

**CAPITAL SECURITIES CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(New Taiwan Dollars in Thousands, Except Share Data)

ASSETS	(Unaudited)				(Unaudited)				(Unaudited)				(Unaudited)				
	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012		September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
<b>Current Assets</b>									<b>LIABILITIES AND EQUITY</b>								
Cash and cash equivalents (Note 6(1))	\$ 3,995,127	5	5,408,513	8	5,055,826	7	6,337,366	9	Short-term borrowings (Note 6(10))	\$ 5,096,519	6	-	-	1,199,000	2	1,245,677	2
Financial assets at fair value through profit or loss - current (Note 6(2))	18,637,314	23	14,643,599	21	12,967,794	19	14,772,262	20	Commercial paper payable (Note 6(11))	1,399,660	2	-	-	-	-	-	-
Available-for-sale financial assets - current (Note 6(2))	11,951	-	196,399	-	616,851	1	-	-	Financial liabilities at fair value through profit or loss - current (Note 6(12))	3,572,033	4	1,803,100	3	1,094,447	2	1,235,888	2
Bonds purchased under resale agreements (Notes 6(3) and 8)	531,731	1	1,731,401	3	956,616	1	1,003,334	2	Bonds sold under repurchase agreements (Note 6(13))	13,940,183	17	11,329,169	16	10,687,563	16	11,594,102	16
Receivable for securities provided as collateral	20,255,443	25	15,916,865	23	17,088,156	25	17,742,423	25	Guaranty deposited for short sales	1,995,844	3	2,555,221	4	2,382,959	3	2,729,685	4
Refinancing margin	29,202	-	13,443	-	42,767	-	4,635	-	Proceeds payable from short sales	2,399,697	3	3,394,642	5	3,066,556	5	3,253,659	5
Receivable on refinancing collateral	39,083	-	19,038	-	54,172	-	12,718	-	Securities lending refundable deposits	2,567,375	3	1,787,545	3	3,049,881	4	2,519,992	3
Receivable on securities business money lending	-	-	-	-	816	-	-	-	Futures traders' equity (Note 6(14))	8,632,246	11	9,379,001	13	8,155,937	12	8,738,971	12
Customers margin account (Note 6(5))	8,678,934	11	9,410,079	13	8,165,974	12	8,765,851	12	Notes payable	1,227	-	1,077	-	1,284	-	865	-
Receivable - futures margin	-	-	-	-	3,030	-	3,153	-	Accounts payable (Note 6(15))	4,554,489	6	4,806,096	7	4,999,420	7	4,617,556	6
Collateral for securities borrowed	288,106	-	321,586	-	262,294	-	-	-	Advance receipts	12,740	-	10,118	-	10,151	-	14,650	-
Securities borrowing margin	2,105,045	3	1,074,822	2	1,663,966	3	934,784	1	Receipts under custody	1,810,532	2	133,006	-	139,671	-	137,075	-
Notes receivable	2,644	-	9,293	-	5,415	-	5,410	-	Other payables	711,202	1	845,318	1	770,694	1	916,151	1
Accounts receivable (Note 6(4))	8,483,924	11	5,306,941	8	5,843,522	9	6,184,281	9	Other financial liabilities - current (Note 6(23))	211,036	-	236,897	-	222,446	-	283,343	-
Prepayments	50,770	-	43,566	-	43,173	-	49,927	-	Current income tax liabilities	505,732	1	1,103,586	2	1,087,147	2	2,346,245	3
Other receivables	57,092	-	149,039	-	46,032	-	78,955	-	Provisions - current (Note 6(18))	47,539	-	47,539	-	24,810	-	48,559	-
Other financial assets - current (Note 6(23))	108	-	-	-	-	-	-	-	Long-term liabilities - current portion (Note 6(16))	-	-	299,881	-	299,815	-	-	-
Current income tax assets	38,435	-	58,949	-	68,170	-	148,479	-	Other current liabilities	9,011	-	5,089	-	17,849	-	21,735	-
Other current assets	2,273,741	3	686,738	1	566,845	1	683,506	1		47,467,065	59	37,373,285	54	37,209,630	54	39,704,153	54
