

The Shanghai Commercial & Savings Bank

Domestic bank capital adequacy and risk management related information should be disclosed

- 1) Capital management :
 - (1) Consolidated capital adequacy ratio calculation range **【Table 1】**
 - (2) Capital adequacy ratio **【Table 2&3】**
 - (3) Capital Structure **【Table 4、4-1、4-2、4-3、5】**
 - (4) Leverage ratio **【Table 6&6-1】**
- 2) Overview of risk management and RWA :
 - (1) Bank risk management approach **【Table 7】**
 - (2) Key metrics **【Table 8】**
 - (3) Overview of RWA **【Table 9&9-1】**
- 3) Linkages between financial statements and regulatory exposures :
 - (1) Differences between accounting and regulatory scopes of financial statements with regulatory risk categories **【Table 10】**
 - (2) Main sources of differences between regulatory exposure amounts and carrying values in financial statements **【Table 11】**
 - (3) Explanations of differences between accounting and regulatory exposure amounts **【Table 12】**
- 4) Credit risk :
 - (1) General information about credit risk **【Table 13】**
 - (2) Qualitative disclosures - Credit risk **【Table 14-17】**
 - (3) Qualitative disclosures - Credit risk standardised approach **【Table 18】**
 - (4) Qualitative disclosures - Credit risk standardised approach **【Table 19&20】**
 - (5) Qualitative disclosures - Counterparty credit risk **【Table 27】**
 - (6) Quantitative disclosures - Counterparty credit risk **【Table 28-35】**
- 5) Operational risk :
 - (1) Qualitative disclosures - Operational risk **【Table 36】**
 - (2) Quantitative disclosures - Operational risk **【Table 37】**
- 6) Market Risk :
 - (1) Qualitative disclosures - Market Risk **【Table 38&39】**
 - (2) Quantitative disclosures - Market Risk **【Table 40-43】**
- 7) Securitisation :
 - (1) Qualitative disclosures - Securitisation **【Table 44】**
 - (2) Quantitative disclosures - Securitisation **【Table 45-48】**
- 8) Interest Rate Risk in the Banking Book Management **【Table 49】**
- 9) Liquidity risk :
 - (1) Liquidity risk management **【Table 50】**
 - (2) Liquidity Coverage Ratio (LCR) **【Table 51】**
 - (3) NSFR **【Table 52】**
- 10) Remuneration policy :
 - (1) Qualitative disclosures - Remuneration **【Table 53】**
 - (2) Quantitative disclosures - Remuneration。 **【Table 54-56】**
- 11) Macroprudential supervisory measures :
 - (1) Countercyclical capital buffer **【Table 57】**

【Table 1】

Consolidated capital adequacy ratio calculation range

Jun-30-2019

(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.	1,695,590	100.00%		
	China Travel Service (Taiwan)	419,644	99.99%		
	SCSB Marketing Ltd.	11,710	100.00%		
	Shancom Reconstruction Inc.	858,264,306	100.00%		
	Wresqueue Limitada	348,170	100.00%		
	Paofoong Insurance Company Ltd.	1,255,144	40.00%		
	AMK Microfinance	11,966,053	80.01%		
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
Jun-30-2019

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

Analysis items	Standalone		Consolidated	
	Jun-30-2019	Jun-30-2018	Jun-30-2019	Jun-30-2018
Eligible capital :				
Common Equity Tier 1 capital	109,250,174	96,277,606	146,109,140	132,942,602
Additional Tier 1 capital	0	0	5,269,004	0
Tier 2 capital	4,127,178	12,031,175	56,176,474	49,911,973
Eligible capital	113,377,351	108,308,781	207,554,618	182,854,575
risk weighted assets :				
Credit risk	793,905,516	714,410,238	1,398,064,427	1,215,323,873
Operational risk	39,612,469	37,712,634	62,268,390	58,480,032
Market risk	26,351,104	30,771,568	56,306,164	53,779,359
Total risk weighted assets	859,869,089	782,894,440	1,516,638,981	1,327,583,264
Ratio of common equity to risk-weighted assets	12.71%	12.30%	9.63%	10.01%
Ratio of Tier 1 capital to risk-weighted assets	12.71%	12.30%	9.98%	10.01%
Capital adequacy ratio	13.19%	13.83%	13.69%	13.77%
Leverage ratio :				
Tier 1 capital	109,250,174	96,277,606	151,378,144	132,942,602
Total exposures	1,292,915,918	1,172,501,365	2,179,719,605	1,912,993,071
Leverage ratio	8.45%	8.21%	6.94%	6.95%

【Table 4】

Capital Structure

Jun-30-2019

(Unit: NT\$1,000)

