

Stock code: 5876
Taiwan Stock Exchange

**The Shanghai Commercial & Savings
Bank, Ltd. and Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023
and Independent Auditors' Review Report**

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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheets of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as at September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2024 and 2023, as well as the consolidated statements of changes in equity and of cash flows for the nine-month periods ended September 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission of Taiwan. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of Taiwan. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2024 and 2023, its consolidated financial performance for the three-month and nine-month periods ended September 30, 2024 and 2023, as well as its consolidated cash flows for the nine-month periods ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, and International Accounting Standard 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission of Taiwan.

Puo-Ju Kuo Wei-Tai Wu
For and on behalf of PricewaterhouseCoopers, Taiwan
November 8, 2024

The accompanying consolidated 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 review of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying consolidated 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.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2023

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	NOTES	September 30, 2024		December 31, 2023		September 30, 2023	
			Amount	%	Amount	%	Amount(adjusted)	%
11000	Cash and cash equivalents	6	\$ 41,398,176	2	\$ 57,458,262	3	\$ 48,639,858	2
11500	Due from the Central Bank and call loans to banks	7	418,966,756	17	385,084,350	16	390,642,717	16
12000	Financial assets measured at fair value through profit or loss	8	9,645,423	-	8,459,079	-	8,200,547	-
12100	Financial assets measured at fair value through other comprehensive income	9 and 11	439,413,266	18	388,589,217	16	383,361,693	16
12200	Investments in debt instruments measured at amortized cost	10 and 11	219,323,030	9	268,753,450	11	286,603,233	12
12500	Securities purchased under resell agreements	12	14,180,928	1	5,421,476	-	4,414,694	-
13000	Receivables, net	13	27,778,716	1	22,434,874	1	20,295,052	1
13200	Current income tax assets	34	140,268	-	201,172	-	250,930	-
13500	Discounts and loans, net	14	1,222,117,971	50	1,231,280,546	51	1,271,877,356	52
15000	Investments under the equity method, net	16	2,576,255	-	2,123,915	-	2,180,349	-
15500	Other financial assets, net	17	16,460	-	3,497	-	11,236	-
18500	Properties, net	18	23,772,923	1	22,964,969	1	23,193,935	1
18600	Right-of-use assets, net	19	1,868,513	-	1,860,185	-	1,870,868	-
18700	Investment properties, net	20	7,612,880	-	7,265,031	-	7,523,693	-
19000	Intangible assets, net	21	2,207,217	-	2,127,094	-	2,064,102	-
19300	Deferred income tax assets	34	3,308,048	-	4,387,317	-	4,043,527	-
19500	Other assets, net	22	<u>13,095,074</u>	<u>1</u>	<u>14,881,306</u>	<u>1</u>	<u>11,502,878</u>	<u>-</u>
10000	Total assets		<u>\$ 2,447,421,904</u>	<u>100</u>	<u>\$ 2,423,295,740</u>	<u>100</u>	<u>\$ 2,466,676,668</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY							
21000	Deposits from the central bank and other banks	23	\$ 33,856,841	2	\$ 40,741,321	2	\$ 45,923,706	2
22000	Financial liabilities measured at fair value through profit or loss	8	5,671,882	-	7,042,083	-	7,822,709	-
22500	Securities sold under repurchase agreements	24	6,030,564	-	591,289	-	719,226	-
23000	Payables	25	42,063,498	2	38,174,213	2	37,356,501	2
23200	Current income tax liabilities	34	1,994,790	-	2,247,639	-	1,529,637	-
23500	Deposits and remittances	26	2,014,206,319	82	1,986,091,847	82	2,022,948,174	82
24000	Bank debentures	27	56,346,986	2	77,883,895	3	76,891,906	3
25500	Other financial liabilities	28	8,661,263	-	7,540,036	-	7,253,344	-
25600	Provisions	29	3,347,619	-	3,576,833	-	3,424,848	-
26000	Lease liabilities	19	1,895,499	-	1,874,005	-	1,906,500	-
29300	Deferred income tax liabilities	34	9,472,250	1	10,824,201	1	11,619,069	1
29500	Other liabilities	30	<u>4,192,419</u>	<u>-</u>	<u>3,111,982</u>	<u>-</u>	<u>4,601,469</u>	<u>-</u>
20000	Total liabilities		<u>2,187,739,930</u>	<u>89</u>	<u>2,179,699,344</u>	<u>90</u>	<u>2,221,997,089</u>	<u>90</u>
	Equity	32						
	Equity attributable to owners of the Bank							
	Share capital							
31101	Ordinary shares		<u>48,616,031</u>	<u>2</u>	<u>48,616,031</u>	<u>2</u>	<u>48,616,031</u>	<u>2</u>
31500	Capital surplus		<u>27,705,927</u>	<u>1</u>	<u>27,548,445</u>	<u>1</u>	<u>27,548,445</u>	<u>1</u>
	Retained earnings							
32001	Legal reserve		64,476,033	3	64,476,033	3	64,476,033	3
32003	Special reserve		7,669,374	-	13,252,879	-	13,252,879	-
32005	Unappropriated earnings		<u>36,994,807</u>	<u>2</u>	<u>28,987,035</u>	<u>1</u>	<u>29,073,461</u>	<u>1</u>
	Total retained earnings		<u>109,140,214</u>	<u>5</u>	<u>106,715,947</u>	<u>4</u>	<u>106,802,373</u>	<u>4</u>
32500	Other equity		<u>8,098,307</u>	<u>-</u>	<u>519,765</u>	<u>-</u>	<u>(1,295,279)</u>	<u>-</u>
32600	Treasury shares		<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>
	Total equity attributable to owners of the Bank		193,477,335	8	183,317,044	7	181,588,426	7
38000	Non-controlling interests		<u>66,204,639</u>	<u>3</u>	<u>60,279,352</u>	<u>3</u>	<u>63,091,153</u>	<u>3</u>
30000	Total equity		<u>259,681,974</u>	<u>11</u>	<u>243,596,396</u>	<u>10</u>	<u>244,679,579</u>	<u>10</u>
	Total liabilities and equity		<u>\$ 2,447,421,904</u>	<u>100</u>	<u>\$ 2,423,295,740</u>	<u>100</u>	<u>\$ 2,466,676,668</u>	<u>100</u>

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Three Months Ended September 30, 2024 and 2023, and Nine Months Ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	Items	Notes	For the Three Months Ended September 30				For the Nine Months Ended September 30			
			2024		2023		2024		2023	
			Amount	%	Amount	%	Amount	%	Amount	%
41000	Interest income		\$ 23,301,521	168	\$ 21,530,411	164	\$ 64,405,195	165	\$ 59,301,291	156
51001	Interest expenses		(13,024,793)	(94)	(11,067,569)	(84)	(35,661,018)	(91)	(30,167,322)	(79)
	Net interest income	33	<u>10,276,728</u>	<u>74</u>	<u>10,462,842</u>	<u>80</u>	<u>28,744,177</u>	<u>74</u>	<u>29,133,969</u>	<u>77</u>
	Non-interest income									
49100	Service fee income, net	33	1,848,013	13	1,501,440	11	5,359,156	14	4,433,948	12
49200	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	33	1,912,116	14	(1,080,043)	(8)	(1,387,218)	(4)	(2,094,175)	(6)
49310	Realized gain on financial assets measured at fair value through other comprehensive income	33	1,420,349	10	833,007	6	3,527,320	9	2,400,326	6
49450	Gain on financial assets measured at amortized cost		10,053	-	-	-	60,702	-	-	-
49600	Foreign exchange gain, net		(1,869,507)	(14)	1,246,885	10	1,931,859	5	3,447,917	9
49700	Impairment loss on assets		(17,472)	-	(545)	-	29,328	-	49,803	-
49750	Proportionate share of profit of associates under the equity method	16	89,145	1	110,583	1	241,770	1	276,134	1
49800	Other non-interest income, net	33	<u>235,579</u>	<u>2</u>	<u>57,010</u>	<u>-</u>	<u>555,488</u>	<u>1</u>	<u>424,179</u>	<u>1</u>
	Total non-interest income		<u>3,628,276</u>	<u>26</u>	<u>2,668,337</u>	<u>20</u>	<u>10,318,405</u>	<u>26</u>	<u>8,938,132</u>	<u>23</u>
4xxxx	Consolidated net revenue		<u>13,905,004</u>	<u>100</u>	<u>13,131,179</u>	<u>100</u>	<u>39,062,582</u>	<u>100</u>	<u>38,072,101</u>	<u>100</u>
58200	Provisions for bad-debt expense, commitment and guarantee liability	14	(2,334,174)	(17)	(807,066)	(6)	(10,195,520)	(26)	(2,182,552)	(6)
	Operating expenses									
58500	Employee benefits	33	(3,216,225)	(23)	(2,922,929)	(22)	(8,897,226)	(23)	(8,460,540)	(22)
59000	Depreciation and amortization	33	(516,270)	(4)	(483,423)	(4)	(1,444,631)	(4)	(1,396,493)	(4)
59500	Other general and administrative		(1,557,999)	(11)	(1,381,642)	(10)	(4,454,218)	(11)	(3,918,560)	(10)
58400	Total operating expenses		(5,290,494)	(38)	(4,787,994)	(36)	(14,796,075)	(38)	(13,775,593)	(36)
61001	Profit before income tax		6,280,336	45	7,536,119	58	14,070,987	36	22,113,956	58
61003	Income tax expense	34	(928,112)	(6)	(1,425,212)	(11)	(2,687,507)	(7)	(3,898,083)	(10)
64000	Consolidated net income		<u>\$ 5,352,224</u>	<u>39</u>	<u>\$ 6,110,907</u>	<u>47</u>	<u>\$ 11,383,480</u>	<u>29</u>	<u>\$ 18,215,873</u>	<u>48</u>
	Other comprehensive income (loss)									
	Items that will not be reclassified subsequently to profit or loss:									
65201	Defined benefit plan remeasurements		(\$ 3,744)	-	\$ -	-	(\$ 1,510)	-	\$ 3,888	-
65204	Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income		(345,112)	(3)	2,213,964	17	4,138,943	11	3,190,020	9
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	8	(1,072)	-	17,975	-	(1,289)	-	29,250	-
65207	Proportionate share of other comprehensive income of associates under the equity method		7,025	-	(36,635)	-	37,573	-	(32,437)	-
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	34	(19,123)	-	(218,029)	(2)	(20,259)	-	(232,297)	(1)
	Items that may be reclassified subsequently to profit or loss:									
65301	Exchange differences on translating foreign operations		(2,260,501)	(16)	5,451,644	42	6,191,920	16	6,591,273	17
65306	Share of the other comprehensive income of associates accounted for using the equity method		127,896	1	(121,380)	(1)	192,899	-	(2,885)	-
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income		4,710,120	34	(1,301,012)	(10)	4,515,302	11	1,193,751	3
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income		18,608	-	(61,259)	-	(22,704)	-	(52,169)	-
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	34	(643,667)	(5)	(314,167)	(3)	(1,733,391)	(4)	(805,081)	(2)
65000	Other comprehensive income for the period, net of income tax		<u>\$ 1,590,430</u>	<u>11</u>	<u>\$ 5,631,101</u>	<u>43</u>	<u>\$ 13,297,484</u>	<u>34</u>	<u>\$ 9,883,313</u>	<u>26</u>
66000	Total comprehensive income for the period		<u>\$ 6,942,654</u>	<u>50</u>	<u>\$ 11,742,008</u>	<u>90</u>	<u>\$ 24,680,964</u>	<u>63</u>	<u>\$ 28,099,186</u>	<u>74</u>
	Net profit attributable to:									
67101	Owners of the Bank		\$ 4,748,472	34	\$ 4,912,053	38	\$ 10,551,333	27	\$ 14,681,813	39
67111	Non-controlling interests		<u>603,752</u>	<u>4</u>	<u>1,198,855</u>	<u>9</u>	<u>832,147</u>	<u>2</u>	<u>3,534,060</u>	<u>9</u>
67100			<u>\$ 5,352,224</u>	<u>38</u>	<u>\$ 6,110,908</u>	<u>47</u>	<u>\$ 11,383,480</u>	<u>29</u>	<u>\$ 18,215,873</u>	<u>48</u>
	Total comprehensive income attributable to:									
67301	Owners of the Bank		\$ 6,091,364	44	\$ 7,461,193	57	\$ 18,753,695	48	\$ 20,415,722	54
67311	Non-controlling interests		<u>851,290</u>	<u>6</u>	<u>4,280,815</u>	<u>33</u>	<u>5,927,269</u>	<u>15</u>	<u>7,683,464</u>	<u>20</u>
67300			<u>\$ 6,942,654</u>	<u>50</u>	<u>\$ 11,742,008</u>	<u>90</u>	<u>\$ 24,680,964</u>	<u>63</u>	<u>\$ 28,099,186</u>	<u>74</u>
	Earnings per share	35								
67500	Basic		<u>\$ 0.98</u>		<u>\$ 1.01</u>		<u>\$ 2.18</u>		<u>\$ 3.03</u>	
67700	Diluted		<u>\$ 0.97</u>		<u>\$ 1.01</u>		<u>\$ 2.17</u>		<u>\$ 3.03</u>	

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank											
		Share Capital		Retained Earnings			Other Equity				Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total 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			
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	\$ 55,862,013	\$ 225,642,921
D1	Net profit for the nine months ended September 30, 2023	-	-	-	-	14,681,813	-	-	-	-	14,681,813	3,534,060	18,215,873
D3	Other comprehensive income for the nine months ended September 30, 2023, net of income tax	-	-	-	-	3,888	3,028,163	2,672,608	29,250	-	5,733,909	4,149,404	9,883,313
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	14,685,701	3,028,163	2,672,608	29,250	-	20,415,722	7,683,464	28,099,186
	Appropriation of 2022 earnings												
B3	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	133,202	-	-	-	-	-	-	-	133,202	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	184,935	-	(184,935)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(454,324)	(454,324)
Z1	Balance on September 30, 2023	<u>\$ 48,616,031</u>	<u>\$ 27,548,445</u>	<u>\$ 64,476,033</u>	<u>\$ 13,252,879</u>	<u>\$ 29,073,461</u>	<u>\$ 2,901,699</u>	<u>(\$ 4,189,934)</u>	<u>(\$ 7,044)</u>	<u>(\$ 83,144)</u>	<u>\$ 181,588,426</u>	<u>\$ 63,091,153</u>	<u>\$ 244,679,579</u>
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	\$ 60,279,352	\$ 243,596,396
D1	Net profit for the nine months ended September 30, 2024	-	-	-	-	10,551,333	-	-	-	-	10,551,333	832,147	11,383,480
D3	Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	(1,510)	3,420,336	4,784,825	(1,289)	-	8,202,362	5,095,122	13,297,484
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	10,549,823	3,420,336	4,784,825	(1,289)	-	18,753,695	5,927,269	24,680,964
	Appropriation of 2023 earnings												
B3	Special reserve	-	-	-	(5,583,505)	5,583,505	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	148,002	-	-	-	-	-	-	-	148,002	-	148,002
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	625,330	-	(625,330)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,982)	(1,982)
Z1	Balance on September 30, 2024	<u>\$ 48,616,031</u>	<u>\$ 27,705,927</u>	<u>\$ 64,476,033</u>	<u>\$ 7,669,374</u>	<u>\$ 36,994,807</u>	<u>\$ 2,998,641</u>	<u>\$ 5,105,102</u>	<u>(\$ 5,436)</u>	<u>(\$ 83,144)</u>	<u>\$ 193,477,335</u>	<u>\$ 66,204,639</u>	<u>\$ 259,681,974</u>

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Nine Months Ended September 30	
		2024	2023
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	\$ 14,070,987	\$ 22,113,956
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	1,179,554	1,167,077
A20200	Amortization expenses	265,077	229,416
A20300	Provisions for bad debt expense, commitment and guarantee liability	10,195,520	2,182,552
A20400	(Gain) loss on financial assets and liabilities at fair value through profit or loss	(513,178)	1,549,283
A20900	Interest expenses	35,661,018	30,167,322
A21200	Interest revenue	(64,405,195)	(59,301,291)
A21300	Dividend income	(3,168,109)	(2,315,361)
A22300	Proportionate share of profit of associates	(241,770)	(276,134)
A22500	(Gain) loss on disposal of properties and equipment, net	(122,771)	6,650
A23600	Impairment on financial assets	(29,328)	(49,803)
A29900	Others	(2,734,945)	(15,119)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	20,872,373	40,518,068
A41120	Financial assets measured at fair value through profit or loss	(950,871)	7,284
A41123	Financial assets measured at fair value through other comprehensive income	(35,840,678)	28,100,548
A41125	Investment in debt instruments measured at amortized cost	50,999,508	(71,138,490)
A41150	Receivables	(7,294,208)	575,514
A41160	Discounts and loans	10,332,588	(24,913,715)
A41190	Other financial assets	(12,796)	(11,271)
A41990	Other assets	1,708,300	(1,322,421)
A42110	Deposits from the central bank and other banks	(7,615,726)	(5,146,089)
A42120	Financial liabilities measured at FVTPL	(931,734)	411,004
A42140	Securities sold under repurchase agreements	5,439,275	(62,342)
A42150	Payables	3,052,400	(328,696)
A42160	Deposits and remittances	3,479,362	72,536,453
A42170	Other financial liabilities	1,121,124	3,915,392
A42180	Employee benefit provisions	263,187	98,521
A42990	Other liabilities	955,334	1,216,599
A33000	Cash from operations	35,734,298	39,914,907
A33100	Interest received	65,067,534	57,993,953
A33200	Dividends received	3,240,431	2,391,350
A33300	Interest paid	(34,814,044)	(26,032,101)
A33500	Income tax paid	(2,374,657)	(3,870,945)
AAAA	Net cash from operating activities	66,853,562	70,397,164

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

<u>Codes</u>		For the Nine Months Ended September 30	
		2024	2023
	Cash flows from investing activities		
B02700	Acquisition of properties	(\$ 1,092,208)	(\$ 1,425,127)
B02800	Proceeds from disposal of properties	168,341	2,444
B03700	Acquisition of intangible assets	(280,183)	(232,488)
B04500	Acquisition of investment properties	(108,798)	(319,898)
B09900	Other financial investments	(100)	(73,630)
BBBB	Net cash used in investing activities	(1,312,948)	(2,048,699)
	Cash flows from financing activities		
C01400	Issuance of bank debentures	2,500,000	11,295,538
C01500	Payments for bank debentures	(24,594,855)	(625,400)
C04020	Payments for principal portion of lease liabilities	(630,949)	(626,361)
C04500	Cash dividends	(8,741,406)	(8,741,406)
C05800	Changes in non-controlling interests	(1,982)	(454,324)
CCCC	Net cash from (used in) financing activities	(31,469,192)	848,047
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	12,218,004	11,707,572
EEEE	Net increase in cash and cash equivalents	46,289,426	80,904,084
E00100	Cash and cash equivalents at the beginning of the period	356,404,573	251,800,153
E00200	Cash and cash equivalents at the end of the period	<u>\$ 402,693,999</u>	<u>\$ 332,704,237</u>

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of September 30, 2024 and 2023:

<u>Codes</u>		September 30, 2024	September 30, 2023
E00210	Cash and cash equivalents in consolidated balance sheets	\$ 41,398,176	\$ 48,639,858
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	347,114,895	279,649,685
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	14,180,928	4,414,694
E00200	Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 402,693,999</u>	<u>\$ 332,704,237</u>

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

(Concluded)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Nine Months Ended September 30, 2024 and 2023

(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 consolidated financial statements are presented in the Bank’s functional currency, New Taiwan dollar.

2. AUTHORIZATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on November 8, 2024.

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 Group 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 Group

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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 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 consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’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 interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Under IFRSs, information included in these interim consolidated financial statements is less than information disclosed in annual consolidated financial statements.

4.2 Basis of Preparation

The consolidated 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 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.

4.3 Basis of Consolidation

The consolidated financial statements contain the financial statements of the Bank and the subsidiaries controlled by the Bank. The consolidated statements of comprehensive income have included the operating

gains and losses of acquired or divested companies in the current period from the date of acquisition or to the date of disposal. The financial statements of subsidiaries have been adjusted to align their accounting policies with the Bank's accounting policies. In the preparation of the consolidated financial statements, all intra-company transactions, account balances, income and losses have been eliminated. The comprehensive income of the subsidiaries is attributed to the owner of the Bank and non-controlling interests, even if the non-controlling interests have negative balance.

For details on subsidiaries, shareholding ratios and business items, refer to Note 15.

