The Shanghai Commercial & Savings Bank

Regulatory disclosures about the capital adequacy as requested by the competent authority

【Table 1】

Scope of application

Dec-31-2022

(Unit: NT$1,000)

Items	Contents				
	Subsidiary name	Amount of assets	Consolidated ratio	Reasons not included in the calculation	Amount deducted from own capital
1. Subsidiaries included in the calculation of the consolidated capital adequacy ratio	SCSB Asset Management Ltd.	1,905,745	100.00%		
	China Travel Service (Taiwan)	612,637	99.99%		
	SCSB Marketing Ltd.	22,935	100.00%		
	Shancom Reconstruction Inc.	879,986,602	100.00%		
	Wresqueue Limitada	367,609	100.00%		
	Paofoong Insurance Company Ltd.	1,350,693	40.00%		
	AMK Microfinance	21,821,921	99.99%		
2. Subsidiaries not included in the calculation of the consolidated capital adequacy ratio					
3. Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.					

【Table 2】

Description of capital adequacy management

2022

Items	Contents
A summary discussion of the bank's approach to assessing the adequacy of its capital to support current and future activities.	1. Manage and monitor according to the "Capital Adequacy Management Guidelines" of SCSB. 2. Standardize specific business, such as business type, commitment amount, rating, etc. Before proceeding, the Risk Management Department should be informed of the capital adequacy assessment. 3. Under the premise of assessing capital adequacy, set the business objectives of the medium and long-term strategic planning. The capital adequacy assessment process and stress testing are performed annually. 4. The forecast of capital adequacy and the use of capital analysis by various business units are reported to the Asset and Liability Management Committee. 5. According to the "Market Risk Management Policy" of SCSB, ensure that market-weighted risk assets are capped at no more than 15% of SCSB's weighted risk assets and are reported to the Asset and Liability Management Committee for periodic review.

【Table 3】

Capital adequacy ratio
Dec-31-2022

(Unit: NT$1,000；%)

Analysis items	Standalone		Consolidated	
	Dec-31-2022	Dec-30-2021	Dec-31-2022	Dec-30-2021
Eligible capital：				
Common Equity Tier 1 capital	109,779,997	126,809,411	188,857,653	170,375,493
Additional Tier 1 capital	8,070,000	0	8,070,000	6,470,659
Tier 2 capital	27,928,743	436,060	42,150,235	51,378,379
Eligible capital	145,778,740	127,245,471	239,077,888	228,224,531
risk weighted assets：				
Credit risk	846,146,419	758,999,167	1,406,525,201	1,326,961,710
Operational risk	45,432,985	43,642,713	70,041,661	68,453,256
Market risk	39,085,138	52,981,832	60,564,114	90,991,498
Total risk weighted assets	930,664,542	855,623,712	1,537,130,976	1,486,406,464
Ratio of common equity to risk-weighted assets	11.80%	14.82%	12.29%	11.46%
Ratio of Tier 1 capital to risk-weighted assets	12.66%	14.82%	12.81%	11.90%
Capital adequacy ratio	15.66%	14.87%	15.55%	15.35%
Leverage ratio：				
Tier 1 capital	117,849,997	126,809,411	196,927,653	176,846,152
Total exposures	1,560,934,927	1,453,031,213	2,476,272,033	2,291,080,617
Leverage ratio	7.55%	8.73%	7.95%	7.72%

【Table 4】

Capital Structure
Dec-31-2022

(Unit: NT$1,000)

Items	Standalone		Consolidated	
	Dec-31-2022	Dec-31-2021	Dec-31-2022	Dec-31-2021
Common Equity Tier 1 Capital (CET1) ：				
Common share capital	48,616,031	44,816,031	48,616,031	44,816,031
Capital surplus—share premium	23,321,381	13,061,381	23,321,381	13,061,381
Capital collected in advance				
Capital surplus—other	4,084,382	3,604,763	4,084,382	3,604,763
Legal reserve	64,476,033	60,224,639	64,476,033	60,224,639
Special reserve	7,669,374	7,669,374	7,669,374	7,669,374
Retained earnings	28,537,216	27,585,921	28,537,216	27,585,921
Non-controlling interests	0	0	21,985,386	21,688,332
Other equity	-6,840,365	922,852	-6,840,365	922,852
Deduct：regulatory adjustments				
1、Gain and losses of hedging instruments (gain should be deducted, losses should be added)	0	0	0	0
2、Defined-benefit pension fund net assets	192,617	0	192,617	0
3、(Investments in own shares)Treasury shares	83,144	83,144	83,144	83,144
4、Goodwill and Other intangible assets	315,823	170,199	1,925,845	1,665,724
5、Deferred tax assets that rely on future profitability excluding those arising from temporary differences	0	0	0	0
6、Cumulative fair value gains or losses on liabilities of the institution that are fair-valued and result from changes in the own credit risk (gain should be deducted, losses should be added)	-36,294	24,062	-36,294	24,062
7、Unrealized gain of equity instruments and debt instruments measured at FVTOCI(Not investments in the common stock of banking, financial and insurance entities and other TLAC	826,473	6,895,528	826,473	6,895,528
8、Shortfall of provisions to expected losses	0	0	0	0
9、When the immovable property is first applied to the IFRSs, retained earnings increase due to the fair value or revaluation value is used as the recognized cost.	0	0	0	0
10、Securitization transactions should be deducted	0	0	0	0
11、Reciprocal cross-holdings in common equity and its unrealized gains	0	0	0	0
(1)Deduction amount from common equity Tier 1 capital				
(2)Deduction due to insufficient additional Tier 1 capital				
12、Prudential valuation adjustments(Market risk)	0	0	0	0
13、Investment properties follow-up measurement of value-added benefits recognized by the fair value model	0	0	0	0
14、Properties sale and leaseback benefits after January 1, 2012	0	0	0	0
15、Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital	0	0	0	0
(1)Amount above the threshold	0	0	0	0
(2)Deduction due to insufficient additional Tier 1 capital	0	0	0	0
16、Significant investments in the common stock of banking, financial and insurance entities	56,298,803	23,902,617	0	529,342
(1)Deduction amount from common equity Tier 1 capital-before December 31, 2121		15,451,309		529,342
(2)Deduction due to insufficient additional Tier 1 capital-before December 31, 2121		8,451,308		0
(3)Significant investments in the common stock of banking, financial and insurance entities. (amount above 10% threshold)-applicable from January 1, 2022	56,298,803		0	
(4)Deduction due to insufficient additional Tier 1 capital-applicable from January 1, 2022	0		0	
17、Deferred income tax assets arising from temporary differences which above threshold	0	0	0	0

Items	Standalone		Consolidated	
	Dec-31-2022	Dec-31-2021	Dec-31-2022	Dec-31-2021
18、Significant investments in the common stock of banking, financial and insurance entities and deferred income tax assets arising from temporary differences, the total amount of which exceeds the 15% threshold should be deducted	2,403,489	0	0	0
19、Direct investment of industrial banks and deductions for investment in Investment properties	0	0	0	0
(1)Deduction amount from common equity Tier 1 capital				
(2)Deduction due to insufficient additional Tier 1 capital				
20、Other adjustments according to regulations or supervision requirements	0	0	0	0
(1)Deduction amount from common equity Tier 1 capital				
(2)Deduction due to insufficient additional Tier 1 capital				
Common Equity Tier 1 capital (CET1) (1)	**109,779,997**	**126,809,411**	**188,857,653**	**170,375,493**
Additional Tier 1 capital :				
Non-cumulative perpetual preferred stock and its capital stock premium	0	0	0	0
1、of which issued before December 31, 2012(the terms of the issue do not meet Additional Tier 1 capital requirements)				
2、of which issued after January 1, 2013				
Non-cumulative perpetual subordinated debts	8,070,000	7,000,000	8,070,000	7,000,000
1、of which issued before December 31, 2012(the terms of the issue do not meet Additional Tier 1 capital requirements)				
2、of which issued after January 1, 2013	8,070,000	7,000,000	8,070,000	7,000,000
Capital instruments are not directly or indirectly held by banks				
Deduction : 1、Reciprocal cross-holdings in common equity	0	0	0	0
(1)Additional Tier 1 capital instrument				
(2)Deduction due to insufficient Tier 2 capital				
2、Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital	0		0	
(1)additional Tier 1 capital instrument			0	
(2)Deduction due to insufficient Tier 2 capital				
3、Significant investments in the common stock of banking, financial and insurance entities	0	7,000,000	0	529,341
(1)Deduction amount from additional Tier 1 capital-before December 31, 2121		7,000,000		529,341
(2)Deduction due to insufficient Tier 2 capital-before December 31, 2121		0		
(3)additional Tier 1 capital instrument-applicable from January 1, 2022	0		0	
(4)Deduction due to insufficient Tier 2 capital-applicable from January 1, 2022	0			
4、Direct investment of industrial banks and deductions for investment in Investment properties	0	0	0	0
(1)additional Tier 1 capital instrument				
(2)Deduction due to insufficient Tier 2 capital				
5、Other deduction	0	0	0	0
(1)additional Tier 1 capital instrument				
(2)Deduction due to insufficient Tier 2 capital				
Additional Tier 1 capital (2)	**8,070,000**	**0**	**8,070,000**	**6,470,659**
Tier 2 capital :				
Cumulative perpetual preferred stock and its capital stock	0	0	0	0
1、of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)				
2、of which issued after January 1, 2013				
Cumulative perpetual subordinated debts	0	0	0	0
1、of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)				
2、of which issued after January 1, 2013				
Convertible subordinated debts	0	0	0	0

Items	Standalone		Consolidated	
	Dec-31-2022	Dec-31-2021	Dec-31-2022	Dec-31-2021
1、of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)				
2、of which issued after January 1, 2013				
Long-term subordinated debts	16,980,000	21,200,000	16,980,000	21,200,000
1、of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)	0	0	0	0
2、of which issued after January 1, 2013	16,980,000	21,200,000	16,980,000	21,200,000
Non-perpetual preferred stock and its capital stock premium	0	0	0	0
1、of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)				
2、of which issued after January 1, 2013				
when first time applying International Financial Reporting Standards in real estate and using the fair value or the re-estimated value method as the deemed cost, the difference in amount between the deemed cost and the book value recognized in retained earnings	0	0	0	0
The 45% of unrealized gain of equity instruments and debt instruments measured at FVTOCI(Not investments in the common stock of banking, financial and insurance entities and	371,913	3,102,988	371,913	3,102,988
The 45% of unrealized gains on changes in the fair value of investment properties using fair value method	0	0		
Operational reserves and loan-loss provisions	10,576,830	9,487,490	15,623,898	13,025,466
Capital instruments which are issued by banks subsidiaries, and are not directly or indirectly held by banks	0	0	9,174,424	15,141,512
Deduct：				
1、Reciprocal cross-holdings in Tier 2 capital instrument and other TLAC liabilities	0	0	0	0
2、Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10%-Tier 2 capital instrument and other TLAC liabilities	0	0	0	0
3、Commercial banks capital investment in financial-related businesses classified to the banking book	0	33,354,417	0	1,091,587
(1)Deduction amount from Tier 2 capital-before December 31, 2121		33,354,417		1,091,587
(2)Tier 2 capital instrument and other TLAC liabilities-applicable from January 1, 2022	0		0	
4、Direct investment of industrial banks and deductions for investment in Investment properties-Tier 2 capital instrument				
5、Other deduction-Tier 2 capital instrument				
Tier 2 capital（3）	**27,928,743**	**436,060**	**42,150,235**	**51,378,379**
Total eligible capital =（1）+（2）+（3）	**145,778,740**	**127,245,471**	**239,077,888**	**228,224,531**

【Table 4-1】

Balance sheet

Dec-31-2022

(Unit: NT$1,000)

Items	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio
	Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets
ASSETS				
Cash and cash equivalents	30,624,554	30,624,554	63,757,313	63,757,313
Due from the Central Bank and call loans to banks	119,437,332	119,437,332	336,553,517	336,553,517
Financial assets measured at fair value through profit or loss	1,986,652	1,986,652	7,988,907	7,988,907
Financial assets measured at fair value through other comprehensive income	199,170,985	199,170,985	400,783,774	400,783,774
Debt instrument investments measured at amortized cost	195,275,787	195,275,787	213,901,918	213,901,918
Securities purchased under resale agreements	0	0	0	0
Receivables, net	8,790,407	8,790,407	18,992,356	18,992,356
Current income tax assets	143	143	25,905	25,905
Discounts and loans, net	840,002,195	840,002,195	1,234,305,369	1,234,305,369
Investments under the equity method, net	83,599,886	83,599,886	1,937,372	1,937,372
Properties, net	12,994,755	12,994,755	21,906,365	21,906,365
Right-of-use assets, net	764,585	764,585	1,871,270	1,871,270
Investment properties, net	0	0	6,895,605	6,895,605
Intangible assets, net	315,822	315,822	1,925,844	1,925,844
Deferred income tax assets	2,022,262	2,022,262	4,396,598	4,396,598
Other assets, net	8,520,247	8,520,247	10,112,912	10,112,912
Total assets	**1,503,505,612**	**1,503,505,612**	**2,325,355,025**	**2,325,355,025**