Items	Standalone		Consolidated	
	Jun-30-2019	Jun-30-2018	Jun-30-2019	Jun-30-2018
Common Equity Tier 1 Capital (CET1) :				
Common share capital	41,016,031	40,791,031	41,016,031	40,791,031
Capital collected in advance				
Capital surplus—share premium	3,181,381	2,647,584	3,181,381	2,647,584
Capital surplus—other	2,711,858	2,694,602	2,711,858	2,694,602
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	18,652,388	16,654,529	18,652,388	16,654,529
Non-controlling interests	0	0	24,699,724	21,140,168
Other equity	8,683,443	5,301,732	8,683,443	5,301,732
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	104,485	115,473	1,891,737	116,886
5、Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(10,677,036)	(9,590,507)	369,184	650,090
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)				
7、Unrealized gain of equity instruments and debt instruments measured at FVTOCI	8,376,583	6,930,086	8,376,583	6,930,086
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	16,861,855	14,853,742	1,730,996	1,970,323
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	9,861,855	14,853,742	0	1,970,323
Common Equity Tier 1 capital (CET1) (1)	109,250,174	96,277,606	146,109,140	132,942,602
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	
	Jun-30-2019	Jun-30-2018	Jun-30-2019	Jun-30-2018
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	
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		1,730,996	
3、 Direct investment of industrial banks and deductions for investment in Investment properties				
4、 Other deduction				
Additional Tier 1 capital (2)	0	0	5,269,004	0
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)	3,492,000	5,610,000	3,492,000	5,610,000
2、 of which issued after January 1, 2013	23,940,000	27,010,000	23,940,000	27,010,000
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	3,769,463	3,118,539	3,769,463	3,118,539
The 45% of unrealized gains on changes in the fair value of investment properties using fair value method				
Operational reserves and loan-loss provisions	9,923,819	8,930,128	11,617,019	10,737,232
Capital instruments which are issued by banks subsidiaries, and are not directly or indirectly held by			16,975,590	7,592,721
Deduct :				
1、 Commercial banks capital investment in financial-related businesses classified to the banking book	36,998,104	32,637,492	3,617,597	4,156,519
2、 Direct investment of industrial banks and deductions for investment in Investment properties				
3、 Other deduction				
Tier 2 capital (3)	4,127,178	12,031,175	56,176,474	49,911,973
Total eligible capital = (1) + (2) + (3)	113,377,351	108,308,781	207,554,618	182,854,575

【Table 4-1】

Balance sheet

Jun-30-2019

(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	24,781,285	24,781,285	47,745,798	47,745,798
Due from the Central Bank and call loans to banks	86,764,676	86,764,676	221,456,912	221,456,912
Financial assets measured at fair value through profit or loss	2,783,260	2,783,260	11,541,327	11,541,327
Financial assets measured at fair value through other comprehensive income	189,353,705	189,353,705	457,354,946	457,354,946
Debt instrument investments measured at amortized cost	101,850,072	101,850,072	111,571,019	111,571,019
Securities purchased under resale agreements	3,379,281	3,379,281	3,379,281	3,379,281
Receivables, net	9,613,088	9,613,088	20,765,018	20,765,018
Current income tax assets	75,098	75,098	235,935	235,935
Discounts and loans, net	719,779,253	719,779,253	1,115,746,430	1,115,746,430
Investments under the equity method, net	73,306,527	73,306,527	1,904,335	1,904,335
Other financial assets, net	6,096,372	6,096,372	6,096,372	6,096,372
Properties, net	12,059,280	12,059,280	21,450,028	21,450,028
Right-of-use asset	665,557	665,557	2,149,151	2,149,151
Investment properties, net	0	0	5,770,860	5,770,860
Intangible assets, net	0	104,485	1,891,737	1,891,737
Deferred income tax assets	598,328	598,328	777,795	777,795
Other assets, net	2,480,599	2,376,114	2,746,201	2,746,201
Total assets	1,233,586,381	1,233,586,381	2,032,583,145	2,032,583,145

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	36,631,671	36,631,671	87,550,535	87,550,535
Financial liabilities measured at fair value through profit or	2,766,794	2,766,794	3,814,018	3,814,018
Securities sold under repurchase agreements	8,194,573	8,194,573	8,194,573	8,194,573
Payables	30,255,676	30,255,676	38,030,513	38,030,513
Current income tax liabilities	825,648	825,648	2,012,137	2,012,137
Deposits and remittances	952,541,946	952,541,946	1,618,190,329	1,618,190,329
Bank debentures	52,150,000	52,150,000	69,125,590	69,125,590
Other financial liabilities	3,455,145	3,455,145	4,174,293	4,174,293
Provisions	1,364,445	1,364,445	2,421,839	2,421,839
Lease liabilities	665,058	665,058	2,197,244	2,197,244
Deferred income tax liabilities	9,618,982	9,618,982	9,758,696	9,758,696
Other liabilities	1,338,527	1,338,527	3,924,877	3,924,877
Total liabilities	1,099,808,465	1,099,808,465	1,849,394,644	1,849,394,644
Equity				
Equity attributable to owners of the Bank			133,777,916	133,777,916
Share capital	41,016,031	41,016,031	41,016,031	41,016,031
Ordinary shares	41,016,031	41,016,031	41,016,031	41,016,031
Capital surplus	5,893,238	5,893,238	5,893,238	5,893,238
Retained earnings	78,268,348	78,268,348	78,268,348	78,268,348
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	18,652,389	18,652,389	18,652,389	18,652,389
Other equity	8,683,443	8,683,443	8,683,443	8,683,443
Treasury shares	83,144	83,144	83,144	83,144
Non-controlling interests	0	0	49,410,585	49,410,585
Total equity	133,777,916	133,777,916	183,188,501	183,188,501
Total liabilities and equity	1,233,586,381	1,233,586,381	2,032,583,145	2,032,583,145