4.4 Other Significant Accounting Policies

Except for the following instructions, refer to the summary of major accounting policies in the annual consolidated financial statements for the year ended December 31, 2023.

4.4.1 Retirement benefits

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

4.4.2 Taxation

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

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

In the application of the Group'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, investments in debt instrument and financial guarantee contracts are based on the Group's assumptions about default rates and expected loss rates. The Group considers historical experience, current market conditions and forward-looking information to make assumptions and select input values for impairment assessments. For the important assumptions and input values used, refer to Note 40. If the actual cash flows in the future are less than expected, significant impairment losses may occur.

6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash in hand and working fund	\$ 13,282,625	\$ 13,977,753	\$ 12,460,577
Checks for clearing	522,992	2,601,367	2,781,066
Due from other banks	27,592,559	40,879,142	33,398,215
	<u>\$ 41,398,176</u>	<u>\$ 57,458,262</u>	<u>\$ 48,639,858</u>

The reconciliation of the amounts of cash and cash equivalents reported in the consolidated statements of cash flows and consolidated balance sheets as of December 31, 2023 was shown below. For the reconciliation of the nine months ended September 30, 2024 and 2023, referred to the consolidated statements of cash flows.

	December 31, 2023
Cash and cash equivalents in the consolidated balance sheets	\$ 57,458,262
Due from the Central Bank and call loans to banks which are categorized as cash and cash equivalents under IAS 7	293,524,835
Due from the Central Bank and call loans to banks which are categorized as securities purchased under resell agreements	5,421,476
Cash and cash equivalents	<u>\$ 356,404,573</u>

The Group assesses allowance for cash and cash equivalents based on the expected credit loss model. Due to the low credit risk of cash and cash equivalents, allowance losses were recognized based on the 12-month expected credit losses. On September 30, 2024, December 31, 2023 and September 30, 2023, allowance for cash and cash equivalents were \$65 thousand, \$287 thousand and \$218 thousand, respectively.

According to the IFRSs Q&A regulations revised by the competent authority on January 5, 2024, the unused balance in the special fund account repatriated under the "Management, Utilization, and Taxation of Repatriated Offshore Funds Act " will be reclassified from investments in debt instruments measured at amortized cost to cash in hand and working fund under cash and cash equivalents. On September 30 and January 1, 2023, the amounts of cash in hand and working fund were adjusted from \$10,813,845 thousand and \$14,867,502 thousand to \$12,460,577 thousand and \$17,784,538 thousand respectively.

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans to banks	\$ 354,748,092	\$ 328,690,548	\$ 338,399,862
Deposit reserves - II	33,300,979	31,192,990	32,187,591
Deposit reserves - I	24,617,065	19,737,639	14,506,827
Due from foreign central banks	6,097,463	5,265,859	5,340,212
Deposit reserves - foreign currency	203,157	197,314	208,225
	<u>\$ 418,966,756</u>	<u>\$ 385,084,350</u>	<u>\$ 390,642,717</u>

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

The Group assessed the loss allowance for due from the Central Bank and call loans to banks based on the expected credit loss model. Due to the low credit risk of dues from the Central Bank and call loans to banks, the loss allowance was recognized based on 12-month expected credit losses. On September 30, 2024, December 31, 2023 and September 30, 2023, the allowances recognized for the dues from the Central Bank and call loans to banks were \$2,884 thousand, \$6,178 thousand and \$6,040 thousand, respectively.

For information on the deposit of central bank and interbank pledges, please refer to Note 37.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets measured at FVTPL			
Financial assets mandatorily classified as at FVTPL			
Government bonds	\$ 4,262,894	\$ 3,954,124	\$ 2,163,321
Forward contracts	2,136,507	3,598,005	4,963,430
Corporate bonds	1,010,076	-	-
Bank debentures	1,000,614	-	-
Futures	449,744	276,513	252,925
Option contracts	353,100	163,104	136,103
Shares	305,051	268,073	232,935
Currency swap contracts	108,001	182,455	427,748
Interest rate swap contracts	19,436	16,805	24,085
	<u>\$ 9,645,423</u>	<u>\$ 8,459,079</u>	<u>\$ 8,200,547</u>
Financial liabilities measured at FVTPL			
Held-for-trading financial liabilities			
Forward contracts	\$ 2,268,023	\$ 3,974,823	\$ 5,177,786
Currency swap contracts	373,906	561,322	356,812
Option contracts	343,516	134,523	94,948
Interest rate swap contracts	124,685	179,552	371,337
Futures	369	152	375
	<u>3,110,499</u>	<u>4,850,372</u>	<u>6,001,258</u>
Financial liabilities designated at FVTPL			
Bank debentures	2,561,383	2,191,711	1,821,451
	<u>\$ 5,671,882</u>	<u>\$ 7,042,083</u>	<u>\$ 7,822,709</u>

The Group engaged 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Forward contracts	\$ 431,868,285	\$ 504,657,042	\$ 732,235,863
Option contracts	164,597,002	90,656,965	65,194,948
Currency swap contracts	65,354,514	77,618,517	72,534,307
Interest rate swap contracts	12,823,157	9,855,021	8,941,995
Future contracts	864,112	179,173	43,804

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

	September 30, 2024	December 31, 2023	September 30, 2023
The difference between the fair value and the maturity value			
— Fair value	\$ 2,561,383	\$ 2,191,711	\$ 1,821,451
— Maturity value	2,653,443	1,983,771	1,911,987
	<u>(\$ 92,060)</u>	<u>\$ 207,940</u>	<u>(\$ 90,536)</u>

	Effects of changes in credit risk
Current amount of change	
From July 1, 2024 to September 30, 2024	(\$ 1,072)
From July 1, 2023 to September 30, 2023	\$ 17,975
From January1, 2024 to September 30, 2024	(\$ 1,289)
From January1, 2023 to September 30, 2023	\$ 29,250
Cumulative amount of change	
Up to September 30, 2024	(\$ 5,436)
Up to December 31, 2023	(\$ 4,147)
Up to September 30, 2023	(\$ 7,044)

The financial liabilities designated by the Group at FVTPL were the second issuance of unsecured debentures amounting to US\$70,000 thousand with a 30-year maturity and fixed interest rate of 0% on October 29, 2018. On the expiration of 5 years and every subsequent year, the Group 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 Group 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 Group 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 credit risk was 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 was calculated using the benchmark yield curve at the balance sheet date. Fair value of financial bonds was 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.

For information on the pledge of financial assets at fair value through profit or loss, please refer to Note 37.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in equity instruments measured at FVTOCI			
Shares	\$ 46,899,595	\$ 34,054,212	\$ 32,918,540
Investments in debt instruments measured at FVTOCI			
Corporate bonds	147,835,431	165,673,733	169,401,727
Bank debentures	162,401,618	121,359,891	114,245,524
Government bonds	73,322,681	59,118,214	55,829,369
Commercial papers	7,679,236	7,267,394	9,957,439
Asset-backed securities	1,274,705	1,115,773	1,009,094
	392,513,671	354,535,005	350,443,153
	\$ 439,413,266	\$ 388,589,217	\$ 383,361,693

The Group 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 Group 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 September 30, 2024, December 31, 2023 and September 30, 2023. The par values of bonds and commercial papers sold under repurchase agreements were \$6,026,500 thousand, 584,500 thousand and \$710,500 thousand, respectively.

For the information on financial assets pledged as collateral, refer to Note 37.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
Negotiable certificates of deposit	\$ 168,985,000	\$ 208,800,000	\$ 228,300,000
Government bonds	25,142,613	26,745,038	26,649,144
Bank debentures	18,025,610	23,601,862	22,098,581
Corporate bonds	5,547,472	7,595,259	7,227,922
Treasury bonds	1,115,246	230,389	233,938
Asset-backed securities	512,764	1,787,876	2,100,280
	219,328,705	268,760,424	286,609,865
Less: Loss allowance	(5,675)	(6,974)	(6,632)
	<u>\$ 219,323,030</u>	<u>\$ 268,753,450</u>	<u>\$ 286,603,233</u>

The Group will comply with the provisions of the IFRSs Q&A as amended by the competent authority on 5 January 2024. The repatriation of overseas funds has not been used in the special account for the management and use of repatriation of overseas funds and the taxation ordinance. The balance was reclassified from investments in debt instruments at amortized cost to cash and cash equivalent. Cash in hand and working capital under this item were reclassified on September 30, 2023 and January 1, 2023, the amounts amounted to 1,646,732 thousand and 2,917,036 thousand, respectively, refer to Note 6.

For information on the credit risk management and impairment of financial assets measured at amortized cost, refer to Note 11.

For the information on related investments in debt instruments measured at amortized cost pledged as collateral, refer to Note 37.

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

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

September 30, 2024	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 397,314,076	\$ 219,328,705	\$ 616,642,781
Loss allowance	(133,046)	(5,675)	(138,721)
Amortized cost	397,181,030	<u>\$ 219,323,030</u>	616,504,060
Fair value adjustment	(4,667,359)		(4,667,359)
	<u>\$ 392,513,671</u>		<u>\$ 611,836,701</u>

December 31, 2023	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 364,135,717	\$ 268,760,424	\$ 632,896,141
Loss allowance	(155,750)	(6,974)	(162,724)
Amortized cost	363,979,967	<u>\$ 268,753,450</u>	632,733,417
Fair value adjustment	(9,444,962)		(9,444,962)
	<u>\$ 354,535,005</u>		<u>\$ 623,288,455</u>

September 30, 2023	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 366,379,708	\$ 286,609,865	\$ 652,989,573
Loss allowance	(165,807)	(6,632)	(172,439)
Amortized cost	366,213,901	<u>\$ 286,603,233</u>	652,817,134
Fair value adjustment	(15,770,748)		(15,770,748)
	<u>\$ 350,443,153</u>		<u>\$ 637,046,386</u>

The Group implements a policy of investing in debt instruments with investment grade and have low credit risk, For the purpose of impairment assessment, the Group continues to track external rating information and monitors changes in credit risk of the investments of debt instruments and reviews 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 Group 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 Group's current credit risk rating mechanism and the total carrying amount of each credit rating investment in debt instruments were as follows:

September 30, 2024

Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	September 30, 2024 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%~ 1.710%	\$ 615,887,333
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396%~ 2.627%	755,448
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	December 31, 2023 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%~ 2.030%	\$ 632,079,797
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

September 30, 2023

Credit Rating	Definitions	Expected Credit Loss Recognition Base	Expected Credit Loss Rate	September 30, 2023 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%	\$ 652,005,541
Stage 2	Credit risk has increased significantly since the initial recognition	Expected credit loss during the period of existence (no credit impairment)	0.396%~2.971%	887,190
Stage 3	Evidence of credit impairment	Expected credit loss during the period of existence (credit impairment)	40.417%	96,842

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	\$ 107,370	\$ 10,691	\$ 37,689	\$ 155,750
Stage transfer-to lifetime ECLs	(1,880)	1,880	-	-
Purchase of new debt instruments	32,947	-	-	32,947
Derecognition	(32,764)	(1,376)	(43,960)	(78,100)
Provisions (reversal)	(1,660)	18,860	-	17,200
Exchange rate and other changes	(30)	(992)	6,271	5,249
Balance at September 30, 2024	<u>\$ 103,983</u>	<u>\$ 29,063</u>	<u>\$ -</u>	<u>\$ 133,046</u>

	Credit Risk Rating			
	Stage 1 (12-Month ECLs)	Stage 2 (Lifetime ECLs)	Stage 3 (Lifetime ECLs with impairment)	Total
Balance at January 1, 2023	\$ 114,461	\$ 13,115	\$ 90,400	\$ 217,976
Stage transfer-to lifetime ECLs	(50)	50	-	-
Purchase of new debt instruments	19,921	-	-	19,921
Derecognition	(17,169)	(3,023)	(52,429)	(72,621)
Provisions (reversal)	(3,540)	1,860	1,176	(504)
Exchange rate and other changes	1,243	59	(267)	1,035
Balance at September 30, 2023	<u>\$ 114,866</u>	<u>\$ 12,061</u>	<u>\$ 38,880</u>	<u>\$ 165,807</u>

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	\$ 6,974	\$ -	\$ 6,974
Purchase of new debt instruments	428	-	428
Derecognition	(1,540)	-	(1,540)
Provisions (reversal)	(263)	-	(263)
Exchange rate and other changes	76	-	76
Balance at September 30, 2024	<u>\$ 5,675</u>	<u>\$ -</u>	<u>\$ 5,675</u>
Balance at January 1, 2023	\$ 3,197	\$ -	\$ 3,197
Purchase of new debt instruments	3,747	-	3,747
Derecognition	(227)	-	(227)
Provisions (reversal)	(119)	-	(119)
Exchange rate and other changes	34	-	34
Balance at September 30, 2023	<u>\$ 6,632</u>	<u>\$ -</u>	<u>\$ 6,632</u>

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities purchased under resell agreements as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$14,180,928 thousand, 5,421,476 thousand and \$4,414,694 thousand, respectively. The aforementioned securities will be bought back one after another before October 25, 2024, January 19, 2024 and October 27, 2023 at \$14,194,176 thousand, \$5,426,224 thousand and \$4,418,153 thousand, respectively.

13. RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Accrued interest	\$ 8,599,906	\$ 10,467,300	\$ 9,264,019
Credit card receivables	4,555,710	5,353,333	4,590,483
Acceptances	1,840,904	2,030,167	2,486,162
Accounts receivable due from sales of securities	4,948,044	1,065,530	590,640
Finance lease receivable	546,323	656,027	763,873
Accounts receivable - factoring	202,891	350,360	323,408
Others	<u>7,625,583</u>	<u>2,896,684</u>	<u>2,830,864</u>
	28,319,361	22,819,401	20,849,449
Less: Allowance for credit losses	(540,645)	(384,527)	(554,397)
	<u>\$ 27,778,716</u>	<u>\$ 22,434,874</u>	<u>\$ 20,295,052</u>

The changes in total carrying amount and the allowance of receivables and other financial assets for the nine months ended September 30, 2024 and 2023 (including non-accrual loans and bills of exchange, refer to Note 17) are as follows:

For the Nine Months Ended September 30, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Total
Receivables and other financial assets					
Beginning on January 1, 2024	\$ 21,833,723	\$ 292,822	\$ 207,560	\$ 493,672	\$ 22,827,777
Changes due to financial assets recognized at the beginning of the period:					
Transfer to lifetime ECLs	(135,889)	72,038	63,968	(117)	-
Transfer to ECLs on financial assets	(43,607)	(16,352)	(5,556)	65,515	-
Transfer to 12-month ECLs	182,394	(43,331)	(138,284)	(779)	-
Financial assets derecognized in the current period	(2,807,435)	(179,599)	(29,878)	(5,079)	(3,021,991)
Transfer or pay off the original amount	5,017,688	(28,266)	117,260	105,896	5,212,578
Purchased or originated financial assets	2,925,361	96,513	27,993	77,685	3,127,552
Write-offs	-	-	-	(50,132)	(50,132)
Exchange rate and other changes	214,869	5,450	8,176	18,708	247,203
Balance on September 30, 2024	\$ 27,187,104	\$ 199,275	\$ 251,239	\$ 705,369	\$ 28,342,987

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	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	\$ 285,786	\$ 50,484	\$ 6,536	\$ 33,682	\$ 376,488	\$ 12,918	\$ 389,406
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(643)	508	184	(49)	-	-	-
Transfer to ECLs on financial assets	(319)	(3,086)	(516)	3,921	-	-	-
Transfer to 12-month ECLs	20,928	(18,041)	(2,502)	(385)	-	-	-
Financial assets derecognized in the current period	(7,015)	(21,572)	(408)	(2,219)	(31,214)	-	(31,214)
Provisions (reversal)	40,542	16,215	1,949	14,426	73,132	-	73,132
Purchased or originated financial assets	27,385	11,213	456	77,885	116,939	-	116,939
The difference of impairment under the regulation or decree	-	-	-	-	-	1,363	1,363
Write-offs	-	-	-	(50,132)	(50,132)	-	(50,132)
Recoveries after write-off	-	-	-	21,878	21,878	-	21,878
Exchange rate and other changes	24,181	498	223	1,537	26,439	-	26,439
Balance on September 30, 2024	\$ 390,845	\$ 36,219	\$ 5,922	\$ 100,544	\$ 533,530	\$ 14,281	\$ 547,811

For the Nine Months Ended September 30, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non- Purchased or Originated Credit Impairment on Financial Assets)	Total
Receivables and other financial assets					
Beginning on January 1, 2023	\$ 18,796,576	\$ 197,863	\$ 232,180	\$ 93,135	\$ 19,319,754
Changes due to financial assets recognized at the beginning of the period:					
Transfer to lifetime ECLs	(116,157)	79,289	37,201	(333)	-
Transfer to ECLs on financial assets	(18,799)	(9,872)	(2,422)	31,093	-
Transfer to 12-month ECLs	98,565	(33,642)	(64,076)	(847)	-
Financial assets derecognized in the current period	(2,568,868)	(90,540)	(28,384)	(1,788)	(2,689,580)
Transfer or pay off the original amount	(412,158)	5,107	41,969	3,369	(361,713)
Purchased or originated financial assets	3,833,348	47,044	138,348	5,103	4,023,843
Write-offs	-	-	-	(29,449)	(29,449)
Exchange rate and other changes	520,452	945	16,544	63,208	601,149
Balance on September 30, 2023	\$ 20,132,959	\$ 196,194	\$ 371,360	\$ 163,491	\$ 20,864,004

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	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	\$ 225,459	\$ 57,396	\$ 7,017	\$ 27,226	\$ 317,098	\$ 10,300	\$ 327,398
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(1,057)	946	228	(117)	-	-	-
Transfer to ECLs on financial assets	(289)	(2,640)	(276)	3,205	-	-	-
Transfer to 12-month ECLs	24,711	(21,674)	(2,682)	(355)	-	-	-
Financial assets derecognized in the current period	(14,196)	(18,893)	(272)	(634)	(33,995)	-	(33,995)
Provisions (reversal)	136,086	19,717	1,548	(575)	156,776	-	156,776
Purchased or originated financial assets	18,116	13,400	445	4,471	36,432	-	36,432
The difference of impairment under the regulation or decree	-	-	-	-	-	8,577	8,577
Changes in model/risk parameters	(4,634)	-	(476)	(2,359)	(7,469)	-	(7,469)
Write-offs	-	-	-	(29,449)	(29,449)	-	(29,449)
Recoveries after write-off	-	-	-	20,133	20,133	-	20,133
Exchange rate and other changes	78,774	127	256	156	79,313	-	79,313
Balance on September 30, 2023	\$ 462,970	\$ 48,379	\$ 5,788	\$ 21,702	\$ 538,839	\$ 18,877	\$ 557,716

14. DISCOUNTS AND LOANS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Loans	\$ 1,199,663,724	\$ 1,216,051,334	\$ 1,254,176,553
Inward/outward documentary bills	15,561,241	14,061,689	15,906,925
Overdrafts	12,619,390	14,499,082	14,868,052
Non-performing loans	11,484,173	2,996,095	3,727,571
	1,239,328,528	1,247,608,200	1,288,679,101
Discount and premium adjustments	(202,943)	(126,610)	(135,066)
Provisions for loans and discounts	(17,007,614)	(16,201,044)	(16,666,679)
	<u>\$ 1,222,117,971</u>	<u>\$ 1,231,280,546</u>	<u>\$ 1,271,877,356</u>

The Group discontinues accruing interest when loans are deemed non-performing. For the nine months ended September 30, 2024 and 2023, the unrecognized interest revenue on the non-performing loans amounted to \$188,877 thousand and \$94,620 thousand, respectively.

