

Independent Auditors' Report

To the Board of Directors of Bank of Taiwan:

Opinion

We have audited the financial statements of Bank of Taiwan ("the Bank"), which comprise the balance sheets as of December 31, 2019 and 2018, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Public Banks" and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements of Financial Institutions by Certified Public Accountants, Ruling No. 10802731571 issued by the FSC and the auditing standards generally accepted in Republic of China in 2019 and in accordance with the Regulations Governing Auditing and Certification of Financial Statements of Financial Institutions by Certified Public Accountants and the auditing standards generally accepted in Republic of China in 2018. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Bank of Taiwan in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained, inclusive of the report from other auditors, is sufficient and appropriate to provide a basis of our opinion.

Emphasis of Matter

In accordance with the auditing regulations in Taiwan, the financial statements of the Bank are required to be audited by the Ministry of Audit (the "MoA"). The financial statement for the financial year ended December 31, 2018 has been audited and approved by the MoA. The adjustments made by the MoA are reflected in the financial statement. For further information, please see note 16(b). Our opinion is not modified in respect of this matter.

Other Matter

As stated in note 6(j) of the financial statements, we did not audit the financial statements of Hua Nan Financial Holdings Co., Ltd. and Tai Yi Real Estate Co., Ltd. of investments in associates accounted for using equity method of the Bank amounting to NT\$40,082,243 thousand and NT\$36,994,293 thousand as of December 31, 2019 and 2018, respectively, constituting 0.78% and 0.73% of the related total assets; nor the related shares of investment profit in associates accounted for using equity method of NT\$3,391,501 thousand and NT\$3,108,235 thousand for the years then ended, respectively, constituting 8.07% and 7.91% of the related net revenue. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts includes above, is based solely on the report of the other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. The assessment of impairment of financial assets

Please refer to Note 4(k) “Impairment of assets” for related accounting policy, Note 5(b) “The evaluation of financial asset impairments” for the uncertainty of accounting assumptions and estimations, and Note 8 “Financial risk management ” for the details of evaluation of financial asset impairments. .

Description of key audit matters

When assessing whether there is any indication that the financial assets other than measured at fair value through profit or loss may be impaired, the Bank relies on management for considering all kinds of observable data and using the expected credit loss model, including probability of default, loss of default, exposure at default and prospective economic factors, to calculate the impairment loss. The calculation process is complicated and involves the exercise of judgment. Eventually, the assumptions used may also affect the estimated amount significantly. Furthermore, the amount of financial assets which required impairment tests is material to the Bank. Therefore, the assessment of impairment of financial assets has been identified as a key audit matter in our audit.

How the matter was addressed in our audit

Our principal audit procedures included (i) inspecting the internal guidelines of impairment assessment, understanding the Bank's procedures of the assessment of impairment of financial assets, and testing related internal control procedures; (ii) performing analytical procedures; (iii) assessing the reasonableness of the Bank's assessment of impairment of financial assets and, if necessary, acquiring assistance from internal specialist; (iv) verifying the accuracy of loan loss provision based on “Regulations Governing the Procedures for Enterprises Engaging in Insurance to Evaluate Assets and Deal with Non performing/Non accrual Loans”; (v) assessing whether the impairment of financial assets is presented and disclosed fairly.

2. The valuation of financial instruments

Please refer to Note 4(e) “Financial instrument” for related accounting policy, Note 5(a) “The fair value valuation of non-active market or non-quoted financial instruments” for major sources of uncertainty for assumptions and estimation, and Note 7 “The fair value and fair value hierarchy of the financial instruments” for the details of valuation of financial instruments.

Description of key audit matters

The Bank holds the value of financial assets and liabilities, which shall calculated by a model are classified as level 2 and level 3 expect for which shall calculated by an observable for active market are classified as level 1. The parameters of inputs which often involve the exercise of judgment in valuation process. The valuation of financial instruments may be misstated due to the use difference of valuation techniques and assumptions. The amount of financial asset and liabilities the Bank hold as of December 31, 2019 were significant. Therefore, the valuation of financial instruments has been identified as a key audit matter in our audit.

