

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars)

ASSETS	2017		2016	
	Amount	%	Amount	%
Cash and cash equivalents (note 6)	\$ 74,683,305	4	\$ 66,775,994	4
Due from the central bank and call loans to banks (note 7)	219,570,594	13	244,371,302	15
Financial assets at fair value through profit or loss (note 8)	10,767,854	1	12,744,976	1
Securities purchased under resale agreements (note 9)	195,061	-	-	-
Receivables, net (notes 10 and 33)	16,705,711	1	15,326,174	1
Current income tax assets (note 31)	90,429	-	112,400	-
Discounts and loans, net (notes 11, 33 and 34)	926,652,676	53	849,330,659	52
Available-for-sale financial assets, net (notes 12 and 34)	340,550,108	20	351,138,563	21
Held-to-maturity financial assets, net (notes 13 and 34)	112,498,032	7	72,666,706	5
Equity investments under the equity method, net (note 15)	1,472,690	-	1,421,566	-
Other financial assets, net (note 16)	5,814	-	6,749	-
Properties, net (note 17)	21,291,727	1	22,280,250	1
Investment properties, net (note 18)	5,292,397	-	5,760,628	-
Deferred income tax assets (note 31)	753,867	-	1,010,874	-
Other assets, net (note 19)	<u>2,969,532</u>	<u>-</u>	<u>4,002,465</u>	<u>-</u>
Total	<u>\$ 1,733,499,797</u>	<u>100</u>	<u>\$ 1,646,949,306</u>	<u>100</u>
LIABILITIES AND EQUITY				
Due to the central bank and banks (note 20)	\$ 33,741,735	2	\$ 35,428,666	2
Financial liabilities at fair value through profit or loss (note 8)	872,808	-	1,377,770	-
Securities sold under repurchase agreements (note 21)	29,792,067	2	10,186,212	1
Payables (notes 22 and 33)	29,282,966	2	25,340,348	2
Current income tax liabilities (note 31)	2,427,171	-	873,972	-
Deposits and remittances (notes 23 and 33)	1,403,780,604	81	1,354,361,910	82
Bank debentures (note 24)	52,516,310	3	38,150,000	2
Other financial liabilities (note 25)	3,284,108	-	3,280,387	-
Provisions (note 26)	2,099,179	-	1,796,539	-
Deferred income tax liabilities (note 31)	9,897,033	1	10,884,851	1
Other liabilities (notes 27 and 33)	<u>2,772,722</u>	<u>-</u>	<u>2,246,221</u>	<u>-</u>
Total liabilities	<u>1,570,466,703</u>	<u>91</u>	<u>1,483,926,876</u>	<u>90</u>
Equity attributable to owners of the Bank				
Share capital				
Ordinary shares	<u>40,791,031</u>	<u>3</u>	<u>40,791,031</u>	<u>2</u>
Capital surplus	<u>4,655,555</u>	<u>-</u>	<u>4,647,655</u>	<u>-</u>
Retained earnings				
Legal reserve	44,117,426	3	40,592,926	3
Special reserve	7,538,888	-	7,480,146	-
Unappropriated earnings	<u>21,066,873</u>	<u>1</u>	<u>18,465,441</u>	<u>1</u>
Total retained earnings	<u>72,723,187</u>	<u>4</u>	<u>66,538,513</u>	<u>4</u>
Other equity	4,323,170	-	8,339,449	1
Treasury shares	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>
Total equity attributable to owners of the Bank	122,409,799	7	120,233,504	7
Non-controlling interests	<u>40,623,295</u>	<u>2</u>	<u>42,788,926</u>	<u>3</u>
Total equity (note 29)	<u>163,033,094</u>	<u>9</u>	<u>163,022,430</u>	<u>10</u>
Total	<u>\$ 1,733,499,797</u>	<u>100</u>	<u>\$ 1,646,949,306</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, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
Interest revenues	\$ 34,524,484	99	\$ 31,774,881	98
Interest expenses	<u>10,547,675</u>	<u>30</u>	<u>9,808,954</u>	<u>30</u>
Net interest (notes 30 and 34)	<u>23,976,809</u>	<u>69</u>	<u>21,965,927</u>	<u>68</u>
Net revenues other than interest				
Service fee incomes, net (note 30)	5,072,374	14	4,750,997	15
Gains on financial assets and liabilities at fair value through profit or loss (note 30)	1,321,414	4	590,393	2
Realized gains on available-for-sale financial assets	1,312,016	4	1,995,269	6
Foreign exchange gains, net	1,280,460	4	1,603,112	5
Share of profit of associates and joint ventures, net (note 15)	237,742	1	154,231	-
Other net revenues (note 34)	<u>1,563,635</u>	<u>4</u>	<u>1,395,347</u>	<u>4</u>
Total net revenues other than interest	<u>10,787,641</u>	<u>31</u>	<u>10,489,349</u>	<u>32</u>
Consolidated net revenues	<u>34,764,450</u>	<u>100</u>	<u>32,455,276</u>	<u>100</u>
Bad debt expenses (note 11)	<u>832,442</u>	<u>2</u>	<u>687,149</u>	<u>2</u>
Operating expenses				
Personnel (notes 28, 30 and 34)	7,562,586	22	7,311,826	23
Depreciation and amortization (note 30)	922,231	3	920,086	3
Other general and administrative	<u>4,238,314</u>	<u>12</u>	<u>4,317,055</u>	<u>13</u>
Total operating expenses	<u>12,723,131</u>	<u>37</u>	<u>12,548,967</u>	<u>39</u>
Profit before income tax	21,208,877	61	19,219,160	59
Income tax expense (note 31)	<u>(4,589,911)</u>	<u>(13)</u>	<u>(4,107,035)</u>	<u>(12)</u>
Consolidated net income	<u>16,618,966</u>	<u>48</u>	<u>15,112,125</u>	<u>47</u>
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(98,615)	-	(101,487)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (note 31)	<u>16,717</u>	<u>-</u>	<u>14,674</u>	<u>-</u>
	<u>(81,898)</u>	<u>-</u>	<u>(86,813)</u>	<u>-</u>

