Stock code: 5876
Taiwan Stock Exchange

The Shanghai Commercial & Savings Bank, Ltd.

Standalone Financial Statements for the Year Ended December 31, 2024 and 2023 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for opinion

We conducted our audits of the financial statements in accordance with the "Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants" , Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the Norm of Professional Ethics for Certified Public Accountant of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Bank's financial statements of the current period is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Bank is granting loans, which is significant to the accompanying financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowance for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 38 of the financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management's evaluation of credit losses;
2. Sampled and tested the classification of expected credit loss impairment stages.
3. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
4. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
5. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Bank's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Puo-Ju Kuo　　　　　　　　　　Wei-Tai Wu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Taiwan. The standards, procedures and practices in Taiwan governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, and their applications in practice.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2024 Amount	%	December 31, 2023 Amount	%
11000	Cash and cash equivalents (Note 6)	$ 21,213,339	1	$ 28,209,353	2
11500	Due from the Central Bank and call loans to banks (Note 7)	87,192,232	5	83,730,081	5
12000	Financial assets measured at fair value through profit or loss (Note 8)	2,582,689	-	1,458,935	-
12100	Financial assets measured at fair value through other comprehensive income (Notes 9 and 11)	250,415,803	16	230,163,280	14
12200	Investments in debt instruments measured at amortized cost (Notes 10 and 11)	214,376,343	13	237,245,205	15
12500	Securities purchased under resell agreements (Note 12)	8,408,560	1	5,421,476	-
13000	Receivables, net (Note 13)	10,749,984	1	10,668,014	1
13500	Discounts and loans, net (Note 14)	887,519,906	55	866,277,449	55
15000	Investments under the equity method, net (Note 15)	101,293,536	6	89,537,380	6
15500	Other financial assets, net (Note 16)	1,872	-	3,497	-
18500	Properties, net (Note 17)	15,230,318	1	14,317,913	1
18600	Right-of-use assets, net (Note 18)	757,738	-	731,466	-
19000	Intangible assets, net (Note 19)	323,476	-	417,440	-
19300	Deferred income tax assets (Note 32)	1,343,887	-	2,201,575	-
19500	Other assets, net (Note 20 and 29)	9,853,351	1	13,520,631	1
10000	Total assets	$ 1,611,263,034	100	$ 1,583,903,695	100
Codes	**LIABILITIES AND EQUITY**				
21000	Deposits from the central bank and other banks (Note 21)	$ 21,140,910	1	$ 14,226,206	1
22000	Financial liabilities measured at fair value through profit or loss (Note 8)	3,728,563	-	4,095,240	-
22500	Securities sold under repurchase agreements (Note 22)	4,783,153	-	591,289	-
23000	Payables (Note 23)	26,257,828	2	27,415,253	2
23200	Current income tax liabilities (Note 32)	382,599	-	669,929	-
23500	Deposits and remittances (Note 24)	1,286,587,580	80	1,274,561,694	80
24000	Bank debentures (Note 25)	48,220,000	3	58,070,000	4
25500	Other financial liabilities (Note 26)	8,626,096	1	6,559,273	-
25600	Provisions (Notes 27)	1,661,634	-	2,175,537	-
26000	Lease liabilities (Note 18)	769,855	-	743,625	-
29300	Deferred income tax liabilities (Note 32)	9,711,633	1	10,527,881	1
29500	Other liabilities (Note 28)	1,464,520	-	950,724	-
20000	Total liabilities	1,413,334,371	88	1,400,586,651	88
	Equity (Note 30)				
	Share capital				
31101	Ordinary shares	48,616,031	3	48,616,031	3
31500	Capital surplus	27,705,927	2	27,548,445	2
	Retained earnings				
32001	Legal reserve	64,476,033	4	64,476,033	4
32003	Special reserve	7,669,374	1	13,252,879	1
32005	Unappropriated earnings	39,833,861	2	28,987,035	2
32000	Total retained earnings	111,979,268	7	106,715,947	7
32500	Other equity	9,710,581	-	519,765	-
32600	Treasury shares	(83,144)	-	(83,144)	-
30000	Total equity	197,928,663	12	183,317,044	12
	Total liabilities and equity	$ 1,611,263,034	100	$ 1,583,903,695	100

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Comprehensive Income
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		For the Year Ended December 31				
		2024		**2023**		**Change**
Codes		**Amount**	**%**	**Amount**	**%**	**%**
41000	Interest income	$ 40,419,486	147	$ 38,399,936	135	5
51000	Interest expenses	(21,389,849)	(78)	(18,624,590)	(65)	15
49010	Net interest income (Notes 31)	19,029,637	69	19,775,346	70	(4)
	Non-interest income					
49100	Service fee income, net (Note 31)	4,362,671	16	3,003,380	10	45
49200	Gain on financial assets and liabilities measured at fair value through profit or loss (Note 31)	(2,956,671)	(11)	(1,146,870)	(4)	158
49310	Realized gain on financial assets measured at fair value through other comprehensive income (Note 31)	2,751,005	10	1,649,117	6	67
49450	Gain on financial assets measured at amortized cost	79,286	-	19,905	-	298
49600	Foreign exchange gain, net	2,744,974	10	1,372,358	5	100
49700	Impairment gain (loss) on assets(Note 11 and 15)	(54,605)	-	39,453	-	(238)
49750	Proportionate share of profit of associates under the equity method (Note 31)	1,401,187	5	3,954,943	14	(65)
49800	Other non-interest income, net (Note 31)	90,530	1	(257,491)	(1)	(135)
49020	Total non-interest income	8,418,377	31	8,634,795	30	(3)
4xxxx	Net revenue	27,448,014	100	28,410,141	100	(3)
58200	Provisions for bad-debt expense, commitment and guarantee liability (Note 14)	(2,605,898)	(9)	(2,700,000)	(10)	(3)
	Operating expenses					
58500	Employee benefits (Note 31)	(5,450,807)	(20)	(5,281,133)	(18)	3
59000	Depreciation and amortization (Note 31)	(879,500)	(3)	(799,624)	(3)	10
59500	Other general and administrative (Note 31)	(3,501,713)	(13)	(3,144,526)	(11)	11
58400	Total operating expenses	(9,832,020)	(36)	(9,225,283)	(32)	7
61001	Profit before income tax	15,010,096	55	16,484,858	58	(9)
61005	Income tax expense (Note 32)	(1,531,613)	(6)	(1,824,863)	(6)	(16)
64000	Net income	$ 13,478,483	49	$ 14,659,995	52	(8)
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss:					
65201	Remeasurement of defined benefit plans(Note 29)	(4,711)	-	(118,857)	(1)	(96)
65204	Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income(Note 9)	694,848	2	2,756,301	10	(75)
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk (Note 8)	3,132	-	32,147	-	(90)
65207	Proportionate share of other comprehensive income of associates under the equity method	3,199,184	12	731,995	3	337
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 32)	(13,955)	-	64,559	-	(122)
65200	Subtotal of items that will not be reclassified subsequently to profit or loss	3,878,498	14	3,466,145	12	12
	Items that may be reclassified subsequently to profit or loss:					
65301	Exchange differences on translating foreign operations	6,409,246	23	(70,185)	-	(9232)
65307	Share of the other comprehensive income of associates accounted for using the equity method	1,311,365	5	1,950,177	7	(33)
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income(Note 9)	(684,983)	(2)	2,469,935	8	(128)
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income (Note 11)	(39,121)	-	(43,086)	-	(9)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss (Note 32)	(1,148,465)	(4)	(288,641)	(1)	298
65300	Subtotal of items that may be reclassified subsequently to profit or loss	5,848,042	22	4,018,200	14	46
65000	Other comprehensive income for the period, net of income tax	9,726,540	36	7,484,345	26	30
66000	Total comprehensive income for the period	$ 23,205,023	85	$ 22,144,340	78	5
	Earnings per share (Note 33)					
67500	Basic	$ 2.78		$ 3.02		
67700	Diluted	$ 2.78		$ 3.02		

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Changes in Equity
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		Share Capital		Retained Earnings			Other Equity				
Codes		**Ordinary Shares**	**Capital Surplus**	**Legal Reserve**	**Special Reserve**	**Unappropriated Earnings**	**Exchange Differences on Translating Foreign Operations**	**Change in Financial Assets at FVTOCI**	**Change in Credit Risk From Financial Liabilities Designated at FVTPL**	**Treasury Shares**	**Total Equity**
A1	Balance on January 1, 2023	$ 48,616,031	$ 27,405,763	$ 64,476,033	$ 7,669,374	$ 28,537,216	$ (126,464)	$ (6,677,607)	$ (36,294)	$ (83,144)	$ 169,780,908
D1	Net profit for the year ended December 31, 2023	-	-	-	-	14,659,995	-	-	-	-	14,659,995
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(59,213)	(295,231)	7,806,642	32,147	-	7,484,345
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	14,600,782	(295,231)	7,806,642	32,147	-	22,144,340
	Appropriation of 2022 earnings										
B3	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
C17	Dividends not yet collected	-	133,202	-	-	-	-	-	-	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	183,428	-	(183,428)	-	-	-
Z1	Balance on December 31, 2023	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	$ (421,695)	$ 945,607	$ (4,147)	$ (83,144)	$ 183,317,044
A1	Balance on January 1, 2024	$ 48,616,031	$ 27,548,445	$ 64,476,033	$ 13,252,879	$ 28,987,035	$ (421,695)	$ 945,607	$ (4,147)	$ (83,144)	$ 183,317,044
D1	Net profit for the year ended December 31, 2024	-	-	-	-	13,478,483	-	-	-	-	13,478,483
D3	Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	(18,241)	5,392,604	4,349,045	3,132	-	9,726,540
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	13,460,242	5,392,604	4,349,045	3,132	-	23,205,023
	Appropriation of 2023 earnings										
B3	Special reserve	-	-	-	(5,583,505)	5,583,505	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
C17	Dividends not yet collected	-	148,002	-	-	-	-	-	-	-	148,002
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	553,965	-	(553,965)	-	-	-
Z1	Balance on December 31, 2024	$ 48,616,031	$ 27,705,927	$ 64,476,033	$ 7,669,374	$ 39,833,861	$ 4,970,909	$ 4,740,687	$ (1,015)	$ (83,144)	$ 197,928,663

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Cash Flows
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from operating activities		
A00010	Net profit before income tax	$ 15,010,096	$ 16,484,858
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	616,679	554,005
A20200	Amortization expenses	262,821	245,619
A20300	Provisions for bad debt expense, commitment and guarantee liability	2,605,898	2,700,000
A20400	Gain (loss) on financial assets and liabilities at fair value through profit or loss	745,607	(216,148)
A20900	Interest expenses	21,389,849	18,624,590
A21200	Interest revenue	(40,419,486)	(38,399,936)
A21300	Dividend income	(2,414,488)	(1,587,756)
A21800	Provision for reconciliation compensation reserves	140,771	338,031
A22300	Proportionate share of profit of subsidiaries	(1,401,187)	(3,954,943)
A22500	(Gain) loss on disposal of properties and equipment, net	(119,952)	9,431
A23500	Loss on financial asset impairment	(44,240)	(39,453)
A23700	Impairment loss on non-financial assets	98,845	-
A29900	Others	(247,221)	(338,001)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(15,993,619)	19,111,174
A41120	Financial assets measured at fair value through profit or loss	(2,936,060)	1,193,478
A41123	Financial assets measured at fair value through other comprehensive income	(20,140,838)	(25,781,141)
A41125	Investment in debt instruments measured at amortized cost	22,872,038	(44,888,433)
A41150	Receivables	(109,182)	(487,498)
A41160	Discounts and loans	(24,244,775)	(28,904,995)
A41190	Other financial assets	1,660	(3,450)
A41990	Other assets	3,619,954	(5,059,465)
A42110	Deposits from the central bank and other banks	6,914,704	2,117,111
A42120	Financial liabilities at fair value through profit or loss	703,154	242,629
A42140	Securities sold under repurchase agreements	4,191,864	(190,279)
A42150	Payables	(1,315,086)	469,649
A42160	Deposits and remittances	12,025,886	56,166,184
A42170	Other financial liabilities	2,066,823	4,059,541
A42180	Employee benefit provisions	177,320	31,499
A42990	Other liabilities	35,186	22,250
A33000	Cash from (used in) operations	(15,906,979)	(27,481,449)
A33100	Interest received	40,236,930	36,848,013
A33200	Dividends received	2,478,597	2,257,077
A33300	Interest paid	(21,075,785)	(17,252,363)
A33500	Income tax paid	(2,579,949)	(1,971,417)
AAAA	Net cash from (used in) operating activities	3,152,814	(7,600,139)

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Cash Flows
For the Year ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31 2024	2023
	Cash flows from investing activities		
B02700	Acquisition of properties	$ (1,249,459)	$ (1,559,452)
B02800	Proceeds from disposal of properties	168,204	6,568
B04500	Acquisition of intangible assets	(123,978)	(290,899)
BBBB	Net cash from (used in) investing activities	(1,205,233)	(1,843,783)
	Cash flows from financing activities		
C01400	Proceeds from issuance of bank debentures	6,550,000	2,607,600
C01500	Payments for bank debentures	(16,400,000)	(625,400)
C04020	Payments for principal portion of lease liabilities	(318,136)	(331,101)
C04500	Cash dividends	(8,750,886)	(8,750,886)
CCCC	Net cash from (used in) financing activities	(18,919,022)	(7,099,787)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	431,043	36,871
EEEE	Net (decrease) increase in cash and cash equivalents	(16,540,398)	(16,506,838)
E00100	Cash and cash equivalents at the beginning of the period	83,532,091	100,038,929
E00200	Cash and cash equivalents at the end of the period	$ 66,991,693	$ 83,532,091

Reconciliation of the cash and cash equivalent amounts in the statements of cash flows with the equivalent item reported in the balance sheets as of December 31, 2024 and 2023:

Codes		December 31, 2024	December 31, 2023
E00210	Cash and cash equivalents in balance sheets	$ 21,213,339	$ 28,209,353
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	37,369,794	49,901,262
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	8,408,560	5,421,476
E00200	Cash and cash equivalents in statements of cash flows	$ 66,991,693	$ 83,532,091

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

(Expressed in thousands of New Taiwan Dollars, unless otherwise stated)

1. ORGANIZATION AND OPERATIONS

The Shanghai Commercial & Savings Bank(the "Bank") is incorporated in Taiwan and engages in the commercial banking businesses under related laws and regulations. The shares of the Bank have been listed and traded on the Taiwan Stock Exchange since October 19, 2018.

The Bank has its head office in Taipei and 78 branches, including 4 foreign branches separately located in Wuxi China, Hong Kong , Vietnam Dong Nai and Singapore.

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

2. AUTHORIZATION OF FINANCIAL STATEMENTS

On February 27, 2025, the financial statements were approved by the board of directors and issued afterward.
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3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

3.1 Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC").

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7" supplier finance arrangements"	January 1, 2024

The Bank assesses the applicable amendments to the IFRSs approved and issued by the FSC will not result in significant changes to the Bank's accounting policies.

3.2 Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Bank.

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IAS 21「Lack of Exchangeability」	January 1, 2025

3.3 IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 for the "Classification and measurement of financial instruments."	January 1, 2026
Amendments to IFRS 7 "Power Purchase Agreements"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IFRS 18 "The presentation and disclosure of financial statements"	January 1, 2027
Amendments to IFRS 19 "The subsidiaries without public accountability: disclosures"	January 1, 2027
Annual improvements to IFRS Accounting Standards — Volume 11	January 1, 2026

As of the date the standalone financial statements were authorized for issue, the Bank is continuously 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 completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of Compliance

These standalone 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 Issuers.

4.2 Basis of Preparation

The standalone financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and pension plans which are measured in accordance with the actuarial assumptions.

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:

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

4.2.2 Level 2 inputs are observable parameters other than quoted prices included within Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

4.2.3 Level 3 inputs are unobservable inputs for an asset or liability.

When the Bank prepared the financial statements, its investments in subsidiaries and associates were accounted for using the equity method. To make the current loss and profit as well as the other comprehensive income and equity equal to the current loss and profit and the other comprehensive income and equity which are attributable to the owners of the Bank in the consolidated financial statements, “equity investments under the equity method”, the “share of profit or loss of subsidiaries, associates and joint ventures”, and the “share of the other comprehensive income of subsidiaries, associates and joint ventures” were adjusted.

4.3 Classification of Current and Non-current Assets and Liabilities

Since the operating cycle in the banking industry cannot be reasonably identified, accounts included in The Bank’s consolidated financial statements are not classified as current or non-current. Nevertheless, these accounts are properly categorized according to the nature of each account and sequenced by liquidity.

4.4 Foreign Currencies

In preparing the financial statements of each individual entity in The Bank, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of The Bank’s foreign operations (including of the associates or branches in other countries or currencies used are different from the currency of the Bank) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Bank and non-controlling interests as appropriate).

4.5 Financial Instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when The Bank becomes one of the parties of the contract.

For financial assets and financial liabilities other than financial assets or financial liabilities at fair value through profit or loss (FVTPL), the fair value is directly attributable to the transaction costs of acquiring or issuing financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at FVTPL are recognized as current expenses.

4.5.1 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(1) Measurement

The Bank owns financial assets which are classified into the following specified categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income (FVTOCI) and investments in equity instruments at FVTOCI.

A. Financial assets at FVTPL

A financial asset is classified as at FVTPL when the financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on re-measurement (excluding any dividends or interest arising from such financial assets) recognized in profit or loss. Fair value is determined in the manner described in Note 38.

B. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, accounts receivable at amortized cost and others, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and
b. Financial assets that have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such a financial asset.

Cash equivalents include accounts due from the Central Bank that are highly liquid, convertible into fixed cash at any time, and have a low-risk of value changes within three months from the date of acquisition, which are used to meet short-term cash commitments.

C. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

a. The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

D. Investments in equity instruments at FVTOCI

On initial recognition, The Bank may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when The Bank's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The Bank recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including discounts and loans and accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivables, loan commitments, as well as contract assets at the estimated credit loss on each balance sheet date.

For such financial assets, The Bank recognizes lifetime expected credit losses (ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, The Bank measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Bank recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

Under the guidelines of the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" issued by the Banking Bureau of the Financial Supervisory Commission, the credit accounts are categorized into five groups: Normal credit assets, assets that require special mention, substandard assets, doubtful assets and full-amount loss based on clients' financial conditions. After assessing the value of the collateral, The Bank will assess the possibilities of recovery.

Under the above guidelines, in addition to the minimum standard allowance for all accounts, allowance is provided for accounts classified as normal (except government accounts), accounts with notice, accounts with warning, difficult accounts and uncollectible accounts at rates of 1%, 2%, 10%, 50%, and 100%, respectively.