For the nine months ended September 30, 2024 and 2023, the Group 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 nine months ended September 30, 2024 and 2023 are as follows:

For the Nine Months Ended September 30, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans						
Beginning on January 1, 2024	\$ 1,192,170,250	\$ 7,379,856	\$ 29,962,734	\$ 18,052,189	\$ 43,171	\$ 1,247,608,200
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(18,324,704)	2,852,258	15,490,557	(18,111)	-	-
Transfer to ECLs on financial assets	(7,203,777)	(604,747)	(3,622,360)	11,430,884	-	-
Transfer to 12-month ECLs	5,069,985	(2,740,363)	(2,260,967)	(68,655)	-	-
Financial assets derecognized in the current period	(347,663,307)	(2,092,662)	(14,328,410)	(544,052)	(32)	(364,628,463)
Transfer or pay off the original amount	(40,091,305)	(416,539)	(84,568)	(662,961)	(88)	(41,255,461)
Purchased or originated financial assets	372,149,719	4,763,610	12,841,334	980,532	-	390,735,195
Write-offs	(3,745)	(1,595)	-	(9,935,089)	(9,988)	(9,950,417)
Exchange rate and other changes	14,973,222	180,534	1,212,569	453,176	(27)	16,819,474
Balance on September 30, 2024	\$ 1,171,076,338	\$ 9,320,352	\$ 39,210,889	\$ 19,687,913	\$ 33,036	\$ 1,239,328,528

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (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	\$ 1,473,362	\$ 1,090,387	\$ 563,187	\$ 3,521,688	\$ 9,806	\$ 6,658,430	\$ 9,542,614	\$ 16,201,044
Changes due to financial assets recognized at the beginning of the period:								
Transfer to lifetime ECLs	(40,825)	12,274	36,475	(7,924)	-	-	-	-
Transfer to ECLs on financial assets	(27,368)	(68,565)	(38,781)	134,714	-	-	-	-
Transfer to 12-month ECLs	797,867	(732,168)	(29,310)	(36,389)	-	-	-	-
Financial assets derecognized in the current period	(499,313)	(174,774)	(442,797)	(55,618)	-	(1,172,502)	-	(1,172,502)
Provisions (reversal)	(802,115)	505,419	335,248	5,067,214	-	5,105,766	-	5,105,766
Purchased or originated financial assets	687,005	1,034,704	411,942	5,575,790	-	7,709,441	-	7,709,441
The difference of impairment under the regulation or decree	-	-	-	-	-	-	(1,413,918)	(1,413,918)
Write-offs	(42)	(281)	-	(9,934,172)	(9,990)	(9,944,485)	-	(9,944,485)
Recoveries of write-offs	-	-	-	319,491	-	319,491	-	319,491
Exchange rate and other changes	32,813	15,802	25,259	128,719	184	202,777	-	202,777
Balance on September 30, 2024	\$ 1,621,384	\$ 1,682,798	\$ 861,223	\$ 4,713,513	\$ -	\$ 8,878,918	\$ 8,128,696	\$ 17,007,614

For the Nine Months Ended September 30, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (Purchased or Originated Credit Impairment on Financial Assets)	Total
Discounts and loans						
Beginning on January 1, 2023	\$ 1,204,887,978	\$ 11,840,756	\$ 28,025,108	\$ 5,430,660	\$ 107,557	\$ 1,250,292,059
Changes due to financial assets recognized at the beginning of the period:						
Transfer to lifetime ECLs	(6,505,770)	2,124,913	4,449,343	(68,486)	-	-
Transfer to ECLs on financial assets	(2,353,279)	(362,337)	(687,628)	3,403,244	-	-
Transfer to 12-month ECLs	2,766,754	(326,591)	(2,427,499)	(12,664)	-	-
Financial assets derecognized in the current period	(367,113,568)	(6,686,338)	(2,769,523)	(617,364)	(748)	(377,187,541)
Transfer or pay off the original amount	(37,639,532)	(409,678)	(808,015)	(521,979)	(39)	(39,379,243)
Purchased or originated financial assets	424,449,042	7,704,877	5,082,475	444,847	5,773	437,687,014
Write-offs	(4,997)	(3,740)	-	(1,604,325)	-	(1,613,062)
Exchange rate and other changes	16,823,136	167,862	1,466,765	417,947	4,164	18,879,874
Balance on September 30, 2023	\$ 1,235,309,764	\$ 14,049,724	\$ 32,331,026	\$ 6,871,880	\$ 116,707	\$ 1,288,679,101

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	Lifetime ECLs (Non-Purchased or Originated Credit Impairment on Financial Assets)	Lifetime ECLs (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	\$ 2,426,884	\$ 2,487,036	\$ 1,611,682	\$ 1,478,012	\$ 52,271	\$ 8,055,885	\$ 7,928,201	\$ 15,984,086
Changes due to financial assets recognized at the beginning of the period:								
Transfer to lifetime ECLs	(14,528)	8,663	7,057	(1,192)	-	-	-	-
Transfer to ECLs on financial assets	(9,837)	(121,256)	(5,773)	136,866	-	-	-	-
Transfer to 12-month ECLs	134,070	(87,338)	(39,225)	(7,507)	-	-	-	-
Financial assets derecognized in the current period	(1,017,114)	(1,489,009)	(21,024)	(107,183)	-	(2,634,330)	-	(2,634,330)
Provisions (reversal)	(353,765)	269,997	15,917	1,765,771	-	1,697,920	-	1,697,920
Purchased or originated financial assets	1,239,683	2,072,290	29,884	226,524	-	3,568,381	-	3,568,381
The difference of impairment under the regulation or decree	-	-	-	-	-	-	(788,168)	(788,168)
Changes in model/risk parameters	13,361	-	(15,275)	23,875	150	22,111	-	22,111
Write-offs	(164)	(2,564)	-	(1,595,714)	-	(1,598,442)	-	(1,598,442)
Recoveries of write-offs	-	-	-	129,963	-	129,963	-	129,963
Exchange rate and other changes	90,034	31,202	73,617	87,866	2,439	285,158	-	285,158
Balance on September 30, 2023	\$ 2,508,624	\$ 3,169,021	\$ 1,656,860	\$ 2,137,281	\$ 54,860	\$ 9,526,646	\$ 7,140,033	\$ 16,666,679

The details of bad debt expense, commitment and guarantee liability provisions for the three months and nine months ended September 30, 2024 and 2023 are listed below:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Provisions for loans and discounts	\$ 2,323,254	\$ 706,531	\$ 10,228,787	\$ 1,865,914
Provisions for receivables and other financial assets	49,490	60,983	160,220	160,321
Provisions (reversal) for reserve of possible losses on guarantees	(36,616)	41,067	(190,145)	156,274
Other provisions	(1,954)	(1,515)	(3,342)	43
	<u>\$ 2,334,174</u>	<u>\$ 807,066</u>	<u>\$ 10,195,520</u>	<u>\$ 2,182,552</u>

15. SUBSIDIARIES

15.1 Subsidiaries included in the consolidated financial statements

The consolidated financial statements include the Bank and entities controlled by the Bank (i.e. subsidiaries).

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
Domestic subsidiaries						
The Bank	China Travel Service (Taiwan)	Traveling agency	99.99	99.99	99.99	1.
The Bank	SCSB Marketing Ltd.	Human resource services	100.00	100.00	100.00	1.
The Bank	SCSB Asset Management Ltd.	Purchase, evaluation, auction and management of creditor's right of financial institutions	100.00	100.00	100.00	1.
China Travel Service (Taiwan)	CTS Travel International Ltd.	Traveling agency	100.00	100.00	100.00	1.
Foreign subsidiaries						
The Bank	Shancom Reconstruction Inc.	Investment holding	100.00	100.00	100.00	
The Bank	Wresqueue Limitada	Investment holding	100.00	100.00	100.00	1.
The Bank	Paofoong Insurance Company Ltd.	Insurance	40.00	40.00	40.00	1.
The Bank	AMK Microfinance Institution Plc.	Microfinance	99.99	99.99	99.99	1.
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Leasing operation	100.00	100.00	100.00	1.
Wresqueue Limitada	Prosperity Realty Inc.	Real estate service	100.00	100.00	100.00	
Shancom Reconstruction Inc.	Empresa Inversiones Generales, S.A.	Investment holding	100.00	100.00	100.00	
Shancom Reconstruction Inc.	Krinein Company	Investment holding	100.00	100.00	100.00	
Shancom Reconstruction Inc.	Safehaven Investment Corporation	Investment holding	100.00	100.00	100.00	
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Banking	48.00	48.00	48.00	2.
Krinein Company	Shanghai Commercial Bank (HK)	Banking	9.60	9.60	9.60	2.
Shanghai Commercial Bank (HK)	Shanghai Commercial Bank (Nominees) Ltd.	Nominee services	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shanghai Commercial Bank Trustee Ltd.	Trustee services	60.00	60.00	60.00	1.
Shanghai Commercial Bank (HK)	Shacom Futures Ltd.	Commodities trading	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Investment Ltd.	Investment in exchange fund bills and notes	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property Holdings (BVI) Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property (NY) Inc.	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Property (CA) Inc.	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Assets Investment Ltd.	Investment in bonds	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Infinite Financial Solutions Limited	I.T. application services provider	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Insurance Brokers Ltd.	Insurance broker	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Shacom Securities Ltd.	Securities brokerage services	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Hai Kwang Property Management Co., Ltd.	Property management	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	Paofoong Insurance Company Ltd.	Insurance	60.00	60.00	60.00	1.
Shanghai Commercial Bank (HK)	Right Honour Investments Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 23F Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 25F Limited	Property holding	100.00	100.00	100.00	1.
Shanghai Commercial Bank (HK)	KCC 26F Limited	Property holding	100.00	100.00	100.00	1.
Right Honour Investments Limited	Glory Step Westpoint Investment Limited	Property holding	100.00	100.00	100.00	1.
Right Honour Investments Limited	Silver Wisdom Westpoint Investment Limited	Property holding	100.00	100.00	100.00	1.

Note 1: The entity is an immaterial subsidiary; its financial statements have not been reviewed.

Note 2: This entity is a subsidiary with material non-controlling interests.

15.2 Details of subsidiaries that have material non-controlling interests ("NCI")

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		September 30, 2024	December 31, 2023	September 30, 2023
Shanghai Commercial Bank (H.K.)	Hong Kong	42.40%	42.40%	42.40%
Name of Subsidiary	Profit Allocated to Non-controlling Interests			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 604,141	\$ 724,532	\$ 832,140	\$ 3,079,730

Name of Subsidiary	Accumulated Non-controlling		
	September 30, 2024	December 31, 2023	September 30, 2023
Shanghai Commercial Bank (H.K.) (excluding NCI in its subsidiaries)	\$ 66,204,533	\$ 60,279,249	\$ 63,091,047

The summarized financial information of the following subsidiaries is compiled based on the amounts before the eliminations of inter-company transactions:

Shanghai Commercial Bank (SCB) (H.K.) and its subsidiaries

	September 30, 2024	December 31, 2023	September 30, 2023
Assets	\$ 938,356,172	\$ 904,483,975	\$ 927,655,975
Liabilities	(782,583,159)	(762,443,532)	(779,038,876)
NCI of SCB's subsidiaries	(465,429)	(423,306)	(432,391)
Equity	\$ 155,307,584	\$ 141,617,137	\$ 148,184,708

	September 30, 2024	December 31, 2023	September 30, 2023
Equity attributable to:			
Owners of SCSB	\$ 89,457,168	\$ 81,571,471	\$ 85,354,392
NCI of SCSB	65,850,416	60,045,666	62,830,316
	\$ 155,307,584	\$ 141,617,137	\$ 148,184,708

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenue	\$ 5,466,304	\$ 5,846,130	\$ 17,227,440	\$ 16,890,798
Net profit for the period	\$ 1,428,769	\$ 2,834,633	\$ 2,034,432	\$ 8,348,561
Other comprehensive income for the period	3,543,069	1,762,287	6,609,555	2,938,695
Total comprehensive income for the period	\$ 4,971,838	\$ 4,596,920	\$ 8,643,987	\$ 11,287,256

Profit attributable to:				
Owners of SCSB	\$ 812,824	\$ 1,630,731	\$ 1,155,258	\$ 4,799,591
NCI of SCSB	598,329	1,200,400	850,398	3,533,033
NCI of SCB's subsidiaries	17,616	3,502	28,776	15,937
	\$ 1,428,769	\$ 2,834,633	\$ 2,034,432	\$ 8,348,561

Total comprehensive income attributable to:				
Owners of SCSB	\$ 2,853,591	\$ 2,645,809	\$ 4,962,320	\$ 6,492,280
NCI of SCSB	2,100,561	1,947,609	3,652,819	4,779,039
NCI of SCB's subsidiaries	17,686	3,502	28,848	15,937
	\$ 4,971,838	\$ 4,596,920	\$ 8,643,987	\$ 11,287,256

	For the Nine Months Ended September 30	
	2024	2023
Net cash inflow (outflow) from:		
Operating activities	\$ 15,222,123	\$ 63,061,129
Investing activities	45,748,982	24,078,335
Financing activities	(11,194,332)	8,876,878
Net cash inflow	\$ 49,776,773	\$ 96,016,342

16. INVESTMENTS UNDER THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates	\$ <u>2,576,255</u>	\$ <u>2,123,915</u>	\$ <u>2,180,349</u>

The Group decreased the carrying value of Kuo Hai to zero and recognized losses on this investment because of the investee's continuous operating losses over the years.

Information on comprehensive income of immaterial associates was summarized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit from continuing operations	\$ 89,145	\$ 110,583	\$ 241,770	\$ 276,134
Other comprehensive income for the period	134,921	(158,015)	230,472	(35,322)
Total comprehensive income for the period	<u>\$ 224,066</u>	<u>(\$ 47,432)</u>	<u>\$ 472,242</u>	<u>\$ 240,812</u>

17. OTHER FINANCIAL ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Bills of exchange	\$ 16,578	\$ 3,532	\$ 11,349
Non-performing receivables	<u>7,048</u>	<u>4,844</u>	<u>3,206</u>
	23,626	8,376	14,555
Allowance for non-performing credit card receivables	(7,166)	(4,879)	(3,319)
	<u>\$ 16,460</u>	<u>\$ 3,497</u>	<u>\$ 11,236</u>

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 \$7,048 thousand, \$4,844 thousand and \$3,206 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. The unrecognized interest revenue on the receivables amounted to \$122 thousand and \$209 thousand for the nine months ended September 30, 2024 and 2023, respectively.

18. PROPERTIES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 14,269,642	\$ 14,188,189	\$ 14,431,506
Buildings and improvements	4,027,699	4,062,212	4,228,173
Mechanical equipment	771,744	759,656	735,490
Miscellaneous equipment	646,253	567,044	604,855
Transportation equipment	45,326	50,541	57,165
Construction in progress and prepayments	4,012,259	3,337,327	3,136,746
	<u>\$ 23,772,923</u>	<u>\$ 22,964,969</u>	<u>\$ 23,193,935</u>

The construction in progress and prepayments increased by \$650,817 thousand and \$1,071,761 thousand respectively for the nine months ended September 30, 2024 and 2023.

The Group did not have any impairment losses on the properties as of September 30, 2024, December 31, 2023 and September 30, 2023.

The land held by the subsidiary SCB (HK) is a leasehold interest.

Depreciation expense of properties held by SCSB is computed using the straight-line method over their useful lives as follows:

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

Depreciation expense of the land held by SCB (HK) is computed using the straight-line method; depreciation expense of the buildings is computed over the lease term or the straight-line method of less than 40 durable years. Other equipment is computed using the straight-line method within the durability of 4 to 10 years.

19. LEASE ARRANGEMENTS

19.1 Right-of-use assets

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of right-of-use assets			
Buildings and improvements	\$ 1,695,544	\$ 1,727,270	\$ 1,758,429
Office equipment	64,888	17,760	25,028
Mechanical equipment	55,848	70,375	47,422
Transportation equipment	46,858	37,883	36,192
Land	5,375	6,897	3,797
	<u>\$ 1,868,513</u>	<u>\$ 1,860,185</u>	<u>\$ 1,870,868</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Increase in right-of-use assets			<u>\$ 649,578</u>	<u>\$ 529,779</u>
Depreciation expenses of right-of-use assets				
Buildings and improvements	\$ 191,745	\$ 187,291	\$ 547,406	\$ 555,515
Office equipment	7,624	6,602	19,755	19,500
Mechanical equipment	5,331	6,324	16,205	12,969
Transportation equipment	5,101	6,568	14,135	12,529
Land	588	588	1,780	1,720
	<u>\$ 210,389</u>	<u>\$ 207,373</u>	<u>\$ 599,281</u>	<u>\$ 602,233</u>

19.2 Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amount of lease liabilities	<u>\$ 1,895,499</u>	<u>\$ 1,874,005</u>	<u>\$ 1,906,500</u>

The discount rate intervals for lease liabilities are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Buildings and improvements	0.60%~8.57%	0.60%~8.57%	0.60%~8.27%
Office equipment	1.15%~5.43%	0.95%~5.40%	0.75%~2.77%
Mechanical equipment	0.60%~8.57%	0.60%~8.57%	0.60%~8.27%
Transportation equipment	0.60%~2.89%	0.60%~2.89%	0.60%~2.89%
Land	8.57%	8.57%	8.27%

19.3 Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term lease expenses	\$ 31,819	\$ 3,510	\$ 92,460	\$ 24,729
Leases of low value assets	\$ 20,618	\$ 19,108	\$ 57,526	\$ 54,577
Variable lease payments which are not included in lease liabilities measurements	\$ 6,137	\$ 1,648	\$ 8,424	\$ 5,371
Total cash outflow for leases			\$ 789,359	\$ 711,039

The Group chooses to apply recognition exemption to the rentals of buildings, office equipment, and 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.

20. INVESTMENT PROPERTIES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Land	\$ 6,523,659	\$ 6,190,385	\$ 6,388,111
Buildings and improvements	1,089,221	1,074,646	1,135,582
	<u>\$ 7,612,880</u>	<u>\$ 7,265,031</u>	<u>\$ 7,523,693</u>

The land held by the subsidiary SCB (HK) is a leasehold interest.

Depreciation expense of investment properties is computed using the straight-line method over useful life as follows:

Land	Period of the lease term
Buildings and improvements	Period of the lease term or 40 years, whichever is shorter

The fair value of investment properties were measured mainly by an independent appraiser, on the balance sheet date. The valuation applies Level 3 input valuation models such as the “direct comparison approach” and the “income capitalization approach”. Applied unobservable inputs include sales proofs from market, potential market rentals, and related costs such as building costs, consulting costs, and financing costs. The fair value is stated below:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value	<u>\$ 16,610,488</u>	<u>\$ 16,199,516</u>	<u>\$ 10,275,577</u>

The rental income from investment properties is stated below:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income from investment properties	\$ 57,918	\$ 54,720	\$ 150,033	\$ 155,883

21. INTANGIBLE ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Bank license	\$ 1,459,381	\$ 1,429,013	\$ 1,506,865
Computer software	652,397	605,521	459,945
Goodwill	95,439	92,560	97,292
	<u>\$ 2,207,217</u>	<u>\$ 2,127,094</u>	<u>\$ 2,064,102</u>

Amortization expense of intangible assets is computed using the straight-line method over their useful life as follows:

Bank license	84 years
Computer software	3-5 years

Goodwill was mainly from the control premium generated by the acquisition of Cambodian AMK on August 28, 2018. It also included the expected synergies, revenue growth, and future market development.

The Group underwent the impairment assessment of the recoverable amount of goodwill, and the calculation of the recoverable amount was based on the value in use. The calculation of the value in use was based on the cash flow of AMK's future financial projections and was calculated using the annual discount rate to reflect the specific risks of AMK. The assessment results showed no sign of impairment.

22. OTHER ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Prepaid expenses	\$ 8,274,970	\$ 10,505,597	\$ 7,671,964
Refundable deposits	2,300,467	2,144,079	1,712,547
Temporary payments and suspension	1,480,427	1,155,533	1,157,613
Deferred charges	52,414	87,685	98,942
Others	986,796	988,412	861,812
	<u>\$ 13,095,074</u>	<u>\$ 14,881,306</u>	<u>\$ 11,502,878</u>

For the information on other pledged assets, refer to Note 37.

23. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	September 30, 2024	December 31, 2023	September 30, 2023
Call loans from banks	\$ 23,608,208	\$ 28,061,114	\$ 33,175,375
Due to banks	8,334,542	10,314,934	10,509,638
Deposit from Chunghwa Post Co., Ltd.	1,221,799	1,221,799	1,221,799
Bank overdrafts	692,292	1,143,474	1,016,894
	<u>\$ 33,856,841</u>	<u>\$ 40,741,321</u>	<u>\$ 45,923,706</u>

24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold under repurchase agreements as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$6,030,564 thousand, \$591,289 thousand and \$719,226 thousand, respectively. The aforementioned securities will be repurchased by February 24, 2025, June 28, 2024 and March 22, 2024 at \$6,035,415 thousand, \$592,332 thousand and \$720,419 thousand, respectively.

25. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Dividends payable	\$ 17,449,276	\$ 16,660,027	\$ 16,660,027
Accounts payable	10,302,568	7,415,188	5,723,789
Accrued interest	9,660,443	8,693,328	9,256,185
Accrued expenses	2,003,514	2,055,269	1,916,028
Acceptances	1,890,732	2,082,358	2,563,505
Others	756,965	1,268,043	1,236,967
	<u>\$ 42,063,498</u>	<u>\$ 38,174,213</u>	<u>\$ 37,356,501</u>

26. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits	\$ 972,601,732	\$ 982,163,246	\$ 999,018,340
Savings deposits	619,553,937	593,639,181	603,999,521
Demand deposits	339,682,154	334,842,268	348,913,501
Negotiable certificates of deposit	72,914,900	63,454,500	60,528,300
Checking deposits	9,222,729	11,559,415	10,191,507
Remittances	230,867	433,237	297,005
	<u>\$ 2,014,206,319</u>	<u>\$ 1,986,091,847</u>	<u>\$ 2,022,948,174</u>

27. BANK DEBENTURES

27.1 The Bank

	September 30, 2024	December 31, 2023	September 30, 2023
The subordinated bank debenture - 7-10 years maturity, first issued in 2014; maturity date is from March 2021 to March 2024	\$ -	\$ 5,100,000	\$ 5,100,000
The subordinated bank debenture - 8.5 years maturity; second issued in 2015; maturity date is in June 2024	-	3,000,000	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	5,000,000
The subordinated bank debenture - 7-10 years maturity; second issued in 2017; maturity date is from December 2024 to 2027	5,000,000	5,000,000	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	5,000,000
The subordinated bank debenture; third issued in 2018; no maturity date	7,000,000	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	6,900,000
The bank debenture - 7-10 years maturity; first issued in 2020; maturity date is from March 2027 to 2030	10,000,000	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	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	2,000,000
The bank debenture - 3 years maturity; second issued in 2022; maturity date is September 2025	1,000,000	1,000,000	1,000,000
The subordinated bank debenture; third issued in 2022; no maturity date	1,070,000	1,070,000	1,070,000
The bank debenture - 3 years maturity; third 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	-	-
	<u>\$ 45,370,000</u>	<u>\$ 58,070,000</u>	<u>\$ 56,070,000</u>

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 was at 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 with no maturity date was at a fixed annual interest rate of 2.15% with the interest paid annually.

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 of bank debenture at a fixed annual interest rate of 0.65%; Type B, five-year of 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 of bank debenture at a fixed annual interest rate of 0.62%; Type B, ten-year of 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 of subordinated bank debenture at a fixed annual interest rate of 0.60%; Type B, ten-year of subordinated bank 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 of bank debenture at a fixed annual interest rate of 1.60%; Type B, five-year of bank 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% with the interest paid annually and the repayment of principal at maturity.

The third issuance of the 2022 subordinated bank debenture with no maturity date was at a fixed annual interest rate of 3.25% with the interest paid annually.

The third issuance of the 2023 bank debenture was at a fixed annual interest rate of 1.60% with the interest paid annually and the repayment of principal at maturity.

The second issuance of the 2024 subordinated bank debenture was at a fixed annual interest rate of 1.95% with the interest paid annually and the repayment of principal at maturity.

27.2 SCB (HK)

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
The subordinate bank debenture with a 10 years maturity and maturity date on January 2029	\$ -	\$ 9,177,026	\$ 9,644,312
The subordinate bank debenture with a 10 years maturity and maturity date on February 2033	10,976,986	10,636,869	11,177,594
	<u>\$ 10,976,986</u>	<u>\$ 19,813,895</u>	<u>\$ 20,821,906</u>

The second issuance of the 2019 subordinated bank debenture was at a fixed interest rate of 5.00% with interest to be paid semi-annually and the repayment of principal at maturity. On January 17, 2024, the outstanding bank debenture was fully redeemed by SCB.

The third issuance of the 2023 subordinated bank debenture was at a fixed interest rate of 6.375% with interest to be paid semi-annually and the repayment of principal at maturity.

28. OTHER FINANCIAL LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Principals of structured instruments	\$ 6,384,376	\$ 5,586,047	\$ 5,203,754
Appropriated loan funds	1,173,154	973,226	960,162
Bank borrowings	-	169,328	228,579
Commercial paper payable	30,975	109,892	239,819
Other financial liabilities	1,072,758	701,543	621,030
	<u>\$ 8,661,263</u>	<u>\$ 7,540,036</u>	<u>\$ 7,253,344</u>

29. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Provision for employee benefits	\$ 1,868,805	\$ 1,577,836	\$ 1,620,138
Provision for guarantees liabilities	853,580	972,678	993,481
Provision for financing commitment	269,525	331,344	320,602
Provision for unexpected losses	3,565	3,565	3,565
Provision for settlement compensation	-	338,031	142,963
Provision for other operations	352,144	353,379	344,099
	<u>\$ 3,347,619</u>	<u>\$ 3,576,833</u>	<u>\$ 3,424,848</u>

For the Nine Months Ended September 30, 2024

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	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	\$ 223,868	\$ 170,820	\$ 5,419	\$ 791	\$ 400,898	\$ 903,124	\$ 1,304,022
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(349)	225	124	-	-	-	-
Transfer to credit impaired financial assets	(68)	-	(44)	112	-	-	-
Transfer to 12-month ECLs	2,730	-	(2,730)	-	-	-	-
Financial assets derecognized in the current period	(140,161)	(170,622)	(2,086)	-	(312,869)	-	(312,869)
Provisions (reversal)	(8,649)	19,717	236	20,252	31,556	-	31,556
Purchased or originated financial assets	126,303	12,390	14,839	604	154,136	-	154,136
The difference of impairment under the regulation or decree	-	-	-	-	-	(62,968)	(62,968)
Exchange rate and other changes	8,420	49	379	380	9,228	-	9,228
Balance on September 30, 2024	\$ 212,094	\$ 32,579	\$ 16,137	\$ 22,139	\$ 282,949	\$ 840,156	\$ 1,123,105

For the Nine Months Ended September 30, 2023

	12-Month ECLs	Lifetime ECLs (Collectively)	Lifetime ECLs (Individually)	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	\$ 457,658	\$ 59,928	\$ 7,323	\$ 6,284	\$ 531,193	\$ 613,913	\$ 1,145,106
Changes due to financial assets recognized at the beginning of the period:							
Transfer to lifetime ECLs	(333)	97	236	-	-	-	-
Transfer to credit impaired financial assets	-	-	-	-	-	-	-
Transfer to 12-month ECLs	2,960	(1,027)	(1,933)	-	-	-	-
Financial assets derecognized in the current period	(307,703)	(57,292)	(3,190)	(5,497)	(373,682)	-	(373,682)
Provisions (reversal)	(13,511)	3,909	831	(19)	(8,790)	-	(8,790)
Purchased or originated financial assets	264,810	181,522	638	-	446,970	-	446,970
The difference of impairment under the regulation or decree	-	-	-	-	-	104,483	104,483
Changes in model/risk parameters	(11,388)	-	(1,319)	-	(12,707)	-	(12,707)
Exchange rate and other changes	12,558	7	118	20	12,703	-	12,703
Balance on September 30, 2023	\$ 405,051	\$ 187,144	\$ 2,704	\$ 788	\$ 595,687	\$ 718,396	\$ 1,314,083

30. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Guarantee deposits received	\$ 1,561,132	\$ 1,798,150	\$ 2,271,912
Deferred revenue	1,933,475	581,109	609,401
Interest received in advance	197,450	220,869	239,741
Temporary credit	106,945	113,209	804,554
Others	393,417	398,645	675,861
	<u>\$ 4,192,419</u>	<u>\$ 3,111,982</u>	<u>\$ 4,601,469</u>

31. PENSION PLAN

The expenses related to the post-retirement benefit plan for the nine months ended September 30, 2024 and 2023 were recognized as employee benefit expenses in each period at the cost rate determined by the actuarial calculations as of December 31, 2023 and 2021. The breakdown of employee benefit expenses for the three months and nine months ended September 30, 2024 and 2023 was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Defined benefit plan	\$ 69,906	\$ 70,704	\$ 208,886	\$ 209,535
Employees' preferential deposit plan	7,500	7,500	22,500	22,500
	<u>\$ 77,406</u>	<u>\$ 78,204</u>	<u>\$ 231,386</u>	<u>\$ 232,035</u>

The Group expects to contribute \$287,633 thousand for defined benefit plan in 2024.

32. EQUITY

32.1 Share capital

	September 30, 2024	December 31, 2023	September 30, 2023
Authorized shares (in thousands)	6,000,000	6,000,000	6,000,000
Authorized capital	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>	<u>\$ 60,000,000</u>
Issued and fully paid shares (in thousands)	4,861,603	4,861,603	4,861,603
Issued capital	<u>\$ 48,616,031</u>	<u>\$ 48,616,031</u>	<u>\$ 48,616,031</u>

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

32.2 Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
Share premium	\$ 24,049,635	\$ 24,049,635	\$ 24,049,635
Treasury shares transaction	2,074,960	2,065,480	2,065,480
Unclaimed dividends	1,494,596	1,346,594	1,346,594
Recognition of changes in equity of subsidiaries	85,518	85,518	85,518
Proportionate share in investee's surplus from donated assets under the equity method	1,218	1,218	1,218
	<u>\$ 27,705,927</u>	<u>\$ 27,548,445</u>	<u>\$ 27,548,445</u>

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

32.3 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 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 of employees' compensation and remuneration of directors, refer to employee benefits expense in Note 33(7).

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 shareholders' meeting on June 21, 2024 and June 13, 2023 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	(\$ 5,583,505)	\$ 5,583,505		
Cash dividends - ordinary shares	8,750,886	8,750,886	\$ 1.80	\$ 1.80
	<u>\$ 3,167,381</u>	<u>\$ 14,334,391</u>	<u>\$ 1.80</u>	<u>\$ 1.80</u>

32.4 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 nine months ended September 30, 2024.

According to Rule No. 10510001510 issued by the FSC on May 25, 2016, public bank 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 September 30, 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.

32.5 Treasury shares

As of September 30, 2024, December 31, 2023 and September 30, 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.

32.6. Non-controlling interests

	For the Nine Months Ended September 30	
	2024	2023
Beginning balance	\$ 60,279,352	\$ 55,862,013
Attributed to non-controlling interests		
Net income	832,147	3,534,060
Translation adjustments for foreign operations	2,286,352	2,796,369
Unrealized gain on financial assets measured at FVTOCI	2,932,479	1,627,076
Realized gain on financial assets measured at FVTOCI	(7,254)	(4,233)
(Gain) loss on investments in debt instruments measured at FVTOCI	6,969	(6,706)
Share of other comprehensive profit and loss under the equity method	97,719	(15,046)
Income tax effect	(221,143)	(248,056)
Cash dividends distribution	(1,982)	(454,324)
Ending balance	<u>\$ 66,204,639</u>	<u>\$ 63,091,153</u>

33. DETAILS OF COMPREHENSIVE INCOME STATEMENT ITEMS

33.1 Interest revenue, net

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest income				
Discounts and loans	\$ 13,834,607	\$ 13,797,885	\$ 39,170,418	\$ 39,427,178
Due from banks	4,667,218	4,161,184	12,498,284	10,119,461
Securities investments	4,657,966	3,489,515	12,399,300	9,520,468
Credit card interests	32,584	29,736	92,199	86,520
Others	109,146	52,091	244,994	147,664
	<u>23,301,521</u>	<u>21,530,411</u>	<u>64,405,195</u>	<u>59,301,291</u>
Interest expense				
Deposits	11,889,699	9,908,198	32,558,569	26,779,462
Bank debentures	588,563	623,898	1,753,043	1,914,480
Due to banks	364,889	401,551	908,950	1,201,533
Structured instruments	77,404	39,599	218,453	62,904
Leased liability	18,805	15,492	52,811	44,742
Securities sold under repurchase agreements	16,225	1,639	24,538	4,368
Others	69,208	77,192	144,654	159,833
	<u>13,024,793</u>	<u>11,067,569</u>	<u>35,661,018</u>	<u>30,167,322</u>
Interest income, net	<u>\$ 10,276,728</u>	<u>\$ 10,462,842</u>	<u>\$ 28,744,177</u>	<u>\$ 29,133,969</u>

33.2 Service fee income, net

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fee income				
Trust and custody services	\$ 553,302	\$ 412,623	\$ 1,488,502	\$ 1,199,966
Insurance commission fees	466,026	188,381	1,355,041	600,644
Loan service fees	239,520	386,953	844,223	1,061,535
Guarantees related fees	151,234	179,456	491,318	539,965
Credit card related fees	195,050	172,513	519,520	477,873
Nominee and brokerage service charge	187,133	137,961	499,804	501,266
Exchange related fees	105,804	94,053	282,450	269,736
Inward/outward business	63,173	61,705	174,970	178,580
Others	218,088	187,295	609,081	531,137
	<u>2,179,330</u>	<u>1,820,940</u>	<u>6,264,909</u>	<u>5,360,702</u>
Service charge				
Credit card service charge	\$ 108,558	\$ 90,821	\$ 295,425	\$ 250,923
Nominee and brokerage service charge	28,366	30,262	84,851	87,307
Finance service charge	17,754	13,161	52,987	43,020
Custody service charge	7,673	7,877	22,224	23,046
Inter-bank service charge	4,632	3,922	11,845	11,613
Others	164,334	173,457	438,421	510,845
	<u>331,317</u>	<u>319,500</u>	<u>905,753</u>	<u>926,754</u>
Service fee income, net	<u>\$ 1,848,013</u>	<u>\$ 1,501,440</u>	<u>\$ 5,359,156</u>	<u>\$ 4,433,948</u>

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

	For the Three Months Ended September 30, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 5,815,660	(\$ 413,927)	\$ 5,401,733
Held-for-trading financial liabilities	(6,043,504)	2,687,742	(3,355,762)
Financial liabilities designated at FVTPL	-	(133,855)	(133,855)
	<u>(\$ 227,844)</u>	<u>\$ 2,139,960</u>	<u>\$ 1,912,116</u>
	For the Three Months Ended September 30, 2023		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 2,970,695	\$ 415,839	\$ 3,386,534
Held-for-trading financial liabilities	(3,702,715)	(1,052,584)	(4,755,299)
Financial liabilities designated at FVTPL	-	288,722	288,722
	<u>(\$ 732,020)</u>	<u>(\$ 348,023)</u>	<u>(\$ 1,080,043)</u>
	For the Nine Months Ended September 30, 2024		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 12,675,288	(\$ 8,831)	\$ 12,666,457
Held-for-trading financial liabilities	(14,575,684)	477,086	(14,098,598)
Financial liabilities designated at FVTPL	-	44,923	44,923
	<u>(\$ 1,900,396)</u>	<u>\$ 513,178</u>	<u>(\$ 1,387,218)</u>
	For the Nine Months Ended September 30, 2023		
	Realized Gain (Loss)	Unrealized Gain (Loss)	Total
Financial assets mandatorily classified as at FVTPL	\$ 8,017,121	(\$ 64,257)	\$ 7,952,864
Held-for-trading financial liabilities	(8,562,013)	(1,751,439)	(10,313,452)
Financial liabilities designated at FVTPL	-	266,413	266,413
	<u>(\$ 544,892)</u>	<u>(\$ 1,549,283)</u>	<u>(\$ 2,094,175)</u>

33.4 Realized gain or loss on financial assets at FVTOCI

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividend income	\$ 1,340,984	\$ 805,049	\$ 3,174,422	\$ 2,314,086
Disposal of debt instruments	79,365	27,958	352,898	86,240
	<u>\$ 1,420,349</u>	<u>\$ 833,007</u>	<u>\$ 3,527,320</u>	<u>\$ 2,400,326</u>

33.5 Other non-interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rent revenue	\$ 158,806	\$ 136,664	\$ 399,000	\$ 387,428
Provision for outstanding claims	(89,771)	(142,963)	(140,771)	(142,963)
Property transaction (loss) gain	125,671	(5,025)	125,295	(5,000)
Others	40,873	68,334	171,964	184,714
	<u>\$ 235,579</u>	<u>\$ 57,010</u>	<u>\$ 555,488</u>	<u>\$ 424,179</u>

33.6 Employment benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Short-term employment benefits	\$ 2,852,455	\$ 2,548,732	\$ 7,846,143	\$ 7,468,935
Retirement benefits				
Defined contribution plan	149,074	122,775	402,419	367,082
Defined benefit plan	69,906	70,704	208,886	209,535
Other benefit plan	144,790	180,718	439,778	414,988
	<u>\$ 3,216,225</u>	<u>\$ 2,922,929</u>	<u>\$ 8,897,226</u>	<u>\$ 8,460,540</u>

33.7 Compensation of employees 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.

For the three months and nine months ended September 30, 2024 and 2023, the employees' compensation and the remuneration of directors were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Employees' compensation	<u>\$ 14,988</u>	<u>\$ 15,002</u>	<u>\$ 44,990</u>	<u>\$ 45,005</u>
Remuneration of directors	<u>\$ 14,499</u>	<u>\$ 14,499</u>	<u>\$ 43,497</u>	<u>\$ 43,497</u>

The employees' compensation and the remuneration of directors for 2023 and 2021 as approved by board of director on March 23, 2024 and March 26, 2023, respectively, were as follows:

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

If the amount of the annual consolidated financial report changes after the release date, 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 standalone financial statements for the years ended

December 31, 2023 and 2022

Information on the employees' compensation and remuneration of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

33.8 Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation expense				
Right-of-use assets	\$ 210,389	\$ 207,373	\$ 599,281	\$ 602,233
Properties	204,146	184,661	553,573	538,579
Investment properties	10,312	8,947	26,700	26,265
	<u>424,847</u>	<u>400,981</u>	<u>1,179,554</u>	<u>1,167,077</u>
Amortization expense				
Intangible assets	79,934	66,345	230,650	183,640
Other assets	11,489	16,097	34,427	45,776
	<u>91,423</u>	<u>82,442</u>	<u>265,077</u>	<u>229,416</u>
	<u>\$ 516,270</u>	<u>\$ 483,423</u>	<u>\$ 1,444,631</u>	<u>\$ 1,396,493</u>

34. INCOME TAXES RELATING TO CONTINUING OPERATIONS

34.1 Income tax expense recognized in profit or loss

The major components of tax expenses were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
In respect of the current year	\$ 1,623,536	\$ 1,276,440	\$ 3,433,212	\$ 3,552,566
In respect of prior periods	77	(69,198)	151,234	(177,877)
Undistributed retained earnings	-	203	580,841	474
	<u>1,623,613</u>	<u>1,207,445</u>	<u>4,165,287</u>	<u>3,375,163</u>
Deferred tax				
In respect of the current year	(695,501)	217,767	(1,476,965)	523,193
In respect of prior periods	-	-	(815)	(273)
	<u>(695,501)</u>	<u>217,767</u>	<u>(1,477,780)</u>	<u>522,920</u>
Income tax expense recognized in profit or loss	<u>\$ 928,112</u>	<u>\$ 1,425,212</u>	<u>\$ 2,687,507</u>	<u>\$ 3,898,083</u>

34.2 Income tax expense recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Deferred income tax				
Recognized in other comprehensive income				
Translation adjustments for foreign operations	(\$ 52,247)	(\$ 594,877)	(\$ 1,125,183)	(\$ 769,328)
Unrealized gain or loss on financial assets measured at FVTOCI	(610,543)	62,680	(628,467)	(268,050)
Income tax expense recognized in other comprehensive income	<u>(\$ 662,790)</u>	<u>(\$ 532,197)</u>	<u>(\$ 1,753,650)</u>	<u>(\$ 1,037,378)</u>

34.3 Income tax assessments

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

Income tax returns of the Bank's domestic subsidiaries through 2022 or 2021 had been assessed by the tax authorities.

35. EARNINGS PER SHARE

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
	Unit: NT\$ Per Share			
Basic earnings per share	\$ 0.98	\$ 1.01	\$ 2.18	\$ 3.03
Diluted earnings per share	\$ 0.97	\$ 1.01	\$ 2.17	\$ 3.03

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 Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Earnings used in the computation of basic and diluted earnings per share	\$ 4,748,472	\$ 4,912,052	\$ 10,551,333	\$ 14,681,813

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares in computation of basic earnings per share	4,850,206	4,850,206	4,850,206	4,850,206
Effect of potentially dilutive ordinary shares:				
Employees' compensation	1,140	1,040	1,493	1,354
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,851,346	4,851,246	4,851,699	4,851,560

The Bank assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share.

36. RELATED-PARTY TRANSACTIONS

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

36.1 The Bank's related parties

Related Party	Relationship with the Bank
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
Financial Information Service Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Taiwan Finance Corporation	Substantive related party
Other related parties	The relatives of the Bank's directors and related management

36.2 Significant transactions between related parties

Balances and transactions between the Bank and its subsidiaries, which are related parties of the Bank, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Bank and other related parties are disclosed below.

