The Shanghai Commercial & Savings Bank, Ltd.

Financial Statements for the Six Months Ended June 30, 2015 and 2014 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
The Shanghai Commercial & Savings Bank, Ltd.

We have audited the accompanying balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") as of June 30, 2015, December 31, 2014 and June 30, 2014, and the related statements of comprehensive income, changes in equity, and cash flows for the six months ended June 30, 2015 and 2014. These financial statements are the responsibility of the management of the Bank. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Rules Governing the Audit of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Bank's management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Bank as of June 30, 2015, December 31, 2014 and June 30, 2014 and the results of its operations and its cash flows for the six months ended June 30, 2015 and 2014, in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

August 22, 2015

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

For reader's convenience, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If inconsistencies arise between the English version and the original Chinese version or if differences arise in the interpretation between the two versions, the Chinese version of the auditors' report and financial statements shall prevail.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2015		December 31, 2014		June 30, 2014	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Cash and cash equivalents (notes 6 and 32)	$ 21,138,338	2	$ 24,851,320	3	$ 22,738,595	3
Due from the central bank and call loans to banks (notes 7 and 32)	51,634,379	5	52,793,115	5	35,626,615	4
Financial assets at fair value through profit or loss (note 8)	35,235,340	4	33,121,048	3	30,916,099	3
Derivative financial assets for hedging (note 9)	-	-	27,315	-	65,865	-
Securities purchased under resell agreements (note 10)	4,882,013	1	11,046,883	1	3,800,406	1
Receivables, net (notes 11 and 32)	9,123,901	1	9,826,593	1	8,962,444	1
Discounts and loans, net (notes 12 and 32)	567,400,498	58	578,560,463	60	561,242,422	60
Available-for-sale financial assets, net (notes 13 and 33)	128,078,599	13	101,461,564	11	104,083,781	11
Held-to-maturity financial assets (notes 14 and 33)	88,100,080	9	89,765,674	9	107,048,794	11
Equity investments under the equity method (note 15)	55,768,863	6	55,450,872	6	49,716,739	5
Other financial assets, net (note 16)	311,467	-	213,056	-	219,976	-
Properties, net (note 17)	12,507,252	1	12,263,526	1	12,298,506	1
Deferred income tax assets	581,923	-	597,375	-	589,950	-
Other assets, net (note 18)	2,183,447	-	2,807,135	-	2,070,903	-
Total	$ 976,946,100	100	$ 972,785,939	100	$ 939,381,095	100
LIABILITIES AND EQUITY						
Due to the central bank and banks (notes 19 and 32)	$ 15,713,738	2	$ 9,713,600	1	$ 16,843,745	2
Borrowings from the central bank and banks	1,545,650	-	-	-	-	-
Financial liabilities at fair value through profit or loss (note 8)	907,986	-	1,024,107	-	359,592	-
Derivative financial liabilities for hedging (note 9)	-	-	-	-	8,048	-
Securities sold under repurchase agreements (note 20)	10,196,680	1	6,475,072	1	7,927,202	1
Payables (notes 21 and 32)	23,575,068	2	18,289,262	2	21,823,438	2
Current income tax liabilities	906,219	-	688,316	-	776,120	-
Deposits and remittances (notes 22 and 32)	762,633,449	78	775,594,905	80	737,667,625	78
Bank debentures (note 23)	37,150,000	4	38,027,600	4	39,765,907	4
Other financial liabilities (note 24)	6,961,212	1	5,630,516	-	6,392,553	1
Provisions (note 25)	653,964	-	642,474	-	619,677	-
Deferred income tax liabilities	7,735,227	1	8,033,248	1	7,082,935	1
Other liabilities (notes 26 and 32)	969,114	-	842,880	-	907,105	-
Total liabilities	868,948,307	89	864,961,980	89	840,173,947	89
Equity (note 28)						
Paid-in capital						
Ordinary shares	38,086,864	4	38,086,864	4	37,157,916	4
Reserve for capitalization	1,904,343	-	-	-	928,948	-
Total paid-in capital	39,991,207	4	38,086,864	4	38,086,864	4
Capital surplus	4,632,533	-	4,632,533	-	4,625,336	-
Retained earnings						
Legal reserve	37,023,528	4	33,751,333	3	33,751,333	4
Special reserve	7,480,146	1	7,480,146	1	7,480,146	1
Unappropriated earnings	11,382,372	1	16,201,932	2	10,626,499	1
Total retained earnings	55,886,046	6	57,433,411	6	51,857,978	6
Other equity	7,571,151	1	7,754,295	1	4,720,114	1
Treasury stock	(83,144)	-	(83,144)	-	(83,144)	-
Total equity	107,997,793	11	107,823,959	11	99,207,148	11
Total	$ 976,946,100	100	$ 972,785,939	100	$ 939,381,095	100

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30			
	2015		2014	
	Amount	%	Amount	%
Interest revenues	$ 8,802,402	85	$ 8,475,624	91
Interest expenses	3,407,764	33	3,362,446	36
Net interest (notes 29 and 32)	5,394,638	52	5,113,178	55
Net revenues other than interest				
Service fee incomes, net (notes 29 and 32)	1,434,828	14	1,368,946	15
Gains on financial assets and liabilities at fair value through profit or loss (note 29)	345,324	3	426,416	4
Realized gains on available-for-sale financial assets	509,825	5	150,603	2
Foreign exchange gains, net	144,909	1	67,046	1
Share of profit of subsidiaries, associates and joint ventures, net	2,475,976	24	2,182,736	23
Other net revenues (note 32)	64,869	1	50,488	-
Total net revenues other than interest	4,975,731	48	4,246,235	45
Net revenues	10,370,369	100	9,359,413	100
Bad debt expenses (note 12)	299,988	3	299,850	3
Operating expenses				
Personnel (notes 4, 29 and 32)	1,790,623	17	1,664,972	18
Depreciation and amortization (note 29)	250,797	2	261,067	3
Other general and administrative (note 32)	1,143,818	11	877,157	9
Total operating expenses	3,185,238	30	2,803,196	30
Profit before income tax	6,885,143	67	6,256,367	67
Income tax expense (notes 4 and 30)	(815,135)	(8)	(997,979)	(11)
Net income	6,070,008	59	5,258,388	56
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Translation adjustments for foreign operations	(1,299,202)	(13)	83,699	1
Unrealized gain (loss) on available-for-sale financial assets	(149,609)	(1)	518,732	6

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30			
	2015		2014	
	Amount	%	Amount	%
Cash flow hedges	$ -	-	$ 16,381	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	1,008,491	10	50,392	1
Income tax relating to the components of other comprehensive income	257,176	2	(66,073)	(1)
Subtotal of items that may be reclassified subsequently to profit or loss	(183,144)	(2)	603,131	7
Other comprehensive income for the period, net of income tax	(183,144)	(2)	603,131	7
Total comprehensive income for the period	$ 5,886,864	57	$ 5,861,519	63
Earnings per share (note 31)				
Basic	$ 1.52		$ 1.32	
Diluted	$ 1.52		$ 1.32	

The accompanying notes are an integral part of the financial statements. (Concluded)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings (Note 28)			Other Equity				
	Ordinary Shares (Note 28)	Reserve for Capitalization (Note 28)	Capital Surplus (Note 28)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Cash Flow Hedges	Treasury Stocks (Note 28)	Total Equity
Balance at January 1, 2014	$ 37,157,916	$ -	$ 4,625,336	$ 30,708,270	$ 7,480,146	$ 14,913,809	$ (409,408)	$ 4,550,820	$ (24,429)	$ (83,144)	$ 98,919,316
Appropriation of 2013 earnings											
Legal reserve	-	-	-	3,043,063	-	(3,043,063)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(5,573,687)	-	-	-	-	(5,573,687)
Share dividends	-	928,948	-	-	-	(928,948)	-	-	-	-	-
Net profit for the six months ended June 30, 2014	-	-	-	-	-	5,258,388	-	-	-	-	5,258,388
Other comprehensive income for the six months ended June 30, 2014, net of income tax	-	-	-	-	-	-	45,371	541,379	16,381	-	603,131
Total comprehensive income for the six months ended June 30, 2014	-	-	-	-	-	5,258,388	45,371	541,379	16,381	-	5,861,519
Balance at June 30, 2014	$ 37,157,916	$ 928,948	$ 4,625,336	$ 33,751,333	$ 7,480,146	$ 10,626,499	$ (364,037)	$ 5,092,199	$ (8,048)	$ (83,144)	$ 99,207,148
Balance at January 1, 2015	$ 38,086,864	$ -	$ 4,632,533	$ 33,751,333	$ 7,480,146	$ 16,201,932	$ 2,122,663	$ 5,631,632	$ -	$ (83,144)	$ 107,823,959
Appropriation of 2014 earnings											
Legal reserve	-	-	-	3,272,195	-	(3,272,195)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(5,713,030)	-	-	-	-	(5,713,030)
Share dividends	-	1,904,343	-	-	-	(1,904,343)	-	-	-	-	-
Net profit for the six months ended June 30, 2015	-	-	-	-	-	6,070,008	-	-	-	-	6,070,008
Other comprehensive income (loss) for the six months ended June 30, 2015, net of income tax	-	-	-	-	-	-	(1,065,195)	882,051	-	-	(183,144)
Total comprehensive income (loss) for the six months ended June 30, 2015	-	-	-	-	-	6,070,008	(1,065,195)	882,051	-	-	5,886,864
Balance at June 30, 2015	$ 38,086,864	$ 1,904,343	$ 4,632,533	$ 37,023,528	$ 7,480,146	$ 11,382,372	$ 1,057,468	$ 6,513,683	$ -	$ (83,144)	$ 107,997,793

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2015	**2014**
Cash flows from operating activities		
Net profit before income tax	$ 6,885,143	$ 6,256,367
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation expenses	124,424	119,018
Amortization expenses	126,373	142,049
Bad debt expenses	299,988	299,850
Losses on financial assets and liabilities at fair value through profit or loss	305,891	54,967
Interest expenses	3,407,764	3,362,446
Dividend income	(41,531)	(56,546)
Interest revenues	(8,802,402)	(8,475,624)
Share of profit of associates and joint ventures	(2,475,976)	(2,182,736)
Losses (gains) on sale of properties and equipment, net	(18,888)	2,093
Other adjustments	109,314	401,147
Changes in operating assets and liabilities		
Decrease (increase) in due from the central bank and call loans to banks	(1,812,424)	4,487,262
Increase in financial assets at fair value through profit or loss	(3,028,126)	(586,059)
Decrease (increase) in receivables	695,715	(247,941)
Decrease (increase) in discounts and loans	10,968,461	(23,070,670)
Increase in available-for-sale financial assets	(26,903,382)	(14,472,534)
Decrease (increase) in held-to-maturity financial assets	1,665,569	(22)
Increase in other financial assets	(98,411)	(10,121)
Increase in due to the Central Bank and banks	6,000,138	2,674,050
Increase in financial liabilities at fair value through profit or loss	491,822	29,461
Increase in securities sold under repurchase agreements	3,721,608	2,180,335
Increase (decrease) in payables	(481,182)	(46,495)
Decrease in deposits and remittances	(12,961,456)	(8,871,064)
Increase (decrease) in other financial liabilities	1,330,696	(288,271)
Increase in employee benefit provisions	11,634	2,552
Increase (decrease) in other liabilities	86,190	(26,852)
Cash used in operation	(20,393,048)	(38,323,338)
Interest received	8,813,351	7,456,656
Dividend received	2,314,413	2,041,652
Interest paid	(3,353,806)	(3,138,055)
Income tax paid	(651,975)	(597,061)
Net cash used in operating activities	(13,271,065)	(32,560,146)
Cash flows from investing activities		
Acquisition of equity investments under the equity method	(400,000)	(100,000)
Acquisition of properties	(371,243)	(152,082)

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2015	**2014**
Proceeds from disposal of properties	$ 21,824	$ 1,019
Increase in refundable deposits	(10,189)	(27,494)
Decrease (increase) in other assets	507,504	(49,028)
Net cash used in investing activities	(252,104)	(327,585)
Cash flows from financing activities		
Increase (decrease) in borrowings from the Central Bank and banks	1,545,650	(3,932,016)
Issuance of bank debentures	2,150,000	6,700,000
Repayment of bank debentures	(3,000,000)	-
Increase in guarantee deposit received	40,044	-
Decrease in guarantee deposit received	-	(34,792)
Net cash generated from financing activities	735,694	2,733,192
Effects of exchange rate changes on the balance of cash held in foreign currencies	(61,428)	1,052
Net decrease in cash and cash equivalents	(12,848,903)	(30,153,487)
Cash and cash equivalents at the beginning of the period	60,150,111	69,510,180
Cash and cash equivalents at the end of the period	$ 47,301,208	$ 39,356,693

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets at June 30, 2015 and 2014:

	2015	**2014**
Cash and cash equivalents in balance sheets	$ 21,138,338	$ 22,738,595
Due from the Central Bank and call loans to banks fall in with the definition of cash and cash equivalents under IFRS 7	21,280,857	12,817,692
Securities purchased under resell agreements fall in with the definition of cash and cash equivalents under IFRS 7	4,882,013	3,800,406
Cash and cash equivalents in statements of cash flows	$ 47,301,208	$ 39,356,693

The accompanying notes are an integral part of the financial statements. (Concluded)

1. ORGANIZATION AND OPERATIONS

The Bank was incorporated in the Republic of China ("ROC") and engaged in various commercial banking businesses under related laws and regulations. The Bank has a head office in Taipei, 68 domestic branches and two foreign branches, Hong Kong branch and Dong Nai (Vietnam) branch.

The operations of the Bank's Trust Department include services related to planning, managing and operating a trust business as allowed under the Banking Law and Trust Law.

The financial statements are presented in the Bank's functional currency, New Taiwan Dollars.

2. AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on August 22, 2015.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

a. The amendments to the Guidelines Governing the Preparation of Financial Reports by Public Banks and the 2013 version of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the Financial Supervisory Commission (FSC).

   Rule No. 1030010325 and Rule No. 10310006010 issued by the FSC, stipulated that the Bank should apply the 2013 version of IFRS, IAS, IFRIC and SIC (collectively, the "IFRSs") endorsed by the FSC and the related amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks and the Regulations Governing the Preparation of Financial Reports Securities Firms starting January 1, 2015.

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms and the 2013 IFRSs version did not have any material impact on the Bank's accounting policies:

   1) IFRS 13 "Fair Value Measurement"

      IFRS 13 establishes a single source of guidance for fair value measurements. It defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The disclosure requirements in IFRS 13 are more extensive than those required by the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only will be extended by IFRS 13 to cover all assets and liabilities within its scope.

      The fair value measurements under IFRS 13 will be applied prospectively from January 1, 2015. Refer to Note 35 for related disclosures.

2) Amendments to IAS 1 "Presentation of Items of Other Comprehensive Income"

The amendments to IAS 1 requires items of other comprehensive income to be grouped into those items that (1) will not be reclassified subsequently to profit or loss; and (2) may be reclassified subsequently to profit or loss. Income taxes on related items of other comprehensive income are grouped on the same basis. Under current IAS 1, there were no such requirements.

The Bank retrospectively applied the above amendments starting in 2015. Items not to be reclassified to profit or loss are remeasurements of the defined benefit plans. Items to be reclassified to profit or loss are the exchange differences on translating foreign operations, unrealized gain (loss) on available-for-sale financial assets, cash flow hedges, and share of the other comprehensive income (except the share of the remeasurements of the defined benefit plans) of associates and joint ventures accounted for using the equity method. However, the application of the above amendments did not have any impact on the net profit for the period, other comprehensive income for the period (net of income tax), and total comprehensive income for the period.

3) Revision to IAS 19 "Employee Benefits"

The interest cost and expected return on plan assets used in current IAS 19 are replaced with a "net interest" amount, which is calculated by applying the discount rate to the net defined benefit liability or asset. In addition, the revised IAS 19 introduces certain changes in the presentation of the defined benefit cost, and also includes more extensive disclosures.

The Bank did not disclose the sensitivity analysis of defined benefit obligation in the comparative period.

The revision to IAS 19 has immaterial impact on the financial statements of the Bank.

4) Amendments to IFRS 7 "Disclosure - Offsetting Financial Assets and Financial Liabilities"

The amendments to IFRS 7 require disclosure of information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting arrangements and similar arrangements. Refer to Note 35 for related disclosure.

b. New IFRSs in issue but not yet endorsed by the FSC

The Bank has not applied the following New IFRSs issued by the IASB but not yet endorsed by the FSC. As of the date the financial statements were authorized for issue, the FSC has not announced their effective dates.

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014 (Note 2)
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016 (Note 4)
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	January 1, 2016 (Note 3)
Amendments to IFRS 10, IFRS 12 and IAS 28 "Investment Entities: Applying the Consolidation Exception"	January 1, 2016

(Continued)

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendment to IFRS 11 " Accounting for Acquisitions of Interests in Joint Operations"	January 1, 2016
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2017
Amendment to IAS 1 "Disclosure Initiative"	January 1, 2016
Amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization"	January 1, 2016
Amendments to IAS 16 and IAS 41 "Agriculture: Bearer Plants"	January 1, 2016
Amendment to IAS 19 "Defined Benefit Plans: Employee Contributions"	July 1, 2014
Amendment to IAS 27 "Equity Method in Separate Financial Statements"	January 1, 2016
Amendment to IAS 36 "Impairment of Assets: Recoverable Amount Disclosures for Non-financial Assets"	January 1, 2014
Amendment to IAS 39 "Novation of Derivatives and Continuation of Hedge Accounting"	January 1, 2014
IFRIC 21 "Levies"	January 1, 2014

(Concluded)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after the respective effective dates.

Note 2: The amendment to IFRS 2 applies to share-based payment transactions with grant date on or after July 1, 2014; the amendment to IFRS 3 applies to business combinations with acquisition date on or after July 1, 2014; the amendment to IFRS 13 is effective immediately; the remaining amendments are effective for annual periods beginning on or after July 1, 2014.

Note 3: Prospectively applicable to transactions occurring in annual periods beginning on or after January 1, 2016.

Note 4: The amendment to IFRS 5 is applied prospectively to changes in a method of disposal that occur in annual periods beginning on or after January 1, 2016; the remaining amendments are effective for annual periods beginning on or after January 1, 2016.

Except for the following, whenever applied the initial application of the above NEW IFRSs and the related amendments to the Regulations Governing the Preparation of Financial Reports by Public Banks would not have any material impact on the Bank's accounting policies:

1) IFRS 9 "Financial Instruments"

Recognition and measurement of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Bank's debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method.

b) For debt instruments, if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Bank may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required.

The impairment of financial assets

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For originated credit-impaired financial assets, the Bank takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Hedge accounting

The main changes in hedge accounting amended the application requirements for hedge accounting to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risk eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessment with the principle of economic relationship between the hedging instrument and the hedged item.

2) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

In issuing IFRS 13 "Fair Value Measurement", the IASB made consequential amendment to the disclosure requirements in IAS 36 "Impairment of Assets", introducing a requirement to disclose in every reporting period the recoverable amount of an asset or each cash-generating unit. The amendment clarifies that such disclosure of recoverable amounts is required only when an impairment loss has been recognized or reversed during the period. Furthermore, the Bank is required to disclose the discount rate used in measurements of the recoverable amount based on fair value less costs of disposal measured using a present value technique.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

IFRS 13 was amended to clarify that the issuance of IFRS 13 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of not discounting is immaterial.

IAS 24 was amended to clarify that a management entity providing key management personnel services to the Bank is a related party of the Group. Consequently, the Bank is required to disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

5) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations from January 1, 2017.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 is effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

6) Amendment to IAS 1 "Disclosure Initiative"

The amendment clarifies that the consolidated financial statements should be prepared for the purpose of disclosing material information. To improve the understandability of its consolidated financial statements, the Bank should disaggregate the disclosure of material items into their different natures or functions, and disaggregate material information from immaterial information.

The amendment further clarifies that the Bank should consider the understandability and comparability of its consolidated financial statements to determine a systematic order in presenting its footnotes.

Except for the above impact, as of the date the financial statements were authorized for issue, the Bank is continuingly assessing the possible impact that the application of other standards and interpretations will have on the Bank's financial position and financial performance, and will disclose the relevant impact when the assessment is complete.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

Statement of Compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the Regulations Governing the Preparation of Financial Reports by Securities Firms. Disclosure information included in the interim financial reports is less than disclosures required in a full set of annual reports.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments assets that are measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

c. Level 3 inputs are unobservable inputs for the asset or liability.

The Bank applies equity method to account for investments in subsidiaries, associates and joint ventures in the preparation of the Bank only financial statements. To equalize the net income, other comprehensive income, and equity in the Bank only financial statements with income, other comprehensive income and equity attributed to the Bank (Parent company) in the consolidated financial statements, the effects of differences in accounting procedures between the Bank only financial statements and the consolidated financial statements are adjusted in "investment accounted by equity method", "gain and loss in subsidiaries, associates, and joint ventures by equity method", "other comprehensive income in subsidiaries, associates, and joint ventures", and other related equity items.

Other Significant Accounting Policy

Except for the following items, the Bank only financial statements applied the same accounting policies as those applied in the financial statements for the year ended December 31, 2014.

a. Retirement benefit

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

   Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events

b. Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The same critical accounting judgments and key sources of estimation uncertainty of financial statements have been followed in these financial statements as were applied in the preparation of the financial statements for the year ended December 31, 2014.