How the matter was addressed in our audit

Our main audit procedures included (i) reviewing accounting policy about the fair value of financial instruments measurement and disclosure , and performing an assessment over the investment cycle of its initial recognition, subsequent measurement and disclosures on financial statement (ii) for the financial instruments measured at fair value with active market, sampling test of prices are quoted in an active market (iii) sampling to test whether the fair value of the financial instruments measured at fair value without an active market are appropriate by re-calculating and obtaining the quoted price from counter parties or independent third parties, as well as appointing our valuation specialists to assess the reasonableness of the models and parameters the Bank used when deemed necessary (iv) assessing whether the disclosure of financial instruments in accordance with International Financial Reporting Standards.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Budget Law, Account Settlement Law, Uniform Regulations on Accounting Systems for Banks Governed by the Ministry of Finance, Regulations Governing the Preparation of Financial Reports by Public Banks and with the IFRSs, IASs, interpretations as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Bank’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Feng-Hui Lee and Lin Wu.

A handwritten signature of the KPMG logo in black ink, featuring a stylized 'K' and 'G'.

KPMG

Taipei, Taiwan (Republic of China)

March 20, 2020

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

BANK OF TAIWAN
Balance Sheets
December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2019		December 31, 2018				December 31, 2019		December 31, 2018	
		Amount	%	Amount	%			Amount	%	Amount	%
	Assets						Liabilities and Equity				
11000	Cash and Cash Equivalents	\$ 144,312,778	3	165,864,930	3						
11500	Placement With Central Bank and Call Loans to Banks	560,586,872	11	535,130,849	11	21000	Deposits of Central Bank and Other Banks	\$ 229,253,533	5	221,756,139	4
12000	Financial Assets Measured at Fair Value through Profit or Loss	244,193,929	5	236,408,718	5	22000	Financial Liabilities Measured at Fair Value through Profit or Loss	60,283,847	1	50,554,317	1
12100	Financial Assets Measured at Fair Value through Other Comprehensive Income	1,013,078,126	20	1,117,727,277	22	22300	Hedging Derivative Financial Liabilities, net	25,537	-	12,973	-
12200	Debt Investments Measured at Amortized Cost	177,206,775	3	167,824,692	3	22500	Bills and Bonds Sold under Repurchase Agreements	21,564,871	-	25,078,047	-
12300	Hedging Derivative Financial Assets	1,071	-	41,693	-	23000	Payables	43,827,118	1	45,769,665	1
13000	Receivables, net	58,497,703	1	59,258,329	1	23200	Current Income Tax Liabilities	1,343,857	-	262,675	-
13200	Current Income Tax Assets	993,628	-	1,113,134	-	23500	Deposits and Remittances	3,972,246,112	78	4,026,190,539	81
13500	Loans and Discounts, net	2,676,141,224	52	2,557,027,294	51	24000	Financial Bonds Payables	24,998,820	-	24,998,566	-
15000	Investments under Equity Method, net	41,546,961	1	38,434,590	1	25500	Other Financial Liabilities	962,539	-	678,843	-
15500	Other Financial Assets, net	40,158,445	1	46,040,182	1	25600	Provisions	361,813,702	8	315,017,702	6
18500	Property and Equipment, net	138,125,216	3	96,222,499	2	26000	Lease Liabilities	1,479,132	-	-	-
18600	Right-of-Use Assets, net	1,603,487	-	-	-	29300	Deferred Tax Liabilities	18,235,065	-	18,191,904	-
18700	Investment Property, net	15,238,207	-	15,238,207	-	29500	Other Liabilities	10,694,864	-	7,751,184	-
19000	Intangible Assets, net	873,217	-	764,829	-		Total liabilities	<u>4,746,728,997</u>	<u>93</u>	<u>4,736,262,554</u>	<u>93</u>
19300	Deferred Tax Assets	870,221	-	308,336	-		Equity attributable to owners of parent:				
19500	Other Assets, net	11,553,574	-	8,986,040	-	31101	Capital Stock	109,000,000	2	95,000,000	2
						31500	Capital Surplus	108,453,043	2	80,453,043	2
							Retained earnings:				
						32001	Legal Reserve	44,692,790	1	42,037,924	1
						32003	Special Reserve	36,640,733	1	33,103,998	1
						32005	Unappropriated Retained Earnings	<u>20,140,122</u>	<u>-</u>	<u>17,619,742</u>	<u>-</u>
								<u>101,473,645</u>	<u>2</u>	<u>92,761,664</u>	<u>2</u>
						32500	Other Equity	<u>59,325,749</u>	<u>1</u>	<u>41,914,338</u>	<u>1</u>
							Total equity	<u>378,252,437</u>	<u>7</u>	<u>310,129,045</u>	<u>7</u>
Total assets		<u>\$ 5,124,981,434</u>	<u>100</u>	<u>5,046,391,599</u>	<u>100</u>	Total liabilities and equity		<u>\$ 5,124,981,434</u>	<u>100</u>	<u>5,046,391,599</u>	<u>100</u>

