

The Shanghai Commercial & Savings Bank

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

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【Table 1】

Consolidated capital adequacy ratio calculation range

Dec-31-2019

(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.	1,681,001	100.00%		
	China Travel Service (Taiwan)	452,576	99.99%		
	SCSB Marketing Ltd.	20,714	100.00%		
	Shancom Reconstruction Inc.	860,014,269	100.00%		
	Wresqueue Limitada	339,952	100.00%		
	Paofoong Insurance Company Ltd.	1,243,464	40.00%		
	AMK Microfinance	12,636,232	84.89%		
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
2019**

Items	Contents
Briefly explain how banks assess their capital adequacy in the face of current and future business	<p>1. Manage and monitor according to the “Capital Adequacy Management Guidelines” of the Bank.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>5. According to the “Market Risk Management Policy” of the Bank, ensure that market-weighted risk assets are capped at no more than 15% of the Bank's weighted risk assets and are reported to the Asset and Liability Management Committee for periodic review.</p>

【Table 3】

Capital adequacy ratio
Dec-31-2019

(Unit: NT\$1,000 ; %)

Analysis items	Standalone		Consolidated	
	Dec-31-2019	Dec-31-2018	Dec-31-2019	Dec-31-2018
Eligible capital :				
Common Equity Tier 1 capital	121,709,348	108,950,004	165,638,855	142,880,909
Additional Tier 1 capital	0	0	5,202,361	5,218,499
Tier 2 capital	6,517,421	6,428,641	54,130,329	48,468,535
Eligible capital	128,226,769	115,378,645	224,971,545	196,567,943
risk weighted assets :				
Credit risk	807,068,148	735,997,144	1,407,035,050	1,279,117,915
Operational risk	42,785,341	39,612,469	67,569,151	62,268,390
Market risk	31,019,219	25,188,620	61,482,231	53,052,379
Total risk weighted assets	880,872,708	800,798,233	1,536,086,432	1,394,438,684
Ratio of common equity to risk-weighted assets	13.82%	13.61%	10.78%	10.25%
Ratio of Tier 1 capital to risk-weighted assets	13.82%	13.61%	11.12%	10.62%
Capital adequacy ratio	14.56%	14.41%	14.65%	14.10%
Leverage ratio :				
Tier 1 capital	121,709,348	108,950,004	170,841,216	148,099,408
Total exposures	1,346,601,432	1,217,582,654	2,222,474,992	2,017,306,054
Leverage ratio	9.04%	8.95%	7.69%	7.34%

【Table 4】

Capital Structure

Dec-31-2019

(Unit: NT\$1,000)

Items	Standalone		Consolidated	
	Dec-31-2019	Dec-31-2018	Dec-31-2019	Dec-31-2018
Common Equity Tier 1 Capital (CET1) :				
Common share capital	44,816,031	41,016,031	44,816,031	41,016,031
Capital collected in advance				
Capital surplus—share premium	13,061,381	3,181,381	13,061,381	3,181,381
Capital surplus—other	3,371,181	2,711,858	3,371,181	2,711,858
Legal reserve	51,946,585	47,832,994	51,946,585	47,832,994
Special reserve	7,669,374	7,600,814	7,669,374	7,600,814
Retained earnings	25,566,272	23,499,036	25,566,272	23,499,036
Non-controlling interests	0	0	24,869,871	22,549,226
Other equity	7,219,940	5,396,978	7,219,940	5,396,978
Deduct : regulatory adjustments				
1、Gain and losses of hedging instruments (gain should be deducted, losses should be added)				
2、Defined-benefit pension fund net assets				
3、Treasury shares	83,144	83,144	83,144	83,144
4、Goodwill and Other intangible assets	100,332	112,377	1,807,755	1,837,332
5、Deferred tax assets that rely on future profitability excluding those arising from temporary differences	0	-10,285,988	0	583,852
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)	-45,419	0	-45,419	
7、Unrealized gain of equity instruments and debt instruments measured at FVTOCI	9,238,661	6,621,580	9,238,661	6,621,580
8、Shortfall of provisions to expected losses				
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.				
10、Securitization transactions should be deducted				
11、Commercial banks capital investment in financial-related businesses classified to the banking book	14,782,349	16,378,988	1,797,639	1,781,501
12、Direct investment of industrial banks and deductions for investment in Investment properties				
13、Prudential valuation adjustments(Market risk)				
14、Investment properties follow-up measurement of value-added benefits recognized by the fair value model				
15、Properties sale and leaseback benefits after January 1, 2012				
16、Other adjustments according to regulations or supervision requirements				
17、Deferred income tax assets arising from temporary differences which above 10% threshold				
18、Deferred income tax assets arising from temporary differences which above 15% threshold should be				
19、Regulatory deductions applied to CET1 capital due to insufficient Additional Tier 1 capital and Tier 2 capital to cover the required deductions	7,782,349	9,378,987	0	0
Common Equity Tier 1 capital (CET1) (1)	121,709,348	108,950,004	165,638,855	142,880,909
Additional Tier 1 capital :				
Non-cumulative perpetual preferred stock and its capital stock premium				
1、of which issued before December 31, 2012(the terms of the issue do not meet Additional Tier 1 capital				

Items	Standalone		Consolidated	
	Dec-31-2019	Dec-31-2018	Dec-31-2019	Dec-31-2018
2、 of which issued after January 1, 2013				
Non-cumulative perpetual subordinated debts				
1、 of which issued before December 31, 2012(the terms of the issue do not meet Additional Tier 1 capital				
2、 of which issued after January 1, 2013	7,000,000	7,000,000	7,000,000	7,000,000
Capital instruments are not directly or indirectly held by				
Deduct : 1、 Regulatory deductions applied to Additional Tier 1 capital due to insufficient Tier 2 capital to cover the required deductions				
2、 Commercial banks capital investment in financial-related businesses classified to the banking book	7,000,000	7,000,000	1,797,639	1,781,501
3、 Direct investment of industrial banks and deductions for investment in Investment properties				
4、 Other deduction				
Additional Tier 1 capital (2)	0	0	5,202,361	5,218,499
Tier 2 capital :				
Cumulative perpetual preferred stock and its capital stock premium				
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				
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				
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				
1、 of which issued before December 31, 2012(the terms of the issue do not meet Tier 2 capital requirements)	2,328,000	3,492,000	2,328,000	3,492,000
2、 of which issued after January 1, 2013	23,040,000	26,350,000	23,040,000	26,350,000
Non-perpetual preferred stock and its capital stock				
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				
The 45% of unrealized gain of equity instruments and debt instruments measured at FVTOCI	4,157,397	2,979,711	4,157,397	2,979,711
The 45% of unrealized gains on changes in the fair value of investment properties using fair value method				
Operational reserves and loan-loss provisions	10,088,352	9,199,964	11,992,455	11,480,189
Capital instruments which are issued by banks subsidiaries, and are not directly or indirectly held by			16,404,112	7,900,232
Deduct :				
1、 Commercial banks capital investment in financial-related businesses classified to the banking book	33,096,328	35,593,034	3,791,635	3,733,597
2、 Direct investment of industrial banks and deductions for investment in Investment properties				
3、 Other deduction				
Tier 2 capital (3)	6,517,421	6,428,641	54,130,329	48,468,535
Total eligible capital = (1) + (2) + (3)	128,226,769	115,378,645	224,971,545	196,567,943

【Table 4-1】

Balance sheet

Dec-31-2019

(Unit: NT\$1,000)

Items	Stanlaoe 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	22,497,324	22,497,324	57,667,823	57,667,823
Due from the Central Bank and call loans to banks	112,615,345	112,615,345	239,210,172	239,210,172
Financial assets measured at fair value through profit or loss	3,171,234	3,171,234	11,516,965	11,516,965
Financial assets measured at fair value through other comprehensive income	207,965,724	207,965,724	483,080,348	483,080,348
Debt instrument investments measured at amortized cost	99,749,266	99,749,266	109,307,916	109,307,916
Securities purchased under resale agreements	1,899,574	1,899,574	1,899,574	1,899,574
Receivables, net	7,932,983	7,932,983	17,797,050	17,797,050
Current income tax assets	37,830	37,830	116,128	116,128
Discounts and loans, net	722,895,002	722,895,002	1,112,129,414	1,112,129,414
Investments under the equity method, net	75,261,305	75,261,305	1,851,065	1,851,065
Other financial assets, net	5,284,234	5,284,234	5,289,234	5,289,234
Properties, net	11,968,217	11,968,217	21,213,428	21,213,428
Right-of-use assets, net	788,251	788,251	2,344,427	2,344,427
Investment properties, net	0	0	5,650,641	5,650,641
Intangible assets, net	100,332	100,332	1,807,755	1,807,755
Deferred income tax assets	622,133	622,133	1,152,968	1,152,968
Other assets, net	2,816,729	2,816,729	3,521,826	3,521,826
Total assets	1,275,605,483	1,275,605,483	2,075,556,734	2,075,556,734

