January 1, 2012
Government bonds	$ 3,740,339	$ 1,903,048	$ 519,825
Corporate bonds	448,011	402,076	79,509
Commercial papers	439,165	-	3,395
Stocks	296,681	500,158	459,984
Beneficiary certificates	-	155,105	137,474
	-	-	40,235
	$ 4,924,196	$ 2,960,387	$ 1,240,422

On December 31 of 2013, December 31 of 2012 and January 1 of 2012, the book value of the repurchase agreement bonds mentioned in above financial asset available for sale were NT$0, NT$1,230 million and 210 million.

Please refer to Note 39 for details related to pledge collateral of financial asset available for sale.

13. Held-to-Maturity financial assets

	December 31, 2013	December 31, 2012	January 1, 2012
Government bonds	$ 1,071,615	$ 972,437	$ 996
Negotiable certificates of deposit	-	200,000	-
	$ 1,071,615	$ 1,172,437	$ 996

December 31 of 2013, December 31 of 2012 and January 1 of 2012，the book value of the repurchase agreement bonds mentioned in above held-to-Maturity financial assets were NT$500 million, NT$372.5 million and NT$0.

Please refer to Note 39 for details related to pledge collateral of held-to-Maturity financial assets.

14. Other financial assets - net

	December 31, 2013	December 31, 2012	January 1, 2012
Financial assets measured by cost			
Normal stock of non listed and OTC Companies			
FINANCIAL INFORMATION SERVICE CO., LTD.	$ 115,771	$ 115,771	$ 115,771
Taiwan Financial Asset Service Corporation	50,000	50,000	50,000
Taiwan Depository and Clearing Corp.	21,490	21,490	21,490
Protop Technology Co., Ltd.	10,782	10,782	10,782
Sunny Real Estate Management Co., Ltd.	3,000	3,000	3,000
Special stock of non listed and OTC Companies			
Farglory Life	100,000	100,000	100,000
	301,043	301,043	301,043
Minus: Accumulated impairment	10,782	10,782	10,782
	290,261	290,261	290,261
Debts Investment without Active Market			
Time deposits of non-cash and cash equivalents	1,858,944	33,000	51,400
Structural Deposit	104,544	136,728	151,450
Real estate trust beneficial interests	30,000	-	-
Minus: Accumulated impairment	75,742	100,308	113,588
	1,917,746	69,420	89,262
Other miscellaneous financial assets			
Overdue receivables which are not rendered from loans	4,353	3,749	673
Minus: Allowance for bad debts (Note 11)	1,995	2,178	219
	2,358	1,571	454
	$ 2,210,365	$ 361,252	$ 379,977

Regarding investments evaluated by the cost of the Group's on hand assets, the measurement was made as there is no public quotation in a market and the fair valuation cannot be counted on.

The Group's debts investment without active market has adopted evaluation methods to estimate the fair value.

The Group has on January 1 of 2012 (date transferred to IFRSs) designated the share, which was measured by the cost and amounted NT$290,261,000, as the financial asset available for sale and conducted disclosure. Regarding details of the stock and the decision of the fair value of other financial asset available for sale, please refer to Note 41.

15. Property and equipment - net

Name of the assets	December 31, 2013 Cost	Accumulated depreciation	Accumulated impairment	Book value
Land(s)	$ 7,341,110	$ -	$ 10,000	$ 7,331,110
Houses and buildings	2,931,866	1,111,885	-	1,819,981
Equipments and facilities	810,892	744,126	-	66,766
Traffic and transportation facilities	35,824	24,649	-	11,175
Miscellaneous facilities	683,165	601,024	-	82,141
Leasehold Improvements	29,723	24,171	-	5,552
Construction in Progress and Prepayment for Equipment	54,972	-	-	54,972
Leased Assets	145	6	-	139
	$ 11,887,697	$ 2,505,861	$ 10,000	$ 9,371,836

Name of the assets	December 31, 2012 Cost	Accumulated depreciation	Accumulated impairment	Book value
Land(s)	$ 7,341,110	$ -	$ 10,000	$ 7,331,110
Houses and buildings	2,931,866	1,044,989	-	1,886,877
Equipments and facilities	815,641	740,316	-	75,325
Traffic and transportation facilities	33,412	22,030	-	11,382
Miscellaneous facilities	668,818	577,552	-	91,266
Leasehold Improvements	29,588	20,847	-	8,741
Construction in Progress and Prepayment for Equipment	49,113	-	-	49,113
	$ 11,869,548	$ 2,405,734	$ 10,000	$ 9,453,814

Name of the assets	January 1, 2012 Cost	Accumulated depreciation	Accumulated impairment	Book value
Land(s)	$ 7,341,110	$ -	$ 10,000	$ 7,331,110
Houses and buildings	2,931,866	978,026	-	1,953,840
Equipments and facilities	794,287	712,467	-	81,820
Traffic and transportation facilities	30,126	18,779	-	11,347
Miscellaneous facilities	632,462	541,144	-	91,318
Leasehold Improvements	28,907	15,790	-	13,117
Construction in Progress and Prepayment for Equipment	29,311	-	-	29,311
	$ 11,788,069	$ 2,266,206	$ 10,000	$ 9,511,863

Regarding movements of the Group's property and equipments, please refer to below table:

Year 2013	Land	Houses and Buildings	Equipments and Facilities	Traffic and Transportation Facilities	Miscellaneous facilities	Leasehold Improvements	Construction in Progress and Prepayment for Equipment	Leased Assets
Cost								
Balance of January 1, 2013	$7,341,110	$2,931,866	$ 815,641	$ 33,412	$ 668,818	$ 29,588	$ 49,113	$ -
Number of increase of the year	-	-	26,290	3,410	29,101	285	22,226	145
Number of disposal of the year	-	-	(38,812)	(998)	(20,716)	(150)	-	-
Reclassification of the year	-	-	7,773	-	5,962	-	(16,367)	-
Balance of December 31, 2013	7,341,110	2,931,866	810,892	35,824	683,165	29,723	54,972	145

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	Year 2013							
	Land(s)	Houses and building	Equipments and facilities	Traffic and transportation facilities	Miscellaneous facilities	Leasehold Improvements	Construction in Progress and Prepayment for Equipment	Leased Assets
Accumulated depreciation								
Balance of January 1, 2013	$ -	$ 1,044,989	$ 740,316	$ 22,030	$ 577,552	$ 20,847	$ -	$ -
Depreciation of the year	-	66,896	42,556	3,617	44,116	3,428	-	6
Number of disposal of the year	-	-	(38,746)	(998)	(20,644)	(104)	-	-
Balance of December 31, 2013	-	1,111,885	744,126	24,649	601,024	24,171	-	6
Accumulated impairment								
Balance of January 1 2013	10,000	-	-	-	-	-	-	-
Balance of December 31, 2013	10,000	-	-	-	-	-	-	-
Net of December 31, 2013	$ 7,331,110	$ 1,819,981	$ 66,766	$ 11,175	$ 82,141	$ 5,552	$ 54,972	$ 139

	Year 2012							
	Land(s)	Houses and building	Equipments and facilities	Traffic and transportation facilities	Miscellaneous facilities	Leasehold Improvements	Construction in Progress and Prepayment for Equipment	Leased Assets
Cost								
Balance of January 1, 2012	$ 7,341,110	$ 2,931,866	$ 794,287	$ 30,126	$ 632,462	$ 28,907	$ 29,311	$ -
Number of increase of the year	-	-	28,967	4,127	40,725	951	25,400	-
Number of disposal of the year	-	-	(13,177)	(841)	(4,403)	(270)	-	-
Reclassification of the year	-	-	5,564	-	34	-	(5,598)	-
Balance of December 31, 2012	7,341,110	2,931,866	815,641	33,412	668,818	29,588	49,113	-
Accumulated depreciation								
Balance of January 1, 2012	-	978,026	712,467	18,779	541,144	15,790	-	-
Depreciation of the year	-	66,963	40,908	4,090	40,721	5,201	-	-
Number of disposal of the year	-	-	(13,059)	(839)	(4,313)	(144)	-	-
Balance of December 31, 2012	-	1,044,989	740,316	22,030	577,552	20,847	-	-
Accumulated impairment								
Balance of January 1, 2012	10,000	-	-	-	-	-	-	-
Balance of December 31, 2012	10,000	-	-	-	-	-	-	-
Net of December 31, 2012	$ 7,331,110	$ 1,886,877	$ 75,325	$ 11,382	$ 91,266	$ 8,741	$ 49,113	$ -

Depreciation of the group's property and equipments are calculated by the years of useful life on a straight-line basis as shown below:

Houses and buildings	7 to 61 years
Equipments and facilities	3 to 9 years
Traffic and transportation facilities	3 to 21 years
Miscellaneous facilities	3 to 21 years
Leasehold Improvements	25 years, if the leasing period is lower than 25 years, the cost shall be amortized within the leasing period.
Leased Assets	2 years

The Group has on January 1 of 2012 decided to use GAAP revaluation of that item as deemed cost at the date of the revaluation (please refer to Note 48).

Property and equipments shall not be under pledge.

16. Intangible assets - net

	December 31, 2013	December 31, 2012	January 1, 2012
Goodwill	$ 1,034,579	$ 1,034,579	$ 1,034,579
Computer Software	13,923	17,392	23,419
	$ 1,048,502	$ 1,051,971	$ 1,057,998

Regarding changes of the Group's intangible assets, please refer below table:

	Year 2013	Year 2012
Balance at the beginning of the year	$ 1,051,971	$ 1,057,998
Number of increase	6,441	6,518
Number of amortization	(12,542)	(12,545)
Reclassification	2,632	-
Balance at the end of the year	$ 1,048,502	$ 1,051,971

When the signs of annual or possible impairment appear, an evaluation of the goodwill impairment shall be conducted. The Group has conducted an evaluation and did not recognize any goodwill impairment.

The useful life of above intangible assets shall have their expenses amortized by years of useful life on a strait-line basis as shown below:

Computer Software	3 to 5 years

17. Other assets - net

	December 31, 2013	December 31, 2012	January 1, 2012
Collaterals taken over			
Cost	$ 20,859	$ 31,880	$ 105,338
Minus: Accumulated impairment	6,367	12,064	27,894
Net collaterals taken over	14,492	19,816	77,444
Refundable deposits	214,313	249,344	231,191
Operation guarantee and Settlement and clearing funds	175,795	175,468	132,724
Prepayments	52,748	46,915	39,914
Others	73,489	41,673	65,665
	$ 530,837	$ 533,216	$ 546,938

18. Dues to Central Bank and banks

	December 31, 2013	December 31, 2012	January 1, 2012
Dues to banks	$ 5,201,000	$ 5,751,000	$ 5,436,000
Call loans to banks	500,000	600,000	30,290
Deposits transferred to Chunghwa Post Co.	1,395,606	1,815,220	1,845,169
	$ 7,096,606	$ 8,166,220	$ 7,311,459

19. Bills and bonds issued under repurchase agreements

	December 31, 2013	December 31, 2012	January 1, 2012
Bill (s)	$ 500,122	$ 348,907	$ 210,937
Government bonds	-	1,623,919	478,589
	$ 500,122	$ 1,972,826	$ 689,526
Repurchase price	$ 500,867	$ 1,974,047	$ 689,777
Date of maturity	103.1.23-3.24	102.1.2-2.6	101.1.2-1.17

20. Accounts payable

	December 31, 2013	December 31, 2012	January 1, 2012
Checks for clearing payable	$ 648,182	$ 2,363,364	$ 2,161,460
Accrued expenses	380,847	194,949	241,142
Interest payable	370,747	378,627	364,233
Account settlement payable	361,121	211,151	86,921
Bill for collection payable	314,025	25,774	49,034
Acceptance bills	150,899	124,306	15,471
Other payables	285,936	255,760	232,262
	$ 2,511,757	$ 3,553,931	$ 3,150,523

21. Deposits and remittances

	December 31, 2013	December 31, 2012	January 1, 2012
Checking deposits	$ 2,905,330	$ 3,101,748	$ 2,607,875
Current deposits	34,507,990	27,154,388	25,538,718
Time deposits	64,164,366	48,408,671	44,045,871
Public treasury deposits	-	-	160,251
Deposits	156,623,703	150,484,357	146,997,843
Remittances	18,743	4,545	3,513
	$ 258,220,132	$ 229,153,709	$ 219,354,071

22. Financial bonds payable

To raise capital required for mid- and long-term operation and to increase the BIS ratio, the Company has submitted its request of issuance of financial debentures to FSC. Below are details of the issuance:

	December 31, 2013	December 31, 2012	January 1, 2012
Subordinated bank debenture-96-1 (A) - issued from April 9 of 2007 to April 9 of 2014 with a fixed annual interest rate of 3.00%. The interest is paid annually and repayment in lump upon maturity.	$ 1,800,000	$ 1,800,000	$ 1,800,000

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	December 31, 2013	December 31, 2012	January 1, 2012
Subordinated bank debenture-96-1 (B) - issued from April 9 of 2007 to April 9 of 2014 with a fixed annual interest rate of 0.60%. The Interest is paid annually and repayment in lump upon maturity.	$ 1,100,000	$ 1,100,000	$ 1,100,000
Subordinated bank debenture-96-2 (A) - issued from November 16 of 2007 to May 16 of 2013 with a fixed annual interest rate of 3.60%. The interest is paid annually and repayment in lump upon maturity.	-	201,500	201,500
Subordinated bank debenture-96-2 (B) - issued from November 16 of 2007 to May 16 of 2013. The book interest rate has an increase of 0.75% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is paid a	-	101,000	101,000
Subordinated bank debenture-96-3 (A) - issued from December 26 of 2007 to February 26 of 2014 with a fixed annual interest rate of 3.80%. The interest is paid annually and repayment in lump upon maturity.	257,500	257,500	257,500
Subordinated bank debenture-96-3 (B) - issued from December 26 of 2007 to February 26 of 2014. The book interest rate has an increase of 0.95% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is p	43,900	43,900	43,900
Subordinated bank debenture-98-1 - issued from June 15 of 2009 to January 15 of 2015 with a fixed annual interest rate of 3.00%. The interest is paid annually and repayment in lump upon maturity.	500,000	500,000	500,000

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	December 31, 2013	December 31, 2012	January 1, 2012
Subordinated bank debenture-99-1 (A) - issued from April 30 of 2010 to April 30 of 2017 with a fixed annual interest rate of 3.25%. The interest is paid annually and repayment in lump upon maturity.	$ 570,000	$ 570,000	$ 570,000
Subordinated bank debenture-99-1 (B) - issued from April 30 of 2010 to April 30 of 2017. The book interest rate has an increase of 1.83% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is paid a	230,000	230,000	230,000
Subordinated bank debenture-99-2 (A) - issued from October 29 of 2010 to October 29 of 2017 with a fixed annual interest rate of 3.25%. The interest is paid annually and repayment in lump upon maturity.	500,000	500,000	500,000
Subordinated bank debenture-99-2 (B) - issued from October 29 of 2010 to October 29 of 2017. The book interest rate has an increase of 1.71% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is pa	300,000	300,000	300,000
Subordinated bank debenture-99-3 - issued from November 11 of 2010 to October 11 of 2017 with a fixed annual interest rate of 3.25%. The interest is paid annually and repayment in lump upon maturity.	400,000	400,000	400,000
Subordinated bank debenture-100-1 (A) - issued from June 27 of 2010 to June 27 of 2018 with a fixed annual interest rate of 2.85%. The interest is paid annually and repayment in lump upon maturity.	100,000	100,000	100,000

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	December 31, 2013	December 31, 2012	January 1, 2012
Subordinated bank debenture-100-1 (B) - issued from June 27 of 2011 to June 27 of 2018 with a fixed annual interest rate of 1.25%. The interest is paid annually and repayment in lump upon maturity.	$ 500,000	$ 500,000	$ 500,000
Subordinated bank debenture-100-2 - issued from September 30 of 2011 to September 30 of 2018. The book interest rate has an increase of 1.17% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is p	200,000	200,000	200,000
Subordinated bank debenture-101-1 (A) - issued from May 30 of 2012 to May 30 of 2019 with a fixed annual interest rate of 2.45%. The interest is paid annually and repayment in lump upon maturity.	500,000	500,000	-
Subordinated bank debenture-101-1 (B) - issued from May 30 of 2012 to May 30 of 2019. The book interest rate has an increase of 0.97% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is paid annually	600,000	600,000	-
Subordinated bank debenture-101-2 - issued from June 29 of 2012 to May 29 of 2019 with a fixed annual interest rate of 2.45%. The interest is paid annually and repayment in lump upon maturity.	200,000	200,000	-
Subordinated bank debenture-102-1 (A) - issued from April 30 of 2013 to April 30 to 2020 with a fixed annual interest rate of 2.45%. The interest is paid annually and repayment in lump upon maturity.	1,450,000	-	-

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	December 31, 2013	December 31, 2012	January 1, 2012
Subordinated bank debenture-102-1 (B) - issued from April 30 of 2013 to April 30 of 2020. The book interest rate has an increase of 0.77% every quarter based on Taiwan Bank's Board's floating interest rate for time savings deposits. The interest is paid a	$ 50,000	$ -	$ -
	$ 9,301,400	$ 8,103,900	$ 6,803,900

23. Liability reserves

	December 31, 2013	December 31, 2012	January 1, 2012
Liability reserves for employee benefits (Note 24)	$ 200,153	$ 251,032	$ 238,026
Reserve for litigation compensation	49,980	33,232	23,934
Reserve for guarantee Liabilities (Note 11)	29,026	22,395	74,626
Decommissioning liabilities	7,171	7,111	6,561
	$ 286,330	$ 313,770	$ 343,147

24. Liability reserves for employee benefits

	December 31, 2013	December 31, 2012	January 1, 2012
Recognized in consolidated Balance Sheet (listed accounts payable and liability reserves):			
－Defined contribution plan	$ 9,785	$ 9,473	$ 36,728
－Defined benefit plan	196,093	245,692	230,907
－Preferential saving plan	4,060	5,340	7,119
	$ 209,938	$ 260,505	$ 274,754

(1) Defined contribution plan：

The Company, Sunny Securities Co., Sunny Assets Management Co., Sunny Life Insurance Brokerage Co., Sunny Property & Insurance Co. and Sunny International Leasing Co. of the Group adopted a pension plan under the Labor Pension Act ("LPA"), which is a state-managed defined contribution plan. Base on the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The amount that the group has set aside in 2013 and 2012 based on the proportion in the defined contribution plan has been recognized in the consolidated statement of comprehensive income. The amounts were: NT$60,248,000 and NT$31,299,000.

(2) Defined benefit plan：

The Company and Sunny Securities Co. of the group also adopted defined benefit plan under the Labor Standards Law ("LSL"), under LSL, benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The company and YI contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

The actual valuations of plan assets and present value of the defined benefit obligation were carried out by qualified actuaries on December 31, 2013. The recognized pension expenses of 2013 and 2012 were based on the rate of actuarial valuation held on December 31 of 2013 and January 1 of 2014.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate	2.000%	1.625%	1.75%
Expected return on plan assets	2.000%	1.875%	2.00%
Expected rates of salary increase	2.125-2.500%	1.875-2.125%	2.00-2.25%

Amount recognized in profit or loss in respect of these defined benefit plans are as follows:

	Year 2013	Year 2012
Current service cost	$ 10,976	$ 11,130
Interest cost	11,093	11,522
Expected return on plan assets	(8,930)	(9,563)
Past service cost	(1,807)	(1,807)
	$ 11,332	$ 11,282

The recognized actuarial loss in 2013 and 2012 were NT$1,410,000 and 22,848,000 on other comprehensive income. Until 2013 and December 31 of 2012, the accumulated amount of actuarial profit or loss in other comprehensive income were actuarial loss of NT$24,258,000 and 22,848,000.

The amount included in the consolidated balance sheet for the Group's obligation in respect of the defined benefit plans was as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of funded defined benefit	$ 692,980	$ 695,662	$ 673,869
Fair value of plan assets	(521,053)	(476,606)	(470,883)
Deficit	171,927	219,056	202,986
Unrecognized past service cost	24,166	25,973	27,780
	$ 196,093	$ 245,029	$ 230,766
Liability reserves－Defined benefit plan	$ 196,093	$ 245,692	$ 230,907
Prepaid pension (listed in other assets)	$ -	($ 663)	($ 141)

Movements in the present value of the defined benefit obligations were as follows:

	Year 2013	Year 2012
Opening defined benefit obligation	$695,662	$673,869
Current service cost	10,976	11,130
Interest cost	11,093	11,522
Actuarial (profits) losses	(2,145)	24,482
Benefits paid	(22,606)	(25,341)
Closing defined benefit obligation	$692,980	$695,662

Movements in the fair value of the plan assets were as follows:

	Year 2013	Year 2012
Opening fair value of plan assets	$476,606	$470,883
Expected return on plan assets	8,930	9,563
Actuarial losses	(6,508)	(3,303)
Contributions from plan participants	61,983	24,544
Benefits paid	(22,606)	(25,341)
Adjustment on other profits and losses	2,648	260
Closing fair value of plan assets	$521,053	$476,606

The major categories of plan assets at the end of the reporting period were disclosed based on the information announced by Labor Pension Fund Supervisory Committee. The percentages of the major categories of plan assets at the balance sheet date were as follows: 。

The Group	December 31, 2013	December 31, 2012	January 1, 2012
Cash	22.86	24.51	29.48
Short-term bills	4.10	9.88	11.78
Public debt, financial bond, corporate bonds and securitization products	9.37	10.45	10.95
Stock and beneficiary certificate investment (including futures)	8.41	8.51	7.04
Fixed income	18.11	16.28	9.54
Equity securities	15.41	10.40	8.44
Domestic delegated management	20.95	18.52	22.49
Others	0.79	1.45	0.28
Total	100.00	100.00	100.00

The overall expected rate of return was based on historical return trends and analysts' predictions of the market for the asset over the life of the related obligation, with reference to the use of the Labor Pension Fund by Labor Pension Fund Supervision Committee, taking into consideration the effect of possible differences between the guaranteed minimum income and the return on local banks' two-year time deposits.

The Group chose to disclose the history of experience adjustments as the amounts determined for each accounting period prospectively from the date of transition to IFRSs.

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ 692,980	$ 695,662	$ 673,869
Fair value of plan assets	(521,053)	(476,606)	(470,883)
Deficit	$ 171,927	$ 219,056	$ 202,986
Experience adjustments on plan liabilities	$ 1,250	$ 30,141	$ -
Experience adjustments on plan assets	($ 36,217)	$ 18,320	$ -

The Group expects to make a contribution of NT12,300,000 and NT$25,300,000 to the defined benefit plans during the annual period beginning after 2013 and 2012.

(3) Preferential saving plan：

The Company offers employees preferential savings including fixed preferential saving paid to current employees and fixed preferential saving after retirement paid to those who have retired before the payment reform.

The principal assumptions used for the purpose of actuarial valuation were as follows:

	Measurement date		
	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate	4.00%	4.00%	4.00%
Return on invested capital	2.00%	2.00%	2.00%
Withdrawal of preferential saving	1.00%	1.00%	1.00%
System change rate	50.00%	50.00%	50.00%

The amount listed in individual balance sheet as obligations produced under the preferential saving plan were as follows:

	December 31, 2013	December 31, 2012	January 1, 2012
Present value of defined benefit obligation	$ 4,060	$ 5,340	$ 7,119
Fair value of plan assets	-	-	-
Liability reserves — Preferential saving plan	$ 4,060	$ 5,340	$ 7,119

The Company expects to make NT$0 to the preferential saving plan during the annual period beginning of 2013 and 2012.

25. Other liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Advance charges	$ 161,072	$ 119,022	$ 113,551
Deposit received	92,010	85,771	82,021
Others	22,635	23,891	25,953
	$ 275,717	$ 228,684	$ 221,525

26. Equity

(1) Capital of common stock

To increase its owed fund and to strengthen its financial structure and capital adequacy ratio, the Company has on June 28 of 2013 the capital increase record date issued 60,000,000 shares of NT$10, totally NT$600,000,000 as the capital increased by cash.

New shares of above capital increased by cash in 2013 were reserved for subscription by employees of the company according to Article 267 of the Company Act. The fair value of the subscription right granted to equity products on the grant date is recognized as the salary expense and capital surplus. Relevant remuneration costs recognized in 2013 are NT$4,500,000.

The remuneration cost calculated based on employees' subscription of new shares reserved and issued for capital increased by cash has adopted the Black-Scholes measurement pattern with below parameters:

Stock price on the grant date	10.35 元
Exercise price	10 元
Expected volatility index	18.51%
Expected life	0.15 年
Expected rate of dividend	-
Risk-free rate of interest	0.58%

Tracing back the expected volatility index based on the grant date and take expected life as a reference, the average or other banks' annualized standard deviation of expected return from March 10 of 2013 to May 2 of 2013 is set as the supposed value.

This capital increase case was approved by FSC and became effective on May 9 of 2013. Later on July 19 of 2013, the amendment of paid-up capital was completed on July 19 of 2013.

(2) Capital surplus

In capital surplus, income derived from the issuance of new shares at a premium (including issuing over par normal stock, converting company bonds into premium, treasury share trading and so on.) and income from endowments received by the company can be used to fill the deficit. When the company is not in a deficit status, it can also be used to issue cash dividend or to expand the capital stock. However, the expansion of capital stock is calculated based on the received capital stock at a ratio.

Capital surplus created under the equity method investment, employees' right of stock subscription and right of stock subscription shall not be used in other purposes.

(3) Distribution of earnings and dividend policy

According to the company regulation, if there is any earnings at the close of a business year, these money shall be used to clear off annual deficit after paid off all the taxes and 30% of the left amount will used as legal reserve. However, this does not apply to the condition when the legal reserve already reached the amount of received capital; then the special reserve and retained earnings will then be distributed based on below regulations:

1. Remunerations for directors and supervisors: 1.5%。
2. Bonus to employees: 3%。
3. Shareholders' dividend: 95.5%。

The accrual payable bonus to employees and remunerations for directors and supervisors for 2013 and 2012 were NT$26,406,000 and NT$0. The company's accrual of bonus to employees and remunerations for directors and supervisors is based on the distribution amount and experiences in the past. Any changes before shareholders' meeting shall be handled according to the accounting estimation and be adjusted and entered into account in the year that shareholders' decision is made.

While distributing earnings before 2012, the company shall respect legal regulations or "Unrealized losses on financial instrument" under shareholders' other rights to provision special reserve. If there is any decrease in shareholders' benefits, the decreased amount shall be transferred back to non-distributed earnings from special reserve.

Since 2013, the Company has followed the FSC approval letter Jin-Kuan-Cheng-Fa-Zi No. 1010012865 issued on April 6 of 2012 and regulations of "Q&A for Provisions of Special Reserve after the Adaption of IFRRs": On the first-time adoption of IFRSs, an entity should appropriate as special reserve an amount the same as the amount of the IFRS adjustment an entity may use the exemption application specified in IFRS 1 and reset the unrealized revaluation increment and cumulative translation differences under stockholders' equity to zero, with the reset to result in an increase in retained earnings. Later on, when the Bank use, dispose, or reclassify related assets, it can reverse inappropriate earnings by the proportion of the special reserves it first appropriated; the special reserve appropriated during the first-time adoption of IFRS shall be used to pay off the deficit an year after. If there are earnings afterwards and the reason of appropriating special reserve is eliminated, the insufficient amount shall be filled up before distributing the earnings.

To maintain the financial structure and capital adequacy ratio, dividend shall be distributed based on its capital budget and planning. That is, the principle of distributing dividend is to maintain necessary capital. If there is any leftover in capital budget and the capital adequacy ratio is higher than the competent authority's standard, some of the distributed cash dividend shall not be lower than 10% of the total amount of dividend; if the cash dividend of each share is lower than NT$0.1, the Company shall distribute stock dividend instead.

The Shareholders' meetings were taken place on May 13 of 2013 and June 11 of 2012. The meetings have passed the "2012 Earning distribution" and "2011 Deficiency Filling Up" proposals as shown below:

	Year 2012	Year 2011
Net profit after tax	$ 1,229,865	$ 500,228
Minus: Accumulated Deficit	(1,146,934)	(1,682,124)
Minus: Those influenced by the equity investment appropriated not according to the shareholding ratio	-	(327)
Items of deficit		
Special reserve	-	22,691
Capital surplus	-	12,598
Minus: Recognition of legal reserve	(24,879)	-
Minus: Recognition of special reserve	(58,052)	-
Total	$ -	($ 1,146,934)

The Company has on May 13 of 2013 and June 11 of 2012 held Shareholders' meetings and the meetings passed proposals of bonus to employees and remuneration for directors and supervisors in 2011 and 2012 as shown below:

	Year 2012		Year 2011	
	Cash dividend	Stock dividend	Cash dividend	Stock dividend
Bonus to employees	$ -	$ -	$ -	$ -
Remuneration for directors and supervisors	-	-	-	-

Earnings distribution, bonus to employees and remuneration for directors and supervisors of year 2012 are based on the 2012 Financial Report compiled according to Regulations Governing the Preparation of Financial Reports by Public Banks before the amendment and CAAP of Republic of China. Besides, the 2012 asset liabilities, which was issued on December 31 of 2012 and compiled based on accounting standards of individual financial report, was used as the base of earnings distribution.

There is no difference between the amount of bonus to employees and remuneration for directors and supervisors determined at the 2013 and 2012 shareholders' meeting, and those stated in sections of employees' dividend and remuneration for directors and supervisors of the 2012 and 2011 financial report.

The board of directors has on March 18 of 2014 stipulated the 2013 earnings distribution plan and the dividend related information are summarized below:

	Earnings distribution	EPS (NT$)
Year 2013Net profit after tax	$ 860,500	
Minus: Accumulated Deficit	(13,910)	
Minus: Retained earnings adjusted under actuarial gains and losses of defined benefit liabilities	(1,410)	
Minus: Recognition of legal reserve	(253,554)	
Minus: Recognition of special reserve	(4,822)	
Minus: Dividend of normal stock	(533,989)	$ 0.4
	$ 52,815	

Regarding the earnings distribution, bonus to employees and remuneration for directors and supervisors of year 2013, the decision is to be made on May 5 of 2014 on shareholders' meeting.

Regarding details of the bonus to employees and remuneration for directors and supervisors stipulated by the Company's Board of Directors and determined by shareholders' meetings, please visit Market Observation Post System (M.O.P.S.) for more details.

According to Company Act, legal reserve shall be appropriated continually until the rest amount reached the rest amount equals to the Company's received capital stock. Legal reserve shall be used to pay off the deficiency. When the company does not have deficiency, 25% of the totally received capital stock of legal reserve shall be appropriated as the capital stock before distributing the cash. Besides, according to the Banking Act, when legal reserve does not reach the total amount of capital stock, the distribution of highest cash earnings shall not be over than 15% of the capital stock.

When the company distributes earnings, all the shareholders – apart from those who are not living inside the territory of Republic of China – will receive imputation tax credit calculated by the tax deduction ratio on the stock dividend date.

(4) Special reserve for the first-time adoption of IFRSs

As the increment of retained earnings created by the first-time adoption of IFRSs is not enough to appropriate the special reserve produced by unrealized revaluation increments, only the increment of retained earnings NT$15,600,000 produced under the transfer of IFRSs is appropriated as special reserve.

(5) Other equity items

	Exchange differences resulting from translating the financial statements of a foreign operation	Financial asset available for sale	Total
Balance of January 1, 2013	($ 4,604)	($ 76,360)	($ 80,964)
Financial asset available for sale			
—Valuation adjustment of the year	-	15,099	15,099
—Applications of the year	-	(8,430)	(8,430)
—Tax	-	-	-
Changes in Foreign Exchange. Rates			
—Exchange difference of the year	12,702	-	12,702
—Tax	(1,281)	-	(1,281)
Balance of December 31, 2013	$ 6,817	($ 69,691)	($ 62,874)

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	Exchange differences resulting from translating the financial statements of a foreign operation	Financial asset available for sale	Total
Balance of January 1, 2012	$ -	($ 108,599)	($ 108,599)
Financial asset available for sale			
—Valuation adjustment of the year	-	16,905	16,905
—Applications of the year	-	15,334	15,334
—Tax	-	-	-
Changes in Foreign Exchange. Rates			
—Exchange difference of the year	(4,604)	-	(4,604)
—Tax	-	-	-
Balance of December 31, 2012	($ 4,604)	($ 76,360)	($ 80,964)

(6) Non-controlling interest

	Year 2013	Year 2012
Balance at the beginning of the year	$ 6,931	$ 6,832
Parts under non-controlling interests		
Net income of the year	228	94
Unrealized profits (losses) of financial asset available for sale	(1)	2
Actuarial gains (losses) of defined benefit plan	(15)	3
Balance at the end of the year	$ 7,143	$ 6,931

(7) Treasury shares

420,000 stocks held by the Sunny Life Insurance Brokerage Co. were transferred and listed as treasury shares with a book value of NT$8.35 each stock after adopted the equity method investment.

The treasury shares held by the Company shall not be pledged according to Securities and Exchange Act and does not have the right of distributing dividend or the right to vote. The stocks of the Company held by the subsidiaries shall also be considered as treasury shares. That is, the entities shall not participate in the Company's capital increased by cash and does not have the right to vote.