According to the local statutes, the Bank's allowances for bad debts and guarantee liabilities for the "acquisition of residential home repair loans and construction loans" and "category one credit assets (including short-term trade financing) due from PRC businesses" should be at least 1.5%. In addition, the minimum allowance for bad debts for SME loans handled in accordance with the " Regulations for the Central Bank's Handling of Bank Acceptance of SME Loans Affected by the Severe Special Contagious Pneumonia Epidemic" is 0.5%.

Debts that are determined to be uncollectible are written off after being reported to the board of directors for approval.

(3) Derecognition of financial assets

When the contractual rights from the cash flows of financial assets have lapsed or the financial assets and all the risks and rewards of the assets have been transferred to other enterprises, the financial assets are derecognized.

When a financial asset is totally derecognized, the difference between the carrying amount and the sum of any accumulated gain or loss recognized in other comprehensive income is recognized as profit or loss.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

On derecognition of a financial asset other than in its entirety, The Bank allocates the previous carrying amount of the financial asset between the part it continues to recognize and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

4.5.2 Equity instruments

Debt and equity instruments issued by The Bank are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by The Bank are recognized at the proceeds received, net of direct issue costs.

The repurchase of The Bank's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of The Bank's own equity instruments.

4.5.3 Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using effective interest rate, except for the following situations:

A. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividends paid on such financial liability.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

a. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with The Bank's documented risk management or investment strategy, and information about The Banking is provided internally on that basis; or

c. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which does not incorporate any interest or dividends paid on such financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 38.

B. Financial guarantee contracts

The financial guarantee contracts issued by The Bank and not measured at FVTPL are measured at the higher of the allowance for the expected credit losses and the amortized amount after initial recognition.

(2) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

4.5.4 Derivatives

Derivatives signed by The Bank include forward foreign exchange contracts, interest rate swaps and others to manage The Bank's interest rate and exchange rate risk**.**

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 "Financial Instruments" are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. those embedded in the principal contract of financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

4.6 Investment in Associates

An associate is an entity over which The Bank has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Bank applies equity method to account for investments in associates.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize The Bank's share of the profit or loss and other comprehensive income of the associate. The Bank also recognizes the changes in The Bank's share of equity of associates attributable to The Bank.

Any excess of the cost of acquisition over The Bank's share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of The Bank's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When The Bank subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of The Bank's proportionate interest in the associate. The Bank records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If The Bank's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When The Bank's share of losses of an associate equals or exceeds its interest in that associate, including any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of The Bank's net investment in the associate, The Bank discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that The Bank has incurred legal obligations or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and the carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

4.7 Non-performing Loans

Under the guidelines of "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans", the balance of loans and other credits extended by the Bank and the related accrued interest thereon are classified as non-performing.

Non-performing loans in the lending business are classified as discounts and loans; otherwise, are classified as other financial assets.

4.8 Securities Purchased/Sold Under Resale/Repurchase Agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on resale agreements or interest incurred on repurchase agreements is recognized as interest income or interest expense over the life of each agreement.

4.9 Properties and Equipment

Properties and equipment are stated at cost, less recognized accumulated depreciation.

Any gain or loss on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Intangible Assets

Intangible assets that have finite useful lives and are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives, residual value, and amortization method are reviewed at the end of each reporting period. The residual value of an intangible asset with a finite useful life is assumed to be zero unless The Bank expects to dispose of the intangible asset before the end of its economic life. Change in accounting estimate takes effect prospectively.

Any gain or loss on the disposal or retirement of an item of intangible assets is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.11 Impairment of Property and Equipment, Right-of-Use Assets, Intangible Assets Other Than Goodwill

At the end of each reporting period, The Bank reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, The Bank estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.12 Collaterals Assumed

Collaterals assumed are recorded at their appraised values. At balance sheet date, these collaterals are individually revalued at the lower of cost or net realizable value.

4.13 Provisions

Provisions are recognized when The Bank has a present obligation (legal or constructive) as a result of a past event, it is probable that The Bank will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.14 Revenue Recognition

Interest revenue from loans is estimated on accrual basis. Interest revenue from non-performing Bank-extended loans and other credits are recognized only when collection is made. In accordance with the Ministry of Finance regulations, the interest from the relief and extension of specific loans is recorded as deferred income and recognized as income upon collection. Service fees are recorded as income upon receipt or when the related services are substantially completed.

The costs of acquisition of loans and accounts receivable and extra fees received are accounted for as adjustments to the book value and the effective interest of loans and accounts receivable.

Dividend revenue is recognized when the right of shareholder to receive dividend is established. The premise is that the economic benefits associated with the transaction are likely to flow into The Bank and the amount of revenue can be reliably measured.

4.15 Leasing

The Bank assesses whether the contract is (or includes) a lease on the contract date. For contracts that include the lease and non-lease components, The Bank distributes the consideration in the contract on a relatively separate price basis and deals with them separately.

4.15.1 The Bank as lessor

When the lease terms transfer almost all the risks and rewards attached to the ownership of the assets to the lessee, the leases are classified as finance leases. All other leases are classified as operating leases.

Under finance leases, lease payments include fixed payments, substantially fixed payments, variable lease payments which depend on an index or a rate, guaranteed residual values, and the exercise price of the purchase option that is reasonably certain to be exercised, and the rental termination penalties reflected in the lease term, less the incentives for the lease to be paid. The net amount of the lease investment is measured as the sum of the present value of both the lease receivable and the unguaranteed residual value plus the original direct costs and expressed as a finance lease receivable. The financing income is apportioned to each accounting period so as to reflect a periodic fixed rate of return that The Bank's unexpired net lease investment is available for each period. Under operating leases, the lease payments deducted from the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct costs incurred in obtaining the operating leases are added to the carrying amount of the underlying assets and recognized as an expense on a straight-line basis over the lease terms.

4.15.2 The Bank as lessee

The Bank recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight line basis over the lease terms. Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated using the straight-line method from the commencement dates of the lease to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, substantially fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if The Bank is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, The Bank uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, The Bank remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use asset has been reduced to zero, the remaining amount of remeasurement is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheets.

4.16 Employee Benefits

4.16.1 Short-term employee benefits

Liabilities related to short-term employee benefits are measured and recognized at the undiscounted amount expected to be paid to employees for their services.

4.16.2 Retirement benefit costs

The Bank currently has both defined contribution and defined benefit retirement plans for its employees. Pursuant to local rules, employees working overseas are enrolled in defined contribution retirement benefit plan.

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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 (including current 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.

Net defined benefit liability (asset) represents the actual deficit (surplus) in The Bank's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

4.16.3 Employee preferential deposits

The Bank provides current and retired employees preferential interests rates for deposits under certain balances. Differences between preferential rate and interest at market rate are recognized as employee benefits.

Under rule No. 30 of the Regulations Governing the Preparation of Financial Reports by Public Banks, post-retirement preferential interests provided to retired employees should be measured and recognized using actuarial calculation pursuant to IAS No. 19 if variables for use in the actuarial assumptions are stipulated in official governing rules, then the rules should be applied first.

4.16.4 Other long-term employee benefits

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be issued for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only applicable to the service that existed before the application of the new system.

4.17 Share-based payment arrangements

The fair value at the acquisition date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Bank's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. It is recognized as an expense in full at the grant date if vested immediately. The Bank applies for cash capital increase to reserve employee subscriptions, and the acquisition date is based on the day when the number of shares subscribed by employees is confirmed.

4.18 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.18.1 Current tax

The Bank determines the current income (loss) in accordance with the laws and regulations established by each jurisdiction of income tax declaration., and calculates the payable (recoverable) income tax.

According to the Taiwan Income Tax Law, an additional tax on unappropriated earnings is recognized in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's income tax expenses.

4.18.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized on all taxable temporary differences. Deferred tax assets are recognized on deductible temporary difference and loss carry forwards provided that taxable income will be available for use in deducting the benefits of the temporary differences probably.

Deferred tax liabilities are recognized on taxable temporary differences associated with investments in subsidiaries and associates, except where The Bank is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.18.3 Current tax and deferred tax of the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND MAIN SOURCES OF UNCERTAINTY IN ESTIMATES AND ASSUMPTIONS

In the application of the Bank's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions of main sources of uncertainty

Estimated impairment of financial assets

Estimates of impairment on loans and receivables are based on management’s assumptions about default rates and expected loss rates. The Bank considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment assessments. Refer to Note 38 for the important assumptions and input values used. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

6. CASH AND CASH EQUIVALENTS

	December 31, 2024	December 31, 2023
Cash in hand and working fund	$ 10,748,151	$ 9,954,706
Checks for clearing	620,323	2,601,367
Due from other banks	2,875,786	4,202,416
Due from banks - foreign	6,969,079	11,450,864
	$ 21,213,339	$ 28,209,353

The Bank did not take any cash and cash equivalents as pledged assets.

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

	December 31, 2024	December 31, 2023
Call loans to banks	$ 36,132,262	$ 32,602,138
Deposit reserves - I	16,291,208	19,737,639
Deposit reserves - II	34,566,139	31,192,990
Deposit reserves - foreign currency	202,623	197,314
	$ 87,192,232	$ 83,730,081

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 on other deposit reserves.

8. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	December 31, 2024	December 31, 2023
Financial assets measured at FVTPL		
Financial assets mandatorily classified as at FVTPL		
Forward contracts	$ 679,882	$ 858,039
Futures	543,385	276,513
Bank debentures	539,158	-
Currency swap contracts	525,722	182,455
Corporate bonds	156,723	-
Shares	-	76,080
Option contracts	98,537	49,043
Interest rate swap contracts	39,282	16,805
	$ 2,582,689	$ 1,458,935
Financial liabilities measured at FVTPL		
Held-for-trading financial liabilities		
Forward contracts	$ 628,842	$ 1,127,988
Currency swap contracts	90,412	561,322
Option contracts	106,400	34,515
Interest rate swap contracts	464,829	179,552
Futures	17	152
	$ 1,290,500	$ 1,903,529
Financial liabilities designated at FVTPL		
Bank debentures	2,438,063	2,191,711
	$ 3,728,563	$ 4,095,240

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:

	December 31, 2024	December 31, 2023
Forward contracts	$ 67,851,920	$ 103,123,650
Currency swap contracts	62,208,862	77,618,517
Option contracts	14,344,143	6,457,346
Interest rate swap contracts	12,028,742	9,855,021
Future contracts	33,729	179,173

Information for financial liabilities designated by the Bank at FVTPL is as follows:

	December 31, 2024	December 31, 2023
The difference between the fair value and the maturity value		
－Fair value	$ 2,438,063	$ 2,191,711
－Maturity value	2,431,170	1,983,771
	$ 6,893	$ 207,940

	Effects of changes in credit risk
Current amount of change	
For the Year Ended December 31, 2024	$ 3,132
For the Year Ended December 31, 2023	$ 32,147
Cumulative amount of change	
Up to December 31, 2024	($ 1,015)
Up to December 31, 2023	($ 4,147)

The financial liabilities designated by the Bank at FVTPL were the second issuance of unsecured debentures amounting to US$70,000 thousand with a 30-year maturity and interest of 0% rate on October 29, 2018. On the expiration of 5 years and every subsequent year, the Bank may exercise the option at the agreed redemption price. If the option is not exercised during the period, the payment will be made on the expiration date. The second issuance of unsecured debentures amounting to US$6,400 thousand with a 3-year maturity and fixed interest rate of 0% on November 1, 2023. The second to third years are combined interest rates, using simple interest calculation, with interest paid once every quarter and repayment of principals at maturity. The first issuance of unsecured debentures amounting to US$10,750 thousand with a 2-year maturity on March 27, 2024 with a fixed rate of 5.5% of the first year and combined interest rates of the second year. The interest paid once every quarter and repayment of principals at maturity.

The Bank entered an interest rate swap contract to reduce the interest rate risk of the aforementioned financial bonds. The interest rate swap contract was measured at fair value and the fair value changes were included in profit or loss. The Bank designated the aforementioned financial bonds as financial liabilities measured at FVTPL for consistency.

The amount of change in the fair value of financial bonds attributable to the changes in the fair value of financial liabilities and the combination of the fair value of financial assets is calculated as the difference between the changes in the fair value of market risk factor. The amount of change in fair value attributable to the market risk factor is calculated using the benchmark yield curve at the balance sheet date. Fair value of financial bonds is based on the benchmark yield curve on the balance sheet date and the estimated credit risk spread by the creditor's interest rate quote on the similar maturity date of the combined company, such that the estimated future cash flow is discounted.

9. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	December 31, 2024	December 31, 2023
Investments in equity instruments measured at FVTOCI		
Shares	$ 31,007,163	$ 20,203,199
Investments in debt instruments measured at FVTOCI		
Corporate bonds	101,988,806	101,408,408
Bank debentures	68,517,242	62,236,944
Government bonds	40,249,434	37,931,562
Commercial papers	7,469,697	7,267,394
Asset-backed securities	1,183,461	1,115,773
	219,408,640	209,960,081
	$ 250,415,803	$ 230,163,280

The Bank invests in ordinary shares for medium- and long-term strategic purposes and expects to make a profit through long-term investments. The management of the Bank considers that if the short-term fair value fluctuations of these investments are included in profit or loss, they are inconsistent with the aforementioned long-term investment plans. Therefore, the designated investments are selected to be measured at FVTOCI.

For the information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11.

Parts of the aforementioned financial assets at FVTOCI were sold under repurchase agreements as of December 31, 2024 and 2023. The par values of bonds and commercial papers sold under repurchase agreements were $4,778,000 thousand and $584,500 thousand, respectively.

Parts of equity instruments were sold due to the adjustment of investment position in equity instruments. The fair value of the equity investments sold were $41,050,097 thousand and $21,650,619 thousand, and the resulted in cumulative gains (losses) on disposal amounting to $553,965 thousand and $183,428 thousand, respectively, for the year ended December 31, 2024 and 2023.

For the information on financial assets at FVTOCI were as follows:.

	For the Year Ended December 31	
Equity instruments at fair value through other comprehensive income (loss)	**2024**	**2023**
Fair value change recognized in other comprehensive income	$ 694,848	$ 2,756,301
Cumulative loss reclassified to retained earnings due to derecognition	($ 553,965)	($ 183,428)
Dividend income recognized in profit or loss		
Held at end of period	$ 977,796	$ 656,862
Derecognized during the period	1,433,406	920,139
	$ 2,411,202	$ 1,577,001

Debt instruments at fair value through other comprehensive income (loss)		
Fair value change recognized in other comprehensive income	($ 345,180)	$ 2,397,819
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to reversal of impairment recognition	($ 42,958)	($ 42,074)
Reclassified due to derecognition	(339,803)	72,116
	($ 382,761)	$ 30,042
Interest income recognized in profit or loss	$ 7,641,310	$ 6,247,970

For the information on financial assets pledged at FVTOCI, refer to Note 35.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	December 31, 2024	December 31, 2023
Negotiable certificates of deposit	$ 194,485,000	$ 208,800,000
Bank debentures	9,405,126	14,931,800
Corporate bonds	5,194,767	6,777,700
Government bonds	5,016,030	4,722,805
Asset-backed securities	279,510	1,787,876
Treasury bonds	-	230,389
	214,380,433	237,250,570
Less: Loss allowance	(4,090)	(5,365)
	$ 214,376,343	$ 237,245,205

Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	For the Year Ended December 31	
	2024	**2023**
Interest income	$ 2,773,395	$ 2,696,492
Gain on disposal	79,286	19,905
Gain (loss) on impairment	1,282	(2,621)
	$ 2,853,963	$ 2,713,776

In 2024 and 2023, the Bank disposed of part of its investments in debt instruments for risk management purposes, with a disposal gain of $79,286 thousand and $19,905 thousand respectively.

For the information on the credit risk management and impairment of investment in debt instruments measured at amortized cost, refer to Note 11.

For the information on related financial assets at amortized cost pledged as collateral, refer to Note 35.

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The investments in debt instruments were classified as financial assets measured at FVTOCI and financial assets at amortized cost.

December 31, 2024	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 224,880,174	$ 214,380,433	$ 439,260,607
Loss allowance	(87,240)	(4,090)	(91,330)
Amortized cost	224,792,934	$ 214,376,343	439,169,277
Fair value adjustment	(5,384,294)		(5,384,294)
	$ 219,408,640		$ 433,784,983

December 31, 2023	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 214,746,632	$ 237,250,570	$ 451,997,202
Loss allowance	(126,361)	(5,365)	(131,726)
Amortized cost	214,620,271	$ 237,245,205	451,865,476
Fair value adjustment	(4,660,190)		(4,660,190)
	$ 209,960,081		$ 447,205,286

The Bank implements a policy of investing in debt instruments with investment grade and have low credit risk for the purpose of impairment assessment. The Bank continues to track external rating information and monitor changes in credit risk of the investments of debt instruments and to review other information such as the bond yield curve and the debtor’s material information to assess whether the credit risk of the debt instrument investments has increased significantly since the initial recognition.

The Bank considered the historical default loss rate provided by the independent rating agencies, the debtor’s current financial status and the industry’s forward-looking forecast to measure the 12-month expected credit loss or full-lifetime expected credit loss of the investments in debt instruments.

The Bank’s current credit risk rating mechanism and the total carrying amount of each credit rating investment in debt instruments were as follows:

		December 31,2024		
Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	Total Carrying Amount
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~0.961%	$ 438,854,335
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.418%~2.729%	406,272
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	-	-

		December 31, 2023		
Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	Total Carrying Amount
Stage 1	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit loss	0.000%~0.912%	$ 451,180,858
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396%~2.970%	724,221
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	40.417%	92,123

Information on changes in allowance for impairment loss under the credit risk rating assessment of investments in debt instruments at FVTOCI and at amortized cost is summarized as follows:

Investments in debt instruments at FVTOCI

	Credit Risk Rating			
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs)	Stage 3 (Lifetime ECLs with impairment)	Total
Balance at January 1,2024	$ 77,981	$ 10,691	$ 37,689	$ 126,361
Stage transfer-to lifetime ECLs	(91)	91	-	-
Purchase of new debt instruments	26,937	-	-	26,937
Derecognition	(31,667)	(2,681)	(43,960)	(78,308)
Provisions (reversal)	6,441	1,972	-	8,413
Exchange rate and other changes	463	(2,897)	6,271	3,837
Balance at December 31, 2024	$ 80,064	$ 7,176	$ -	$ 87,240

	Credit Risk Rating			
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs)	Stage 3 (Lifetime ECLs with impairment)	Total
Balance at January 1,2023	$ 65,932	$ 13,115	$ 90,400	$ 169,447
Stage transfer-to 12-Month ECLs	1,602	(1,602)	-	-
Stage transfer-to lifetime ECLs	(49)	49	-	-
Purchase of new debt instruments	20,930	-	-	20,930
Derecognition	(13,461)	(2,963)	(52,429)	(68,853)
Provisions (reversal)	4,000	1,864	(15)	5,849
Exchange rate and other changes	(973)	228	(267)	(1,012)
Balance at December 31, 2023	$ 77,981	$ 10,691	$ 37,689	$ 126,361

Investments in debt instruments at amortized cost

	Credit Risk Rating		
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs)	Total
Balance at January 1,2024	$ 5,365	$ -	$ 5,365
Derecognition	(1,636)	-	(1,636)
Provisions (reversal)	354	-	354
Exchange rate and other changes	7	-	7
Balance at December 31, 2024	$ 4,090	$ -	$ 4,090
Balance at January 1,2023	$ 2,787	$ -	$ 2,787
Purchase of new debt instruments	3,256	-	3,256
Derecognition	(514)	-	(514)
Provisions (reversal)	(121)	-	(121)
Exchange rate and other changes	(43)	-	(43)
Balance at December 31, 2023	$ 5,365	$ -	$ 5,365

12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

Securities purchased under resell agreements as of December 31, 2024 and 2023 were $8,408,560 thousand and $5,421,476 thousand. The aforementioned securities will be bought back one after another before January 17, 2025 and January 19, 2024 at $8,415,417 thousand and $5,426,224 thousand.

