

Stock Code: 5876
<http://www.scsb.com.tw>

The Shanghai Commercial & Savings Bank Ltd. Investor Conference Operating Results of 2018

April 24, 2019



 上海商業儲蓄銀行

Disclaimer

This document is provided by the Shanghai Commercial & Savings Bank, Ltd. (hereby referred to as the "Company"). While using this document, users shall refer to the public and full information that the Company has reported to the competent authority. The Company makes no express or implied representations or warranties as to accuracy or completeness of information or opinions. This document is provided as of the date herein and will not be updated to reflect any changes hereafter.

This document may contain forward-looking statements, including statements relating to the implementation of strategic initiatives and future business development. These statements involve uncertainties and other factors that could cause actual developments and results to differ materially from our forward-looking statements in this document.

This document is not and cannot be construed as an offer to purchase or sell securities or other financial products or solicitation of an offer. The Company, its affiliates, and their representatives do not accept any responsibility or liability for any damage caused by their negligence or any other reasons, nor do they accept responsibility or liability for any loss or damages arising from the use of this document or the information contained herein or anything related to this document.

This document may not be directly or indirectly reproduced, redistributed, or forwarded to any other person and may not be published in whole or in part for any other purpose.

If there is any difference between the Chinese version of the "Disclaimer" and its English version, the Chinese version shall prevail. If any part of the English version of the "Disclaimer" is unclear, reference should be made to the Chinese version.

Agenda

- Summary of 2018 Operating Results
- Overview of 2018 Business Development
- 2018 Financial Performance
- Appendix: 2018 Concise Balance Sheet & Income Statement (Standalone & Consolidated)

➡ Summary of 2018 Operating Results

2018 standalone operating results

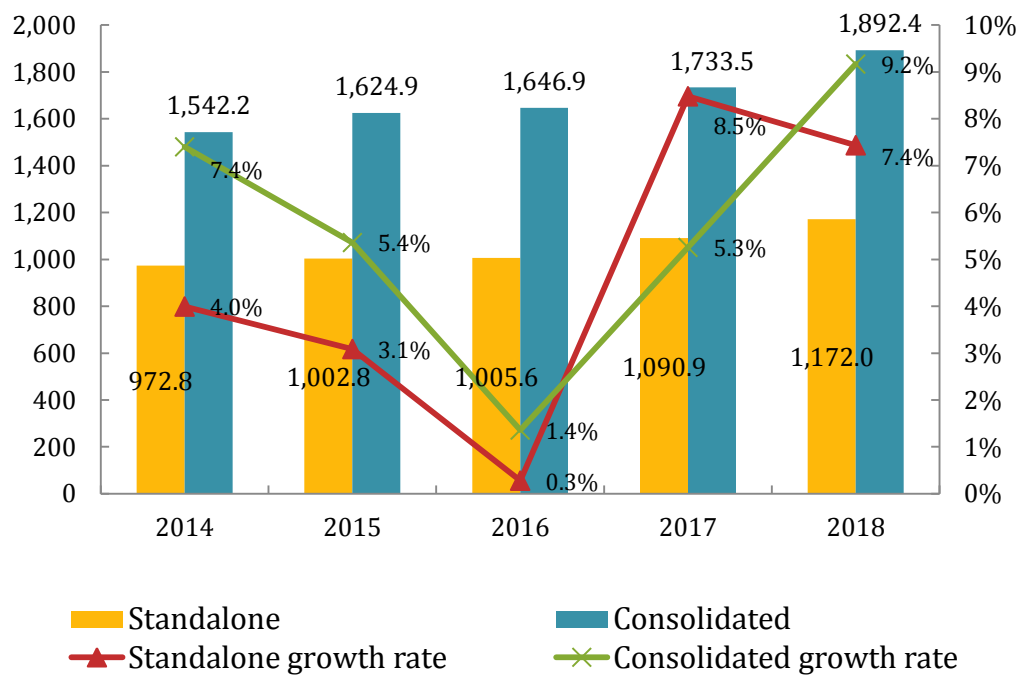
Unit: NTD

			2018	2017	Rate of change
Profitability	Net income		13.7bn	12.4bn	+10.71%
	EPS	Ranked 1 st among peers	3.37	3.04	+10.86%
	Pretax ROA	Ranked 2 nd among peers	1.39%	1.37%	+0.02%
	Pretax ROE	Ranked 4 th among peers	12.41%	11.88%	+0.53%
Safety	NPL ratio		0.25%	0.32%	-0.07%
	NPL coverage ratio		539.06%	445.12%	+93.94%
Liquidity	Liquidity reserve ratio		33.65%	32.01%	+1.64%
	Loan to deposit ratio		75.90%	75.26%	+0.65%
Capital adequacy	CET 1 capital ratio		13.61%	12.89%	+0.72%
	Tier 1 capital ratio		13.61%	12.89%	+0.72%
	BIS capital adequacy ratio		14.41%	14.15%	+0.26%