6. CASH AND CASH EQUIVALENTS

	June 30, 2015	December 31, 2014	June 30, 2014
Cash on hand and working fund	$ 6,351,947	$ 6,199,218	$ 5,694,005
Notes and checks in clearing	803,348	1,971,079	882,036
Due from other banks - domestic	3,511,003	4,108,310	7,950,638
Due from other banks - foreign	10,472,040	12,572,713	8,211,916
	$ 21,138,338	$ 24,851,320	$ 22,738,595

Reconciliation of the amounts of cash and cash equivalents reported in the statements of cash flow and a balance sheet on December 31, 2014 was as below. As for reconciliation at June 30, 2015 and 2014, please refer to the statements of cash flows.

	December 31, 2014
Cash and cash equivalents in balance sheets	$ 24,851,320
Due from the Central Bank and call loans to banks fall in with the definition of cash and cash equivalents under IFRS 7	24,251,908
Securities purchased under resell agreements fall in with the definition of cash and cash equivalents under IFRS 7	11,046,883
Cash and cash equivalents in statements of cash flow	$ 60,150,111

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS

	June 30, 2015	December 31, 2014	June 30, 2014
Call loans to banks	$ 31,203,101	$ 27,580,232	$ 16,956,377
Deposit reserves - I	4,075,141	9,417,680	2,687,795
Deposit reserves - II	16,241,002	15,692,084	15,885,671
Deposit reserves - foreign	117,144	105,019	96,772
	51,636,388	52,795,015	35,626,615
Less allowance for credit losses	(2,009)	(1,900)	-
	$ 51,634,379	$ 52,793,115	$ 35,626,615

Deposit reserves are statutory reserves and determined monthly at prescribed rates based on average balances of customers' deposits. The entire balance of deposit reserve - II is subject to withdrawal restrictions while no restrictions are placed to other deposit reserves.

The change in allowance for due from the Central Bank and call loans to banks are summarized below: (For six months ended June 30, 2014: None)

	Six Months Ended June 30, 2015
Balance at January 1	$ 1,900
Provisions	155
Effect of exchange rate changes	(46)
Balance at June 30	$ 2,009

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2015	December 31, 2014	June 30, 2014
Held-for-trading financial assets			
Commercial papers	$ 32,869,794	$ 30,095,516	$ 28,485,581
Option contracts	460,194	526,038	148,720
Currency swap contracts	264,605	239,261	56,761
Forward contracts	250,405	771,386	158,752
Others	71,829	144,947	632,735
Forward contracts	33,916,827	31,777,148	29,482,549
Financial assets designated at fair value through profit or loss			
Structured corporate bonds contracts	1,313,530	1,343,900	1,433,550
Equity linked notes	4,983	-	-
	1,318,513	1,343,900	1,433,550
	$ 35,235,340	$ 33,121,048	$ 30,916,099
Held-for-trading financial liabilities			
Option contracts	$ 462,444	$ 529,496	$ 149,881
Forward contracts	280,361	387,355	146,726
Currency swap contracts	140,055	77,152	27,704
Interest rate swap contracts	24,996	30,104	35,281
Others	130	-	-
	$ 907,986	$ 1,024,107	$ 359,592

The Bank engages in derivative transactions mainly to accommodate customers' needs and manage its exposure positions.

The financial assets and liabilities at FVTPL contract (nominal) amounts of derivative transactions were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Currency swap contracts	$ 58,353,619	$ 43,820,461	$ 22,763,273
Option contracts	39,279,257	37,395,169	43,262,841
Forward contracts	29,205,607	28,951,625	24,984,141
Interest rate swap contracts	2,792,931	3,161,742	3,405,922
Fixed rate commercial papers	300,000	500,000	800,000
Futures contracts	38,883	221,846	-

9. DERIVATIVE FINANCIAL INSTRUMENTS FOR HEDGING (JUNE 30, 2015: NIL)

	December 31, 2014	June 30, 2014
Derivative financial assets under hedge accounting		
Fair value hedges - interest rate swaps	$ 27,315	$ 65,865
Derivative financial liabilities under hedge accounting		
Cash flow hedges - interest rate swaps	$ -	$ 8,048

a. Fair value hedges

Portion of bank debentures issued by the Bank, including second issue in 2007 and first issue in 2008, and the corporate bonds held by the Bank are exposed to the fair value risk due to fluctuations in interest rates. The Bank considered the significance of the exposure and entered into interest rate swap contracts to hedge such risk. The Bank assessed the effectiveness of hedges at the end of each month, and deemed the result as effective since the hedging instrument offset the majority of fluctuation on the cash flow of the hedged item between 80% and 125%.

The outstanding interest rate swaps of the Bank at the end of the reporting period were as follows (June 30, 2015: None):

December 31, 2014

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
$ 3,000,000	2015.6.10	0.8880%	2.9500%-3.0400%

June 30, 2014

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
$ 4,000,000	2014.12.10-2015.6.10	0.8770%	2.5283%-3.0400%

Gains or losses on the hedging derivative financial instruments and on the hedged items as of the six months ended 2015 and 2014 were as follows:

	Six Months Ended June 30	
	2015	2014
Losses on the hedging instruments	$ 27,315	$ 38,553
Gains on the hedged items	$ 27,600	$ 38,414

b. Cash flow hedges

The Bank debentures first issued in 2007 were exposed to cash flow risk caused by the fluctuation of interest rates. The Bank considered the significance of the exposure and entered into interest rate swap contracts to hedge the cash flow risk. The Bank assessed the effectiveness of hedges at the end of each month, and deemed the result was effective as the effectiveness of hedging instrument offset against the majority of fluctuation on the cash flow of the hedged item was between 80% and 125%.

The outstanding interest rate swaps of the Bank at the end of the reporting period were as follows (June 30, 2015 and December 31, 2014: None):

June 30, 2014

Notional Amount (In Thousands)	Maturity Date	Range of Interest Rates Paid	Range of Interest Rates Received
$ 2,000,000	2014.9.29	2.5450%	0.8770%

10. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities purchase under resell agreements as of June 30, 2015, December 31, 2014 and June 30, 2014 were $4,882,013 thousand, $11,046,883 thousand and $3,800,406 thousand, respectively. The aforementioned securities will be bought back one after another before September 9, 2015, February 13, 2015 and September 3, 2014 at $4,883,976 thousand, $11,052,129 thousand and $3,802,912 thousand, respectively.

11. RECEIVABLES, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Acceptances	$ 2,825,910	$ 2,780,952	$ 2,937,976
Credit cards receivable	2,064,496	2,117,416	2,298,784
Accrued interest	1,971,110	1,952,239	1,970,759
Accounts receivable - factoring	1,220,864	1,690,896	1,629,665
Receivable of proceeds from sale of marketable securities	935,193	1,196,861	62,637
Others	431,558	406,229	366,488
	9,449,131	10,144,593	9,266,309
Less allowance for credit losses	(325,230)	(318,000)	(303,865)
	$ 9,123,901	$ 9,826,593	$ 8,962,444

Allowance for account receivable and other financial assets are categorized and assessed by credit risk as below:

Item	June 30, 2015	
	Total	Allowances
With objective evidence of impairment		
Individually assessed	$ 206	$ 107
Collectively assessed	120,002	95,424
With no objective evidence of impairment		
Collectively assessed	6,171,239	233,116
Grand total	$ 6,291,447	$ 328,647

Item	December 31, 2014	
	Total	Allowances
With objective evidence of impairment		
Individually assessed	$ 174	$ 90
Collectively assessed	213,358	165,243
With no objective evidence of impairment		
Collectively assessed	6,097,820	155,817
Grand total	$ 6,311,352	$ 321,150

Item	June 30, 2014	
	Total	Allowances
With objective evidence of impairment		
Individually assessed	$ 187	$ 100
Collectively assessed	244,321	98,695
With no objective evidence of impairment		
Collectively assessed	6,571,022	208,411
Grand total	$ 6,815,530	$ 307,206

The changes in allowance for receivables and other financial assets are listed below:

	Six Months Ended June 30	
	2015	2014
Balance at January 1	$ 321,150	$ 291,606
Provisions	740	4,596
Write-offs	(18,351)	(17,296)
Recoveries	25,400	28,217
Effect of exchange rate changes	(292)	83
Balance at June 30	$ 328,647	$ 307,206

12. DISCOUNTS AND LOANS, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Loans	$ 557,535,656	$ 571,824,407	$ 550,325,803
Inward/outward documentary bills	17,017,622	14,152,319	17,590,577
Nonperforming loans	1,109,512	920,913	1,128,940
	575,662,790	586,897,639	569,045,320
Discount and premium adjustment	648,283	566,050	474,530
Allowance for credit losses	(8,910,575)	(8,903,226)	(8,277,428)
	$ 567,400,498	$ 578,560,463	$ 561,242,422

The Bank discontinues accruing interests when loans are deemed nonperforming. For the six months ended June 30, 2015 and 2014, the unrecognized interest revenues on the nonperforming loans amounted to $16,837 thousand and $14,222 thousand, respectively.

For the six months ended June 30, 2015 and 2014, the Bank only had written off certain credits after completing the required legal procedures.

Allowances for discounts and loans are categorized and assessed by credit risk as below:

	June 30, 2015	
Item	**Total**	**Allowances**
With objective evidence of impairment		
Individually assessed	$ 2,056,208	$ 765,640
Collectively assessed	7,766,581	2,659,049
With no objective evidence of impairment		
Collectively assessed	565,840,001	5,485,886
Grand total	$ 575,662,790	$ 8,910,575

	December 31, 2014	
Item	**Total**	**Allowances**
With objective evidence of impairment		
Individually assessed	$ 1,636,339	$ 640,466
Collectively assessed	9,225,606	3,284,889
With no objective evidence of impairment		
Collectively assessed	576,035,694	4,977,871
Grand total	$ 586,897,639	$ 8,903,226

	June 30, 2014	
Item	**Total**	**Allowances**
With objective evidence of impairment		
Individually assessed	$ 1,972,906	$ 817,132
Collectively assessed	8,673,774	5,269,293
With no objective evidence of impairment		
Collectively assessed	558,398,640	2,191,003
Grand total	$ 569,045,320	$ 8,277,428

The changes in allowance for discount and loans are summarized below:

	Six Months Ended June 30	
	2015	2014
Balance at January 1	$ 8,903,226	$ 7,812,178
Provisions	299,093	295,254
Write-offs	(293,368)	(155,658)
Recoveries	54,849	324,434
Effect of exchange rate changes	(53,225)	1,220
Balance at June 30	$ 8,910,575	$ 8,277,428

The details of bad debts expenses for the six months ended June 30, 2015 and 2014 are listed as below:

	Six Months Ended June 30	
	2015	2014
Provisions of loans and discounts	$ 299,093	$ 295,254
Provisions of receivables	740	4,596
Provisions of due from the Central Bank and call loans to banks	155	-
	$ 299,988	$ 299,850

13. AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Government bonds	$ 44,236,011	$ 34,225,675	$ 41,087,654
Corporate bonds	27,035,043	25,628,782	25,946,612
Bank debentures	29,691,271	26,143,610	22,670,079
Commercial papers	12,754,396	-	-
Beneficiary certificates	7,855,428	9,323,742	8,114,810
Stocks	3,741,000	4,060,072	3,823,951
Treasury bonds	1,193,954	-	-
Negotiable certificate of deposit	948,370	1,389,717	1,624,988
Assets backed securities	623,126	689,966	815,687
	$ 128,078,599	$ 101,461,564	$ 104,083,781

Part of par-value of abovementioned available-for-sale financial assets sold under repurchase agreements as of June 30, 2015, December 31, 2014 and June 30, 2014 were $9,991,300 thousand, $6,261,945 thousand and $7,918,620 thousand.

Part of abovementioned assets backed securities were invested in Structured Investment Vehicles (SIV). The Bank had recognized impairment losses in prior years which were partially realized due to the liquidation and disposal of SIV. As of June 30, 2015, the unrealized accumulated impairment losses related to its SIV investments were $92,739 thousand.

About the pledged assets, please see Note 33.

14. HELD-TO-MATURITY FINANCIAL ASSETS

	June 30, 2015	December 31, 2014	June 30, 2014
Negotiable certificate of deposit	$ 87,700,000	$ 89,200,000	$ 106,500,000
Corporate bonds	306,548	313,514	294,975
Government bonds	93,532	252,160	253,819
	$ 88,100,080	$ 89,765,674	$ 107,048,794

About the pledged assets, please see Note 33.

15. EQUITY INVESTMENTS UNDER THE EQUITY METHOD

	June 30, 2015		December 31, 2014		June 30, 2014	
Equity Method	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship	Carrying Value	% of Owner-ship
Investment in subsidiaries						
Domestic investments						
SCSB Asset Management Ltd.	$ 1,606,753	100.00	$ 1,217,599	100.00	$ 1,188,413	100.00
China Travel Service (Taiwan)	235,463	99.99	220,069	99.99	198,779	99.99
SCSB Life Insurance Agency	201,738	100.00	219,731	100.00	176,993	100.00
SCSB Property Insurance Agency	59,422	100.00	97,700	100.00	95,972	100.00
SCSB Marketing Ltd.	6,546	100.00	10,554	100.00	10,080	100.00
	2,109,922		1,765,653		1,670,237	
Foreign investments						
Shancom Reconstruction Inc.	53,111,547	100.00	53,136,384	100.00	47,539,054	100.00
Wresqueue Limitada	304,882	100.00	309,520	100.00	288,685	100.00
Paofoong Insurance Company Ltd.	242,512	40.00	239,315	40.00	218,763	40.00
	53,658,941		53,685,219		48,046,502	
	55,768,863		55,450,872		49,716,739	
Associates						
Kuo Hai Real Estate Management	-	34.69	-	34.69	-	34.69
Grand total	$ 55,768,863		$ 55,450,872		$ 49,716,739	

The Bank increased its investment in SCSB Assets Management Ltd. in an amount of $400,000 thousand and $100,000 thousand in January 2015 and March 2014. SCSB Assets Management Ltd. then invested US$8,053 thousand and US$1,947 thousand to SCSB Leasing (China) Co., Ltd. which had been approved by the Financial Supervisory Commission in the same month.

The Bank invested in Paofoong Insurance Company (Hong Kong) Ltd. by holding 40% shares directly and 60% indirectly by Shancom Reconstruction Inc. Therefore Paofoong Insurance Company (Hong Kong) Ltd. was recorded as a subsidiary.

Calculation of the carrying amounts of equity-method foreign investments was based on the investees' audited financial statements, on which other auditors had expressed unqualified opinions in their reports. The financial statements used were as follows: Shancom Reconstruction and Wresqueue Limitada - audited financial statements for the same period as that of the audited financial statements of the Bank; Paofoong Insurance - unaudited financial statements for the six month period ended June 30, 2015 and 2014. Calculation of the carrying amounts of equity-method domestic investments was based on unaudited financial statements of China Travel Services (Taiwan), SCSB Assets Management, SCSB Life Insurance Agency, SCSB Property Insurance Agency, and SCSB Marketing. The Bank decreased the carrying amount of Kuo Hai to zero and recognized losses on this investment because of the investee's continuing operating losses over the years. The Bank deemed the impact on its financial statements is immaterial, if the investees' financial statements have been audited.

16. OTHER FINANCIAL ASSETS, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Non-active market debt instruments	$ 200,000	$ 200,000	$ 200,000
Bills purchased, net	112,467	14,056	20,976
Nonperforming credit card receivables	2,417	2,150	2,341
	314,884	216,206	223,317
Allowance for nonperforming credit card receivables	(3,417)	(3,150)	(3,341)
	$ 311,467	$ 213,056	$ 219,976

The balance of credit cards receivable which was reported as nonperforming were $2,417 thousand, $2,150 thousand and $2,341 thousand as of June 30, 2015, December 31, 2014 and June 30, 2014, respectively. The unrecognized interest revenues on the receivable amounted to $34 thousand and $31 thousand for the six months ended June 30, 2015 and 2014.

17. PROPERTIES, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Land	$ 9,564,567	$ 9,309,190	$ 9,309,190
Building and improvement	2,462,902	2,459,706	2,511,322
Office equipment	260,606	287,767	307,930
Transportation equipment	15,026	17,200	18,163
Miscellaneous equipment	196,891	188,673	151,901
Construction-in-progress and prepayment	7,260	990	-
	$ 12,507,252	$ 12,263,526	$ 12,298,506

	Six Months Ended June 30, 2015				
Item	Balance at January 1, 2015	Additions	Disposals	Effect of Exchange Rate Changes, Net	Balance at June 30, 2015
Cost					
Land	$ 9,309,190	$ 255,968	$ (591)	$ -	$ 9,564,567
Building and improvement	4,226,890	54,640	(2,900)	-	4,278,630
Office equipment	1,199,876	25,425	(11,448)	(480)	1,213,373
Transportation equipment	58,876	-	(2,193)	-	56,683
Miscellaneous equipment	528,367	28,940	(6,304)	(155)	550,848
	15,323,199	$ 364,973	$ (23,436)	$ (635)	15,664,101
Accumulated depreciation					
Building and improvement	1,767,184	$ 51,386	$ (2,842)	$ -	1,815,728
Office equipment	912,109	50,943	(9,934)	(351)	952,767
Transportation equipment	41,676	2,045	(2,064)	-	41,657
Miscellaneous equipment	339,694	20,050	(5,660)	(127)	353,957
	3,060,663	$ 124,424	$ (20,500)	$ (478)	3,164,109
Construction-in-progress and prepayment	990	$ 6,270	$ -	$ -	7,260
Net amount	$ 12,263,526				$ 12,507,252

Item	Balance at January 1, 2014	Additions	Disposals	Effect of Exchange Rate Changes, Net	Balance at June 30, 2014
	Six Months Ended June 30, 2014				
Cost					
Land	$ 9,225,296	$ 83,894	$ -	$ -	$ 9,309,190
Building and improvement	4,211,956	14,933	-	-	4,226,889
Office equipment	1,210,261	32,435	(10,762)	43	1,231,977
Transportation equipment	60,392	7,520	(3,396)	-	64,516
Miscellaneous equipment	490,204	13,300	(10,482)	16	493,038
	15,198,109	$ 152,082	$ (24,640)	$ 59	15,325,610
Accumulated depreciation					
Building and improvement	1,664,790	$ 50,777	$ -	$ -	1,715,567
Office equipment	882,210	50,775	(8,964)	26	924,047
Transportation equipment	47,286	2,266	(3,199)	-	46,353
Miscellaneous equipment	335,290	15,200	(9,365)	12	341,137
	2,929,576	$ 119,018	$ (21,528)	$ 38	3,027,104
Net amount	$ 12,268,533				$ 12,298,506

The Bank did not recognize any impairment losses on the properties on June 30, 2015, December 31 and June 30 2014.

Depreciation expense of properties is computed using the straight-line method over below useful lives:

Building and improvement	
Branch	43-55 years
Air conditioning and machine room	9 years
Office equipment	3-8 years
Transportation equipment	5-10 years
Miscellaneous equipment	5-20 years

The Bank’s building and improvement insured are amounted to $7,068,045 thousand.

18. OTHER ASSETS, NET

	June 30, 2015	December 31, 2014	June 30, 2014
Prepaid expenses	$ 737,575	$ 1,293,907	$ 655,826
Deferred charges	582,770	575,118	593,289
Refundable deposits - less impairment loss of $17,360 thousand	453,727	443,538	435,099
Prepaid pension cost	51,388	41,589	120,225
Temporary payments and suspense	184,802	285,652	107,461
Computer software	92,929	77,310	97,221
Current income tax assets	62,895	62,895	33,966
Others	17,361	27,126	27,816
	$ 2,183,447	$ 2,807,135	$ 2,070,903

19. DUE TO THE CENTRAL BANK AND BANKS

	June 30, 2015	December 31, 2014	June 30, 2014
Due to banks	$ 459,476	$ 519,730	$ 567,582
Call loans from banks	10,217,522	5,132,242	10,979,537
Deposit transfer from Chunghwa Post Co., Ltd.	4,013,170	3,688,078	3,310,084
Overdraft on banks	1,023,570	373,550	1,986,542
	$ 15,713,738	$ 9,713,600	$ 16,843,745

20. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of June 30, 2015, December 31, 2014 and June 30, 2014 were $10,196,680 thousand, $6,475,072 thousand and $7,927,202 thousand, respectively. The aforementioned securities will be sold back by January 8, 2016, December 24, 2015 and January 2, 2015 at $10,207,250 thousand, $6,483,572 thousand and $7,935,787 thousand, respectively.