13. RECEIVABLES, NET

	December 31, 2024	December 31, 2023
Accrued interest	$ 4,795,095	$ 4,773,445
Credit card receivables	3,285,192	3,937,400
Acceptances	1,396,098	1,390,986
Accounts receivable due from sales of securities	816,268	27,960
Accounts receivable - factoring	228,353	350,360
Others	532,221	505,922
	11,053,227	10,986,073
Less: Allowance for credit losses	(303,243)	(318,059)
	$ 10,749,984	$ 10,668,014

The changes in total carrying amount and the allowance of receivables and other financial assets for the year ended December 31, 2024 and 2023 (including non-accrual loans and bills of exchange, refer to Note 16) are as follows:

For the Year ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Receivables and other financial assets				
Beginning on January 1, 2024	$ 10,637,938	$ 292,822	$ 63,300	$ 10,994,060
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(62,469)	62,815	(346)	-
Transfer to ECLs on financial assets	(38,049)	(16,525)	54,574	-
Transfer to 12-month ECLs	39,126	(33,055)	(6,071)	-
Financial assets derecognized in the current period	(3,186,024)	(181,974)	(9,133)	(3,377,131)
Transfer or pay off the original amount	635,420	(3,048)	24,385	656,757
Purchased or originated financial assets	2,803,897	41,304	3,452	2,848,653
Write-offs	-	-	(63,146)	(63,146)
Exchange rate and other changes	663	107	121	891
Balance on December 31, 2024	$ 10,830,502	$ 162,446	$ 67,136	$ 11,060,084

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance						
Beginning on January 1, 2024	$ 230,032	$ 50,484	$ 29,115	$ 309,631	$ 12,918	$ 322,549
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(433)	558	(125)	-	-	-
Transfer to ECLs on financial assets	(256)	(2,010)	2,266	-	-	-
Transfer to 12-month ECLs	17,300	(15,017)	(2,283)	-	-	-
Financial assets derecognized in the current period	(7,803)	(24,945)	(7,105)	(39,853)	-	(39,853)
Provisions (reversal)	1,501	11,271	22,587	35,359	-	35,359
Purchased or originated financial assets	5,706	4,025	1,433	11,164	-	11,164
The difference of impairment under the regulation or decree	-	-	-	-	15,276	15,276
Write-offs	-	-	(63,146)	(63,146)	-	(63,146)
Recoveries after write-off	-	-	29,154	29,154	-	29,154
Exchange rate and other changes	(2,327)	11	41	(2,275)	-	(2,275)
Balance on December 31, 2024	$ 243,720	$ 24,377	$ 11,937	$ 280,034	$ 28,194	$ 308,228

For the Year ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Allowance				
Beginning on January 1, 2023	$ 8,765,271	$ 197,863	$ 55,522	$ 9,018,656
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(63,155)	63,090	65	-
Transfer to ECLs on financial assets	(24,254)	(11,112)	35,366	-
Transfer to 12-month ECLs	38,727	(37,956)	(771)	-
Financial assets derecognized in the current period	(2,330,249)	(91,107)	(2,564)	(2,423,920)
Provisions (reversal)	1,136,900	45,361	5,153	1,187,414
Purchased or originated financial assets	3,114,525	126,728	7,933	3,249,186
Write-offs	-	-	(37,404)	(37,404)
Exchange rate and other changes	173	(45)	-	128
Balance on December 31, 2023	$ 10,637,938	$ 292,822	$ 63,300	$ 10,994,060

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance						
Beginning on January 1, 2023	$ 136,449	$ 57,397	$ 24,103	$ 217,949	$ 10,300	$ 228,249
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(748)	749	(1)	-	-	-
Transfer to ECLs on financial assets	(343)	(3,059)	3,402	-	-	-
Transfer to 12-month ECLs	21,908	(21,636)	(272)	-	-	-
Financial assets derecognized in the current period	(14,323)	(19,120)	(910)	(34,353)	-	(34,353)
Provisions (reversal)	70,584	17,231	11,962	99,777	-	99,777
Purchased or originated financial assets	10,057	18,929	3,540	32,526	-	32,526
The difference of impairment under the regulation or decree	-	-	-	-	2,618	2,618
Write-offs	-	-	(37,404)	(37,404)	-	(37,404)
Recoveries after write-off	-	-	24,695	24,695	-	24,695
Exchange rate and other changes	6,448	(7)	-	6,441	-	6,441
Balance on December 31, 2023	$ 230,032	$ 50,484	$ 29,115	$ 309,631	$ 12,918	$ 322,549

14. DISCOUNTS AND LOANS, NET

	December 31, 2024	December 31, 2023
Loans	$ 894,177,297	$ 876,212,610
Inward/outward documentary bills	2,561,650	2,419,774
Non-performing loans	1,944,344	1,159,337
Overdrafts	3,162	1,061
	898,686,453	879,792,782
Discount and premium adjustments	141,031	235,983
Provisions for loans and discounts	(11,307,578)	(13,751,316)
	$ 887,519,906	$ 866,277,449

The Bank discontinues accruing interest when loans are deemed non-performing. For the year ended December 31, 2024 and 2023, the unrecognized interest revenue on the non-performing loans amounted to $46,707 thousand and $23,363 thousand, respectively.

For the year ended December 31, 2024 and 2023, the Bank only had written off certain credits after completing the required legal procedures.

The changes in carrying amount and allowance for discounts and loans for the year ended December 31, 2024 and 2023 are as follows:

For the Year ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans				
Beginning on January 1, 2024	$ 866,937,819	$ 5,916,015	$ 6,938,948	$ 879,792,782
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(1,273,494)	1,273,494	-	-
Transfer to ECLs on financial assets	(1,272,977)	(322,643)	1,595,620	-
Transfer to 12-month ECLs	163,659	(163,659)	-	-
Financial assets derecognized in the current period	(309,153,946)	(1,232,008)	(452,391)	(310,838,345)
Provisions (reversal)	(36,298,063)	(338,066)	227,652	(36,408,477)
Purchased or originated financial assets	362,531,844	5,216,102	231,586	367,979,532
Write-offs	-	-	(5,585,119)	(5,585,119)
Exchange rate and other changes	3,675,431	65,866	4,783	3,746,080
Balance on December 31, 2024	$ 885,310,273	$ 10,415,101	$ 2,961,079	$ 898,686,453

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance						
Beginning on January 1, 2024	$ 905,400	$ 848,430	$ 2,454,873	$ 4,208,703	$ 9,542,613	$ 13,751,316
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(1,324)	1,324	-	-	-	-
Transfer to ECLs on financial assets	(1,015)	(24,946)	25,961	-	-	-
Transfer to 12-month ECLs	24,538	(24,538)	-	-	-	-
Financial assets derecognized in the current period	(422,450)	(73,383)	(113,176)	(609,009)	-	(609,009)
Provisions (reversal)	(266,794)	136,710	3,510,896	3,380,812	-	3,380,812
Purchased or originated financial assets	309,613	424,540	99,735	833,888	-	833,888
The difference of impairment under the regulation or decree	-	-	-	-	(658,508)	(658,508)
Write-offs	-	-	(5,585,119)	(5,585,119)	-	(5,585,119)
Recoveries of write-offs	-	-	166,212	166,212	-	166,212
Exchange rate and other changes	23,425	2,434	2,127	27,986	-	27,986
Balance on December 31, 2024	$ 571,393	$ 1,290,571	$ 561,509	$ 2,423,473	$ 8,884,105	$ 11,307,578

For the Year ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans				
Beginning on January 1, 2023	$ 838,643,153	$ 11,650,706	$ 1,726,661	$ 852,020,520
Changes due to financial assets recognized at the beginning of the period:				
Transfer to lifetime ECLs	(1,321,087)	1,321,087	-	-
Transfer to ECLs on financial assets	(1,374,078)	(5,496,765)	6,870,843	-
Transfer to 12-month ECLs	461,241	(460,038)	(1,203)	-
Financial assets derecognized in the current period	(359,662,781)	(4,123,796)	(63,563)	(363,850,140)
Provisions (reversal)	(34,446,260)	(397,527)	(877,589)	(35,721,376)
Purchased or originated financial assets	424,573,869	3,402,794	601,486	428,578,149
Write-offs	-	-	(1,327,303)	(1,327,303)
Exchange rate and other changes	63,762	19,554	9,616	92,932
Balance on December 31, 2023	$ 866,937,819	$ 5,916,015	$ 6,938,948	$ 879,792,782

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Allowance						
Beginning on January 1, 2023	$ 1,681,078	$ 2,387,294	$ 430,144	$ 4,498,516	$ 7,928,200	$ 12,426,716
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(3,897)	3,897	-	-	-	-
Transfer to ECLs on financial assets	(3,120)	(1,597,289)	1,600,409	-	-	-
Transfer to 12-month ECLs	115,506	(115,335)	(171)	-	-	-
Financial assets derecognized in the current period	(927,092)	(541,223)	(11,052)	(1,479,367)	-	(1,479,367)
Provisions (reversal)	(611,247)	150,881	1,363,412	903,046	-	903,046
Purchased or originated financial assets	597,002	561,329	183,317	1,341,648	-	1,341,648
The difference of impairment under the regulation or decree	-	-	-	-	1,614,413	1,614,413
Write-offs	-	-	(1,327,303)	(1,327,303)	-	(1,327,303)
Recoveries of write-offs	-	-	216,229	216,229	-	216,229
Exchange rate and other changes	57,170	(1,124)	(112)	55,934	-	55,934
Balance on December 31, 2023	$ 905,400	$ 848,430	$ 2,454,873	$ 4,208,703	$ 9,542,613	$ 13,751,316

The details of bad debt expense, commitment and guarantee liability provisions for the year ended December 31, 2024 and 2023 are listed below:

	For the Year Ended December 31	
	2024	2023
Provisions for loans and discounts	$ 2,947,183	$ 2,379,740
Provisions (reversal) for reserve of possible losses on guarantees	(363,231)	219,692
Provisions for receivables and other financial assets	21,946	100,568
	$ 2,605,898	$ 2,700,000

15. INVESTMENTS UNDER THE EQUITY METHOD

Equity Method	December 31, 2024 Carrying Amount	December 31, 2024 % of Owner-ship	December 31, 2023 Carrying Amount	December 31, 2023 % of Owner-ship
Investment in subsidiaries				
Domestic investments				
SCSB Asset Management Ltd.	$ 1,699,726	100.00	$ 1,644,532	100.00
China Travel Service (Taiwan)	398,316	99.99	495,013	99.99
SCSB Marketing Ltd.	9,858	100.00	9,476	100.00
	2,107,900		2,149,021	
Foreign investments				
Shancom Reconstruction AG	92,322,272	100.00	81,035,187	100.00
Wresqueue Limitada	419,629	100.00	378,518	100.00
Paofoong Insurance Company Ltd.	465,504	40.00	398,043	40.00
AMK Microfinance Institution Plc （AMK）	5,978,231	99.99	5,576,611	99.99
	99,185,636		87,388,359	
Total	$ 101,293,536		$ 89,537,380	

The Bank invested in Paofoong Insurance Company (Hong Kong) Ltd. and held 40% equity directly and 60% indirectly through Shancom Reconstruction AG Therefore, Paofoong Insurance Company (Hong Kong) Ltd. was recorded as a subsidiary.

The Bank recognized investment losses on Kuo Hai Construction over the years because of the investee’s continuing operating losses. The carrying value of Kuo Hai Construction was reduced to zero in 2002.

The Bank acquired Cambodia AMK on August 28,2018, and the consideration paid included the expected value of the consolidated effect,revenue growth,future market development, etc.,the bank use the annual discount rate (15.2%) to evaluate AMK’s recoverable amount and the recoverable amount of the Bank assessed that the AMK was less than the carrying amount at the end of the year, so impairment loss was recognized for the year ended December 31, 2024 of 98,845 thousand.

16. OTHER FINANCIAL ASSETS, NET

	December 31, 2024	December 31, 2023
Non-performing receivables	$ 4,985	$ 4,455
Bills of exchange	1,872	3,532
	6,857	7,987
Allowance	(4,985)	(4,490)
	$ 1,872	$ 3,497

The amount of non-performing receivables is made up of unsettled transactional for forward exchange contracts and credit card receivables.

The balances of credit card receivables which were reported as non-performing amounted to $4,985 thousand and $4,306 thousand as of December 31, 2024 and 2023, respectively. The unrecognized interest revenue on the receivables amounted to $80 thousand and $70 thousand for the year ended December 31, 2024 and 2023, respectively.

17. PROPERTIES, NET

	December 31, 2024	December 31, 2023
Land	$ 9,533,891	$ 9,570,200
Buildings and improvements	1,485,609	1,549,140
Mechanical equipment	528,310	426,381
Miscellaneous equipment	375,529	253,247
Transportation equipment	2,812	4,261
Construction in progress and prepayments	3,304,167	2,514,684
	$ 15,230,318	$ 14,317,913

	For the Year ended December 31, 2024				
Items	**Balance at January 1, 2024**	**Additions**	**Disposals**	**Effects of Exchange Rate Changes, Net**	**Balance at December 31, 2024**
Cost					
Land	$ 9,570,200	$ -	$ (36,309)	$ -	$ 9,533,891
Buildings and improvements	4,184,727	-	(8,914)	-	4,175,813
Mechanical equipment	1,228,229	264,359	(117,085)	3,636	1,379,139
Miscellaneous equipment	734,520	195,441	(41,929)	2,131	890,163
Transportation equipment	31,429	176	(11,418)	-	20,187
	15,749,105	$ 459,976	$ (215,655)	$ 5,767	15,999,193
Accumulated depreciation					
Buildings and improvements	2,635,587	$ 63,498	$ (8,881)	$ -	2,609,204
Mechanical equipment	801,848	157,042	(110,964)	2,903	850,829
Miscellaneous equipment	481,273	68,553	(36,702)	1,510	514,634
Transportation equipment	27,168	1,063	(10,856)	-	17,375
	3,945,876	$ 290,156	$ (167,403)	$ 4,413	4,073,042
Construction-in-progress and prepayments	2,514,684	$ 789,483	$ -	$ -	3,304,167
Net amount	$ 14,317,913				$ 15,230,318

	For the Year ended December 31, 2023				
Items	**Balance at January 1, 2023**	**Additions**	**Disposals**	**Effects of Exchange Rate Changes, Net**	**Balance at December 31, 2023**
Cost					
Land	$ 9,570,378	$ -	$ (178)	$ -	$ 9,570,200
Buildings and improvements	4,185,183	-	(456)	-	4,184,727
Mechanical equipment	1,026,785	293,813	(92,101)	(268)	1,228,229
Miscellaneous equipment	679,618	66,722	(11,681)	(139)	734,520
Transportation equipment	40,082	87	(8,740)	-	31,429
	15,502,046	$ 360,622	$ (113,156)	$ (407)	15,749,105
Accumulated depreciation					
Buildings and improvements	2,573,141	$ 62,571	$ (125)	$ -	2,635,587
Mechanical equipment	773,566	107,419	(78,898)	(239)	801,848
Miscellaneous equipment	442,803	48,604	(10,073)	(61)	481,273
Transportation equipment	33,635	1,594	(8,061)	-	27,168
	3,823,145	$ 220,188	$ (97,157)	$ (300)	3,945,876
Construction-in-progress and prepayments	1,315,854	$ 1,198,830	$ -	$ -	2,514,684
Net amount	$ 12,994,755				$ 14,317,913

The Bank did not have any impairment losses on the properties as of December 31, 2024 and 2023.

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

Buildings and improvements	
Branches offices	43-55 years
Air conditioning and machine rooms	9 years
Mechanical equipment	3-8 years
Transportation equipment	5-10 years
Miscellaneous equipment	5-20 years

18. LEASE ARRANGEMENTS

18.1 Right-of-use assets

	December 31, 2024	December 31, 2023
Carrying amount of right-of-use assets		
Buildings and improvements	$ 694,250	$ 669,886
Transportation equipment	43,702	36,036
Mechanical equipment	19,786	25,544
	$ 757,738	$ 731,466

	For the Year Ended December 31	
	2024	2023
Increase in right-of-use assets	$ 436,636	$ 293,944
Depreciation expenses of right-of-use assets		
Buildings and improvements	$ 302,766	$ 313,450
Transportation equipment	18,000	16,489
Mechanical equipment	5,757	3,878
	$ 326,523	$ 333,817

18.2 Lease liabilities

	December 31, 2024	December 31, 2023
Carrying amount of lease liabilities	$ 769,855	$ 743,625

The discount rate intervals for lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Buildings and improvements	0.60%~1.60%	0.60%~1.40%
Mechanical equipment	0.60%~1.60%	0.60%~1.40%
Transportation equipment	0.60%~1.60%	0.60%~1.40%

18.3 Other lease information

	For the Year Ended December 31	
	2024	2023
Short-term lease expenses	$ 14,980	$ 18,540
Leases of low value assets	$ 2,891	$ 7,042
Variable lease payments which are not included in lease liabilities measurements	$ 13,783	$ 7,579
Total cash outflow for leases	$ 349,790	$ 364,262

The Bank chooses to apply recognition exemption to the rentals of buildings, office equipment, transportation equipment that qualify as short-term lease and computer equipment which qualify as low value assets, and did not recognize related right-of-use assets and lease liabilities.

