

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
(In Thousands of New Taiwan Dollars)

| Codes | ASSETS  | September 30, 2018<br>(Reviewed) |            | December 31, 2017<br>(Audited) |            | September 30, 2017<br>(Unreviewed) |            |
|-------|---|----------------------------------|------------|--------------------------------|------------|------------------------------------|------------|
|       |   | Amount                           | %          | Amount                         | %          | Amount                             | %          |
| 11000 | Cash and cash equivalents (Note 6)  | \$ 70,365,291                    | 4          | \$ 74,683,305                  | 4          | \$ 97,162,124                      | 6          |
| 11500 | Due from the Central Bank and call loans to banks (Note 7)                                      | 211,840,511                      | 12         | 219,570,594                    | 13         | 200,749,605                        | 12         |
| 12000 | Financial assets measured at fair value through profit or loss (Note 8)                         | 14,198,240                       | 1          | 10,767,854                     | 1          | 7,374,793                          | -          |
| 12100 | Financial assets measured at fair value through other comprehensive income (Notes 9, 11 and 39) | 401,643,697                      | 22         | -                              | -          | -                                  | -          |
| 12200 | Debt instrument investments measured at amortized cost (Notes 10, 11 and 39)                    | 95,868,572                       | 5          | -                              | -          | -                                  | -          |
| 12500 | Securities purchased under resale agreements (Note 12)  | 144,875                          | -          | 195,061                        | -          | 170,052                            | -          |
| 13000 | Receivables, net (Notes 13 and 38)  | 20,895,984                       | 1          | 16,705,711                     | 1          | 17,124,238                         | 1          |
| 13200 | Current income tax assets (Note 35)   | 197,906                          | -          | 90,429                         | -          | 64,051                             | -          |
| 13500 | Discounts and loans, net (Notes 14 and 38)  | 1,005,598,124                    | 54         | 926,652,676                    | 53         | 925,116,645                        | 54         |
| 14000 | Available-for-sale financial assets, net (Notes 15 and 39)                                      | -                                | -          | 340,550,108                    | 20         | 357,291,985                        | 21         |
| 14500 | Held-to-maturity financial assets, net (Notes 16 and 39)  | -                                | -          | 112,498,032                    | 7          | 84,414,253                         | 5          |
| 15000 | Equity investments under the equity method, net (Note 18)                                       | 1,573,700                        | -          | 1,472,690                      | -          | 1,532,360                          | -          |
| 15500 | Other financial assets, net (Note 19)   | 860                              | -          | 5,814                          | -          | 6,308                              | -          |
| 18500 | Properties, net (Note 20)   | 21,489,205                       | 1          | 21,291,727                     | 1          | 21,633,064                         | 1          |
| 18700 | Investment properties, net (Note 21)  | 5,457,708                        | -          | 5,292,397                      | -          | 5,369,385                          | -          |
| 19000 | Intangible Assets, net (Note 22)  | 1,478,132                        | -          | 120,099                        | -          | 133,254                            | -          |
| 19300 | Deferred income tax assets (Note 35)  | 1,192,611                        | -          | 753,867                        | -          | 837,565                            | -          |
| 19500 | Other assets, net (Note 23)   | <u>3,313,570</u>                 | <u>-</u>   | <u>2,849,433</u>               | <u>-</u>   | <u>3,279,703</u>                   | <u>-</u>   |
| 10000 | Total assets  | <u>\$ 1,855,258,986</u>          | <u>100</u> | <u>\$ 1,733,499,797</u>        | <u>100</u> | <u>\$ 1,722,259,385</u>            | <u>100</u> |
|       |   |                                  |            |                                |            |                                    |            |
| Codes | LIABILITIES AND EQUITY  |                                  |            |                                |            |                                    |            |
| 21000 | Due to the Central Bank and banks (Note 24)   | \$ 57,422,943                    | 3          | \$ 33,741,735                  | 2          | \$ 40,221,720                      | 2          |