36.2.1 Deposits

	September 30, 2024			For the Nine Months Ended September 30, 2024
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	\$ 10,255,161	\$ 9,774,113	0.00-5.50	\$ 276,763
IBF Securities Co., Ltd.	5,642,062	5,528,662	0.00-1.45	19,190
Financial Information Service Co., Ltd.	967,130	967,130	0.55-1.45	9,671
The SCSB Cultural & Educational Foundation	347,736	340,011	0.00-1.72	3,620
Employees	309,030	108,089	0.00-10.92	3,028
Others	424,255	183,636	0.00-5.15	1,580
	<u>\$ 17,945,374</u>	<u>\$ 16,901,641</u>		<u>\$ 313,852</u>

	December 31, 2023			For the Year Ended December 31, 2023
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	\$ 10,134,397	\$ 10,034,918	0.00-4.48	\$ 535,972
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
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
Others	398,140	169,510	0.00-4.60	2,295
	<u>\$ 17,678,619</u>	<u>\$ 16,160,057</u>		<u>\$ 587,880</u>

	September 30, 2023			For the Nine Months Ended September 30, 2023
	Maximum Balance	Ending Balance	Interest Rate (%)	Interest Expense
Directors and related management	\$ 10,367,737	\$ 10,272,136	0.00-5.55	\$ 376,368
IBF Securities Co., Ltd.	5,023,843	4,188,444	0.43-1.55	20,364
Financial Information Service Co., Ltd.	957,465	957,465	0.43-1.50	10,172
Taiwan Finance Corporation	500,011	11	0.00-1.50	616
The SCSB Cultural & Educational Foundation	347,669	343,646	0.01-1.60	2,438
Employees	269,425	103,932	0.00-10.68	2,965
Others	392,748	209,209	0.00-4.40	1,740
	<u>\$ 17,858,898</u>	<u>\$ 16,074,843</u>		<u>\$ 414,663</u>

36.2.2 Interest receivable (accounted for as receivables)

	September 30, 2024	December 31, 2023	September 30, 2023
Directors and related management	<u>\$ 91</u>	<u>\$ 10</u>	<u>\$ 16</u>

36.2.3 Interest payable (accounted for as payables)

	September 30, 2024	December 31, 2023	September 30, 2023
IBF Securities Co., Ltd.	\$ 8,991	\$ 1,339	\$ 6,581
Financial Information Service Co., Ltd.	3,965	2,249	7,554
Directors and related management	881	183	267
The SCSB Cultural & Educational Foundation	100	93	95
The SCSB Charity Foundation	3	75	75
Others	-	-	186
	<u>\$ 13,940</u>	<u>\$ 3,939</u>	<u>\$ 14,758</u>

36.2.4 Guarantee deposits received (accounted for as other liabilities)

	September 30, 2024	December 31, 2023	September 30, 2023
The SCSB Cultural & Educational Foundation	<u>\$ 318</u>	<u>\$ 318</u>	<u>\$ 318</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The SCSB Cultural & Educational Foundation	<u>\$ 321</u>	<u>\$ 321</u>	<u>\$ 962</u>	<u>\$ 962</u>

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

36.2.6 Loans

September 30, 2024										For the Nine Months Ended September 30, 2024
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income	
				Normal Loans	Non-performingLoans					
Loans for personal house mortgage	Directors and related management (2)	\$ 18,975	\$ 18,258	\$ 18,258	\$ -	Real estate	2.06~2.35	None	\$ 310	
Others	Directors and related management (7)	248,682	222,309	222,309	-	Real estate	1.82~2.39	None	32,938	
	Directors and related management (4)	<u>2,094</u>	<u>1,084</u>	<u>1,084</u>	-	None	2.11~2.55	None	<u>29</u>	
		<u>\$ 269,751</u>	<u>\$ 241,651</u>	<u>\$ 241,651</u>	<u>\$ -</u>				<u>\$ 33,277</u>	
December 31, 2023										For the Year Ended December 31, 2023
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income	
				Normal Loans	Non-performingLoans					
Loans for personal house mortgage	Directors and related management (2)	\$ 29,899	\$ 14,663	\$ 14,663	\$ -	Real estate	2.05~2.35	None	\$ 302	
Others	Directors and related management (8)	187,772	172,105	172,105	-	Real estate/ financial instruments	1.93~2.32	None	79,125	
	Directors and related management (2)	<u>1,109</u>	<u>418</u>	<u>418</u>	-	None	2.00~2.20	None	<u>16</u>	
		<u>\$ 218,780</u>	<u>\$ 187,186</u>	<u>\$ 187,186</u>	<u>\$ -</u>				<u>\$ 79,443</u>	

September 30, 2023										For the Nine Months Ended September 30, 2023
Category	Name	Maximum Balance	Ending Balance	Performance		Collateral	Interest Rate (%)	Difference of Terms of the Transactions with Unrelated Parties	Interest Income	
				Normal Loans	Non-performing Loans					
Loans for personal house mortgage	Directors and related management (2)	\$ 29,899	\$ 14,722	\$ 14,722	\$ -	Real estate	2.05~2.35	None	\$ 219	
Others	Directors and related management (8)	190,033	176,585	176,585	-	Real estate/ financial instruments	1.93~2.32	None	58,703	
	Directors and related management (2)	1,109	454	454	-	None	2.00~2.20	None	14	
		\$ 221,041	\$ 191,761	\$ 191,761	\$ -				\$ 58,936	

Employee deposits and loans have better interest rates 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.

36.2.7 Donation

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The SCSB Cultural & Educational Foundation	\$ -	\$ -	\$ 15,000	\$ 15,000

36.2.8 Property transaction

For the disposal of real estate to a related party for the nine months ended September 30, 2024, refer to Table 4. No property transaction to related party for the nine months ended September 30, 2023.

36.3 Compensation of directors and management personnel

The compensation of key management personnel for the three months and nine months ended September 30, 2024 and 2023 was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries and other short-term employee benefits	\$ 118,524	\$ 109,128	\$ 318,595	\$ 320,621
Remuneration of directors	38,347	31,953	100,471	93,192
Post-employment benefits	13,264	15,746	39,759	42,265
Bonuses and employees' compensation	2,930	2,175	21,901	22,310
Others	444	-	611	168
	<u>\$ 173,509</u>	<u>\$ 159,002</u>	<u>\$ 481,337</u>	<u>\$ 478,556</u>

37. PLEDGED ASSETS

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

	September 30, 2024	December 31, 2023	September 30, 2023	Guaranty Purpose
The Bank				
Investments in debt instruments measured at amortized cost	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	<u>\$ 12,000,000</u>	Day-term overdraft with the pledge

On September 30, 2024, December 31, 2023 and September 30, 2023, the Bank provided financial assets at FVTOCI listed below which had been provided as operating guarantees.

	September 30, 2024	December 31, 2023	September 30, 2023	Guaranty Purpose
The Bank				
Financial assets at FVTOCI	<u>\$ 453,248</u>	<u>\$ 413,133</u>	<u>\$ 412,695</u>	Operating guarantee

On September 30, 2024, December 31, 2023 and September 30, 2023, the Group's subsidiaries provided financial assets as guarantees listed below:

	September 30, 2024	December 31, 2023	September 30, 2023	Guaranty Purpose
Investments in debt instruments measured at amortized cost	\$ 9,051,145	\$ 7,369,377	\$ 8,106,027	Operating guarantee
Financial assets at FVTOCI	5,827,876	5,651,041	5,510,125	Operating guarantee
Due from the Central Bank and call loans to banks	1,996,344	2,120,400	2,118,521	Operating guarantee
Financial assets at FVTPL	-	3,969,778	2,190,728	Guaranteed loan
Due from the Central Bank and call loans to banks	-	42,920	1,943,026	Guaranteed loan
Other assets	440,707	534,883	457,015	Guaranteed derivative
	<u>\$ 17,316,072</u>	<u>\$ 19,688,399</u>	<u>\$ 20,325,442</u>	

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

38.1 In addition to those disclosed in other notes, significant commitments and contingencies of the Bank as of September 30, 2024, December 31, 2023 and September 30, 2023, were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Commitments of forward contracts with customers	\$ 494,095,017	\$ 485,804,738	\$ 698,076,863
Assets under trust	232,370,119	209,710,684	213,338,325
Securities in custody	237,340,070	221,552,070	246,366,635
Guarantee notes payable	107,369,800	102,915,905	88,578,050
Government bonds in brokerage accounts	38,103,700	37,149,200	35,421,200
Receivables under custody	23,968,347	24,872,789	26,081,038
Short-term bills in brokerage accounts	2,735,920	1,315,800	1,371,130

38.2 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 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 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.

39. SIGNIFICANT SUBSEQUENT EVENTS

None.

40. FINANCIAL INSTRUMENTS

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

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

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

	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Investments in debt instruments measured at amortized cost	\$ 219,323,030	\$ 219,532,287	\$ 268,753,450	\$ 268,546,735	\$ 286,603,233	\$ 285,937,006
Financial liabilities						
Bank debentures	56,346,986	56,825,575	77,883,895	78,117,554	76,891,906	76,723,215

40.1.2 Fair value level

	September 30, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized cost	\$ 219,532,287	\$ 35,388,681	\$ 184,143,606	\$ -
Financial liabilities				
Bank debentures	56,825,575	-	56,825,575	-
	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized cost	\$ 268,546,735	\$ 39,057,983	\$ 229,488,752	\$ -
Financial liabilities				
Bank debentures	78,117,554	-	78,117,554	-
	September 30, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized cost	\$ 285,937,006	\$ 37,266,944	\$ 248,670,062	\$ -
Financial liabilities				
Bank debentures	76,723,215	-	76,723,215	-

40.1.3 The evaluation method and assumptions used in measuring fair value.

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

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

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

40.2 Fair value information – financial instrument measured at fair value under repetitive basis

40.2.1 Fair value level

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

Financial Instruments Measured at Fair Value	September 30, 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				
Shares	\$ 305,051	\$ 241,842	\$ -	\$ 63,209
Bonds	6,273,584	5,562,516	711,068	-
Financial assets at FVTOCI				
Equity instruments	46,899,595	42,302,532	-	4,597,063
Debt instruments	392,513,671	231,327,364	161,174,601	11,706
	<u>\$ 445,991,901</u>	<u>\$ 279,434,254</u>	<u>\$ 161,885,669</u>	<u>\$ 4,671,978</u>
Liabilities				
Financial liabilities measured at FVTPL	<u>\$ 2,561,383</u>	<u>\$ -</u>	<u>\$ 2,561,383</u>	<u>\$ -</u>
Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	<u>\$ 3,066,788</u>	<u>\$ 450,703</u>	<u>\$ 2,616,085</u>	<u>\$ -</u>
Liabilities				
Financial liabilities measured at FVTPL	<u>\$ 3,110,499</u>	<u>\$ 25,451</u>	<u>\$ 3,085,048</u>	<u>\$ -</u>
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	\$ 268,073	\$ 213,898	\$ -	\$ 54,175
Bonds	3,954,124	3,954,124	-	-
Financial assets at FVTOCI				
Equity instruments	34,054,212	29,564,922	-	4,489,290
Debt instruments	354,535,005	206,259,754	148,263,956	11,295
	<u>\$ 392,811,414</u>	<u>\$ 239,992,698</u>	<u>\$ 148,263,956</u>	<u>\$ 4,554,760</u>
Non-derivative financial instruments				
Liabilities				
Financial liabilities measured at FVTPL	<u>\$ 2,191,711</u>	<u>\$ -</u>	<u>\$ 2,191,711</u>	<u>\$ -</u>
Derivative financial instruments				
Assets				
Financial assets measured at FVTPL	<u>\$ 4,236,882</u>	<u>\$ 276,513</u>	<u>\$ 3,960,369</u>	<u>\$ -</u>
Liabilities				
Financial liabilities measured at FVTPL	<u>\$ 4,850,372</u>	<u>\$ 28,189</u>	<u>\$ 4,822,183</u>	<u>\$ -</u>

Financial Instruments		September 30, 2023			
Measured at Fair Value		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		\$ 232,935	\$ 176,109	\$ -	\$ 56,826
Bonds		2,163,321	2,163,321	-	-
Financial assets at FVTOCI					
Equity instruments		32,918,540	28,508,389	-	4,410,151
Debt instruments		350,443,153	199,293,741	151,137,564	11,848
		<u>\$ 385,757,949</u>	<u>\$ 230,141,560</u>	<u>\$ 151,137,564</u>	<u>\$ 4,478,825</u>
Liabilities					
Financial liabilities measured at FVTPL		<u>\$ 1,821,451</u>	<u>\$ -</u>	<u>\$ 1,821,451</u>	<u>\$ -</u>
Derivative financial instruments					
Assets					
Financial assets measured at FVTPL		<u>\$ 5,804,291</u>	<u>\$ 254,508</u>	<u>\$ 5,549,783</u>	<u>\$ -</u>
Liabilities					
Financial liabilities measured at FVTPL		<u>\$ 6,001,258</u>	<u>\$ 3,709</u>	<u>\$ 5,997,549</u>	<u>\$ -</u>

There were no transfers of financial instruments between Level 1 and Level 2 fair value measurement for the nine months ended September 30, 2024 and 2023.

40.2.2 Reconciliation of Level 3 fair value measurement

For the Nine Months Ended September 30, 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 FVTPL	\$ 54,175	\$ 7,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,929	\$ 63,209
Financial assets measured at FVTOCI	4,500,585	-	(18,891)	-	876,150	(338)	(854,820)	106,083	4,608,769

For the Nine Months Ended September 30, 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 FVTPL	\$ -	\$ 6,071	\$ -	\$ -	\$ 48,226	\$ -	\$ -	\$ 2,529	\$ 56,826
Financial assets measured at FVTOCI	2,902,389	-	1,498,466	-	-	(1,500)	-	22,644	4,421,999

40.2.3 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 using 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 using cash flow method through observable elements.

40.2.4 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 and equity securities measured at FVTOCI.

Most financial instruments with fair value measurements classified as Level 3 only possess single, unobservable inputs. Non-active market debt instruments possess unobservable inputs. The non-active market equity instruments are independent and thus, are irrelevant to each other. The quantified information of significant unobservable inputs is as follows:

Measuring at fair value on a repeatability basis	Fair Value September 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 63,209	Market approach	Price to book ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,597,063	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 11.5%	3. Negatively correlated to fair value
			4. Dividend yield	4. 1.7%	4. Negatively correlated to fair value
			5. Dividend growth rate	5. 15%-30%	5. Positively correlated to fair value
Bonds	11,706	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value

Measuring at fair value on a repeatability basis	Fair Value December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 54,175	Market approach	P/B ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,489,290	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 11.5%	3. Negatively correlated to fair value
			4. Dividend yield	4. 1.7%	4. Negatively correlated to fair value
			5. Dividend growth rate	5. 15%-33%	5. Positively correlated to fair value
Bonds	11,295	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value

Measuring at fair value on a repeatability basis	Fair Value September 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-Average)	Notes
Financial assets measured at FVTPL Shares	\$ 56,826	Market approach	P/B ratio	100%	Positively correlated to fair value
Financial assets measured at FVTOCI Shares	4,410,151	1. Market approach	1. Market liquidity reduction	1. 10%-19%	1. Negatively correlated to fair value
		2. Net asset value method	2. Market liquidity reduction	2. 10%-19%	2. Negatively correlated to fair value
		3. Discounted dividend method	3. Capital cost	3. 11.5%	3. Negatively correlated to fair value
			4. Dividend yield	4. 1.7%	4. Positively correlated to fair value
			5. Dividend growth rate	5. 15%-45%	5. Positively correlated to fair value
Bonds	11,848	Discounted cash flow method	Discount rate	0%-10%	Negatively correlated to fair value

40.2.5 Sensitivity analysis of alternative assumptions of Level 3 fair value measurements

The Group 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 having Level 3 fair value measurements, if the parameters were to go up or down 1%, the influence on net income or other comprehensive income would be as follows:

September 30, 2024

Item	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflected in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at FVTPL	\$ 631	(\$ 631)	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	25,810	(25,810)

December 31, 2023

Item	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflected in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at FVTPL	\$ 538	(\$ 538)	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	20,360	(20,360)

September 30, 2023

Item	Changes in Fair Value Reflected in Profit or Loss		Changes in Fair Value Reflected in Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at FVTPL	\$ -	\$ -	\$ -	\$ -
Financial assets measured at FVTOCI	-	-	23,952	(23,952)

40.3 Financial risk management

40.3.1 Risk management

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

The Group 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, operation risk and liquidity risk.

The Group's risk management department performs the Group's risk management activities pursuant to the policies approved 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, derivative and non-derivative financial instruments. In addition, the department of internal audit is responsible for independent review of risk management and control environment.

40.3.2 Credit risks

Credit risk is the risk of counterparties' failure to fulfill their contractual obligations causing the Group's financial losses. Both in-balance-sheet and off-balance-sheet items are exposed to credit risks. For the Group'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 Group 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 Group examines and confirms credit risk in accordance with the rules before launching new products and business. Furthermore, the Group also establishes a risk management system for complicated credit business such as factoring, credit derivative financial instruments and so on.

The Group's foreign operation units adopt policies and standards same as 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

The major procedures and methods for credit risk management are as follows:

A. Credit business (including loan commitments and guarantees)

The Bank

a. The credit risk has increased significantly since initial 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 initial recognition. For this assessment, the Bank's considerations (including forward-looking information) show that the credit risk has

increased significantly since initial recognition and can be corroborated. The main considerations include:

- i. Changes in internal and external credit ratings from the significant increase in credit risk.
- 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 become credit impaired:

- i. Changes in internal and external credit ratings from the significant increase in credit risk.
- 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.
- viii. 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 initial recognition are used to measure the allowance for loss of the financial instruments; for financial instruments whose credit risk has increased significantly or which have had credit impairment since initial 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 September 30, 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 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.

SCB (HK)

a. The credit risk has increased significantly since initial recognition

SCB assesses the change in the risk of default in the next 12 months of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since initial recognition. For this assessment, SCB considerations (including forward-looking information) show that the credit risk has increased significantly since initial recognition and can be corroborated. The main considerations include:

- i. Changes in internal and external credit ratings and probability of default in the next 12 months.
- 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.
- vi. There is doubt about the collateral rights under the debt, or the collateral price is affected by the surrounding economic environment, and the mortgage value will decline due to economic recession.
- vii. There are unfavorable changes in the business of the debtor industry which are affected by the surrounding economy or policy.
- viii. Key person in debt companies have financial difficulties, debt or dispute litigation, or serious illness or death, all of which have a negative impact on the ability of debt companies to meet their debt obligations.

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

SCB'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, SCB determines that the financial assets have defaulted and have credit impairment:

- i. Information of overdue status (e.g. if the payment is overdue for more than 90 days).
- ii. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.
- iii. The debtor has died or been dissolved.
- iv. Contracts of other debt instruments of the debtor have defaulted.
- v. The active market of the financial assets disappeared due to financial difficulties.
- vi. 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. The debtor's overall debt rises and is not proportional to its business growth.
- viii. If the debtor invests in a project or delays the construction of a project, the cost exceeds the budget, and the creditor needs to arrange for debt restructuring.
- ix. There is a purchase or initiation of financial assets at a significant discount reflecting that credit losses have occurred.
- x. Estimated debt contract payments failed to be fully recovered.

The aforementioned default and credit impairment definitions apply to all financial assets held by SCB 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.

If the financial assets no longer meet the definition of default and credit impairment for nine consecutive months, their statuses are judged to have returned to performance level and are no longer regarded as financial assets that have defaulted and have been credited.

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.

For financial instruments whose credit risk has not significantly increased since initial recognition, SCB measures the allowance for loss of the financial instruments based on the 12-month expected credit loss amounts; for financial instruments and operating lease receivables whose financial risk has significantly increased or which have had credit impairment since initial recognition, such instruments and operating lease receivables are measured at the amount of expected credit losses during the duration of the period.

The estimation method and significant assumptions used to assess expected credit losses have not changed significantly since September 30, 2024.

d. Forward-looking information considerations

When measuring the expected credit losses, SCB 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, SCB 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 Group 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 Group identifies credit risk by using information from external institutions about credit ratings, quality of debts, region, and the risk of counterparties.

