

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

Codes	ASSETS	June 30, 2018		December 31, 2017		June 30, 2017	
		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (Note 6)	\$ 68,662,140	4	\$ 74,683,305	4	\$ 96,837,554	6
11500	Due from the Central Bank and call loans to banks (Note 7)	190,808,521	11	219,570,594	13	206,291,043	12
12000	Financial assets measured at fair value through profit or loss (Note 8)	13,528,698	1	10,767,854	1	8,383,889	1
12100	Financial assets measured at fair value through other comprehensive income (Notes 9, 11 and 38)	391,177,962	22	-	-	-	-
12200	Debt instrument investments measured at amortized cost (Notes 10, 11 and 38)	90,986,428	5	-	-	-	-
12500	Securities purchased under resale agreements (Note 12)	195,282	-	195,061	-	120,038	-
13000	Receivables, net (Notes 13 and 37)	19,690,857	1	16,705,711	1	17,667,941	1
13200	Current income tax assets (Note 34)	224,430	-	90,429	-	203,352	-
13500	Discounts and loans, net (Notes 14 and 37)	987,170,950	55	926,652,676	53	894,905,740	53
14000	Available-for-sale financial assets, net (Notes 15 and 38)	-	-	340,550,108	20	357,772,780	21
14500	Held-to-maturity financial assets, net (Notes 16 and 38)	-	-	112,498,032	7	82,030,421	5
15000	Equity investments under the equity method, net (Note 18)	1,563,251	-	1,472,690	-	1,473,756	-
15500	Other financial assets, net (Note 19)	5,972	-	5,814	-	13,778	-
18500	Properties, net (Note 20)	21,384,698	1	21,291,727	1	21,880,754	1
18700	Investment properties, net (Note 21)	5,446,637	-	5,292,397	-	5,407,773	-
19300	Deferred income tax assets (Note 34)	1,142,924	-	753,867	-	819,504	-
19500	Other assets, net (Note 22)	<u>2,827,382</u>	<u>-</u>	<u>2,969,532</u>	<u>-</u>	<u>2,647,804</u>	<u>-</u>
10000	Total assets	<u>\$ 1,794,816,132</u>	<u>100</u>	<u>\$ 1,733,499,797</u>	<u>100</u>	<u>\$ 1,696,456,127</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY						
21000	Due to the Central Bank and banks (Note 23)	\$ 44,753,325	3	\$ 33,741,735	2	\$ 44,944,615	3
22000	Financial liabilities measured at fair value through profit or loss (Note 8)	1,537,585	-	872,808	-	728,095	-
22500	Securities sold under repurchase agreements (Note 24)	22,021,546	1	29,792,067	2	21,335,644	1
23000	Payables (Notes 25 and 37)	37,479,975	2	29,282,966	2	32,302,868	2
23200	Current income tax liabilities (Note 34)	2,254,991	-	2,427,171	-	1,789,316	-
23500	Deposits and remittances (Notes 26 and 37)	1,443,238,035	81	1,403,780,604	81	1,371,926,426	81
24000	Bank debentures (Note 27)	57,742,722	-	52,516,310	3	43,150,000	2
25500	Other financial liabilities (Note 28)	4,738,617	-	3,284,108	-	3,299,552	-
25600	Provisions (Notes 29 and 31)	2,086,154	-	2,099,179	-	1,812,785	-
29300	Deferred income tax liabilities (Note 34)	8,942,069	1	9,897,033	1	10,741,990	1
29500	Other liabilities (Notes 30 and 37)	<u>3,106,484</u>	<u>-</u>	<u>2,772,722</u>	<u>-</u>	<u>2,951,204</u>	<u>-</u>
20000	Total liabilities	<u>1,627,901,503</u>	<u>91</u>	<u>1,570,466,703</u>	<u>91</u>	<u>1,534,982,495</u>	<u>90</u>
	Equity (Notes 32)						
	Equity attributable to owners of the Bank						
	Share capital						
31101	Ordinary shares	<u>40,791,031</u>	<u>2</u>	<u>40,791,031</u>	<u>3</u>	<u>40,791,031</u>	<u>2</u>
31500	Capital surplus	<u>5,342,186</u>	<u>1</u>	<u>4,655,555</u>	<u>-</u>	<u>4,647,655</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>16,654,529</u>	<u>1</u>	<u>21,066,873</u>	<u>1</u>	<u>14,987,248</u>	<u>1</u>
32000	Total retained earnings	<u>72,088,337</u>	<u>4</u>	<u>72,723,187</u>	<u>4</u>	<u>66,643,562</u>	<u>4</u>