21. PAYABLES

	June 30, 2015	December 31, 2014	June 30, 2014
Dividends payable	$ 15,189,893	$ 9,476,871	$ 14,698,545
Liabilities on bank acceptances	2,954,686	2,973,972	2,978,144
Accounts payable	3,076,667	3,229,009	1,898,235
Accrued interests	1,391,234	1,337,276	1,381,195
Accrued expenses	714,771	998,109	610,559
Other accounts payable	149,961	150,431	147,848
Others	97,856	123,594	108,912
	$ 23,575,068	$ 18,289,262	$ 21,823,438

22. DEPOSITS AND REMITTANCES

	June 30, 2015	December 31, 2014	June 30, 2014
Time deposits	$ 317,483,874	$ 336,761,716	$ 335,053,528
Savings deposits	235,395,869	234,157,500	226,930,776
Demand deposits	188,217,639	178,586,454	164,408,111
Checking deposits	7,692,607	8,770,688	8,263,470
Negotiable certificates of deposits	13,619,100	16,978,300	2,705,800
Remittances	224,360	340,247	305,940
	$ 762,633,449	$ 775,594,905	$ 737,667,625

23. BANK DEBENTURES

	June 30, 2015	December 31, 2014	June 30, 2014
The subordinate bank debenture - seven-year maturity; first issued in 2007; maturity date is on September 2014	$ -	$ -	$ 3,300,000
The subordinate bank debenture - seven-year maturity; second issued in 2007; maturity date is on December 2014	-	-	1,700,000
The subordinate bank debenture - seven-year maturity; first issued in 2008; maturity date is on June 2015	-	3,000,000	3,000,000
The subordinate bank debenture - seven-year maturity; second issued in 2008; maturity date is on December 2015	2,000,000	2,000,000	2,000,000
The subordinate bank debenture - seven-year maturity; first issued in 2010; maturity date is on December 2017	3,000,000	3,000,000	3,000,000
The subordinate bank debenture - seven-year maturity, first issued in 2012; maturity date is on April 2019	4,000,000	4,000,000	4,000,000
The subordinate bank debenture - seven-year maturity, second issued in 2012; maturity date is on May 2019	1,000,000	1,000,000	1,000,000
The subordinate bank debenture - seven to ten-year maturity, third issued in 2012; maturity date is on November 2019 to 2022	5,000,000	5,000,000	5,000,000
The subordinate bank debenture - seven to ten-year maturity, fourth issued in 2012; maturity date is on December 2019 to 2022	10,000,000	10,000,000	10,000,000
The subordinate bank debenture - seven-year to ten-year maturity; first issued in 2014; maturity date is on March 2021 to 2024	6,700,000	6,700,000	6,700,000
The subordinate bank debenture - seven-year maturity; second issued in 2014; maturity date is on November 2021	3,300,000	3,300,000	-
The subordinate bank debenture - seven-year maturity; first issued in 2015; maturity date is on June 2022	2,150,000	-	-
Par value total	37,150,000	38,000,000	39,700,000
Unrealized loss	-	27,600	65,907
	$ 37,150,000	$ 38,027,600	$ 39,765,907

About the hedge transactions, please see Note 9.

The first issuance of the 2007 subordinate bank debenture bears an interest rate at a target rate plus 0.45% with interest paid quarterly and repayment of principal at maturity.

The second issuance of the 2007 subordinated bank debenture bears a fixed interest rate of 3.015% with interest paid annually and repayment of principal at maturity.

The first issuance of the 2008 subordinated bank debenture bears a fixed interest rate of 3.15% with interest paid annually and repayment of principal at maturity.

The second issuance of the 2008 subordinated bank debenture bears a fixed interest rate of 3.05% with interest paid annually and repayment of principal at maturity.

The first issuance of the 2010 subordinated bank debenture bears a fixed interest rate of 1.5% with interest paid annually and repayment of principal at maturity.

The first issuance of the 2012 subordinated bank debenture bears a fixed interest rate of 1.48% with interest paid annually and repayment of principal at maturity.

The second issuance of the 2012 subordinated bank debenture bears a fixed interest rate of 1.54% with interest paid annually and repayment of principal at maturity.

The third issuance of the 2012 bank debenture can be classified into two types in accordance with the issued term and the methods of interest accrual: Type A and B. Their terms and methods of interest accrual are as follows: Type A, seven years of subordinate bank debenture at a fixed annual interest rate of 1.43%; Type B, ten years of subordinate bank debenture at a fixed annual interest rate of 1.55%. Their interests are paid annually with repayment of principals at maturity.

The fourth issuance of the 2012 bank debenture can be classified into two types in accordance with the issued term and the methods of interest accrual: Type A and B. Their terms and methods of interest accrual are as follows: Type A, seven years of subordinate bank debenture at a fixed annual interest rate of 1.43%; Type B, ten years of subordinate bank debenture at a fixed annual interest rate of 1.55%. Their interests are paid annually with repayment of principals at maturity.

The first issuance of the 2014 bank debenture can be classified into two types in accordance with the issued term and the methods of interest accrual: Type A and B. Their terms and methods of interest accrual are as follows: Type A, seven years of subordinate bank debenture at a fixed annual interest rate of 1.70%; Type B, ten years of subordinate bank debenture at a fixed annual interest rate of 1.85%. Their interests are paid annually with repayment of principals at maturity.

The second issuance of the 2014 subordinated bank debenture bears a fixed interest rate of 1.83% with interest paid annually and repayment of principal at maturity.

The first issuance of the 2015 subordinated bank debenture bears a fixed interest rate of 1.83% with interest paid annually and repayment of principal at maturity.

24. OTHER FINANCIAL LIABILITIES

	June 30, 2015	December 31, 2014	June 30, 2014
Appropriated loan funds	$ 4,334,380	$ 4,945,637	$ 5,332,069
Principals of structured instruments	2,626,832	684,879	1,060,484
	$ 6,961,212	$ 5,630,516	$ 6,392,553

25. PROVISIONS

	June 30, 2015	December 31, 2014	June 30, 2014
Reserve for possible losses on guarantees	$ 438,292	$ 438,436	$ 438,090
Reserve for employee benefits	212,108	200,474	176,762
Others	3,564	3,564	4,825
	$ 653,964	$ 642,474	$ 619,677

26. OTHER LIABILITIES

	June 30, 2015	December 31, 2014	June 30, 2014
Guarantee deposit received	$ 380,154	$ 340,110	$ 329,068
Deferred revenues	132,406	132,375	130,020
Received in advance	318,164	210,182	281,769
Temporary credit	75,184	74,316	75,680
Others	63,206	85,897	90,568
	$ 969,114	$ 842,880	$ 907,105

27. PENSION PLAN

a. Defined contribution plan

The pension plan under the Labor Pension Act (the “LPA”) is a defined contribution plan. Under the Act, the Bank makes monthly contributions of amounts equal to 6% of salaries and wages to a pension fund.

Contributions made to the defined contribution plan for the six months ended June 30, 2015 and 2014 were $25,915 thousand and $23,951 thousand, respectively.

b. Defined benefit plan

The Bank adopted a defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the latest six months before retirement. The Bank contributes amounts equal to 8% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name.

The amounts disclosed in the balance sheets in respect of the Bank’s obligation on its defined benefit plans were as follows:

	December 31, 2014
Present value of defined benefit obligation	$ 2,348,805
Fair value of plan assets	(2,390,394)
Net defined benefit asset	$ (41,589)

Changes of net defined benefit asset were as follows:

	Present Value of Funded Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Asset
January 1, 2014	$ 2,181,061	$ (2,304,226)	$ (123,165)
Service cost			
Current service cost	186,301	-	186,301
Interest cost	40,582	(44,619)	(4,037)
Recognized in profit or loss	226,883	(44,619)	182,264
Remeasurement			
Return on plan assets	-	(254)	(254)
Actuarial gains and losses - actuarial assumption	13,554	-	13,554
Actuarial gains and losses - experience	62,728	-	62,728
Recognized in other comprehensive income	76,282	(254)	76,028
Contribution from the employee	-	(176,716)	(176,716)
Assets distributed on settlement	(135,421)	135,421	-
December 31, 2014	$ 2,348,805	$ (2,390,394)	$ (41,589)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the (government/corporate) bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

	December 31, 2014
Discount rate	1.90%
Expected rates of salary increase	2.75%
Expected return on plan assets	2.00%
The average duration of the defined benefit obligation	12.7 years

Contribution made to the defined benefit plan for the six months ended June 30, 2015 and 2014 were $96,401 thousand and $89,958 thousand, respectively.

c. Employee preferential deposits

According to the Bank's employee preferential deposits policy, the Bank paid preferential interests on certain deposits of presently active and retired employees. Under Regulations Governing the

Preparation of Financial Reports by Public Banks, only benefits representing the markups from market interest rate which is paid to retired employees should be actuarially determined and recognized.

The Bank recognized actuarial loss of $33,575 thousand and $21,298 thousand in the financial statements of comprehensive income for the six months ended June 30, 2015 and 2014.

d. Other long-term employee benefit liability

The Bank provides death benefit to employees who die on the job other than occupational injuries. For employees with retirement eligibility, death benefits are determined as their pension benefits. For those without retirement eligibility, death benefits are determined based on the length of employment: If employment is less than 1 year, death benefit is determined as one month salary; if employment is about 1 to 5 years, death benefit is determined as one month salary for each year of employment; if employment is more than 5 years, death benefit is determined in line with the employee's pension benefit based on years of service before LPA was enacted.

For the six months ended June 30, 2015 and 2014, the Bank recognized the reversal gain of $438 thousand and expense $542 thousand in the statements of comprehensive income in respect of the employee death benefit.

28. EQUITY

a. Share capital

	June 30, 2015	December 31, 2014	June 30, 2014
Common shares			
Authorized shares (in thousand)	6,000,000	6,000,000	3,800,000
Authorized capital	$ 60,000,000	$ 60,000,000	$ 38,000,000
Issued and paid shares (in thousand)	3,808,686	3,808,686	3,715,792
Issued capital	$ 38,086,864	$ 38,086,864	$ 37,157,916

Issued common shares with par value of $10 per share entitled the right to vote and to receive dividends.

In the stockholders meeting dated on June 5, 2015, it was resolved to increase capital by distributing a stock dividend of $1,904,343 thousand, representing 190,434 thousand shares of common shares. The meeting also determined the dividend ratio at $0.50 per share. The registration of the new shares has been completed by August 2015.

b. Capital surplus

	June 30, 2015	December 31, 2014	June 30, 2014
Share premium	$ 2,647,583	$ 2,647,583	$ 2,647,583
Treasury stock transaction	1,983,732	1,983,732	1,976,535
Proportionate share in equity-method investee's surplus from donated assets	1,218	1,218	1,218
	$ 4,632,533	$ 4,632,533	$ 4,625,336

Under the Company Law, capital surplus can only be used to offset a deficit. However, the capital surplus from share issued in excess of par (including additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) and donations may be capitalized, which however is limited to a certain percentage of the Bank's paid-in capital.

The capital surplus from investments using equity method may not be used for any purpose.

Since the shares held by subsidiaries were reclassified as treasury stocks, cash dividend distributed to subsidiaries was then recorded as "capital surplus - treasury stock".

c. Appropriation of earnings and dividend policy

The Bank's Articles provide that the Bank's annual earnings after tax shall be used first offsetting against any deficit from prior years, and then set aside legal reserve required by laws or regulations until the balance of legal reserve has reached the Bank's paid-in capital. Special reserve shall then be appropriated as necessary. The remainder together with the accumulated earnings in prior years can be distributed at the Board of Directors' discretion as follows:

1) Bonus to shareholders;

2) Remuneration to directors and supervisors; and

3) Bonus to employees of at least 0.1% of net income less the appropriations for legal reserve and dividends; and

4) The remaining amount shall accumulate to the next year.

In accordance with the amendments to the Company Act in May 2015, earning distribution can be made to shareholders only and bonus to employees, and directors and supervisors are no long allowed. As a result the Bank will make consequential amendments to its Articles of Incorporation to be approved in the 2016 annual shareholders' meeting. For information about the accrual basis of the employee remuneration and remuneration to directors and supervisors for the six months ended June 30, 2015 and 2014, and the actual appropriations for the years ended December 31, 2014 and 2013, please refer to Note 29 (d) for employee benefit.

On January 1, the Bank made a special reserves for the adoption of IFRS in accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

Legal reserve shall be appropriated until it has reached the Bank's paid-in capital. This reserve may be used to offset a deficit. If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be transferred to capital or distributed in cash. However, under the Banking Law, if the Bank's legal reserve is still less than its paid-in capital, the Bank may distribute cash earnings only up to 15% of the paid-in capital.

Under the Integrated Income Tax System, which took effect on January 1, 1998, resident shareholders are allowed a tax credit for the income tax paid by the Bank on earnings generated since 1998. An imputation credit account (ICA) is maintained by the Bank for such income tax and the tax credit allocated to each shareholder.

The appropriations of earnings for 2014 and 2013 had been approved in the shareholders' meetings on June 5, 2015 and June 6, 2014, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2014	**2013**	**2014**	**2013**
Legal reserve	$ 3,272,195	$ 3,043,063	$ -	$ -
Cash dividends - common stock	5,713,030	5,573,687	1.50	1.50
Stock dividends - common stock	1,904,343	928,948	0.50	0.25
	$ 10,889,568	$ 9,545,698	$ 2.00	$ 1.75

The capital increase of the Bank had been approved by the Financial Supervisory Commission on July 8, 2015, approved by ruling of FSC No. 1040024866. The Board of Directors then determined the ex-dividend date as July 20, 2015. The cash dividend was then paid on July 31, 2015, and the new shares were to be issued on August 27, 2015.

The capital increase of the Bank had been approved by the Financial Supervisory Commission on July 8, 2014, approved by ruling of FSC No. 1030024909. The Board of Directors then determined the ex-dividend date, as August 3, 2014. The cash dividend was then paid on August 15, 2014, and the new shares were to be issued on September 19, 2014.

The cash dividends in 2014 earnings appropriation were not paid yet as of June 30, 2015 and recorded as dividend payable accordingly.

The registration of the new shares issuance has been completed by August 13, 2015.

d. Special reserve

The Bank has made a special reserve $1,256,859 thousand due to transferring its cumulative translation adjustment reported in equity to retained earnings while first-time adopting IFRSs. There was no change in the balance of special reserve for the period ended on June 30, 2015.

e. Treasury stock

Purpose	Beginning Balance	Increase	Decrease	Ending Balance
Six months ended June 30, 2015				
Shares held by subsidiaries	10,642	-	-	10,642
Six months ended June 30, 2014				
Shares held by subsidiaries	10,382	-	-	10,382

The Bank reclassified its shares held by the subsidiaries as treasury stock with a carrying amount of $83,144 thousand (representing 7,698 thousand shares). The shares increased by 2,944 thousand shares over the years.

Under the Company Act, the Bank is not allowed to buy more than 5% of its issued stock. In addition, the total cost of treasury stocks may not exceed the sum of the retained earnings and realized capital surplus. The Bank may not exercise shareholders' rights on these stocks before they are resold. The Bank's stocks held by its subsidiaries are treated as treasury stocks. However, the subsidiaries may still exercise shareholders' rights on these stocks, except for voting rights and subscription right on capital increase by cash. Under the Securities and Exchange Act, the Bank shall neither pledge treasury stocks nor exercise shareholders' rights on these shares, such as rights to dividends, to vote and to subscribe for shares on capital increase by cash.

29. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

a. Interest revenues, net

	Six Months Ended June 30	
	2015	2014
Interest revenue		
Discounts and loans	$ 6,970,546	$ 6,412,510
Securities investments	1,323,105	1,306,496
Due from banks	330,582	418,687
Credit and revolving	55,596	68,139
Others	122,573	269,792
	8,802,402	8,475,624
Interest expense		
Deposits	2,962,186	2,938,206
Bank debentures	306,066	304,980
Due to banks	103,336	80,343
Securities sold under repurchase agreements	21,000	22,082
Structured bond instruments	7,898	9,068
Others	7,278	7,767
	3,407,764	3,362,446
	$ 5,394,638	$ 5,113,178

b. Service fee revenue, net

	Six Months Ended June 30	
	2015	2014
Service fee revenues		
Trusts	$ 441,737	$ 438,444
Loans	179,504	184,714
Guarantees	156,676	150,060
Commissions	154,660	131,946
Credit cards	125,526	126,542
Exchange	113,621	117,739
Remittances	89,664	81,818
Others	337,321	297,068
	1,598,709	1,528,331
Service fee expenses		
Credit cards	48,641	48,466
Nominee	32,839	32,641
Foreign finance	24,480	23,752
Custody	13,247	11,888
Others	44,674	42,638
	163,881	159,385
	$ 1,434,828	$ 1,368,946

c. Gains (losses) on financial assets and liabilities at fair value through profit or loss

	Six Months Ended June 30, 2015		
	Realized (Loss) Gain	Unrealized (Loss) Gain	Total
Financial asset through profit or loss	$ 6,005,929	$ (913,834)	$ 5,092,095
Financial liabilities through profit or loss	(5,354,714)	607,943	(4,746,771)
	$ 651,215	$ (305,891)	$ 345,324

	Six Months Ended June 30, 2014		
	Realized (Loss) Gain	Unrealized (Loss) Gain	Total
Financial asset through profit or loss	$ 1,922,909	$ (1,017,005)	$ 905,904
Financial liabilities through profit or loss	(1,441,526)	962,038	(479,488)
	$ 481,383	$ (54,967)	$ 426,416

d. Employee benefit expenses

	Six Months Ended June 30	
	2015	2014
Short-term employee benefits	$ 1,543,269	$ 1,474,649
Retirement benefits		
Defined contribution plan	25,915	23,951
Defined benefit plan	96,401	89,958
	1,665,585	1,588,558
Other employee benefits	125,038	76,414
	$ 1,790,623	$ 1,664,972

For the six months ended June 30 in 2015 and 2014, the numbers of employees of the Bank were 2,444 and 2,360 respectively.

Under the Company Act as amended in May 2015, the Bank’s Articles of Incorporation should stipulate a fixed amount or ratio of annual profit to be distributed as employee remuneration. The Bank will amend its policies for distribution of employee remuneration accounting to the act above mentioned at the shareholder’s meeting in 2016.

For the six months ended June 30, 2015 and 2014, the estimated amounts of bonus to employees were $15,978 thousand and $15,008 thousand, respectively, while the estimated amounts of remuneration to directors and supervisors were $29,400 thousand and $28,290 thousand, respectively. The Bank based its estimation of bonus and remuneration on its past experiences. Material differences between these estimates and the amounts proposed by the board of directors in the following year are adjusted in the current year. If the actual amounts subsequently resolved by the shareholders differ from the proposed amounts, the differences are recorded in the year of shareholders’ resolution as a change in accounting estimate.

The bonus to employees and the remuneration to directors and supervisors for 2014 and 2013 approved in the shareholders' meeting on June 5, 2015 and June 6, 2014, respectively, were as follows:

	2014		2013	
	Cash	**Stock**	**Cash**	**Stock**
Bonus to employees	$ 32,000	$ -	$ 30,000	$ -
Remuneration to directors and supervisors	58,800	-	56,600	-

There was no difference between the amounts approved and the amounts recognized in the financial statements.

Information on the bonus to employees and remuneration to directors and supervisors can be accessed through the Market Observation Post System website of the Taiwan Stock Exchange Corporation.

e. Depreciation and amortization

	Six Months Ended June 30	
	2015	**2014**
Depreciation expenses	$ 124,424	$ 119,018
Amortization expenses	126,373	142,049
	$ 250,797	$ 261,067

30. INCOME TAX

a. Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

	Six Months Ended June 30	
	2015	**2014**
Current tax		
In respect of the current year	$ 841,342	$ 778,413
In respect of prior periods	(814)	167,990
	840,528	946,403
Deferred tax		
In respect of the current year	(25,496)	49,725
In respect of prior periods	103	1,851
	(25,393)	51,576
Income tax expense recognized in profit or loss	$ 815,135	$ 997,979

b. Income tax expense recognized in other comprehensive income

	Six Months Ended June 30	
	2015	2014
Deferred income tax expense		
Arising on income and expenses recognized in other comprehensive income		
Exchange differences on translating foreign operations	$ (212,077)	$ 10,786
Unrealized gain or loss on available-for-sale financial assets	(45,099)	55,287
Income tax expense recognized in other comprehensive income	$ (257,176)	$ 66,073

c. Integrated income tax

	June 30, 2015	December 31, 2014	June 30, 2014
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	$ 27,065	$ 27,065	$ 27,065
Unappropriated earnings generated on and after January 1, 1998	11,355,307	16,174,867	10,599,434
	$ 11,382,372	$ 16,201,932	$ 10,626,499
Imputation credits accounts	$ 2,128,987	$ 1,555,032	$ 2,456,903

The creditable ratio for distribution of earnings of 2014 and 2013 was 13.16% (expected) and 16.77%, respectively.

d. The Bank's income tax returns through 2011 had been assessed by the tax authorities; however, the Bank is currently filing appeals to the assessments of 2011 and 2008.

31. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share were as follows:

	Amount (Numerator)		Shares	Earnings Per Share (Dollars)	
	Before Income Tax	After Income Tax	(Denominator in Thousands)	Before Income Tax	After Income Tax
Six months ended June 30, 2015					
Basic earnings per share	$ 6,885,143	$ 6,070,008	3,987,947	$ 1.73	$ 1.52
Effect of diluted potential common stock					
Bonus to employees	-	-	1,399		
Diluted earnings per share					
Income for the year attributable to common shareholders plus effect of potential diluted common shares	$ 6,885,143	$ 6,070,008	3,989,346	$ 1.72	$ 1.52

(Continued)

	Amount (Numerator)		Shares	Earnings Per Share (Dollars)	
	Before Income Tax	After Income Tax	(Denominator in Thousands)	Before Income Tax	After Income Tax
Six months ended June 30, 2014					
Basic earnings per share	$ 6,256,367	$ 5,258,388	3,987,947	$ 1.57	$ 1.32
Effect of diluted potential common stock					
Bonus to employees	-	-	1,668		
Diluted earnings per share					
Income for the year attributable to common shareholders plus effect of potential diluted common shares	$ 6,256,367	$ 5,258,388	3,989,615	$ 1.57	$ 1.32

(Concluded)

When calculating earnings per share, if the base date of allotment of stock grants is earlier then the release date of financial statements, the influence of allotment of stock grants should be adjusted retrospectively. The basic and diluted after-tax earnings per share for the six months ended June 30, 2014 were adjusted retrospectively as follows:

Unit: NT$ Per Share

	Before Adjusted Retrospectively	After Adjusted Retrospectively
Basic earnings per share	$ 1.38	$ 1.32
Diluted earnings per share	$ 1.38	$ 1.32

The Bank is allowed to settle bonuses paid to employees in cash or shares; accordingly, under IAS 33, the Bank assumes the entire amount of the bonus will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

32. RELATED-PARTY TRANSACTIONS

a. The Bank's related parties were as follows:

Related Party	Relationship with the Bank
China Travel Service (Taiwan)	Subsidiary
SCSB Life Insurance Agency	Subsidiary
SCSB Property Insurance Agency	Subsidiary
SCSB Asset Management Ltd.	Subsidiary
SCSB Marketing Ltd.	Subsidiary
Shancom Reconstruction Inc.	Subsidiary
Wresqueue Limitada	Subsidiary
CTS Travel International Ltd.	Indirect subsidiary
SCSB Leasing (China) Co., Ltd.	Indirect subsidiary
Krinein Company (Krinein)	Indirect subsidiary

(Continued)

Related Party	Relationship with the Bank
Empresa Inversiones Generales, S.A. (Empresa)	Indirect subsidiary
Safehaven Investment Corporation	Indirect subsidiary
Prosperity Realty Inc.	Indirect subsidiary
Shanghai Commercial Bank (HK)	Indirect subsidiary
Paofoong Insurance Company Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shanghai Commercial Bank (Nominees) Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Futures Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shanghai Commercial Bank Trustee Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Investment Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Property Holdings (BVI) Limited	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Property (NY) Inc.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Property (CA) Inc.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Assets Investment Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Infinite Financial Solutions Limited	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Insurance Brokers Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Shacom Securities Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Hai Kwang Property Management Co., Ltd.	Subsidiary of Shanghai Commercial Bank (HK)
Right Honour Investments Limited	Subsidiary of Shanghai Commercial Bank (HK)
KCC 23F Limited	Subsidiary of Shanghai Commercial Bank (HK)
KCC 25F Limited	Subsidiary of Shanghai Commercial Bank (HK)
KCC 26F Limited	Subsidiary of Shanghai Commercial Bank (HK)
Glory Step Investments Limited	Indirect subsidiary of Shanghai Commercial Bank (HK)
Silver Wisdom Investments Limited	Indirect subsidiary of Shanghai Commercial Bank (HK)
The SCSB Cultural & Educational Foundation	Donated by the Bank which exceed 1/3 total fund
The SCSB Charity Foundation	Donated by the Bank which exceed 1/3 total fund
Silks Place Taroko	Investment under equity method held by subsidiary
BC Reinsurance Limited	Investment under equity method held by subsidiary
Joint Electronic Teller Services Limited (JETCO)	Investment under equity method held by subsidiary
Bank Consortium Holding Limited	Investment under equity method held by subsidiary
Hong Kong Life Insurance Limited	Investment under equity method held by subsidiary
i-Tech Solutions Limited	Investment under equity method held by subsidiary
Hung Ta Investment Corporation	The Chairman and the Bank's chairman are related by marriage
Hung Shen Investment Corporation	The Chairman and the Bank's chairman are related by marriage
Taipei Foreign Exchange Market Development Foundation	The director of the Bank is the supervisor of the Company
Financial Information Service Co., Ltd.	The director of the Bank is the supervisor of the Company
Gengroup Merchandise Corp.	The director of the Bank is the chairman of the Company
GTM Development Co. Ltd.	The director of the Bank is the chairman of the Company
GTM Electronics Co., Ltd.	The director of the Bank is the chairman of the Company
GTM Textile Co., Ltd.	The director of the Bank is the chairman of the Company

(Continued)

Related Party	Relationship with the Bank
GTM Holdings Corporation	The director of the Bank is the chairman of the Company
GTM Corporation	The director of the Bank is the chairman of the Company
Chung Kee Investment Co. Ltd.	The director of the Bank is the chairman of the Company
Chi-Li Investment Co. Ltd.	The director of the Bank is the director of the Company
Chang Ho Hsing Co., Ltd.	The director of the Bank is the director of the Company
Goldsun Co., Ltd.	The director of the Bank is the director of the Company
CX Technology Corporation	The director of the Bank is the director of the Company
Nan Ya Plastics Corporation	The director of the Bank is the director of the Company
Intron Scientific Co., Ltd.	The director of the Bank is the director of the Company
Beacon Extender Limited	The director of the Bank is the director of the Company
Nanyang Holdings Limited	The director of the Bank is the director of the Company
Tai Ping Carpets International Limited	The director of the Bank is the director of the Company
Yong An Enterprise Ltd.	The director of the Bank is the director of the Company
Great Malaysia Textile Investments Pte Ltd.	The director of the Bank is the director of the foreign company
Singapore Labour Foundation	The director of the Bank is the director of the foreign company
China National Petroleum Corporation	The director of the Bank is the director of the foreign company
SIA Engineering	The director of the Bank is the director of the foreign company
NTUC INCOME	The director of the Bank is the chairman of the foreign company
Singapore Airlines	The director of the Bank is the chairman of the foreign company
An Feng Enterprise Co., Ltd.	Legal representative
Grand Cathay Venture Capital Ⅲ Co., Ltd.	Legal representative
Taipei Forex Inc.	Legal representative
Zun Pin Venture Capital Co., Ltd.	Legal representative
Taiwan Finance Corporation	Legal representative
International Bills Finance Corporation	Legal representative
Others	The Bank’s directors, supervisors, managers, and the relatives of the Bank’s directors, supervisors and managers

(Concluded)

b. The significant transactions and account balances with the above parties (except those disclosed in other notes) are summarized as follows:

1) Due from foreign banks

	June 30, 2015	December 31, 2014	June 30, 2014
Shanghai Commercial Bank (HK)	$ 277,102	$ 686,339	$ 209,323

The interest income arising from the above transactions were $106 thousand and $90 thousand for the six months ended June 30, 2015 and 2014.

2) Overdraft on foreign banks (June 30, 2015 and December 31, 2014: None)

	June 30, 2014
Shanghai Commercial Bank (HK)	$ 234,955

3) Due to banks

	June 30, 2015	December 31, 2014	June 30, 2014
Shanghai Commercial Bank (HK)	$ 97	$ 28	$ 152

4) Due from the central and call loans to banks

The interest income arising from the above transactions were $7 thousand and $5,467 thousand for the six months ended June 30, 2015 and 2014.

5) Call loans from banks (June 30, 2015 and December 31, 2014: None)

	June 30, 2014
Shanghai Commercial Bank (HK)	$ 234,955

The interest rates of call loans from banks on the balance sheet date were shown as follows:

	June 30, 2014
Shanghai Commercial Bank (HK)	0.22%-0.97%

The interest income arising from the above transactions was $2,101 thousand for the six months ended June 30, 2014 (June 30, 2015: None).

6) Guarantees

	Maximum Balance	Ending Balance	Reserve for Possible Losses on Guarantees	Interest Rate (%)	Collateral
June 30, 2015					
China Travel Service (Taiwan)	$ 4,000	$ 4,000	$ -	0.50	Real estate
CX Technology	3,548	3,548	-	0.00	Real estate
	$ 7,548	$ 7,548	$ -		
December 31, 2014					
China Travel Service (Taiwan)	$ 4,000	$ 4,000	$ -	0.50	Real estate
June 30, 2014					
China Travel Service (Taiwan)	$ 4,000	$ 4,000	$ -	0.50	Real estate

7) Deposits

	June 30, 2015			Six Months Ended June 30, 2015
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Empresa	$ 2,574,876	$ 778,617	0.25-0.75	$ 2,422
SCSB Asset Management Ltd.	777,452	525,911	0.02-4.00	5,293
Krinein	807,062	447,810	0.25-0.75	1,360
The SCSB Cultural & Educational Foundation	333,353	314,795	0.11-1.38	1,185
SCSB Life Insurance Agency	271,836	210,109	0.00-1.31	1,326
Shancom Reconstruction Inc.	177,668	177,668	0.02-0.75	515
Supervisors and management related	189,841	134,929	0.00-4.00	599
Employees	198,626	140,583	0.28-10.19	1,284
SCSB Property Insurance Agency	98,026	82,537	0.00-1.31	566
The SCSB Charity Foundation	56,517	56,029	0.11-1.31	267
China Travel Service (Taiwan)	56,931	23,949	0.00-3.00	84
CX Technology	34,442	14,726	0.00-0.02	-
SCSB Marketing	17,225	9,245	0.00-1.33	53
International Bills Finance Corporation	9,001	9,001	0.17-0.94	42
CTS Travel International Ltd.	7,213	6,803	0.00-1.31	15
Hung Ta Investment Corporation	4,579	766	0.00-0.17	1
Silks Place Taroko	10,333	302	0.00-1.31	2
Goldsun Co., Ltd.	167	167	0.02-0.17	-
Chi-Li Investment Co. Ltd.	89	89	0.17	-
Hung Shen Investment Corporation	1,764	80	0.17	1
Taiwan Finance Corporation	217	79	0.00	-
Chang Ho Hsing Co., Ltd.	376	26	0.17	-
Zun Pin Venture Capital Co., Ltd.	24,000	-	0.94	76
	$ 5,651,594	$ 2,934,221		$ 15,091

	December 31, 2014		
	Maximum Balance	Ending Balance	Interest Rate (%)
Empresa	$ 2,514,503	$ 794,866	0.50-0.85
Krinein	799,986	457,155	0.50-0.85
SCSB Asset Management Ltd.	438,211	380,646	0.02-3.00
The SCSB Cultural & Educational Foundation	348,336	333,353	0.11-1.38
SCSB Life Insurance Agency	241,940	233,010	0.00-1.31
Shancom Reconstruction Inc.	197,984	174,065	0.02-0.85
Supervisors and management related	216,477	145,112	0.00-3.20
Employees	268,426	119,020	0.28-10.18
SCSB Property Insurance Agency	93,117	93,112	0.00-1.31
The SCSB Charity Foundation	90,248	56,490	0.11-1.31
China Travel Service (Taiwan)	88,313	59,132	0.00-2.88
SCSB Marketing	16,912	13,457	0.00-1.33
CTS Travel International Ltd.	7,172	5,516	0.00-1.31
Waterland Securities	46,000	9,001	0.17-0.94
Hung Ta Investment Corporation	48,626	4,579	0.00-0.17
Hung Shen Investment Corporation	15,131	1,764	0.17
Chang Ho Hsing Co., Ltd.	5,375	376	0.17
Silks Place Taroko	17,344	336	0.00-1.31
Taiwan Finance Corporation	8,500	202	0.00
Chi-Li Investment Co. Ltd.	19,088	89	0.17
An Feng Enterprise Co., Ltd.	291	38	0.17
Zun Pin Venture Capital Co., Ltd.	44,400	-	0.89-0.94
Gengroup Merchandise Corp.	7,744	-	0.17
	$ 5,534,124	$ 2,881,319	

	June 30, 2014			Six Months Ended June 30, 2014
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Empresa	$ 2,369,921	$ 746,406	0.50-0.60	$ 2,408
Krinein	753,987	429,284	0.50-0.60	1,325
SCSB Asset Management Ltd.	425,780	371,878	0.02-2.88	2,621
The SCSB Cultural & Educational Foundation	275,561	268,734	0.11-1.38	1,157
SCSB Life Insurance Agency	241,940	189,662	0.00-1.31	1,026
Shancom Reconstruction Inc.	186,600	186,600	0.02-0.60	511
Supervisors and management related	164,942	126,599	0.00-3.20	647
Employees	212,928	121,078	0.28-10.18	189
SCSB Property Insurance Agency	91,463	90,542	0.00-1.31	488
The SCSB Charity Foundation	90,248	90,248	0.28-1.31	346
International Bills Finance Corporation	46,000	46,000	0.17-0.60	125
China Travel Service (Taiwan)	87,681	36,839	0.00-2.88	221

(Continued)

	June 30, 2014			Six Months Ended June 30, 2014
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
SCSB Marketing	$ 16,035	$ 12,598	0.00-1.33	$ 44
CTS Travel International Ltd.	7,026	5,140	0.00-1.31	-
Hung Shen Investment Corporation	2,379	840	0.17	2
Hung Ta Investment Corporation	3,970	358	0.00-0.17	-
Silks Place Taroko	9,356	303	0.00-1.31	2
Taiwan Finance Corporation	566	156	0.00	-
Chi-Li Investment Co. Ltd.	84	84	0.17	1
Chang Ho Hsing Co., Ltd.	38	38	0.17	-
An Feng Enterprise Co., Ltd.	291	31	0.17	-
Gengroup Merchandise Corp.	2,003	5	0.17	2
Zun Pin Venture Capital Co., Ltd.	44,400	-	0.89-0.94	119
	$ 5,033,199	$ 2,723,423		$ 11,234

(Concluded)

8) Accrued receivables (accounted for receivables)

	June 30, 2015	December 31, 2014	June 30, 2014
SCSB Life Insurance Agency	$ 28,512	$ 7,314	$ 19,989
SCSB Property Insurance Agency	310	241	352
	$ 28,822	$ 7,555	$ 20,341

9) Interest receivable (accounted for receivables)

	June 30, 2015	December 31, 2014	June 30, 2014
Nan Ya Plastics	$ 211	$ -	$ -
Supervisors and management related	152	139	171
Silks Place Taroko	16	22	29
CX Technology	6	-	-
China Travel Service (Taiwan)	-	5	-
	$ 385	$ 166	$ 200

10) Interest payable (accounted for payables)

	June 30, 2015	December 31, 2014	June 30, 2014
Empresa	$ 974	$ 1,424	$ 1,057
Krinein	560	819	608
SCSB Asset Management Ltd.	453	393	314

(Continued)

	June 30, 2015	December 31, 2014	June 30, 2014
Shancom Reconstruction Inc.	$ 217	$ 312	$ 250
Supervisors and management related	136	142	167
SCSB Life Insurance Agency	124	142	122
The SCSB Cultural & Educational Foundation	97	71	96
SCSB Property Insurance Agency	65	68	64
China Travel Service (Taiwan)	36	39	36
The SCSB Charity Foundation	24	24	24
CTS Travel International Ltd.	9	20	9
International Bills Finance Corporation	5	5	15
SCSB Marketing	5	5	5
	$ 2,705	$ 3,464	$ 2,767

(Concluded)

11) Guarantee deposits received (accounted for other liabilities)

	June 30, 2015	December 31, 2014	June 30, 2014
The SCSB Cultural & Educational Foundation	$ 211	$ 211	$ 211
SCSB Life Insurance Agency	197	197	197
SCSB Property Insurance Agency	197	197	197
China Travel Service (Taiwan)	180	180	180
SCSB Asset Management Ltd.	47	47	47
SCSB Marketing	20	20	20
	$ 852	$ 852	$ 852

12) Service fees (accounted for service fee incomes, net)

	Six Months Ended June 30	
	2015	2014
SCSB Life Insurance Agency	$ 156,641	$ 132,347
SCSB Property Insurance Agency	5,726	5,952
	$ 162,367	$ 138,299

13) Rental income (accounted for other net revenues)

	Six Months Ended June 30	
	2015	2014
The SCSB Cultural & Educational Foundation	$ 421	$ 421
SCSB Life Insurance Agency	395	395
SCSB Property Insurance Agency	395	395
China Travel Service (Taiwan)	360	360
SCSB Asset Management Ltd.	81	83
SCSB Marketing	37	37
	$ 1,689	$ 1,691

For the rental contracts with related parties, the rent is determined in proportion to the area rented by reference to the rent in neighborhood and received on a monthly basis.

14) Administrative expense (accounted for other general administrative expense)

	Six Months Ended June 30	
	2015	2014
SCSB Marketing	$ 28,376	$ 27,503
China Travel Service (Taiwan)	424	430
	$ 28,800	$ 27,933

15) Loans

June 30, 2015

Category	Name	Maximum Balance	Ending Balance	Performance: Normal Loans	Performance: Nonperforming Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Six Months Ended June 30, 2015 Interest Income
Loans for personal house mortgage	Supervisors and management related (17)	$ 127,432	$ 115,745	$ 115,745	-	Real estate	1.58-2.87	None	$ 1,265
Others	Nan Ya Plastics	621,766	621,766	621,766	-	Syndicated loan	1.45-1.57	None	868
	Supervisors and management related (3)	33,163	20,112	20,112	-	Real estate	2.20-2.97	None	236
	Silks Place Taroko	50,500	32,000	32,000	-	Real estate	1.84	None	283
	CX Technology	45,857	44,152	44,152	-	Syndicated loan	1.85-2.04	None	47
	SCSB Property Insurance Agency	25,274	25,153	25,153	-	Real estate	2.81	None	-
	China Travel Service (Taiwan)	10,000	-	-	-	Real estate	1.60	None	36
		$ 913,992	$ 858,928	$ 858,928					$ 2,735

December 31, 2014

Category	Name	Maximum Balance	Ending Balance	Performance: Normal Loans	Performance: Nonperforming Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties
Loans for personal house mortgage	Supervisors and management related (17)	$ 130,789	$ 115,288	$ 115,288	-	Real estate	1.58-2.87	None
Others	Supervisors and management related (1)	26,926	1,843	1,843	-	Real estate	2.17-2.97	None
	China Travel Service (Taiwan)	10,000	10,000	10,000	-	Real estate	1.60	None
	Silks Place Taroko	66,000	39,000	39,000	-	Real estate	1.84	None
		$ 233,715	$ 166,131	$ 166,131				

June 30, 2014

Category	Name	Maximum Balance	Ending Balance	Performance: Normal Loans	Performance: Nonperforming Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Year Ended June 30, 2014 Interest Income
Loans for personal house mortgage	Supervisors and management related (17)	$ 130,789	$ 120,617	$ 120,617	-	Real estate	1.58-2.87	None	$ 1,335
Others	Supervisors and management related (6)	26,926	24,511	24,511	-	Real estate	2.17-2.97	None	202
	Silks Place Taroko	66,000	57,000	57,000	-	Real estate	1.84	None	463
		$ 223,715	$ 202,128	$ 202,128					$ 2,000

Except for the additional disclosures made in the financial statements, the Bank did not have material related party transactions. Employee deposits and loans have interest rates that are better than ordinary rates but within regulated limits, while other related party transactions have similar terms as non-related party transactions.

Under the provisions of Articles 32 and 33 of the Banking Act, the Bank shall not make unsecured loans to related party, except for consumer loans under certain limit, and government loans. Secured loan to a related party should be fully guaranteed and its terms not superior to other similar credit client.

16) Other related parties transactions

The Bank invested shares of related parties

	June 30, 2015	December 31, 2014	June 30, 2014
Taiwan Finance Corporation	$ 703,645	$ 708,777	$ 689,772
International Bills Finance Corporation	454,306	455,341	461,921
Financial Information Service Co., Ltd.	91,921	94,489	85,206
Taipei Forex Inc.	20,603	20,841	18,993
Nan Ya Plastics Corporation	12,308	-	-
An Feng Enterprise Co., Ltd.	4,569	4,416	4,585
Zun Pin Venture Capital Co., Ltd.	102	2,549	3,267
	$ 1,287,454	$ 1,286,413	$ 1,263,744

The Bank invested bonds of related parties

	June 30, 2015	December 31, 2014	June 30, 2014
Nan Ya Plastics Corporation	$ 601,267	$ -	$ -

The related parties of the Bank invested shares of the Bank (thousand shares)

	June 30, 2015	December 31, 2014	June 30, 2014
Hung Ta Investment Corporation	33,228	22,048	32,242
Chi-Li Investment Co. Ltd.	22,714	22,919	19,336
GTM Holdings Corporation	11,026	11,026	10,757
Hung Shen Investment Corporation	9,821	9,821	9,582
Chung Kee Investment Co. Ltd.	7,683	10,190	13,025
Gengroup Merchandise Corp.	5,288	5,288	5,159
Chang Ho Hsing Co., Ltd.	3,647	3,647	3,558
GTM Corporation	3,309	3,289	3,208
International Bills Finance Corporation	167	-	-
	96,883	88,228	96,867

c. Compensation of directors, supervisors and management personnel:

	Six Months Ended June 30	
	2015	2014
Bonus to employees	$ 71,927	$ 63,959
Salaries and other short-term employee benefits	50,725	49,225
Remuneration to directors and supervisors	29,400	28,290
Retirement benefit	5,241	5,446
	$ 157,293	$ 146,920

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

33. PLEDGED ASSETS

Under the Central Bank's clearing system of Real-Time Gross Settlement (RTGS), on June 30, 2015, December 31, 2014 and June 30, 2014, the assets listed below had been provided as collateral for day-term overdraft with the pledged amount adjustable anytime.

	June 30, 2015	December 31, 2014	June 30, 2014	Guaranty Purpose
Held-to-maturity financial assets	$ 18,400,000	$ 22,800,000	$ 19,000,000	Day-term overdraft with the pledge

On June 30, 2015, December 31, 2014 and June 30, 2014, the assets listed below had been provided as refundable deposits for operating guarantee and executing legal proceedings against defaulting borrowers as required by the court.