| 22000 | Financial liabilities measured at fair value through profit or loss (Note 8)                    | 2,062,314                        | -          | 872,808                        | -          | 761,329                            | -          |
| 22500 | Securities sold under repurchase agreements (Note 25)   | 25,306,706                       | 2          | 29,792,067                     | 2          | 27,152,985                         | 2          |
| 23000 | Payables (Notes 26 and 38)  | 31,552,165                       | 2          | 29,282,966                     | 2          | 29,125,413                         | 2          |
| 23200 | Current income tax liabilities (Note 35)  | 2,375,139                        | -          | 2,427,171                      | -          | 1,946,846                          | -          |
| 23500 | Deposits and remittances (Notes 27 and 38)  | 1,486,492,676                    | 80         | 1,403,780,604                  | 81         | 1,395,271,165                      | 81         |
| 24000 | Bank debentures (Note 28)   | 57,723,924                       | 3          | 52,516,310                     | 3          | 43,150,000                         | 2          |
| 25500 | Other financial liabilities (Note 29)   | 4,099,869                        | -          | 3,284,108                      | -          | 3,894,425                          | -          |
| 25600 | Provisions (Notes 30)   | 2,312,427                        | -          | 2,099,179                      | -          | 1,982,249                          | -          |
| 29300 | Deferred income tax liabilities (Note 35)   | 9,087,094                        | 1          | 9,897,033                      | 1          | 10,778,772                         | 1          |
| 29500 | Other liabilities (Notes 31 and 38)   | <u>3,868,985</u>                 | <u>-</u>   | <u>2,772,722</u>               | <u>-</u>   | <u>3,201,730</u>                   | <u>-</u>   |
| 20000 | Total liabilities   | <u>1,682,304,242</u>             | <u>91</u>  | <u>1,570,466,703</u>           | <u>91</u>  | <u>1,557,486,634</u>               | <u>90</u>  |
|       | Equity (Notes 33)   |                                  |            |                                |            |                                    |            |
|       | Equity attributable to owners of the Bank   |                                  |            |                                |            |                                    |            |
|       | Share capital   |                                  |            |                                |            |                                    |            |
| 31101 | Ordinary shares   | <u>40,791,031</u>                | <u>3</u>   | <u>40,791,031</u>              | <u>3</u>   | <u>40,791,031</u>                  | <u>2</u>   |
| 31500 | Capital surplus   | <u>5,351,666</u>                 | <u>-</u>   | <u>4,655,555</u>               | <u>-</u>   | <u>4,655,555</u>                   | <u>-</u>   |
|       | Retained earnings   |                                  |            |                                |            |                                    |            |
| 32001 | Legal reserve   | 47,832,994                       | 3          | 44,117,426                     | 3          | 44,117,426                         | 3          |
| 32003 | Special reserve   | 7,600,814                        | -          | 7,538,888                      | -          | 7,538,888                          | -          |
| 32005 | Unappropriated earnings   | <u>20,128,944</u>                | <u>1</u>   | <u>21,066,873</u>              | <u>1</u>   | <u>18,093,872</u>                  | <u>1</u>   |
| 32000 | Total retained earnings   | <u>75,562,752</u>                | <u>4</u>   | <u>72,723,187</u>              | <u>4</u>   | <u>69,750,186</u>                  | <u>4</u>   |
| 32500 | Other equity  | <u>5,850,614</u>                 | <u>-</u>   | <u>4,323,170</u>               | <u>-</u>   | <u>7,892,988</u>                   | <u>1</u>   |
| 32600 | Treasury shares   | <u>(83,144)</u>                  | <u>-</u>   | <u>(83,144)</u>                | <u>-</u>   | <u>(83,144)</u>                    | <u>-</u>   |
| 31000 | Total equity attributable to owners of the Bank   | 127,472,919                      | 7          | 122,409,799                    | 7          | 123,006,616                        | 7          |
| 38000 | Non-controlling interests   | <u>45,481,825</u>                | <u>2</u>   | <u>40,623,295</u>              | <u>2</u>   | <u>41,766,135</u>                  | <u>3</u>   |
| 30000 | Total equity  | <u>172,954,744</u>               | <u>9</u>   | <u>163,033,094</u>             | <u>9</u>   | <u>164,772,751</u>                 | <u>10</u>  |
|       | Total liabilities and equity  | <u>\$1,855,258,986</u>           | <u>100</u> | <u>\$ 1,733,499,797</u>        | <u>100</u> | <u>\$ 1,722,259,385</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)

