

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars)

ASSETS	2016		2015	
	Amount	%	Amount	%
Cash and cash equivalents (note 6)	\$ 66,775,994	4	\$ 96,923,788	6
Due from the central bank and call loans to banks (note 7)	244,371,302	15	195,329,717	12
Financial assets at fair value through profit or loss (note 8)	12,744,976	1	27,991,683	2
Securities purchased under resell agreements (note 9)	-	-	10,245,428	1
Receivables, net (notes 10 and 34)	15,326,174	1	15,118,711	1
Current income tax assets (note 31)	112,400	-	154,683	-
Discounts and loans, net (notes 4, 11 and 34)	849,330,659	52	847,606,449	52
Available-for-sale financial assets, net (notes 12 and 35)	351,138,563	21	304,480,067	19
Held-to-maturity financial assets, net (notes 13 and 35)	72,666,706	5	92,771,401	6
Equity investments under the equity method, net (note 15)	1,421,566	-	1,361,088	-
Other financial assets, net (note 16)	6,749	-	36,448	-
Properties, net (note 17)	22,280,250	1	23,913,150	1
Investment properties, net (note 18)	5,760,628	-	4,226,143	-
Deferred income tax assets (note 31)	870,520	-	962,789	-
Other assets, net (notes 19 and 33)	<u>4,002,465</u>	<u>-</u>	<u>3,747,335</u>	<u>-</u>
Total	<u>\$ 1,646,808,952</u>	<u>100</u>	<u>\$ 1,624,868,880</u>	<u>100</u>
LIABILITIES AND EQUITY				
Due to the central bank and banks (note 20)	\$ 35,428,666	2	\$ 37,919,750	2
Financial liabilities at fair value through profit or loss (note 8)	1,377,770	-	1,437,270	-
Securities sold under repurchase agreements (note 21)	10,186,212	1	6,320,676	1
Payables (notes 22, 33 and 34)	25,340,348	2	22,364,638	1
Current income tax liabilities (note 31)	873,972	-	1,152,377	-
Deposits and remittances (notes 23 and 34)	1,354,361,910	82	1,343,639,313	83
Bank debentures (note 24)	38,150,000	2	38,150,000	2
Other financial liabilities (note 25)	3,280,387	-	3,979,973	-
Provisions (note 26)	1,796,539	-	1,534,882	-
Deferred income tax liabilities (note 31)	10,744,497	1	9,958,414	1
Other liabilities (notes 27 and 34)	<u>2,246,221</u>	<u>-</u>	<u>2,515,208</u>	<u>-</u>
Total liabilities	<u>1,483,786,522</u>	<u>90</u>	<u>1,468,972,501</u>	<u>90</u>
Equity attributable to owners of the Bank				
Share capital				
Ordinary shares	<u>40,791,031</u>	<u>2</u>	<u>39,991,207</u>	<u>2</u>
Capital surplus	<u>4,647,655</u>	<u>-</u>	<u>4,639,910</u>	<u>-</u>
Retained earnings				
Legal reserve	40,592,926	3	37,023,528	2
Special reserve	7,480,146	-	7,480,146	1
Unappropriated earnings	<u>18,465,441</u>	<u>1</u>	<u>17,171,825</u>	<u>1</u>
Total retained earnings	<u>66,538,513</u>	<u>4</u>	<u>61,675,499</u>	<u>4</u>
Other equity	8,339,449	1	9,015,524	1
Treasury stock	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>
Total equity attributable to owners of the Bank	120,233,504	7	115,238,996	7
Non-controlling interests	<u>42,788,926</u>	<u>3</u>	<u>40,657,383</u>	<u>3</u>
Total equity (note 29)	<u>163,022,430</u>	<u>10</u>	<u>155,896,379</u>	<u>10</u>
Total	<u>\$ 1,646,808,952</u>	<u>100</u>	<u>\$ 1,624,868,880</u>	<u>100</u>