➡ Overview of 2018 Business Development

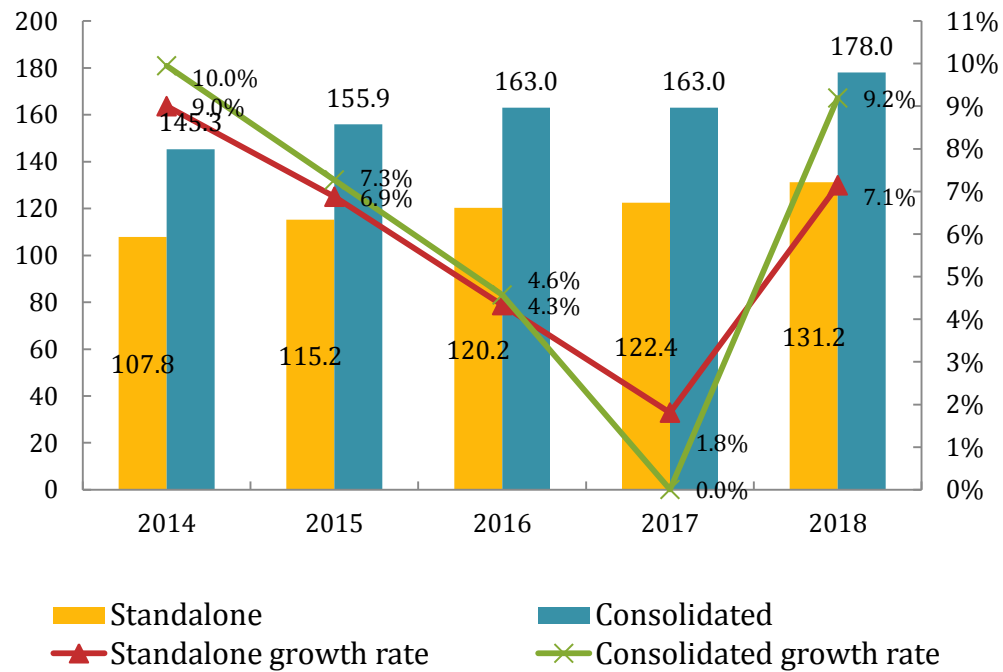
Asset

Unit : NTD bn



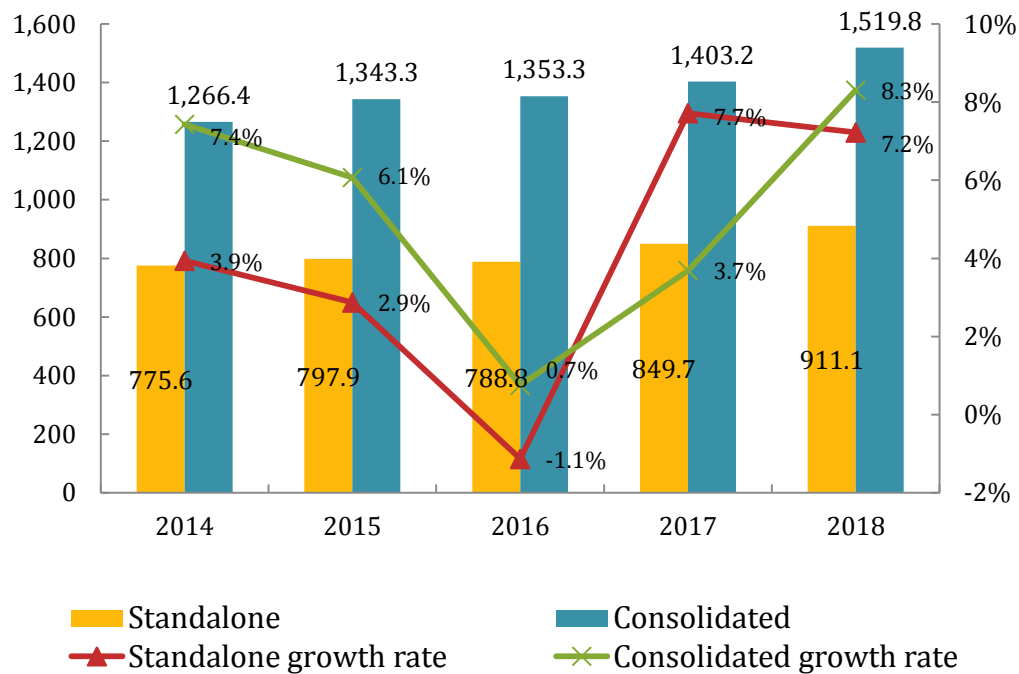
Equity

Unit : NTD bn



Deposit

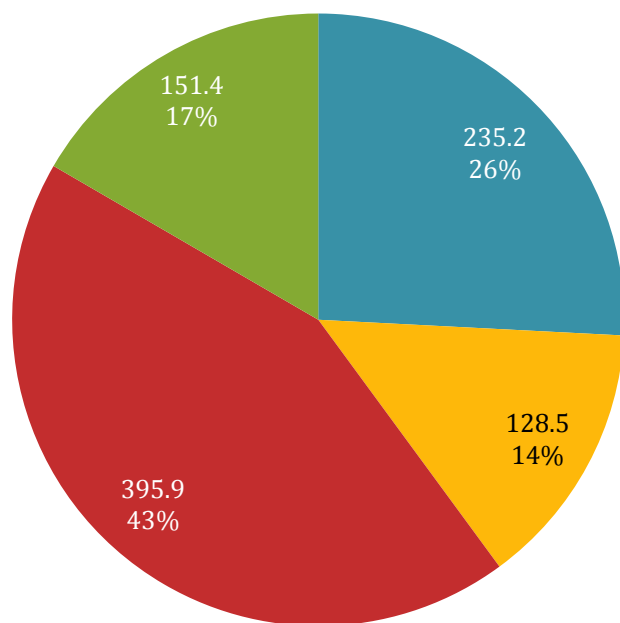
Unit : NTD bn



Deposit breakdown

- Standalone

Total: NTD911.1bn



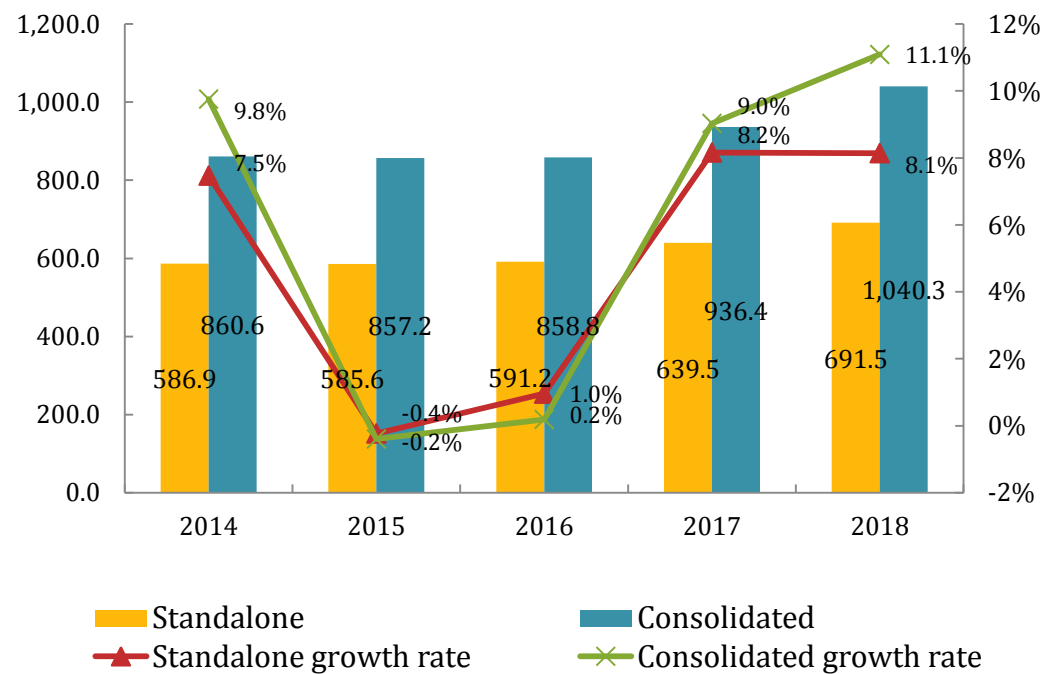
Unit: NTD bn

YoY comparison

	Amount	Growth rate
TWD Demand	+18.7bn	+8.6%
FCY Demand	-19.8bn	-13.4%
TWD Time	+41.6bn	+11.8%
FCY Time	+20.8bn	+15.9%