27. Net interest revenue

	Year 2013	Year 2012
Interest income		
Discounts and Loans Interest income	$ 5,189,798	$ 4,753,431
Interest income of dues from Central Bank and lend to banks	367,057	396,991
Other interest income	122,629	75,127
Subtotal	5,679,484	5,225,549
Interest expenses		
Interest expenses of the interest	1,957,264	1,871,763
Bank debentures	246,396	214,958
Other interest expenses	124,411	130,837
Subtotal	2,328,071	2,217,558
	$ 3,351,413	$ 3,007,991

28. Net commission and service fees

	Year 2013	Year 2012
Transactions income		
Transactions income of agent services	$ 446,205	$ 400,504
Transactions income of trust business	293,274	212,405
Transactions income of credit extension	125,497	100,836
Transactions income of the credit card	40,368	42,128
Other transactions income	133,237	104,873
Subtotal	1,038,581	860,746
Transactions fees		
Transaction fees	62,956	50,552
Credit card transaction fees	24,509	27,360
Interbank transaction fees	14,119	13,946
Transaction fees for trust activities	6,785	6,670
Transaction fees for remittance fees	5,866	5,121
Other transaction fees	21,928	27,342
Subtotal	136,163	130,991
	$ 902,418	$ 729,755

29. Gains (losses) on financial assets and liabilities at fair value through profit or loss

	Year 2013	Year 2012
Interest income	$ 75,394	$ 40,891
Dividend income	1,990	2,925
Disposal profits (losses)		
Stocks	65,664	11,692

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	Year 2013	Year 2012
Beneficiary certificates	$ 7,656	$ 42,777
Commercial papers	5,802	3,379
Bond(s)	(28)	(783)
Derivative financial instruments		
Currency swap	32,335	34,914
Foreign exchange forward	1,520	2,011
Subtotal	112,949	93,990
Valuation gains (losses)		
Stocks	17,039	8,767
Beneficiary certificates	(14,566)	16,020
Commercial papers	(1,714)	(230)
Bond(s)	(842)	160
Negotiable certificates of deposit	(11)	-
Derivative financial instruments		
Currency swap	(18,454)	1,434
Foreign exchange forward	(1,937)	1,460
Subtotal	(20,485)	27,611
	$169,848	$165,417

30. Gains on financial asset available for sale

	Year 2013	Year 2012
Dividend income	$ 19,841	$ 18,444
Gains on stock disposal	13,199	13,423
Gains on liability disposal	188	382
Disposal benefits of commercial papers	105	1,529
Disposal benefits of beneficiary certificate	(21,922)	-
	$ 11,411	$ 33,778

31. Gains (losses) on reversal of asset impairment

	Year 2013	Year 2012
Other financial assets	$ 27,222	$ 9,041
Collaterals taken over	-	(11,274)
Purchased claim receivable	-	(6,000)
	$ 27,222	($ 8,233)

32. Other non-interest net gains (losses)

	Year 2013	Year 2012
Income from government's subsidiaries	$ 14,540	$ -
Income from compensation	8,432	-
Provisions of reserve for litigation compensation	(16,748)	(9,298)
Others	7,961	6,849
	$ 14,185	($ 2,449)

33. Employee benefits expenses

	Year 2013	Year 2012
Salaries	$ 1,640,571	$ 1,456,468
Insurances	128,790	120,209
Pensions	71,580	42,581
Other employee benefits expenses	107,503	61,748
	$ 1,948,444	$ 1,681,006

34. Depreciation and amortization expenses

	Year 2013	Year 2012
Depreciation expenses of property and equipment	$160,619	$157,883
Amortization expenses	15,074	14,836
	$175,693	$172,719

35. Other business and administration expenses

	Year 2013	Year 2012
Taxes	$226,641	$207,317
Insurance fees	135,725	161,236
Repairing expenses	63,231	59,140
Rental payment	59,111	47,631
Water, electricity and gas expenses	47,974	45,099
Post and telecommunications expenses	46,585	50,392
Others	238,453	228,437
	$817,720	$799,252

36. Taxes of continuing operations

(1) Taxes listed under profits and losses

Major components of the tax expense:

	Year 2013	Year 2012
Current tax		
Generator of the year	$ 24,496	$ 16,894
Others	58	34
	24,554	16,928
Deferred tax		
Generator of the year	138,808	45,765
Profit and loss depicted in tax expense	$163,362	$ 62,693

Adjustment of the CPA fees and tax expense as shown below:

	Year 2013	Year 2012
Net profit before tax of continuing operations	$ 1,024,090	$ 1,301,589
Tax expense of the net profit before tax calculated based on the statutory tax (17%)	174,095	221,270
Eternal difference	(22,319)	(70,400)
Unrecognized reducible temporary difference	8,752	(89,099)
Difference of payable tax	520	433
New tax imposed on undistributed earnings	2,063	455
Influences of different taxes adopted by consolidated individuals	193	-
Others	58	34
Profit and loss depicted in tax expense	$ 163,362	$ 62,693

As the status of distributing earnings is to be confirmed at the 2014 shareholders' meeting, the potential tax of 10% tax imposed on 2013's undistributed earnings cannot be determined reliably yet.

(2) Tax depicted in other comprehensive income

	Year 2013	Year 2012
Deferred tax assets		
Generator of the year		
— Actuarial losses of defined benefits	$ 292	$ 4,680
Deferred tax liabilities		
Generator of the year		
— Conversion of foreign institutions' financial report	$ 1,281	$ -

(3) Current tax assets and liabilities

	December 31, 2013	December 31, 2012	January 1, 2012
Current tax assets			
Tax refund receivable	$ 127,302	$ 112,115	$ 92,269
Current tax liabilities			
Income tax payable	$ 15,256	$ 13,992	$ 1,412

(4) Deferred tax assets and liabilities

Changes of deferred tax assets and liabilities as shown below:

Year 2013

Deferred tax assets	Balance at the beginning of the year	Recognized under profits / losses	Recognized in others comprehensive income	Balance at the end of the year
Temporary difference				
Allowance for bad debts	$ 100,323	$ 71,460	$ -	$ 171,783
Defined benefit retirement plan	46,983	(13,333)	292	33,942
Liability reserves	6,194	3,106	-	9,300
Unrealized loss in exchanges	5,124	(5,124)	-	-
Preferential saving for employees	1,136	(446)	-	690
Deferred revenue	-	987	-	987
Unrealized expenses	-	610	-	610
	159,760	57,260	292	217,312
Loss carryforwards	661,602	(188,469)	-	473,133
Investment tax credits	822	(822)	-	-
	$ 822,184	($ 132,031)	$ 292	$ 690,445

Deferred tax liabilities				
Temporary difference				
Reserve for land value increment tax	$ 133,325	$ -	$ -	$ 133,325
Deferred revenue	230	(230)	-	-
Unrealized gains in exchange	-	6,719	-	6,719
Benefits of overseas investment recognized by complex equity methods	-	288	-	288
Adjustment on overseas institutions' exchanges of foreign currency	-	-	1,281	1,281
	$ 133,555	$ 6,777	$ 1,281	$ 141,613

Year 2012

Deferred tax assets	Balance at the beginning of the year	Recognized under profits / losses	Recognized in others comprehensive income	Balance at the end of the year
Temporary difference				
Allowance for bad debts	$ 64,489	$ 35,834	$ -	$ 100,323
Defined benefit retirement plan	44,434	(2,131)	4,680	46,983
Liability reserves	4,069	2,125	-	6,194
Loss of valuation allowance	2,671	(2,671)	-	-
Preferential saving for employees	1,210	(74)	-	1,136
Deferred revenue	569	(569)	-	-
Unrealized loss in exchanges	-	5,124	-	5,124
	117,442	37,638	4,680	159,760
Loss carryforwards	746,625	(85,023)	-	661,602
Investment tax credits	1,897	(1,075)	-	822
	$ 865,964	($ 48,460)	$ 4,680	$ 822,184

Deferred tax liabilities				
Temporary difference				
Reserve for land value increment tax	$ 133,325	$ -	$ -	$ 133,325
Unrealized gains in exchange	2,925	(2,925)	-	-
Deferred revenue	-	230	-	230
	$ 136,250	($ 2,695)	$ -	$ 133,555

(5) Information related to unused loss carryforwards

The company's loss carryforwards related information until December 31 of 2013 is summarized below:

Balance to be deducted	Final year of the deduction
$ 1,928,028	107
842,187	108
$ 2,770,215	

Sunny Securities Co.'s loss carryforwards related information until December 31 of 2013 is summarized below.

Balance to be deducted	Final year of the deduction
$ 9,956	111
2,961	112
$ 12,917	

(6) Information related to the integrated income tax system

a. The Group does not have earnings before (including) 1997.

b. Balance of the imputation credit account

	December 31, 2013	December 31, 2012	January 1, 2012
The Imputation Credit Account			
The Company	$ 277,155	$ 282,814	$ 259,838
Sunny Securities Co.	32,027	29,073	26,860
Sunny Assets Management Co.	3,643	642	401
Sunny Life Insurance Brokerage Co.	12,044	5,100	5,237
Sunny Property & Insurance Co.	3,336	3,092	3,348
Sunny International Leasing Co.	346	-	-

c. Tax deduction ratio

	Expected tax deduction rate for earning distribution in 2013 (%)	Actual tax deduction rate for earning distribution in 2012 (%)
The Company	20.48	20.48
Sunny Securities Co.	22.80	20.48
Sunny Assets Management Co.	20.48	-
Sunny Life Insurance Brokerage Co.	24.69	24.70
Sunny Property & Insurance Co.	36.46	36.89
Sunny International Leasing Co.	20.48	-

According to Income Tax Act, when the company distribute earnings after (including) 1998, shareholders of Republic of China can receive imputation tax credit calculated by the tax deduction ratio on the stock dividend date.

As the imputation tax credit allocated to shareholders shall be based on the imputation tax credit account on the dividend distribution date, the Company therefore predicted that the tax deduction ratio of the 2013 earnings may be different with the actual rate used to distribute tax credit to shareholders.

According to regulations of Letter Tai-Tsai-Shui-Zi No. 10204562810, when a company with the first-time IFRSs adoption calculates the tax deduction ratio, its accumulated undistributed earnings shall include the net increase or decrease of retained earrings caused by the first-time IFRS adoption.

(7) Approval status of the tax expenses

	Year of approval
The Company	Year 2011
Sunny Securities Co.	Year 2012
Sunny Assets Management Co.	Year 2011
Sunny Life Insurance Brokerage Co.	Year 2011
Sunny Property & Insurance Co.	Year 2011
Sunny International Leasing Co.	Year 2012

Until 2011, the company's filings of a profit-seeking enterprise income tax return have all – except those of 2008 – approved by local taxation authorities. Among all the cases reported in 2008, the Company has deducted NT$279,000 as the imputed tax of bond before interest income.

37. Earnings per share

Basic Earnings per share

The basic earnings per share is calculated based on the profit or loss from continuing operations attributable to the ordinary equity holders of the Company divided by Weighted average number of ordinary shares outstanding during the period.

	Year 2013	Year 2012
Profit or loss from continuing operations attributable to the ordinary equity holders of the Company	$ 860,500	$ 1,238,802
Weighted average number of ordinary shares outstanding during the period	1,305,293	1,274,553
Basic Earnings per share (NT$)	$ 0.66	$ 0.97

Since January 1 of 2007, the Company has adopted the Letter Chi-Mi-Zi-(96) No. 052 and considered bonus to employees and remuneration for directors and supervisors as an expense instead of the distribution of earnings. If the company decides to issue bonus to employees by stocks or cash, it shall assume that the bonus to employees will be distributed as a stock while calculating diluted earnings per share. Besides, as such potential ordinary stock still has the dilution effect, the Company shall add the number of outstanding ordinary shares to calculate the diluted earnings per share. Before the annual stockholders' meeting decides the number of stock distributed as bonus to employees, it shall still take the dilution effect of the potential ordinary stocks. However, as it is assumed that the bonus to employees in 2013 and on December 31 of 2012 will be distributed in stocks, there will be no impacts on diluted earnings per share.

If subsidiaries that possess the Company's stock does not consider treasury share a method of investment, it will has minor impact on earnings per share.

38. Trading with related party

(1) Name and relationship of related person

Name of related person	Relationship with the affiliate
Sunny Assets Management Co. (Jin Yang Xin)	Subsidiaries
Cheng Yang Publishing Co., Ltd.	Substantive related party
Cheng Yang Printing Co., Ltd.	Substantive related party
Chang Feng Engineering Co., Ltd.	Substantive related party
Chuan Yang Construction Co., Ltd.	Substantive related party
Hai Wang Printing Co., Ltd.	Substantive related party
Yong Ji Paper Co., Ltd.	Substantive related party
Huangshih Enterprise Ltd.	Substantive related party
Other related persons	a. The Company's Directors, Supervisors, Managers and blood relatives within the second degree b. Directors, Supervisors and Managers of the Subsidiaries

(2) Major trading events with related persons

a. Loans

December 31, 2013

Category	Household or name of related person	Maximum balance of the year	Average balance of the year	Balance at the end of the year	Conditions of fulfilling the contract		Content of collateral(s)	Any difference in the trading terms with non related party
					Normal loans	Overdue loans		
Consumption loans for employees	23	$ 7,624	$ 4,741	$ 3,476	$ 3,476	$ -	-	None
Residential mortgage loans	103	707,613	591,492	589,965	589,965	-	Land and building (residential)	None
Other Loans	Cheng Yang Publishing Co., Ltd.	92,143	91,908	91,662	91,662	-	Land and building (commercial)	None
	Cheng Yang Printing Co., Ltd.	171,638	171,638	171,638	171,638	-	Empty land(s)	None
	Chang Feng Engineering Co., Ltd.	4,900	3,046	2,870	-	2,870	Deposit pledge of the Bank	None
	Chuan Yang Construction Co., Ltd.	520,000	344,310	520,000	520,000	-	Land and building (commercial)	None
	Hai Wang Printing Co., Ltd.	575,006	547,531	497,216	497,216	-	Land and factory	None
	Yong Ji Paper Co., Ltd.	27,220	22,261	27,220	27,220	-	Land, factory and farms	None
	12	252,730	159,974	204,191	204,191	-	Land and building (commercial) Deposit Land with building (excluding buildings) Farm land Factories	None

December 31, 2012

Category	Household or name of related person	Maximum balance of the year	Average balance of the year	Balance at the end of the year	Conditions of fulfilling the contract		Content of collateral(s)	Any difference in the trading terms with non related party
					Normal loans	Overdue loans		
Consumption loans	26	$ 10,013	$ 6,740	$ 6,000	$ 6,000	$ -	—	None
Residential mortgage loans	103	707,450	597,957	618,778	618,778	-	Land and building (residential)	None
Other loans	Cheng Yang Publishing Co., Ltd.	92,380	88,630	92,143	92,143	-	Escrow deposit (NT$)	None
	Cheng Yang Printing Co., Ltd.	241,638	232,430	171,638	171,638	-	Empty land(s)	None
	Chang Feng Engineering Co., Ltd.	4,900	4,900	4,900	4,900	-	75% SMEG	None
	Chuan Yang Construction Co., Ltd.	520,000	360,519	106,000	106,000	-	Land and building (commercial)	None
	Hai Wang Printing Co., Ltd.	584,066	578,546	575,006	575,006	-	Land and factory	None
	Yong Ji Paper Co., Ltd.	22,220	22,220	22,220	22,220	-	Land and factory	None
	11	166,569	136,267	82,565	82,565	-	Land and building (commercial) Deposit Land with building(s) (excluding buildings) Farm land	None

January 1, 2012

Category	Household or name of related person	Maximum balance of the year	Average balance of the year	Balance at the end of the year	Conditions of fulfilling the contract		Content of collateral(s)	Any difference in the trading terms with non related party
					Normal loans	Overdue loans		
Consumption loans	31	$ 12,495	$ 7,827	$ 7,838	$ 7,838	$ -	—	None
Residential mortgage loans	114	693,571	525,564	557,942	557,942	-	Land and building (residential)	None
Other Loans	Chang Feng Engineering Co., Ltd.	4,900	2,921	4,900	4,900	-	70% of SMEG	None
	Chuan Yang Construction Co., Ltd.	520,000	474,375	520,000	520,000	-	Land and building (commercial)	None
	Yong Ji Paper Co., Ltd.	22,220	22,220	22,220	22,220	-	Land and factory	None
	Huangshih Enterprise Ltd.	144	5	-	-	-	50% of SMEG	None
	15	194,833	179,592	163,279	163,279	-	Land and building (commercial) Deposit Land with building(s) (excluding buildings) Farm land	None

b. Deposits

	December 31, 2013		
	Balance	Percentage of item (%)	Annual interest rate (%)
Other related persons	$ 1,735,285	0.7	0-4.5

	December 31, 2012		
	Balance	Percentage of item (%)	Annual interest rate (%)
Other related persons	$ 1,469,064	0.6	0-4.5

	January 1, 2012		
	Balance	Percentage of item (%)	Annual interest rate (%)
Other related persons	$ 1,362,406	0.6	0-4.5

c. Interest income

	Year 2013		Year 2012	
	Amount	Percentage of item (%)	Amount	Percentage of item (%)
Other related persons	$ 43,565	0.77	$ 46,971	0.90

d. Interest expenses

	Year 2013		Year 2012	
	Amount	Percentage of item (%)	Amount	Percentage of item (%)
Other related persons	$ 13,295	0.57	$ 13,280	0.60

e. Selling distressed debts

For the first time, the Company has in 2007 sold of 41,272 accounts of distressed debt to in a public tender bid to Jin Yang Xin. The record date was July 25 of 2007 and the trading price was NT$858 million. The expense of altering registration shall be paid before July 31 of 2010 by installment. However, the original deadline of paying for the transference of the 2007 distressed debt was expired in 2012 and the supplementary contract was signed to extend the deadline to July 31 of 2015. According to rules of the contract, the Company shall trace back to the record date and transfer the current or future rights, benefits and the litigation claim to Jin Yang Xin.

Net account receivables of each period are shown below:

	December 31, 2013	December 31, 2012	January 1, 2012
Account receivable(recognized as accounts receivable - net)	$ 267,433	$ 334,335	$ 430,303
Minus: Allowance for bad debts	267,433	334,335	430,303
	$ -	$ -	$ -

The gain on reversal of bad debt of 2013 and 2012 were NT$66,902,000 and NT$95,688,000.

All the trades between the Group and related parties shall be based on the same condition as those of unrelated parties except the preferential interest rate offered to its employees for a certain amount of deposit.

(3) Information of key management personnel's salary and remunerations

The key management personnel of the Group refer to high-level managers above the position of director, supervisor, president and vice presidents:

	Year 2013	Year 2012
Salary and other short-term employee benefits	$ 63,132	$ 57,344
Welfare after retirement	1,352	1,252
	$ 64,484	$ 58,596

39. Mortgage (pledge) assets

Apart from those stated in Notes, the Group has already offered guarantee deposit with below par values to cover assets:

	December 31, 2013	December 31, 2012	January 1, 2012
Dues to Central Bank	$ 1,200,000	$ 1,200,000	$ 1,200,000
Financial asset available for sale	100,700	248,300	197,000
Held-to-Maturity financial assets	122,800	6,800	1,000
Other Assets — Refundable deposits	214,313	249,344	231,191
—Operation guarantee	175,795	175,468	132,724
—Pledged deposit	36,000	36,000	60,000
—Escrow account	20,006	-	-

Above mentioned pledge assets have numerous uses including: (1) as a deposit at court to perform provisional seizure against obligators, deposit for lease, reserve for credit card payment, compensation reserve required by the Trust Department, savings deposit of bill providers, security dealers' guaranty bonds, reserves for the settlement and payment of Electronic Bond Trading System (EBTS), guarantees for interbank remittance system, tax mortgage and amount offered to financial institutions to apply for financing; (2) negotiable C/Ds (listed into the accounts of marketable bills and securities) are also provided as guarantee against daily overdraw for interbank real-time total clearing mechanism. The quota for such guarantee is subject to change from time to time and the quota remained at the end of the day can be taken as liquidity reserves; (3) as an operation guarantee offered to competent authorities as an operation reserves in accordance with "Regulations Governing Securities Firms" and "Regulations Governing the Operation of Futures Introducing Broker Business by Securities Firms"; and (4) offered to FSC as a deposit guarantee of insurance agent.

40. Major commitments and contingent liabilities

Apart from those stated in other Notes / Descriptions, the Group has made below commitments before the periods of December 31 of 2013, December 31 of 2012 and January 1 of 2012:

	December 31, 2013	December 31, 2012	January 1, 2012
Collections payable	$ 311,939	$ 448,725	$ 399,466
Total of payables on travelers' checks consigned-in	45,214	56,986	52,215
Securities under central custody	14,306,612	13,539,594	12,573,292
Trust asset	39,608,526	36,771,214	35,360,981

41. Information of the fair value and level of financial instruments

(1) Fair value of financial instruments

	December 31, 2013		December 31, 2012		January 1, 2012	
	Book value	Fair value	Book value	Fair value	Book value	Fair value
Financial assets						
Cash and cash equivalents	$ 4,186,300	$ 4,186,300	$ 6,052,412	$ 6,052,412	$ 5,068,911	$ 5,068,911
Dues from Central Bank and lend to banks	47,003,570	47,003,570	45,096,739	45,096,739	49,164,964	49,164,964
Financial assets at fair value through profit or loss	14,951,049	14,951,049	4,639,385	4,639,385	2,794,913	2,794,913
Bills and bonds purchased under resale agreements	1,952,061	1,952,061	958,261	958,261	420,380	420,380
Accounts receivable - net	2,193,318	2,193,318	1,247,203	1,247,203	1,045,332	1,045,332
Discounts and loans - net	202,807,580	202,807,580	189,949,281	189,949,281	177,345,283	177,345,283
Financial asset available for sale	4,924,196	4,924,196	2,960,387	2,960,387	1,240,422	1,240,422
Held-to-Maturity financial assets	1,071,615	1,014,578	1,172,437	1,173,488	996	988
Other financial assets	1,920,104	1,920,104	70,991	70,991	89,716	89,716
Other financial assets – measuring financial assets with the cost	290,261	-	290,261	-	290,261	-
Other assets - refundable deposits	214,313	214,313	249,344	249,344	231,191	231,191
Other assets - operation guarantee and settlement and clearing funds	175,795	175,795	175,468	175,468	132,724	132,724
Other assets - pledged deposit	36,000	36,000	36,000	36,000	60,000	60,000
Other assets - escrow account	20,006	20,006	-	-	-	-
Financial liabilities						
Dues to Central Bank and banks	7,096,606	7,096,606	8,166,220	8,166,220	7,311,459	7,311,459
Financial liabilities at fair value through profit or loss	9,978	9,978	3,924	3,924	1,939	1,939
Bills and bonds issued under repurchase agreements	500,122	500,122	1,972,826	1,972,826	689,526	689,526
Accounts payable	2,473,406	2,473,406	3,520,129	3,520,129	3,117,894	3,117,894
Deposits and remittances	258,220,132	258,220,132	229,153,709	229,153,709	219,354,071	219,354,071
Financial bonds payable	9,301,400	9,301,400	8,103,900	8,103,900	6,803,900	6,803,900
Short-Term Loans	412,000	412,000	-	-	-	-
Other miscellaneous financial liabilities	50,027	50,027	-	-	-	-
Other liabilities – Deposit received	92,010	92,010	85,771	85,771	82,021	82,021

(2) Fair value of financial instrument not carried out at fair value

The group has stated methods and assumptions of using below financial instruments not carried out at fair value:

1. Cash and cash equivalents, dues from Central Bank and lend to banks, bills and bonds purchased under resale agreements, accounts receivable – net, refundable deposits, operation guarantee and settlement and clearing funds, pledged deposit、dues to Central Bank and banks, bills and bonds issued

under repurchase agreements, accounts payable (excluding payable taxes), deposit received and short-term loans. As the short maturities of these instruments, the carrying values on the consolidated balance sheet day represent a reasonable basis to estimate fair value.

2. Discounts and loans – net (including overdue receivable): The Group often decides the loan interest rate based on the benchmark interest rate with some adjustment (that is, the floating interest rate) to reflect the market interest rate. Therefore, it is reasonable to predict the collectible of account and estimate the fair value based on book value. Among fixed interest rates and long-term loans, it is the one that shall use the discount of predicted cash flow to estimate the fair value. However, as it covers little proportion in this item, the book value shall be used to predict the collectible of account and to estimate the fair value as a reasonable way.
3. Held-to-Maturity financial assets: If there is any open quotation in the active market, one shall take the market price as the fair value, if here is no market price for reference, valuation shall be adopted or competitors' quotation shall be considered to estimate the value.
    i. NTD Central Government Bond: use the "Government Bonds Fair Value" offered by the GreTai Securities Market to conduct the valuation.
    ii. NTD corporate bonds and financial debentures: Take the interest curve of the future cash flow offered by the GreTai Securities Market as a reference of evaluating the current price.
4. Deposits and remittances: Fair value is determined based on the characteristics of the banking industry. For those who set the market interest rate (i.e. the market price) and whose deposit maturity date is within a year, their carrying value shall be reasonable enough to estimate the fair value. Among them, loan-term deposit with fixed interest rate shall estimate the fair value by expected cash flow with a discounted current value and the maturity date shall not be longer than 3 years in order to make reasonable estimation of the fair value.
5. Financial bonds payable: Refer to financial debentures issued by the Group. As their carrying value is close to the market interest rate, a reasonable fair value shall be calculated by estimated cash flow with a discounted current value, which is roughly the same as the carrying value.
6. Other financial assets－Financial assets measured by cost: For those without a public quotation in an active market, the estimation of their fair value can be quite differentiated, or the probability of estimated numbers within the variation interval cannot be reasonably evaluated. Therefore, it is unlike to rely on the estimated fair value and is therefore not disclosed.

7. Other financial assets－investment on the liability products without an active market: For those with a settlement price or created market price, the fair value shall be evaluated based on the recent settlement price and quotations. If the market price is unavailable, valuation shall be adopted instead to estimate the value. That is, to estimate the fair value based on estimated or assumed cashflow with a discount.

(3) Financial instruments carried at fair value

Fair value refers to the amount that both parties, who fully understand all the conditions and are willing to make a deal, agree to exchange the property or clear the liabilities with in a fair trade.

Financial instruments shall be entered into account with the fair value during the initial recognition and is often called the trading price. The following measurement shall be conducted with the fair value except some financial instruments that are measured by the amortized cost. While conducting the following measurement, the best evidence of the fair value is the public quotation in an active market. If the market of the financial instrument is inactive, the Group shall adopt valuation techniques, or take Reuters or competitors' quotations as a reference of measuring the fair value of financial instruments.

If the financial instrument has a public quotation in an active market, such public quotation shall be used as the fair value. Prices of the Central Government bonds announced by main stock and commodity exchanges and OTC securities exchanges belong to exchange-listed (OTC-listed) equity instruments and are the basis of liability instrument carried at fair value with a public quotation in an active market.

If companies are able to timely and regularly obtain public quotation of the financial instrument from exchanges, brokers, dealers, industry associations, service institutions that stipulate the price and competent authorities, and if the prices represent actual and regular trades in a fair market, such financial instrument will be considered as having a public quotation in an active market. If above conditions are incomplete, the market will be considered as inactive. In general, inactive markets can be observed from a big selling / buying price gap, an increased trading price gap or a small trading volume.

If the Group's financial instrument has an active market, its public value will be classified according to the instrument category and property as shown below:

a. Listed and OTC Stock: Based on the closing price announced by TWSE on the valuation day.
b. Fund beneficiary certificates: Has adopted the up-to-date net value announced by investment trust companies.
c. Public bonds: Based on the settlement or formula price of bond fair value (NT$100) announced by over-the-counter securities exchanges on the valuation day.

d. Company bonds: Based on the company bond fair value announced by over-the-counter securities exchanges on the valuation day. The rate is then used as the measurement basis of estimating the fair price.

e. Commercial papers:

   i. The fair value of the 1-180 day bill is based on the Cp rate in secondary market announced by Reuters on the valuation day. The rate is then used as the measurement basis of estimating the fair value.

   ii. The fair value of the 181-360 day bill is based on Central Bank's average bid rate of the most recent sell of 364 day deposit certificate by tender

f. Foreign exchange swaps: The fair value is calculated based on the SWAP POINT quotation on the maturity date during corresponding period of Rueters, and then the current value is discounted based on the TAIBOR announced by BAROC Interbank Money Center.

Apart from above mentioned financial instruments with an active markets, the fair value of other financial instruments are acquired through valuation techniques or under the reference of competitors' quotations. Fair value obtained through valuation techniques can take a reference of the fair value, discounted cashflow method or other valuation techniques adopted by other financial instruments with similar substantial conditions and characteristics. For example, a calculation based on the information obtained through application models of market information on the consolidated balance sheet date (ex. the interest curve offered by the OTC securities exchanges, and the average quotation of the commercial paper interest rate announced by Reuters.

During the evaluation of non-standardized financial instruments with less complexity, such as financial instruments with an inactive market and exchange swaps, the Group shall adopt valuation techniques that market players widely use.

Regarding financial instruments with a higher complexity, the Group shall adopt the valuation model, which is developed by valuation methods and techniques widely applied among industry players, to measure the fair value. This kind of valuation model is often applied in derivative financial instruments or securitization products. Some of the references adopted by this model are not based on observable information from the market and the Group shall make appropriate estimation based on assumptions.

Financial instruments without an active market have characteristics as shown below:

The result of the valuation model is an estimated value. According to control procedures of the Group's Regulations Governing the Valuation Model of Fair Value, the management believes that this value has appropriately expressed the fair value of the financial instrument in consolidated balance sheet with some necessary adjustments. Price information and references adopted during the valuation process shall be carefully evaluated and properly adjusted based on the market status.

The valuation of derivative financial instruments is based on the valuation model widely accepted by the market players such as the discounted method, whereas the valuation of foreign exchange swaps is based on the current long-term exchange rate.

(4) Level of financial instruments measured at fair value

a. Three levels of the Group's financial instruments measured at the fair value

i. Level 1

Instruments valued using quoted prices in active markets are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is representative of that being priced in the Group's inventory.

ii. Level 2

Instruments valued with valuation techniques using observable market data are instruments where the fair value can be determined by reference to similar instruments trading in active markets (such s the price), or where a technique is used to derive the valuation but where all inputs to that technique are observable (such as derived prices).

iii. Level 3

Instruments valued using valuation techniques using market data which is not directly observable

b. Level of fair values of financial instruments

Items of financial instruments measured at fair value	December 31, 2013				December 31, 2012			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments								
Assets								
Financial assets at fair value through profit or loss								
Financial asset held for trading								
Stock investment	$ 324,588	$ 324,588	$ -	$ -	$ 167,830	$ 167,830	$ -	$ -
Bond investment	52,164	-	52,164	-	102,822	49,808	53,014	-
Others	14,573,275	577,888	13,995,387	-	4,353,374	448,484	3,904,890	-
Financial asset available for sale								
Stock investment	296,681	296,681	-	-	500,158	500,158	-	-
Bond investment	4,188,350	448,011	3,740,339	-	2,305,124	-	2,305,124	-
Others	439,165	-	439,165	-	155,105	155,105	-	-
Derivative financial instruments								
Assets								
Financial assets at fair value through profit or loss	1,022	-	1,022	-	15,359	-	15,359	-
Liabilities								
Financial liabilities at fair value through profit or loss	9,978	-	9,978	-	3,924	-	3,924	-

Items of financial instruments measured at fair value	January 1, 2012			
	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial asset held for trading				
Stock investment	$ 36,404	$ 36,404	$ -	$ -
Bond investment	52,845	-	52,845	-
Others	2,695,183	393,416	2,301,767	-
Financial asset available for sale				
Stock investment	459,984	459,984	-	-
Bond investment	599,334	-	599,334	-
Others	181,104	137,474	-	43,630
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	10,481	-	10,481	-
Liabilities				
Financial liabilities at fair value through profit or loss	1,939	-	1,939	-

c. Changes of financial instruments carried at fair value and classified at Level 3

Year 2012								
Name	Balance at the beginning of the year	Gains and losses on valuation		Increase of the year		decrease of the year		Balance at the end of the year
		Recorded as gains or losses	Recorded as other comprehensive gains or losses	Purchase or issuance	Roll in Level 3	Sales, disposal or settlement	Roll out Level 3	
Financial asset available for sale	$ 43,630	$ -	($ 3,395)	$ -	$ -	$ 40,235	$ -	$ -

d. The conversion of Level 1 and Level 2

The NTD Central Government and NTD corporate bonds possessed by the Group are evaluated based on the internal risk control policy and are defined as an investment of liability instruments with inactive market. Therefore, relevant amount will be transferred into Level 1 to Level 2 this year.

42. Financial risk management

(1) Summary

The purpose of the Group's financial risk management is to maintain the safety of the company asset, to assure the asset and financial quality, and to properly follow relevant regulations. The Group now confronts numerous main risks including credit risks, market risks, operation risks, liquidity risks, interest risks and other relevant risks on- and off-balance sheets.

Regarding the risk management policy and procedures, the Group has stipulated relevant documented chapters, which have been approved by the Board of Directors to effectively recognize, measure, monitor, report and control above mentioned risks.