【Table 4-2】

Statement of assets and liabilities
Jun-30-2019

(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			24,781,285	24,781,285	47,745,798	47,745,798	
	Due from the Central Bank and call loans to banks			86,764,676	86,764,676	221,456,912	221,456,912	
	Financial assets measured at fair value through profit or loss			2,783,260	2,783,260	11,541,327	11,541,327	
		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			2,783,260		11,541,327	
	Financial assets measured at fair value through other comprehensive income			189,353,705	189,353,705	457,354,946	457,354,946	
		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)			1,585,238		5,554,705	
		Classified to trading book	72		0		0	A8
		Classified to banking book			1,585,238		5,554,705	
		Deduction amount from common stock equity	26c		357,408		1,349,775	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		1,349,775	A10
		Deduction amount from Tier 2 capital	56c		870,422		2,855,155	A11
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		357,408		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			187,768,467		451,800,241	
	Debt instrument investments measured at amortized cost			101,850,072	101,850,072	111,571,019	111,571,019	
		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			101,850,072		111,571,019	
	Securities purchased under resale agreements			3,379,281	3,379,281	3,379,281	3,379,281	
	Receivables, net			9,613,088	9,613,088	20,765,018	20,765,018	
	Current income tax assets			75,098	75,098	235,935	235,935	
	Discounts and loans, net			719,779,253	719,779,253	1,115,746,430	1,115,746,430	
		Discount and loan - gross amounts (including discount and premium adjustment)			729,182,337		1,126,974,841	
		Provision-discounts and loans			(9,403,084)		(11,228,411)	
		included in Tier 2 capital	50		(9,962,530)		(11,617,019)	A7
		others			559,446		388,608	
	Investments under the equity method, net			73,306,527	73,306,527	1,904,335	1,904,335	
		Capital investment in financial related businesses			69,136,576		1,524,883	
		Deduction amount from common stock equity	26c		16,504,447		381,221	A29
		Deduction amount from additional Tier 1 capital	41a		7,000,000		381,221	A30
		Deduction amount from Tier 2 capital	56c		36,127,682		762,441	A31
		Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	27		9,504,447			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			4,169,951		379,452	
	Other financial assets, net			6,096,372	6,096,372	6,096,372	6,096,372	
		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)			6,096,372		6,096,372	
	Properties, net			12,059,280	12,059,280	21,450,028	21,450,028	
	Right-of-use asset			665,557	665,557	2,149,151	2,149,151	
	Investment properties, net			0	0	5,770,860	5,770,860	
	Intangible assets, net			0	104,485	1,891,737	1,891,737	
		Goodwill	8		0		93,609	A54
		Intangible assets (excluding goodwill)	9		104,485		1,798,128	A55
	Deferred income tax assets			598,328	598,328	777,795	777,795	
		Depending on the future profitability			310,160		369,184	
		One-time deduction	10		(43,823)		15,201	A56
		Since 2013, it must be reduced by at least 20% per year	10		353,983		353,983	A56_1
		Temporary difference			288,168		408,611	
		Amount exceeding the 10% threshold	21		0		0	A57
		Amount exceeding the 15% threshold	25		0		0	A58
		Amount below the deduction threshold	75		288,168		408,611	A59
	Other assets, net			2,480,599	2,376,114	2,746,201	2,746,201	
		Prepaid pension	15		0		0	A60
		Other assets			2,376,114		2,746,201	
Total assets				1,233,586,381	1,233,586,381	2,032,583,145	2,032,583,145	

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			36,631,671	36,631,671	87,550,535	87,550,535	
	Financial liabilities measured at fair value through profit or loss			2,766,794	2,766,794	3,814,018	3,814,018	
		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		0		0	A69
		Other financial liabilities measured at fair value through profit or loss			2,766,794		3,814,018	
	Securities sold under repurchase agreements			8,194,573	8,194,573	8,194,573	8,194,573	
	Payables			30,255,676	30,255,676	38,030,513	38,030,513	
	Current income tax liabilities			825,648	825,648	2,012,137	2,012,137	
	Deposits and remittances			952,541,946	952,541,946	1,618,190,329	1,618,190,329	
	Bank debentures			52,150,000	52,150,000	69,125,590	69,125,590	
		Issued by the parent company			52,150,000		52,150,000	
		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		23,940,000		23,940,000	A72
		Tier 2 capital instrument-declining 10% per year from 2013	47		3,492,000		3,492,000	A73
		Bank debentures(excluding those who can be included in the capital)			17,718,000		17,718,000	
		Issued by subsidiaries and held by third parties					16,975,590	
		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				16,975,590	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			3,455,145	3,455,145	4,174,293	4,174,293	
	Provisions			1,364,445	1,364,445	2,421,839	2,421,839	
	Lease liabilities			665,058	665,058	2,197,244	2,197,244	
	Deferred income tax liabilities			9,618,982	9,618,982	9,758,696	9,758,696	
		Deductible			10,987,196		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			10,987,196		0	
		One-time deduction	10		10,987,196		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			(1,368,214)		9,758,696	

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			1,338,527	1,338,527	3,924,877	3,924,877	
Total liabilities				1,099,808,465	1,099,808,465	1,849,394,644	1,849,394,644	
Equity								
	Equity attributable to owners of the					133,777,916	133,777,916	
	Share capital			41,016,031	41,016,031	41,016,031	41,016,031	
		Common Equity Tier 1 capital	1		41,016,031		41,016,031	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			5,893,238	5,893,238	5,893,238	5,893,238	
		Capital surplus-Common Equity Tier 1 capital	1		3,181,381		3,181,381	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		2,711,857		2,711,857	A99
	Retained arnings			78,268,348	78,268,348	78,268,348	78,268,348	
		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	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	
		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		78,268,348		78,268,348	A105
	Other equity	Total other equity	3	8,683,443	8,683,443	8,683,443	8,683,443	A106
		Unrealized gain of equity instruments and debt instruments measured at FVTOCI	26b、56b		8,376,583		8,376,583	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)			306,860		306,860	
	Treasury shares		16	83,144	83,144	83,144	83,144	A109
	Non-controlling interests					49,410,585	49,410,585	
		Common Equity Tier 1 capital	5				24,699,724	A110
		Additional Tier 1 capital	34				0	A111
		Tier 2 capital	38				0	A112
		Capital surplus of non-controlling interests					24,710,861	
Total equity				133,777,916	133,777,916	183,188,501	183,188,501	
Total liabilities and equity				1,233,586,381	1,233,586,381	2,032,583,145	2,032,583,145	
Note		Expected loss			484,957		484,957	

【Table 4-3】

Composition of regulatory capital
Jun-30-2019

(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	44,197,412	44,197,412
2	Retained earnings	80,980,206	80,980,205
3	Accumulated other comprehensive income and other reserves	8,683,443	8,683,443
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)		24,699,724
6	Common Equity Tier 1 capital before regulatory adjustments	133,861,061	158,560,784
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	0	0
8	Goodwill (net of related tax liability)	0	93,609
9	Other intangibles (net of related tax liability)	104,485	1,798,128
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	(10,677,036)	369,184
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	0	0
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	8,376,583	8,376,583