19. INTANGIBLE ASSETS, NET

	For the Year ended December 31, 2024				
	Balance at January 1, 2024	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at December 31, 2024
Cost					
Computer software	$ 783,100	$ 123,978	$ (61,478)	$ 5,574	$ 851,174
Less: Accumulated amortization					
Computer software	365,660	$ 220,382	$ (61,478)	$ 3,134	527,698
Net amount	$ 417,440				$ 323,476

	For the Year ended December 31, 2023				
	Balance at January 1, 2023	Additions	Disposals	Effects of Exchange Rate Changes, Net	Balance at December 31, 2023
Cost					
Computer software	$ 553,228	$ 290,899	$ (60,374)	$ (653)	$ 783,100
Less: Accumulated amortization					
Computer software	237,406	$ 186,967	$ (58,504)	$ (209)	365,660
Net amount	$ 315,822				$ 417,440

Amortization expense is computed using the straight-line method over the useful lives as follows:

Computer software	3-5 years

20. OTHER ASSETS, NET

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 6,275,086	$ 10,236,662
Temporary payments and suspension	1,593,986	1,155,533
Refundable deposits	1,274,393	1,668,278
Prepaid pension	465,575	232,864
Miscellaneous taxes	232,174	173,200
Deferred charges	6,391	48,346
Others	5,746	5,748
	$ 9,853,351	$ 13,520,631

21. DUE TO THE CENTRAL BANK AND BANKS

	December 31, 2024	December 31, 2023
Call loans from banks	$ 18,441,446	$ 11,237,987
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799
Due to banks	954,062	952,639
Bank overdrafts	523,603	813,781
	$ 21,140,910	$ 14,226,206

22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of December 31, 2024 and 2023 were $4,783,153 thousand and $591,289 thousand, respectively. The aforementioned securities will be brought back by June 27, 2025 and June 28, 2024 at $4,786,489 thousand and $592,332 thousand, respectively.

23. PAYABLES

	December 31, 2024	December 31, 2023
Dividends payable	$ 17,449,275	$ $16,660,027
Accrued interest	3,992,592	3,616,929
Accrued expenses	1,554,638	1,540,114
Acceptances	1,452,638	1,443,177
Accounts payable	952,702	3,046,594
Other accounts payable	247,460	210,886
Others	678,523	897,526
	$ 26,257,828	$ 27,415,253

24. DEPOSITS AND REMITTANCES

	December 31, 2024	December 31, 2023
Time deposits	$ 436,725,591	$ 465,530,018
Savings deposits	480,518,976	451,705,929
Demand deposits	287,687,541	281,892,391
Negotiable certificates of deposit	70,525,400	63,454,500
Checking deposits	10,901,583	11,565,668
Remittances	228,489	413,188
	$ 1,286,587,580	$ 1,274,561,694

25. BANK DEBENTURES

	December 31, 2024	December 31, 2023
The subordinated bank debenture - 7-10 years maturity, first issued in 2014; maturity date is from March 2021 to 2024	$ -	$ 5,100,000
The subordinated bank debenture - 8.5 years maturity; second issued in 2015; maturity date is in June 2024	-	3,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2017; maturity date is from June 2024 to 2027	4,800,000	5,000,000
The subordinated bank debenture - 7-10 years maturity; second issued in 2017; maturity date is from December 2024 to 2027	3,800,000	5,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2018; maturity date is from June 2025 to 2028	5,000,000	5,000,000
The subordinated bank debenture; third issued in 2018; no maturity date	7,000,000	7,000,000
The bank debenture - 5 years maturity; first issued in 2019; maturity date is in September 2024	-	6,900,000
The bank debenture – 7-10 years maturity; first issued in 2020; maturity date is in March 2027 to 2030	10,000,000	10,000,000
The subordinated bank debenture - 7-10 years maturity; first issued in 2021; maturity date is from October 2028 to 2031	5,000,000	5,000,000
The bank debenture – 3-5 years maturity; first issued in 2022; maturity date is from July 2025 to 2027	2,000,000	2,000,000
The bank debenture - 3 years maturity; second issued in 2022; maturity date is in September 2025	1,000,000	1,000,000
The subordinated bank debenture; third issued in 2022; no maturity date	1,070,000	1,070,000
The bank debenture - 3 years maturity; second issued in 2023; maturity date is in December 2026	2,000,000	2,000,000
The subordinated bank debenture - 10 years maturity; second issued in 2024; maturity date is in March 2034	2,500,000	-
The bank debenture – 5-7 years maturity; third issued in 2024; maturity date is from December 2029 to 2031	4,050,000	-
	$ 48,220,000	$ 58,070,000

The first issuance of the 2014 bank debenture was classified into two types, Types A and B, in accordance with the issued terms. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.70%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.85%. The interests were paid annually with the repayment of principals at maturity.

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

The first issuance of the 2017 bank debenture was classified into two types, Types A and B, in accordance with the issued terms. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.50%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.85%. The interests were paid annually with the repayment of principals at maturity.

The second issuance of the 2017 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms and methods of interest accrual were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.30%; Type B, ten-year of subordinated bank debenture at a fixed annual interest rate of 1.55%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2018 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year of subordinated bank debenture at a fixed annual interest rate of 1.25%; Type B, ten- year of subordinated bank debenture at a fixed annual interest rate of 1.45%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2018 subordinated bank debenture was at a fixed annual interest rate of 2.15% with the interest paid annually and the repayment of principal at maturity.

The first issuance of the 2019 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year bank debenture at a fixed annual interest rate of 0.65%; Type B, five-year bank debenture at a fixed annual interest rate of 0.69%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2020 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year bank debenture at a fixed annual interest rate of 0.62%; Type B, ten-year bank debenture at a fixed annual interest rate of 0.64%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2021 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, seven-year bank debenture at a fixed annual interest rate of 0.60%; Type B, ten-year bank subordinated debenture at a fixed annual interest rate of 0.72%. Their interests were paid annually with repayment of principals at maturity.

The first issuance of the 2022 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, three-year bank debenture at a fixed annual interest rate of 1.60%; Type B, five-year bank subordinated debenture at a fixed annual interest rate of 1.70%. Their interests were paid annually with repayment of principals at maturity.

The second issuance of the 2022 bank debenture was at a fixed annual interest rate of 1.40%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2022 subordinated bank debenture was at a fixed annual interest rate of 3.25% with the interest paid annually and the repayment of principal at maturity.

The third issuance of the 2023 bank debenture was at a fixed annual interest rate of 1.60%. Their interests were paid annually with repayment of principals at maturity.

The second issuance of the 2024 bank debenture was at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

The third issuance of the 2024 bank debenture was classified into two types in accordance with the issued terms and the methods of interest accrual: Types A and B. Their terms were as follows: Type A, five-year bank debenture at a fixed annual interest rate of 1.90%; Type B, seven-year bank debenture at a fixed annual interest rate of 1.95%. Their interests were paid annually with repayment of principals at maturity.

26. OTHER FINANCIAL LIABILITIES

	December 31, 2024	December 31, 2023
Principals of structured instruments	$ 7,360,739	$ 5,586,047
Appropriated loan funds	1,265,357	973,226
	$ 8,626,096	$ 6,559,273

27. PROVISIONS

	December 31, 2024	December 31, 2023
Provision for employee benefits	$ 783,351	$ 606,031
Provision for guarantees liabilities	741,772	893,716
Provision for financing commitment	129,903	331,344
Provision for settlement compensation	-	338,031
Provision for unexpected losses	3,565	3,565
Provision for other operations	3,043	2,850
	$ 1,661,634	$ 2,175,537

Provisions for changes in financing commitment and guarantee liability provisions of the Bank for the year ended December 31, 2024 and 2023 were as follows:

For the Year ended December 31, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Provisions for commitment and guarantee liability						
Beginning on January 1, 2024	$ 150,325	$ 170,819	$ 793	$ 321,937	$ 903,123	$ 1,225,060
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(14)	14	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-
Transfer to 12-month ECLs	164	(164)	-	-	-	-
Financial assets derecognized in the current period	(80,385)	(1,917)	-	(82,302)	-	(82,302)
Provisions (reversal)	(31,525)	(86,077)	(231)	(117,833)	-	(117,833)
Purchased or originated financial assets	31,001	1,828	-	32,829	-	32,829
The difference of impairment under the regulation or decree	-	-	-	-	(195,925)	(195,925)
Exchange rate and other changes	9,735	85	26	9,846	-	9,846
Balance on December 31, 2024	$ 79,301	$ 84,588	$ 588	$ 164,477	$ 707,198	$ 871,675

For the Year ended December 31, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulatory Decree	Total
Provisions for commitment and guarantee liability						
Beginning on January 1, 2023	$ 356,011	$ 59,929	$ 6,286	$ 422,226	$ 613,913	$ 1,036,139
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(62)	62	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-
Transfer to 12-month ECLs	619	(619)	-	-	-	-
Financial assets derecognized in the current period	(310,869)	(58,901)	(5,497)	(375,267)	-	(375,267)
Provisions (reversal)	8,481	1,174	4	9,659	-	9,659
Purchased or originated financial assets	126,890	169,200	-	296,090	-	296,090
The difference of impairment under the regulation or decree	-	-	-	-	289,210	289,210
Exchange rate and other changes	(30,745)	(26)	-	(30,771)	-	(30,771)
Balance on December 31, 2023	$ 150,325	$ 170,819	$ 793	$ 321,937	$ 903,123	$ 1,225,060

28. OTHER LIABILITIES

	December 31, 2024	December 31, 2023
Guarantee deposits received	$ 1,012,698	$ 375,223
Interest received in advance	161,020	220,869
Deferred revenue	145,425	152,416
Temporary credit	47,086	94,337
Others	98,291	107,879
	$ 1,464,520	$ 950,724

29. PENSION PLAN

(1) Defined contribution plans

The Bank adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total amounts of contributions to the defined contribution plans For the year ended December 31, 2024 and 2023 were $117,494 thousand and $110,586 thousand, respectively.

(2) Defined benefit plans

The defined benefit plans adopted by the Bank in accordance with the Labor Standards Law is operated by the government of Taiwan. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Bank contribute amounts equal to 10% 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. Before the end of each year, the Bank assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Bank has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Bank's defined benefit plans were as follows:

	December 31, 2024	December 31, 2023
Present value of the defined benefit obligation	$ (3,017,042)	$ (3,125,396)
Fair value of the plan assets	3,482,617	3,358,260
Net defined benefit assets	$ 465,575	$ 232,864

Movements in net defined benefit assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2023	($ 3,179,013)	$ 3,371,630	$ 192,617
Service cost			
Current service cost	(125,029)	-	(125,029)
Interest (expense) income	(37,908)	42,105	4,197
Recognized in profit or loss	(162,937)	42,105	(120,832)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	29,850	29,850
Actuarial loss			
Experience adjustments	(148,706)	-	(148,706)
Recognized in other comprehensive income	(148,706)	29,850	(118,856)
Contributions from the employer	-	279,935	279,935
Benefits paid	365,260	(365,260)	-
Balance on December 31, 2023	($ 3,125,396)	$ 3,358,260	$ 232,864

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets
Balance on January 1, 2024	($ 3,125,396)	$ 3,358,260	$ 232,864
Service cost			
Current service cost	(98,696)	-	(98,696)
Interest (expense) income	(36,722)	41,430	4,708
Recognized in profit or loss	(135,418)	41,430	(93,988)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	258,214	258,214
Actuarial gain (loss)			
Changes in financial assumptions	58,990	-	58,990
Experience adjustments	(274,620)	-	(274,620)
Recognized in other comprehensive income	(215,630)	258,214	42,584
Contributions from the employer	-	284,115	284,115
Benefits paid	459,402	(459,402)	-
Balance on December 31, 2024	($ 3,017,042)	$ 3,482,617	$ 465,575

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

A. 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.

B. Interest risk: A decrease in the government 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 plans' debt investments.

C. 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 actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2024	December 31, 2023
Discount rate	1.50%	1.25%
Expected rate of salary increase	2.75%	2.75%

If possible reasonable changes in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2024	December 31, 2023
Discount rate		
0.25% increase	$ (57,385)	$ (63,193)
0.25% decrease	$ 58,990	$ 65,053
Expected rate of salary increase		
0.25% increase	$ 48,274	$ 53,366
0.25% decrease	$ (47,158)	$ (52,065)

The sensitivity analysis presented above may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2024	December 31, 2023
Average duration of the defined benefit obligation	7.8years	8.3years
Expected contributions to the plans for the next year	$ 291,928	$ 287,633

(3) Employee preferential deposit plan

The Bank's obligation to pay the quota deposits of current staff and retired employees is based on the Bank's relevant employee preferential deposit benefits. In accordance with the guidelines for the Regulations Governing the Preparation of Financial Reports by Public Banks, the Bank needs to measure on the excess interest arising from the post-retirement preferential deposit interest rate through actuarial process .

The actuarial assumptions of the retired employees' preferential deposit and welfare expenses are based on the Banking Bureau's requirement dated March 15, 2012 (Ref. No. 10110000850). The assumptions are as follows:

	December 31, 2024	December 31, 2023
Discount rate	4.00%	4.00%
Deposit rate of return	2.00%	2.00%
Preferential deposit withdrawal rate	2.00%	2.00%
Change in the preferential deposit policy	50.00%	50.00%

The amount of the Bank's obligations arising from the preferential deposit plan for retired employees is included in the balance sheet as follows:

	December 31, 2024	December 31, 2023
Retired employees’ preferential deposit liabilities, net	$ 769,171	$ 667,543

The amounts of the retired employees' preferential deposit benefit expenses in the statements of comprehensive income For the year ended December 31, 2024 and 2023 were $138,532 thousand and $96,214 thousand, respectively; and in other comprehensive losses were $47,295 thousand and $81,086 thousand, respectively.

(4) Other long-term employee benefit liabilities

Current employees who are eligible for retirement will be given a pension according to the retirement plan. If employees do not have the qualification to retire, (a) the pension will be paid for one month if the service lasts less than one year; (b) if the service lasts more than one year and less than five years, they will receive pension for one month for serving each full year; (c) if the service lasts for more than five years, the pension is calculated according to the actuarial calculation method. However, the calculation method is only applicable to the service that existed before the application of the new system.

The amounts of the Bank’s obligations arising from the employee's pension were included in the balance sheets as follows:

	December 31, 2024	December 31, 2023
Other long-term employee benefit liabilities, net	$ 14,180	$ 13,961

The Bank recognized employee pension benefit cost of $218 thousand and $1,499 thousand in the consolidated statements of comprehensive income for the year ended December 31,2024 and 2023, respectively.

(5) Employee benefit liabilities provisions includes:

	December 31, 2024	December 31, 2023
Retired employees’ preferential deposit liabilities	$ 769,171	$ 667,543
Other long-term employment benefits	14,180	13,961
	$ 783,351	$ 681,504

30. EQUITY

30.1 Share capital

	December 31, 2024	December 31, 2023
Ordinary shares		
Authorized shares (in thousands)	6,000,000	6,000,000
Authorized capital	$ 60,000,000	$ 60,000,000
Issued and paid shares (in thousands)	4,861,603	4,861,603
Issued capital	$ 48,616,031	$ 48,616,031

The issued ordinary shares have par value of $10. Each shareholder is entitled with the right to vote and to receive dividends.

30.2 Capital surplus

	December 31, 2024	December 31, 2023
Share premium	$ 24,049,635	$ 24,049,635
Treasury shares transaction	2,074,960	2,065,480
Unclaimed dividends	1 ,494,596	1,346,594
Recognition of changes in equity of subsidiaries	85,518	85,518
Proportionate share in investee's surplus from donated assets under the equity method	1,218	1,218
	$ 27,705,927	$ 27,548,445

The capital surplus from shares issued in excess of par (including additional paid-in capital from the issuance of ordinary shares, conversion of bonds and treasury share transactions) and donations may be capitalized from capital surplus into share capital, which is limited to a certain percentage of the Bank's paid-in capital.

The capital surplus from investments accounted for using the equity method and dividends not yet collected by shareholders has limited use and can only be used to offset losses.

Since the shares held by subsidiaries were classified as treasury shares, cash dividend distributed to subsidiaries was then recorded as capital surplus - treasury shares according to the shareholding ratio.

When the equity of the Bank is not actually obtained or processed, the impact of the equity transaction recognized due to changes in the Bank's equity or the Bank's recognition of the adjustment to the capital reserve of the subsidiary identified using the equity method.

30.3 Retained earnings and dividend policy

According to the earnings distribution policy of the Bank, where the Bank made a surplus profit in its annual accounts, the profit shall be first utilized for paying taxes and then offsetting losses of previous years. As required by the law, 30% of profit shall be allocated as the legal reserve. However, when the amount of statutory surplus reserve has reached the amount of total paid-in capital of the Bank, the required allocation of 30% of profit to the legal reserve is waived and any amount exempted from allocation to capital reserve may be appropriated to or reversed from the special surplus reserve for distribution of special dividends. After the abovementioned appropriations, the balance and accumulated unappropriated earnings of the previous year, including the special reserve shall be available for earnings for distribution. The board of directors drafts a plan for surplus distribution and submits it to the shareholders' meeting for approval. The distribution of dividends or bonuses is subject to the attendance of more than two-thirds of the members of the board of directors and the resolution of more than half of the directors present. All or part of the dividends or bonuses shall be distributed in cash and reported to the shareholders in their meeting.

If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be corrected into capital (share capital) or distributed in cash. However, under the Banking Law Act, if legal reserve is less than its paid-in capital, the Bank is allowed to distribute cash earnings only up to 15% of its capital. For the estimation on the distribution basis of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 31.8.

The Bank has made 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".

The Bank held the board of shareholders' meeting on June 21, 2024 and June 13, 2023, respectively. The proposals and resolutions for the appropriations of earnings and dividends per share for 2023 and 2022 were as follows:

	Appropriation of Earnings		Dividends Per Share (In NT Dollar)	
	2023	2022	2023	2022
Special reserve (reserve) set aside	$ (5,583,505)	$ 5,583,505		
Cash dividends - ordinary shares	8,750,886	8,750,886	$ 1.80	$ 1.80

The appropriations of earnings and dividends per share for 2024 are subjected to the approval of the board directors' meeting on March 21, 2025 and shareholders' meetings on June 13, 2025.

30.4 Special reserve

The Bank made a special reserve due to the transfer of $1,256,859 thousand of its cumulative translation adjustment reported in equity to retained earnings upon first-time IFRS adoption. There was no change in the balance of the special reserve for the year ended December 31, 2024.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public banks shall appropriate to a special reserve 0.5% to 1.0% of net profit. Public banks may reverse the same amount of transfers or resettle the expenses starting from 2017. However, in accordance with Rule No. 10802714560 issued by the FSC, starting from 2019, the special reserve method will no longer be used to respond to the development of financial technology and protect the rights and interests of domestic bank employees, and to transfer expenses for employees to pay or resettlement expenses, and employee education and training expenses in response to the needs of financial technology or banking business development shall be returned within the scope of the special surplus reserve balance mentioned above. The Bank made a special reserve in the amount of $189,228 thousand according to the rule on December 31, 2024.