(2) Structure of the risk management organization

The Group's risks are managed by the Risk Management Department based on the risk management policy approved by the Board of Directors. The structure of the Company's risk management organization includes the Board of Directors, Risk Management Committee, Assets and Liabilities Management Committee, high level management team, Auditing Department, Risk Management Department and all business units. Sunny Securities Co. has established the Risk Management Committee, which is an independent unit under Board of Directors in the structure in order to conduct the risk management system properly. The risk management organization of Sunny Securities Co. includes the Board of Directors, Risk Management Committee and all business units.

(3) Credit risks

i. Origin and definition of credit risks

The Company

Credit risks refers to risks that can cause company losses as debtor, issuer or counterparty is unable to fulfill contractual obligations due to physical issues or other factors (such as disputation with contacts). Credit risks (happened or to be happened) derived from businesses on- and off- the statement of asset and liability, such as credit checking, overdue loans and credit risk hedging instruments (such as the use of collateral, the offering of guarantee and hedging) as well as other operation products or parts related to credit risks are all included with the range of the credit risk management mechanism.

Sunny Securities Co.

Main risks confronted by Sunny Securities Co. include credit risks of the issuers and counterparties.

i. Credit risk of issuers refers to the risk of losing financial liability instrument possessed by Sunny Securities Co. or bank deposit due to issuer (or assurer) or bank's inability to fulfill contractual pay back or compensatory obligations as a result of breaching the contract, bankruptcy or clearance.

ii. Credit risk of the counterparties refers to the risk of losing financial assets of Sunny Securities Co. due to the inability of its counterparty, who undertakes the financial instrument, to fulfill the settlement or payment

ii. Credit risks management policy

To ensure credit risks are controlled with a bearable range, the Group has stipulated in the governing standards that business reporting units shall make a detailed analysis on the offering of its products and business, including those on the bank book, trading book, balance sheet as well as those are off the statements, before undertaking such business to avoid existing and potential credit risks. Before promoting the new product and service, reporting units shall also stipulate an appropriate risk control mechanism based on characteristics of different credit or trading businesses.

iii. Credit risks management procedures

To avoid over-concentration of the risks, credit limit is set in relevant standards based on trading conditions with one counterpart or one group. Besides, to control concentrated risks of all the assets, credit limit is also stipulated based on categories of the region, industry and country. Furthermore, limits of all types of businesses and concentrated risks are reported to the Risk Management Committee and Board of Directors periodically.

iv. Policies of avoiding or slowing down credit risks

Regarding its credit business, the Group has adopted a series of policies and measures to lower the credit risk. It also stipulated relevant procedures and regulations related to the evaluation, management and disposal of collaterals to ensure creditor's rights. Besides, it also clearly stated in the credit contract that, when borrower's credit collapses, his or her deposit in all forms will be used to set off the liabilities as a way to lower the credit risk. Regarding parts that cannot be covered by collaterals, SME credit will be applied through "SME Credit Guarantee Funds" to enhance the protection of creditor's rights.

v. The Group's biggest exposure of credit risk

<u>The Company</u>

Assets on the balance sheet do not take collateral or other credit enhancer's biggest exposure of credit risk as the carrying value. Below are the biggest exposures of credit risk related to off balance sheet items of assets and liabilities (collaterals and other credit enhancers are not under consideration and the biggest exposure shall not be revoked):

Off balance sheet items	Maximum exposure amount of credit risks		
	December 31, 2013	December 31, 2012	January 1, 2012
Developed customer(s) with loan commitments	$ 7,346,401	$ 6,698,918	$ 7,048,406
Customer(s) with commitment for credit cards	6,280,916	5,579,301	5,581,904
Customer(s) with outstanding letter of credit	671,615	634,389	902,412
All types of guarantee	2,560,014	2,239,481	1,961,384
Total	16,858,946	15,152,089	15,494,106

From the evaluation of Company's management team, the reason that the credit risk exposure of the Company's off balance sheet items is continuously controlled and minimized is that the Company has adopted a strict evaluation process during the credit authorization process and consistently carried out regular inspections.

<u>Sunny Securities Co.</u>

In the condition of not taking collaterals or other credit enhancers under consideration, the exposure value of financial assets stated in Sunny Securities Co.'s balance sheet is roughly the same as the carrying value. Sunny Securities Co.'s source of exposing credit risks mainly comes from Taiwan. It can be considered as the result of its deposited cash in financial institutions like the bank and its possession of bank issued or guaranteed liability securities and receivable amount for margin loans. Below are descriptions of all types of financial assets' credit risks:

i. Cash and cash equivalents

Cash and cash equivalents mainly include bank's time deposits, current deposits and checking deposits, which mostly happen between domestic financial institutions.

ii. Financial assets at fair value through profit or loss – liquidity

A. Fund

The open position of the funds offered by Sunny Securities Co. is money funds with an open position not so high and low credit risks.

B. Liability securities

The investment object of bonds possessed by Sunny Securities Co. is to issue bills purchased under resale agreements.

iii. Receivable amount for margin loans

Receivable amount for margin loans can be considered as a financing service offered by Sunny Securities Co. to conduct margin lending. It is guaranteed by the stocks purchased by the customer by using the loans. Sunny Securities Co. controls customers' margin maintenance ratio on a daily basis. Besides, the margin purchase maintenance ratio is maintained at 120% according to Regulations Governing the Conduct of Securities Trading Margin Purchase and Short Sale Operations by Securities Firms to have credit risks controlled.

iv. Accounts receivable

Creditor's right derived from the business operated by securities firms including transaction proceeds receivable from the sale of securities held for operations, margin loan interest receivable from proprietary margin trading operations, and receivables from the execution of customer orders to buy or sell securities. As Sunny Securities Co.'s accounts receivable mainly comes from credit business and are receivables of negotiable securities settled with stock exchanges or OTC securities exchanges, their credit risks are relatively low.

v. Other liquidity assets

Mainly refers to cashes set for pledge or to parties with other restricted uses. As banks that have contacts with Sunny Securities Co. are domestic financial institutions with good credit, the credit risk is therefore extremely low.

vi. Other non-liquidity assets

Mainly includes operation guarantee, settlement and clearing funds, and refundable deposits. Operation guarantee is mainly deposited in domestic banks with a good credit; settlement and clearing funds are paid to securities exchanges as a reserve for payment when any side of the securities trading party does not fulfill the payment obligations. The deposits shall be saved in financial institutions with low credit risks; whereas refundable deposits refers to Sunny Securities Co's cash or other assets provided to others for the purpose of guaranteed. As it is deposited in domestic banks with a good credit and the refundable targets are numerous with small amount, the credit risk of this item is scattered and the overall refundable deposit credit exposure is extremely low.

vi. Concentration of the Company's credit risks

When the trading counterpart of the financial instrument is focused on one single person, or when the trading counterpart involves numerous people but their similar business background and economic characteristics have affected their ability of fulfilling the contract, credit risks will be concentrated.

The Company's credit risks mainly concentrated in assets, liabilities or off balance sheet items through the fulfillment or execution of trading (product or service), or the combination of cross-category exposure, including credit authorization, dues from Central Bank and lend to banks, investment of negotiable securities, payables and derivatives instruments. The Company does not obviously focus its trading on one single customer or one single counterpart and such proportion is minor in the Company's discounts and loans, overdue receivable and other items. The Company has listed below items of discounts and loans, and overdue receivable with obvious concentration of credit risks according to the categories of industry, region and collateral:

i. Industry

Industries	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%
Private enterprise(s)	$ 80,327,971	39.18	$ 73,570,202	38.34	$ 59,521,574	33.28
Public enterprise(s)	-	-	-	-	2,000,000	1.12
Public institution(s)	4,280,939	2.09	2,359,321	1.23	900,692	0.50
Foreign institution(s)	7,349,347	3.58	5,636,063	2.94	3,843,713	2.15
NGO	607,221	0.30	295,376	0.15	132,528	0.07
Natural person	112,379,839	54.82	109,936,978	57.30	112,371,605	62.84
Financial institutions	67,056	0.03	70,869	0.04	70,942	0.04
Total	$ 205,012,373	100.00	$ 191,868,809	100.00	$ 178,841,054	100.00

ii. Regions

The Company's major business areas are within Taiwan and therefore have no credit risk concentration in a particular region.

iii. Collaterals

List of Collaterals	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%
No collateral	$ 28,261,349	13.61	$ 25,958,270	13.36	$ 15,224,218	8.42
With collateral						
－Stocks	2,914,646	1.40	2,348,944	1.21	3,214,311	1.78
－Bonds	1,194,750	0.57	1,231,429	0.63	1,342,833	0.74
－Real estate	165,554,329	79.70	157,167,369	80.92	150,013,622	82.96
－Movable properties	3,050,027	1.47	1,910,590	0.99	2,052,923	1.14
－Receivable bills	39,044	0.02	24,047	0.01	15,100	0.01
－Letter of guarantee	5,979,624	2.88	5,578,914	2.87	4,481,661	2.48
－Others	727,778	0.35	12,654	0.01	4,471,065	2.47
Total	$ 207,721,547	100.00	$ 194,232,217	100.00	$ 180,815,733	100.00

vii. Analyses on the Group's financial asset credit quality and overdue impairment

The Group's possession of some financial assets such as cash and cash equivalents, dues from Central Bank and lend to banks, financial assets at fair value through profit or loss, bills and bonds purchased under resale agreements, refundable deposits, operation guarantee, and settlement and clearing funds are involved with a low credit risk as its trading counterparts all have a good credit.

Apart from above statement, credit risks of the rest financial assets are classified into different levels based on their credit quality with definitions shown below:

i. Low risk: Those whose credit quality, information transparency and ability to fulfill liabilities contracts are above the standard. Besides, they are able to keep financial commitment with a lower probability to breach the contract.

ii. Medium risk: Those whose credit quality, information transparency and ability to fulfill liabilities contracts are within the standard range. A minor monitoring work is required and the probability for them to breach the contract is medium.

iii. High risk: Those whose credit quality, information transparency and ability to fulfill liabilities contracts are below the standard. An intensive monitoring is required and the probability for them to breach the contract is comparatively high.

a. Analysis of discounts and loans, and the credit quality of account receivables

December 31, 2013	Neither past due nor impaired amounts				Overdue and non-impaired amounts(B)	Impaired amounts (C)	Total (A)+(B)+(C)	Recognized loss Amount(D)		Net(A)+(B)+(C)−(D)
	Group 1	Group 2	Group 3	Subtotal(A)				Those with objective evidences of individual impairment	Those without objective evidences of individual impairment	
Balance sheet items										
Payables										
−Credit cards	$ 188,470	$ 70,635	$ 107,894	$ 366,999	$ 175,465	$ 2,827	$ 545,291	$ 43,383	$ 3,728	$ 498,180
−Others	1,594,396	94,972	16,536	1,705,904	12,561	524,159	2,242,624	539,485	5,644	1,697,495
Discounts and Loans	135,063,396	55,107,499	8,766,150	198,937,045	3,960,296	2,501,353	205,398,694	622,793	1,957,330	202,818,571

December 31, 2012	Neither past due nor impaired amounts				Overdue and non-impaired amounts(B)	Impaired amounts	Total (A)+(B)+(C)	Recognized loss Amount(D)		Net(A)+(B)+(C)−(D)
	Group 1	Group 2	Group 3	Subtotal(A)				Those with objective evidences of individual impairment	Those without objective evidences of individual impairment	
Balance sheet items										
Payables										
−Credit cards	$ 192,542	$ 42,093	$ 137,976	$ 372,611	$ 210,029	$ 3,305	$ 585,945	$ 50,977	$ 9,001	$ 525,967
−Others	551,091	130,815	21,947	703,853	9,714	582,960	1,296,527	570,565	3,250	722,712
Discounts and Loans	123,881,125	54,651,567	9,869,766	188,402,458	1,105,066	2,361,285	191,868,809	539,334	1,355,946	189,973,529

January 1, 2012	Neither past due nor impaired amounts				Overdue and non-impaired amounts(B)	Impaired amounts	Total (A)+(B)+(C)	Recognized loss Amount(D)		Net(A)+(B)+(C)−(D)
	Group 1	Group 2	Group 3	Subtotal(A)				Those with objective evidences of individual impairment	Those without objective evidences of individual impairment	
Balance sheet items										
Payables										
−Credit cards	$ 171,098	$ 60,605	$ 140,677	$ 372,380	$ 259,200	$ 3,973	$ 635,553	$ 66,809	$ 11,724	$ 557,020
−Others	366,918	83,366	18,850	469,134	39,464	619,229	1,127,827	637,895	1,166	488,766
Discounts and Loans	113,121,697	55,769,767	7,012,026	175,903,490	1,360,297	1,577,267	178,841,054	794,094	684,946	177,362,014

Note 1: Payables shall include overdue receivables which are not rendered from loans.

Note 2: The total account payables of 2013 and December 31 of 2012 do not include spot exchange receivable, which were NT$1,000 and NT$95,000.

b. Analysis of the Group's neither past due nor impaired discounts and loans based on the customer category and credit quality.

December 31, 2013	Neither past due nor impaired amounts			
	Low risk	Medium risk	High risk	Total
Consumption financial services				
－Mortgage loan	$ 73,857,672	$ 28,010,170	$ 3,718,278	$105,586,120
－Micro credit loan	209,203	21,613	350,449	581,265
－Car loan	714,010	551,256	443,005	1,708,271
Corporate financial services				
－Big companies	15,500,652	8,614,010	3,969,341	28,084,003
－SMEs	44,395,538	17,910,450	285,077	62,591,065
Margin lending	386,321	-	-	386,321
Total	$135,063,396	$ 55,107,499	$ 8,766,150	$198,937,045

December 31, 2012	Neither past due nor impaired amounts			
	Low risk	Medium risk	High risk	Total
Consumption financial services				
－Mortgage loan	$ 72,518,923	$ 31,162,159	$ 2,428,295	$106,109,377
－Micro credit loan	245,140	22,560	502,191	769,891
－Car loan	128,905	96,940	42,224	268,069
Corporate financial services				
－Big companies	12,456,455	8,709,429	6,517,025	27,682,909
－SMEs	38,531,702	14,660,479	380,031	53,572,212
Total	$123,881,125	$ 54,651,567	$ 9,869,766	$188,402,458

January 1, 2012	Neither past due nor impaired amounts			
	Low risk	Medium risk	High risk	Total
Consumption financial services				
－Mortgage loan	$ 75,255,271	$ 32,663,957	$ 1,901,019	$109,820,247
－Micro credit loan	274,445	18,321	751,923	1,044,689
Corporate financial services				
－Big companies	13,813,576	12,558,833	4,069,197	30,441,606
－SMEs	23,778,405	10,528,656	289,887	34,596,948
Total	$113,121,697	$ 55,769,767	$ 7,012,026	$175,903,490

c. Analysis of the credit quality of negotiable securities investment

December 31, 2013	Neither past due nor impaired amounts				Overdue and non-impaired amounts (B)	Impaired amounts (C)	Total (A)+(B)+(C)	Recognized loss amount (D)	Net (A)+(B)+(C)−(D)
	Low risk	Medium risk	High risk	Subtotal (A)					
Financial asset available for sale									
—Bond investment	$ 3,740,339	$ 448,011	$ -	$ 4,188,350	$ -	$ -	$ 4,188,350	$ -	$ 4,188,350
—Others	-	439,165	-	439,165	-	-	439,165	-	439,165
Held-to-Maturity financial assets									
—Bond investment	1,071,615	-	-	1,071,615	-	-	1,071,615	-	1,071,615
Other financial assets									
—Equity investment	-	-	-	-	-	10,782	10,782	10,782	-
—Others	-	1,858,944	30,000	1,888,944	-	104,544	1,993,488	75,742	1,917,746

Note: 1. Financial asset available for sale in the statement does not include "equity investment" and the original investment capital was NT$320,762,000, which is adjusted to NT$(24,081,000) after the valuation.
2. Other financial assets in the statement does not include "equity investment" of the measuring financial assets with the cost and the original investment amount was NT$ 290,261,000.

December 31, 2012	Neither past due nor impaired amounts				Overdue and non-impaired amounts (B)	Impaired amounts (C)	Total (A)+(B)+(C)	Recognized loss amount (D)	Net (A)+(B)+(C)−(D)
	Low risk	Medium risk	High risk	Subtotal (A)					
Financial asset available for sale									
—Bond investment	$ 1,903,048	$ 402,076	$ -	$ 2,305,124	$ -	$ -	$ 2,305,124	$ -	$ 2,305,124
Held-to-Maturity financial assets									
—Bond investment	972,437	-	-	972,437	-	-	972,437	-	972,437
—Others	200,000	-	-	200,000	-	-	200,000	-	200,000
Other financial assets									
—Equity investment	-	-	-	-	-	10,782	10,782	10,782	-
—Others	-	-	-	-	-	136,728	136,728	100,308	36,420

Note: 1. Financial asset available for sale in the statement does not include "equity investment and beneficiary certificates" and the original investment value was NT$745,098,000, which was adjusted to NT$(89,835,000).
2. Other financial assets in the statement does not include "equity investment" of measuring financial assets with the cost and the original investment amount was NT$290,261,000.

January 1, 2012	Neither past due nor impaired amounts				Overdue and non-impaired amounts (B)	Impaired amounts (C)	Total (A)+(B)+(C)	Recognized loss amount (D)	Net (A)+(B)+(C)—(D)
	Low risk	Medium risk	High risk	Subtotal (A)					
Financial asset available for sale									
—Bond investment	$ 519,825	$ -	$ 79,509	$ 599,334	$ -	$ -	$ 599,334	$ -	$ 599,334
—Others	-	-	43,630	43,630	-	-	43,630	-	43,630
Held-to-Maturity financial assets									
—Bond investment	996	-	-	996	-	-	996	-	996
Other financial assets									
—Equity investment	-	-	-	-	-	10,782	10,782	10,782	-
—Others	-	-	-	-	-	151,450	151,450	113,588	37,862

Note: 1. Financial asset available for sale in the statement does not include “equity investment and beneficiary certificates” and the original investment value was NT$719,269,000, which was adjusted to NT$(121,811,000).

2. Other financial assets in the statement does not include “equity investment” of measuring financial assets with the cost and the original investment amount was NT$290,261,000.

g. Analysis of the Group's due but non-impaired financial asset age

Borrower's delayed transaction and other administrative management reasons may create a due but not impaired financial asset. According to the Group's internal risk management regulations, if financial asset's overdue period is within 90 days, it will normally not be considered as an impaired asset unless there is an indication of such fact supported by other evidences.

Analysis of the Group's due but non-impaired financial asset age is shown below:

Item	December 31, 2013		
	Overdue within a month	Overdue 1 - 3 month(s)	Total
Payables			
－Credit cards	$ 162,475	$ 12,990	$ 175,465

	Overdue below 120 days	Overdue 120 - 149 days	Overdue 150 - 180 days	Overdue more than 181 days	Total
Amount receivables - others	$ 6,952	$ 577	$ 259	$ 4,773	$ 12,561
Discounts and Loans					
Consumption financial services					
－Mortgage loan	2,333,754	38,648	10,636	176,074	2,559,112
－Micro credit loan	238,298	1,196	1,199	5,850	246,543
－Car loan	2,520	-	-	-	2,520
Corporate financial services					
－Big companies	363,210	-	-	23,675	386,885
－SMEs	668,001	1,240	1,144	94,851	765,236

Item	December 31, 2012		
	Overdue within a month	Overdue 1 - 3 month(s)	Total
Payables			
－Credit cards	$ 199,667	$ 10,362	$ 210,029

	Overdue below 120 days	Overdue 120 - 149 days	Overdue 150 - 180 days	Overdue more than 181 days	Total
Amount receivables - others	$ 3,118	$ 744	$ 559	$ 5,293	$ 9,714
Discounts and Loans					
Consumption financial services					
－Mortgage loan	157,920	38,429	23,321	223,072	442,742
－Micro credit loan	301,333	1,187	406	14,434	317,360
Corporate financial services					
－Big companies	9,532	-	-	15,523	25,055
－SMEs	118,227	10,726	304	190,652	319,909

Item	January 1, 2012		
	Overdue within a month	Overdue 1 - 3 month(s)	Total
Payables			
－Credit cards	$ 240,890	$ 18,310	$ 259,200

	Overdue below 120 days	Overdue 120 - 149 days	Overdue 150 - 180 days	Overdue more than 181 days	Total
Amount receivables - others	$ 3,308	$ 679	$ 239	$ 35,238	$ 39,464
Discounts and Loans					
Consumption financial services					
－Mortgage loan	195,047	37,512	6,533	317,875	556,967
－Micro credit loan	395,226	2,762	2,474	21,044	421,506
Corporate financial services					
－Big companies	9,980	-	-	15,812	25,792
－SMEs	124,987	299	1,590	229,156	356,032

h. Analysis of the Group's impairment of financial assets

The Group possess Lehman structured bond investment that is recognized as liability products with an inactive market. As the issuer's credit level decreased and impairment already occurred as proved by the evaluation, the Group has until December 31 of 2013, December 31 of 2012 and January 1 of 2012 recognized accumulated impairment with a total amount of NT$75,742,000, NT$100,308,000 and NT$ 113,588,000.

An impairment analysis of the Group's discounts and loans, and receivables based on customers are shown below:

Item		December 31, 2013		December 31, 2012		January 1, 2012	
		Total loans	Allowance for bad debts	Total loans	Allowance for bad debts	Total loans	Allowance for bad debts
Those with objective evidences of individual impairment	Valuation of individual impairment	$ 2,501,353	$ 440,177	$ 2,361,285	$ 239,598	$ 1,577,267	$ 274,983
	Valuation of consolidated impairment	3,960,296	182,616	1,105,066	299,736	1,360,297	519,111
Those without objective evidences of individual impairment	Valuation of consolidated impairment	198,937,045	1,957,330	188,402,458	1,355,946	175,903,490	684,946

Payables

Item		December 31, 2013		December 31, 2012		January 1, 2012	
		Total receivable amount	Allowance for bad debts	Total receivable amount	Allowance for bad debts	Total receivable amount	Allowance for bad debts
Those with objective evidences of individual impairment	Valuation of individual impairment	$ 522,487	$ 534,147	$ 580,945	$ 565,962	$ 617,767	$ 633,247
	Valuation of consolidated impairment	179,648	48,721	215,215	55,580	263,408	71,457
Those without objective evidences of individual impairment	Valuation of consolidated impairment	2,085,780	9,372	1,086,312	12,251	882,205	12,890

Note: The total account payable of 2013 and December 31 of 2012 does not include spot exchange receivable, which were NT$1,000 and NT$95,000.

i. Policies of governing collaterals taken over

Reports of December 31 of 2013, December 31 of 2012 and January 1 of 2012 have shown that the Group's collaterals taken over are properties and stock. Please refer to Note 17 for detailed information.

Collaterals taken over can be sold out when the condition is applicable. The amount of selling the collaterals will be used to clear the left-over payment. Collaterals taken over are classified as other assets in Consolidated Balance Sheet.

11. Disclosures of Regulations Governing the Preparation of Financial Reports by Public Banks

(1) Quality of the Company's overdue loans and overdue payment assets.

Overdue loans and overdue payment

Unit: NT$1,000，%

Year Month			December 31, 2013					December 31, 2012				
Business \ Item			Overdue loans Amount (Note 1)	Total loans	Non-performing loans ratio (Note 2)	Allowance for bad debts Amount	Coverage ratio of allowances for bad debt (Note 3)	Overdue loans Amount	Total loans	Non-performing loans ratio	Allowance for bad debts Amount	Allowance for bad debts Amount
Commercial financial	Collateral		$ 634,892	$61,934,113	1.03%	$1,002,329	157.87%	$ 452,945	$53,584,373	0.85%	$ 541,825	119.62%
	No collateral		117,334	32,154,358	0.36%	369,781	315.15%	224,733	29,815,119	0.75%	397,945	177.07%
Consumption financial	Mortgage loan (Note 4)		202,817	40,986,330	0.49%	441,486	217.68%	172,121	44,616,064	0.39%	321,766	186.94%
	Cash card		-	-	-	-	-	-	-	-	-	-
	Micro credit loan (Note 5)		11,446	827,808	1.38%	27,565	240.83%	19,171	1,087,252	1.76%	38,383	200.21%
	Others (Note 6)	Collateral	226,797	64,525,516	0.35%	678,501	299.17%	189,998	59,505,980	0.32%	431,805	227.27%
		No collateral	15,759	4,584,248	0.34%	60,461	383.66%	48,643	3,260,021	1.49%	163,556	336.24%
Total of loan businesses			1,209,045	205,012,373	0.59%	2,580,123	213.40%	1,107,611	191,868,809	0.58%	1,895,280	171.11%
			Amount of overdue payment	Amount of Accounts receivable	Non-performing loans ratio	Allowance for bad debts Amount	Coverage ratio of allowances for bad debt	Overdue loans Amount	Accounts receivable	Non-performing loans ratio	Allowance for bad debts Amount	Allowance for bad debts Amount
Credit cards			$ 2,827	$ 545,291	0.52%	$ 47,111	1,666.47%	$ 3,305	$ 585,945	0.56%	$ 59,978	1,814.77%
Business taken over non-traceable accounts receivable (Note 7)			-	-	-	-	-	-	-	-	-	-

Note 1: The overdue loan is recognized in overdue loan according to "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing / Non-accrual Loans"; the overdue payment of the credit card is categorized as the overdue payment according to Letter Chin-Kuan-Yin-(4) No. 0944000378 issued on July 6 of 2005.

Note 2: NPL ratio = Non-performing loans / Total loans; Credit card's NPL ratio = Non-performing accounts / Total accounts receivable

Note 3: Coverage ratio of allowance for NPL = allowance for NPL / NPL; coverage ratio of allowance for credit card NPL = allowance for credit card NPL / non-performing debt

Note 4: Home mortgage loan means that the borrower provides the residence purchased (owned) by himself / herself or his / her spouse or minors as collateral in full and pledges it the financial organization to seek funds, for the purpose of building the residence or decorating the house.

Note 5: Micro credit loan shall apply the micro credit loan specified in the official letter under Ching-Kuan-Ying (4) Tze No. 09440010950 dated December 19, 2005 and shall be that other than the credit loan upon credit card and cash card.

Note 6: "Others" specified in consumer banking mean the secured or non-secured consumer banking loans other than "home mortgage loans", "cash card" and "micro credit loans", exclusive of credit card.

Note 7: Without recourse factoring shall be reported as NPL within three months upon the factor's or insurance company's rejection of claims, in accordance with the official letter under Ching-Kuan-Ying (5) Tze No. 094000494 dated Jul. 19, 2005.

(2) Non-performing loans or delinquent accounts receivable that do not represent

Unit: NT$1,000

	December 31, 2013		December 31, 2012	
	Total balance of on-performing loans that do not represent	Total balance of delinquent accounts receivable that do not represent	Total balance of on-performing loans that do not represent	Total balance of delinquent accounts receivable that do not represent
Total balance of non-performing loans that do not represent through debt negotiation and by contract performance (Note 1)	$ 10,281	$ -	$ 14,100	$ -
Total balance of delinquent accounts receivable that do not represent through debt negotiation and by contract performance (Note 1)	-	-	-	-
Total balance of non-performing loans that do not represent by contract performance on debt service and renewal projects (Note 2)	11,775	-	14,641	-
Total balance of delinquent accounts receivable that do not represent by contract performance on debt service and renewal projects (Note 2)	-	2,883	-	3,268

Note 1: Total balance of non-performing loans that do not represent through debt negotiation and by contract performance and total balance of delinquent accounts receivable that do not represent through debt negotiation and by contract performance are disclosed in accordance with regulations of No. 09510001270 by FSB (I), Financial Supervisory Commission, Executive Yuan, April 25, 2006.

Note 2: Total balance of non-performing loans that do not represent by contract performance on debt service and renewal projects and total balance of delinquent accounts receivable that do not represent by contract performance on debt service and renewal projects are disclosed in accordance with regulations of No. 09700318940 by FSB (I), Financial Supervisory Commission, Executive Yuan, September 15, 2008.

(3) Concentration of credit risk

Unit: NT$1,000，%

Year	December 31, 2013			December 31, 2012		
Ranking (Description 1)	Company or group enterprise in the industry (Description 2)	Total balance of credit (Description 3)	Net value of the year (%)	Company or group enterprise in the industry (Description 2)	Total balance of credit (Description 3)	Net value of the year (%)
1	A Group in water transportation	$ 1,903,520	13.37	A Group in steel refinery	$ 2,037,670	15.97
2	B Group in steel refinery	1,831,882	12.86	B Group in the civil air transportation	1,309,813	10.27
3	C Group in real estate development	1,334,640	9.37	C Group in unclassified category, financial breakage	1,100,000	8.62
4	D Group in unclassified category, financial breakage	1,200,000	8.43	D Group in building construction	1,060,537	8.31
5	E Group in real estate development	1,058,467	7.43	E Group in other general goods, retailing	1,015,037	7.96
6	F Group in other general goods, retailing	967,997	6.80	F Group in real estate development	902,860	7.08
7	G Company in real estate sale and leasing	903,080	6.34	G Group in short-term accommodation service	800,000	6.27
8	H Group in short-term accommodation service	880,000	6.18	H Company in real estate sale and leasing	763,000	5.98
9	I Company in real estate sale and leasing	791,300	5.56	I Group in real estate development	745,520	5.84
10	J Group in real estate development	735,760	5.17	J Group in real estate sale and leasing	728,880	5.71

Description 1. Please list the names of the ten largest corporate obligors which do not belong to government or state-owned enterprises in order of total credit balance of obligors. The credit amount of the Group enterprise shall be aggregated and listed after filing accounts and disclosed in the way of "code" and "industry" (For example, A Company / Group – LCD monitor and accessories). If the obligor belongs to Group enterprise; the industry which is the maximum exposure of the Group enterprise shall be disclosed if the obligor is Group enterprise and the industry shall be added to the "detailed classification" of the industry name in accordance with standard industrial classification by Directorate General of Budget, Accounting and Statistics.

Description 2. The definition of Group enterprise means to conform to Article 6, "Supplementary Regulations of Criteria for Review of Securities Listings by Taiwan Stock Exchange Corporation"

Description 3. Total credit balance refers to the total balance of every loan (including import bill advance, bill purchased, discounts, overdraft, short-term loans, short-term guarantee, marginal receivables, mid-term loans, mid-term guarantee, long-term loans, long-term guarantee and overdue receivables), remittance purchased, non-recourse factoring, acceptance receivable and guarantee payments.

(4) Liquidity risks

a. Source and definition of liquidity risks

<u>The Company</u>

Refers to the risks that the Company may bear due to its inability to transfer assets into cash or receive financing to fulfill its obligations at maturity. Above mentioned conditions may cause a decrease in cash that supports loans, trading and investment related activities. In some extreme conditions, the lack of liquidity may lower the open position of the comprehensive balance sheet, and create the possibility of not being able to sell the assets or fulfill the borrowing commitment.

<u>Sunny Securities Co.</u>

Liquidity risks refers to risks that the company is unable to fulfill due to difficulties of transforming assets into cash or acquiring sufficient cash (also called the capital liquidity risks). It also refers to the risk of having fluctuation of the market price while the company is dealing with or setting of the open position due to lack of market insight or missequence (is so-called the market liquidity risks).

b. Management policy of liquidity risks

<u>The Company</u>

The Company's liquidity management procedures shall be executed separately by the company and be monitored and controlled by independent Risk Management Department. The procedures include:

i. Allocating ordinary capital and monitoring the future cash flow to ensure the fulfillment of every demand.
ii. Maintaining adequate high liquidity assets that can be easily changed into cash to buffer interrupted cash flow caused by unpredictable incidents.
iii. Monitoring the liquidity ratio of the balance sheet in accordance with the internal management purpose and the external monitoring regulations.
iv. Managing the expiring date of liability products.

The monitoring and reporting procedures shall be conducted in numerous period including 1 day, 1 week and 1 month to measure the amount of cash flow and to speculate its form. Speculations on the future cash flow shall be counted from the maturity date of the financial liabilities contract and the account receivable date of financial assets. Related information shall be reported to the Company's Risk Management Committee and Board of Directors.

Sunny Securities Co.

Sunny Securities Co.'s purpose of managing liquidity risks is to maintain the cash and cash equivalents required to run the operation, high liquidity negotiable securities and sufficient bank debentures to ensure the Company has sufficient financial flexibility.

Borrowing money from the bank is an important liquidity source for Sunny Securities Co.. Until December 31 of 2013, December 31 of 2012 and January 1 of 2012, the bank financing limit that Sunny Securities Co. did not use were NT$578,000,000, NT$ 100,000,000 and NT$ 100,000,000.

c. Financial assets held for managing liquidity risks and the maturity analysis of non-derivative financial liabilities

i. Financial assets held for managing liquidity risks

The Group holds cash and high liquidity and premium assets that can generate interest to fulfill the payment obligations and the potential demand of allocating capital to solve incidents. The Company's financial assets held for managing liquidity risks include cash and cash equivalents, dues from Central Bank and lend to banks, financial assets at fair value through profit or loss, discounts and loans, financial asset available for sale, held-to-maturity financial assets, and bond investment with an inactive market.

ii. Maturity analysis of non-derivative financial liabilities

Below table has shown an analysis of the cash outflow of the Company's non-derivative financial liabilities based on the left period between the consolidated balance sheet date and contractual maturity date. The amount disclosure in the table is compiled based on the contractual cashflow. Therefore, some of disclosed amount does not respond to items related to consolidated balance sheet.