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)	16,861,855	1,730,996
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	9,861,855	0
28	Total regulatory adjustments to Common equity Tier 1	24,610,886	12,451,644
29	Common Equity Tier 1 capital (CET1)	109,250,175	146,109,140
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	1,730,996
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	1,730,996
44	Additional Tier 1 capital (AT1)	0	5,269,004
45	Tier 1 capital (T1 = CET1 + AT1)	109,250,175	151,378,144
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	23,940,000	23,940,000
47	Directly issued capital instruments subject to phase out from Tier 2	3,492,000	3,492,000
48	Tier 2 instruments issued by subsidiaries and held by third parties		16,975,590
49	of which: instruments issued by subsidiaries subject to phase out		0

items		Standalone	Consolidated
50	Provisions	9,923,819	11,617,019
51	Tier 2 capital before regulatory adjustments	37,355,819	56,024,609
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	(3,769,463)	(3,769,463)
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)	36,998,104	3,617,596
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	33,228,641	(151,867)
58	Tier 2 capital (T2)	4,127,178	56,176,476
59	Total capital (TC = T1 + T2)	113,377,352	207,554,619
60	Total risk weighted assets	859,869,089	1,516,638,981
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.71%	9.63%
62	Tier 1 (as a percentage of risk weighted assets)	12.71%	9.98%
63	Total capital (as a percentage of risk weighted assets)	13.19%	13.69%
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)	6.71%	3.98%
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)	288,168	408,611
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)	9,962,530	11,617,019
77	Cap on inclusion of provisions in Tier 2 under standardised approach	9,923,819	17,475,805
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)	24,548,000	24,548,000

[Table 5]

Disclosure template for main features of regulatory capital instruments other than ordinary shares
Jun-30-2019

#	Items	101-3 A	101-3 B	101-4 A	101-4 B	103-1A
1	Abbreviation of preferred stock or bond (such as the issue year and period)	01SCSB3A	01SCSB3B	01SCSB4A	01SCSB4B	03SCSB1A
2	Issuer	The Shanghai Commercial & Savings Bank				
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101455	TW000G101463	TW000G101471	TW000G101489	TW000G101497
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 t
	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%				
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\$0M	NT\$1,440M	NT\$0M	NT\$2,052M	NT\$320M
10	Par value of instrument	NT\$1,000M	NT\$4,000M	NT\$4,300M	NT\$5,700M	NT\$1,600M
11	Accounting classification	Liabilities-Bank debentures				
12	Original date of issuance	15-Nov-12	15-Nov-12	27-Dec-12	27-Dec-12	25-Mar-14
13	Perpetual or dated	Dated				
14	Original maturity date	15-Nov-19	15-Nov-22	27-Dec-19	27-Dec-22	25-Mar-21
15	Issuer call subject to prior supervisory approval	No	No	No	No	No
16	Redemption clause	No	No	No	No	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No	No
	Coupons / dividends					
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	1.43%	1.55%	1.43%	1.55%	1.7%
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	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.	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	No
23	interest/dividend is cumulative or non-cumulative	Non accumulation	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	No	No	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	Yes	Yes	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)	Art.9.3.(8)	Art.9.3.(8)	No

【Table 5】

#	Items	103-1B	103-2	104-1	104-2	106-1A
1	Abbreviation of preferred stock or bond (such as the issue year and period)	03SCSB1B	03SCSB2	P04SCSB1	P04SCSB2	P06SCSB1A
2	Issuer	The Shanghai Commercial & Savings Bank			The Shanghai Comm	
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101505	TW000G101513	TW000G101521	TW000G101539	TW000G101547
4	Governing law(s) of the instrument	he 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.	
Regulatory treatment						
5	Capital category	Tier 2 capital			Tier 2	
6	Capital calculation	The last five years are declining by 20% year after year.			The last five years are decli	
7	standalone/consolidated/standalone and consolidated eligible capital instruments	standalone and consolidated			standalone an	
8	Capital instrument category	Long-term subordinated bond			Long-term sub	
9	Amount recognised in regulatory capital	NT\$4,080M	NT\$1,320M	NT\$860M	NT\$2,400M	NT\$160M
10	Par value of instrument	NT\$5,100M	NT\$3,300M	NT\$2,150M	NT\$3,000M	NT\$200M
11	Accounting classification	Liabilities-Bank debentures			Liabilities-Bar	
12	Original date of issuance	25-Mar-14	25-Nov-14	25-Jun-15	16-Dec-15	13-Jun-17
13	Perpetual or dated	Dated			Da	
14	Original maturity date	25-Mar-24	25-Nov-21	25-Jun-22	16-Jun-24	13-Jun-24
15	Issuer call subject to prior supervisory approval	No	No	No	No	No
16	Redemption clause	No	No	No	No	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No	No
Coupons / dividends						
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	1.85%	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	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.	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	No
23	interest/dividend is cumulative or non-cumulative	Non accumulation	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	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	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	No

[Table 5]