In accordance with the Securities and Exchange Acts 41-1 and Rule No.1090150022 issued by the FSC on March 31, 2021, upon the first-time adoption for IFRSs for public companies, special reserve shall be made with the following:

(1) With respect to the negative other equity interest for the period in which it arises, an equivalent amount of special reserve shall be set aside from the profit after tax for the period, plus other eligible items that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be set aside from the undistributed earnings of the previous period. Since the undistributed earnings of the previous period have been withdrawn, the Bank had included a special reserve of $5,583,505 thousand.

(2) With respect to the negative other equity interest accumulated from prior periods, an equivalent amount of special reserve shall be set aside from the undistributed earnings as at the prior period end. Where the undistributed earnings from the prior period are insufficient, the deficit can be made from the undistributed earnings of the current period which are contributed by the profit after tax of the current period plus any other eligible items. If subsequently there is any reversal of the negative other equity interest, the amount of the reversal may be reversed from special reserve and booked for earnings distribution. Until December 31, 2023 the Bank had reversed the special reverse of $5,583,505 thousand according to the resolution of the shareholders' regular meeting on June 21, 2024.

30.5 Other equity

Other equity in the Bank includes exchange differences arising from the translation of financial statements of foreign operations, unrealized gain or loss on financial assets measured at fair value through other comprehensive income, and the impact of credit risk on financial liabilities designated at fair value. Relevant changes and impacts are detailed in the standalone statement of changes in equity.

30.6 Treasury shares

On December 31, 2024 and 2023, Shancom Reconstruction Inc. and China Travel Service (Taiwan) held 11,370 thousand shares and 27 thousand shares of the Bank, respectively.

Under the Company Act, the Bank is not allowed to buy back more than 5% of its issued shares. In addition, the total cost of treasury shares may not exceed the sum of the retained earnings and realized capital surplus. The Bank is not allowed to exercise shareholders’ rights on these shares before they are resold. The shares held by its subsidiaries are treated as treasury shares, except for participating in the Bank’s cash addition and voting rights, the rest is the same as the general shareholder's rights.

31. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

31.1 Interest income, net

	For the Year Ended December 31	
	2024	**2023**
Interest income		
Discounts and loans	$ 27,450,858	$ 26,430,421
Securities investments	10,414,705	8,944,462
Due from banks	2,270,106	2,860,307
Credit and revolving	89,258	86,154
Others	194,559	78,592
	40,419,486	38,399,936
Interest expense		
Deposits	19,677,824	17,050,268
Bank debentures	879,938	905,984
Due to banks	457,459	493,028
Structured bond instruments	292,312	119,003
Leased liability	8,401	7,543
Securities sold under repurchase agreements	43,302	5,870
Others	30,613	42,894
	21,389,849	18,624,590
Interest income, net	$ 19,029,637	$ 19,775,346

31.2 Service fee income, net

	For the Year Ended December 31	
	2024	**2023**
Service fee income		
Trust and custody services	$ 1,361,795	$ 977,841
Insurance commission fees	1,575,602	675,440
Guarantees related fees	556,682	610,257
Credit card related fees	475,788	443,198
Loan service fees	332,862	388,527
Exchange related fees	160,045	155,002
Inward/outward business	100,598	103,142
Others	585,113	493,923
	5,148,485	3,847,330
Service charge		
Credit card service charge	377,376	354,524
Nominee and brokerage service charge	112,837	117,002
Finance service charge	71,293	59,816
Custody service charge	30,434	30,315
Others	193,874	282,293
	785,814	843,950
Service fee income, net	$ 4,362,671	$ 3,003,380

31.3 Gain (loss) on financial assets and liabilities at FVTPL

	For the Year Ended December 31, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	$ 15,190,211	$ (1,812,306)	$ 13,377,905
Held-for-trading financial liabilities	(17,401,275)	804,396	(16,596,879)
Financial liabilities designated at FVTPL	-	262,303	262,303
	$ (2,211,064)	$ (745,607)	$ (2,956,671)

	For the Year Ended December 31, 2023		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	$ 11,064,940	$ 665,761	$ 11,730,701
Held-for-trading financial liabilities	(12,427,958)	(429,481)	(12,857,439)
Financial liabilities designated at FVTPL	-	(20,132)	(20,132)
	$ (1,363,018)	$ 216,148	$ (1,146,870)

31.4 Realized gain or loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	2023
Dividend income	$ 2,411,202	$ 1,577,001
Disposal of debt instruments	339,803	72,116
	$ 2,751,005	$ 1,649,117

31.5 Share of profit of subsidiaries accounted for using the equity method

	For the Year Ended December 31	
	2024	2023
Shancom Reconstruction AG	$ 1,287,132	$ 3,743,130
AMK Microfinance Institution Plc.（AMK）	63,273	130,345
China Travel Service（Taiwan）	(36,531)	66,801
Paofoong Insurance Company Ltd.	37,173	26,489
Wresqueue Limitada	15,114	13,899
SCSB Marketing Ltd.	2,182	2,006
SCSB Asset Management Ltd.	32,844	(27,727)
	$ 1,401,187	$ 3,954,943

31.6 Other non-interest income, net

	For the Year Ended December 31	
	2024	2023
Leased revenue	$ 69,381	$ 63,826
Gain (loss) on disposal of property and equipment	119,953	(9,430)
Provision for reconciliation compensation reserves	(140,771)	(338,031)
Others	41,967	26,144
	$ 90,530	$ (257,491)

31.7 Employment benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term employment benefits	$ 4,735,287	$ 4,579,993
Retirement benefits		
Defined contribution plan	117,494	110,586
Defined benefit plan	93,988	120,832
Other benefit plan	504,038	469,722
	$ 5,450,807	$ 5,281,133

31.8 Employees' compensation and remuneration of directors

The employees' compensation and remuneration of directors were at the rates of no less than 0.1% and no higher than 0.6%, respectively, of net profit before income tax, employees' compensation and directors' remuneration.

The employees' compensation and remuneration of directors for 2023 and 2022 as approved in the board meetings on March 29, 2024 and March 23, 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Employees' compensation	$ 76,000	$ -	$ 76,000	$ -
Remuneration of directors	$ 46,000	$ -	$ 48,500	$ -

The employees' compensation and the remuneration of directors for the year ended December 31, 2024 were as follows:

	For the Year Ended December 31
	2024
Employees' compensation	$ 76,000
Remuneration of directors	$ 46,000

The employees' compensation and remuneration of directors in 2024 are subject to the resolution of the board of directors on March 21, 2025.

If the amount of actual employees' compensation and directors' remuneration changes after the release date of financial report, it will be treated according to the changes in accounting estimation and will be adjusted in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2023 and 2022.

Information on the employees' compensation and remuneration of directors resolved by the Bank's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

31.9 Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Depreciation expense		
Right-of-use assets	$ 326,523	$ 333,817
Properties	290,156	220,188
	616,679	554,005
Amortization expense		
Intangible assets	220,382	186,967
Other assets	42,439	58,652
	262,821	245,619
	$ 879,500	$ 799,624

31.10 Other general and administrative

	For the Year Ended December 31	
	2024	2023
Taxation	$ 1,959,861	$ 1,679,559
Postal fees	260,368	232,446
Insurance	224,596	209,802
Maintenance and repairmen fees	197,348	174,147
Project fees	111,155	138,358
Others	748,385	710,214
	$ 3,501,713	$ 3,144,526

32. INCOME TAX

32.1 Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 2,144,529	$ 1,966,717
In respect of prior periods	(72,777)	(110,696)
Undistributed retained earnings	580,841	-
	2,652,593	1,856,021
Deferred tax		
In respect of the current year	542,957	(30,780)
In respect of prior periods	(1,663,937)	(378)
	(1,120,980)	(31,158)
Income tax expense recognized in profit or loss	$ 1,531,613	$ 1,824,863

The reconciliation of accounting profit and income tax expenses is as follows：

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	$ 15,010,096	$ 16,484,858
Income tax expense calculated at the statutory rate	$ 2,962,889	$ 3,160,674
Add (deduct) tax effect of：		
Tax-exempt cash dividend	(439,522)	(306,276)
Permanent difference - investment income	(7,038)	(230,005)
Tax-exempt gain on security transactions	(10,183)	(7,667)
Tax-exempt income from offshore banking unit (OBU)	(25,343)	(817,311)
Others	206,683	136,522
	2,687,486	1,935,937
Tax on unappropriated earnings	580,841	-
Adjustments for prior years' current tax	(72,777)	(110,696)
Adjustments for prior years' deferred tax	(1,663,937)	(378)
Income tax expense recognized in profit or loss	$ 1,531,613	$ 1,824,863

32.2 Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred income tax		
Recognized in other comprehensive income		
Translation adjustments for foreign operations	$ (1,245,033)	$ 62,220
Unrealized gain or loss on financial assets measured at FVTOCI	81,671	(326,291)
Defined benefit plans remeasurement	942	39,989
Income tax expense recognized in other comprehensive income	$ (1,162,420)	$ (224,082)

32.3 Current tax assets and liabilities

	December 31, 2024	December 31, 2023
Current tax liabilities		
Income tax payable	$ 382,599	$ 669,929

32.4 Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the Year Ended December 31, 2024

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Doubtful debts	$ 939,429	$ (544,966)	$ -	$ 394,463
Impairment loss on financial assets at FVTOCI	20,897	(8,452)	-	12,445
Unrealized loss on financial instruments	852,664	(167,560)	81,671	766,775
Unrealized foreign exchange loss	193,703	(193,703)	-	-
Employee benefits plan	123,350	(25,622)	942	98,670
Others	71,532	2	-	71,534
	$ 2,201,575	$ (940,301)	$ 82,613	$ 1,343,887

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Investment gain of foreign subsidiaries recognized under equity method	$ (10,527,169)	$ 2,149,713	$ (1,245,033)	$ (9,622,489)
Unrealized exchange gains and losses	-	(84,094)	-	(84,094)
Unrealized gain or loss on financial instrument	-	(4,338)	-	(4,338)
Others	(712)	-	-	(712)
	$ (10,527,881)	$ 2,061,281	$ (1,245,033)	$ (9,711,633)

For the Year Ended December 31, 2023

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Doubtful debts	$ 741,188	$ 198,241	$ -	$ 939,429
Impairment loss on financial assets at FVTOCI	29,312	(8,415)	-	20,897
Unrealized loss on financial instruments	1,045,138	133,817	(326,291)	852,664
Unrealized foreign exchange loss	95,438	98,265	-	193,703
Employee benefits plan	108,456	(25,095)	39,989	123,350
Others	2,730	68,802	-	71,532
	$ 2,022,262	$ 465,615	$ (286,302)	$ 2,201,575

Deferred Tax Liabilities	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Temporary differences				
Investment gain of foreign subsidiaries recognized under equity method	$ (10,151,844)	$ (437,545)	$ 62,220	$ (10,527,169)
Others	(3,800)	3,088	-	(712)
	$ (10,155,644)	$ (434,457)	$ 62,220	$ (10,527,881)

32.5 Income tax assessments

The Bank's income tax returns through 2019 had been assessed by the tax authorities.

33. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic earnings per share	$ 2.78	$ 3.02
Diluted earnings per share	$ 2.78	$ 3.02

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic and diluted earnings per share	$ 13,478,483	$ 14,659,995

Weighted Average Number of Ordinary Shares Outstanding (in Thousands of Shares)

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	4,850,206	4,850,206
Effect of potentially dilutive ordinary shares:		
Employees' compensation	2,183	1,859
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,852,389	4,852,065

In the computation of diluted earnings per share, it assumed the entire amount of the compensation would be settled in potential shares. If the Bank offered to settle compensation paid to employees in cash or shares, the potential shares are included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

34. RELATED-PARTY TRANSACTIONS

The relationship, significant transactions and account balances of the Bank and its related parties (except those disclosed in other notes) are summarized as follows:

34.1 The Bank's related parties

Related Party	Relationship with the Bank
China Travel Service (Taiwan)	Substantive related party
SCSB Asset Management Ltd.	Substantive related party
SCSB Marketing Ltd.	Substantive related party
Shancom Reconstruction AG	Substantive related party
Wresqueue Limitada	Substantive related party
CTS Travel International Ltd.	Substantive related party
SCSB Leasing (China) Co., Ltd.	Substantive related party
Krinein Company (Krinein)	Substantive related party
Empresa Inversiones Generales, S.A. (Empresa)	Substantive related party
AMK Microfinance Institution Plc. (AMK)	Substantive related party
Shanghai Commercial Bank, HK (SCB)	Substantive related party
The SCSB Cultural & Educational Foundation	Substantive related party
The SCSB Charity Foundation	Substantive related party
Silks Place Taroko	Substantive related party
Hung Ta Investment Corporation	Substantive related party
Taiwan Finance Corporation	Substantive related party
Financial Information Service Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Other related parties	The relatives of the Bank's directors and related management

34.2 Significant transactions between parties

34.2.1 Due from foreign banks

	December 31, 2024	December 31, 2023
Shanghai Commercial Bank (HK)	$ 191,692	$ 247,893

The interest income arising from the above transactions were $3 thousand and $4 thousand for the year ended December 31, 2024 and 2023, respectively.

34.2.2 Due to banks

	December 31, 2024	December 31, 2023
Shanghai Commercial Bank (HK)	$ 99,013	$ 82,846

34.2.3 Guarantees

	Maximum Balance	Ending Balance	Reserve for Possible Losses on Guarantees	Interest Rate (%)	Collateral
December 31, 2024					
China Travel Service (Taiwan)	$ 9,000	$ 9,000	$ -	1.00	Real estate
December 31, 2023					
China Travel Service (Taiwan)	$ 7,000	$ 7,000	$ -	1.00	Real estate

34.2.4 Deposits

	December 31, 2024			For the Year Ended December 31, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
IBF Securities Co., Ltd.	$ 5,823,437	4,883,622	0.64-1.45	$ 36,493
SCSB Asset Management Ltd.	1,187,513	45,889	0.20-1.64	890
Financial Information Service Co., Ltd.	978,980	978,980	0.55-1.45	12,895
Directors and related management	988,258	298,235	0.00-5.50	931
Shancom Reconstruction AG	83,668	73,553	0.03-4.00	2,993
The SCSB Cultural & Educational Foundation	347,772	319,496	0.01-1.72	4,872
Employees	333,636	121,826	0.00-10.94	4,384
Others	1,033,395	340,539	0.00-5.15	3,471
	$ 10,776,659	$ 7,062,140		$ 66,929

	December 31, 2023					For the Year Ended December 31, 2023	
	Maximum Balance		Ending Balance		Interest Rate (%)	Interest Expense	
IBF Securities Co., Ltd.	$	5,023,843		4,579,118	0.43-1.55	$	27,606
Financial Information Service Co., Ltd.		965,290		965,290	0.43-1.50		13,560
Taiwan Finance Corporation		500,011		11	0.00-1.50		616
SCSB Asset Management Ltd.		534,789		9,885	0.20-1.80		2,436
Empresa		515,525		-	2.85		1,265
The SCSB Cultural & Educational Foundation		347,669		329,519	0.01-1.60		3,599
Employees		309,269		81,691	0.00-10.79		4,232
Directors and related management		152,579		53,100	0.00-4.48		1,077
Krinein		103,105		-	2.85		253
Shancom Reconstruction AG		92,243		76,569	1.05-4.00		2,794
Others		627,117		353,508	0.00-4.60		4,910
	$	9,171,440	$	6,448,691		$	62,348

34.2.5 Interest receivable (accounted for as receivables)

	December 31, 2024		December 31, 2023	
AMK	$	35,273	$	34,252
Directors and related management		105		10
	$	35,378	$	34,262

34.2.6 Interest payable (accounted for as payables)

	December 31, 2024		December 31, 2023	
Financial Information Service Co., Ltd.	$	2,440	$	2,249
IBF Securities Co., Ltd		1,607		1,339
Shancom Reconstruction AG		247		264
Others		1,317		836
	$	5,611	$	4,688

34.2.7 Guarantee deposits received (accounted for as other liabilities)

	December 31, 2024		December 31, 2023	
The SCSB Cultural & Educational Foundation	$	318	$	318
SCSB Asset Management Ltd.		264		60
China Travel Service (Taiwan)		189		189
SCSB Marketing Ltd.		20		20
	$	791	$	587

34.2.8 Rental income (accounted for as other non-interest revenue, net)

	For the Year Ended December 31	
	2024	2023
The SCSB Cultural & Educational Foundation	$ 1,282	$ 1,282
China Travel Service (Taiwan)	720	714
SCSB Asset Management Ltd.	666	231
SCSB Marketing Ltd.	83	83
	$ 2,751	$ 2,310

For the rental contracts with related parties, the rental is determined in proportion to similar rentals in the area, based on a reference of the rentals in the neighborhood, and is received on a monthly basis.

34.2.9 Administrative and operating expense (accounted for as other general administrative expenses)

	For the Year Ended December 31	
	2024	2023
SCSB Marketing Ltd.	$ 101,853	$ 101,357
China Travel Service (Taiwan)	3,738	4,084
	$ 105,591	$ 105,441

34.2.10 Loans

December 31, 2024									For the Year Ended December 31, 2024
				Performance					
Category	Name	Maximum Balance	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
Loans for personal house mortgages	Directors and related management (3)	$ 27,576	$ 21,445	$ 21,445	-	Real estate	2.06-.2.48	None	$ 528
Others	Directors and related management (7)	119,221	108,997	108,997	-	Real estate	2.06-2.53	None	2,522
	Directors and related management (4)	2,094	1,012	1,012	-	None	2.11-2.55	None	35
	AMK	2,300,340	2,295,300	2,295,300	-	None (Note)	5.82-7.91	None	222,175
		$2,449,231	$2,426,754	$2,426,754					$225,260

December 31, 2023									For the Year Ended December 31, 2023
				Performance					
Category	Name	Maximum Balance	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income
Loans for personal house mortgages	Directors and related management (2)	$ 29,899	$ 14,663	$ 14,663	-	Real estate	2.05-2.35	None	$ 302
Others	Directors and related management (4)	25,868	10,656	10,656		Real estate	1.93-2.32	None	401
	Directors and related management (2)	1,109	418	418		None	2.00-2.20	None	16
	AMK	2,179,590	1,857,653	1,857,653	-	None (Note)	6.48-7.31	None	133,831
		$2,236,466	$1,883,390	$1,883,390					$ 134,550

Note: The loan had obtained the approval from FSC, which was applied to Jin-Guan-Yin Letter No.10300258130.

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 limits and government loans. Secured loans to a related party should be fully guaranteed, and the relevant terms should not be superior to other similar credit clients.