Items	Stanlaoe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio
	Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets
LIABILITIES				
Due to the Central Bank and banks	25,743,767	25,743,767	73,492,530	73,492,530
Financial liabilities measured at fair value through profit or	2,710,483	2,710,483	3,837,825	3,837,825
Securities sold under repurchase agreements	11,060,621	11,060,621	11,060,621	11,060,621
Payables	20,012,828	20,012,828	27,226,499	27,226,499
Current income tax liabilities	611,581	611,581	2,568,931	2,568,931
Deposits and remittances	988,279,059	988,279,059	1,655,067,703	1,655,067,703
Bank debentures	56,850,000	56,850,000	73,254,112	73,254,112
Other financial liabilities	3,591,874	3,591,874	6,038,982	6,038,982
Provisions	1,500,049	1,500,049	2,631,696	2,631,696
Lease liabilities	790,378	790,378	2,415,515	2,415,515
Deferred income tax liabilities	9,643,656	9,643,656	10,044,216	10,044,216
Other liabilities	1,243,568	1,243,568	3,691,779	3,691,779
Total liabilities	1,122,037,864	1,122,037,864	1,871,330,409	1,871,330,409
Equity				
Equity attributable to owners of the Bank			153,567,619	153,567,619
Share capital	44,816,031	44,816,031	44,816,031	44,816,031
Ordinary shares	44,816,031	44,816,031	44,816,031	44,816,031
Capital surplus	16,432,561	16,432,561	16,432,561	16,432,561
Retained earnings	85,182,231	85,182,231	85,182,232	85,182,232
Legal reserve	51,946,585	51,946,585	51,946,585	51,946,585
Special reserve	7,669,374	7,669,374	7,669,374	7,669,374
Unappropriated earnings	25,566,272	25,566,272	25,566,273	25,566,273
Other equity	7,219,940	7,219,940	7,219,939	7,219,939
Treasury shares	83,144	83,144	83,144	83,144
Non-controlling interests	0	0	50,658,706	50,658,706
Total equity	153,567,619	153,567,619	204,226,325	204,226,325
Total liabilities and equity	1,275,605,483	1,275,605,483	2,075,556,734	2,075,556,734

【Table 4-2】

Statement of assets and liabilities
Dec-31-2019

(Unit: NT\$1,000)

Accounts		Detail item	Table4-3 item code	Stanlaoe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieva code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
ASSETS								
	Cash and cash equivalents			22,497,324	22,497,324	57,667,823	57,667,823	
	Due from the Central Bank and call loans to banks			112,615,345	112,615,345	239,210,172	239,210,172	
	Financial assets measured at fair value through profit or loss			3,171,234	3,171,234	11,516,965	11,516,965	
		Capital investment in financial related businesses	72		0		0	A1
		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	A2
		Deduction amount from additional Tier 1 capital	41b		0		0	A3
		Deduction amount from Tier 2 capital	56d		0		0	A4
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A5
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A6
		Other financial assets measured at fair value through profit or loss			3,171,234		11,516,965	
	Financial assets measured at fair value through other comprehensive income			207,965,724	207,965,724	483,080,348	483,080,348	
		Capital investment in financial-related businesses(Fill in the market value, if there is an evaluation gain, add 45% of the unrealized gain with the original cost)			1,619,554		5,927,532	
		Classified to trading book	72		0		0	A8
		Classified to banking book			1,619,554		5,927,532	
		Deduction amount from common stock equity	26c		355,799		1,432,794	A9

Accounts		Detail item	Table4-3 item code	Stanlaoe 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	41a		0		1,432,794	A10
		Deduction amount from Tier 2 capital	56c		907,956		3,061,944	A11
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		355,799		0	A12
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A13
		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	A14
		Deduction amount from additional Tier 1 capital	41b		0		0	A15
		Deduction amount from Tier 2 capital	56d		0		0	A16
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A17
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A18
		Other financial assets measured at fair value through profit or loss			206,346,170		477,152,816	
	Debt instrument investments measured at amortized cost			99,749,266	99,749,266	109,307,916	109,307,916	
		Capital investment in financial related businesses			0		0	
		Deduction amount from common stock equity	26c		0		0	A19
		Deduction amount from additional Tier 1 capital	41a		0		0	A20
		Deduction amount from Tier 2 capital	56c		0		0	A21
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A22
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A23
		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	A24
		Deduction amount from additional Tier 1 capital	41b		0		0	A25
		Deduction amount from Tier 2 capital	56d		0		0	A26
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A27

Accounts		Detail item	Table4-3 item code	Stanlaoe 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 Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A28
		Other debt instrument investments measured by amortized cost			99,749,266		109,307,916	
	Securities purchased under resale agreements			1,899,574	1,899,574	1,899,574	1,899,574	
	Receivables, net			7,932,983	7,932,983	17,797,050	17,797,050	
	Current income tax assets			37,830	37,830	116,128	116,128	
	Discounts and loans, net			722,895,002	722,895,002	1,112,129,414	1,112,129,414	
		Discount and loan - gross amounts (including discount and premium adjustment)			732,452,518		1,123,388,960	
		Provision-discounts and loans			(9,557,516)		(11,259,546)	
		included in Tier 2 capital	50		(10,363,226)		(11,992,455)	A7
		others			805,710		732,909	
	Investments under the equity method, net			75,261,305	75,261,305	1,851,065	1,851,065	
		Capital investment in financial related businesses			61,041,472		1,459,381	
		Deduction amount from common stock equity	26c		14,426,550		364,845	A29
		Deduction amount from additional Tier 1 capital	41a		7,000,000		364,845	A30
		Deduction amount from Tier 2 capital	56c		32,188,372		729,691	A31
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		7,426,550			A32
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A33
		Other investments under the equity method			14,219,833		391,684	
	Other financial assets, net			5,284,234	5,284,234	5,289,234	5,289,234	
		Capital investment in financial related businesses			0		0	
		Deduction amount from common stock equity	26c		0		0	A44
		Deduction amount from additional Tier 1 capital	41a		0		0	A45
		Deduction amount from Tier 2 capital	56c		0		0	A46
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A47

Accounts		Detail item	Table4-3 item code	Stanlaoe 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 Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A48
		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	A49
		Deduction amount from additional Tier 1 capital	41b		0		0	A50
		Deduction amount from Tier 2 capital	56d		0		0	A51
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		0		0	A52
		Regulatory adjustments applied to Additional Tier 1 capital due to insufficient Tier 2 to cover deductions	42		0		0	A53
		Other financial assets (excluding capital investment in financial related businesses)			5,284,234		5,289,234	
	Properties, net			11,968,217	11,968,217	21,213,428	21,213,428	
	Right-of-use asset			788,251	788,251	2,344,427	2,344,427	
	Investment properties, net			0	0	5,650,641	5,650,641	
	Intangible assets, net			100,332	100,332	1,807,755	1,807,755	
		Goodwill	8		0		90,411	A54
		Intangible assets (excluding goodwill)	9		100,332		1,717,344	A55
	Deferred income tax assets			622,133	622,133	1,152,968	1,152,968	
		Depending on the future profitability			0		0	
		One-time deduction	10		0		0	A56
		Since 2013, it must be reduced by at least 20% per year	10		0		0	A56_1
		Temporary difference			622,133		1,152,968	
		Amount exceeding the 10% threshold	21		0		0	A57
		Amount exceeding the 15% threshold	25		0		0	A58
		Amount below the deduction threshold	75		622,133		1,152,968	A59
	Other assets, net			2,816,729	2,816,729	3,521,826	3,521,826	
		Prepaid pension	15		0		0	A60
		Other assets			2,816,729		3,521,826	
Total assets				1,275,605,483	1,275,605,483	2,075,556,734	2,075,556,734	