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
Interest revenues	\$ 31,774,881	98	\$ 32,605,159	104
Interest expenses	<u>9,808,954</u>	<u>30</u>	<u>11,501,203</u>	<u>37</u>
Net interest (notes 30 and 34)	<u>21,965,927</u>	<u>68</u>	<u>21,103,956</u>	<u>67</u>
Net revenues other than interest				
Service fee incomes, net (note 30)	4,750,997	15	5,385,696	17
Gains on financial assets and liabilities at fair value through profit or loss (note 30)	590,393	2	707,029	2
Realized gains on available-for-sale financial assets	1,995,269	6	1,369,657	4
Foreign exchange gains, net	1,603,112	5	1,425,088	5
Share of profit of associates and joint ventures, net (note 15)	154,231	-	194,937	1
Other net revenues (note 34)	<u>1,395,347</u>	<u>4</u>	<u>1,252,661</u>	<u>4</u>
Total net revenues other than interest	<u>10,489,349</u>	<u>32</u>	<u>10,335,068</u>	<u>33</u>
Consolidated net revenues	<u>32,455,276</u>	<u>100</u>	<u>31,439,024</u>	<u>100</u>
Bad debt expenses (note 11)	<u>687,149</u>	<u>2</u>	<u>625,310</u>	<u>2</u>
Operating expenses				
Personnel (notes 4, 28, 30 and 34)	7,311,826	23	6,977,112	22
Depreciation and amortization (note 30)	920,086	3	818,633	3
Other general and administrative	<u>4,317,055</u>	<u>13</u>	<u>4,144,893</u>	<u>13</u>
Total operating expenses	<u>12,548,967</u>	<u>39</u>	<u>11,940,638</u>	<u>38</u>
Profit before income tax	19,219,160	59	18,873,076	60
Income tax expense (note 31)	<u>(4,107,035)</u>	<u>(12)</u>	<u>(3,676,658)</u>	<u>(12)</u>
Consolidated net income	<u>15,112,125</u>	<u>47</u>	<u>15,196,418</u>	<u>48</u>

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2016		2015	
	Amount	%	Amount	%
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (101,487)	-	\$ (46,423)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (note 31)	<u>14,674</u>	<u>-</u>	<u>7,892</u>	<u>-</u>
	<u>(86,813)</u>	<u>-</u>	<u>(38,531)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(2,531,099)	(8)	2,844,186	9
Unrealized gain (loss) on available-for-sale financial assets	2,790,758	8	(47,535)	-
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(67,649)	-	127,942	1
Income tax relating to items that may be reclassified subsequently to profit or loss (notes 4 and 31)	<u>(448,899)</u>	<u>(1)</u>	<u>(220,963)</u>	<u>(1)</u>
	<u>(256,889)</u>	<u>(1)</u>	<u>2,703,630</u>	<u>9</u>
Other comprehensive income for the period, net of income tax	<u>(343,702)</u>	<u>(1)</u>	<u>2,665,099</u>	<u>9</u>
Total comprehensive income for the period	<u>\$ 14,768,423</u>	<u>46</u>	<u>\$ 17,861,517</u>	<u>57</u>
Net profit attributable to:				
Owners of the Bank	\$ 11,748,332	36	\$ 11,897,992	38
Non-controlling interests	<u>3,363,793</u>	<u>11</u>	<u>3,298,426</u>	<u>10</u>
	<u>\$ 15,112,125</u>	<u>47</u>	<u>\$ 15,196,418</u>	<u>48</u>
Total comprehensive income attributable to:				
Owners of the Bank	\$ 10,985,444	34	\$ 13,120,690	42
Non-controlling interests	<u>3,782,979</u>	<u>12</u>	<u>4,740,827</u>	<u>15</u>
	<u>\$ 14,768,423</u>	<u>46</u>	<u>\$ 17,861,517</u>	<u>57</u>
Earnings per share (note 32)				
Basic	<u>\$2.89</u>		<u>\$2.92</u>	
Diluted	<u>\$2.89</u>		<u>\$2.92</u>	

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

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