Items	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio
	Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets
LIABILITIES				
Deposits from the central Bank and other banks	12,109,095	12,109,095	50,192,934	50,192,934
Financial liabilities measured at fair value through profit or	3,435,146	3,435,146	5,791,587	5,791,587
Securities sold under repurchase agreements	781,568	781,568	781,568	781,568
Payables	25,714,122	25,714,122	33,071,071	33,071,071
Current income tax liabilities	1,245,964	1,245,964	2,052,522	2,052,522
Deposits and remittances	1,218,395,510	1,218,395,510	1,920,666,353	1,920,666,353
Bank debentures	56,070,000	56,070,000	65,244,424	65,244,424
Other financial liabilities	2,499,732	2,499,732	3,339,871	3,339,871
Provisions	1,617,087	1,617,087	2,926,505	2,926,505
Lease liabilities	772,365	772,365	1,925,887	1,925,887
Deferred income tax liabilities	10,155,644	10,155,644	10,452,067	10,452,067
Other liabilities	928,471	928,471	3,267,315	3,267,315
Total liabilities	**1,333,724,704**	**1,333,724,704**	**2,099,712,104**	**2,099,712,104**
Equity				
Equity attributable to owners of the Bank			169,780,908	169,780,908
Share capital	48,616,031	48,616,031	48,616,031	48,616,031
Ordinary shares	48,616,031	48,616,031	48,616,031	48,616,031
Capital surplus	27,405,763	27,405,763	27,405,763	27,405,763
Retained earnings	100,682,623	100,682,623	100,682,623	100,682,623
Legal reserve	64,476,033	64,476,033	64,476,033	64,476,033
Special reserve	7,669,374	7,669,374	7,669,374	7,669,374
Unappropriated earnings	28,537,216	28,537,216	28,537,216	28,537,216
Other equity	-6,840,365	-6,840,365	-6,840,365	-6,840,365
Treasury shares	83,144	83,144	83,144	83,144
Non-controlling interests	0	0	55,862,013	55,862,013
Total equity	**169,780,908**	**169,780,908**	**225,642,921**	**225,642,921**
Total liabilities and equity	**1,503,505,612**	**1,503,505,612**	**2,325,355,025**	**2,325,355,025**

【Table 4-2】

Statement of assets and liabilities

Dec-31-2022

(Unit: NT$1,000)

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
ASSETS								
	Cash and cash equivalents			30,624,554	30,624,554	63,757,313	63,757,313	
	Due from the Central Bank and call loans to banks			119,437,332	119,437,332	336,553,517	336,553,517	
	Financial assets measured at fair value through profit or loss			1,986,652	1,986,652	7,988,907	7,988,907	
		Reciprocal cross-holdings in common equity and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	17					A1
		Deduction amount from additional Tier 1 capital	38					A2
		Deduction amount from Tier 2 capital	53					A3
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A4
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A5
		Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	18					A6
		Deduction amount from additional Tier 1 capital	39					A7
		Deduction amount from Tier 2 capital	54					A8
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A9
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A10
		Amounts below the thresholds for deduction	72					A11
		Significant investments in the common stock of banking, financial and insurance entities and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital-(above 10% threshold,from January 1, 2022)	19					A12
		Deduction amount from common equity Tier 1 capital-(above 15% threshold,from January 1, 2022)	23					A13
		Deduction amount from additional Tier 1 capital(from January 1, 2022)	40					A14
		Deduction amount from Tier 2 capital(from January 1, 2022)	55					A15
		Deduction amount from common equity Tier 1 capital(25%)-before December 31, 2121	19					A16

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Deduction amount from additional Tier 1 capital(25%)-before December 31, 2121	40					A17
		Deduction amount from Tier 2 capital(50%)-before December 31, 2121	55					A18
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A19
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A20
		Amounts below the thresholds for deduction-other significant investments	73					A21
		Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses			0		0	
		Deduction amount from common stock equity	26d		0		0	A22
		Deduction amount from additional Tier 1 capital	41b		0		0	A23
		Deduction amount from Tier 2 capital	56d		0		0	A24
		Regulatory adjustments applied to common equity Tier 1 due to insufficient Additional Tier 1 to cover deductions	27		0		0	A25
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A26
		Other financial assets measured at fair value through profit or loss			1,986,652		7,988,907	
	Financial assets measured at fair value through other comprehensive income			199,170,985	199,170,985	400,783,774	400,783,774	
		Reciprocal cross-holdings in common equity and other TLAC liabilities(fill in market value)			0		0	
		Deduction amount from common equity Tier 1 capital	17					A27
		Deduction amount from additional Tier 1 capital	38					A28
		Deduction amount from Tier 2 capital	53					A29
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A30
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A31
		Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	18				0	A32
		Deduction amount from additional Tier 1 capital	39				0	A33
		Deduction amount from Tier 2 capital	54				0	A34
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A35
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A36

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Amounts below the thresholds for deduction	72					A37
		Significant investments in the common stock of banking, financial and insurance entities and other TLAC liabilities			461,786		0	
		Deduction amount from common equity Tier 1 capital-(above 10% threshold,from January 1, 2022)	19		444,830			A38
		Deduction amount from common equity Tier 1 capital-(above 15% threshold,from January 1, 2022)	23		16,956			A39
		Deduction amount from additional Tier 1 capital(from January 1, 2022)	40					A40
		Deduction amount from Tier 2 capital(from January 1, 2022)	55					A41
		Deduction amount from common equity Tier 1 capital(25%)-before December 31, 2121	19					A42
		Deduction amount from additional Tier 1 capital(25%)-before December 31, 2121	40					A43
		Deduction amount from Tier 2 capital(50%)-before December 31, 2121	55					A44
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A45
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42		0			A46
		Amounts below the thresholds for deduction-other significant investments	73					A47
		Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses			0		0	
		Deduction amount from common equity Tier 1 capital	26d		0		0	A48
		Deduction amount from additional Tier 1 capital	41b		0		0	A49
		Deduction amount from Tier 2 capital	56d		0		0	A50
		Regulatory adjustments applied to common equity Tier 1 due to insufficient Additional Tier 1 to cover deductions	27		0		0	A51
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 to cover	42		0		0	A52
		Other financial assets measured at FVOCI			0		0	
	Debt instrument investments measured at amortized cost			195,275,787	195,275,787	213,901,918	213,901,918	
		Reciprocal cross-holdings in common equity and other TLAC liabilities(fill in market value)			0		0	
		Deduction amount from common equity Tier 1 capital	17					A53
		Deduction amount from additional Tier 1 capital	38					A54
		Deduction amount from Tier 2 capital	53					A55
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A56
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A57
		Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	18					A58
		Deduction amount from additional Tier 1 capital	39					A59

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Deduction amount from Tier 2 capital	54					A60
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A61
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A62
		Amounts below the thresholds for deduction	72					A63
		Significant investments in the common stock of banking, financial and insurance entities and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital-(above 10% threshold,from January 1, 2022)	19					A64
		Deduction amount from common equity Tier 1 capital-(above 15% threshold,from January 1, 2022)	23					A65
		Deduction amount from additional Tier 1 capital(from January 1, 2022)	40					A66
		Deduction amount from Tier 2 capital(from January 1, 2022)	55					A67
		Deduction amount from common equity Tier 1 capital(25%)-before December 31, 2121	19					A68
		Deduction amount from additional Tier 1 capital(25%)-before December 31, 2121	40					A69
		Deduction amount from Tier 2 capital(50%)-before December 31, 2121	55					A70
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A71
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A72
		Amounts below the thresholds for deduction-other significant investments	73					A73
		Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses			0		0	
		Deduction amount from common equity Tier 1 capital	26d		0		0	A74
		Deduction amount from additional Tier 1 capital	41b		0		0	A75
		Deduction amount from Tier 2 capital	56d		0		0	A76
		Regulatory adjustments applied to common equity Tier 1 due to insufficient Additional Tier 1 to cover deductions	27		0		0	A77
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 to cover	42		0		0	A78
		Other financial assets measured at fair value through profit or loss			195,275,787		213,901,918	
	Securities purchased under resale agreements			0	0	0	0	
	Receivables, net			8,790,407	8,790,407	18,992,356	18,992,356	
	Current income tax assets			143	143	25,905	25,905	
	Assets classified as			0	0	0	0	
	Discounts and loans, net			840,002,195	840,002,195	1,234,305,369	1,234,305,369	
		Discount and loan - gross amounts (including discount and premium adjustment)			852,428,911		1,250,289,455	

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Provision-discounts and loans			-12,426,716		-15,984,086	
		included in Tier 2 capital	50		-13,230,796		-15,623,898	A79
		others			804,080		-360,188	
	Investments under the equity method, net			83,599,886	83,599,886	1,937,372	1,937,372	
		Reciprocal cross-holdings in common equity and other TLAC liabilities(fill in market value)			0		0	
		Deduction amount from common equity Tier 1 capital	17					A80
		Deduction amount from additional Tier 1 capital	38					A81
		Deduction amount from Tier 2 capital	53					A82
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A83
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A84
		Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	18					A85
		Deduction amount from additional Tier 1 capital	39					A86
		Deduction amount from Tier 2 capital	54					A87
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A88
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A89
		Amounts below the thresholds for deduction	72					A90
		Significant investments in the common stock of banking, financial and insurance entities and other TLAC liabilities			57,982,936		0	
		Deduction amount from common equity Tier 1 capital-(above 10% threshold,from January 1, 2022)	19		55,853,973			A91
		Deduction amount from common equity Tier 1 capital-(above 15% threshold,from January 1, 2022)	23		2,128,963			A92
		Deduction amount from additional Tier 1 capital(from January 1, 2022)	40					A93
		Deduction amount from Tier 2 capital(from January 1, 2022)	55					A94
		Deduction amount from common equity Tier 1 capital(25%)-before December 31, 2121	19					A95
		Deduction amount from additional Tier 1 capital(25%)-before December 31, 2121	40					A96
		Deduction amount from Tier 2 capital(50%)-before December 31, 2121	55					A97
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A98
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A99
		Amounts below the thresholds for deduction-other significant investments	73					A100
		Other investments under the equity method			25,616,950		1,937,372	

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
	Other financial assets, net			0	0	0	0	
		Reciprocal cross-holdings in common equity and other TLAC liabilities(fill in market value)			0		0	
		Deduction amount from common equity Tier 1 capital	17					A127
		Deduction amount from additional Tier 1 capital	38					A128
		Deduction amount from Tier 2 capital	53					A129
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A130
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A131
		Investments in the capital of banking, financial and insurance entities where the bank does not own more than 10% of the issued share capital and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital	18					A132
		Deduction amount from additional Tier 1 capital	39					A133
		Deduction amount from Tier 2 capital	54					A134
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A135
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A136
		Amounts below the thresholds for deduction	72					A137
		Significant investments in the common stock of banking, financial and insurance entities and other TLAC liabilities			0		0	
		Deduction amount from common equity Tier 1 capital-(above 10% threshold,from January 1, 2022)	19					A138
		Deduction amount from common equity Tier 1 capital-(above 15% threshold,from January 1, 2022)	23					A139
		Deduction amount from additional Tier 1 capital(from January 1, 2022)	40					A140
		Deduction amount from Tier 2 capital(from January 1, 2022)	55					A141
		Deduction amount from common equity Tier 1 capital(25%)-before December 31, 2121	19					A142
		Deduction amount from additional Tier 1 capital(25%)-before December 31, 2121	40					A143
		Deduction amount from Tier 2 capital(50%)-before December 31, 2121	55					A144
		Regulatory adjustments applied to common equity Tier 1 capital due to insufficient Additional Tier 1 capital to cover deductions	27					A145
		Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 capital to cover deductions	42					A146
		Amounts below the thresholds for deduction-other significant investments	73					A147
		Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses			0		0	
		Deduction amount from common stock equity	26d		0		0	A148
		Deduction amount from additional Tier 1 capital	41b		0		0	A149
		Deduction amount from Tier 2 capital	56d		0		0	A150

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A151
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover	42		0		0	A152
		Other financial assets (excluding capital investment in financial related businesses)			0		0	
	Properties, net			12,994,755	12,994,755	21,906,365	21,906,365	
	Right-of-use asset			764,585	764,585	1,871,270	1,871,270	
	Investment properties, net			0	0	6,895,605	6,895,605	
	Intangible assets, net			315,822	315,822	1,925,844	1,925,844	
		Goodwill	8		0		92,608	A153
		Intangible assets (excluding goodwill)	9		315,822		1,833,236	A154
	Deferred income tax assets			2,022,262	2,022,262	4,396,598	4,396,598	
		Depending on the future profitability	10					A155
		Temporary difference			2,279,832		4,396,598	
		Amount exceeding the 10% threshold-deduct from common equity Tier 1 capital	21		0		0	A156
		Amount exceeding the 15% threshold-deduct from common equity Tier 1 capital	25		257,570		0	A157
		Amount below the deduction threshold	75		2,022,262		4,396,598	A158
	Other assets, net			8,520,247	8,520,247	10,112,912	10,112,912	
		Prepaid pension	15		192,617		192,617	A159
		Other assets			8,327,630		9,920,295	
Total assets				**1,503,505,612**	**1,503,505,612**	**2,325,355,025**	**2,325,355,025**	
LIABILITIES								
	Due to the Central Bank and banks			12,109,095	12,109,095	50,192,934	50,192,934	
	Financial liabilities measured at fair value through profit or loss			3,435,146	3,435,146	5,791,587	5,791,587	
		Instruments issued by the parent company that can be included in the capital			0		0	
		Eligible additional Tier 1 capital instrument	30、32		0		0	D1
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	D2
		Eligible Tier 2 capital instrument	46		0		0	D3
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	D4
		Instruments issued by subsidiaries and held by third parties that can be included in the capital					0	
		Eligible additional Tier 1 capital instrument	34				0	D5

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Additional Tier 1 capital instrument-declining 10% per year from 2013	34、35				0	D6
		Eligible Tier 2 capital instrument	48				0	D7
		Tier 2 capital instrument-declining 10% per year from 2013	48、49				0	D8
		Capital surplus of non-controlling interests					0	
		Gains and losses due to changes in own credit risk on fair valued liabilities	14		36,294		36,294	D9
		Other financial liabilities measured at fair value through profit or loss			3,398,852		5,755,293	
	Securities sold under repurchase agreements			781,568	781,568	781,568	781,568	
	Payables			25,714,122	25,714,122	33,071,071	33,071,071	
	Current income tax liabilities			1,245,964	1,245,964	2,052,522	2,052,522	
	Deposits and remittances			1,218,395,510	1,218,395,510	1,920,666,353	1,920,666,353	
	Bank debentures			56,070,000	56,070,000	65,244,424	65,244,424	
		Issued by the parent company			56,070,000		56,070,000	
		Eligible additional Tier 1 capital instrument	30、32		8,070,000		8,070,000	D11
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	D12
		Eligible Tier 2 capital instrument	46		16,980,000		16,980,000	D13
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	D14
		Bank debentures(excluding those who can be included in the capital)			31,020,000		31,020,000	
		Issued by subsidiaries and held by third parties					9,174,424	
		Eligible additional Tier 1 capital instrument	34				0	D15
		Additional Tier 1 capital instrument-declining 10% per year from 2013	34、35				0	D16
		Eligible Tier 2 capital instrument	48				9,174,424	D17
		Tier 2 capital instrument-declining 10% per year from 2013	48、49				0	D18
		Capital surplus of non-controlling interests					0	
		Bank debentures (excluding the capital can be included in and the capital surplus of non-controlling interests)					0	
	Other financial liabilities			2,499,732	2,499,732	3,339,871	3,339,871	
	Provisions			1,617,087	1,617,087	2,926,505	2,926,505	
	Lease liabilities			772,365	772,365	1,925,887	1,925,887	
	Deferred income tax liabilities			10,155,644	10,155,644	10,452,067	10,452,067	