Loan

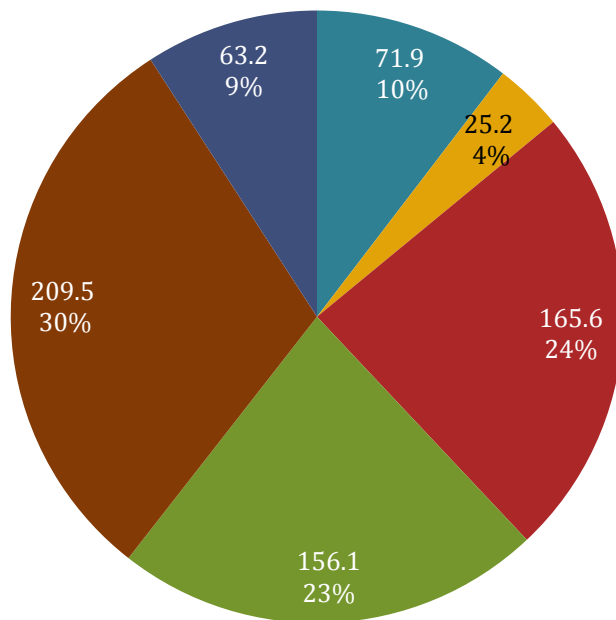
Unit : NTD bn



Loan breakdown by usage

- Standalone

Total: NTD691.5bn



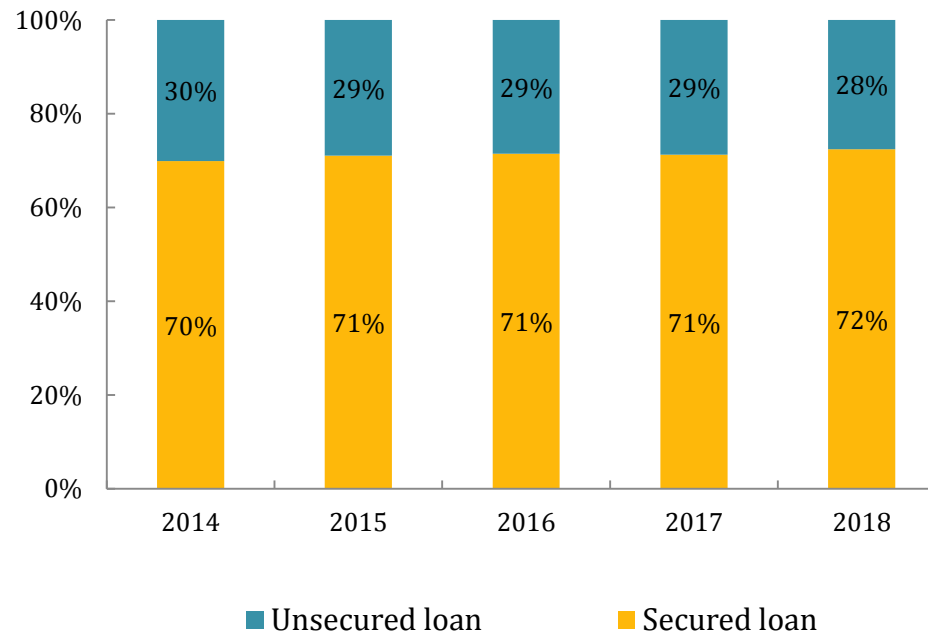
Unit: NTD bn

Construction & land loans
Trade finance
Other types of corporate loans, non-SME
Other types of corporate loans, SME
Mortgage
Other loans

YoY comparison	
Amount	Growth rate
+6.7bn	+10.3%
+0.5bn	+2.1%
+6.6bn	+4.1%
+1.4bn	+0.9%
+31.4bn	+17.6%
+5.5bn	+9.4%