	June 30, 2015	December 31, 2014	June 30, 2014	Guaranty Purpose
Held-to-maturity financial assets	$ 45,473	$ 204,118	$ 205,817	Operating and interbank clearing guarantee
Available-for-sale financial assets	268,159	313,904	315,590	Operating and interbank clearing guarantee

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Significant contingent liabilities and unrecognized commitments of the Company as of June 30, 2015, December 31, 2014 and June 30, 2014 were as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Receivables under custody	$ 30,086,099	$ 29,140,876	$ 30,102,182
Consigned travelers' checks	265,420	272,813	270,698
Guarantee notes payable	114,870,508	95,560,649	95,169,395
Assets under trust	128,876,527	133,839,758	127,114,604
Securities in custody	2,505,508	2,260,272	2,189,133
Government bonds in brokerage accounts	40,918,000	38,215,000	37,020,600
Short-term bills in brokerage accounts	1,215,500	960,055	1,508,720

b. Operational risk and legal risk

Item	Reason and Amount	
	Six Months Ended June 30	
	2015	2014
Chief director and staff indicted by prosecutor for breaking law in the conduct of operational activities in recent year	None	None
Violating the law and being punished by authorities in the recent year	None	None
Deficiency corrected by authorities in the recent year	None	None
Punished by authorities according to Bank law No. 61-1 in the recent year	None	None
A single or whole security events due to fraudulence, accident or against "Outlines Governing the Security Maintenance and Administration of Financial Institutions" which caused losses amount to $50 million in the recent year	None	None
Other	None	None

35. FINANCIAL INSTRUMENTS

a. Fair value information - financial instruments not measured at fair value

1) Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, the Bank considers that the carrying amounts of financial assets instruments not measured at fair values approximate to their fair values or the fair values could not be reliably measured.

	June 30, 2015		December 31, 2014		June 30, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Held-to-maturity financial assets	$ 88,100,080	$ 88,141,533	$ 89,765,674	$ 89,819,356	$ 107,048,794	$ 107,124,360
Financial liabilities						
Bank debentures	37,150,000	37,030,213	38,027,600	37,831,808	39,765,907	39,657,752

2) Fair value measurements recognized in the balance sheets

	June 30, 2015			
	Total	Level 1	Level 2	Level 3
Financial assets				
Held-to-maturity financial assets	$ 88,141,533	$ 310,007	$ 87,831,526	$ -
Financial liabilities				
Bank debentures	37,030,213	-	37,030,213	-

3) The evaluation method and assumptions used in measuring at fair value

The fair value of financial assets and liabilities are determined as follows:

a) The fair value of financial assets with standard clauses and terms is quoted market price.

b) The fair value of derivative with active market is based on market price.

c) The fair value of financial instruments other than the above is determined by the discounted cash flow analysis or other generally accepted pricing models.

b. Fair value information - financial instruments measured at fair value

1) Fair value level

The Bank measures financial instruments in fair value. The fair value levels are presented below.

Financial Instruments Measured at Fair Value	June 30, 2015			
	Total	Level 1	Level 2	Level 3
Non-derivative instruments				
Assets				
Financial assets at fair value through profit or loss				
Held-for-trading financial assets				
Stocks	$ 33,317	$ 33,717	$ -	$ -
Other	32,888,288	-	32,888,288	-

(Continued)

Financial Instruments Measured at Fair Value	June 30, 2015 Total	Level 1	Level 2	Level 3
Financial assets be designated as at FVTPL on initial recognition	$ 1,318,513	$ 4,983	$ -	$ 1,313,530
Available-for-sale financial assets				
Stocks	3,741,000	2,000,717	-	1,740,283
Bonds	101,585,451	30,546,419	70,088,964	950,068
Other	22,752,148	8,494,668	13,948,350	309,130
	$ 162,318,717	$ 41,080,104	$ 116,925,602	$ 4,313,011
Derivative instruments				
Assets				
Financial assets at fair value through profit or loss	$ 995,222	$ 16,627	$ 972,040	$ 6,555
Liabilities				
Financial liabilities at fair value through profit or loss	$ 907,986	$ 130	$ 904,693	$ 3,163

(Concluded)

Financial Instruments Measured at Fair Value	December 31, 2014 Total	Level 1	Level 2	Level 3
Non-derivative instruments				
Assets				
Financial assets at fair value through profit or loss				
Held-for-trading financial assets				
Stocks	$ 89,723	$ 89,723	$ -	$ -
Other	30,123,814	-	30,123,814	-
Financial assets be designated as at FVTPL on initial recognition	1,343,900	-	-	1,343,900
Available-for-sale financial assets				
Stocks	4,060,072	2,298,721	-	1,761,351
Bonds	86,688,033	27,910,680	58,439,776	337,577
Other	10,713,459	10,112,207	-	601,252
	$ 133,019,001	$ 40,411,331	$ 88,563,590	$ 4,044,080
Derivative instruments				
Assets				
Financial assets at fair value through profit or loss	$ 1,563,611	$ 22,526	$ 1,533,036	$ 8,049
Derivative instruments held for hedging	27,315	-	27,315	-
	$ 1,590,926	$ 22,526	$ 1,560,351	$ 8,049
Liabilities				
Financial liabilities at fair value through profit or loss	$ 1,024,107	$ -	$ 1,020,404	$ 3,703

Financial Instruments Measured at Fair Value	June 30, 2014 Total	Level 1	Level 2	Level 3
Non-derivative instruments				
Assets				
Financial assets at fair value through profit or loss				
Held-for-trading financial assets				
Stocks	$ 65,024	$ 65,024	$ -	$ -
Other	29,039,797	7,254	29,032,543	-
Financial assets be designated as at FVTPL on initial recognition	1,433,550	-	-	1,433,550
Available-for-sale financial assets				
Stocks	3,823,951	2,082,657	-	1,741,294
Bonds	90,520,032	23,738,716	66,081,606	699,710
Other	9,739,798	8,875,523	-	864,275
	$ 134,622,152	$ 34,769,174	$ 95,114,149	$ 4,738,829
Derivative instruments				
Assets				
Financial assets at fair value through profit or loss	$ 377,728	$ -	$ 358,536	$ 19,192
Derivative instruments held for hedging	65,865	-	65,865	-
	$ 443,593	$ -	$ 424,401	$ 19,192
Liabilities				
Financial liabilities at fair value through profit or loss	$ 359,592	$ -	$ 346,397	$ 13,195
Derivative instruments held for hedging	8,048	-	8,048	-
	$ 367,640	$ -	$ 354,445	$ 13,195

There are no transfers of financial instruments between Levels 1 and 2 fair value measurement for the six months ended June 30, 2015 and 2014.

2) Reconciliation of Level 3 fair value measurements of financial instruments is as follows:

Six months ended June 30, 2015

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level	
Assets								
Financial assets at FVTPL								
Held-for-trading financial assets	$ 8,049	$ (1,494)	$ -	$ -	$ -	$ -	$ -	$ 6,555
Financial assets designated as at fair value	1,343,900	(32,841)	-	543,449	-	(540,978)	-	1,313,530
Available-for-sale financial assets	2,700,180	-	(33,164)	1,085,164	-	(752,699)	-	2,999,481
Liabilities								
Financial liabilities at FVTPL								
Held-for-trading financial liabilities	3,703	(540)	-	-	-	-	-	3,163

Six months ended June 30, 2014

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Buy or Issue	Transferred In	Sell Out, Disposal or Settlement	Transferred Out from Third Level	
Assets								
Financial assets at FVTPL								
Held-for-trading financial assets	$ 95,971	$ (69,977)	$ -	$ 12,923	$ -	$ (19,725)	$ -	$ 19,192
Financial assets designated as at fair value	1,545,803	20,594	-	447,735	-	(580,582)	-	1,433,550
Available-for-sale financial assets	3,119,655	-	8,317	761,339	-	(584,032)	-	3,305,279
Liabilities								
Financial liabilities at FVTPL								
Held-for-trading financial liabilities	90,071	(73,475)	-	6,461	-	(9,862)	-	13,195

3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Bonds	Valuation was based on observable market prices or assessed by cash-flow method through observable elements.
Others	Valuation was based on observable market prices or assessed by cash-flow method through observable elements.
Derivatives	Valuation was based on widely-adapted pricing techniques. The inputs were assessed by observable elements in the market.

4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

Fair value evaluation categorized as Level 3 included but not limited to FVTPL, equity securities investment, derivatives, and held to maturity financial assets.

Most fair value categorized as Level 3 only possess single unobservable inputs. Non-active market debt instruments possess unobservable inputs. The non-active market equity instruments are independent and thus are irrelevant to each other. The quantified information of significant unobservable inputs is tabled as follow.

	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Notes
Non-derivative financial assets					
Financial assets at FVTPL					
Corporate bonds	$ 1,313,530	Bids from counterparties	Lack of market liquidity discount	0%-10%	The increase in discount from lack of market liquidity decreases fair value.
Available-for-sale financial assets					
Stocks	1,740,283	Net assets method	Lack of market liquidity discount	0%-10%	The increase in discount from lack of market liquidity decreases fair value.
Bonds	950,068	Bids from counterparties	Lack of market liquidity discount	0%-10%	The increase in discount from lack of market liquidity decreases fair value.
Time deposit	309,130	Discounted cash flow	Lack of market liquidity discount	0%-10%	The increase in discount from lack of market liquidity decreases fair value.

(Continued)

	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Notes
Derivative financial assets					
Financial assets at FVTPL					
Interest rate swap	$ 3,392	Discounted cash flow	Fluctuating	0%-10%	The increase in volatility decreases fair value.
Option	3,163	Discounted cash flow	Fluctuating	0%-10%	The increase in volatility decreases fair value.
Derivative financial liabilities					
Financial liability at FVTPL					
Option	3,163	Discounted cash flow	Fluctuating	0%-10%	The increase in volatility decreases fair value.

(Concluded)

5) Sensitivity analysis for alternative assumptions of Level 3 fair value measurements of financial instruments

The Bank reasonably measured the fair values of its financial instruments; however, using different valuation models, evaluation method and underlying assumptions may lead to different results. For those financial instruments classified as Level 3 fair value measurement, if the parameters went up 1%, the influence on net income or other comprehensive income would be as follows:

June 30, 2015

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ -	$ (2,626)	$ -	$ -
Financial assets designated as at fair value	-	(1,839)	-	-
Available-for-sale financial assets	-	-	17,403	(7,032)
Liabilities				
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	322	-	-	-

December 31, 2014

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ 910	$ (1,357)	$ -	$ -
Financial assets designated as at fair value	-	(1,846)	-	-
Available-for-sale financial assets	-	-	17,613	(5,282)
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held-for-trading	-	(910)	-	-

June 30, 2014

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ 10,796	$ (479)	$ -	$ -
Financial assets designated as at fair value	-	(1,201)	-	-
Available-for-sale financial assets	-	-	17,412	(8,594)
Liabilities				
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	-	(10,796)	-	-

For financial instruments those were classified as the Level 3 if the parameters went down 1%, the influence of net income or other comprehensive income is as follows:

June 30, 2015

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ -	$ (7,091)	$ -	$ -
Financial assets designated as at fair value	1,839	-	-	-
Available-for-sale financial assets	-	-	6,615	(17,403)
Liabilities				
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	4,793	-	-	-

December 31, 2014

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ -	$ (6,305)	$ -	$ -
Financial assets designated as at fair value	1,846	-	-	-
Available-for-sale financial assets	-	-	4,340	(17,613)
Liabilities				
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	4,973	-	-	-

June 30, 2014

	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflect in Other Comprehensive Income	
	Favorable	**Unfavorable**	**Favorable**	**Unfavorable**
Assets				
Financial assets at FVTPL				
Held-for-trading financial assets	$ 2,556	$ (419)	$ -	$ -
Financial assets designated as at fair value	1,201	-	-	-
Available-for-sale financial assets	-	-	6,396	(17,412)
Liabilities				
Financial liabilities at FVTPL				
Held-for-trading financial liabilities	-	(2,556)	-	-

c. Financial risk management information

1) Risk management

The Bank's objective in risk management is to establish a risk control mechanism weighing the entire risk of the Bank, including risks related to restrictions from laws and regulations; to diversify, transfer and avoid risk; and to pursue the maximum benefits to the Bank's customers, shareholders, and employees. The Bank's major risks include credit risk, market risk (interest rate, exchange rate and equity securities price), operational risk, liquidity risk and so on.

The Bank established written risk management policies and procedures that are considered and approved by the Board to identify, measure, monitor, and control credit risk, market risk, and liquidity risk.

The Bank's risk management department performs the Bank's risk management activities pursuant to the policies approved by the Board. Risk management department works with other business departments in order to identify, evaluate, and avoid any financial risk. The Board formulates the written policy for risk management; the policy included specific exposures such as currency risk, interest rate risk, credit risk, derivative and non-derivative financial instruments. In addition, the department of internal audit is responsible for independent review of risk management and control environment.

2) Credit risk

Credit risk is the risk of counterparties' failure to fulfill their contractual obligations causing the Bank's financial losses. Both in-balance-sheet and off-balance-sheet items are covered in credit risks management. For the Bank's credit exposures, in-balance-sheet items are mainly consisted of discounts and loans, credit card business, due from and call loans to banks, debt investments, and derivatives instruments. Off-balance sheet items mainly consisted of financial guarantee, acceptances, letters of credit, loan commitments, and other services which also generate credit exposure.

To ensure that the credit risk is controlled within a tolerable range, the Bank established an internal standard for credit risk. In that standard, all transactions are analyzed whether in the banking book or in the trading book, and either in-balance-sheet or off-balance-sheet, to identify the inherent and potential risks. The Bank examines and confirms credit risk in accordance with the rules before launching new products and business. Furthermore, the Bank also establishes a risk management system for complicated credit business such as factoring, credit derivative financial instruments and so on.

The Bank's foreign operation units adopt policies and standards same with above to assess their asset quality and provision for contingent loss, and also include policies that comply with the regulations of the local financial supervisory commission.

a) Procedures of credit risk management

Each major business' applies procedures and methods for credit risk management as follows:

i. Credit business (loan commitments and guarantees included)

The classification of credit assets and credit quality levels are as follows:

i) Classification of credit assets

Credit assets are divided into normal, notice, warning, difficult and uncollectible. The Bank established its "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" and "Credit Asset Valuation Guidelines" to manage credit issues related to nonperforming loans.

ii) Credit quality rating

The Bank establishes a credit quality rating guide (either using internal rating models or credit rating table) based on the business characteristics, scale and other factors and uses it in risk management.

In order to assess the corporate clients' credit risk, the Bank develops a credit rating model by using statistical methods or professional judgments and by considering clients' information. The model is reviewed regularly to determine whether the computation agrees to the actual situation, and makes adjustments to each parameter to optimize the calculation results.

For individual personal clients' credit loans and mortgage loans, internal credit rating model is used in the credit evaluation; other credits are assessed on a case by case basis.

The clients are assessed and ranked annually. In addition, to ensure the rationality of the credit rating system, the design, process and associated risk factors are reviewed and the models are evaluated based on the actual defaults on an annual basis.

ii. Due from and call loans to bank

The Bank assesses the credit position of counterparties and consults a credit rating agency for credit rating information and set limits to the credit facilities.

iii. Debt investment and derivative financial instruments

For the credit risk management of debt investments, the Bank identifies credit risk by using information from external institutions about credit ratings, quality of debts, region, and the risk of counterparties.

Most of the Bank's counterparties in derivative transactions are assessed at higher than investment grade and the Bank controls the investment according to counterparties' facilities (including call loans); counterparties that do not have credit ratings or are not assessed at investment grade are reviewed case by case. Counterparties which are non-financial or non-banking clients are assessed according to the general procedures for the approval of credit facilities and control of credit exposure situations of the counterparty.

b) Policies of credit risk hedging or mitigation

i. Collaterals

The Bank applies series of policies to decrease credit risks in its lending business. Among those policies is to request collaterals from creditors. To secure the creditor's rights, the Bank has established procedures for pledge, valuation, management, and disposal of collaterals. The contracts between the Bank and the creditors clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for setoff. 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 creditors' assets in the Bank against the borrowings.

ii. Limitation of credit risk and credit concentration management

The credit policies of the Bank regulate the credit limitations, as applied to 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 above are based on individual criteria in different categories including but not limited to industries, enterprises, and stock-pledge related loans.

iii. Other mechanism for credit risk management

The Bank applies series of policies to decrease credit risks. Among those policies is to require collaterals from creditors. The Bank has procedures for valuation, management, and disposal of collateral to secure the credits. The contracts between the Bank and the creditors clearly state the protocols, including but not limited to the secure 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 offset creditors' assets in the Bank to offset the liabilities.

Collaterals for business other than loan borrowings vary by the natures of financial instruments related. Only asset-backed securities and other similar financial instruments are secured by a pool of financial assets.

To avoid excessive credit risk concentration, the credit policies of the Bank regulate the credit balances of single counterparty and single group. Investment policies and equity-investment risk control policies further regulate the credit balances of single natural person, enterprise, or related party. 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 above are based on individual criteria in different categories including but not limited to industries, enterprises, and stock-pledge related loans.

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.

The table below analyzes the collaterals held as security and other credit enhancements, and their financial effect in respect of the financial assets recognized in the Banks's balance sheet:

June 30, 2015

	Maximum Exposure to Credit Risk Mitigated by			
	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Receivables	$ 1,384,512	$ -	$ 756,898	$ 2,141,410
Discount and loans	393,812,941	-	68,907,821	462,720,762
Held-for-trading financial assets - short-term bills	-	-	16,645,001	16,645,001
Available-for-sale financial assets - bonds	-	-	3,926,211	3,926,211
Held-to-maturity - bonds	-	-	154,282	154,282

December 31, 2014

	Maximum Exposure to Credit Risk Mitigated by			
	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Receivables	$ 1,235,278	$ -	$ 1,208,048	$ 2,443,326
Discount and loans	378,289,875	-	84,536,431	462,826,306
Held-for-trading financial assets - short-term bills	-	-	11,981,394	11,981,394
Financial assets designated as at fair value	-	-	157,052	157,052
Available-for-sale financial assets - bonds	-	-	4,176,918	4,176,918
Held-to-maturity - bonds	-	-	157,906	157,906

June 30, 2014

	Maximum Exposure to Credit Risk Mitigated by			
	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Receivables	$ 1,244,681	$ -	$ 899,548	$ 2,144,229
Discount and loans	365,691,972	-	76,998,031	442,690,003
Held-for-trading financial assets - short-term bills	-	-	4,634,397	4,634,397
Available-for-sale financial assets - bonds	-	-	5,571,178	5,571,178
Held-to-maturity - bonds	-	-	148,680	148,680

c) Credit risk exposures

The maximum exposure of the Bank's assets in the balance sheet is equivalent to the book value, while the pledged assets and other credit enhancements are not considered. Maximum credit exposure of the Bank's off-balance sheet items (without considering collateral or other credit enhancements and irrevocable maximum exposure) are as follows:

	June 30, 2015	December 31, 2014	June 30, 2014
Developed and noncancelable loan commitments	$ 333,314,560	$ 345,650,077	$ 323,887,442
Noncancelable credit card commitments	1,161,102	1,029,402	1,222,416
Issued but unused letters of credit	9,036,084	9,151,033	11,755,683
Other guarantees	43,839,801	43,261,818	43,669,892

The Bank assessed that it could continually control and minimize its credit risk exposure of off-balance-sheet items because it adopts stricter procedures and regularly audits credit accounts.

d) Information on concentration of credit risk

Concentration of credit risk exists if transaction counter-parties significantly concentrated on same individuals or groups engaged in activities with similar economic characteristics, which may lead their ability to fulfill contractual obligations being affected by similar changes in economic or other conditions.

Concentration of credit risk derives from assets, liabilities or off-balance sheet through the enforcement and implement of transaction (regardless of products or service) or combination of exposures across categories, including in credit, due from and call loans to banks, marketable securities, receivables and derivative etc. The Bank maintained a diversified loan portfolio to mitigate the credit risk concentrating to same customers, and total transaction of same customers in the discounts and loans and the balance of non-accrual loans is not material. The Bank's most significant concentrations of credit risk of discounts and loans and non-accrual loans by business, region, and collateral were summarized as follows:

i. Counterparty

	June 30, 2015		December 31, 2014		June 30, 2014	
Counterparty	Amount	% to Total	Amount	% to Total	Amount	% to Total
Private sector	$ 333,522,846	58	$ 347,889,534	59	$ 338,315,165	59
Consumer	232,848,495	40	231,120,425	39	222,581,903	39
Financial institution	5,528,168	1	3,837,758	1	4,350,642	1
Others	3,763,281	1	4,049,922	1	3,797,610	1
	$ 575,662,790	100	$ 586,897,639	100	$ 569,045,320	100

ii. Region

	June 30, 2015		December 31, 2014		June 30, 2014	
Region	Amount	% to Total	Amount	% to Total	Amount	% to Total
R.O.C.	$ 486,935,440	85	$ 481,190,338	82	$ 467,781,735	82
Asia area	83,984,084	14	96,912,252	17	94,653,575	17
Americas	2,903,980	1	5,854,948	1	5,276,754	1
Europe	1,608,767	-	2,755,621	-	1,019,360	-
Africa	230,519	-	184,480	-	313,896	-
	$ 575,662,790	100	$ 586,897,639	100	$ 569,045,320	100

iii. Collaterals assumed

Collaterals Assumed	June 30, 2015 Amount	% to Total	December 31, 2014 Amount	% to Total	June 30, 2014 Amount	% to Total
Unsecured	$ 108,676,967	19	$ 112,038,641	19	$ 113,852,259	20
Secured						
Properties	345,146,460	60	335,590,577	57	322,519,269	57
Guarantee	66,297,862	12	84,968,761	14	75,732,800	13
Financial collateral	25,534,275	4	22,836,977	4	22,778,183	4
Movable properties	8,880,668	1	10,027,039	2	10,467,808	2
Other collaterals	21,126,558	4	21,435,644	4	23,695,001	4
	$ 575,662,790	100	$ 586,897,639	100	$ 569,045,320	100

e) Information on credit risk quality

Part of the financial assets held by the Bank, including cash and cash equivalents, financial assets at fair value through profit or loss, investment in bills and bonds with resale agreements, guarantee deposits paid, security business, and clearing and settlement fund, etc. are assessed with very low credit risk because the counterparties have good credit ratings.