December 31, 2013	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Dues to Central Bank and banks	$ 731,073	$ 2,968,668	$ 933,271	$ 2,476,566	$ -	$ 7,109,578
Bills and bonds issued under repurchase agreements	100,231	400,059	-	-	-	500,290
Accounts payable	2,141,010	-	-	-	-	2,141,010
Deposits and remittances	129,864,504	30,095,750	29,503,259	64,431,566	4,542,649	258,437,728
Financial bonds payable	-	301,400	3,023,787	15,986	6,100,000	9,441,173
Short-Term Loans	62,238	140,000	170,000	40,000	-	412,238
Other miscellaneous financial liabilities	5	49,893	17	35	77	50,027

December 31, 2012	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Dues to Central Bank and banks	$ 911,140	$ 2,580,640	$ 893,135	$ 3,646,462	$ 150,097	$ 8,181,474
Bills and bonds issued under repurchase agreements	1,973,312	-	-	-	-	1,973,312
Accounts payable	3,175,304	-	-	-	-	3,175,304
Deposits and remittances	116,351,128	27,516,144	25,503,293	54,227,976	5,801,739	229,400,280
Financial bonds payable	8,963	-	401,127	10,726	7,799,400	8,220,216

January 1, 2012	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Dues to Central Bank and banks	$ 161,281	$ 1,765,141	$ 1,812,215	$ 3,437,997	$ 150,108	$ 7,326,742
Bills and bonds issued under repurchase agreements	689,717	-	-	-	-	689,717
Accounts payable	2,786,290	-	-	-	-	2,786,290
Deposits and remittances	109,518,740	23,901,232	28,710,695	53,672,867	3,801,702	219,605,236
Financial bonds payable	58,165	-	33,682	5,747	6,803,900	6,901,494

4. Maturity analysis of derivative financial liabilities

Derivatives instruments settled with the total amount

The derivative financial instrument that the Group settled with the total amount mainly comes from foreign exchange forward and foreign exchange rate.

Below table has shown the derivative financial instruments that the Company settled with the total amount based on the left period between the consolidated balance sheet date and contractual maturity date. According to the evaluation, the contractual maturate date stated on the consolidated balance sheet is the most fundamental element of all the derivative financial instruments. The amount disclosure in the table is compiled based on the contractual cashflow. Therefore, some of disclosed amount does not respond to items related to consolidated balance sheet. Below is the maturity analysis of derivative financial liabilities settled by the total amount:

December 31, 2013	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Financial liability at fair value through profit or loss						
－Foreign exchange derivatives instruments						
－Cash outflow	$ 824,844	$ 224,646	$ 18,445	$ -	$ -	$ 1,067,935
－Cash inflow	816,998	224,466	18,096	-	-	1,059,560
Subtotal of cash outflow	824,844	224,646	18,445	-	-	1,067,935
Subtotal of cash inflow	816,998	224,466	18,096	-	-	1,059,560
Net cash flow	(7,846)	(180)	(349)	-	-	(8,375)

December 31, 2012	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Financial liability at fair value through profit or loss						
－Foreign exchange derivatives instruments						
－Cash outflow	$ 335,544	$ 215,133	$ 4,920	$ -	$ -	$ 555,597
－Cash inflow	335,188	212,798	4,761	-	-	552,747
Subtotal of cash outflow	335,544	215,133	4,920	-	-	555,597
Subtotal of cash inflow	335,188	212,798	4,761	-	-	552,747
Net cash flow	(356)	(2,335)	(159)	-	-	(2,850)

January 1, 2012	0-30 days	31-90 days	91-180 days	181 days -1 year	Over 1 year	Total
Financial liability at fair value through profit or loss						
－Foreign exchange derivatives instruments						
－Cash outflow	$ 243,787	$ 1,802	$ -	$ -	$ -	$ 245,589
－Cash inflow	241,804	1,795	-	-	-	243,599
Subtotal of cash outflow	243,787	1,802	-	-	-	245,589
Subtotal of cash inflow	241,804	1,795	-	-	-	243,599
Net cash flow	(1,983)	(7)	-	-	-	(1,990)

5. Maturity analysis of off balance sheet items

Below table has based on the left period between the consolidated balance sheet date and contractual maturity date to recognize the maturity analysis of the Group's off balance sheet item. Regarding issued financial guarantee contract, the biggest amount is under the list of fulfilling the demand of being in the earliest period. The amount disclosure in the table is compiled based on the contractual cashflow. Therefore, some of disclosed amount does not respond to items related to consolidated balance sheet.

December 31, 2013	Less than 1 year	1 - 5 years	Above 5 years	Total
Developed customer(s) with loan commitments	$ 2,487,491	$ 4,186,775	$ 672,135	$ 7,346,401
Customer(s) with commitment for credit cards	1,238,888	4,298,670	743,358	6,280,916
Customer(s) with outstanding letter of credit	671,615	-	-	671,615
All types of guarantee	2,038,367	511,647	10,000	2,560,014
Total	6,436,361	8,997,092	1,425,493	16,858,946

December 31, 2012	Less than 1 year	1 - 5 years	Above 5 years	Total
Developed customer(s) with loan commitments	$ 1,969,423	$ 3,348,584	$ 1,380,911	$ 6,698,918
Customer(s) with commitment for credit cards	516,085	4,319,994	743,222	5,579,301
Customer(s) with outstanding letter of credit	634,389	-	-	634,389
All types of guarantee	1,976,118	253,363	10,000	2,239,481
Total	5,096,015	7,921,941	2,134,133	15,152,089

January 1, 2012	Less than 1 year	1 - 5 years	Above 5 years	Total
Developed customer(s) with loan commitments	$ 2,744,972	$ 3,054,759	$ 1,248,675	$ 7,048,406
Customer(s) with commitment for credit cards	1,381,442	3,196,420	1,004,042	5,581,904
Customer(s) with outstanding letter of credit	902,412	-	-	902,412
All types of guarantee	1,506,883	444,501	10,000	1,961,384
Total	6,535,709	6,695,680	2,262,717	15,494,106

6. Maturity analysis of leasing contract

The Group's lease contract commitment refers fo operating lease and financing lease

Operating lease commitment refers to the minimum rental payment commited under an irrevocable condition, where the Group is a lessee or a leasor.

Financing lease commitment refers to the future rental payment and its current value under the financing lease condition, where the Group is a lessee.

Below table is a maturity analysis of the Group's lease contract commitment:

December 31, 2013	Less than 1 year	1 - 5 years	Over 5 years	Total
Lease contract commitment				
Operating lease expense (lessee)	$ 57,098	$ 100,227	$ 2,618	$ 159,943
Financing lease expense (lessee)	74	71	-	145
Operating lease income (lessor)	50,269	150,627	114,553	315,449
Financing lease income (lessor)	249,206	379,668	-	628,874

December 31, 2012	Less than 1 year	1 - 5 years	Over 5 years	Total
Lease contract commitment				
Operating lease expense (lessee)	$ 44,313	$ 83,616	$ 6,637	$ 134,566
Operating lease income (lessor)	47,562	156,932	153,173	357,667

January 1, 2012	Less than 1 year	1 - 5 years	Over 5 years	Total
Lease contract commitment				
Operating lease expense (lessee)	$ 41,831	$ 81,404	$ 4,418	$ 127,653
Operating lease income (lessor)	32,468	88,926	98,718	220,112

7. Disclosures of Regulations Governing the Preparation of Financial Reports by Public Banks

(1) Analyses of the structure of the maturity date (NT$)

December 31, 2013						
	Total	0 - 30 days	31 - 90 days	91 to 180 days	180 days - 1 year	Over 1 year
Main matured cash inflow	$ 280,228,272	$ 71,354,604	$ 22,963,592	$ 24,609,604	$ 44,897,066	$ 116,403,406
Main matured cash outflow	325,480,163	35,826,440	44,305,380	50,753,459	103,785,561	90,809,323
Duration gap	(45,251,891)	35,528,164	(21,341,788)	(26,143,855)	(58,888,495)	25,594,083

December 31, 2012						
	Total	0 - 30 days	31 - 90 days	91 to 180 days	180 days - 1 year	Over 1 year
Main matured cash inflow	$ 255,526,740	$ 55,776,174	$ 19,976,488	$ 21,906,423	$ 41,226,524	$ 116,641,131
Main matured cash outflow	296,430,120	36,807,782	40,559,667	42,917,225	91,412,851	84,732,595
Duration gap	(40,903,380)	18,968,392	(20,583,179)	(21,010,802)	(50,186,327)	31,908,536

Description: The statement shows the amount NT$ of the Head Office, and domestic business units, except foreign currencies.

(2) Analyses of the structure of the maturity date (USD)

December 31, 2013						
	Total	0 - 30 days	31 - 90 days	91 to 180 days	180 days - 1 year	Over 1 year
Main matured cash inflow	$ 489,914	$ 189,370	$ 65,439	$ 58,994	$ 25,599	$ 150,512
Main matured cash outflow	463,890	262,510	93,141	52,940	55,872	(573)
Duration gap	26,024	(73,140)	(27,702)	6,054	(30,273)	151,085

December 31, 2012						
	Total	0 - 30 days	31 - 90 days	91 to 180 days	180 days - 1 year	Over 1 year
Main matured cash inflow	$ 372,283	$ 104,898	$ 106,163	$ 27,464	$ 16,392	$ 117,366
Main matured cash outflow	346,178	205,570	72,796	24,625	35,785	7,402
Duration gap	26,105	(100,672)	33,367	2,839	(19,393)	109,964

Description: The statement shows the amount USD of the Head Office, except foreign currencies.

(5) Market risks

The Company

1. Source and definition of market risks

Market risk refers to the risk that the fair value of the Company's financial instruments on- and off-sheet or the future cashflow change. Relevant risks factors usually include interest rate, exchange rate, equity securities and product price. Any changes of above risk factors can create fluctuation of the Company's net income or investment combination value.

2. Management policy of market risks

The compny moniros market risk position and the bearable range of the loss based on the risk management target an limits approved by the Board of Directors. Risk managmnet department manages all kinds of limits, estimates profits and losses, conducts pressure tests, and reports the status to Risk Management Committee and Board of Directors as a reference of the top management team.

3. Management procedures

(1) Recognition and evaluation

The company's sales and risk management control units shall adopt businss or product analysis to check the source of market risks and risk factors, and evaluate market risks accordingly. Regarding different kinds of risk factors, the Company shall establish appropriate methods of evaluating market risks including position limit management (including notional limits, bond position limits and stock position limits) and sensitivity limit management (PVBP, Duration and so on). Business reporting units shall evaluate the exposures of all kinds of market risks including position limits, stop-loss limits and the concentration level of market risks.

(2) Monitoring and reporting

The Company's risk management units shall update its status of implementing the market risk management, controlling position and profit / loss, and conducting the sensitive analysis and pressure tests to the Board of directors. The Company also established clear reporting procedures with limits and stop-loss regulations for each transaction. In case of reaching the stop-loss point, relevant actions shall be conducted. If not, the responsible unit shall report the reasons of not making any actions and responding proposals to the top management.

4. Management of trading book

(1) Definition and policy

Trading book refers to positions of financial and substantial products held by the Company based on the purpose of transaction or hedging. Purpose of transaction refers to the Company's intention of short-term sales, or obtaining / maintaining profit from the actual or expected price fluctuation. Financial products do not belong to the position of trading book, but the banking book. As for those under the trading book category shall have trading limits established.

(2) Management procedures

Definition of the financial assets, business content, financial products' original evaluation and the following evaluation procedures shall all be conducted based on accounting relevant regulations. Information source required for evaluating the trading book position shall be delivered to the evaluation system by financial personnel to generate the daily evaluation report.

5. Management of the banking book interest risks

Banking book interest risks refer to the risk that an unfavorable fluctuated interest rate has worsened the Company's financial status or caused a loss of its earnings. The purpose of managing such risk is to enhance the Company's management in interest risks, to enhance its capital allocation efficiency and to ameliorate the business operation.

(1) Strategy

Interest risk management aims to enhance the Company's responding activity to evaluate, manage and hedge risks of having impacts on the economic value of earnings and asset liabilities as a result of the fluctuated interest rate.

(2) Management procedures

The Company shall identify source of different interest risks and evaluate possible influence on its earnings and economic value affected by the fluctuated interest rate. To stabilize its long-term profitability and to maintain its company growth, monitoring index and pressure tests shall be conducted accordingly to monitor the interest risk limits and have relevant results reported to the Risk Management Committee and the Board of Directors.

6. Management of the exchange rate risk

(1) Definition of the exchange rate risk

Exchange rate risk refers to the profit / loss caused during the exchange of two currencies in different timeframe. The Company's exchange risks mainly comes from derivative instruments such as spot and foreign exchange forward. As the Company's principle of dealing with foreign exchange is to match customers' position of the day, such risk is therefore minor in the case.

(2) Policies, procedures and evaluation methods of the exchange rate risks

To control exchange rate risks, the Company has set manipulation and stop-loss limits to trading room and traders. Besides, it also stipulated the annual maximum loss limit to control the loss with a bearable range.

7. Management of equity securities price risks

(1) Definition of equity securities price risks

Market risks of the Company's equity securities include individual risks caused by the fluctuated market price and the ordinary market risk caused by the fluctuation of the overall market price.

(2) Purpose of managing equity securities price risks

To avoid a severely fluctuated equity securities price that may worsen the Company's financial status or cause a loss in the Company's earning. Besides, it is expected to increase the capital allocation efficiency and to ameliorate the Company's business operation.

(3) Procedures of managing equity securities price risks

The Company has set investment limits based on the industry and enterprise category; stipulated trading control procedures based on the limit of investment transactions and level of authorization; and defined the exposure amount and stop-loss point to control investment risks. If the stop-loss is reached and the investment unit plans not to sell the product / service, it is a must to report to the top management for an approval.

8. Techniques of evaluating market risks

(1) Pressure tests

Pressure tests are methods used to evaluate potential maximum loss of the risk asset combination in the worst condition. Conducted by the Risk Management Department, the company's pressure tests include: (1) Risk factor pressure test: to apply pressure test in all kinds of risk categories; (2) Emerging market pressure test: to apply the pressure test in emerging market's investment combinations; (3) Temporary pressure test: to apply the pressure test in special investment position or specific investment area such as areas with the a big change in exchange rate.

Test results will be reported to the top management. Besides, although each department may make minor adjustment on the tests, all of them will somehow adopt a scenario analysis.

(2) sensitiviey Analysis

A. Interest risks

Under the assumption that other variants remain the same, if the yield interest curves of 2013 and December 31 of 2012 move 100 points upwards, the Company's income before tax will have a decrease of NT$15,318,000 and NT$11,252,000 respectively, whereas its other comprehensive income will have a decrease of NT$222,103,000 and NT$107,364,000 respectively. If the yield interest curves of 2013 and December 31 of 2012 move 100 points downwards simultaneously, the Company's income before tax will have an increase of NT$15,510,000 and NT$11,945,000 respectively, whereas its other comprehensive income will have an increase of NT$239,092,000 and NT$116,417,000 respectively.

B. exchange rate risks

Under the assumption that other variants remain the same, if the Company's exchange rate of 2013 and December 31 of 2012 depreciate 3% for USD/NTD and EUR/NTD, and 5% for JPY/NTD and other currency/NTD also depreciate 5%. The Company's income before tax will have a decrease of NT$20,637,000 and NT$22,441,000.

Under the assumption that other variants remain the same, if the Company's exchange rate of 2013 and December 31 of 2012 revalue 3% for USD/NTD and EUR/NTD, and 5% for JPY/NTD and other currency/NTD also depreciate 5%. The Company's income before tax will have a decrease of NT$20,637,000 and NT$22,441,000.

C. Equity securities price risk(s)

Under the assumption that other variants remain the same, if the price of domestic equity securities of 2013 and December 31 of 2012 increases 15%, and the price of foreign equity securities also increases 20%, the Company's income before tax will have an increase of NT$132,994,000 and NT$90,592,000, and its other comprehensive income will also have an increase of NT$43,517,000 and NT$97,319,000.

Under the assumption that other variants remain the same, if the price of domestic equity securities of 2013 and December 31 of 2012 drops 15%, and the price of foreign equity securities also drops 20%, the Company's income before tax will have a decrease of NT$132,994,000 and NT$90,592,000, and its other comprehensive income will also have a decrease of NT$43,517,000 and NT$97,319,000.

Above analyses are based on the assumption that the trends and historical data of all equity instruments are the same.

D. Summarized sensitivity analysis as shown below:

December 31, 2013			
Main risks	Amount variation	Influenced amount	
		Equity	Losses / Profits
Foreign exchange risks (accounting currency)	USD/NTD, EUR / NTD increased 3%	$ -	$ 20,389
Foreign exchange risks (accounting currency)	USD/NTD, EUR / NTD dropped 3%	-	(20,389)
Foreign exchange risks (non-accounting currency)	JPY/NTD, other currencies / NTD increased 5%	-	248
Foreign exchange risks (non-accounting currency)	JPY/NTD, other currencies / NTD dropped 5%	-	(248)
Interest risks	Yield curve increased 100 BPS	(221,103)	(15,318)
Interest risks	Yield curve dropped 100 BPS	239,092	15,510
Equity securities price risk(s)	Increased domestic equity securities price: 15%	43,517	132,994
Equity securities price risk(s)	Increased foreign equity securities price: 20%	-	-
Equity securities price risk(s)	Dropped domestic equity securities price: 15%	(43,517)	(132,994)
Equity securities price risk(s)	Dropped foreign equity securities price: 20%	-	-

December 31, 2012			
Main risks	Amount variation	Influenced amount	
		Equity	Losses / Profits
Foreign exchange risks (accounting currency)	USD/NTD, EUR / NTD increased 3%	$ -	$ 22,086
Foreign exchange risks (accounting currency)	USD/NTD, EUR / NTD dropped 3%	-	(22,086)
Foreign exchange risks (non-accounting currency)	JPY/NTD, other currencies / NTD increased 5%	-	355
Foreign exchange risks (non-accounting currency)	JPY/NTD, other currencies / NTD dropped 5%	-	(355)
Interest risks	Yield curve increased 100 BPS	(107,364)	(11,252)
Interest risks	Yield curve dropped 100 BPS	116,417	11,945
Equity securities price risk(s)	Increased domestic equity securities price: 15%	97,319	86,806
Equity securities price risk(s)	Increased foreign equity securities price: 20%	-	3,786
Equity securities price risk(s)	Dropped domestic equity securities price: 15%	(97,319)	(86,806)
Equity securities price risk(s)	Dropped foreign equity securities price: 20%	-	(3,786)

9. Concentration of the exchange rate risk

Below table has summarized the Company’s financial tools of foreign currency assets and liabilities based on their currencies, and shown information related to the concentrated exchange rate risks.

	December 31, 2013			December 31, 2012			January 1, 2012		
	Foreign currencies	Exchange Rate	NT$	Foreign currencies	Exchange Rate	NT$	Foreign currencies	Exchange Rate	NT$
Financial assets									
USD	$ 345,534	29.950	$ 10,348,752	$ 315,207	29.136	$ 9,178,613	$ 245,125	30.290	$ 7,425,830
RMB	475,579	4.944	2,351,262	2,029	4.676	9,485	2,379	4.808	11,436
HK$	51,943	3.863	200,657	35,807	3.759	134,600	3,771	3.898	14,700
EUR	4,761	41.290	196,572	5,409	38.610	208,846	3,259	39.190	127,701
JPY	198,620	0.2853	56,666	171,544	0.3375	57,896	125,002	0.3908	48,851
Financial liabilities									
USD	304,854	29.950	9,130,368	245,045	29.136	7,139,626	170,654	30.290	5,169,113
RMB	344,974	4.944	1,705,552	-	-	-	-	-	-
AUD	17,930	26.710	478,911	13,176	30.270	398,839	9,108	23.411	213,227
ZAR	111,472	2.860	318,811	117,253	3.430	402,179	135,805	3.720	505,193
HK$	44,711	3.863	172,719	74,081	3.759	278,472	61,339	3.898	239,099
NZD	4,662	24.601	114,689	6,124	23.935	146,590	10,410	30.740	320,001
EUR	2,611	41.290	107,812	4,850	38.610	187,267	4,671	39.190	183,040
JPY	349,867	0.2853	99,817	144,641	0.3375	48,817	75,389	0.3908	29,462
GBP	745	49.500	36,863	1,354	46.980	63,625	1,600	46.750	74,802

10. Disclosures of Regulations Governing the Preparation of Financial Reports by Public Banks

(1) Interest-Rate Sensitive Analyses of the Company's Assets & Liabilities (NT$)

December 31, 2013					
Item	1 - 90 days (including)	91 - 180 days (including)	180 days - 1 year (including)	Over 1 year	Total
Interest-rate sensitive assets	$ 235,191,833	$ 10,719,636	$ 1,272,631	$ 11,349,756	$ 258,533,856
Interest-rate sensitive liabilities	121,477,995	105,573,374	25,336,534	8,409,227	260,797,130
Interest-rate sensitive gap	113,713,838	(94,853,738)	(24,063,903)	2,940,529	(2,263,274)
Net					14,261,860
The ratio of interest-rate sensitive assets & liabilities (%)					99.13%
The ratio of interest-rate sensitive gap & shareholders' equity (%)					(15.87%)

December 31, 2012					
Item	1 - 90 days (including)	91 - 180 days (including)	180 days - 1 year (including)	Over 1 year	Total
Interest-rate sensitive assets	$ 208,709,251	$ 8,024,557	$ 1,497,252	$ 11,929,165	$ 230,160,225
Interest-rate sensitive liabilities	112,394,861	89,392,982	22,850,851	11,758,981	236,397,675
Interest-rate sensitive gap	96,314,390	(81,368,425)	(21,353,599)	170,184	(6,237,450)
Net					12,748,271
The ratio of interest-rate sensitive assets & liabilities (%)					97.36%
The ratio of interest-rate sensitive gap & shareholders' equity (%)					(48.93%)

Description 1. The part of the bank refers to the total amount of the entire company (NT$), excluding items with assets or liabilities.

Description 2. Interest-rate sensitive assets & liabilities means for the profitable assets and interest liabilities are with the income and / or cost affected by interest rate

Description 3. Interest-rate sensitive gap = Interest-rate sensitive assets − Interest-rate sensitive liabilities。

Description 4. The ratio of interest-rate sensitive assets & liabilities = Interest-rate sensitive assets÷Interest-rate sensitive liabilities(NT$)

(2) Interest-Rate Sensitive Analyses of the Company's Assets & Liabilities (USD)

December 31, 2013					
Items	1 - 90 days (including)	91 - 180 days (including)	180 days - 1 year (including)	Over 1 year	Total
Interest-rate sensitive assets	$ 348,595	$ 53,191	$ 2,729	$ 5,187	$ 409,702
Interest-rate sensitive liabilities	281,508	52,182	55,830	-	389,520
Interest-rate sensitive gap	67,087	1,009	(53,101)	5,187	20,182
Net					(700)
The ratio of interest-rate sensitive assets & liabilities (%)					105.18%
The ratio of interest-rate sensitive gap & shareholders' equity (%)					(2,883.14%)

December 31, 2012					
項 目	1 - 90 days (including)	91 - 180 days (including)	180 days - 1 year (including)	Over 1 year	T o t a l
Interest-rate sensitive assets	$ 282,504	$ 28,422	$ 1,360	$ 5,132	$ 317,418
Interest-rate sensitive liabilities	224,681	24,328	35,740	-	284,749
Interest-rate sensitive gap	57,823	4,094	(34,380)	5,132	32,669
Net					7,179
The ratio of interest-rate sensitive assets & liabilities (%)					111.47%
The ratio of interest-rate sensitive gap & shareholders' equity (%)					455.06%

Description 1. The part of the bank refers to the total amount of the entire company (USD), excluding items with assets or liabilities.

Description 2. Interest-rate sensitive assets & liabilities means for the profitable assets and interest liabilities are with the income and / or cost affected by interest rate

Description 3. Interest-rate sensitive gap = Interest-rate sensitive assets − Interest-rate sensitive liabilities。

Description 4. The ratio of interest-rate sensitive assets & liabilities = Interest-rate sensitive assets÷Interest-rate sensitive liabilities(USD)

Sunny Securities Co.

Market risks refer to the change of financial assets' value due to uncertain market price such as interest rate, exchange rate, and the prices of equity securities and products. All of these may cause deficit on items listed on- and off-balance.

Sunny Securities Co.'s market risks are exposed in the equity instrument price. The Company has followed "Regulations Governing Securities Firms" to control the concentration of risks (including the number of stocks possess by the Company in any company, the total cost of its negotiable securities in any company, the number of stocks possess by the Company in any foreign company, and the total cost of its negotiable securities in any foreign company) and the stop-loss mechanism. Sunny Securities Co. never used derivative financial instruments to manage relevant risks.

43. Capital management

(1) Summary

Below are the capital management gargets of the Group:

a. As the Group's basic target, its qualified self-owned capital shall be enough to correspond to the legal capital requirement and reach the lowest legal capital adequacy ratio. Calculation of qualified self-owned capital and recognized legal capital shall be followed according to regulations of the competent authority;

b. The Group shall evaluate capital required to confront combinations and characteristics of the risks in order to have sufficient capital to take over all kinds of risks. The Company shall conduct a risk management through the capital allocation to maximize the benefits brought by its resources.

(2) Capital management procedures

The Group shall maintain the capital adequacy ratio in order to comply with regulations and report to competent authority every quarter.

The Group's capital is managed by the Risk Management Department. According to Taiwan's "Regulations Governing the Capital Adequacy and Capital Category of Banks", self-owned capital are divided into Tier 1 capital and Tier 2 capital:

a. Tier 1 capital: includes common equity and other Tier 1 capital。

- Common equity：Including ordinary shares, capital surplus (except special share premium), accumulated earning and adjustment on shareholders' equity. Less: Intangible assets (including goodwill), unamortized loss on the disposal of non-performing loans, major investments on financial institutions, deferred tax asset, and items taken off from Tier 1 capital and Tier 2 (except major investment to financial institutions)
- Other Tier 1 capital: Including non-perpetual cumulative preferred stock and Non-cumulative subordinated debentures without maturity.

b. Tier 2 capital includes: Including perpetual cumulative preferred stock, cumulative subordinated debentures without maturity, increase in value, exchangeable bonds, reserves for operation and allowance for bad debts/

To properly monitor the Groups' capital adequacy and to maintain an adequate internal capital, the Group has not only calculated the capital adequacy ratio of each season and examined departments / units' exposure and changes of qualified capital, but also analysis factors that may possibly affect capital adequacy ratio such as expected earnings, recognition of allowance for bad debts, changes of distressed debt, changes of equity securities investments (financial and non-financial) and risk assets as well as its status of reaching the target. If the actual result is different from the expectation, it is a must to conduct relevant analyses and reviews for improvement. When the capital adequacy ratio may be lower than the management target, such situation shall then be reported to top management or the Risk Management committee to make a responding proposal. For example, to adjust the asset structure or plan and issue qualified capital assets to lower the level of exposure, or to increase self-owned capital.

(3) Capital adequacy

Below table shows the calculation of the Group's self-owned capital, risk-weighted assets for credit risks and capital adequacy ratio. The Group has on 2013 and December 31 of 2012 adopted regulations of capital management that are approved by local competent authorities.

Analysis items \ Year			December 31, 2013 The Bank	December 31, 2013 Consolidated
Self-owned capital	Common equity		$ 12,311,870	$ 12,952,072
	Other Tier 1 capital		-	-
	Tier 2 capital		5,399,500	6,033,823
	Self-Owned Capital		17,711,370	18,985,895
Risk-Weighted Assets	Credit risks	Standardized Approach	188,899,918	190,158,441
		Internal ratings-based approach	-	-
		Asset securitization	-	-
	Operation risks	Basic indicator approach	7,573,503	7,825,867
		Standardized approach / Alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risks	Standardized Approach	4,755,955	4,800,687
		Internal model approach	-	-
	Total risk-weighted assets		201,229,376	202,784,995
Capital adequacy ratio			8.80%	9.36%
Ratio of common capital to risky asset			6.12%	6.39%
Ratio of Tier 1 capital to risky asset			6.12%	6.39%
Leverage Ratio			4.38%	4.44%

Description 1. The self-owned capital, risk weighted assets and exposure measures shall be calculated based on “Regulations Governing the Capital Adequacy and Capital Category of Banks” and “Methods for calculating Bank’s regulatory capital and Risk Weighted Assets”.

Description 2. Annual report shall state the capital adequacy ratio of the year and of last season. The six-month financial report shall not only disclosure information of this and last seasons, but also add information of the year-end capital adequacy ratio of the year before.

Description 3. The aforementioned ratios are calculated as follows:

i. Self-Owned Capital＝Common equity＋Other Tier 1 capital＋Tier 2 capital

ii. Total risk-weighted assets＝Risk-weighted assets for credit risk＋(Operation risks＋Market risks) Capital charge×12.5

iii. Capital adequacy ratio＝Self-Owned Capital／Total risk-weighted assets

iv. Ratio of common capital to risky asset＝Common equity／Total risk-weighted assets

v. Ratio of Tier 1 capital to risky asset＝(Common equity+Other Tier 1 capital)／Total risk-weighted asset

vi. Leverage Ratio=Tier 1 capital／Exposure measure

Analysis items \ Year			December 31, 2012 (Note)	
			The Bank	Consolidated
Self-Owned Capital	Tier 1 capital		$ 10,896,501	$ 11,500,618
	Tier 2 capital		4,908,167	5,504,797
	Tier 3 capital		-	-
	Self-Owned Capital		15,804,668	17,005,415
Risk-Weighted Assets	Credit risks	Standardized Approach	171,224,219	171,362,100
		Internal ratings-based approach	-	-
		Asset securitization	-	-
	Operation risks	Basic indicator approach	6,942,249	7,180,781
		Standardized approach / Alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risks	Standardized Approach	6,547,039	6,597,324
		Internal model approach	-	-
	Total risk-weighted assets		184,713,507	185,140,205
Capital adequacy ratio			8.56%	9.19%
Ratio of Tier 1 capital to risky asset			5.90%	6.21%
Ratio of Tier 2 capital to risky asset			2.66%	2.98%
Ratio of Tier 3 capital to risky asset			-	-
Ratio of capital of common stock to total asset			4.82%	4.83%
Leverage Ratio			4.28%	4.50%

Note: The statement is calculated based on financial report compiled according to Regulations Governing the Preparation of Financial Reports by Public Banks before the amendment and GAAP of the Republic of China.

Description 1. The self-owned capital, risk weighted assets and exposure measures shall be calculated based on “Regulations Governing the Capital Adequacy and Capital Category of Banks” and “Methods for calculating Bank’s regulatory capital and Risk Weighted Assets”.

Description 2. Annual report shall state the capital adequacy ratio of the year and of last season. The six-month financial report shall not only disclosure information of this and last seasons, but also add information of the year-end capital adequacy ratio of the year before.

Description 3. The aforementioned ratios are calculated as follows:

i. Self-Owned Capital＝Tier 1 capital＋Tier 2 capital＋Tier 3 capital

ii. Total risk-weighted assets＝Risk-weighted assets for credit risk＋(Operation risks＋Market risks)capital charge ×12.5

iii. Capital adequacy ratio＝Self-Owned Capital／Total risk-weighted assets

iv. Ratio of Tier 1 capital to risky asset = Tier 1 capital ／ Total risk-weighted assets

v. Ratio of Tier 2 capital to risky asset = Tier 2 capital ／ Total risk-weighted assets

vi. Ratio of Tier 3 capital to risky asset = Tier 3 capital ／ Total risk-weighted assets

vii. Ratio of capital of common stock to total asset＝Capital of common stock／Total assets

viii. Leverage Ratio=Tier 1 capital／Average asset after adjustment (average asset reduce Tier 1 capital less “good will”, “unamortized loss on the disposal of non-performing loans” and Tier 1 capital charge o investment of the Bank that shall comply with “Regulations Governing the Capital Adequacy and Capital Category of Bank”.