Accounts		Detail item	Table4-3 item code	Stanlaoe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
LIABILITIES								
	Due to the Central Bank and banks			25,743,767	25,743,767	73,492,530	73,492,530	
	Financial liabilities measured at fair value through profit or loss			2,710,483	2,710,483	3,837,825	3,837,825	
		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	A61
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	A62
		Eligible Tier 2 capital instrument	46		0		0	A63
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	A64
		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	A65
		Additional Tier 1 capital instrument-declining 10% per year from 2013	34、 35				0	A66
		Eligible Tier 2 capital instrument	48				0	A67
		Tier 2 capital instrument-declining 10% per year from 2013	48、 49				0	A68
		Capital surplus of non-controlling interests					0	
		Gains and losses due to changes in own credit risk on fair valued liabilities	14		45,419		45,419	A69
		Other financial liabilities measured at fair value through profit or loss			2,665,064		3,792,406	
	Securities sold under repurchase agreements			11,060,621	11,060,621	11,060,621	11,060,621	
	Payables			20,012,828	20,012,828	27,226,499	27,226,499	
	Current income tax liabilities			611,581	611,581	2,568,931	2,568,931	
	Deposits and remittances			988,279,059	988,279,059	1,655,067,703	1,655,067,703	
	Bank debentures			56,850,000	56,850,000	73,254,112	73,254,112	
		Issued by the parent company			56,850,000		56,850,000	
		Eligible additional Tier 1 capital instrument	30、 32		7,000,000		7,000,000	A70

Accounts		Detail item	Table4-3 item code	Stanlaoe 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	33		0		0	A71
		Eligible Tier 2 capital instrument	46		23,040,000		23,040,000	A72
		Tier 2 capital instrument-declining 10% per year from 2013	47		2,328,000		2,328,000	A73
		Bank debentures(excluding those who can be included in the capital)			24,482,000		24,482,000	
		Issued by subsidiaries and held by third parties					16,404,112	
		Eligible additional Tier 1 capital instrument	34				0	A74
		Additional Tier 1 capital instrument-declining 10% per year from 2013	34、 35				0	A75
		Eligible Tier 2 capital instrument	48				16,404,112	A76
		Tier 2 capital instrument-declining 10% per year from 2013	48、 49				0	A77
		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			3,591,874	3,591,874	6,038,982	6,038,982	
	Provisions			1,500,049	1,500,049	2,631,696	2,631,696	
	Lease liabilities			790,378	790,378	2,415,515	2,415,515	
	Deferred income tax liabilities			9,643,656	9,643,656	10,044,216	10,044,216	
		Deductible			0		0	
		Intangible assets-Goodwill	8		0		0	A86
		Intangible assets (excluding goodwill)	9		0		0	A87
		Prepaid pension	15		0		0	A88
		Depending on the future profitability			0		0	
		One-time deduction	10		0		0	A89
		Since 2013, it must be reduced by at least 20% per year	10		0		0	A89_1
		Temporary difference			0		0	
		Amount exceeding the 10% threshold	21		0		0	A90
		Amount exceeding the 15% threshold	25		0		0	A91
		Amount below the deduction threshold	75		0		0	A92
		Non-deductible			9,643,656		10,044,216	

Accounts		Detail item	Table4-3 item code	Stanlaloee financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
	Other liabilities			1,243,568	1,243,568	3,691,779	3,691,779	
Total liabilities				1,122,037,864	1,122,037,864	1,871,330,409	1,871,330,409	
Equity								
	Equity attributable to owners of the					153,567,619	153,567,619	
	Share capital			44,816,031	44,816,031	44,816,031	44,816,031	
		Common Equity Tier 1 capital	1		44,816,031		44,816,031	A93
		Additional Tier 1 capital			0		0	
		Eligible additional Tier 1 capital	30、 31		0		0	A94
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	A95
		Tier 2 capital			0		0	
		Eligible Tier 2 capital	46		0		0	A95_1
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	A95_2
		Share capital that cannot be included in own capital			0		0	
	Capital surplus			16,432,561	16,432,561	16,432,561	16,432,561	
		Capital surplus-Common Equity Tier 1 capital	1		13,061,381		13,061,381	A96
		Capital surplus-Additional Tier 1 capital			0		0	
		Eligible additional Tier 1 capital	30、 31		0		0	A97
		Additional Tier 1 capital instrument-declining 10% per year from 2013	33		0		0	A98
		Capital surplus-Tier 2 capital			0		0	
		Eligible tier 2 capital	46		0		0	A98_1
		Tier 2 capital instrument-declining 10% per year from 2013	47		0		0	A98_2
		Share premium that cannot be included in own capital			0		0	
		Capital surplus(excluding share premium)	2		3,371,180		3,371,180	A99
	Retained arnings			85,182,231	85,182,231	85,182,232	85,182,232	
		Shortfall of provisions to expected losses	12		0		0	A100
		Prudential valuation adjustments	7		0		0	A101
		Shortfall of defined-benefit pension	15		0		0	A102
		Securitisation gain on sale	2、 13		0		0	A103

Accounts		Detail item	Table 4-3 item code	Stanlaoe financial report	Standalone capital adequacy ratio	Consolidated financial report	Consolidated capital adequacy ratio	retrieval code
				Balance Sheets	Balance Sheets	Balance Sheets	Balance Sheets	
		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	A104
		the 45% of unrealized gains on changes in the fair value of investment properties using fair value method	2、26e、56e		0		0	A104_1
		Properties sale and leaseback benefits after January 1, 2012	2、26f		0		0	A104_2
		Other retained earnings that may not be included in CET 1 as required by regulatory or supervisory requirements	2、26g		0		0	A104_3
		Other retained arnings	2		85,182,231		85,182,232	A105
	Other equity	Total other equity	3	7,219,940	7,219,940	7,219,939	7,219,939	A106
		Unrealized gain of equity instruments and debt instruments measured at FVTOCI	26b、56b		9,238,661		9,238,661	A107
		Gain of the hedging instrument (loss)	11		0		0	A108
		Value added of properties revaluation	26e、56e		0		0	A108_1
		Other equity(excluding the above items)			(2,018,721)		(2,018,722)	
	Treasury shares		16	83,144	83,144	83,144	83,144	A109
	Non-controlling interests					50,658,706	50,658,706	
		Common Equity Tier 1 capital	5				24,869,871	A110
		Additional Tier 1 capital	34				0	A111
		Tier 2 capital	38				0	A112
		Capital surplus of non-controlling interests					25,788,835	
Total equity				153,567,619	153,567,619	204,226,325	204,226,325	
Total liabilities and equity				1,275,605,483	1,275,605,483	2,075,556,734	2,075,556,734	
Note		Expected loss			333,664		333,664	

【Table 4-3】

Composition of regulatory capital
Dec-31-2019

(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	57,877,412	57,877,412
2	Retained earnings	88,553,412	88,553,412
3	Accumulated other comprehensive income and other reserves	7,219,940	7,219,940
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
	Public sector capital injections grandfathered until 1 January 2018		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		24,869,871
6	Common Equity Tier 1 capital before regulatory adjustments	153,650,764	178,520,635
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0	0
8	Goodwill (net of related tax liability)	0	90,411
9	Other intangibles (net of related tax liability)	100,332	1,717,344
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	-45,419	-45,419
15	Defined-benefit pension fund net assets	0	0
16	Investments in own shares	83,144	83,144
17	Reciprocal cross-holdings in common equity		
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)		
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10%		
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	0	0
23	of which: significant investments in the common stock of financials		
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences	0	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 cost.	0	0
26b	Unrealized gain of equity instruments and debt instruments measured at FVTOCI	9,238,661	9,238,661

items		Standalone	Consolidated
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)	14,782,349	1,797,639
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
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	7,782,349	0
28	Total regulatory adjustments to Common equity Tier 1	31,941,416	12,881,780
29	Common Equity Tier 1 capital (CET1)	121,709,348	165,638,855
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	7,000,000	7,000,000
31	of which: classified as equity under applicable accounting standards	0	0
32	of which: classified as liabilities under applicable accounting standards	7,000,000	7,000,000
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	7,000,000	7,000,000
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments		
38	Reciprocal cross-holdings in Additional Tier 1 instruments		
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%		
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
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)	7,000,000	1,797,639
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	7,000,000	1,797,639
44	Additional Tier 1 capital (AT1)	0	5,202,361
45	Tier 1 capital (T1 = CET1 + AT1)	121,709,348	170,841,216
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	23,040,000	23,040,000
47	Directly issued capital instruments subject to phase out from Tier 2	2,328,000	2,328,000
48	Tier 2 instruments issued by subsidiaries and held by third parties		16,404,112
49	of which: instruments issued by subsidiaries subject to phase out		0