Most of the Group's counterparties in derivative transactions are assessed at higher than investment grade, and the Group 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 Group 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 Group has established procedures for pledges, valuations, management, and disposals of collateral. The contracts between the Group and the borrowers clearly state the protocols, including but not limited to the security of credit, procedures for collateral and for offsets. To further decrease credit risks, the contracts also proclaim that the Group may decrease the credit facilities at its discretion, accelerate the maturity of the borrowings, demand immediate payback, or offset borrowers' assets in the Group against the borrowings.

B. Credit risk limitation and credit concentration management

The credit policies of the Group regulate the credit limitations, as applied to a single counterparty or group, to avoid excessive credit concentration. The Group 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

The contracts between the Group and the borrowers clearly state the protocols, including but not limited to the security of the credit, procedures for collateral and set off. To further decrease credit risks, the contracts also proclaim that the Group may decrease the balances, shorten the maturity period, demand immediate payback, or use borrowers' assets in the Group to offset their liabilities.

In most circumstances, the Group applies gross settlement with counterparties. However, to further decrease credit risks, the Group 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 Group's consolidated balance sheets:

September 30, 2024

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 705,369	\$ 246,217	\$ -	\$ -	\$ 246,217
Discounts and loans	17,074,940	1,585,845	-	807,567	2,393,412

December 31, 2023

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 493,672	\$ 83,784	\$ -	\$ -	\$ 83,784
Discounts and loans	18,095,360	4,702,474	-	696,618	5,399,092

September 30, 2023

	Book Value	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancement	Total
Financial instruments subject to IFRS 9 impairment requirements and credit impairment					
Receivables	\$ 163,491	\$ 49,380	\$ -	\$ -	\$ 49,380
Discounts and loans	6,988,587	4,584,039	-	794,289	5,378,328

(3) Credit risk exposures

The maximum exposure of the Group's assets in the consolidated balance sheets 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Other guarantees	\$ 74,533,836	\$ 81,905,609	\$ 86,510,663
Issued and non-cancelable loan commitments	58,514,311	53,413,665	60,775,289
Issued but unused letters of credit	36,513,400	33,873,125	36,346,973
Non-cancelable credit card commitments	572,851	601,495	595,343

The Group 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.

Total carrying amounts of the financial assets with the largest credit risk exposure in the Group are as follows:

	September 30, 2024			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 331,007,150	\$ 1,695,091	\$ 789,024	\$ 333,491,265
-Microcredit	22,757,862	345,599	1,261,873	24,365,334
-Others	46,621,996	169,356	978,800	47,770,152
Corporate banking				
-Secured	462,049,264	22,102,576	10,762,736	494,914,576
-Unsecured	308,640,066	24,218,619	5,928,516	338,787,201
Total	\$ 1,171,076,338	\$ 48,531,241	\$ 19,720,949	\$ 1,239,328,528
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 4,161,915	\$ 209,976	\$ 82,100	\$ 4,453,991
Others	23,025,189	240,538	623,269	23,888,996
Total	\$ 27,187,104	\$ 450,514	\$ 705,369	\$ 28,342,987
Debt instruments measured at FVTOCI	\$ 396,558,628	\$ 755,448	\$ -	\$ 397,314,076
Investments in debt instruments measured at amortized cost	\$ 219,328,705	\$ -	\$ -	\$ 219,328,705

	December 31, 2023			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 330,824,659	\$ 1,491,658	\$ 448,153	\$ 332,764,470
-Microcredit	21,602,486	1,472,608	1,189,282	24,264,376
-Others	48,465,095	212,879	57,758	48,735,732
Corporate banking				
-Secured	488,494,403	15,340,953	3,961,153	507,796,509
-Unsecured	302,783,607	18,824,492	12,439,014	334,047,113
Total	\$ 1,192,170,250	\$ 37,342,590	\$ 18,095,360	\$ 1,247,608,200
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 4,451,180	\$ 247,833	\$ 65,823	\$ 4,764,836
Others	17,382,543	252,549	427,849	18,062,941
Total	\$ 21,833,723	\$ 500,382	\$ 493,672	\$ 22,827,777
Debt instruments measured at FVTOCI	\$ 363,319,373	\$ 724,221	\$ 92,123	\$ 364,135,717
Investments in debt instruments measured at amortized cost	\$ 268,760,424	\$ -	\$ -	\$ 268,760,424

	September 30, 2023			
	12-Month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Discounts and loans				
Consumer banking				
-Mortgage	\$ 334,810,353	\$ 1,647,258	\$ 476,420	\$ 336,934,031
-Microcredit	24,564,605	183,792	843,103	25,591,500
-Others	50,291,554	242,204	43,093	50,576,851
Corporate banking				
-Secured	504,704,363	13,789,732	4,154,166	522,648,261
-Unsecured	320,938,889	30,517,764	1,471,805	352,928,458
Total	\$ 1,235,309,764	\$ 46,380,750	\$ 6,988,587	\$ 1,288,679,101
Accounts receivable (including non-performing credit card receivables)				
Credit cards	\$ 4,241,541	\$ 241,378	\$ 62,396	\$ 4,545,315
Others	15,891,418	326,176	101,095	16,318,689
Total	\$ 20,132,959	\$ 567,554	\$ 163,491	\$ 20,864,004
Debt instruments measured at FVTOCI	\$ 365,395,676	\$ 887,190	\$ 96,842	\$ 366,379,708
Investments in debt instruments measured at amortized cost	\$ 288,256,597	\$ -	\$ -	\$ 288,256,597

(4) Information on concentration of credit risk

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

Concentration of credit risk 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 Group maintains a diversified loan portfolio to mitigate the credit risk concentration to same customers; total discounts and loans transactions with same customers and non-performing loans are not material. The Group's most significant concentrations of credit risk of discounts and loans and non-performing loans by industry, region, and collateral were summarized as follows:

A. Industry

Sector	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Private sector	\$ 727,231,813	59	\$ 733,779,540	59	\$ 770,758,227	60
Consumer	450,432,437	36	449,791,296	36	455,743,284	35
Financial institution	54,431,726	4	55,368,356	4	54,865,060	4
Others	7,232,552	1	8,669,008	1	7,312,530	1
	<u>\$ 1,239,328,528</u>	<u>100</u>	<u>\$ 1,247,608,200</u>	<u>100</u>	<u>\$ 1,288,679,101</u>	<u>100</u>

B. Region

Region	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Taiwan	\$ 781,411,989	63	\$ 772,965,385	62	\$ 776,897,630	60
Asia Pacific except Taiwan	320,032,307	26	330,073,919	26	356,794,909	28
Others	137,884,232	11	144,568,896	12	154,986,562	12
	<u>\$ 1,239,328,528</u>	<u>100</u>	<u>\$ 1,247,608,200</u>	<u>100</u>	<u>\$ 1,288,679,101</u>	<u>100</u>

C. Collateral

Collaterals Assumed	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 338,264,956	27	\$ 333,547,051	27	\$ 345,214,523	27
Secured						
Properties	798,642,510	64	800,385,330	64	828,444,622	64
Guarantee	57,166,794	5	64,391,553	5	64,336,616	5
Financial collateral	24,028,133	2	29,334,680	2	30,652,331	2
Personal properties	2,657,377	1	2,813,902	1	2,967,203	1
Other collateral	18,568,758	1	17,135,684	1	17,063,806	1
	<u>\$ 1,239,328,528</u>	<u>100</u>	<u>\$ 1,247,608,200</u>	<u>100</u>	<u>\$ 1,288,679,101</u>	<u>100</u>

(5) Information on credit risk quality

Part of the financial assets held by the Group, cash and cash equivalents, financial assets 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 to have very low credit risk because the counterparties have good credit ratings.

40.3.3 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 in-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 Group or its investment structures.

The Group'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 Group.

(2) Market risk management policies

The Group monitors its market risk and tolerable loss according to the risk management objectives and limits approved by the board of directors.

The Group also builds a market risk information system, which enables the Group to effectively monitor the management of the investment limits, assessment of gains and losses, and analysis of sensitivity factors. The results of the monitoring, assessment and analysis are reported to the board of directors in risk control meetings and serve as references for the decision making of the management.

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

(3) Market risk management process

A. Recognition and measurement

The Group'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 (DV01, 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 Group'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 Group 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

A. Definition of interest rate risk

Interest rate risk represents risks of changes in fair value of investment portfolio and loss in earnings resulting from changes in interest rates. Major products include interest rate-related financial securities and derivative instruments.

B. Purpose of interest risk management

Interest rate risk management enhances the Group's ability to deal with a contingency, to measure, manage and avoid negative influence on earnings and economic values of balance sheet items affected by the changes in interest rates. In addition, it enhances the efficiency of capital and the business management.

C. Procedures of interest risk management

The Group carefully chooses investment target through conducting research about issuers' credit, financial status, country risks and interest rate trend. The Group also establishes trading amount limit and stop-loss limit including limit for trading department, trader and trading commodity, etc. which are approved by top management and the board of directors.

When the Group undertakes business activities related to interest rate commodities, it will identify interest rate reprising risks and yield curve risks, and measure the possible impact of interest rate changes on the Group's earnings and economic value. The Group reports the analysis and monitoring of limit on interest rate risk position and various interest rate management objectives to the investment commission and the board of directors on a monthly.

When risk management objective has exceeded its limit, it will be reported to the Investment Commission for resolution of response actions.

D. Measurement methods

The Group 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 Group 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 regularly. In addition, the Group regularly uses DV01 to measure portfolio affected by interest rate.

(5) Foreign exchange rate risk management

A. Definition of foreign exchange rate risk

Foreign exchange risk means losses resulting from currencies exchange at different times. The Group's foreign exchange rate risk results mainly from spot and forward foreign exchange. The Group's foreign exchange rate risk is relatively insignificant due to the fact that transactions 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 Group has established trading limit, stop-loss limit and maximum loss for trading department and trader and the risk is controlled within the tolerable range.

The Group undertakes pressure test on a seasonal basis and uses 3% to 10% fluctuation in major foreign exchange rate (USD) as the sensitivity threshold and reports test results to the board of directors.

(6) Equity securities price risk management

A. Definition of equity securities price risk

The market risk of equity securities held by the Group includes individual and general risk from price fluctuations 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 Group regularly uses β value to measure the degree of influence on investment portfolio system risk. Stop-loss point is set according to the policy approved by the investment commission. 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 Group's control of security price risk is based on risk values.

(7) Market valuation technique

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

A. Sensitivity analysis

a. Interest rate risk

The Group has assessed the possible impact on income if global yield curve moves between -1 to +1 basis points simultaneously on September 30, 2024, December 31, 2023 and September 30, 2023 while other factors remain unchanged.

b. Foreign exchange rate risk

The Group assesses the possible impact on income when exchange rates of the NTD against various currencies fluctuate between -1% and +1% on September 30, 2024, December 31, 2023 and September 30, 2023 while other factors remain unchanged.

The functional currency of SCB (HK) is the HKD, and the major foreign currency is the USD; as the two currencies were under the Linked Exchange Rate System, there was insignificant foreign exchange rate risk.

c. Equity securities price risk

The Group has assessed the possible impact on income when equity security prices on September 30, 2024, December 31, 2023 and September 30, 2023 increased or decreased 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:

September 30, 2024			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	\$ 892,142	\$ 1,579
	Foreign currency depreciated 1% against NTD	(892,142)	(1,579)
Interest rate risk	Interest rate curve edged up 1bp	(81,513)	9,404
	Interest rate curve edged down 1bp	81,513	(9,404)
Equity price risk	Equity price increased 1%	371,713	2,264
	Equity price decreased 1%	(371,713)	(2,264)

December 31, 2023			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	\$ 827,031	(\$ 22,945)
	Foreign currency depreciated 1% against NTD	(827,031)	22,945
Interest rate risk	Interest rate curve edged up 1bp	(75,664)	11,123
	Interest rate curve edged down 1bp	75,664	(11,123)
Equity price risk	Equity price increased 1%	258,449	1,499
	Equity price decreased 1%	(258,449)	(1,499)

September 30, 2023			
Major Risk	Fluctuation Range	Amount	
		Equity	Profit or Loss
Foreign exchange risk	Foreign currency appreciated 1% against the NTD	\$ 859,612	(\$ 51,872)
	Foreign currency depreciated 1% against NTD	(859,612)	51,872
Interest rate risk	Interest rate curve edged up 1bp	(78,339)	9,617
	Interest rate curve edged down 1bp	78,339	(9,617)
Equity price risk	Equity price increased 1%	265,383	1,419
	Equity price decreased 1%	(265,383)	(1,419)

40.3.4 Liquidity risk

(1) The sources and definition of liquidity risk

Liquidity risk is the possibility that the Group 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 Group'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 management procedures are monitored by the independent department of risk management; 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 Group 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 Group holds certain position of highly liquid interest bearing assets to fulfill its obligation and for future needs. To manage the liquidity risk, the Group holds the following assets: Cash and cash equivalents, due from the Central Bank and banks, and financial assets at fair value through profit or loss, etc.

(3) Maturity analysis

The Group analyzed cash outflows of non-derivative financial liabilities according to the remaining terms from date of the balance sheets 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 consolidated balance sheets.

September 30, 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	\$ 16,702,255	\$ 5,810,583	\$ 3,408,834	\$ 2,357,022	\$ 5,578,147	\$ 33,856,841
Financial liabilities measured at FVTPL	-	-	-	-	2,653,443	2,653,443
Securities sold under repurchase agreements	5,414,658	267,412	348,494	-	-	6,030,564
Payables	38,002,388	2,241,779	496,833	553,598	768,900	42,063,498
Deposits and remittances	1,061,949,085	466,970,695	209,580,178	259,402,745	16,303,616	2,014,206,319
Bank debentures	-	-	353,206	1,353,206	54,640,574	56,346,986
Other financial liabilities	7,515,116	31,786	92,310	133,139	888,912	8,661,263
Lease liabilities	40,967	74,429	117,976	265,045	1,397,082	1,895,499

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	\$ 25,682,447	\$ 6,320,861	\$ 1,072,906	\$ 1,658,677	\$ 6,006,430	\$ 40,741,321
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	34,576,023	1,374,232	809,649	775,356	638,953	38,174,213
Deposits and remittances	1,069,675,652	399,978,575	213,964,079	288,463,943	14,009,598	1,986,091,847
Bank debentures	9,407,313	5,442,552	3,000,000	7,472,839	52,561,191	77,883,895
Other financial liabilities	6,623,741	86,329	77,038	130,953	621,975	7,540,036
Lease liabilities	42,360	67,293	97,995	193,102	1,473,255	1,874,005

September 30, 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	\$ 30,919,915	\$ 5,213,763	\$ 2,469,883	\$ 1,622,210	\$ 5,697,935	\$ 45,923,706
Financial liabilities measured at FVTPL	-	-	-	-	1,911,987	1,911,987
Securities sold under repurchase agreements	444,160	246,878	28,188	-	-	719,226
Payables	33,827,266	1,618,899	623,794	653,657	632,885	37,356,501
Deposits and remittances	1,101,775,520	423,593,640	209,092,888	273,807,177	14,678,949	2,022,948,174
Bank debentures	-	-	602,130	8,702,130	67,587,646	76,891,906
Other financial liabilities	6,356,241	20,854	80,910	159,659	635,680	7,253,344
Lease liabilities	44,654	80,597	106,524	201,248	1,473,477	1,906,500

The Group evaluated the contractual maturity date to comprehend all derivative financial instruments on the consolidated balance sheets. 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 consolidated balance sheets. Maturity analysis of derivative financial liabilities is as follows:

A. Derivative financial liabilities in net settlement

September 30, 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	\$ 101,029	\$ 31,131	\$ 6,062	\$ 28,119	-	\$ 166,341
Interest rate derivatives	630	547	1,274	748	120,413	123,612
Equity securities derivatives	397	-	-	-	-	397

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	\$ 31,952	\$ 6,219	\$ 1,520	\$ 18,151	\$ 5,183	\$ 63,025
Interest rate derivatives	2,981	2,726	3,067	3,022	167,908	179,704

September 30, 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	\$ 13,663	\$ 7,495	\$ 2,833	\$ 11,581	\$ 371	\$ 35,943
Interest rate derivatives	678	1,625	8,957	4,711	355,680	371,651
Equity securities derivatives	59	-	-	-	-	59

B. Derivative financial liabilities in gross settlement

September 30, 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	\$ 244,974,783	\$ 171,801,881	\$ 75,206,104	\$ 34,005,001	\$ 2,793,618	\$ 528,781,387
Cash outflow	246,048,085	172,702,894	75,571,554	34,158,005	2,800,290	531,280,828
Interest rate derivatives						
Cash inflow	-	9,205	4,493	-	-	13,698
Cash outflow	-	9,205	4,493	-	-	13,698

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	\$ 244,653,501	\$ 210,428,056	\$ 111,871,999	\$ 13,473,039	\$ 610,461	\$ 581,037,056
Cash outflow	245,949,321	212,204,080	112,483,851	13,492,973	614,100	584,744,325

September 30, 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	\$ 222,784,669	\$ 254,514,259	\$ 224,111,991	\$ 52,146,389	\$ 1,005,518	\$ 754,562,826
Cash outflow	223,907,905	256,266,548	226,144,810	52,959,438	1,015,809	760,294,510

The analysis of cash outflows of in-balance-sheet items is illustrated according to the remaining days from the balance sheet date to maturity date of the contract. For financial guarantee contracts, the largest amount is categorized under the earliest possible date to take responsibility. 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.

September 30, 2024	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 14,051,031	\$ 19,265,864	\$ 11,302,217	\$ 13,361,546	\$ 16,553,178	\$ 74,533,836
Non-cancelable loan commitments	27,995,991	1,724,008	533,151	3,274,953	24,986,208	58,514,311
Issued but unused letters of credit	30,633,776	5,081,847	493,381	171,176	133,220	36,513,400
Non-cancelable credit card commitments	85,870	171,741	257,611	57,629	-	572,851

December 31, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 24,114,261	\$ 15,547,742	\$ 7,796,332	\$ 15,349,161	\$ 19,098,113	\$ 81,905,609
Non-cancelable loan commitments	3,683,613	1,183,119	1,021,936	3,196,432	44,328,565	53,413,665
Issued but unused letters of credit	28,904,264	4,302,930	268,134	185,820	211,977	33,873,125
Non-cancelable credit card commitments	90,164	180,328	270,492	60,511	-	601,495

September 30, 2023	0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Other guarantees	\$ 23,180,345	\$ 20,398,117	\$ 10,433,173	\$ 12,928,256	\$ 19,570,772	\$ 86,510,663
Non-cancelable loan commitments	11,002,637	1,105,971	1,983,672	2,394,138	44,288,871	60,775,289
Issued but unused letters of credit	30,840,555	4,865,771	306,684	173,732	160,231	36,346,973
Non-cancelable credit card commitments	89,242	178,484	267,726	59,891	-	595,343

40.4 Transfer of financial assets

In the daily transactions of the Group, 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 Group may repurchase the transferred financial assets in the future. The Group is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period prior to derecognition. However, the Group 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.

September 30, 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	\$ 6,025,500	\$ 6,030,564	\$ 6,025,500	\$ 6,030,564	\$ 4,064
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)
September 30, 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	\$ 710,500	\$ 719,226	\$ 710,500	\$ 719,226	(\$ 8,726)

41. 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.