34.2.11 Disposal of properties

	Transaction Amount		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Category	2024	2023	2024	2023
Others	$ -	$ 3,675	$ -	$ 3,116

34.2.12 Donate

	For the Year Ended December 31	
	2024	2023
The SCSB Cultural & Educational Foundation	$ 15,000	$ 15,000

34.3 Compensation of directors, supervisors and management personnel

The compensation of key management personnel for the year ended December 31, 2023 and 2022 was as follows:

	For the Year Ended December 31	
	2024	2023
Salaries and other short-term employee benefits	$ 121,659	$ 118,172
Bonuses and compensation of employees	99,848	91,508
Remuneration of directors	81,393	80,440
Post-employment benefits	22,568	22,598
	$ 325,468	$ 312,718

35. PLEDGED ASSETS

On December 31, 2024 and 2023, under the Central Bank's clearing system of Real-Time Gross Settlement (RTGS), on December 31, 2024 and 2023, the assets listed below had been provided as collateral for day-term overdrafts with the pledged amount adjustable at any time.

	December 31, 2024	December 31, 2023	Guaranty Purpose
Investments in debt instruments measured at amortized cost	$ 12,000,000	$ 12,000,000	Day-term overdraft with the pledge

On December 31, 2024 and 2023, the assets listed below were provided as refundable deposits for operating guarantees.

	December 31, 2024	December 31, 2023	Guaranty Purpose
Financial assets at FVTOCI	$ 448,643	$ 413,133	Operating guarantee

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

36.1 In addition to those disclosed in other notes, significant commitments and contingencies of the Bank as of December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Assets under trust	$ 239,202,432	$ 209,710,684
Guarantee notes payable	99,753,100	102,915,905
Government bonds in brokerage accounts	31,660,000	37,149,200
Securities in custody	23,060,710	19,582,405
Receivables under custody	22,159,656	22,994,396
Short-term bills in brokerage accounts	1,468,140	1,315,800

36.2 Material litigation

Vegesentials commenced civil proceedings before the Business and Property Courts of the High Court of Justice of England and Wales against the Bank in August, 2020. Vegesentials claimed that it relied upon a fraudulent document issued by a former employee of the Bank to enter into a transaction which stated that the counterparty had the funds to purchase some of its shares. Vegesentials therefore asked the Bank to compensate it for its loss on the basis of vicarious liability. In April, 2022, Fiber Water Limited joined the lawsuit as a co-plaintiff due to the assignment of claims. After receiving Vegesentials' claim in September, 2020, the Bank instructed English legal counsel to defend the Bank in the proceedings. The trial process has been completed by the High Court of Justice of England and Wales in October, 2023. The English Court ordered that the Bank shall pay GBP 7,034,402 dollar in January, 2024. Relevant information about the above litigation is available on the Market Observation Post System website of the Taiwan Stock Exchange.

In April ,2024, the Bank was on behalf of the subsidiary, SCB, to announce the receipt of notice from the U.S. Bankruptcy Court that debtors filed a complaint for damages. The plaintiffs (including the debtors) filed a complaint for damages against all defendants, including Shanghai Commercial Bank Ltd, New York Branch and its responsible person and three personnel, as well as the Bank, claimed that they had suffered damages totaling no less than US$356,000,000 dollar due to breach of contract and fiduciary duty etc. The Bank currently assesses that it will not have a significant impact on its finances and business. Relevant information about the above litigation is available on the Market Observation Post System website of the Taiwan Stock Exchange.

37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

38. FINANCIAL INSTRUMENTS

38.1 Fair value information - financial instruments not measured at fair value

38.1.1 Financial assets and liabilities with significant differences between carrying amounts and fair values.

Except as detailed in the following table, the Bank's management considers that the carrying amounts of financial instruments not measured at fair values are approximates of their fair values or the fair values could not otherwise be reliably measured:

	December 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments in debt instruments measured at amortized cost	$ 214,376,343	$ 214,225,320	$ 237,245,205	$ 237,058,856
Financial liabilities				
Bank debentures	48,220,000	48,236,306	58,070,000	58,067,359

38.1.2 Fair value level

	December 31, 2024							
	Total		Level 1		Level 2		Level 3	
Financial assets								
Investments in debt instruments measured at amortized cost	$	214,225,320	$	11,409,888	$	202,815,432	$	-
Financial liabilities								
Bank debentures		48,236,306		-		48,236,306		-

	December 31, 2023							
	Total		Level 1		Level 2		Level 3	
Financial assets								
Investments in debt instruments measured at amortized cost	$	237,058,856	$	20,051,623	$	217,007,233	$	-
Financial liabilities								
Bank debentures		58,067,359		-		58,067,359		-

38.1.3 The evaluation method and assumptions used in measuring 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 financial instruments other than the above is determined by the discounted cash flow analysis or other generally accepted pricing models.

38.2 Fair value information - financial instrument measured at fair value under repetitive basis

38.2.1 Fair value level

Information of the financial instruments measured at fair value categorized by level is as follows:

Financial Instruments Measured at Fair Value	December 31, 2024							
	Total		Level 1		Level 2		Level 3	
Non-derivative financial instruments								
Assets								
Financial assets measured at FVTPL								
Financial assets mandatorily classified as at FVTPL								
Bonds	$	695,881	$	695,881	$	-	$	-
Financial assets at FVTOCI								
Equity instruments		31,007,163		29,053,069		-		1,954,094
Debt instruments		219,408,640		137,575,426		81,833,214		-
	$	251,111,684	$	167,324,376	$	81,833,214	$	1,954,094
Liabilities								
Financial liabilities measured at FVTPL	$	2,438,063	$	-	$	2,438,063	$	-

Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	$ 1,886,808	$ 559,992	$ 1,326,816	$ -
Liabilities				
Financial liabilities measured at FVTPL	$ 1,290,500	$ 294	$ 1,290,206	$ -

Financial Instruments Measured at Fair Value	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial instruments				
Assets				
Financial assets measured at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares	$ 76,080	$ 76,080	$ -	$ -
Financial assets at FVTOCI				
Equity instruments	20,203,199	18,421,436	-	1,781,763
Debt instruments	209,960,081	117,385,023	92,575,058	-
	$ 230,239,360	$ 135,882,539	$ 92,575,058	$ 1,781,763
Liabilities				
Financial liabilities measured at FVTPL	$ 2,191,711	$ -	$ 2,191,711	$ -
Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	$ 1,382,855	$ 276,513	$ 1,106,342	$ -
Liabilities				
Financial liabilities measured at FVTPL	$ 1,903,529	$ 28,189	$ 1,875,340	$ -

There were no transfers of financial instruments between Level 1 and Level 2 fair value measurement for the year ended December 31, 2024 and 2023.

38.2.2 Reconciliation of Level 3 fair value measurement

For the Year ended December 31, 2024

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	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 measured at FVTOCI	$ 1,781,763	$ -	$ 167,685	$ -	$ 876,150	($ 5,677)	($ 885,330)	$ 19,503	$ 1,954,094

For the Year ended December 31, 2023

Item	Beginning Balance	Amount of Valuation Gain or Loss		Addition		Reduction		Exchange	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 measured at FVTOCI	$ 1,722,181	$ -	($ 2,998)	$ 66,481	$ -	($ 3,839)	$ -	($ 62)	$ 1,781,763

38.2.3 Valuation techniques and inputs applied for 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.
Derivatives	Valuation was based on widely-adapted pricing techniques. The inputs were assessed by observable elements in the market.
Others	Valuation was based on observable market prices or assessed by cash-flow method through observable elements.

38.2.4 Valuation techniques and inputs applied for Level 3 fair value measurement

The fair value of financial assets classified as Level 3 included but was not limited to bond investments measured at FVTPL, and investments in equity securities measured at FVTOCI.

Most financial instruments with fair value measurements 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 table of quantified information of significant unobservable inputs is as follows:

	Fair Value December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTOCI					
Shares	$ 1,954,094	1. Market approach	Market liquidity reduction	10%-19%	1. The higher of the liquidity reduction, and the lower of the fair value .
		2. Net asset value method	Market liquidity reduction	10%-19%	2. The higher of the liquidity reduction, and the lower of the fair value .

	Fair Value December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTOCI					
Shares	$ 1,781,763	1. Market approach	Market liquidity reduction	10%-19%	1. The higher of the liquidity reduction, and the lower of the fair value .
		2. Net asset value method	Market liquidity reduction	10%-19%	2. The higher of the liquidity reduction, and the lower of the fair value .

38.2.5 Sensitivity analysis of alternative assumptions of Level 3 fair value measurement

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

December 31, 2024

	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 measured at FVTOCI	$ -	$ -	$ 19,541	$ (19,541)

December 31, 2023

	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 measured at FVTOCI	$ -	$ -	$ 17,818	$ (17,818)

38.3 Financial risk management

38.3.1 Risk management

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

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

The Bank’s risk management department performs the Bank’s risk management activities pursuant to the policies approve by the board of directors. Risk management department works with other business departments in order to identify, evaluate, and avoid any financial risks. The board of directors formulates the written policies for risk management; the policy included specific exposures such as currency risk, interest rate risk, credit risk, operational 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.

38.3.2 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 exposed to credit risks. For the Bank's credit exposures, in-balance-sheet items mainly consisted of discounts and loans, credit card business, due from and call loans to banks, debt investments, and derivative 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.

(1) Procedures of credit risk management

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

A. Credit business (including loan commitments and guarantees)

a. The credit risk has increased significantly after original recognition

The Bank assesses the change in the risk of default over the expected duration of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since original recognition. For this assessment, the Bank's considerations (including forward-looking information) show that the credit risk has increased significantly since original recognition and can be corroborated. The main considerations include:

i. Changes in internal and external credit ratings (e.g. external TCRI ratings are above the high risk level).

ii. Information of overdue status (e.g. if the payment is overdue for more than 30 days).

iii. Unfavorable changes in current or projected operating, financial or economic conditions that are expected to result in significant changes in the ability of the debtor to perform its debt obligations.

iv. Significant changes in actual or expected results of the debtor's operations.

v. The credit risk of other financial instruments of the same debtor has increased significantly.

b. The definition of default and credit impairment on financial assets

The Bank's definition of default on financial assets is the same as the judgment of credit impairment on financial assets. If one or more of the following conditions are met, the Bank determines that the financial assets have defaulted and have credit impairment:

i. Changes in internal and external credit ratings (e.g. external TCRI ratings are above the high risk level).

ii. Information of overdue status (e.g. if the payment is overdue for more than 90 days).

iii. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.

iv. The debtor has died or been dissolved.

v. Contracts of other debt instruments of the debtor have defaulted.

vi. The active market of the financial assets disappeared due to financial difficulties.

vii. The debtor's creditor gives the borrower a concession that would not have been considered due to economic or contractual reasons related to the debtor's financial difficulties.

vii. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.

The aforementioned default and credit impairment definitions apply to all financial assets held by the Bank and are consistent with the definitions used for the internal credit risk management purposes of the financial assets and are applied to the relevant impairment assessment model.

c. Measurement of expected credit loss

For the objective of assessing expected credit loss, credit assets are classified according to the credit risk characteristics (such as the purpose of the borrowing, the nature of the industry, the type of collateral and the state of the borrowing) into two categories: corporate finance and personal finance. Further to this, the credit risk characteristics are divided according to each category.

The 12-month expected credit loss amounts of the Bank's financial instruments whose credit risk has not significantly increased since original recognition are used to measure the allowance loss of the financial instruments; for financial instruments whose credit risk has increased significantly or which have had credit impairment since original recognition, such financial instruments are measured at the amount of full-lifetime expected credit losses.

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since December 31, 2024.

d. Forward-looking information considerations

When measuring the expected credit losses, the Bank uses forward-looking economic factors that affect credit risk and takes such forward-looking information regarding expected credit losses into consideration. Based on professional economic judgment, the Bank uses the statistical analysis results of GDP growth rate to provide forecast information of economic factors on a quarterly basis and re-evaluates such data on each financial reporting date.

B. 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 sets limits to the credit facilities.

C. Debt investments 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 investments 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 counterparties.

(2) Policies of credit risk hedging or mitigation

A. Collateral

The Bank applies series of policies to decrease credit risks in its lending business. Among those policies is to request collateral from creditors. To secure the creditor's rights, the Bank has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Bank and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. Collateral for business other than loan borrowings vary by the nature of the related financial instruments. Only asset-backed securities and other similar financial instruments are secured by a pool of financial assets.

B. Limitation of credit risk and credit concentration management

The credit policies of the Bank regulate the credit limitations, as applied to a single counterparty or Bank, to avoid excessive credit concentration. The Bank further implements concentration policies, which monitor and manage the credit limitation and concentration in one single counterparty, different enterprises, related parties, industries, and countries. The policies are based on individual criteria in different categories including but not limited to industries, enterprises, and share-pledge related loans.

C. Other mechanisms for credit risk management

To further decrease credit risks, the contracts also proclaim that the Bank may decrease the balances, shorten the maturity period, demand immediate payback, or use borrowers' assets in the Bank to offset their liabilities.

In most circumstances, the Bank applies gross settlement with counterparties. However, to further decrease credit risks, the Bank applies net settlement or even terminates transactions with certain counterparties when default may occur.

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

December 31, 2024

Financial instruments subject to IFRS 9 impairment requirements and credit impairment	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Receivables	$ 67,136	$ -	$ -	$ -	$ -
Discounts and loans	2,961,079	1,599,446	-	804,697	2,404,143

December 31, 2023

Financial instruments subject to IFRS 9 impairment requirements and credit impairment	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Receivables	$ 63,300	$ -	$ -	$ -	$ -
Discounts and loans	6,938,948	1,427,837	-	696,618	2,124,455

(3) 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 instruments are not considered. The off-balance sheet items related to the maximum credit exposure (without considering collateral or other credit enhancements and irrevocable maximum exposure) are as follows:

	December 31, 2024	December 31, 2023
Guarantees	$ 74,977,426	$ 74,422,183
Issued and non-cancelable loan commitments	15,655,774	33,507,706
Issued but unused letters of credit	6,324,997	6,434,469
Non-cancelable credit card commitments	586,880	601,495

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

The total carrying amounts of the financial assets with the largest credit risk exposure are as follows:

	December 31, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	$ 312,696,338	$ 1,330,173	$ 667,686	$ 314,694,197
-Microcredit	3,390,735	18,379	30,847	3,439,961
-Others	36,054,729	116,184	124,000	36,294,913
Corporate banking				
-Secured	291,731,375	4,719,332	1,828,225	298,278,932
-Unsecured	241,437,096	4,231,033	310,321	245,978,450
Total	$ 885,310,273	$ 10,415,101	$ 2,961,079	$ 898,686,453
Accounts receivable (including non-performing credit card receivables)				
Credit cards	$ 3,085,606	$ 97,066	$ 63,446	$ 3,246,118
Others	7,744,896	65,380	3,690	7,813,966
Total	$ 10,830,502	$ 162,446	$ 67,136	$ 11,060,084
Debt instruments measured at FVTOCI	$ 224,473,902	$ 406,272	$ -	$ 224,880,174
Investments in debt instruments measured at amortized cost	$ 214,380,433	$ -	$ -	$ 214,380,433

	December 31, 2023			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	$ 305,215,881	$ 1,254,749	$ 342,306	$ 306,812,936
-Microcredit	4,235,418	8,767	23,682	4,267,867
-Others	35,257,856	104,081	46,330	35,408,267
Corporate banking				
-Secured	302,522,495	2,035,137	1,457,385	306,015,017
-Unsecured	219,706,169	2,513,281	5,069,245	227,288,695
Total	$ 866,937,819	$ 5,916,015	$ 6,938,948	$ 879,792,782
Accounts receivable (including non-performing credit card receivables)				
Credit cards	$ 3,714,106	$ 110,495	$ 58,800	$ 3,883,401
Others	6,923,832	182,327	4,500	7,110,659
Total	$ 10,637,938	$ 292,822	$ 63,300	$ 10,994,060
Debt instruments measured at FVTOCI	$ 213,930,288	$ 724,221	$ 92,123	$ 214,746,632
Investments in debt instruments measured at amortized cost	$ 237,250,570	$ -	$ -	$ 237,250,570

(4) Information on concentration of credit risk

Concentration of credit risk exists if transaction counterparties are significantly concentrated on same individuals or Banks 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 can be on assets, liabilities or off-balance sheet items and can arise in the course of the enforcement and implementation of transactions (regardless of products or service) or in the combination of exposures across categories, including credit, due from and call loans to banks, marketable securities, receivables and derivatives, etc. The Bank maintained a diversified loan portfolio to mitigate the credit risk concentration to same customers; total transaction of same customers in discounts and loans and the balance of non-accrual loans are 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:

A. Industry

	December 31			
	2024		2023	
Sector	Amount	%	Amount	%
Private sector	$ 449,640,051	50	$ 433,702,339	49
Consumer	393,757,069	44	387,163,564	44
Financial institution	50,388,186	5	53,078,984	6
Others	4,901,147	1	5,847,895	1
	$ 898,686,453	100	$ 879,792,782	100

B. Region

	December 31			
	2024		2023	
Region	Amount	%	Amount	%
Taiwan	$ 787,573,036	88	$ 769,899,346	88
Asia Pacific except Taiwan	80,352,571	9	79,961,348	9
Others	30,760,846	3	29,932,088	3
	$ 898,686,453	100	$ 879,792,782	100

C. Collateral

	December 31			
	2024		2023	
Collaterals Assumed	Amount	%	Amount	%
Unsecured	$ 249,422,963	28	$ 231,556,561	26
Secured				
Properties	560,252,883	62	553,866,417	63
Guarantee	56,796,911	6	63,971,258	7
Financial collateral	20,588,175	2	20,211,244	2
Personal properties	2,883,481	1	2,813,902	1
Other collateral	8,742,040	1	7,373,400	1
	$ 898,686,453	100	$ 879,792,782	100

(5) Information on credit risk quality

Part of the financial assets held by the Bank, including cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets measured at fair value through profit or loss, investments in bills and bonds with resale agreements, guarantee deposits paid, security businesses, clearing and settlement funds, etc. are assessed with very low credit risk because the counterparties have good credit ratings.

38.3.3 Market risk

(1) 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. Changes in above risk elements can cause risks to shift the net profit of the Bank or its investment structures.

The Bank's financial instruments are exposed to price, interest rate and foreign exchange rate risks. Major market price risk positions of equity securities include domestic listed shares and funds. Major interest risks include bonds and interest rate derivative instruments such as fixed and floating interest rate swap and bond options whereas the major foreign exchange risks include foreign currency positions held by the Bank.

(2) Market risk management policies

The Bank monitors its market risk positions and tolerable loss according to the risk management objectives and limits 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 Bank's financial instrument positions, etc. The results of the monitoring, assessment and analysis are reported in risk control meetings and serve as references for the decision making of management.

The Bank splits market risk exposure into trading and held for fixed income portfolios which are controlled by both the Bank's operation and risk management sections. Routine control reports are reviewed by the Bank's board of directors and relevant committees.

(3) Market risk management process

A. Recognition and measurement

The Bank's operation and risk management sections both identify market risk factors of exposure positions, which are used to measure market risks. Market risk factors include interest rates, foreign exchange rates and market price of equity securities, and exposures, gains and losses and sensitivity (PV01, Delta, Beta) etc. Measurement of investment portfolio is affected by interest rate risk, foreign exchange risk and price of equity securities.