#	Items	106-1B	106-2A	106-2B	2017-1	107-1A
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P06SCSB1B	P06SCSB2A	P06SCSB2B	N/A	P07SCSB1A
2	Issuer	rcial & Savings Bank		The Shanghai Commercial & Savings Bank	Shanghai Commercial Bank	The Shanghai Comm
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101554	TW000G101562	TW000G101562	XS1720518478	TW000G101596
4	Governing law(s) of the instrument	ry of Banks Art.9.3 and Art.11, which are enacted according to Art.44.4 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.	According to Regulations Governing the of Banks Art.9.3 and Art.11, which are e Banking Act of The Republic of China.
Regulatory treatment						
5	Capital category	capital		Tier 2 capital		
6	Capital calculation	ning by 20% year after year.		The last five years are declining by 20% year after year.		
7	standalone/consolidated/standalone and consolidated eligible capital instruments	d consolidated		standalone and consolidated	consolidated	standalone an
8	Capital instrument category	ordinated bond		Long-term subordinated bond		
9	Amount recognised in regulatory capital	NT\$4,800M	NT\$1,200M	NT\$3,800M	HK\$1,941M	NT\$3,000M
10	Par value of instrument	NT\$4,800M	NT\$1,200M	NT\$3,800M	US\$250M	NT\$3,000M
11	Accounting classification	k debentures		Liabilities-Bank debentures		
12	Original date of issuance	13-Jun-17	15-Dec-17	15-Dec-17	29-Nov-17	21-Jun-18
13	Perpetual or dated	ed		Dated		
14	Original maturity date	13-Jun-27	15-Dec-24	15-Dec-27	29-Nov-27	21-Jun-25
15	Issuer call subject to prior supervisory approval	No	No	No	Yes	No
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").	No
17	Conversion terms for convertible subordinated bonds or convertible preferred shares	No	No	No	No	No
Coupons / dividends						
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
19	Coupon rate and any related index	1.85%	1.3%	1.55%	3.75%	1.25%
20	Is there a condition for stopping the payment of common stock dividends (ie, when the capital instruments have no payment of interests or dividends, is there any restriction on the payment of common stock dividends)?	No	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.	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	No
23	interest/dividend is cumulative or non-cumulative	Non accumulation	Non accumulation	Non accumulation	Cumulative	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	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	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	No

[Table 5]

#	Items	107-1B	107-3	2019-1
1	Abbreviation of preferred stock or bond (such as the issue year and period)	P07SCSB1B	P07SCSB2	N/A
2	Issuer	Shanghai Commercial & Savings Bank	The Shanghai Commercial & Savings Bank	Shanghai Commercial Bank
3	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	TW000G101604	TW000G101612	XS1892105823
4	Governing law(s) of the instrument	Capital Adequacy and Capital Category of Banks enacted according to Art.44.4 of The	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		Additional Tier 1 capital	Tier 2 capital
6	Capital calculation		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		Perpetual non-cumulative subordinated bond	Long-term subordinated bond
9	Amount recognised in regulatory capital	NT\$2,000M	NT\$7,000M	HK\$2,329M
10	Par value of instrument	NT\$2,000M	NT\$7,000M	US\$300M
11	Accounting classification		Liabilities-Bank debentures	
12	Original date of issuance	21-Jun-18	12-Dec-18	17-Jan-19
13	Perpetual or dated		Perpetual	Dated
14	Original maturity date	21-Jun-28	No maturity	17-Jan-29
15	Issuer call subject to prior supervisory approval	No	Yes	Yes
16	Redemption clause	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
Coupons / dividends				
18	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed
19	Coupon rate and any related index	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
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.	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
23	Interest/dividend is cumulative or non-cumulative	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
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
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

【Table 6】

Summary comparison of accounting assets vs leverage ratio exposure measure

Jun-30-2019

(Unit: NT\$1,000)

	項 目	Standalone		Consolidated	
		Jun-30-2019	Mar-31-2019	Jun-30-2019	Mar-31-2019
1	Total assets as per published financial statements	1,233,586,381	1,210,660,846	2,032,583,145	1,942,997,235
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(33,828,196)	(34,023,848)	(5,353,728)	(5,929,368)
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	211,105	256,573	11,375,972	9,605,558
5	Adjustment for securities financing transactions (ie repos and similar secured lending)	2,078,872	178,463	2,078,872	178,463
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	93,458,043	88,617,028	142,833,314	139,083,423
7	Other adjustments	(2,590,287)	(2,298,350)	(3,797,970)	(3,473,458)
8	Leverage ratio exposure measure	1,292,915,918	1,263,390,712	2,179,719,605	2,082,461,853

【Table 6-1】

Leverage ratio common disclosure template
Jun-30-2019

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

	Items	Standalone		Consolidated	
		this quarter	last quarter	this quarter	last quarter
		Jun-30-2019	Mar-31-2019	Jun-30-2019	Mar-31-2019
	On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs))	1,226,808,102	1,206,546,885	2,023,576,861	1,936,695,876
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	(33,828,196)	(34,023,848)	(5,353,728)	(5,929,368)
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 and 2)	1,192,979,906	1,172,523,037	2,018,223,133	1,930,766,508
	Derivative exposures				
4	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin)	624,765	567,973	1,642,220	1,577,156
5	Add-on amounts for PFE associated with all derivatives transactions	395,051	429,277	11,562,785	9,781,369
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)	1,019,816	997,250	13,205,005	11,358,525
	Securities financing transaction exposures				
12	Gross SFT assets (with no recognition of netting)	3,379,281	1,074,934	3,379,281	1,074,934
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)				
14	CCR exposure for SFT assets	2,078,872	178,463	2,078,872	178,463
15	Agent transaction exposures				
16	Total securities financing transaction exposures (sum of rows 12 to 15)	5,458,153	1,253,397	5,458,153	1,253,397
	Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	388,372,451	375,396,375	602,879,523	591,184,266
18	(Adjustments for conversion to credit equivalent amounts)	(294,914,408)	(286,779,347)	(460,046,209)	(452,100,843)
19	Off-balance sheet items (sum of rows 17 and 18)	93,458,043	88,617,028	142,833,314	139,083,423
	Capital and total exposures				
20	Tier 1 capital	109,250,174	112,719,756	151,378,144	152,753,811
21	Total exposures (sum of rows 3, 11, 16 and 19)	1,292,915,918	1,263,390,712	2,179,719,605	2,082,461,853
	Leverage ratio				
22	Leverage ratio	8.45%	8.92%	6.94%	7.34%