	65,478,650	82	54,990,271	79	53,451,419	78	56,727,084	79									
<b>Non-current Assets</b>									<b>Non-current Liabilities</b>								
Financial assets at fair value through profit or loss - non-current (Notes 6(2) and 8)	208,257	-	207,936	-	223,466	-	238,616	-	Long-term borrowings (Note 6(16))	-	-	-	-	-	-	299,859	-
Financial assets carried at cost - non-current (Note 6(2))	667,167	1	677,167	1	677,167	1	677,167	1	Other financial liabilities - non-current (Note 6(23))	1,168,141	1	1,395,831	2	675,012	1	1,769,347	2
Available-for-sale financial assets - non-current (Note 6(2))	66,640	-	44,886	-	51,195	-	44,963	-	Provisions - non-current	47,691	-	47,691	-	47,691	-	47,691	-
Held-to-maturity financial assets - non-current (Note 6(2))	-	-	-	-	-	-	290,000	1	Deferred income tax liabilities	408,888	1	286,113	-	254,783	-	116,129	-
Investments accounted for under equity method (Note 6(6))	77,398	-	78,283	-	71,649	-	52,225	-	Guarantee deposits received	16,008	-	16,218	-	16,202	-	16,440	-
Property and equipment (Notes 6(7) and 8)	6,304,661	8	6,367,500	9	6,408,053	9	6,513,064	9	Accrued pension liabilities - non-current (Note 6(18))	463,045	1	464,828	1	431,126	1	442,534	1
Investment property (Notes 6(8) and 8)	859,149	1	863,802	1	863,460	2	858,662	1	Other non-current liabilities	341,997	-	361,110	1	378,110	1	503,123	1
Intangible Assets (Note 6(9))	3,592,790	4	3,608,293	5	3,611,500	5	3,601,098	5		2,445,770	3	2,571,791	4	1,802,924	3	3,195,123	4
Deferred income tax assets	878,396	1	907,665	2	922,129	1	909,075	1	<b>Total Liabilities</b>	49,912,835	62	40,309,076	58	39,012,554	57	42,899,276	58
Other non-current assets	2,113,461	3	2,143,168	3	2,166,240	3	2,213,153	3	<b>Equity Attributable to Shareholders of the Parent</b>								
	14,767,919	18	14,898,700	21	14,994,859	21	15,398,023	21	Common stock (Note 6(20))	23,690,730	30	23,690,730	33	23,690,730	34	23,690,730	33
									Capital surplus								
									Premium from stock issuance	1,940,208	2	1,940,208	3	1,940,208	3	1,940,208	3
									Treasury stock transactions	107,031	-	107,031	-	107,031	-	107,031	-
									Paid-in capital from merger	658,234	1	658,234	1	658,234	1	658,234	1
									Retained earnings								
									Legal reserve	605,958	1	500,532	1	500,532	1	419,092	1
									Special reserve	1,628,318	2	1,281,093	2	1,294,747	2	1,152,818	2
									Unappropriated earnings (Note 6(19))	932,159	1	750,679	1	605,606	1	518,360	1
									Exchange differences on translation of foreign operations	(31,129)	-	(56,638)	-	(43,995)	-	(183)	-
									Unrealized gain or loss on available-for-sale financial assets	10,214	-	(32,759)	-	(44,429)	-	(3,093)	-
										29,541,723	37	28,839,110	41	28,708,664	42	28,483,197	41
									<b>Non-controlling Interests</b>	792,011	1	740,785	1	725,060	1	742,634	1
									<b>Total Equity</b>	30,333,734	38	29,579,895	42	29,433,724	43	29,225,831	42
<b>TOTAL ASSETS</b>	<b>\$ 80,246,569</b>	<b>100</b>	<b>69,888,971</b>	<b>100</b>	<b>68,446,278</b>	<b>99</b>	<b>72,125,107</b>	<b>100</b>	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 80,246,569</b>	<b>100</b>	<b>69,888,971</b>	<b>100</b>	<b>68,446,278</b>	<b>100</b>	<b>72,125,107</b>	<b>100</b>

The accompanying notes are an integral part of the consolidated financial statements.

