

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

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2016		December 31, 2015		June 30, 2015	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents (note 6)	\$ 51,818,730	3	\$ 96,923,788	6	\$ 44,464,878	3
Due from the central bank and call loans to banks (note 7)	237,446,934	15	195,329,717	12	246,326,763	16
Financial assets at fair value through profit or loss (note 8)	27,809,678	2	27,991,683	2	37,464,837	2
Securities purchased under resell agreements (note 10)	-	-	10,245,428	1	4,882,013	-
Receivables, net (notes 11 and 35)	18,861,515	1	15,118,711	1	22,484,960	2
Current income tax assets	225,217	-	154,683	-	172,232	-
Discounts and loans, net (notes 4, 12 and 35)	815,859,351	50	847,606,449	52	832,006,589	53
Available-for-sale financial assets, net (notes 13 and 36)	360,377,415	22	304,480,067	19	249,868,789	16
Held-to-maturity financial assets, net (notes 14 and 36)	81,066,398	5	92,771,401	6	97,891,695	6
Equity investments under the equity method, net (note 16)	1,438,434	-	1,361,088	-	1,297,105	-
Other financial assets, net (note 17)	5,644	-	36,448	-	316,646	-
Properties, net (notes 18 and 24)	23,778,428	2	23,913,150	1	26,529,873	2
Investment properties, net (note 19)	4,282,550	-	4,226,143	-	20,425	-
Deferred income tax assets	818,927	-	962,789	-	763,572	-
Other assets, net (notes 20 and 34)	<u>3,712,053</u>	<u>-</u>	<u>3,747,335</u>	<u>-</u>	<u>3,491,475</u>	<u>-</u>
Total	<u>\$ 1,627,501,274</u>	<u>100</u>	<u>\$ 1,624,868,880</u>	<u>100</u>	<u>\$ 1,567,981,852</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
Due to the Central Bank and banks (note 21)	\$ 33,424,186	2	\$ 37,919,750	2	\$ 36,873,446	2
Borrowings from the central bank and banks	1,130,325	-	-	-	1,545,650	-
Financial liabilities at fair value through profit or loss (note 8)	1,222,645	-	1,437,270	-	1,252,453	-
Securities sold under repurchase agreements (note 22)	25,898,813	2	6,320,676	1	10,196,680	1
Payables (notes 23, 34 and 35)	34,687,436	2	22,364,638	1	35,678,883	2
Current income tax liabilities	1,504,455	-	1,152,377	-	1,686,341	-
Deposits and remittances (notes 24 and 35)	1,315,191,878	81	1,343,639,313	83	1,277,980,498	82
Bank debentures (note 25)	38,150,000	2	38,150,000	2	37,150,000	2
Other financial liabilities (note 26)	7,768,890	-	3,979,973	-	6,961,212	1
Provisions (note 27)	1,615,510	-	1,534,882	-	1,320,633	-
Deferred income tax liabilities	9,837,119	1	9,958,414	1	9,235,281	1
Other liabilities (notes 28, 34 and 35)	<u>2,277,669</u>	<u>-</u>	<u>2,515,208</u>	<u>-</u>	<u>2,589,195</u>	<u>-</u>
Total liabilities	<u>1,472,708,926</u>	<u>90</u>	<u>1,468,972,501</u>	<u>90</u>	<u>1,422,470,272</u>	<u>91</u>
Equity attributable to owners of the Bank						
Share capital						
Ordinary shares	39,991,207	2	39,991,207	2	38,086,864	3
Reserve for capitalization	<u>799,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,904,343</u>	<u>-</u>
Total share capital	<u>40,791,031</u>	<u>2</u>	<u>39,991,207</u>	<u>2</u>	<u>39,991,207</u>	<u>3</u>
Capital surplus	<u>4,639,910</u>	<u>-</u>	<u>4,639,910</u>	<u>-</u>	<u>4,632,533</u>	<u>-</u>
Retained earnings						
Legal reserve	40,592,926	3	37,023,528	2	37,023,528	2
Special reserve	7,480,146	-	7,480,146	1	7,480,146	1
Unappropriated earnings	<u>12,480,246</u>	<u>1</u>	<u>17,171,825</u>	<u>1</u>	<u>11,382,372</u>	<u>1</u>
Total retained earnings	<u>60,553,318</u>	<u>4</u>	<u>61,675,499</u>	<u>4</u>	<u>55,886,046</u>	<u>4</u>
Other equity	<u>8,928,198</u>	<u>1</u>	<u>9,015,524</u>	<u>1</u>	<u>7,571,151</u>	<u>-</u>
Treasury stock	<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	114,829,313	7	115,238,996	7	107,997,793	7
Non-controlling interests	<u>39,963,035</u>	<u>3</u>	<u>40,657,383</u>	<u>3</u>	<u>37,513,787</u>	<u>2</u>
Total equity (note 30)	<u>154,792,348</u>	<u>10</u>	<u>155,896,379</u>	<u>10</u>	<u>145,511,580</u>	<u>9</u>
Total	<u>\$ 1,627,501,274</u>	<u>100</u>	<u>\$ 1,624,868,880</u>	<u>100</u>	<u>\$ 1,567,981,852</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			
	2016		2015	
	Amount	%	Amount	%
Net income				
Interest revenues	\$ 15,975,538	101	\$ 16,152,074	102
Interest expenses	<u>5,252,015</u>	<u>33</u>	<u>5,843,862</u>	<u>37</u>
Net interest (notes 31 and 34)	<u>10,723,523</u>	<u>68</u>	<u>10,308,212</u>	<u>65</u>
Net revenues other than interest				
Service fee incomes, net (note 31)	2,425,402	15	3,026,980	19
Gains on financial assets and liabilities at fair value through profit or loss (note 31)	470,524	3	532,931	3
Realized gains on available-for-sale financial assets	727,642	5	797,276	5
Foreign exchange gains, net	651,418	4	390,652	3
Share of profit of associates and joint ventures, net	71,899	-	173,849	1
Other net revenues (note 35)	<u>788,351</u>	<u>5</u>	<u>594,720</u>	<u>4</u>
Total net revenues other than interest	<u>5,135,236</u>	<u>32</u>	<u>5,516,408</u>	<u>35</u>
Consolidated net revenues	<u>15,858,759</u>	<u>100</u>	<u>15,824,620</u>	<u>100</u>
Bad debt expenses and reserve for possible losses on guarantees (note 12)	430,243	3	339,443	2
Operating expenses				
Personnel (notes 4, 29, 31 and 35)	3,674,626	23	3,391,514	21
Depreciation and amortization (note 31)	415,408	3	396,350	3
Other general and administrative	<u>2,120,381</u>	<u>13</u>	<u>2,051,085</u>	<u>13</u>
Total operating expenses	<u>6,210,415</u>	<u>39</u>	<u>5,838,949</u>	<u>37</u>
Profit before income tax	9,218,101	58	9,646,228	61
Income tax expense (note 32)	<u>(1,973,069)</u>	<u>(12)</u>	<u>(1,817,984)</u>	<u>(12)</u>
Net income	<u>7,245,032</u>	<u>46</u>	<u>7,828,244</u>	<u>49</u>
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Translation adjustments for foreign operations	(2,247,432)	(14)	(2,303,433)	(15)
Unrealized gain on available-for-sale financial assets	1,533,795	9	2,032,901	13