In addition to the above, the credit analysis of the remaining financial assets is as follows:

a) Credit analysis of discounts and loans and receivables

June 30, 2015	Neither Past Due Nor Impaired				Overdue but Unimpaired Amount (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)		Net Amount (A)+(B)+(C)-(D)
	Strong	**Moderate**	**Special Mention**	**Subtotal (A)**				**Objective Evidence of Impairment**	**No Objective Evidence of Impairment**	
Receivables										
Credit card	$ 1,243,356	$ 634,383	$ 64,314	$ 1,942,053	$ 47,606	$ 77,254	$ 2,066,913	$ 62,601	$ 133,119	$ 1,871,193
Others	3,377,245	3,819,059	77,791	7,274,095	67,586	42,954	7,384,635	32,930	98,997	7,252,708
Discount and loans	337,854,738	182,423,008	31,819,927	552,097,673	13,742,328	9,822,789	575,662,790	3,424,689	5,485,886	566,752,215

December 31, 2014	Neither Past Due Nor Impaired				Overdue but Unimpaired Amount (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)		Net Amount (A)+(B)+(C)-(D)
	Strong	**Moderate**	**Special Mention**	**Subtotal (A)**				**Objective Evidence of Impairment**	**No Objective Evidence of Impairment**	
Receivables										
Credit card	$ 1,281,997	$ 629,108	$ 79,868	$ 1,990,973	$ 44,376	$ 84,216	$ 2,119,565	$ 69,110	$ 120,498	$ 1,929,957
Others	2,471,227	5,046,667	322,902	7,840,796	57,066	129,316	8,027,178	96,223	34,319	7,896,636
Discount and loans	339,035,638	191,490,030	23,310,956	553,836,624	22,199,070	10,861,945	586,897,639	3,925,355	4,977,871	577,994,413

June 30, 2014	Neither Past Due Nor Impaired				Overdue but Unimpaired Amount (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)		Net Amount (A)+(B)+(C)-(D)
	Strong	**Moderate**	**Special Mention**	**Subtotal (A)**				**Objective Evidence of Impairment**	**No Objective Evidence of Impairment**	
Receivables										
Credit card	$ 1,437,228	$ 652,919	$ 65,471	$ 2,155,618	$ 52,670	$ 92,837	$ 2,301,125	$ 75,868	$ 100,433	$ 2,124,824
Others	2,230,337	3,708,465	508,417	6,447,219	334,981	185,325	6,967,525	22,927	106,978	6,837,620
Discount and loans	347,989,703	153,178,610	38,269,947	539,438,260	18,960,380	10,646,680	569,045,320	6,086,425	2,191,003	560,767,892

b) Credit quality analysis of discounts and loans that are neither past due nor impaired

June 30, 2015	Neither Past Due Nor Impaired			
	Strong	Moderate	Special Mentioned	Total
Consumer banking				
Housing mortgage	$ 147,689,758	$ 22,028,964	$ 6,525,681	$ 176,244,403
Small scale credit loans	782,275	251,813	106,194	1,140,282
Others	11,109,157	5,771,310	3,044,134	19,924,601
Corporate banking				
Secured	93,285,625	93,881,557	14,074,758	201,241,940
Unsecured	84,987,923	60,489,364	8,069,160	153,546,447
Total	337,854,738	182,423,008	31,819,927	552,097,673

December 31, 2014	Neither Past Due Nor Impaired			
	Strong	Moderate	Special Mentioned	Total
Consumer banking				
Housing mortgage	$ 158,475,924	$ 9,489,826	$ 2,086,280	$ 170,052,030
Small scale credit loans	126,325	103,492	143,741	373,558
Others	17,288,388	1,772,615	443,941	19,504,944
Corporate banking				
Secured	91,937,339	96,781,822	11,316,869	200,036,030
Unsecured	71,207,662	83,342,275	9,320,125	163,870,062
Total	339,035,638	191,490,030	23,310,956	553,836,624

June 30, 2014	Neither Past Due Nor Impaired			
	Strong	Moderate	Special Mentioned	Total
Consumer banking				
Housing mortgage	$ 156,415,101	$ 10,038,050	$ 1,976,594	$ 168,429,745
Small scale credit loans	221,478	169,944	160,242	551,664
Others	16,402,424	1,771,750	337,712	18,511,886
Corporate banking				
Secured	102,517,382	68,863,608	18,634,920	190,015,910
Unsecured	72,433,318	72,335,258	17,160,479	161,929,055
Total	347,989,703	153,178,610	38,269,947	539,438,260

Delays caused by loan processing and other administrative issues may result in financial assets overdue but not impaired. According to the internal risk management rule of the Bank, financial assets, past due within 90 days, are normally not considered impaired, unless other circumstances revealing that the financial assets are otherwise considered so.

Age analysis of financial assets that were overdue but not impaired is as follows:

Items	June 30, 2015		
	Past Due Up to a Month	Past Due One to Three Months	Total
Receivables			
Credit card	$ 44,207	$ 3,399	$ 47,606
Others	60,494	7,092	67,586
Discounts and loans			
Consumer banking			
Housing mortgage	4,635,109	950,814	5,585,923
Small scale credit loans	25,785	7,487	33,272
Others	371,161	61,885	433,046
Corporate banking			
Secured	5,058,080	201,748	5,259,828
Unsecured	2,168,709	261,550	2,430,259

Items	December 31, 2014		
	Past Due Up to a Month	Past Due One to Three Months	Total
Receivables			
Credit card	$ 40,486	$ 3,890	$ 44,376
Others	53,709	3,357	57,066
Discounts and loans			
Consumer banking			
Housing mortgage	9,188,844	526,582	9,715,426
Small scale credit loans	25,200	111	25,311
Others	781,310	19,613	800,923
Corporate banking			
Secured	7,042,267	684,842	7,727,109
Unsecured	3,773,030	157,271	3,930,301

Items	June 30, 2014		
	Past Due Up to a Month	Past Due One to Three Months	Total
Receivables			
Credit card	$ 44,782	$ 7,888	$ 52,670
Others	324,288	10,693	334,981
Discounts and loans			
Consumer banking			
Housing mortgage	3,938,118	661,763	4,599,881
Small scale credit loans	17,244	1,527	18,771
Others	305,729	44,336	350,065
Corporate banking			
Secured	5,964,528	1,783,666	7,748,194
Unsecured	5,324,354	919,115	6,243,469

c) Credit quality analysis of security investment

(Amount in Thousands of New Taiwan Dollars)

June 30, 2015	Neither Past Due Nor Impaired						Past Due but Not Impaired (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)	Net Amount (A)+(B)+(C)-(D)
	Excellent	Good	Moderate	Normal	Unrated	Subtotal (A)					
Available-for-sale financial assets											
Bonds	$ 53,784,771	$ 16,634,480	$ 27,075,857	$ 3,590,343	$ 500,000	$ 101,585,451	$ -	$ 92,739	$ 101,678,190	$ 92,739	$ 101,585,451
Stocks	-	-	-	-	11,596,428	11,596,428	-	-	11,596,428	-	11,596,428
Bills	1,195,063	-	13,701,657	-	-	14,896,720	-	-	14,896,720	-	14,896,720
Held-to-maturity financial assets											
Bonds	93,532	-	306,548	-	-	400,080	-	-	400,080	-	400,080
Bills	87,700,000	-	-	-	-	87,700,000	-	-	87,700,000	-	87,700,000
Financial assets at FVTPL											
Bonds	4,983	154,565	306,386	388,884	463,695	1,318,513	-	-	1,318,513	-	1,318,513
Other financial assets											
Debt Instruments	-	-	-	-	200,000	200,000	-	-	200,000	-	200,000

(Amount in Thousands of New Taiwan Dollars)

December 31, 2014	Neither Past Due Nor Impaired						Past Due but Not Impaired (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)	Net Amount (A)+(B)+(C)-(D)
	Excellent	Good	Moderate	Normal	Unrated	Subtotal (A)					
Available-for-sale financial assets											
Bonds	$ 43,279,582	$ 18,052,273	$ 19,973,516	$ 4,680,870	$ 701,791	$ 86,688,032	$ -	$ 95,010	$ 86,783,042	$ 95,010	$ 86,688,032
Stocks	-	-	-	-	13,383,815	13,383,815	-	-	13,383,815	-	13,383,815
Bills	-	-	1,389,717	-	-	1,389,717	-	-	1,389,717	-	1,389,717
Held-to-maturity financial assets											
Bonds	252,160	-	313,514	-	-	565,674	-	-	565,674	-	565,674
Bills	89,200,000	-	-	-	-	89,200,000	-	-	89,200,000	-	89,200,000
Financial assets at FVTPL											
Bonds	-	-	95,010	314,625	934,265	1,343,900	-	-	1,343,900	-	1,343,900
Other financial assets											
Debt Instruments	-	-	-	-	200,000	200,000	-	-	200,000	-	200,000

(Amount in Thousands of New Taiwan Dollars)

June 30, 2014	Neither Past due Nor Impaired						Past Due but Not Impaired (B)	Impaired Amount (C)	Total (A)+(B)+(C)	Recognized Losses Amount (D)	Net Amount (A)+(B)+(C)-(D)
	Excellent	Good	Moderate	Normal	Unrated	Subtotal (A)					
Available-for-sale financial assets											
Bonds	$ 49,034,125	$ 18,359,429	$ 20,403,471	$ 2,021,013	$ 701,994	$ 90,520,032	$ -	$ 89,547	$ 90,609,579	$ 89,547	$ 90,520,032
Stocks	-	-	-	-	11,938,761	11,938,761	-	-	11,938,761	-	11,938,761
Bills	-	-	-	-	1,624,988	1,624,988	-	-	1,624,988	-	1,624,988
Held-to-maturity financial assets											
Bonds	253,819	-	294,975	-	-	548,794	-	-	548,794	-	548,794
Bills	106,500,000	-	-	-	-	106,500,000	-	-	106,500,000	-	106,500,000
Financial assets at FVTPL											
Bonds	-	-	90,345	-	1,343,205	1,433,550	-	-	1,433,550	-	1,433,550
Other financial assets											
Debt Instruments	-	-	-	-	200,000	200,000	-	-	200,000	-	200,000

3) Market risk

a) The sources and definition of market risk

Market risk is the risk resulting from changes in fair value and future cash flows of on- and off-balance-sheet financial instruments caused by changes in market prices, interest rates, foreign exchange rate, including equity securities price and commodity price.

The Bank's financial instruments are exposed to price, interest rate and foreign exchange rate risks. Major market risk exposures of equity securities include domestic listed stocks and funds. Major interest risk exposures consist of bonds and interest rate derivative instruments such as fixed and floating interest rate swap and bond options. Major foreign exchange risk is resulted from the foreign currencies held by the Bank.

b) Market risk management policies

The Bank monitors its market risk positions and tolerable loss according to the risk management objective and limit approved by the Board of Directors.

The Bank also builds a market risk information system, which enables the Bank to effectively monitor the management of facilities, assessment of gains and losses, analysis of sensitivity factors of the Banks all sorts of financial instruments positions etc. such policies would be reported in risk control meeting and serves as references for the decision making of management personnel.

The Bank split market risk exposures into portfolios for trading and held-for-fixed-income which are managed and monitored under both the Bank's trading and risk management department. Routine control report would be reviewed by the Bank's Board of Directors and relevant committees.

c) Market risk management process

i. Recognition and measurement

The Bank's trading and risk management departments both identify the underlying market risk factors to measure market risks. Market risk factors are those elements which could affect the value of interest rates, foreign exchange rates and equity securities, such as exposures, gains and losses and sensitivity (PVO1, Delta, Beta) etc. The Bank uses these factors to measure the impact on its equity securities and investment portfolios by market risk.

ii. Monitor and report

The Bank's risk management department periodically reports to the Board of Directors about the information regarding the result of market risk management, total exposures, related gains and losses, sensitivity analysis and pressure test. Therefore, the Board of Directors could well understand market risk control. The Bank has established explicit reporting process, the ceiling limit of trading and stoloss limit for its daily transactions. Stoloss orders must be taken when the limit is reached, unless approved by management. Trading department shall report to relevant committee regularly before disposal.

d) Interest rate management policies

i. Definition of interest rate risk

Interest rate risk represents risks that the Bank suffers losses or changes in fair value of its trading portfolio resulting from interest rate variation. Major exposures consist of iterest related securities and derivatives.

ii. Purpose of interest risk management

Interest rate risk management enhances the Bank's resilience to measure, control and avoid negative influence of interest rate variation on earnings and economic values of balance sheet items. In addition, it enhances capital efficiency and strengthens operation.

iii. Procedures of interest risk management

The Bank's should carefully choose investment target through conducting research in sponsor's credit, financial status, country risks and interest rate trend. The Bank should also establish trading amount limit and stop-loss limit including limit for trading room, trading personals and trading product etc. according to trading book operation policies and market status which is approved by top management personnel and the Board of Directors.

The Bank identifies re-pricing risk of interest rate and yield curve risk and measures possible effects on the Bank's earnings economic values of changes in interest rate. On a monthly basis, the Bank reports the analysis monitoring of limit on interest rate risk position and various interest rate management objectives to the Assets and Liabilities Management Committee and the Board of Directors.

When the risk tolerance is exceeded, risk management department should report to the Assets and Liabilities Management Committee immediately and conclude further actions.

iv. Measurement methods

The Bank measures re-pricing riskresulting from the gap between different maturities and re-pricing dates of assets, liabilities, and even off-balance sheet items. The Bank also establishes interest rate sensitivity indicators for its major debt instruments in order to maintain long-term profitability and business growth. Such interest rate indicators and results of pressure test is reviewed by management periodically. In addition, the Bank uses the DV01 to measure portfolio that affected by interest rate in regular.

e) Foreign exchange rate risk management

i. Definition of foreign exchange risk

Foreign exchange risk means gains and losses resulting from exchanging currencies at different time slots. The Bank's foreign exchange rate risk mainly results from spot and forward foreign exchange business. The Bank's foreign exchange rate risk is relatively insignificant due to the fact that the Bank usually settles customers' positions within the same day.

ii. Policies, procedures and measurement method for foreign exchange rate risk management

In order to control foreign exchange rate risk within tolerable range, the Bank has established trading limit, stoloss limit and annual maximum loss for trading department as a whole and for trading personnel individually. Therefore, the risk is controlled within the tolerable range.

The Bank performs pressure test assuming a 3% exchange rate fluctuation on its major foreign currencies (USD) at least once a quarter and reports the result to the Assets and Liabilities Management Committee.

f) Equity securities price risk management

i. Definition of equity securities price risk

The market risk of equity securities held by the Bank includes risk caused by price fluctuation on individual equity security and general risk for price changes in entire equity security market.

ii. Purpose of equity security price risk management

The main purpose of equity security price risk management is to prevent deterioration on the Bank's financial position and decrease in earnings due to violent fluctuation in equity security prices, to enhance capital efficiency and to improve operation.

iii. Procedures of equity security price risk management

The Bank regularly uses β value to measure the degree of influence on investment portfolio due to system risk. Stoloss point is set according to the policy approved by the Assets and Liabilities Management Committee. Stoloss action must be taken when limit is reached, otherwise the investment department must submit request to top management personnel for approval.

iv. Measurement method

The Bank's control of security price risk is based on risk values.

g) Market valuation technique

The Bank assesses its exposures to market risk and the anticipated loss under market pressures by using assumptions on changes in several market conditions. Limits of various financial instruments are set by the Board of Directors and monitored by its risk management department. The Bank also establishes sensitivity analysis based on major risk factors of various financial products in order to monitor the changes in various market risk factors of financial products.

i. Sensitivity analysis

i) Interest rate risk

The Bank has assessed the possible impact on income if all yield curves wordwide move between -100 to +100 from base points simultaneously on June 30, 2015, December 31, 2014 and June 30, 2014.

ii) Foreign exchange rate risk

The Bank has assessed the possible impact on income when various currencies to NTD exchange rate fluctuate between -3% and +3% while other factors remain unchanged.

iii) Equity securities price risk

The Bank has assessed the possible impact on income when the prices of equity security rise or fall by 10% while other factors remain unchanged on June 30, 2015, December 31, 2014 and June 30, 2014.

The above analysis assumes that the trends of equity instruments is consistent with historical data.

ii. Sensitivity analysis is summarized as follows:

June 30, 2015			
Major Risk	**Variation Range**	**Amount**	
		Equity	**Profit or Loss**
Foreign exchange risk	Various currencies/NTD increased 3%	$ 1,577,701	$ 37,845
Foreign exchange risk	Various currencies/NTD decreased 3%	(1,577,701)	(37,845)
Interest rate risk	Rate curve increased 100BPS	(2,363,060)	(21,367)
Interest rate risk	Rate curve decreased 100BPS	2,363,060	21,367
Price risk of equity securities	Price of equity securities increase 10%	529,014	3,252
Price risk of equity securities	Price of equity securities decrease 10%	(529,014)	(3,252)

December 31, 2014			
Major Risk	**Variation Range**	**Amount**	
		Equity	**Profit or Loss**
Foreign exchange risk	Various currencies/NTD increased 3%	$ 1,591,500	$ (21,631)
Foreign exchange risk	Various currencies/NTD decreased 3%	(1,591,500)	21,631
Interest rate risk	Rate curve increased 100BPS	(2,196,501)	(148)
Interest rate risk	Rate curve decreased 100BPS	2,196,501	148
Price risk of equity securities	Price of equity securities increase 10%	639,936	7,397
Price risk of equity securities	Price of equity securities decrease 10%	(639,936)	(7,397)

June 30, 2014			
Major Risk	**Variation Range**	**Amount**	
		Equity	**Profit or Loss**
Foreign exchange risk	Various currencies/NTD increased 3%	$ 1,430,520	$ 21,601
Foreign exchange risk	Various currencies/NTD decreased 3%	(1,430,520)	(21,601)
Interest rate risk	Rate curve increased 100BPS	(2,401,605)	(21,356)
Interest rate risk	Rate curve decreased 100BPS	2,401,605	21,356
Price risk of equity securities	Price of equity securities increase 10%	922,054	3,925
Price risk of equity securities	Price of equity securities decrease 10%	(922,054)	(3,925)

4) Liquidity risk

a) The sources and definition of liquidity risk

The liquidity risk is the possibility that the Bank is unable to liquidate assets or obtain financing to fulfill matured financial liabilities which may result in financial loss. Liquidity risk may be present when, for example, deposits are withdrawn in advance of the original date of settlement, the market becomes worse and borrowing from other banks becomes difficult, the clients' credit deteriorates leading the occurrence of defaults, liquidation of financial instruments becomes difficult, early redemption of interest-sensitive instruments happens, etc. The aforementioned factors may reduce cash balance to be used in for the areas of loans, trading, and investment. In some extreme circumstances, the lack of liquidity may lead to the decrease in the overall assets and liabilities, the need to liquidate the Bank's assets and the possibility of unable to fulfill loan commitments. Liquidity risks include inherent risks that may be affected by some specific industry events or overall market condition. These events include but are not limited to credit, merger and acquisitions, systemic breakdown and natural disasters.

b) The management policies are as follows:

The Bank's management procedures are monitored by the independent department of risk management and the procedures are included in:

i. Regular financing and monitoring of cash flows to ensure the fulfillment of the requirements in the future.

ii. Maintaining appropriate position of high liquidity assets which are easily realizable.

iii. Monitoring of liquidity ratios of the balance sheet according to the internal management purposes and external monitoring rules.

iv. Managing the maturity date of debt instruments.

The procedures for monitoring and reporting liquidation risk are applied and measured based on the estimated cash flows (the time gap is based on how the Bank manages the liquidity risk) of 1 day, 10 days, and 1 month. Estimates of future cash flows are based on the maturity analysis of financial assets and liabilities. The risk management department also monitors the use of loan commitment, discount facilities, guarantee letters, and other types of contingent liabilities, and furthermore reports the related information to the risk management committee and the Board of Directors regularly.

The Bank holds certain position of highly liquid interest bearing assets to fulfill its obligation and for future emergent needs. To manage the liquidity risk, the Bank holds the following assets: Cash and cash equivalents, due from the Central Bank and banks, and financial assets at fair value through profit or loss, etc.

c) Maturity analysis

The analysis of cash outflows of non-derivative financial liabilities is illustrated according to the remaining terms from date of the balance sheet to maturity date of the contract. The disclosure of cash outflows of non-derivative financial liabilities is based on the cash flows of contracts so that the items could not correspond with all items in the balance sheet.