41.1 The Bank

	For the Nine Months Ended September 30, 2024	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	\$ 16,195,736	1.09
Due from the Central Bank and call loans to banks	84,482,478	2.64
Financial assets measured at FVTPL	689,321	2.74
Securities purchased under resell agreements	9,651,363	0.96
Credit card revolving balances	694,639	11.33
Discounts and loans (excluding non-performing loans)	875,980,405	3.09
Financial assets measured at FVTOCI - investments in debt instruments	226,273,776	3.38
Investments in debt instruments measured at amortized cost	199,416,765	1.39
Interest-bearing liabilities		
Due to the central bank and banks	15,172,897	3.60
Financial liabilities measured at FVTPL	2,683,095	6.15
Securities sold under repurchase agreements	3,071,528	1.07
Negotiable certificates of deposit	58,523,046	1.59
Demand deposits	280,687,751	0.79
Savings deposits	207,618,774	0.82
Time deposits	453,644,438	2.38
Time savings	249,105,189	1.64
Bank debentures	54,846,703	1.34
Other financial liabilities	6,413,360	4.60
Lease liabilities	769,366	1.09

	For the Nine Months Ended September 30, 2023	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Cash and cash equivalents - due from other banks	\$ 17,640,077	0.73
Due from the Central Bank and call loans to banks	101,613,484	2.90
Securities purchased under resell agreements	783,345	1.15
Credit card revolving balances	598,888	13.58
Discounts and loans (excluding non-performing loans)	864,063,271	3.02
Financial assets measured at FVTOCI - investments in debt instruments	212,144,908	2.83
Investments in debt instruments measured at amortized cost	217,386,939	1.16
Interest-bearing liabilities		
Due to the central bank and banks	15,584,706	3.34
Financial liabilities measured at FVTPL	2,161,721	6.78
Securities sold under repurchase agreements	669,427	0.87
Negotiable certificates of deposit	69,637,405	1.44
Demand deposits	306,913,488	0.72
Savings deposits	206,672,626	0.74
Time deposits	457,153,062	2.03
Time savings	201,277,783	1.47
Bank debentures	56,477,131	1.34
Other financial liabilities	3,997,305	2.82
Lease liabilities	807,468	0.93

41.2 SCB (HK)

	For the Nine Months Ended September 30, 2024	
	Average Balance	Average Rate (%)
Interest-bearing assets		
Due from other banks	\$ 335,691,361	4.32
Discounts and loans (excluding non-performing loans)	343,082,519	6.32
Credit card revolving balances	121,094	28.90
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	193,122,746	3.20
Interest-bearing liabilities		
Due to banks	20,188,752	3.81
Demand deposits	197,854,979	0.37
Time deposits	534,368,812	4.33
Bank debentures	11,570,653	6.59

For the Nine Months Ended
September 30, 2023

	Average Balance	Average Rate (%)
Interest-bearing assets		
Due from other banks	\$ 292,290,836	3.73
Discounts and loans (excluding non-performing loans)	390,977,271	6.20
Credit card revolving balances	112,246	29.19
Debt instruments (including investments in debt instruments measured at FVTOCI and amortized cost)	200,439,318	2.13
Interest-bearing liabilities		
Due to banks	29,618,278	4.02
Demand deposits	236,629,113	0.30
Time deposits	489,141,242	3.84
Bank debentures	18,668,188	5.87

42. CAPITAL MANAGEMENT

All the Group'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.

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

43.1 Assets quality: As stated in Table 1

43.2 Concentration of credit extensions

Top 10 credit extensions information of the Group was as below:

Ranking (Note 1)	September 30, 2024					
	The Bank			SCB (HK)		
	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value (Note 4)
1	A Group (general management agency)	8,100,871	4.19%	O Group (hotel property development)	12,980,386	8.33%
2	B Group (general management agency)	6,979,382	3.61%	P Group (hotel property development)	10,982,896	7.05%
3	C Group (retail sale of electric and communications equipment)	5,873,708	3.04%	Q Group (property development)	7,968,802	5.12%
4	D Group (real estate development)	5,333,344	2.76%	R Group (hotel property development)	7,122,328	4.57%
5	E Group (electric power supply)	5,233,091	2.70%	S Group (property development, apparel and commodity trading)	6,681,536	4.29%
6	F Group (wiring and cable system manufacturing)	4,245,458	2.19%	T Group (broadcasting and entertainment industry)	6,478,717	4.16%
7	G Group (computer manufacturing)	4,073,405	2.11%	U Group (property investment and development)	6,261,232	4.02%
8	H Group (computer and peripheral manufacturing)	3,974,983	2.05%	V Group (property development)	6,234,875	4.00%
9	I Group (real estate development)	3,872,610	2.00%	W Group (hotel property development)	6,007,806	3.86%
10	J Group (financial leasing)	3,759,455	1.94%	X Group (property investment and development)	5,941,583	3.81%

Ranking (Note 1)	December 31, 2023					
	The Bank			SCB (HK)		
	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value (Note 4)
1	A Group (general management agency)	7,845,897	4.28%	O Group (hotel property development)	12,643,950	8.90%
2	B Group (general management agency)	7,055,149	3.85%	P Group (hotel property development)	10,920,089	7.69%
3	D Group (real estate development)	5,317,880	2.90%	Y Group (investment holding)	10,877,775	7.66%
4	K Group (real estate selling and leasing)	5,265,396	2.87%	L Group (other holding companies)	7,431,234	5.23%
5	L Group (other holding companies)	5,160,551	2.82%	R Group (hotel property development)	7,205,515	5.07%
6	M Group (apparel manufacturing)	4,652,001	2.54%	Q Group (property development)	7,113,840	5.01%
7	E Group (electric power supply)	4,605,801	2.51%	W Group (hotel property development)	7,107,272	5.00%
8	N Group (real estate development)	4,184,107	2.28%	T Group (broadcasting and entertainment industry)	6,251,009	4.40%
9	J Group (financial leasing)	4,170,449	2.27%	U Group (property investment and development)	5,866,795	4.13%
10	F Group (wiring and cable system manufacturing)	4,087,209	2.23%	X Group (property investment and development)	5,814,113	4.09%

Ranking (Note 1)	September 30, 2023					
	The Bank			SCB (HK)		
	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value	Group Name (Note 2)	Credit Extension Balance (Note 3)	% of Net Asset Value (Note 4)
1	A Group (general management agency)	8,178,108	4.53%	L Group (other holding companies)	14,413,672	9.70%
2	B Group (general management agency)	7,501,680	4.16%	O Group (hotel property development)	13,282,250	8.94%
3	G Group (computer manufacturing)	6,914,659	3.83%	Y Group (investment holding)	12,082,953	8.13%
4	K Group (real estate selling and leasing)	5,526,428	3.06%	P Group (hotel property development)	11,591,902	7.80%
5	L Group (other holding companies)	5,398,844	2.99%	R Group (hotel property development)	7,683,881	5.17%
6	D Group (real estate development)	5,247,014	2.91%	W Group (hotel property development)	7,466,908	5.02%
7	H Group (computer and peripheral manufacturing)	4,968,926	2.75%	T Group (broadcasting and entertainment industry)	6,555,826	4.41%
8	M Group (apparel manufacturing)	4,702,260	2.61%	X Group (property investment and development)	6,260,055	4.21%
9	F Group (wiring and cable system manufacturing)	4,202,873	2.33%	U Group (property investment and development)	6,174,593	4.15%
10	J Group (financial leasing)	4,141,680	2.30%	V Group (property development)	5,691,994	3.83%

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 Group enterprise, the credit balance of the borrower is then aggregated to the Group enterprise's credit balance. The borrower is marked by specific codes as well as its major industries. The major industry of a borrower is determined by its maximum exposures by industries. The classification of industry should be in line with the Standard Industrial Classification System of the Republic of China published by the Directorate General of Budget, Accounting and Statistics under the Executive Yuan.

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

Note 3: Credit balance includes each item of loan (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 guarantees issued.

Note 4: It is net equity of SCB (HK).

43.3 Interest rate sensitivity information

43.3.1 The Bank

Interest Rate Sensitivity (NTD)

September 30, 2024

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 923,026,567	\$ 42,046,016	\$ 13,718,274	\$ 66,954,644	\$ 1,045,745,501
Interest rate sensitive liabilities	274,522,505	445,618,806	214,615,286	51,922,929	986,679,526
Interest rate sensitivity gap	648,504,062	(403,572,790)	(200,897,012)	15,031,715	59,065,975
Net equity					193,477,335
Ratio of interest rate sensitive assets to liabilities					105.99%
Ratio of interest rate sensitivity gap to net equity					30.53%

December 31, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 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%

September 30, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 963,031,783	\$ 35,367,745	\$ 13,090,935	\$ 71,242,256	\$ 1,082,732,719
Interest rate sensitive liabilities	265,783,387	463,277,678	230,867,812	50,413,916	1,010,342,793
Interest rate sensitivity gap	697,248,396	(427,909,933)	(217,776,877)	20,828,340	72,389,926
Net equity					181,588,426
Ratio of interest rate sensitive assets to liabilities					107.16%
Ratio of interest rate sensitivity gap to net equity					39.86%

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 denominated in NT dollars).

Interest Rate Sensitivity (USD)**September 30, 2024**

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 8,418,140	\$ 76,931	\$ -	\$ -	\$ 8,495,071
Interest rate sensitive liabilities	3,912,183	3,878,739	437,849	147,291	8,376,062
Interest rate sensitivity gap	4,505,957	(3,801,808)	(437,849)	(147,291)	119,009
Net equity					6,111,097
Ratio of interest rate sensitive assets to liabilities					101.42%
Ratio of interest rate sensitivity gap to net equity					1.95%

December 31, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 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%)

September 30, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 7,810,324	\$ 115,720	\$ -	\$ -	\$ 7,926,044
Interest rate sensitive liabilities	3,525,252	3,947,765	433,312	72,552	7,978,881
Interest rate sensitivity gap	4,285,072	(3,832,045)	(433,312)	(72,552)	(52,837)
Net equity					5,626,287
Ratio of interest rate sensitive assets to liabilities					99.34%
Ratio of interest rate sensitivity gap to net equity					(0.94%)

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

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

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

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

43.3.2 SCB (HK)**Interest Rate Sensitivity (USD)****September 30, 2024**

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 6,642,219	\$ 620,081	\$ 856,804	\$ 1,559,296	\$ 9,678,400
Interest rate sensitive liabilities	6,497,017	1,214,033	576,979	492,736	8,780,765
Interest rate sensitivity gap	145,202	(593,952)	279,825	1,066,560	897,635
Net equity					4,951,881
Ratio of interest rate sensitive assets to liabilities					110.22%
Ratio of interest rate sensitivity gap to net equity					18.13%

December 31, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 7,234,415	\$ 606,866	\$ 627,079	\$ 1,424,155	\$ 9,892,515
Interest rate sensitive liabilities	6,574,255	1,159,672	684,421	540,037	8,958,385
Interest rate sensitivity gap	660,160	(552,806)	(57,342)	884,118	934,130
Net equity					4,669,988
Ratio of interest rate sensitive assets to liabilities					110.43%
Ratio of interest rate sensitivity gap to net equity					20.00%

September 30, 2023

Item	1~90 days	91~180 days	181 days~1 year	Over 1 year	Total
Interest rate sensitive assets	\$ 6,805,058	\$ 651,297	\$ 761,224	\$ 1,536,896	\$ 9,754,475
Interest rate sensitive liabilities	6,663,916	1,442,865	1,061,389	569,474	9,737,644
Interest rate sensitivity gap	141,142	(791,568)	(300,165)	967,422	16,831
Net equity					4,614,920
Ratio of interest rate sensitive assets to liabilities					100.17%
Ratio of interest rate sensitivity gap to net equity					0.36%

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

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

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

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

43.4 Profitability

The Group

Unit: %

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.77	1.23
	After income tax	0.62	1.01
Return on equity	Before income tax	7.46	12.54
	After income tax	6.03	10.33
Profit margin		29.14	47.85

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.

Note 5: The quarterly profitability is converted to the annual benchmark figures expressed in the annual rates.

43.5 Maturity analysis of assets and liabilities

43.5.1 The Bank

(1) In Thousands of New Taiwan Dollars

September 30, 2024

	Total	For remaining period to maturity date					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 1,136,558,256	\$ 181,962,422	\$ 74,011,161	\$ 54,924,125	\$ 67,363,829	\$ 132,902,024	\$ 625,394,695
Major cash outflow on maturity	1,472,836,970	50,920,283	105,643,030	265,578,698	224,529,522	291,304,479	534,860,958
Gap	(336,278,714)	131,042,139	(31,631,869)	(210,654,573)	(157,165,693)	(158,402,455)	90,533,737

December 31, 2023

	Total	For remaining period to maturity date					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~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

September 30, 2023

	Total	For remaining period to maturity date					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 1,150,511,859	\$ 217,867,300	\$ 88,848,060	\$ 51,274,554	\$ 62,766,613	\$ 134,006,665	\$ 595,748,667
Major cash outflow on maturity	1,488,574,258	82,779,519	109,329,833	224,338,897	249,642,626	305,525,495	516,957,888
Gap	(338,062,399)	135,087,781	(20,481,773)	(173,064,343)	(186,876,013)	(171,518,830)	78,790,779

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

(2) In Thousands of US dollars

September 30, 2024

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 12,945,581	\$ 1,939,614	\$ 922,809	\$ 806,371	\$ 849,554	\$ 8,427,233
Major cash outflow on maturity	14,280,345	2,891,514	2,942,449	1,990,926	2,033,117	4,422,339
Gap	(1,334,764)	(951,900)	(2,019,640)	(1,184,555)	(1,183,563)	4,004,894

December 31, 2023

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~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

September 30, 2023

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 12,361,898	\$ 2,140,774	\$ 1,089,229	\$ 700,847	\$ 716,250	\$ 7,714,798
Major cash outflow on maturity	14,082,648	2,859,572	2,461,896	1,888,338	2,002,919	4,869,923
Gap	(1,720,750)	(718,798)	(1,372,667)	(1,187,491)	(1,286,669)	2,844,875

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

43.5.2 SCB (HK)

In Thousands of US dollars

September 30, 2024

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 9,843,610	\$ 2,837,572	\$ 1,128,472	\$ 1,057,759	\$ 1,241,838	\$ 3,577,969
Major cash outflow on maturity	8,877,063	3,926,419	3,136,537	1,036,058	431,263	346,786
Gap	966,547	(1,088,847)	(2,008,065)	21,701	810,575	3,231,183

December 31, 2023

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 10,032,717	\$ 3,184,480	\$ 1,469,969	\$ 713,016	\$ 1,152,510	\$ 3,512,742
Major cash outflow on maturity	9,042,367	4,318,213	2,902,280	984,685	486,118	351,071
Gap	990,350	(1,133,733)	(1,432,311)	(271,669)	666,392	3,161,671

September 30, 2023

	Total	For remaining period to maturity date				
		0~30 days	31~90 days	91~180 days	181 days~1 year	Over 1 year
Major cash inflow on maturity	\$ 9,826,411	\$ 2,834,572	\$ 1,374,328	\$ 891,122	\$ 1,045,046	\$ 3,681,343
Major cash outflow on maturity	8,990,656	4,083,928	2,788,847	869,854	881,462	366,565
Gap	835,755	(1,249,356)	(1,414,519)	21,268	163,584	3,314,778

Note: This table includes only financial assets/liabilities held by SCB.

44. THE CONTENTS AND AMOUNTS OF TRUST ACTIVITIES UNDER TRUST ENTERPRISE ACT

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

Balance Sheet of Trust Account

	September 30, 2024	December 31, 2023	September 30, 2023		September 30, 2024	December 31, 2023	September 30, 2023
Trust Assets				Trust Liabilities			
Bank deposit	\$ 9,985,785	\$ 7,291,392	\$ 6,943,367	Accounts payable	\$ 159	\$ 136	\$ 87
Short-term investments	111,397,132	102,850,714	103,167,029	Depository of security payable	60,182,175	54,771,849	57,422,471
Net asset value of collective investment trust fund	6,497,846	6,567,315	6,531,897	Trust capital	171,149,201	155,140,589	156,441,863
Accounts receivable	7,199	15,357	11,330	Accumulated (loss) gain and equity	(113,615)	(201,890)	(526,096)
Land	32,082,406	28,683,633	29,881,662				
Buildings and improvement, net	89,484	78,662	76,007				
Construction in progress	10,914,235	9,391,294	9,244,677				
Securities in custody	60,182,175	54,771,849	57,422,471				
Other assets	61,658	60,468	59,885				
Total trust assets	<u>\$ 231,217,920</u>	<u>\$ 209,710,684</u>	<u>\$ 213,338,325</u>	Total trust Liabilities	<u>\$ 231,217,920</u>	<u>\$ 209,710,684</u>	<u>\$ 213,338,325</u>

Trust Asset Lists

Item	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks	\$ 9,985,785	\$ 7,291,392	\$ 6,943,367
Short-term investment			
Funds	65,168,371	65,398,463	66,834,060
Bonds	36,125,728	29,830,664	28,888,268
Common stocks	4,157,145	4,271,864	4,403,130
Structured instruments	5,757,776	3,150,933	2,827,900
Preferred stock	188,112	198,790	213,671
Net asset value of collective trust accounts	6,497,846	6,567,315	6,531,897
Receivables	7,199	15,357	11,330
Land	32,082,406	28,683,633	29,881,662
Buildings and improvement, net	89,484	78,662	76,007
Construction in progress	10,914,235	9,391,294	9,244,677
Depository of securities	60,182,175	54,771,849	57,422,471
Other assets - principal deferred expense	61,658	60,468	59,885
Total	<u>\$ 231,217,920</u>	<u>\$ 209,710,684</u>	<u>\$ 213,338,325</u>

Income Statements of Trust Account

	For the Nine Months Ended September 30	
	2024	2023
Trust income		
Dividend income	\$ 81,276	\$ 87,364
Interest income	47,484	33,063
Donation income	251	34
Realized investment gains	15,624	10,457
Unrealized investment gains	274,574	122,368
Other revenue	20,925	53,026
	<u>\$ 440,134</u>	<u>\$ 306,312</u>
Trust expenses		
Tax expenditures	\$ 4,603	\$ 6,649
Management expenses	6,465	9,499
Service expenses	1,005	2,133
Realized investment losses	2,528	156,595
Unrealized investment losses	471,561	682,899
Donation expenses	485	50
Other expenses	1,245	1,083
	<u>487,892</u>	<u>858,908</u>
Income (loss) before income tax	(47,758)	(552,596)
Income tax expense	(29)	(14)
Net income (loss)	<u>(\$ 47,787)</u>	<u>(\$ 552,610)</u>

45. EXCHANGE RATE INFORMATION OF FOREIGN FINANCIAL ASSETS AND LIABILITIES

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

45.1 The Bank

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets									
Cash and cash equivalents									
CNY	\$ 1,005,093	4.5260	\$ 4,549,051	\$ 949,383	4.3280	\$ 4,108,930	\$ 742,549	4.4112	\$ 3,275,532
JPY	18,231,909	0.2229	4,063,893	27,630,882	0.2170	5,995,901	41,159,456	0.2160	8,890,442
USD	79,482	31.6600	2,516,400	96,822	30.7050	2,972,920	71,798	32.2750	2,317,280
Due from the Central Bank and call loans to banks									
USD	983,784	31.6600	31,146,601	966,684	30.7050	29,682,032	1,061,354	32.2750	34,255,200
JPY	9,085,000	0.2229	2,025,047	95,000	0.2170	20,615	80,000	0.2160	17,280
VND	1,140,000,000	0.0013	1,468,320	1,040,000,000	0.0013	1,352,000	1,095,000,000	0.0013	1,423,500
Receivables									
USD	84,134	31.6600	2,663,682	48,473	30.7050	1,488,363	83,336	32.2750	2,689,669
JPY	2,737,215	0.2229	610,125	957,279	0.2170	207,730	1,655,403	0.2160	357,567
AUD	27,016	21.9600	593,271	56	21.0084	1,176	57	20.5705	1,173
Discounts and loans									
USD	3,468,513	31.6600	109,813,122	3,305,698	30.7050	101,501,457	3,510,221	32.2750	113,292,383
CNY	3,288,610	4.5260	14,884,249	3,310,419	4.3280	14,327,493	3,565,547	4.4112	15,728,341
HKD	1,383,008	4.0760	5,637,141	4,374,670	3.9294	17,189,828	4,333,819	4.1242	17,873,536
Financial assets at FVTOCI									
USD	3,681,046	31.6600	116,541,916	3,138,985	30.7050	96,382,534	2,871,729	32.2750	92,685,053
AUD	556,433	21.9600	12,219,269	895,261	21.0084	18,808,001	883,182	20.5705	18,167,495
JPY	19,278,118	0.2229	4,297,093	12,163,954	0.2170	2,639,578	13,433,432	0.2160	2,901,621
Financial assets measured at amortized cost									
USD	270,004	31.6600	8,548,327	501,504	30.7050	15,398,680	426,883	32.2750	13,777,649
AUD	180,000	21.9600	3,952,800	203,000	21.0084	4,264,705	203,000	20.5705	4,175,812
SGD	29,837	24.7300	737,869	60,028	23.3020	1,398,772	60,153	23.5283	1,415,298
Financial assets at FVTPL									
USD	59,996	31.6600	1,899,473	13,183	30.7050	404,784	36,191	32.2750	1,168,065
JPY	861,470	0.2229	192,022	83,997	0.2170	18,227	87,461	0.2160	18,892
EUR	3,748	35.3400	132,454	2,765	34.0181	94,060	45	33.9243	1,527
Equity investments under the equity method									
USD	3,005,360	31.6600	95,149,698	2,832,580	30.7050	86,974,369	2,817,529	32.2750	90,935,748
HKD	107,800	4.0760	439,393	101,299	3.9294	398,044	98,614	4.1242	406,704
Financial liabilities									
Payables									
USD	94,615	31.6600	2,995,511	85,299	30.7050	2,619,106	93,825	32.2750	3,028,202
JPY	1,885,075	0.2229	420,183	929,842	0.2170	201,776	1,488,695	0.2160	321,558
EUR	2,035	35.3400	71,917	16,635	34.0181	565,891	2,850	33.9243	96,684
Deposits from the central bank and other banks									
CNY	777,297	4.5260	3,518,046	493,870	4.3280	2,137,469	441,801	4.4112	1,948,873
VND	2,200,000,000	0.0013	2,833,600	2,612,000,000	0.0013	3,395,600	2,937,000,000	0.0013	3,818,100
USD	79,734	31.6600	2,524,378	181,350	30.7050	5,568,352	112,827	32.2750	3,641,491
Deposits and remittances									
USD	8,158,466	31.6600	258,297,034	7,869,931	30.7050	241,646,231	7,866,805	32.2750	253,901,131
JPY	145,860,238	0.2229	32,512,247	166,681,313	0.2170	36,169,845	163,616,645	0.2160	35,341,195
CNY	3,640,908	4.5260	16,478,750	4,692,992	4.3280	20,311,269	4,693,174	4.4112	20,702,529
Financial liabilities at FVTPL									
USD	106,768	31.6600	3,380,275	85,597	30.7050	2,628,256	98,789	32.2750	3,188,415
HKD	5,910	4.0760	24,089	1,316	3.9294	5,171	-	-	-
CNY	663	4.5260	3,001	48	4.3280	208	38	4.4112	168