32500	Other equity	<u>5,301,732</u>	<u>-</u>	<u>4,323,170</u>	<u>-</u>	<u>7,762,633</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	123,440,142	7	122,409,799	7	119,761,737	7
38000	Non-controlling interests	<u>43,474,487</u>	<u>2</u>	<u>40,623,295</u>	<u>2</u>	<u>41,711,895</u>	<u>3</u>
30000	Total equity	<u>166,914,629</u>	<u>9</u>	<u>163,033,094</u>	<u>9</u>	<u>161,473,632</u>	<u>10</u>
	Total liabilities and equity	<u>\$ 1,794,816,132</u>	<u>100</u>	<u>\$ 1,733,499,797</u>	<u>100</u>	<u>\$ 1,696,456,127</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 June 30				For the Six Months Ended June 30			
		2018		2017		2018		2017	
		Amount	%	Amount	%	Amount	%	Amount	%
41000	Interest revenue	\$ 10,169,040	105	\$ 8,392,967	91	\$ 19,437,272	108	\$ 16,618,112	95
51000	Interest expenses	<u>3,358,433</u>	<u>35</u>	<u>2,516,793</u>	<u>27</u>	<u>6,385,279</u>	<u>36</u>	<u>4,905,464</u>	<u>28</u>
49010	Net interest (Notes 30 and 37)	<u>6,810,607</u>	<u>70</u>	<u>5,876,174</u>	<u>64</u>	<u>13,051,993</u>	<u>72</u>	<u>11,712,648</u>	<u>67</u>
	Non-interest revenue								
49100	Service fee income, net (Note 33)	1,341,871	14	1,261,548	14	2,870,413	16	2,531,487	15
49200	Gain on financial assets and liabilities measured at fair value through profit or loss (Note 33)	(322,792)	(3)	357,094	4	(103,132)	(1)	816,900	5
49300	Realized gain on available-for-sale financial assets	-	-	643,065	7	-	-	725,109	4
49310	Realized gain on financial assets measured at fair value through other comprehensive income (Note 33)	595,519	6	-	-	635,614	4	-	-
49450	Gain on financial assets measured at amortized cost	(10)	-	-	-	(1,669)	-	-	-
49600	Foreign exchange gain, net	908,222	9	695,547	7	870,884	5	793,185	4
49700	Impairment loss on assets	(534)	-	-	-	(7,835)	-	-	-
49750	Share of profit of subsidiaries, associates and joint ventures for using equity method, net (Note 18)	53,960	1	65,489	1	125,631	1	133,260	1
49800	Other non-interest revenue (Note 37)	<u>291,990</u>	<u>3</u>	<u>317,055</u>	<u>3</u>	<u>600,016</u>	<u>3</u>	<u>669,692</u>	<u>4</u>
49020	Total non-interest revenue	<u>2,868,226</u>	<u>30</u>	<u>3,339,798</u>	<u>36</u>	<u>4,989,922</u>	<u>28</u>	<u>5,669,633</u>	<u>33</u>
	Consolidated net revenue	<u>9,678,833</u>	<u>100</u>	<u>9,215,972</u>	<u>100</u>	<u>18,041,915</u>	<u>100</u>	<u>17,382,281</u>	<u>100</u>
58200	Bad debt expense, commitment and guarantee liability employee benefits (Note 14)	<u>205,094</u>	<u>2</u>	<u>226,146</u>	<u>2</u>	<u>365,634</u>	<u>2</u>	<u>454,386</u>	<u>3</u>
	Operating expenses								
58500	Employee benefits (Notes 31, 33 and 37)	1,920,935	20	1,906,523	21	3,774,236	21	3,742,537	21
59000	Depreciation and amortization (Note 33)	200,749	2	219,511	2	403,292	2	483,181	3
59500	Other general and administrative	<u>1,207,749</u>	<u>13</u>	<u>1,087,084</u>	<u>12</u>	<u>2,259,725</u>	<u>13</u>	<u>2,078,126</u>	<u>12</u>
58400	Total operating expenses	<u>3,329,433</u>	<u>35</u>	<u>3,213,118</u>	<u>35</u>	<u>6,437,253</u>	<u>36</u>	<u>6,303,844</u>	<u>36</u>
61001	Profit before income tax	6,144,306	63	5,776,708	63	11,239,028	62	10,624,051	61
61003	Income tax expense (Note 34)	<u>(1,141,016)</u>	<u>(12)</u>	<u>(1,168,887)</u>	<u>(13)</u>	<u>(2,390,967)</u>	<u>(13)</u>	<u>(2,281,445)</u>	<u>(13)</u>
64000	Consolidated net income	<u>5,003,290</u>	<u>51</u>	<u>4,607,821</u>	<u>50</u>	<u>8,848,061</u>	<u>49</u>	<u>8,342,606</u>	<u>48</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)