items		Standalone	Consolidated
50	Provisions	10,088,352	11,992,455
51	Tier 2 capital before regulatory adjustments	35,456,352	53,764,567
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
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%		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
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	-4,157,397	-4,157,397
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)	33,096,328	3,791,635
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
57	Total regulatory adjustments to Tier 2 capital	28,938,931	-365,762
58	Tier 2 capital (T2)	6,517,421	54,130,329
59	Total capital (TC = T1 + T2)	128,226,769	224,971,545
60	Total risk weighted assets	880,872,708	1,536,086,432
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.82%	10.78%
62	Tier 1 (as a percentage of risk weighted assets)	13.82%	11.12%
63	Total capital (as a percentage of risk weighted assets)	14.56%	14.65%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement expressed as a	7.0000%	7.0000%
65	of which: capital conservation buffer requirement	2.5000%	2.5000%
66	of which: bank specific countercyclical buffer requirement	0.0000%	0.0000%
67	of which: G-SIB buffer requirement		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	7.82%	5.12%
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)			

items		Standalone	Consolidated
72	Non-significant investments in the capital of other financials		
73	Significant investments in the common stock of financials		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	622,133	1,152,968
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)	10,363,226	11,992,455
77	Cap on inclusion of provisions in Tier 2 under standardised approach	10,088,352	17,587,938
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
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements	0	0
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	0
84	Current cap on T2 instruments subject to phase out arrangements	28,040,000	28,040,000
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	25,712,000	25,712,000

[Table 5]

#	Items	101-3 B	101-4 B	103-1A	103-1B
1	Abbreviation of preferred stock or bond (such as the issue year and period)	01SCSB3B	01SCSB4B	03SCSB1A	03SCSB1B
2	Issuer	The Shanghai Commercial & Savings Bank			
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101463	TW000G101489	TW000G101497	TW000G101505
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.9.3 and Art.11, 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			
6	Capital calculation	Declining 10% per year from 2013, the last five years are declining by 20%		The last five years are declining by 20% year after year.	
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated			
8	Capital instrument category	Long-term subordinated bond			
9	Amount recognised in regulatory capital	NT\$960M	NT\$1,368M	NT\$320M	NT\$4,080M
10	Par value of instrument	NT\$4,000M	NT\$5,700M	NT\$1,600M	NT\$5,100M
11	Accounting classification	Liabilities-Bank debentures			
12	Original date of issuance	15-Nov-12	27-Dec-12	25-Mar-14	25-Mar-14
13	Perpetual or dated	Dated			
14	Original maturity date	15-Nov-22	27-Dec-22	25-Mar-21	25-Mar-24
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	1.55%	1.55%	1.7%	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, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-cumulative	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.	No	No	Yes	Yes
25	Issued before December 31, 2012, the transition period for Art.11 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 8.2 and Art.9.3 of Regulations Governing the Capital Adequacy and Capital	Yes	Yes	No	No
26	If yes, please indicate the characteristics of Art.8.2 and Art.9.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	Art.9.3.(8)	Art.9.3.(8)	No	No

[Table 5]

#	Items	103-2	104-1	104-2	106-1A
1	Abbreviation of preferred stock or bond (such as the issue year and period)	03SCSB2	P04SCSB1	P04SCSB2	P06SCSB1A
2	Issuer	The Shanghai Commercial & Savings Bank			
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101513	TW000G101521	TW000G101539	TW000G101547
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.9.3 and Art.11, 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			
6	Capital calculation	The last five years are declining by 20% year after year.			
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated			
8	Capital instrument category	Long-term subordinated bond			
9	Amount recognised in regulatory capital	NT\$660M	NT\$860M	NT\$2,400M	NT\$160M
10	Par value of instrument	NT\$3,300M	NT\$2,150M	NT\$3,000M	NT\$200M
11	Accounting classification	Liabilities-Bank debentures			
12	Original date of issuance	25-Nov-14	25-Jun-15	16-Dec-15	13-Jun-17
13	Perpetual or dated	Dated			
14	Original maturity date	25-Nov-21	25-Jun-22	16-Jun-24	13-Jun-24
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	1.83%	1.83%	1.83%	1.5%
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, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-cumulative	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.11 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 8.2 and Art.9.3 of Regulations Governing the Capital Adequacy and Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.8.2 and Art.9.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

[Table 5]

#	Items	106-1B	106-2A	106-2B	2017-1
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P06SCSB1B	P06SCSB2A	P06SCSB2B	N/A
2	Issuer	The Shanghai Commercial & Savings Bank		The Shanghai Commercial & Savings Bank	Shanghai Commercial Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101554	TW000G101562	TW000G101562	XS1720518478
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.9.3 and Art.11, 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.
Regulatory treatment					
5	Capital category	Tier 2 capital			
6	Capital calculation	The last five years are declining by 20% year after year.			
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated			consolidated
8	Capital instrument category	Long-term subordinated bond			
9	Amount recognised in regulatory capital	NT\$4,800M	NT\$960M	NT\$3,800M	HK\$1,936M
10	Par value of instrument	NT\$4,800M	NT\$1,200M	NT\$3,800M	US\$250M
11	Accounting classification	Liabilities-Bank debentures			
12	Original date of issuance	13-Jun-17	15-Dec-17	15-Dec-17	29-Nov-17
13	Perpetual or dated	Dated			
14	Original maturity date	13-Jun-27	15-Dec-24	15-Dec-27	29-Nov-27
15	Issuer call subject to prior supervisory approval	No	No	No	Yes
16	Redemption clause	No	No	No	One-off call date: 29 November 2022. 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. Redemption subject to prior written consent of the Hong Kong Monetary Authority ("HKMA").
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%	1.3%	1.55%	3.75%
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, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory,Fixed until 29 November 2022 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.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-cumulative	Non accumulation	Non accumulation	Non accumulation	Cumulative
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.11 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 8.2 and Art.9.3 of Regulations Governing the Capital Adequacy and Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.8.2 and Art.9.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

[Table 5]

#	Items	107-1A	107-1B	107-3	2019-1
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P07SCSB1A	P07SCSB1B	P07SCSB2	N/A
2	Issuer	The Shanghai Commercial & Savings Bank			Shanghai Commercial Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101596	TW000G101604	TW000G101612	XS1892105823
4	Governing law(s) of the instrument	According to Regulations Governing the Capital Adequacy and Capital Category of Banks Art.9.3 and Art.11, 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.9.3 and Art.11, 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.
Regulatory treatment					
5	Capital category	Tier 2 capital		Additional Tier 1 capital	Tier 2 capital
6	Capital calculation	The last five years are declining by 20% year after year.		All	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	consolidated
8	Capital instrument category	Long-term subordinated bond		Perpetual non-cumulative subordinated bond	Long-term subordinated bond
9	Amount recognised in regulatory capital	NT\$3,000M	NT\$2,000M	NT\$7,000M	HK\$2,322M
10	Par value of instrument	NT\$3,000M	NT\$2,000M	NT\$7,000M	US\$300M
11	Accounting classification	Liabilities-Bank debentures			
12	Original date of issuance	21-Jun-18	21-Jun-18	12-Dec-18	17-Jan-19
13	Perpetual or dated	Dated		Perpetual	Dated
14	Original maturity date	21-Jun-25	21-Jun-28	No maturity	17-Jan-29
15	Issuer call subject to prior supervisory approval	No	No	Yes	Yes
16	Redemption clause	No	No	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. Redemption subject to prior written consent of the HKMA.
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	1.25%	1.45%	2.15%	5.00%
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, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	Mandatory, the explanation is as follows: Since the date of issuance, the interest is calculated according to the interest rate. The interest-bearing basis is calculated based on the actual number of days/actual days, and the interest is paid twice a year.	When the Bank has no surplus in the previous year and no ordinary dividends (including cash and stock dividends), the interest of the current year of the bond shall not be paid, but the accumulated undistributed surplus is less than the interest paid after deducting the unsettled loss of the bad debt. And the payment is subject to the conditions stipulated in this release point, not limited to this. Interest paid for the termination of the preceding paragraph shall not be accumulated or deferred.	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.
22	Is there an interest rate plus agreement or other redemption incentives?	No	No	No	No
23	interest/dividend is cumulative or non-cumulative	Non accumulation	Non accumulation	Non accumulation	Cumulative
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.11 is applied because it does not meet the conditions of the capital instruments as stipulated in Art. 8.2 and Art.9.3 of Regulations Governing the Capital Adequacy and Capital	No	No	No	No
26	If yes, please indicate the characteristics of Art.8.2 and Art.9.3 that do not meet the "Regulations Governing the Capital Adequacy and Capital Category of Banks"	No	No	No	No