【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

Jun-30-2019

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

		Jun-30-2019	Mar-31-2019	Dec-31-2018	Sep-30-2018	Jun-30-2018
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	109,250,174	112,719,756	108,950,004	97,836,993	96,277,606
1a	Fully loaded ECL accounting mode	109,250,174	112,719,756	108,950,004	97,836,993	96,277,606
2	Tier 1	109,250,174	112,719,756	108,950,004	97,836,993	96,277,606
2a	Fully loaded ECL accounting model Tier 1	109,250,174	112,719,756	108,950,004	97,836,993	96,277,606
3	Total capital	113,377,351	116,998,720	115,378,645	108,275,513	108,308,781
3a	Fully loaded ECL accounting model total capital	113,377,351	116,998,720	115,378,645	108,275,513	108,308,781
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	859,869,089	827,039,428	800,798,233	794,693,571	782,894,440
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	12.71%	13.63%	13.61%	12.31%	12.30%
5a	Fully loaded ECL accounting model CET1 (%)	12.71%	13.63%	13.61%	12.31%	12.30%
6	Tier 1 ratio (%)	12.71%	13.63%	13.61%	12.31%	12.30%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	12.71%	13.63%	13.61%	12.31%	12.30%
7	Total capital ratio (%)	13.19%	14.15%	14.41%	13.62%	13.83%
7a	Fully loaded ECL accounting model total capital ratio (%)	13.19%	14.15%	14.41%	13.62%	13.83%
	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 (%)	6.71%	7.63%	7.61%	6.31%	6.30%
	Basel III leverage ratio					
13	Total Basel III leverage ratio exposure measure	1,292,915,918	1,263,390,712	1,217,582,654	1,204,533,297	1,172,501,365
14	Basel III leverage ratio (%) (row 2 / row 13)	8.45%	8.92%	8.95%	8.12%	8.21%
14a	Fully loaded ECL accounting model Basel III leverage ratio (%) (row 2a / row 13)	8.45%	8.92%	8.95%	8.12%	8.21%
	Liquidity Coverage Ratio (LCR)					
15	Total high-quality liquid assets	195,038,433	194,073,203	190,556,009	163,527,414	158,201,976
16	Total net cash outflow	193,221,826	162,731,549	171,189,744	163,539,837	158,624,795
17	LCR ratio (%)	100.94%	119.26%	111.31%	99.99%	99.73%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	833,754,728	806,636,267	833,754,728	806,636,267	793,231,517
19	Total required stable funding	685,324,222	675,412,766	685,324,222	675,412,766	671,073,791
20	NSFR ratio(%)	121.66%	119.43%	121.66%	119.43%	118.20%

【Table 9】

Overview of RWA (standalone)

Jun-30-2019

(Unit: NT\$1,000)

items		RWA		Minimum capital requirements
		30-Jun-19	31-Dec-18	30-Jun-19
1	Credit risk (excluding counterparty credit risk) (CCR)	792,643,908	735,073,797	63,411,513
2	Of which standardised approach (SA)	792,643,908	735,073,797	63,411,513
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	801,775	813,630	64,142
5	Of which standardised approach for counterparty credit risk (SA-CCR)	801,775	813,630	64,142
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	459,833	109,717	36,787
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)	459,833	109,717	36,787
16	Market risk	26,351,104	25,188,620	2,108,088
17	Of which standardised approach (SA)	26,351,104	25,188,620	2,108,088
18	Of which internal model approaches (IMM)			
19	Operational risk	39,612,469	39,612,469	3,168,998
20	Of which Basic Indicator Approach	39,612,469	39,612,469	3,168,998
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	859,869,089	800,798,233	68,789,527

【Table 9-1】

Overview of RWA (consolidated)

Jun-30-2019

(Unit: NT\$1,000)

items		RWA		Minimum capital requirements
		30-Jun-19	31-Dec-18	30-Jun-19
1	Credit risk (excluding counterparty credit risk) (CCR)	1,386,660,503	1,272,111,887	110,932,840
2	Of which standardised approach (SA)	1,386,660,503	1,272,111,887	110,932,840
3	Of which internal rating-based (IRB)			
4	Counterparty credit risk	10,944,091	6,896,311	875,527
5	Of which standardised approach for counterparty credit risk (SA-CCR)	10,944,091	6,896,311	875,527
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	459,833	109,717	36,787
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)	459,833	109,717	36,787
16	Market risk	56,306,164	53,052,379	4,504,493
17	Of which standardised approach (SA)	56,306,164	53,052,379	4,504,493
18	Of which internal model approaches (IMM)			
19	Operational risk	62,268,390	62,268,390	4,981,471
20	Of which Basic Indicator Approach	62,268,390	62,268,390	4,981,471
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	1,516,638,981	1,394,438,684	121,331,118

【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****Jun-30-2019**

(Unit: NT\$1,000)

Items		Gross carrying values of		Allowances/ impairments C	Net values D
		Defaulted exposures A	Non-defaulted exposures B		
1	Loans	1,577,338	728,645,624	233,752	729,989,210
2	Debt Securities	0	237,068,427	0	237,068,427
3	Off-balance sheet		376,722,828		376,722,828
4	Total	1,577,338	1,342,436,879	233,752	1,343,780,465

【Table 15】**Changes in stock of defaulted loans and debt securities****Jun-30-2019**

(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	(497,915)
6	Defaulted loans and debt securities at end of the reporting period	1,577,338

【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

Jun-30-2019

(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	688,986,247	32,773,922	19,071,531	8,229,041	0	0	0
2	Debt securities	237,068,427	0	0	0	0	0	0
3	Total	926,054,674	32,773,922	19,071,531	8,229,041	0	0	0
4	Of which defaulted	1,341,057	0	0	63,271	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