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

	For the Six Months Ended June 30			
	2016		2015	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	\$ 45,970	-	\$ 8,861	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(31,279)</u>	<u>-</u>	<u>(82,478)</u>	<u>-</u>
Subtotal of items that may be reclassified subsequently to profit or loss	<u>(698,946)</u>	<u>(5)</u>	<u>(344,149)</u>	<u>(2)</u>
Other comprehensive income for the period, net of income tax	<u>(698,946)</u>	<u>(5)</u>	<u>(344,149)</u>	<u>(2)</u>
Total comprehensive income for the period	<u>\$ 6,546,086</u>	<u>41</u>	<u>\$ 7,484,095</u>	<u>47</u>
Net profit attributable to:				
Owners of the Bank	\$ 5,676,324	36	\$ 6,070,008	38
Non-controlling interests	<u>1,568,708</u>	<u>10</u>	<u>1,758,236</u>	<u>11</u>
	<u>\$ 7,245,032</u>	<u>46</u>	<u>\$ 7,828,244</u>	<u>49</u>
Total comprehensive income attributable to:				
Owners of the Bank	\$ 5,588,998	35	\$ 5,886,864	37
Non-controlling interests	<u>957,088</u>	<u>6</u>	<u>1,597,231</u>	<u>10</u>
	<u>\$ 6,546,086</u>	<u>41</u>	<u>\$ 7,484,095</u>	<u>47</u>
Earnings Per Share (note 33)				
Basic	<u>\$1.40</u>		<u>\$1.49</u>	
Diluted	<u>\$1.39</u>		<u>\$1.49</u>	

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

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