**CAPITAL SECURITIES CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(New Taiwan Dollars in Thousands, Except Earnings Per Share Data)  
(Unaudited)

	July 1~ Sept. 30, 2013		July. 1~ Sept. 30, 2012		Jan. 1~ Sept. 30, 2013		Jan. 1~ Sept. 30, 2012	
	Amount	%	Amount	%	Amount	%	Amount	%
<b>Income:</b>								
Brokerage commissions	\$ 807,474	54	770,808	52	2,348,993	54	2,523,103	55
Revenues from securities business money lending	12	-	25	-	45	-	34	-
Revenues from securities lending	16,244	1	38,005	3	68,347	2	81,953	2
Underwriting commissions	32,713	2	62,048	4	174,735	4	165,367	4
Commissions on wealth management business	6,017	-	-	-	8,660	-	-	-
Gains (loss) on sale of trading securities	84,692	6	13,545	1	224,511	5	(211,918)	(5)
Securities management, distribution, and management fees	34,659	2	39,734	3	105,616	2	118,504	3
Interest revenue	316,654	21	299,857	20	906,475	21	941,057	20
Dividend revenue	82,778	6	158,509	11	86,044	2	162,648	3
Gain (loss) on measurement of trading securities at fair value through profit or loss	142,787	10	90,504	6	90,889	2	443,032	10
Gain (loss) on covering of borrowed securities and bonds with resale agreements	(15,156)	(1)	(14,195)	(1)	(2,074)	-	(20,925)	-
Gain (loss) on measurement of borrowed securities and bonds with resale agreements	(869)	-	3,933	-	12,374	-	(24,882)	(1)
Gain (loss) on stock warrants issued (Note 6(22))	36,273	2	90,902	6	216,150	5	459,496	10
Futures commission revenues	19,104	1	12,091	1	62,608	2	41,340	1
Commission from consignment of clearing and settlement	3,192	-	1,188	-	8,831	-	6,106	-
Gain (loss) on derivative financial instruments - futures (Note 6(22))	4,447	-	(24,374)	(2)	86,226	2	(61,448)	(1)
Gain (loss) on derivative financial instruments - OTC (Note 6(22))	(99,016)	(7)	(109,507)	(7)	(161,512)	(4)	(178,559)	(4)
Futures administrative revenues	3	-	10	-	8	-	26	-
Management fee revenues	48	-	-	-	133	-	-	-
Advisory commissions	1,483	-	1,819	-	6,349	-	4,970	-
Other operating revenues	34,851	3	45,457	3	109,214	3	130,844	3
	<u>1,508,390</u>	<u>100</u>	<u>1,480,359</u>	<u>100</u>	<u>4,352,622</u>	<u>100</u>	<u>4,580,748</u>	<u>100</u>
<b>Expenses:</b>								
Brokerage fees	84,686	6	70,759	5	229,295	5	236,272	5
Brokerage and clearing fees - proprietary trading	4,865	-	2,098	-	16,215	1	7,297	-
Clearing and exchange fees - refinancing	598	-	773	-	1,439	-	2,003	-
Clearing and exchange fees - underwriting	222	-	574	-	1,166	-	2,220	-
Financial costs	36,402	2	40,027	3	101,895	2	112,795	3
Commission expense - futures	27,682	2	19,726	1	103,579	3	59,405	1
Clearing and settlement expenses	19,031	1	23,608	2	82,580	2	78,783	2
Other operating expenditure	1,187	-	1,892	-	4,111	-	8,147	-
Employee benefits expenses	647,845	43	631,284	43	1,922,469	44	2,051,289	45