【Table 6】

Summary comparison of accounting assets vs leverage ratio exposure measure

Dec-31-2019

(Unit: NT\$1,000)

	項 目	Standalone		Consolidated	
		Dec-31-2019	Sep-30-2019	Dec-31-2019	Sep-30-2019
1	Total assets as per published financial statements	1,275,605,483	1,245,564,000	2,075,556,734	2,032,583,146
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(29,665,030)	(29,425,985)	(5,403,033)	(5,357,234)
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	268,995	180,375	7,253,662	9,581,106
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	164,992	120,163	164,992	120,163
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	101,786,343	97,182,182	147,589,548	142,303,820
7	Other adjustments	(1,559,351)	(2,441,740)	(2,686,911)	(3,477,453)
8	Leverage ratio exposure measure	1,346,601,432	1,311,178,995	2,222,474,992	2,175,753,548

【Table 6-1】

Leverage ratio common disclosure template
Dec-31-2019

(Unit: NT\$1,000 , %)

	Items	Standalone		Consolidated	
		this quarter	last quarter	this quarter	last quarter
		Dec-31-2019	Sep-30-2019	Dec-31-2019	Sep-30-2019
	On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs))	1,271,373,055	1,240,798,188	2,069,098,338	2,025,558,018
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(29,665,030)	(29,425,985)	(5,403,033)	(5,357,234)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	1,241,708,025	1,211,372,203	2,063,695,305	2,020,200,784
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin)	594,085	740,837	1,690,883	1,963,510
5	Add-on amounts for PFE associated with all derivatives transactions	448,413	425,727	7,434,690	9,827,388
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)	1,042,498	1,166,564	9,125,573	11,790,898
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting)	1,899,574	1,337,883	1,899,574	1,337,883
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)				
14	CCR exposure for SFT assets	164,992	120,163	164,992	120,163
15	Agent transaction exposures				
16	Total securities financing transaction exposures (sum of rows 12 to 15)	2,064,566	1,458,046	2,064,566	1,458,046
	Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	405,298,812	397,834,040	609,682,441	596,004,190
18	(Adjustments for conversion to credit equivalent amounts)	(303,512,469)	(300,651,858)	(462,092,893)	(453,700,370)
19	Off-balance sheet items (sum of rows 17 and 18)	101,786,343	97,182,182	147,589,548	142,303,820
	Capital and total exposures				
20	Tier 1 capital	121,709,348	106,383,235	170,841,216	154,607,999
21	Total exposures (sum of rows 3, 11, 16 and 19)	1,346,601,432	1,311,178,995	2,222,474,992	2,175,753,548
	Leverage ratio				
22	Leverage ratio	9.04%	8.11%	7.69%	7.11%

【Table 7】

**Bank risk management approach
2019**

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.	<p>The bank classifies its main risks as credit risk, market risk, operational risk, liquidity risk, bank interest rate risk and sovereign risk.</p> <p>Each business unit plans business and risk allocation in correspondence with risk tolerance set by the Board. To assure business exposures in line with the Bank's risk limits, the Bank's risk management units monitor and report risk profiles to President of the Bank and the Board on a regularly basis.</p>
2.The risk governance structure	<p>The board of directors is the final decision-making unit in the Bank's risk management structure, and takes ultimately responsibility for the Bank's overall risk management. To strengthen risk management, the Bank 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 the Bank'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.</p>
3.Channels to communicate, decline and enforce the risk culture within the bank	<p>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.</p> <p>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.</p>
4.The scope and main features of risk measurement systems.	<p>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 SAS system for</p>
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.	<p>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.</p>
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).	<p>The scope of stress testing covers from credit risk, market risk, operational risk, banking book interest rate risk, liquidity risk, bank'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 Bank's stress testing set by government supervisor, also.</p>
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.	<p>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. The Bank also regulate credit limitation, as applied to a single counterparty or group, industry, sovereign t, to avoid excessive risk concentration.</p> <p>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.</p> <p>As a whole, Management Department of the Bank has to monitor and report risk to top managements on daily basis, which keep senior management's well informed on the Bank's risk profile timely.</p>

【Table 8】

Key metrics

Dec-31-2019

(Unit: NT\$1,000 ; %)

		Dec-31-2019	Sep-30-2019	Jun-30-2019	Mar-31-2019	Dec-31-2018
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	121,709,348	106,383,235	121,709,348	112,719,756	108,950,004
1a	Fully loaded ECL accounting mode	121,709,348	106,383,235	121,709,348	112,719,756	108,950,004
2	Tier 1	121,709,348	106,383,235	121,709,348	112,719,756	108,950,004
2a	Fully loaded ECL accounting model Tier 1	121,709,348	106,383,235	121,709,348	112,719,756	108,950,004
3	Total capital	128,226,769	115,080,881	128,226,769	116,998,720	115,378,645
3a	Fully loaded ECL accounting model total capital	128,226,769	115,080,881	128,226,769	116,998,720	115,378,645
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	880,872,708	865,254,360	880,872,708	827,039,428	800,798,233
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	13.82%	12.30%	13.82%	13.63%	13.61%
5a	Fully loaded ECL accounting model CET1 (%)	13.82%	12.30%	13.82%	13.63%	13.61%
6	Tier 1 ratio (%)	13.82%	12.30%	13.82%	13.63%	13.61%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.82%	12.30%	13.82%	13.63%	13.61%
7	Total capital ratio (%)	14.56%	13.30%	14.56%	14.15%	14.41%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.56%	13.30%	14.56%	14.15%	14.41%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	2.500%	2.500%	1.875%	1.875%	1.875%
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)	2.500%	2.500%	1.875%	1.875%	1.875%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.82%	6.30%	7.82%	7.63%	7.61%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,346,601,432	1,311,178,995	1,346,601,432	1,263,390,712	1,217,582,654
14	Basel III leverage ratio (%) (row 2 / row 13)	9.04%	8.11%	9.04%	8.92%	8.95%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	9.04%	8.11%	9.04%	8.92%	8.95%
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets	219,445,819	200,235,713	195,038,433	194,073,203	190,556,009
16	Total net cash outflow	183,864,767	187,743,852	193,221,826	162,731,549	171,189,744
17	LCR ratio (%)	119.35%	106.65%	100.94%	119.26%	111.31%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	907,244,314	878,465,927	850,707,673	850,795,517	833,754,728
19	Total required stable funding	727,491,167	728,508,216	716,646,367	701,446,732	685,324,222
20	NSFR ratio(%)	124.71%	120.58%	118.71%	121.29%	121.66%

【Table 9】

Overview of RWA (standalone)

Dec-31-2019

(Unit: NT\$1,000)

items		RWA		Minimum capital requirements
		31-Dec-19	30-Jun-19	31-Dec-19
1	Credit risk (excluding counterparty credit risk) (CCR)	805,405,152	792,643,908	64,432,412
2	Of which standardised approach (SA)	805,405,152	792,643,908	64,432,412
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	793,292	801,775	63,463
5	Of which standardised approach for counterparty credit risk (SA-CCR)	793,292	801,775	63,463
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			
11	Settlement risk	0	0	0
12	Securitisation exposures in banking book	869,704	459,833	69,576
13	Of which IRB ratings-based approach (RBA)			
14	Of which IRB Supervisory Formula Approach (SFA)			
15	Of which SA/simplified supervisory formula approach (SSFA)	869,704	459,833	69,576
16	Market risk	31,019,219	26,351,104	2,481,538
17	Of which standardised approach (SA)	31,019,219	26,351,104	2,481,538
18	Of which internal model approaches (IMM)			
19	Operational risk	42,785,341	39,612,469	3,422,827
20	Of which Basic Indicator Approach	42,785,341	39,612,469	3,422,827
21	Of which Standardised Approach			
22	Of which Advanced Measurement Approach			
23	Amounts below the thresholds for deduction (subject to 250% risk weight)			
24	Floor adjustment			
25	Total	880,872,708	859,869,089	70,469,817

【Table 9-1】

Overview of RWA (consolidated)