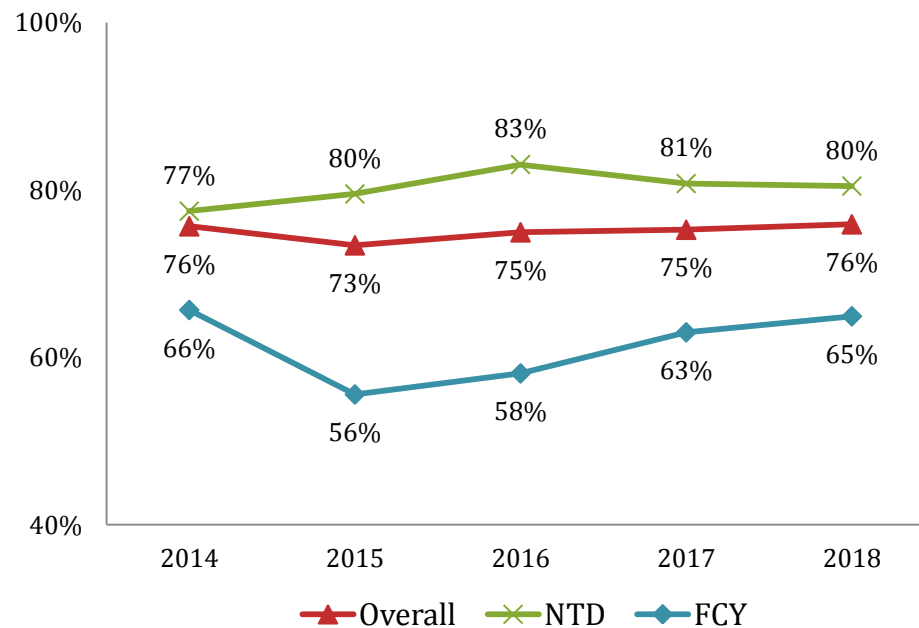
Loan breakdown by type

- Standalone



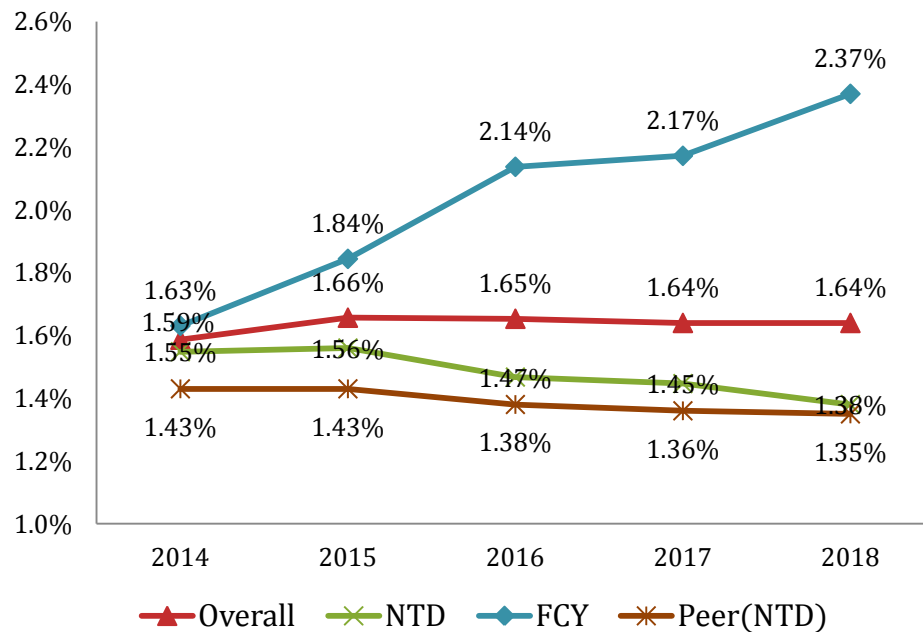
Loan to deposit ratio

- Standalone



Interest spread

- Standalone



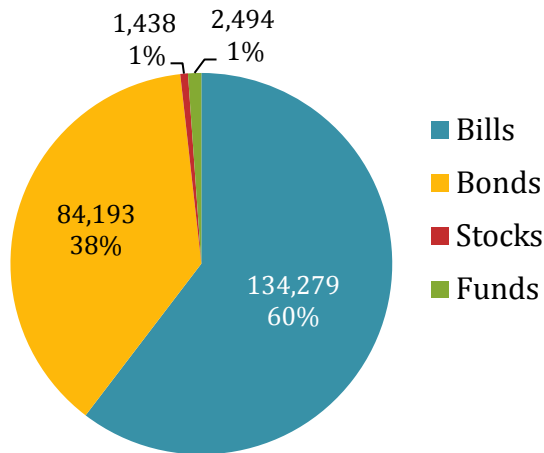
	2018	Overall	NTD	FCY	Peer (NTD)
Q1		1.63%	1.39%	2.20%	1.35%
Q2		1.72%	1.39%	2.58%	1.34%
Q3		1.62%	1.37%	2.38%	1.34%
Q4		1.58%	1.35%	2.33%	1.35%

Investment composition

- Standalone

Total: NTD222,404mn

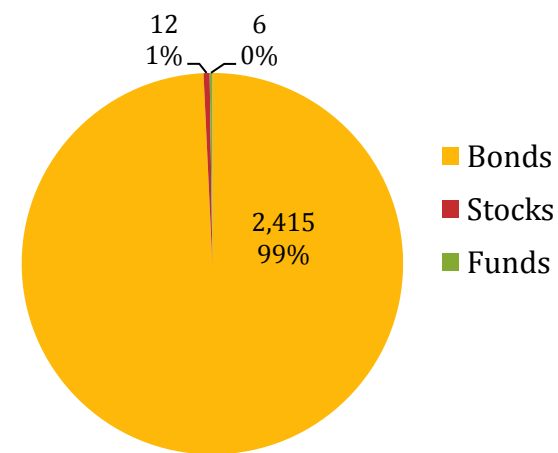
NTD investment



Unit: NTD mn

Total: USD2,433mn

FCY investment



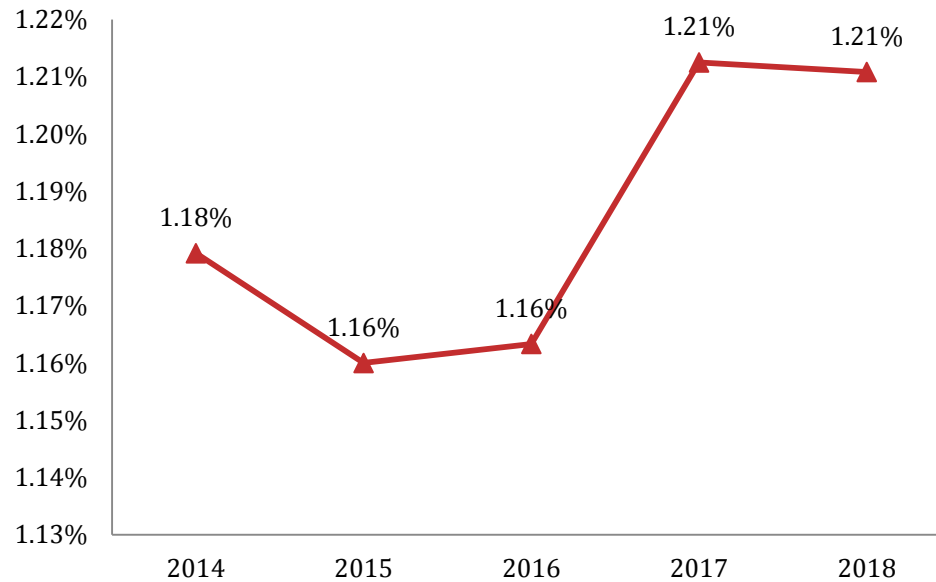
Unit: USD mn

Note: Long-term equity investment NTD72.0bn excluded.