44. Content and amount of trust business as follow pursuant to Rules Governing the Implementation of the Trust Business Law

Balance Sheet of Trust Account

	December 31, 2013	December 31, 2012
Trust asset		
Cash and bank deposit	$ 4,327,177	$ 1,943,822
Short-term investment		
Trust investment	21,379,365	20,909,599
Bond investment	108,941	128,340
Stock investment	194,397	972,637
Real estate		
Land	9,963,037	8,035,770
House and building	993	1,453
Securities under central custody	3,634,616	4,779,593
	$ 39,608,526	$ 36,771,214
Trust liability		
Payable securities under central custody	$ 3,634,616	$ 4,779,592
Trust capital		
Money	24,416,767	23,021,780
Real Estate	10,551,449	8,420,179
Negotiable securities	194,397	972,637
Cash equity and collateral	1,242,168	-
Accumulated income		
Accumulated income of the capital	(1,089,966)	(779,456)
Profits and Losses of the year	659,095	356,482
	$ 39,608,526	$ 36,771,214

Property List of Trust Account

Investments	December 31, 2013	December 31, 2012
Cash and bank deposit		
Deposited in the Company	$ 4,327,177	$ 1,943,822
Short-term investment		
Trust investment－NTD trust	11,311,003	11,987,528
－Foreign currency trust	10,068,362	8,922,071
Bond investment－NTD trust	7,470	24,091
－Foreign currency trust	101,471	104,249
Stock investment	194,397	972,637
Real estate		
Land	9,963,037	8,035,770
House and building	993	1,453
Securities under central custody	3,634,616	4,779,593
	$ 39,608,526	$ 36,771,214

Statements of Income on Trust Account

Item	Year 2013	Year 2012
Trust Revenue		
Interest income	$ 3,108	$ 1,432
Dividend income	773,874	744,312
Asset Transaction Gains	306,042	127,195
Net realized capital gains	128	1,004
	1,083,152	873,943
Trust expenses		
Management fees	19,107	16,073
Tax expenses	2,354	30,332
Transaction fees	10,613	13,843
Property exchange losses	391,983	457,213
	424,057	517,461
	$ 659,095	$ 356,482

Note: Above statement of profits and losses shows the profits and losses of assets trusted to Trust Department of the Group and is not included in the Group's profits and losses.

45. The Company's Profitability

Item		December 31, 2013	December 31, 2012
Asset profit ratio	Before Tax	0.36	0.50
	After Tax	0.31	0.48
Return on shareholders' equity	Before Tax	7.41	10.60
	After Tax	6.37	10.21
Net profit margin		18.89	31.31

Description:
1. Asset profit ratio = Gains or losses before / after tax ÷ Average asset
2. Return on shareholders' equity = Gains or losses before / after tax ÷ Average net value
3. Net profit margin = Gains or losses after tax ÷ Net income
4. Gains or losses before / after tax refers to accumulated gains or losses from the January of that year till the quarter.

46. Notes of Disclosure Events

The Bank has no other disclose to be made except the attached Tables 1 through 6.

47. Operating departments' financial information

According to Article 8 of IFRSs approved by FSC, the operating result of the operating departments shall be re-approved by the Group's Board of Director (decision maker of the major operation) and relevant results will be used to allocate the Group's resources and to evaluate its performance. All of Group's decisions were made according to FSC approved IFRSs Article 8 - Reportable Segments.

The Group's operating departments shall be recognized based on the characteristics of the industry, including: Banking Department / Insurance Department / Securities Department / Other departments.

Other operations of the Group including the management of funds and trusts shall are not within the range of reportable segments.

As the operating departments' performances all come from the interest income and the Group's Board of Directors also evaluate each operating department's performance accordingly, relevant performances shall be expressed by the total interest income less total interest expenses.

Adjustments on internal pricing and transfer pricing are reflected in department's performance evaluation. Revenues generated from external customers are already amortized based on a reasonable standard as agreed by all departments.

Interdepartmental transactions tend to be ordinary transactions. Revenue generated from external customers and re-approved by the Board of Directors shall be measured on the same basis of the consolidated statement of comprehensive income.

Adjustments on internal pricing and transfer pricing are reflected in department's performance evaluation. Revenues generated from external customers are already amortized based on a reasonable standard as agreed by all departments.

The Group's internal management report shows net values related to the operation including the net interest revenue, bad debt expenses and guarantee liability provisions, net commission and service fees, net profits / losses of financial products and other operation profits / losses. The evaluation shall not include non-recurring items such as the litigation expenses.

Interdepartmental analyses shall be based on the internal management report offered and re-approved by the Board of Directors, where information such as departmental profits / losses, assets, liabilities and so on.

Operating assets and liabilities are composed by those of all operating departments and is the main body of the consolidated balance sheet. However, some parts such as the tax expenses shall be excluded from it.

(1) Operating departments' profits / losses and operating performance

Below are reportable departments' profits / losses of 2013 and 2012:

Year 2013

	Banks	Insurance Companies	Securities Companies	Others	Write-off among the departments	Total
Net interest revenue	$3,316,235	$ 828	$ 15,002	$ 19,348	$ -	$3,351,413
Net commission and service fees	789,061	95,525	-	14,631	3,201	902,418
Other non-net interest revenue	450,712	5,101	88,393	68,207	(121,895)	490,518
Net income	4,556,008	101,454	103,395	102,186	(118,694)	4,744,349
Bad debt expenses and guarantee liability provisions	747,965	-	130	30,307	-	778,402
Operating expenses	2,807,459	30,769	85,467	32,071	(13,909)	2,941,857
Net profit before tax	$1,000,584	$ 70,685	$ 17,798	$ 39,808	($ 104,785)	$1,024,090

Year 2012

	Banks	Insurance Companies	Securities Companies	Others	Write-off among the departments	Total
Net interest revenue	$2,994,230	$ 786	$ 4,127	$ 8,848	$ -	$3,007,991
Net commission and service fees	645,390	88,476	-	-	(4,111)	729,755
Other non-net interest revenue	317,555	4,004	78,452	36,338	(76,486)	359,863
Net income	3,957,175	93,266	82,579	45,186	(80,597)	4,097,609
Bad debt expenses and guarantee liability provisions	127,664	-	-	15,379	-	143,043
Operating expenses	2,542,808	39,407	77,017	8,310	(14,565)	2,652,977
Net profit before tax	$1,286,703	$ 53,859	$ 5,562	$ 21,497	($ 66,032)	$1,301,589

Departmental profits / losses include interdepartmental capital transfer and appropriate amortization of the cost. Besides, operating departments' performance shall be evaluated by their income before tax, where as non-amortized tax expenses shall be evaluated by reportable departments.

(2) Departmental assets and liabilities

Year 2013

	Banks	Insurance Companies	Securities Companies	Others	Total
Assets (Note)	$ -	$ -	$ -	$ -	$ -
Liabilities (Note)	$ -	$ -	$ -	$ -	$ -

	Year 2012				
	Banks	Insurance Companies	Securities Companies	Others	Total
Assets (Note)	$ -	$ -	$ -	$ -	$ -
Liabilities (Note)	$ -	$ -	$ -	$ -	$ -

Note: As the Group's measurement of assets and liabilities mainly relies on the average of deposits / loans and financialities,

(1) Regional information

As the Group has just established international operating department at the end of 2013, relevant business is therefore not initiated yet.

(2) Information of the principal customer

The Group's net income generated from one single customer in 2013 and 2012 were below 10%

48. First-time adoption of IFRSs

(1) Basis of compiling IFRSs

The Group's 2013 consolidated financial report is the first annual financial report incorporated with IFRSs. The report was compiled based on major accounting policies as stated in Note 4 as well as IFRS 1 - First-time Adoption of International Financial Reporting Standards.

(2) Impact on the transfer of IFRSs

Impacks on the consolidated balance sheet and consolidated statement of comprehensive income after the transfer of IFRSs are shown below:

a. Adjustment on the Consolidated Balance Sheet of January 1, 2012

Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Cash and cash equivalents	$ 5,120,311	$ -	($ 51,400)	$ 5,068,911	Cash and cash equivalents	5.(1)
Dues from Central Bank and lend to banks	49,164,964	-	-	49,164,964	Dues from Central Bank and lend to banks	
Financial liabilities of the fair price movement recognized in gains or losses	2,794,913	-	-	2,794,913	Financial assets at fair value through profit or loss	
Bills and bonds purchased under resale agreements	420,380	-	-	420,380	Bills and bonds purchased under resale agreements	
Account payableNet	1,046,936	-	(1,604)	1,045,332	Account payableNet	5.(2),(3)
	-	-	92,269	92,269	Current tax assets	5.(3)
Discounts and LoansNet	177,345,283	-	-	177,345,283	Discounts and LoansNet	
Financial asset available for sale	1,240,422	-	-	1,240,422	Financial asset available for sale	
Held-to-Maturity financial assets	996	-	-	996	Held-to-Maturity financial assets	
Other financial assetsNet	328,577	-	51,400	379,977	Other financial assetsNet	5.(1)
Net fixed asset	8,998,130	6,561	507,172	9,511,863	Net property and equipment	5.(4),(5)

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Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Intangible assets	$ 1,057,998	$ -	$ -	$ 1,057,998	Intangible assets	
	-	49,276	816,688	865,964	Deferred tax assets	5.(6),(7),(9),(11),(12)
Other assets	1,896,118	(27,639)	(1,321,541)	546,938	Other assets	5.(2),(4),(6),(7),(8)
Total assets	$ 249,415,028	$ 28,198	$ 92,984	$ 249,536,210	Total assets	
Dues to Central Bank and banks	$ 7,311,459	$ -	$ -	$ 7,311,459	Dues to Central Bank and banks	
Financial liabilities of the fair price movement recognized in gains or losses	1,939	-	-	1,939	Adjustment on the valuation of financial liabilities held for trading	
Bills and bonds issued under repurchase agreements	689,526	-	-	689,526	Bills and bonds issued under repurchase agreements	
Accounts payable	3,065,797	(3,921)	88,647	3,150,523	Accounts payable	5.(2),(3),(9)
	-	-	1,412	1,412	Current tax liabilities	5.(3)
Deposits and remittances	219,354,071	-	-	219,354,071	Deposits and remittances	
Financial bonds payable	6,803,900	-	-	6,803,900	Financial bonds payable	
Reserve for land value increment tax	133,325	-	(133,325)	-		5.(10)
	-	230,674	112,473	343,147	Liability reserves	5.(5),(7),(8),(11),(12)
	-	-	136,250	136,250	Deferred tax liabilities	5.(6),(10)
Other liabilities	326,802	7,196	(112,473)	221,525	Other liabilities	5.(7),(9),(12),(13)
Total liabilities	237,686,819	233,949	92,984	238,013,752	Total liabilities	
Shareholders' equity						
Equity of the parent company shareholders						
Capital stock	12,749,730	-	-	12,749,730	Capital stock	
Capital surplus					Capital surplus	
Stock premium	4,841	-	-	4,841	Stock premium	
Gains on disposal of assets	3,081	-	-	3,081	Gains on disposal of assets	
Other capital surplus	4,676	-	-	4,676	Other capital surplus	
Accumulated deficit					Accumulated deficit	
Special reserve	22,691	24,936	-	47,627	Special reserve	5.(12)
Accumulated deficit	(1,182,222)	-	-	(1,182,222)	Accumulated deficit	5.(7),(9),(10),(11),(12),(13)
Other items of shareholders' equity	122,230	(230,829)	-	(108,599)	Other equity	5.(8) , (10)
Treasury shares	(3,508)	-	-	(3,508)	Treasury shares	
Minority stake	6,690	142	-	6,832	Non-controlling interest	5.(7),(12)
Shareholders' equityTotal	11,728,209	(205,751)	-	11,522,458	Total equity	
Total liabilities and equity	$ 249,415,028	$ 28,198	$ 92,984	$ 249,536,210	Total liabilities and equity	

b. Adjustment on Consolidated Balance Sheet of December 31, 2012

Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Cash and cash equivalents	$ 6,085,412	$ -	($ 33,000)	$ 6,052,412	Cash and cash equivalents	5.(1)
Dues from Central Bank and lend to banks	45,096,739	-	-	45,096,739	Dues from Central Bank and lend to banks	
Financial liabilities of the fair price movement recognized in gains or losses	4,639,008	377	-	4,639,385	Financial assets at fair value through profit or loss	5.(14)
Bills and bonds purchased under resale agreements	958,261	-	-	958,261	Bills and bonds purchased under resale agreements	
Account payableNet	1,140,840	6,202	100,161	1,247,203	Account payableNet	5.(2),(3),(14)
	-	-	112,115	112,115	Current tax assets	5.(3)
Discounts and LoansNet	189,949,281	-	-	189,949,281	Discounts and LoansNet	
Financial asset available for sale	2,960,387	-	-	2,960,387	Financial asset available for sale	
Held-to-Maturity financial assets	1,172,437	-	-	1,172,437	Held-to-Maturity financial assets	
Other financial assetsNet	328,252	-	33,000	361,252	Other financial assetsNet	5.(1)
Net fixed asset	8,930,748	3,912	519,154	9,453,814	Net property and equipment	5.(4),(5)

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Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Intangible assets	$ 1,051,971	$ -	$ -	$ 1,051,971	Intangible assets	
	-	53,298	768,886	822,184	Deferred tax assets	5.(5),(6),(7),(11),(12)
Other assets	1,847,691	(25,310)	(1,289,165)	533,216	Other assets	5.(2),(4),(6),(7),(8)
Total assets	$ 264,161,027	$ 38,479	$ 211,151	$ 264,410,657	Total assets	
Dues to Central Bank and banks	$ 8,166,220	$ -	$ -	$ 8,166,220	Dues to Central Bank and banks	
Financial liabilities of the fair price movement recognized in gains or losses	3,924	-	-	3,924	Adjustment on the valuation of financial liabilities held for trading	
Bills and bonds issued under repurchase agreements	1,972,826	-	-	1,972,826	Bills and bonds issued under repurchase agreements	
Accounts payable	3,356,885	(113)	197,159	3,553,931	Accounts payable	5.(2),(3),(9),(11),(14)
	-	-	13,992	13,992	Current tax liabilities	5.(3)
Deposits and remittances	229,153,709	-	-	229,153,709	Deposits and remittances	
Financial bonds payable	8,103,900	-	-	8,103,900	Financial bonds payable	
Reserve for land value increment tax	133,325	-	(133,325)	-		5.(10)
	-	229,830	83,940	313,770	Liability reserves	5.(5),(7),(8),(11),(12)
	-	230	133,325	133,555	Deferred tax liabilities	5.(9),(10)
Other liabilities	306,012	6,612	(83,940)	228,684	Other liabilities	5.(7),(9),(12),(13)
Total liabilities	251,196,801	236,559	211,151	251,644,511	Total liabilities	
Shareholders' equity						
Equity of the parent company shareholders						
Capital stock	12,749,730	-	-	12,749,730	Capital stock	
Capital surplus					Capital surplus	
Stock premium	-	-	-	-	Stock premium	
Gains on disposal of assets	-	-	-	-	Gains on disposal of assets	
Other capital surplus	-	-	-	-	Other capital surplus	
Retained earnings					Retained earnings	
Special reserve	-	24,936	-	24,936	Special reserve	5.(12)
Undistributed earnings	82,932	(13,911)	-	69,021	Undistributed earnings	5.(5),(7),(9),(10),(11),(12),(13),(14),(15)
Other items of shareholders' equity	128,285	(209,249)	-	(80,964)	Other equity	5.(8),(10),(15)
Treasury shares	(3,508)	-	-	(3,508)	Treasury shares	
Minority stake	6,787	144	-	6,931	Non-controlling interest	5.(7),(12)
Shareholders' equityTotal	12,964,226	(198,080)	-	12,766,146	Total equity	
Total liabilities and equity	$ 264,161,027	$ 38,479	$ 211,151	$ 264,410,657	Total liabilities and equity	

c. Adjustment on the 2012 consolidated statement of comprehensive income

Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Interest income	$ 5,256,892	$ 9,548	($ 40,891)	$ 5,225,549	Interest income	5.(14),(15),(16),(17)
Interest expenses	2,234,777	(17,219)	-	2,217,558	Interest expenses	5.(11),(15)
Net interest revenue	3,022,115	26,767	(40,891)	3,007,991	Net interest revenue	
Net gains or losses other than the interest					Net gains or losses other than the interest	
Net commission and service fees	732,063	(2,308)	-	729,755	Net commission and service fees	5.(9),(14),(15)

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Generally accepted accounting principles (GAAP) of R.O.C.		Impact on the transfer of IFRSs		IFRSs		
Item	Amount	Difference between recognition and valuation	Difference in expressions	Amount	Item	Descriptions
Financial liabilities of the fair price movement recognized in gains or losses, and net gains of liability	$ 110,129	$ 14,397	$ 40,891	$ 165,417	Financial assets at fair value through gains or losses, and liability gains or losses	5.(14),(16)
Realized gains of financial asset available for sale	33,775	3	-	33,778	Realized gains of financial asset available for sale	5.(14)
Net exchange loss	(7,202)	3	-	(7,199)	Gains (losses) on foreign exchange	5.(15)
Asset impairment loss	(8,322)	89	-	(8,233)	Asset impairment loss	5.(15)
Gains of financial assets measured by cost	47,484	-	-	47,484	Gains of financial assets measured by cost	
Net securities brokering incomes	44,118	-	-	44,118	Net securities brokering incomes	
Lease income	44,352	-	-	44,352	Lease income	
Net income of property transaction	(8,589)	(97)	-	(8,686)	Net income of property transaction	5.(5)
Other net non-interest income	58,130	(9,298)	-	48,832	Non-interest gains	5.(12)
Total net non-interest loss	1,045,938	2,789	40,891	1,089,618	Total net non-interest loss	
Net income	4,068,053	29,556	-	4,097,609	Net income	
Bad debt expense	138,018	5,025	-	143,043	Bad debt expenses and guarantee liability provisions	5.(15),(17)
Operating expenses					Operating expenses	
Personal expenditure	1,676,734	4,272	-	1,681,006	Employee benefits expenses	5.(7),(11),(15)
Depreciation and amortization expenses	169,376	3,343	-	172,719	Depreciation and amortization expenses	5.(5)
Other business and administration expenses	792,160	7,092	-	799,252	Other business and administration expenses	5.(5),(14),(15)
Total operating expenses	2,638,270	14,707	-	2,652,977	Total operating expenses	
Net profit before tax	1,291,765	9,824	-	1,301,589	Net profit before tax	
Tax expense	61,806	887	-	62,693	Tax expense	5.(5),(7),(9),(11),(12)
Total consolidated net profit	$ 1,229,959	$ 8,937	$ -	1,238,896	Net profit after tax	
					Other comprehensive income	
				(4,604)	Exchange differences resulting from translating the financial statements of a foreign operation	
				32,241	Unrealized gains or losses on financial asset available for sale	
				(27,525)	Actuarial gains and losses of defined benefits	
				4,680	Tax expenses related to components of other comprehensive income	
				4,792	Other comprehensive income of the year (after tax, net)	
				$ 1,243,688	Total comprehensive income of the year	

d. Exemption of IFRS 1

"IFRS 1 - First-time Adoption of International Financial Reporting Standards" explains procedures that companies shall follow for the first time adoption of IFRSs. According to the regulation, the Group shall establish accounting policies under IFRSs and trace back accounting policies appropriate for the Group in order to decide the date of adopting the balance sheet (January 1 of 2012).Such regulation offers numerous exemptions and the Group has mainly adopted below exemptions:

Business combination

Regarding business combination that happens before the IFRSs date, the Group is eligible not to adopt "IFRS 3 – Business Combination". Therefore, the Group has maintained previous incorporated information on its balance sheet of January 1 of 2012. That is, goodwill, incorporated assets / liabilities and non-controlling interests related information were based on the GAAP structured annual report of December 31, 2011. Above exemption is applicable in associates .

Recognition of the cost

After the IFRSs transfer, the item "information of the land and building" was revalued based on GAAP, whereas the cost of other property and equipments, investment properties and intangible assets were measured by rules of IFRSs.

Employee benefits

The Group decided to accumulate non-recognized actuarial profits / losses of the employee benefits to IFRSs and listed under retained earnings.

Decommissioning liabilities included in property and equipment costs

The Group has followed "IFRS 37 – Provisions, contingent liabilities and contingent assets" to measure the decommissioning liabilities and included in the calculation of cost with a discounted rate.

Cumulative Translation Adjustment

The Group has on the day of IFRS transfer decided to make the exchange differences resulting from translating the financial statements of a foreign operation to zero and recognize it under retained earnings。

Influences of above exemptions will be explained in below section "Major adjustments of the IFRSs transfer"

e. Major adjustments of the IFRSs transfer

Major difference between the GAAP of R.O.C the IFRSs are:

i. Time deposits over 3 months

Under GAAP, the contract can be annulled without damaging the capital and the item can be listed under cash and cash equivalents. After the IFRSs transfer, for time deposits over 3 months, they shall not be listed under cash and cash equivalents as such deposit has no public quotation from the active market and has a fixed or decided charge. Therefore, deposits over three months shall be classified as other financial assets.

On December 31 of 2012 and January 1 of 2012, the Group has reclassified NT$33.000.000 and NT$51,400,000 time deposit to other financial assets.

ii. Securities brokerage debit and credit accounts

According to existing "Regulations Governing the Preparation of Financial Reports by Securities Firms", securities brokerage debit and credit accounts shall be represented with net. After the IFRSs transfer, FRS approved "IFRS 32 - Financial Instruments: Presentation" indicates that assets and liabilities shall be listed as accounts receivable, payables and other assets.

Group's report of December 31 of 2012 and January 1 of 2012 therefore had a decrease of NT$1,125,000 and 606,000 due to securities brokerage debit and credit; amount reclassified receivables caused an increase of NT$212,276,000 and 90,665; amount reclassified to payables caused an increase of NT$211,151,000 and NT$ 90,059,000.

iii. Current tax assets / liabilities

According to "IFRS 12 – Income Taxes", the unpaid tax of this year and the year before shall be listed as liabilities. If this amount was paid and the amount with additional payment, it shall then be listed as assets.

On December 31 of 2012 and January 1, the Group has reclassified NT$112,115,000 and $92,269,000 from account payables to current tax assets, and reclassified NT$13,992,000 and NT$1,412,000 from account payables to current tax liabilities.

vi. Property and equipment

Under GAAP, fixed assets that are not used for bsiness purpose shall be listed under other assets – rental and idle assets. After the IFRSs transfer, this kind of asset that is used for earning rental, to add the asset value or both shall be classified as investment property. However, as the Group's rental and idle assets were not used to obtain profit, they are classified as property and equipments.

On December 31 of 2012 and January 1, the Group has reclassified other assets to property and equipment with an increase of NT$519,154,000 and $507,172,000 respectively.

v. Decommissioning liabilities

According to the measurement of decommissioning liabilities stated in "IFRS 37–Provisions, Contingent Liabilities and Contingent" and after included the discounted amount of above mentioned liability reserves to the estimation of relevant asset cost, such asset was transferred to accumulated depreciation amount。

On December 31 of 2012 and January 1, the Group has increase NT$1,912,000 and 6,561,000 for the category of property and equipment; its liability reserves also had an crease of NT$7,111,000 and NT$6,561,000; on December 31 of 2012, its amount of deferred tax asset had an increase of NT$544,000. Besides, 2012's depreciation expenses were adjusted with an increase of NT$3,343,000, other business and administration expenses had a decrease of NT$241,000, tax expense had a decrease of NT$544,000 and the derecognition of the decommissioning liabilities also changed the net income of property transaction with an increase of NT$97,000.

vi. Deferred tax assets / liabilities

Under GAAP, deferred tax assets shall be recognized as relevant allowance for evaluation. After the IFRSs transfer, only tax can be recognized as deferred tax assets if it is likely to be.

Besides, under GAAP, deferred tax assets and liabilities were classified as liquidity or on liquidity items, whereas parties without relevant assets or liabilities shall be classified as liquidity or non-liquidity based on the length of expected reversal period. After the IFRS transfer, deferred tax assets and liabilities will all be classified as non-liquidity.

On December 31 of 2012 and January 1, the Company's deferred tax asset was transferred to this category from other asset with an increased amount of NT$768,886,000 and NT$816,688,000; on January 1 of 2012, the deferred tax assets of the Group was reclassified from other assets to this category with an increase of NT$2,925,000.

vii. Employee benefits－Assuring the actuarial profits/ losses of defined benefits pension.

Under GAAP, unrecognized transition obligation caused under the No. 18 "Accounting standards governing pension" of "Statement of financial accounting standards" shall be amortized into the net pension cost on a straight line basis based on the remaining service terms of existing employees. After the IFRSs transfer, unrecognized transition obligations were adjusted and recognized under retained earnings as "IFRS 19 – Employee benefits" is not applicable in the condition.

Under GAAP, actuarial profits / losses shall be amortized under the profits / loss based on existing based on the remaining service terms of existing employees by using corridor methods. After the IFRSs transfer, Actuarial gains and losses on defined benefit plans shall be immediately recognized under other comprehensive income and be recognized under retained earnings based on "IFRS 17 – Employee benefits". This item shall not be reclassified to profits / losses afterwards.

On December 31 of 2012 and January 1, the Group has followed Regulations Governing the Preparation of Financial Reports by Public Banks to reclassify estimated liabilities for pension under liability reserves, where the amounts were NT$51,982,,000 and 28,284,000.

On December 31 of 2012 and January 1, the Group has recalculated defined benefit plan in accordance with "IFRS 19 – Employee benefits" and adopted "IFRS 1 - first time adoption of international financial reporting standards" to adjust the Group's liability reserves with wn increase of NT$271,680,000 and 256,216,000; it also increased the prepaid pension amount by NT$663,000 and NT$

41,000; adjusted deferred tax assets with an increase of NT$46,073,000 and NT$43,533,000; adjusted retained earnings with a decrease of NT$235,410,000 and NT$212,562,000; adjusted the non-controlling interest with an increase of NT$22,000 and $20,000. Besides, the pension cost of 2012 was also adjusted with a decrease of NT$12,583,000 as well as the tax expense with an increase of NT$2,139,000.

viii. Lowest pension liabilities

Under GAAP, the lowest pension liabilities shall be recognized as the lower limit on the balance sheet. If the recognized pension liability is lower than the limit, the insufficient part shall be made up. After the IFRS transfer, there is no regulation regarding the lowest pension liabilities.

The Company has on December 31 of 2012 and January 1 adjusted the deferred pension cost (listed under other assets) with a decrease of NT$25,973,000 and NT$27,780,000, the net loss of unrecognized pension cost were NT$51,997,000 and NT$25,813,000, and the liability reserves were NT$77,970,000 and 53,593,000

ix. Customer loyalty program – revenue recognition

Under GAAP, activities with bonus or reward points are normally recognized as liabilities. After the IFRSs transfer, part of the selling price of products / services belongs to the revenue of rewarding point according to "IFRS 13 – Customer Loyalty Program". The amount shall be calculated as individual revenue based on the fair value of the product / service and such deferred revenue shall be listed as revenue during the exchange.

On December 31 of 2012 and January 1, the account payable amount were adjusted with a decrease of NT$8,038,000 and NT$3,921,000; deferred revenue (listed under other liabilities) were adjusted with an crease of NT$6,684,000 and NT$ 7,268,000; retained earnings were adjusted with a decrease of NT$2,778,000; on December 31 of 2012, deferred tax liabilities were adjusted with an increase of NT$230,000; on January 1 of 2012, deferred tax assets were adjusted with an increase of NT$569,000. Besides, the net commission and service fees of 2012 were adjusted with an increase of NT$4,701,000 and the tax expense with an increase of NT$799,000.

x. Measurement of property and equipment, and reserve for land value increment tax

According to the Regulations Governing the Preparation of Financial Reports by Public Banks, revaluated lands shall be recognized as other liabilities due to reserves for land value increment tax. After the IFRSs transfer, the Company has during its first time adoption of IFRSs used the carrying value after the revaluation as its cost. Relevant reserves for land value increment tax shall then be reclassified as deferred tax liabilities – land value increment tax.

On December 31 of 2012 and January 1, the Group has reclassified reserves for land value increment tax into the category of deferred tax liabilities with an amount of NT$133,325,000.

Under GAAP, fixed assets can be re-valued according to law and the land shall be re-valued based on announced price of that year. The recognition of the land with an increment shall be based on the valued increment amount less estimated reserve for land value increment tax. After the IFRSs transfer, subsequent measurements of property and equipments are based on the cost pattern and above mentioned valuation methods are no longer applicable.

The company has on December 31 of 2012 and January transferred the amount of land increment totally NT$256,642,000 under retained earnings.

xi. Employee benefits－Preferential saving for employees

According to Article 28 of “Regulations Governing the Preparation of Financial Reports by Public Banks” after the amendment, if the bank offers employees an excess interest that is higher than the ordinary market interest rate for their pension preferential saving, employees shall adopt “IFRS 19 – Employee benefits” and Regulations Governing the Preparation of Financial Reports by Public Banks to make an actuarial calculation of the preferential saving for employees. This excess interest that is better than the market rate is also considered as employee benefits.

On December 31 of 2012 and January 1, th Group has based on the result of actuarial calculation to adjust the employee benefits liabilities with an increase of NT$5,340,000 and NT$7,119,000; the deferred tax assets was also adjusted with an increase of NT$1,136,000 and NT$1,210,000; retained earnings was adjusted with a decrease of NT$5,909,000; on December 31 of 2012, the account payables was adjusted with an increase of NT$1,346,000. Besides, the employee benefit expenses of 2012 was increased NT$16,827,000, interest expenses was decreased NT$17,260,000 and tax expenses was increased $74,000.

xii. Definition and reclassification of liability reserves0

Under GAAP, obligations that can possibly (and with a great probability) a reasonable and predictable amount, it shall be entered into account or listed as liabilities, but not yet specified under which title. After the IFRSs transfer, “IFRS 37 – Provisions, contingent liabilities and contingent assets” shows that such reasonable and predictable amount (with a possibility that is higher than impossibility) shall be named as liability reserves.

On December 31 of 2012 and January 1, reserves for guarantee liability and reserves for bad debt loss were reclassified under liability reserves with an amount of NT$31,958,000 and NT$84,189,000.

On December 31 of 2012 and January 1, the Group has, due to the measurement of reserve for litigation compensation, adjusted he amount of liability reserves with an increase of NT$33,232,000 and NT$23,934,000; deferred tax assets was adjusted with an increase of NT$5,650,000 and NT$4,069,000; retained earnings was adjusted with a decrease of NT$19.865.000. Besides, other net non-interest income of 2012 was adjusted with a decrease of NT$9,298,000 and the tax expense was adjusted with a decrease of NT$1,581,000.

Under GAAP, 3% of the sales amount shall be appropriated as reserves for bad debt and be listed under other liabilities according to Financial Supervisory Commission. After IFRSs transfer, the Company has followed “IFRS 37 – Provisions, contingent liabilities and contingent assets” and, on December 31 of 2012 and January 1,adjusted the amount of reserves for bad debt loss with a decrease of NT$9,563,000; deferred tax assets was adjusted with a decrease of NT$105,000; special reserves was adjusted with an increase of NT$9,336,000; and non-controlling interest was adjusted with an increase of NT$122,000.

xiii. Accounting rules that evaluate if subsidiary / associate has acquired a recognizable net asset with a fair value higher than the buy-in price / invested capital

Under GAAP, if the fair value of acquired recognizable net assets is higher than the buy-in price / investment capital, such gap in price shall be listed as no liquidity assets and the proportion of its fair value shall be decreased. If gap remains, it shall be listed as an extraordinary income.

After the IFRSs transfer, purchaser / investor with a negative goodwill shall (1) Re-value the fair value and purchase cost; (2) recognized as the investment benefits of the year instead of extraordinary income.

On December 31 of 2012 and January, the Group has decreased other liabilities and increased the amount of retained earnings to NT$72,000.

xiv. Trading practices of financial instruments

According to "IFRS 39 - Financial Instruments: Recognition and Measurement" , financial assets under the same category shall adopt the same trading practice, where the parent company shall adopt accounting practices of the settlement day. After the IFRSs transfer, financial instrument related trading practices shall adopt accounting practices of the trading day.

On December 31, 2012, the Group has increased the net account payable by NT$6,202,000, the financial assets at fair value through profit or loss by NT$377,000, and accounts payable by NT$6,579,000.

Besides, in 2012, financial assets / liabilities at fair value through gains or losses was increased by NT$14,397, realized gains of financial asset available for sale was increased by NT$3,000 and Other business and administration expenses was increased by NT$7,307,000; interest income was decreased by NT$3,000 and the net commission and service fees was decreased by NT$7,090,000

xv. Cumulative translation adjustment.

After the IFRSs transfer, the Group decided to set off exchange differences resulting from translating the financial statements of a foreign operation to zero and recognize it under retained earnings.

On December 31 of 2012, the Group adjusted the amount of cumulative translation adjustment with a decrease of NT$4,604 仟元. In 2012, the interest income was increased by NT$1,172,000, interest expenses was increased by NT$41,000, net commission and service fees was increased by NT$81,000, employee benefits expenses increased by NT$28,000, and other business and administration expenses increased by NT$26,000. The net exchange loss was decreased by NT$3,000, asset impairment loss decreased by NT$89,000 and bad debt expense decreased by 3,354,000

xvi. Expression of the comprehensive balance sheet.

After the IFRSs transfer, contents of the comprehensive balance sheet are classified based on items' characteristics. In 2012, the interest income of financial liabilities of the fair price movement recognized in gains or losses and financial liabilities totally NT$40,891 was expressed by financial assets / liabilities at fair value through gains or losses, and liability gains or losses

xvii. Subsequent evaluation of receivable distressed debts

Under GAAP, receivable distressed debts are recognized as an income by cost recovery methods. After the IFRS transfer, FSC approved "IFRS 39 - Financial Instruments: Recognition and Measurement" states that the subsequent measurement of receivable distressed debts shall be entered into account by amortizing the cost.