Jun-30-2019

(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	169,706,004	0	169,706,004	0	3,331,262	1.96%
2	Non-central government	7,459,934	0	7,459,934	0	3,519,992	47.19%
3	Banks(including Multilateral development banks)	135,848,982	92,600	135,848,982	92,600	55,170,935	40.58%
4	Corporates(including Securities firms and Insurance)	473,094,806	315,068,068	454,545,392	55,383,663	495,071,090	97.09%
5	Retail portfolios	142,408,538	61,344,703	141,886,421	3,124,818	123,608,492	85.24%
6	Secured by residential property	145,775,002	0	145,775,002	0	89,437,574	61.35%
7	Equity	370,164	0	370,164	0	370,164	100.00%
8	Other assets	31,005,741	217,457	31,005,741	173	22,134,399	71.39%
9	Total	1,105,669,171	376,722,828	1,086,597,640	58,601,254	792,643,908	69.21%

【Table 20】

Standardised approach – exposures by asset classes and risk weights

Jun-30-2019

(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	162,711,619	0	2,977,972	0	0	2,561,490	0	1,454,922	0	0	0	0	0	169,706,003
2	Non-central government public sector entities	0	0	699,919	0	0	6,760,015	0	0	0	0	0	0	0	7,459,934
3	Multilateral development banks & Banks	0	0	50,705,878	0	0	80,411,889	0	4,823,815	0	0	0	0	0	135,941,582
4	Corporates(including Securities firms and Insurance company)	0	0	4,172,566	0	0	23,039,824	0	482,716,666	0	0	0	0	0	509,929,056
5	Retail portfolios	0	0	5,534,213	0	0	0	67,901,508	71,575,518	0	0	0	0	0	145,011,239
6	Secured by residential property	0	0	0	49,406,516	0	524,285	95,844,202	0	0	0	0	0	0	145,775,003
7	Equity	0	0	0	0	0	0	0	370,164	0	0	0	0	0	370,164
8	Other assets	9,769,006	0	0	0	0	0	0	20,638,580	0	598,328	0	0	0	31,005,914
9	Total	172,480,625	0	64,090,548	49,406,516	0	113,297,503	163,745,710	581,579,665	0	598,328	0	0	0	1,145,198,895

【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 creditors. 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 don'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

Jun-30-2019

(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)	616,833	395,051		1.4		671,227
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)					106,184	82,625
5	Internal Model Method (VaR for SFTs)						
6	Total						753,852

【Table 29】

Credit valuation adjustment (CVA) capital charge

Jun-30-2019

(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	3,102	47,923
4	Total subject to the CVA capital charge		

【Table 30】

Standardised approach – CCR exposures by regulatory portfolio and risk weights

Jun-30-2019

(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	37,767	634,865	0	0	0	0	672,631
4	Corporates(including Securities firms and Insurance company)	0	0	0	20,718	0	416,577	0	0	437,295
5	Retail portfolios	0	0	0	0	0	1,931	0	0	1,931
6	Other assets	0	0	0	0	0	0	0	0	0
7	Total	0	0	37,767	655,582	0	418,508	0	0	1,111,857

【Table 32】

Composition of collateral for CCR exposure

Jun-30-2019

(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		1,562,700				
Domestic sovereign debt					1,747,726	5,801,995
Other sovereign debt						
Government agency debt						
Corporate bonds						
Financial bonds					1,371,196	
Equity securities						
Other collateral					399,292	1,943,140
Total	0	1,562,700	0	0	3,518,214	7,745,135

【Table 33】

Credit derivatives exposures

Jun-30-2019

(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**

Jun-30-2019

(Unit: NT\$1,000)

Year	Annual Gross Income	Legal Capital Requirement
2016	19,585,254	
2017	20,782,346	
2018	23,012,351	
Total	63,379,950	3,168,997

【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

Jun-30-2019

(Unit: NT\$1,000)

Items		RWA A
Outright products		
1	Interest rate risk (general and specific)	16,300,423
2	Equity risk (general and specific)	8,433,629
3	Foreign exchange risk	1,600,033
4	Commodity risk	0
Options		
5	Simplified approach	17,019
6	Delta-plus method	
7	Scenario approach	
8	Securitisation	0
9	Total	26,351,104

【Table 45】

Securitisation exposures in the banking book

Jun-30-2019

(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	1,149,582	0
– of which						
residential mortgage						0
credit card						
other retail exposures						
re-securitisation					1,149,582	
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	1,149,582	0

【Table 46】

Securitisation exposures in the trading book

Jun-30-2019

(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

Jun-30-2019

(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		1,149,582						1,149,582				459,833				36,787	
		Of which senior		1,149,582						1,149,582				459,833					
		Of which non-senior																	
		Sub-total	0	1,149,582	0	0	0	0	0	1,149,582	0	0	0	459,833	0	0	0	36,787	0
3	Total exposures		0	1,149,582	0	0	0	0	0	1,149,582	0	0	0	459,833	0	0	0	36,787	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		Jun-30-2019		Mar-31-2019	
		TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE	TOTAL UNWEIGHTED VALUE	TOTAL WEIGHTED VALUE
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	216,627,093	195,038,433	212,696,328	194,073,203
CASH OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	479,134,976	33,863,162	471,731,102	33,253,875
3	Stable deposits	365,394,334	23,878,927	358,797,945	23,326,861
4	Less stable deposits	113,740,642	9,984,235	112,933,157	9,927,014
5	Unsecured wholesale funding, of which:	442,537,627	204,989,174	433,985,173	196,375,374
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	0	0	0	0
7	Non-operational deposits (all counterparties)	376,840,418	150,736,167	377,551,270	151,020,508
8	Unsecured debt	52,563,625	52,563,625	43,684,315	43,684,315
9	Secured wholesale funding	13,133,584	1,689,382	12,749,588	1,670,551
10	Additional requirements, of which:	406,123,565	46,375,248	405,156,063	57,872,171
11	Outflows related to derivative exposures and other collateral requirements	12,645,298	12,645,298	27,009,401	27,009,401
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	265,500,392	25,330,678	258,778,305	24,742,232
14	Other contractual funding obligations	6,126,025	6,126,025	3,920,289	3,920,289
15	Other contingent funding obligations	121,851,850	2,273,247	115,448,068	2,200,249
16	TOTAL CASH OUTFLOWS	1,327,796,168	285,227,584	1,310,872,338	287,501,420
CASH INFLOWS					
17	Secured lending	0	0	0	0
18	Inflows from fully performing exposures	76,630,667	68,418,360	96,796,713	87,292,278
19	Other cash inflows	23,587,398	23,587,398	37,477,593	37,477,593
20	TOTAL CASH INFLOWS	100,218,065	92,005,758	134,274,306	124,769,871
LIQUIDITY COVERAGE RATIO					
21	TOTAL HQLA		195,038,433		194,073,203
22	TOTAL NET CASH OUTFLOWS		193,221,826		162,731,549
23	LIQUIDITY COVERAGE RATIO (%)		100.94		119.26

