

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2017		December 31, 2016		June 30, 2016	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents (Note 6)	\$ 96,837,554	6	\$ 66,775,994	4	\$ 51,818,730	3
Due from the central bank and call loans to banks (Note 7)	206,291,043	12	244,371,302	15	237,446,934	15
Financial assets at fair value through profit or loss (Note 8)	8,383,889	1	12,744,976	1	27,809,678	2
Securities purchased under resell agreements (Note 9)	120,038	-	-	-	-	-
Receivables, net (Notes 10 and 33)	17,667,941	1	15,326,174	1	18,861,515	1
Current income tax assets (Note 31)	203,352	-	112,400	-	225,217	-
Discounts and loans, net (Notes 4, 11 and 33)	894,905,740	53	849,330,659	52	815,859,351	50
Available-for-sale financial assets, net (Notes 12 and 34)	357,772,780	21	351,138,563	21	360,377,415	22
Held-to-maturity financial assets, net (Notes 13 and 34)	82,030,421	5	72,666,706	5	81,066,398	5
Equity investments under the equity method, net (Note 15)	1,473,756	-	1,421,566	-	1,438,434	-
Other financial assets, net (Note 16)	13,778	-	6,749	-	5,644	-
Properties, net (Note 17)	21,880,754	1	22,280,250	1	23,778,428	2
Investment properties, net (Note 18)	5,407,773	-	5,760,628	-	4,282,550	-
Deferred income tax assets (Note 31)	819,504	-	870,520	-	818,927	-
Other assets, net (Note 19)	<u>2,647,804</u>	<u>-</u>	<u>4,002,465</u>	<u>-</u>	<u>3,712,053</u>	<u>-</u>
Total	<u>\$ 1,696,456,127</u>	<u>100</u>	<u>\$ 1,646,808,952</u>	<u>100</u>	<u>\$ 1,627,501,274</u>	<u>100</u>
LIABILITIES AND EQUITY						
Due to the central bank and banks (Note 20)	\$ 44,944,615	3	\$ 35,428,666	2	\$ 33,424,186	2
Borrowings from the central bank and banks	-	-	-	-	1,130,325	-
Financial liabilities at fair value through profit or loss (Note 8)	728,095	-	1,377,770	-	1,222,645	-
Securities sold under repurchase agreements (Note 21)	21,335,644	1	10,186,212	1	25,898,813	2
Payables (Notes 22 and 33)	32,302,868	2	25,340,348	2	34,687,436	2
Current income tax liabilities (Note 31)	1,789,316	-	873,972	-	1,504,455	-
Deposits and remittances (Notes 23 and 33)	1,371,926,426	81	1,354,361,910	82	1,315,191,878	81
Bank debentures (Note 24)	43,150,000	2	38,150,000	2	38,150,000	2
Other financial liabilities (Note 25)	3,299,552	-	3,280,387	-	7,768,890	-
Provisions (Note 26)	1,812,785	-	1,796,539	-	1,615,510	-
Deferred income tax liabilities (Note 31)	10,741,990	1	10,744,497	1	9,837,119	1
Other liabilities (Notes 27 and 33)	<u>2,951,204</u>	<u>-</u>	<u>2,246,221</u>	<u>-</u>	<u>2,277,669</u>	<u>-</u>
Total liabilities	<u>1,534,982,495</u>	<u>90</u>	<u>1,483,786,522</u>	<u>90</u>	<u>1,472,708,926</u>	<u>90</u>
Equity attributable to owners of the Bank						
Share capital						
Ordinary shares	40,791,031	2	40,791,031	2	39,991,207	2
Reserve for capitalization	-	-	-	-	799,824	-
Capital surplus	<u>4,647,655</u>	<u>-</u>	<u>4,647,655</u>	<u>-</u>	<u>4,639,910</u>	<u>-</u>
Retained earnings						
Legal reserve	44,117,426	3	40,592,926	3	40,592,926	3
Special reserve	7,538,888	-	7,480,146	-	7,480,146	-
Unappropriated earnings	<u>14,987,248</u>	<u>1</u>	<u>18,465,441</u>	<u>1</u>	<u>12,480,246</u>	<u>1</u>
Total retained earnings	<u>66,643,562</u>	<u>4</u>	<u>66,538,513</u>	<u>4</u>	<u>60,553,318</u>	<u>4</u>
Other equity	<u>7,762,633</u>	<u>1</u>	<u>8,339,449</u>	<u>1</u>	<u>8,928,198</u>	<u>1</u>
Treasury shares	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>
Total equity attributable to owners of the Bank	119,761,737	7	120,233,504	7	114,829,313	7
Non-controlling interests	<u>41,711,895</u>	<u>3</u>	<u>42,788,926</u>	<u>3</u>	<u>39,963,035</u>	<u>3</u>
Total equity (Note 29)	<u>161,473,632</u>	<u>10</u>	<u>163,022,430</u>	<u>10</u>	<u>154,792,348</u>	<u>10</u>
Total	<u>\$ 1,696,456,127</u>	<u>100</u>	<u>\$ 1,646,808,952</u>	<u>100</u>	<u>\$ 1,627,501,274</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 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30			
	2017		2016	
	Amount	%	Amount	%
Interest revenue	\$ 16,618,112	95	\$ 15,975,538	101
Interest expenses	<u>4,905,464</u>	<u>28</u>	<u>5,252,015</u>	<u>33</u>
Net interest (Notes 30 and 33)	<u>11,712,648</u>	<u>67</u>	<u>10,723,523</u>	<u>68</u>
Net revenue other than from interest				
Service fee income, net (Note 30)	2,531,487	15	2,425,402	15
Gains on financial assets and liabilities at fair value through profit or loss (Note 30)	816,900	5	470,524	3
Realized gains on available-for-sale financial assets	725,109	4	727,642	5
Foreign exchange gains, net	793,185	4	651,418	4
Share of profits of associates and joint ventures, net (Note 15)	133,260	1	71,899	-
Other net revenue (Note 33)	<u>669,692</u>	<u>4</u>	<u>788,351</u>	<u>5</u>
Total net revenue other than from interest	<u>5,669,633</u>	<u>33</u>	<u>5,135,236</u>	<u>32</u>
Consolidated net revenue	<u>17,382,281</u>	<u>100</u>	<u>15,858,759</u>	<u>100</u>
Bad debt expenses (Note 11)	<u>454,386</u>	<u>3</u>	<u>430,243</u>	<u>3</u>
Operating expenses				
Personnel (Notes 4, 28, 30 and 33)	3,742,537	21	3,674,626	23
Depreciation and amortization (Note 30)	483,181	3	415,408	3
Other general and administrative	<u>2,078,126</u>	<u>12</u>	<u>2,120,381</u>	<u>13</u>
Total operating expenses	<u>6,303,844</u>	<u>36</u>	<u>6,210,415</u>	<u>39</u>
Profit before income tax	10,624,051	61	9,218,101	58
Income tax expense (Note 31)	<u>(2,281,445)</u>	<u>(13)</u>	<u>(1,973,069)</u>	<u>(12)</u>
Consolidated net income	<u>8,342,606</u>	<u>48</u>	<u>7,245,032</u>	<u>46</u>