In 2012, the Group's recognized interest income and bad debt expenses were NT$8,379,000.

h. Major adjustment of the statement of cashflow

Under GAAP, time deposits that can be annulled without losing the capital, and negotiable certificates of deposit that can be sold any time without damaging the capital are both comply with the definition of cash flow. According to "IFRS 7 – Statement of Cashflow", the purpose of holding cash equivalents is to fulfill the short-term cash commitments instead of making an investment or other purposes. Besides, normally only the short-term (for example, 3 months after the acquisition) investment with maturity can be considered as cash equivalents. Therefore, the Group has on December 31 of 2012 and January 1 listed time deposits under cash and cash equivalents with amount of NT$33,000,000 and NT$51,400,000 due to the purpose of investment.

The Group has based on regulations of GAAP compiled consolidated statement of cash flows through indirect method. That is, to classify cash dividend and paid tax and interest as cashflow of operating activity. Besides, in 2012, the group has listed its interest of NT$5,212,622,000, dividend in cash of NT$51,643,000, paid interest of NT$2,203,164,000, and paid tax of

NT$24,194,000 under the cashflow of operating activities in accordance with "IFRS 7 – Statement of Cashflow"

Moreover, IFRS's consolidated statement of cash flows and our nation's consolidated statement of cash flows constructed under GAAP do not have significant difference.

Sunny Bank Co., Ltd. and its Subsidiaries
Information about Reinvestment Businesses
From January 1 to December 31 of 2013

Attachment 1

Unit: NT$1,000

Name of the invested company	Location	Main business	Shareholding ratio at the end of period (%)	Carrying amount of investment	Recognized investment profit or loss of the year	Shareholding of combination between affiliates and the bank (Note 1)				Notes
						No. of existing shares (thousand shares)	Fictional shareholding (thousand shares)	Total		
								Number of stock (1,000 stocks)	Shareholding (%)	
Sunny Securities Co.	Taipei City	Investment securities business	98.72	$ 533,543	$ 17,510	49,555	-	49,555	98.72	Subsidiary (Note 2)
Sunny Assets Management Co.	Taipei City	Business related to the financial institution creditor's right (money) purchase	100.00	63,167	20,793	5,000	-	5,000	100.00	Subsidiary (Note 2)
Sunny Life Insurance Brokerage Co.	Taipei City	Life insurance brokerage business	39.99	56,573	21,946	5,250	-	5,250	99.99	Subsidiary (Note 2)
Sunny Property & Insurance Co.	Taipei City	Property and insurance brokerage business	20.00	3,414	601	605	-	605	100.00	Subsidiary (Note 2)
Sunny International Leasing Co., Ltd.	Taipei City	Financing and leasing business	100.00	614,950	8,610	60,000	-	60,000	100.00	Subsidiary (Note 2)
FINANCIAL INFORMATION SERVICE CO., LTD..	Taipei City	Planning and development of inter-bank information system for financial institutions and the operations and management of inter-bank information network	2.42	115,771	28,290	10,881	-	10,881	2.42	(Note 3)
Taiwan Financial Asset Service Corporation	Taipei City	Property auctions as a fair third party	2.94	50,000	500	5,000	-	5,000	2.94	(註三)
Taiwan Depository & Clearing Corporation	Taipei City	Handling of the "Book-Entry Operations for Centrally Deposited Securities System"	0.29	21,490	1,072	951	-	951	0.29	(註三)
Sun Asset Management Inc	Taipei City	Business related to the financial institution creditor's right (money) purchase	1.11	-	87	67	-	67	1.11	(註三)
Farglory Life	Taipei City	Life insurance business	100.00	100,000	-	10,000	-	10,000	100.00	(註四)

Note 1: All of the existing shares of investee companies or fictional shareholdings which are held by the parent company, subsidiaries, directors, supervisors, president, vice president and affiliates which conform to definition of Company Act have been reckoned.

Note 2: Relevant content were wrote off while compiling the consolidated report.

Note 3: The investment gain or loss recorded this year is the cash dividends recorded in 2013.

Note 4: Preferred stocks; the holding ratio is calculated by dividing the shares of preferred stock in holding by those in circulation.

Sunny Bank Co., Ltd. and its Subsidiaries

Stocks of a invested company bought or sold with accumulated amount up to NT$ 300 million or 10% or more of the paid-in capitals

(The invested company is one with stocks bought or sold with accumulated amount up to NT$ 300 million or 10% or more of the paid-in capitals)

From January 1 to December 31 of 2013

Attachment 2

Unit: NT$1,000 unless otherwise noticed

Company of buying/selling	Type and name of securities	Account name	Transaction subject	Relation	Beginning of year		Buy		Sell				End of Year	
					Shares/book value/units	Amount	Shares/book value/units	Amount	Shares/book value/units	Selling Price	Book cost	Disposal of profits (losses)	Shares/book value/units	Amount
Sunny International Leasing Co.	Stocks Sunny Finance Lease (HK) Limited	Equity investment under equity method	Fund raising for the first time	Subsidiary of Sunny Bank	-	$ -	10,000,000	USD 10,000	-	$ -	$ -	$ -	10,000,000	USD 10,000
Sunny Finance Lease (HK) Limited	Stocks Sunny Finance and Leasing (China) Co., Ltd.	Equity investment under equity method	Fund raising for the first time	Subsidiary of Sunny Bank	-	-	-	USD 10,000	-	-	-	-	-	USD 10,000

Sunny Bank Co., Ltd. and its Subsidiaries

Related party receivables reaching NT$ 300 million or over 10% of paid-in capital

December 31, 2013

Attachment 3

Unit: NT$1,000

Company of recorded receivables	Transaction subject	Relation	Balance of related party receivables	Turnover Rate	Related party delinquent receivables		Recovery amount after the reporting period of related party receivables	Presented amount of allowance for bad debts
					Amount	Way of treatment		
Sunny Bank	Sunny Assets Management Co.	Subdiary	$ 267,433	Not applicableto bankingbusiness	None	Not applicable	$ 10,013	$267,433

Note: Account receivables on selling bad debts to Sunny Asset Management Company Co., Ltd.

Sunny Bank Co., Ltd. and its Subsidiaries

Holding of Marketable Securities at the End of the Year

December 31, 2013

Attachment 4

Unit: NT$1,000 unless otherwise noticed

Company of Holding	Category and name of marketable securities	Relations with marketable securities issuer	Account name	End of the year				Note
				Shares / Number of units	Carrying value	Shareholding ratio	Market price / net equity	
Sunny Securities Co.	Stocks							
	Sunny Life Insurance Brokerage Co.	Subdiary	Investments accounted for using the equity method	3,150,000	$ 90,125	60%	$ 90,125	Note 1
Sunny Assets Management Co.	Stocks							
	Sunny Property & Insurance Co.	—	Investments accounted for using the equity method	242,000	6,828	40%	6,828	Note 1
	Sunny Real Estate Management Co., Ltd.	—	Financial assets measured by cost	300,000	3,000	10%	3,000	
Sunny Life Insurance Brokerage Co.	Stocks							
	Yulon Motors	—	Financial assets at fair value through profit or loss	105,839	5,715	-	5,715	
	Hong Sheng Constructions Co.	—	Financial assets at fair value through profit or loss	418,000	10,137	-	10,137	
	Farglory Construction	—	Financial asset available for sale	60,000	3,030	-	3,030	
	Sunny Bank Co., Ltd.	Parent Company	Financial assets measured by cost	420,059	3,508	-	3,508	Note 2
	Protop Technology Co., Ltd.	—	Financial assets measured by cost	301,840	-	-	-	Investment $10,782 and accumulated impairement of $10,782 recognized
	Sunny Property & Insurance Co.	—	Investments accounted for using the equity method	242,000	6,828	40%	6,828	Note 1
	Bond(s)							
	Sunny Bank subordinated financial bonds	Parent Company	Held-to-Maturity financial assets	-	3,500	-	3,500	Note 1
	Central Government Development Bonds Class A Phase 9, 2011	—	Refundable deposits	-	997	-	997	is used as a collateral already
Sunny Property & Insurance Co.	Stocks							
	Yulon Motors	—	Financial asset available for sale	50,745	2,740	-	2,740	
	Hong Sheng Constructions Co.	—	Financial asset available for sale	33,000	800	-	800	
Sunny International Leasing Co.	Stocks							
	Sunny Finance Lease (HK) Limited	Subdiary	Investments accounted for using the equity method	10,000,000	304,179	100%	304,179	Note 1
	Liabilities products of real estate trust beneficial interests							
	Xie Ding Constructions Co.	—	Financial assets measured by cost	-	30,000	-	30,000	
Sunny Finance Lease (HK) Limited	Stocks							
	Sunny Finance and Leasing (China) Co., Ltd.	Subdiary	Investments accounted for using the equity method	-	304,206	100%	304,206	Note 1

Note 1: Relevant content were wrote off while compiling the consolidated report.

Note 2: Recognized as treasury shares of the consolidated financial report.

Sunny Bank Co., Ltd. and its Subsidiaries

Information of the Investment in the Mainland of China

From January 1 to December 31 of 2013

Attachment 5

Unit: NT$1,000

Name of the invested company in the mainland of China	Main business	Paid-up capital	Investment Method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Amount of remitted or recycled investment of the year		Accumulated investment amount remitted from Taiwan during the year	Proportion of the the Group's shareholding through direct or indirect investment	Recognized gainsor losses recognized during the year	Carrying value of the investment at the end of the year	Returned and remitted investment benefits till the end of this year
					Remittance (Note)	Recycled amount					
Sunny Finance and Leasing (China) Co., Ltd.	Financing and leasing business	$ 299,500 (USD 10,000)	Reinvestment (establishing and investing companies) in the mainland of China was made through a third region	$ -	$ 299,500 (USD 10,000)	$ -	$ 299,500 (USD 10,000)	100%	$ 1,720 (RMB 356)	$ 304,206	$ -

Accumulated amount of investment remitted from Taiwan to the mainland of China at the end of the year	The investment amount approved by the Investment Commission of MOEA	Investment Commission (MOEA) regulated limit of investment in the mainland of China
$299,500 (USD 10,000)	$299,500 (USD 10,000)	$368,970

Note: The Investment Commission of MOEA issued approval letter:Ching-Shen-Erh-Tzu No. 10200005490 on January 18 of 2013 with an approved investment amount of USD10,000.

Sunny Bank Co., Ltd. and its Subsidiaries

Business relation between the parent and subsidiary companies and important status of trading

From January 1 to December 31 of 2013

Attachment 6

Unit: NT$1,000

S / N	Company of Holding	Transaction subject	Relation	Status of trading			
				Titles	Amount	Trading conditions	Ratio to net consolidated income or total assets
0	Parent company	Sunny Securities Co.	Parent and subsidiary companies	Deposits and remittances	$ 7,857	Interest is calculated based on types of the annual deposit interest rate from 0 to 1.34%	-
				Rental	8,760	The lease contract of Sunny (Shipai) Securities Co. is from December 15 of 2012 to December 14 of 2015 with a monthly rental of NT$500,000; the lease contract of Sunny (Mingshen) Securities Co. is from January 1 of 2011 to December 31 of 2013 with a monthly rental of NT$130,000; the lease contract of Sunny Jingmei) Securities Co. is from October 1 of 2010 to September 30 of 2015 with a monthly rental of NT$100,000.	0.18
				Expenses of agent fees	7,192	1.425% of the trading amount of selling / purchasing negotiable securities was charged	0.15
		Sunny Assets Management Co.	Parent and subsidiary companies	Deposits and remittances	52,794	Interest is calculated based on types of the annual deposit interest rate from 0 to 0.6%	0.02
				Transactions income	3,991	10% contractual collection service fee was charged	0.08
		Sunny Life Insurance Brokerage Co.	Parent and subsidiary companies	Deposits and remittances	145,905	Interest is calculated based on types of the annual deposit interest rate from 0 to 1.34%	0.05
				Transactions income	268,634	0.7 to 33.6% contractual transaction fee was charged	5.66
				Account payable	46,072	0.7 to 33.6% contractual transaction fee was charged	0.02
		Sunny Property & Insurance Co.	Parent and subsidiary companies	Deposits and remittances	13,085	Interest is calculated based on types of the annual deposit interest rate from 0 to 0.88%	-
				Transactions income	10,219	6 to 8.9% contractual transaction fee was charged as the residence and earthquake insurances; 0 to 20% contractual transaction fee was charged as the commercial-line fire insurance; NT$100 to 1,430 transaction fee was charged per case.	0.22
				Account payable	692	6 to 8.9% contractual transaction fee was charged as the residence and earthquake insurances; 0 to 20% contractual transaction fee was charged as the commercial-line fire insurance; NT$100 to 1,430 transaction fee was charged per case.	-
		Sunny International Leasing Co.	Parent and subsidiary companies	Deposits and remittances	53,489	Interest is calculated based on types of the annual deposit interest rate from 0.06 to 0.93%	0.02
1	Sunny Securities Co.	Parent company	Parent and subsidiary companies	Cash	7,857	Interest is calculated based on types of the annual deposit interest rate from 0 to 1.34%	-
				Operating expenses	8,760	The lease contract of Sunny (Shipai) Securities Co. is from December 15 of 2012 to December 14 of 2015 with a monthly rental of NT$500,000; the lease contract of Sunny (Mingshen) Securities Co. is from January 1 of 2011 to December 31 of 2013 with a monthly rental of NT$130,000; the lease contract of Sunny Jingmei) Securities Co. is from October 1 of 2010 to September 30 of 2015 with a monthly rental of NT$100,000.	0.18
				Transaction income as an agent	7,192	1.425% of the trading amount of selling / purchasing negotiable securities was charged	0.15

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S / N	Company of Holding	Transaction subject	Relation	Status of trading			
				Titles	Amount	Trading conditions	Ratio to net consolidated income or total assets
2	Sunny Assets Management Co.	Parent company	Parent and subsidiary companies	Cash	$52,794	Interest is calculated based on types of the annual deposit interest rate from 0 to 0.6%	0.02
				Operating expenses	3,991	10% contractual collection service fee was charged	0.08
3	Sunny Life Insurance Brokerage Co.	Parent company	Parent and subsidiary companies	Cash	145,905	Interest is calculated based on types of the annual deposit interest rate from 0 to 1.34%	0.05
				Expenses of transaction fees	268,634	0.7 to 33.6% contractual transaction fee was charged	5.66
				Accounts payable	46,072	0.7 to 33.6% contractual transaction fee was charged	0.02
4	Sunny Property & Insurance Co.	Parent company	Parent and subsidiary companies	Cash	13,085	Interest is calculated based on types of the annual deposit interest rate from 0 to 0.88%	-
				Expenses of transaction fees	10,219	6 to 8.9% contractual transaction fee was charged as the residence and earthquake insurances; 0 to 20% contractual transaction fee was charged as the commercial-line fire insurance; NT$100 to 1,430 transaction fee was charged per case.	0.22
				Accounts payable	692	6 to 8.9% contractual transaction fee was charged as the residence and earthquake insurances; 0 to 20% contractual transaction fee was charged as the commercial-line fire insurance; NT$100 to 1,430 transaction fee was charged per case.	-
5	Sunny International Leasing Co.	Parent company	Parent and subsidiary companies	Cash	53,489	Interest is calculated based on types of the annual deposit interest rate from 0.06 to 0.93%	0.02

CPA Audit Reports

This is to Sunny Bank Co., Ltd.
Please be advised:

The accountants have finished auditing individual balance sheets of December 31 of 2013, December 31 of 2012 and January 1 of 2012, and individual statement of comprehensive income, individual statement of changes in equity, and individual statement of cash flows from January 1 to December 31, 2013 and 2012 about Sunny Bank Co., Ltd. The preparation of financial statements disclosed above is the responsibility of the management and the responsibility of the accountants is to express opinion on financial statements disclosed above according to audit results.

The accountants plan and conduct the audit work in accordance with "Accountants' Audit and Certificate Regulations of individual financial statements about the financial industry" and Generally Accepted Auditing Standards to be reasonably convinced whether there is any material representational unfaithfulness in financial statements. The audit work includes the listed amount and audit evidence of disclosures which are obtained from financial statements by a test check, evaluation of accounting principles and material accounting estimates which are adopted and made to prepare financial statements by the management and evaluation of the whole financial statement presentation. The accountants believe that the audit work can provide a reasonable basis for opinion expressed.

In the accountants' opinion, the preparation of individual financial statements which were stated in the first paragraph in all material aspects was in accordance with "Regulations Governing the Preparation of Financial Reports by Public Banks" and letter or directive issued competent authorities were sufficient to properly present the individual financial position on December 31 of 2013, December 31 of 2012 and January 1 of 2012, and the individual financial performance and individual cash flow from January 1 to December 31, 2012 and 2013 about Sunny Bank Co., Ltd.

The list of important accounting items of the 2013 individual financial report of Sunny Bank Co., Ltd. are used as a complementary information for analysis and are audited by CPA through the approval procedures stated in the second paragraph. According to the opinions of CPA, related information of this list is in all material aspects consistent with those stated in the individual financial report described in the first paragraph.

Deloitte & Touche
Accountant Chen, Chie-Chung

Approval No. of Securities and Futures Commission, Ministry of Finance, R.O.C.
No. 0920123784 by TMS Six

Accountant Chen, Wu, Yi-Chun

Approval No. of Securities and Futures Commission, Ministry of Finance, R.O.C.
No. 0930128050 by TMS Six

Date: March 18, 2014

Sunny Bank Co., Ltd (with seal)

Individual Balance Sheet

December 31 of 2013, December 31 of 2012 and January 1 of 1012

Unit: NT$1,000

Code	Asset (s)	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
	Asset						
11000	Cash and cash equivalents (Note 4 and 6)	$ 3,932,346	1	$ 5,486,974	2	$ 5,028,349	2
11500	Dues from Central Bank and lend to banks (Note 6, 7 and 40)	47,003,570	16	45,096,739	17	49,164,964	20
12000	Financial assets at fair value through profit or loss (Note 4, 5 and 8)	14,935,197	5	4,620,712	2	2,653,828	1
12500	Bills and bonds purchased under resale agreements (Note 4, 6 and 9)	1,947,061	1	958,261	-	360,380	-
13000	Accounts receivable - net (Note 4, 5, 10, 11 and 39)	1,241,239	1	1,052,941	-	962,022	-
13200	Current tax assets (Note 37)	126,913	-	111,648	-	91,589	-
13500	Discounts and loans - net (Note 4, 5, 11 and 39)	202,421,259	69	189,949,281	72	177,345,283	71
14000	Financial asset available for sale (Note 4, 5, 12 and 40)	4,917,626	2	2,953,917	1	1,234,495	1
14500	Held-to-Maturity financial assets (Note 4, 13 and 40)	1,070,618	-	1,171,441	1	-	-
15000	Investments accounted for using the equity method - net (Note 4 and 14)	1,271,647	1	1,205,638	1	570,858	-
15500	Other financial assets - net (Note 4, 5, 11 and 15)	2,177,301	1	325,252	-	325,577	-
18500	Property and equipment - net (Note 4 and 16)	9,347,187	3	9,431,883	4	9,490,820	4
19000	Intangible assets - net (Note 4, 5 and 17)	1,047,238	-	1,050,605	-	1,056,835	1
19300	Deferred tax assets (Note 4, 5 and 37)	686,970	-	819,948	-	865,370	-
19500	Other assets - net (Note 4, 18 and 40)	279,106	-	326,581	-	346,074	-
10000	Total assets	$ 292,405,278	100	$ 264,561,821	100	$ 249,496,444	100

Code	Liabilities and equity	December 31, 2013 Amount	%	December 31, 2012 Amount	%	January 1, 2012 Amount	%
	Liabilities						
21000	Dues to Central Bank and banks (Note 19)	$ 7,096,606	3	$ 8,166,220	3	$ 7,311,459	3
22000	Financial liabilities at fair value through profit or loss (Note 4 and 8)	9,978	-	3,924	-	1,939	-
22500	Bills and bonds issued under repurchase agreements (Note 4, 8, 12, 13 and 20)	500,122	-	1,972,826	1	689,526	-
23000	Accounts payable (Note 21 and 25)	2,080,148	1	3,313,674	1	3,032,862	1
23500	Deposits and remittances (Note 22 and 39)	258,493,252	88	229,574,788	87	219,449,892	88
24000	Financial bonds payable (Note 23 and 39)	9,304,900	3	8,109,400	3	6,809,400	3
25600	Liability reserves (Note 4, 5, 11, 24 and 25)	286,255	-	313,770	-	343,147	-
29300	Deferred tax liabilities (Note 4 and 37)	140,041	-	133,555	-	136,250	-
29500	Other liabilities (Note 26 and 29)	253,081	-	214,449	-	206,343	-
20000	Total liabilities	278,164,383	95	251,802,606	95	237,980,818	95
	Equity						
	Stock						
31101	Common stock	13,349,730	5	12,749,730	5	12,749,730	5
31500	Capital surplus	4,500	-	-	-	12,598	-
	Retained earnings						
32001	Legal reserve	24,879	-	-	-	-	-
32003	Special reserve	82,988	-	24,936	-	47,627	-
32011	Undistributed earnings (accumulated deficit)	845,180	-	69,021	-	(1,182,222)	-
32500	Other equity	(62,874)	-	(80,964)	-	(108,599)	-
32600	Treasury shares	(3,508)	-	(3,508)	-	(3,508)	-
30000	Total equity	14,240,895	5	12,759,215	5	11,515,626	5
	Total liabilities and equity	$ 292,405,278	100	$ 264,561,821	100	$ 249,496,444	100

Notes attached behind are a part of the individual financial report.

Chairman: Lin, Peng-Lang (with seal) 彭林郎

Manager: Ding, Wei-Hao (with seal)

Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. (with seal)

Individual Statement of Comprehensive Income

From January 1 to December 31, 2013 and 2012

Unit: NT$1,000 except NT$ for earnings per share

Code		Year 2013 Amount	Year 2013 %	Year 2012 Amount	Year 2012 %	Comparison (%)
41000	Interest income	$ 5,641,293	124	$ 5,213,325	132	8
51000	Minus: interest expenses	2,325,058	51	2,219,095	56	5
49010	Net interest revenue (Note 4, 28 and 39)	3,316,235	73	2,994,230	76	11
	Net non-interest revenue (Note 4)					
49100	Net commission and service fees (Note 29 and 39)	789,061	17	645,390	16	22
49200	Gains (losses) on financial assets and liabilities at fair value through profit or loss (Note 30)	165,876	4	157,962	4	5
49300	Gains on financial asset available for sale (Note 31)	11,127	-	33,400	1	(67)
49600	Gains (losses) on foreign exchange	82,239	2	(7,199)	-	1,242
49700	Gains (losses) on reversal of asset impairment (Note 5 and 32)	27,222	1	(2,233)	-	1,319
49750	Share of the gains of subsidiaries accounted for using the equity method	69,460	1	39,659	1	75
49805	Gains of financial assets measured by cost	29,949	1	47,484	1	(37)
49851	Lease income (Note 39)	64,914	1	54,745	1	19
49899	Other net non-interest loss (Note 32)	(75)	-	(6,263)	-	(99)
49020	Total net non-interest loss	1,239,773	27	962,945	24	29
4xxxx	Net income	4,556,008	100	3,957,175	100	15
58200	Bad debt expenses and guarantee liability provisions (Note 4, 5, 11 and 39)	747,965	16	127,664	3	486

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Code		Year 2013 Amount	Year 2013 %	Year 2012 Amount	Year 2012 %	Comparison (%)
	Operating expenses					
58500	Employee benefits expenses (Note 4 and 34)	$ 1,870,041	41	$ 1,620,792	41	15
59000	Depreciation and amortization expenses (Note 4 and 35)	168,373	4	166,686	5	1
59500	Other business and administration expenses (Note 36)	769,045	17	755,330	19	2
58400	Total operating expenses	2,807,459	62	2,542,808	65	10
61001	Net profit before tax	1,000,584	22	1,286,703	32	(22)
61003	Tax expense (Note 4, 5 and 37)	140,084	3	47,901	1	192
64000	Other net profit after tax	860,500	19	1,238,802	31	(31)
	Other comprehensive income					
65001	Exchange differences resulting from translating the financial statements of a foreign operation	5,169	-	(4,604)	-	212
65011	Unrealized valuation gains and losses from financial assets available for sale	6,568	-	31,700	1	(79)
65031	Actuarial losses on defined benefit plans	(371)	-	(27,689)	(1)	(99)
65043	Share of the gains of subsidiaries, associates and joint ventures accounted for using the equity method	5,251	-	673	-	680
65091	Tax expenses related to components of other comprehensive income	63	-	4,707	-	(99)
65000	Other comprehensive income of the year (net income after tax)	16,680	-	4,787	-	248
66000	Total comprehensive income of the year	$ 877,180	19	$ 1,243,589	31	(29)
	Earning per share (Note 38)					
67500	Basics	$ 0.66		$ 0.97		

Notes attached behind are a part of the individual financial report.

Chairman: Lin, Peng-Lang (with seal)  Manager: Ding, Wei-Hao (with seal)  Accounting Manager: Liu, Zong-Xun (with seal) 

Sunny Bank Co., Ltd. (with seal)
Individual Statement of Changes in Equity
From January 1 to December 31, 2013 and 2012

Unit: NT$1,000

Code		Capital Stock (Note 27)		Capital surplus	Retained earning (Note 27)s				Other equity		Treasury shares	
		Number of stock (1,000 stocks)	Capital of common stock	(Note 27)	Legal reserve	Special reserve	Undistributed earnings (accumulated deficit)	Total	Exchange differences resulting from translating the financial statements of a foreign operation (Note 4, 27)	Gains (losses) in financial asset available for sale (Note 4, 7)	(Note 27)	Total Equity
A1	Balance of January 1, 2012	1,274,973	$12,749,730	$ 12,598	$ -	$ 47,627	($ 1,182,222)	($ 1,134,595)	$ -	($ 108,599)	($ 3,508)	$11,515,626
B15	Special reserve used to cover accumulated deficits	-	-	-	-	(22,691)	22,691	-	-	-	-	-
C11	Capital surplus used to cover accumulated deficits	-	-	(12,598)	-	-	12,598	12,598	-	-	-	-
D1	Net income of 2012	-	-	-	-	-	1,238,802	1,238,802	-	-	-	1,238,802
D3	Other comprehensive income of 2012	-	-	-	-	-	(22,848)	(22,848)	(4,604)	32,239	-	4,787
D5	Total comprehensive income of 2012	-	-	-	-	-	1,215,954	1,215,954	(4,604)	32,239	-	1,243,589
Z1	Balance of December 31, 2012	1,274,973	12,749,730	-	-	24,936	69,021	93,957	(4,604)	(76,360)	(3,508)	12,759,215
	Appropriation and distribution of retained earnings of 2012											
B1	Recognition of legal reserve	-	-	-	24,879	-	(24,879)	-	-	-	-	-
B3	Recognition of special reserve	-	-	-	-	58,052	(58,052)	-	-	-	-	-
D1	Net income of 2013	-	-	-	-	-	860,500	860,500	-	-	-	860,500
D3	Other comprehensive income of 2013	-	-	-	-	-	(1,410)	(1,410)	11,421	6,669	-	16,680
D5	Total comprehensive income of 2012	-	-	-	-	-	859,090	859,090	11,421	6,669	-	877,180
E1	capital increased by cash	60,000	600,000	-	-	-	-	-	-	-	-	600,000
N1	Share-based payment transaction	-	-	4,500	-	-	-	-	-	-	-	4,500
Z1	Balance of December 31, 2013	1,334,973	$13,349,730	$ 4,500	$ 24,879	$ 82,988	$ 845,180	$ 953,047	$ 6,817	($ 69,691)	($ 3,508)	$14,240,895

Notes attached behind are a part of the individual financial report.

Chairman: Lin, Peng-Lang (with seal)　　Manager: Ding, Wei-Hao (with seal)　　Accounting Manager: Liu, Zong-Xun (with seal)

Sunny Bank Co., Ltd. (with seal)

Individual statement of cash flows

From January 1 to December 31, 2013 and 2012

Unit: NT$1,000

Code		Year 2013	Year 2012
	Cash flow of operating activities		
A10000	Net profit before tax	$ 1,000,584	$ 1,286,703
A20010	Income and expense items that do not affect the cash flow		
A20100	Depreciation expenses	154,657	152,497
A20200	Amortization expenses	13,716	14,189
A20300	Number of recognized bad debt expenses (including guarantee reserve)	747,965	127,664
A20900	Interest expenses	2,325,058	2,219,095
A21200	Interest income	(5,641,293)	(5,213,325)
A21300	Dividend income	(50,993)	(67,868)
A21800	Decrease of liability reserves	(34,727)	(5,627)
A21900	Share-based payment compensation cost	4,500	-
A22300	Share of the gains of subsidiaries accounted for using the equity method	(69,460)	(39,659)
A22500	Loss on disposal and abandonment of property and equipment	62	252
A23100	Gains (losses) on financial asset available for sale	8,430	(15,334)
A23600	Gain on reversal of financial asset impairment	(27,222)	(9,041)
A23700	Loss on non-financial asset impairment	-	11,274
A24400	Loss on disposal of collaterals taken over	-	6,977
A40000	Changes in operating assets and liabilities		
A41110	Decrease of dues from Central Bank and lend to financial institution	1,729,173	22,197,520
A41120	Increase of financial assets at fair value through profit or loss	(10,341,830)	(1,966,507)
A41150	Decrease of accounts receivable	70,642	22,931
A41160	Increase of discounts and loans	(13,230,137)	(12,865,067)
A42110	Increase (decrease) of Dues to Central Bank and banks	(1,069,614)	854,761
A42120	Increase of financial liabilities at fair value through profit or loss	6,054	1,985
A42140	Increase (decrease) of Bills and bonds issued under repurchase agreements	(1,472,704)	1,283,300

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Code		Year 2013	Year 2012
A42150	Increase (decrease) of account payable	($ 1,251,695)	$ 259,693
A42160	Increase of deposits and remittances	28,918,464	10,124,896
A33000	Cash inflow from operations	1,789,630	18,381,309
A33100	Interest received	5,610,442	5,209,961
A33200	Dividend received	59,695	56,210
A33300	Interest paid	(2,333,309)	(2,204,555)
A33500	Tax paid	(15,822)	(20,526)
AAAA	Cash inflow from operating activities	5,110,636	21,422,399
	Cash flow from investing activities		
B00300	Acquisition of financial asset available for sale	(5,233,052)	(3,708,848)
B00400	Disposal of financial asset available for sale	3,111,433	2,030,784
B00900	Acquisition of Held-to-Maturity financial assets	(103,210)	(1,172,221)
B01100	Repayment of held-to-Maturity financial assets at maturity	200,000	-
B01800	Acquisition of investment accounted for using the equity method	-	(600,000)
B02700	Acquisition of property and equipment	(72,567)	(93,040)
B02800	Disposal of property and equipment	122	20
B04500	Acquiring intangible assets	(5,819)	(5,792)
B04700	Disposal of collaterals taken over	-	25,940
B06500	Increase of other financial assets	(1,821,792)	-
B06600	Decrease of other financial assets	-	8,952
B06700	Increase of other assets	-	(26,865)
B06800	Decrease of other assets	45,577	-
BBBB	Net cash outflow from investing activities	(3,879,308)	(3,541,070)
	Cash flow from financing activities		
C01400	Issuance of financial debentures	1,500,000	1,300,000
C01500	Repayment of financial debentures	(304,500)	-
C04300	Increase of other liabilities	38,632	8,106
C04600	capital increased by cash	600,000	-
CCCC	Cash inflow from financing activities	1,834,132	1,308,106
DDDD	Impact of changes in exchange rate on cash and cash equivalents	4,716	(3,634)
EEEE	Net increase in cash and cash equivalents	3,070,176	19,185,801
E00100	Cash and cash equivalents at beginning of year	39,082,252	19,896,451
E00200	Cash and cash equivalents at end of year	$ 42,152,428	$ 39,082,252

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Adjustment on cash and cash equivalents at end of year

Code		December 31, 2013	December 31, 2012
E00210	Cash and cash equivalents depicted in the individual balance sheet	$ 3,932,346	$ 5,486,974
E00220	Dues from Central Bank and lend to banks that conform to IAS 7– Identification of cash and cash equivalents	36,273,021	32,637,017
E00230	Bills and bonds purchased under resale agreements that conform to IAS 7– Identification of cash and cash equivalents	1,947,061	958,261
E00200	Cash and cash equivalents at end of year	$ 42,152,428	$ 39,082,252

Notes attached behind are a part of the individual financial report.