➡ 2018 Financial Performance

Net interest margin

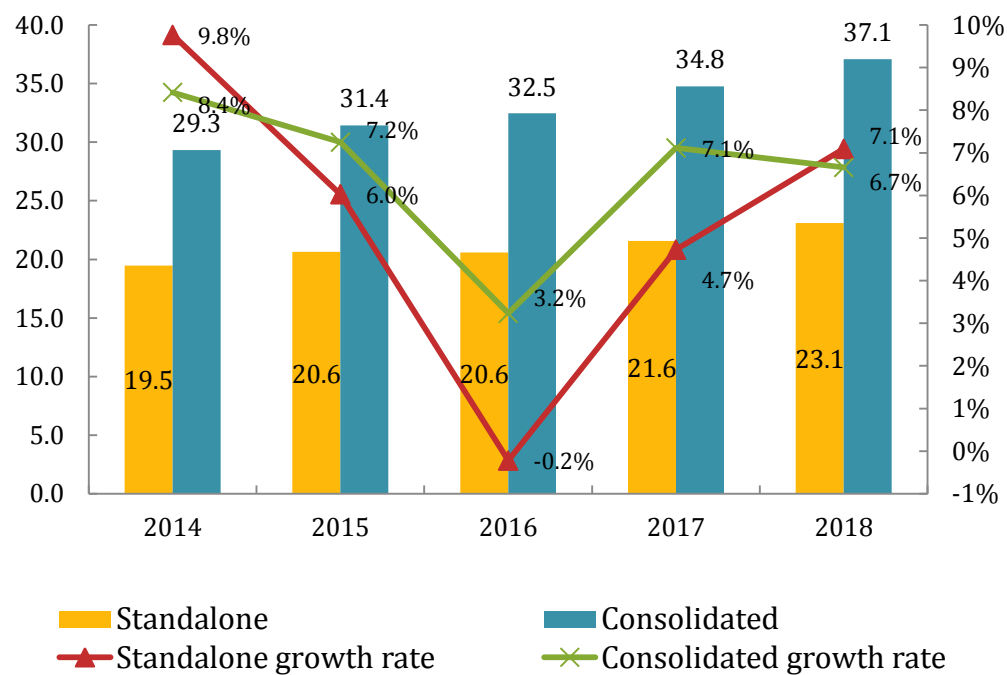
- Standalone



2018	NIM
Q1	1.20%
Q2	1.26%
Q3	1.22%
Q4	1.17%

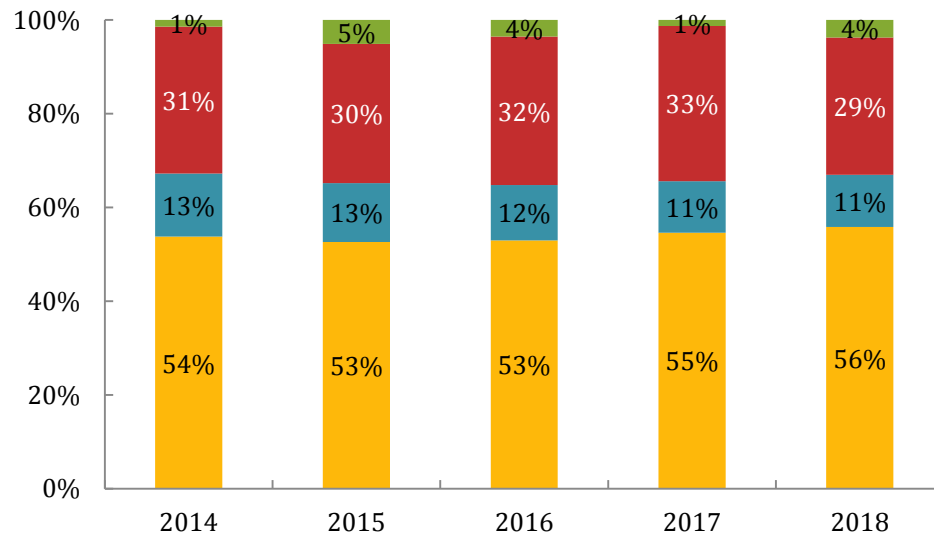
Net revenue

Unit : NTD bn



Net revenue breakdown

- Standalone

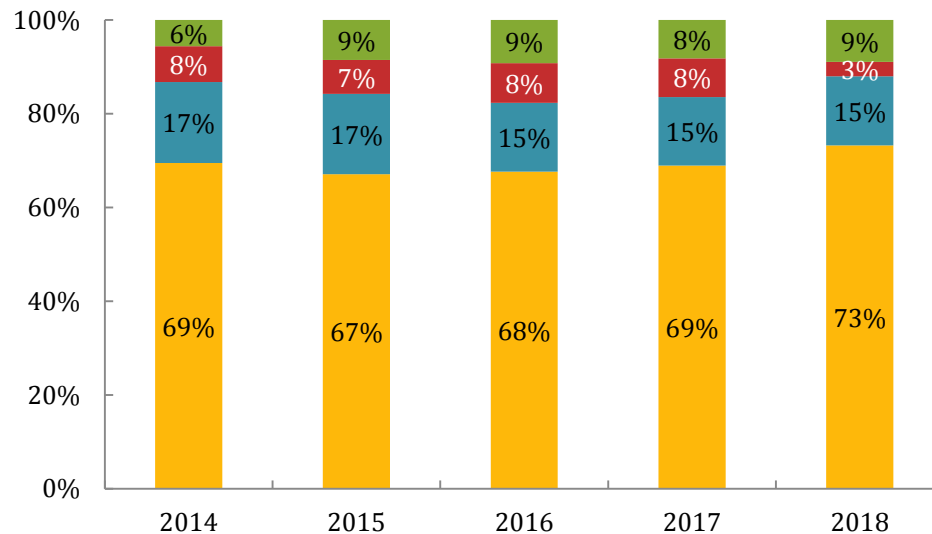


■ Net interest
■ Net fee income
■ Investment
■ Other

YoY comparison	
Amount	Growth rate
+1.1bn	+9.4%
+0.2bn	+7.7%
-0.3bn	-4.8%
+0.6bn	+202.6%

Net revenue breakdown

- Consolidated



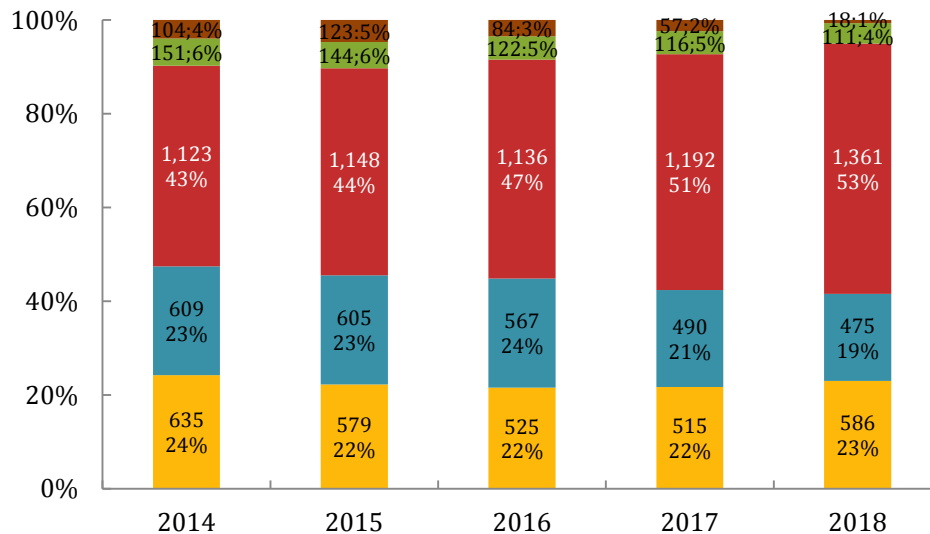
■ Net interest
■ Net fee income
■ Investment
■ Other

YoY comparison	
Amount	Growth rate
+3.2bn	+13.3%
+0.4bn	+7.9%
-1.7bn	-60.6%
+0.5bn	+16.6%

Net fee income breakdown

• Standalone

Unit: NTD mn



YoY comparison

	Amount	Growth rate
Loan related	+71mn	+13.8%
Foreign exchange	-15mn	-3.1%
Wealth management	+169mn	+14.2%
Credit card	-5mn	-4.3%
Other	-39mn	-68.4%