BANK OF TAIWAN
Statements of Comprehensive Income
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2019		2018		Change
		Amount	%	Amount	%	%
Revenue and income:						
41000	Interest income	\$ 66,034,226	157	63,883,640	162	3
51000	Less:Interest expenses	<u>(39,355,438)</u>	<u>(94)</u>	<u>(38,258,657)</u>	<u>(98)</u>	3
	Net interest income	26,678,788	63	25,624,983	64	4
Non-interest income, net						
49100	Service fees ,net	4,840,315	12	4,928,791	12	(2)
49200	Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	48,786,406	116	(4,510,425)	(11)	1,182
49310	Realized gains from financial assets measured at fair value through other comprehensive income	3,580,638	9	2,925,419	7	22
49600	Foreign exchange gain (loss)	(203,841)	-	5,712,951	14	(104)
49700	Provision of impairment loss on assets	(1,350)	-	(86,510)	-	98
49750	Share of profit (loss) of associates and joint ventures accounted for using equity method	3,561,964	8	2,995,129	8	19
49837	Premiums (loss) gain	(1,160,160)	(3)	1,620,567	4	(172)
49843	Sales income	500,387	1	366,662	1	36
48054	Subsidized income from government	8,774,387	21	8,892,009	23	(1)
49898	Excess preferential interest expenses	(8,781,167)	(21)	(9,584,098)	(24)	8
49871	Provisions for policyholders' reserve premium	(45,358,797)	(108)	(1,371,850)	(3)	(3,206)
49899	Excess interest expenses	<u>806,449</u>	<u>2</u>	<u>1,779,850</u>	<u>5</u>	(55)
	Net Revenue	<u>42,024,019</u>	<u>100</u>	<u>39,293,478</u>	<u>100</u>	7
58200	Total bad debts expense and guarantee liability provision	<u>(7,345,228)</u>	<u>(17)</u>	<u>(7,302,488)</u>	<u>(19)</u>	1
Expenses:						
58500	Employee benefits expenses	(13,092,439)	(31)	(12,530,866)	(32)	4
59000	Depreciation and amortization expenses	(1,637,320)	(4)	(986,495)	(3)	66
59500	Other general and administrative expenses	<u>(6,777,995)</u>	<u>(16)</u>	<u>(7,046,039)</u>	<u>(18)</u>	(4)
	Total Expenses	<u>(21,507,754)</u>	<u>(51)</u>	<u>(20,563,400)</u>	<u>(53)</u>	5
	Profit from continuing operations before tax	13,171,037	32	11,427,590	28	15
61003	Less: Income tax expenses	<u>2,013,351</u>	<u>5</u>	<u>1,182,384</u>	<u>3</u>	70
	Net profit	<u>11,157,686</u>	<u>27</u>	<u>10,245,206</u>	<u>25</u>	9
65000	Other comprehensive income:					
65200	Components of other comprehensive income that will not be reclassified to profit or loss					
65201	Losses on remeasurements of defined benefit plans	(1,565,918)	(4)	(1,082,366)	(3)	(45)
65205	Change in fair value of financial liability attributable to change in credit risk of liability	(299,554)	(1)	239,502	1	(225)
65204	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	16,242,122	39	4,416,925	11	268
65207	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	829,608	2	(117,866)	-	804
65220	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	-
		<u>15,206,258</u>	<u>36</u>	<u>3,456,195</u>	<u>9</u>	340
65300	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
65301	Exchange differences on translation of foreign financial statements	(445,785)	(1)	574,152	1	(178)
65308	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	821,721	2	(569,070)	(1)	244
65307	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	213,814	1	(176,704)	-	221
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>30,302</u>	<u>-</u>	<u>(81,229)</u>	<u>-</u>	137
	Components of other comprehensive income that will be reclassified to profit or loss	<u>559,448</u>	<u>2</u>	<u>(90,393)</u>	<u>-</u>	719
65000	Other comprehensive income	<u>15,765,706</u>	<u>38</u>	<u>3,365,802</u>	<u>9</u>	368
	Total comprehensive income	<u>\$ 26,923,392</u>	<u>65</u>	<u>13,611,008</u>	<u>34</u>	98
	Basic earnings per share(In dollars)	<u>\$ 1.13</u>		<u>1.08</u>		