June 30, 2015	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Due to the Central Bank and banks	$ 15,713,738	$ -	$ -	$ -	$ -	$ 15,713,738
Borrowings from the Central Bank and banks	1,545,650	-	-	-	-	1,545,650
Securities sold under repurchase agreements	9,216,231	374,141	200,244	406,064	-	10,196,680
Payables	23,016,481	87,910	354,006	116,640	31	23,575,068
Deposits and remittances	424,372,768	121,423,745	102,418,860	107,743,958	6,674,118	762,633,449
Bank debentures	-	-	2,000,000	-	35,150,000	37,150,000
Other financial liabilities	6,961,212	-	-	-	-	6,961,212

December 31, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Due to the Central Bank and banks	$ 9,713,600	$ -	$ -	$ -	$ -	$ 9,713,600
Securities sold under repurchase agreements	3,158,917	437,743	140,341	2,738,071	-	6,475,072
Payables	17,790,002	200,507	214,406	83,365	982	18,289,262
Deposits and remittances	445,879,574	131,213,337	85,099,206	106,958,864	6,443,924	775,594,905
Bank debentures	27,600	-	3,000,000	2,000,000	33,000,000	38,027,600
Other financial liabilities	5,630,516	-	-	-	-	5,630,516

June 30, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Due to the Central Bank and banks	$ 16,843,745	$ -	$ -	$ -	$ -	$ 16,843,745
Securities sold under repurchase agreements	5,037,498	630,072	181,935	2,077,697	-	7,927,202
Payables	21,315,369	71,502	285,394	149,173	2,000	21,823,438
Deposits and remittances	410,580,729	135,255,321	89,829,980	95,318,167	6,683,428	737,667,625
Bank debentures	65,907	3,300,000	1,700,000	3,000,000	31,700,000	39,765,907
Other financial liabilities	6,392,553	-	-	-	-	6,392,553

The Bank evaluated the contractual maturity date to comprehend all derivative financial instruments on the balance sheet. Because the disclosure of maturity analysis for derivative financial liabilities amount is based on the contract cash flows, part of the amount would not correspond with related items on the balance sheet. Maturity analysis of derivative financial liabilities is as follows:

i. Derivative financial liabilities of net settlement

June 30, 2015	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives	$ 176,887	$ 154,133	$ 39,409	$ 92,181	$ -	$ 462,610
Rate derivatives	130	-	-	1,062	27,098	28,290
Equity security derivatives	34	-	-	-	-	34

December 31, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives	$ 106,791	$ 114,070	$ 120,398	$ 185,406	$ 1,860	$ 528,525
Rate derivatives	-	9	81	-	33,716	33,806

June 30, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives	$ 20,776	$ 30,223	$ 35,223	$ 43,777	$ 2,046	$ 132,045
Rate derivatives	-	8,048	54	180	48,243	56,525

ii. Derivative financial liabilities of total settlement

June 30, 2015	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 12,879,052	$ 9,485,802	$ 4,460,006	$ 3,197,148	$ 50,920	$ 30,072,928
Cash outflow	13,055,328	9,764,309	4,641,652	3,280,872	51,299	30,793,460

December 31, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 12,224,930	$ 3,659,676	$ 4,764,444	$ 7,241,365	$ 13,583	$ 27,903,798
Cash outflow	12,406,657	3,957,957	5,199,616	7,507,669	13,365	29,085,264

June 30, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Derivative financial liabilities at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 7,819,043	$ 6,135,211	$ 2,668,083	$ 4,443,985	$ -	$ 21,066,322
Cash outflow	7,897,552	6,195,152	2,695,673	4,475,198	-	21,263,575

The analysis of cash outflows of off-balance-sheet items is illustrated according to the remaining terms from date of the balance sheet to maturity date of the contract. For financial guarantee contracts, the largest amount is categorized under the nearest time-zone of being asked to fulfill the guarantees. The disclosure of cash outflows of off-balance-sheet items is based on the cash flows of contracts so that part items could not correspond with all items in the balance sheet.

June 30, 2015	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Developed and noncancelable loan commitments	$ 28,798,378	$ 57,596,756	$ 86,395,134	$ 160,524,292	$ -	$ 333,314,560
Noncancelable credit card commitments	100,319	200,638	300,958	559,187	-	1,161,102
Issued but unused letters of credit	2,934,848	4,584,396	1,121,044	245,304	150,492	9,036,084
Other guarantees	4,371,946	6,822,600	4,571,556	13,629,633	14,444,066	43,839,801

December 31, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Developed and noncancelable loan commitments	$ 29,864,167	$ 59,728,333	$ 89,592,500	$ 166,465,077	$ -	$ 345,650,077
Noncancelable credit card commitments	88,940	177,881	266,821	495,760	-	1,029,402
Issued but unused letters of credit	2,704,438	5,290,530	752,649	379,675	23,741	9,151,033
Other guarantees	4,591,822	6,209,252	6,532,015	9,015,455	16,913,274	43,261,818

June 30, 2014	Due in One Month	Due Between One Month and Three Months	Due Between Three Months and Six Months	Due Between Six Months and One Year	Due After One Year	Total
Developed and noncancelable loan commitments	$ 20,502,075	$ 41,004,150	$ 61,506,225	$ 123,012,451	$ 77,862,541	$ 323,887,442
Noncancelable credit card commitments	77,379	154,758	232,137	464,273	293,869	1,222,416
Issued but unused letters of credit	3,789,204	6,546,621	598,822	634,992	186,044	11,755,683
Other guarantees	5,220,947	6,638,690	4,744,208	11,062,759	16,003,288	43,669,892

d. Transfer of financial assets

In the daily transactions of the Bank, most of the transferred financial assets not eligible for entire derecognized are repurchase notes and bonds. The cash flows of the transactions have been transferred to outsiders and the liabilities of repurchasing the transferred financial assets in a fixed amount have been recognized; the Bank may repurchase the transferred financial assets in the future. The Bank is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period derecognition. However, the Bank is still exposed to the interest risks and credit risks. As a result, the transferred financial assets are not derecognized. The following tables show the transferred financial assets do not quality during the effective period derecognition and related financial liabilities.

June 30, 2015

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Available-for-sale financial assets - purchased call options	$ 10,175,220	$ 10,196,680	$ 10,175,220	$ 10,196,680	$ (21,460)

December 31, 2014

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Available-for-sale financial assets - purchased call options	$ 6,416,216	$ 6,475,072	$ 6,416,216	$ 6,475,072	$ (58,856)

June 30, 2014

Type of Financial Assets	The Book Value of Financial Assets Transferred	The Book Value of Related Financial Liabilities	The Fair Value of Financial Assets Transferred	The Fair Value of Related Financial Liabilities	Net Amount
Available-for-sale financial assets - purchased call options	$ 8,135,109	$ 7,927,202	$ 8,135,109	$ 7,927,202	$ 207,907

e. Offsetting financial assets and financial liabilities

The Bank is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheet since the offsetting criteria are met. Cash collateral has also been paid for the net amount of the derivative assets and derivative liabilities. The cash collateral does not meet the offsetting criteria, but it can be set off against the net amount of the derivative assets and derivative liabilities in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

June 30, 2015

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Reverse repurchase, securities borrowing and similar agreements	$ 4,882,013	$ -	$ 4,882,013	$ (4,882,013)	$ -	$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase, securities lending and similar agreements	$ 10,196,680	$ -	$ 10,196,680	$ (10,196,680)	$ -	$ -

December 31, 2014

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Reverse repurchase, securities borrowing and similar agreements	$ 11,046,883	$ -	$ 11,046,883	$ (11,046,883)	$ -	$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase, securities lending and similar agreements	$ 6,475,072	$ -	$ 6,475,072	$ (6,475,072)	$ -	$ -

June 30, 2014

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Set Off in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Reverse repurchase, securities borrowing and similar agreements	$ 3,800,406	$ -	$ 3,800,406	$ (3,800,406)	$ -	$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Set Off in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Set Off in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase, securities lending and similar agreements	$ 7,927,202	$ -	$ 7,927,202	$ (7,927,202)	$ -	$ -

36. AVERAGE AMOUNT AND AVERAGE INTEREST RATE OF INTEREST-EARNING ASSETS AND INTEREST-BEARING LIABILITIES

Average amount and average interest rate of interest-earning assets and interest-bearing liabilities that is affected by interest rate fluctuations was as follows:

Average balances were calculated by the daily average balances of interest-earning assets and interest-bearing liabilities.

	Six Months Ended June 30, 2015	
	Average Balance	Average Rate (%)
Interest-earning assets		
Cash and cash equivalents - due from other banks	$ 18,326,491	1.26
Due from the Central Bank and call loans to banks	64,220,359	0.85

(Continued)

	Six Months Ended June 30, 2015	
	Average Balance	Average Rate (%)
Financial assets at fair value through profit or loss	$ 35,652,516	0.76
Securities purchased under agreement to resell	10,085,149	0.55
Credit card revolving balances	757,300	14.68
Discounts and loans (excluding nonperforming loans)	575,383,907	2.38
Available-for-sale financial assets	96,997,992	1.72
Held-to-maturity financial assets	87,931,710	0.87
Bills purchased	18,044	1.90
Interest-bearing liabilities		
Due to the Central Bank and banks	14,452,547	1.43
Securities sold under agreement to repurchase	7,930,424	0.53
Borrowings from the Central Bank and banks	8,609	-
Negotiable certificates of deposits	15,977,678	0.71
Demand deposits	190,812,997	0.08
Savings deposits	118,648,065	0.38
Time deposits	341,510,124	1.11
Time-savings	117,520,175	1.32
Bank debentures	37,721,667	1.62
Appropriated loan funds	4,637,792	-
Structured deposit instruments principal	2,227,980	0.71

(Concluded)

	Six Months Ended June 30, 2014	
	Average Balance	Average Rate (%)
Interest-earning assets		
Cash and cash equivalents - due from other banks	$ 15,003,494	2.68
Due from the Central Bank and call loans to banks	50,121,801	0.87
Financial assets at fair value through profit or loss	32,199,415	0.89
Securities purchased under agreement to resell	3,261,290	0.56
Credit card revolving balances	821,558	16.59
Discounts and loans (excluding nonperforming loans)	550,288,142	2.35
Available-for-sale financial assets	87,751,335	1.68
Held-to-maturity financial assets	107,127,663	0.87
Bills purchased	9,979	1.61
Interest-bearing liabilities		
Due to the Central Bank and banks	16,895,264	0.90
Securities sold under agreement to repurchase	8,151,910	0.54
Borrowings from the Central Bank and banks	1,628,484	0.56
Negotiable certificates of deposits	3,506,280	0.70
Demand deposits	167,906,713	0.08
Savings deposits	114,985,204	0.38

(Continued)

	Six Months Ended June 30, 2014	
	Average Balance	Average Rate (%)
Time deposits	$ 334,324,875	1.11
Time-savings	121,555,848	1.32
Bank debentures	36,602,151	1.67
Appropriated loan funds	5,201,599	0.01
Structured deposit instruments principal	1,900,366	0.95

(Concluded)

37. CAPITAL MANAGEMENT

All the Bank's risks were included in the assessment of capital adequacy range according to ''Regulations Governing the Capital Adequacy" annual. The business projects and budget objective were approved by the Board of Director, and furthermore the Bank considered the development strategy, capital adequacy, debt ratio, and dividend policy. The contents are included in stress test, estimate of each capital adequacy ratio to ensure achieving the objective of capital adequacy and strengthening the capital structure.

According to the Banking Law and related regulations, the Bank should maintain a capital adequacy ratio of at least 8% to strengthen the financial basis. If the capital adequacy ratio falls below 8%, the Central Regulator would restrict the distributed earnings.

The following table which lists the equity capital, risk-weighted assets, and risk exposure is calculated according to "Regulations Governing the Capital Adequacy and Capital Category of Banks" that was modified by Financial Supervisory Commission R.O.C. (Ref. No. 10110007010) on November 26, 2012.

The Bank conformed to the regulation on capital management on June 30, 2015, December 31, 2014 and June 30, 2014.

	June 30, 2015	December 31, 2014	June 30, 2014
Analysis items			
Eligible capital			
Common equity	$ 80,431,400	$ 81,710,805	$ 75,358,235
Other Tier I capital	-	-	-
Tier II capital	8,632,068	7,642,746	7,248,059
Eligible capital	$ 89,063,468	$ 89,353,551	$ 82,606,294
Risk-weighted assets			
Credit risk			
Standardized approach	$ 605,266,551	$ 610,596,844	$ 577,871,660
Credit valuation adjustment	128,844	193,213	79,253
Internal rating based approach	N/A	N/A	N/A
Synthetic securitization	563,448	547,245	805,440
Operational risk			
Basic indicator approach	32,782,452	32,782,452	30,631,950
Standardized approach/alternative standardized approach	N/A	N/A	N/A
Advanced measurement approach	N/A	N/A	N/A

(Continued)

	June 30, 2015	December 31, 2014	June 30, 2014
Market risk			
Standardized approach	$ 35,342,382	$ 38,188,687	$ 39,330,601
Internal models approach	N/A	N/A	N/A
Total risk-weighted assets	$ 674,083,677	$ 682,308,441	$ 648,718,904
Capital adequacy ratio	13.21%	13.10%	12.73%
Ratio of common equity to risk-weighted assets	11.93%	11.98%	11.62%
Ratio of Tier I capital to risk-weighted assets	11.93%	11.98%	11.62%
Leverage ratio	7.84%	6.31%	6.18%

(Concluded)

Note 1: Eligible capital and risk-weighted assets are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks" and "Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks".

Note 2: Formulas used were as follows:

1) Eligible capital = Common equity + Other Tier I capital + Tier II capital.

2) Total risk-weighted assets = Risk-weighted assets for credit risk + Capital requirements for operational risk and market risk × 12.5.

3) Capital adequacy ratio = Eligible capital ÷ Total risk-weighted assets.

4) Ratio of common equity to risk-weighted assets = Common equity ÷ Total risk-weighted assets.

5) Ratio of Tier I capital to risk-weighted assets = (Common equity + Other Tier I capital) ÷ Total risk-weighted assets.

6) Leverage ratio =Average net value of tier I capital of recent 3 months ÷ Average net value of exposure measurement of recent 3 months

38. ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

a. Assets quality: As stated in Table 1.

b. Concentration of credit risks

Top 10 credit extensions information of the Bank were below:

Ranking (Note 1)	June 30, 2015		
	Group Enterprise (Note 2)	**Total Balances of Credit Extensions (Note 3)**	**Ratio of Credit Extensions to Net Worth (%)**
1	A Group (basic chemical materials manufacturing)	$ 4,900,786	4.54
2	B Group (real estate rental)	4,828,125	4.47
3	C Group (offices)	3,952,965	3.66
4	D Group (computer manufacturing)	3,586,593	3.32
5	E Group (real estate development)	3,410,533	3.16
6	F Group (head offices)	3,091,300	2.86
7	G Group (integrated circuit manufacturing)	2,891,572	2.68
8	H Inc. (head offices)	2,763,509	2.56
9	I Inc. (head offices)	2,740,891	2.54
10	J Inc. (woven fabrics of glass fibers manufacturing)	2,613,433	2.42

Ranking (Note 1)	December 31, 2014		
	Group Enterprise (Note 2)	**Total Balances of Credit Extensions (Note 3)**	**Ratio of Credit Extensions to Net Worth (%)**
1	A Group (plastic leather, plates, pipe manufacturing)	$ 5,426,608	5.03
2	B Group (real estate rental)	4,721,742	4.38
3	C Group (liquid crystal panel and components manufacturing)	4,631,781	4.30
4	D Group (real estate development)	3,665,584	3.40
5	E Group (head offices)	3,167,000	2.94
6	F Group (integrated circuit manufacturing)	2,876,361	2.67
7	G Group (head offices)	2,833,946	2.63
8	H Inc. (woven fabrics of glass fibers manufacturing)	2,824,036	2.62
9	I Inc. (air transport)	2,811,059	2.61
10	J Inc. (head offices)	2,790,134	2.59

Ranking (Note 1)	June 30, 2014		
	Group Enterprise (Note 2)	Total Balances of Credit Extensions (Note 3)	Ratio of Credit Extensions to Net Worth (%)
1	A Group (plastic leather, plates, pipe manufacturing)	$ 6,901,591	6.96
2	B Group (real estate development)	4,618,135	4.66
3	C Group (real estate rental)	3,999,370	4.03
4	D Group (liquid fuel, gas and related industries)	3,735,859	3.77
5	E Group (head offices)	2,984,900	3.01
6	F Group (civil aviation)	2,946,007	2.97
7	G Group (head offices)	2,722,238	2.74
8	H Inc. (wholesale of other specialized wholesale trade not elsewhere classified)	2,598,623	2.62
9	I Inc. (wholesale of other fuels)	2,147,434	2.16
10	J Inc. (wholesale of other specialized wholesale trade not elsewhere classified)	1,674,364	1.69

Note 1: The ranking is made by total credit balance, which excluded government-owned or state-run enterprises. If the borrower is an affiliate of a group enterprise, the credit balance of the borrower is then aggregated to the Bank enterprise's credit balance. The borrower is marked by specific codes as well as its major industry. The major industry of a borrower is determined by its maximum exposures by industries. The classification of industry should be in line with the Standard Industrial Classification System of the Republic of China published by the Directorate-general of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: "Group Enterprise" conforms to the definition of Article 6 in "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Credit balance includes each item of loan (included import bill negotiated, export bill negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans and nonperforming loans), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable and grantees issued.

c. Interest rate sensitivity information

Interest Rate Sensitivity Analysis
June 30, 2015

(In NT$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 576,155,593	$ 9,700,210	$ 8,982,439	$ 44,132,046	$ 638,970,288
Interest-sensitive liabilities	221,466,685	242,408,769	55,831,295	39,432,986	559,139,735
Interest sensitivity gap	354,688,908	(232,708,559)	(46,848,856)	4,699,060	79,830,553
Net equity					107,997,793
Ratio of interest-sensitive assets to liabilities					114.28%
Ratio of interest sensitivity gap to net equity					73.92%

Interest Rate Sensitivity Analysis
December 31, 2014

(In NT$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 572,640,244	$ 300,603	$ 1,086,882	$ 46,065,968	$ 620,093,697
Interest-sensitive liabilities	243,242,320	231,355,851	56,902,220	35,910,307	567,410,698
Interest sensitivity gap	329,397,924	(231,055,248)	(55,815,338)	10,155,661	52,682,999
Net equity					107,823,959
Ratio of interest-sensitive assets to liabilities					109.28%
Ratio of interest sensitivity gap to net equity					48.86%

Interest Rate Sensitivity Analysis
June 30, 2014

(In NT$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 557,419,859	$ 3,924,697	$ 3,869,235	$ 48,069,071	$ 613,282,862
Interest-sensitive liabilities	247,218,069	225,826,436	53,236,394	34,918,040	561,198,939
Interest sensitivity gap	310,201,790	(221,901,739)	(49,367,159)	13,151,031	52,083,923
Net equity					99,207,148
Ratio of interest-sensitive assets to liabilities					109.28%
Ratio of interest sensitivity gap to net equity					52.50%

Note 1: The tables above refer only to the financial assets/liabilities denominated in N.T. dollars held by the whole bank, contingent assets and liabilities excluded.

Note 2: Interest rate-sensitive assets/liabilities refer to financial assets/liabilities which returns are driven by interest rate fluctuations.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities. (The interest rate-sensitive assets and liabilities are in New Taiwan dollars).

Interest Rate Sensitivity Analysis
June 30, 2015

(In US$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 4,553,802	$ 204,070	$ 123,544	$ 485,058	$ 5,366,474
Interest-sensitive liabilities	2,024,738	3,790,443	532,007	1,428	6,348,616
Interest sensitivity gap	2,529,064	(3,586,373)	(408,463)	483,630	(982,142)
Net equity					3,493,604
Ratio of Interest-sensitive assets to liabilities					84.53%
Ratio of interest sensitivity gap to net equity					(28.11%)

Interest Rate Sensitivity Analysis
December 31, 2014

(In US$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 5,015,196	$ 88,838	$ 14,488	$ 459,383	$ 5,577,905
Interest-sensitive liabilities	1,942,201	3,667,990	544,541	71	6,154,803
Interest sensitivity gap	3,072,995	(3,579,152)	(530,053)	459,312	(576,898)
Net equity					3,404,609
Ratio of Interest-sensitive assets to liabilities					90.63%
Ratio of interest sensitivity gap to net equity					(16.94%)

Interest Rate Sensitivity Analysis
June 30, 2014

(In US$ Thousand)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest-sensitive assets	$ 5,084,424	$ 55,444	$ 86,835	$ 442,509	$ 5,669,212
Interest-sensitive liabilities	2,058,032	3,331,592	444,346	38	5,834,008
Interest sensitivity gap	3,026,392	(3,276,148)	(357,511)	442,471	(164,796)
Net equity					3,323,634
Ratio of Interest-sensitive assets to liabilities					97,18%
Ratio of interest sensitivity gap to net equity					(4.96%)

Note 1: The tables above refer only to the financial assets/liabilities denominated in U.S. dollars held by the whole bank, contingent assets and liabilities excluded.

Note 2: Interest rate-sensitive assets/liabilities refer to financial assets/liabilities which returns are driven by interest rate fluctuations.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities. (The interest rate-sensitive assets and liabilities are in U.S. dollars).

d. Profitability

Items		June 30, 2015	June 30, 2014
Return on total assets	Before income tax	1.41	1.33
	After income tax	1.25	1.12
Return on equity	Before income tax	12.76	12.63
	After income tax	11.25	10.62
Profit margin		58.53	56.18

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on equity = Income before (after) income tax ÷ Average equity.

Note 3: Profit margin = Income after income tax ÷ Total net revenues.

Note 4: Income before (after) income tax represents income for the six months ended in each year.

Note 5: The profitability disclosed each quarter is calculated as annual percentage rate.

e. Maturity analysis of assets and liabilities

1) New Taiwan dollars (thousands)

	Total	June 30, 2015					
		By Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 678,048,259	$ 99,866,590	$ 93,346,858	$ 42,254,259	$ 55,981,865	$ 97,638,158	$ 288,960,529
Main capital outflow on maturity	876,046,336	57,053,951	69,258,671	144,764,320	137,792,399	189,077,837	278,099,158
Gap	(197,998,077)	42,812,639	24,088,187	(102,510,061)	(81,810,534)	(91,439,679)	10,861,371

	Total	December 31, 2014					
		By Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 674,851,856	$ 118,459,745	$ 96,558,368	$ 40,223,363	$ 44,726,618	$ 84,211,343	$ 290,672,419
Main capital outflow on maturity	858,473,732	42,243,280	98,654,832	133,807,202	115,275,453	190,419,163	278,073,802
Gap	(183,621,876)	76,216,465	(2,096,464)	(93,583,839)	(70,548,835)	(106,207,820)	12,598,617

	Total	June 30, 2014					
		By Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 653,489,917	$ 110,941,175	$ 85,022,450	$ 23,934,983	$ 33,122,429	$ 47,875,401	$ 352,593,479
Main capital outflow on maturity	831,452,403	39,833,066	75,229,057	139,540,059	113,492,302	167,643,398	295,714,521
Gap	(177,962,486)	71,108,109	9,793,393	(115,605,076)	(80,369,873)	(119,767,997)	56,878,958

Note: This table includes only financial assets/liabilities denominated in New Taiwan dollars held by the head office and domestic branches.