2018 profitability YoY comparison

- Standalone

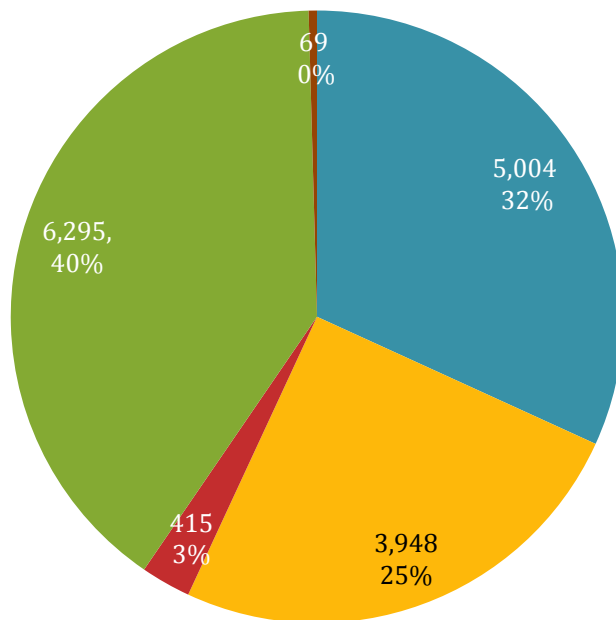
Unit: NTD mn

Item	2018	2017	YoY comparison	
Net revenue	23,105	21,575	+1,530	+7.1%
Provision	500	600	-100	-16.7%
Operating expense	6,875	6,567	+308	+4.7%
Pretax profit	15,730	14,408	+1,322	+9.2%
Income tax	2,019	2,023	-5	-0.2%
Net income	13,712	12,385	+1,327	+10.7%
Efficiency ratio	31.9%	33.2%	-1.3%	

Pretax profit breakdown by area

- Standalone

Total: NTD15,730mn



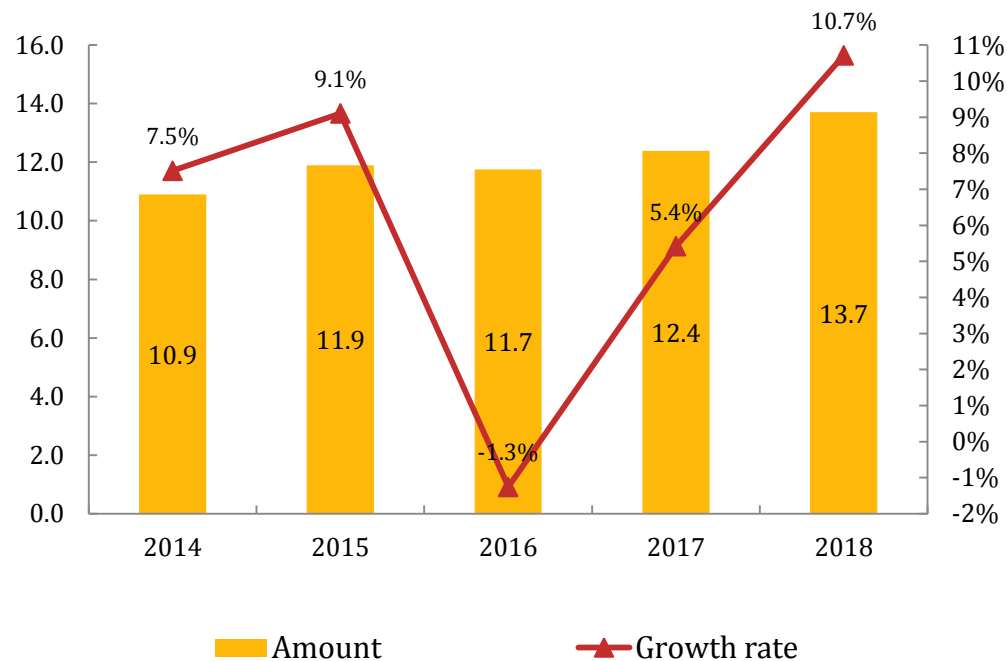
Unit: NTD mn

	YoY comparison	
	Amount	Growth rate
Domestic	-496mn	-9.0%
OBU	+498mn	+14.4%
Overseas branches	+217mn	+109.6%
SCB	+849mn	+15.6%
Other overseas subsidiaries	+255mn	+136.9%