BANK OF TAIWAN
Statements of Changes in Equity
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	Other equity interest														
	Share capital		Retained earnings				Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Change in fair value of financial liability attributable to change in credit risk of liability	Gains (losses) on financial instruments for hedging	Other comprehensive income reclassified by applying overlay approach	Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total									
Balance at January 1, 2018	\$ 95,000,000	80,453,043	39,246,685	29,383,528	15,881,896	84,512,109	(1,316,795)	-	30,435,010	3,991	(44,599)	-	-	29,077,607	289,042,759
Effects of retrospective application	-	-	-	-	(192,409)	(192,409)	-	38,683,823	(30,435,010)	(3,991)	-	3,991	18,874	8,267,687	8,075,278
Equity at beginning of period after adjustments	95,000,000	80,453,043	39,246,685	29,383,528	15,689,487	84,319,700	(1,316,795)	38,683,823	-	-	(44,599)	3,991	18,874	37,345,294	297,118,037
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	2,791,239	-	(2,791,239)	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,722,511	(3,722,511)	-	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(600,000)	(600,000)	-	-	-	-	-	-	-	-	(600,000)
Reversal of special reserve	-	-	-	(2,041)	2,041	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	10,245,206	10,245,206	-	-	-	-	-	-	-	-	10,245,206
Other comprehensive income	-	-	-	-	(1,146,774)	(1,146,774)	665,984	3,635,389	-	-	237,114	202	(26,113)	4,512,576	3,365,802
Total comprehensive income	-	-	-	-	9,098,432	9,098,432	665,984	3,635,389	-	-	237,114	202	(26,113)	4,512,576	13,611,008
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(56,468)	(56,468)	-	56,468	-	-	-	-	-	56,468	-
Balance at December 31, 2018	95,000,000	80,453,043	42,037,924	33,103,998	17,619,742	92,761,664	(650,811)	42,375,680	-	-	192,515	4,193	(7,239)	41,914,338	310,129,045
Appropriation and distribution of retained earnings:															
Legal reserve appropriated	-	-	2,654,866	-	(2,654,866)	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,539,881	(3,539,881)	-	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(800,000)	(800,000)	-	-	-	-	-	-	-	-	(800,000)
Reversal of special reserve	-	-	-	(3,146)	3,146	-	-	-	-	-	-	-	-	-	-
Net income for the period	-	-	-	-	11,157,686	11,157,686	-	-	-	-	-	-	-	-	11,157,686
Other comprehensive income	-	-	-	-	(1,639,655)	(1,639,655)	(699,412)	18,370,191	-	-	(301,751)	(238)	36,571	17,405,361	15,765,706
Total comprehensive income	-	-	-	-	9,518,031	9,518,031	(699,412)	18,370,191	-	-	(301,751)	(238)	36,571	17,405,361	26,923,392
Capital increase based on land pricing	14,000,000	28,000,000	-	-	-	-	-	-	-	-	-	-	-	-	42,000,000
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(6,050)	(6,050)	-	6,050	-	-	-	-	-	6,050	-
Balance at December 31, 2019	\$ 109,000,000	108,453,043	44,692,790	36,640,733	20,140,122	101,473,645	(1,350,223)	60,751,921	-	-	(109,236)	3,955	29,332	59,325,749	378,252,437