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		Deductible			0		0	
		Intangible assets-Goodwill	8		0		0	D27
		Intangible assets (excluding goodwill)	9		0		0	D28
		Prepaid pension	15		0		0	D29
		Depending on the future profitability	10		0		0	D30
		Temporary difference			0		0	
		Amount exceeding the 10% threshold-deduct from common equity Tier 1 capital	21		0		0	D31
		Amount exceeding the 15% threshold-deduct from common equity Tier 1 capital	25		0		0	D32
		Amount below the deduction threshold	75		0		0	D33
		Non-deductible			10,155,644		10,452,067	
	Other liabilities			928,471	928,471	3,267,315	3,267,315	
Total liabilities				**1,333,724,704**	**1,333,724,704**	**2,099,712,104**	**2,099,712,104**	
Equity								
	Equity attributable to owners of the					169,780,908	169,780,908	
	Share capital			48,616,031	48,616,031	48,616,031	48,616,031	
		Common Equity Tier 1 capital	1		48,616,031		48,616,031	E1
		Additional Tier 1 capital			0		0	
		Eligible additional Tier 1 capital	30、31		0		0	E2
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	E3
		Tier 2 capital			0		0	
		Eligible Tier 2 capital	46		0		0	E4
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	E5
		Share capital that cannot be included in own capital			0		0	
	Capital surplus			27,405,763	27,405,763	27,405,763	27,405,763	
		Capital surplus-Common Equity Tier 1 capital	1		23,321,381		23,321,381	E6
		Capital surplus-Additional Tier 1 capital			0		0	
		Eligible additional Tier 1 capital	30、31		0		0	E7
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	E8
		Capital surplus-Tier 2 capital			0		0	
		Eligible tier 2 capital	46		0		0	E9
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	E10
		Share premium that cannot be included in own capital			0		0	
		Capital surplus(excluding share premium)	2		4,084,382		4,084,382	E11

Accounts		Detail item	Table4-3 item code	Stanlaloe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
	Retained arnings			100,682,623	100,682,623	100,682,623	100,682,623	
		Shortfall of provisions to expected losses	12		0		0	E12
		Prudential valuation adjustments	7		0		0	E13
		Shortfall of defined-benefit pension	15		0		0	E14
		Securitisation gain on sale	2、13		0		0	E15
		when first time applying International Financial Reporting Standards in real estate and using the fair value or the re-estimated value method as the deemed cost, the difference in amount between the deemed cost and the book value recognized in retained earningsretained earnings	2、26a、56a		0		0	E16
		the 45% of unrealized gains on changes in the fair value of investment properties using fair value method	2、26e、56e		0		0	E17
		Properties sale and leaseback benefits after January 1, 2012	2、26f		0		0	E18
		Other retained earnings that may not be included in CET 1 as required by regulatory or supervisory requirements	2、26g		0		0	E19
		Other retained arnings	2		100,682,623		100,682,623	E20
	Other equity	Total other equity	3	-6,840,365	-6,840,365	-6,840,365	-6,840,365	E21
		Unrealized gain of equity instruments and debt instruments measured at FVTOCI.(Not investments in the common stock of banking, financial and insurance entities and other TLAC liabilities)	26b、56b		826,473		826,473	E22
		Gain of the hedging instrument (loss)	11		0		0	E23
		Value added of properties revaluation	26e、56e		0		0	E24
		Other equity(excluding the above items)			-7,666,838		-7,666,838	
	Treasury shares		16	83,144	83,144	83,144	83,144	E25
	Non-controlling interests					55,862,013	55,862,013	
		Common Equity Tier 1 capital	5				21,985,386	E26
		Additional Tier 1 capital	34				0	E27
		Tier 2 capital	38				0	E28
		Capital surplus of non-controlling interests					33,876,627	
Total equity				169,780,908	169,780,908	225,642,921	225,642,921	
Total liabilities and equity				1,503,505,612	1,503,505,612	2,325,355,025	2,325,355,025	
Note		Expected loss			460,531		1,329,696	

【Table 4-3】

Composition of regulatory capital
Dec-31-2022

(Unit: NT$1,000)

items		Standalone	Consolidated
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	71,937,412	71,937,412
2	Retained earnings	104,767,005	104,767,005
3	Accumulated other comprehensive income and other reserves	(6,840,365)	(6,840,365)
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		21,985,386
6	Common Equity Tier 1 capital before regulatory adjustments	169,864,052	191,849,438
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0	0
8	Goodwill (net of related tax liability)	0	92,608
9	Other intangibles (net of related tax liability)	315,823	1,833,237
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	0	0
11	Gain and losses of hedging instruments (gain should be deducted, losses should be added)	0	0
12	Shortfall of provisions to expected losses	0	0
13	Securitisation gain on sale	0	0
14	Gains and losses due to changes in own credit risk on fair valued liabilities	(36,294)	(36,294)
15	Defined-benefit pension fund net assets	192,617	192,617
16	Investments in own shares	83,144	83,144
17	Reciprocal cross-holdings in common equity and its unrealized gains	0	0
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0	0
19	Significant investments in the common stock of banking, financial and insurance entities are deducted from common equity tier 1 capital.【Before December 31, 2121】 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation. (amount above 10% threshold)【From January 1, 2022】	56,298,803	0
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0	0
22	Amount exceeding the 15% threshold	2,403,489	0
23	of which: significant investments in the common stock of financials	2,145,919	0
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences	257,570	0
26	National specific regulatory adjustments		
26a	When the immovable property is first applied to the IFRSs, retained earnings increase due to the fair value or revaluation value is used as the recognized	0	0
26b	Unrealized gain of equity instruments and debt instruments measured at FVTOCI.(Not investments in the common stock of banking, financial and insurance entities and other TLAC liabilities)	826,473	826,473
26c	Classification of investments in financial-related businesses to the banking books (or direct investment in industrial banks and deductions for investment in Investment properties)		
26d	Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses	0	0
26e	Investment properties follow-up measurement of value-added benefits recognized by the fair value model	0	0

items		Standalone	Consolidated
26f	Properties sale and leaseback benefits after January 1, 2012	0	0
26g	Other retained earnings that may not be included in CET 1 as required by regulatory or supervisory requirements	0	0
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	0	0
28	**Total regulatory adjustments to Common equity Tier 1**	**60,084,055**	**2,991,785**
29	**Common Equity Tier 1 capital (CET1)**	**109,779,997**	**188,857,653**
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	8,070,000	8,070,000
31	of which: classified as equity under applicable accounting standards	0	0
32	of which: classified as liabilities under applicable accounting standards	8,070,000	8,070,000
33	Directly issued capital instruments subject to phase out from Additional Tier 1	0	0
34	Additional Tier 1 instruments issued by subsidiaries and held by third parties		0
35	of which: instruments issued by subsidiaries subject to phase out		0
36	Additional Tier 1 capital before regulatory adjustments	8,070,000	8,070,000
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments	0	0
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0	0
40	Significant investments in the common stock of banking, financial and insurance entities are deducted from additional tier 1 capital.【Before December 31, 2121】 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation. (amount above 10% threshold)【Applicable from January 1, 2022】	0	0
41	National specific regulatory adjustments		
41a	Classification of investments in financial-related businesses to the banking books (or direct investment in industrial banks and deductions for investment in Investment properties)		
41b	Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses	0	0
42	Regulatory adjustments applied to additional Tier 1 capital due to insufficient Tier 2 to cover deductions	0	0
43	**Total regulatory adjustments to Additional Tier 1 capital**	**0**	**0**
44	**Additional Tier 1 capital (AT1)**	**8,070,000**	**8,070,000**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**117,849,997**	**196,927,653**
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	16,980,000	16,980,000
47	Directly issued capital instruments subject to phase out from Tier 2	0	0
48	Tier 2 instruments issued by subsidiaries and held by third parties		9,174,424
49	of which: instruments issued by subsidiaries subject to phase out		0
50	Provisions	10,576,830	15,623,898
51	**Tier 2 capital before regulatory adjustments**	**27,556,830**	**41,778,322**
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments	0	0
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	0	0

items		Standalone	Consolidated
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	0
56	National specific regulatory adjustments	(371,913)	(371,913)
56a	when first time applying International Financial Reporting Standards in real estate and using the fair value or the re-estimated value method as the deemed cost, the difference in amount between the deemed cost and the book value recognized in retained earnings	0	0
56b	45% of Unrealized gain of equity instruments and debt instruments measured at FVTOCI	(371,913)	(371,913)
56c	Classification of investments in financial-related businesses to the banking books (or direct investment of industrial banks and deductions for investment in Investment properties)		
56d	Investment securitization beneficiary securities or asset-based securities, the amount of which is included in the asset pool of the capital instruments issued by financial related businesses	0	0
56e	The 45% of unrealized gains on changes in the fair value of investment properties using fair value method	0	0
57	Total regulatory adjustments to Tier 2 capital	**-371,913**	**-371,913**
58	Tier 2 capital (T2)	**27,928,743**	**42,150,235**
59	Total capital (TC = T1 + T2)	**145,778,740**	**239,077,888**
60	Total risk weighted assets	**930,664,542**	**1,537,130,976**
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	**11.80%**	**12.29%**
62	Tier 1 (as a percentage of risk weighted assets)	**12.66%**	**12.81%**
63	Total capital (as a percentage of risk weighted assets)	**15.66%**	**15.55%**
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a percentage of risk weighted assets)	7.00%	7.00%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: bank specific countercyclical buffer requirement	0.00%	0.00%
67	of which: G-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	6.66%	6.81%
National minima (if different from Basel 3)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)		
70	National Tier 1 minimum ratio (if different from Basel 3 minimum)		
71	National total capital minimum ratio (if different from Basel 3 minimum)		
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital and other TLAC liabilities of other financial entities	0	0
73	Significant investments in the common stock of financials	0	0
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2,022,262	4,396,598
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	13,230,796	15,623,898
77	Cap on inclusion of provisions in Tier 2 under standardised approach	10,576,830	17,581,565
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	NA	NA
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	NA	NA

【Table 5】

#	Items	103-1B	104-2	106-1A	106-1B
1	Abbreviation of preferred stock or bond (such as the issue year and period)	03SCSB1B	P04SCSB2	P06SCSB1A	P06SCSB1B
2	Issuer	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101513	TW000G101547	TW000G101554	TW000G101562
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.
	Regulatory treatment				
5	Capital category	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Capital calculation	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated	standalone and consolidated	standalone and consolidated	standalone and consolidated
8	Capital instrument category	Long-term subordinated bond	Long-term subordinated bond	Long-term subordinated bond	Long-term subordinated bond
9	Amount recognised in regulatory capital	NT$1,020M	NT$600M	NT$40M	NT$3,840M
10	Par value of instrument	NT$5,100M	NT$3,000M	NT$200M	NT$4,800M
11	Accounting classification	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures
12	Original date of issuance	25-Mar-14	16-Dec-15	13-Jun-17	13-Jun-17
13	Perpetual or dated	Dated	Dated	Dated	Dated
14	Original maturity date	25-Mar-24	16-Jun-24	13-Jun-24	13-Jun-27
15	Issuer call subject to prior supervisory approval	No	No	No	No
16	Redemption clause	No	No	No	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No
	Coupons / dividends				
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	1.85%	1.83%	1.5%	1.85%
20	Is there a condition for stopping the payment of common stock dividends (ie, when the capital instruments have no payment of interests or dividends, is there any restriction on the payment of common stock dividends)?	No	No	No	No
21	For interest/dividend payment, the issuer has fully discretionary, partially discretionary or mandatory, and please state the relevant terms and conditions.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-	Non accumulation	Non accumulation	Non accumulation	Non accumulation
24	Whether or not the conditions for the issuance of the holders of such capital instruments are the same as those of ordinary shareholders in the event of the competent authority assigned officials to take receivership over the bank, order such a bank to suspend and wind up the business, or liquidate the bank.	Yes	Yes	Yes	Yes
25	Issued before December 31, 2012, the transition period for Art.13 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 10.2 and Art.11.3 of Regulations Governing the Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.10.2 and Art.11.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

【Table 5】

#	Items	106-2A	106-2B	107-1A	107-1B
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P06SCSB2A	P06SCSB2B	P07SCSB1A	P07SCSB1B
2	Issuer	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101570	TW000G101588	TW000G101596	TW000G101604
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.
	Regulatory treatment				
5	Capital category	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Capital calculation	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated	standalone and consolidated	standalone and consolidated	standalone and consolidated
8	Capital instrument category	Long-term subordinated bond	Long-term subordinated bond	Long-term subordinated bond	Long-term subordinated bond
9	Amount recognised in regulatory capital	NT$240M	NT$3,040M	NT$1,200M	NT$2,000M
10	Par value of instrument	NT$1,200M	NT$3,800M	NT$3,000M	NT$2,000M
11	Accounting classification	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures
12	Original date of issuance	15-Dec-17	15-Dec-17	21-Jun-18	21-Jun-18
13	Perpetual or dated	Dated	Dated	Dated	Dated
14	Original maturity date	15-Dec-24	15-Dec-27	21-Jun-25	21-Jun-28
15	Issuer call subject to prior supervisory approval	No	No	No	No
16	Redemption clause	No	No	No	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No
	Coupons / dividends				
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	1.3%	1.55%	1.25%	1.45%
20	Is there a condition for stopping the payment of common stock dividends (ie, when the capital instruments have no payment of interests or dividends, is there any restriction on the payment of common stock dividends)?	No	No	No	No
21	For interest/dividend payment, the issuer has fully discretionary, partially discretionary or mandatory, and please state the relevant terms and conditions.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-	Non accumulation	Non accumulation	Non accumulation	Non accumulation
24	Whether or not the conditions for the issuance of the holders of such capital instruments are the same as those of ordinary shareholders in the event of the competent authority assigned officials to take receivership over the bank, order such a bank to suspend and wind up the business, or liquidate the bank.	Yes	Yes	Yes	Yes
25	Issued before December 31, 2012, the transition period for Art.13 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 10.2 and Art.11.3 of Regulations Governing the Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.10.2 and Art.11.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