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30			
	2017		2016	
	Amount	%	Amount	%
Other comprehensive income (loss)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (6,452,780)	(37)	\$ (2,247,432)	(14)
Unrealized gain on available-for-sale financial assets	4,262,264	24	1,533,795	9
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	23,785	-	45,970	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 31)	<u>(63,040)</u>	<u>-</u>	<u>(31,279)</u>	<u>-</u>
	<u>(2,229,771)</u>	<u>(13)</u>	<u>(698,946)</u>	<u>(5)</u>
Other comprehensive loss for the period, net of income tax	<u>(2,229,771)</u>	<u>(13)</u>	<u>(698,946)</u>	<u>(5)</u>
Total comprehensive income for the period	<u>\$ 6,112,835</u>	<u>35</u>	<u>\$ 6,546,086</u>	<u>41</u>
Net profit attributable to:				
Owners of the Bank	\$ 6,223,704	36	\$ 5,676,324	36
Non-controlling interests	<u>2,118,902</u>	<u>12</u>	<u>1,568,708</u>	<u>10</u>
	<u>\$ 8,342,606</u>	<u>48</u>	<u>\$ 7,245,032</u>	<u>46</u>
Total comprehensive income attributable to:				
Owners of the Bank	\$ 5,646,888	32	\$ 5,588,998	35
Non-controlling interests	<u>465,947</u>	<u>3</u>	<u>957,088</u>	<u>6</u>
	<u>\$ 6,112,835</u>	<u>35</u>	<u>\$ 6,546,086</u>	<u>41</u>
Earnings per share (Note 32)				
Basic	<u>\$1.53</u>		<u>\$1.40</u>	
Diluted	<u>\$1.53</u>		<u>\$1.39</u>	

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

(Concluded)