| Codes |   | For the three months ended September 30 |             |                    |             | For the nine months ended September 30 |             |                    |             |
|-------|---|---|-------------|--------------------|-------------|--|-------------|--------------------|-------------|
|       |   | 2018 (Reviewed)                         |             | 2017 (Unreviewed)  |             | 2018 (Reviewed)                        |             | 2017 (Unreviewed)  |             |
|       |   | Amount                                  | %           | Amount             | %           | Amount                                 | %           | Amount             | %           |
| 41000 | Interest revenue  | \$ 10,954,440                           | 116         | \$ 8,731,287       | 101         | \$30,391,712                           | 110         | \$25,349,399       | 97          |
| 51000 | Interest expenses   | <u>3,871,979</u>                        | <u>41</u>   | <u>2,749,768</u>   | <u>32</u>   | <u>10,257,258</u>                      | <u>37</u>   | <u>7,655,232</u>   | <u>29</u>   |
| 49010 | Net interest (Notes 34 and 38)  | <u>7,082,461</u>                        | <u>75</u>   | <u>5,981,519</u>   | <u>69</u>   | <u>20,134,454</u>                      | <u>73</u>   | <u>17,694,167</u>  | <u>68</u>   |
|       | Non-interest revenue  |   |             |                    |             |  |             |                    |             |
| 49100 | Service fee income, net (Note 34)   | 1,200,785                               | 13          | 1,328,172          | 16          | 4,071,198                              | 15          | 3,859,659          | 15          |
| 49200 | Gain on financial assets and liabilities measured at fair value through profit or loss (Note 34)      | 90,700                                  | 1           | 165,150            | 2           | (12,432)                               | -           | 982,050            | 4           |
| 49300 | Realized gain on available-for-sale financial assets  | -                                       | -           | 328,539            | 4           | -                                      | -           | 1,053,648          | 4           |
| 49310 | Realized gain on financial assets measured at fair value through other comprehensive income (Note 34) | 398,999                                 | 4           | -                  | -           | 1,034,613                              | 4           | -                  | -           |
| 49450 | Gain on financial assets measured at amortized cost   | (138)                                   | -           | -                  | -           | (1,807)                                | -           | -                  | -           |
| 49600 | Foreign exchange gain, net  | 324,563                                 | 3           | 360,765            | 4           | 1,195,447                              | 4           | 1,153,950          | 4           |
| 49700 | Impairment loss on assets   | (14,402)                                | -           | -                  | -           | (22,237)                               | -           | -                  | -           |
| 49750 | Share of profit of subsidiaries, associates and joint ventures for using equity method, net (Note 18) | (808)                                   | -           | 90,354             | 1           | 124,823                                | -           | 223,614            | 1           |
| 49800 | Other non-interest revenue (Note 38)  | <u>394,289</u>                          | <u>4</u>    | <u>353,187</u>     | <u>4</u>    | <u>994,305</u>                         | <u>4</u>    | <u>1,022,879</u>   | <u>4</u>    |
| 49020 | Total non-interest revenue  | <u>2,393,988</u>                        | <u>25</u>   | <u>2,626,167</u>   | <u>31</u>   | <u>7,383,910</u>                       | <u>27</u>   | <u>8,295,800</u>   | <u>32</u>   |
|       | Consolidated net revenue  | <u>9,476,449</u>                        | <u>100</u>  | <u>8,607,686</u>   | <u>100</u>  | <u>27,518,364</u>                      | <u>100</u>  | <u>25,989,967</u>  | <u>100</u>  |
| 58200 | Bad debt expense, commitment and guarantee liability employee benefits (Note 14)                      | <u>151,876</u>                          | <u>1</u>    | <u>220,280</u>     | <u>3</u>    | <u>517,510</u>                         | <u>2</u>    | <u>674,666</u>     | <u>3</u>    |
|       | Operating expenses  |   |             |                    |             |  |             |                    |             |
| 58500 | Employee benefits (Notes 32, 34 and 38)   | 2,090,042                               | 22          | 1,894,061          | 21          | 5,864,278                              | 21          | 5,591,598          | 21          |
| 59000 | Depreciation and amortization (Note 34)   | 199,998                                 | 2           | 271,113            | 3           | 603,209                                | 2           | 754,294            | 3           |
| 59500 | Other general and administrative  | <u>1,187,433</u>                        | <u>13</u>   | <u>1,002,810</u>   | <u>12</u>   | <u>3,447,158</u>                       | <u>13</u>   | <u>3,080,936</u>   | <u>12</u>   |
| 58400 | Total operating expenses  | <u>3,477,473</u>                        | <u>37</u>   | <u>3,122,984</u>   | <u>36</u>   | <u>9,914,726</u>                       | <u>36</u>   | <u>9,426,828</u>   | <u>36</u>   |
| 61001 | Profit before income tax  | 5,847,100                               | 62          | 5,264,422          | 61          | 17,086,128                             | 62          | 15,888,473         | 61          |
| 61003 | Income tax expense (Note 35)  | <u>(1,078,720)</u>                      | <u>(12)</u> | <u>(1,177,795)</u> | <u>(13)</u> | <u>(3,469,687)</u>                     | <u>(13)</u> | <u>(3,459,240)</u> | <u>(13)</u> |
| 64000 | Consolidated net income   | <u>4,768,380</u>                        | <u>50</u>   | <u>4,086,627</u>   | <u>48</u>   | <u>13,616,441</u>                      | <u>49</u>   | <u>12,429,233</u>  | <u>48</u>   |
|       | Other comprehensive income (loss)   |   |             |                    |             |  |             |                    |             |
|       | Items that will be not reclassified subsequently to profit or loss:                                   |   |             |                    |             |  |             |                    |             |
| 65204 | Gain on investments in equity instruments measured at fair value through other comprehensive income   | 1,394,685                               | 15          | -                  | -           | 1,943,620                              | 7           | -                  | -           |

# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

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

|       |  |              |     |              |     |               |     |               |      |
|-------|--|--------------|-----|--------------|-----|---------------|-----|---------------|------|
| 65220 | Income tax relating to items that may be not reclassified subsequently to profit or loss (Note 35)             | \$ 37,704    | -   | \$ -         | -   | \$ 1,601,464  | 6   | \$ -          | -    |
| 65200 | Subtotal of items that will not be reclassified subsequently to profit or loss                                 | 1,432,389    | 15  | -            | -   | 3,545,084     | 13  | -             | -    |
|       | Items that may be reclassified subsequently to profit or loss:   |              |     |              |     |               |     |               |      |
| 65301 | Exchange differences on translating foreign operations   | 34,707       | -   | 8,633        | -   | 2,983,615     | 11  | (6,444,147)   | (25) |
| 65302 | Unrealized gain on available-for-sale financial assets   | -            | -   | (640,162)    | (8) | -             | -   | 3,622,102     | 14   |
| 65307 | Share of the other comprehensive income of associates and joint ventures accounted for using the equity method | 822          | -   | (13,620)     | -   | (35,159)      | -   | 10,165        | -    |
| 65308 | Loss on debt instruments measured at fair value through other comprehensive income                             | (51,319)     | -   | -            | -   | (1,875,405)   | (7) | -             | -    |
| 65320 | Income tax relating to items that may be reclassified subsequently to profit or loss (Note 35)                 | (85,206)     | (1) | 163,364      | 2   | (43,359)      | -   | 100,324       | -    |
| 65300 | Subtotal of items that may be reclassified subsequently to profit or loss                                      | (100,996)    | (1) | (481,785)    | (6) | 1,029,692     | 4   | (2,711,556)   | (11) |
| 65000 | Other comprehensive income for the period, net of income tax   | 1,331,393    | 14  | (481,785)    | (6) | 4,574,776     | 17  | (2,711,556)   | (11) |
| 66000 | Total comprehensive income for the period  | \$ 6,099,773 | 64  | \$ 3,604,842 | 42  | \$ 18,191,217 | 66  | \$ 9,717,677  | 37   |
|       | Net profit attributable to:  |              |     |              |     |               |     |               |      |
| 67101 | Owners of the Bank   | \$ 3,568,323 | 37  | \$ 3,106,190 | 36  | \$ 10,218,026 | 37  | \$ 9,329,894  | 36   |
| 67111 | Non-controlling interests  | 1,200,057    | 13  | 980,437      | 11  | 3,398,415     | 12  | 3,099,339     | 12   |
| 67100 |  | \$ 4,768,380 | 50  | \$ 4,086,627 | 47  | \$ 13,616,441 | 49  | \$ 12,429,233 | 48   |
|       | Total comprehensive income attributable to:  |              |     |              |     |               |     |               |      |
| 67301 | Owners of the Bank   | \$ 4,023,297 | 42  | \$ 3,236,979 | 38  | \$ 12,088,660 | 44  | \$ 8,883,867  | 34   |
| 67311 | Non-controlling interests  | 2,076,476    | 22  | 367,863      | 4   | 6,102,557     | 22  | 883,810       | 3    |
| 67300 |  | \$ 6,099,773 | 64  | \$ 3,604,842 | 42  | \$ 18,191,217 | 66  | \$ 9,717,677  | 37   |
|       | Earnings per share (Note 36)   |              |     |              |     |               |     |               |      |
| 67500 | Basic  | \$ 0.88      |     | \$ 0.76      |     | \$ 2.51       |     | \$ 2.29       |      |
| 67700 | Diluted  | \$ 0.88      |     | \$ 0.76      |     | \$ 2.51       |     | \$ 2.29       |      |

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

(Concluded)