Depreciation & amortization expenses	54,667	4	60,090	4	169,219	4	188,766	4
Other operating expenses	325,135	22	333,642	23	965,242	22	1,017,363	22
	<u>1,202,320</u>	<u>80</u>	<u>1,184,473</u>	<u>81</u>	<u>3,597,210</u>	<u>83</u>	<u>3,764,340</u>	<u>82</u>
<b>Other income and expenses</b>								
Share of profits of associates and joint venture (Note 6(6))	13,117	1	13,274	1	43,631	1	43,164	1
Other gains and losses	173,931	12	99,240	7	417,519	10	308,774	7
	<u>187,048</u>	<u>13</u>	<u>112,514</u>	<u>8</u>	<u>461,150</u>	<u>11</u>	<u>351,938</u>	<u>8</u>
<b>Income before tax</b>	<u>493,118</u>	<u>33</u>	<u>408,400</u>	<u>27</u>	<u>1,216,562</u>	<u>28</u>	<u>1,168,346</u>	<u>26</u>
<b>Income tax expense (Note 6(19))</b>	<u>(31,637)</u>	<u>(2)</u>	<u>(32,155)</u>	<u>(2)</u>	<u>(153,079)</u>	<u>(4)</u>	<u>(185,983)</u>	<u>(4)</u>
<b>Net income</b>	<u><b>461,481</b></u>	<u><b>31</b></u>	<u><b>376,245</b></u>	<u><b>25</b></u>	<u><b>1,063,483</b></u>	<u><b>24</b></u>	<u><b>982,363</b></u>	<u><b>22</b></u>
<b>Other comprehensive income :</b>								
Exchange differences on translation of foreign operations	(26,075)	(2)	(32,045)	(2)	32,119	1	(52,785)	(1)
Unrealized gain or loss on available-for-sale financial assets	(2,776)	-	18,997	1	51,404	1	(38,935)	(1)
Income tax benefit related to components of other comprehensive income (Note 6(19))	4,433	-	5,447	-	(5,460)	-	8,973	-
<b>Other comprehensive income for the period, net of income tax</b>	<u>(24,418)</u>	<u>(2)</u>	<u>(7,601)</u>	<u>(1)</u>	<u>78,063</u>	<u>2</u>	<u>(82,747)</u>	<u>(2)</u>
<b>Total comprehensive income for the period</b>	<u><b>\$ 437,063</b></u>	<u><b>29</b></u>	<u><b>368,644</b></u>	<u><b>24</b></u>	<u><b>1,141,546</b></u>	<u><b>26</b></u>	<u><b>899,616</b></u>	<u><b>20</b></u>
<b>Total income attributable to :</b>								
Shareholders of the parent	\$ 434,106	29	356,097	24	989,492	22	918,672	20
Non-controlling interests	27,375	2	20,148	1	73,991	2	63,691	2
	<u><b>\$ 461,481</b></u>	<u><b>31</b></u>	<u><b>376,245</b></u>	<u><b>25</b></u>	<u><b>1,063,483</b></u>	<u><b>24</b></u>	<u><b>982,363</b></u>	<u><b>22</b></u>
<b>Total comprehensive income attributable to :</b>								
Shareholders of the parent	\$ 411,731	27	347,594	23	1,057,974	24	833,524	18
Non-controlling interests	25,332	2	21,050	1	83,572	2	66,092	2
	<u><b>\$ 437,063</b></u>	<u><b>29</b></u>	<u><b>368,644</b></u>	<u><b>24</b></u>	<u><b>1,141,546</b></u>	<u><b>26</b></u>	<u><b>899,616</b></u>	<u><b>20</b></u>
<b>Basic earnings per share (Note 6(21))</b>	<u><b>\$ 0.19</b></u>		<u><b>0.15</b></u>		<u><b>0.42</b></u>		<u><b>0.39</b></u>	
<b>Diluted earnings per share (Note 6(21))</b>	<u><b>\$ 0.19</b></u>		<u><b>0.15</b></u>		<u><b>0.42</b></u>		<u><b>0.39</b></u>	