Codes		For the Three Months Ended June 30				For the Six Months Ended June 30			
		2018		2017		2018		2017	
		Amount	%	Amount	%	Amount	%	Amount	%
	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	\$ (424,021)	(4)	\$ -	-	\$ 798,935	4	\$ -	-
65220	Income tax relating to items that may be not reclassified subsequently to profit or loss (Note 34)	1,769,544	18	-	-	1,563,760	9	-	-
65200	Subtotal of items that will not be reclassified subsequently to profit or loss	1,345,523	14	-	-	2,362,695	13	-	-
	Items that may be reclassified subsequently to profit or loss:								
65301	Exchange differences on translating foreign operations	4,642,494	48	(173,257)	(2)	2,226,534	12	(6,452,780)	(37)
65302	Unrealized gain on available-for-sale financial assets	-	-	3,036,748	33	-	-	4,262,264	24
65307	Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	(17,689)	-	15,964	-	(35,981)	-	23,785	-
65308	Gain on debt instruments measured at fair value through other comprehensive income	(761,121)	(8)	-	-	(1,824,086)	(10)	-	-
65320	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 34)	(4,183)	-	(1,112,751)	(12)	854,960	5	(63,040)	-
65300	Subtotal of items that may be reclassified subsequently to profit or loss	3,859,501	40	1,766,704	19	1,221,427	7	(2,229,771)	(13)
65000	Other comprehensive income for the period, net of income tax	5,205,024	54	1,766,704	19	3,584,122	20	(2,229,771)	(13)
66000	Total comprehensive income for the period	\$ 10,208,314	105	\$ 6,374,525	69	\$ 12,432,183	69	\$ 6,112,835	35
	Net profit attributable to:								
67101	Owners of the Bank	\$ 3,710,929	38	\$ 3,506,343	38	\$ 6,649,703	37	\$ 6,223,704	36
67111	Non-controlling interests	1,292,361	14	1,101,478	12	2,198,358	12	2,118,902	12
67100		\$ 5,003,290	52	\$ 4,607,821	50	\$ 8,848,061	49	\$ 8,342,606	48
	Total comprehensive income attributable to:								
67301	Owners of the Bank	\$ 6,421,660	66	\$ 4,892,812	53	\$ 8,065,363	45	\$ 5,646,888	32
67311	Non-controlling interests	3,786,654	39	1,481,713	16	4,366,820	24	465,947	3
67300		\$ 10,208,314	105	\$ 6,374,525	69	\$ 12,432,183	69	\$ 6,112,835	35
	Earnings per share (Note 35)								
67500	Basic	\$ 0.91		\$ 0.86		\$ 1.63		\$ 1.53	
67700	Diluted	\$ 0.91		\$ 0.86		\$ 1.63		\$ 1.53	

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

(Concluded)