【Table 5】

#	Items	107-3	2019-1	110-1A	110-1B
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P07SCSB2	N/A	P10SCSB1A	P10SCSB1B
2	Issuer	The Shanghai Commercial & Savings Bank	Shanghai Commercial Bank	The Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101612	XS1892105823	TW000G101661	TW000G101679
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.10.2, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	English Law, except that the subordination provisions shall be governed by the laws of Hong Kong.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.11.3, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.
	Regulatory treatment				
5	Capital category	Additional Tier 1 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Capital calculation	All	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.	The last five years are declining by 20% year after year.
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated	consolidated	standalone and consolidated	standalone and consolidated
8	Capital instrument category	Perpetual non-cumulative subordinated bond	Long-term subordinated bond	Long-term subordinated bond	Long-term subordinated bond
9	Amount recognised in regulatory capital	NT$7,000M	HK$2,329M	NT$2,050M	NT$2,950M
10	Par value of instrument	NT$7,000M	US$300M	NT$2,050M	NT$2,950M
11	Accounting classification	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures	Liabilties-Bank debentures
12	Original date of issuance	12-Dec-18	17-Jan-19	25-Oct-21	25-Oct-21
13	Perpetual or dated	Perpetual	Dated	Dated	Dated
14	Original maturity date	No maturity	17-Jan-29	25-Oct-28	25-Oct-31
15	Issuer call subject to prior supervisory approval	Yes	Yes	No	No
16	Redemption clause	After the term of the bond has expired for five years from the date of issue, the ratio of eligible capital to the risk-weighted assets after the redemption is still in line with the minimum ratio of Art. 5.1 of Regulations Governing the Capital Adequacy and Capital Category of Banks. With the consent of the competent authority, the Bank may redeem in advance; and announce it 30 days before the scheduled redemption date, pay interest at the denomination, and redeem it in full.	One-off call date: 17 January 2024. Additional optional redemption in whole at 100% of principal amount with accrued interest for taxation reasons, tax deductions reasons and regulatory reasons. Redemption amount subject to adjustment following occurrence of a Non-Viability Event. edemption subject to prior written consent of the HKMA.	No	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No
	Coupons / dividends				
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	2.15%	5.00%	0.6%	0.72%
20	Is there a condition for stopping the payment of common stock dividends (ie, when the capital instruments have no payment of interests or dividends, is there any restriction on the payment of common stock dividends)?	No	No	No	No
21	For interest/dividend payment, the issuer has fully discretionary, partially discretionary or mandatory, and please state the relevant terms and conditions.	Partially discretionary,when the bank did not have earnings in the previous fiscal year and did not distribute common stock dividends (including cash and stock dividends), it cannot pay interest. For more details, please refer to the issuance regulations.	Mandatory,Fixed until 17 January 2024 and thereafter reset to a new fixed rate equal to the sum of the then prevailing U.S. Treasury Rate and the Spread at Pricing.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.	Mandatory, there are no provisions regarding deferred or non-payment of interest in the issuance regulations.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-	Non accumulation	Cumulative	Non accumulation	Non accumulation
24	Whether or not the conditions for the issuance of the holders of such capital instruments are the same as those of ordinary shareholders in the event of the competent authority assigned officials to take receivership over the bank, order such a bank to suspend and wind up the business, or liquidate the bank.	Yes	Yes	Yes	Yes
25	Issued before December 31, 2012, the transition period for Art.13 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 10.2 and Art.11.3 of Regulations Governing the Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.10.2 and Art.11.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

【Table 5】

#	Items	110-1B
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P11SCSB3
2	Issuer	The Shanghai Commercial & Savings Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101612
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.10.2, which are enacted according to Art.44.4 of The Banking Act of The Republic of China.
	Regulatory treatment	
5	Capital category	Additional Tier 1 capital
6	Capital calculation	All
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated
8	Capital instrument category	Perpetual non-cumulative subordinated bond
9	Amount recognised in regulatory capital	NT$1,070M
10	Par value of instrument	NT$1,070M
11	Accounting classification	Liabilties-Bank debentures
12	Original date of issuance	26-Oct-22
13	Perpetual or dated	Perpetual
14	Original maturity date	No maturity
15	Issuer call subject to prior supervisory approval	No
16	Redemption clause	After the term of the bond has expired for five years from the date of issue, the ratio of eligible capital to the risk-weighted assets after the redemption is still in line with the minimum ratio of Art. 5.1 of Regulations Governing the Capital Adequacy and Capital Category of Banks. With the consent of the competent authority, the Bank may redeem in advance; and announce it 30 days before the scheduled redemption date, pay interest at the denomination, and redeem it in full.
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No
	Coupons / dividends	
18	Fixed or floating dividend/coupon	Fixed
19	Coupon rate and any related index	3.25%
20	Is there a condition for stopping the payment of common stock dividends (ie, when the capital instruments have no payment of interests or dividends, is there any restriction on the payment of common stock dividends)?	No
21	For interest/dividend payment, the issuer has fully discretionary, partially discretionary or mandatory, and please state the relevant terms and conditions.	Partially discretionary,when the bank did not have earnings in the previous fiscal year and did not distribute common stock dividends (including cash and stock dividends), it cannot pay interest. For more details, please refer to the issuance regulations.
22	Is there an interest rate plus agreement or other redemption incentives?	No
23	interest/dividend is cumulative or non-	Non accumulation
24	Whether or not the conditions for the issuance of the holders of such capital instruments are the same as those of ordinary shareholders in the event of the competent authority assigned officials to take receivership over the bank, order such a bank to suspend and wind up the business, or liquidate the bank.	Yes
25	Issued before December 31, 2012, the transition period for Art.13 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 10.2 and Art.11.3 of Regulations Governing the Capital	No
26	If yes, please indicate the characteristics of Art.10.2 and Art.11.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No

【Table 6】

Summary comparison of accounting assets vs leverage ratio exposure measure

Dec-31-2022

(Unit: NT$1,000)

	項　目	Standalone		Consolidated	
		Dec-31-2022	Sep-30-2022	Dec-31-2022	
1	Total assets as per published financial statements	1,503,505,612	1,442,861,000	2,325,355,025	
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(59,210,732)	(62,643,870)	(2,118,461)	
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure				
4	Adjustments for derivative financial instruments	(136,038)	(468,792)	471,756	
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	2,068	15,951	2,068	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	118,332,866	124,260,973	154,481,462	
7	Other adjustments	(1,558,849)	(1,731,926)	(1,919,817)	
8	**Leverage ratio exposure measure**	**1,560,934,927**	**1,502,293,336**	**2,476,272,033**	

【Table 6-1】

Leverage ratio common disclosure template

Dec-31-2022

(Unit: NT$1,000 , %)

	Items	Standalone		Consolidated	
		this quarter	last quarter	this quarter	
		Dec-31-2022	Sep-30-2022	Dec-31-2022	
	On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs))	1,500,297,352	1,437,497,557	2,319,608,095	
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(59,210,732)	(62,643,870)	(2,118,461)	
3	**Total on-balance sheet exposures** (excluding derivatives and SFTs) **(sum of rows 1 and 2)**	1,441,086,620	1,374,853,687	2,317,489,634	
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin)	717,790	1,748,184	1,228,151	
5	Add-on amounts for PFE associated with all derivatives transactions	795,583	940,275	3,070,718	
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework				
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)				
8	(Exempted CCP leg of client-cleared trade exposures)				
9	Adjusted effective notional amount of written credit derivatives				
10	(Adjusted effective notional offsets and add-on deductions for written credit				
11	**Total derivative exposures** **(sum of rows 4 to 10)**	1,513,373	2,688,459	4,298,869	
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting)	0	474,266	0	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)				
14	CCR exposure for SFT assets	2,068	15,951	2,068	
15	Agent transaction exposures				
16	**Total securities financing transaction exposures** **(sum of rows 12 to 15)**	2,068	490,217	2,068	
	Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	494,002,047	509,490,215	674,012,232	
18	(Adjustments for conversion to credit equivalent amounts)	(375,669,181)	(385,229,242)	(519,530,770)	
19	**Off-balance sheet items** **(sum of rows 17 and 18)**	118,332,866	124,260,973	154,481,462	
	Capital and total exposures				
20	**Tier 1 capital**	117,849,997	98,620,194	196,927,653	
21	**Total exposures** **(sum of rows 3, 11, 16 and 19)**	1,560,934,927	1,502,293,336	2,476,272,033	
	Leverage ratio				
22	**Leverage ratio**	7.55%	6.56%	7.95%	

【Table 7】

Bank risk management approach
2022

Items	Content
1.How the business model determines and interacts with the overall risk profile and how the risk profile of the bank interacts with the risk tolerance approved by the board.	SCSB classifies its main risks as credit risk, market risk, operational risk, liquidity risk, bank interest rate risk and sovereign risk. Each business unit plans business and risk allocation in correspondence with risk tolerance set by the Board. To assure business exposures in line with SCSB's risk limits, SCSB's risk management units monitor and report risk profiles to President of SCSB and the Board on a regularly basis.
2.The risk governance structure	The board of directors is the final decision-making unit in SCSB's risk management structure, and takes ultimately responsibility for SCSB's overall risk management. To strengthen risk management, SCSB has organized the Risk Management Committee for counseling with the Board. To ensure independence, Auditing Department is organized under the Board that performing audits independently from business units and CEO. There are the Assets and Liabilities Management Committee, the Credit Review Committee and the Investment Review Committee under the President for managing SCSB's assets and liabilities, credit risk management and investment risk management respectively; Also, to strengthen operation controlling , there are operation centers that handle credit checks, estimates, credit reviews, drawdown, settlements, and check clearings imports and exports documents.
3.Channels to communicate, decline and enforce the risk culture within the bank	SCSB's bank-wide risk management policy is approved by the Board of Directors. The president is responsible for executing strategies and policy concerning business plan and risk policy which is set by the Board. Under the president, there are Risk Management Department and risk management managers of business units who are responsible for daily risk management monitoring and reporting to the top management committee timely and on a regularly basis.
4.The scope and main features of risk measurement systems.	Risk-related systems deployed on the mainframes are credit checking system, KONDOR PLUS system, the MGR system, and the Ulsteck bond trading system which are maintained by designated business units. The operation centers are entrusted by the business units to provide credit assessments and estimates. Credit reports filed by branches are sent to the operation centers for review, which are then approved and signed online. This system has improved efficiency and helped built a more comprehensive credit database. The KONDOR PLUS system, MGR system and Ulsteck bond trading system are outsourced software systems, which provide real-time control and daily valuation. The results are then transmitted to SCSB's EDW system for the risk management units to perform required measurement and control of credit risks.
5.Description of the process of risk information reporting provided to the board and senior management, in particular the scope and main content of reporting on risk exposure.	The Risk Management Department has to report risk information together with material risk issues to the the Board of Directors quarterly. For more timely managing of risk, the Risk Management Department reports to top managements and related committees at least but not limit to every month.
6.Qualitative information on stress testing (eg portfolios subject to stress testing, scenarios adopted and methodologies used, and use of stress testing in risk management).	The scope of stress testing covers from credit risk, market risk, operational risk, banking book interest rate risk, liquidity risk, SCSB's large exposure to concentration risk and risk is interested as well. Testing scenario is decided according to the current business exposures and overall macro economics while testing methodology complies with guidelines of SCSB's stress testing set by government supervisor, also.
7.The strategies and processes to manage, hedge and mitigate risks that arise from the bank's business model and the processes for monitoring the continuing effectiveness of hedges and mitigants.	In order to decrease credit risks, loan purpose and repayment of clients are required along with credit review. Moreover, use of collaterals or credit guarantee funds is set forth in the credit policies of Corporate and Personal Banking Departments as the further risk reduction tools. Document reviews or on-site inspections of loan purpose and business condition are conducted on a regular basis to ensure clients prepayment capacity. To enhance SCSB's credit spread pricing, the Corporate and Personal Banking Departments use a credit rating system to price loan interest rate. SCSB also regulate credit limitation, as applied to a single counterparty or group, industry, sovereign t, to avoid excessive risk concentration. As for reducing market risk, the predefined market risk tolerances are monitored on daily basis. In addition, all sophisticated securities investment has to be approved by top managements before placing out. As a whole, Management Department of SCSB has to monitor and report risk to top managements on daily basis, which keep senior management's well informed on the SCSB's risk profile timely.