BANK OF TAIWAN
Statements of Cash Flows
For the years ended December 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	2019	2018
Cash flows from (used in) operating activities:		
Profit before tax	\$ 13,171,037	11,427,590
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,372,375	754,764
Amortization expense	313,346	280,768
Expected credit loss	7,345,228	7,302,488
Interest expense	39,355,438	38,258,657
Interest income	(66,034,226)	(63,883,640)
Dividend income	(8,047,397)	(7,710,596)
Net change in other provisions	45,358,090	1,372,218
Gain from price recovery of inventory	-	(59)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(3,561,964)	(2,995,129)
Loss on disposal of property and equipment	57,853	61,591
Impairment loss on financial assets	-	4,918
Reversal of impairment loss on financial assets	(981)	-
Impairment loss on non-financial assets	2,331	81,592
Total adjustments to reconcile profit	16,160,093	(26,472,428)
Changes in operating assets and liabilities:		
(Increase) decrease in due from the central bank and call loans to banks	(1,445,740)	27,835,155
(Increase) decrease in financial assets measured at fair value through profit or loss	(9,965,223)	10,499,031
Decrease (increase) in financial assets measured at fair value through other comprehensive income	140,323,013	(52,424,789)
Increase in investments in debt instruments measured at amortised cost	(8,723,585)	(8,585,790)
Decrease (increase) in financial assets for hedging	40,622	(18,934)
Decrease in receivables	2,490,935	4,441,965
Increase in discounts and loans	(126,391,557)	(279,369,555)
Decrease in other financial assets	5,881,738	6,338,650
(Increase) decrease in other assets	(2,913,826)	46,869
Increase in deposits from the central bank and banks	7,497,394	2,734,755
Increase in financial liabilities measured at fair value through profit or loss	9,729,530	15,523,882
Increase (decrease) in financial liabilities for hedging	12,564	(47,507)
Decrease in notes and bonds issued under repurchase agreement	(3,513,176)	(8,828,073)
(Decrease) increase in payables	(2,901,596)	1,774,498
(Decrease) increase in deposits and remittances	(53,944,427)	84,671,911
Increase (decrease) in provisions for employee benefits	1,382,569	(1,078,720)
(Decrease) increase in other liabilities	(176,928)	233,544
Total adjustments	(26,457,600)	(222,725,536)
Cash outflow generated from operations	(13,286,563)	(211,297,946)
Interest received	65,974,873	61,468,447
Dividends received	7,734,668	6,908,958
Interest paid	(38,396,135)	(36,511,501)
Income taxes paid	(1,331,388)	(1,518,139)
Net Cash flows from (used in) operating activities	20,695,455	(180,950,181)
Cash flows from (used in) investing activities:		
Acquisition of property and equipment	(792,992)	(776,099)
Increase in refundable deposits	-	(868,549)
Decrease in refundable deposits	236,713	-
Acquisition of intangible assets	(421,687)	(336,916)
Net cash flows from (used in) investing activities	(977,966)	(1,981,564)
Cash flows from (used in) financing activities:		
Increase in guarantee deposits received	3,120,608	-
Decrease in guarantee deposits received	-	(988,360)
Payment of lease liabilities	(602,260)	-
Increase in other financial liabilities	283,696	-
Decrease in other financial liabilities	-	(163,979)
Cash dividends paid	(800,000)	(600,000)
Net cash flows from (used in) financing activities	2,002,044	(1,752,339)
Effect of exchange rate changes on cash and cash equivalents	(654,258)	575,258
Net increase (decrease) in cash and cash equivalents	21,065,275	(184,108,826)
Cash and cash equivalents at beginning of period	901,466,185	1,085,575,011
Cash and cash equivalents at end of period	\$ 922,531,460	901,466,185
Composition of cash and cash equivalents:		
Cash and cash equivalents reported in the statement of financial position	\$ 144,312,778	165,864,930
Due from the central bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	186,167,478	162,126,076
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	592,051,204	573,475,179
Cash and cash equivalents at end of period	\$ 922,531,460	901,466,185

See accompanying notes to parent company only financial statements.