The accompanying notes are an integral part of the consolidated financial statements.

CAPITAL SECURITIES CORPORATION  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
Years Ended September 30, 2013 and 2012  
(New Taiwan Dollars in Thousands)  
(Unaudited)

	Equity attributable to shareholders of the parent									Total equity
	Common stock	Capital surplus	Retained earnings			Others		Equity attributable to shareholders of the parent	non-controlling interests	
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gain or loss on available-for- sale financial assets			
<b>Balance, January 1, 2012</b>	\$ 23,690,730	2,705,473	419,092	1,152,818	518,360	(183)	(3,093)	28,483,197	742,634	29,225,831
Net income for the nine months ended Sept. 30, 2012	-	-	-	-	918,672	-	-	918,672	63,691	982,363
Other comprehensive income for the nine months ended Sept. 30, 2012	-	-	-	-	-	(43,812)	(41,336)	(85,148)	2,401	(82,747)
Total comprehensive income for the nine months ended Sept. 30, 2012	-	-	-	-	918,672	(43,812)	(41,336)	833,524	66,092	899,616
Appropriations of prior year's earnings :										
Legal reserve	-	-	81,440	-	(81,440)	-	-	-	-	-
Special reserve	-	-	-	141,929	(141,929)	-	-	-	-	-
Cash dividends	-	-	-	-	(592,268)	-	-	(592,268)	(83,594)	(675,862)
Indemnification to stockholders due to merger (Note 12(5))	-	-	-	-	(15,789)	-	-	(15,789)	-	(15,789)
Increase (decrease) in non-controlling interests	-	-	-	-	-	-	-	-	(72)	(72)
<b>Balance, September 30, 2012</b>	\$ 23,690,730	2,705,473	500,532	1,294,747	605,606	(43,995)	(44,429)	28,708,664	725,060	29,433,724
<b>Balance, January 1, 2013</b>	\$ 23,690,730	2,705,473	500,532	1,281,093	750,679	(56,638)	(32,759)	28,839,110	740,785	29,579,895
Net income for the nine months ended Sept. 30, 2013	-	-	-	-	989,492	-	-	989,492	73,991	1,063,483
Other comprehensive income for the nine months ended Sept. 30, 2013	-	-	-	-	-	25,509	42,973	68,482	9,581	78,063
Total comprehensive income for the nine months ended Sept. 30, 2013	-	-	-	-	989,492	25,509	42,973	1,057,974	83,572	1,141,546
Appropriations of prior year's earnings :										
Legal reserve	-	-	105,426	-	(105,426)	-	-	-	-	-
Special reserve	-	-	-	347,225	(347,225)	-	-	-	-	-
Cash dividends	-	-	-	-	(355,361)	-	-	(355,361)	(32,346)	(387,707)
<b>Balance, September 30, 2013</b>	\$ 23,690,730	2,705,473	605,958	1,628,318	932,159	(31,129)	10,214	29,541,723	792,011	30,333,734

The accompanying notes are an integral part of the consolidated financial statements.

**CAPITAL SECURITIES CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Years Ended September 30, 2013 and 2012**  
**(New Taiwan Dollars in Thousands)**  
**(Unaudited)**