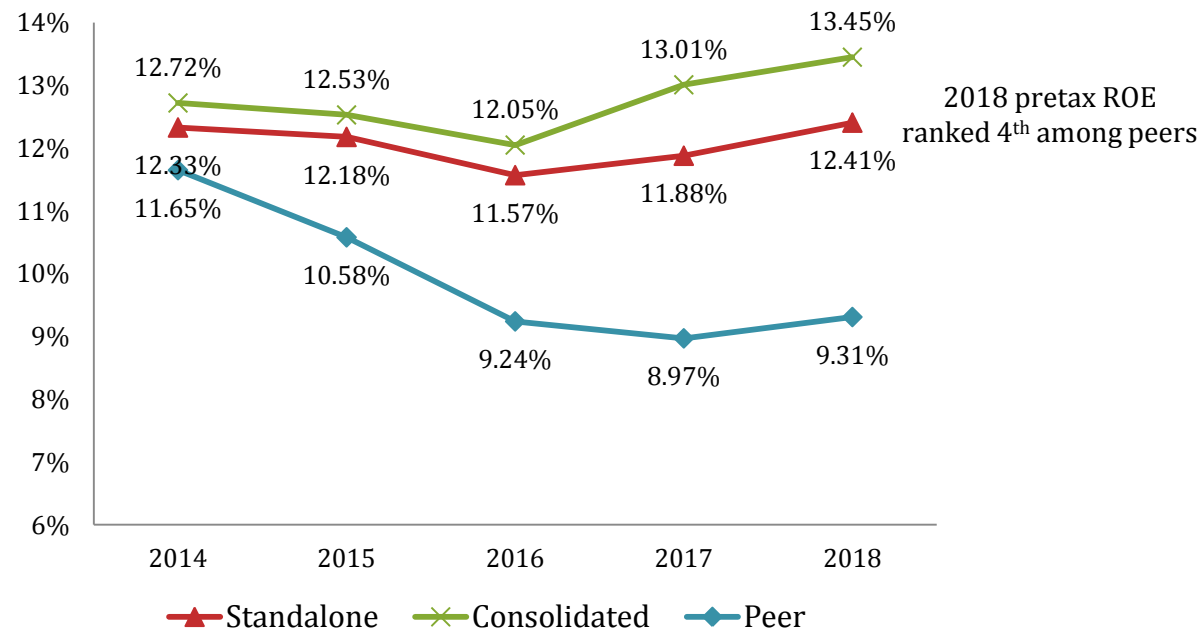
Net income

- Standalone

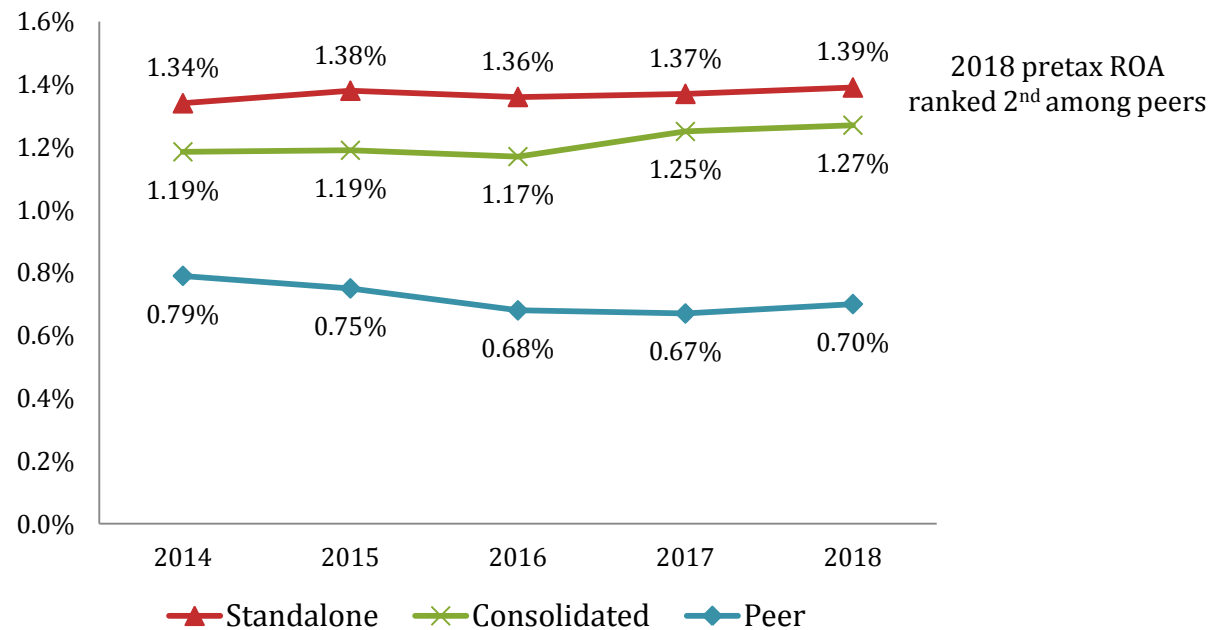
Unit: NTD bn



Pretax ROE

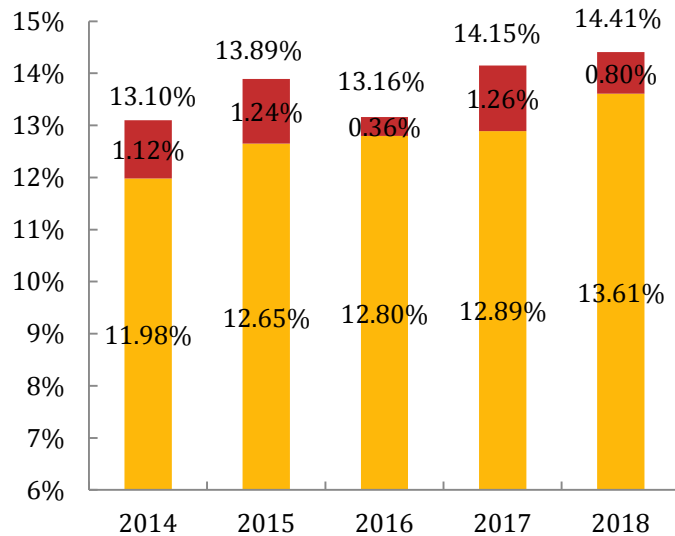


Pretax ROA



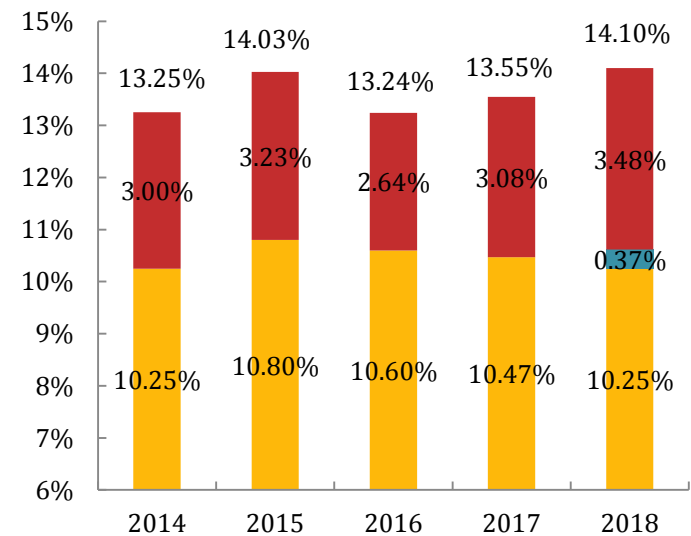
Capital adequacy ratio

• Standalone



■ Tier 2 capital ratio
■ CET 1 capital ratio
■ Other Tier 1 capital ratio

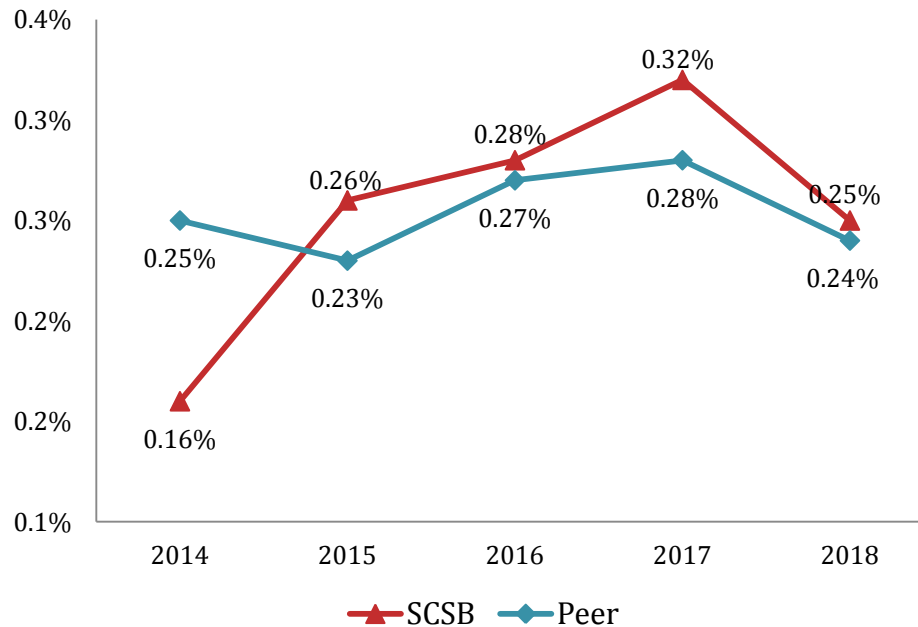
• Consolidated



■ Tier 2 capital ratio
■ CET 1 capital ratio
■ Other Tier 1 capital ratio

Non-performing loan ratio

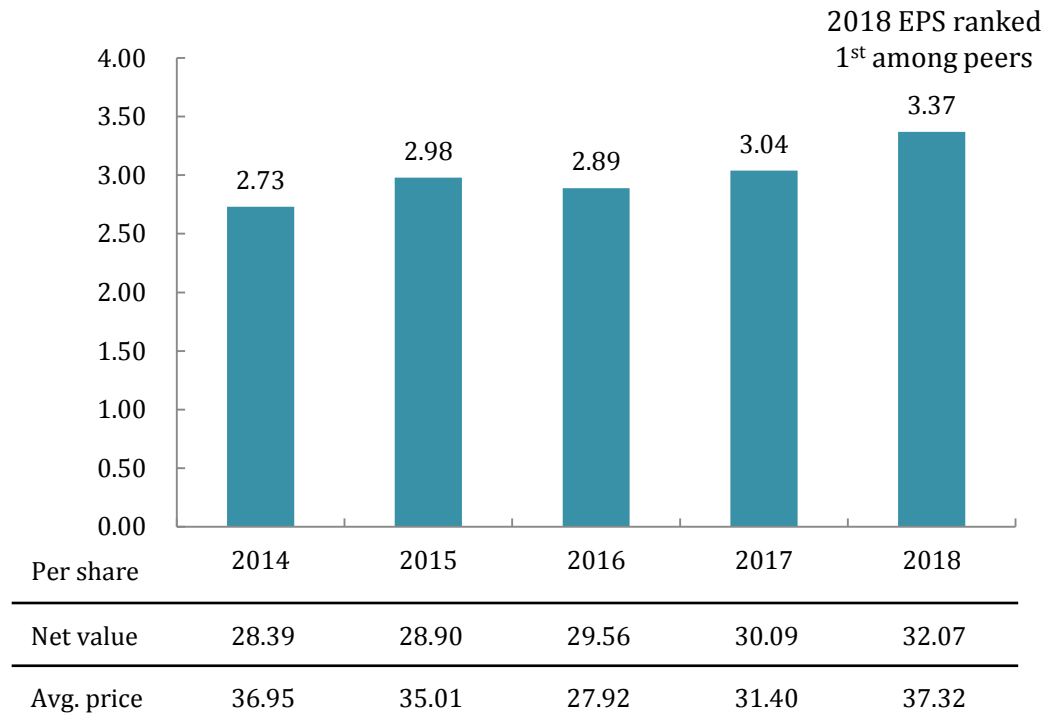
- Standalone



2018	SCSB	Peer
End of Mar.	0.32%	0.27%
End of Jun.	0.27%	0.28%
End of Sep.	0.26%	0.26%
End of Dec.	0.25%	0.24%

Earning per share

Unit: NTD



Dividend distribution

Unit: NTD

	2014	2015	2016	2017	2018
Cash dividend	1.50	1.50	1.50	1.80	2.00
Stock dividend	0.50	0.20	0.00	0.00	0.00
Total	2.00	1.70	1.50	1.80	2.00
Cash dividend yield	4.06%	4.28%	5.37%	5.73%	5.36%

Note: 2018 dividend distribution is awaiting approval at the Annual General Shareholders' Meeting.

2018 standalone financial review

Unit: NTD mn

	2018	2017	YoY comparison
Total assets	1,171,985	1,090,880	+81,105 (+7.4%)
Net worth	131,156	122,410	+8,746 (+7.1%)
Net income	13,712	12,385	+1,327 (+10.7%)
EPS (NTD)	3.37	3.04	+0.33 (+10.9%)
Pretax ROE	12.41%	11.88%	+0.53%
Pretax ROA	1.39%	1.37%	+0.02%
CAR	14.41%	14.15%	+0.26%
NPL ratio	0.25%	0.32%	-0.07%
NPL coverage ratio	539.06%	445.12%	+93.94%
Loan coverage ratio	1.37%	1.44%	-0.07%

Thank you



➡ Appendix:
2018 Concise Balance Sheet &
Income Statement
(Standalone & Consolidated)

Standalone balance sheet

Unit: NTD bn

	2018.12.31	2017.12.31	YoY comparison	
Cash, CD, interbank deposits and RS	102.7	118.5	-15.8	-13%
Financial assets	362.1	319.0	+43.1	+14%
Discounts and loans, net	682.8	631.0	+51.8	+8%
Properties, net	12.1	12.1	-0.0	-0%
Other assets	12.4	10.3	+2.1	+21%
Total assets	1,172.0	1,090.9	+81.1	+7%