【Table 8】

Key metrics

Dec-31-2022

(Unit: NT$1,000；%)

		Dec-31-2022	Sep-30-2022	Jun-30-2022	Mar-31-2022	Dec-31-2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	109,779,997	91,620,194	90,621,527	103,021,307	126,809,411
1a	Fully loaded ECL accounting mode	109,779,997	91,620,194	90,621,527	103,021,307	126,809,411
2	Tier 1	117,849,997	98,620,194	97,621,527	110,021,307	126,809,411
2a	Fully loaded ECL accounting model Tier 1	117,849,997	98,620,194	97,621,527	110,021,307	126,809,411
3	Total capital	145,778,740	127,451,639	126,239,696	140,954,339	127,245,471
3a	Fully loaded ECL accounting model total capital	145,778,740	127,451,639	126,239,696	140,954,339	127,245,471
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	930,664,542	931,313,645	924,722,223	925,792,524	855,623,712
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	11.80%	9.84%	9.80%	11.13%	14.82%
5a	Fully loaded ECL accounting model CET1 (%)	11.80%	9.84%	9.80%	11.13%	14.82%
6	Tier 1 ratio (%)	12.66%	10.59%	10.56%	11.88%	14.82%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	12.66%	10.59%	10.56%	11.88%	14.82%
7	Total capital ratio (%)	15.66%	13.69%	13.65%	15.23%	14.87%
7a	Fully loaded ECL accounting model total capital ratio (%)	15.66%	13.69%	13.65%	15.23%	14.87%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%)					
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank’s minimum capital requirements (%)	6.66%	4.59%	4.56%	5.88%	8.82%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,560,934,927	1,502,293,336	1,447,808,423	1,463,050,257	1,453,031,213
14	Basel III leverage ratio (%) (row 2 /row 13)	7.55%	6.56%	6.74%	7.52%	8.73%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	7.55%	6.56%	6.74%	7.52%	8.73%
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets	305,728,957	250,392,467	220,630,751	245,360,797	265,409,606
16	Total net cash outflow	245,202,913	216,359,191	212,560,636	222,561,774	231,960,583
17	LCR ratio (%)	124.68%	115.73%	103.80%	110.24%	114.42%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	1,083,382,274	1,029,368,889	989,801,400	1,005,500,245	1,001,425,374
19	Total required stable funding	848,815,253	834,676,036	812,966,301	791,079,676	771,332,098
20	NSFR ratio(%)	127.63%	123.33%	121.75%	127.10%	129.83%

【Table 9】

Overview of RWA (standalone)

Dec-31-2022

(Unit: NT$1,000)

	items	RWA		Minimum capital requirements
		31-Dec-22	30-Jun-22	31-Dec-22
1	Credit risk (excluding counterparty credit risk) (CCR)	844,115,892	812,746,533	67,529,271
2	Of which standardised approach (SA)	844,115,892	812,746,533	67,529,271
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	1,339,595	3,637,868	107,168
5	Of which standardised approach for counterparty credit risk (SA-CCR)	1,339,595	3,637,868	107,168
6	Of which internal model method (IMM)			
7	Equity positions in banking book under market-based approach			
8	Equity investments in funds – look-through approach			
9	Equity investments in funds – mandate-based approach			
10	Equity investments in funds – fall-back	197,212	222,929	15,777
11	Equity investments in funds – combination of the three approaches			
12	Settlement risk	0	0	0
13	Securitisation exposures in banking book	493,720	703,482	39,498
14	Of which IRB ratings-based approach (RBA)			
15	Of which IRB Supervisory Formula Approach (SFA)			
16	Of which SA/simplified supervisory formula approach (SSFA)	493,720	703,482	39,498
17	Market risk	39,085,138	63,768,698	3,126,811
18	Of which standardised approach (SA)	39,085,138	63,768,698	3,126,811
19	Of which internal model approaches (IMM)			
20	Operational risk	45,432,985	43,642,713	3,634,639
21	Of which Basic Indicator Approach	45,432,985	43,642,713	3,634,639
22	Of which Standardised Approach			
23	Of which Advanced Measurement Approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	Floor adjustment			
26	Total	930,664,542	924,722,223	74,453,163

【Table 9-1】

Overview of RWA (consolidated)

Dec-31-2022 (Unit: NT$1,000)

items		RWA		Minimum capital requirements
		31-Dec-22	30-Jun-22	31-Dec-22
1	Credit risk (excluding counterparty credit risk) (CCR)	1,401,729,104	1,379,154,805	112,138,328
2	Of which standardised approach (SA)	1,401,729,104	1,379,154,805	112,138,328
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	4,105,165	12,467,456	328,413
5	Of which standardised approach for counterparty credit risk (SA-CCR)	4,105,165	12,467,456	328,413
6	Of which internal model method (IMM)			
7	Equity positions in banking book under market-based approach			
8	Equity investments in funds – look-through approach			
9	Equity investments in funds – mandate-based approach			
10	Equity investments in funds – fall-back	197,212	222,929	15,777
11	Equity investments in funds – combination of the three approaches			
12	Settlement risk	0	0	0
13	Securitisation exposures in banking book	493,720	703,482	39,498
14	Of which IRB ratings-based approach (RBA)			
15	Of which IRB Supervisory Formula Approach (SFA)			
16	Of which SA/simplified supervisory formula approach (SSFA)	493,720	703,482	39,498
17	Market risk	60,564,114	88,090,656	4,845,129
18	Of which standardised approach (SA)	60,564,114	88,090,656	4,845,129
19	Of which internal model approaches (IMM)			
20	Operational risk	70,041,661	68,453,256	5,603,333
21	Of which Basic Indicator Approach	70,041,661	68,453,256	5,603,333
22	Of which Standardised Approach			
23	Of which Advanced Measurement Approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	Floor adjustment			
26	Total	1,537,130,976	1,549,092,584	122,970,478

【Table 10】

Differences between accounting and regulatory scopes of financial statements with regulatory risk categories

Dec-31-2022 (Unit: NT$1,000)

	Items	Carrying values as reported in published financial statements	Carrying values under scope of regulatory	Carrying values of items: Subject to credit risk framework A	Subject to counterparty credit risk framework B	Subject to the securitisation framework C	Subject to the market risk framework D	Not subject to capital requirements or subject to deduction from capital
Assets								
1	Cash and cash equivalents	30,624,554	30,624,554	30,624,554	0	0	0	0
2	Due from the Central Bank and call loans to banks	119,437,332	119,437,332	119,437,332	0	0	0	0
3	Financial assets measured at fair value through profit or	1,986,652	1,986,652	104,961	2,831,520	0	1,835,728	0
4	Financial assets measured at fair value through other comprehensive income	199,170,985	199,170,985	148,159,958	0	1,234,301	49,314,941	461,785
5	Debt instrument investments measured at amortized cost	195,275,787	195,275,787	195,414,421	0	0	0	-138,634
6	Securities purchased under resale agreements	0	0	0	0	0	0	0
7	Receivables, net	8,790,407	7,231,558	7,454,547	0	0	0	-222,989
8	Current income tax assets	143	143	143	0	0	0	0
9	Assets classified as held for sale, net	0	0	0	0	0	0	0
10	Discounts and loans, net	840,002,195	840,002,195	852,428,911	0	0	0	-12,426,716
11	Investments under the equity method, net	83,599,886	83,599,886	15,061,223	0	0	0	68,538,663
12	Other financial assets, net	0	0	0	0	0	0	0
13	Properties, net	12,994,755	12,994,755	12,994,755	0	0	0	0
14	Right-of-use assets, net	764,585	764,585	764,585	0	0	0	0
15	Investment properties, net	0	0	0	0	0	0	0
16	Intangible assets, net	315,822	315,822	0	0	0	0	315,822
17	Deferred income tax assets	2,022,262	2,022,262	1,764,692	0	0	0	257,570
18	Other assets, net	8,520,247	8,520,247	8,329,552	0	0	0	190,695
19	Total assets	1,503,505,612	1,501,946,763	1,392,539,634	2,831,520	1,234,301	51,150,669	56,976,196
Liabilities								
20	Deposits from the central Bank and other banks	12,109,095	12,109,095	0	0	0	0	12,109,095
21	Due to the central bank and other banks	0	0	0	0	0	0	0
22	Financial liabilities measured at fair value	3,435,146	4,584,519	0	1,180,843	0	1,395,341	2,008,335
23	Securities sold under repurchase agreements	781,568	1,563,136	0	781,568	0	781,568	0
24	Payables	25,714,122	25,714,122	0	0	0	0	25,714,122
25	Current income tax liabilities	1,245,964	1,245,964	0	0	0	0	1,245,964
26	Deposits and remittances	1,218,395,510	1,218,395,510	0	0	0	0	1,218,395,510
27	Bank debentures	56,070,000	56,070,000	0	0	0	0	56,070,000
28	Other financial liabilities	2,499,732	2,499,732	0	0	0	0	2,499,732
29	Provisions	1,617,087	1,617,087	0	0	0	0	1,617,087
30	Lease liabilities	772,365	772,365	0	0	0	0	772,365
31	Deferred income tax	10,155,644	10,155,644	0	0	0	0	10,155,644
32	Other liabilities	928,471	928,471	0	0	0	0	928,471
33	Total liabilities	1,333,724,704	1,335,655,645	0	1,962,411	0	2,176,909	1,331,516,325

【Table 11】

Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Dec-31-2022 (Unit: NT$1,000)

Items		Total	Items			
			Credit risk framework A	Counterparty credit risk framework B	Securitisation framework C	Market risk framework D
1	Asset carrying value amount under scope of regulatory	1,447,756,124	1,392,539,634	2,831,520	1,234,301	51,150,669
2	Liabilities carrying value amount under scope of regulatory	4,139,320	0	1,962,411	0	2,176,909
3	Net value under scope of regulatory	1,443,616,804	1,392,539,634	869,109	1,234,301	48,973,760
4	Off-balance sheet amounts	475,057,788	76,376,933			
5	Differences in capital charge methods	-9,888,622				-9,888,622
6	Differences in counterparty credit equivalent and replacement cost	72,244		72,244		
7	Differences in valuations	79,340		79,340		
8	Exposure amounts considered for regulatory purposes		1,468,150,896	869,374	1,234,301	39,085,138

【Table 12】

Explanations of differences between accounting and regulatory exposure

2022

Items		Contents
1	Explanation of the differences between accounting accounting and regulatory scopes of financial statements, as displayed in Table 10.	1. The difference between financial assets deposited with the central bank and interbank borrowings and measured at fair value through profit or loss is due to book value adjustments that are included in the scope of statutory capital deductions, less internal transactions. 2. The difference between receivables is that the book value of the acceptance receivable in the financial statements is on-balance sheet assets, but the carrying values under scope of regulatory is attributed to off-balance sheet assets.
2	Explanation of the differences between regulatory exposure amounts and carrying values in financial statements, as displayed in templates Table 11.	1. credit risk：the differences between regulatory exposure amounts and carrying values in financial statements is due to off-balance sheet differences. 2. counterparty credit risk and market risk： the differences between regulatory exposure amounts and carrying values in financial statements is affected by capital charge methods.
3	Explanation of valuation methodologies, independent price verifications and valuation adjustments, or procedure preparation under the market risk framework.	When marking-to-market is not possible, the bank may use self-developed models or pricing calculators provided by financial data vendor (such as Bloomberg or Reuters) to price instruments. Risk management department conducts the pricing model validation: 1. Fundamental validation: Verifying the model documentation, assumptions, theories, and parameters. The bank may only verify the mathematics and the parameters if the model is widely adopted. 2. Validation and testing of marking-to-model results: Validation can be conducted by comparing marking-to-model results with which valued by a similar model, a self-developed model, a widely used model or quoted from a firm. It also can be validated by comparison with sensitivity analysis and stress testing. 3. Post-validation: Risk management department should provide the documentation to Asset Liability Management Committee for resolution. Clarify the uncertainty of marking-to-model results if necessary. The bank may also conduct valuation adjustments (including provision for reserves and asset impairment) in a prudent way. Reasons for adjusting the valuation when investing or trading are credit losses, early terminations, large and concentrated positions or less liquid positions.

【Table 13】

General qualitative information about credit risk
2022

	Items	Contents
1	How the business model translates into the components of the bank's credit risk profile	Corporate banking remained the core business. SCSB also made continued effort to upgrade the rest of business units, they are: foreign exchange business, Cross-Strait Banking, SME finance, Personal Banking and Wealth Management. Based on the risk strategy, risk appetite and business profit targets approved by the Board of Directors, the Bank established appropriate credit risk management policies, formulated various business credit risk management regulations, such as risk pricing and limits, and strengthened risk dispersion principles to effectively reduce concentration risks. , and pre-transaction risk management and measurement, regular review after the transaction and asset quality monitoring, etc., to determine the management basis of each product business or
2	Criteria and approach used for defining credit risk management policy and for setting credit risk limits	SCSB has developed a credit risk management policy in accordance with the Banking Law and applicable regulations, and the SCSB Risk Management Policy. SCSB conducts businesses in credit, investment and financial derivatives in strict compliance with the Banking Act and applicable laws and regulations, and in alignment with government policies for economic and financial development, while balancing security, liquidity, profitability, growth and public benefits. Strategy for credit risk management seeks risk diversification, prudent evaluation based on the 5P principles, and a right balance between risk and return. The risk management process grants credit authorization to heads of business units and regional centers. Pursuant to the Banking Act and SCSB credit risk management policies, individual customers, groups, industries, and countries (regions) are subject to credit limits in order for the Bank to avoid excessive risk concentration.
3	Structure and organisation of the credit risk management and control function	SCSB's risk management is led by the Board of Directors, with the Risk Management Committee overseeing risk management across SCSB. The Assets and Liabilities Management Committee reports to the President and is responsible for managing SCSB's assets and liabilities, while an independent Risk Management Department is responsible for establishing and implementing a Bank-wide risk management mechanism. Each unit has set up dedicated risk management teams, according to its size, importance and complexity, for implementing risk management. In addition, there are the Credit Review Committee and the Investment Review Committee under the President responsible for credit risk management and investment risk management respectively; and the operation centers that handle credit checks, estimates, credit reviews, drawdowns, settlements, and check clearings. Foreign exchange is handled by the foreign exchange division of branches where each operation center is located.
4	Relationships between the credit risk management, risk control, compliance and internal audit functions	A comprehensive system of internal auditing and self-checking has been established, and compliance officers are appointed. Work guidelines are in place for routine operations, and all transactions are monitored by computer systems. The compliance department and the compliance officer of all departments and operating units should be responsible for enhancing awareness of compliance. The internal audit checks the compliance and implementation of the nuclear credit risk specification and is directly responsible to the board of directors. Regularly check and evaluate the integrity and actual implementation of various risk management mechanisms, and provide improvement suggestions in a timely manner to ensure the sustainable and effective implementation of various risk management mechanisms.
5	Scope and main content of the reporting on credit risk exposure and on the credit risk management function to the executive management and to the board of directors	SCSB has set up a Risk Management Department to monitor reports and integrate Bank-wide risk management .A Board - level Risk Management Committee is set up to oversee risk controls and the Risk Management Department reports Bank-wide risk status regularly to the Board of Directors. The report contains information on national, industry, group, single customer, liquidity and other business risks. Establish a clear notification procedure, each transaction has a limit and stop loss provisions, if the transaction reaches the stop loss limit should be executed immediately; if the stop loss is not implemented, the transaction unit should indicate the non-stop reason and response plan, report to the higher management level Approved and reported to the Committee on Accountability on a regular basis.
6	Core features of policies and processes for, and an indication of the extent to which the bank makes use of, on-and off-balance sheet netting	When the following requirements are met, the Bank can reduce the credit risk by offsetting the in-table liabilities to the table: 1. Have a sound legal basis: ensure that the net settlement or write-off agreement is in the jurisdiction, and whether there is no counterparty The solvency is both mandatory; 2. It can determine that all assets and liabilities of the same counterparty have been included in the bank's net settlement contract; 3. There are appropriate control measures for significant risks on a net basis.
7	Core features of policies and processes for collateral evaluation and management.	The Bank has adopted a number of policies and measures to reduce credit risk for credit business. One of the main methods is to require borrowers to provide collateral. The collateral provided by the borrower shall be subject to compliance, independence, reliability, and realizable value to ensure the creditor's rights of the Bank. The Bank shall determine the conditions of the collateral and the procedures for the valuation, management and disposal of the collateral to ensure the creditor's rights of the Bank. The collateral of other non-credit business is determined by the nature of the financial instrument. Only asset-based securities and other similar financial instruments are secured by a group of asset instruments.
8	Information about market or credit risk concentrations under the credit risk mitigation instruments used (ie by guarantor type, collateral and credit derivative providers).	1.In order to mitigate credit risks, checks on the client's credit, use of funds and ability for loan repayment are required before every credit transaction. Additionally, the use of collaterals or credit guarantee funds as risk reduction tools is set forth in the credit policies of Corporate and Personal Banking Departments. Document reviews or on-site inspections are conducted on a regular basis regarding clients' use of funds, operations, finances, and repayment ability to ensure the claims. 2.In order to strengthen SCSB's credit risk control, the Corporate and Personal Banking Departments use a credit rating system to aid their credit decision-making and loan interest rate setting. This helps increase credit quality and makes credit pricing more objective and reasonable. 3.Pursuant to the Banking Act and SCSB credit risk management policies, individual customers, groups, industries, and countries (regions) are subject to credit limits in order for the Bank to avoid excessive risk concentration.