45.2 SCB (HK)

	September 30, 2024			December 31, 2023			September 30, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets									
Cash and cash equivalents									
CNY	\$ 870,929	4.5260	\$ 3,941,825	\$ 1,846,094	4.3280	\$ 7,989,895	\$ 777,405	4.4112	\$ 3,429,289
USD	49,480	31.6600	1,566,537	57,221	30.7050	1,756,971	43,292	32.2750	1,397,249
JPY	2,753,542	0.2229	613,765	9,636,225	0.2170	2,091,061	16,578,972	0.2160	3,581,058
Due from the Central Bank and call loans to banks									
USD	2,950,518	31.6600	93,413,400	3,117,544	30.7050	95,724,189	3,012,251	32.2750	97,220,401
CNY	6,039,980	4.5260	27,336,949	4,284,208	4.3280	18,542,052	7,103,072	4.4112	31,333,071
Receivables									
USD	32,019	31.6600	1,013,722	66,976	30.7050	2,056,498	31,598	32.2750	1,019,825
CNY	18,219	4.5260	82,459	12,892	4.3280	55,797	10,557	4.4112	46,569
Discounts and loans									
USD	3,498,989	31.6600	110,777,992	3,903,662	30.7050	119,861,942	4,075,120	32.2750	131,524,498
CNY	4,571,216	4.5260	20,689,324	5,279,312	4.3280	22,848,862	4,585,592	4.4112	20,227,963
GBP	438,955	42.3600	18,594,134	471,820	39.1090	18,452,408	475,993	39.1915	18,654,880
Financial liabilities									
Payables									
USD	43,610	31.6600	1,380,693	17,701	30.7050	543,509	39,499	32.2750	1,274,830
CNY	19,411	4.5260	87,854	9,244	4.3280	40,008	12,501	4.4112	55,144
Deposits from the central bank and other banks									
USD	266,582	31.6600	8,439,986	336,382	30.7050	10,328,609	415,850	32.2750	13,421,559
CNY	990,244	4.5260	4,481,844	1,490,163	4.3280	6,449,425	1,758,392	4.4112	7,756,619
GBP	55,375	42.3600	2,345,685	1,241	39.1090	48,534	1,227	39.1915	48,088
Deposits and remittances									
USD	8,155,560	31.6600	258,205,030	7,961,036	30.7050	244,443,610	7,823,395	32.2750	252,500,074
CNY	11,250,571	4.5260	50,920,084	12,248,287	4.3280	53,010,586	13,020,031	4.4112	57,433,961

46. ADDITIONAL DISCLOSURES

46.1 Information of significant transaction items and 46.2 Other business investment is as follows:

46.1.1 Financing provided: Table 2.

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

46.1.3 Marketable securities held: Table 3.

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

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

46.1.6 Disposal of individual real estate at prices of at least NT\$300 million or 10% of the issued capital: Table 4

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

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

46.1.9 Sale of non-performing loans: None.

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

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

46.1.12 Names, locations, and other information of investees on which the Bank exercises significant influence: None.

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

46.3 Investments in Mainland China:

46.3.1 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.

46.3.2 Significant direct or indirect transactions with the investees, prices and terms of payment, unrealized gain or loss: None.

46.4 Significant transactions and the amount among the parent and its subsidiaries: Table 6.

46.5 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: None.

47. SEGMENT INFORMATION

Information reported to the chief operating decision maker focuses on the major geographical areas and profit or loss of the segments. The Group's segments mainly operate in Taiwan and Hong Kong.

The Group provides income before tax of each operating segment to the chief operating decision maker as the basis of resource allocation and assessment of segment performance.

The significant accounting policies of each operating segment are in line with the Group's significant accounting policies stated in Note 4.

The operating segments information is as follows:

	For the Nine Months Ended September 30, 2024				
	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 14,400,721	\$ 12,870,892	\$ 1,472,562	\$ 2	\$ 28,744,177
Non-interest income	6,087,554	3,965,022	278,522	(12,693)	10,318,405
Net revenue	20,488,275	16,835,914	1,751,084	(12,691)	39,062,582
Provisions for bad-debt expense, commitment and guarantee liability	(2,000,000)	(7,828,271)	(367,249)	-	(10,195,520)
Operating expenses	(7,391,039)	(6,119,244)	(1,281,628)	(4,164)	(14,796,075)
Profit before income tax	\$ 11,097,236	\$ 2,888,399	\$ 102,207	(\$ 16,855)	\$ 14,070,987

For the Nine Months Ended September 30, 2023

	Taiwan	Hong Kong	Others	Other Adjustments	Total
Net interest income	\$ 14,868,696	\$ 12,670,399	\$ 1,594,872	\$ 2	\$ 29,133,969
Non-interest income	4,384,709	4,227,525	339,179	(13,281)	8,938,132
Net revenue	19,253,405	16,897,924	1,934,051	(13,279)	38,072,101
Provisions for bad-debt expense, commitment and guarantee liability	(901,982)	(790,181)	(490,389)	-	(2,182,552)
Operating expenses	(6,946,840)	(5,566,372)	(1,238,035)	(24,346)	(13,775,593)
Profit before income tax	<u>\$ 11,404,583</u>	<u>\$ 10,541,371</u>	<u>\$ 205,627</u>	<u>(\$ 37,625)</u>	<u>\$ 22,113,956</u>

The Group did not periodically disclose information on all assets of each operating segment to the operating management, there was no amount of assets.

Main operating clients

The Group's revenue from any single external client did not exceed 10% of the total revenue, thus main operating clients were not disclosed.

TABLE 1

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

OVERDUE LOANS AND RECEIVABLES
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars, %)

Date			September 30, 2024				December 31, 2023					September 30, 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)	Overdue Loans (Note 1)	Loans	NPL Ratio (%) (Note 2)	Loan Loss Reserve(LLR)	Coverage Ratio (Note 3)
Corporate banking	Secured		\$ 1,248,249	\$ 303,277,609	0.41	\$ 3,590,264	287.62	\$ 925,095	\$ 306,015,018	0.30	\$ 5,227,854	565.12	\$ 1,145,321	\$ 308,871,182	0.37	\$ 4,464,890	389.84
	Unsecured		1,213,442	239,463,063	0.51	2,936,573	242.00	139,203	227,288,694	0.06	2,599,071	1,867.11	199,465	233,073,061	0.09	2,570,401	1,288.65
Consumer banking	Mortgage (Note 4)		533,863	308,114,266	0.17	4,857,476	909.87	342,306	306,812,936	0.11	5,402,582	1,578.29	369,861	308,137,775	0.12	5,064,629	1,369.33
	Cash cards		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Microcredit (Note 5)		12,745	3,630,523	0.35	41,998	329.53	7,036	4,267,867	0.16	59,164	840.88	9,386	4,449,633	0.21	55,774	594.23
	Others (Note 6)	Secured	47,374	35,329,841	0.13	374,456	790.43	46,330	35,408,267	0.13	462,645	998.59	30,359	35,566,969	0.09	392,149	1,291.71
		Unsecured	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total			3,055,673	889,815,302	0.34	11,800,767	386.19	1,459,970	879,792,782	0.17	13,751,316	941.89	1,754,392	890,098,620	0.20	12,547,843	715.22
			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)	Overdue Loans (Note 1)	Accounts Receivable	Delinquency Ratio (%) (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards			11,658	3,724,585	0.31	55,557	476.56	7,736	3,993,109	0.19	74,454	962.44	8,019	3,857,466	0.21	79,856	995.83
Accounts receivable factored without recourse (Note 7)			-	202,891	-	2,029	-	-	350,360	-	3,504	-	-	323,408	-	3,234	-

Note 1: Overdue loans represent the amounts of overdue 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.”
Overdue credit card receivables represent the amounts of overdue 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 NPL: Non-performing loans ÷ Outstanding loan balance.
Ratio of delinquency: Non-performing receivables ÷ Outstanding receivables balance.

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

Note 4: 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: Microcredit, 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 mortgage, cash card, microcredit 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. AND SUBSIDIARIES

**OVERDUE LOANS AND RECEIVABLES
SEPTEMBER 30, 2024, DECEMBER 31, 2023 AND SEPTEMBER 30, 2023
(In Thousands of New Taiwan Dollars)**

	September 30, 2024		December 31, 2023		September 30, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiations and loan agreements (Note 1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
As a result of consumer debt clearance (Note 2)	-	30,998	-	29,642	-	29,647

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. 10500134690).

TABLE 2

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

LOANS AND OTHER INFORMATION
SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars)

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	\$ 81,468	\$ 135,780	\$ 81,468	6%~11%	1	\$ 81,468	-	\$ 1,629	Real estate	\$ 272,918	\$ 386,991	\$ 967,477

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. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars)

Holding Company Name	Name	Security Issuer's Relationship with Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
Shancom Reconstruction Inc.	Empresa Inversiones Generales, S.A.	Indirect subsidiary	Investments in subsidiaries	1	\$ 22,758	100.00	\$ 22,758	Note
	Krinein Company	Indirect subsidiary	Investments in subsidiaries	2	31,718	100.00	31,718	Note
	Safehaven Investment Corporation	Indirect subsidiary	Investments in subsidiaries	1	55,460	100.00	55,460	Note
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	11,370	438,867	0.23	438,867	
Wresqueue Limitada	Prosperity Realty Inc.	Indirect subsidiary	Investments in subsidiaries	4	45,093	100.00	45,093	Note
China Travel Service (Taiwan)	Silks Place Taroko	-	Equity investments under the	20,372	222,096	45.00	222,096	Note
	CTS Travel International Ltd.	Indirect subsidiary	Investments in subsidiaries	600	7,022	100.00	7,022	
	Joy Tour Service Co., Ltd.	-	Financial assets measured at FVTOCI	100	419	11.00	419	
	Shanghai Commercial & Savings Bank, Ltd.	The Bank	Financial assets measured at FVTOCI	27	1,074	-	1,074	
SCSB Asset Management Ltd.	SCSB Leasing (China) Co., Ltd.	Indirect subsidiary	Investments in subsidiaries	N/A	955,172	100.00	955,172	Note
	Fubon Financial Holding Co., Ltd. Preferred Shares C	-	Financial assets measured at FVTOCI	2	104,600	-	104,600	
Krinein Company	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	1,920	14,437,031	9.60	14,437,031	Note
Empresa Inversiones Generales, S.A.	Shanghai Commercial Bank (HK)	Indirect subsidiary	Investments in subsidiaries	9,600	72,185,153	48.00	72,185,153	Note

Note1: A consolidated entity; the related intercompany transaction was eliminated in the consolidated financial statements.

TABLE 4

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST NT\$300 MILLION OR 10% OF THE ISSUED CAPITAL

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

(In Thousands of HK Dollars)

Seller	Property	Event Date (Note1)	Acquisition Date	Carrying Amount	Transaction Amount (Note2)	Payment Status	Disposal Gain or Loss (Note 3)	Counterparty	Relationship	Purpose of Disposal	Purpose of Acquisition and Usage	Other Terms
The Shanghai Commercial Bank, Ltd.	Residential property, 33 Catchick Street, Kennedy Town, Western District, Hong Kong	2024/4/24	Not Applicable	HK\$ 320,070	HK\$ 564,786	Payment schedule is according to the terms of the contract	\$ -	Eligible persons, persons or companies aged 18 or above who hold a valid Hong Kong Identity Card and a valid passport	Among 74 residential units, room F on the 9th and 10th floor of the unit was sold to Mr. Rong Kang Shen, non-executive chairman of Shanghai Commercial Bank Co., Ltd. The above transaction was announced on August 12, 2024	Disposal of non- owner-occupied residential real estate of the subsidiary company	173 residential units, the total price is determined with reference by valuation company, appraisal as of March 31, 2024 Cushman & Wakefield: HK\$1,709,000 Jones Lang LaSalle: HK\$1,828,000	None

Note 1: The event date was the date of the resolution of the board of directors.

Note 2: The transaction amount represents the total number of 74 residential units that have signed contracts as of September 30, 2024.

Note 3: As of September 30, 2024, the transfer process has not been completed.

TABLE 5

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA

SEPTEMBER 30, 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 September 30, 2024 and inward remittance of earnings:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type (Note 1)	Accumulated Outflow of Investment as of December 31, 2023	Investment Flows		Accumulated Outflow of Investment as of September 30, 2024	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024
					Outflow	Inflow					
SCSB Leasing (China) Co., Ltd.	Leasing operation	\$ 949,800 US\$ 30,000	Note 1 (3)	\$ 949,800 US\$ 30,000	\$ - US\$ -	\$ - US\$ -	\$ 949,800 US\$ 30,000	100%	(\$ 12,048) (US\$ 376)	\$ 955,172 US\$ 30,170	\$ - -
Bank of Shanghai	Banking business approved by local government	64,299,397 US\$ 2,030,935	Note 4	3,569,443 US\$ 112,743	- US\$ -	- US\$ -	3,569,443 US\$ 112,743	3%	- US\$ -	15,217,686 US\$ 480,660	- -
Shanghai Commercial Bank Ltd. - Shenzhen Branch	Banking business approved by local government	3,171,376 US\$ 100,170	Note 4	2,022,852 US\$ 63,893	- US\$ -	- US\$ -	2,022,852 US\$ 63,893	100%	30,247 US\$ 945	3,000,478 US\$ 94,772	- -
Shanghai Commercial Bank Ltd. - Shanghai Branch	Banking business approved by local government	3,446,914 US\$ 108,873	Note 4	2,048,940 US\$ 64,717	- US\$ -	- US\$ -	2,048,940 US\$ 64,717	100%	(746,774) (US\$ 23,330)	3,550,344 US\$ 112,140	- -
The Shanghai Commercial & Savings Bank, Ltd. - Wuxi Branch	Banking business approved by local government	2,745,144 US\$ 86,707	Note 1 (1)	2,745,144 US\$ 86,707	- US\$ -	- US\$ -	2,745,144 US\$ 86,707	100%	49,738 US\$ 1,554	2,952,961 US\$ 93,271	- -

Accumulated Investment in Mainland China as of September 30, 2024 (Note 3)		Investment Amounts Authorized by Investment Commission, MOEA (Note 3)		Upper Limit on Investment Authorized by Investment Commission MOEA	
\$ 11,336,179	US\$ 358,060	\$ 12,098,669	US\$ 382,144	\$ 155,809,184	

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: Except SCSB Leasing (China) Co., Ltd., other financial report audited or reviewed by the accounting firm associated with the parent company in Taiwan.

Note 3: Calculated using the exchange rate on September 30, 2024.

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

TABLE 6

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(Amounts in Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
0	The Shanghai Commercial & Savings Bank, Ltd.	SCSB Asset Management Ltd.	From parent company to subsidiary	Accounts payable	\$ 168	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Deposits and remittances	223,178	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Interest expenses	725	Note 4	-
		SCSB Asset Management Ltd.	From parent company to subsidiary	Other non-interest income	355	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Accounts payable	17	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Deposits and remittances	13,287	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Other liabilities	20	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Interest expenses	121	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Other non-interest income	59	Note 4	-
		SCSB Marketing	From parent company to subsidiary	Other non-interest income	67,665	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Accounts payable	626	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Deposits and remittances	163,994	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other liabilities	189	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Interest expenses	1,563	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other non-interest income	540	Note 4	-
		China Travel Service (Taiwan)	From parent company to subsidiary	Other general and administrative expenses	1,341	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Accounts payable	68	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Deposits and remittances	5,033	Note 4	-
		CTS Travel International Ltd.	From parent company to subsidiary	Interest expenses	69	Note 4	-
		Shancom Reconstruction Inc.	From parent company to subsidiary	Cash and cash equivalents	347,901	Note 4	-
		Shancom Reconstruction Inc.	From parent company to subsidiary	Due from the Central Bank and call loans to banks	88,791	Note 4	-
		Shancom Reconstruction Inc.	From parent company to subsidiary	Accounts payable	235	Note 4	-
		Shancom Reconstruction Inc.	From parent company to subsidiary	Deposits and remittances	70,307	Note 4	-
		Shancom Reconstruction Inc.	From parent company to subsidiary	Interest expenses	14,141	Note 4	-
		AMK Microfinance Institution Plc.	From parent company to subsidiary	Discounts and loans	3,213,490	Note 4	0.13%
		AMK Microfinance Institution Plc.	From parent company to subsidiary	Interest revenue	107	Note 4	-

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
1	SCSB Asset Management Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	\$ 223,178	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	168	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	725	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	360	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	2,712	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	2,717	Note 4	-
		Shancom Reconstruction Inc.	From subsidiary to subsidiary	Cash and cash equivalents	2	Note 4	-
2	SCSB Marketing	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	13,287	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	17	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other assets	20	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	121	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	60	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Right-of-use assets	67	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Lease liabilities	69	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	1	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	67,665	Note 4	-
3	China Travel Service (Taiwan)	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	626	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	163,994	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other assets	189	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	1,563	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other general and administrative expenses	540	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Other non-interest income	1,341	Note 4	-
		Shancom Reconstruction Inc.	From subsidiary to subsidiary	Cash and cash equivalents	182	Note 4	-
		CTS Travel International Ltd.	From subsidiary to subsidiary	Other general and administrative expenses	919	Note 4	-
4	CTS Travel International Ltd.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	68	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	5,033	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	69	Note 4	-
		China Travel Service (Taiwan)	From subsidiary to subsidiary	Service fee income	919	Note 4	-

(Continued)

No.	Company Name	Counterparty	Nature of Relationship	Intercompany Transaction			
				Financial Statement Item	Amount	Term	Percentage of Consolidated Total Gross Sales or Total Assets (Note 3)
5	Shancom Reconstruction Inc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Due from the Central Bank and call loans to banks	\$ 347,901	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	70,307	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Accounts receivable	235	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Cash and cash equivalents	88,791	Note 4	-
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest revenue	14,141	Note 4	-
		SCSB Asset Management Ltd.	From subsidiary to subsidiary	Deposits and remittances	182	Note 4	-
		China Travel Service (Taiwan)	From subsidiary to subsidiary	Deposits and remittances	2	Note 4	-
6	AMK Microfinance Institution Plc.	The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Call loans to banks	3,213,490	Note 4	0.13%
		The Shanghai Commercial & Savings Bank, Ltd.	From subsidiary to parent company	Interest expenses	107	Note 4	-

Note 1: The parent company and subsidiaries are indicated by the following numbers:

- (1) Parent company: 0.
- (2) Subsidiaries: 1 onward.

Note 2: The directional flow of the various transactions are indicated according to the following types:

- (1) Transactions from parent company to subsidiary.
- (2) Transactions from subsidiary to parent company.
- (3) Transactions from subsidiary to subsidiary.
- (4) Transactions from parent company to indirect subsidiary.
- (5) Transactions from indirect subsidiary to parent company.

Note 3: The percentages are recalculated by the consolidated total assets or the consolidated net sales. If the account belongs to the balance sheets, it will be based on the percentage of its final amount divided by the consolidated total assets. Otherwise, if the account belongs to the income statements, it will be based on the percentage of its average amount divided by the consolidated net revenue.

Note 4: All transactions with related parties were carried out at arm’s length.