Due to the central bank and banks	16.5	8.3	+8.1	+98%
Deposits and remittances	911.9	850.2	+61.7	+7%
Bank debentures and financial liabilities	78.1	78.3	-0.3	-0%
Other liabilities	34.4	31.7	+2.8	+9%
Total liabilities	1,040.8	968.5	+72.4	+7%
Shareholder's equity	131.2	122.4	+8.7	+7%

Standalone income statement

Unit: NTD mn

	2018	2017	YoY comparison	
Net interest	12,886	11,782	+1,104	+9%
Net fee income	2,552	2,369	+182	+8%
Other income	7,668	7,424	+244	+3%
Net revenue	23,105	21,575	+1,530	+7%
Operating expense	6,875	6,567	+308	+5%
Profit before bad debt expense	16,230	15,008	+1,222	+8%
Bad debt expense	500	600	-100	-17%
Pretax profit	15,730	14,408	+1,322	+9%
Income tax	2,019	2,023	-5	-0%
Net income	13,712	12,385	+1,327	+11%
Earning per share (NTD)	3.37	3.04	+0.33	+11%

Consolidated balance sheet

Unit: NTD bn

	2018.12.31	2017.12.31	YoY comparison	
Cash, CD, interbank deposits and RS	252.0	294.4	-42.4	-14%
Financial assets	559.9	465.3	+94.6	+20%
Discounts and loans, net	1,029.8	926.7	+103.2	+11%
Properties, net	27.2	26.6	+0.6	+2%
Other assets	23.5	20.5	+3.0	+15%
Total assets	1,892.4	1,733.5	+158.9	+9%
Due to the central bank and banks	60.3	33.7	+26.5	+79%
Deposits and remittances	1,520.6	1,403.8	+116.8	+8%
Bank debentures and financial liabilities	87.4	86.5	+0.9	+1%
Other liabilities	46.1	46.5	-0.4	-1%
Total liabilities	1,714.4	1,570.5	+143.9	+9%
Shareholder's equity	178.0	163.0	+15.0	+9%

Consolidated income statement

Unit: NTD mn

	2018	2017	YoY comparison	
Net interest	27,154	23,977	+3,178	+13%
Net fee income	5,475	5,072	+403	+8%
Other income	4,449	5,715	-1,267	-22%
Net revenue	37,078	34,764	+2,314	+7%
Operating expense	13,503	12,723	+780	+6%
Profit before bad debt expense	23,575	22,041	+1,534	+7%
Bad debt expense	639	832	-194	-23%
Pretax profit	22,937	21,209	+1,728	+8%
Income tax	4,575	4,590	-15	-0%
Net income	18,362	16,619	+1,743	+10%