B. Monitoring and reporting

The Bank's risk management department regularly reviews market risk management objective, positions and control of gains and losses, sensitivity analysis and pressure test and reports to the board of directors. Therefore, the board of directors could well understand market risk control. The Bank has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management, and the department should report to relevant committee regularly.

(4) Interest rate risk management policies

A. Definition of interest rate risk

Interest rate risk represents risks of variation of fair value of trading position and loss in earnings resulting from interest rate variation. Major relevant products include interest rate-related financial securities and derivatives instrument.

B. Purpose of interest risk management

Interest rate risk management enhances the Bank's ability 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.

C. Procedures of interest risk management

The Bank carefully chooses investment target through conducting research about issuer's credit, financial status, country risks and interest rate trend. The Bank also establishes trading amount limit and stop-loss limit including limit for trading department, trading personnel and trading commodity, etc. according to trading book operation policies and market status which are approved by top management 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 and economic values of changes in interest rate. On a monthly basis, the Bank reports the analysis and monitoring of limit on interest rate risk position and various interest rate management objectives to the Strategy Management Committee and the board of directors.

Report to the Strategy Management Committee is required when certain risk management objective has exceeded limit in order to resolve response action.

D. Measurement methods

The Bank measures risks of price reset periods gap from difference in maturity date and price reset date of assets, liabilities, and off-balance sheet items. The Bank also established interest rate sensitivity monitoring index for major periods in order to maintain long-term profitability and business growth. Such interest rate indexes and results of pressure test are reviewed by management personnel periodically. In addition, the Bank regularly measures the impact of interest risk on its investment portfolio using DV01 and assesses the effects of interest rate changes on its earnings and economic value using IRRBB.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange risk

Foreign exchange risk means losses resulting from transferring currencies at different times. The Bank's foreign exchange rate risk results mainly from spot and forward foreign exchange business. The Bank's foreign exchange rate risk is relatively insignificant due to the fact that customers' positions are basically settled immediately on transaction date.

B. 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, stop-loss limit and maximum loss for trading department and trading personnel and the risk is controlled within the tolerable range.

The Bank undertakes pressure test on a seasonal basis and uses 3%-10% fluctuation in major foreign exchange rate (USD) as the sensitivity threshold and reports test results to the Assets and Liabilities Management Committee.

(6) Equity securities price risk management

A. Definition of equity securities price risk

The market risk of equity securities held by the Bank includes individual and general risk from price fluctuation of both individual equity security and the entire equity security market.

B. Purpose of equity security price risk management

The main purpose of equity security price risk management is to prevent financial status from deteriorating and to avoid decrease in earnings due to violent fluctuation in equity security prices, and to enhance capital efficiency and strengthen operation.

C. Procedures of equity security price risk management

The Bank stop-loss point is set according to the policy approved by the assets and Liabilities Management Committee and board of directors. Stop-loss action must be taken when limit is reached, otherwise the investment department must submit request to top management personnel for approval.

D. Measurement method

The Bank’s control of security price risk is based on limit of positions held, as well as strict profit and loss monitoring.

(7) Market valuation technique

The Bank assesses its exposures to market risk and the anticipated loss under market pressures by using assumptions on several market position changes. Limits of various financial instruments are set by the board of directors and monitored by the Assets and Liabilities Management Committee. The Bank also performs 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.

A. Sensitivity analysis

a. Interest rate risk

The Bank has assessed the possible impact on income and equity if global yield curve move between -1 and +1 basis points simultaneously on December 31, 2024 and 2023.

b. Foreign exchange rate risk

The Bank assesses the possible impact on income when exchange rates of NTD against various currencies fluctuate between -1% and +1% while other factors remain unchanged.

c. Equity securities price risk

The Bank has assessed the possible impact on income when equity security prices on December 31, 2024 and 2023 rise or fall by 1% while other factors remain unchanged.

The analysis assumed that the trends of equity instruments are consistent with historical data.

B. Sensitivity analysis is summarized as follows:

December 31, 2024			
Major Risk	**Fluctuation Range**	**Amount**	
		Equity	**Profit or Loss**
Foreign exchange risk	Foreign currency appreciated 1% against NTD	$ 928,756	$ (21,390)
	Foreign currency depreciated 1% against NTD	(928,756)	21,390
Interest rate risk	Interest rate curve edged up 1bp	(62,965)	(59)
	Interest rate curve edged down 1bp	62,965	59
Equity price risk	Equity price increased 1%	207,596	-
	Equity price decreased 1%	(207,596)	-

December 31, 2023			
Major Risk	**Fluctuation Range**	**Amount**	
		Equity	**Profit or Loss**
Foreign exchange risk	Foreign currency appreciated 1% against NTD	$ 827,031	$ (22,495)
	Foreign currency depreciated 1% against NTD	(827,031)	22,495
Interest rate risk	Interest rate curve edged up 1bp	(59,489)	(46)
	Interest rate curve edged down 1bp	59,489	46
Equity price risk	Equity price increased 1%	115,709	112
	Equity price decreased 1%	(115,709)	(112)

38.3.4 Liquidity risk

(1) The sources and definition of liquidity risk

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 to 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 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, and the need to liquidate the Bank's assets and the possibility of being 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.

(2) The management policies are as follows:

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

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

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

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

D. Managing the maturity date of debt instruments.

The procedures for monitoring and reporting liquidity 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 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 measured at fair value through profit or loss, etc.

(3) Maturity analysis

The Bank analyzed cash outflows of non-derivative financial liabilities 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.

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	$ 17,263,137	$ 2,864,606	$ 487,502	$ 525,665	$ -	$ 21,140,910
Financial liabilities measured at FVTPL	-	-	-	-	2,431,170	2,431,170
Securities sold under repurchase agreements	4,421,134	287,865	74,154	-	-	4,783,153
Payables	23,292,437	808,305	640,500	683,500	833,086	26,257,828
Deposits and remittances	646,439,514	208,648,249	151,074,282	268,179,808	12,245,727	1,286,587,580
Bank debentures	-	-	-	1,000,000	47,220,000	48,220,000
Other financial liabilities	7,389,270	67,298	71,727	136,355	961,446	8,626,096
Lease liabilities	-	515	33,939	30,770	704,631	769,855

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Due to the central bank and banks	$ 12,667,424	$ 588,805	$ 444,312	$ 525,665	$ -	$ 14,226,206
Financial liabilities measured at FVTPL	-	-	-	-	1,983,771	1,983,771
Securities sold under repurchase agreements	171,489	343,996	75,804	-	-	591,289
Payables	24,775,311	631,793	766,446	602,750	638,953	27,415,253
Deposits and remittances	704,025,562	166,468,890	145,897,240	247,970,953	10,199,049	1,274,561,694
Bank debentures	-	5,100,000	3,000,000	6,900,000	43,070,000	58,070,000
Other financial liabilities	5,642,978	86,329	77,038	130,953	621,975	6559,273
Lease liabilities	-	592	7,711	26,057	709,265	743,625

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

A. Derivative financial liabilities in net settlement

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	$ 32,332	$ 12,595	$ 7,044	$ 54,773	$ -	$ 106,744
Interest rate derivatives	232	136	973	425	463,080	464,846

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives	$ 30,914	$ 10,711	$ 1,512	$ 18,151	$ 5,183	$ 66,471
Interest rate derivatives	2,981	2,726	3,067	3,022	167,908	179,704

B. Derivative financial liabilities in total settlement

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	$ 24,040,793	$ 20,809,621	$ 8,864,149	$ 4,632,444	$ -	$ 58,347,007
Cash outflow	23,567,245	19,975,102	9,158,404	4,863,252	-	57,564,003

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Derivative financial liabilities measured at FVTPL						
Foreign exchange derivatives						
Cash inflow	$ 38,817,956	$ 51,845,997	$ 29,043,857	$ 8,318,001	$ -	$ 128,025,811
Cash outflow	40,020,435	53,533,317	29,721,435	8,341,322	-	131,616,509

The analysis of cash outflows of off-balance sheet items is illustrated according to the remaining terms from date of the balance sheets 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.

December 31, 2024	0~30 days	31~90 days	91~180 days	181days~1year	Over 1 year	Total
Other guarantees	$ 25,883,878	$ 11,733,199	$ 7,262,938	$ 12,423,100	$ 17,674,311	$ 74,977,426
Non-cancelable loan commitments	-	-	467,339	841,361	14,347,074	15,655,774
Issued but unused letters of credit	1,949,095	3,743,786	234,379	186,395	211,342	6,324,997
Non-cancelable credit card commitments	87,973	175,947	263,920	59,040	-	586,880

December 31, 2023	0~30 days	31~90 days	91~180 days	181days~1year	Over 1 year	Total
Other guarantees	$ 22,613,621	$ 14,891,917	$ 6,212,611	$ 13,081,771	$ 17,622,263	$ 74,422,183
Non-cancelable loan commitments	479,587	705,878	718,181	1,454,096	30,149,964	33,507,706
Issued but unused letters of credit	1,465,608	4,302,930	268,134	185,820	211,977	6,434,469
Non-cancelable credit card commitments	90,164	180,328	270,492	60,511	-	601,495

38.4 Transfer of financial assets

In the daily transactions of the Bank, most of the transferred financial assets not eligible for full derecognition are repurchase notes and bonds. The cash flows of the transactions have been transferred to outsiders and the liabilities for 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 prior to 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 that are not qualified for derecognition and related financial liabilities.

December 31, 2024

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
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	$ 4,778,000	$ 4,783,153	$ 4,778,000	$ 4,783,153	$ (5,153)

December 31, 2023

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
Financial assets measured at FVTOCI					
Securities sold under repurchase agreements	$ 584,500	$ 591,289	$ 584,500	$ 591,289	$ (6,789)

39. 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 were affected by interest rate fluctuations are as follows:

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

	For the Year Ended December 31, 2024	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	$ 15,263,261	1.09
Due from the Central Bank and call loans to banks	85,312,134	2.58
Securities purchased under resell agreements	10,494,521	1.41
Credit card revolving balances	688,446	11.57
Discounts and loans (excluding non-performing loans)	879,738,623	3.09
Financial assets measured at FVTPL	696,795	3.00
Financial assets measured at FVTOCI - investments in debt instruments	225,189,717	3.39
Investments in debt instruments measured at amortized cost	197,202,183	1.38
Interest-bearing liabilities		
Due to the central bank and banks	$ 15,170,867	3.65
Financial liabilities measured at FVTPL	2,716,815	6.18
Securities purchased under repurchase agreements	3,983,639	1.09
Negotiable certificates of deposit	62,053,641	1.64
Demand deposits	280,954,068	0.76
Savings deposits	206,883,459	0.83
Time deposits	449,286,370	2.42
Time savings	252,928,497	1.66
Bank debentures	52,480,349	1.36
Other financial liabilities	6,509,895	4.54
Lease liabilities	765,923	1.10

	For the Year Ended December 31, 2023	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	$ 17,690,276	0.78
Due from the Central Bank and call loans to banks	96,947,500	2.87
Securities purchased under resell agreements	1,729,006	1.17
Credit card revolving balances	603,618	12.15
Discounts and loans (excluding non-performing loans)	868,179,512	3.03
Financial assets measured at FVTOCI - investments in debt instruments	212,984,811	2.93
Investments in debt instruments measured at amortized cost	216,407,383	1.20
Interest-bearing liabilities		
Due to the central bank and banks	$ 16,117,011	3.43
Financial liabilities measured at FVTPL	2,211,260	6.60
Securities sold under repurchase agreements	671,213	0.87
Negotiable certificates of deposit	65,408,930	1.45
Demand deposits	301,528,467	0.73
Savings deposits	206,455,272	0.75
Time deposits	460,743,796	2.06
Time savings	207,698,203	1.50
Bank debentures	56,482,875	1.35
Other financial liabilities	4,380,549	3.33
Lease liabilities	796,931	0.95

40. CAPITAL MANAGEMENT

All the Bank's risks were included in the scope of assessment of capital adequacy according to "Regulations Governing the Capital Adequacy". The business objectives and project budget are approved by the board of directors, and furthermore the Bank considered the development strategy, capital adequacy, debt ratio, and dividend policy in its assessments. The contents are included in stress test, estimate of capital adequacy ratio to ensure achieving the objective of capital adequacy and strengthening of the capital structure.

The Banking Act and related measures stipulate that in order to improve the financial foundation of a bank, the ratio of the Bank's own capital to the risky assets shall not be less than 10.50%, where the actual ratio is lower than the prescribed standard, the authorities may impose limit on its capital surplus distribution.

The Bank conformed to the regulation on capital management as of December 31, 2024 and 2023.

The following table lists the equity capital, risk-weighted assets, and risk exposure:

	December 31	
	2024	2023
Analysis items		
Eligible capital		
Common equity	$ 119,172,112	$ 116,201,227
Other Tier I capital	8,070,000	8,070,000
Tier II capital	23,684,358	24,256,459
Eligible capital	$ 150,926,470	$ 148,527,686
Risk-weighted assets		
Credit risk		
Standardized approach	$ 881,755,411	$ 873,339,831
Credit valuation adjustment (CVA)	2,578,976	98,366
Internal rating based approach	N/A	N/A
Synthetic securitization	585,188	1,161,459
Operational risk		
Basic indicator approach	52,039,952	49,469,728
Standardized approach/ alternative standardized approach	N/A	N/A
Advanced measurement approach	N/A	N/A
Market risk		
Standardized approach	68,428,041	48,299,464
Internal models approach	N/A	N/A
Total risk-weighted assets	$ 1,005,387,568	$ 972,368,848
Capital adequacy ratio	15.01%	15.27%
Ratio of common equity to risk-weighted assets	11.85%	11.95%
Ratio of Tier I capital to risk-weighted assets	12.66%	12.78%
Leverage ratio	7.75%	7.59%

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 = Ordinary 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 ordinary equity to risk-weighted assets = Ordinary equity ÷ Total risk-weighted assets.

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

(6) Leverage ratio = Net value of tier I capital ÷ Net value of exposure measurement

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

41.1 Assets quality: As stated in Table 1

41.2 Concentration of credit risk

Top 10 credit extensions information of the Bank were as follows:

Ranking (Note 1)	December 31, 2024		
	The Bank		
	Categorized by Sector (Note 2)	Credit Amount (Note 3)	Credit Amount / Stockholders' equity
1	A Group (retail sale of electric and communications equipment)	10,609,309	5.36%
2	B Group (general management agency)	8,145,220	4.11%
3	C Group (general management agency)	7,507,925	3.79%
4	D Group (computer manufacturing)	6,674,387	3.37%
5	E Group (real estate development)	5,899,702	2.98%
6	F Group (electric power supply)	5,272,437	2.66%
7	G Group (financial leasing)	4,507,372	2.28%
8	H Group (wiring and cable system manufacturing)	4,280,715	2.16%
9	I Group (computer manufacturing)	4,190,660	2.12%
10	J Group (real estate development)	3,895,000	1.97%

Ranking (Note 1)	December 31, 2023		
	The Bank		
	Categorized by Sector (Note 2)	Credit Amount (Note 3)	Credit Amount / Stockholders' equity
1	B Group (general management agency)	7,845,897	4.28%
2	C Group (general management agency)	7,055,149	3.85%
3	E Group (real estate development)	5,317,880	2.90%
4	K Group (real estate selling and leasing)	5,265,396	2.87%
5	L Group (other holding companies)	5,160,551	2.82%
6	M Group (apparel manufacturing)	4,652,001	2.54%
7	F Group (electric power supply)	4,605,801	2.51%
8	N Group (real estate development)	4,184,107	2.28%
9	G Group (financial leasing)	4,170,449	2.27%
10	H Group (wiring and cable system manufacturing)	4,087,209	2.23%

Note 1: The top 10 credit extensions ranking is made by total credit balance, which excluded government-owned or state-run enterprises. If the borrower is an affiliate of the Bank 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 Taiwan published by the Directorate General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: "Bank 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 (including 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 non-performing loans), exchange bills negotiated, accounts receivable - without recourse factoring, acceptances receivable and grantees issued.

41.3 Interest rate sensitivity information

Interest Rate Sensitivity (NTD)

December 31, 2024					
Items	**1 to 90 Days**	**91 to 180 Days**	**181 Days to One Year**	**Over One Year**	**Total**
Interest rate sensitive assets	$ 950,038,912	$ 44,785,769	$ 7,543,042	$ 67,167,090	$ 1,069,534,813
Interest rate sensitive liabilities	207,488,958	497,525,190	247,455,775	55,601,032	1,008,070,955
Interest rate sensitivity gap	742,549,954	(452,739,421)	(239,912,733)	11,566,058	61,463,858
Net equity					197,928,663
Ratio of interest rate sensitive assets to liabilities					106.10%
Ratio of interest rate sensitivity gap to net equity					31.05%

December 31, 2023					
Items	**1 to 90 Days**	**91 to 180 Days**	**181 Days to One Year**	**Over One Year**	**Total**
Interest rate sensitive assets	$ 936,648,688	$ 41,749,403	$ 16,468,885	$ 72,444,595	$ 1,067,311,571
Interest rate sensitive liabilities	232,743,576	475,781,953	240,935,963	51,824,097	1,001,285,589
Interest rate sensitivity gap	703,905,112	(434,032,550)	(224,467,078)	20,620,498	66,025,982
Net equity					183,317,044
Ratio of interest rate sensitive assets to liabilities					106.59%
Ratio of interest rate sensitivity gap to net equity					36.02%

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

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 the NT dollars).

Interest Rate Sensitivity (USD)

December 31, 2024					
Items	**1 to 90 Days**	**91 to 180 Days**	**181 Days to One Year**	**Over One Year**	**Total**
Interest rate sensitive assets	$ 8,366,694	$ 87,857	$ -	$ -	$ 8,454,551
Interest rate sensitive liabilities	3,932,382	3,444,223	708,203	152,882	8,237,690
Interest rate sensitivity gap	4,434,312	(3,356,366)	(708,203)	(152,882)	216,861
Net equity					6,063,251
Ratio of interest rate sensitive assets to liabilities					102.63%
Ratio of interest rate sensitivity gap to net equity					3.58%

December 31, 2023					
Items	**1 to 90 Days**	**91 to 180 Days**	**181 Days to One Year**	**Over One Year**	**Total**
Interest rate sensitive assets	$ 7,870,158	$ 132,032	$ -	$ -	$ 8,002,190
Interest rate sensitive liabilities	3,419,212	4,092,541	533,186	90,294	8,135,233
Interest rate sensitivity gap	4,450,946	(3,960,509)	(533,186)	(90,294)	(133,043)
Net equity					5,970,267
Ratio of interest rate sensitive assets to liabilities					98.36%
Ratio of interest rate sensitivity gap to net equity					(2.23%)

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

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 the US dollars).