Dec-31-2019

(Unit: NT\$1,000)

items		RWA		Minimum capital requirements
		31-Dec-19	30-Jun-19	31-Dec-19
1	Credit risk (excluding counterparty credit risk) (CCR)	1,399,489,880	1,386,660,503	111,959,190
2	Of which standardised approach (SA)	1,399,489,880	1,386,660,503	111,959,190
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	6,675,466	10,944,091	534,037
5	Of which standardised approach for counterparty credit risk (SA-CCR)	6,675,466	10,944,091	534,037
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			
11	Settlement risk	0	0	0
12	Securitisation exposures in banking book	869,704	459,833	69,576
13	Of which IRB ratings-based approach (RBA)			
14	Of which IRB Supervisory Formula Approach (SFA)			
15	Of which SA/simplified supervisory formula approach (SSFA)	869,704	459,833	69,576
16	Market risk	61,482,231	56,306,164	4,918,578
17	Of which standardised approach (SA)	61,482,231	56,306,164	4,918,578
18	Of which internal model approaches (IMM)			
19	Operational risk	67,569,151	62,268,390	5,405,532
20	Of which Basic Indicator Approach	67,569,151	62,268,390	5,405,532
21	Of which Standardised Approach			
22	Of which Advanced Measurement Approach			
23	Amounts below the thresholds for deduction (subject to 250% risk weight)			
24	Floor adjustment			
25	Total	1,536,086,432	1,516,638,981	122,886,915

【Table 10】

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

Dec-31-2019

(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	22,497,324	22,497,324	22,497,324	0	0	0	0
2	Due from the Central Bank and call loans to banks	112,615,345	112,615,345	112,615,345	0	0	0	0
3	Financial assets measured at fair value through profit or	3,171,234	3,171,234	38,983	626,319	0	2,505,932	0
4	Financial assets measured at fair value through other comprehensive income	207,965,724	207,965,724	153,451,090	0	2,174,260	50,480,828	1,859,546
5	Debt instrument investments measured at amortized cost	99,749,266	99,749,266	99,749,266	0	0	0	0
6	Securities purchased under resale agreements	1,899,574	3,799,148	0	1,899,574	0	1,899,574	0
7	Receivables, net	7,932,983	6,373,633	6,373,633	0	0	0	0
8	Current income tax assets	37,830	37,830	37,830	0	0	0	0
9	Discounts and loans, net	722,895,002	682,674,684	692,232,200	0	0	0	-9,557,516
10	Investments under the equity method, net	75,261,305	75,261,305	345,234	0	0	0	70,008,134
11	Other financial assets, net	5,284,234	2,461,333	2,464,505	0	0	0	-3,172
12	Properties, net	11,968,217	11,968,217	11,968,217	0	0	0	0
13	Investment properties, net	0	0	0	0	0	0	0
14	Intangible assets, net	100,332	100,332	0	0	0	0	100,332
15	Deferred income tax assets	622,133	622,133	622,133	0	0	0	0
16	Other assets, net	3,604,980	3,604,980	3,584,778	0	0	0	20,202
17	Total assets	1,275,605,483	1,232,902,488	1,105,980,538	2,525,893	2,174,260	54,886,334	62,427,526
Liabilities								
18	Due to the Central Bank and banks	25,743,767	25,743,767	0	0	0	0	25,743,767
19	Financial liabilities measured at fair value through profit or	2,710,483	2,581,351	0	236,003	0	3,035	2,342,313
20	Securities sold under repurchase agreements	11,060,621	22,121,242	0	11,060,621	0	11,060,621	0
21	Payables	20,012,828	20,012,828	0	0	0	0	20,012,828
22	Current income tax liabilities	611,581	611,581	0	0	0	0	611,581
23	Deposits and remittances	988,279,059	988,279,059	0	0	0	0	988,279,059
24	Bank debentures	56,850,000	56,850,000	0	0	0	0	56,850,000
25	Other financial liabilities	3,591,874	3,591,874	0	0	0	0	3,591,874
26	Provisions	1,500,049	1,500,049	0	0	0	0	1,500,049
27	Deferred income tax	9,643,656	9,643,656	0	0	0	0	9,643,656
28	Other liabilities	2,033,946	2,033,946	0	0	0	0	2,033,946
29	Total liabilities	1,122,037,864	1,132,969,353	0	11,296,624	0	11,063,656	1,110,609,073

【Table 11】

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

Dec-31-2019

(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	1,165,567,025	1,105,980,538	2,525,893	2,174,260	54,886,334
2	Liabilities carrying value amount under scope of regulatory	22,360,280	0	11,296,624	0	11,063,656
3	Net value under scope of regulatory	1,143,206,745	1,105,980,538	-8,770,731	2,174,260	43,822,678
4	Off-balance sheet amounts	389,659,143	47,965,034			
5	Differences in capital charge methods	-12,803,459				-12,803,459
6	Differences in counterparty credit equivalent and replacement cost	15,241,945		15,241,945		
7	Differences in valuations	44,419		44,419		
8	Exposure amounts considered for regulatory purposes		1,094,039,079	15,713,306	272,492	31,019,219

【Table 12】

Explanations of differences between accounting and regulatory exposure 2019

Items		Contents
1	Explanation of the differences between accounting accounting and regulatory scopes of financial statements, as displayed in Table 10.	<p>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.</p> <p>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</p>
2	Explanation of the differences between regulatory exposure amounts and carrying values in financial statements, as displayed in templates Table 11.	<p>1. credit risk : the differences between regulatory exposure amounts and carrying values in financial statements is due to off-balance sheet differences.</p> <p>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.</p>
3	Explanation of valuation methodologies, independent price verifications and valuation adjustments, or procedure preparation under the market risk framework.	<p>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.</p> <p>Risk management department conducts the pricing model validation:</p> <p>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.</p> <p>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.</p> <p>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</p>

【Table 13】

General qualitative information about credit risk

2019

Items	Contents
1 How the business model translates into the components of the bank's credit risk profile	<p>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.</p> <p>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</p>
2 Criteria and approach used for defining credit risk management policy and for setting credit risk limits	<p>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</p> <p>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.</p>
3 Structure and organisation of the credit risk management and control function	<p>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.</p>
4 Relationships between the credit risk management, risk control, compliance and internal audit functions	<p>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.</p> <p>The compliance department and the compliance officer of all departments and operating units should be responsible for enhancing awareness of compliance.</p> <p>The internal audit checks the compliance and implementation of the nuclear credit risk specification and is directly responsible to the board of directors.</p> <p>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</p>
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	<p>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.</p> <p>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.</p>
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 activities	<p>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.</p>
7 Core features of policies and processes for collateral evaluation and management.	<p>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.</p>
8 Information about market or credit risk concentrations under the credit risk mitigation instruments used (ie by guarantor type, collateral and credit derivative providers).	<p>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.</p> <p>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.</p> <p>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.</p>

【Table 14】**Credit quality of assets****Dec-31-2019**

(Unit: NT\$1,000)

Items		Gross carrying values of		Allowances/ impairments C	Net values D
		Defaulted exposures A	Non-defaulted exposures B		
1	Loans	1,427,943	731,903,203	219,947	733,111,199
2	Debt Securities	0	254,576,439	0	254,576,439
3	Off-balance sheet		389,659,143		389,659,143
4	Total	1,427,943	1,376,138,785	219,947	1,377,346,781

【Table 15】**Changes in stock of defaulted loans and debt securities****Dec-31-2019**

(Unit: NT\$1,000)

Items		Amounts A
1	Defaulted loans and debt securities at end of the previous reporting period	1,640,865
2	Loans and debt securities that have defaulted since the last reporting period	1,116,748
3	Returned to non-defaulted status	202,130
4	Amounts written off	480,230
5	Other changes	(647,310)
6	Defaulted loans and debt securities at end of the reporting period	1,427,943

【Table 16】

Additional disclosure related to the credit quality of assets

2019

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.	<p>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.</p> <p>The so-called "payment period" in the first paragraph shall be the agreed-upon date for restructured loans and other extensions of credit. However, if the bank requests earlier repayment in accordance with contract, the repayment period of which the bank notifies the debtor shall be the payment period.</p> <p>The impaired exposures include the aforementioned default definition and objective evidence of impairment held by the Bank.</p> <p>The impaired and default definitions for regulations of capital adequacy: the loan has been in arrears for three months or more.</p> <p>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.</p>
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.	