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THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2017		2016	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	\$ (8,599,699)	(25)	\$ (2,531,099)	(8)
Unrealized gain (loss) on available-for-sale financial assets	(1,475,943)	(4)	2,790,758	8
Share of the other comprehensive income of associates and joint ventures accounted for using the equity method	16,594	-	(67,649)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (note 31)	<u>1,186,376</u>	<u>3</u>	<u>(448,899)</u>	<u>(1)</u>
	<u>(8,872,672)</u>	<u>(26)</u>	<u>(256,889)</u>	<u>(1)</u>
Other comprehensive loss for the period, net of income tax	<u>(8,954,570)</u>	<u>(26)</u>	<u>(343,702)</u>	<u>(1)</u>
Total comprehensive income for the period	<u>\$ 7,664,396</u>	<u>22</u>	<u>\$ 14,768,423</u>	<u>46</u>
Net profit attributable to:				
Owners of the Bank	\$ 12,385,227	36	\$ 11,748,332	36
Non-controlling interests	<u>4,233,739</u>	<u>12</u>	<u>3,363,793</u>	<u>11</u>
	<u>\$ 16,618,966</u>	<u>48</u>	<u>\$ 15,112,125</u>	<u>47</u>
Total comprehensive income (loss) attributable to:				
Owners of the Bank	\$ 8,287,050	24	\$ 10,985,444	34
Non-controlling interests	<u>(622,654)</u>	<u>(2)</u>	<u>3,782,979</u>	<u>12</u>
	<u>\$ 7,664,396</u>	<u>22</u>	<u>\$ 14,768,423</u>	<u>46</u>
Earnings per share (note 32)				
Basic	<u>\$3.04</u>		<u>\$2.89</u>	
Diluted	<u>\$3.04</u>		<u>\$2.89</u>	

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

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