41.4 Profitability

Unit: %

Items		December 31, 2024	December 31, 2023
Return on total assets	Before income tax	0.94	1.07
	After income tax	0.84	0.95
Return on equity	Before income tax	7.87	9.34
	After income tax	7.07	8.30
Profit margin		49.11	51.60

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 revenue.

Note 4: Income before (after) income tax represents income YTD.

41.5 Maturity analysis of assets and liabilities

(1) In Thousands of New Taiwan Dollars

	Total	December 31, 2024					
		For remaining period to maturity date					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	$ 1,158,308,026	$ 194,906,722	$ 75,872,963	$ 64,806,151	$ 78,605,971	$ 116,816,862	$ 627,299,357
Major cash outflow on maturity	1,471,648,619	34,001,103	51,864,437	190,920,187	198,082,293	369,928,617	626,851,982
Gap	(313,340,593)	160,905,619	24,008,526	(126,114,036)	(119,476,322)	(253,111,755)	447,375

	Total	December 31, 2023					
		For remaining period to maturity date					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	$ 1,146,475,725	$ 197,814,636	$ 87,870,128	$ 48,844,504	$ 79,772,132	$ 130,994,654	$ 601,179,671
Major cash outflow on maturity	1,485,744,011	59,584,976	102,784,539	223,495,973	260,424,468	314,524,600	524,929,455
Gap	(339,268,286)	138,229,660	(14,914,411)	(174,651,469)	(180,652,336)	(183,529,946)	76,250,216

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

(2) In Thousands of US dollars

	Total	December 31, 2024				
		For remaining period to maturity date				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	$ 12,554,136	$ 1,683,776	$ 1,029,325	$ 837,965	$ 652,254	$ 8,350,816
Major cash outflow on maturity	13,002,410	3,085,667	3,085,941	2,085,109	3,212,888	1,532,805
Gap	(448,274)	(1,401,891)	(2,056,616)	(1,247,144)	(2,560,634)	6,818,011

	Total	December 31, 2023				
		For remaining period to maturity date				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Major cash inflow on maturity	$ 12,596,426	$ 2,086,359	$ 1,058,988	$ 781,034	$ 699,397	$ 7,970,648
Major cash outflow on maturity	14,461,735	2,799,344	2,512,152	2,016,397	2,193,700	4,940,142
Gap	(1,865,309)	(712,985)	(1,453,164)	(1,235,363)	(1,494,303)	3,030,506

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

42. 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	December 31, 2024	December 31, 2023	Trust Liabilities	December 31, 2024	December 31, 2023
Bank deposit	$ 9,398,671	$ 7,291,392	Accounts payable	$ 153	$ 136
Short-term investments	113,616,213	102,850,714	Depository of security payable	64,659,295	54,771,849
Net asset value of collective investment trust fund	6,547,258	6,567,315	Trust capital	174,496,334	155,140,589
			Accumulated (loss) gain and equity	46,650	(201,890)
Accounts receivable	8,478	15,357			
Land	32,279,034	28,683,633			
Buildings and improvement, net	121,789	78,662			
Construction in progress	12,509,453	9,391,294			
Securities in custody	64,659,295	54,771,849			
Other assets	62,241	60,468			
Total trust assets	$ 239,202,432	$ 209,710,684	Total trust liabilities	$ 239,202,432	$ 209,710,684

Trust Asset Lists

Item	December 31, 2024	December 31, 2023
Cash in banks	$ 9,398,671	$ 7,291,392
Short-term investment		
Funds	66,488,927	65,398,463
Bonds	37,425,076	29,830,664
Common stock	4,443,794	4,271,864
Structured instruments	5,087,736	3,150,933
Preferred stock	170,680	198,790
Net asset value of collective trust accounts	6,547,258	6,567,315
Receivables	8,478	15,357
Land	32,279,034	28,683,633
Buildings and improvement, net	121,789	78,662
Construction in progress	12,509,453	9,391,294
Depository of securities	64,659,295	54,771,849
Other assets - principal deferred expense	62,241	60,468
Total	$ 239,202,432	$ 209,710,684

Income Statements of Trust Account

	For the Year Ended December 31	
	2024	2023
Trust income		
Cash dividends on common stock	$ 70,183	$ 75,366
Interest income	74,043	52,804
Donation income	299	955
Realized investment gains	33,086	17,913
Unrealized investment gains	317,003	209,562
Other revenue	25,560	56,235
	520,894	412,835
Trust expenses		
Tax expenditures	16,765	14,491
Management expenses	8,863	11,305
Service expenses	1,250	2,311
Realized investment losses	47	159,176
Unrealized investment losses	376,086	452,614
Donation expenses	585	1,676
Other expenses	2,918	2,486
	406,514	644,059
Income (loss) before income tax	114,380	(231,224)
Income tax expense	(39)	(14)
Net (loss) income	$ 114,341	$ (231,238)

43. EXCHANGE RATE INFORMATION OF FOREIGN FINANCIAL ASSETS AND LIABILITIES

The information regarding significant financial assets/liabilities denominated in foreign currencies held by the Bank was as follows:

(In Thousands of Foreign Currencies)

	December 31					
	2024			2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets						
Cash and cash equivalents						
JPY	$ 21,229,026	0.2099	$ 4,455,973	$ 27,630,882	0.2170	$ 5,995,901
USD	94,685	32.7900	3,104,721	96,822	30.7050	2,972,920
CNY	442,332	4.4790	1,981,205	949,383	4.3280	4,108,930
Due from the Central Bank and call loans to banks						
USD	777,084	32.7900	25,480,584	966,684	30.7050	29,682,032
CNY	896,950	4.4790	4,017,439	441,400	4.3280	1,910,379
EUR	54,710	34.1300	1,867,252	24,710	34.0181	840,587
Receivables						
USD	47,318	32.7900	1,551,557	48,473	30.7050	1,488,363
JPY	3,231,376	0.2099	697,157	957,279	0.2170	207,730
EUR	2,792	34.1300	95,291	16,212	34.0181	551,501
Discounts and loans						
USD	3,554,727	32.7900	116,559,498	3,305,698	30.7050	101,501,457
CNY	2,763,883	4.4790	12,379,432	3,310,419	4.3280	14,327,493
JPY	23,335,680	0.2099	4,898,159	100,070,792	0.2170	2,185,362
Financial assets at FVTOCI						
USD	3,719,363	32.7900	121,957,913	3,138,985	30.7050	96,382,534
AUD	580,549	20.3800	11,831,589	895,261	21.0084	18,808,001
JPY	17,746,328	0.2099	3,724,954	12,163,954	0.2170	2,639,578
Financial assets measured at amortized cost						
USD	208,452	32.7900	6,835,141	501,504	30.7050	15,398,680
AUD	180,000	20.3800	3,668,400	203,000	21.0084	4,264,705
SGD	39,803	24.1200	960,048	60,028	23.3020	1,398,772
Financial assets at FVTPL						
USD	28,703	32.7900	941,171	13,183	30.7050	404,784
JPY	1,356,585	0.2099	284,747	83,997	0.2170	18,227
HKD	42,018	4.2235	177,463	63	3.9294	248
Equity investments under the equity method						
USD	3,010,678	32.7900	98,720,132	2,832,580	30.7050	86,974,369
HKD	110,218	4.2235	465,504	101,299	3.9294	398,043

Financial liabilities

Payables						
USD	82,220	32.7900	2,695,994	85,299	30.7050	2,619,106
JPY	924,017	0.2099	193,951	929,842	0.2170	201,776
EUR	2,405	34.1300	82,083	16,635	34.0181	565,891
Deposits from the central bank and other banks						
USD	350,052	32.7900	11,478,205	181,350	30.7050	5,568,352
VND	2,084,000,000	0.0013	2,678,565	2,612,000,000	0.0013	3,395,600
CNY	344,966	4.4790	1,545,103	493,870	4.3280	2,137,467
Deposits and remittances						
USD	7,721,088	32.7900	253,174,476	7,869,931	30.7050	241,646,231
JPY	140,024,171	0.2099	29,391,073	166,681,313	0.2170	36,169,845
CNY	3,825,535	4.4790	17,134,571	4,692,992	4.3280	20,311,269
Financial liabilities at FVTPL						
USD	93,675	32.7900	3,071,603	85,597	30.7050	2,628,256
HKD	1,380	4.2235	5,828	1,316	3.9294	5,171
EUR	112	34.1300	3,823	28	34.0181	953

44. ADDITIONAL DISCLOSURES

Information of significant transaction items 45.1 and other business investment 45.2 is as follows:

44.1.1 Financing provided: Table 2.

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

44.1.3 Marketable securities held: Table 3.

44.1.4 Investee investment acquired and disposed of, at costs or prices of at least NT$300 million or 10% of the issued capital: None.

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

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

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

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

44.1.9 Sale of non-performing loans: None.

44.1.10 Application for approval of securitization product types and information according to Financial Asset Securitization Clause of the Real State Securitization Act: None.

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

44.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: Table 4.

44.1.13 Derivative financial transactions: Note 8 on which the Bank exercises significant influence has no such transaction.

44.3 Investments in mainland China are as follows:

44.3.1 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.

44.3.2 Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: Not applicable.

44.4 Information of major shareholders:
list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 6.

45. 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 8.

TABLE 1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

OVERDUE LOANS AND RECEIVABLES
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Date			December 31, 2024					December 31, 2023				
Business			Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)
Corporate banking	Secured		1,266,590	298,278,932	0.42	3,404,233	268.77	925,095	306,015,018	0.30	5,227,854	565.12
	Unsecured		182,754	245,978,450	0.07	2,520,594	1,379.23	139,203	227,288,694	0.06	2,599,071	1,867.11
Consumer banking	Mortgage (Note 4)		667,686	314,694,197	0.21	4,939,240	739.75	342,306	306,812,936	0.11	5,402,582	1,578.29
	Cash cards		-	-	-	-	-	-	-	-	-	-
	Microcredit (Note 5)		14,735	3,439,961	0.43	39,302	266.73	7,036	4,267,867	0.16	59,164	840.88
	Others (Note 6)	Secured	124,000	36,294,913	0.34	404,209	325.98	46,330	35,408,267	0.13	462,645	998.59
		Unsecured	-	-	-	-	-	-	-	-	-	-
Total			2,255,765	898,686,453	0.25	11,307,578	501.27	1,459,970	879,792,782	0.17	13,751,316	941.89
			Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards			9,313	3,320,790	0.28	50,304	540.15	7,736	3,993,109	0.19	74,454	962.44
Accounts receivable factored without recourse (Note 7)			-	228,353	-	2,284	-	-	350,360	-	3,504	-

Note 1: Non-performing loans represent the amounts of non-performing 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 Non-performing/Non-accrued Loans."
Non-performing credit card receivables represent the amounts of non-performing 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 non-performing loans: Non-performing loans ÷ Outstanding loan balance.
Ratio of non-performing credit card receivables: Non-performing credit card receivables ÷ Outstanding credit card receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses on loans ÷ Non-performing loans.
Coverage ratio of credit card receivables: Allowance for possible losses on credit card receivables ÷ Non-performing credit card receivables.

Note 4: Housing mortgage is fully secured by property, 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 property.

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 non-performing receivables in three months after the factors or insurance companies reject indemnification.

TABLE 1-1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

OVERDUE LOANS AND RECEIVABLES
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023	
	Excluded NPL	**Excluded Overdue Receivables**	**Excluded NPL**	**Excluded Overdue Receivables**
As a result of debt consultation and loan agreements (Note 1)	-	-	-	-
As a result of consumer debt clearance (Note 2)	-	32,588	-	29,642

Note 1: 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 2: 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) and September 20, 2016 (Ref. No. 10500134790).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

LOANS AND OTHER INFORMATION
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Information of Lenders, Borrowers and Others

No (Note 1)	Lender	Borrower	Corresponding Account	Related Parties	The Highest Period Balance	Ending Balance	Actual Amount	Interest Rate Range	Capital Loan (Note 2)	Business Dealing Amount	Reasons of Short-term Financing	Allowance	Collateral		Individual Fund Loan and Limit (Note 3)	Total Loan Limit (Note 3)
													Name	Value		
1	SCSB Leasing (China) Co., Ltd.	A Co., Ltd.	Entrusted loan receivables	N/A	$ 80,622	$ 134,370	$ 80,622	6%~11%	1	$ 80,622	-	$ 1,612	Real estate	$ 270,084	$ 382,972	$ 957,430

Note 1: The numbers refer to the following:
(1) Issuer is 0.
(2) Investees are numbered sequentially starting from 1.

Note 2: The nature of capital loans corresponds to the following values:
(1) 1 for business dealing.
(2) 2 for reasons of short-term financing facility.

Note 3: The amounts and calculation of the loan limit are as follows:

1. Individual fund loans and limits

(1) For an enterprise or organization that has no business relationship with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

(2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the loan amount to the single enterprise or organization shall not exceed 20% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

2. Capital loans and total loan limits

(1) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.

(2) For an enterprise or organization that has no business dealings with the lender but has short-term financing facility, the total accumulated loan balance of the single enterprise or organization shall not exceed 40% of the net value as presented in the latest financial statements of the lender as audited by the accountant.

The total accumulated loan balance of the above two parties shall not exceed twice the net value as presented in the latest financial statements of the lender as audited by the accountant.

TABLE 3

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shancom Reconstruction AG	Empresa Inversiones Generales, S.A.	Indirect subsidiary	Investments in subsidiaries	1	$ 23,466	100.00	$ 23,466	
	Krinein Company	Indirect subsidiary	Investments in subsidiaries	2	33,309	100.00	33,309	
	Safehaven Investment Corporation	Indirect subsidiary	Investments in subsidiaries	1	58,494	100.00	58,494	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	11,370	450,237	0.23	450,237	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Investments in subsidiaries	4	47,405	100.00	47,405	
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under the equity method	20,372	207,547	45.00	207,540	
	CTS Travel International Ltd.	Indirect subsidiary	Investments in subsidiaries	600	7,023	100.00	7,023	
	Joy Tour Service Co., Ltd.	-	Financial assets measured at FVTOCI	100	1,000	11.00	1,000	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	27	1,102	-	1,102	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Investments in subsidiaries	N/A	966,278	100.00	966,278	
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI	2	106,400	-	106,400	
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	1,920	15,502,283	9.60	15,502,283	
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	9,600	77,511,416	48.00	77,511,416	

TABLE 4

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Amounts 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.	Taiwan	Purchase and management of creditor's rights of financial institutions	100.00	$1,699,726	$ 32,844	160,000	-	160,000	100.00	
Paofoong Insurance Company Ltd.	Hong Kong	Insurance	40.00	465,504	37,173	500	-	500	100.00	
Shanghai Commercial Bank (HK)	Hong Kong	Banking and financial	57.60	93,013,699	1,328,817	11,520	-	11,520	57.60	
SCSB Leasing (China) Co., Ltd.	China	Leasing operation	100.00	966,278	8,784	N/A	-	N/A	100.00	
AMK Microfinance Institution Plc.	Cambodia	Microfinance institution	99.99	5,978,231	63,273	10,946	-	10,946	99.99	
Non-financial business										
China Travel Service (Taiwan)	Taiwan	Travel services	99.99	398,316	(36,531)	38,943	-	38,943	99.99	
SCSB Marketing Ltd.	Taiwan	Marketing	100.00	9,858	2,182	500	-	500	100.00	
Kuo Hai Real Estate Management	Taiwan	Building material distribution	30.00	-	-	3,000	-	3,000	30.00	
Shancom Reconstruction AG	Switzerland(Note 3)	Securities investment	100.00	92,322,272	1,287,132	15	-	15	100.00	
Wresqueue Limitada	Liberia	Securities investment	100.00	419,629	15,114	176	-	176	100.00	
Empresa Inversiones Generales, S.A.	Panama	Securities investment	100.00	23,466	(28)	1	-	1	100.00	
Krinein Company	Cayman Islands	Securities investment	100.00	33,309	1,164	2	-	2	100.00	
Safehaven Investment Corporation	Liberia	Securities investment	100.00	58,494	2,509	1	-	1	100.00	
Prosperity Realty Inc.	USA	Real estate services	100.00	47,405	4,737	4	-	4	100.00	
Silks Place Taroko	Taiwan	Travel services	45.00	207,547	(29,027)	20,372	-	20,372	45.00	
CTS Travel International Ltd.	Taiwan	Travel services	100.00	7,023	2	600	-	600	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 shares of investee companies invested in by related parties which comply with corporation law are considered.

Note 3: On September 6, 2024, the Bank's board of directors approved the relocation of its subsidiary Shancom Reconstruction AG to Switzerland. For relevant information, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

TABLE 5

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 2024
(Amounts in Thousands of New Taiwan Dollars and US Dollars)

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 amount as of December 31, 2024 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment as of December 31, 2024	Investment Flows		Accumulated Outflow of Investment as of December 31, 2024	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	$ 983,700 US$ 30,000	Note1(3)	983,700 US$ 30,000	$ - US$ -	$ - US$ -	$ 983,700 US$ 30,000	100%	$ 8,784 US$ 274	$ 966,278 US$ 29,469	$ -
Bank of Shanghai	Banking business approved by local government	63,631,684 US$ 1,940,582	Note 4	3,696,843 US$ 112,743	- US$ -	- US$ -	3,696,843 US$ 112,743	3%	- US$ -	17,493,713 US$ 533,508	-
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	3,143,674 US$ 95,873	Note 4	2,095,051 US$ 63,893	- US$ -	- US$ -	2,095,051 US$ 63,893	100%	(828,511) US$ (25,817)	3,047,255 US$ 92,932	-
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	3,532,952 US$ 107,745	Note 4	2,122,070 US$ 64,717	- US$ -	- US$ -	2,122,070 US$ 64,717	100%	(954,630) US$ (29,747)	3,680,282 US$ 112,238	-
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	2,843,123 US$ 86,707	Note1(1)	2,843,123 US$ 86,707	- US$ -	- US$ -	2,843,123 US$ 86,707	100%	52,045 US$ 1,622	2,876,760 US$ 87,733	-

2. Upper limit on investments in mainland China:

Accumulated Investment in Mainland China as of December 31, 2024 (Note 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 3)	Upper Limit on Investment Authorized by Investment Commission MOEA
$ 11,740,787 (US$ 358,060)	$ 12,530,491 (US$ 382,144)	$ 160,131,006

Note 1: Methods of investment in mainland China are listed below:

(1) Directly invest.
(2) Invest indirectly via a third company.
(3) Others.

Note 2: Financial report audited by the accounting firm associated with the parent company in Taiwan.

Note 3: Calculated using the exchange rate on December 31, 2024.

Note 4: To invest via sub-subsidiary of the Bank, Shanghai Commercial Bank (HK).

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

TABLE6

INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Name of Major Shareholder / Shares	Number of Shares Held	Shareholding Ratio
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF entrusted by Taishin Bank	258,185,590	5.31%