【Table 14】

Credit quality of assets

Dec-31-2022

(Unit: NT$1,000)

Items		Gross carrying values of		Allowances/ impairments C	Net values D
		Defaulted exposures A	Non-defaulted exposures B		
1	Loans	1,372,238	852,532,240	454,247	853,450,231
2	Debt Securities	0	360,356,948	0	360,356,948
3	Off-balance sheet	167,744	475,057,788	6,284	475,219,248
4	Total	1,539,982	1,687,946,976	460,531	1,689,026,427

【Table 15】

Changes in stock of defaulted loans and debt securities

Dec-31-2022

(Unit: NT$1,000)

Items		Amounts A
1	Defaulted loans and debt securities at end of the previous reporting period	1,850,271
2	Loans and debt securities that have defaulted since the last reporting period	667,437
3	Returned to non-defaulted status	88,946
4	Amounts written off	720,802
5	Other changes	(335,722)
6	Defaulted loans and debt securities at end of the reporting period	1,372,238

【Table 16】

Additional disclosure related to the credit quality of assets
2022

Items		Contents
1	The scope and definitions of “past due” and “impaired” exposures used for accounting purposes and the differences, if any, between the definition of past due and default for accounting and regulatory purposes.	The impaired and default definitions for accounting and regulatory purposes refer to those loans for which the principal or interest has been in arrears for three months or more, and those loans which the principal or interest has not yet been in arrears for more than three months, but with regard to which the bank has sought payment from primary/subordinate debtors or has disposed of collateral. The so-called "payment period" in the first paragraph shall be theagreed-upon date for restructured loans and other extensions ofcredit. However, if the bank requests earlier repayment inaccordance with contract, the repayment period of which the banknotifies the debtor shall be the payment period. The impaired exposures include the aforementioned default definition and objective evidence of impairment held by the Bank. The impaired and default definitions for regulations of capital adequacy:the loan has been in arrears for three months or more. The “impaired”and default definitions for accounting purposes could include objective evidence of impairment, which might have wider scope than the definitions used for regulations of capital adequacy.
2	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	The exposures that overdue more than 90 days are impaired.
3	Description of methods used for determining impairments.	Objective evidence of impairment for a portfolio of loans and receivables could include the Group’s past experience with collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with defaults on such financial assets.
4	The bank’s own definition of a restructured exposure.	

Quantitative disclosures

1.Breakdown of exposures by residual maturity.

(Unit: NT$1,000)

residual maturity	exposures
0~30 days	41,773,666
31~90 days	70,086,399
91~180 days	72,315,608
181 days~1 year	113,599,732
Over 1 year	554,245,115
Total	852,020,520

2.Breakdown of exposures by geographical areas, industry and residual maturity；Amounts of impaired exposures (according to the definition used by the bank for accounting purposes) and related allowances and write-offs, broken down by geographical areas and industry

(Unit: NT$1,000)

Region	exposures	Amounts of impaired exposures	write-offs
Taiwan	737,261,174	9,995,279	240,011
Asia Pacific except Taiwan	87,654,229	1,251,308	53,403
European region	1,671,136	45,159	-
Americas	24,799,603	1,123,983	682,243
African region	634,378	10,987	-
Total	852,020,520	12,426,716	975,657

(Unit: NT$1,000)

Sector	exposures	Amounts of impaired exposures	write-offs
Private sector	488,769,340	7,305,727	973,878
Consumer	357,984,158	5,056,873	1,779
Financial institution	153,614	1,742	-
Others	5,113,409	62,374	-
Total	852,020,520	12,426,716	975,657

3.Ageing analysis of accounting past-due exposures.

(Unit: NT$1,000)

Accounting aging	past-due exposures
Overdue for less than 3 months	149,160
Overdue for more than 3 months and less than 6 months	162,827
Overdue for more than 6 months less than 1 year	669,270
Overdue for more than 1 year and less than 2 years	224,042
Overdue for more than 2 years	166,940
Total overdue loan	1,372,239

【Table 17】

Credit risk mitigation

Dec-31-2022

(Unit: NT$1,000)

Items		Exposures unsecured: carrying amount A	Exposures secured by collateral B	Exposures secured by collateral, of which: secured amount C	Exposures secured by financial guarantees D	Exposures secured by financial guarantees, of which: secured amount E	Exposures secured by credit derivatives F	Exposures secured by credit derivatives, of which: secured amount G
1	Loans	783,157,875	35,810,350	26,902,216	34,482,006	34,482,006	0	0
2	Debt securities	360,356,948	0	0	0	0	0	0
3	Total	1,143,514,823	35,810,350	26,902,216	34,482,006	34,482,006	0	0
4	Of which defaulted	891,553	0	0	282,875	282,875	0	0

【Table 18】

Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

2022

Items		Contents
	Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period	The should be followed the rule of "the Methods for calculating Bank's regulatory capital and Risk Weighted Assets" that is issued by the competent authority.
2	The asset classes for which each ECAI or ECA is used	
3	A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book	
4	The alignment of the alphanumerical scale of each agency used with risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank has to comply).	

【Table 19】

Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Dec-31-2022

(Unit: NT$1,000，%)

Items		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes		On-balance sheet amount A	Off-balance sheet amount B	On-balance sheet amount C	Off-balance sheet amount	RWA E	RWA density F
1	Sovereigns and their central banks	252,810,865	0	252,810,865	0	1,679,906	0.66%
2	Non-central government public sector entities	13,617,170	408,204	13,617,170	85,485	9,596,646	70.03%
3	Banks(including Multilateral development banks and central	168,388,897	347,963	168,162,329	347,964	60,957,432	36.17%
4	Corporates(including Securities firms and Insurance company)	298,930,974	446,707,228	280,076,060	45,810,218	306,840,510	94.16%
5	Retail portfolios	81,802,876	5,329,264	75,621,095	2,682,001	48,927,402	62.48%
6	Secured by real estate	516,102,916	22,432,872	516,050,599	20,804,456	346,912,027	64.62%
7	Equity	16,703,768	0	16,703,768	0	38,757,233	232.03%
8	Equity investments in funds、venture capital	15,777	0	15,777	0	197,212	1250.00%
9	Other assets	43,400,721	0	43,400,721	0	30,444,736	70.15%
10	Total	1,391,773,964	475,225,531	1,366,458,384	69,730,124	844,313,104	58.79%

【Table 20】

Standardised approach – exposures by asset classes and risk weights

Dec-31-2022

(Unit: NT$1,000;%)

Asset classes \ Risk weight*		0%	2%	4%	10%	20%	35%	50%	75%	100%	150%	250%	1250%	LTA	MBA	FBA	Combination	Residential	Commercial	ADC	Total credit exposures amount (post CCF and post-CRM)
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	Sovereigns and their central banks	248,723,109	0	0	0	2,033,555	0	1,562,011	0	492,190	0	0	0	0	0	0	0	0	0	0	252,810,865
2	Non-central government public sector entities	0	0	0	0	1,319,476	0	6,100,856	0	6,282,323	0	0	0	0	0	0	0	0	0	0	13,702,655
3	Banks(including Multilateral development banks and central counterparties)	1,340,719	0	0	0	82,679,840	0	80,136,540	0	4,353,194	0	0	0	0	0	0	0	0	0	0	168,510,293
4	Corporates(including Securities firms and Insurance company)	0	0	0	0	9,632,388	0	22,898,547	0	293,136,512	218,831	0	0	0	0	0	0	0	0	0	325,886,278
5	Retail portfolios	0	0	0	0	25,942,494	0	0	34,486,798	17,873,804	0	0	0	0	0	0	0	0	0	0	78,303,096
6	Secured by real estate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	307,198,534	170,308,586	59,347,935	536,855,055
7	Equity	0	0	0	0	0	0	0	0	2,001,458	0	14,702,310	0	0	0	0	0	0	0	0	16,703,768
8	Equity investments in funds、venture capital	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,777	0	0	0	0	15,777
9	Other assets	15,163,416	0	0	0	0	0	0	0	26,765,685	0	1,471,620	0	0	0	0	0	0	0	0	43,400,721
10	Total	265,227,244	0	0	0	121,607,753	0	110,697,954	34,486,798	350,905,166	218,831	16,173,930	0	0	0	15,777	0	307,198,534	170,308,586	59,347,935	1,436,188,508

【Table 27】

Qualitative disclosure related to counterparty credit risk

2022

<table>
<tr><th colspan="2">Items</th><th>Contents</th></tr>
<tr><td colspan="3">Risk management objectives and policies related to counterparty credit risk, including:</td></tr>
<tr><td>1</td><td>The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures;</td><td>The bank sets the counterparty limit based on the credit risk policy.
The credit risk limit is based on the credit quality of the counterparty and the risk appetite of the Bank for the potential future risk of the transaction.（ex: 95% confidence interval）</td></tr>
<tr><td rowspan="3">2</td><td rowspan="3">Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs</td><td>Policies of credit risk hedging or mitigation
a. Collateral
The Bank applies series of policies to decrease credit risks in its lending business. Among those policies is to request collateral from borrowers. To secure the creditor’s rights, the Bank has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Bank and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. To further decrease credit risks, the contracts also proclaim that the Bank may decrease the credit facilities at its discretion, accelerate the maturity of the borrowings, demand immediate payback, or offset borrowers’ assets in the Bank against the borrowings.</td></tr>
<tr><td>b. Limitation of credit risk and credit concentration management
The credit policies of the Bank regulate the credit limitations, as applied to a single counterparty or group, to avoid excessive credit concentration. The Bank further implements concentration policies, which monitor and manage the credit limitation and concentration in one single counterparty, different enterprises, related parties, industries, and countries. The policies are based on individual criteria in different categories including but not limited to industries, enterprises, and share-pledge related loans.</td></tr>
<tr><td>c. Other mechanisms for credit risk management
The contracts between the Bank and the borrowers clearly state the protocols, including but not limited to the security of the credit, procedures for collateral and setoff. To further decrease credit risks, the contracts also proclaim that the Bank may decrease the balances, shorten the maturity period, demand immediate payback, or use borrowers’ assets in the Bank to offset their liabilities. In most circumstances, the Bank applies gross settlement with counterparties. However, to further decrease credit risks, the Bank applies net settlement or even terminates transactions with certain counterparties when default may occur.</td></tr>
<tr><td>3</td><td>Policies with respect to wrong-way risk exposures</td><td>The Bank doesn't formulate the policy of Wrong Way Risk.</td></tr>
<tr><td>4</td><td>The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating downgrade.</td><td>The Bank is based on a contract with a counterparty. When the Bank's credit rating is lowered, the amount of the collateral is required.</td></tr>
</table>

【Table 28】

Analysis of counterparty credit risk (CCR) exposure by approach

Dec-31-2022

(Unit: NT$1,000)

項目		Replacement cost A	Potential future exposure B	EEPE C	Alpha used for computing regulatory EAD D	EAD post-CRM E	RWA F
1	SA-CCR (for derivatives)	717,790	795,583		1.4	2,114,843	1,243,644
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)					16,611	16,611
5	Internal Model Method (VaR for SFTs)						
6	Total						1,260,255

【Table 29】

Credit valuation adjustment (CVA) capital charge

Dec-31-2022

(Unit: NT$1,000)

Items		EAD post-CRM A	RWA B
Total portfolios subject to the Advanced CVA capital charge			
1	(1)VaR component (including the 3×multiplier)		
2	(2)Stressed VaR component (including the 3×multiplier)		
3	All portfolios subject to the Standardised CVA capital charge	5,187	79,340
4	Total subject to the CVA capital charge		

【Table 30】

Standardised approach – CCR exposures by regulatory portfolio and risk weights

Dec-31-2022

(Unit: NT$1,000)

Regulatory portfolio* \ Risk weight*		0%	2%	4%	10%	20%	50%	75%	100%	150%	1250%	Total credit exposure
1	Sovereigns	0	0	0	0	0	0	0	0	0	0	0
2	Non-central government public sector entities	0	0	0	0	0	0	0	0	0	0	0
3	Banks(including Multilateral development banks and central counterparties)	0	0	0	0	98,785	1,579,442	0	40	0	0	1,678,266
4	Corporates(including Securities firms and Insurance company)	0	0	0	0	0	0	0	443,215	0	0	443,215
5	Retail portfolios	0	0	0	0	0	0	9,800	173	0	0	9,972
6	Other assets	0	0	0	0	0	0	0	0	0	0	0
7	Total	0	0	0	0	98,785	1,579,442	9,800	443,428	0	0	2,131,454