	Jan. 1 - Sep. 30, 2013	Jan. 1 - Sep. 30, 2012
<b>Cash flows from operating activities:</b>		
Income before income tax for the period	\$ 1,216,562	1,168,346
<b>Adjustments for:</b>		
<b>Income and expenses having no effects on cash flows</b>		
Depreciation expense	140,739	157,045
Amortization expense	28,480	31,721
Net Loss (gain) on financial assets or liabilities at fair value through profit or loss	(90,889)	443,032
Reversal of allowance on bad debts	(75)	(269)
Interest expenses	101,895	112,795
Cash dividend received from long-term investments under equity method	44,517	20,424
Amortization of discount on commercial paper payable - long term	-	(44)
Share of profits of associates and joint venture	(43,631)	(43,164)
Loss (gain) on disposal of property and equipment	171	520
Loss (gain) on disposal of investment under equity method	-	(143)
<b>Net changes of Income and expenses having no effects on cash flows</b>	<u>181,207</u>	<u>721,917</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Net changes of operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss	(3,919,728)	1,376,586
Decrease (increase) in available-for-sale financial assets	214,454	(664,419)
Decrease (increase) in bonds purchased under resale agreements	1,199,670	46,718
Decrease (increase) in receivable for securities provided as collateral	(4,338,578)	654,536
Decrease (increase) in refinancing margin	(15,759)	(38,132)
Decrease (increase) in receivable on refinancing collateral	(20,045)	(41,454)
Decrease (increase) in receivable on securities business money lending	-	(816)
Decrease (increase) in customers margin account	731,145	599,877
Decrease (increase) in receivable - futures margin	-	123
Decrease (increase) in collateral for securities borrowed	33,480	(262,294)
Decrease (increase) in security borrowing margin	(1,030,223)	(729,182)
Decrease (increase) in notes receivable	6,649	(5)
Decrease (increase) in accounts receivable	(3,177,091)	340,759
Decrease (increase) in prepayments	(7,190)	6,754
Decrease (increase) in other receivables	102,958	32,923
Decrease (increase) in current tax assets	20,514	80,309
Decrease (increase) in other current assets	(1,584,657)	116,661
Decrease (increase) in other non-current assets	(14,105)	18,112
<b>Changes in operating assets:</b>	<u>(11,798,506)</u>	<u>1,537,056</u>
<b>Net changes of operating liabilities:</b>		
Increase (decrease) in financial liabilities at fair value through profit or loss	1,768,913	(141,441)
Increase (decrease) in bonds sold under repurchase agreements	2,611,014	(906,539)
Increase (decrease) in guaranty deposited for short sales	(559,377)	(346,726)
Increase (decrease) in proceeds payable from short sales	(994,945)	(187,103)
Increase (decrease) in securities lending refundable deposits	779,830	529,889
Increase (decrease) in futures traders' equity	(728,756)	(583,034)
Increase (decrease) in notes payable	150	419
Increase (decrease) in accounts payable	(251,607)	381,864
Increase (decrease) in advance receipts	2,622	(4,499)
Increase (decrease) in receipts under custody	1,677,526	2,596
Increase (decrease) in other payables	(101,087)	(149,481)
Increase (decrease) in other financial liabilities	(253,551)	(1,155,232)
Increase (decrease) in other current liabilities	(282)	(3,886)
Increase (decrease) in guarantee deposits received	(210)	(238)
Increase (decrease) in accrued pension liabilities	(1,783)	(11,408)
Increase (decrease) in provisions - current	-	(23,749)
Increase (decrease) in other non-current liabilities	(19,113)	(125,013)
<b>Changes in operating liabilities:</b>	<u>3,929,344</u>	<u>(2,723,581)</u>
<b>Net changes in operating assets and liabilities:</b>	<u>(7,869,162)</u>	<u>(1,186,525)</u>
<b>Total Cash generated from adjustment items</b>	<u>(7,687,955)</u>	<u>(464,608)</u>
Cash generated by operating activities	(6,471,393)	703,738
Interest paid	(146,112)	(106,441)
Income tax paid	(604,842)	(1,310,509)
<b>Net cash provided by (used in) operating activities</b>	<u>(7,222,347)</u>	<u>(713,212)</u>
<b>Cash flows from investing activities:</b>		
Proceeds from capital return of investments under the equity method	-	3,459
Repayment from maturity of held-to-maturity financial assets	-	290,000
Proceeds from capital reduction of financial assets carried at cost	10,000	-
Increase in deferred debits	(1,035)	-
Acquisitions of property and equipment	(28,847)	(44,387)
Proceeds from disposal of property and equipment	11	156
Acquisitions of intangible assets	(9,620)	(42,112)
Acquisitions of investment property	-	(120)
<b>Net cash provided by (used in) investing activities</b>	<u>(29,491)</u>	<u>206,996</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	5,096,519	(46,677)
Decrease in long-term liabilities - current portion	(299,881)	-
Increase in commercial paper payable	1,399,660	-
Cash dividends	(387,707)	(675,862)
<b>Net cash provided by (used in) financing activities</b>	<u>5,808,591</u>	<u>(722,539)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>29,861</u>	<u>(52,785)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<u>(1,413,386)</u>	<u>(1,281,540)</u>
<b>Cash and cash equivalents, beginning of the year</b>	<u>5,408,513</u>	<u>6,337,366</u>
<b>Cash and cash equivalents, end of this period</b>	<u>\$ 3,995,127</u>	<u>5,055,826</u>

The accompanying notes are an integral part of the consolidated financial statements.