

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BANK OF TAIWAN

Statements of Comprehensive Income

For the years ended December 31, 2017 and 2016

(Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Common Share)

	2017		2016		Change %	
	Amount	%	Amount	%		
Revenue and income:						
41000	Interest income	\$ 59,105,478	179	59,402,785	132	(1)
51000	Less: Interest expense	(33,583,762)	(102)	(33,367,745)	(75)	1
	Net interest income	<u>25,521,716</u>	<u>77</u>	<u>26,035,040</u>	<u>57</u>	<u>(2)</u>
Non-interest income, Net						
49100	Service fees, Net	4,816,095	15	5,123,733	12	(6)
49200	Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	31,513,696	96	16,322,868	37	93
49300	Realized gain (loss) on available-for-sale financial assets	3,013,653	9	2,131,822	5	41
49600	Foreign exchange gain (loss)	(3,249,634)	(10)	(457,893)	(1)	(610)
45000	Reversal of impairment losses	(1,913)	-	27,659	-	(107)
49750	Share of profit (loss) of associates and joint ventures accounted for using equity method	2,806,886	8	16,721,663	38	(83)
49837	Premiums loss	(1,445,511)	(4)	(7,092,220)	(16)	80
49843	Sales income	455,670	1	542,536	1	(16)
48054	Subsidized income from government	10,452,705	32	13,754,258	31	(24)
49898	Excess preferential interest expenses	(11,005,334)	(33)	(10,776,632)	(24)	(2)
49871	Provisions for policyholders' reserve premium, Net	(30,214,824)	(92)	(18,843,200)	(42)	(60)
49899	Excess interest expenses	277,074	1	1,024,100	2	(73)
	Net Revenue	<u>32,940,279</u>	<u>100</u>	<u>44,513,734</u>	<u>100</u>	<u>(26)</u>
58200	Bad debt expense and reserve for guarantees	(1,685,005)	(5)	(5,183,736)	(12)	(67)
Expenses:						
58500	Employee benefits expenses	(11,982,202)	(36)	(11,918,381)	(27)	1
59000	Depreciation and amortization expenses	(1,100,306)	(3)	(1,103,835)	(2)	-
59500	Other general and administrative expenses	(6,915,570)	(21)	(6,936,219)	(16)	-
	Total Expenses	<u>(19,998,078)</u>	<u>(60)</u>	<u>(19,958,435)</u>	<u>(45)</u>	<u>-</u>
	Operating Income, Net	<u>11,257,196</u>	<u>35</u>	<u>19,371,563</u>	<u>43</u>	<u>(42)</u>
	Net income before income tax	11,257,196	35	19,371,563	43	(42)
61003	Income Tax Expenses	(853,606)	(3)	(1,717,506)	(4)	50
	Net income	<u>10,403,590</u>	<u>32</u>	<u>17,654,057</u>	<u>39</u>	<u>(41)</u>
Other comprehensive income:						
Components of other comprehensive income that will not be reclassified to profit or loss						
	Gains (losses) on remeasurements of the defined benefit plans	(962,992)	(3)	(744,381)	(2)	(29)
	Change in fair value of financial liability attributable to change in credit risk of liability	(49,185)	-	-	-	-
	Shares of other comprehensive income of associates and joint ventures accounted for using equity method	(91,561)	-	(105,554)	-	13
	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-
	Total items that will not be reclassified to profit or loss	<u>(1,103,738)</u>	<u>(3)</u>	<u>(849,935)</u>	<u>(2)</u>	<u>(30)</u>
Components of other comprehensive income that may be subsequently reclassified to profit or loss						
	Exchange difference arising on translation of foreign operation	(1,437,837)	(4)	(468,214)	(1)	(207)
	Unrealized gains (losses) on available-for-sale financial assets	7,119,853	22	4,003,761	9	78
	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	195,022	1	(309,797)	(1)	163
	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(20,417)	-	(27,844)	-	27
	Components of other comprehensive income that will be reclassified to profit or loss	<u>5,856,621</u>	<u>19</u>	<u>3,197,906</u>	<u>7</u>	<u>83</u>
	Other comprehensive income (net amount after tax)	<u>4,752,883</u>	<u>16</u>	<u>2,347,971</u>	<u>5</u>	<u>102</u>
	Total comprehensive income	<u>\$ 15,156,473</u>	<u>48</u>	<u>20,002,028</u>	<u>44</u>	<u>(24)</u>
	Basic earnings per share	<u>\$ 1.10</u>		<u>1.86</u>		

See accompanying notes to financial statements.