【Table 32】

Composition of collateral for CCR exposure

Dec-31-2022

(Unit: NT$1,000)

Items	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash – domestic currency						
Cash – other currencies		2,754,921				
Domestic sovereign debt					0	361,833
Other sovereign debt						
Government agency debt						
Corporate bonds					0	0
Financial bonds					0	0
Equity securities						
Other collateral					0	410,254
Total	0	2,754,921	0	0	0	772,087

【Table 33】

Credit derivatives exposures

Dec-31-2022

(Unit: NT$1,000)

Items	Protection bought	Protection sold
Notionals		
Single-name credit default swaps		
Index credit default swaps		
Total return swaps		
Credit options		
Other credit derivatives		
Total notionals		
Fair values		
Positive fair value (asset)		
Negative fair value (liability)		

【Table 35】

Exposures to central counterparties

Dec-31-2022

(Unit: NT$1,000)

項目		EAD (post-CRM) A	RWA B
1	**Exposures to QCCPs (total)**		
2	Exposures for trades at QCCPs (excluding initialmargin and default fund contributions); of which		
	(1) OTC derivatives		
	(2) Exchange-traded derivatives		
	(3) Securities financing		
	(4) Netting sets where cross-product netting has been		
3	Segregated initial margin		
4	Non-segregated initial margin		
5	Pre-funded default fund contributions		
6	Unfunded default fund contributions		
7	**Exposures to non-QCCPs (total)**		
8	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
	(1) OTC derivatives		
	(2) Exchange-traded derivatives		
	(3) Securities financing		
	(4) Netting sets where cross-product netting has been approved		
9	Segregated initial margin		
10	Non-segregated initial margin		
11	Pre-funded default fund contributions		
12	Unfunded default fund contributions		

【Table 36】

Operational risk
2022

Items	Contents
1.Strategies and Procedures for Operational Risk Management	For the management of operational risks, SCSB makes a division of duties to strengthen internal control and carry out training programs for business and regulatory awareness. A comprehensive system of internal auditing and self-checking has been established, and compliance officers are appointed. Work guidelines are in place for routine operations, and all transactions are monitored by computer systems. The Risk Management Department is also developing tools for operational risk management to enable more efficient and effective identification, assessment, monitoring and reporting of major risks.
2.Organization and Structure of Operational Risk Management	Operational risk management applies to all units of SCSB, including the business units, operational management units, and supporting logistical units. Board of Directors: the highest managing and supervisory body. Risk Management Committee: reviewing issues and activities related to risk management. President: establishing risk management procedures approved by the Board of Directors. Auditing Department: responsible for regular inspections of the effectiveness of operational risk management. Compliance Department and Compliance Officers of all departments and operating units: responsible for strengthening awareness of regulatory compliance. Risk Management Department: increasing awareness of the framework of operational risk management.
3.Scope and Features of Operational Risk Report and Evaluation System	Any major risk exposures identified that can jeopardize SCSB's finances or normal operation, or the financial market in general must be reported to the audit units promptly, and to the regulators if deemed necessary, so that actions may be taken in response. Violations of the law have to be reported by the Compliance Officer to Compliance Department. The Risk Management Department makes regular disclosures on SCSB's operational risks, risk information and other major issues, and reports to the senior management, the Assets and Liabilities Management Committee, the Strategic Planning Committee, the Risk Management Committee, and the Board of Directors. SCSB is developing a control and self-evaluation system for major operational risks and setting up compliance officers and self-audit/self-check procedures as required by law to manage and mitigate operational risks.
4.Hedging or Mitigation Policies for Operational Risk; Strategies and Procedures for Assessing the Effectiveness of Hedging or Mitigation	Based on the severity and frequency of operational risk events, countermeasures such as risk avoidance, risk transfer, risk control and absorption are taken. SCSB reduces level of risk exposure or forgo the business altogether for risks with extremely high frequency and severity. For risks with very low frequency but high severity (significant contingencies), such risks can be transferred with insurance. For risks with very high frequency and low severity, regular internal self-checks, knowing the client, and staff training can facilitate real-time detection of potential risks, so that proper measures can be taken in response. For risk of very low frequency and low severity, losses from such risk can be absorbed by operational costs. For operational risks arising from business activities, potential losses are reduced by strengthening internal controls, risk monitoring and employee training, and transferring risks through insurance or outsourcing.
5.Approach for Legal Capital Requirement	Basic Indicator Approach.

【Table 37】

Legal Capital Requirement for Operational Risk - Basic Indicator Approch and Standard Approch

Dec-31-2022

(Unit: NT$1,000)

Year	Annual Gross Income	Legal Capital Requirement
2020	22,177,052	
2021	22,989,440	
2022	27,526,284	
Total	72,692,776	3,634,639

【Table 38】

Qualitative disclosure requirements related to market risk - standardised approach 2022

Items		Contents
1	Strategies and processes for market risk of the bank	Strategy for market risk management seeks risk diversification and prudent evaluation, with a focus on balancing risk versus return. SCSB has put in place market risk management policies, guidelines for authorization, guidelines for risk management of financial derivatives and investments, and operational procedures for various financial products, which set forth allowed investments, internal controls and risk management measures. Management of market risks is monitored by the responsible units of defense of first-line and second-line based on the approved transactions or investment limits and loss tolerance for financial instruments and trading units set by the Board of Directors. Underlying exposures and profits/losses are reported by the nature of the products on a regular basis. Any overrun, exception or major event has to be reported immediately to the heads of responsible units, who will decide on a response if needed.
2	Structure and organisation of the market risk management function	SCSB's risk management is led by the Board of Directors, under which the Audit Committee is responsible for reviewing major events and procedures for derivative transactions. The purpose of the Risk Management Committee is to oversee risk management policies and strategies, risk management assessment, and risk management mechanisms for novel businesses. The Assets and Liabilities Management Committee reports to the President and is responsible for reviewing Bank-wide market risk limits and procedures, while the Investment Review Committee reviews and approves SCSB's investment in securities. The independent Risk Management Department is responsible for establishing and implementing a Bank-wide risk management mechanism.
3	Scope and nature of risk reporting and/or measurement systems	Market-related risks are managed with the securities system, EDW system, KPMG financial products assessment system (including the Treasury Plus evaluation engine), KONDOR PLUS system, MGR system, and the Ulsteck ticket/bond trading system deployed on the mainframes. This analysis provides the necessary information to the Risk Management Department for timely control of trading and investment positions, daily evaluations, and other necessary management.

【Table 40】

Market risk-weighted assets under standardised approach

Dec-31-2022 (Unit: NT$1,000)

Items		RWA A
Outright products		
1	Interest rate risk (general and specific)	18,380,237
2	Equity risk (general and specific)	16,375,781
3	Foreign exchange risk	4,326,395
4	Commodity risk	0
Options		
5	Simplified approach	2,725
6	Delta-plus method	
7	Scenario approach	
8	Securitisation	0
9	Total	39,085,138

【Table 45】

Securitisation exposures in the banking book

Dec-31-2022

(Unit: NT$1,000)

Asset classes	Bank acts as originator			Banks acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
Retail (total) – of which	0	0	0	0	1,234,301	1,234,301
residential mortgage						0
credit card						0
other retail exposures						0
re-securitisation					1,234,301	1,234,301
Wholesale (total) – of which	0	0	0	0	0	0
loans to corporates						0
commercial mortgage						0
lease and receivables						0
other wholesale						0
re-securitisation					0	0
Toal	0	0	0	0	1,234,301	1,234,301

【Table 46】

Securitisation exposures in the trading book

Dec-31-2022

(Unit: NT$1,000)

Asset classes	Bank acts as originator			Banks acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
Retail (total) – of which						
residential mortgage						
credit card						
other retail exposures						
re-securitisation						
Wholesale (total) – of which						
loans to corporates						
commercial mortgage						
lease and receivables						
other wholesale						
re-securitisation						
Toal						

【Table 47】

Securitisation exposures in the banking book and associated regulatory capital requirements – bank acting as originator

Dec-31-2022

(Unit: NT$1,000)

<table>
<tr><th colspan="3" rowspan="2">Items</th><th colspan="5">Exposure values (by RW bands)</th><th colspan="4">Exposure values</th><th colspan="4">RWA</th><th colspan="4">Capital charge after cap</th></tr>
<tr><th>≤20% RW
A</th><th>>20% to 50% RW
B</th><th>>50% to 100% RW
C</th><th>>100% to <1250% RW
D</th><th>1250%E</th><th>IRB RBA (including IAA)
F</th><th>IRB SFA
G</th><th>SA/SSFA
H</th><th>1250%
I</th><th>IRB RBA (including IAA
J</th><th>IRB SFA
K</th><th>SA/SSFA
L</th><th>1250%
M</th><th>IRB RBA (including IAA
N</th><th>IRB SFA
O</th><th>SA/SSFA
P</th><th>1250%
Q</th></tr>
<tr><td rowspan="7">1</td><td rowspan="7">Traditional securitisation</td><td>Of which securitisation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which retail underlying</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which wholesale</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which re-securitisation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which senior</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which non-senior</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sub-total</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td rowspan="7">2</td><td rowspan="7">Synthetic securitisation</td><td>Of which securitisation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which retail underlying</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which wholesale</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which re-securitisation</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which senior</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Of which non-senior</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Sub-total</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>3</td><td colspan="2">Total exposures</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

【Table 48】

Securitisation exposures in the banking book and associated capital requirements – bank acting as investor

Dec-31-2022

(Unit: NT$1,000)

Items			Exposure values (by RW bands)					Exposure values				RWA				Capital charge after cap			
			≤20% RW A	>20% to 50% RW B	>50% to 100% RW C	>100% to <1250% RW D	1250%E	IRB RBA (including IAA) F	IRB SFA G	SA/SSFA H	1250% I	IRB RBA (including IAA J	IRB SFA K	SA/SSFA L	1250% M	IRB RBA (including IAA N	IRB SFA O	SA/SSFA P	1250% Q
1	Traditional securitisation	Of which securitisation																	
		Of which retail underlying																	
		Of which wholesale																	
		Of which re-securitisation																	
		Of which senior																	
		Of which non-senior																	
		Sub-total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	Synthetic securitisation	Of which securitisation																	
		Of which retail underlying																	
		Of which wholesale																	
		Of which re-securitisation		1,234,301						1,234,301				493,720				39,498	
		Of which senior		1,234,301						1,234,301				493,720					
		Of which non-senior																	
		Sub-total	0	1,234,301	0	0	0	0	0	1,234,301	0	0	0	493,720	0	0	0	39,498	0
3	Total exposures		0	1,234,301	0	0	0	0	0	1,234,301	0	0	0	493,720	0	0	0	39,498	0

【Table 49】

Interest Rate Risk in the Banking Book Management System

2022

Items	Content
1.Interest Rate Risk in the Banking Book Management Strategies and Procedures.	SCSB has established "Interest Rate Risk Management Standards" which include in setting interest rate risk management indicators, defining the responsibilities of related units, and establishing a mechanism for identifying , measuring ,monitoring and reporting interest rate risk. The standard's establishment and amendment have been approved by the board of directors.
2.Organization and Framework of Interest Rate Risk in the Banking Book Management.	The Board of Directors is the highest decision-making unit for the Bank’s interest rate risk management in the banking book. The supervision unit of the Bank’s interest rate risk is the Asset and Liability Management Committee, the management unit is the Risk Management Department, and the execution unit is each business department and each business unit. The Asset and Liability Management Committee will hold regular monthly review meetings to enable the responsible units to understand the implementation of the interest rate risk in the banking book management, and promoted to the heads of various departments through the ALCO members.
3.Scope and Characteristics of Interest Rate Risk in the Banking Book Reporting and Measurement	To management the bank’s IRRBB, SCSB use risk measurement methods such as gap analysis, earnings-based and economic value measures to evaluate the impact on the Bank's future earnings and current capital from adverse movements in interest rates on its banking book. In order to allow senior management and the Board of Directors understand the interest rate risk of the banking book as a reference for decision-making, the Risk Management Department regularly monitors various interest rate risk-related indicators, and reports the results to the Asset and Liability Committee monthly, to the Risk Management Committee and the Board of Directors quarterly.
4.Interest Rate Risk in the Banking Book Hedging or Mitigation Policy, and Strategies and Procedures for Monitoring the Continuing Effectiveness of Hedging and Mitigation Instruments.	Interest rate risk in the banking book management is based on gap analysis. If there are special products and/or activities that significant affect the Bank's banking book interest rate risk such as issuing fixed-rate financial bonds and undertaking large-scale fixed-rate loans, it will be assessed on a case-by-case basis. The Bank consider all on-balance sheet items in the gap analysis, set interest rate risk limits and regularly monitor them; if the limit is exceeded, the relevant units will report to the Asset and Liability Management Committee for review and the appropriate measures should be taken in a manner.

【Table 50】

Liquidity risk management

2022

Items	Contents
1.Strategies and Procedures for Liquidity Risk Management	According to the SCSB's liquidity risk management guidelines, the liquidity risk measurement indicators and the assessment of liquidity risk support capabilities, the establishment of monitoring, periodic assessment and immediate reporting mechanisms, and the establishment of the liquidity crisis, SCSB's contingency plan With the relevant units, the appropriate measures should be taken in a timely manner.
2.Organization and Structure of Liquidity Risk Management	The Board of Directors is the highest decision-making unit for liquidity risk management of SCSB, and the Asset and Liability Management Committee reviews and evaluates issues related to liquidity risk management. It usually meets once a month and reports management situation and related recommendations to Risk Management Committee and the Board of Directors on a quarterly basis; Department of Risk Management is the monitoring and reporting unit of various liquidity risk indicators, and the Financial Department is the executive unit that controls the liquidity of the day and the fund scheduling.
3.Scope and Features of Liquidity Risk Report and Evaluation System	To manage liquidity risk,SCSB establishes a management mechanism for various liquidity risk indicator limits. The risk management unit regularly monitors whether indicators such as deposit reserve, current ratio, deposit ratio, and liquidity limit comply with regulations and implementation stress tests. And report the results to Risk Management Committee and the Board of Directors for reference.
4.Funding strategy, including policies on diversification in the sources and tenor of funding, and whether the funding strategy is centralised or decentralised.	SCSB’s funding strategy is to adopt centralized management, planned by the Treasury Department, and reported to the Assets and Liabilities Management Committee for decision-making; in addition to maintaining diversified and stable funding sources, SCSB strives to diversify funding sources and time periods, and has established various liquidity management indicators in terms of asset-liability structure and concentration, which are controlled by the Treasury Department.