2) U.S. dollars (thousands)

	Total	June 30, 2015				
		By Remaining Period to Maturity				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 6,832,250	$ 902,939	$ 767,751	$ 942,505	$ 981,951	$ 3,237,104
Main capital outflow on maturity	12,046,126	2,235,559	1,608,134	1,807,343	3,101,676	3,293,414
Gap	(5,213,876)	(1,332,620)	(840,383)	(864,838)	(2,119,725)	(56,310)

	Total	December 31, 2014				
		By Remaining Period to Maturity				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 7,105,016	$ 1,008,120	$ 857,511	$ 1,076,660	$ 726,628	$ 3,436,097
Main capital outflow on maturity	11,817,596	1,642,342	1,717,128	2,013,789	3,036,575	3,407,762
Gap	(4,712,580)	(634,222)	(859,617)	(937,129)	(2,309,947)	28,335

	Total	June 30, 2014				
		By Remaining Period to Maturity				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 8,104,535	$ 1,075,685	$ 962,189	$ 3,071,741	$ 1,132,813	$ 1,862,107
Main capital outflow on maturity	11,742,730	2,549,400	1,807,622	1,983,066	3,322,480	2,080,162
Gap	(3,638,195)	(1,473,715)	(845,433)	1,088,675	(2,189,667)	(218,055)

Note: This table includes only financial assets/liabilities denominated in U.S. dollars held by the head office, domestic branches and OBU.

39. THE CONTENTS AND AMOUNTS OF TRUST ACTIVITIES BY PROCESSING TRUST ENTERPRISE ACT

The trust account balance sheets, income statements and the details of trust assets are as follows:

Balance Sheet of Trust Account

Trust Assets	June 30, 2015	December 31, 2014	June 30, 2014	Trust Liabilities	June 30, 2015	December 31, 2014	June 30, 2014
Bank deposit	$ 2,027,688	$ 2,952,877	$ 2,788,913	Depository of security payable	$ 40,523,042	$ 41,270,953	$ 37,567,446
Short-term investments	70,561,383	71,492,962	69,202,042	Trust capital	88,876,242	92,703,094	89,693,846
Net asset value of collective investment trust fund	5,168,613	3,723,569	4,220,319	Accumulated (loss) gain and equity	(533,942)	(220,468)	(141,201)
Account receivable	40,544	107,048	13,834				
Land	10,344,954	14,020,068	13,148,610				
Buildings and improvement, net	67,536	116,588	111,865				
Construction in progress	61,880	-	-				
Depository of security	40,523,042	41,270,953	37,567,446				
Other assets	69,702	69,514	67,062				
Total trust assets	$ 128,865,342	$ 133,753,579	$ 127,120,091	Total trust liabilities	$ 128,865,342	$ 133,753,579	$ 127,120,091

Trust Asset Lists

Item	June 30, 2015	December 31, 2014	June 30, 2014
Cash in banks	$ 2,027,688	$ 2,952,877	$ 2,788,913
Short-term investment			
Fund	61,760,027	63,009,799	60,931,309
Bond	6,334,020	6,117,209	5,548,995
Common stock	2,467,336	2,365,954	2,721,738
Net asset value of collective trust accounts	5,168,613	3,723,569	4,220,319
Receivable	40,544	107,048	13,834
Land	10,344,954	14,020,068	13,148,610
Buildings and improvement, net	67,536	116,588	111,865
Construction in progress	61,880	-	-
Depository of securities	40,523,042	41,270,953	37,567,446
Other assets	69,702	69,514	67,062
Total	$ 128,865,342	$ 133,753,579	$ 127,120,091

Income Statements of Trust Account

	For the Six Months Ended June 30	
	2015	2014
Trust income		
Interest revenue	$ 5,721	$ 5,179
Realized investment gain	151	-
Realized capital gain	2,250	5,391
Unrealized capital gain	93,387	171,675
Other revenue	144	34
	101,653	182,279
Trust expenses		
Tax expenditures	4,063	657
Management fee	1,502	1,082
Service fee	22,365	20,099
Realized investment losses	-	6
Realized capital losses	144	2
Unrealized capital losses	41,596	9,277
Other expenses	10	10
	69,680	31,133
Income before income tax	31,973	151,146
Income tax expense	-	-
Net income	$ 31,973	$ 151,146

40. EXCHANGE RATE INFORMATION FOR FOREIGN FINANCIAL ASSETS AND LIABILITIES

	June 30, 2015			December 31, 2014			June 30, 2014		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets									
Monetary items									
Cash and cash equivalents									
CNY	$ 1,345,043	4.9799	$ 6,698,180	$ 1,688,540	5.1123	$ 8,632,323	$ 2,813,329	4.8046	$ 13,516,921
JPY	12,080,439	0.2524	3,049,103	3,049,959	0.2655	905,344	1,378,986	0.2947	406,387
USD	111,607	30.9130	3,450,107	185,884	31.6700	5,886,946	58,154	29.8490	1,735,839
Due from the Central Bank and call loans to banks									
USD	638,949	30.9130	19,751,830	324,604	31.6700	10,280,209	383,614	29.8490	11,450,494
CNY	1,264,740	4.9799	6,298,279	1,035,775	5.1123	5,295,193	1,004,706	4.8046	4,827,210
CAD	37,500	24.8997	933,739	-	-	-	8,000	28.1178	224,942
Receivables									
USD	133,810	30.9130	4,136,469	120,190	31.6700	3,806,417	89,882	29.8490	2,682,887
JPY	1,792,110	0.2524	452,329	2,343,016	0.2655	622,071	2,282,800	0.2947	672,741
EUR	11,906	34.6040	411,995	4,970	38.5376	191,532	27,784	40.7334	1,131,737
Discounts and loans									
USD	3,896,126	30.9130	120,440,943	4,450,279	31.6700	140,940,336	4,601,303	29.8490	137,344,293
CNY	4,296,332	4.9799	21,395,304	3,013,225	5,1123	15,404,510	2,857,986	4.8046	13,731,479
HKD	1,835,227	3.9877	7,318,335	2,157,620	4.0825	8,804,484	2,282,378	3.8509	8,789,209
Option contract									
USD	14,591	30.9130	451,052	15,990	31.6700	506,403	4,445	29.8490	132,678
Nonmonetary items									
Structured corporate bonds contracts									
USD	39,898	30.9130	1,233,367	42,434	31.6700	1,343,900	48,027	29.8490	1,433,558
HKD	20,106	3.9877	80,177	-	-	-	-	-	-
Equity investments under the equity method									
USD	1,727,960	30.9130	53,416,429	1,687,587	31.6700	53,445,904	1,602,323	29.8490	47,827,739
HKD	60,815	3.9877	242,512	58,619	4.0825	239,315	56,808	3.8509	218,763
Financial liabilities									
Monetary items									
Payables									
USD	151,273	30.9130	4,676,302	103,595	31.6700	3,280,854	96,786	29.8490	2,888,965
AUD	38,509	23.7257	913,653	12	26.0137	312	8	27.9747	224
CNY	159,609	4.9799	794,837	35,705	5.1123	182,535	2,706	4.8046	13,001
Due to the Central Bank and banks									
USD	162,609	30.9130	5,026,732	165,864	31.6700	5,252,913	167,737	29.8490	5,006,781
AUD	80,175	23.7257	1,902,208	-	-	-	57,105	28.1178	1,605,667
CNY	595,453	4.9799	2,965,296	21,629	5.1123	110,574	202,025	4.8046	970,649
Borrowings from the Central Bank and banks									
USD	50,000	30.9130	1,545,650	-	-	-	-	-	-
Deposits and remittances									
USD	6,103,945	30.9130	188,691,252	6,012,248	31.6700	190,407,894	5,692,302	29.8490	169,909,522
CNY	7,275,099	4.9799	36,229,266	6,445,902	5.1123	32,953,385	6,886,603	4.8046	33,087,372
JPY	26,393,339	0.2524	6,661,679	20,280,275	0.2655	5,384,413	15,746,254	0.2947	4,640,421

41. ADDITIONAL DISCLOSURES

a. and b. Additional disclosures for the Bank and investees are the following:

1) Financing provided: The Bank - not applicable; investees - not applicable or none.

2) Endorsement/guarantee provided: The Bank - not applicable; investees - not applicable or none.

3) Marketable securities held: The Bank - not applicable; investees - Table 2.

4) Marketable securities (for investees) or investee investment (for the Bank) acquired and disposed of, at costs or prices of at least NT$300 million or 10% of the issued capital: None.

5) Acquisition of individual real estate at costs of at least $300 million or 10% of the issued capital: None.

6) Disposal of individual real estate at prices of at least $300 million or 10% of the issued capital: None.

7) Allowance for service fees to related-parties amounting to more than $5 million: None.

8) Receivables from related parties amounting to at least $300 million or 10% of the issued capital: None.

9) Sale of non-performing loans: None.

10) Applying for approval the securitization product types and information according to Financial Asset Securitization or Clause of the Real State Securitization Act: None.

11) Other significant transactions which may have effects on decision making of financial statement users: None.

12) Names, locations, and other information of investees on which the Bank exercises significant influence: Table 3.

13) Derivative financial transactions: Note 8 investees on which the Bank exercises significant influence have no such transactions.

c. Investment in Mainland China:

1) Name of the investees in Mainland China, main businesses and products, paid-in capital, method of investment, information on inflow or outflow of capital, percentage of ownership, investment income or loss, ending balance of investment, dividends remitted by the investee, and the limit of investment in Mainland China: Table 5.

2) Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: Table 3.

42. SEGMENT INFORMATION

According to the Article 23 of "Regulations Governing the Preparation of Financial Reports by Public Banks", the Bank does not prepare the segment information of IFRS

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

OVERDUE LOANS AND RECEIVABLE
JUNE 30, 2015, DECEMBER 31, 2014 AND JUNE 30, 2014
(In Thousands of New Taiwan Dollars, %)

Period			June 30, 2015					December 31, 2014					June 30, 2014				
Items			Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate banking	Secured		$ 504,995	$ 184,484,730	0.27	$ 3,134,239	620.65	$ 407,092	$ 185,088,687	0.22	$ 3,216,869	790.21	$ 565,877	$ 176,793,261	0.32	$ 3,258,223	575.78
	Unsecured		471,496	157,318,408	0.30	3,472,650	736.52	262,131	170,389,440	0.15	3,443,540	1,313.67	375,678	169,726,587	0.22	3,051,248	812.20
Consumer banking	Housing mortgage (Note 4)		359,758	123,495,014	0.29	1,384,444	384.83	207,818	124,978,338	0.17	1,343,287	646.38	163,300	123,571,209	0.13	1,160,620	710.73
	Cash card		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		10,959	437,892	2.50	21,645	197.51	12,742	492,540	2.59	38,469	286.21	13,871	593,104	2.34	33,437	241.06
	Other (Note 6)	Secured	100,783	103,754,212	0.10	837,533	831.03	57,169	100,252,521	0.06	799,327	1,398.18	36,131	92,973,757	0.04	695,232	1,924.20
		Unsecured	2,867	6,172,534	0.05	60,064	2,095.01	6,397	5,696,113	0.11	63,734	996.31	16,338	5,387,402	0.30	78,668	481.50
Loan			1,450,858	575,662,790	0.25	8,910,575	614.16	953,349	586,897,639	0.16	8,903,226	933.89	1,171,195	569,045,320	0.21	8,277,428	706.75
			Nonperforming Receivables (Note 1)	Accounts Receivable	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Accounts Receivable	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Accounts Receivable	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Credit cards			9,819	2,065,418	0.48	195,720	1,993.28	12,059	2,118,357	0.57	188,013	1,559.11	11,346	2,298,784	0.49	176,301	1,553.86
Accounts receivable factored without recourse (Note 7)			-	1,220,864	-	12,224	-	-	1,690,896	-	16,909	-	-	1,629,665	-	16,297	-
Excluded NPL as a result of debt consultation and loan agreements (Note 8)			-					-					-				
Excluded overdue receivables as a result of debt consultation and loan agreements (Note 8)			-					-					-				
Excluded NPL as a result of consumer debt clearance (Note 9)			-					-					-				
Excluded overdue receivables as a result of consumer debt clearance (Note 9)			46,753					50,615					53,054				

Note 1: Nonperforming loans represent the amounts of nonperforming loans reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans."
Nonperforming credit card receivables represent the amounts of nonperforming receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.
Ratio of nonperforming credit cards receivables: Nonperforming credit cards receivables ÷ Outstanding credit cards receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses on loans ÷ Nonperforming loans.
Coverage ratio of credit cards receivable: Allowance for possible losses on credit cards receivable ÷ Nonperforming credit cards receivable.

Note 4: Housing mortgage is fully secured by house, which is purchased (owned) by the borrower, the spouse or the minor children of the borrower and the rights on mortgage are pledged to the financial institution, for the purpose of purchasing or decorating house.

Note 5: Small scale credit loans, as categorized in accordance with the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), are unsecured loans with small amounts exclusive of credit cards and cash cards.

Note 6: Other loans of consumer banking refer to secured or unsecured loans exclusive of housing mortgage, cash card, small scale credit loans and credit card.

Note 7: As required by the Banking Bureau's letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as nonperforming receivables in three months after the factors or insurance companies reject indemnification.

Note 8: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt consultation and loan agreements is based on the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2015
(In Thousands of New Taiwan Dollars)

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	June 30, 2015				Note
				Shares (Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shancom Reconstruction Inc.	Empresa Inversiones Generales, S.A.	Indirect subsidiary	Equity investments under the equity method	1	$ 1,696,577	100.00	$ 1,696,577	
	Krinein Company	Indirect subsidiary	Equity investments under the equity method	2	488,469	100.00	488,469	
	Safehaven Investment Corporation	Indirect subsidiary	Equity investments under the equity method	1	48,239	100.00	48,239	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Equity investments under the equity method	4	71,100	100.00	(16,682)	
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under the equity method	20,372	105,570	45.00	105,570	
	CTS Travel International Ltd.	Indirect subsidiary	Equity investments under the equity method	600	6,823	100.00	6,823	
	Joy Tour Service Co., Ltd.	-	Financial assets carried at cost	100	1,000	10.00	-	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets carried at cost	26	859	-	-	
SCSB Life Insurance Agency	Geniron.Com.	-	Financial assets carried at cost	950	2,089	4.13	-	
	Prism Communication International Limited	-	Financial assets carried at cost	1,250	-	-	-	
SCSB Property Insurance Agency	Geniron.Com.	-	Financial assets carried at cost	950	2,089	4.13	-	
	Prism Communication International Limited	-	Financial assets carried at cost	1,250	-	-	-	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Equity investments under the equity method	N/A	918,441	100.00	918,441	
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Equity investments under the equity method	1,920	8,501,049	9.60	8,501,049	
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Equity investments under the equity method	9,600	42,505,243	48.00	42,505,243	

TABLE 3

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

MARKETABLE SECURITIES ACQUIRED AND DISPOSED AT COSTS OR PRICES OF AT LEAST $300 MILLION OR 10% OF THE PAID-IN CAPITAL
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Share in Thousands)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
The Bank	SCSB Asset Management Ltd.	Equity	-	-	120,000	$ 1,217,599	40,000	$ 389,154	-	$ -	$ -	$ -	160,000	$ 1,606,753
Shanghai Commercial Bank (HK)	Bank of Shanghai	Available-for-sale financial assets	-	-	152,320	10,064,201 (HK$ 2,523,811)	N/A	2,223,051 (HK$ 557,477)	-	-	-	-	N/A	12,287,252 (HK$ 3,081,288)

Note 1: Calculated using the exchange rate on June 30, 2015.

Note 2: The beginning balance, including valuation adjustment, of SCSB Asset Management Ltd. was $17,599 thousand.

Note 3: The acquisition amount of SCSB Asset Management Ltd included historical cost $400,000 thousand and foreign currency translation adjustment, which decreased the historical cost for $10,846 thousand. The acquisition amount of Bank of Shanghai included valuation adjustment $1,414,489 thousand.

Note 4: The ending balance of SCSB Asset Management Ltd. included $6,753 thousand for current loss and gain and foreign currency translation adjustment.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

RELATED INFORMATION OF INVESTEES
SIX MONTHS ENDED JUNE 30, 2015
(In Thousands of New Taiwan Dollars) (Share in Thousands)

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	Consolidated Investment (Note 2)				Note
						Shares (In Thousands)	Shares (Pro forma)	Shares (In Thousands)	Percentage of Ownership (%)	
Equity investments under the equity method										
Financial business										
SCSB Asset Management Ltd.	Taipei City	Purchase and management of creditor's rights of financial institutions	100.00	$ 1,606,753	$ 7,690	160,000	-	160,000	100.00	
SCSB Life Insurance Agency	Taipei City	Insurance	100.00	201,738	52,007	5,000	-	5,000	100.00	
SCSB Property Insurance Agency	Taipei City	Insurance	100.00	59,422	1,722	5,000	-	5,000	100.00	
SCSB Marketing Ltd.	Taipei City	Marketing	100.00	6,546	492	500	-	500	100.00	
Paofoong Insurance Company Ltd.	Hong Kong	Insurance	40.00	242,512	7,201	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	51,006,292	2,386,606	11,520	-	11,520	57.60	
Non-financial business										
China Travel Service (Taiwan)	Taipei City	Travel services	99.99	235,463	15,394	38,943	-	38,943	99.99	
Kuo Hai Real Estate Management	Taipei City	Building material distribution	34.69	-	-	3,000	-	3,000	34.69	
Shancom Reconstruction Inc.	Liberia	Securities investment	100.00	53,111,547	2,388,686	5	-	5	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	304,882	2,784	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	1,696,577	1,817,620	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	488,469	364,062	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	48,239	141	1	-	1	100.00	
Prosperity Realty Inc.	America	Real estate services	100.00	71,100	-	4	-	4	100.00	
Silks Place Taroko	Hualien	Travel services	45.00	105,570	9,362	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taipei City	Travel services	100.00	6,823	69	600	-	600	100.00	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	918,441	7,139	N/A	-	N/A	100.00	

Note 1: Investees are categorized into financial business and non-financial business.

Note 2: The Bank, board chairman, supervisors, managing directors, and the stock of investee companies invested by related parties which comply with corporation law are considered.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

INVESTMENT IN MAINLAND CHINA
JUNE 30, 2015
(Amounts in Thousands of New Taiwan Dollars and Foreign Currency)

1. Investee company name, main business and products, total amount of paid-in capital, investment type, investment outflows and inflows, % ownership, investment gain (loss), carrying value as of June 30, 2014 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment as of December 31, 2014	Investment Flows		Accumulated Outflow of Investment as of June 30, 2015	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 6)	Carrying Value as of June 30, 2015 (Note 4)	Accumulated Inward Remittance of Earnings as of June 30, 2015
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	US$ 30,000	(c)	US$ 21,947	US$ 8,053	US$ -	US$ 30,000	100.00	$ 7,139 (US$ 229)	$ 918,441 (US$ 29,711)	$ -
Bank of Shanghai	Approved by local government	US$ 870,552	(Note 5)	US$ 58,783	US$ 15,063	US$ -	US$ 73,846	3.00	-	7,077,400 (US$ 228,946)	-
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Approved by local government	US$ 64,565	(Note 5)	US$ 36,339	US$ -	US$ -	US$ 36,339	57.60	51,691 (US$ 1,658)	923,977 (US$ 29,890)	-
Shanghai Commercial Bank Ltd. - Shanghai Branch	Approved by local government	US$ 112,721	(Note 5)	US$ 18,348	US$ 46,361	US$ -	US$ 64,709	57.60	18,548 (US$ 595)	2,000,620 (US$ 64,718)	-

2. Upper limit on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2015 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA (Notes 4 and 7)	Upper Limit on Investment Authorized by Investment Commission MOEA (Note 3)
NT$6,333,888 (US$204,894)	NT$6,366,532 (US$205,950)	NT$87,306,948

Note 1: Routes of investment in Mainland China are listed below:

a. To directly invest.
b. To invest via third place company.
c. Others.

Note 2: In the column of “Investment Gain (Loss)”

a. It should be specified if it is preparing for establishment and no investment gain (loss).

b. It should be specified if the investment gain (loss) is divided into the following three categories:

1) Financial report audited by international accounting firm associated with accounting firm in the ROC.
2) Financial report audited by the accounting firm associated with the parent company in the ROC.
3) Others.

Note 3: Under the “Regulatory Principles for Investments in Mainland China Enterprises by Banks, Financial Holding Companies, and Their Affiliated Enterprises”, when a Taiwan bank or its third-area subsidiary bank applies to establish a branch or subsidiary bank, or make equity investment in Mainland Area, or a subsidiary company with over 50 percent of total outstanding voting shares or capital owned by Taiwan bank makes investments in Mainland Area, the cumulative allocated operating capital and total amount of investment combined shall not exceed 15 percent of the bank's net worth at the time of application.

Note 4: Calculated using the exchange rate on June 30, 2015.

Note 5: To invest via sub-subsidiary of the Bank, “Shanghai Commercial Bank (HK)”.