【Table 17】

Credit risk mitigation

Dec-31-2019

(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	693,889,673	29,788,369	18,415,201	9,433,157	0	0	0
2	Debt securities	254,576,439	0	0	0	0	0	0
3	Total	948,466,112	29,788,369	18,415,201	9,433,157	0	0	0
4	Of which defaulted	1,161,130	0	0	82,660	0	0	0

【Table 18】

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

2019

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	

【Table 19】

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

Dec-31-2019

(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	192,098,577	0	192,098,577	0	3,821,158	1.99%
2	Non-central government	7,599,328	0	7,599,328	0	3,589,471	47.23%
3	Banks(including Multilateral development banks)	150,073,881	589,874	150,073,881	589,874	57,350,674	38.07%
4	Corporates(including Securities firms and Insurance)	464,217,715	325,946,436	446,277,961	61,809,709	493,199,585	97.07%
5	Retail portfolios	151,100,086	62,938,279	150,624,639	3,614,696	131,197,785	85.06%
6	Secured by residential property	152,740,641	0	152,740,641	0	94,206,004	61.68%
7	Equity	394,999	0	394,999	0	394,999	100.00%
8	Other assets	30,833,624	184,554	30,833,624	150	21,645,476	70.20%
9	Total	1,149,058,851	389,659,143	1,130,643,650	66,014,429	805,405,152	67.30%

【Table 20】

Standardised approach – exposures by asset classes and risk weights

Dec-31-2019

(Unit: NT\$1,000;%)

Risk weight* Asset classes		0% A	10% B	20% C	35% D	45% E	50% F	75% G	100% H	150% I	250% J	300% K	400% L	1250% M	Total credit exposures amount (post CCF and post-
1	Sovereigns and their central banks	183,752,110	0	3,524,251	0	0	3,411,816	0	1,410,400	0	0	0	0	0	192,098,577
2	Non-central government public sector entities	0	0	700,644	0	0	6,898,685	0	0	0	0	0	0	0	7,599,329
3	Multilateral development banks & Banks	0	0	69,034,632	0	0	76,170,749	0	5,458,373	0	0	0	0	0	150,663,754
4	Corporates(including Securities firms and Insurance company)	0	0	4,634,875	0	0	22,360,369	0	481,092,425	0	0	0	0	0	508,087,669
5	Retail portfolios	0	0	6,610,579	0	0	0	71,012,349	76,616,407	0	0	0	0	0	154,239,335
6	Secured by residential property	0	0	0	50,627,209	0	394,372	101,719,061	0	0	0	0	0	0	152,740,642
7	Equity	0	0	0	0	0	0	0	394,999	0	0	0	0	0	394,999
8	Other assets	10,121,497	0	0	0	0	0	0	20,090,144	0	622,133	0	0	0	30,833,774
9	Total	193,873,607	0	84,504,981	50,627,209	0	109,235,991	172,731,410	585,062,748	0	622,133	0	0	0	1,196,658,079

【Table 27】

**Qualitative disclosure related to counterparty credit risk
2019**

Items		Contents
Risk management objectives and policies related to counterparty credit risk, including:		
1	The method used to assign the operating limits defined in terms of internal capital for counterparty credit exposures and for CCP exposures:	<p>The bank sets the counterparty limit based on the credit risk policy.</p> <p>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)</p>
2	Policies relating to guarantees and other risk mitigants and assessments concerning counterparty risk, including exposures towards CCPs	<p>Policies of credit risk hedging or mitigation</p> <p>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.</p> <p>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.</p> <p>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.</p>
3	Policies with respect to wrong-way risk exposures	The Bank doesn't formulate the policy of Wrong Way Risk.
4	The impact in terms of the amount of collateral that the bank would be required to provide given a credit rating	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.

【Table 28】

Analysis of counterparty credit risk (CCR) exposure by approach

Dec-31-2019

(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)	571,193	448,413		1.4		709,301
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)					38,452	32,391
5	Internal Model Method (VaR for SFTs)						
6	Total						741,692

【Table 29】

Credit valuation adjustment (CVA) capital charge

Dec-31-2019

(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	3,426	51,600
4	Total subject to the CVA capital charge		

【Table 30】

Standardised approach – CCR exposures by regulatory portfolio and risk weights

Dec-31-2019

(Unit: NT\$1,000)

Risk weight* Regulatory portfolio*		0%	10%	20%	50%	75%	100%	150%	1250%	Total credit exposure
1	Sovereigns	0	0	0	0	0	0	0	0	0
2	Non-central government public	0	0	0	0	0	0	0	0	0
3	Bakns(including Multilateral development banks)	0	0	11,997	592,527	0	0	0	0	604,524
4	Corporates(including Securities firms and Insurance company)	0	0	0	21,009	0	431,430	0	0	452,439
5	Retail portfolios	0	0	0	0	0	1,095	0	0	1,095
6	Other assets	0	0	0	0	0	0	0	0	0
7	Total	0	0	11,997	613,536	0	432,525	0	0	1,058,058

【Table 32】

Composition of collateral for CCR exposure

Dec-31-2019

(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		1,577,091				
Domestic sovereign debt					230,349	8,348,387
Other sovereign debt						
Government agency debt						
Corporate bonds						
Financial bonds					1,672,629	31,198
Equity securities						
Other collateral					0	1,842,252
Total	0	1,577,091	0	0	1,902,978	10,221,837

【Table 33】

Credit derivatives exposures

Dec-31-2019

(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 36】

**Operational risk
2019**

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 Approach**

Dec-31-2019

(Unit: NT\$1,000)

Year	Annual Gross Income	Legal Capital Requirement
2017	20,782,346	
2018	23,012,351	
2019	24,661,849	
Total	68,456,546	3,422,827

【Table 38】

**Qualitative disclosure requirements related to market risk - standardised approach
2019**

Items		Contents
1	Strategies and processes for market risk of the bank	<p>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.</p> <p>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.</p>
2	Structure and organisation of the market risk management function	<p>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.</p>
3	Scope and nature of risk reporting and/or measurement systems	<p>Market-related risks are managed with the securities system, SAS 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 real-time control of trading and investment positions, daily evaluations, and other necessary management.</p>

【Table 40】

Market risk-weighted assets under standardised approach

Dec-31-2019

(Unit: NT\$1,000)

Items		RWA A
Outright products		
1	Interest rate risk (general and specific)	21,390,085
2	Equity risk (general and specific)	7,566,135
3	Foreign exchange risk	2,043,866
4	Commodity risk	0
Options		
5	Simplified approach	19,133
6	Delta-plus method	
7	Scenario approach	
8	Securitisation	0
9	Total	31,019,219

【Table 45】

Securitisation exposures in the banking book

Dec-31-2019

(Unit: NT\$1,000)

Asset classes	Bank acts as originator			Banks acts as investor		
	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
Retail (total)	0	0	0	0	2,174,260	0
– of which						
residential mortgage						0
credit card						
other retail exposures						
re-securitisation					2,174,260	
Wholesale (total)	0	0	0	0	0	0
– of which						
loans to corporates						
commercial mortgage						
lease and receivables						
other wholesale						
re-securitisation					0	0
Total	0	0	0	0	2,174,260	0

【Table 46】

Securitisation exposures in the trading book

Dec-31-2019

(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						

(Unit: NT\$1,000)

[illegible]

【Table 48】

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

Dec-31-2019

(Unit: NT\$1,000)

Items			Exposure values (by RW bands)					Exposure values				RWA				Capital charge after cap			
			≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250%E	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1250% I	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1250% M	IRB RBA (including IAA)	IRB SFA	SA/SSFA	1250% Q
			A	B	C	D		F	G	H	I	J	K	L	M	N	O	P	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		2,174,260						2,174,260				869,704				69,576	
		Of which senior		2,174,260						2,174,260				869,704					
		Of which non-senior																	
		Sub-total	0	2,174,260	0	0	0	0	0	2,174,260	0	0	0	869,704	0	0	0	69,576	0
3	Total exposures		0	2,174,260	0	0	0	0	0	2,174,260	0	0	0	869,704	0	0	0	69,576	0

【Table 49】**Interest Rate Risk in the Banking Book Management System
2019**

Items	Content
1. Interest Rate Risk in the Banking Book Management Strategies and Procedures.	<p>To enhance the interest rate risk management, SCSB has developed the "Interest Risk Risk Management Standards". The establishment and revision of this internal standard are approved by the Board of Directors.</p> <p>Interest rate risk in the banking book management is based on gap analysis.</p> <p>If there are special products and activities that 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.</p>
2. Organization and Framework of Interest Rate Risk in the Banking Book Management.	<p>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.</p> <p>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.</p>
3. Scope and Characteristics of Interest Rate Risk in the Banking Book Reporting and Measurement	<p>Bank incorporates all interest rate sensitive positions on the balance sheet into interest rate risk assessments, which can reasonably assess the impact on the earnings of the coming year.</p> <p>The management unit uses the re-price gap analysis and assesses the impact of interest rate changes on the earnings for the next year to let senior executives and the board of directors understand the bank book interest rate risk.</p> <p>The "Interest Rate Sensitive Assets and Liabilities Analysis Form" is prepared monthly to report to the Asset and Liability Committee and report regularly to the Board of Directors.</p>
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.	<p>All items on-balance sheet such as assets and liabilities are assessed by the gap analysis, which are distributed into time bands according to the regulations of the competent authority (for example, the central bank stipulates that Demand Deposits are distributed into 91-180 days time band), time remaining to maturity or the next re-pricing date.</p>

【Table 50】

**Liquidity risk management
2019**

Items	Contents
1.Strategies and Procedures for Liquidity Risk Management	According to the Bank'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, the Bank'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 the Bank, 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 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, the Bank 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 the Board of Directors for reference.
4.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, the Bank 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, the Bank will adopt appropriate measures following the Bank's emergency response plan to ensure the normal operation of the bank.