Items	Contents
5.Hedging or Mitigation Policies for Liquidity Risk; Strategies and Procedures for Assessing the Effectiveness of Hedging or Mitigation	To properly control the rapid management of the risk, SCSB has established a liquidity risk limit management mechanism, set limits on various management indicators and regularly monitor them; If the limit is exceeded, the relevant units will report to the Asset and Liability Management Committee for review and implementation after responding to the countermeasures. In the event of a major liquidity crisis caused by an emergency,SCSB will adopt appropriate measures following SCSB's emergency response plan to ensure the normal operation of SCSB.
6.An explanation of how stress testing is used.	SCSB conducts a liquidity risk stress test every quarter. The execution procedures are as follows: . At the beginning of each year, based on the results of identifying potential sources of liquidity risks, and determining the scope of the stress test and designing the stress scenario, submitted to the Asset and Liability Management Committee for approval. . For each stress situation, regularly estimate the cash flow and accumulated funding gap of each balance sheet and off-balance sheet items. . If there is a gap, SCSB will evaluate the capital scheduling tools that can be used to make up the negative capital gap, such as the realization of financial assets. . After the stress test result report is produced, it is provided to the Asset and Liability Committee and the Risk Management Committee to take necessary measures to control the risk profile within the risk appetite.
7.An outline of the bank’s contingency funding plans.	When the liquidity of funds is in crisis, the Treasury Department should immediately report to the level of Executive Vice President or above, and the Asset and Liability Management Committee should urgently discuss the principles and measures for crisis management, as well as the need to adjust the asset and liability structure, and formulate a comprehensive communication plan to stabilize the confidence of depositors, interbanks, and counterparties. SCSB’s emergency response plan is as follows: 1. Borrow from interbanks. 2. Sell short-term bills, government bonds, financial bonds, and (convertible) corporate bonds. 3. Adjust the advertised interest rate and issuing negotiable certificates of deposit. 4. Issue subordinated financial bonds. 5. Sale listed and OTC stocks、beneficiary certificates. 6. Stop loan business and/or sell syndicated loans assets. 7. Rediscount or refinancing with the central bank. 8. Other feasible contingency measures.

【Table 51】

Liquidity Coverage Ratio (LCR)

(Unit: NT$1,000)

	Items	Dec-31-2022		Sep-30-2022	
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS					
1	**Total high-quality liquid assets (HQLA)**	**336,306,397**	**305,728,957**	**280,304,775**	**250,392,467**
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	602,160,597	43,689,185	600,893,709	43,733,805
3	Stable deposits	246,300,538	8,103,179	243,708,500	8,015,284
4	Less stable deposits	355,860,059	35,586,006	357,185,209	35,718,521
5	Unsecured wholesale funding, of which:	517,380,970	249,328,461	511,523,942	247,635,658
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks				
7	Non-operational deposits (all counterparties)	446,315,541	178,526,216	439,573,658	175,829,463
8	Unsecured debt	70,802,245	70,802,245	71,729,512	71,729,512
9	Secured wholesale funding	263,184	0	220,772	76,683
10	Additional requirements, of which:	510,542,578	59,226,952	528,452,571	62,552,127
11	Outflows related to derivative exposures and other collateral requirements	19,330,563	19,330,563	22,895,451	22,895,451
12	Outflows related to loss of funding on secured debt products include loss of funding on: assetbacked securities, covered bonds and other structured financing instruments				
13	Credit and liquidity facilities	345,351,984	33,826,179	350,693,275	34,250,143
14	Other contractual funding obligations	3,720,791	3,720,791	2,856,920	2,856,920
15	Other contingent funding obligations	142,139,240	2,349,419	152,006,925	2,549,613
16	**TOTAL CASH OUTFLOWS**	**1,630,084,145**	**352,244,598**	**1,640,870,222**	**353,921,590**
CASH INFLOWS					
17	Secured lending				
18	Inflows from fully performing exposures	84,638,648	75,602,168	112,715,151	100,445,957
19	Other cash inflows	31,439,517	31,439,517	37,116,442	37,116,442
20	**TOTAL CASH INFLOWS**	**116,078,165**	**107,041,685**	**149,831,593**	**137,562,399**
LIQUIDITY COVERAGE RATIO					
21	TOTAL HQLA		305,728,957		250,392,467
22	TOTAL NET CASH OUTFLOWS		245,202,913		216,359,191
23	LIQUIDITY COVERAGE RATIO (%)		124.68		115.73

【Table 52】

NSFR common disclosure template

(Unit: NT$1,000)

	Items	this quarter Dec-31-2022 Unweighted value by residual maturity: No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value	last quarter Sep-31-2022 Unweighted value by residual maturity: No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
		a	b	c	d	e	a	b	c	d	e
ASF Item											
1	Capital:	168,397,330	-	-	99,720,698	268,118,028	154,897,916	-	-	97,833,591	252,731,507
2	Regulatory capital	168,397,330	-	-	69,761,327	238,158,657	154,897,916	-	-	67,139,502	222,037,419
3	Other capital instruments	-	-	-	29,959,371	29,959,371	-	-	-	30,694,089	30,694,089
4	Retail deposits and deposits from small business customers:	379,615,609	133,976,061	87,377,031	7,861,978	560,786,472	342,940,575	128,244,457	86,453,389	7,863,958	524,548,104
5	Stable deposits	129,591,527	58,915,148	52,546,564	6,397,900	235,398,477	187,174,084	56,816,964	52,200,307	6,396,483	287,778,270
6	Less stable deposits	250,024,082	75,060,914	34,830,467	1,464,077	325,387,994	155,766,491	71,427,493	34,253,081	1,467,475	236,769,833
7	Wholesale funding:	110,378,017	274,345,959	119,134,650	2,462,743	254,477,775	128,274,613	279,045,626	91,352,133	2,662,151	252,089,278
8	Operational deposits: including deposits in institutional networks of cooperative banks	-	-	-	-		-	-	-	-	
9	Other wholesale funding	110,378,017	274,345,959	119,134,650	2,462,743	254,477,775	128,274,613	279,045,626	91,352,133	2,662,151	252,089,278
10	Liabilities with matching interdependent assets	-	696,134	525,665	-	-	-	757,800	463,999	-	-
11	Other liabilities and equity :	113,208,214	26,380,907	-	-	-	96,122,280	39,051,965	-	-	-
12	Net NSFR derivative liabilities	-				-					
13	All other liabilities and equity not included in the above categories	113,208,214	26,380,907			-	96,122,280	39,051,965			-
14	Total ASF	771,599,170	435,399,062	207,037,347	110,045,419	1,083,382,274	722,235,384	447,099,848	178,269,520	108,359,700	1,029,368,889
RSF Item											
15	Total NSFR high-quality liquid assets					45,197,930					44,055,449
16	Deposits held at other financial institutions for operational	-	-	-	-	-	-	-	-	-	-
17	Performing loans and securities:	83,985,599	217,328,623	125,144,642	691,016,440	738,966,713	87,443,223	276,944,026	119,953,604	599,064,100	718,165,401
18	Performing loans to financial institutions secured by Level 1	-	-	-	-	-	-	-	-	-	-
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions		29,924,897	12,171,517	20,492,309	31,066,802		101,440,244	7,899,704	15,798,016	34,963,905
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	169,214,887	108,975,565	345,737,137	432,971,792	-	156,543,336	106,713,767	313,554,730	398,150,072

Items		this quarter					last quarter				
		Dec-31-2022					Sep-31-2022				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
		a	b	c	d	e	a	b	c	d	e
21	With a risk weight of less than or equal to 35% under Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
22	Performing residential mortgages, of which:	-	1,203,077	1,267,972	272,105,797	136,680,616	-	1,763,324	1,053,542	219,348,762	144,407,658
23	With a risk weight of less than or equal to 45% under Standardised Approach for credit risk	-	307,195	262,409	159,251,172	103,798,063	-	422,450	248,735	115,880,548	192,956,330
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	83,985,599	16,985,763	2,729,588	52,681,198	138,247,504	87,443,223	17,197,123	4,286,592	50,362,591	140,643,766
25	Assets with matching interdependent liabilities	-	696,134	525,665	-	-	-	757,800	463,999	-	-
26	Other assets:	5,509	16,853,555	105,855	31,956,248	45,033,498	526,689	15,201,873	100,489	38,109,718	52,371,015
27	Physical traded commodities	-	-	-	-	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCP	-				-	-				
29	Net NSFR derivative assets	-				-	-				-
30	20% of derivatives liabilities unweighted value	5,509				5,509	526,689				526,689
31	All other assets not included in the above categories		16,853,555	105,855	31,956,248	45,027,988		15,201,873	100,489	38,109,718	51,844,326
32	Off-balance sheet items	487,500,590				19,617,112	502,689,691				20,084,172
33	Total RSF	602,776,073	480,617,084	141,474,156	817,979,725	848,815,253	627,812,821	469,810,829	133,741,999	735,712,149	834,676,036
34	Net Stable Funding Ratio (%)					127.63					123.33

【Table 53】

Remuneration policy
2022

(A)Information relating to the bodies that oversee remuneration.		
1	Name, composition and mandate of the main body overseeing remuneration	The remuneration committee Duties： 1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers. 2. Periodically evaluate and prescribe the remuneration of directors and managerial officers. 3. Other matters to be discussed by the board of directors.
2	External consultants whose advice has been sought, the body by which they were commissioned	None
	and in what areas of the remuneration process.	None
3	A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign branches.	Taiwan
4	**A description of the types of employees**	
	Senior management	President,(First) Executive Vice President
	Other material risk-takers	(First) Deputy Executive Vice President

(B)Information relating to the design and structure of remuneration processes		
1	An overview of the key features and objectives of remuneration policy.	Establish a remuneration policy that combines external market competitiveness and internal fairness to attract, motivate and retain outstanding talents. Cultivate a performance-oriented corporate culture, and implement the bank's business strategy objectives.
2	Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.	Meetings of the remuneration committee shall be held at least 2 times a year. In the past year, the remuneration policy was revised, and the lower limit of the fixed salary range of bank staff was increased (from 80% to 82.5%), in addition to raising the salary level to maintain the bank's salary competitiveness.
3	A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee	None

(C)Description of the ways in which current and future risks are taken into account in the remuneration processes.	
Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures should include an overview of the key risks, their measurement and how these measures affect remuneration.	The metrics of sales performance appraisal includes non-financial indicators, and its incentive bonus needs to be withheld 20~30% as deferred bonus.

(D)Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration.		
1	An overview of main performance metrics for bank, top-level business lines and individuals.	The performance metrics of the bank and individuals are finance, business process, customer service, internal control and learning/growth. As to sales, the metrics are finance, customer service, internal control and learning/growth.
2	A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.	Performance pay is based on compensating the employee per individual contribution as well as achieving target. The units with higher earnings target, individuals with higher responsibilities and excellent performance appraisal results can obtain higher incentive bonuses.
3	A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak, including the bank's criteria for determining "weak" performance metrics.	The incentive bonus is linked to the individuals' performance. When the performance metrics are weak, their incentive bonus will reflect accordingly.

(E)Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.		
1	A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.	The incentive bonus are withheld 20~30% as deferred bonus, and the proportion of deferred bonus is based on the results of non-financial indicators.
2	A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through clawback arrangements.	The assessment metrics of the deferred bonus is not part of the vested condition.

(F)Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms.		
1	An overview of the forms of variable remuneration offered (ie cash, shares and share-linked instruments and other forms).	There are no different forms of variable remuneration.
2	A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or groups of employees), a description the factors that determine the mix and their relative importance.	There are no different forms of variable remuneration.

(G)Additional information
The 15th item of table 54 is retirement pension of 2022.

【Table 54】

Remuneration awarded during the financial year

Dec-31-2022 (Unit: NT$1,000)

	Items		Senior management	Other material risk-takers
	Remuneration amount		a	b
1	Fixed remuneration	Number of employees	10	31
2		Total fixed remuneration (3 + 5 + 7)	42,184	77,389
3		Of which: cash-based	42,184	77,389
4		Of which: deferred		
5		Of which: shares or other share-linked instruments		
6		Of which: deferred		
7		Of which: other forms		
8		Of which: deferred		
9	Variable remuneration	Number of employees	10	31
10		Total variable remuneration (11 + 13 + 15)	43,976	70,143
11		Of which: cash-based	36,394	58,791
12		Of which: deferred		
13		Of which: shares or other share-linked instruments		
14		Of which: deferred		
15		Of which: other forms	7,582	11,352
16		Of which: deferred		
17	Total remuneration (2 + 10)		86,160	147,532

【Table 55】

Special payments

Dec-31-2022 (Unit: NT$1,000)

Special payments	Number of employees	Total amount
Senior management	0	0
Other material risktakers	0	0

【Table 56】

Deferred Remuneration

Dec-31-2022 (Unit: NT$1,000)

	a	b	c	d	e
Deferred Remuneration	Total amount of outstanding deferred remuneration at the beginning of the year	Total amount of deferred remuneration incurred during the year	Total amount of deferred remuneration paid out during the year	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of outstanding deferred remuneration at the end of the year
Senior management	0	0	0	0	0
Cash					
Shares or other share-linked instruments					
Other					
Other material risktakers	0	0	0	0	0
Cash					
Shares or other share-linked instruments					
Other					
Total	0	0	0	0	0

【Table 57】

Geographical distribution of credit exposures used in the countercyclical capital buffer

Dec-31-2022(Not applicable)

(Unit: NT$1,000)

Geographical breakdown	Countercyclical capital buffer rate A	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate D	Countercyclical buffer amount E
		Exposure values B	Risk-weighted assets C		
(Home) Country					
Country 2					
Country 3					
…					
…					
Country N					
Sum(in jurisdictions with a non-zero countercyclical buffer rate)					
Total					