Chairman: Lin, Peng-Lang (with seal)  Manager: Ding, Wei-Hao (with seal)  Accounting Manager: Liu, Zong-Xun (with seal) 

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VII. Review and Analysis of Financial Status and Operating Results, and Risk Management

1. Financial Status
2. Financial Performance
3. Cash Flow
4. Influence of Major Capital Expenditures on Financial Operations
5. Reinvestment Policy
6. Analysis and Evaluation of Risk Management
7. Crisis Management Mechanism
8. Other Important Events

1. Financial Status

Unit: NT$ 1,000 and %

Item \ Year	2013	2012	Difference	
			Amount	%
Cash, Due from Central Bank and Other Banks	51,189,870	51,149,151	40,719	---
Financial Assets at Fair Value through Profit/Loss	14,951,049	4,639,385	10,311,664	222
Financial bill and bond liabilities under resale agreement	1,952,061	958,261	993,800	104
Current Tax Assets	2,193,318	1,247,203	946,115	76
Receivables	127,302	112,115	15,187	14
Discounts and Loans	202,807,580	189,949,281	12,858,299	7
Available-for-Sale Financial Assets	4,924,196	2,960,387	1,963,809	66
Hold-to-maturity Financial Assets	1,071,615	1,172,437	(100,822)	(9)
Other Financial Assets	2,210,365	361,252	1,849,113	512
Property and Equipment	9,371,836	9,453,814	(81,978)	(1)
Intangible Assets	1,048,502	1,051,971	(3,469)	---
Deferred Tax Assets (DTA)	690,445	822,184	(131,739)	(16)
Other Assets	530,837	533,216	(2,379)	---
Total Assets	293,068,976	264,410,657	28,658,319	11
Deposits in the CBC and Other Banks	7,096,606	8,166,220	(1,069,614)	(13)
Financial Liabilities at Fair Value through Profit/Loss	9,978	3,924	6,054	154
Notes and Bonds Issued under Repurchase Agreement	500,122	1,972,826	(1,472,704)	(75)
Payables	2,511,757	3,553,931	(1,042,174)	(29)
Current Tax Liabilities	15,256	13,992	1,264	9
Deposits and Remittances	258,220,132	229,153,709	29,066,423	13
Financial Bonds Payable	9,301,400	8,103,900	1,197,500	15
Other Financial Liabilities	462,027	---	462,027	---
Liability Reserves	286,330	313,770	(27,440)	(9)
Deferred tax liabilities	141,613	133,555	8,058	6
Other Liabilities	275,717	228,684	47,033	21
Total Liabilities	278,820,938	251,644,511	27,176,427	11
Equity attributable to owners of the parent				
Capital	13,349,730	12,749,730	600,000	5
Capital Surpluses	4,500	---	4,500	---
Retained Earnings	953,047	93,957	859,090	914
Other Equity	(62,874)	(80,964)	18,090	(22)
Treasury shares	(3,508)	(3,508)	---	---
Non-controlling interest	7,143	6,931	212	3
Total Equity	14,248,038	12,766,146	1,481,892	12

Description of change of the ratios

1. Increase of the financial assets at fair value through profit / loss: Mainly caused by sufficient capital, which increased the amount of short-term investments.
2. Increase of securities and bonds under repurchase agreements investment, and the decrease of securities and bonds under repurchase agreements liabilities: funds management based on bank’s investment strategy.
3. Increase of payables: Mainly caused by the increase of lease payment receivables
4. Increase of the financial assets available for sale: Mainly caused by the maximized profit of using capital, where the number of investing bills was increased.
5. Increase of other financial assets: Mainly caused by the reorganization of deposits that cannot be early withdrawn.
6. Increase of the financial assets at fair value through profit / loss: Mainly affected by unrealized gain loss of the exchange rate, where the FX swap evaluation.
7. Increase of the payables: Mainly caused by the decreasing number of payable bills.
8. Increase of other liabilities: Mainly caused by the increase of prepaid expenses
9. Increase of the revenue surplus: Mainly form the annual profit after tax.
10. Increase of other equity: Mainly caused by the decrease of financial asset available for sale.

2. Financial Performance

Unit: NT$ 1,000

Item \ Year	2013	2012	Changes	
			Amount	%
Net Interest Income	3,351,413	3,007,991	343,422	11
Net Income Non-Interest	1,392,936	1,089,618	303,318	28
Net Income	4,744,349	4,097,609	64,740	16
Bad Debt Expenses and Guarantee Liability Provisions	778,4029	143,043	635,359	444
Operating Expenses	2,941,857	2,652,977	288,880	11
Net Income Before Tax	1,024,090	1,301,589	(277,499)	(21)
Income Tax Expenses	(163,362)	(62,693)	(100,669)	161
Net profit of the year	806,728	1,238,896	(378,168)	(31)

Description of the analysis of the change

1. Increase of net non-interest income: Mainly caused by the increase of net commission and service fees and gain on reversal of asset impairment.
2. Increase of bad debt expenses and guarantee liability provisions: Mainly caused by the regulation that competent authorities with Type 1 normal loans should prepare 1% amount as the allowance and to improve the asset quality as well as to increase the coverage ratio.
3. Decrease of net profit before tax and net profit for the period: Mainly caused by the increase of bad debt expenses and guarantee liability provisions.
4. Increase of the total expenses: Mainly caused by the loss carryfowards as the result of decreased deferred tax assets.

3. Cash Flow

(1) Cash Flow Change Analysis of the Most Recent Year

Item \ Year	2013	2012	Increment (%)
Cash Flow Ratio (%)	42.58	154.10	(72.37)
Cash Flow Adequacy Ratio (%)	8,502.40	12,494.61	(31.95)
Cash Flow Reinvestment Ratio (%)	(111.33)	(723.52)	(84.61)

Description of the analysis on the change to the ratio increase or decrease

1. Decrease in cash flow ratio: this comes from the decreased net cash outflow in the 2013 operating activities.
2. Decrease in cash flow adequacy ratio: this is the result of the decrease of the operating net cash flow in the recent five years in 2013.
3. Increase in cash flow reinvestment ratio: this comes from the decreased net cash inflow in the 2013 operating activities. Besides, investment activities in the last 2 years had an net cash outflow.

(2) Liquidity Analysis for Next Year:

Unit: NT$ 1,000

Cash Balance at the Start of the Period ①	Expected Net Operating Cash Flow for the Whole Year ②	Expected Cash Flow for the Whole Year ③	Expected Cash Surplus (Deficit) ③+②+①	Remediation Measures Against Expected Cash Flow Deficit	
				Investment	Financing
4,186,300	3,989,910	(1,951,740)	6,224,470	None	None

1. Change in cash flow of the year:
   (1) Operation Activities: net cash inflow is caused by the increase of deposits and remittance.
   (2) et cash flow is mainly caused by the increase of expected available-for-sale financial assets.
2. Remedial measure for expected cash shortfall and liquidity analysis: The Bank plans in the coming year to increase the deposit and remittance, deposit of the CBC and other banks, and to issue rights issue in support of held-for-trading financial assets, available-for-sale financial assets, discounts, and loan increase. No insufficient working cash is found.

4. Influence of Major Capital Expenditures on Financial Operations

Unit: NT$ 1,000

Planning item	Actual/Expected Capital Resources	Actual/Expected Date of Completion	Required Capital	Actual/Expected Capital Performing Status				
				2009	2010	2011	2012	2013
Land, houses and buildings	Self-owned Fund	2009 – 2013	---	---	---	---	---	---
Other equipment	Self-owned Fund	2009 – 2013	599,372	76,150	44,748	81,408	63,325	331,741

5. Reinvestment Policy

December 31, 2013
Unit: NT$ 1,000

Invested Company	Sunny Securities Co., Ltd.	Sunny Life Insurance Agent Co., Ltd.	Sunny Property Insurance Brokerage Co., Ltd.	Gold Sunny Assets Management Co., Ltd.	Sunny International leasing Co., Ltd.
Major Business	Securities Investment and introducing broker business	Life Insurance Brokerage	Property Insurance Brokerage	Financial Institution Creditor's Right (Money) Appraisal and Auction	Leasing
Collected Capital	502,000	52,500	6,050	50,000	600,000
Shareholding (%)	98.72%	39.99%	20.00%	100.00%	100.00%
Amount	523,894	9,852	1,000	50,000	600,000
Par Value	53,543	56,573	3,414	63,167	614,950
Yearly Income	17,738	54,865	3,006	20,793	8,610
Recognized Invested Income	17,510	21,946	601	20,793	8,610
Main Factor of Profit (Loss)	Good performance is expected in long-term investment.	Selling life insurance products with commission incomes.	Profit is infused by commission income from sales of property insurance products.	Loss of claim recovery	Revenue surpluses from leasing business

6. Analysis and Evaluation of Risk Management

(1) Series of Qualitative and Quantitative Requirements for Risk Management

a. Credit Risk Management System and Accrued Capital

i. Credit Risk Management System

Disclosure Item	Content
1. Credit risk strategies, objectives, policy and process	1. Credit risk management objective, strategy and policy Which pertains to developing a comprehensive credit risk management mechanism that can be used to effectively identify, measure, monitor, and report various forms of credit risk, and contain the credit risk arisen within a sustainable range, and gradually systemize the credit risk management in search of solidly managing the Bank's credit risk and to achieve the operating and management objectives. 2. Credit risk management process flow The Bank has instilled a credit risk management mechanism to effectively identify, measure, monitor and report all probable credit risks arisen from the routine business activity and management flows. (1) Credit risk identification: Of all products and businesses, including all transactions that exist in the Bank logbook and the transaction logbook and on/off the balance sheet, the head of the business unit shall thoroughly analyze the information before trading on it, in order to identify the likely occurrence of any existing or potential contract default incidents. Prior to launching new products and services, it is imperative to draft and define adequate monitoring and control procedures and solicit the opinions of all units based on the operating characteristics and varied hidden risks of a variety of loans. (2) Credit risk measurement: To evaluate the customer's creditworthiness using the five categories of the borrowers, capital usage, source of repayment, liability safeguard and loan outlook when processing the lending service, and uphold the criteria as a rudimentary loan review principle. To take into account the lending characteristics, the contract content and the borrower's financial criteria, the probable impact of sudden risk exposure due to market changes, the collateral or guarantee, changes in the borrower or a trading party's risks, or the risks associated with a lending portfolio. (3) Credit risk monitoring: A system is to be set up for monitoring individual borrowers and trading parties, and for monitoring and managing the loan portfolios. It encompasses reporting potential problematic loans and other problematic lending or transaction procedures. A written credit verification and lending guideline is to be established, including scrutinizing the lending factors, approving new loans, loan extension, and exceptional conditions, the routine review of existing loans, and the retention of loan credit verification records. To instill a cap management system, which will avoid over concentration of credit risks, such as by country, by the same individual, same related party, or by group, industry and so forth. To precisely implement the review and loan follow-up evaluation work, with which to step up post-lending management and debt claim securitization maintenance. To routinely evaluate and monitor the quality of all types of assets by stepping up managing loan anomalies, enforcing the execution of nonperforming loans (overdue, collection, bad debt) management procedure, with which to step up the overdue loan and bad debt management and spearhead the cleanup functions. (4) Credit risk reporting: To routinely declare various caps and risk concentration caps with the risk management department for submitting to the president, and the risk management department is to file a report with the board of directors, which will enable the risk management department to precisely gasp the business operating units' credit risks. In compliance of the capital adequacy monitoring and review principles, the description of the Bank's voluntary evaluation on the state of bank's credit risk quantitative and qualitative indicators implemented, and the disclosure of capital adequacy-related information is to be submitted according to the format, content, method and frequency specified by competent government authorities. When coming across any major credit risk incident that is poised to undermine the Bank's finances, or business conditions, or in breach of laws and regulations, adequate remedial measures shall be taken at once.
2. Credit risk management organization and structure	1. Board of Directors: The highest decision maker of the Bank's credit risk management which approves the Bank's credit risk management organization structure and regulations. 2. Risk Management Department: This is the department of the Bank in charge of review and monitoring of credit risk management agenda. 3. High-ranking management: It oversees the implementation of the credit risk management policies and structure and coordinates with various departments for credit risk matters. 4. Auditing Department: The credit risk management processes and mechanism are included in this department's auditing scope. 5. Risk Management Department: It collects information regarding the Bank's overall credit risks on a regular basis and reports it to the board of directors and risk management committee.

Disclosure Item	Content
3. The scope and characteristics of the credit risk reporting and measurement system	The credit risk exposure of various risk constructs are monitored regularly and irregularly based on related credit risk management reports, while a cap-based monitoring mechanism is established (for country risk, group risk, industry risk, etc.), where in the exceptional instance of exceeding the credit risk exposure or a collective cap, response measures shall be taken at once, with a report promptly filed to a higher supervisor.
4. Credit risk hedging and mitigation policies, and strategies and process to monitor the continuous effectiveness of hedging and risk mitigation tools	1. To specify and levy for collaterals or guarantors, or to offload the liability claims in the secondary market, or file for liability claim securitization or trading on credit derivatives. 2. Through negotiation with the borrower account or a transaction party for financial or non-financial restrictive clauses, the Bank would prevent or monitor changes in the borrower account or a transaction party's credit risks. 3. To forward some of the medium and small business loans that have insufficient collaterals to the "SMEG" to step up safeguarding the liability claims.
5. Approach adopted for the regulatory reserve	The Bank adopts the standard approach to allocate its legally designated capitalization.

ii. Exposure after Risk Mitigation and Accrued Capital of the Credit Risk Standardized Approach

December 31, 2013
Unit: NT$ 1,000

Type	Exposure after Risk Mitigation	Accrued Capital
Sovereignties	1,469,218	0
Non-central Government Public Sector Entities	4,284,026	856,805
Banks (including multilateral development banks, MDBS)	3,158,732	754,089
Corporate (including securities and insurance firms)	72,288,207	71,848,901
Claims on Retail	105,217,194	93,068,876
Residential Properties	25,070,126	11,360,567
Equity Security Investments	0	0
Other Assets	60,432,935	11,010,448
Total	271,920,438	188,899,687

b. Securitization Risk Management System, Exposure and Accrued Capital

i. Asset Securitization Risk Management System

Disclosure item	Content
1. Asset securitization management strategies and process	1. Asset securitization risk management objective and strategy (1) To strengthen the asset/liability management capability by diversifying the source of capital and reducing the capital cost. (2) To utilize asset portfolio reconfiguration, trust and credit enhancement for creating a diverse, long-term fund-raising platform. (3) To utilize the securitization process to remove assets from the balance sheet, and raise the self-owned capital, and reduce the asset scale. (4) To act as an underwriter institution to generate service fee. 2. Asset securitization risk management process (1) To utilize a host of external institutions, such as a credit rating agency, to ensure that it meets the asset guidelines of a trust contract at the time when the asset is being transferred. (2) To rely at the same time on the credit enhancement mechanism to reduce the investor's likelihood to face the asset credit risk. (3) Upon completing the asset securitization transfer and issue, there is a likelihood that the cash flow shortfall on securitized asset may result in a payment shortfall risk. By utilizing the reserve system, it offers a rational liquidity and helps to prevent a contract default due to insufficient cash flow. (4) To utilize the competent government authorities' mandate for information disclosure, and the credit rating agency, certified public accountant and legal counsel's information requirement to fully reflect the information in relevant transaction contracts and legally designated announcements. (5) By utilizing a trust asset transfer pricing adequacy opinion letter issued by financial consultants, it enables the pricing evaluation risk to be rationally controlled. (6) By drafting a variety of contracts, such as the service contract and trust contract, to avoid conflicts of interest to undermine the investor's equity.
2. Asset securitization management organization and structure	1. Planning department: Responsible for the transaction framework, external institutions' selection and appointment, document submission to the competent government authorities and the like. 2. Authorization department: The board of directors is to authorize various responsible units to execute the securitization transactions. 3. Information department: Responsible for developing relevant reports, information system specifications and data retention. 4. Transaction department: Compiling and issuing the report for risk monitoring.
3. The scope and characteristics of the asset securitization risk reporting and measurement system	The service underwriter is to produce a risk report for the investor to understand the state and quality of securitized asset repayment, including initial asset account figure, balance, payment on overdue loan, interest rates, and the like.
4. Policies of hedging or risk mitigating asset securitization. Also policies and processes to ensure the effectiveness of the tools used to hedge and mitigate risk.	If the exposure on the buyback of the subordinated beneficiary securities held by the initial underwriting institute still faces credit risk, approaches to be adopted for reducing the risk are as follows, 1. If the anticipated loss on the exposure held has not been high, the Bank is to absorb it on its own. 2. If the anticipated loss on the exposure held poses significant impact to the earnings or capitalization, a bad debt reserve will be increased to absorb the losses in advance. 3. If there are adequate risk hedging tools available in the market (such as a derivative credit product or a credit insurance), such risk hedging tools are to be purchased at a reasonable cost to transfer the credit risk; or it is also viable to utilize the asset offloading approach to transfer the risk to the trading party.
5 .Approach adopted for the regulatory capital	The Bank currently adopts the standard approach to allocate the capital.

ii. State of trading asset securitization: None

iii. Exposures of asset securitization and capital to be allocated: None

iv. Securities product information:None

c. Operational Risk Management System and Accrued Capital

i. Operational Risk Management System

Disclosure item	Content
1. Operational risk strategies, objectives, policy and process	1. Operational risk management objective and strategy A comprehensive operational risk management mechanism is to be establish to effectively identify, measure, monitor and report a host of operational risks, and contain probable operational risks within a sustainable range by steadfastly systemizing the operational risk management work, in anticipation of stabilizing the Bank's operational risk management, and to achieve the operational and management objectives. 2. Operational risk management process flow An operational risk management mechanism is instilled to effectively identify, measure, monitor and report all probable operational risks arisen from all routine business activity and management process flows. (1) Operational risk identification: A. All unit personnel should identify the potential operational risks and their causes and effects in managing potential operational risks in the routine operations, report such matters to the higher supervisors, and choose proper counterstrategies, which are to be submitted to the business administration unit as per relevant stipulations. B. Prior to launching new products, new services, operating process and information systems, all business administration units should conduct adequate operational risk identification. (2) Operational risk measurement: A. The Bank has steadfastly developed adequate and consistent qualitative and quantitative indicators, with which to measure the level of sudden risk on a host of operational risks. B. The Bank routinely reviews the foresaid qualitative and quantitative indicators, coordinated with operating needs and changes in the internal and external environments, to timely adjust the measurement indicators. (3) Operational risk monitoring: A. All operating units, when encountering an operational risk-related loss incident, shall promptly contain the damage, and report the incident to relevant units by following the Bank-specified reporting mechanism, and in the wake of any insurance adjustment or illegal matters, shall promptly notify the business units and the audit division. B. The department responsible for losses arisen from operational risks shall document a loss incident thoroughly to facilitate instilling an internal operational risk-related loss database. (4) Operational risk reporting: To routinely report the state of loss incident to risk management department, and then submit to president. Risk management department routinely reports to board of directors, so the department can precisely grasp the market risk of business units. In compliance of the capital adequacy monitoring and review principles, the description of the Bank's voluntary evaluation on the state of bank's operational risk quantitative and qualitative indicators implemented, and the disclosure of capital coverage-related information is to be submitted according to the format, content, method and frequency specified by competent government authorities. When coming across any major operational risk incidents that might impair the Bank's state of finances or operations, or in breach of laws and regulations, all relevant units must adopt proper countermeasures at once.
2. Operational risk management organization and structure	1. Board of Directors The highest decision maker of the Bank's operational risk management which approves the Bank's operational risk management organization structure and regulations. 2. Risk Management Department This is the department of the Bank in charge of review and monitoring of operational risk management agenda. 3. High-ranking management It oversees the implementation of the operational risk management policies and structure and coordinates with various departments for operational risk matters. 4. Auditing Department The operational risk management processes and mechanism are included in this department's auditing scope. 5. Risk Management Department It collects information regarding the Bank's overall operational risks on a regular basis and reports it to the board of directors and risk management committee.
3. The scope and characteristics of the operational risk reporting and measurement system	At the onset of an operational risk incident, various types of operational risk management information is to be gathered, and routinely sorted and analyzed for reporting.
4 Operational risk hedging and mitigation policies, and strategies and process to monitor the continuous effectiveness of hedging and risk mitigation tools	1. In response to operational risk-related loss incidents where the probability and the amount of loss are both high, adequate measures should be taken to hedge against activities that might trigger risky situations, such as ceasing to offer a particular service. 2. In response to operational risk-related loss incidents with a low probability of occurrence but high amounts of losses, measures should be taken to minimize/transfer impacts after risks arise, such as insurance and outsourcing. It is imperative to take into account the validity when the residual risk that cannot be fully cover by the risk exposure or a risk period following adopting the monitored reduction/transfer measures.
5. Approach adopted for the regulatory reserve	The Bank currently adopts the basic index method to allocate the capital.

ii. Operational Risk Capital Requirement

December 31, 2013
Unit: NT$ 1,000

Year	Gross Operating Profits	Capital Requirement
2011	3,679,371	---
2012	3,912,098	
2013	4,526,136	
Total	12,117,605	605,880

d. Market Risk Management System and Accrued Capital

i. Market Risk Management System

Disclosure item	Content
1. Market risk strategies, objectives, policy and process	1. Market risk management objective and strategy A market risk management mechanism has been instilled in support of the Bank's operating scale and to comply with various regulations set by competent government authorities. It ensures a full compliance to the market risk management mechanism's caps and stop-loss management stipulations, making sure the Bank's risks are managed adequately. 2. Market risk management process A market risk management mechanism has been instilled to effectively identify, measure, monitor and report all probable market risks arisen from the routine business activities and management process. (1) Market risk identification: a. When the position held is related to the exchange rate, where the fair value fluctuation will be affected by the exchange rate, thus it is essential to measure how the exchange rate shift is going to affect the loss or gain of the foreign exchange position. b. The risks for holding equity securities include the individual risks arisen from fluctuations to the price of the equity securities. (2) Market risk measurement: To measure a variety of market risks' exposure, including the position cap, stop loss cap and levels of market risk concentration. (3) Market risk monitoring: a. To define the market risk transaction and stop loss caps according to the operating strategy and market conditions by developing a comprehensive risk monitoring process that can be enforced continuously throughout the business activity. b. To instill a clear reporting process, and routinely generate the monitoring reports on various types of position management, such as gain or loss, risk caps and so forth. c. To monitor whether the position fluctuations, changes of the gain or loss, trading modes and trading instruments are kept within the scope of the authorized operations. (4) Market risk reporting: a. To routinely report the state of various caps accessed, market valuation estimates and the state of gain or loss, exposure and risk caps to higher management to precisely grasp the market risk. b. In the wake of any extraordinary circumstances of exceeding the market risk transactions or the stop loss caps, countermeasures shall be taken at once, and a report filed as swiftly to facilitate monitoring the Bank's market risks. c. In compliance of the capital adequacy monitoring and review principles, the description of the Bank's voluntary evaluation on the state of bank's credit risk quantitative and qualitative indicators implemented, and the disclosure of capital adequacy-related information is to be submitted according to the format, content, method and frequency specified by government authorities.
2. Market risk management organization and structure	1. Board of Directors The highest decision maker of the Bank's market risk management which approves the Bank's market risk management organization structure and regulations. 2. Risk Management Department This is the department of the Bank in charge of review and monitoring of market risk management agenda. 3. High-ranking management It oversees the implementation of the market risk management policies and structure and coordinates with various departments for market risk matters. 4. Auditing Department The market risk management processes and mechanism are included in this department's auditing scope. 5. Risk Management Department It collects information regarding the Bank's overall market risks on a regular basis and reports it to the board of directors and risk management committee.
3. The scope and characteristics of the market risk reporting and measurement system	At the onset of a market risk incident, various types of market risk management information is to be gathered, and routinely sorted and analyzed for reporting.

Disclosure item	Content
4. Market risk hedging and mitigation policies, and strategies and process to monitor the continuous effectiveness of hedging and risk mitigation tools	1. Of financial products that appear with asymmetrical risk and return or with high risks and high return, such type of products shall not be traded after diligent evaluation and assessment. 2. To hedge the probable price risk or the transaction party's market risk on financial products, necessary risk hedging measures should be taken to mitigate or transfer the risks.
5. Approach adopted for the regulatory reserve	The Bank currently adopts the standard approach to allocating the capital.

ii. Market Risk Capital Requirement

December 31, 2013
Unit: NT$ 1,000

Risk type	Capital requirement
Interest Rate Risk	55,957
Equity Securities Risk	188,278
Foreign Exchange Risk	136,242
Commodity Risk	0
Total	380,477

e. Liquidity risk, including maturity analysis of assets and liability and the description of the management of asset liquidity and capital gap liquidity.

i. Structure Analysis of the Maturation of NTD

December 31, 2013
Unit: NT$ 1,000

	Total	Remaining Period to Maturity				
		1-30 days	31-90 days	91-180 days	181 days – 1 year	Over 1 year
Primary Funds Inflow upon Maturity	280,228,272	71,354,604	22,963,592	24,609,604	44,897,066	116,403,406
Primary Funds Outflow upon Maturity	325,480,163	35,826,440	44,605,380	50,753,459	103,785,561	90,809,323
Gap	(45,251,891)	35,528,164	(21,341,788)	(26,143,855)	(58,888,495)	25,594,083

January 31, 2014
Unit: NT$ 1,000

	Total	Remaining Period to Maturity				
		1-30 days	31-90 days	91-180 days	181 days – 1 year	Over 1 year
Primary Funds Inflow upon Maturity	280,925,155	75,463,525	20,835,947	21,954,874	45,126,656	117,544,151
Primary Funds Outflow upon Maturity	321,964,717	42,367,665	40,891,769	48,121,315	104,462,073	86,121,894
Gap	(41,039,562)	33,095,860	(20,055,822)	(26,166,441)	(59,335,417)	31,422,257

ii. Structure Analysis of the Maturation of USD

December 31, 2013
Unit: USD 1,000

	Total	Remaining Period to Maturity				
		1-30 days	31-90 days	91-180 days	181 days – 1 year	Over 1 year
Primary Funds Inflow upon Maturity	489,914	189,370	65,439	58,994	25,599	150,512
Primary Funds Outflow upon Maturity	463,890	262,510	93,141	52,940	55,872	(573)
Capital Gap	26,024	(73,140)	(27,702)	6,054	(30,273)	151,085

January 31, 2014
Unit: USD 1,000

	Total	Remaining Period to Maturity				
		1-30 days	31-90 days	91-180 days	181 days – 1 year	Over 1 year
Primary Funds Inflow upon Maturity	471,759	172,276	64,671	52,047	31,719	151,046
Primary Funds Outflow upon Maturity	442,654	248,522	79,994	64,507	49,188	443
Capital Gap	29,105	(76,246)	(15,323)	(12,460)	(17,469)	150,603

(2) The Influence of Domestic and Foreign Major Policies and Law Amendment Exerting on the Bank's Financial Structure and Responding Measures

a. Critical policy and legal changes

i. The Company Act (amended on 8.8.2012, 1.16.2013 and 1.30.2013)

ii. The Personal Information Protection Act (amended on 5.26.2010, promulgated on 10.1.2012 except for Articles 6 and 54)

iii. The Enforcement Rules of the Personal Information Protection Act (amended on 9.26.2012, promulgated on 10.1.2012)

iv. The National Health Insurance Act (amended on 6.29.2011, promulgated on 1.1.2013)

v. The Regulations Governing the Capital Adequacy and Capital Category of Banks (amended on 11.26.2012, promulgated on 1.1.2013 except for Article 4)

b. Influence of major policy changes

Since the Bank learned domestic and foreign major policies and law amendment and expected its influence on the financial structures, the Bank has notified related units, developed responsive procedures and engaged in employee education and training. If internal articles or procedures are not consistent with new regulations, responsible units will revise the according articles or procedures.

(3) Influence of Changes in Technology and Industries on Banking Financial Operations and Related Measures

e-Business is closely combined with virtually every trade of business thanks to the rapid advancing and widespread applications of information technology in the world. The Bank has a big part in the e-commerce supply chain in terms of cash flow and helps create more added values. Therefore, the Bank has installed multimedia systems in branch offices and proactively planned the launch of new online banking version and mobile bank (APP) to expand its business, promote its brand and offer customers a brand new e-commerce experience, having its service quality and efficiency comprehensively enhanced. Furthermore, the Bank has continued the launch of electronic files to increase employees’ work efficiency and customers’ satisfaction level, and planned to offer the third party payment service (network transaction agent service) by establishing the third party payment channels including credit card acquiring, ATM card payment and system platform.

The Bank has continued to improve its information software and hardware equipment, on which relevant industry and trade database could be accessed, and the Bank clerks are able to grasp the latest industry changes by inquiring through the computer that not only excels the credit verification and lending quality to reduce the Bank's lending risk, but also help excel the profitability and risk hedging effect on short-term and long-term stock investment. Meanwhile, to step up risk management, the Bank has specified an investment cap by industry and by individual group, with which to diversify the risks of technological change and industry change to the Bank investment.

(4) Influence of Change in Image on the Bank and Associated Measures

The Bank has a spokesperson, establishes a dedicated legal department and hires legal consultant. In case of any report in mass media that is stray from facts, Thank will respond or clarify as cautiously and soon as possible in order to minimize the impact on the Bank's public relation.

(5) Expected effects and possible risks for merging: None

(6) Expected effects and possible risks of expansion of branches

a. Expected effects

Through the expansion of the service locations, the major effect can be geographically expanded within the branch network. The Bank is able to provide well-rounded and diverse services to customers in different regions, segments, and attributes so as to expand the sources of the deposit and loan service and wealth management.

b. Possible Risks and Responding Measures:

The Bank's management and operation risks may ascend consequently. However, the Bank will conduct market survey and have thorough evaluation before establishing any new branch office, and with effective internal control and regulation-compliance mechanism, risks can be effectively minimized.

(7) Risks and Responding Measures for Business Concentration:

The Bank's major businesses are centered on the deposit and loans. With overbanking in the market, the Bank is facing a fierce price war in interest rates and service fee, which incurs operational risks for profitability. The Bank continuously develops financial products in foreign exchange, trust and insurance and proactively develops wealth management, provides diverse financial services, gradually adjusts the profitability structure and effectively minimizes and distributes various risks to ensure solid operation of the Bank.

(8) Influence and Risk of Changes in Operational Rights

The Bank is running with rather stable operational rights and transfer or change of equity in large quantity that may lead to change in operational rights and impacts and risks to the Bank is unlikely in the foreseeable future.

(9) Impacts and/or risks to the Bank due to transfer or change of equity in large quantity occurring on the Bank's directors, supervisors or major shareholders with a total shareholding exceeding 1% and response measures

In recent years and up to the date the statements were published, no transfer of equity to others from any of the Bank's directors, supervisors or major shareholders with a total shareholding exceeding 1% is observed.

(10) Lawsuit or non-suit events, the Bank should identify the Bank directors, auditors, president, major shareholders with a total shareholding exceeding 1% or affiliated companies involving in a major litigation, non-litigation or administrative dispute litigation cases that have been confirmed or remain pending and up to the publication of the annual report, where the results could pose a major impact to the depositors or the shareholders' equity or the securities share price:

a. Case 1: Damage claim

Lawsuit commencing from: January 22, 2010

Major Parties: Plaintiff – 83 people including Chen and others
Defendant – 8 people including Wang and others (including the Bank)

Dispute: Wang and others in Cheng Feng Development Project are accused of violation of the Banking Act. The plaintiff requested incidental civil procedures in the second sentence of criminal procedures and joint liability for damages on rights infringement of the defendant.

Target Amount: NT$73,140,000 and the interest calculated as 5% per annum interest rate from the next day of the arrival of complain manuscripts to reimbursement date.

Status before the Annual Report Publishing Date: The case was dismissed by the Supreme Court on October 17, 2013 and the Bank won the lawsuit.

b. Case 2: Damage claim

Lawsuit commencing from: April 9, 2010

Major Parties: Plaintiff – 70 people including Huang and others;
Defendant – 8 people including Wang and others (the Bank is an additional defendant)

Dispute: Wang and others in Cheng Feng Development Project are accused of violation of the Banking Act. The plaintiff requested incidental civil procedures in the first sentence of criminal procedures and joint liability for damages on rights infringement of the defendant. After ruling to transfer to civil court of the Dist. Court, the Bank was added as an additional defendant.

Target Amount: NT$72,900,000 and the interest calculated as 5% per annum interest rate from the next day of the arrival of complain manuscripts to reimbursement date.

Status before the Annual Report Publishing Date: The case was dismissed in the first sentence and the Bank won the lawsuit. The plaintiff appealed to a higher court again and the case is currently under trial at Taiwan High Court Kaohsiung Branch Court.

c. Case 3: Damage claim

Lawsuit commencing from: January 4, 2011

Major parties: Plaintiff: Wu and others
Defendant: Chang and the Bank

Dispute: The plaintiff requested incidental civil procedures and joint liability for damages as the employer because the employees of the defendant are suspected of misappropriation, forging document, and fraud to cause damage to the plaintiff.

Target amount: NT$ 56,183,179 and the interest calculated as 5% per annum interest rate from the next day of the arrival of complain manuscripts to reimbursement date.

Status before the Annual Report Publishing Date: The court handed down its first sentence against the Bank, where it had to pay the plaintiff NT$40,225,594 as it held joint liability. Although the bank appealed to a higher court, the result of the second sentence was the same. The Bank has therefore appealed for the third time and the case is now under trial.

d. Case 4: Damage claim

Lawsuit commencing from: Aug 10 2012

Major parties: Plaintiff – Wang
Defendants – Sunny Bank, Chang

Dispute: the plaintiff requested incidental civil procedures and joint liability for damages as the employer because Chang, an employee of the defendant, is suspected of stealing the plaintiff's deposit in the Bank to cause damage to the plaintiff.

Target amount: NT$ 13,763,600 and the interest calculated as 5% per annum interest rate from the next day of the arrival of complain manuscripts to reimbursement date.