【Table 51】

Liquidity Coverage Ratio (LCR)

(Unit: NT\$1,000)

Items		Dec-31-2019		Sep-30-2019	
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	241,388,363	219,445,819	221,150,074	200,235,713
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	497,972,850	35,549,932	486,714,102	34,471,089
3	Stable deposits	211,752,789	6,927,926	210,868,167	6,886,495
4	Less stable deposits	286,220,061	28,622,006	275,845,935	27,584,594
5	Unsecured wholesale funding, of which:	452,752,435	216,792,959	448,900,493	211,506,195
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0
7	Non-operational deposits (all counterparties)	385,640,488	154,256,195	381,018,489	152,407,396
8	Unsecured debt	61,601,602	61,601,602	58,951,499	58,951,499
9	Secured wholesale funding	5,510,345	935,162	8,930,505	147,300
10	Additional requirements, of which:	419,806,444	45,502,968	419,415,417	54,681,221
11	Outflows related to derivative exposures and other collateral requirements	13,808,613	13,808,613	21,477,005	21,477,005
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	0	0	0	0
13	Credit and liquidity facilities	271,952,484	26,454,301	267,020,316	25,285,086
14	Other contractual funding obligations	2,947,490	2,947,490	5,637,156	5,637,156
15	Other contingent funding obligations	131,097,857	2,292,564	125,280,940	2,281,974
16	TOTAL CASH OUTFLOWS	1,370,531,729	297,845,859	1,355,030,012	300,658,505
CASH INFLOWS					
17	Secured lending	0	0	0	0
18	Inflows from fully performing exposures	99,481,552	89,776,438	89,894,486	79,642,739
19	Other cash inflows	24,204,654	24,204,654	33,271,914	33,271,914
20	TOTAL CASH INFLOWS	123,686,206	113,981,092	123,166,400	112,914,653
LIQUIDITY COVERAGE RATIO			Total adjusted value		Total adjusted value
21	TOTAL HQLA		219,445,819		200,235,713
22	TOTAL NET CASH OUTFLOWS		183,864,767		187,743,852
23	LIQUIDITY COVERAGE RATIO (%)		119.35		106.65

【Table 52】

NSFR common disclosure template

(Unit: NT\$1,000)

Items	this quarter					last quarter					
	Dec-31-2019					Sep-30-2019					
	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
ASF Item											
1	Capital:	153,750,351	-	-	94,731,180	248,481,531	152,146,937	-	-	94,189,435	246,336,372
2	Regulatory capital	153,750,351	-	-	67,521,935	221,272,285	152,146,937	-	-	67,553,413	219,700,350
3	Other capital instruments	-	-	-	27,209,245	27,209,245	-	-	-	26,636,023	26,636,023
4	Retail deposits and deposits from small business customers:	265,907,396	136,493,039	75,030,281	7,523,019	450,294,851	257,812,523	138,019,210	72,471,695	7,253,106	441,669,763
5	Stable deposits	147,727,502	65,138,676	48,817,561	6,365,707	254,965,258	144,518,073	66,524,850	47,828,506	6,177,235	252,105,094
6	Less stable deposits	118,179,894	71,354,364	26,212,720	1,157,312	195,329,593	113,294,449	71,494,360	24,643,189	1,075,870	189,564,669
7	Wholesale funding:	47,067,890	280,777,464	85,988,442	1,551,034	208,467,932	63,305,549	276,697,066	64,631,485	1,614,449	190,459,792
8	Operational deposits: including deposits in institutional networks of cooperative banks	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	47,067,890	280,777,464	85,988,442	1,551,034	208,467,932	63,305,549	276,697,066	64,631,485	1,614,449	190,459,792
10	Liabilities with matching interdependent assets	-	933,141	906,062	-	-	-	1,295,648	543,555	-	-
11	Other liabilities and equity :	86,298,313	84,954,783	-	-	-	76,177,929	68,694,699	-	-	-
12	Net NSFR derivative liabilities	-				-					
13	All other liabilities and equity not included in the above categories	86,298,313	84,954,783			-	76,177,929	68,694,699			-
14	Total ASF	553,023,949	503,158,428	161,924,785	103,805,233	907,244,314	549,442,938	484,706,623	137,646,735	103,056,990	878,465,927
RSF Item											
15	Total NSFR high-quality liquid assets					34,777,376					33,397,409
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
17	Performing loans and securities:	78,528,509	295,745,433	119,221,481	485,871,257	651,909,529	78,356,399	297,218,730	116,074,693	492,708,367	654,950,771
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		112,544,141	11,621,820	17,238,331	39,930,863		117,757,671	3,099,838	20,942,191	40,155,761
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSFs, of which:	-	159,689,363	102,050,555	285,006,104	373,125,147	-	161,317,084	105,979,353	289,119,130	379,399,479

Items		this quarter					last quarter				
		Dec-31-2019					Sep-30-2019				
		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		a	b	c	d	
21	With a risk weight of less than or equal to 35% under Standardised Approach for credit risk	-	-	-	-	-	-	-	-	-	-
22	Performing residential mortgages, of which:	-	2,096,059	1,556,761	147,967,997	117,636,642	-	1,652,542	1,935,787	145,272,689	115,393,167
23	With a risk weight of less than or equal to 45% under Standardised Approach for credit risk	-	444,190	372,141	49,812,826	32,786,502	-	362,322	402,126	49,413,919	32,501,271
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	78,528,509	21,415,870	3,992,345	35,658,825	121,216,877	78,356,399	16,491,433	5,059,714	37,374,357	120,002,365
25	Assets with matching interdependent liabilities	-	933,141	906,062	-	-	-	1,295,648	543,555	-	-
26	Other assets:	41,014	20,453,456	144,875	12,472,256	24,914,399	53,426	16,492,124	151,122	16,230,140	24,527,269
27	Physical traded commodities	-	-	-	-	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of	-				-	-				
29	Net NSFR derivative assets	-				-	-				-
30	20% of derivatives liabilities unweighted value	41,014				41,014	53,426				53,426
31	All other assets not included in the above categories		20,453,456	144,875	12,472,256	24,873,385		16,492,124	151,122	16,230,140	24,473,843
32	Off-balance sheet items	403,017,669				15,889,862	392,278,987				15,632,767
33	Total RSF	498,942,586	481,431,397	141,541,164	580,957,536	727,491,167	489,019,824	468,747,826	132,407,056	591,849,489	728,508,216
34	Net Stable Funding Ratio (%)					124.71					120.58

【Table 53】

Remuneration policy

2019

(A)Information relating to the bodies that oversee remuneration.		
1	Name, composition and mandate of the main body overseeing remuneration	<p>The remuneration committee</p> <p>Duties :</p> <p>1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.</p> <p>2. Periodically evaluate and prescribe the remuneration of directors and managerial officers.</p> <p>3. Other matters to be discussed by the board of directors.</p>
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
	A description of the types of employees	
4	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. There are no changes of remuneration policy have been proposed in the past year
3	A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the	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"	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 2019.

【Table 54】

Remuneration awarded during the financial year

Dec-31-2019

(Unit: NT\$1,000)

	Items		Senior management	Other material risk-takers
	Remuneration amount		a	b
1	Fixed remuneration	Number of employees	10	22
2		Total fixed remuneration (3 + 5 + 7)	52,476	52,347
3		Of which: cash-based	52,476	52,347
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	22
10		Total variable remuneration (11 + 13 + 15)	52,913	42,882
11		Of which: cash-based	45,225	36,193
12		Of which: deferred		
13		Of which: shares or other share-linked instruments		
14		Of which: deferred		
15		Of which: other forms	7,688	6,689
16		Of which: deferred		
17	Total remuneration (2 + 10)		105,389	95,229

【Table 55】**Special payments**

Dec-31-2019

(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-31-2019

(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-31-2019 (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					