【Table 52】

NSFR common disclosure template

(Unit: NT\$1,000)

Items		this quarter				last quarter					
		Jun-30-2019				Mar-31-2019					
		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	
ASF Item											
1	Capital:	131,662,274	-	-	79,974,823	211,637,097	127,319,954	-	-	77,762,192	205,082,146
2	Regulatory capital	131,662,274	-	-	57,325,278	188,987,552	127,319,954	-	-	55,484,093	182,804,047
3	Other capital instruments	-	-	-	22,649,545	22,649,545	-	-	-	22,278,098	22,278,098
4	Retail deposits and deposits from small business customers:	247,458,657	123,615,007	76,931,095	6,210,530	421,850,773	241,568,439	122,778,789	73,180,024	6,142,533	412,247,467
5	Stable deposits	138,064,353	59,045,513	51,609,343	5,462,505	241,745,754	137,620,456	58,915,326	50,072,365	5,288,097	239,565,837
6	Less stable deposits	109,394,304	64,569,494	25,321,752	748,025	180,105,019	103,947,982	63,863,464	23,107,659	854,436	172,681,630
7	Wholesale funding:	59,188,125	248,324,116	91,200,391	910,542	200,266,858	40,366,016	275,027,575	60,986,072	1,116,822	189,306,654
8	Operational deposits: including deposits in institutional networks of cooperative banks	-	-	-	-	-	-	-	-	-	-
9	Other wholesale funding	59,188,125	248,324,116	91,200,391	910,542	200,266,858	40,366,016	275,027,575	60,986,072	1,116,822	189,306,654
10	Liabilities with matching interdependent assets	-	1,149,979	1,175,323	-	-	-	1,587,834	829,986	-	-
11	Other liabilities and equity :	55,886,799	89,240,154	-	-	-	80,248,910	90,722,555	-	-	-
12	Net NSFR derivative liabilities	-				-					
13	All other liabilities and equity not included in the above categories	55,886,799	89,240,154			-	80,248,910	90,722,555			-
14	Total ASF	494,195,854	462,329,256	169,306,810	87,095,895	833,754,728	489,503,319	490,116,753	134,996,082	85,021,547	806,636,267
RSF Item											
15	Total NSFR high-quality liquid assets					29,258,285					25,199,038
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
17	Performing loans and securities:	74,273,157	251,213,447	115,125,540	463,383,490	616,708,707	72,415,805	264,155,683	111,498,032	463,426,681	614,616,784
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		78,950,811	4,329,873	12,228,230	26,235,788		92,951,010	1,990,462	12,777,445	27,715,327
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:	-	154,340,612	105,154,187	271,842,224	360,813,290	-	152,972,614	103,144,859	271,372,543	358,725,398

Items		this quarter					last quarter				
		Jun-30-2019					Mar-31-2019				
		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:	-	1,736,748	1,418,787	134,808,792	106,582,482	-	1,377,562	1,521,304	131,048,479	103,441,040
23	With a risk weight of less than or equal to 45% under Standardised Approach for credit risk	-	441,527	331,188	47,913,793	31,530,323	-	342,610	450,535	46,998,001	30,945,273
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	74,273,157	16,185,276	4,222,693	44,504,245	123,077,147	72,415,805	16,854,498	4,841,407	48,228,214	124,735,019
25	Assets with matching interdependent liabilities	-	1,149,979	1,175,323	-	-	-	1,587,834	829,986	-	-
26	Other assets:	365,374	22,707,266	207,280	11,056,912	24,762,008	372,448	22,457,430	203,264	9,147,236	24,224,794
27	Physical traded commodities	-	-	-	-	-	-	-	-	-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of	-				-					
29	Net NSFR derivative assets	256,455				256,455	244,220				244,220
30	20% of derivatives liabilities unweighted value	108,920				108,920	128,228				128,228
31	All other assets not included in the above categories		22,707,266	207,280	11,056,912	24,396,634		22,457,430	203,264	9,147,236	23,852,346
32	Off-balance sheet items	355,390,441				14,595,222	247,695,590				11,372,149
33	Total RSF	446,888,036	433,288,339	135,726,397	537,566,132	685,324,222	340,249,507	446,555,635	127,504,871	518,893,912	675,412,766
34	Net Stable Funding Ratio (%)					121.66					119.43

【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> <ol style="list-style-type: none"> 1. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers. 2. Periodically evaluate and prescribe the remuneration of directors and managerial officers. 3. Other matters to be discussed by the board of directors.
2	External consultants whose advice has been sought, the body by which they were commissioned	None
	and in what areas of the remuneration process.	None
3	A description of the scope of the bank's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to foreign branches.	Taiwan
	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

--

【Table 57】

Geographical distribution of credit exposures used in the countercyclical capital buffer

Jun-30-2019

(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					