Status before the Annual Report Publishing Date: The case was dismissed in the first sentence. As the plaintiff did not appeal the case during the period of time for taking an appeal, the Bank therefore won the case.

e. Case 5: Performance bond claim

Lawsuit commencing from: January 8, 2013

Major parties: Plaintiff – New Asia Construction & Development Corp
Defendants – Sunny Bank

Dispute: Sunny Bank Hsichou Branch's credit borrower Tong Yi Construction was contracted to the project of rehabilitating the Qingshan plant of Dajia Rive Power Plant and the Bank's Hsichou Branch offered the plaintiff a Specimen of Performance Bond with a total value of NT$10,875,000. The plaintiff now claims that the New Asia Construction and Development Corp. breaches the contract and requests the Bank to pay for the amount stated on the contract.

Target amount: NT$10,875,000 and the interest calculated as 5% per annum interest rate from September 7, 2012, to reimbursement date.

Status before the Annual Report Publishing Date: The court handed down its first sentence against the Bank, where it had to pay the plaintiff NT$8,156,250. The plaintiff appealed to a higher court and retreated it on February 10, 2014.

(11) Other important risks and correspondent measures: None

7. Crisis Management Mechanism

"Important Events Report, Control and Following" and "Emergency Capital Raising and Response Procedure" are set by the Bank to deal with crisis.

(1) Crisis Management Mechanism

a. Objective: The initiatives have been made in an effort to fully grasp any scenarios of major accidental incident occurred at the Bank, and to facilitate adopting relevant response measures, and to immediately notify relevant government agencies in anticipate that in the wake of a crisis incident, the Bank will be able to rapidly adopt the response plan to mitigate the impact of an incident, and to maintain the normal operation of the business activity.

b. Urgent contingency policy:

i. At the time a major accidental incident occurs, all bank units are not only required to file a report with the law enforcement or other relevant government agencies and adopt emergency remedial measures depending on the circumstances of the case, but the unit supervisor shall, following the occurrence of the incident, promptly notify the system commissioner by telephone and present a report to the host unit (a report shall still be filed even during the non-business hours), and the process documented as a written record.

ii. The Bank's host unit, upon learning the relevant information of a major accidental incident, shall promptly and voluntarily discern the truth of the incident by gathering relevant information and complete a phone record or a written report, which is to be filed with the system commissioner, the president and the chairman.

iii. All bank units, in response to a major accidental incident, shall file a written report citing the process of the incident and the state of disposition with the Bank's host unit within three days following the occurrence of the incident.

iv. The audit department shall be in charge of faxing relevant information by complying with the authorities' instructions, and shall promptly notify the Banking Bureau of the FSC, the CBC and Central Deposit Insurance Corporation on relevant incident scenario, state of disposition, and state of improvement within one week following the occurrence of the incident.

v. Post-disaster act: all bank units, following the reporting of a major incident, shall enlist the incident under a special project for monitoring, and shall promptly notify the Bank's host unit on the case's subsequent development.

The Bank's host unit, in response to major incidental cases reported, shall assign designated personnel to file and monitor the case through a designated case process, and to voluntarily or routinely follow up the subsequent development and state of improvement, depending on the severity and urgency of a case, and to document the process in written records to timely resolve the problem. Once there are concrete results, a report will be sent to the chairman, and the audit department will file a report with authorities. For suspected deficiencies in alleged fraud cases or major incidental cases, the audit department should review the situation every three months until the circumstances have been improved.

(2) "Emergency capital raising and response procedure

a. Objective: An emergency response plan is drafted according to the Bank's "Liquidity Risk Management Guidelines" to successfully raise the capital at times of urgent needs in order to respond to a large deposit loss at the Bank, or even at the time of a major incident.

b. Requisite hypothesis:
   In the wake of a major contingency, the Bank shall at least reserve three days worth of a large amount of capital in response to the customer's fund withdrawals, which are classified by the deposit types as follows,
   i. In case of demand deposits (including the checking deposit, demand deposit, and savings deposit), 9% of the total balance will be withdrawn on day one, 6% will be withdrawn on day two, and 2% will be withdrawn on day three.
   ii. In case of time deposit and CD (including time deposit, time savings deposit, and negotiable certificate of deposit (NCD), 12% of the total balance will be withdrawn on day one, 7% will be withdrawn in day two, and 4% will be withdrawn on day three.

c. Emergency response procedure
   Head of the finance department shall urge the chairman to stage an urgent asset/liability management committee meeting:
   i. To evaluate the market impact trend.
   ii. To review the current liquidity positions.
   iii. To plan the source of fund raising.
   iv. To determine the response action procedure.

d. Immediate actions to be taken
   i. To present the cash liquid positions on all currency.
   ii. To liquidate the notes, bonds and the investment position of various marketable securities.
   iii. To obtain peer capital of a fixed period of time.
   iv. To extend the Bank's liability expiry date, and to avoid concentration on the same expiry date.
   v. To narrow down the liquidity position gap.
   vi. To discuss whether to raise the Bank's NCD and other deposit published interest rates to attract capital.
   vii. To temporarily suspend large business account loans and general credit loans.

e. Steps for raising the fund
   i. To verify the Bank's available fund and source of fund that can be collaterized (including the CBC's reserve A account and reserve B account, Financial Information Service, Due from banks financial bonds, and various marketable securities investment instruments and the like).

ii. To liquidate investment exposure.
   (a) To verify the investment exposure held
   (b) To review the market conditions of the liquid assets that can be liquidated
   (c) To calculate the market valuation and state of gain or deficit following the liquidation
iii. To liquidate the foreign exchange positions: to liquidate the Bank's foreign currency positions of all currency.
iv. To secure interbank loans
   (a) To identify the position as interbank loans
   (b) To obtain peer support by utilizing the established peer relationships
   (c) To rally for the authorities' moral persuasion in an attempt to derive peer capital assistance with a longer date
v. To expand the trading on notes and bonds RP transactions
   (a) To verify the RP position
   (b) To persuade the customers and peer support by utilizing the established relationships
vi. To retain the Bank's deposit accounts
   (a) To identify the source of the Bank's major deposits
   (b) To persuade loyal customers not to make withdrawal prematurely by utilizing the established relationships
vii. The CBC's rediscounting window and its financing service
   To review qualified marketable securities that can be discounted for cash, and to file for fund raising as per the "Directions for the Central Bank of China Accommodations to Banks".

f. Capital payout methods:
   i. Central Bank reserve A account: Acts as the Bank's main account for financing, the source of fund should first be allocated to the account, which will facilitate the operation of the Bank-wide liquidity financing center.
   ii. Financial Information Service: Persuade the customers to withdraw the funds using the financial payment transfer method to stop depleting the cash held in vault, and to alleviate the customer traffic queuing at the counter.
   iii. Cash held in vault: Provided that the loss of deposits accounts for 12% of the equivalent cash held in vault, then the amount would roughly be equivalent to eight times the balance of the Bank's general cash held in vault; by then, the finance department would need to draft daily emergency contingency measures in terms of how best to distribute cash to all units (including those located in other counties and cities), or how best to seek the support of nearby peers.
   iv. NTD checking account: mainly for paying the corporate accounts, large-amount customers and financial peers.

8. Other Important Events: None

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VIII. Special Remarks

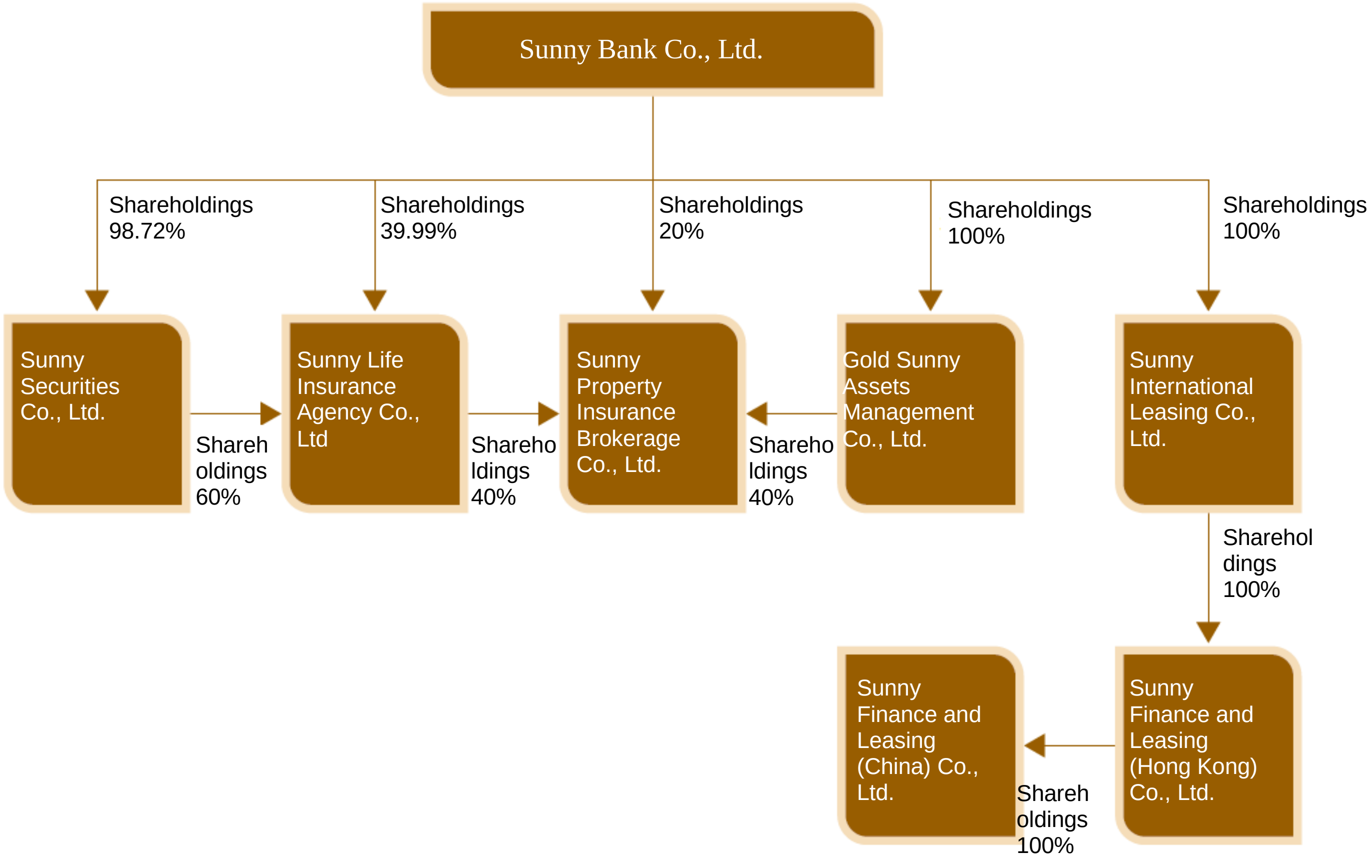
1. Information of Affiliates
2. Private Placement of Marketable Securities and Financial Debentures during the Most Recent Fiscal Year before publishing the Annual Report
3. Holding or Disposal of the Bank Stocks by Subsidiaries during the Most Recent Fiscal Year before publishing the Annual Report
4. Additional Supplementary Remarks

1. Information of Affiliates

(1) Affiliates' Status

a. Organization Chart of Affiliates

As of December 31, 2013



b. Basic Information of Affiliates

Unit: NT$ 1,000 excepts those with notes.

Company Name	Date of Establishment	Address	Paid-in Capital	Major Business
Sunny Securities Co., Ltd.	February 4, 1998	No.165 B2, Sec. 5, Minsheng E. Rd., Songshan Dist., Taipei City	502,000	Marketable Securities Entrusting and Trading in the stock exchange, as well as futures introducing broker business
Sunny Life Insurance Agency Co., Ltd.	February 15, 2001	2F., No.205, Chang'an W. Rd., Datong Dist., Taipei City	52,500	Life Insurance Brokerage
Sunny Property Insurance Brokerage Co., Ltd.	August 14, 2003	2F., No.205, Chang'an W. Rd., Datong Dist., Taipei City	6,050	Property Insurance Brokerage
Gold Sunny Assets Management Co., Ltd.	October 23, 2006	5F., No.255, Zhongzheng Rd., Shilin Dist., Taipei City	50,000	Financial Institution Creditor's Right (Money) Appraisal and Auction
Sunny International Leasing Co., Ltd.	November 28, 2012	6F., No.88, Sec. 1, Shipai Rd., Beitou Dist., Taipei City	600,000	Leasing, installments, debt collection, other financing and leasing related business, and investing on financing and leasing companies in China
Sunny Finance and Leasing (Hong Kong) Co., Ltd.	January 24, 2013	Unit 511, 5/F., Tower 1, Silvercord, 30 Canton Road, Tsimshatsui, Kowloon, Hong Kong	USD10 million	Finance lease & investment
Sunny Finance and Leasing (China) Co., Ltd.	May 20, 2013	Unit D, 19^{th} Floor, No. 398, Middle Huaihai Road , Huangpu District, Shanghai, China	USD10 million	Finance lease

b. Hold the same data of shareholders of affiliated companies: None

c. Directors and Supervisors of Affiliated Companies

d. Directors, Supervisors and Vice Presidents of Affiliated Companies

December 31, 2013
Unit: 1,000 shares and %

Company Name	Title	Name	Shareholdings	
			Shares	%
Sunny Securities Co., Ltd.	Chairman	Sunny Bank Co., Ltd Representative: Huang, Chin-Yueh	49,555	98.72
	Director	Sunny Bank Co., Ltd Representative: Chou, San-Ho		
	Director	Sunny Bank Co., Ltd Representative: Chang, Chi-Ming		
	Director	Sunny Bank Co., Ltd Representative: Kuo, Chih-Hung		
	Director	Sunny Bank Co., Ltd Representative: Lin, Chih-Liang		
	Supervisor	Tseng, Yao-Te	---	---
Sunny Life Insurance Brokerage Co., Ltd.	Chairman	Sunny Bank Co., Ltd Representative: Chen, Chin-Yi	2,100	39.99
	Director	Sunny Bank Co., Ltd Representative: Ho, Hsuen-Cheng		
	Director	Sunny Bank Co., Ltd Representative: Huang, Cheng-Nan		
	Director	Sunny Securities Co., Ltd Representative: Chao, Fu-Tien	3,150	60.00
	Supervisor	Sunny Securities Co., Ltd Representative: Hsu, Wen-Tung		
Sunny Property Insurance Brokerage Co., Ltd.	Chairman	Sunny Bank Co., Ltd Representative: Chen, Chin-Yi	121	20.00
	Director	Sunny Bank Co., Ltd Representative: Ho, Hsuen-Cheng		
	Director	Sunny Life Insurance Brokerage Co., Ltd. Representative: Huang, Cheng-Nan	242	40.00
	Director	Sunny Life Insurance Brokerage Co., Ltd. Representative: Chao, Fu-Tien		
	Supervisor	Gold Sunny Assets Management Co., Ltd. Representative: Hsu, Wen-Tung	242	40.00
Gold Sunny Assets Management Co., Ltd.	Chairman	Sunny Bank Co., Ltd Representative: Li, Yu-Sheng	5,000	100.00
	Director	Sunny Bank Co., Ltd Representative: Wang, Ya-Hsun		
	Director	Sunny Bank Co., Ltd Representative: Chen, Jen-Chiang		
	Supervisor	Sunny Securities Co., Ltd Representative: Kuo, Chih-Hung		
Sunny International Leasing Co., Ltd.	Chairman	Sunny Bank Co., Ltd Representative: Lin, I-Tsun	60,000	100.00
	Director	Sunny Bank Co., Ltd Representative: Ho, Li-Wei		
	Director	Sunny Bank Co., Ltd Representative: Kang, Wu-Cheng		
	Supervisor	Sunny Bank Co., Ltd Representative: Liu, Tsung-Hsun		
	Vice President	Liu, Chiung-Sen	---	---
Sunny Finance and Leasing (Hong Kong) Co., Ltd.	Director	Sunny International Leasing Co., Ltd.: Lin, I-Tsun	10,000	100.00
Sunny Finance and Leasing (China) Co., Ltd.	Director	Sunny Finance and Leasing (Hong Kong) Co., Ltd.	---	100.00
	Supervisor	Sunny Finance and Leasing (Hong Kong) Co., Ltd.		

e. Operations of Affiliated Companies

Unit: NT$1,000 except the shares in NT$.

Company	Capital	Total Assets	Total Liabilities	Net Value	Operating Income	Operating Income	Current Profit / Loss (After Tax)	Earning Per Share (After Tax)
Sunny Securities Co., Ltd.	502,000	1,087,685	531,870	555,815	70,363	(19,006)	17,738	0.35
Sunny Life Insurance Brokerage Co., Ltd.	52,500	228,692	74,483	150,209	411,283	61,086	54,865	10.45

Company	Capital	Total Assets	Total Liabilities	Net Worth	Operating Income	Operating Income	Current Profit / Loss (After Tax)	Earning Per Share (After Tax)
Sunny Property Insurance Brokerage Co., Ltd.	6,050	19,348	2,278	17,070	16,443	3,670	3,006	4.97
Gold Sunny Assets Management Co., Ltd.	50,000	336,742	273,576	63,166	56,677	27,623	20,793	4.16
Sunny International Leasing Co., Ltd.	600,000	951,306	336,356	614,950	24,534	8,981	8,610	0.14
Sunny Finance and Leasing (Hong Kong) Co., Ltd.	299,500	299,590	120	299,470	---	(30)	(30)	---
Sunny Finance and Leasing (China) Co., Ltd.	299,500	316,277	10,743	305,534	664	(9,656)	1,751	---

(2) Consolidated Financial Statements Covering Affiliated Enterprises: Please see Consolidated Financial Statements in the section of Financial Status.

(3) Reports on Affiliations: Not Applicable

2. Private Placement of Marketable Securities and Financial Debentures during the Most Recent Fiscal Year before publishing the Annual Report: None

3. Holding or Disposal of the Bank Stocks by Subsidiaries during the Most Recent Fiscal Year before publishing the Annual Report

January 31, 2014

Unit: NT1,000; shares; %

Subsidiary	Paid-in Capital	Source of Fund	Shareholdings of the Bank	Date of acquisition or disposal	Shares and Amount Acquired	Shares and Amount Disposed	Profit Loss	Shares and Amount Held as of publication Date of the Annual Report	Pledge Creation	The Bank's Endorsement & Guarantee to Subsidiaries	The Bank's Loans to Subsidiaries
Sunny Securities Co., Ltd.	502,000	Self- owned Capital	98.72	---	---	---	---	---	---	300 million	200 million
Sunny Life Insurance Brokerage Co., Ltd.	52,500	Self- owned Capital	39.99	---	---	---	---	420,059 shares 4,201	---	---	---
Sunny Property Insurance Brokerage Co., Ltd.	6,050	Self- owned Capital	20.00	---	---	---	---	---	---	---	---
Gold Sunny Assets Management Co., Ltd.	50,000	Self- owned Capital	100.00	---	---	---	---	---	---	---	---
Sunny International Leasing Co., Ltd.	600,000	Self- owned Capital	100.00	---	---	---	---	---	---	760 million	---

Note: The amounts endorsed by the subsidiaries are the credit amount with implied warranties or support agreements.

4. Additional Supplementary Remarks: None

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IX. Service Network

Unit Name	Address		Tel.	
Taipei City				
Head Office	11163	No. 255, Chungcheng Rd., Shihlin Dist., Taipei City	(02)	2820-8166
Business Department(Note)	11163	No. 255, Chungcheng Rd., Shihlin Dist., Taipei City	(02)	2882-2330
Shih Lin Branch	11169	No. 82, Tapei Rd., Shihlin Dist., Taipei City	(02)	2882-3660
Chien Tan Branch	11166	No. 131, Tungho St., Shihlin Dist., Taipei City	(02)	2885-4181
She Tzu Branch(Note)	11173	No. 260, Sec. 5, Yenping N. Rd., Shihlin Dist., Taipei City	(02)	2812-1112
Lan Ya Branch	11155	No. 169, Sec. 6, Chungshan N. Rd., Shihlin Dist., Taipei City	(02)	2836-2072
T ien Mu Branch	11153	No. 15, T ienmu E. Rd., Shihlin Dist., Taipei City	(02)	2873-2500
She Chung Branch	11175	No. 220, Shechung St., Shihlin Dist., Taipei City	(02)	2815-1415
Administration Management Department	11271	No. 90, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2820-8166
Credit Card Department	11271	No. 88, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2822-0122
Trust Department	11271	No. 88, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2820-8166
Finance Department	11271	No. 88, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2820-8166
Wealth Management Department	11271	No. 88, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2820-8166
Shih Pai Branch (Note)	11271	No. 90, Sec. 1, Shihpai Rd., Peitou Dist., Taipei City	(02)	2823-8480
Pei Tou Branch	11246	No. 152, Kuangming Rd., Peitou Dist., Taipei City	(02)	2891-7361
Ta Tun Branch	11252	No. 304, Chungho St., Peitou Dist., Taipei City	(02)	2891-9196
Chi Lin Branch	10459	No. 304 Chihlin Rd., Chungshan Dist., Taipei City	(02)	2561-1188
Lung Chiang Branch	10475	No. 49, Lane 356, Lungchiang Rd., Chungshan Dist., Taipei City	(02)	2516-5945
Taipei Branch	10451	No. 43, Sec. 1, Mingsheng E. Rd., Chungshan Dist., Taipei City	(02)	2563-3710
Chung Hsing Branch (Note)	10478	No. 36, Sec. 3, Minsheng E. Rd., Chungshan Dist., Taipei City	(02)	2516-5268
Min Sheng Branch	10589	No. 167, Sec. 5, Minsheng E. Rd., Sungshan Dist., Taipei City	(02)	2760-6335
Yen Chi Branch	10558	No. 11, Yenchi St., Sungshan Dist., Taipei City	(02)	2578-6201
Nan king Branch	10553	No. 132, Sec. 4, Nanking Ed., Rd., Sungshan Dist., Taipei City	(02)	2579-0229
Fuh Sing Branch	10547	No. 143, Fuhsing N. Rd., Sungshan Dist., Taipei City	(02)	2719-6166
Offshore Banking Unit	10547	2F, No. 143, Fuhsing N. Rd., Sungshan Dist., Taipei City	(02)	2719-1616
International Banking Department	10547	2F, No. 143, Fuhsing N. Rd., Sungshan Dist., Taipei City	(02)	2719-1616
Cheng Kung Branch(Note)	11489	No.70, Sec. 4, Chengkung Rd., Neihu Dist., Taipei City	(02)	2792-2433
Nei Hu Branch (Note)	11493	No. 250, Sec. 1, Neihu Rd., Neihu Dist., Taipei City	(02)	2658-6698
Mu Cha Branch (Note)	11648	No. 96, Sec. 3, Mucha Rd., Wenshan Dist., Taipei City	(02)	2234-5890
Ching Mei Branch	11669	No. 95-12, Chinghou St., Wenshan Dist., Taipei City	(02)	2930-0202
Ku T ing Branch	10080	No. 40, Sec. 2, T ingchou Rd., Chungcheng Dist., Taipei City	(02)	8369-2288
Hsin Yi Branch	10681	No. 188, Sec. 4, Hsinyi Rd., Taan Dist., Taipei City	(02)	2706-8388
Ta An Branch	11056	No. 225, Sec. 3, Hoping E. Rd., Hsinyi Dist., Taipei City	(02)	2733-7711
Chang An Branch	10350	No. 205, Changan W. Rd., Tatung Dist., Taipei City	(02)	2559-5500
Nan Gang Branch	11578	No.97, Sec. 2, Nangang Rd., Nangang Dist., Taipei City	(02)	2785-1001
New Taipei City				
Pan Chiao Branch (Note)	22063	No. 133, Sec. 1, Szuchuan Rd., Panchiao Dist., New Taipei City	(02)	2955-0008
His Chou Branch	22072	No. 89, Sec. 3, Tuhsing Rd., Panchiao Dist., New Taipei City	(02)	2681-9960
Hsin Pu Branch	22049	No. 245, Szuwei Rd., Panchiao Dist., New Taipei City	(02)	8253-7789

Unit Name	Address		Tel.	
Yung Ho Branch(Note)	23443	No. 188, Sec. 1, Chungshan Rd., Yungho Dist., New Taipei City	(02)	2926-5899
Chung Ho Branch (Note)	23553	No. 245, Chienyi Rd., Chungho Dist., New Taipei City	(02)	2222-5199
Hsin Ho Mini-Branch	23570	No. 89, Huahsin St., Chungho Dist., New Taipei City	(02)	8941-9339
Shuang Ho Branch	23556	No. 722, Chingping Rd., Chungho Dist., New Taipei City	(02)	8242-3919
San Chung Branch	24151	No. 108, Sec. 4, Tzuchiang Rd., Sanchung Dist., New Taipei City	(02)	8981-7171
Chung Hsin Branch	24144	1F, No. 28, Sec. 4, Chunghsin Rd., Sanchung Dist., New Taipei City	(02)	2977-9886
Hsin Chuang Branch	24260	No. 533, Lungan Rd., Hsinchuang Dist., New Taipei City	(02)	8201-9069
Hsin Fu Mini-Branch	24247	No. 800, Hsingfu Rd., Hsinchuang Dist., New Taipei City	(02)	2998-3366
Lu Chou Branch	24747	No. 393, Chihsien Rd., Luchou Dist., New Taipei City	(02)	8282-2068
Hsin T ien Branch	23148	No. 263-5, Chungcheng Rd., HsinT ien Dist., New Taipei City	(02)	8911-7676
Tai Shan Branch	24347	No. 110, Sec. 1, Mingchih Rd., Taishan Dist., New Taipei City	(02)	2297-9797
Wu Ku Branch	24872	No. 12, Sec. 1, Chunghsing Rd., Wuku Dist., New Taipei City	(02)	8976-9000
Tu Cheng Branch	23643	No.2, Ln. 33, Sec. 3, Jincheng Rd., Tucheng Dist., New Taipei City	(02)	8261-1818
Keelung City				
Kee Lung Branch	20145	No.117, Xin 1st Rd., Xinyi Dist., Keelung City	(02)	2422-2828
Yilan County				
Luo Tung Branch	26548	No. 30, Chungcheng N. Rd., Luotung Town, Yilan County	(03)	957-1259
Taoyuan County				
Ta Yeh Mini-Branch	33049	No. 55, Sec. 1, Tayeh Rd., Taoyuan City, Taoyuan County	(03)	347-8899
Tao Yuan Branch (Note)	33048	No. 32-20, Chungshan E. Rd., Taoyuan City, Taoyuan County	(03)	336-0555
Chung Li Branch	32097	No. 171, Chienhsing Rd., Chungli City, Taoyuan Hsien	(03)	428-2229
East Tao Yuan Branch	33044	No.523, Jingguo Rd., Taoyuan City, Taoyuan County	(03)	316-1859
Hsinchu City				
Hsin Chu Branch	30041	No. 247, Chungyang Rd., East Dist., Hsinchu City	(03)	515-3608
Lin Sen Branch (Note)	30061	No. 109, Hsita Rd., East Dist., Hsinchu City	(03)	610-0189
Hsinchu County				
Chu Pei Branch	30264	No. 232 & 236, East Sec. 1, Kuangming 6th Rd., Chupei City, Hsinchu County	(03)	658-5818
Taichung City				
Taichung Branch (Note)	40354	No. 159, Sec. 1, Taichungkang Rd., West Dist., Taichung City	(04)	2310-9996
Hsiang Shang Branch	40356	No. 166, Sec. 1, Hsiangshang S. Rd., West Dist., Taichung City	(04)	2472-2528
Ching Wu Branch	40147	No. 188, Chingwu E. Rd., East Dist., Taichung City	(04)	2211-2368
Changhua County				
Yuan Lin Branch	51052	No. 12, Chinghsiu Rd., Yuanlin Town, Changhua County	(04)	832-2171
She Tou Mini-Branch	51141	No. 257, Sec. 2, Yuanchi Rd., Shetou Hsiang, Changhua County	(04)	872-1017
Chang Hua Branch	50063	No.187, Siaoyang Rd., Changhua City, Changhua County	(04)	728-9399
Chiayi City				
Chia Yi Branch	60089	1F & 2F, No. 296 & 298, Chunghsing Rd., West Dist., Chiayi City	(05)	234-2023
Kuang Hua Branch	60045	No. 119, Kuanghua Rd., East Dist., Chiayi City	(05)	228-5830

Unit Name	Address		Tel.	
Tainan City				
Chung Hua Branch (Note)	70168	No. 102, Sec. 3, Chunghua E. Rd., East Dist., Tainan City	(06)	267-0751
Tung Ning Mini-Branch	70160	No. 247, Tungning Rd., East Dist., Tainan City	(06)	237-5141
Tainan Branch	70050	No. 148, Sec. 2, Chungyi Rd., Jhongxi Dist.,Tainan City	(06)	228-2171
Chien Kang Branch	70262	No. 370, Sec. 2, Chienkang Rd., South Dist., Tainan City	(06)	261-2136
An Shun Branch	70941	No. 202, Sec. 1, Anho Rd., Annan Dist., Tainan City	(06)	256-3146
His Hua Branch	70847	No. 359, Sec. 2, Chunghua W. Rd., Anping Dist., Tainan City	(06)	297-9880
Yung Kang Branch	71049	No. 625, Chunghua Rd., Yungkang Dist., Tainan City	(06)	203-6607
Jen Te Branch	71743	No. 273, Sec. 2, Chungcheng Rd., Jente Dist., Tainan City	(06)	270-6361
Kaohsiung City				
Kaohsiung Branch (Note)	80766	No. 192, Chiuju 1st Rd., Sanmin Dist., Kaohsiung City	(07)	384-3163
San Feng Branch	80749	No. 293, Chunghua 3rd Rd., Sanming Dist., Kaohsiung City	(07)	231-5101
Ta Shun Branch	80787	No. 41, Tashun 2nd Rd., Sanmin Dist., Kaohsiung City	(07)	386-1622
Ping Teng Branch	80745	No. 283, Tzuli 1st Rd., Sanmin Dist., Kaohsiung City	(07)	321-4622
T ing Li Branch	80789	No. 142, T ingli Rd., Sanmin Dist., Kaohsiung City	(07)	346-5955
Tsuo Ying Branch	81357	No. 102, Poai 2nd Rd., Tsuoying Dist., Kaohsiung City	(07)	556-0128
Hai Kuang Branch	81346	No. 190, Tsuoyingta Rd., Tsuoying Dist., Kaohsiung City	(07)	582-3511
Li Wen Branch (Note)	81358	No. 75, Liwen Rd., Tsuoying Dist., Kaohsiung City	(07)	558-0711
Ling Ya Branch	80250	No. 22, Fuhsing 2nd Rd., Lingya Dist., Kaohsiung City	(07)	331-0066
Ching Nien Branch	80252	No. 169-1, Chingnien 1st Rd., Lingya Dist., Kaohsiung City	(07)	331-8526
Szu Wei Branch (Note)	80245	No. 159, Chunghua 4th Rd., Lingya Dist., Kaohsiung City	(07)	333-3701
Chien Chen Branch	80266	No. 281, Santuo 2nd Rd., Lingya Dist., Kaohsiung City	(07)	711-0046
Chien Kuo Branch	80289	No. 124, Wumiao Rd., Lingya Dist., Kaohsiung City	(07)	715-3513
Hsin Hsing Branch(Note)	80049	No. 6, Chungcheng 4th Rd., Hsinhsing Dist., Kaohsiung City	(07)	288-4131
Min Tsu Branch	80047	No. 218, Chungcheng 2nd Rd., Hsinhsing Dist., Kaohsiung City	(07)	224-2426
Yu Chang Branch	81156	No. 803, Chiachang Rd., Nantzu Dist., Kaohsiung City	(07)	364-6530
Nan Tzu Branch	81162	No. 55, Nantzu Rd., Nantzu Dist., Kaohsiung City	(07)	353-5513
Ta Kung Branch	80342	No. 40, Takung Rd., Yencheng Dist., Kaohsiung City	(07)	531-5105
Hsiao Gang Branch	81253	No.615, Hongping Rd., Xiaogang Dist., Kaohsiung City	(07)	806-5171
Wu Chia Branch	83084	No. 368, Wuchia 2nd Rd., Fengshan Dist., Kaohsiung City	(07)	726-0801
Kang Shan Branch	82065	No. 16, Tate 1st Rd., Kangshan Dist., Kaohsiung City	(07)	623-6182
Chi Shan Branch	84243	No. 158, Chungshan Rd., Chishan Dist., Kaohsiung City	(07)	661-2081
Mei Nung Mini-Branch	84348	No. 25, Sec. 1, Chungcheng Rd., Meinung Dist., Kaohsiung City	(07)	681-8346
Lin Yuan Mini-Branch	83248	No. 136, Tunglin W. Rd., Linyuan Dist., Kaohsiung City	(07)	643-8141
Pingtung County				
Ping Tung Branch	90074	No. 70, Chungcheng Rd., Pingtung City, Pingtung County	(08)	732-6123
Chung Cheng Mini-Branch	90062	No. 293, Chungcheng Rd., Pingtung City, Pingtung County	(08)	736-0811
Li Gang Branch	90546	No. 43, Ligang Rd., Chunlin V illage, Ligang Hsiang, Pingtung County	(08)	775-7735
Tung Gang Mini-Branch	92843	No. 166, Chungcheng Rd., Tunggang Town, Pingtung County	(08)	832-0887

Sunny Bank Co., Ltd

Chairman: LIN, PENG-LANG

陽信銀行
SUNNY BANK